



Full debate in Congress on the anti-fraud bill

Montoro reiterates the relevance of the new anti-fraud law to combat the black economy and the loss of revenues

- The Minister of Finance and Public Administrations stresses that the new measures involve the "most determined" step yet in the history of the democracy to tackle tax fraud and the 7 point fall in GDP in government revenues since 2007
- The law, among other things, requires taxpayers to report foreign accounts, restricts access to the flat tax payment system and limits cash payments to 2,500 euros for transactions involving entrepreneurs or professionals.

26 September 2012. The Minister of Finance and Public Administrations, Cristóbal Montoro, stressed today at the plenary session of the Congress of Deputies, the importance of the new anti-fraud law to reduce the black economy and the fight against the loss of public revenue.

"Since 2007 seven GDP points have been lost in revenues, around 70.000 billion euros, while GDP per capita is double that of 1996. The economic crisis may partially explain this reduction in revenues, but another large part is due to a considerable increase in the black economy and fraud", stressed Montoro in the full debate on the bill for intensified measures against tax fraud.

The minister noted that the proposed law is the "most determined and important bill" that has been designed in Spain in recent decades to tackle tax non-compliance. Among the new features included he stressed



restricting access to the flat tax payment system and limiting cash payments to 2,500 euros for transactions where entrepreneurs or professionals are involved. "The use of cash should not promote or be the cause of the black economy", he added. Furthermore, all taxpayers are required to provide information about foreign accounts, securities or property. "We are committed to international transparency and the exchange of tax information", he said.

Montoro also praised the work of the tax agency workers who have managed to "raise 15% more" from control activities from January to July compared to the same period last year. "The measures included in the bill will further enhance these results", he explained.

CRIMINAL CODE REFORM

The law in question, now before Parliament, has other important new features. These include strengthening precautionary measures to ensure the recovery of tax debts as well as enhancing the collection of VAT on property transactions and insolvency proceedings. The bill therefore also supports preventative attachment proceedings.

At the same time and in addition to the new anti-fraud law, the government has launched a reform of the Criminal Code. The reform defines an aggravated type of offence for tax crimes, which will raise the maximum sentence to six years in prison, and the limitation period to ten years.