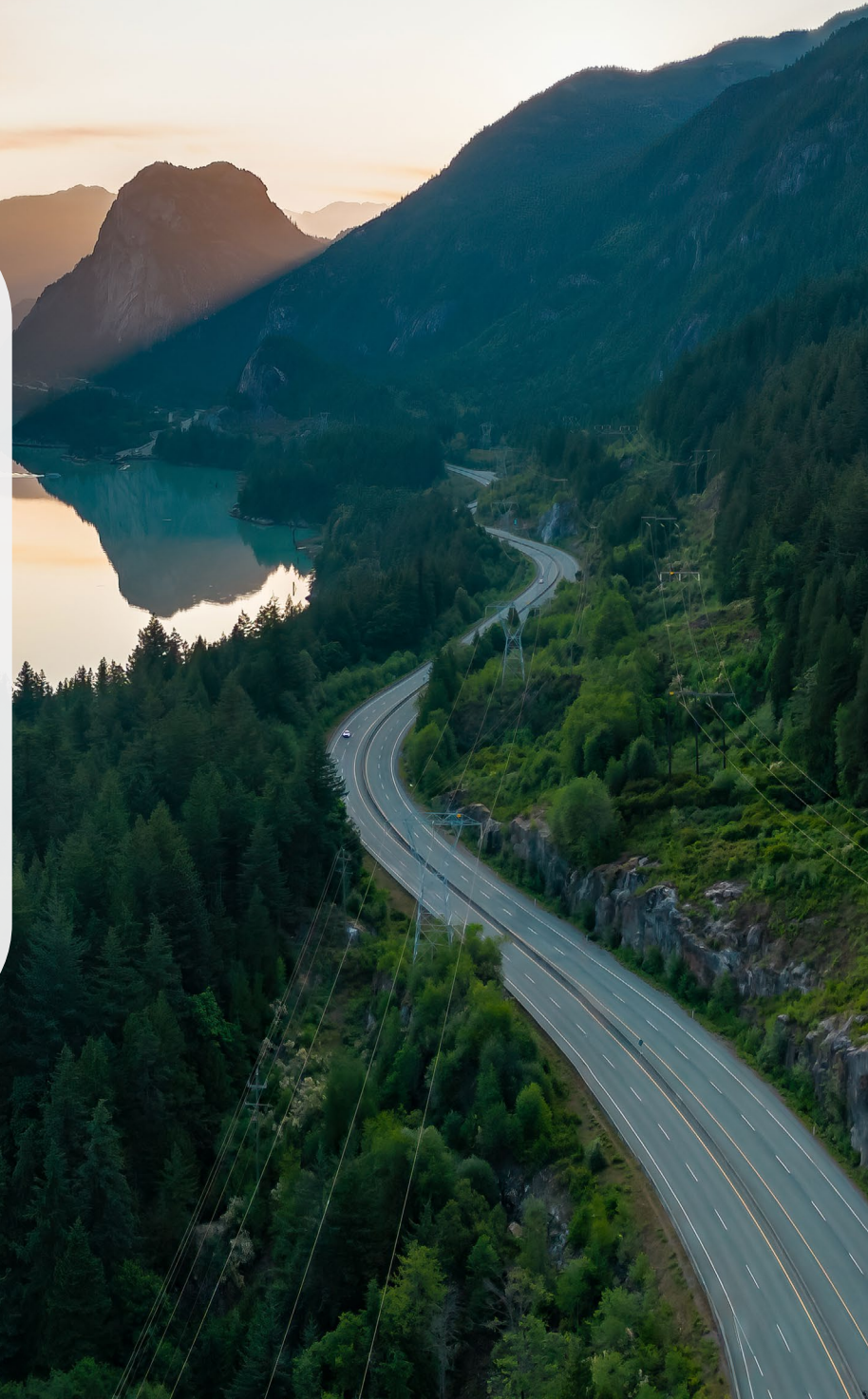




Vertex + SAP S/4HANA: Your Tax Ecosystem for Migration and Beyond

Ten reasons to modernise 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 organisations across the UK and Europe are feeling the impact. Tax authorities are moving toward tighter reporting expectations, increased transparency, and greater real-time visibility into transactions. Digital VAT initiatives, including expanded e-invoicing requirements and real-time reporting models, are raising the bar for accuracy, consistency, and audit readiness—putting more pressure on ERP systems and tax teams to keep pace.

In the U.S., indirect tax complexity continues to grow as states respond to digital commerce trends, budget pressures, and evolving sourcing rules—adding yet another layer of global variability for organisations operating across regions.

