

Microsoft Globalization Studio

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Overview of Microsoft Globalization Studio and its Significance to Vertex, Inc.

Vertex, Inc.

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What Is Microsoft Dynamics 365 Finance Globalization

Overview

Microsoft Globalization Studio uses low-code capabilities to make multi-country services and content for first- and third-party apps. The service that is most interesting to Vertex is Tax Calculation. Other important services include Electronic Invoicing, Configurable Business Documents, and Electronic Reporting. When researching this paper, the focus was placed on answering the following two questions; What tax calculation options exist in Microsoft Dynamics 365 Finance Globalization services? Is there enough information to be used to scope out a project?

What is Microsoft Dynamics 365 Finance Globalization good for?

Microsoft Dynamics 365 Finance uses AI, analytics, and global management to maximize a business's financial visibility while supporting globalization. While there are many apps within the Microsoft Dynamic 365 Suite, the most beneficial to our research include Tax Calculations. Other valuable services discussed in this paper include Electronic Invoicing, Configurable Business Documents, and Electronic Reporting.

How does Microsoft Dynamics 365 Finance Globalization Tax Calculation Engine benefit businesses?

Tax Calculations- Users can complete multiple tax calculations through one API call, increasing performance, effectiveness, and efficiency for users that work with large volumes of invoices. The Tax Calculation Service improves accuracy by allowing users to inherit tax information from original transactions or to recalculate taxes based on the latest tax setup.

❗ It is important to note that Tax Calculation is a microservice-based tax engine. To use it, the user must install the Tax Calculation add-in from within their project in Microsoft Dynamics Lifecycle Services.

Important features:

- **Tax Automation-** It offers tax calculation that determines the users' sales tax group, item sales tax group, and tax codes.
- **Hyper-scalable-** the Microsoft dynamic tax calculator architecture allows users to scale according to the demands and needs of their business.
- **Fully configurable-** Users can configure the taxable data model, code, applicability matrix, or the tax calculation formula itself.
- **Integrations-** Currently, tax calculations are integrated with Dynamics 365 Finance and Dynamics 365 Supply chain. Soon it will integrate with Dynamics 365 Project Operations, Dynamics 365 Commerce, as well as first-party and third-party applications.
- **Support-** It supports multiple tax registration numbers. Automatically determines the correct tax registration number on taxable transactions.
- **Compliance-** Regulatory Configuration Service allows users to manage their local requirements through Microsoft's tax calculation engine. After integrating with the Tax Calculation add-in, users would then complete the setup in [Regulatory Configuration Service](#).

How do other Microsoft Dynamics 365 Finance Globalization Services benefit businesses?

- **Electronic Invoicing-** The Electronic Invoicing Services allows businesses to automate the issuing, submitting, and distributing of electronic invoices through the Chorus Pro integration. This is crucial as it provides compliance with France's Legal regulations and addresses Saudi Arabia's extended regulations for electronic invoices.
- **Configurable Business Documents-** Microsoft's configurable business documents allow users to download, create, or upload business document templates into their workspace. It also enables users to select specific designations through their printer management settings within their reports for all types of business documents.
- **Electronic Reporting-** Microsoft electronic reporting provides users with the tools to configure and manage electronic reports to comply with the legal requirements of various countries and regions. Users are also able to sort the results of queries, which improves the performance of electronic reporting, especially for users with copious quantities of data. Additionally, Microsoft supports Zebra Programming Language (ZPL II) output, which enables users to print using the ZPL in both TXT and XML formats; this also allows users to view and collect previously printed ZPL reports.

How does Microsoft Dynamics 365 Finance Globalization's Tax Calculation Engine work?

Microsoft's Tax Calculation Engine offers tax determination, calculation, posting, and settlement for transfer orders. To integrate with Tax Calculation, install the Tax Calculation add-in from your project in Microsoft Dynamics Lifecycle Services.

