

**DOING BUSINESS
IN FRANCE**

Welcoming Talents



Welcome to France
HELPING YOU TO SETTLE IN

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DISCLAIMER

This document is for information only and cannot replace the advice of a professional. The information herein is not comprehensive and Business France cannot be held liable for any omissions or errors. This document may be distributed, but only with all the relevant information and this warning.

The fundamentals

-  **#1** Business France, the agency supporting foreign investors in France
-  **#2** Attracting foreign talents
-  **#3** Welcometofrance, our service helping you to settle in France
-  **#4** Getting off to a good start



The “Doing Business in France” practical guides aim to inform you about all the legal, tax and social aspects involved when you and your family move to France.

They provide you with reliable, clear and accurate information to support you in your professional and personal projects.



#1 BUSINESS FRANCE, THE AGENCY SUPPORTING FOREIGN INVESTORS IN FRANCE

Export – Invest – Internationalize

Simplify and fast-track project delivery

Business France provides you with made-to-measure, confidential support to succeed with your investments in France, whatever projects they involve:

- Discover France's key advantages
- Plan a new investment
- Boost your presence at existing sites
- Find industrial or technological partners
- Evaluate acquisition opportunities or financial investments

To realize your investments in France:
investinfrance.fr

To facilitate the installation of talent in France:
welcometofrance.com

Connect – Fast-track – Succeed

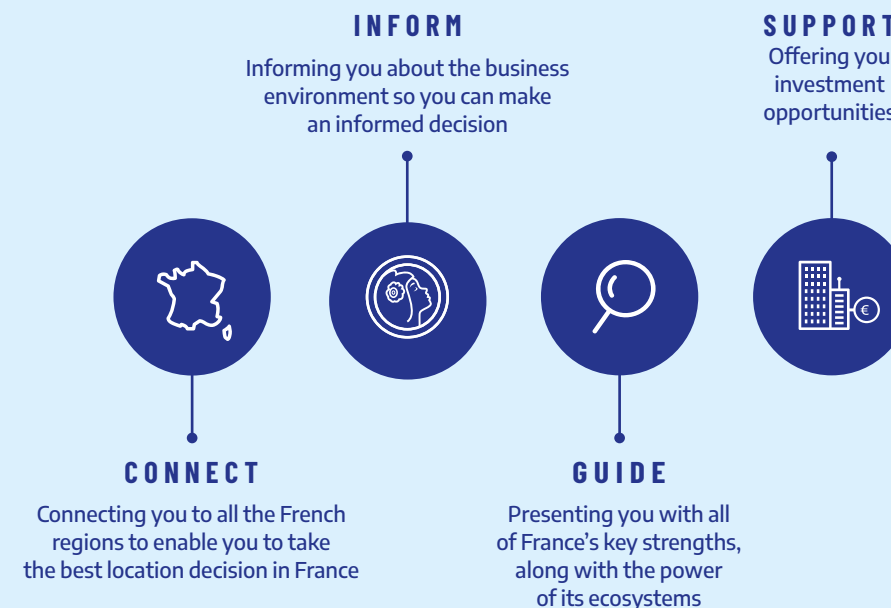
At every stage of the project, Business France personnel work with their network of public, private, national and regional partners to facilitate and accelerate project delivery.

Their aim:
For investment projects to succeed.

Their motivation:
The satisfaction of investors who chose France for their international investment strategy.

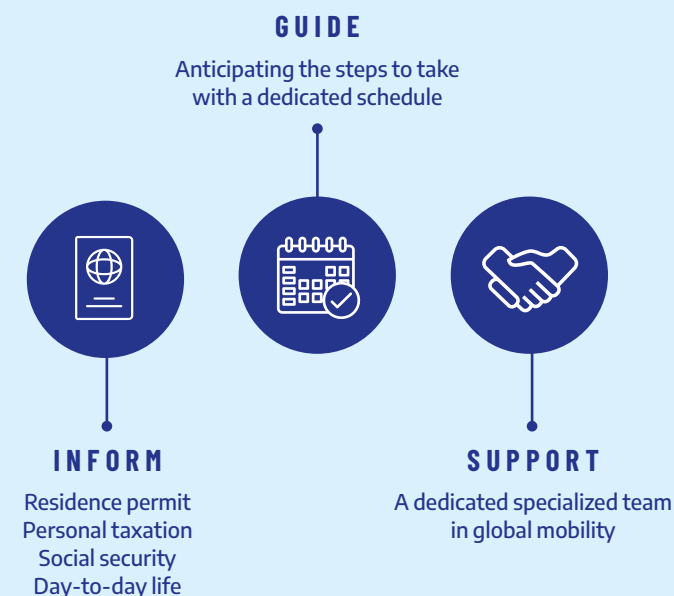
YOUR INVESTMENTS IN FRANCE

businessfrance.com



TALENT MOBILITY IN FRANCE

welcometofrance.com





#2 ATTRACTING FOREIGN TALENTS

With **1,607 investment decisions in 2021**, France is extremely attractive for foreign investors. France has reached a historic level.

In order to further improve France's attractiveness it has also implemented a number of favorable measures designed to welcome foreign talent.

From a multi-year residence permit for talented recruits and their families (Talent Passport), to an accelerated procedure to come to France (French Tech Visa), tax exemption for expatriates, and the opening of new European schools and booming international education, France has never been more attractive to foreign talent, directors and employees, as well as their families.

The enactment of these reception arrangements is a decisive factor that encourages anyone wanting to invest in France to relocate, set up their businesses and work here.

France has introduced several measures designed to enhance economic attractiveness



welcometofrance.com

Bilingual information site
Supporting you in your expatriation

KEY FIGURES

INCREASED MOBILITY THANKS TO THE TALENT PASSPORT



Residence permit of four years, renewable
In 2021, more than **36,000 Talent Passports** issued

HIGH-QUALITY SOCIAL SECURITY



Accessible to all
Continuity of any rights acquired with
74 bilateral conventions
and social security agreements

AN ATTRACTIVE EXPATRIATE TAX SYSTEM



A special expatriate exemption scheme
for a period of up to **8 years**
126 tax treaties concluded by France
in order to avoid double taxation

BOOMING INTERNATIONAL EDUCATION



More than **550 international programs** and **18 languages**
taught

AN ATTRACTIVE ECOSYSTEM FOR STARTUPS



A total of **€11.6 billion** raised in 2021



#3 WELCOMETOFRANCE.COM OUR SERVICE TO FACILITATE YOUR MOBILITY IN FRANCE

Would you like to be informed of the relocation procedures you need to follow in the event of professional mobility?

Our website www.welcometofrance.com informs, guides and supports you and your family to take you through the key stages of settling in France!

Our website contains all the information you need to help you when you come to France and to welcome your family.

Thanks to « [My procedures](#) » you can also generate a customized pathway which lets you see the main procedures you need to complete before and during the year you move to France. **Follow the instructions provided!**

Do you still have questions for which you found no answer on our welcometofrance.com site?



**Contact the Welcome Office
via our online form!**

VISA, RESIDENCE
PERMIT, WORK
SOCIAL SECURITY
COVERAGE
TAXATION
DAY-TO-DAY LIFE



WELCOMETOFRANCE.COM OVERVIEW

4M
VISITORS
since its launch

More than
8K
TALENTS
supported

More than
100K
customized
PATHWAYS

**A TEAM OF INTERNATIONAL SPECIALISTS CONNECTED TO YOUR
CONTACTS TO SUPPORT YOU**





#4 GETTING OFF TO A GOOD START

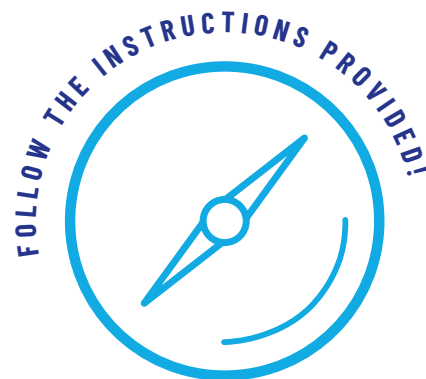
How can you work in France?
How can you benefit from social protection?
And your family? Will you have to pay taxes?

These are all essential questions you should ask yourself to best organize your move to France.

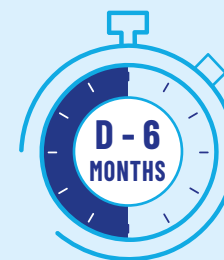
To ensure that your expatriation is a success, you must prepare well in advance.

Before you arrive in France, you need to look into the questions of a visa and residence permit if you are not a European citizen, an employment contract if you are an employee, or social protection and your tax situation.

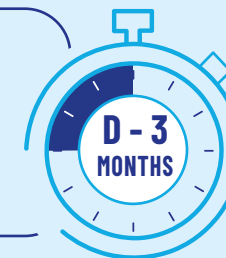
To these personal procedures must be added those relating to your family, if applicable. If you are an Algerian national, you are under a specific [migration status](#), do not hesitate to contact the French consular authorities of your place of residence.



