European Commission

TAXATION IT Systems

Overview of the IT systems and applications (present and future) in the field of Taxation

European Commission

These slides accompany the explanation of the acquis to Albania and North Macedonia and can only be used for that purpose. Their content is subject to further development of the acquis and interpretation by the Court of Justice of the European Union.

Content

Introduction

- DG TAXUD/B4 (Taxation systems & digital governance) Unit
- DG TAXUD/B4/TIS (Taxation Information Systems) Sector
- External Contractors Support
- Communication & Information

Taxation Systems and Applications

- VAT
- Recovery of Claims
- Direct Taxation
- Other Taxation Applications
- Common supporting Applications

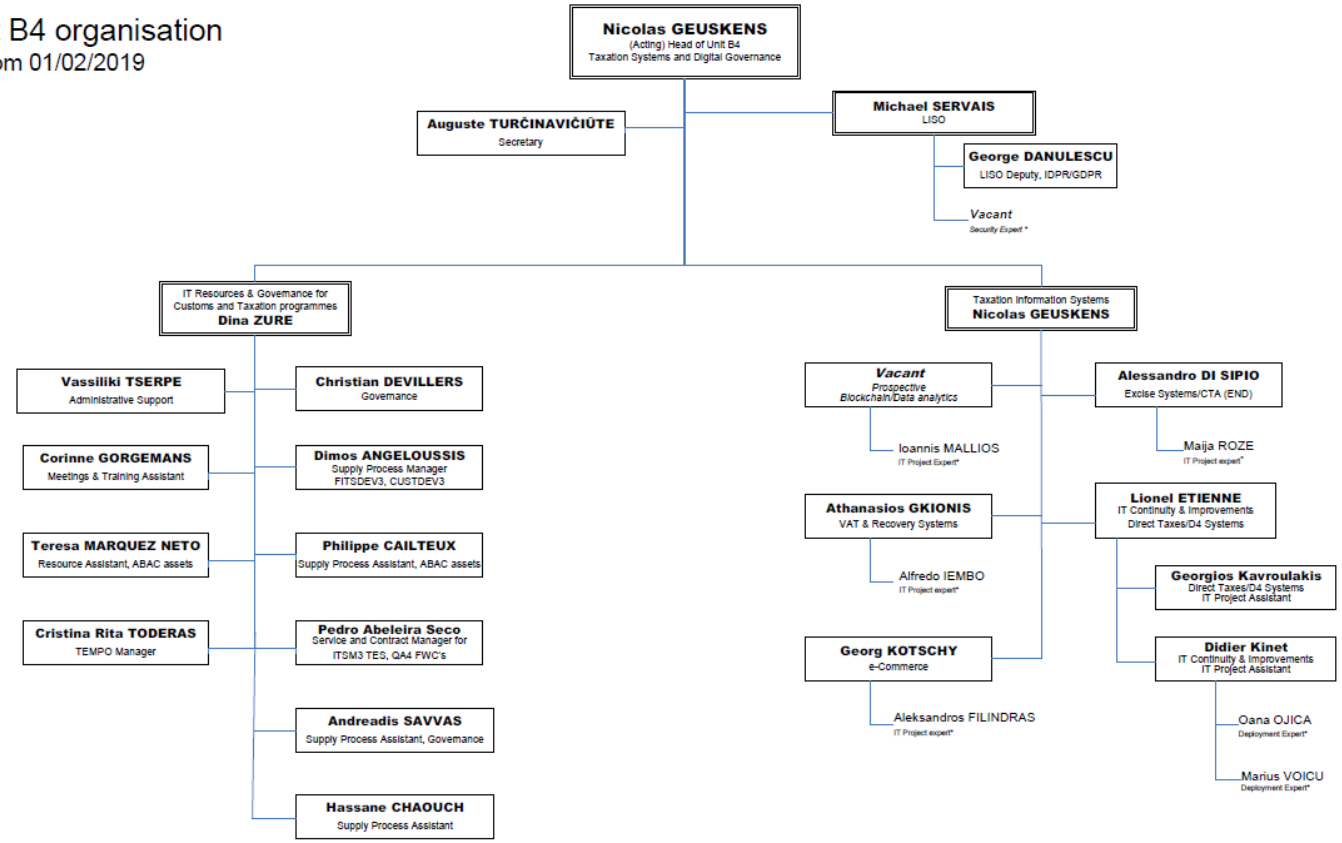
Comitology

European Commission

Unit TAXUD/B4

(Taxation systems & digital governance)

Unit B4 organisation
as from 01/02/2019



* Expert = Intra muros services providers covered by TAXUD TIMEA2 FWC

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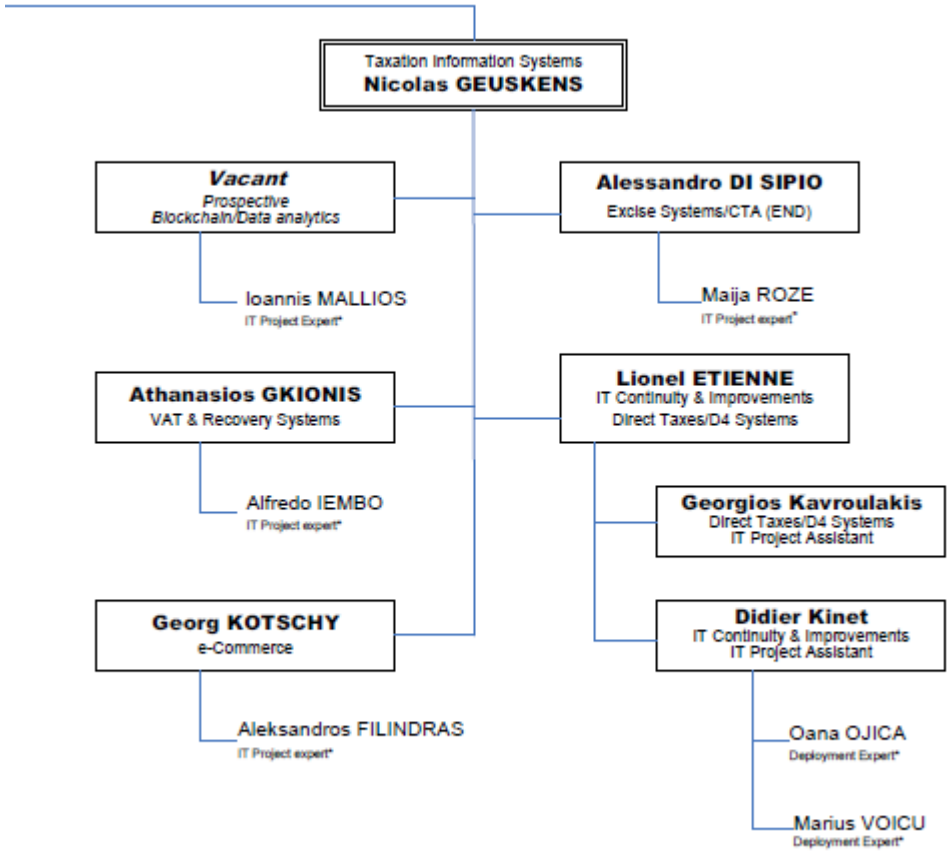
Sector TAXUD/B4/TIS
(Taxation Information Systems)



Introduction

Taxation Sector and supporting environment

Taxation Sector – IT Activities

- *Project management & co-ordination, public procurement;*
- *IT consultancy and IT compliance;*
- *Feasibility Study;*
- *Functional & technical systems specifications;*
- *IT Systems design, development and maintenance;*
- *IT Systems operation and support;*
- *Implementation of test applications for local or conformance testing;*
- *Co-ordination and coaching with the National Administrations;*
- *Meetings, workshops and missions organisation;*
- *Communication & Information – CIRCABC.*

External Contractors Support (1/4)

FITSDEV3:

- Functional & technical systems specifications;
- IT System design, development and maintenance;
- Test Applications;
- Training on Taxation Systems and applications.

