

JUNE 2025



DETAILED FINDINGS

From The Benchmark Report:

Global Tax Management

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RESEARCH PARTNER



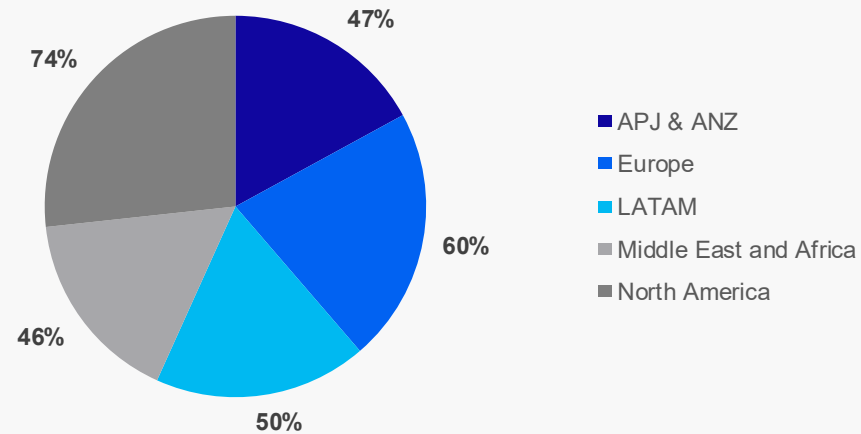
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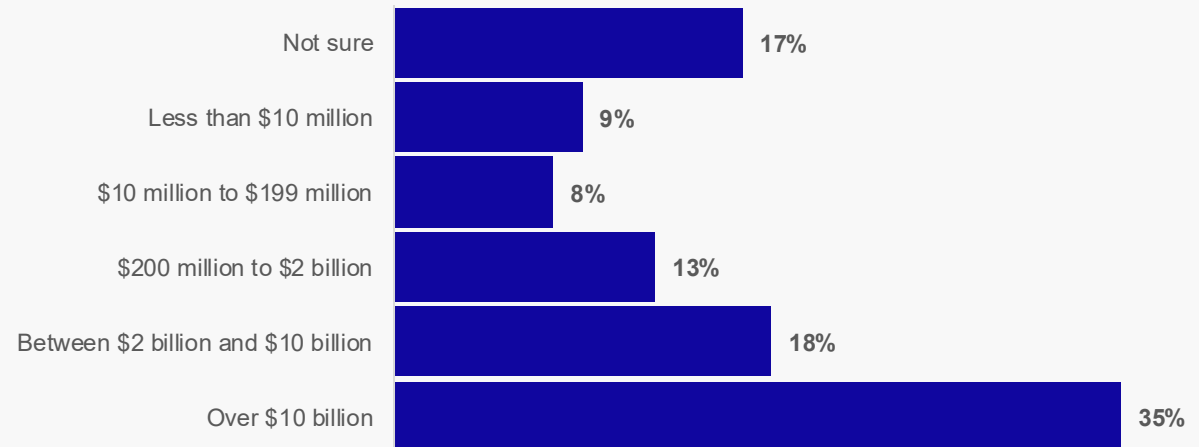
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Through June of 2025, SAPinsider surveyed community members to gain deeper insights to understand how global tax professionals are responding to what they saw as the biggest challenges impacting both their business and SAP systems. This report explores how leading enterprises are responding to these challenges – and the technologies and strategies enabling smarter, more agile global tax operations.

