Hello,

Happy new year to you all, we find ourselves at this time of year again embarking on a new French tax period, unfortunately with brexit issues still looming over us and the instability of what the future may hold for us. But I am still here, ready to help in any way I can and for now it is to complete the tax return for the French tax authorities for this year concerning the calendar year 2018.

As every year, the French Tax Authorities need to have details of all your **WORLDWIDE** income from 01/01/2018 – 31/12/2018. If you became resident during the year it is from the date you came permanently to live in France to 31/12/2018.

This information needs to be given to your relevant tax office by mid May 2019 (depending on whether paper or internet declarations are completed and your postal area), the actual dates are yet to be published but will be shown on your blue forms that you receive through the post.

In order to keep matters as simple as possible I attach the following separate pages of information and spreadsheets of your details that are required.

You are welcome to complete the spreadsheets or if you prefer, to send me your information in handwritten format. I would request that the information is supplied as early as possible, to avoid the "end of submission date," rush.

Please do not hesitate to contact me with any queries by email or phone which I will respond to and Endeavour to answer within 48 working hours.

Kind regards,

Laura Morley

PAGES ATTACHED:

- IF YOU HAVE PREVIOUSLY COMPLETED A TAX DECLARATION IN FRANCE.
- FIRST DECLARATION IN FRANCE.
- NEW RULES APPLICABLE FROM 2019 (RELATING TO 2018 RETURN) & REMINDERS.
- DETAILS OF INFORMATION REQUIRED and TAX & EXCHANGE RATES.
- MANDATE
- YOUR SPECIFIC INFORMATION. On Separate Spreadsheet.
- Page 1 - Personal Details.
  - Page 2 - Income Received Details. Page 3 - Tax Credit Details. Page 4 - Foreign Bank Accounts.
IF YOU HAVE PREVIOUSLY COMPLETED A TAX DECLARATION IN FRANCE.

If you have completed previous declarations in France, you should receive partially completed forms from your local tax office around the end of March, early April OR if you have registered on the government website impots.gouv.fr, these will be automatically available to you online and you may not receive forms through the post.

Whether online or paper format, these will have your personal details and any French income they are aware of (French salaries, French bank interest etc.) already noted on the forms. The forms you may receive are:

**BLUE FORMS**

- **2042** - The main form where all of your global, worldwide sourced income received is detailed (pensions, salaries, bank interest etc.)
- **2042C** - Complementary form detailing professional business income
- **2044** - Revenue from annual rental property Foreign and French

**RED FORM**

- **2047** - Details of foreign income received

If I have already completed previous declarations on your behalf, then I should have your main certificates but please send new copies if your status has changed (i.e. marital) or your passport has been renewed.
FIRST DECLARATION IN FRANCE:

If you have started a new life in France in 2018, then you must complete a personal French tax return from the date you moved, up to 31.12.2018.

The tax return is completed as a household and you will not receive reminders from your Tax Office if it is your first return - it is up to you to submit a return and collect the relevant forms as necessary.

If you would like me to complete a return on your behalf, I have the forms via the tax office on my professional software so there is no need to collect them.

A first declaration cannot be submitted on line - only by post by mid May. After submission you will be issued with a French Tax number (code fiscal), around mid August.

If this is your first declaration in France, in addition to your financial information, I would be grateful if you could also send me the following documentation in addition to the required base information:

- Copy of your birth and marriage certificates or passports
- Copy of your S1/E121 form if you have one showing continued health cover from the UK – you will have this is you are in receipt of a full UK state pension.
- Copy of your health cover certificate (attestation des droits ouvert) from the French social administrations (CPAM) and your top up insurer if you have one.

I will also need details of all foreign bank accounts savings or credit card accounts, Isa's & 'Assurance vie' (life insurance policy contracts) that you have outside of France. These need to be declared to the French authorities or you could be subject to hefty penalty fines if accounts are discovered not declared. The information that is needed is detailed further on.

NEW RULES APPLICABLE FROM 2019 (RELATING TO 2018 RETURN) & REMINDERS.
- **INCOME RECEIVED:** All income needs to be declared **from whatever country and whatever source**, including details of any tax already deducted.

- **UK RENTAL INCOME:** If you have any income derived from Rentals I need to know:
  - if the rental is furnished or unfurnished
  - If the rents are long or short term lets
  - have a list of your expenses also to review possible deductions.
  - This includes works done on the rental property, agency fees, taxes paid and costs incurred, insurance costs and mortgage interest payments made and tax deducted in the UK

- **PENSIONS:** I need to have The S1 form (formally E121) from the International Pensions Dept (HMRC) AND **ATTESTATION DES DROITS OUVERTS** (from CPAM) Showing CODE DE GESTION 70. This is very important in order that you receive the exoneration of social contributions (CSG, CRDS) and the new supplementary tax of 6,6% on your pension income, public and private.

- The 10 % abatement on pension income is capped at €3715 for the household;

- **BANK ACCOUNTS OUTSIDE FRANCE:** Declaration of Bank accounts held outside of France – please see below for further information of the details I need.

