

# BUILDING THE FRANCE OF 2030 TODAY:

## Government measures to support businesses and employees impacted by covid-19 situation as of february 22, 2021

**FACED WITH THE RESURGENCE OF THE COVID-19 EPIDEMIC AND THE RISK OF PROPAGATION OF VARIANTS OF THE VIRUS, BOTH IN FRANCE AND ACROSS MANY COUNTRIES AROUND THE WORLD, NEW RESTRICTIONS CAME INTO FORCE ON JANUARY 16, 2021 THROUGHOUT FRANCE. A CURFEW APPLIES FROM 6PM TO 6AM IN ALL REGIONS OF MAINLAND FRANCE AND ANYBODY LEAVING OR ENTERING THE COUNTRY TO OR FROM A COUNTRY OUTSIDE THE EUROPEAN UNION IS PROHIBITED, EXCEPT FOR COMPELLING REASONS. THE STATE OF HEALTH EMERGENCY HAS BEEN EXTENDED UNTIL JUNE 1, 2021 INCLUSIVE.**

The French government's priority remains to protect the health of the population, while working to limit the economic impact of these new restrictions, preserve jobs and the financial health of businesses.

At the same time as the evolution of the epidemic situation and the latest restrictions adopted as a result, the government has confirmed, starting from the beginning of 2021, the extension of massive and increased support to the economy, in two areas:

- By reactivating a number of emergency economic measures implemented in the spring of 2020 then reactivated in October 2020 (i.e. deferral of upcoming social security contributions and/or tax payments, simplified short-time working scheme).
- By adapting them again more in the long term to the needs of businesses facing an enduring decline (i.e. extension of the State-guaranteed loan until June 2021 and possibility of deferring by an additional year the need to pay it back, reactivation and extension of the Solidarity Fund, long-term short-time working scheme).

This new phase of economic support is fully in line with the massive efforts made by France since the start of the crisis to support businesses and employees impacted by this health crisis, and to enable the broadest and most well-structured economic recovery possible:

- €470 billion deployed during the economic emergency phase between March and May 2020 (€170 billion in direct aid to businesses, €300 billion in guarantees granted by the State), then an additional €20 billion during the second lockdown phase introduced from October 29 to December 15, 2020.
- €45 billion allocated in June to support the sectors most affected by the crisis (€18 billion for tourism, €15 billion for aerospace, €8.5 billion for the automotive industry, €4 billion for tech and startups).
- €100 billion announced in September 2020 (including €40 billion from the historic €750 billion European recovery plan, based on a Franco-German initiative), as part of the French economic recovery plan "Relaunch France". Further details of the measures of interest to foreign businesses and their establishments in France implemented by the French economic recovery plan: "[Relaunch France](#)" (Business France)

Ensuring the continuation of economic activities despite the active circulation of the virus is the collective ambition supported since March 2020 by the public authorities, business leaders, employees, as well as schools and transport. In order to support businesses in the management and implementation of measures appropriate to the worsening health situation, the Ministry for Labor published on January 29, 2021 an updated version of the "[national protocol to ensure the health and safety of employees faced with the Covid-19 epidemic.](#)" This document specifies the general doctrine of collective protection that private-sector employers must put in place.

The French government has made every effort to provide detailed and updated information on the evolution of the epidemic since last March ([government website](#)). Specific recommendations have thus been made public, in particular: [Travel advice](#) (Ministry for Europe and Foreign Affairs), [updates and health precautions](#) (Ministry for Health), [questions/answers updated daily](#). A call center providing all the relevant information has also been set up: 0800 130 000 (in French only).

The economic continuity unit of the Ministry of Economy, Finance and Recovery has been reactivated, the [online help tool](#) for businesses is regularly updated, and a new emergency information number has been open to businesses since November 2, 2020: 0806 000 245. A FAQ is also available on the [choosefrance.fr](#) website (in French and English).