CCN2DEV:

- Development Contractor for the CCN components;
- Level 3 support for the CCN components.

External Contractors Support (2/4)

ITSM3 TES:

- Conformance testing support with National Administrations;
- Functional testing;
- Business monitoring of applications and systems in production;
- Business reporting;
- Level 2 support;
- Deployment of TES.

External Contractors Support (3/4)

ITSM3 OPS:

- Service desk;
- Ensures that applications are up and running;
- Operations of the CCN components;
- Technical and performance testing;
- Deployment of applications.

External Contractors Support (4/4)

QA4:

- Ensures compliance of Taxation projects with TEMPO methodology;
- Review and acceptance testing of all kind of deliverables;
- Checks compliance to the procedures during the whole process.

Communication & Information

CIRCABC:

- Web-based collaborative environment providing on-line-services for work-groups and committees;
- Facilitates the effective and secure sharing of resources, documents and discussion forums.
- Taxation interest groups on CIRCABC* managed by B4/TIS:
  - VAT Related Projects;
  - SCIT Committee meetings

PICS:

- Similar to CIRCABC.

* Interest groups related to Direct Taxation and Recovery of Claims are managed, respectively by DG TAXUD/D2 and DG TAXUD/C4.

Taxation Systems and Applications

Overview of the Taxation Systems and Applications

The different areas

VAT Systems and Applications;

Recovery Systems and Applications;

Direct Taxation Systems and Applications;

Other Taxation Systems and Applications;

Common Applications.

VAT Systems and Applications (1/2)

In operations:

- **VIES** (VAT Information Exchange System) since 1993;
- **VIES-on-the-Web** since 2001;
- **TSS** (Taxation Statistical System) since 2013;
- **VAT eForms** (VAT Exchange of Forms) since 2008;
- **VAT Refund** System since 2010.
- **MOSS** (Mini-One-Stop-Shop) since 2015;

VAT Systems and Applications (2/2)

Systems under developments:

- **VIES Call-off Stocks** → 01/01/2020
- **CP.42 / 63** → 01/01/2020
- **OSS** (One-Stop-Shop) → 01/01/2021

VIES

Objective: *exchange of VAT information between tax administrations and/or between tax administrations and traders.*

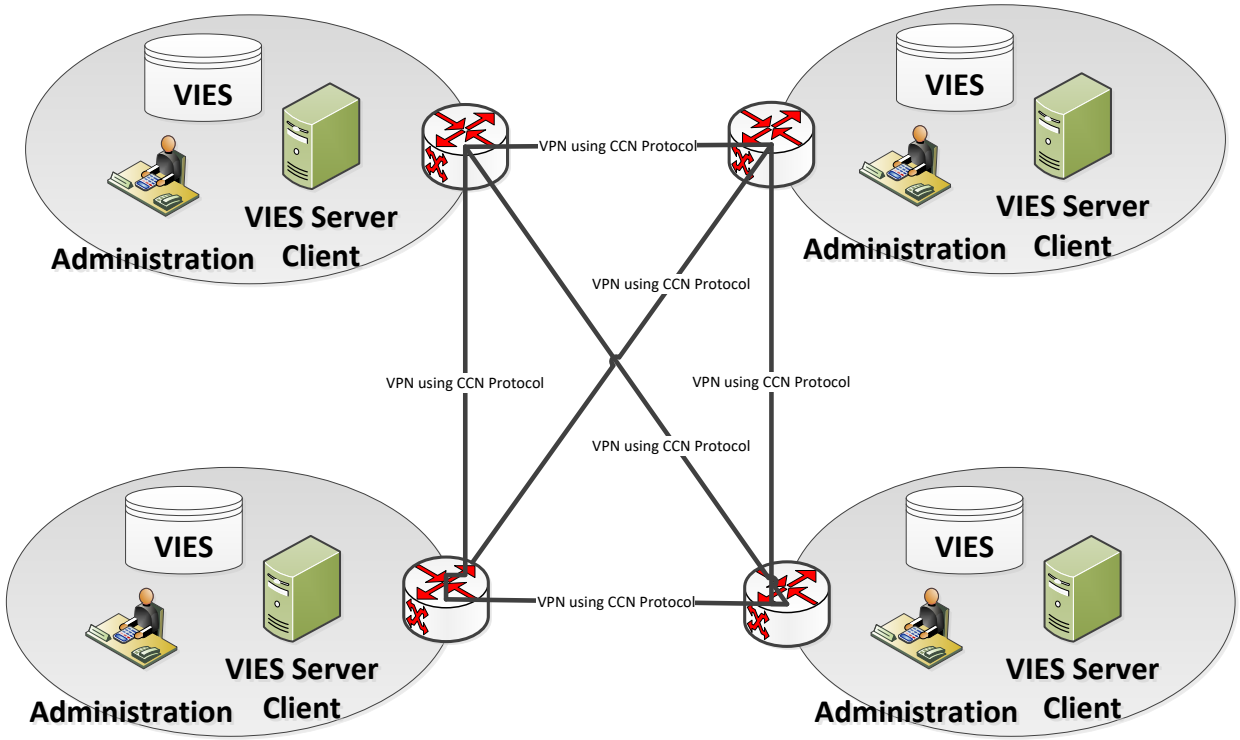
VAT information:

