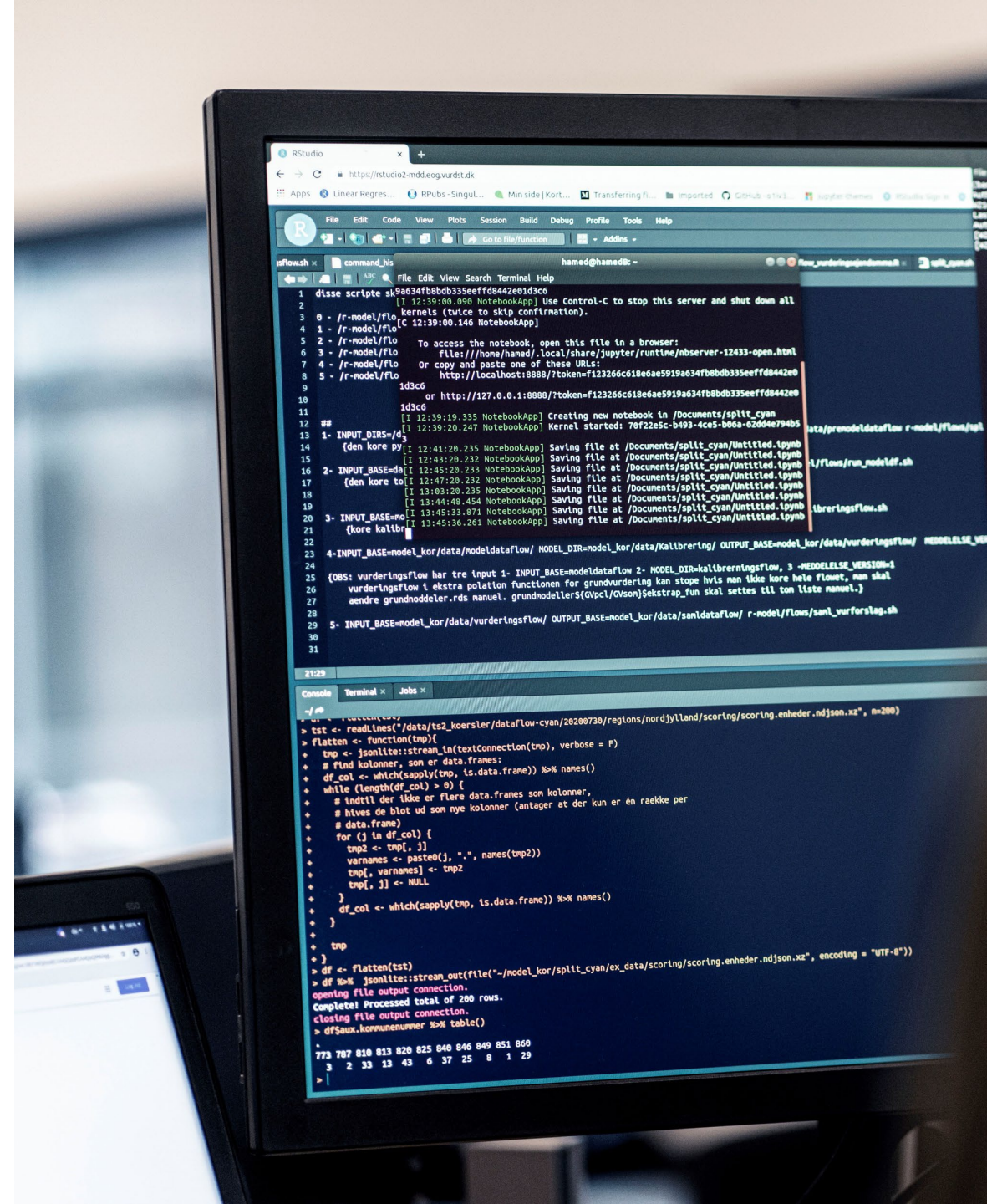


Conclusions from piloting VAT in the Digital Age – ViDA

Mikkel Skaksen – Danish Tax Agency

What we did

- Together with the DK service provider we decided to include domestic transactions as well as cross border transactions
- We assumed the role as receiver of the data subset as 5th corner in the exchange structure
- We received data from suppliers and customers from all Nordic countries, the data covered e.g.:
 - Invoices
 - Credit notes
 - Supplies with varying VAT treatment (VAT liable, VAT exempt, zero-rated, out-of-scope, discounts and combinations)



