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Note d'information
Newsletter

Non-Résidents

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Consequences of **BREXIT** on Equity Savings Plans: What are the consequences of Brexit for securities issued by British companies and held in Equity Savings Plans?



An ordinance of 16 December draws the consequences of Brexit in the field of insurance, collective investments and stock savings plans. Two decrees were issued in application of these provisions.

The first is issued pursuant to Article 3 of the order, which enacts transitional measures relating to equity savings plans (PEAs and PEA-SMEs) and collective investments (FCPR, FPCI and FIP). It sets the period during which securities issued by British companies subscribed or acquired before December 31, 2020 remain eligible for PEAs and PEA-SMEs at nine months from January 1, 2021;

Investors will be informed of the maintenance or loss of eligibility of securities held within the framework of a PEA or PEA-PME.



Energy performance will become a determining factor for the rental of a property in France.

Article 17 of the law of November 8, 2019 on energy and climate has integrated a criterion of energy performance (in kilowatt-hour of final energy per year) in the definition criteria of decent housing. The purpose of this article is to set a minimum energy performance standard, leaving a delay for owners to comply.

Thus, as of January 1, 2023, the housing will be considered as decent as soon as its energy consumption will be less than 450 kWh/m²/year.

Above this threshold, the dwelling will not will not meet the criteria for decent housing and therefore cannot be rented out.

This measure will not be applicable to rental contracts in effect on the date it comes into force. Only new rental contracts entered into on or after this date will be affected.



3 % tax on buildings : beware of late filing of the declaration.

There is a 3% tax in France on all French and foreign legal entities, bodies, trusts or comparable institutions, regardless of their legal form, whether or not they have legal personality, that own real property or rights in real property located in France on January 1 of the tax year, either directly or through an interposed person. This concerns, for example, an SCI held by non-resident persons and owning property in France.

Indirect holding means that the company is :

- owner of buildings located in France or of rights relating to such buildings;
- or holder of an interest in a third entity, which is itself :

These provisions are applicable regardless of the number of legal entities involved.

This tax is fixed on the value of property and real rights owned in France. Its rate is 3%.

There are many grounds for exemption, but these do not dispense the need to make a declaration to justify them.

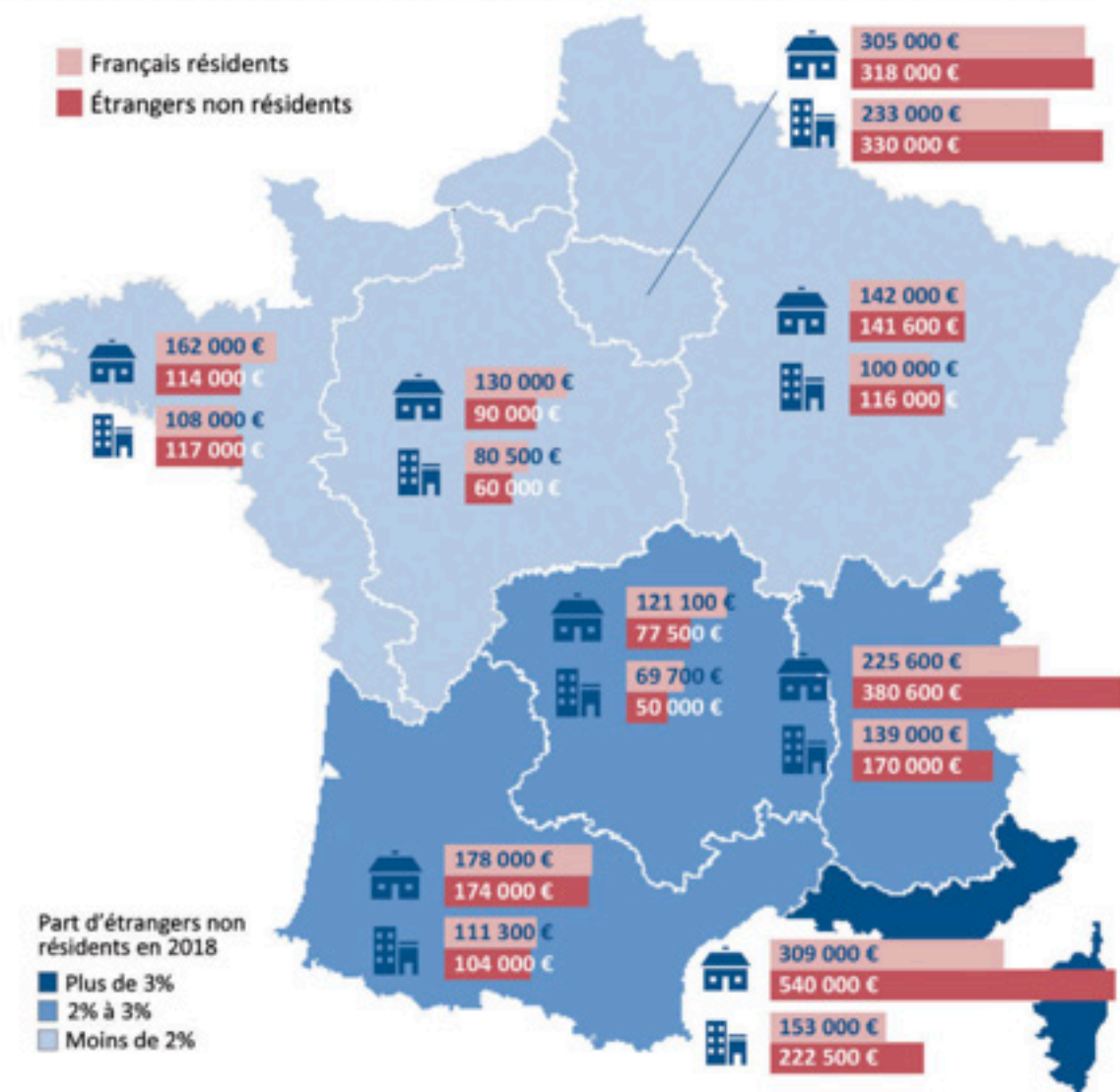
For example, the 3% annual tax is not applicable to legal entities which, having their registered office in a country that has concluded an administrative assistance agreement with France to combat tax evasion and avoidance, and which declare each year, by May 15 at the latest, the situation, consistency and value of the real estate owned on January 1, the identity and address of their shareholders or associates on the same date, as well as the number of shares or equity interests held by each of them. (article 990 E, 2, of the CGI.). It is also necessary to take the commitment and to respect an undertaking to provide the tax authorities with certain information about his application.

Nevertheless, if you are a property owner through a real estate company located in France, it is preferable to regularize your situation beforehand by contacting a professional.

The real estate market of non-residents

Sur la période 2008-2018, la part des acquéreurs étrangers non-résidents en France diminue progressivement pour atteindre 1,7 % en 2018. Cette part varie toutefois beaucoup d'une région à une autre, certaines régions comme Provence-Côte d'Azur-Corse tirent leur épingle du jeu.

Prix de vente médian par zone géographique et type de bien selon la nationalité et le lieu de résidence des acquéreurs en 2018*



*Source : bases de données des notaires de France BIEN et Perval Logements anciens - France métropolitaine



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