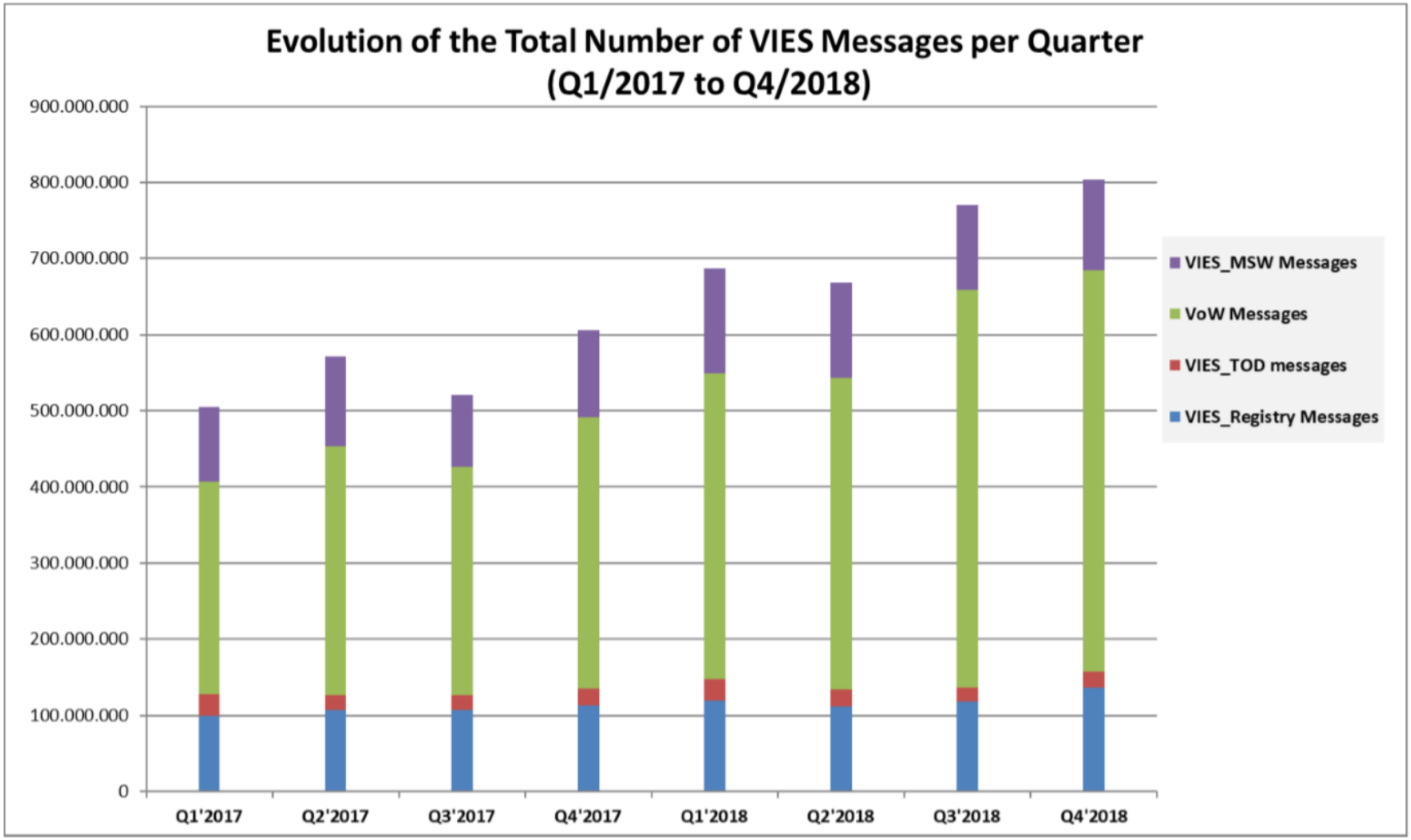
- Registration data (VAT number, Trader's name, address, …);
- Turnover data (amount of goods purchased by Traders in other Member States):
  - Built from traders' recapitulative statements.

Spontaneous messages

Request/Response messages

VIES - Technical Architecture




Evolution of the Total Number of VIES Messages per Quarter
(Q1/2017 to Q4/2018)
900.000.000
800.000.000
700.000.000
600.000.000
500.000.000
400.000.000
300.000.000
200.000.000
100.000.000
0
Q1'2017
Q2'2017
Q3'2017
Q4'2017
Q1'2018
Q2'2018
Q3'2018
Q4'2018
VIES_MSW Messages
VoW Messages
VIES_TOD messages
VIES_Registry Messages

VIES-on-the-Web

Objective: *provides a Web-enabled interface that allows end-users to verify VAT numbers for intra-community trade using the VIES system and via the Internet.*

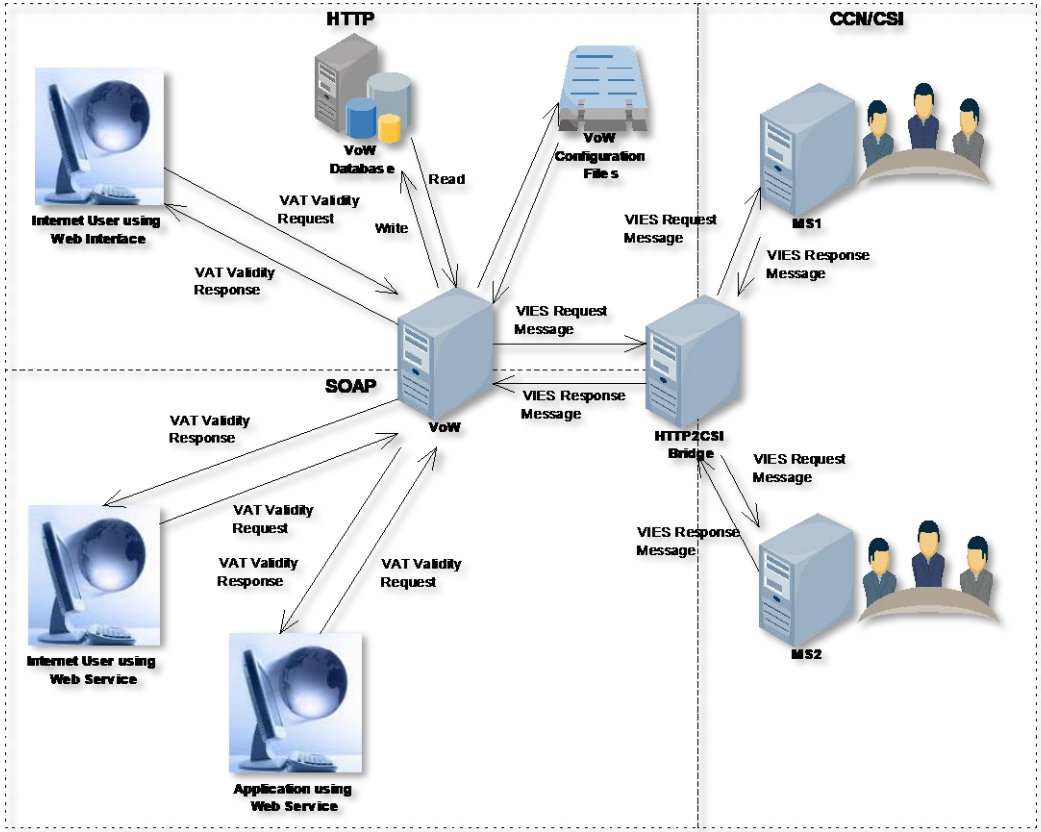
VAT information:

