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VAT EXPERT GROUP¹

VEG No 117

VAT in the Digital Age (ViDA) Single VAT Registration - Implementation - First analysis

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¹ Group of experts on value added tax to advise the Commission on the preparation of legislative acts and other policy initiatives in the field of VAT and to provide insight concerning the practical implementation of legislative acts and other EU policy initiatives in that field.

1. INTRODUCTION

The ‘VAT in the Digital Age’ (ViDA) initiative aims at using new technologies to improve VAT collection, better tackle fraud and ease compliance. ViDA covers three areas:

- Digital Reporting Requirements (DRR): the use of IT for new digital reporting (in real time) based on e-invoicing,
- Platform economy: modernising the way VAT is collected on platform activities, and
- Single VAT Registration (SVR): implementing a single VAT registration in the EU.

With the main objective of reducing the need for VAT registrations in multiple Member States (MS), the proposal introduces a mandatory reverse charge for domestic B2B supplies, extends the use of the One Stop Shop (OSS) to domestic B2C supplies and includes the transfer of own goods (TOOG) into the OSS; together with improvements to the current OSS/IOSS schemes.

Since a consensus is reached in the Council on the Single VAT Registration (SVR) part of this package, the Commission services seek to start analysing and planning the implementation of this SVR reform.

This document will also form the basis for discussions at the Fiscalis seminar organised by the Finnish tax administration from 25 to 27 of June in Helsinki on the implementation of the SVR including the secured IOSS process.

2. SUBJECT MATTER

The following tables aim to define the (IT) impacts for the implementation of these SVR elements and the need for revision of the implementing acts, explanatory notes and guides.

Changes to the SVR elements of the ViDA proposal linked to the implementation of the DRR and platform pillars will be considered at a later stage.

2.1. Improvements to the current VAT e-commerce rules

Legislative clarifications

Topics	Articles	Entry into force	IT Impact	Amendment to the CIR n° 2020/194 ²	Update of Explanatory Notes/Guidelines
<p>Inclusion of supplies to the group of 4 in the deemed supplier provision</p> <p>Clarify the already existing situation that supplies to the group of 4, below the ICA threshold and having not opted for taxation of their ICA, are included in the deemed supplier provision</p>	<p>VAT Dir³:</p> <ul style="list-style-type: none"> - Art. 14a (2) 	1/1/2026	No IT impact – only clarification in the functional specifications	No	Explanatory Notes and OSS Guidelines
<p>The EUR 10 000 threshold under which the place of supply of intra-Community distance sales of goods and TBE services (telecommunications, broadcasting and electronic services) remains in the Member State of establishment of the supplier</p> <ul style="list-style-type: none"> - Ensure that only intra-Community distance sales of goods that are supplied from the Member State where the taxable person is established, are included in the calculation of the EUR 10 000 threshold 	<p>VAT Dir :</p> <ul style="list-style-type: none"> - Art. 59c 	1/1/2026	No IT impact – only clarification in the functional specifications	No	Explanatory Notes and OSS Guidelines

² Commission Implementing Regulation (EU) 2020/194 of 12 February 2020 laying down detailed rules for the application of Council Regulation (EU) N) 904/2010 as regards the special schemes for taxable persons supplying services to non-taxable persons, making distance sales of goods and certain domestic supplies of goods.

³ Draft Council Directive amending Directive 2006/112/EC as regards VAT rules for the digital age (Latest compromise text of 10 November 2023 – WK 14046/2023 REV 1)

