

WHAT IS THE DAS2?

The DAS2 is an annual fiscal declaration which must be completed by every legal entity having paid a sum exceeding 600 € per beneficiary, per annum, to any third party, for services of a professional nature rendered during the preceding calendar year.

The DAS2 is a declaratory form; it doesn't entail the payment of any tax.

It simply permits the French tax administration to verify the income declared by the implicated beneficiaries. There for the company has to check that supplier is registered.

However, if this declaration is missing, incomplete or inexact, financial penalties may be incurred by the declarer.

WHAT TYPES OF EMOLUMENT MUST BE DECLARED?

All of the following emoluments must be declared on the DAS2:

- Fees or commissions (e.g. those paid to a solicitor or chartered accountant);
- Discounts or refunds (constituting remuneration for services rendered by the client);
- Attendance fees (accorded to the Board of Directors);
- Royalties (of any nature);
- Benefits in kind;
- Indemnifications and reimbursed expenses (constituting remuneration for services rendered)
- Some examples: fees paid to training institutions, fees paid to an advertising agency, etc.

The DAS2 must be declared whether the beneficiary is an individual or a company,

whether the tax administration considers that they practice a commercial activity or not, whether the activity was undertaken in a professional capacity or not, whether the entity is taxable in France or not, or whether the service was performed in France or not.

Any remuneration exceeding 600 € per beneficiary, per annum, needs to be declared, whether the remuneration is monetary in nature or otherwise (e.g. crediting a transactional account). Remuneration inferior to 600 € per beneficiary, per annum, should not be declared.



WHAT SUM SHOULD BE DECLARED?

- The sum total, VAT included, that was paid to the third party, during the preceding calendar year.
- E.g. in 2010, a company received two consultancy invoices, totaling 1136 € VAT included and 2392 € VAT included. The first invoice was paid in 2010, as well as an invoice received in 2009, totaling 598 € VAT included. The aggregate to be declared on the 2010 DAS2 would therefore be 1734 € (1136 € + 598 €);
- For remuneration paid to individuals not resident in France, the sum to be declared is net of all deductions at source (e.g. CSG).

WHAT INFORMATION NEEDS TO BE PROVIDED?

In order to correctly identify the beneficiaries, the following information must be provided for each of them (there is no need to group the beneficiaries in any particular order):

- Name and surname, or company name;
- Profession;
- SIRET number (TIN number);
- Full address.

WHEN MUST THE DAS2 BE DECLARED?

The above mentioned emoluments, paid during the preceding calendar year, must be declared either:

- At the same time as the income statement;
- For legal entities established in France, and subject to either income tax or corporate tax, who close their accounts on the 31st December, the deadline is the second working day after the 1st May;
- For companies subject to corporate tax, who close their accounts at any date other than the 31st December, the deadline is 3 months after the closing of their accounts.

SANCTIONS

Failing to declare all applicable fees (as detailed above), in full and in good faith, or missing the deadline for declaration, systematically incurs a fine equal to 50% of the undeclared sum.

The entity also runs the risk of incurring Common Law penalties:

- A fine of 150 €, upon failure to produce the declaration within the given deadline;
- A fine of 15 € per omission or error found in the declaration, with a minimum penalty of 60 € and a maximum penalty of 10000 €.

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