

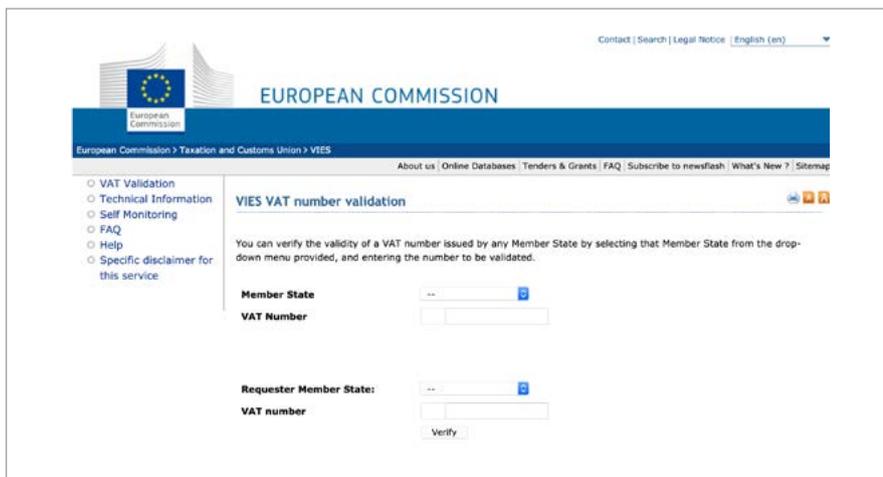
VAT ID Number Checker

– validation VAT
numbers in EU
cross border trade

VAT number validation made easy

Meet new EU VAT obligations by continuously validating the VAT identification numbers of your business customers.

The VAT Information Exchange System (VIES) is the European portal used for the validation of VAT identification numbers. If either goods or services are sold cross-border, the supplier may use the zero VAT rate or the service provider will reverse charge the VAT to the customer reversibly due by the customer when certain requirements are met. One of those requirements is that the customer must be identified for VAT and should have a valid VAT identification number.



The screenshot shows the VIES VAT number validation interface on the European Commission website. The page header includes the European Commission logo and the text "EUROPEAN COMMISSION". Below the header, there is a navigation menu with links for "Contact", "Search", "Legal Notice", and "English (en)". The main content area is titled "VIES VAT number validation" and contains a form for validating VAT numbers. The form includes a "Member State" dropdown menu, a "VAT Number" input field, a "Requester Member State" dropdown menu, and a "VAT number" input field. A "Verify" button is located at the bottom of the form. The page also features a sidebar with links for "VAT Validation", "Technical Information", "Self Monitoring", "FAQ", "Help", and "Specific disclaimer for this service".

The challenge

Since 2020, new stricter VAT regulations make the verification of VAT identification numbers of business customers vitally important when applying the zero VAT rate or reverse charge mechanism. As VAT identification numbers change from time to time because of activation and de-activation, it is important to continuously check and record the validity of VAT identification numbers of your business customers. Business customers may also share VAT identification numbers from various EU member states with your business, for supply chain optimization purposes or project-driven reasons.

To check the validity of these numbers, the EU offers the VIES portal. However, this system allows you only to check VAT numbers one-by-one. This obviously means extra time, human resources and thus extra costs to verify the use of correct VAT identification numbers. At Dentons we believe that VIES checking should be part of your master data management or could even be applied at a transactional level. Dentons' VAT Information Exchange System Service is adaptable to every business internal control framework and can be linked to every organization's ERP system.

RISKS TO YOUR ORGANIZATION

Issuing invoices to business customers with incorrect, incomplete or unverified VAT numbers will bring your business two potential issues:

1. As selling party, you will be assessed for local VAT
2. As selling entity, you risk a penalty and interest payments



Our solution

Dentons has developed an automated solution to check large batches of VAT identification numbers, allowing businesses to outsource the process or to directly integrate this solution. When processing batches of VAT numbers, our tool automatically retries in cases of missed connections to EU systems or during website maintenance. In addition, each VAT registration ID will be connected to a unique confirmation code as evidence. The confirmation codes are stored and accessible in our database. Our solution does not only check the validity of the VAT identification numbers provided, but also confirms if the country code and EU member state mentioned in the master data are correct. We can check the business customer's name and address against the name and address recorded in your master data. Depending on your needs, Dentons also provides storage for the validation reports, so that evidence is secured.

Checking the VAT identification numbers via VIES not only fulfils the stricter VAT compliance duties, but also keeps your business customers' related master data up to date.

