

**French succession law: Innovation for 2007!**

A new law which came into force on 1<sup>st</sup> January 2007 has introduced a number of innovations to the traditional French succession law. In particular, the entrenched rights for heirs (children) to share in their parents' estate on their death may in certain very specific circumstances be given up by the child in advance. Parents of a child who died without children of their own previously benefited from a legal reserve. However they are excluded from the new law as their right to a reserve or an automatic part of the estate of their deceased child has also been abolished at the same date.

Previously in France, any agreement to renounce a beneficiary's rights made in advance of a person's death were unenforceable - a presumed heir could not renounce his rights under the law until the succession was opened following the parents' death.

As a result of the change in the law, certain inheritance pacts can now be entered into so that a child may renounce his or her rights to the legal reserve (eg one quarter/one third/one half) in the parents' succession in advance.

A number of controls designed to protect the renouncing beneficiary have been put in place. By renouncing his or her rights, the heir agrees before the death of his or her parent to give up the right to recover the legacy or that part of the estate which is his by law from the person to whom a gift is made i.e. another beneficiary, which in fact deprives him of his rights. It does not in fact prevent him from being beneficiary to the succession generally.

The agreement is only effective when signed by the child and the parent in question in the form of a contract.

Other conditions:

- The child must be over 18 years
- The contract must be signed in France in the presence of two notaires.

The operation of the new law is complex in practice and if you are interested in the new possibilities for succession planning, please contact us for further advice and information.

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