

# FONASBA MEMBERSHIP ENQUIRY



## RESPONSE SUMMARY

|                                 |   |
|---------------------------------|---|
| <b>ORIGINATING ASSOCIATION:</b> | <b>Finnish Shipbrokers' Assn. Finland</b>   |
| <b>ENQUIRY DETAILS:</b>         | <p>A: Is VAT applied to invoices when the Agent order services to a vessel in international trade on behalf of the vessel but in his own name?</p> <p>B: Does Authorities approve procedure that invoices issued with zero VAT if the Agents order services to a vessel in international trade as Agent on behalf of the vessel and the invoice is addressed/written out to the Owner/vessel and C/O Agent. (Service provider receive the payment from the Agent and then Agent then settle with Owner in D/A)?</p> <p>C: Additional information (if any)</p> |
| <b>Date:</b>                    | November 2014   |

| <b>ASSOCIATION</b> | <b>RESPONSE</b>   |
|--------------------|---|
| BULGARIA           | <p>A: The invoices for the services ordered by the agents are issued with zero VAT.</p> <p>B: Yes there is a declaration in accordance to our VAT Law attached with the invoices if the latter are issued via the agent.</p>  |
| CROATIA            | <p>A: No.</p> <p>B: Yes.</p>  |
| CYPRUS             | <p>A: All services to vessels in international trade invoiced to Agents are vatable according to the prevailing rules in Cyprus.</p> <p>B: Once an invoice is issued on the name of the vessel for local services which are zero rated they remain as such even if the invoice is issued c/o Agent.</p> |
| FRANCE             | <p>A: No.</p> <p>B: Yes.</p>  |
| ITALY              | <p>A: No, in Italy VAT is not applied in this case.</p> <p>B: Italian law (Drp 633/1972) states that such invoices can be issued with zero Vat.</p>   |
| MALTA              | <p>A: In Malta, it is not normal practice that VAT is applied to any invoice issued to a vessel in international trade on behalf of the vessel but in the agent's name. (but this is not the correct procedure according to existing VAT laws).</p>   |

|          |   |
|----------|---|
|          | <p>B: In Malta authorities approve the procedure that invoices are issued with zero VAT if the Agents order services to a vessel in international trade as Agent on behalf of the vessel and the invoice is addressed/written out to the (Master &amp;) Owner/vessel and C/O Agent. (Service provider receive the payment from the Agent and then Agent then settle with Owner in D/A)</p>  |
| PORTUGAL | <p>A: NO, WE ISSUE A VAT EXEMPT DECLARATION TO ALL SERVICE PROVIDERS<br/>B: YES</p>   |
| SPAIN    | <p>In Spain all services to vessels in international trade are exempted from VAT, subject to fulfilling the formalities established for this purpose.<br/>If a provider addresses a invoice to the Ship Agent directly for the services ordered by this latter to a vessel in international trade without fulfilling said formalities, then that invoice will be subject to VAT.<br/>And when the provider is invoicing to the Owner directly, the service is exempted from VAT if a.m. formalities are fulfilled. Enclosed you will find the 'sheet' (in spanish) with said formalities, referred to the ship agency fee but it can be extrapolated to the rest of services to a vessel.</p> |
| SWEDEN   | <p>A: In most cases no.<br/>B: In most cases yes.</p>   |