

INDUSTRY TREND REPORT

The Case for a Unified Tax Compliance Platform



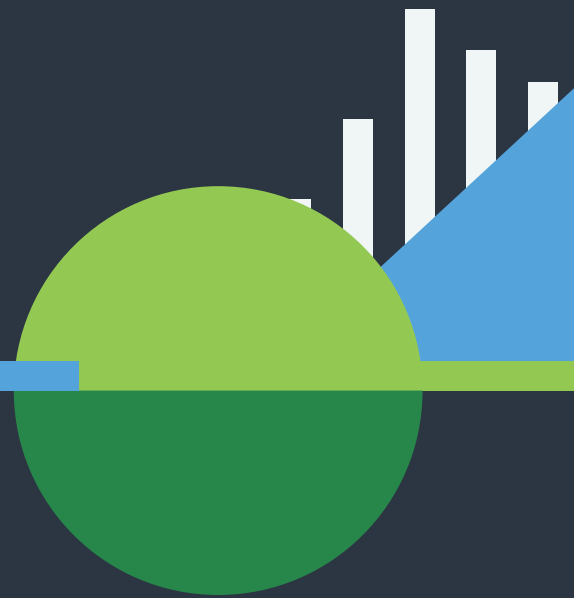
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The Case for a Unified Tax Compliance Platform

How global enterprises are rethinking compliance infrastructure in an era of accelerating mandates — and what the decision means for risk, cost, and growth.



When a new mandate requires changes to how a transaction is reported, the additive model means that change must be implemented in every system that touches that transaction.

For most of the past two decades, the prevailing approach to global tax compliance was additive: when a new mandate appeared, organizations acquired a new tool. When that tool needed to connect to the ERP, they built an integration. When the integration produced data that didn't match what another tool had filed, they assigned someone to reconcile it. The approach worked well enough until the pace of regulatory change outran the architecture.

That inflection point is now. More than 30 countries are implementing or expanding e-invoicing mandates by the end of 2028. The EU's VAT in the Digital Age (ViDA) initiative is reshaping how every business operating across member states reports tax. Poland's KSeF went mandatory in February 2026. Belgium's B2B e-invoicing mandate preceded in January and France follows in September 2026. And these are not endpoints — they are the beginning of a digitization wave that extends well into the next decade.

This brief is for finance and tax leaders weighing what that environment requires of their compliance infrastructure. It makes the case that the platform question — whether to consolidate CTC e-invoicing, VAT reporting, and SAF-T audit obligations onto a single foundation — is not an IT decision. It is a strategic one. And the window for making it proactively, rather than reactively, is narrowing.

THE ARCHITECTURE MOST ORGANIZATIONS ARE RUNNING — AND WHY IT'S BECOMING UNTENABLE

Walk through the compliance technology stack of a typical global enterprise and you will find the same pattern almost everywhere: a collection of point solutions assembled over years, each procured to address a specific obligation in a specific jurisdiction at a specific moment. One system handles e-invoicing for the EU. Another manages VAT filings across APAC. A third is used when an auditor requests SAF-T data. None of them were designed to work with the others; they were designed to work with the ERP.

This architecture made sense when mandates were infrequent, jurisdictionally contained, and largely periodic. A new VAT return format in one country could be absorbed by updating one system without disturbing the others. But the compliance landscape has changed structurally. Tax authorities are no longer

5+

The number of separate compliance systems the typical global enterprise is running across CTC, VAT, and SAF-T obligations — each with its own ERP integration, vendor contract, and data reconciliation requirement.

waiting for annual or quarterly interactions — they are requiring real-time transaction-level visibility, granular audit data on compressed timelines, and digital reporting formats that update with increasing frequency.

When a new mandate requires changes to how a transaction is reported, the additive model means that change must be implemented — and tested and validated — in every system that touches that transaction. The compliance debt compounds with every new obligation.

The deeper problem is data consistency. When the same transaction flows through separate systems for CTC e-invoicing, VAT filing, and SAF-T generation, there are three representations of that transaction in three different data stores. Under normal conditions, they agree. Under audit conditions — when a tax authority compares what was invoiced in real time against what was filed periodically against what appears in the SAF-T file — the probability of unexplainable discrepancy approaches certainty. Not because of fraud or error but because of architecture.

WHAT THE REGULATORY ENVIRONMENT ACTUALLY REQUIRES

The mandates arriving in 2026-2028 are not isolated requirements. They are part of a coherent shift by tax authorities globally toward real-time, transaction-level visibility — a shift that has been underway for a decade in Latin America and has now reached Europe, the Middle East, and Southeast Asia simultaneously.

