

ONESOURCE® INDIRECT TAX



REUTERS/JEFF J MITCHELL

ACCURATE AND EFFICIENT TAX DETERMINATION FOR INVENTORY MOVEMENT IN ORACLE 12

Often, companies may not know the future location or usage of goods at the time of purchase, or these details may change from the original assumptions. In these situations, the initial transaction tax paid or accrued at purchase may end up inaccurate. Tax changes due to such “inventory movements” or “goods movements” can be very challenging and time consuming for companies to accurately determine and apply within their accounting systems. Many companies are at risk for penalties due to non-compliance, as auditors frequently look for inventory movements as a common source of errors.

ONESOURCE Indirect Tax now reduces the risk and cost related to the taxable movement of goods within Oracle Inventory. **ONESOURCE Indirect Tax Integration for Oracle 12 Inventory Movement** enables an organization using Oracle Financials and Oracle Inventory Release 12 to accurately and efficiently calculate U.S. use tax on inventory movements within Oracle Inventory and accrue and record tax entries into Oracle General Ledger. Companies no longer need to employ manual processes to apply accurate use tax according to U.S. laws.

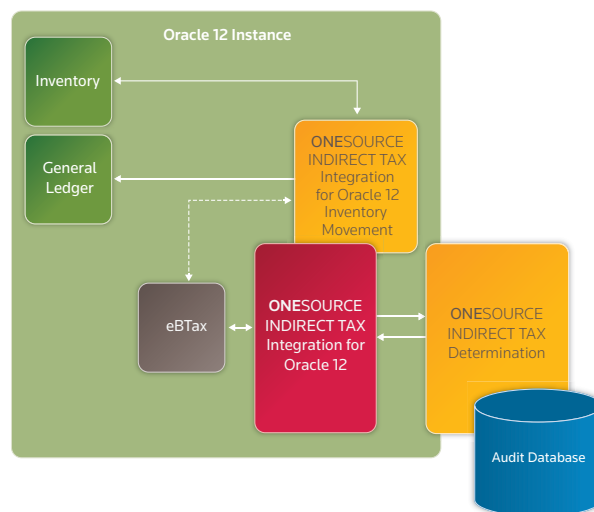
INVENTORY MOVEMENT

With ONESOURCE Indirect Tax Integration for Oracle 12, highly accurate tax determination is available for the procure-to-pay process, and now can be extended to transactions involving inventory through the ONESOURCE Indirect Tax Integration for Oracle 12 Inventory Movement solution.

Post-purchase inventory movements may result in transaction-tax liability based on a change in intended usage or location of a product. For example, a company

may purchase inventory for use in production and eventual resale for which no tax need be applied at the time of purchase. When the company later decides to consume rather than resell this inventory, this triggers the need to calculate and apply use tax. Similar inventory movements may have tax consequences depending on the final purpose and location of where the goods are going to be used. Examples of Oracle inventory transactions that can be identified as changed in their usage purpose and/or location include a transfer to:

- Cost center
- Project
- Different inventory location



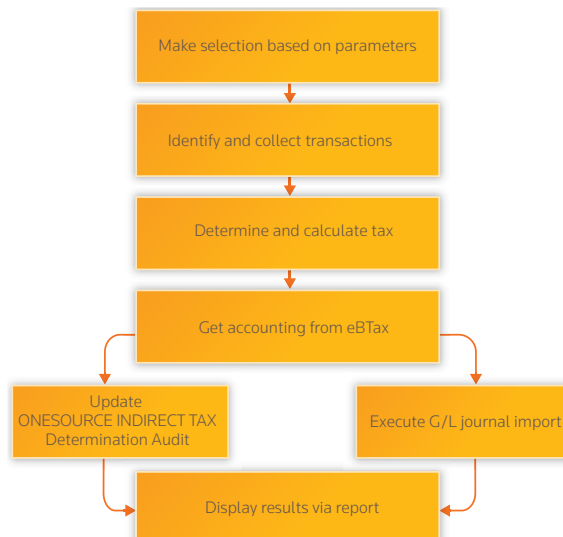
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ONESOURCE INDIRECT TAX INTEGRATION FOR ORACLE 12 INVENTORY MOVEMENT

ONESOURCE Indirect Tax Integration for Oracle 12 Inventory Movement identifies, calculates, and creates the proper tax entries based on the characteristics of the inventory movement activity by a ONESOURCE process, not currently available through Oracle standard functionality.

The inventory movement software performs the following:

- Identifies inventory movement transactions
- Determines and calculates tax with ONESOURCE Indirect Tax
- Creates journal entries for Oracle General Ledger to accrue the estimated tax liability
- Updates the ONESOURCE Indirect Tax determination audit
- Displays the results as a report



About ONESOURCE Indirect Tax from Thomson Reuters

ONESOURCE Indirect Tax is a global tax and accounting solution by Thomson Reuters that helps multinational companies effectively and efficiently comply with the growing complexity of indirect tax requirements around the world. This includes the management of sales and use tax, VAT, GST, and other industry and country-specific indirect taxes.

ONESOURCE Indirect Tax offers end-to-end software solutions, consulting and implementation services that streamline tax planning, indirect tax processes, and local tax compliance for small- to medium-sized businesses and global 2000 multinational corporations. Its solutions provide applications to manage:

- Tax calculation, determination, and reporting
- Tax compliance and returns
- Tax content updates
- Integration of tax to finance applications

Thomson Reuters supports approximately 87% of the Fortune 100 companies, processes billions of dollars in treasury annually, and supports customers in their global deployments and business expansions. We are committed to delivering software and service solutions that help your company increase accuracy, improve productivity, reduce risk, and lower costs associated with indirect tax administration and compliance.