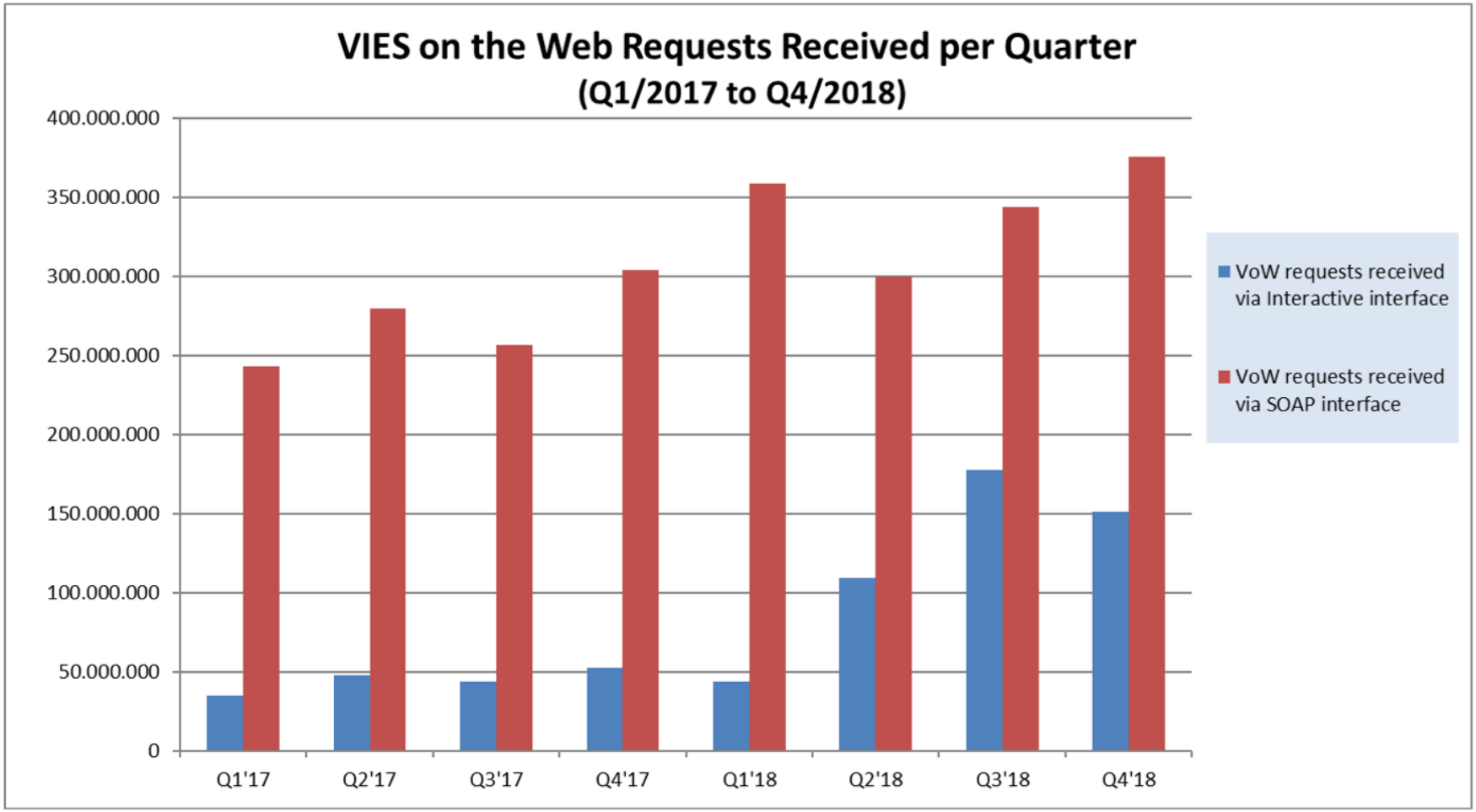
- Registration data (VAT number, Trader's name, address, …);
- Fuzzy Matching - implements the approximate matching of trader name and address – ES only

Types of access:

- An **interactive access** dedicated to human beings and based on web pages available on Europa: http://ec.europa.eu/taxation_customs/vies/
- An **API access** based on SOAP exchanges.

VIES-on-the-Web - Technical Architecture




VIES on the Web Requests Received per Quarter
(Q1/2017 to Q4/2018)
400.000.000
350.000.000
300.000.000
250.000.000
200.000.000
150.000.000
100.000.000
50.000.000
0
Q1'17
Q2'17
Q3'17
Q4'17
Q1'18
Q2'18
Q3'18
Q4'18
VoW requests received via Interactive interface
VoW requests received via SOAP interface

