



# Accounts Payable Tax Compliance

**5 Challenges** SAP Shops Must Overcome





# Introduction

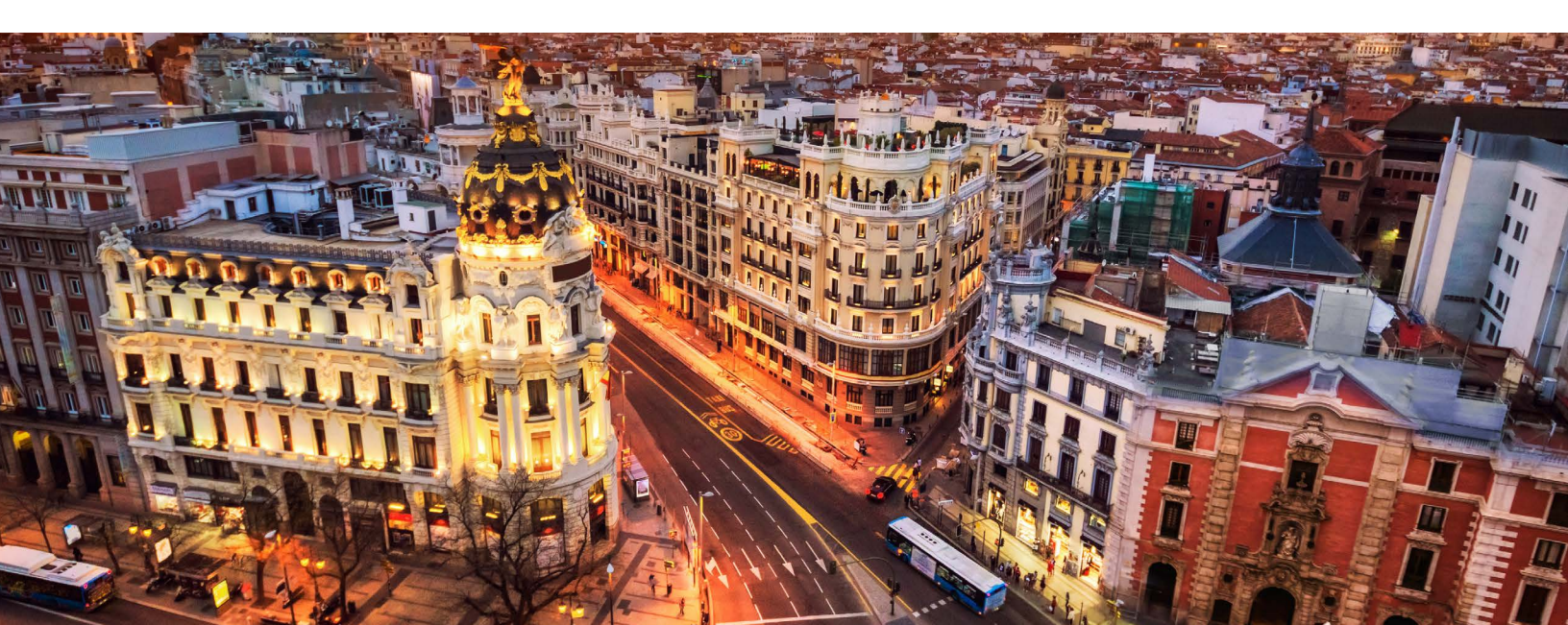
Tax compliance seems like an issue accounts receivable (AR) departments must address, and, of course, it is. But staying in line with changing tax policies and minimizing risk isn't just for AR.

Tax compliance is just as big a challenge for accounts payable (AP) departments as it is for AR, and companies that don't have their AP resources in line with domestic and international tax mandates risk not only resource-sapping and potentially costly audits, but also diminished cash flow, supply chain interruptions and strained supplier relationships.

While the supplier of goods or services carries the most important indirect tax responsibilities, such as properly clearing an invoice or accurately charging indirect tax, in most countries with indirect taxes, the AP process can become a minefield.

Buyers of goods and services can be fined or, in some countries, denied the right to deduct indirect 'input' tax if they do not validate the indirect tax compliance of a supplier's invoice. Depending on applicable legislation, this responsibility can also extend to other documents or data received from suppliers.

In the EU, the right to deduct VAT is upheld by the EU Court of Justice regardless of the formal compliance of the invoice; as a result, EU member states will often impose heavy fines and administrative sanctions instead of denying VAT deductions. In countries with e-invoicing clearance, such as most of Latin America, Turkey and others, lack of buyer validation will often lead to denial of the right to deduct as well as potentially to other administrative or even criminal sanctions.