Regions of Operation

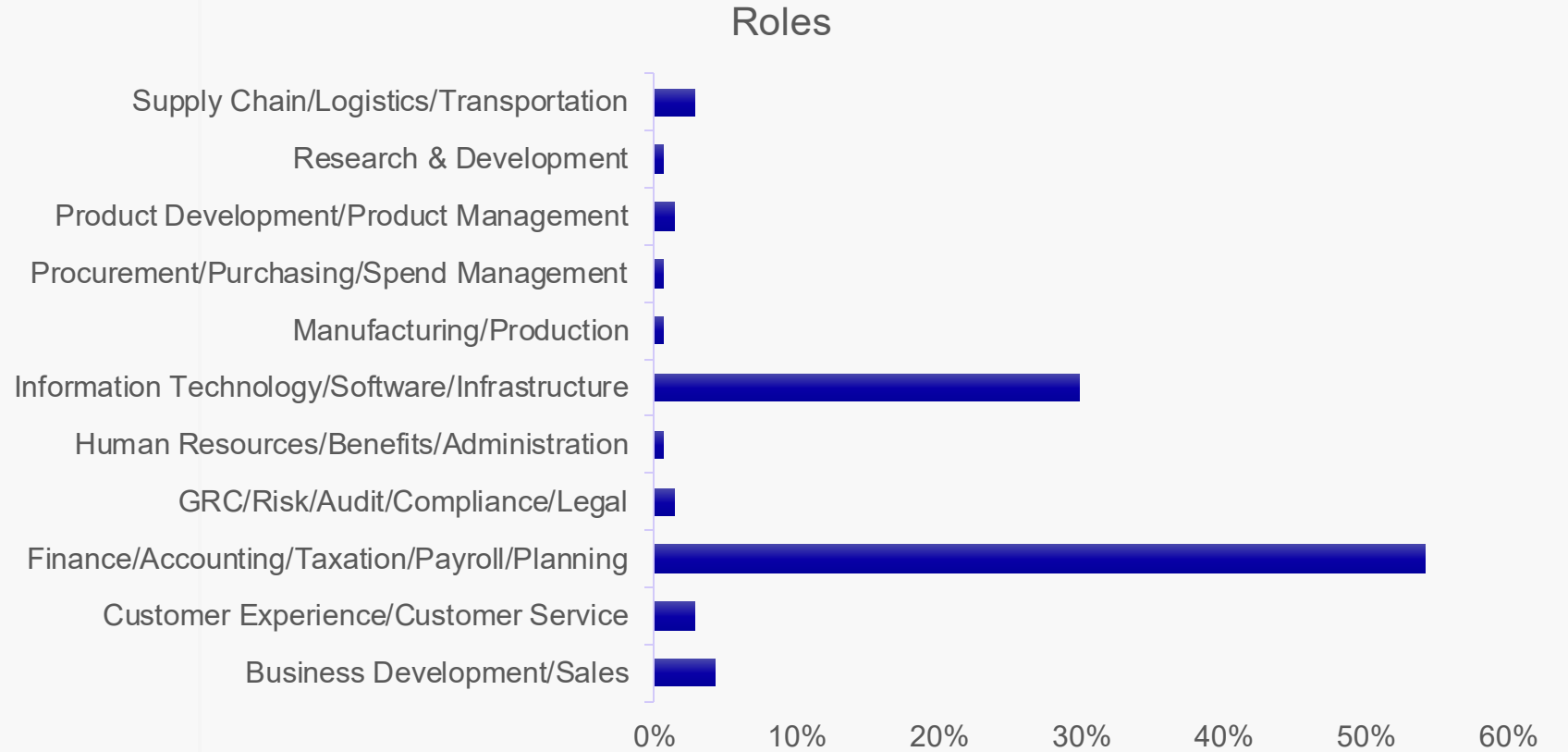


Revenue In Last Fiscal Year



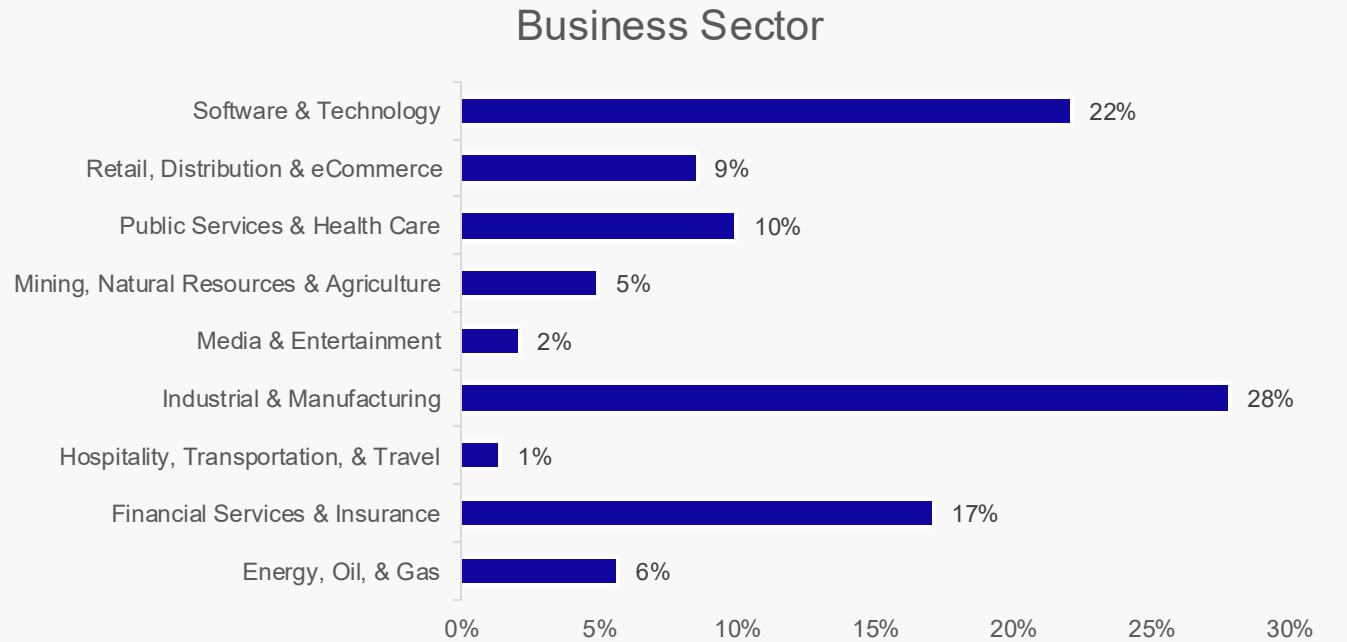
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The participants were also asked about their organizational roles.



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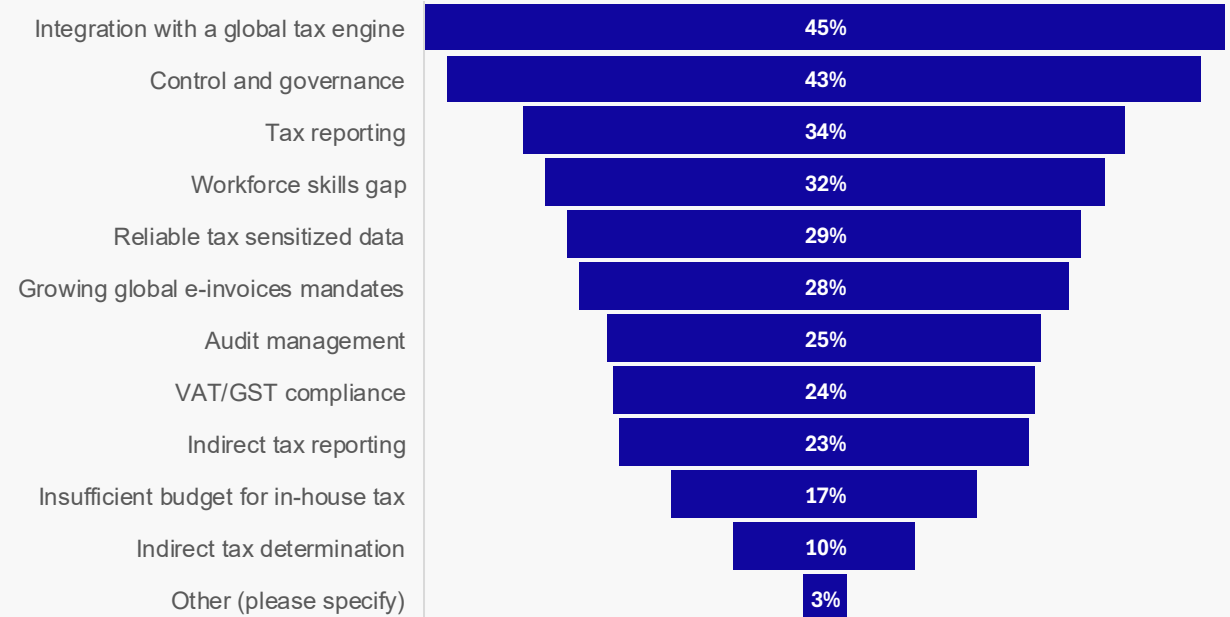
The participants were also asked about their market sector.



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Global tax leaders report their top pain point is integrating ERP systems with a global tax engine, cited by 45% of respondents. Control and governance challenges (43%) and tax reporting (34%) also rank high, reflecting the operational and compliance pressures tax teams face. Persistent workforce skills gaps compound these challenges. Reliable tax-sensitized data also continues to be a challenge. The findings underscore the need for scalable, integrated tax technologies and upskilling strategies to support global compliance and reporting demands.

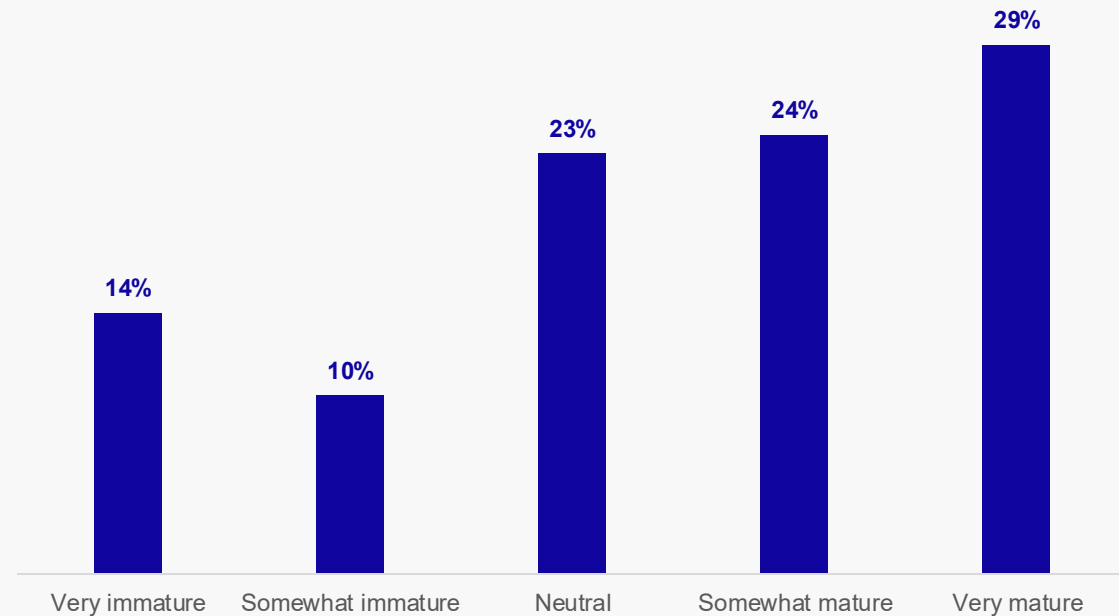
Pain Points Impacting Global Tax



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Over 50% of respondents to this year's survey consider their management of global tax compliance mature. 29% of respondents consider their global tax management strategy to be "very mature," while a combined 24% rate their strategy as "somewhat immature" or "very immature." This indicates that a significant portion of organizations are actively engaged in tax transformation. It is important to note that just because an organization rates itself as "mature" does not necessarily mean that they are using "advanced" technologies to automate tax processes.

