

Used car trade

preventive measures
at the local level



Baden-Württemberg
Oberfinanzdirektion



Agenda

- (1) Baden-Württemberg – Where are we? And why cars?
- (2) Structure of combating VAT fraud in Germany & Baden-Württemberg
- (3) Structure of the tax offices in Baden-Württemberg
- (4) Example No. 1 – new registration – B GmbH
- (5) Example No. 2 – activated shell company – U GmbH
- (6) Example No. 3 – change of business activity – L GmbH

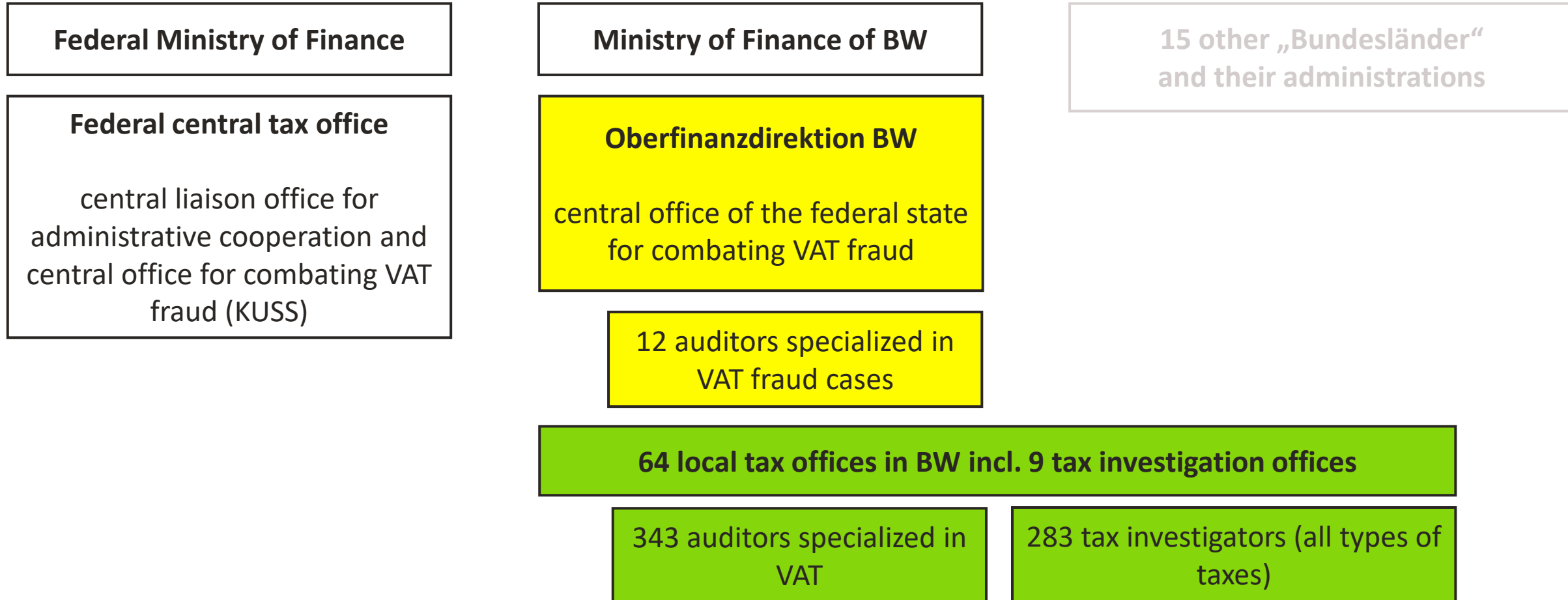
Baden-Württemberg

Where are we? And why cars?