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Topics	Articles	Entry into force	IT Impact	Amendment to the CIR n° 2020/194²	Update of Explanatory Notes/Guidelines
- Registration in the OSS means an option for the place of supply to be determined in accordance with Article 33 (Member State of final destination)					
Clarify the timing of the chargeable event for supplies under the Union and the non-Union scheme Avoid differences in the application of the rules among the Member States	VAT Dir : - Art. 66 - Art. 167a - Art. 226 point 7a	1/1/2026	No IT impact-only clarification in the functional specifications	No	Explanatory Notes and OSS Guidelines
Services provided to non-established customers Clarify that the non-Union scheme covers B2C services provided in the EU to any customer and not only to EU established customers	VAT Dir : - Art. 359	1/1/2026	No IT impact-only clarification in the functional specifications	No	Explanatory Notes and OSS Guidelines
Improve the reference to the appropriate refund procedures for the OSS/IOSS/TOOG schemes - Union scheme: add a reference to the 13th Directive, to clarify that non-EU established traders can get refunds under that Directive. - Import scheme: includes a reference to Article 8(1), point (e) of the VAT refund Directive 2008/9/EC. This Article is excluded in order to be able to apply the VAT refund scheme - General alignment for the four schemes	VAT Dir : - Art. 368 (Non-Union scheme) - Art. 369j (Union scheme) - Art. 369w (Import scheme) - Art. 369xj (TOOG scheme)	1/1/2026	No IT impact-only clarification in the functional specifications	No	Explanatory Notes and OSS Guidelines

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Improvement to the processes

Topics	Articles	Entry into force	IT Impact	Amendment to the CIR n°2020/194	Update of Explanatory Notes/ Guidelines
<p>Improvement to the correction mechanism</p> <p>(1) Allow amendments of a VAT return up to the end of the submission period (allow a new version of the VAT return, internal versioning just for the MSID)</p> <p>(2) Allow correction only for previous tax periods</p>	<p>VAT Dir :</p> <ul style="list-style-type: none"> - Art. 365 (non-Union scheme) - Art. 369g(5) (Union Scheme) - Art. 369t(2) (Import scheme) - Art. 369xg (TOOG scheme) <p>Council IR⁴:</p> <ul style="list-style-type: none"> - Art. 61 <p>Reg 904⁵:</p> <ul style="list-style-type: none"> - Art. 47d(2) 	<p>1/7/2027</p>	<p>OSS- Non-Union, Union, Import, TOOG schemes</p> <ul style="list-style-type: none"> - MS to update of OSS national portal: <ul style="list-style-type: none"> o to allow for these amendments up to the end of the submission period (versioning in the MSID) <ul style="list-style-type: none"> ▪ If payment already done? Reimbursement by the MSID (//current process of overpayment) o Corrections only for previous tax periods - TES (Trans European System): <ul style="list-style-type: none"> o MSID obliged to make VAT return available for automatic request only at the end of the submission period. <ul style="list-style-type: none"> ⇒ MSCON not able to make request before the end of the declaration period ⇒ If automatic request before the end of the submission period => empty reply by the MSID 	<p>No</p>	<p>OSS Guidelines</p>

⁴ Draft Council Implementing Regulation amending Implementing Regulation (EU) n° 282/2011 as regards information requirements for certain VAT schemes.

⁵ Draft Council Regulation amending Regulation (EU) N° 904/2010 as regards the VAT administrative cooperation arrangements needed for the digital age.

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Topics	Articles	Entry into force	IT Impact	Amendment to the CIR n°2020/194	Update of Explanatory Notes/ Guidelines
<p>Update of the data to be provided at the time of registration for the non-Union and import schemes</p> <ul style="list-style-type: none"> ⇒ Make the provision of a website not mandatory ⇒ For the import scheme only, Status of electronic interface acting as deemed supplier for registration 	<p>VAT Dir:</p> <ul style="list-style-type: none"> - Art. 361 (non-union scheme) - Art. 369p (import scheme) 	<p>1/1/2026</p> <p>1/1/2026</p>	<p>OSS – Non-Union and Import schemes</p> <ul style="list-style-type: none"> - MS to make the provision of a website not mandatory - MS to add the status of electronic interface acting as deemed supplier in the data to be provided for registration in the import scheme 	<p>Annex I - Column B and D</p>	<p>OSS Guidelines</p>

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Improvements for control purposes