Findings and conclusions (1/2)

- Strengthened our understanding of data content, structure and processes
- Data transparency/sharing of data appears possible with an absolute minimal burden for businesses
- The format is highly applicable and the data contains extremely relevant information for guidance and audit purposes
- Possibility for Tax authority to receive and use data for analysis and matching purposes
- The structured data subset provide the basis for a standardized approach to the audit and review process, potentially allowing the Tax authority to focus the audits on relevant businesses



Findings and conclusions (2/2)

Lacks"/"gaps"/need for improvement or consideration

- Unique identifier on invoice level for matching purposes
- The current data subset or invoice requirements needs additional detail to replace the EU sales reports with the level of information we have today
 - E.g. goods/services indicator or item classification codes
- The e-invoice must include sufficient information on exchange rates or currency conversion to ensure optimal and correct reporting of EU-sales
- Basis for full syntax and quality checks, e.g. that credit notes (document type) does indeed include reference to the preceding invoice
- Tax category codes on the invoice will provide a higher level of detail and an indication of tax treatment which can be aligned with other details on the invoice



Perspectives

- The “ViDA steps” can be used as steppingstone for further development and adaption of digitized approach
- Implementation of mandatory e-invoicing on cross border transactions may be expanded to also cover domestic transactions, even prior to ViDA go-live
- The data received can be subjected to checks and testing for guidance and potentially audit purposes, thus providing basis for strengthened compliance



Nordic Smart Government & Business

Conclusions from piloting Vat in a Digital Age -ViDA



Agenda:

- ViDA report pilot based on invoice information
- ViDA report specification
- Findings presented by Mikkel Skaksen

What is a standard format



Instructions for service providers (ERP) how to implement information elements

Home / EHF Catalogue 3.0

BIS Catalogue 3.0

Documentation	Implementation Guideline
	Release 2020-06-10 Release notes describing changes related to EHF Post-Award G3 in release '2020-06-10'.
	Changelog
Syntax	BIS Catalogue 3.0
	BIS Catalogue Response 3.0
Rules	BIS Post-Award Common 3.0 Common rules for most transactions part of EHF Post-Award G3.
	Business rules for EHF Catalogue 3.0
	Basic rules for EHF Catalogue 3.0 Automatically generated rules to validate document instances of EHF Catalogue 3.0.
	Basic rules for EHF Catalogue Response 3.0 Automatically generated rules to validate document instances of EHF Catalogue Response 3.0.
Code lists	Catalogue Action code, header level (openPEPPOL)
	Catalogue Action code, line level (openPEPPOL)
	Electronic Address Scheme (EAS)
	Packaging level code (GS1 7009)
	ICD list (ISO 6523)
	Country codes (ISO 3166-1:Alpha2)
	...

