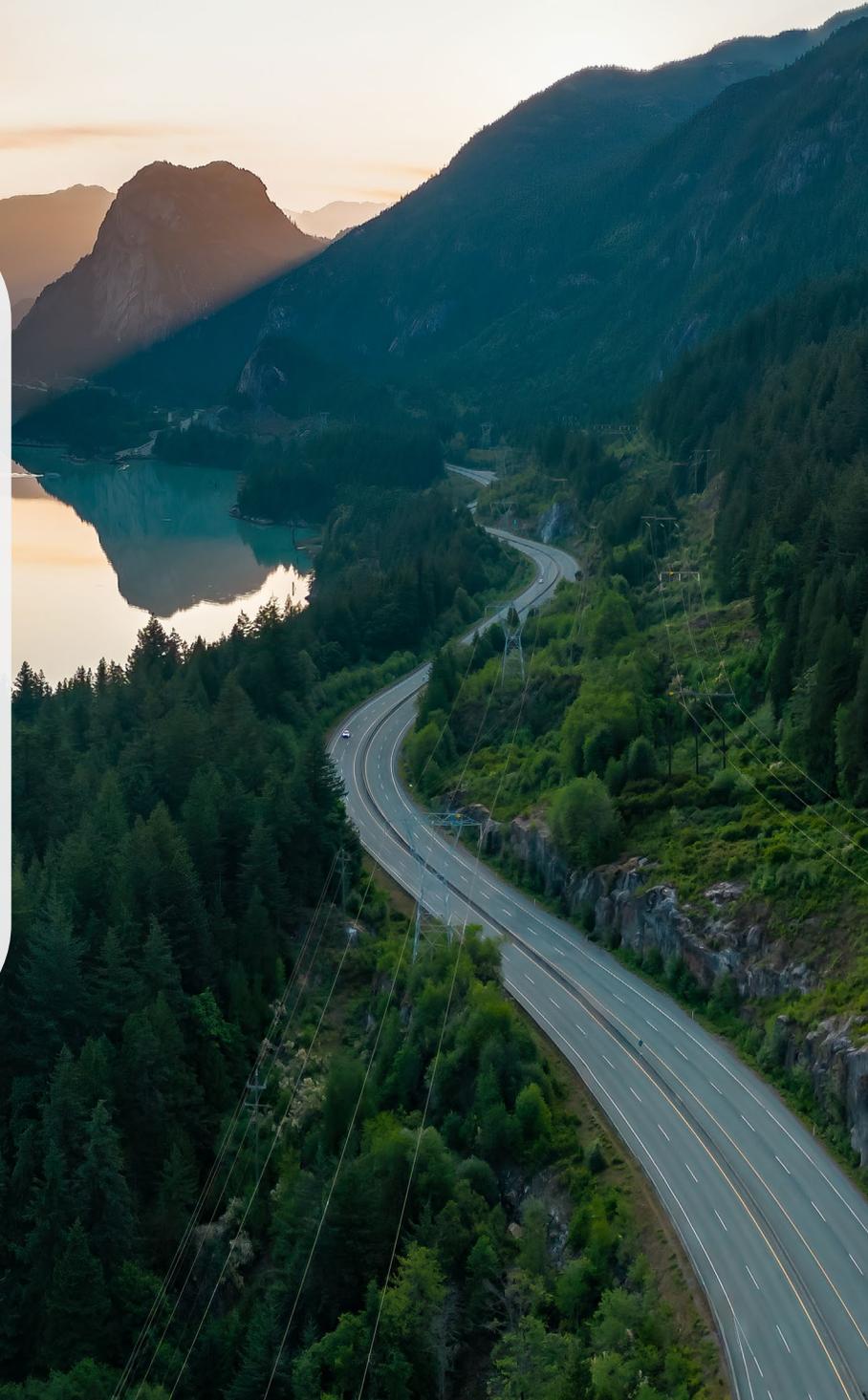# VERTEX®

Vertex + SAP S/4HANA: Your Tax Ecosystem for Migration and Beyond

Ten reasons to modernize tax during your S/4HANA migration so you stay ready for whatever comes next.

