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FINANCES PUBLIQUES

FACTSHEET

VAT refunds to Diplomatic Missions and Permanent Delegations to International Organisations

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1. Introduction

1.1. Purpose of the factsheet

The purpose of this factsheet is to outline the principles that apply to foreign diplomatic missions accredited in France (embassies and consulates general) and to permanent delegations to international organisations (OECD, UNESCO and Council of Europe) with respect to VAT on expenditure incurred in the course of their official activities.

In accordance with the place-of-supply principle, goods purchased and services rendered in France are subject to VAT in the usual manner. Foreign missions are therefore bound to pay VAT at the standard rate.

However, pursuant to Article 151, paragraph 1 (a) of Council Directive 2006/112/EC, Member States exempt from VAT the supply of goods and services under diplomatic and consular arrangements.

Moreover, in accordance with paragraph 2 of the abovementioned Article 151, France has chosen to apply exemption from VAT to purchases of goods and services on which French VAT is charged in the form of a refund, subject to reciprocity, in accordance with the limits and conditions described in this factsheet.

1.2. A new VAT refund procedure

Diplomatic missions need to send their refund claims to the Protocol Department (Protocole) at the French Ministry for Europe and Foreign Affairs (Ministère de l'Europe et des Affaires Etrangères – MEAE) either on paper (usual procedure) or online (new procedure): diplomatic missions wishing to use the online procedure must seek prior approval from the MEAE.

The MEAE sends the refund claim on to the VAT Refund Department (SR-TVA) at the Public Finances Directorate General (DGFIP).

The new procedure for claims to be sent online via the Escale V2 platform is described in points 2 and 4 of this factsheet. The Escale V2 interface enables users to send – using an “upload token” issued by the DGFIP – and receive large files (several gigabytes) over a secure connection.

2. Claiming a VAT refund (online procedure)

2.1. Sending the “note verbale”, summary table and bank account details to the MEAE

Diplomatic missions wishing to claim a VAT refund first need to send an e-mail requesting acknowledgement of receipt to the dedicated MEAE address (rtva-mddp.pro-pidc@diplomatie.gouv.fr) containing the following message and enclosing a note verbale, the summary table of invoices and the mission's bank account details:

OBJET : Demande de remboursement TVA [nom de la Mission diplomatique]

MESSAGE :

Veuillez trouver en pièces jointes la Note Verbale en date du (...), le tableau récapitulatif des factures et le RIB indiquant le dépôt d'une demande de remboursement par « *nom de la Mission diplomatique* » pour la période du (...) et le montant de (...).
Je vous prie de bien vouloir solliciter les services de la DGFIP afin d'obtenir un jeton d'envoi « Escale ».

The note verbale must state:

- The exact name of the diplomatic mission (precise bureau name where applicable)
- The VAT refund amount being claimed
- The period covered by the refund claim
- The date of the note verbale

The summary table of invoices must be drawn up in accordance with point 3.1.

Bank account details shall systematically be sent with each VAT refund claim.

2.2. Request for an Escale upload token from the VAT Refund Department via the Protocol Department

The MEAE's Protocol Department checks the diplomatic mission's claim and refers it by e-mail to the VAT Refund Department (dinr.sr.tva.mddp@dgif.finances.gouv.fr) asking it to issue an “upload token” to the mission and enclosing the note verbale and the summary table of invoices. The template used for the e-mail is:

OBJET : Demande de remboursement TVA [nom de la Mission diplomatique]

MESSAGE :

Veuillez trouver en pièces jointes la Note Verbale en date du (...), le tableau récapitulatif des factures et le RIB indiquant le dépôt d'une demande de remboursement par « *nom de la Mission diplomatique* » pour la période du (...) et le montant de (...).
Je vous prie de bien vouloir délivrer un jeton d'envoi « Escale » à l'adresse courriel suivante « ... » afin que la Mission puisse vous transférer le fichier regroupant l'ensemble des factures.

