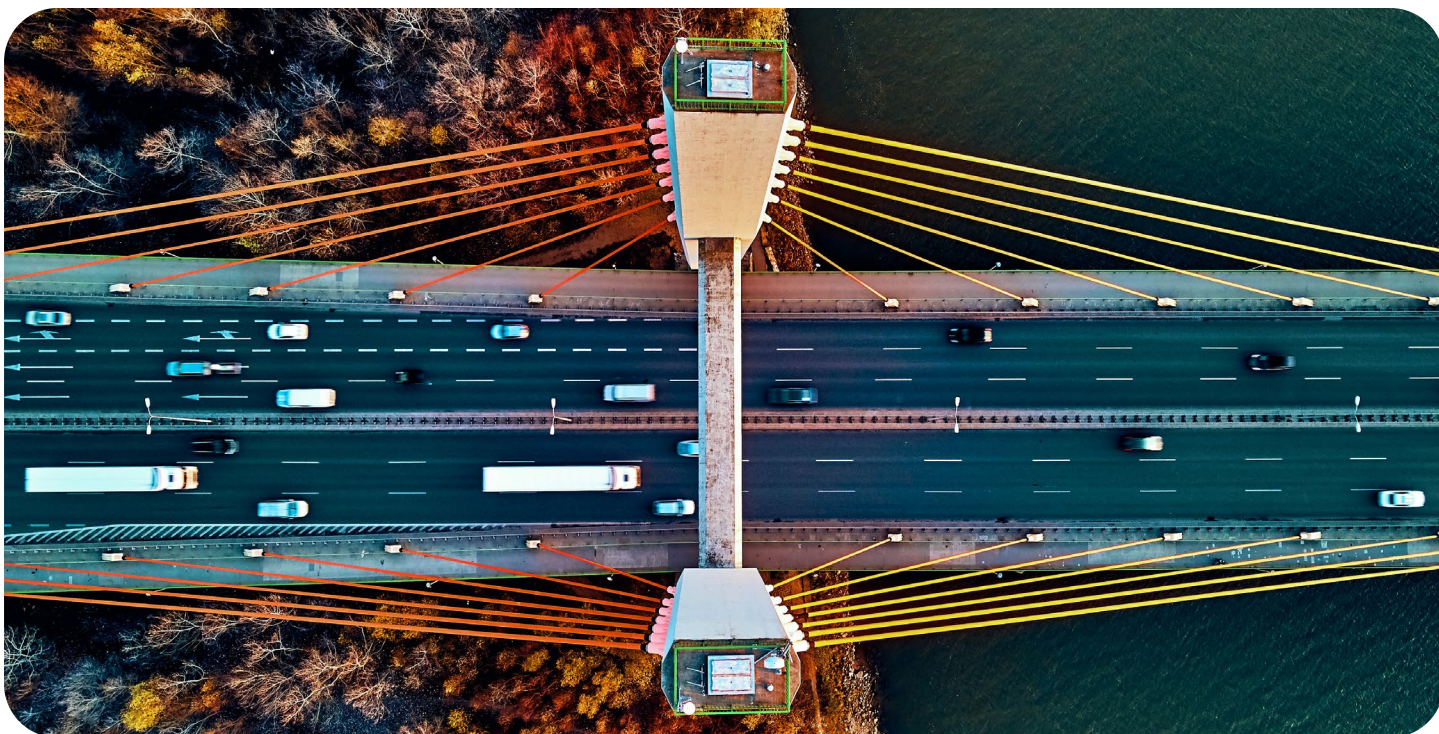




Going Deeper: Automating the End-to-End Indirect Tax Lifecycle in Microsoft Dynamics 365 Environments

From Cost Center to Strategic Platform

Indirect tax functions have traditionally been evaluated on risk containment: compliance, audit outcomes, and cost control. These measures remain essential, but they no longer reflect the role tax must play in modern, Microsoft Dynamics 365-based enterprises. As organizations modernize ERP environments, expand globally, and invest in data, analytics, and AI, indirect tax can no longer operate as a disconnected back-office function. It must function as a **reliable, scalable, and data-driven platform** that supports business growth and enterprise transformation.

For more than a decade, Vertex and Microsoft have collaborated to deliver solutions that help our joint customers maximize their Microsoft investments, streamline global tax compliance, and accelerate business growth. Vertex offers a proven suite of Microsoft-validated solutions for Dynamics 365, available through the Microsoft Azure Marketplace and AppSource marketplaces. That's why Microsoft relies on Vertex solutions to meet its own global indirect tax needs.

Vertex at a glance

40+ years in tax technology,
195+ countries supported,
4,500+ customers, and
more than 60% of the
Fortune 500.

