Oracle Hyperion Tax Provision

One of the key components for building an effective, efficient, and transparent tax function is proper access to financial data and processes. In fact, financial data is at the root of all major tax functions - tax reporting, tax planning, compliance, & audit management. Therefore, a tax provision solution that is closely aligned with the broader financial reporting process can make a powerful difference in a tax function’s ability to meet its deliverables. Oracle Hyperion Tax Provision is a first-of-its-kind tax reporting solution that integrates directly with the broader financial reporting process.

With increased regulation, shortened reporting timelines, as well as internal & external pressures for increased transparency corporate tax departments continue to see increasing demands on their finite resources. Historically, tax departments have relied on Microsoft Excel as their primary tool for tax reporting. However, over-reliance on Excel for calculating the tax provision is inefficient, exposes the accounting process for income tax to unnecessary risk, and is no longer a viable solution for most large multinationals. Today’s corporate tax departments are searching for the right enterprise technologies to help gain an advantage in keeping up with the ever-increasing demands on the tax function.

Book & Tax Reporting in One System

Many tax departments have found that stand-alone tax provision solutions and/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. Oracle Hyperion Tax Provision offers exactly this.

Global Consolidated Tax Provision

Oracle Hyperion Tax Provision is a comprehensive global tax reporting solution suitable for multinational companies reporting under IFRS (IAS 12) or US GAAP (ASC 740/FAS 109). The solution encompasses all stages of the corporate tax provision process:

- **Tax automation** – The tax automation engine allows you to calculate permanent and temporary differences directly from the source financial data in the general ledgers or
KEY FEATURES

- A tax provision calculation engine that addresses US GAAP, IFRS, and statutory tax reporting
- A web-based tax package and integrated workflow for global data collection
- An easy-to-use wizard for automation of tax differences
- A comprehensive suite of tax reports for the consolidated tax provision - including the tax disclosure
- Reconciliation of the Tax Accounts to the accounting data and generation of the tax journal entry
- Powerful reporting tools to support analysis and tax planning in a single solution
- A return-to-accrual process that integrates and enhances the tax compliance process
- Configurable supplemental schedules to address unique data collection and calculation requirements
- A Tax Provision solution that is based on the same technology trusted by thousands of corporate finance organizations

from the financial consolidation system. The automation of permanent and temporary differences can significantly streamline your tax provision process.

- **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 provision calculation** – Oracle Hyperion Tax Provision 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.

- **Tax reporting & analysis** – Included are a full suite of tax reports to support consolidated and detailed analysis of the corporate tax provision, as well as the generation of the tax disclosure. Furthermore, Oracle Hyperion Tax Provision 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.

- **Insight into late adjustments** – Oracle Hyperion Tax Provision provides insight into late adjustments booked by the finance department during the close. This allows tax users to proactively and efficiently address one of the biggest bottlenecks of the close process.

- **Return-to-accrual automation** – There is also a return-to-accrual process that works seamlessly with your tax return software. Tax return details can be imported into the application using the industry’s best data assurance tool. Furthermore, the tax provision and book trial balance can be exported out to the tax compliance software.

Figure 1: Oracle Hyperion Tax Provision highlights temporary difference between Statutory and Tax reporting as a standard feature

**Tax Maintains Autonomy**

One of the central tenants of Oracle Hyperion Tax Provision is to ensure the autonomy of both tax and finance throughout the close process. The solution is able to significantly improve the efficiency of the tax provision by leveraging data and process from finance where appropriate. However, this is accomplished while still giving tax the flexibility to retain as much, or as little, control over data and administration as desired. For example, tax can push down topside journal entries for purposes of the tax provision without impacting the results as reported by finance, and data assurance is ensured at all times through automated validations.
The Oracle Tax Suite

Oracle Hyperion Tax Provision is just one of the products in the Oracle suite of tax solutions. The tax suite includes comprehensive capability to address transfer pricing, workflow and process orchestration, R&D credit, country-by-country reporting—just to name a few. Each of the solutions leverages your existing investment in Oracle Hyperion technology and is inherently connected to the financial reporting data and process. Furthermore, the tax solutions are fully integrated with each other, and are designed to empower tax users with enterprise quality controls and efficiency.

Tax Contributes Significant Value

Oracle Hyperion Tax Provision provides you with unparalleled transparency between tax data and the underlying source financial data. Furthermore, the ability to leverage existing finance data and process can save tax departments thousands of hours in lost productivity. Together these qualities can result in significant impact to the bottom line by empowering tax with enterprise-quality analysis and planning capabilities. Having the proper tools allows tax departments to spend less of their time on low value-added activities. Instead, the corporate tax function can re-focus its attention on risk analysis and creating shareholder value.

CONTACT US

For more information about Oracle Hyperion Tax Provision, visit oracle.com or call +1.800.ORACLE1 to speak to an Oracle representative.

Hardware and Software, Engineered to Work Together

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