

FONASBA MEMBERSHIP ENQUIRY



ENQUIRY RESPONSE FORM

ORIGINATING ASSOCIATION:	BASBA (Bulgaria)
ENQUIRY DETAILS:	<p><i>A few days ago the National Revenue Agency in Bulgaria introduced a new mandatory declaration to be signed by ship owners that asks whether the vessel is in an "international voyage" in order to make the VAT rate applied to services for the vessel 0%. We have attached the copy of the declaration to this email and it requires facts that are already present on multitude of other documents that need to be presented - including a statement that it has "crew employed in compliance with international conventions" (which shouldn't even be checked by the NRA and is the responsibility of many other authorities, including the Maritime Administration) and is used "more than 60%" in international voyages, which is again extremely difficult to calculate for certain vessels. Our members believe that it will negatively impact not only the agent's and broker's workload, but that of any firm related to vessel services.</i></p> <p><i>We would kindly ask you to distribute a survey among FONASBA members (especially among ECASBA members) with the following question:</i></p> <p><i>Does the respective revenue agency in your country require a document (such as a declaration or other kind of proof) that the respective vessel is in an international voyage in order to make the VAT applicable 0% for any services provided to the vessel, including but not limited to agency services, port services, tug services, vessel supply, etc.? If such proof is required, please provide more details on any specifics - for example who signs that document, what kind of information is required or other related information.</i></p>
REPLY TO:	admin@fonasba.com
CLOSING DATE FOR REPLIES:	Friday 31st March 2017

RESPONDING ASSOCIATION COMMENTS: (Please include any attachments)

Argentina	No form is required. The VAT Laws state that services rendered to foreign vessels in international trade in Primary Custom Zone (Ports and Water) are not levied with the VAT.
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Belgium	<p>We confirm the information already provided in November 2016 in response to the AGEPOR membership enquiry. The Belgian revenue agency does <u>not</u> require a document that the respective vessel is in an international voyage. They would only do so if there were reasons to doubt if a vessel was in international trade, but Belgium only has only 60 kilometres of coast line so there is no national cabotage going on.</p>
Brazil	<p>Brazil does not apply VAT or any similar tax to this purpose. Thus, a declaration like the example given is not required.</p>
Croatia	<p>In Croatia, standard Notice of Arrival form & Last 10 Ports of Call are considered to be a proof that the respective vessel is in an international voyage in which case 0% VAT is applicable for services provided to the vessel.</p> <p>Electronic forms are accepted, no stamp or signature is required.</p>
Cyprus	<p>We wish to inform BASBA that the respective revenue agency in Cyprus does not need any document that the respective vessel is on an international voyage in order for VAT to be zero rated. We trust that the above information will be of assistance to our colleagues but should they need any further clarification please contact us.</p>
Denmark	<p>In Denmark more and more port administrations, but not all port administrations yet, require a signed declaration from the master that the vessel is in foreign trade. It is the individual port administrations responsibility, and there is no formal document provided by the Danish Tax Authorities. With this survey reply we have also attached an example from the Port of Fredericia which is the declaration you may download from their website.</p> <p>If the vessel / owner is invoiced through a third party, e.g. the port agent, the invoice must clearly state the vessels name and full style name and address of the owner in order to be prudent for invoicing without VAT.</p> <p>We have mentioned to the Danish Tax Authority that in SafeSeaNet (national single window) it is mandatory to state the last 10 ports as part of the ISPS reporting. Consequently, we suggested it could also serve as proof if the vessel is in foreign trade or not.</p>
Dubai	<p>At this time we do not have any VAT in the UAE, so no such requirements exist.</p> <p>However it is planned to implement VAT in the UAE from the beginning of 2018 but at this time we have no information as to how this will affect the Maritime industry here.</p>
Finland	<p>Such document not required. Controlling Authorities i.e. Customs, Border Guard, Vessel Traffic Control fully up to date whether vessel call is international or domestic.</p> <p>What is required by Finnish Authorities for VAT exemption is a “received on board” delivery bill signed by Master”</p>
France	<p>Here is the reply received from France Finance Ministry in charge of this issue about how to apply for VAT exemption :</p> <p>The percentage determined under the responsibility of the operator of the vessel must be justified by means, such as the sea log and the logbook or</p>

