IOTA Workshop

„Use of Modern Analytical Techniques and IT Solutions to Identify Organised Tax and VAT Fraud”



From Data to Action: *Advanced Analytics and Cross-Border Cooperation in the Fight Against VAT Fraud*

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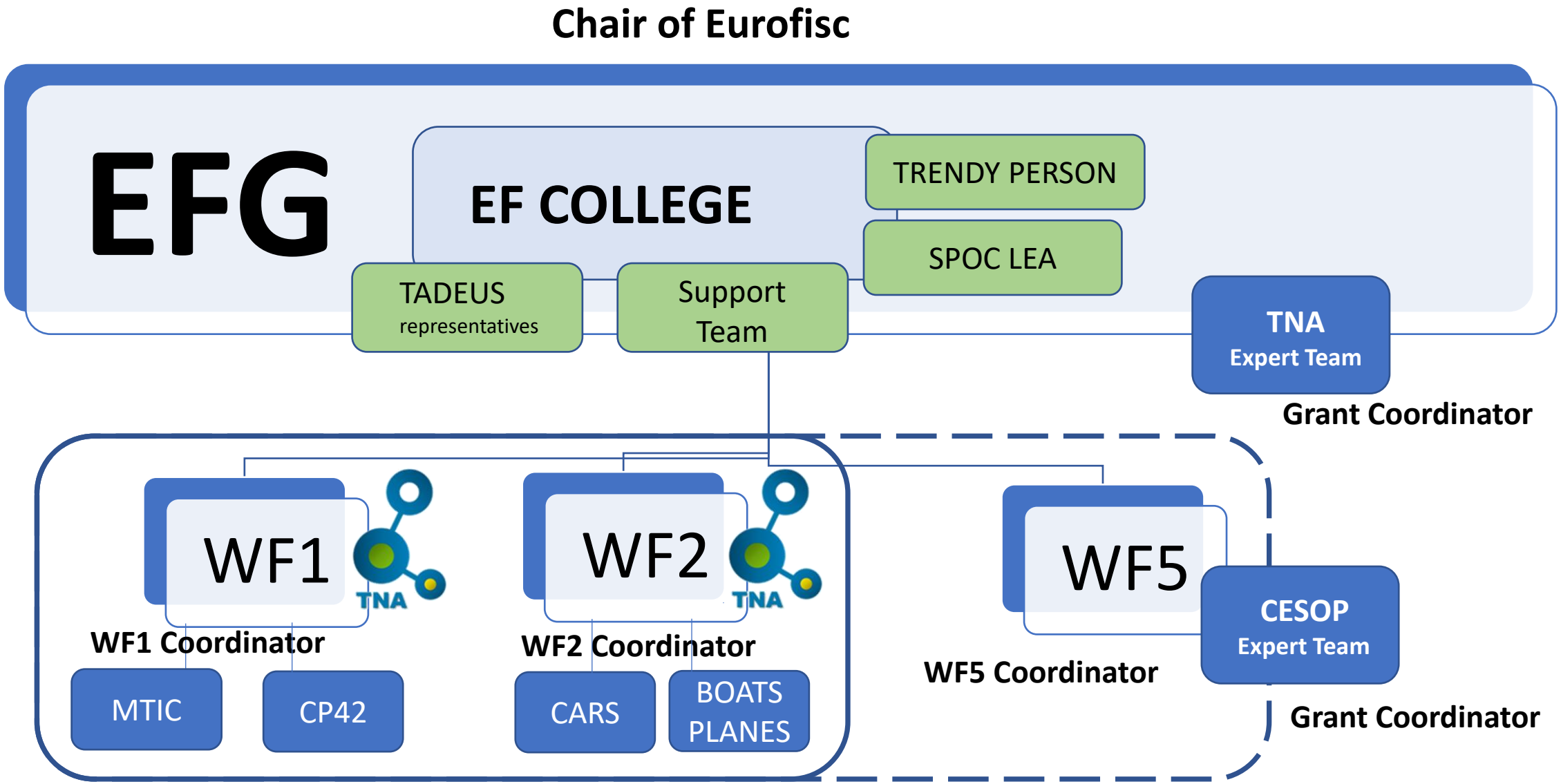
What is Eurofisc?

