

Cour des comptes



# THE FIGHT AGAINST TAX FRAUD IN FRANCE

Thematic public report

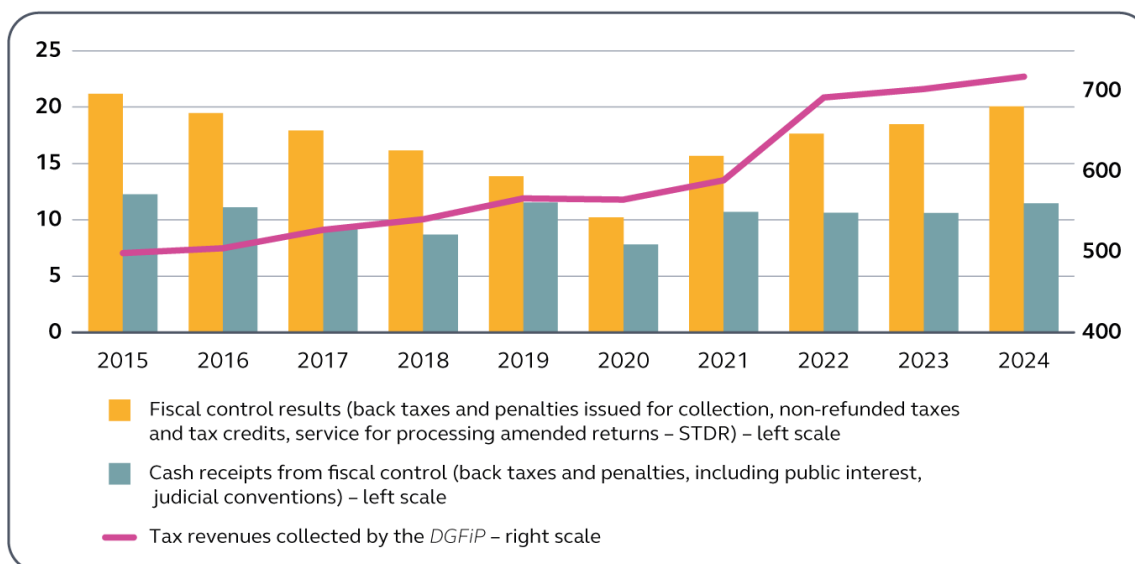
December 2025

## Summary

Although a frequent topic in the French public debate, tax fraud remains however poorly defined and unquantified. Often confused with other phenomena of tax reduction such as tax optimisation or tax evasion, fraud meets a precise definition relating to its criminal nature: it is distinguished from involuntary irregularities by a deliberate intention to evade tax rules.

In terms of the French policy to fight against fraud, the 2013-2023 decade was marked by a series of transformations, initiated by the law of December 6, 2013 relating to the fight against fraud and major economic and financial delinquency, the law of October 23, 2018 relating to the fight against fraud, several provisions of the Budget Acts from 2019 to 2021 and finally the government plan to fight against tax, social and customs fraud of May-June 2023. Despite these transformations, and although during the same period, the volume of taxes recovered by the General Directorate of Public Finances (DGFIP) increased by more than 44% to reach €718bn, the results of the systems, initiatives and actions deployed for ten years lead to a counter-intuitive finding: knowledge of the extent of the fraud committed has not progressed, the financial results of fiscal controls in back taxes and penalties – amounting to €20bn in 2024 – struggle to return to their level of the mid-2010s, and contrary to the stated intention of the legislator, tax fraud is neither more frequently nor more severely sanctioned than ten years ago.

**Collected tax revenue and tax audits results 2015-2024 (€bn)**



Source: Cour des comptes based on the annual statistical reports appended to the DGFIP activity reports for 2015–2024  
 N.B: the results of the tax audit for a given year N include additional tax assessments, penalties, late payment interest and tax credits not refunded in that year, as well as revenue from the regularisation of assets held abroad. These results relate to several previous financial years, and not to taxes for year N, given the time required to complete the audits and the number of closed financial years taken into account by the latter. Conversely, the amount of revenue collected from tax audits in year N (which does not include unreimbursed tax credits) includes recoveries in that year on additional tax and penalties, regardless of the year in which they were incurred. From 2019 onwards, duties and penalties no longer show the amounts notified but those subject to a recovery request, after the advisory committees have given their opinion during the amicable procedure. This change in method has the effect of deferring more than €2 billion to 2020, without continuing from one financial year to the next: while it does not allow for comparisons between financial years that do not have the same scope, it does not conflict with the observation of a long period.

