



FINAL REPORT

Review of Uber/Bolt and Regulatory Compliance with Taximeter Reporting 2020

Sweden

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SUMMARY

The results of Gothia Protection's investigation show inadequate regulatory compliance on the part of Uber and Bolt with regard to correct taximeter usage.

In 58 per cent of cases, for both companies, the price on the taximeter was inconsistent with the receipt sent to the customer after the trip. It is therefore more the rule than the exception for the taximeter price to be inconsistent with the customer's receipt.

BACKGROUND

This report was prepared by Gothia Protection Group on behalf of the Swedish Taxi Association. The report is one component in the Association's dialogue with the government authorities tasked with monitoring regulatory compliance within the taxi industry.

Gothia Protection Group personnel undertook 50 trial trips with Uber and 50 with Bolt to check regulatory compliance with regard to use of taximeter equipment.

Those with a permit to operate a taxi service are required to transmit data from each vehicle's taximeter equipment, wirelessly and digitally, to a reporting centre. The obligation to transmit data applies to all vehicles registered to provide taxi services and equipped with a taximeter.

Upon request, this data is then transmitted from the reporting centre to the Swedish Tax Agency. The reporting centre's role is to promote competition on equal terms and improve the functioning of the taxi industry. The Tax Agency utilises the data to better implement tax inspection of taxi companies.

There are suspicions that a considerable number of Uber and Bolt drivers fail to report correct data to the reporting centres. Gothia Protection Group was therefore tasked with undertaking a total of 100 trial trips and checking whether taximeters were used and, if so, whether the amounts paid correspond to the receipt sent by Uber and Bolt once the trip was completed. In Bolt's case, a comparison was made between taximeter price and regular receipt price, since Bolt sometimes uses discounted prices.

The investigation was carried out between 24 January and 21 February 2020. The primary focus was on examining whether taximeters were installed in the vehicles, whether they were used during the trip, and the amounts recorded on the meter for each trip.



REVIEW OF UBER AND BOLT

In over half (58 per cent) of Gothia Protection Group's trial trips with Bolt, the price on the receipt did not correspond to the price shown on the taximeter.

If Bolt's drivers are not reporting their tax revenues in full via the company's own app, there is a substantial amount of tax evasion.

While Bolt is the most recent operator to enter the Swedish taxi market, Uber has now been established for several years.

In over half (58 per cent) of trial trips with Uber, the price on the receipt did not correspond to the price shown on the taximeter. In other words, it is more the rule than the exception for the taximeter price to be inconsistent with the customer's receipt. If Uber drivers are not reporting their revenues through Uber's own app, there is a substantial amount of tax evasion.

The Uber app shows the number of trips undertaken by each driver on Uber's behalf. Some drivers have completed more than 10,000 trips. If these drivers systematically and regularly fail to report revenues in the manner seen in the trial trips, the total amount withheld from the state treasury will be considerable.

No corresponding function was found in Bolt's app.

It is worth noting that Bolt issued a press release in January announcing that the company was granted EUR 50 million (SEK 530 million) by the European Investment Bank, a fund jointly owned by EU member states. The funds, which are a type of loan, are meant to be used for investments in the company's existing services as well as other services (e.g., food deliveries). If Bolt's drivers are not reporting their tax revenues in full via the company's own app, there is a substantial amount of tax evasion. Given the fact that Bolt also recently secured SEK 530 million in taxpayer money, this represents, to put it bluntly, a type of tax-financed tax evasion.



RESULTS OF THE INVESTIGATION

Bolt

Installation of taximeters

A total of 50 trips were undertaken. For one of these, no taximeter was visible at all in the vehicle, corresponding to two per cent of trips undertaken.

The total price for the trips according to taximeter was SEK 5,014, as compared receipt prices of SEK 7,294 (after discount) and SEK 8,453 (regular price). The average price per trip was SEK 100 on the taximeter, compared with receipt prices of SEK 146 (with discount) and SEK 169 (regular price).

Number of trips	Taximeter visible	Taximeter not visible
50	49 (98%)	1 (2%)

Uber

Installation of taximeters

A total of 50 trips were undertaken. For one of these, no taximeter was visible at all in the vehicle, corresponding to two per cent of trips undertaken.

