



Adoption of the VAT in the digital age proposal (the “ViDA package”) by the Council of the European Union

Tax Alert



April 2025

kpmgabogados.es
kpmg.es

Adoption of the VAT in the digital age proposal (the “ViDA package”) by the Council of the European Union

The proposal relating to the VAT in the digital age (“ViDA”) package was formally adopted by the EU Council on 11 March 2025, giving the green light to significant changes to the EU VAT system in the coming years. The package of measures was officially published in the Official Journal of the European Union on 25 March 2025.

The ViDA package is a set of measures aimed at significantly modernising the EU's VAT system. The proposal was first published in December 2022 and, since then, had been under discussion in the EU Council until a political agreement was finally reached in November 2024.

The proposal is based on the following three pillars:

- **Pillar I: E-invoicing and Digital Reporting**
- **Pillar II: Platform Economy**
- **Pillar III: Single VAT registration**

Below follows a brief summary of the key measures adopted, together with the date on which each is expected to enter into force:

Pillar I: E-invoicing and Digital Reporting

→ **Entry into force: 14 April 2025:**

- Member States will no longer require a derogation (authorisation) from the European Council to make the issuing of e-invoices mandatory for domestic transactions.

→ **Entry into force: From 1 July 2030:**

- Businesses will be **required to issue e-invoices for intra-EU B2B / B2G transactions**.
- A **digital reporting** system will be established, whereby suppliers and customers must digitally report certain data from the aforementioned e-invoices for intra-EU transactions.

This will **replace the current system of reporting intra-EU transactions** in the periodic EC Sales Lists (i.e. Form 349).

- EU Member States which had an existing national e-reporting information system (such as the SII in Spain) in place on 1 January 2024 have until 1 January 2035 to fully conform to the EU standard.

Pillar II: Digital Platform Economy

→ **Entry into force: From 1 July 2028 (Member States have the option to delay until 1 January 2030).**

However, it should be noted that **Spain** has announced that it **will request a derogation to apply certain Pillar II rules before 1 July 2028** (thus potentially making it the first Member State to apply them).

As a result, there are likely to be a variety of different implementation dates across the EU for each Member State.

- **Digital Platforms acting as intermediaries in facilitating the supply of short-term accommodation rentals and/or passenger transport by road will be liable to account for the VAT thereon.**

In other words, such digital platforms will be regarded as the “**deemed supplier**” of the above services for VAT purposes and will thus have to charge VAT thereon (with certain exceptions).

- The place of supply of “facilitation services” provided by a digital platform in B2C transactions will be where the underlying service takes place.
- Meanwhile, digital platforms facilitating the supply of goods will be required to inform the owners of such goods of any cross-border movements that they make (e.g., between different warehouses).

Pillar III: Single VAT registration within the EU

→ **Entry into force: From 1 July 2028**

- The existing **One Stop Shop (“OSS”)** regime will be **extended to other B2C supplies**, such as supplies of **electricity and natural gas, supply and install contracts, and certain other domestic supplies of goods**.

For supplies of electricity, natural gas and other energy-related supplies, the rules are set to enter into force as of 1 January 2027.

- **New OSS regime** for businesses to report **intra-EU movements of own goods** where the owner is entitled to fully deduct the input VAT in respect of such goods.

As a result, the current VAT simplification rules for call-off stock will be abolished.

- Application of the **reverse charge mechanism** to B2B transactions will be extended.

Member States will be required to apply this **rule where the supplier is neither established nor VAT registered in the country in which the VAT is due but the customer (B2B) is.**

Indeed, even if the customer is not VAT registered in such Member State, the Member State in question will have the option to require application of the reverse charge mechanism.

Please do not hesitate to contact KPMG Abogados Indirect Taxation team should you wish to discuss any of these matters.

Contacts

Natalia Pastor
Partner
KPMG Abogados
Tel.: 91 456 34 92
npastor@kpmg.es

Miguel Ferrández
Partner
KPMG Abogados
Tel.: 91 456 59 99
mferrandez@kpmg.es

Maite Vilardebó
Partner
KPMG Abogados
Tel.: 93 253 29 62
mvilardebo@kpmg.es

Montserrat Montoya
Partner
KPMG Abogados
Tel.: 93 253 29 32
montserratmontoya@kpmg.es

A Coruña

Calle de la Fama, 1
15001 A Coruña
Tel.: 981 21 82 41
Fax: 981 20 02 03

Alicante

Muelle de Levante, 8
Planta Alta
03001 Alicante
Tel.: 965 92 07 22
Fax: 965 22 75 00

Barcelona

Torre Realia
Plaça de Europa, 41
08908 L'Hospitalet de Llobregat
Barcelona
Tel.: 932 53 29 00
Fax: 932 80 49 16

Bilbao

Torre Iberdrola
Plaza Euskadi, 5
48009 Bilbao
Tel.: 944 79 73 00
Fax: 944 15 29 67

Girona

Edifici Sèquia
Sèquia, 11
17001 Girona
Tel.: 972 22 01 20
Fax: 972 22 22 45

Las Palmas de Gran Canaria

Edificio Saphir
C/Triana, 116 – 2º
35002 Las Palmas de Gran Canaria
Tel.: 928 33 23 04
Fax: 928 31 91 92

Madrid

Torre de Cristal
Paseo de la Castellana, 259 C
28046 Madrid
Tel.: 91 456 34 00
Fax: 91 456 59 39

Malaga

Marqués de Larios, 3
29005 Málaga
Tel.: 952 61 14 60
Fax: 952 30 53 42

Oviedo

Ventura Rodríguez, 2
33004 Oviedo
Tel.: 985 27 69 28
Fax: 985 27 49 54

Palma de Mallorca

Edificio Reina Constanza
Calle de Porto Pi, 8
07015 Palma de Mallorca
Tel.: 971 72 16 01
Fax: 971 72 58 09

Pamplona

Edificio Iruña Park
Arcadio M. Larraona, 1
31008 Pamplona
Tel.: 948 17 14 08
Fax: 948 17 35 31

San Sebastián

Avenida de la Libertad, 17-19
20004 San Sebastián
Tel.: 943 42 22 50
Fax: 943 42 42 62

Seville

Avda. de la Palmera, 28
41012 Sevilla
Tel.: 954 93 46 46
Fax: 954 64 70 78

Valencia

Edificio Mapfre
Paseo de la Alameda, 35, planta 2
46023 Valencia
Tel.: 963 53 40 92
Fax: 963 51 27 29

Vigo

Plaza Compostela, 20
36201, Vigo
Tel.: 986 22 85 05
Fax: 986 43 85 65

Zaragoza

Centro Empresarial de Aragón
Avda. Gómez Laguna, 25
50009 Zaragoza
Tel.: 976 45 81 33
Fax: 976 75 48 96

© 2025 KPMG Abogados S.L.P., a professional limited liability Spanish company and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

KPMG and the KPMG logo are registered trademarks of KPMG International Limited, a private English company limited by guarantee.

The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavour to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.