

Viareggio, October 1st 2020

**A ROUTE CHANGE FOR CHARTER CONTRACTS EXECUTED UNTIL OCTOBER 31st:
THE VAT REDUCTION SCHEME REMAINS APPLICABLE REGARDLESS THE DATE OF
PERFORMANCE.**

The Italian Tax Authority (AGENZIA DELLE ENTRATE) issued on the 30th of September night [Resolution no. 62/E of September 30th 2020](#) overcoming the previous one (no. 47/E of August 17th) pointing out the meaning of a specific verbiage contained in the last paragraph of Resolution no. 47/E (“*Alle operazioni... effettuate anteriormente alla data del 1° novembre 2020*” - “to the operations executed before November 1st”) that refers to the execution/signature of the charter contract and not to the period of performance of the service, therefore:

The “old” lump sum VAT scheme (6.6% for yachts over 24 meters) will now remain applicable on charter contracts EXECUTED/SIGNED before November 1st, 2020 regardless the dates of the charter period.

This latest resolution is applicable not only to short term contract (charter) but also to long term one, leasing contract, rental contract and similar and it is the result of a strong pressure made by [Confindustria Nautica](#) (ITALIAN MARINE INDUSTRY ASSOCIATION) towards the Italian Tax Authority in the interest of the Italian yachts charter industry.

All above said, we recap the current VAT scenario on Italian charter contracts from now on:

- Italian Charter contracts **signed until Oct 31st 2020**, even if it will start from November 1st onward, it will be allowed to be subjected to the **“old” lump sum VAT scheme (6.6% for yachts over 24 meters)** if cruising in International water (“touch and go” NOT allowed);
- Italian Charter contracts signed **from November 1st onward** will be subject to the **“new” VAT scheme**, it means that **22%** Italian VAT will be due by the charterer according to the effective use of the yacht outside the Union territorial waters. The yacht must provide means of proof in paper or digital (as indicated on the [Provision no. 234483 issued on June 15th](#)) to confirm with precision and consistency the cruising routes followed by the yacht in non-EU and International waters and 22% will be applied on the portion of charter performed within Italian and EU territorial waters only.

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