

Tax Reporting in Oracle EPM Cloud

One of the key components for building an effective, efficient, and transparent corporate tax function is proper access to financial data and processes. Yet, most corporate finance systems don't meet the needs of corporate tax for processes such as the tax provision, country-country reporting (CbCR) and "other tax data collection and reporting requirements. Furthermore, corporate tax needs to control their own destiny, and not be over-reliant on finance or IT with respect to their key tax reporting processes. Tax Reporting, a purpose-built business process available in the Oracle EPM Cloud, solves this dilemma by delivering a tax-owned solution that works part and parcel with Oracle and other finance systems.

BOOK & TAX REPORTING IN ONE SYSTEM

Many tax departments have found that stand-alone tax provision solutions or add-ons to their tax return software simply do not solve the data challenge. In fact, in many ways, these solutions further exacerbate the issue by replicating data and processes. This approach requires duplication of effort in managing the chart of accounts and legal entity structures, increases the likelihood that tax is working with stale data, and creates an artificial wall between book and tax processes. Instead, the tax function needs a tax reporting solutions that is efficient, leverages existing process where possible, and provides tax with the necessary transparency into both book and tax data. Tax Reporting in the Oracle EPM Cloud offers exactly this.

Key Business Benefits

- Improves efficiency through integration of data and metadata with source ERP and financial consolidation systems
- Improves control and governance through centralized workflow and task management
- Allows tax to spend more time on analysis and planning instead of data reconciliation
- Unparalleled transparency and auditability from consolidated tax disclosure down to source financial transactions
- Provides a framework for constant improvement of all tax data collection and analysis processes
- Leverages your organization's investment in other Oracle and Hyperion products

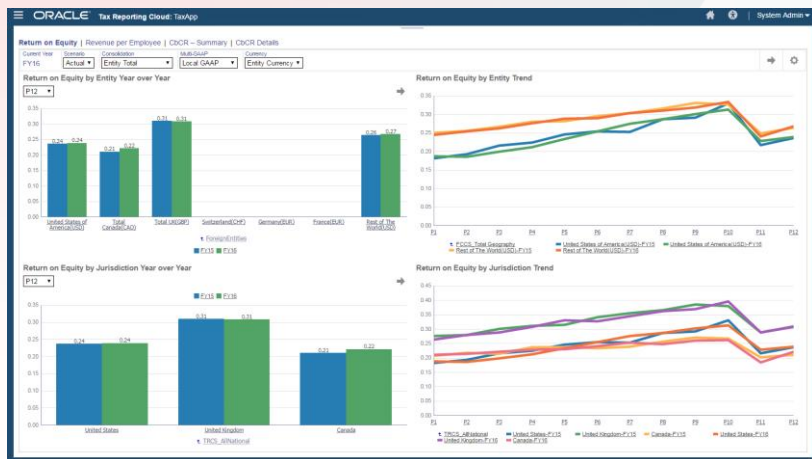


Figure 1. Configurable dashboards make it easy to quickly visualize key tax metrics

TAX PROVISION & COUNTRY-BY-COUNTRY REPORTING

Tax Reporting is a comprehensive solution suitable for companies reporting under IFRS and/or US GAAP. The solution encompasses all stages of the tax provision and country-by-country reporting (CbCR) processes:

Tax automation –The tax automation engine allows you to automate book data directly from source financial data in the general ledgers or from the financial consolidation system. For example, the automation of permanent and temporary differences can significantly streamline your tax provision process. Likewise, much of the data required for country by country reporting can be automated from your consolidation system.

Tax data collection – The complete web tax package and workflow engine collects manually-entered data from regional controllers around the world. The workflow engine ensures that you have strong internal control over the data collection process, and gives instant insight into the exact status of the tax provision process at all times.

Tax & accounting calculation –Tax Reporting calculates tax provision from the lowest level of detail (legal entity) all the way up to the consolidated tax disclosure, and generates the tax journal entries. The built-in foreign currency engine allows you to collect you tax provision and CbCR on functional or local currencies.

Reporting & analysis – Included are a full suite of reports and dashboards to support analysis of all tax data, as well as the generation of the tax disclosure. Furthermore, the solutions is fully integrated with reporting tools such as Oracle Hyperion Financial Reporting and Oracle Hyperion Smart View for Office (Microsoft Office Add-in) to allow tax departments complete access to the live book and tax data in a single solution.

WORKFLOW

Workflow and task automation are one of the key tools to realizing improved productivity among your tax resources. The workflow module enables this via a one-stop dashboard for all tax-related tasks. Users can quickly identify all tasks for which they are responsible, which tasks take priority, and which tasks have currently being blocked by other dependencies.

In just a few clicks of the mouse you can view the tasks across numerous attributes such as status due date, priority, task owner, task reviewer, task category, tax jurisdiction, tax year, and more. Importantly, you may also monitor tasks happening around the globe. These include such system tasks as tax returns, audit management, country-by-country, transfer pricing, etc. This ensures that tax resources can be notified immediately as relevant data changes and milestones are met. This system also helps identify process bottlenecks between resources and systems, thereby providing a framework for constant process improvement.