	<p>information from the navigation system and geolocation instruments (GPS positioning, trajectogram printing, trace AIS) of the ship.</p> <p>For the moment the only required declaration, is just a head letter from ship operator, under its owned responsibility, confirming percentage of time spent at international sea, which is for France 70% outside French waters and not 60%, and in addition confirming the following infos :</p> <ul style="list-style-type: none"> - Name of ship operator/owner (company, person in charge, title/position); - Vessel name, flag and registration number; - Confirm vsl has permanent crew; - Confirm vsl is used for commercial trade; - Confirm vsl is at least 15 meters long; - Confirm voyages in international waters is 70% of year time. <p>Letter must be duly signed and stamped by above named person.</p> <p>Failure to comply with any of the above conditions constitutes a change of assignment and makes voyage subject to VAT.</p> <p>There is an example form given by France Finance Ministry but in French, I have translated above.</p> <p>It is quite similar to the Bulgarian declaration form.</p>
Great Britain	In the United Kingdom here is no change to the situation as stated in our response to the Portugal survey in November 2016.
Greece	<p>1. FOR SERVICES, IE AGENCY, REPAIR WORKS, LAUNCHES, GARBAGE, ETC: VAT EXEMPTED. THERE IS A ATTESTATION FORM (TRANSLATION ATTACHED) - SUPPLEMENTED BY THE CERTIFICATE OF REGISTRY - FOR EXEMPTION OF VAT WHICH BY LAW NEEDS TO BE STAMPED BY THE CAPTAIN FOR EVERY SERVICE. IN PRACTICE IT IS NOT WIDELY USED. IN CASE OF TAX AUTHORITY AUDIT, IF THE ABOVE TAX EXEMPTION FORM IS MISSING, THE TAX AUTHORITY WOULD ALSO ACCEPT A VERIFICATION FROM THE HARBOUR MASTER THAT THE VESSEL ARRIVED FROM FOREIGN PORT AND NEXT DESTINATION WAS ALSO FOREIGN PORT.</p> <p>2. SHIP SUPPLIES: VAT EXEMPTED. SUPPLIERS FOR CIGARETTES AND ALCOHOL HAVE BONDED WAREHOUSES AND FOR OTHER GOODS THERE IS A SIMPLIFIED EXPORT PROCEDURE SUPPLEMENTED BY THE CERTIFICATE OF REGISTRY IN WHICH THEY USE A SPECIFIC FORM STAMPED BY THE CUSTOMS OFFICE AND THE CAPTAIN OF THE VESSEL WHEN THEY DELIVER THE SUPPLIES.</p> <p>3. SHIP REPAIRS: THE MANUAL WORK (OR WHATEVER CONSTITUTES SERVICE) IS VAT EXEMPTED UNDER THE SAME REGULATIONS AS PARAGRAPH 1 ABOVE. THE SPARE PARTS ARE VAT EXEMPTED BUT THE SPARES NEED TO BE CUSTOM CLEARED FOR EXPORT BY A CUSTOM BROKER IN THE NAME OF THE SHIP AGENT ON BEHALF OF THE VESSEL AND WHEN THIS IS SIGNED AND STAMPED BY THE CUSTOMS AND THE MASTER THEN THE SUPPLIER CAN ISSUE A CREDIT NOTE FOR THE VAT INITIALLY CHARGED.</p>
Hungary	We do not have such kind of regulation.
Iran	In response to below inquiry we would like to inform you that the Port & Maritime Organization (PMO) of Iran applied VAT since introduction Sep the 22 nd

