

Charles Hamer Financial Services

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CHFS BULLETIN 5TH NOVEMBER 2014 :

MORE FUEL FOR THE FRENCH TAX BONFIRE? PRELEVEMENTS SOCIAUX: EUROPEAN COURT OF JUSTICE UPDATE: WILL THE FRENCH ADMINISTRATION'S ARGUMENT GO DOWN IN FLAMES?

Apologies for the tenuous link of the title to the date of issue!

For those of you who have subscribed to receive our sporadic tax bulletins, you will be aware of the pending ECJ case intending to address the question as to the circumstances in which Prélèvements Sociaux – as a collective charge – can be levied on investment income and gains arising in France, whether the recipient is French tax resident or not.

Although a formal judgement is not due for another couple of weeks yet, the recent publication of the advocate general's opinion of the case suggests an increasing likelihood of the decision finding in favour of the taxpayer.

The advocate's opinion does not always coincide with the subsequent judgement and must therefore be viewed with caution. Meanwhile the full practical implications of such a judgement – notably how far back it would apply – also remains uncertain. Nonetheless, with the aim of getting ahead of the rush and the inevitable bottlenecks, we do suggest that if you have paid Prélèvements Sociaux on your capital gains, rental income or as part of a broader assessment as a French tax resident, you start to collate the documentation needed to support any application to appeal against and recover the charges made to date.

The basic practical outcome of the advocate general's conclusion and any successful appeal would be the necessity to demonstrate that at the time the Prélèvements Sociaux were or are levied you were or are subject to the National Insurance Legislation of another EEA state

With this in mind then we recommend that – as a starting point - you dig out your P60's, payslips or HMRC issued tax and NIC computations relevant to the calendar year in which the income or gains occurred and which gave rise to the Prélèvements Sociaux levy.

Ultimately, substantially more supporting documentation will be required to support a successful reclaim but the nature of these items and the route any claim will need to follow will vary according to your circumstances.

We at Charles Hamer are presently gearing up to packaging such appeals for our clients appropriate to your own situation, (employed, self employed, retired, studying, not working, non French resident, French resident), and the nature of the income or gains on which the Prélèvements Sociaux were charged.

Charles Hamer Financial Services is Authorised and regulated by the Financial Conduct Authority

If you would like to know more about what we can do for you and how much we will charge in making the appeal on your behalf, please call or send an email to the following contact relevant to your situation:

Your situation / nature of income against which Prélèvements Sociaux were charged	Your contact	Your contact email address	Your contact telephone number
Rental Income as a non French Resident	Alex Romaine	alex@charleshamer.co.uk	01844 218956
Capital Gains as a non French resident	Emilie Mengin or Jon Pawsey	info@charleshamer.co.uk	01844 218277 or 01844 218956
Income and Gains as a French tax resident	Jon Pawsey	jon@charleshamer.co.uk	01844 218956

If you would like to be added to our newsletter mailing list please send an email to:

info@charleshamer.co.uk

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