Determines-	Calculates-
<ul style="list-style-type: none">• Sales tax group• Item sales tax group• Support list codes• Customer and vendor tax registration numbers• Correct tax registration numbers on taxable transactions	<ul style="list-style-type: none">• Tax on prices when prices include taxes• Tax for transfer orders• Based on business requirements

Users can complete multiple tax calculations through one API call to increase performance, effectiveness, and efficiency for users that work with large volumes of invoices. Because the Tax engine is fully configurable, users also can inherit tax information from an original document or recalculate it to update tax information. This can be done on various transactions, including sales order return orders, credit notes, or transfer order cancellations. Key activities that are done during this API call include Setting Retrieval, Data Retrieval, Calculation Service, Currency Exchange, and Data Persistence.

Microsoft's Main Data fields include

- TaxIntegrationDocumentObject
- TaxIntegrationLineObject
- TaxIntegrationPurchTableDataRetrieval
- TaxIntegrationVendInvoiceInfoTableDataRetrieval

Links for additional information:

- More information can be found on [Microsoft API Data Fields](#) page.
- Further information is on [Microsoft's Tax Calculation Engine](#) page.

How do other Microsoft Dynamics 365 Finance Globalization Services work?

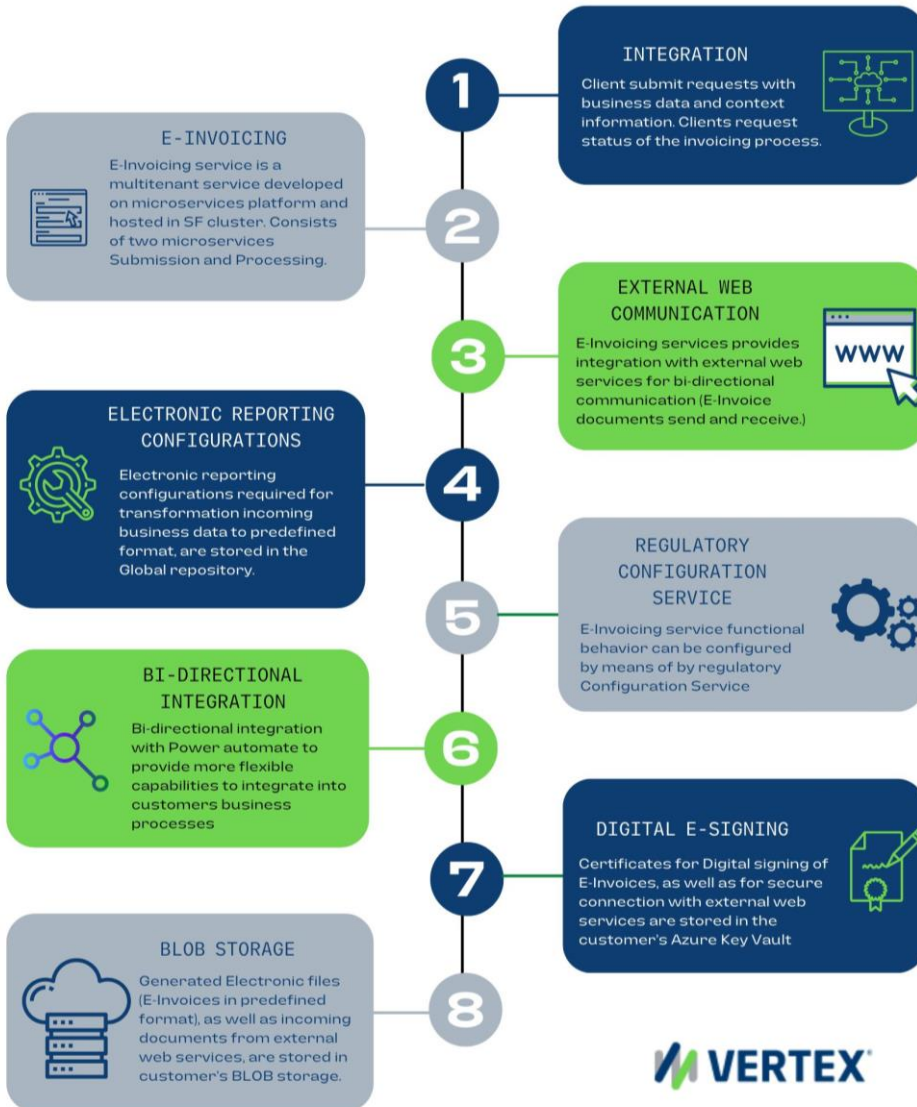
While each of the Microsoft Dynamics 365 Finance Globalization services has unique values, each works differently. Below each service will be broken down.