Eurofisc was established in 2010 under Council Regulation (EU) No 904/2010 as an early warning mechanism for the rapid exchange of targeted information on cross-border VAT fraud

It was created in response to major VAT fraud schemes, most notably the carbon credit fraud cases of 2008-2009, which caused billions of euros in losses across EU Member States

Today, Eurofisc brings together a network of VAT fraud experts from all 27 EU Member States and Norway

Current EUROFISC structure



Eurofisc Liaison Officials (ELOs)

→ the operational backbone of Eurofisc

Eurofisc Liaison Officials (ELOs)

Are specialized VAT fraud experts appointed by Member States to participate in Eurofisc activities

ELOs:

- ✓ Are selected among national experts in the fight against VAT fraud
- ✓ Have full access to information exchanged within the Working Fields (WFs) in wh
- ✓ Analyse, assess and exchange information on various types of VAT fraud schemes
- ✓ Contribute to risk identification, operational cooperation and intelligence-driven
- ✓ Facilitate direct and rapid cooperation between tax authorities across Member S

Access to Key European Information Systems

To support their work, ELOs have privileged access to several specialized IT ing:

- Transaction Network Analysis (TNA)
- VAT Information Exchange System (VIES)
- Central Electronic System of Payment Information (CESOP)
- Customs data (SURV3)
- EUCARIS

By combining expert knowledge with access to advanced European data systems, ELOs transform information into actionable intelligence and play a central role in detecting and combating cross-border VAT fraud.

Operational Working Fields (WF)

WF1: MTIC Fraud

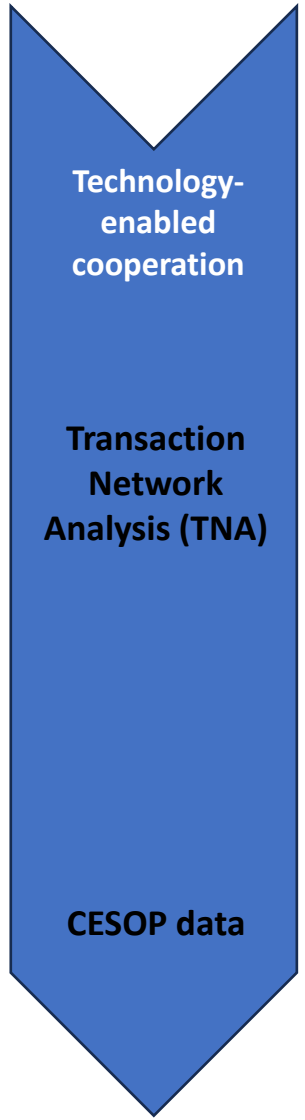
- Focuses on Missing Trader Intra-Community (MTIC) fraud
- Covers abuse of customs procedures, particularly Customs Procedure 42 (CP42)

WF2: Means of Transport Fraud

- Targets VAT fraud involving cars, boats and aircraft
- Supports the detection of cross-border fraud schemes in the transport sector

WF5: E-Commerce Fraud

- Focuses on VAT fraud in B2C e-commerce transactions
- Addresses emerging risks linked to digital marketplaces and third-country sellers





FROM: **Early warning system**

TO: **Data-driven cooperation**

How expertise meets technology?

