



TEXTS ADOPTED

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Combating VAT fraud - the effectiveness of cross-border cooperation when it comes to VAT fraud and its impact on the EU budget

European Parliament resolution of 20 October 2026 on combating VAT fraud - the effectiveness of cross-border cooperation when it comes to VAT fraud and its impact on the EU budget (2025/2121(INI))

The European Parliament,

- having regard to Articles 310(6) and 325(5) of the Treaty on the Functioning of the European Union,
- having regard to Article 4(3) of the Treaty on European Union,
- having regard to Council Regulation (EU) 2017/1939 of 12 October 2017 implementing enhanced cooperation on the establishment of the European Public Prosecutor's Office ('the EPPO')¹ (EPPO Regulation), and the ongoing revision thereof,
- having regard to Regulation (EU, Euratom) No 883/2013 of the European Parliament and of the Council of 11 September 2013 concerning investigations conducted by the European Anti-Fraud Office (OLAF) and repealing Regulation (EC) No 1073/1999 of the European Parliament and of the Council and Council Regulation (Euratom) No 1074/1999² (OLAF Regulation), and the forthcoming evaluation report on the application and impact of the OLAF Regulation to be submitted by the Commission,
- having regard to Regulation (EU) 2016/794 of the European Parliament and of the Council of 11 May 2016 on the European Union Agency for Law Enforcement Cooperation (Europol) and replacing and repealing Council Decisions 2009/371/JHA,

¹ OJ L 283, 31.10.2017, p. 1, ELI:
<http://data.europa.eu/eli/reg/2017/1939/oj>.

² OJ L 248, 18.9.2013, p. 1, ELI:
<http://data.europa.eu/eli/reg/2013/883/oj>.

2009/934/JHA, 2009/935/JHA, 2009/936/JHA and 2009/968/JHA³ (Europol Regulation), and the ongoing revision thereof,

- having regard to Regulation (EU) 2018/1727 of the European Parliament and of the Council of 14 November 2018 on the European Union Agency for Criminal Justice Cooperation (Eurojust), and replacing and repealing Council Decision 2002/187/JHA⁴ (Eurojust Regulation), and the ongoing revision thereof,
- having regard to Directive (EU) 2017/1371 of the European Parliament and of the Council of 5 July 2017 on the fight against fraud to the Union's financial interests by means of criminal law⁵ (PIF Directive),
- having regard to the VAT in the Digital Age (ViDA) package, formally adopted on 11 March 2025,
- having regard to the Commission proposal of 14 November 2025 for a Council regulation amending Regulation (EU) No 904/2010 as regards the access of the European Public Prosecutor's Office (EPPO) and the European Anti-Fraud Office (OLAF) to value added tax information at Union level (COM(2025)0685),
- having regard to the Commission white paper of 16 July 2025 for the Anti-fraud Architecture Review (COM(2025)0546) (AFA review),
- having regard to European Court of Auditors (ECA) Special Report 03/2024 of 22 February 2024 entitled 'The rule of law in the EU - An improved framework to protect the EU's financial interests, but risks remain',
- having regard to ECA Special Report 08/2025 of 24 March 2025 entitled 'Value Added Tax fraud on imports - The EU's financial interests are insufficiently protected under simplified import customs procedures' and Special Report 26/2025 of 15 December 2025 entitled 'EU bodies fighting fraud - Clear mandates but exchange of information and Commission oversight remain insufficient',
- having regard to the Commission report of 25 July 2025 entitled '36th Annual Report on the protection of the European Union's financial interests and the fight against fraud - 2024' (COM(2025)0426),
- having regard to the Commission communication of 8 July 2025

³ OJ L 135, 24.5.2016, p. 53, ELI:
<http://data.europa.eu/eli/reg/2016/794/oj>.

⁴ OJ L 295, 21.11.2018, p. 138, ELI:
<http://data.europa.eu/eli/reg/2018/1727/oj>.

⁵ OJ L 198, 28.7.2017, p. 29, ELI:
<http://data.europa.eu/eli/dir/2017/1371/oj>.

entitled '2025 Rule of Law Report – The rule of law situation in the European Union' (COM(2025)0900),

