



Solution Highlights

Flexible taxation mechanism for all tax issues

- Simplifies complex taxation issues
- Suitable for every business environment
- Seamless integration with external tax applications

The intricate tax environment is getting even more complex

Taxes on Internet-based services have become a very complex issue. Methods and rates for taxing these services are still being formulated and are subject to rapid changes.

It is not merely an issue of different kinds of taxes. Providers not only have to calculate taxes accurately, but must also be able to keep track of a myriad of tax regulations, aggregate and provide tax reports, as well as be able to recalculate taxes when conditions change.

MIND-iPhonEX supplies service providers with a very broad and flexible taxation functionality that allows them to respond

MIND-iPhonEX[®]
Billing & Customer Care

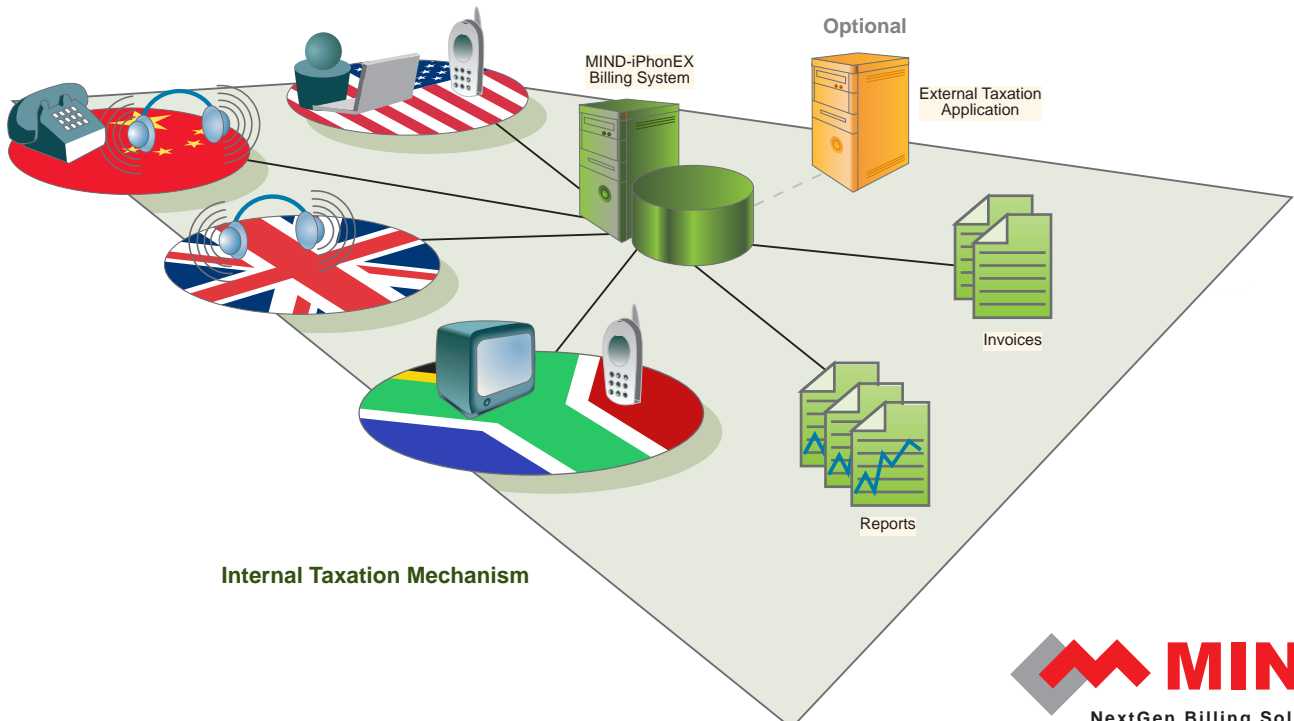
quickly and easily to complex and dynamic changes.

One flexible mechanism for all tax situations

The MIND-iPhonEX taxation mechanism uses a flexible and highly efficient combination of tax tables and tax rules, shaped by the business environment in which the provider operates.

The tax tables contain all the taxes that are relevant to the provider's tax environment and are clustered into tax groups according to valid combinations of taxes. MIND-iPhonEX's dynamic, rule-based engine matches each transaction (whether a call, dialup session, recurring charge, adjustment etc.), with the relevant tax group. These rules take into account the different providers, customer details such as residency and tax liability, service tax liability, origin and date of the transaction.

MIND-iPhonEX supports both prepaid and postpaid services and includes support for the unique rules for prepaid calling



cards. MIND-iPhonEX calculates the taxes and updates the account balance in real time, saves the information for display in the invoice and aggregates the information for reporting to the appropriate tax jurisdictions.

MIND-iPhonEX is a versatile system that can handle all tax situations, from a simple one-tax environment to the most complex, international, multi-site and multi-service situations. Providers with a simple tax environment do not have to invest in a complicated tax feature - MIND-iPhonEX handles all tax situations simply and elegantly.

Flexible tax rules - making complex tax issues easier

MIND-iPhonEX uses a combination of tax dimensions, such as the provider's, customer's and service's tax liability information, as well as origin and date of the transaction to determine the appropriate tax rate. MIND-iPhonEX's generic taxation mechanism works equally well for both simple and complex tax environments. Specific market needs are supported by adding or subtracting more dimensions to the decision-making table.

A unique rule is made for each valid combination of parameters and a tax group is assigned to this rule. When calculating the tax, the system works according to a "best match" rule, i.e. the system looks for the most detailed rule that matches the transaction details, and if there is no rule that matches exactly, the system looks for a more general rule, using fewer dimensions.

Tax exemptions

MIND-iPhonEX is able to manage specific tax exemptions through a list of relevant exemptions. When the system calculates the tax, it checks to determine if the customer has an exemption for the specific tax and ignores the tax if an exemption applies.

Aggregation and reporting

The taxes that the provider charges his customers must be forwarded to the relevant jurisdiction that levies the tax. MIND-iPhonEX records all tax amounts, which are later segregated according to the different taxes. At the end of any period, the provider can print a summary report of the tax amounts that must be transferred to the appropriate tax authorities. In addition, the MIND-iPhonEX G/L (General Ledger) engine may assign G/L codes for the different taxes, and exports summarized G/L data.

Integration with external tax applications

In addition to the built-in tax mechanism, MIND-iPhonEX fully supports integration with external tax applications. This ability is especially important for the North American market, where the provider must handle very sophisticated and dynamic tax regulations and rules.

Easier, more efficient tax management

Providers must deal with many different kinds of taxes, in many different locations and at many different rates. Providers must calculate, keep track of, aggregate and report on all taxes. MIND-iPhonEX's flexible taxation mechanism allows providers to manage all tax issues in a constantly changing business and tax environment.

MIND-iPhonEX's flexible, real-time mechanism calculates and updates data to fully support prepaid as well as postpaid services. MIND-iPhonEX makes complicated service taxation easier. MIND-iPhonEX allows providers to comply with and manage more efficiently today's ever-changing worldwide taxation issues.

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