ORACLE®

Financials Cloud
Tax

Sreeni Devireddy
Director, Product Management
Oracle Development

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Agenda

1. Architecture
2. Configuration
3. Simulator
4. Key Features
5. Service Subscriptions

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Architecture
Single Point Solution

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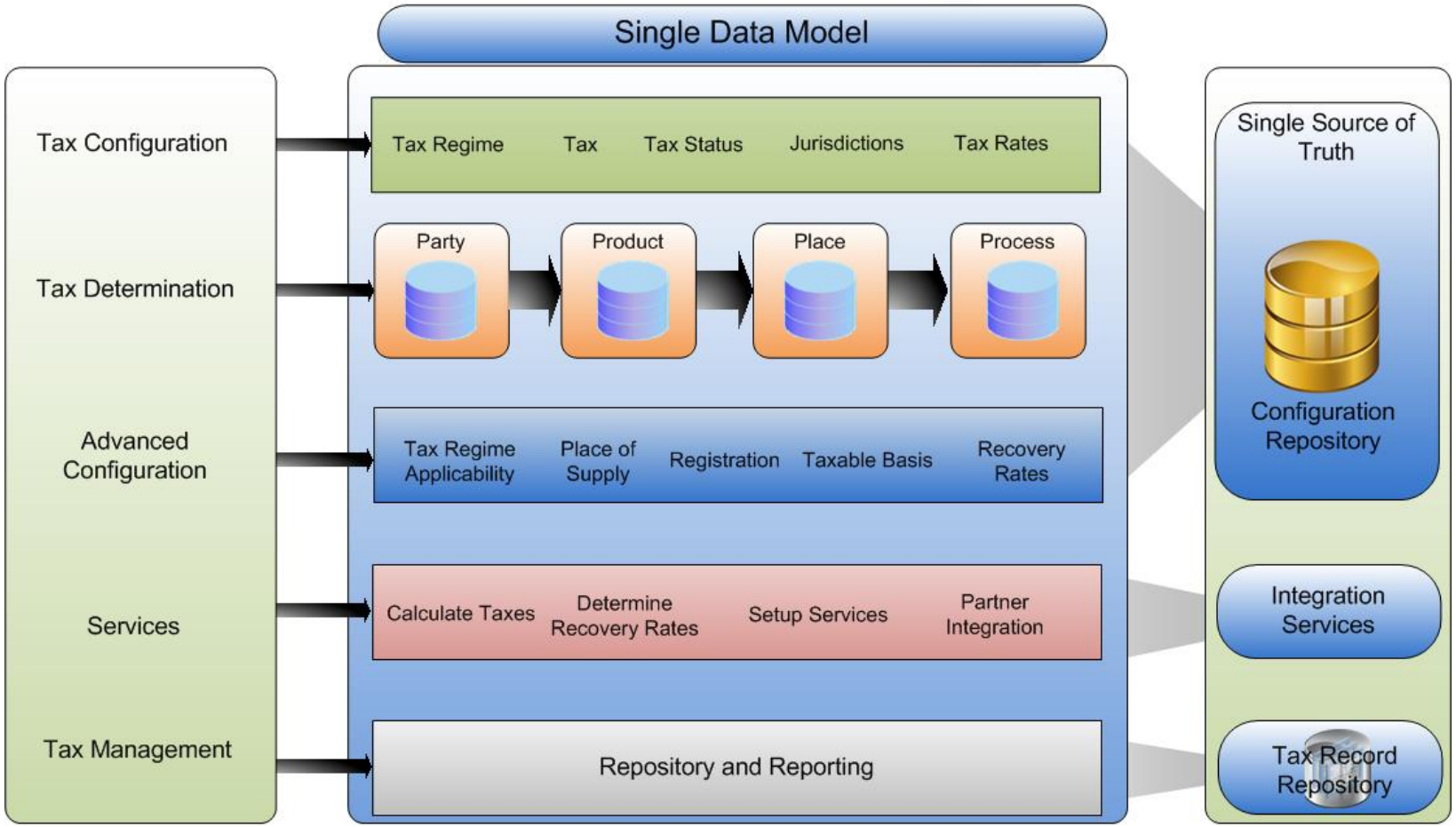
Architecture
Single Source of Truth