- having regard to the Commission report of 11 December 2025 entitled 'VAT gap in Europe – report 2025',
 - having regard to the EPPO Annual Report 2025 of March 2026 and the OLAF Report 2025 of April 2026,
 - having regard to Opinion 1/2026 of 7 January 2026 of the European Data Protection Supervisor on the Proposal for a Regulation amending Regulation (EU) No 904/2010 as regards access of the EPPO and OLAF to VAT information, which supported targeted VAT data access while stressing the need to preserve the distinct legal regimes applicable to administrative and criminal enforcement,
 - having regard to the report of its Committee on Budgetary Control of 30 March 2026 on the protection of the European Union's financial interests – combating fraud – annual report 2024,
 - having regard to the own-initiative procedure it launched on 22 January 2026 on the protection of the Union's financial interests in the post-2027 multiannual financial framework through the revision of the anti-fraud architecture (2026/2006(INI)),
 - having regard to Rule 55 of its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A10-0213/2026),
- A. whereas missing trader intra-community (MTIC) fraud, commonly known as 'carousel fraud', is one of the most severe, structurally embedded threats to the integrity of the EU's own resources;
- B. whereas the European Delegated Prosecutors, whose contribution is crucial to counter cross-border VAT fraud effectively, are embedded in the national justice systems of the Member States that participate in the EPPO, and the independence and capacity of those national judiciaries is therefore relevant for the effectiveness of the safeguarding of the EU's own resources; whereas rule of law deficiencies present risks for the EU's financial interests since their protection relies on an independent judiciary and autonomous anti-fraud and anti-corruption bodies;
- C. whereas VAT remains a fiscal cornerstone of the EU Member States, accounting for approximately one fifth of all national revenues, and of the Union, contributing around 15 %, or EUR 23 billion, of the EU budget in 2024; whereas revenue losses resulting from domestic or cross-border fraud therefore pose a budgetary challenge at both national and EU level, while distorting the level playing field for businesses in the single market;

- D. whereas the effective detection and prosecution of carousel schemes is dependent upon swift, structured and operationally effective cooperation among Member State tax administrations, law enforcement agencies, and EU-level anti-fraud bodies;
- E. whereas the 2025 VAT Gap Report estimates an EU-wide VAT compliance gap of EUR 128 billion; whereas carousel fraud is estimated to cost the EU between EUR 12,5 billion and EUR 32,8 billion annually;
- F. whereas the EPPO's 2025 annual report reveals that revenue fraud, which exceeds EUR 45 billion, accounts for over 67 % of the total estimated damage in all active investigations; whereas organised criminal groups have brought carousel schemes to a mass-production level across multiple Member States, and were responsible for 86 % of damage in organised crime cases;
- G. whereas ECA Special Report 26/2025 found that, while OLAF, the EPPO, Europol and Eurojust have clearly defined and non-overlapping mandates, persistent weaknesses in cross-body information exchange are materially affecting the number and timeliness of investigations; whereas the ECA also found that the Commission lacks adequate oversight mechanisms to verify whether the full recovery of amounts has in fact taken place following court orders; whereas Parliament's resolutions on the protection of the Union's financial interests (PIF) have consistently demanded stronger recovery reporting and urgently called for the Commission to provide measurable data in accounting reports focused on tangible results; whereas the ECA has also identified serious weaknesses in the Member States' VAT systems, such as limited credibility checks and errors in customs declaration systems, resulting in Member States not being able to properly collect VAT;
- H. whereas the AFA review opened a structured review process engaging OLAF, the EPPO, Europol, Eurojust, Eurofisc, the Authority for Anti-Money Laundering and Countering the Financing of Terrorism (AMLA) and the proposed EU customs authority; whereas the Commission has confirmed that the AFA review is designed to build the legislative architecture of the post-2027 multiannual financial framework (MFF) as regards the protection of the EU's financial interests;
- I. whereas it insists that compliance with anti-fraud rules, access for the EU's anti-fraud architecture (AFA) components to relevant information for investigative and prosecutorial reasons, strong anti-fraud coordination service (AFCOS) obligations and coordinated national anti-fraud strategies, and strong recovery mechanisms must all be embedded as horizontal requirements in the MFF sectoral

regulations, the Financial Regulation⁶, and the specific instruments governing the EU's AFA;

- J. whereas the detection of complex cross-border VAT fraud also relies on whistleblowers and investigative journalists, as reflected by the fact that the large majority of crime reports processed by the EPPO originate from private parties rather than institutions; whereas the effective protection of reporting persons under Directive (EU) 2019/1937⁷ is therefore an integral part of the EU's AFA;
- K. whereas Eurofisc, a multilateral network of Member State tax liaison officials, has proven effective as a decentralised early-warning mechanism; whereas its transaction network analysis (TNA) tool generates actionable intelligence on suspicious cross-border VAT chains; whereas under the general agreement to amend Council Regulation (EU) No 904/2010 reached in May 2026, the EPPO and OLAF would be granted direct, centralised access to the VAT Information Exchange System (VIES), within their respective mandates and subject to data protection safeguards as noted by the European Data Protection Supervisor;
- L. whereas, in addition to carousel fraud, import VAT fraud – in particular, the fraudulent misuse of Customs Procedure 42 and the Import One-Stop Shop – constitutes a significant and growing source of revenue loss; whereas ECA Special Report 08/2025 identified systemic vulnerabilities enabling non-EU operators to exploit these mechanisms; whereas, with regard to the Commission proposal to amend Council Regulation (EU) No 904/2010, Parliament has called for effective cooperation and exchanges among customs and VAT authorities in order to allow timely and comprehensive cross-checking of the relevant information on customs operation and VAT declarations;
- M. whereas disparities in the levels of administrative sanctions applied by Member States in respect of VAT fraud on imports, create conditions that enable operators to exploit the jurisdiction with the lowest penalties;
- N. whereas the ViDA package requires e-invoicing and real-time digital reporting to be introduced for intra-Community business-to-business transactions from July 2030;

⁶ Regulation (EU, Euratom) 2024/2509 of the European Parliament and of the Council of 23 September 2024 on the financial rules applicable to the general budget of the Union (OJ L, 2024/2509, 26.9.2024, ELI: <http://data.europa.eu/eli/reg/2024/2509/oj>).

