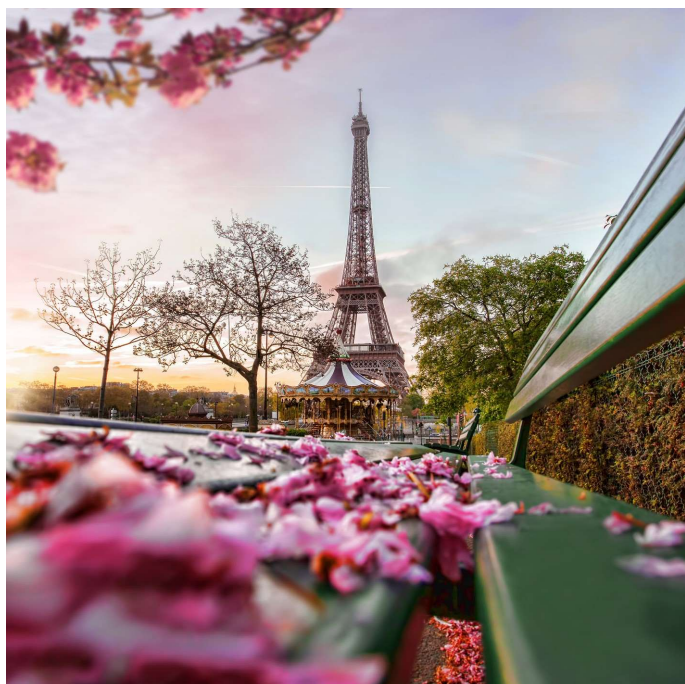


# France



French VAT is known as “Taxe sur la Valeur Ajoutée” (TVA).

The standard VAT rate is 20%, and there are reduced rates of 10%, 5.5% and 2.1%.

Special rates apply in Corsica (20%, 13%, 10%, 5.5%, 2.1% and 0.9%) and Overseas departments, except French Guiana and Mayotte (8.5%, 2.1%, 1.75% and 1.05%).

An extensive overview of the VAT rates applied in France can be found at: [vat\\_rates\\_en.pdf \(europa.eu\)](#)

Goods and services supplied to or from the Principality of Monaco are regarded as having been supplied to or from France. However, specific rules may apply: for example, foreign entities that are not established or VAT registered in France and that incur VAT in Monaco must file a specific VAT refund claim in Monaco.

For VAT purposes, the French overseas communities “collectivités d’outre-mer” (French Polynesia, Saint Barthélemy, Saint Martin, Saint Pierre and Miquelon, Wallis and Futuna), Nouvelle Calédonie, French Southern and Antarctic Lands are not considered as part of the French territory. Thus, these territories are considered as third-party countries with respect to France and other EU member states. Andorra, enclosed between Spain and France, is a third-party country as well.

French overseas departments also are considered as third-party countries for VAT purposes regarding transactions relating to goods supplied to/from France or other EU member states.

It is not necessary to appoint a French VAT representative to claim a VAT refund based on Directive 2008/09/EC, but a VAT representative is required for a claim based on the 13<sup>th</sup> Directive.

## France is the Member State of Establishment

### EU countries (Directive 2008/09/EC)

*This refers to a French-established company submitting an EU (former 8<sup>th</sup> Directive) claim in another EU member state.*

### Procedure

#### Filing

The application must be submitted electronically (in French or in English) through the portal of the French tax authorities (FTA):  
([Professionnel](#) | [authentification \(impots.gouv.fr\)](#)).

The claimant or its representative must be registered on the FTA web portal via an “espace abonné” (subscriber area) via a log-in and password (The FTA have provided some guidelines in English: [create\\_professional\\_account\\_register\\_services.pdf \(impots.gouv.fr\)](#); [Setting up a professional account - YouTube](#))

Only one person per company will be granted authority to obtain a membership application on behalf of the company on the “espace abonné.” If this person is not the legal representative of the company, a formal power of attorney must be attached to the membership application (a template is available on the FTA portal). That person becomes the administrator (‘administrateur titulaire’) of the online services.

