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By PwC Deutschland | 16 July 2026

Federal Government Announces Action Plan to Combat Tax and Financial Crime

The Federal Government has presented a comprehensive action plan aimed at strengthening the fight against tax evasion, financial crime, money laundering and related forms of organized crime. The package is intended to pool responsibilities, increase investigative pressure, modernize data-based enforcement and ensure that serious tax offenses are sanctioned more effectively.

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Key Objectives:

- Combat Tax and Social Fraud: Strengthen mechanisms to identify and deter fraudulent activities impacting the tax system and social security.
- Enhance Transparency: Improve transparency standards in financial transactions to prevent money laundering and illicit financial flows.
- International Cooperation: Expand collaboration with international partners and institutions to tackle cross-border tax evasion.
- Use of Digital Tools: Leverage advanced technologies and data analytics for better detection and prevention of tax crimes.
- Legal Framework and Enforcement: Update legal provisions to close loopholes and increase penalties for offenders.

Measures and Initiatives:

The various proposals include:

Increasing deterrence

The action plan includes tougher criminal sanctions for serious tax offenses, including an increase in the maximum penalty for organized tax crime to up to 15 years' imprisonment. The current form of immunity from prosecution through voluntary disclosure is also to be abolished. In addition, authorities are to receive expanded tools to investigate and seize assets of suspicious or unknown origin.

Stronger Enforcement Structures

A central element of the plan is the establishment of a Joint Center against Tax and Financial Crime within the Customs Service. The center is intended to improve coordination between federal and state authorities and to bring together analysis, investigation and prosecution of tax crime and money laundering. Customs structures are also to be realigned, and the Financial Intelligence Unit is to be restructured to operate more effectively and with better coordination.

Data, Digital Tools and Reporting Obligations

The government intends to make greater use of data analysis and artificial intelligence to detect patterns in financial data and identify suspicious cases at an earlier stage. Planned measures include a new data analysis center, an electronic reporting system for VAT transactions, longer retention periods for accounting documents (extension to 15 years), mandatory cash register requirements for cash-intensive businesses. Furthermore enhanced blockchain analysis capabilities will be established to scrutinize the use of obfuscation services for cryptocurrencies.

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Implications for Businesses

For businesses, the action plan signals a clear shift toward more intensive, data-driven and coordinated tax enforcement. Companies should expect increased scrutiny in areas such as VAT compliance, accounting documentation, cash-based transactions, aggressive tax planning and cross-border structures. Among other measures, a public registry of companies sanctioned for serious tax offenses is to be introduced. At the same time, the plan indicates that tax-compliant companies may benefit from a more risk-based audit approach, allowing enforcement resources to be focused more specifically on cases of suspicion.

Source:

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Keywords

Anti-Financial Crime, Blockchain, Tax evasion, crypto assets / virtual assets, organised crime