Topics	Articles	Entry into force	(IT) Impact	Amendment to CIR	Update of Explanatory Notes/Guidelines
<p>IOSS additional information to be provided prior to importation</p> <p>Include in the proposal our intention to enforce the exchange of information between the traders/marketplaces and the customs authorities to better secure the VAT exemption upon importation when IOSS is used.</p>	<p>VAT Dir:</p> <ul style="list-style-type: none"> - Art. 143 new par. 1a 	1/1/2025	<p>Business and IT analysis</p> <ul style="list-style-type: none"> - COM to list the options available - Separate workshop with MS and stakeholders planned before the summer to analyse these options 	<p>Via a specific implementing regulation</p> <p>Work can start from the entry into force of the Directive</p>	<p>Explanatory Notes + OSS Guidelines + Guidance for Member States and Trade concerning the importation and exportation of low value consignments</p>
<p>List of underlying suppliers</p> <p>Add to the records to be kept by marketplaces acting as deemed supplier the name and address of underlying suppliers</p>	<p>Council IR:</p> <p>Art. 63c (1)m and (2)n</p>	1/7/2027	<p>OSS – Union and import schemes</p> <p><u>Records keeping obligation</u>: COM to review the SAF OSS to include name and address of underlying suppliers</p>	<p>CIR n° 2020/194 Annex IV</p>	<p>Guidelines and recommendations for coordinating administrative cooperation in relation to auditing OSS transactions</p>

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Topics	Articles	Entry into force	(IT) Impact	Amendment to CIR	Update of Explanatory Notes/Guidelines
<p>Include in the IOSS monthly listing the MS of final destination of the goods (MSCON) and its reporting by MSCON</p> <p>Allow the tax authorities to request in Surveillance the IOSS monthly listings (total value of the IOSS imported goods per month per IOSS VAT identification) per MS of Consumption</p>	<p>Reg 904</p> <ul style="list-style-type: none"> - Art. 17(1)(e) 	<p>1/1/2025</p>	<p>Surveillance</p> <ul style="list-style-type: none"> - COM to update of the IOSS monthly listing to include MS of final destination - COM to allow for requests per MS of consumption 	<p>CIR n°79/2012: No</p>	<p>Guidelines and recommendations for coordinating administrative cooperation in relation to auditing OSS transactions</p>
<p>Access to IOSS registration data for customs authorities</p> <p>Customs authorities have currently restricted access to the IOSS identification numbers only</p> <p>Extend access to customs authorities to other IOSS registration data (name, postal and electronic address)</p>	<p>Reg 904:</p> <ul style="list-style-type: none"> - Art. 47h 	<p>1/7/2027</p>	<p>IOSS – Distributive Registry (DR): Central database</p> <ul style="list-style-type: none"> - COM to update the Central database in order to allow for the inclusion of the new elements in the registry - MS (tax authorities) to send to the registry the IOSS identification number + name, address and website of the IOSS holders <p>IOSS – Distributive Registry (DR): Local database</p> <ul style="list-style-type: none"> - MS (customs authorities) to update the local database in order to receive these new elements 	<p>No</p>	<p>Guidance for Member States and Trade concerning the importation and exportation of low value consignments</p>

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Topics	Articles	Entry into force	(IT) Impact	Amendment to CIR	Update of Explanatory Notes/Guidelines
<p>Extend the Standard Audit File (SAF- OSS) for records related to Art. 242a of the VAT Dir + process of requests parallel to request for OSS records</p> <ul style="list-style-type: none"> - Current Art. 242a of VAT Dir. relates to the records of supplies facilitated by platforms not acting as deemed supplier. - New Art. 47m of Reg 904 mirrors Art. 47i for the request of these records. 	<p>Reg 904:</p> <ul style="list-style-type: none"> - Art. 47m - Art. 47n 	<p>1/7/2027</p>	<p>Standard Audit File (SAF)- OSS:</p> <ul style="list-style-type: none"> - COM: update/extension of the SAF-OSS <p>SCAC e-forms</p> <ul style="list-style-type: none"> - COM to include request under Art. 47m 	<p>CIR n° 2020/194 – Annex IV</p> <p>COM Implementing decision (2019)2866</p>	<p>OSS guidelines + Guidelines and recommendations for coordinating administrative cooperation in relation to auditing OSS transactions</p>

