

FROM DETECTION TO ENFORCEMENT

in the ViDA era

EXECUTIVE BRIEFING FOR HEADS
OF TAX ADMINISTRATIONS

Real-time data creates visibility.
Credible default outcomes create
compliance.

ViDA / DRR1 / DRR2 / DRP



CONTEXT

■ Strategic shift: visibility becomes routine

- ViDA delivers the data infrastructure. The administrative operating model must now catch up.
- We no longer estimate many VAT risks. We can calculate them.

Before ViDA

VAT risk assessment based on aggregates, enforcement on tax audit.

After DRR1 / DRR2

Arithmetic certainty based on transaction data, but enforcement is challenged.

Leadership implication

The binding constraint moves from **detection capacity** to **consequence capacity**.

What is this presentation about?

MONTH 1: FULL DRR1 & DRR2 DATA AVAILABLE

YOU DETECT LARGE-SCALE DISCREPANCIES IMMEDIATELY:

100,000 – Orphan invoices

- Input VAT claimed
- No supplier report

10,000 – Asymmetric cancellations

- Issuer cancelled
- Recipient did not adjust

2,000 – Non-credible issuers

- No workforce / subcontractors
- Invalid VAT status

Affects ~10%
of VAT taxpayers
in one month

This is not a detection problem. This is not a compliance problem.
This is an ENFORCEMENT CAPACITY or ENFORCEMENT METHOD problem.

WHAT HAPPENS NEXT?



NOTICES SENT



~50% RESPOND



~25% RESOLVED

**~27,000 UNRESOLVED
CASES (MONTH 1)**

Audit capacity: ~1,000/month

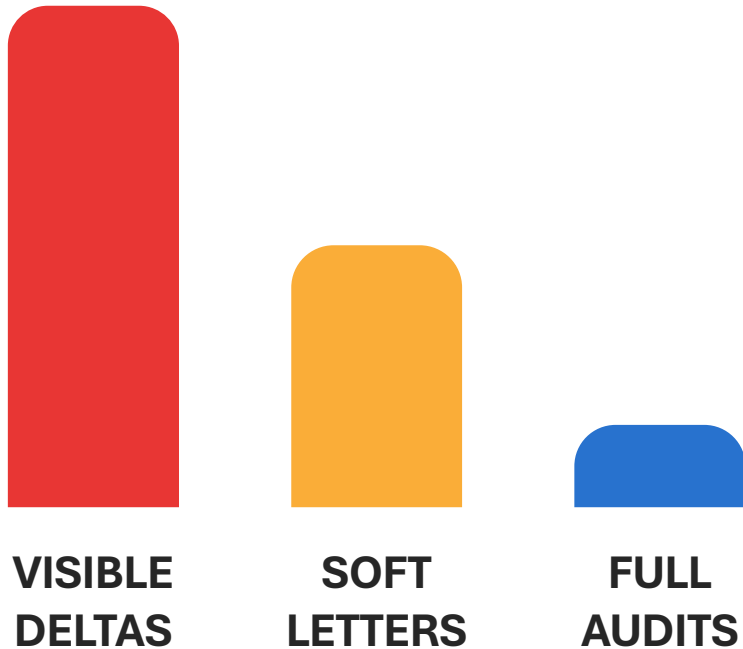
Accumulation:

Year: ~310,000

5 years: ~1.5 million

PAIN POINT

■ The enforcement gap: detection outpaces consequence



ADMINISTRATIVE CREDIBILITY GAP

Known discrepancy

The TA sees the mismatch in fiscal data.

Weak consequence

The taxpayer receives a warning or reconciliation request.

No scalable default

If ignored, only a scarce audit can normally create a serious outcome.



Over time, “rational” taxpayers learn that detection is not the same as enforcement.

■ Automate sanctions only where there is arithmetic certainty

ELIGIBLE FOR DRP AUTOMATION

- Output VAT lower than invoice and cash-register data imply.
- Duplicate or excessive input deductions over time.
- Credit-note and cancellation timing asymmetries.
- Machine-proven delta after statutory timing rules and thresholds.

