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By PwC Deutschland | 25. Oktober 2026

# ECJ: No customs duty and import VAT upon physical entry of sailing boat solely for repair and maintenance

**The request for a preliminary ruling from the Supreme Tax Court involves the repair and maintenance work of a sailing boat solely imported for this reason from Switzerland. In its decision, the General Court held that transporting the boat to Germany is not an importation of goods subject to VAT and does not constitute use of those goods under Article 124(1)(k) Customs Code.**

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**Background:** A sailing boat registered in Switzerland was brought by a Swiss resident into Germany for repairs and maintenance without a formal customs declaration or inward processing procedure and was subsequently re-exported without passenger or commercial transport use within the EU. German customs assessed customs duty and import VAT. When a private individual residing in a third country imports a means of transport into the EU in order to have it repaired without presenting it to customs and without using it as a means of transport before re-exporting it, must he or she pay import value added tax (import VAT) and customs duties? That was the question at the heart of the case in the main proceedings. In general, import VAT becomes due at the same time as the customs debt arises. Regarding customs, the goods must have entered the economic circuit of the EU.

**Answer of the General Court on the two questions referred**

**(1)** *The introduction of a means of transport from a third country into the customs territory of the EU does not constitute an importation of goods subject to import VAT if it is established, based on objective and verifiable evidence, that such a means of transport was not intended for use within that territory and that it was re-exported without having been actually used within that territory.*

In the present case, it is apparent from the information provided by the Supreme Tax Court (**request for a preliminary ruling** of 18 February 2025) that the sailing boat is registered in Switzerland. Furthermore, the sailing boat was brought into Germany solely for the purpose of carrying out maintenance and repair work and was re-exported to Switzerland once that work had been completed. Those factors tend to indicate that the sailing boat was not intended for use as a means of transport in Germany or in another Member State from the outset, though this must still be verified by the referring court.

It follows from the very nature of that work performed - which consisted of modifying the centerboard mount, refitting the centerboard, checking the engine, repairing the fuel filtration system and replacing the exhaust gas treatment catalyst - that the sole purpose of that work was to render the sailing boat fit for use in accordance with its specific function and intended purpose, namely navigation.

Moreover, it is irrelevant that such works may, as supplies of services for

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consideration within the territory of a Member State within the meaning of Article 2(1)(c) of the VAT Directive, be subject to VAT. Insofar as the possible chargeability of VAT in respect of those services is independent of that of import VAT, those services must be regarded as transactions distinct from the importation of the sailing boat, even if that work resulted in an increase in its value.

**(2)** *The fact that goods have, prior to their re-export, undergone maintenance and repair work within the customs territory of the Union does not constitute use of those goods within the meaning of Article 124(1)(k) of the EU Customs Code where such work could have been authorized under the inward processing procedure.*

According to Article 124(1)(k) of the Customs Code a customs debt on import or export shall be extinguished where the customs debt was incurred (…) and evidence is provided (…) that the goods **have not been used** or consumed and have been taken out of the customs territory of the Union.

If, following verification by the referring court, it transpires that the maintenance and repair work could have been authorized under the inward processing procedure, the carrying out of that work **cannot be regarded as use of the sailing boat** within the meaning of Article 124(1)(k).

In that regard, the General Court adds that this conclusion does not affect the practical effect of Article 210 of the Customs Code, which provides for the placement of goods under one of the specific customs procedures.

Economic operators who bring goods into the Union that may be covered by the inward processing procedure remain incentivized to place those goods under that procedure since the use of such a procedure prevents a customs debt from arising and thus exempts them from having to apply for its discharge at a later date.

**Source:** General Court of the EU, judgment of 21 October 2026 **T?383/25** *Segelbootwartung*.

**Schlagwörter**

Union Customs Code, customs duty, import VAT