

MEMO# 33809

October 8, 2021

French Tax Administration Responds to ICI Request for Withholding Tax Exemption Guidance

[33809]

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TO: ICI Members

ICI Global Members

Global Tax Committee

Tax Committee SUBJECTS: International/Global

Tax RE: French Tax Administration Responds to ICI Request for Withholding Tax Exemption Guidance

The French Tax Administration (FTA) today sent the Institute the attached letter that responds to our September 2020 request [\[1\]](#) (attached) for guidance by which funds can request exemption from French withholding tax. The letter informs us that final FTA guidance issued this week adopts our suggestions.

The guidance provides that a fund that has received a favorable FTA determination regarding French tax exemption may follow a simplified procedure to receive "at source" withholding tax relief. Specifically, such a fund must attest that it still meets all of the conditions for exemption and provide paying agents with a completed withholding exemption form (number 000092 (attached)). The extensive documentation listed in the form, however, need not be provided. This confirmation shall be renewed annually.

Second, the FTA acknowledged our concern about a proposed requirement that service providers have no "relationship of interest" with the fund by modifying the standard. The determination of "independence" will be made on a case-by-case basis.

Importantly, the FTA also stated that the documentation that we suggested in Appendix A to our September 2020 request "should in general allow the FTA to verify the conditions for exemption are met."

Finally, the FTA asked that we inform them if members "encounter difficulties" in having the paying agents implement this simplified path to at-source exemption.

Keith Lawson
Deputy General Counsel - Tax Law

endnotes

[1] See ICI Memorandum [No. 32761](#), dated September 15, 2020.

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