

# Vertex® Indirect Tax O Series®



## Managing Risk While Providing Value

Each year there are hundreds of sales and use tax rate 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 a breakthrough solution designed to automate and centralize the corporate 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.

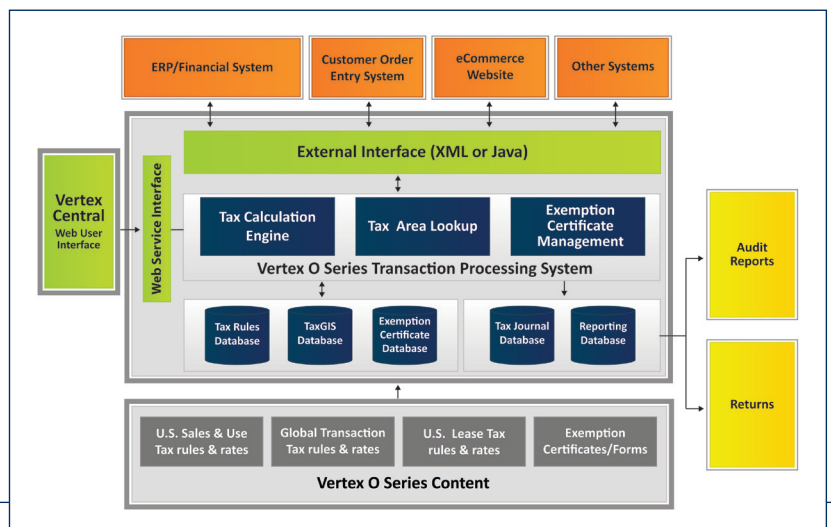
Vertex O Series is deployed on a Web application server, so users can access the system from any computer. This enables unparalleled efficiency, control, and consistency across your organization. Vertex offers integrations for all leading ERP systems including SAP, Oracle, and more. And, with tax data content for nearly every geographic region, you can configure a system to meet your current market needs, and easily build on that system as you 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
- 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 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. There's also a specially designed Vertex O Series solution to manage the unique tax needs and complexities in the retail 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 SAS 70-certified tax research process at Vertex. A monthly data file update, available from the Vertex website, 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 set up, the system automatically calculates tax for each transaction based on the transaction details and taxing jurisdictions involved. 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.

### 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, 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 needs, not the other way.

### Exemption Certificate Management

With embedded Exemption Certificate Management functionality, you can manage your U.S. sales and use 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 and use tax exemption and resale certificates. This Web-based system not only stores the electronic files and offers online certificate search and access, but also provides automated notifications for renewals and incomplete 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. Additionally, the Vertex® Address Cleansing option cleanses

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and corrects inaccurate addresses to enable the most precise jurisdiction assignment possible for U.S. transactions.

## 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
- **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 such as rounding, jurisdiction overrides, maximum tax, quantity taxes, European Union triangulation rules, suspended tax regimes such as bonded warehouses, and many others
- **Currency Conversions** – Accounting for transaction and reporting currencies so filings can be completed in the local currency

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

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

## 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.

## 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.

The screenshot displays the Vertex Indirect Tax O Series web application interface. At the top, there is a navigation bar with icons for 'My Enterprise', 'Tax Setup', 'Tools', 'Reporting', and 'System'. The user name 'rhusnick' and partition 'rhusnick' are shown in the top right corner. The main content area is divided into several sections:

- Vertex Customer Support:** Includes a support line number (1.800.281.1900) and hours (Mon. - Fri. 8:15 a.m. - 8:00 p.m. EST).
- Software Version and Status:** Shows 'Vertex Indirect Tax O Series Product Version: 6.0'.
- Vertex Training:** Features a link to 'Training Courses'.
- Vertex Consulting:** Features a link to 'Professional Consulting Services'.
- Online Help:** Features a link to 'Vertex Central Help'.
- Indirect Tax Resources:** Features links to 'U.S. State and Local Tax Resources' and 'Global Indirect Tax Resources'.
- Vertex Customer Café:** Features a link to 'Visit the Vertex Customer Café for updates and patches'.

The bottom right corner of the interface shows a globe icon and the copyright notice '© 2010 Vertex, Inc.'.

## Vertex® Indirect Tax O Series®

### Additional Solutions 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 solutions to help you maximize your software investment.

#### Automated Returns

Vertex® Sales & Use Tax Returns is a Windows PC application that automatically produces signature-ready sales and use 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 returns, schedules, worksheets, electronic return data files for eFiling, and payment requests. For companies operating outside North America, the system provides detailed reports, which can be used to prepare VAT returns.

#### Advanced Reporting and Analytics

In addition to the standard reports available in Vertex O Series, more advanced reports can be generated with Vertex® Reporting & Analysis. With this browser-based 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.

#### Support and Training

In addition to software, Vertex offers a full complement of onsite 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 product support to resolve tax, functional or technical issues.

### The Tax Technology Leader

Founded in 1978, Vertex is the leading provider of corporate tax software and services worldwide. We help companies realize the full strategic potential of corporate tax by serving every major line of business tax including; income, sales and use, value added, and payroll. The company's offerings are showcased by Vertex Enterprise™, a data driven, open-architecture approach to tax technology that integrates all direct and indirect tax processes and technologies on a single platform.

### 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.

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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.

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