Explanation of special fields and how they are implemented in a system

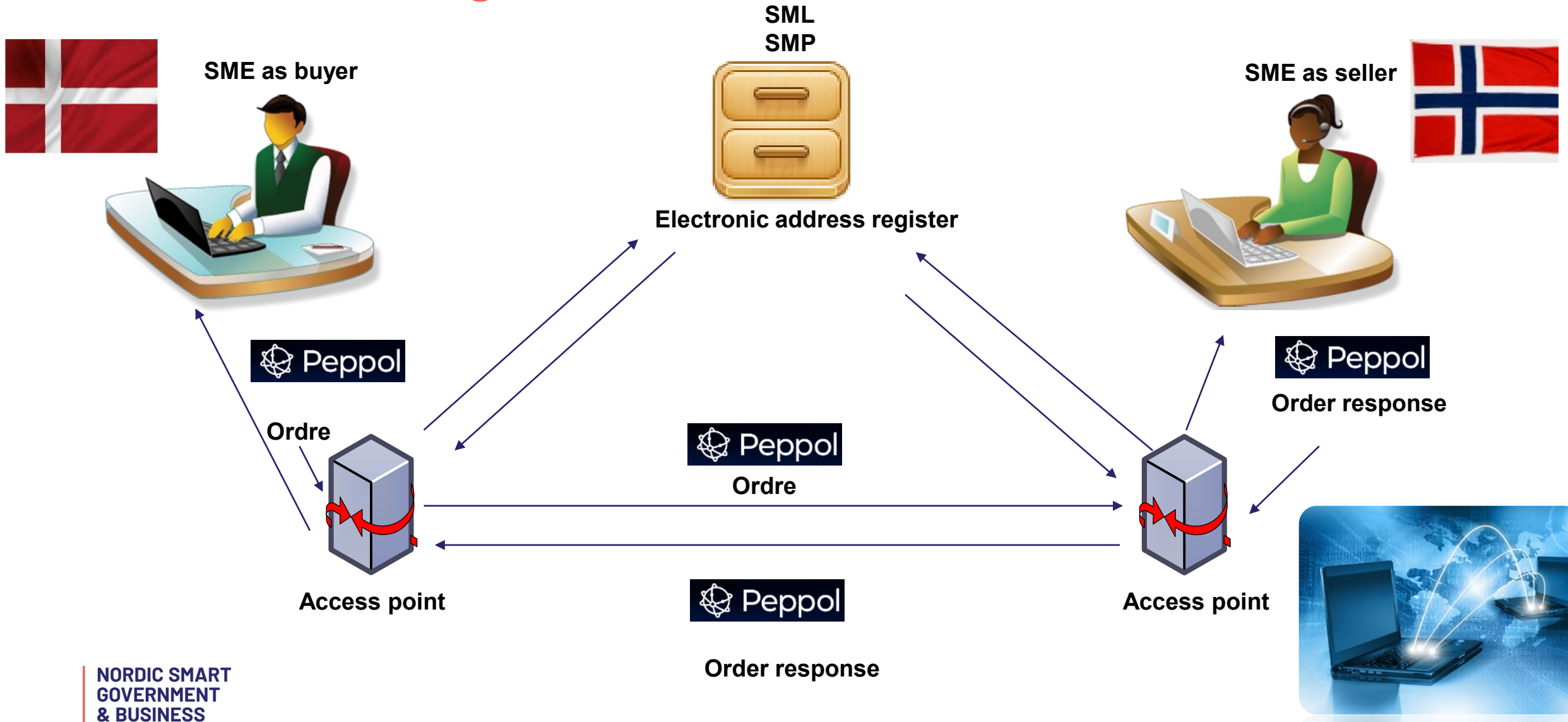
How the information is organized so that systems can read it

Rules for how the information is organized and whether it is mandatory or optional

Code lists to describe properties of the product or service, such as color, packaging unit or different types of allergens

