



# Action against fraudulent chains operating in the natural gas trading sector

## 2025

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National Tax and  
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# Introduction

Bence Weisz



- Working with NTCA since 2015
- Tax auditor 2015-2018
- Head of Unit 2018-2024
- Expert on VAT at NTCA Central Office 2024-

# Timeline of the fraudulent activity and the reaction



## FIRST TRANSACTION

The first fraudulent transaction is happening, starting the chain.

The first tax returns containing fictitious invoices arrive in October

2023  
Sept



## DETECTION

The NTCA Central Office receives several reports about suspicious activities and unlawful taxpayers operating in the field of natural gas trading

2024  
Jan to May



## PLANNING

The central office prepared detailed analyses covering the entire sector. Consultations were held with the main actors. Intervention points were identified.

2024  
May to Sep

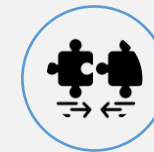


## EXECUTION

Both the tax authority and the criminal investigation department started their procedures.

Legislative actions were taken.

2024  
Okt



## WHERE WE ARE NOW

Current status of the audits and investigations.

What are the current results?

What steps are we planning in the near future?

2025  
Jun



## Special scheme of natural gas systems

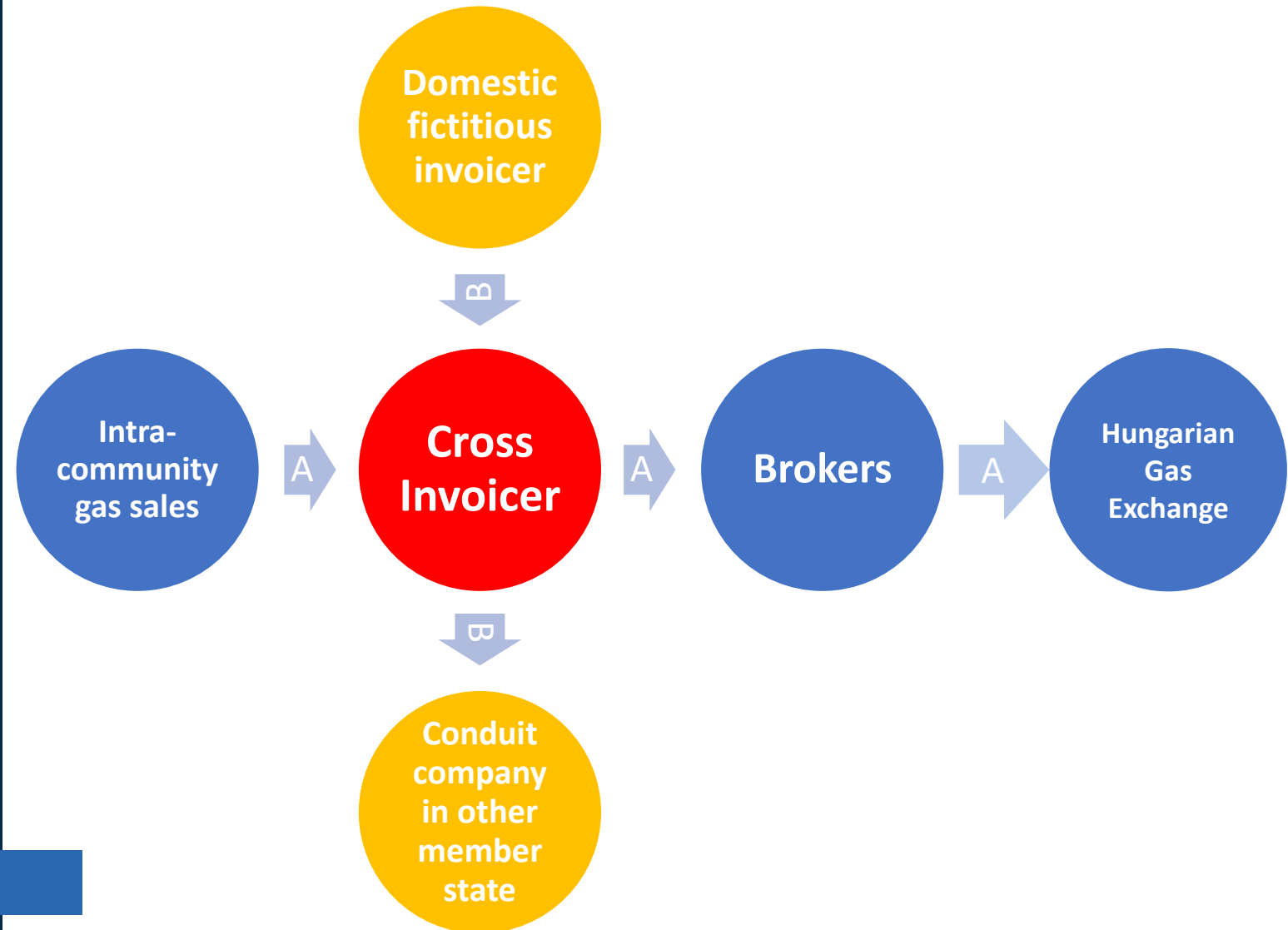
- Special rules for place of taxable transactions
- Special rules for taxable person (reverse charge)
- Participation in trading is subject to a permit (Hungarian Energy and Public Utility Regulatory Authority)
- Most of the transactions is taking place on the commodity exchange (CEEGEX, HUGEX)
- Sales taking place on the commodity exchange are balanced out and invoiced through a clearinghouse