RESERVED FOR HUMAN/ LEGAL REVIEW

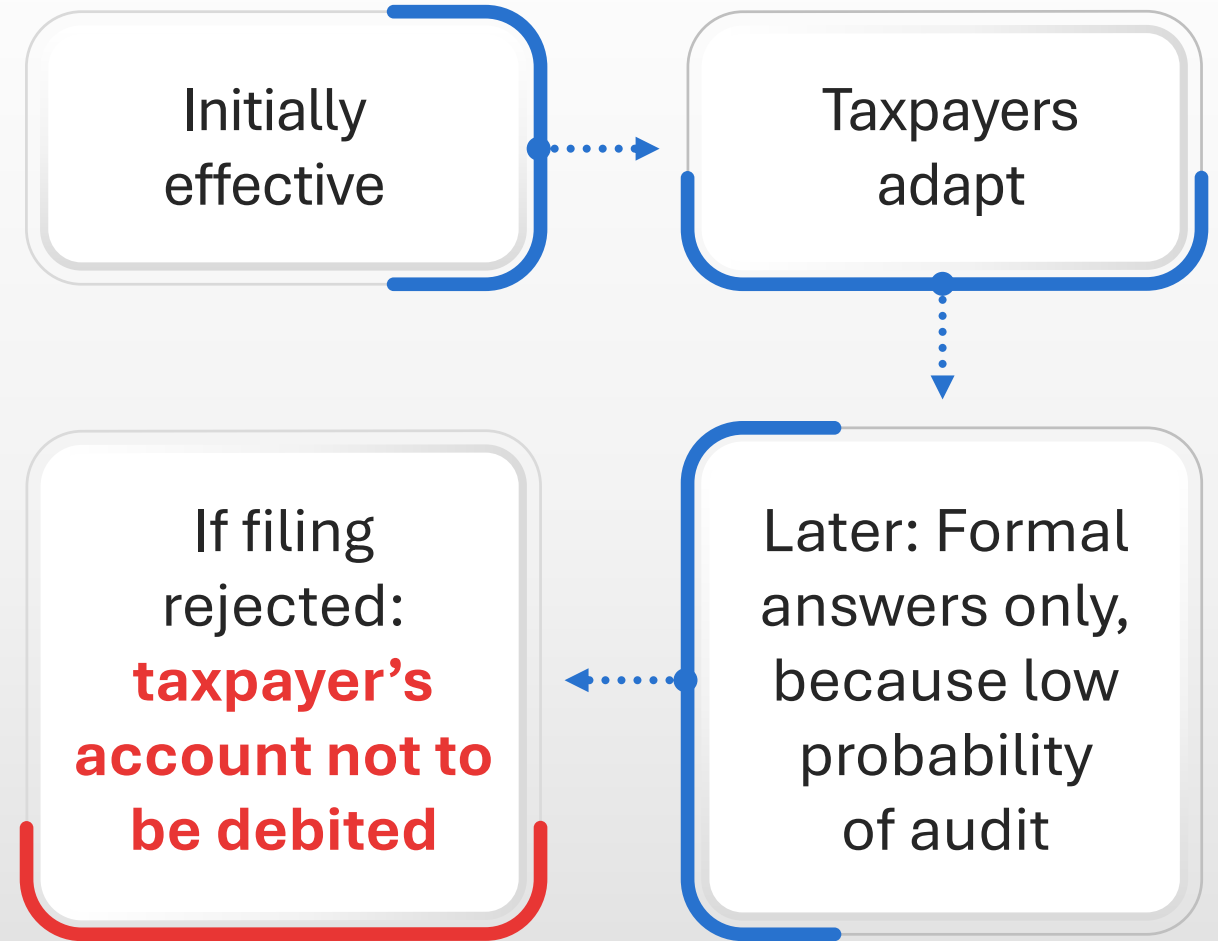
- Substantive deductibility disputes.
- Complex exemption, pro-rata, or sector-specific classification issues.
- Cases requiring intent, sham, or beneficial-ownership analysis.

Certainty means the legitimate business explanation would make the logical test true, while the declared data make it false.



