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Overview of corporate tax work

In 2016, France did not escape the global depression in the M&A sector. The overall amount of M&A suffered a 9% drop to €148.5bn in 2016.

However, a portion of €85.7bn represented the acquisition of French companies by foreign investors, a level unseen since 2008. This number shows the growing attraction of French companies for investors. Indeed, cross-border transactions accounted for 52% of the overall transactions performed in France in 2016, whereas such transactions only represented 39% in 2016.

This decrease should not, however, be viewed as a general trend, since it can be explained by numerous conjunctional events, including the US elections, Brexit and the coming elections in France and other EU countries.

In particular, the number of transactions performed in 2016 is extremely high compared to previous years with a level unseen since 2007, the year of election of former president Nicolas Sarkozy.

Key developments affecting corporate tax law and practice

<u>France's implementation of BEPS measures: country-by-country reporting</u>

At the beginning of 2016, the European Commission published a draft Directive to fight against tax evasion which included provisions introducing a country-by-country reporting mechanism.

This draft (EU Directive n° 2016/881), which was adopted on 25th May 2016, amended EU Directive n° 2011/16/EU on administrative cooperation and in the field of taxation.

According to EU Directive n° 2016/881, Member States had to implement in their legislation the new reporting rules by 5th June 2017.

However, the French Parliament took the lead and introduced, as from 1st January 2016, a country-by-country reporting obligation for French parent companies holding foreign entities or branches.

This reporting obligation affects French companies subject to consolidated accounting reporting obligations and having an annual turnover of over €750m, and which are not by held by French or foreign entities already subject to the country-by-country reporting obligation.

In a nutshell, companies which hold foreign subsidiaries or branches, establish consolidated accounts and realise a consolidated turnover of over €750m, are subject to this specific reporting obligation.

France's implementation of the common reporting standard (CRS)

As a follow-up to EU Directive n° 2011/16/EU on administrative cooperation in the field of taxation and EU Directive n° 2014/107 as regards mandatory automatic exchange of information in the field of taxation, the French government published, on 5th December 2016, a Decree (n° 2016/1683) providing the domestic procedural framework for French financial establishments to implement the automatic exchange of information on financial accounts under the Common Reporting Standard.

The Decree provides in particular for specifications concerning the persons and financial accounts entering into the scope of the reporting requirements as well as the diligence procedures to be undertaken by financial institutions in this respect.

Tax climate

A growing trend: new opportunities for challenging the provisions of the French tax codes based on fundamental principles and superior norms, whether constitutional, European or conventional

In recent years, France has tried to increasingly prevent tax fraud and evasion by introducing new anti-abuse mechanisms and more severe sanctions into the French tax legislation. However, despite the legitimate aim of such provisions, their application was, in many cases, unjustified or non-proportional to the infringements it sought to sanction.

A recent trend shows that several provisions of the French tax code, as well as their (too) extensive application by the French Tax Authority (FTA), have been increasingly challenged by the taxpayers and eventually censored by the French Constitutional Court or the European Court of Justice.

A striking example of this trend is that of the so-called "Google tax" project, aimed at bringing into the scope of the French corporate income tax certain profits made indirectly by entities established outside of France, by granting to the French tax authorities an absolute discretion in determining when a business and corporate structuring should be viewed as implemented with the objective of avoiding or reducing taxation in France.

This mechanism was eventually held unconstitutional on the ground that the French tax authorities were granted too great powers in this respect, whereas taxation can only result from the law (please refer to the section below).

Developments affecting the attractiveness of France for holding companies

Corporate income tax at the level of the holding company

Corporate income tax rates: decrease of the tax burden

Up until 31st December 2016, the standard corporate income tax (CIT) rate was 33⅓%. However, entities having an annual turnover inferior to €7.63m and fulfilling certain conditions were subject to a CIT rate of 15% for the fraction of their net profit lower or equal to €38,120.

