

Taxation in France of income earned by non-resident sportspeople: the application of withholding tax and the importance of contractual wording

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The tax regime applicable to non-resident sportspeople receiving income for work performed in France may raise issues in the articulation between the contractual provisions agreed with the sporting event organisers and the tax rules applicable to income from French sources.

A recent ruling by the Paris Court of Justice ([Paris Court of Justice, 4th Chamber, 2nd Section, 26 February 2026, No. 22/04268](#)) offers an interesting example of this in a dispute regarding the payment of remuneration due to a professional boxer following a fight organised in France.

The tax regime applicable to professional sports activities performed in France by non-residents

Individuals domiciled outside France are liable to tax in France in respect of their French-source income only. French-source income includes notably, amounts attributable to sporting activities provided or performed in France.

In order to ensure the collection of tax on such income, Article 182 B of the French General Tax Code (CGI) provides for the application of a withholding tax when amounts are paid by a business party operating in France to parties or persons liable for income tax who do not have a permanent business establishment on French territory. In this context, the party paying the remuneration amounts due is required to withhold the income tax and pay it to the French tax authorities.

It is within this legal context that the case in question falls, and which led to the

ruling cited above.

The facts

On 27 June 2021, a professional boxer resident for tax purposes in Croatia entered into a 'Multi-Fight Agreement' with a French company specialising in the promotion and organisation of boxing matches.

This agreement provided for the boxer's participation in a sporting event held in Paris on 10 September 2021, for which he was to be paid €180,000, without other details being specified.

However, following the event, the boxer received only €153,000, as the organising company had withheld €27,000 in respect of income tax at source, in accordance with Article 182B of the French General Tax Code (CGI).

Arguing that the remuneration provided for in the agreement should be paid to him in full and that the withheld amount was unjustified, more particularly given that he already paid tax in his country of residence, the boxer brought a claim against the event organiser before the Commercial Court of Paris to secure payment of the outstanding €27,000 as well as additional interest and damages.

The ruling

The Commercial Court rejected his claims in their entirety.

In accordance with French law and the provisions of the tax treaty between France and Croatia, the court found that:

- the remuneration received by the boxer constituted income of French source, since the sporting event was held in France and the remuneration was paid by a French company;
- the boxer was domiciled for tax purposes outside France and did not have a permanent professional establishment on French territory.

In light of these considerations, the withholding tax provided for in Article 182 B of the General Tax Code is indeed applicable, irrespective of the contractual provisions between the parties. Given that tax rules are a matter of public policy, their enforceability does not depend on their being expressly mentioned in a

contractual agreement.

In consequence, the company organising the boxing event was entitled to withhold the amount corresponding to the income tax due and to pay the professional sportsman only the net remuneration after deduction, i.e. 153,000 euros.

This case illustrates the importance of anticipating the tax implications applicable to sporting activities performed in France by non-residents. Furthermore, a more precise contractual drafting, incorporating, for example, the notion of guaranteed net remuneration or, conversely, remuneration prior to the application of tax obligations, would have avoided the dispute and safeguarded the interests of both the sportsperson and the event organiser in France.

Grant Thornton Société d'Avocats supports professional sportspeople and clubs in the management of tax and legal issues specific to their activity.

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