

JUNE 2022

NetSuite & Taxes in Latin America:

Transparency for Business Growth



Built for
ORACLE[®]
NETSUITE 
Native SuiteApp

 **LATAMREADY**

The world is becoming more interconnected,

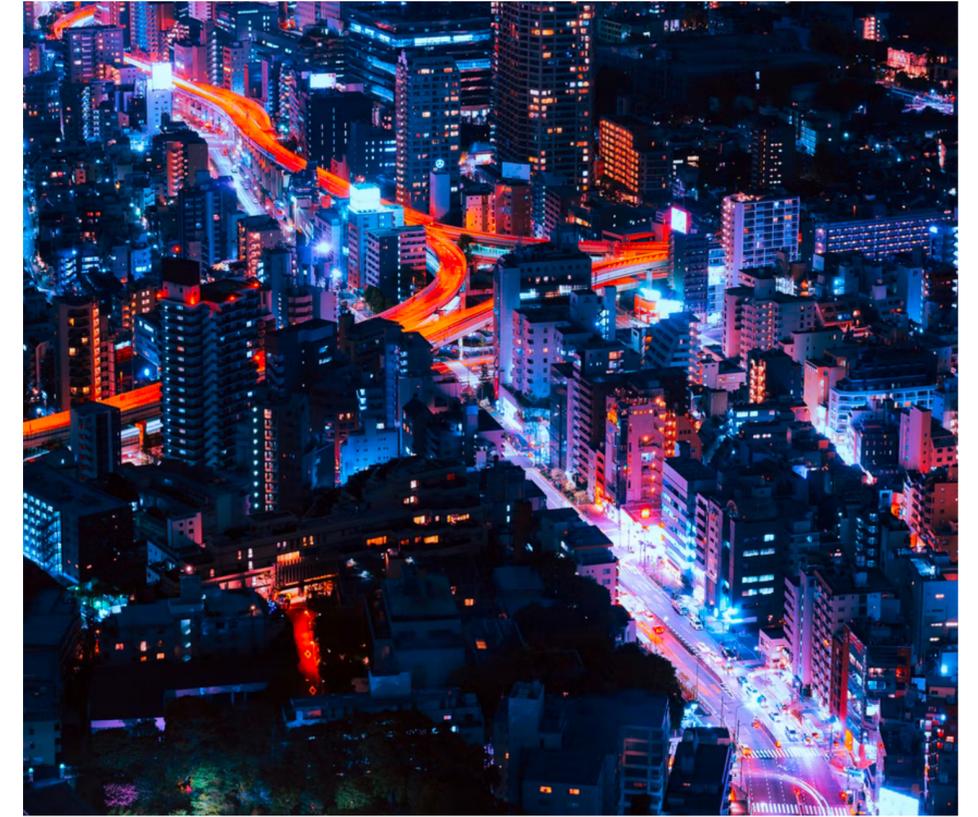
and tax authorities around the globe, and particularly in Latin America, are growing in their sophistication.

They're taking a long hard look at businesses that appear to be reporting less than expected for fear they may have been avoiding paying taxes themselves by not reportable amounts or through other means altogether.

Let's look at some recent high profile cases, like the biggest online delivery app in the globe and the most popular coffee shop in the world, both being required to charge sales taxes in many countries around the world including LatAm.

With these cases it is fair to say that it is important for you as an entrepreneur or business owner not only to know your legal obligations but also to take steps now in order to be prepared to quickly attend the questions that arise due diligence in the future.

A good action -now- would be to consider implementing technology designed for tax processes in complex scenarios: **in this blog we will talk about** the importance of an efficient ERP such as Oracle NetSuite and the specific Native Solutions such as the LatamReady SuiteApp for taxes in Latin America.

