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VAT and other turnover taxes

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VAT in the European Community

**APPLICATION IN THE MEMBER STATES,
FACTS FOR USE BY
ADMINISTRATIONS/TRADERS
INFORMATION NETWORKS ETC....**

Note

This document collates a range of basic information on the application of VAT arrangements in the Member and Accession States which has been obtained from the tax authorities concerned. The information relating to the Member States was updated July 2002. The information provided by the Accession States is provisional, based on the anticipated application of VAT arrangements once Community legislation has been transposed.

The exchange rates used for the Accession Countries are those for the 1st October 2003, taken from the Official Journal of the European Union.

The sole purpose of distributing details of national provisions is to create a work-tool. In no way does this document necessarily reflect the views of the Commission of the European Communities. Nor does it signify approval of the relevant legislation.

FRANCE

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GENERAL INFORMATION

1. IF A FOREIGN TRADER WANTS TO OBTAIN INFORMATION ABOUT YOUR VAT SYSTEM, WHOM SHOULD HE CONTACT? (ADDRESS, TELEPHONE, FAX, E-MAIL)

If a trader established abroad wishes to obtain information about the French VAT system, he should write to or telephone the following department:

Direction Générale des Impôts
Département de la Communication
86-92, allée de Bercy
F-75012 Paris
Tel. (+33-1) 53 18 11 34

which will send him all the relevant information in the form of leaflets, brochures, etc. He may also contact the tax attachés at the French Embassies in London, Berlin, Brussels, Rome and Madrid.

If the trader is established in France, he can approach the tax office responsible for his place of establishment.

If a Community trader is not established in France, he can obtain information from the following department:

Centre des impôts des non-résidents (CINR)
Inspection TVA
9 Rue d'Uzès
TSA 39203
75094 PARIS cedex 02
Tel. : (+33-1) 44 76 19 07 (or 08 or 09)
Fax: (+33-1) 44 76 19 43
E-mail : cinr@dresg.net

Information on recent tax measures - such as the transition to the euro, the abolition of tax representation for Community taxable persons not established in France, and electronic procedures - can be obtained at the website www.impots.gouv.fr under the heading « *professionnels* ».

2. WHAT IS THE ADDRESS OF THE FRENCH TAX AUTHORITIES' WEBSITE? WHAT TYPE OF INFORMATION ON VAT IS AVAILABLE ON THE SITE (GENERAL INFORMATION, LEGISLATION, CONTACT POINTS, FORMS, ETC.)? IN WHAT LANGUAGE(S)?

The site www.finances.gouv.fr, which provides information on all the areas of activity of the Ministry for the Economy, Finance and Industry, provides a link to the site www.impôts.gouv.fr referred to above, which more specifically provides information on taxation, including VAT. Some of the information on this site is given in English, German, Italian and Spanish.

3. WHERE CAN VAT LEGISLATION AND IMPLEMENTING RULES BE FOUND? IN WHAT LANGUAGE(S) ARE THEY AVAILABLE?

VAT tax legislation is set out in the General Tax Code (*Code général des impôts*) and its Annexes, and in the Manual of Tax Procedures (*Livre des procédures fiscales*). This information is available on the following website: www.legifrance.gouv.fr under the heading *Codes*, subheading *Code général des impôts* or *Livre des procédures fiscales*.

Official instructions from the Directorate-General of Taxation are published in official tax bulletins.

The authorities' rulings are set out in the basic documentation, Series 3 CA. It is now planned to make this documentation available online.

VAT REGISTRATION OF FOREIGN TRADERS

4. WHEN IS VAT REGISTRATION COMPULSORY?

All persons liable for VAT or similar taxes in France must be registered for VAT. Foreign traders are required to register in France as soon as they deliver goods or provide services there, either directly or via an intermediary with a permanent establishment.

If they do not have permanent establishments, traders established outside the EC must appoint a tax representative.

Traders established in a Member State of the European Community other than France register directly with the DRESG (*Direction des Résidents à l'Étranger et des Services Généraux*) if they were not already registered before 1 January 2002 through a tax representative. Taxable Community nationals who had a tax representative before 1 January 2002 will continue to be administered by the tax office which was responsible for their former tax representative. However, they will have the option of appointing an agent to act in their place. The Community trader remains the only person legally liable for the tax. Information relating to these traders can be obtained on the website www.impots.gouv.fr under the heading "*professionnels*".