The administrator may delegate the filing of the VAT refund claim to another person, who becomes the ‘administrateur suppléant.’ A refund claim also may be submitted by a third-party service provider authorized by the claimant. A non-established company can be appointed administrateur suppléant by the administrator. To be appointed, the administrateur suppléant must first create its own space on the FTA’s web portal. The agent must provide the FTA with the original power of attorney by mail.

When acting as the member state of establishment, the FTA will issue a confirmation of receipt of a VAT refund claim.

#### IT requirements and information required

The preparation and filing of a refund claim is done through the following web portal: [www.impots.gouv.fr](#). The claim then can be accessed through the subscriber area on the “professionnels” (professionals) page of the portal.

To access the online procedure, a claimant must have access to its own subscriber area and to access the online VAT refund claim procedure, the claimant must create its own space on the FTA portal, and then opt for “electronic services”.

Once registered in its own subscriber area, to access the online procedure, the claimant must click on the following links: *Démarches > Remboursement de TVA UE > Effectuer une démarche en ligne > Déposer une demande de remboursement de TVA > Remboursement de TVA dans l'Union européenne*. XML files can be uploaded to complete the claim. Information on the invoice statements can be manually uploaded to the portal or automatically uploaded in XML format (The format of the content of the XML file of the expected invoice statement must comply with the XSD schema available on this site in the section "*Je demande un remboursement de TVA dans un état membre de l'UE > Aide en ligne « Schéma XSD du relevé de factures »*". The XSD schema is contained in a file in ZIP format that you can download and save on your computer). The FTA have provided some guidelines: [remboursement\\_tva\\_ue.pdf \(impots.gouv.fr\)](#)

If the XML format is used, the box "Parcourir" (and not a manual upload) must be selected. The FTA have provided some guidelines: [demande\\_remboursement\\_xml.pdf \(impots.gouv.fr\)](#)

The electronic form is divided into two main sections:

- General information relating to the claimant and the goods/ services purchased (a list of invoices with a description of the purchased goods/services);
- Scanned invoices/import documents that can be uploaded, taking the following into account:
  - File types accepted: JPEG, PDF or TIFF;
  - Maximum file size: 5 Mo;
  - Standard scanning preference: Black and white.

Once the claim is submitted, the taxpayer will receive confirmation from the website, referencing the application.

The claimant must provide the following information:

- Member State from which refund is claimed;
- Name and address;
- Email address;
- Description of the activities carried out by the claimant and for which the expenses were incurred;
- Period for which the refund is requested;
- Declaration certifying that the claimant has not carried out any taxable transactions in the Member State from which the refund is claimed;
- FR VAT number or the claimant's fiscal number; and
- Details of the bank account where the refund is to be paid.

The claimant must provide the following information about the invoices subject to EU VAT for which the refund is requested:

- Name and the address of the supplier and its VAT number (except in the case of import of goods);
- Date and the number of the invoice or import document;
- Taxable basis;
- Amount of VAT charged by the supplier; and
- Nature of the expense.

The provision of invoices is mandatory if so required by the country.

The XML file can contain up to 999,999 invoices. The limit is 100 for manually uploaded invoices.

### Non-EU countries (13<sup>th</sup> Directive equivalent)

*This refers to a French-established company submitting a non-EU (13<sup>th</sup> Directive equivalent) claim as regards VAT incurred in a non-EU country.*

The refund application for a French-established company claiming input VAT in a non-EU country must be submitted according to the requirements of the country of refund. The French portal cannot be used.

Further to the Brexit, since January 1, 2021, French established companies have to send directly their VAT refund claim to the UK tax authorities.

Another difference with the Directive 2008/09/EC procedure is that a "certificate of taxable status" issued by the member state of establishment (i.e. France) usually will be required by the non-EU country of refund. The form named "Attestation d'assujettissement" is obtained via the following web portal: [www.impots.gouv.fr](http://www.impots.gouv.fr) through the "Espace abonnés" on the "professionnels" page of the taxpayer's portal.

