



## Working & Living in France

A brief introduction to tax matters

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# Table of contents

Introduction	1
Key points to be considered upon assignments to and from France	2
Income Tax Issues	3
French Tax Principles	3
French Tax Residency	4
French Taxable Income	5
French Tax Filing, Administrative and Payment Requirements	10
Other Matters Requiring Consideration	11
Departure from France	13
Exit Tax	13
Appendices	15
Appendix 1: Tax and social rates and brackets	15
Appendix 2: Important dates to remember	23
Appendix 3: Getting your tax ID number	25
Appendix 4: Creation of your personal space and collection of your French bills	28
Appendix 5: Update your bank account on <a href="http://www.impots.gouv.fr">www.impots.gouv.fr</a>	34
Appendix 6: How to pay taxes on the French website <a href="http://www.impots.gouv.fr">www.impots.gouv.fr</a>	36
Appendix 7: The withholding income tax (“Prélèvement à la source”) on <a href="http://www.impots.gouv.fr">www.impots.gouv.fr</a>	39
Appendix 8: Global Employer Services	41
Appendix 9: The Firm	42





# Introduction

The purpose of this booklet is to provide an outline of taxes to which individuals are subject in France. It intends to focus specifically on the taxes that the individuals moving to France from abroad may encounter.

The booklet deals primarily with personal income tax and the information and comments are generally applicable to tax residents of France. However, we have also tried to set out the rules applicable to non-residents of France where such distinctions should be made.

This booklet should be treated as a general outline; it is not intended to provide in-depth answers to specific questions. Due to the complexity of tax laws and potential legislative modifications after publication of this booklet, none of the information provided should be relied upon for specific tax planning.

Professionals of the Global Employer Services Team at Deloitte Société d'Avocats would be pleased to assist you with any tax and legal questions you may have.

# Key points to be considered upon assignments to and from France



## Before arrival

- ☐ Check the French tax implications of share options, restricted shares granted before and during the French assignment
- ☐ Check the Home country tax implications of the French assignment
- ☐ Should real estate assets be sold prior to arrival in France? Impact if sold during French assignment? What about gifts? Structuring of personal investments?
- ☐ Consider whether individual is eligible to the French impatriate tax regime



## Upon arrival in France

- ☐ Discuss the assignee's residence position with a Deloitte Société d'Avocats tax professional
- ☐ Obtain a tax identification number and create a personal space on the French tax administration website ([www.impots.gouv.fr](http://www.impots.gouv.fr))
- ☐ Consider the French tax implications of any employer plans in which the assignee participates, for example pension plans and stock plans
- ☐ Check the tax obligations in respect to foreign source investment income, especially to consider if it is necessary to arrange for flat rate tax withholding
- ☐ Consider the tax implications of Trusts' owners and beneficiaries;
- ☐ Check when the assignee's French taxes should be filed and paid



## Before leaving France

- ☐ Discuss the assignee's residence position with a Deloitte Société d'Avocats tax professional
- ☐ Discuss the home and host country tax implications of any employer share schemes in which the assignee participates
- ☐ The timing of the disposal of capital assets should be considered. Deferring the date of disposal or accelerating the date may be worthwhile depending on the circumstances;
- ☐ Consider Exit Tax
- ☐ Inform the French tax authorities of departure and provide an address abroad or a domiciliation address to receive future correspondence relating to tax returns, payments, etc.





# Income Tax Issues

## French Tax Principles

### Individual Income Tax (Impôt sur le revenu)

The main tax which concerns individuals living or working in France is income tax (“impôt sur le revenu”). French income tax is calculated using the “family quotient” (“quotient familial”) system. Under this system, the total taxable income of the family group is divided into a tax unit; the tax applicable to a single unit is then multiplied by the total number of units to yield the total amount of tax payable.

### Taxation of French Tax Residents

French residents are subject to income tax on their **worldwide income**. Generally, income is aggregated to determine a net taxable basis to which progressive tax rates are applied. Income deductions and tax credits to which the taxpayer may be eligible are granted where appropriate.

Annual progressive tax rates apply in the same way to part-year residents and full-year residents. There may be significant benefits from shifting income into the first year or last year of the assignment depending on the date of arrival and departure.

In addition to income tax, French residents are also subject to social taxes on taxable rental, business and investment income. These taxes are withheld at source from the financial institution and/or are declared via the tax return. Financial income is taxed at a fixed rate.

Residents of France are subject to the withholding system for income tax and social taxes due on their French taxable income (professional incomes, pensions, self-employment income, rental income, ...).

### Taxation of Non-Residents of France

Non-residents of France are only taxed on their **French source income**. Compensation relating to a professional activity carried out in France is subject to nonresident withholding tax.

## French Tax Residency

An individual sent to work in France generally becomes liable to French taxation either as a French tax resident or as a non-resident of France. An individual's French tax residency status will affect the extent to which he will be taxable in France.

### French tax residency criteria

Under bilateral tax treaties concluded with France, tax residency is generally first determined under the domestic law of the country that asserts the power to tax. Under French domestic law, individuals are residents for tax purposes in France, if they meet any one of the following four criteria defining “tax residence”:

Criteria	Explanation
<b>The family home is in France, or where the family home cannot be established, the principal place of residence is in France.</b>	The “family home” is the place where the individual and his/her family gather on a habitual basis in the year.
<b>Principal place of professional activity is in France</b>	The French tax authorities look at the country where the individual spends most of his/her time carrying out his/her professional activities (the principal activity).
<b>Executives of French major companies (Chairman of the Board of Directors, CEO, the Deputy CEO, ...)</b>	Executives of companies whose head office is in France and which have an annual turnover in France above € 250 million euros are considered as carrying on their professional activity mainly in France
<b>France is the center of economic interests</b>	To be deemed resident under this criterion, the courts determine where the individual's investments are located and from where most of the his/her income is derived.

If the individual is considered resident under the laws of France and another country, the relevant tax treaty generally provides “tie-breaker” provisions to determine the country of tax residence:

#### “Tie-Breaker” Provisions

- Permanent home
- Centre of personal and economic relations
- Habitual abode
- Nationality
- And, if none of the foregoing tests is determinative, the decision of the competent authorities

## French Taxable Income

### Tax residents of France

The following seven categories of income are subject to French income tax:

#### Categories of income

- Wages and salaries, pensions and annuities (“traitements et salaires”)
- Interest/Dividend income (“revenus mobiliers”)
- Capital gains (“plus values”)
- Income from real property (“revenus fonciers”)
- Business profits (“bénéfices industriels et commerciaux”)
- Professional profits (“bénéfices non commerciaux”)
- Agricultural profits (“bénéfices agricoles”)

The taxable basis is the sum of the net income from all the above categories. Income is identified based on its category, and then allowances, deductions and treaty provisions are applied in calculating the tax due based on the use of progressive tax rates.

Please refer to the Appendixes for French income tax brackets and rates.

### Impatriate regime

The Economic Modernization Act (August 2008) introduced a tax regime for impatriates coming to France after January 1<sup>st</sup>, 2008 and becoming tax residents of France. Codified under article 155 B of the French tax code, this regime allows impatriates who arrived as from 2008 to be exempt from income tax on the following:

- The remuneration components linked to their assignment in France stipulated on the employment contract, with an option for a flat-rate assessment equal to 30% of total compensation. Both the options are subjects to caps and conditions (*see below*)
- the part of their remuneration relating to a professional activity performed abroad and 50% of certain foreign-source passive income (interest, dividends...)
- and 50% of capital gains on sales of foreign-source securities.

Please note that this regime only applies to the impatriate and not to the spousal income.

The availability of this impatriate regime has been extended to eight years following the year the employee’s duties began in France, for those who assume duties in France since July 6, 2016 (primarily limited to the first five years following the year of arrival in France).

#### Conditions for professional compensation exemption

- The impatriate’s taxable income after exemption of the impatriate remuneration components, must remain at least equal to the **reference compensation**, which in principle corresponds to the amount paid for similar functions within the company or in comparable companies based in France.
- The **exempt remuneration is capped** upon option, at 50% of the total remuneration or the part corresponding to the working days abroad is capped at 20% of the taxable income excluding the net impatriation allowance.

## Non-residents of France

Income from French investments or from carrying out a professional activity in France, as well as certain income paid by French residents, is qualified as being French source income and is taxable in France, subject to any applicable treaty provisions.

French source professional profits, wages, salaries, pensions and annuities are subject to French non-resident withholding taxes. French source investment income, capital gains from real estate property, income from real property located in France, capital gains from the transfer of shares constituting a substantial interest (i.e. 25%) are also subject to French tax (*see appendixes for rates*). The various types of income mentioned above have differing reporting requirements.

This income must also be reported on an annual individual income tax return.

## Categories of income

### Employment Income

This category of income includes wages and salaries, allowances, benefits-in-kind and emoluments received in consideration of employment. It also includes the remuneration of the Chairmen and Chief Executive Officers as well as the members of the Board of Directors of “Sociétés Anonymes” (“SA”), of “Société par Actions Simplifiées” (“SAS”) and the managing directors of “Sociétés à Responsabilité Limitée” (“SARL”). Pensions, retirement benefits and annuities are also included in this category.

Taxable compensation paid by an employer includes all benefits-in-kind, such as the private-use of a company car and company provided housing. Generally, French and foreign mandatory social security contributions are deductible from gross remuneration in order to determine the net taxable basis. Furthermore, a 10% deduction is applied to the net taxable remuneration up to a yearly maximum (*see appendix for current amount*). The 10% deduction is intended to cover an employee's professional expenses. Where actual expenses are greater than the 10% deduction, they may be claimed instead.

### Stock option gains

Stock option gains granted as from September 28, 2012 are taxable in France at progressive tax rates. However, stock option granted before are taxable in France either as professional income or capital gains, depending on the nature of the stock option plan and whether the plan is a qualified plan under French law. The general rule is that no individual income taxes are levied at the time the option is granted.

