



EUROPEAN COMMISSION

PRESS RELEASE

Brussels, 27 June 2012

Tackling tax fraud and evasion: Commission sets out concrete measures

Minimum sanctions for tax crimes, a cross-border tax identification number, an EU taxpayer's charter and stronger common measures against tax havens. These are just some of the concrete ideas that the Commission has put forward today to improve the fight against tax fraud and evasion in the EU. Taking a holistic approach, today's Communication looks at ways to strengthen current measures and sets out possible new initiatives for eliminating fraud and evasion in Europe.

Algirdas Šemeta, Commissioner for taxation, customs, anti-fraud and audit, said:

"Let there be no illusion: tax evaders steal from the pockets of ordinary citizens and deprive Member States of much-needed revenue. If we want fair and efficient tax systems, we must stamp out this activity. The political will to intensify the battle is there. Now it is time to translate that into action. As a Union of 27, we have a powerful advantage - strength in numbers. If we play as a team, with a common strategy, we can defeat the fraudsters and evaders, and reclaim vast sums of money that are legitimately due."

The size of the shadow economy is estimated to be nearly one fifth of GDP on average across Member States, representing nearly €2 trillion in total.. Given the globalisation of the economy and technological advances, it is clear that isolated national efforts to overcome this problem will not work. Therefore, the Communication sets out a 3 tier approach aimed at attacking evasion and fraud from every possible angle.

National level

Member States should focus on improving their administrative capacity to collect taxes, as was clearly set out in the Country Specific Recommendations (see [IP/12/513](#)). The Commission will monitor closely their progress in this field, while also providing technical assistance where needed. National authorities should also make it easier for the willing to comply, for example, through voluntary disclosure programmes. EU instruments such as the one-stop-shop (see [IP/12/17](#)) and a possible Tax Web-Portal should also assist better compliance.

EU level

Action to tackle tax evasion at European level has proven to be effective. Thanks to the EU Savings Directive, for example, Member States exchange information on non-resident taxpayers to the value of €20 billion. The challenge now is to deepen such cooperation and strengthen common tools. In this respect, agreement by Member States on the revised Savings Directive is essential. In addition, a number of new ideas are presented. These include a possible European cross border tax identification number, a quick reaction mechanism for VAT fraud and minimum EU rules and sanctions for fraud and evasion.

International

For the fight against tax evasion to be truly effective, international partners must apply good governance standards that are equivalent to the EU's. The mandates that the Commission has requested to negotiate stronger savings agreements with key neighbouring countries are crucial in that respect. Before the end of 2012, the Commission will also set out a "stick and carrots" approach to dealing with tax havens, and measures to deal with aggressive tax planners.

Background

At the March 2012 European Council, Member States asked the Commission "to rapidly develop concrete ways to improve the fight against tax fraud and tax evasion, including in relation to third countries and to report by June 2012". Today's Communication will be submitted to the EU Summit at the end of June.

Next Steps

The Commission will start work on developing the ideas set out in today's Communication. Before the end of the year, it will present an Action Plan on fighting fraud and evasion, with specific measures that could be rapidly developed. In tandem, the Commission will also come forward with its initiative on tax havens and aggressive tax planning.

Useful Links

The Commission's Communication can be found on:

http://ec.europa.eu/taxation_customs/common/publications/com_reports/taxation/index_en.htm

[MEMO/12/492](#)

Contacts :

[Emer Traynor](#) (+32 2 292 15 48)