

The Paris office of Hogan Lovells is pleased to provide this English language edition of our monthly e-newsletter, which offers a legal and regulatory update covering France and Europe for December 2011.

Please note that French legal concepts are translated into English for information only and not as legal advice. The concepts expressed in English may not exactly reflect or correspond to similar concepts existing under the laws of the jurisdictions of the readers.

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Summary of miscellaneous French draft legislation

- **Proposed legislation to strengthen consumer protection in distance selling**, n°1940, filed September 29, 2009 - adopted on first reading by the National Assembly, 20 January 2010
- **Draft Law on commercial zoning**, n°2490, filed May 3, 2010 - adopted on first reading by the National Assembly June 15, 2010 - adopted in first reading, March 31, 2011
- **Bill strengthening the rights, protection and consumer information**, n°3508, filed June 1, 2011 - first reading by the National Assembly 11 October 2011
- **Proposed legislation to strengthen consumer rights with regard to telephone canvassing**, n°354, filed Mar. 11, 2011 - adopted on first reading by the Senate, April 28, 2011
- **Project Finance Act 2012**, n°3775, filed September 28, 2011 - Adopted on first reading by the National Assembly, 16 November 2011 - the Senate adopted on first reading December 6 - CMP pending
- **Draft Law on the simplification of the law and the easing of administrative procedures**, n°3706 - first reading by the National Assembly 18 October 2011 - discussion on first reading in the Senate January 10, 2012

Enacted laws

- Law n°2011-1843 of 8 December 2011 on plant variety rights - OJ of 10 December 2011

- **Law n °2011-1862 of 13 December 2011 on the allocation of litigation and the relief of certain court proceedings** - OJ of 14 December 2011
- **Law n °2011-1898 of 20 December 2011 concerning remuneration for private copying** - OJ of 21 December 2011
- **Law n °2011-1906 of 21 December 2011 on the financing of social security for 2012** - Official Gazette of December 22, 2011
- **Law n °2011-1977 of December 28, 2011 concerning finances for 2012** - Official Gazette of December 29, 2011
- **Law n °2011-1978 of 28 December 2011 concerning the supplementary budget for 2011** - Official Gazette of December 29, 2011
- **Law n °2011-2012 of 29 December 2011 on strengthening the safety of medicinal and health products** - OJ of 30 December 2011

1. Banking

France - Implementation of the third Capital Requirements Directive

An Order dated 23 November 2011, amending regulations n° 90-02 and n° 93-05 of the *Comité de la réglementation bancaire* as well as several Orders ([J.O n°0279 dated 2 December 2011](#)), implements the "CRD III" Directive for provisions relating to (i) the prudential supervision of market risks, (ii) securitization and re-securitization and (iii) the equity capital and large exposure of credit institutions.

This Order came into force on 31 December 2011.

France - Usury rate

An Order dated 20 December 2011 relating to the application of articles L. 313-3 of the French Consumer Code and L. 313-5-1 of the French Monetary code concerning usury rates ([J.O n°0298 dated 24 December 2011](#)) has set various usury rates applicable to certain categories of consumer loans. This Order, implementing an Order dated 22 March 2011, determines the applicable usury rates on the basis of the average effective global rates charged by credit institutions in the fourth quarter of 2011.

These rates are applicable for one quarter from 1st January 2012.

European Law - Effective global rate

European Commission Directive 2011/90/EU dated 14 November 2011 ([OJEU L 296, 15 November 2011](#)) amends part II of annex I of the Directive 2008/48/EC and provides (i) rules concerning determination of the date of the initial withdrawal and dates of payments to be made by the consumer for any consumer credit, and (ii) further assumptions for calculating the effective global rate for revolving facilities with no fixed term.

These provisions must be implemented into French law by 1st January 2013 at the latest.

2. Capital Markets

France - Update of the AMF's instructions further to the transposition of the UCITS IV directive

The French Markets Authority (*Autorité des marchés financiers* or *AMF*) modified its [instructions relating to UCITS, non-UCITS and real estate collective investment schemes](#) in order to take into account the new UCITS IV rules introduced into French law. These new rules include the replacement of the simplified prospectus with the key investor document ("**KID**"), provisions relating to cross-border mergers for UCITS funds or the possibility for SICAVs and SPPICAVs (open-ended real estate investment companies) to be created as simplified joint stock companies (*société par*

action simplifiée). Moreover, the AMF has simplified the presentation of its policy so that there is now only one instruction for each category of collective investment schemes targeting retail investors (UCITS funds, non-UCITS funds, collective investment schemes for employees, approved venture capital collective investment schemes and real estate collective investment schemes).