- **NO SUPPORTING INFORMATION UNLESS REQUESTED:** As in previous years, the tax office do not want any justification papers (P60's bank statements etc.) sent with the declarations and will request them after the deadline if they wish to see further paperwork.

- **ADVANCE TAX PAYMENTS ALREADY MADE:** You will most probably have paid advanced payments of tax this year in February and May (AVIS D’ACOMPTE) OR paid monthly amounts for your income tax and social contributions. So upon completion of this year’s return, any payments already made will be deducted and only the balance requested. If you have overpaid then you will be reimbursed by the tax authorities.

- Taxpayers over the age of 65 and with a net taxable income below around €14 750 will benefit from a €2 532 tax allowance, the allowance is €1 176 if the taxable income is between €14 750 - €23 760.

- If you employ someone as a home help (gardener) via a registered company and you receive a tax credit of 50%, this credit is now credited even if you have no tax owing which could mean you receive a tax rebate if you are not taxable. Also you are eligible for a credit whether you work or are ‘inactive’ or retired which was never previously the case.

- **REIMBURSEMENT OF DOUBLE TAXATION:** If you are continuing to pay UK tax on private pensions, income and bank interest etc., then under the double taxation agreement between France and the UK you can request a reimbursement from the HMRC as follows:
  - **PENSIONS:** Using your French tax reference number, a FD5 (France individual) form can be completed in French and English, with the
accompanying last P60 forms from the pension providers. These forms must be stamped by your local tax office and sent to the HMRC address as per the forms. The HMRC will then issue you a tax code of NT (non taxable) and arrange the appropriate rebate. This process only needs to be completed once per person.

- **BANK INTEREST:** You can request, that your bank pays you gross interest as you are resident in France however they are not currently obliged to. In which case you need to complete an FD5 form to reclaim your bank interest annually and attach your annual interest (2561 ter) form.

- It is now obligatory to complete online declarations if you global income was over 15 000.00 € on last year’s tax return and next year, there is the assumption that everyone will need to declare electronically.

- From 2018 your interest, dividends and savings will be subject to a ‘flat tax rate’ at 30% - you can opt out of this if you signal it to your savings provider upon taking out the account.

- The taxe habitation continues to be reduced and eradicated - in 2019, a second reduction of 65% and from 2020 this will be completely eliminated.

- The Impôt sur la fortune (ISF) will be wiped out and replaced with the Impôt sur la Fortune Immobilière (IFI) from 2018, so no longer will savings accounts, furniture, vehicles etc.. be included in the calculation.

Should you require, I am happy to provide a price to carry out this work on your behalf.

DETAILS OF INFORMATION REQUIRED and TAX & EXCHANGE RATES.
MANDATE: In preparation for the current annual French Income tax return 2019 (revenue for 2018) could you complete and return the requested information and attached mandate if you require my services this year.

TIMESCALE: If you could please send me this information by early - mid April at the latest along with the forms you will receive from the tax office or your tax codes to access the internet which is

- N° FISCAL - This is shown on the blue pre-completed form.
- REVENU FISCAL DE REFERANCE on the avis d'imposition from last year – if you send me all pages I can find it from there
- N° de DECLARANT en ligne – again on the blue form

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REVIEW & COST: Upon receipt and review of the information you have sent regarding your income details for 2018, I will send you a quotation for the cost of completing this years French Tax return.

PAYMENT: If you accept, I shall invoice you upon completion with an amount in STERLING & EUROS along with my bank account details for your choice of currency. If you cannot carry out a bank transfer then a euro (French) cheque would be acceptable.

YOUR COPY: This year I will also be issuing your copy of the declaration in pdf form via your email account for those who have an email address.

DECLARATIONS ONLINE OR POST: Where possible I will declare online as the tax office prefer declarations to be completed via the Internet. This is not possible for a first tax return. However, if you would prefer to receive your return to review before it is sent to the tax office then please state this and I will send the copy to you for review and then you can post it to your local tax office.

2018 TAX RATES: For your information, here are the 2019 tax brackets for 1 part (double it for a married couple):

Up to 9 964 - 0%
From 9 964 - 27 519: 14,00%
From 27 519 - 73 779: 30,00%
From 73 779 - 156 244: 41,00%
Above 156 244: 45%

EXCHANGE RATES €/£: The annual average exchange rate for 2018 is 1.130435 GBP to EUR. If you have received income at a preferential rate then please indicate this when sending me the details of revenue.
MANDATE

To be signed and returned with the supporting information

I, the undersigned declare that I have completed the information to the best of my knowledge with the inclusion of as much supporting information as possible in order to enable Laura MORLEY, director of Your French Matters (Siren 444 239 826) to complete the (on income received in 2018) tax return and give authorization for her to sign the form on my behalf.

Le client reconnaît avoir reçu, pris connaissance, dûment complété et accepté les présentes conditions générales d'intervention et donne mandat à Laura MORLEY de your French Matters (Siren 444 239 826) de signer les formulaires à ma place si nécessaire..

Date Signature avec mention
          lu et approuve