Question for written answer E-000426/2016/rev.1
to the Commission
Rule 130
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Subject: VAT fraud

VAT fraud accounts for some EUR 170 billion in losses every year. This often involves the use of models in input tax fraud, for example carousel fraud, in which items subject to VAT are sent on via fake transactions; the VAT is not, however, paid to a tax office but is deducted by the partners in the transactions. There are some interesting incentives designed to prevent this, such as the reverse charge model, which the Czech Republic wants to introduce at national level. This involves the tax burden being shifted to the end of the supply chain, thereby obviating the possibility of input tax fraud.

1. Austria suggested using this model for shifting the tax burden at EU level ten years ago, but the proposal was rejected. What is the Commission's view of the reverse charge model in the context of the current attempts to combat fraud?

2. The 'shifting tax burden' principle already exists in sensitive areas such as the building industry. Does the Commission consider the extension of this principle to some or all other areas as feasible?

3. What alternatives to the reverse-charge model for combating input tax fraud can the Commission envisage?