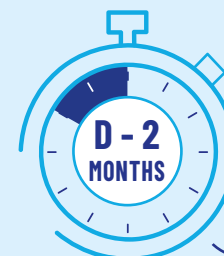
YOUR PROFESSIONAL MOBILITY IN FRANCE



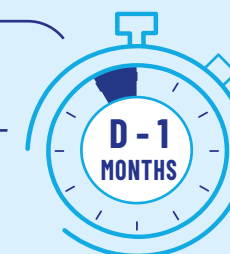
- Visit the www.welcometofrance.com website to learn what French law says about immigration, taxation and social security coverage, along with practical advice for a successful move
- Generate a personalized guide on the www.welcometofrance.com website
- **Working in France:** Intra-company transfers – determining your employer and pay structure



- Apply for a long-stay visa and residence permit at the consular authorities in the country of residence: Ensure you have a valid passport and all documents required to support your application
- Family: Apply for a long-stay visa and residence permit
- Check your tax arrangements
- Find out about the French education systems and their international sections
- Find out about housing conditions in France



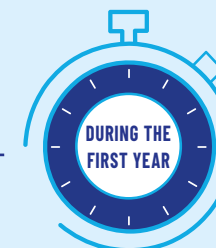
- **Working in France:** Long-stay visa equivalent to a residence permit (VLS-TS) (excluding Talent Passports and intra-company transfer posted employees): Employer application for a work permit on the [dedicated website](#)
- **Think about social security coverage:** Employer application for a posting certificate or registration with the French social security system



- **Working in France:** Intra-company transfers – Employer completes prior posting declaration
- Inform the authorities in your home country (change of address, tax authorities, etc.)
- Complete a customs declaration for personal belongings from abroad



- Request a residence permit (long-stay visa holders) or make a declaration at the French Immigration and Citizenship Office (OFII) (holders of a long-stay visa equivalent to a residence permit (VLS-TS))
- Obtain a residence permit for your spouse and travel documents for your children
- Start working in France
- Register with French social security
- Enroll children at school
- Open a bank account in France
- Find out more about driving in France
- Register with the local authorities



- **Taxation:** Declare your annual income
- Holders of a long-stay visa equivalent to a residence permit (VLS-TS) needing to extend their stay: Apply for a residence permit at the Préfecture in the two months before the VLS-TS expires, three months if it is a VLS-TS Talent passport
- Exchange your driving license

SOME KEY NOTIONS

THE SCHENGEN AREA, AN AREA OF FREE MOVEMENT



Source : touteurope.eu

You are a citizen of a Member State of the European Union (EU), the European Economic Area (EEA) or of Switzerland?

You do not need a visa, a work permit or a residence permit to settle in France.

You are a citizen of another State and holder of a visa or a residence permit issued by a Member State from the EU, EEA or Switzerland?

You can travel within the Schengen Area and stay for up to three months. To work in France, in principal you must ask for a work permit.

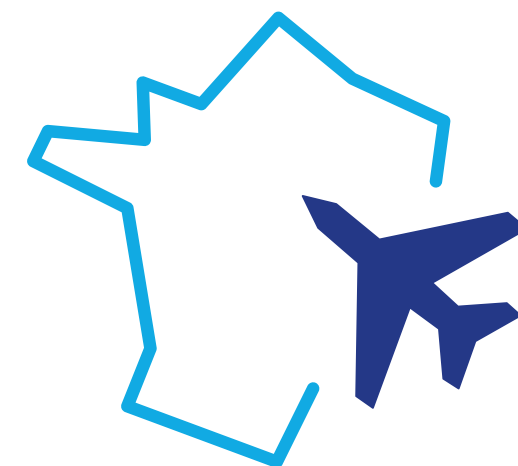
You are a third-country national from outside the EU, the EEA or Switzerland, and wish to settle and carry out an activity in France?

Several types of visas and residence permits are available to foreign talents, according to their personal and professional situation and the reason for their stay.

A visa to enter France

A visa authorizes the holder to enter French territory, travel within the Schengen Area and stay in France for a specified period.

Typically, a visa only authorizes its holder to enter France. To stay in France for a longer period and work in the country, a residence permit is required.



THIRD-COUNTRY NATIONAL FROM OUTSIDE THE EU, THE EEA OR SWITZERLAND

SHORT-STAY VISA



Authorized length of stay
Up to 90 days in any 180-day period



Validity
From three months to five years



Single-entry or multiple entries in France and/or in the Schengen area



Exemptions
A number of [foreign nationals](#) are exempt from this type of visa



No renewal or possible extension of stay from France
Upon the expiration of the short-stay visa or the end of the exemption period you must leave French territory



Authorized activities
Tourist visits, short courses, business trips, engaging in paid employment, subject to a work permit being granted

LONG-STAY VISA

FOR ALL STAYS OF MORE THAN 12 MONTHS



Authorized length of stay
3 months



Validity
Three months, the holder must request the issue of a residence permit corresponding to the mention indicated on the visa



Single-entry or multiple entries in France and/or in the Schengen area



Exemptions
None



Extension of the stay thanks to the delivery of the corresponding residence permit



Authorized activities according to the mention of the long-stay visa

LONG-STAY VISA EQUIVALENT TO A RESIDENCE PERMIT (VLS-TS)

FOR ALL THE STAYS BETWEEN THREE AND 12 MONTHS



Authorized length of stay
12 months



Validity
12 months. A VLS-TS allows the holder not only to enter France but also to live in the country for between three and 12 months, without applying for a separate residence permit.
Only a [validation online](#) is necessary.



Single-entry or multiple entries in France and/or in the Schengen area



Exemptions
None



Holders wishing to extend their stay in France beyond the visa expiry date must submit a residence permit application



Authorized activities according to the category of the VLS-TS

TALENT PASSPORT, A RESIDENCE PERMIT TO SETTLE IN AND WORK IN FRANCE

Residence permit valid for a period of up to four years for the applicant and their family.

Simplified procedure.

10 categories available.

Investors, entrepreneurs and company directors



- Business investors investing at least €300,000 in France.
- Entrepreneurs with an innovative business project.
- Company directors or legal representatives of a business in France.
- Entrepreneurs putting at least €30,000 into a new business.

Employees



- Skilled employees and employees of an innovative new company (jeune entreprise innovante – JEI).
- Highly skilled employees (European Union Blue Card).
- Employees on assignment under an intra-company transfer where a French contract is signed.

Other categories



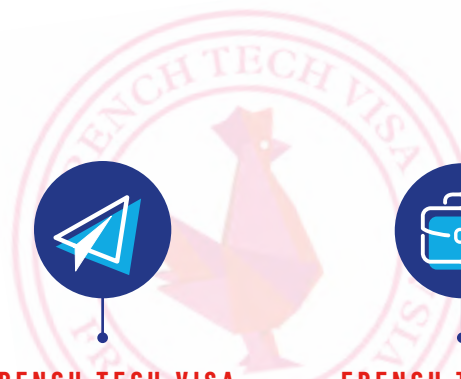
- Researchers, performing artists, foreigners who are nationally or internationally recognized in scientific, literary, artistic, intellectual, educational or sporting fields

FRENCH TECH VISA, A SEPARATE PROCEDURE SPECIFICALLY TAILORED TO THE FRENCH TECH ECOSYSTEM



An initiative of the French Tech to attract foreigners

A simplified procedure, dedicated to the Tech ecosystem, enabling the obtention of a “Talent Passport” residence permit for three Tech Talent Categories:



FRENCH TECH VISA FOR FOUNDERS

For international startup founders selected by partner incubators and accelerators or supported by actors of the French Tech ecosystem

FRENCH TECH VISA FOR EMPLOYEES

For international talents recruited by French companies based in France and recognized as innovative by the French Ministry for the Economy

FRENCH TECH VISA FOR EMPLOYEES

For international investors wanting to settle in France

What social protection?

Principe : Registering to the French social security scheme and protection for the whole family, regardless of the nationality.

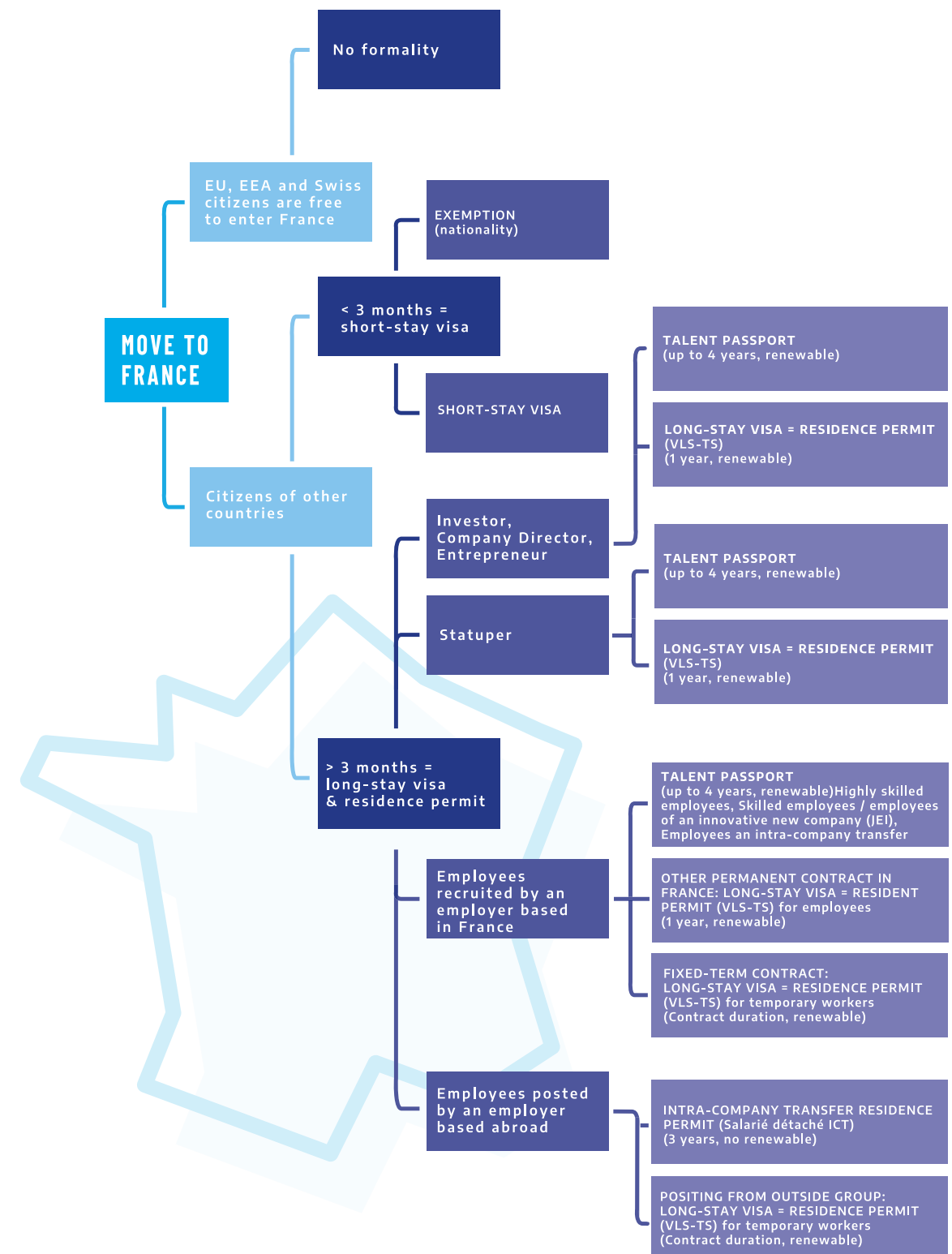
Exception : If you are posted in France, you can remain affiliated with the social security regime in your country of origin **if there is a social security agreement between your country and France.**

And your tax situation?