Exemption from VAT registration requirements is governed by Article 22(1)(c) of the Directive of 16 December 1991, transposed as Article 286b of the General Tax Code.

The following qualify for the exemption: taxable persons supplying goods on an occasional basis (in particular, individuals occasionally supplying new means of transport) and persons eligible for special arrangements (non-taxable legal persons, taxable persons whose acquisitions are below the threshold, flat-rate farmers) when the value of their intra-Community acquisitions did not exceed during the previous year, or does not exceed during the current year at the time of purchase, the threshold of EUR 10 000.

Special arrangements also apply to small firms which can take advantage of the turnover threshold.

This arrangement exempts all taxable persons, whatever their legal form and tax status (except for farmers under the simplified scheme), from paying the tax when the value of their turnover during the previous year did not exceed:

- EUR 76 300 for supplies of goods, sales for consumption on the premises and accommodation services;
- EUR 27 000 for other services.

Persons other than taxable persons liable to pay VAT (non-taxable legal persons, exempt taxable persons, taxable persons whose acquisitions are below the threshold, flat-rate farmers) will be given a VAT identification number only when they declare that they have carried out transactions fulfilling the conditions for compulsory registration (i.e. the annual value of their intra-Community acquisitions exceeds EUR 10 000) or when they have opted for VAT taxation.

They will be informed of their VAT number in writing either upon request or on the initiative of the tax department.

5. WHEN DO TRADERS NOT HAVE TO REGISTER FOR VAT PURPOSES BECAUSE THE RECIPIENT OF THE GOODS OR SERVICES IS LIABLE TO VAT? CAN FOREIGN TRADERS VOLUNTARILY REGISTER IN SUCH CIRCUMSTANCES?

Traders need not register for VAT purposes on the grounds that the French recipient(s) of the goods or services is liable for VAT primarily in cases involving the services referred to in Article 259 A-3°, 4°a, 5° and 6° of the General Tax Code, under certain conditions relating primarily to the place where the services are rendered, the country where the intra-Community VAT number has been issued and the communication of the VAT identification number of the recipient or provider. The services concerned are:

- transport of movable tangible property within the Community and services carried out by agents who act in the name and on behalf of other persons, where they are involved in the supply of such services;
- works and valuations relating to movable tangible property;
- services ancillary to the transport within the Community of movable tangible property and services carried out by agents who act in the name and on behalf of other persons, where they are involved in the supply of such services;
- services of agents who act in the name of and on behalf of other persons, where they are involved in operations other than those referred to in the first and third subparagraphs above relating to movable tangible property.

Other cases in which registration is not required because the recipient of the goods or services is liable to pay the VAT are those in which the services listed in Article 259 B of the General Tax Code are carried out by a supplier established outside France and the recipient is a person liable for VAT whose principal place of business or permanent establishment is in France. These are certain types of intangible services such as publicity, consultancy, accounting, data processing, the provision of information, banking services, telecommunications services, etc.

Where the supplier carries out no transactions liable for VAT in France, he need not register in France.

6. WHERE MUST TRADERS APPLY TO REGISTER FOR VAT? (PLEASE INDICATE THE DEPARTMENT, ADDRESS, TELEPHONE AND FAX NUMBERS AND E-MAIL ADDRESS)

Foreign taxable persons may apply for a VAT identification number:

- if they are established in France: to the competent Business Formalities Centre (Centre de Formalités des Entreprises): e.g. chamber of trade and industry, chamber of trades, or registry of the commercial court, depending on the activity being carried out. They inform the competent agency of the date they intend to commence trading. The VAT registration number is issued within fifteen days of the application.

In each tax service Directorate (there are one or two per department) there is a Business Formalities Centre contact to whom businesses may apply for the information necessary for their registration.

- if they are not established in France: to the *Centre des impôts des non résidents* [Non-residents' tax centre]; the address and telephone number are given above under Question 1. It will also issue a registration number and an intra-Community VAT number.

7. PLEASE DESCRIBE IN DETAIL THE PROCEDURE TO BE FOLLOWED (INDICATING THE DOCUMENTS TO BE SUBMITTED) FOR THE ISSUING OF VAT NUMBERS TO FOREIGN TRADERS.

