

ONESOURCE INDIRECT TAX COMPLIANCE

RELEASE NOTES VERSION 7.1

November 2014



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NEW FUNCTIONALITY

NEW JURISDICTIONS VAT RETURN

ONESOURCE Indirect Tax are pleased to announce the addition of two new jurisdictions,

- **Croatia VAT Return**
- **Cyprus VAT Return**

The addition of Malta in January next year will extend ONESOURCE to cover all of the EU. If you would like further information or to license additional jurisdictions, please contact a member of the ONESOURCE team.

NEW JURISDICTIONS LISTINGS

This release extends our Listings coverage,

- **Cyprus** Intrastat Arrivals Report (online)
- **Cyprus** Intrastat Dispatches Report (online)
- **Cyprus** ESL Report (online)

NEW SUPPLEMENTARY RETURNS

We are adding new supplementary filings based on client demand; please contact the ONESOURCE team if you have particular priorities so we can feed this into the future roadmap.

This Release includes several new supplementary returns,

- **Belgium** Annual Sales List (Form 725) – List of sales made to customers registered for VAT in Belgium. The report provides data for completion of online or paper form. Please note that the return for 2014 is due by 31st March 2015 and the format or content of the return can be subject to changes. Those will be introduced when announced by the Tax Authorities.
- **UK** Reverse Charge Sales List – List of transactions subject to domestic reverse charge mechanism (supplies of computer chips and mobile phones). The report provides data for completion of online form or creates csv file, which can be submitted to the tax authorities.
- **Romania** Local Sales and Purchases List (Form 394) – List of domestic sales and purchases transactions. The report provides data for completion of online form or creates xml file, which can be submitted to the Tax Authorities.

If you want further information on implementing this form please contact a member of the ONESOURCE team.

NEW REPORTING FUNCTIONALITY

HARMONISED COMMODITY CODES (HCC) VALIDATION REPORT

We are pleased to introduce new functionality to check the validation of Intrastat commodity code numbers for EU jurisdictions as per the European Commission (Eurostat's Metadata Server) database.

This is a new Exception Report that can be run after allocation and checks the commodity codes for a period and entity. The re-checking period can be configured.

The report will check the commodity codes are of a valid format for the jurisdiction before checking against the database.

SUMMARY EXCEPTION REPORT AND BATCH REPORTING FUNCTIONALITY

This Release contains batch reporting functionality, whereby reports can be run in the background (rather than on allocation). The reporting can be configured once and then re-run each time, with options to multi-select entities and reports.

We have added a Summary Exception Report which will return all reports that have exceptions with the number of exceptions. This is available in the standard reporting window and can be exported to csv and txt.

Further detail is included as an appendix to these notes.

ONESOURCE INDIRECT TAX RESEARCH

ONESOURCE Indirect Tax Research is an up-to-date indirect tax information tool covering over 50 major and emerging markets around the world. This solution is designed to help global tax professionals comply with domestic VAT, GST, Consumption Tax, and Sales Tax requirements, as well as identify and manage their global indirect tax risks and reduce the cash flow impact.

ONESOURCE Indirect Tax Research is a website that is integrated with ONESOURCE Indirect Tax Compliance, providing information such as,

- General Tax Information
- Compliance Documents
- Invoice Attributes
- Deductibility
- Claiming Refunds
- Reverse Charge
- Special Schemes and Other Taxes

If you are interested in licensing this new offering, then please contact a member of the ONESOURCE team and they will arrange a demo to discuss further.

LEGISLATIVE UPDATES

LEGISLATIVE UPDATES

ONESOURCE Indirect Tax contains the relevant legislative updates across all jurisdictions giving you the assurance of reporting transactions correctly in the Return. This Release contains the following updates:

- **Germany** – updated Periodic VAT return to reflect the changes effective from 1st October 2014 related to extending the scope of domestic reverse charge mechanism.

UPDATED FUNCTIONALITY

WORKPAPERS

REVISED JURISDICTIONS

- **Luxembourg, Netherlands, Norway, Singapore, Sweden, Switzerland**

This Release includes an updated ONESOURCE for the above jurisdictions. We have moved on to a new template which has been revised based on user feedback; remaining jurisdictions will move onto this template in future Releases. The changes in summary are,

- Schedule Reference changes: 'A1' > 'A2', 'A2' > 'B', 'T3A' > 'S2', 'T3' > 'S'
- New Schedules: 'B2' - Transactions by rate: Accounts payable and 'B3' - Transactions by rate: Accounts receivable
- Manual Upload Schedule – 'S' (previously 'T3A') now developed from 'P' develop from menu. Multiple of this schedule can be developed if required, e.g. if you have different business units who send separate adjustments.

All tax code mappings have been transitioned to the new template. We have used the opportunity to add further tax codes in a response to client needs on transaction granularity for management reporting. Additionally as part of this process we have marked non relevant codes as obsolete and all obsolete tax codes will be automatically mapped to disregarded tax code.