2.3. Sending the file of invoices to the VAT Refund Department via Escale V2 secure e-mail

On receipt of these three documents and subject to the compliance of the summary table with the procedure (see point 3.1), the DGFIP's VAT Refund Department (SR-TVA) issues an Escale upload token to the diplomatic mission concerned to enable it to send the single PDF file containing all the invoices (see points 3 and 4).

This upload token is valid 17 days and is used by the diplomatic mission to send in a single e-mail the file containing all the invoices arranged in the order stipulated in point 3.

NB: Processing times: Receipt of the standard file via Escale V2 is the starting point of the processing time for claims sent to the VAT Refund Department. If the file sent by the diplomatic mission does not meet the standardisation criteria specified in this factsheet, the claim will be considered incomplete and will not be able to be processed. Processing time can therefore only start on receipt of a claim compliant with the specifications.

Additional information: The VAT Refund Department reserves the possibility, where necessary, to ask for the original invoices to be sent (on paper) to process the claim.

2.4. Sending the decision to the MEAE's Protocol Department

Once the claim has been processed, the VAT Refund Department's decision is e-mailed to the MEAE, which sends it on to the diplomatic mission concerned. This e-mail is in the following standard format:

OBJET : Demande de remboursement TVA – Décision – [Nom de la Mission]

MESSAGE :

Veuillez trouver ci-joint la décision du SR-TVA en date du (...) concernant la demande de remboursement déposée par « nom de la Mission diplomatique » pour la période du (...).

3. Content and format requirements

3.1. Summary table of invoices

The summary table of invoices is drawn up as follows:

The summary table of invoices must be sent in Excel workbook format (XLS) or OpenOffice Calc format (SXC or ODS).

IMPORTANT: Excel XML format (XLSX files) will be rejected for reasons of software incompatibility.

The file shall be named as follows:

Summary – [name of diplomatic mission] – claim period frequency (see point 5) and claim year (monthly – name of month, quarterly-Q1, Q2, Q3 or Q4, and six-monthly-S1 or S2).¹

The file structure shall be made up of 9 columns arranged in a predefined order in keeping with the following model:

N° séquentiel	Nom Fournisseur *	N° Facture	Date Facture	Montant hors taxe	Montant TVA	Montant TTC	Date Règlement	Libellé et nature de la prestation fournie ou du bien livré – Observations
1	Alban		31/12/2019	Les montants exacts figurant sur la facture doivent être reportés : aucun calcul ne doit être fait (report uniquement)			03/01/2020	Exemples : téléphonie de la résidence de l'Ambassadeur, achat d'un bureau pour l'Ambassade...
2	Alban		12/02/2020				15/02/2020	
3	Bernard		15/12/2019				15/01/2020	
4	Bernard		05/03/2020				15/03/2020	
5	Céline		05/02/2020				01/03/2020	
6	Céline		17/03/2020				31/03/2020	
7								
etc								
				Total hors taxe	Total TVA	Total TTC		

* Le classement séquentiel s'opère par fournisseur classé par ordre alphabétique. Les factures concernant un même fournisseur doivent être classées par date chronologique et se rattacher à la période demandée (exemple : 1^{er} trimestre 2020 : factures payées du 01/01/2020 au 31/03/2020).

Invoices are ranked by alphabetic order of supplier name. Invoices from one and the same supplier are ranked by chronological order (according to invoice date).

The mission enters one invoice per line, even if a number of invoices have been paid together.

Any credit is entered as a negative amount and the mission shall enter one credit only per line.

The diplomatic mission's chosen claim period frequency (monthly, quarterly, six-monthly or annual) must correspond to the invoice payment dates (see point 5). For example, a VAT refund claim covering the first quarter of 2020 will concern only the invoices paid from 1 January 2020 to 31 March 2020.

The date format to be used is: DD/MM/YYYY.

¹ For example, for a VAT refund claim presented by the French Embassy for the month of July 2020, the file containing the summary table of invoices will be named: "Récapitulatif-AMB France-Juillet 2020.xls/.sxc/.ods".

