

# DAGTVA<sup>®</sup>

Dispositif technique Automatique de Gestion de la TVA

## B2B Cross-border transaction

Payment by bank transfer

New version & special case of Irish  
border inside the Brexit

**UK without customs duties for its imports**

TCE = Tax Clearance Extraction

TCE = Amount of VAT to levy

**VAT collected on purchaser side**

**Independent of tax system used**



DAGTVA is divided in two separate and autonomous parts.

———— Line of the secret between tax authorities and banking system ————

**Making Tax Digital** Declarative System

Part  
Registrants & Tax authorities

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## Making Tax Digital Declarative System

Part

## Registrants & Tax authorities

The security and control of statements are assured by the tax authorities.

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## Making Tax Digital Declarative System

Part

Registrants & **Tax authorities**

The security and control of statements are assured by the tax authorities.

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Part

Payments & Banking system

## Making Tax Digital Declarative System

Part

### Registrants & Tax authorities

The security and control of statements are assured by the tax authorities.

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Part

### Payments & Banking system

Like today, the security and control of payments are assured by the banking system.



## Making Tax Digital Declarative System

Part

Registrants & Tax authorities

**DAGTVA**

DAGTVA use these two secured environments to create a third - tax withholding inviolable system.

Part

Payments & Banking system



———— Line of the secret between tax authorities and banking system ————

Part declarants & tax authorities  
**United Kingdom**

S2 B2B cross-border V3-BrexIrish  
**Ireland**

Stakeholders

Virtual country border

Part payments & banking system

Part declarants & tax authorities  
**United Kingdom**

S2 B2B cross-border V3-BrexIrish  
**Ireland**

Stakeholders