## TAX MEASURES

**FOR BUSINESSES THAT ENCOUNTER CASH FLOW PROBLEMS, THE FOLLOWING MEASURES ARE APPLICABLE:**

### **1. Allow upcoming social security contributions and/or tax payments to URSSAF and/or French tax administration to be carried over again, for the month of January 2021.**

This measure is primarily aimed at employers who are experiencing a direct or indirect closure or restriction of their business as a result of measures decided by the public authorities.

Declarations must be filed by the due dates, but payment of all or part of these employer and social security charges (including additional pension contributions) may be deferred for up to three months, without penalty or proof.

The postponement of tax due dates will, however, be studied on a case-by-case basis for the businesses most affected by the decline in activity due to the health crisis and the lockdown. It may be spread over a period of up to three years.

#### **Which taxes are targeted?**

It concerns all direct business taxes: corporate tax payment, payroll tax. VAT and repayment of the withholding tax are excluded.

The direct debits of the corporate property contribution (CFE), the business value-added contribution (CVAE) and property taxes may also be suspended directly on the professional tax account of the businesses.

#### **How to benefit from it?**

The request for extended payment terms (or for reimbursement for March payments, if made before March 15, 2021) will be applicable:

- \ For social security contributions, via the URSSAF website for employers and self-employed workers (in the absence of any response from the URSSAF within 48 hours, the request is considered accepted).
- \ For tax charges, please contact the affiliated Corporate Tax Office (SIE).

#### **Who is eligible?**

This measure is aimed at businesses subject to the payment of a direct tax in France, regardless of their size, and primarily employers who experience a direct or indirect closure or restriction of their business as a result of measures decided by the public authorities. The government calls on businesses to show responsibility in the use of the facilities granted, so that they benefit above all the businesses and self-employed workers who need them.





## **Dividend payment**

Businesses with more than 5,000 employees, or with revenues of more than €1.5 billion, in France that request a postponement of tax and social security deadlines commit to refrain from paying dividends in 2021 to their shareholders in France or abroad (except for entities that have a legal obligation to distribute a part of total dividends during the course of the year) and not to buy back shares during the course of 2021.

For groups, this commitment covers all entities and subsidiaries in the group, even though only some of these French entities or subsidiaries would benefit from cash support.

## **2. Accelerate the refund by the administration of VAT and tax credits to businesses.**

### **Which taxes are concerned?**

VAT and all tax credits.

### **How to benefit from it?**

To obtain reimbursement of the VAT tax credit, the business must submit a request online, directly on its professional account or by contacting one of the authorized partners (EDI partners).

Requests for reimbursement of tax credits that may be returned in 2020 (e.g. research tax credit, sector tax credits) must also be sent by remote declaration to the professional section of the [impots.gouv.fr](https://impots.gouv.fr) website.

### **Who is eligible?**

Businesses of all sizes.

## **3. Allow direct tax rebates and assistance with the payment of social security contributions for businesses in the most precarious situations and which are threatened to go bankrupt.**

An exemption from social security contributions was implemented in October 2020 and renewed in January 2021 for businesses with fewer than 50 employees that are administratively closed, as well as for businesses with fewer than 250 employees in the most affected sectors (e.g. tourism, hotels, catering, events, culture, sport) with a fall in activity of at least 50%. The scheme may be extended by decree until the end of the state of health emergency (June 1, 2021 inclusive, subject to further extension).

This system of assistance for the payment of social security contributions of 20% of the wage bill is also open to businesses with fewer than 50 employees that are administratively closed.

### **What debts are concerned?**

Tax and social security debts (employer contributions).

### **How to benefit from it?**

These rebates will be reviewed on a case-by-case basis by the Financial Sector Advisory Committee (CCSF) of the department of the business' headquarters. The referral is made by post.

### **Who is eligible?**

Businesses of all sizes facing financial difficulties or subject to administrative closure.