As from 1st January 2017, SMEs now benefit from a reduced CIT of 28% on the fraction of their net profit which does not exceed €75,000. Entities formerly eligible to the 15% rate of CIT will keep benefiting from this reduced rate, and will be subject to the 28% rate only on the fraction of their net profit exceeding €38,120 and lower or equal to €75,000. The 33⅓% rate will remain applicable to the net profit exceeding €75,000.

The 28% CIT rate will be progressively implemented for all entities subject to CIT and should be applicable to all fiscal years open on or after 1st January 2020. The 15% CIT rate will remain applicable to the portion of the net profit lower or equal to €38,120, but will be extended as of 1st January 2019 to companies having an annual turnover lower or equal to €50m, provided that certain conditions are fulfilled.

"Google tax": The new scope of French CIT censored by the French Constitutional Court

The French government tried to introduce a new provision in the French tax code (FTC) (Article 209 C) of which the purpose was, in a nutshell, to extend the scope of French CIT to the profits generated indirectly by certain tax entities incorporated outside France (though French controlled entities or with the assistance of intermediaries established in France), when there are serious reasons to believe that the purpose of this structuring for the entity incorporated outside is to avoid or reduce taxation in this country.

This mechanism was aimed in particular at targeting e-commerce websites operating in France for the benefit of entities incorporated outside this country.

However, the FTA was granted in this respect almost absolute discretion in order to apply such mechanism to audited taxpayers.

This provision was censored by the French Constitutional Court (*"Conseil Constitutionnel"*) in its decision n° 2016-744 DC of 29th December 2016 on the ground that it would have given the FTA the power to decide which foreign entities would be subject to CIT in France, in total contradiction to Article 34 of the French Constitution, which provides that taxation can only result from the law.

Legal qualification of foreign "Partnerships" and "Limited liability companies" for French tax purposes

In a ruling dated 27th June 2016 (n° 386842, *Emerald Shores LLC*), the French Administrative Supreme Court (*"Conseil d'Etat"*) confirmed that the so-called "legal equivalence" methodology that was set out in a previous ruling dated 24th November 2014 (n° 363556, *Sté Artémis SA*) must be used in order to determine the French tax treatment of foreign entities (with no proper French civil law equivalent, and especially for foreign partnerships).

In the *Sté Artémis SA* case law, the French Supreme Court had stated that in order to determine whether income from a US partnership could qualify as a "distribution", and therefore benefit from the French parent-subsidiary regime (which provides for a partial exemption of income distributed to a French parent company provided that certain holding conditions are met, including a direct holding of the subsidiary), the taxpayer must first determine the French corporate equivalent of the foreign entity (based on its terms and the corporate law of its country of incorporation), and only then apply in a second stage the tax treatment that would have been applicable to its French equivalent.

In the case at hand, the French parent company held a 98.82% stake in a US general partnership which in turn was holding a 10% stake in a US LLC. The French parent company considered that, since the intermediary general partnership was considered fully transparent for US tax purposes, the dividend distributed by the underlying US LLC should be deemed directly distributed to the French parent company, and treated as such for French tax purposes.

The French Supreme Court rejected that analysis on the ground that since US corporate law provided that a general partnership had an independent legal existence, it was not fully transparent and had to be assimilated to a French *"société de personne"* at the level of which a net profit is established and then allocated to its partners and taxed at their level. As a result, the French parent company could not be considered as having received dividend from the US LLC but was found to have been attributed a portion of the net result of the general partnership resulting in the non-application of the French parent-subsidiary regime.

In the *Emerald shores LLC* case law, a US LLC held a property in the south of France which was used free of payment by the partners of the LLC. As a consequence, the US LLC did not hold any book accounts in France, was not reporting any income and therefore did not pay any corporate tax in France.

The FTA considered that despite the tax transparency of the US LLC, its French equivalent was a commercial company which, in the same circumstances, would have been subject to CIT in France on the notional rental income of the property. The lower Courts did not agree with the FTA and ruled in favour of the taxpayer.

