Information Technology in DG TAXUD: Taxation systems
Agenda

- Overview
  - Taxation systems
  - Technical architecture
  - Services offered by DG TAXUD and FITS/TC
  - CIRCA (“Communication & Information Resource Centre”)

- Taxation systems review
  - Description
  - Project plan
  - Documentation

- Comitology
Overview

Taxation systems and supporting environment
Already running:
- VIES (VAT Information Exchange System) & VIES-on-the-Web
- VoeS (VAT on e-Services)
- Exchange of forms

To come soon:
- Tax on savings

In the future (VIES 2):
- B2B
- 1SS (One Stop Shop) & VAT refund
- New system for Exchange of forms
CCN/CSI (1)

Taxation and Customs Union

- MS Windows
- AIX
- DEC Alpha
- BS2000
- HP UX
- SNA/CICS
- NT server
- GCOS 8
- Sun Solaris
- Pyramid SVr4

DG TAXUD A3 IT systems and organisation
CCN/CSI (2)

National Domain

VIES databases

National Host System and applications

CCN Gateway

CCN Network

FITS Technical Centre

Test Applications

Community Domain

VIES-on-Internet Application

INTERNET

National Domain

VIES databases

National Host System and applications

CCN Gateway
CCN/CSI (3)

CCN/CSI allow for:

– Synchronous exchanges:
  • Uses: TUXEDO
  • Concerns: VIES Messages

– Asynchronous exchanges:
  • Uses: MQSeries
  • Store-and-Forward protocol
  • Concerns: VIES Messages and Files
Currently, LCMS (local CCN mail system) + webmail interface

- Current mailboxes:
  - ECOM, VIESCLO, REC*, SERVICE, TAX-FRAUD, AUTOMATIC, SAVINGS-DIR, SEED, EWSE, MVSELO, ELO2ELO

- Future activities:
  - Central Backup Service: Q2/2006
  - Phase 2 (Integration with national e-mail servers): Q4/2006
- Project management & co-ordination, public procurement
- IT consultancy
- Feasibility study
- Functional & technical systems specification
- IT System design, development and maintenance
- IT system operation and support
- Provides test applications
- Co-ordination with the National Administrations
• Helpdesk
• Documentation centre
• Tests of applications developed by MS
• Monitoring of applications in production
• Training
• Helpdesk and support
• Operations of the CCN network including monitoring;
• Corrective ad evolutive maintenance (HW + SW)
• Development and test activities
• Documentation centre
• Training
• Entry point: DUG (Documentation User Guide): Catalogue of all available documentation and their field of application.
• URL:
  – Candidate Countries have access to the “Technical Assistance” Interest Group
• Organized around Interest groups (IG);
  – eg. Taxation, EMCS,…
• Different services; eg. :
  – Library (downloadable doc.)
  – Directory (contact info.)
  – Newsgroups
• User ID and password obtained :
  – by self-registration
  – from IG Leader
In order to obtain an access to the “Technical assistance" Interest Group, a userid should first be requested from Circa.

The access to Circa (Taxation and Customs Union bottom left of the list) is possible at the following address:

http://forum.europa.eu.int

There:
- click on the Taxation and Customs Union DG" button;
- click on "Sign up";
- complete the form (as precisely as possible) and validate.

DG TAXUD will then handle the request issued by the candidate country and provide a password.
VIES

VAT Information Exchange System
Objective: exchange of VAT information between tax administrations and/or between administrations and traders

Legal bases:
- 6th Directive (77/388/EEC)

VAT information:
- Registration data (VAT number, trader’s name, address,...)
- Turnover data (Amount of goods purchased by traders in other MS):
  - Built from traders’ recapitulative statements

Future activities:
- Services to be included
- Quality of Data (eg: 3rd MS requests)
How the VAT system works before the accession

<table>
<thead>
<tr>
<th>Exportation from country A</th>
<th>Importation in country B</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sale:</strong></td>
<td></td>
</tr>
<tr>
<td>A to B</td>
<td></td>
</tr>
<tr>
<td><strong>Price</strong></td>
<td><strong>VAT</strong></td>
</tr>
<tr>
<td>100</td>
<td>0%</td>
</tr>
<tr>
<td><strong>Payment of the VAT (20%)</strong></td>
<td>to the Treasury of country B</td>
</tr>
<tr>
<td><strong>Export formalities</strong></td>
<td><strong>Import formalities</strong></td>
</tr>
<tr>
<td><strong>Deduction of the VAT (20%) paid at importation in regular VAT return</strong></td>
<td></td>
</tr>
</tbody>
</table>
After the accession

Dispatch from country A

<table>
<thead>
<tr>
<th>Sale:</th>
<th>A to B</th>
</tr>
</thead>
<tbody>
<tr>
<td>Price</td>
<td>VAT</td>
</tr>
<tr>
<td>100</td>
<td>0 %</td>
</tr>
</tbody>
</table>

Abolition of formalities

Purchase in country B

Declaration and deduction of the VAT (20%) in regular VAT return
• run on different application platforms
• are used interactively or via automated applications
• are interconnected via the CCN (Common Communication Network)
• use a common API: CSI (Common System Interface) to use the CCN
VIES: Project Plan

- **Development:**
  - approx. 600 man*days, taking into account:
    - The interface to the backoffice
    - The integration to the national infrastructure
  - + approx. 40 man*days for JCSI components (only for VIES appl. developed in Java):

