Vertex® Indirect Tax
O Series®

Managing Risk While Providing Value

Each year there are hundreds of sales and use tax rate and rule changes across the United States. And globally, the rules for VAT can be applied differently in every country. As corporate tax compliance grows more complex, the tax departments who manage it are increasingly being asked to do more with less. The resulting challenge in every corporate tax department is managing tax and reducing audit risk while providing value to the organization. In addition, many companies must continue to advance their tax expertise and capabilities to keep pace with the company's growth and expansion. All in all, managing indirect tax has become increasingly complex.

A Streamlined Solution for Global Tax Management

Vertex® Indirect Tax *O Series*® is the industry leading solution designed to automate and centralize the corporate indirect tax process. With Vertex O Series, you'll manage tax on both sales and procurement transactions more efficiently and effectively. Plus, the system provides data management tools and custom reporting capabilities to support audit preparation and strategic financial decision making. Vertex O Series can not only reduce your audit risk, but also give you greater visibility into your tax processes. The end result is a tax department that provides higher value to the organization.
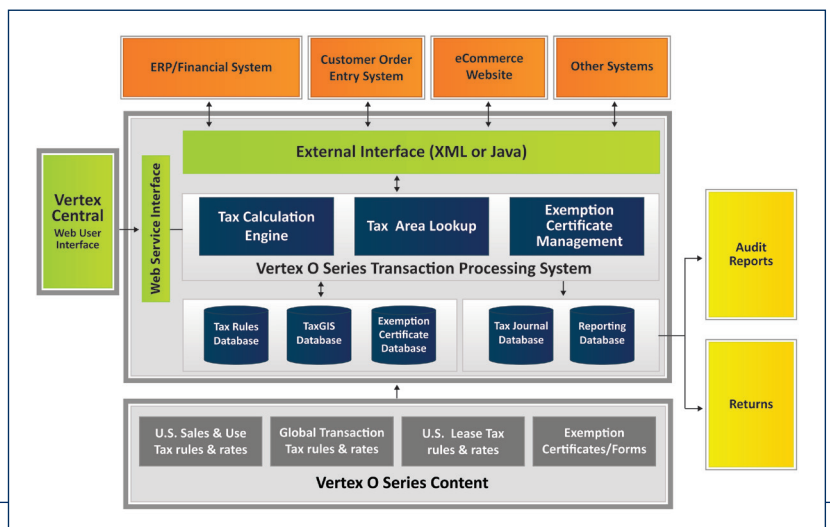
Vertex O Series is offered in an on premise or SaaS hosted deployment. In an on premise deployment, it is deployed on a Web application server, so users can access the system from any computer through a browser. Choose the SaaS deployment model offered by our On-Demand option to enjoy the benefits of Vertex handling all maintenance duties. Either option enables unparalleled efficiency, control, and consistency across your organization. Vertex offers integrations for all leading ERP systems including SAP, Oracle, and more. And, with tax data content to support your business across the globe, you can configure a system to meet your current market needs, and easily build on that deployment as you add businesses and expand into new markets.

Delivering Proven Value

More than just accurate tax calculation, Vertex O Series delivers real business value:

- Reduced audit exposure
- Improved compliance
- Improved global tax position visibility
- Increased control
- Increased tax staff productivity
- Global market capabilities
- Improved data management

Vertex Indirect Tax O Series Architecture

Vertex® Indirect Tax *O Series*®

Powerful Functionality Plus Ease of Use

Vertex Indirect Tax O Series provides an end-to-end solution, from determining taxability and taxing jurisdictions, to maintaining an accurate rate database, to calculating complex transactions, and preparing returns. The system's powerful functionality is balanced by a streamlined user interface, improving visibility and control for your tax department.

Tax Calculation on Sales and Purchases

Vertex O Series automates the calculation of tax on sales as well as purchase transactions. For sales transactions, tax is calculated from the point of order entry through invoice generation. For procurement transactions, the system calculates use tax from purchase through payment to supplier. These capabilities are also utilized when calculating input and output VAT for global transactions. There's also a specially designed Vertex O Series solution to manage the unique tax needs and complexities in the retail, hospitality, and leasing industries.

