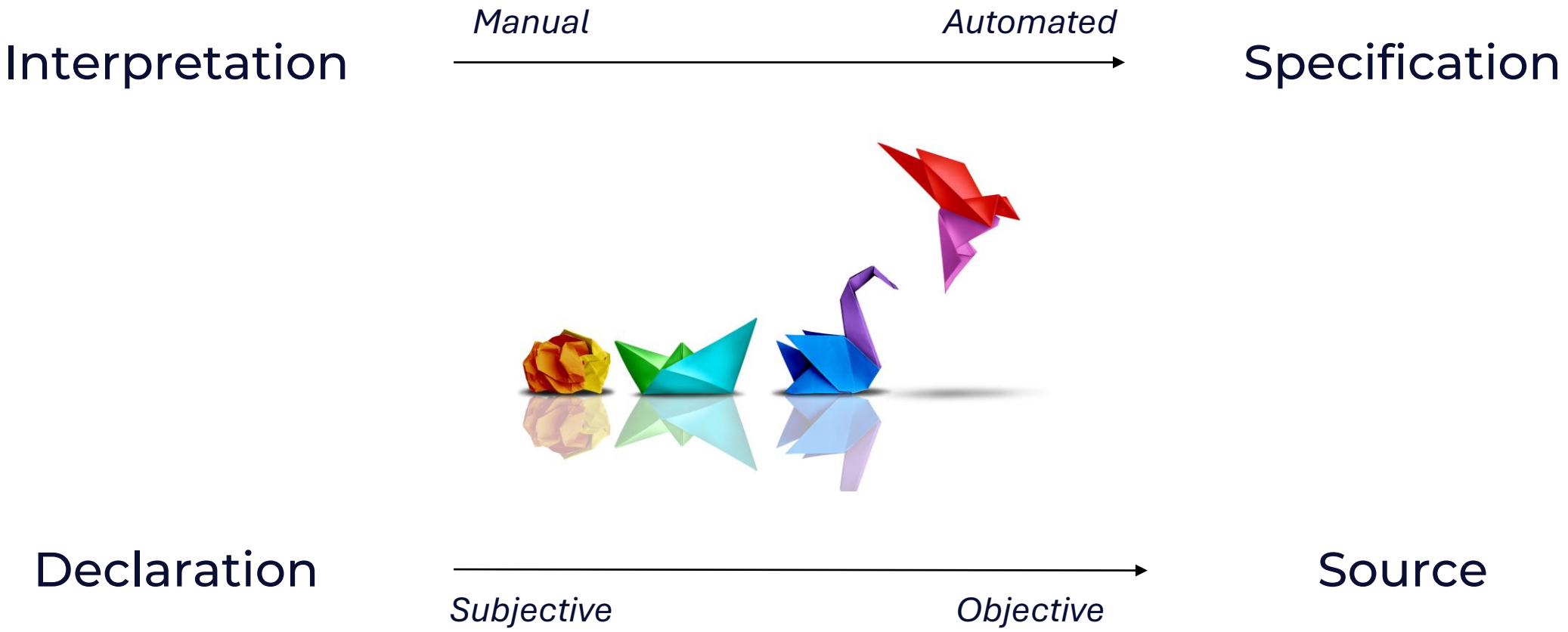


Decoupling Strategy for Strength

The 'Always-On' Source Data Revolution

From Fiscal Code to Computer Code



SOVOS

- Post Audit
- CTC/e-Invoicing mandate
- In transition

2000



SOVOS

SOVOS

- Post Audit
- CTC/e-Invoicing mandate
- In transition

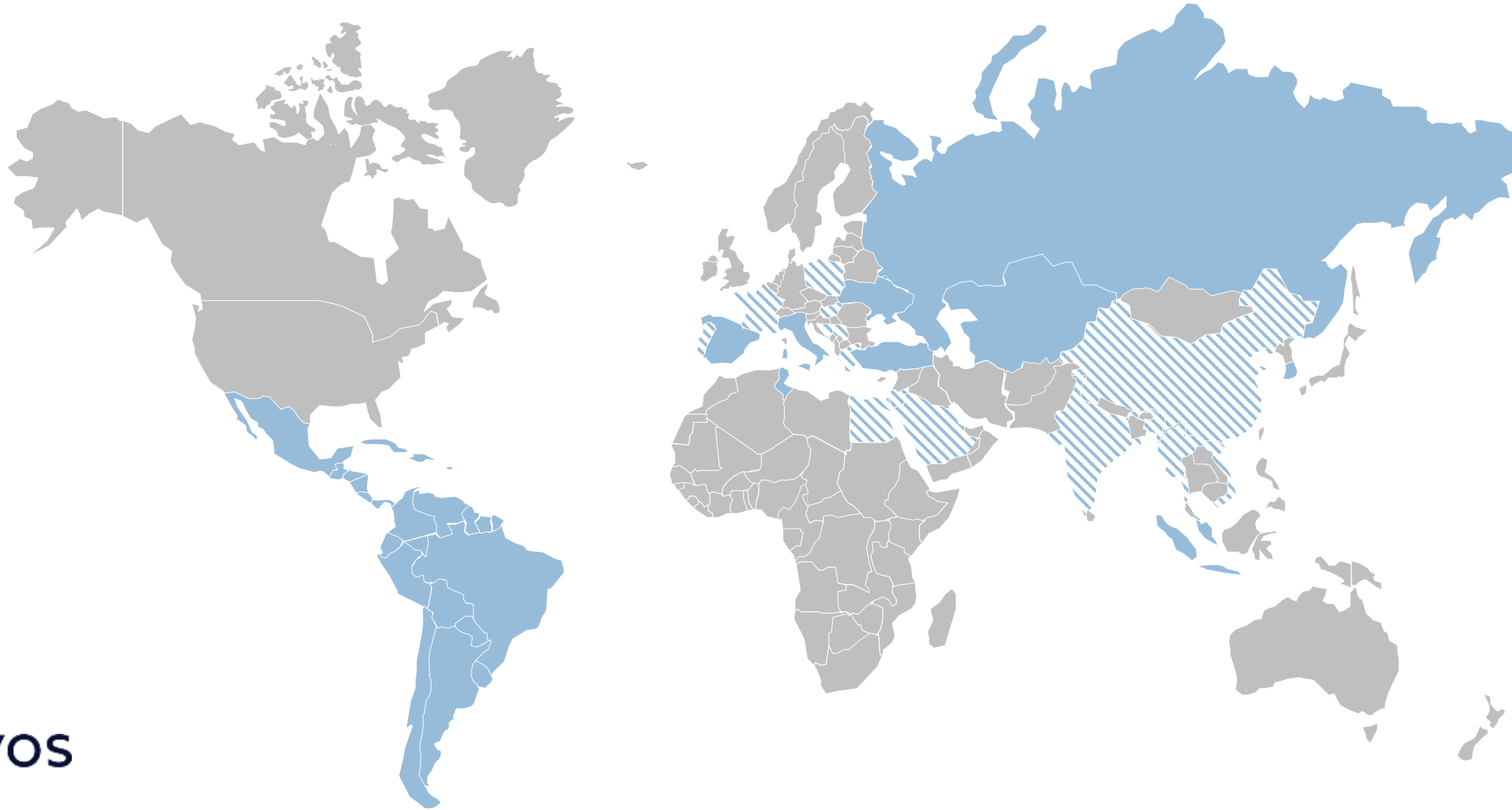
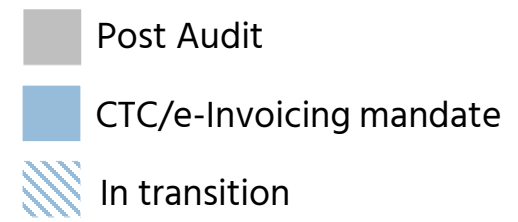
2015