3.2. Format of the file containing all the invoices

A single pdf file shall be sent containing all the invoices. The file is named as follows: "(Number of invoices) Invoices – [name of diplomatic mission] – claim period frequency (see point 5) and claim year (monthly – name of month, quarterly-Q1, Q2, Q3 or Q4, and six-monthly-S1 or S2)".²

The invoices in this file are ranked in sequential order of the numbering in the summary table of invoices (see point 3.1).

However, it is not necessary to mark the sequential numbers found in the summary table on the invoices themselves.

3.3. Invoice requirements

Note that only definitive invoices may be presented in support of any VAT refund claim: pro forma invoices, provisional invoices, estimates, order forms, copies, calls for funds and notices of payment due are not accepted.

Invoices shall include the following information:

- Full, accurate name of the diplomatic mission: note that invoices made out in the name of staff are not accepted
- The mission's full address: note that only expenditure incurred for premises officially recognised by the MEAE will entitle claimants to a VAT refund
- Precise designation of the goods delivered or services rendered: if the invoice is not precise on this point, corresponding estimates should be provided
- Ex-tax, VAT and tax-inclusive amounts as well as the rate(s) of VAT for each good delivered or service rendered
- Precise address of delivery, place of consumption, or place of service delivery or work carried out
- Invoice number and date
- Name and address of the supplier and associated SIRET business establishment registration number and VAT identification number (intra-Community VAT number)

Building work invoices and invoices for ex-tax sums of over €1,500 must be accompanied by the supplier's authentication of payment or any other proof of payment (accounts department stamp, supplier's stamp, copy of the cheque or copy of the bank statement on which the payment appears).

All invoices for ex-tax sums of over €150 each are eligible for a VAT refund (with the exception of gas, electricity, water, telephone and Internet bills for which no threshold is applied).

Appendices to telephone bills need not be sent when they are not essential to assess entitlement to the VAT refund (e.g. statement of telephone numbers called on a telephone bill).

Energy and fluid bills (electricity, gas, water, etc.) must include all the pages stating the places of consumption or places of connection; note in this regard that only served addresses officially recognised by the MEAE are eligible for a VAT refund.

2 For example, for a VAT refund claim presented by the US Embassy for the month of July 2020 and containing 149 invoices, the file containing the ordered invoices will be named: "149 Invoices-US Emb-July 2020.pdf".

3.4. Expenditure eligible for a VAT refund

In accordance with MEAE Circular 5778/PRO/PID of 14 December 2001, VAT on certain expenditure incurred in the course of diplomatic activities is refundable subject to reciprocity.

Diplomatic missions are reminded in this regard that the applicant state must grant French diplomatic representations on its soil the same exemptions as those claimed. If the applicant state places limitations on the exemption from VAT extended to French diplomatic representations, equivalent treatment shall be applied to that state.

Purchases liable to qualify for the VAT refund are purchases of movables made to equip and furnish official premises – as defined in Article 1 (i) of the Vienna Convention on Diplomatic Relations dated 18 April 1961 and Article 1 (j) of the Vienna Convention on Consular Relations dated 24 April 1963 – and services required for the mission's operational purposes.

Examples of expenditure eligible for a VAT refund:

- Furniture (for use on official premises)
- Functional items (heating equipment, lighting, carpets, rugs, curtains, etc.) and services associated with these movables
- Office supplies
- Consumption of electricity, gas, water, heating, telephony and the Internet for official premises only
- Rent on rented official premises
- Household appliances and cleaning products for use on official premises
- Floral decorations and upkeep of green spaces on official premises
- Vocational training expenditure directly relating to the mission's official activity
- Parking expenses for official vehicles only, i.e. vehicles with diplomatic number plates, parked at a short distance from the mission's official premises (tolerance of three kilometres)
- Water damage: VAT on services following water damage is refunded on presentation of supporting documentation from the insurer stating that the VAT on the work carried out is not covered by the insurance claim paid out
- Charges for passenger vehicles rented, without or without a chauffeur, for less than two weeks to enable missions to replace temporarily unavailable vehicles: rental charges for less than two weeks incurred for any other reason do not qualify for the VAT refund.

