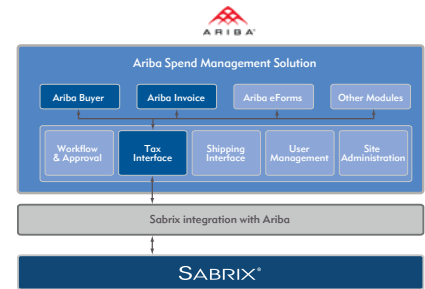


## Sabrix Integration for Ariba

Sabrix and Ariba have partnered to offer its mutual customers a jointly developed connection. The Sabrix integration for Ariba Buyer provides an integration point enabling the full capabilities of the Sabrix Solution and Ariba Buyer. This partnership ensures that the integration is implemented with the support of Sabrix Professional Services as well as Ariba Product Development.



The Sabrix integration for Ariba Buyer seamlessly connects the Sabrix Solution to Ariba Buyer and Ariba Invoice versions 8.1 or higher, providing a complete, centralized transaction tax solution for Ariba customers that require the determination, calculation, and reporting of U.S. sales and use tax and international value-added taxes.

As illustrated below, implemented as a single connection to Ariba Buyer, the Sabrix integration for Ariba Buyer connects with Ariba's standard tax interface, providing transaction tax determination for all Ariba Buyer transactions.

Ariba Buyer calls Sabrix when the determination of tax is required. The Sabrix integration collects all standard Ariba Buyer tax elements plus any additional transaction data elements necessary to accurately determine tax. This data is passed to the Sabrix Solution where tax is determined, calculated, and recorded. Once tax is determined, the Sabrix integration then passes the tax information back to Ariba Buyer.

The Sabrix integration is flexible and simple in design yet capable of handling even the most complex transaction tax scenarios. No embedded tax or calculation logic is developed or maintained in the Sabrix integration. All tax determination and calculation logic resides within the Sabrix Solution which is configured and managed by the tax professional without the need for custom programming and IT department involvement.

### Sabrix integration for Ariba Buyer Tax Determination

When a requisition is created, transaction data is passed from Ariba Buyer via the tax interface as a Line Item Collection. The Ariba Buyer tax interface supports both internal and external calculations of the tax amounts applicable to a line item collection. By default, Ariba Buyer uses the internal tax rate table and provides an ability to calculate tax amounts. For each taxable line item, Ariba Buyer performs a lookup against the values of the line item and the tax rate table. When a single match is found, the tax rate is returned and the tax amount is calculated. For multiple matches, the rank is used to determine which matched rows to use. A default rate can be configured when no other matches apply.

For more complex tax determination, tax codes can be derived from a combination of factors such as location and commodity code.

## **Sabrix integration for Ariba Buyer External Tax Determination**

Recognizing that Ariba Buyer is not a tax expert, Ariba provided a standard configuration to redirect tax calls to an external tax determination, calculation and recording system. As before, when a requisition is created, transaction data is passed from Ariba Buyer via the tax interface as a Line Item Collection. The Sabrix integration for Ariba Buyer picks up this tax call and passes it to the Sabrix Solution as a non-audited tax call (note: with Ariba Invoice, this would be a taxable event and could be passed as an auditable tax call). Sabrix will calculate the proper tax based on the tax data elements received in the tax call, enhanced by additional data elements as needed, and pass the proper tax back to Ariba Buyer, or, as an option, pass a tax code to Ariba Buyer that can be interpreted and used by the financial system that ultimately accrues the tax liability.

A unique feature of the Sabrix integration is the ability to use a pre-tax calculation user-exit to map additional, company unique, data elements from the Ariba Buyer to the Sabrix Solution.

The Sabrix Solution can then be configured to provide tax determination based upon the additional data elements provided from Ariba Buyer. The Sabrix Solution can utilize a virtually unlimited number of data elements in the determination of tax – a capability which ensures tax accuracy on even the most complex transactions. Configuration of the Sabrix Solution is performed by the tax professional without custom programming and IT department involvement. This lowers cost and places control of tax decisions in the hands of tax experts—without end-users having to worry about entering tax codes or marking requisitions as “exempt” or “taxable”.

Afterwards, the Sabrix integration post tax-calculation user-exit can be utilized to map any additional information from the Sabrix Solution back to Ariba Buyer. This ensures that data items, such as tax codes, are derived accurately so as to drive the remainder of the procure-to-pay process with a high level of tax determination accuracy.

## **Benefits of the Sabrix integration for Ariba Buyer**

Sabrix provides the most comprehensive transaction tax solution in the industry. While the Ariba Buyer internal tax rate table functionality is limited, connecting to the Sabrix Solution provides the power and functionality necessary for today's tax professionals to effectively manage their company's transaction taxes. The Sabrix Solution's automatic tax-determination capabilities deliver a level of tax accuracy unsurpassed in the industry. Sabrix's tax determination gives corporate tax personnel the means to significantly improve transaction tax accuracy and reduce compliance costs by:

- Eliminating tax decisions by requisitioners, purchasing, and accounting personnel. No manual jurisdiction code or tax code assignments are required during transaction processing. This ensures both tax accuracy and appropriate accounting/GL posting.
- Delivering and managing all tax rates and rules for the U.S. and over 150 international countries.
- Providing the ability to capture not only standard tax interface data elements, but, up to 80 additional, customer unique transaction data elements to ensure enough information is provided to the Sabrix Solution to accurately and automatically determine tax on even the most complex transactions.

- Centralizing the management of customer exemption certificates. Sabrix can also capture exemption information 'on the fly' as transactions are processed from Ariba Buyer.
- Eliminating the overhead costs of maintaining address jurisdiction codes within Ariba Buyer. No periodic updates are required to keep jurisdiction codes synchronized in Ariba Buyer with the shifting jurisdiction definitions provided by tax authorities.
- Storing transaction tax information for all Ariba Buyer transactions in one audit and compliance database, centralizing and simplifying compliance and reporting needs companywide.
- Providing reporting which matches tax transactions stored in the Sabrix Audit and Compliance Database to transactions stored in Ariba Buyer or the customer's ERP system.
- Maintaining all historical tax rates for applying credits and returns.
- Supporting invoice-at-a-time and line-at-a-time processing, enabling Sabrix to correctly account for complex max tax scenarios, origin based transactions, etc.
- Managing all compound and multi-level tax jurisdictions.

The Sabrix Solution goes well beyond calculating tax based upon provided jurisdiction and tax codes. Sabrix automatically determines tax based upon the attributes of each transaction, requiring no manual tax decisions by non-tax personnel during transaction processing.

Companies with unique business and tax requirements can be assured of accurate tax calculation because the Sabrix Solution can uniquely determine tax based upon a virtually unlimited number of data elements.

Sabrix can both receive from Ariba Buyer and return to Ariba Buyer, additional transaction information. Returning additional information is often a requirement of companies needing increased financial and reporting capabilities in Ariba Buyer.

Sabrix integration for Ariba Buyer development is done jointly between Sabrix Professional Services, Ariba Product Management and Ariba Development. This joint development ensures that Ariba customers will have a supported solution that further unlocks the value of Ariba Buyer by automating the determination of U.S. sales and use tax and international value-added taxes.