The procedure depends on the situation of the company in France.

If it has a permanent establishment in France, it must apply to the Chamber of trade and industry to sign a statement of establishment (a "Mo" statement for legal persons and a "Po" statement for natural persons) allowing it to be registered with all the administrative departments, and in particular the tax authorities. The latter will then carry out the necessary formalities to register the company and allocate it an intra-Community VAT number.

If the company does not have a permanent establishment in France, the procedure is as follows:

- if the company is established outside the European Community it must appoint a tax representative identified for VAT in France who will carry out the formalities at the tax centre responsible for him;

- if the company is established in a Member State of the European Community other than France it must, from 1 January 2002, register with the non-resident's tax centre at the address below:

Centre des impôts des non-résidents (CINR)
Inspection TVA
9 rue d'Uzès
TSA 39203
75094 PARIS cedex 02

Tel : (+33-1) 44 76 19 07 (or 08 or 09)

Fax : (+33-1) 44 76 19 43

E-Mail : cinr@dresg.net

The registration formalities involve drawing up a registration declaration specifying the nature and conditions of the business. The company is then allocated a registration number and an intra-Community VAT number.

The necessary information and papers for registration are provided by the above departments.

THRESHOLDS

8. WHAT IS THE THRESHOLD FOR INTRA-COMMUNITY DISTANCE SELLING UNDER ARTICLE 28B(B)(2) OF DIRECTIVE 91/388/EEC?

The threshold (Articles 258A and B of the General Tax Code) for the taxation of distance selling of movable tangible goods despatched to France is EUR 100 000 exclusive of VAT.

9. WHAT THRESHOLD HAS BEEN ADOPTED UNDER ARTICLE 28A(1) OF DIRECTIVE 77/388/EEC (ACQUISITIONS BY PERSONS QUALIFYING FOR DEROGATIONS)?

The threshold, under Article 256a I-2° of the General Tax Code is EUR 10 000.

APPOINTMENT OF TAX REPRESENTATIVES BY FOREIGN TRADERS NOT ESTABLISHED IN THE EU

10. WHEN DOES A TAX REPRESENTATIVE HAVE TO BE APPOINTED?

When VAT payments are due in France from a taxable person established or domiciled in a State outside the European Community, that person must appoint a representative domiciled in France to deal with the government department responsible for collection. The representative undertakes to fulfil the formalities incumbent on the taxable person and to pay the tax on his behalf (Article 289A of the General Tax Code).

Foreign firms which engage exclusively in the transactions set out below, on which they are exempted from paying tax but in respect of which they are nevertheless required to make certain declarations, must also appoint a representative.

- operations for which the company is exempted from paying tax under Article 277 A-II-4 of the General Tax Code: exports or deliveries exempted under Article 262b I of the General Tax Code (intra-Community deliveries and transfers treated as such deliveries);

- operations exempted under Article 291 III-4° of the General Tax Code (imports of goods forwarded or transported to a place situated on the territory of another European Community Member State and which are delivered by the importer as deliveries exempted under Article 262b I of the General Tax Code).

For both categories of operation the trader established outside the European Community must appoint as an ad hoc representative a taxable person established in France and accredited by the tax service, to make the declarations required for the operation(s) concerned.

11. WHAT ARE THE CONDITIONS GOVERNING THE APPOINTMENT OF A TAX REPRESENTATIVE?

These rules are set out in Article 289 A of the General Tax Code in the version applicable from 1 January 2002.

The representative must be a VAT-registered person established in France.

Any taxable person, whether liable to pay VAT or exempt, may be appointed as a tax representative to deal with tax departments. Consequently, lawyers, consultancies, etc. may be tax representatives since their activities have been subject to VAT since April 1991 and the tax arrangements applicable to them were harmonised from January 1992 (as a result of the merging under French law of the professions of legal consultant and advocate, pursuant to Law No 90-1259 of 31 December 1992).

12. WHAT ARE THE RIGHTS AND OBLIGATIONS OF A TAX REPRESENTATIVE?

The tax representative undertakes to complete the formalities required of the person who has appointed him (making the statement of establishment, book keeping, signing turnover returns and paying the tax).

