

Mitigation of VAT fraud in energy markets

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Mitigating VAT fraud

- Mandate by last Florence Forum to ERGEG and ENTSO-E to present interim measures to address the concerns regarding VAT fraud in energy markets
- CEER invited relevant stakeholder organisations to a workshop on 18th May 2011. **The workshop was surprisingly fruitful.**

Mitigating VAT fraud

Workshop conclusions:

- Although main responsibility for tackling VAT fraud is with tax authorities, it is in all parties' interest to prevent and mitigate VAT fraud in energy trading. Several activities have already been initiated by different stakeholders.
- There was support that this should include sound **licensing** procedures, agreed also by EFET.
- In the presentations by workshop participants a number of (new) elements to combat/prevent fraud were included.
- In the view of all participants (incl. DG TAXUD), it would be a **great improvement** if such a catalogue of measures could be established.

Mitigating VAT fraud

Workshop conclusions/ Next steps:

CEER colleagues will be consulted very quickly on the following outline process:

- A **small group** will be organised under CEER.
- Representatives of energy regulators, European Commission, exchanges, traders, transmission system operators will be invited.
- Its aim is to analyse and to identify, before the summer period, **possible elements** to prevent VAT fraud.
- Independently, implementing the **reverse charge mechanism** should be thoroughly considered in parallel.

The background of the slide features a faded image of a high-voltage electricity pylon on the left and a gas burner with blue flames on the right.

Thank you for your attention!

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