The concept of matrimonial regime is fundamental to French family law, particularly in the event of divorce.

Under European law, the concept of “matrimonial regime” was defined in the De Cavel I decision and was also repeated verbatim in the recent European “Matrimonial Property Regimes” Regulation as including “not only property arrangements specifically and exclusively envisaged by certain national legal systems in the case of marriage, but also any property relationships between the spouses and in their relations with third parties, resulting directly from the matrimonial relationship, or the dissolution thereof.”

In principle, there is also a fundamental distinction between matrimonial regime and spousal support. The landmark ECJ decision, Van den Boogaard, effectively defines the two concepts according to the objective sought by the decision in question. Thus, if its objective is to provide for the maintenance of a spouse in need or if the needs and resources of each spouse are taken into consideration to determine its amount, then the decision has to do with spousal support. However, if the subject of the decision relates only to the distribution of property between the spouses, then it is a question of matrimonial regime.

Issues in private international law that relate to this distinction between the concept of “matrimonial regime,” on one hand, and “spousal support,” on the other hand, are exacerbated by the entry into force of the “Matrimonial Property Regimes” Regulation of 29 January 2019, which sets strict rules for jurisdiction and applicable law. In divorce cases, this Regulation is applied in France in an overlapping manner with the European Regulation on spousal support, which has been in effect since 18 June 2011. For this reason, practitioners must be able to determine clearly which situations fall under the “Matrimonial Property Regimes” Regulation and, on the contrary, which situations fall under European instruments related to spousal support.

Thus, under French law, if a French judge takes into account factors that center around the needs of the spouses, it is a matter of spousal support obligations, known in France as compensatory allowance (“prestation compensatoire”) or as alimony (“pension alimentaire”) when it is part of the duty of support during divorce proceedings. On the contrary, these criteria are, in principle, absent in France at the stage of liquidating the matrimonial regime.

In common law countries, English and American judges, like French judges, do make a distinction between the payment of spousal support after divorce and the division of property. One notices, however, that, in practice, while French judges mathematically implement the rules that apply to liquidating matrimonial regimes, it is different for judges in common law countries, who divide property according to more subjective and discretionary criteria.

In light of this reality, the real issue is the fact that the notion of matrimonial regime is a concept that simply does not exist in common law countries.

Indeed, the French practice shows that, very often, the particularities of the rules of common law countries regarding the division of spouses’ property at the time of divorce are disregarded, since, by using a very artificial fiction, attempts are made to equate these rules with those of a similar matrimonial regime in French law.

French practitioners of private international family law thus find themselves confronted with a situation like that of a child who tries desperately to fit a square into a round hole without changing the shapes. It is simply not possible to fit them together and it is illusory to insist on applying the rules of French matrimonial regimes by analogy.

The purpose of this article is to describe, by comparison with French law, the rules of common law countries on the management of property during the marriage and then in the event of divorce (1).

This analysis will show that it is simply impossible to analogize to the rules of the French Civil Code if one truly wants to apply foreign rules (2).

1. Rules on management and division of property in common law countries

1.1. Rules on management of spouses’ property during the marriage

French rules—Under French law, marriage has a direct effect on the spouses’ estate and the management of property accumulated during the marriage. Their married life is, in fact, governed by the default regime of community of acquired assets (community réduite aux acquis) if the spouses have not chosen another regime and, conversely, very different rules apply to the management of their property during the marriage if another matrimonial regime applies.

Delphine Eskenazi, *Libra Avocats*, is a member of the Paris and New York bars. Inès Amar, is a member of the New York bar.
For example, under the French community property regime, common assets consist of property obtained after the marriage as well as the fruits of separate property, and separate assets consist of property acquired either before the marriage or after the marriage through inheritance, bequest or gift. Liabilities consist of debts incurred during the marriage (except for compensation). Each spouse may manage common property on his or her own; however, neither spouse may dispose of it on his or her own.