- Diplomatic missions are entitled to a refund of VAT incurred for activities relating to the organisation of conferences, seminars, meetings, and exhibitions and fairs in France provided that the claims filed stipulate the type of event to which the expenditure relates. A VAT refund is granted only if the event directly relates to the diplomatic mission's official activity. Individual travel expenses (meals, accommodation and transport) remain ineligible for a refund.

- Entertainment expenses qualify for a VAT refund only when they are incurred for the national day of the country concerned or State Visits. Expenses incurred for the national day qualify for a refund only when they are incurred by the Embassy on or off its premises. Entertainment expenses incurred by consulates and permanent delegations for the national day do not qualify for a VAT refund.

Details on VAT refunds for building work:

Building work is the construction of buildings and ancillary works on immovable property; the maintenance, repair and refurbishment of buildings and building fixtures; and the fitting of building fixtures. Note that only building expenditure pertaining to official premises is eligible for a refund on the express condition that French diplomatic representations in the applicant country benefit from equivalent treatment (real estate reciprocity condition).

The foreign state claiming a refund in this regard shall therefore expressly commit to granting total reciprocity to France for this type of expenditure (general commitment to henceforth grant France the refund of VAT on all real estate expenditure: construction, repairs, maintenance, etc.). This commitment, which shall take the form of a note verbale drafted by the diplomatic mission, must be enclosed in support of the related refund claim.

Diplomatic missions filing a VAT refund claim for renovation work on their official premises are requested to submit a specific claim, enclosing the real estate reciprocity commitment. This claim shall concern only the renovation work and the note verbale must make reference to such.

Special case of a diplomatic mission operating from temporary premises during renovation work on its official premises:

The diplomatic mission in question is requested to notify the MEAE, by means of a note verbale, of the date on which it leaves its official premises and the date on which it enters the premises used for its activities during the period of renovation work.

Privileges and immunities will cease for the premises under renovation on the date of the diplomatic mission's departure and will be transferred to the new temporary premises.

Under reciprocity, the diplomatic mission will be refunded the VAT relating to the renovation work in keeping with the following procedure:

- First, the diplomatic mission shall present the invoices for which it is claiming a refund, accompanied by the real estate reciprocity commitment: these invoices will be rejected by the VAT Refund Department.
- Second, once the work is finished and the diplomatic mission has notified the MEAE, by note verbale, of the date of return to the premises, the MEAE will again recognise the official nature of those premises.
- The diplomatic mission may then re-present its initially rejected invoices (see point 6 Appeals) in keeping with the usual content and format requirements: the VAT Refund Department will then be able to proceed with the VAT refund.

The diplomatic mission is asked to present its invoices separately from its operating expenses invoices by filing two separate claims.

3.5. Expenditure excluded from a VAT refund

In accordance with MEAE Circular 5778/PRO/PID of 14 December 2001 from the Protocol Department, any expenditure incurred in institutes, centres or cultural places, tourist offices, staff housing or any premises that are not essential to the accomplishment of the diplomatic mission's official activities (including canteens and catering services, cafeterias, crèches, gymnasiums and medical services) is ineligible for a VAT refund.

Examples of expenditure excluded from a VAT refund:

- Entertainment expenses (food, caterers, restaurants, cocktail parties and head waiter services) aside from where they are incurred for the national day of the country concerned or a State Visit (see point 3.3)
- Note that accommodation and travel expenses, even those incurred with respect to State Visits, are ineligible for a VAT refund
- Entertainment, accommodation and transport expenses incurred for official visits
- Accommodation, hotel, show, concert and socio-cultural event expenses
- Vehicle repairs and maintenance, including for diplomatic vehicles
- Expenses deemed extravagant or not relating to official administrative needs (e.g. purchase of more than two television sets or cameras every three years, construction and maintenance of a swimming pool, fitting out a cinema, etc.)
- Funeral expenses and associated floral decorations
- Meet and greet airport service expenses (VIP lounge)
- Insurance operations, which are exempt from VAT under Article 261 C 2° of the French General Tax Code. These operations are liable for taxes on the insurance policy, which are not refundable
- Household linen expenses: only the VAT on cleaning and purchasing tablecloths, curtains, table felting, napkins, tea towels and wine waiter's cloths is refundable. Neither the cleaning nor purchase of household linen (sheets, pillowcases, quilts, quilt covers, bathmats and towels) qualifies for a VAT refund
- Tax on private security activities (CNAPS)³ does not qualify for a refund. This tax is applied to security services at a rate of 0.40% of the ex-tax amount and is not equivalent to VAT
- Transport expenses: taxi fares, train tickets, plane tickets, rental of passenger vehicles with or without a chauffeur for more than two weeks, and rentals of coaches, minibuses and minivans.

