



Vertex[®] Enterprise for the Income Tax Lifecycle

Vertex Enterprise represents a historic shift in how tax departments govern global tax. The heart of this tax performance management solution is the Vertex Tax Performance Engine™, a single, unified platform that can help your multinational corporation throughout the income tax lifecycle.

A Paradigm Shift for Income Tax Management

Built on a unique and powerful tax data management foundation, Vertex Enterprise provides a level of transparency, speed, efficiency, control, and the single source of tax information that Tax vice presidents and their departments have previously found unattainable.

It provides an enhanced governance and control framework over the entire income tax lifecycle, enabling compliance with SOX controls, audit attest firm sign-off, and greater confidence in the overall processes by the Board of Directors, the Audit Committee, and the C-Suite. The platform also provides a secure global record retention repository with access and drill-down capabilities for improved audit management. And with Vertex Enterprise, Tax no longer needs to rely on Finance or IT for updated book income during the provision close or for detailed general ledger data during a tax authority audit.

With a carefully designed, enterprise-class open architecture and a flexible user interface, Vertex Enterprise has the ability to connect data from virtually any source, including your

corporation's ERPs, and supports currencies and accounting standards for all tax jurisdictions in which your corporation operates. It unifies all tax data into a single platform that you can integrate seamlessly into your existing environment. That way, it can be leveraged by the tax applications and analytics you use to manage all tax activities, including planning and strategic business advising, on a global scale.

The Challenges of Global Income Tax Management

Most companies' financial accounting systems are disconnected from the overall income tax process. In addition, many companies are operating with multiple, disparate ERP systems. This creates significant and recurring data management problems for in-house tax departments throughout the tax lifecycle. These challenges include the inability to:

- Convert the "operational management books" generated from the financial accounting systems into the required legal entity book format whenever needed
- Convert disparate books to a common chart of accounts, accounting standard, and currency



- Automate a substantial amount of the book/tax differences for each entity and for all of the tax jurisdictions in which the company operates
- Effectively and seamlessly unify the tax provision and tax return preparation and reconciliation processes
- Effectively support and maintain control and governance to ensure appropriate tax risk management

The Only Truly Integrated Solution

Vertex Enterprise offers the only truly integrated solution to meet the challenges of global income tax management. It can handle the volume, complexity, and speed required by tax departments to prepare the worldwide provision as well as country tax returns in an integrated, efficient but controlled process. And it provides secure global record retention and versioning capabilities, which can improve audit management. Vertex Enterprise can also be used as a comprehensive modeling tool for tax planning as well as the evaluation of the impact of tax law changes and proposed audit settlements.