SOVOS

SOVOS

SOVOS

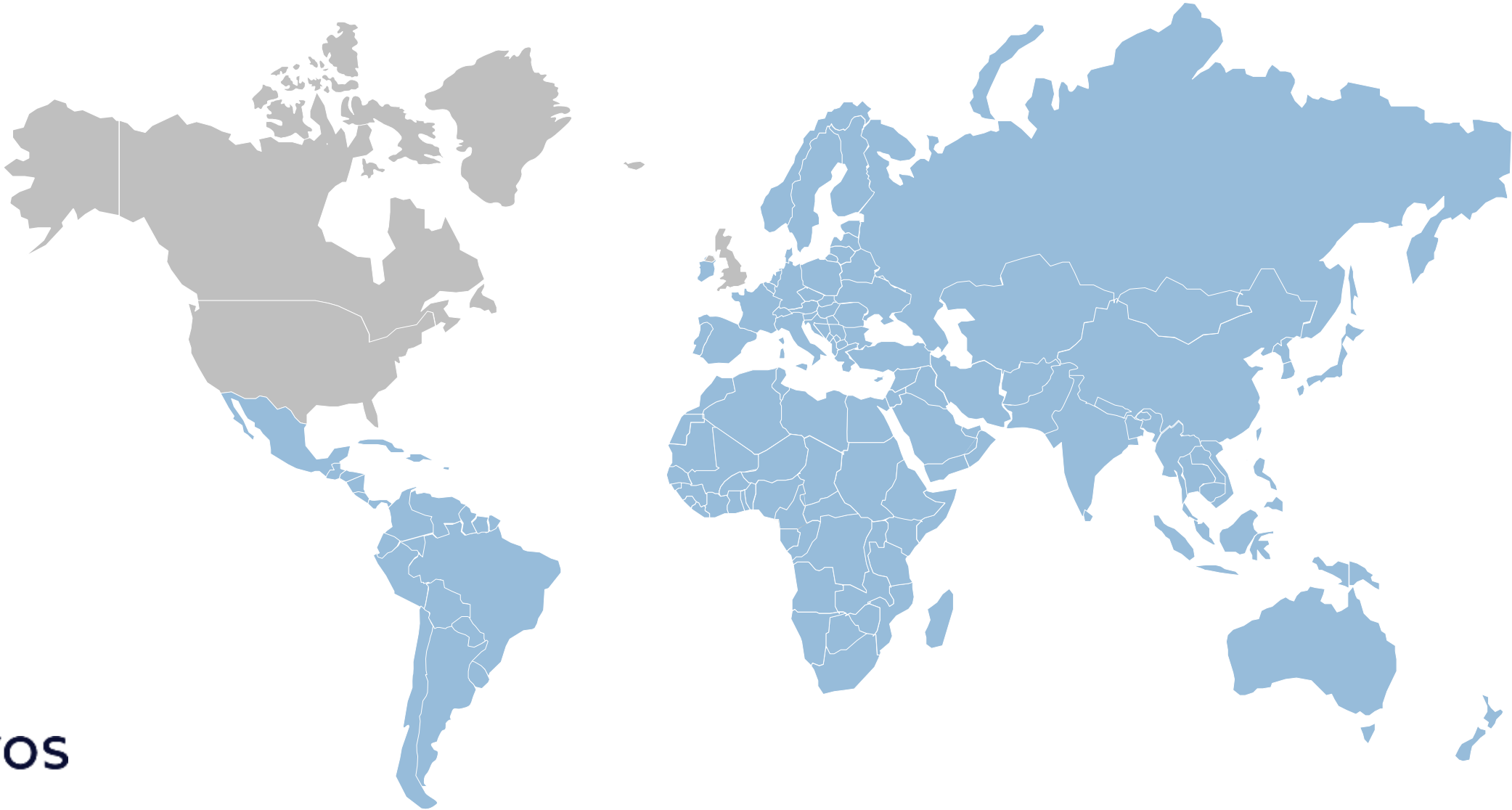


SOVOS

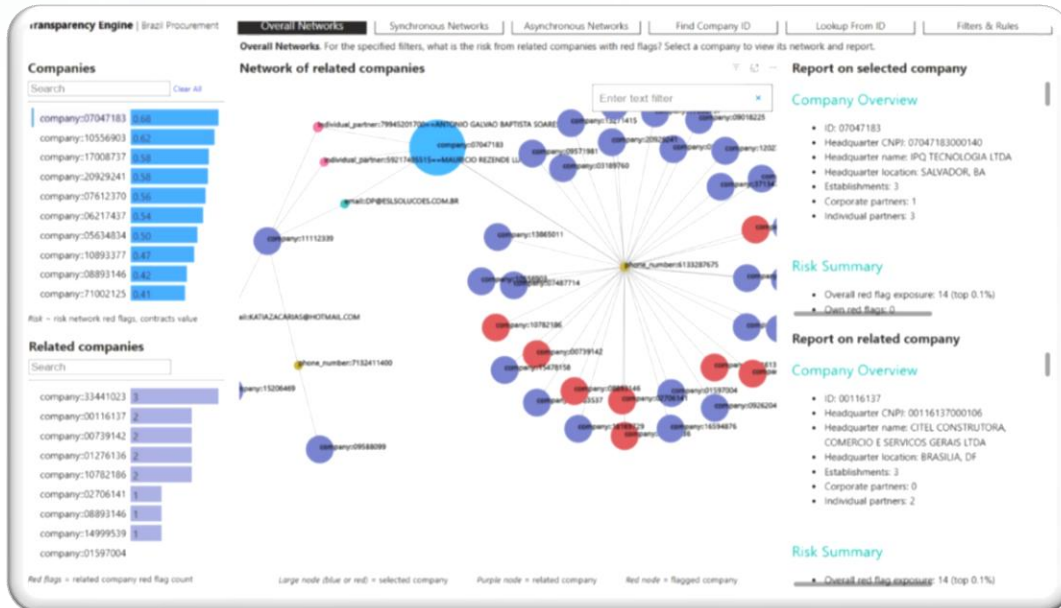
- Post Audit
- CTC/e-Invoicing mandate
- In transition

2030

SOVOS



'Big Brother' or Guardian Angel?