The tax representative is legally responsible for meeting these obligations and legally liable for the tax owed.

He has the same rights as all other taxable persons.

13. WHAT MEASURES HAVE TO BE TAKEN WHERE A TRADER ESTABLISHED IN ANOTHER COUNTRY FAILS TO APPOINT A TAX REPRESENTATIVE IN FRANCE?

Foreign firms must appoint a single tax representative for all their transactions in France.

This provision means that, if the foreign firm fails to meet its obligations, claims may legitimately be addressed to him.

In the event of failure to appoint a tax representative, the VAT and any related penalties are payable by the other party to the taxable transaction by virtue of Article 289-A-1 of the General Tax Code.

14. IS A BANK GUARANTEE REQUIRED?

The representative is not required to set up a bank guarantee. However, he must have a good tax record.

APPOINTMENT OF TAX REPRESENTATIVES BY FOREIGN TRADERS ESTABLISHED IN THE EU

It should be noted here that with effect from 1 January 2002 tax representation has been abolished for traders established in an EC Member State.

15. CAN A TAX REPRESENTATIVE OR AGENT BE APPOINTED?

Community traders are no longer authorised to appoint a tax representative to make VAT returns or pay the VAT for which they are liable in France. They must now be directly registered. However, they still have the option of appointing an agent to act in their place, in which case the original of the letter of authority appointing the agent must be submitted to the tax service.

16. WHAT ARE THE RULES GOVERNING THE APPOINTMENT OF AN AGENT?

Appointment of an agent is optional. The agent may be domiciled in France or abroad.

An original of the letter of authority appointing the agent must be produced for the tax department responsible for the Community trader in France, even if the trader's former tax representative is appointed as the agent of the Community taxable person. (Until 31 December 2001 Community traders were required to appoint a tax representative).

The authorisation must be exclusive, written in French, signed by a person entitled to make an undertaking for the Community trader and accepted by the agent. A model letter of authority can be found on the French Government's tax website at www.impots.gouv.fr, under the heading « *professionnels* », subheading « *vos impôts : TVA* » in the paragraph « *suppression de la représentation fiscale* », where it is available in English, German, Italian and Spanish, as well as French.

17. WHAT ARE THE RIGHTS AND OBLIGATIONS OF AN AGENT?

Unlike a tax representative, an agent acts on the sole responsibility of the authorising company, which alone is liable for the tax.

18. ARE THERE CIRCUMSTANCES IN WHICH A BANK GUARANTEE IS REQUIRED?

A bank guarantee is not required in respect of the agent.

INVOICES

19. WHAT ARE THE CONDITIONS GOVERNING THE ISSUE OF AN INVOICE?

The requirement to issue invoices now applies to all taxable persons (and not only those liable to pay VAT, as provided for in the earlier version of Article 289 of the General Tax Code). Consequently, it covers:

- any person independently carrying out an economic activity;
- any person who, on an occasional basis, supplies a new means of transport despatched or transported to the territory of another Member State.

The vendor is normally required to issue an invoice immediately upon the sale of goods or the supply of services, and the purchaser must demand an invoice.

The following information must appear on the invoice:

- name and address of parties;
- date of sale of goods or supply of services;
- quantity and description of goods sold or services supplied;
- unit price;
- the tax-exclusive total and the corresponding amount of tax charged must be shown separately for each rate of VAT;
- VAT identification numbers of vendor and acquirer for intra-Community supplies governed by Article 262ter of the General Tax Code, with a specific reference to exemption from VAT under Article 262ter(1) of the General Tax Code;
- for intra-Community supplies of services, the VAT identification numbers of supplier and customer;
- for intra-Community supplies of new means of transport, details of means of transport.

The list of information required to be shown on invoices including the obligation to show date and number was completed by Council of State Decree No 92-1244 of 27 November 1992, issued in implementation of Article 30 of Law No 92-677 of 17 July 1992.

French and foreign traders operating in France are, on principle, required to issue invoices in French¹⁾. However, where invoices, which are annexes to accounts within the meaning of Article L.102B of the Tax Procedures Code, are drawn up in a foreign

¹⁾ See Article 1 of Law No 75-1349 of 31 December 1975 on the use of the French language.

language, they must be accompanied by a certified translation from a sworn translator that must be produced upon demand to the authorities.