For qualified options granted on or after October 16<sup>th</sup>, 2007, an employer's specific social contribution is due on grant. Employees are also subject to a specific social contribution at the date of the sale of the shares acquired through the exercise of an option.

For qualified options, the taxable event is the sale or disposition of the shares acquired. Prior to exercising / selling options in France, we recommend that comprehensive planning be undertaken..

### Restricted stock awards

Restricted stock awards granted as from September 28, 2012 are taxable in France at progressive tax rates. Qualified plans are subject to specific social security treatment. To qualify the company's plan must meet specific rules. If vesting and holding conditions are satisfied, the income tax charge is deferred until the date of the sale of the shares.

For grants made as of August 8, 2015, the total vesting and holding periods have now been reduced to two years following the grant date and a vesting period is optional (one year of vesting + one year of holding or two years of vesting). Both the acquisition and capital gains are in this case taxed at progressive rates with ‘holding period’ tax relief plus French social surtaxes applicable. No 10% employee contribution is due on those grants.



The 2017 Finance law has introduced a new regime for free shares acquisition gains resulting from grants authorized by extraordinary shareholder decision from December 31, 2016, effective as from January 1st, 2017. They are now taxed as wages and salaries and subject to 10% employee contribution for the gain exceeding € 300,000.

The free shares tax and social regime has been modified by the 2018 Finance Tax Act (adopted on December 30<sup>th</sup>, 2018). This new regime (so-called “Macron II”) only applies to awards authorized after the enactment date of the new legislation (as from December 31<sup>st</sup>, 2017)

The new Macron II regime has implemented the following changes:

- A decreased employer social contribution at a fixed 20% rate due at vest instead of a 30% fixed rate for awards authorized after December 30<sup>th</sup>, 2017 (formerly 20% also for awards authorized between August 8<sup>th</sup>, 2015 and December 30<sup>th</sup>, 2017). On the contrary, non-qualified awards are subject at vest to regular social security contributions ranging between 47% and 26.5%;
- A flat 50% taper relief on the portion of the acquisition gain below € 300,000 for income tax purposes **regardless of the holding period** of the shares; taxation remains at share sale;
- A flat tax of 30% for any capital gains derived from sale of equity shares, including social surtaxes;
- No requirement to hold shares if the length of the vesting period is of at least 2 years;
- In most instances, shares retained will fall out of the new wealth tax regime which is limited to certain real estate assets.

## Dividends and interest

Tax residents of France are taxed on income derived from transferable securities of both French and foreign sources. Non-residents of France are only taxable on income from French source transferable securities.

Since January 1<sup>st</sup>, 2018 onward, investment income (i.e. including dividends, and interest) is subject to a flat tax rate of 30%, including 12.8% of income tax and 17.2% of social surtaxes. The additional contribution for high-income earners (3% or 4%) remains due and is collected through the filing of the annual tax return.

French-source investment income will be subject to withholding at source, with the tax withheld by the payer if the payer is in France.

### Requirements to benefit from the 30% flat tax rate

- If the payer is not in France, or for foreign-source investment income, **the individual taxpayer is responsible for filing returns (form 2778) and paying taxes in the month following receipt of the income**. Failure to meet this requirement is likely to be deemed an election to opt out of the flat tax and may result in penalties (see *consequences below*).
- These new rules apply to all French resident taxpayers, including inbound assignees. Taxpayers with investment income paid outside of France will be personally responsible for monthly filing and payment, unless tax was withheld by the payer.

However, taxpayers have the ability to opt out of the flat rate and request the application of progressive tax rates, which may be more favorable in certain cases (e.g. if the taxpayer’s tax rate is below 12.8% and/or to allow for a 40% deduction on dividends). If taxpayer opts out, that election will apply to all types of investment income, including capital gain income. In other words, it is not possible to combine the application of the flat tax on certain investment income (e.g. interest income) with the application of progressive tax rates on other investment income (e.g. dividend income).

In case of opt-out for the progressive income tax (*see appendix*), dividends paid to French tax residents, generally give rise to a fixed allowance of 40% of the net dividend received. Thus, only 60% of the amount is included in the taxable basis.

In case of option for the progressive income tax rates (*see appendix*), the 30% withholding tax then deducted from the individual's final income tax liability.

If the total of foreign source passive income does not reach certain threshold, the taxpayer can opt for the non-payment of the 12.8% of withholding income tax. The taxes, if any, will be collected through his annual tax bill.

## Taxation of capital gains

As for interest and dividends, capital gain is subject to a flat tax rate of 30%, including 12.8% of income tax and 17.2% of social surtaxes. The additional contribution for high-income earners (3% or 4%) remains due and is collected through the filing of the annual tax return.

In case of election to opt out of the flat tax, capital gains on investment income (from the sale of shares or securities) are taxed at progressive tax rates and are subject to social levies. For shares acquired before January 1<sup>st</sup>, 2018, a deduction of a percentage of the taxable gain (depending on the number of years the shares were held) will be applicable. For the shares acquired after January 1<sup>st</sup>, 2018 this deduction will not be applicable.

A deduction of € 500,000 on the taxable gain remains applicable to business creators, under some conditions related to the shares, the company and the taxpayer. The deduction applies for both the situations of flat-rate taxation or progressive tax rate taxation.

Capital gains tax treatment derived from the sale of real property is not in the scope of the flat tax rate and is quite complex: it depends on the duration of ownership and the type of property (NB: capital gains derived from the sale of the taxpayer's principal residence –“résidence principale”– are expressly exempt provided that some conditions are satisfied).

An additional tax is applicable to capital gain derived from the sale of real property if the gain exceeds a certain amount; the gain derived from the sale of the taxpayer's principal residence is exempted from this additional tax.

## Real property income

This category includes income from urban or rural real property, whether improved or not, situated in France or abroad. Real property income is determined by applying French mandatory rules, considering (inter alia) depreciation and mortgage interest.

Taxpayers with limited real property income from unfurnished rentals may elect for a simplified taxation regime. It is important to note that French tax law distinguishes between furnished and unfurnished rentals. Provisions to avoid double taxation are generally provided for in the various tax treaties France has signed with other countries.

### Social surtaxes on investment incomes

- For investment incomes subject to social surtaxes, the rate applicable amounts to 17.2%. However, if the taxpayer is subject to a European Union or Swiss social security scheme, the rate applicable amounts to 7.5% (*see appendix 1*).

## Available Tax Credits and Deductions from taxable income

Limited tax credits, deductions and tax reductions are, under certain conditions, allowed for specific expenses and in particular:

### Tax credits and deductions

- Alimony and child support
- Charitable contributions
- Schooling expenses
- Childcare expenses
- Domestic help expenses
- Residential rental investments
- Lodging senior citizens

Tax credits are available for various French investments such as certain real estate investments, certain investments in start-up companies and subscription of capital in small and medium-sized companies, etc. Other deductible expenses and tax credits linked with various investments exist. Our advisors are available to discuss these issues in more detail.

However, the benefit of those credits, deductions, tax reduction is subject to conditions and usually capped.

For instance, **the credits, deductions and reductions are usually excluded for nonresidents of France**, with some exceptions.

### Tax credits and withholding tax system

- The tax credits are reported in the annual French income tax return and considered for the final tax calculation within the tax bill.
- The tax credits are related to payments/investments in “year N” but the tax credit will only benefit to the taxpayer in “year N+1” with the final tax bill.
- For some tax credits, to avoid any cash-flow issue, an advance payment is made to taxpayers who have benefited from tax credit/tax reductions within their latest tax return.
- The French tax authorities provide these taxpayers with an advance via a wire transfer amounting to 60% of their latest tax credit on January “N+1”. This advance payment will be considered by the French tax authorities for the determination of your final French income taxes.

## Double taxation avoidance

In order to avoid double taxation on foreign source income taxed in France, two methods are available, depending on the applicable tax treaty.

### Double taxation avoidance

- Under the “**crédit d’impôt**” method, a tax credit is granted on the foreign source income
- The “**taux effectif**” method calculates the applicable tax rate based on worldwide income but only applies this rate to the effectively taxable source income. This method is also referred to as the “exemption-with-progression” method

France has a comprehensive network of tax treaties and whilst most tax treaties are broadly similar, there are significant variations in detail. It is important to seek professional advice when applying for relief from taxation under the provisions of a tax treaty.

## French Tax Filing, Administrative and Payment Requirements

### For tax residents of France

Presently no registration with the French tax authorities is required on arrival in France.

Even if no registration is mandatory, it is recommended that the taxpayer complete a registration form (form n°2043) to allow him/her to receive a tax identification number and obtain a personal space on the French tax administration website ([www.impots.gouv.fr](http://www.impots.gouv.fr)); It also allows the French tax authorities to determine the personal tax rate based on the information provided (personal situation and expected income). The taxpayer will also need to communicate his/her bank account references in order to pay his/her French taxes.

Please refer to Appendix for details regarding tax returns filing obligations and payments dates.

### The resident tax withholding system

Since January 1<sup>st</sup>, 2019, French tax residents pay income tax on their 2019 income (current year basis).

The payer of the income must withhold tax and remit it over to the French tax authorities on a going basis. French and Foreign employers are required to withhold the income tax on net taxable compensation using the instructions that he received from French Tax authorities (PAS system for French employers and PASRAU system for Foreign employers).

The employer applies a rate communicated by the tax administration that was determined taking into account the last French income tax return filed (a possible option for the employee to choose a non-personalized rate with obligation to determine on a monthly basis the lack of withholding tax remit by his/her employer and to paid the discrepancy by him/herself).

If no rate is provided, the employer applies a neutral rate.

Failure to comply with the French tax formalities or deadlines may give rise to penalties and/or interest, even for Foreign employers or regarding payroll located outside of France.

For self-employment/personal income, the withholding due will be debited by the tax authorities from the individual's bank account and paid monthly or quarterly.

