

It's all about to get easier.

Managing digital tax
with SAP Concur.

SAP Concur

Your solution is *the* solution.

No one knows what business challenges are waiting around the corner, but you can be confident in your readiness. You've got growth projections, corporate priorities, and business budgets – and while they may fluctuate, they're largely under your control.

Tax rules and regulations are another thing. They can change with little warning, leaving you scrambling to comply – **in fact, 50% of finance leaders said regulatory compliance is the top external challenge** to their business.* And with tax digitalization becoming the norm in governments around the world, you've got a whole new set of everchanging requirements to get ready for.



You also have SAP Concur.

This guide will show you how adapting your SAP Concur solution can help you adapt spending processes and stay ahead of tax-digitalization changes.

* CFO Insights Report: A New Role in Managing Uncertainty, SAP Concur, October 2023



So why are we talking about this?

It all boils down to governments needing more revenue to deliver the services their citizens need. Add to that a shift toward protectionism predicated on ongoing economic and geopolitical volatility and – surprise – tax change.

Governments and their aging tax systems are struggling to keep up with shifting business models, while tax organizations are pushing digitalization to improve efficiency, accuracy, costs, and more.

The world is transforming how tax functions and processes work, using digital technologies to automate and simplify workflows and requirements.

Ultimately, this means you'll need to rethink your spend management, audit, and compliance processes with a focus on:

- Capturing receipts and invoices so you get an accurate digital record of them all.
- Assessing what's required of those documents and what taxes need to be applied.
- Integrating that information into your systems for appropriate reporting and archiving the documents.

Let's look at how SAP Concur solutions can help you manage each of them.



Digital tax mandates.

Although the pace of change varies in different markets, momentum is growing everywhere. Tax digitalization is already mandated in markets from Mexico, Chile, and Brazil to the UK, Italy, India, China, and Japan. Pilot programs and mandate plans are also popping up from the US to Australia and across Europe.

1. Capturing receipts and invoices.

Regardless of how receipts and e-invoices come into your business, you have to consolidate, digitize, and get them into your system. Whether it's an invoice or travel-and-expense charge, you have to correctly capture the data based on each market's requirement for each type of document.

If a dinner receipt needs a timestamp, you need to capture it instantly and automatically.

If an email invoice needs external verification, you need to make sure the process is efficient, accurate, and automatic.



That's where SAP Concur comes in.

Receipt digitalization is built right into our system. So users can snap photos of receipts, submit them, and the images go through a validation process based on each country's needs. Currently, this built-in program is up and running in France and Spain, with Portugal, Belgium, and Switzerland soon to follow.

E-invoices are a little trickier, with multiple data formats, methods of sharing, and country-specific validation options. But the process is still similar – getting invoices into your system, validated, and ready for processing.

SAP Concur plans to capture e-invoices using the most frequent e-invoicing patterns from around the world:

- User-received, where the user obtains the invoice from the vendor.
- Network/PEPPOL, where the invoice sits on a network accessed by the supplier, buyer, and in some cases, the government.
- QR code, where the invoice includes a QR code with all pertinent info.

By building our solutions onto these patterns, we'll be able to quickly expand global coverage for compliance.





2. Assessing documents and applying taxes.

Once receipts and e-invoices have come into your business, you have to determine what needs to be done with each document and every charge.

Essentially, you need to decide what taxes and processes are required based on the document type and the market. And you have to do it accurately and automatically.

Fortunately, your SAP Concur solutions are ready to manage such complexities:

- Our built-in services determine which tax-compliance treatments should be applied to the document. Then they apply that treatment via partner or internal solutions.
 - The SAP Document and Reporting Compliance service, for example, maps XML invoices from different formats to a standard SAP format. SAP Concur uses this solution for e-invoicing requirements in Mexico, Japan, and Australia.
- Once each document is ready, the system automatically creates an expense for the end user in your SAP Concur solution.

3. Integrating and archiving.

Once all this work has been completed, the charges need to be integrated into your financial systems – so you can pay them, track them, and provide any necessary reports. And any related documents must be archived according to specific requirements.

Again, your SAP Concur solution is ready to help:

- Your digital tax documents will be archived for a minimum of eight years, so no changes can be made that could affect the integrity of your records.
- In regions with unique archiving requirements, you can retrieve and store your documents with SAP Concur image extraction or by connecting to our API.
- Direct integration with SAP ERP solutions allows validated documents and transaction data to flow automatically.
- SAP Concur Web Services offers APIs that create similar connections to other financial and accounting systems.



What can you do with all this data?

Beyond complying with digitalization mandates, adapting your solution sets you up for success in myriad ways.

Speed and simplify tax operations.

SAP Concur can process your digital tax documents according to regional regulations. So no matter where the money was spent, you can reduce the risk of penalty and raise your tax reclaim – without having to know all the rules and restrictions all over the world.

And as those tax regulations change – each quarter in each country – your solution will keep up and keep you informed.

Reclaim VAT, GST, and other consumption taxes.

[Concur Tax Assurance solution by Blue dot](#) applies intelligent technology to your spend data to get you the most out of Value-Added Tax (VAT) and Goods and Services Tax (GST) reclaim. Here's how:

- The solution automatically identifies eligible transactions for reclaim, then uses proprietary data sources to validate recoverable VAT/GST eligibility according to global compliance rules.
- Country-specific rules are embedded and continuously updated in the solution, so you don't have to worry about keeping tax tables. Instead, you get a clear look into what's recoverable, what's not, why, and what you should do next.
- You can even look back at prior tax filings with historical analysis of Concur Expense reports going back up to five years, and, depending on regulations, use this information to help reclaim taxes you previously missed.



What can you do with all this data?

Manage Taxable Employee Benefits on your expense reports.

Taxable Employee Benefits (TEBs) – like home office equipment and internet fees – often find their way onto expense reports, and finding them can be a problem. [Concur Benefit Assurance solution by Blue dot](#) uncovers them, using AI and a fully digital, end-to-end process.

- The solution reads and interprets data from your processed expense reports.
- It accurately categorizes spend and flags potential TEBs.
- It uses dynamically and continuously updated rates, plus a rules engine built on global regulatory requirements and rules you set up yourself. You can also select from prebuilt, best-practice-based options.

Digitalization without user disruption.

Adapting to changing tax digitalization requirements doesn't have to get in the way of a simple, smooth experience for any of your users. With SAP Concur solutions, all the processes we've outlined happen behind the scenes, so users enjoy the experience they have today with the peace-of-mind of compliance.



What makes SAP Concur solutions different?

Companies and countries are moving to tax digitalization, and while it's a complex, constantly changing transition, SAP Concur is uniquely positioned to get you there.

Compliance is easier.

We make it easy to implement automated solutions worldwide so you can stay on top of regulatory changes.

Flexibility and scalability are standard.

Our native solutions and partner ecosystem give you the best options for your organization and allow you to expand regulatory tax coverage around the world.

There's one, consistent user experience.

Regardless of the validation process an invoice goes through, users get the same, simple, intuitive experience every time.

No one has more experience.

SAP Concur knows and manages tax regulations for thousands of companies around the globe. No one knows more, and you can tap into that broad expertise.

We've made this easy, too.

To learn more about simplifying digital tax processes, contact your SAP Concur representative.

