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What penalties for tax evasion?

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Tax evasion consists of evading or attempting to evade tax by any means. Tax evasion is punished by fiscal and criminal sanctions.

What do you call tax fraud?

You commit tax fraud if you use **deliberately** certain procedures for evading or attempting to evade tax.

This is the case if you make the following choices:

- Do not report on time
- Hide taxable property or income
- Making yourself insolvent

What are the fiscal sanctions?

You risk **tax sanctions** if you conceal taxable income or property.

Répondez aux questions successives et les réponses s'afficheront automatiquement

You did not report your income on time

If the tax authority discovers the existence of a hidden (i.e. undeclared) activity, your tax will be increased by **80%**.

Your return is voluntarily incomplete

You may be subject to an increase if your return is **voluntarily** incomplete.

For example, if you did not report a property or taxable income, or if you undervalued the value of your assets.

Depending on your situation, this increase will be one of the following:

- 40% in case of voluntary forgetfulness
- 80% in case abuse of rights, reduced to 40% if you are not the lead or the primary beneficiary
- 80% where fraud

You may also be charged late interest.

They amount to 0,20% by month of delay (or 2.4% over 1 year).

What are the criminal sanctions?

If the tax authority detects a fraud, it can initiate **prosecution** after obtaining the opinion of the Fiscal Crimes Commission.

In addition to the tax penalties, you risk the following 2 penalties:


- €500 000 fine
- 5 years imprisonment

The penalties shall be increased in the following cases:


- Proceedings in organised groups
- Opening of accounts or subscription of contracts with bodies established in the foreigner
- Interposition of foreigner-based individuals or organisations
- Use of false identity or documents (or any other falsification)
- Domiciliation or fictional or artificial act to the foreigner

If you receive an aggravated penalty, you risk the following 2 penalties:

- €3 000 000 fine
- 7 years imprisonment

 **FYI** : in the event of tax evasion, criminal proceedings may be instituted during **6 years** from the year following the offence.

Prison sentences are reduced by half if the perpetrator or accomplice participates in the identification of other perpetrators or accomplices.

 **Please note :** If you acknowledge the facts, the public prosecutor may propose a **prior conviction** (<https://www.service-public.fr/particuliers/vosdroits/F10409?lang=en>) (sometimes called the *plead guilty*).

Statute and miscellaneous references

- General tax code: Articles 1729 and 1729-0 A [✉](https://www.legifrance.gouv.fr/codes/id/LEGISCTA000006179987/) (<https://www.legifrance.gouv.fr/codes/id/LEGISCTA000006179987/>)
Failure to report: tax sanctions
- General tax code: Articles 1741 to 1753a B [✉](https://www.legifrance.gouv.fr/codes/section_lc/LEGITEXT000006069577/LEGISCTA000006147294/) (https://www.legifrance.gouv.fr/codes/section_lc/LEGITEXT000006069577/LEGISCTA000006147294/)
Criminal sanctions
- Tax Procedures Book: Article L64 [✉](https://www.legifrance.gouv.fr/codes/article_lc/LEGIARTI000037993642/) (https://www.legifrance.gouv.fr/codes/article_lc/LEGIARTI000037993642/)
Abuse of law
- Tax Procedures Book: Articles L227 to L233 [✉](https://www.legifrance.gouv.fr/codes/id/LEGISCTA000006180074/) (<https://www.legifrance.gouv.fr/codes/id/LEGISCTA000006180074/>)
Prosecution Prescription
- Bofip-Taxes No. BOI-CF-INF-40-10-10 on criminal offences and penalties [✉](http://bofip.impots.gouv.fr/bofip/6135-PGP) (<http://bofip.impots.gouv.fr/bofip/6135-PGP>)
- Circular of 23 January 2014 on combating tax fraud and serious economic and financial crime (PDF - 378.0 KB) [✉](http://circulaire.legifrance.gouv.fr/pdf/2014/01/cir_37895.pdf) (http://circulaire.legifrance.gouv.fr/pdf/2014/01/cir_37895.pdf)
- Finance Act No. 2016-1917 of 29 December 2016 for 2017: Article 109 [✉](https://www.legifrance.gouv.fr/loda/article_lc/LEGIARTI000041471953/) (https://www.legifrance.gouv.fr/loda/article_lc/LEGIARTI000041471953/)
International tax fraud: whistleblower compensation