30 ◂ ADVISORY

STUDY · TAX COMPLIANCE · OUTLOOK 2027–2035

The future of tax compliance: eight challenges for the next decade

Tax authorities are moving from reading returns to reading transactions — as they happen. What that shift means for companies between now and 2035, the eight challenges it creates, and a practical path to staying ahead of it.

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Audience
CFOs, heads of tax, finance transformation & IT leaders

Scope
Indirect tax, reporting and transparency — EU focus, global view

Platform
SAP S/4HANA · SAP ERP · SAP DRC

Status
17 October 2026

Survey figures are quoted as published by their authors; regulatory dates reflect public information at 17 October 2026 and some are announced but not yet law — they are marked as such. This study is general information, not tax or legal advice.

01 Executive summary

The whole study on one page

For a century, tax compliance meant **declaring**: close the period, prepare a return, file it. The next decade replaces declaration with **observation**. Authorities will see invoices, payments and ledgers as they happen, compare them across sources, and use AI to decide where to look. The return does not disappear — it becomes the last check on data the authority already holds.

1 Jul 2030
EU digital reporting for intra-EU B2B starts under ViDA; national systems converge by 2035

69% + 24%
tax administrations using AI in 2023, plus those implementing it (OECD, 58 jurisdictions)

37%
of companies strongly confident in their master data for tax (Vertex, 2026)

28%
of tax-administration staff aged 55+ — the talent squeeze hits both sides (OECD)

The eight challenges

	CHALLENGE	PEAK PRESSURE	WHO FEELS IT FIRST	IMPACT
1	**Fragmentation before harmonisation** Until 2035, every country keeps building its own model	2026–2035	Group tax, IT	HIGH
2	**The data becomes the return** Every field is read twice — by the customer and by the state	From each go-live	AR, AP, master data	VERY HIGH
3	**Payments become tax data** When and how you paid is now reportable	2027–2030	Treasury, AP	HIGH
4	**One transaction, many reports** Inconsistency between reports becomes the audit trigger	Now, rising	Tax reporting, controllers	VERY HIGH
5	**AI on both sides of the table** Authorities' risk engines may outpace companies' controls	2027 onwards	Tax, internal audit, IT	HIGH
6	**Beyond VAT** Minimum tax, transparency, crypto and carbon widen the perimeter	2026–2028	Group tax, trade	HIGH
7	**The technology clock** ERP support dates and mandate dates collide	2027–2030	CIO, CFO	VERY HIGH
8	**People and ownership** Fewer experts, more data, unclear owners	Continuous	CFO, head of tax	HIGH

Impact is 30 Advisory's assessment for a typical multi-country European group on SAP.

THE CORE MESSAGE

The winners of the next decade will not be the companies with the most country connectors. They will be the ones whose **data is right once, at source** — so that every report, to every authority, tells the same story.

WHAT TO DO IN THE NEXT 18 MONTHS

1. Map every entity against mandates and ERP support dates
2. Name one owner for tax data across tax, finance and IT
3. Measure rejection and reconciliation gaps — now, while cheap
4. Design one data model for invoices, payments and reports

02 From returns to data

How tax administration is changing underneath the rules

Individual mandates — an e-invoicing law here, a reporting file there — are symptoms of one larger shift. The OECD calls the destination **Tax Administration 3.0**: tax built into the systems businesses already use, with compliance checked as transactions happen rather than months later.

YESTERDAY

Declare

- Periodic returns, filed after the close
- Audit years later, on samples
- Paper or PDF invoices
- The taxpayer holds the data

TODAY

Submit data

- E-filing, SAF-T files, invoice ledgers (SII, myDATA)
- E-invoicing mandates spreading — close to 100 countries
- Pre-filled returns for individuals (~90% of administrations)
- Data matching across sources

2030 AND BEYOND

Be observed

- Transaction-level reporting in near real time (ViDA DRR)
- Validation before the invoice is legally valid
- Payments, statuses and ledgers cross-checked
- AI decides where to look; the return confirms

What the authorities already do

- **AI is mainstream:** 9% of administrations used AI in 2016; 69% did in 2023, with another 24% implementing it (OECD Tax Administration 2025, 58 jurisdictions).
- **Real-time validation pays:** Denmark's checks block over a million changes a year — the OECD cites a difference of about €150M between rejected submissions and final assessments.
- **Arrears are rising:** around €2.7 trillion outstanding at the end of 2023, up from €1.5 trillion in 2014 — a strong incentive to prevent errors rather than chase them.
- **The VAT gap is still large:** €128bn in the EU in 2023 (European Commission).

