

# Continuous Compliance: Your Global Tax Imperative



# Overview



The global tax landscape is evolving quickly. Tax authorities around the world now demand real-time data and unparalleled accuracy. At the same time, governments are accelerating their use of technology globally to combat fraud and streamline tax collection, which places pressure on businesses to adapt and stay compliant. In the U.S., legislation is constantly evolving, and given the immense number of sales and use tax jurisdictions across each state, businesses are under pressure to take a proactive approach to compliance.

In the face of these changes, many businesses still using outdated methods face significant risks such as costly audits, penalties, operational bottlenecks, and lost revenue due to mistakes. But there is a way to better manage all this: By embracing automation and real-time data, which give businesses a competitive edge. The result? Streamlined operations, reduced risks, and insights that help fuel growth.

# Sweeping Changes for Global Tax Administrations

## Are You Ready?

Digital transformation is changing tax compliance. Finance departments have been automating for years, but tax functions have lagged behind with manual processes and periodic reporting. But as tax authorities across the globe embrace technology to transform how they monitor and collect tax, taxpayers need to keep pace. For example, tax authorities around the world are harnessing new technologies to gain real-time visibility into transactions – and at the same time, demanding unprecedented accuracy and speed from businesses.

The vision for the future of tax, according to the OECD, is a seamless, frictionless process that will allow governments to assess and collect tax in real-time (or near-real-time). For example, countries in Europe, such as Poland and France, are in the process of implementing e-invoicing that will replace traditional invoices with structured digital documents. In addition to e-invoicing and e-reporting mandates are also playing a big role in global digitization initiatives that will help combat VAT gap and tax fraud.

**The vision for the future of tax is a seamless, frictionless process that will allow governments to assess and collect tax in real-time, or near-real-time.**

And in the U.S., the digital transformation of tax compliance is particularly evident at the state level. States are aggressively adopting technology to streamline tax collection and combat fraud. Data analytics tools allow them to sift through large volumes of transaction data to identify discrepancies and pinpoint potential cases of non-compliance.

Additionally, states have established a network of data exchange agreements so they can share taxpayer information to detect underreporting, particularly for businesses operating across multiple jurisdictions. States are also acquiring data from sources such as payment processors and online marketplaces, and utilizing artificial intelligence to automate and enhance their analysis of this information.

For businesses operating within the U.S. tax landscape, these proactive measures taken by state governments underscore the importance of having accurate data and adaptable processes. For businesses operating across the globe, these measures reflect key global tax administration trends.

### Key Global Tax Administration Trends:

- A shift to destination-based tax situs where liability is determined based on where goods are consumed, not from where they originate.
- A greater focus on trade facilitators where platforms enabling commerce will face increased scrutiny and compliance obligations.
- Use of real-time and near real-time government assessments, rather than periodic self-assessments.
- Legislative mandates like e-invoicing and e-reporting, which are forcing businesses to adapt quickly.
- Growing use of technology for U.S. state tax enforcement, including data analytics and exchange agreements between jurisdictions.
- Government use of enhanced cross-border information exchanges and joint audits, making it harder for businesses to exploit jurisdictional gaps or engage in tax evasion schemes.

## ENTERPRISE-WIDE IMPACTS:

# Why Tax Transformation is Urgent

*What does all this mean for your business?*



Digitalization of tax impacts your whole organization, not just the tax department. IT, Finance, and Tax teams need to work together to ensure data accuracy, seamless system integration, and quick adoption of new regulations. Non-adoption could cause inaccurate data, costly penalties, and missed deadlines. Investing in tax technology and process change will empower your business to not only survive, but thrive in this new era.

### Key Actions:

- Assess your tax landscape and identify known gaps in systems and processes.
- Build a cross-functional team and prioritize automation to best connect financial systems seamlessly.
- Evaluate the impact on your customers and suppliers and their readiness to change.
- Evaluate data integrity in financial systems to ensure accuracy and minimize risks associated with disparate systems.
- Determine where your business activities create nexus for indirect tax collection obligations, both in the U.S. (including physical and economic nexus) and globally.
- Consider thresholds, registration, and establishment requirements.
- Work with a tax compliance solution provider to ensure a smooth transition.



WHAT'S NEEDED:

# A Holistic Approach to Tax Compliance and Automation



Ad hoc, manual, and status quo solutions will not suffice in the face of complex, rapidly evolving tax regulations. What's needed is a dedicated tax compliance solution provider who offers the expertise and scalable solutions you need to get ahead and stay ahead, especially when facing the intricacies of U.S. sales & use tax and VAT where your company operates.

These solutions should run on a scalable, flexible platform that makes it easy to implement repeatable business and tax policy decisions based on accurate data so you can confidently move into even the most complex tax supply chains.

Finding the right partner – with the right tax platform – is essential in today's world of growing tax transparency demands. Whether you're expanding into new markets, navigating digital transformation, or outgrowing your current approach, you'll need a partner who offers:

## Deep Tax Expertise

Choose a provider with a proven track record and proven global reach.

## Automated Compliance

Your platform should automate every aspect of compliance, providing real-time or near real-time data to meet global regulatory demands.

## Data-Driven Insights

Centralized tax data empowers better decision-making, forecasting, and risk identification.

## Seamless Integrations

Your chosen platform should integrate with your ERP and financial systems to minimize disruption and complexity.

## Enhanced Visibility and Streamlined Workflows

By using a tax platform to centralize and automate tax data flows, you can eliminate manual processes and ensure consistency across all financial systems. This leads to streamlined financial reporting, proactive risk identification, and data-driven insights to support future expansion and financial planning.