This legal risk is at the core of the indirect tax requirements in accounts payable and is one of the main reasons behind global business investments in AP automation. Several factors drive the need for automating buy-side controls for indirect tax:

- **Multinational companies often have very strict compliance policies because they operate as “foreign” companies in many different countries and can easily become the target of auditing practices aimed at finding small errors to increase public revenue or boost local competitors.**
- **Many buyers do not necessarily trust that their suppliers know how to create invoices that are compliant in form and content.**
- **Indirect tax control automation brings opportunities to reduce error rates that are associated with manual controls and ultimately becomes necessary to keep up with the acceleration of business processes in AP automation.**

This all adds up to a series of challenges many SAP shops either don’t realize they have or ignore until a problem arises. Instead, AP teams should recognize and mitigate issues by integrating disparate systems and moving at the speed of global compliance -- a complex but essential element of maintaining tax compliance and minimizing risk.

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# Chapter 1: A new world tax

## A new focus on indirect tax revenue

Indirect tax comes in different forms around the world. In much of Europe, Latin America and Asia, it exists in the form of value-added tax (VAT). In some countries, such as India and Canada, it functions as goods and services tax (GST). In the U.S., the concept is slightly different, with sales and use tax serving as a mechanism for taxing business-to-business transactions.

VAT and GST generally focus on transactions up and down the supply chain by allowing governments to skim off a tiny fraction of the input and output in every step toward the end consumer. Permitting the buyer in business-to-business transactions to reclaim input tax is a critical feature of this mechanism, which in theory should end up being financially neutral for all participants in the value chain except the final consumer, who does not have this right of deduction.

By contrast, sales and use tax targets only the final step in the value chain, which comes with its own complexity, as suppliers and buyers have to determine the purpose of a transaction to get the tax treatment right.

In every case, governments around the world are investing heavily to increase controls to collect all of the indirect taxes that are due on every transaction. The numbers explain why. Take the “VAT gap,” for instance, the difference between expected VAT revenues and VAT actually collected. Worldwide, nearly one-third of government revenue from value-added tax (VAT) or other indirect taxes goes uncollected because of fraud, evasion or errors. That number represents almost half a trillion euros, equal to the annual economic output of a country the size of Norway or Austria. The VAT gap is a problem tax authorities around the world are eager to solve.

Countries are responding by taking steps to shrink these gaps. More than a decade ago, Latin American nations began instituting regulations that mandated electronic invoicing, or e-invoicing, and digital reporting systems. They invested in digital transformation to support greater interconnection and automation of their systems with those of businesses operating in their jurisdictions. The resulting success in driving down VAT gaps created a global domino effect: many countries around the world have already or are currently in the process of implementing similar regulatory changes, ushering in the era of the digitization of tax.

## The digitization of tax

Increasingly, tax authorities seek to achieve frictionless tax collection by harvesting compliance data directly from transactions as they happen. To comply with such real-time requirements, SAP shops have to integrate their procurement processes with systems that communicate directly with tax authorities; in the increasingly popular clearance e-invoicing model, the government has to approve every transaction in real time before a buyer and seller can complete it.

This new three-way communication paradigm involving buyers, sellers and the government is dramatically changing the way companies do business in countries that require real-time authorization of every invoice and sale. Sovos predicts that by 2025, companies in industrialized and emerging economies will exchange more than 75 percent of all invoices electronically with tax administrations in real time or very shortly after the invoice-exchange process.

The digitization of corporate procurement processes is now intersecting with the digital transformation of tax, making it easier for global governments to obtain documents, scan transactions and enforce penalties.

SAP shops are realizing this process has the potential to stop the supply chain dead in its tracks if transactions are not approved or questions arise about the submitted data. AP automation is supposed to save SAP customers money, but developments in digital tax could derail its benefits and actually create further liabilities. With tax authorities all over the world seeking to increase revenues and close tax gaps, IT professionals and AP system administrators face new challenges.







## Chapter 2: 5 AP challenges in the digitization of tax

### Challenge 1: Supplier errors and AP system diversification

Among those challenges are supplier invoicing errors, which have led companies over time to adopt different types of AP automation systems that specialize in maximizing business controls. In addition to business inefficiencies, supplier errors can lead to buyers losing a significant portion of the invoice value in irrecoverable tax.

Complicating the situation is the diversity of AP systems themselves. As SAP customers began to adopt AP systems over the last two decades, they often did so piecemeal, rolling out a specific solution based on a category of supplier or the territory in which the supplier operated. As a result, most SAP shops employ multiple types of systems, each of which serves different business purposes and is configured differently.

In addition, the adoption of digital invoicing is unevenly spread from country to country, which means that multinational companies still juggle enormous amounts of paper invoices and receipts that need to be reliably digitized and are often subject to specific tax rules.

Each of those systems likely requires a different approach to tax compliance, increasing the potential for errors and corrupt data. A multiplicity of AP systems also makes the task of finding and fixing supplier errors exponentially more difficult, as mistakes can lurk not in one central AP implementation, but in multiple instances that probably don't communicate with each other.

