

FRENCH WEALTH TAX
(Impôt de Solidarité sur la Fortune)

Rates as from 1st January 2009

The French *Impôt de Solidarité sur la Fortune* – ISF applies each year to individuals whose net wealth is above 790,000 Euros on 1st January.

The taxable base comprises the fair market value of the assets owned by the *foyer fiscal* (taxpaying household) i.e. husband & wife or cohabiting couple. The declaration is on a self assessed basis.

French residents are subject to ISF on their worldwide assets whereas non-residents are only liable for tax on their assets physically situated in France.

Exemption applies to certain assets such as financial assets (non-residents) or business assets (both residents and non-residents). Liabilities (e.g. mortgage) may be deductible with supporting evidence.

As from 1st January 2009, the ISF tax rate is calculated as follows (Euros):

<i>Fraction of the net taxable value or assets</i>	<i>rate</i>
Not exceeding 790,000	0.00%
Between 790,000 and 1,280,000	0.55%
Between 1,280,000 and 2,520,000	0.75%
Between 2,520,000 and 3,960,000	1.00%
Between 3,960,000 and 7,570,000	1.30%
Between 7,570,000 and 16,480,000	1.65%
Above 16,480,000	1.80%

Please note that investments in the capital of small to medium companies may benefit from a rebate of:

- 75% of the amount subscribed in the capital of small to medium companies (directly or through holding companies) with a maximum rebate of 50,000 euros.
- 50% of the amount subscribed in shares of certain French funds (or other EU countries equivalent): *fonds d'investissement de proximité* (FIP), *fonds communs de placement dans l'innovation* (FCPI) or *fonds communs de placement à risques* (FCPR) with a maximum rebate of 20,000 euros.

Declarations and payments should be sent to *Centre des Impôts des non-residents, 10 rue du Centre, 93463 Noisy le Grand Cedex* on:

In 2008 the dates for declaration were as follows:

- French residents: 16 June
- Other EU residents (including Monaco): 15 July
- Non-EU residents: 1st September

The dates for 2009 have not yet been announced.

A 10% penalty applies for late payment as well as interest of 0.40% per month. A further 40% to 80% penalty may also apply in certain circumstances.

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