A mobility in France will have an impact on your tax situation, depending on whether or not you are tax resident in France.

If you are a tax resident in France, you will be able to benefit from very advantageous tax arrangements.

THIRD-COUNTRY NATIONAL FROM OUTSIDE THE EU, THE EEA OR SWITZERLAND

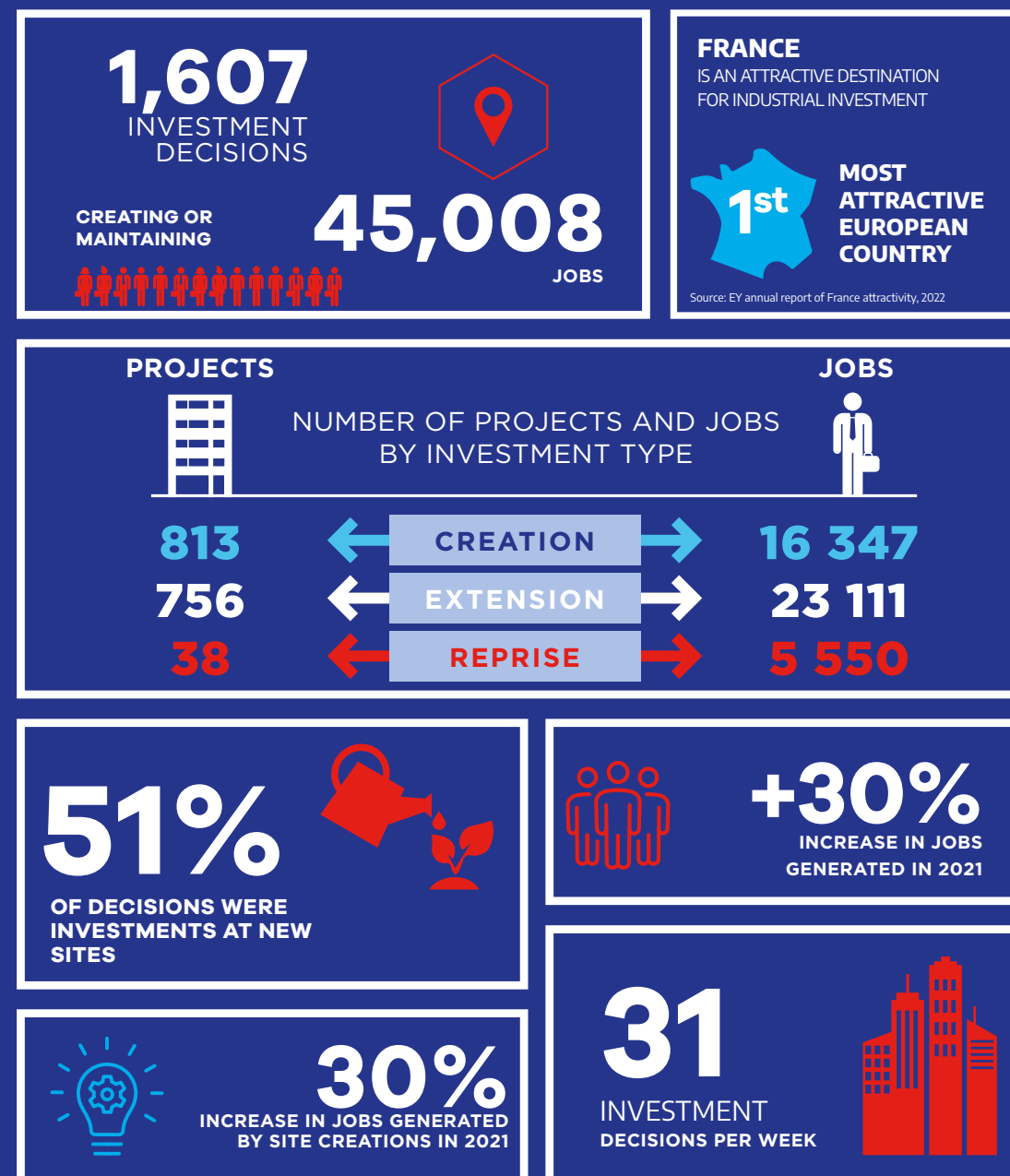


Investors & entrepreneurs: Come and develop your business in France

-  **#1** Business France support
-  **#2** Choose your migration status
-  **#3** Considering social protection
-  **#4** Considering personal taxation

France convinces foreign economic decision-makers

In an approach based on openness, recent government schemes have made France a choice destination for investors, business creators and startupper looking to set themselves up and develop their project in the country.





#1 BUSINESS FRANCE SUPPORT

Identify, secure, connect

Simplify and speed up the completion of your projects

Business France offers you free customized and confidential support to help you successfully establish yourself in France, whatever your project (creation, expansion, takeover). Business France also offers a service to help you identify business opportunities and industrial or technological partnerships.

In order to do your investments in France:

investinfrance.fr

✓ Inform

You wish to be informed about your **steps to settle** in France?

The **Welcome Office**, an online talents service from **Business France**, is here to help you!

A team of international specialists is here to guide you through the various steps of moving and settling in France.

✓ Guide

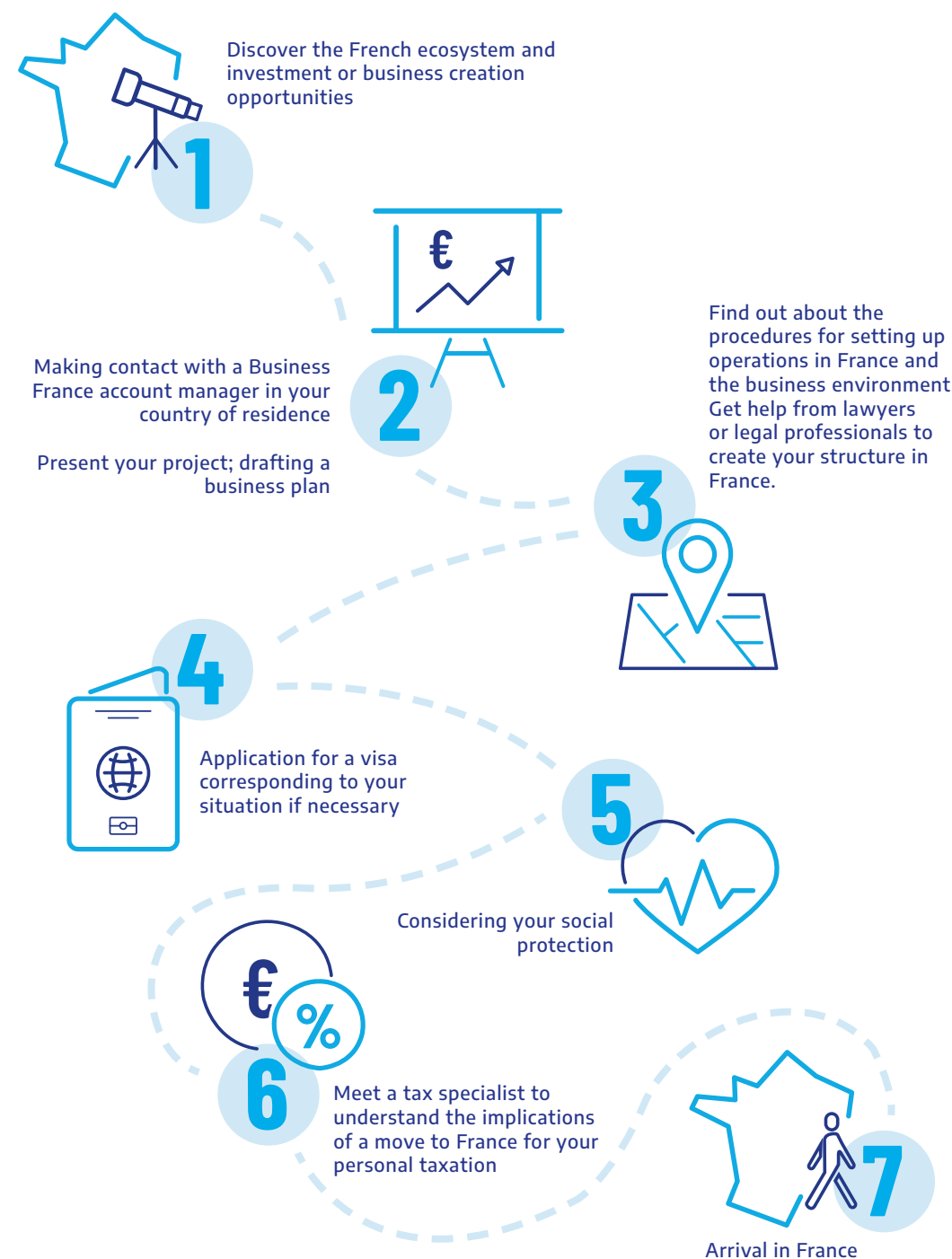
Discover a personalized guide on the website welcometofrance.com.

✓ Support

You can also contact us in writing via our [online service](https://welcometofrance.com).

To facilitate the installation of talent in France: welcometofrance.com.

THE JOURNEY OF AN INVESTOR/ENTREPRENEUR





#2 CHOOSING YOUR VISA AND RESIDENCE PERMIT

Do you want to invest or create a business in France?



Good to know

Certain business areas may be subject to regulations or require specific diplomas. These are professional activities known as **“regulated activities”** (e.g. architecture, medicine, etc.). It is preferable to be aware of potential specificities before embarking on your business project.

The company director who is a national of the EU, EEA or Switzerland may carry out their business in the same way as a French national, without further formality.

