

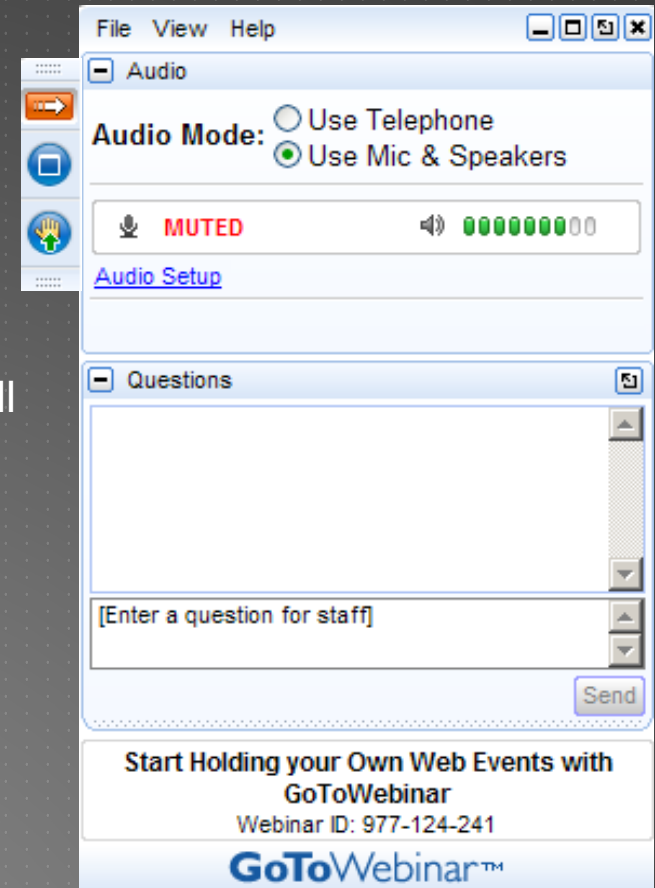
EBTAX: THE FIVE THINGS YOU NEED TO KNOW

Hosted by: eprentise

Presenter: Alex Fiteni

WEBINAR MECHANICS

- ▶ Open and close your panel.
- ▶ View, select, and test your audio.
- ▶ Submit text questions.
- ▶ Raise your hand.
- ▶ Q&A addressed at the end of the session. Answers will be posted within two weeks on our new LinkedIn Group, EBS Answers:
<http://www.linkedin.com/groups/EBS-Answers-4683349/about>
- ▶ Everyone will receive an email within 24 hours with a link to view a recorded version of today's session.
- ▶ Polling questions will be presented during the session. If you want CPE credit for this webinar, you must answer all of the polling questions.



LEARNING OBJECTIVES

After this session you will be able to:

- ▶ **Objective 1:** Understand how to embed compliance into eBtax.
- ▶ **Objective 2:** Identify ways to leverage tax automation concepts to reduce manual intervention in the tax process.
- ▶ **Objective 3:** Provide insights into reducing eBtax maintenance.

*e*prentise®: Transformation Software for E-Business Suite

Company Overview: Established 2006 | Helene Abrams, CEO

*e*prentise Can...

- Consolidate Multiple EBS Instances
- Change Underlying Structures and Configurations
 - Chart of Accounts, Other Flexfields
 - Inventory Organizations
 - Operating Groups, Legal Entities, Ledgers
 - Calendars
 - Costing Methods
- Resolve Duplicates, Change Sequences, IDs
- Separate Data

...So Our Customers Can:

- Reduce Operating Costs and Increase Efficiencies
 - Shared Services
 - Data Centers
- Adapt to Change
 - Align with New Business Initiatives
 - Mergers, Acquisitions, Divestitures
 - Pattern-Based Strategies
 - Make ERP an Adaptive Technology
- Avoid a Reimplementation
- Reduce Complexity and Control Risk
- Improve Business Continuity, Service Quality and Compliance
- Establish Data Quality Standards and a Single Source of Truth

Nikola Tesla, *The Problem of Increasing Human Energy*:

