Global Template Configuration

France

Last Updated: April 2019
## Revision History

<table>
<thead>
<tr>
<th>Date</th>
<th>Revision Notes / Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>05-Apr-2019</td>
<td>Updated Mileage Rates Effective 11-Mar-2019</td>
</tr>
<tr>
<td>01-Dec-2018</td>
<td>Updated VAT on Fuel for 2019</td>
</tr>
<tr>
<td>01-Jan-2016</td>
<td>Updated Mileage Rates</td>
</tr>
</tbody>
</table>
Disclaimer

The Concur Global Template consists of Expense configurations designed to support the most commonly known configuration and statutory requirements for supporting T&E best practices. The system includes support for specific statutory requirements based on our understanding of “common interpretation” gathered from our experience of in-country legislation through the deployment of Concur into this market. The Country Template represented in this guide is intended to provide customers with a starting point to aid in the deployment of their T&E solution, and should in no way be construed as tax or compliance advice for your business. The template configuration may need to be adjusted to match the requirements of your business, and any legal or statutory requirements should be confirmed with your company’s tax accounting and/or compliance departments before being authorized for configuration into your Concur Expense system.

Updates

Rates and/or regulatory requirements provided as part of the Templates are not guaranteed to be up to date, so any information provided should always be verified by the customer against the current government regulations. Updates are applied through on-going partnership with in-country Concur product marketing teams, liaison with implementing customers, and through collaboration across the various Concur implementation teams deploying in these countries.

The timing of updates can vary by country and feature. For example, certain countries provide regular annual updates to statutory travel allowance and mileage rates, while the rates in other countries are less frequently updated. VAT rate updates are typically less frequent or predictable and can occur at any time and are quite often dependent on broader economic situations. Tax authorities do however typically provide advanced warning where VAT rate or rule changes come into effect to allow businesses time to prepare.

Every effort is made to ensure that where updates are known to Concur that these are applied to the latest version of the template in a timely fashion. Where updates have been applied these will be reflected in any available template documentation.
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Best Practice VAT Configuration Options

VAT Considerations

The intention is to pre-configure the VAT (known as TVA in France) within the Template environment using pre-configured elements to support the statutory VAT requirements in France. This will assist with ensuring that users enter the correct information before auditing to ensure compliance with the tax regulations for reclaiming VAT.

Concur will provide recommended best practices for configuring the environment for France based on the following model:

- **Best Practice configuration options** - specific data entry fields and audit rules to control compliance before the expense claim is audited or processed
- **3 Receipt Types** (Tax Receipt, Receipt and No Receipt)
- **5 VAT Rates**:
  - Standard – 20% (Effective 1-Jan-2014 updated from 19.6%)
  - Reduced – 10% (Effective 1-Jan-2014 updated from 7%)
  - Reduced – 5.5%
  - Reduced – 2.1%
  - Exempt/Zero - 0%
- **Provide links within the Company Information panel in “My Concur” to the French Government Tax web site to assist users**: [www.impot.gouv.fr](http://www.impot.gouv.fr)

Definition of an Original VAT Invoice

The following are mandatory items that a valid French VAT Invoice should contain:

- a consecutive number in a logical order
- date of issue of the invoice
- the time of supply and the time of (pre)payment, where they differ from the date of the invoice
- the supplier's name, address and French VAT registration number
- the customer's name and address
- the customer's VAT identification number in case of services and goods supplied to French VAT registered customers
- quantity and a clear description of the goods or services
- the net value for each item and any discounts applicable
- applicable VAT rate per item
- the total VAT amount payable, total net value and total VAT per rate
- indications of any VAT exemption or reverse charge
Expense Types with Special VAT Handling

Special VAT conditions and data entry requirements for which it is suggested we include special pre-configured tax handling in the template system.

**NOTE**: Where the user is given the option of a VAT drop-down list, this field will be configured so that a value is required. To account for non-domestic expenses where VAT is not applicable the user will have the option to select “International (No VAT)”.

**Standard – Non Reclaimable**

The following expenses have a Standard rate of 20% VAT applied however they are typically non-reclaimable. These are setup in a separate VAT Tax Group which sets the reclaim to 0% no matter what Receipt Type is selected.

- Car Maintenance/Repairs
- Laundry
- Parking

**Reduced – Non Reclaimable**

The following expenses have a Reduced rate of 10% VAT applied however 0% is reclaimable. These are setup in a separate VAT Tax Group which sets the reclaim to 0% no matter what Receipt Type is selected.

