# Transcript

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**Kiran Padam:** Hello and welcome to the Vertex Exchange Europe podcast, the place to connect and converse on all things related to indirect tax. I'm Kiran Padam and throughout this series I will be discussing various challenges that businesses face in indirect tax.

My guests include global thought leaders, and we will exchange ideas, experiences, and advice to help you navigate a changing regulatory and digital landscape.

In today's podcast, we will be discussing the tax dilemma, meeting tax compliance in a volatile regulatory environment. We will explore how this environment is rapidly changing, how businesses can meet complex compliance needs today and what the future holds for compliance and e-invoicing.

I would like to introduce my guest for today. Peter Boerhof, Senior Director of VAT and Gunjan Tripathi, Director of Product Marketing, from Vertex. Welcome to you both. Let's start with an introduction. Peter, over to you.

**00:01:02**

**Peter Boerhof:** I'm Peter Boroff, Senior VAT Director at Vertex. Currently, I look at more of the global trends and developments around primarily indirect tax or consumption taxes, a little bit of customs and duties, and how that impacts potentially our customers, but also our products and solutions.

And before joining Vertex, I was responsible for global indirect tax, so both VAT and customs duties at one of the larger Dutch multinationals, and I did that for around 14 years.

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**Gunjan Tripathi:** Hello there. I'm Gunjan Tripathi. I look after the EMEA solutions marketing or what is traditionally called as product marketing in technology companies. My background is slightly similar to Peter, i.e., I have also been a VAT technical advisor. I am a charter tax advisor in the UK with VAT my specialism. I have also worked in the industry for a few years looking after the EMEA portfolio for indirect taxes, before transitioning towards the application and the future of technology, which I found very interesting as a user, and the scope of it for development and easing the life of a VAT or a tax person in the industry and from thereafter, we have been on a journey with liaising with the likes of Peter Boerhof and his team, and with product management and a lot of sales and marketing within Vertex to shape the messaging, and to have an outreach that resonates with our customers.

**00:02:41**

**Kiran Padam:** Thank you both for those introductions. So let's get straight into things. Since 2018, the mandating of invoicing and real time reporting has developed rapidly. Peter, can you talk us through some of the key milestones around the evolution of traditional invoicing to electronic invoicing?

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**Peter Boerhof:** Yes, sure Kiran, I can. How much time do I have, because this is going to be a complete history lesson, but I'll keep it dense. It's a combination of what's legally allowed and what's technically possible, so I will highlight both.

It started quite a while back around 1985, 1987, around that period, when EDI was developed and then businesses also started using EDI to exchange business information, but also to exchange invoice information. Then tax administrations locally started to allow this as being the invoice. Provided you also send out some sort of a summary, but then the development actually, rapidly got faster. XML was introduced which is still the current standard for a lot of technology.

Then they started optical character recognition for the AP side of invoices to automatically ingest the invoice data into the system. And then, PDF was going to be used around 2010, for invoicing purposes and officially, at that moment in time from a legal perspective, it was illegal. Because the concept of an invoice is that it had to be a paper one, and a PDF is not a paper document. So the legislators again had to adapt the legislation to this technical development.

Then around 2013, we got the EU invoicing directive and then e-invoicing became, kind of, allowed legally, and some sort of harmonised across the EU. Then it really sped up, we got invoice reporting, real-time reporting in Spain, which is already in our current life. So that was around 2017, 2019. This Italian development came across where they actually mandated the use of e-invoicing in B2B transactions. So, then it became mandatory instead of being allowed. This whole development of e-invoicing becoming mandatory actually was a wave coming from LATAM. In LATAM they're already doing that for quite a while.

We're now in the situation where many other countries have also announced in Europe; we are going to mandate e-invoicing for B2B as well. We've got the VAT in the Digital Age proposal that has got a component of e-invoicing in it. So, it's a huge development from being illegal, being allowed, to being harmonised and now becoming a mandate.

