

FRANCE: REVERSE CHARGE OF IMPORT VAT

SIMPLIFICATION, EFFICIENCY AND
TRANSPARENCY

KEY INFO IN

10
POINTS

1

▶ PAPERLESS CUSTOMS DECLARATIONS

The French Customs Authorities are committed to **simplifying processes, making import and export procedures paperless, and reducing processing times and costs: 33 million customs declarations are now completely paperless.**

A one-stop service (*Guichet Unique National*) is now in operation upon entering or leaving French ports.

2

▶ REVERSE CHARGE PROCEDURE FOR IMPORT VAT

A new procedure completing the present system for the payment and deduction of VAT on imports was introduced in January 2015: the reverse charge procedure makes it possible to **defer settlement of import VAT.**

3

▶ PROCEDURE OPEN TO SINGLE POINT OF CLEARANCE (SPOC) HOLDERS

The SPOC is a **simplified customs procedure** available to taxpayers and issued by the local customs authorities. **Reporting and accounting formalities** are centralized for goods presented for customs clearance. **Importers not established in the European Union may request an SPOC for all their shipments.**

4

▶ SIMPLIFIED IMPLEMENTATION

The reverse charge procedure for import VAT is an **option** that may be chosen when submitting a declaration to the customs authorities so as to simplify two steps of the former procedure: **the customs authorities calculate the import VAT but do not collect it.** Traders pay the import VAT due on goods **via their turnover declaration.**

5

▶ LEGAL ASPECTS THAT REMAIN UNCHANGED

- The **jurisdiction of different customs authorities** in monitoring the VAT tax base and recovering sums following litigation.
 - The **A12 VAT exemption certificate**.
 - The system used for **deferring VAT payment** to the 25th day of the following month.
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▶ FRANCE, AT THE HEART OF EUROPE AND A GATEWAY TO THE EMEA

France's location and outstanding transport infrastructure make it a natural springboard to European, African and Middle-Eastern markets, not least as the world's fifth largest economy is also part of the European Single Market, the largest of its kind in the world (worth over US\$17.372 trillion in 2014).

7

▶ OUTSTANDING TRANSPORT INFRASTRUCTURE

Rail freight transport is particularly extensive in France, with over **32,000 million tonne-kilometers** transported in 2013, while maritime freight (loaded and unloaded) totaled 303 million tonnes. Paris-Charles de Gaulle is the **leading European airport for freight, and the second by passenger numbers** after London-Heathrow, while Paris-Le Bourget is **Europe's leading business airport**. The volume of road freight in France (**172,000 million tonnes-kilometers** in 2012) is also high.

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▶ RENOWNED EFFICIENCY OF FRENCH LOGISTICS AND PORTS

According to the **Logistics Performance Index**, France was ranked **13th out of 160 countries in 2014**, after climbing steadily during recent years. The French Customs Authorities are ranked first by the World Bank for the number of documents required for customs declarations. The combined port of Le Havre/Rouen/Paris (HAROPA) has been nominated **best European port** for the third year running by supply chain players from the Asia-Pacific region.

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▶ FOREIGN-OWNED SUBSIDIARIES ARE KEY PLAYERS

More than half of France's goods imports are made by foreign-owned subsidiaries, which include Airbus Operations, Esso SAF, Airbus SAS, Ineos Manufacturing France, Volkswagen Electronics France, Samsung Electronics France, Pratt & Whitney, Lidl and Mercedes Benz.

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▶ FRANCE, A WORLD-CLASS TRADING PARTNER

France is the world's fourth largest exporter and importer of services, while it is also the world's sixth largest exporter and fifth largest importer of goods.



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