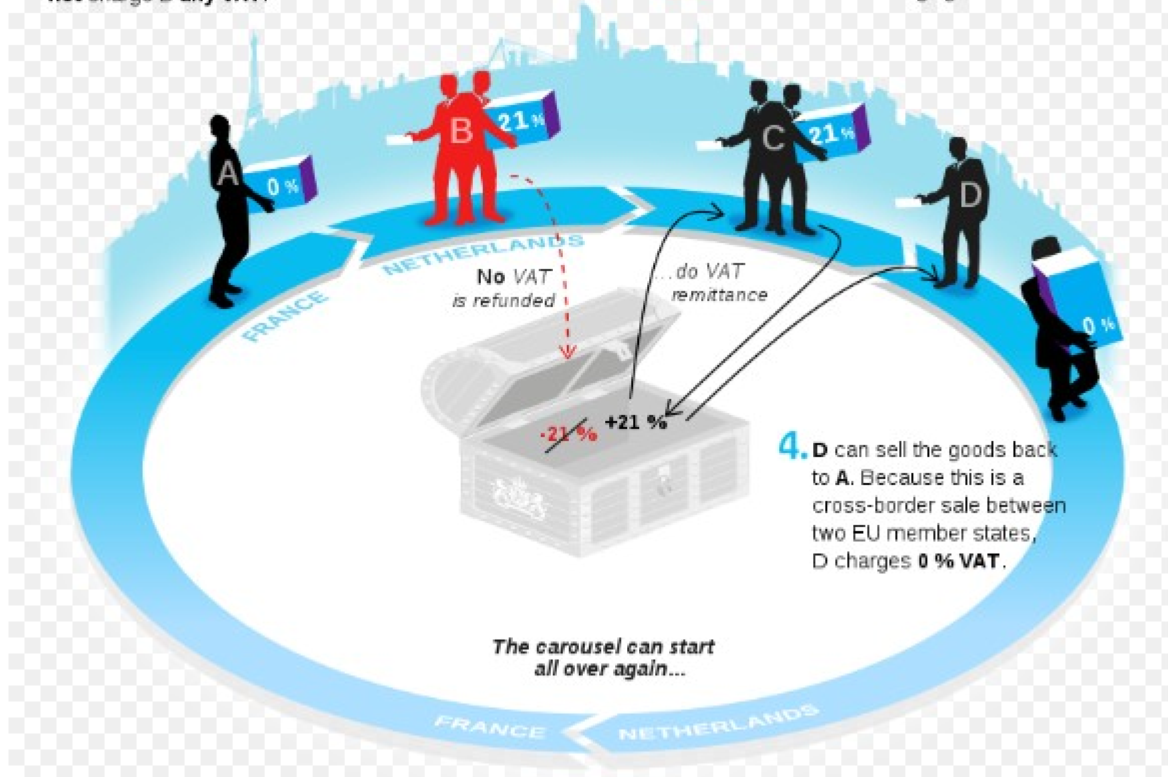

Missing trader fraud (also called **missing trader intra-community fraud** or **MTIC fraud**) involves the theft of Value Added Tax (VAT) from a government by fraudsters who exploit VAT rules, most commonly the European Union VAT rules which provide that the movement of goods between member states is VAT-free. There are different variations of the fraud but they generally involve a trader charging VAT on the sale of goods and absconding with the VAT (instead of paying the VAT to the government's taxation authority). The term "missing trader" is used because the fraudster has gone missing with the VAT.

A common form of missing trader fraud is **carousel fraud**. In carousel fraud, VAT and goods are passed around between companies and jurisdictions, similar to how a carousel revolves.