ONESOURCE Indirect Tax

International Content August Update

Issue Date: 27 July 2026

Update No: 1

ABOUT THIS UPDATE

The August Content Update #1 for ONESOURCE Indirect Tax Determination contains updates to International Content. Details related to these updates are included in the August Content Update #1 Change Report. This Change Report contains all changes to Standard Content included in the 2026.8.1.G/G and 2026.8.1.G/G.2 files. Versions 5.5.0.0 and above are supported by this update.

Important Note Regarding Content Update Versions

In Determination 5.7.0.0, Thomson Reuters added tables and columns to the tax content database in support of Compliance and Allocated Charge functionality. Tax content data created for these features is not available in Determination versions 5.7.0.3 and prior. Thomson Reuters has therefore made the decision to produce two versions of tax content. The Content Update version that you download and import into your system depends on your currently installed version of Determination.

If you are running Determination 5.7.0.3 or prior, you must use Compatibility Version G tax content.

If you are running Determination 5.8.0.0 or later, you must use Compatibility Version G.2 tax content.

For more information about accessing and installing the correct content, see **Applying the Content Update** at the end of this letter.

CONTENT UPDATES

Authority Updates

Brazil

Follow the changes highlighted below:

State Level

We updated ICMS rules to incorporate the extension of existing tax benefits in the State of Ceara, in accordance with ICMS Agreements No. 10/26 and No. 13/26, as internalized by State Decree No. 37,471/2026.

We updated ICMS tax substitution rules to incorporate the changes introduced by the ICMS Protocols referenced in Dispatch No. 27/2026, with general effectiveness as of August 1, 2026, including revocations, wording amendments, the exclusion of São Paulo from an existing protocol, and the inclusion of new annex items.

We introduced changes to the ICMS rules in Acre to support the Global Product Group (GPG) by renumbering the rule order values within the Brazil ICMS-RD Acre authority, aligning them with the global standardization structure.

We updated the rules to incorporate SRE Ordinances No. 32/2026 and No. 34/2026, issued by the State of Sao Paulo, covering new taxable bases for electronic, electrical, and household appliance products effective August 1, 2026, and the revocation of certain ICMS tax substitution annexes and items under CAT Ordinance No. 68/2019, effective October 1, 2026.

We added one new pharmaceutical product to the Brazil Product Group.

Municipal Level

We updated ISS and ISS WHT authorities, as detailed below:

a) Americo Brasiliense (SP): We created rule for service code 16.01 in accordance with Law No. 2737/2026.

b) Campo Largo (PR): We created rules for service code 12.11 in accordance with Law No. 4044/2026.

c) Ibipora (PR): We created rules for various services codes in accordance with Law No. 3459/2026.

We created the municipal authority structures to support the planned 689 municipalities under Brazil IBS-City, Brazil ISS and Brazil ISS WHT. The associated rules are being delivered progressively and will continue to be made available in upcoming 2026 releases.

Tax Reform

We created catch-all rules for the Brazil CBS and State IBS authorities with the Not Liable (NL) qualifier to cover operations where CBS and IBS taxes are not applicable.

Canada

Quebec

We implemented a 10-digit Registration Mask format for Quebec authorities.

Kenya

We extended the reduced rate of 8% on fuels until October 14, 2026, based on the Cabinet Secretary’s Public Notice No. 99.

Nepal

Following the publication of Economic Bill 2083 on July 21, 2026, we introduced a 5% VAT rate applicable to ride-sharing platform transport and delivery services, as well as electricity supplied to final consumers. We also implemented VAT exemptions for household electricity consumption up to 50 units per customer per month and for electricity supplied between electricity-trading businesses. These changes are effective from July 17, 2026.

Nigeria

We implemented a 13-digit Registration Mask format for Nigeria authorities.

Saint Kitts and Nevis

We implemented temporary VAT exemptions for the import of certain school supplies, effective from July 1 through September 30, 2026, in accordance with a memorandum issued by the St. Kitts and Nevis Customs and Excise Department.

United Kingdom

We added the “Registration Mask – Alphanumeric” authority option for United Kingdom and Isle of Man authorities, effective July 27, 2026, which remains disabled by default. This authority option ensures that, when multiple registration number formats are provided, alphanumeric formats with a prefix are prioritized over purely numeric formats.

Registration Masks

A document describing registration masks is available in ONESOURCE Help and Support and is linked to online help. This document describes and gives examples of all registration masks currently supported in ONESOURCE Determination, and is available by signing in and searching at the following link:

Determination Registration Masks

Content Updates are necessary to keep your Determination up to date with the latest tax rules and rates, and to ensure correct tax calculations. For complete information about downloading and installing updates, refer to the Online Help for ONESOURCE Indirect Tax Determination.

For more assistance, use our online resources or contact Customer Support by opening a support request through the ONESOURCE Customer Center, or call us at +1 312 479 9651 Option 3,9,3.

