

## Exchange rates - French tax year 2009

The French 'Code General des Impots' fixes that the currency rate to be used in converting foreign values into euros is that of the date of an event such as a sale, but that where the income is continual throughout the tax year the average exchange rate of the year can be used.

Whilst the above comment may explain use for the likes of pension income or the sale of a share or some suchlike asset, what about income which is paid only, say, twice a year, such as dividend income? With regards to sources of income such as dividends which are received only a few times during the course of the year, the rules state that the dividend income is supposed to be converted at the rate applicable on the day the funds are received in a foreign bank account (foreign to France, obviously!).

However, as always, practice and what is the written word often differ, and it is the case that in order to make matters easier for the foreign national taxpayer resident in France, the French Fisc have, to date, accepted the average exchange rate as being the most practical all round.

As to where these figures can be found, the average exchange rate for the tax year is never published by the Fisc, but is taken as being the inter-bank rate. On the other hand, the French Fisc do publish end of quarter exchange rates for all currencies and, for the intervening months, a list for only the main foreign currencies. The fact that these figures are intended for business purposes may explain that they are slightly more advantageous than the actual inter-bank rate on the day, and since they are published by the French tax authority, the Fisc, we use their published 31st December figures for doing the Wealth Tax declarations which are assessed on the 1st January.

*Accordingly, this is a list of the average exchange rate and that on 31st December for the main currencies that we come into contact with. Should your currency not be listed, please do go to the enquiry page and send us an e-mail asking us to add your chosen currency to the list.*

### Australia

Currency as of 2009: Australian \$

Currency = Euros average for French tax year: 0.56644

Currency = Euros as at 31st December: 0.6247

### Canada

Currency as of 2009: Canadian \$

Currency = Euros average for French tax year: 0.63100

Currency = Euros as at 31st December: 0.6387

### Denmark

Currency as of 2009: Krone

Currency = Euros average for French tax year: 0.13431

Currency = Euros as at 31st December: 0.1344

### Hong Kong

Currency as of 2009: HK\$

Currency = Euros average for French tax year: 0.09285

Currency = Euros as at 31st December: 0.0895

## Japan

Currency as of 2009: Yen

Currency = Euros average for French tax year: 0.00769

Currency = Euros as at 31st December: 0.0075

## New Zealand

Currency as of 2009: NZ\$

Currency = Euros average for French tax year: 0.45431

Currency = Euros as at 31st December: 0.5050

## Norway

Currency as of 2009: Kroner

Currency = Euros average for French tax year: 0.11460

Currency = Euros as at 31st December: 0.1205

## South Africa

Currency as of 2009: Rand

Currency = Euros average for French tax year: 0.08618

Currency = Euros as at 31st December: 0.0937

## Sweden

Currency as of 2009: Krona

Currency = Euros average for French tax year: 0.09431

Currency = Euros as at 31st December: 0.0979

## Switzerland

Currency as of 2009: Swiss franc

Currency = Euros average for French tax year: 0.66245

Currency = Euros as at 31st December: 0.6617

## United Kingdom

Currency as of 2009: GBP

Currency = Euros average for French tax year: 1.12297

Currency = Euros as at 31st December: 1.1242

## United States

Currency as of 2009: US\$

Currency = Euros average for French tax year: 0.71916

Currency = Euros as at 31st December: 0.6686