

## TVA

### Loi de Finance rectificative 2010

The French Budget 2010, as amended by law n°2010 237 of 9 March 2010 (effective from 11 March 2010), now subjects to VAT (rate 19.6%) the purchase of all *terrains à bâtir* (building plots).

The exemption available to individual (non-professional) purchasers no longer applies.

The impact of this extension should however be limited since VAT will only apply to the « margin » (capital gain) achieved by the vendor on sale unless the vendor had himself deducted VAT on his purchase (professional) where VAT will apply to the whole price.

In the latter case the sale will be subject to the reduced *droit d'enregistrement* (stamp duty) of 0.715% (5.09% otherwise).

Please note that a *terrain à bâtir* is now defined by its registration with the local *Mairie* and no longer depends on the buyer's declaration or subsequent building application.

The French Revenue should give further details about the above shortly.

For more information please contact:

**Patrick Delas**

Solicitor

Avocat au Barreau de Paris

020 8394 6387

Patrick.Delas@russell-cooke.co.uk

This material does not give a full statement of the law. It is intended for guidance only and is not a substitute for professional advice.

No responsibility for loss occasioned as a result of any person acting or refraining from acting can be accepted by Russell-Cooke LLP.

© Russell-Cooke LLP  
March 2010