

*S*IMPLIFIED REFIT

LAWS AND DECREES

FOR EXTRA EXTRA-EU YACHTS

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Simplification for yards and subsidies for extra EU owners in case of maintenance or refit works in Italy. Circular 20-D/2022 ADM.

Customs Agency has recently outlined new procedure to temporarily admit extra EU boats, and introduced significant subsidies for their owners who decide to have these boats refitted in Italy. As for temporary admission regime, Customs Agency has stated that "simply passing

the border is enough to bind the vehicle to temporary admission regime"; which means, in case of recreational boating, coming as close as 12 miles from the coast of a EU member state binds the vehicle to the regime. The owner, however, can chose not to benefit from this



procedure simplification and stick to verbal declaration of adherence to the regime by submitting a specific form (attachment 71-01 RD). This will simply certify the boat's arrival date in EU territory, so as to respect the 18-month limit of permanence within.

Ordinary Repair/Maintenance Work

A temporary admitted vehicle can undergo repair or maintenance work aimed at preserving it, and keeping it fit for its use, provided that the structure is not modified or its value not substantially increased. This is about, for instance, hull or interior maintenance, including varnish, polishing, decks, carpentry works, decks, plants and engines. ADM Circular clearly states that suretyship is not necessary anymore for these kinds of works; all the owner, or his representative, will have to do to safeguard the revenue, is filling up the Allegato 71-01 RD form and submit it to the customs office in charge. Only in case the work requires the boat's transportation to the yard, the owner will have to transfer temporary admission rights and obligations to the yard itself, through the so called T.O.R.O. procedure (transfer of rights and obligations). As for the aforementioned works' Vat regime, Income Revenue Authority clarified on ADM asking that ordinary maintenance and repair works are included in VAT-exempt works listed by art 9 clause 9 of DPR 633/1972.

Extraordinary maintenance/repair, or Refit

Extraordinary maintenance include, for instance, complete renewal of the interiors, hull or covered rooms modifications, deck stretching or engine replacement. To have these works done, however, the boat must be bound to a different customs regime, "Active Enhancement", temporary admission being, in this case, inadequate. Active enhancement must be formally authorized by Custom authorities through their CDMS (Customs Decision Management System). After the authorization, a suretyship will also be necessary to protect customs from tax or custom-related debts. ADM Circular, howev-

er, includes the possibility to reduce this warranty, making enhancement operations much simpler. Administrations can grant up to a 50% reduction of the warranty, depending on the requiring company's financial stability. Finally, if the yard owns an AEO authorization, it will be totally exempted from warranty-related costs. Extraordinary maintenance works and Refit also benefit from VAT exemption fiscal regime, as stated by art 9 clause 9 of DPR 633/1972.



1) In compliance with art 212 of EU Regulation 2446/2015, temporary admission regime admits vehicles within the union that were registered outside the EU itself, and exempts them from VAT and taxes. It allows a non-EU registered subject to use them within EU-set time limits (18 months max in case of private sea transportations).

