



FINANCIÈRE ACCRÉDITÉE

GENERAL TAX REPRESENTATION ACCREDITATION

NON - RESIDENTS

CAPITAL GAINS ON PROPERTY AND COMPANY INTERESTS

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Public Limited Company with capital of € 2,511,000 ■ Paris Trade and Companies Register 504 937 053

The obligation to appoint a tax accredited representative

- Are you residing outside France for tax purposes and selling a property located in France?
- You have a **legal obligation** to appoint an accredited tax representative if you are residing outside the European Economic Area (EEA):
 - You are a **private individual**:
 - The sale price is greater than €150,000
 - **And** you have owned the asset for less than 30 years
 - **Even in the absence of taxable capital gain**
 - You are a **legal entity**:
 - **Under all circumstances** (regardless of the sale price or how long you have owned the asset)
- **Special case**: Company (SCI) subject to income tax with registered office in France:
 - When the total sale prices of partners who are natural persons residing outside the EEA exceed €150,000
 - Under all circumstances, if one of the partners is a legal entity residing outside the EEA.
- States exempt from appointing a tax representative, countries within the EEA: Austria, Belgium, Bulgaria, Croatia, Cyprus, the Czech Republic, Denmark, Estonia, Finland, Germany, Greece, Hungary, Iceland, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Norway, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden
- **Please note**: obligation applies in particular to **the United Kingdom, Switzerland, Monaco, Liechtenstein, Jersey, Guernsey and the Isle of Man**

What is the purpose of an accredited tax representative?

The tax authorities may check and query the capital gains declared upon the sale in the three years following the year of the sale.

An accredited tax representative ensures that the capital gains calculation is accurate and undertakes to pay the additional tax and penalties in the event of an adjustment.

FINANCIÈRE ACCRÉDITÉE: a fast and reliable solution.

- FINANCIÈRE ACCRÉDITÉE has **permanent accreditation** for representing non-residents in tax matters. We can start **immediately**.
- Upon receiving your documents, we provide you with a capital gains estimate and a quote for our fees.
- Our fees constitute selling costs that are deductible from the capital gains calculation. They are payable from the proceeds of the sale (no advance required, except in certain cases).
- Our team of English-speaking lawyers can advise you and accommodate your needs.

	Appointing a tax representative	Filing a tax return
Natural persons residing outside the EEA who own the asset:		
• directly		
• through a company subject to income tax headquartered in France or in the EEA.		
Price ≤ €15,000	no	no
Price ^{(1) (2)} > €15,000 and ≤ €150,000	no	yes
Price ^{(1) (2)} > €150,000	YES ⁽³⁾	yes
Asset owned for more than 30 years, regardless of the sale price	no	no
Legal entities headquartered outside the EEA who own the asset:		
• directly		
• through a partnership headquartered in France or outside France		
All sales	YES	yes

(1) Or fraction of the price corresponding to the total shares of partners outside the EEA.

(2) In cases of joint ownership, this amount is determined per seller (except in the case of a married couple or a couple in a civil partnership).

(3) **Even in cases of exemption or in the absence of taxation.**

Capital gains on non-residents' property

Acquisition costs

⇒ When the asset is purchased:

- either a fixed rate of 7.5% of the purchase price, excluding furniture (the rate covers all purchasing costs including the agent's commission)
- or actual, demonstrated costs (notary fees, registry fees, agent's commission)

⇒ When the asset is transferred free of charge:

- actual, demonstrated costs only (no fixed rate).