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**Kiran Padam:** So, Peter, we chatted previously about what you described as the convergence of indirect tax compliance into core finance systems, which I found to be quite interesting. I think our listeners today would also find it interesting. Can you share your thoughts around this?

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**Peter Boerhof:** Yeah, from my perspective, quite a significant change for indirect tax processes because traditionally we always create VAT returns and the like at the end of the finance process, what we call the record to report process so, it's producing a report. Basically, a consolidated report over your reporting period, usually one month, a quarter and sometimes even annually. So, way beyond when the transaction occurs.

Like I said in my previous comment, in around 2017, the concept of real-time reporting or near real-time reporting was introduced. Basically, closing this reporting timeline back to, dependent on the concept, one to four days, so your opportunities to make corrections to the report, have significantly reduced from a business perspective, while the tax administration get way more current insights.

But in the Italian model you see that the reporting becomes part of the core finance processes, so part of your procure to pay and your order to cash process, because you have to report your invoice data as soon as you issue the invoice. In some countries even before you issue the invoice. So, you see that it converges from way after the fact into the core finance processes, so in the transaction.

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**Kiran Padam:** What you are saying, Peter, is that in reality, we are in the era of e-compliance and continuous transactional control or CTC as we know it, with authorities today. Gunjan, the direction of e-invoicing is essentially moving to an e-clearance model. What are your thoughts?

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**Gunjan Tripathi:** Well, I think it is worth pondering upon that not all e-invoicing is e-clearance model. There are various formats of e-invoicing that are prevalent today, which create the complexity for a multinational business or a business with vendors or customers in different jurisdictions to having to juggle with these simultaneously. There are 2 corner model, 4 corner model, a hybrid version, 5 corner model which talks about, as Peter was alluding to, who gets the information, who gets it before the actual intended commercial party to make the payment or receive the payment, where in this process is tax authority a hindrance or adding time scale to commercial transactions, versus just being a recipient of information in real or near-real time.

Now I think my thoughts of all this, is that the reality of a VAT manager sat in a business that is complex, is that there is no one way to go about all these things and you are constantly firefighting on the ground with different authorities and different deadlines, while you are trying to handle different sorts of processes prevalent within your own organisation. Whether it be ERP, whether it be the AP coding style, or whether it be your treasury, and the order to cash processes.

Until some convergence is seen from the end of authorities, which is again highly political and sensitive, and it typically takes a long amount of agreement and negotiations, the life of a VAT manager doesn't seem to be getting any easier.

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**Kiran Padam:** It seems our concept of an invoice today is unrecognizable in this fundamental shift. Do you agree? What are your thoughts?

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**Peter Boerhof:** Yeah, I would definitely agree, because if you ask me what an invoice looks like, I can basically take a piece of paper and draw out where the seller information is, where the buyer information is, where the date has to be, where the transactional information is, where the VAT calculations are. So, I have this, currently old-fashioned concept of an invoice in my head.

Actually, as kind of an image, and many people have that. That's how we see an invoice and that's also how many, let's say, technologies also visualise an invoice. Also, if you Google, and look for a template of an invoice, it kind of matches with this generic visualisation that we have in many of our heads. But if you look at the e-invoice, you lose that visualisation. That whole concept is gone because it's in computer language. You can still identify all the elements of the invoice, usually in an XML, but you lose this whole kind of image. So, it looks completely different. So likely we have to adapt to that, to find the information that we're looking for on an invoice because it looks really, really different.

Next to that, I've grown up as a VAT professional, so the VAT legislation is my guidance of what has to be included in an invoice, so what are the mandatory fields. What you see now, for example, with Italy and Poland, and those are just examples, they include all kinds of exotic information that is not necessarily part of an invoice within the VAT context I have to say.

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**Gunjan Tripathi:** Just addition that this reminds me as well, that invoice is not just a tax legislation territory, invoice being a commercial document and traditionally has carried a lot more information than a tax authority has demanded.

