

GPT-4 ensures

Global Compliance

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Introduction

Global organizations with supply chains in various markets face the challenge of ensuring compliance with complex and ever-evolving regulatory requirements. From VAT/GST regulations to country-specific e-invoicing mandates, maintaining compliance is critical for financial accuracy and operational efficiency. However, with regulations differing from country to country and the growing volume of cross-border transactions, ensuring consistent, real-time compliance is a daunting task.

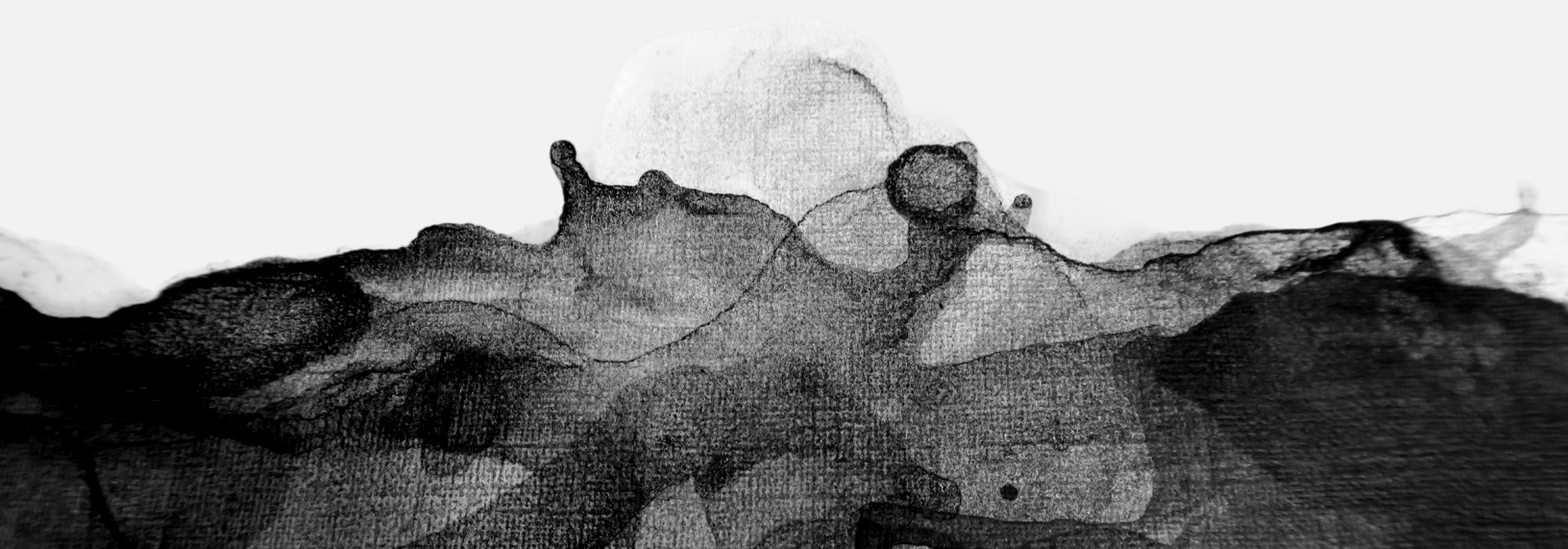
By embedding GPT-4 within the accounts payable process, NXT AP leverages the power of artificial intelligence to apply superhuman accounting capabilities, ensuring that all supplier invoices—whether received from national e-invoice networks or processed via Azure Document Intelligence—are managed in full compliance with local regulations and global standards, 24/7.

GPT-4: Superhuman Understanding of Regulatory Compliance

GPT-4, with its deep learning capabilities, has been trained on vast amounts of data, including global regulatory frameworks, industry-specific standards, and local market practices. This allows it to go beyond the capabilities of human accountants, who may struggle to stay abreast of constantly changing regulations in different countries. GPT-4 can process invoices across multiple languages, validate its content and ensure correct compliance checks in real-time, always based on the existing SAP customization.

How GPT-4 Embedded in NXT AP Ensures Compliance at a Global Level

24/7 Monitoring and Processing: With the ability to work continuously without fatigue, GPT-4 ensures that invoices are processed immediately upon receipt, regardless of time zone or working hours. This is especially important for global supply chains, where invoices are generated at all hours across different regions.



Understanding of Local Regulations: GPT-4 possesses an intricate understanding of country-specific regulatory requirements, such as VAT or GST rates, invoice content requirements, and tax exemptions. It cross-references this knowledge with the supplier invoice data received from national e-invoice networks or captured by Azure Document Intelligence, ensuring that every invoice meets the specific legal and tax requirements of the issuing country.