British rules—Conversely, during the marriage, the British regime more closely resembles a separation of property regime in the sense that marriage is deemed not to have any effect on the spouses’ property rights. This lack of interdependence between spouses and of solidarity in relation to creditors does, in fact, remind one of the French separation of property regime.

Thus, marriage is deemed not to have any impact on the spouses’ property relations: Each remains the owner of the property he or she acquired prior to the marriage, and property acquired after the marriage belongs to him or her just as if he or she were not married. Consequently, during the marriage, the applicable rules are those of relevant ordinary law depending on the issues involved. For example, spouses’ capacity to enter into contracts and related issues, such as one spouse’s responsibility for the debts of the other spouse, are governed by contract law. Property and inheritance law (particularly with the system of recording titles) governs other issues which, under French law, would be governed by the matrimonial regime. Regarding the marital home, supposing that it was acquired in the name of both spouses, if it is sold, the spouses will share the price equally, even if one of them paid the entirety or the vast majority of the price, due to a presumption of donation which works in favor of married couples.

American rules—Under American law, even though there is no concept of matrimonial regime per se, the idea is even more present than in British law since there is a clear distinction between marital property and separate property.

The majority of states maintain separation of property as the default. Therefore, each spouse may dispose of his or her own property, even though both spouses must consent to alienate or mortgage shared immovable property. Variations do exist, however, depending on the state in question.

Thus, although the majority of states are referred to as “separation of property” states, a minority of states are considered “community property” states (Arizona, California, Idaho, Louisiana, Nevada, New Mexico, Puerto Rico, Texas, Washington, Wisconsin). These rules are different at the time of divorce, as explained below.

1.2. Rules on division of property at the time of divorce

Obviously, it is at the time of divorce that the question of the judge’s power to divide spouses’ property generally becomes important. It will then be noted that, as a matter of principle, French judges apply rules that are at odds with those implemented by common law countries.

The objectivity and rigor (and sometimes even injustice) of civil law rules on liquidating the French matrimonial regime contrast with the discretionary and very subjective powers that judges in common law countries apply in the interest of fairness.

French rules—It will be recalled that, in French law, under the default matrimonial property regime, each spouse takes back his or her own property, and common assets are liquidated, then divided, in order to establish what compensation is due. Under the regime of community of acquired assets, each spouse has the right to share in half the value of the net assets that are found in the other’s estate, measured according to the double estimate of the original estate and the final estate. Under the separation of property regime, each spouse takes back his or her own property and joint property is divided. Whether or not a marriage contract exists is obviously a determining factor and French judges strictly apply marriage contracts.

Therefore, under French law, the matrimonial regime is liquidated and divided without taking into account the needs of the spouses, which are largely taken into consideration, however, when calculating the compensatory allowance. Courts, however, constantly recall that the purpose of the compensatory allowance is not to compensate the spouses’ matrimonial regime (particularly in the case of separation of property).

British rules—Under British law, at the time of divorce, the judge rules on financial effects (“financial provision order” in the form of periodic payments or a flat sum) as well as on property (“property adjustment, lump sum and pension order”) and these financial determinations are contained in a single decision (“a financial remedy order”).

In the absence of a prenuptial agreement or foreign marriage contract, under British law, judges are first likely to divide property, depending on the circumstances, on the basis of the “yardstick of equal division.” The judge starts from the principle that property will be divided equally between the two spouses, and then sometimes adjusts the percentages according to the circumstances, it being specified that the starting point must be equal division (unlike the default regime under French law, the judge does not necessarily distinguish between property acquired prior to the marriage and property acquired during the marriage when making this equal division of property). This principle of equitable division obviously can only be applied in circumstances where the spouses have an estate and assets to be divided.

The judge, therefore, has the power to set aside an equal division depending on the circumstances, particularly with respect to the nature of the property in question, the spouses’ respective financial capacities, and their standard of living during the marriage.