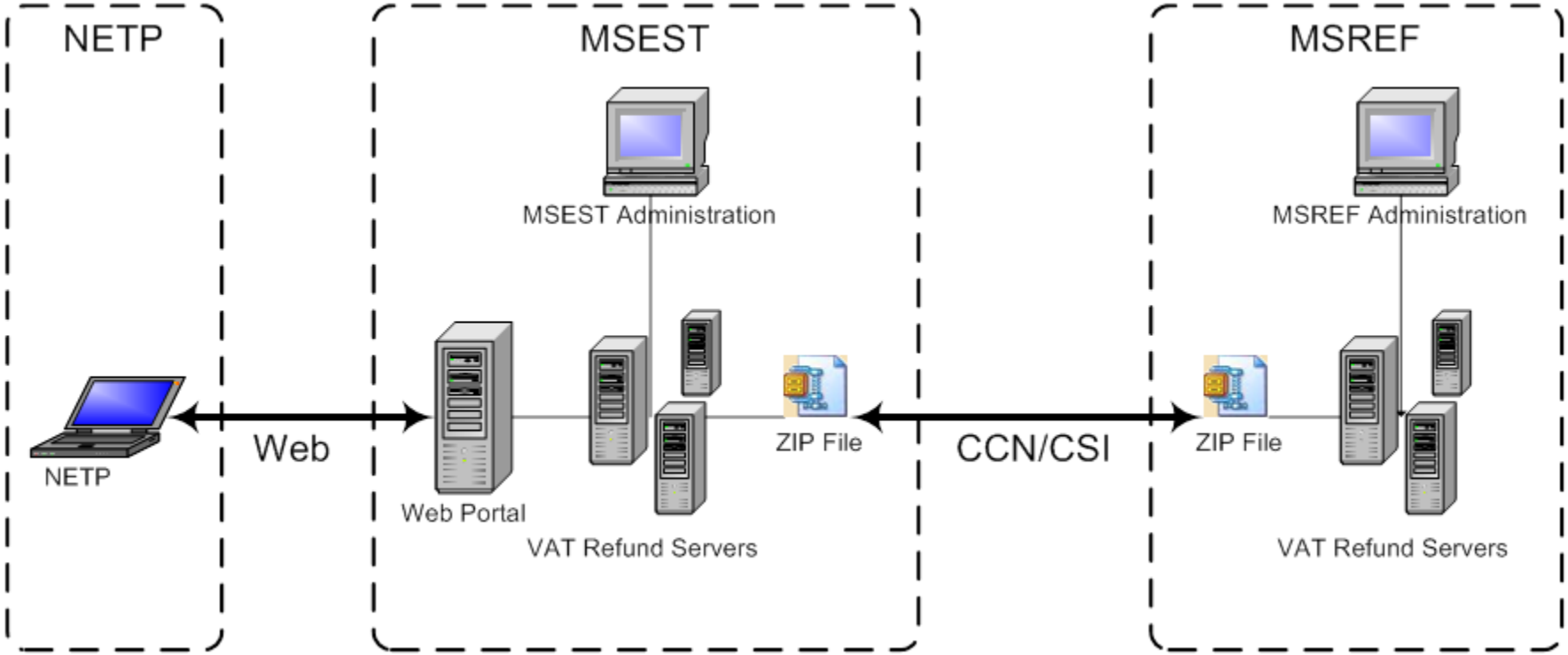
VAT Refund System

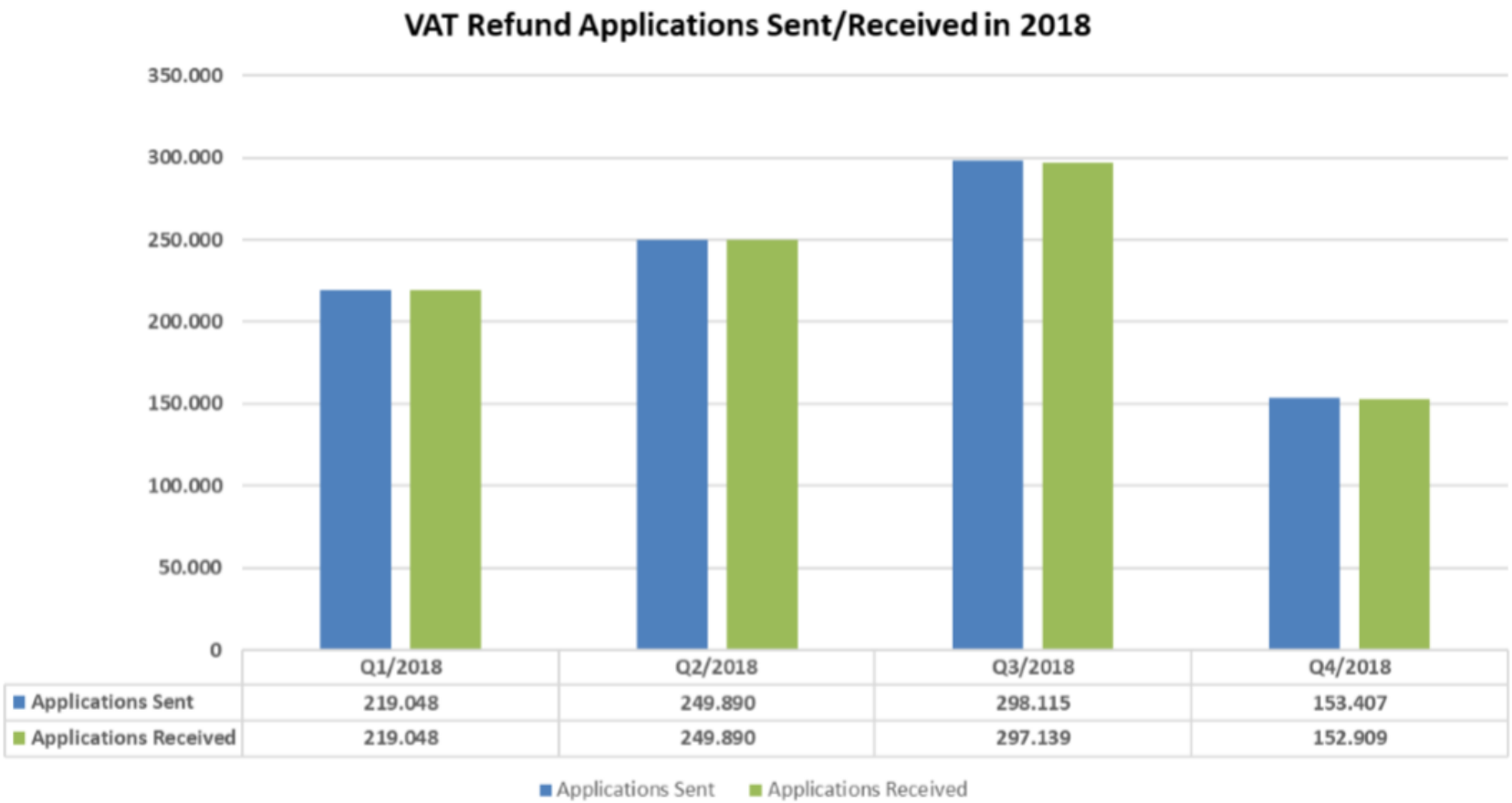
Objective: *allows traders to have a single point of electronic contact and obtain the refund of VAT from a Member State in which they are not established.*

Legal base:

- Council Directive 2006/112/EC of 28 November 2006 on the common system of value added tax;
- Council Directive 2008/9/EC of 12 February 2008 laying down detailed rules for the refund of value added tax, provided for in Directive 2006/112/EC, to taxable persons not established in the Member State of refund but established in another Member State;
- Council Regulation (EU) No 904/2010 of 7 October 2010 on administrative cooperation and combating fraud in the field of value added tax;
- Commission Implementing Regulation (EU) No 79/2012 of 31 January 2012 laying down detailed rules for implementing certain provisions of Council Regulation (EU) No 904/2010 concerning administrative cooperation and combating fraud in the field of value added.

VAT Refund - Technical Architecture





	Q1/2018	Q2/2018	Q3/2018	Q4/2018
Applications Sent	219.048	249.890	298.115	153.407
Applications Received	219.048	249.890	297.139	152.909

VAT eForms

Objective: *allows Member States to exchange information for the several SCAC forms.*

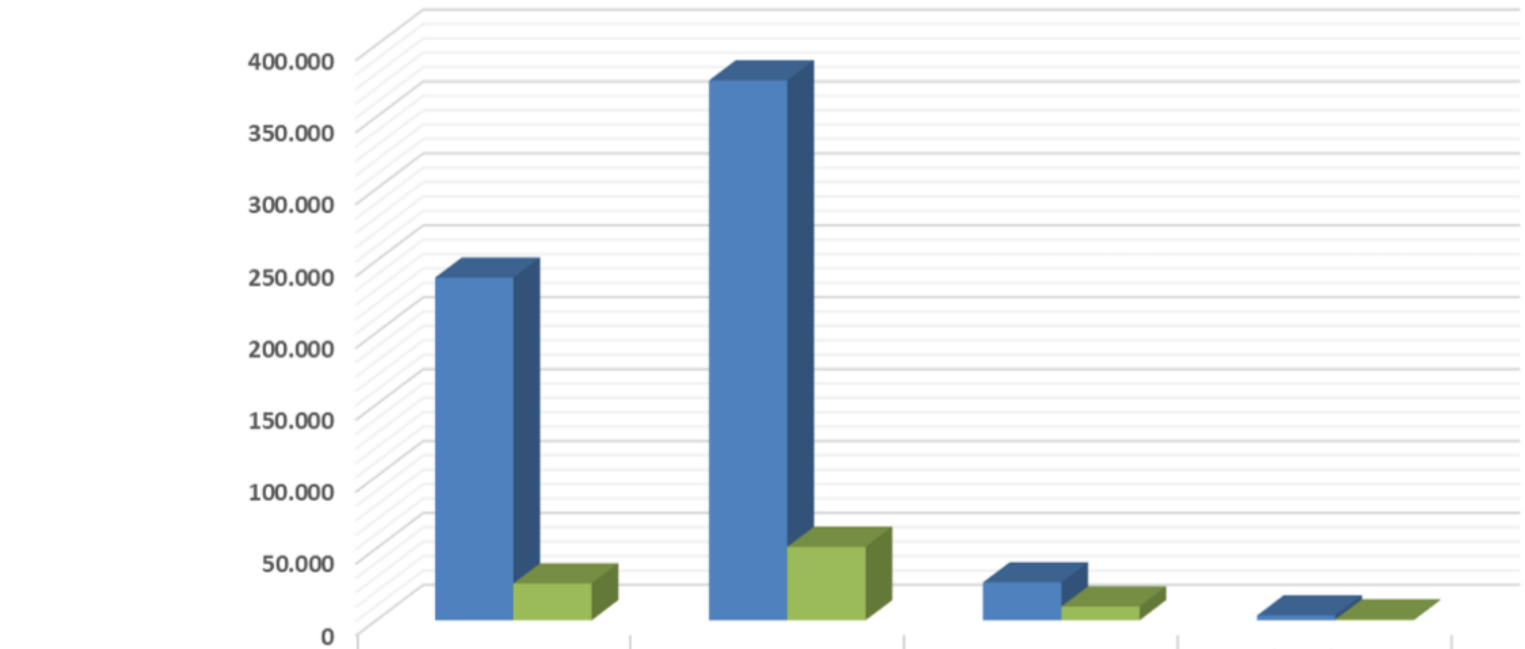
- *Legal base:*
  - Council Regulation (EU) No 904/2010 of 7 October 2010 on administrative cooperation and combating fraud in the field of value added tax (recast);
  - Commission Implementing Regulation (EU) No 79/2012 of 31 January 2012 laying down detailed rules for implementing certain provisions of Council Regulation (EU) No 904/2010 concerning administrative cooperation and combating fraud in the field of value added tax.
- *Exchange of information for several e-Forms.*
- *The eForms consist in a stand-alone JAVA application generating XML files with the forms content and exchanged between the Member States via the CCN/Mail*
- *Application fully developed by DG TAXUD.*