Multi-Language Capability: Global supply chains involve suppliers from different countries, each with their own languages, accounting standards, and regulatory requirements. GPT-4's multi-lingual proficiency allows it to accurately process invoices in over 40 languages, ensuring that compliance is maintained regardless of the country of origin. This includes everything from understanding the nature of the invoice to applying the appropriate tax regulations.

Industry-Specific Insights: GPT-4's deep learning capabilities extend to industry-specific regulations. Whether handling invoices for manufacturing, retail, pharmaceuticals, or services, GPT-4 ensures that all industry regulations—such as environmental taxes, sector-specific VAT exemptions, or compliance with ethical sourcing requirements—are applied accurately. This allows organizations to ensure that they are compliant with both local and global industry standards.

Real-Time Processing with Accurate Data Inputs

The foundation of any compliance process is the quality of the data being processed. With NXT AP, supplier invoice data is captured from two primary sources: national e-invoice networks and Azure Document Intelligence. Both sources provide reliable supplier invoice data, ensuring that GPT-4 is working with accurate and validated information. Here's how NXT AP leverages this data for compliance:

E-Invoice Networks: NXT AP integrates directly with over 30 national e-invoice networks. These networks ensure that invoices comply with local regulations before they are even sent, providing data in structured formats like XML or JSON.

Azure Document Intelligence: For image-based invoices, Azure Document Intelligence uses Computer Vision to capture line-item details, ensuring that every invoice is accurately translated into digital form. This data is immediately available for SAP to process, ensuring that even non-digital invoices are processed in real-time.

Complex Validations: GPT-4 is used for complex validations that current solutions cannot address, such as reliable line-item matching using the line-item description and the matching of payment terms.

With these data sources, NXT AP can validate 100% of supplier invoice data, allowing SAP to perform high-confidence processing in real-time. SAP applies the necessary three-way matching between purchase orders, goods receipts, and invoices, ensuring that all data is consistent and compliant before an invoice is posted.

Superhuman Consistency and Reliability

One of the key advancements with NXT AP and NXT EDGE is their ability to leverage real-time data from SAP. Traditional OCR solutions rely on outdated or incomplete data, often leading to reconciliation issues. In contrast, NXT AP accesses live data from SAP, ensuring that every invoice is matched against the most current purchase orders and goods receipts, which enhances accuracy and streamlines the matching process.

- **Consistent Standards:** By leveraging its deep understanding of both SAP and NXT AP's internal processes, GPT-4 ensures that every invoice is processed consistently according to the organization's predefined standards. This means that local variations in tax laws are handled without compromising the organization's global accounting framework.
- **Real-Time Decision-Making:** GPT-4's ability to process and analyze data in real time means that it can apply regulatory changes or company-specific rules as soon as they are implemented. For example, if a new tax regulation is introduced in a particular country, GPT-4 will automatically apply this rule to all relevant invoices, ensuring immediate compliance without the need for manual intervention.
- **Error Reduction:** Human error is a common source of compliance issues, particularly when processing large volumes of invoices across multiple regions. Combined with SAP's validation capabilities, GPT-4's ability to validate complex data and apply the correct standards ensures error-free processing and minimizes the risk of non-compliance.

Tailored Compliance for Global Supply Chains

The complexities of global supply chains—multiple currencies, varying tax jurisdictions, and intricate cross-border regulations—require a solution that can dynamically adapt to changing conditions. GPT-4, embedded within NXT AP, is uniquely equipped to manage these complexities, offering global organizations the following benefits:

Cross-Border Tax Compliance: Whether dealing with EU VAT regulations, GST in India, or withholding taxes in Brazil, GPT-4 applies the correct tax treatments based on the location of the buyer, supplier, and the type of goods or services. This ensures compliance with cross-border tax obligations without manual effort.

Supply Chain-Specific Regulations: Global supply chains often face additional compliance requirements related to customs duties, ethical sourcing, or carbon taxes. GPT-4 applies these supply chain-specific regulations automatically, ensuring that organizations are compliant with local laws as well as industry-specific standards.

End-to-End Global Compliance

NXT AP's combination of GPT-4's superhuman accounting capabilities and real-time data processing ensures that compliance is not just a local issue but a global standard. By leveraging the perfect supplier data provided by e-invoice networks and Azure Document Intelligence, NXT AP ensures that all relevant standards—whether regulatory, industry-specific, or company-specific—are consistently applied across all markets. This reduces the risk of non-compliance, enhances operational efficiency, and enables global organizations to manage their AP processes with confidence.

Additional Benefits of GPT-4 Embedded in NXT AP

Reliable Line-Item Coding Proposals for Non-PO Based Invoices: GPT-4 can provide accurate coding proposals for invoices that are not based on purchase orders, using natural language understanding to interpret the descriptions and classify costs appropriately.