GLOBAL UPDATES

Global Product Group

As part of our ongoing development of the Global Product Group (GPG), we created 20 new commodities covering the category of food.

In addition, our GPG products will be supported with Product Category Attributes (PCA). PCAs allow clients to use an alternative commodity code reference to activate global content. GPG products may be referred to by clients either by a mapped Product Code (configured as a Standard Mapping), through a direct reference to that GPG product's commodity code, or by using the PCA commodity code. At this time, PCAs are being added only for GPG products that are directly related to an existing US Commodity Code. These PCAs will be displayed on GPG products as UNSPSC attributes.

Future releases will continue to expand our global offering by adding additional content. Please watch for release notes throughout 2026 and beyond.

Canada and Mexico

We introduced taxability coverage for food and supplements product categories across Canadian and Mexican authorities, effective August 1, 2026.

As GPG continues to evolve, this content is still being developed and will be expanded in upcoming releases, including additional coverage for beverages, medical supplies, oils, and hazardous products.

United States

The Global Product Group is now live and available for use in all US jurisdictions. As part of our standard content review and update process, we will continue to evaluate and enhance this coverage in accordance with evolving regulatory requirements. For details on these updates, please refer to the Global Change Report.

NOTIFICATIONS

Botswana

We are monitoring proposed amendments to the Value Added Tax Act 2025, including VAT on digital services and related registration obligations for foreign suppliers. We will implement the required changes once the legislation is formally enacted.

Brazil

The Tax Research team at Thomson Reuters has been continuously monitoring the extensions of tax incentives across the various Brazilian states. In certain cases, although State Legislative Assemblies ratify ICMS Agreements and express their support for the extensions, the effective implementation of such measures depends on the issuance of a formal act by the respective State Executive Branch. Nonetheless, the team remains closely monitoring regulatory developments across all federative units, which are expected to intensify throughout the tax reform transition process.

We are making available an updated list of tax codes and qualifiers for federal withholding tax content named "Brazil Withholding Qualifier and Tax Code Guide List", which can be viewed at the following link: Brazil Tax Content Documentation.

The IBS-City Template is now available for customers who need to create a custom IBS-City authority. Detailed implementation guidance and step-by-step instructions are provided in the Tax Reform Guide, available at the following link: Brazil Tax Content Documentation.

ICMS rules that currently apply a tax base reduction pursuant to ICMS Agreement 34/06 will be updated in upcoming releases to reflect an effective end date of December 31, 2026. The reduction established by this agreement is based on the exclusion of PIS and

COFINS contributions from the ICMS calculation base for transactions involving products governed by Law No. 10,147/2000.

As PIS and COFINS will be replaced by the Contribution on Goods and Services (CBS) effective January 1, 2027, the methodology underlying ICMS Agreement 34/06 will cease to have a legal foundation. Consequently, the active rules that currently utilize the corresponding reduction percentages will be discontinued.

From January 1, 2027, customers who, based on their own legal interpretation, risk assessment, or understanding of the applicable state legislation, determine that the ICMS tax benefit should continue to apply are advised to implement custom rules aligned with their specific products and business requirements.

Brazil Tax Reform

The Tax Reform in Brazil was approved originally through the Proposal of Amendment to the Constitution (PEC 45/2019), resulting in the Constitutional Amendment 132/2023. The approval of the tax reform represents a monumental change in the Brazilian Indirect Tax System, concluding an internal debate that spanned several decades.

The issuance of Complementary Law 214/25 remains almost in total consistent with the original Proposal of Complementary Law 68/24 (PLP). This Complementary Law establishes the foundation for the new taxes, and it also introduces regulations regarding reduced tax rates, specific tax regimes for several sectors, and some methods of tax payment, among other provisions.

The tax changes proposed in EC 132/23 and with Complementary Law aims consolidate five current federal and state taxes (PIS, COFINS, IPI, ICMS and ISS) into the following categories:

a) Social Contribution on Goods and Services (CBS) – Under the jurisdiction of the Federal Government, this consolidates the following taxes: PIS, COFINS, and IPI.

b) Selective Tax (IS) – Under the jurisdiction of the Federal Government, this replaces the IPI and applies exclusively to products that are harmful to health and the environment.

c) Tax on Goods and Services (IBS) – Under the jurisdiction of the States and Municipalities Governments, this consolidates the following taxes: ICMS and ISS.

Complementary Law No. 227/2026 introduces key measures for the implementation of the new consumption tax framework, including the establishment of the IBS Management Committee (CG-IBS/CGIBS); rules governing IBS tax administration and administrative tax proceedings; guidelines for the distribution of IBS revenues; operational integration between the CBS and the Federal Revenue Service; transition rules for the phase-out of ICMS and ISS; and provisions applicable to special zones and differentiated tax regimes.

