

- intelligence artificielle
- international

LES ENJEUX 2025!



Henri-Louis DELSOL & Emmanuel KAEPPELIN
Managing partners

In a fast-changing world, for better or for worse, 2025 will see us keep some of our focus on expanding our services internationally through our Brussels office, which is set to grow in the next few months, but also via our partners on all continents. We especially nurtured our relationships with close friends in North America last year: lawyers, bankers, accountants, etc. Knowing how to support you abroad means being able to recommend the right contacts for your needs. Let's hope that our leaders will ignore the calls for protectionism and that France will continue to export its expertise and talent in 2025.

We will also harness artificial intelligence in 2025, but not artificial intelligence for artificial intelligence's sake. "A world dominated by Technology is lost for Liberty" wrote Bernanos (La France contre les robots). We want artificial intelligence to benefit our teams, save us time, check our knowledge, accelerate our searches and broaden our horizons in case law and doctrinal research. In short, artificial intelligence that works for you. For that purpose, we have tested several tools. Instead of replacing the human, these tools can reduce the risks of human error and enable us to concentrate on the strategic and interpersonal aspects of our profession.

We will be at your side throughout 2025 to support you as far as possible in your professional ventures.

The business community amid global issues and artificial intelligence challenges

DELSOL Avocats needs to maintain a sophisticated understanding of the challenges shaping the business landscape in order to offer our clients the right support as well as ensuring our own future.

Current affairs may be good talking points but can also cause concern when they impact the business community, directly or indirectly. Therefore, when it comes to the international environment, both geopolitical and regulatory, or the spread of artificial intelligence, analysis is required to avoid missteps and adopt good practices.

The US presidential election that ended in Donald Trump's victory on 5 November is a perfect example, if only through its potential tax implications. Whilst the OECD has been campaigning for fair taxation of the profits generated by multinationals and the digital economy, there are fears that American protectionism could hinder moves towards fiscal harmonization (see the article on page 2).

Staying with the United States, Amazon's CEO has announced that the multinational is ending its remote working policy in an attempt to strengthen its company culture. As its employees will have to go back to the office five days a week from 2 January 2025, what conclusions can we draw four years after the Covid-19 pandemic made remote working the norm in France (see the article on page 4)?

Another subject that has been hitting the headlines: the Artificial Intelligence (AI) Act, which came into force on 1 August 2024 with the aim of establishing a legal framework for the development, marketing and use of artificial intelligence systems (see the article on page 3).

In that context, generative artificial intelligence is embedding itself in the workplace and also becoming

increasingly widespread in the legal profession, raising various questions (see the article on page 3). How can we best approach this major technological advance? Which tools should we use? Will lawyers ultimately be replaced by machines?

We share our firm's vision of all these topics across the pages of this newsletter, recognizing that they are not so much concerns but rather areas of interest for many of us.

French law & American perception

DELSOL Avocats is continuing its international expansion, with particular focus on the United States. **Henri-Louis DELSOL, Mathieu LE TACON, Philippe MALIKIAN, Anna MILLERET-GODET and Julien MONSENEGO**

were delighted to have the opportunity to interact with American clients and counterparts over the course of a meeting-packed week in New York city in September.

Alongside that trip to the United States, our firm surveyed perceptions of French law amongst American lawyers, legal advisors, company directors, investors and all-American economic players more generally.

Our study reveals that American economic players see the French legal framework as complex, not least for business creation and M&A operations, and that tax is particularly high, although incentives like the research credit tax lessen that impression in investment decisions.

Donald Trump's election could exacerbate those views, with the prospect of the new administration introducing simpler, more attractive fiscal and economic policies that widen the perceived gap in competitiveness and accessibility.



US presidential election: what impact on fiscal harmonization around the world?

The OECD is striving to harmonize tax rates and bases globally in order to ensure fair taxation of the profits generated by the digital economy and multinationals, whilst combating tax fraud and international fiscal competition (Pillars 1 and 2). The presidential election on 5 November could lead the United States to have a greater, and potentially negative, influence on efforts supported and initiated by the European Union, and France in particular.

What is the US position on this situation and could Trump's recent victory change it?

Without waiting for the election, the Biden administration had already started to distance itself from fiscal harmonization initiatives. Early in 2024, then again this summer, it rejected the idea of a minimum 15% corporate tax rate, a tax on multinationals' excess profits and location-based taxation of digital services, considering that American businesses had too much to lose. This position is largely due to the inflexible attitude of the US Congress on such matters.