The EU’s ViDA initiative is the most consequential single development for multinational enterprises. Adopted in March 2025, it introduces Digital Reporting Requirements that will progressively mandate e-invoicing and digital VAT reporting across all member states through 2030. But ViDA does not exist in isolation — it accelerates and harmonizes a set of national mandates that were already moving independently.

The Mandate Landscape: What Is Confirmed

Jurisdiction	Mandate	Status
EU — ViDA	Digital Reporting Requirements	Adopted March 2025. DRR and mandatory e-invoicing rolling out from 2026 across member states.
Poland	KSeF 2.0 — JPK_VAT	Mandatory February 2026. KSeF 2.0 schema required for all VAT-registered businesses.
Belgium	B2B E-Invoicing	Mandatory January 2026. Peppol BIS format. Penalties up to €5,000 for non-compliance.
France	PDP / PA Pilot	PA pilot active. Phased B2B mandate continues rollout through 2026-2027.

Jurisdiction	Mandate	Status
Germany	B2B E-Invoicing	Mandatory e-invoice receipt in force with mandatory issuance obligations confirmed for 2027. Preparation and voluntary adoption requirements active from 2025.
Saudi Arabia	ZATCA — Phase 23	March 31, 2026, for taxpayers with VAT revenue >SAR 750K. Integration with FATOORA required.
UAE	E-Invoicing	Voluntary pilot July 2026. Mandatory for businesses ≥ AED 50M from January 2027.
Malaysia	E-Invoicing Phase 2	Mandatory for large businesses from 2024, with phased extension to broader taxpayer base.
Brazil	NF-e / IBS-CBS Expansion	Ongoing expansion of existing CTC mandate. New IBS/CBS obligations active in 2026.

SOURCES: AVALARA TAX CHANGES 2026; VATUPDATE, FEBRUARY 2026; BILLTRUST, NOVEMBER 2025; SOVOS REGULATORY INTELLIGENCE.

What is less visible in a table like this is the pattern beneath it. Every jurisdiction that has implemented real-time e-invoicing has subsequently introduced SAF-T or granular audit data requirements — typically within three to five years of the initial mandate. The compliance posture required in 2026 is not a steady state. It is a floor that will continue to rise.

For organizations still running additive compliance architectures, each entry in this table represents not just a new obligation but a new implementation project. The combined timeline pressure — multiple mandates activating across multiple jurisdictions within a 12-to-18-month window — is, for many organizations, the first moment at which the cumulative cost of the additive model becomes visible at the leadership level.

WHY A SINGLE PLATFORM CHANGES THE CALCULUS

The case for platform consolidation is sometimes framed as a cost argument: fewer vendors, fewer contracts, reduced integration maintenance. That is accurate, and the savings are material. But the more consequential argument is about risk architecture.

The Sovos Indirect Tax Suite is built on a single data foundation — one normalized representation of each transaction, validated once at the point of ERP integration, shared across CTC e-invoicing, VAT filing, and SAF-T generation without re-extraction or reprocessing. This is not a product integration or a shared interface. It is a structural design choice that eliminates the category of risk that fragmented systems create.

“ The question an auditor most commonly asks is not whether a business is compliant — it is whether what was reported in three different contexts is consistent. A single data foundation makes that question answerable with certainty.

When a transaction is cleared through CTC e-invoicing, its validated status carries forward into the VAT return calculation. The SAF-T audit file draws from the same record that was filed. A regulatory change affecting how a transaction must be reported is made once — and every compliance output reflects it. The inconsistency between what was invoiced, what was filed, and what appears in the audit file becomes structurally impossible, not just operationally unlikely.

How the Architecture Works in Practice

A single certified integration connects to SAP, Oracle, or another major ERP system. One connection feeds all three compliance obligations — not one integration per obligation. Sovos Compliance Network handles real-time CTC validation and government clearance across 65+ countries, including France's PA pilot, Poland's KSeF, and Brazil's NF-e. Sovos VAT Filing automates periodic returns, Intrastat declarations, and EC Sales Lists across 70+ jurisdictions, applying jurisdiction-specific calculation rules and filing electronically with local authorities. SAF-T draws from the same transaction record to generate on-demand audit files in the required national format.

Beneath all three sits a regulatory intelligence function that monitors more than 19,000 tax authorities continuously. When a mandate changes — a new e-invoicing schema, a revised SAF-T format, an updated VAT return structure — the platform is updated. For a company managing compliance across 20 or 30 jurisdictions, this means that 40+ quarterly regulatory updates are absorbed without any of them becoming a customer IT project.