What it means for companies

- **Errors surface immediately** — a rejected invoice, a mismatch notice — instead of in an audit three years later.
- **The cost moves upstream:** from audit defence to data quality, master data and process design.
- **Tax becomes operational:** billing, accounts payable and treasury now produce tax evidence every day.
- **Consistency is the new compliance:** the same transaction must tell the same story in every report.

Tax administrations: how far digitalisation has gone

OECD, Tax Administration 2025 — 58 jurisdictions, latest data for 2023



SENTIMENT IS COOLING

Deloitte's 2026 Global Tax Policy Survey (1,010 leaders, 28 jurisdictions) found optimism about e-invoicing fell from **59% to 36%** since 2024, while 84% expect more tax disclosure within two to three years. Companies are learning that real-time compliance is harder than the brochures suggested — which is exactly why preparation now pays.

03 The calendar, 2026–2035

Selected dates for European groups — status at 17 October 2026

VAT e-invoicing & reporting · DIRECT minimum tax & transparency · TRADE customs & carbon · TECH ERP & AI rules

ANNOUNCED not yet law

2026

VAT Belgium and Croatia B2B live (Jan) · Poland KSeF live (Feb/Apr) · France live for large and mid-size (Sep) · Spain B2B order in force (6 Oct)

DIRECT First Pillar Two GloBE information returns (30 Jun) · DAC8 and CARF crypto data collection starts (Jan) · first EU public country-by-country reports due (31 Dec, calendar-year groups)

TRADE CBAM definitive period (Jan) · EU customs reform adopted; €3 duty on low-value parcels (Jul)

TECH AI Act transparency duties apply (Aug)

2027

VAT Germany issuing for turnover > €800k (Jan) · UAE e-invoicing (Jan) · France SMEs (Sep) · Spain B2B > €8M (6 Oct)

DIRECT First CARF/DAC8 exchanges · Pillar Two simplified ETR safe harbour generally applies

TRADE First CBAM annual declaration and certificate surrender (30 Sep)

TECH AI Act high-risk duties (2 Dec) · **SAP ERP 6.0 mainstream maintenance ends (31 Dec)**

2028

VAT Germany: all businesses issue (Jan) · Poland KSeF fines (Jan) · ViDA: wider OSS, platform rules, reverse charge for non-established suppliers (1 Jul) · Spain B2B for all (6 Oct) · ANNOUNCED Belgium e-reporting (Jan) · Spain VeriFactu (Oct)

TRADE EU Customs Data Hub mandatory for e-commerce (1 Jul)

2029

VAT ANNOUNCED UK mandatory e-invoicing (Apr) · Germany voluntary reporting pilot

2030

VAT ViDA platform deemed-supplier rule mandatory (1 Jan) · **ViDA digital reporting for intra-EU B2B; recapitulative statements replaced (1 Jul)** · ANNOUNCED Germany domestic digital reporting (1 Jul)

TECH SAP ERP 6.0 extended maintenance ends

2033

TECH End of support under SAP's ERP private edition transition option (eligible customers)

2035

VAT National reporting systems introduced before 2024 must converge with the EU model (1 Jan)

Sources on page 10. Dates move often: confirm per entity and jurisdiction before planning.

2027 is the crunch year

Germany, France, Spain and the UAE expand their mandates while the SAP ERP 6.0 mainstream maintenance window closes and the first CBAM bill arrives.

2030 is the pivot

Intra-EU reporting goes digital, and Germany plans its domestic system for the same day. Cross-border flows become as visible as domestic ones.