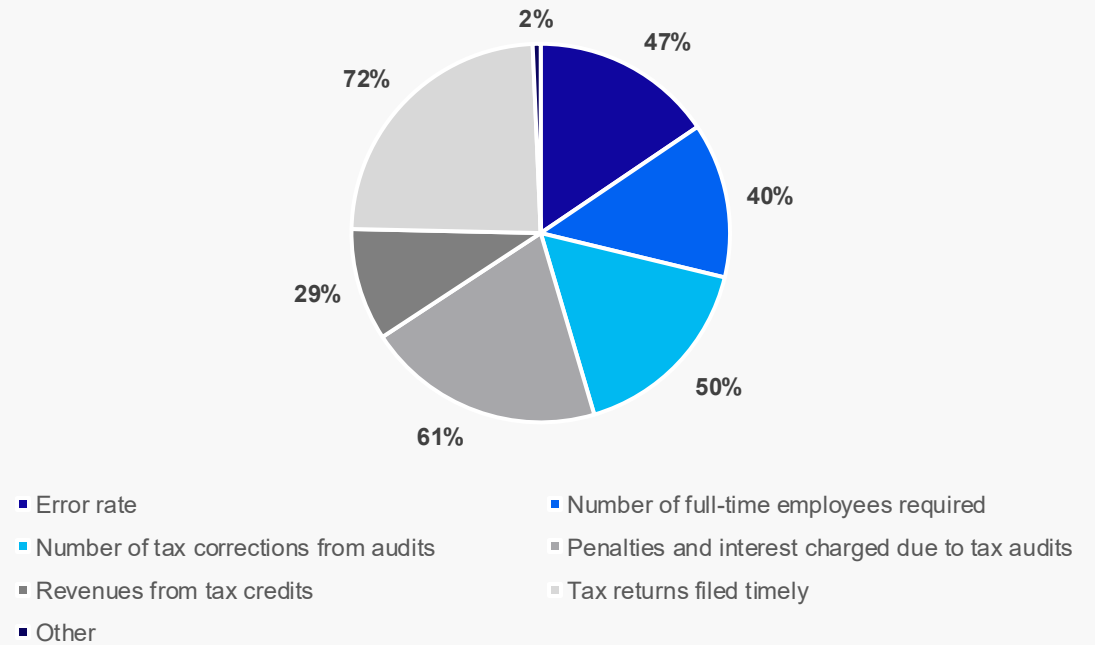
Maturity of Global Tax Management



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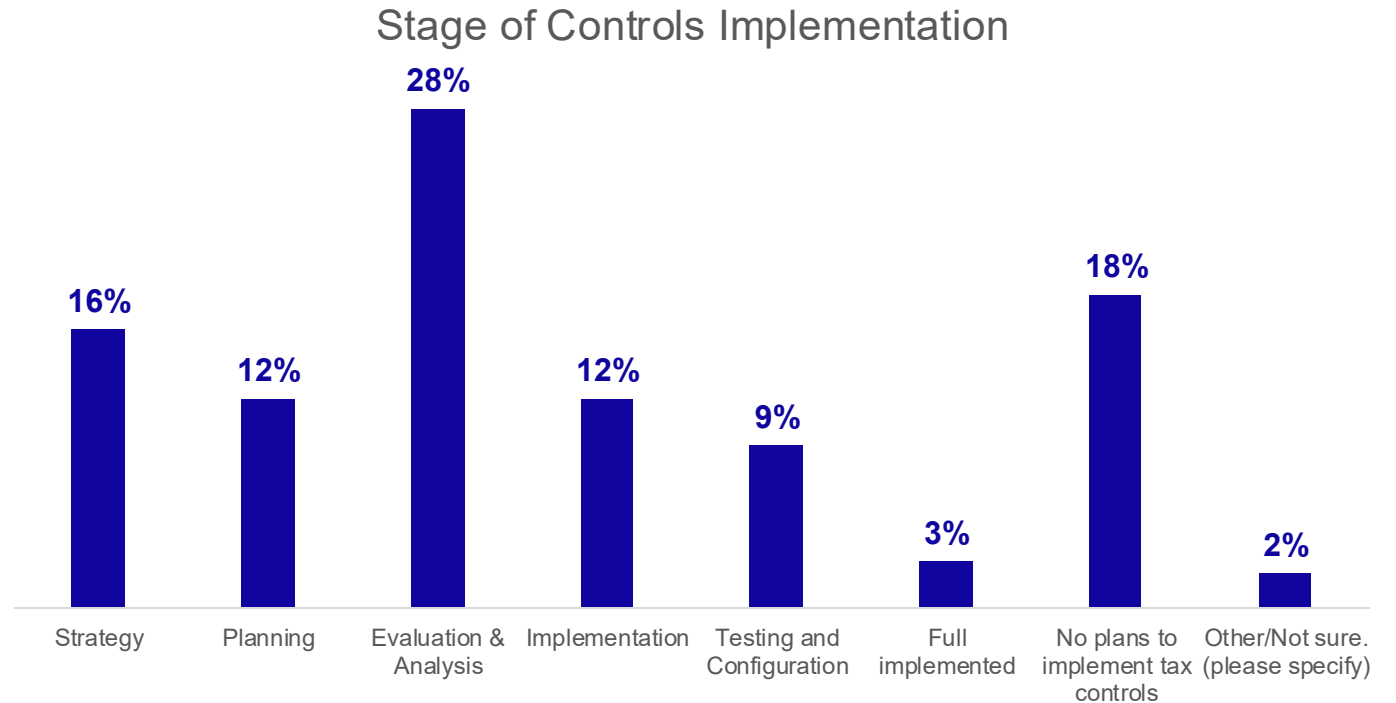
The timely filing of tax returns is cited by 72% of respondents as their most important tax metric. 61% reported penalties and interest from audits, and 50% cited the number of tax corrections—highlighting persistent compliance challenges. Error rates (47%) and staffing requirements (40%) further highlight inefficiencies in current processes. These findings suggest that while timeliness is a strength, accuracy and audit readiness remain critical areas for improvement.

Most Important Global Tax Metrics



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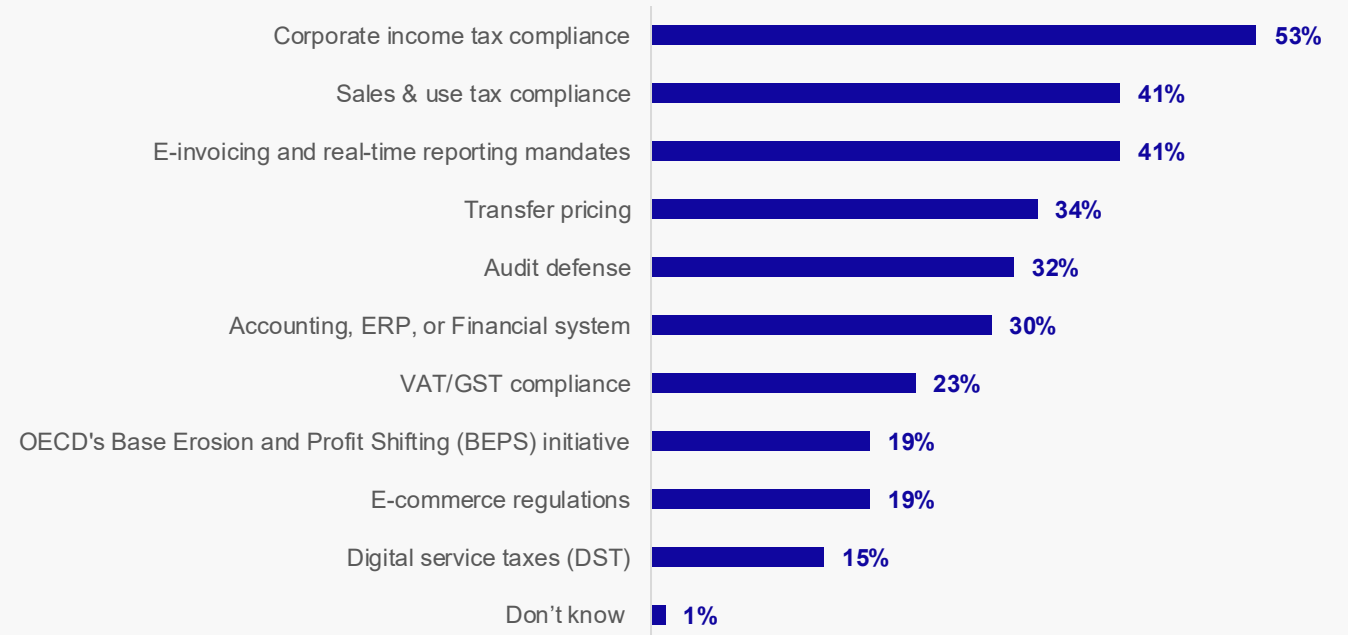
Only 3% of respondents report having fully implemented tax controls, while the majority are still in earlier stages of evaluation and analysis (28%) or have no plans to implement controls at all (18%). This points out a significant gap in control maturity across global tax functions. With just 16% in the strategy phase and 12% in planning or implementation, most organizations are still building foundational capabilities. This highlights the critical need for leadership to prioritize control frameworks that support compliance, automation, and risk mitigation.



