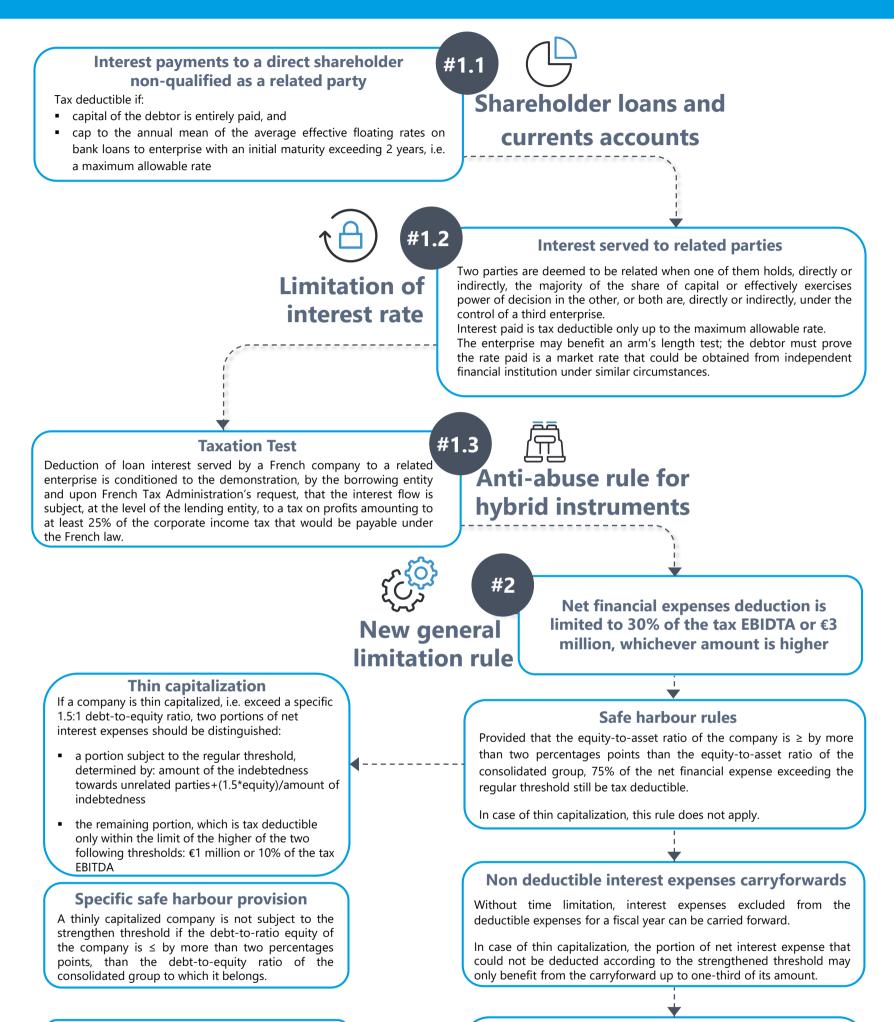
Interest deductions

Mains steps since Finance Bill for 2019



Reorganizations

Deduction capacity carryforwards and interest expense carryforwards could be transferred, if a specific tax ruling is obtained.

Tax consolidation

The new limitation rules apply at the level of French tax consolidated groups.

Deduction capacity carryforwards

The unused portion of deduction capacity can be carried forward, only for the five following fiscal years.

In case of thin capitalization, the exceeding portion of the deduction capacity cannot be carried forward.

The deduction capacity carryforward also cannot be used to deduct non-deductible interest expenses that have been carried forward.

Indebtedness resulting from self-purchases transactions

This rule is applicable when the shares of a company have been purchased by another company from persons, who also directly or indirectly control the acquiring company at the time of said acquisition, and where both the acquired company and the acquiring company become members of the same tax consolidated group after the transaction.

#3 255 Charasse amendment