SCOPE CONTROL

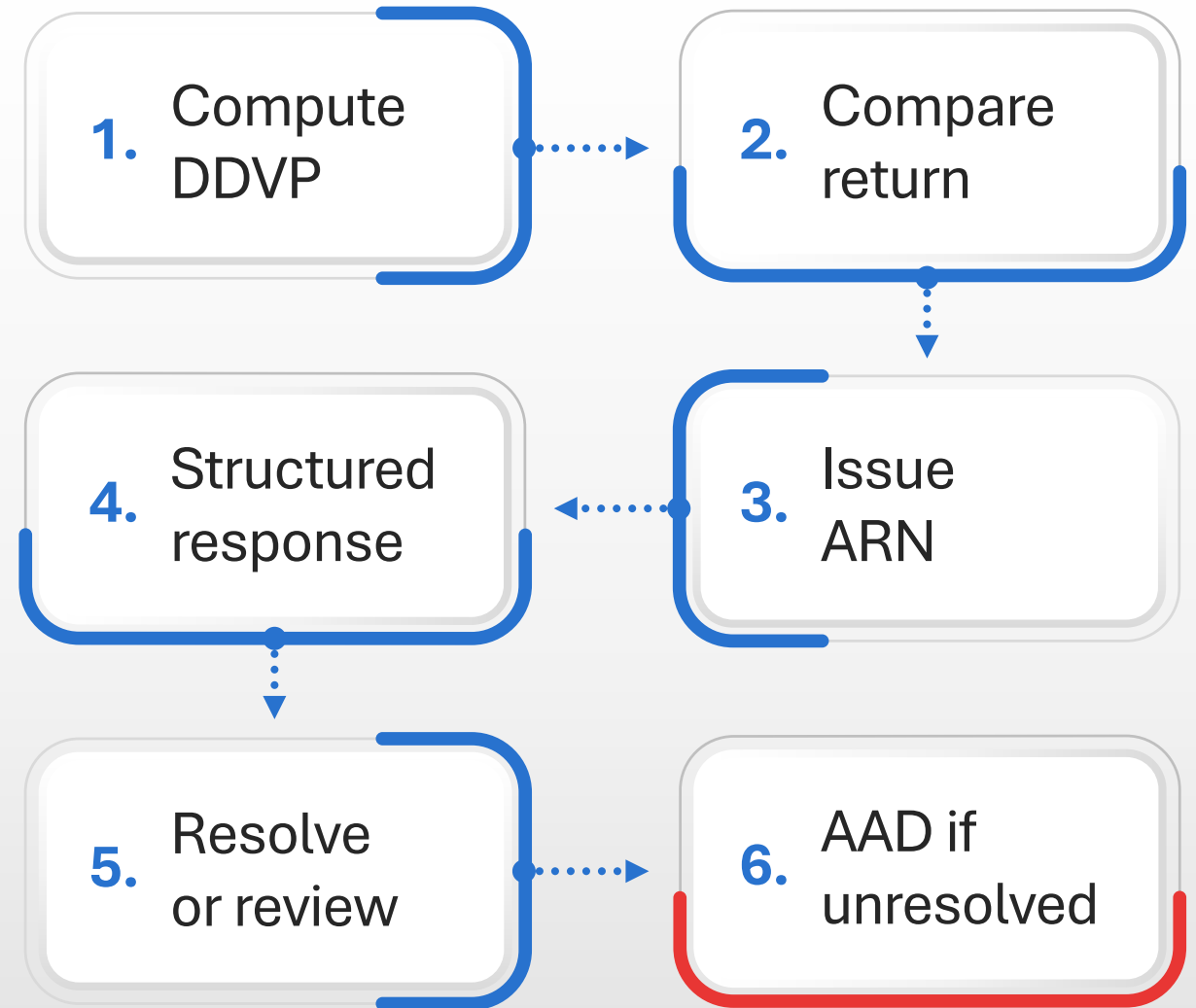
Data Reconciliation Procedure



SOLUTION



DRP: the minimum enforceable workflow



DDVP = data-determined VAT position

ARN = automated reconciliation notice

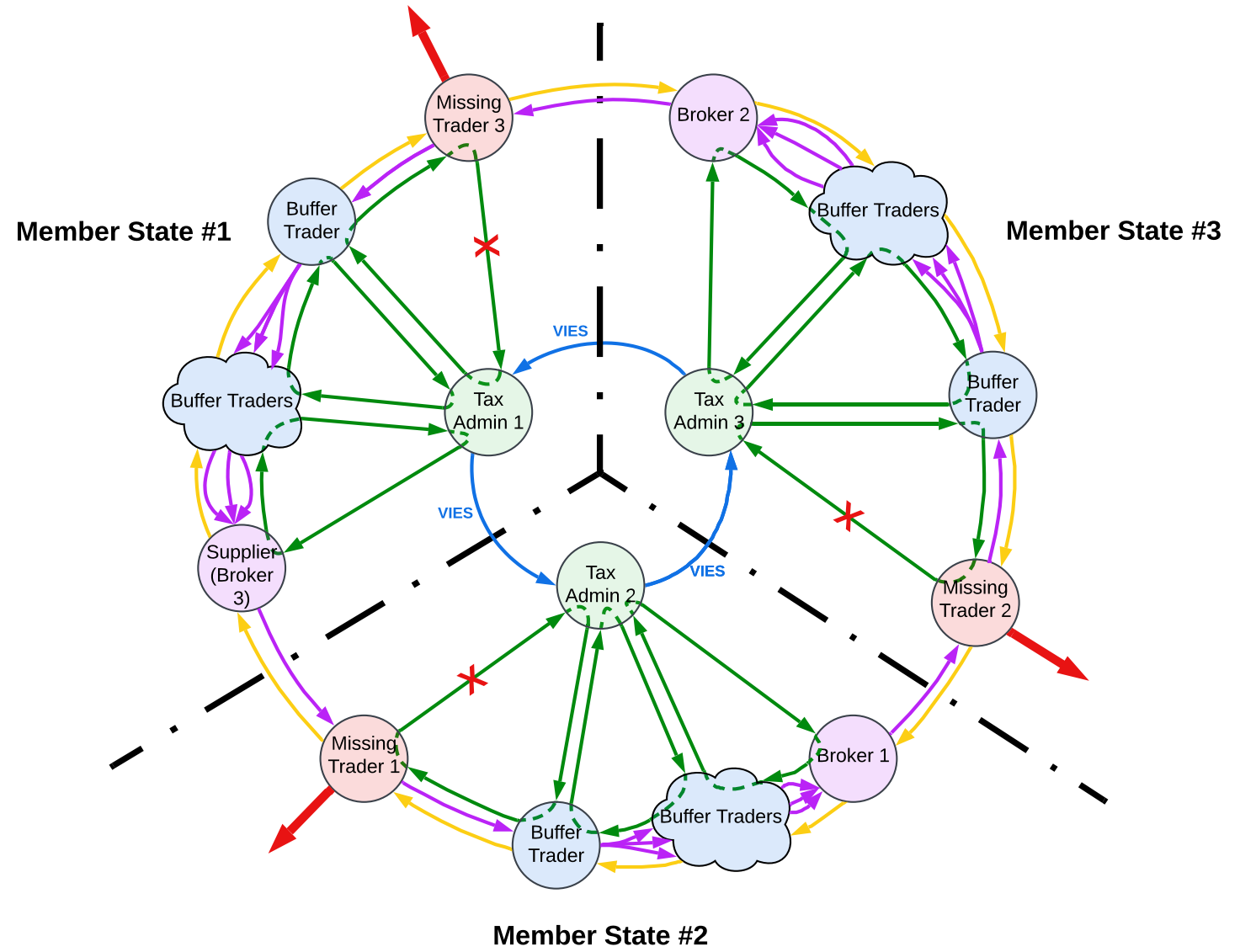
AAD = automated assessment of the delta

Privacy-preserving cooperation

FOR NETWORK (GRAPH) ANALYSIS

Missing Trade Intra-community Fraud

Legend	
Product + invoice	
Information (report)	
VAT payment	
Net value payment	
Gain on VAT fraud	
Missing VAT payment	



SAFEGUARDS

Due process is a design requirement, not an afterthought

The political message: automation must be narrower than detection and stronger than a reminder.



Limited scope

Only machine-proven arithmetic or timing deltas above thresholds.



Digital notice

Itemised evidence and downloadable transaction-level drivers.



Structured response

Accept, correct data, explain deviation, or request review.



Legal remedies

AAD is enforceable but appealable under domestic administrative rules.



Human escalation

Complex reasons leave the automated channel and enter review.

NEXT STEP

Prevention: from detect-and-chase to prefill-and-confirm



The highest-value outcome is not more sanctions; it is fewer unexplained deltas at filing time.

Draft VAT return view

Taxpayer sees the DDVP before or during filing and confirms the machine-derived figures.

Exceptions only where needed

Adjustments focus on legal judgement: partial deduction, pro-rata, non-deductible expenditure or disputed invoices.

Reconciliation reserve

DRP remains available when the filed return materially departs from the data-determined position without a valid reason.

LEADERSHIP ASK

Decision agenda for heads of tax administrations

**Strategic choice:
stay audit-bound, or make
machine-proven VAT deltas
enforceable at scale.**

- 1. Define the certain-delta perimeter** Which deltas are provable enough for automation?
- 2. Create the legal default outcome** What happens if the taxpayer does not respond?
- 3. Design taxpayer safeguards** How are evidence, response codes, appeals and human review built in?
- 4. Protect audit capacity** Which cases are moved out of GOSTA and which remain audit-only?
- 5. Prepare EU interoperability** How will DRR1/DRR2 analytics be protected and shared?



THANK YOU!

16-18 | **30TH**
June | **GENERAL**
2026 | **ASSEMBLY**

Budapest
Hungary