"When I came to Leggett, we were evaluating tax vendors because we did everything by hand. Vertex was all-encompassing—Returns and ECM—a lot of different tools in one place. It just made sense to us."

Jacque Sappington, Senior Tax Manager, Leggett & Platt

Dynamics 365 customers can co-locate both the ERP solution and the Vertex tax calculation engine on Microsoft's high-speed global network to improve performance and reliability—securely on Azure.

Vertex indirect tax solutions align with Microsoft's development standards, supporting seamless integration with Microsoft Dynamics 365 applications and enabling tax teams to implement changes with minimal IT involvement. Vertex was the first to integrate with Microsoft's Universal Tax Rate API and is the first tax provider trusted by Microsoft to integrate with its API-based Tax Calculation Service for Dynamics 365.

- Improved tax and IT efficiency
- Reduced risk
- Streamlined tax and IT operations
- Improved business scalability
- Enhanced performance and reliability on the trusted Microsoft Azure platform



Deploy on Microsoft Azure Cloud

Dynamics 365 customers can take advantage of flexible deployment options to co-locate Dynamics 365 and the Vertex O Series tax calculation engine on Microsoft Azure.

- **Improve performance** by placing your tax calculation engine on Microsoft's high-speed global network.
- **Increase reliability** by utilizing Microsoft Azure's built-in high availability and disaster recovery solutions.
- **Maximize spend** by using Microsoft Azure Consumption Credits (MACC) to purchase Vertex O Series on Azure, Vertex O Series Edge, ERP applications, and services.

Vertex is the only HDI Support Center certified tax provider, providing a standardized support model and service practices for customers operating at global scale.

Extending Coverage Across the Microsoft Dynamics Ecosystem (Including Business Central)

Vertex is a trusted Microsoft partner (since 2009) and offers a Microsoft-aligned, global end-to-end indirect tax solution across the Dynamics ecosystem—including Dynamics 365 Business Central, Finance, Supply Chain, Commerce, and legacy Microsoft ERPs. The solution is positioned as Microsoft ISV Success Partner and IP co-sell ready, enabling joint customers and partners to standardize tax determination and compliance while supporting modernization and growth.

Dynamics 365 Business Central: Embedded Integration and Tax Determination

Why Business Central matters

Business Central is often used for subsidiaries, business units, and acquisitions in two-tier ERP strategies—which can introduce inconsistent tax processes and controls across the enterprise. Standardizing tax determination and compliance across Business Central and the broader Dynamics ecosystem helps organizations scale faster while maintaining governance, reporting consistency, and audit readiness.

Vertex's embedded integration for Dynamics 365 Business Central is co-developed with Microsoft's Globalization Studio team and uses Microsoft-validated APIs to accelerate time-to-value. The integration evaluates 100+ data elements per transaction to support precise tax determination across multiple tax regimes (including sales and use tax, VAT, and GST) and embeds tax logic across Procure-to-Pay (P2P) and Order-to-Cash (O2C) processes.

- **Business processes supported:** Sales, procurement, intercompany, invoicing, billing, adjustments, and dispute defense.
- **Major tax types supported:** Sales tax, seller's use tax, consumer use tax, goods and services tax (GST), and discretionary fees.
- **Key capabilities:** Jurisdiction precision and line-level liability; multi-system, multi-entity, and multi-region support; exemption and certificate management; nexus threshold monitoring and registration validation; currency conversion and custom taxability configuration; and structured, compliance-ready tax data with audit reporting.

Deployment Options

- Cloud (SaaS)
- Hybrid cloud with orchestrated edge deployments
- On-demand cloud
- On-premise



Compliance and Reporting (Including e-Invoicing and Continuous Transaction Controls)

For multinational organizations using Dynamics 365 Business Central, Vertex provides a consolidated platform to streamline periodic returns and e-reporting, support e-invoicing mandates (including creation, validation, submission, and clearance), and enable continuous transaction controls. Pre-built, validated compliance integrations translate calculation data into compliant reporting and support reconciliation between e-invoicing, e-reporting, and periodic filings against the Microsoft general ledger.

- Continuous compliance and centralized control across systems
- Consolidated platform with a single transmission point for global reporting
- Multi-country and multi-entity support, with global access
- Reduced maintenance through pre-built integrations and standardized data collection
- Transparency, workflow, and status tracking for audit readiness
- Data governance and security with automated workflows
- Audit defense and archiving capabilities
- Flexible integration patterns, including API and SFTP options

An end-to-end tax automation strategy unlocks value well beyond incremental efficiency gains. By unifying tax determination, compliance, and planning on a single platform, organizations achieve faster, more accurate, and lower-cost tax outcomes—while significantly reducing operational and technological complexity. Just as importantly, they establish greater trust in tax data and processes, enabling confident decision-making across the enterprise and make it possible for employees to engage in more strategic initiatives.