## Examples of different categories of AP automation include:

- **Classic AP automation (Scan/OCR solutions)**

The first AP automation solutions arose in the 1990s based on the scanning of paper supplier invoices; subsequently, Optical Character Recognition (OCR) techniques were added to those solutions to enable increasingly automated processing of invoice data. This “classic” form of AP automation is still very popular with larger and multinational businesses worldwide; in many cases, the business approval of the scanned invoice is still based on a manual workflow and comparison with, for example, order data.

- **Applying classic AP automation to “electronic paper”**

The OCR capabilities of classic AP automation solutions can easily be used to automate the processing of electronic documents in the PDF format that suppliers often send via email. These invoices are essentially treated as scanned images of paper invoices. The legal requirements between invoices that are exchanged in an electronic format and invoices that are exchanged on paper can differ substantially.

- **Travel and expense automation – paper receipts**

Travel and expense (T&E) management is often overlooked as a significant AP area. Nonetheless, the market for T&E software is estimated to reach a total value of \$2.5 billion by 2020. Leading solutions use classic AP automation tools to scan and OCR paper receipts, and have developed specialized approval workflows. Many T&E software vendors also offer classic AP automation functionality.

- **T&E automation – digital receipts**

In countries that do not have B2C “clearance” mandates, T&E automation tools can handle digital receipts the same way that traditional AP automation tools can be applied to “electronic paper;” however, where such B2C “clearance” mandates are in force, it often becomes impossible or very difficult to repurpose B2C receipts into B2B invoices. In these circumstances, an individual buying goods or services with the intent of expensing them needs to request a full B2B invoice at the moment of purchase.

- **Intra-group AP e-invoicing**

Companies with a single ERP system, or that are well organized around relatively few ERP systems, will often use ERP as their intra-group e-invoicing system by simply registering accounting movements and not issuing, processing and storing formal invoices. However, many companies with a more heterogeneous ERP landscape resort to middleware or Enterprise Application Integration (EAI) tools to create an internal communication layer for that purpose. Such companies have in many cases replaced all or most paper-based intra-group invoices with e-invoices exchanged via the middleware layer, which subsequently interacts with generic or purpose-built invoice approval workflow tools.

- **EDI/Information Brokerage**

Many companies (especially in manufacturing, but also in retail, financial services and other industries) use Electronic Data Interchange (EDI) or more modern versions of EDI (called “Information Brokerage” by Gartner Inc.) to establish bespoke peer-to-peer trading data interchange with strategic suppliers and buyers. It is common in the world of EDI that two-way (invoice/PO), three-way (invoice, PO and delivery note) or even more sophisticated automated matching is used to approve invoices with the aim of automatically booking them into the buyer’s AP system.



- **AP automation in clearance countries**

In such countries and scenarios, e-invoices and e-receipts are standardized by the tax administration, which in theory means that automating their processing and approval workflows no longer require scanning, OCR and/or extensive mapping of various electronic file formats. Nonetheless, ironically, the use of such automated AP processing is very low in these countries and scenarios at present. We estimate that more than 99 percent of such AP invoices are today managed manually or using traditional AP automation tools via the rendering of the mandatory XML invoice in, for example, PDF format. The principal reason for this paradox is that companies in these circumstances have had to invest in meeting regulatory mandates and their frequent changes from their initial introduction up front. As a result, they haven't had the time yet to plan for the adoption of more sophisticated AP automation and other B2B transaction automation tools.

- **Supplier portals/P2P/pure-play e-invoicing AP solutions**

More modern approaches to automating the exchange of trading data with suppliers (currently often primarily focused on suppliers of indirect supplies) include the use of supplier portals, which have often grown into multi-tenant, cloud-based, end-to-end procure-to-pay or source-to-settle (or order-to-cash) platforms. These platforms also offer associated spend and cash management services, and many have forayed into the provision of invoice-based financing (for example, factoring, dynamic discounting). Importantly, such supplier portal and procurement platforms typically fully control the supplier's invoice creation process by 'flipping' PO data; this end-to-end control offers significant quality and cost benefits over accepting invoice data created by the supplier in its own systems because it allows the invoice approval process to start before the invoice is formally issued.

These different types of AP systems--representing both systems specialized in different types of supplier relationships and different generations of tools--often live side-by-side in SAP user environments. This creates challenges in terms of applying best practices for dealing with supplier errors and data quality management; however, this problem is compounded because most vendors of AP automation systems are highly specialized in enabling automation of business controls but are generally not tax experts.

This lack of data and process consistency and insufficient tax domain knowledge going into the design of these AP systems was often problematic in the paper-based world of indirect tax, but these shortcomings could often be overcome by a company's tax experts in the subsequent tax reporting and audit process.