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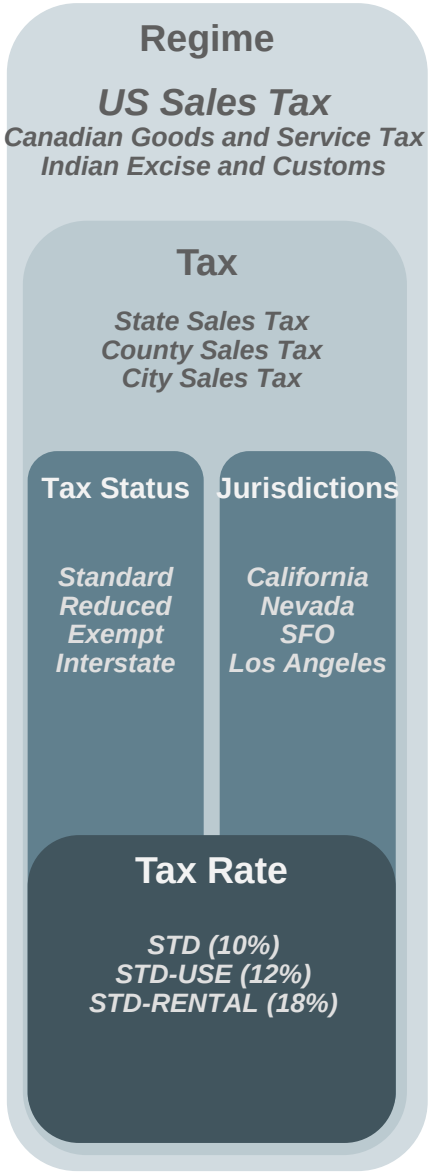
Basic Configuration



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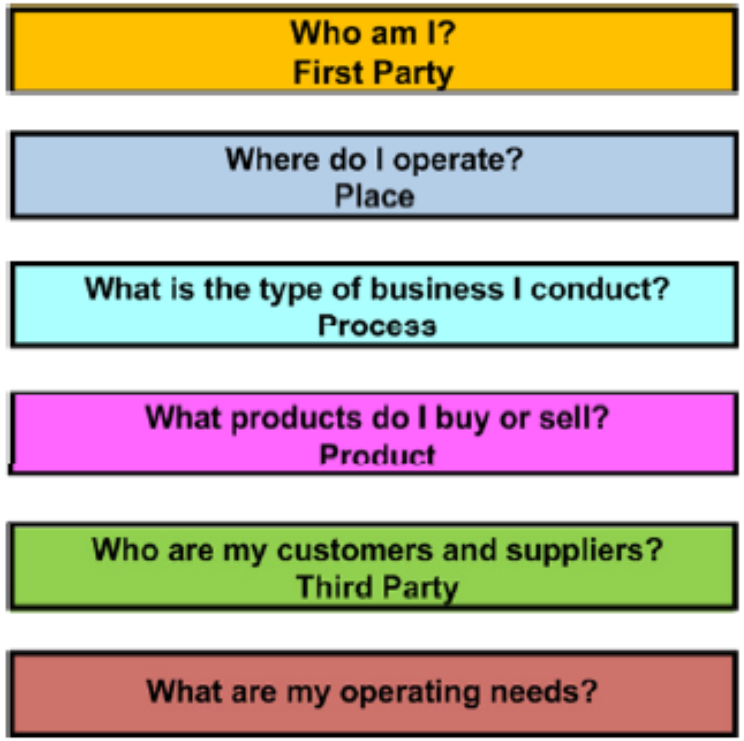
Configuration
Determining Factors



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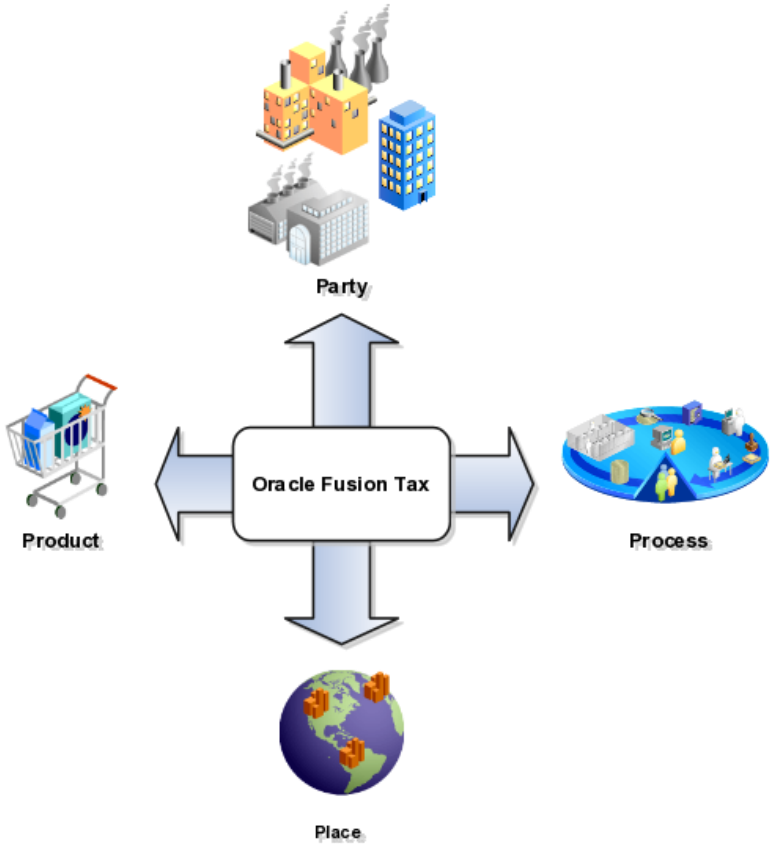
Determining Factors



Party

- Legal Party Fiscal Classification
- Registration Status
- Party Fiscal Classification

Product

- Inventory Linked
- Noninventory Linked*
- Product Type*

Process

- Document*
- Accounting Segment*
- Transaction Fiscal Classification*
- Transaction Business Category*
- Transaction Type
- Line Class
- Intended Use*
- Tax Classification Code*
- User-Defined Fiscal Classification*

Place

- Geography
- User-Defined Geography

*These determining factors are entered at transaction time.