What This Looks Like Under Audit

The SAF-T scenario is worth dwelling on because it illustrates the practical difference most concisely. Consider a multinational manufacturer operating in Poland. An audit request arrives requiring 18 months of JPK_VAT transaction history formatted to the KSeF 2.0 schema — mandatory from February 2026. In a fragmented environment, producing that file requires extracting data from the ERP, cross-referencing it against what was filed in the periodic VAT system, reformatting it to match the KSeF 2.0 schema, and validating it before submission. The process typically takes four to six weeks. The risk of inconsistency with prior filings is real and difficult to audit-proof in advance.

On the unified platform, the SAF-T file is generated from the same data foundation that produces the monthly JPK_V7M VAT filings. The records are identical because they are the same records. The process takes hours. The consistency with prior filings is not a reconciliation exercise — it is a structural guarantee.

CUSTOMERS THAT MOVED TO THE SOVOS TAX COMPLIANCE CLOUD FROM MULTI-SYSTEM ENVIRONMENTS

€2.4M+

IN SAVINGS THROUGH PLATFORM CONSOLIDATION

Reduction in vendor licensing, integration maintenance, and the internal resource cost of reconciling data across fragmented systems.

40%

FASTER GLOBAL MARKET EXPANSION

Entering a new jurisdiction becomes a platform configuration step rather than a compliance infrastructure project — removing one of the most consistent bottlenecks to international growth.

WEEKS → HOURS

REDUCTION IN AUDIT RESPONSE TIME

SAF-T requests that previously required weeks of manual ERP extraction are fulfilled from pre-validated, continuously maintained data. Audit readiness is no longer a reactive posture.

€600K

IN AVOIDED PENALTIES OVER THREE YEARS

Reflects the downstream effect of error detection before submission, automated regulatory monitoring, and the elimination of cross-system data inconsistencies that most commonly trigger follow-up audit action.

THE INFRASTRUCTURE QUESTION: WHAT AWS MAKES POSSIBLE

There is a dimension of the platform decision that rarely surfaces in compliance conversations but matters significantly for how organizations think about expansion and operational risk: the infrastructure beneath the compliance layer.

Global tax compliance workloads have specific infrastructure requirements that most compliance platforms were not originally designed to meet. They are geographically distributed — data often cannot cross certain borders. They are uneven: filing deadlines and CTC volume spikes create sharp demand concentrations that require elastic capacity. And they are subject to strict availability requirements: a platform that is unavailable when a tax authority's submission window closes create a compliance failure that cannot be undone after the fact.

The Sovos Tax Compliance Cloud is built on AWS global infrastructure, which means these requirements are addressed at the infrastructure level rather than engineered around. Data residency compliance across 70+ countries is a function of AWS regional architecture, not a workaround. Elastic compute means that transaction volumes scaling from thousands to tens of millions require no capacity planning. SOC 2 and ISO 27001 certifications are inherited by the platform, simplifying vendor risk assessment for organizations in regulated industries. Enterprise SLAs guarantee uptime for the workloads that cannot tolerate downtime.

For organizations with established AWS relationships, the platform is available through AWS Marketplace, which simplifies procurement and allows Sovos consumption to apply toward existing AWS commitments.

None of this is primarily an infrastructure story. It is a risk story: the infrastructure decisions that were made when the platform was designed determine which categories of operational risk the customer is responsible for managing. On this architecture, that list is materially shorter.

WHAT ORGANIZATIONS THAT HAVE CONSOLIDATED HAVE FOUND

The business case for platform consolidation is increasingly well-documented among the organizations that have made the transition. The results to the left reflect outcomes from customers that moved to the Sovos Tax Compliance Cloud from multi-system environments.

The pattern across these outcomes points to the same underlying dynamic: organizations that consolidate do not just reduce the cost of compliance. They change what compliance requires of their people. Finance teams that were previously occupied with reconciliation and manual extraction are redirected

toward analysis and strategic planning. That shift — from compliance as operational burden to compliance as managed infrastructure — is the outcome the platform is designed to produce.

THE DECISION IN FRONT OF YOU

The mandate wave of 2026-2028 is not the end of this transition. It is the moment at which the cumulative pressure of indirect tax digitization becomes impossible to manage incrementally. Every organization that operates across multiple jurisdictions is going to face the platform question — the only variable is whether they face it now, with the runway to make the transition thoughtfully, or later, under the pressure of a compliance deadline.

The organizations that have already consolidated describe the same experience: the transition is less disruptive than the architecture it replaces, and the operational clarity on the other side of it is significant. One integration. One data foundation. One vendor relationship for three compliance dimensions. When a new mandate arrives, it is someone else's problem to absorb — and it is absorbed before the deadline, not after.

A compliance readiness assessment maps your current footprint against the mandates confirmed for your jurisdictions and identifies where consolidation would have the highest near-term impact. A platform demonstration shows what the architecture looks like in practice for your ERP environment and obligation set. ■

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