

FRANCE - Information on residency for tax purposes

In France, residence for tax purposes is a concept defined in double tax treaty. In domestic law, such concept relies on the concept of “tax territoriality”.

For automatic exchange of information on financial accounts purposes, an individual or an entity will accordingly be considered to be a French tax resident if his/hers/its income are taxed in France (income tax or corporate tax).

In this context, in general, individuals or entities must qualify their status first to the French tax domestic law and, as the case may be, then to the French Tax Treaties.

French Tax Treaties are available on the following link: impots.gouv.fr.

France means the European department (including Corsica) and overseas department (Guadeloupe, French Guyana, Martinique, Island of Réunion and Mayotte) of the French Republic.

Section I – Criteria for Individuals to be considered a tax resident

According to the domestic French legislation, the criteria to meet for individuals qualified as tax residents in France are the following:

According to [Article 4 A of the French General Tax Code \(CGI\)](#), Individuals domiciled in France are subject to tax income in France and are taxed on the basis of their worldwide income as a whole. However, individuals domiciled outside France are subject to tax income on the basis of their incomes from France sources.

Under [Article 4 B of the CGI](#), regardless of their nationality, individuals are domiciled in France for tax purposes if :

- their home is in France;
- their main place of abode is in France;
- they carry on a professional activity in France, salaried or not, unless they can prove that it is a secondary activity;
- they have the centre of their economic interests in France.

State employees - who perform their duties or are on assignment in a foreign country and are not liable to income tax on their overall income in that country - are also deemed to be domiciled in France for tax purposes.

Further guidance on these provisions are available on the following link: [BOI-IR-CHAMP-10](#).

Section II – Criteria for Entities to be considered a tax resident

According to the domestic French legislation, the criteria to meet for entities and permanent establishment to be qualified as tax residents are the following:

1) An entity will be resident in France for tax purposes where the entity is operated in France, whatever its nationality ([Article 209 \(I\) of the CGI](#)).

The term "operated in France" means an entity which carries on a regular business in France, either in an autonomous establishment or, if there is no establishment, through representatives without independent professional status, or as part of operations forming a complete business cycle.

Therefore, a permanent establishment (including a branch) in France is always subject to corporate tax in France.

Further guidance are available on the following link: [BOL-IS-CHAMP-60](#).

2) Under [Articles 8](#) and [218 bis of the CGI](#), French partnerships (« sociétés de personnes ») are "translucent" (« translucide ») and not transparent for tax purposes. This means that a French partnership has a fiscal personality, fills a tax return even if the tax is effectively paid by their partners. In general, under French double tax treaties, if the place of effective management is in France, French partnerships are always tax resident in France.

French partnerships are listed on the following link: [BOI-BIC-CHAMP-70-20-10-10-20120912](#).

The above mentioned rules in general apply also to the French "fiducies" which are also tax resident in France under French double tax treaties, if the place of effective management is in France.

Further guidance are available on the following links: [BOI-BIC-CHAMP-70-20-10](#), [BOI-BIC-BASE-10-20](#) and [BOI-BIC-CHAMP-20-10-40](#)

Section III – Entity types that are as a rule not considered tax residents

1) In general, following entities are not subject to corporate tax in France under double tax treaties:

- French real estate co-ownership partnership; "société immobilière de co-propriété" ([Article 1655 ter of the CGI](#));
- *Fonds commun de placement* (FCP) and *Sociétés d'investissement à capital variable* (SICAV).

The partners or associates are deemed to directly carry out the activity. Under double tax treaties concluded by France, these entities are not tax resident in France.

2) However, for the purpose of reporting under the terms of the Common Reporting Standard, entities such as foreign partnerships or legal arrangements (trusts, foundations, etc.), which are not treated as a taxable unit under the tax law of their jurisdiction, will be qualified as tax resident in France if their place of effective management is in France pursuant to the Commentary of the CRS (Section VIII-§108).

Section IV – Contact point for further information

For Individuals:

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