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Corporate income tax compliance is the most time-consuming regulatory requirement, cited by 53% of respondents. E-invoicing mandates and sales & use tax compliance follow closely at 41%, reflecting the growing burden of real-time reporting and jurisdictional complexity. Transfer pricing (34%) and audit defense (32%) also demand significant attention. Tax leaders striving to overcome the time challenges presented by regulatory requirements should accelerate efforts to adopt automation, centralize data, and integrate SAP solutions to manage time-intensive compliance tasks more efficiently.

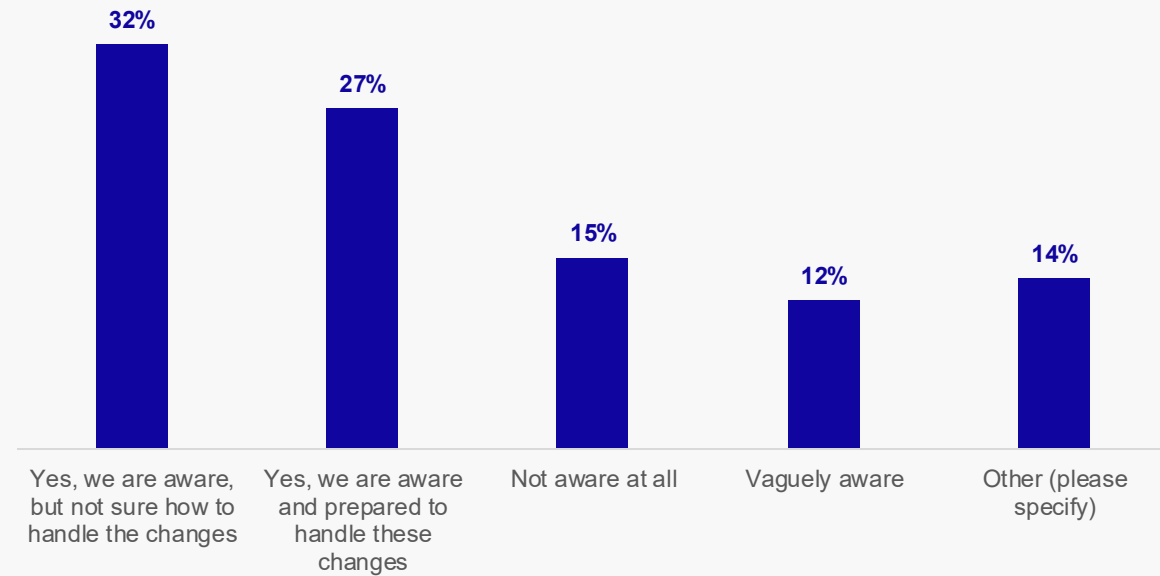
Regulatory Updates Requiring Most Time



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Only 27% of respondents say they are aware and prepared for Brazil's upcoming tax reforms, while 32% are aware but uncertain about how to respond. These changes include the unification of five major taxes into a dual VAT system (CBS and IBS) and the introduction of a Selective Tax (IS), with a phased transition from 2026 to 2033. The lack of preparedness among most respondents signals a potential compliance risk. C-level leaders must act now to assess system readiness and align SAP or third-party vendor tax configurations with Brazil's evolving tax landscape.

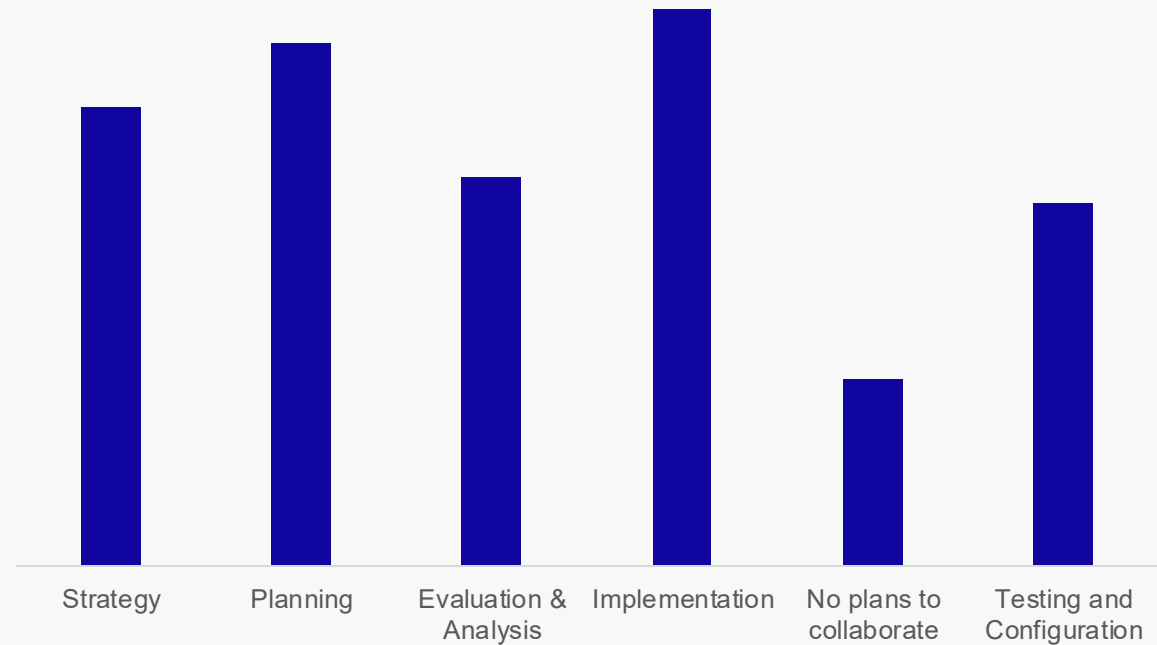
Aware of Upcoming Tax Changes in Brazil



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More than half of respondents (56%) are currently in the implementation phase of their SAP ERP journey, while 52% are in planning and 46% are in the strategy phase. 19% report having no plans to collaborate with tax professionals during this process. This finding highlights a critical gap in aligning tax and IT in the process of ERP transformation. C-level leaders must ensure tax is integrated early to avoid costly rework and compliance risks—especially in light of complex reforms like Brazil’s upcoming VAT overhaul.

