

## ECONOMIC CRIME AND ITS IMPACT ON INDIRECT TAXES IN BOSNIA AND HERZEGOVINA

**Summary:** *Tax system of Bosnia and Herzegovina /BiH/ is one of the key factors in keeping the stability and incitement of BiH economy development. VAT frauds are not serious threat just to the incomes of the BiH state but also for functioning of entire market, so we can say that those are special forms of crimes, which cause more material i.e. financial damage than classic crimes and represent extremely socially dangerous behavior of natural persons or legal entities. The fight against VAT frauds, and frauds in general, based on the indirect taxes in all aspects of the system, and especially in the prosecution and the police is necessary requirement for survival of the system. Committing indirect taxes felonies can be incited by non-punishment or insufficient punishment, which in a short time period can bring to enrichment of certain levels of society that become elite in economic and political life. Such levels of society priory give poor image and poor representatives of our state, because with such behavior the same are indicating the behaviors full of personal interests and are leading the country toward the egoism, which should not represent an ideal to reach for at all but quite the opposite. Only the strong fight, with application of preventive and repressive methods of preventing the frauds, in which there are no untouchables, should priory become a categorical imperative in behavior and action.*

**Keywords:** *VAT fraud, prevention, repression, fight, damage, punishment*