Other factors may be taken into account in order to set aside equality: the length (short) of the marriage, (par-
particularly without children), the fact that the property was received as an inheritance or gift, whether there are more assets than necessary to meet the parties’ needs, illiquidity of the existing assets, etc.\(^{18}\)

However, the fact that only one spouse earned income during the marriage is not enough to set aside an equal division, since British judges consider the contribution of the spouse who took care of the home and raised the children to be very important also\(^{19}\) (there should be no discrimination between the homemaker and the breadwinner).

Finally, it is important to note that British judges’ jurisdictional powers are centered around three concepts: compensation, sharing, and needs. The “sharing” powers of British judges relate to the spouses’ rights over the property, for which the initial presumption is that of a division of property, while the concept of “needs” aims to take into account the needs of the spouses, particularly the needs of shelter and basic necessities. The concept of “compensation” is rarely implemented by British judges.\(^{20}\)

This distinction is very important because it finally allows one, to a certain extent, to distinguish the powers of British judges with respect to “matrimonial regime” from their powers with respect to “spousal support” (as this distinction is made in the Van den Boogaard decision cited above).

In light of all these concepts, when ruling on the financial consequences of divorce, a judge will first consider all the assets (including retirement funds and both liquid and illiquid investments, as well as debts) in order to determine which assets the spouses, respectively, will receive. The judge will then equally divide those assets unless, according to the circumstances, there are reasons not to divide them equally.\(^{21}\) Such a division, as far as possible, should cover each spouse’s need for capital, interpreted broadly.\(^{22}\)

In addition to this division, the judge will look at the present and future revenue and resources of each spouse and may then order additional sums (“periodic payments”) which will take into account the “income needs” of each spouse. This assessment considers the couple’s lifestyle during the marriage, each spouse’s financial potential and capacity to earn income to support this lifestyle, the need to care for minor children, and life expectancy.

This sum will generally be ordered in the form of a life annuity or for a set period. The debtor spouse, however, may propose that this amount be paid in one lump sum (converting the annuity into “capitalized maintenance”).\(^{23}\)

Therefore, one sees that the method British judges follow is, in reality, rather similar to the criteria that French judges use when ruling on compensatory allowances under French law, since French judges, pursuant to Article 271 of the Civil Code, must, in principle, consider “the estimated or foreseeable estate of the spouses, in both capital and revenue, after the matrimonial regime is liquidated.”

American rules—In the vast majority of American states, at the time of divorce (and also when there is no prenuptial agreement), spouses keep property that is considered “separate property,” while property that is considered “marital property” is divided equitably according to the spouses’ circumstances (“equitable distribution”).

The rule is therefore not equal division, but “equitable” division, according to the circumstances. Therefore, although the concept of matrimonial regime is unknown in American law, an American judge’s reasoning is nonetheless similar to that of a French judge insofar as the American judge takes into account the distinction between separate property and communal property and does not create a purely equal division without taking into account each party’s property rights.

Among other factors that an American judge takes into account in order to establish equitable distribution are\(^{24}\) the length of the marriage, the age and health of the parties, their income potential, their respective contributions during the marriage, the liquidity or illiquidity of the marital property, etc.

This brief description makes it possible to draw attention to all the fundamental differences between the French approach and the approach of common law countries. These differences are teleological, intrinsically related to the role that judges have historically played in these countries. The judge’s discretionary power must be preserved in order to arrive at a just and equitable result that depends on the circumstances of each case.\(^{25}\)

How then can a French judge implement these rules without losing their true nature? Is such a reconciliation possible?

2. From analogy to distortion: How can the rules of common law countries be preserved in divorce cases?

2.1. The fiction of analogy with a matrimonial regime under French law

Many practical difficulties arise from the failure of French courts to consider the particularities that result from the lack of a concept of matrimonial regime in common law. In fact, French judges, unaware of these issues, take a simplistic view which is not necessarily in accordance with the foreign law and which often leads to results that may be the opposite of those that would have been obtained in the country where the law applies.