# Cross invoicing

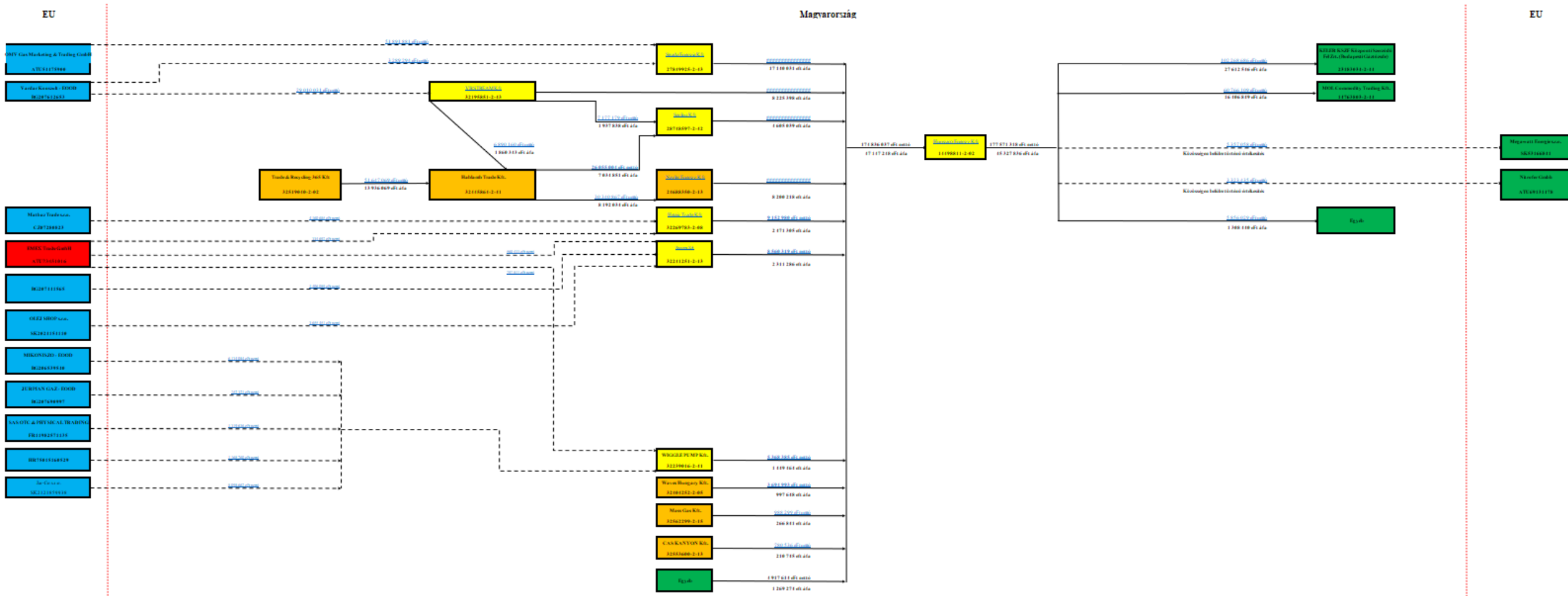
A: Real natural gas sales took place on one branch of the system

B: On the other branch electronic devices were sold, but only on paper, later were proven that these devices did not exist.