The Vertex Tax Performance Engine™

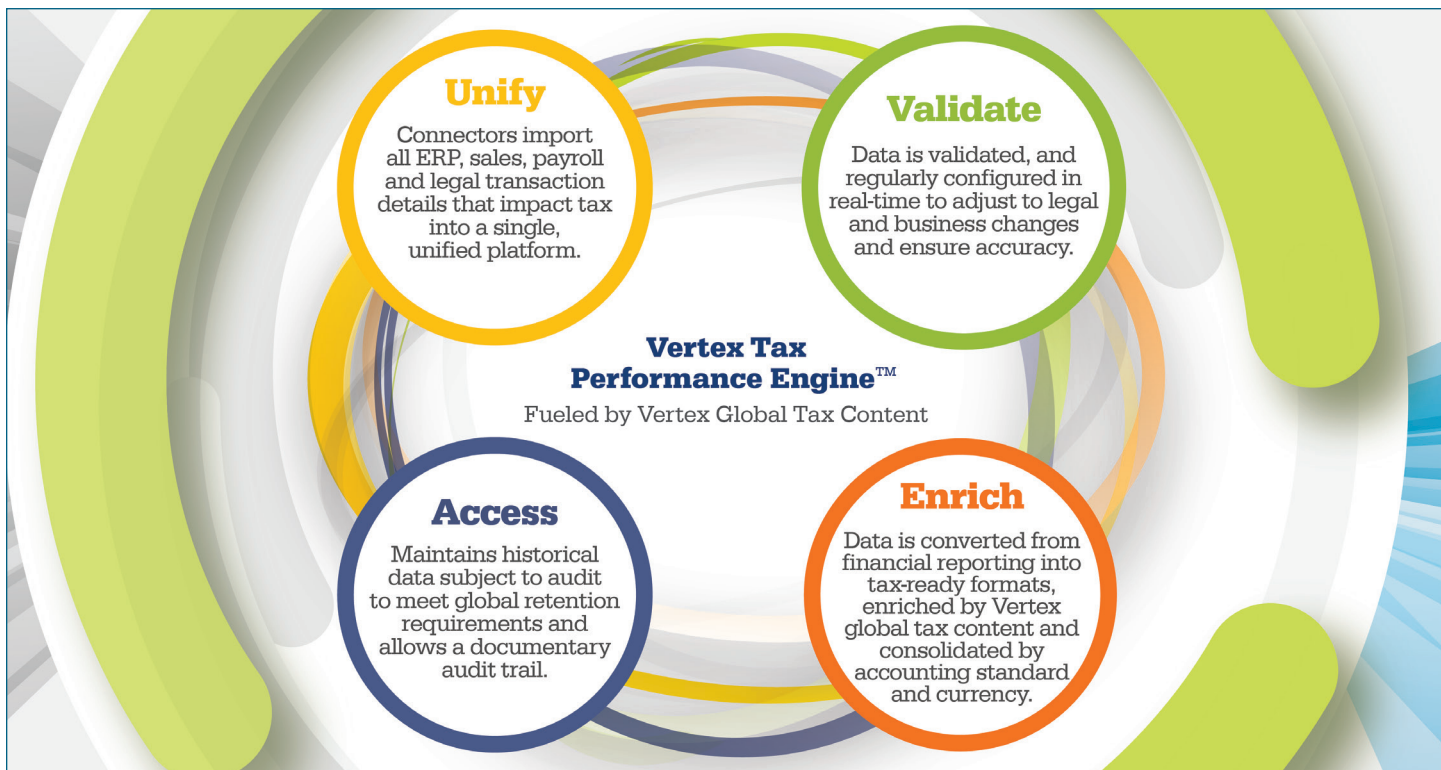
The heart of Vertex Enterprise is the powerful Vertex Tax Performance Engine, the first commercially available data management technology specifically designed for the corporate tax department.

With the Vertex Tax Performance Engine, your tax department can collect and unify all of the structured and unstructured data it needs, from any number and type of disparate systems. The engine can then harmonize it, tax-enrich it, and leverage its use across all tax functions and processes. It contains, in one place, all of the most current, accurate, validated financial data for both current and prior periods. Financial data can be viewed at a consolidated, legal entity, and management reporting/SEC segment level, from G/L by entity, and sub-ledger, down to detailed transactions.

Additional benefits include statutory legal entity book income for all of the user's foreign legal entities, foreign branches, and permanent establishments. In addition, book/tax differences may now also be automatically calculated and stored within the Tax Performance Engine, by the appropriate accounting standard, and by their functional currency because of the capability to support detailed and multi-ledger data.

Importantly for future global tax examination purposes, the drill-down feature contained within the Vertex Tax Performance Engine allows users to establish a complete documentary (audit) trail while the versioning feature maintains the ability to view the data and the legal organization structure as it was at that time.

The Vertex Tax Performance Engine™



Vertex Enterprise for Every Stage in the Income Tax Lifecycle

Tax Provision Process

As an integral part of Vertex Enterprise, Vertex® Tax Accounting is the first solution to align financial and tax reporting so you can increase accuracy and efficiency—while reducing risk. Vertex Tax Accounting:

- Accommodates multi-ledger, multi-GAAP, multi-currency, and multi-year
- Supports collection, management, and analysis of data needed for local, national, and global reporting
- Calculates the tax accounting impact of prior year adjustments and interim provisions
- Provides built-in automated tax account reconciliation and footnote reporting
- Interfaces with ERP general ledgers and consolidation systems through two-way connectors to align the Tax Accounting starting point with the “as is” book income

With the Vertex Tax Accounting application, your tax department can drive even greater value with advanced reporting and modeling. Through its state-of-the-art custom reporting, query, and analytics capabilities, Tax can more proactively evaluate the ETR impact of various tax planning strategies and ensure that business decisions are evaluated on an after-tax basis.

