



Criminal Tax Law

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A Highway to jail?

- **JOUANJAN & PARTNERS -
AVOCATS**
- **INTERNATIONAL – TAX –
PROPERTY**
- **FRANCE (Annecy – Marseille)**



Fundamentals

- Taxes = money that does not belong to you
- Filing properly: your responsibility
- Under the control of tax office
- And the public prosecutor



Criminal tax legislation

- Legislation needed (no decrees)
- Non bis in idem
- Protection of EU Charter of Fundamental Rights for VAT
- Protection of ECHR for all taxes



Tax and criminal sanctions, a sliding scale

- You forget: tax+10%
- You think you're smart: +40%
- You set up a scheme: +80%, 100% or more
- You do it again or you deliberately break the law: jail + fines etc
- VAT is particularly slippery



Criminal offences

- Misdemeanour: fixed fines per form not filed
- « General offence of tax fraud »
- Tax fraud laundering



Possible Sanctions

- Fines up to 600k
- Asset Freezing
- Imprisonment : up to 3 years
- Electronic tag
- Ineligibility
- Barred from managing a business
- Professional sanctions (lawyers, doctors etc)



Advisors at risk

- ➡ If 80%+ tax penalty incurred
- ➡ Advice must intentionally lead to fraud or laundering of proceeds
- ➡ 50% of fees derived from advice (min 10k)
- ➡ If accomplice : same sanctions
- ➡ Politicians are clearly less at risk:

**This man is a surgeon, a deputy, a
finance minister, and a businessman**





Brief biography

- 90's: surgeon – founder of an aesthetic clinic in Paris
- Technical advisor for Pharma
- 2005: Admits stealing Bucky, a 20keur guide-dog
- Politician – deputy
- 2007: sentenced for not declaring a Philipino cleaner for 250 euros a month in his clinic
- 2010-12: pdt of the Parliament's finance comittee
- 2012/13: Ministry of Finance



What happened in 2012/14?

- « I have never had a Swiss a/c »
- Well, yes you have
- « OK, but only 600k »
- And in Singapore?
- « OK, that too, but I swear that's all »
- Anything to do with bribes on the purchase of scanners/MRIs in 1988/91?
- « No! » he says, shocked by such a question
- « Well, actually, maybe »



...The ex-wife, in 2014

- « My ex-husband also has an account on the Isle of Man. 2,5meur »
 - But he said he only had Switzerland and Singapore!
- « Just take a look »
 - Ooooh, that's right, thank you Madam!



What does a ministry of finance plead in a case of tax fraud?

Reimbursements for health insurance, gym membership, **taxes**, electricity... So many things that can pile up in your inbox. But as soon as you try to get started, you get a **lump in your throat**. It's impossible for you to **open envelopes** or **pay a bill**... There's no doubt about it, you're suffering from...



...

Administrative Phobia !

(yes he did)



All is well that ends (not) in jail

- 3 years in jail – ineligible 5y
- Appeal : 2 years + 2 years suspended – 300k – ineligible 5y – 3 luxury watches seized
- Note: no effective prison time, just an electronic tag
- Suspended by the « order of medical doctors » - 3 months



It's not the end of the world

- ➡ No election for 5 years (2018)
- ➡ Job in Cayenne (I swear it's true)
- ➡ Family house in Corsica
- ➡ Now a happy doctor in Ajaccio
- ➡ Ran for election again in 2024 and will run for mayor in 2026



Jérôme CAHUZAC - quote

« I will never forget the hand that I was offered here in Corsica. I owe you, Corsican people! Historically, Corsica was, and still is, a welcoming land for the outcast and the exiled »



Indeed, Corsica
welcomes the
outcast



Sarkozy: « If you don't own a Rolex by the age of 30, your life's a failure »



Judge: « If you don't own an electronic tag by the age of 70, your life's a failure »





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Thank you
for your
attention