Continuous Controls



Social and Economic Policy

Business transactions are a rich source for public policy...



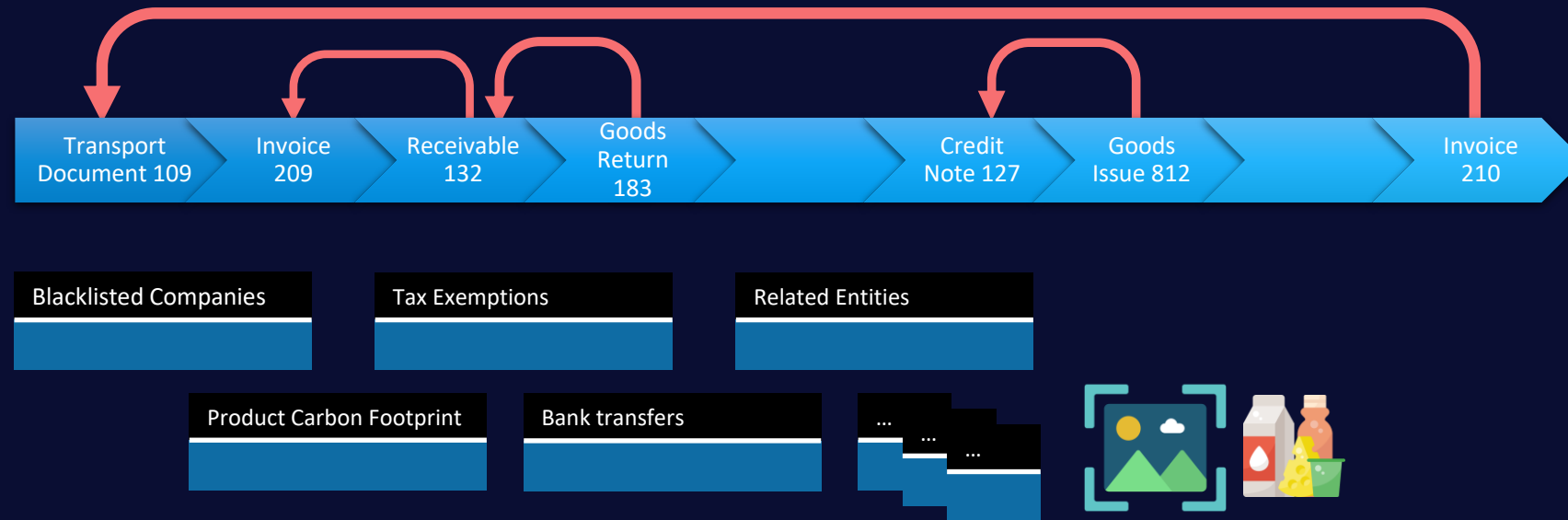
Assuming a normal **business process**

Let's imagine a neural network model for it ...



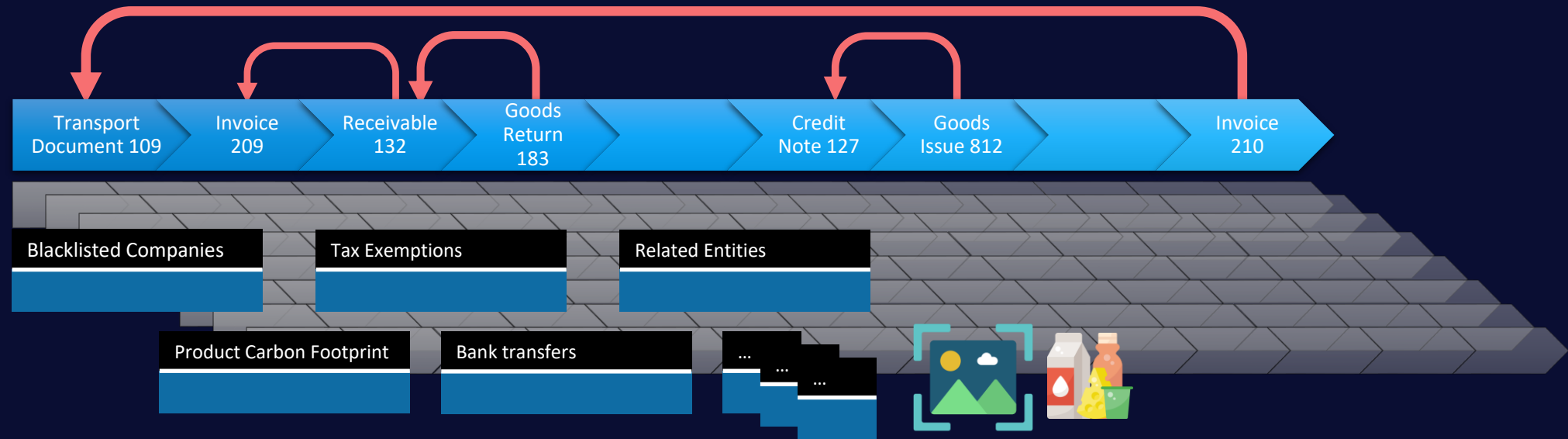
Assuming a normal business process +
Add **dependencies and memory** ("attention is all you need")

Let's imagine a neural network model for it ...



