The Avalara and Oracle advantage for global enterprise compliance

What you need to know about the Avalara global cloud-based compliance platform

Avalara | ORACLE

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Why Avalara for Oracle is the answer for enterprise indirect tax compliance

Navigating the intricacies of indirect tax compliance poses significant challenges for enterprises. From disparate data sources to overburdened compliance teams and transaction delays caused by manual processes – the landscape is rife with complexities that prevent operational efficiency. Furthermore, lengthy digital transformations can make it difficult to choose a compliance system that's truly right for your business.

To overcome these hurdles, a platform is needed that is not only efficient but also customizable, flexible, secure, and offers simplified activation. Enter Avalara – a pioneer in cloud-based, scalable global tax compliance solutions for Oracle customers.

Avalara helps thousands of enterprises, including more than a third of the Fortune 1000 as of April 2024, get tax right with an integrated suite of cloud-native solutions. Our global compliance suite, providing a comprehensive platform to simplify and relieve

A composite organization benefitted from a 153% return on investment within a payback period of less than six months using Avalara.

–Forrester Total Economic Impact™ of Avalara study

headaches of end-to-end compliance, has led to Avalara being recognized as a leader in the IDC MarketScape: Worldwide SaaS and Cloud-Enabled SaaS Sales and Use Tax Automation Software for Enterprise 2024 Vendor Assessment.

Avalara and Oracle have partnered to co-develop market-leading indirect tax solutions to serve a joint customer base with new innovations developed regularly. From more reliable and extensive tax content to the only embedded indirect tax compliance solution in Oracle Cloud ERP, Avalara solutions are tailored for the most complex organizations.
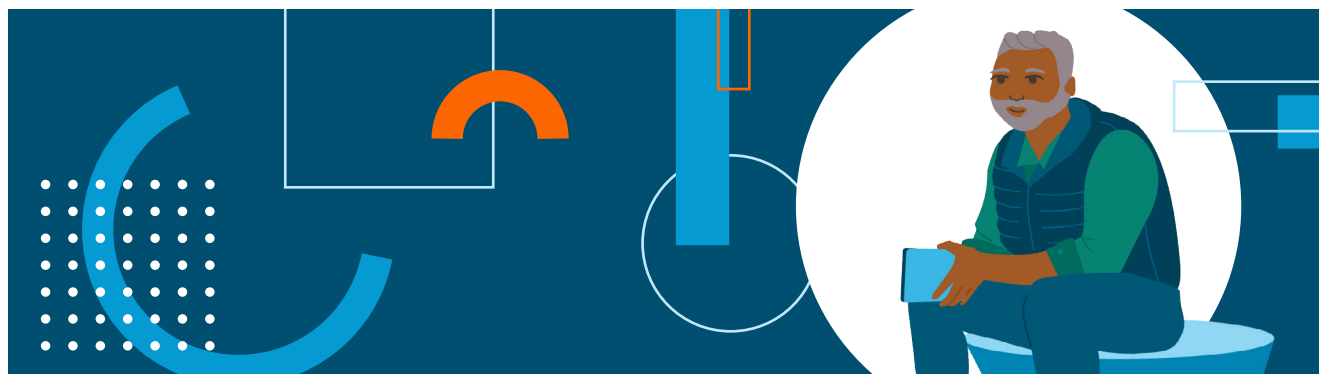
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Working closely with Avalara [enables] us to remove unnecessary friction and inefficiencies in tax compliance by automating tax processes for our joint customers. With Oracle Cloud ERP, organizations can embrace automation and continuous innovation to increase productivity, reduce costs, and improve controls.