A Complex Global Tax Landscape

Indirect tax is changing fast—and you're feeling the impact. Around the world, tax authorities are moving toward destination-based rules, tighter reporting expectations, and greater real-time visibility into your transactions. At the same time, new e-invoicing mandates, digital reporting models, and audit automation are raising the bar for accuracy and transparency—putting more pressure on your systems and your teams to keep up.

In the U.S., rules continue to evolve as states react to budget pressures, digital commerce trends, and shifting consumer behavior. Sourcing methods vary widely, cities apply their own rates, and new fees keep emerging. Globally, VAT systems across the EU, LATAM, and APAC are undergoing major digital transformation—many countries now expect real-time reporting and insight into every transaction.

Here's just a snapshot of what you're up against today:

- 19,000+ taxing jurisdictions worldwide
- Multiple sourcing rules (origin, destination, modified origin)
- Tiered and layered taxes on a single transaction
- Different local use tax rates within the same city
- Rapidly expanding fee structures
- Growing focus on e-invoicing, e-reporting, and real-time oversight

With change moving this quickly, you can't afford to treat tax as a bolt-on during your SAP S/4HANA migration. As S/4HANA becomes the digital core for your finance, supply chain, and operational processes, your tax capabilities need to modernize alongside it—not after the fact.

That means moving beyond a tax engine alone and adopting a unified ecosystem that supports end-to-end determination, configuration, data quality, reporting, and compliance—all aligned to SAP clean-core principles.

And that's exactly what we deliver with the Vertex for SAP S/4HANA portfolio.

> "S/4HANA has fast become the digital core for global businesses—requiring tax technology to modernize alongside it. We help you stay ahead, not play catch-up."
>
> — *Brian Wilchusky*
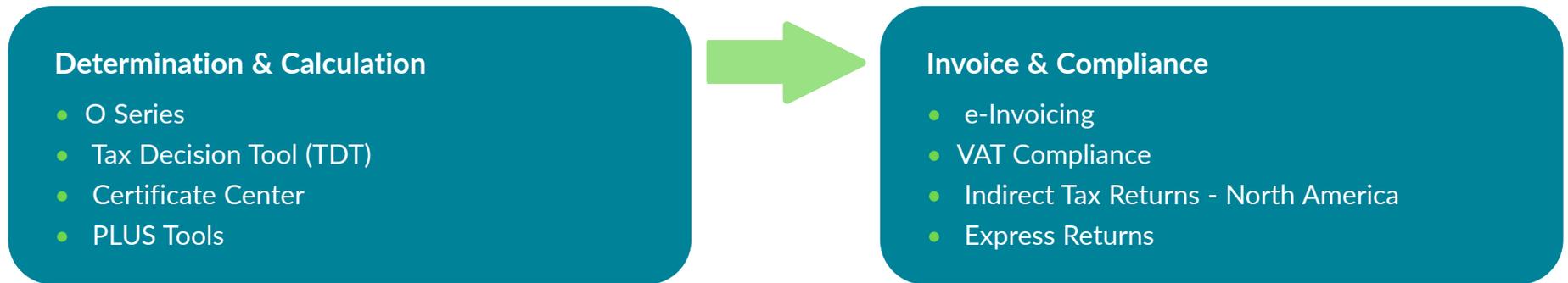> *Head of Global SAP Partnerships, Vertex*

Vertex for SAP S/4HANA: A Modern Tax Ecosystem for Enterprises

The Vertex solution for SAP S/4HANA isn't just a connector; it's an integrated portfolio of comprehensive functionality that is designed to support every step of your tax lifecycle inside your SAP ERP. Each component plays a specific role, and together, we give you a cohesive, scalable framework built for clean core, automation, and global compliance.

- **Tax Determination at the Core:** At the center of the Vertex ecosystem is our flagship global tax engine, Vertex O Series, which delivers enterprise-grade SUT & VAT determination across all SAP O2C and P2P processes. For customers with VAT-only requirements or those not yet ready for a full tax engine, our Tax Decision Tool provides a lighter-weight, SAP-embedded option that supports configurable VAT decisions within SAP.