For investors and entrepreneurs of a nationality of a non-European country, you can set up a business in France from abroad (without residency on the territory) or by settling in France if you obtain a residence permit.

CREATE YOUR BUSINESS



STEP 1

Market study and financing plan (including the search for state aid and subsidies).



STEP 3

Choose its corporate form and draft its articles of association and/or shareholders' agreement. If necessary, start the application for a residence permit. You are recommended to seek assistance from an advisor in the essential steps involved in setting up a business.



STEP 5

Domiciliation of the business (full ownership, lease, domiciliation).



STEP 7

Register your business with the relevant office, attaching, where applicable, the residence permit of the foreign director and carry out the necessary legal publications.

STEP 2

Define the management bodies (shareholder(s), director(s), Board of Directors) and share capital. If the foreign director is outside the European Union, find out about the residence permit required.



STEP 4

Check the availability of the business name. Protect your intellectual property.



STEP 6

Open a bank account and deposit the share capital in it.



STEP 8

Receive your K-Bis certificate and start your business!

#2.1

You wish to monitor your investment or run your business from abroad?

For personal or professional reasons, you can choose to invest or to set up a business in France without residing on the territory.

A foreign national not residing in France can register their business, without any particular formality to be carried out, prior to registration to the Company Register.

When you travel to France (business trips, management meeting, monitoring activities, etc.), you will need to apply for a short-stay visa. However, bear in mind that managing a French business from outside France can sometimes prove complicated from an operational point of view, especially during the launch phase.

Travel visa

If you travel a lot in France, consider applying for a travel visa (visa de circulation). It is a multiple-entry short-stay visa that allows foreign nationals to travel frequently in one or more States of the [Schengen Area](#), during its period of validity.

Travel visas are intended in particular for people wishing to conduct business relations in France without actually residing in the country, thereby saving holders doing business in France from having to apply for a new visa each time they travel.

It allows stays of **less than 90 days accumulated within the Schengen Area by period of six months**. They are issued for a total period of six months to five years. **This visa does not allow the holder to settle in France.**

In order to respect the duration of stay in the Schengen Area, calculate the time you have spent:

[A calculator is available on the European Commission website](#)

#2.2

You wish to reside in France?

Do you want to settle in France to track your investments or the creation of your business? Obtain information on the procedures you need to follow.

For any stay of more than three months in France, a long-stay visa and a residence permit for stay are necessary.

The “Talent Passport” is a multi-year residence permit making France a destination of choice for foreign investors, startupper and entrepreneurs.

YOU WANT TO INVEST IN FRANCE?

The Talent Passport “Investor” residence permit is issued to foreigners who make a direct economic investment of at least €300,000 in France and want to set up in France in order to monitor the implementation of their investment.

The investors will also have to justify that they are creating or protecting, or committing to create or protect, jobs within the four years following the investment.

Type of planned direct investment, either:

- Personal
- Via a company they control
- Via a company in which they have at least a 30% shareholding.

A simple financial investment does not require being resident in France and therefore does not require a residence permit. A short-stay visa may be enough.

YOU INVEST IN OUR STARTUPS AND WANT TO MOVE TO FRANCE?

You may be able to benefit from the French Tech Visa for Investors procedure and then obtain a Talent Passport “Investor”.

Interested? Start this dedicated procedure:

<https://www.demarches-simplifiees.fr/commencer/french-tech-visa-investors>



YOU WANT TO CREATE YOUR OWN BUSINESS IN FRANCE?

Do you have a mature business creation project in France or a project to create a subsidiary of your company? Come and do business in France!

TALENT PASSPORT: NEW BUSINESS

A foreign national planning to set up a new business in France is likely to be eligible for a Talent Passport provided that they are injecting at least €30,000 into the planned business venture.

The planned business venture may take various forms:

- A business in the applicant's own name.
- A French company.
- A French company that is a subsidiary of a foreign company.
- An establishment of a foreign legal entity.

ENTREPRENEUR

Foreign nationals may also benefit from the right to stay and from access to a commercial or independent business in France by applying for a [“Temporary Worker” long-stay visa equivalent to a residence permit \(VLS-TS\) marked “Entrepreneur/Independent Professional”](#).

They must justify the economic viability of their project.

This VLS-TS is valid for 12 months and entitles its holder to engage in the commercial activity that justified the delivery of the VLS-TS.

The applicants will then have the possibility to apply for a **temporary residence permit marked “Entrepreneur/Independent Professional”** valid for 12 months (renewable).

DO YOU WANT TO DEVELOP YOUR STARTUP IN FRANCE?

An idea for a startup? Come and develop it in France!

TALENT PASSPORT

“INNOVATIVE BUSINESS PROJECT RECOGNIZED BY A PUBLIC BODY”

Startup founders have to provide evidence of:

- An innovative business project they want to develop in France.
- The recognition of the innovative nature of the project by a public-sector body (the State, local authorities, public establishments, publicly owned companies, etc.)
- Sufficient annual financial means corresponding to the statutory national minimum wage, i.e. €19,747 as of May 1, 2022.

Founders of international startups may also benefit from the French Tech Visa for Founders procedure if they are selected by a French Tech incubator.



FRENCH TECH VISA PROCEDURE FOR FOUNDERS



STEP 1

- Application to one (or several) of the French Tech Visa partner incubators and accelerators, through their regular process of selection, an incubator or accelerator supported by the French Tech Capital, or request of the support from two members of the French Tech ecosystem (research organizations, laboratories, qualified individuals, companies, etc.) who will each issue a letter of support.
- After being selected by an incubator or accelerator partner of the French Tech, by an incubator or accelerator supported by the French Tech Capital or obtaining the support of two actors of the French Tech ecosystem, the startup founder must apply for the recognition of the innovative nature of his or her project on the dedicated website: demarches-simplifiees.fr/french-tech-visa-for-founders

STEP 2

If the DRIEETS IDF (Direction générale interdépartementale de l'économie, de l'emploi, du travail et des solidarités Ile-de-France) acknowledges the innovative character of your project according to different criteria, you will receive a letter recognising the innovative nature of the project from the Ministry of the Economy.

STEP 3

Receipt of the letter of acknowledgement by the talent.

The interested party should enclose this letter with his/her application for :

- a long stay visa entitled “Talent passport – innovative economic project” to be submitted to the French Consulate in the country of residence if he/she lives abroad; or
- a residence permit entitled “Talent passport – innovative economic project” to be submitted on the dedicated website <https://administration-etrangers-en-france.interieur.gouv.fr/> and processed by the Prefecture of the of residence if he/she already lives in France with a residence permit

IS YOUR FAMILY COMING WITH YOU?

TALENT PASSPORT - FAMILY

The simplified “**accompanying family**” procedure is opened to spouses and children under the age of 18 and who are dependents of the holder of a Talent Passport and its different mentions.

The residence permit issued automatically to your spouse is a “Talent Passport – Family” card

Situation of dependent minor children:

- Children under the age of 18: no residence permit required (underage child travel document (document de circulation pour étranger mineur – DCEM) must be obtained
- Adult children*: Talent Passport – Family permit

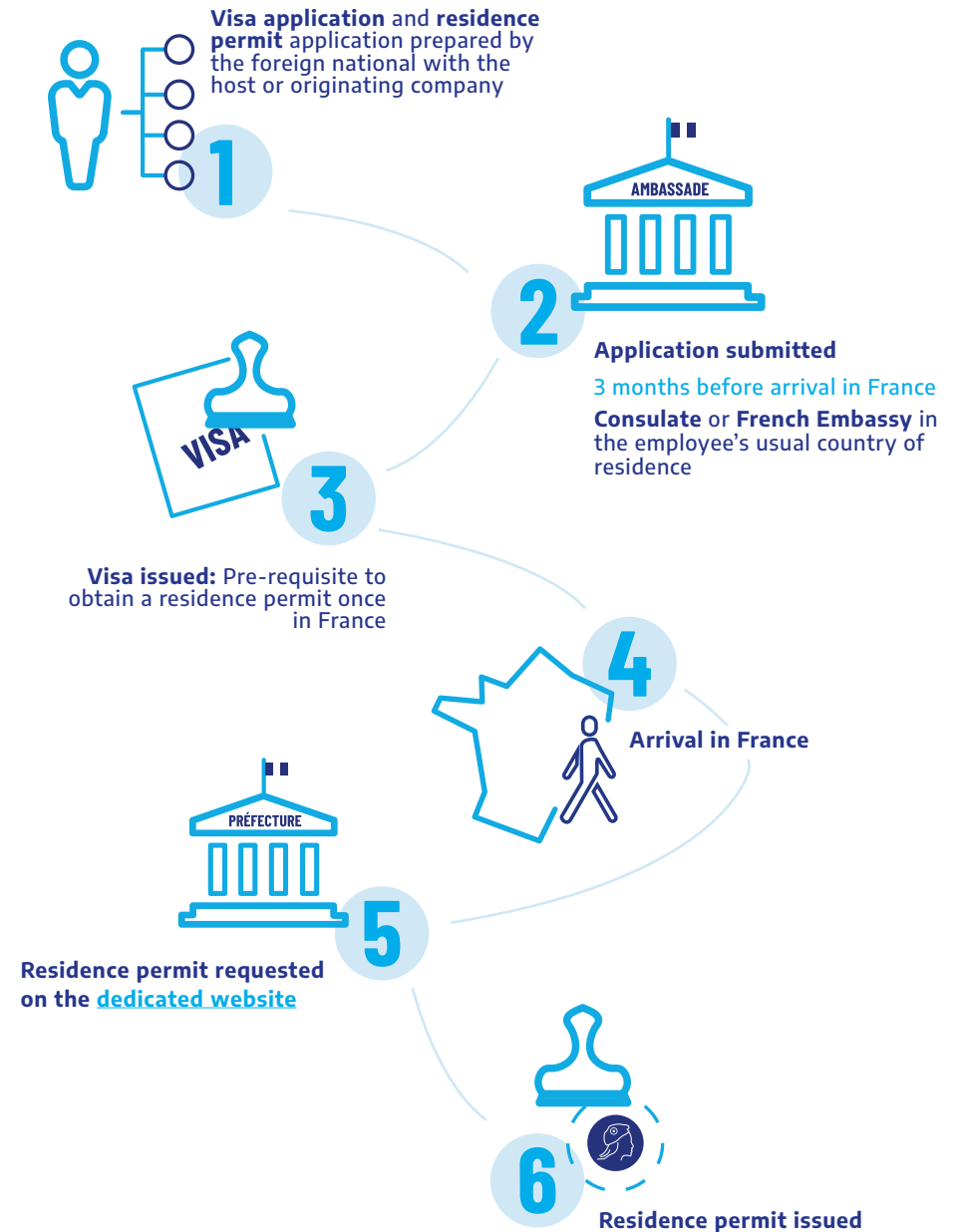
* Applies to children who were under the age of 18 when they entered France and who apply for a residence permit in the year they turn 18

FAMILY - ENTREPRENEUR/INDEPENDENT PROFESSIONAL

Families accompanying foreign talents with this type of status can apply for a residence permit independent of that of the primary applicant (visitor status or student status for the children for example). Families cannot enjoy the simplified procedure.

