



Country Guide

FRANCE

TAXABLE BASE AND PROOF OF NAVIGATION

VAT FRAMEWORK

To carry out charter operations in French waters, a yacht must be in free circulation within the European Union, and the owning company must be registered for VAT in France or Monaco through a duly appointed fiscal representative.

This registration ensures that charter activities are conducted in full compliance with French tax regulations and within the applicable legal framework.

The applicable VAT rate is 20%, applied in accordance with the nature and structure of the charter activity.



CHARTER LOCATION & VAT TREATMENT

The taxable base depends on the means of proof used to evidence the yacht's navigation and time spent within EU waters.

- Yachts equipped with AIS: the taxable base is determined based on AIS tracking data, providing a reliable and widely accepted method of verification
- Yachts not equipped with AIS: the taxable base is established through alternative means of proof, including logbooks, GPS tracking records, and relevant invoices

Ensuring consistency and accuracy in these records is essential for compliance purposes.

ADDITIONAL TAX CONSIDERATIONS

The taxable base depends on the means of proof used:

- Yachts equipped with AIS: the taxable base is determined based on AIS tracking data
- Yachts not equipped with AIS: the taxable base is established through alternative means of proof, including logbooks, GPS tracking records, and relevant invoices



LICENSING & OPERATIONAL REQUIREMENTS

No VAT is levied on the Advance Provisioning Allowance (APA), including fuel consumption, which remains outside the scope of VAT.

No charter license is required for operations in French or Monegasque waters, simplifying operational entry requirements.

Commercial yachts, subject to conditions, may benefit from French Commercial Exemption (FCE) provisions, allowing VAT exemption on specific transactions.

These elements play a key role in the efficient structuring of charter operations and overall tax optimisation.