



SHORT GUIDE • RISK • VAT FRAUD

# VAT-free sale, invalid VAT ID? Every VAT ID checked first.

A valid VAT ID is the basis for reverse charge and VAT-free supplies within the EU. This short guide shows how PaperOffice checks numbers via VIES: one at a time, in batches and on every incoming invoice. For accounting, export and customer onboarding.

## KEY TAKEAWAY

The API queries VIES and shows whether the result is fresh. AI-DMS Ultra checks the VAT ID on every incoming invoice and reports invalid numbers as a note in the audit.

## 01 · THE PROBLEM

# The number looks right. Nobody has checked it.

A new business customer from another EU country places an order, the VAT ID is on the form. For an invoice without VAT, it has to be valid. Looking it up on the VIES portal takes time, and at best the result ends up as a screenshot in the file. With suppliers, often nobody looks.

## WHY IT HAPPENS

**Borrowed numbers**

Fraudsters use the VAT ID of a real company or a number that was deregistered long ago. On the invoice and the order form it looks like any other.

**Checked once, then forgotten**

Anyone who looks it up on the VIES portal usually checks once at onboarding. If the number becomes invalid later, it rarely gets noticed in daily work.

**Registers that stay silent**

Some member states release neither name nor address via VIES. Then it is unclear whether the number really belongs to the company placing the order.

## HOW YOU NOTICE IT

- The name in VIES does not match the company that places the order or writes the invoice.
- The number has the wrong format for its country or a wrong check digit.
- The delivery address and the country of the VAT ID do not match.
- The only evidence for the number is an old screenshot without a date.
- A supplier invoice carries a VAT ID that your team has never checked.

## 02 · THE WAY WITH PAPEROFFICE

# Check and store. On every invoice, too.

For outgoing invoices, your software checks the number via API before it bills net. For incoming invoices, AI-DMS Ultra checks the sender's VAT ID on every invoice. Both run against VIES, the European Commission's system.

1

**Format first**

The API first checks the country format. A formally wrong number comes back right away with `format_valid` false, without a VIES query.

[MODULE: VAT ID CHECK VIA VIES](#)

2

**Query VIES**

You get `vies_valid`, name and address as far as the member state discloses them, check time and source. `company_data_status` shows whether data was disclosed.

[MODULE: VAT ID CHECK VIA VIES](#)

3

**Fresh or stored**

`cached` shows whether the result comes from an earlier check, `force_recheck` forces a new query. Reverse charge applies in the response for a confirmed number.

[MODULE: VAT ID CHECK VIA VIES](#)

4

**Every incoming invoice**

AI-DMS Ultra reads the sender's VAT ID and checks it via VIES. Invalid or formally wrong numbers and differing names appear as a note in the audit.

[MODULE: AUDIT CENTER](#)

5

**Add document and partner**

The Trust Agent checks the invoice PDF for tampering. Relations AI matches senders to an organization by VAT ID, with all linked documents.

[MODULE: TRUST AGENT](#)

## 03 · IN THE APP

# From key to check in five steps.

You use the VAT ID check via REST API or MCP, while incoming invoices are checked in the workspace. The names match the app.

1

## Create an API key

Under **API & Developer** > **API Keys**, use **Create New Key** to create an **API Key**. You can copy the key there at any time.

2

## Check a number

POST **/vat/validate** with **vat\_id**, from your shop, ERP or customer onboarding. For many customers at once, POST **/vat/batch** with up to 100 numbers.

3

## Store the result with the customer

Store **vies\_valid**, **vies\_request\_date**, **source** and **cached** with the customer record. That way it stays traceable when each number was checked and how.

4

## Have incoming invoices checked

Under **Edit Workspace** > **AI-DMS**, choose the **Ultra** level. Notes on the VAT ID then appear in the invoice's **Audit** tab, and **Create task** passes the follow-up on.

5

## Look at sender and PDF

**Relations AI** > **Organizations** shows the sender with VAT ID and documents. For the file: select the invoice, then **Actions** > **Agents & workflows** > **Trust** and **Check with Trust Agent**.

### TIP FROM PRACTICE

**Renew the status regularly** A number can become invalid later. Send your customer base to **/vat/batch** about once a quarter and clear up every number with **vies\_valid false** directly with the customer.

04 · AN EXAMPLE

# A spare parts shipper. A new customer abroad.



A machine spare parts shipper with 25 employees supplies workshops in several EU countries. A new business customer orders through a form, enters a VAT ID and wants to be invoiced net. On top of that, invoices from foreign suppliers arrive every week.

## BEFORE

- The shipping team checks the number on the VIES portal and files a screenshot.
- Nobody checks whether the number is still valid six months later.
- Supplier invoices are booked without looking at the VAT ID.
- During a tax audit, the team searches for old screenshots.

