

Jun
June
2019

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Note d'information
Newsletter

Non-Résidents

IN
THIS
EDITION

**REPATRIATING FUNDS FROM
ABROAD TO FRANCE**



REPATRIATING FUNDS FROM ABROAD

How to transfer funds from abroad or to another country?



A person, whether or not a French national, may have to transfer funds located abroad to France or, conversely, repatriate funds to his or her country of origin. These operations can be very legally regulated depending on the countries concerned.

In France, the transfer or repatriation of funds remains relatively flexible. However, there are some rules to be aware of. Since 1 January 1990, exchange controls have been abolished. Thus, it is possible to freely transfer capital abroad and hold assets there.

How to transfer funds from abroad or to another country?

Declare the money transferred

In the event of a transfer of funds of an amount greater than or equal to 10,000 euros, a declaration must be made to the French customs service. This obligation applies only to private individuals

who make such transfers without the intermediary of a financial institution (bank) and concerns all transfers of sums or securities made to or from a Member State of the European Union as well as cash inflows or outflows for at least €10,000.

Failure to report the transfer of funds shall be punishable by a fine equal to one quarter of the amount of the offence or attempted offence. In some cases, the amount may be forfeited.

In a third country, information should be sought on the problems of transferring funds or holding cash (declarations...), in order to avoid offences. To obtain this information, it is possible to contact the French embassy located in the country of domicile or a subsidiary of a French financial institution.

On the other hand, bank transfers between two European countries are exempt from reporting requirements, but the transfer of funds is controlled.



Control of remittances

Bank transfers to and from abroad are subject to supervision by the tax administration, but also by its intelligence processing and action against illegal financial circuits (TRACFIN) and customs services. The aim is to combat tax offences, money laundering and the financing of terrorist or criminal acts.

TRACFIN works closely with French banks. Thus, banks are required to alert TRACFIN when they record unusual or suspicious transactions on behalf of their customers. The notion of suspicion is therefore fundamental: there is no official threshold that triggers a tax audit, and the principle of «suspicious transaction reporting» is left to the banks' discretion. They are obliged to declare the transaction in question if one of the 16 criteria defined by the legislator is identified. These include the use of shell companies, the unexplained use of transit accounts, the deposit of a sum of money unrelated to the client's activity or financial situation,... as well as the client's refusal to provide supporting documents relating to the source of funds or the payments made,.

The tax authorities will also check that the tax that should have been collected on these securities has been paid. In the absence of evidence to the contrary, the tax authorities may consider that this money comes from hidden income and may notify an adjustment of the tax due in France. This concerns income tax, IFI or inheritance or gift tax. This risk mainly concerns French tax residents.

An interest for late payment and a 40% surcharge are also applicable unless a fine has been applied.

The obligation to declare foreign accounts held by French tax residents.

Individuals, associations and companies not in commercial form, domiciled or established in France, are required to declare, at the same time as their income or profit declaration, the references of accounts opened, used or closed abroad.

Failure to file the return is sanctioned by a fine per undeclared account and the tax authorities may consider that the account holder has received taxable income subject to tax in France that he has not declared.

In addition, criminal sanctions may also be incurred in certain cases: tax fraud, tax fraud laundering or misuse of corporate assets.

ROCHE VIDEOS

The wealth tax in France (IFI)

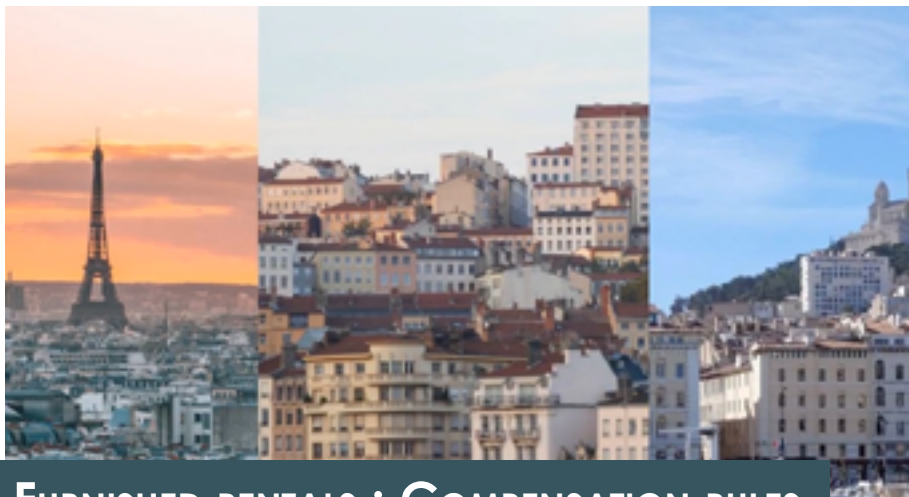
THE WEALTH TAX EXPLAINED

Si le bien est inoccupé

inoccupable

Ne comporter
aucun meuble

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**NON-RESIDENT
TAX NEWS
IN FRANCE**

SUBTITLES IN ENGLISH



Cabinet Roche & Cie,
40 Rue du Président Edouard Herriot
69001, Lyon