The total price for the trips according to taximeter was SEK 5,603, as compared with SEK 10,025 shown on the receipts. The average price per trip was SEK 112 on the taximeter, compared with the receipt price of SEK 200 (200.50).

Number of trips	Taximeter visible	Taximeter not visible
50	49 (98%)	1 (2%)

Bolt

Use of taximeters

A total of 50 trips were undertaken. In over half of the trips the price on the taximeter did not correspond with the price on the receipt delivered from Bolt via email to the customer.

In 29 cases (58 per cent) the price entered into the taximeter did not correspond with the regular receipt price.

In only 21 cases (42 per cent) was the price entered into the taximeter consistent with the regular receipt price.

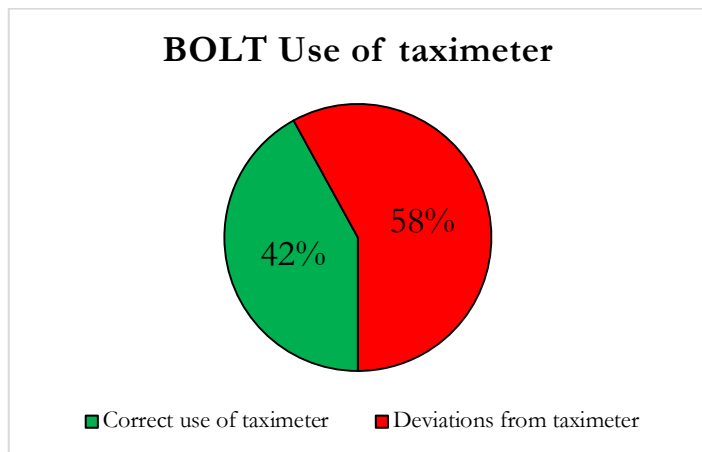
The drivers with incorrect prices either entered a lower or higher price, or allowed the meter to stand in the 'Free' position. In two cases, a higher price was entered. Attention has previously been focused on the use of taxis in money laundering schemes – by entering a higher price into the taximeter than that shown on the receipt, black money is 'laundered' and becomes white.

Number of trips Correct use of taximeter

50 21 (42%)

Deviations from taximeter

29(58%)



Uber

Use of taximeters

A total of 50 trips were undertaken. In over half of the trips the price on the taximeter did not correspond with the price on the receipt delivered from Uber via email to the customer.

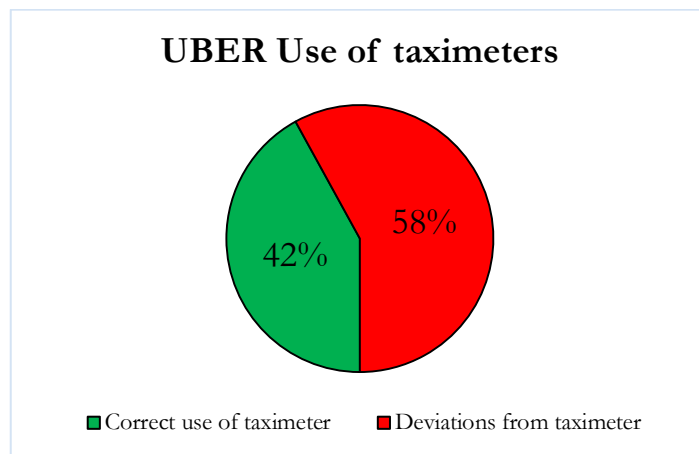
In 29 cases (58 per cent) the price entered into the taximeter did not correspond with the receipt price.

In only 21 cases (42 per cent) was the price entered into the taximeter consistent with the amount actually paid via the Uber app.

The drivers with incorrect prices either entered a lower price or allowed the meter to stand in the 'Free' position.

Number of trips Correct use of taximeter
50 21 (42%)

Deviations from taximeter
29 (58%)



**Bolt**Taxi ID

In 5 trips out of 50 there was no visible taxi ID in the vehicle, corresponding to 10 per cent of trips undertaken.

Number of trips	Taxi ID visible	No taxi ID visible
50	45 (90%)	5 (10%)

UberTaxi ID

In 7 trips out of 50 there was no visible taxi ID in the vehicle, corresponding to 14 per cent of trips undertaken.

