

# France – Switzerland changes & Some bizarre treaty provisions

1

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**A FRENCH TAX FIRM**

# FR-CH : the end of cross-border workers ?

2

- **Votation against 'massive immigration': 3 years to draft new law with quotas back again. EU-CH free movement at stake.**
- **Cross-border workers taxed differently from canton to canton:**
  - ) **Geneva**
  - ) **8 other cantons**

# FR-CH : the end of cross-border deaths ?

3

- **Old treaty 1953**
- **New treaty signed July 2013: residence of heir vs residence of deceased**
- **Not ratified by Swiss Parliament (4 June 14)**
- **Terminated by France 13 June 14 with effect end 2014 (180,000 Swiss citizens in France)**

# FR-CH : the end of French forfaitiers ?

4

- **2000 French VHNWIs in CH under 'forfait'**
- **CH residents under 1972 agreement**
- **Agreement terminated from 1 Jan 2013**
- **Income from France subject to domestic WHT rates**

## FR – IRL : Residence clause art 2-7

5

**The expressions "resident of Ireland" and "resident of France" mean respectively:**

**any person who is a resident of Ireland for the purposes of Irish tax and who is not a resident of France for the purposes of French tax, and**

**any person who is a resident of France for the purposes of French tax and who is not a resident of Ireland for the purposes of Irish tax;**

# Tax Sparing

6

- **Tax credit for foreign tax**
- **Even if there is no foreign tax**
  
- **Royalties, management fees, interest, dividends etc**

# Matching Credit

7

- **Tax credit of 125% of local tax paid**
- **Notably dividends**
- **Ivory Coast, Burkina, Benin, etc**

# Credit Pooling & WHT guarantee

8

## **Credit Pooling :**

**If tax paid locally > FR tax on same income,  
the excess tax is allowable against French tax**

**WHT guarantee: Credit given for WHT paid  
even if > than treaty rate**