

# ATOZ TAX ALERT



## Luxembourg and France about to sign new tax treaty

9 March 2018

As announced by the Luxembourg Finance Ministry yesterday, a new double tax treaty will be signed with France during a State visit to take place in France from 19 to 21 March.

While the outcome of the changes to be introduced by the new tax treaty remains unsure at this stage, it is expected that one of the changes will impact investments made by Luxembourg taxpayers in French real estate and notably in so-called OPPCIs. In addition, since the current tax treaty with France is one of the oldest Luxembourg tax treaties (it was signed in 1958), the aim of the new treaty is most probably to have tax treaty provisions which reflect the latest OECD standards, as they were redefined in the course of the BEPS project.

As far as timing is concerned, should no specific provision be inserted in the new tax treaty in order to provide a specific date for its entry into force, in principle, it will become effective as from 1 January of the year following the ratification of the new tax treaty by both countries. This means that the changes to be introduced will become applicable as of 1 January 2019 at the earliest.

Luxembourg taxpayers with investments in France or who plan to invest in France should seek advice from their tax adviser in order to analyse the potential impact of the new provisions on their investments.

[Can we help? Do you have further questions?](#)



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