La Kanzlei

Compliance and taxes: Gifts to customers in France

Gesellschaftsrecht



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If your French subsidiary has spoiled customers during the Christmas season, there wouldn't be necessarily a threat of a criminal complaint for bribery, but rather company gifts are tax-deductible in France under the following conditions:

- The presentee is a "special customer" who serves the economic interest of the company;
- The value of the gift is proportionate to the size and/or sales of your company;
- The gift does not violate legal regulations. When giving gifts to customers, compliance officers will often think of the criminal offence of bribery. This is also a criminal offence under French law, but in reality it is more restrictive than in Germany, so that not every gift above a certain threshold constitutes a bribe per se.

VAT is only deductible for gifts of low value. According to Article 23 N of the French Tax Code (Code Général des Impôts), the purchase price for 2020 must be less than EUR 69 including taxes per year and per beneficiary. Gifts up to this threshold should in any case be harmless under criminal law.

Practical advice:

- If the total value of your gifts exceeds EUR 3000, a detailed declaration to the tax authorities is required (form "Relevé des frais généraux").
- In the event of a tax audit, you must prove that there is a link between the expenses incurred for the gifts and your company. For this reason, invoices should always bear the name of your customers.

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