- Hotel
- Personal Car Mileage
- Public Transport
- Taxi
- Train

**Domestic Airfare**

VAT is only applicable on Airfare expenses where the destination is domestic and the ticket is purchased within France. Even if the City of Purchase selected by the user is within France, if the trip is overseas (International) then no VAT is applied. In order to assist in providing the necessary information to calculate VAT on Airfare the user will be required to select from the following options in a drop-down field:

- Domestic Trip
- International (No VAT)

Based on the selection of the value the system will calculate the VAT. However VAT on Domestic Airfare is typically non-reclaimable therefore the tax configuration is setup with the reclaim set to 0% no matter what Receipt Type is selected.
Fuel

Fuel is taxed at the Standard 20% rate however the % amount that is deductible / reclaimable differs based on the fuel type of Petrol, Diesel or PGL (see below). The Entry Form for Fuel expenses includes a tax field drop-down which is required to be selected. Depending on which value the user selects the following percentage of VAT will be deductible / reclaimable in combination with “Tax Receipt”:

- Petrol (40% reclaimable) – NOTE: 40% is effective from 01-Jan-2019.
  Previously the percentage was 20% (from 01-Jan-2018) and 10% (from 01-Jan-2017). Prior to 2017 VAT was not reclaimable for Petrol.
- Diesel (80% reclaimable)
- PGL (100% reclaimable)

Car Rental

Car Rental is taxed at the Standard 20% rate however it is only reclaimable where the rental vehicle is for commercial use (known as Utility or Utilitaire). For passenger only vehicles the VAT is non-reclaimable. The Entry Form for Car Rental expenses includes a drop-down which is required to be selected. Only where the user selects “Utility” or “Utilitaire” in combination with “Tax Receipt” is VAT reclaimable:

- Passenger (non-reclaimable)
- Utility (100% reclaimable)

Gifts (Client and Staff)

The Entry Form for Gift expenses requires the user to declare whether the expense was subject to VAT (i.e. the receipt includes Standard, Reduced or Zero VAT). This takes the form of a simple drop down field which is required for the user to complete that includes the following values:

- Standard
- Reduced
- Zero
- International (No VAT)

Based on the selection the system will calculate the VAT. Based on the selection of the Receipt Status the system will calculate whether the VAT is reclaimable.

**NOTE:** VAT on Gifts is only reclaimable under the condition that goods of “low value” do not exceed €65 per item per recipient per year. The system will not however support the tracking of gift limits per recipient per year. The template contains a warning message to the back office advising that Standard VAT is reclaimable only if less than or equal to €65 (gross) and is also only applicable where the total cost of all gifts/incentives does not exceed €65 in any 12-month period and this is not part of a series of gifts. Any adjustments to the reclaimable VAT must be manually applied by the Processor before approving Gift expenses.
Miscellaneous Expenses

The Entry Form for Miscellaneous requires the user to declare whether the expense was subject to VAT (i.e. the receipt includes Standard, Reduced or Zero VAT). This takes the form of a simple drop down field which is required for the user to complete that includes the following values:

- Standard
- Reduced
- Zero
- International (No VAT)

Based on the selection the system will calculate the VAT. Based on the selection of the Receipt Status the system will calculate whether the VAT is reclaimable.

NOTE: The user is also required to complete Comments to describe the expenditure.

Breakfast, Lunch and Dinner

VAT is reclaimable on Meals and Restaurant bills where the net value of the expense is below €150 and where the receipt conforms to the legal requirements for a simplified Tax Receipt/Invoice. For Meals and Restaurant bills where the net amount exceeds €150 the VAT is only reclaimable where the Tax Receipt/Invoice conforms to the legal requirements for a Tax Invoice (see Definition of an Original VAT Invoice).

Most Meal expenses are typically taxed at the Reduced 10% rate; however in some cases these are still subject to the standard 20% rate (specifically alcoholic beverages).

The system is pre-configured for an audit rule to show if the user selects Tax Receipt and the Net Amount exceeds €150 (Gross Amount inclusive of VAT exceeds €165). The rule informs the user that they must confirm that the receipt conforms to legal requirements for a Tax Invoice or remove the Tax Receipt selection if it is not. This will serve to educate users and ensure that the VAT Reclaim configuration only applies on the basis that an Original VAT Invoice is available for the Expense (where the net amount exceeds €150).

In order to assist in providing the necessary information to calculate VAT the option exists in Concur to enforce itemization all meals expenses using an available “Itemization Wizard”. For example the wizard includes the expense types “Alcoholic Beverages” and “Tips/Gratuities” so that the user can declare the gross amount (inclusive of VAT) spent on alcohol as part of the meals expense. The system then apportions the remainder (after alcohol/tips have been itemized) as a separate itemization booked to the meals expense type. VAT will be configured for all meals expense types at the Reduced 10% rate, and for the Alcoholic Beverages expense type at 20%.