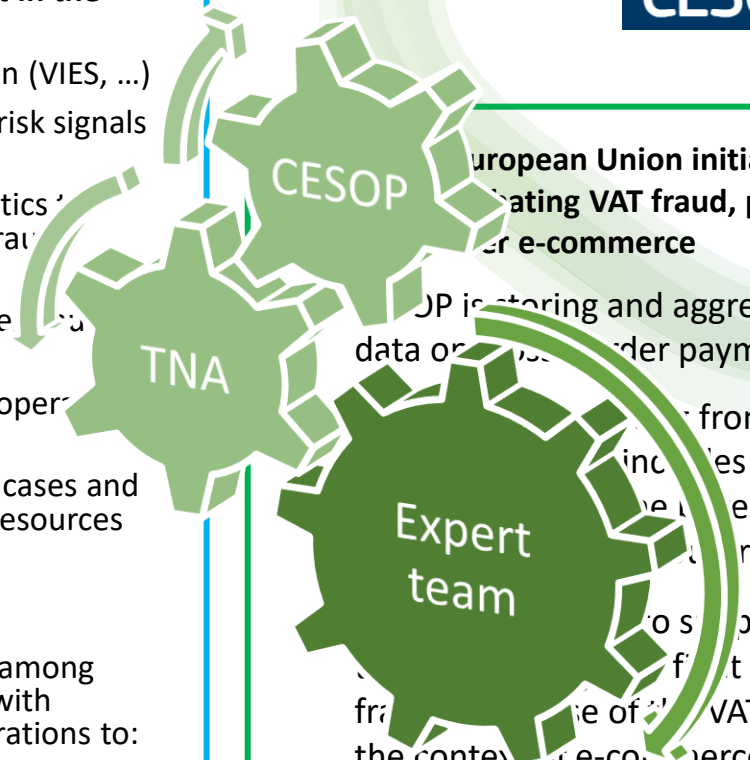
The introduction of TNA marked a turning point in the evolution of Eurofisc

- Automated access to EU information (VIES, …)
- Integration of expert assessments, risk signals and transactional data
- Advanced network and graph analytics to uncover hidden relationships and fraud structures
- Faster detection of complex carousel fraud and organized criminal networks
- Enhanced support for coordinated operational actions between Member States
- Improved prioritisation of high-risk cases and more efficient use of investigative resources

Impact on Eurofisc Cooperation

TNA has significantly strengthened cooperation among Member States by combining human expertise with advanced data analytics. It enables tax administrations to:

- Identify cross-border fraud patterns earlier
- Detect connections that would remain hidden through traditional analysis
- Share intelligence based on common risk indicators
- Move from reactive investigations to proactive fraud prevention



The Central Electronic System of Payment Information

CESOP

uropean Union initiative
ating VAT fraud, particularly
r e-commerce

OP is storing and aggregating data on payments

from Member
inc es details on
ee") in
ries

o support mainly
t against
fra e of the VAT system in
the contex of e-commerce (B2C)

- The data within CESOP is available to MSs anti-fraud experts (ELOs) to identify potential VAT fraud

TNA & CESOP Expert teams → EU level data analysis

- Every day work on the improvement & maintenance of the IT tool
  - Business experts
  - Data analyst
  - IT experts

