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Pillar Two in Oracle Cloud EPM

The Pillar Two solution in Oracle Cloud EPM helps tax and finance stakeholders at multinational companies to automate the end-to-end Organisation for Economic Co-operation and Development (OECD) Pillar Two requirements. Built with best practices, the solution ensures reporting compliance with regulations and empowers users with robust tax forecasting, modeling, and analysis capabilities to better understand impacts across all your legal entities.

Automates all data collection, calculation, process automation, and reporting

Pillar Two in Oracle Cloud EPM addresses the full top-up tax model. The solution includes data collection for both, data that must be *manually* collected, as well as data that can be *collected from source systems*. The top-up tax model includes the Global Anti-Base Erosion (GloBE) Income calculation, including Income Inclusion Rule (IIR) and Undertaxed Payment Rule (UTPR), the Covered Tax Expense calculation, the ETR Reconciliation, and the Top-up Tax calculation. It also includes pre-built dashboards, reports, and analytics.
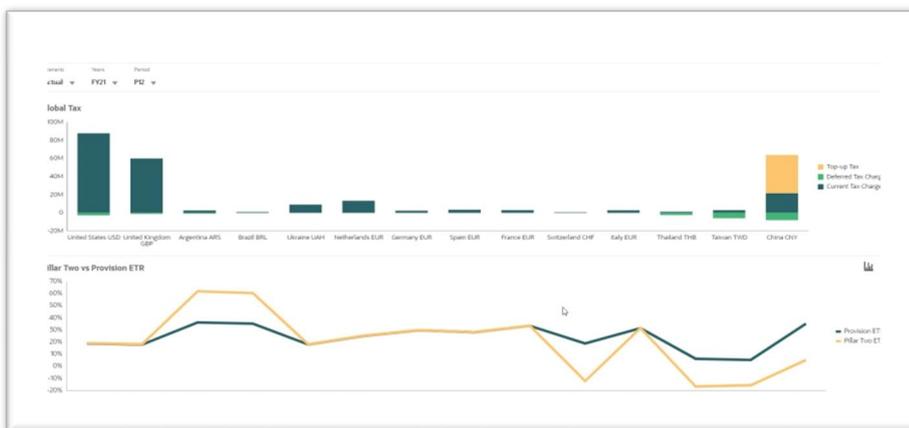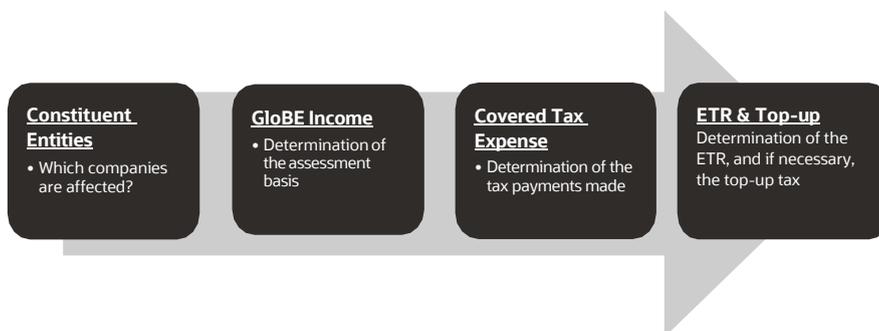

Image 1: An example of the Pillar Two dashboard

Image 2: The Pillar Two calculation flow

Key business benefits

- Be ready for Pillar Two requirements and implement the Oracle solution quickly by leveraging the best practice tax reporting framework

- Speed up the financial close and keep tax reporting connected to the broader financial close process

- Leverage your existing investment in Oracle Cloud EPM

- Automate all your tax accounting processes by taking advantage of the modular features for tax provision, country-by-country reporting, transfer pricing, and more

Key features

- Full top-up tax model including GloBE Income calculation, Covered Tax expense calculation, ETR reconciliation, & Top-up Tax calculation

- Prebuilt dashboards and reports provide you with thorough analysis

- Task Manager allows you to coordinate Pillar Two activities across all users

- Data Management capability allows you to automate data collection from any source system

- Pillar Two features are connected to Financial Consolidation & Close, Transfer Pricing, and Country by Country Reporting (CbCR), and the rest of the Cloud EPM

- The Pillar Two capabilities are included as part of your Cloud EPM deployment

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Best practices are built-in to Oracle Cloud EPM and designed to work with your cloud and on-premises systems as well. For example, it works with both Financial Consolidation and Close in Oracle Cloud EPM as well as on-premises Hyperion Financial Management (HFM). This allows you to leverage your existing investments, but quickly address the Pillar Two requirements in a robust, auditable process.

Automate data collection from any source system

Pillar Two data requirements go beyond the general ledger. The data required will be sourced from various system such as the financial consolidation system, tax provision, ERP and sub-ledgers, HR systems, sales systems, etc. Using the standard Data Management capabilities in Oracle Cloud EPM, tax departments can automatically collect the data from these source systems and transform it to the needs of the Pillar Two data model. Importantly, this ensures a strong audit trail, and enables tax resources to spend more time on data analysis and waste less time collecting data. Any data that cannot be easily automated, can be manually entered into the best practice Pillar Two Input screens within Oracle Cloud EPM.

Ensure process collaboration across the enterprise

The Pillar Two process will require coordination of activities from colleagues across tax, finance, and other operational parts of the enterprise. To this end, Oracle Cloud EPM includes an easy-to-deploy Task Manager to ensure seamless coordination and collaboration across the entire process. Tasks can be assigned and monitored from a central dashboard. End users are provided a simple step-by-step process flow to guide them through their Pillar Two responsibilities. This allows you to minimize the impact of the new requirements across the enterprise to ensure that the Pillar Two process runs as smoothly as possible

Tax forecasting & modeling for Pillar Two impacts

Pillar Two represents a major change to tax process and tax planning strategies. One of the core benefits of the Pillar Two solution in Oracle Cloud EPM is the ability to forecast and model the future impacts of the new requirements. In addition to the world-class calculation and reporting capabilities tax users can copy Pillar Two data to forecast scenarios for end-to-end modeling. This allows tax power users to change assumptions that could have material impact on the outcome. This ensures that your tax function can best prepare the enterprise for the new realities of the global minimum tax.

Are you Pillar Two ready? If not, Oracle Cloud EPM can help fast!

The Pillar Two module in Oracle Cloud EPM has best practices built in. This allows you to get up and running very quickly. While the module is part-and-parcel of the Oracle Cloud EPM, it is built in a manner that allows the tax department to deploy it without impacting other existing financial processes. This gives tax stakeholders the independence they need, but still allows for the synergy of data and process with other cloud or on-Premises financial processes – such as HFM or Financial Close and Consolidation (FCC). Be prepared for Pillar Two. Empower your tax department today by simply launching the Pillar Two capabilities in Oracle Cloud EPM

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