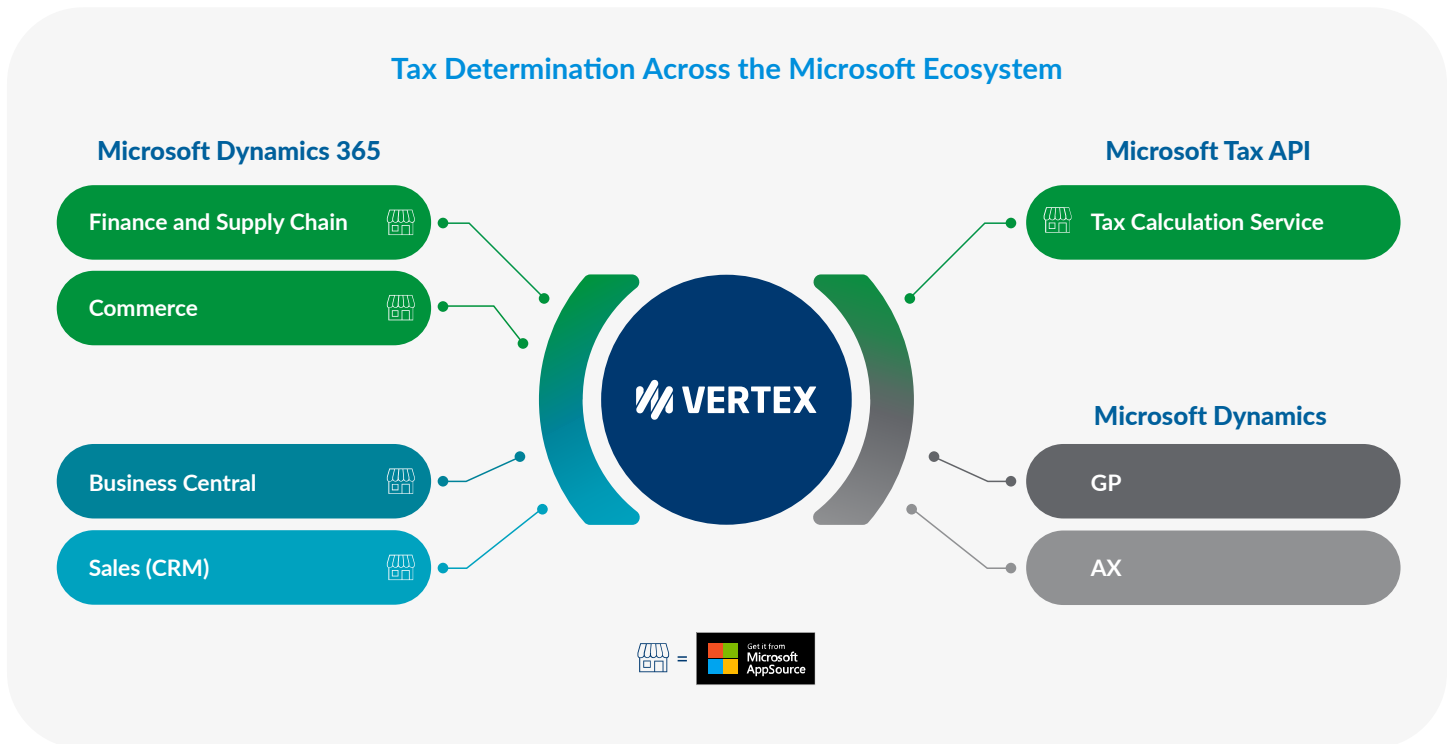
These capabilities directly support strategic business priorities. Trusted, high-quality tax data enables new product launches, the adoption of new sales and fulfillment channels, geographic expansion, and business consolidation activities. It also provides the foundation required for AI tools and advanced analytics, which depend on consistent, granular, and reliable data. For tax and finance leaders, the benefits are tangible: improved compliance, stronger controls, better forecasting, and the agility to support a rapidly evolving business.

At the same time, implementing tax compliance and planning technology often resides within IT's domain. Many of the advantages of a unified, global tax platform are architectural in nature. When applications share a common user experience, a governed data foundation, and a cloud deployment aligned to Microsoft's platform services, the speed and ease of change increases dramatically. Content updates, ERP updates, ongoing maintenance, new compliance mandates, and the addition of new capabilities can all be managed more efficiently and with less risk.

