



Freight cabotage transport: the French regulation

Ministry of Ecology, Sustainable Development and Energy



Ministère de l'Écologie, du Développement durable et de l'Énergie
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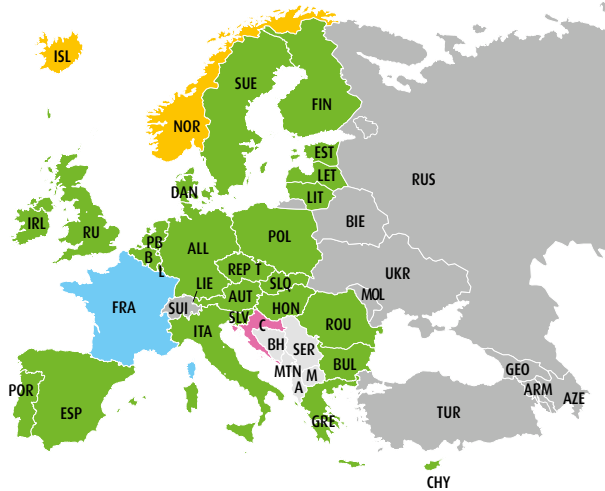
France is at the heart of European freight transport networks making freight cabotage an issue of utmost importance. The adoption in 2009 of the so-called “Road package” permitted to find a balance between the markets opening and the longevity of the 40,000 French road haulage companies.

The French Government has also decided to more strictly regulate, monitor and sanction the cabotage activities of non-resident companies in France.

To maintain a level playing field, these new legal provisions are continually controlled and enforced by state authorities.

What is cabotage?

Cabotage is any type of road freight transport between two points within a given country, which is carried out by a non-resident foreign carrier. Foreign companies, legally established in a member state of the European Union or of the European Economic Area are authorised to carry out cabotage operations in France subject to certain conditions (see map). The regulation’s provisions aim to reduce the number of empty journeys by authorising cabotage operations as part of longer international transport operations.



- EU member State whose haulage contractors are allowed to carry out cabotage limited to the French territory
- EU member State whose haulage contractors are not allowed to carry out cabotage limited to the French territory until July 1st 2015

- EEA member State whose haulage contractors are allowed to carry out cabotage limited to French territory
- Unauthorised countries to carry out cabotage (out of EU and EEA)

What does the French legislation include?

The new French legislation, which came into force on December 10th, 2009¹, implements the provisions of Regulation n°1072/2009 of the European Parliament and the Council of October 21, 2009, published in the Official Journal (OJ) of the European Union (EU). The text sets forth common rules for access to the international road freight transport market.

French legislation on road freight transport cabotage is governed by articles L 3421-3 to L 3421-10 of transport code and by decree n° 2010-389 of April 19th, 2010².

¹ Article 33 of act n° 2009-1503 of December 8th, 2009 on the organisation and regulation of rail transport and on the various transport provisions, amending article 6-1 of law n° 82-1153 of December 30th, 1982 on domestic transport.

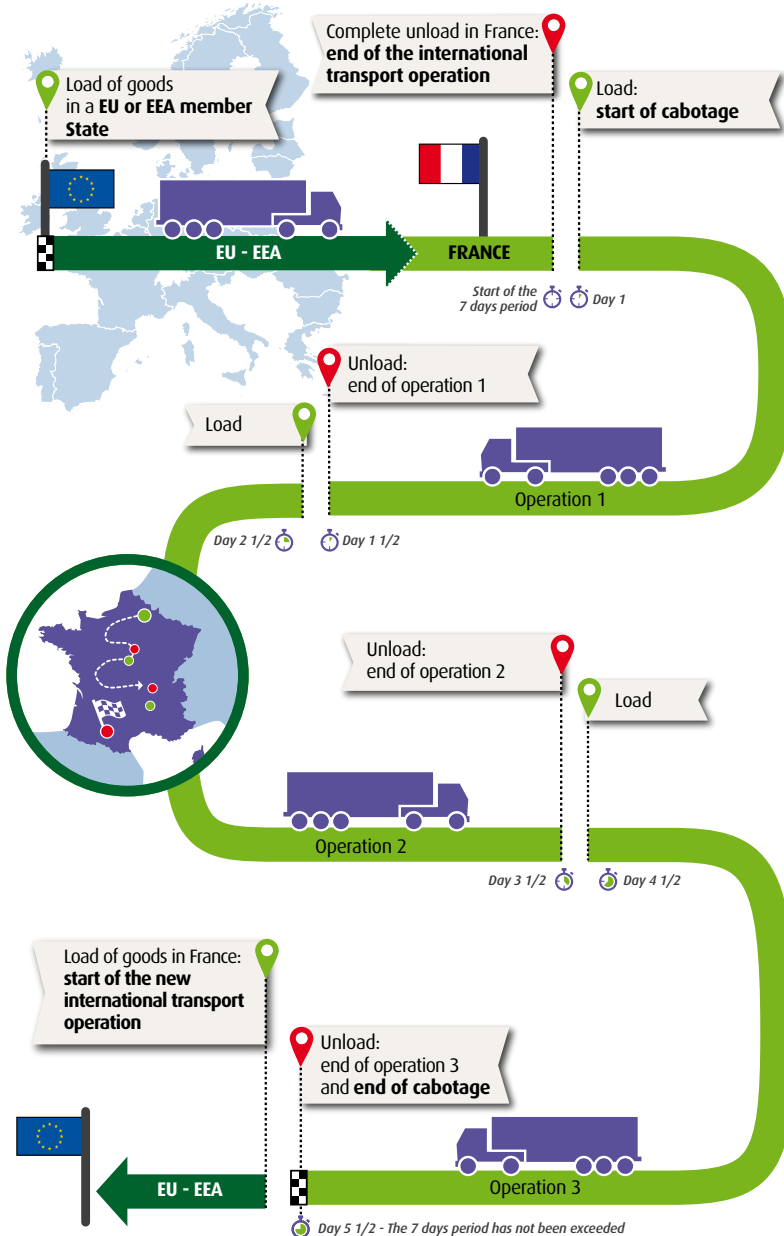
² Decree n° 2010-389 on road and water freight transport cabotage of April 19th, 2010.