However, the French Administrative Supreme Court cancelled the decisions of the lower Courts and reminded them that in order to determine the tax treatment to be applied to a foreign entity, the Courts must first identify the French equivalent of the legal entity, and apply the tax treatment that would have been applied to such entity, without taking into consideration the tax treatment applied in the country of incorporation of the foreign entity.

Taxpayers should therefore carefully review their current structuring to avoid adverse consequences that may result from the application of the above-mentioned case law.

<u>Taxation of distributed income</u>

Application of double-tax treaties being effectively subject to tax in the Contracting State

In two decisions dated 9th November 2015 (n° 370054, *min. c/ LHV*, and n° 371132, *Sté Santander Pensionnes SA EGFP*), the French Administrative Supreme Court ruled that the benefit of the application of double-tax treaties is subject to being a tax resident of the other State, i.e. being effectively subject to taxation in that State. As a result, a company which is exempt from taxation does not qualify for application of the treaty.

The outcome of these rulings was much anticipated by professionals as there has been, so far, some inconsistency regarding the interpretation of the criteria to qualify as a resident within the meaning of double-tax treaties.

According to the French Administrative Supreme Court, a person qualifies as resident in a jurisdiction if it is effectively taxed there, and not only liable to tax. As a result, persons exempt from taxation because of their activities or their nature should no longer be able to benefit from the application of the provisions of a double-tax treaty.

The above-mentioned cases concerned a German provident fund (*LHV*) and a Spanish pension fund (*Sté Santander Pensionnes*) which had both invested in securities in France and received dividend distributions (between 2000 and 2005) which were subject to a withholding tax of 25%, as provided by the applicable law in France at that time.

Both entities requested the application of the reduced rate of 15% applicable under the France-Germany and the France-Spain double-tax treaties. However, the FTA refused the application of the reduced rate on the ground that each company was not effectively taxed in their respective country and could not be considered as resident within the meaning of the double-tax treaties, and therefore could not benefit from the provisions of these treaties.

The French Supreme Court ruled in favour of the FTA and explained that the terms of the provision dealing with tax residence had to be interpreted in light of their ordinary meaning, within the context of double-tax treaties and in light of their main purpose, which is to avoid double-taxation.

In this respect, both of the above-mentioned double-tax treaties specified that a person is considered to be a resident of a Contracting State when such person is, according to the legislation of such State, subject to taxation in this State.

Unfortunately, the ruling of the Supreme Court should be considered as establishing a general principle applicable to all tax treaties concluded by France which contain a similar definition of the term "resident" as the one stipulated in the France-Germany and France-Spain tax treaties. Foreign entities receiving income from France should therefore carefully review their current eligibility to the double-tax treaties concluded with France.

The French Supreme Court confirmed its interpretation of the provisions of double-tax treaties regarding the residence of persons or entities in a recent ruling dated 20th May 2016 (n° 389994, *min c/. Sté EasyVista*). It is, however, interesting to point out that in this latter case, the ground on which the French Supreme Court refused to apply the provisions of the double-tax treaty between France and Lebanon are slightly different. In this case, a Lebanese offshore company was exempt from tax on its profit realised in Lebanon, but was still subject to a minimum flat-rate taxation.

However, the French Supreme Court ruled that since the lower Courts did not analyse whether such flat-rate tax was similar to the taxes defined in the France-Lebanon double-tax treaty, the Lebanese entity could not be considered to be resident in Lebanon in the meaning of the double-tax treaty.

In light of the *"territoriality principle"* (i.e. foreign profits are not taxed in France) applicable in France, one could also wonder whether a French entity only doing business in foreign states, and therefore being not effectively subject to tax in France, could be considered as a resident of France within the meaning of double-tax treaties and request the application of their provisions.

Parent-subsidiary regime: the end of discrimination

Article 216 of the FTC provides for a partial exemption of CIT in respect of income distributed by subsidiaries to their French parent companies provided that the French parent companies meet certain conditions set out in Article 145 of the FTC. A fixed portion of 5% of the dividends (deemed to represent non-deductible expenses incurred in respect of the participation) is, however, added back to the taxable profit.