–Rondy Ng,
 EVP of Applications Development at Oracle
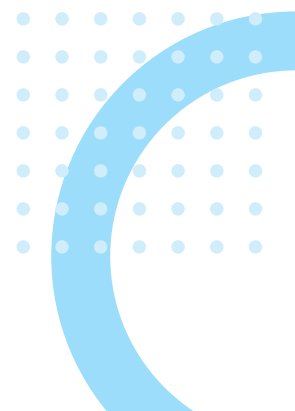
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About Avalara for Oracle

Avalara and Oracle have collaborated since 2013 to alleviate the burden of tax compliance and to support growing businesses by automating regulatory requirements. Avalara specializes in providing enterprises with the tools they need to streamline their tax compliance processes. Our cloud-based solutions are not only scalable to global enterprises, but they are also customizable to adapt to the unique requirements of each enterprise.

In 2024, Avalara partnered with Oracle to build the only embedded and touchless indirect tax solution in Oracle Cloud ERP, providing more secure and reliable services. With Avalara embedded in Oracle Cloud ERP, global indirect tax content and core configuration to activate calculations are handled automatically — saving businesses valuable time, removing complexities from every transaction, and lowering risk of noncompliance. Together, Avalara and Oracle provide comprehensive, end-to-end global tax compliance through scalable products and services designed to meet your short- and long-term business needs.

Oracle now offers two Avalara compliance solutions for Oracle Cloud ERP:
- Oracle Avalara Global Indirect Tax Cloud Service
- Oracle Avalara North America Tax Returns Cloud Service

Both embedded solutions are purpose-built for Oracle Cloud ERP workflows and hosted on Oracle Cloud Infrastructure (OCI), utilize automated
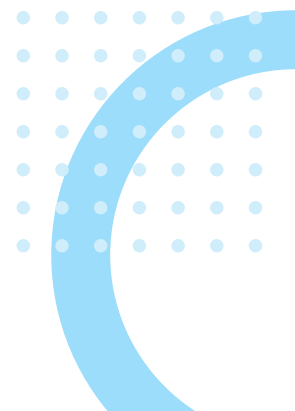
maintenance of geography and tax content, offer enterprise-ready technical support, and are activated through the Avalara for Oracle Unified Global Platform.

This best-in-breed integration platform offers advanced configuration and testing to enable connection to multiple Avalara products across multiple ERPs and is supported by Avalara's seasoned Oracle development team. Avalara's top-tier business assets help Oracle customers and partners create a one-stop shop for Oracle global tax compliance. This technology furthers our ability to provide products and services specific to enterprise organizations and their partners and extends the interaction between the full suite of Avalara compliance solutions and Oracle Cloud ERP. Additionally, Avalara offers some of the market-leading integrations for legacy systems such as Oracle E-Business Suite, JD Edwards, and PeopleSoft.

The benefits are extensive

Rapid implementation via touchless activation: Integrate core parts of the Avalara offering within hours, reducing implementation time by weeks and saving your team countless hours of data formatting and configuration to O2C or P2P implementation schedules. The tax setup is completed automatically, with activation status displayed directly in the Oracle user interface. Fully automated tax compliance management leverages regularly updated tax content for more than 900,000 tax rules across more than 30,000 tax jurisdictions to maximize accuracy of tax calculations. In addition, a single dashboard enables simple and efficient tax return preparation and filing.

Extended features and functionality: A single Oracle Cloud ERP integration provides access to critical compliance capabilities, like tax calculations and reporting. Customers also have access to additional compliance solutions, including exemption certificate management, business licensing, cross-border compliance, and e-invoicing. Avalara offers support for industry-specific tax types, such as communications,

oil and gas, and energy, allowing businesses to easily scale their automation to address new and expanded compliance obligations.

Enterprise-ready technical support: Avalara partners with Oracle to offer top-tier technology and support, aligning with Oracle's mission to bring cloud-based solutions to global enterprises. Avalara achieves this through automated tools that seamlessly integrate into Oracle solutions, delivering tangible cost savings for businesses while enabling them to keep stride with the rapid pace of operations.