Which conditions apply to cabotage operations?

- Cabotage operations may only be carried out as part of an international journey.
- The cabotage operation must be carried out with the same truck as was used for the international transport journey or with the same tractor unit for a combination of vehicles.
- When the final destination of the international journey is France, road cabotage operations are allowed once all of the freight being transported internationally has been unloaded. A maximum of three cabotage operations, with three separate waybills, are allowed. The three cabotage operations must be done within seven days from unloading of the internationally transported freight.
- If the final destination of the preceding international journey is a country other than France, a maximum of one cabotage operation in France is authorised within the three days following entry of the empty vehicle into the country. The cabotage operation must be completed within seven days from the unloading of the internationally transported freight.

Details-3,5T Vehicles are subject to the same rules as heavy vehicles as regards cabotage. They are allowed to perform these operations, without having Community license, but under the conditions laid down in Articles 8 to 10 of 1072/2009 regulations specifying deadlines and the number of operations to be respected, and the obligations documentaries. A national enterprise of a EU Member State may exercise a transport activity in the territory of another Member State. However, this activity must remain temporary. If, however, it should exercise it in so "normal, continuous or regular," the company should settle in France and to seek enrollment in different registers, under penalty of being found for illegally practicing its activity.

France: a country receiving international freight



Cabotage performance conditions

 Fulfillment of an international transport operation

 **1** road tractor for all operations

1 truck it's: **1** trailer **1** road tractor

 **7** days for achieving all the operation

 **3** operations max authorized in France

 documents :
- international CMR
- consignment note
- consignment note specific for the cabotage operation

Procedure for the operation

Complete unload of international freight in France

Load of goods in France



Transport of goods

Unload of goods in France



To one operation is matched a consignment note



Which documents are required for any cabotage operation?

All drivers of vehicles used in a cabotage operation must have the following documents in their possession³:

- an international waybill (CMR)⁴ for the preceding international journey, which qualifies the vehicle to carry out a cabotage operation;
- a waybill (WB) for each cabotage operation carried out.

In addition to the standard compulsory information, each of the aforementioned documents must include:

- the date when the freight was unloaded;
- the registration number of vehicle used for the cabotage operation.

This information may be hand written.