⁷ Directive (EU) 2019/1937 of the European Parliament and of the Council of 23 October 2019 on the protection of persons who report breaches of Union law, OJ L 305, 26.11.2019, p. 17 (ELI: <http://data.europa.eu/eli/dir/2019/1937/oj>).

- O. whereas the AFCOS established in each Member State in line with Article 12(a) of the OLAF Regulation currently serve as the primary national interface for cooperation with OLAF and the EU's AFA internal layer; whereas the effectiveness of AFCOS varies significantly across Member States; whereas the revision of their role is expected to be tackled as part of the revision of the OLAF Regulation;

VAT anti-fraud in the post-2027 MFF

1. Reaffirms its calls highlighting the need for coordinated EU-level action against cross-border VAT fraud and for the EU and its Member States to strengthen administrative, judicial and law enforcement cooperation and to operationalise the multilateral early-warning system for carousel fraud, and its calls for the Commission to lower the EUR 10 million threshold under Article 2 of the PIF Directive, where individual national damage may fall below the threshold while aggregate EU-wide damage is substantial; notes that cross-border VAT fraud involves by definition several Member States, and in certain cases the flow of information from individual Member States to the EPPO is not sufficient to combat such cross-border VAT fraud; reiterates that the AFA needs to be strengthened for the post-2027 MFF and that the EPPO and OLAF need to find effective solutions to exercise their mandate over serious cross-border VAT offences; reiterates that carousel fraud cases have intensified with the wider involvement of organised criminal networks, requiring increased exchanges and better coordination among the AFA components;
2. Stresses that the protection of the EU's financial interests requires determined action to address structural revenue losses stemming from large informal economies and widespread VAT fraud; recalls that EU authorities such as the ECA, OLAF and the EPPO have repeatedly identified VAT fraud as one of the most significant sources of losses for the budgets of the EU and the Member States and for the EU's own resources;
3. Underlines that reducing the scale of informal economic activity and strengthening the fight against VAT fraud would contribute to fairer burden sharing between Member States, safeguard the integrity of the internal market and help stabilise gross national income-based contributions; calls for the 2028-2034 MFF to include clear provisions, adequate resources and appropriate instruments to support effective action against informal economic activity and VAT fraud, in order to strengthen the protection of the EU's financial interests;
4. Considers that the legislative instruments addressed in this resolution aim to build the essential anti-fraud infrastructure of the post-2027 MFF; stresses that the next MFF and its sectoral

regulations must ensure robust and operationally effective anti-fraud provisions, including in the field of VAT protection; recognises the role that the Single Market and Customs Programme for the period 2028-2034 will play in protecting the economic, financial and other interests of the EU and its Member States from fraud, corruption and other illegal activities, including risks related to VAT revenue; considers that the programme should support activities that strengthen the EU's AFA, improve the reporting of irregularities to OLAF and the EPPO and enhance cooperation with the EU and national control, audit and investigative authorities, and the use of interoperable digital tools for anti-fraud detection and prevention;

5. Recognises that the Commission's 2024 PIF report notes that revenue is the budgetary area most exposed to cross-border fraud; underlines the importance of the efforts to improve the collection and recovery of existing revenue, including the VAT-based own resource;
6. Is concerned about the widespread use of financing not linked to costs for a substantial portion of programmes under the next MFF and warns that, as stressed by ECA Special Report 08/2025, without appropriate and adequate safeguards, this approach entails substantial risks to the protection of the EU's financial interests; stresses that financing not linked to costs and simplified cost options must not weaken the traceability of EU funds to their final recipients and beneficial owners; insists that every spending programme under the next MFF, whatever its delivery model, maintain a complete audit trail, mandatory recipient and beneficial ownership data in a single interoperable risk-scoring tool, and ex post verification accessible to the EPPO, OLAF, the ECA and the discharge authority, within their mandates; maintains that the need to protect the EU's financial interests implies consistency across penalties applicable to the most serious VAT and customs-related infringements;
7. Stresses, therefore, the importance of the EU AFA in the context of the post-2027 MFF and encourages the EU institutions, offices and bodies to step up their cooperation, particularly in terms of exchanging information on criminal/fraudulent activities in relation to EU funds and providing one another with access to their data; recalls the importance of coordination and better cooperation with the judicial and police authorities of the Member States in order to combat VAT fraud; underlines that the Member States should ensure that their competent customs and VAT authorities establish regular coordination mechanisms, including through the Eurofisc framework, to facilitate the identification of discrepancies indicative of VAT fraud and the timely transmission of relevant data to Eurofisc, the EPPO and OLAF; calls for these bodies to be sufficiently funded and reiterates that whistleblowers should enjoy effective protection, in order to facilitate the detection and prevention of all forms of fraud;

