

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

02
Oct
2017

43 ARRESTS IN SUCCESSFUL HIT AGAINST ORGANISED CRIME

NEWS/PRESS RELEASE



EUROPOL IN BRIEF (ANNUAL REVIEW)

20
Oct
2016



EUR 320 MILLION VAT FRAUD: KEY TARGETS ARRESTED

NEWS/PRESS RELEASE



EU POLICY CYCLE - EMPACT



JOINT INVESTIGATION TEAMS - JITS

26
Mar
2015



MILLIONS OF EUROS RECOVERED IN OPERATION AGAINST EXCISE FRAUD

NEWS/PRESS RELEASE

17
Feb
2015



CRIMINAL NETWORK SMUGGLING CIGARETTES AND ALCOHOL THWARTED IN GERMANY

NEWS/PRESS RELEASE

16
Feb
2015



RECORD SEIZURES OF FAKE FOOD AND DRINK IN INTERPOL-EUROPOL OPERATION

10
Feb
2015



EUROPOL SUPPORTS HUNGARIAN AUTHORITIES TO SHUT DOWN MASSIVE ILLEGAL CIGARETTE FACTORY

NEWS/PRESS RELEASE

17
Dec
2014



TACKLING TAX CRIME IN A DIGITALISED ECONOMY

NEWS/PRESS RELEASE

24
Oct
2014



ASSOCIATION OF LAW ENFORCEMENT FORENSIC ACCOUNTANTS NETWORK MEETS AT EUROPOL

NEWS/PRESS RELEASE

24
Sep
2014



ORGANISED CRIME NETWORKS TARGETED IN HUGE LAW ENFORCEMENT OPERATION IN EUROPE

NEWS/PRESS RELEASE

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