In the case of international contracts, French firms may issue invoices and settle payments in foreign currencies for transactions with foreign clients. The same conditions may also be applied to invoices and payments for certain transactions undertaken with other French companies.

This does, however, have repercussions for the basis of assessment and chargeability of the tax where the corresponding transactions are subject to VAT in France. The special rules applicable are laid down and amplified in statutes (Article 266-1bis of the General Tax Code) and in administrative rulings.

20. ARE THERE EXEMPTIONS FROM THE OBLIGATION TO ISSUE AN INVOICE? IF SO, TO WHICH CATEGORIES OF BUSINESS DO THEY APPLY?

Non-taxable persons are not authorised to issue invoices.

A taxable person is any person independently carrying out an economic activity.

PERIODIC VAT RETURNS

21. UNDER WHAT CIRCUMSTANCES IS A TRADER OBLIGED TO SUBMIT A VAT RETURN?

Persons who are habitually liable to pay VAT are required to submit a return giving their turnover once they are identified as such, even when they have not carried out any taxable transactions ("zero return").

Taxable persons operating on an occasional basis must submit a return as soon as they carry out a transaction that renders them liable to pay VAT.

22. AT WHAT INTERVALS ARE VAT RETURNS AND THE ASSOCIATED PAYMENTS TO BE MADE?

Depending on tax status, returns must be made monthly, quarterly or annually.

Taxable persons under the simplified scheme - those whose turnover pre-tax falls within the limits set out in point 23 below, and those subject to the exemption scheme and who have opted for that scheme - submit a declaration every calendar or financial year (form No CA12/CA12E), which establishes the VAT due for that period and the amount of the quarterly instalments to be paid over the next financial year.

These taxable persons declare and pay quarterly instalments in April, July, October and December; each instalment is a quarter of the amount owed for the preceding year or financial year before deduction of the VAT on goods that constitute fixed assets, except the one due in December, which is equal to a fifth of the tax.

Taxable persons liable to pay under the normal tax scheme - i.e. those whose annual turnover pre-tax is over EUR 763 000 or 230 000 according to the nature of their business (cf. point 23. below) and those who have opted for the normal scheme - submit VAT returns every month. However, they are allowed to submit their declarations on a quarterly basis where their annual tax liability is under EUR 4 000.

23. ARE THERE SPECIAL RULES FOR VAT RETURNS FOR SMALL TRADERS AND/OR CERTAIN CATEGORIES OF BUSINESS? IF SO, PLEASE DESCRIBE THEM.

Apart from the tax exemption scheme (cf. point 31), the simplified scheme is suitable for small businesses.

It applies to taxable persons with an annual **pre-tax** turnover of:

between EUR 76 300 and 763 000 in the case of businesses engaged primarily in selling goods, articles, supplies and produce to be taken away or consumed on the premises or in supplying accommodation;

- between EUR 27 000 and EUR 230 000 in the case of other businesses.

Businesses that automatically fall under the exemption scheme can opt for the simplified normal scheme.

24. DO YOU OPERATE SIMPLIFIED CALCULATIONS OF TAX LIABILITY? IF SO, WHAT ARE THE QUALIFYING CRITERIA, TO WHOM DO THEY APPLY AND WHAT IS THE NATURE OF THE SIMPLIFICATION?

There is a simplified scheme for the assessment and collection of VAT, which is described under point 22 above and which applies to taxable persons whose turnover falls within certain limits (cf point 23) or who, although they automatically fall under the exemption scheme (cf point 31) have opted to pay VAT.

The only declaratory obligation is to submit annual returns No CA12/CA12E not later than 30 April each year in the case of taxable persons who close their accounts on 31 December or within three months of closure of accounts for those who close their accounts during the year and have opted to submit their returns within three months of closure.

The VAT due is calculated in the standard fashion, taking account of the rate applicable to each transaction and the deductions that may be made from the amount of VAT collected.

These taxable persons pay quarterly instalments in April, July, October and December of each year. The April, July and October instalments are each equal to 25% of the VAT due for the preceding year or financial year before deduction of VAT on goods that constitute fixed assets. The December instalment is equal to 20% of the same amount.

Taxable persons thus only have to submit one set of returns in the proper sense of the term each year.

