

Why use The Azores (Portugal) for Yacht Importation?

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By **Catarina Sardinha**, 7th February 2019

Background

The Archipelago of the Azores is composed of nine volcanic islands and is situated in the North Atlantic, about 1,500 kilometres west of Lisbon. These islands are an autonomous region of Portugal.

What Advantages are Offered by the Azores for Yacht Importation into the EU?

- The standard rate of Portuguese VAT is 23% but the Azores benefits from a reduced VAT rate of 18%.

In relation to the EU as a whole, the Azores has the second lowest rate of VAT within the EU (equal to Malta), with only Luxembourg enjoying a lower rate at 17%. The low rate of VAT is a major reason why the Azores continues to be a popular location for yacht importation into the EU.

The Azores also provides a geographical advantage as it is on the route used by yachts crossing the Atlantic, from the US and the Caribbean, to Europe.

Dixcart: Yacht Importation Services Using the Azores

Dixcart has extensive experience importing yachts through the Azores.

The yacht must physically travel to the Azores and it must be moored there for two to three working days, to enable customs clearance to take place.

Dixcart undertakes the preparation work at their office in Madeira and then organises for the appropriate professionals to travel to the Azores, to be there at the correct time and for the relevant number of days. These professionals assist with the customs clearance procedures and payment of VAT.

Steps and Procedures

Four steps take place:

Step 1: Application for a VAT number for the yacht owning company, as a Portuguese taxpayer

Requirements:

1. Relevant documents to prove the yacht owner's identity.
1. Power of Attorney from the yacht owner in favour of the relevant Dixcart company. This company will apply for a VAT number and will be registered as the yacht owner's fiscal representative, for VAT purposes, with the Portuguese Tax Authorities.

Step 2: Preparation of the relevant VAT and other customs forms

Requirements:

1. 'Declaration of Conformity'.
1. 'Bill of Sale' and related invoices.
1. Customs in the Azores will make their own evaluation as to the value of the yacht.

Step 3: Importation

The Azores Customs Authority will:

1. Survey the yacht.
1. Calculate the applicable VAT on importation, and any other relevant charges.
1. Implement the customs clearance.

Step 4: VAT payment

The Portuguese tax representative of the yacht owner (provided by Dixcart) will pay the VAT applicable on the yacht importation and will receive the following items:

1. 'Declaration of Importation'. This document confirms customs clearance for the yacht and details of the relevant VAT payment. It must be kept on board the yacht at all times.
1. Receipt of payment.

Additional Information

If you require additional information regarding yacht importation using the Azores, please speak to your usual Dixcart contact or reach out to the Dixcart office in Madeira: advice.portugal@dixcart.com.