Otherwise, families may apply for residency in France under family reunification terms. Family reunification terms apply when foreign nationals having resided in the country legally for at least 18 months wish to have their spouse and children join them.

TALENT PASSPORT PROCEDURE





#3 SOCIAL PROTECTION FORMALITIES

Throughout your stay in France, regardless of its duration, you must be covered by a social protection system.

Secondment

Although the self-employed are in principle affiliated to the French social security regime, thanks to the range of bilateral agreements signed by France, some directors may continue to benefit from their original regime, subject to certain conditions.

For more information, see the Center of European and International Liaisons for Social Security ([Cleiss](#)) website.

For all other directors, affiliation to the French social security system is required. This system is not only the most advantageous in the European Union, but it also offers wide-ranging social protection.

Investor

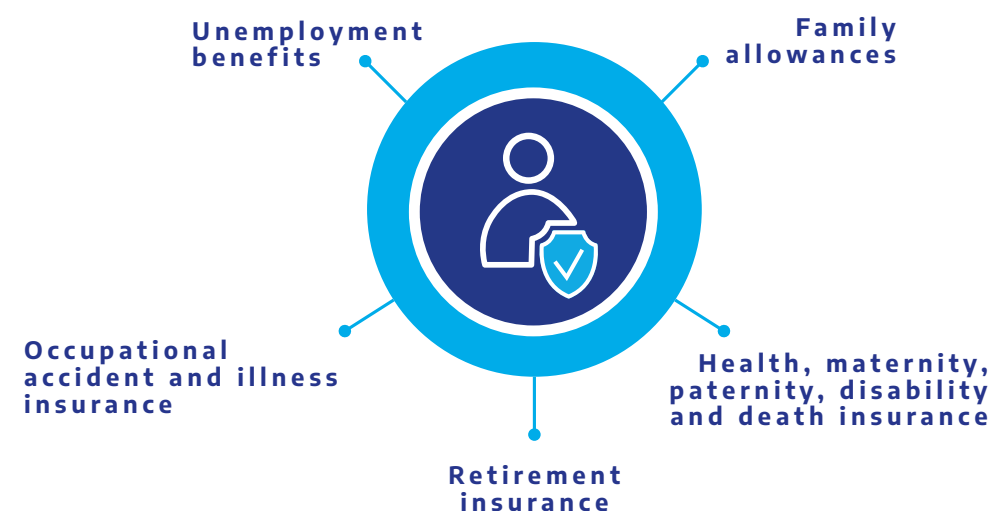
Make sure you are covered by a private insurance policy for the first three months of your stay in France at least. Note that any foreign national residing in France legally for three months may receive daily sickness and maternity allowances thanks to the Universal Sickness Protection System (PUMA).

#3.1 Social risks covered

The entrepreneur or the investor and their families enjoy full access to France's generous social security system, which includes:

- Health, maternity, paternity, disability and death insurance.
- Occupational accident and illness insurance.
- Retirement insurance.
- Family allowances.
- Unemployment benefits, subject to conditions.

Beneficiaries thus enjoy coverage of their health costs and from financial benefits to compensate for any part or permanent inability to work.



#3.2

A different social status depending on the form of your company

The social security system covering company directors and entrepreneurs in France depends on your company's legal status and your role within it.

Taking these factors into account, you may be affiliated to either:

- The general social security system for employees.
- Social Security for the self-employed, formerly known as the [Régime Social des Indépendants \(RSI\)](#).

Since January 2020, the social security for the self-employed has been incorporated into the general social security regime.



For further information, visit the [Mon-entreprise](#) website, the official advisory service for business creators. There you will find all the resources you need to set up your business, from selecting a legal status to hiring your first recruits.

WHICH STATUS?

DIRECTORS EQUIVALENT TO EMPLOYEES

SARL

Minority or equal directors

SAS

Paid Chairmen and Directors

SA

Chairmen and Managing Directors



Attached to the general social security regime

Same social protection as employees

Except unemployment insurance



Local Sickness Insurance

Fund (CPAM)

Talent Passport Holder :

CPAM Paris

NON-SALARIED DIRECTORS

SARL

Directors with a majority shareholding

INDIVIDUAL ENTREPRENEURS



Attached to the scheme for the self-employed

Health, maternity, family allowances, retirement, disability, death



Local Sickness Insurance

Fund (CPAM)

(formerly RSI)

#3.2.1 Salaried directors

Certain directors, referred to as “**Salaried directors**”, are registered under the general system. They benefit from the **same social protection as employees** with regard to social security. However, they are not entitled to unemployment benefits.

If, in addition to their role as director, the individual receives a salary for a technical role, they may enjoy the same coverage as an employee (unemployment benefits, severance payments, etc.), on condition that they have a subordinate relationship with the company.

If company directors pay themselves a salary, they must without fail be registered under the general security system. Contributions are calculated based on the monthly salary received.

Universal health protection (PUMA)

Unpaid directors who hold no other role cannot be registered under the general security system by virtue of their directorship. Nonetheless, the social security portion of their medical expenses are covered.

Indeed, the PUMA system enables any individual who has been legally residing in France for at least the last three months to receive a daily sickness or maternity allowance.

Affiliation

You must register:

- With the [Urssaf](#), so as to benefit from health and maternity insurance, family allowances, workplace accident insurance, a basic old-age pension.
- With an executive pension fund ([Agirc](#)) for their supplementary pension.

Payment of contributions

When the director receives their first salary, they are automatically registered under the general system and they pay their first contributions. These are proportional to the salary and there is no minimum amount.

The payment [of these mandatory social security contributions](#) is managed by the URSSAF.

A calculator allowing you to estimate your contributions is available on the [Mon-entreprise](#) website.

Are you a company director, or the President of a single-member simplified limited liability company (SASU) or a simplified limited company (SAS)?

You can take advantage of the **employment voucher system (titre emploi service entreprise – TESE)**, which simplifies the social security formalities required to employ staff. This service is provided by the network of URSSAF offices.

The TESE allows you to declare salaries and pay all mandatory social security contributions, together with your employees' income tax, which is withheld from their wages.

For more information > letese.urssaf.fr

#3.2.2 Directors classed as self-employed

This mainly concerns:

- Individual entrepreneurs (including micro-entrepreneurs)
- The majority directors of a SARL
- Sole partners of a single-member limited liability company (EURL)

These directors are affiliated to the Independent Social Security system (ex-RSI) and benefit from:

- Health and maternity insurance
- Family allowances
- Retirement, disability and death insurance

Unlike employees, self-employed individuals do not pay contributions and are not covered for the following risks:

- Occupational accident insurance
- Illness insurance
- Unemployment benefits

In addition, it is of course possible to take out [voluntary insurance](#).

Affiliation

If you are self-employed you will be affiliated with the [Sécurité Sociale des Indépendants](#) (SSI, formerly RSI) from the moment the company is registered. Since January 2020, the social security for the self-employed has been incorporated into the general social security regime.

When setting up their company, entrepreneurs must complete a [business set-up declaration](#). Once registration is complete, the SSI agency **automatically affiliates** them and sends out an affiliation notification containing all the administrative information relating to this registration (this document must be kept for future reference).

Registration with social security therefore takes effect on the date the company opens for business.

Payment of contributions

Company directors pay contributions according to their income, in order to acquire certain rights and benefit from social security cover from the moment their business is registered.

Income must be declared using the [Déclaration sociale des indépendants \(DSI\)](#) once a year. This declaration is used to calculate and then pay the individual's contributions, either:

- **Monthly**, in 12 instalments, by direct debit on the 5th or 20th of each month
- **Quarterly**, in February, May, August and November.

A calculator that allows you to estimate **your contributions** is available at the [Mon-entreprise](#) and [secu-independants.fr](#) websites.

For further information, visit the [Secu-independants](#) website.



#4 CONSIDER YOUR PERSONAL TAXATION

The tax status of the director varies according to the legal status of their company (EURL, SARL, SA, etc.) and the type of income tax system chosen for the company (**income tax, corporate tax**).

- Company subject to corporate tax (**impôt sur les sociétés – IS**): Corporate tax is a tax regime that separates the company's profit from the director's income.
- Company subject to income tax (**impôt sur les revenus – IR**): The remuneration of associated company directors is considered to be a distribution of company profits and is subject to income tax, in the name of the company director.

#4.1

Determination of tax residency

Tax residency is not a matter of choice for the employer or the employee; it depends on legal or reciprocal agreements and treaties.

Registration (or not) with the French social security system has no bearing on determining tax residency.

Irrespective of nationality, you will be considered to be resident in France for tax purposes if one of the following criteria is met:

- Your **permanent place of residence** is in France, i.e. your habitual place of residence or that of your family (spouse and children).
- If you have dual permanent residence, the **center of your financial and personal interests** is in France.
- If your center of interests cannot be determined, your **primary place of residence** is in France (residence in France for more than 183 days in the same year).
- In the absence of any other deciding criteria among the above (primary place of residence or no place of residence in either country), your tax residence will be in France if you hold **French nationality**.
- Failing which, the tax authorities in the two countries may be asked to decide upon your tax residency.