Commented [AC1]: Is it possible or worth putting the API data fields here?

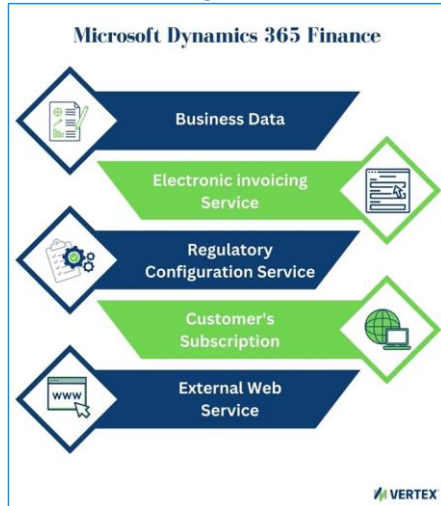
Commented [AC2R1]: Alternatively compare our API calls vs this one?

Commented [J(3R1): I found samples for the API data fields for Microsoft. Where can I find the API calls and data fields that we use?

Commented [J(4R1): Reached out to Adam today to add info on our APIs as well.



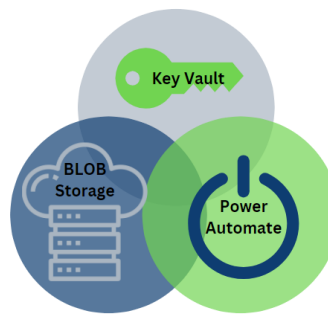
Electronic Invoicing



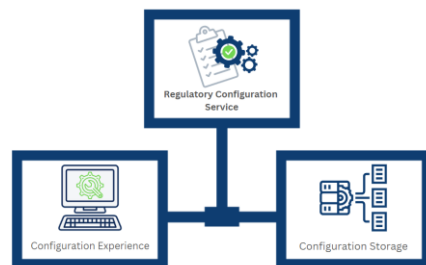
Microsoft Dynamics 365 Finance Electronic Invoicing takes your business's data and provides Electronic Invoicing. The invoicing service is integrated with regulatory configuration services that allow your invoices to remain compliant.

The customer's subscription provides powerful automation, key vault, and BLOB storage. The data is finally output

Customer's Subscription

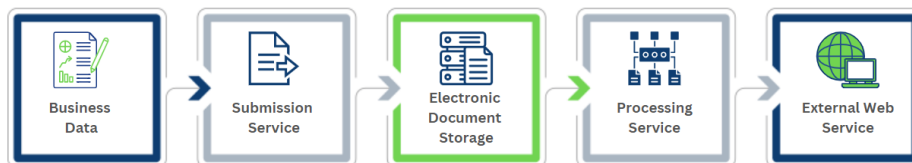


through the External Web Service.



Configuration Service includes the Configuration Experience and Configuration Storage. These allow users to input specific configurations for various regulatory entities, allowing them to remain in compliance.

E-Invoicing Components



Microsoft Globalization Studio fully automates the process of issuing and submitting electronic invoices. Integration with Chorus Pro allows businesses to automate issuing, submitting, and distributing electronic invoices. The latest update supports compliance for France and Saudi Arabia. Other countries that are supported include: Australia, Bahrain, Canada, Egypt, Hong Kong SAR, Kuwait, New Zealand, Oman, Qatar, Saudi Arabic, South Africa, United Arab Emirates, Austria, Belgium, Denmark, Estonia, Finland, France, Germany, Hungary, Iceland, Ireland, Italy, Latvia, Lithuania, Netherlands, Norway,

Commented [J(5)]: NOTE TO SELF: Add information about Chorus Pro and a link to what it is.

Poland, Sweden, Switzerland, United Kingdom, and the United States. More information on future plans for other supported countries can be found on [Microsoft Dynamic's Overview page](#).

Chorus Pro

Chorus Pro is a web app and integration that allows users to streamline invoicing from companies. It is most well-known for the fact that the French government uses it for all its public contracts and ensures that companies that use it maintain compliance with French standards. Visit [Chorus Pro's page](#) to read more information.

