Making tax compliance less taxing

Avalara VAT Reporting addresses the complex automation needs of companies looking to increase their compliance accuracy and significantly reduce their dependency on manual processes and inhouse or spreadsheet based technology.

VAT Reporting capabilities

Avalara VAT Reporting addresses the complexities of VAT compliance, and provides efficiency, increased accuracy, and a reduction in manual compliance processes.

VAT Reporting helps remove the complexities of filing VAT returns in multiple countries, and ensures they match the required formats of each of the countries.

It allows companies to file their VAT Returns and other indirect tax compliance reports in 43 countries, including all the EU and Gulf Cooperation Council (GCC) member states.

It is automatically populated on a daily basis with sales and purchase transaction data directly from the accounting/ ERP system. Powerful data checking and validation identifies possible errors and anomalies that can usually be fixed within the period rather than requiring adjustments to the returns.

VAT returns are submitted electronically to meet compliance with individual countries' specific filing formats. Returns can also be displayed and saved in PDF format in the relevant local language or translated to English.

Avalara updates and maintains VAT rules continually for VAT reporting accuracy.

Tax compliance done right

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Flexible data collection and consolidation

- Pre-built data extractors for SAP and Oracle
- Automatic daily overnight import of compliance data
- Collection of over 150 data transaction level fields enabling more than 130 automatic data checks and validation
- Data can be imported in formats such as txt, csv, xls or xml to enable simple integration with any system
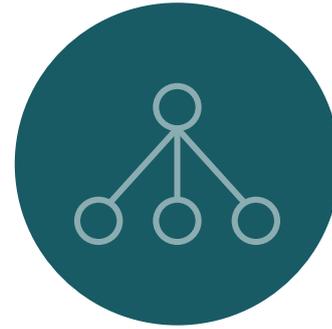
Powerful automatic data checking on data import

Over 150 data checks to ensure that the compliance data that goes into the returns is as accurate as possible. This checking is done as the data is loaded into the system and errors are pushed to an error queue for the compliance team to review. Issues will be one of two types:
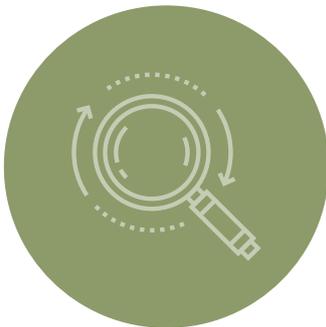
- **Errors:** These would result in the boxes of the return not adding up correctly and have to be fixed before the returns can be created
- **Warnings**: These highlight potential underlying transactional data issues that could result in inaccurate filings such where the ship from location is the same as the ship to location but the tax code selected indicates a intra-community supply

Since the extracts operate daily errors will be trapped within the period and can be corrected in the ERP rather than having to wait until the period closes, adjust the return and then make subsequent journal entries and reversals to the next return. This results in more accurate returns with fewer adjustments and a simpler less error prone processes.

Powerful reconciliation analysis and reporting

- Automated support for VAT to GL reconciliation
- Powerful data dictionary based VAT to Intrastat to VAT reconciliation ensure that invoices can be reconciled to the relevant corresponding deliveries
- Intercompany reconciliation processes help make sure that a company's intercompany outputs match their inputs
- Direct drill down from the return boxes to the underlying invoices
- Data mining tools for flexible transactional reporting

Audited manual adjustment processes

If adjustments are required, such as bad debt adjustments, they are made in a controlled, structured, and easily visible manner.

Review and oversight

- Structured separation of duties between preparers and reviewers
- Tax calendar powered dashboard for tracking completed and due filings

Filing

- VAT returns in 43 countries
- Sales and Purchase Listings
- Intrastat declarations
- Local listings and reverse charge listings
- Sales and purchase ledgers
- VAT Books
- Electronic filing
- Direct online filing where supported by the tax authority
- XML upload where supported by the tax authority
- PDF for all types of filings
- Returns available in English as well as the relevant local languages
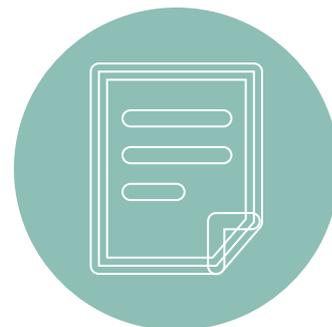
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NU SKIN THE DIFFERENCE. DEMONSTRATED.™

Nu Skin case study

"VAT Reporting runs like a Swiss watch. It does exactly what it says on the tin and does it very efficiently."

Nu Skin Enterprises is a $2.0 billion plus direct selling company that markets premium quality personal care, nutrition, and technology products through a global network of independent distributors. Headquartered in Provo, Utah, the company now operates around the world in nearly 50 countries.

With VAT applying in over 30 different territories to which they ship, keeping track of the different VAT regimes' and reporting requirements is a major task, and one that Jos Verheijen, Indirect Tax Manager at NSE Products Europe, admits can be a full –time role. "Keeping up to date with the continual changes in the rules and how they need to be applied and report them in each territory is a challenge," he continues. "That is why we decided to implement external software that can work with our SAP platform to make sure we always get it right."

The first and most obvious approach was to do a system-wide upgrade of the SAP platform to incorporate VAT management. However, as Jos points out, this was not as simple as it might appear. "We have affiliates in many countries in which we trade and each of these has its own instance of SAP. This means each instance would have had to be tailored to manage the local VAT rules. Trying to collate that in a number of different languages to ensure a seamless solution would have been a major task, and probably impossible without a dedicated team."

Instead Nu Skin looked at different solutions and explored the market to find an external provider that could cover all their markets. "I knew of Avalara from my previous work, so I invited them to bid for the role amongst other providers. One of their most appealing benefits was that they cover all the countries where VAT is either in place or being rolled out, so we don't have to worry about localising the outputs for different formats, rules and filing regimes. It was the perfect answer all rolled up into one effective box."