Question for written answer E-008064/2015
to the Commission
Rule 130
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Subject: Carousel fraud

Evidence came to light during February of this year that implicated an Italian perfume and cosmetics company operating out of Pontecorvo, in the municipality of Latina, of tax fraud in connection with the conducting of intra-EU commercial transactions.

The company was discovered to have committed tax evasion on a tax base amounting to EUR 6.5 million, in addition to pocketing EUR 1.5 million from VAT fraud.

Beyond the shadow of a doubt, this is a case of what is known as 'carousel fraud', where companies exploit the varying tax systems and zero-rate VAT associated with intra-EU trade in order to obtain refunds on value added tax through fictitious transactions, thereby making illegal gains.

Two directives – Council Directive 2013/42/EU and Council Directive 2013/43/EU, amending previously existing legislation – were adopted in July 2013 in an attempt to address this issue and prevent heavy losses to the EU budget. The first-mentioned directive established further application of the reverse charge (already deemed to be a temporary measure) and introduced a quick reaction mechanism, while the second directive extended the list of goods and services to which the reverse charge mechanism can be applied.

Given that the mechanisms detailed above are clearly crucially flawed, in terms of both the efficiency and coverage of the system, can the Commission please answer the following questions:

1. Does it plan to intervene in order to find a more stable and effective solution?

2. Does it not believe that the best option would be a single VAT system?