2035 is the horizon

Harmonisation arrives late. Until then, groups live with national models that differ in format, timing, statuses and penalties.

Three ways the decade could unfold

Dates keep slipping

Spain's VeriFactu has moved four times; Poland deferred KSeF fines to 2028. Groups that wait for certainty end up compressing projects into the final months, at premium rates.

PLAN ON THE LEGAL DATE

Convergence comes early

Germany plans its domestic reporting for the same day as ViDA in 2030; Spain is aligning VeriFactu with B2B e-invoicing. A standards-based template absorbs this; country patches do not.

BUILD ON STANDARDS

Data-driven audits arrive

With transaction data, payment statuses and AI, authorities can query inconsistencies within weeks. Companies that reconcile monthly answer in days; others rebuild history.

RECONCILE BEFORE THEY DO

04 Challenges 1–2: fragmentation and data

The structural problems

CHALLENGE 1 Fragmentation before harmonisation

ViDA sets a common EU destination, but only for cross-border trade from 2030 — and existing national systems have until 2035 to converge. Meanwhile each country keeps building its own model: clearance in Poland, approved platforms in France, Peppol in Belgium, a public solution in Spain, and a planned five-corner model in Germany.

~100
countries with e-invoicing mandates implemented or announced (Vertex, 2026)

9 yrs
from today to full EU convergence (2035)

WHY IT'S HARD

- Different formats, statuses, deadlines and penalties per country
- Each go-live built as a one-off project, often with a different provider
- Rules keep moving: 44% say they change too fast to manage (Sovos)

FIRST MOVES

- One inventory of entities, mandates and dates, maintained centrally
- A group template: one design, country variants as configuration
- Prefer standards (EN 16931, Peppol) over local workarounds

BY 2030, GOOD LOOKS LIKE One group template; a new country is configuration, not a project.

IN SAP SAP DRC gives one framework for country scenarios — the value is in a template that adds the next country as a scenario, not a project.

CHALLENGE 2 The data becomes the return

When authorities receive invoices as structured data, every field is read twice: once by the customer and once by the state. A wrong VAT number, address or tax code is no longer an internal matter fixed at the close — it is a rejected invoice, a blocked payment or a mismatch notice, on the day it happens.

43.5%
of one French e-invoicing flow type rejected on 10 Sep 2026, days after go-live (vatcalc, citing operational data)

91%
say their data sits in too many silos (EY, 2025)

WHY IT'S HARD

- Master data was built for printing invoices, not for machine validation
- Data is owned by sales, procurement and finance — not by tax
- Only 37% are strongly confident in their tax master data (Vertex)

FIRST MOVES

- Validate VAT IDs continuously, not once at onboarding
- One partner, one record: no duplicates, one legal name and address
- One tax-code logic across all company codes

BY 2030, GOOD LOOKS LIKE Data validated at source; rejection rates measured and near zero.

IN SAP Business partner data, tax determination and DRC validations form one chain; fixing data at source in the ERP is far cheaper than correcting rejections downstream.

SIGNALS TO WATCH

Germany's reporting legislation (from 2027) · Belgium's e-reporting decree (expected early 2027) · the revised EN 16931 standard · ViDA implementing rules for 2030.

05 Challenges 3–4: payments and reconciliation

Where the new exposure sits

CHALLENGE 3 Payments become tax data

Reporting no longer stops at the invoice. Spain's B2B rules require the customer to report the date of full payment within four days; France tracks a "collected" status; Croatia has issuers report payments received. Meanwhile payments get faster, irrevocable and more diverse — instant transfers, ERP-embedded services such as SAP Pay, stablecoins.

4 days
for Spanish B2B customers to report the full-payment date (RD 238/2026)

2026
DAC8 and CARF start collecting crypto-asset data; first exchanges in 2027

WHY IT'S HARD

- Payment data lives in treasury and banking tools, not in the tax process
- Netting, partial payments and confirming break the simple "paid on" date
- New rails (stablecoins, embedded payments) bring new accounting and tax questions

FIRST MOVES

- Make clearing in finance the single source of the payment date
- Map payment scenarios: partials, netting, factoring, cross-border
- Agree a treasury policy before adopting new payment rails

BY 2030, GOOD LOOKS LIKE Payment dates and statuses flow from finance automatically, for every rail.

