

# The EU will say no to May's fraudster's c...

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According to the [Guardian](#):

*May's principal aim is to finally get agreement on the knotty issue of customs, solving the problem of the Irish border. Her plans for a "third way" would involve the UK tracking goods as they come into the country and levying EU import taxes on them only if their final destination is inside the EU. That would allow the UK to set lower tariffs and strike its own trade deals — a key demand of the leavers.*

The reference is, of course, to today's Chequers cabinet meeting.

Let me describe the consequence of May's suggestion. It would be massive fraud.

Fraud happens when boundaries (including, but not limited to borders) are crossed and rules can be arbitrated or records can be mismatched. That's about as short form an explanation as I can offer. It's also pretty comprehensive.

The EU suffers massive VAT fraud already. Maybe €50bn of that is on borders. New measures are finally coming in to tackle that. I happen to think the country of destination rules as they are called will work.

And now May wants to create a whole new opportunity for rule mismatch, and so fraud.

And that is precisely why Europe will say no to this. Why on earth should they take risk to appease the U.K. that wants to create an admin system that is bound not to work and will be a fraudster's idea of paradise? Anyone thinking they will has to go away and think again. It is not going to happen.