

## Indirect Tax I VAT

Alert 11 March 2025

### ViDA: VAT in the Digital Age package adopted

This alert is an updated version of our alert of 5 November 2024. The Council of the EU, consisting of the EU Member States, have officially adopted the VAT in the Digital Age (ViDA) package during the Economic and Financial Affairs Council (ECOFIN) on 11 March 2025. After reaching political agreement on 5 November 2024, and adoption by the European Parliament on 11 February 2025, the legislation has now been adopted by the Council. The package, consisting of a directive, a regulation on administrative cooperation and an implementing regulation will enter into force on the twentieth day following the publication in the Official Journal of the EU.

The ViDA package adopted on 11 March represents the largest revision of the EU VAT Directive in years. The changes include three pillars:

- Pillar one: Digital reporting.
- Pillar two: Updated rules for the platform economy.
- Pillar three: Single VAT registration.

With these changes the European Commission seeks to make the EU VAT system more robust against VAT fraud, provide a level playing field between online and the traditional economy, and reduce the administrative burden for taxpayers.

For an in-depth overview of the changes specific to each pillar we refer to our collection of three alerts of our [ViDA landing page](#) regarding the upcoming changes in the VAT regulations as part of the VAT In the Digital Age package.

In this alert, we offer a high-level overview of the three key pillars and outline the key timelines.

## The ViDA package

### Pillar 1 – Digital reporting requirements (“DRR”)

The DRR pillar includes new rules for near real-time digital reporting based on structured e-invoices. The key purpose of this pillar is giving EU Member States valuable information in the fight against VAT fraud and bringing down the administrative and compliance costs for EU traders.

### Pillar 2 – Platform economy

The platform economy pillar seeks to shift the VAT liability to platforms and to increase the level playing field between the online and traditional business models.

### Pillar 3 – Single VAT registration (“SVR”)

The SVR pillar seeks to decrease the administrative burden for taxpayers by reducing the need for foreign VAT registrations. It is not a new type of registration.

The key dates regarding the application of the new rules have not been changed and are as follows:

- **20 days after publication of the Directive:** EU Member States may require e-invoices for domestic transactions without prior derogation approval from the European Commission. If exercising this option, EU Member States may waive the currently required consent to accept e-invoices by the recipient. Also, improvements will be made to the Import One-Stop-Shop (IOSS) framework for improved controls.
- **1 January 2027:** minor legislative clarifications will impact users of the OSS and IOSS schemes
- **1 July 2028:** updated platform rules for short-term accommodation rental (maximum 30 nights) and passenger transport. Extended scope reverse charge rule for non-identified suppliers and related reporting. Extended scope of OSS (supplies without transport, installation supplies, transfer of own goods).
- **1 July 2030:** intra-EU e-invoice and DRR requirements affecting cross-border B2B transactions, start of harmonization of domestic DRRs.
- **1 January 2035:** full harmonization of domestic DRRs for EU Member States with domestic DRRs existing per 1 January 2024 or having been granted permission to implement such a system before that date, marking the final phase of this comprehensive ViDA package.

## Next steps for the new rules

The directive, regulation and implementing regulation all enter into force on the twentieth day following their publication in the Official Journal of the EU. We expect this publication in the next few days.

The changes in the VAT Directive should subsequently be transposed to national law by the EU Member States. The regulations have direct effect.

## What to do next?

For more information we refer to our other alerts which can be found on our [ViDA landing page](#). Although the application date of the new rules may seem to be a long time from now, we recommend businesses to proactively prepare. This in particular applies to the DRR, as timely developing an implementation roadmap for DRR readiness with a focus on priority countries is needed to make available the required resources. Local developments like in Belgium, Poland, Romania, Germany, France, and Spain are likely to be followed by more countries.

## Conclusion / How we can help

If you have any questions concerning the items in this alert, please contact your usual VAT advisors or the Deloitte contacts below.

Get in touch with our experts below or find more on our VAT services via [deloitte.nl](https://deloitte.nl).

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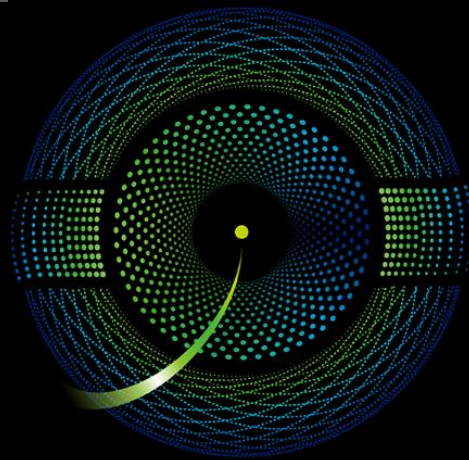
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