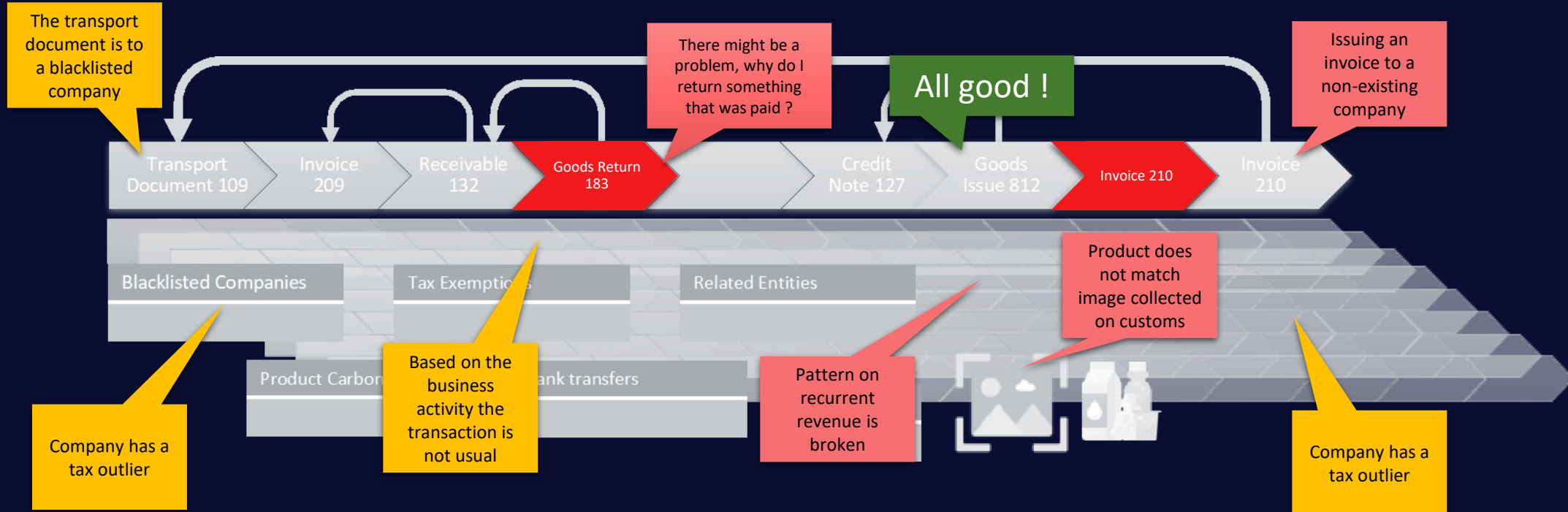
Assuming a normal business process +
Add dependencies and memory ("attention is all you need") +
Add **external context and unstructured data**

Let's imagine a neural network model for it ...



Assuming a normal business process
Add dependencies and memory ("attention is all you need")
Add external context and unstructured data
Add **millions** and **millions** of transactions from **millions** of companies

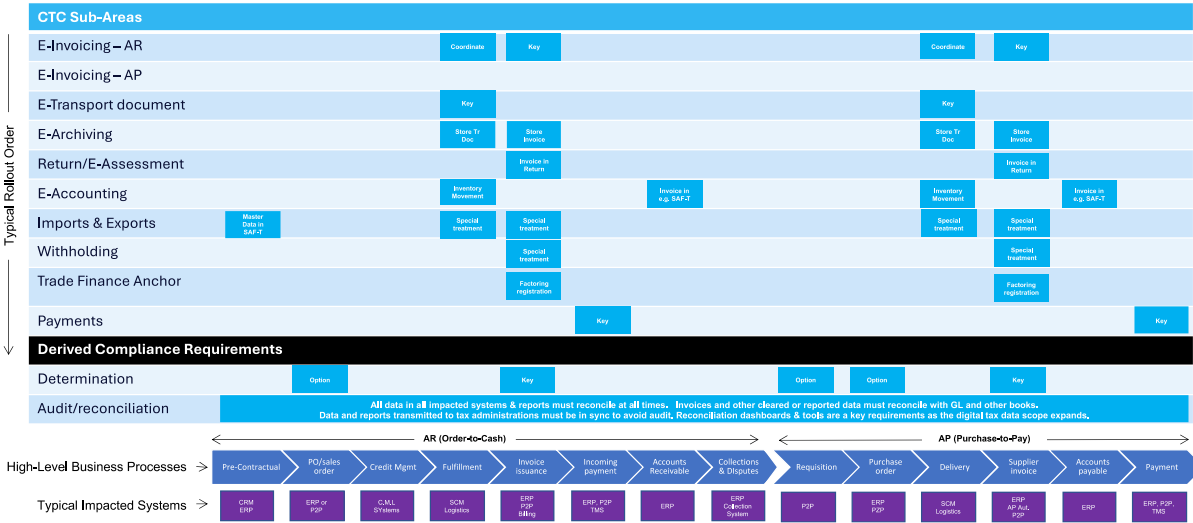
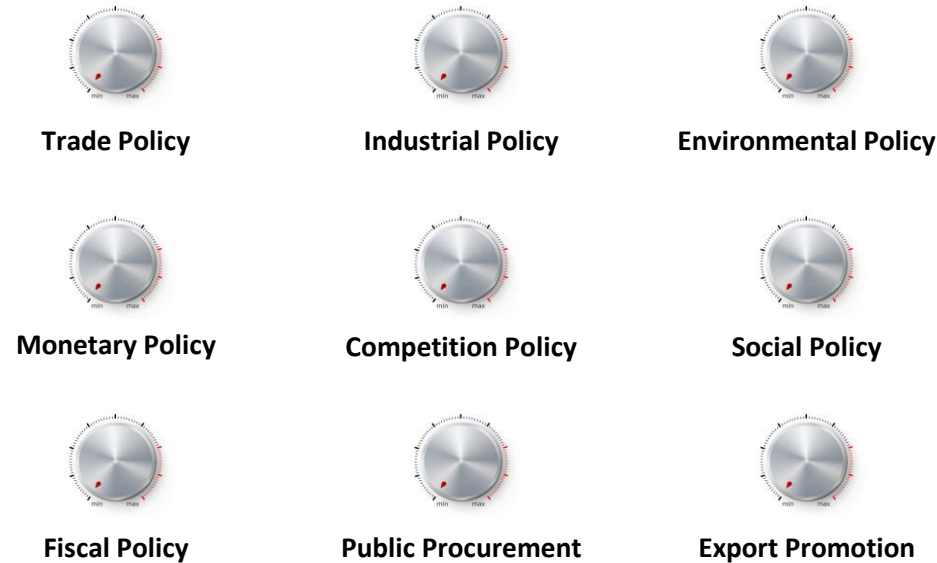
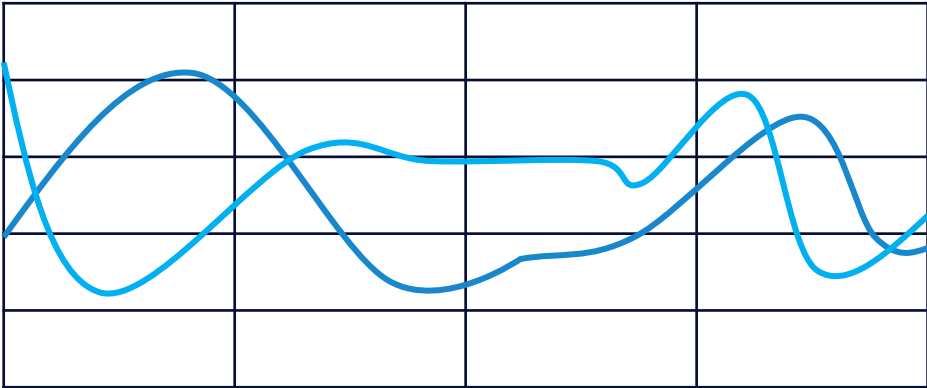
Let's imagine a neural network model for it ...