This finding is not necessarily synonymous with failure. The current results of the fight against tax fraud are to be compared with a reduction in staff assigned to fiscal control, itself concomitant with a considerable amplification of the mass of information made available to the tax administration, by the will of the legislator (with, for example, the extension of the scope of reporting obligations imposed on financial intermediaries or digital platforms) and, at the international level, thanks to the development of files and tax information exchanges. The tax administration has taken advantage of this massification of data to implement automatic detection means of unprecedented power and to modernise and better target its audit strategy. The fact remains that in the absence of an estimation of the tax gap or tax fraud, the greater or lesser effectiveness of these initiatives cannot be rigorously evaluated.

The present report analyses the methods and results of the fight against tax fraud over the 2015-2025 period, with a particular emphasis on the reforms and measures carried by the law of October 23, 2018, including the generalisation of mass data matching and the reinforcement of the repressive component. It relies on several communications from the Cour published since its last overall publication on the subject in 2019<sup>1</sup>, dedicated notably to the detection of tax fraud by individuals<sup>2</sup>, to the National Directorate of Tax Investigations (Dnef)<sup>3</sup>, to the departmental directorates of public finances in their audit function<sup>4</sup>, to the Directorate of National and International Verifications (DVNI)<sup>5</sup> and to several taxes.

## **Tax fraud, omnipresent in public debate and yet poorly known and unquantified**

"Fraud" remains frequently confused with other phenomena and behaviours having the consequence of reducing the tax yield, such as tax optimisation or tax evasion. However, for the clarity of public debate, it is appropriate to distinguish "tax fraud", whose definition requires an intentional character, and "tax gap", a more neutral concept, which includes not only tax fraud but also errors committed in good faith by taxpayers as well as the hazards of tax recovery. It is regrettable that the share of fraud *stricto sensu* within this set cannot be the subject of even a calculation of an order of magnitude. Risking an amount of fraud without resorting to a rigorous evaluation method, whatever it may be, involves the risk of instilling suspicion about the fiscal citizenship of the population in general or of this or that category of taxpayers, whereas the lack of knowledge of the scale of fraud characterises all taxes and all taxpayers.

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<sup>1</sup> Cour des comptes, *Fraud in mandatory levies. Evaluating, preventing, repressing*, communication to the Prime Minister, November 2019.

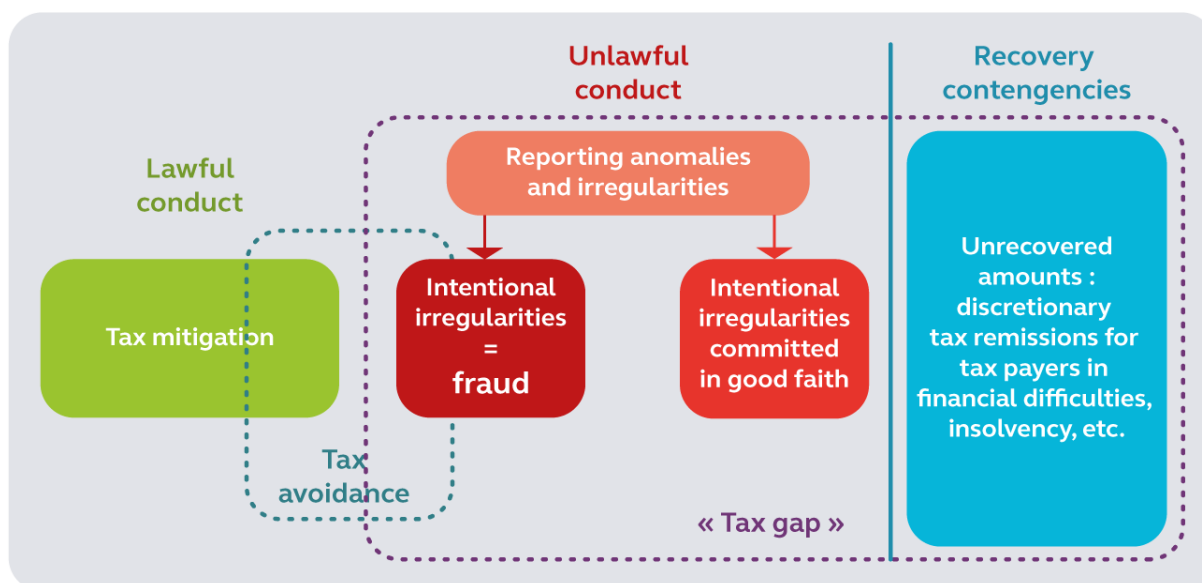
<sup>2</sup> Cour des comptes, *The detection of tax fraud by individuals*, public report of citizen origin, November 2023.