- **Reliable Matching of Line-Items for PO-Based Invoices Across Languages:** GPT-4's multi-language proficiency allows it to accurately match line items for PO-based invoices, even when descriptions differ due to language variations.
- **Reliable Matching of Payment Terms:** GPT-4 ensures that the payment terms on invoices match those agreed upon in contracts, reducing discrepancies and avoiding late payment penalties.
- **End-User Support:** NXT AP, powered by GPT-4, provides intuitive support for end-users who need explanations, such as "Why did I receive this invoice for approval?" or clarifications on processing rules. This makes the AP process more transparent and user-friendly.

- **Business Partner Support:** Business partners can also benefit from GPT-4 integration, with answers to queries like "When will I get paid?" delivered promptly and accurately, fostering better relationships with suppliers.
- **Reliable Matching with Complex Terms:** In complex business scenarios, such as surcharges for transportation costs due to vehicle breakdowns, GPT-4's deep learning capabilities allow it to match and interpret these intricate terms accurately, ensuring compliance with contractual agreements.
- **Fraud Detection:** GPT-4's ability to analyze large datasets and recognize patterns helps in detecting anomalies or potential fraud in invoices, adding an additional layer of security to the accounts payable process.
- **Researching Future Uses of GPT for Process Innovation:** NXT AP is also researching innovative ways to leverage GPT technology for "text to SAP process design" and the "simulation of approval scenarios." These capabilities could revolutionize how organizations interact with SAP, making it possible to design and simulate processes using simple natural language commands.

Conclusion

NXT AP's combination of GPT-4's superhuman accounting capabilities and real-time data processing ensures that compliance is not just a local issue but a global standard. By leveraging the perfect supplier data provided by e-invoice networks and Azure Document Intelligence, NXT AP ensures that all relevant standards—whether regulatory, industry-specific, or company-specific—are consistently applied across all markets. This reduces the risk of non-compliance, enhances operational efficiency, and enables global organizations to manage their AP processes with confidence.

With NXT AP, global organizations can achieve real-time compliance, minimize risk, and ensure operational consistency across their entire supply chain. GPT-4 brings the power of AI to the world of accounts payable, making global compliance not just a goal, but a reality.

Appendix: Microsoft's Azure Data Protection and Compliance Commitment

Microsoft Azure is committed to ensuring data protection and compliance with stringent international standards. The processing of supplier invoices via Azure AI services in NXT AP adheres to Azure's comprehensive data privacy and security framework. This commitment is reflected in the following key measures:

- **Data Privacy and Protection:** Microsoft Azure adheres to stringent data privacy standards, including compliance with GDPR and other international data protection regulations. Azure's data privacy commitments ensure that customer data is used solely for its intended purpose and is handled with the utmost care and confidentiality. Additionally, Azure guarantees that customer data, including data processed by NXT AP, is never used for training purposes without explicit customer consent.
- **Data Encryption:** All data transferred between SAP and Azure services is encrypted in-flight using TLS 1.2 or higher, and data stored in Azure services is encrypted at rest using AES-256 encryption. These encryption standards ensure that data is protected from unauthorized access both during transmission and while stored.
- **Stateless Processing:** The integration of Azure AI services follows a stateless processing model, where each interaction is independent, and no session or state information is retained between transactions. This approach enhances security by minimizing data retention, thereby reducing the risk of data breaches.
- **Serverless Processing Across More Than 300 Data Center:** NXT AP leverages Azure's serverless architecture, which operates across more than 300 computer centers worldwide. This infrastructure ensures high availability and scalability, while also adhering to local compliance requirements, such as data residency laws. By using serverless processing, NXT AP ensures that data is processed efficiently and securely, regardless of the region.
- **Secure Connectivity and Access Controls:** All communication between the customer's SAP system and Azure services is established through secure HTTPS connections, with mutual authentication implemented to enhance security. Certificates managed through STRUST ensure that connections are trusted and encrypted, while RFC destinations in SAP are used to securely transmit data to Azure services. These measures ensure that sensitive data is always safeguarded during processing and transmission.

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By integrating Microsoft Azure's data protection commitments, NXT AP ensures that all supplier invoice data is processed in compliance with global and local data protection regulations, providing peace of mind for global organizations seeking secure and compliant accounts payable solutions.

nxt4sap Pte Ltd is specialized in digitalization and automation of finance-related processes in SAP. We are proud to have an experienced team of experts working out of Singapore, Germany, UK, USA and India, all with many years of experience in consulting, implementing, and supporting solutions automating finance functions.

nxt4sap solutions are built on proven SAP-processes and Azure AI-services, which are seamlessly integrated in our SAP-certified add-ons. Find more information about nxt4sap and solutions online **www.nxt4sap.com**.

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