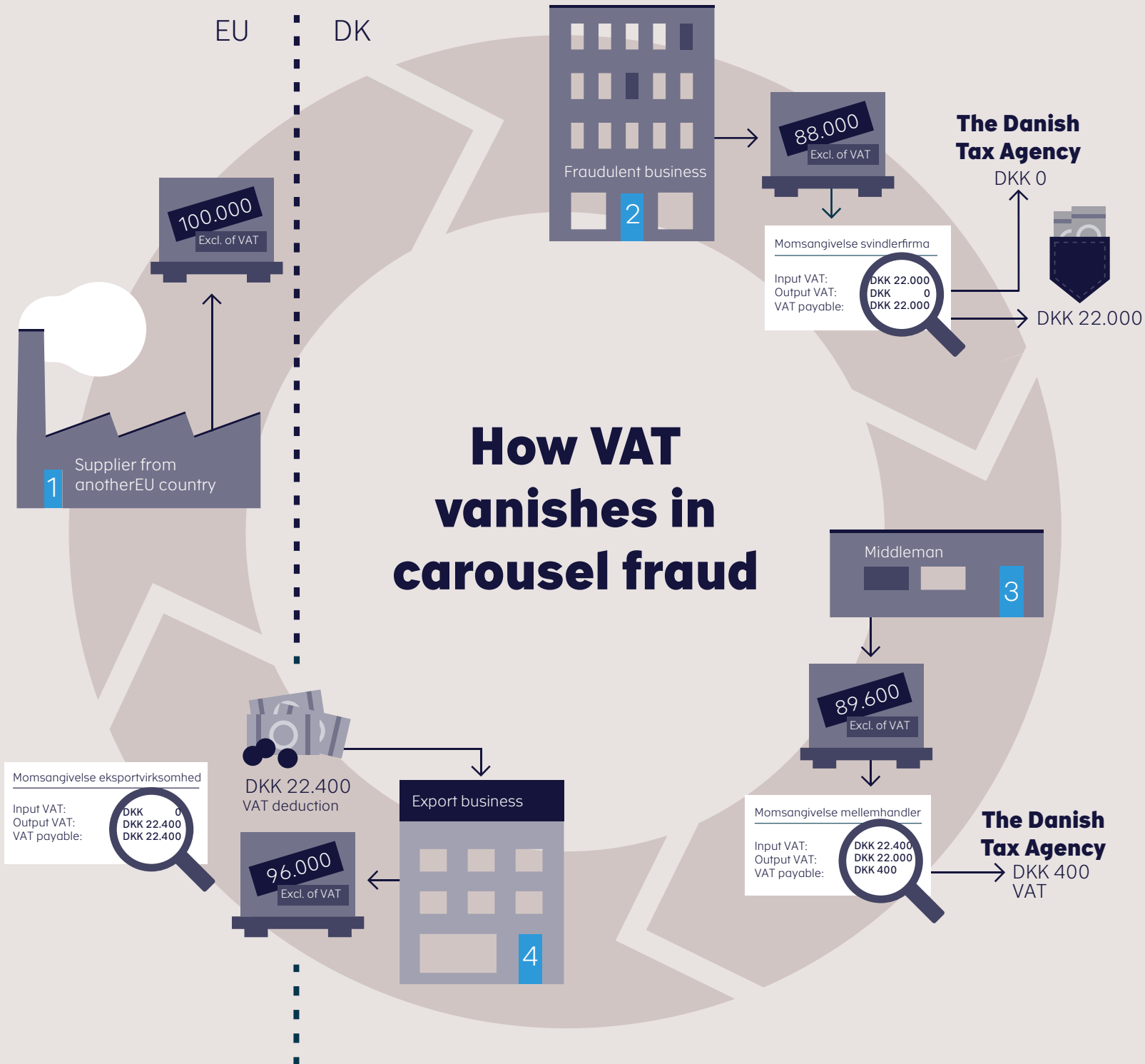


# How VAT vanishes in carousel fraud



- 1 Cross-border sales**  
 A foreign supplier sells goods for DKK 100,000 to a Danish business. VAT is not charged on cross-border sales.
- 2 Resale of goods without VAT declaration to the Danish Tax Agency**  
 A fraudulent business resells the goods at a price of DKK 88,000 and charges VAT of DKK 22,000. The fraudulent business makes no VAT payment to the Danish Tax Agency (Skattestyrelsen) but pockets the money.
- 3 Resale with correct but small VAT amount declared to the Danish Tax Agency**  
 The middleman resells the goods for DKK 89,600 with a small profit and should therefore only pay DKK 400 to the Danish Tax Agency.
- 4 VAT refund**  
 The export business sells the goods to foreign buyers for DKK 96,000 exclusive of VAT as the goods cross the border. The business is refunded the entire VAT purchase of DKK 22,400 from the Danish Tax Agency.

**Please see [skat.dk/carouselfraud](https://skat.dk/carouselfraud) for further information**