**ALL ENERGY IS MOVEMENT, ALL
MOVEMENT ENERGY**

ABSTRACT

- ▶ Learn how to leverage Oracle E-Business tax (eBtax) to solve complex tax compliance issues, optimize tax automation, minimize accounting and reduce manual overrides, all while simplifying your configuration. This presentation will provide you with the five key things you need to know about eBtax.
- ▶ Objectives
 - ▶ Understand how to embed compliance into eBtax
 - ▶ Identify ways to leverage tax automation concepts to reduce manual intervention in the tax process
 - ▶ Provide insights into reducing eBtax maintenance

ABOUT ALEX FITENI CMA

- ▶ Certified Management Accountant
- ▶ Software product developer
- ▶ Patent holder
- ▶ Author of numerous presentations, lectures and white papers on accounting information systems
- ▶ Lead or contributed to more than fifty ERP implementation projects
- ▶ Specializes in Oracle® E-Business Tax upgrade, implementation, and remote support
- ▶ www.fiteni.com @Fiteni Alex@fiteni.com

AGENDA

- Oracle® E-Business Tax Overview
 - 1. It's about compliance
 - 2. Place of supply or bust
 - 3. Every tax rule has a result
 - 4. Eliminate doubt using tax automation
 - 5. Make tax account
 - ▶ Summary
 - ▶ Q & A

INTRODUCTION – EBTAX OVERVIEW

Transaction Tax Requests

Tax Content
Repository

Tax
Determination
Service

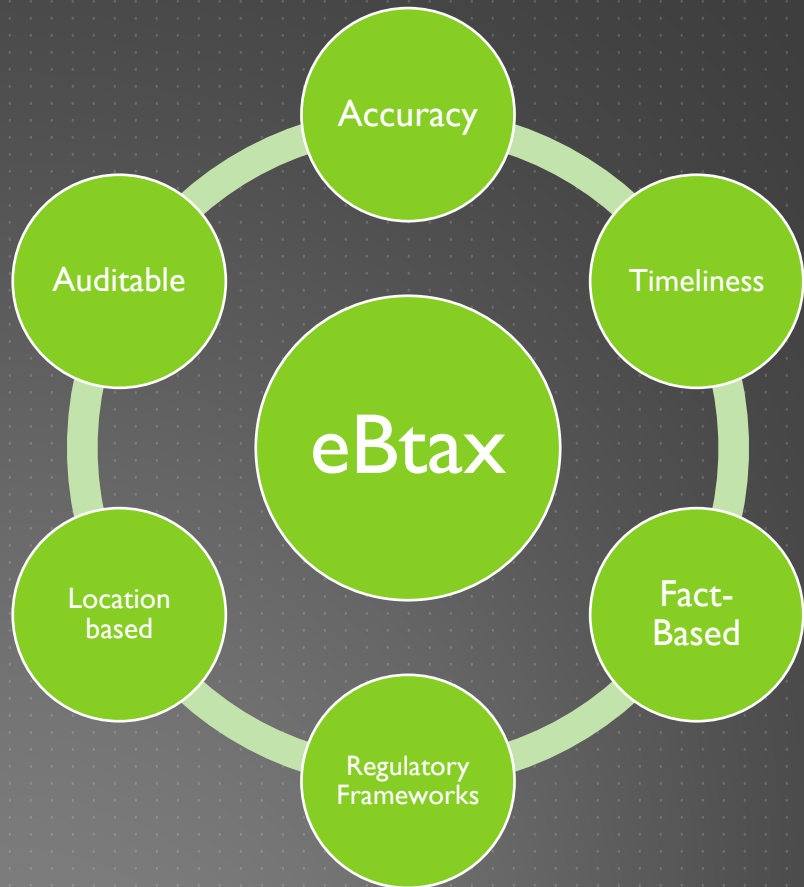
Tax Audit
Repository

Tax Partner
Integration

I. It's about tax compliance

Solution Design Principles

- Engage tax managers and trusted advisors, as well as back-office SMEs
- Leverage transaction data sources to drive tax results
- Make data quality a key success factor for tax, and engage with MDM teams early and often
- Validate solution design with trusted advisors; get sign off
- Verify design with thorough testing through all impacted ERP processes