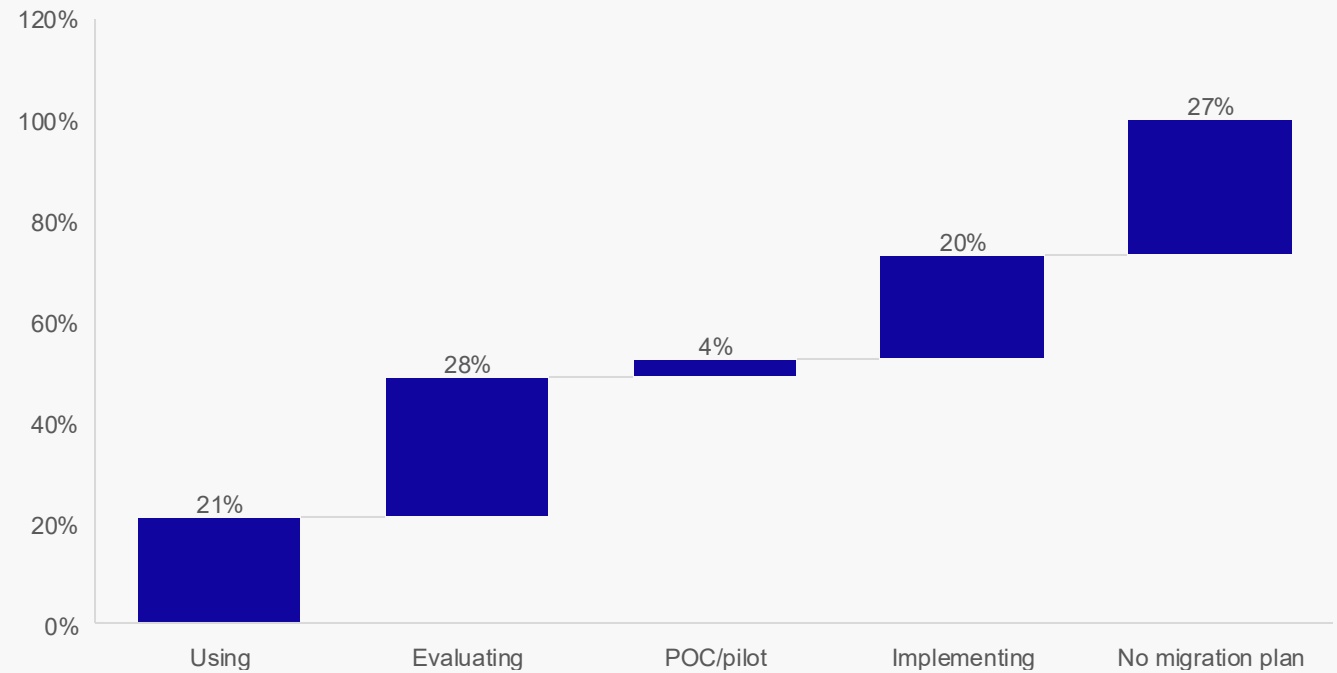
Phase of ERP Journey Tax is Consulted



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Only 21% of respondents are already using a cloud-based global tax management system, while 20% are currently implementing one. Another 28% are still in the evaluation phase, and 4% are running pilot projects. 27% report having no plans to migrate to the cloud. This finding highlights a split in cloud adoption maturity, signaling both opportunity and urgency for leaders to modernize tax operations through SAP cloud solutions – SAP S/4HANA and SAP Document Reporting and Compliance. For those integrating with third-party solutions, now's the time to evaluate “cloud” options.

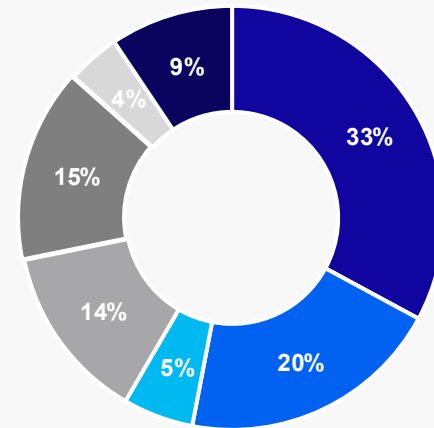
Transition of Global Tax Management to Cloud



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Most respondents are using a third-party tax engine (33%) or the Accounting, ERP, and Financial systems in their business to manage Sales & Use Tax compliance. 15% of respondents are outsourcing Sales & Use Tax compliance.

Management of Sales & Use Tax Compliance

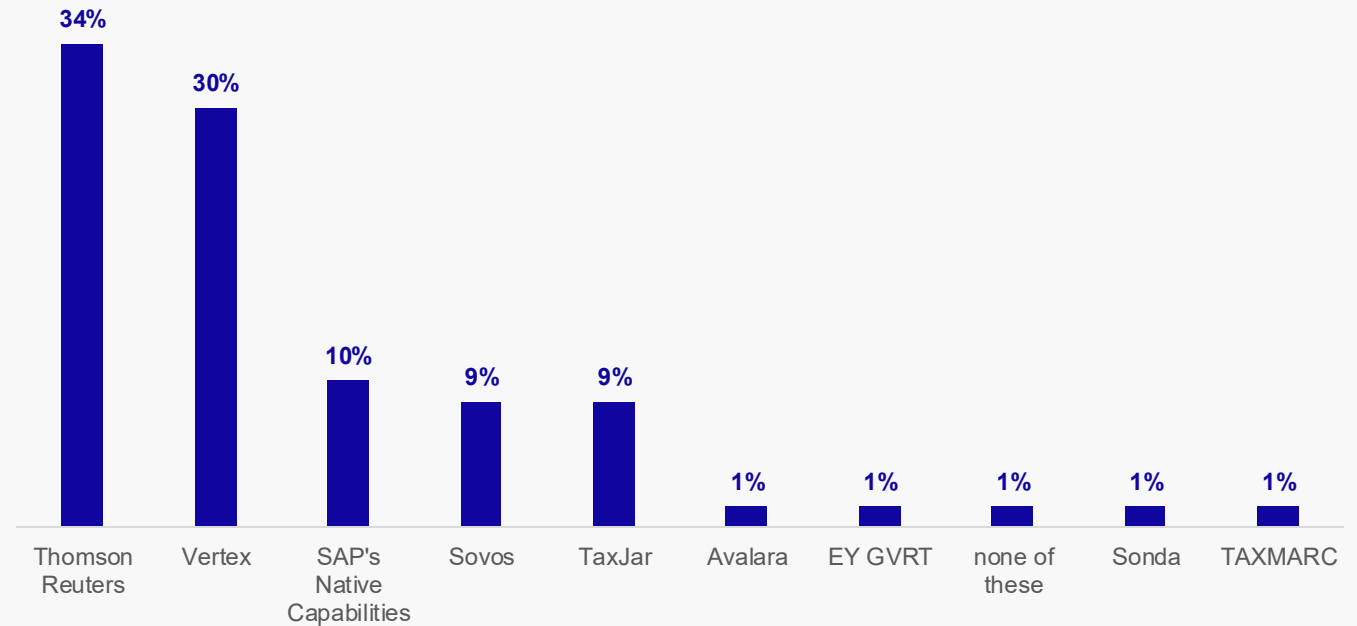


- 3rd party tax engine
- Accounting, ERP, or Financial system
- Avalara
- No current solution in place
- Outsourced solution
- Sovos
- Standard application (e.g. Excel)

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Thomson Reuters (34%) and Vertex (30%) are the top third-party tax engines used for Sales & Use Tax among SAP customers. Both providers have recently expanded their SAP integrations to support automation, accuracy, and compliance. Thomson Reuters now offers direct integration of ONESOURCE with SAP Document and Reporting Compliance, while Vertex has launched 65 new enhancements, including AI-powered tools and Brazil tax reform readiness. These developments reinforce the importance of selecting scalable, future-ready tax engines to support global compliance within SAP environments.

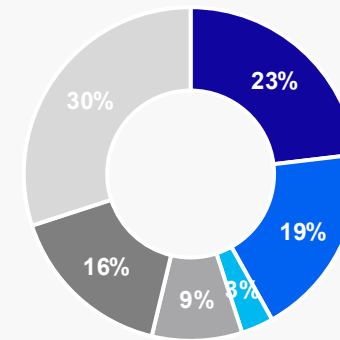
Third-Party Tax Engine Sales & Use Tax Compliance



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VAT automation technologies continue to be an opportunity for improving efficiency, with 30% of respondents noting they are using Microsoft Excel. 23% are using a third-party tax engine. Similar to Sales & Use Tax, 16% are outsourcing their efforts.

