



FOR IMMEDIATE RELEASE

Research Reveals Indirect Tax Compliance a Top Concern with Marketplace Operators and Sellers Looking to Keep Operational Challenges at a Minimum with Growing Demand for Cross-Border Sales

LONDON, UK – May 24, 2023 – Increasingly, businesses are turning to marketplaces to sell products and services online, with three out of five using third-party operators to reach a wider geographical market. Yet, according to research by [Vertex, Inc.](#) (NASDAQ:VERX) (“Vertex” or the “Company”), a global provider of tax technology solutions, a growing demand for cross-border sales is causing operational challenges. The study identifies indirect tax complexities as a concern both parties are facing and need to address.

The research which surveyed 479 finance professionals globally (divided between marketplace operators and sellers) highlights that selling into new territories is a key objective for online businesses, with many using marketplaces to reach a global customer base (39%); standout amongst competitors (35%); and expand their ‘shop front’ in target markets (31%). Respondents also stated that half of their sales via marketplaces are cross-border transactions.

Marketplace operators on average currently sell across 40 countries and in keeping with the boom of e-commerce, report their revenue has increased by approximately 23% over a 12-month period. Leading to marketplaces experiencing growth in both attracting more customers and sellers and expanding into more countries.

89% of marketplace operators find it difficult to manage indirect tax rules and regulations. Three quarters agree that keeping track of these obligations becomes challenging when moving into new countries. 74% of respondents also highlighted that an increase in cross-border transactions is adding complexity to the business, whilst 66% are struggling with indirect tax and financial processes.

For sellers, 44% of finance professionals are unclear if they are responsible for collecting VAT or if it is the responsibility of the marketplace. This extends to their indirect tax obligations in different jurisdictions, with 36% unsure when and where they are liable for local, regional, and country-level indirect taxes and at what rate. There is major confusion over tax liabilities when there is a mix of products from multiple sellers in the shopping basket.

Peter Boerhof, Senior Director VAT at Vertex commented: “As more sellers turn to marketplaces to elevate trade into new territories, they need to feel confident that operational challenges are at a minimum. If not, sellers might be deterred from using these platforms as a growth channel in the future. Marketplaces should consider investing in an integrated, indirect tax engine to support sellers with a frictionless commerce experience and to ensure compliance obligations are met.”

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 1,400 professionals and serves companies across the globe.

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

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