REGIME TO RATES HIERARCHY

Tax Regimes | Taxes | Tax Statuses | Tax Jurisdictions | Tax Recovery Rates | Tax Rates | Tax Rules

Tax Configuration: Tax Regimes >

Regime to Rate Flow

Search

Tax Regime Code **FR VAT** Tax Tax Status Code Tax Rate Code Tax Jurisdiction Code

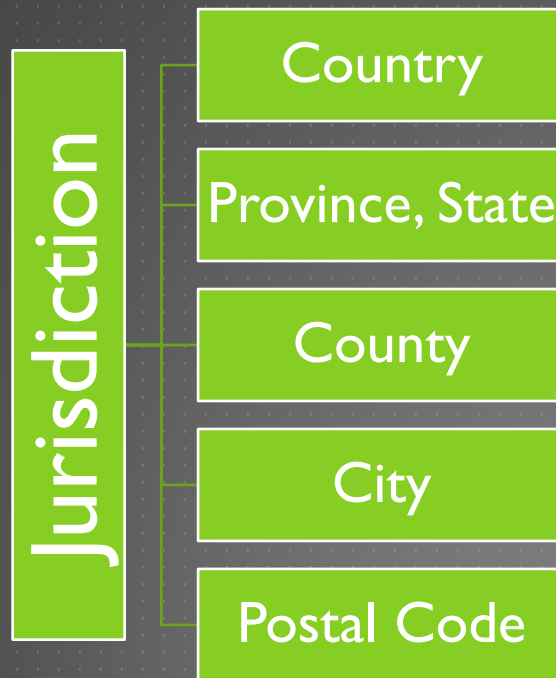
The following table will allow you to drill down to each level within the Regime to Rate Flow.

[Expand All](#) | [Collapse All](#)

Focus Code	Level Name or Jurisdiction Name for Rate	Level Type	Configuration Owner	Create Tax	Create Tax Status	Create Tax Rate	Update
FR VAT	FR VAT	Regime					
FR VAT	FR VAT	Tax	Global Configuration Owner				
Previous							
FR VAT EXEMPT	FR VAT EXEMPT	Status					
FR VAT EXEMPT RATE	FR VAT Exempt Rate	Rate					
FR VAT INTRA EU	FR VAT INTRA EU	Status					
FR VAT INTRA EU RATE	FR VAT Intra EU Rate	Rate					
FR VAT INTRA EU ZERO	FR VAT INTRA EU ZERO	Status					
FR VAT INTRA EU ZERO RATE	FR VAT Intra EU Zero Rate	Rate					
FR VAT REDUCED 1	FR VAT REDUCED 1	Status					
FR VAT REDUCED 1 RATE	FR VAT Reduced 1 Rate	Rate					
FR VAT REDUCED 2	FR VAT REDUCED 2	Status					
FR VAT REDUCED 2 RATE	FR VAT Reduced 1 Rate	Rate					
Next 6 - 7 of 7							

2. PLACE OF SUPPLY OR BUST

Geography Drivers



Tax Scenarios



GEOGRAPHY HIERARCHY

ORACLE

View Details: Canada: Province

Search

To find your item, select a filter from the pulldown list and enter a value, then click the "Go" button.

Search **Code** **Go**

☐ Geographies unknown for this level
TIP Creates a placeholder geography for this level, allowing you to navigate to the next level.