**Unfortunately, this approach cannot be relied upon in the world of digital tax and real-time controls.**



## Challenge 2: Indirect tax determination

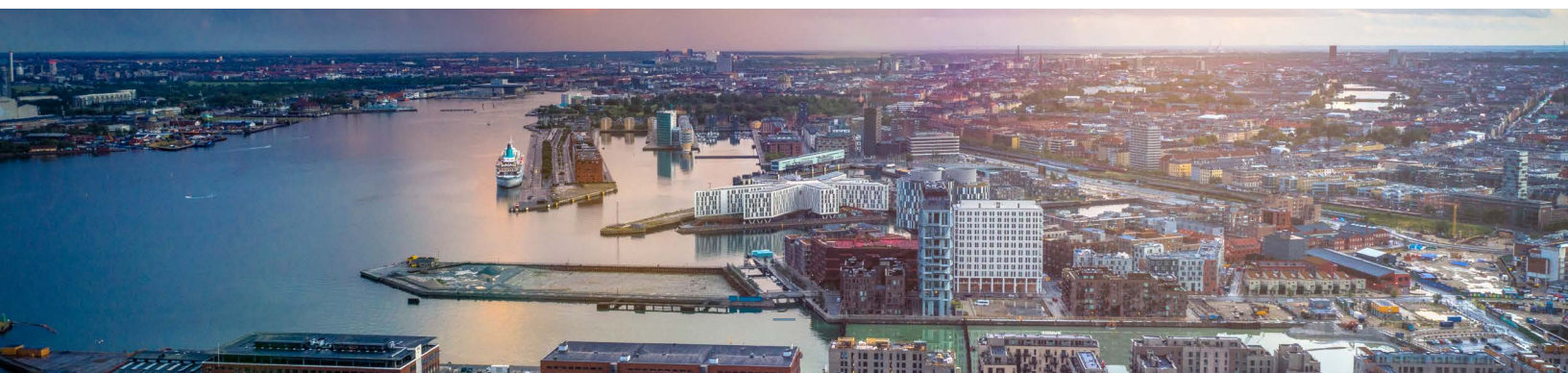
Why has the challenge of multiple AP automation systems and their weaknesses in the area of indirect tax functionality become so pronounced? It's always been paramount for trading partners to determine the right taxing jurisdiction and apply the right tax rate for every item in a supply chain. Now, however, in an increasingly real-time tax control environment, getting invoices right or correcting them quickly has become critical to keep supply chains moving.

In many modern tax compliance models, including clearance-model e-invoicing, a tax administration needs to approve a company's invoices before that business and its trading partners can proceed with the next step in the transaction. That often includes physically dispatching the goods in question. Therefore, having the wrong tax rate on invoices doesn't just expose a buyer to fines; it can also damage operations substantially, such as when shipments simply don't arrive or suppliers don't get paid.

Some AP automation systems, such as cloud-based third-party supplier portals for procurement and invoicing, actually try to issue as many invoices as possible "in name and on behalf of" the supplier (for example, by flipping a purchase order into an invoice), which provides a great opportunity for buyers to help suppliers deal with indirect tax determination via a tool they control.

In other types of AP automation situations that don't pursue such a three-corner strategy, and where the formal invoice is still issued in the supplier's system, the best a buyer can do is catch suppliers' determination errors as early on in the AP approval process upstream from the ERP and invoice booking as possible. Being able to return an invoice that doesn't carry the right rate(s) or associated invoice data (such as a reference to the legal article justifying a supplier's zero-rating an invoice in certain situations) with suggested changes immediately upon receipt of that invoice into the AP approval workflow rather than much later when all business-related approvals have already happened, saves resources and avoids costly business interruptions.

AP processes play an important role in indirect tax compliance, and sales and use tax on purchases is often low-hanging fruit for auditors. In the U.S., for instance, states and the IRS continue to digitize efforts at tax collection and enforcement. The South Dakota v. Wayfair Supreme Court decision on remote seller state sales taxes has complicated this process for many suppliers. With new economic nexus standards, sellers need to determine whether they are complying with new mandates, while purchasers need to make sure that sellers are. With the potential for error, regulators will be looking increasingly at how much companies pay in sales tax.



Globally, paying too little in indirect taxes such as VAT or GST can trigger an audit, so SAP users must be able to verify their suppliers are calculating and assessing tax correctly. For those purchases where the supplier may not charge tax, AP departments must have solid processes and technology in place to accurately self-assess tax where applicable.

And the risk goes beyond audits. While paying too little in indirect tax can lead to regulatory trouble, paying too much can dent profitability and diminish cash flow. Again, blindly relying on suppliers to determine indirect tax rates is not a sustainable plan. SAP shops need to ensure their AP systems provide clarity and accuracy on tax rates paid, as well as on rates charged.