- **Certificate Management:** With Vertex Certificate Center, you can automate how you collect, validate, store, and update exemption certificates across your SAP processes. Doing so gives you a single, connected workflow that keeps your transactions accurate, reduces audit risk, and eliminates manual certificate follow-ups.

- **Configuration & Mapping Inside SAP ERP:** Our Vertex Accelerator+ for SAP ERP solution provides the bridge between SAP S/4HANA and our tax engine, O Series, embedding configuration, chain flow visibility, data mapping, and troubleshooting directly inside S/4HANA so you can maintain:
  - Clean-core alignment
  - Consistent tax codes
  - A single source of truth for tax rules

- **Integrations That Bring SAP & Vertex Together:** In addition to certified integrations for S/4HANA Cloud, private, and public editions, our portfolio includes integrations for Ariba and Ariba CIM, SAP Commerce Cloud, and SAP Business ByDesign—to help you deliver real-time, standardized tax across every channel and module.

- **Diagnostics, Testing & Data Quality Tools:** To keep your tax processes running smoothly, we provide a full suite of Vertex PLUS Tools for SAP ERP. These solutions are installed inside S/4HANA and help you catch issues early, strengthen data quality, and streamline AP/AR operations. Our tools span:
  - Diagnostics: Diagnostax, TaxPulse
  - AP/AR automation: flexRFC AP, flexRFC AR
  - Enhanced tax logic: flexTAX
  - Certificate & data governance: FLUX Builder, FLUX Monitor
  - Reconciliation & validation: VENDORecon
  - Drop-shipment logic: Drop Shipment
  - Automated testing: TestSuite

  Together, they help you maintain consistent, accurate tax outcomes and reduce risk across your SAP environment.

- **Downstream Compliance & Reporting:** Once your transactions are processed and validated, our downstream solutions such as Vertex e-Invoicing, VAT Compliance, Indirect Tax Returns – North America, and Express Returns—transform your data into compliant e-invoices, SUT/VAT/GST reports and returns.

- **Unified by SAP Clean Core Principles:** Every solution we build aligns with SAP's Clean-Core strategy. That means you can scale, upgrade, and innovate without carrying unnecessary technical debt—and your tax and compliance capabilities evolve right alongside your S/4HANA environment.

Support for the Full End-to-End Tax Lifecycle

Determination & Calculation

- O Series
- Tax Decision Tool (TDT)
- Certificate Center
- PLUS Tools

Invoice & Compliance

- e-Invoicing
- VAT Compliance
- Indirect Tax Returns - North America
- Express Returns

Together, these components give you the foundation for a modern, future-ready tax architecture for SAP S/4HANA.

"Clean core isn't just a technical concept—it's technology and platform strategy to protect your ability to upgrade adapt cleanly as new functionality and innovation becomes available."

— *Brian Wilchusky, Head of Global SAP Partnerships, Vertex*

Top 10 Reasons to Integrate Vertex with SAP S/4HANA

The following ten reasons highlight the strategic and operational benefits organizations gain when adopting the Vertex ecosystem early in their S/4HANA journey.

1. **Clean Core Tax Automation:** Our Vertex O Series tax engine—supported by Accelerator+ and SAP-certified connectors—integrates directly with SAP S/4HANA using clean-core, SAP-aligned patterns across OTC and P2P. With Vertex in place, you eliminate custom Z-tables, manual jurisdiction updates, or one-off logic that create technical debt and slow your future upgrades.

   Why it matters: You get consistently accurate tax determination across every transaction—sales orders, POs, billing documents, and more. And as SAP delivers new S/4HANA releases, your Vertex integration stays in sync, reducing maintenance for your functional teams.

   Business impact:

   - Minimizes risk associated with manual tax rules
   - Keeps your operations running smoothly during upgrades
   - Supports global scalability with fewer internal resources

2. **A Smoother, More Predictable S/4HANA Migration:** Tax is often one of the last topics addressed in ERP migration projects—but it's one of the biggest sources of post–go-live defects. When you integrate Vertex early, you stabilize tax decisions during Fit-to-Standard workshops and avoid costly rework later.

