

The Essential Guide to VAT for Online Retailers Selling in France



VAT Registration

Foreign companies can register for VAT in France without the need to form a local company.

You can also voluntarily register for VAT in France. However please let your own tax authority know that you have opted to voluntarily register there.

If you are based outside the EU and require a French VAT registration, the French tax authority require you to appoint a fiscal representative to act on your behalf. As the fiscal representative is jointly and severally liable, the fiscal representative will require a bank guarantee to be in place.

VAT registration in France can take approximately 4 – 6 weeks.

The Distance Selling VAT Rules in France

If you selling online from within the EU via your website or through the marketplaces directly to French private customers, you can sell up to Euros 100,000 (or equivalent) before you have to register in France. At this point, you will need to VAT register and start accounting for the VAT in France at their 20% standard rate (or reduced rate if these apply to the goods you are selling).

Using Fulfilment Centres in France

If you are thinking of using a fulfilment centre in France to house your stock, this triggers an immediate need to VAT register in France – as a non-resident there is no threshold to exceed. Once registered you will be obligated to file the periodic VAT returns.

Reporting

VAT returns in France are monthly, unless the annual amount of VAT due is Euros 4,000 or less. If this is the case, VAT returns can be submitted quarterly.

Intrastat Declarations

In addition to VAT returns, you may be required to submit Intrastat Declarations (these are statistical returns required by the EU to monitor trade between the EU member states).

If your turnover exceeds the Intrastat Declaration threshold (see summary for threshold details), Intrastat declarations are required to be filed monthly alongside the VAT returns in France. The filing date is 10 working days following the month during which the VAT became chargeable.

Invoice Requirements

Online retailers must provide an invoice for French customers. The minimum invoice requirements are: Invoice date; invoice number (must be sequential); VAT number of the online retailer; full address of the online retailer and customer; description of the goods provided; quantity of goods supplied; unit price; net taxable value of supply; date of supply if different from the invoice date.

Penalties

Failure to comply with local VAT regulations can result in penalties and interest being applied by the French Tax Authority. Please be aware the European tax authorities are becoming more proactive in searching for non-compliant online retailers. They have set up mutual co-operation with each other and they share data. France and Germany are becoming especially active in finding non-compliant online retailers.

In France, penalties can vary from 5% to 80% of the VAT owed. Additionally interest of 0.4% can be levied.

Summary		
Standard Rate of VAT	20%	
Reduced Rate of VAT	10% applicable on for example, foods ready for immediate consumption. 5.5% rate, applicable on products such as food and non-alcoholic beverage Super reduced rate of 2.1% applicable on most medicines and newspapers	
VAT registration threshold for non-established businesses	Nil	
VAT registration threshold for distance sellers	Euros 100,000	
Intrastat Threshold	Arrivals	Dispatches
	Euros 460,000	>Euros 460,000 – detailed Intrastat < Euros 460,000 – simplified Intrastat

Please note -The information is correct at time of publishing – July 1st 2015

What to Do Now

If you want to know more, or think you need to register in France, please don't hesitate to contact us on **01273 634594** or email info@simplyvat.com

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