**The filing of an annual income tax return will remain mandatory** (filing deadline during May/June for the income received the previous year – e.g. May/June 2023 for income received in 2022). Exact date is confirmed by the tax authorities approximately 6 weeks before the deadline.

### For non-residents of France

There are no specific tax formalities that need to be met upon arrival in France of non-resident employees.

However, in some cases, the employer must file quarterly returns and withhold income tax for non-resident employees carrying out their professional duties in France. Non-resident withholding tax on professional remuneration must be remitted on a quarterly basis. The employer files a quarterly tax return with the tax authorities, along with payment of the withholding tax, by the 15<sup>th</sup> day following the end of the month covered by the return.

For self-employment/personal income taxable in France, the withholding tax system remains applicable. The payment due will be debited by the tax authorities from the individual's bank account and paid monthly or quarterly (upon taxpayer option).

The payment due will be debited by the tax authorities from the employer/individual's bank account and paid monthly or quarterly.

In addition, the individual must file an annual tax return and, if any, pay the balance income tax.

## Other Matters Requiring Consideration

### Declaration of non-French bank accounts and foreign life insurance policies

French tax residents must declare any bank accounts held outside France, as well as foreign life insurance policies, on an annex attached to the annual income tax return. Failure to comply with this obligation gives rise to significant penalties and/or fines.

French tax residents not only have to declare bank accounts held abroad but also those they have used once even if they are held by a common law spouse or if they are an account of transit.

Finally, French tax residents must also declare bank accounts held out of France on which they have mandate.

### Social contribution surtaxes/levies (CSG/CRDS/Prélèvement social et contributions additionnelles)

In addition to French income tax, French tax residents are subject to social contribution surtaxes/levies (*see appendix for rates*) on foreign-source passive income, such as interest, dividends, capital gains which were subject to French income tax, rental income, etc. A certain amount is deductible (*see appendix*). Non-residents are subject to these taxes on French real estate income.

### Real estate tax considerations

There are two kinds of local property taxes in France: occupancy or dwelling tax (“Taxe d’habitation”) and real estate tax (“Taxe Foncière”).

1. **Occupancy tax** varies according to the city in which the individual lives. The tax is calculated on the basis of the property's rental value and is payable by the person who occupies the property on January 1<sup>st</sup> of the year in question, whether the person is the owner, tenant or simply occupies the property on a rent-free basis. Occupancy tax is due whether the property is a second home or a principal residence. In addition, the television license fee is also included as part of this tax.

The occupancy tax is being phased out and should be canceled for all taxpayers in 2023. The current government is planning to cancel the television licence fee.

2. **Real estate tax** is only due by the owners of the property. It is payable even if the property is unoccupied. Tax is also payable on land - regardless of whether it is built on. New buildings may benefit from an exemption for the first two years following construction depending on the commune in which they are located.

### French real-estate wealth tax (“IFI”) – Former Wealth tax (“ISF”)

In a fundamental tax policy shift, the former annual wealth tax on worldwide assets has been abolished and replaced with a more limited tax based on real estate. Furthermore, deductions for debt against taxable assets have been limited.

Any individual with direct or indirect real estate assets will need to re-assess his or her taxable basis. Individuals who qualify as tax residents of France on January 1<sup>st</sup> of a given year are liable to wealth tax on their worldwide assets (subject to the provisions of an applicable tax treaty).

Individuals who establish their tax residency and who were not tax resident of France in the five years preceding their arrival are exempted from wealth tax on their non-French assets for the first five years of residence.

Nonresidents of France are only liable to tax on real-estate assets located in France.

An individual is subject to the real-estate wealth tax if the net value of his/her qualifying assets on January 1<sup>st</sup>, of a given tax year reaches the trigger threshold of € 1.3 million (*see appendix for threshold and rates*).

A rebate of 30% is applicable to determine the net value of the main residency on January 1<sup>st</sup> of the given tax year.



Various exemptions exist, including those covering professional assets.

The real estate wealth tax return has been merged with the French income tax return for French resident taxpayers. Since 2018 it is no longer self-assessed: the amount is payable upon receipt of the tax bill.

Nonresidents of France who have no income tax filing obligations will continue to file a specific real-estate wealth tax return.

## Gift and inheritance tax

France's approach to inheritance tax "IHT" and gift tax is to tax the money in the hands of the beneficiaries as opposed to placing a tax on the estate. The degree of taxation will vary in function of the proximity of the blood tie between the beneficiary and the deceased / donor.

The taxable basis will vary depending on residency status of the deceased / donor and the beneficiary.

- The deceased was a resident of France:
  - If the deceased was a resident of France at the time of death, then the heirs will be taxed on a worldwide basis i.e. on both French and foreign sourced assets.
- If the deceased was a non-resident of France:
  - If the beneficiary is a non-resident of France, then he/she will only be subject to IHT on French source assets received.
  - If the beneficiary is a French tax resident at the time of the death, then he/she will be taxable on both French and foreign source assets. However, if the beneficiary has been a resident for less than six years out of the last ten-year period preceding the death, then he/she will only be taxable on French source assets.

The same rules apply to gifts.

The extent of the taxation depends greatly on the proximity of the relationship between the beneficiary and the deceased/donor. Inter-spouse transfers are exempt from IHT. However, lifetime transfers between spouses are subject to gift tax. It is also worth noting that there are several types of tax relief which are available to certain beneficiaries and vary in function of their relationship with the deceased.

France has signed tax treaties that cover, in some situation, the inheritance and/or gift taxes.

## Special rules on trusts

Trustees have reporting obligations detailing both assets under trusts as well as any changes to trust arrangements (including transfer of assets in or out; changes to beneficiaries; death of a settlor...). The extent of the reporting obligations depends on whether any of the settlors/deemed settlors/beneficiaries are French tax residents and whether any assets under trust are in France. Failure to comply with this reporting obligation may give rise to high penalties and/or fines. There is also a trust tax (sui generis tax), the rate of which is the highest wealth tax rate.



# Departure from France

When leaving France permanently, no tax deregistration formalities or filings are due at the time of departure (except when exit tax is due – see below).

Individuals are required to communicate to the French tax administration their new address abroad in order to properly receive tax notices and bills.

The communication should be made within your personal space on the French tax authorities' website.

Since address changes are sometimes long in being processed by the French tax authorities, it is recommended that you have your mails forwarded to your new address (you can do this by Internet: <https://boutiqueducourrier.laposte.fr/dispatch-pack-reel> or by going to the local post office). However, a fiscal correspondent/representative in France may also be nominated.

## Payment of taxes after departure from France

- The payment/reimbursement of the balance of your French income tax is directly realized through the bank account known by the French tax authorities (*see Appendix 2*).
- It is advised that they keep **a French bank account open for two years after departure from France** in order to pay French tax that will be due, or to update the bank account references on their personal space on the French tax authorities (only bank accounts from the SEPA zone are allowed by the French tax authorities).

## Exit Tax

An exit tax (income tax and social taxes) applies to unrealized capital gains on investment and other securities upon the departure from France.

For the application of exit tax, the transfer of tax residence is deemed to have taken place the day prior the actual departure, i.e. one day before the taxpayer ceases to be subject to a worldwide tax obligation in France.

The targeted taxpayers are those domiciled in France for at least six of the ten years prior to the transfer, holding direct or indirect shareholdings of at least 50% of a company or worth more than € 800,000 in a or several companies' capital on the date of departure from France. Unrealized capital gains on securities and the equivalent are taxable, as well as payables representing an additional price to be received in execution of an indexation clause (earn out payments).

In addition, regardless of the length of the taxpayer's tax residence in France, all declared capital gains on a transaction carried out in France, that benefited from a postponed date of taxation, will be taxed at the time of the transfer, regardless of the size of the shareholding.

Taxpayers who are concerned by the Exit tax may ask for a respite of payment.

- The deferment is automatic for taxpayers who leave France for a Member State of the EU or for a country or territory which has signed a mutual administrative assistance agreement to fight tax evasion and tax avoidance and a mutual tax recovery assistance agreement with France (unless the country is considered as being non-cooperative)
- A taxpayer who leaves France for another country than the ones mentioned above must request a deferment to the tax authorities **within the 90 days prior to the transfer**. The individual must provide the treasury with guarantees of payment and appoint a tax representative.

The exit tax is cancelled or refunded at the expiry of a two years period after the transfer of domicile outside France, or five years if the value of the shares in the scope of the exit tax is higher than € 2,750,000. The tax is also cancelled or refunded in the event of a return to France prior to the end of the two/five years period.

When Exit tax applies, tax reporting obligations are applicable in the year of departure from France and all subsequent years until the sale of the securities (the deferment would be challenged by the French tax authorities if the reporting obligations are not fulfilled).



# Appendices

## Appendix 1: Tax and social rates and brackets

### Income tax

All tax and social rates and brackets mentioned below are those applicable for 2021 (updated on an annual basis).