³ The CNAPS tax was rescinded on 1 January 2020.

4. Escale user guide (online procedure)

NB: An Escale V2 upload token is an Internet link used to access the DGFIP's secure file exchange server.

A single-use Escale upload token is required each time to securely upload the single file containing all the invoices in one e-mail.

The upload token is e-mailed to the diplomatic mission from the VAT Refund Department's dedicated electronic mailbox (dinr.sr.tva.mddp@dgfip.finances.gouv.fr).

The e-mail received takes the following form:

Sujet : [ESCALE V2] Nouveau jeton d'envoi

De : "La BALF dinr.sr.tva.mddp" <dinr.sr.tva.mddp@dgfip.finances.gouv.fr>

Date :

Pour :



Bonjour,

La BALF dinr.sr.tva.mddp a créé un jeton d'envoi pour vous :

- Email :
- Date d'expiration :
- Nombre maximum de messages autorisés pour le jeton : 1
- Lien d'accès au jeton : <https://escalev2.dgfip.finances.gouv.fr/zephyr/UploadToken.jsp?token=7OHMZsw9M6W8nrOXGh9LKaSN9OiqnTmqgPlq19Mi1VNradl>

Commentaire :

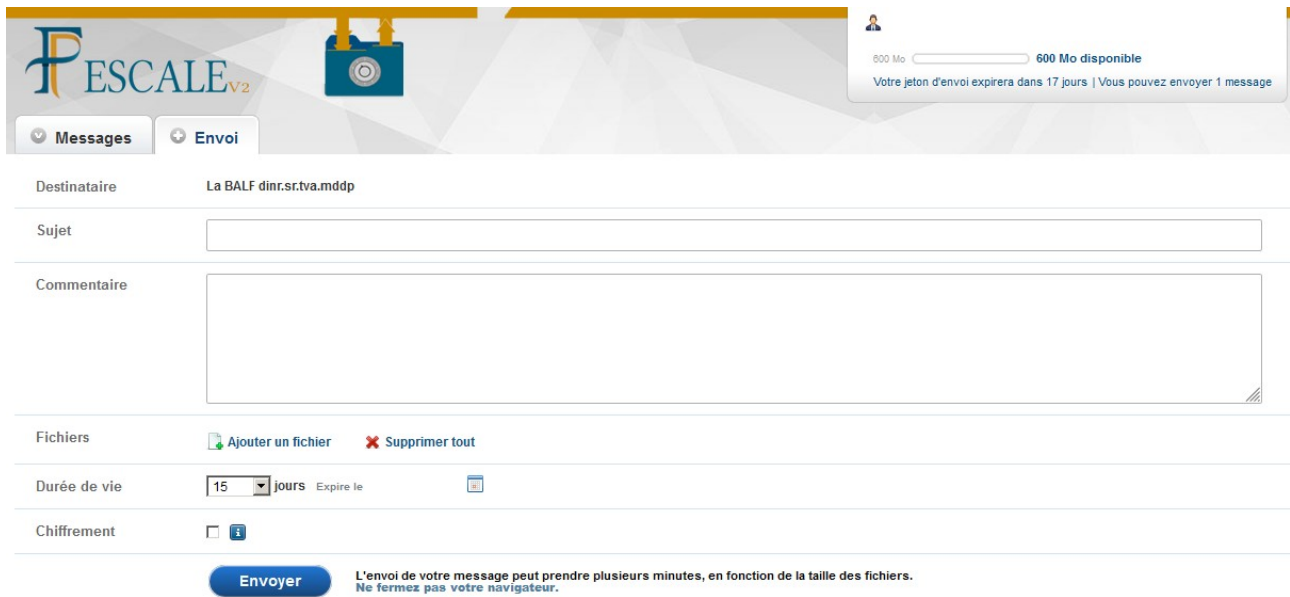
Suite à votre note verbale du 02/01/2021, veuillez trouver ci-joint un jeton d'envoi (permettant l'envoi de votre fichier unique, au format PDF et regroupant toutes les factures).