8. Calls for synergies in, and the possible consolidation of, the EU's AFA to be explored; highlights the fact that the current AFA faces challenges such as fragmentation, the lack of an integrated governance framework, overlapping competencies, insufficient resources and unreliable data, which may lead to the underestimation of VAT fraud against EU finances; calls on the Commission, in this regard, to: (i) create a common governance framework and guidelines to coordinate all anti-fraud actors; (ii) implement a unified reporting system to consolidate the available information; (iii) promote and support the greater use of digital tools to improve data collection, exchange and analysis while reducing administrative burden in particular for SMEs; and (iv) strengthen financial and human resources to ensure the effectiveness of AFA components; insists that the new MFF equip the EPPO, OLAF, Eurojust and Eurofisc adequately, including by planning the assignment of a sufficient number of specialised investigators from the relevant services;

Cross-border cooperation - closing the information gap

9. Stresses that granting the EPPO and OLAF, in the exercise of their mandates, access to VIES and the Central Electronic System of Payment Information – as indicated in the Opinion of Parliament's Committee on Budgetary Control on the proposal for a Council regulation amending Regulation (EU) No 904/2010⁸ – ensures the effective countering of cross-border carousel fraud; calls on the Commission to issue clear procedural guidelines to the relevant bodies to ensure legal certainty and to prevent any obstacle to an effective, and where appropriate, simultaneous deployment of the administrative and criminal investigation tools; welcomes the general agreement reached in May 2026 on the amended Regulation (EU) No 904/2010, and insists that it must be implemented with full respect for the distinct legal frameworks applicable to OLAF's administrative mandate and the EPPO's criminal enforcement mandate, in line with the European Data Protection Supervisor's Opinion 1/2026 of 7 January 2026;
10. Calls on the Commission, in the context of the post-2027 MFF, to ensure adequate funding and staffing for OLAF and the EPPO in order to strengthen data analysis capacities, operational coordination, investigations and recovery actions relating to VAT

⁸ Opinion of the Committee on Budgetary Control for the Committee on Economic and Monetary Affairs of 5 May 2026 on the proposal for a Council regulation amending Regulation (EU) No 904/2010 as regards the access of the European Public Prosecutor's Office (EPPO) and the European Anti-Fraud Office (OLAF) to value added tax information at Union level (COM(2025)0685 – C10-0298/2025 – 2025/0348(CNS)).

fraud, and for Eurofisc, through the Single Market and Customs Programme;

11. Emphasises that cross-border cooperation on VAT fraud requires not only data exchange at EU level, but also robust bilateral and multilateral cooperation mechanisms among the Member States' tax administrations, including through direct exchange of information;
12. Recognises that taking advantage of a real-time and data-driven economy has significant benefits for the protection of the EU's financial interests, while reducing the administrative burden on public authorities and businesses operating and trading across borders within the EU; underlines the importance of improving the effectiveness of data sharing by creating a digital ecosystem allowing seamless, real-time and secure movement of standardised, structured and machine-readable data between businesses and public authorities, notably national tax administrations, with a view to limiting possibilities for committing fraud and tax evasion;
13. Stresses that access to VAT data granted to the EPPO and OLAF improves detection and prosecution capacity; stresses that the effectiveness of EPPO and OLAF access to VAT information depends on whether national authorities are independent and adequately resourced; underlines the importance of investing in advanced IT tools, including Eurofisc's TNA tool and the Central Electronic System of Payment Information, and in AI technologies, as well as in their continuous improvement, in order to support the EU and its Member States in detecting and preventing fraud at the earliest possible stage-;
14. Calls on the Commission to support actions aiming to reinforce the operational effectiveness of Eurofisc; insists that Eurofisc's TNA tool should be further developed with AI-assisted pattern recognition capabilities, enabling real-time cross-border detection of suspicious VAT transaction chains; invites the Member States to strengthen their mutual cooperation within Eurofisc and ensure the timely and complete provision of transactional data; further calls for Eurofisc to initiate, whenever appropriate and possible, the procedure aiming at suspending VAT identification numbers in the VIES where there are significant indicators of VAT fraud;
15. Notes that despite Eurofisc identifying over EUR 12 billion in fraudulent or suspicious VAT transactions in 2024, a significant detection gap persists; considers that national financial intelligence units, through suspicious transaction reporting on associated money flows, are well positioned to complement Eurofisc's VAT transaction intelligence; calls on the Commission to assess the best way to establish adequate and seamless cooperation between Eurofisc and national financial intelligence units, subject to applicable data protection requirements;

