

2013-N-022
27 March 2013

Market news

France

Important

Target audience

- Network managers
- Product managers
- Tax operations
- Fees department
- Settlement operations

Effective date

Immediately

FTT - Penalty fees for late or incorrect payment or declaration - Update

Highlights

Euroclear France and the French tax authorities charge penalty fees for:

- late payment of FTT
- late or incorrect declarations of FTT

These penalty fees may be charged to:

- us - in such cases, we will pass them on to you
- you directly, as Accountable Party - in such cases, we are not involved

Euroclear France penalty fee***Why is the penalty fee charged?***

Euroclear France charges a penalty fee for late payment of Financial Transaction Tax (FTT). The penalty fee covers the resulting loss of interests that Euroclear France would have received from the Agence France Trésor (AFT).

How is the penalty fee calculated?

Euroclear France uses the following parameters to calculate the penalty fee:

- an interest rate determined by the AFT
- the number of calendar days of delay (maximum 20 calendar days)
- a minimum amount of EUR 90, set to cover the related processing costs

The number of calendar days of delay is calculated as follows:

For a payment made to Euroclear France	the penalty fee will be calculated and charged based on	Example
<ul style="list-style-type: none"> • after the 4th calendar day of the declaration month (deadline for payment to Euroclear France); but • before the 24th calendar day of the declaration month (deadline for Euroclear France to make payment to the French Treasury) 	the number of calendar days the payment was late, with a maximum of 20 calendar days	A declaration for the month of April 2013 made after 4 April 2013
<ul style="list-style-type: none"> • on or after the 24th calendar day of the declaration month (deadline for Euroclear France to make payment to the French Treasury) 	20 calendar days	A declaration for the month of April 2013 made after 23 April 2013

How is the penalty fee charged?

Any penalty fee Euroclear France charges to us will be passed on to you. It will be indicated as ‘Account fees – Other out-of-pocket expenses’ in your monthly Fees advice.

French tax authorities penalty fee

Why is the penalty fee charged?

The French tax authorities charges a penalty fee for:

- late payment of FTT
- late or incorrect declarations of FTT

How is the penalty fee calculated?

For	the penalty fee is calculated as follows:
late sending of the declaration	<ul style="list-style-type: none"> • if tax due: an increase of 20% of the tax amount due with a minimum of EUR 500 • if no tax due: a fine of EUR 500
late payment (after the 24th of the month)	according to a standard rate set for late payments
inaccuracies or omissions in the declaration	EUR 150 per omission, with a maximum of 40% of the total omitted tax amount

How is the penalty fee charged?

The French tax authorities will charge the penalty fee directly to you, as Accountable Party, without our involvement.

Reminder: FTT Euroclear Bank fee schedule

Item	Fee (EUR)
FTT Declaration input	30.00
Penalty fee for FTT Declaration input sent after the deadline, meaning after 11:00 (Brussels time) on the fourth calendar day of the month	15.00
Surcharge when manual intervention is required to input your FTT Declaration	30.00
Cancellation of your FTT Declaration	500.00
Penalty fee charged by Euroclear France	At cost

Further information

This Newsletter completes the information available in our Newsletters:

- 2012-N-061 dated 31 October 2012
- 2013-N-004 dated 18 January 2013