	Resident	Nonresident															
<b>Principle</b>	<ul style="list-style-type: none"><li>• Annual tax return</li><li>• French tax resident withholding tax system</li></ul>	<ul style="list-style-type: none"><li>• Annual tax return</li><li>• French Withholding at source on French source income</li></ul>															
<b>Focus on employment income</b>	<ul style="list-style-type: none"><li>• Withholding tax remit by the French or Foreign employer on a monthly basis</li><li>• The tax rate applicable is the one provided by the French tax authorities or the neutral tax rate if the taxpayer situation is not known by the French tax authorities</li><li>• Annual tax return: 10% deduction capped at € 12,829</li></ul>	<ul style="list-style-type: none"><li>• Quarterly withholding tax return on employment income filed by the employer</li><li>• Tax withholding rates of 0%, 12% and 20% as follows:<table><tr><th colspan="3">2022 Annual taxable income €</th></tr><tr><th>Exceeding</th><th>Not exceeding</th><th>Withholding rate</th></tr><tr><td>€ 0</td><td>€ 15,228</td><td>0%</td></tr><tr><td>€ 15,228</td><td>€ 44,172</td><td>12%</td></tr><tr><td>€ 44,172</td><td>-</td><td>20%</td></tr></table></li><li>• The portion of income subject to the 0% and 12% rates are not considered to the proceed with the annual calculation (<i>see below</i>).</li><li>• Annual tax return: 10% deduction capped at € 12,829</li></ul>	2022 Annual taxable income €			Exceeding	Not exceeding	Withholding rate	€ 0	€ 15,228	0%	€ 15,228	€ 44,172	12%	€ 44,172	-	20%
2022 Annual taxable income €																	
Exceeding	Not exceeding	Withholding rate															
€ 0	€ 15,228	0%															
€ 15,228	€ 44,172	12%															
€ 44,172	-	20%															
<b>Tax rate (all taxable income subject to progressive tax rates)</b>	<ul style="list-style-type: none"><li>• Progressive tax rate with a marginal tax rate of 45% for taxable income exceeding € 160,336 (<i>see below</i>)</li></ul>	<ul style="list-style-type: none"><li>• Progressive tax rate with a marginal tax rate of 45% for taxable income exceeding € 160,336 (<i>see below</i>)</li><li>• Income are taxed at a minimum of 20% or 30%.<table><tr><th colspan="2">2022 Annual taxable income €</th></tr><tr><th>Fraction of taxable revenue</th><th>Rate</th></tr><tr><td>Up to € 26,070</td><td>20%</td></tr><tr><td>Above € 26,070</td><td>30%</td></tr></table></li></ul>	2022 Annual taxable income €		Fraction of taxable revenue	Rate	Up to € 26,070	20%	Above € 26,070	30%							
2022 Annual taxable income €																	
Fraction of taxable revenue	Rate																
Up to € 26,070	20%																
Above € 26,070	30%																

Fraction of taxable revenue (one unit)	Rate
Below € 10,225	0%
From € 10,226 to € 26,070	11%
From € 26,071 to € 74,545	30%
From € 74,546 to € 160,336	41%
Above € 160,336	45%

## Neutral rate

Fraction of monthly taxable revenue	Rate
Below € 1,440	0%
From € 1,440 to € 1,496	0.5%
From € 1,496 to € 1,592	1.3%
From € 1,592 to € 1,699	2.1%
From € 1,699 to € 1,816	2.9%
From € 1,816 to € 1,913	3.5%
From € 1,913 to € 2,040	4.1%
From € 2,040 to € 2,414	5.3%
From € 2,414 to € 2,763	7.5%
From € 2,763 to € 3,147	9.9%
From € 3,147 to € 3,543	11.9%
From € 3,543 to € 4,134	13.8%
From € 4,134 to € 4,956	15.8%
From € 4,956 to € 6,202	17.9%
From € 6,202 to € 7,747	20%
From € 7,747 to € 10,752	24%
From € 10,752 to € 14,563	28%
From € 14,563 to € 22,860	33%
From € 22,860 to € 48,967	38%
Above € 48,967	43%

## Exceptional contribution on high revenue

Fraction of reference revenue	Rate for a single, widowed or divorced taxpayer	Rate for a married or jointly taxable couple
Below or equal to € 250,000	0%	0%
From € 250,001 to € 500,000	3%	0%
From € 500,001 to € 1 million	4%	3%
Above € 1 million	4%	4%



## Summary of the Tax Treatment of Non-Qualified and Qualified Options and Free Share Awards

Options granted as from September 28, 2012 (excluding subsequent regime\*)

Options granted as from September 28, 2012		Qualified Regime	Non-Qualified Regime
<b>Upon grant of the options</b>		An employer contribution of 30% is due based at the discretion of the employer on: <ul style="list-style-type: none"> <li>• either the fair market value of the options, as per IFRS2 rules,</li> <li>• or 25% of the value of the underlying shares upon grant of the options.</li> </ul>	
<b>Spread (exercise gain)</b>	<b>Income tax</b>	<b>Upon Share Sale</b> <ul style="list-style-type: none"> <li>• Taxed at progressive income tax rates (max. 45%) + 9.7% additional surtaxes</li> <li>• + contribution on high income of 3 or 4 %</li> </ul>	<b>Upon date of exercise</b> <ul style="list-style-type: none"> <li>• Taxed at progressive income tax rates (max. 45%)</li> <li>• + contribution on high income of 3 or 4 %</li> </ul>
	<b>Social contributions</b>	<b>Upon Share Sale</b> <ul style="list-style-type: none"> <li>• Subject to an employee contribution of 10%**</li> </ul>	<b>Upon date of exercise</b> <ul style="list-style-type: none"> <li>• Subject to employee (22.5% on average) and employer (45% on average) social security contributions</li> </ul>
<b>Capital gain on sale of underlying shares</b>		<b>Upon Share Sale</b> <ul style="list-style-type: none"> <li>• Flat tax (30%); or – income tax at progressive rates (max. 45%) + 17.2% additional surtaxes</li> <li>• Contribution on high income 3 or 4%</li> </ul>	

\* Other rates are applicable for qualified options granted prior to 28/09/2012.

\*\*Except if exercised in a PEE.

## Free shares granted as from September 28, 2012 (excluding subsequent regime\*)

Free Shares granted as from Qualified Regime September 28, 2012		Non-Qualified Regime	
<b>Upon grant of free shares</b>		A 30% employer contribution is due by the N/A employer on either: <ul style="list-style-type: none"> <li>the value of the shares at grant date, or</li> <li>the IFRS2 value of the free shares granted.</li> </ul> The IFRS2 method entitles to significant cost savings though it would likely be subject to scrutiny in the future and needs to be adequately structured. We are at your disposal to assist.	
<b>Acquisition gain (vesting gain)</b>	<b>Income tax</b>	<b>Upon Share Sale</b> <ul style="list-style-type: none"> <li>Taxed at progressive income tax rates (max. 45%) + 9.7% additional surtaxes</li> <li>+ contribution on high income of 3 or 4 %</li> </ul>	<b>Upon Vesting of Free Shares</b> <ul style="list-style-type: none"> <li>Taxed at progressive income tax rates (max. 45%)</li> <li>+ contribution on high income of 3 or 4 %</li> </ul>
	<b>Social contributions</b>	<b>Upon Share Sale</b> <ul style="list-style-type: none"> <li>Subject to an employee contribution of 10%**</li> </ul>	<b>Upon Vesting of Free Shares</b> <ul style="list-style-type: none"> <li>Subject to employee (22.5% on average) and employer (45% on average) social security contributions</li> </ul>
<b>Capital gain on sale of underlying shares</b>		<b>Upon Share Sale</b> <ul style="list-style-type: none"> <li>Flat tax (30%); or – income tax at progressive rates (max. 45%) + 17.2% additional surtaxes</li> <li>Contribution on high income 3 or 4%</li> </ul>	

\* Other rates are applicable for qualified options granted prior to 28/09/2012.

## Free shares granted as from August 8, 2015 (“Macron I”)

Free shares as from August 8, 2015		Qualified Regime	Non-Qualified Regime
<b>Upon vesting of free shares</b>		A 20% employer contribution is due by the employer on the value of the shares at vesting date.	Subject to employer social security contributions (45% on average) on the acquisition gain
<b>Acquisition gain (vesting gain)</b>	<b>Income tax</b>	<b>Upon Share Sale</b> <ul style="list-style-type: none"> <li>Taxed at progressive income tax rates (max. 45%) + 17.2% additional surtaxes</li> <li>+ contribution on high income of 3 or 4 %</li> </ul>	<b>Upon Vesting of Free Shares</b> <ul style="list-style-type: none"> <li>Taxed at progressive income tax rates (max. 45%)</li> <li>+ contribution on high income of 3 or 4 %</li> </ul>
	<b>Social contributions</b>	N/A	<b>Upon Vesting of Free Shares</b> <ul style="list-style-type: none"> <li>Subject to employee social security contributions (22.5% on average)</li> </ul>
<b>Capital gain on sale of underlying shares</b>		<b>Upon Share Sale</b> <ul style="list-style-type: none"> <li>Flat tax (30%); or – income tax at progressive rates (max. 45%) + 17.2% additional surtaxes</li> <li>Contribution on high income 3 or 4%</li> </ul>	

Free shares granted as from January 1<sup>st</sup>, 2017 (“Sapin II”)

Free shares as from January 1 <sup>st</sup> , 2017		Qualified Regime	Non-Qualified Regime
<b>Upon vesting of free shares</b>		A 30% employer contribution is due by the employer on the value of the shares at vesting date.	Subject to employer social security contributions (45% on average) on the acquisition gain
<b>Acquisition gain (vesting gain)</b>	<b>Income tax</b>	<b>Upon Share Sale</b> <i>(acquisition gain below a € 300,000 threshold)</i> <ul style="list-style-type: none"> <li>Taxed at progressive income tax rates (max. 45%) + 17.2% additional surtaxes</li> <li>+ contribution on high income of 3 or 4 %</li> <li>Holding period rebates applicable</li> </ul> <b>Upon Share Sale</b> <i>(acquisition gain above € 300,000)</i> <ul style="list-style-type: none"> <li>Taxed at progressive income tax rates (max. 45%) + 9.7% additional surtaxes</li> <li>+ contribution on high income of 3 or 4 %</li> </ul>	<b>Upon Vesting of Free Shares</b> <ul style="list-style-type: none"> <li>Taxed at progressive income tax rates (max. 45%)</li> <li>+ contribution on high income of 3 or 4 %</li> </ul>
	<b>Social contributions</b>	<b>Upon Share Sale</b> <i>(acquisition gain above € 300,000)</i> <ul style="list-style-type: none"> <li>Subject to an employee contribution of 10%**</li> </ul>	<b>Upon Vesting of Free Shares</b> <ul style="list-style-type: none"> <li>Subject to employee social security contributions (22.5% on average)</li> </ul>
<b>Capital gain on sale of underlying shares</b>		<b>Upon Share Sale</b> <ul style="list-style-type: none"> <li>Flat tax (30%); or – income tax at progressive rates (max. 45%) + 17.2% additional surtaxes</li> <li>Contribution on high income 3 or 4%</li> </ul>	