We recommend that you check if you are using any of these obsolete tax codes (see deleted worksheet on attached spreadsheet) and remap these in advance of the Release if these should not be disregarded. The attached spreadsheet also contains all tax codes in the new version of each jurisdiction (new worksheet).

If you do not remap the obsolete tax codes before the Release, the transactions will be shown on the Disregarded schedule in the relevant return and you can then map them to the new tax codes following the Release, if they should not be treated as disregarded.

Please see Appendix 3 for details on how to update tax code mappings.

GROUPING

- **Colombia, Croatia, Cyprus, Indonesia, Luxembourg, Thailand, Turkey**

This Release includes grouping functionality for the above jurisdictions. ONESOURCE Indirect Tax jurisdictions have grouping functionality for all fiscal groups, but in response to some of our larger clients requiring grouping for organisational purposes, we are introducing this to all jurisdictions in a phased approach.

PARTIAL EXEMPTION

This Release contains some improvements to partial exemption functionality, with further updates to follow in future releases.

- Germany, Luxemburg, Malaysia, Sweden and Switzerland – partial exemption functionality added as standard.
- UK – selector on 'P' to allow users to automatically apply annual adjustment percentage for prior year to next year's calculations as override percentage.
- New Data Access fields for Supply Types (SupplyTypeCode and SupplyTypeCode2) have been added allowing identification of transactions for partial exemption calculations on import.

We are also adding partial exemption calculations to further jurisdictions in upcoming releases.

LISTINGS

GOODS \ SERVICES FILTER

In recognition that some clients submit Listings for Goods on a monthly basis and Listings for Services on a quarterly basis, we have added optional dropdown filters to run the Listings for Goods, Services or Both.

XML FILING

We are excited to announce that we extended our Listings filing functionality to include xml filings for,

- **France** – ESL (Goods), EPL (Goods), Intrastat Arrivals and Intrastat Dispatches

Additional reporting entity information is required to be entered to enable this filing, please contact a member of the ONESOURCE team if you require instructions on using this functionality.

All xml filings will be added in future Releases in a phased approach.

REPORTING

VIES VAT NUMBER VALIDATION REPORT

There have been some questions regarding configuration of the VIES VAT Number Validation Exception Report that was part of the v7.0 release, so we have included an appendix with further information.

MINOR ENHANCEMENTS

This Release includes minor updates,

WORKING PAPERS

- Belgium – taxcode 'Reverse charge services directs provided by a non-EU established service provider - credit correctly mapped to Box 85
- Czech Republic, Luxembourg and Slovakia – facsimile of Return added (not for filing purposes)
- 'S' Manual Upload schedule – remove 'irrecoverable' text from the description for fully recoverable tax codes

LISTINGS

- UK ESL - rounding updated
- Czech Republic Intrastat – updated CSV output in order to be successfully updated to the Tax Authorities
- Bulgaria ESL – txt format supported
- Denmark ESL – default value added to 'Reference Number' to fix aggregation
- France Intrastat & ESL - ability to aggregate transactions based on certain fields
- Germany Intastat – added new parameter for 'Additional Number' allowing submission of separate declarations with same Trader VAT number
- Hungary Intrastats (allocated Reports) – can import static information fields, previously manual
- Italy ESL (Goods), EPL (Goods) and Intrastats – optional aggregation added
- Poland ESL and ESPL – fixed exporting to csv
- Spain ESPL – remove reporting of negative value transactions (total for particular customer/supplier, not individual negative transactions)

EXCEPTION REPORTS

- VIES Report – filter to run report on only invalid or valid and invalid numbers and to run at entity level (as well as reporting entity level)

AUTOMATION

- Read Only User Permission – updated
- Import Wizard – updated to allow several line rules to be added
- Fix to stop column headings being merged on exporting reports to excel
- Luxembourg – fix to correct error on upload

APPENDIX 1: BATCH REPORTING FUNCTIONALITY

INTRODUCTION

Batch Reporting is a new functionality within Data Access, which will allow clients to create a batch of reports that will run in the background. In the created batch, you can select as many reports as you need with options to multi-select entities, and also choose the parameters you want the reports to be run for. It can be configured once and then re-run each time, modifying entities or reporting periods if required. The default path to save the reports can also be configured.

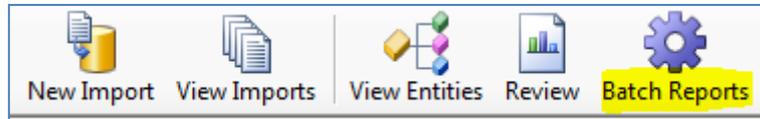
We have also added a Summary Exception Report which will return all reports included in the batch with the number of exceptions. This runs in a separate window and can be exported to .csv and .txt.