<sup>3</sup> Cour des comptes, *The National Directorate of Tax Investigations*, final observations, November 2024.

<sup>4</sup> Cour des comptes, *Audit of the DRFIP of Bourgogne-Franche-Comté and the DDFIP of Doubs and Nièvre*, final observations, June 2025.

<sup>5</sup> Cour des comptes, *The Directorate of National and International Verifications (DVNI)*, final observations, December 2025.

## From tax fraud to tax gap: multiple phenomena of tax reduction



Source : Cour des comptes

The absence of a statistical estimation of the tax gap and tax fraud constitutes a regrettable deficiency that the Cour has pointed out on several occasions. While the importance of tax in national life should have led it to play a leader role, France is on the contrary one of the most lagging countries in this matter: in 2024, 30% of the 58 tax administrations of the OECD regularly publish estimations of their tax gaps, five of them carrying out this work on an annual basis (Australia, Canada, Italy, the United Kingdom and Sweden), whereas in France, the first work on quantifying the tax gap was only initiated by the General Directorate of Public Finances (DGFIP) in 2022 on value added tax (VAT).

It is therefore indispensable that the DGFIP finishes its estimation of the VAT tax gap and estimates that relating to corporation tax and income tax by 2027. These estimations must become a priority project.

In the absence of a robust estimation of the tax gap, it is not possible to evaluate the performance of fiscal control, a performance which is measured by relating the results of these controls to the estimated tax gap. And it is therefore also impossible to explain why its financial results hardly progress despite the overall growth of tax revenues and the power of control tools. The total of back taxes and non-refunded taxes and tax credits has indeed gone, during the 2015-2024 period, from €16.1bn to €17.4bn, i.e. an increase of 8% in current euros, significantly lower than that of the total tax revenues collected by the DGFIP (44%).

### A detection and audit strategy profoundly transformed by technology whose effectiveness remains however to be demonstrated

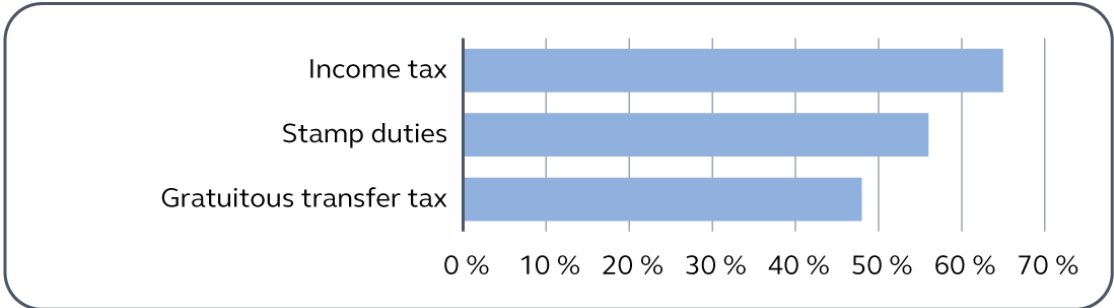
Three phenomena have combined over the last ten years to profoundly transform the strategy deployed by the tax administration to detect tax irregularities and to deduce from them the fiscal control programming.

The first phenomenon, which marked the past decade, is the assumed priority of a fiscal control governed by budgetary yield objectives. In a context of staff reduction, the DGFIP has

sought to systematically target its controls, by prioritising high-stake files, by reducing the number of on-site audits to increase that of desk audits and by favouring the conclusion methods most capable of leading to uncontested and quickly recovered back taxes.