This architectural consistency reduces integration complexity, minimizes customizations, and aligns tax automation with a modern and maintainable Dynamics 365 implementation strategy. As a result, IT burden and long-term costs decline even as the organization gains greater flexibility and scalability. Rather than slowing transformation, tax becomes an accelerator supporting growth, innovation, and enterprise modernization with confidence.



Defining End-to-End for Indirect Tax



In indirect tax, “end-to-end” has a specific meaning. A true end-to-end platform must support every stage of the indirect tax lifecycle, including:

- Transaction data access and validation
- Data enrichment and tax classification
- Jurisdiction and liability determination
- Real-time tax calculation
- Reporting and reconciliation
- Filing, remittance, and e-invoicing
- Record retention and audit defense
- Planning, forecasting, and scenario analysis



“When I started, we had eight file cabinets full of exemption certificates—50,000 to 100,000, some 20 or 30 years old. With Vertex ECM, we could validate them right then and use tools to get updated certs. That efficiency helped drive our audit assessments down to zero on the sales side.”

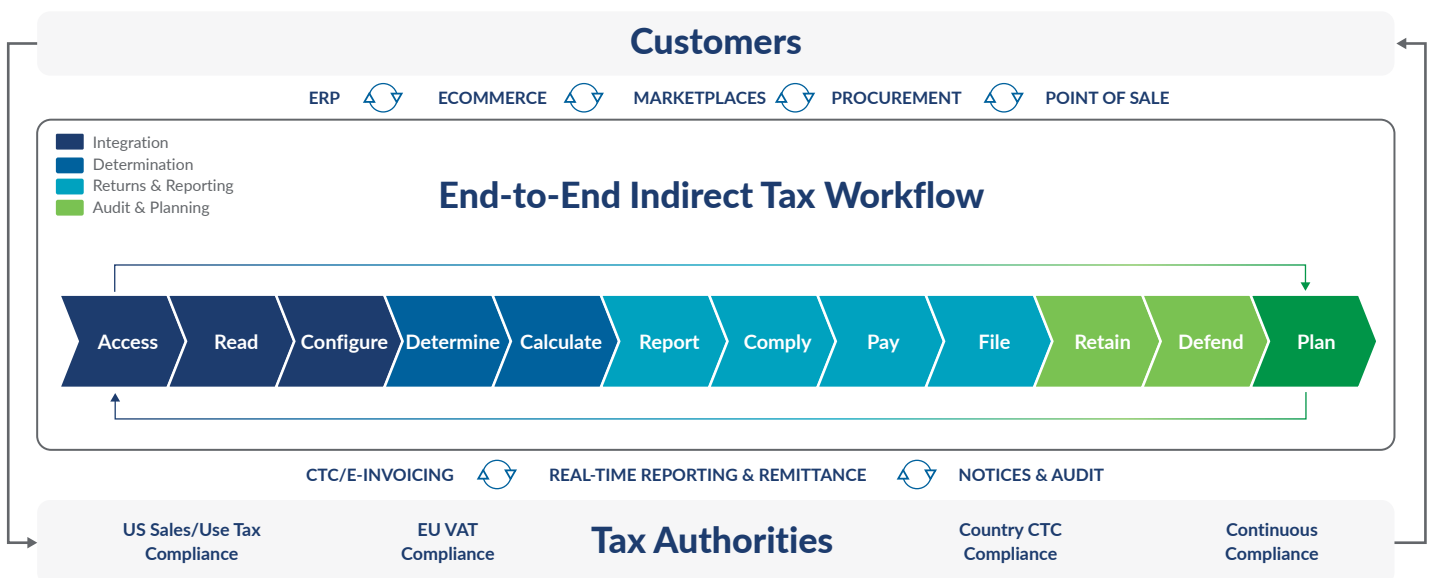
Jacque Sappington, Senior Tax Manager, Leggett & Platt



These capabilities must operate on a shared data layer, with a common user experience and integrated workflows. Platforms assembled from disconnected components—each with separate data models and interfaces—introduce reconciliation gaps, manual workarounds, and data integrity risks.

For Dynamics 365 customers, end-to-end also means deep alignment with Microsoft Dynamics 365 workloads and the Azure platform. Tax platforms must integrate across Dynamics 365 modules and hybrid environments, support ongoing Microsoft service updates, and avoid brittle customizations that undermine maintainability.

Just as important, an end-to-end platform must scale with the business. Organizations may not need global VAT, e-invoicing, or advanced analytics on day one. But when regulatory, geographic, or operational complexity increases, the platform must support rapid deployment without reimplementation or the addition of new point solutions.



The Challenges Facing Tax, Finance, and IT

Indirect tax challenges rarely affect only one function. They can expose weaknesses across tax operations, finance processes, and IT architecture.