Comprehensive testing: With over 350 automated tests (and counting) for new Oracle Cloud ERP releases, Avalara offers some of the most comprehensive testing tools to help ensure tax compliance services get set up properly.

Tax solutions powered by intelligent automation: The Oracle Cloud ERP integration gives customers streamlined access to Avalara's artificial intelligence-powered compliance solutions to enhance the product experience and streamline tax management. Today, Avalara leverages AI to enable customers to detect and extract data from exemption certificates, map Harmonized System (HS) and tax codes, and more.

Avalara products and services for enterprises

Oracle Avalara Global Indirect Tax Cloud Service (sold by Oracle)

The Oracle Avalara Global Indirect Tax Cloud Service automates sales and use tax and VAT calculations with cloud-native evergreen tax content hosted on Oracle Cloud Infrastructure combined with enterprise support.

Avalara AvaTax

AvaTax is a cloud-based next-generation tax calculation solution designed to address the compliance challenges faced by industry-leading enterprises. By automating the tax calculation process for both sales and purchases, AvaTax boosts operational efficiency by significantly enhancing tax accuracy, reducing human error, saving time and resources to perform strategic and high-value activities, cutting costs, and ensuring your business remains more audit proof.

With AvaTax, you benefit from:

- Regularly updated tax information, ensuring your business stays more current with evolving tax rates and regulations. Avalara has tax content for over 900,000 tax rules and 82,000 tax rates across 30,000 jurisdictions for businesses' sales and purchasing activities.

- Scalable solutions for expanding businesses able to support multi-company organizations, ensuring smoother transitions during mergers or acquisitions

- Geospatial technology for more accurate tax computation
- Creation, modification, and application of business- and taxability-specific rules, which are executed before the tax calculation occurs
- International compliance with HS code support for over 180 countries, real-time calculation of customs duties and import taxes, VAT reporting in 48 countries, and VAT registration in 53 countries
- Powerful reporting capabilities to keep your team organized and audit ready

Avalara AvaTax for Accounts Payable

Through streamlined integration with accounts payable systems or batch uploading of purchase transactions, AvaTax for Accounts Payable provides a smooth and efficient workflow across multiple purchasing systems within a business's organization. With AvaTax for Accounts Payable, businesses can automate use tax compliance for vendor purchases with:

- Robust automation capabilities that help your business ensure greater accuracy by capturing both overpayments and underpayments of tax from vendor purchases
- Configuration and management of threshold and variance rules on purchases, tailored to vendor designations, product taxability, and cost center allocations
- Multiple points of use designation for use tax allocation, ensuring more precise tax application
- Enhancements to tolerance and threshold rules that provide increased flexibility in applying use tax determinations according to specific needs
- Automatic inclusion of use tax on returns, reducing the manual effort required and the risk of errors

As an all-in-one, end-to-end compliance platform, AvaTax offers enterprises a singular solution for managing both sales and purchases by consolidating their tax compliance efforts into one efficient system. This holistic approach not only simplifies the

One of the reasons we chose Avalara over its competition was that it allowed us to develop much more innovative and useful automations that can be integrated into our normal workflow.

–Posky Idnani, EMEA Tax Manager, Acer

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compliance process but also provides greater visibility and control over tax obligations, helping businesses stay compliant with ease.

Enterprise support

We know that direct access to savvy technical support is critical to your compliance efforts. Avalara partners with Oracle to offer top-tier technology and support, aligning with Oracle's mission to bring cloud-based solutions to global enterprises. Avalara achieves this through automated tools that seamlessly integrate into Oracle solutions, delivering tangible cost savings for businesses while enabling them to keep stride with the rapid pace of operations. Our customized support process and dedicated Avalara technical team for Oracle customers ensure swift response.