16. Stresses the importance of verifying VAT registration applications effectively; considers that addressing the moment of creation of the missing trader is the most structurally effective and cost-efficient intervention point in the carousel fraud cycle;
17. Notes that EPPO investigations have shown that professional enablers – such as accountants, lawyers and brokers – have a role in the setting-up of shell company chains that make carousel fraud scalable; calls on the Commission to enforce full transposition of the beneficial ownership provisions of the sixth Anti-Money Laundering Directive⁹, including on the role of professional enablers;
18. Acknowledges that the Reverse Charge Mechanism, as provided for under Articles 199a and 199b of the VAT Directive¹⁰, has demonstrated clear effectiveness as a targeted anti-fraud instrument by removing the structural opportunity for missing traders to collect VAT and disappear before remitting it; stresses that the mechanism should be retained and, where appropriate, extended; calls on the Commission to bring forward in good time a proposal to extend and, where the evidence warrants, to broaden the scope of Articles 199a and 199b beyond 2026;
19. Notes with concern that crypto-asset transactions are increasingly used by organised criminal networks as a layering mechanism for the proceeds of VAT carousel fraud, exploiting the pseudonymity and cross-border transferability of crypto assets to rapidly move and conceal fraudulent gains before detection; welcomes the entry into force of Council Directive (EU) 2023/2226¹¹ (DAC8), which requires crypto-asset service providers to report crypto-asset transaction data to national tax authorities from 2026 onwards; calls on the Commission to ensure, as part of the AFA review, that DAC8 reporting data is accessible to Eurofisc, OLAF and the EPPO under their respective mandates for the purposes of VAT fraud investigation; calls on the Commission to assess the extent to which data reported by crypto-asset service providers has helped to identify

⁹ Directive (EU) 2024/1640 of the European Parliament and of the Council of 31 May 2024 on the mechanisms to be put in place by Member States for the prevention of the use of the financial system for the purposes of money laundering or terrorist financing, amending Directive (EU) 2019/1937, and amending and repealing Directive (EU) 2015/849 (OJ L, 2024/1640, 19.6.2024, ELI: <http://data.europa.eu/eli/dir/2024/1640/oj>).

¹⁰ Council Directive 2006/112/EC of 28 November 2006 on the common system of value added tax (OJ L 347, 11.12.2006, p. 1, ELI: <http://data.europa.eu/eli/dir/2006/112/oj>).

¹¹ Council Directive (EU) 2023/2226 of 17 October 2023 amending Directive 2011/16/EU on administrative cooperation in the field of taxation (OJ L, 2023/2226, 24.10.2023, ELI: <http://data.europa.eu/eli/dir/2023/2226/oj>).

VAT fraud proceeds and to report its findings to Parliament and the Council by 2028;

20. Stresses that EPPO investigations have revealed hybrid schemes in which VAT fraud is systematically combined with money laundering and corruption; warns that, beyond depriving Member States of vital public revenue, VAT fraud thereby enables corruption and erodes the institutions of the EU and the Member States and public trust in the rule of law; calls on the Commission to ensure, through the AFA legislative package, structured operational cooperation between anti-fraud bodies and AMLA;
21. Calls on the Commission to conduct a pre-emptive vulnerability assessment of the risk of VAT carousel fraud and financial crime affecting carbon credit and allowance transactions under the EU Emissions Trading System Phase 2 (ETS2) and to build the anti-fraud safeguards identified as necessary into the ETS2 framework before its operational launch; recalls that the original EU ETS was the vehicle for one of the largest carousel fraud schemes in EU history, leading to estimated losses of approximately EUR 5 billion between 2008 and 2009, and that those schemes were only dismantled after the damage had already occurred; insists that the Commission must identify and address structural vulnerabilities in the ETS2 transaction architecture before the system becomes operational; calls on the Commission to communicate the findings of this assessment to Parliament and the Council and to include in the ETS2 operational rules any safeguards identified as necessary;
22. Calls on the Commission to ensure, in the technical implementation framework of the ViDA package, that the real-time digital reporting data generated under the mandatory e-invoicing and digital reporting obligations is technically interoperable with Eurofisc's TNA tool and accessible, under their respective mandates and subject to applicable data protection rules, to OLAF and the EPPO for the purposes of cross-border VAT fraud detection; calls on the Commission to report to Parliament and the Council by 31 December 2031 on the operational results of ViDA data use in cross-border VAT fraud detection cases, including the number of cases opened, the estimated damage identified, the type of VAT fraud (such as carousel fraud, import VAT fraud, MTIC fraud), and the amounts recovered;
23. Calls on the Commission to enable Member States to work together more closely on a daily basis in seamlessly exchanging intelligence on VAT fraud cases as soon as intelligence is known, as well as in sharing knowledge and best practices on VAT fraud detection; emphasises that AI should be utilised for this purpose whenever possible;