RECAPITULATIVE STATEMENTS

25. AT WHAT INTERVALS ARE RECAPITULATIVE STATEMENTS TO BE SUBMITTED?

France decided to introduce returns on trade in goods to serve two purposes: that of taxation, and that of statistical monitoring.

The returns are submitted monthly by traders. They may also be submitted by third parties (accountants, customs agents, transit agents, etc.) under the trader's responsibility, in which case they may relate only to individual operations. The department responsible will take steps to ensure appropriate consolidation and cross-checking.

26. IS ANY ADDITIONAL INFORMATION REQUIRED OTHER THAN THAT SET OUT IN ARTICLE 22(6) OF DIRECTIVE 91/680/EEC?

All the statistical information required both when goods are brought in and despatched is in addition to that set out in Article 22(6) of Directive 91/680/EEC. It has to be sent in pursuant to INTRASTAT Regulation (EEC) No 3330/91 of 7 November 1991 on the statistics relating to the trading of goods between Member States.

27. DO YOU OPERATE SIMPLIFIED PROCEDURES AS REGARDS RECAPITULATIVE STATEMENTS AS PROVIDED FOR IN ARTICLE 22(12) OF DIRECTIVE 91/680/EEC?

The simplified and optional procedures provided for in Article 22(12) of Directive 91/680/EEC cannot be operated in the context of a return intended to serve the needs of both statistics and taxation since the period within which statistical information must be made available is very short (within ten days of the end of the month during which the transactions were carried out) and identical for all traders, irrespective of the volume of their business.

ELECTRONIC INVOICING AND ELECTRONIC RETURNS

28. IS ELECTRONIC INVOICING AUTHORISED? IF SO, UNDER WHAT CONDITIONS AND USING WHAT PROCEDURES?

Invoices can be transmitted electronically, on the following conditions:

- the information sent and received must be identical and it must be possible to produce a hard copy from the electronic version;
- businesses must use a system of transmission that meets the standards set in the decree of the Minister for the budget and set out in Article 41f of Annex IV to the General Tax Code. The procedures for such invoicing are set out in Article 41g of Annex IV to the General Tax Code.

29. CAN VAT RETURNS BE SUBMITTED ELECTRONICALLY? IF SO, HOW AND USING WHAT TECHNOLOGY? WHERE MUST APPLICATIONS FOR ELECTRONIC SUBMISSION OF RETURNS BE MADE?

Foreign companies, whether or not they have tax representation and whether or not they are EC companies, are not **obliged** to submit returns or pay VAT using electronic technology. However, if they so wish they can use the procedures for doing so available to French companies, through the intermediary of their agent or tax representative. If they wish to pay their VAT electronically, they must have an account open in an establishment situated in France.

Two procedures are available to those who wish to submit their returns and pay their VAT by electronic means:

- electronic interchange of forms (EFI) - Internet; and
- electronic data interchange (EDI).

These two procedures are mutually exclusive.

The electronic exchange of forms (EFI) can be carried out over the internet via the Government's tax website: www.impots.gouv.fr, under the heading « e-services », subheading « téléTVA ».

This solution is particularly well suited to individual returns, allowing the taxable person to fill in his returns online, with online help.

The exchange of information is rendered secure by the use of electronic signatures.

The electronic data interchange (EDI) is geared more towards professionals (e.g. accountancy firms) who have to fill in a large number of returns.

It requires the technical mediation of an EDI partner approved by the tax Directorate General.

The specifications can be downloaded from the site www.edificas.org which can be accessed via the Ministry of Finance homepage.

Whichever procedure is used, taxable persons must register with the tax office responsible for them. This is done by submitting a subscription form which may be obtained:

- from a tax office, from reception in a tax centre, or directly from the tax directorate general's server (accessible from the Ministry of Finance website) if the taxable person wishes to use EDI;
- only from the tax directorate general's server if the taxable person wishes to use EFI.

Electronic payment is authorised only with electronic returns.

All the information on the VAT electronic procedures is available on the website www.impots.gouv.fr under the heading "e-services", sub-heading "TéléTVA". It is also possible to access the different technical dossiers from this site.