Oracle Avalara North America Tax Returns Cloud Service (sold by Oracle)

The Oracle Avalara North America Tax Returns Cloud Service offloads the high cost and hassle of returns preparation, filing, and remittance through **Avalara Managed Returns Premium** so your team can focus on more important parts of your business. Dedicated tax specialists provide simplicity through timely transactional tax filing and remittance. File returns, remit payments, and manage notices using a single payment solution. Whether the jurisdiction requires e-filing or hard-copy returns by mail, Avalara does the work so that your team can focus on more important projects while you maintain control through liability review and approval.

With Avalara Managed Returns Premium, you can:
- Save time by removing the manual tasks that expend your resources
- Reduce costs and focus on more important parts of your business
- Improve accuracy and reduce audit risk

Avalara processed and filed more than 6 million returns in 2023. Note: North America Tax Returns Cloud Service is available after the purchase of Global Indirect Tax Cloud Service.

Avalara E-Invoicing and Live Reporting

Avalara E-Invoicing and Live Reporting (Avalara ELR) was designed to help enterprises automate finance processes and comply with global e-invoicing requirements. Avalara ELR is included in every Oracle Cloud ERP pod as a seeded service provider for e-invoicing. Avalara ELR is built on the same platform as other powerful solutions from Avalara, such as Avalara AvaTax, and uses Avalara's advanced Oracle Cloud ERP connector technology that runs on Oracle Cloud Infrastructure.

With Avalara E-Invoicing and Live Reporting, you can benefit from:

- Comprehensive support of mandates and countries, covering outgoing (AR) and incoming (AP) invoices exchanged via Peppol in Australia, Japan, New Zealand, Norway, and Germany, and invoices exchanged via country-specific government-operated platforms in Italy, Poland, and Spain (non-Peppol) as well as live reporting in Hungary and Portugal. Country coverage supported by the Avalara ELR solution is frequently expanded as mandates roll out to help your enterprise stay compliant with global requirements.

- A Universal Business Language (UBL) extension that captures all available invoice fields when generating XML data and provides the ability to embed PDFs or other attachments to meet specific tax-authority requirements.

- A single monitoring hub provides information about each document's status, including immediate information about tax authorities' accepting or rejecting the e-invoices. The Avalara ELR integration provides a configurable data validation tool that can pre-check the syntax of created invoices to help reduce the risk of invoices getting rejected by the tax authority platform. In case an invoice is rejected by the tax authority platform, the connector updates the invoice's status to 'Incomplete', and at the same time it updates the Tax Authority Message field with the exception message the tax authority platform returned. The user can then correct the error and resubmit the invoice for e-invoicing.

- Streamlined dataflow and inter-app communication with Oracle Avalara Global Indirect Tax Cloud Service and other Avalara compliance solutions. The solutions use shared data configuration and settings to enable real-time communication of tax codes, simplifying mapping and transformation of data elements between systems.

Avalara VAT Reporting and Returns

Avalara transforms the VAT compliance process from a burden into a streamlined, scalable solution that adapts to your multinational business. With advanced technology and dedicated support, Avalara is your partner in managing VAT complexities.

Avalara VAT Returns equips enterprises with the tools to navigate global VAT complexities, ensuring greater compliance, greater accuracy, and greater efficiency at every step.

- Automatically generate VAT returns tailored to the requirements of over 49 countries. Avalara ensures greater compliance by supporting local languages and formats, while providing an English translation for cross-regional teams.

- Map and transform VAT data seamlessly from various ERP or accounting systems with Avalara's automated data transfer capabilities, reducing manual effort and errors.

- Whether managing VAT for one country or scaling across 48 countries in the Americas, EMEA, and APAC, Avalara offers comprehensive support for all filings, listings, and declarations, from Intrastat to OSS/IOSS.

- Stay ahead of ever-changing global regulations with Avalara's regularly updated software, reducing risks and keeping you audit ready.