Name	Code	Code Type	Code Data Provider	View Details	Update	Delete
AB	AB	FIPS Code				
BC	BC	FIPS Code				
MB	MB	FIPS Code				
NB	NB	FIPS Code				
NF	NF	FIPS Code				
NS	NS	FIPS Code				
NT	NT	FIPS Code				
NV	NV	FIPS Code				
ON	ON	FIPS Code				
PEI	PEI	FIPS Code				

Add 5 Rows

Navigation: Previous 1-10 Next 10

Footer: Requests Home Logout Preferences Help Diagnostics

3. EVERY TAX RULE HAS A RESULT

Transaction data drivers

- Transaction Class
- Parties
- Locations
- Line Item details
- Account Code

Determining Factors

- Ship To, Bill To, POO, POA Locations
- Parties
- Trx Inputs
- Product Category
- Inventory Item
- Fiscal Classifications

Condition Sets

- Factor Sets
- Operators
- ALL conditions must be met
- Uses Trx data as a source
- Each condition set is Ranked as 'OR's

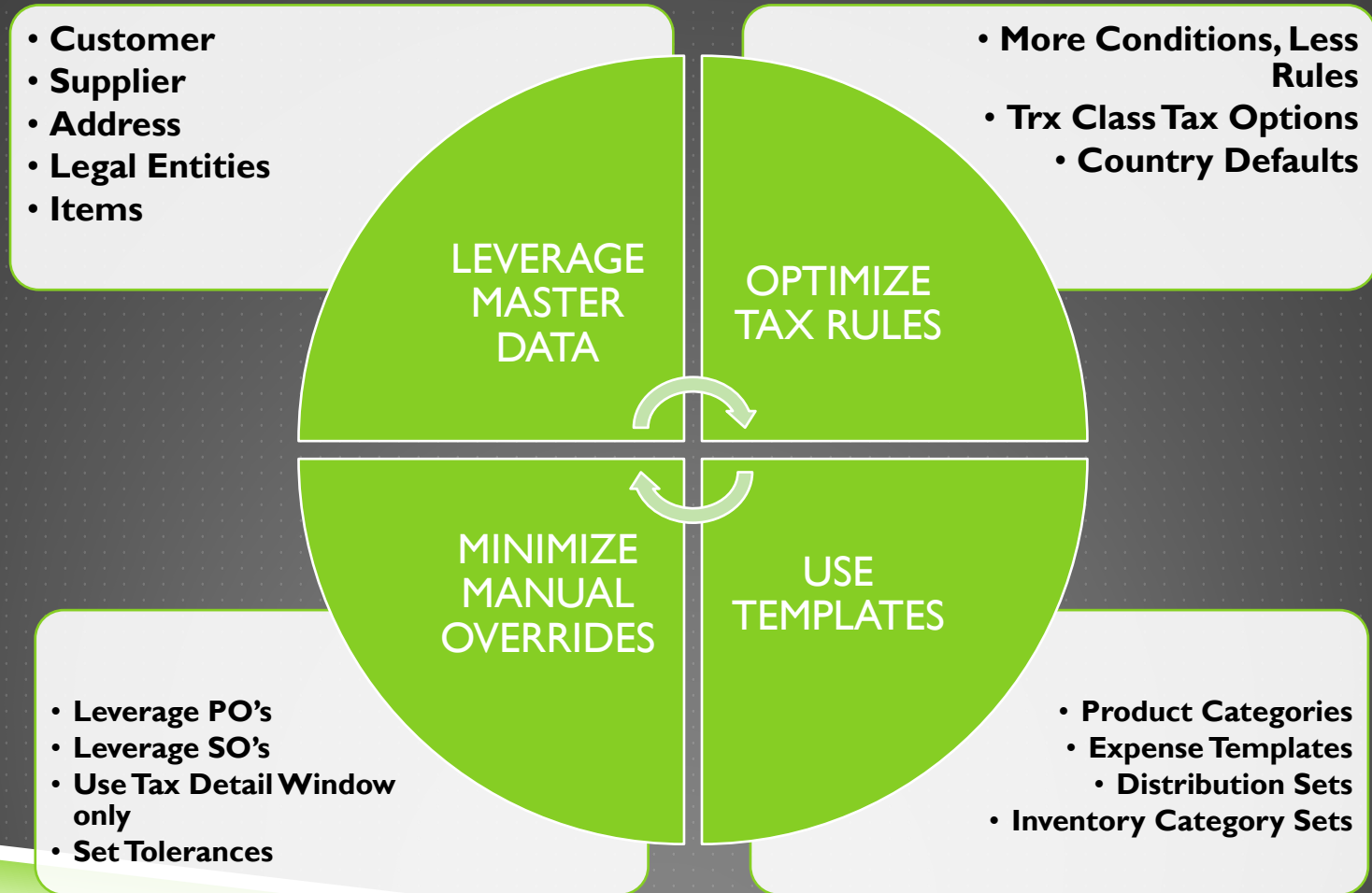
Process Result

- Direct Rate Rules OR
- Place of Supply
- Registration
- Status
- Rate
- Taxable Basis
- Tax Amount
- Recovery Rate

MULTIPLE TAX CONDITIONS PRIORITIZED

Home	Tax Configuration	Products	Parties	Transactions	Defaults and Controls	Provider Services	Advanced Setup Options	Requests
Tax Regimes Taxes Tax Statuses Tax Jurisdictions Tax Recovery Rates Tax Rates Tax Rules								
Tax Configuration: Tax Rules >								
Tax Rule: FR_PLACE_OF_SUPPLY								
Configuration Owner Global Configuration Owner Tax Regime Code FR VAT Tax FR VAT Rule Type Determine Place of Supply Default Determine Place of Supply Rule Rule Code FR_PLACE_OF_SUPPLY Name FR_PLACE_OF_SUPPLY Rule Order 20 Effective From 01-Apr-1954 Effective To Enabled Yes			Event Class Category Geography Specific Rule No Determining Factor Set Code FR VAT PLACE OF SUPPLY 1 Determining Factor Set Name FR VAT PLACE OF SUPPLY 1					
