

# The Essential Guide to Tax Number Validation



Challenges & Solutions for Global Businesses



# How to use this guide

We know you're a busy person. And since you've downloaded this, chances are you've stumbled upon some of the issues we've outlined in this guide. Maybe you're considering building a tool, or buying one, or building an internal business case for either of the two and need a deeper understanding of common tax number validation problems. No matter the reason, keep reading. You're going to learn more about tax validation than you ever thought possible.

We've set up this guide a bit like a restaurant menu to make it easier to follow and identify the topic most interesting and relevant to you.

## Look out for these icons on the cover sheets

### TAX

Sections most relevant if you're a **tax professional**.

### PRODUCT

For those on the **tax product** side of things, keep an eye out for sections marked with this.

### TECH

If you work in **tech**, sections marked with this will be most relevant to you and your team.

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One more thing – if you work for a **Digital Platform** or **Marketplace** which connects buyers and sellers, there are some parts of this guide that will be especially helpful for you, like the section on Data Sharing.

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## This guide answers two key questions:



# 1

**Why** do companies need to validate TINs?

# 2

**How** can companies validate TINs globally at scale?

To dispel any misconceptions, this guide is about more than just the EU and the [VIES](#) portal and covers more than indirect taxes. This is because TIN validation is no longer constrained to just Europe and VAT. New tax and reporting obligations are being introduced each year, some target all businesses while others are more focused. Examples include the increasing number of Digital Reporting Requirements globally (also referred to as e-invoicing) and Data Sharing rules – such as [DAC7](#) – which apply to Digital Platforms and Marketplaces.

All of these make TIN validation a critical new step in the tax compliance process of a multinational. Admittedly, this guide does focus mainly on the hurdles encountered by **digital-first businesses** selling SaaS, direct-to-consumer electronic services, and Digital Platforms connecting buyers and sellers. Nevertheless, all of the topics covered and content shared should resonate with a broad range of tax, product and tech practitioners, especially those interested in building (or buying) a TIN validation tool.

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### **TIN = Tax Identification Number**

We use this term *a lot*. As such, it deserves it's own call out. While there are many ways to refer to a tax identification number we use the acronym "**TIN**" in preference over Tax ID, Tax number, VAT ID, GST ID or any other term (unless the context specifically requires the use of a more specific name).

[For other definitions, acronyms and abbreviations please see page 34](#)

# Executive Summary

## TIN validation, Data Sharing, and the burden on companies

The world's digital economy has grown exponentially, and countries across the globe have rushed to introduce rules and regulations to tax the revenue being generated. As a result, the following has taken place:

- Nearly 100 countries have introduced new VAT/GST rules to tax cross border sales of digital services
- Some digital-first companies now have the responsibility of calculating taxes for the transactions performed through their applications (i.e. on behalf of third parties)
- Digital Platforms and some Payment Services Providers are obligated to collect, validate, store, and share tax-relevant information about their sellers with tax authorities, under Data Sharing obligations

Businesses need TIN validation tools to:

- Distinguish transactions with VAT-registered businesses (B2B) and with end-consumers (B2C)
- Determine if marketplace rules apply to their transaction and what taxes to charge or withhold
- Verify that the data about Platform Sellers is ready to be shared with the tax authorities

Not performing tax number validation checks increases the risks of:

- Charging too much or too little tax
- Failing to adhere with government tax legislation
- Sharing the wrong information with tax authorities

## The major challenges of TIN validation

There are a number of hurdles when it comes to TIN validation:

**Poor data quality** can result at the collection stage if customers are permitted to enter their TIN into a free-form entry field during onboarding or checkout

**High latency** (i.e. slow validation speed) with government databases, can be an insurmountable problem, as real-time or near-real-time results are difficult to attain via official sources

**High build and maintenance costs** due to a lack of global standardization when connecting to databases

- There is no common approach to data inputs, outputs, or integration methods
- Even when a connection is possible, some databases can only confirm a TIN exists and who it belongs to, but are often unable to definitively say whether the taxpayer is entitled to charge and collect consumption taxes (VAT and GST)

**Publicly (in)accessible databases** - while it's possible to validate VAT and GST numbers in most countries, there are very few official sources that permit access to non-government users to validate other types of tax data such as personal TINs

- However, such databases have become increasingly important thanks to the growth of the gig-economy and Data Sharing obligations

TAX

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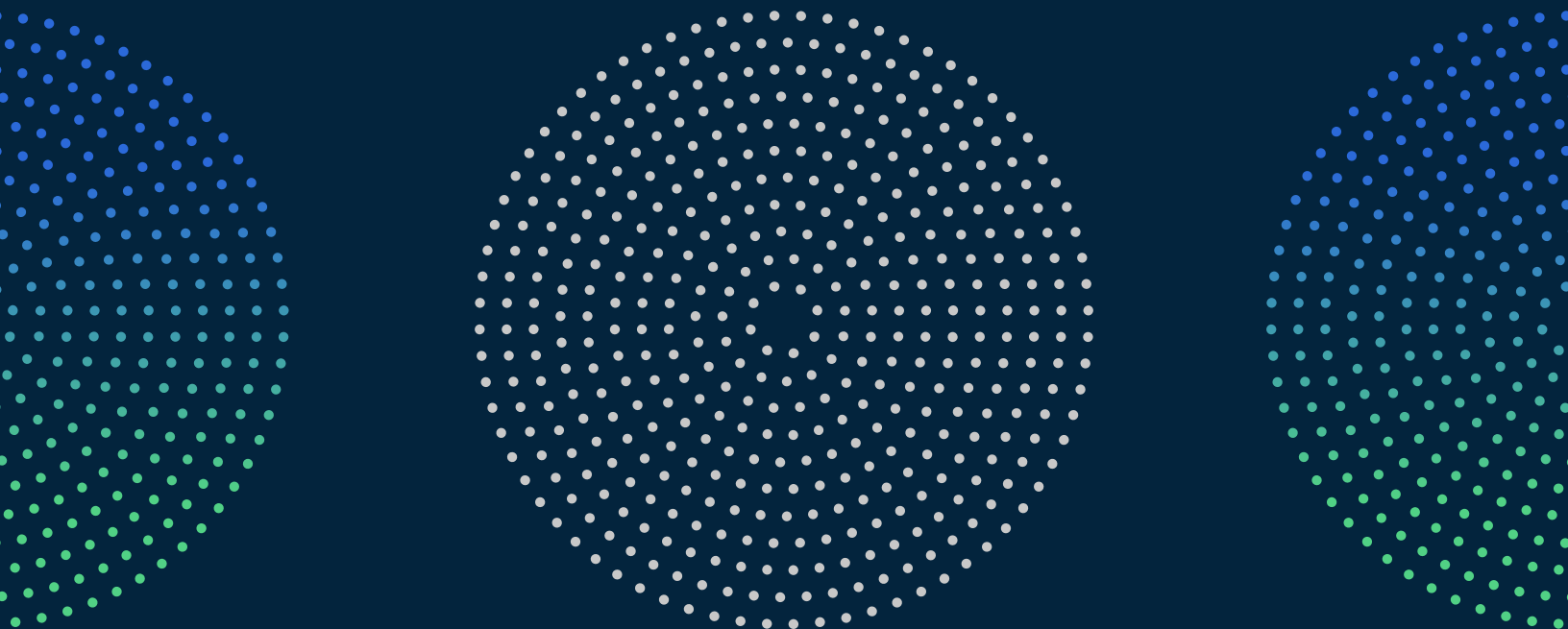
# Why Companies Validate TINs