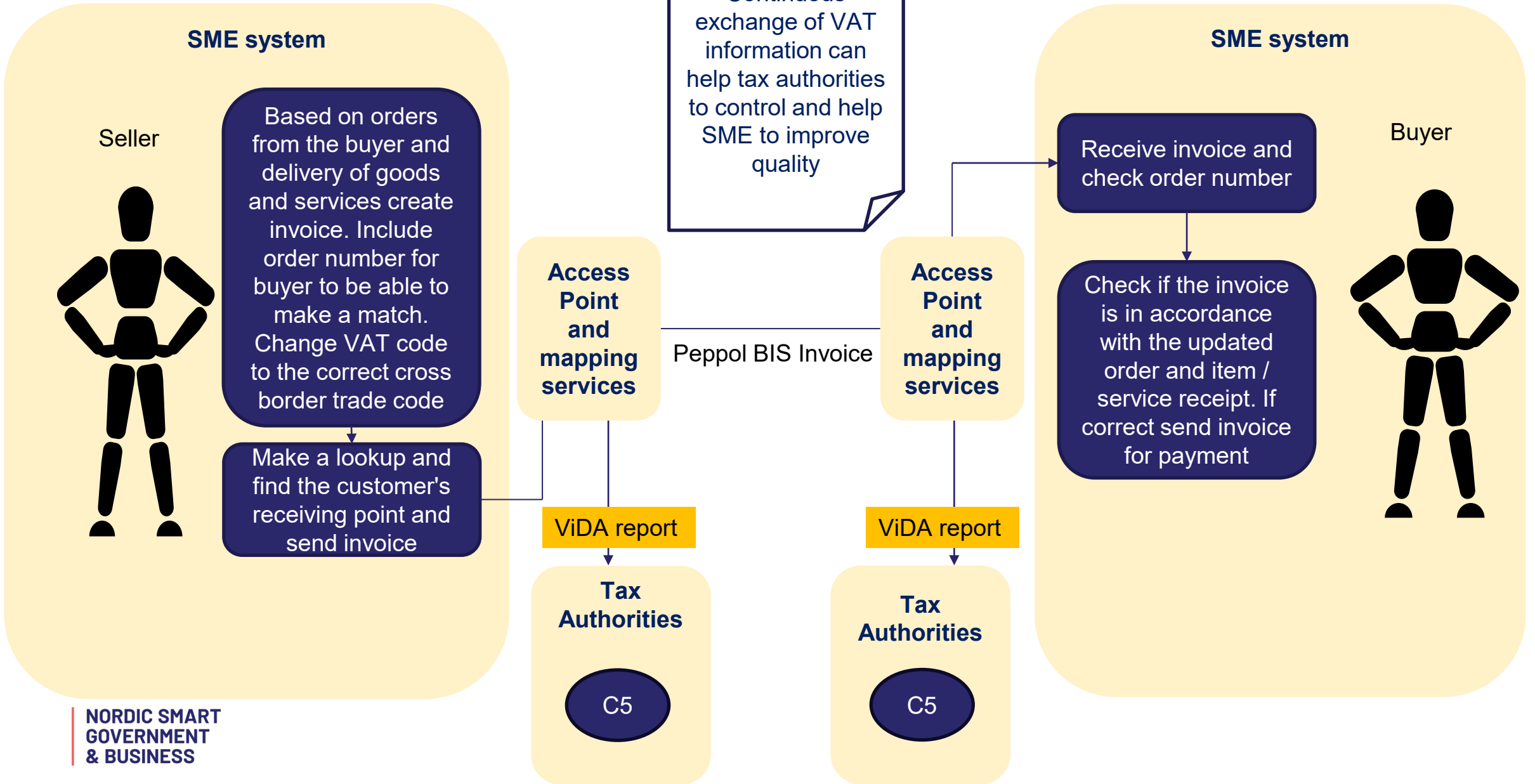
Example file

What is a standard way of sending information without one-to-one integrations

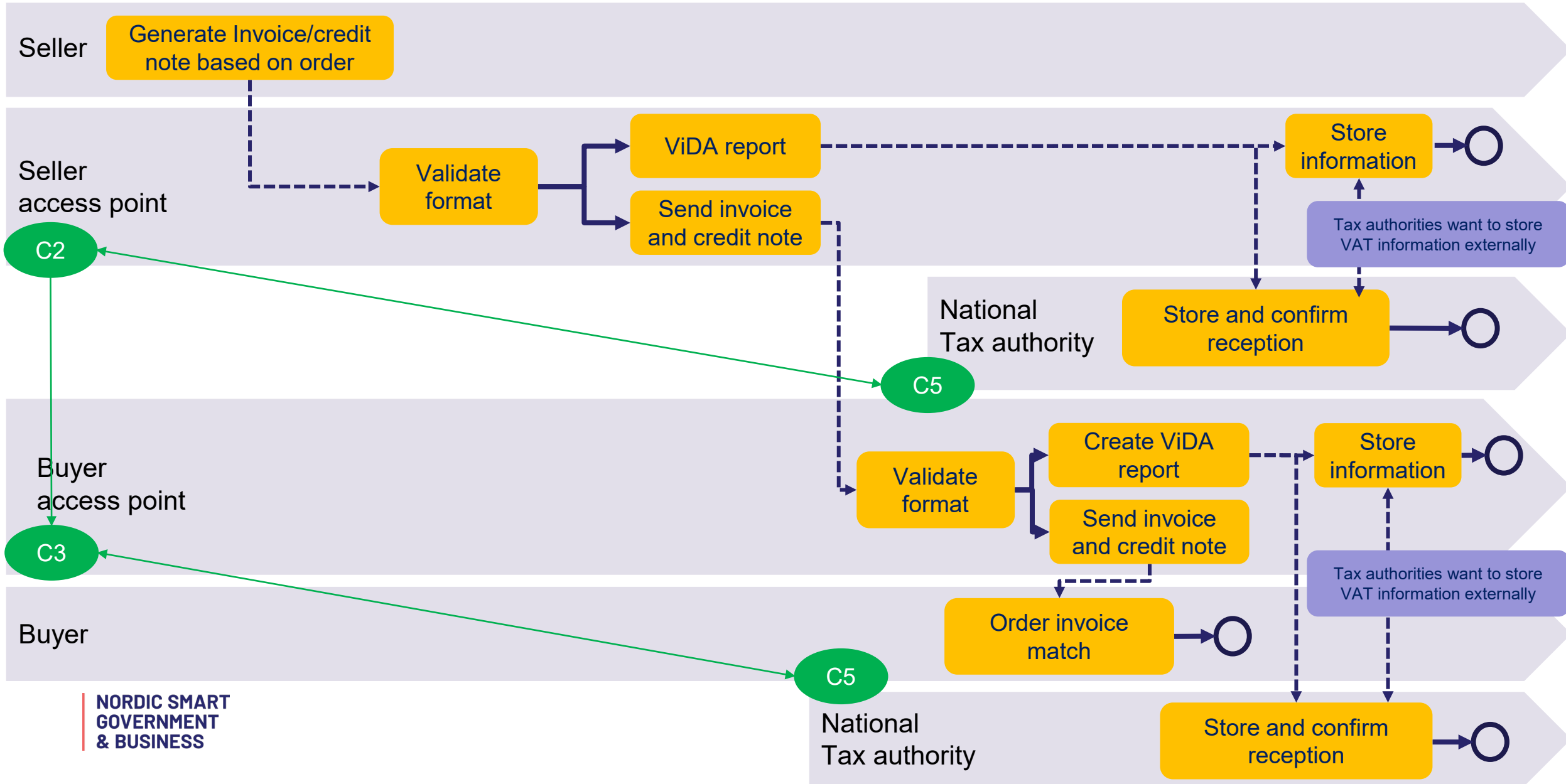


ViDA report (CTC) pilot

Process activities



ViDA report pilot process



ViDA report pilot process

Possible future

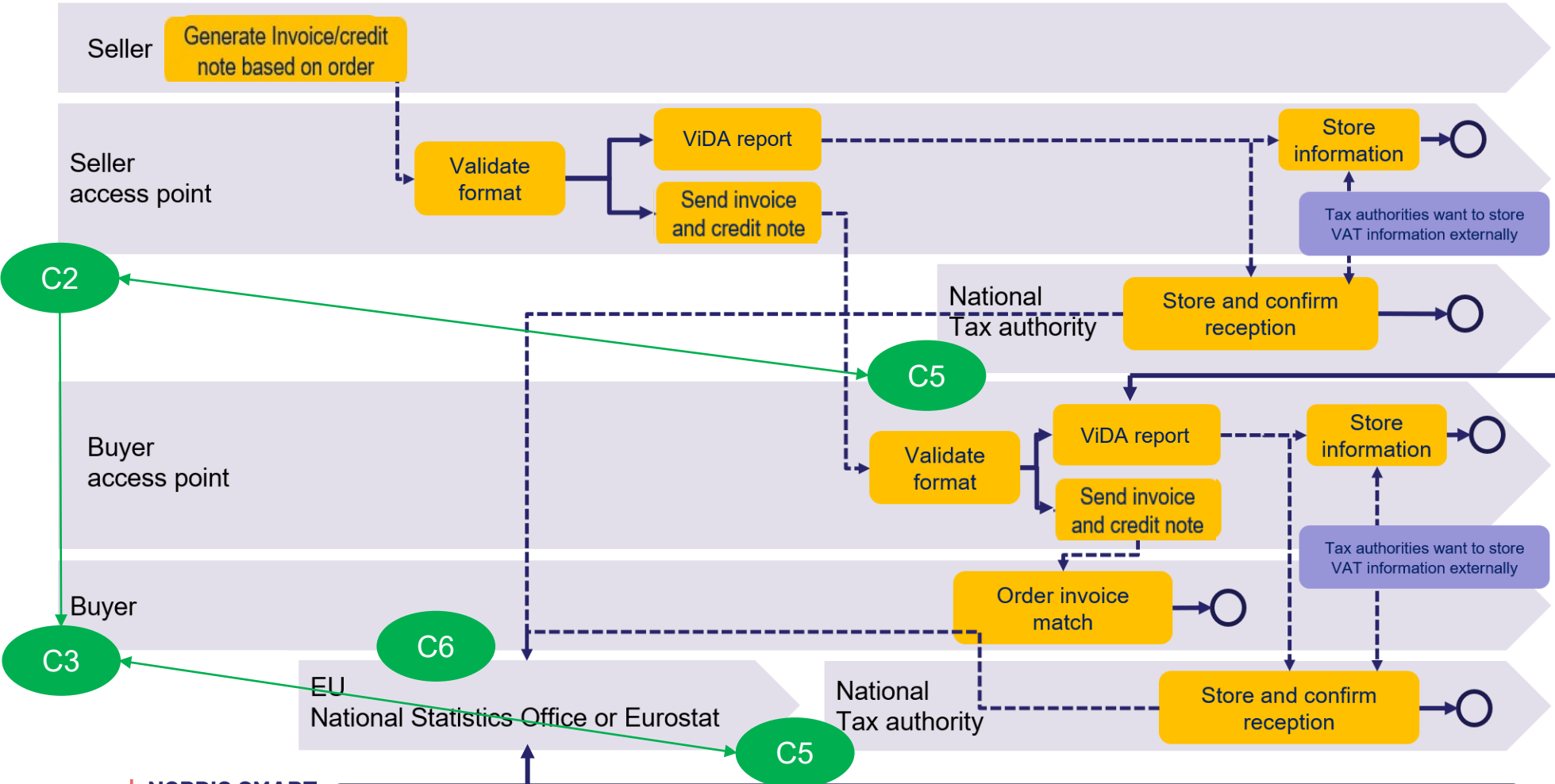
NSB&B ViDA report specification

CTC matrix- ViDA and need for information from tax authorities and others

Created by an advice team, last modified on 14-11-2022

Line No.	Level	Cardinality	Element	Name	Description	ViDA requirements	Requirements EEA countries	Relevant Public Tax Authority	Relevant fields statistics	Comments
1	*	1..1	docCustomizationID	Specification identifier	An identification of the specification containing the total of rules regarding generic content, guidelines and business rules to which the data contained in the instance document conforms.					