Condition Sets								
Select Condition Set Code		Name	Order	Result	Enabled	Reporting Codes		
<input checked="" type="radio"/> FR DOM_SALE_OF_GOODS2		FR DOM_SALE_OF_GOODS2	20	Ship From	Yes			
<input type="radio"/> FR DOM_SERVS1		FR DOM_SERVS1	105	Bill From	Yes			
<input type="radio"/> FR INTRA_EU_GOODS_CUST2		FR INTRA_EU_GOODS_CUST2	90	Ship To	No			
<input type="radio"/> FR INTRA_EU_GOODS_CUST3		FR INTRA_EU_GOODS_CUST3	91	Ship To	Yes			
Conditions								
Determining Factor Class	Class Qualifier	Determining Factor Name	Operator	Value/From Range	To Range	Ignore Condition		
Geography	Ship From	Country	Equal To	France		No		
Geography	Ship To	Country	Equal To	France		No		
Transaction Input Factor		Product Type	Equal To	GOODS		No		
Transaction Generic Classification		Transaction Business Category	Equal To			Yes		
Registration	Bill From Party	Registration Status	Equal To			Yes		
Registration	Bill To Party	Registration Status	Equal To			Yes		
Product - Inventory Linked		FR-Product Level 2	Equal To			Yes		
User Defined Geography	Ship From	EU_TAX_ZONE	Equal To			Yes		
User Defined Geography	Ship To	EU_TAX_ZONE	Equal To			Yes		

4. ELIMINATE DOUBT USING TAX AUTOMATION



TAX RULES DRIVE AUTOMATION

Indicates required field

* Configuration Owner: Global Configuration Owner

* Tax Regime Code: FR VAT

* Tax: FR VAT

Rule Type:

