General Tax Code

EFFECTIVE SINCE DECEMBER 31, 2018

Article 155 B

VERSION IN EFFECT SINCE DECEMBER 31, 2018

Amended by Law No. 2018-1317 of 28 December 2018 - art. 6 (V)

I. – 1. Employees and persons mentioned in points 1°, 2° and 3° of section b of article80 ter called from abroad to take up employment in a company established in France for a limited period are not subject to tax on the elements of their remuneration directly related to this situation or, by option, up to 30% of their remuneration.

The first paragraph applies provided that the employees and persons concerned have not been tax residents of France during the five calendar years preceding the year in which they took up their duties and, until December 31 of the eighth calendar year following the year in which they took up their duties, for the years in respect of which they are tax residents of France within the meaning of points (a) and (b) of paragraph 1.Article 4 B.

The benefit of the exemption scheme is retained in the event of a change of duties, for the period defined in the second paragraph of this section 1, within the company established in France mentioned in the first paragraph or within another company established in France belonging to the same group. For the purposes of these provisions, the group means the group formed by a company established in France or outside France and the companies it controls under the conditions defined in ArticleArticle L. 233-3 of the Commercial Code.

If the portion of remuneration subject to income tax pursuant to this paragraph 1 is less than the remuneration paid for similar functions in the company or, failing that, in similar companies established in France, the difference shall be added back into the taxable base of the person concerned.

2. The portion of remuneration corresponding to the activity carried out abroad during the period defined in 1 is exempt if the stays carried out abroad are carried out in the direct and exclusive interest of the employer.

3. At the option of the employees and persons mentioned in 1, either the portion of remuneration exempted in accordance with 1 and 2 is limited to 50% of the total remuneration, or the portion of remuneration exempted in accordance with 2 is limited to 20% of the taxable remuneration resulting from 1.

4. The employees and persons mentioned in this section I may not claimArticle 81 A.

II. – The employees and persons mentioned in I are, for the period during which they benefit from the provisions of the same I, exempt from tax up to 50% of the amount of the following income:

a) Income from movable capital the payment of which is ensured by a person established outside France in a State or territory which has concluded with France a tax treaty which contains a clause on administrative assistance for the purpose of combating tax fraud or tax evasion;

b) Products mentioned in points 2 and 3 of section 2 ofArticle 92 , the payment of which is made by a person established outside France in a State or territory which has concluded with France a tax treaty which contains a clause on administrative assistance for the purpose of combating tax fraud or tax evasion;

(c) Gains realized from the sale of securities and equity interests, where the custodian of the securities or, failing that, the company whose securities are being sold, is established outside France in a State or territory that has concluded a tax treaty with France containing a clause on administrative assistance for combating tax fraud or evasion. Correspondingly, capital losses realized on the sale of these securities are recognized at 50% of their value.

NOTA :
In accordance with Article 6 II of Law No. 2018-1317 of December 28, 2018, the amendments to paragraph 1 of section I resulting from the provisions of section I of said article shall apply to remuneration due from January 1, 2019 to persons whose taking up of duties in France occurs from November 16, 2018.