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France

Summary of CbC Reporting and Transfer Pricing Documentation Rules

Country-by-Country Report

- *Effective Date*: Fiscal years beginning on or after January 1, 2016.
- *Filing Threshold*: French MNEs with annual consolidated group turnover of at least €750 million.
- *Local Filing*: A French subsidiary of a foreign group is subject to the CbC reporting requirement if certain conditions are met.
- *Information Reported:* Consistent with OECD guidance.
- *Language*: Should be provided in English; however, the French tax authorities can request a French translation.
- *Forms/Filing Instructions*:
  - CbC Notification of Reporting Entity: included in the corporate income tax return.
  - CbC Report: Declaration No. 2258-SD filed electronically.
- *Deadline for Filing Notification of Reporting Entity:* Included in the French company's corporate income tax return.
- *Deadline for Filing CbC Report:* Within 12 months of the group's fiscal year-end.
- *Penalties*: Penalties up to €100,000 may apply for non-compliance.
- *Exchange of Information*:
  - MCAA CbC: signed.
  - EU Directive 2016/881: enacted.
  - U.S. CAA CbC: in negotiations (CbC reports for fiscal years beginning before January 1, 2024 will be spontaneously exchanged).

Public Country-by-Country Report (Ordinance No. 2023-483 of 21 June 2023 and Decree No. 2023-493 of 22 June 2023)

- *Effective Date:* Financial years beginning on or after June 22, 2024.
- *Reporting Threshold:*
  - French MNEs (or a French stand-alone commercial company with a permanent establishment abroad) with consolidated revenue exceeding €750 million in each of the last two consecutive financial years.
  - Non-EU/EEA MNEs with a qualifying subsidiary in France with consolidated revenue exceeding €750 million in each of the last two consecutive financial years (or a non-EU/EEA corporation with a branch in France and the revenue of the French branch exceeds €12 million in each of the last two consecutive financial years).
  - French subsidiaries or branches established for the sole purpose of circumventing the EU public CbC reporting requirements.

  Consistent with the EU directive, companies established in France that are subject to the disclosure obligation in the Monetary and Financial Code (i.e., subject to separate reporting under EU Directive 2013/36) are exempt from this reporting obligation.

- *Information Reported and Presentation of Information*: The report will be presented using a template and machine-readable electronic declaration formats to be published by order of the Minister in charge of the economy.

  Consistent with the EU directive, the information reported includes the name of the company, financial year in question and currency used; a brief description of the nature of the business activities; number of full-time employees; net revenue; profit or loss before income tax; income tax accrued; income tax paid; and accumulated earnings.

  In addition, the data is disclosed (i) separately for each EU member state/EEA contracting state; (ii) separately for each country listed on the EU list of non-cooperative jurisdictions (i.e., "blacklist") on March 1 of the relevant financial year or listed on the "grey list" on March 1 of the relevant financial year and on March 1 of the previous financial year; and (iii) aggregated for the rest of the world.
- *Publication and Accessibility:* In general, the report (in French and certified as a true copy) must be filed with the registry of the commercial court (where it is registered in the trade and companies register) and made available on the company's website (free of charge and accessible to the public for at least 5 years).

  Any person can request a ruling to require a company in France to publish and make available their CbC report.
- *Publication Deadline:* The report must be published within 12 months after the end of the reporting financial year.
- *Deferral:* MNEs can temporarily omit certain information if the disclosure of such information could seriously prejudice the commercial position of the companies to which the report refers. The reasons for the omission must be clearly stated in the report. The omission does not apply to information related to tax jurisdictions included in the EU list of non-cooperative jurisdictions. The omitted information must be included in a subsequent report, no later than 5 years after its omission.
- *Audit Requirement:* The audit report must include a statement of whether a CbC report was required to be published (for the preceding financial year) and, if so, if the report was published and made available in accordance with the rules.
- *Penalties:* Specific penalty provisions have not been introduced.

Master File [Official Bulletin – Indirect Transfer of Profits Between Independent Companies]

- *Effective Date*: Financial years beginning on or after January 1, 2018.
- *Filing Threshold*: For financial years beginning on or after January 1, 2024, entities with turnover or gross assets of €150 million or more[1]. The previous threshold was €400 million.
- *Information Reported*: Generally in line with OECD guidance, with certain additional requirements.
- *Language*: The French tax authorities may request a French translation of documents written in a foreign language.
- *Deadline for Submission:* Submitted electronically within 30 days of a request by the tax authority.
- *Penalties*: The greater of 5% of the profit reassessment or 0.5% of intra-group transactions covered. For financial years beginning on or after January 1, 2024, a minimum penalty of €50,000 applies for a

[1] Including entities in which more than 50% of its capital or voting rights are owned (directly or indirectly) by an entity with turnover or gross assets of €150 million or more, or entities that own (directly or indirectly) an entity with turnover or gross assets of €150 million or more.

failure to provide documentation or providing insufficient documentation upon request (previously €10,000).

Local File [Official Bulletin – Indirect Transfer of Profits Between Independent Companies]

- *Effective Date*: Financial years beginning on or after January 1, 2018.
- *Filing Threshold*: For financial years beginning on or after January 1, 2024, entities with turnover or gross assets of €150 million or more[2]. The previous threshold was €400 million.
- *Transaction Threshold:* Related party transactions of €100,000 or more per type of transaction.
- *Information Reported*: Generally in line with OECD guidance, with certain additional requirements including financial data reconciliations.
- *Language*: The French tax authorities may request a French translation of documents written in a foreign language.
- *Deadline for Submission:* Submitted electronically within 30 days of a request by the tax authority.
- *Penalties*: The greater of 5% of the profit reassessment or 0.5% of intra-group transactions covered. For financial years beginning on or after January 1, 2024, a minimum penalty of €50,000 applies for a failure to provide documentation or providing insufficient documentation upon request (previously €10,000).

Simplified Transfer Pricing Return [Official Bulletin – Indirect Transfer of Profits Between Independent Companies]

Form 2257-SD must be filed by entities with turnover or gross assets of €50 million or more[3]. Entities with related party transactions amounting to less than €100,000 per type of transaction do not have to file the form. The form is filed electronically within six months after the filing deadline of the corporate income tax return. Maximum penalties of €10,000 may apply for non-compliance.

For more detailed guidance, please see the Transfer Pricing Portfolio: France, Chapter 50:V.C (Documentation and Reporting Requirements – Yearly Simplified Transfer Pricing Return).

[2] Including entities in which more than 50% of its capital or voting rights are owned, directly or indirectly, by an entity with turnover or gross assets of €150 million or more, or entities that own, directly or indirectly, an entity with turnover or gross assets of €150 million or more.

[3] Including entities in which more than 50% of its capital or voting rights are owned (directly or indirectly) by an entity with turnover or gross assets of €50 million or more, or entities that own (directly or indirectly) an entity with turnover or gross assets of €50 million or more.