Reforming the EU AFA

24. Welcomes the Commission's AFA review as a timely and comprehensive initiative to map the existing architecture, identify loopholes and promote coherence across the entire anti-fraud cycle; underlines that this review is an opportunity to establish a genuinely integrated EU anti-fraud framework in time for the post-2027 MFF; considers that, in view of the considerable financial impact of cross-border fraud on revenue, in particular VAT and customs duties, the protection of the EU's revenue should be one of the strategic priorities within the context of the review;
25. Stresses that the AFA revision should suggest measures to prevent a lack of judicial independence, ineffective prosecution services and insufficient anti-corruption safeguards, in such a way to prevent, detect and recover VAT fraud; points out that where structural vulnerabilities create heightened risk for VAT fraud losses, targeted recommendations are required and recalls that the Conditionality Regulation¹² allows measures to be taken where deficiencies in tackling tax fraud, tax evasion, corruption and other breaches affect the collection of EU revenues;
26. Recognises the particular difficulty of recovering VAT revenue lost to fraudulent activity; underlines, therefore, the importance of preventive and precautionary measures and urges the Commission, in the context of the AFA review, to explore targeted and risk-based approaches, such as sampling and statistical extrapolation of the results of a limited number of controls to the overall population of affected transactions, and the preventive blocking of VAT numbers suspected to be used for fraudulent purposes;
27. Calls on the Commission to ensure that the 2026 communication resulting from the AFA review is accompanied by a concrete legislative package covering the justifiably expected revisions of the OLAF Regulation and of the EPPO Regulation and, where appropriate, consistent further amending of the Europol Regulation, the Eurojust Regulation, Eurofisc's governance framework, and the PIF Directive; stresses that Parliament expects the AFA review to result in agreed-upon binding legislative change, not merely coordination mechanisms or guidelines;
28. Expresses its concern about the findings identified by the ECA in Special Report 26/2025 that the reporting ratios between Member States vary considerably, with some reporting far more and others far fewer fraud allegations than their proportion of revenue; calls on the Commission to analyse these variations, notably, whether they are the result of weaknesses in detection or, reversely, strengths in

¹² Regulation (EU, Euratom) 2020/2092 of the European Parliament and of the Council of 16 December 2020 on a general regime of conditionality for the protection of the Union budget (OJ L 433 I, 22.12.2020, p. 1, ELI: <http://data.europa.eu/eli/reg/2020/2092/oj>).

prevention, and to suggest appropriate action to address under-reporting;

29. Stresses that the AFA revision must ensure adequate reporting channels, clear terms and uniform modalities on measures and actions adopted to protect revenue and the VAT-based own resource, presenting clear data and figures about the results achieved and their impact on the EU's budget, in such a way as to allow a clear understanding of what the AFA has accomplished against the intended objectives and the invested resources;
30. Urges the Commission to use the AFA review to address the governance deficit identified by ECA Special Report 26/2025, the lack of accountability and the missing wider overview of the strategies and priorities of the individual components; calls for the establishment of structured, regular reporting, which should include performance indicators, on follow-up actions taken in response to OLAF recommendations and judgments in EPPO cases; stresses that well targeted indicators are essential to support evidence-based policymaking, improve accountability and enable meaningful parliamentary scrutiny of the EU's AFA; recalls the importance of exchanging best practice between the Member States;
31. Calls on the Commission to ensure that the AFA review establishes structured operational cooperation between the EU anti-fraud bodies and AMLA, reflecting the close link between VAT fraud and money laundering; takes the view that beneficial ownership transparency, underpinned by AMLA's access to central registers under Directive (EU) 2024/1640, could be a valuable early-warning tool for the early identification of shell entities used in missing trader networks;
32. Considers that the AFA review must produce a clearer architecture so OLAF's administrative investigation function can complement the EPPO's criminal prosecution mandate; notes with concern that less than 1 % of reports to the EPPO originate from OLAF; insists that the forthcoming AFA legislative package must implement genuine complementarity between OLAF and the EPPO through legally binding information-sharing protocols and automatic referral triggers and include reporting obligations on this specific matter to Parliament and the Council;
33. Reiterates Parliament's long-standing call for a single, integrated and interoperable information and monitoring system for EU spending, which should include data mining and risk-scoring tools; insists that the use of such a system must be a precondition for accessing EU funds under the next MFF; demands that all Commission and national databases used for the management and monitoring of EU funds be directly accessible to the ECA, without prior aggregation or modification, in order to safeguard the independence and effectiveness of audits;

34. Calls for the systematic and strengthened use of the Early Detection and Exclusion System (EDES) under the next MFF; stresses that economic operators involved in fraud, corruption, serious irregularities, including VAT-related irregularities, or serious breaches of contractual obligations, must be effectively excluded from EU funding across all programmes and delivery models, including performance-based instruments; regrets the fragmented use of exclusion mechanisms and the lack of interoperability between EDES and national systems; stresses that effective exclusion mechanisms are essential to prevent the repeated misuse of EU funds and to ensure a credible EU anti-fraud framework;

