



NEWS INTERNATIONAL

E-MAIL NEWSLETTER
Second edition of 2018

Dear Sir/Madam,

France is undergoing positive changes. We have summarized important tax news applicable as of 2018.

The **3% distribution tax** has been repealed. This tax was applicable to all distributions of dividends by French corporations. For past years, foreign entities with French subsidiaries should consider claiming the tax back.

The **Corporate Income Tax rate will be progressively reduced** from 33,33% to 25%:

- 2018: 28% up to 500.000 Euros profits, amount in excess taxed at 33,33%
- 2019: 28% up to 500.000 Euros profits, amount in excess taxed at 31%
- 2020: 28%
- 2021: 26,5%
- 2022: 25%

The reduced Corporate Income Tax rate of 15% applicable to small businesses remains applicable.

The list of documents and information to be included in the **transfer pricing documentation** has been widened and adapted to the OECD BEPS measures. The French Country File will thus become more comprehensive.

Private taxpayers are also concerned by major tax changes.

Passive income (dividends, interests and capital gains derived from the sale of shares in corporations) underlie a **30% flat tax** as of 01.01.2018. Taxpayers may however choose to be taxed at the regular tax rate whenever this is more favorable.

The Wealth Tax has been repealed as of 01.01.2018. It is however replaced by a **Real Estate Property Wealth Tax** applicable to taxpayers with net real estate assets exceeding 1,3 million Euros in market value. The tax rate varies from 0,5% to 1,5%, depending on the assets' value.

All taxpayers (including Non-Residents holding real estate properties located in France) should pay careful attention to their assets to check whether they are liable to this tax or not. This is particularly true for taxpayers holding real estate properties indirectly through legal entities.

Best regards

Guillaume Rubechi

The author

Guillaume Rubechi

Avocat, Lawyer, Tax Partner



Guillaume Rubechi is a founding partner of Valoris Avocats. He is a lawyer at the Strasbourg and Frankfurt Bars.

He focuses on international tax law and since 1997 counsels and assists French and international businesses and investment funds. He also counsels individuals with the management of French and international matters pertaining to their assets. Guillaume Rubechi has gained a sharp expertise in the field of international real estate investments and of international taxation of industrial groups (transactions, restructuring, international optimization of cash flows, transfer pricing...). He speaks fluently French, English and German.

Guillaume Rubechi is lecturer on international tax law at the Universities of Strasbourg, Metz and Hamburg.

Contact

Valoris Avocats SELAS
14, avenue Pierre Mendès France
F-67300 Strasbourg-Schiltigheim
Phone +33(0)3 90 413 313
Mobil +33(0)6 45 21 39 62
Mail guillaume.rubechi@valoris-avocats.com

Company presentation



Law firm Valoris Avocats is based in Strasbourg, Lyon and Paris. It advises its clients, private operators and public entities in industrial, health and service sectors, as well as investment funds and banks in legal, tax and labor law matters. International business and tax law is at the core of Valoris Avocats' expertise.

The international experience of our lawyers, the understanding of different cultures and proficiency in different languages (French, English and German, as well as Chinese, Italian and Spanish) and the regular collaboration with the members of our network are important attributes to successfully guide our clients both in France and beyond the borders.

Valoris Avocats has been regularly ranked in the past years among France's best tax law firms (Option Finances, International Tax Review).



The newsletter is a newsletter of the DORNBACH-Group.
You find the information to the single societies here:

[IMPRINT](#)



Publisher: **DORNACH GMBH**, Auditing, Tax consulting,
Anton-Jordan-Straße 1, 56070 Koblenz, Telefon +49 (0) 261 94 31-438, E-Mail: international@dornach.de

We inform our clients by mail about topical news in the service area.
If you did not like to cover this information in future any more, **Please click here.**

Copyright 2018 DORNACH. Alle rights reserved.

The newsletter is not displayed correctly? **Please click here.**