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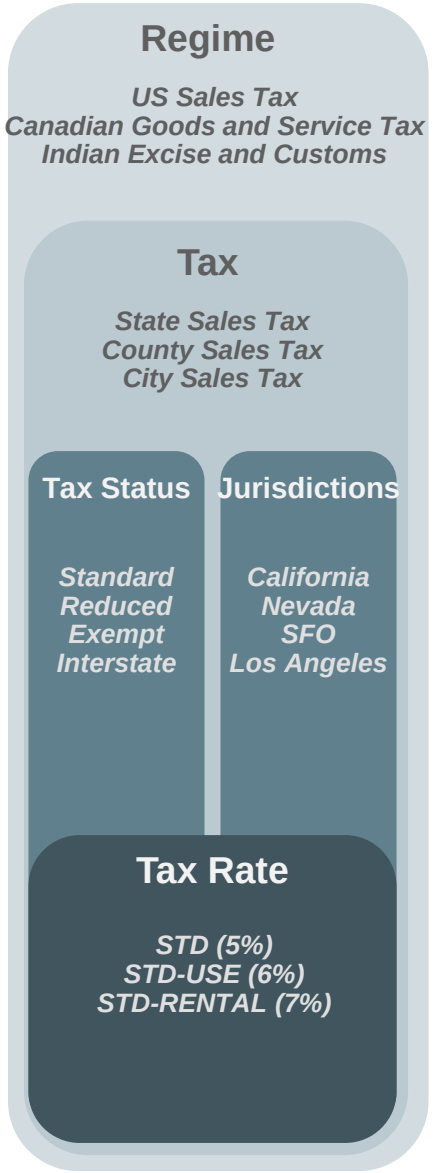
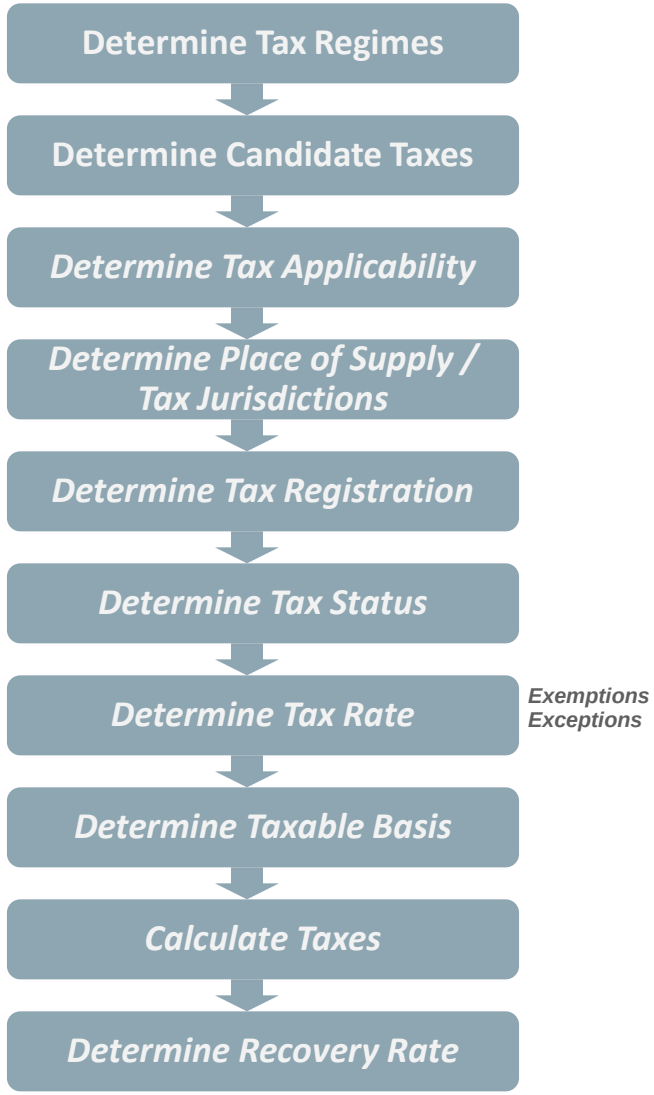
Basic Configuration



