Value added tax (VAT): administrative cooperation arrangements needed for the digital age

2022/0409(CNS) - 25/03/2025 - Final act

PURPOSE: to adapt the VAT system to the digital age.

LEGISLATIVE ACT: Council Regulation (EU) 2025/517 amending Regulation (EU) No 904/2010 as regards the VAT administrative cooperation arrangements needed for the digital age.

CONTENT: together with Council Directive (EU) 2025/516, this Regulation is part of a package of new measures that will adapt EU value added tax (VAT) rules to the digital age. It sets out the amendments to be made to Council Regulation (EU) No 904/2010 on administrative cooperation and combating fraud in the field of VAT following the amendments to the VAT Directive to adapt the VAT system to the digital age.

Central VIES System

To enable Member States to combat VAT fraud more effectively, the Commission will set up a **central electronic VAT information exchange system** (known as the 'central VIES system') to share VAT-related information.

Each Member State will set up a **national electronic system** to automatically transmit to the central VIES system information on intra-Community transactions as reported by the respective suppliers and acquirers in different Member States.

Member States will also:

- automatically transmit to the central VIES the VAT identification information of taxable persons making intra-Community transactions, including other VAT identification numbers issued to a person;

- automatically update the VAT identification information of taxable persons making intra-Community transactions in the central VIES without delay whenever identification information changes;

- automatically update information on intra-Community transactions in the central VIES no later than 1 day after the Member State received the information from the taxable person;

- adopt measures to ensure that the respective Member State assesses whether the data provided by taxable persons for their identification for VAT purposes are complete and accurate;

- should ensure that the VAT identification number is shown as invalid in the central VIES where a taxable person fails to respect the obligations to communicate data, where the economic activity has ceased or where the competent authority considers that the taxable person has ceased such activity.

To assist Member States in their fight against VAT fraud and to detect fraudsters, VAT identification information and VAT information on intra-Community transactions should be available in the central VIES for **10 years**.

Exchange of information

To allow the central VIES to maintain the capabilities of the existing VAT information exchange system, the central VIES will also be able to aggregate information to provide an overview of supplies and acquisitions reported by taxable persons located in Member States.

Access to information

Access to the information in the central VIES will be provided on a need-to-know basis. Allowing access to sensitive data to those users for which it is foreseeably relevant will be enforced with access permissions and access logs that safeguard the information in the central VIES. That information should not be used for purposes other than the monitoring of the correct application of VAT and the combating of VAT fraud. All users are to be bound by the confidentiality rules.

To fight VAT fraud, **Eurofisc liaison officials** of Member States will be able to access and analyse VAT information on intra-Community transactions. In addition, competent authorities of Member States will select other officials who need to have direct access to the central VIES and grant them such access where needed. **Duly accredited persons of the Commission** will be able to access the information contained in the central VIES, but only to the extent that such access is necessary for the development and maintenance of that system.

To investigate suspected VAT fraud and to detect such fraud, the **information systems** supporting the Eurofisc network in the fight against VAT fraud, including the Transaction Network Analysis system and the central electronic system of payment information (CESOP), should have direct access to the central VIES.

National electronic systems that transmit information to the central VIES will therefore also have access to the information stored in the central VIES, including the processed and aggregated information for VAT control purposes and for the fight against VAT fraud.

ENTRY INTO FORCE: 14.4.2025.

APPLICATION: from the entry into force of the regulation and from 1.7.2028, 2029, 2030 and 2032 according to the provisions.