## Top 3 reasons why companies need to validate TINs

Charging tax

Recovering tax

Data Sharing



# Charging tax

## Providing digital services across borders

Technological progress in the past two decades has created new opportunities for businesses to supply digital services<sup>1</sup> to customers around the world. The lack of any need for a local presence has allowed digital service providers to scale globally at incredible speed.

On-demand streaming services and online learning platforms, for example, have been able to expand around the world in only a few years. But all of this has led to complications for governments in VAT and GST collection.

Countries across the world have rushed to introduce new rules and regulations to tax the revenue that's being generated through the – ever-growing – digital economy.<sup>2,3</sup>

Specifically, **new VAT/GST rules to tax cross-border sales of digital services made to consumers have now been enacted in almost 100 countries.**

The ability to validate a tax number plays a critical role in these new obligations.



**Countries taxing B2C digital services**

<sup>1</sup> Digital services, sometimes called Electronically Supplied Services (ESS), are typically defined as services delivered over the internet or an electronic network and the nature of which renders their supply essentially automated and involving minimal human intervention, and impossible to ensure in the absence of information technology.

<sup>2</sup> See *Closing the VAT Gap—Automating Tax Compliance in a Digital World*, published by Bloomberg Tax Sept 2022.

<sup>3</sup> See *Supplying digital services abroad? 6 reasons why you can't ignore indirect tax*.

# Charging tax

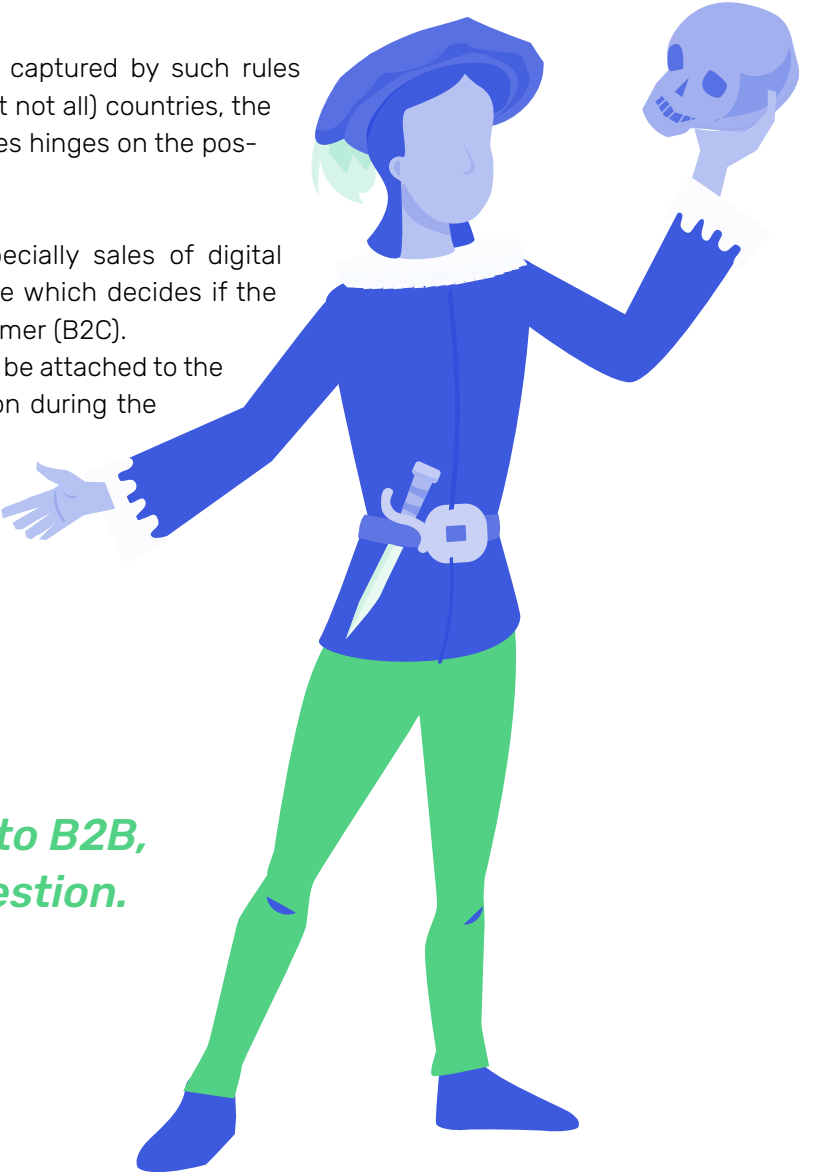
## Providing digital services across borders

Charging VAT and GST in cross-border sales is often driven by the status of the customer. **Is the customer a business or a consumer?** That one important detail often drives the decision as to whether tax should be charged, by whom, and at what rate.

Typically sales to business customers are not captured by such rules while sales to final consumers are. In many (but not all) countries, the definition of a business for VAT and GST purposes hinges on the possession of a valid VAT/GST number.

**To calculate tax on cross-border sales** (especially sales of digital services) businesses often rely on a tax engine which decides if the transaction is with a business (B2B) or a consumer (B2C).

Making an accurate distinction requires a tool to be attached to the tax engine in order to perform the TIN validation during the checkout or onboarding process. Without it, the business is essentially guessing which is likely to result in incorrectly charged VAT/GST, particularly in situations where the company trades with both businesses and consumers.



*To B2B or not to B2B,  
that is the question.*

# Charging tax

## Withholding taxes – Mexico spotlight

In countries, like Mexico, where withholding taxes may need to be applied by Platforms and Marketplaces, businesses need additional information about the status of the taxpayer to determine which taxes need to be charged and at what rate.

In the case of Mexico, withholding taxes can apply by Platforms and Marketplaces on domestic transactions – not to be confused with withholding taxes on dividends, interests, and royalties!



Individual taxpayers in Mexico who sell goods or render services via Digital Platforms must pay tax on the income they get through those platforms, and the Digital Platforms are responsible for withholding this tax.