Configurable Business Documents

The electronic reporting framework can be used to create all types of business documents. The electronic reporting framework uses data and algorithms to define their individual electronic format structures and how these should be filled. Additionally, users can access business document templates and add them to their repository by creating or importing templates. These templates are only shown based on the user's role, allowing the system to download only some templates rather than the entire library.

Electronic Reporting

Electronic reporting allows users to configure and manage their electronic reports in compliance with the legal requirements of various countries and regions; additionally, they can sort their queries through the OrderBy function. Electronic reporting also now supports ZPL II, which is a print language that can draw various items, including barcodes, text, shapes and images from sets of commands.

Commented [A6]: This was spelled out on page 4; does it need to be spelled out here or can we just use ZPL as an acronym?

Commented [J(7R6)]: You are right. After the first reference, it should just be the acronym. Thank you!

Microsoft Dynamics 365 Finance Globalization impacting business – examples (What are public companies doing with it?)

Startup activity

Many businesses are utilizing subscriptions for their services. One of the reasons that Microsoft Dynamics 365 Finance is so popular is due to their offer of subscription billing at no additional cost. This provides startups with a way to offer their Microsoft integrated services for the cost of a simple subscription that vastly increases their revenue.

Competitor activity

Research has found that 4 out of our 5 competitors actively support and or Microsoft Dynamics integrations; one competitor offers both pre-built and custom Microsoft Dynamics integrations. The breakdown of each with their appropriate integration links can be found below.

❗ It is important to note that while our competitors use Microsoft dynamics services, they don't yet use the Tax Calculation microservice-based tax engine. This could be a differentiation.

Competitor	Microsoft Dynamics Support & Integrations	Links
Avalara	Avalara offers a supported, pre-built seamless integration available for Microsoft Dynamics.	Avalara Microsoft integration LINK
Sovos	Sovos offers Microsoft Dynamics integration and walks customers through the steps.	Sovos Microsoft integration LINK
Thomson Reuters	Thomson Reuters offers two options; pre-built or custom integrations are available for Microsoft Dynamics.	Thomson Reuters Microsoft Integration LINK
Stripe (TaxJar)	Stripe (TaxJar) does not currently integrate with Microsoft Dynamics.	N/A
Wolters Kluwer	Wolters Kluwer integrates with Microsoft Dynamics 365 for Operations, as well as Microsoft Dynamics GP and Microsoft Dynamics NAV.	Wolters Kluwer Microsoft integrations LINK

Commented [J(8)]: Note to Self: Reach out to members of our team to discuss what vertex does with Microsoft Dynamic 365 and include that here.

Commented [J(9R8)]: Andrew Polvino can point me in the right direction.

Commented [J(10R8)]: Reached out to Andrew who pointed me in the direction of Amol and Chris. I sent them a message and am waiting their reply.

Potential/in-progress Vertex projects

We have one in-progress Vertex project related to Microsoft Dynamics® 365; below are the Vertex Links to current and potential projects. It is important to note that these are proposed, and the links below should be viewed as product management content only.

Commented [J(11)]: Note to Self: Write up where we want to be next year, then run this by Anna before sending it on to review.

Commented [J(12R11)]: @Anna Nandikonda Do you mind reviewing just this page to make sure I haven't released anything from the roadmap that is strictly internal?

Product Management Content (Internal Only) Links:

- [Vertex Microsoft Dynamic 365 Roadmap Powerpoint](#)
- [Vertex Microsoft Training](#)

Is Microsoft Dynamics 365 Finance Globalization ready for adoption?

Yes, it is ready for adoption. Some features continue to be released, and the schedule can be found [here](#).

Conclusion

Microsoft Dynamics 365 has 3 options to integrate into it for tax calculation.

1. Configure the Dynamics 365 Tax Calculation engine
2. Integrate to the Dynamics 365 Tax engine
3. Integrate to Dynamics 365 outside of the Microsoft tax engine

Currently, Vertex and its competitors all integrate through option 3, but there is an opportunity to explore integrating at the level of option 1 or option 2 as well as leveraging other Finance Globalization services.