Free shares granted as from January 1<sup>st</sup>, 2018 (“Macron II”)

Free shares as from January 1 <sup>st</sup> , 2018		Qualified Regime	Non-Qualified Regime
Upon vesting of free shares		A 20% employer contribution is due by the employer on the value of the shares at vesting date.	Subject to employer social security contributions (45% on average) on the acquisition gain
Acquisition gain (vesting gain)	Income tax	<b>Upon Share Sale</b> <i>(acquisition gain below a € 300,000 threshold)</i> <ul style="list-style-type: none"><li>Taxed at progressive income tax rates (max. 45%) with application of a 50% deduction on the basis</li><li>+ 17.2% additional surtaxes</li><li>+ contribution on high income of 3 or 4 %</li></ul>	<b>Upon Vesting of Free Shares</b> <ul style="list-style-type: none"><li>Taxed at progressive income tax rates (max. 45%)</li><li>+ contribution on high income of 3 or 4 %</li></ul>
		<b>Upon Share Sale</b> <i>(acquisition gain above € 300,000)</i> <ul style="list-style-type: none"><li>Taxed at progressive income tax rates (max. 45%) + 9.7% additional surtaxes</li><li>+ contribution on high income of 3 or 4 %</li></ul>	
	Social contributions	<b>Upon Share Sale</b> <i>(acquisition gain above € 300,000)</i> <ul style="list-style-type: none"><li>Subject to an employee contribution of 10%**</li></ul>	<b>Upon Vesting of Free Shares</b> <ul style="list-style-type: none"><li>Subject to employee social security contributions (22.5% on average)</li></ul>
Capital gain on sale of underlying shares		<b>Upon Share Sale</b> <ul style="list-style-type: none"><li>Flat tax (30%); or – income tax at progressive rates (max. 45%) + 17.2% additional surtaxes</li><li>Contribution on high income 3 or 4%</li></ul>	

## Which regime is applicable to my situation?

- The relevant date to determine the applicable regime is the date of the extraordinary general assembly of the Company that allows the grant of Options or Free Shares.

## Capital gains on investment income

Gains derived from investment income are taxable at the flat rate of 30% explained previously. If election to opt out of the flat tax, it is taxed at the progressive rates and are subject to social levies (17.2%). In such case, only for shares acquired before January 1<sup>st</sup>, 2018, a part of the gains may be exempted from income tax due to the holding period of shares.

## Capital gain on the sale of real property

Gains derived from sale of real property are taxable at a rate of 19% and are also subject to social levies (17.2%) resulting in a combined total tax rate of 36.2%.

## Investment income

Interest and dividends are taxed at flat rates unless election to opt out for ordinary income rates. They are also subject to social levies.

## Real estate income

Net income is taxed as ordinary income at progressive tax rates and subject to social levies.

## Tax credits, deductions and tax reductions

Under certain conditions, some personal investments and expenses can give right to credits to the taxpayer, but those credits are limited to a total amount of € 10,000.

## Social Contributions Surtaxes/Levies

Social contribution surtaxes/levies (CSG/CRDS/Prélèvement social et contributions additionnelles) presently amount to 17.2%:

Surtaxes/levies	Rate
CSG	9.2%
CRDS	0.5%
Prélèvement de solidarité	7.5%

The CSG contribution paid on investment income is deductible for French income tax purposes up to 6.8% of the worldwide taxable income in the year that it is paid.

### Application of reduced rates

- The CSG and CRDS are not applicable on investment incomes, capital gains and real estate incomes for **the taxpayer subjects to a European Union (except France) or Swiss social security scheme**. Hence the social contributions surtaxes/levies amount to 7.5% instead of 17.2%.

## Real Estate Wealth Tax

While net wealth under € 1,300,000 remains exempt, once the tax is triggered, the progressive tax rate will apply to net wealth in excess of € 800,000.

The 2022 wealth tax rates will be as follows:

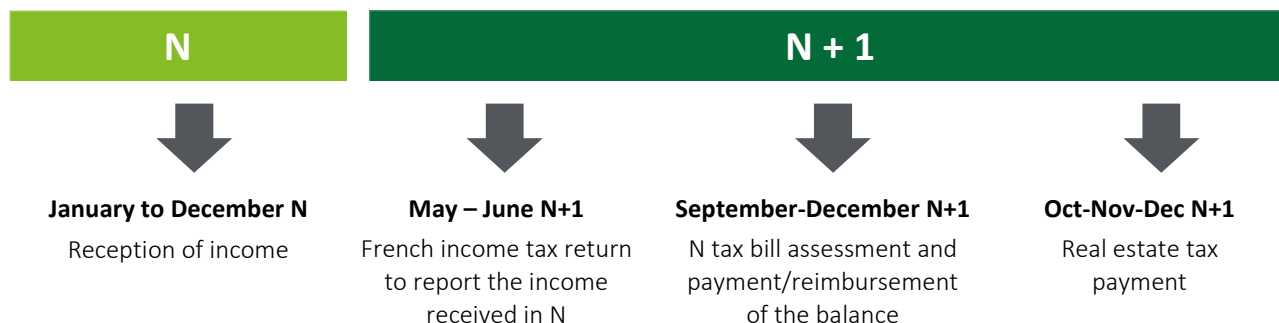
Taxable Wealth in €		
Exceeding	Not exceeding	Rate %
800,000	1,300,000	0.50%
1,300,000	2,570,000	0.70%
2,570,000	5,000,000	1%
5,000,000	10,000,000	1.25%
10,000,000		1.50%





## Appendix 2: Important dates to remember

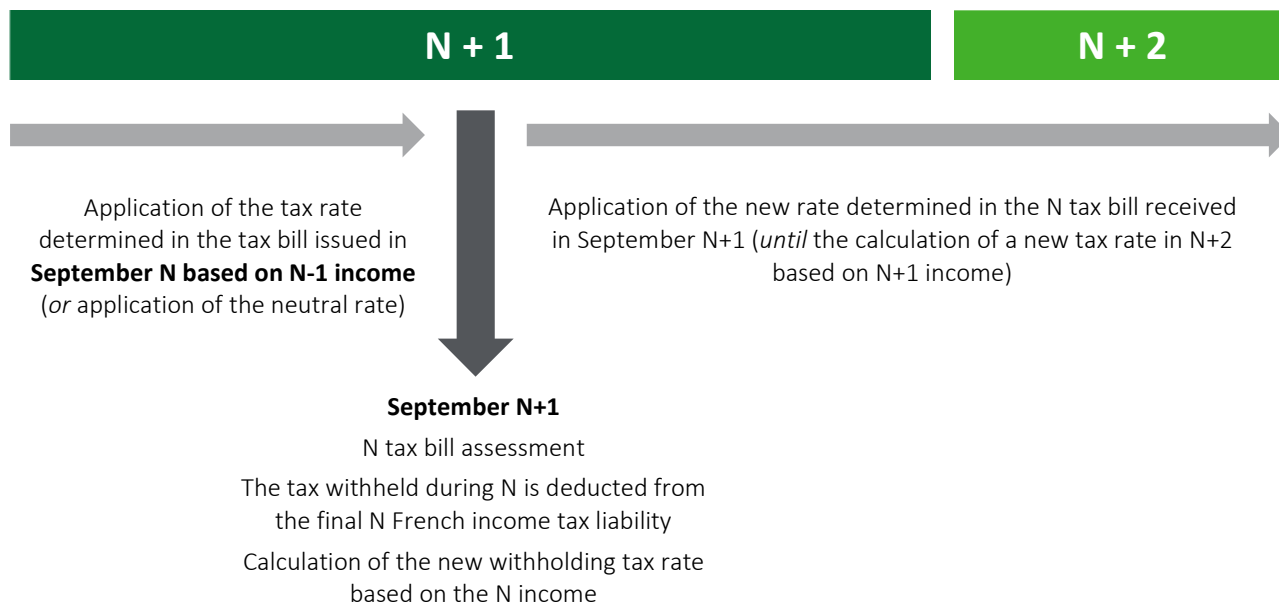
### Typical French Fiscal Calendar Year



#### Key dates (with examples)

- **Year 2022:** Income subject to withholding tax (as resident or non-resident)
- **May-June 2023:** 2022 French income tax return to be filed (*Filing deadlines depend on the department where you live or if you reside abroad*)  
\* Since no extensions are available, 10% penalties are applied by the French tax authorities in case of late filing.
- **September - December 2023:** 2022 French income tax bill is issued by the French tax authorities and calculation of the new withholding tax rate
- **September – December 2023:** Payment/refund of the balance to/by the French tax authorities
  - Reimbursement from the French tax authorities to the taxpayer – at the same of the tax bill assessment
  - Balance from the taxpayer up to € 300 – Payment with one instalment by the end of September 2023
  - Balance from the taxpayer higher than € 300 – Payment with four instalments in September, October, November and December 2023
- **Oct/Nov/Dec 2023:** Real estate tax notices are issued by the French tax authorities and payments at the same period

## Focus on the withholding tax system calendar for residents of France



### French withholding tax system (with examples)

- The personal tax rate communicated by the French tax authorities is determined based on the last situation (personal situation and income) known
- The taxpayer should update his/her personal situation at any time for withholding tax purposes. However, on January 1<sup>st</sup> of each year, the update previously made is erased and the rate determined on the last tax bill is applicable (a new update needs to be made on [www.impots.gouv.fr](http://www.impots.gouv.fr) to modify the one determined by the French tax authorities)
- The situation is updated with the assessment of the annual French income tax bill which is based on the previous year situation (e.g. the 2021 situation for the tax bill issued on September 2022)
- The tax bill compares the final French income tax liability and the tax withheld during the year to determine if a balance is due by the taxpayer (insufficient withholding tax) or if a reimbursement is due by the French tax authorities (excessive withholding tax)

This system can create important fluctuations in the withholdings during the first 2 years of residence in France.