The applicable withholding tax rates vary depending on several factors, but generally, they are between 0.4-10% if the individual provides the platform with a valid and verified RFC ID (the tax number in Mexico). However, if the individual does not provide this ID, the platform must withhold a general 20% income tax rate instead of the progressive tax rates mentioned above.



# Charging tax

## Withholding taxes – India spotlight

India's Permanent Account Number (or **PAN**) is a ten-digit alphanumeric number issued in the form of a laminated card by the Income Tax Department to any "person" who applies for it, or to whom the department allots the number. PANs are granted to both entities and individuals.

GST is an indirect tax levied on goods and services manufactured, sold, and consumed throughout India. For marketplaces in India, there are also requirements related to a GST identification number (**GSTIN**), a 15-digit PAN-based unique ID allotted to every registered person under GST. Get a detailed overview of GSTIN [here](#).



GST-registered taxpayers (like Marketplaces) may want to perform a GSTIN verification before onboarding customers/vendors, and prior to performing GST compliance obligations. Every person who wants to sell goods on platforms as varied as Ola and Amazon must register under GST and obtain a GSTIN. The threshold limit of obtaining GST registration does not apply to selling online.

When you sell something through a platform in India, a PAN is also an input for TDS/TCS calculations, otherwise known as withholding taxes.

Provided you have access to the right databases, it's possible to extract additional data from PAN, such as whether or not the taxpayer is compliant with filing their income tax returns. This data directly impacts the percentage of tax withholdings due.



# Charging tax

## Withholding taxes – US spotlight

Businesses operating in the US are required to capture certain tax related data points for year-end tax reporting.

For many such businesses, getting these data points accurately is a major challenge, and also serves as a hindrance to revenue generation in the case of marketplaces. Many small businesses operate under an individual's Social Security Number (SSN).



Businesses are required to generate 1099s, a federal and state level income tax reporting document. These documents are filed with the IRS and State Tax authorities and require the value of certain transactional data and the vendor's data.

The failure to capture this upfront requires a year-end scramble to get the data updated.

In the cases where the information is bad or missing, this leads to incorrect reporting with the tax authorities. Many companies face penalties each year due to these delays.



# Charging tax

## Digital Platforms & Marketplaces spotlight

Digital Platforms and Marketplaces may (by law or by choice) take on the responsibility of calculating taxes for the underlying transactions performed by the underlying Platform Sellers.<sup>7</sup>

In such cases, it is critical not only to know if the service sold is taxable but also if the Platform Sellers are correctly registered to charge and collect taxes.

For such particular situations, it means that the tax number validation needs to not only confirm the existence of a number in a database but also return additional information about the taxpayer's VAT/GST registration status – for example if the taxpayer is under a “small business regime” or is not permitted to charge taxes for some other reason. **This crucial information enables the digital platform or marketplace to determine the right tax treatment.**

Globally, local databases often provide this level of necessary detail directly. However, in some cases, you may need to engage in some investigative work; governments may list the indirect tax number in one database but not in another – thereby indicating the nature of the tax registration. An example is the difference between the responses you get when validating a Croatian PDV number with the local database directly or via the European VIES portal. The difference in results may indicate whether a tax number is valid only for declaring cross-border transactions or for also charging local VAT. In order to solve this use case, Digital Platforms and Marketplaces should always seek to connect with local databases and be sure to pull the relevant information.<sup>8</sup>

**Globally, over 75 government databases provide additional information about a taxpayer**

**(e.g. the date of registration, deregistration, legal status, compliance record).**



<sup>7</sup> For instance, a food delivery platform that supports the tax calculations and generation of invoices for restaurants and/or couriers.

<sup>8</sup> An alternative is to collect copies of tax registration documents to prove tax status (e.g. copies of tax registration certificates). This is not a particularly attractive solution for many businesses but has also been implemented.

# Recovering tax

## The risks of not checking tax numbers

The most basic reason for checking indirect tax numbers is to be sure that the indirect taxes your business is incurring (and likely recovering as input tax<sup>9</sup>) are charged to you correctly by properly tax registered companies.

Not performing these checks increases the risk of paying suppliers taxes that were charged incorrectly or fraudulently (and then not being able to recover them from the government). The ultimate risk is that when such errors are discovered the business will likely be saddled with the cost of the tax *and* the consequences of failing to implement appropriate processes to mitigate such risks.

**Tax status cannot be inferred from the presence of a VAT/GST number alone.**



Accordingly, businesses typically have dedicated departments (vendor onboarding, buyer ops, etc.) that are able to validate a supplier's VAT/GST status during vendor onboarding (via one-off validations or collecting documented proof of registration) which can consume a lot of low-added-value man-hours.

Tax teams may also have a process to check whether this tax status is still up-to-date periodically (typically quarterly or annually).

To determine whether someone is permitted to charge VAT/GST, you will need to connect with specific local databases and extract additional information for this purpose.

While tax status cannot be inferred from the presence of the TIN alone, over 75 government local databases provide additional information that can.

<sup>9</sup> An "input tax" is a levy paid by a business on acquired goods and services. An example is the VAT a business pays to its suppliers. When a business then taxes its customers, this is considered an "output tax".

# Data Sharing

## Data Sharing by Digital Platforms and Marketplaces

A growing trend globally is for tax authorities to enlist the support of Digital Platforms and Marketplaces (like Airbnb, eBay and Uber) to ensure taxes are paid by the underlying Platform Sellers.

The measures adopted differ by country but typically include:

### Making Platforms responsible for:

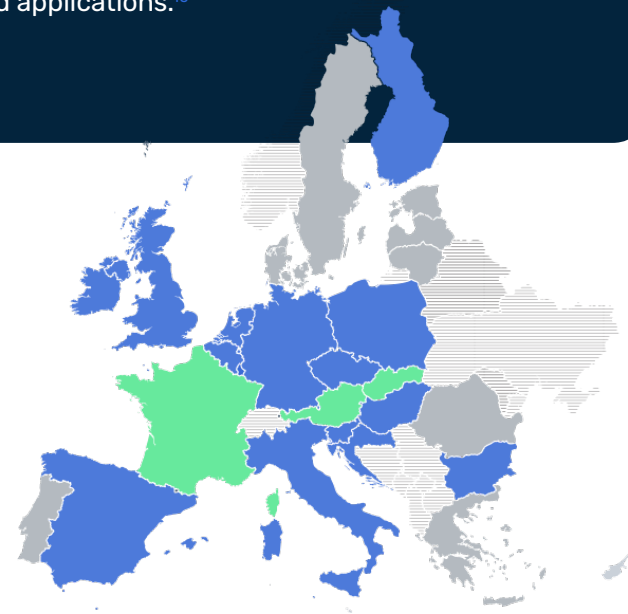
- Calculating taxes
- Documenting transactions  
(by issuing tax invoices)
- Remitting taxes  
(owed by Platform Sellers)

### Enlisting Digital Platforms to help educate the market

In many instances the Digital Platforms have chosen to do this voluntarily by providing guides on their websites and applications.<sup>10</sup>

Furthermore, one of the most common requirements introduced in recent years has been to create the obligation to collect, validate, store, and periodically share tax-relevant information with tax authorities. This obligation is colloquially referred to as **Data Sharing**.

