



Research Shows Tax Compliance Issues Hinder E-Commerce Growth

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LONDON, July 12, 2022 (GLOBE NEWSWIRE) -- A fragile yet prosperous business economy has encouraged finance leaders to identify new opportunities for growth in 2022. Yet, according to research by [Vertex, Inc.](#) (NASDAQ:VERX) ("Vertex" or the "Company"), a global provider of tax technology solutions, over three-quarters of senior finance professionals are concerned scalability will be impeded by the complexities caused by indirect tax liability and financial process inefficiencies.

The research, which surveyed 730 financial decision makers working in businesses selling cross-border products and services, revealed that 68% of respondents consider frictionless commerce as a strategic priority this year. As a result, seven out of ten respondents report that the number of territories their organisation transacts with has increased exponentially over the past two years, with many taking advantage of e-Commerce to maximise growth.

However, with tax authorities across the globe changing rules and regulations in response to the rise in online sales as well as the adoption of new technologies, over half of the businesses are troubled by the delays caused by performing VAT/sales tax calculations and charging at the point of sale. This is closely followed by the risk of unsustainable manual indirect tax processes as the business expands.

This is not surprising, given the research shows that finance and tax teams are often using multiple systems to handle their indirect tax obligations, with many relying on native tools in their ERP system (51%) and/or manual processes and spreadsheets (41%). According to 47% of respondents, this is problematic as their indirect tax capabilities are not equipped to handle the requirements of an ever-evolving tax landscape.

Peter Boerhof, VAT director at Vertex, comments: "The acceleration of digitalisation in combination with the e-Commerce boom has created a perfect storm for businesses who are looking to expand into new markets."

Survey respondents identify challenges registering their business for indirect tax in new territories, the capability to manage and charge taxes in the same technology platform and managing indirect tax on both physical and online sales in one basket.

Over half of the finance leaders surveyed believe improving indirect tax management will help their business expand with confidence and agree that automation of core financial processes will drive scalability.

"With so many complexities to navigate in today's tax landscape, basic functionality within ERP systems is not enough for businesses to efficiently handle their indirect tax obligations now. The perspective shared by financial decision makers in this study express asserts the need to have the right technology to keep pace and maximise growth."

Download the full research report [here](#).

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About the research

The research was conducted by Sapio Research UK on behalf of Vertex. 730 financial decision makers (c-level, directors, and managers) working in businesses selling cross-border products and services online were interviewed, across the EMEA (420), North America (250), and South America (60). Respondents were identified from a pool of B2B and B2C businesses reporting an annual turnover between \$20m and \$400m (or £14m and £295m).

About Vertex

[Vertex, Inc.](#) is a leading global provider of indirect tax software and solutions. The company's mission is to deliver the most trusted tax technology enabling global businesses to transact, comply and grow with confidence. Vertex provides solutions that can be tailored to specific industries for major lines of indirect tax, including sales and consumer use, value added and payroll. Headquartered in North America, and with offices in South America and Europe, Vertex employs over 1,300 professionals and serves companies across the globe.

For more information, visit www.vertexinc.com or follow on [Twitter](#) and [LinkedIn](#).

Media contact:

Rebecca Brown
Skout PR for Vertex, Inc.
rebecca.brown@skoutpr.com
07875529484

Company contact:

Marisa Norris

Vertex, Inc.
mediainquiries@vertexinc.com
610.283.6284

Investor Relations contact:
Ankit Hira or Ed Yuen
Solebury Trout for Vertex, Inc.
ir@vertexinc.com
610.312.2890