Advanced Configuration



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Tax Regulations into Rules

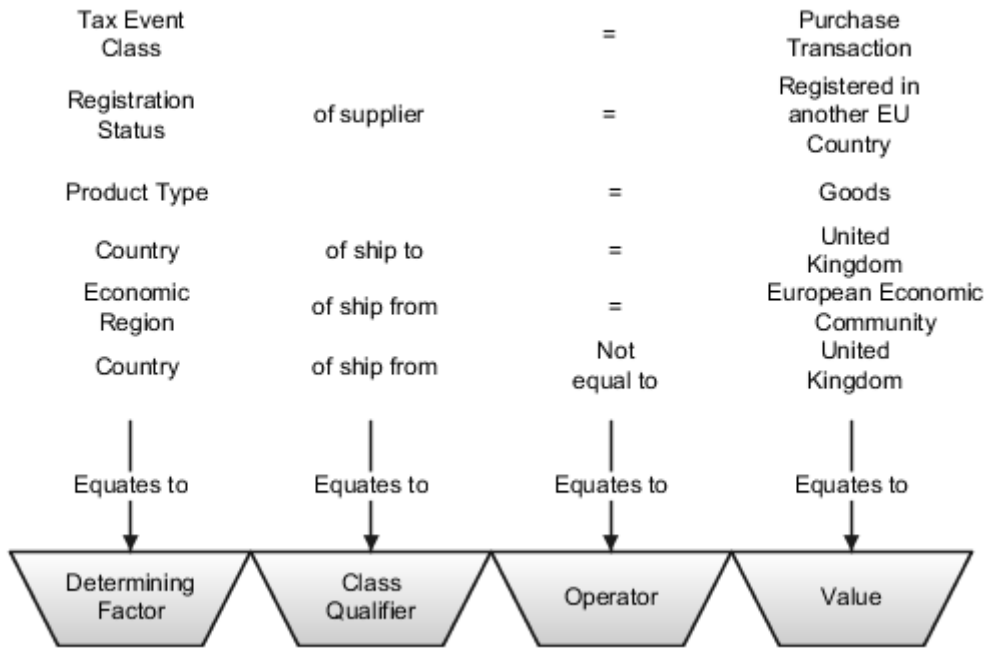
Use Case

Extract of the UK Her Majesty Revenue and Customer VAT Guide web site information.

You purchase goods from a VAT registered business in another EU Country and the goods are removed to the UK then you may be required to account for VAT in the UK on the acquisition of the goods. This VAT can be recovered as input tax on the same VAT return, subject to the normal rules for reclaiming input tax.

Breaks down into the following phrases

This translated in Oracle Fusion Tax to the following:



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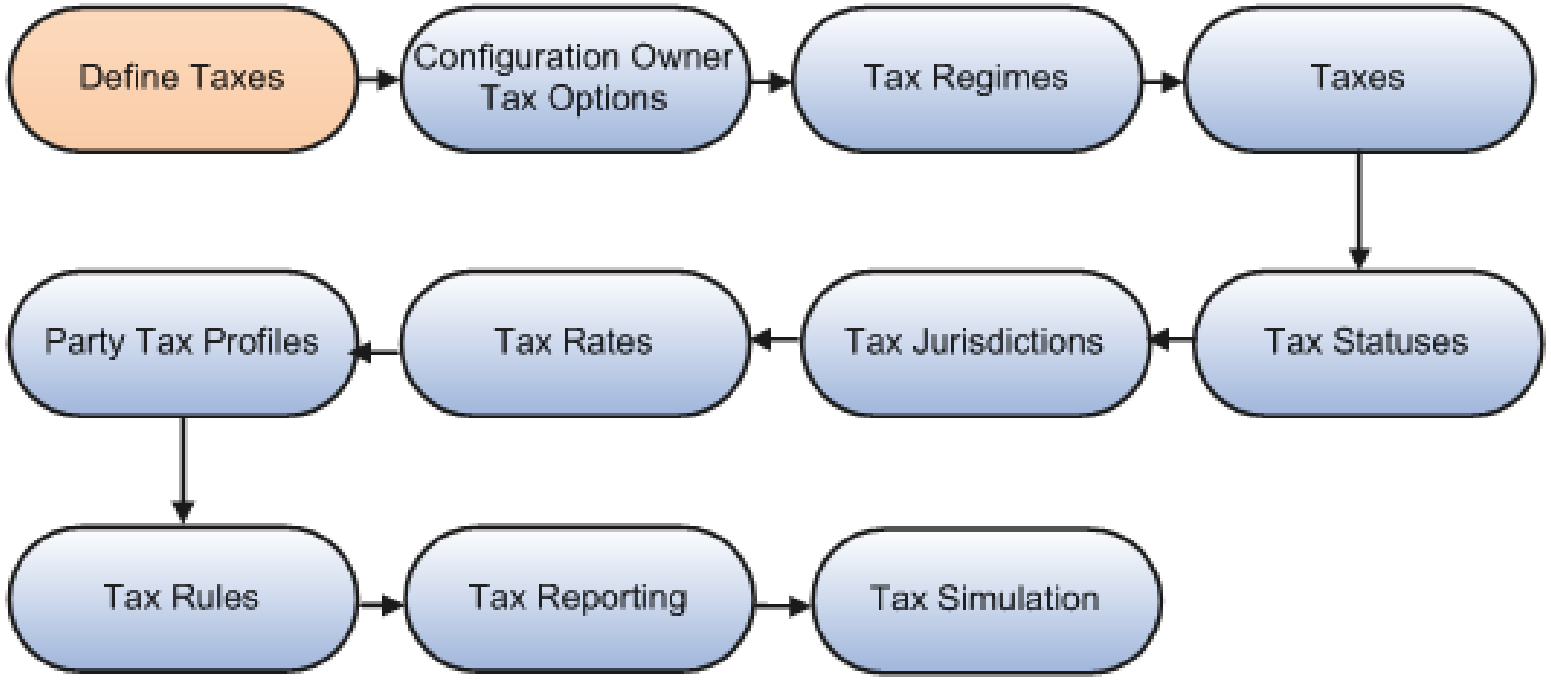
Configuration
Setup