## WITH PAPEROFFICE

- The order form sends the number to /vat/validate, and the result is stored with the customer.
- Once a quarter, the customer base runs through /vat/batch, anything unusual goes to sales.
- Incoming invoices run with AI-DMS Ultra, invalid numbers appear as a note in the audit.
- Each check is stored with result, time and source.

Example for illustration, the company and the processes are made up. Whether a supply is VAT-exempt depends on more than the number. Clarify that with your tax advisor.

## 05 · CHECKLIST

# Ten points for your VAT ID checks.

Go through these points with accounting, sales and your tax advisor. Each one can be checked in your own business.

- ☐ Every new VAT ID of a business customer is checked before the first net invoice.
- ☐ Results from an earlier check are recognizable as such and are queried again when needed.
- ☐ Numbers with vies\_valid false go to a fixed contact for clarification.
- ☐ During a VIES outage, the number is checked again later instead of relying on the old result.
- ☐ Notes on the VAT ID in the audit are cleared up with the supplier before payment.
- ☐ For every check, vies\_valid, check time and source are stored with the customer record.
- ☐ The customer base runs through the check as a batch at fixed intervals.
- ☐ If a member state withholds the company details, someone verifies name and address another way.
- ☐ Incoming invoices run in a workspace with AI-DMS Ultra.
- ☐ The tax assessment of individual cases rests with your tax advisor.

## 06 · FREQUENTLY ASKED QUESTIONS

# What accounting teams ask before they start.

**Which register is checked?**

VIES, the VAT Information Exchange System of the European Commission. source names where the result came from, vies\_request\_date the time of the query.

**What happens if VIES is down?**

The API tries a fallback source. If an older result is available, it comes with warning and cache\_source database\_stale, and reverse charge counts as unconfirmed. Otherwise it returns VIES\_UNAVAILABLE.

**Are incoming invoices checked automatically?**

Yes, with AI-DMS Ultra. The sender's VAT ID is checked via VIES. Invalid or formally wrong numbers and a differing name in VIES appear as a note in the **Audit** tab.

**Why are name and address sometimes missing?**

Because some member states withhold them via VIES. For a valid number, company\_data\_status distinguishes disclosed\_by\_member\_state from not\_disclosed\_by\_member\_state.

**Does PaperOffice rate my business partners?**

PaperOffice reports what VIES returns, plus signals on the country of registration from three public statistics: the EU VAT gap, a corruption index and investigations of the European Public Prosecutor's Office. You decide about the partner.

**Does this help against carousel fraud?**

The check starts with your own partners: every number comes back with time and source, invalid numbers on invoices stand out, and your team follows up before paying or delivering net.

## 07 · HOW TO START

# Check the next VAT ID straight from your software.

Create an account on [app.paperoffice.ai](https://app.paperoffice.ai), generate an API key under **API & Developer** > **API Keys** and check your first number with POST `/vat/validate`. Billing is pay as you go, details are on the pricing page.

## Check a first number

Send a known customer number to `/vat/validate` and look at `vies_valid`, `company_data_status` and `source`.

## Run your customer base

Send your business customers' VAT IDs to `/vat/batch` in packages of 100 and clear up numbers with `vies_valid` false.

## Switch incoming invoices to Ultra

Set the workspace for incoming invoices to Ultra under **Edit Workspace** > **AI-DMS**. Every sender's VAT ID is then checked via VIES.

### DATASHEETS ON THIS TOPIC

#### VAT ID Check via VIES

[paperoffice.ai/downloads/paperoffice-ai-datasheet-vat.pdf](https://paperoffice.ai/downloads/paperoffice-ai-datasheet-vat.pdf)

#### Audit Center

[paperoffice.ai/downloads/paperoffice-ai-datasheet-audit-center.pdf](https://paperoffice.ai/downloads/paperoffice-ai-datasheet-audit-center.pdf)

#### Trust Agent

[paperoffice.ai/downloads/paperoffice-ai-datasheet-document-integrity-check.pdf](https://paperoffice.ai/downloads/paperoffice-ai-datasheet-document-integrity-check.pdf)

#### Contacts and relations

[paperoffice.ai/downloads/paperoffice-ai-datasheet-contacts-relations.pdf](https://paperoffice.ai/downloads/paperoffice-ai-datasheet-contacts-relations.pdf)

### MORE ON THIS TOPIC

#### VAT fraud

[paperoffice.ai/en/solutions/risk/ai-vat-fraud-intelligence-global-document-scoring](https://paperoffice.ai/en/solutions/risk/ai-vat-fraud-intelligence-global-document-scoring)



### MORE ON THIS TOPIC

[paperoffice.ai/en/solutions/risk/ai-vat-fraud-intelligence-global-document-scoring](https://paperoffice.ai/en/solutions/risk/ai-vat-fraud-intelligence-global-document-scoring)

### PRICING

[paperoffice.ai/en/pricing](https://paperoffice.ai/en/pricing)

### CONTACT

[paperoffice.ai/en/contact](https://paperoffice.ai/en/contact)