Management of VAT/GST Compliance

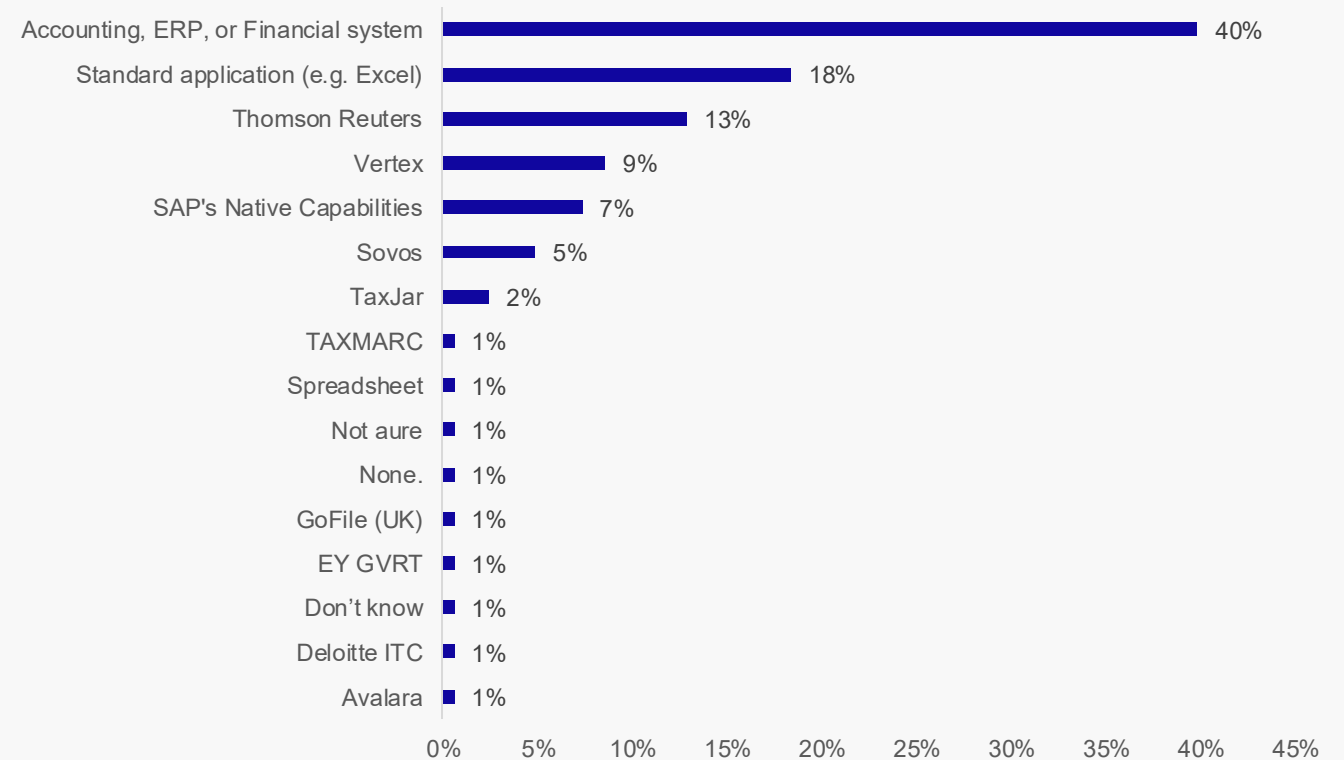


- 3rd party tax engine
- Accounting, ERP, or Financial system
- Avalara
- No current solution in place
- Outsourced solution
- Standard application (e.g., Excel)

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ERP and accounting systems are the most commonly used tools for VAT/GST compliance, cited by 40% of respondents, followed by Excel (18%). While Thomson Reuters (13%) and Vertex (9%) are the most widely used third-party tax engines, their adoption still trails behind manual and native tools. Both providers continue to expand their SAP integrations, as well as existing generative AI and automation capabilities to support global VAT/GST compliance.

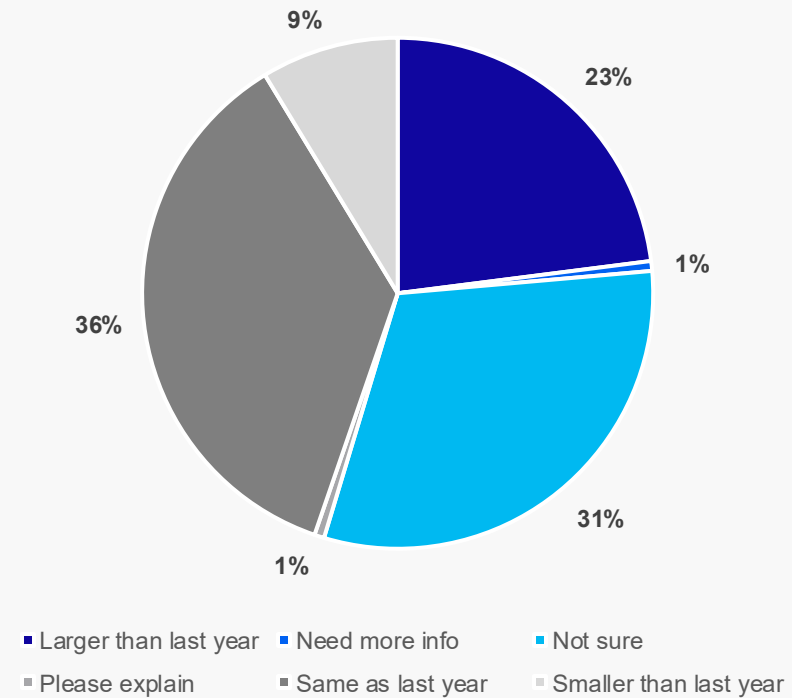
Third-Party Tax Engine VAT/GST Compliance



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23% of respondents report having a larger budget for tax technology and transformation projects compared to last year, while 36% say their budget remains the same. Notably, 31% are unsure about their budget status, and 9% report a decrease. This uncertainty about funding may hinder progress on critical modernization initiatives. Leaders should prioritize investments that deliver the highest impact—such as automation, real-time compliance, and integration with SAP systems.