   Why it matters: Your tax logic is built into your new processes from day one, which reduces integration-testing issues, removes the risk of "tax playing catch-up," and helps ensure your migration timeline doesn't slip because core tax requirements weren't defined early enough. This helps teams move faster and with far more predictability.

   Business impact:

   - Fewer disruptions at go-live
   - Clearer documentation for your SI partners
   - Stronger end-to-end data flows across OTC and P2P

3. **Lower Costs Across Your Entire Migration Project Lifecycle:** Tax errors uncovered late in the ERP migration cycle are among the most expensive to fix—often requiring retro-postings, retesting, and additional SI change orders. We help you avoid those surprises.

   Why it matters: O Series automates rates, rules, and jurisdiction updates that SAP S/4HANA does not maintain natively. This reduces the likelihood of costly errors that derail your timeline.

   Business impact:

   - Reduces rework during user acceptance testing
   - Prevents audit related penalties
   - Minimizes consulting services spend on custom tax logic

4. **Stronger, Current Compliance:** Indirect tax rules change constantly—across countries, regions, and industries. Relying on native SAP tax configuration alone puts you at risk when rules shift or digital-reporting requirements expand.

   Why it matters: O Series delivers continuous content and regulatory updates aligned to local rules, emerging mandates, and complex scenarios so you stay compliant without constantly chasing changes.

   Business impact:

   - Stronger defensibility during audits
   - Standardized tax across your SAP modules
   - Reduced non compliance risk across the enterprise

5. **Cleaner, More Reliable Tax and Financial Data:** Accurate tax determination is just the starting point—you also need clean, consistent financial and tax data flowing through your entire SAP ERP ecosystem.

Why it matters: O Series provides granular jurisdiction codes, conditional logic, product classification, and audit-ready transaction details to help you maintain reliable, actionable tax data across S/4HANA.
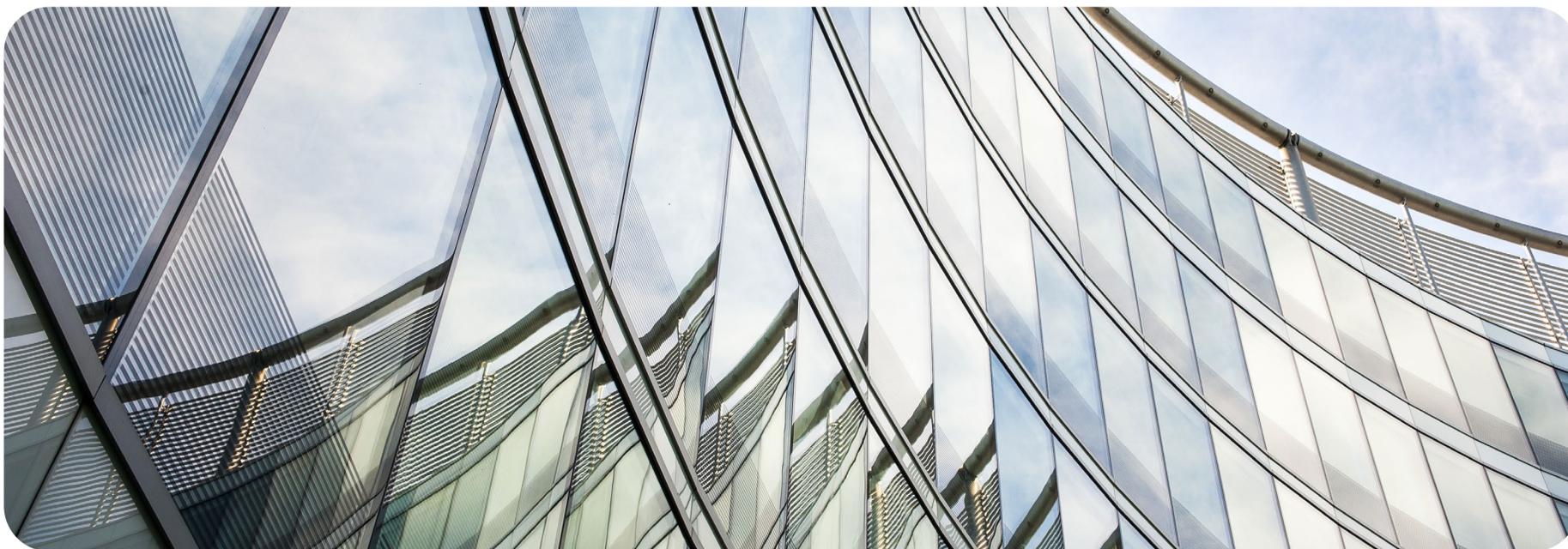
Business impact:
- Reduces reconciliation work
- Improves visibility across supply chain and financial reporting
- Enables better forecasting and analytics