## France is the Member State of Refund

### EU businesses (Directive 2008/09/EC)

*This refers to an EU-established company submitting an EU (former 8<sup>th</sup> Directive) claim in France.*

### Eligibility for refund

A foreign taxable person is entitled to recover French VAT if the following conditions are satisfied during the period to which the refund claim relates:

- The company is not registered in France or is registered only for Intrastat purposes (i.e. the business does not have to file VAT returns in France);
- The company does not have residence, its seat or a fixed establishment in France;
- The company has not carried out any taxable supplies in France, except for:
  - Certain tax-exempt cross-border transportation or ancillary services from/to non-EU countries;
  - Supplies for which VAT is due by the recipient in accordance with the rules in the EU VAT package;
  - Supplies of goods/services made by a non-established entity to a VAT-registered recipient in France and subject to the domestic reverse charge mechanism;
  - Supplies made under a VAT suspension regime;
  - Telecommunications, radio and television broadcasting and electronic services, rendered to non-taxable customers that are established in France;
- The company must perform transactions given rise to the right to deduct input VAT in the EU country where it is established.
- The Conseil d'Etat (Administrative Supreme Court) ruled on 7 December 2015 that a VAT refund claim must be made by the company heading a VAT group (established outside France). If the head company or any company in the group is VAT-registered in France, the situation is more complex. An analysis must be made on a case-by-case basis.

### Non-refundable VAT

VAT cannot be recovered on:

- Accommodation costs incurred on behalf of the management or staff of the company. (VAT is recoverable when such expenses are incurred for the benefit of persons not employed by the company, provided the expenses are incurred in the interest of the company or when it supplies the same services for consideration);
- The supply, import, leasing, repair and maintenance of most cars for passenger transport and other related costs.

However, VAT is recoverable on the purchase price where the car is purchased by a car dealer for resale or by a person leasing cars. In addition, 20% of VAT on diesel and gasoline used for vehicles and machines is excluded from the right to deduct VAT and leased vehicles (where the lessee cannot deduct the VAT);

- Goods transferred without remuneration or for remuneration that is much lower than the normal price, unless the value of the goods is very low (except business gifts whose collective value does not exceed EUR 73, including VAT, per beneficiary per year); and
- Domestic transport of passengers and related expenses (except for the benefit of public transport companies and transportation from home to work, subject to conditions).

If French VAT has been incorrectly charged, a foreign taxable person cannot in principle obtain a refund through the Directive 2008/09/EC procedure. A specific procedure applies for a supplier to issue a corrective invoice to a customer not registered in France.

### Partially refundable VAT

The foreign entity must declare its VAT recovery ratio when filing the claim. The FTA will issue a partial refund after application of the VAT recovery ratio. If the VAT recovery ratio is modified after the submission of the VAT refund claim, the taxpayer should inform the FTA and file a specific form.

### Making claims

#### Minimum amounts

VAT refund claims can be filed on a quarterly or an annual basis. If a quarterly refund claim is made, the amount of refundable VAT must be at least EUR 400. If an annual claim is made, the amount must be at least EUR 50.

A quarterly VAT claim is filed for a three-month period, except at the end of the year where a refund can be filed for a shorter period for input VAT incurred during that period. The refundable VAT is determined based on the tax point taking place during that period.

#### Time limits

The VAT refund claim must be filed before 30 September of the calendar year following the year during which VAT was due. Late claims are not accepted.

#### Proxy

When a foreign company decides to appoint an agent, a proxy in French must be prepared, signed by both parties and sent by mail to the FTA (nonresidents tax center). The FTA has included a draft proxy in its guidelines: <http://bofip.impots.gouv.fr/bofip/1421-PGP.html>

### Supporting documentation

The general threshold for the submission of an electronic copy of an invoice is where the taxable basis on the invoice or import document is EUR 1,000 or more. However, where the invoice relates to fuel costs, the threshold for providing a copy is EUR 250. The FTA can request additional documents/information (e.g. original invoices).

### E-invoicing

The FTA have not issued specific comments concerning e-invoices in the framework of Directive 2008/09/EC procedure. Copies of invoices that exceed the above-mentioned threshold must be provided with the claim.