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

- 19,000+ taxing jurisdictions worldwide
- Multiple sourcing and place-of-supply rules across jurisdictions
- Layered VAT and indirect taxes applied to a single transaction
- 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 modernise 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 modernise 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 VAT and indirect tax determination across all SAP order-to-cash and procure-to-pay 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.
- **Integrating SAP with Vertex O Series:** Vertex connectors—SAP SIC Cloud, Tax Service API for SAP, and SAP SIC (Legacy)—support compliant tax determination, reporting, and audit readiness across SAP ERP environments.
- **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
- **Tax for Digital & Omnichannel Commerce:** [Vertex E-Commerce Solutions](#) include integrations and tools such as pre-built integrations to leading online platforms and ERPs as well as custom APIs.
- **Geolocation & Address Accuracy for Tax Determination:** Our solution, [Vertex O Series Address Cleansing](#) corrects data issues sent from the source system using USPS data and assigning the ZIP+4 to identify transaction location and [Vertex O Series Latitude / Longitude Jurisdiction Locator](#) determines Tax Area IDs based on U.S. lat / long coordinates in real time to define a geo-location where a street address is not available.
- **VAT Validation & Compliant Invoicing:** [Vertex Validator](#) automates VAT ID validation directly within transaction flows and [Vertex Invoice IQ](#) generates tax-compliant invoices customised to local regulations, languages, and currencies across 70+ countries.

- **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.
- **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, standardised 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](#), [Vertex VAT Compliance](#), [Vertex Indirect Tax Returns – North America](#), and [Vertex Express Returns](#)—transform your data into compliant e-invoices, SUT/VAT/GST reports and returns.
- **Tax Data Intelligence & Performance Monitoring:** [Vertex Indirect Tax Intelligence](#) is a cloud-based data visualisation and risk management tool that provides you with data-driven, actionable insights to help you improve calculation engine configuration, data quality, tax performance, and compliance.
- **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



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 Top 10 reasons highlight the strategic and operational benefits organisations gain when they adopt 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 order-to-cash (OTC) and procure-to-pay (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:

- Minimises 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 stabilise 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
- Minimises 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
- Standardised 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 organisation 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 externalises 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

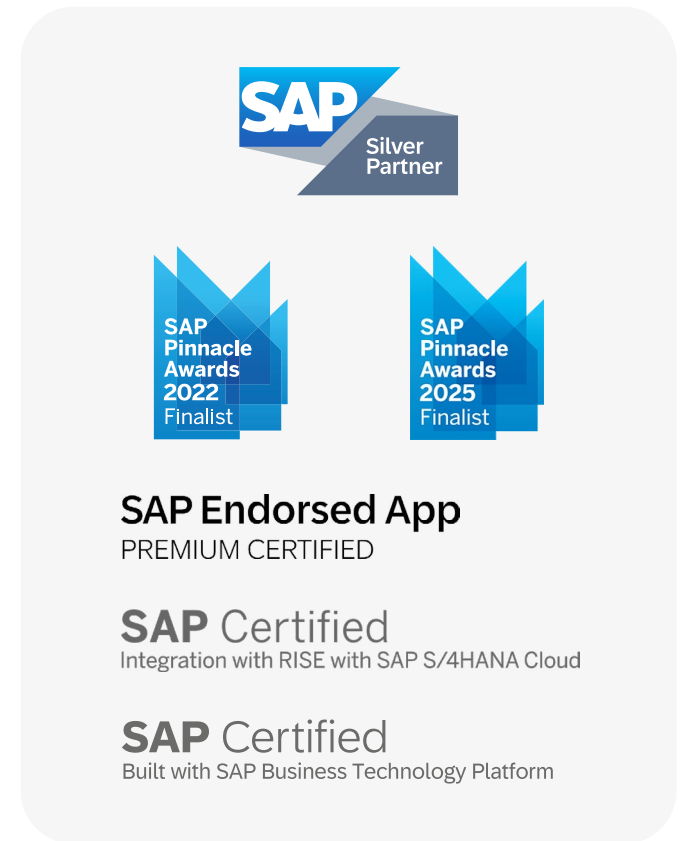
For more than 25 years, we've partnered closely with SAP to help organisations like yours modernise tax and stay compliant as their systems evolve. Here's what that partnership means for you:

- **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.

Together, the Vertex ecosystem and the advantages outlined throughout this e-book show why tax modernisation 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*



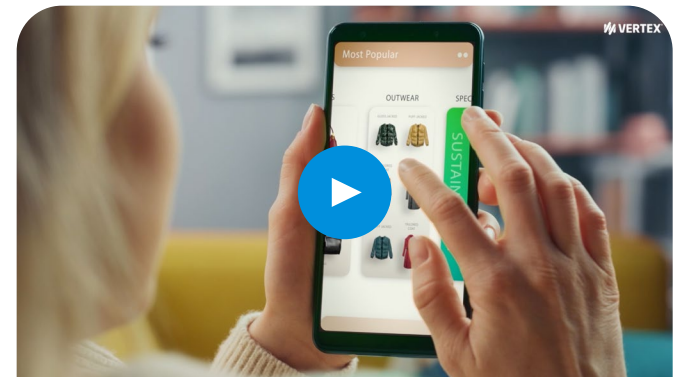
Conclusion

Your S/4HANA migration is more than a technical upgrade—it's your opportunity to modernise 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 organisation to stay ahead of rapid regulatory change and new digital mandates.

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

Discover what's possible with [Vertex for SAP S/4HANA](#).



[Watch an Overview of Vertex for SAP S/4HANA](#)

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