## FINANCING MEASURES

### FINANCE THE OPERATION CYCLE AND CONSOLIDATE THE CASH FLOW

#### 1. Extension of the State guarantee for bank loans granted to businesses and possibility of automatically obtaining repayment deferred by up to two years

##### What is it?

Until June 30, 2021 (instead of December 31, 2020 as originally planned), businesses can apply to their usual bank for a [State-guaranteed loan](#) to support their cashflow. The amount of the “State-guaranteed loan” (PGE) may represent up to three months of the business’ 2019 revenues. It will be possible to make a request combining several loans, but the cumulative amount must not exceed 25% of the business’s revenues, or two years of payroll for startups or innovative companies. No repayment will be required in the first year, and the business may choose to amortize the loan over a maximum period of five years, with rates of between 1 and 2.5% (including government guarantee) negotiated with French banks for SMEs without this being considered as a default on payment by the Banque de France.

Furthermore, in consultation with the French Banking Federation, the Minister for the Economy, Finance and Recovery announced on January 14, 2021 that businesses – from any sector and of any size – will be entitled to an additional one-year deferral if they are unable to start repaying their PGE in 2021 (for example, deferral to April 2022 for a business unable to repay, from April 2021, a loan taken out in April 2020).

This measure thus increases the possible deferred repayment for businesses to two years.

##### How to benefit from it?

For businesses with fewer than 5,000 employees and that accounted for revenues of less than €1.5 billion in France: The business contacts a banking partner to make a request for a loan then logs onto the [attestation-pge.bpifrance.fr](https://attestation-pge.bpifrance.fr) platform.

For businesses with more than 5,000 employees or that accounted for revenues of more than €1.5 billion in France: the business contacts a banking partner to obtain a pre-loan agreement, and then forwards its request to [garantie.etat.grandesentreprises@bpifrance.fr](mailto:garantie.etat.grandesentreprises@bpifrance.fr). The State guarantee is given by individual order of the Ministry for the Economy, Finance and Recovery.

##### Who is eligible?

Businesses of all sizes.

##### Dividend payment

Businesses with more than 5,000 employees, or with revenues of more than €1.5 billion in France that request a State-guaranteed loan, commit to refrain from paying dividends in 2021 to their shareholders in France or abroad (except for entities that have a legal obligation to distribute a part of total dividends during the course of 2021) and not to buy back shares during the course of 2021.

For groups, this commitment covers all entities and subsidiaries in the group, even though only some of these French entities or subsidiaries would benefit from cash support.

#### 2. Guarantee to SMEs and mid-size companies

##### What is it?

Guarantee given on confirmed credit lines for 12 to 18 months or on three- to seven-year loans; a six-month deferment as of March 16, 2021.

##### How to benefit from it?

Contact Bpifrance by filling out the [online form](#) (or call the freephone number: 0969 370 240).

##### Who is eligible?

SMEs and mid-size companies.





### 3. Liquidity support loan

#### What is it?

Unsecured loans on the assets of the business or its director.

#### How to benefit from it?

- \ With the regions, the [rebound loan](#) of €10,000 to €300,000 over seven years, including two years of deferred capital amortization.
- \ [Asset loan](#), of up to €5 million for SMEs, €15 million for mid-size companies over three to five years with a deferred depreciation.

#### Who is eligible?

VSEs, SMEs, and mid-size companies threatened by the impact of the Coronavirus outbreak by applying to the regional authorities of Bpifrance.

For SMEs that are unable to benefit from these schemes and which find no funding solution, the State puts in place specific cash-flow support measures (€500 million):

- \ Subsidies in the form of repayable advances capped at three months of revenues for businesses with more than 50 employees (activated by the Departmental Committees for the Examination of Business Financing Problems).
- \ Direct loans granted by the State: Up to €10,000 for businesses with fewer than 10 employees, and €50,000 for businesses with 10 to 49 employees.

### 4. Postponement of credit reimbursement without additional charge (for up to six months)

#### How to benefit from it?

Contact your bank.

### 5. Businesses will still be able to request the support of the government and Banque de France (credit mediation) when requesting loans or a rescheduling or moratorium of credits with their banks.