The fiction that the British regime can be equated with the French separation of property regime, notwithstanding the principle of equal division at the time of divorce—Thus, French judges generally equate the British “default regime” with a separation of property regime.\(^{26}\) This analogy is particularly established in doctrine.\(^{27}\)

Those who equate the British regime with a separation of property regime acknowledge that there are imperfections,
expressed as “exceptions to the principle of separation.”28 For example, under French law, a spouse under a separation of property regime remains responsible for contributing to the costs of the household to the extent of his or her abilities, or as provided in the marriage contract. However, under British law, there is no law requiring spouses to share household costs equally or even to contribute to them.29

Such a simplification is erroneous for two reasons: on one hand, because these systems do not really have a concept of matrimonial regime, and, on the other hand, because equation with a single regime that would apply both at the time of marriage and at the time of its dissolution in the event of separation does not reflect the status of the spouses’ rights at the time of divorce.

British judges have themselves ruled on this issue several times. On one hand, in the Radmacher decision30 (landmark decision on marriage contracts in the United Kingdom), the British judge stated: “It is clear that the exercise under the 1973 Act does not relate to a matrimonial property regime.” On the other hand, in the Charman decision,31 the judge stated that “our jurisdiction does not have matrimonial property and it is scarcely appropriate to classify our jurisdiction as having a marital regime of separation of property.”

Such assimilation was also criticized in doctrine. Thus, in the International Encyclopedia for Family and Succession Law: 32 “It is a matter of debate whether England and Wales actually have what could be termed a ‘matrimonial property regime.’ Certainly, there is no statutory code labelled as such, and […] the concept of ‘matrimonial property regime,’ as understood in Continental Europe, is unknown in England.”

Another author33 wrote: “As for the so-called separation of property known in Anglo-American countries, it is no more than a legend […] [and …] ‘Separatist’ systems allow for a redistribution of ‘family property’ when the marriage is dissolved to ensure equality between the spouses. Even if a piece of property is the personal property of a spouse, it may be awarded to the other spouse to compensate for inequalities in the estates.”

In reality, the British regime (the solution under American law is equivalent) is very unlike the matrimonial regime under French law, which requires a great deal of attention to be paid during liquidation and division of the regime to the property rights of each spouse and to what was acquired before or during the marriage, together or separately, in order to establish debts and compensation between the spouses and arrive at a distribution of property that reflects the specificities of the regime to which the spouses agreed when they got married. The situation was summarized by a French notary:34 “British law simply does not have the legal category of ‘matrimonial regimes.’ Without the concept of matrimonial regime, notaries cannot rely on notions of ‘acquests,’ ‘separate’ or ‘personal property,’ ‘compensation’ or ‘debts between spouses.’ There is no entitlement to property acquired during the marriage, liquidation of the joint estate or matrimonial benefit under British law.”

Thus, if one insisted on fitting the British regime into a French legal category, it would be necessary to equate the rules that apply during the marriage with a separation of property regime, and those that apply at the time of divorce with a universal community property regime,35 but one which would be divided according to principles of equity. This position is, in fact, the closest to the reasoning of a British judge who, far from going into the details of how the spouses managed their finances during the marriage in order to establish debts and compensation according to the actual contributions and property rights of the spouses, takes an extremely broad view, since the judge divides the spouses’ estate into two equitable portions without distinguishing between property acquired before the marriage and property acquired after the marriage.

The fiction of equating the American regime with a single matrimonial property regime, notwithstanding the principle of “equitable distribution” at the time of divorce—The rules that apply during the marriage, depending on the state, are comparable to a separation of property regime or a community of acquired assets regime. However, at the time of divorce, a community of acquired assets regime is more analogous (since nearly all states apply the rule of “equitable distribution” or an equivalent rule at the time of divorce).

We could also compare these rules to a partnership of acquests regime given the duality between marriage and divorce.

