

France

Effective since 1 of January 2015.

The law (article 259 C of the French VAT Code) brings the place of supply to France on services when the customer is non-taxable person established or domiciled in France, the supplier is outside the EU and the service is effectively used and enjoyed in France.

VAT Standard rate
20%

VAT Reduced rate
5,5% e-books
2,1% e-newspapers
10% offres TV seule

VAT calculation peculiarity
VAT= Total revenue * 20/120

Threshold
Tax threshold is €0 for digital services.

Pieces of evidence

To identify customer location merchant has to collect at least two items on non- contradictory evidence. And if two of them are in France, the customer may be determined as French:

- Customer's permanent address
- Billing address (bank or electronic payment operator)
- IP address
- Telephone number
- The location of the customer's fixed land line through which the service is supplied to him
- Other commercially relevant information

E-services list

A digital product is any product that's stored, delivered, and used in an electronic format. These are goods or services that the customer receives via email, by downloading them from the Internet, or through logging into a website, in particular:

- E-books, images, movies, and videos, whether buying a copy from Shopify or using a service like Netflix. In tax language, these products are in a category usually called, «Audio, visual, or audio-visual products»
- Downloadable and streaming music, whether buying an MP3 or using a service like Sound Cloud or Spotify. Of course, these products also fall in the audio category
- Cloud-based software and as-a-Service products, such as Software-as-a-Service (SaaS), Platform-as-a-Service (PaaS), and Infrastructure-as-a-Service (IaaS)
- Websites, site hosting services, and internet service providers
- Online ads and affiliate marketing
- Online auctions

Registration procedure

Registration becomes effective on the first day of the quarter following the registrant's application for registration.

- 1 Apply for registration. So there's the Form No. 3563 in both French and English you must fill out first.
- 2 As a general rule, the following documents will be requested but depending on the individual company and its activity there may be follow up questions or requests for additional documents:
 - Copy of the extract from the national trade register in your country (less than 3 months old)
 - Scan of the original articles of association – Uncertified free translation of the articles of association into French
 - Document which serves as proof of your companies bank account details abroad

Keeping records

Records about performed transactions must be kept in order to check the correctness of tax return and payments. These records must be made available to the the DGFIP or the responsible central authority of the other EU Member States by electronic means on request. The retention period for the records is ten years.

VAT payment date

French quarterly VAT for a non-resident company is due on the 20th of the month following the period.

The value date of a payment by transfer is the date on which the amount of the transfer was credited to the «Banque de France» account of the accountant in charge of the recovery. You should check with your bank, if necessary, on the funds transfer deadline and thus anticipate your transfer in order to avoid penalties for late payment.

Filing VAT returns

EU VAT returns are due quarterly. At the end of each quarter, you have 20 days to file and pay whatever you owe:

- 20 April, for the first quarter ending 31 March
- 20 July, for the second quarter ending 30 June
- 20 October, for the third quarter ending 30 September
- 20 January, for the fourth quarter ending 31 December