6. **Faster, Easier Testing Across Every Phase:** ERP migration projects involve months of testing—unit testing, system integration testing, user acceptance testing, regression testing, and cutover simulation. Tax touches every one of these phases.

Why it matters: With Vertex, your tax and IT teams test together, using aligned logic and automated content updates. This reduces transport cycles and shortens your test timeline.

Business impact:
- Shorter testing timelines
- Faster defect resolution
- Integrated tax logic across end-to-end business scenarios

7. **Smoother Day-to-Day Processes for Your Users:** Sales, procurement, finance, IT, and tax teams all feel the impact when tax logic is manual or inconsistent.

Why it matters: By automating tax determination and reducing exceptions, O Series helps reduce user intervention and keep your business processes moving smoothly.

Business impact:

- Fewer transaction errors
- Reduced cycle times for order and invoice processing
- Improved customer and vendor experiences

8. **Training That Matches the System You'll Actually Use:** One of the biggest challenges in an S/4HANA migration is helping users adopt new systems and workflows.

Why it matters: When O Series is implemented early, your training reflects the real tax logic users will rely on at go-live—not placeholder rules that change later.

Business impact:

- Lower learning curve
- Higher adoption rates at go-live
- Reduced strain on support teams

9. **Better Use of Your Team's Time and Expertise:** Your project teams are already stretched thin across business, functional, and technical workstreams.

Why it matters: Integrating O Series lets you consolidate testing, documentation, and configuration across tax and SAP—giving your teams more time back and improving collaboration with your SI partners.

Business impact:

- Less duplication of effort
- More efficient workshops
- Stronger alignment between tax, IT, and business teams

10. **Agility to Adapt to Whatever Comes Next:** S/4HANA migrations are not the end of transformation—they're the beginning. Your organization needs flexible architecture that can adapt to emerging mandates, new revenue models, and evolving digital reporting rules.

Why it matters: Vertex gives you a future-ready tax engine and ecosystem that updates continuously as rules evolve, helping you stay agile long after go-live.

Business impact:

- Faster response to regulatory changes
- Scalability across new geographies and business lines
- Long term reduction of technical debt

Our Vertex ecosystem externalizes your tax logic, automates content updates, and provides SAP-certified integrations that help you stay clean-core and reduce technical debt—all while delivering predictable transformation timelines.
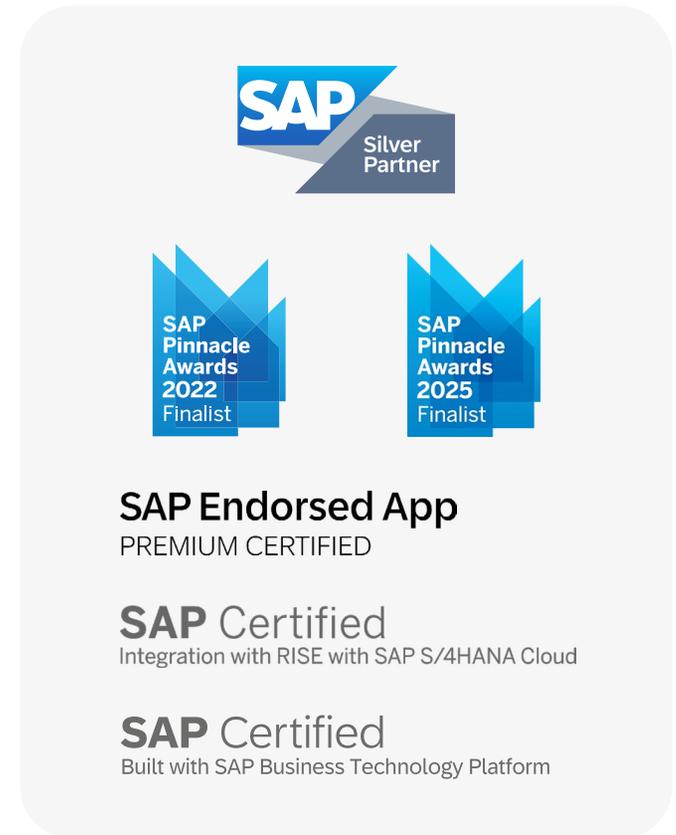
Summary of Vertex + SAP's Partnership