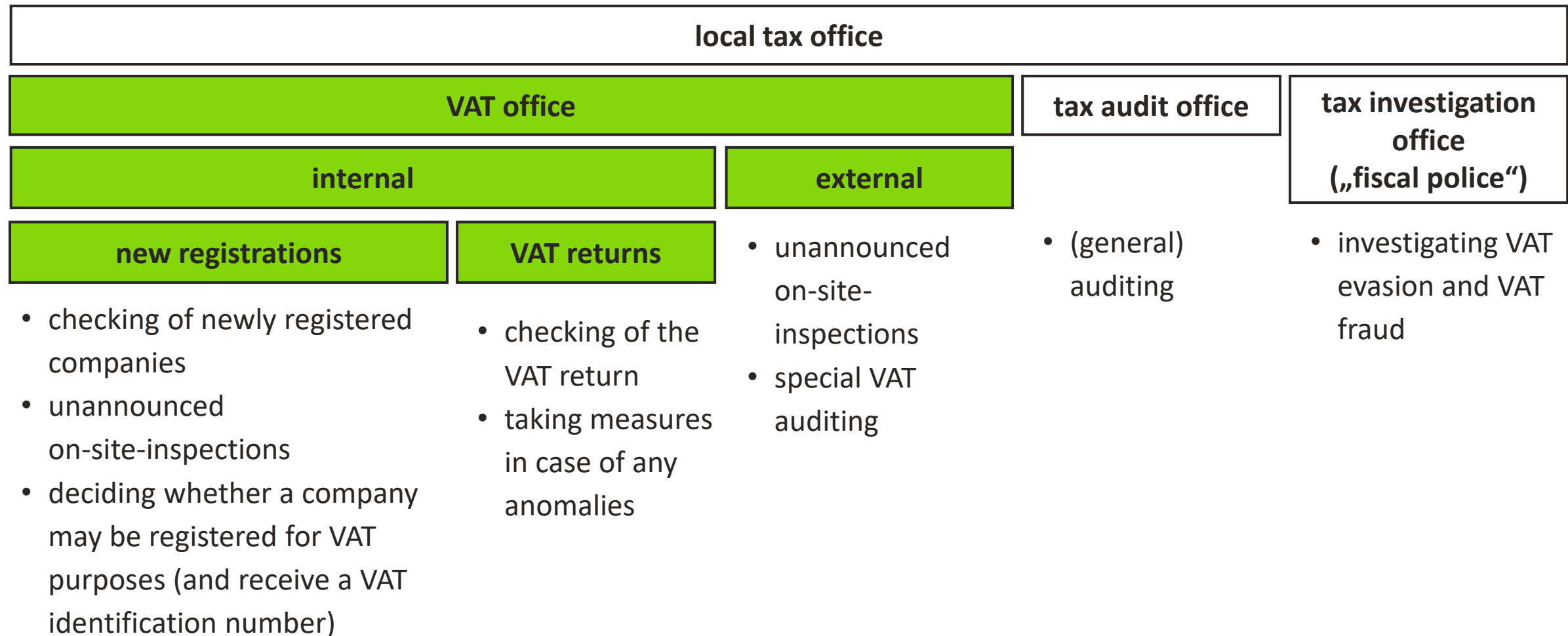
- 149 global market leaders, more than 1.000 small and medium enterprises in the industrial sector
- leading sector: vehicle construction (30 % of the industrial turnover), followed by: mechanical and plant engineering, metal and electrical industries, chemical, pharmaceutical and optical industries
- “land of inventors”
- 925.000 registrations for VAT purposes (without those under exemption for small, but including all other business sectors)



Structure of combating VAT fraud in Germany & Baden-Württemberg



Structure of the tax offices in Baden-Württemberg



Ex. 1 – new registration – B GmbH

➤ questionnaire

- founded 01.03.2024
- Managing Director = I. B., born 11.03.1963 in Romania
- company address = residential address of I. B.
(GoogleStreetview → small apartment block)

The registration of the company for VAT purposes was denied.

No VAT identification number was issued.

➤ on-site-inspection

- house in need of renovation
- no mailbox with the company's name
- no doorbell with the company's name
- no other indications for the company's actual presence there

The case was added to the federal VAT fraud data base.

➤ correspondence

- mail was returned



Ex. 2 – activated shell company– U GmbH

➤ basic information

- founded 01.11.2020
- 01.05.2023 → change of share holder
- new share holder and managing director = M. T., residential address in France
- GoogleStreetview → multi-functional building and bar
- ICA in VIES since change of share holder

➤ correspondence

- mail was not answered

➤ on-site-inspection

- mailboxes for several companies at this address
- mailbox with the company's name
- site not suitable for a car dealership
- managing director not available at this address

The registration of the company for VAT purposes as well as the VAT identification number were terminated.

Requests for information were sent to the other EU member states.

Corresponding sales were estimated.

The case was reported to the tax investigation office.



Ex. 3 – change of business activity– L GmbH

➤ basic information

- founded 01.08.2022
- official business purpose = business consulting
- filed VAT returns

➤ VAT returns

- change in VAT returns → high VAT reduction (-280.000 Euros in 10/2024)
- request for the invoices
- purchase of luxury cars (Lamborghini) from a single supplier
- supplier was registered as a craftsman in Berlin
- request to the local tax authority in Berlin → answer: missing trader

➤ special VAT auditing for 2024

- more missing traders detected

The case was reported to the tax investigation office.

The investigation is ongoing.





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