The second phenomenon, which the Cour has already reported on<sup>6</sup>, is the deployment starting from the mid-2010s of tools aimed at automating the detection of large categories of reporting irregularities and anomalies. From 2018, techniques for mass data matching were notably implemented, which have become one of the pillars of the fiscal control strategy. The tax administration has set itself the objective of programming 50% of its audits on this basis; this target has been reached as early as 2022 regarding professional audits and should be soon reached regarding individuals.

**Relevance rate of lists generated from mass data matching, by tax type, in 2023**



Source: Cour des comptes, according to DGFIP  
 NB: in 2023, proposals for audits based on lists resulting from mass cross-referencing of income tax data led to an effective increase in 65% of cases.

However, if mass data matching has profoundly modified the tools and methods for the fight against tax fraud, it has not yet revolutionised the main results. Thus, the audits resulting from it were at the origin of only 13.8% of the taxes and penalties put into recovery in 2023 (€2.1bn), while they represented 44% of all audits during that year. Given the place taken by this technique in audit programming, it is necessary for the tax administration to proceed with regular evaluations of the relevance of the lists of files that result from it. Such evaluations could contribute to the formalisation of a strategy for detecting tax irregularities allowing for a better distribution of the means assigned to control.

Finally, at the end of a decade of significant progress in terms of interministerial and international cooperation, the tax administration can rely on new investigation procedures and on increasing information exchanges, both at the national and international levels. Progress nevertheless remains possible to take full advantage of these advances in cross-border transparency, for example regarding the number of multilateral audits involving several states or information from the judicial authority.

Although the tools and procedures having underpinned these transformations were successfully deployed and operate in an apparently effective manner, their global impact on the yield and effectiveness of fiscal control is not massive, as shown by the results of the latter for ten years. The strategy for detecting irregularities and for fiscal control thus renovated must still prove its full effectiveness.

<sup>6</sup> Cour des comptes, *The detection of tax fraud by individuals*, public report of citizen origin, November 2023.

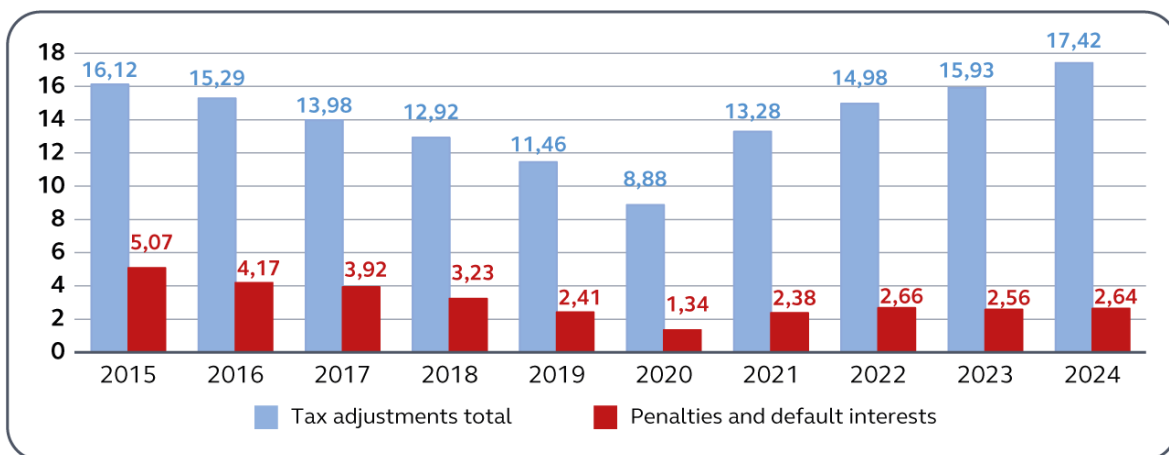
## The repression of tax fraud: priority to amicable resolution

The repressive component of the fight against tax fraud relies primarily on the regime of administrative penalties imposed by the tax administration, the criminal regime, falling under justice, only concerning a small proportion of files and the most serious cases.

Through the laws of August 10, 2018 for a state at the service of a society of trust, known as the "Essoc law", then of October 23, 2018 relating to the fight against tax fraud, the legislator reformed the repressive component of the latter by erecting a dividing line between, on the one hand, irregularities committed in good faith, more likely to be regularised without sanction even before the intervention of a fiscal control and, on the other hand, fraud *stricto sensu*, whose cases must now be systematically communicated to the judicial authority beyond a certain amount. However, while the number of files transmitted to public prosecutors by virtue of this obligation has logically progressed, criminal statistics show that fraud is today neither more frequently nor more severely sanctioned than ten years ago.