With Donald Trump's recent victory, its protectionist approach could go further. During his campaign, he proposed cutting the corporate tax rate from 21% to 20%, reduced to 15%

for businesses manufacturing in the United States. These measures, accompanied by possible sectorial exemptions or subsidy practices, may heighten global fiscal competition and compromise the harmonization attempts led by other OECD countries.

What reactions can we expect from the European Union and France?

In response to this situation, France may decide to maintain its tax on digital services, which primarily targets American technological giants such as GAFA (Google, Apple, Facebook and Amazon). It could be levied if there were agreement over the allocation of taxable digital profits, particularly to reflect consumers' use of digital services. The same goes for countries like

Italy or the UK, for example. Others could adopt similar national measures, creating real risks of double taxation or inconsistencies for businesses (particularly when calculating the consumer's presence from one country to another). That happened in Canada, which triggered a diplomatic row with the United States.

EU member administrations could also harden their tone against American giants on their soil by seeking to prove or increase their taxable presence, perhaps via tax raids or requests for assistance from other tax authorities. That could result in even more systematic challenges of EU subsidiaries' payments to US parent companies, e.g. fees or services charged by the latter.



Julien MONSENEGO

The Artificial Intelligence Act: risks and recommendations

On 12 July 2024, the Artificial Intelligence (AI) Act was published in the Official Journal of the European Union and came into force on 1 August 2024 ahead of full application from 2 August 2026. Some of its provisions must be followed as soon as 2 February 2025. The AI Act supplements texts on the 2020-2030 European Digital Strategy and aims to establish a uniform legal framework for the development, marketing and use of artificial intelligence systems and general-purpose AI models.

A risk-based approach

The AI Act defines four risk levels: artificial intelligence systems with minimal, limited, high and unacceptable risk. The main binding obligations affect artificial intelligence systems that are deemed high risk when applied to high-risk products (such as medical devices or toys) or high-risk sectors (e.g. critical infrastructure, education or employment).

Insofar as artificial intelligence systems involve personal data processing, organizations must also ensure that their systems comply with the General Data Protection Act of 27 April 2016 (GDPR) and France's amended Data Protection Act. To that end, the French Data Protection Authority (CNIL) has published factsheets to support organizations in their compliance and anticipate combining the demands of the AI Act with the GDPR.

The CNIL, the authority able to control AI systems

These recommendations concern the development of AI systems whose training involves processing large volumes of personal data, particularly:

- systems based on automated machine learning,
- systems whose operational use is defined from the development phase and general-purpose systems that could be used to feed various applications,
- systems that learn once or continuously, e.g. by harnessing usage data to improve.

In a privacy by design approach, these recommendations aim to define the AI system development phase, which includes the steps prior to its deployment, notably system design, database constitution and learning. Therefore, they offer developers a methodology for ensuring that their AI systems comply with personal data protection rules from the outset.

Content of the recommendations

Through seven factsheets, the CNIL clarifies how the Act applies to personal data protection in the development of AI. Its guides propose a protocol following the different AI system development phases and provide concrete responses, illustrated by examples, to the legal and technical challenges associated with applying the GDPR to AI.

Through this important information campaign, the CNIL seems fully determined to demonstrate its ability to shape AI regulation in France when the forthcoming European AI Act will make it necessary to designate the regulatory authority ensuring its correct application in France. Symbolically, it has added the term artificial intelligence to the name of its Technology and Innovation Division.



Jeanne BOSSI MALAFOSSE

AI and the legal profession: which is intelligent?

Although artificial intelligence is nothing new (many of our clients have long used it to accelerate and analyze industrial and commercial processes more effectively), generative artificial intelligence made a more sensational debut amongst the public and lawyers in 2022; will the latter disappear?



Lionel DEVIC

A directly affected profession

Since OpenAI has given the public an easy to use tool that can generate ('invent') responses to various questions, particularly legal, there has been no shortage of conferences and courses attempting to determine the future (or decline!) of an array of professions, the prompt engineering and the (ever more numerous) tools and publishers to prioritize.

The results produced by public generative AI players (photos, texts, videos, etc.) are more and more astonishing; that development comes with the mindboggling race for computing power, now quantum. Will lawyers also be replaced?