Alignment to new legislation and schemes

Topics	Articles	Entry into force	IT Impact	Amendment to the CIR n°2020/194	Update of Explanatory Notes/Guidelines
<p>Allow the declaration of zero-rated supplies (exemption with right of deduction) in the Union, non-Union and import OSS:</p> <p>Introduction of the new rules on VAT rates with more categories of zero-rated supplies</p> <p>Other exempted supplies with right of deduction such as exempted supplies under diplomatic, consular arrangements (Art. 151)</p>	<p>VAT Dir:</p> <ul style="list-style-type: none"> - Art. 365 - Art. 369b - Art. 369g - Art. 369t <p>Council IR:</p> <ul style="list-style-type: none"> - Art. 59 (4) - Art. 61a - Art. 63c 	1/7/2027	<p>OSS – Non-Union, Union and Import schemes</p> <ul style="list-style-type: none"> - <u>VAT return:</u> <ul style="list-style-type: none"> o MS to update OSS national portal to allow the declaration of zero rated turnover o TES (Trans European System): MS to update the VAT return message with zero VAT rate. (VAT amount =0 already allowed) - <u>Records keeping obligation:</u> revision of SAF OSS to allow the inclusion of zero rates / inclusion of applicable provision of VAT Dir in case of exemptions with right of deduction 	Annex III and IV	Explanatory Notes and OSS Guidelines
<p>Interaction with the new SME scheme</p> <ul style="list-style-type: none"> - OSS: the supplies by SME benefiting from the SME schemes in certain MS must not be reported in the OSS 	<p>VAT Dir:</p> <ul style="list-style-type: none"> - Art. 369b - Art.369g (6) 	1/7/2027	<p>OSS- Union scheme</p> <ul style="list-style-type: none"> - <u>Registration:</u> MS to request the registration data of the SME scheme (SME exemption number and maybe list of MS in which SME is benefitting from the SME scheme) - <u>VAT return (Nice to have):</u> MS to alert the SME that should not declare transactions in MS in which he is benefitting from the SME scheme (if desired by MS) 	Annex I	Explanatory Notes and OSS Guidelines

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Topics	Articles	Entry into force	IT Impact	Amendment to the CIR n°2020/194	Update of Explanatory Notes/Guidelines
<p>- IOSS: mutually exclusive- if trader registered for the IOSS – no possible registration for the SME scheme and vice-versa</p>	<p>- Art. 369m</p>	<p>1/1/2026</p>	<p>SME scheme</p> <ul style="list-style-type: none"> - <u>Registration:</u> registration in the OSS will be requested <p>Other possible solution: MS of establishment to make the link between the two schemes (need connection between registration data bases).</p> <p>OSS – Import scheme</p> <p>SME scheme</p> <ul style="list-style-type: none"> - <u>Registration:</u> MS must check that this trader is not registered for the import scheme and vice-versa 		

2.2. New SVR legislation

Mandatory reverse charge for MS

Topics	Articles	Entry into force	IT Impact	Amendment to the CIR	Update of Explanatory Notes/Guidelines
<p>Mandatory reverse charge mechanism in situations where a supplier is not VAT registered and not established for VAT purposes in the Member State in which VAT is due;</p> <p>To ensure the follow-up of the goods:</p> <ul style="list-style-type: none"> Inclusion of these B2B supplies in recapitulative statement (and DRR in the future) 	<p>VAT Dir:</p> <ul style="list-style-type: none"> Art. 194 Art. 222 Art. 262(c) 	1/7/2027	VIÉS/DRR for the report of these B2B transactions	No	New Explanatory Notes