2	*	1..1	docType	Business process type	Identifies the business process context in which the transaction appears, to enable the Buyer to process the invoice in an appropriate way.					
3	*	1..1	docID	Invoice number	A unique identification of the invoice. The sequential number assigned in Article 220(2) of the directive 2006/112/EC (EU) to uniquely identify the invoice within the business context, time frame, operating systems and records of the Seller. No identification scheme is to be used.	Article 228 (1) (3)				
4	*	1..1	docIssueDate	Invoice issue date	The date when the invoice was issued. Format: YYYY-MM-DD.	Article 228 (1)(1)				

NSB&B ViDA report specification is based on BIS invoice. Selection of the information elements was determined by the Nordic tax authorities



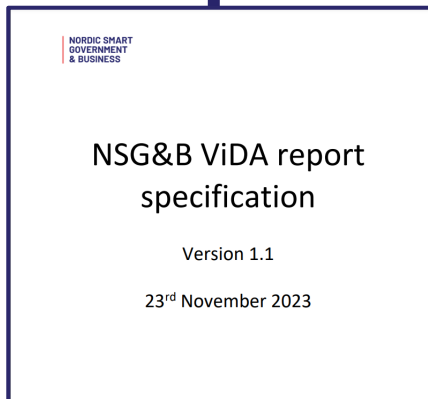
It may be that in the future the EU wants an aggregated report from the various countries, therefore this role has been included. This was not the scope of the pilot

ViDA report specification

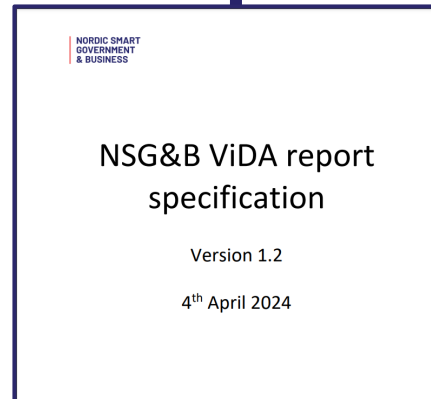