France - Update of the AMF's policy on collective investment schemes

In order for asset management companies and distributors of collective investment schemes to be aware of its policy, the AMF has completed and updated the following three guides:

-the [guide to regulatory documents for collective investment schemes \("OPCVM"\) and real-estate collective investment schemes \("OPCI"\)](#), which lists the information that should be included in the KID, in particular in the sections of the KID relating to the risk and return profile and to past performance;

-the [good practice guide to drafting commercial documents and distributing collective investment undertakings](#), which illustrates appropriate and inappropriate behaviour and which gives details on communications concerning financial strategy indices or the distribution rules for index-linked collective investment schemes;

-the [good practice guide to monitoring collective investment undertakings](#), for the benefit of depositaries and statutory auditors, which details certain aspects of the regulations such as compensation practices.

3. Competition

European Law - State aid reform

On 20 December 2011 the European Commission adopted three texts - two Communications (see the [first](#) and the [second](#)) and a [Decision](#) - relating to state aids in the form of public service compensation granted to certain undertakings entrusted with the operation of services of general economic interest (SGEI). These texts aim, in particular, to clarify the basic concepts relating to SGEI, to define the scope of exemptions granted to social services and to oversee Member States application of these laws, by imposing, in particular, an obligation to introduce incentives for the efficient provision of high standard SGEI. The Commission should also adopt a *de minimis* Regulation specific to SGEI in Spring 2012.

4. Corporate

France - Publication of the 2011 AMF report on corporate governance and executive compensation

On 13 December 2011, the AMF published its eighth report on corporate governance and executive compensation in publicly traded companies. This report, drawn from a sample of 90 companies listed on the NYSE Euronext, discusses for the first time the best practice of companies that do not refer to a code of corporate governance. With regard to transparency of remuneration, the AMF recommends that the exercise of all share options granted to officers, or the final allocation of all ("Performance") free shares, is subject to relevant performance criteria which reflect the interest in the medium to long term business. Further, the AMF recommends that officers are subject to sufficiently stringent obligations relating to share retention in order to ensure proper consideration of the company's performance over time.

France - The AMF launches a public consultation on certain provisions relating to takeover bids

On 9 December 2011, the AMF launched a public consultation on the modification of certain provisions of its General Regulation (Book II, Title III) relating to takeover bids. The AMF proposes to introduce a 50% acceptance condition for all voluntary offers covered by the normal procedure: such offers shall automatically become null and void if the offeror does not hold at least 50% of the target company's share capital or voting rights at the end of the offer period, irrespective of the withdrawal threshold specified by the offeror.

Responses should be received no later than January 31, 2012.

France -Modification of the registration fees applicable to sales of shares

As from 1st January 2012, and pursuant to the French Finance Act for 2012, 2011-1977 of 28 December 2011, the registration fee on the sale of shares will be calculated on a sliding scale: 3% for a tax base fraction of less than Euros 200,000, 0.5% for the fraction between Euros 200,000 and Euros 500,000,000, and 0.25% for the fraction exceeding Euros 500,000,000. Furthermore, this registration fee is no longer capped at Euros 5,000.

Besides, some sales of shares are exempted.

Please refer to the Tax section.

5. Employment

France - Fusion of the contracts for the diversity of Jobs and Professional Equality

Decree 2011-1830 dated 6 December 2011 simplifies the way in which companies can use State Aid concerning the professional equality between men and women by creating a unique Contract "for the diversity of jobs" merging the existing plans concerning this subject matter.

The companies which choose to conclude this Contract shall beforehand conclude a company-wide agreement including exemplary actions in favour of professional equality between women and men or adopt a plan for professional equality or measures in favour of job diversity. The contract is then concluded between the French Administration and the employer after consultation of trade union organisations.

The company shall benefit from State aid if the actions implemented concern persons employed under an indefinite term contract, a fixed-term employment contract or a temporary contract of at least 6 months.

France - Anticipation of the pension reform

The French Social Security Financial Law anticipates introducing the pension reform one year ahead of schedule. The legal age of voluntary retirement has been postponed for each age group. The increase of the legal age for voluntary retirement to 62 years no longer concerns only employees born in 1956 but extends its application to those born in 1955. The age of retirement at full rate is also affected since it corresponds to the age of voluntary retirement plus five years.

