



Taxfix, the Automated Tax Accountant, Raises \$65 Million

Berlin, 16th April 2020 – Taxfix, the digital tax app that reduces the painful and time-consuming process of filing a tax return to a matter of minutes, has raised a \$65 million Series C round from investors. The company will use the funds to grow its 200-strong team by another 100 people, as it broadens its range of products and expands into new countries later this year.

The Series C round was led by [Index Ventures](#), with partner Neil Rimer joining the Taxfix board. Existing investors [Valar Ventures](#), [Creandum](#) and [Redalpine](#) participated in the round, which was double the size of the company's Series B fundraise 12 months ago.

Taxfix was founded in 2016 in Berlin by Mathis Büchi and Lino Teuteberg, repeat Swiss entrepreneurs who previously created [SmallPDF](#), the popular document software which they have bootstrapped into a profitable company. Since its launch two and a half years ago, Taxfix has helped collect **€270 million for its hundred thousands of users** – 65% of whom had never been able to file a tax return before.

Living in Germany, Büchi and Teuteberg learned that the average taxpayer is entitled to receive around €1,000 at the end of the financial year. According to government data, more than seven million eligible employees don't bother to file a return, forfeiting **billions of euros of unclaimed tax refunds every year**.

Büchi and Teuteberg saw that taxpayers faced three unappealing choices. They could pay an accountant hundreds of euros to prepare and file a return; they could spend hours figuring out the hundreds of fields in the tax return on their own, trying to navigate the technical language and confusing legal rules; or they could skip filing the return altogether, and miss out on their refund.

Mathis Büchi says: 'What drove us to start Taxfix was seeing how much money people are losing because they can't face doing their tax returns. We wanted to have the biggest impact we could, and that meant going after a boring problem like taxes. We are not particularly

passionate about taxes per se, but we care about helping people with things they really struggle with. Right now, with the financial pressure people are facing with COVID-19, it's particularly important that people can easily claim back their tax refunds.'

Taxfix offers a well-designed mobile app that simulates a conversation with a friendly tax accountant. By making use of automation and dramatically reducing the complexity of the process, Taxfix **cuts the average filing time from many hours to 22 minutes**.

Taxfix's algorithm asks around **70 simple, personalized questions** from a pool of 3,000 questions, each tailored to the user's circumstances. For example, if someone indicates that they don't have children, all questions related to children will be excluded. At the end of the conversation, Taxfix tells you what refund you can expect and files the return directly with the government for a fee of €39.99 – which is waived if the expected return is less than €50.

Neil Rimer, Index Ventures partner who led the investment, said: 'Every year, individual taxpayers overpay tens of billions of euros in taxes. This is in large part because the process of getting a refund from the authorities is too daunting and tedious. Taxfix has made filing tax returns simple and affordable for everyone, and so are putting millions of euros back in people's hands every day. There aren't many apps that can play such a valuable role in personal finance. We're excited to partner with Taxfix founders Mathis and Lino to ensure that everyone can successfully navigate the tax system without having to pay tax accountants and lawyers.'

The company is currently processing around two million euros of refund a day, and its revenues have more than tripled in the past 12 months. The company counts more than 40,000 five-star reviews in the Apple and Google Play stores.

Taxfix is powered by a bespoke programming language, known as 'TaxML', which the company developed to allow ordinary accountants to encode tax law in the app, without the help of a programmer. This lets the company quickly and seamlessly absorb changes to the law and expand into new geographies.

Taxfix will now expand its operations in Europe. It plans to use the strong trust it enjoys with users, and the rich data it captures, to offer additional tailored financial services, such as helping users with investments, credit and other kinds of financial products. 'We see a lot of potential in becoming not just an automated tax accountant, but more like a personal digital financial accountant in a few years to help people not just optimize their taxes but optimize their finances in general,' **Büchi** says.

About Taxfix

Mathis Büchi and Lino Teuteberg founded Taxfix in 2016 with the aim to simplify complicated tax systems and make tax returns accessible to everyone. Taxfix is headquartered in Berlin, Germany and runs a software development office in Spain. The Taxfix team consists of more than 200 employees including tax accountants, lawyers, and developers. Find out more at taxfix.de/en.

www.taxfix.de

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