



Meijburg & Co
Tax & Legal

Improving VAT number validation processes using technology

**A technology-enabled
approach to enhance
control and reduce
manual efforts**

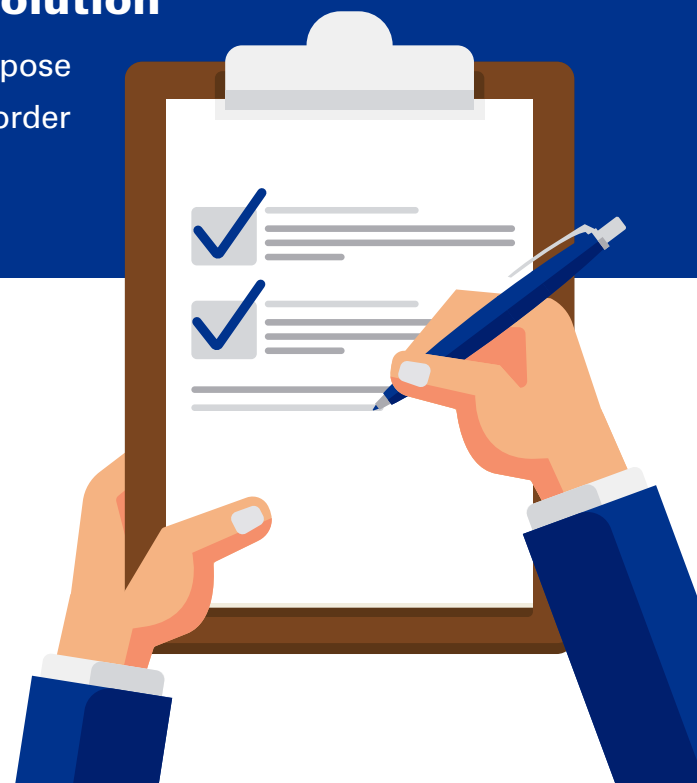


Technology-enabled VAT number improvement

A valid VAT registration number of customers is required for applying the 0% VAT rate on cross border supplies within the EU. Not having a valid number may result in VAT assessments and penalties. It can be very burdensome to manually validate all your customer's numbers.

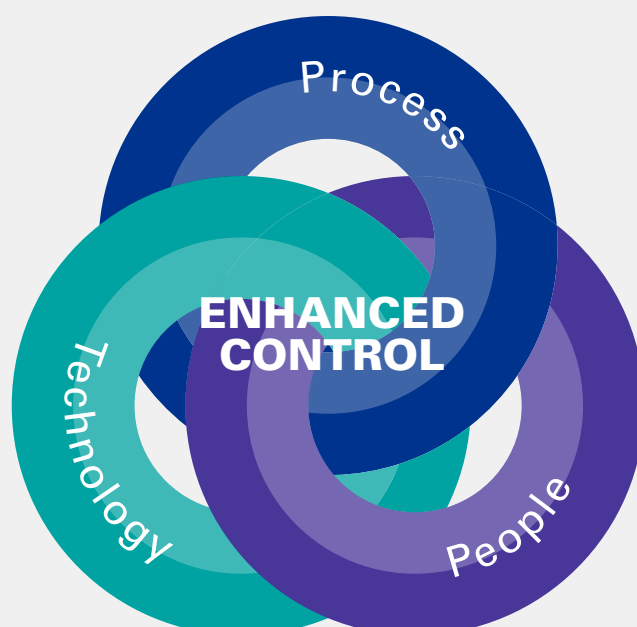
There is no one-size-fits-all solution

We can assist you to implement a fit-for-purpose end-to-end technology-enabled solution in order to reduce risks and gain efficiencies.



What we see in practice

- Significant manual effort spent in obtaining, validating, and following up on VAT numbers
- Validation of numbers only – no checks performed whether the valid number belongs to the customer
- Limited audit trail due to insufficient recording of validations results
- VAT number validation at customer creation only without periodic checks



Our approach

Together we identify your risk exposure and what risk response is appropriate. Based on this “to-be” set of controls we can support you to defined an **optimal solution**, comprising of processes, enabled by technology, driven by people – to maximise control and limit risks. On top of this, we assist in the **technical implementation** of the solution.

- Cross disciplinary teams for end-to-end solutions
- Use of advanced technologies
- Experience with a wide range of tools

This would be of interest to you if:

1. You have cross border supplies of goods within the EU
2. You want to **reduce risk** due to infrequent VAT number validation
3. You want to **reduce costs** as validation of VAT numbers is time-consuming
4. You want to demonstrate to be **in control**

A Client Story

We helped a global cosmetics company to reduce costs and compliance risks by implementing an end-to-end managed service that periodically

1. extracts VAT numbers from SAP without manual effort
2. performs 50k+ checks automatically against EU VAT Information Exchange System (VIES)
3. presents the results on a user-friendly website

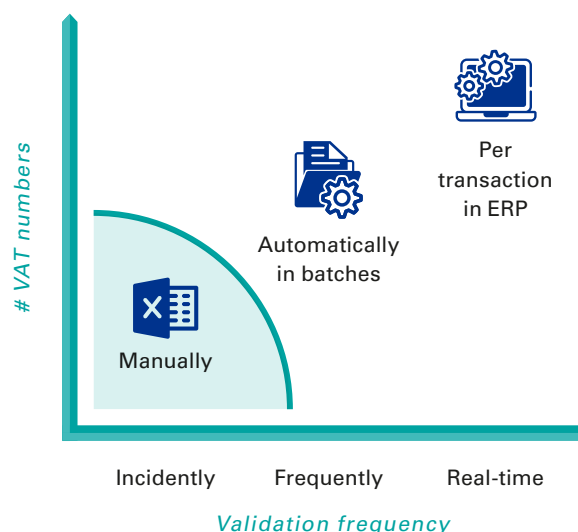
Given the significant number daily intra-community supplies, checking the VAT number per transaction was not feasible as the EU VIES system accepts a limited number of requests per day. If the check would have failed as a result, it would have delayed business operations. In addition, our client explicitly wanted to make use of our managed service model to minimize the efforts required from the IT department.

KPMG VIES Check						
Overview						
ID	Date	Scope	Status	#Checked	#Compliant	#Not compliant
7	2020-06-11	Customers (all)	Completed	10275	5889	4386
6	2020-06-10	Customers (new since 2020-06-09)	Completed	3	3	0
5	2020-06-09	Customers (new since 2020-06-08)	Completed	1	0	1
4	2020-06-08	Customers (all)	Completed	10271	5886	4385

KPMG VIES Check						
Not compliant						
ID	Nr	Format validity	Country	Request date	Nr Valid	Name
7	CY10255845U	Valid	CY	2020-06-11	Invalid	
7	DE114884555	Valid	DE	2020-06-11	Invalid	
7	IT0100000171	Valid	IT	2020-06-11	Invalid	

Typical solutions

There are several ways to incorporate VAT number validation in your end-to-end process. Selection of the right technology solution and how to embed this in the process (on-premise, managed-service, etc.) is (amongst others) dependent on the volume of transactions and the desired frequency of validation. We can support you to find and implement the best solution.



Contact us



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