## Appendix 3: Getting your tax ID number

### **This section is applicable to first time filers**

The TIN is the tax ID number (“numéro fiscal”) given by the French tax authorities to all taxpayers having a tax obligation in France. Each spouse, even if filing jointly, has her/ his own TIN. It is issued automatically by the French tax administration when they release the first income tax assessment (typically in August of the year following the arrival in France).

You can accelerate the obtention of a tax ID number (TIN)

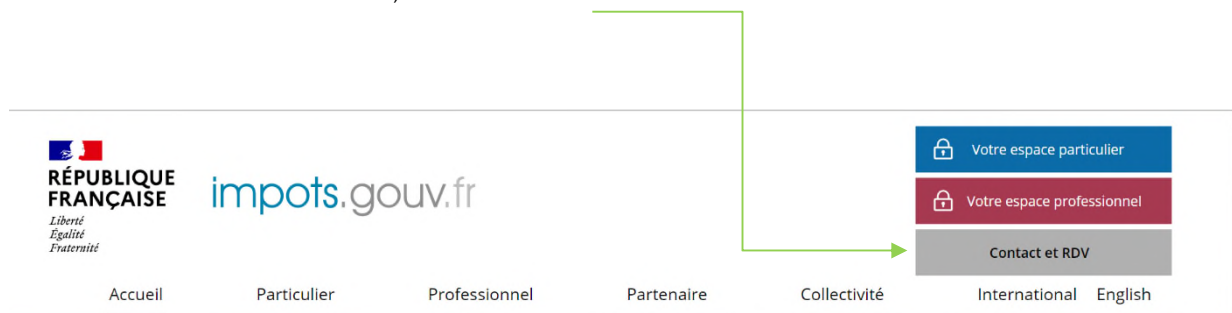
According to your convenience, you can either:

- Go to your tax center (« Service des Impôts des Particuliers » - SIP) and ask for it to the counter agent (French spoken);
- Or send your written request by post to your tax center (French written).
- It will be necessary to provide an identification document (such as copy of a passport) and a proof of where you live (copy of lease agreement)

#### **1) Your local SIP (tax center)**

If you decide to go to your tax center, use the following URL to access French tax authorities' website:  
[www.impots.gouv.fr/portail/accueil](http://www.impots.gouv.fr/portail/accueil)

On the French tax authorities' website, click on "Contact et RDV".



On the next page, fill the form as shown in the screenshot below (click on the blue boxes) :

The screenshot shows the contact form on the French tax authorities' website. It is divided into four sections, each with a numbered box and several options. Green arrows point from the text above to specific blue boxes in each section:

- 1 Vous êtes :**
  - Particulier (blue box)
  - Particulier domicilié hors de France
  - Professionnel
  - Entreprise étrangère (sans établissement stable en France)
  - Partenaire
- 2 Votre demande concerne :**
  - La gestion de vos impôts (déclarer, payer, contester) (blue box)
  - La gestion de votre patrimoine (donation, succession, déclarations foncières...)
  - Une autre démarche fiscale (quitus fiscal, conciliateur fiscal)
  - Le paiement d'une facture publique (cantine, crèche, hôpital...)
  - Le paiement d'une amende ou d'un forfait de post-stationnement
  - L'accès à votre espace particulier et à vos services en ligne
- 3 Au sujet de :**
  - Par messagerie
  - Par téléphone
  - Prendre rendez-vous (sur place, par téléphone ou en visio) (blue box)
  - Trouver un point d'accueil
  - Trouver la réponse à votre question
- 4 Plus précisément**
  - Pour le calcul de la taxe foncière
  - Pour toute autre question sur vos impôts (blue box)

Then complete the form with your French address, as follows:



- Your street number and name of the street;
- Your postcode;
- And **your town**.

Pour trouver le service compétent pour votre question, saisissez votre adresse (tous les champs sont obligatoires)

Numéro et libellé de voie ou du lieu-dit :

Code postal :

Commune :

RECHERCHER VOTRE SERVICE

Click on “Rechercher votre service” to find your tax center.

On the last opening box, you will find your tax center (address and opening hours).

### SERVICE IMPOTS PARTICULIERS

*27, street adress of your tax center*

*75 xxx Town*

**TLJ 8H45 A 12H45 OU SUR RDV**

PRENDRE RENDEZ-VOUS

In any situation, you will have to provide the following information to obtain your ID Tax number:

- Your last name, first name and date of birth;
- Your personal address (place of living);
- Your email address (we recommend providing personal email address);
- A copy of your ID card or passport.

If your spouse is also requesting an ID tax number, you will have to file two requests and provide the same information for each spouse.

If you are non-resident of France, your relevant tax center is the following :

SIP des non-résidents

10 rue du Centre

TSA 10010

93465 Noisy-le-Grand Cedex

## Appendix 4: Creation of your personal space and collection of your French bills

**The first part of this section** is useful if you have never activated your profile/personal space on the French tax administration website but already obtained your Tax ID number.

**The second part of this section** provides key information to permit you collecting your tax bills and provide these documents to Deloitte France.

### 1. Set up of your personal space on the tax authorities' website

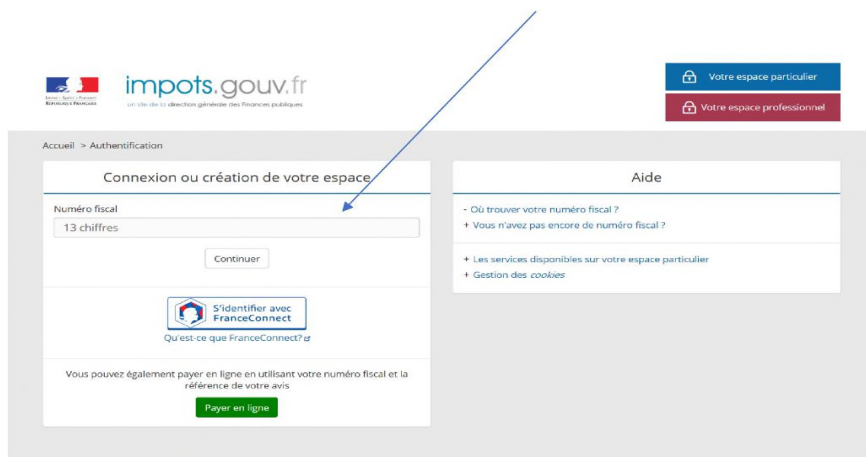
Use the following URL to access French tax authorities' website: [www.impots.gouv.fr/portail/](http://www.impots.gouv.fr/portail/)

Once there, click on « Votre espace particulier » in the upper right corner of the page:



On the next page, type your tax ID (« numéro fiscal ») in the field located on the left side of the page.

It is mandatory to get your Tax ID number as very first action if you do not have one (please refer to appendix 3)



### 1) If you have already created your personal space

You can find your Tax ID on your last French tax bill. If you filed a joint return, each spouse should have his/her own Tax ID (« Numéro fiscal déclarant 1 » and « Numéro fiscal déclarant 2 »).

After hitting the « Continuer » button, your password will be requested.

### 2) If you have not yet created your personal space

To create your online account you need:

- Your Tax ID
- Your latest Reference Income
- Your E-filer ID

Getting your Tax ID and your Reference Income:

These numbers are shown on your last French tax bill.

**Vos références**

**Pour accéder à votre espace Particulier**

**Numéro fiscal :**

Déclarant 1 : 00 01 123 456 789 C

Déclarant 2 : 00 09 876 543 210 C

**N° de déclarant en ligne :** voir votre déclaration

**Revenu fiscal de référence :** 21270

**Référence de l'avis :** 15 76 0123456 78

**Numéro FIP :** 761 51 12 1234567890 A

**Numéro de rôle :** 011 A

**Date d'établissement :** 10/06/2015

**Date de mise en recouvrement :** 31/07/2015

### Getting you E-filer ID:

Every year around March-April, the French tax authorities send a pre-populated 2042 form to all taxpayers known in their system. The 2042 form is only sent to taxpayers that are identified by the tax authorities, which excludes first-time fillers.

On this pre-populated 2042 form is also shown your E-filer ID (« N° d'accès en ligne ») which, combined with your Tax ID (« Numéro fiscal ») and your last Reference Income (« Revenu fiscal de reference ») allows to create your personal space on [impots.gouv.fr](http://impots.gouv.fr).

Your Tax ID is also shown on this pre-populated form.

**POUR DÉCLARER SUR IMPOTS.GOUV.FR**

VOTRE N° FISCAL POUR DÉCLARER EN LIGNE		SI VOUS N'AVEZ PAS ENCORE DE MOT DE PASSE	
DÉCLARANT 1	00 01 123 456 789	N° D'ACCÈS EN LIGNE	1234567
DÉCLARANT 2		REVENU FISCAL DE RÉFÉRENCE : REPORTEZ-VOUS À VOTRE DERNIER AVIS D'IMPÔT SUR LE REVENU	

**Tax ID** (points to 00 01 123 456 789)

**E-filer ID** (points to 1234567)

Once you have your Tax ID, your Reference Income and your E-filer ID, type your tax ID in the field « Numéro fiscal » and hit the « Continuer » button.

Two new fields asking you to mention your Reference Income and your E-filer ID will appear, allowing you to create your personal space.

impots.gouv.fr  
un site de la Direction générale des Finances publiques

Accueil > Authentification

**Connexion ou création de votre espace**

Numéro fiscal  
13 chiffres

Continuer

S'identifier avec FranceConnect  
Qu'est-ce que FranceConnect? >

Vous pouvez également payer en ligne en utilisant votre numéro fiscal et la référence de votre avis

Payer en ligne

**Aide**

- Où trouver votre numéro fiscal ?
- + Vous n'avez pas encore de numéro fiscal ?
- + Les services disponibles sur votre espace particulier
- + Gestion des cookies

Votre espace particulier

Votre espace professionnel

On the next screen, you will have to confirm the e-mail address & phone number that you want to link to your account and create your password. We recommend reporting on those fields your personal e-mail address and your personal phone number.