On some occasions, when we used to have draft invoices, summary invoices, receipts, they would have carried lesser information than the tax authorities have needed. But with this whole electronification, because it no longer has to fit a small piece of paper that has to be printed, the demand seems to keep growing. They keep growing in different directions by different stakeholders, and then again it adds to the complexity of where am I looking as a tax individual, and what information am I going to uncover. And is that information relevant or will it change the tax consequence of this particular transaction. For example, sometimes too much information can also mislead or can raise debates around which country should be this taxable in, where did it originate from in terms of goods or service, and it's almost like are we over complicating it, or are we actually simplifying it? We don't know this yet. My mantra still is, it still is not standardised. It's still just juggling different requirements with different schemes. So even XML's hard enough aren't getting easier to read.

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**Kiran Padam:** What are the practical realities of CTC for companies today? Do we know what authorities will use all this information for?

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**Gunjan Tripathi:** So practical realities of CTC are twofold. There is a government perspective on this, which is of course, they are leveraging technology like businesses are to get more data. They can be more granular, they can get it faster before they have to reconcile for the treasury amounts, or their balance sheets from a cash perspective.

But more importantly, they get a view of the economy and they are trying to reconcile, does this meet their expectations? So does it reconcile with things like their VAT gap in this particular instance, but not the least, what they're also trying to do is run trends. They're trying to preempt where there will be. This is no different to what with technology businesses are trying to do, they're trying to get ahead, they're trying to preempt their supply chain demands, etc.

But they do not want to give away their secret sauce, and neither do they want to use channels of information exchange that might be sensitive or prone to any leakage of information, i.e. cyber-attacks, loss of information, misuse of information by anybody who can intercept it. So, with all this comes the challenge around maintaining the integrity of data and preserving it only for the purpose of those intended. And that's going well beyond a typical tax accountant or a legal professionals remit of jobs. This is taking us into the realms of deep technology.

With all this information, and with all this new skill set, ultimately the authorities are able to cross-check more than ever, they might be able to cross-check what an individual spends on, and whether that person has claimed it in a personal capacity as a business expense or not, where have they travelled. So, it just means that there is a better footprint electronically of every piece of goods or service consumed, and there's a lot more cross-check, there's a lot less that can be done as whether it be your innovative ways of supply chains, or ways to maximise business efficiencies. Because perhaps this information can get out and become public knowledge, and then you might lose your competitive edge or your strategic advantage. So, a lot can happen, and hence why there is a lot of concern from businesses when they look at it holistically.

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**Kiran Padam:** Thanks, Gunjan. And what are your thoughts, Peter?

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**Peter Boerhof: F**irst thought was that there's sometimes confusion around what CTC is. CTC is sometimes used as a synonym for e-invoicing or real-time reporting and, I want to stress that CTC, which is continuous transaction controls, is what the tax administrations are after. That's what tax administrations are trying to accomplish, so they want to have continuous transaction controls on what businesses are doing. The vehicles that they use are e-invoicing and real-time reporting. So that's the first one, and then that automatically results in the practicality for business, that as a business, you would actually have to do the same. So, you would have to sit on top of your data as well and know what you are reporting to the tax administration in real-time. So that's one, that's about, what's CTC and what's the business practicalities?

And what are tax authorities doing with all this information, to be honest, they're not that transparent on what they are actually doing with it. So, we have a lot of expectations, sometimes it's disappointing what they're doing, because they only do technical checks whether you've crossed all the boxes basically, and whether the data is in the correct format. But it can also be more advanced, and for that, you would have to look at what's happening in some of the countries in Latin, they're really the front runners. For example, the Mexican tax administration, they are capable of running your invoice that you're trying to send right now, they can test that invoice against their complete database of tens of millions of invoices, to check if your invoice is compliant and deviating from basically the norm. They use some artificial intelligence for that, so they are really advanced. So that's what tax administrations are doing.