Such regime was reserved to French parent companies holding at least 5% of their subsidiaries' share capital and voting rights. However, it was not applicable if the shares did not carry voting rights (except for subsidiaries located in an EU Member State which were subject to the less restrictive EU Parent-Subsidiary Directive).

The French Supreme Court ruled in its decision dated 8th July 2016 (n° 2016-553 QPC) that such difference in treatment was contrary to the principle of equality before the law and charges levied by the State.

As a result, the French parent-subsidiary regime is now applicable, without limitation, as to the rights attached to the shares held, to all subsidiaries irrespective of their location (except for subsidiaries located in "non-cooperative states", for which the parent company has to demonstrate that its purpose was not to avoid taxation).

"Group Stéria" case law: the end of the exemption from taxation of the portion of cost and expenses of 5% within French tax consolidated groups

As mentioned above, distributions made by a subsidiary to its French parent company are, as a general rule, exempt from CIT, except for a portion of costs and expenses of 5%. However, within French tax consolidated groups (*"groupe d'intégration fiscale"*), such portion of costs and expenses was "neutralised", leading to a full exemption of distributions made between companies that are members of the same French tax consolidated group.

The result was a difference of tax treatment between:

- distributions made by French subsidiaries to their French parent companies which were fully exempt from CIT when such subsidiaries were members of a French tax consolidated group; and
- distribution made by EU subsidiaries which remained subject to French CIT in a portion representing 5% of the dividends, even if these subsidiaries were meeting the conditions to be members of a French tax consolidated group, except for the payment of CIT in France.

The European Court of Justice ruled on 2nd September 2015 (C-386/14, *Groupe Stéria SCA*) that such difference of treatment was contrary to the EU freedom of establishment principle.

To comply with the *Stéria* case law, the French government abolished the "neutralisation" available for companies that are members of a French tax consolidated group.

In addition, since 1st January 2016, the same tax treatment applies to distributions made by French or EU/EEA subsidiaries to French parent companies, which are now subject to CIT on a portion of costs and expenses representing 1% of the dividends received, provided that:

- for French subsidiaries, they meet the conditions to be a member of a French tax consolidated group; and
- for EU/EEA subsidiaries, they meet all the conditions that would have been required for a French subsidiary to be a member of a French tax consolidated group, apart from being subject to CIT in France.

<u>The 3% contribution on distributed income</u>

Until 31st December 2016, dividends paid by certain French companies (SMEs were not concerned) were subject to a 3% contribution.

Such contribution did not apply to distributions made within French tax consolidated groups, whereas an EU parent company could not benefit from such exemption (despite the fact that it could have been a member of a French tax consolidated group if it would have been incorporated in France).

French subsidiaries were therefore subject to the 3% contribution depending on the country of incorporation of their parent company.

The French Constitutional Court ruled on 30th September 2016 in its decision n° 2016-571 QPC, *Layher SAS*, that the 3% contribution exemption available to members of a French tax consolidated group was unconstitutional.

Indeed, such favourable tax treatment resulted in an unjustified difference in treatment between entities that are members of a French tax consolidated group and entities that are not, contrary to the principle of equality before the law and charges levied by the State.

As a consequence, the Finance Bill for 2017 extended the scope of the exemption of the 3% contribution to the following distributions made on or after 1st January 2017:

- distributions between companies that meet the requirements to be part of a French tax consolidated group; and
- distributions made to companies that cumulatively:
  - are subject to a tax that is equivalent to the French CIT in an EU Member State or in a state that has concluded with France an administrative assistance agreement on tax matters covering tax evasion and avoidance; and
  - would satisfy the conditions to be part of a French tax consolidated group with the distributing company.

However, such exemption has not been extended to distributions made to companies located in a non-cooperative state unless the distributing company can demonstrate that the activities conducted by the company located in the non-cooperative state are real and that their purpose is not to commit tax fraud or locate profits in a non-cooperative state.

