

CONTENTS

Glossary	5
Introduction	7
About authors	11
Preface	13
1. Framework of value added taxes (introduction and legal aspects)	15
1.1. The theory of crime	15
1.2. Introduction to the value added tax system	20
1.2.1. Customs procedure 42	24
1.3. European Union legal framework concerning VAT	26
2. International aspects of value added taxes	35
2.1. International cooperation in the field of economic crime	35
2.1.1. European Union	36
2.1.2. Financial Action Task Force	43
2.1.3. United Nations	44
2.2. Tax havens	45
3. Value added tax and Carousel fraud schemes in the European Union and the Slovak Republic	49
3.1. Value added tax fraud schemes in the European Union	49
3.2. Selected sections of the Penal Code Act of the Slovak Republic concerning VAT frauds	59
3.2.1. Tax and Insurance Evasion	60
3.2.2. Tax Fraud	62
3.2.3. Obstruction of Tax Administration and Distortion of Data in Financial and Commercial Records	65
4. Means of combating VAT frauds	69
4.1. Administrative cooperation tools to tackle intra-Community VAT frauds	69
4.2. Combating VAT frauds	78

5. Downsides of the EU's response to VAT frauds and proposed solution	85
5.1. Lack of cooperation in the European Union	85
5.1.1. Towards more efficient tax administrations	90
5.2. Action plan of the European Commission	91
5.3. Temporary derogation for Member States to tackle national and structural fraud	100
5.4. Medium term measure to tackle VAT gap	101
5.5. Towards a modernised rates policy	105
5.6. Urgent measures to tackle the VAT gap	106
6. Digital single market and e-commerce	109
6.1. The Digital Single Market strategy	109
6.2. E-commerce	111
6.2.1. Government regulations for e-commerce	113
6.2.2. The e-Commerce Directive	113
6.2.3. E-commerce in Europe	114
6.2.3.1. E-commerce customers in Europe	115
6.2.3.2. The e-commerce market in Europe	115
6.3. Electronic invoicing	116
7. Carbon credit trading and connected frauds	119
7.1. How carbon credit trading works	120
7.2. Carbon credit fraud as a variation of the VAT carousel fraud	121
Conclusion	125
Literature	129