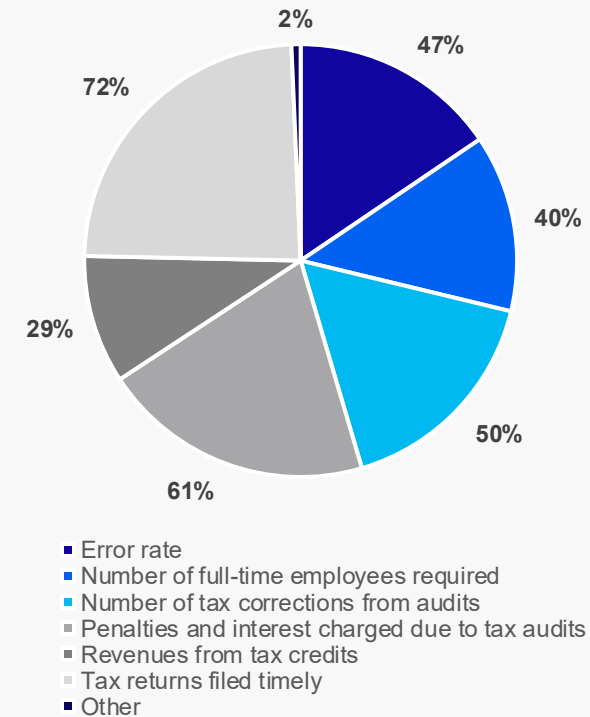
Budget Compared to Last Year



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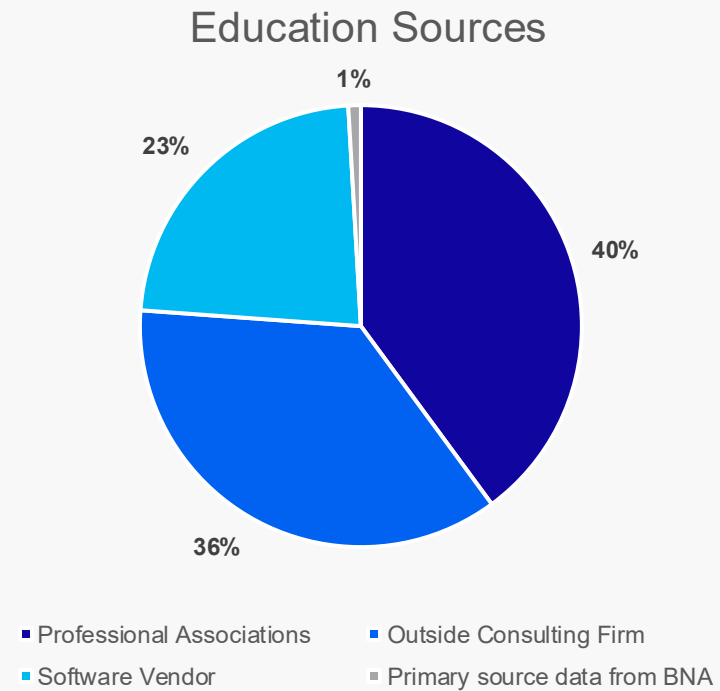
The most widely used metric for evaluating tax performance is the timely filing of tax returns, cited by 72% of respondents. However, 61% also track penalties and interest from audits, and 50% monitor the number of tax corrections—highlighting persistent challenges with accuracy and audit readiness. Only 29% measure revenues from tax credits, suggesting missed opportunities for value creation. Leaders should prioritize investments in automation and analytics to reduce errors and improve strategic outcomes.

Most Important Global Tax Metrics



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Professional associations (40%) and outside consulting firms (36%) are the top sources of information for tax technology and transformation projects. Software vendors are consulted by 23% of respondents, while primary source data like BNA is rarely used. This suggests that peer networks and advisory relationships play a critical role in shaping tax technology decisions.





Strategy and Needs for Global Tax Management



DRIVERS

- Governance and regulations (40%)
- Digital transformation of tax and finance functions (35%)
- Increasing global tax requirements from revenue authorities (28%)
- Demand for improved reporting analytics and visibility across transaction systems (25%)



ACTIONS

- Centralizing and automating tax data control frameworks across all transactional systems (54%)
- Improving tax controls through advanced analytics (46%)
- Leveraging SAP S/4HANA to reduce manual errors (43%)



REQUIREMENTS

- Adapt to changing tax laws and regulations (45%)
- Seamless integration of tax solutions with ERP (41%)
- Fully documented electronic audit trail (39%)
- Tools to clean, refine, and improve the quality of tax data to deliver meaningful insights (35%)
- Harmonized financial reporting in a single system (34%)

*Requirements from SAPinsider 2024 Tax Technology & Automation Report



TECHNOLOGIES

- Global indirect tax reporting tool (41%)
- Visualization dashboard for real-time tax-related analytics (38%)
- Universal journal (37%)
- E-filing and e-document management (36%)
- Tax control framework (32%)
- Global Tax engine (28%)

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Drivers

Global tax leaders are most impacted by the growing complexity of compliance management, governance and regulations as cited by 40% of respondents. This is followed closely by the digital transformation of tax and finance functions (35%). Increasing demands from revenue authorities and the need for better reporting and analytics also emerged as key pressures. These findings highlight the pressing need for scalable, technology-driven tax strategies. Leaders must prioritize automation and governance to stay ahead of evolving global requirements.

Factors Impacting Global Tax Strategy

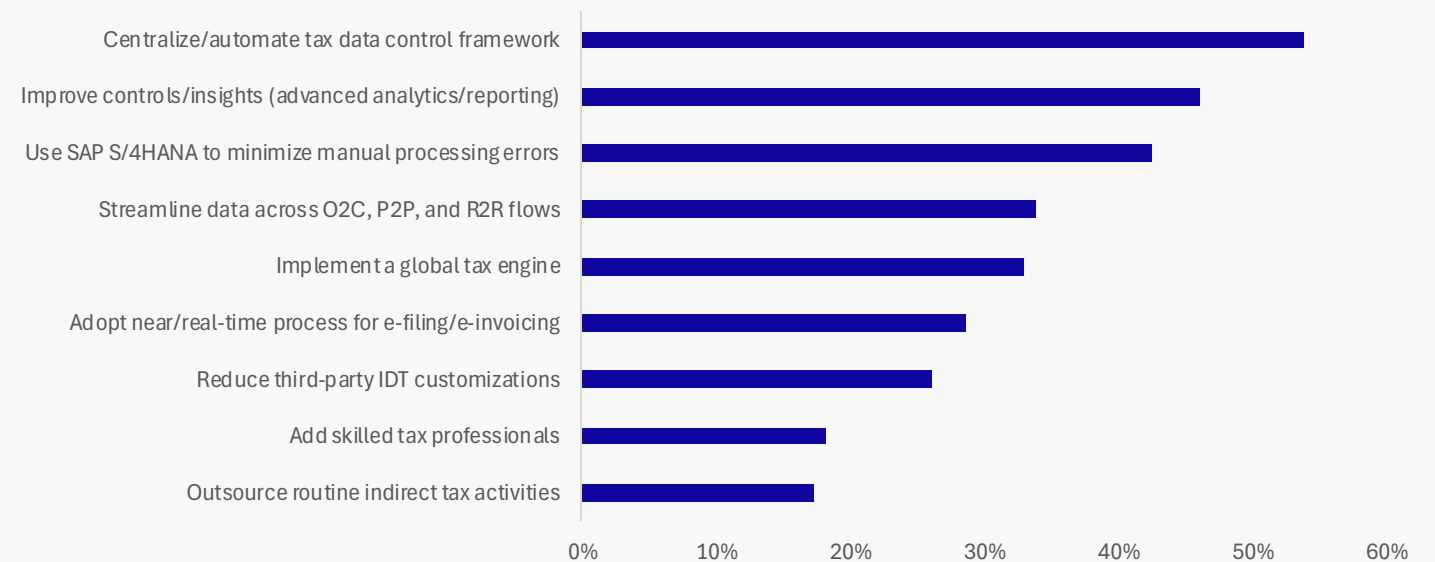
40%	28%	20%	18%
Growing complexity in compliance management, governance, and regulations	Addressing increasing global tax requirements from revenue authorities	Business growth and expansion (M&A, new digital business models, geographic expansion, etc.)	Shortage of skilled talent in global tax and compliance functions
35%	25%	17%	16%
Digital transformation of tax and finance (SAP S/4HANA migration, automation, RPA, AI/ML, etc.)	Demand for improved reporting, analytics, and visibility across transaction systems	Need to improve accuracy and reduce complexity around indirect tax determination	Need for advanced e-invoicing and e-filing solutions

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Actions

The top action taken by respondents (54%) is centralizing and automating tax data control frameworks across all transactional systems. Nearly half (46%) are also improving tax controls through advanced analytics, while 43% are leveraging SAP S/4HANA to reduce manual errors. These findings show a clear shift toward automation, integration, and data-driven decision-making. Leaders should prioritize investments in scalable SAP-native or integrated solutions that enhance control, visibility, and compliance efficiency.