[Residents of France](#) are taxed on **the entirety of their income earned from French sources or from foreign sources**, while [people in France who are not tax residents](#) are **only taxed on income from French sources**.

International tax treaties may provide specific arrangements.

When income from foreign sources is also taxed in the country of origin, double taxation is avoided by applying the provisions contained in the numerous bilateral tax agreements signed between France and the other States (tax credit mechanism, etc.).

For further details, please see the list of [bilateral tax treaties](#) that France has signed.

#4.2

Non-residents for tax purposes

People in France who are not tax residents are **only taxed on income from French sources**. Remuneration paid in return for work carried out on French soil is therefore taxable in France.

Unless otherwise provided for by a [tax treaty](#), salaries paid to non-residents are subject to tax deducted at source.

Tax deducted at source – 2021 income

APPLICABLE RATE	YEAR	QUARTER	MONTH
0 % on the portion of income under:	€15,018	€3,755	€1,252
12 % on the portion of income between:	€15,018 to €43,563	€3,755 to €10,891	€1,252 to €3,630
20 % on the portion of income greater than:	€43,563	€10,891	€3,630

Source : impots.gouv.fr

How to declare income ?

In May of the year following their arrival, non-residents must report any income received in France over the previous year to the tax office for non-resident individuals (SIPNR).

In order to avoid double taxation, in France and in the country of origin, the withholding tax applied in France gives rise to the granting of a tax credit of the same amount in the country of residence.*

* in accordance with the terms of the [tax agreement](#) between France and the country of residence

#4.3

Tax resident

When you engage in a self-employed activity and are subject to income tax (and not corporate tax), professional income consists of the company's profits.

This income is subject to income tax for the director in the category, depending on your business:

- **Industrial and commercial profits** for profits earned by private individuals who exercise a commercial, industrial or craft profession.
- **Non-commercial profits** for persons who carry on a non-commercial professional activity, individually or as associates of certain companies.

This income, and that of members of the tax household, are subject to the tax rate of the income tax scale:

INCOME TAX RATE TABLE ON 2021 INCOME

Taxable income brackets	Tax rate to apply
Up to €10,225	0 %
From €10,225 to €26,070	11 %
From €26,070 to €74,545	30 %
From €74,545 to €160,336	41 %
More than €160,336	45 %

Source : service-public.fr

How is the tax calculated ?

Income tax is calculated on the basis of the combined incomes of the household, which include the resident, any spouse, and any dependent children.

Income to be declared may come from various sources (wages, salaries and allowances, pension annuities, property income, etc.).

The effective tax rate is determined on the basis of the size of the household using the

family allowance method, whereby the total household income is divided by the number of household units, as follows:

- One unit for each adult.
- One half-unit for each of the first two children.
- One unit for each child thereafter.

The effective tax rate on total household income is thereby determined on the basis of the size of the household.

Other expenses may also be tax-deductible or eligible for tax credits; these include expenses for domestic help, and certain household capital expenditure.

Applicable tax rate

The tax rate corresponds to the one calculated when completing the latest French tax return.

Spouses and civil partners can select either a common tax rate for the couple or a separate rate for each individual, depending on their incomes.

If they have not filed a tax return in France, the default rate applicable to new arrivals is the non-personalized rate, known as the “neutral rate”. This rate is determined based on a [rate grid](#) that does not take into account the situation (income and family members).

Taxpayers may ask the tax authorities to adjust the rate according to their circumstances (upwards or downwards), in which case a new rate will be calculated. To request an adjustment to your tax rate, you must go to your personal account on impots.gouv.fr on the “Gérer mon prélèvement à la source” page

Paying tax at source via a system of advances

Self-employed individuals pay tax on the income earned in the current year in the form of advances calculated by the tax authorities based on their last French tax return.

They have the option of paying these advances monthly or quarterly.

If they set up a company in 2022, they can choose between:

- Paying the first advance when the business is launched, by estimating its profit.
- Waiting until September of the following year. To do this, you must report the result (profit) of your activity (or your share of the result) in an appendix to your income tax return no. 2042-C-PRO.

If you are not taxable, due to your income or your family situation, you do not need to pay anything to the tax authorities.

TAXATION OF EMPLOYEE SHARE OWNERSHIP AND CERTAIN DIRECTORS

Employee share ownership, which encompasses all the mechanisms which make it possible, in the medium-to-long term, to involve company employees in its capital consists of three mechanisms.

- Allocation of free shares
- Business creator share subscription warrants (BSPCE)
- Stock options

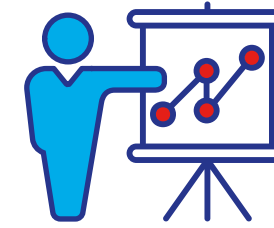
The impact of these mechanisms has a range of consequences – on the one hand, motivation and cohesion within the company, strengthening the involvement and profit-sharing of employees in the development of the company and, on the other hand, increased attractiveness of French employee share ownership.

These mechanisms are shown in our dedicated appendix:

[Taxation of employee share ownership and certain directors](#)

Making intra-company transfers easier and hiring a foreign talent

-  **#1** Business France support
-  **#2** Defining the context of mobility in France
-  **#3** Appointing a foreign national to manage your subsidiary
-  **#4** Sending a foreign employee to your subsidiary in France
-  **#5** International recruitment
-  **#6** Considering social protection
-  **#7** Considering personal taxation



There are more than 20,000 foreign companies operating in France, where they employ over two million people: what better advert could there be than this for the business environment in our country?

Recent government measures in regard to international mobility resolutely focused on openness are making France a destination of choice for foreign directors and skilled employees. These rules are designed to make it easier for highly qualified personnel to come to France and for employees to complete intra-company transfers.

They include multi-year residence permits, which were made more widely available towards the end of 2016, with the twin aims of smoothing the arrival of incoming foreign talent and their families, and helping to make France a more attractive business location.

Businesses in France can offer their employees optimum working conditions – due to a highly effective social security system and a vast array of bilateral social security agreements – while the costs of sending employees to work in France can be offset through one of the most attractive expatriate tax systems in Europe.



#1 BUSINESS FRANCE SUPPORT

Export – Invest – Internationalize

Simplify and speed up the completion of your projects

Business France offers you free customized and confidential support to help you successfully establish yourself in France, whatever your project (creation, expansion, takeover). Business France also offers a service to help you identify business opportunities and industrial or technological partnerships.

In order to do your investments in France:

investinfrance.fr

✓ Inform

You wish to be informed about your **steps to settle** in France?

The **Welcome Office**, an online talents service from **Business France**, is here to help you!

A team of international specialists is here to guide you through the various steps of moving and settling in France.

✓ Guide

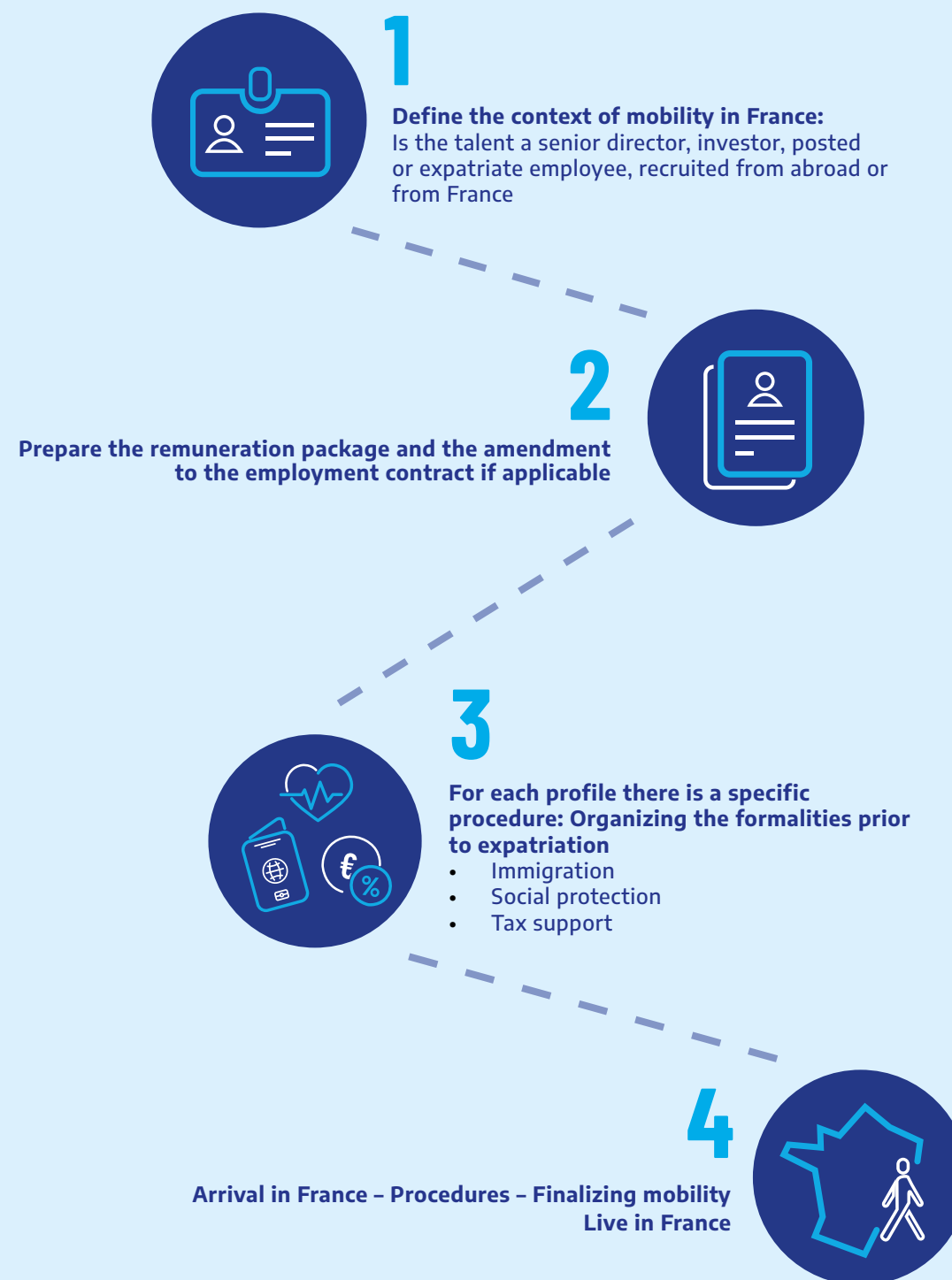
Discover a personalized guide on the website welcometofrance.com.

