

French Gift / Inheritance Tax

As from 6th July 2011

This schedule applies to the net amount received by each beneficiary on transfer to which must be added all transfers received from the Donor during the previous 6 years.

1. Relationship: parents and issue

Each child/parent has a 159,325 EUR nil-rate band from each child/parent;

Each grandchild has a 31,865 EUR nil-rate band from each grandparent;

Each great grandchild has a 5,310 EUR nil-rate band from each great grandparent, then:

Estate	%	EUR
Not exceeding 8,072	5	403
Between 8,072 and 12,109	10	403
Between 12,109 and 15,932	15	573
Between 15,932 and 552,324	20	107,278
Between 552,324 and 902,838	30	105,154
Between 902,838 and 1,805,677	40	361,135
Above 1,805,677	45	

2. Relationship: spouses/civil partners (French “PACS” or foreign equivalent)

On death: The surviving spouse/civil partner benefits from a total exemption from Inheritance tax.

Lifetime gifts: Each spouse/civil partner has a nil-rate band of 80,724 EUR, then:

Estate	%	EUR
Not exceeding 8,072	5	403
Between 8,072 and 15,932	10	786
Between 15,932 and 31,865	15	2,389
Between 31,865 and 552,324	20	104,091
Between 552,324 and 902,838	30	105,154
Between 902,838 and 1,805,677	40	361,135
Above 1,805,677	45	

3. Relationship: siblings

Each sibling has a nil-rate band of 15,932 EUR, then:

Estate	%	EUR
Not exceeding 24,430	35	8,550
Above 24,430	45	

Note: cohabiting siblings may benefit from a total exemption under certain conditions.

4. Relationship: others

Each nephew and niece has a nil-rate band of 7,967 EUR. All other beneficiaries have a nil-rate band of 1,594 EUR, then:

Relatives to 4 th degree	55%
Others	60%

5. Usufruit

Property subject to a *Usufruit* is taxed according to the age of the *Usufruitier* at the relevant date.

Age of the <i>Usufruitier</i>	Value of the <i>Usufruit</i>	Value of the <i>nue-propriété</i>
Until 20	90%	10%
From 21 to 30	80%	20%
From 31 to 40	70%	30%
From 41 to 50	60%	40%
From 51 to 60	50%	50%
From 61 to 70	40%	60%
From 71 to 80	30%	70%
From 81 to 90	20%	80%
Over 91	10%	90%

Transfers with reservation of *Usufruit* by the Donor (lifetime interest) are only taxed on the value of the *Nue-propriété* (bare ownership) the value of which is calculated by reference to the age of the *Usufruitier* (Donor's life expectancy).

On the *Usufruitier's* death, the *Usufruit* rejoins the corresponding *nue-propriété* without further tax.

For further information please contact:

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