The AFA components - OLAF Regulation

35. Calls on the Commission to present targeted amendments to the OLAF Regulation to strengthen the role of the AFCOS; insists that the minimum common functions of the AFCOS must be clearly defined in the regulation, including their cooperation with OLAF at all stages of the investigative life cycle, and the provision of timely information on the follow-up actions taken in response to OLAF's recommendations;
36. Considers that the current OLAF mandate should be assessed for its adequacy in respect of cross-border VAT-related investigations and, in this regard, calls on the Commission to evaluate whether the OLAF Regulation should be clarified or amended to remove any ambiguity about OLAF's competence in relation to VAT fraud affecting the EU budget;
37. Urges the EPPO and OLAF to devote adequate attention to, and allocate sufficient resources for, serious VAT cases that would recover larger amounts of lost revenue for the EU budget;
38. Emphasises the importance of the cooperation between Europol and OLAF in forensic analysis operations, and calls for clearer rules governing such cooperation to enable synergies in the area of forensics in order to optimise coordination; calls, furthermore, for strengthened analytical cooperation between OLAF and Eurofisc in combining and analysing customs and VAT data for the detection of cases of customs and VAT fraud; underlines the importance of OLAF being granted full access to the EU Customs Data Hub in order to improve its detection and prevention work;
39. Expects the AFA legislative package to introduce measures that aim to ensure adequate follow-up on OLAF recommendations, including a strengthened 'Comply or Explain' mechanism for both national authorities and Commission services, asking them either to execute OLAF's recommendations on financial recovery within a reasonable time period or to provide a justification;

40. Calls on the Commission to report regularly to Parliament and the Council on the implementation rate of OLAF's recommendations, including in VAT-related cases;

The AFA components - EPPO Regulation and the PIF Directive

41. Stresses the EPPO's crucial role in the protection of the EU's financial interests and as an essential component of the EU's AFA competent for investigating, prosecuting and ensuring justice for crimes affecting the EU budget, such as fraud, corruption and cross-border VAT fraud;
42. Stresses that the cross-border nature of carousel fraud means that any Member State not participating in the EPPO leaves an exploitable gap in the EU's prosecutorial coverage; takes note of the Commission decision¹³ confirming Hungary's participation in the EPPO, and of Ireland's stated intention to bring forward all necessary legislation to join the EPPO;
43. Reiterates its long-standing call for the Commission to lower the EUR 10 million threshold under Article 2 of the PIF Directive, because it may fail to capture MTIC schemes structured across multiple Member States, and, if appropriate, to propose an amendment addressing this issue;
44. Is aware of the important role the EPPO plays in protecting the EU's financial interests; believes that the ongoing revision of the EPPO Regulation should confirm the EPPO's mandate and allow for an increased focus on serious criminal misconduct and large-scale offences that affect the EU's budget, and calls for steps to ensure that the EPPO, within its operational capacity, is able to handle complex, multi-jurisdictional VAT carousel investigations; observes that the EPPO needs adequate legal professional resources to handle VAT cases and urges the EPPO to hire more specialists in the area of economic law, VAT law and commercial law; stresses the need to provide the EPPO with sufficient human and financial resources to carry out all its duties;
45. Stresses that the revision of the EPPO Regulation is expected to address the essential issue of recovering EU resources that have been affected by fraud and other criminal misconduct and have been seized and confiscated following the EPPO's interventions; points out that Article 38 of the EPPO Regulation states that the treatment of confiscated assets is governed by national law and that when an EPPO investigation results in a final confiscation order, the assets or

¹³ Commission Decision (EU) 2026/1701 of 10 July 2026 confirming the participation of Hungary in the enhanced cooperation on the establishment of the European Public Prosecutor's Office (OJ L, 2026/1701, 13.7.2026, ELI: <http://data.europa.eu/eli/dec/2026/1701/oj>).

seized amounts are handled according to the procedures and domestic laws of the Member State concerned;

46. Understands and agrees upon the current discipline, according to which once a final judgment is rendered the standard domestic asset-disposal procedures apply; notes that, accordingly, there is currently no established domestic or European legal mechanism that obliges a Member State to route confiscated criminal cash directly into the EU budget and when a national court issues a final confiscation order in an EPPO-led case, the funds legally default to the national treasury or national budget of that Member State;
47. Calls on the Commission, in cooperation with the EPPO and the Member States, to establish a clear and binding framework ensuring that assets and proceeds confiscated following EPPO investigations are effectively returned to the EU budget, in full or in part, and duly recorded as EU revenue; underlines that such a mechanism would strengthen deterrence, reinforce the credibility of EU anti-fraud efforts, contribute to the protection of the EU's financial interests and ensure that recovered funds can be redeployed to finance EU priorities; stresses that transparency and reporting obligations on the amounts confiscated, returned and reallocated must be guaranteed, with full information provided to Parliament as budgetary and discharge authority;
48. Notes that the recovered amounts that are routed to the EU's budget following their seizure by the EPPO and confiscation by national courts is limited; underlines that the final recovery of lost funds technically falls outside the EPPO's operational mandate, and that the EPPO's remit ends once a conviction and confiscation order are secured; believes that a specific provision should be added to clarify roles and responsibilities and enhance coordination between EU and national authorities in supporting the recovery process, while fully respecting the competences of the Member States and without prejudice to the legitimate rights and expectations of the parties involved and the parties who suffered damage; maintains that the budgetary and discharge authority needs to fully understand the financial impact of the confiscations and their execution;