Vertex Tax Accounting is built on the Vertex Tax Performance Engine, leveraging all the financial data, mapping, and calculations contained in it. The application computes a quarterly and year-end global income tax provision for each legal entity, by jurisdiction, by accounting standard, and by currency; and automatically generates the required journal entries. It will improve the control (far less reliance on spreadsheets and/or manual processes), governance, efficiency, and speed for the time-sensitive and highly visible tax provision reporting quarterly and annual close process. For planning and business advisory purposes, you can also use Vertex Tax Accounting to model various business scenarios across future time periods, seeing the impact on ETR and cash taxes immediately.

Global Compliance Process

With Vertex Enterprise, you can leverage your return-ready provision data for downstream tax lifecycle processes and continue to process your tax data in a compliance data set to prepare it for estimated payments, extensions, and tax returns.

The tax return-ready provision work papers can now be stored and accessed within the Vertex Tax Performance Engine, avoiding the manual and time consuming process of having to separately prepare a large portion of the same work papers for the company’s income tax return. Vertex Enterprise secures the Provision version of the data and work papers while making a compliance version available for the downstream tax lifecycle process. To gain even more efficiencies, you can connect your pre-processed tax data to your compliance applications.

Leveraging that same data from the Tax Performance Engine, MNCs can use Vertex® Country-by-Country Reporting to transform the data into the reporting formats required for country-by-country reporting. Multiple currencies can be converted to the reporting currency. And users can identify how multiple ledgers should be combined into a common accounting standard. The solution then populates the OECD format of the CbC Report (Table 1 and Table 2) with the summarized data. In addition, the Tax Performance Engine allows MNCs to drill down to the lowest level of detail for reconciliation and audit reporting.

Global Audit Process

Vertex Enterprise provides your corporation with a unique new solution for audit management. This groundbreaking technology captures all the data that is important to Tax, including:

- Company’s financial accounting systems and underlying source data
- Legal entity books (including intercompany transfer pricing) and related tax return work papers
- Grouping of legal entities by all tax jurisdictions
- Computation and related tax return work papers for all tax jurisdictions, including book/tax differences, apportionment factors, and E&P tax adjustments
- All spreadsheets, work papers, supporting documents (including memos), together with the tax return detailed mapping

Vertex Enterprise retains all of the above supporting data for the tax returns for all open tax years, ensuring versioning and accessibility when needed upon audit. Record retention is secure and controlled by Tax, not IT or Finance, since the Tax Performance Engine is solely owned and controlled by the tax department.

Income Tax Planning

Vertex Enterprise, including the combination of the Vertex Tax Performance Engine and the Vertex Tax Accounting application, serves as a comprehensive modeling tool to measure both the global ETR and cash flow consequences related to:

