

Alcohol, cigarettes and fuel are subject to excise duty upon production in, or on import to, the EU.

Organised crime groups use various modi operandi to avoid excise duties and generate significant profits by selling both genuine and counterfeit excise goods at lower prices than their licit equivalents.

Excise tax fraud is driven by legislative differences and varying excise tax rates applied by different Member States.

The main areas of excise fraud in Europe include:

- › the smuggling or illegal importation of excise goods
- › the illegal manufacture of excise goods
- › diversion, which involves diverting goods without paying excise duty.

As identified by the [2017 Serious and Organised Crime Threat Assessment](#) (SOCTA), fuel fraud is a growing phenomenon and typically involves base-oil fraud, also called "designer fuel" fraud, and fuel laundering. This type of fraud requires significant expertise, which is usually only available from trained chemists or similar professions.

## CRIME ENABLER

Excise fraud deprives Member States of revenue that would otherwise be used to fund vital public services such as schools, hospitals and infrastructure. A crime enabler or threat financier that facilitates organised crime groups to commit other serious crime, it is also a threat to national security.

In 2010 a UN Security Council investigative body established a link between excise fraud and the financing of terrorism. It reported that millions of dollars in illicit tobacco revenues were reaching al-Qaeda, the Taliban, other terrorist organisations and organised crime groups.

According to [KPMG](#), 48 billion illicit cigarettes were consumed in the EU in 2016, depriving EU governments of EUR 10.2 billion in tax. KPMG also estimated that almost 9 % of all the cigarettes consumed in the EU were counterfeit or contraband.

In 2015 the Transcrime research centre estimated that in the EU the illegal cigarette market yielded between EUR 7.8 and 10.5 billion in criminal proceeds, which is comparable to the revenues generated in the cocaine and heroin markets.

## EUROPOL RESPONSE

Excise Fraud is one of the [EMPACT priorities](#) under the 2018-2021 EU policy cycle. Europol's [Analysis Project](#) Smoke is dedicated to investigating the unlawful manufacturing and smuggling of excise goods, particularly tobacco and cigarettes.

NUMBER OF ITEMS FOUND: 41

SEARCH



TYPE

Article/Story, Event, How-To Guide, Landing Page, Multimedia, News/Press Release, Operation, Page, Publication/Document



TARGET GROUP



SEARCH

CLEAR ALL



28 Oct 2019

## ILLEGAL TOBACCO TRADE HALTED AFTER INTERNATIONAL OPERATION

NEWS/PRESS RELEASE

18

Sep  
2019

## TRASH WORTH MILLIONS OF EUROS

NEWS/PRESS RELEASE

17  
Sep  
2019



## 29 ARRESTS IN FRANCE AND SPAIN IN A MIGRANT SMUGGLING CASE

NEWS/PRESS RELEASE

04  
Jun  
2019

## ILLEGAL CIGARETTE FACTORY DISMANTLED: 25 MILLION CIGARETTES AND 10 TONNES OF TOBACCO SEIZED

NEWS/PRESS RELEASE

21  
Dec  
2018

## IMPACT JOINT ACTION DAYS GENERATE BIG RESULTS IN 2018

NEWS/PRESS RELEASE

21  
Sep  
2018

## END OF THE ROAD FOR FUEL FRAUDSTERS: EU LAW ENFORCEMENT SEIZE 2.2 MILLION KG OF ILLICIT FUEL

NEWS/PRESS RELEASE

06  
Aug  
2018

## CRIMINAL NETWORK SMUGGLING CIGARETTES AND ALCOHOL THWARTED IN POLAND

NEWS/PRESS RELEASE

23  
Jan  
2018



PUBLICATION/DOCUMENT



## SPANISH GUARDIA CIVIL SUPPORTED BY EUROPOL BREAKS UP AN ILLEGAL TOBACCO FACTORY

NEWS/PRESS RELEASE



## LARGE-SCALE JOINT ACTION DAY (LS-JAD)

OPERATION



## JOINT ACTION DAY DUAL

OPERATION



## OPERATION DRAGON DELIVERS MAJOR BLOW TO ORGANISED CRIME

NEWS/PRESS RELEASE

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◀ PREVIOUS

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