You may have already heard of the sixth amendment to the Directive on Administrative Cooperation (aka DAC7) which *is being enacted into local legislation across Europe* and primarily aims to gather data for income tax purposes. This is just one example, but there are many more globally (Australia, Canada, Turkey, UK, etc).



<sup>10</sup> For example, you can see Airbnb, Amazon, and Uber including dedicated webpages to support their Platform Sellers to navigate the complexities of their local tax regimes. In addition, some of these Platform Operators are either supporting or taking over entirely the obligations which have traditionally rested with Platform Sellers.

Under such Data Sharing rules, platforms are typically asked to collect **information that identifies the taxpayer.**

**This typically includes data such as:**



Importantly, different information is often needed for income tax and indirect tax purposes.<sup>11</sup> While there is a degree of overlap, there can be fundamental differences which are relevant for TIN validation. For instance, some countries have different tax identification numbers for income tax and consumption tax while others use the same tax number for both tax types. Whether the number is the same or different may also depend on whether the taxpayer in question is a legal entity or a natural person. This lack of a standardized approach adds to the complexity of creating a truly global verification service.

Almost all countries consider an individual's personal tax number as PII<sup>12</sup> and impose much stricter data privacy rules on such information – in practice this means that there may not even be a publicly accessible database to confirm the validity of a personal tax number, and even in cases where they do exist, they are not the same database used to validate VAT/GST numbers.

For companies falling under the scope of Data Sharing rules (such as DAC7 in Europe) and needing to collect and validate different types of tax numbers, this naturally increases the complexity of creating an automated solution when onboarding Platform Sellers.<sup>13</sup>

<sup>11</sup> One challenge experienced in Austria is that the tax authorities may require two forms of Data Sharing in order to collect the necessary information for both VAT and Income Taxes. [See Austria's reporting obligation for platforms and DAC7: Everything You Need to Know](#)

<sup>12</sup> Personally Identifiable Information, like full name, personal identification numbers, etc. Some explanations from the [US](#) & the [EU](#).

<sup>13</sup> At the time of writing, the Government Verification System mentioned in DAC7 and suggested by the OECD working party 10 is still in the pilot stage. However, in the coming years, we hope this system will relieve some of the pain points discussed here.

# Data Sharing

## VAT number collection in Europe by Payment Service Providers (PSPs)

In Europe, a new obligation is being introduced requiring PSPs to collect, validate and store VAT numbers related to specific transactions beginning on January 1, 2024. We've written in-depth about this topic [here](#).



## Digital Reporting Requirements (DRR)

Countries with DRR<sup>14</sup> often require the communication of the counterparty information (e.g. the VAT/GST number of the buyer) in real-time or near real-time.

Many tax authorities simply reject transactions that contain inaccuracies.<sup>15</sup> Others, increase their scrutiny of the taxpayer.

One example of inaccuracy is failing to provide the correct tax number that matches the name of the buyer in a business-to-business transaction.

You may recognise such challenges if you have ever operated in countries like Italy or [Mexico](#).

To avoid such issues, many companies have adapted their processes to validate the taxpayer information (tax numbers) during the onboarding and then also periodically to minimize problems caused by information changing with time (e.g. VAT/GST registration status changing).

<sup>14</sup> We use DRR as an umbrella term to capture a variety of obligations including e-invoicing, continuous transaction controls and real-time reporting.

<sup>15</sup> Beginning on April 1, 2023, Mexico requires the information reported to the CFDI needs to match the taxpayer name.

TAX

PRODUCT

# Benefits of TIN Validation

**Three major advantages to validating TINs**

1

## Stop charging too much (or too little) VAT/GST

By not determining the exact tax treatment upfront and at the time of sale you are essentially *gambling with your margins*. If you incorrectly identify a business as a consumer, you may accidentally charge VAT/GST to your business customers.

Not only does an error like that provide poor customer service, but it usually requires time-consuming manual corrections.

The worst case is that it could result in issues with the tax authorities, as the company could be exposed to allegations of tax fraud/evasion. By making timely and accurate validations you are very likely making significant contributions to the company's bottom line. *(Is it time for those annual bonus discussions yet?)*

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2

## Prevent becoming the victim of tax fraud

In exceptional cases, failing to check your suppliers' tax status can land you in deep water. While the chances are (we hope) remote, the risks are higher in supply chains known to be susceptible to VAT/GST fraud.

Governments here would expect companies to carry out the basic level of due diligence, which in many cases would include TIN validation. Failing to do this can make the company liable for any missing taxes. Validating your counterparty data helps to prevent your brand from being associated with the F word - "Fraud".

The adverse impact on search engine optimization (SEO) efforts alone often justifies the budget to invest in this process.

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3

## Reduce customer support costs

A direct consequence of making mistakes in your tax treatment is a poor customer experience - your clients will essentially reach out to your support teams to correct the tax treatment wasting both your time and theirs.

Moreover, support teams are not typically equipped to answer technical tax questions. Those issues are once again escalated to tax managers, which consumes more time and effort. Once again, TIN validation can give you and your clients some peace of mind.

PRODUCT

TECH

# The Challenges In Validating TINs

**Let's look at the common challenges  
facing companies validating Tax IDs**

## Inaccurate data from consumers

Trusting your customers with a free-form entry field during onboarding or checkout to collect tax numbers is insufficient because such fields often result in poor data quality. **The data collected does not necessarily protect a company in future audits.**

Moreover, there is little comfort for companies with tax-exclusive prices where the total price actually changes when taxes are added or removed (which in turn depends on the presence of a valid VAT/GST number).

Such organizations are more susceptible to consumers deliberately entering bogus tax numbers to benefit from a “discount,” thereby jeopardizing the businesses’ VAT position (taxes are often not added to what appear to be B2B transactions). More specifically, companies remain on the hook for the taxes they should have charged.

Companies that allow customers to self-declare their business status by allowing for a tick-box at checkout or onboarding encounter similar issues.

## High latency

The challenge in introducing TIN validation tools at checkout or onboarding (i.e. use cases that demand real-time or near-real-time results) is the **dependency on government databases and the speed at which they are able to return the results.**

To rely on sophisticated tax number validations (i.e. not simply format and sum check) requires multiple API connections across several jurisdictions. Monitoring and maintaining the performance of these connections can be costly, both financially (you have to pay to access some databases) and in terms of engineering resources. Having a client churn in the checkout/onboarding stage of your

sales funnel due to a validation taking too long is likely unacceptable for businesses.