There's also a potential benefit for society, and I found quite an interesting example on the Internet in Brazil, where they also have e-invoicing, and this example reflected on a person that needed gas for his car. And they have an app in Brazil, that is basically reflecting the current pricing within your area of all the gas stations that are around, so you can, using this app, you can find the cheapest provider or supplier of gas in your region. So that's a benefit, a societal benefit of this real-time reporting and e-invoicing but we're still way ahead of that, or way away from that, in Europe, I would say, by far not there yet.

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**Kiran Padam:** It is pretty clear that there is a huge effort by tax authorities to modernise the compliance landscape to create the tax Administration 3.0, and I wonder if many people are wondering what is wrong with our current system. In your opinion, what were the challenges of our traditional system and what is the tax administration hoping to achieve?

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**Gunjan Tripathi:** I would like to, again a bust a myth here, that it is not about what was wrong with the current or old system. It's just that the system has to evolve and keep up with the changing economics, the changing way business is being done, the changing face of commerce, supply chain consumption, behaviors and patterns. So, the fact that we now buy more services online or are able to leverage Internet for buying music from another part of the world, means tax authorities in their traditional formats, didn't have ways to know this track this, captured this, and make sure taxes such as VAT, that are destination based when it comes to consumption by individuals, such as ourselves, are paying and levelling the tax field in this regard.

The only answer for business, commerce, and supply chains that is changing, is to keep up to use technology to track it, so it's about keeping up with the times and heading, just like businesses, where the money is, or where the commerce is. So, it's an evolution process. And in my opinion, the challenges therefore, of had been not evolved as a tax policy or as tax administrations would have been, that we would have had again, frustrations among business communities and consumers of having to deal in old fashioned manner, having to keep environmentally unfriendly practices, such as tons of paper generated, having to store it for years for the purposes of audit trails, ect. Just as an example, when in this day and age, why should we print everything when we don't need to? So with all this, I think my first port of call in this typically is that, policymakers, authorities are just trying to keep up and to stay relevant and to stay In sync.

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**Peter Boerhof:** Yeah, you're right about that analysis, Gunjan, because the world of transactions is changing, but also the capabilities, the computing capabilities are increasing, and have increased significantly. In the old system, the paper based VAT reporting system but also now it's digital reporting. Still after the fact, it actually, despite the fact that it's mandatory to report, it's still kind of voluntary as a business you have to run the report, you have to generate, you have to ensure that all your transactions are in it. So, it's kind of a voluntary system to include a transaction or not, in your VAT return or to even register in a country because you transact in that country. Like Gunjan said, if you supply music from another part of the world.

And this voluntary element of indirect tax reporting, has caused significant financial damage to countries, so it's partly known as the gray or black economy, and it's partly known as the VAT gap. Those are two kind of aspects that they want to tackle with getting closer to the transaction and getting more real-time information. They try to close that gap, fight the grey economy, which was a great driver, for example, in many Latin countries, but they also want to create more transparency. The tax administration now need to have more insights in order to establish this continuous transaction control framework or concept?

What you also see is that e-invoicing as such, also creates business efficiencies, because it's way more efficient to process a digital file than it is to process a paper invoice, both on the sending side and on the AP side, so they want to enhance these business efficiencies. And making it mandatory and basically creating a standard within the country, and preferably even within a region, makes the adoption of e-invoicing much easier than in a voluntary commercial environment.

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**Kiran Padam:** What are the sources of data that tax authorities are looking to leverage and what do you think they will do with them?

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**Gunjan Tripathi:** So I would categorise the sources of data into two angles, two buckets, per say. One is that leveraging the same mechanisms or routes of information which were previously used for submission of summary VAT returns, these voluntary pieces that Peter was referring to, has expanded and has become more granular. Which means if you are in places like Poland, Czech Republic, you are now not just submitting your VAT return boxes, you're submitting control statements. You're submitting a lot of supporting files, you're submitting as standard audit files for tax, which for every transaction has information such as the date, who was it purchased or sold to, their complete address, their validated VAT number, was the invoice paid or not. So, did it reconcile with your cash in the bank or not. These are exactly why things like split payments are coming in, so you have Romania as example there.