STEPS FOR BATCH REPORTING

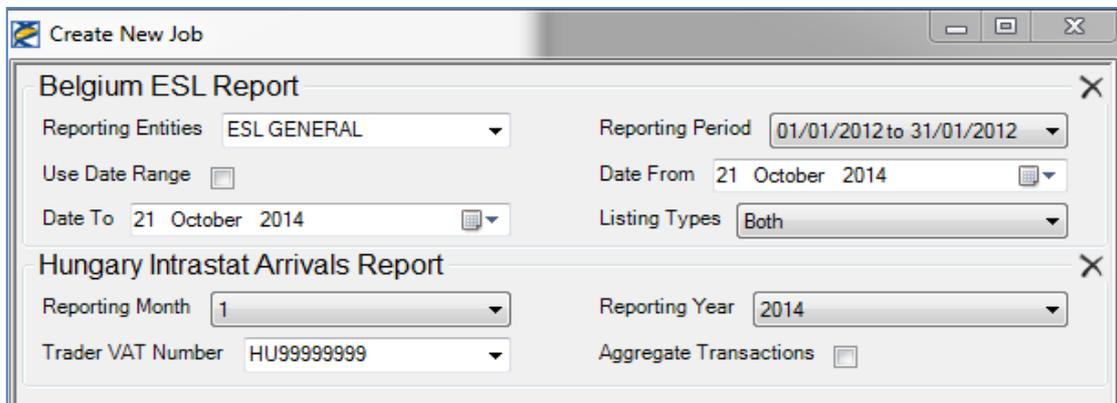
- Create a batch of reports
- Save the batch.
- Queue new job
- Load Batch
- Modify parameters
- Batch Summary exception reports

CREATE A BATCH OF REPORTS

In order to begin the process of creating a batch of reports, we will navigate to Batch Reports tab as you can see in screenshot below.

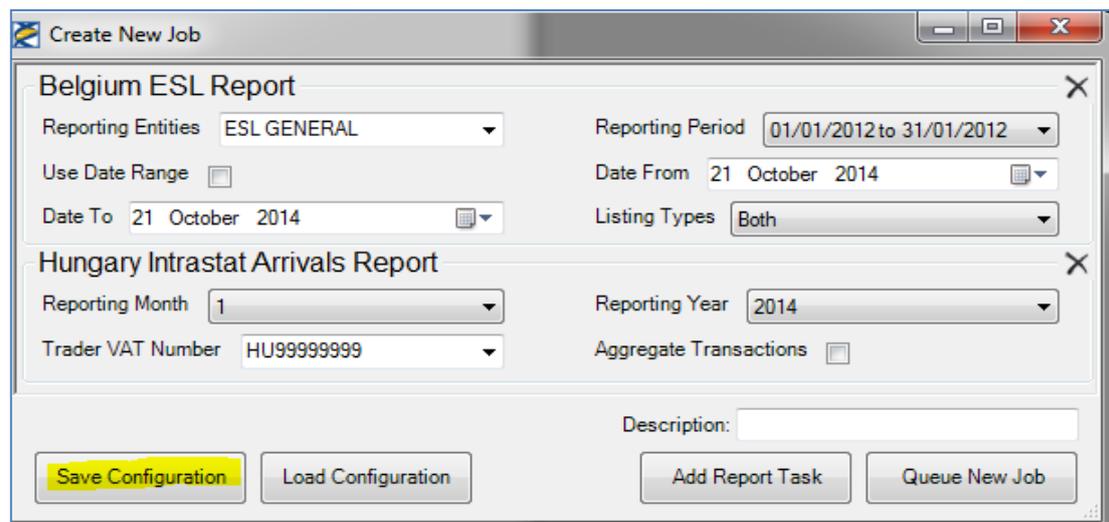


Once we are there, we can click the “Add” button on the left hand side panel, and we can configure our batch of reports. By clicking “Add Report Task”, you can choose the report you wish to be included in the batch and then you can select the reporting entity, reporting period and other parameters relevant for each report. Once you have selected one report with all the required parameters, you can select “Add Report Task” again to keep adding reports to the batch. An example of a batch of 2 reports is shown below:



SAVE THE BATCH

If the report you have just created in the previous step is going to be useful again, we can save this batch by clicking “Save configuration” and then you will have to type the name of the batch, so it can be loaded afterwards.

