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No Protection, *Only Proof*

What mobile wholesalers need to build before VAT goes fully digital

If you trade mobile phones, tablets or consumer electronics across Europe, you already understand the exposure. A transaction can be commercially sound at the point of agreement and still become a liability later because of behaviour elsewhere in the chain.

A supplier disappears. A buyer fails to declare an acquisition. A payment arrives from an account that does not match the contracted buyer. A delivery route no longer aligns with the commercial structure. What begins as a normal deal can turn into months of audit queries, frozen funds and pressure from banks and tax authorities. In recent cases, wholesalers have faced multi million euro liabilities not because they acted dishonestly, but because they could not demonstrate how decisions were made at the time.

This is not a reason to slow trading. It is a requirement to be able to evidence it.

There is no practical safe harbour in European VAT. The protection wholesalers are looking for does not exist. The real question is whether a business can show, clearly and consistently, what it checked before committing to a transaction.

That shift, from assumption to evidence, sits behind what Vogel, Sprinke & Kollegen define as Proof of Check.

Where current processes break down

Most wholesalers already carry out checks. VAT ID validation, company extracts, onboarding documents. These steps are necessary, but they do not explain the commercial judgement behind a trade.

A VAT ID check confirms that a number was valid at a specific moment. It does not explain why the counterparty was trusted, how pricing aligned with market conditions, whether the route was commercially typical, or why the payment structure made sense.

When transactions are reviewed later, the issue is rarely missing documentation. It is that the documentation does not form a coherent explanation.

Screenshots without timestamps, PDFs stored across systems, emails detached from internal policy and approvals handled informally do not demonstrate how a decision was reached. They show activity, not reasoning.

> *“A VAT ID check is not a compliance system.”*

From documents to decisions

The requirement is straightforward. A business must be able to show what it knew, what it checked and why the decision was reasonable at that time.

Proof of Check is not a certification or a label. It is a structured way of recording decisions so they can be explained later without reconstruction.

In practice, this means linking onboarding, transaction review, payment flows and approval into one consistent process. The first transaction with a counterparty requires more scrutiny, not less. Price, volume and route must make commercial sense. Payment must align with the contracted parties. Changes in bank details, geography or structure should trigger a fresh review, not be absorbed into routine activity.

Approval matters. Where risk increases, the person closing the deal should not be the only person signing it off. Independent review introduces control at the point of decision, not after the fact.

At the end of the process, there should be one clear output. A structured evidence pack that shows the full decision path. Not fragmented files. Not multiple folders. One readable record.

> *“A folder full of documents is not the same as an evidence trail.”*

Why timing matters

The direction of travel is clear. Under the EU VAT in the Digital Age framework, cross border B2B transactions will move into more detailed digital reporting from 2030. At the same time, national systems are already increasing the speed and depth of data analysis.

Authorities are gaining faster, clearer visibility of transactions. Many businesses are not yet able to explain those same transactions with the same clarity.

That gap is where *the risk now sits*

Control as a trading advantage

There is a belief that stronger controls slow trading. In practice, weak controls are what create delays.

Unclear documentation leads to repeated questions from banks and auditors. Inconsistent records slow onboarding and interrupt payment cycles. When issues arise, the absence of a clear audit trail extends investigations and increases commercial disruption.

A structured Proof of Check approach reduces that friction. It allows businesses to respond quickly, improves confidence with financial partners and makes repeat trading more efficient because key checks do not need to be rebuilt each time.

This is not about adding process. It is about making trading defensible.

> ***"The future will not reward the trader who says 'we were careful'. It will reward the trader who can prove it."***

From individual practice to industry standard

This is now moving beyond individual companies. Traders, platforms and service providers are starting to align around what a practical evidence standard could look like in day to day trading.

The role of platforms is not to certify who is safe. It is to make structured evidence easier to capture, share and assess across counterparties.

At ITC Malta 2026, that conversation is moving into application, with a focus on how Proof of Check can be tested in real trading environments without disrupting deal flow.

The outcome will not be immunity from risk. It will be something more valuable, the ability to demonstrate, quickly and clearly, how decisions were made when they are challenged.

And in the current market, that is what separates exposure from control.