THE 6th BRITACOF

Shared Progress in Taxpayer Service for a Better Business Environment

9-11 September 2025 | Kathmandu, Nepal

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OPPORTUNITIES FOR SCREENING ECONOMIC PROCESSES IN EUROPE

Ferenc Vágujhelyi

Commissioner for the NTCA (National Tax and Customs Administration), **Hungary**

President of IOTA (Intra-European Organisation of Tax Administrations)

National Tax and Customs Administration

IOTA Intra-European Organisation of Tax Administrations

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EUROPE – THE BOUNDARIES

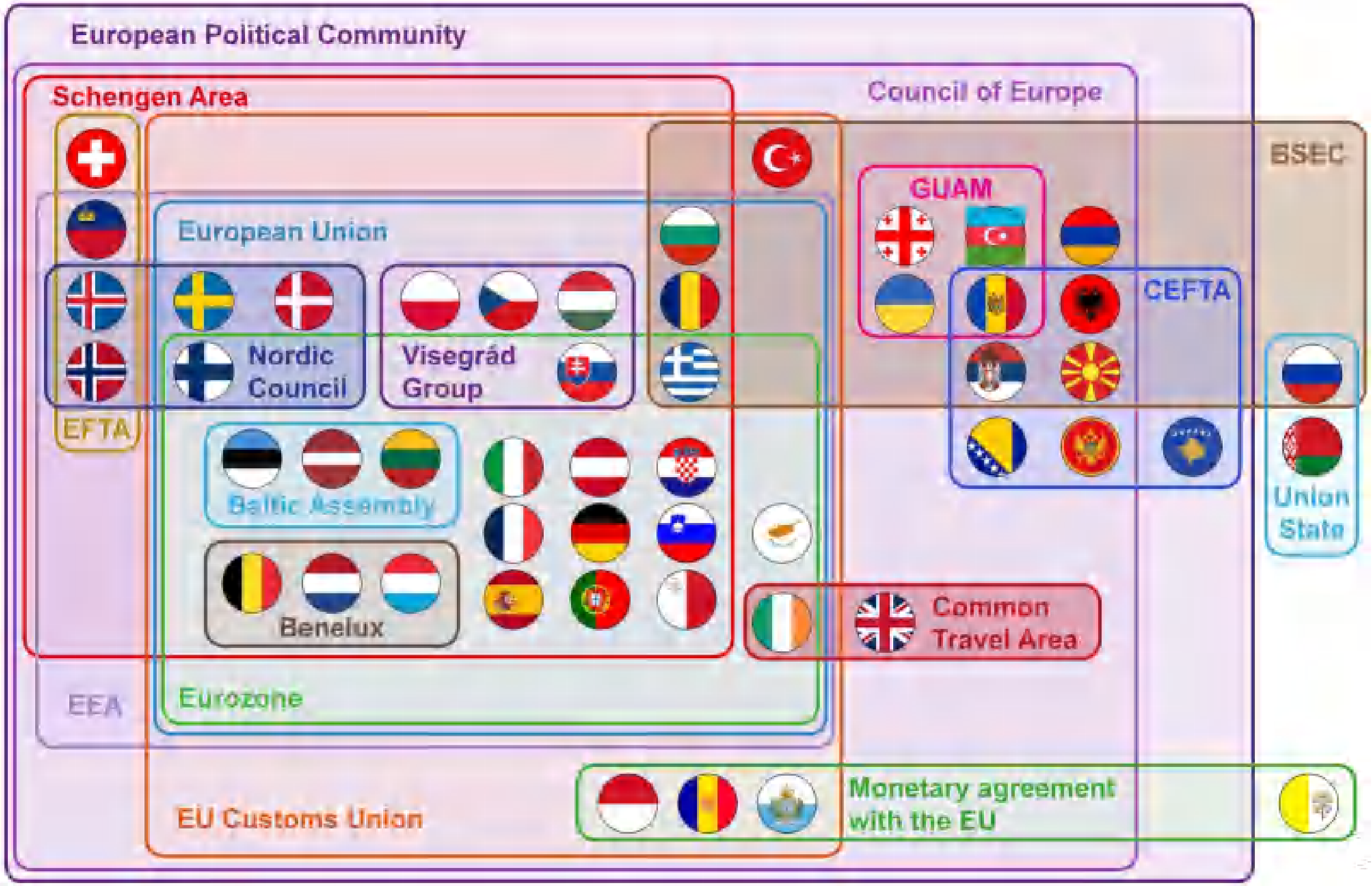
Countries: 45

IOTA members: 43
incl. 1 territory

IOTA Associated member: 1

European Economic Area: 30
part of the customs union

Schengen Area: 29
incl. Switzerland, who is excluded
from the customs union



Source: https://upload.wikimedia.org/wikipedia/commons/6/6a/Supranational_European_Bodies.svg

