KDD093 - Vertex Hosting Solution and additional tools

Status	Approved
Owner	RUFFINONI, Francois
Stakeholders	ANIDO, Marcela WENNINGER-ext, Sascha

Issue

Vertex O Series software is used by the current SAP ECCs systems and will still be required for SyWay. The current solution runs on AWS as IaaS, but Vertex also delivers a "Vertex Cloud" SaaS version of the tool. This KDD aims at deciding which hosting solution would suit SyWay the best, with additional reference to some extra tools that could help with a smoother implementation and a better user experience.

This KDD does *not* include the Vertex Tax Returns tool.

Recommendation

The recommendation goes for the option B --> Vertex Cloud (i.e SaaS) solution. It will lower the internal workload without compromising on any features. Plus we recommend using the additional extra toolsets provided by Vertex in the form of the Vertex Plus Tools and the Vertex SAP Accelerator.

Both those tools will also simplify the integration between S/4 and Vertex and reduce the workload, while enhancing the user experience.

Background & Context

VERTEX is an external software used by Syensqo to calculate taxes on customer and vendor invoices for US and Canadian legal entities. Tax Rules are customized by legal entities in VERTEX, based on Syensqo's Sales and Procurement processes. The tax rules customized in VERTEX are based on directions from the Syensqo USA Tax Department. Tax Jurisdiction Codes linked to the Country/State or Province/County/City/Postal Code are assigned to US and Canadian Customer and Vendor master data in SAP. Tax jurisdiction codes also are assigned to company codes, shipping points, and storage locations for the US and CA.

When a sales order, customer invoice/credit memo, purchase order, or vendor invoice/credit memo are processed in SAP, there is a Remote Function Call (RFC) from SAP to VERTEX to determine taxability of the transaction based on the customization. If the transaction is determined to be taxable, the tax rate is determined by the tax jurisdiction code specified on the customer, vendor, or plant/delivery address master record.

VERTEX issues monthly updates for tax rule changes, tax jurisdiction code changes, and tax rate changes. These monthly updates are applied to the VERTEX development, quality, and production servers to ensure tax calculations are correct.

Other critical updates are issued by VERTEX and are applied when requested by the Syensqo USA Tax Department. Reporting functionality is provided, as are tax return filing capabilities.

We also learned that Vertex OnPremise will sunset in a near future and they are stopping selling new OnPremise licences for new S/4 customers.

Assumptions

- SyWay needs additional Vertex instances and cannot re-use the current ones in order to benefit from the simplified integration (with the different tools) and not collide with the current parameters
- It will help to start anew and not continue with some of the mistakes done in the initial design (back from Vertex first implementation)
- Vertex On-Premise will be stopped and decommissioned with the end of the respective ECCs. If migrated to Vertex Cloud already, the Vertex instances linked to ECCs will be decommissioned after SyWay Golive.
- We understood the licensing model for Vertex Cloud was foreseen to be higher than the current On-Premise (2.5 higher) so we worked on tailoring the proposal to our needs (with progressive rampup). Update after procurement negotiation the Vertex Cloud solution is now almost equivalent to the current TCO of Vertex Onpremise.
- There is no significant difference in the data migration effort between the two different hosting solutions. Considering that SyWay will build a new Vertex environment, either hosting option would entail data migration effort. This was not further considered as an evaluation critera.

Constraints

Vertex Cloud require additional licences. There is a work in progress to evaluate the possibility to reduce the Vertex RUN costs OnPremise by benefiting from the SyWay Vertex Cloud subscription.

Impacts

- Vertex Cloud will reduce the infrastructure footprint for Vertex application (only SIC servers to be installed on Syensqo Azure). Thus high-availability could be easily achieved by setting up multiple SIC servers. We will also setup SSO
- It will also help to restart from a cleaner perspective the configuration in Vertex web application.
- Workload on technical team will be lowered as the monthly updates and other significant updates will be conducted by Vertex (only SIC update to be managed by Syensqo). Technical administration will also be under Vertex' responsibility instead of Syensqo SAP Basis.
- Implementation of the 2 additional features (PLUS tools and Vertex Accelarator) will also simplify the Vertex deployment and integration for an additional but reasonable cost

Financial Impact

⚠ Following detailed negotiations between Procurement and the vendor, the financial impact between the two solutions is not significant as a decision driver. It is even expected to have a positive global impact for Vertex applications costs on SyWay + RUN. The possible RUN migration to Vertex Cloud will be studied and then handled outside of SyWay program, and will not be depicted any further in SyWay documentation

Business Rules

Options considered

Option A: IaaS/On-Premise solution

This is the current solution used by the ECCs systems. Vertex will sunset this possibility and do not propose to sell it anymore to new customers.

It is made of a 3-tier landscape (DEV+TEST+PROD). Vertex application requires a Database as a Service, a Windows server to execute the application, and the SIC component to interface with SAP backend systems.