Some companies may default to standard assumptions (e.g. “all customers are businesses” or “all customers are consumers”<sup>16</sup>), but these come with inherent risks of tax non-compliance and/or customer satisfaction issues (like overcharging business customers).

Alternatively, businesses can also rely on non-real-time tax number validations and retrospective corrections, but those are time-consuming and can also be costly.

<sup>16</sup> Some companies may choose to impose Terms & Conditions stipulating that your customers agree not to use the service for business / commercial purposes and avoid this debate altogether (for an example: see Netflix’s Terms & Conditions).

# Lack of standardization

Put bluntly, there is no global standard in relation to inputs, outputs and integration methods. Let's briefly look at each in turn.

## Inputs

What information is needed to perform a validation?

It depends. You can perform the validation using just the Tax ID in most European countries. In Canada, you may also need the exact name of the taxpayer. *In Mexico you must add the taxpayers zip code (from April 2023 onwards).*

## Outputs

How are validation results conveyed and errors communicated?

Naturally, results are displayed in a local language but they may also convey information differently.

For example, Germany may not display the name and address of the taxpayer through the VIES portal. Poland's validation service may provide you with whitelisted bank accounts. Moreover, in countries where additional information is required to make an accurate tax calculation (e.g. withholding taxes in India), your integrations must also correctly extract supplementary information from government databases.

## Integration methods

How do you integrate with government databases?

Some governments allow for API connections, but the integrations themselves are very different. Other countries do not expose their connections publicly and you need to negotiate and enter into agreements in order to access their databases. In worst cases, some tax authorities do not even offer a connection and instead provide you with a webpage to check numbers one by one. They also add sophisticated *CAPTCHA tools* on the site that would hinder your "automation efforts."<sup>17</sup> There are also territories where tax number validation has to be performed via email requests, but (happily) this list is shrinking.

**There is no simple, cost-efficient way to solve this challenge in-house, which is why third-party companies offering this service at a global level exist.**

<sup>17</sup> Nope, the web scraping macro won't work here.

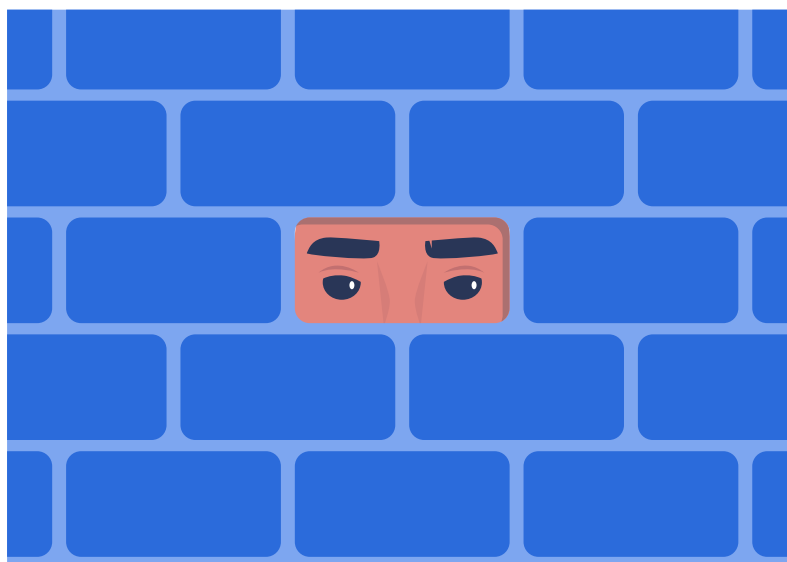
# Incomplete information

Many databases will only confirm that a tax number exists and who it belongs to. What is harder to determine is whether a taxpayer is entitled to charge and collect VAT/GST – a common question in countries with a registration threshold (i.e. people may possess a tax number, but not for the purposes of charging and collecting indirect taxes). This is a significant limitation for platforms and marketplaces that may want to “self-bill” or calculate taxes and issue invoices “on-behalf.”

One problem area affecting digital platforms and marketplaces operating across Europe comes from the limitation of the VIES portal – **for a large number of countries this database only confirms if a seller has registered for “cross-border” EU trade.**

To be more specific, for several member states, the VIES portal would not verify the number of VAT-registered traders who have not declared their intentions to conduct cross-border transactions.

Verifications performed with the VIES portal cannot be relied upon to determine if a person has registered to charge VAT on their sales. Therefore, if your intention is to validate numbers that have been registered for cross-border transactions – the EU VIES system is a useful, albeit imperfect, tool. If your business is hoping to get value beyond EC sales list declarations it should strive to verify numbers with VIES, as well as local EU databases wherever available – and that’s at least in 22 out of the 27 EU Member States.