Reliable Data Content

The foundation of the system is the tax database. Vertex's industry-renowned research team maintains a database of current sales and use tax rates and rules for more than 9,000 U.S. taxing jurisdictions, plus VAT rates and rules for 200+ countries around the world. This proprietary database is maintained and updated by a SSAE 16-certified tax research process at Vertex. A monthly data file update, available from the Vertex client portal, contains all the changes to tax rates and rules for your company's taxing jurisdictions. This ensures your tax calculations are based on the most accurate data, and allows your tax department to focus on tax management functions, not tax research.

A Centralized, Global Solution

Vertex O Series handles your transaction tax needs wherever you conduct business – whether it's state and local sales tax compliance in the U.S.; multi-level transaction tax in Brazil, China, and India; or VAT compliance in the UK and Europe. Once it's configured, the system automatically determines taxing jurisdictions involved and calculates tax for each transaction based on the transaction details passed from your ERP/financial system. With Vertex O Series, you license just the tax data and capabilities required for your specific needs, and license additional tax data as your company expands.

Web-Based Access

Even more valuable is the ability to manage a company's global transaction tax from a central location. From a single instance you can centrally manage and maintain all tax compliance activities across all users. Vertex Central (see page 3) is the Web-based interface that provides quick and easy access to the full functionality of Vertex O Series. From Vertex Central, you can manage company-specific taxability for all transactions, conduct rate research, run reports for audit support,

and apply monthly content updates. Further integration between users' ERP/financial systems is available through web services which facilitate the capture of customer and exemption certificate information once for easy population across users' business and tax environments.

Seamless Interface with Your ERP System

Vertex O Series interfaces seamlessly with your company's ERP or financial system to accurately and automatically calculate tax on every transaction processed by the system. An integration is available for all leading ERP systems including SAP, Oracle, and more.

Custom Taxability Setup

In addition to the rules included in the rate database, if necessary, Vertex O Series allows for easy set-up of your company's unique taxability rules, exemptions, and data, even for companies with multiple entities. This ensures the system adapts to your specific unique business requirements.

Exemption Certificate Management

With embedded Exemption Certificate Management functionality, you can manage your U.S. sales tax exemption and resale certificates right from within Vertex O Series. It's a digital solution that automates the collection, validation, and maintenance of sales tax exemption and resale certificates. In addition, the Exemption Certificate Portal (ECP) provides greater flexibility in certificate validation, the provision of electronic signatures and an enhanced communications workflow. The ECP provides an easy to use option to gather and manage client certificates.

Accurate Jurisdiction Identification

Vertex O Series makes jurisdiction identification effortless, with pinpoint accuracy. The proprietary TaxGIS feature includes a database of not only country, state, county, and city jurisdictions, but also district taxing authorities. TaxGIS automatically determines all the possible jurisdictions for each address on a transaction. From this selection the situs determination logic then identifies the correct taxing jurisdiction, so you can rest assured that accurate rates are applied. There's even an Address Cleansing function to correct any incomplete or inaccurate U.S. addresses and assign the ZIP+4 code prior to jurisdiction assignment.

Vertex® Indirect Tax *O Series*®

Tax Calculation and Control

Once your products and services are mapped to the Vertex-supplied tax categories (a one-time set-up), your ERP or financial system sends individual transaction data through the calculation engine, which automatically evaluates a number of complex tax rules as part of the entire tax calculation process. These include:

- **Situs or Place of Supply** – Which jurisdiction should tax the transaction given the locations supplied (administrative origin, destination, etc.), and what are the sourcing rules of the jurisdictions involved?

- **Product/Usage Taxability** – Is this item taxable, tax exempt, zero rated, or does it have a reduced rate in the jurisdiction based on what it is or how it is used? Is input VAT allowed to be claimed for a particular purchase or is there a blocking order in place?

- **Tax Date** – Which rules and rates are effective for the given date and is there, for example, a U.S. sales tax holiday for the item?

- **Customer** – Does the nature of the business allow for an exemption from tax, and is there an exemption certificate on file for U.S. jurisdictions?

- **Jurisdiction-Specific Rules** – Are there any jurisdiction-specific rules applicable for a given transaction such as rounding, jurisdiction overrides, maximum tax, quantity taxes, European Union triangulation rules, or suspended tax regimes such as bonded warehouses, in effect?

- **Currency Conversions** – Accounting for corporate transaction and reporting currencies so filings can be completed in the local currency.

- **Support of Interstate Commerce Codes** – for accurate reporting of U.S. "send" sales shipped to destinations outside the jurisdiction.