30. CAN RECAPITULATIVE STATEMENTS BE SUBMITTED ELECTRONICALLY? IF SO, HOW AND USING WHAT TECHNOLOGY? WHERE MUST APPLICATIONS FOR ELECTRONIC SUBMISSION OF STATEMENTS BE MADE?

With prior authorisation from customs and within the framework of a specific agreement signed with customs, the taxable person can transmit the data relating to the DEB [déclaration d'échanges de biens: declaration of trade in goods] electronically and directly. The procedure for doing this is laid down in the decree of 19 December 1994, published in the official gazettes of 26 and 27 December.

The taxable person can also, after registration on the « www.minefi.gouv.fr » website, under the heading « Téléprocédures DEB », use the online procedure: « DEB sur le WEB ».

ADMINISTRATIVE REQUIREMENTS

31. DO YOU OPERATE FLAT-RATE SCHEMES?

Article 7 of the Finance Law for 1999 abolished the flat-rate scheme from 1 January 1999. Since then taxable persons with turnover of

- not more than EUR 76 300 in the case of companies engaging in purchase and resale, sale for consumption on the premises and the provision of accommodation;
- EUR 27 000 for taxable persons providing services

fall by default under the exemption arrangements. They may, however, opt to pay VAT, in which case they fall by default under the simplified scheme, or may opt for the normal scheme.

32. ARE THERE SIMPLIFIED ADMINISTRATIVE REQUIREMENTS OTHER THAN THOSE ALREADY MENTIONED? IF SO, PLEASE DESCRIBE THEM.

The simplified scheme was described under point 23.

33. IN WHAT LANGUAGE(S) ARE FORMS (PERIODIC VAT RETURNS AND RECAPITULATIVE STATEMENTS) AVAILABLE OR TRANSLATED?

The VAT return forms are not currently available in any language other than French.

However, applications for VAT refunds (submitted by taxable persons established abroad who do not have business premises or a permanent establishment in France and have not engaged in transactions in France falling within the scope of application of VAT, yet have been regularly invoiced for VAT in France) are available in the languages of the European Community. They can be obtained from the department dealing with VAT refunds to foreign taxable persons by calling (+33-1) 44 82 25 40 (or 25 41).

RIGHT TO DEDUCT

34. FOR WHAT CATEGORIES OF GOODS AND SERVICES CAN NO INPUT TAX BE DEDUCTED?

The goods and services for which no input tax can be deducted are set out in Articles 298-4 of the General Customs Code and points 230 to 242 of Annex II to that Code. They are:

- expenditure on accommodation for managers and employees;
- vehicles and any other motorised equipment designed to transport people or for mixed use;
- the transport of persons and ancillary operations;
- goods provided free of charge (or against payment far lower than their normal price);
- expenditure on prohibited publicity;
- services relating to goods for which no input tax can be deducted;
- certain petroleum products.

35. WHAT ARE THE CATEGORIES OF GOODS AND SERVICES FOR WHICH THERE IS A PARTIAL RIGHT TO DEDUCT? PLEASE INDICATE THE PERCENTAGE.

20% of the tax on diesel fuel used to operate vehicles for which no input tax can be deducted is not deductible.

50% of the tax on petroleum gas and other hydrocarbons present in a gaseous state and kerosene is not deductible where these products are used for vehicles or other equipment for which no input tax can be deducted.

VAT is only deductible for goods and services required for operational purposes. The taxable person may therefore need to calculate a deductible percentage.

ANNEX 1: THRESHOLDS

Member State	Threshold for application of the special scheme for acquisitions by taxable persons not entitled to deduct input tax and by non-taxable legal persons ²		Threshold for application of the special scheme for distance selling ³		Exemption for small enterprises ⁴	
	National currency	Euro equivalent	National currency	Euro equivalent	National currency	Euro equivalent
Belgium	€11.200		€35.000		€5.580	
Czech Republic		10.000		35.000		35.000
Denmark	80.000 DKK	10.722	280.000 DKK	37.528	50.000 DKK	6.667
Germany	€12.500		€100.000		€16.620	
Estonia	160.000 EEK	10.226	550.000 EEK	35.151		16.000
Greece	€10.000		€35.000		€9.000 or €4.000	
Spain	€10.000		€35.000		None	
France	€10.000		€100.000		€76.300 or €27.000	
Ireland	€41.000		€35.000		€51.000 or €25.500	
Italy	€8.263		€27.889		None	None
Cyprus	6.000 CYP	10.226	20.000 CY Pounds	34.220		15.600
Latvia	7.000 LVL	10.778	24.000 LVL	36.952		17.200
Lithuania	35.000 LTL	10.138	125.000 LTL	36.207		29.000
Luxembourg	€10.000		€100.000		€10.000	
Hungary						35.000
Malta		10.000		35.000		37.000 ⁵ 24.300 ⁴ 14.600 ⁴

² See second subparagraph of Article 28(a)(1) of Directive 77/388/EEC, as amended.

