Value added tax (VAT): administrative cooperation and combating fraud. Recast

2009/0118(CNS) - 07/10/2010 - Final act

PURPOSE: to recast Regulation (EC) No 1798/2003 on administrative cooperation in the field of value added tax, with a view to giving Member States the means to combat crossborder VAT fraud more effectively.

LEGISLATIVE ACT: Council Regulation (EU) No 904/2010 on administrative cooperation and combating fraud in the field of value added tax.

CONTENT: the Council adopted a regulation aimed at enabling the member states to step up their efforts in combating fraud with regard to value-added taxation (VAT).

This Regulation recasts Regulation (EC) No 1798/2003 and lays down the conditions under which the competent authorities in the Member States responsible for the application of the laws on VAT are to cooperate with each other and with the Commission to ensure compliance with those laws.

To that end, it lays down rules and procedures to enable the competent authorities of the Member States to cooperate and to exchange with each other any information that may help to effect a correct assessment of VAT, monitor the correct application of VAT, particularly on intra-Community transactions, and combat VAT fraud. In particular, it lays down rules and procedures for Member States to collect and exchange such information by electronic means.

More specifically, the Regulation aims to:

- enhance the **databases** on VAT-taxable persons and their intra-Community transactions through the inclusion in those databases of a range of information on the taxable persons and their transactions;
- clearly define the **conditions for the exchange of**, and the automated access of Member States to, **electronically stored data**;
- provide for **information exchange without prior request** by specifying the categories for which an automatic exchange needs to be established in order to facilitate this exchange;
- provide a framework for the **provision of feedback**: where a competent authority provides information, it may request the competent authority which receives the information to give feedback thereon;
- provide for the possibility of **simultaneous controls** by Member States and of the presence of officials of one Member State in the territory of another Member State, within the framework of administrative cooperation.

In order to promote and facilitate multilateral cooperation in the fight against VAT fraud, a decentralised network without legal personality, to be called **Eurofisc**, should be established within the framework of this Regulation for all the Member States, to promote and facilitate multilateral and decentralised cooperation permitting targeted and swift action to combat specific types of fraud.

Within the framework of Eurofisc, Member States shall:

- establish a multilateral early warning mechanism for combating VAT fraud;
- coordinate the swift multilateral exchange of targeted information in the subject areas in which Eurofisc will operate (hereinafter ‘Eurofisc working fields’);
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- coordinate the work of the Eurofisc liaison officials of the participating Member States in acting on warnings received.

ENTRY INTO FORCE: 01/11/2010.

APPLICATION: 01/01/2012.