VAT in the Digital Age.
Digitalisation and VAT reporting.

“Suministro Inmediato de Información” SII

SII
https://www.agenciatributaria.es/AEAT.internet/Inicio/La_Agencia_Tributaria/Campanas/Suministro_Inmediato_de_Informacion_en_el_IVA_SII_/Suministro_Inmediato_de_Informacion_en_el_IVA_SII_shtml

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VAT in the Digital Age---- Improvement or necessity?

- Digital Economy / Digital Tax System

- Global Market (VAT Single Area) / Global Approach (Internal Market)

- Basis for applying such approach
  - Juridical Basis: Interpretation art. 113 and 115
  - Practical approach

OSS, TNA, Payment Providers, Management of exemption regime, etc...
SII

What..... ”Book sharing”

What for..... Benefits for “both”

Who.... Large

Results.... Positives

How... e-communication

Next...
What is it? VAT BOOKS SHARING

NOT reporting of invoices, but VAT BOOKS hosted in the Administration Server.

- Invoices issued (clients) and received (providers)
  Relevant information submitted: “clave única” (invoice number + date + issuer number) and plus.

- Capital goods

- Intra-community transactions
What is it for?

1.- TAX PAYERS

• Exempted of reporting:
  - 347: Transactions with other operators (Information within the scope of 347 but out of the scope of the invoice is provided separately in SII. E.g. Cash payments > 6,000€/year).
  - 390: Annual Operation Summary

• Certainty derived from crosschecking with SII information.
• Earlier tax refunds.
• Extension (10 days) of the period to declare.
• Improvement of internal systems.

2.- TAX ADMINISTRATION

• Preventive Effects (Voluntary fulfilment)
• New risk analysis approach / control system.
• New relationship.
Who is in?

• Mandatory:
  . Large Companies (6,000,000€)

Voluntary regimes:
  . VAT Groups
  . Special Regime for monthly VAT refund

• Voluntary
Results

Progressive implementation.

Help and information services.

“60.000” -less than 2% total- TAXPAYERS / “80%” total amount of invoices.

From 1/7/17 to 13/9/19: Aprox: 7.000 records:

- 75% issued (4,500,000 million €)
- 25% received. (3,900,000 million €)
How does it work?

- Submission in 4 working days from issuance or accountability (not reception).

- BUT, in any case, before 16th.

- Philosophy is “on-line”, without “”””treatment””””.

- Submission through web service (exceptionally through “web template”)

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Declaration of “Month n”

Issuance of the invoice and submission of the information

Crosschecking by the taxpayer
NEXT - CHALLENGES

1. Promote voluntary SII
2. Reliable operation. “CPT”
3. Proposal of declaration
4. Accompany measures to the “definitive regime” (intra-community B2B transactions)

¿Harmonized approach?