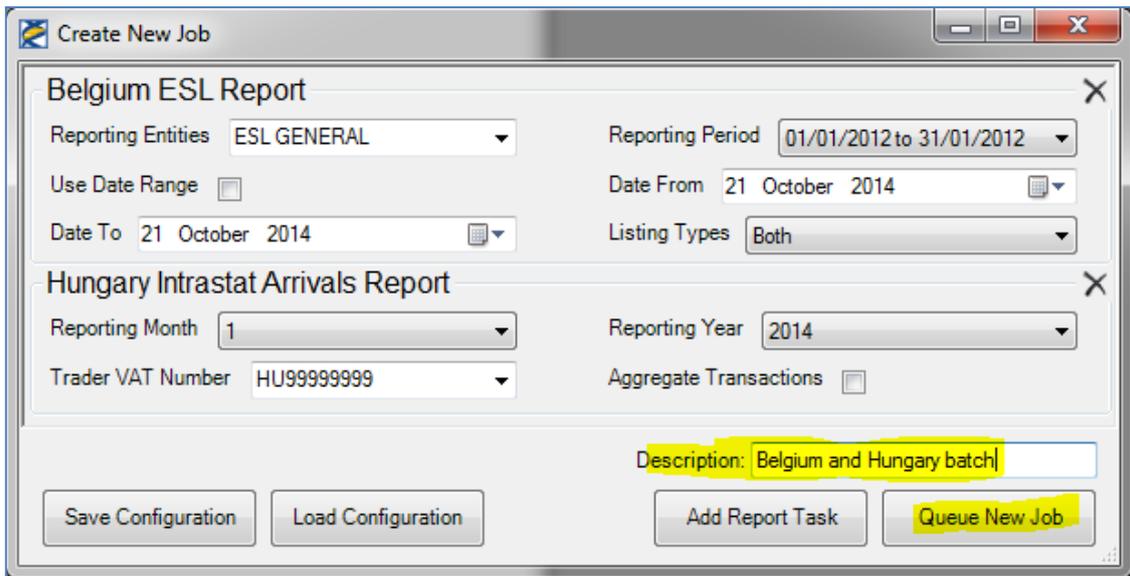


QUEUE NEW JOB

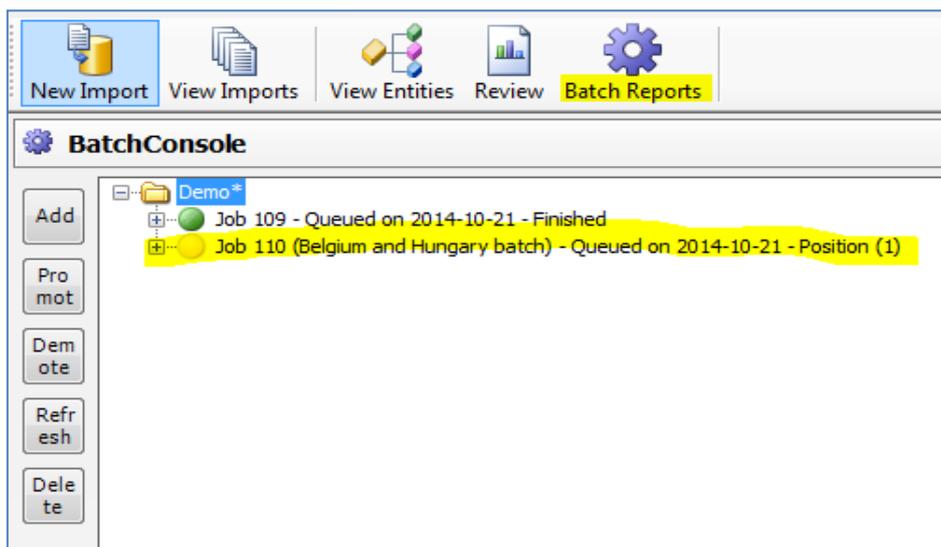
Once you have created your batch, whether you have saved it or not, the next step would be to queue the job. In order to do so, you will click "Queue New Job".

Additionally, you can add a description to this batch in "Description" box, so this name will appear in Batch report preview screen. If you do not add any name to Description, name of the batch will be the number of the job you have created so far.

Note: The job (batch) will be saved to a folder whose path will be determined by the administrator. Please refer to "Batch Reporting Service Configuration" manual for more details.

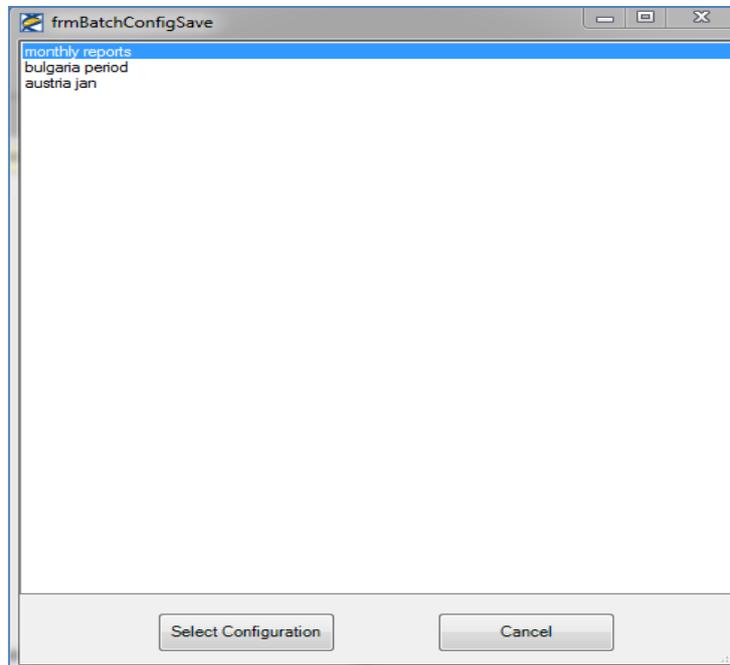


You can see below how it will look like once the report has been queued.