This paradox can be explained in part by the strategy of "peaceful conclusion" of audits formalised by the administration since 2019. This aims to facilitate, for all taxpayers, whether they are in good faith or not, the recovery of debts and avoids the recourse to litigation procedures, deemed long and uncertain. In this context, the application of administrative penalties sanctioning tax fraud remains measured and limited to the most characterised facts. The DGFIP would benefit from better formalising its doctrine for the application of administrative sanctions and ensuring its correct application, within the framework defined by the legislator and under the control of the judge.

### Tax adjustments (including non-refunded taxes and tax credits) and penalties levied, 2015-2024 (€bn)



Source: Cour des comptes according to the annual statistical reports appended to the DGFIP activity report

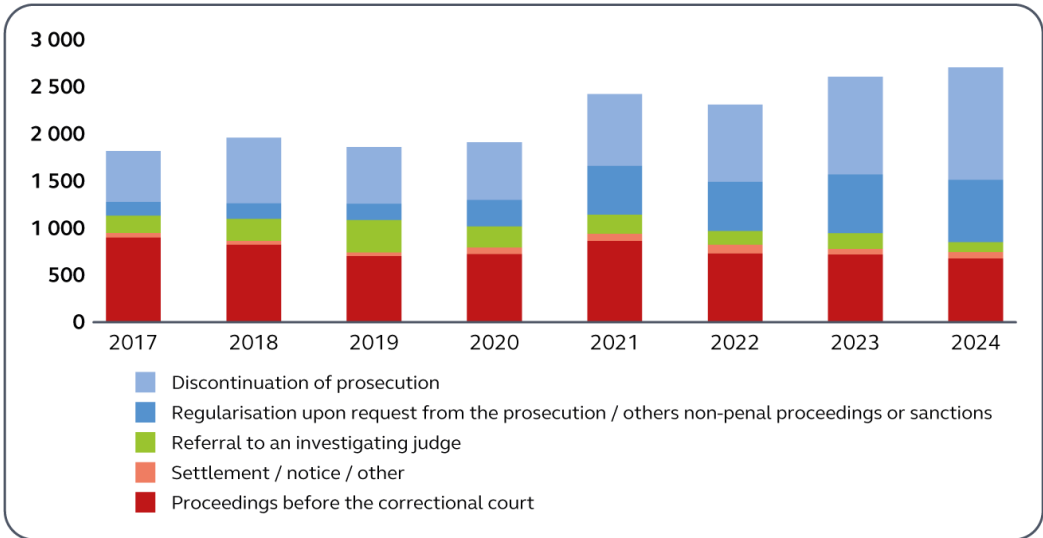
This strategy of peaceful conclusion relies notably on "overall settlements", a marginal system in number of files but with significant financial stakes since it frequently concludes the fiscal controls of the largest companies. Since 2004, these overall settlements can thus conclude the contradictory rectification procedure by covering both the back taxes and the penalties. Given the associated financial stakes, it would be appropriate to identify the criteria

allowing for the recourse to these instruments through a national doctrine, to specify their implementation conditions and to ensure closer monitoring.

Until 2018, the judicial authority was only referred to in tax fraud cases by the tax administration at the latter's discretion by virtue of the "Bercy's lock" (in reference to the neighbourhood where the Ministry of Finance is located). The law of October 23, 2018 reformed this system: the most serious facts are now systematically transmitted to the judicial authority. In this regard, the system has fulfilled its quantitative objectives: the number of files transmitted has strongly increased (+125% between 2018 and 2024) and the judicial authority is now referred to each year for approximately €800M of evaded taxes, for an average amount per file of around €400,000.

