



**FOR IMMEDIATE RELEASE**

**Research Reveals Tax Professionals' Concerns Surrounding Risk Tolerance**

Research conducted by Vertex shows tax professionals are feeling personally exposed by the shocking levels of risk tolerance of their employers.

LONDON, UK – November 14, 2023 – According to research conducted by [Vertex](#), Inc. (NASDAQ:VERX) (“Vertex” or the “Company”), a global provider of tax technology solutions, the approach to indirect tax compliance by almost three quarters of global businesses is risk prone. Seventy-four percent of global businesses report accepting indirect tax compliance risks, in relation to their company’s tax compliance strategy.

Peter Boerhof, Senior Director of VAT for Vertex’s Chief Tax Office, commented on the findings: “The attitude to indirect tax compliance by businesses everywhere is concerning, particularly when the technology exists to mitigate many risks being taken. If businesses haven’t taken account of indirect tax properly, especially in Europe where the VAT rate can be up to 27%, this can have a detrimental effect on profit and brand reputation. Tax authorities will always catch up with a business, and the financial impact of non-compliance can be huge.”

The research surveyed 580 indirect tax decision makers from global companies with an annual revenue of at least \$50 million and found that 74% of respondent’s businesses were accepting compliance risks. In comparison, only 16% of businesses were risk-averse with their indirect tax compliance strategy. The remaining 10% were neither tolerant nor averse to taking risks.

The survey also revealed that 62% of respondent’s businesses have been found to be publicly non-compliant, meaning errors were found following government investigation or audit. Additionally, 84% of the tax decision makers said they feel personally exposed by the current level of indirect compliance within their business.

Regional differences in attitude to risk are stark. 90% of the survey’s U.S.-based respondents considered their business to be risk prone, whereas just 56% of respondents from Southern Europe (France, Italy and Spain) felt the same. 72% of respondents in the UK and Ireland believed their businesses to be risk prone.

However, when asked how they would define their business’s current indirect tax capabilities, 43% of U.S. respondents describe their organisation as a ‘champion’ - meaning protected and futureproofed, whereas just 29% of respondents from Southern Europe say the same. Conversely, 25% of respondents from the UK and Ireland define their business as a ‘crawler’ - meaning compliance is slowing their business down.

Gunjan Tripathi, EMEA Director for Solutions Marketing at Vertex, added: “For me, the most troubling element of this research is how many respondents from around the globe feel personally exposed about the level of risk being taken by their business in relation to indirect tax compliance. From a duty of care perspective, willingly exposing tax teams to this level of risk seems unwise and warrants further consideration.”

The full findings of the research can be found via [this link](#).

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### **About the research**

The survey was conducted with 580 professionals who have influence on decisions around indirect taxes in companies with an annual revenue of at least \$50 million, from Belgium, Netherlands, DACH, Nordics, Spain, France, Italy, UK, Ireland and the U.S.

At an overall level, results are accurate to  $\pm 4.1\%$  at 95% confidence limits assuming a result of 50%.

The interviews were conducted online by Sapio Research in June 2023 using an email invitation and an online survey.

### **About Vertex**

Vertex, Inc. is a leading global provider of indirect tax 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](http://www.vertexinc.com) or follow on [Twitter](#) and [LinkedIn](#).

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