So, there's a lot of ways where, first they have gone deeper into the routes that was already available. But then the second aspect of this, is they are also going in different directions from multi source of data to cross-check this. For example, when they get other sorts of compliance reports as a tax authority from say, banks or you save from things like custom authorities, or border clearance places, they are now trying to map this, and see if it reconciles. The idea is to have a very good sense of what their economy is doing today, does it match up with the claims, and more importantly, are there leakages? Are things disappearing because missing traders has been an issue, or having supplies of high value low cost goods across borders, but VAT not being reported and advantage or misuse of things like 0 rating and reverse charge has been exploited. And so again, all these factors are contributory to tax authorities losing out.

All these mechanisms are ways to triage information, cross-check it in different manners and to go ahead, and make sure that they are getting their valid due. Another example could be, you can't let a business claim. Oh well, I don't have funds to pay the tax, because I should do other things with it first. When the banks reports or your treasury reports, can actually summarise and help tax authority cross-check that you were actually paid VAT that was paid by your suppliers or vendors for that particular instance. So, it should not have been earmarked for any other purpose because it was ultimately governments revenue, A.K.A. indirect tax basis. There's a lot around this whole, what was already in use and expanded, and then cross-checked with multiple sources.

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**Peter Boerhof:** Let me add two elements to that, that are also basically constantly used and not only now, because now it's easier, for example tax administrations also look on the Internet, for example on marketplace. On the one hand, marketplaces within Europe now have a reporting obligation to report what traders are selling and transacting on their platform. But they can also access that information partly just by entering the website of a marketplace, or any other environment and do web scraping activities to identify potential taxable activities of people and businesses. So that's one, it's additional reporting by, like Gunjan already said, banks, marketplaces and the like, but they can also use the technology that's currently available to try to gather information on the web themselves.

We should also not underestimate the impact that social media can have in this context, because they will not only look at marketplaces and possible transactions, but they will also monitor, for example, through, what have you Instagram, LinkedIn, Facebook. Basically the whereabouts of Gunjan, and any other to see, for example, whether a business potentially has a presence in a country and that does not need to be based on reporting It can also be social activity of people being employed by a specific company and being active, for example, in the Netherlands, while officially they live in the UK.

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**Kiran Padam:** Tax Administration 3.0 is very data focused and as you say, tax authorities will be gathering data from a large amount of sources and cross referencing it. So, for businesses having accurate, complete and consistent data is crucial. But how can businesses achieve this in reality, especially with the risk of human error? It feels like a lot of pressure.

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**Gunjan Tripathi:** It is a lot of pressure, and I think the pressure is intended to force that convergence into core finance processes happens, i.e., tax should not be an afterthought. The tax rate, the requirement for tax reporting, should be upstream at the time of transaction is happening or should have the ability to block the transaction before its completion for commercial purposes. I think that's where it is headed. That's why it's a lot of pressure. But again, if you think about it holistically, with the changes that are coming with businesses migrating their systems to cloud, changing their ERP systems, upgrading it, centralising their IT system. These opportunities should be used at the same time to also take into account all these IT and finance and tax processes that need changing because of compliance requirements and I think this is the only way that we could remove the excessive burden downstream on humans, typically sat in tax team, working 11th hour before a tax return is due, to look for these errors and try and rectify them and do a lot of patch work, band-aid work or hoping that their memory is with them on all these edits and weaknesses that they already know in their data that exists. So yes, it's a lot of pressure and it has to be dealt with differently from what it has been done until now in most parts of the businesses or countries.

