

## Yacht rentals in France : Ending of VAT exemption



- > According to a former tax doctrine, yacht rentals on the French coasts were exempt of VAT under certain terms. This favourable legal provision was reprehended twice in a row for not complying with the European Union Laws, first by the European Commission, then by the Luxembourg Court.
- > A recent decision made by the French Tax Administration modifies the regulation, now subjecting yacht rental contracts concluded as **from 15 July 2013** to French VAT.
- > As a consequence of this change of rule foreign companies operating yachts in France must from now on register for VAT en France and file periodical returns. Companies residing outside the European Union must appoint a fiscal representative in France.
- > It is highly recommended that charter companies comply with the new regulation so as to be sheltered from tax audits which French Customs may conduct in French territorial waters.

Do not hesitate to contact us at the following address for any additional information : [mail@tevea.fr](mailto:mail@tevea.fr)



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