The consequences of failure can be steep. **Grant Thornton developed a plausible example** of where a typical AP management solution is likely to break down under sales tax rules in the US:

- ▶ A purchase order (PO) is created in SAP, which sends a call to the tax engine to look at the order and assess how much tax to expect. In this example, the order is for \$1,000, and the engine says there should be \$60 in tax. The company approves the PO for \$1,060.
- ▶ The invoice for the PO comes in from the vendor, and the tax charged by the vendor is entered into the ERP system. At this point, there is another call out to the tax engine. The tax engine looks at what the order is for, where it came from, where it is going, and what it's going to be used for, as well as the quantity, and then returns a final calculation.
- ▶ However, suppose the vendor charged \$80, and the tax engine says it should be \$60. The organization then has to decide how to handle it. If it has higher tolerance for variances, it might allow the invoice to post so it can be paid. If it has lower tolerances, it may kick the invoice back to the AP clerk and then back to the vendor for a correction or to the tax team for a decision. All of this results in more work and ultimately a delay in payment, which can create a problem with a trusted supplier.

That example is more the rule than the exception given the complexities on the AP side that make real-time payment difficult. For example, taxes are origin-based in Illinois. A business with a vendor in Illinois might think an order with that vendor is an intrastate transaction and subject it to 8 percent tax. That's what the tax engine is likely to display.

However, say the Illinois-based vendor shipped the product out of a warehouse in a different state and applied the correct 6.5 percent tax. The system flags the tax as incorrect, when in fact the vendor was right. That's just one example of how the process can break down. There are thousands of potential scenarios that could come into play and cause a breakdown.



## Challenge 3: E-invoicing compliance

And those scenarios multiply as companies do business around the world in countries with different mandates. About a decade ago, countries in Latin America, led primarily by Mexico, Brazil and Chile, stepped up their efforts to close the VAT gap by requiring companies to move away from paper-based invoicing processes and toward electronic methods of billing and completing payments. The idea was that a tax administration could more easily and effectively audit invoices stored in specific electronic formats and eliminate the errors and potential for fraud inherent in paper-based methods.

In other words, in the clearance model, the government has an active role at the point of transaction and actually validates the invoice before the transaction is complete. In the reporting model, the onus is on companies to prove the validity of an invoice only after, and not during, the transaction.

The reporting model, while still common in many parts of the world, is rapidly giving way to the clearance model across the globe. Why? As industry observer Billentis reports, clearance e-invoicing works. According to **Bruno Koch of Billentis:**

- Brazil has seen a \$58 billion increase in tax revenue as a result of plugging gaps in invoicing and reporting.
- Chile and Mexico reduced their VAT gaps up to 50 percent.
- Colombia found it could reduce 50 percent of the country's tax evasion by applying clearance models.

Within the next six years, Koch predicts, the clearance model will dominate global e-invoicing, with the market for e-invoicing and business enablement for this technology-driven tax enforcement model, growing from nearly \$4.8 billion in 2019 to \$20 billion by 2025.

While much of the practical responsibility of tax compliance in the clearance scenario falls on AR, the buyer often carries greater risks. Many countries with clearance rules aren't explicit about the buyer's obligations to "reverse clear" the invoice, but most of those countries provide functionality--through a portal or application programming interface--which allows buyers to get into the tax administration's cloud platform to confirm that the supplier received the required approval prior to issuing the invoice to the buyer.



Such buy-side clearance validation processes may, however, also create a false sense of security, as a positive response from the tax administration platform doesn't mean all the buyer's indirect tax obligations are met. Ultimately, the buyer is responsible for checking that the buyer's invoice is tax compliant, which includes verifying that the invoice relates to a real supply. SAP customers that purchase goods can recoup input VAT after transactions are complete, but they need to prove their VAT deductions are compliant. If a company can't substantiate a deduction, it might still get in trouble upon reclaiming input VAT, or worse, years later when it may have to pay back unjustified reclaims.