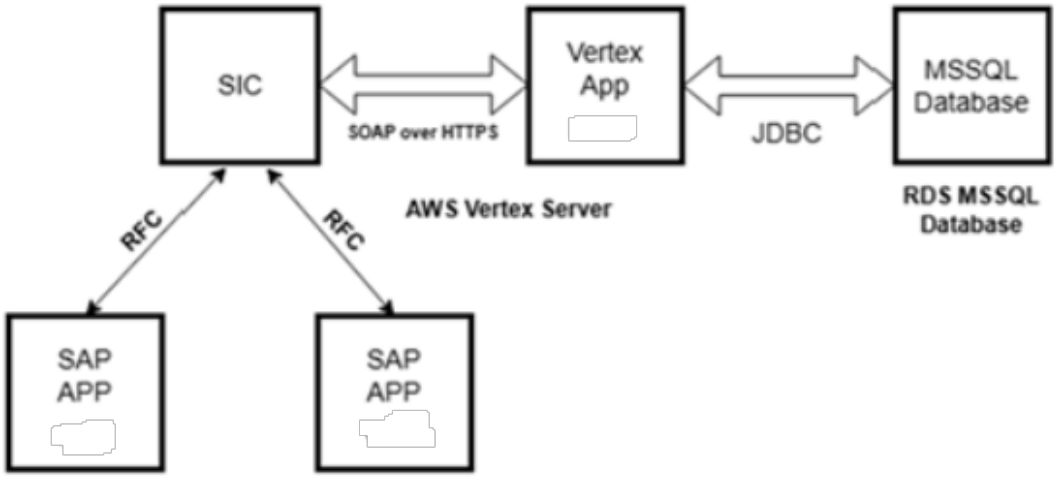
Syensqo technical teams must apply every month the update of jurisdiction codes, which requires synchronization between technical teams and application teams.

Backup/Restore policies, High Availability and DRPs are designed by Syensqo teams (today there is no high availability on premise for the application itself, it relies on AWS EC2 availability).

Syensqo teams can configure the application, load certificates of exemptions, etc, in the Vertex web access

Access is user/pwd based.

Licensing is based on company revenues.



Option B: Vertex On Demand (SaaS)

Vertex On-Demand solution is offered as a SaaS.

Vertex takes care of the monthly updates and service releases.

High availability, DRP, backups/restore are managed by Vertex .

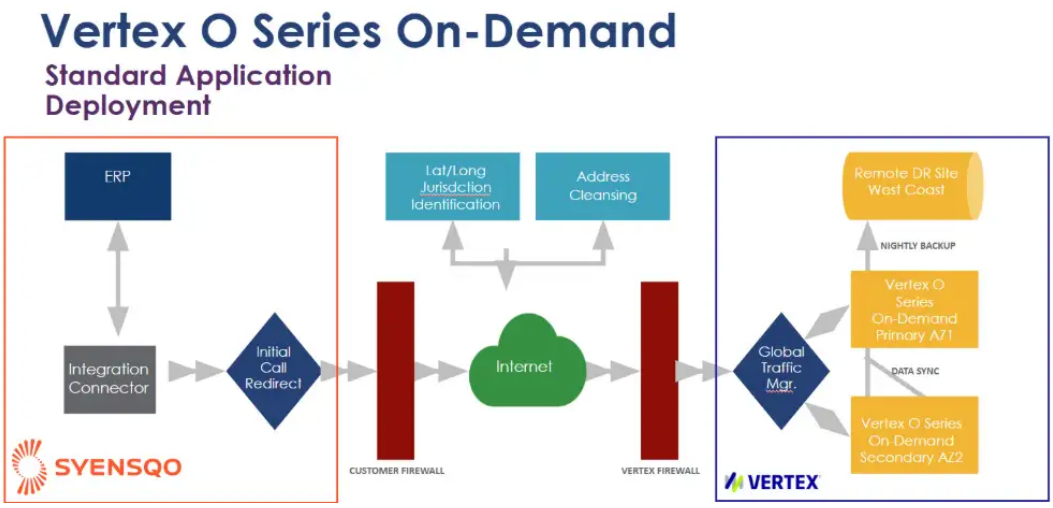
Syensqo teams can configure the application, load certificates of exemptions, in the Vertex web access. It offers the same features as the On-Premise version.

Vertex SIC component must be installed on a Syensqo server to communicate between O Series and S/4.

SSO can be integrated.

Vertex On Demand runs on AWS Frankfurt Germany with secondary in AWS Dublin Ireland. Only platform login layer and virus scan is hosted AWS US, but, there's no (data) transfer from EU to US. All TLS encrypted.

Licensing tailored to SyWay requirements and pace.