SOVOS

A policy goldmine

Tax-driven CTC is driving a revolution in data-driven government



- + Documents
- + Data per document
- + Systems and processes impacted
- + ‘Right the first time’

- ↪ Declarative flows
- ↪ Burden of proof

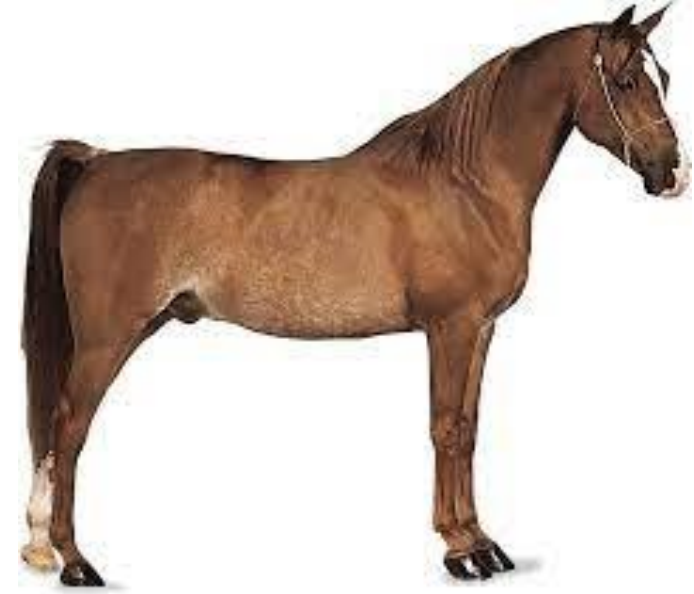
Data Scope: Not Business as Usual



10
Payment



10^2
Business (EDI)
invoice

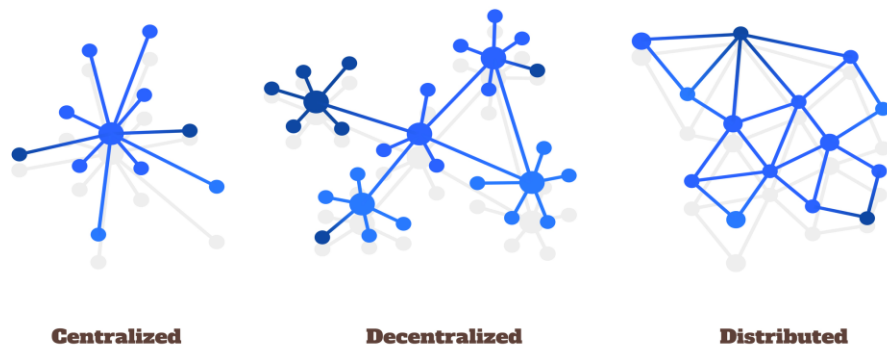


10^3
Fiscal invoice
format

Forced network democratization

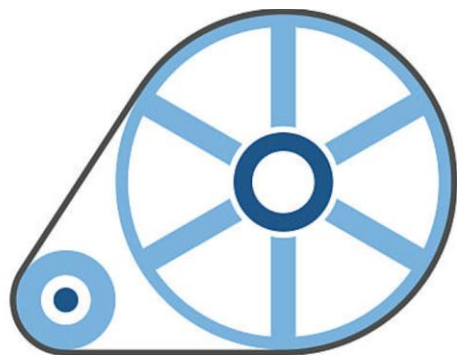
A data-driven society requires better data

- Industrial Policy
- Competition Policy
- Public Procurement
- Trade Policy
- Monetary Policy
- Fiscal Policy



Better Data

More Data



- + Autonomy for SMBs
- + Integrated compliance
- + Automation

- Private networks
- Trading partner onboarding

Immeasurable Complexity...