### Refunds and appeals

The FTA must, in principle, issue a decision on a refund claim within four months of receipt of the claim:

- The authorities can accept the claim and notify the claimant via electronic means;
- The authorities can reject the claim (in whole or in part) and notify the claimant via electronic means; or
- The authorities can request additional information and notify the claimant via electronic means. The claimant must provide all information within one month of receipt of the notification. If the authorities request additional information from a third party, they must notify the claimant via electronic means, as this request increases the deadline they have to make a decision.

The FTA must inform the taxpayer of the grounds for denial in the case of a partial refund or rejection.

In theory, the notifications are sent to the agent.

The period during which the authorities must make a decision will be extended to six months where additional information is requested, and eight months where the authorities request additional information after a first request.

If the FTA fails to issue a decision in a timely manner, the claim will be deemed to have been rejected (the taxpayer may then file an appeal).

If a refund is granted, it will be processed in EUR within 10 business days after the relevant period and paid to the bank account number provided to the authorities. This bank account can be held by the claimant or a proxy holder (in the latter case, a specific document will have to be provided). If the claimant does not hold a bank account in France, bank charges related to the payment will be deducted from the refunded amount.

The FTA will be liable for late payment interest if the refund is not processed in a timely manner.

If one invoice is not correct or is not provided in a readable format, only this invoice will be rejected.

A query on a particular invoice that has not been answered may lead to a rejection of the entire VAT refund claim if the FTA have doubts as to whether the conditions to claim the refund have been fulfilled. If additional information is requested and the claimant fails to respond, the FTA will reject the entire claim. It is essential to correctly manage the follow-up of the claim (regularly monitor emails). Generally, the FTA provides a deadline and indicates that the claim will be rejected if no answer is provided.

If the refund is not granted, the grounds for rejection must be stated. An appeal against a denied claim can be made to the Administrative Court of Montreuil before the end of the fourth month following the notification of the decision assuming that the claim has been made by the company. If a VAT agent has been appointed in France, the deadline is two months. The claimant also can request mediation, but this will not affect the appeal deadline. The appeal must be filed by letter and drafted in French, but lawyers should file the appeal electronically.

If the FTA performs an audit after granting a VAT refund to a taxpayer, they must issue a specific reassessment proposal (according to the domestic tax procedure). No late interest can be applied. A fine may be applied for willful default (40%) or fraud (80%).

If a refund has been unlawfully or incorrectly granted, the FTA may directly recover the overpayment.

### Non-EU businesses (13<sup>th</sup> Directive)

*This refers to a non-EU-established company submitting a 13<sup>th</sup> Directive claim in France.*

### Eligibility for refund

Non-EU businesses may request a VAT refund under the 13<sup>th</sup> Directive provided the same conditions of eligibility for a refund under Directive 2008/09/EC are satisfied. Non-EU businesses must appoint a French VAT representative to file a refund claim under the 13<sup>th</sup> VAT Directive.

Since January 1, 2021, British companies fall under the provisions of the 13<sup>th</sup> Directive, and have to appoint a French VAT representative to file the refund claim.

Since the July 1, 2021, the claim must be filed electronically, by the French VAT representative). A listing of the invoices and import documents, as well as their copies where the amount of the transaction exceeds EUR 1,000 (or EUR 250 for fuel expenses) shall be attached, among others. Original invoices and documents shall be communicated upon request from the Administration, within one month following this request.

### Non-refundable VAT

VAT cannot be recovered on:

- Accommodation costs incurred on behalf of the management or staff of the company (VAT is recoverable when such expenses are incurred for the benefit of persons not employed by the company, provided the expenses are incurred in the interest of the company or when it supplies the same services for consideration);
- The supply, import, lease, repair and maintenance of most cars for passenger transport and other related costs. However, VAT is recoverable on the purchase price where the car is purchased by a car dealer for resale or by a person leasing cars. In addition, 20% of VAT on diesel and gasoline used for vehicles and machines is excluded from the right to deduct VAT and leased vehicles (where the lessee cannot deduct the VAT);
- Goods transferred without remuneration or for remuneration that is much lower than their normal price, unless the value of the goods is very low (except business gifts whose collective value does not exceed EUR 73, including VAT, per beneficiary per year);

- Domestic transport of passengers and related expenses (except for the benefit of public transport companies and transportation from home to work, subject to conditions).