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Implementation Experience

Tax Rapid Implementation

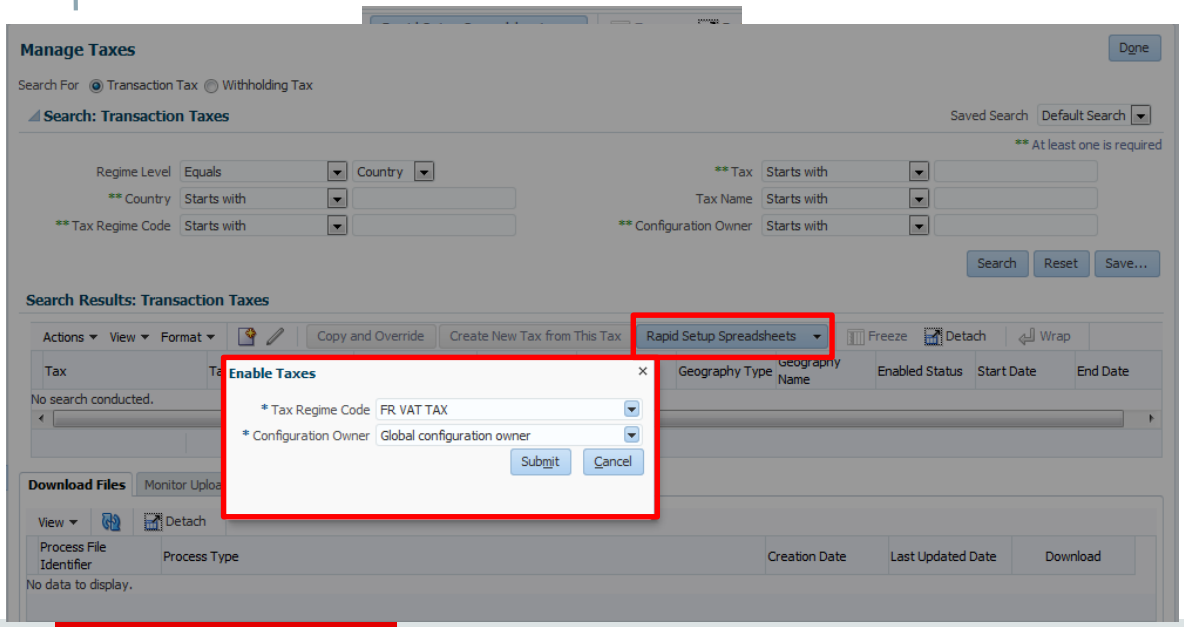
1

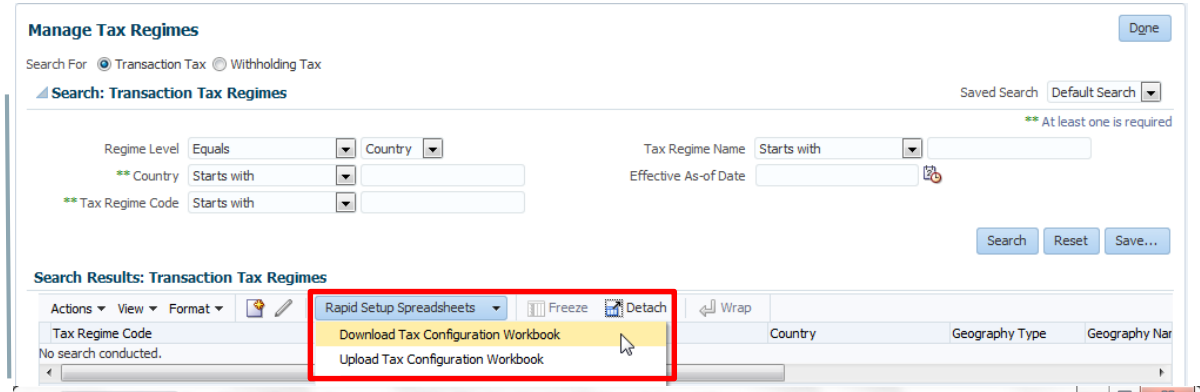
Tax Configuration Workbook

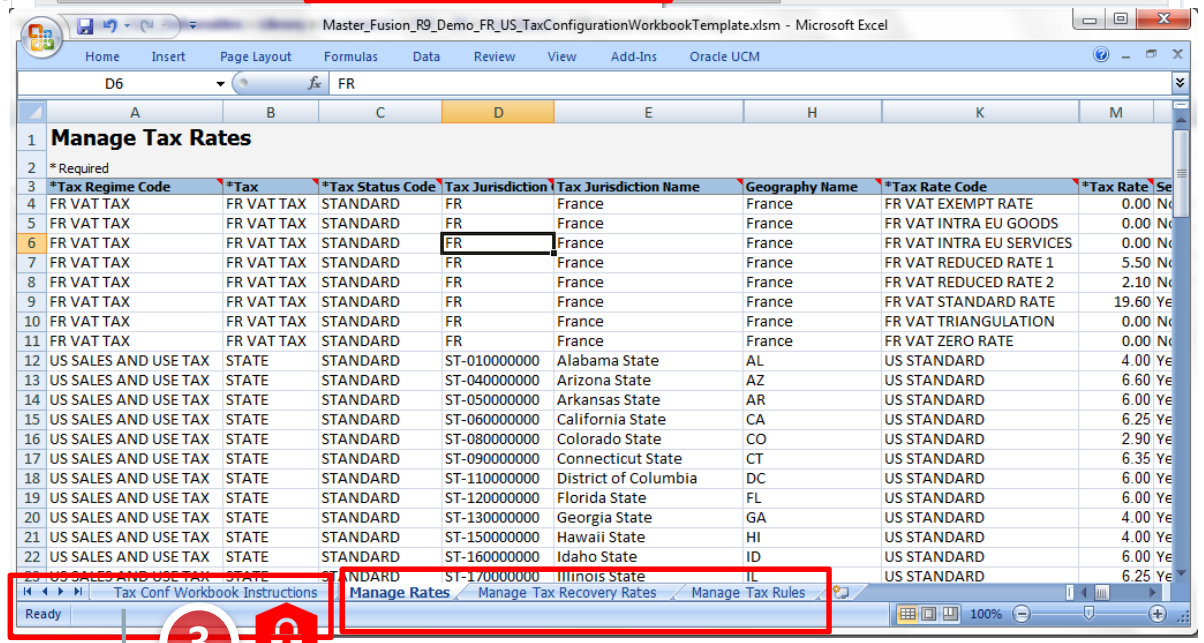
Download from Manage Tax Regimes

Upload & Enable

"Generate CSV File to Upload" button creates files for upload.
On successful completion, enable taxes for transactions







3

Organization Specific, Sensitive Configuration

Download Tax Implementation Workbook for Tax Accounts, First Party Registrations, Business Unit Subscription to regimes

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Tax Configuration Workbooks

- Use the tax configuration workbooks to upload your common and organization-specific tax setups.

Workbook Name	Worksheets
Tax Configuration	• Manage Tax Regimes • Manage Taxes • Manage Tax Rates • Manage Tax Recovery Rates • Manage Tax Thresholds
