

(English version)

**Question for written answer E-004942/25
to the Commission
Jean-Paul Garraud (PfE)
(15 December 2025)**

Subject: EUR 51 billion in European fraud and structural failure of the Brussels management model

The European Public Prosecutor's Office has revealed that more than EUR 51 billion has been diverted from the EU budget, mainly through intra-EU VAT fraud and customs manipulation. This staggering amount is not just a one-off: it reveals the systemic flaws in a European model that has dismantled national controls while creating a borderless market in which criminal networks operate freely.

Carousel fraud would not exist without the current system of intra-EU trade and fragmented VAT collection. Customs duty evasion could not be committed on such an extensive scale if Member States retained full control of their economic borders. Irregularities affecting the common agricultural policy, Erasmus+ and the recovery plan are proof that the proliferation of EU funds complicates matters and dilutes responsibilities.

In view of the above:

1. How can the Commission justify a system that, as a result of its structure, leads to large-scale fraud?
2. Is it planning to return full control of VAT and customs checks to the Member States at long last?
3. While those competences remain centralised in Brussels, how will the Commission ensure that EU funds are protected?

Submitted: 15.12.2025

**Answer given by Mr Hoekstra on behalf of the European Commission
(16 February 2026)**

The Commission cannot corroborate the quoted figure. The latest 'Value Added Tax (VAT) Gap Report' shows the overall compliance gap at EUR 128 billion, caused, not only by fraud, but also by other circumstances such as insolvency or administrative errors.

The Commission shares the concerns regarding intra-EU VAT fraud and has taken a number of steps to address these issues, by implementing measures to assist Member States, whose national budgets are mainly impacted by this fraud and that bear the primary responsibility for VAT and customs enforcement and control.

Recent key measures include:

- Digital Reporting Requirements (DRR), under the 'VAT in the Digital Age' (ViDA) package, whose anti-fraud effects, once introduced, are estimated to reduce the losses by EUR 11 billion per year.
 - The Customs Reforms, in its final stage of negotiation, that will improve the capacity of customs to control the arrival of the goods at the EU-border, in cooperation with tax authorities.
 - The proposed amendments to the regulation on administrative cooperation and combatting fraud in the field of VAT, aiming to provide a clearer framework for the cooperation of tax authorities with the European Public Prosecutor's Office (EPPO) and the European Anti-Fraud Office (OLAF).
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