

Germany: Create a VAT declaration in XML format without transferring it to ELSTER

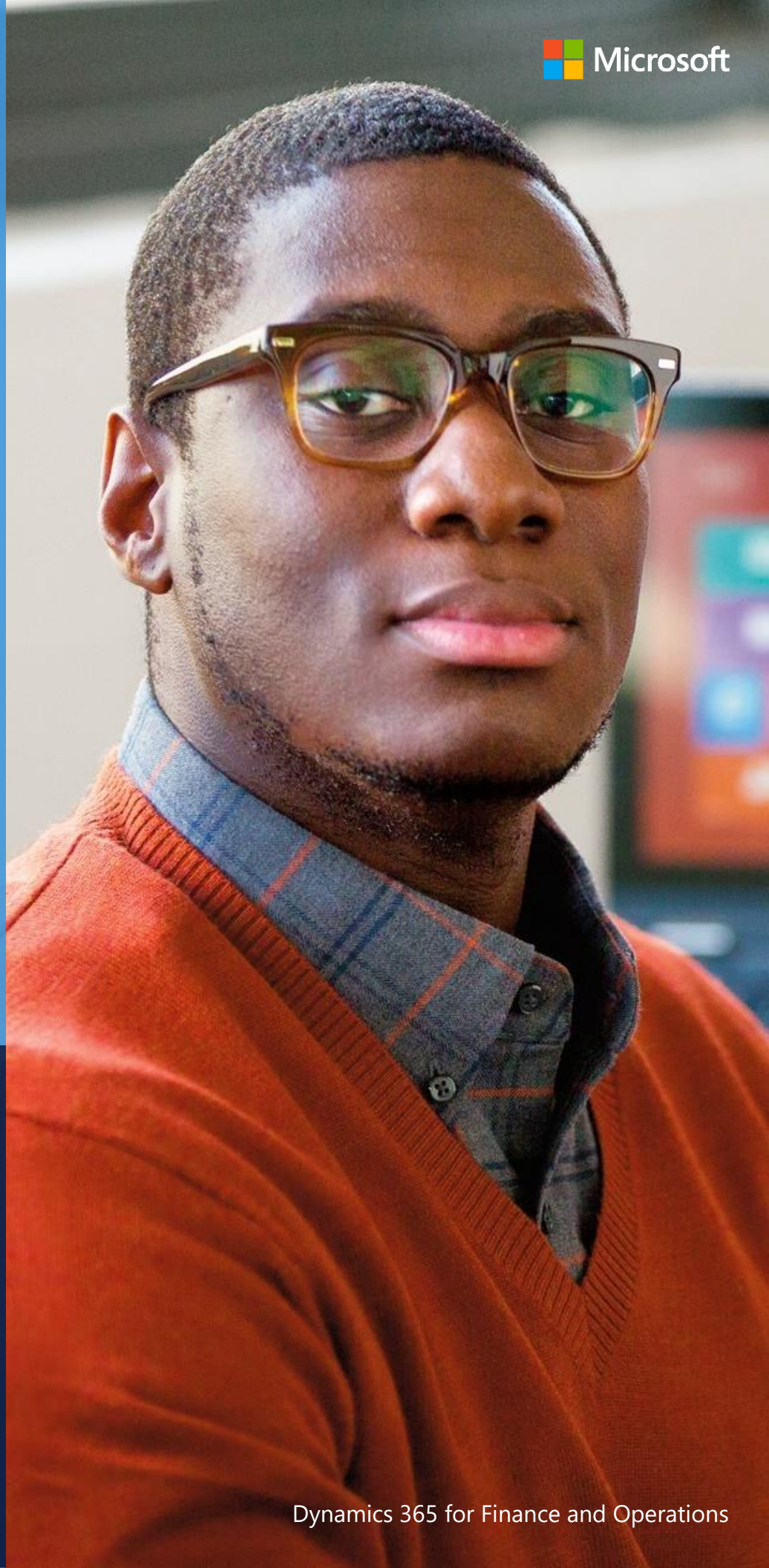
This document explains changes in the submission process for a value-added tax (VAT) declaration in XML format in Microsoft Dynamics 365 for Finance and Operations and Dynamics AX 2012 R3.

