

Intercompany Accounting Software: A Guide to Automating Group Finances in 2026

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A finance team that spends its month-end tracing entity-level discrepancies is not short of effort; it is short of structure. For groups operating across borders, 2026 adds further pressure, from the latest IAS 21 amendments to the effective tax rate calculations required under the OECD's Pillar Two rules. Persistent imbalances and manual journal errors delay the close, and the delay compounds with every additional subsidiary.

This guide sets out how intercompany accounting software removes manual reconciliation from the record-to-report cycle. It covers touchless transaction matching, automated elimination postings, and the audit trail that makes consolidated reporting defensible. It also explains where Infor SunSystems fits for groups reporting in a single base currency such as S\$, and what a partner should bring to the implementation.

Key takeaways

- Manual spreadsheet reconciliation is the primary source of foreign exchange risk and month-end delay in multi-entity groups.
 - Automated transaction matching identifies counterparty discrepancies as they occur, rather than at period end.
 - Multi-currency recording and true multi-entity consolidation are different capabilities; software that offers the first does not necessarily provide the second.
 - A permanent digital audit trail supports IAS 21 compliance and simplifies transfer pricing documentation across jurisdictions.
 - Exception-based management shifts the finance team from verification work to analysis.
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The growing complexity of intercompany accounting

Expansion into new markets multiplies internal trades, management fees and shared service allocations. Without a dedicated system, that growth produces data silos that obscure group-wide liquidity. Intercompany accounting records financial transactions between separate legal entities within the same parent organisation, and the difficulty of doing so accurately rises faster than the number of subsidiaries.

The cost of manual processes is rarely visible as a line item. It appears as the number of days between period end and the board pack, and as the share of those days spent moving figures rather than interpreting them. Every error introduced at subsidiary level creates a persistent imbalance that threatens the integrity of the audit.

The problem with manual reconciliation

The recurring issue is the mismatch. Entity A records a receivable of S\$50,000; Entity B records a payable of

S\$48,500, because of a timing difference or a transposition error. Finance teams then spend hours chasing counterparties across time zones for the missing documentation. That work delays the consolidated statement and keeps the team occupied with transactional disputes rather than analysis.

Why traditional ERPs struggle

Legacy systems were designed to manage individual entities rather than a cohesive group, and rely on siloed database architectures. Where subsidiaries run fragmented systems, head office cannot see a satellite office's ledger in real time. When accounts are out of balance, these systems offer no suggestion of a correction, so accountants make manual adjustments at month end and the audit trail fragments across ledgers and email chains.

Currency movement adds a further layer. Balances recorded at different times may not align by the time the close arrives, requiring manual restatement. Real-time valuation and automated adjustment at current rates removes that step and prevents volatility from distorting the consolidation.

Essential features for group finance in 2026

Effective control requires more than faster data entry. Real-time transaction matching identifies counterparty discrepancies at the moment they occur, so elimination postings for consolidated reporting are generated automatically rather than assembled at month end. Centralised governance lets a group enforce one set of intercompany policies across every subsidiary, so transfer pricing and markup are treated consistently wherever the transaction originates.

Currency volatility remains a material risk for groups headquartered in Singapore. Automated exchange rate feeds keep S\$ balances accurate across entity ledgers, supported by automated dispute workflows and clear ownership of each intercompany balance.

Unified ledger architecture

A unified ledger is the main structural difference between legacy ERPs and modern financial management systems. Rather than siloed databases that require synchronisation, all entities share a single data environment. That removes reconciliation between parent and subsidiary accounts, and allows a single transaction to update both sides of the ledger at once without human intervention.

Automated netting and settlement

Netting consolidates multiple internal invoices into a single net payment between entities, reducing the volume of bank transfers and the fees attached to them. Automated settlement keeps cash from sitting idle in subsidiary accounts. The same mechanism manages intercompany loans and interest, applying pre-defined rates automatically and leaving a clear trail for auditors.

Streamlining the record-to-report cycle

Automation changes the shape of the record-to-report cycle. Instead of spending the first week of the close identifying discrepancies, the team moves to exception-based management, where the system flags only the transactions falling outside pre-set tolerances. Integrating supplier invoice approval ensures intercompany costs are vetted and coded before they reach the general ledger, and d/EPM extends the resulting data from historical reporting into forward-looking analysis.

Standardise transaction creation

Discrepancies usually begin well before the close. Enforcing global templates for intercompany invoices and purchase orders captures data consistently across jurisdictions, and tagging each transaction with the correct counterparty code at source prevents mismatched tax treatments or currency codes from entering the ledger at all. Clean source data makes every later stage cheaper.

Match and resolve in real time

Waiting until period end to match transactions creates avoidable pressure. Rules-based matching identifies imbalances as they arise, and workflow automation routes each dispute to the responsible entity manager. That replaces open-ended email exchanges with a documented resolution path and a clear owner for every item.

