

Vertex® Provision Global Tax Office™ (GTO)

A Complex Task Becomes More Challenging

Global provision challenges the fortitude of tax professionals for many reasons, but perhaps most significantly because it is a highly complex process that must be completed within extremely tight time constraints. Whether doing an interim provision in accordance with APB 28 and FIN 18, or an annual provision in accordance with FAS 109, to do it accurately, data must be collected from disparate sources, converted and reconciled to a wide range of reporting standards and tax laws, calculated, summarized, and consolidated for income tax disclosures. Also important are the internal controls surrounding the process, tax journal entries, and tax account reconciliations.

In today's world, a number of trends make the task even more daunting:

- Widespread globalization resulting in additional tax provision complexity, workload, and risk
- Increased sharing and analysis of information among tax authorities resulting in transfer pricing and related tax accounting risk
- A shrinking pool of experienced tax and finance professionals
- Tighter deadlines for closing the books
- Convergence of U.S. GAAP and IFRS accounting standards
- The continued prominence of tax accounting as the primary reason for material weaknesses and restatements

A Comprehensive Solution That Overcomes Today's Obstacles

To assist tax professionals in this challenging global environment, Vertex Provision Global Tax Office (GTO) offers a web-native, enterprise-scale, global tax provision solution that transcends the limitations of existing products and effectively addresses the numerous challenges facing multinational corporations in a single comprehensive system.

Vertex Provision GTO:

- Is a tax accounting sub-ledger that calculates provisions and produces tax journal entries
- Reconciles all tax accounts to general ledgers for each legal entity
- Fully supports APB 28/FIN 18 interim and FAS 109 annual global provisioning and related tax disclosures
- Provides dual ledger capability (as shown below) to track local statutory accounts, statutory to GAAP adjustments, reported GAAP, and related tax provisions

Reconciliation to Statutory Tax Rate	US GAAP		STATUTORY LEDGER		STAT TO US GAAP ADJ		
	Actuals	⊖ Rate	Full Year Forecast	2008 Interim Amount	Rate	Actual	Rate
Full Year IBT Forecast as of Jun-2008			250,000,000				
YTD Actual IBT - STATUTORY LEDGER per 15-19 10-04-2008 GL feed	244,296,636			160,000,000		84,296,636	
Tax Expense / (Benefit) ⊗ National Statutory Rate	(85,503,823)	35.00%	(87,500,000)	(56,000,000)	35.00%	(29,503,823)	35.00%
Rate Effecting Items - Additional Tax Expense / (Additional Tax Benefit)							
STAT TO US GAAP ADJ Ledger IBT Differences [Ⓢ]	25	-0.00%	-	-	-	25	-0.00%
* EXPENSES NOT DEDUCTIBLE	1,295,840	-0.53%	2,024,750	1,295,840	-0.81%	-	-
Intercompany Loss Transfers	-	-	-	-	-	-	-
Local Taxes - Current (Net of National)	-	-	-	-	-	-	-
Local Taxes - Change in Deferred	0	-0.00%	0	0	0.00%	0	0.00%
Local Taxes - Change in Local Rate [Ⓧ]	256,000	-0.10%	256,000	256,000	-0.16%	0	0.00%
Other Adjustments to Current Expense	-	-	-	-	-	-	-
Effect of Expiring Tax Loss Carryforwards	1,120,000	-0.46%	1,730,000	1,120,000	-0.70%	-	-
Effect of Expiring Capital Loss Carryforwards	112	-0.00%	-	112	-0.00%	-	-
Effect of Expiring Tax Credits Carryforwards	640	-0.00%	-	640	-0.00%	-	-
Change in Rate - Deferred Taxes [Ⓧ]	(1,270,000)	0.52%	(1,270,000)	(1,270,000)	0.79%	0	0.00%
Effect of Prior Year Adjustments - National [Ⓧ]	34,930	-0.01%	34,930	34,930	-0.02%	-	-
Effect of Prior Year Adjustments - Local [Ⓧ]	300,000	-0.12%	300,000	300,000	-0.19%	-	-
Change in Valuation Allowance [Ⓧ]	(271)	0.00%	(271)	(271)	0.00%	-	-
Change In Contingency Reserves [Ⓧ]	(4,900)	0.00%	(5,000)	(5,000)	0.00%	100	-0.00%
Tax Expense / (Tax Benefit)	(83,771,446)	34.29%	(84,408,416)	(54,267,749)	33.92%	(29,503,697)	35.00%

- Is completely scalable and offers enterprise class security
- Provides flexible mapping and supports export of trial balance and book-tax differences to all U.S. and non-U.S. compliance systems
- Offers built-in intelligence that enables non-experts to do their provisions without corporate support
- No corporate IT dependence - provision tasks accomplished via web browser

Designed from the ground up as a web-based solution, Vertex Provision GTO provides you with increased speed and accuracy, improved data integrity, strong internal controls and auditability, and end-to-end transparency.

The New Standard in Global Provisioning

For multinational corporations that require an enterprise-scale, yet locally adaptable, global provision solution, Vertex Provision GTO is a best-of-breed solution that automates and standardizes the end-to-end global provision process, including:

- Data collection of all book trial balances
- Conversion from statutory accounts to GAAP
- Automation of book-tax adjustments
- Calculation of current and deferred provisions by legal entity
- Producing tax journal entries and tax account reconciliations by legal entity
- Consolidating and reporting the required tax disclosures in a single comprehensive system

With Vertex Provision GTO as part of its line of integrated income tax provision and compliance products, Vertex offers one of the most comprehensive suites of global income tax solutions in the industry.

Vertex Consulting Services

To ensure that you get the most out of your Vertex tax technology, Vertex Consulting Services provides an array of offerings including system design, general ledger integration, data collection, adjustment automation, and full implementation and training services.

A Proven Provider

For businesses that want more effective technology solutions, Vertex provides a comprehensive suite of software and consulting services for both direct and indirect taxes that combine Vertex's 30 years of tax and technology experience with a fresh approach to tax consulting.

As the leading provider of tax technology solutions for customers worldwide, Vertex offers leading-edge products and services to help companies streamline tax compliance processes. With Vertex, you have a trusted partner for discovering new strategic tax savings across every major line of business tax including income, sales, consumer use, value added, communications, and payroll.

To learn how Vertex Provision Global Tax Office can improve your organization's provision process, contact a Vertex representative at **800.355.3500** or visit **vertexinc.com**.

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