Avril-Mai
April-May
2019

Note d'information
Newsletter
Non-Résidents

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Focus
THE TAX TREATY

Tax treaties are conventions whose purpose is exclusively a fiscal one.
The tax treaty is normally binding on States and takes precedence over domestic legislation. Thus, international treaties or agreements have, in France, as soon as they are published, an authority superior to that of domestic laws
The taxes concerned are for those applicable on the income and wealth and for others inheritance and gift taxes, other registration taxes and stamp duties.

What are they used for?

Did you know that you can be considered as a tax resident of several countries? Each country applies its domestic law and reserves the right to tax a particular income, even if it comes from foreign sources.

For example, the land income you receive from a rental in France may be taxed in your country because it is your country of residence, but may also be taxed in France because the income is derived from it.

The essential role of tax treaties is to eliminate these cases of double taxation. There are two main methods: the imputation method (the taxpayer is allowed to deduct the tax paid in the other country) and the exemption method which simply consists in removing the right to tax from one of the two States.

Most conventions also contain a non-discrimination clause that ensures equal treatment with nationals of countries.
They are also sometimes aimed at combating international tax evasion and fraud. In particular, they allow for the exchange of information and collection assistance between the tax administrations of the signatory countries.

How to read a tax treaty?

It can be difficult to read a tax treaty as, while their reading may seem simple, it can be confusing because the words used are subtle.

Thus, Article 13 of the Franco-British Tax Convention of 22 May 1968 for the avoidance of double taxation and the prevention of fiscal evasion with regard to taxes on income provides that»... capital gains derived by a resident of a State from the alienation of immovable property referred to in Article 6 of the Convention may be taxed in the State in which the property is located. (…) ».
This formula means that if the property is located in France, France has the right to tax, but this expression says nothing about what can happen in England and certainly not that this income is not taxable there.

Whenever you find yourself in an «international situation», it is important to ask yourself:
- If a tax treaty is applicable,
- If you can be considered as a tax resident of both countries,
- If there is double taxation
- How this can be eliminated.

To do this, it is necessary to read the agreements correctly and to surround yourself with competent professionals.

THE SELLING PRICES OF PROPERTIES IN FRANCE ARE NOW FREELY ACCESSIBLE.

Before buying or selling, you want to know the selling prices, did you know that an official government website now provides free access to the Public Finance Branch's (PFB) land and property databases?

Since April 24, 2019, the data has been public and everyone can access the service online.

A total of about 15 million sales data are available on this site: app.dvf.etalab.gouv.fr/

Unlike the official Patrim website, the site is accessible without having to leave your contact details. On the other hand, this database does not allow us to estimate a property precisely but to compare it with what has been sold in the area concerned.

The database can also be difficult to read because it requires extracting information from a raw file in order to be able to compare them.

The data collected does not exempt you from an evaluation by a real estate specialist who will help you interpret the data to make the right decision and take into account the specificities of the property you are considering buying or selling.

BRUSSELS UPDATES THE LIST OF NON-COOPERATIVE TAX JURISDICTIONS

Brussels establishes this list on the basis of three criteria: fiscal transparency, good governance and real economic activity, and one indicator: the absence of corporate tax.

There are now fifteen countries on the blacklist.

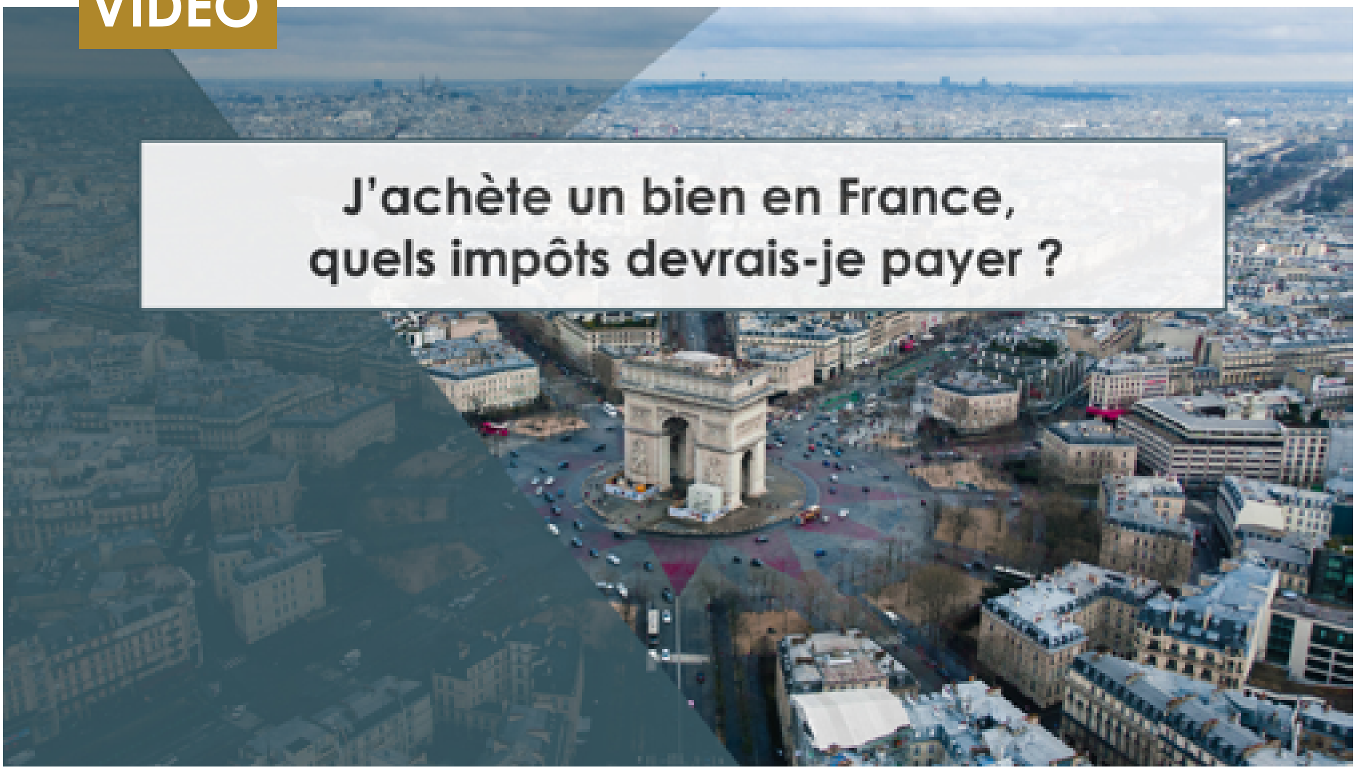
- **American Samoa, Guam, Samoa, Trinidad and Tobago and the American Virgin Islands have not made any commitments since the first blacklist in 2017.**

