



**COUNCIL OF
THE EUROPEAN UNION**



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Council strengthens cooperation on VAT fraud and creates Eurofisc network to detect new fraud schemes

The Council today¹ adopted a regulation aimed at enabling the member states to step up their efforts in combating fraud with regard to value-added taxation (VAT) ([12193/10](#) + [13994/10 ADD 1](#)).

The main innovation involves the creation of Eurofisc, a network of national officials to detect and combat new cases of cross-border VAT fraud.

The new regulation, which recasts regulation 1798/2003, seeks to make cooperation between tax administrations more effective and to give member states the means to combat VAT fraud more effectively.

More specifically, it specifies the cases in which member states must exchange information spontaneously, the procedures for providing feedback on such information and situations in which member states must conduct multilateral controls.

The Eurofisc network, in which all member states will participate, will enable targeted and swift action to be taken in order to combat new and specific types of fraud. It will involve a multilateral early warning mechanism, and the coordination of both data exchange and the work of liaison officials in acting upon warnings received. The Council took note of a statement in which the representatives of the member states agreed on the organisational and operational details for the functioning of Eurofisc ([12569/10 REV 1](#)).

¹ The decision was taken, without discussion, at a meeting of the Justice and Home Affairs Council.

P R E S S

Combating VAT fraud represents a major challenge for the EU, as every year it costs member states billions of euros in lost revenues. VAT fraud is often organised on a cross-border basis, in particular so-called carousel schemes where goods are traded amongst several operators in different member states without paying VAT to the tax authorities.
