



A Game Changer for the Tax Function

Integrating External Tax Engines and SAP add-ons with SAP

Deloitte x Vertex, LinkedIn article #1, June 2025

Introduction

In today's complex and dynamic business environment, managing tax compliance and calculations accurately is crucial. External tax engines and SAP add-ons play a vital role in streamlining these processes, ensuring compliance, enhancing operational efficiency, and simplifying tax functions.

They have the capability to determine the correct indirect taxes for all business processes, such as O2C, P2P, and FI postings, in real-time and post the information back to the source ERP system. Integrating tax engines or SAP add-ons with SAP systems can greatly enhance the effectiveness of a business's tax function.

Avik Das and Roger Lindelauf



Avik Das



Roger Lindelauf

Contact Details

Avik Das
Manager, Tax Technology Consulting, Deloitte
avikdas@deloitte.dk

Roger Lindelauf
Director, SAP CoE Europe, Vertex
roger.lindelauf@vertexinc.com

Unlock the benefits of external tax engines with SAP

Seamless Integration:

Many tax engines are designed to integrate seamlessly with SAP. This integration ensures a smooth flow of data between the tax engine and SAP, enabling accurate tax calculations and reporting.

Automated Tax Updates:

It manages tax rates and rules centrally, ensuring that businesses stay compliant without manual updates.

Automated Tax Determination:

It automates the tax determination process, eliminating manual intervention and reducing the likelihood of human errors.

Complex Tax Jurisdiction:

It can handle complex tax jurisdiction, including multi-jurisdictional transactions, cross-border trade, and special tax treatments.

Real-Time Updates:

It receives real-time updates on tax laws and rates, ensuring that businesses always have access to the most current information. This is particularly important in regions with frequent tax changes.

Clean Core Compatibility:

Leading tax engines are designed to support SAP's Clean Core strategy, ensuring that tax functionality is delivered without modifying the core SAP system. This enables easier upgrades and long-term system sustainability.

Cost Management:

By reducing manual intervention and minimizing errors, businesses can achieve cost savings.

E-Invoicing:

External tax engines give you a head start on e-invoicing readiness by delivering accurate and compliant tax data, helping reduce manual adjustments and ensuring smoother implementation.

Ease of Maintenance:

Business users can easily manage configuration and necessary updates without heavily relying on IT resources.

Unlock the benefits of SAP add-ons.

Compatibility:

SAP add-ons are designed to integrate seamlessly with existing SAP modules. This integration ensures a smooth flow of data and consistency across different business functions.

Customization:

It can be customized to meet the unique needs of a business. This ensures that the additional functionalities align with the company's specific workflows and processes.

Process Automation:

It automates various business processes, reducing manual intervention and increasing efficiency, leading to cost savings. This allows users to focus on more strategic activities rather than repetitive tasks.

Why It Matters:

Choosing a provider with a singular focus on indirect tax ensures deep domain expertise, continuous innovation, and solutions purpose-built to manage the complexity of global tax compliance. Together, these technologies empower tax teams to operate with greater agility, accuracy, and confidence.

Regulatory Compliance:

Many SAP add-ons are designed to ensure compliance with local and international regulations. E.g., tax management add-ons help businesses adhere to tax laws and reporting requirements.

Ease of Maintenance:

Business users can easily manage configuration and necessary updates without heavily relying on IT resources.



Deloitte Statsautoriseret Revisionspartnerselskab is the Danish affiliate of Deloitte NSE LLP, a member firm of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee ("DTTL"). DTTL and each of its member firms are legally separate and independent entities. DTTL and Deloitte NSE LLP do not provide services to clients. Please see www.deloitte.com/about to learn more about our global network of member firms.

Deloitte provides leading professional services to nearly 90% of the Fortune Global 500® and thousands of private companies. Our people deliver measurable and lasting results that help reinforce public trust in capital markets and enable clients to transform and thrive. Building on its 180-year history, Deloitte spans more than 150 countries and territories. Learn how Deloitte's approximately 460,000 people worldwide make an impact that matters at www.deloitte.com

This communication contains general information only, and none of Deloitte Touche Tohmatsu Limited (DTTL), its global network of member firms or their related entities (collectively, the "Deloitte organization") is, by means of this communication, rendering professional advice or services. Before making any decision or taking any action that may affect your finances or your business, you should consult a qualified professional adviser.

No representations, warranties or undertakings (express or implied) are given as to the accuracy or completeness of the information in this communication, and none of DTTL, its member firms, related entities, employees or agents shall be liable or responsible for any loss or damage whatsoever arising directly or indirectly in connection with any person relying on this communication. DTTL and each of its member firms, and their related entities, are legally separate and independent entities.

© 2025 Deloitte Statsautoriseret Revisionspartnerselskab



Copyright © 2025 Vertex, Inc. All rights reserved. The information contained herein is intended for information purposes only, may change at any time in the future, and is not legal or tax advice.