**Mes données personnelles**

■ **Adresse électronique** (?)

Votre adresse électronique\* : **Type your e-mail address here**

Confirmation\* : **Confirm your personal e-mail address here**

■ **Mot de passe**

Votre mot de passe\* : **Type your password here**

Confirmation\* : **Confirm your password here**

■ **Numéros de téléphone** (?)

Fixe : **Land line phone number**

Portable : **Cell phone number**

On the right side of the screen, three toggles allow you to opt for the paperless scheme for different types of documents:

**Vos options**

■ **Vos documents**

Choisissez le « zéro papier » pour :

☐ Votre déclaration de revenus (?)

☐ Vos avis d'impôt sur le revenu (?)

☐ Vos avis d'impôts locaux (?)

*Vous aurez accès à vos documents dans votre espace particulier et serez informé par courriel de leur mise en ligne.*

*Vous paierez en ligne ou par prélèvement automatique.*

■ **Préférences de communication**

Vous souhaitez être informé de l'actualité vous concernant par :

☒ Courriel ☐ SMS

- **Your income tax return** – you will no longer receive the prep-populated 2042 form in March-April;
- **Your income tax bill** – you will no longer receive them by paper, but they will continue to be available in PDF form through your personal space;
- **Your local tax bills** (« Taxe d'Habitation ») – you will no longer receive them by paper, but they will continue to be available in PDF form through your personal space.

The last two toggles (« Préférences de communication ») allow you to set your preference to e-mail (« Courriel ») or text message (« SMS ») to be informed by the tax authorities of news relevant to you.

When you're all set, click on « Valider ».

You will get a notification to inform you that you will receive a confirmation e-mail to the address you mentioned.

Open your mailbox and find the e-mail from the French tax authorities that should have been sent by the following address: [ne\\_pas-repondre@dgif.finances.gouv.fr](mailto:ne_pas-repondre@dgif.finances.gouv.fr)

Click on the link contained in this e-mail to finalize the activation of your personal space.

**This links shall be clicked within 24 hours,** otherwise your space won't be created and you will have to follow every step again.

→ Please note all e-mails from the French tax authorities are sent by an e-mail address from the following domain name: [dgfip.finances.gouv.fr](mailto:dgfip.finances.gouv.fr)

Any other e-mail claiming to be from the French tax authorities is likely to be a scam.

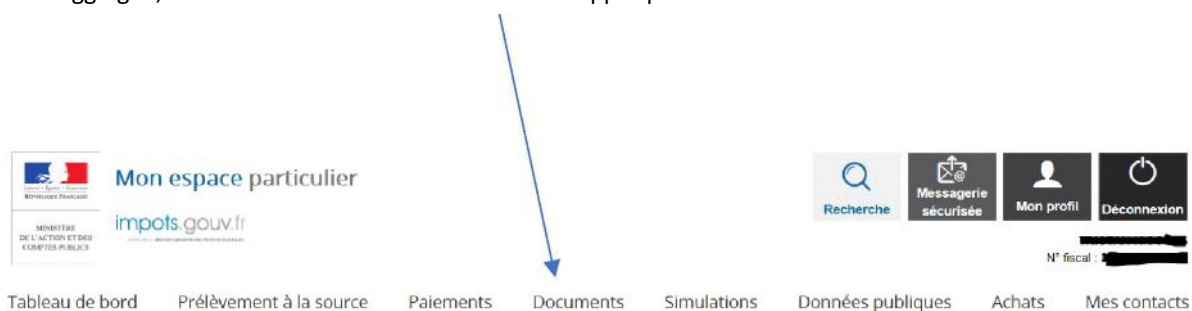
3) If you have already filed a 2043 form but have not yet finalized the activation process

The 2043 form is a specific return to be filed with the locally competent French tax authorities to claim the creation of your personal webspace and the creation of your French tax ID.

If you have already filed a 2043 form (maybe thanks to Deloitte France assistance) but have not clicked on the activation link sent by the French tax authorities by email, please contact again the French tax center to obtain the activation link to create the personal webspace.

2. Collection of your tax bill once logged onto your personal space

After logging in, click on the « *Documents* » tab in the upper part of the screen:



On the next page, click on the year *during which* the tax bill was issued. For instance, click on 2022 if you're looking for your income tax bill issued in 2022 and related to your income earned in 2021.

You will also find on this page your occupancy tax bill that will be issued around October 2022

Your tax bill will be the document named « *Avis d'impôt XXXX sur les revenus YYYY* », where **XXXX** stands for the year of issuance of the bill and **YYYY** for the year during which the income was earned. For 2021 income your tax bill will be named "Avis d'impôt 2022 sur les revenus 2021".

**We would be grateful if you could upload a copy of this document through your GA personal space once obtained.**

If you identify a difference between our estimate calculation and your income tax bill (refund or additional income tax), please contact your Deloitte tax consultant.

If the amount of the tax bill is a balance due you will have:

- 4 monthly installments between September and December according to the date of the issuance of your French tax bill; or
- 3 installments between October and December if the tax bill is issued after September ; or
- 2 installments between November and December if the tax bill is issued after October ; or
- 1 payment in December if the tax bill is issued in November.



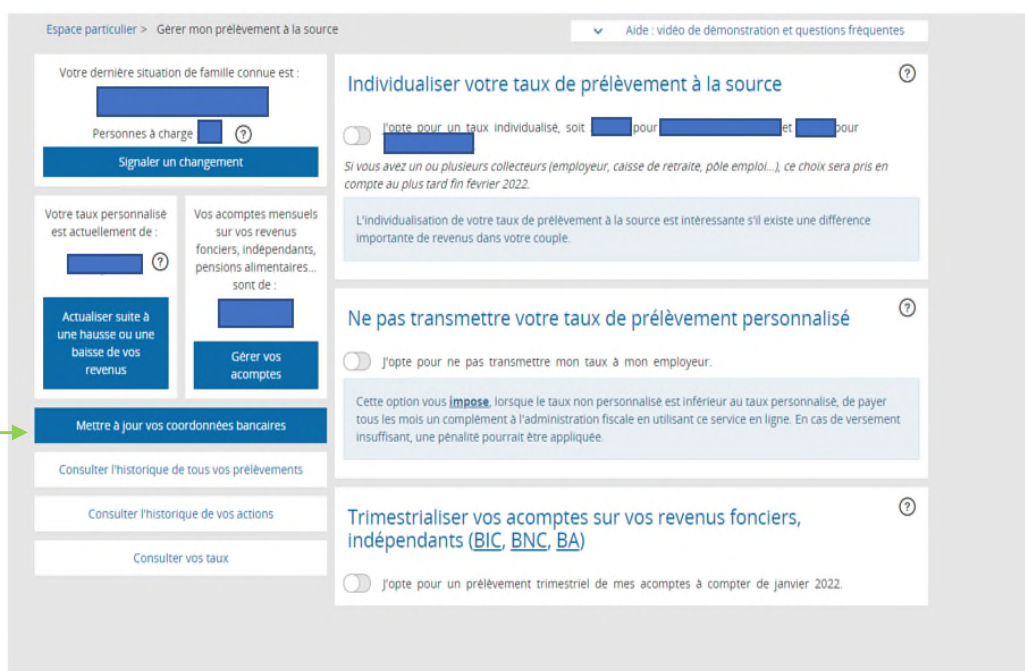
## Appendix 5: Update your bank account on [www.impots.gouv.fr](http://www.impots.gouv.fr)

If a balance is claimed by the French tax authorities through your tax bill or if you are entitled to a tax refund, the French tax authorities will withhold the balance due directly from your personal bank account or reimburse the tax refund in the same way. It is therefore very important that your personal bank account details be updated in your personal space on the French tax administration website.

Connect to your personal space on [www.impots.gouv.fr](http://www.impots.gouv.fr) and click on “**Prélèvement à la source**”.



Click on “**Mettre à jour ses coordonnées bancaires**”.



Mention your bank accounts details that should be used for tax withholdings. Please note that it should be a SEPA (Single Euro Payments Area) number.

The “Titulaire” is the holder of the bank account. Then click to “Modifier”.

A message box will indicate that the information has been taken into account and that a confirmation email has been sent to you. Then click on “Ok”.

## Appendix 6: How to pay taxes on the French website [www.impots.gouv.fr](https://www.impots.gouv.fr)

In this section, we explain how paying your tax bills through the French tax authorities' official website.

. This way of settlement is mandatory – failure could lead to penalties.

This section is related essentially to the payment of your 2022 Occupancy tax bills (taxe d'habitation) due in October 2022. For your complete information, as of 2023, this the occupancy tax should not be due anymore.

Please click to this link:

<https://www.telepaiement.dgfip.finances.gouv.fr/stl/satelit.web?templatename=accueilcharpente&cont>

Impots.gouv.fr

PAIEMENT DE L'IMPÔT -

Bienvenue sur le site du paiement de l'impôt

Sur le site du paiement de l'impôt vous pouvez :

- Souscrire ou modifier votre souscription au prélèvement mensuel ou au prélèvement à l'échéance de vos impôts
  - En savoir plus
- Payer votre impôt en ligne
  - En savoir plus

Pour accéder à ces services, saisissez votre numéro fiscal figurant notamment dans le cadre « Vos références » de votre avis d'imposition.

Numéro fiscal :

Continuer

Consulter les caractéristiques techniques de sécurité du site

Please mention your tax ID Number here and then click on “Continuer”.

Then you can either opt:

1. For paying at once by clicking on “Payer en ligne” under the heading “Le paiement en ligne”;
2. For lump sum payment through the year by clicking on “Adhérer au prélèvement mensuel” in the upper box under the heading “Le prélèvement automatique”;
3. For a direct debit 10 days after the due date by clicking on “Adhérer au prélèvement à l’échéance” in the second box under the heading “Le prélèvement automatique”.