LOAD BATCH

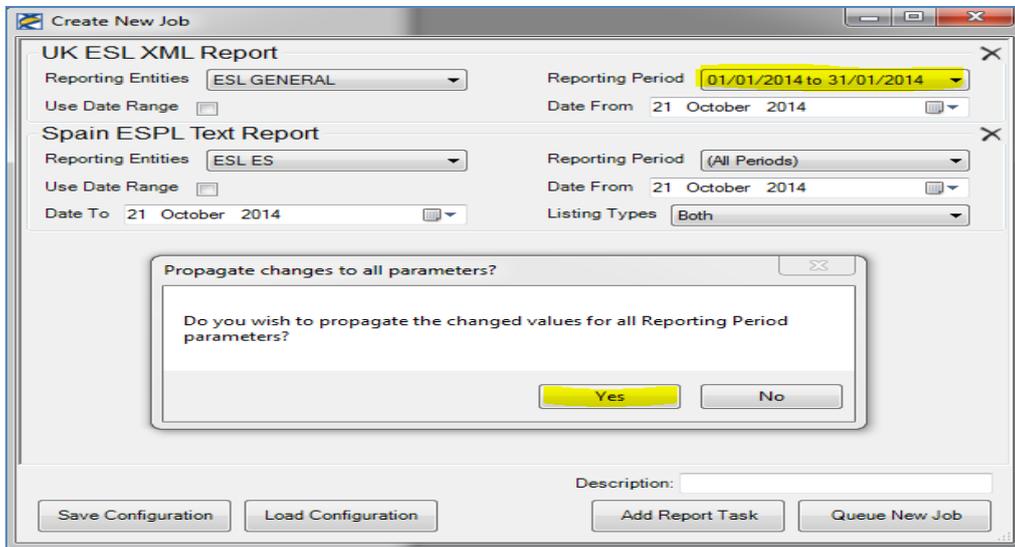
To load a previously saved configuration, click “Add”, and then “Load Configuration”. You will then be able to select the configuration you wish to proceed with, as shown below.



Once selected, you will see all the reports that are saved in the batch. This means you will not have to create a new configuration every time you want to create a new batch, so you can use an existing configuration and modify the parameters if needed.

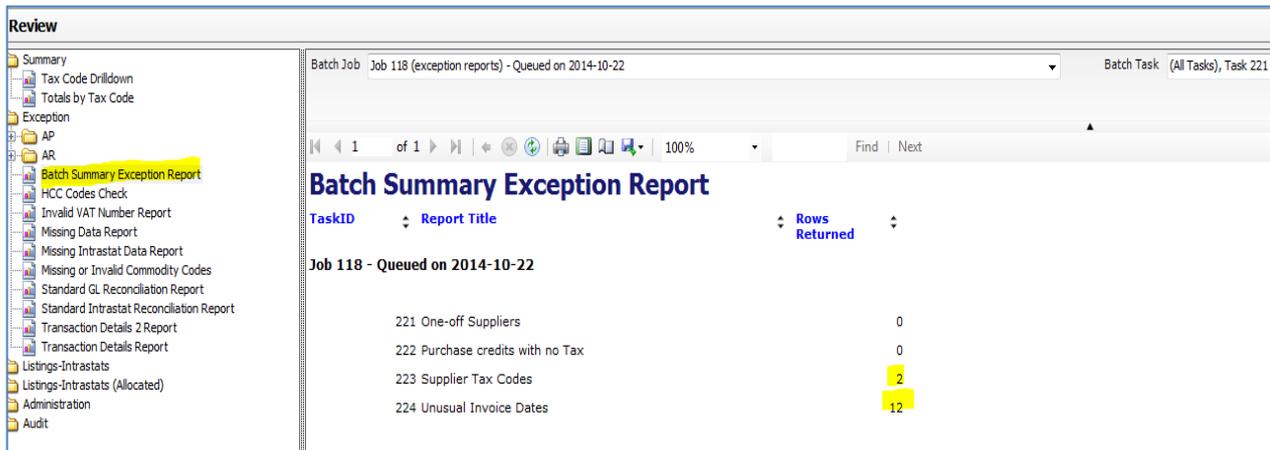
MODIFY PARAMETERS

Once the configuration is loaded, you will see all the reports included in the batch with previous parameters. In this screen you will be able to modify these parameters i.e.Reporting Entity, Reporting Period. If you modify the parameters for one report you will be asked if you want to propagate this change to all remaining reports contained in the batch.



BATCH SUMMARY EXCEPTION REPORTS

A new exception report has been added called "Batch Summary Exception Report". This will show a summary of the reports included in the selected batch and provide information on the number of exceptions contained in each, as shown below.



APPENDIX 2: VIES VAT NUMBER VALIDATION REPORT

It is possible to validate VAT numbers using ONESOURCE Indirect Tax Compliance. Once a client has imported and allocated the data into ONESOURCE, they can select “queue VAT Numbers” from a particular reporting entity from the View entities section in Data Access. After VAT Numbers have been queued, we can validate them by going to **Tools>Check VAT Number validity**. Finally, we can run Invalid VAT Number exception report, selecting relevant reporting entity, and it will show all the VAT Number as valid/invalid.

