

FRENCH RESIDENT

VAT System on horseracing activities in France

April 2015

Four main operations are concerned:

A – Prizemoney, premium & allowances:

France Galop is the « client » who pays the racing prizes and premiums to the professional who is the « supplier »

Governing principle: self-invoicing

In his capacity as a participant in horseracing in France, the owner is the supplier who bills the racing prizes and premiums to the organiser the « client ».

France Galop pays the racing prizes and premiums and issues, for those liable, an invoice in the name and on behalf of the owner.

B – Services paid through FG professional account department (approvals, publications...)

C – Board and other services (training and stud-farm)

D – Purchases and sales of horses – *considered as movable goods transactions*

The current VAT rate is 20 % for all racing operations.

Owners and breeders resident in
France (VAT registered & non VAT
registered)



A – Prize, premium & allowances

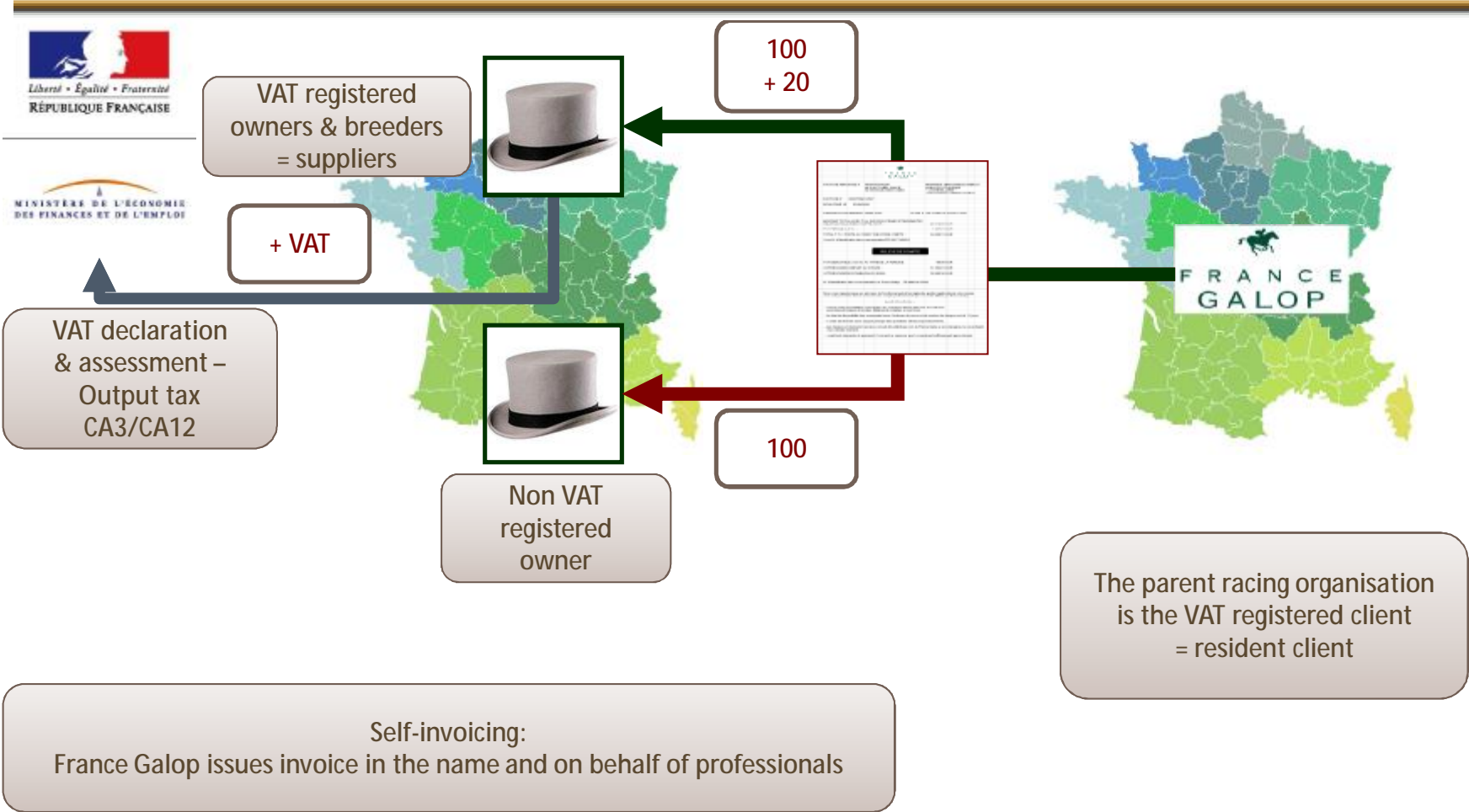
B – Services paid through FG professional account department