With Avalara VAT Reporting, you can:

- Automate data validation and return generation, freeing your team to focus on strategic tasks

- Ensure greater accuracy with over 150 compliance checks and regularly updated tax content

- Access all VAT reports in one secure platform with clear audit trails, enabling easier oversight and decision-making

Avalara AvaTax Cross-Border and Tariff Code Classification

Avalara AvaTax Cross-Border calculates or estimates customs duties and import taxes for consumer products in more than 190 countries in real time and applies them to the transaction invoice or shopping cart.

With Avalara AvaTax Cross-Border, you can:

- Minimize surprises for customers by populating cross-border taxes into online shopping carts
- Automatically check for errors or oversights to reduce customs delays
- Charge duties and taxes with greater accuracy using regularly updated information

Avalara Tariff Code Classification automates the process for generating mandatory universal 6-digit or country-specific 10-digit tariff codes.

With Avalara Tariff Code Classification, you can:

- Scale product volumes ranging from dozens to millions
- Capture transaction details and provide classification rationale to support audits
- Choose from AI-based, self-serve or managed solutions to suit your business needs

Avalara Exemption Certificate Management

This next-generation solution sets a new industry standard, helping you reduce risk, drive efficiency, and improve customer satisfaction.

With Avalara Exemption Certificate Management (ECM) Premium, you can:

- Track certificate expiration and proactively request new ones, reduce potential errors through automated workflows and validation, and respond to audits quickly and with confidence

- Reduce the time required to collect, review, and manage certificates; minimize the effort to track tax laws and expiry dates; reduce administration time to review and validate certificates; and eliminate IT and security costs to maintain in-house systems and reduce the need for in-house expertise

- Decrease customer time to upload valid certificates, help customers select and complete the right forms, and allow customers to manage their own certificates securely

ECM Premium supports complicated exemption management and high-volume storage of certificates. Configurable options combined with automated workflows simplify and dramatically improve collection, validation, and maintenance processes for your business's exemption certificates. Stand-alone options provide easier integrations to existing third-party tax engines and business applications for unified workflows.

With ECM Premium automated validation and renewal, you benefit from:

- Avalara CertExpress, which reviews certificates entered through the customer portal with a simple collection process

- Optical character recognition (OCR) and machine learning, which scans, reads, and digitizes certificates to capture field data and intelligently recognize incorrect forms and information or missing signatures

Additionally, when you take advantage of Avalara ECM Managed Services, we take care of all the heavy lifting associated with ongoing maintenance of exemption certificate management, including inbound customer support and education.

We needed a software solution that was easy to use, easy to plug in, and had the back-end side of tax compliance Zillow Group needed ... [With Avalara] the implementation was really smooth. Within a couple of hours, we had our development sandbox up and we were evaluating transactions.

–Jason Heckel, Senior Director of Tax, Zillow Group

Industry compliance products

Avalara for Excise

Avalara AvaTax for Energy integrates with Oracle for Oil and Gas pricing processes to automate the identification and calculation of indirect taxes on fuel transactions. It's a unique, out-of-the-box solution for fuel suppliers, distributors, and traders that provides comprehensive support across excise taxes, environmental taxes, VAT, and sales and use taxes.

Designed to map Oracle fields to the tax values from AvaTax for Energy, it enables automatic validation and more accurate determination of multiple taxes on invoices. This prebuilt integration and fuel and tax calculation solution reduces both startup and ongoing costs for tax and IT departments, cutting implementation time and streamlining production operations.

With Avalara for Excise, you can:

- Reduce the risk of compliance errors. As a cloud-based solution, Avalara provides regularly updated rates, rules, and forms required for ongoing compliance, improving accuracy and reducing risk.

- Integrate your Avalara solution with other business systems to simplify energy tax management and give you a single source of tax data. Scenario-based architecture allows you to create custom rules without needing help from IT or developers.

- Run tax scenario simulations to see how new products, carriers, or markets affect your overall tax liability before you expand to maintain compliance while you grow. Avalara solutions are modular, so you can build the solution you need now based on the products you currently sell and add to it as your business needs evolve.

