

**Question for written answer E-007444/2014  
to the Commission**

Rule 130

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Subject: Financing of Islamic terrorism through the EU ETS

An investigation by the Corriere della Sera - the leading Italian newspaper - published on 24 September 2014 reported that the Milan public prosecutor's office has uncovered a huge VAT scam, based on the EU ETS scheme, to the tune of EUR 1.15 billion (2009-2012). According to the investigators, these huge money laundering operations linked to tax fraud could be concealing a channel of funding for international Islamic terrorism. The investigation dates back to the discovery in 2010 of invoices relating to emission allowances in a Taliban hideout.

Similar criminal mechanisms are operating in all Member States, to the extent that European energy markets are being 'strongly manipulated and, in any case, vitiated by an incredible number of business transactions carried out mainly in order to perpetrate a significant amount of tax fraud.'

Since the Commission has proposed a new 40-27-30 unilateral target for 2030, thus giving ETS an even more important role to play, and in the light of the disturbing findings of this investigation, can it say:

1. whether it will amend the Market Abuse Directive (MAD) and the Markets in Financial Instruments Directive (MiFID) so that emissions quotas are totally excluded from the classification as a financial instrument;
2. whether, in the course of the negotiations under the UNFCCC with a view to the 2015 global climate agreement, it will propose alternative methods to the market mechanisms laid down by the Kyoto Protocol;
3. whether it will therefore consider closing down the ETS at the end of this current third phase?