REGIME 42 CHANGES – European Road Freight

Non-EU companies will no longer be permitted to use limited tax representation (R42) in France.

Regime 42 is Changing.....

When: January 1st 2026

What: Non-EU companies will no longer be permitted to use limited tax representation (R42) in France.

This means R42 will be **permanently abolished** for non-EU sellers through France. Businesses that are NOT EU established wishing to continue selling to EU clients under DDP terms must be VAT-registered in France from that date onwards.

As always, we have alternative solutions! Check below .....

GFC

Regime 42 is Changing..... The Legal Part .....

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Position in the plane series

Published versions

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RES - Value Added Tax - Tax system and reporting and accounting obligations - Exceptional extension of the one-off tax representation system

Question :

Given the constraints on operators to carry out the formalities made necessary by the provisions of Article 112 of Law No. 2023-1322 of December 29, 2023 on Finance for 2024, can the system of one-off tax representation continue to apply temporarily?

Answer :

Article 112 of Law No. 2023-1322 of December 29, 2023 on Finance for 2024 created an import agent system codified in Article 289 A bis of the General Tax Code (CGI) and, correlatively, removed the one-off tax representation provided for in III of Article 289 A of the CGI .

These provisions came into force on 1 January 2025.

However, the abolition of ad hoc tax representation requires an adaptation period for taxable persons established outside the European Union, in particular, to set up the mandate required under the import agent system or to complete the formalities for registration for value added tax (VAT) under the permanent tax representation provided for in I of Article 289 A of the CGI.

Also, an exceptional extension of the one-off tax representation mechanism is granted until December 31, 2025.

As a result, the VAT registration numbers of the occasional tax representatives of the operators concerned remain valid until December 31, 2025.

Related documents:

BOI-TVA-DECLA-20-30-40-10 : VAT - Tax regimes and reporting and accounting obligations - Reporting obligations and formalities - Special obligations and formalities - Taxable persons not established in France - Taxable persons established outside the European Union: tax representation

BOI-TVA-DED-50-20-30-40 : VAT - Terms and conditions for exercising the right to deduction - Terms and conditions for the reimbursement of VAT paid in France by a taxable person established outside the European Union

Solution 1

Obtain French VAT number

Regime 40 remains the same, UK exporter must have EU EORI and French VAT number

GFC can assist with setting up an EU EORI and setting up a French VAT number

Lead time to set up a French VAT number is around 2-3 months.
ACT NOW!

Solution 2

DAP Regime 42

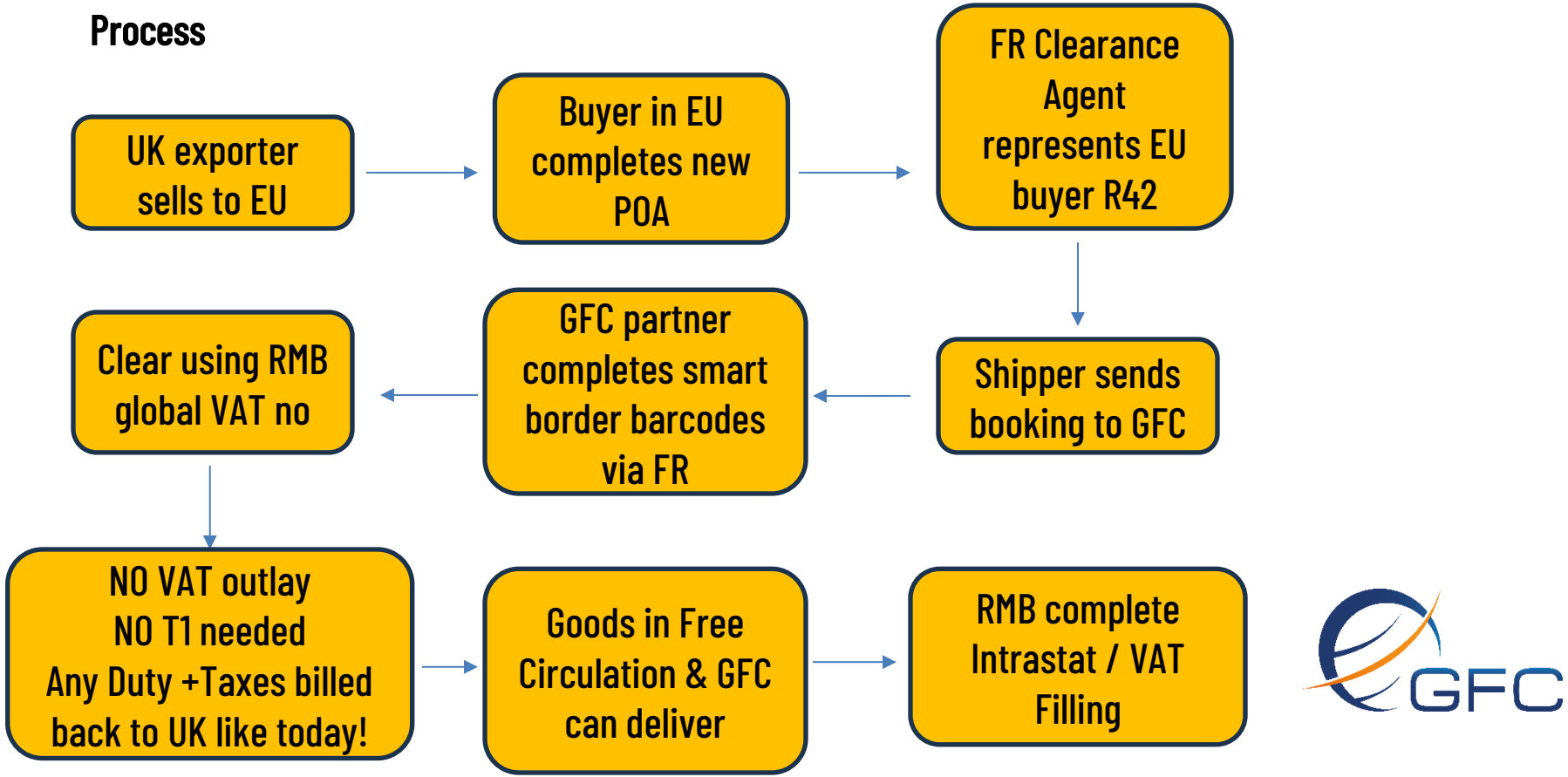
EU consignee act as IOR to enable R42 via France, duty billed back to UK. Smart Border for all

See below flow chart for the process

For more information, please contact sales@gfc-group.co.uk

DAP R42

Process



Any Questions?

Transition Period
R42 remains valid in France **until 31 December 2025**.
We are still onboarding clients under the current framework through to year-end.

EU EORI Required
If you don't have an EU EORI number, we can assist with setting one up for you.
The process takes around 2-3 days, charges apply.

Any further questions or information Required?
GFC will be happy to discuss options and prices with you, please contact sales@gfc-group.co.uk for more information.