BENEFITS

1. Control over important aspect of VAT compliance process
2. Proof of validation
3. Prevent domestic VAT liability, risk of penalty and interest
4. Save time by automizing this part of the compliance process
5. Storage function

The VIES check service in a nutshell

1

Ready to Run service

- Subscribe to our service and notice the improvement immediately
- The VAT Information Exchange System software can be directly linked to every ERP system

2

Batch processing

- Dentons tests your large VAT identification numbers sets at once
- Batch processing includes retries in cases of missed connections to EU (sub)systems or website maintenance

5

Customizing

- We have an in-house development team, so any customization or integration can be handled by us directly

4

Software maintenance

- Our support engineers keep the VIES checker up to date and make the necessary technical changes, avoiding any down time as much as possible

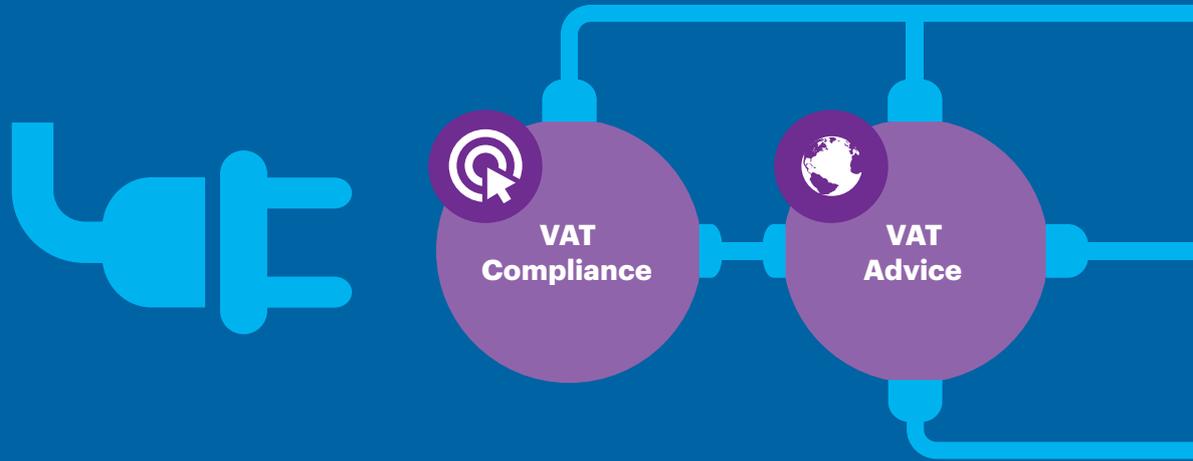
3

Validation and evidence

- For each valid VAT registration, Dentons will receive a unique EU confirmation code from the system. The confirmation code, combined with the time stamp, is your evidence for all stakeholders
- Each request will be saved and made available in our database, including your validation code and time stamp

VAT-services

Where do you plug in?



TAX TECHNOLOGY

Dentons VAT Validation is one of the solutions developed by our Tax Technology group. As we challenge the status quo, Dentons develops and offers easy-to-use business solutions to our clients. In addition to the VAT Validation service, we have an automated *VAT Decision Tree*, *Making Tax Digital Wizard* and *Continuous Monitoring Tool*. Contact us for more information on these and other Tax solutions.