Please also note that a recent decision of the European Court of Justice dated 17th May 2017 (C-365/16, *AFEP*) ruled that the 3% contribution applied to distribution of income made by French companies to their parent companies was contrary to EU Parent-Subsidiary Directive when such distributions consisted in the redistribution of income previously distributed by EU subsidiaries of the French companies.

<u>Exemption of withholding tax on distributed income: a new anti-abuse provision</u>

Article 119*ter* of the FTC provides for the exemption of withholding tax of income distributed by French parent companies to their parent companies located in an EU/EEA Member State.

Prior to 1st January 2016, if a EU/EEA parent company was controlled by a non-EU/EEE company, such exemption might be conditioned to demonstrating that the EU/EEA intermediary company had not been set up only for tax purposes (i.e. to avoid the withholding tax).

This provision was amended by the Amending Finance Bill for 2015 n° 2015-1786 to comply with the EU Directive 2015/121 adopted on 27th January 2015 which adds an anti-abuse provision within the EU Parent-Subsidiary Directive.

The new provision provides that it will be up to the FTA to bear the burden of proof that the interposition of an EU/EEA company between a French company and a non-EU/EEE company is "non-authentic" and of which the main purpose is the pursuit of a tax benefit based on the application of the parent-subsidiary regime.

If this new provision is welcomed, it is, however, to be noted that this provision has a larger scope than the provision applicable until 31st December 2015 and could lead to more litigation with the FTA.

<u>CFC Rules: changes affecting the taxation of individuals, partners or beneficial owners of corporate structures</u>

Taxation of capitalised income within certain entities: CFC rules of Article 123bis of the FTC partly held unconstitutional

Article 123*bis* of the FTC provides in substance for the taxation, under certain conditions, of all the income capitalised within "entities" established outside France and subject to a favourable tax regime, as deemed distributed income in the hands of French resident individuals who are the beneficial owners.

In particular, such provisions were applied by the FTA to foreign trusts having a French resident settlor, irrespective of the nature of the trust, which is debatable as it is contrary to the purpose of the law.

In addition, when the concerned "entity" is established or incorporated in a non-cooperative state or in state which has not concluded an agreement providing for the exchange of information with France, said article provides that the amount of undistributed income subject to taxation in France tax cannot be lower to a notional amount computed by multiplying the market value of the assets by a specific rate provided each year by the FTA.

The above CFC rules are not applicable to entities established or incorporated in the European Union (EU), provided that taxpayers are able to demonstrate that the use of such entities was not artificial and therefore not for tax evasion purposes. In other words, the application of Article 123*bis* of the FTC could only be avoided for entities established or incorporated in the EU.

The French Constitutional Court ruled in a decision dated 1st March 2017 (n° 2016-614 QPC), that such difference in treatment between entities established or incorporated outside the EU and those in the EU was contrary to the principle of the equality of treatment.

As a consequence, tax resident individuals of France will no longer be subject to income tax on a deemed distributed income if they can demonstrate to the FTA that no income was capitalised within entities established or incorporated outside the EU and subject to a favourable tax regime.

The French Constitutional Court also ruled that taxpayers who are within the scope of Article 123*bis* of the FTC must be allowed by the FTA to demonstrate that the income effectively distributed by the entity is lower than the above-mentioned notional amount.

Industry sector focus

E-business

Accounting and tax treatment of domain names: clarification of the criteria under which the right to use a domain name qualifies as an "intangible fixed asset"

In a decision dated 7th December 2016, the French Administrative Supreme Court ruled that the administrative authorisation – held by the company "eBay France SA" with the competent registration body (AFNIC) – to use the domain name "ebay.fr" met the *criteria* traditionally retained by the French Courts to qualify as an intangible asset.