**Public Treasury**

**Public Treasury**

Part payments & banking system



Part declarants & tax authorities  
**United Kingdom**

Purchaser B1

Tax authority

Treasury

Purchaser's Bank

S2 B2B cross-border V3-BrexIrish  
**Ireland**

Seller B2

Tax authority

Treasury

Seller's Bank

**UK without customs duties for its imports**

Part payments & banking system

Part declarants & tax authorities  
**United Kingdom**

S2 B2B cross-border V3-BrexIrish  
**Ireland**



MTD - Automatic tax return e-filed

Tax authority

Tax authority

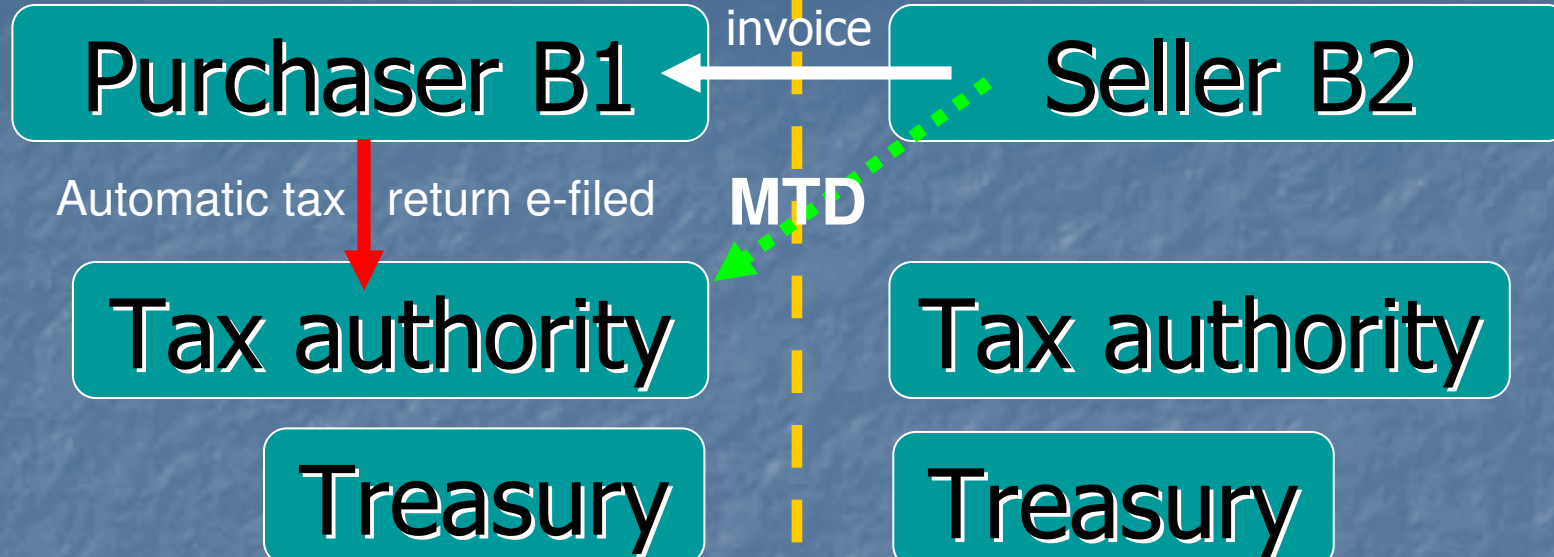
Treasury

Treasury

Part payments & banking system

Part declarants & tax authorities  
**United Kingdom**

S2 B2B cross-border V3-BrexIrish  
**Ireland**





Part declarants & tax authorities  
**United Kingdom**

Purchaser B1

Test equality  
statements

Tax authority

Treasury

S2 B2B cross-border V3-BrexIrish  
**Ireland**

Seller B2

Tax authority

Treasury

MTD

Part payments & banking system

Part declarants & tax authorities  
**United Kingdom**

**Purchaser B1**

Calculation Tax Clearance

**Tax auth. TCE**

**Treasury**

S2 B2B cross-border V3-BrexIrish  
**Ireland**

**Seller B2**

**Tax authority**

**Treasury**

Part payments & banking system

Part declarants & tax authorities  
**United Kingdom**

Purchaser B1

**TCE READY**

Tax auth. **TCE**

Treasury

S2 B2B cross-border V3-BrexIrish  
**Ireland**

Seller B2

Tax authority

Treasury

Part payments & banking system



Part declarants & tax authorities  
**United Kingdom**

Purchaser B1

Tax auth. **TCE**

Treasury

Purchaser's Bank

S2 B2B cross-border V3-BrexIrish  
**Ireland**

Seller B2

Tax authority

Treasury

Seller's Bank

Part payments & banking system

Part declarants & tax authorities  
**United Kingdom**

Purchaser B1

Tax auth. **TCE**

Treasury

Tax Clearance sent directly

Purchaser's Bank

S2 B2B cross-border V3-BrexIrish  
**Ireland**

Seller B2

Tax authority

Treasury

Seller's Bank

Part payments & banking system

Part declarants & tax authorities  
