PRESENTED BY :

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IDENTIFYING AND MAPPING INTERNATIONAL CROSS-INVOICING VAT FRAUD NETWORKS



Natural Gas Procurement Networks
and Related Electronic Goods
Cross-Invoicing Structures

Learn more →

TODAY'S AGENDA

01 INTRODUCTION
02 OVERVIEW OF EXCHANGE-BASED NATURAL GAS TRADING
03 CLEARING HOUSE: KELER CCP LTD.
04 A CLASSIC CASE OF CROSS-INVOICING FRAUD
05 TWO DISTINCT SUPPLY CHAINS
06 THE GAS SUPPLY CHAIN
07 ELECTRONICS RETAIL SUPPLY CHAIN
08 RESULTED TAX REVENUE LOSS
09 KEY FINDINGS
10 IMPACT ON THE HUNGARIAN LEGAL FRAMEWORK



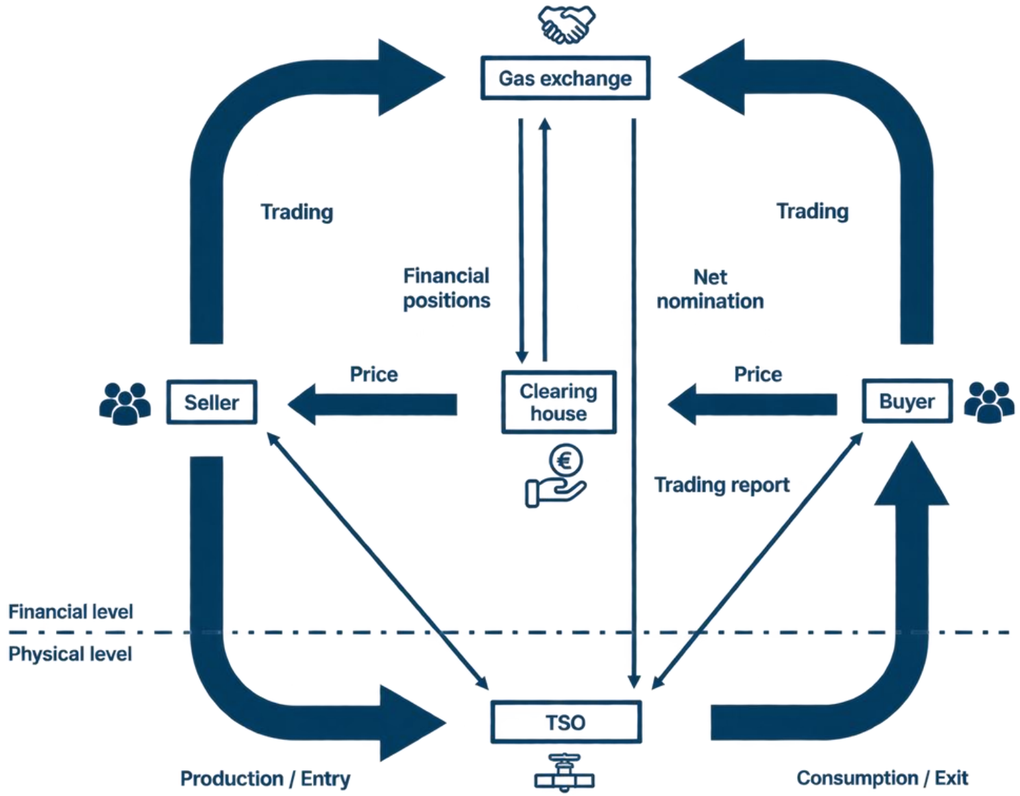
INTRODUCTION

Previous analyses and audits identified multi-tier natural gas trading arrangements in which participants sought to minimise the substantial VAT liabilities arising from the domestic sale of natural gas, resulted in significant budgetary losses.

A comprehensive analysis of natural gas supply chains was conducted for the period 1 January 2023 – 31 December 2024.
It encompassed the mapping of :

- **all cross-invoicing companies involved in the natural gas invoicing chain**
- **businesses participating in electronic goods invoicing chains that issued fictitious invoices to those entities**

and the assessment of the potential budgetary loss attributable to their activities.