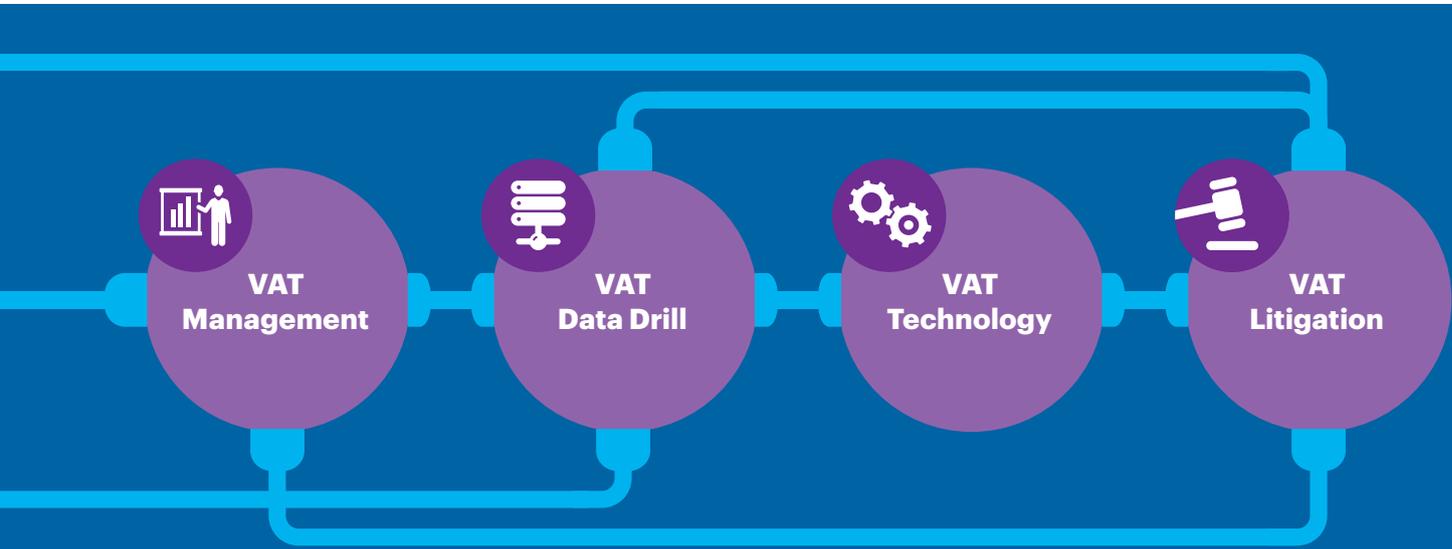
DENTONS ACCOUNTING AND COMPLIANCE

Dentons offers all the ingredients for VAT accounting and VAT compliance – from compiling a VAT reconciliation, taking care of VAT registrations to submitting VAT returns. Some of the Dentons compliance services and tools can be used through the online Dentons portal; an innovative marketplace that allows you to receive services that are relevant to your business.

The Dentons VAT reporting methodology ensures that a complete and correct VAT return is submitted in all EU countries. In addition, Dentons can arrange for VAT reclaim requests for both EU and non-EU parties.

DENTONS ADVISORY

Dentons' Indirect Tax Team is a reflection of the market, with its multidisciplinary team of VAT experts, VAT accountants, Data analysts and IT specialists. All of our team members have in-house experience as VAT experts for various multinational companies in a wide range of industries. Our team has developed practical and pragmatic knowledge on how to serve your needs and to tailor advice that is not only correct based on VAT law and VAT regulation, but also supports your business model.



DENTONS ASSURANCE

One of our most innovative services is managing VAT assurance projects. In these projects, the focus is on the quality of the internal VAT processes. By performing a ‘zero measurement’ on both processes and data, Dentons provides you insight in the challenges and opportunities that your internal departments faces in the day-to-day VAT management and provides advice and (IT) solutions to improve the internal processes.

DENTONS DATA MANAGEMENT

Regardless of which ERP or financial system you use, Dentons performs VAT checks to identify VAT risks and VAT opportunities on big data. The ultimate goal of Dentons Data Management is to ensure that you receive confirmation that the quality of the transactional data meets up to the VAT requirements. Drilling the big data also identifies administrative inconsistencies or inaccuracies in the VAT processes. Dentons Data Management is therefore extremely suitable in the context of, for example, a zero measurement in view of a VAT audit or in the rollout of a Tax Control Framework.

DENTONS TECHNOLOGY

Dentons VAT Technology enables you to deploy technological solutions to optimally support VAT processes. Our team has detailed knowledge of ERP system design and tax automation solutions. Dentons VAT Technology supports your efforts to analyse, optimize and improve automated VAT processes. With our VAT Technology tools, our team is able to offer an efficient, tailor-made solution to every VAT challenge.

DENTONS LITIGATION

Dentons tax controversy and tax litigation practice has multijurisdictional experience and practitioners who are highly regarded in their particular jurisdictions. Our team represents a broad range of clients, including public companies, private businesses, investment funds and advisors. Our tax litigators represent clients at all stages of VAT disputes, from audits and investigations to representation in court, appeals and alternative dispute resolution. Given the depth and breadth of Dentons’ tax controversy and tax litigation practice, Dentons is particularly well-suited to assist you when facing complex VAT issues and related enforcement efforts.

ABOUT DENTONS

Dentons is the world's largest law firm, delivering quality and value to clients around the globe. Dentons is a leader on the Acritas Global Elite Brand Index, a BTI Client Service 30 Award winner and recognized by prominent business and legal publications for its innovations in client service, including founding Nextlaw Enterprise, Dentons' wholly owned subsidiary of innovation, advisory and technology operating units. Dentons' polycentric approach, commitment to inclusion and diversity and world-class talent challenge the status quo to advance client interests in the communities in which we live and work.

[dentons.com](https://www.dentons.com)

© 2020 Dentons. Dentons is a global legal practice providing client services worldwide through its member firms and affiliates. This publication is not designed to provide legal or other advice and you should not take, or refrain from taking, action based on its content. Please see [dentons.com](https://www.dentons.com) for Legal Notices.