The information systems of the Ministry of Justice do not allow for the criminal treatment of these files to be tracked according to the amounts considered, which greatly limits the assessment of criminal repression. However, the analysis by litigant conducted by the Cour over the years 2019-2024 allows for the identification of approximately 650 to 700 natural or legal persons convicted each year for tax fraud. Approximately 80% of the sentences pronounced include imprisonment sentences, including 17% of firm prison sentences. Fines, pronounced in less than half of the files for an average amount of €33,500 in 2024, are significantly lower than the amounts of back taxes and the penalties incurred by law (up to €500,000 or double the defrauded taxes). In general, the criminal treatment of tax fraud is paradoxically less repressive since the reform of the " Bercy's lock": in 2023, only a quarter of the persons implicated were actually the subject of prosecution before the correctional court, while for 44% of them, the criminal procedure concluded with a dismissal without further action and for 27% with alternatives to prosecution. In absolute value, it is therefore an unexpected decrease in the number of persons prosecuted before the correctional courts for tax fraud that is observed since the reform of the "Bercy's lock" since this has gone from a little more than 850 per year in the two years preceding the reform to 700 in 2023 and 2024.

**Judicial follow-up to tax fraud cases (2017-2024)**



Source: Ministry of justice, re-processed by the Cour des comptes

One of the reasons for this paradox is probably the means available to the judicial authority to handle files, reflecting a general criminal policy in which the fight against tax fraud is only the priority of a few specialised structures. Given the investigation and judgment times of the correctional courts, it is however premature to draw definitive conclusions from the adjustment of the "Bercy's lock". A more complete assessment of the effects of this reform will have to be carried out in order to precisely identify the reasons that led to the increase in the number of files transmitted to the judicial authority being accompanied by a less repressive criminal response, contrary to the intention of the legislator.

At the end of this summary work, which follows several communications from the Cour on different aspects of fraud and fiscal control, it is still not possible, any more than it was in 2019 in the last publication of the jurisdiction on the subject, to answer in an unequivocal manner the question of the effectiveness of the fight against tax fraud.

Over the last ten years, information exchanges and overall tax transparency have progressed; the tools for automatic detection of reporting anomalies have reached an unprecedented power; fiscal control programming has gained in precision. But despite these successes, the global yield of fiscal control has not progressed and the fraud effectively prosecuted is not more harshly sanctioned, the dividing line drawn by the legislator between involuntary irregularities committed in good faith and intentional actions being blurred in practice.

As the Cour has already expressed, it is indispensable in light of these findings that the tax administration more resolutely engages in the evaluation work likely to demonstrate the relevance and effectiveness of its strategic choices. Beyond this imperative of steering and evaluation, quantifying the tax gap and getting out of the vagueness regarding the reality of the amount of fraud committed, detected and repressed is also a way to consolidate the public debate on tax and its fair distribution among taxpayers.

## Recommendations

This report concludes a cycle of three years of audits by the Cour relating to the fight against tax fraud.

The four recommendations formulated below for the purpose of this summary work complete a total of twenty-five recommendations proposed by the Cour in four reports on the detection of tax fraud by individuals<sup>7</sup>, the National Directorate of Tax Investigations (DNEF)<sup>8</sup>, the departmental directorates of public finances in their audit function<sup>9</sup>, and the Directorate of National and International Verifications (DVNI)<sup>10</sup> of which it constitutes the summary. These recommendations are recalled in annex n° 1 of the report.

1. Complete the estimation of the tax gap affecting VAT and estimate this gap for corporation tax and income tax by 2027 (*minister of economy, finance and industrial, energy and digital sovereignty*).
2. Define a programming strategy relying on an evaluation of the performance of mass data matching (*minister of economy, finance and industrial, energy and digital sovereignty*).
3. Determine at the national level the criteria allowing for the recourse to the overall settlement, specify its implementation conditions and ensure closer monitoring (*minister of economy, finance and industrial, energy and digital sovereignty*).
4. Conduct a review in 2026 of the reform of the “Bercy’s lock” introduced by the law of October 23, 2018 (*minister of justice, minister of economy, finance and industrial, energy and digital sovereignty*).

*More on the subject (in French): <https://www.ccomptes.fr/fr/publications/la-lutte-contre-la-fraude-fiscale>*

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<sup>7</sup> Cour des comptes, *The detection of tax fraud by individuals*, public report of citizen origin, November 2023.

<sup>8</sup> Cour des comptes, *The National Directorate of Tax Investigations*, final observations, November 2024.

<sup>9</sup> Cour des comptes, *The DRFiP of Bourgogne-Franche-Comté and the DDFiP of Doubs and Nièvre*, final observations, June 2025.

<sup>10</sup> Cour des comptes, *The Directorate of National and International Verifications*, final observations, December 2025.