Lors de la mise en place de la procédure de dématérialisation, il a été décidé d'accorder aux Missions Diplomatiques et Délégations Permanentes auprès des Organisations Internationales un délai de 17 jours pour l'envoi du fichier, à compter de l'envoi du jeton. En retour, veuillez accorder un délai minimum de 15 jours à la DGFIP pour la réception du fichier.

Cordialement.

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ESCALE V2 (Transfert sécurisé de fichiers)

Click on the link <https://escalev2.dgfip.finances.gouv.fr/...> and the Escale V2 secure e-mail interface is displayed:



This page is used to upload the single pdf file containing the invoices:

- The mission fills in the "subject" heading: VAT refund claim – name of diplomatic mission and claim period
- The mission fills in the "message" box: "Please find enclosed the single pdf file containing all the invoices"
- Clicking on "attach a file", the mission selects the file to be uploaded to the DGFIP (pdf file of invoices)
- The mission fills in the upload token's period of validity: 15 days
- Do not tick the "encryption" box
- Click "send"



Once the file has been downloaded by the VAT Refund Department, it deletes the upload token. This deletion triggers the following e-mail sent to the mission, on which no action is required by the mission:

Sujet : [ESCALE V2] Suppression d'un jeton d'envoi

De : "La BALF dinr.sr.tva.mddp" <dinr.sr.tva.mddp@dgfip.finances.gouv.fr>

Date :

Pour :



Bonjour,

La BALF dinr.sr.tva.mddp a supprimé votre jeton d'envoi.

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ESCALE V2 (Transfert sécurisé de fichiers)

5. Claim period frequency and time limit for claims

Diplomatic missions are requested to each choose a single claim period frequency (monthly, quarterly, six-monthly or annual) for their refund claims. This claim period must correspond to the invoice payment dates (e.g. a VAT refund claim covering the third quarter of 2020 must concern only the invoices paid from 1 July 2020 to 30 September 2020).

Diplomatic missions undertake to respect their chosen claim period frequency and to inform the MEAE of any change they wish to make to this frequency.

Good practice: it is recommended to submit claims promptly following the end of the chosen claim period (e.g. the following month for monthly or quarterly claims and within three months for six-monthly and annual claims).

Note the time limit rules for claims: In accordance with the provisions of Article R* 196-1 of the French Book of Tax Procedures, value-added tax refund claims must be presented at the latest by 31 December of the second year following the year in which the tax is payable. This time limit is strictly applied without exception.

For example, VAT on a good invoiced on 25 May 2020 is refundable if the refund claim is presented on 31 December 2022 at the latest. Likewise, VAT on a service invoiced and paid on 31 January 2018 is refundable if the claim is submitted on 31 December 2020 at the latest.

6. Appeals

Any appeal regarding a decision made by the department shall form the subject of a new claim using the same channels as the initial claim.

A separate appeal must be submitted for each claim concerned stating the precise reference of the initial dossier (claim number).

Single appeals regarding more than one claim will not be processed.

The e-mail subject box shall be worded as follows:

Demande de remboursement TVA – [nom de la Mission diplomatique] – Réclamation relative à la demande (n° de la demande et période)

7. Further information

For further information on this mechanism and in the event of problems, please contact your usual correspondent at the Department for State Protocol and Diplomatic Events at the Ministry for Europe and Foreign Affairs.