

2014 AMENDING FINANCE ACT MAIN TAX MEASURES APPLICABLE TO COMPANIES

The 2014 Amending Finance Law (law n°2014-891, hereinafter “AFB 2014”) was published on 8 August 2014. It has been approved by the Conseil Constitutionnel (French constitutional council) in its decision of 6 August 2014 (n°2014-699 DC).

We set out below the main tax measures of the Bill applicable to companies.

- **Special additional tax on company income tax** (art. 15 AFB 2014)

The special additional tax of 10.7% on company income tax has been extended until the financial year ending on 30 December 2016. This tax will therefore be abolished for financial years ending after 31 December 2016.

As a reminder, this special additional tax is due by companies whose turnover exceeds M€ 250.

- **Penalty in the event of failure to provide a *Fichier des Ecritures Comptables* (or *FEC* - general ledger in computer file format)** (art. 23 AFB 2014)

Failure to provide a copy of the general ledger in computer file format in the event of a tax inspection is punishable either by a fine of € 5,000 or, in case of tax reassessment, by a 10% penalty on the additional amount assessed if higher than 5 000 €. This new penalty is applicable in the scope of tax inspections notified after the date of entry into force of the Act, i.e. from 9 August 2014.

As a reminder, the original penalty was a € 1,500 fine.

- **Penalty in the event of failure to provide management or consolidated accounts** (art. 24 AFB 2014)

Failure to provide management accounts or consolidated accounts, when required in the scope of a tax inspection, is punishable by a fine of € 20,000. This new penalty is applicable in the scope of tax inspections notified after the date of entry into force of the Act, i.e. from 9 August 2014.

As a reminder, the original penalty was a € 1,500 fine.