Works carried out, assessment

⇒ Either the actual cost based on invoices issued by the contractors and payment receipts (excluding invoices for the purchase of materials and the paid labour)

⇒ Or at a fixed rate of 15% of the purchase price of the constructed property if the asset has been owned for more than 5 years

Allowance for possession for more than 5 years

No. of full years for which the sold property has been owned	Rate of reduction of capital gains tax	Rate of reduction of social security contributions
0 to 5	0%	0%
6	6%	1.65%
7	12%	3.30%
8	18%	4.95%
9	24%	6.60%
10	30%	8.25%
11	36%	9.90%
12	42%	11.55%
13	48%	13.20%
14	54%	14.85%
15	60%	16.50%
16	66%	18.15%
17	72%	19.80%
18	78%	21.45%
19	84%	23.10%
20	90%	24.75%
21	96%	26.40%
22	100%	28%
23	Exemption	37%
24		46%
25		55%
26		64%
27		73%
28		82%
29		91%
30		100%

Exemptions applicable to non-residents:

⇒ 1st sale of a residential property located in France (Art. 150 U, II-2 of the French General Tax Code [CGI]) limited to one dwelling per taxpayer and to €150,000 of net taxable capital gains, subject to the following cumulative conditions:

- The seller must be an EEA national or a national of a non-EU country that has an agreement with France containing a non-discrimination clause
- The seller must have been residing in France for tax purposes for at least two consecutive years
- The asset must be sold:
 - no later than 31 December of the 10th year after the year in which the seller transfers his/her place of residence to outside of France
 - or with no time restriction if the seller has had free disposal of the property (non-rented property) since 1st January of the year preceding the year of the sale
- The seller must not have benefited from exemption under Art. 244 bis A, I-1 CGI (sale of non-residents' former main place of residence in France)
- The seller must not have completed a prior taxable sale as a non-resident since 1st January 2006

Capital gains on non-residents' property

⇒ Sale, subject to certain conditions, of the property constituting the non-resident seller's main place of residence at the date on which he/she transfers his/her place of residence to outside of France (Art. 244 bis A, I-1 CGI) (please enquire)

⇒ Exemptions relating to the capacity of the seller (subject to certain conditions): foreign States and agencies, persons who run a business in France, old-age pensioners or disability card holders

⇒ Other exemptions applicable to residents and benefitting non-residents: possession for more than 30 years, sale price less than or equal to €15,000, sale to authorities in charge of social housing, transaction in the context of a land consolidation operation, sale of an expropriated property subject to a re-investment condition, sale of an upward extension right

Levy (excl. additional tax of Art. 1609 nonies G of the CGI):

- 19% + 7.5% if the seller belongs to a social security scheme within the EEA (the EU, Iceland, Liechtenstein, Norway), Switzerland or the United Kingdom AND is not covered by a mandatory French social security scheme

- 19% + 17.2% if the seller belongs to a social security scheme within France or outside the EEA, Switzerland, the United Kingdom

⇒ **Additional tax on capital gains from the sale of properties other than land for development**

(Art. 1609 nonies G of the CGI):

Taxable amount of capital gains	Amount of tax	Quick calculation
€50,001-€60,000	2% CG - [(60,000 - CG) x 1/20]	7% CG - 3,000
€60,001-€100,000	2% CG	2% CG
€100,001-€110,000	3% CG - [(110,000 - CG) x 1/10]	13% CG - 11,000
€110,001-€150,000	3% CG	3% CG
€150,001-€160,000	4% CG - [(160,000 - CG) x 15/100]	19% CG - 24,000
€160,001-€200,000	4% CG	4% CG
€200,001-€210,000	5% CG - [(210,000 - CG) x 20/100]	25% CG - 42,000
€210,001-€250,000	5% CG	5% CG
€250,001-€260,000	6% CG - [(260,000 - CG) x 25/100]	31% CG - 65,000
Greater than €260,000	6% CG	6% CG

Specific arrangements for foreign legal entities subject to corporation tax

⇒ Deduction of purchasing and works costs based on actual, demonstrated costs (no fixed rate)

⇒ For EEA companies (including Liechtenstein): capital gains determined based on tax base and corporate tax rate rules applicable to legal entities residing in France

⇒ For companies outside the EEA: fixed-rate amortisation of 2% per year on the purchase price (no exemption for length of possession) and taxation at the rate of 25% for fiscal years beginning on or after 1st January 2022 (otherwise 26.5%)

Documents you need to send us to get a quote

- Draft deed of sale or, in the first instance, promise of sale or preliminary sale agreement
- Title deed(s)

By post

By fax

By e-mail

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