



Exemption of VAT identification in France for foreign companies

French Customs Authorities disclosed precise information early September 2019 on the VAT identification of persons established outside of France and carrying out taxable transactions in France or having to fulfill reporting obligations. Both import and export transactions are concerned.

VAT identification in France is mandatory:

- If the company is **established outside the EU**, in which case there is an obligation to appoint a tax representative subject to the VAT in France;
- If the company is **established in another EU Member State**, it shall not appoint a tax representative, and instead have a specific Identification with the Foreign Companies Tax Service (SIEE).

However, identification is only required if the company has consolidated operations in France or for goods not subject to restriction or prohibition measures with a value per consignment and declarant of less than 3.000 €

A part from this thresholds, identification obligations for foreign entities can be subject to exemptions, in three situations:

- The person is exclusively carrying out in France, transactions under VAT suspension in accordance with article 277 A-I of the CGI, namely imports of goods intended to be placed under one of the following regimes:
 - Temporary storage,
 - Customs or tax warehousing,
 - Inward processing,
 - Temporary admission with full exemption from import duties,
 - Transit.

If the person carries out similar operations in other countries than France, it will be required to register for VAT purposes in France.

- The person is exclusively carrying out imports in France, followed by subsequent sales to a taxable person identified in France. It is in this case, the French buyer reverse-charges itself the VAT payable on the sale. The foreign entity, acting as importer, still has to pay the import VAT, which can be refunded via an electronic procedure for EU established entities, or through tax representative located in France for non-EU established entities.
- The person is exclusively carrying out imports in France, followed by subsequent intra-EU deliveries, or exports or intra-EU deliveries of goods leaving a tax suspension regime. In that case:
 - The company established in another EU Member State may appoint a temporary agent without having to request identification under its own name, and
 - The company established outside the EU can appoint a specific representative without having to request identification under its own name.

DS Avocats Customs & Trade team is at your disposal to provide you with any additional information.

CONTACT US :

dscustomsdouane@dsavocats.com