For correct functionality of this report, VATNumber field should be mapped in Tax return import spec, or Customer/SupplierVATNumber should be mapped if we are using an allocated ESL report.

Every time we click on validate VAT Numbers, Data Access is checking all the VAT Numbers imported for one particular entity against the European Commission VIES website, http://ec.europa.eu/taxation_customs/vies/

Below are different comments you will see in this exception report, once the check has been performed:

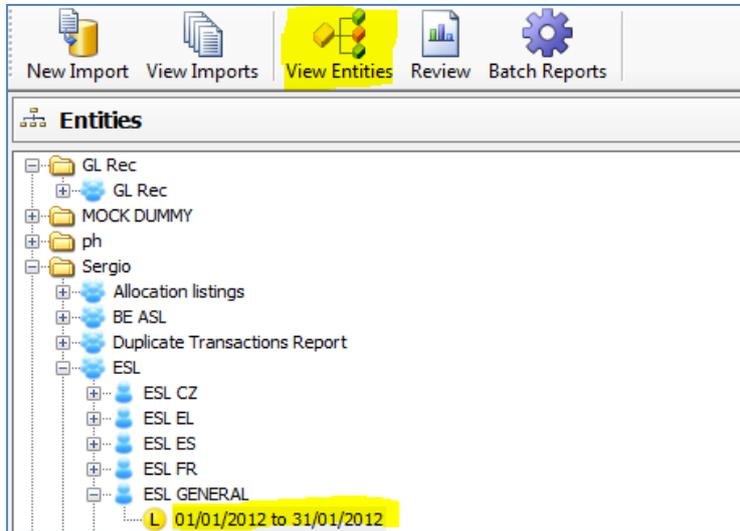
- **Valid**
- **Valid – Information out of date. Not checked against VIES within the time window set.** It will be shown when period between the moment when we checked VAT Number for one particular entity for the last time has exceeded the configured window set
- **Invalid – Missing.** It shows that VATNumber field was empty for a particular transaction.
- **Invalid – Invalid format.** VAT number does not have the right format.
- **Invalid – Not a valid VAT number according to VIES.** VAT Number contains the right format but it does not belong to any company.

STEPS TO VALIDATE VAT NUMBER

- Import and allocate a source file
- Queue and check VAT Number validity.
- Run Invalid VAT Number Report
- VIES Set up

IMPORT AND ALLOCATE A SOURCE FILE

In order to validate VAT Numbers, we first need to import a file and allocate it to a relevant entity. If the source file is not allocated, we cannot run the check.

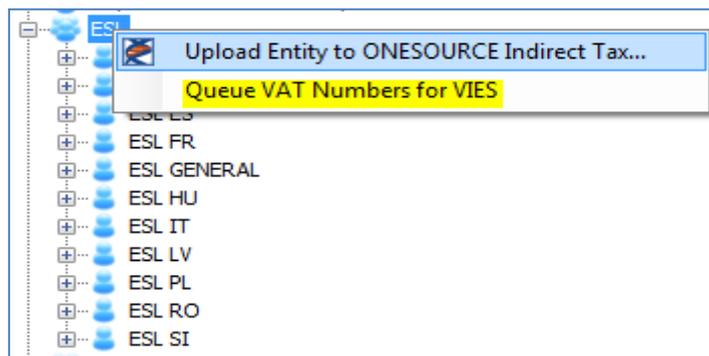


QUEUE AND CHECK VAT NUMBER VALIDITY

After data has been allocated to a reporting entity, we can proceed with all the required steps.

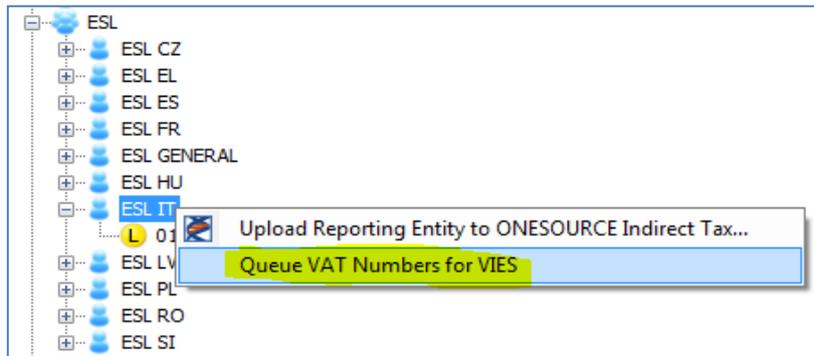
First one will be to queue VAT Numbers for VIES. This can be done at a Legal entity or at a reporting entity level:

Example at a Legal entity level:



