

Methods for Detection, investigation and Prevention Illegal Tax-Carousel Frauds; Comparative in EU and in the Republic of Slovenia

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The article examines investigative methods for detection and administrative organizational methods for prevention of special cases of chain VAT frauds, called *carousel frauds*. The authors examine the direction of international cooperation between different branches of government, in particular EU Member States and international cooperation among various international organizations. The methods are then placed in a Slovene context. The methodology is descriptive and comparative analysis, with applicative synthesis to Slovenian tax practice. With the support of causal consecutive analysis, the authors identify the most appropriate methods for detection, investigation and prevention of carousel frauds. A comparative method is applied on the basis of email interviews with tax experts from various Member States.

Furthermore, all the solutions are placed in the Slovene tax context. Of most importance for the detection and prevention of tax frauds is the development of administrative cooperation among different branches of government in particular Member States (tax and customs authorities, financial institutions, police, ministries of justice) with the possibility of on-line exchange of data and international cooperation among various international organizations on the basis of joint investigation teams. Through comparative analysis of methods for the detection and prevention of tax frauds within the EU, the paper significantly contributes to the identification of the most appropriate methods in the fight against carousel fraud in the EU, as well as in Slovenia and indicates their future development.

Key words: VAT fraud, carousel fraud, tax fraud, European tax legislation, international organizations, administrative cooperation, police, jurisdiction

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