Tax Implementation	• Manage Tax Rules • Manage Tax Exemptions • Manage Party Classifications • Manage Tax Reporting Codes • Manage Tax Payer Identifiers • Manage Product Fiscal Classifications • Manage Payables Tax Determinant Defaults • Manage Tax Regime Subscriptions • Manage Tax Registrations

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Tax Setup Spreadsheets

Task	Spreadsheet to Use
Manage Tax Regimes	• Manage Tax Regimes • Manage Tax Regimes Subscriptions
Manage Taxes	• Manage Taxes • Manage Tax Accounts
Manage Tax Rates and Tax Recovery Rates	• Manage Tax Rates • Manage Tax Rate Tax Accounts • Manage Tax Recovery Rates • Manage Tax Recovery Rate Accounts
Manage Tax Rules	• Manage Tax Rules

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Demo

Tax Setup

Regime : GB VAT Tax Regime
(Country : United Kingdom)

Tax : GB VAT TAX

- Jurisdiction : United Kingdom
- Tax Status : Standard
- Default Tax Rate : Standard Rate (20%)

- Tax Rate Rule (GB VAT Rate)

  - IF (Product Classification = GBG0101);
    - Tax Rate = 0% (Zero Rate)

  - IF (Product Classification = GBG0103);
    - Tax Rate = 5% (Reduced Rate)