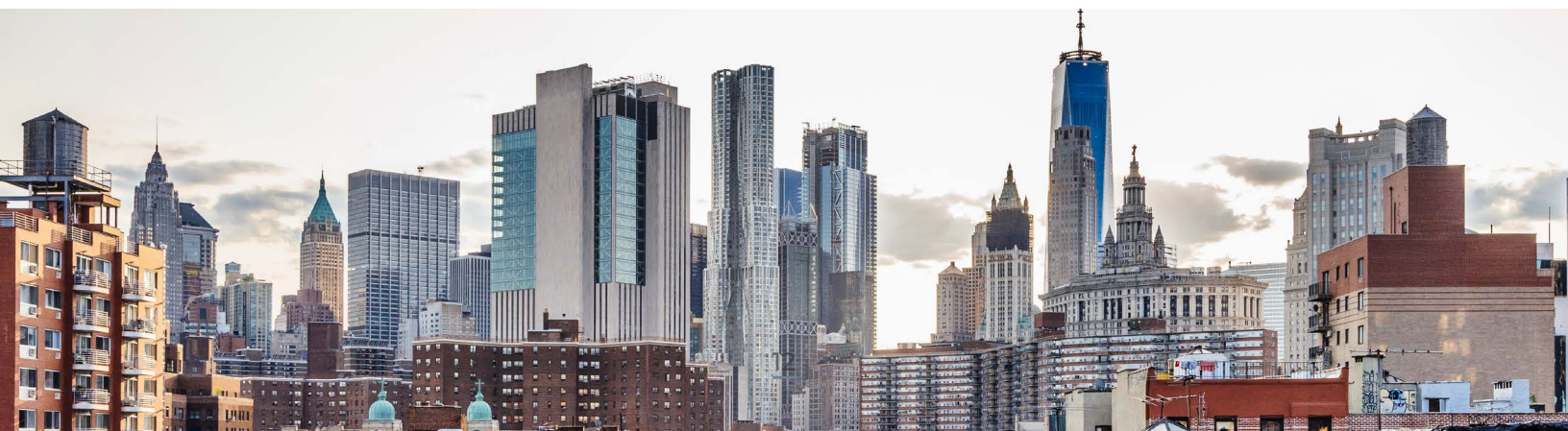
Buyers should be aware that rejecting an invoice in countries with clearance e-invoicing systems may lead to country-specific invoice correction processes. This could lead to a single AP system having to manage supplier-only cancellations, buyer-approved cancellations, credit notes and other correction processes depending on the applicable indirect tax law. Not being in control of these ever-changing country-specific complexities can also lead to delayed shipments and strained relationships with suppliers.

As a result, AP processes have a direct effect not only on cash flow but on supply chain efficiency. Ensuring both compliance and data purity in AP e-invoicing processes is, again, critical. Plus, each country that mandates e-invoicing has a different set of rules, penalties and deadlines. The complexity involved is significant on a global scale.

## Challenge 4: VAT reporting

Adding to global AP complexity is the rapidly changing field of VAT reporting, which has undergone significant change in recent years. What was a largely paper-based process has moved almost entirely online in many countries, and the advent of digital reporting is creating even more complexity. The transition started with e-filing, which involved using a standardized electronic form for filing periodic tax returns.

This move helped tax administrations streamline their processes, save trees and prepare for further automation, but it didn't revolutionize the tax system. Reports were still periodic and aggregate, making it necessary for tax administrations to maintain systematic retroactive audit approaches because the source of the reports remained the taxpayer's accounting systems. Because tax administrations cannot audit every company very frequently, this still provided ample opportunity for taxpayers to tamper with their accounting data in order to mask instances of errors or fraud.





These drawbacks could be mitigated with the concept of digital tax reporting, whereby taxpayers are required to send more detailed transaction-level information as digital files. This approach enabled tax administrations to analyze much more granular data from the taxpayer's actual transaction processes themselves and much closer in time to business transactions. This strengthened tax authorities' VAT reporting enforcement capabilities, reducing the potential for fraud and allowing for more thorough, agile and targeted audits.

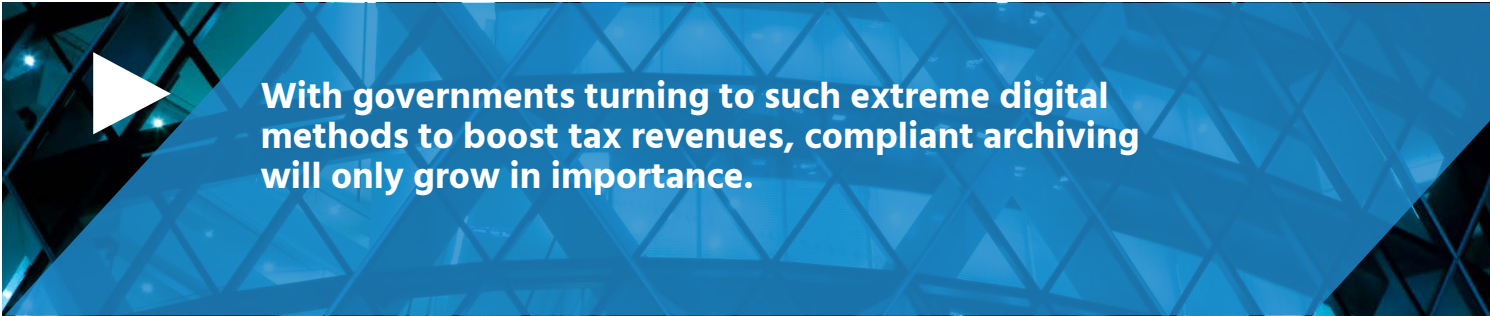
An example of such digital reporting is the adoption of the Standard Audit File for Tax (SAF-T) standard for digital reporting by a growing number of EU member states. SAF-T, however, is at present mostly a European phenomenon, and even within Europe, some countries, such as Spain and Hungary, are using digital invoice reporting standards they have designed from scratch themselves.