For more than 25 years, we've partnered closely with SAP to help organizations like yours modernize tax and stay compliant as their systems evolve. Here's what that partnership means for you:

- **Our SAP-validated solutions**—including Vertex O Series—integrate seamlessly with your SAP ERP landscape.

- **We innovate alongside SAP**, adding new capabilities, such as O Series for SAP Ariba CIM, to support automated, real-time tax across more of your ecosystem.

- **Leading system integrators and tax advisors consistently recommend Vertex** as the preferred indirect tax solution for SAP S/4HANA migrations.

- **And most importantly, our partnership is fully aligned with SAP's Clean Core strategy**, so your tax processes remain modern, scalable, and upgrade-friendly—without unnecessary custom code.

SAP Silver Partner

SAP Pinnacle Awards 2022 Finalist

SAP Pinnacle Awards 2025 Finalist

SAP Endorsed App
PREMIUM CERTIFIED

SAP Certified
Integration with RISE with SAP S/4HANA Cloud

SAP Certified
Built with SAP Business Technology Platform

Together, the Vertex ecosystem and the advantages outlined throughout this e-book show why tax modernization belongs at the center of your S/4HANA migration strategy, not on the sidelines.

"The strength of our partnership with SAP ensures our mutual customers benefit from a tax solution that grows with them—across upgrades, expansion, and every new regulatory change."

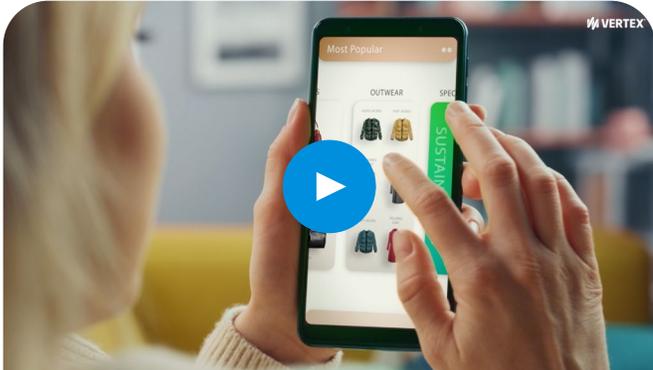— *Brian Wilchusky, Head of Global SAP Partnerships, Vertex*

Conclusion

Your S/4HANA migration is more than a technical upgrade—it's your opportunity to modernize tax, strengthen compliance, improve data quality, and streamline processes across the enterprise.

With the Vertex for SAP S/4HANA ecosystem, you get a connected set of solutions that evolve alongside SAP—ensuring tax logic, configuration, validation, and reporting work together from day one and remain consistent as your business grows. By bringing Vertex into your transformation early, you build a cleaner, more scalable SAP S/4HANA environment, reduce long-term risk, and position your organization to stay ahead of rapid regulatory change and new digital mandates.

We're here to help you modernize tax with confidence—and move into S/4HANA with a foundation that's ready for the future.

Watch an Overview of Vertex for SAP S/4HANA

Discover what's possible with Vertex for SAP S/4HANA.

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