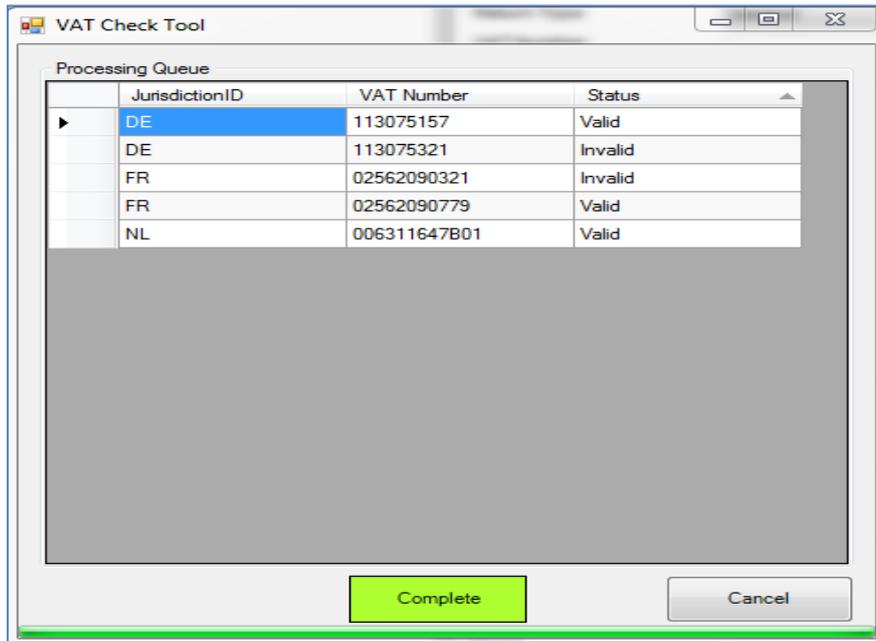
In the example above, we queue VAT Number for all the reporting entities included in that Legal entity.

Example at a Reporting entity level:



In this example, however, we queue VAT Numbers only for one particular reporting entity.

Once we have queued VAT Numbers for VIES, we are ready to run the check. For that purpose, we should go to **Tools>Check VAT Number validity** and click Begin button. As soon as all the VAT Numbers has been validated, we can select Complete.



RUN INVALID VAT NUMBER REPORT

As we have already checked the VAT Numbers for one particular legal/reporting entity, we are ready to run the report and check whether all our VAT Numbers are valid or not.

In order to do that, we go to **Review>Exception>Invalid VAT Number Report**, and we select the relevant entity and period and run the report.

Note: We also have the ability to run the report only for valid/invalid VAT Numbers.

Invalid VAT Number Report						
JurisdictionID	VAT Number	Name	Address	Invoice ID	Valid	Comment
FR	FR02562090779	SA TRANSFLEX	17 RUE DE LA GLACIERE 92250 LA GARENNE COLOMBES	1	Valid	
DE	DE113075157	---	---	2	Valid	
NL	NL006311647B01	FISC.EENH.JOHN DEERE NEDERLAND B.V., JOHN DEERE FABRIEK HORST B.V., C.S.	ENERGIESTRAAT 00016 5961PT HORST	3	Valid	
FR	FR02562090321	---	---	4	Invalid	Not a valid VAT Number according to VIES
DE	DE113075321	---	---	5	Invalid	Not a valid VAT Number according to VIES
FR	FR0256209077			6	Invalid	Invalid format
DE	DE11307515			7	Invalid	Invalid format
NL	NL006311647001			8	Invalid	Invalid format
				9	Missing	Invalid format

CONFIGURATION

Navigate to **Tools > Configuration > VIES Configuration**.

The following fields will appear populated with default values.

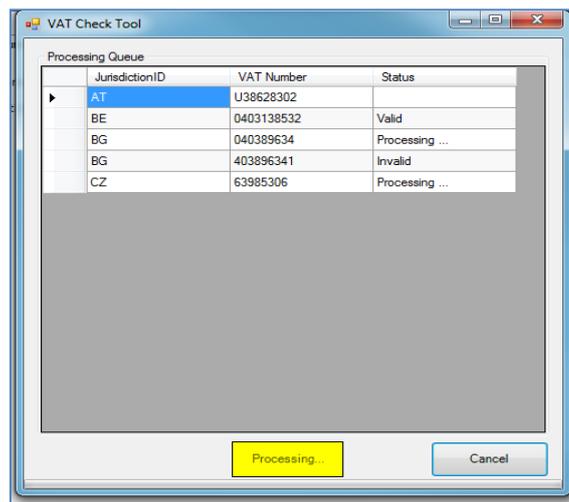
	Configuration	Default Value	Configuration
	VATCheckBatch...	5	5
	VATCheckTimeout	120	120
▶	VATCheckTTL	86400	86400

The only column that can be adjusted is the “**Configuration**” column.

See below an explanation of each of these fields:

1- **VATCheckBatchSize**, corresponds to the number of VAT numbers processed at one time when the check is being carried out.

Here you can see it is set to 5, so we would expect to see 5 VAT numbers listed, as shown below.



Once these 5 transactions have been validated the next 5 will appear.

2- **VATCheckTimeout**, corresponds to the maximum period allowed for the check to be carried out before it timeouts.