C – Board and other services

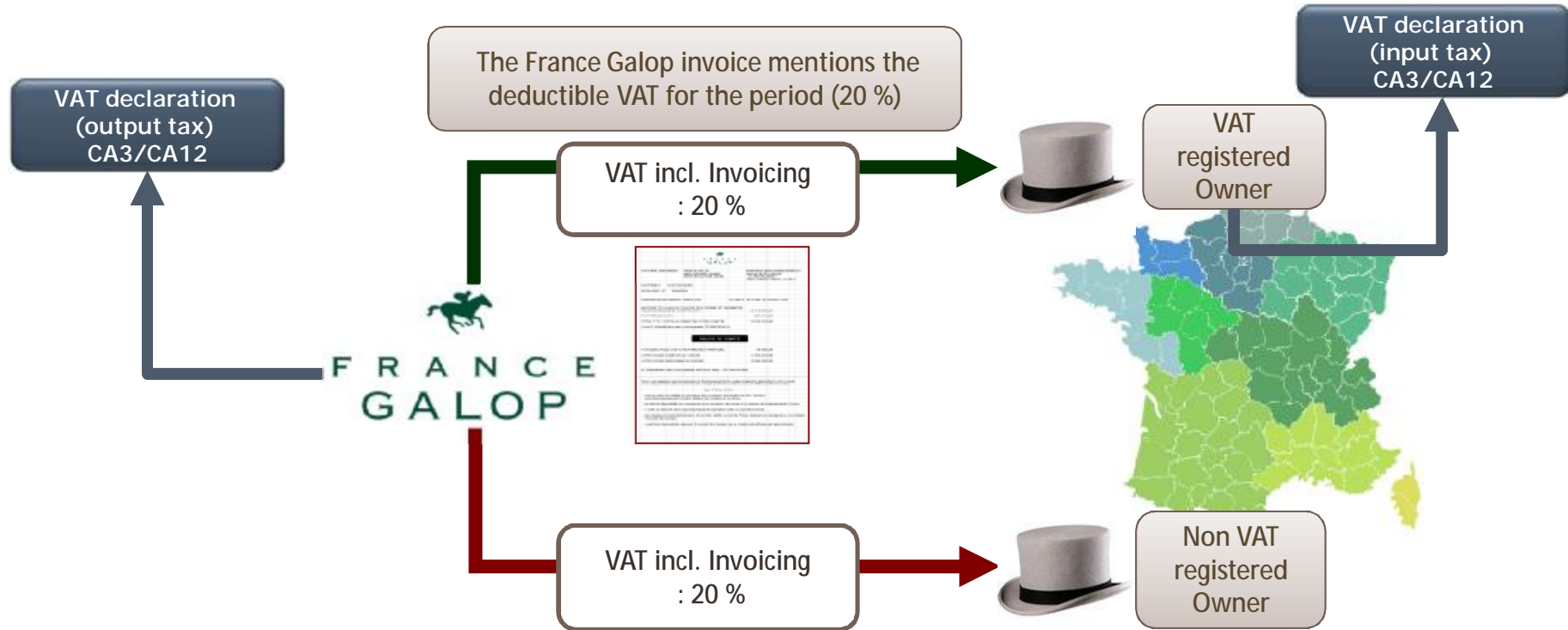
D – Purchases and sales of horses



A – Prize, premium & allowances paid by FG



B – Services paid through FG professional account department

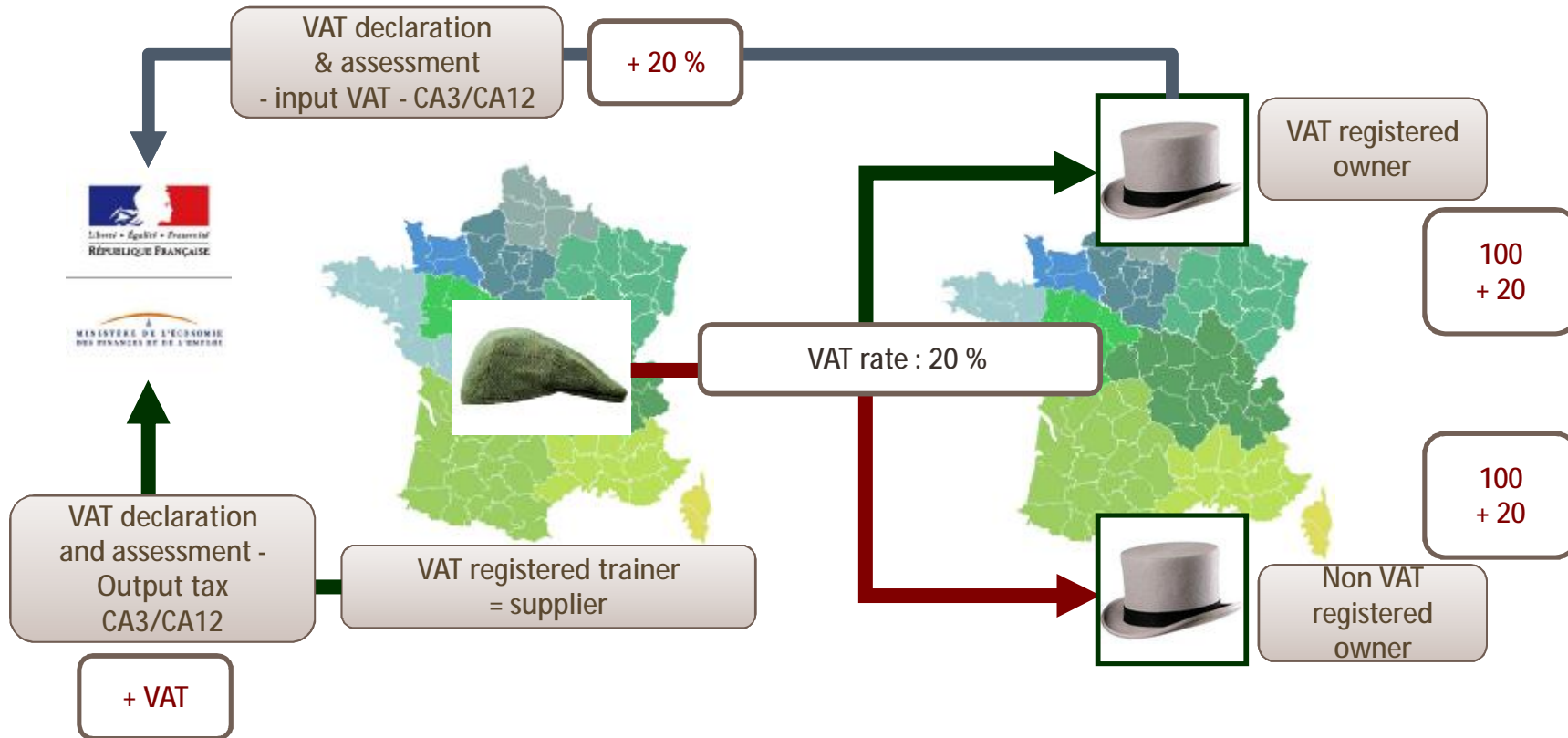


Various services provided :

approvals, costs of reminders and on-line statements
 various administration costs (proxies, registrations)
 identification (export visas, ...), publications (brochures, yearbooks, ...), fees

The France Galop invoice is an accounting document forwarded as evidence to the Tax Administration as a VAT refund on costs incurred in the horseracing activity.