The specification is based on Peppol BIS billing 3.0 (invoice)

Nordic SME's and public sector

Cross Border



Focus on reporting of VAT based on invoice. Good quality in VAT information



Focus on reporting of VAT based on invoice and credit note. Good quality in VAT information

Nordic SME's and public sector

Cross Border

Documents

Download the NSGB Vida report specification 1.2 (pdf) →

Download the Annex 1-ViDA report v. 1.1 syntax model →

Download the Annex 2- ViDA report- Response message syntax model →

Annex 3 - NSGB Vida report CrditNote Syntax model v1.0. xlsx →

Benefits buyer and seller

- The ViDA report may significantly contribute to less work for the accounting department in most Nordic SMEs. The periodic mandatory statement on VAT used to allocate several hours of work when put together by the accounting department.
- Reduces number of differences in VAT reporting; these differences may cause work before and after reporting. The ViDA reporting system will contribute to and help create precise and correct reporting right from the beginning.
- In the future, Statistical Authorities may use the same method to seamlessly obtain their data from the network.

Benefits Nordic tax authorities

- Matching the seller's ViDA reports to the buyer's ViDA reports to estimate that these are identical.
- Cluster ViDA reports based on the tax risks. The main target is to define as many taxpayers as possible into the group "compliant/low/medium risk", with the objective to cause them the least administrative burden as possible. A particular focus group is fraud and how to define fraud clusters as precisely as possible.
- ViDA reports may be used to give guidance to SMEs and accounting firms, as well as designing more service channels for FAQs, such as chatbots and virtual assistants. When the data are structured, the opportunities to design different service channels becomes easier.

ViDA report (CTC) pilot findings- Mikkel Skaksen- The Danish tax authority