

(English version)

Question for written answer E-002941/25
to the Commission
Pasquale Tridico (The Left), Gaetano Pedulla' (The Left)
(16 July 2025)

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 revenues ⁽¹⁾. 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 stability ⁽²⁾.

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?

Submitted: 16.7.2025

Answer given by Mr Hoekstra on behalf of the European Commission
(10 September 2025)

The Commission has welcomed the Court of Auditor's Special Report 08/2025 on value-added tax (VAT) fraud and has started working on its recommendations, including on closer monitoring of the national implementation of VAT collection and control procedures.

The Import One Stop Shop (IOSS) framework allows for the exclusion of traders who fail to meet their obligations, with automatic exclusion from all schemes for two years and invalidation of the VAT number.

While full harmonisation on tax representatives has not yet been achieved, further progress has recently been attained ⁽¹⁾ by ensuring that non-EU traders not using the IOSS must appoint a tax representative to guarantee VAT payment.

The Commission is currently collecting more information on the practices of invalidation of VAT numbers and is working on a revision of Council Regulation (EU) 904/2010 on administrative cooperation and combating fraud in the field of value added tax. This will include the sharing of fraud signals with all relevant authorities, reinforcing the multidisciplinary approach.

Moreover, the Customs Reform proposal ⁽²⁾ includes the creation of an EU Customs Authority and an EU Customs Data Hub, collecting and analysing financial and logistical data before arrival of the goods at the EU-border. Once agreed, they will support customs authorities in optimizing cooperation with the relevant authorities, notably tax authorities.

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>.

⁽¹⁾ Council Directive (EU) 2025/1539.

⁽²⁾ Proposal for a regulation of the European Parliament and of the Council establishing the Union Customs Code and the European Union Customs Authority, and repealing Regulation (EU) No 952/2013 (COM/2023/258 final).