MOSS

Objective: *offer the economic operators supplying some electronic services and broadcasting a simplified scheme to fulfil VAT obligations in a single place of compliance which is the Member State where they are established (EU-scheme) or the Member State of their choice (non-EU scheme).*

- *(Main) Legal base:*
  - Council Directive 2006/112/EC of 28 November 2006 on the common system of value added tax;
  - Council Directive 2008/8/EC of 12 February 2008 amending Directive 2006/112/EC as regards the place of supply of services;
  - Council Regulation (EU) No 904/2010 of 7 October 2010 on administrative cooperation and combating fraud in the field of value added tax (recast);
  - Council Implementing Regulation (EU) No 282/2011 of 15 March 2011 laying down implementing measures for Directive 2006/112/EC on the common system of value added tax.

MOSS Messages Sent (2018)



	Registration	VAT Return	Payment	Technical Error
Union Scheme messages	238.211	375.356	26.345	3.302
Non-Union Scheme messages	25.595	51.051	9.533	550

Union Scheme messages Non-Union Scheme messages

VAT Systems and Applications Future

VIES call-off stock:

- Modifications of the VIES system to allow the Member States to be informed of goods moved from one Member State to another one under the call-off stock procedure.

- Planning:
  - In operations: **01.01.2020**.

VAT Systems and Applications Future

CP42/63: *(One-Stop-Shop)*

- Modification of the Customs import system to allow the validation of the VAT numbers of the import declaration;
- Make available by the Customs authorities to the Taxation authorities details about goods entered in their territory under CP.42/63;
- The validation of the VAT numbers will be done via the national system (VAT number of the importer) and VIES (VAT number of the final acquirer).

- Planning:
  - In operations: **01.01.2020**.

VAT Systems and Applications Future

OSS: *(One-Stop-Shop)*

- Extension of the MOSS:
  - OSS cover all types of goods and service and not only TBE;
  - OSS have a 3rd scheme, the import scheme, for goods supplied by non–EU economic operators.

- Planning:
  - Specifications are being finalised;
  - In operations: **01.01.2021** *with the portal where suppliers can use* to register available in **Q4/2020**.

Recovery Related Projects

In operations:

- Recovery of Claims eForms (Exchange of Forms) since January 2011 (Java stand-alone application);
- Since 01.01.2019: eFCA (eForms Central Application).

Recovery of Claims eForms

Objective: *allows Member States to exchange information for Recovery of Claims.*

- *Legal base:*
  - Council Directive 2010/24/EU of 16 March 2010 concerning mutual assistance for the recovery of claims relating to taxes, duties and other measures;
  - Commission Implementing Regulation (EU) No 1189/2011 of 18 November 2011 laying down detailed rules in relation to certain provisions of Council Directive 2010/24/EU concerning mutual assistance for the recovery of claims relating to taxes, duties and other measures;
- *Application fully developed by DG TAXUD.*

Direct Taxation Related Projects

In operations:

- **DT eForms** (Direct Taxation Exchange of Forms) since January 2011, eFCA since 01.01.2019;
- **ToW** (TIN-on-the-Web) since 2011.
- **DAC1**, **DAC2** (CRS), **DAC3** (ETR), **DAC4** (CbC): AEoI in different categories

Future project:

- DAC6 (MDR)

Direct Taxation eForms

Objective: *allows Member States to exchange information for Mutual Assistance in the field of Direct Taxation.*

- *Legal base:*
  - Council Directive 2011/16/EU of 15 February 2011 on administrative cooperation in the field of taxation and repealing Directive 77/799/EEC.
- *Technical Implementation:*
  - The eForms consist in a stand-alone JAVA application generating XML files exchanged between the Member States via CCN/Mail2.

DACx (1/2)

- DAC1: exchange of information in 5 categories:
  - income from employment;
  - director's fees;
  - life insurance products;
  - pensions;
  - ownership of and income from immovable property.

  Exchanges are taking place via the asynchronous exchanges of XML files between the MS.

  First exchanges: 30.06.2015
- DAC2 (CRS): exchange of financial information.

  Exchanges are taking place via the asynchronous exchanges of XML files between the MS.

  First exchanges: 30.09.2017

DACx (2/2)

- DAC3 (ETR): exchange of rulings.

  Exchanges are taking place via the publication of the rulings in a central directory. MS can search the directory and export rulings as XML files.

  First exchanges: 30.09.2017

- DAC4 (CbC): exchange of country by country reports.

  Exchanges are taking place via the asynchronous exchanges of XML files between the MS

  First exchanges: 30.06.2018

TIN-on-the-Web (ToW)

Objective: *to validate the syntax of Tax Identification Numbers over the Internet. Its main aim is to offer a tool to the banking community in order to be able to provide more accurate and precise information in the field of Directive DAC2.*

- *Technical description:*
  - **ToW** is a web based application written in Java and running on a Weblogic server. It will offer a graphical interface with HTML pages for human interactions, as well as a SOAP interface for application interactions.
  - **ToW** is available on Europa: https://ec.europa.eu/taxation_customs/tin/

Direct Taxation Projects – Future

DAC6: *(Exchange of Information on reportable cross-border arrangements):*

- This project aims at developing the electronic format to exchange information in the domain mentioned in Council Directive 2018/822/EU and the Central Directory mentioned in its Article 1.
- The implementation of the exchanges will be done through the publication of the reportable cross-border arrangements in the central directory (as for DAC3).
- Planning:

  Developments ongoing;

  In operations: **01.01.2020** and first exchanges on **31.08.2020**.