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**Peter Boerhof:** How I see the pressure and also, typically usually split it, is there are in this whole data, it's almost a data war because tax administrations are harvesting your data. But there are two elements basically, the first one is more technical. So that's collecting and transmitting the data. That's one challenge, and many businesses currently are focusing on that element. How do I collect the data that is required and how do I transmit it to the tax administration? But the other angle is about the data quality, how do you ensure that it's complete and accurate? And if you look at collecting the data and looking at the mandates, what would businesses likely do, the first one is to closely follow the legal developments and what are the requirements in there. Because it's the first part of the mandate being published, states a number of requirements that you have to fulfill. But these mandates are not static. It's not a question if they will change, but it's more a question, when will they change. So, they will add for example, additional types of transactions to the mandate.

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**Kiran Padam:** So, I guess technology can be a great help in mitigating human error and driving data consistency.

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**Peter Boerhof:** Yeah, that's absolutely true and I would actually say can be, I would say it's no longer a nice to have, it's a must have. You see the data pressure, it has to be in real-time, a lot of the data is not sanitised. So, you see a shift in the process and the process requires an adjustment as a result. And if you start changing the process that impacts how people and systems operate, how they how they integrate basically, and traditionally tax reporting to a great extent, was people's work. Generating the reports, aggregating the data, doing a number of manual cross-checks and you will see a shift to more of a systems check and systems generated reports. And the aim of this will be to squeeze out the human error as much as possible by automating the creation of data. And also the automating as much as possible, the exchange of data and from my perspective, and then maybe Gunjan, you can chime in a little bit more because you're closer to that development, but a great example of this is, and it's also a simple example actually, is making tactic to digital in the UK, where tax administrations actually squeezed out the human manual interfaces and automating steps in the data transmission. But Gunjan, maybe you have a little bit more detail and different angles.

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**Gunjan Tripathi:** We can absolutely go down the UK MTD route for VAT because, couple of things, of all the taxes, the UK Government chose VAT to be the pilot because it is the transactional data that is capable and has more frequency of reporting. So that's first angle and that's why we love technology and it's, shall we say, companionship with VAT first and foremost. But on the second side, yes, it is not just about all the process, and you know, mandating the fact that there should be less copy paste, there should be more of this automated transfer and knowing where your weakness in the data is. And actually being cognisant, and being able to report that to tax authorities saying, I know this 80% is absolute as you expect it to be, in the remaining 20%, please be mindful of XYZ.

But the other thing this is driving is, some of the mindsets and some of the places and processes in which tax authorities are now stress testing or conducting audits. So, I think the future lies in not having any more sample checks or manual checks from a tax authority perspective, but instead going and seeing are all your transactions going through an amount of listed standard checks, so that we know that each and everyone was checked on these 10 reasonings and logics, rather than it being a human effort that, I'm sure, Peter, you as well as I ,we have spent days and weeks doing those in preparation of returns or finding those best sample invoices to send to tax authorities and so forth. But ultimately the other thing I've had in discussion with customers is, traditional tax professionals have to have a very deep mindset shift of how they're going to audit themselves internally and how are they going to have controls and frameworks in place that has to do away with manual, and has to find ways that can touch all or 100% of transactions. But that is a very different sort of change management that needs to happen under the realms of the CFO's and head of taxes.

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**Kiran Padam:** What does this mean to the role of a tax professional today and how technology is used to support a much greater ask beyond just tax compliance?

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**Peter Boerhof:** Yeah, that's an interesting shift in skills that you see, but that's already happening for quite a while, because when I started, you could easily identify the tax guy or girl in a business, because that was the person walking around with the tax law book to meetings, and in meetings looking up what the legislation was. And if you had a few tax people, tax professionals in the room, they all had their law book, and they had discussions around legislation, and the latest court decisions. And this has gradually shifted and the current discussions are more around data and business controls and financial controls. So, this requires quite a shift in skills from basically shifting from a pure tax professional and whether you're a legal or an accounting tax professional, doesn't matter that much, because you require generic insights in, for example, accounting financial systems, how does your ERP work, what are supply chains and how do they operate and how do they change, what are sources of data and how are they compiled, how are they managed, how do I analyse the data and how do I, like Gunjan already said, how do I audit this data and what and what I report, and what kind of software solutions are available, for example for tax and workflow.