Latin American countries may be using clearance e-invoicing in most cases, but many still require different types of periodic reports as well, with each using its own standards, adding complexity to the process from a multinational enterprise's perspective. And the type of file to be submitted is just one aspect to worry about: Across all these countries, there are many different approaches with variations in reporting frequency, granularity, scope and responsibility for data reported to tax administrations.

In line with the move toward clearance e-invoicing, tax administrations are collecting transaction-level data close to the point of data interchange and then using this information for triangulation and electronic VAT auditing. Governments can access additional data and begin to match data across tax types, and potentially across taxpayers and jurisdictions, in real time. The tax authority can then aggregate data and register it in the government's central database.

With that data, the government can subsequently trigger, substantiate and prosecute audits; validate deductions; and assess penalties for non-compliance, late registration and invoicing discrepancies. As such, VAT reporting can have a major and immediate financial impact, potentially leading to penalties for lack of compliance and cash flow issues due to loss or delay of VAT deductions.

AP departments are an integral component of a company's strategy to make sure that all the different variations of digital reporting can be met in time and with the right data. This is a major challenge in a world where the mix of digital reporting and e-invoice clearance controls vary from country to country and change constantly.



**With governments turning to such extreme digital methods to boost tax revenues, compliant archiving will only grow in importance.**



## Challenge 5: E-archiving compliance

Of course, the underpinning of any audit defense is the electronic archive, the storage area for invoices that have cleared. If a government wants to audit an organization's invoices, it accesses the e-archive.

The archive is where the evidence of compliance, or lack thereof, ultimately rests. It's the proving ground for the rest of the e-invoicing strategy, so setting it up correctly goes a long way toward completing an entire e-invoicing plan.

The nature of archiving is changing. Historically, compliant archiving has been important for SAP customers to prove compliance in countries where the taxpayer still carries a large part of the burden to prove that transactions that are reported and accounted for have really taken place.

Now, the market is also adopting robust archiving methods in countries that are rapidly moving to "e-assessment," in which tax administrations send taxpayers statements, instead of the other way around. In those markets, it's important to also have strong evidence for challenging a payment request that the tax administration has calculated from real-time transactions. With governments turning to such extreme digital methods to boost tax revenues, compliant archiving will only grow in importance.

Far from an afterthought, the e-invoice archive should serve as the basis for an SAP customer's entire e-invoicing compliance strategy. Most countries that require e-invoicing also require an e-archive, and requirements for such archiving differ among jurisdictions, so it's in the SAP customer's best interest to go beyond simple document storage and pursue an enterprise-wide evidence strategy.

Fortunately, e-archiving has benefits that go beyond audit defense. With an e-archiving strategy in place, SAP shops will ultimately save money by being less vulnerable to pressure from subsidiaries or departments that want to quickly, and perhaps sloppily, deploy e-business solutions from local solution vendors.

Without an archiving strategy, companies invariably end up with a fragmented archiving landscape and vendor lock-in; at that point, getting out of such relationships can be close to impossible and definitely expensive. Centralized e-archiving, then, once again becomes a money-saving technology component.

Critically, e-archiving also provides a common architecture for all applications in an SAP customer's broader ecosystem. Organizations that can quickly pinpoint where they store their original e-invoices can more easily trace a "compliant path" back from the archive to the different applications, service providers, trading partners, processes, product lines and countries where e-invoices originate. Archiving facilitates the entire compliance process.





## Chapter 3: Meeting the new tax challenges of AP automation

Broadly speaking, there are two primary components to meeting the challenges of AP automation. The first is modernization and consolidation of disparate AP systems and integration into SAP. Companies don't want to face the digital tax tsunami with disparate and antiquated AP automation systems that rely on manual workflow and document images rather than end-to-end structured data.