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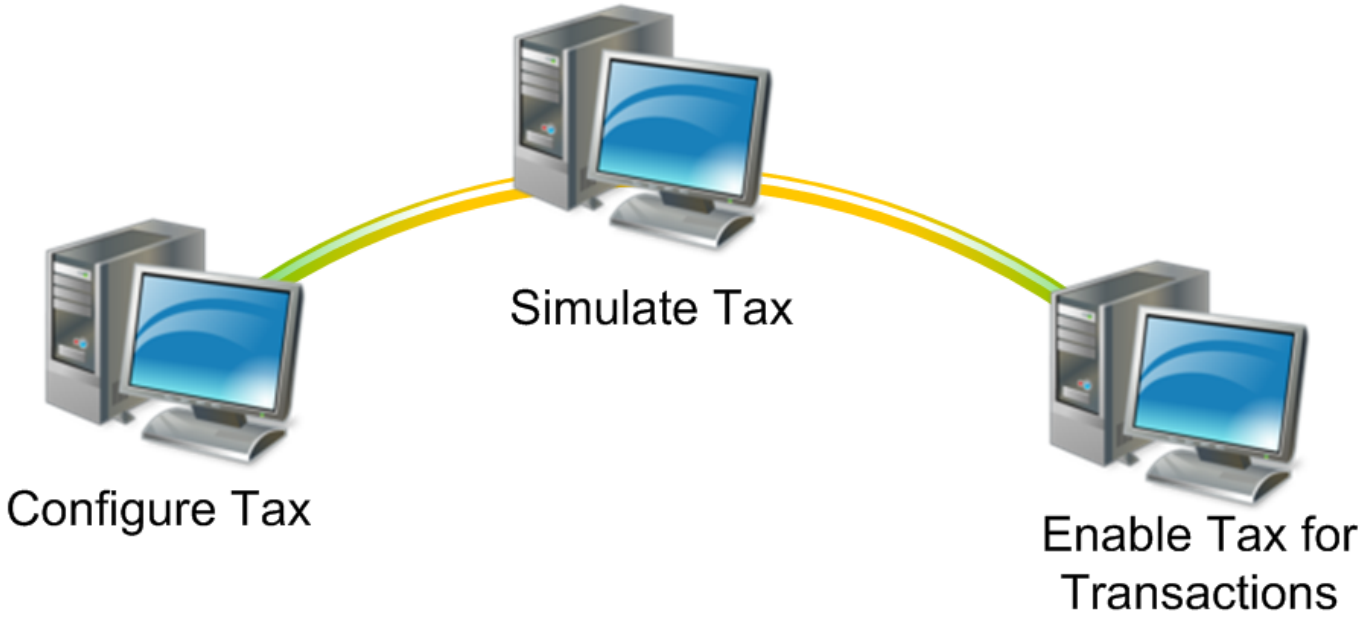

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Tax Simulator

- **Ship-To = London; Product Classification = NULL**
  - GB VAT : 20%
- **Ship-To = London; Product Classification = GBG0103**
  - GB VAT : 5%
- **Ship-To = London; Product Classification = GBG0101**
  - GB VAT : 0%

- User : James Bird
- Supplier : British Telecom
- Business Unit : UK Business Unit
- Ship-To Site : London
- Taxes enabled for Transactions

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Key Product Features

Tax Engine

- Centralized tax services across applications
- Automatic tax calculation
- Manual overrides where authorized
- Data-driven engine
- Different tax regulations supported by a single engine

External Integration

- Tax partner integration infrastructure:
  - ✓ Tax Content
  - ✓ Tax Calculation Services
- Manual and External Tax Transactions in the Tax Repository

Simulation

- Create transactions for simulation or copy live transactions
- Update tax attributes on transactions
- On-line review the results of tax rules
- Enable taxes for simulation and/or for tax live processing
- 'What-if' analysis

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Key Product Features

Reporting & Analysis

- Tax Point Date
- Reporting based on tax point date.
- Central data extraction for tax auditing and reporting.
- Tax reporting by legal entity or VAT group legal entity.
- Multicurrency tax reporting.
- Tax box allocation reporting.
- Tax audit and reconciliation reporting.
- European sales listing.
- Tax reporting for China, France, Italy, Singapore, Spain, UK, and US
- Oracle Business Intelligence Publisher reports that you can modify

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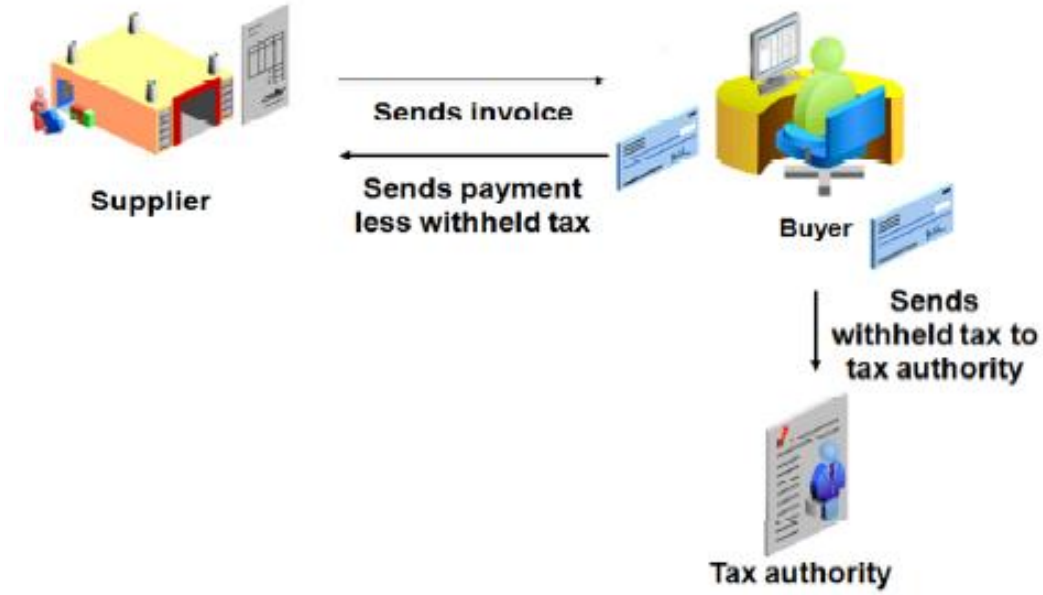
Withholding Tax