IN SAP Payment runs, clearing and bank statement processing feed the statuses DRC reports — treasury becomes part of the compliance design.

CHALLENGE 4 One transaction, many reports

The same sale can appear in an e-invoice, a real-time ledger (such as Spain's SII), a SAF-T file, a VAT return, the statutory accounts and, for large groups, Pillar Two data. Authorities are starting to compare them: Romania is piloting SAF-T-versus-VAT-return checks.

5+
reports that can describe one invoice

53%
of internal tax time still spent on routine tasks (EY, 2025)

WHY IT'S HARD

- Each report was built by a different project, with its own logic
- Corrections fixed in one report but not in the others
- Inconsistency, not error, becomes the audit trigger

FIRST MOVES

- Reconcile reports against each other before the authority does
- One correction process feeding every report
- Monitor reconciliation gaps as a monthly KPI

BY 2030, GOOD LOOKS LIKE Every report reconciles to the same ledger, every month.

IN SAP On S/4HANA, eDocuments and statutory reports in DRC draw on the same ledger — the foundation for a single version of tax truth.

SIGNALS TO WATCH

Spain's SPFE specifications (by Aug 2027) · embedded payment services reaching Europe · first CARF/DAC8 exchanges (2027).

06 Challenges 5–6: AI, and beyond VAT

The perimeter widens and accelerates

CHALLENGE 5 AI on both sides of the table

Authorities already use AI to select cases and spot anomalies across huge data sets. Companies are adopting AI too — to classify, reconcile and, soon, to act through agents that can approve and pay. The risk is asymmetry: an authority with years of transaction data and mature models, facing companies whose data is not yet AI-ready.

80%
say insufficient AI-ready data is a major barrier (EY, 2025)

86%
extremely or very concerned about data security in AI tools (Sovos, 2026)

WHY IT'S HARD

- AI amplifies data problems instead of hiding them
- Agents that act need controls, audit trails and clear accountability
- EU AI Act: transparency duties since Aug 2026; high-risk duties from Dec 2027

FIRST MOVES

- Fix data quality before buying AI
- Start with explainable, reviewable use cases: anomaly detection, reconciliation
- Govern agents like people: roles, limits, approvals, logs

BY 2030, GOOD LOOKS LIKE AI works on exceptions, with explainable results and logged decisions.

IN SAP Joule assistants and AI features in DRC (such as report trend analysis) depend on the same clean ledger and master data as compliance itself.

CHALLENGE 6 Beyond VAT: the reporting perimeter grows

Indirect tax is only one front. The global minimum tax produced its first information returns in 2026; EU groups publish country-by-country data from 2026; crypto platforms report from 2027; carbon and customs reforms add new declarations. Each draws on the same finance data, owned by different teams.

30 Jun 2026
first Pillar Two GloBE information returns; side-by-side package published Jan 2026

30 Sep 2027
first CBAM annual declaration and certificate surrender

WHY IT'S HARD

- Direct tax, indirect tax and trade are run as separate silos
- Rules still evolving: safe harbours, simplifications, schemas
- Only 21% felt very prepared for BEPS 2.0 reporting (EY)

FIRST MOVES

- One tax-data map covering direct, indirect and trade obligations
- Reuse the same governed data for every disclosure
- Plan reporting calendars together, not per team

BY 2030, GOOD LOOKS LIKE One governed tax-data map serves direct tax, indirect tax and trade.

IN SAP Universal Journal, group reporting and DRC statutory reporting reduce the number of places the same number is rebuilt.

SIGNALS TO WATCH

AI Act guidance before the Dec 2027 high-risk date · updated GloBE information-return schema · CBAM certificate pricing from Feb 2027 · the EU Customs Data Hub build-out to 2028.