✓ Support

You can also contact us in writing via our [online service](https://welcometofrance.com).

To facilitate the installation of talent in France: welcometofrance.com.

THE PATHWAY OF TALENT





#2 DEFINING THE CONTEXT OF MOBILITY IN FRANCE

If you are engaged in a professional activity in France, your status depends on many factors and in particular your position within the company in France (director of the French subsidiary, fixed-term or permanent contract), your professional skills, whether or not your employer is present in France.

Any mobility requires prior preparation in consultation with your employer.

The aspects relating to remuneration or your position must be dealt with as they may have a significant impact on your residence permit and that of your family.

#2.1 Intra-group mobility of talent

Within a group of companies, the need to share expertise and skills encourages the mobility of directors and highly skilled employees, thereby fostering a common corporate culture.

Aware of this reality, France has put in place a framework designed to encourage such mobility within international groups. Foreign talent can therefore complete assignments under optimum conditions and be supported by their families.

Group of companies: A group of companies is an economic entity formed by a number of companies that are either companies controlled by the same company, or this controlling company. Controlling a company means having the power to appoint the majority of directors.¹

Before your departure for France, in consultation with your original employer and the host company (subsidiary or sister company), any future mobility needs to be clarified: is the original employment contract retained and an amendment drafted? Is a new contract agreed? This discussion is also an opportunity to bring up the composition of the package linked to your mobility in France (fixed salary, mobility bonus, housing benefit, etc.) in order to anticipate the tax implications and understand their benefit (i.e. [favorable tax regime for expatriates](#)).

#2.2 Understanding the difference between secondment and expatriation



Posting of employees

Employees are said to be posted when an employer regularly established outside France entrusts its employees with a specific assignment to be undertaken in France. During the posting period, posted employees keep their employment contract with their original employer outside France, which oversees them and has the power to control the performance of assignments and sanction any shortcomings.

French employment law (Labor Code) allows for the following categories of posting:

- Performance of a service.
- Intra-company transfer.
- Provision of employees on a temporary basis.
- Undertaking an own account activity.



Expatriation

Expatriate employees in France are employed in the French subsidiary of the group of companies to which their company of origin belongs. The company in France therefore becomes their sole employer.

[As regards employment law](#), employers (and contracting parties) must comply with the regulations applicable to all workers in France (minimum wage, overtime compensation, legal working time, workplace health and safety legislation, etc.)



#3 APPOINTING A FOREIGN NATIONAL TO MANAGE YOUR FRENCH SUBSIDIARY

For the needs of French subsidiary's activities, a director or an employee, already employed at the headquarter company or in another subsidiary of the groups, can be appointed legal representative of the French company.

A **company director** is an individual appointed to act as a company's representative in France for all acts relating to that company's management, for which they are answerable to the shareholders, management and labor, and third parties.

Depending on the legal form of the subsidiary, it is:

- The director of a limited liability company (société à responsabilité limitée – SARL).
- The Chairman and CEO of a public limited company (société anonyme – SA) or simplified limited company (société par actions simplifiée – SAS).
- An individual with the power to bind a foreign legal entity (representative of a branch or liaison office).

Foreign company directors who are EU, EEA or Swiss nationals can run their activity in the same way as a French national, without any other formality.

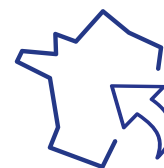
For company directors from outside the EU, the EEA or Switzerland, who wish to hold the position of legal representative (company director) in France, a specific residence permit exists: the **“Talent Passport – Company Director” residence permit**.

To be eligible to the “Talent Passport”, the company director must provide evidence of:

- **Three months of service** in an establishment or business **belonging to the same group**, as an employee or company director
- Gross annual pay of at least three times the statutory national minimum wage (**SMIC**), i.e. **€59,241 as of May 1, 2022**
- Their appointment as **legal representative of an establishment** or company established in France.

This residence permit allows the exercise of the commercial activity in connection with the corporate mandate.

The validity period of this permit depends on the corporate mandate, up to four years.



#4 SENDING A FOREIGN EMPLOYEE TO YOUR SUBSIDIARY IN FRANCE

The main issue for foreign companies wishing to second or expatriate their employees in France is defining the migratory status most suited to their profile and their assignment.

A business established abroad that wishes to send employees to its French subsidiary may choose between two statuses: **secondment or expatriation**.

There are specific immigration law procedures for each of these statuses.

Employees who are nationals of the countries in the EU, the EEA or of Switzerland are not concerned as they enjoy freedom of movement and establishment in France, without the need for any special formalities.

#4.1

Employees posted by their original employer

Where employees are sent to France under an intra-company transfer, they can obtain a multi-year **“Intra-company transfer” residence permit (“salarié détaché ICT”)**, valid three years, non-renewable.

This residence permit is valid as a work permit for the assignment considered within the group’s French subsidiary.

In order to apply for this residence permit, employees have to live outside the EU and be posted by an employer also established outside the EU. They also must provide evidence of the following:

- At least six months of seniority in the group to which the company employing them belongs.
- An employment contract with the home company sending them to work as a senior director or expert in France.

- That their home company and the host company belong to the same group.

As the employee is posted, no employment contract is entered into with the host company in France.

Posted employees are by definition not meant to remain in France. At the end of their three years under posted ICT employee, they must return to their country of origin, their assignment having come to a close.

Irrespective of nationality, any employer located outside France planning to post an employee on French soil must submit a declaration, before the start of the mission, through the [SIPSI](#) teleservice of the Ministry for Labour.

And for short periods?

If the total duration of the assignment is less than 3 months

In immigration law, certain foreign talents are required to obtain [a short-stay visa](#) for stays of less than three months. In order for them to issue a visa, proceedings must be instituted with the consular authorities of the country of residence.

In terms of employment law, to exercise a salaried activity, a provisional work permit must, in principle, be requested on the [dedicated website](#) before arrival in France.

There are exemptions for seven areas of activity:

- Sporting, cultural, artistic and scientific events
- Conferences, seminars and trade shows
- Production and distribution of cinematic and audiovisual works, shows and

recordings

- Modeling and artistic posing
- Personal service workers and domestic workers working in France during their private employers’ stay in the country
- Audit and consulting in IT, management, finance, insurance, architecture and engineering, under the terms of a service agreement or intra-company transfer agreement
- Occasional teaching activities by invited lecturers.

If the total duration of the assignment is more than 3 months and less than one year

A posted employee is given a VLS-TS with the wording “salarié détaché ICT” (ICT posted employee), subject to eligibility.

#4.2

Employees involved in intra-group mobility recruited by the French subsidiary

Intra-group mobility is frequent and is facilitated by the “Talent Passport” residence permit.

It is available to foreigners hired under a French employment contract by the French company at which the assignment is to be carried out, belonging to the group of the company that employed them abroad.

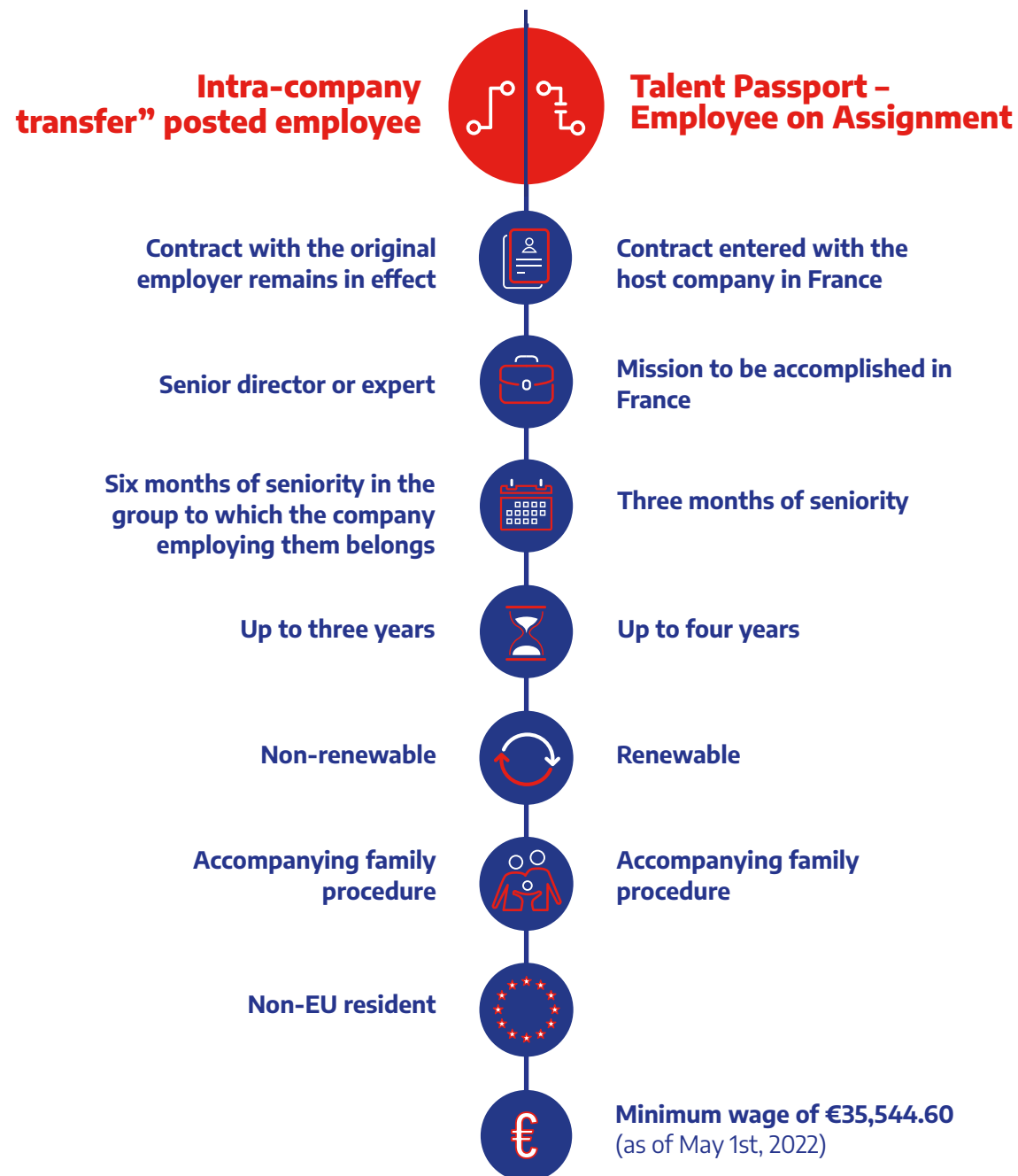
To be eligible for the “Talent Passport – Employee on Assignment”, specifically addressed to employees on intra-group mobility, employees of a company established outside France must have evidence of the following:

- An employment contract with the subsidiary in France
- At least three months service in the group to which the employing company belongs
- Gross annual pay of at least 1.8 times the statutory national minimum wage [SMIC](#), i.e. **€35,544.60** as of May 1, 2022.