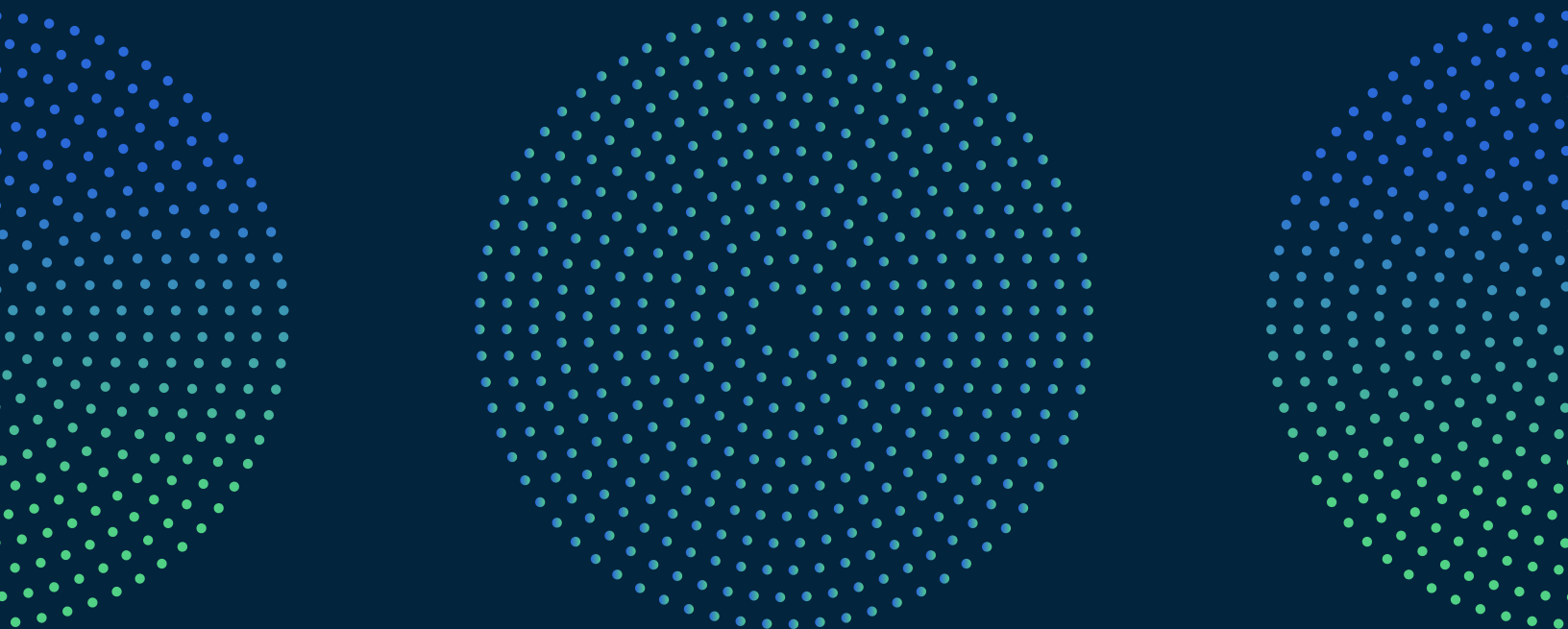




PRODUCT

# How Companies Currently Handle TIN Validation

**Six methods ranging in sophistication and effectiveness**



# Ways of Validating TINs

The tax number validation tools and techniques have evolved over the past decade and range in sophistication. Here is a brief overview of some of the common methods.

## Free-input field

No checks are introduced at checkout and users can freely enter any information. This is a high-risk maneuver, especially for companies with tax-exclusive pricing, as it's likely to result in undercharging VAT/GST.

It will also result in data quality issues, as numbers can be entered in a variety of formats - this often poses problems in the compliance and reporting stages. Even worse, customers can enter entirely irrelevant information in these fields. (Trust us on that one.)

## Format check

A simple and real-time check which offers a minimum level of comfort. However, format checks also come in different varieties - some simply check the length of the sequence, while others use much more sophisticated methods.

## Sumcheck

A much more advanced version of the format check which validates the known algorithm of a tax identification number. Some also call this a check-sum.

## Database validation

Checking the tax number in a government database (e.g. official website or publicly available database) to see if it is existing and valid in the local records, and to retrieve further information like VAT status, if possible.

## Fuzzy matching

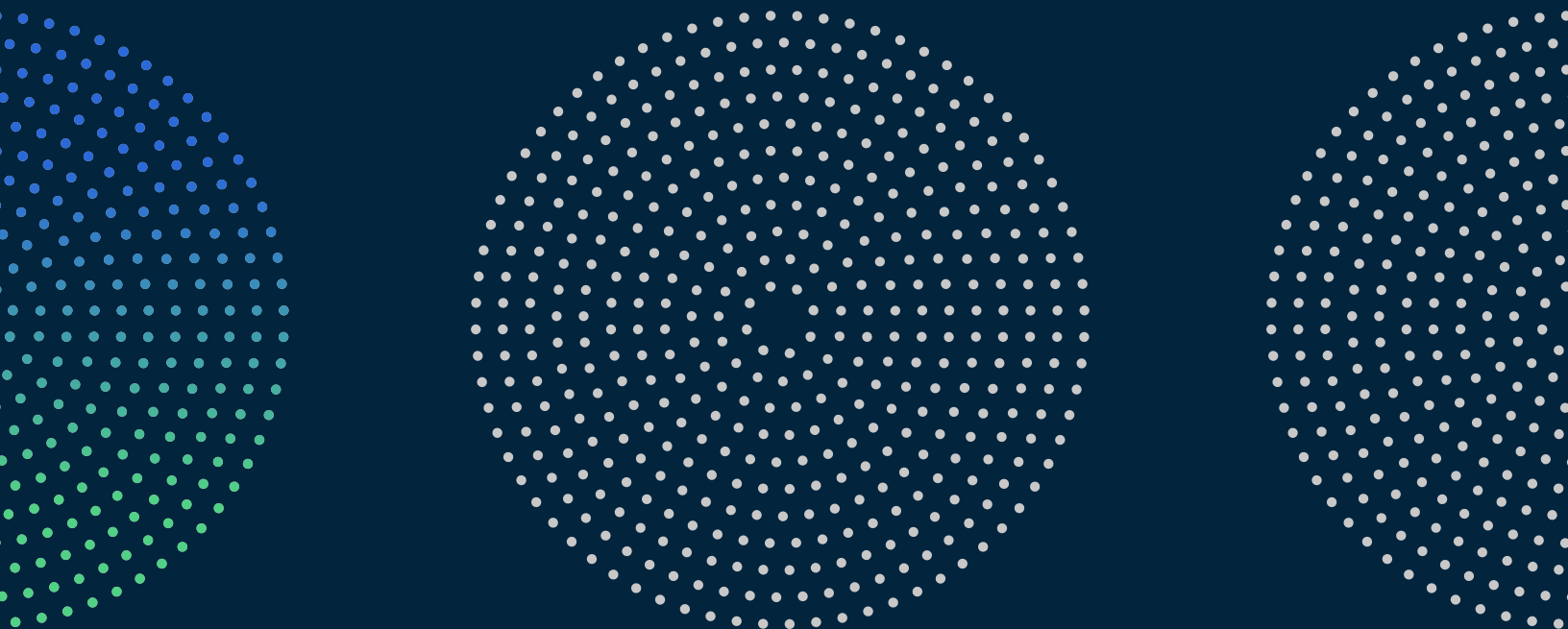
Comparing the tax information on your records with those surfaced by a successful validation with a government database (e.g. name and address for example). This is a crucial step in the validation process to combat more advanced forms of tax fraud. To learn more about this functionality you can read [this article](#) on our blog.

## Silent alarms

Sophisticated tools can also be used to provide an additional level of protection against scams and errors. These tools have to be designed, maintained and updated to keep pace with the different risks. They often look less like conventional tax number validation services - instead, they're more akin to KYC/AML and anti-fraud services. These are often relied upon by companies looking to reduce exposure to tax (and other types of) fraud.

# I Want to Validate Tax Numbers. But How?

**Start with these 4 questions**



## Before you get started, ask yourself these important questions.

1

### Why do I need to validate TINs?

Understand the reasons why you need to validate TINs. Do you want to get sales tax right on purchases? Is it concerns about Data Sharing? Is it for multiple reasons?

3

### What am I currently doing?

Check your current tools and processes. Are you currently validating tax numbers? Are you using an in-house tool or a third-party provider?

2

### Where do I need to validate?

Confirm your geographical coverage. Do you need bulk VAT number validations to file the *European Sales List*? ABN validation to confirm GST registration in *Australia*? Or perhaps GSTIN confirmation for withholding tax calculations in *India*?

