

VIEWPOINT

**Gunjan Tripathi**

EMEA Director of Solutions Marketing, Vertex

Gunjan Tripathi helps shape the strategic messaging and course for Vertex's Indirect Tax Software offerings. She is an experienced chartered tax advisor, specializing in European value added tax (VAT). Throughout her tax career, she has worked with industry-leading organizations. She holds a Bachelor of Honors in Economics from the University of Delhi, India, and a Master of Science in Development Studies from the SOAS (School of Oriental & African Studies), University of London.

Close your risk exposures with e-invoicing technology

As new and updated tax regulations shift and change, so too has the reliance on digital processes for tax collection and payment. We spoke with Gunjan Tripathi, EMEA director of Solutions Marketing for Vertex, to better understand how to navigate this evolution and why a strong e-invoicing technology strategy can close risk exposures.

Tell us about the modern landscape for accounting and tax departments.

We are now looking at a landscape of both regulation- and technology-driven changes, and there's still a lot left to be crystallized. The pace of change across VAT regulations, supply chains, reporting, and tax filing windows is challenging already-strained businesses. They're trying to triage information to determine how it applies to their processes in terms of where they do business, whom they do business with, the supply chains they're dealing with, and the number of countries and borders their goods or services cross.

That's further complicated by this new world of electronic invoicing (e-invoicing), which comes with its own set of mandates. There are many digital reporting requirements, and it's simply not humanly possible to handle the large volume of demands, especially when many of these systems and vendors are not integrated with existing ERPs [enterprise resource planning systems].

How do transaction-based taxes constrain an organization's ability to manage compliance and everyday operations?

Transaction-based taxes have placed a greater burden on tax departments that are often limited in resources. Now they not only need to understand the uncertain regulatory aspect but they must also manage all the factors that come with e-invoicing. For example, it's time-consuming to manage

e-invoice formats and at the same time understand specific jurisdiction requirements and their access points, to then track multiple reporting needs.

You must have a very good view of every location where you do business and constantly stay on top of regulations in those regions. Tax teams are typically in firefighting mode. When you have that sort of stress, you run a higher risk of reporting errors.

What does that ultimately mean for businesses? Tax positions are law-based, often black and white for transactions. In other words, any error is an error, irrespective of its importance. Of course, that can lead to noncompliance and fines due to how an organization interprets just one layer or line of the regulation.

What often happens in the case of e-invoicing mandates is that already-stressed tax teams get saddled with the responsibility of maintaining compliance. That's incredibly shortsighted. The reality is that tax authorities can cripple cash flow to the business by rejecting invoices. That's why we're seeing many finance, IT, and tax teams working together on large-scale transformational efforts.

Of course, the inability to maintain compliance can also impact brand reputation. Hefty fines noticed by customers or vendors can make



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them more vocal in their displeasure about how your business is operated. In other cases, an error above a defined threshold in certain jurisdictions could lead to automatic criminal or antifraud proceedings against the team or the person representing the team. These cumulatively can add up and damage brand reputation as well as the bottom line of the business.

Why is there urgency for businesses to act now regarding e-invoicing solutions?

With the pace of regulatory change, combined with e-invoicing mandates, tax teams have many moving targets. The longer the time gap between the transaction and when an audit happens, the more the organizational memory weakens. Businesses must be preemptive, not repentant, to stay in the good graces of the tax authorities. So, the urgency to make e-invoicing technology part of their processes can't be overstated.

It's often impractical for an in-house team to achieve economies of scale around tax research and content tracking capabilities. Instead, a business gains a strategic advantage and can ultimately reduce operating costs when it leans on partners with deep expertise around language and legal nuances as well as country-specific accountancy practices and technological competency.

How does Vertex stand apart from its competitors? Businesses need a provider that has thought through their processes in an end-to-end manner. Vertex gives its

customers multicountry support and a global reach. For example, we help them achieve and maintain compliance via automatic updates about evolving tax regulations.

We also understand that customers need full visibility through a centralized approach. The newly developed Vertex Universal Standard (VRBL) – our universal business language enables streamlined source system data transmission, data validation, jurisdiction-specific format/language conversion and post-clearance reporting. We also keep an audit trail that's in line with regulations and securely enable archiving of e-invoices.

Fully automated reconciliation between Vertex e-Invoicing and Vertex VAT Compliance provides a convenient way to check for discrepancies between VAT & GST return data (including Europe Sale List reports) and e-invoicing data. We are confident that our offerings compliment and enable rapid payment collection thereby improving cash flow that is core to a business's financial health and operational efficiency.

Vertex can be a sweet spot for organizations, bringing a deep level of expertise while helping them to maintain compliance amid tight reporting windows. Our e-Invoicing solution provides a single integrated platform to streamline the creation, submission, clearance and e-archiving of e-invoices in compliance with jurisdictional mandates to help reduce business operating costs and improve cash flow while reducing your overall compliance risk exposure.

**Become preemptive and proactive with e-invoicing.
Learn more here: www.vertexinc.com.**