Go

Select tax rule type: **Reorder Rules**

Expand All | Collapse All

Select Name	Type	Configuration Owner	Default	Set Default	Event Class	Rule Order	Determining Factor Set Name	Enabled	Guided Rule Entry	Expert Rule Entry
<input type="radio"/> Rule Types										
<input checked="" type="radio"/> Direct Tax Rate Determination	Rule Type									
<input type="radio"/> Determine Place of Supply	Rule Type		Ship From							
FR PLACE OF SUPPLY	Rule Name	Global Configuration Owner				20	FR VAT PLACE OF SUPPLY 1	Yes		
<input type="radio"/> Determine Tax Applicability	Rule Type		Applicable							
FR TAX APPLICABILITY	Rule Name	Global Configuration Owner				20	FR_IMP_EX_EU_GDS	Yes		
<input type="radio"/> Determine Tax Registration	Rule Type		Bill From Party							
FR VAT TAX REGISTRATION	Rule Name	Global Configuration Owner				40	FR VAT REGISTRATION	Yes		
<input type="radio"/> Determine Tax Status	Rule Type		FR VAT STANDARD							
FR VAT TAX STATUS	Rule Name	Global Configuration Owner				50	FR VAT TAX STATUS	Yes		
<input type="radio"/> Determine Tax Rate	Rule Type		FR VAT STANDARD RATE							
<input type="radio"/> Determine Taxable Basis	Rule Type		STANDARD_TB							
<input type="radio"/> Calculate Tax Amounts	Rule Type		STANDARD_TC							
<input type="radio"/> Determine Recovery Rate	Rule Type									
FR ZERO RECOVERY	Rule Name	Global Configuration Owner				90	FR VAT RECOVERY RATE	Yes		

Select tax rule type: **Reorder Rules**


used to determine the tax for a specific transaction.
[Learn More...](#)

javascript:N3_hg.expandNode('13');

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5. MAKING TAX ACCOUNT



Accrue or Self-Assess	<ul style="list-style-type: none">• Dr Tax Recovery & Expense• Cr Tax Liability
Recover Inputs	<ul style="list-style-type: none">• Dr Recovery & Expense• Cr Tax Paid Supplier
Offsets & Movements	<ul style="list-style-type: none">• Dr Recoverable & Non-Recoverable Tax• Cr Tax Liability

CONFIGURE TO ACCOUNT

http://ec2-107-20-61-211.compute-1.amazonaws.com:8000/O

Create Tax Accounts

File Edit View Favorites Tools Help

Enbr... Orac... ABS ACLRS AWS TXRD... CoR... OC R... itte... Ente...

Tax Regimes Taxes Tax Statuses Tax Jurisdictions Tax Recovery Rates Tax Rates Tax Rules

Tax Configuration: Taxes > Tax > Tax Accounts >

Create Tax Accounts

Cancel Apply

Tax Regime Code **CA.GST.HST.RGM**
Tax **CA.GST.TAX**
Configuration Owner **Global Configuration Owner**
* Indicates required field

Tax Regime Name **CA.GST.HST.RGM**
Tax Name **CA.GST.TAX**

Main Information

Ledger **Vision Operations (USA)** * Operating Unit Vision Operations

General Tax Accounts

Tax Expense Interim Tax
Company-Department-Account-Sub-Account-Product Company-Department-Account-Sub-Account-Product

* Tax Recoverable/Liability 01-000-1230-0000-000
Company-Department-Account-Sub-Account-Product

Accounts for Receivables Activities

Finance Charge Tax Liability
Company-Department-Account-Sub-Account-Product

Non-Recoverable Tax Accounts

Earned Discounts Adjustment
Company-Department-Account-Sub-Account-Product Company-Department-Account-Sub-Account-Product

Unearned Discounts
Company-Department-Account-Sub-Account-Product

Expense/Revenue Accounts

Earned Discounts Adjustment
Company-Department-Account-Sub-Account-Product Company-Department-Account-Sub-Account-Product

Unearned Discounts Finance Charges
Company-Department-Account-Sub-Account-Product Company-Department-Account-Sub-Account-Product

Cancel Apply

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SUMMARY

1. Drive your tax design from a compliance perspective first, not tax codes, and the solution will be optimized for accuracy
2. Place of Supply or Location Based Taxes require a higher level of Data Quality in Master Data Repositories
3. Tax Rules can be optimized to improve accuracy and performance, and always ensure there is a known result
4. By designing with tax automation as a project driver and reduce or eliminate manual tax overrides and interface process errors
5. Design accounting to produce the correct default accounting results and reduce accounting errors and corrections in the GL

Q & A

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