



INFORMATION SHEET ON I.T. PROJECTS

Last update: 22/09/2006

PROJECT

VAT refund (part of the VIES 2 Project)

SUMMARY

For B2B and B2C transactions: introduces an electronic procedure allowing traders to obtain the refund of VAT from a Member State in which they are not established.

LEGAL BASIS

General

Proposal for a Council Directive laying down detailed rules for the refund of value added tax, provided for in Directive 77/388/EEC, to taxable persons not established in the territory of the country but established in another Member State of 29/10/2004. COM(2004)728

Mandatory use of I.T.

DESCRIPTION

In the current procedure, the applicant submits an application of refund directly to each MS in which the applicant has incurred and paid VAT on purchases of goods and services.

The new refund procedure allows the applicant to submit an electronic application for refund (with a standardized content) to the MS in which the applicant is established which then sends it to the Member State of deduction.

The new procedure:

- replaces the paper procedure by an electronic one and simplifies the language difficulties;
- harmonizes of the rules of payment/refund.

STATUS

Project linked with the VIES 2 Feasibility Study and in particular the One-stop shop. Discussions are taking place at the Council regarding interactions with the One-stop shop and specific characteristics of the new refund procedure. Identification et definition of the business needs as regards the IT requirements also continue in cooperation with business units of TAXUD.

PLANNED ACTIVITIES

The expected entry into force of the VAT refund is 1st January 2010 depending on the discussions at the Council.

TECHNICAL INFORMATION

The new refund scheme will be supported by an exchange of XML messages through CCN/CSI in asynchronous mode. Standard messages will have to be defined.