

**Question for written answer E-002941/2025
to the Commission**

Rule 144

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Subject: VAT fraud on imports: a systemic vulnerability for the EU budget

The European Court of Auditors' Special Report 08/2025 highlights persistent loopholes enabling large-scale VAT fraud, undermining national and EU revenues¹. In 2022, the VAT gap across the EU reached EUR 89 billion. As 0.3 % of national VAT contributes 12 % of the EU budget, effective collection is crucial for financial stability².

Fraudsters exploit regulatory fragmentation and weak cross-border cooperation. The report identifies disparities in sanctions, lack of harmonised rules on tax representatives and inconsistent practices for invalidating VAT numbers. Enforcement delays, such as updating the VAT information exchange system (VIES), facilitate up to 20 % of fraud.

Efforts to combat abuse of Customs Procedure 42 (CP42) and the Import One Stop Shop (IOSS) remain hindered by burdensome cooperation procedures and limited data cross-checking. The Commission's IOSS database lacks identity details, hampering national authorities' ability to verify records.

Monitoring is also insufficient: the Commission has not conducted on-site visits related to CP42 since 2006, or IOSS since 2021.

1. Will the Commission propose binding legislation to harmonise sanctions and the role of fiscal representatives, and what actions will it take to improve VIES and ensure timely VAT number invalidation?
2. What measures does it intend to take to enhance cooperation among national authorities under CP42 and IOSS, and are monitoring visits in the Member States to assess VAT import control enforcement planned?

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¹ <https://www.eca.europa.eu/en/publications?ref=SR-2025-08>.

² <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52022PC0701>.