Tax Calculations

Tax calculations through Microsoft's integrations offer the ability to comply with global tax regulations, such as VAT and GST, without the complexity or frustrations that typically accompany them. The built-in tax calculation will automate the tax calculations for countries all around the world while remaining flexible enough to allow businesses to configure specific tax rules and calculations specific to them.

Other Microsoft Dynamics 365 Finance Globalization Services worth further development:

Simplified Globalization- Microsoft Dynamics 365 Finance Globalization allows businesses to expand and manage their global operations without the overwhelming complexity of the world market. This is done through Microsoft's built-in localization and regulatory support, which is well-established in over 43 countries and 48 languages.

Electronic Invoicing- Microsoft Dynamics 365 Electronic Invoicing allows businesses to reduce paperwork clutter while reducing tax fraud and accelerating the invoice process as a whole. Electronic Invoicing also reduces costs while improving the organization and traceability of invoices as they move through the process. This also provides businesses with a way to remain in compliance with regulatory systems around the world.

Configurable Business Documents- Taxes and invoices are just some of the processes that businesses are regulated within the global market. Documents are often regulated by laws depending on the country or rules that rely on the business. Configurable business documents take some of the heavy lifting of these regulations from the businesses. Microsoft offers a no-code or low-code document and report template configuration function that allows companies to create, edit, configure, and customize documents that fit within their industry and legal requirements.

Electronic Reporting- Similar to the improvements mentioned above for electronic invoicing and configurable business documents, Microsoft has also added electronic reporting to its Dynamic Finance integrations. Electronic reporting provides users with tools to configure and manage electronic reports in order to comply with the legal requirements of various countries and regions. Additionally, they have added support for ZPL II output, which allows users to print using the ZPL language in both TXT and XML formats. This also enables users to view and collect previously printed ZPL reports.

Commented [AC13]: I think Chris was also looking to see how to integrate (expanding the API section might cover it) and also how widely used in this platform.

Commented [J(14R13)]: That might warrant its own paper. The API integrations could be substantial.

Commented [J(15R13)]: If you think it should go in this one, I can definitely add it, or I can add another paper to the board. Let me know which is best.

References

Main Overview

- <https://learn.microsoft.com/en-us/dynamics365-release-plan/2022wave1/finance-operations/dynamics365-finance/globalization>

Electronic Invoicing Service

- [Electronic Invoicing service – French e-invoice integration with Chorus Pro](#)
- [Electronic Invoicing service – Saudi Arabia e-invoice integration](#)
- <https://www.youtube.com/watch?v=UKEUkspIRQ>
- <https://learn.microsoft.com/en-us/dynamics365/finance/localizations/e-invoicing-faq?context=%2Fdynamics365%2Fcontext%2Ffinance>

Configurable Business Documents

- [Configurable business documents – specific destinations via printer management settings in the reports \(phase 2\)](#)
- [Configurable business documents - business document management workspace integration with global repo](#)

Asset Management Integration

- [Russian fixed assets – integration with Asset Management lifecycle](#)

Electronic Reporting

- [Electronic reporting - order by function in queries](#)
- [Electronic reporting - support Zebra Programming Language \(ZPL II\) output](#)

Tax Calculation Service

- [Tax Calculation service – accepting multiple documents in one API call](#)
- [Tax Calculation service – inheriting origin tax information for reversal transactions](#)
- <https://cloudblogs.microsoft.com/dynamics365/bdm/2022/09/20/automating-complex-tax-scenarios-with-enhanced-tax-calculation-capabilities/>
- <https://learn.microsoft.com/en-us/dynamics365/finance/localizations/global-tax-calculation-service-overview?context=%2Fdynamics365%2Fcontext%2Ffinance>

Startups

- <https://cloudblogs.microsoft.com/dynamics365/bdm/2022/04/13/dynamics-365-finance-helps-chief-financial-officers-tackle-the-subscription-economy/>
- <https://cloudblogs.microsoft.com/dynamics365/bdm/2021/04/29/reduce-complexity-across-global-operations-with-dynamics-365/>

Competitors Integration Links:

- [Avalara Microsoft integration LINK](#)
- [Sovos Microsoft integration LINK](#)
- [Thomson Reuters Microsoft Integration LINK](#)
- [Wolters Kluwer Microsoft integrations LINK](#)