**United Kingdom**

Purchaser B1

Tax auth. **TCE**

Treasury

taxes payment

Request all

Purchaser's Bank

S2 B2B cross-border V3-BrexIrish  
**Ireland**

Seller B2

Tax authority

Treasury

Seller's Bank

Part payments & banking system



Part declarants & tax authorities  
**United Kingdom**

Purchaser B1

Tax auth. **TCE**

Treasury

**TCE**

**All taxes**

Debit account

Purchaser's Bank

S2 B2B cross-border V3-BrexIrish  
**Ireland**

Seller B2

Tax authority

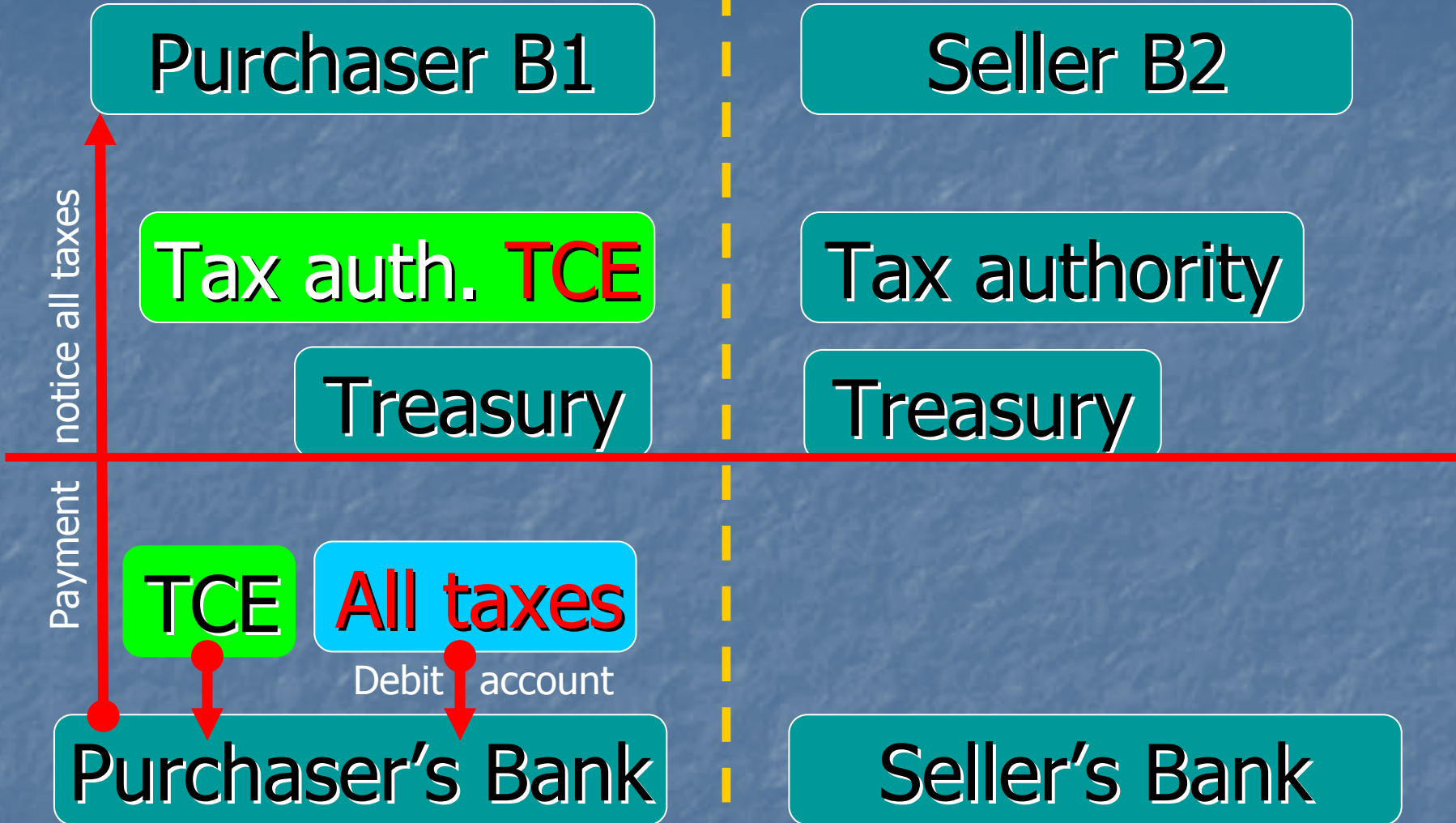
Treasury

Seller's Bank

Part payments & banking system

Part declarants & tax authorities  
**United Kingdom**

S2 B2B cross-border V3-BrexIrish  
**Ireland**



Part payments & banking system

Part declarants & tax authorities  
**United Kingdom**

Purchaser B1

Tax auth. **TCE**

Treasury

Purchaser's Bank

Split **NET & TAX**

Part payments & banking system

S2 B2B cross-border V3-BrexIrish  
**Ireland**

Seller B2

Tax authority

Treasury

Seller's Bank

Part declarants & tax authorities  
**United Kingdom**

Purchaser B1

Tax auth. **TCE**

Treasury

**TAX**

Output TAX

Purchaser's Bank

Split **NET** & **TAX**

Part payments & banking system

S2 B2B cross-border V3-BrexIrish  
**Ireland**

Seller B2

Tax authority

Treasury

Seller's Bank



Part declarants & tax authorities  
**United Kingdom**

S2 B2B cross-border V3-BrexIrish  
**Ireland**

Purchaser B1

Seller B2

Tax auth. **TCE**

Tax authority

Treasury

Treasury

Output TAX

TAX

Purchaser's Bank

Seller's Bank

Output Tax collection noticed  
MTD

BEPS

Part payments & banking system

Part declarants & tax authorities  
**United Kingdom**

S2 B2B cross-border V3-BrexIrish  
**Ireland**

Purchaser B1

Seller B2

Tax auth. **TCE**

Tax authority

Treasury

Treasury

**OK**

**TAX**

Output TAX

Purchaser's Bank

Seller's Bank

**NET**

**NET**

OK for NET transfer

Part payments & banking system

Part declarants & tax authorities  
**United Kingdom**

Purchaser B1

Tax auth. **TCE**

Treasury

Output TAX

All taxes

TAX