- Proactive audit settlement planning
 - Tax attribute carryover/carryback tracking and utilization planning
 - Legal entity restructuring
 - Mergers & Acquisitions due diligence
 - Proposed tax law and regulatory changes
 - Effective tax rate and cash tax projections on current year forecasted and actual operations
 - Other business scenario planning
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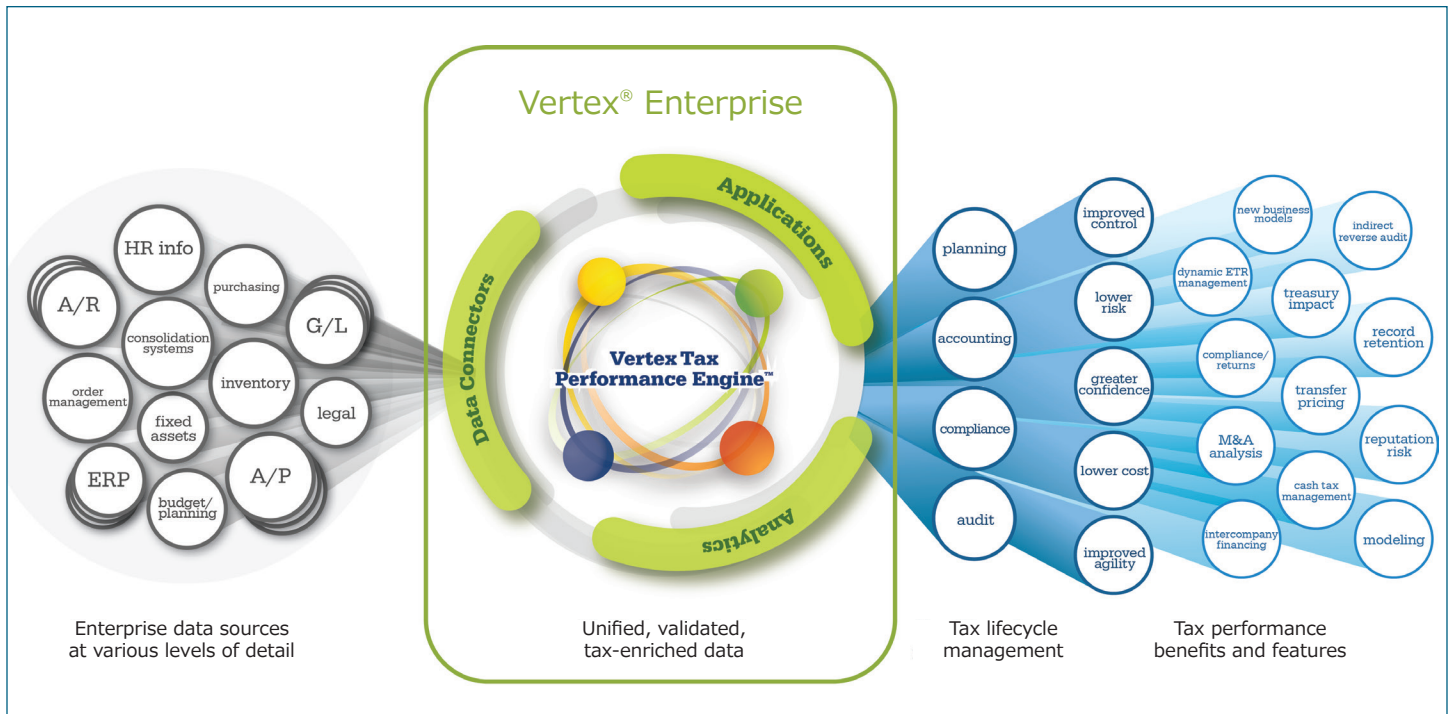
Experience What is Tax Possible with Vertex Enterprise

Vertex Enterprise for the income tax lifecycle is just one example of what is 'tax possible' with Vertex Enterprise. This flexible solution allows companies to combine their data, tax applications, and analytics in a variety of ways to put tax in control of the end-to-end tax lifecycle for all tax types.

This comprehensive tax performance management solution combines all the data, tax applications, and analytics needed to manage income and transaction tax activities on a global scale.

Using Vertex Enterprise, the tax department can collect, harmonize, transform, and access the massive amounts of data required to maximize efficiency and increase the tax department's strategic contribution to the business.

To learn how Vertex Enterprise can help your tax department manage the challenges of income tax, contact us at **800.355.3500**.



Vertex Enterprise is a single platform that unifies the data, tax applications, and analytics required to manage all tax activities on a global scale. The heart of Vertex Enterprise is the Vertex Tax Performance Engine, which uses data connectors to unify all enterprise data sources at various levels of detail, then validates and enriches it to make it "tax ready" to be utilized at every stage of the tax lifecycle.

About Vertex

Founded in 1978, Vertex Inc. is the leading provider of corporate tax software and services to automate, integrate, streamline or outsource tax processes for companies of all sizes, from small to medium-sized businesses to global multinationals. Vertex provides solutions for all tax types with industry-specific solutions for retail, communications, hospitality and leasing industries.

Locations

North America
King of Prussia, PA

Latin America
Sao Paulo, BR

Europe
London, UK

Asia Pacific
Chennai, IN



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