NOTE: If customers wish to configure Concur to enforce itemization of meal expenses, this will require working with your Concur Implementation Consultant to scope the additional configuration work required.
**Printing/Photocopying/Stationery, Marketing/Promotional Costs**

Most Printing and Promotional expenses are typically taxed at the standard 20% rate, however in some cases these are subject to the Reduced 10% rate (for example, some stationary and promotional expenses including books and catalogues).

In order to assist in providing the necessary information to calculate VAT the user will be required to select from the following options in a drop-down field:

- Standard
- Reduced
- International (No VAT)

VAT is also only reclaimable on printing and promotional expenses where the Receipt/Invoice conforms to the legal requirements for a Tax Invoice (see Definition of an Original VAT Invoice on Page 2). To support this legislation the user will also receive a warning flag where they select “Tax Receipt” informing them that they should only select “Tax Receipt” where the Invoice/Receipt conforms to the legal requirements for a Tax Invoice.

**Postage**

Postage services provided by the National Postal operator should be exempt from VAT (for standard services and packages up to 2kg); however it is also possible for a Standard Rate of 20% to apply.

In order to assist in providing the necessary information to calculate VAT the user will be required to select from the following options in a drop-down field:

- Standard
- Zero/Exempt
- International (No VAT)

**Newspapers/Magazines/Books**

The VAT rate for Newspapers, Magazines and Books varies depending on what is purchased. VAT on Books is calculated at the Reduced 5.5% rate while for Newspapers and Magazines the rate is 2.1%.

In order to assist in providing the necessary information to calculate VAT the user will be required to select from the following options in a drop-down field:

- Books (5.5%)
- Newspapers/Magazines (2.1%)
- International (No VAT)
Expense Types without Special Handling

Standard 20%

Alcoholic Beverages
Courier/Shipping/Freight
Internet/Online Fees *
Mobile Phone *
Office Equipment/Hardware *
Office Supplies/Software *
Relocation Expenses
Seminar/Course fees *
Telephone/Fax *
Tolls/Road Charges
Tuition Reimbursement *

Reduced 10%

Entertainment - Clients
Entertainment - Staff

Reduced 2.1%

Professional Subscriptions

Zero 0%

Airline Fees
Bank Fees
Company Car Mileage
Currency Exchange Fees
Fixed Meals
Passports/Visa Fees
Tips/Gratuities

* Expenses where an Original VAT Invoice is required – For certain expenses, VAT is only reclaimable where the Receipt/Invoice conforms to the legal requirements for a Tax Invoice (see Definition of an Original VAT Invoice on Page 2). To support this legislation for those expense indicated above the user will receive a warning flag where they select “Tax Receipt” informing them that they should only select “Tax Receipt” where the Invoice/Receipt conforms to the legal requirements for a Tax Invoice.
Non-Domestic VAT

VAT Registration in Monaco

In some cases customers in France may wish to manage the domestic VAT for travellers based in Monaco who incur expenses in France. In such circumstances the company may wish to either...

- Apply the VAT rates applicable to Monaco when an employee based in Monaco claims an expense purchased in France

  Or

- Apply the domestic VAT for France to transactions where an employee based in Monaco claims an expense in France

In these circumstances additional consultancy will required to setup additional conditions/rates in the French Tax Authority to support employees based on Monaco.

VAT Reclaim for Deployed Overseas Countries

Currently we only configure VAT reclaim for Domestic transactions as standard. To support Non-Domestic reclaim for countries other than your home country would require configuring VAT for all possible countries of destination, which is too much work to maintain and configure.

The alternative approach should be to instruct customers that where they deploy to multiple countries (business hubs) Concur is then able to setup the Tax Conditions within each configured Tax Authority to support overseas reclaim for those countries included in the deployment. In other words, reclaiming VAT for employees incurring VAT applicable transactions overseas where the destination is one of the countries within the deployment scope can be supported. This is because the Tax Authority and Configuration for that country is already setup for Domestic Reclaim.

Example: A customer is deploying to France, UK and Germany who wants to reclaim overseas VAT. Concur will already be configuring VAT for France, UK and Germany, so an additional task is required to setup the VAT for those countries to include employees who claim transactions in either of the other 2 countries. So a French employee travelling to UK and Germany can also have their expense tracked for VAT reclaim.

