



VIMA

Office of the Revenue Commissioners
Government Offices
Millennium Centre
Dundalk, Co. Louth
Ireland

Oifig na gCoimisinéirí Ioncaim
Oifigí an Rialtais
Ionad na Mílaoise
Dún Dealgan, Co. Lú
Éire.

Changes to The VAT Information Exchange System (VIES)

Introduction

In January 1993, frontier controls on the movement of goods between E.U. Member States were abolished and Irish exporters involved in E.U. trade have been required to furnish periodic VIES Statements to Revenue from that date.

The VAT Information Exchange System (VIES) was put in place by the EU to assist in the policing of the new VAT arrangements from 01/01/1993. Under the VIES legislation, all VAT registered traders who make intra-community supplies of goods must furnish the Revenue Commissioners with a VIES statement listing such supplies.

From 1 January 2010, all VAT registered traders involved in Business to Business (B2B) reverse charge services across Community borders must also file a VIES return for those services. Significant new EU legalisation on VAT will come into effect on 1 January 2010. The “**VAT PACKAGE**” is one of the biggest changes to the EU VAT system in recent years. The changes include the following:

- **Changes to Anti-Fraud Measures / VIES Statements, which include the introduction of services and monthly filing from 01 January 2010.**

This document in general sets out to explain the changes in respect of **Anti-Fraud Measures – VIES Statements** (recapitulative statements) and explain the obligations that traders will have in respect of their periodic declarations to VIMA.

The document includes details with regard to introduction of “**SERVICES**” in respect of the VAT Information Exchange System (VIES) from 1 January 2010.

The document also includes details regarding the “**Reduction Of Timeframes**” where as a general rule traders must submit VIES returns on a monthly basis rather than quarterly for **supplies of goods** from 1 January 2010.

The document also includes a set of frequently asked Questions and Answers.

From 1 January 2010 there are important changes to VIES, please see details below:

Introduction of Services to the VAT Information Exchange System – VIES.

Council Directive 2008/8/EC (amending Directive 2006/112/EC) provides with effect from 1 January 2010 Irish VAT registered suppliers must submit a VIES statement detailing all the VAT registered customers in other Member States to whom he/she has supplied services in respect of which that customer is liable for payment of the VAT due. Traders may submit on a quarterly basis or monthly if preferred. Please see the relative EU directive 2008/08/EC as per attached link:

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2008:044:0011:0022:EN:PDF>

The new filing arrangements for services are being introduced as part of the **VAT Package**, which is introducing new place of supply rules and new intra-community refunds of VAT.

Introduction of monthly filing conditions for VIES in respect of supplies of goods.

Council Directive 2008/117/EC (amending Directive 2006/112/EC) provides that Irish VAT registered economic operators involved in intra-community supplies of goods must submit a VIES Statement monthly from 01/01/2010 if the supplies exceed €100,000 in any of the previous four quarters. This threshold will be reduced to €50,000 from 01/01/2012. Economic operators whose intra community supplies do not exceed the threshold may report quarterly. Please see the relative EU directive 2008/117/EC as per attached link:

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2009:014:0007:0009:EN:PDF>

In line with Revenue's electronic approach, all VIES Statements should be e-filed through Revenue On-line Service, follow the ROS link at <http://www.revenue.ie/en/index.html>

If you are involved in Supply of Services to other Member States please register with VIMA as soon as possible by completing The VIES Registration Form



[VIES Registration Form \(PDF, 95KB\)](#)

For further information please contact the VIES Section in VIMA- yimahelp@revenue.ie or LoCall 1890251010, extns. 53422, 53426 or 53421.

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Anti-Fraud Measures - Services

From 1 January 2010, the new rules on the place of supply of services will mean that intra-community supplies of business-to-business (B2B) services will be taxed where the customer is situated, rather than where the supplier is located. For business-to-consumer supplies of services (B2C), the place of taxation will continue to be where the supplier is established.

Since January 1993, VIES Statements are required for intra-community supplies of goods. However, from 1 January 2010, VIES Statements will be required also in respect of intra-community supplies of **services (Council Directive 2008/8/EC)**.

The current VIES Statement which is used for reporting supplies of goods, will also be used for reporting supplies of services. Please see details below:

Reporting requirements

- Trader's own VAT registration number.
- The VAT registration number, including the relevant national alpha codes of each of the customers in other Member States to whom he made a zero rated Intra-Community supply of goods / services (services from 1 Jan 2010), during the period.
- The total aggregate value of such supplies made to each customer during the period.
- The indicator "S" in the flag column if supplies relate to Services.
- The indicator "T" in the flag column if supplies (goods only) relate to Triangulation.

Exclusions from VIES reporting requirements

- Supplies of services which are exempt for VAT according to the rules in the customer's Member State
- B2C supplies.

Reduction Of Timeframes

Under the current VAT system, an Irish supplier who is supplying goods to business customers in other EU Member States is required to submit a quarterly VIES Statement showing details of the value of goods sold to each EU customer in that period.

This information is shared between Member States in order to combat fraud and seek to prevent entities from incorrectly availing of the zero rate.

In December 2008, the EU Council adopted a further Directive ([Council Directive 2008/117/EC](#)) on "stepping up the fight against evasion of VAT". The Directive provides for services and also details new rules for the filing deadlines in respect of VIES Statements for goods and services.

The Directive provides that with effect from 1 January 2010, VIES returns must, as a general rule, be made by traders on a monthly basis. Traders whose supplies of goods exceed the threshold of €100000 in any of the previous four quarters will be obliged to submit monthly VIES returns rather than quarterly. This threshold will be reduced to €50000 with effect from 01/01/2012.

In the case of supplies of services, Member States may allow taxable persons to submit VIES Statements on a quarterly basis without any threshold limit. The Regulation aims to achieve a quicker exchange of information about cross-border transactions among the Member States.