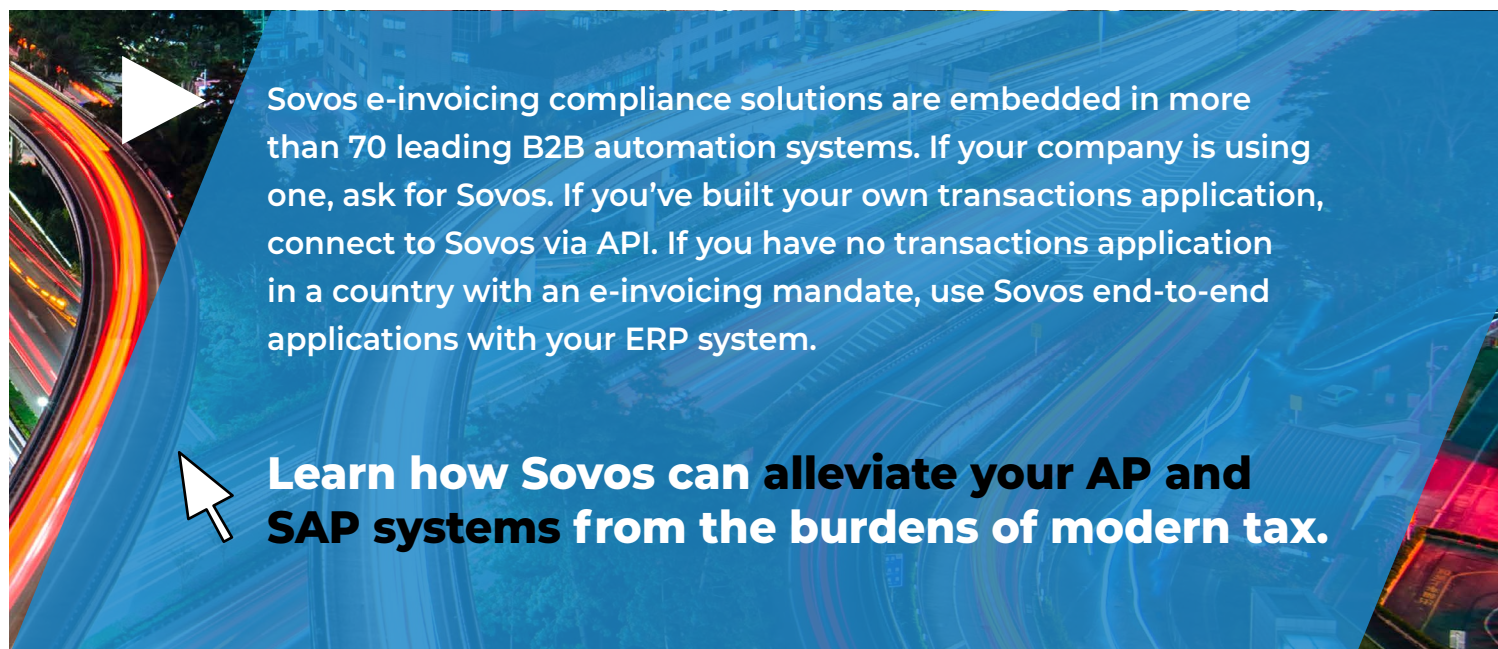
Companies need to work with their suppliers and software vendors to architect approaches that take advantage of structured orders, logistics data and invoices to set up two-way and three-way automated matches that create a basis for consistent controls and high-quality data across the extended enterprise.

The second component of managing AP is ensuring all applicable tax requirements are met, including updates for country tax compliance mandates. Specifically, that means being able to move at the pace of regulatory change as mandates shift and develop globally. As data processing and end-to-end transaction support increasingly move to multi-tenant third party cloud platforms, and as tax controls are increasingly performed in real time, it becomes impossible to keep up with new regulations through resource-intensive in-house or local advisory partners.

Finding a method for automatically updating all AP systems for tax compliance, essentially automating compliance, is a necessity for companies looking not only to avoid audits but also to cut costs, and protect supplier relationships and cash flow. This isn't a simple task, as the business will always be driven towards using different types of AP automation systems, whether built in-house, licensed and run under the company's own control, or performed on a cloud vendor's procure-to-pay or similar platform.

SAP customers can only operate efficiently and with peace of mind if they can ensure a common approach to the challenges of digital indirect tax in a uniform manner, regardless of which applications or hosting methods are used to benefit the business. Such a common approach should be based on choosing a single vendor that, at its heart, monitors all applicable legislation and that offers ways for any system the company chooses to use to comply with indirect tax requirements, regardless of changes to business systems and processes and regardless of the evolution of all the different forms of digital reporting and clearance e-invoicing in all jurisdictions.

Potential trouble lurks in AP systems and processes to a much greater extent than many realize. AP tax compliance is no afterthought. It is a critical component of any SAP shop's implementation strategy, including the move to SAP S/4HANA. AP leaders ignore it at their own risk.



Sovos e-invoicing compliance solutions are embedded in more than 70 leading B2B automation systems. If your company is using one, ask for Sovos. If you've built your own transactions application, connect to Sovos via API. If you have no transactions application in a country with an e-invoicing mandate, use Sovos end-to-end applications with your ERP system.

**Learn how Sovos can alleviate your AP and SAP systems from the burdens of modern tax.**





## About Sovos

Sovos is a leading global provider of software that safeguards businesses from the burden and risk of modern tax. As governments and businesses go digital, businesses face increased risks, costs and complexity. The Sovos Intelligent Compliance Cloud is the first complete solution for modern tax, giving businesses a global solution for tax determination, e-invoicing compliance and tax reporting. Sovos supports 5,000 customers, including half of the Fortune 500, and integrates with a wide variety of business applications. The company has offices throughout North America, Latin America and Europe. Sovos is owned by London-based Hg.

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