

2012-NL-014
25 September 2012

Tax update

Issued by

Euroclear France

Important

Target audience

- Network Managers
- Tax operations
- Euroclear France Members

Effective date

Immediately

Financial Transaction Tax – Intended settlement date option: notification requirements	
<p>Highlights</p> <p>This Newsletter clarifies how an Accountable Party must notify Euroclear France and the French tax authorities about the option to apply the intended settlement date to determine the chargeability of the Financial Transaction Tax (FTT).</p>	<p>Actions</p> <p>We recommend you to inform your clients that are Accountable Parties accordingly if they are not direct Euroclear France Members.</p>

Background

According to *Paragraph 80 of the Bulletin Officiel des Finances Publiques – Impôts (BOFIP – Impôts)* (reference BOI-TCA-FIN-10-30), an Accountable Party is authorised to apply the intended settlement date to determine when the Financial Transaction Tax (FTT) is (or becomes) payable, provided that it notifies Euroclear France and the French tax authorities of this option.

Option for Accountable Parties	Accountable Parties have the option to apply the intended settlement date to determine the chargeability of the FTT.
When is the intended settlement date?	<ul style="list-style-type: none"> • acquisitions on a regulated market: usually the third day following the transaction • over-the-counter acquisitions: the date bilaterally agreed as set forth in the contract
Who must notify?	The legal entity of the Accountable Party.
Who should be notified?	<ul style="list-style-type: none"> • Euroclear France, except if the Accountable Party is in a situation provided for in the last two paragraphs of <i>section VII of article 235 ter ZD of the General Tax Code</i> (direct payment return to the tax authority) and • the French tax authorities
When to notify?	The notification must be sent before the 25 th day of the month preceding the effective date. The date of sending to the tax

	authorities (post stamp or equivalent proof) will prevail.
When is the effective date of the option?	As from the transaction on the first day of the month following the notification. Note: during the transitional period, in agreement with the French tax authorities, any option letter received before 25 October 2012 will have a retroactive effect from 1 August 2012.

Notification requirements

The notification must be established according to the following guidelines:

Form of notification	<ul style="list-style-type: none"> • In duplicate form (for Euroclear France and the tax authorities) • On the letterhead of the Accountable Party • Sent via registered mail with an acknowledgement of receipt
Language	French or English
Content	<ul style="list-style-type: none"> • The Accountable Party must specify that it opts to apply the intended settlement date to determine the chargeability of the FTT • Name and address of the Accountable Party • One of the following: <ul style="list-style-type: none"> ○ BIC of the Accountable Party ○ intra-community VAT number of the Accountable Party ○ national corporate registration number (former SIREN code) • Date
Signature	Signed by the legal representative of the Accountable Party. The latter must declare and warrant that it is duly authorised to provide such a notification letter in the name and on behalf of its company.
Recipients	Euroclear France Direction des Opérations Département Règlement/Livraison – Service TTF 66 rue de la Victoire 75009 Paris France Ministère de l’Economie et des Finances Direction des Grandes Entreprises 8, rue Courtois 93505 PANTIN Cedex France

You can find an example of a notification letter in Annex 2.

How to withdraw your option

By sending a letter announcing your withdrawal to the same recipients, using the same form and conditions as the option letter.

Important note

The Accountable Party is responsible for the content of the notification letter. We will not perform any specific control or follow-up on the content of the letters received or process any specific treatment of these documents. We will keep the notification letters received until revocation by the Accountable Party.

Any questions?

If you have any questions on the content of this Newsletter, please contact our Operations team:

- +33 (0)1 55 34 5788
- eses.ftt@euroclear.com

or your Account Manager as follows:

From	Telephone	Email
Belgium	+32 (0)2 337 5930	eses.accountmanagement@euroclear.com
France	+33 (0)1 55 34 5544	
The Netherlands	+31 (0)20 552 1530	

Further information

For further information on the FTT, go to euroclearfrance.com and choose **Resources > ESES Testing Services & Projects > Financial Transaction Tax**.

Annex 1: Paragraph 80 of the BOFIP-Impôts (reference is BOI-TCA-FIN-10-30)

Accountable Parties may opt, by notifying the central depository (if the Accountable Party is not in a situation provided for in the last two paragraphs of section VII of article 235 ter ZD of the General Tax Code on the direct payment return to the tax authority) and the tax authority before the 25th of the month, to apply the intended settlement date to determine the due date, i.e. the third day following the transaction for acquisitions made on a regulated market or the date set forth in the contract for over-the-counter acquisitions, without taking into account possible pending transactions that could delay the effective settlement date. This option is effective as from the transaction on the first day of the month following its notification.

Annex 2: Example of a notification letter

(On the letterhead of the Accountable Party)

Accountable Party [ABC]
Address: [street, post code, city, country]
BIC: [ABCDEFGHXXX]

To the attention of:

Euroclear France
Direction des Opérations
Département Règlement / Livraison – Service TTF
66 rue de la Victoire
75009 Paris
France

Ministère de l’Economie et des Finances
Direction des Grandes Entreprises
8, rue Courtois
93505 PANTIN Cedex
France

Subject: Due date – Intended settlement date option

Paris, [date]

Pursuant to *Paragraph 80 of the Bulletin Officiel des Finances Publiques – Impôts (BOFIP – Impôts)* (reference BOI-TCA-FIN-10-30), we hereby inform you about the option taken by [ABC], in its capacity as Accountable Party for the Financial Transaction Tax (FTT), to apply the intended settlement date to determine the due date.

In accordance with the BOFIP - Impôts, this option is effective as from [date]

Yours sincerely

Name and role of signatory

SIGNATURE

The signatory represents and warrants that it is duly authorised to provide such notification in the name and on behalf of [ABC].