Like all industries dealing with technological breakthroughs, the legal profession is seeing a resurgence of the endless struggle between old and new. The Paris Bar debate with Xavier NIEL (investor in MISTRAL AI and also cofounder of KYUTAI, a nonprofit research centre on open-source AI) in May 2024 was enlightening. Xavier NIEL concluded thus: *"In your place, I wouldn't be worried about being replaced by a machine. But I would be worried about being replaced by someone who can use this revolutionary tool..."*

A good worker never blames the tools

That says it all! At DELSOL Avocats, we are convinced that AI won't replace lawyers but, to survive, we must keep embracing technological progress (neither good nor bad in itself) so as to be able to choose and use the best tools for applying our powers of

judgement quickly to complex, fast-moving legal situations.

We have been watching the trajectory of different publishers (traditional, like LexisNexis and Dalloz Lefebvre, and disruptors, like Doctrine or Ordalie), which launched many months ago. We are testing and already using some of their solutions. Firms are trying to develop their own generative AI, drawing on their document databases, but we feel that today's best tools, albeit far from perfect, are those from publishers that can make hefty investments and keep pace with technological breakthroughs.

A lawyer's abiding purpose: serving the client

In this fascinating context, the legal profession will necessarily evolve. Its real strength will always lie more in the exercise of our powers of

judgement, which only education and experience of similar but always unique situations can provide. Aristotle taught us that intelligence is as much in the hand as in the mind. Human intelligence is emotion and self-awareness, which artificial 'intelligence' and computing power alone do not have. Our hand can be extended by our computer and AI, but what will replace our mind?

Where are we on remote working four years after the COVID-19 pandemic?



Anna MILLERET-GODET

On 16 September 2024, Amazon announced the end of its remote working policy, forcing its employees to come back into the office five days a week from 2 January 2025. CEO Andy JASSY explained that his decision aims to strengthen Amazon's company culture, which he thinks has been undermined by remote working and bureaucracy.

In France

The trend is varied, with numerous businesses reevaluating their remote working policies. For example, Société Générale has announced a hybrid working model enabling employees to work from home up to three days a week. Similarly, Air France is adopting flexible working arrangements to balance employee requirements and operational demands.

Another notable example is L'Oréal, which favours a hybrid model enabling employees to choose their working environment. These businesses illustrate a broader trend towards flexibility in France, contrasting with Amazon's more rigid position. In general, whilst certain businesses are heading towards a strict office presence, many in France are adopting hybrid models to address employees' changing expectations.

Legally, how can we get staff back into the office?

Everything depends on the situation. Where there is a collective agreement or remote working charter, in principle these offer a uniform framework for all staff. The reversibility clauses stipulated in the agreement need to be consulted and followed.

Without such documents, remote working can be arranged by individual agreement. If remote working has been introduced by a rider to the contract of employment, a reversibility clause is often planned and can be applied. Failing which, it may be appropriate to obtain the prior consent of the employee, who is entitled to refuse.

Important: even without a formal framework, remote working can become an essential component of the contract of employment if the employer agrees to it long term. Therefore, an employer that enables full remote working for years cannot demand a return

onsite without the employee's consent as that would constitute a substantial change to the contract.

Nevertheless, a recent ruling by Paris Industrial Tribunal on 1 August 2024 confirmed the dismissal for gross misconduct of an employee who had remote worked from Canada without her employer's prior approval. Ahead of the dismissal proceedings, the employer had, unsuccessfully, requested the employee's presence at her workplace. In those conditions, the employee's refusal is not justified.

Caution, therefore, as each situation must be assessed on a case-by-case basis. A lawyer's assistance in the matter may prove necessary.

Developing our taxation practice area within the Brussels office

One year after moving to Brussels, DELSOL Avocats announces the addition of a new partner, Marc QUAGHEBEUR, and his associate, Samantha NEMBETWA LOOLA, to develop our taxation practice area within the Belgian office.



Marc QUAGHEBEUR joined DELSOL Avocats as a partner within the Belgian office's Corporate Taxation and Wealth Law and Taxation departments.

Marc advises both individuals and companies on all aspects of direct taxation in Belgium. He also advises Belgians and expatriates on all questions relating to wealth and estate planning.

Drawing on extensive experience in firms specializing in international taxation, he addresses the transnational tax issues encountered by individuals and companies.



Samantha NEMBETWA LOOLA works to deliver personal tax solutions and advises expatriates in Belgium on transborder tax issues as well as private clients on investment optimization. She provides her expertise in estate planning and pensions in a transborder context.