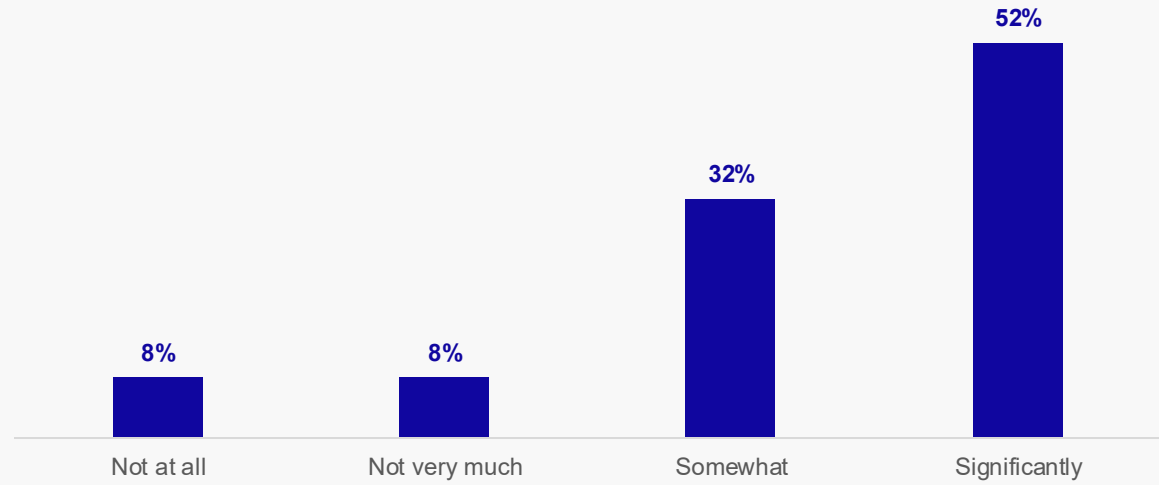
Actions Prioritized to Meet Global Tax Management Strategy



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Growing global compliance requirements have significantly increased respondents' (52%) need for tax accuracy.

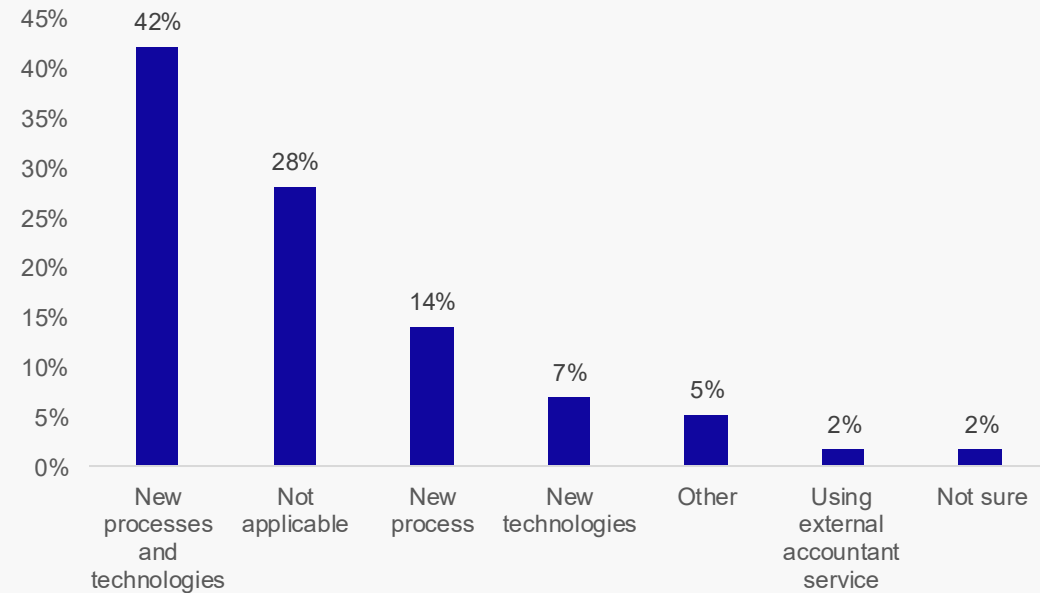
Regulatory Compliance Impact on Need for Accuracy



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In response to the need for accuracy, 42% are adopting new processes and technologies. However, 28% say the issue is not applicable to them. This could be due to outsourcing, co-sourcing or managed service arrangements with providers and advisory firms. The high need for accuracy is no surprise; it supports the need for leaders to accelerate evaluating tax technology and automation as a method of addressing this need.

Method of Addressing Compliance Changes

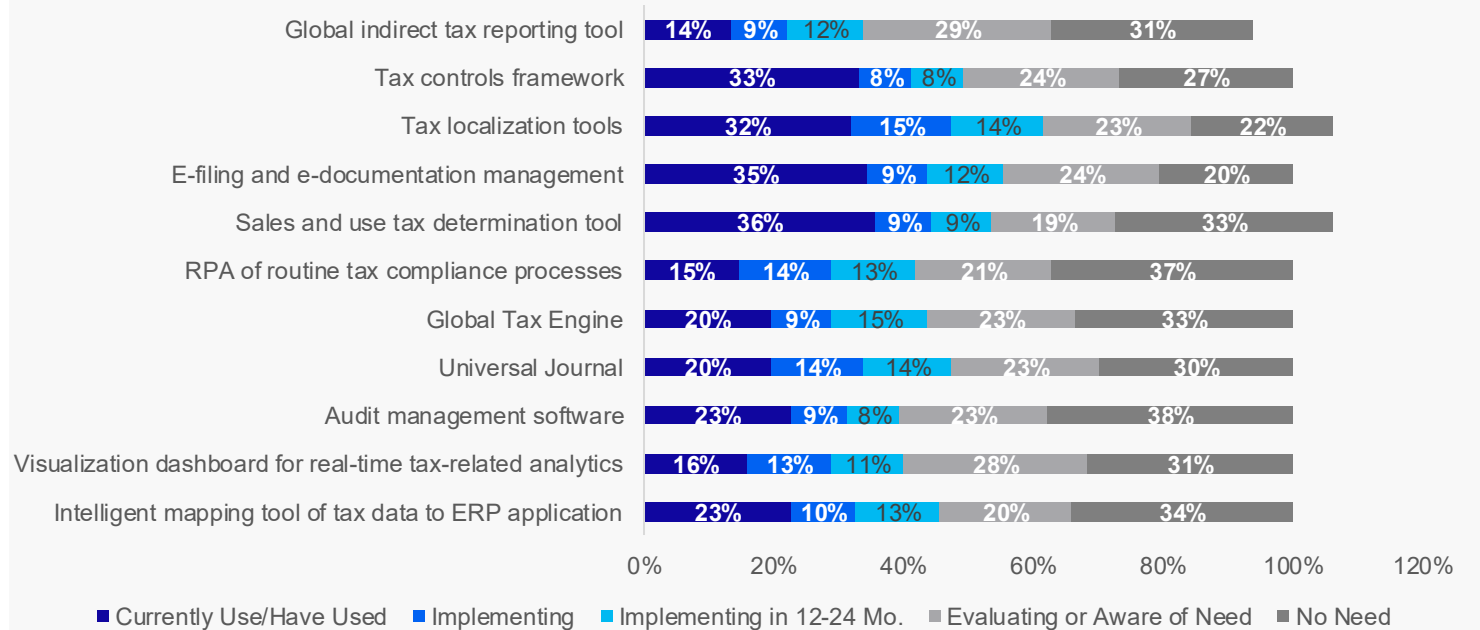


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Technologies

Adoption of tax management technologies remains uneven, with only a few solutions—like sales and use tax tools (36%) and e-filing systems (35%)—seeing widespread use. Many advanced capabilities, such as intelligent mapping tools (23%) and real-time analytics dashboards (16%), are still in early stages of adoption. A significant portion of respondents are either evaluating or unaware of the need for these tools. As compliance requirements accelerate, so does the need to adopt solutions that improve compliance visibility and automation. In turn, these capabilities will elevate the role of tax professionals to partner more strategically with the business and provide the agility needed to quickly adapt to rapid changes within the business.

Adoption of Global Tax Management Solutions & Technologies



THANK YOU

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