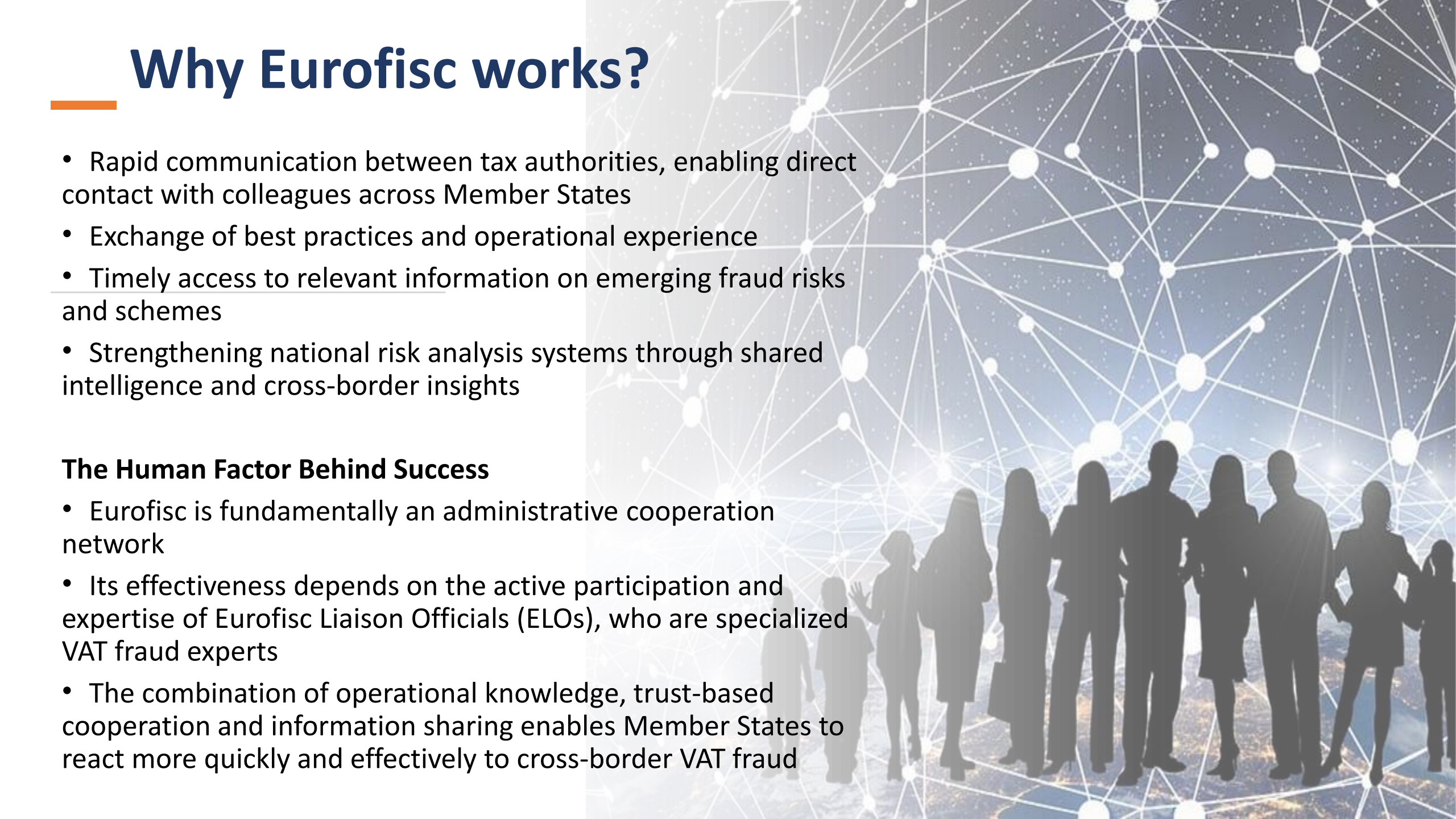
TNA

Why Eurofisc works?

- Rapid communication between tax authorities, enabling direct contact with colleagues across Member States
- Exchange of best practices and operational experience
- Timely access to relevant information on emerging fraud risks and schemes
- Strengthening national risk analysis systems through shared intelligence and cross-border insights

The Human Factor Behind Success

- Eurofisc is fundamentally an administrative cooperation network
- Its effectiveness depends on the active participation and expertise of Eurofisc Liaison Officials (ELOs), who are specialized VAT fraud experts
- The combination of operational knowledge, trust-based cooperation and information sharing enables Member States to react more quickly and effectively to cross-border VAT fraud



How to monitor EUROFISC Efficiency, Performance and Activity?

- Define Key Performance Indicators (KPIs)
- Track results regularly
- Analyze outcomes
- Follow up and improve



Eurofisc Dashboard → as a performance monitoring tool

Provides management with a clear overview of the effectivness and responsivness of Eurofisc / WFs / MSs

EUROFISC Activity (ELOs)