She also contributes to businesses restructurings as well as tax inspections and litigation.

These additions are part of our firm's development strategy, with international growth a priority.

RADIO CLASSIQUE morning show

The 'Let's talk about business' segment of the Radio Classique morning show hears from one of our firm's partners on a topical issue connected to their expertise: "Launching French companies in Italy: the practicalities; The philanthropical challenges of CSR; The unlawful termination of established business relationships; Business restructurings; Control of foreign investments in France; The US presidential election's impact on fiscal harmonization around the world."

You can listen again by scanning the QR code opposite.



PARLONS DROIT DES AFFAIRES



RADIO
CLASSIQUE

In the press...

01/01/2025

Stéphane PERRIN, Damien REMY and Anna LEMOIGNE cowrote the article "Moving towards tougher anti-counterfeiting action" published in Le BRDA.

Challenge^s

12/12/2024

Frédéric SUBRA answered Challenges questions for the article "Becoming an enlightened philanthropist."

LE FIGARO

13/11/2024

Jeanne BOSSI MALAFOSSE was interviewed for the article "Data breaches: who is responsible in the eyes of the law?" published in Le Figaro.

Le Monde

06/11/2024

Mathieu LE TACON was interviewed for the article "Should inheritance rights be changed?" published in Le Monde.

04/11/2024

Anna MILLERET-GODET wrote two articles entitled "Where are we on remote working four years after the Covid-19 pandemic?" and "Non-compete clause: is this the end?" published by Editions Législatives-actuEL RH.

B SMART

Change

06/11/2024

Jean-François DEFUDES covered the subject "Finance Bill: analysis of the major tax announcements" during the Lex Inside programme shown on B SMART 4 Change.

30/10/2024

Julien MONSENEGO and Inès VASSALO contributed to the French chapter of the latest issue of the Bloomberg Tax Transfer Pricing Forum on the topic of manufacturing activities.

30/10/2024

Philippe PACOTTE and Arthur LAMPERT cowrote an article "New 'requisite damages' and links between legal terminations and non-compete clauses" published in Jurisprudence Sociale Lamy.

LE FIGARO

11/10/2024

Pierre GOUGÉ was interviewed for the article "Why the Arnault family is moving into football in Paris" published in Le Figaro.

Option DROIT AFFAIRES

09/10/2024

Jeanne BOSSI MALAFOSSE wrote an article published in Option Droit & Affaires entitled "An example of the European authorities' cooperation on the Uber sanction."

30/09/2024

Julien MONSENEGO and Louis-Guillaume NICOLAS cowrote an article published in the JFA journal entitled "Taxing industrial property products: lessons learned five years after the preferential treatment reform."

L'express

24/09/2024

Brice BRIEL was interviewed for the article "Mutually agreed terminations: the points to remember before signing" published in L'Express.

16/09/2024

Raphaël DHONT wrote an article entitled "Qualifying the components of cooperative capital: shares" published in Le Journal Spécial des Sociétés.

15/09/2024

Alexis BECQUART and Léa ZERILLI cowrote an article for Les Nouvelles Fiscales Lamy entitled "The legal and fiscal framework of international sports federations: a failed drive for attractiveness..."

01/09/2024

Benoît BOUSSIER was interviewed for the article "Seniors, the benefits of living with a younger person" published in Le Particulier.

29/07/2024

Caroline DA LAGE and Jean LECLERCQ cowrote an article for La Lettre des Juristes d'Affaires entitled "Comprehensive asset transfers and voluntary company liquidations: important changes from 1 October 2024."

26/07/2024

Clément MOGAVERO and Alicia MEDINA cowrote an article for Le Monde du Droit entitled "The law on comprehensive asset transfers: recent changes to the publication rules with significant effects on the operations timetable."

le Moniteur

des pharmacies

12/07/2024

Gaëlle MERLIER wrote an article "Teleconsultations: what change for pharmacists with terminals" published in Le Moniteur des pharmaciens.

wansquare

04/07/2024

Jean-François DEFUDES was quoted in the article entitled: "International tax reform: pillar 1 is dead, long live the GAFA tax."

Le Parisien

02/07/2024

Frédéric SUBRA was quoted in the article: "Legislative elections: inheritance, new brackets, return of wealth tax... Who would benefit from the candidates' tax pledges?" published in Le Parisien.

