

## 24/01/2019-TAX3 HEARING ON TAX GAP

### WRITTEN REPLY TO A QUESTION BY MR GIEGOLD

#### QUESTION

**"Our house agreed with the Council the framework for the Statistical program edition 2018-2020. In this report it says very clearly: "progress should be made in improving qualitative and quantitative information that contributes to the exhaustiveness of national accounts and thus allows for better estimates of the tax gap and tax avoidance", and then later in the program it says very clearly "there should be a focus on inequality, inequalities of income and wealth and distribution". This house was very clear on what we want to see. If I then look at the website of Eurostat and search for "tax gap", "tax avoidance" and the like, there's nothing. There's a big gap. You have mentioned a first report... When will you insist that there is easily accessible data on the website of Eurostat which fulfils the legal obligation you have under the new statistical program?"**

**I would also like to ask, on your first efforts on the Commission side on it, I acknowledge your work on VAT, I acknowledge your work on CIT, that is very welcome, but we also have very important taxes where we see avoidance and evasion, the researchers pointed to that, I would like to know when will you issue the respective work for, in particular, private income tax, and also estimations on tax evasion with the help of the international capital markets, which is well-known."**

#### REPLY

National accounts should take into account informal, unregistered and other activities and transactions that are not reported in statistical surveys or to fiscal, social and other administrative authorities. This represents a major challenge for the European Statistical System in terms of access to administrative sources, and observance of EU and national frameworks for confidential and private data.

Eurostat's approach is to assist Member States in engaging into wider and more accurate exhaustiveness of their national accounts, so that the quality of the data is assured for the wide range of users.

As part of the ongoing activities to verify Gross National Income (GNI) data, Eurostat is examining closely the approaches of Member States towards exhaustiveness in the national accounts. Eurostat will enhance its work in this field under the new GNI Regulation<sup>1</sup> which is currently in co-decision and should be adopted in the coming weeks.

Moreover, it is important to put in place an efficient and comprehensive framework to allow for an appropriate exchange of tax audit information at national level between tax administrations and National Statistical Institutes, for example concerning identified patterns relating to different types of misreporting. Member States are currently investigating the

---

<sup>1</sup> 2017/0134 (COD)

possible use of qualitative and quantitative information or, in the cases where this is already done, exploring additional use of such information in national accounts.

Regarding international tax evasion by individuals, the Commission services have commissioned a study to estimate it. This estimation is implemented for the 28 EU Member States. The study is planned to be finalised in the first semester of 2019.

Finally, the Commission services have not carried out an estimation of the revenues lost due to specific fraud schemes such as to the cum-cum and cum-ex schemes. However, estimates have been provided by the international consortium of investigative journalists, as well as by researchers (for example for the losses in Germany).