When it comes to tax calculation, there's no manual intervention outside the tax department. Vertex O Series keeps tax determination and control with the tax professionals.

Export to Returns

To enable U.S. tax compliance, the system's export process populates summarized transaction data directly into Vertex® Sales & Use Tax Returns or other returns system via an import file. From there you can quickly produce state and local sales and use tax returns based on the imported data ensuring the consistency of your tax compliance process.

Standard Reporting

Vertex O Series includes a full array of data management and reporting tools to support audit preparation as well as overall enterprise tax management. The system includes a library of standard reports including transaction reports, returns reports, and taxability manager reports. In addition, the Data Extract utility allows all information stored in the reporting database to be exported in a variety of formats, including Microsoft® Excel, for custom report creation.

Deployment Options

Users of Vertex O Series have the option of implementing the software on premise or accessing a hosted on-demand version. Vertex® Indirect Tax *O Series*® On-Demand is a Software-as-a-Service (SaaS) option that provides anytime/anywhere access to your tax processing system without the requirement of an on-premise installation.

Role-Based Security

Vertex O Series allows for controlled access through role-based security, ensuring that your tax management processes are in compliance with Sarbanes-Oxley requirements. Roles can be established specific to your company's needs by defining exactly which users can access each area of the application. An audit log tracks changes made, including date and user for each change.

Vertex Central provides access to the full functionality of Vertex O Series from any Web browser.

Vertex® Indirect Tax *O Series*®

Options to Maximize Your Investment

The Vertex Indirect Tax O Series calculation software is only part of an end-to-end tax compliance solution. Vertex offers a wide range of options that complement Vertex O Series and maximize your software investment.

Automated Returns

Vertex® Sales & Use Tax Returns is a Windows PC application that automatically produces signature-ready tax returns for the U.S., Canada, and Puerto Rico. Using data imported from Vertex O Series or another host financial application or tax calculation engine, Vertex Returns formats and prints the forms you need, including sales and use tax returns, food and beverage returns, schedules, worksheets, electronic return data files for eFiling, and payment requests. For companies operating outside North America, the system provides detailed reports utilizing Vertex® Indirect Tax Reporting & Analysis for VAT returns, European Sales Listings (ESLs) and Intrastats.

Advanced Reporting and Analytics

In addition to the standard reports available in Vertex O Series, more advanced reports can be generated with Vertex® Indirect Tax Reporting & Analysis, which features an easy single sign-on through O Series. With the browser-based IBM Cognos Business Intelligence tool you can select jurisdictions, product groups, customers, or cost centers to create your own unique ad hoc reports, tables, and charts to proactively detect issues before they're uncovered in an audit. VAT returns, ESLs and Intrastat reports are provided for more than 30 countries.

Support and Training

In addition to software, Vertex offers a full complement of in person and online training programs to help your staff improve their technology efficiency to maximize the value of your Vertex system. And all Vertex customers have access to top-notch customer support to resolve tax, functional or technical issues.

Demonstrating our commitment to customer satisfaction, the Vertex support team has earned the prestigious SCP certification for fourteen consecutive years.

About Vertex

Founded in 1978, Vertex Inc. is the leading provider of corporate tax software and services for companies of all sizes, from small to medium-sized businesses to global multinationals.

Vertex solutions enable companies to realize the full strategic potential of the corporate tax function. The company offers a variety of products and services that allow businesses to automate, integrate, and streamline their corporate tax processes. Vertex provides solutions in every major line of tax including income, sales and consumer use, value added and payroll. Vertex also offers tailored solutions for specific industries including retail, communications, hospitality and leasing. Vertex Managed Services allows companies to outsource sales and use tax returns and exemption certificate management.

A Global, End-to-End Solution

Combining industry leading tax research with the latest software technology, Vertex Indirect Tax O Series provides your tax department with the tools necessary to deliver accuracy and consistency in every transaction, every day. Only Vertex brings together the tax process acumen, technology innovation, and trusted industry partnerships to create an end-to-end global tax solution. Choose Vertex Indirect Tax O Series to reduce your audit exposure and free up your tax department to bring more value to your company.

To learn how Vertex® Indirect Tax *O Series*® can help you simplify transaction tax management in all your markets, contact a Vertex representative at **800.355.3500** or visit **vertexinc.com** today.

VERTEX®
Where taxation meets innovation