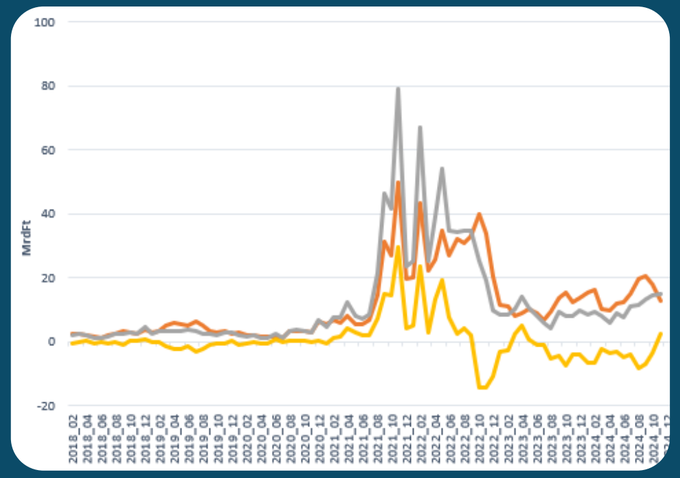


OVERVIEW OF THE EXCHANGE-BASED NATURAL GAS TRADING

(source: CEEGEX Consumer Guide, 16. October 2026)

CLEARING HOUSE: KELER CCP LTD.

One of the primary indicators of fraudulent activity and its expansion within the natural gas trading sector is the pronounced fluctuation in the VAT liabilities of the clearing house.



The first chart illustrates the trend in KELER CCP Ltd.’s VAT liability from 2018 to 2024



The second chart shows the trend in the European benchmark price for natural gas on the Dutch gas exchange (TTF) in recent years.

A CLASSIC CASE OF CROSS-INVOICING FRAUD



01 Cross-invoicing entities were inserted into natural gas procurement chains.

02 They purchased natural gas VAT-free through intra-Community acquisitions from suppliers in other EU Member States.

03 The gas was then resold domestically, generating VAT liability.

04 The scheme's objective was to artificially minimize VAT payable on domestic sales despite high turnover.

05 This was achieved by introducing fictitious domestic purchases into the invoicing chains.

06 The fictitious transactions created artificial input VAT deductions, offsetting VAT due on sales.

TWO DISTINCT SUPPLY CHAINS

01

NATURAL GAS TRADING CHAIN

CROSS-INVOICING TAXPAYERS

02

ELECTRONIC GOODS TRADING CHAIN

THE GAS SUPPLY CHAIN

- The mapping of the natural gas trading network began with KELER CCP Ltd.
- The analysis identified the largest natural gas suppliers and traced their upstream procurement chains.
- According to the data uncovered, procurement chains extended to a maximum depth of four tiers.
- During the analysed period, natural gas supplies to KELER CCP Ltd., located at tier 0 of the chain, totalled EUR 907.32 million, generating VAT amounting to EUR 245.08 million.
- The identified network was further narrowed down to natural gas traders displaying characteristics typically associated with tax minimisation.



THE GAS SUPPLY CHAIN

THE ANALYSTS IDENTIFIED

18

CROSS-INVOICERS

During the period under review, EUR 564.34 million of deductible input VAT was offset against EUR 555.76 million of output VAT.

Year	Total Deductible VAT (EUR mn)	Total VAT Due (EUR mn)	Deductible–payable VAT balance (EUR mn)
2023	117.10	110.26	6.85
2024	447.23	445.50	1.73
Total	**564.34**	**555.76**	**8.58**

Their aggregate VAT balance resulted in a net payable amount of only EUR 8.58 million, which is negligible when compared with the volume of transactions carried out during the same period.

ELECTRONICS RETAIL SUPPLY CHAIN

Using e-invoice data relating to the cross-invoicing taxpayers identified within the natural gas procurement chain, high-value invoices concerning electronic and technical goods were extracted for further analysis.

Year	Purchases - Total VAT Amount (EUR mn)	Sales - Total VAT Amount (EUR mn)
2023	61.29	24.44
2024	253.28	8.18
Total	**314.57**	**32.61**

- **The cross-invoicing taxpayers occupied the final stage of the electronic goods invoicing chain**
- **From which the high-value electronic and technical goods were further supplied to customers established in other Member States**

HIGH-VALUE ELECTRONIC GOODS WERE SOLD TO

29

TAXPAYERS ESTABLISHED IN OTHER MEMBER STATES

RESULTED TAX REVENUE LOSS



LIKELY LINKED TO FICTITIOUS TRANSACTIONS INVOLVING HIGH-VALUE ELECTRONIC GOODS:

EUR

61.29 M

of the EUR 117.11 million input VAT claimed in 2023

EUR

253.28 M

of the EUR 447.23 million claimed in 2024

Through the utilisation of VAT deductions, the cross-invoicing entities reduced more than

