

## Abstract

### **The execution of controls by the Customs and Excise administration for the account of other tax authorities**

*According to an audit conducted by the Belgian Court of Audit, controls performed by the Customs and Excise department, in particular for the account of the Corporate and Income Tax department ("Administration de la fiscalité des entreprises et des revenus/ Administratie van de Ondernemings- en Inkomensfiscaliteit - AFER/AOIF) do not meet the standards of effectiveness.*

The Customs and Excise department is inter alia responsible for controls on the circulation tax, the tax on entertainment slot machines, vehicle registries held by garage operators and road haulage of goods. The Court's audit noticed a failure in meeting the conditions necessary for an effective implementation of these controls. The scope of action and the powers of each party were not clearly defined; the control outcomes were not always presented in a way to be directly exploitable and were not quickly forwarded to the relevant entity; the entities that issued the findings were not informed of subsequent follow up actions.

The Court's examination also revealed that controls performed on road goods transport had become obsolete in the light of the current European regulations and that the findings in the frame of controls performed by the mobile customs' brigades were not used by the VAT and the AFER divisions. Besides, in the instance of registries held by garage operators, they found discrepancies in the application of control standards and fines imposed under VAT law so that the VAT division did not take further action on a great number of findings of the customs' department. Coordination between both departments on the ground to check the compliance with tax laws (among others for entertainment machines) was also found insufficient. Lack of access for customs officers to data that are actually deemed necessary for the completion of their controls, for instance as far as circulation taxes are concerned, had an adverse effect on the quality of the findings and hindered file administration. Finally, the persons who recorded the infringements were not kept informed of any follow up action so that they were unable to gauge the usefulness of their controls.

On the whole, the Court stressed the need for both tax departments to have relevant and reliable indicators in order to ensure an optimal monitoring of the control activities achieved if both departments were to increase the value of their collaboration.

After a contradictory debate, the Finance minister let it know that he had no remarks to make about the Court's audit and stated that both departments would be invited to put into practice the intentions expressed following the audit findings and improve mutual communication.