Strengthening administrative cooperation in the field of value added tax

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The Committee on Economic and Monetary Affairs adopted the report by Roberts ZLE (ECR, LV) on the amended proposal for a Council regulation amending Regulation (EU) No 904/2010 as regards measures to strengthen administrative cooperation in the field of value-added tax.

The committee recommended that the European Parliament approve the Commission proposal subject to amendments.

The report recalled that VAT fraud is often linked with organised crime and a very small number of those organised networks can be responsible for billions of euro in cross-border VAT fraud, affecting not only revenue collection in Member States but also having a negative impact on the Union's own resources. Therefore, Member States have a shared responsibility for the protection of the VAT revenue of all Member States.

Enquiries: the amended text stated that where the competent authority of a Member State considers that an administrative enquiry is required, it shall submit a **reasoned request**. The requested authority shall not refuse to undertake that enquiry and, if the information is already available, the requested authority shall supply it to the requesting authorities without delay. If the requesting Member State is not satisfied with the information received, it shall inform the requested Member State that it is to press ahead with the administrative inquiry. That administrative enquiry shall be carried out in accordance with the **rules in force in the requested Member State** by officials of the requesting and requested authorities. The officials of the requesting authority shall exercise the same powers of inspection as those conferred on officials of the requested authority. The officials of the requesting authority shall have access to the same information, documents and premises and shall, insofar as permitted under the law of the requested Member State, be able to directly question individuals in order to detect and counter cross-border VAT fraud which is currently eroding national tax bases.

All Member States shall implement a set of **operational targets** for reducing the percentage of late replies and improving the quality of requests for information and shall inform the Commission about those targets.

Eurofisc and exchange of information: the Commission shall provide Eurofisc with the necessary **technical and logistical support**. Eurofisc working field coordinators may, on their own initiative or on request, forward relevant information on the most serious cross-border VAT offences to Europol and the European Anti-Fraud Office ('OLAF'), as agreed by the working field participant

Stressing that it is vital for there to be a **two-way information exchange** between Eurofisc and Europol, the amended text stated that Eurofisc working field coordinators may ask Europol and OLAF for relevant information. Eurofisc working field coordinators shall make the information received from Europol and OLAF available to the other participating Eurofisc liaison officials; this information shall be exchanged by electronic means.

Limitations and data protection: in order to safeguard the interests of the fundamental rights and freedoms, it appropriate to consider **limitations** on certain rights and obligations in this respect. Such limitations are necessary and proportionate in view of the potential loss of revenue for Member States and the crucial importance of making information available in order to combating fraud effectively. Such limitations, however, should not go beyond what is strictly necessary to achieve that objective and must meet the high standards required by the Charter of Fundamental Rights of the European Union. In addition, any **future implementing acts** to this Regulation should comply with the data protection requirements.

Relations with the Commission: Member States and the Commission shall establish a **common system of collecting statistics** on intra-Community VAT fraud and shall publish national estimates of VAT losses resulting from that fraud, as well as estimates for the Union as a whole. The Commission shall adopt by means of **implementing acts** the practical arrangements for such statistical system. Those implementing acts shall be adopted in accordance with the examination procedure.

Relations with third countries: when a Member State provides wider information to a third country than that provided for under this Regulation, that Member State may not refuse to provide that information to any other Member State requesting cooperation or having an interest to receive it.