07 Challenges 7–8: technology and people

The capacity to keep up

CHALLENGE 7 The technology clock

Compliance content is delivered as legal updates to the ERP. SAP ERP 6.0 mainstream maintenance ends on 31 December 2027, extended maintenance runs to 2030, and an option for eligible customers runs to 2033 — while the biggest mandates land between 2027 and 2030. Many groups face two clocks per entity: the mandate date and the date their ERP stops evolving.

31 Dec 2027
end of SAP ERP 6.0 mainstream maintenance

43%
name ERP integration as the top barrier to e-invoicing (Sovos, 2026)

WHY IT'S HARD

- Statutory reporting in DRC needs S/4HANA; SAP ERP gets e-documents only
- Building on the old ERP risks building twice
- Platform choices (Peppol, approved platforms, public solutions) multiply

FIRST MOVES

- Put both clocks side by side for every entity
- Decide per entity: build on S/4HANA, bridge on ECC, or accelerate migration
- Avoid custom middleware the next mandate will break

BY 2030, GOOD LOOKS LIKE Every entity on a supported platform before its mandate applies.

IN SAP Make compliance a design input of the S/4HANA programme — not a workstream added after the template is frozen.

CHALLENGE 8 People and ownership

The work is growing while the experienced people who know it are retiring — in companies and in tax administrations alike. Real-time compliance also blurs ownership: it is part tax, part finance operations, part IT, and too often owned by none of them.

61%
expect senior tax retirements to significantly impact their function (EY, 2025)

66%
expect fewer accountants entering the profession (EY, 2025)

WHY IT'S HARD

- Tax-technology skills are scarce and expensive
- Routine work crowds out the design work the future needs
- No single owner for tax data across functions

FIRST MOVES

- Name one accountable owner for tax data and e-documents
- Automate the routine to free experts for exceptions
- Build hybrid tax-and-SAP roles; document what retirees know

BY 2030, GOOD LOOKS LIKE One accountable owner; experts work on design and exceptions, not routine.

IN SAP Monitoring cockpits, clear roles and authorisations, and runbooks turn compliance into an operating routine that survives staff turnover.

SIGNALS TO WATCH

SAP maintenance and transition-option terms · cloud release cycles versus legal-change timing · professional-body moves on tax-technology skills.

08 A readiness model and roadmap

Where are you, and what comes next?

Most groups we meet sit between levels 1 and 2. The 2030 model requires level 3 for every entity in scope — and level 4 is where the cost of compliance starts to fall.

LEVEL 1
Reactive
Country-by-country fixes, each with its own provider. Rejections found by customers. Reports rebuilt in spreadsheets. No single owner.

LEVEL 2
Coordinated
Central inventory of mandates and dates. A named owner. Some standards, but data and logic still differ by country.

LEVEL 3
Integrated
One data model and tax logic in the ERP. E-documents and reports from the same ledger. Reconciliations run monthly.

LEVEL 4
Continuous
Data validated at source, statuses and gaps monitored daily, AI on exceptions under clear governance. New countries added as configuration.

A three-horizon roadmap

NEXT 6 MONTHS
See the whole picture
- Entity × mandate × ERP-clock map
- Baseline: rejection rate, master-data quality, reconciliation gaps
- Named owner and governance across tax, finance and IT

6–18 MONTHS
Fix the foundations
- Master-data remediation and continuous validation
- Group template for e-documents and statuses, incl. payments
- Compliance built into the S/4HANA plan

18–36 MONTHS
Run it continuously
- Monitoring cockpit and KPIs per country
- Cross-report reconciliation as routine
- AI on exceptions; ViDA 2030 dry run

Ten questions for the board

1	Do we know every mandate affecting every entity, and its date?	6	Do our reports tell the same story about the same transaction?
2	Who owns tax data across tax, finance and IT?	7	Where does our payment date come from, and is it reliable?
3	What is our e-invoice rejection rate, by country?	8	When does each ERP stop receiving legal updates?
4	How confident are we in our VAT IDs and tax codes?	9	Is compliance a design input of our S/4HANA programme?
5	Are we ready for intra-EU digital reporting in 2030?	10	How will we govern AI that acts on tax data?