The analogy with the partnership of acquests is also partially inaccurate insofar as, in the event of death, the rules that applied during the marriage are maintained (which would not be the case under French law where the liquidation rules are identical regardless of whether the dissolution is due to divorce or death).

Finally, it should be noted that applying the rules of French matrimonial regimes will often lead to the notary taking into account debts or compensation between the spouses, according to the rules of the French Civil Code, even though equivalent rules do not exist in common law countries.

Therefore, it is clear that it is the original reasoning, namely the insistence on equating the rules of common law countries with a specific French matrimonial regime by analogy, is wrongheaded, regardless of the regime chosen for comparison.

The differences between the two systems are, in reality, too fundamental and such an analogy becomes, in fact, a distortion.

2.2. How to truly incorporate property division rules from common law countries at the time of divorce

When forced to apply the British or American legal system, judges sometimes try to apply specific foreign rules while maintaining certain French assumptions. One will note, however, certain judges’ laudable efforts to try to apply more strictly the spirit of judges from common law countries.
Published decisions on these issues are extremely rare and often rather topical.

The reasoning of a Poitiers Court of Appeals decision of 2014 is rather interesting. In this decision, the spouses, who had married under the separation of property regime, had acquired an immovable property and the dispute had to do with the division of this property. Rather than reasoning directly by analogy with the rules of French law, the court, asked by the wife to do so, agreed to apply the criteria of Articles 24 and 25 of the Matrimonial Causes of 1973 to determine the spouses’ rights and potential debts.

In a Paris Court of Appeals decision to which British law applied, the French judge had already taken into account the considerable discretionary power that a British judge would have if ruling on the fate of the marital home. Thus, the French judge, seeking to adapt the law, took the attitude that a British judge applying the law would have. He made use of British judges’ wide purview and ruled without relying on a French matrimonial regime.

French judges’ efforts have sometimes created complete confusion between French law concepts and foreign law concepts, which ended up being conflated. For example, in a 2016 decision, the Agen Court of Appeals acknowledged that British law applied to the issue of liquidating the matrimonial regime. It specified that, under British law, “matrimonial regimes per se do not exist and the parties’ relationships are governed by rules similar to separation of property, the liquidation of common interests being tempered by the principle of equity which de facto establishes a presumption of liberal liberty leading to a division in half in certain cases.” It rejected the application of any occupation compensation, a concept which is unknown in British law. However, the court established a monetary sum which it ordered the husband to pay the wife. Thus, despite having a certain understanding of the British system, French judges tend to make associations with known concepts of French law, even if such mechanisms are unknown in British law.

Finally, another decision of the Agen Court of Appeals may be cited in which, to oppose the seizure and sale of a car, the debtor invoked the “British legal regime of separation of property,” which he claimed the spouses were subject to, against the plaintiff creditor in an attempt to obtain thereby an acknowledgment of the existence of his wife’s joint rights over the vehicle (in order to have the seizure nullified). The French judge considered that, in the absence of any indication in the sale contract of joint financing of the vehicle, and the existence of a registration in the husband’s name alone, it was the sole property of the husband. A reading of the reasoning of this decision is interesting in that it allows one to see the implicit will of the trial judge to implicitly follow the rules of evidence of the French regime of separation of property to determine whether the vehicle in question was joint property or not according to the British regime, which nonetheless applied, unfortunately, without conducting a real substantial analysis of the rules of British law.

An analysis of these decisions makes one aware of the difficulties judges face in such situations, similar to the difficulties faced by notaries who must perform the same task.

The discretionary power of judges in common law countries also means that, in cases with significant financial stakes, each spouse will produce a certificate of custom on how the rules of the foreign country are implemented; unless a clear consensus emerges, the temptation for the French judge to apply known rules of French law by analogy is great.

However, solutions may exist to mitigate these difficulties while respecting the spirit of common law countries.

Indeed, one could, in the case of a dispute between divorcing spouses, simply ask the French judge to appoint a joint foreign law expert who would make a recommendation on the issue of division of property based on the applicable criteria of the foreign law. This practice of joint expert opinions is, furthermore, extremely widespread in common law countries when it is a matter of applying a foreign law in those countries.