³ See Article 28b, (2) of Directive 77/388/EEC, as amended.

⁴ See Article 24(2) of Directive 77/388/EEC, as amended. This scheme is reserved for taxable persons established within the territory of the country.

⁵ €37 000 when the economic activity consists principally in the supply of goods, €24 300 when the economic activity consists principally in the supply of services with a low value added (high inputs), and €14 600 in other cases, namely service providers with a high value added (low inputs)

ANNEX 1: THRESHOLDS

Netherlands	€10.000		€100.000		None	None
Austria	€11.000		€100.000		€22.000	
Poland						10.000
Portugal	€8.978		€31.424		€9.976 or €12.470	
Slovenia		10.000		35.000		25.000
Slovak Republic		10.000		35.000		35.000
Finland	€10.000		€35.000		€8.500	
Sweden	90.000 SEK	10.071	320.000 SEK	35.809	None	None
United Kingdom	55.000 GBP	86.112	70.000 GBP	109.598	55 000 GBP	86.112

ANNEX 2: VAT IDENTIFICATION NUMBER

- BE** le numéro d'identification à la taxe sur la valeur ajoutée
BTW - identificatienummer
- CZ**
- DK** momsregistreringsnummer
- DE** Umsatzsteuer - Identifikationsnummer
- EE** käibemaksukohustuslasena registreerimise number
- EL** Αριθμός Φορολογικού Μητρώου ΦΠΑ
Arithmos Forologikou Mitroou FPA
- ES** el número de identificación a efectos del Impuesto sobre el Valor Añadido
- FR** le numéro d'identification à la taxe sur la valeur ajoutée
- IE** value added tax identification no.
- IT** il numero di registrazione IVA
- CY** Αριθμός Εγγραφής Φ.Π.Α.
Arithmos Egrafis FPA
- LV** pievienotās vērtības nodokļa (PVN) reģistrācijas numurs
- LT** PVM mokėtojo kodas
- LU** le numéro d'identification à la taxe sur la valeur ajoutée
- HU**
- MT**
- NL** BTW - identificatienummer
- AT** Umsatzsteuer - Identifikationsnummer
- PL**
- PT** o número de identificação para efeitos do imposto sobre o valor acrescentado
- SI** identifikacijska številka za DDV

ANNEX 2: VAT IDENTIFICATION NUMBER

SK identifikačné číslo pre daň (IČ DPH)

FI arvonlisäverorekisteröintinumero
Mervärdesskatteregistreringsnummer (momsregistreringsnummer)

SE Mervärdesskatteregistreringsnummer (momsregistreringsnummer)

GB value added tax (VAT) registration no.

ANNEX 3: ABBREVIATIONS

	COUNTRY	CURRENCY
BELGIUM	BE	EUR
CZECH REPUBLIC	CZ	CZK
DENMARK	DK	DKK
GERMANY	DE	EUR
ESTONIA	EE	EEK
GREECE	EL	EUR
SPAIN	ES	EUR
FRANCE	FR	EUR
IRELAND	IE	EUR
ITALY	IT	EUR
CYPRUS	CY	CYP
LATVIA	LV	LVL
LITHUANIA	LT	LTL
LUXEMBOURG	LU	EUR
HUNGARY	HU	HUF
MALTA	MT	MTL
NETHERLANDS	NL	EUR
AUSTRIA	AT	EUR
POLAND	PL	PLN
PORTUGAL	PT	EUR
SLOVENIA	SI	SIT
SLOVAK REPUBLIC	SK	SKK
FINLAND	FI	EUR
SWEDEN	SE	SEK
UNITED KINGDOM	GB	GBP