Extension of OSS to B2C domestic supplies

Topics	Articles	Entry into force	IT Impact	Amendment to the CIR 2020/194	Update of Explanatory Notes/Guidelines
Allow the use of OSS for B2C transactions covered by Article 39 (assimilated to IC distances sales)	<p>VAT Dir:</p> <ul style="list-style-type: none"> Art. 369aa 	1/1/2026	No	No	No
<p>For taxable persons not established in MSCON making:</p> <ul style="list-style-type: none"> B2C supplies of goods in accordance with Art. 36, 37 and 39 of VAT Dir; 	<p>VAT Dir:</p> <ul style="list-style-type: none"> Art. 369a Art. 369b Art. 369g 	1/7/2027	<p>OSS- Union scheme</p> <ul style="list-style-type: none"> <u>Registration</u>: no impact <u>VAT return</u>: Based on the declared fixed establishment in the registration, MS to 	<p>Annex III-column C</p> <ul style="list-style-type: none"> Distinction in the VAT return to allow 	Explanatory Notes and OSS Guidelines

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<ul style="list-style-type: none"> B2C supplies of goods without dispatch or transport or where the dispatch or transport begins and ends in the same MS (e.g. domestic supplies of goods stocked in a warehouse, supplies of goods on a weekly market by a vendor,...) 			<p>allow for declaration of domestic supplies only in MSCON in which the trader is not established (// to services)</p> <p>Need to keep a distinct declaration for electronic interface acting as deemed supplier as they can declare supplies even if established in the MSCON</p> <p>- <u>Payment</u>: no impact</p>	<p>for declaration of domestic supplies of goods when not established in MSCON</p>	
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Transfer of own goods: new OSS transfer module
End of “call of stock” (COS)
New reporting obligations from platforms to underlying suppliers

Topics	Articles	Entry into force	IT Impact	Amendment to the CIR 2020/194	Update of Explanatory Notes/Guidelines
<ul style="list-style-type: none"> - A new module in the OSS: ‘OSS transfer module’ for the declaration of these transfers by all traders transferring their own goods within the EU - Intracommunity acquisition exempted - To avoid any deduction issue, exclusion of goods in relation to which there is no full right of deduction in that Member State. - Adjustments or appropriations to be declared in the Union scheme - End of the ‘call of stock’ arrangements (COS) - Interaction with the Union scheme: same registration process with a pick and choose mechanism 	<p>VAT Dir:</p> <ul style="list-style-type: none"> - Art. 17a (COS) - Art. 138 (2) - point (c) - Art. 226 point 4 - Art. 262 (a) - Art. 369a (2) - New section 5 in Title XII of Chapter 6 (new Art. 369xa, 369xb, 369xc, 369xd, 369xe,369xf,369xg, 369xh, 369xi, 369xj and 369xk). <p>Council IR:</p> <ul style="list-style-type: none"> - Reference to the new scheme in Art. 57a, 57d, 57e, 57f, 57g, 58, 58a, 58b, 58c, 59, 59a, 60a, 61, 61a, 63c(1) and (3) - Art. 54a (COS) 	<p>30/6/2028 (cease)</p> <p>1/7/2027</p>	<p>New OSS transfer module</p> <ul style="list-style-type: none"> - <u>Registration:</u> shared registration with the Union scheme (must be the same MSID) – same registration data- pick and choose solution. - <u>VAT return:</u> transfer in all MS can be reported even if there is a fixed establishment or VAT registration in that MS. (Traders can just provide an iso code in the MS from which goods are dispatched or transported from and to if not registered in those MS) - <u>No payment process</u> (transfers = exempted supplies) - <u>Records keeping obligation:</u> revision of SAF OSS to include transfers 	<p>Annex I, II, III and IV:</p> <p>New separate column in annexes I and III for the transfer module</p> <p>Annex III, column C of Union scheme: add the declaration of adjustments in part 2 of the VAT return.</p> <p>Annex IV: include elements for records of transfers</p>	<p>Explanatory Notes and OSS Guidelines</p>