50%

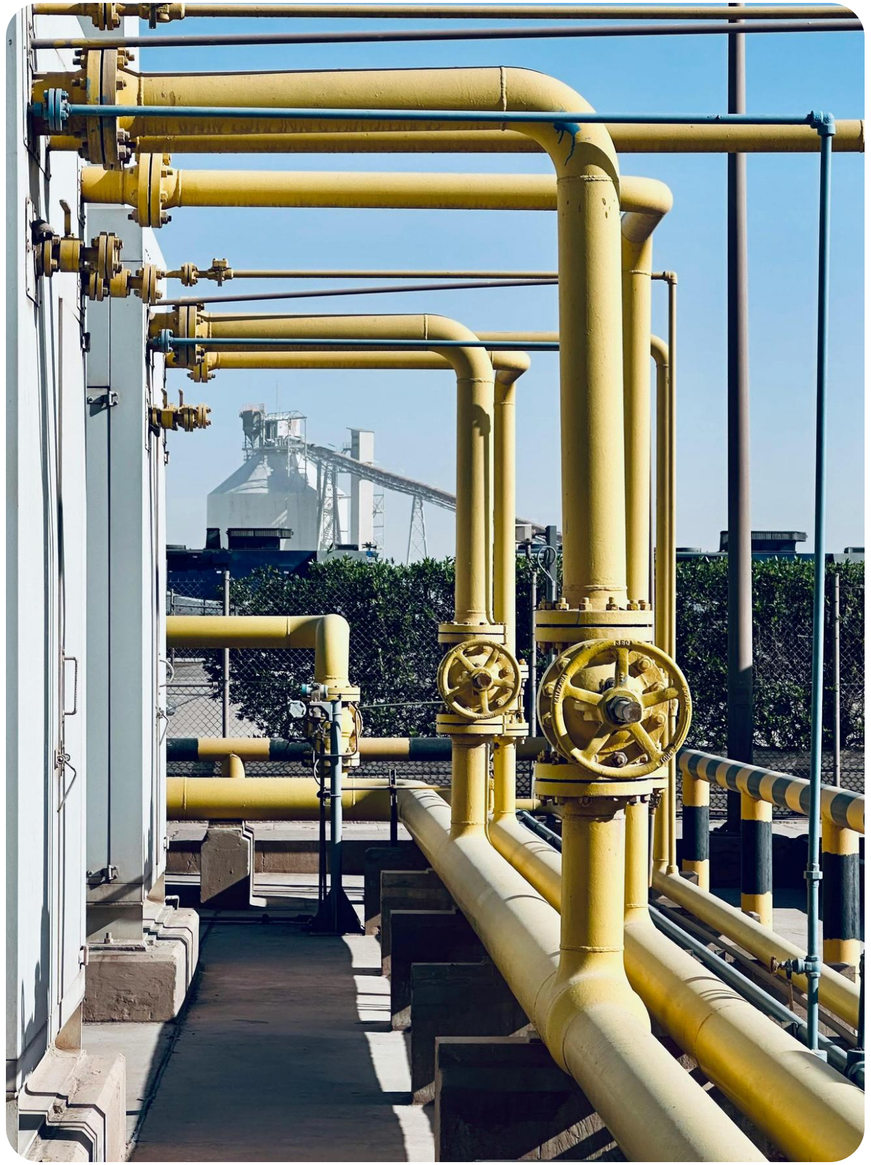
of the output VAT liabilities generated by the domestic resale of natural gas acquired through intra-Community transactions.

RESULTED IN

EUR

314.57 M

of VAT generated on domestic natural gas sales not being paid into the state budget during the 2023-2024 period.



44	MISSING TRADERS	Collectively, they failed to declare and remit EUR 92.45 million of VAT in 2023 and EUR 332.50 million in 2024.
7	DEFAULTING TRADERS	According to the outstanding liabilities recorded on their tax accounts, unpaid VAT amounted to EUR 12.14 million in 2023 and EUR 28.14 million in 2024.
34	BUFFER TRADER	The purpose of which was to conceal the fraudulent arrangement and increase the complexity of the transactional network.
22	CONDUIT COMPANIES	Facilitating the cross-border movement of electronic goods invoicing chains and ensuring the circulation of fraudulent trade flows between different jurisdictions.

KEY FINDINGS

IMPACT

ON THE HUNGARIAN LEGAL FRAMEWORK

The Autumn 2024 Tax Package included the relevant amendments to the Hungarian VAT Act (amending Annex 6/C to Act CXXVII of 2007 on Value Added Tax).

From 1 January 2025 to 31 December 2026, supplies of natural gas between taxable dealers are subject to the reverse charge mechanism. Consequently, the taxable dealer purchasing the natural gas becomes liable for accounting for VAT on these transactions.

The legislation also introduces reporting obligations for supplies of natural gas subject to the reverse charge mechanism, applicable to both the supplier and the taxable person acquiring the natural gas.



National Tax and Customs Administration

THANK YOU FOR YOUR ATTENTION!



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Any Questions?