France - Fight against undeclared work

Information concerning subcontractors

Decree 2011-1601 of November 21, 2011 simplifies compulsory verification as stated in article L. 243-15 of the French Social Security Code. According to this article, the instructing party, if a professional, shall ensure that its subcontractor is up to date with the payment of social security contributions when they conclude a contract of more than € 3 000.

The three certificates that previously existed relating to reporting and payment obligations have been combined into one, single certificate. The instructing party established or residing in France must receive a completed version from his co-contracting party on the conclusion of a contract and every 6 months until the end of the contract.

This requirement came into force on January 1, 2012.

Deterrent measures to prevent the employment of foreign workers without work permits

Pursuant to Decree 2011-1693 of November 30, 2011, employers guilty of employing foreign workers without work permits may be forced to

temporarily close their establishment, be excluded from public procurement and be required to repay any state aid received.

These provisions came into force on December 2, 2011. However, they only apply to offenses that occurred on or after June 18, 2011.

6. Energy

France - A new regime of automatic authorization for certain power generation facilities

Decree n°2011-1893 of 14 December 2011 amending decree No. 2000-877 of 7 September 2000 relating to the authorization for power generation facilities was published in the Official Journal on 18 December 2011.

This Decree is based on Article 88 of law n°2010-788 of 12 July 2010 relating to the national commitment to the environment, entitled "Grenelle 2 law", now codified in Article L. 311-6 of the French Energy Code. This Article repealed the regime of declaration relating to the for power generation facilities which generate less than 4,5 MW of power and has instead provided for a regime of automatic authorization for certain installations which have a power generation level which is less than a certain threshold set by decree.

The Decree implements this repeal, and defines this new regime of automatic authorization, by setting the thresholds of power. Thus, for instance, wind farms under 30 MW and solar farms under 12 MW are subject to this new regime.

The Decree entered into force on 1 January 2012.

7. Environment

France - Requirement for a new Environmental Schedule for leases of offices and commercial premises of more than 2000 m²

Decree n°2011-2058 of 30 December 2011 published in the Official Journal of 30 December 2011 defines the contents of the new Environmental Schedule which must be provided for all leases for premises of more than 2000 m² which are used as offices or for trade.

The provisions of this Decree apply to all leases entered into or renewed on or after 1 January 2012 and all existing leases as of 14 July 2013.

8. Insolvency proceedings

France - Continuation plans

Order n° 2011-1836 dated 7 December 2011 on *ex officio* removal of the trade companies registry in the field of safeguard and recovery proceedings (JORF n°0285 9 December 2011) amends article R. 123-35 of the French Commercial code by organizing *ex officio* removal of any references to the existence of an ongoing continuation plan. This removal occurs at the expiration of a three year period for safeguard plans and a five year period for recovery plans and prevents any further mention in relation to the implementation of plans except "*inalienability measures decided by the court or a decision declaring the cancellation of the plan.*"

This Order came into force on 8 December 2011.

9. Insurance

France - Recommendation on treatment of claims in banking and insurance

On 15 December 2011 the French regulator, the *Autorité de Contrôle Prudentiel* ("**ACP**"), enacted a recommendation of best practice rules, the purpose of which is to improve information provided to clients on the methods of review and treatment of their claims in the banking and insurance sectors. The recommendation is addressed to insurance undertakings, credit and payment institutions and intermediaries (including those operating in France by way of European passport) and concerns receipt, treatment and monitoring of claims. Notably it provides for clear information of clients on the services responsible for processing claims, the modes of referral of such services and the time within which the claim must be processed. A procedure for the treatment of claims is also provided for. This recommendation applies from 1st September 2012 (please refer to the Legal and regulatory update - October 2011).

France - Mutuality: New requirements for the provision of information on life annuities

A ministerial order dated 17 October 2011, published in the Official Journal of 27 December, has specified the way in which information concerning life annuities must be provided to an adherent to a life insurance contract. The amount of life annuity that would be paid to the participant can be estimated separately according to whether it is paid in respect of the rights expressed in Euros, or associated with the rights expressed in account units or in shares of diversification provisions. The presentation of these amounts must include a mandatory statement informing the participant of the indicative and evolving nature of the amounts reported. These provisions which are provided for in the newly created Article A. 223-7 of the Mutuality Code came into force on 1 January 2012.