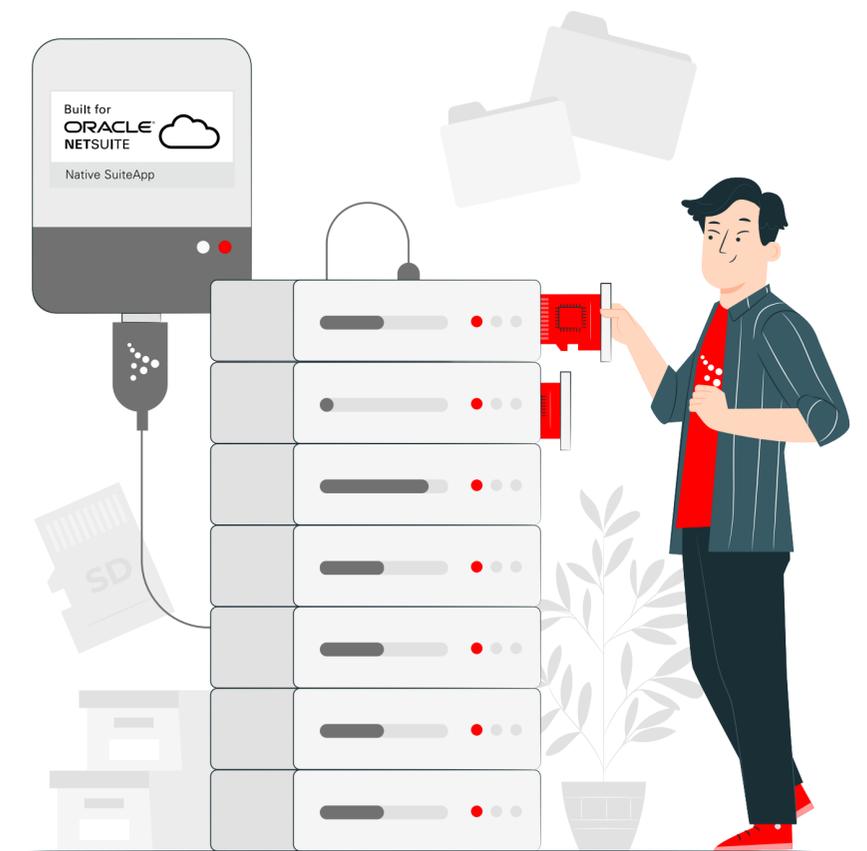




With the recent focus on transparency by authorities, it is more important than ever for businesses to stay **up-to-date with local laws and regulations**. In some countries, where some supplies are taxed at a rate higher than what's seen in LatAm for example, there has been an increased demand from companies looking into how they can obtain lower rates through tax compliance efforts which will likely benefit finance teams around the world as well.

In order to be transparent about taxation, a business needs an easy way of displaying their calculation methods and the source of taxable values reported on tax returns.

This can often be difficult with traditional ERP systems because they're not designed for this type of information-sharing purpose - which makes it hard in practice as well. But what about a **top global Cloud ERP such as Oracle NetSuite?** We will get to that in a minute.



Indirect and transactional taxes such as Sales Tax, VAT/GST and Withholding Tax in countries like Brazil, Mexico, Colombia and LatAm, are typically based on **six criteria**:

● **Who is doing the selling** - is the business a for profit, non-profit or other form of organization that has some specific treatment for indirect taxation purposes?

● **Where you are selling/shipping from** - the location from where you are selling your goods or service will drive certain tax behaviors (for example, if you are not in the same State or Country as your customer)?

● **Where you are selling/delivering to** - similarly, the location of the customer will also determine certain taxable treatments and which tax rates are applicable?

● **Who you are selling to** - as above, does the customer you are selling to fall into one of the special categories?

● **What type of item/service you are selling** - certain types of item attract different rates of taxation over and above any of the other criteria; children's clothes could be exempt from VAT in some countries, for example. Another example is that products deemed to be Luxury Goods are taxed at a higher rate in some countries than others?

● Last but not least, the tax that is being charged may itself have some **specific properties**; perhaps it is only valid for a certain date range or, it is calculated on a basis other than the actual item price.



The indirect taxes that business owners face can be difficult and challenging to calculate. Beyond the complexity, there is also a need for businesses who want their calculations approved by auditors as well - but this usually isn't an issue with traditional point-based solutions anymore because they're not quite accurate enough nowadays either. This is when we start talking about Oracle NetSuite.

NetSuite's tax reporting capabilities are built right into its integrated business system. From the top level report for each country of operation, finance teams can drill down and see how those reports were constructed at different levels - all without having to redefine any terms or look up information elsewhere! This means that **NetSuite users never miss out on important stats** because their preferred tool was not available when

they needed it most: there's always access through either an online portal or mobile application. The data is organized by Tax Code and then each individual transaction from which those values are derived.

NetSuite has been around for more than a decade and its customers can see details of their transactions **with just one click.** The ability to drill down from summary levels all the way into granularities such as Customer or Item level is something that makes this software unique in today's market - no other platform offers these types of capabilities.

NetSuite has made it **easy for finance departments all around the world** to submit accurate tax reports. They do this by providing transparency, which reduces stress and complexity of generating proper documentation during audits or inspections with just one click.

