

# BILATERAL

## Fight against fraud

### Key data

Date of signing: 26 October 2004 (in the framework of Bilaterals II)

Approval by Switzerland: 23 October 2008

Provisional implementation by Switzerland: since 8 April 2009

**Smuggling and fraud in the field of indirect taxation have a damaging effect on trade, and result in a loss of tax revenue. Switzerland and the EU have signed a bilateral agreement which forms the basis for effectively combating such fraudulent activities.**

Crimes related to customs duties, value added tax and consumer tax, as well as those committed in the context of granting subsidies and in public procurement are frequently organised by international groups. Switzerland and the EU cooperate closely in combating this form of organised crime. Switzerland's efficient financial centre exposes it to increased risks. It is very important not to allow the Swiss financial centre to be misused as a hub for fraudulent activities.

Smugglers defraud the state by evading customs duties, value added tax and special consumer taxes such as those on cigarettes, alcohol or oil. These taxes are indirect, which

the state levies on imports of products. Nevertheless, fraud also affects subsidies – obtained under false pretences – and public procurement.

Switzerland has committed to providing the EU with legal and administrative assistance. Swiss criminal prosecutors can order enforcement measures on behalf of the EU. These include searches, confiscation, and access to bank accounts. The fundamental principle is that Swiss authorities acting on behalf of the EU can apply the same investigative methods as would be applied in Swiss proceedings. Enforcement measures are now also possible in administrative assistance (cooperation between administrative authorities such as customs authorities) and not just in legal assistance (cooperation between judicial authorities).

The agreement does not cover direct taxes such as income tax.