The “prélèvement à l’échéance” means that the amount due will be automatically withheld from your bank account 10 days after the due date for onwards and not only once as when you click on “Payer en ligne”. **This option may occur at least the last day of the month preceeding the payment due date. If you act later, it would not be taken into account for the year concerned.**

Vous êtes identifié sous votre numéro fiscal 3035155702173.  
Vous pouvez accéder aux services suivants :

**LE PAIEMENT EN LIGNE**

Qu'est-ce que le paiement en ligne ?  
Payer en ligne, c'est donner votre ordre de paiement quand vous le souhaitez, jusqu'à 5 jours\* après la date limite de paiement indiquée sur votre avis. Votre compte bancaire est prélevé 10 jours\* après la date limite de paiement.

Vous pouvez également payer en ligne le montant réclamé suite à lettre de relance ou mise en demeure de payer.

\* A l'exception de la cotisation foncière des entreprises et de la taxe professionnelle pour lesquelles l'ordre de paiement doit être donné au plus tard à la date limite de paiement.

En savoir plus sur le paiement en ligne

Vous souhaitez :  
payer en ligne ➔

**LE PRELEVEMENT AUTOMATIQUE**

**Le prélèvement mensuel**  
Le prélèvement mensuel vous permet d'étaler sur l'année le paiement de vos impôts pour mieux gérer votre budget.

Quels impôts ?  
Comment ça fonctionne ?  
Comment adhérer ?  
Quand adhérer ?  
Le prélèvement européen (SEPA)

Vous souhaitez :  
adhérer au prélèvement mensuel ➔

Déjà adhérent au prélèvement mensuel ? Vous pouvez :  
modifier vos coordonnées bancaires ➔  
modifier ou arrêter vos prélèvements ➔

**Le prélèvement à l'échéance**  
Le prélèvement à l'échéance vous permet d'éviter tout retard de paiement : votre compte bancaire est débité automatiquement, du montant de votre impôt, 10 jours après la date limite de paiement.

Quels impôts ?  
Comment ça fonctionne ?  
Comment adhérer ?  
Quand adhérer ?  
Le prélèvement européen (SEPA)

Vous souhaitez :  
adhérer au prélèvement à l'échéance ➔

Déjà adhérent ? Vous pouvez :  
modifier vos coordonnées bancaires ➔  
modifier ou arrêter vos prélèvements ➔

Click on “Payer en ligne” to pay at once manually your tax bill (option 1)

Indicate your “référence de l’avis” mentioned at the top left box at the first page of your tax bill (under the Tax ID Numbers).



## Saisie de la référence de l'avis

Vous trouverez cette référence dans le cadre "Vos références" de l'avis d'impôt ou du document de relance.

Le champ marqué d'un astérisque (\*) doit être renseigné.

Référence \*

13 caractères alphanumériques

 Où trouver ma référence ? 

Mention your bank details in the section "Coordonnées bancaires" and your email address in the boxes "Adresse électronique" and "Confirmation de l'adresse électronique". Then click on "continuer"

### Païement en ligne

Saisie référence → Saisie → Validation → Récapitulatif

#### Avis d'imposition

Nom du contribuable :  
Type impôt :  
Référence de l'avis :  
Date limite de paiement :

Montant de l'avis :  
Montant déjà versé :  
Montant du paiement :

 [Modifier le montant du paiement](#)


Pour votre information, le montant restant à payer ne tient pas compte d'éventuels dégrèvements ou paiements déjà réalisés par un autre moyen (chèque, titre interbancaire de paiement, virement)

#### Coordonnées bancaires

Vous n'avez aucun compte bancaire renseigné

[+ Ajouter un compte bancaire](#)

#### Adresse électronique

 Attention à la bonne orthographe de votre adresse. Une erreur de saisie entraînerait l'envoi, à tort, de documents sur l'adresse d'un tiers.

Les champs actifs marqués d'un astérisque (\*) doivent être renseignés.

→ Adresse électronique \*

Confirmation de l'adresse électronique \*

☐ Je n'ai pas d'adresse électronique

Retour

Continuer

## Appendix 7: The withholding income tax (“Prélèvement à la source”) on [www.impots.gouv.fr](http://www.impots.gouv.fr)

This part allows you to get all the information regarding the withholding income tax and to manage all the options related to this.

Votre dernière situation de famille connue est : **marié(e)**  
Personnes à charge : 1

[Signaler un changement](#)

Votre taux personnalisé est actuellement de :  
Le taux de votre conjoint est :  
[Actualiser suite à une hausse ou une baisse de vos revenus](#)

Vos acomptes mensuels sur vos revenus fonciers, indépendants, pensions alimentaires... sont de :  
[Gérer vos acomptes](#)

[Mettre à jour vos coordonnées bancaires](#)  
[Consulter l'historique de tous vos prélèvements](#)  
[Consulter l'historique de vos actions](#)  
[Consulter vos taux](#)

### Individualiser votre taux de prélèvement à la source

☒ J'ai opté pour un taux individualisé. En renonçant à l'individualisation, le taux applicable pour les deux conjoints serait de

*Si vous avez un ou plusieurs collecteurs (employeur, caisse de retraite, pôle emploi...), ce choix sera pris en compte au plus tard fin février 2021.*

L'individualisation de votre taux de prélèvement à la source est intéressante s'il existe une différence importante de revenus dans votre couple.

### Ne pas transmettre votre taux de prélèvement personnalisé

☐ J'opte pour ne pas transmettre mon taux à mon employeur.

Cette option vous **impose**, lorsque le taux non personnalisé est inférieur au taux personnalisé, de payer tous les mois un complément à l'administration fiscale en utilisant ce service en ligne. En cas de versement insuffisant, une pénalité pourrait être appliquée.

### Trimestrialiser vos acomptes sur vos revenus fonciers, indépendants (BIC, BNC, BA)

☐ J'opte pour un prélèvement trimestriel de mes acomptes à compter de janvier 2021.

Update your family situation such as change of marital status (marriage/civil partnership, divorce), death, birth, ...

[Signaler un changement](#)

Update your withholding income tax rate

[Actualiser suite à une hausse ou une baisse de vos revenus](#)

Manage your monthly/quarterly instalment (i.e. withholding tax directly withheld by the French tax authorities on your bank account on your personal income subject to the withholding tax)

[Gérer vos acomptes](#)

Option for the calculation by the French tax authorities of a personal tax rate for each taxpayer (box in green if you have opted for the personal tax rate)

[Individualiser votre taux de prélèvement à la source](#)

☒ J'ai opté pour un taux individualisé. En renonçant à l'individualisation, le taux applicable pour les deux conjoints serait de

Should you require a detailed list of the tax already withheld

[Consulter l'historique de tous vos prélèvements](#)

Communicate/update your bank account references to the French tax authorities (**mandatory for French income tax purposes** since the tax is directly withheld on the taxpayer bank account).

[Mettre à jour vos coordonnées bancaires](#)



## Appendix 8: Global Employer Services

Global Employer Services is a key service line at Deloitte Société d'Avocats, providing advice on issues relating to the global mobility of assignees.

Christina Melady is the partner in charge of the GES department. She has more than 24 years of expatriate tax and consulting experience.

The GES team regroups more than 100 professionals specialized in the Management of International Assignments, Remuneration Policy, Asset Management, International Social Security and Immigration Law.

For further information please speak to your Deloitte Société d'Avocats contacts listed below:

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## Appendix 9: The Firm

### Deloitte Société d'Avocats: A leader in International Tax and Legal Advisory Services

Deloitte Société d'Avocats is one of the leading French law firms and is specialized in international tax and legal strategies. Our firm includes 70 partners, among more than 500 professionals. These professionals offer an extensive range of services covering most aspects of tax and legal matters to French and foreign multinationals, small and medium sized companies, public and private institutions, and government organizations. Our clients are guaranteed continuous and tailored support in all stages of their growth and development. Our experts combine the ability to solve complex tax and legal problems with financial and economic understanding, to provide a response adapted to corporate strategic issues. Certain teams are entirely dedicated to specific sectors of activity for a better understanding of clients' concerns and to provide the best response to their needs and expectations. We develop our expertise in highly diversified sectors such as health, real estate, aeronautics, defense, food industry, luxury goods, distribution, textiles and sport.



Deloitte Société d'Avocats is based in Paris, Bordeaux, Lille, Lyon, Marseille, Montpellier, Nantes, Rouen, Strasbourg and Toulouse. Deloitte Société d'Avocats is a Deloitte network entity, enabling its clients to benefit from the expertise of 48 000 Deloitte tax and legal experts in 150 countries.

For more information, see [avocats.deloitte.fr](https://avocats.deloitte.fr) or [blog.avocats.deloitte.fr](https://blog.avocats.deloitte.fr)

### Areas of Practice

#### A comprehensive tax services offer:

- International and National Corporate Tax
- International mobility
- Individual Tax
- Tax Management Consulting
- Computerized Tax Audits and Dematerialization
- Transfer Pricing
- Indirect Tax: VAT – Customs and International Trade
- Research & Development
- Tax Controversy
- Mergers & Acquisitions

#### An innovative legal services offer:

- Corporate / M&A
- Contracts – Distribution – Competition Law
- Bankruptcy, Insolvency and Corporate Restructuring
- Arbitration and litigation
- Employment Law
- IT Law
- Intellectual Property
- Legal Management Consulting
- Legal Managed Services
- Public Law

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## Société d'Avocats

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Specialized in international tax and legal strategies, Deloitte Société d'Avocats is one of France's leading law and advisory firms. Our firm currently employs more than 572 professionals including 70 partners.

Deloitte Société d'Avocats is a Deloitte network entity, one of the world's leading professional services organizations and, as such, works with 46,000 Deloitte tax and law specialists located in 150 countries.

For more information, see [www.avocats.deloitte.fr](http://www.avocats.deloitte.fr) or [www.blog.avocats.deloitte.fr](http://www.blog.avocats.deloitte.fr)

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