Other Taxation Application

In operation:

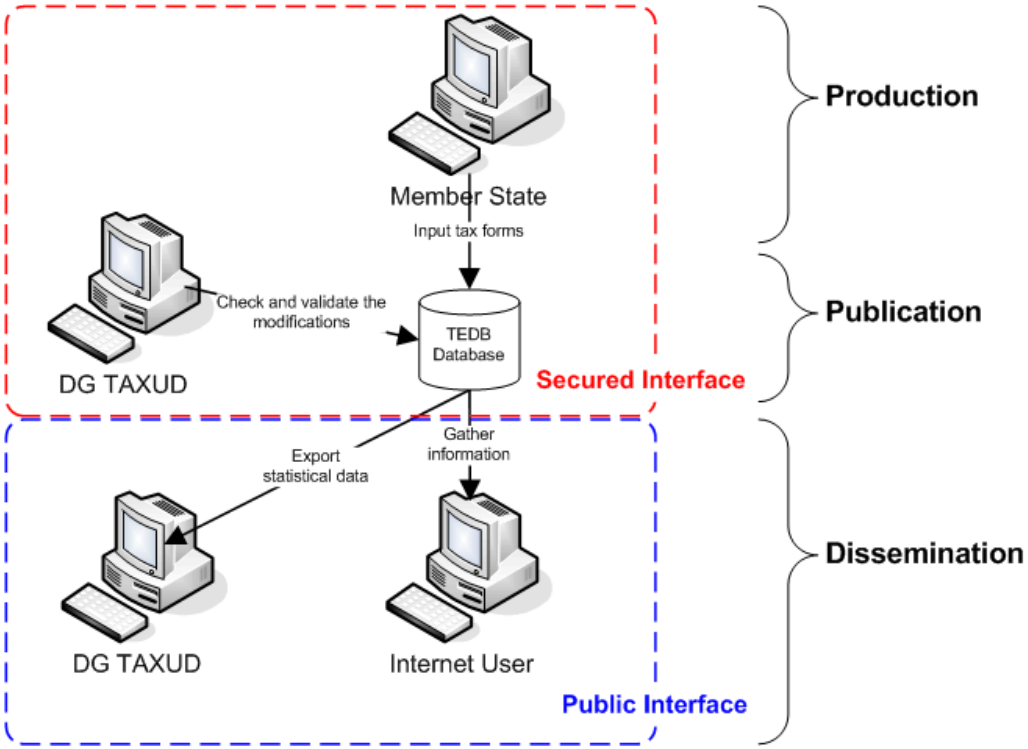
- **TEDBv3** (Tax in Europe Database):inventory of taxes in the EU Member States since 2007.

Tax in Europe Database (TEDBv3)

Objective: *electronic inventory of Taxes in Europe that provide to Citizens, Member States, Companies and any other institution or individual with detailed comparable descriptions of all taxes levied in each of the Member States.*

- *Legal base:*
  - The Taxes in Europe Database is an official publication of the European Commission based on a decision taken by the Permanent Committee of Heads of the National fiscal administrations on 16 July 1963.
- *The business process is the following:*
  - Collection, Storage and Validation of data;
  - Publication and Dissemination of data.
- *Available on Europa site:* *http://ec.europa.eu/taxation_customs/tedb/taxSearch.html*

TEDBv3 – Technical Architecture



Common supporting applications

In operation:

- **VIES Monitoring System (VMS)** since 1997;
- **CCN/Mail** for Taxation;
- **SSTS** (Self-Service Testing System) since 2012;
- **CTA** (Conformance Test Application) since 2017;
- **TIC** (Taxation Information and Communication) since 2013.
- **TSS** (Taxation Statistical System) → Q2/2014.
- **eFCA** (eForms Central Application) → Q1/2019 (Q2/2019 for VAT)

VIES Monitoring System (VIM)

Objective: *to allow the IT Service Management Contractor to monitor the status of the VIES services at each MS site automatically, in order to detect service failures.*

The VIES Monitoring Application is composed of two modules:

- The Monitoring Engine sends periodically VIES requests to each Member State and records the response of these requests in statistical log files;
- The Display Module reads information from the statistical log files and displays graphically the current availability of the VIES services in the different Member States.

CCN/Mail – Mailboxes

Some examples:

- **CLO FOR VIES**: Exchange of VAT eForms and related information;
- **TAXAUTO**: Automatic exchanges and Structured Automatic exchanges (Information on non-established traders, new means of transport, distance selling not subject to VAT);
- **TAXFRAUD**: Exchange of eForms related to specific cases of suspected fraud. Mailbox used by the EUROFISC;
- **TAXSERV**: Exchange of VAT Algorithms and other IT related information;
- **RECOVERY** (several mailboxes): Exchange of Recovery eForms and related information;
- **DIRECT-TAX**: Exchange of information concerning the Savings Directive;
- **MUTASSIST**: Exchange of Direct Taxation eForms and related information;
- **VREF**: Exchange of information related to VAT Refund;
- **MOSS**: Exchange of information related to mini-One-Stop-Shop;
- **MLC**: Exchange of information for VAT-related Multi-Lateral Controls.

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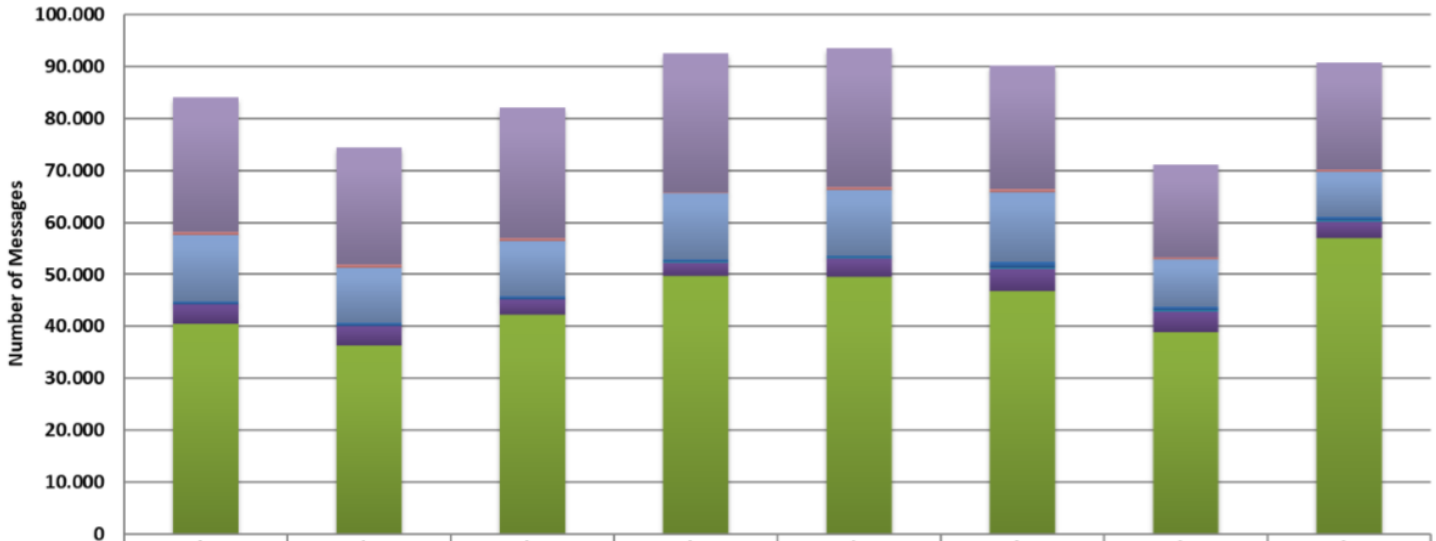
CCN/Mail Exchanges (Q1/2017 to Q4/2018)



