E Business Tax features in R 12

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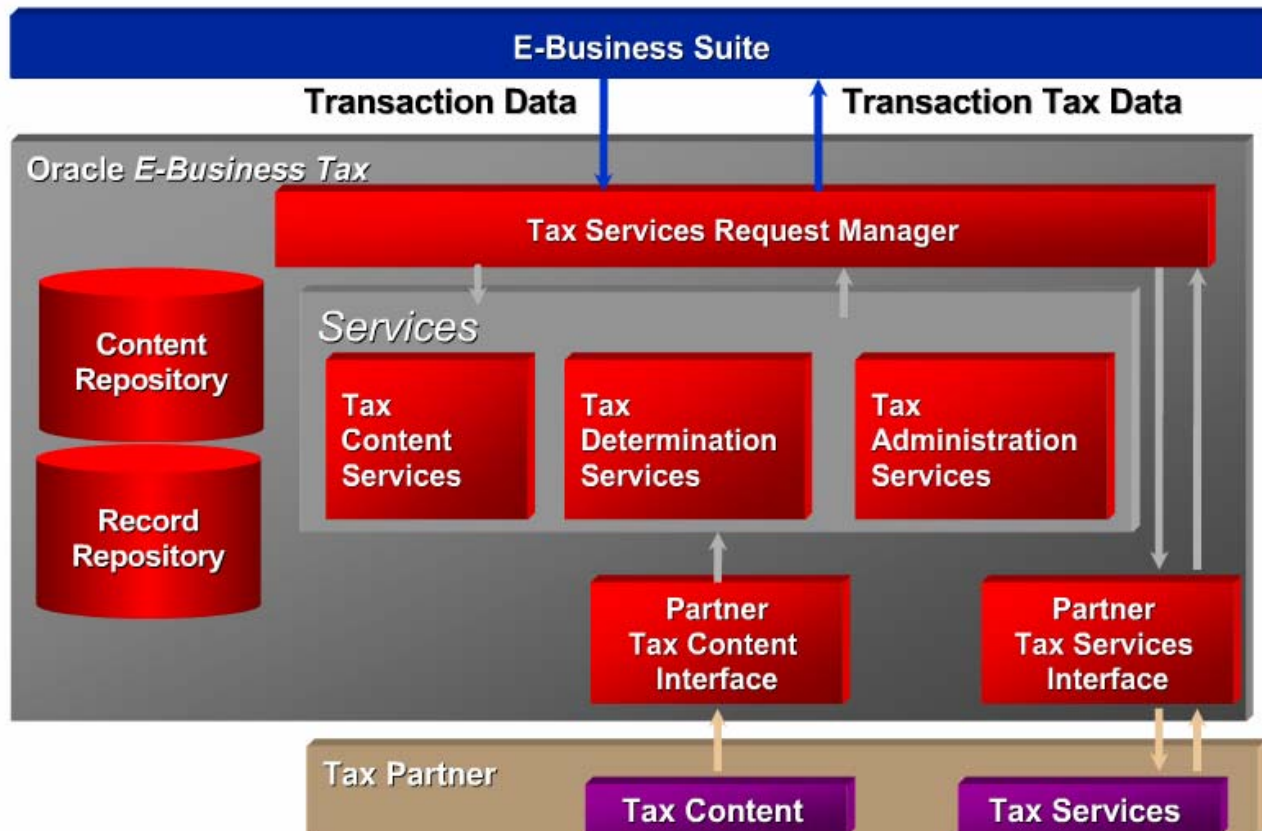# Key features of E Business Tax in R 12

- Sales and Use Tax in Procurement
- Self Assessed Tax in Payables
- Multiple Registrations
- Deferred tax in AP
- Enhanced handling of tax on Freight
- Enhanced Exemptions & Exceptions
- Multiple inclusive and compounding tax
- Quantity based rates in procurement

Building blocks of EBizTax

- Tax Content Services
- Tax Determination Services
- Tax Content Repository
- Tax Administration Services
- Tax Reporting Ledger
- Tax Record Repository
- Tax Service Request Manager

EbizTax Architecture from TOI

Oracle E-Business Tax
Architecture Overview

Tax Content Services:

- Tax Configuration
- Tax Jurisdictions
- Party Tax Profiles
- Fiscal Classifications
- Exemptions and Exceptions
- Country default Controls

Tax Determination Services:

- Tax Rules Management
  - Tax Rules
  - Rule Processes
  - Tax determining factor sets
  - Tax determining factors
  - Process results
- Tax Determination Management
  - Place of supply
  - Place of applicability and registration
  - Status, tax rate and taxable basis
  - Tax amounts and recovery rate

Solution Overview:

- Automated Tax Configurations
- Country specific requirements
- Integration with TCA, Legal Entity & Inventory Category & Accounting Events
- Deferred Tax features in Payables
- Tax on Freight
- Sales & Use Tax in Procurement
- Quantity based tax rates
- Multiple tax registrations
- Tax reporting codes

Tax Processing Logic:

- Integration of 4 'P': Party, Place, Products and Processes

- PO, AP, AR & OM integrated

- Integration and relationship amongst Regimes>Taxes>Tax Status>Tax Rate>Taxable Basis>Tax Amount

Configuration Flow:

- Tax Configurations:
  - Regime To Rates
  - Tax Jurisdictions
  - Recovery Rates
  - Tax Rules

- Party Tax Profiles:
  - 1st Party Tax Profile
  - 3rd Party Tax Profile
  - Registrations
  - Exemptions

Configuration Flow Cont:

- Fiscal Classification:
  - Party Classifications
  - Transaction Classifications
  - Product Classifications
  - Exceptions

- External Dependency:
  - Legal Entity & Establishment
  - Tax authorities
  - Lookup codes
  - Item category and category sets

Party Tax Profile:

- Party tax profile is derived from Legal Entity, 1st Party Establishment and 3rd Party and party sites
- Party tax profile comprises tax registrations, exemptions and fiscal classifications
- It is core to the tax determination services

Product Fiscal Classification Flow:

- Inventory:
  - Item category sets
  - Item categories
  - Inventory items

- Product Fiscal Classifications:
  - Fiscal classification types
    - Product fiscal classification
    - Intended use (inventory linked)
  - Regime association
  - Tax regimes
  - Fiscal classification types
    - Product category
    - Intended use (non inventory)
  - Fiscal classification codes

Tax Rules Guided Flow:

- **General Rule Info:**
  - Law reference, applicable applications, etc
- **Rule Conditions**
  - Transaction, Party & Product Determination Factors
- **Rule Results**
  - Condition results based on rule type
  - Rule Order
  - Order of rule evaluation
- **Rule Templates**
  - Reuse existing templates

EbizTax Setup steps

- Setup Tax Users
- Tax System Profile Values
- Lookup Codes
- TCA Geography Hierarchy
- Legal Entity
- Operating Units
- Tax Accounts & Accounting Information
- TCA classification
- Oracle Inventory configuration
- Regime to Rate Flows

Migration of 11i configurations

- Support for tax configurations done in PO, AP, AR and PA during upgrade to R 12

- Procurement to Pay & Order to Cash setup migration

- Migration of tax codes, groups, rates and defaulting hierarchies as tax classification codes

- Tax determination and calculation based on tax classification codes

- Gradually migrate to regime to rate and tax rules model for modifications and changes

Country Specific Tax setups:

- Support for the following regimes:
- UK Value Added Tax (VAT)
- Canada Goods & Service & Harmonized Tax (GST and HST)
- United States Sales & Use Tax

Q & A

- Questions & Answers

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Thank You