Purchaser's Bank

S2 B2B cross-border V3-BrexIrish  
**Ireland**

Seller B2

Tax authority

Treasury

NET

Seller's Bank

**UK without customs duties for its imports**

Part payments & banking system

Part declarants & tax authorities  
**United Kingdom**

Purchaser B1

Tax auth. **TCE**

Treasury

Output TAX

All taxes

TAX

Purchaser's Bank

S2 B2B cross-border V3-BrexIrish  
**Ireland**

Seller B2

Tax authority

Treasury

NET

Seller's Bank

NET credit notice

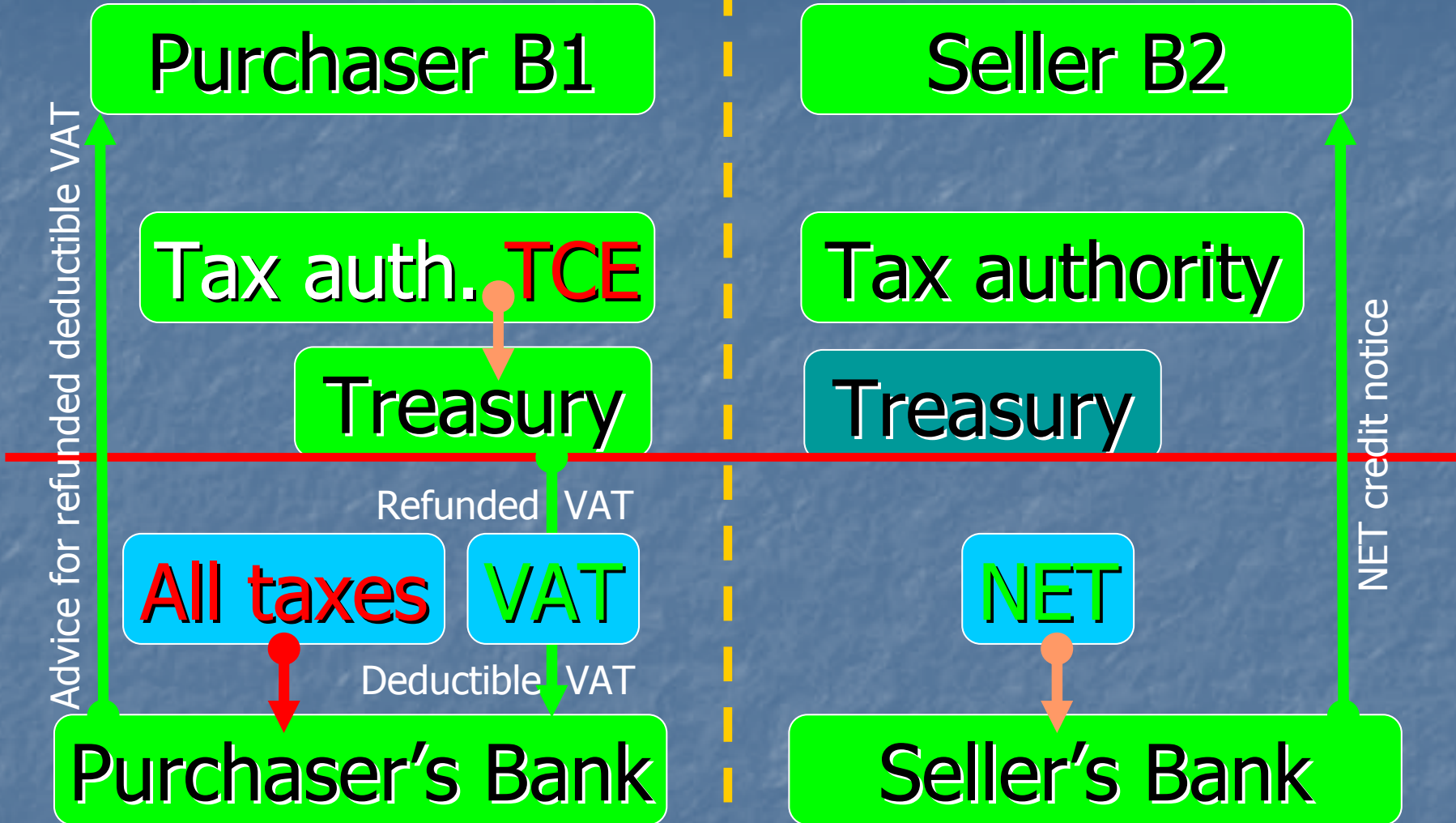
**UK without customs duties for its imports**

Part payments & banking system



Part declarants & tax authorities  
**United Kingdom**

S2 B2B cross-border V3-BrexIrish  
**Ireland**



**UK without customs duties for its imports**

Part declarants & tax authorities  
**United Kingdom**

S2 B2B cross-border V3-BrexIrish  
**Ireland**

Purchaser B1

Seller B2

Tax auth. **TCE**

Tax authority

Treasury

Treasury

120 - 20

100

**All taxes**

**VAT**

=

**NET**

Purchaser's Bank

Seller's Bank

Balance of payments

**UK without customs duties for its imports**

End process

Part payments & banking system

## --- Comments ----

As you can see in this slideshow, all indirect taxation (VAT) is concentrated and takes place only in United Kingdom. The seller in Ireland is paid NET amount. That's half of the Single Market transactions going on like today, so it's not unusual.

The VAT mentioned on the Irish invoice is only, at this stage, a tax on production. In Ireland this information is into the VAT differential of the seller, as today.

So nothing changes on the Irish side.

On the buyer side in UK, the VAT is automatically deducted by split banking on the payment and refunded, on B<sup>2</sup>B transaction, at the end of the bank shuttle.

To comply with EU – OECD – WTO directives, there are no customs duties between the two countries. It is exactly the mechanism of the European Single Market, transactions are exclusive of VAT.

With DAGTVA, the Ireland/UK border in the Brexit case is useless.