Multiple data formats



Bidirectional messaging



B2B, B2C, B2G



Transport documents



Payment statuses















Many models



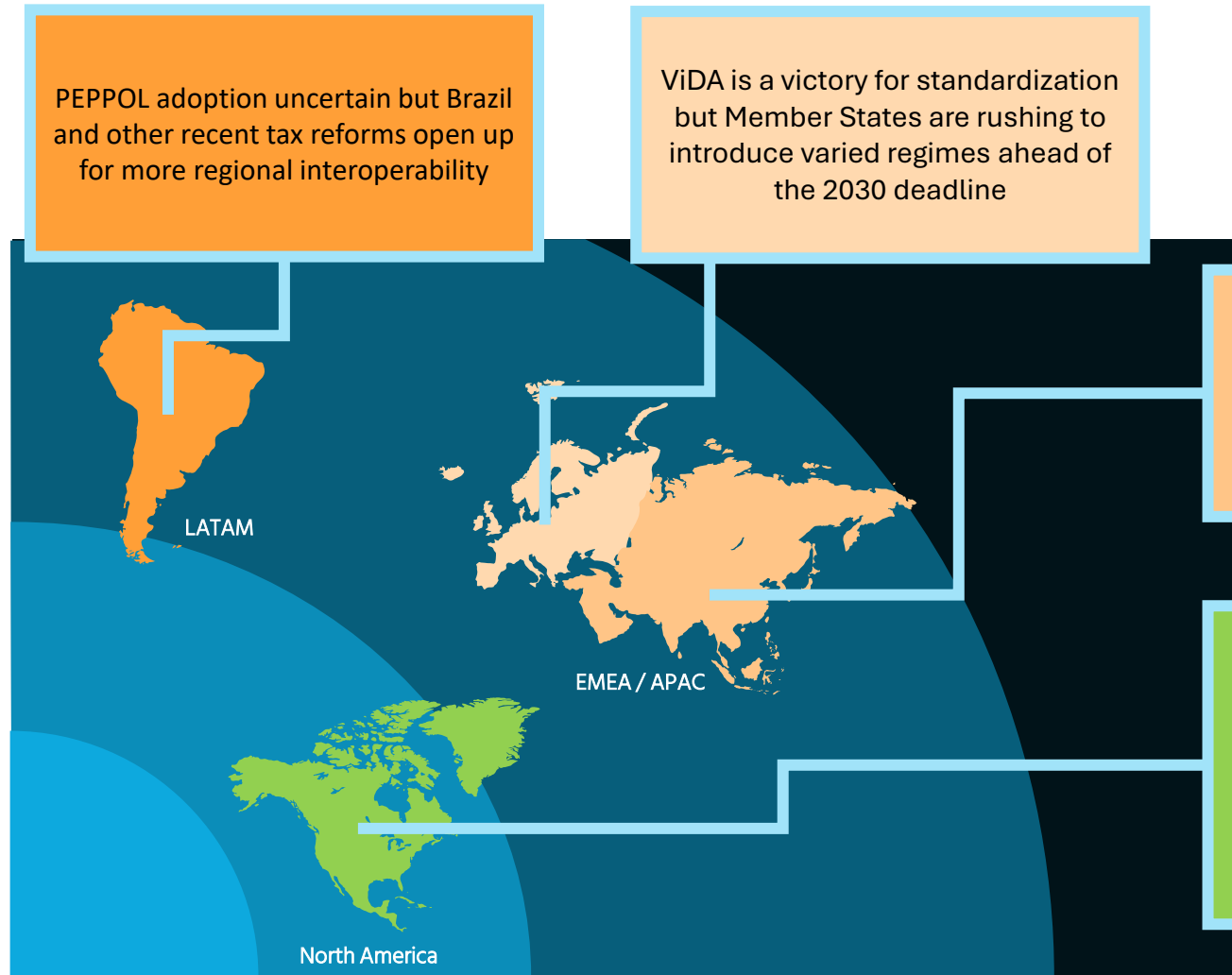
Archiving

...where change is the only constant....

	Continuous Transaction Controls	Periodic Controls	Ex Post Controls
Centralized Exchange			
Direct / Unregulated			
4 Corner Model			
5 Corner Model			
Other Exchange Models			

More Data

Taxpayer-to-TaxAdministration



Supplier-to-Buyer

Better Data

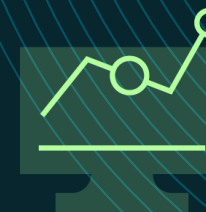


Always-On Tax Transformation

	Continuous Transaction Controls	Periodic Controls	Ex Post Controls
Centralized Exchange			
Direct / Unregulated			
4 Corner Model			
5 Corner Model			
Other Exchange Models			



Business



Efficiency

Accelerating Tech Transformations

Financial Supply Chain



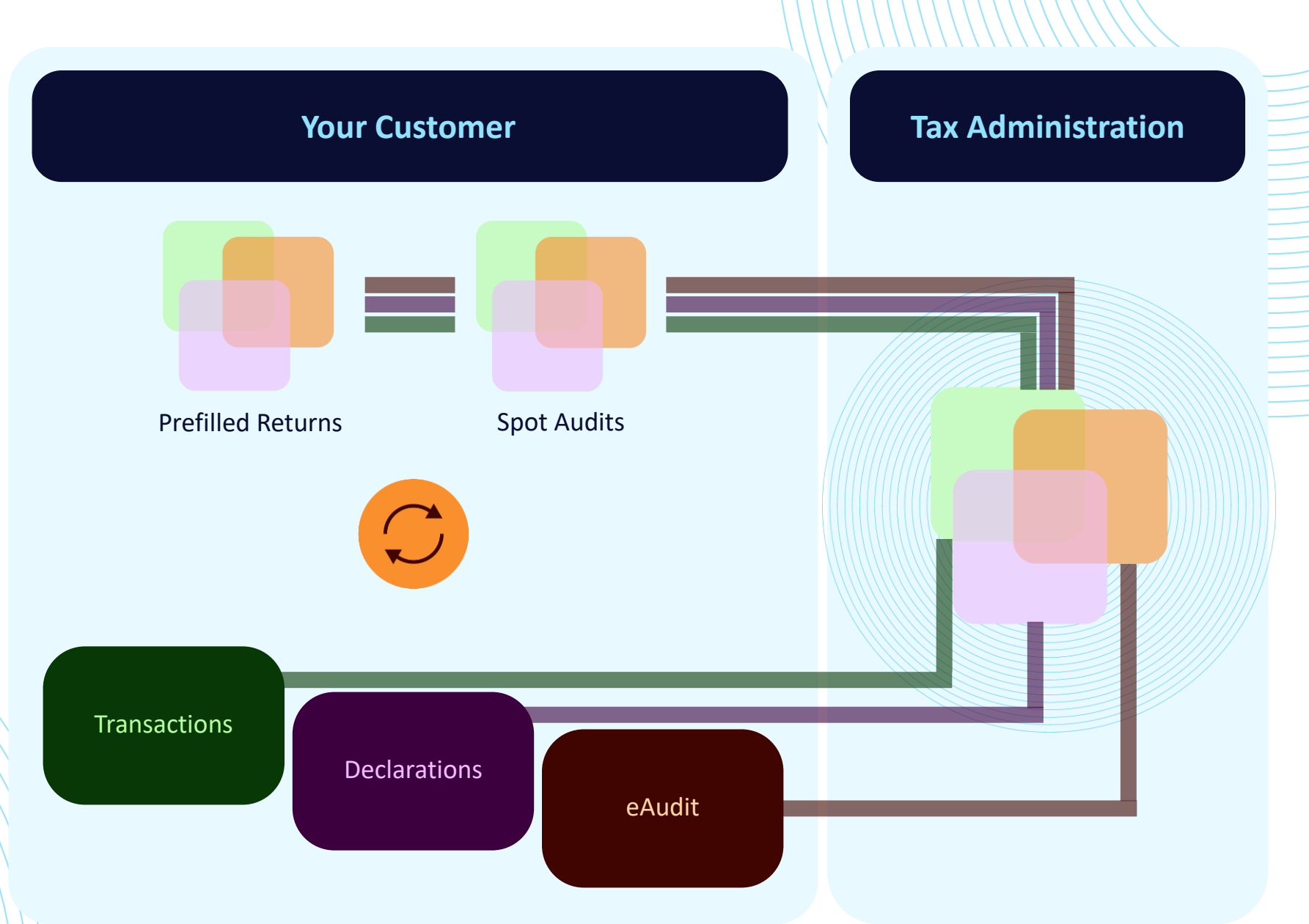
Physical Supply Chain

- ✓ Artificial Intelligence
- ✓ ERP Migration
- ✓ Quantum Computing

The **Plumbing** Approach to Tax Digitization Mandates

Disparate compliance solutions separately report data pertaining to the same business operations.

