

FRENCH TAX UPDATE

Trustee's obligations

The French government has now implemented in the domestic tax law various provisions from the Directive (EU) 2018/843 of the European Parliament and of the council of 30 May 2018 amending Directive (EU) 2015/849 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing.

As a consequence, French tax code regarding Trustee's filing obligations (art. 1649 AB) has been modified.

Any trustee residing out of the EU should now file a French return in the two following situations

- **Acquisition of a real estate property in France,**
- **Entering into a business relationship in France (i.e. commitment of a professional / business relationship which is supposed, at the agreement, to be maintained overtime).**

In one of these situation, the trustee should file an event-driven return in order to declare the constitution, the modification or the termination of the trust to the French tax authorities.

Contents of this event driven return also evolves : trustees should now reveal identification of « effective beneficial owners » of the trust, including not only any individual acting as a settlor, a trustee, or a beneficiary, but also any individual acting as a protector or exercising an effective control on the trust or any similar function.

This reform should be applied by the trustees as from February 13th 2020.

Please feel free to contact Sevestre & Associés is able to advise and assist foreign trustees who are likely to be concerned by this reform.



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