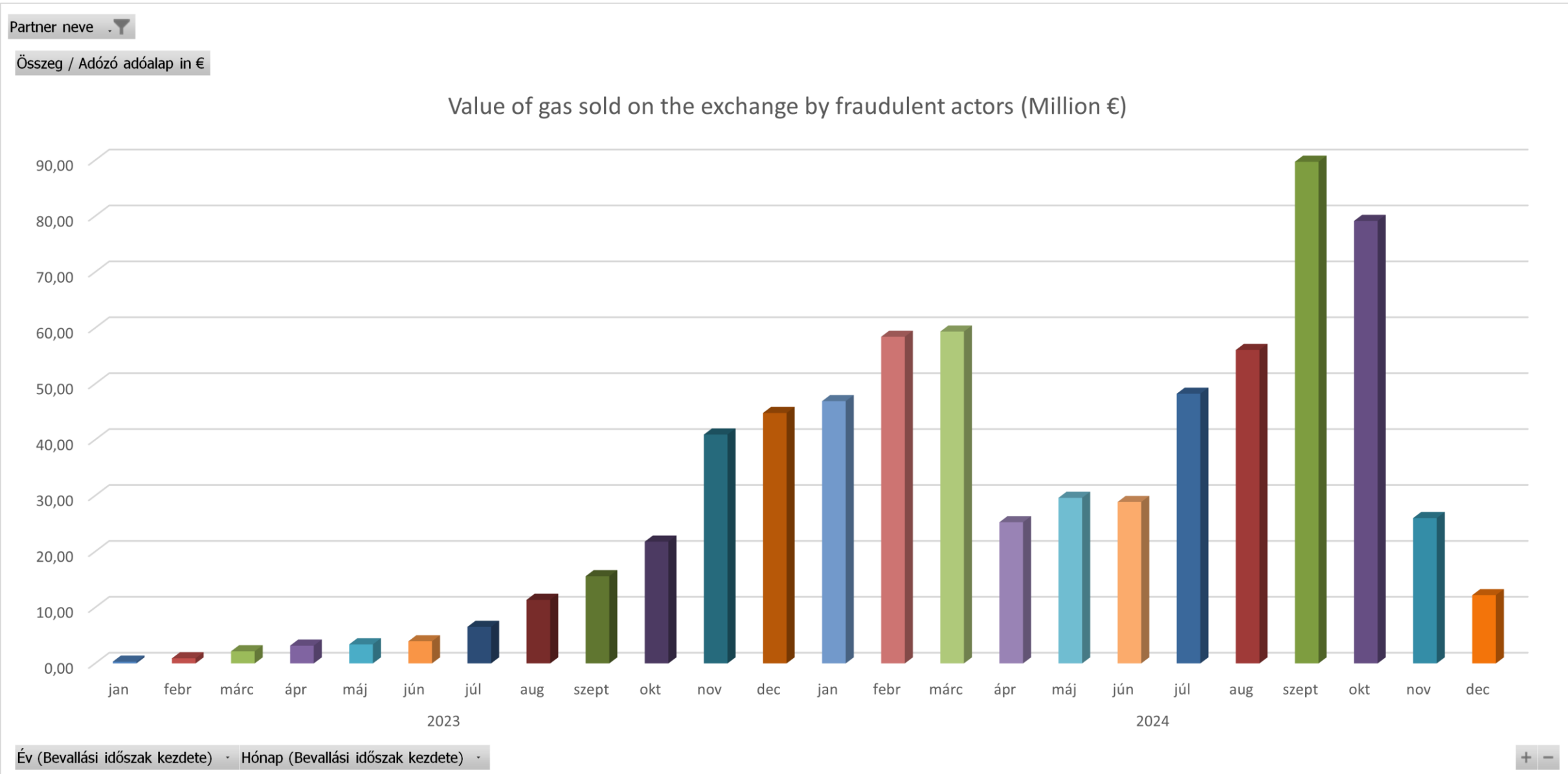
## Schematic diagram of the fraudulent company network



# Of course it wasn't so simple in the end....



# Detection phase



# Detection of fraudulent activity

## NTCA's early detection system

Online invoice-data provision  
Tax return data  
VIES, TNA  
Internal reports about suspicious taxpayers

## HEPUR reports

The **Hungarian Energy and Public Utility Regulatory Authority** is the regulator of the Hungarian energy and public utility markets  
oversees sectors of strategic importance to the national economy.

## Reports of the clearing house

Significantly increasing traffic  
Increasing VAT refund claims for the clearing house  
Deteriorating liquidity



# Execution Phase

## Tax Audit Department

- We started tax audits
- At the same time, the companies' assets were seized
- SCAC and MLC

## Criminal Investigation Department

- Ongoing investigation
- Interrogations
- Arrest of the main organizers
- House searches

## Hungarian Energy and Public Utility Regulatory Authority

- The gas trading licenses of the fraudulent actors were revoked
- New risk analysis methodol for new license applicants

## Legislative Action

- Amendment of the VAT Act
- Introduction of reverse charge VAT
- Stricter reporting obligations

## Legislative action

- COUNCIL DIRECTIVE 2006/112/EC:

*Article 199a: Until 31 December 2026, Member States may provide that the person liable for the payment of VAT is the taxable person to whom any of the following supplies are made:*

*(e) supplies of gas and electricity to a taxable dealer as defined in Article 38*

- In accordance with the Directive, the legislator decided to introduced reverse charge on the trade of natural gas.
- In the same time the taxpayers trading with natural gas

## Closing thoughts

To analyze the vast amounts of data, auditors must also be data scientists.

Automatic early detection systems can be effective in the case of simpler tax evasion, but when we encounter extremely extensive fraud affecting an entire sector, it is better to take a step back and think with a unique approach, in a project perspective.

Cooperation between authorities is vital (Criminal Investigation Department – Audit Department, Tax Authority – HEPUR)

Fast administrative action from the legislator helps in the prevention of future criminal activities, but past actions must be proven by auditors and investigators.



# Q&A session



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Thank you for your attention!