	Q1/2017	Q2/2017	Q3/2017	Q4/2017	Q1/2018	Q2/2018	Q3/2018	Q4/2018
CLO FOR VIES	25.940	22.519	25.157	26.674	26.730	23.806	17.844	20731
VAT ON e-SERVICES	1	92	1	1	0	0	0	1
TAX AUTOMATIC	617	542	612	355	554	666	579	343
TAX FRAUD	12.895	10.709	10.697	12.775	12.571	13.452	8.882	8665
TAX SERVICE	0	0	0	6	2	5	0	4
MOSS	535	527	541	422	443	1.170	796	774
VAT REFUND	54	79	52	47	101	133	187	144
MLC	3.627	3.706	2.908	2.696	3.694	4.391	4.046	3.141
RECOVERY	40.494	36.301	42.195	49.613	49.410	46.679	38.843	56.992

Taxation Information and Communication (TIC)

Objective: *provides a web-enabled interface allowing Taxation end-users to communicate useful and common information in the context of the cooperation between MSs and/or with DG TAXUD.*

TIC is a central system that allows Member States to manage and exchange Taxation information of:

- VAT Refund features;
- Translations management;
- Invoicing Rules;
- VAT Rates for TBE (MOSS).

TIC is prepared to plug-in other Taxation information in the future.

TIC is available on EUROPA site: http://ec.europa.eu/taxation_customs/tic/

Self-Service Testing System (SSTS)

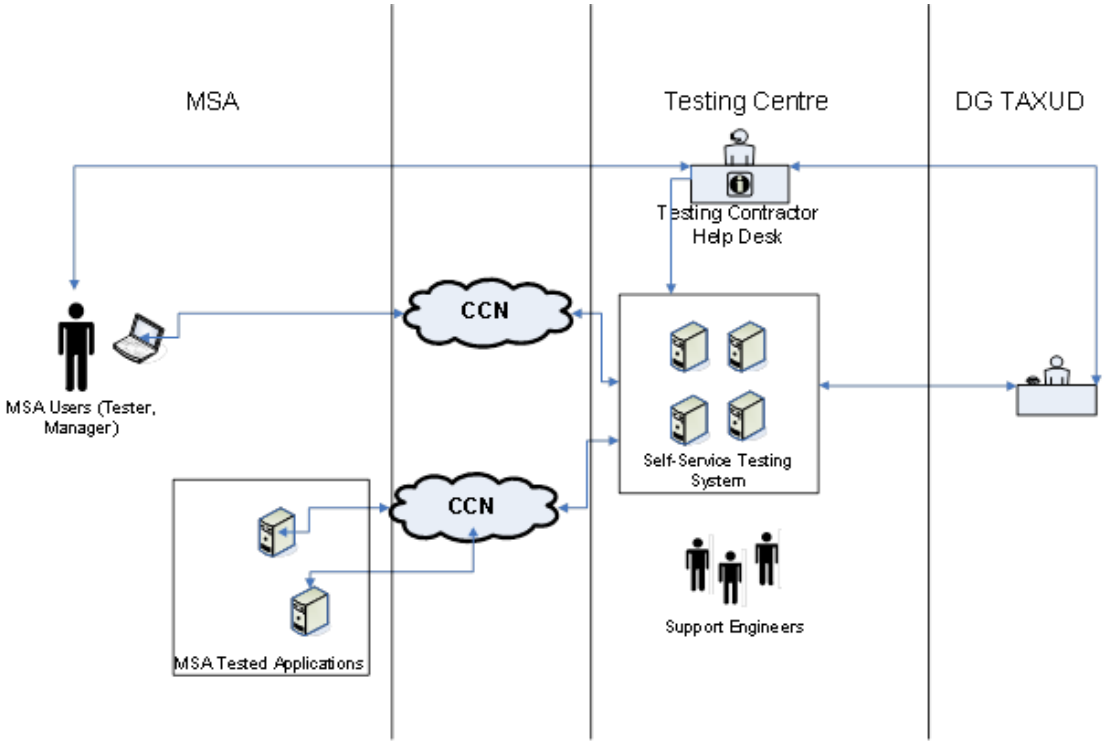
Objective: *system that allows the users to access and manage all Testing Activities (to be) performed and interface with them by input (Test Data) and output (Reports and Logs).*

SSTS *is a centralized system which is composed of a Web portal called Self-Service Testing Portal (**SSTP**) allowing users – after CCN authentication – to interact with the system and gives the possibility to consult and to manage all activities related with:*

- GTT (Generic Test Tool) and VAT Refund plug-in;
- VIA (VIES Initial Application);
- VTA (VIES Test Application).

SSTP *is accessible after CCN authentication.*

SSTS Overview



Conformance Test Application (CTA)

Objective: *As SSTP, system that allows the users to access and manage all Testing Activities (to be) performed and interface with them by input (Test Data) and output (Reports and Logs).*

CTA *is a centralized system which is composed of a Web portal allowing users – after CCN authentication – to interact with the system and gives the possibility to consult and to manage all activities related with*

CTA *is aimed to become replace SSTS and become the application used for Conformance testing in all domains: Excise (already used), VAT (partially used), Direct Taxes (partially used) and Customs (not used yet)*

Taxation Statistics System (TSS)

Objective: *system which produces statistics on exchanges performed between MSs in the domain of Taxation.*

TSS *is a centralised Web application allowing users to consult statistical reports.*

TSS supports a set of predefined report as well as report customised on demand by the end user.

TSS is accessible after CCN/CSI authentication. It has the following main modules:

- The Importing module that allows the importing of input data from different sources;
- The Exporting module that allows the production of statistical report and the message follow-up.

eForms Central Application (eFCA)

***eFCA** (e-Forms Central Application):*

- The e-Forms Central Application was requested by some MS and could produce significant improvements in maintenance and usability of the e-Forms;
- A Feasibility Study has been completed and works on the Functional Specifications for the Central Application continued. They will be discussed in detail with the Member States in a Fiscalis Working Group.
- Planning:

  In operations since: **2019**

Comitology / Programme

- *VAT Related:*
  - SCAC: Standing Committee for Administrative Cooperation
    - SCIT: SCAC Information Technology sub-committee
- *Direct Taxation related:*
  - Committtee CACT
  - Working Group ACDT
- *Recovery Committee*

- *Programme:*
  - FISCALIS 2020 Programme: Reg. (EU)1286/2013

Questions or Comments?

Direct Taxes

VAT

Recovery

Other

Thank you !