

VAT Treatment of Services Relating to Vessels and Aircraft

This document should be read in conjunction with paragraphs 4 and 6 of Schedule 2 to the VAT Consolidation Act, 2010

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Introduction

This guidance sets out the VAT treatment of services relating to certain vessels and aircraft.

1. The rate of VAT applicable

All supplies of services that meet the direct needs of qualifying vessels and aircraft or their cargoes are liable to the zero rate of VAT. This includes the supply of such services by an intermediary.

2. Qualifying vessels and aircraft

2.1 Qualifying Vessels

Sea-going vessels of a gross tonnage of more than 15 tons which are used for the following:

- the carriage of passengers for reward
- a sea fishing business
- other commercial or industrial purposes, or
- rescue or assistance at sea.

2.2 Qualifying aircraft

Aircraft must be used by a transport undertaking operating for reward chiefly on international routes. Chiefly means more than 50% use on international routes.

3. The types of services included

All supplies of services that meet the direct needs of qualifying vessels and aircraft or their cargo are included. Typical services include:

- The design, supply, modification, repair, maintenance, chartering and hiring of these vessels and aircraft and the equipment incorporated on them.
- The provision of docking, landing, loading and unloading facilities directly in connection with the embarkation/disembarkation of passengers or the importation/exportation of goods.
- The fuelling and provisioning of a qualifying vessel or aircraft. This should be distinguished from the supply of goods, on board the aircraft, to passengers, which are not intended to be consumed on board. This type of supply does not fall within the concept of provisioning.

Please see the [Appendix](#) for a listing of services.

Appendix – zero rated services

This appendix contains a listing of services which are generally zero rated. However, you should not determine the rate by referring only to this list. You should satisfy yourself by reference to the general body of this guidance that the service is liable to the zero rate of VAT. This list is not exhaustive. See also the [VAT rates database](#).

Service	VAT Rate
Aircraft - international routes	Zero
Aircraft - international routes - repairs	Zero
Aircraft leasing	Zero
Aviation fuel	Zero
Berthing for commercial ships/vessels	Zero
Cargo dues - in port	Zero
Commercial boats and ships	Zero
Cranage - in port	Zero
Customs clearance	Zero
Discharge of vessels boats and ships	Zero
Docking facilities - imports/exports	Zero
Docking facilities - passengers	Zero
Dredger	Zero
Echo sounder	Zero
Equipment for aircraft	Zero
Fuelling and provisioning - vessels	Zero
Fuelling and provisioning - aircraft	Zero
Loading - exports	Zero
Maintenance of vessels	Zero
Navigational equipment	Zero
Pilotage in port	Zero
Radar apparatus - sea-going vessel	Zero
Radar apparatus - aircraft	Zero
Research vessel	Zero
Sea-going vessels - repairs	Zero
Sea-rescue vessels	Zero
Stevedoring	Zero
Stowing - in port	Zero
Supply of sea-fishing vessel	Zero
Tonnage - in port	Zero
Towage - in port	Zero
Tugboats and vessels	Zero