Vertex Plus Tools :

Pros

- Offers advanced customization, real-time updates, and robust accuracy, ensuring customers always receive the correct tax calculation, even in complex scenarios
- Ensures up-to-date compliance with global and local tax regulations; automatically updates tax rates and rules as regulations change
- Provides detailed audit trails for transparency

Cons

- Higher license cost
- Change management (improved business processes, so positive on long term)

Vertex Accelerator :

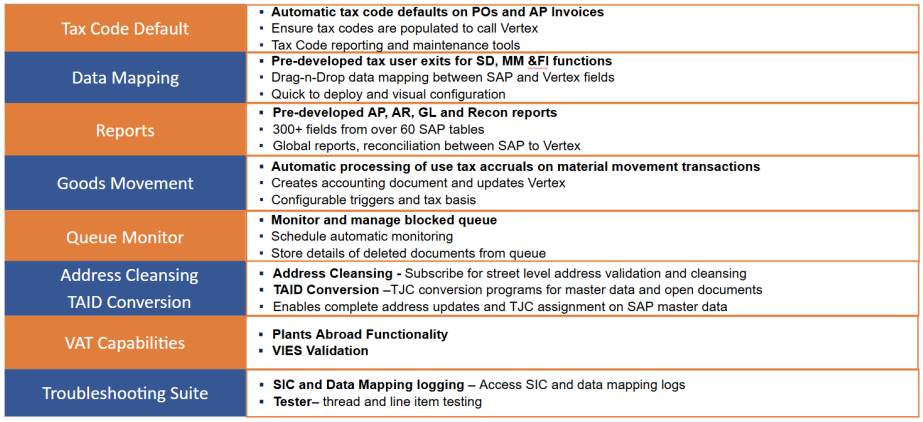
Pros

- It's a suite of pre-built ABAP programs that are installed, activated and configured.
- Addresses most common SAP tax gaps and replaces the need for custom development in SAP
- Faster deployment compared to building a custom integration
- Less need for in-house tax expertise required

Cons

- Higher license cost (to be discussed at contract time)
- Vendor lock-in => more dependency on Vertex. (Mitigation: Vertex has been a good solution for Solvay and now for Syensqo, re-selected via another KDD, worldwide top software provider for US indirect tax)

What is in the Accelerator?



Evaluation

	Option A	Option B
Vertex O Series features and UX	⊕ Same (Accelerator and PLUS Tools possible) ⊖ Sunset in the near future	⊕ Same (Accelerator and PLUS Tools possible)
Installation and configuration	⊖ Several components	⊕ One single component
Regular maintenance	⊖ To be done by Syensqo IT	⊕ Managed by Vertex for everything but SIC updates
Infrastructure footprint, HA, DRP...	⊖ HA based on Azure VMs, located in a single region	⊕ HA and cross-regional DRP provided by Vertex + Syensqo HA with SIC
Licensing	Based on Syensqo Inc yearly revenue	

See also

File	Modified
PDF File Approval by Frank Bolata.pdf	Apr 30, 2026 by WENNINGER-ext, Sascha
PDF File Feedback and endorsement by Marcela Anido.pdf	Apr 20, 2026 by WENNINGER-ext, Sascha
PDF File Deemed endorsement by stakeholders.pdf deemed endorsement after no comments were received	Apr 20, 2026 by WENNINGER-ext, Sascha

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Change log

Version	Published	Changed By	Comment
CURRENT (v. 32)	**Apr 20, 2026 14:20**	**WENNINGER-ext, Sascha**	Updated following feedback from Marcela Anido
v. 31	Feb 18, 2026 09:38	**RUFFINONI, Francois**	

v. 30	Feb 16, 2026 16:51	**RUFFINONI, Francois**
v. 29	Jan 23, 2026 08:16	**RUFFINONI, Francois**
v. 28	Jan 22, 2026 09:25	**RUFFINONI, Francois**
v. 27	Jan 19, 2026 15:29	**WENNINGER-ext, Sascha**
v. 26	Jan 14, 2026 15:37	**RUFFINONI, Francois**
v. 25	Jan 14, 2026 10:41	**RUFFINONI, Francois**
v. 24	Jan 14, 2026 07:56	**RUFFINONI, Francois**
v. 23	Jan 14, 2026 07:50	**RUFFINONI, Francois**

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Workflow history

This view shows the 5 most recent entries. The complete workflow log is available from the 'Document Activity' menu item.

Apr 30, 2026	Actor	Type	Activity	Version
Approved	WENNINGER-ext, Sascha	State	changed state to Approved at 8:35 am	v32
Pending SteerCo Review	WENNINGER-ext, Sascha	State	gave *Final Approval* approval at 8:35 am *Approved by Frank Bolata. Minutes of meeting attached*	
Apr 20, 2026				
	WENNINGER-ext, Sascha	State	changed expiry date to '04 May, 2026 02:20 pm' at 2:20 pm	
		State	changed state to Pending SteerCo Review at 2:20 pm	v32
Edited following Stakeholder Review	WENNINGER-ext, Sascha	State	gave *Minor change* approval at 2:20 pm *updated following stakeholder review*	
		State	changed state to Edited following Stakeholder Review at 2:20 pm	v32
Pending SteerCo Review	WENNINGER-ext, Sascha	Edit	updated the page at 2:20 pm *Updated following feedback from Marcela Anido*	
		State	changed expiry date to '04 May, 2026 08:25 am' at 8:25 am	
		State	changed state to Pending SteerCo Review at 8:25 am	v31