- **Tests:**
  - Local: approx. 300 man*days
  - Remote: approx. 300 man*days

=> **TOTAL** = approx. 1200 man*days

- **Typical duration** of project: 6 months for development + 3 months for local tests + 3 months for remote tests
1. VAT algorithms
   - Provide to the Commission the VAT validation routines for VAT numbers

2. Register
   - CIRCA, CCN Web Portal, FITS/TC

3. Download CSI stack and install it
   - Available in C, COBOL and Java and for different target platforms

4. Fill in VIES Phase 5 Application Configuration Form (ACF)
   - ports for applications on the GW
   - queues and services configuration

5. Send the ACF to the FITS/TC
   - Transmitted to CCN/TC for implementation
5. Install CSI configuration file on AP
   • Sent by FITS/TC

6. Define CCN Profiles:
   1. Request for CCN Administration Facilities form to create CCN local administrator
   2. Your CCN local administrator creates CCN users and associates CCN profiles to them
7. Develop VIES applications
   • A VIES Initial Application is available as an example
     (developed in C language for Linux)

8. Prepare a test database for local testing

9. Provide FITS/TC with valid and invalid VAT numbers for
    remote testing.

10. Provide the test data to FITS/TC at the latest with the ACF’s

11. Test applications locally
    • A VIES Test Application is available (runs on Linux)

12. Test applications remotely :
    1. with the FITS/TC (mandatory)
    2. with other MS (optional)

13. Move to production
• **Functional specifications (VIES-FS-030):**
  - Design requirements (exchange protocols and message formats)
  - Current version: 1.5

• **Programming guide (VIES-PG-030):**
  - Guidelines for using CSI when developing VIES applications
  - Current version: 1.2

• **Acceptance Test Specifications (VIES-ATS-030):**
  - Tests to be performed locally and remotely
  - Current version: 1.6
CCN documents applicable to VIES:

- **Downloadable from the CCN Web Portal**:
  - [http://portal.ccntc.ccncsi.int:8080](http://portal.ccntc.ccncsi.int:8080)

- **Application Configuration Guide (CCN/CSI-ACG-GEN-01-MARB)**:
  - To help MS fill in the ACF
  - Under Download/Documentation/Development

- **Software Installation Guide (CCN/CSI-SIG-*)**:
  - Procedure to install the CSI stack on the AP
  - Under Download/Software/*
VoeS

VAT on e-Services
Objective: Collect and exchange VAT information about e-Services => allow Non-EU traders to register for VAT and manage their VAT returns

Legal base:
- 6th VAT Directive and Regulation 1798/2003

Legislation coverage period to be extended to 31 December 2008
Development:
  approx. 400 man*days, taking into account:
  The user interface for the NETPs
  The back office application including
  The messaging part (generation of XML files)

Tests:
  Local: approx. 100 man*days
  Remote: approx. 100 man*days
  => TOTAL = approx. 600 man*days

Typical duration of project: 6 months for development +
  1.5 month for local tests + 1.5 month for remote tests
VoeS: Documents

- User Requirement Analysis:
  - Business analysis
  - current version: 4.0
- Functional Specifications:
  - current version: 6.1
  - contains examples illustrating e-services principles
- Technical Specifications
  - current version: 5.2
  - contains all the technical aspects
• Acceptance Tests Specifications
  – current version : 3.0
  – Test cases description to ensure compliance with FS and TS
• Operational Procedures and Implementation Plan
  – current version : 4.0
  – Set of procedures applicable to the project
EOF

Exchange of Forms
**Objective**: Exchange of information via standard e-forms
- Forms available on CIRCA, "SCAC" interest group, in "Library > Top > SCAC FORMS and GUIDEBOOKS > SCAC - FORMS"

**Legal base:**
- Council Regulation 1798/2003

**Exchange via CCNMail2**

**Several domains:**
- VIES CLO
- Fraud
- Recovery of claims
- Automatic exchange
- Taxation on Savings
• **Objective**: implement an e-form system that:
  - Uses XML for the forms data to allow the automatic processing of the forms;
  - Provide the MS with a form implementation that will allow them to load, edit and save the form data while easing the support of the different languages;
• No development by NA
• Commission project in two phases:
  – Phase 2 - e-form implementation: Q1/2007
• SCIT 70 : E. of F. - Project Overview
• Forms to be exchanged can be found: "Library > TOP/ SCAC and Guidebooks / SCAC - FORMS".
TOS

Taxation on Savings
• **Objective:** Exchange info on savings income from EU citizens

• **Legal base:** Directive 2003/48/EC of 30 June 2003 - Entry into application: 1st July 2005

• **Commission project plan**
• Developments not started yet. It is anticipated that workload will be similar to those needed for VoeS.
• Specification Documents are not ready yet (FS, TS, ATS).
• Powerpoint presentations focusing on FISC39 exchanges are available on Circa.
• FISC153 and FISC154, applicable for exchanges as from 2008 also available on Circa.
1SS

One Stop Shop
**Objective**: allow EU traders to use their national VAT numbers to submit a harmonised VAT return through their own National Administration.

'Legal Base':

Currently, EU traders have to be identified and make returns and payments in every MS where they carry out taxable transactions.
No planning yet (Commission Proposal still under discussion in the Council).
No documentation available.
Comitology
- SCAC (Standard Committee for Administrative Cooperation)
- SCIT (SCAC on Information Technology)
- FISCALIS