

CHANGES TO PAYROLL REPORTING REQUIREMENTS

GLOBAL EQUITY ALERT – FRANCE



WITH EFFECT FROM 1 FEBRUARY 2016 THERE IS A NEW ELECTRONIC MONTHLY PAYROLL REPORTING REQUIREMENT IN FRANCE FOR COMPANIES TO REPORT THEIR EQUITY PLAN ACTIVITY.

Previously, companies were required to report information on their employee equity plans on the company's annual wage reporting form, the DADS-U.

With effect from 1 February 2016, the DADS-U was replaced by a new monthly electronic reporting form. The deadline will be either the 5th or 15th of each month. The Declaration Sociale Nominative (DSN) is a mandatory monthly payroll reporting obligation and has been amended to consolidate equity plan reporting into the monthly payroll report. The intention is that this will simplify the company's reporting requirements.

The DSN has been mandatory for all companies from 1 February 2016.

In the new form the following types of information have to be provided:

- type of plan
- number of rights granted
- value of the shares at the time of the vesting
- subscription price
- grant date
- vesting date
- the portion of the gain taxable in France.

The DSN form must include all French national resident employees but also internationally mobile employees who are on secondment to France, expatriates based in France and cross border employees.

A penalty of €7.50 per employee applies if the monthly DSN is not submitted by the deadline, up to a maximum of €750 per monthly return. If the delay exceeds one month, the same penalty is applied for each month of delay.

If the information is communicated by any other way than the DSN, a further penalty may be charged of €2.50 per employee.

ACTION POINTS

- ✓ Companies need to ensure their systems are updated to ensure that they can meet this new monthly reporting requirement and that their systems are robust enough to incorporate all internationally mobile employees.
- ✓ Companies will need to update their internal processes to ensure that the data is provided to the French reporting entity on a timely basis.

For further information and to register for future updates contact:

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Should you have a need for a trusted advisor in this area, please contact BDO's Global Equity team at globalequity@bdo.com.

This information is current as of July 2016.

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