



**FOR IMMEDIATE RELEASE**

## **Research Identifies Marketplaces at Risk of Losing Sellers if Steps Aren't Taken to Resolve Indirect Tax Challenges**

**LONDON, UK – February 23, 2023** – Eighty-seven percent of sellers using marketplaces to trade online report experiencing revenue increases, viewing it as a vital channel for growth. Yet, according to research by [Vertex, Inc.](#) (NASDAQ:VERX) (“Vertex” or the “Company”), a global provider of tax technology solutions, seven out of ten believe that indirect tax challenges could deter them from using marketplaces in the future.

The research which surveyed 479 finance professionals globally (split between operator and seller businesses) found that 81% of businesses are taking advantage of marketplaces to attract new customers and sell into more countries. They attribute this expansion into marketplaces for the following reasons: to reach a wider geographical market (57%); to be more competitive (50%); to tap into cross-border sales opportunities (48%); and to help manage tax liabilities (34%).

Over half of respondents agree that marketplaces are getting easier to use as a sales channel, but they also share that sellers are demanding more support from operators especially when it comes to achieving a frictionless commerce experience. Respondents indicate they are looking for support to ensure: transactions and money transfers are more seamless (65%); greater guidance on tax liabilities (64%); and compliant invoicing (63%).

Whilst operators are keen to engage, with 85% looking to increase their seller base, the complex relationship that exists between marketplaces and third-party online businesses is making this difficult, putting areas such as tax under strain. In fact, tax and financial issues are ever present on the list of challenges that operators face when expanding their seller base.

Four out of seven operators agree they struggle not only with seller confidence in the platform but also managing tax liabilities with the seller, complex baskets and invoicing, and tax complexities around seller shipping locations. Sellers concur as they too report experiencing a wide range of issues when selling through marketplaces including balancing tax liabilities, knowing when and where they are liable for tax, and inaccurate tax calculation inflating prices.

Every step in a transaction brings multiple complications. Forty-five percent of sellers reveal that operators should improve finance and tax automation processes to help overcome the barriers associated with indirect tax. Yet, whilst most operators are providing some level of tax support for sellers, only 56% manage all tax liabilities on their behalf.

Niall Kiernan, Senior Director of Product Marketing at Vertex commented: “Adopting tax technology that can handle all types of indirect tax requirements will support sellers in their growth journey and enable them to achieve a seamless experience. As more sellers turn to marketplaces to open new opportunities and to increase their cross-border sales, they need to feel confident that their chosen platforms can meet all indirect tax requirements. If not, marketplaces will find that their seller base will decline. Here is where an integrated tax engine can help.”

Download the full report [here](#)

### **Notes to editor**

Research results available on request.

### **About the research**

The research was conducted by Sapio Research UK on behalf of Vertex. Two surveys were conducted. One amongst 268 B2B e-commerce/marketplace operators with a revenue of \$20m+; and the other survey was conducted amongst 211 third party marketplace sellers, with a revenue of \$15m+. All respondents work within the roles of tax, finance, or accounting and were based across Germany, Benelux, France, UK/Ireland, US, Canada, Spain, Portugal, Italy, Brazil, and Argentina.

### **About Vertex**

Vertex 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](http://www.vertexinc.com) or follow us on [Twitter](#) and [LinkedIn](#).

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