#### How to benefit from it?

[Credit mediator contact form](#)

### 6. Loans to vulnerable and struggling businesses through the economic and social development fund (FDES) (budget increased by €1 billion)

#### What is it?

On a subsidiary basis and if all avenues have been explored, notably State-guaranteed loans (PGE), the General Secretariat of the inter-ministerial committee for industrial restructuring (CIRI) and the departmental committees in charge of assessing business' financing problems (CODEFI), in conjunction with the General Secretariat of the CIRI, have a supervised lending capacity, when necessary, to conclude a financial round table. The intervention of the State as a lender takes place under similar conditions as for private funders and is necessarily accompanied by financial and industrial restructuring.



### How to benefit from it?

Businesses of fewer than 400 employees must refer the matter to the CODEFI in whose jurisdiction their registered office is located, by contacting either the CODEFI's permanent secretary at the Public Finances Departmental Directorate or the Commissioner responsible for the productive improvement (CPR) of the region.

Businesses of more than 400 employees fall within the jurisdiction of the CIRI whose General Secretary is provided by the General Directorate of the Treasury. The latter may be contacted with no formal procedures by phone: +33 1 44 87 72 58 or via email: [ciri@dgtresor.gouv.fr](mailto:ciri@dgtresor.gouv.fr)

### Who is eligible?

Businesses of all sizes facing difficulties.

**7. The extension and massive increase in the Solidarity Fund (with an additional €4 billion per month), dedicated to the payment of a tax-free aid to the smallest businesses, independents, and the liberal professions and to businesses penalized directly or indirectly as a result of administrative closures. The aid may amount to up to €10,000 paid by the Public Finances General Directorate, or a compensation of up to 20% of monthly revenues up to a maximum of €200,000 per month (reference: December 2019 revenues or average monthly revenues in 2019). Businesses threatened with bankruptcy may benefit from additional aid directly from French regions.**

New changes have also been made to the system recently in order to target the sectors most exposed to the crisis and to support them even more.

- \ Since December 1, 2020, the solidarity fund has been open to mid-sized companies.
- \ Since January 14, 2021, new aid in addition to the solidarity fund provides for the possibility of covering up to 70% of the fixed costs of businesses that are administratively closed or businesses in [sectors S1 and S1bis](#), with annual revenues of more than €1 million per month. This exceptional aid is capped at €3 million for the period from January to June 2021.

### How to benefit from it?

The request for assistance from the solidarity fund can be made through your personal space (not the professional space, even for businesses) on the [website](#).

The aid will be paid in the days following the declaration.

### Who is eligible?

All businesses closed administratively, as well as those in sectors durably affected by the crisis (in particular tourism, events and related sectors – with no criteria as to size) will be able to receive compensation of up to €10,000. Businesses with fewer than 50 employees and from sectors that are not closing but suffering a loss of revenues of at least 50% will receive aid from the solidarity fund of up to €1,500 per month.

### 8. Deferred accounting depreciation of assets

In order to relieve the accounts of businesses and preserve their own funds, they may defer the accounting depreciation of their assets, in particular due to many assets not having been used as planned in 2020.

## ECONOMIC AND SOCIAL MEASURES

**THE FOLLOWING MEASURES HAVE BEEN ADOPTED IN ORDER TO ENSURE THE ECONOMIC SURVIVAL OF BUSINESSES AND THE MAINTENANCE OF EMPLOYMENT:**

### **1. Extension of the simplified and reinforced use of short-time working, which is available to businesses experiencing cyclical economic difficulties.**

#### **What is it?**

This system, also known as partial unemployment, allows businesses to retain their skills by having all or part of the cost of their employees' remuneration paid by the State. Any employer facing difficulty will receive financial aid to offset the loss of income caused by the reduction in the working time of its employees or by the temporarily closure of an establishment. Authorization can be granted for a period of 12 months (previously six months).