C (1/2) – Board and other services
(training and stud-farm)
- common case (20 % VAT)



C (2/2) – Board and other services
(training and stud-farm)
- *specific case* (reduced VAT)

Reduced rates constitute exceptions to the general rule (not all apply to horse racing):

7% VAT applies to:

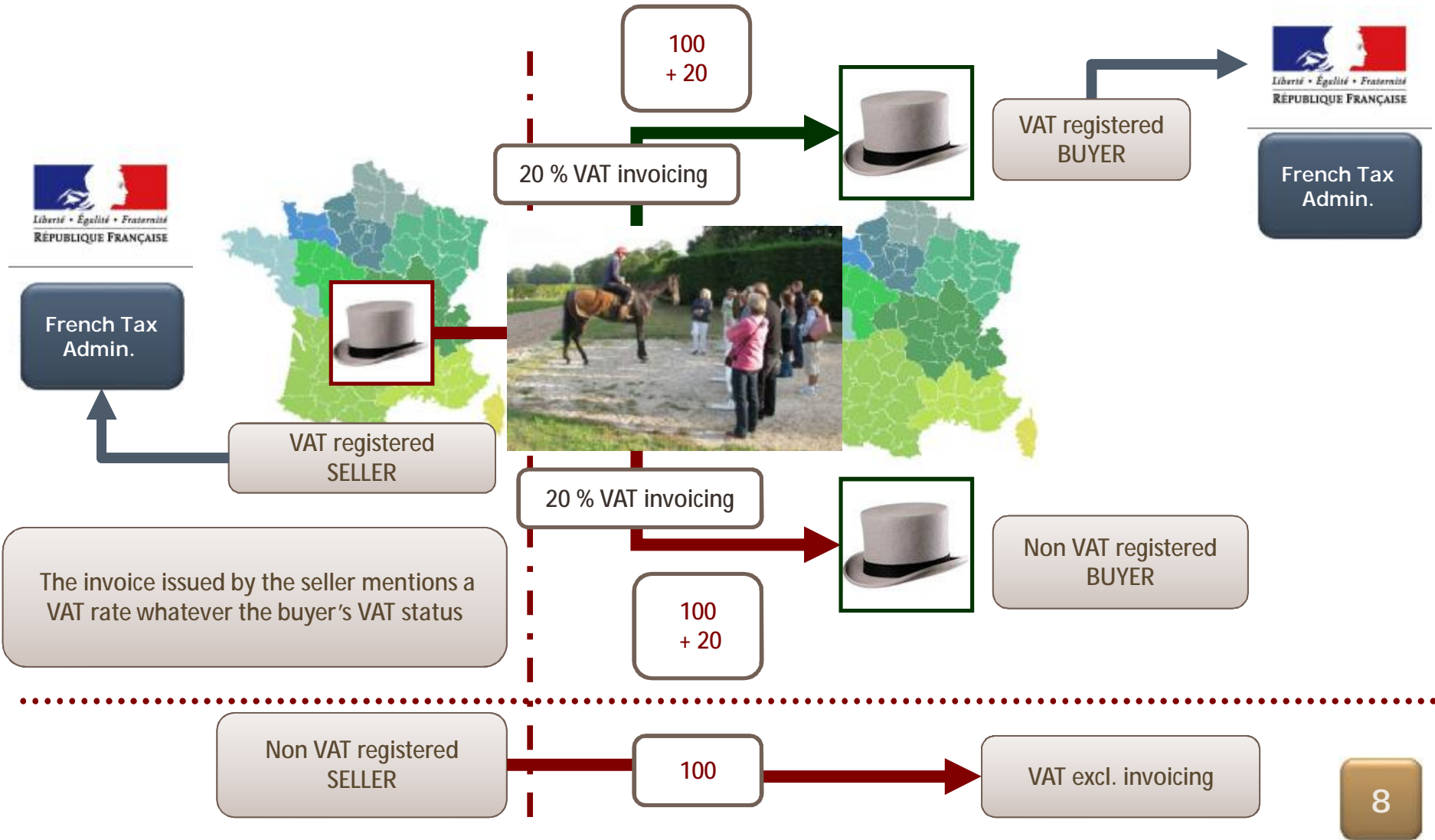
- Stallion sales, jointly held stallion shares of stallion partnership or broodmare partnership, including boarding, covering, doses of semen or embryo transfer, foaling (without veterinarian intervention),
- Horse sales, directly intended for slaughter, between VAT registered people,
- Use of horses in some physical and equestrian activities (organized by an equestrian federation),
- Sales, rents, breaking and stud farms of horses intended to be used in agricultural, forestry or fish production.