4

### What is my ideal solution?

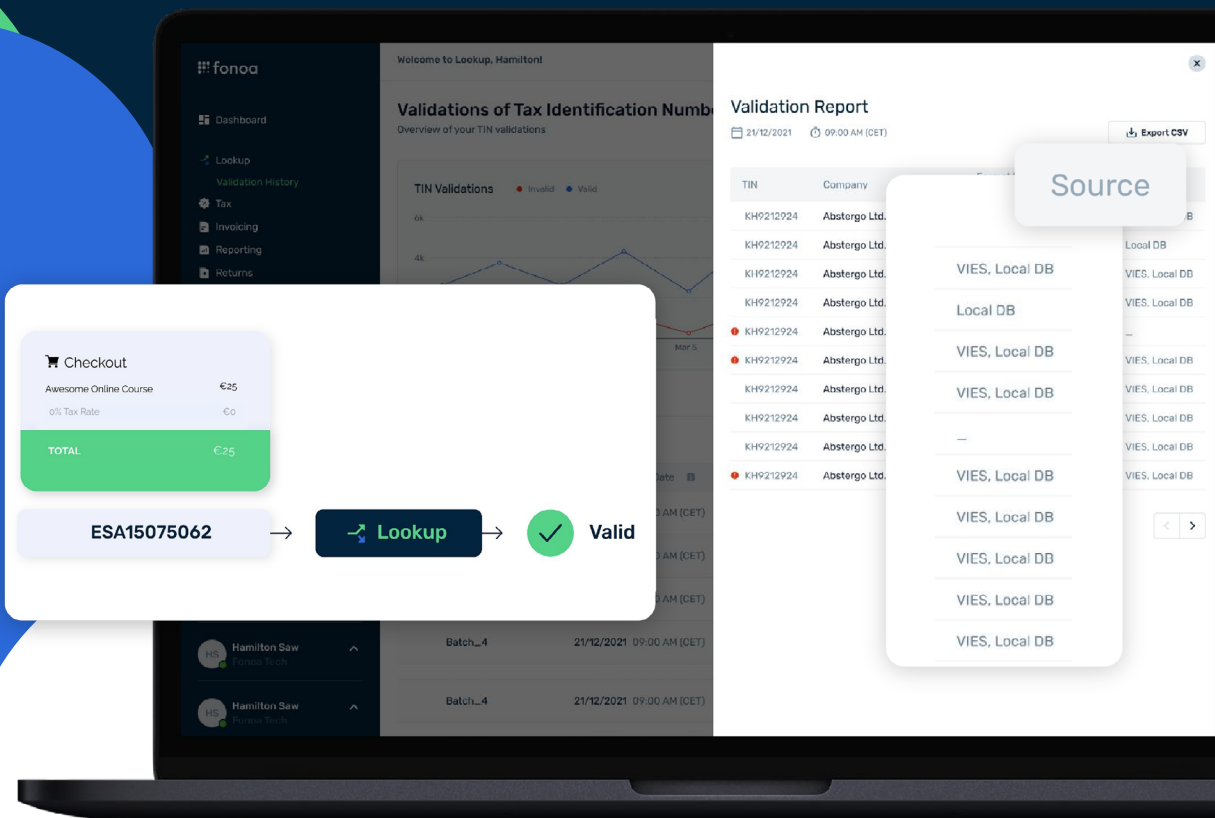
Determine the most appropriate methods of validation for your needs. Do you require real-time low latency results through an API, or will a dashboard where you can validate manually be most helpful? Do you need fuzzy matching or some other additional precautions like silent alarms to prevent tax fraud?



# How Fonoa Makes Tax Number Validation Easier



# Lookup



# Never worry about validating tax ID numbers again



With Lookup you can instantly and accurately validate tax ID numbers from around the globe - all in a single solution.

## Lookup

Our automated, streamlined solution helps you:

- Instantly validate tax IDs from 95+ countries, including the VIES portal
- Conduct validations in bulk with 50,000 numbers in a single batch
- Monitor and review validations from a simple, intuitive user interface

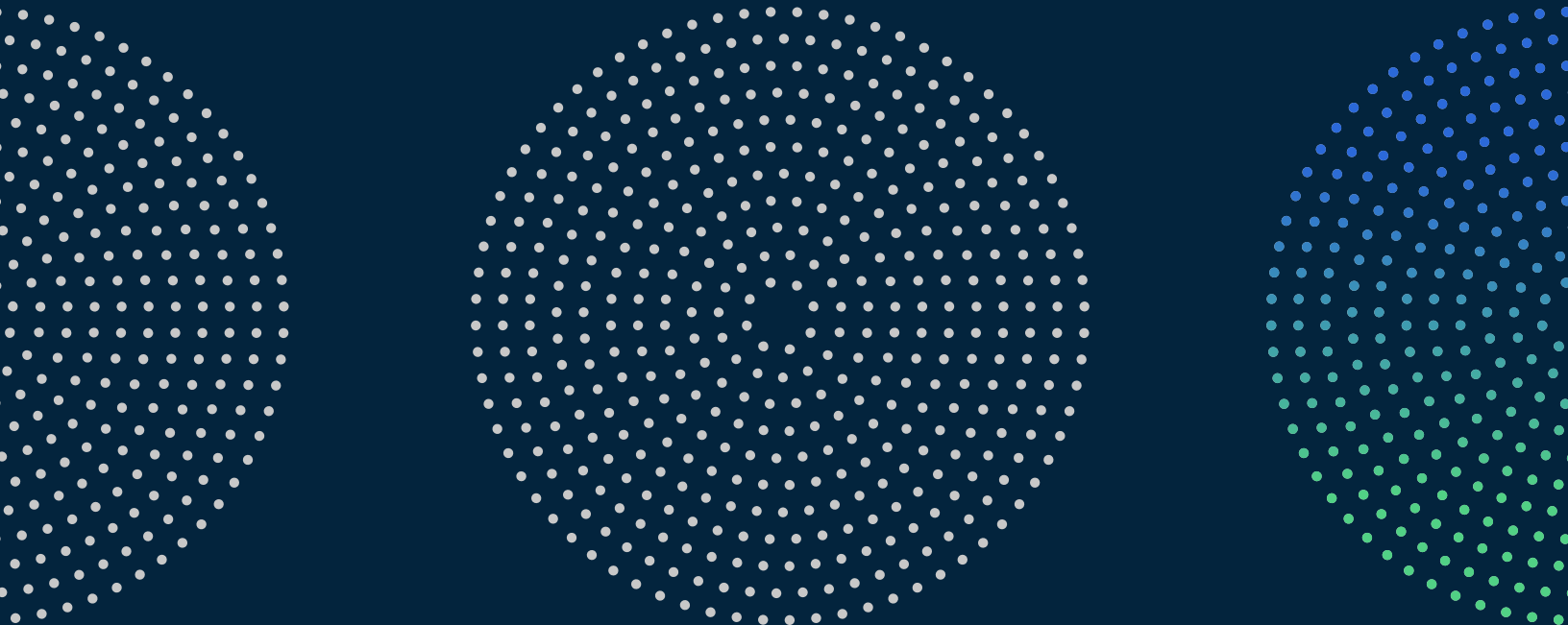
...and so much more!