LatamReady's solution

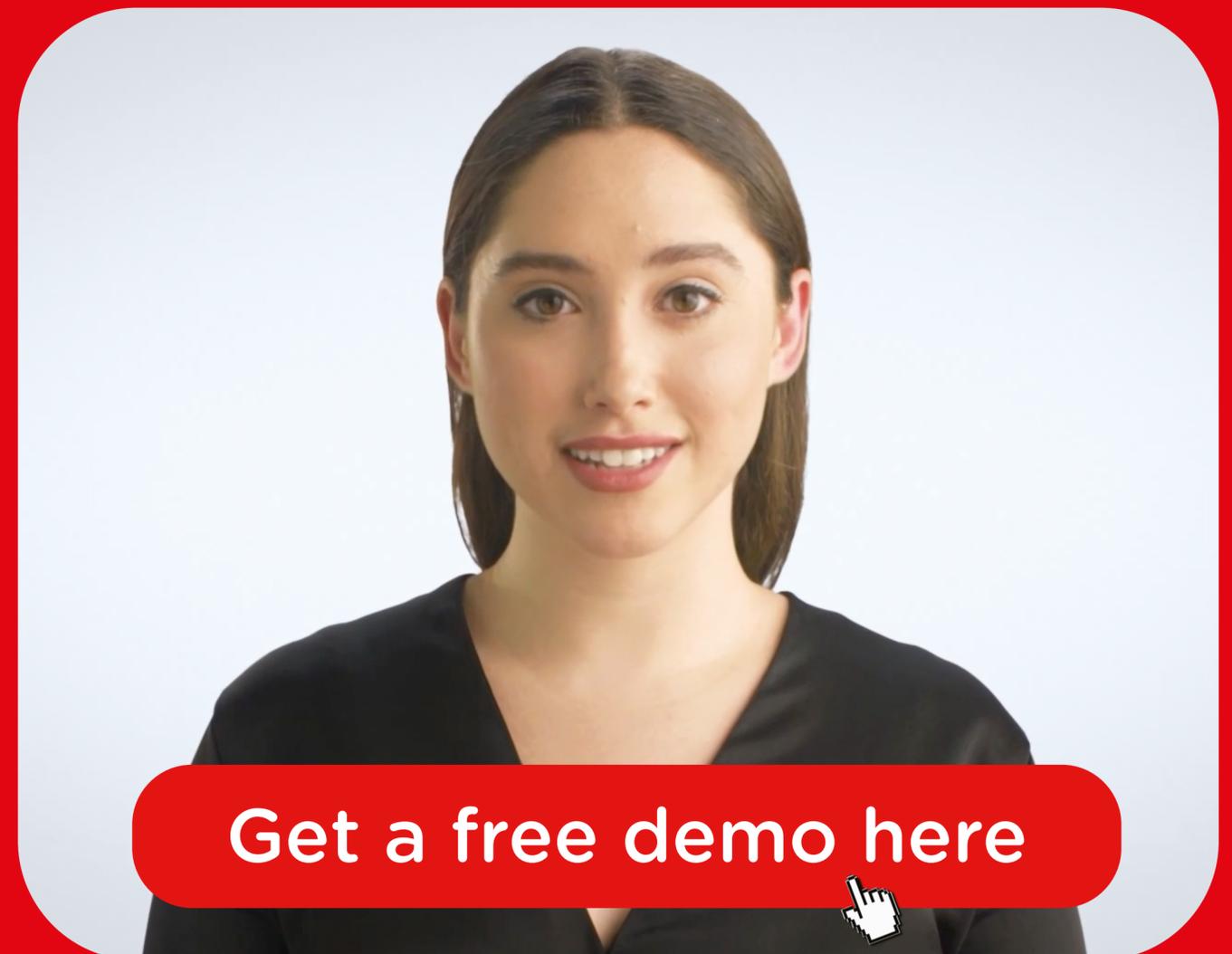
is designed specifically for the challenges faced by multinational companies who want to include LatAm in their global expansion plan executed with greater transparency.

The LatamReady SuiteApp is a native tax compliance solution that helps companies overcome challenges like electronic invoicing, legal ledgers, taxes and withholding taxes. All within Oracle NetSuite. One single solution to unlock 18+ countries.



YOU WERE BORN READY.

Unlock your biggest ambitions with the smartest solution for taxes in Latin America within Oracle NetSuite.



WWW.LATAMREADY.COM