Number of trips	Taxi ID visible	No taxi ID visible
50	43 (86%)	7 (14%)

BoltCorrect driver

In 44 of the 50 trips it was possible to identify the drivers by referring to their taxi IDs – i.e., the name on the taxi ID corresponded to the driver's name on the app. Five of the drivers had no visible ID and a comparison was therefore not possible. In one case the driver's ID number was not visible due to the ID's location or poor lighting.

UberCorrect driver

In 41 of the 50 trips it was possible to identify the drivers by referring to their taxi IDs – i.e., the name on the taxi ID corresponded to the driver's name on the app. Seven of the drivers had no visible ID and a comparison was therefore not possible. In two cases the driver's ID number was not visible due to the ID's location or poor lighting.

**Bolt**Yellow number plates

In the 50 trial trips undertaken, one vehicle had white number plates. A subsequent check with the Swedish Transport Agency revealed that this vehicle was registered as a commercial vehicle.

Number of trips	Yellow plates	Other plates
50	49 (98%)	1 (2%)

UberYellow number plates

In the 50 trial trips undertaken, one vehicle had white number plates. A subsequent check with the Swedish Transport Agency revealed that this vehicle was registered as a commercial vehicle.

Number of trips	Yellow plates	Other plates
50	49 (98%)	1 (2%)

BoltPrice information

Price information was visible in all of the 50 trips undertaken.

Number of trips	Price information available	No price information available
50	50 (100%)	0 (0%)

UberPrice information

Price information was visible in all of the 50 trips undertaken.

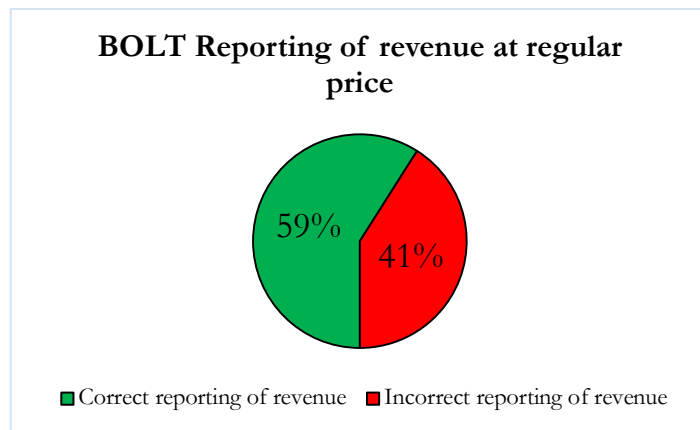
Number of trips	Price information available	No price information available
50	50 (100%)	0 (0%)

TAXES NOT REPORTED

Up to 44 per cent of revenue is not reported

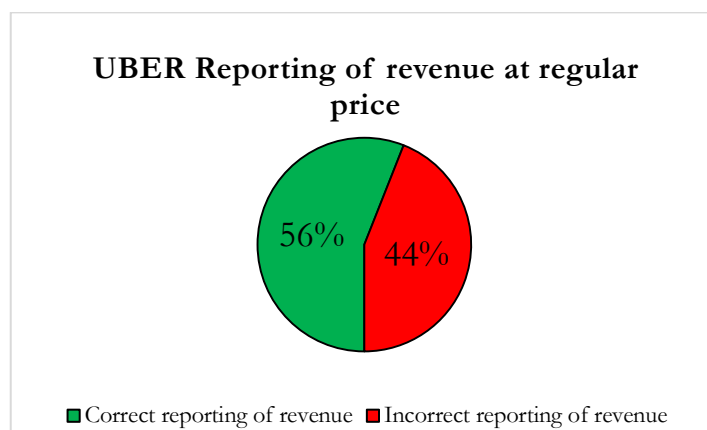
Bolt

The 50 trips undertaken with Bolt cost a total of SEK 8,453 at regular price, and SEK 7,294 (after discount) was actually paid. However, based on the amounts indicated on the taximeters during the trips, only SEK 5,014 was reported to the reporting centre. Accordingly, only around 59 per cent of revenue at regular price is reported correctly, with 41 per cent reported incorrectly. Calculated by receipt (discounted) price, approximately 69 per cent of revenue is reported correctly and 31 per cent incorrectly.



