

Insights

PARIS TAX PARTNERS AUTHOR ARTICLE FOR 'OPTION FINANCE' ON FREE REVALUATION

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Paris Tax Partners Christine Daric and Olivier Mesmin authored an article published Nov. 30 by *Option Finance* regarding a new measure available in French finance law for 2021. Article 123-18 of the French Commercial Code authorizes companies, under certain conditions, to carry out an accounting revaluation of their long-term assets. The difference between the revalued value and the net book value of the assets, meaning the revaluation difference, is in principle taxable income under ordinary law. This operation enables companies to improve the presentation of their annual financial statements by giving a more accurate picture of their financial strength. It may, however, have a significant tax cost.

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