

SALMON-LEGAGNEUR & ASSOCIÉS

AVOCATS À LA COUR

Marie Dessimond
Nathalie Pagnon
Sybille Salmon-Legagneur

TAX ALERT January 12, 2015

The French Finance Bills for 2015 provide for several important measures for the enterprises of the real estate industry including the following ones¹:

For further information regarding this alert, please contact:

Sybille Salmon-Legagneur
E: ssalmon-legagneur@sl-avocats.fr

Marie Dessimond
E: mdessimond@sl-avocats.fr

1. Favorable measure: Suppression of the specific definition of the 5% transfer tax basis applicable since 2012 to shares of real estate oriented companies, definition which was limiting the deduction to the sole “**liabilities related to the purchase**” of the real estate properties².
2. Favorable measure: Suppression of the **tax representation obligation** (notably applicable for the one-third withholding tax on standalone real estate capital gains made by non-residents) for residents of the European Economic Area excluding Liechtenstein.
3. Non-favorable measure: Repurchases of shares/decreases of share capital **exclusively subject to the regime of capital gains on shares**, whereas they were previously partly subject to the regime of distributions.

Salmon-Legagneur & Associés
Avocats à la Cour
A.A.R.P.I.
34 avenue George V
75008 Paris
Tel. : +33(0)1 56 89 20 20
www.Sl-avocats.fr

These measures will be detailed together with other ones³ during a breakfast speech by Sybille Salmon-Legagneur and Marie Dessimond:

**Finance Bills for 2015 and recent tax developments
concerning the real estate industry
Thursday January 29, 2015 from 8.30am to 10.30am
34 avenue George V, 75008 Paris**

¹ Laws 2014-1654 and 2014-1655 dated December 29, 2014 (Official Newspaper December 20)

² Applicable to transfers realized as from December 31 2014 (day following publication of the law)

³ Notably: Exclusion of deduction of the result from the TABIF, Exclusion of the application of the parent-subsidiary CIT exemption regime for distributions deriving from profits deductible for the paying subs, Restoration and durability of the exemptions for the contribution for creation of offices in case of reconstruction, Impact of the amendment to the France-Luxembourg tax treaty,...

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