



European electricity & gas sector welcomes adoption of anti-VAT-fraud package by ECOFIN Council

Brussels, 21 June 2013

As a group of ten European electricity & gas associations, comprising regulators, exchanges, brokers, clearing houses, transmission system operators, energy trading firms, utilities and guarantee of origin issuing bodies, we highly welcome today's adoption of the anti-VAT-fraud package by the ECOFIN Council at its last meeting under the current Irish Council Presidency. This constitutes a major step towards the eradication of VAT fraud in the electricity and gas markets in Europe.

After today's adoption by the Council of the European Union, it is now important that all EU-Member States make appropriate use of the possibility of applying the reverse charge mechanism (RCM) to qualifying electricity and gas transactions in their national markets in order to actively eradicate VAT fraud and to prevent significant losses to their Exchequers as well as to affected organisations. In our opinion, only by applying the RCM as broadly as possible and in a harmonised way within the European Union will fraudsters be stopped from further abusing the electricity and gas markets for criminal purposes.

The present package consists of two major legislative changes: one provides the possibility for Member States to introduce the RCM to a series of specified goods, including electricity and gas, at national level. The second major legislative change creates a Quick Reaction Mechanism (QRM) that will enable the European Commission to grant Member States special derogations for a maximum period of one year in case of major fraud attacks.

The political process of reaching an agreement in the fight against VAT fraud in the electricity and gas sector at European level has taken several years, and the negotiations in the Council have proved particularly complex. The Directorate-General for Taxation and Customs Union (DG TAXUD) and the Irish Presidency of the Council of the European Union have been great drivers that helped shape and put forward the present legislation. Their vision and engagement was key to uniting all 27 EU-Member States on this important issue.

For further information and details on the issue of VAT fraud in electricity and gas trading, please see our [Joint Statement](#) of 6 December 2011 as well as our common [press release](#) of 25 March 2013.

End.



Information on the ten associations:

About AIB – Association of Issuing Bodies

The AIB represents European certificate system administrators and is the leading enabler of international energy certificate schemes throughout Europe, and in particular those relating to guarantees of origin under Directives 2009/28/EC and 2012/28/EC. The AIB has developed, uses and promotes a standardised system: the European Energy Certificate System - EECS – which ensures the reliable operation of international certificate schemes. These schemes satisfy the criteria of objectivity, non-discrimination, transparency and cost effectiveness in order to facilitate the international exchange of certificates. In order to further facilitate the international exchange between energy certificates, the AIB operates an inter-registry telecommunications Hub. The AIB also provides a knowledge centre for energy certificate authorities across Europe, providing and sharing advice and guidance.

<http://www.aib-net.org/>

About CEER - The Council of European Energy Regulators

The Council of European Energy Regulators (CEER) is the voice of Europe's national regulators of electricity and gas at EU and international level. Through CEER, a non-for-profit association, the national regulators cooperate and exchange best practice. A key objective of the CEER is to facilitate the creation of a single, competitive, efficient and sustainable EU internal energy market that works in the public interest.

<http://www.energy-regulators.eu>

About EACH - European association of CCP Clearing Houses

European central counterparty clearing houses (henceforth CCPs) formed EACH in 1991. EACH's participants are senior executives specialising in clearing and risk management from CCPs, both EU and non-EU. Increasingly, clearing activities are not restricted exclusively to exchange-traded business. EACH has an interest in ensuring that the evolving discussions on clearing and settlement in Europe and globally, are fully informed by the expertise and opinions of those responsible for providing central counterparty clearing services.

<http://www.eachorg.eu>

About EFET- European Federation of Energy Traders

The European Federation of Energy Traders (EFET) promotes and facilitates European energy trading in open, transparent and liquid wholesale markets, unhindered by national borders or other undue obstacles. EFET currently represents more than 100 energy trading companies, active in over 27 European countries.

<http://www.efet.org>

About ENTSO-E - The European Network of Transmission System Operators for Electricity

ENTSO-E is the European Network of Transmission System Operators for Electricity, representing 41 Transmission System Operators (TSOs) from 34 countries. TSOs are responsible for the bulk transmission of electric power on the main high voltage electric networks, one of the most important infrastructure backbones of Europe's service and industrial economy.



ENTSO-E's legal basis is Regulation (EC) 714/2009 on electricity cross-border exchanges, mandating it to draft network codes and non-binding community-wide ten-year network development plans; and to ensure the optimal management, coordinated operation and sound technical evolution of the European electricity transmission network.

<http://www.entsoe.eu>

About Eurelectric - The Union of the Electricity Industry

The Union of the Electricity Industry-EURELECTRIC is the sector association which represents the common interests of the electricity industry at pan-European level, plus its affiliates and associates on several other continents.

<http://www.eurelectric.org>

About Eurogas - The European Union of the natural gas industry

Eurogas is an association representing about 50 companies and associations engaged in the wholesale, retail and distribution of gas in Europe. Eurogas provides data and information relevant to EU decision makers and opinion formers in making the right policy choices.

<http://www.eurogas.org>

About EUROPEX - Association of European Energy Exchanges

Europex is a not-for-profit association of European energy exchanges that represents the interests of the exchange-based wholesale markets for electrical energy, gas and environmental markets with regard to developments of the European regulatory framework for wholesale energy trading and provides a discussion platform on a European level.

<http://www.europex.org>

About GIE - Gas Infrastructure Europe

Gas Infrastructure Europe (GIE) is an association representing the sole interest of the infrastructure industry in the natural gas business such as Transmission System Operators, Storage System Operators and LNG Terminal Operators. GIE has currently 69 members in 25 European countries. Its mission is to actively contribute to the construction of a single, sustainable and competitive gas market in Europe underpinned by a stable and predictable regulatory framework as well as by a sound investment climate.

<http://www.gie.eu.com>

About LEBA - London Energy Brokers Association

The London Energy Brokers' Association (LEBA) was formed in 2003 to represent the interests of London-based energy brokers. LEBA comprises 10 members, which together provide coverage for all key product groups in the energy sector: oil, gas, power, coal and emissions.

<http://www.leba.org.uk>