

VAT NEWS

➤ French tax authorities published their regulations regarding single complex supplies

Three years ago, the French VAT law was modified so that the VAT law be in line with ECJ law cases (implemented through new Article 257 ter of the tax code).

Last August 23rd, the tax authorities published their guidelines regarding this new Article.

They confirmed that they completely comply with the ECJ case laws.

Different supplies can be qualified as a single complex supply if:

- the different elements are so closely linked that they formed objectively, from an economic point of view, a whole transaction ; or
- some elements can be qualified as main elements and other ones as ancillary elements.

Consequently, if the different operations can be qualified as a single complex supply, they will be treated in the same manner to be qualified as supplies of goods or services, to determine whether a VAT exemption is applicable or, if not, the applicable VAT rate, as well as to determine the applicable territoriality.

➤ Change in dropshipping

In order to fight against fraud, the French draft bill for 2024 states that distance sellings from outside the EU will be taxable to French import VAT, if the import value is lower than the sale price, except when the sale is facilitated by an electronic platform and when the seller use the IOSS.

So, the so-called dropshippers (who buy goods outside the EU to sell them online in France) will be taxable persons for import VAT.



Dominique VILLEMOT
Attorney-at-law

dominique.villemot@marivaux-avocats.com



Nathalie LAY
Attorney-at-law

nathalie.lay@marivaux-avocats.com