Since early 2009 Revenue have conducted an ongoing awareness programme of highlighting the changes in respect of VIES from 1 January 2010 in order that businesses can deal with the additional compliance obligations.

In February 2009, VIMA gave advanced notification to companies regarding the introduction of monthly filing conditions for VIES in respect of supplies of goods. VIMA also gave advanced details in national newspapers and the information is detailed in our Tax Brief, issue no 71 refers.

Traders who registered quarterly in respect of goods for VIES and who have exceeded the relevant threshold as outlined above will be contacted by Revenue. VIMA will advise each individual company that with effect from 1 January 2010, the company will be registered monthly rather than quarterly for VIES returns.

YOUR VIES QUESTIONS ANSWERED


Q.1 What is VIES?

- VIES is the VAT Information Exchange System, a system of administrative co-operation between Member States based on the computerised exchange between Member States of VAT registration data and data collected from VAT registered exporters in each of the Member States. A VIES Statement includes details of supplies of goods and / or services made by an Irish VAT registered trader to a VAT registered customer in another EU Member State

Q.2 Under VIES, exactly what information is collected?

- Each VAT registered exporter to other Member States is required to supply a periodic VIES statement to VIMA containing the following information:
- Trader's own VAT registration number.
- The VAT registration number, including the relevant national alpha codes of each of the customers in other Member States to whom he made a zero rated Intra-Community supply goods / services (services from 1 Jan 2010), during the period.
- The total aggregate value of such supplies made to each customer during the period.
- The indicator "S" in the flag column if supplies relate to Services.
- The indicator "T" in the flag column if supplies (goods only) relate to Trangularation.

Q.3 Does an Irish VAT registered trader need to register with Revenue if that business is involved in supply of goods / services to other Member States on or after 1 Jan 2010?

- Yes. Traders who are involved in supply of goods / services to other EU Member States can contact VIMA, phone no 042 9353300, Lo Call 1890 251010, email VIES@revenue.ie or fax no 042 9353440 or alternately complete the **VIES Registration Form**  [VIES Registration Form \(PDF, 95KB\)](#)

Q.4 What is the preferred frequency of return filing types for services?

- Traders are allowed to file VIES returns in respect of taxable supplies of services on a quarterly basis. However, traders may opt to file to submit on a monthly basis if they prefer.

Q.5 When are VIES returns due to be submitted to Revenue?

- For services, a VIES statement should be furnished to the Revenue Commissioners by the 23rd day of the month immediately following each calendar quarter. Traders who have opted to file monthly should furnish a statement by the 23rd day of the month immediately following each calendar month.

Q.6 What happens if there are no goods or services in a reporting period?

- Traders who are registered for VIES in respect of services should submit a “NIL” return if there are no supplies to report.
- Traders who are registered for VIES in respect of goods should submit a “NIL” return if there are no supplies to report.
- Traders who are registered for VIES in respect of goods and services should submit a “NIL” return if there are no supplies of goods and services to report. If the trader has one or other to report, goods or services, and reports only one type, then it is assumed that the type omitted is “NIL”.

Q.7 Will there be a different VIES Statement form for services?

- No. Revenue will use our existing VIES Statement form. Where services are reported traders should enter the indicator “S” in the flag column if supplies relate to services opposite the customer VAT number and value.

Q.8 Can VIES returns for services be submitted electronically?

- Yes. **The Revenue On-Line Service (ROS)** offers an efficient, secure, electronic VIES management system to transmit returns to VIMA, follow the Ros link at <http://www.revenue.ie/en/index.html>. Returns may be submitted using ROS On-Line or ROS Offline submission or uploading an XML file in the approved format. It is expected that the xml approved format will be released live in January 2010.

Q.9 Can I appoint an agent to submit my VIES Statement for services?

- Yes. A trader may appoint an agent to complete the return on his behalf but the responsibility for accuracy and timely submission remains with the trader. Please note only one VIES Statement per period is allowed.

Q.12 Should traders check the validity of their customer's VAT registration numbers?

- Yes. The Europa website can be used to check the validity of foreign customer's VAT numbers. The Commission's web site is a real-time system which checks the validity of VAT identification numbers against the databases maintained by Member States. In other words, when you check a number, it is the database of that Member State that is being checked. If the VAT number of your customer comes up as invalid, then he / she should take the matter up with his fiscal administration. Please see link below for Europa Web site.

http://ec.europa.eu/taxation_customs/VIES/VIEShome.do

- Alternately, VIMA provide a facility whereby Irish traders can verify the VAT registration numbers quoted by their customers in other Member States. An Irish trader, who has doubts about the validity of a VAT number quoted by a customer, can use the verification system to establish whether a particular number is valid.

Q.13 If services are "VAT Exempt" in the customer's Member State is there a reporting requirement?

- Services that are taxable in the customer's Member State must be reported. Where the service is "VAT Exempt" in that Member State there is no reporting requirement. Where traders fail to ascertain what the VAT treatment is in the other Member State traders should report those services on their VIES Statements.

Q.14 What is the threshold for VIES in respect of monthly filing conditions for goods?

- Traders whose supplies of goods exceed the threshold of €100000 in any of the previous four quarters will be obliged to submit monthly VIES returns rather than quarterly.

Q.15 Can supplies of goods and services be reported on the same VIES Statement?

- Yes. For goods, please enter customer VAT number and value details as normal. For services, please enter customer VAT number, value details and the indicator "S" in the flag column if supplies relate to Services.

Q.16 Will Revenue notify traders if they have exceeded the quarterly threshold?

- Yes. VIMA will advise each individual company that with effect from 1 January 2010, the company will be registered monthly rather than quarterly for VIES returns.