Tax Challenges

Tax teams are under increasing pressure to manage growing indirect tax complexity while ensuring compliance, protecting revenue, and supporting the organization's long-term strategic vision. Expanding tax rules, rates, and jurisdictional requirements make accurate tax determination more difficult, and more critical, than ever. Inaccurate calculations expose organizations to audits, penalties, financial restatements, and reputational risk.

"We can manage all the rates and exemptions, and our returns process has cut down probably 50% of our time and it's more accurate. Over the years, our audit assessments have gone down, and several states have even resulted in refunds because of the calculations."

Jacque Sappington, Senior Tax Manager, Leggett & Platt

Inconsistent and inaccurate application of indirect tax rules across commercial activities—including sales, purchasing, billing, intercompany transactions, and fulfillment—creates significant downstream risk. Disparate tax policies across suppliers, customers, departments, channels, and systems result in inconsistent outcomes, misapplication or incomplete application of exemptions, and increased risk of double taxation or inaccurate input tax, output tax, recoverability, and accrual treatment, particularly in multi-country or multi-system environments.

Scalability remains a core challenge for tax organizations. As businesses expand into new markets, introduce new products, or adopt new selling and fulfillment models, tax systems that are not designed to scale or protect the business limit the tax function's ability to support growth with confidence.

Tax teams also face challenges optimizing tax strategy in support of long-term financial success. Without consistent, trusted, and accessible tax data across transactions, calculations, and audit defense, tax organizations remain reactive; focused on issue resolution rather than strategic planning and forecasting.



Finance Challenges

Finance organizations are increasingly accountable for managing indirect tax complexity while protecting revenue, maintaining compliance, and supporting business growth. Ensuring accurate tax outcomes across diverse transactions and jurisdictions is essential to maintaining confidence in reported results and avoiding unexpected liabilities.

Operational scalability is a persistent concern. As organizations enter new markets, launch new products, or add new sales and fulfillment channels, finance teams often find that existing tax processes do not scale efficiently or protect the business. These limitations delay market entry, increase risk, and constrain growth initiatives.

Finance leaders also struggle with reporting, filing, and e-invoicing obligations across jurisdictions. Compiling, validating, and formatting tax data for local reporting, return filings, and e-invoicing mandates is time-consuming and error-prone, particularly when data is fragmented across systems. Disjointed workflows make it difficult to meet deadlines, maintain visibility, and ensure alignment with regulated standards, current filing rules, and organizational changes.

Automation solutions that focus narrowly on calculation—without streamlining returns, filings, or workflows—often fail to deliver meaningful end-to-end efficiency. These challenges are amplified by broader pressures to consolidate financial systems, transform tax and finance operations, reduce capital expenditures, and tightly manage operational costs.

IT Challenges

For IT organizations, indirect tax is a persistent source of architectural complexity and operational cost. Managing frequent tax rate and rule changes across hundreds or thousands of taxing jurisdictions places ongoing strain on systems that were never designed for that level of regulatory volatility.

Time-consuming maintenance of tax configurations embedded within native ERP, e-commerce, and billing systems diverts IT resources away from strategic initiatives. In global and multi-system environments, inconsistent configurations increase operational risk and require continuous remediation.

Growth further compounds these challenges. Supporting new markets, new products, and new selling channels often requires rapid changes to tax logic, integrations, and data structures. When tax capabilities are tightly coupled to transactional systems, IT teams are forced to prioritize tax-related maintenance over modernization and transformation efforts.

Access and data governance present additional challenges. Limited ability to centrally access tax configurations, calculations, and reporting data (especially outside normal business hours) slows issue resolution and increases reliance on manual workarounds. Fragmented tax data across sales, purchasing, billing, invoicing, reporting, filing, and audit defense drives higher operational expenditures and undermines modernization efforts as organizations migrate and optimize on Dynamics 365 and Azure.



Cross-Functional Value of a Unified Tax Platform

A single, unified indirect tax platform delivers measurable value across tax, finance, and IT. By integrating tax determination, compliance, and reporting into one solution, organizations can enhance accuracy, streamline workflows, and reduce operational costs across departments.