The AFA components - Europol Regulation

49. Welcomes the ongoing structural evolution in Europol's operational role and calls for the revision of the Europol Regulation to expand Europol's analytical and support mandate in VAT fraud cases;
50. Calls for Europol's operational capacity to be strengthened through increased staffing and technical resources in order to enable it to be able to handle the large number of VAT fraud cases;
51. Asks that Europol be granted the legal capacity to formally propose to the EPPO and national competent authorities the opening of cross-

border investigations in VAT fraud when its big-data analysis identifies evidence of systematic cross-border criminal networks; insists that Europol's AI-assisted financial intelligence tools should be fully deployed in support of Eurofisc's TNA activities for VAT-related matters, and in favour of all the AFA operations where useful and appropriate;

52. Calls for Europol, in the revision of the Europol Regulation, to be given direct access to Eurofisc's TNA tool, network maps of suspected fraud chains and list of high-risk traders, as well as other data collected by Eurofisc; notes that Europol does not currently have direct access to Eurofisc systems, that it cannot even query Eurofisc databases independently and that it does not receive Eurofisc data automatically and instead only receives information on a case-based arrangement; notes that this hampers investigations and causes time delays; calls for this to be reflected in the revised AFA;

The AFA components - Eurojust Regulation

53. Calls on the Commission to include in the revision of the Eurojust Regulation provisions that reinforce Eurojust's coordination role in complex, multi-jurisdictional VAT fraud cases; proposes that dedicated operational coordination capacity be created within Eurojust for VAT fraud cases;
54. Insists that the revised Eurojust Regulation must strengthen judicial cooperation in asset freezing and evidence-gathering; stresses that Eurojust's network of judicial contact points must be fully operational for executing European investigation orders in VAT fraud investigations;

Recovery of amounts affected by fraud

55. Stresses that deterrence and the effective protection of the EU's financial interests require not only the investigation and prosecution of VAT fraud but also the actual recovery of amounts fraudulently diverted; deplores the persistent fragmentation and low efficiency of recovery processes, as highlighted by ECA Special Report 26/2025 and OLAF's annual reports; notes that Parliament has repeatedly urged, in its resolutions on the protection of the EU's financial interests, the Commission to conduct stronger recovery reporting, but has not obtained satisfactory results;
56. Welcomes the Commission's announcement tasking OLAF with creating a structured monitoring mechanism on the follow-up actions taken in response to EPPO notifications under Article 103(2) of the EPPO Regulation and OLAF administrative recommendations in VAT-related cases, specifying the amounts actually recovered versus the amounts recommended for recovery; calls for adequate resources to

be allocated to OLAF for this task, and asks that it report annually to Parliament and the Council on this matter;

57. Calls on the Commission to propose a clear legislative act ensuring that amounts recovered from fraudsters following EPPO investigations and related to damages to the EU's financial interests, are appropriately returned to the EU budget;

Import VAT fraud and the nexus with customs fraud

58. Notes with concern the findings of ECA Special Report 08/2025 on VAT fraud on imports, which identified systemic failures in the enforcement of VAT obligations upon importation; stresses that fraudulent under-declaration of customs value, the misuse of VAT exemptions upon importation, and the infiltration of e-commerce flows from non-EU countries, including through platforms systematically undervaluing shipments in order to heavily misuse low-value exemptions, constitute a growing vector of revenue loss that is closely interconnected with intra-Community VAT fraud; underlines the need to improve the cross-border exchange of information between customs and VAT authorities;
59. Calls on the Commission to address the vulnerabilities identified in Customs Procedures 42 and the Import One-Stop Shop; insists that the technical architecture governing the EU customs data hub must be designed, from the outset, to ensure full real-time interoperability with the national systems; calls on the Commission to ensure the automated cross-referencing of customs declaration data against VAT registration records in VIES and against Eurofisc risk indicators;

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60. Instructs its President to forward this resolution to the Council, the Commission, the European Court of Auditors, the European Public Prosecutor's Office, the European Anti-Fraud Office (OLAF), the European Union Agency for Law Enforcement Cooperation (Europol), the European Union Agency for Criminal Justice Cooperation (Eurojust), and the governments and parliaments of the Member States.