2,1% VAT applies to:

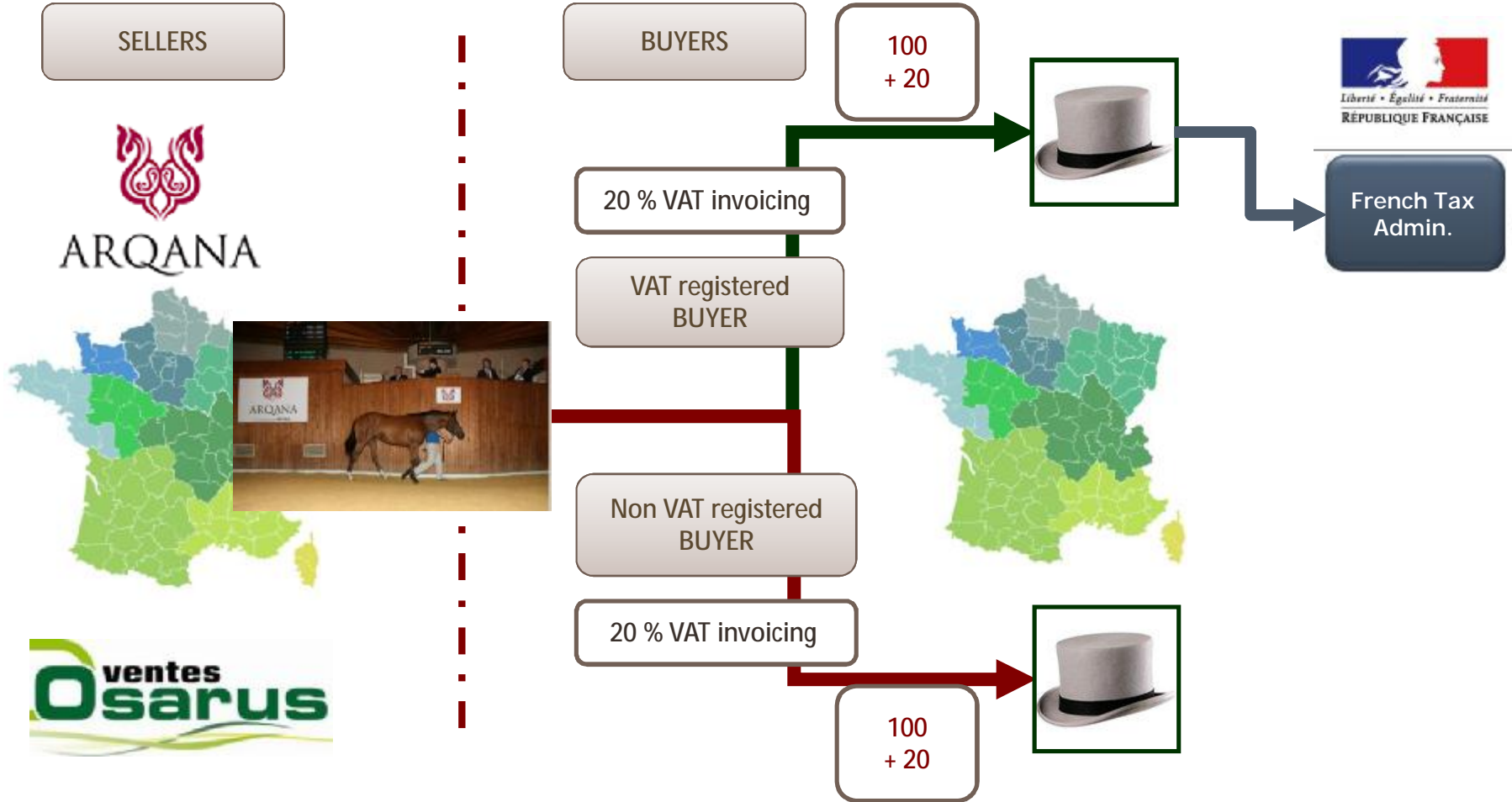
- Horse sales to non-VAT registered people, directly intended for slaughter.



