



## NEW RULES IN ITALY

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As you all know, this past 25<sup>th</sup> May 2020 the Italian Revenue Office (Agenzia Delle Entrate) has put under Public Consultation (for more info see our news on 27<sup>th</sup> May 2020 here) a draft concerning the provisions for the application of the VAT reduction on Italian charters, according to the EU's articles 56 and 59 of the EU VAT Directive 2006/112/CE.

The new regulations have been finally issued with Provision N. 234483/2020 by the Italian Revenue Office.

Therefore, as of yesterday, June 15<sup>th</sup> 2020, **the VAT due on Italian charters must to be calculated on the basis of the actual time spent by the charter into the EU territorial waters.**

As a logical consequence of this, **the taxable amount will be subject to a pro-rata reduction based on the cruising outside the European territorial waters** (international waters), **according to the real time miles spent at "high sea"** (international waters), in accordance to the hereinbefore mentioned article 59.

The new rule does not apply to any Italian charters signed before 15<sup>th</sup> June 2020 (date of release of the official Provision by the Agenzia Delle Entrate).

### What do we need to do now on?

To put it quite simply:

Firstly Captains/Officers on board need to split the Charter time into two parts:

**a. total hours spent into EU Waters** (Italy, France, Spain, etc.).

**b. total hours spent at the High Sea** (International Waters).

Secondly, and particularly important, the following evidences/proofs must be collected, kept on file and submitted in case of inspections by the Authorities:

1. trip route cartography.
2. data/info extracted from satellite and/or navigation systems.
3. data/info extracted from transponder systems (e.g. AIS system).





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4. logbook (ship's log) and/or navigation log.
5. papers attesting any berth stay in non-EU ports (e.g. berth invoices, berth contracts agreements, arrival/departure formalities, etc.).
6. papers attesting any purchase of goods and/or services in non-EU shops/businesses.
7. the short-term Charter Agreement and/or analogue Contracts regarding the hire of the yacht.

The evidences collected must prove the maritime routes sailed by the yacht with extreme accuracy and coherence.

All the evidences/proofs collected must be kept on file for a period of time according to Art. 57, paragraphs 1 and 2, of the Presidential Decree N. 633/1972 (therefore, until 31<sup>st</sup> Dec. of the fifth year subsequent to the year in which the Declaration has been filed or – in the event that the Declaration hasn't been filed – until the 31<sup>st</sup> Dec. of the seventh year subsequent to the year in which the Declaration should have been filed).

To simplify the procedures and reduce the burden we – at Yacht Welfare – have set up a special form for all our Clients to summarize all the necessary data and info. This form is called PPNRF (Passage Plan & Navigation Report Form) and it is made in editable pdf file.

The PPNRF needs to be fulfilled in all its parts and sent back to us along with the necessary pictures, mini videoclips, logs, etc. annexed.

Yacht Welfare will keep assisting you by double checking the info provided.

Please feel free to inquire the PPNRF form emailing us to [info@yachtwelfare.it](mailto:info@yachtwelfare.it)



APPOINT NOW

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