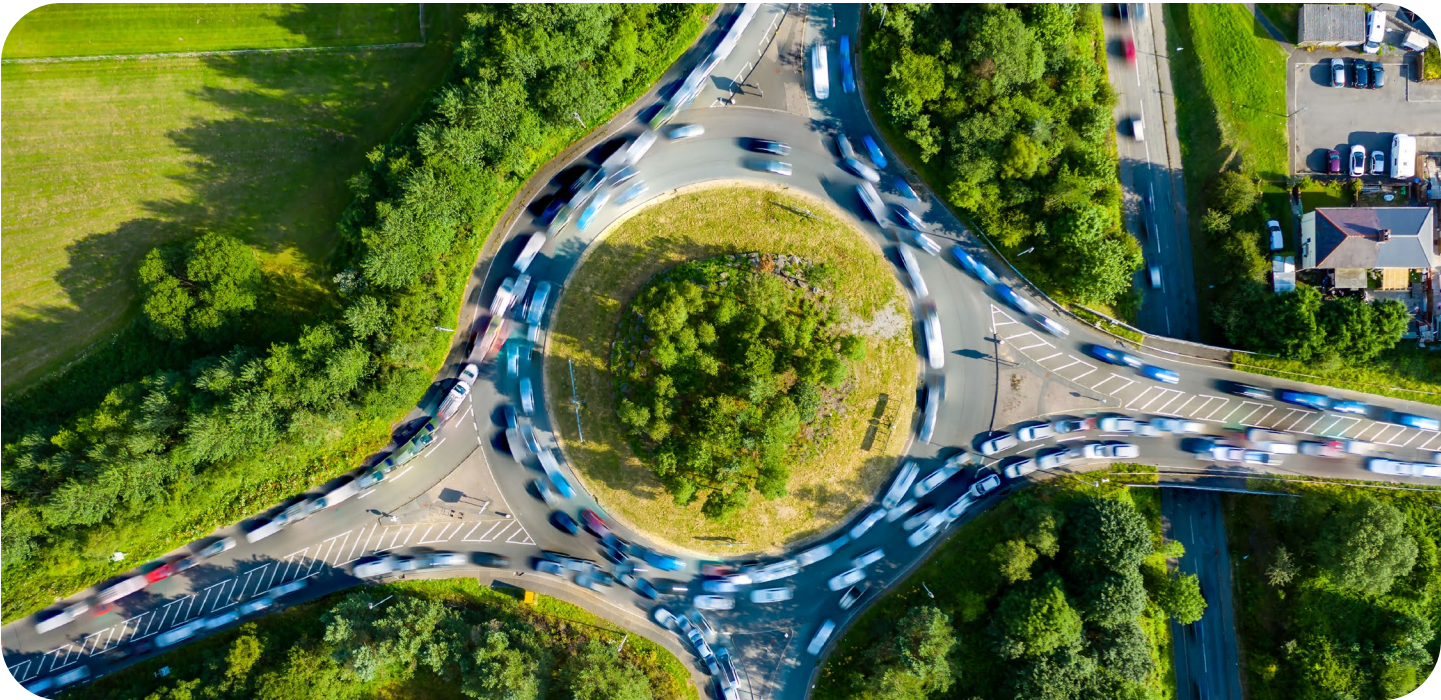
For tax teams, it improves determination accuracy, automates VAT ID validation, streamlines e-invoicing compliance, centralizes audit-ready data, and reduces risk during ERP migrations, expansions, and new product launches.

For finance, it accelerates the close, reduces total cost of ownership, improves visibility into liabilities, and minimizes audit exposure while supporting new business models and sales channels.

For IT, it reduces integration complexity, improves data governance, delivers cloud-optimized performance, and aligns with Microsoft’s service update cadence—without compromising maintainability.

Because all applications share the same data foundation, changes to tax content, ERP configurations, or compliance requirements can be deployed faster, with less disruption and lower cost.

Tax benefits	Finance benefits	IT benefits
- Improved tax determination accuracy - Real-time VAT ID validation - Streamlined e-invoicing and real-time reporting compliance - Centralized, audit-ready compliance data - Scalable certificate management - Reduced compliance risks during cloud migrations, global expansion, and new product launches	- Accelerated financial close - Lower TCO, reduced operational burdens - Improved financial visibility - Reduced audit and regulatory risks - Cost-effective operational scalability - Support for new business models, products, and sales channels	- Reduced integration complexity - Faster deployment in new regions - Unified data governance - Higher-quality, more granular tax data - Azure-optimized performance - Support for Dynamics 365 service updates and continuous delivery



Key Evaluation Criteria for Dynamics 365 Customers

For Dynamics 365 customers, the value of an end-to-end tax automation platform is realized only when benefits are delivered consistently across tax, finance, and IT—without introducing additional complexity or long-term cost. Evaluating those benefits requires looking beyond individual features to the architectural foundations that enable them.

A unified tax platform should be architected to embed determination, compliance, and reporting directly into Dynamics 365 workflows, reducing fragmentation and manual effort. That architecture, in turn, drives total cost of ownership by minimizing customizations, simplifying maintenance, and lowering ongoing operational burden. Just as critically, the platform must scale with the business—supporting new products, sales channels, and geographic expansion without reimplementing or disruption. Finally, long-term value depends on data quality: a shared, governed data foundation that supports accurate reporting today and enables AI-driven analytics and automation in the future.