VERTEX:

# Automating Continuous Compliance for Tax

With decades of global tax expertise, Vertex can help you meet current and future tax demands with ease. Our unified global platform is built for continuous compliance, empowering you to stay ahead of evolving regulations around the world. We understand the shifting tax landscape and offer solution that automates, adapts, and provides real-time visibility into your tax data.

As shown in Figure 1, our platform is built for continuous compliance, empowering you to stay ahead of evolving tax regulations with ease. We understand that the tax landscape is constantly shifting, and we've designed a solution that automates, adapts, and provides real-time visibility into your tax data. Our centralized platform eliminates manual processes, safeguards accuracy, and ensures you are always prepared, no matter how regulations change.



Figure 1: Vertex powers continuous compliance with a unified, global platform.

VERTEX:

# Automating Continuous Compliance for Tax



The Vertex platform integrates with your ERP and various financial systems through trigger-based data exchanges to support all aspects of indirect tax compliance. Once integrated, it leverages our vast tax content library to quickly calculate the appropriate taxes, providing you with the most accurate data required for seamless e-reporting and e-invoicing.

## Harness Strong and Differentiated Capabilities to Accelerate Commerce

Unlike other tax solutions, our core competencies are focused purely on the indirect tax lifecycle and built with expertly researched data for indirect taxes. Our suite of offerings can help you leverage this data for tax purposes, ensuring tax ready, consistent data is applied throughout your compliance lifecycle.

## Turn Centralized Tax Data Into Valuable Insights

Because the data is centralized, we can deliver deep, data-driven insights that ultimately help you do more in less time.

Imagine being able to:

- Proactively identify potential areas of non-compliance risk across global operations before they become costly audits.
- Model the tax impact of business decisions such as expansions, acquisitions, or changes in supply chains.
- Benchmark performance across different regions or business units to drive best practices.
- Generate accurate, real-time forecasts of tax liabilities to improve budgeting and cash flow management.

# Why is Vertex Different?

Outdated tax processes and manual workarounds can no longer keep pace with the speed and complexity of global tax regulations. To succeed in this environment, businesses need a strategic partner who provides technology, expertise, and ongoing support to achieve continuous compliance. Doing so, means embracing various forms of automation, harnessing real-time tax data, and proactively minimizing risks and realizing benefits across your IT, Tax and Finance operations.

**Vertex empowers you to meet these challenges head-on. Here's how:**

- Navigating rapidly changing tax laws and complex scenarios is a major challenge. Our ability to tailor calculations ensures accurate compliance and mitigates audit risk.
- Businesses expanding into new markets need a solution that scales with them. Our single, integrated platform provides comprehensive indirect tax capabilities across jurisdictions, simplifying global compliance in one place.
- In a constantly evolving tax landscape, you need a partner, not just a tool. We offer you exceptional customer service and a true partnership, proven by our industry-leading customer retention. We partner with you – every step of the way – to provide ongoing support and expertise to help you adapt to change.
- Our strong alliances with tax advisory firms and our ERP partners demonstrate our commitment to deep integration within the tax ecosystem. This translates into seamless implementations and ongoing support tailored to your specific needs.

Imagine being able to realize more control and unlock new opportunities through:

## Tax Determination

Harnessing automated calculations and advanced logic to ensure accuracy, reduce risk, and free up your IT resources.

## Invoicing

Protecting revenue and streamlining processes with accurate, compliant invoices - even as global e-invoicing regulations evolve.

## Returns and Reporting

Simplifying compliance with automated reporting, ensuring up-to-date global regulations, and centralizing tax data for audit readiness and confident financial insights.

**Continuous compliance with Vertex automates the intersection between commercial complexity and tax compliance with precision and regulatory accuracy.**

- Manage complexity
- Simplify tax
- Streamline filings
- Security and performance
- Analytics and insight
- Deployment options
- Proven accuracy
- Risk mitigation
- Global support
- Local compliance



## Realize the Benefits of Continuous Compliance with Vertex

<b>Improved Customer Experience</b>	Accurate and timely tax calculations on invoices will reduce customer billing disputes and builds trust with your customer.
<b>A Unified Global Tax Compliance Platform</b>	Achieve continuous automation across all aspects of compliance, ensuring efficiency, accuracy, global scalability – and the confidence to grow your business globally.
<b>Support for Cloud Transformation</b>	Whether you manage tax locally, at the edge, or in the cloud, enjoy unwavering customer support and tailored solutions for tax technology transformation.
<b>Integration with Existing Systems</b>	Our platform seamlessly integrates with systems you rely on, including ERP, procurement, billing, and e-commerce systems, so you can comply with new requirements across your systems.
<b>Total Tax Visibility</b>	Gain total visibility of all tax data in one centralized system, as well as actionable insights into problems, risks, and opportunities for tax strategy optimization.
<b>Proactive Risk Management</b>	Ensure accuracy, efficiency, and adaptable compliance with automated calculations, comprehensive tax rules, and enhanced process controls.
<b>Holistic Data Management</b>	Bring data from diverse systems into a unified platform, eliminating the need for time-consuming data aggregation and giving you access to a holistic view of tax data.

### Learn More

Our global tax platform, built for continuous compliance, provides the flexibility and automation you need to navigate global indirect tax complexities and demands. Our seamless integrations ensure your existing ERP systems work in harmony with Vertex, delivering scalability and actionable insights. As tax landscapes evolve, Vertex is your global partner choice for confident transactions, effortless compliance, and continuous growth.

**Ready to transform your tax processes?** Reach out to us for a personalized assessment of your global tax compliance needs. Discover how we can help you streamline tax processes, ensure compliance, and help you scale confidently in today's fast-paced tax environment.

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