	<p>2008 to all invoices of port dues & THC of all vessels & nationalities regardless of doing cabotage or deployment in international trade.</p> <p>However basis the follow up of SAOI we could have convinced the Ministry of Road who is in charge of all transportation matters & higher authorities of PMO to cancel the same. It was effected since March the 22nd 2016 though the order of ministry was almost 40 days sooner.</p>
Israel	<p>The reply for regular international traffic is negative. During the last 18 months, foreign constructors brought with them vessels which take part in building two new ports/piers close to the Haifa and Ashdod existing ports. These vessels are calling from time to time the existing ports and these vessels are considered under different rules and regulations (including taxes) as they are serving local port requirements.</p>
Italy	<p>We confirm nothing has changed since November 2016.</p>
Japan	<p>No documents are required. Vessels, who engage coastal transportation service, are obliged to register ship's particular in advance to designated authority as per domestic law.</p>
Malta	<p>No declaration is required in Malta.</p>
Mexico	<p>In Mexico we don't have to present any document that indicate the respective vessel is in an international voyage in order to make the VAT applicable 0% for any services provided to the vessel.</p>
Morocco	<p>As per the Moroccan law, the international transport is exempted from the VAT.</p> <p>Our Association has been intervening for many years with the local Authorities to obtain this exemption of VAT rendering accordingly the Moroccan ports competitive. As far as the procedure is concerned, please note that the ship owners issue an attestation certifying that they are trading in international shipping transport in which they commit vessel's agent to act on their behalf towards port authorities/stevedores and all the other suppliers with regards to the exemption of VAT.</p> <p>This attestation is mentioning the name of the agents, the name of the vessel, the port of call and the flag of the vessel and which is duly signed and stamped by the owners.</p> <p>The vessel's agent on his turn and upon ordering any service and/or supply to the vessel, and on behalf of the ship owners' request suppliers by an "order voucher" to issue the corresponding invoice in exemption of the VAT in conformity of the local regulations. The "order voucher" mentions the name and the address of the agent, the name and the address of the suppliers, the nature of the service, the name and the flag of the vessel.</p>
Netherlands	<p>For carriers outside the EU e.g. CMA-APL Singapore the VAT rate applied to services during the international sea transport for the vessel is 0%. In Belgium this seems to be arranged even by National law. About the declaration you sent along as enclosure I received no further remarks from the membership.</p>
Russia	<p>Agents in Russia are not required to submit any vessel-specific form or declaration.</p>
Slovenia	<p>In Slovenia VAT is charged only supply on Slovenian flag vessels, no declarations required for any ship entering in Slovenia ports.</p>

Spain	It is not a specific declaration.
Sweden	We don't have such a requirement at all in Sweden.

Declaration of foreign trade

Name of Vessel: _____

IMO number: _____

Arrival Date / All arrivals in Period:

From Date: _____ Until Date: : _____ (both dates inclusive)

I hereby declare the ship in foreign trade.

(More than 50% of the time sailing between foreign ports or sailing between foreign ports and Danish ports)

Date: _____

Name of Master: _____

Signature: _____

To gain VAT exemption regarding ADP A/S, Port of Fredericia A/S or Port of Nyborg A/S return this declaration to:

ADP A/S
Centerhavnsvej 13
DK-7000 Fredericia

Tel.: +45 7921 5000
Fax: +45 7921 5005
E-Mail: post@adp-as.dk
Web: www.adp-as.com



To: "supplier"
Profession:
Address:

ATTESTATION FOR VAT EXEMPTED SERVICES PROVISION
(ARTICLE 38 ministerial circular 8271/4879/18-12-1987)

We attest with the present that the vessel flag..... and IMO
..... for which we act as agents,

The below mentioned services were rendered:

- a) which are necessary for the vessel to reach the destination safely or the cleanliness and the hygiene conditions of residence on her or
- b) on the cargo of the vessel for the maintenance and safe transportation during the time that the cargo is onboard or
- c) for the discharging of the cargo from the vessel's hold or for the loading of the cargo into the vessel's hold.

- service description
- invoice No
- place
- date
- necessity
- destination of the vessel
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The present attestation is provided as supporting documentation to you for the issuance of the invoice to the vessel, with the note: "VAT Exempted" as per the ministerial circular 8271/4879/18-12-1987.

As agents only