If French VAT has been incorrectly charged, a foreign taxable person cannot, in principle, obtain a refund through the 13<sup>th</sup> Directive procedure. A specific procedure applies for a supplier to issue a corrective invoice to a customer not registered in France.

### Partially refundable VAT

The VAT refund is computed according to the French recovery rules. Therefore, in practice, the FTA will grant a partial refund to foreign taxpayers that carry out both taxable and non-taxable activities.

### Making claims

#### Minimum amounts and frequency of filing

A VAT refund claim may be filed on a quarterly basis or an annual basis.

- A quarterly claim must be submitted during the month following each calendar quarter (e.g. by 31 October 2022 for input VAT incurred during the third calendar quarter of 2022). The refundable VAT must correspond to the transactions for which the tax point occurred during the relevant quarter (in practice, however, invoices relating to the previous quarters of a same year can be included in the relevant quarterly VAT refund claim). The amount of refundable VAT must be at least EUR 400.
- A VAT refund claim also can be made on a calendar year basis, provided the amount of refundable VAT is at least EUR 50.

#### Time limits

The VAT refund claims must be submitted before 30 June of the calendar year following the year in which the VAT claimed was due. Late claims are not accepted.

#### VAT representative

Non-EU businesses must appoint a VAT representative. The representative must be a taxable person established and liable to VAT in France and a "good" taxpayer. The representative must provide his/her proxy and must be accredited by the FTA.

**Proxy**

A proxy in French must be prepared, be signed by both parties and sent by mail to the FTA (nonresidents' tax center). The FTA have included a draft proxy in their guidelines:

<http://bofip.impots.gouv.fr/bofip/1421-PGP.html>

**Supporting documentation**

A non-EU business applying for a VAT refund claim in France does not have to enclose a certificate of VAT-taxable status with the VAT refund claim.

A listing of the invoices and import documents, as well as their copies where the amount of the transaction exceeds EUR 1,000 (or EUR 250 for fuel expenses) shall be attached, among others. Original invoices and documents shall be communicated upon request from the Administration, within one month following this request.

**E-invoicing**

Invoices may be issued electronically in France, but stringent rules apply and practical difficulties could arise in the context of the VAT refund claim procedure.

**Refunds and appeals**

The FTA must issue their decision on the refund claim within six months following receipt of the claim.

Additional information may be requested from the VAT representative and the final decision on the claim will be sent to the representative.

If the FTA requests additional information or if they need more time to make their final decision, the six-month period can be extended for up to three more months and the claimant should be informed.

If the FTA do not issue a decision within the above deadline, the claim will be deemed to be rejected.

If the claimant does not hold a bank account in France, bank charges related to the payment may be deducted from the refunded amount.

Late payment interest is due if the refund is not granted within six months following the date the claim is deemed to be complete.

If an invoice is not correct or is not provided in original (upon request of the FTA), only this invoice will be rejected; the entire claim will not be rejected.

Reasons for the FTA to reject a VAT refund claim include the existence of a permanent establishment, failure of the claimant to register for VAT purposes, failure to respond to queries in a timely manner, etc.

If the refund is not granted, the grounds must be stated. An appeal against a denied claim can be made to the Administrative Court before the end of the fourth month following the notification of the decision. The claimant may also request mediation, but this will not affect the deadline for the appeal.

The appeal must be filed by letter and drafted in French, but lawyers should file the appeal by electronic means.

If the FTA conducts an audit after granting a VAT refund to a taxpayer, it will have to issue a specific reassessment proposal (according to the domestic tax procedure). No late interest can be applied. A fine may be imposed in the case of willful default (40%) or fraud (80%).

The FTA often requests additional information for a first VAT refund claim and the refund is granted after nine months. The first claim generally is examined carefully but the procedure is usually quicker for subsequent claims.