EAGGF, agricultural levies, custom duties, VAT, excise duties: recovery of claims (amend. direct. 76/308/EEC)

1998/0206(CNS) - 08/02/2006 - Follow-up document

This report summarises the results of mutual assistance for recovery provided in 2003 and 2004 under new legislation. To recall, EU legislation has been developed in order to offer mutual assistance to the national tax enforcement authorities in cases of tax evasion. As the Commission notes, detecting fraud is one thing. Recovering the taxes and levies due is another, though equally important. This can be problematic due to the fact that debtors may have settled in another Member State or moved their assets abroad. Such a scenario should not constitute an insuperable obstacle to the recovery of tax claims.

In accordance with provisions spelt out in the related Directives the Commission is obliged to prepare regular reports on the implementation of provisions relating to mutual assistance in the field of tax recovery. In preparing these reports; the Commission depends on the input of the Member States, who are expected to forward related data annually to the Commission services. However, several Member States failed to comply with the deadlines set by the Directives. In one case, the Commission even had to refer the matter to the Court of Justice. Those who did submit information did so late. Further, the statistics received contained certain inconsistencies. When the statistics for 2003 were first submitted, the Commission noted significant differences between the figures supplied by each Member State – namely the number of recovery requests received by all the Member States in 2003 amounted to only 70% of recovery requests declared as sent. In 2004, therefore, the Member States were invited to resubmit their statistics. In the rectified figures received by the Commission the divergence between the Member States' data is significantly lower. The total number of recovery requests received by all Member States in 2003 resulting from the fresh calculation, came to 99% of the number of requests declared as sent. However, for 2004, the difference went up again: recovery requests declared as having been received amounted to 91% of the number of requests declared as sent. The Commission therefore requests the Member States to take more care in establishing their statistics.

In evaluating the actual statistics received, the Commission report notes that the largest number of recovery requests was sent by Germany. According to figures for the amounts for which recovery requests were sent in 2004, Germany requested mutual assistance for 36.14% of the total sums for which requests were made in 2004. In addition, figures supplied by requested states reveal that the German authorities recovered 38.59% of all the amounts recovered by Member States in 2004 at the request of the other Member States. However, the way Member States currently communicate their figures makes it impossible to gauge the impact of mutual assistance for the recovery of each type of tax.

Upon analysing the divergence between recovery requests and results, the report notes that in spite of the enormous increase in the amounts recovered through mutual assistance – 258% up in 2004 compared to the year before – there remains a considerable gap between the amounts for which requests for assistance in recovery are made and the amounts actually recovered.

To conclude, the report makes the following observations:

- Mutual assistance by the national authorities for tax claim recovery is an essential element in the fight against tax fraud.

- Statistics on mutual assistance for recovery relating to 2003 and 2004 show a significant increase in this form of international administrative co-operation.

- There remains, however, a huge gap between the amounts for which assistance is requested and amounts actually recovered through mutual assistance.

- The Commission will make specific proposals to improve mutual assistance in 2007.

Based on these conclusions the following recommendations are being proposed by the Commission:

- Member States should continue using the mechanism for mutual assistance for recovery.

- They should identify what human resources are needed to handle mutual assistance requests expeditiously as recovery chances decrease according to the length of time the claim concerned has existed.

- They should ensure better communication between the applicant authorities and the requested authorities.

- Member States should ensure that the statistics to be supplied are reliable and sent on time.