Avalara for Communications

Avalara AvaTax for Communications makes it easier to identify and calculate communications taxes, fees, and surcharges that may be responsible for communications tax liability as your business expands product scope. AvaTax for Communications handles the most complex communications tax calculations, like tax on tax, tiered taxation, self-taxing rates, and tax inclusive – even when they're bundled. Extensive historical rate and application history are included, and clear output is provided to improve accurate invoicing.

Avalara Returns for Communications manages communications tax returns preparation, filing, and remittance to save your team time while reducing audit risk. Reduce out-of-cycle activities like notice management and resolution, back-filing, and monitoring of tax and form changes. This solution integrates directly with AvaTax for Communications for a streamlined one compliance solution or as a stand-alone product.

With Avalara for Communications, you can:

- Reduce overhead while reducing risk and frustration by using a single platform for all your tax compliance needs, including address validation, calculation, returns filing, and exemption management – built on exceptional expertise, reliable support, and hardened technology

- Efficiently manage tax risk. Avalara's communications tax team closely follows changing rules, rates, and legislation in all U.S. tax jurisdictions. Our fully integrated SaaS solution then regularly updates both tax rules and returns forms, so your team spends less time handling the details.

- Reduce friction in customer experience 24/7 with elastic scalability for large batch transactions or high-volume calculations at the point of purchase

- Stay nimble in a dynamic tax ecosystem. Our dedicated communications tax specialists have extensive knowledge of the latest industry trends and changing tax rules and legislation

Avalara Tax Content for Retail

Avalara Tax Content for Retail manages complex tax scenarios for offline tax calculation at brick-and-mortar locations, providing deeply researched content relevant to your business, either in Avalara's standard format for offline content or transformed into Oracle Retail Xstore. The content accounts for sales tax holidays, multiple locations, threshold taxes, and more.

With Avalara Tax Content for Retail, you can:

- Keep your Oracle Retail Xstore systems prepared for complex tax situations, including sales tax holidays and threshold taxes, across multiple jurisdictions
- Tailor Oracle Retail Xstore tax content configurations to meet unique business needs across brands, products, and service lines quickly
- Replace manual processes with scheduled, automated tax data, preventing the most common risks and burdens caused by manual tax updates to your Oracle Retail Xstore systems

Supporting compliance products

Avalara Property Tax

Avalara Property Tax is a secure hub for real property and business property tax information and tax-related activities. It automates data entry for critical assessment notices and tax bill document management, deadline management, asset categorization, and depreciation schedules.

With Avalara Property Tax, you can:

- Automate data entry. Avalara scans your tax bills and extracts key data that is checked by machines and humans for greater accuracy. Data is then appended to accounts to help ensure that your team has all the required information to file your returns.
- Combine tax documents in a single hub. Bills, assessments, returns, documents, appeals, and other forms are centralized across 20,000+ jurisdictions.
- Minimize tax penalty costs. Avalara Property Tax Documents' due date calendar auto-populates with default data and customer-specific dates to help you avoid missing deadlines and take advantage of any discounts. Avalara Property Tax Advisory Services can also provide appeals support.

Avalara Property Tax has helped Comcast reduce the manual effort associated with processing and filing thousands of property tax returns that were due every two weeks of the first six months of the year.

Avalara Tax Research

Quickly access the tax research your team needs to stay ahead of potential audits with Avalara Tax Research. Direct access to tax researchers and self-service access to updated transaction tax rules, rates, and regulations help with tax decisions in both the U.S. and internationally.

We were doing all allocations manually, and then printing and mailing the returns for each jurisdiction. ... We needed a consistent, centralized process that was accessible for everyone on the team,

–Allyssa DeCenzo, Property Tax Manager, Comcast

COMCAST

With Avalara Tax Research, you can:

- Save time and frustration with explanations that are easy to search for, understand, and reference

- Reduce the cost of manual research

- Eliminate manual tracking of taxability history

- Get answers to questions about complex scenarios, like drop shipping, through intuitive decision trees

- Increase confidence via unlimited Q&A with tax researchers

Avalara 1099 & W-9

Avalara 1099 & W-9 makes it easier to collect, manage, and e-file your IRS forms, saving your team time to refocus on value-added activities.

