

International mobility

Introduction of income tax instalments for certain employees whose employer is located outside France

17 February 2023

The French tax authorities have clarified the situation regarding income tax instalments for certain employees when their employer is established outside France.

Which employees are concerned?

- Employees who are domiciled in France;
- Who have an employer established
 - in one of the 27 Member States of the European Union,
 - in Iceland,
 - in Norway,
 - in the United Kingdom (*)
- Who are not covered by a compulsory French social security scheme;
- Who usually carry out their professional activity abroad but occasionally in France (teleworking).
- (*) In the case of the United Kingdom, it is only those employees who are French tax residents and who were affiliated to the UK social security system before 1 January 2021 and without interruption, who are concerned.

It should be noted that the case of crossborder commuters with Switzerland is not addressed here.

What are the employee's obligations?

- Create an income tax instalments account in his/her personal space on the impots.gouv.fr website
- Declare his/her received income in their French income tax return which should be filed in May.

What are the employer's obligations?

- ➤ Make an annual declaration to the French tax authorities of the taxable income paid in France to the employees concerned (via the PASRAU vector);
 - In order to carry this out, the employer must have a **SIRET number**. If this is not the case, it is advisable to register on the formalites.entreprises.gouv.fr website
- Provide support for the employees concerned (information on the new rules, information on the creation of the income tax instalments account etc.).

Our team



Anne Frede Partner, Attorney-at-Law E: afrede@avocats-gt.com T: +33 (0) 1 41 16 27 11



Marik Viollet Attorney-at-Law E: mviollet@avocats-gt.com T: +33 (0) 1 41 16 27 31

Grant Thornton Société d'Avocats Bureau de Neuilly

29, rue du Pont 92200 - Neuilly-sur-Seine, France www.avocats-gt.com

Grant Thornton Société d'Avocats

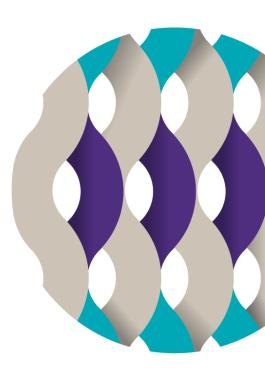
Linked in

About Grant Thornton Société d'Avocats

Grant Thornton Société d'Avocats supports its clients in all their strategic operations, whether in national or international context through multidisciplinary expertise in all areas of business law.

The firm offers national and international customers all required services for the legal, tax and business management of companies. We deal in all business law matters: legal, tax, labour and contractual due diligences, mergers and acquisitions, tax law, VAT and international trade, global mobility, commercial law, employment law and finally business litigation

NOTE: This memorandum is of a general nature and no decisions should be taken without further advice. Grant Thornton Société d'Avocats shall not accept any legal liability relating to the consequences of any decision or any action taken as a result of the information above. You are encouraged to seek professional advice. We would be happy to discuss the application of any of these changes to your situation.



© 2023 Grant Thornton Société d'Avocats, All rights reserved. Grant Thornton Société d'Avocats is a law firm related to Grant Thornton in France, which SAS Grant Thornton is a member firm of Grant Thornton International Ltd (GTIL). "Grant Thornton" is the brand under which the member firms of Grant Thornton provide Audit, Tax and Advisory services to their clients and / or designates, depending on the context, one or more member firms. GTIL and the member firms do not constitute a global partnership. GTIL and each of the member firms are independent legal entities. Professional services are provided by member firms. GTIL does not provide any service to customers. GTIL and its member firms are not agents. There is no obligation between them.

Bureau de Lille 91, rue Nationale

59045 - Lille, France www.avocats-gt.com