

Tax memo

Canadian tax updates



France's new filing requirements clarified: Good news for Canadian investment fund managers

Outlines a French filing exemption that will be welcomed by Canadian investment fund managers.

October 19, 2012

This *Tax memo* is an update to our August 30, 2012 *Tax memo* “Asset management industry tax issues: France’s new filing requirements and Canada’s prohibited investment rules.”¹ It discusses France’s October 16, 2012, exemptions to the filing.

We expect this exemption to resolve concerns of many Canadian investment fund managers over whether the French filing requirements apply to funds that are structured as trusts.

Background

On September 14, 2012, France released its Decree, which detailed the contents and practical guidelines relating to the information required on the annual declaration for trusts and clarified that the filing due date for the January 1, 2012, declaration was extended to September 30, 2012.

Because many non-French trusts were caught under the new French tax filing requirements, industry associations from various countries, including The Investment Funds Institute of Canada, undertook rigorous lobbying efforts to exempt their country’s investment funds from the filing requirements.

The exemption

On October 16, 2012, the French Ministry of Finance released a bulletin² confirming that certain trusts are exempt from the filing. Many Canadian investment funds are expected to be exempt because they should meet one of the exemptions, which requires that they:

- are established under the law of another state or territory that has concluded a tax treaty with France on administrative assistance to deal with tax fraud and evasion;
- raise capital from numerous investors to invest in accordance with a defined investment policy for the benefit of the investors; and
- have characteristics similar to those of “unit trusts” referred to in paragraphs 2 and 3 of Article 1 of the European Union UCITS Directive.³

1. Available at: www.pwc.com/ca/taxmemo.

2. BOI-DJC-TRUST-20121016.

3. 2009/65/EC of the European Parliament of the Council dated July 13, 2009.

For more help

If you have questions on the French filing exemption, please contact your PwC adviser or the individuals listed below.

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