The benefits outlined below illustrate how a single, integrated tax platform delivers measurable value across tax, finance, and IT when evaluated through the lenses of architecture, total cost of ownership, scalability and growth, and data quality and AI readiness.

Architecture

Architecture determines outcomes. A unified platform with a shared data layer enables consistent, reconciled tax data across real-time and periodic reporting. Fragmented architectures force manual reconciliation, increase security exposure, and raise IT maintenance costs.

Total Cost of Ownership

Licensing and implementation represent only part of the cost. Reconciliation workarounds, system maintenance, access management, and audit reserves often represent a larger, ongoing burden. A tax platform deployed on Azure should reduce these costs through automation and standardization.

Scalability and Growth

Tax accuracy must scale at the speed of the business. Whether expanding into new countries, adding sales channels, or integrating acquisitions, organizations need tax capabilities that deploy quickly without disrupting operations or delaying growth initiatives.

Data Quality and AI Readiness

AI and advanced analytics increase the value of high-quality data—and magnify the risks of poor data governance. Tax platforms must deliver granular, reliable tax data that supports analytics, forecasting, and AI-driven processes, rather than layering intelligence on top of fragmented systems.

Proven ROI for Dynamics 365 Customers

Automation and centralized control improve tax accuracy and compliance efficiency, reducing manual effort, rework, and audit exposure across global operations. Azure-aligned deployment and validated Dynamics 365 integrations minimize customizations, shorten implementation cycles, and significantly reduce the ongoing IT burden associated with platform updates and regulatory mandates. By consolidating tax determination and compliance on a single, end-to-end platform, Dynamics 365 customers realize faster benefits today while establishing a scalable, trusted foundation.



Why Vertex for Microsoft Dynamics 365

Vertex for Microsoft Dynamics 365 makes sense as an end-to-end solution because it delivers Microsoft-validated integrations, cloud-scale performance on Azure, and purpose-built indirect tax technology that supports global growth—without adding operational friction.

Across the Microsoft ecosystem, Vertex helps organizations improve control over tax-relevant master data and configuration by reducing manual effort and improving consistency across connected systems.

The Vertex Configuration Agent for Microsoft Dynamics 365 is designed to autonomously monitor master data changes in Dynamics 365 Finance and Supply Chain (D365 F&SC) and Vertex O Series, and trigger tax configuration updates in Vertex systems. It focuses on five key areas: 1) legal entities, 2) legal entity registrations, 3) warehouse locations, 4) products, and 5) customer exemptions.

The agent improves tax data management by automatically monitoring and synchronizing critical master data including legal entities, locations, products, and customer exemptions. Designed to reduce manual oversight and compliance risk, it ensures that master data changes are detected and propagated to the Vertex tax and compliance solutions that rely on the same data.

The Vertex Configuration Agent for Microsoft Dynamics 365 is an intelligent, agent-to-agent solution that transforms tax configuration management, ensuring systems remain synchronized and compliant in real time. Leveraging Vertex's global tax technology expertise, this innovation keeps business systems aligned by monitoring key events (such as new legal entities, registrations, locations, and other tax drivers) while seamlessly pulling tax-relevant configuration data from Dynamics 365 Finance and Supply Chain (D365 F&SC). This approach reduces manual oversight, prevents cross-system disruptions, and enables businesses to scale confidently within Microsoft's ecosystem while ensuring accurate tax calculations, automating routine tasks, and boosting operational efficiency.

- **Continuous Accuracy:** Ensures tax-relevant data is always current and in-synch across systems, minimizing errors and audit risks.
- **Operational Efficiency:** Eliminates manual data reconciliation and reduces administrative overhead.
- **Compliance Confidence:** Maintains alignment with evolving tax regulations by keeping exemption and jurisdictional data up to date.
- **Seamless Integration:** Connects D365 F&SC with external tax engines and compliance platforms without disrupting existing workflows.

“We file over 250 returns each period—and quarter-end and year-end jump over 300. It’s been so easy to turn returns on or off as economic nexus changes or acquisitions happen. Vertex helps us stay aligned as the business evolves.”

Jacque Sappington, Senior Tax Manager, Leggett & Platt

Differentiated Value: Vertex Configuration Agent for Microsoft Dynamics 365

Vertex Configuration Agent for Microsoft Dynamics 365 is available in the Microsoft Marketplace. For enterprise buyers, Marketplace availability simplifies discovery, procurement, and deployment within existing Microsoft governance and cloud operating models, supporting faster adoption while maintaining alignment with Microsoft Azure and Dynamics 365 environments.