Building on this framework, Decree No. 12,955/2026, operationalizes the CBS by detailing its scope of taxation, non-cumulative credit system, split-payment mechanics, and new electronic invoicing and compliance requirements, while key elements of the reform remain pending, such as the full operational regulation of the IBS, final tax rates, portions of the transition rules, sector-specific applications, and the final integration model among tax authorities and payment platforms. Complementing this, Resolution No. 06/2026, issued by the IBS Management Committee (CGIBS), advances the practical implementation of IBS by setting common operational rules applicable to both CBS and IBS.

In ONESOURCE Determination Enterprise Cloud, we have already uploaded some elements as described below:

- Authorities of CBS/IBS/IS (ZR/NT taxes)
- Full Rates CBS/IBS
- Reduced Rates for CBS/IBS
- New Rules to support CBS/IBS product taxability

- Updates in CST codes applicable for CBS/IBS (standard codes)
- NBS Codes
- cClasstrib Codes

We prepared a document ONESOURCE Indirect Tax Determination Brazil Tax Reform FAQ with frequently asked questions about tax reform, which can be viewed at the following link: Brazil Tax Content Documentation.

We prepared a guide with clear instructions on how our ONESOURCE Determination Enterprise is addressing Brazil's Tax Reform in 2026/2027, covering the new taxes CBS (federal) and IBS (state/municipal). The document outlines applicable rules, rates/fees, details of new calculation methods, and some examples, which can be viewed at the following link: Brazil Tax Content Documentation.

In addition, we updated the PIS and COFINS rules and set an end date of December 31, 2026.

The authority Brazil IS (Selective Tax) was created with the standard rates ZR and NL, and an effective start date of January 1, 2027. The calculation logic applicable to this authority is currently under engine development to be delivered in Q3/2026. The rules corresponding to this authority will be created at a future stage, following the applicable legal definitions.

We will continue to monitor future legislation and provide updates as additional guidance is issued.

Brazil Tax Reform – Registration Mask

Under the current NF-e model, taxpayer identification relies on cadastral validations of the CNPJ at the national level and IE at the state level, and documents may be rejected when the State Registration is missing, invalid, or not in good standing.

In the context of the BR tax reform, Complementary Law No. 214/2025 introduces a mandatory national identification framework for IBS and CBS. As of January 1, 2027, CBS federal-level validations will continue to operate as they do today. For IBS determination, however, transactions submitted to ONESOURCE Determination Cloud without the recipient's State Registration, when applicable, will not trigger IBS authority calls and therefore will not result in IBS calculation. This behavior reflects the taxpayer identification requirements established under the tax reform legislation that we have so far and represents expected product behavior.

To support a smooth transition to the new tax model and help avoid unintended disruptions in IBS determination, customers are encouraged to proactively review their master data and system integrations to ensure that the recipient's State Registration is provided whenever required.

Looking ahead to the next transition year (2027), we will share further updates soon.

Denmark

We are monitoring the legislative process for the proposed abolition of VAT on books. Based on recent developments, the measure is currently expected to take effect from 2027, rather than on the originally intended date of July 1, 2026. We will implement the changes once the relevant legislation is enacted.

Egypt

We are monitoring VAT amendments under the second package of tax facilitation measures, including measures supporting investment and the healthcare sector. We will implement VAT changes once the relevant legislation is enacted.

Estonia

We will update the standard rate of 24% to reflect the indefinite end date in one of the upcoming content updates.

Philippines

We are monitoring proposals for a VAT reduction or suspension on fuels. We will implement VAT changes once the official law is enacted.

Zambia

In the next content update, we will implement the extension of the zero-rated VAT treatment for petrol and diesel, effective from July 1 through September 30, 2026.

APPLYING THE CONTENT UPDATE

The update process has two steps:

- Downloading the Update
- Installing the Update

Downloading the Update

Go to the Indirect Tax Customer Center (https://customercenter.sabrix.com/sabrixcc/) to download monthly content updates, then follow these steps:

  - Log on to the ONESOURCE Customer Center using the username and password assigned to you by Customer Support.
  - Select the platform on which you will install this tax data. This is the ONESOURCE Indirect Tax Determination version you are running.
  - Select the Currently Installed Version of your content Sabrix INTL Tax Data based on your current version of Determination:

- Determination versions 5.7.0.3 and earlier require (2026.7.3.G/G).
- Determination versions 5.8.0.0 and later require (2026.7.4.G/G.2).

  - Select **Download** and save the file (2026.8.1.G/G) or (2026.8.1.G/G.2) to a directory on the system hosting the ONESOURCE Indirect Tax Determination or to a networked folder that can be accessed by that system.

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Installing the Update

To install the content update:

1. Log on to Determination.
2. Navigate to **Menu > System > Import/Export**.
3. Select **Import**, then select **Browse** to locate your file.
4. Select the content file you just downloaded, then select **Open**.
5. Select Import when the pop-up window appears, then select **Next** until the **import** starts.

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