Key Features

- The **tax provision** addresses US GAAP, IFRS, and statutory tax reporting
- The out-of-box **Country-by-Country Template** meets the OECD requirements and maintains transparency with data in financial systems
- The **workflow** engine provides a task management solution to automate the whole tax calendar – including, tax returns, tax provision, audit management, etc.
- The **hierarchy and dimension management** is based on the Oracle EPM Cloud platform and keeps you completely aligned with other source financials systems – such as the ERP, consolidation system, planning system, etc.
- **Configurable dashboards** and **Hyperion Financial Reporting** allow you to deliver boardroom-quality reporting to the business user community
- A powerful Excel add-in, **Smart View**, for ad hoc analysis and Excel-based interactions with your allocation results
- Since it's a **cloud solution** there are no capital infrastructure investments required.
- Supports **hybrid cloud deployments** with integration to on-premises systems via a REST API based connector

The screenshot shows the Oracle Tax Reporting Cloud: TaxApp interface. At the top, there are filters for 'Tasks', '2016', and 'P12'. Below this is a dashboard with six boxes showing task counts: 'All' (9), 'Open' (7), 'Late' (7), 'Today' (0), '7 Days' (0), 'Future' (0), and 'Complete' (2). Below the dashboard is a table of tasks with columns for Type, Name, Status, End Date, Description, and Actions.

Type	Name	Status	End Date	Description	Actions
Import	Import GL Data	Closed	Oct 26, 2016 2:29 PM		
Prepare	Prepare Fines & penalties	With Assignee	Oct 27, 2016 2:00 AM		
Prepare	Prepare Meals & Entertainment	With Assignee	Oct 27, 2016 2:00 AM		
Review	Review Taxable Income	With Assignee	Oct 31, 2016 2:00 AM		
Review	Review Temporary Differences	With Assignee	Oct 31, 2016 2:00 AM		
Review	Review Country by Country Reporting	With Assignee	Oct 31, 2016 2:00 AM		
Tie out	Tie out PBT	Closed	Oct 31, 2016 11:16 AM		
Financial	Financial Tax Register	With Assignee	Nov 1, 2016 12:00 AM		
Financial	Financial Tax Register Copy	With Assignee	Nov 10, 2016 12:00 AM		

Figure 2. The workflow gives users an interactive dashboard all upcoming tax obligations and tasks

STOP USING SPREADSHEETS!

Data collection and analysis is an ever-present challenge within the corporate tax function. The tax provision and country-by-country reporting are just a fraction of the areas where spreadsheets are used in a typical tax department. The Supplemental Data Manager module is specifically designed to improve and automate ad hoc data collection and analysis.

The module helps with both numeric data and narrative-based data (e.g. surveys). First, there are many scenarios where tax needs to collect survey data to substantiate a position taken for a tax authority – such as R&D tax credit, transfer pricing studies, and uncertain tax positions. The survey capability includes flexible options such as true/false, multiple choice, text, drop-down lists, and more to making collecting survey-style data easy. Once the survey data is collected, the tool includes easy-to-use filters to slice and dice the data by any attribute.

Plus, the tool also provides a powerful data and calculation features to improve tax processes that normally rely on spreadsheets – such as tax return work papers and supporting schedules. By moving data from spreadsheets to the Supplemental Data Manager module, tax departments can realize significant efficiencies through automation and make material improvements in control and governance.

INTEGRATION WITH KEY BUSINESS PROCESSES

Tax Reporting is designed to integrate with your key business processes. Whether it is your ERP, your consolidation system, or your planning and forecasting tool, the cloud-based solution leverages your existing investments and complements your IT strategy. Part of the Oracle EPM Cloud, there is seamless data and process integration with other Oracle ERPs such as the ERP Cloud, eBusiness Suite, Peoplesoft, and JDE. Likewise, the solution is also designed to work with other Oracle EPM Cloud and on-premises Hyperion offerings – such as Hyperion Financial Management (HFM).

TAX OWNED

A point-and-click interface makes it easy to administer and maintain the system. The best practice tax framework makes it easy to create and alter rules. The framework also includes validation and audit features to provide complete confidence in tax processes. The easy-to-use framework empowers the tax function, but maintains transparency and control between book and tax data at all times.

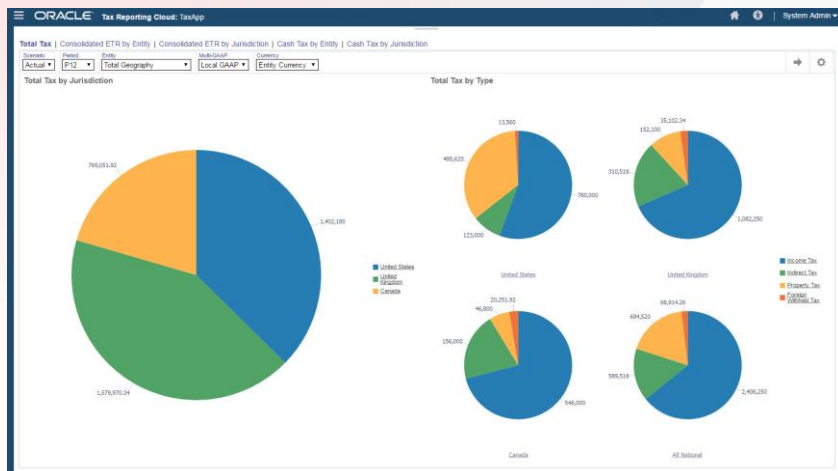


Figure 3. The dashboards, data, and workflow capabilities provide framework for constant process improvement for the tax function

IN SUMMARY

Many estimate that the tax function is one of the largest consumers of data within the enterprise. This, combined with continued external scrutiny on corporate taxation, is driving tax departments to adopt enterprise technology to keep up with the increasing demands. Striking the perfect balance between independence from corporate finance vs. collaboration with corporate finance, Tax Reporting in the Oracle EPM Cloud is the only solution that offers a comprehensive tax data and process improvement platform that is completely integrated with your financial systems

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- Oracle Enterprise Performance Management Cloud provides the following capabilities:
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- Tax Reporting
- Enterprise Data Management

Other Related Products

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- Oracle SCM Cloud
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- Oracle CX Cloud