Six KPIs to track the journey

KPI	WHAT IT TELLS YOU	LEVEL-4 TARGET
E-invoice rejection rate, by country	Data quality at the moment of truth	Below 1%
Time from rejection to correction	Whether exceptions have an owner	Same day
Master-data validity	Valid VAT IDs, addresses and tax codes	Above 99%
Cross-report reconciliation gaps	E-invoice vs ledger vs return vs SAF-T	Explained monthly
Statuses and payment dates reported on time	Whether finance feeds tax automatically	Above 99%
Countries on the group template	How much is configuration vs custom build	All in-scope countries

Targets are indicative 30 Advisory benchmarks for planning, not regulatory thresholds.

09 How 30 Advisory helps

From reactive to continuous — Prepare → Run

PHASE	WHAT WE DO	YOU RECEIVE
Prepare	Map entities, mandates and ERP clocks; baseline data quality, rejections and reconciliation gaps	Readiness heatmap and maturity score
Explore	Design one group template: data model, tax logic, e-documents, statuses and payments; route per entity	Target design and roadmap to 2030
Realize	SAP DRC configuration, master-data remediation, end-to-end tests including rejections and payments	Tested solution
Deploy	Cutover, hypercare, cockpit routines for billing, AR, AP, treasury and tax	Live, with buffer before the date
Run	KPI monitoring, cross-report reconciliation, regulatory watch across countries	Compliance as routine

Why 30 Advisory

- **Finance, tax and SAP in one team** — S/4HANA Finance architecture and SAP DRC
- **Multi-country execution** — DRC rollouts across Italy, Türkiye and Spain
- **One roadmap** — compliance, finance transformation and migration planned together
- **Founder-led** — the people who scope the work do the work

OUR SCOPE, HONESTLY

We are SAP finance and compliance advisors, not a tax law firm. Tax positions stay with your tax advisers; we turn their decisions into a working process in SAP.

Let's build together

One hour, no slides: we place your group on the readiness model and tell you where to start.

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Why companies struggle today, and how SAP DRC helps.

Country briefings
Twenty-plus mandates, from France and Spain to Brazil and India.

SAP DRC on S/4HANA and SAP ERP
The two clocks, platform by platform.

Sources

Authorities and policy: OECD, *Tax Administration 2025* (58 jurisdictions; via Academy of Tax Law and The Policy Edge summaries) · European Commission, VAT gap report (Dec 2025) and ViDA package (Council adoption 11 Mar 2025; timeline via AVASK) · OECD Side-by-Side package (5 Jan 2026, via Loyens & Loeff) · Directive (EU) 2021/2101 on public CbCR (via TPguidelines) · DAC8 and CARF (via Taxbit) · CBAM dates (Regulation (EU) 2025/2083, via Manglai) · EU customs reform (Council, Mar and Sep 2026; VATupdate, 4 Oct 2026) · Regulation (EU) 2026/1744, AI Act omnibus (via Gibson Dunn, aiacto) · RD 238/2026 and Order HAC/1028/2026 (Spain) · Germany 2030 reporting roadmap (VATupdate, 27 Sep 2026) · UK 2029 mandate (KPMG, Thomson Reuters). **Surveys:** Deloitte Global Tax Policy Survey 2026 · EY Tax and Finance Operations Survey 2025 · Sovos (Jan 2026) · Vertex (2026) · vatcalc on French go-live flows (24 Sep 2026). **SAP:** SAP ERP maintenance and transition option (SecurityBridge, e3mag) · SAP DRC scope (SAP Community, SAP Help) · 30 Advisory briefings and dossiers, Sep–Oct 2026.

General information prepared by 30 Advisory on 17 October 2026 from public sources. It is not tax or legal advice. Dates marked "announced" are not yet law; all dates, thresholds and SAP scope must be confirmed per entity, jurisdiction and software release. Survey results are quoted as published by their authors; samples and methods differ. SAP, SAP S/4HANA and other SAP products are trademarks of SAP SE; 30 Advisory is independent of SAP.

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