France - ACP - Approbation of code of Conduct

In decision 2011-C-75 dated 23 November 2011, the college of the ACP has published the list of professional associations that can submit an application for approval of all or part of any code of conduct that they have developed for marketing and customer protection. On the same day the approval procedure for these codes of conduct was also set out in Instruction 2011-I-9.

France - Anti Money Laundering ("AML") - Principles of sectorial implementation on the use of third Party introduction in the insurance sector

On 27 December 2011 the ACP published its principles of sectorial implementation for insurance undertakings and insurance intermediaries that are subject to AML regulation. These principles are intended to facilitate the conditions of implementation of this regulation with regards to the identification of customers and the verification of such identity when insurance undertakings are using third party introduction, i.e. when relying on a network of intermediaries to distribute the insurance products and therefore entrusting such intermediaries with the duties of identifying and verifying the identity of customers.

10. Intellectual Property

France - Entry into force of the new French legal regime for plant variety rights

As announced in the Legal and regulatory update - October 2011, Law n°2011-1843 of 8 December 2011 on Plant Variety Rights has now been voted through and published in the French Official Journal of 10 December 2011. This Law introduces a fundamental change in the French Intellectual Property Code in order to harmonize internal law within European and International law and modernize the French system. In particular, the Law provides a new legal definition of a plant variety, which has not previously existed. The new system will be applicable to plant variety rights which have already been granted.

11. Life sciences

France - Bertrand law

Law n°2011-2012 relating to the improvement of the safety of medicinal and health products was enacted on December 29, 2011. It focuses on

several areas, including the prevention of conflicts of interests, the creation of a new regulatory agency and the improvement of drug monitoring. With respect to conflicts of interest, the law increases the transparency of the relationships between manufacturers and players in the health sector. All agreements and grants are now required to be made public. This law amends the management of health products by enhancing the transparency of administrative decisions and in particular by giving the new regulatory agency replacing AFSSAPS, the National Agency for safety of medicinal and health products (ANSM), new administrative sanction powers. Moreover, medicinal products will be assessed continuously throughout their use through increased drug monitoring. In the interests of patient protection, the law also provides for better control for off-label use, as well as for Temporary Use Authorisations. The promotion for medicinal products is also amended. With regards to medical devices, the law provides for a stronger regulation of advertising and for increased control by the ANSM for the technical specifications for reimbursed medical devices. The law will be followed by decrees and orders.

12. New technologies

France - Act relating to the private copy levy system

The Act relating to the private copy levy system ([please refer to the Legal and regulatory update - October 2011](#)) was adopted on 20 December 2011 and published in the *Journal Officiel* of 21 December 2011. The Act provides that the private copy levy only applies to "*copies made from a source acquired legally*" and, in accordance with the Court of Justice of the European Union's decision of 21 October 2010, exonerates professionals from the burden of such levy when the private copy is made on recording media "*whose conditions of use do not create a presumption of use for private copying*". A governmental decision ("*arrêté*") of 20 December 2011 sets out the methods of reimbursement for levies unduly paid by the professionals when purchasing blank media.

France - Digital legal deposit

A decree of 19 December 2011, published in the *Journal Officiel* of 21 December 2011, sets out the conditions under which the French National Library (*Bibliothèque nationale de France - BNF*) can implement the legal digital deposit system set up by the Act on Copyright and Related Rights in the Information Society ("*DADVSI*") of 1 August 2006.

13. Public law

France - Threshold for public contracts' advertising and tendering rules

Decree n°2011-1853 dated 9 December 2011, published in the OJ of 11 December 2011, raises the threshold for public contracts which must comply with advertising and tendering obligations from € 4.000 to € 15.000 exclusive of VAT (€ 20.000 for entities in utilities sectors). These provisions apply to contracts for which a consultation has been undertaken after 12 December 2011. A bill containing similar provisions is currently under discussion in Parliament ([please refer to the Legal and regulatory update - October 2011](#)).

France - Advertising of public procurement contracts

Decree n°2011-2027 dated 29 December 2011, published in the OJ of 30 December 2011, amends the thresholds applicable to public procurement contracts pursuant to Commission Regulation (EU) n°1251/2011 dated 30 November 2011 ([see below](#)). These thresholds will apply to contracts for which a consultation is undertaken after 1 January 2012.