As a consequence, the *Conseil d'Etat* held that such authorisation should have been recorded in eBay France SA's book accounts in respect of the relevant audited years (2003 to 2006). The French tax authorities were therefore allowed:

- to reinstate on the company's opening balance sheet of 2003 the estimated market value of "this intangible fixed asset" (irrespective of whether such acquisition was made free of charge or for a consideration);
- to reintegrate in eBay France SA's taxable profit subject to corporation tax the corresponding amount in respect of 2003; and
- to consider that the effective use of the domain name "ebay.fr" by a non-French parent company (which operated on a free licence basis) should have given rise to the payment of royalties to eBay France SA (for a rate eventually fixed at 2%), the amount of which should be reintegrated in the company's taxable profits and should also trigger a withholding tax in France.

In practice, the *criteria* consistently retained by the *Conseil d'Etat* for an asset to qualify as an intangible fixed asset are the following:

- being a regular source of profit (which was debated in the present case since the use of the domain name had been granted to a parent company on a free licence basis);
- being of a lasting nature (which was debated in the present case since the right to use a domain name is a mere administrative authorisation which must be renewed annually with the competent authority, the AFNIC); and
- being transferable (which was also debated since an administrative authorisation with the AFNIC could not in proper terms be transferred but only abandoned to the benefit of another person).

This decision should serve as a reminder for holders of domain names of significant importance to take a specific care in properly booking the right to use a domain name, valuating it and a domain name and having its use duly remunerated.

Real estate

Entry into force of the 4th amendment to the France-Luxembourg tax treaty

On 1st February 2016, the 4th amendment to the France-Luxembourg tax treaty entered into force. This amendment notably aimed at modifying the stipulations of its Article 3, by implementing a new section related to the taxation of capital gain resulting from the disposal of shares within real estate entities.

The provisions of this amendment will apply in France as follows:

- concerning taxes on income levied by way of withholding: to amounts taxable as of 1st January 2017;
- concerning taxes on income not levied by way of withholding: to amounts relating to year 2017; or to financial year open on or after 1st January 2017; and
- for other taxes, to taxes whose taxable event occurs on or after 1st January 2017.

These provisions will affect the widely used structuring consisting in holding French real estate properties through one or several entities located in Luxembourg to avoid the taxation of the overall capital gain on the disposal of shares.

Financial services

End of the so-called "undue risk theory" ("théorie du risque manifestement excessif"): the French Supreme Court limits the power of interference of the FTA

Under the French tax legislation, the FTA is not allowed to interfere within the business and management decisions of companies. A common example of this principle is the freedom given to a business owner to choose between financing the investments a company through loans, bearing interests, or equity.

In recent years, however, the French Administrative Supreme Court (see decision n° 327764, *Sté Legeps*, dated 27th April 2011) has developed the principle of *"abnormal act of management"*. Under this principle, the FTA can disregard certain business decisions for the computation of the taxable profit of an entity. Typically, when the FTA considers that certain acts, bearing an excessive risk and resulting in significant losses for an entity, have not been made in the interest of this entity, it will disallow the deductibility of such acts.

In a ruling dated 13th July 2016, n° 375801, *SA Monte Paschi Banque*, the French Supreme Court limited the power of interference of the FTA by reminding that an act of management can be disregarded for the computation of the taxable profit of an entity only if it has been performed in contradiction with the purpose of such entity. The FTA cannot disallow the deductibility of losses on the grounds that the business owner of an entity took excessive risks.

In the case at hand, the Monte Paschi Bank agreed to provide payments facilities to a tech company which was unable to repay them. The FTA tried to disallow the deductibility of the provisions booked by the bank for the computation of its taxable profit. The French Supreme Court ruled that since the purpose of a bank is to grant loan or payment facilities to clients, the FTA could not disallow the deductibility of such provision, regardless of the excessive risks taken by the bank.

This decision was welcomed by the financial sector as well as by business owners and tax practitioners.

However, because of the "territoriality" principle applicable in France, entities still cannot deduct losses incurred abroad for the computation of the taxable profit in France. This principle limits the ability of French companies to develop their business activities abroad and provides a significant advantage to foreign competitors not subject to the same rules in their country of incorporation.