Until February 28, 2021: Employers must maintain a part of the employees' remuneration by paying an indemnity equal to 70% of the gross salary to their employees, with a minimum of €8.03/hour, regardless of the business' workforce size. The employer is then reimbursed by the State, up to 85% of the compensation paid to employees up to a maximum of 4.5 times the statutory national minimum wage (SMIC) (i.e. €6,927 gross per month). This compensation is increased to 100% for businesses in the tourism, events, hotel and restaurant, sports, culture and air transport sectors.

From March 1, 2021: employees will receive compensation of 72% (instead of 84%) of the net salary with a floor calculated on the basis of €8.11 per hour, up to a limit of 4.5 times the statutory national minimum wage (SMIC). Employees of businesses in the sectors most affected by the crisis will continue for their part to receive compensation equal to 84% of the net salary until March 31, 2021. Those of businesses that are closed administratively will continue to receive compensation equal to 84% of the net salary until June 30, 2021.

#### **How to benefit from it?**

Application form: <https://activitepartielle.emploi.gouv.fr/aparts/> The business must indicate the desired duration of the compensation and the reasons for using this scheme (maximum 12 months). The Administration responds to requests within 15 days: the absence of a decision after this period is considered as approval.

A simulator is available to employers: <https://www.simulateurap.emploi.gouv.fr/>

Businesses have 30 days from the interruption of activity to apply for the short-time working mechanism partial activity system; indemnification compensation will be retro-active. Due to exceptional circumstances, such requests do not require prior consultation with employee representatives (usually mandatory). However, the Social and Economic Committee (CSE) is to be consulted within two months after the request. Moreover, the obligation to consult the CSE in advance is only imposed on businesses with at least 50 employees.





### Who is eligible?

Businesses of all sizes that are facing difficulties in the context of the health crisis (decrees requiring the closing of the business, decline in activity, supply difficulties, inability to implement the required preventive measures for the health protection of the employees (teleworking, everyday steps to halt the virus, etc.)). The benefit of this scheme is also available to foreign businesses employing employees with no establishment in France.

In the event of a long-term decline in activity, and under certain conditions (commitment to maintaining employment, collective agreement signed within the establishment, business, group or branch), businesses may apply until June 30, 2022, on the same platform (<https://activitepartielle.emploi.gouv.fr/aparts/>), to benefit from the exceptional long-term short-time working mechanism. This mechanism enables the business to reduce its employees' working hours within the limit of 40% of the legal working hours per employee.

**2. Businesses providing essential services, especially to the security of the nation or the continuity of economic and social life will be able to derogate from the rules on working hours and weekly rest periods temporarily until June 30, 2021 (and not December 31, 2020 as initially planned, further to the publication of an [order to extend](#))**

**3. Support from the Business Mediator for businesses that face a conflict in their business relationships with customers and/or suppliers.**

[Business Mediator Contact Form](#) – return within seven days

**4. Acknowledgement of the Covid-19 epidemic as a case of “force majeure” for the public procurement of the French government and local authorities, resulting in a waiver of late penalties for businesses unable to meet their contractual commitments because of the health crisis.**

**5. For certain industries (construction, chemicals), an acceleration of authorization procedures for new supply sources in order to support these industries, while at the same time respecting social, environmental, and European norms.**



## PROFESSIONAL MOVEMENT MEASURES

**LIMITING MOVEMENTS AS MUCH AS POSSIBLE IS THE ONLY WAY TO SLOW DOWN AND HALT THE RAPID PROGRESSION OF THE VIRUS, WITHIN FRANCE, EUROPE, AND WORLDWIDE. SPECIFIC TRAVEL CONDITIONS TO/FROM FRANCE AND THE EUROPEAN AREA APPLY.**

At the European level, since October 28, 2020, the external borders of the European Union and the Schengen area have been closed, with some exceptions. The internal borders remain open, subject to conditions and compliance with the health measures specific to each country. Non-essential travel remains strongly discouraged.

### With regard to France, since January 31, 2021:

- \ Entries from the European area (European Union Member States + Andorra, Iceland, Liechtenstein, Monaco, Norway, San Marino, Switzerland, Vatican) are conditional on the presentation of a negative RT-PCR test to Covid-19 carried out within 72 hours before departure. Road haulers, border workers and residents of border catchment areas within a radius of 30 km (18.6 miles) of their home are exempt from this requirement.