Powered by Vertex AI and integrated with Dynamics 365, the agent automatically detects updates in source systems (such as new legal entities, registrations, or locations) and proactively applies configuration adjustments before issues arise. This automation reduces manual effort, speeds implementation, and helps ensure accurate, compliant tax setup across global operations—extending intelligent automation across tax workflows so businesses can operate with greater precision and less effort.

“Microsoft Marketplace helps organizations and partners move faster, work smarter, and grow by connecting them with the right solutions—all in one trusted place.”

Cyril Belikoff, Vice President, Microsoft Azure Product Marketing

For finance, tax, and IT leaders, this approach supports a more scalable operating model—maintaining controls and compliance as the organization grows across entities, jurisdictions, and channels, while reducing the administrative burden associated with keeping configurations aligned.

Vertex partners expect that we are focused on delivering AI solutions using Microsoft's tools. Our solution utilizes Microsoft's ecosystem for building AI agents, including capabilities that support the development, deployment, and management of intelligent agents across platforms. As we position Microsoft as one of our top three strategic partnerships, it is imperative that we deliver AI agents built using Microsoft's tools and framework.

The Vertex Advantage: e-Invoicing

E-invoicing and continuous transaction control requirements are expanding rapidly, increasing the operational burden on tax and finance teams and raising the cost of fragmented point solutions. For Dynamics 365 customers, the practical question is how to meet country-specific mandates while preserving a consistent operating model, reliable reconciliations, and predictable unit economics. The comparison below summarizes where Vertex is differentiated for enterprise-scale e-invoicing programs.

Dimension	Microsoft e-Invoicing	Vertex e-Invoicing
Pricing Model	Sold in fixed transaction bundles (e.g., 1,000 transactions per month). Customers must forecast demand and often over-purchase.	Consumption-based pricing. Customers pay only for transactions actually used, reducing waste and simplifying demand forecasting.
Unit Economics	Exceeding bundle limits requires purchasing additional bundles, significantly increasing average per-transaction cost. No rollover of unused transactions.	Built-in volume discounts automatically scale with usage. No bundle overages, no expirations, and no use-it-or-lose-it-risk.
Financial Flexibility	Annual subscriptions require committing to peak or worst-case volume, locking customers into higher recurring costs.	Ideal for fluctuating or seasonal volumes—customers scale up or down without penalty, reducing total cost exposure.
Implementation & Services	Higher startup and service costs due to the need to configure and manage both Azure and Dynamics 365 workloads. Often requires specialized Azure expertise.	Faster, simpler setup. Partners implementing both platforms report Vertex is easier to configure, enabling lower implementation costs passed on to customers.
Platform Integration	Primarily focused on Dynamics 365 Finance; additional integrations may require custom work and ongoing maintenance.	Designed for broad platform integration (e.g., Finance, CRM, Commerce), reducing customization and long-term maintenance effort.
Operational Complexity	Requires a separate last mile provider (e.g., EDICOM). Troubleshooting spans multiple vendors with unclear ownership.	Vertex owns the process end-to-end—from invoice generation through submission and response—providing a single point of accountability.
Total Cost of Ownership (TCO)	Ongoing costs increase as Microsoft template or platform changes may require rework, testing, and partner services.	Lower long-term TCO due to reduced rework, fewer dependencies, and minimized operational overhead as regulatory and platform changes occur.
Compliance Expertise	Strong in security and compliance broadly, but e-invoicing is one of many platform features.	Purpose-built for indirect tax and compliance. Vertex invests deeply in regulatory research and change management, across global jurisdictions.
Customer Value	Included with Dynamics 365—functional but limited. “You get what you pay for.”	Specialized solutions that complement Microsoft. Customers can mix Vertex with native capabilities and expand value over time.



Conclusion: Built for Breadth, Depth, and Trust

Effective indirect tax automation requires both breadth and depth. Breadth comes from supporting the full lifecycle—from determination and calculation through compliance, reporting, audit defense, and planning. Depth comes from purpose-built Dynamics 365 integration, shared data architecture, and Azure-aligned deployment.

Together, these capabilities create trust: trust in tax outcomes, trust in data quality, and trust that tax systems will support enterprise transformation rather than slow it down.

“The ease of adopting and moving to the cloud product was what impressed me most. Within three months, we were at least at break-even and already seeing improvements in reporting and processes.”

Clifford Yeager, Application Portfolio Manager, Black & Veatch

For Dynamics 365 customers navigating modernization, regulatory change, and data-driven growth, indirect tax can be a constraint or a strategic platform. With the right end-to-end automation approach, it becomes the latter.

To learn more about our solutions for Microsoft users, [visit our Microsoft partner page.](#)

For more information, visit VertexInc.com or follow on [X](#) and [LinkedIn](#).

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