

VAT on Yacht chartering

The French Fiscal Authorities have published that all Charters starting in French waters will be subject to VAT at the full rate of 19.6%.

The announcement came in a “Bulletin Officiel des Finances Publiques” which puts an end to so called “French Commercial Exemption”. All Charters signed before 15 July shall still benefit though from the prior exemption regime.

The exemption concerns any delivery, repair, refurbishment, maintenance, charter and lease operations of the vessels listed in Article 262-II-2° of the “CGI” (The French Tax Code)

However, the exemption does not concern the charter and freight operations such as those consisting of making available a vessel, for reward, with or without a crew, to natural persons, for purposes of leisure travels, even if the said vessel travels on high waters, and such operations that do not assign the vessel to a paid activity

These new dispositions shall apply to charter and freight contracts hired for leisure travels and concluded from July 15th, 2013 on.

Italy is also expected to increase its VAT rate from 21% to 22% but this might be delayed until October. The announcement means it now becomes urgent for all Charter Companies with yachts commencing charters in France and Italy to register for VAT or to appoint a fiscal representative in either country.

Advantages of registering a yacht in Gibraltar

Gibraltar's status within the EU exempts it from levying VAT on goods and services as it does not form part of the EU's Common Customs Tariff area. For this reason, if you register your yacht in Gibraltar you pay:

- *No VAT in Gibraltar.*
- *No Import Duty (if your vessel is not based in Gibraltar).*
- *No tax on the sale of your vessel.*
- *Import duty on marine fuel is zero. (0%)*
- *Goods delivered to yachts in transit are VAT free.*
- *Fast simple registration process.*
- *No restrictions on size or tonnage of private pleasure yachts for registration in Gibraltar.*



- *Gibraltar's situation at the gateway of Africa and Europe and the facilities provided by its local marinas means that it is ideally placed to service all mooring, and maintenance needs.*
- *All vessels registered in Gibraltar are registered as British flag vessels with documentation being identical to the UK requirements and are required to fly the Red Ensign.*

PLEASE FEEL FREE TO CONTACT US WITH ANY QUESTIONS OR QUERIES.

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