The year ahead

Contemplated evolutions resulting from President Macron's programme regarding the taxation of corporate entities

Progressive decreases of the CIT rates

President Macron has made few propositions in respect of the taxation of companies, although a key element of his elective campaign was the reduction of the corporate income tax.

The government under President Hollande already enacted plans for a gradual decrease of the CIT rate from 33⅓% to 28% between 2018 and 2020 (see "Developments affecting the attractiveness of France for holding companies" above).

However, President Macron wishes to go further and reduce the CIT rates for all companies to 25% by the end of his term in 2022, specifying that the reduced 15% CIT rate would keep applying to the portion of net profits lower than or equal to €38,120.

Replacing the specific "CICE" tax credit by a decrease of employers' social levies

The Competitiveness and Employment Tax Credit (CICE) is a 7% tax credit which is based on a company's gross wages up to 2.5 times the minimum wage. Wages over this amount do not count towards the tax credit, even for the portion within the cap. The minimum wage for determining this cap is calculated for one year based on statutory working hours. The CICE is determined on a calendar-year basis, regardless of the date or length of a company's financial year.

President Macron wishes to remove this tax incentive and replace it by a durable decrease of employers' contributions.

Contemplated evolutions resulting from the expected transposition into domestic law of the Anti-Tax Avoidance Directive

On 20th June 2016, the ECOFIN Council approved the Anti-Tax Avoidance Directive (EU) 2016/1164 ("ATAD"). The EU Member States must implement into their domestic legislation ATAD-compliant provisions by 31st December 2018, at the latest, with the provisions applying from 1st January 2019.

As a reminder, the ATAD sets out minimum standards that Member States need to adhere to in several areas covered by the OECD work on base erosion and profit shifting (BEPS) including interest deductibility limitations, an exit tax mechanism, a general anti-abuse rule, new CFC rules and provisions aiming at preventing double deductions resulting from hybrid mismatches.

The impact of the entry into force of the ATAD will, however, be limited to the extent that several domestic provisions in relation to the above issues already exist.

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Jean-Marc Tirard is recognised as an authority in French and international tax law. He has more than 40 years' experience advising major French and foreign companies on domestic and international corporate tax issues as well as negotiating with tax authorities and handling tax litigation. He notably negotiated, together with Maryse Naudin, the first France-US transfer pricing APAs for Visteon Corporation (an American global automotive electronics supplier spun off from the Ford Motor Company in 2000). Jean-Marc Tirard was a member of the EU Commission Advisory Panel on the choice of methodology for the evaluation of the effective tax rates in Member States (2001) and, more recently, of the tax experts panel on the preparation of the French government's *Assises de la fiscalité* (2014). He was Chairman of the Tax Commission of the French Committee of the International Chamber of Commerce (ICC) and Co-Chairman of the International Tax Commission of the French Committee of the ICC.

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Maryse Naudin has a wealth of experience in French and international tax, as well as in litigation with a particular emphasis on international tax issues (including European community freedoms and fundamental law principles). She now has more than 30 years' experience in advising and defending a varied clientele, from multinational corporations to high-net-worth individuals, in relation to cross-border tax issues. She is experienced in setting up and structuring multinational large and medium-sized groups in Europe (notably in the e-business sector) and also has proven expertise in comparative corporate taxation of trading and holding companies within the EU. She negotiated, together with Jean-Marc Tirard, the first France-US transfer pricing APAs for Visteon Corporation.

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Ouri Belmin started his career working on corporate transactional matters and real estate issues for the Paris offices of reputed UK law firms, before joining the financial services department of one of the Big 4 audit firms. After several years of practice as a senior lawyer at Tirard, Naudin, Mr. Belmin is now in charge of the firm's Paris team. He advises French or foreign companies as well as high-net-worth individuals on all French aspects of international taxation. Mr. Belmin has been involved in numerous tax litigations and has an excellent knowledge of all steps and aspects of the French tax procedure.

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