Automate eliminations and consolidation

The final stage removes internal profit and revenue so group performance reflects only external activity. Elimination journals are generated automatically, consolidated reports are produced on demand, and drill-down into entity-level detail remains available. The consolidated balance sheet stays in equilibrium without the risk that manual adjustment introduces.

Governance and compliance across jurisdictions

Relying on disparate spreadsheets leaves a governance gap that invites regulatory scrutiny. Enforcing group policy at the point of transaction closes it: automated workflows act as a gatekeeper, preventing entries that exceed defined limits or lack approval from reaching the ledger at all. For Singaporean groups managing entities across several tax jurisdictions, centralising this gives head office visibility while leaving subsidiaries the flexibility to operate.

An audit-ready finance function

Centralised software records who did what, and when, for every intercompany exchange. During an external audit that permanent trail replaces weeks of collating documents and email approvals with direct access to a transparent ledger. It reduces the risk of misstatement and the penalties that follow poor data integrity.

Transfer pricing and tax risk

Transfer pricing is among the more demanding areas of global tax compliance. Automating the rules ensures intercompany charges are calculated and documented to local requirements, typically through three functions:

- Tax-compliant invoices generated for each jurisdiction, including local e-invoicing mandates.
- Real-time visibility of group tax exposure, rather than a year-end surprise.
- Markup percentages and interest rates standardised against corporate policy.

Regional mandates increasingly require real-time reporting that legacy systems cannot produce. Building those requirements into the workflow prevents compliance failures and frees the tax team for optimisation rather than correction.

Implementing Infor SunSystems for group finance

Infor SunSystems is built for the multi-entity, multi-currency requirements that Singaporean groups face. Its unified ledger maintains data integrity across subsidiaries, and integrating it with eWorkflow Procurement and eBank Payment closes the loop, so each intercompany transaction is authorised, recorded and settled through one process. That removes the manual intervention that produces month-end imbalances.

Software alone is rarely the whole answer. The value of a partner lies in configuring these tools around your actual group hierarchy and reporting obligations. Strategic Business Group has implemented and supported financial systems since 2003, with consultants in Singapore, Malaysia, Thailand and Indonesia, and configures the system to meet both local compliance and group reporting standards.

How implementation runs

The work starts with an assessment of the current group structure and close process, identifying where reconciliation effort is being spent. Configuration then follows the entity hierarchy, currency requirements and approval limits already in place, rather than asking the business to adapt to a default template. Support afterwards comes from the same consultants who delivered the work.

Where this leaves the finance function

Managing group finance in 2026 depends less on effort than on structure. A unified ledger removes the fragmentation that manual reconciliation is designed to patch over, supports IAS 21 and ASC 830, and gives real-time visibility of the group cash position. The practical test is simple: how many days of the close are spent agreeing figures that the system should already agree.

To discuss how this would apply to your own group structure, contact Strategic Business Group for a SunSystems consultation.

Frequently asked questions

What is intercompany accounting software and how does it work?

It manages and reconciles transactions between legal entities within one corporate group by centralising data from each subsidiary into a unified ledger environment. The system identifies counterparties automatically and flags imbalances in real time, and its structured entry framework ensures every internal trade is recorded consistently across participating entity ledgers.

Why is intercompany reconciliation so difficult for large groups?

Volume and fragmentation. Timing differences mean one entity records a transaction before the other has processed it, while varying tax treatments and multi-currency valuations add further divergence. Without a central system, teams compare ledgers manually in spreadsheets, which is slow and prone to error.

How does automation speed up the month-end close?

It replaces manual entry with touchless matching, reconciling imbalances as they occur through the month instead of leaving a backlog at period end. Automated elimination postings remove internal profit and revenue from consolidated statements in one step, so reports are finalised days earlier.

Can the software integrate with multiple ERP systems?

Yes. Data flows from satellite systems into the core financial management environment through APIs or middleware that synchronise transactional data. Subsidiaries keep operational flexibility while head office retains group-level visibility.

What are intercompany elimination entries?

They are consolidation adjustments that remove the effect of transactions between entities in the same group, preventing revenue, expenses and profit being counted twice on the consolidated statements. The software identifies internal trades and generates the journals so the group report reflects only external activity.

How does intercompany netting improve cash flow?

Netting consolidates multiple internal invoices into a single net payment between entities, reducing the number of bank transfers and the fees attached. Less cash sits in transit between subsidiaries, so treasury can allocate capital more effectively, and automated workflows keep settlements on schedule.

What should I look for in an Infor SunSystems partner in Singapore?

Depth in d/EPM and financial automation, and a record of implementation rather than resale. A regional partner can configure the system for South East Asian requirements and support it afterwards, which is the difference between a working installation and a system that still fits the business in five years.

How does SunSystems handle multi-currency intercompany transactions?

Its multi-currency processing engine supports several currency values per transaction, applies current exchange rates and performs real-time revaluation, so intercompany balances stay accurate across jurisdictions. The workflows are then configured to match your own accounting policies.