Uber

The 50 trips undertaken with Uber cost a total of SEK 10,025. However, based on the amounts indicated on the taximeters during the trips, only SEK 5,603 was reported to the reporting centre. Accordingly, 56 per cent of revenue is reported correctly and 44 per cent is reported incorrectly.





Millions of kronor are not reported

Uber's app includes a function that allows users to see how many trips each driver has completed. The app does not show the number of trips until the driver reaches a given amount (presumably in the hundreds).

Some drivers in the investigation have completed over 10,000 trips. One conclusion that can be drawn is that if a driver is in the habit of not using the taximeter or entering an incorrect lower amount, there are large sums that are unreported to the government.

The drivers undertaking the trips in this investigation have collectively completed at least 176,009 trips for Uber. If all of these trips have been reported as they were in our investigation, this group of drivers alone has withheld considerable amounts from the treasury.

With a conservative assumption that an average trip costs SEK 100, the drivers in the investigation have earned over SEK 17.6 million for Uber but only reported revenue of just under SEK 9.9 million. If this is the case, 44 per cent – or SEK 7.7 million – is unreported.

Number of trips completed was disclosed for 29 of the 50 drivers.



OTHER OBSERVATIONS

Drivers who drive for Bolt also drive for Uber, and vice versa. Although this question was not posed directly to the drivers, it came up during the trial trips.

It appears from the investigation that Bolt offers discounts to new customers. Of the 50 trips undertaken, discounts were given 17 times. It should be noted here that seven different people from Gothia Protection Group travelled with Bolt and were new Bolt customers. If the same person had undertaken all trips, there would undoubtedly have been significantly fewer discounted prices.

On one occasion (Bolt) a completely different vehicle showed up than the one specified in the app (a Mercedes rather than a Toyota). However, the driver's name on the ID corresponded to the name given in the app. The vehicle specified in the app is not registered as a commercial vehicle, although the vehicle that showed up is so registered.

On one occasion (Uber) the vehicle used has been wanted by the police since 14 August 2018. The reason for this is related to the number plates, according to the Swedish Transport Agency.

During conversations with drivers it was mentioned that as many as 4,000 drivers work for Uber in Stockholm. This information has not been verified.

In two cases (one Uber and one Bolt) the vehicles did not have taxi registration numbers, but did have taxi chassis codes.



APPENDIX 1

Excerpts from the Taxi Traffic Act (SFS 2012:211)

Chapter 2a Duty to transmit taximeter data

§ 1 Persons holding taxi traffic permits are obliged to transmit taximeter data to a reporting centre as proscribed by the Reporting Centres for Taxi Traffic Act (2014:1020).

The duty to transmit taximeter data pertains to all taximeter equipment that is or was installed in vehicles registered for taxi traffic in the permit holder's business.

The government or government-designated authority shall provide more detailed regulations regarding taximeter data covered by the data transmission obligation. (2014:1022)

§ 2 Data shall be transmitted to the reporting centre registered by the taximeter's permit holder with the government authority specified by the government. (2014:1022)

§ 3 Transmission of taximeter data from the taximeter equipment to the reporting centre shall be done digitally and wirelessly. (2014:1022)

§ 4 Permit holders shall transmit taximeter data to a reporting centre from all of their vehicles registered for taxi traffic at least once per week. Transmission shall always be done at times when the data can be received and stored in uninterrupted sequence.

If a taximeter has not been used during the period elapsed from the most recent data transmission, the permit holder shall, rather than transmitting data, notify the reporting centre and provide reasons for such non-use. Such notification shall be provided no later than the date when the taximeter data for the relevant period would have been transmitted if the taximeter had been in use. (2014:1022)



APPENDIX 2

Excerpts from the Swedish Transport Agency Regulation on Taxi Traffic (TSFS 2013:41)

Chapter 3 Use of taximeter equipment

§ 1 When a vehicle is used in taxi traffic, the taxi driver shall ensure that the taximeter equipment is functioning correctly.

§ 2 When a vehicle is used in taxi traffic, it must not be equipped with more than one taximeter.

§ 3 At the beginning of each shift, the taxi driver shall register their driver code in the taximeter as it appears on the front of their taxi driver ID. Once the shift is completed, the taxi driver shall register in the taximeter that they are going off duty.