Their data is impossible to harmonize & triangulate: loss of control over compliance.



sovos

Countries with pre-filling capabilities

EMEA

Albania

Croatia

France

Greece

Hungary

India

Indonesia

Italy

Portugal

Spain

Turkey

LATAM

Chile

Ecuador

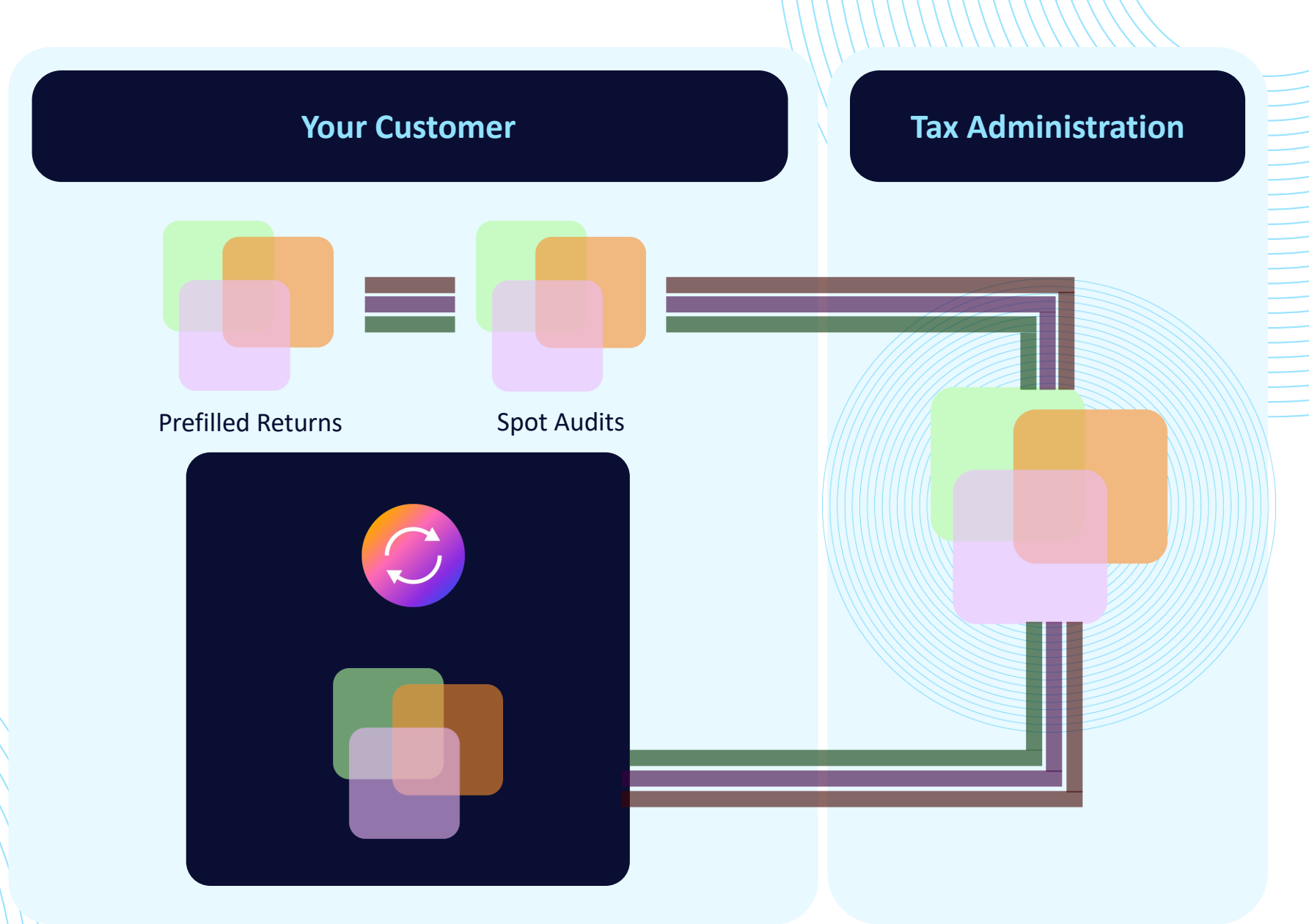
Peru

Mexico

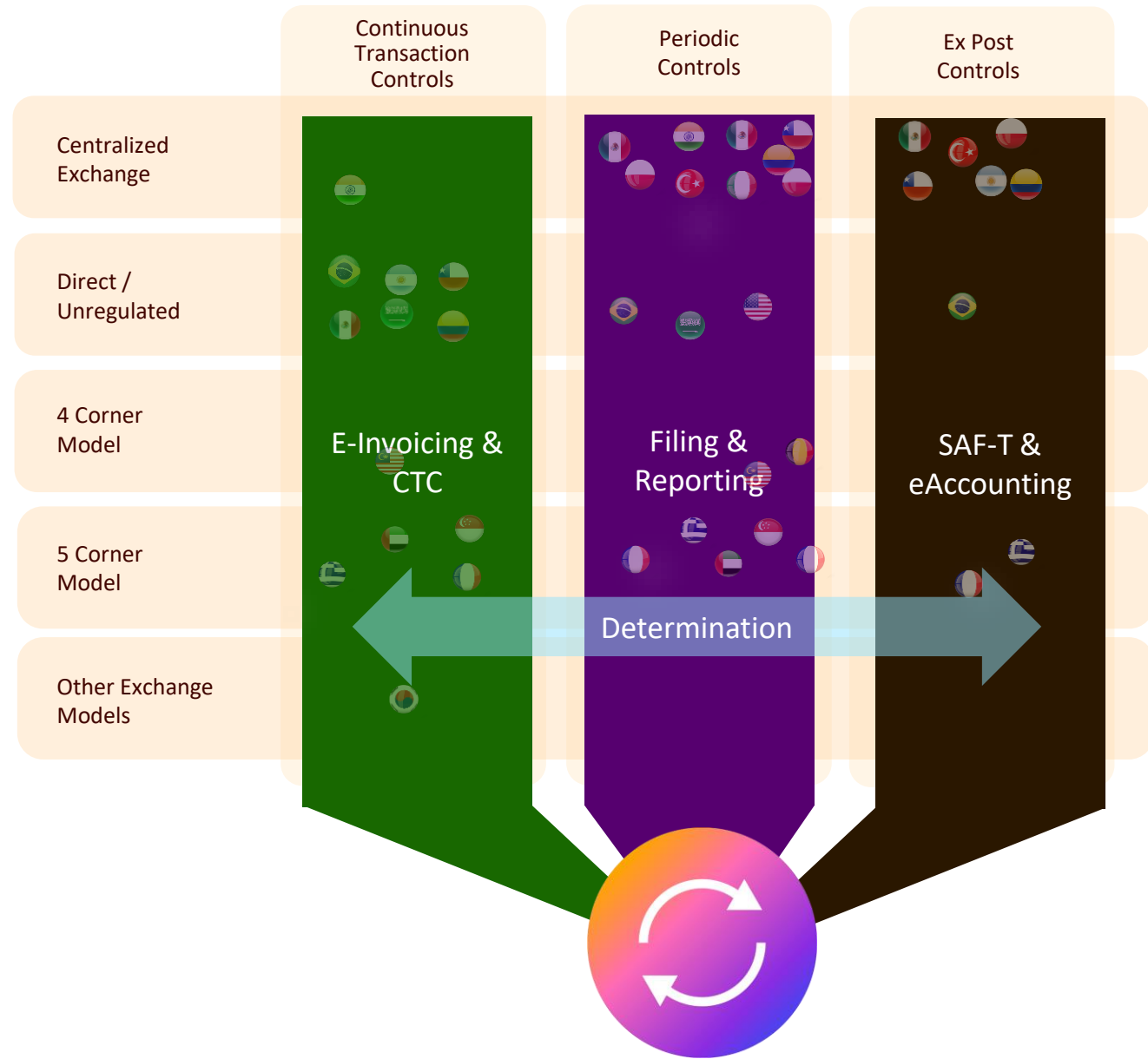


The **Meaning** Approach to Tax Digitization Mandates

Aim for an integrated indirect tax suite that powers mirror visibility, a 360° defense against the tax administration, and that can become the sweet spot for cohesive business analytics



You need **360°**
intelligent
coverage across
the indirect tax
spectrum



A common RFP error

Don't let the tax administration design your enterprise systems



“I want one global vendor that can do all my global AP and AR automation which maintains its own always-on indirect tax compliance globally”



Compliance

Precondition for existence

Always-On Tax Transformation

30 mandates in the next five years

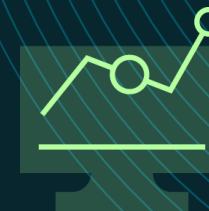