UNIQUE EUROFISC ELOs

849

Across all Working Fields

EXPERT GROUPS

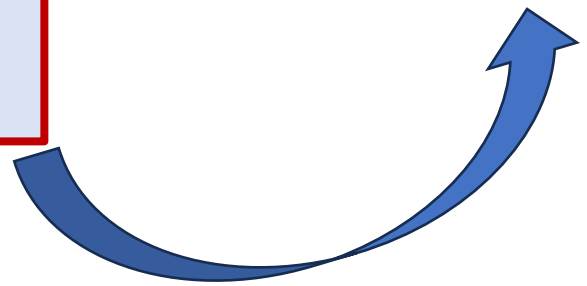
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ACTIVE ELOs IN TNA

243 WF1

165 WF2

517 fraudsters qualified per month across the EU





Bridging business expertise & technology

- ***Technology supports Eurofisc, but people make it work.***
- ***The expertise, commitment and cooperation of ELOs remain the foundation of its success.***
- ***Eurofisc has evolved into one of the European Union's most effective instruments for combating cross-border VAT fraud, combining expert knowledge, rapid information exchange and data-driven cooperation across Member States.***

More complex fraud requires smarter cooperation

Fraud schemes are becoming increasingly sophisticated, cross-border and multi-dimensional, requiring a new approach to detection and prevention.

Key Challenges:
Traditional data exchange alone is no longer sufficient

Required Response:
Combining large-scale data, advanced analytics, expert knowledge and cross-border cooperation to effectively address evolving VAT and multi-tax fraud schemes

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Administration de l'enregistrement,
des domaines et de la TVA

Fighting VAT Fraud in e-Commerce

Towards an integrated Eurofisc intelligence ecosystem

Key challenge: Detecting and proving fraud in global, digital, B2C trade

Why e-Commerce is Different

- Millions of sellers across global marketplaces
- Predominantly B2C and fully digital transactions
- Third-country traders and simplified company structures
- Linguistic, cultural and jurisdictional barriers
- Limited audit reach and enforcement capabilities

Consequences:

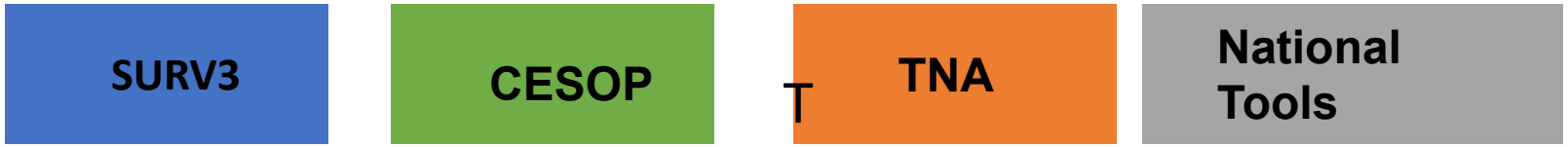
Difficult distinction between non-compliance, misunderstanding and deliberate fraud. Traditional audit approaches struggle to scale.

Current Eurofisc Intelligence Landscape

- SURV3: CP42/63 imports and Import One Stop Shop data
- CESOP: cross-border payment intelligence
- TNA: automated network analysis of risky traders
- National input from Antifraud experts

In theory, administrations possess the essential data sources required to identify risk patterns and fraud structures.

The Core Bottleneck



Today: powerful but largely separate environments.

Result:
Significantly lower detection ratio
Loss of investigation power due to limited automation.

Marketplace Seller

Digital Service Providers

Potential Fraud Orchestrators (Hidden)

Young managers or shell structures may receive limited profits while hidden intermediaries extract substantial commissions and remain invisible to tax authorities.

Hidden intermediaries such as 3rd-party digital service providers involved in the operation, promotion, sale, payment processing, fulfilment, customer management, or analysis of e-commerce activities can initiate entirely fake transaction chains.

Vision: Integrated e-Commerce Fraud Hub

Data Fusion Layer

SURV3 + CESOP + TNA + National Sources + Marketplace Information

Expected Benefits

- Automated entity resolution
- Seller-to-marketplace account matching
- Network-based fraud detection
- Early identification of hidden facilitators
- Prioritisation of high-risk audits

Strategic Goal

From isolated datasets to actionable intelligence.

Questions?

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Thank you!