- You can set up withholding tax using Oracle Fusion Payables or Oracle Fusion Tax



Use:

- Payables withholding tax setup to meet the basic withholding tax requirements for most countries

- Oracle Fusion Tax for more complex tax requirements

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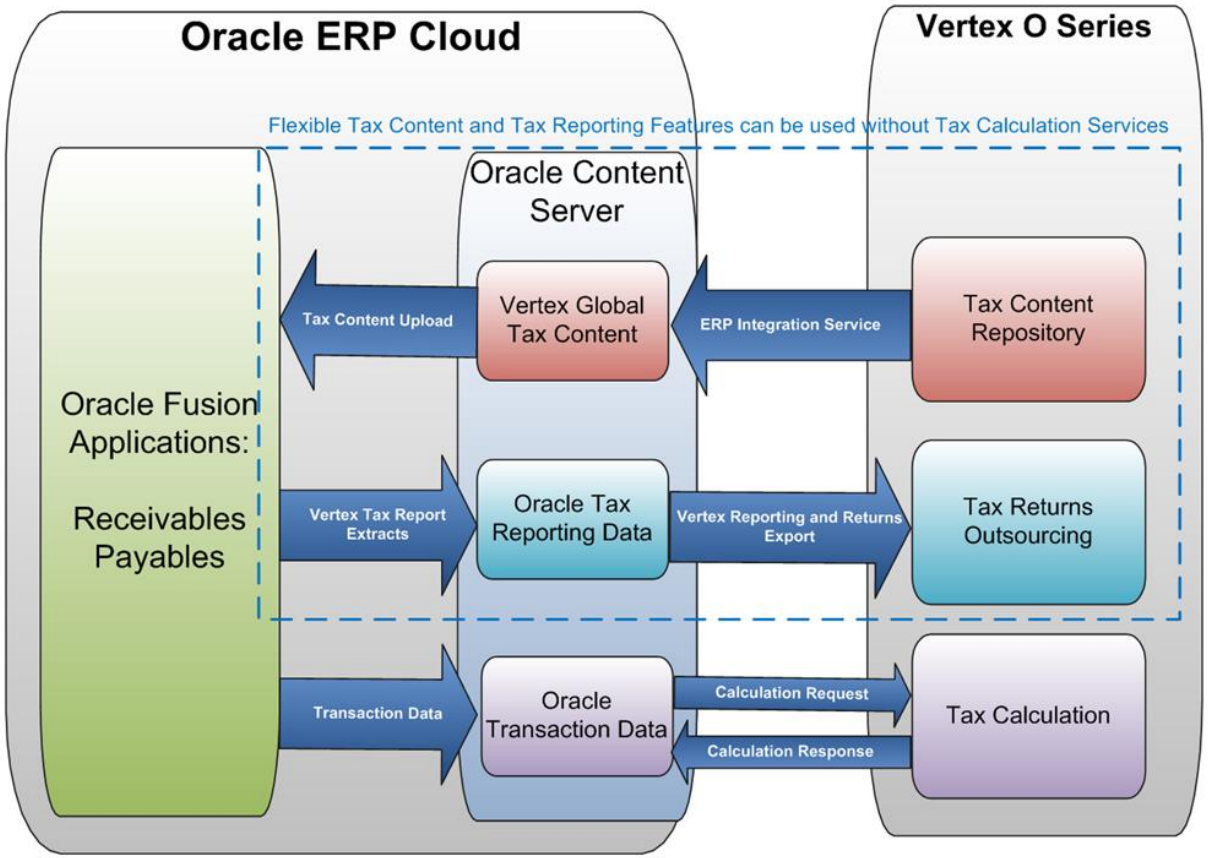
Service Subscriptions : Vertex



Only with Vertex for US sales and use taxes and Canada's GST and HST. Planned for Mexico, United Kingdom, and Germany in the near future

The three offerings are:

Tax Content Service: The Vertex Tax Content Service offers predefined setups of geographies, tax jurisdictions, tax rates, and taxability rules for products and services with potential customer-specific changes

Tax Calculation Service:
Real-time cloud-to-cloud integration of Oracle ERP Cloud and Vertex O Series Cloud for transaction tax calculation.
No software integration components deployed on the cloud.
Seamless data flow between Oracle ERP Cloud and Vertex O Series for batch transaction support.

Tax Reporting Service:
Vertex Indirect Tax Returns: Signature-ready returns for US Sales and use taxes are produced for filing.

Vertex Return Outsourcing Service: Vertex can manage the entire tax compliance function from tax returns generation to payment remittances.

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What’s new in Release 13

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