European Law - Advertising of public procurement contracts

Commission Regulation (EU) n°1251/2011 dated 30 November 2011, published in the OJEU of 2 December 2011, amends certain thresholds (exclusive of VAT) above which European advertising and tendering rules are obligatory. The threshold for public works contracts has increased from € 4.845.000 to € 5.000.000, and the threshold for public supply contracts and public service contracts from € 125.000 to € 130.000 for State authorities and from € 193.000 to € 200.000 for local authorities. For entities in utilities sectors, the threshold is also 5.000.000 € for public works

contracts and € 400.000 for public supply contracts and public service contracts. These new thresholds will take effect from 1 January 2012.

European Law - Modernisation of the European rules on public contracts

On 21 December 2011, the European Commission made public two proposals for a Directive of the European Parliament and of the Council 2011/0438 (COD) on public procurement and 2011/0439 (COD) on procurement by entities operating in the water, energy, transport and postal services sectors. The main objective is to simplify rules and procedures. The proposals clarify the scope of Directives 2004/17/EC and 2004/18/EC in the light of case-law from the European Court of Justice, and provide a simplified procurement regime that applies to all contracting authorities below central government level. They also promote e-procurement and better access to the market for SMEs and start-ups. The proposals will replace Directives 2004/17/EC and 2004/18/EC.

European Law - Proposal for a Directive on concession contracts

On 21 December 2011, the European Commission made public a proposal for a Directive of the European Parliament and of the Council 2011/0437 (COD) on the award of concession contracts. This proposal clarifies the legal framework applicable to works concession contracts and services concession contracts. It provides for compulsory publication of concession contracts with a value equal to or greater than € 5.000.000. It also provides for an extension of the scope of application of the Remedies Directives (Directives 89/665/EEC and 92/13/EC) to all concession contracts above the threshold.

European Law - New rules on services of general economic interest

On 20 December 2011, the European Commission adopted a revised package of EU state aid rules for the financing of services of general economic interest (SGEI) (the "Almunia package"). A new Communication C(2011) 90404 clarifies basic concepts of State aid, which are relevant for SGEI. A revised Decision C(2011) 9380 exempts Member States from the obligation to notify public service compensation for certain SGEI-categories to the Commission, in particular social services. The notification threshold has been lowered to €15 million. Communication C(2011) 9406 introduces a more precise methodology to assess the amount of compensation granted to SGEI operators. Lastly, a new proposal for a *de minimis* Regulation, providing that compensation below a certain threshold (€ 500.000) does not fall under state aid scrutiny, is expected to be adopted in the spring of 2012.

14. Real estate

France - Buildings diagnosis: certification of skills

Four Orders dated 2 December 2011, 7 December 2011, 7 December 2011 and 15 December 2011 published in the Official Journal of 21 December, 18 December 2011, 22 December 2011 and 21 December 2011, relating respectively to electrical installations, termites, risk of lead exposure and domestic gas installations diagnoses, modify the criteria for individuals' certification skills, drawing up these diagnoses and the criteria for accreditation of certification entities.

These provisions shall come into force on 1 February 2012.

France - Works carried out on existing buildings: modification to planning authorisations

Decree n°2011-1771 dated 5 December 2011 published in the Official Journal of 7 December 2011 amends the scheme to obtain planning authorisations prior to carrying out works on existing buildings.

These provisions apply as from 1 January 2012, except for applications for planning authorisations submitted before that date

France - Replacement of ZPPAUP by AVAP

Decree n°2011-1903 dated 19 December 2011 published in the Official Journal of 21 December 2011 replaces the urban, architectural heritage and

landscape areas (ZPPAUP) with the development of architecture and heritage areas (AVAP).

It defines the content and procedure for establishing an AVAP, specifies the procedures for issuing an administrative authorisation to carry out works in this area and establishes criminal penalties for violation of the provisions relating to the abovementioned administrative authorisations.

These provisions came into force on 22 December 2011. However, any ZPPAUP in place before 14 July 2010 shall continue to have legal effect, until no later than 14 July 2015.

France - Modification of allotments' rules

Ordinance n°2011-1916 dated 22 December 2011 published in the Official Journal of 23 December 2011 amends the rules applicable to allotments, particularly to their definition, scope and distinguishing criteria between the submission to prior notification or development permits.

These provisions will come into force on a date fixed by order and no later than 1 July 2012.

France - Finally a Decree for Index for the rent review of tertiary activities (ILAT).

Decree n°2011-2128 published in the Official Journal of 29 December 2011 relates to the Index for the rent review of tertiary activities (ILAT).

15. Tax

France

The French Finance Act for 2012, 2011-1977 of 28 December 2011, and the fourth Amended Finance Act for 2012, 2011-1978 of 28 December 2011, include numerous tax measures both in terms of corporate and investors or managers taxation.

