

VAT in the Digital age: The implementation of the ViDA Directive and its impact on Businesses

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The European Union has launched its most comprehensive VAT reform to date with the initiative “VAT in the Digital Age” (“ViDA”), marking a turning point in both tax administration and business operations across the EU. ViDA has three main goals: 1) to reduce VAT fraud, 2) to improve the efficiency of tax administration, and 3) to adapt the existing VAT system to the digital economy. One of the cornerstones of this initiative is the introduction of structured e-invoices and digital transaction reporting for cross-border transactions.

Although ViDA will officially come into force gradually, starting in 2028, businesses engaged in cross-border B2B transactions must already prepare for significant changes. The impact of the Directive will be felt far beyond VAT reporting — it will affect financial processes, IT infrastructure, data management, and the overall corporate compliance strategy. This article explores how ViDA will change the rules of the game, the main obligations and risks for businesses, and why it is essential not to wait until the last minute to start preparations.

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