The appointment of a joint expert should, however, be strictly defined by the French judge in order to avoid deviations.

In particular, one might imagine that the joint expert could be tempted to give an opinion on the issue of compensatory allowance and the French judge therefore absolutely must take care to specify the framework of the expert opinion in his or her decision, namely only the issue of the division of property between the spouses, and not that of spousal support after divorce, which takes into account the needs of one of the spouses. In the case of the British system, this means that the joint expert should make a recommendation while considering only the issue of “sharing” while setting aside the determination of the amount related to “needs” or “compensation.” In the case of the American system, this means a recommendation to carry out the “equitable distribution” of marital property.

It is essential for courts to strictly define the missions of joint experts they appoint when appropriate, in order to abide by the distinct rules of jurisdiction and of applicable law provided by European Regulations that apply to such questions, since British or American law applies in such scenarios only to the issue of the division of property between the spouses and not to issues of spousal support.

Practitioners of private international family law should review the practice of equating the rules of common law countries with the rules of French matrimonial regimes. Practitioners should not hesitate to advise their clients to use a joint expert, whether in the event of litigation or in the event of voluntary liquidation with a notary.

One should note, finally, that these difficulties exist whenever spouses do not provide in advance for the rules that will apply in the event of a divorce; whereas, these
rules may, by and large, be anticipated today by prenuptial agreements or marriage contracts and, by anticipating them, future disputes may be avoided.

If there is no prenuptial agreement or marriage contract, we must now take into consideration the particularities of the rules of common law countries on the division of property. Otherwise, we will continue to try to fit a square peg into a round hole.

Endnotes
1. ECJ, 27 March 1979, De Caroli I, Case 143/78.
3. ECJ, 27 February 1997, Mr. A. van den Boogaard v. Ms. P. Laumen.
5. The common law countries described in this article are essentially the United Kingdom and the United States. It should be noted, however, that most other common law countries in the world follow the rules of one or other of these countries in a relatively similar manner. Thus, the rules in Hong Kong or Singapore are very similar to British rules. Canadian rules (except for the province of Québec) are also very similar to American rules.
7. Id.
8. Id., provided that no “declaration of trust” is made by either spouse.
11. L. Ferguson, Fairness and the Eye of the Beholder: A Comparative Perspective on Financial Remedies upon Relationship Breakdown, available on the website www.iafl.com which cites the British author J. Scherp: “[w]hile [the English discretionary approach] acknowledges that each marriage is different and that therefore fairness might require tailor-made court orders, such an approach very deliberately sacrifices the legal certainty that matrimonial property regimes can provide to achieve the overarching aim of a ‘fair’ outcome.”
13. J. Scherp, cited above by L. Ferguson: “[w]hile [the English discretionary approach] acknowledges that each marriage is different and that therefore fairness might require tailor-made court orders, such an approach very deliberately sacrifices the legal certainty that matrimonial property regimes can provide to achieve the overarching aim of a ‘fair’ outcome.”
14. For example, CA Limoges, 25 June 2009, No. 08/00106, CA Agen, 27 November 2008, No. 08/00162.
17. International Encyclopedia for Family and Succession Law, National Monographs/England and Wales, Suppl. 92 (2018), 423: “There is no requirement that spouses share the household expenses equally, or even that each should make a fair contribution.”
19. In fact, under the universal community property regime under the property that was not part of the communal property, which owned at the time of their marriage or on the date they adopted the regime. Upon dissolution of the marriage, each spouse takes back the property that was not part of the communal property, which is rare in terms of universal community property (referring to property provided for in Article 1404 of the Civil Code).
22. CA Agen, 12 May 2016, No. 14/01072.
23. CA Agen 18 November 2015, No. 14/01588.
24. Except, of course, where spousal support obligations themselves are subject to the same foreign law.