Recent Developments in Tax Legislation

A. **Administrative Cooperation on Taxation – Council Reaches Political Agreement on DAC9**
B. **Adoption of the VAT in the Digital Age Package (ViDA)**

A. Administrative Cooperation on Taxation – Council Reaches Political Agreement on DAC9

1. The Council reached a political agreement on a further amendment to Directive 2011/16/EU on administrative cooperation in the field of taxation (**DAC9**).
2. DAC9:
   a. complements the Pillar 2 Directive (Directive (EU) 2022/2523) by streamlining filing obligations for multinational enterprise groups (**MNEs**) that are within its scope; and
   b. introduces a centralised framework for the exchange of the information contained in those filings.
3. Pursuant to DAC9, MNEs can now file one top-up tax information return for the entire group, as opposed to filing separately for each constituent entity of the MNE group at a local level.
4. This has significantly simplified compliance for MNEs with their filing obligations under the Pillar2 Directive and is expected to be widely adopted.

B. Adoption of the VAT in the Digital Age Package (ViDA)

1. Following further consultation by the European Parliament, the ViDA package was adopted on 11 March 2025 and will be rolled out progressively until January 2035. ViDA aims to brings VAT systems in line with the digital world and makes the EU's VAT system more business-friendly and more resilient to fraud.

2. It has introduced various provisions outlined below:

a. E-invoicing:
   i. this is made mandatory for cross-border and intra-Community transactions;
   ii. the European standard (EN 16931) in accordance with Directive 2014/55/EU is now the default standard for e-invoicing:
   iii. Member States may accept alternative standards for domestic transactions;
   iv. recipients are no longer under an obligation to accept e-invoices;
   v. sit is expected that legal entities and persons will need to incur additional costs to fully comply with the e-invoicing obligations.

b. Digital Reporting Requirements (**DRR**):
   i. a single European real-time, transaction-level digital reporting system for intra-Community transactions is created;
   ii. DRR is extended to domestic B2B transactions, with the possibility of national implementation;
   iii. data submission must be within 2-5 days of issuing or receiving an invoice;
   iv. declarations must include bank details to enhance controls;
   v. summary tables have been removed.

c. Platform Economy:
   i. the concept of 'deemed supplier' for short-term leases of real estate and road passenger transport services is introduced;
   ii. platforms will charge and remit VAT to the respective States;
   iii. exemptions are conditionally granted for SMEs under the special scheme.

d. Single VAT Registration:
   i. the deadlines for submission and amendments to One-Stop Shop (**OSS**)/Import One-Stop-Shop (IOSS) declarations are clarified;
   ii. VAT refund procedures are provided for in all schemes;
   iii. the OSS scheme is extended to domestic B2C supplies;
   iv. a new, special sub-scheme for transfers of own goods is created.

e. The regulations for Call-Off Stock Provisions will be abolished as of 30 June 2029 and will be replaced by the new regime for own goods.

f. As of 1 January 2027, the Reverse Charge Mechanism will be mandatory for B2B transactions from non-established suppliers to registered customers.



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