NOTE: The main consideration in this approach is where the entry forms for one country (France) do not include fields used by the other country’s tax configuration. For example, in Germany there are specific data fields required to validate the VAT for Domestic employees. Provided all entry forms were setup to include all fields relevant for these expenses for any country of destination this approach could be feasible.
**Exclusions**
Special VAT conditions for which it is suggested we do not include special tax handling conditions.

**Medical Fees**
As “Medical Fees” is not a common T&E expense type and as the handling for VAT is relatively complex, this will not be an active expense for the French Policy. The VAT handling could be either standard 19.6%, or 5.5% for the fees that are non-reimbursable by the social security or 2.1% when they are. If customers require the Medical Fees expense type to be active and require full support for VAT this can be handled via separate consultancy.
Mileage Rates

Personal Car Mileage with Distance Limits

Mileage allowance is paid to employees who use their personal car for professional travel. To calculate the costs associated with travel for business trips the state publishes an annual mileage scale. There is a mileage scale for cars and a mileage scale for two-wheelers (motorcycles with engine capacity exceeding 50 cm³). These scales take into account normal wear, the costs of repair and maintenance, fuel costs and insurance. These rates will be Pre-configured and maintained by Service Admin where this service has been purchased by the customer.

<table>
<thead>
<tr>
<th>Mileage schedule</th>
<th>Up to 5,000 km</th>
<th>5,001–20,000 km</th>
<th>Over 20,000 km</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cars (CV)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3*</td>
<td>€0.451 per km</td>
<td>€0.270 per km</td>
<td>€0.315 per km</td>
</tr>
<tr>
<td>4*</td>
<td>€0.518 per km</td>
<td>€0.291 per km</td>
<td>€0.349 per km</td>
</tr>
<tr>
<td>5</td>
<td>€0.543 per km</td>
<td>€0.305 per km</td>
<td>€0.364 per km</td>
</tr>
<tr>
<td>6</td>
<td>€0.568 per km</td>
<td>€0.320 per km</td>
<td>€0.382 per km</td>
</tr>
<tr>
<td>7 and over</td>
<td>€0.595 per km</td>
<td>€0.337 per km</td>
<td>€0.401 per km</td>
</tr>
</tbody>
</table>

Rates above are effective 1-Jan-2016. * CV3 and CV4 were updated on 11-Mar-2019
Company Car Mileage

Reimbursement of Company Car Mileage is not a common practice within France and therefore is not included as part of the template solution.

NOTE: If a customer requires Concur to configure Company Car mileage this will be as a separate consulting engagement. Customers must provide the Mileage rates.

Exclusions

Middle Tier Fixed Rates for Fiscal Mileage Calculations

An alternative set of Personal Car Mileage Rates are available for France, which include a fixed amount payment for the 5,001 – 20,000 km tier.

<table>
<thead>
<tr>
<th>Cars (CV)</th>
<th>Up to 5,000 km</th>
<th>5,001–20,000 km</th>
<th>Over 20,000 km</th>
</tr>
</thead>
<tbody>
<tr>
<td>3</td>
<td>€0.405 per km</td>
<td>€0.242 per km + €818</td>
<td>€0.283 per km</td>
</tr>
<tr>
<td>4</td>
<td>€0.487 per km</td>
<td>€0.274 per km + €1,063</td>
<td>€0.327 per km</td>
</tr>
<tr>
<td>5</td>
<td>€0.536 per km</td>
<td>€0.300 per km + €1,180</td>
<td>€0.359 per km</td>
</tr>
</tbody>
</table>

NOTE: rates above are an example only and may not be based on the latest updates

The fixed amount after the variable rate is made to calculate a more precise reimbursement amount at the end of the fiscal tax year.

In Concur the supported and most common method of personal car mileage reimbursement is cumulative, with distances recorded on an on-going trip-by-trip basis. Using this method in Concur we only need to consider the variable rate for the car criteria within the distance band in order to calculate the correct reimbursement.

So for example if a traveller has travelled 7000km in a year with a 5CV car, there are 2 methods for calculation:

Fiscal End of Year:

The calculation would be: 7000 * €0.300 per km + €1,180 = €3280

Cumulative:

The cumulative approach result is exactly the same amount, ignoring the fixed middle tier extra: (5000 * €0.536 per km) + (2000 * €0.300 per km) = €3280

So in Concur we can ignore the middle tier fixed amount as we calculate cumulatively rather than on an annual calculation.
**Distance Limits for Vehicles other than Cars**

The Car Configuration tool only supports a single set of distance limits per country/setup. The Template for France only includes the distance bands to support Cars (0-5000, 5001-20000, 20001+) as the thresholds for other vehicle types are different.

