

## U.S. DEPARTMENT OF THE TREASURY

## Press Center



## Treasury Announces Amendment to Income Tax Treaty with France

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**WASHINGTON** – The U.S. Department of the Treasury today announced the entry into force of a protocol amending the income tax treaty with France. Approved by the U.S. Senate on December 3, 2009, the protocol officially became active today after the appropriate documents were submitted to the Embassy of France in Washington, DC. The amendments to the treaty will improve the tax treatment of U.S. businesses and individuals operating in France.

Provisions of the protocol include:

- Elimination of source-country withholding tax on certain direct dividends.
- Elimination of source-country withholding tax on all royalty payments.
- Mandatory binding arbitration of certain cases that cannot be resolved by the competent authorities within a specific period.
- A comprehensive limitation on benefits provision.

With respect to taxes withheld at source, the protocol shall have effect for amounts paid or credited on or after January 1, 2009. For all other taxes, the new treaty will generally have effect for taxable years starting on or after January 1, 2010.

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