White paper

October 2018

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[ELSTER](#) is the standard of tax administration in Germany. It provides various tools that companies in Germany use for electronic financial reporting. For the declaration of value-added tax (VAT) returns, ELSTER provides endpoints to the open interface of a web service. These endpoints were supported by Microsoft Dynamics 365 for Finance and Operations and Microsoft Dynamics AX 2012 R3 (and earlier versions). However, ELSTER has announced that, as of **January 1, 2019**, the open interface for transferring data for sales tax returns will be closed by the German tax authorities.

Starting January 1, 2019, the ELSTER Rich Client (ERiC) interface must be used to transfer data for sales tax returns. For more information about ERiC, see the [Appendix](#) of this document.

At the same time, if a company is registered in Germany, users can sign in to the [Bundeszentralamt für Steuern \(BZSt\) Online-Portal \(BOP\)](#), go to the **Forms** section, and submit the VAT declaration via the web interface ([Mein ELSTER](#)) or by using [ElsterFormular](#).

Overview

The online finance office ([BOP](#)) enables completely paperless electronic submission of VAT declarations. In this case, a web browser must be used to submit the VAT declaration, and [registration with an electronic certificate](#) is required.

For users in Germany to submit VAT declarations by using Microsoft Dynamics, the application must let them generate and save an XML file that contains the VAT declaration.

Submission of a VAT declaration through the web interface or ERiC requires the following adjustments to the XML format:

- The **<Elster>** namespace must be changed.
- The **<Vorgang>** tag must be reported with the **"send-Auth"** value.
- The **<Datei>** block of fields must be reported.
- The **<NutzdatenHeader>** tag must be reported with the **version="11"** attribute.

To accommodate the new requirements for submitting the XML format via the web interface or ERiC, and to enable the generated XML file to be saved, Microsoft plans to deliver an update.

For AX 2012 R3, the update will let users in Germany complete these tasks:

- Set up the system to support the new XML format by using a new **Use web-service for auto-submission** check box in the **Electronic tax declaration setup** form.
- Preview the updated format by using the existing **Preview** tab in the **Electronic tax declaration log** form.
- Save the VAT declaration in XML format from an attachment to a record in the **Electronic tax declaration log** form.
- Manually update status of the "Electronic tax declaration log" record to **Sent**.

For Finance and Operations versions, a hotfix will update the application part of the existing Electronic tax declaration log functionality and provide a new version of the “Elster (DE)” Electronic reporting (ER) format. The application update will let users in Germany complete these tasks:

- Preview the updated format by using the existing **Preview** tab on the **Electronic tax declaration log** page.
- Save the VAT declaration in XML format from an attachment to a record on the **Electronic tax declaration log** page.
- Manually update the status of the “Electronic tax declaration log” record to **Sent**.
- Extend the Submit function so that it can interact with a third-party web service by using [Chain of Command \(CoC\)](#).

A new version of the “Elster (DE)” ER format will cover changes in XML files that are submitted by using ERiC. In ER, an “effective from” date can be defined for the new version of the format to make the system start to generate VAT declarations in the new format (for ERiC) on a specific date. ELSTER won’t accept XML files in the new format for ERiC via the existing open interface of the web service.

In accordance with the [Software Lifecycle Policy](#), Microsoft plans to release the update that enables the generation of VAT declarations in XML format that can be transferred via ERiC for the following versions:

- Microsoft Dynamics AX 2012 R3
- Microsoft Dynamics 365 for Operations version 1611 (November 2016)
- Microsoft Dynamics 365 for Finance and Operations, Enterprise edition (July 2017)
- Microsoft Dynamics 365 for Finance and Operations, Enterprise edition 7.3
- Microsoft Dynamics 365 for Finance and Operations version 8.0 (April 2018)
- The latest version of Microsoft Dynamics 365 for Finance and Operations

For the latest information about planned updates of Finance and Operations or AX 2012 R3 for German VAT declarations in XML format, sign in to [Microsoft Dynamics Lifecycle Services \(LCS\)](#), and use Issue search to search for feature reference **DE-00003** or feature title **Germany: VAT declaration in XML format creation without transferring to ELSTER**.

Appendix

The [Developers area](#) of the ELSTER website provides examples that show how developers can interact with ERiC for the submission of VAT declarations. Examples are provided for C++, C#, and Java. To access this area of the website, you must be [registered as a developer](#).

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