

(English version)

**Question for written answer E-002493/24
to the Commission
Maria Grapini (S&D)
(11 November 2024)**

Subject: Supervising and safeguarding the EU budget

1. Tax policy is the responsibility of the Member States and their national authorities. Nonetheless, can the Commission state what it, and all the institutions designated to supervise and safeguard the European budget (OLAF, EPPO, etc.) are doing to eliminate fraud, and especially VAT fraud, in cross-border transactions, and will it evaluate the efficiency of the EPPO, which gobbles up a considerable budget in comparison to the amounts it recovers?
2. Has a timetable been established to implement mechanisms to reduce fraud in the field of VAT and EU funds?
3. The 'VAT in the digital age' package, brought forward in 2022, aimed to make the VAT system more fraud-proof. When can the Commission report to the European Parliament on the impact of that package?

Submitted: 11.11.2024

**Answer given by Mr Hoekstra on behalf of the European Commission
(17 January 2025)**

The Commission has been estimating the yearly value-added tax (VAT) gap ⁽¹⁾ evolution in each Member State since 2009 as an indicator of the VAT enforcement effectiveness.

In 2022, the amount of the VAT gap has been estimated at EUR 89.3 billion, falling from 11,2% to 7% of total VAT liabilities since 2018. This is still a very high amount of money.

The fight against VAT fraud was one of the key objectives of the 2020 tax action plan ⁽²⁾. In this context, the Commission reinforced Eurofisc ⁽³⁾ with advanced tools like the Central Electronic System of Payment Information and the Transaction Network Analysis, with the support of which suspicious transactions of EUR 14.6 billion were uncovered in 2023 ⁽⁴⁾.

With its upcoming VAT in the digital age (VIDA) package, Digital Reporting Requirements based on e-invoicing will be implemented by 2030, which is expected to generate EUR 11 billion per year extra revenues for Member States.

The Commission will carefully follow up the implementation of VIDA, will report to the Council in 2033 on the functioning of e-invoicing and to the European Parliament and the Council on the application of Council Regulation on VAT administrative cooperation ⁽⁵⁾.

The European Anti-Fraud Office (OLAF) investigates VAT fraud perpetrated in connection with customs fraud in particular in cases of undervaluation, imports under customs procedure 42, transit procedures and, in recent time, e-commerce and Import One-Stop-Shop (IOSS).

As part of these investigations, OLAF steers the cross-border cooperation of customs and tax authorities using administrative means with a view to the possible quick recovery of the amounts evaded.

The EPPO ⁽⁶⁾ has been very successful in bringing the perpetrators of serious VAT fraud to justice ⁽⁷⁾. The Commission will submit an evaluation report on the implementation of the EPPO Regulation ⁽⁸⁾ and the effectiveness and efficiency of the EPPO by 1 June 2026.

⁽¹⁾ https://taxation-customs.ec.europa.eu/taxation/vat/fight-against-vat-fraud/vat-gap_en

⁽²⁾ <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52020DC0312>

⁽³⁾ Eurofisc is the EU network for the fight against VAT fraud.

⁽⁴⁾ https://taxation-customs.ec.europa.eu/taxation/vat/vat-and-administrative-cooperation/eurofisc_en

⁽⁵⁾ <https://eur-lex.europa.eu/eli/reg/2010/904/oj>

⁽⁶⁾ European Public Prosecutor's Office.

⁽⁷⁾ <https://www.eppo.europa.eu/en/documents/2023-numbers>

⁽⁸⁾ <https://eur-lex.europa.eu/eli/reg/2017/1939/oj>