With Avalara 1099 & W-9, you can:

- Streamline vendor information. Avalara stores vendor information while performing real-time TIN matching with the IRS.

- Reduce risk with vendor information management. Avalara 1099 & W-9 stores IRS forms W-9, 1099, and more in a central and secure location where they are accessible for an IRS audit, flagging errors before e-filing your documents.

- Improve efficiency with a paperless process from start to finish. Avalara 1099 & W-9 automatically e-delivers 1099 copies to recipients and e-files with both the IRS and individual U.S. states that require extra filing.

Avalara License Management

Cloud-based business license management software that lets you centralize hundreds to thousands of business licenses, permits, and tax registrations through a single application.

With Avalara License Management, you can:

- Drop the spreadsheets and other manual systems

- Help users to pick up tasks where others left off

- Scale for growth to manage thousands of licenses
- Save time and let the app research licensing requirements for you
- Assign select portfolio access and ownership to multiple users
- Increase collaboration across departments, which is critical for businesses with high-volume lease and license management

In addition to Avalara License Management, you can engage with Avalara License Managed Services for the ongoing maintenance of your business licenses and to empower you to maintain compliance. It can free your staff to focus more on activities that drive profitability. It also provides you with 24/7 access to a portal that lets you track the work we do for you on your behalf.   before e-filing your documents.

> **"**
>
> **Because we run lean here, we didn't want our IT people to take on any part of this system. In the end, we only had to provide our data and Avalara did the rest.**
>
> –Heather Parker, Compliance Officer, LAZ Parking

Real ROI that benefits the bottom line

Avalara commissioned Forrester Consulting to conduct a **Total Economic Impact™ (TEI) study** on the return on investment (ROI) companies might expect by automating tax compliance with Avalara. Forrester interviewed six Avalara customers about the ROI they realized from Avalara solutions and constructed a composite global company that uses AvaTax, Exemption Certificate Management, Managed Returns, and Tax Research, and aggregated financial analysis from the responses.

Prior to automating tax compliance with Avalara, interviewees said they experienced difficulty collecting and remitting tax in all jurisdictions where they have nexus due to frequent tax law changes. Study participants also said their businesses faced challenges managing exempt sales and higher audit risk due to incorrect or missing forms when filing returns.

After implementing Avalara, TEI study participants said they were able to more accurately calculate taxes, reduce time and errors filing tax returns, efficiently manage exemption certificates, and prepare for audits, which effectively lowered their organizations' potential liabilities for noncompliance.

The results showed that on average, Avalara solutions helped the composite organization save:

- 34 hours per audit, gaining 85% efficiency by reducing time spent on audits
- 510 hours annually on managing and filing tax returns, saving more than $83,000 over three years
- $150,000 annually by eliminating the need to hire third-party tax consultants
- 384 hours annually by cutting time spent researching changes to tax rates, rules, and obligations

Overall, the composite organization experienced a **153% return on investment** within a payback period of less than six months.

Better together

Avalara's strategic partnership with Oracle goes beyond stand-alone tax compliance solutions. It represents a commitment to providing businesses with a holistic and integrated approach to indirect tax compliance. Together, Avalara and Oracle empower enterprises to navigate the complexities of tax compliance seamlessly, ensuring accuracy, efficiency, and compliance throughout the entire business process life cycle. The combined power of Avalara and Oracle delivers a comprehensive solution for businesses operating in a global and dynamic marketplace.

To learn more about how cloud-based solutions from Avalara can help you meet your global tax compliance challenges, <u>reach out to a sales representative</u>.