But this also basically results in more of a core question, for me, that who is nowadays actually the tax professional. Is that still the person that knows how the legislation works? Or is this shifting and can this tax professional also be a finance person or an IT person. So, I would say, with this overall shift to more of accounting and data focus, this broader perspective, personally, I think that the tax professional can also come from a different profession.

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**Gunjan Tripathi:** And to substantiate that, we have seen trends in the market where now, what would have been traditional tax degree imparting bodies or university departments, have extended what they currently help students learn. Which is tax technology or, as Peter was referring to, tech that will go into this area of business. So, not just from a demand side and application side, but I think from a knowledge and supply side of formal education, we're seeing the changes.

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**Kiran Padam:** This brings me very nicely into my last question. What is your perspective on how AI will impact or help the tax function moving forward?

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**Peter Boerhof:** That's an interesting one. You should typically also ask them, what's the horison that you use? Because AI is basically, currently, from my perspective and to my knowledge, in its infancy, and so it's very difficult to predict really how it will develop. And what you currently see that AI, that is generally available is primarily based on language models, that are very good at creating tax, summarising tax, support your tax research efforts, and summarise what you've gathered. But they are models that are trained, and they are trained on data, and that's not necessarily the current data. So, if you really want to investigate a case, you have to be aware that it's the information that you're gathering, is not up to date with the most recent legislation or court cases.

But there are also possibilities where the AI is going to be integrated in search engines, for example. I believe it's already to an extent, integrated in Bing, with Microsoft, I know basically everybody's working on it. And then you could combine the intelligence of AI with current information. So that's the tax aspect and another one, that you see already with tax administrations that that AI is a very helpful technology to analyse large amounts of data. I already mentioned the Mexican example. So, tax administrations are already using AI to do that, and I expect that businesses will also pretty soon, have the capabilities to do that. And I'm also hoping that they will be able to do it, but I also see, and that's my kind of final remark on this, a challenge and that challenge. And I say again, the challenge is that, how will tax be able to translate and explain what they want to accomplish with AI to the data or IT or AI experts, because that's always a challenge to explain as a tax professional, what you want out of the system to IT people. Because we come from different worlds, so that does not change, so that also requires tax people to become aware of the AI, more of the technical side of AI.

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**Gunjan Tripathi:** Coincidentally, I can add some data from a research study that Vertex has conducted because it's the buzzword right, nobody wants to be left out of AI conversation. So, you can imagine this has been a top of the mind. But when we really dug deeper in terms of, what is the time horizons, those that we were interviewing and they're responsible for their tax and finance functions across the world, by the time we have actually started putting together timelines, 10 plus years is when this group estimated that there would be any substantial change. But then again, we know technology is always evolving and rapidly developing and going faster. But that 5+, 10+ years is the horizon, because, just as Peter was explaining, there's so many layers and ways in which it needs to be stress tested, it needs to be made sure that it is legally accurate with the information, and it keeps up with the latest developments. That to have checked all of these boxes, and then to have had the mindset and acceptance that, it is reliable, and it doesn't leave any scope for probabilities or errors and it's doing right by numbers instead of just word strings but has a far way to go. So maybe our jobs are slightly safer, Peter, for short term, we never know about the long-term.

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**Kiran Padam:** Thanks, Gunjan, and thanks, Peter. Thank you to our guest today and our listeners for joining us on this episode of the Vertex Exchange Europe Podcast. I trust you found our discussion insightful and beneficial. And if you would like to learn more about how Vertex can help you, find us at vertexinc.co.uk. As we conclude today's conversation, I encourage you to stay connected with Vertex on social media, share your thoughts, and keep the discussion going. If you enjoyed this episode, please like and subscribe, and be sure to listen in on the next one. Leave a review as we would love to get your feedback and potential topics for discussion. Also, don't forget to share this podcast with a colleague or friend who you think will find it useful. Together we can navigate the world of indirect tax and technology. Thank you for listening.