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Topics	Articles	Entry into force	IT Impact	Amendment to the CIR 2020/194	Update of Explanatory Notes/Guidelines
	<p>Reg 904:</p> <ul style="list-style-type: none"> - Art. 1(4), 2(2),17(1)(d), 47b, 47d(1)&(2), 47e, 47i, 47j. - Art. 21 (c) and (d) (COS) 		<p>OSS- Union scheme</p> <ul style="list-style-type: none"> - <u>VAT return</u>: allow for the inclusion of adjustments* (following a transfer): new box in the OSS VAT return - <u>Records keeping obligation</u>: revision of SAF OSS to include info regarding appropriation and adjustments <p>*Adjustment of the deducted VAT following a transfer of own goods.</p> <p>VIES- Call of stock (COS)</p> <ul style="list-style-type: none"> - MS to prevent the inclusion of new COS transactions in the recapitulative statement from the date of entry into application (01/07/2027) - MS to only allow for corrections/return of goods up to 12 months after the date of entry into application 		

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Topics	Articles	Entry into force	IT Impact	Amendment to the CIR 2020/194	Update of Explanatory Notes/Guidelines
- Reporting obligation by platforms to underlying suppliers when transferring goods on an underlying supplier's behalf	VAT Dir - New Art. 242b Council IR - New Art 54d	1/7/2027	No	No	Explanatory Notes

2.3. Technical improvements not in the Proposal – To be agreed with MS

Topics	IT Impact	Amendment to the CIR 2020/194	Update of Explanatory Notes/Guidelines
Improvement to the correction mechanism: - Detailed corrections: taxable amount-split of goods and services (Requested by MS in SCAC-EG)	OSS Non-Union, Union and Import schemes - Update of OSS national portal: <ul style="list-style-type: none">○ amendment of OSS VAT returns (XSD) in order to include taxable amount, VAT rate, split between goods and services - TES (Trans European System): <ul style="list-style-type: none">○ Request from a MS to have a detailed VAT return for corrections as well	Annex III, part 3	OSS guidelines

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Topics	IT Impact	Amendment to the CIR 2020/194	Update of Explanatory Notes/Guidelines
<p>Update of registration data</p> <ul style="list-style-type: none"> - IBAN/OBAN in the Union scheme (if desired by MS) - VAT groups updates (according to the VAT Committee discussions) - Allow several addresses to be provided in the same MS with a single VAT identification or an Iso code of the MS (If desired by MS) 	<p>OSS Union scheme:</p> <ul style="list-style-type: none"> - <u>Registration</u>: allow for the provision of an OBAN account number <p>OSS Union and import scheme</p> <p>Import scheme: Allow for the mention of a VAT group (// Union scheme- ⇒ No fixed establishment to be provided</p> <p>Union scheme:</p> <ul style="list-style-type: none"> - <u>Registration</u>: allow a VAT group to mention place where goods are dispatched from (VAT id box 13.1 + addresses where they have stock of goods box 14.1) (but a VAT group should not mention any fixed establishment) ⇒ Intention to split the 13.1 for fixed establishment and for places where goods are dispatched from - <u>VAT return</u>: allow the inclusion of distance sales from stock of goods only (without fixed establishment) <p>OSS Union scheme: <u>Registration</u>: allow the mention of an ISO-code instead of identification number + allow multiple addresses. (see Annex I)</p>	<p>Annex I and III</p>	

3. QUESTIONS TO MEMBERS

Members are invited to express their views and suggestions regarding the above-mentioned impacts for the implementation of these elements of the Single VAT Registration part of the ViDA proposal.

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Management of VAT identification and addresses to be provided in the Union scheme

Scenarios	Box 13.1 (VAT id or tax reference or iso-code)	Box 14 (Addresses)	Box 15 (registration without fixed establishment)
Fixed establishments	VAT id of the fixed establishment	- address of fixed establishment - addresses of places where goods are dispatched from	n.a
Registrations without fixed establishment	VAT identification	- address of registration (?) - addresses of places where goods are dispatched from	VAT identification?
Places where goods are dispatched or transported from without fixed establishment nor registration	ISO country-code	- addresses of places where goods are dispatched from	n.a
Registration not used as places where goods are dispatched or transported from	n.a.	n.a.	VAT identification