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**Vertex Global Survey Reveals the Regions Championing and Struggling with Indirect Tax Compliance, With the U.S. Taking the Lead**

*Results show 43% of U.S. firms are “champions” in tech-driven indirect tax approaches, while revealing stark regional disparities in overall indirect tax compliance.*

**LONDON, UK – February 12, 2024** – According to research conducted by [Vertex, Inc.](#) (NASDAQ:VERX) (“Vertex” or the “Company”), a global provider of tax technology solutions, businesses in the U.S. believe they are outperforming other regions with their current indirect tax capabilities.

Vertex surveyed 580 indirect tax decision makers (representing global companies with annual revenue of at least \$50 million) and asked each to categorise themselves according to their indirect tax performance, ranging from ‘champion’ (best) to ‘crawler’ (worst).

43% of U.S. organisations marked themselves as ‘champions’, meaning their business is protected and future-proofed with an efficient technology led approach. The U.S. took the lead in the champion category, whilst in contrast, UK and Ireland businesses were deemed to be ‘crawlers’, with 72% describing their business as being risk-prone to managing indirect tax compliance.

Peter Boerhof, Senior Director of VAT for Vertex’s Chief Tax Office, commented on the findings: “When looking at the regional differences, it’s clear that the champion regions have adopted tax technology to help address current challenges in their compliance strategy. 77% of U.S. respondents believe that specialised engines and software simplified the compliance process, and 81% feel well equipped to make tax digital. It’s not surprising that numerous U.S. organisations have adopted tax technology to address the complexity of their tax landscape as they must contend with more than 19,000 taxing jurisdictions and indirect tax rates and rules.”

“But compare that to one of the biggest ‘crawler’ regions, the UK, and we can see that 38% of respondents here believe the biggest gap in their compliance strategy is not having the correct technology in place,” Boerhof shared.

Across Europe, there are numerous drivers causing businesses to take a more cautious approach to managing indirect tax compliance. This includes the arrival of the VAT in the Digital Age (VIDA) proposal, continued digitisation of the regulatory landscape and ever-changing VAT rules and rates.

As a result, businesses across many parts of Europe feel well-equipped to handle upcoming or existing mandated e-invoicing rules (77% in DACH, 77% in Italy and 70% in France).

Additionally, businesses in this region feel well-equipped to handle changing VAT registration rules with 93% of Spanish businesses stating this, closely followed by Italy (83%) and DACH (79%).

Looking specifically at the DACH region, the largest proportion of respondents marked themselves as ‘calculators’, with 39% of businesses admitting they take a more calculated and considered approach to indirect tax compliance.

Of the DACH-based organisations which had been found to be non-compliant in the past, over half (56%) state that this was financially material for their business, whilst for Italian businesses 54% state the same.

In the UK and Ireland, a quarter (25%) of respondents considered themselves to be ‘crawlers’, which is more than US (14%), DACH (19%) and Spanish (17%) businesses, which suggests that indirect tax compliance is slowing down operations for businesses here.

The survey indicated that a lack of skills and talent within tax departments is not only an issue for business globally, but particularly for those in the UK and Ireland, with over a third of respondents here (36%) saying this is the biggest gap in their capabilities for managing indirect tax compliance.

The adoption of tax technology solutions has also played a role in separating ‘champion’ regions from ‘crawler’ regions.

Gunjan Tripathi, EMEA Director for Solutions Marketing at Vertex, added: “Adopting the right tax technology for your business is an important step, but there needs to also be a clear focus on further education and developing IT skills within tax teams so that they can implement and manage this technology.”

“There are signs that businesses are ready to make this commitment. Almost half of our global respondents (49%) believe they will be more compliant with indirect tax by 2030, and 56% of UKI businesses echo this, which paints a more hopeful picture for the future,” noted Tripathi.

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 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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