

CPYB doc EU VAT

Yachts that sail in European Unions waters are considered VAT Paid or VAT Unpaid.

If a boat is VAT Paid it generally means that VAT was paid to a country in the European Union and that payment is still considered valid. There are a couple exceptions, for example some older boats that met the conditions to be considered VAT Paid when the VAT system was first introduced.

VAT Unpaid means that VAT has not been paid within the European Union or that the original EU VAT Paid status is no longer valid. Unfortunately there are certain circumstances where a boat can lose EU VAT Paid status and if you're planning to take your VAT Paid yacht out of EU waters for an extended period of time it's something you should look into.

EU VAT for yachts of European Union residents

People considered European Union residents who sail or buy their boats in EU waters are required to have VAT Paid status. It's a good idea to keep proof of this aboard to help prevent any issues with customs.

EU VAT for yachts of foreign residents

If you aren't a resident of the EU you can sail a VAT Paid or VAT Unpaid yacht within EU waters. To be able to sail a VAT Unpaid yacht you do need to meet the conditions for temporary importation relief, often referred to by cruisers as the 18 month tax exemption.

Having a yacht in the EU tax free

When you bring a yacht into the European Union as a non-EU resident it's possible to get an 18 month tax exemption. The conditions for this temporary importation relief are outlined in these two documents.

- Article 250-253 of the [Union Custom Code](#)
- Article 207-217 of the [Customs Delegated Regulation 2015/2445](#)