***Start* your free trial!**

*Learn more about how you can automate tax ID validation. Watch this quick video or contact our team today.*

# Meet Our Team

**See why Fonoa's expertise is a differentiator.  
Read about the contributors to this piece.**





**Wesley  
Bouman**

Wesley Bouman is the Tax Technology Manager for Fonoa, and previously worked on bringing VAT returns in-house at Uber by using an RPA. Based in the Netherlands, Wesley is passionate about helping tax teams use automation to retake ownership of VAT returns to increase accuracy and save time. He works primarily on Fonoa's Returns product, but his expertise helps to improve many of Fonoa's offerings.

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#### **FUN FACT**

**He's usually the tallest person in the room at 2.05m (6'7"), but he doesn't play basketball.**



**Attila  
Felfoldi**

Attila Felfoldi is a Tax Research Analyst at Fonoa who previously worked as a Senior Tax Consultant at PwC. Attila was born and raised in Budapest, Hungary, and currently resides there. He joined Fonoa due to his belief that they could automate all things tax, and he's helping the company achieve that goal by working diligently on the Lookup product (and an upcoming Data Sharing offering).

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#### **FUN FACT**

**Attila works as a part-time wedding dance instructor.**



**Alexander  
Kobakhidze**

Alexander Kobakhidze (AKo) is Fonoa's resident Tax Evangelist and the company's Director of Tax Technology. He brings with him years of experience from his time as the Head of Tax Technology for Uber. Currently based in Croatia (but with many frequent flier miles to his name), Ako joined Fonoa because it's the only company in the TaxTech space that has the ability to deliver on its promise of being a truly global tax solution.

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#### **FUN FACT**

**With enough encouragement, he will breakdance at a company party.**



**David  
Pevec**

David Pevec is a London-based Solution Designer at Fonoa, working closely with the company's clients. David joined Fonoa because he felt their product met the critical compliance needs of global businesses – needs not being met by the market's current providers. He previously was an investor at Global Founders Capital, investing in early-stage tech companies globally.

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#### **FUN FACT**

David loves *Rick and Morty*.



**Elliott  
Perks**

Elliott Perks is a Product Manager at Fonoa, focusing specifically on the Lookup and Reporting products. He previously acted as the Transport Logistics Product Manager for Cazoo. Based in London, Elliott joined Fonoa because he liked that it solved a huge pain point for global companies, and was impressed by its roster of top-tier investors.

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#### **FUN FACT**

While at university, he co-founded a company called Avocargo, which mailed gift-wrapped avocados with puns like "Avo happy birthday" on it. It was a profitable enterprise.



**Naina  
Himatsinghka**

Naina Himatsinghka is a Tax Research for Fonoa based in New Delhi, India. Prior to Fonoa, she spent four years managing Uber's tax compliance and reporting functions for India and South Asia. Drawing on her eight years of experience as a tax professional, she's excited to help Fonoa automate the world's most cumbersome tax laws.

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#### **FUN FACT**

After becoming a mother of two, she believes that tax problems are much easier to solve than parenting twins.



**Victor  
Torre**

Victor Torre is an Engineering Manager at Fonoa based in Pamplona, Spain. Prior to Fonoa, he spent five years as an Engineering Manager at the ride-sharing company Cabify. Victor's duties at Fonoa include building and maintaining Lookup, the company's world-class tax ID validation tool.

#### FUN FACT

Victor studied at the Oxford Brookes University through the European Erasmus exchange program, where he met his wife. Twelve years later, they're still together – and expecting a new baby very soon.



**Rob van  
der Woude**

Rob van der Woude is Fonoa's Chief Tax Officer. Rob previously worked as the Head of EMEA Tax at Uber, and has also consulted for numerous tech companies in both the US and EMEA. He's dedicated to helping Fonoa's tax team focus their efforts on initiatives that can make a huge difference for its clients. Rob is based in Bucharest and Amsterdam.

#### FUN FACT

Always looking for his next adrenaline rush, Rob is an avid adventure sports fan; he also owns a boutique fitness studio. He has five beautiful kids that make him feel like the luckiest man alive.



**Raphael  
Hanke**

Raphael Hanke is the Amsterdam-based Product Manager for Fonoa. He previously worked in Data Analytics and Automation for Uber for over two years. Raphael loves working in Fonoa's dynamic, fast-paced environment, helping improve its Data Sharing and Reporting products by collaborating with colleagues from around the world.

#### FUN FACT

Raphael is a skilled kitesurfer, and has also worked as an instructor.

# Abbreviations, acronyms and common terms

1099	The 1099 Form is a collection of US tax forms documenting different types of payments made by an individual or a business that typically is not the employer. This is an existing method of Data Sharing in the US.
ABN	Australian Business Number
API	Application Programming Interface This is a way for two or more computer programs to communicate with each other. It is a type of software interface, offering a service to other pieces of software.
Churn	The reference to customers or prospects in a checkout or onboarding funnel who drop out during the process
DAC7	Directive on Administrative Cooperation 7
Data Sharing	The act of periodically transmitting information relating to a tax
Digital Platform	A digital service that facilitates interactions between two or more distinct but interdependent sets of users (whether firms or individuals) who interact through the service via the Internet.
Digital Services	Also called Electronically Supplied Services (ESS), are typically defined as services delivered over the internet or an electronic network and the nature of which renders their supply essentially automated and involving minimal human intervention, and impossible to ensure in the absence of information technology.
ESS	Electronically Supplied Services. See Digital Services
Fuzzy Matching	This is a technique that helps identify two elements of text, strings, or entries that are approximately similar but are not exactly the same (e.g. Name and address). A good fuzzy matching algorithm applied in tax number validation can help detect (and prevent) tax fraud.
GST	Goods and Services Tax
GSTIN	Goods & Services Tax Identification Number
Latency	The delay before a transfer of data begins following an instruction for its transfer. In the context of TIN validation this refers to the speed at which a number can be validated.
Marketplace	See Digital Platform
PAN	Permanent Account Number
PDV	Croatia's form of Value Added Tax (VAT)
SaaS	Software as a Service
Small Business Regime	Simplified tax accounting regime for small business
SSN	Social Security Number
TIN	Tax Identification Number. Sometimes also referred to as the Tax ID or simply Tax Number. This is the alphanumeric unique identifier for a person (legal or natural).
VAT	Value Added Tax
VIES	VAT Information Exchange System This is the is a search engine (not a database) owned by the European Commission and used to validate VAT numbers across Europe. The data is retrieved from national VAT databases.



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fast, and so do we.

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