	Continuous Transaction Controls	Periodic Controls	Ex Post Controls
Centralized Exchange			
Direct / Unregulated			
4 Corner Model			
5 Corner Model			
Other Exchange Models			



Business



Loosely coupled
to offer the best
of both worlds



Efficiency

Precondition for survival

Accelerating Tech Transformations

Financial Supply Chain



Physical Supply Chain



Artificial Intelligence



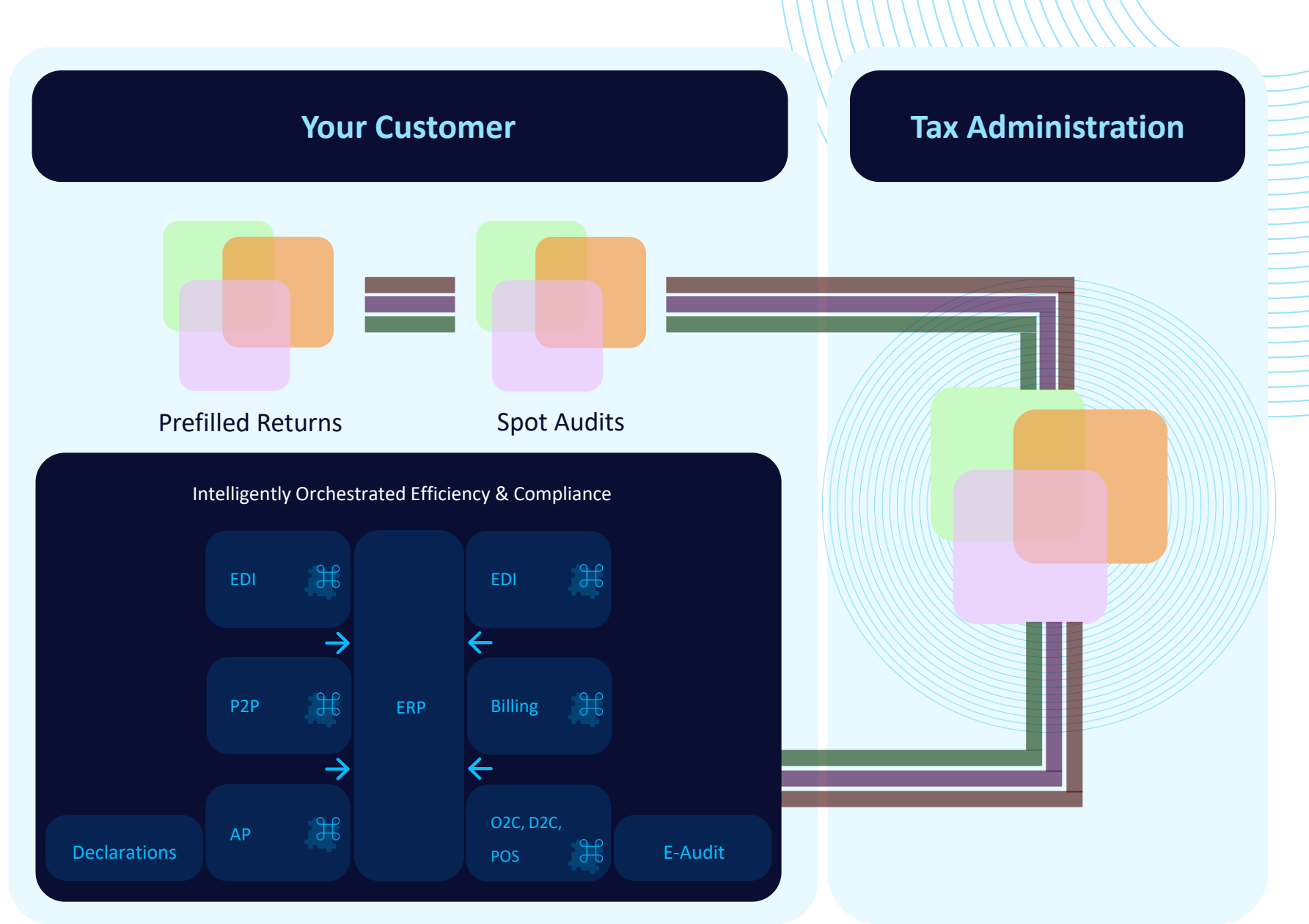
ERP Migration



Quantum Computing

**Composable
architecture
thinking:**

**use modern
technology to
avoid the
strategic cost of
lock-in to all-in-
one stop-gap
solutions**



Strategy: use trends for strength



open networks

Understand impact on trading partner onboarding and broader automation opportunities



mirror visibility

A key objective and design principle to ensure a consistent indirect tax platform approach



loose coupling

Don't let the government design your software – bundling it is bungling it



force for growth

Use high-quality structured tax data push as a platform for 360 degrees business insights

Thank you