D (1/3) – Purchase of race horses - private sale

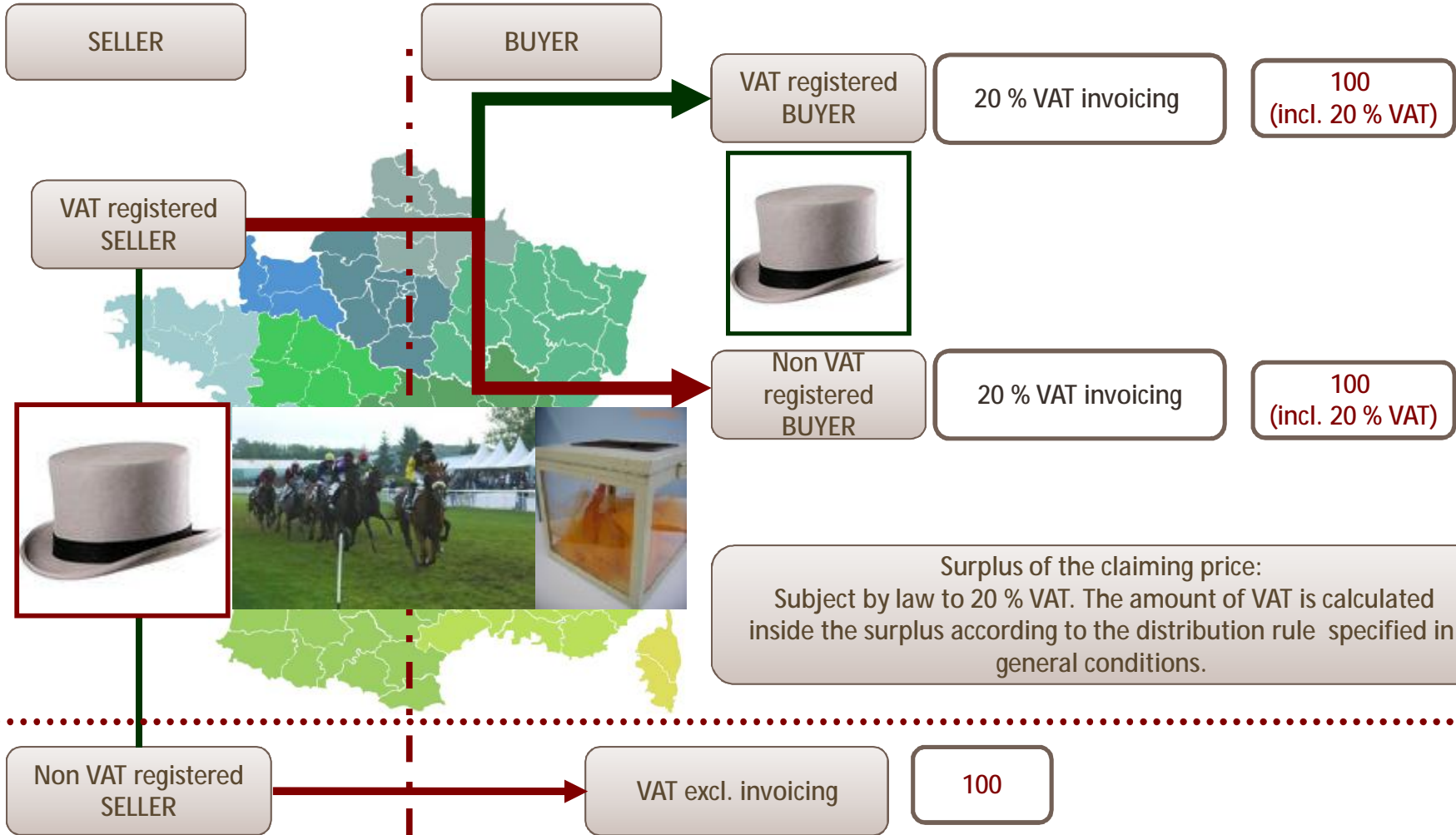


D (2/3) – Purchase of race horses - Public sale





The invoice issued by the seller mentions a VAT rate whatever the buyer's VAT status

D (3/3) – Purchase of race horses - claiming-race sale



Tax advisors committed in the french racing industry

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