LexisNexis

27/06/2024

Xavier DELSOL and Arnaud LAROCHE contributed to issue 26 of La Semaine Juridique Notariale et Immobilière with an extended article on shareholder foundations.

Work highlights



Construction of France's first Hindu temple



Divestiture



ESG financing of €70 M



Takeover of N2B Arrosage



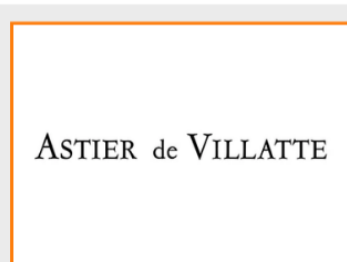
Share acquisition



Acquisition of a real estate complex



Acquisition of DAHER VALVES



Majority stake acquired by Vesper Investissement



Takeover of Toma Interim



Planned acquisition of the BONDUELLE Group's bagged salad business line

Events

03/12/2024

Amaury DUMAS MARZE and Jean-Baptiste AUTRIC participated in the conference entitled "Distressed charities" as part of the RéFLEX Group meeting organized by the Lyon Bar.

28/11/2024

Frédéric SUBRA chaired a conference organized by Finix Events in Geneva on the "Donations, abuse of process and recent developments planned in the 2024 Finance Act."

27/11/2024

Delphine BRETAGNOLLE participated in the Employment - HR Committee held at the Maison de la Chimie AURA on the topic: "Responding to a downturn in activity."

21/11/2024

Renaud-Jean CHAUSSADE and Maxime CASTIGLIONE cochaired a breakfast on the theme "Solar heating commercial buildings: good legal, technical and insurance practices" in collaboration with Marie-Dominique ALINAT (APEM Energie) and Gautier CLAUDINON (Alexis Assurances).

NOVARTIS

25/10/2024

Stéphane PERRIN, Damien REMY and Anna LE MOIGNE trained the NOVARTIS Legal Division on the challenges AI poses to copyright.

17, 24/10/24 & 14/11/2024

Nathalie PEYRON and Pauline TORRAS cochaired a breakfast on the theme "Chronicle of a construction project end: good practice."

17-18/10/2024

Jeanne PARRET attended the event organized in Barcelona to mark thirty years of twinning with the Lyon Bar: an incredible opportunity for exchanges with our Barcelonian counterparts and a better approach to the Spanish judicial system.

08/10/2024

Jeanne BOSSI MALAFOSSE and Apolline LEFAURE cochaired a breakfast on the topic "European Health Data Space."

The DELSOL Avocats endowment fund's 2024 awards

Founded in February 2009 as an outlet for the firm's philanthropy, the endowment fund calls every year for general-interest groups to present an innovative project centred on development, fulfilment and especially promoting human dignity.

On 13 November 2024, DELSOL Avocats had the pleasure of allocating a €40,000 grant between the three finalists of our endowment fund's award ceremony at the National Forum of Associations & Foundations in Paris.

The first prize of €20,000 was awarded to the charity PARCOURS BE FREE, which aims to help young people aged 13-18 use digital tools appropriately. It also combats the risks of misusing such tools, which can hinder intellectual, social, physical and mental stimulation. The original initiative proposed by PARCOURS BE FREE can be delivered in secondary schools and youth/after-school clubs.

The second prize of €12,000 was awarded to the charity PRÊTE-MOI TES AILES, which supports families affected by Down's syndrome

and cognitive impairment. Its project aims to end their isolation with events and activities making the disabled more independent and giving carers some well-deserved respite.

Finally, the third prize of €8,000 was awarded to the charity MAGDALENA, which organizes nightly visits to reassure and support sex workers. It hopes to boost the numbers volunteering for 'Les Tournées du cœur', which functions as a community.

For fifteen years, the DELSOL Avocats endowment fund has supported philanthropical project leaders, enabling them to develop their work. Therefore, we strongly encourage charities to apply for next year's grant, which attracts numerous participants and is an integral part of our firm's ethos.

Look back at the 2024 Away Days in Brussels



On 19 & 20 September 2024, members of DELSOL Avocats, i.e. nearly 200 people, met in Brussels for our traditional Away Days.

The two sun-filled days were an opportunity to learn from the extensive experience of paraglider Tom de DORLODOT, visit our Belgian team's offices within the IT Tower, celebrate, play games and (re)discover the Belgium capital's attractions.

To record those magical moments, a souvenir video has been made. Watch it by scanning the QR code opposite.

That is also 'The people-first approach' that drives us!

