

EU VAT number - What every cross border business needs to know about: **Validity** Check of the EU VAT number with **VIES**

Do you know your customer?

Cross border supplies of goods or services (B2B) are usually VAT exempt provided that all conditions are met. In this case, the recipients of the supply of goods or services will have to account for the VAT due (reverse charge) in their VAT return in their home country.

The most important condition to achieve a VAT exempt cross border supply of goods or services is to check if the recipients are VAT registered and they hold a valid VAT number in their country.

This EU VAT number verification can be done by using the EU's VIES on the web tool*, which receives VAT registration data from the national databases of the local tax authority.

The validity tool VIES confirms whether or not the specific VAT number of the recipient of the supply or service is valid and has been registered for EU cross-border transactions in the EU Member State.

It is highly recommendable to monitor and check the validation of the EU VAT number in case of a tax control in order to avoid unnecessary VAT impacts.

If the recipient does not have a VAT number or the EU's VIES system is not able to confirm the VAT status, it is crucial to review and analyse the supply chain and 1) ask the national tax authority to confirm the VAT status of the recipient, if applicable or 2) arrange the VAT registration of the recipient of the goods or service.

Validity check with VIES:

* http://ec.europa.eu/taxation_customs/vies/viesquer.do?vat=9161334679

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