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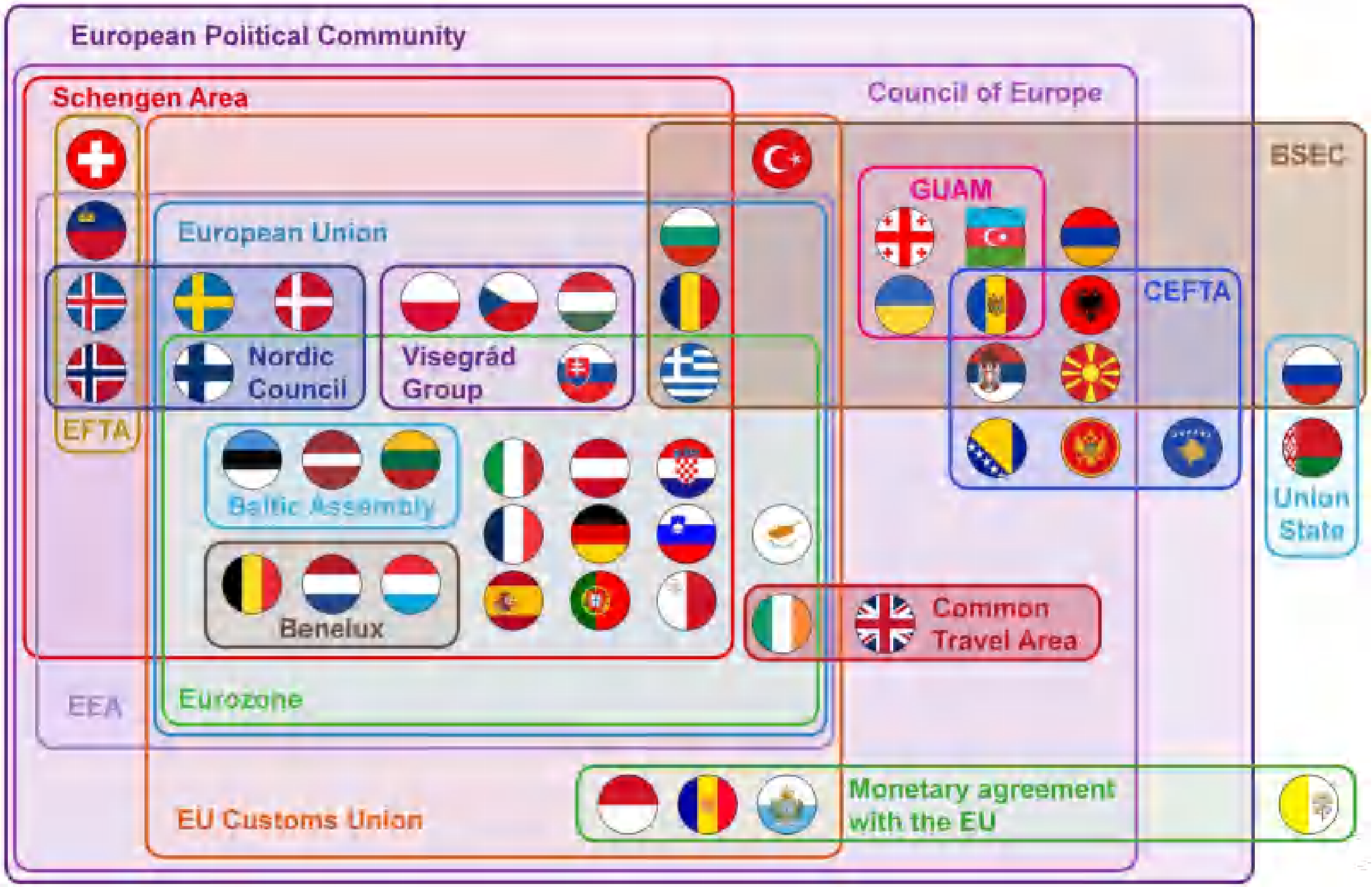

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EUROPE AND THE WORLD

Tools to tackle the challenge and its deficiencies

HIGH RESOLUTION DATA ON THE ENTIRE ECONOMY

DAC7 Report

Contains quarterly aggregated data.

Annual reporting period.

Deficiency: Many shell companies disappear within 90 days, never submitting a VAT return.

OSS (One-Stop Shop) System

Unified national e-invoice service platform

minimal administration

intelligent analytics

more sophisticated machine learning models

Many shell companies disappear within (60+) days, never submitting a VAT return.

Transactional data.

Deficiency: Reporting is quarterly, leading to delays.

VAT in the Digital Age (ViDA) - Digital Reporting Requirements (DRR)

Every member state will have an online invoice data collection system for all released invoices.

DIGITAL IDENTITY FOR TRUSTED DATA

Digital channels must be based on a solid digital identity model if used in public administration.

The EU has the eIDAS regulation to implement the European Self-Sovereign Identity.

The infrastructure has to be established in all member states and digitally certified documents must be accepted regardless of the country of origin.

CROSS-BORDER FRAUD → CROSS-BORDER FRAUD-DETECTION

Tax and customs fraud schemes today span multiple countries and actors: companies, banks, lawyers, accountants, crypto platforms.

These networks are designed to conceal illegal activity.

Auditing a single company rarely reveals wrongdoing. Only the full network can show the complete picture.

The fraudster is the network.

That requires cross-border data sharing among tax administrations.

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