Corporate taxation

-VAT

As from 1st January 2012 the reduced 5.5% VAT rate will be increased to 7% except for a restrictive list of essential products and services (in particular food, products and services for disabled people and school canteens).

-Corporate tax

Outstanding contribution

For fiscal years ended between 31 December 2011 and 30 December 2012, companies whose turnover exceeds Euros 250 million will be subject to an outstanding contribution equal to 5% of the amount of corporate tax as calculated at the standard corporate tax rate (33.1/3%) or at the reduced corporate tax rates (19% and 15%).

New rules regarding tax loss utilization

The new rules regarding tax loss utilization which was provided by the second Amended Finance Act of 19 September 2011 apply not only to losses incurred from the fiscal years ended on or after 21 September 2011 but also to the stock of losses not yet carried over at the end of the previous fiscal year.

These new carry-over modalities also apply to tax group restructuring when the new parent company opts for the specific regime of deduction of the previous group's losses on a broader basis.

Deductibility of financial expenses

As from the fiscal years beginning on or after 1st January 2012, financial expenses related to the acquisition of equity securities will not be deductible if the transferee company does not manage to prove (i) that it takes the decisions relating to those securities (or that another company belonging to the same group based in France does so) and (ii) that it exercises control or an influence on the target company.

However, this rule does not apply to the following three situations: (i) when the value of the equity securities held by the company is less than Euros 1 million, (ii) when the company proves that the securities have not been financed by a loan or (iii) when the debt ratio of the group exceeds that of the company.

Anti-abuse mechanism for concessions and sub-concessions of industrial property rights

In determining the taxable result for fiscal years beginning on or after 11 October 2011, in the case of concession of industrial property rights between affiliated companies, the concession-holder is not allowed to deduct the fees in whole unless it proves the reality and the profitability of the operation. In case of sub-concession, the concession-holder is taxed at the reduced rate of 15% on the difference between the fees received from the sub-concession holder and the royalties paid to the licensor.

-Registration fees

Equity sale

As from 1st January 2012, the registration fee on the sales of equity will be calculated on a sliding scale: 3% for a tax base fraction of less than Euros 200,000, 0.5% for the fraction between Euros 200,000 and Euros 500,000,000, and 0.25% for the fraction exceeding Euros 500,000,000. Furthermore, this registration fee is no longer capped at Euros 5,000.

Some sales of shares are exempted.

Real estate companies equity sale

As from 1st January 2012, the tax base for registration fees of 5% due on the sale of shares in real estate companies is determined from the real value of the assets less the debts relating to the acquisition of real property.

Investors and managers taxation

-Investment income

As from 1st January 2012, the withholding tax rate is increased for dividends from 19% to 21% (resulting in a global rate of 34.5%, social contributions included) and for fixed investment income from 19% to 24% (resulting in a global rate of 37.5% social contribution included).

Some other withholding tax rates are also increased.

-Income tax

The income tax scale applicable to the 2010 income is renewed for 2011 and following tax years without any adjustment of band limits.

Outstanding contribution to the high income

An outstanding contribution has been established based on income tax paid by the wealthiest taxpayers. This additional income tax contribution is calculated by applying a rate of (i) 3% to the fraction of the tax income between Euros 250,000 and 500,000 (single, widowed, separated or divorced taxpayers) or between Euros 500,000 and 1,000,000 (married or civil union registered taxpayers subject to joint taxation) and (ii) 4% to the fraction of the tax income exceeding respectively Euros 500,000 and 1,000,000.

However, special methods of calculation are provided in cases where an individual earns an exceptional level of income.

-Capital gain

The general tax allowance on capital gains on the sale of shares of companies subject to corporate tax is removed prior to its application. A mechanism of tax deferral of the capital gain has been established, which may finally lead to a much more limited exemption.

-Subscription to the capital of SMEs

For payments made on or after 1 January 2012, the benefit of the tax reduction for subscription to the capital of SMEs is limited to investments in SMEs in the inception, start-up or expansion stage which fulfil certain turnover and payroll conditions.

16. Transport

France - Immobilizer breathalyzer electronic devices

Decree n°2011-1661 of 28 November 2011 relating to immobilizers for breathalyzer electronic devices has been published in the O.J. of 30 November 2011. It specifies the conditions for approval of immobilizer breathalyzer electronic devices and the procedure for approval by the professionals responsible for their installation.

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