Here it is set to 120 seconds, if the server is busy and some VAT numbers are still processing after this time they will fail validation and the user will need to repeat the process. Therefore if you have lots of VAT numbers to check you can increase this value.

3- **VATCheckTTL**, Corresponds to the number of seconds before VAT numbers are rechecked, this has been left flexible to allow clients to choose whether they want to recheck all numbers once a month, once a year etc.

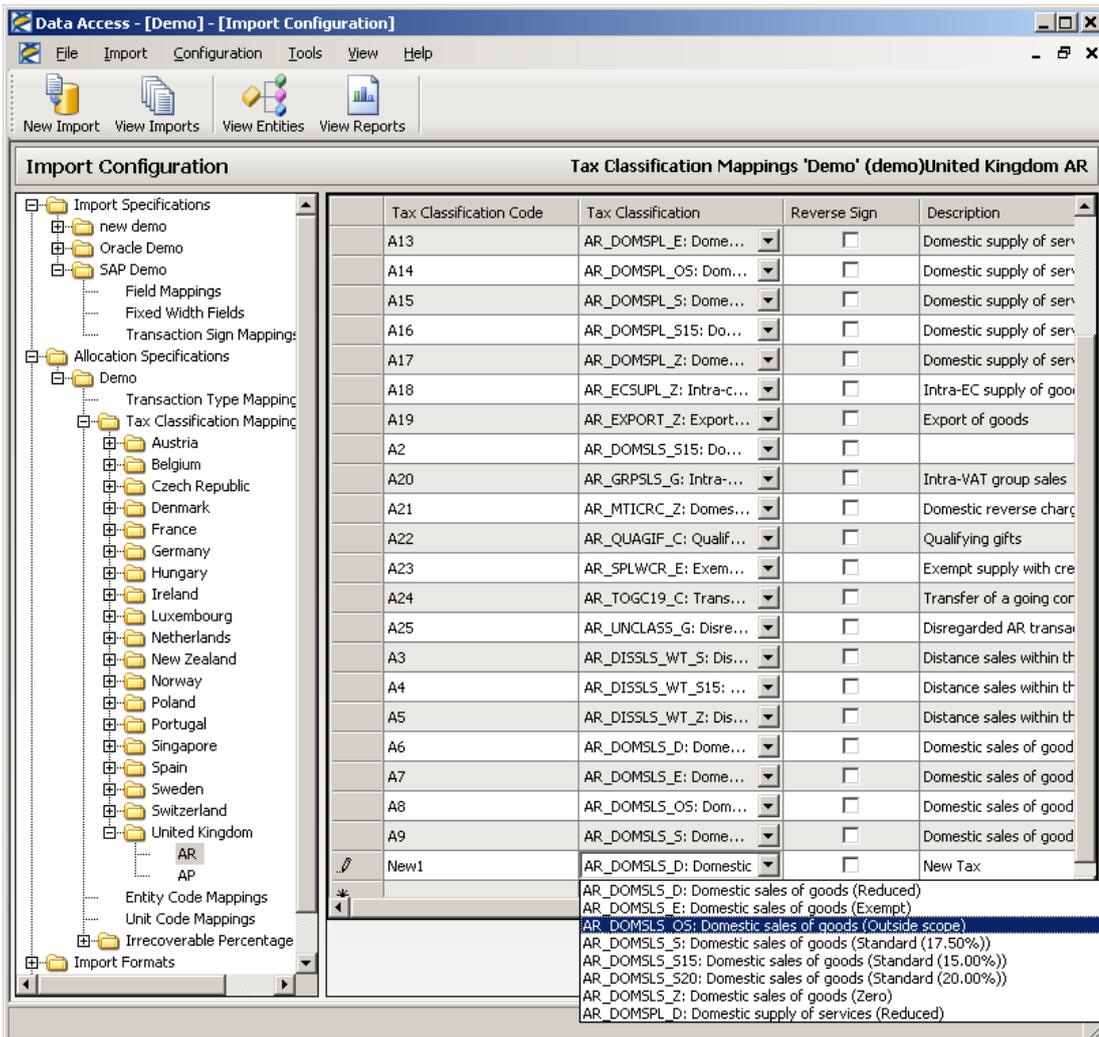
Here it is set to 86400 seconds which means that after this time if you run the Invalid VAT report then all VAT number will appear as valid but have a comment that they are out of date.

APPENDIX 3: UPDATING TAX CODE MAPPING

Tax classification mappings are added to the allocation specification under the relevant jurisdiction and under AR for amounts receivable and AP for amounts payable. In the example illustrated below, a new tax classification with code New1 has been added as an amounts receivable tax for UK.

Enter the name of the new tax code in the column tax classification code. Select the appropriate Tax classification from the dropdown in the next column. This will govern how the data is reported in the working papers. If the sign needs to be reversed (for example if your company reports all AP data as negative, this must be ticked as the system will otherwise view the transaction as a credit note).

Enter a description if you wish (not mandatory).



Once the new tax classification mapping has been set up, click OK in the bottom right of the screen to save the changes.