Online Validation Service
VIES Validation

Globalization Services, SAP
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PUBLIC

THE BEST RUN **SAP**

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EU VAT Quick Fixes
SAP overview

EU VAT Quick Fixes - Overview

Business Background/Impact

The four "VAT Quick Fixes" in relation to EU cross-border trade addressed in the reform of EU VAT rules by the European Commission, which take effect from 1 January 2020. They concern the following areas:

- Call-off stock rules
- Mandatory VAT identification number to apply the zero VAT rate to intra-EU supplies
- Evidence of intra-EU supplies
- Chain transactions rules

Reference

- Council Implementing Regulation (EU) 2018/1912 of 4 December 2018 amending Implementing Regulation (EU) No 282/2011 as regards certain exemptions for intra-Community transactions
- COUNCIL DIRECTIVE (EU) 2018/1910 of 4 December 2018 amending Directive 2006/112/EC as regards the harmonisation and simplification of certain rules in the value added tax system for the taxation of trade between Member States

SAP

Solutions

- **Call-off stock rules**

New process for intra-community call-off stocks (a.k.a. consignment stocks) in the EU effective as of January 1st, 2020

- **Mandatory VAT identification number to apply the zero VAT rate to intra-EU supplies**

Validation of VAT registration number of EU business partners

Recommendations

- **Evidence of intra-EU supplies**

We recommend you to carefully review your current process around collecting and archiving Evidence of intra-EU supplies. SAP standard features may be considered to manage the requirement manually.

- The standard attachment feature
- The standard Proof of Delivery functionality is useful to manage status of the delivery confirmation sent by Ship to party upon the receipt of goods.

- **Chain transactions rules**

We recommend you to carefully evaluate the impact of the future rules on your intra-Community supply chains and how the VAT treatment of your supply chains can benefit from the simplified treatment.

- SAP is aware of the scenario, but today there is no dedicated standard solution available.

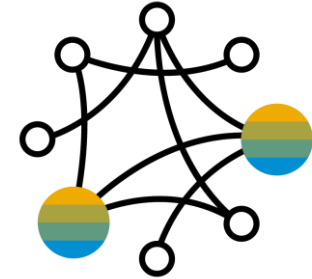# SAP Localization Hub Online Validation Service
Key Benefits
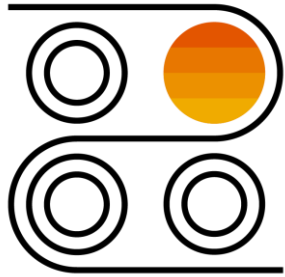
Automation

- Automatic validation of tax relevant data of your business partners

- No manual effort, No human error

Accuracy

- Accurate tax relevant data of business partners

- Error free business transaction for reporting out of the SAP Advanced Compliance Reporting (ACR)

Integration

- Native integration with SAP Business partner master data, business transactions, ACR reporting

VIES Validation
Overview

SAP Online Validation Service – Central Notes

Online Validation Service is the solution for automated online validation of business partner information from SAP.

- Framework Note: **2940778** – Central framework information
- Central Note: **2855240** - EU Validation of VAT registration number of EU business partners
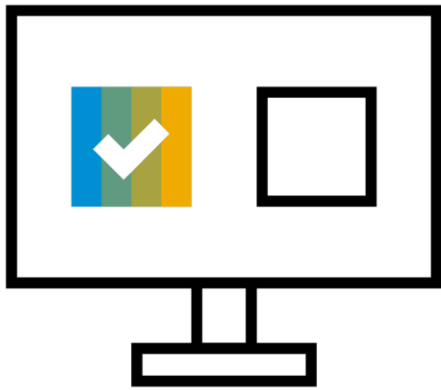
Attachments

File Name
SAP Note 2855240_Annex_Functions per Product Overview.xlsx

SAP Online Validation Service - phase 1
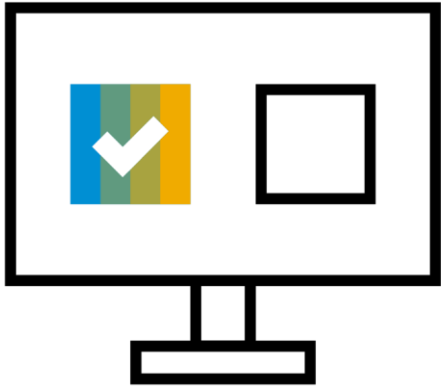
Solution Note released in December/February : **2866929**-EU Validation of VAT registration number of EU business partners

- Integration with Business Partner (transaction BP). Immediate validation of EU VAT registration number (Tax Category = country code + '0') from within transaction BP.

- A dedicated report (transaction OVF_MASS_CHECK) to validate the EU VAT registration numbers for multiple business partners, vendors, customers. The report can also be scheduled for background validation.

- A report (transaction OVF_HISTORY) to present the history of validation results.

LCNaaS: status available
- S/4HANA On-premise and ECC
- S/4HANA Cloud

SAP Online Validation Service – phase 2

LCNaaS: status <mark>available</mark>

[S/4HANA On-premise and ECC](#)

[S4HANA Cloud](#)

In phase 2, additional functionality available:

- Download of stored full response from the online service

- Process integration point at business partner maintenance for VAT number validation

SAP Notes:

2866929– EU Validation of VAT registration number of EU business partners

2882802 - EU Validation of VAT registration number of EU business partners: **Corrections in the report History of online checks**

SAP Online Validation Service – phase 3

SAP Announcement of Legal Change:

[S/4HANA On-premise and ECC](#)

[S4HANA Cloud](#)

2948684 (soon to be available)
-   VIES validation for EU

In phase 3, additional extensibility is planned to support VAT number validation in the following cases, which refer to the logistics process:

- Process integration point for sales order maintenance (creation/change)

- Process integration point for billing

VIES Validation
Outlook

SAP Online Validation Service – the future

Further feature enhancements in discussion

- Additional integration point (e.g Master Data Governance)

- Possibility to switch-off the validation for a set of partners

- Enabling the validation solution as a SAP Cloud Platform (SCP) based service

SAP Localization Hub Online Validation Service (Cloud)
Solution Landscape

SAP S/4HANA Cloud

Batch validation for BP Master Data and validation **History**

Validation specific **integration points** with business transactions

European Union

Poland (White list)

Extension by Partners
- Backend integration points and country specific iFlow (BAdI: OVF_ENH_EXTENSIBILITY)
- Enable online validation for other regulations beyond VIES and Poland White list

SAP Cloud Platform Integration

Communication
- SAP delivers country specific Integration Flow (iFlow)
- Validation result buffered

European Union

Poland (White list)

Tax Authorities

Local Verifying Service

VAT Information Exchange System

National Tax Administration

others

SAP Online Validation Service - demo

Solution Note released in December/February : **2866929**-EU Validation of VAT registration number of EU business partners

Thank you.

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