

EU/Norway Agreement: administrative cooperation, combating fraud and recovery of claims in the field of value added tax

2017/0272(NLE) - 26/10/2017 - Legislative proposal

PURPOSE: to conclude, on behalf of the European Union, the Agreement between the European Union and Norway on administrative cooperation, combating fraud and recovery of claims in the field of Value Added Tax (VAT).

PROPOSED ACT: Council Decision.

ROLE OF THE EUROPEAN PARLIAMENT: the Council adopts the act after consulting the European Parliament but without being obliged to follow its opinion.

BACKGROUND : the legal framework for Member States to cooperate in order to prevent and fight against fraud, and recover claims in the field of VAT is provided by:

- [Council Regulation \(EU\) No 904/2010](#) on administrative cooperation and combating fraud in the field of VAT;
- [Council Directive 2010/24/EU](#) concerning mutual assistance for the recovery of claims relating to taxes, duties and other measures.

The Commission considers that cooperation with third countries is essential to fight VAT fraud. In particular, **Norway** is a Member of the European Economic Area with a VAT system similar to that applied in the EU, and enjoys a **good tradition of cooperation in the field of VAT with the EU Member States**.

Between 2009 and 2012, the Norwegian tax authorities communicated to Member State authorities information on fraudulent transactions for a total amount of **EUR 2.703 million**. Norwegian officials also participated in multilateral controls with some Member States in the energy sector.

The Commission believes that **Member States would benefit from more cooperation with Norway**. The conclusion of a bilateral agreement, the text of which has been negotiated with the Norwegian authorities during 2015 and 2016, will provide a solid legal basis for good cooperation between Norway and all Member States.

CONTENT: the Commission proposes that the Council adopt a decision approving, on behalf of the EU, **the Agreement between the European Union and the Kingdom of Norway on administrative cooperation, combating fraud and recovery of claims in the field of Value Added Tax**.

Cooperation will be **structured in the same way** as the current cooperation between EU Member States and will benefit from the same instruments such as electronic platforms and e-forms.

The cooperation instruments included in the Agreement are the same as those under the EU framework, **with the exception of access to databases**. In fact, the VAT Information Exchange System (VIES) allows Member States to access information regarding intra-EU transactions, which are not relevant in the context of cooperation with Norway.

Administrative cooperation and fight against fraud: the Agreement provides for the same cooperation instruments (exchange of information and administrative enquiries, spontaneous exchange of information, feedback, automatic exchange of information, administrative notification, presence in administrative offices and participation in administrative enquiries, simultaneous controls and Eurofisc) as laid down in Council Regulation (EU) No. 904/2010 with the exception of the access to databases through the VIES system.

Recovery: the Agreement provides for instruments for recovery assistance similar to those under Directive 2010/24/EU: exchange of information (including presence in administrative offices and participation in administrative enquiries in the requested state), assistance for the notification of documents, and recovery and precautionary measures. The conditions and modalities governing these types of recovery assistance are also in line with the conditions and modalities set by Directive 2010/24/EU.

The scope of the Agreement is, however, limited to VAT claims and to administrative penalties, fines, fees and surcharges, interest and costs relating to such claims. The scope does not cover other taxes and duties.

The Agreement sets up a **joint Committee** composed of representatives of the Parties, which will ensure the proper functioning and implementation of the Agreement.