In order to support the alternative distance limits for other vehicle types this would require extended the existing bands to all vehicle types in a single distance limit configuration. Currently Concur only supports the ability to define 3 distance variables as part of a distance limit configuration:

<table>
<thead>
<tr>
<th>Distance Limit</th>
<th>0 - Limit A</th>
<th>Limit A - Limit B</th>
<th>Limit B - Limit C</th>
<th>Limit C +</th>
</tr>
</thead>
</table>

The above allows for only 4 distance limit bands, however to support the different bands for the other vehicle types this would need to be extended to a minimum of 5 Limits (allowing for 6 bands)

<table>
<thead>
<tr>
<th>Distance Limit</th>
<th>Cars</th>
<th>2-Wheelers</th>
<th>Motorcycles</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-2000</td>
<td>Tier 1 Rate</td>
<td>Tier 1 Rate</td>
<td>Tier 1 Rate</td>
</tr>
<tr>
<td>2001-3000</td>
<td>Tier 2 Rate</td>
<td>Tier 2 Rate</td>
<td>Tier 2 Rate</td>
</tr>
<tr>
<td>3001-5000</td>
<td>Tier 2 Rate</td>
<td>Tier 3 Rate</td>
<td>Tier 3 Rate</td>
</tr>
<tr>
<td>5001-6000</td>
<td>Tier 3 Rate</td>
<td>Tier 3 Rate</td>
<td>Tier 3 Rate</td>
</tr>
<tr>
<td>6001-20000</td>
<td>Tier 3 Rate</td>
<td></td>
<td></td>
</tr>
<tr>
<td>20001+</td>
<td>Tier 3 Rate</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The following table is a reference for the current rates for Motorcycles:

<table>
<thead>
<tr>
<th>Motorcycle (over 50 cm3) – Effective 11-Mar-2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>CV</td>
</tr>
<tr>
<td>----</td>
</tr>
<tr>
<td>1 or 2</td>
</tr>
<tr>
<td>3, 4 and 5</td>
</tr>
<tr>
<td>5 and over</td>
</tr>
</tbody>
</table>
Reporting & Legislative

There Are Currently No known Reporting Requirements

Report Specification
Not Applicable
Other French Specific Requirements

Reimbursable Limits for Meals & Lodging

**NOTE:** This is for Information Purposes only and is not pre-configured within the French Template as it is not commonly requested. Any support for Limits for Meals & Lodging should be handled as a separate consulting engagement.

The most common form of reimbursement for domestic and international travel in France is to reimburse employees for actual meals and lodging expenses. Travel Allowance or Per Diem is not typically configured.

There are however government guidelines for expense limits within France for Meals and Lodging. It is not uncommon that some companies in France might use a Reimbursable Travel Allowance solution to manage these expense limits.

Expense Limits are typically defined only within France for Domestic Expenses, and these Meals and Lodging limits are dictated by the following:

- **Proximity to the Paris Metropolitan region**
- **Duration of Trip**: Employees, who cannot go back home due to work conditions, may receive allowances to compensate their additional lodging and meal expenses. These can differ according to the duration:
  - For the first 3 months
  - Between 3 months and 2 years
  - Over 2 years

**Allowance Rates**

The following table identifies commonly used Expense Limits for Domestic Meals and Lodging expenses:

<table>
<thead>
<tr>
<th>Nature of Expense</th>
<th>Daily Limit €</th>
</tr>
</thead>
<tbody>
<tr>
<td>Meals (at office premises)</td>
<td>5,80</td>
</tr>
<tr>
<td>Meals (working out of office premises – meal not in Restaurant)</td>
<td>8,30</td>
</tr>
<tr>
<td>Meals (working out of office premises – meal in Restaurant)</td>
<td>17,10</td>
</tr>
</tbody>
</table>

**Extended Trips**

Employees, who cannot go back home due to work conditions, may receive allowances to compensate their additional lodging and meal expenses.

<table>
<thead>
<tr>
<th></th>
<th>&lt;3 Months</th>
<th>+3 Months</th>
<th>+2 Years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Meals Only Limits</td>
<td>€17.10</td>
<td>€14.50</td>
<td>€12.00</td>
</tr>
<tr>
<td>Hotel + Breakfast Paris/Metropolitan Area</td>
<td>€61.20</td>
<td>€52.00</td>
<td>€42.80</td>
</tr>
<tr>
<td>Hotel + Breakfast All Other Locations</td>
<td>€45.40</td>
<td>€38.60</td>
<td>€31.80</td>
</tr>
</tbody>
</table>