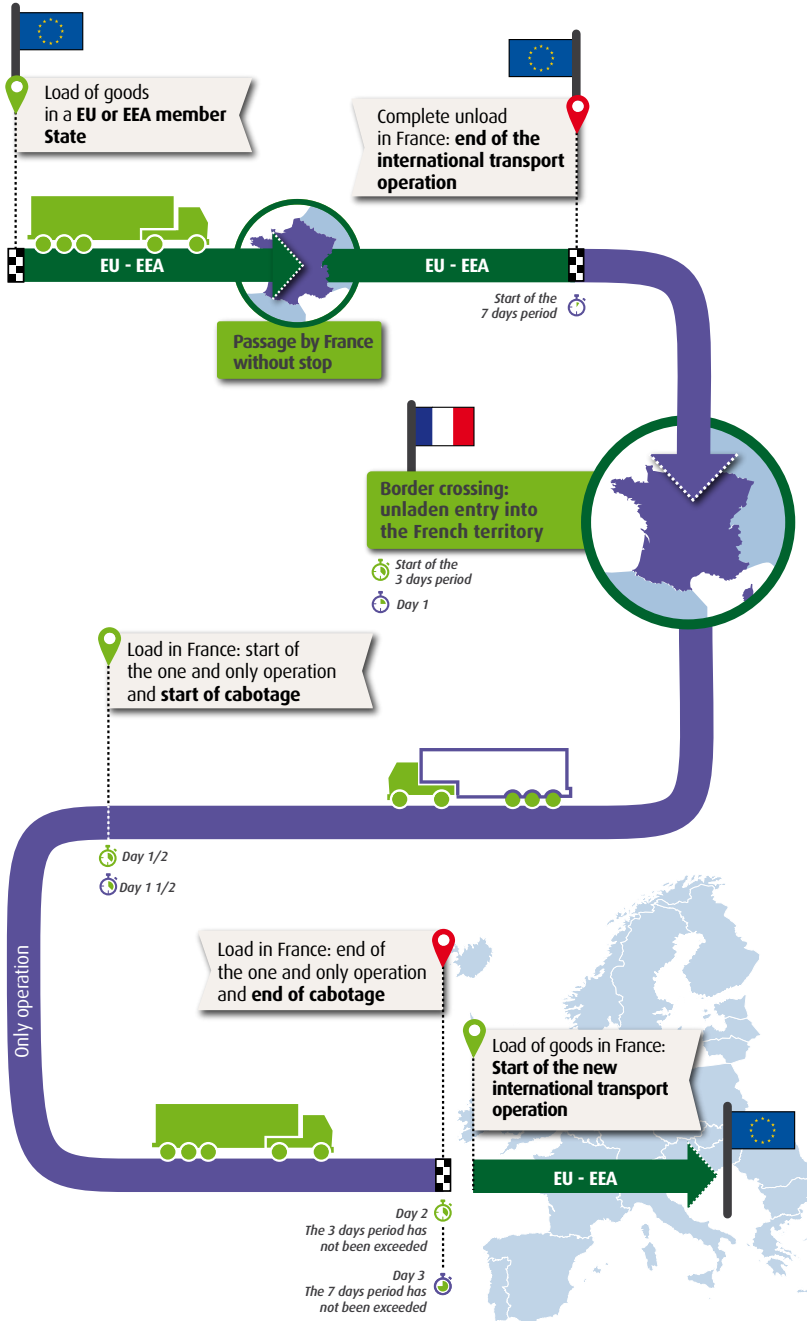
Road freight transport cabotage activity is also checked through verification of the information recorded in the tachograph and the information regarding to freight loading.



³ In addition to all other documents required under the legislation in force (copy of community licences when due, driver's licence, etc.).

⁴ In compliance with the Geneva Convention of May 19, 1956 on contracts related to international road freight transport.

France: transit country of international transport



Cabotage performance conditions

Fulfillment of an international transport operation

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LV 1 LV 2 LV 3



What are the penalties for failure to abide by the rules governing⁵ cabotage operations?

Two kinds of sanctions are applicable.

- **PENALTIES:** company vehicles that fail to abide by the cabotage regulation may be impounded until infringement has ceased and may be liable for a fine of 15,000 €.
- **ADMINISTRATIVE SANCTIONS:** the haulier from European Union may be penalized with a cabotage ban for one year as a maximum and valid on the French territory as a whole.



Transporters of countries that are not authorised for cabotage operations may face up to a one-year prison sentence.

Failure to show the required documents or failure to show documents replete with all of the necessary information is punishable by a class 5 fine of up to 1,500 €.



⁵ Articles L 3452-6 and L 3452-7 of transport code.

Under which circumstances must a non-resident haulier be legally set up in France?

Cabotage is a temporary activity. A carrier must settle in France and have a license issued by the French authorities when operating in French territory :

- frequent, continued, and regular domestic transport;
- any activity from premises or facilities that are located in France, which are used, on a permanent, continued and regular basis, for carrying out the said activity.

The license is a Community license when the carrier uses one or heavy vehicles, with a maximum authorized weight of over 3.5 tonnes, or an internal transport license, when the carrier uses a light vehicle, with a maximum authorized weight not exceeding 3.5 tonnes.

What is the liability of the principal in the area of cabotage operations?

The principal must ensure that its contracted haulier does not carry out more than three cabotage operations in the seven-day period. The company does not need to verify that the requisite international transport journey has been carried out or if other cabotage operations have been made.

The principal must maintain a record of all supporting documents for two years.

Principals that fail to abide by the provisions of the legislation may face a fine of 15,000 €⁶. Furthermore, failure to show the necessary supporting documents is punishable by a class 5 fine of up to 1,500 €.



⁶ Article L 3452-8 of transport code.

VAT: which rules apply to cabotage operators?

In France, the client (with VAT registration in France) must pay all VAT, which applies to cabotage operations carried out on French soil. The client must pay the French VAT to the French tax authorities. Therefore, the foreign haulier must issue invoices exclusive of taxes to the client, which has a VAT registration in France.



Carriers that are legally established outside of France are not required to declare or pay VAT on cabotage operation services. If the aforementioned carriers do not carry out any other operations for which French VAT applies, they are not required to obtain VAT registration in France.





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