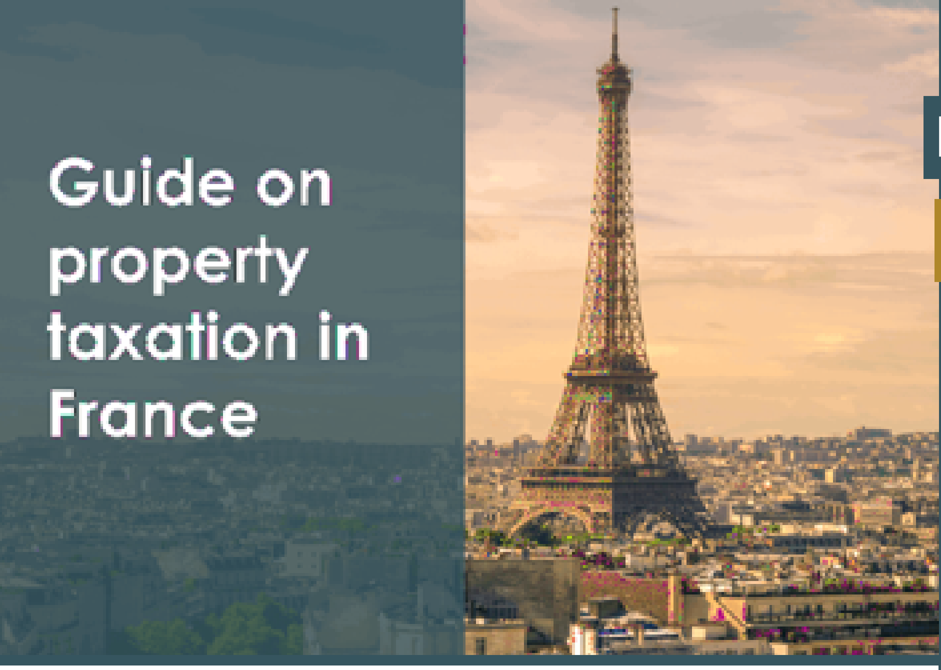
- **Barbados, Aruba, Belize, Bermuda, Fiji, Vanuatu, Dominica, Marshall Islands and United Arab Emirates.** These countries were «put back» on the blacklist because they failed to honour their commitment.

The remaining 34 countries on the grey list will continue to be monitored in 2019.

Countries on this list are subject to sanctions such as increased monitoring and controls, withholding taxes, special documentation requirements and anti-abuse provisions.

VIDEO





NEW

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NEWS

French income tax return 2019

Dates and obligations

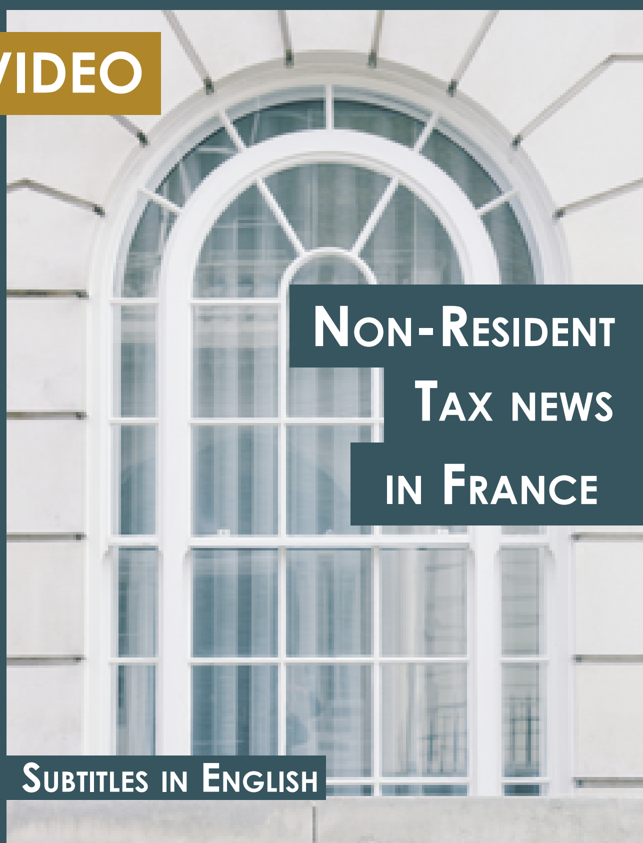
Income tax in France : tax reductions and credits

Non-residents – Purchasing through an SCI in France: what are the tax consequences and the pitfalls?

Must you declare all your bank accounts held abroad?

CONTACT US FOR ANY QUESTION

VIDEO



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