§ 4 The taxi driver shall register data on every fare and every shift in the taximeter so that receipts, dispatch slips and shift reports can be printed out from the taximeter equipment.

§ 5 When the fare is fixed price or is calculated in some way other than using the taximeter, the taxi driver shall register the price on commencing the trip. The price may not, however, be registered at the end of the trip if calculated by an external co-ordinated planning system.

§ 6 The holder of a taxi traffic permit may not use tariffs with negative parameters in taximeter equipment. The taxi driver is not permitted to reduce the amount registered in the taximeter.

§ 7 Taximeter data that is to be transmitted to a taxi traffic reporting centre in accordance with Chapter 2a §1 of the Swedish Taxi Traffic Act (2012:211) shall include the following data from every shift report, as well as data from receipts or dispatch slips pursuant to subsection 19 below:

1. Serial number.
2. The name of the taxi company or the taxi company's registered name with the Swedish Companies Registration Office and personal identity number or company registration number.
3. The registration number of the taxi.
4. The taxi driver's driver number.
5. The serial number of the taximeter. If the taximeter consists of multiple devices, state the serial number of the device that contains the accumulated register.



6. Date last sealed.
 7. Date and time when the shift commenced.
 8. Date and time when the shift ended.
 9. Distance travelled during the shift (km).
 10. If the taximeter used is a type approved after 30 October 2006: Distance travelled during the shift in “OCCUPIED” or “STOPPED” mode (km).
 11. If the taximeter used is a type approved on or before 30 October 2006: Distance travelled during the shift in “TARIFF” or “CASH” mode (km).
 12. Total number of registered fares during the shift, with specification of serial numbers for the first and last fare.
 13. If the taximeter used is a type approved after 30 October 2006: Accumulated registered value at end of the shift for:
 - a. total distance travelled by the vehicle;
 - b. total distance travelled while the taxi was carrying a fare;
 - c. total number of fares;
 - d. total amount levied as surcharges; and
 - e. total amount levied as fares.
- ...
19. Report of all payments registered during the fare, specifying whether the information refers to a receipt or a dispatch slip:
 - a. receipt or dispatch slip serial number;
 - b. date and time payment was made, if this information was registered; and
 - c. amount paid.

Chapter 5 Receipts and reports, etc.

Receipt/dispatch slip

§ 1 After each completed fare, the taxi driver shall print a receipt from the taximeter that shall be offered to the customer after payment is made in cash, or a dispatch slip if the amount is to be invoiced.

§ 2 A copy of the receipt from the taximeter or dispatch slip for the most recently completed fare shall be printed out and submitted for inspection by the taxi driver on request from a police officer or vehicle inspector.

Shift report

§ 3 A shift report shall be printed out by the taxi driver after each completed shift. The shift report may also cover a rest period of less than eight hours.



§ 4 Copies of shift reports for the previous two days during which the vehicle was used in taxi traffic shall be printed out and submitted for inspection by the taxi driver on request from a police officer or vehicle inspector.

§ 4a The holder of a taxi traffic permit shall submit a copy of the shift report to the Swedish Transport Agency if requested to do so by the Agency.



APPENDIX 3

Excerpts from the Swedish Board for Accreditation and Conformity Assessment's (Swedac) Regulations and General Guidelines (STAFS 2012:5) on accessory devices to taximeters

Purview scope

§ 1 Pursuant to § 10 of Swedac's Regulations (STAFS 2016:8) on taximeters, an accessory device shall be connected to all taximeters used in taxi traffic.

These regulations include provisions on requirements that are to be met by such accessory devices. (STAFS 2016:15)

Definitions

§ 2 In these regulations, words and terms are used as defined in § 2 STAFS 2016:8 on taximeters.

These regulations also use the terms:

Testing standard: A procedure used in conformity assessment in which an accredited body examines the technical design of an accessory device and ascertains and certifies that it fulfils the requirements of these regulations, and

Accessory device: A device or combination of units that collectively performs the functions prescribed in these regulations. (STAFS 2016:15).

Requirements for accessory devices

§ 3 The accessory device may not have attributes likely to facilitate fraudulent use.