Travelers must also obtain a sworn statement ([declaration link](#)) certifying that they do not present any symptoms at Covid-19, that they are not aware of having been in contact with a confirmed case of Covid-19 within 14 days prior to the trip and that they accept that a screening test can be carried out on their arrival on French territory.

- \ Entries and exits from/to any country outside the European area are conditional upon providing evidence for an overriding reason, regardless of the nationality of the traveler. The list of such overriding reasons for entering the territory may vary depending on the nationality of the traveler.

As such, in addition to the same prerequisites as those applicable to travelers from a country in the European area (negative RT-PCR test, sworn statement, agreement for screening on French territory), travelers authorized to enter France must also provide a certificate corresponding to their situation ([certificate link](#)), which includes proof of the overriding reason. They must also undertake to respect an isolation period of seven days after their arrival in mainland France and to carry out, at the end of this period, another PCR test.

- \ Once in France, travel within the country is authorized without the need for credentials during the day, and conditional upon the completion of an [exceptional travel certificate](#) during curfew times (from 6pm to 6am).

## USEFUL CONTACTS AND SOURCES OF INFORMATION FOR BUSINESSES

We invite you to consult the government's website regularly in order to obtain up-to-date information:

<https://www.gouvernement.fr/infocoronavirus>

On January 29, 2021, the Ministry of Labor published a new national protocol to ensure the safety and health of employees in businesses: <https://travail-emploi.gouv.fr/IMG/pdf/protocole-national-sante-securite-en-entreprise.pdf>

Job advice sheets and guides supplement this protocol by sector of activity:

<https://travail-emploi.gouv.fr/le-ministere-en-action/coronavirus-covid-19/protection-des-travailleurs/article/fiches-conseils-metiers-et-guides-pratiques-pour-les-salaries-et-les-employeurs>

The Ministry for the Economy, Finance and Recovery, with the support of the affected administrations, has also set up an online help tool that is updated daily.

<https://info-entreprises-covid19.economie.gouv.fr/kb>

In order to inform businesses and employees in real time, the Ministry of Labor has published the following document, which is updated frequently: <https://travail-emploi.gouv.fr/le-ministere-en-action/coronavirus-covid-19/questions-reponses-par-theme/>.

Businesses that wish to stock up with essential products (gel, masks, etc.) directly and smoothly with suppliers and distributors can go to the StopCovid website, supported by the Ministry for the Economy, Finance and Recovery.

Business France also makes available for international businesses and their subsidiaries in France an online FAQ to answer the main questions regarding the social environment and the protection of workers, as well as financial measures:

<https://investinfrance.fr/doing-business-in-france/overcoming-the-crisis-together/>

Dedicated contact points have been set up to support businesses facing economic difficulties linked to the Covid-19 epidemic:

- For any question, businesses can contact the General Directorate of Businesses (Ministry for the Economy, Finance and Recovery) via the following address: [covid.dge@finances.gouv.fr](mailto:covid.dge@finances.gouv.fr) or via the [new special information](#) number on emergency measures set up on November 2, 2020 by the Ministry and dedicated to businesses: 0806 000 245
- For help with administrative procedures, businesses are invited to get in touch with the SPOC (single point of contact) of the [DIRECCTE](#) in the region where they are located. (Contact: <https://www.economie.gouv.fr/coronavirus-soutien-entreprises#>)
- In addition, a freephone number (0969 370 240) has been operational since March 10, 2020 to guide businesses toward the regional management of Bpifrance for cash flow issues.

All Business France teams, in France and abroad, are also on hand to answer questions from international businesses, subsidiaries in France and international talents:

- Abroad: <https://www.businessfrance.fr/contact>
- In France:

Information and contact  
for investors: [www.choosefrance.fr/en](http://www.choosefrance.fr/en)

Information and contact for international talents: [www.welcometofrance.com](http://www.welcometofrance.com)