The “Talent Passport – Employee on Assignment” residence permit, valid for the duration of the assignment (and up to four years) and renewable, is equivalent to a work permit for the assignment in France justifying intra-group mobility.

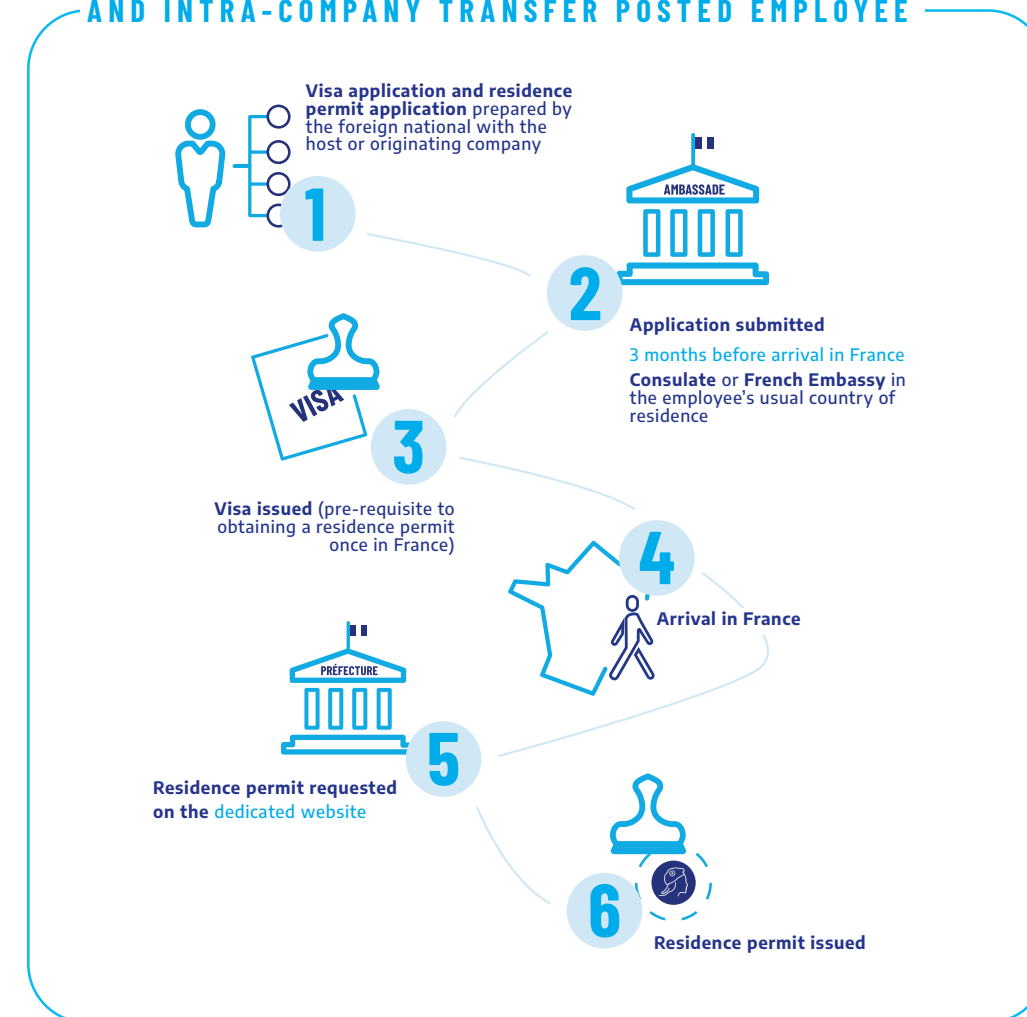
#4.3

Easier intra-group employee mobility



PROCEDURE

TALENT PASSPORT AND INTRA-COMPANY TRANSFER POSTED EMPLOYEE



FAMILY

- The spouse and minor children (children under the age of 18) dependent on the holder of a “Talent Passport” or “ICT posted employee” card and its various endorsements may benefit from the simplified “[accompanying family](#)” procedure.

The title automatically issued to the spouse is a “Talent Passport – Family”.

Situation of dependent minor children:

- Children under the age of 18: **No residence permit required** (underage child travel document (“[document de circulation pour étranger mineur](#)” – DCEM))
- Adult children*: **Talent Passport – Family**

* Applies to children who were under the age of 18 when they entered France and who apply for a residence permit in the year they turn 18.



#5 INTERNATIONAL RECRUITING

A French company may recruit foreign talent abroad.

Various residence permits exist for this audience, including several endorsements of the “Talent Passport” residence permit.

The multi-year Talent Passport residence permit is equivalent to a work permit, valid for a period up to four years, and is renewable.

The holder of the Talent Passport may exercise any salaried professional activity as long as the conditions of the residence permit are respected.

#5.1 Highly skilled employees: “Talent Passport – European Union Blue Card”

To make France more attractive to highly skilled employees, they are now eligible for a Talent Passport residence permit.

Foreign employees must have evidence of the following:



Permanent or fixed-term **employment contract** for at least 12 months with an employer established in France



Gross annual pay of at least 1.5x the average annual gross salary set by decree, i.e. **€53,836.50** as of May 1st, 2022.



Qualification awarded on completion of at least **three years of higher education**, or documents providing evidence of **five years of commensurate professional experience**

Holders of a Blue Card granted by another EU Member State, who have lived there for **at least 18 months**, may receive this type of residence permit if they apply within one month of entering France.

#5.2

Recruiting young graduates in France

Skilled employees who hold a diploma, earned at an institute of higher learning accredited at national level, at least equivalent to the grade of master or comparable may be granted a Talent Passport.

The diplomas, delivered from a French higher education establishment, recognized in this respect are:

- The professional degree (licence professionnelle)

The Specialized Master's or Master of Science (credited by the [French Conference des Grandes Ecoles](#))

- At least equivalent to the Master's degree

Employees must have evidence of the following:



A permanent or a fixed-term **employment contract** for at least three months with an employer established in France



Gross annual pay of at least twice the [statutory national minimum wage](#) (SMIC), i.e. **€ 39,494** as of May 1st, 2022.



A [qualification equivalent to a master's degree](#) obtained in France



Foreign students residing in France under a “**Student**” residence permit, who have recently obtained a Master's degree or equivalent, may wish to remain in France in order to carry out their first professional activity, whether salaried or self-employed.

Looking for a job

Students may obtain a temporary “**Job search or business creation**” residence permit, which authorizes them to reside in France for a **maximum period of 12 months, with no possibility of renewal**. There may be specific provisions within the [bilateral agreements concluded by France](#).

This temporary residence permit allows holders to complete their training via a first professional experience and to look for a job related to their training.

Foreign students who have left France after obtaining their Master's degree or equivalent may benefit from the permit for a maximum period of **four years from when it is issued**.

#5.3 Employees of an innovative new company

Employee of an innovative new company (Jeune entreprise innovante – JEI) must have evidence of the following:



Gross annual pay of at least twice the statutory national minimum wage ([SMIC](#)), i.e. €39,494 as of May 1st, 2022.



Active participation in the R&D project and development of the company.



A permanent or a fixed-term **employment contract** for at least three months with an employer established in France.



Their [employer's status as an innovative new company \(JEI\)](#) (i.e. the firm is less than eleven years old, has a consolidated workforce of fewer than 250 employees, and revenues of less than €50 million).



In order to prove their status as an innovative new company (JEI), companies may submit a request for an opinion under the scheme to the tax authorities in the form of a ruling.

Employees of a company recognized as innovative by the Ministry of Economy with the [French Tech Visa for Employees](#) must show evidence of:



Gross annual pay of at least twice the statutory national minimum wage ([SMIC](#)), i.e. €39,494 as of May 1st, 2022.



Active participation in the R&D project and development of the company or any active link with the economic, social, international and environmental development of the project.



A permanent or a fixed-term **employment contract** for at least three months with an employer established in France.

The application of recognition of the innovative nature is filed online via the [dedicated platform](#).



The **French Tech Visa for Employees** **facilitates** the recruitment of international talents by companies based in France and recognized as innovative by the Ministry of the Economy and Finance.

They can qualify for the Talent Passport qualified employee, valid for a maximum duration of **four years on a renewable basis**.

To be recognized as innovative, the company must meet one of the following criteria:

- Be or have been a beneficiary in the last five years of public support for innovation; the list of the relevant support mechanisms can be found [here](#).
- Have its capital held, wholly or partly, by an investment entity whose main purpose is to finance or invest in innovative companies; a list of these entities can be found [here](#).
- Be or have been supported over the last five years by a support structure dedicated to innovative companies.

foreign talent may benefit from this system and request a certificate recognizing its innovative nature. This application is filed online via the dedicated platform: [démarches-simplifiées.fr](#)

This certificate, valid for three years, must be attached to the visa and/or residence permit applications for foreign employees.

Any innovative company wishing to recruit

KEY STEPS



STEP 1

The employer requests online a letter certifying the innovative nature of the company via the [platform](#).

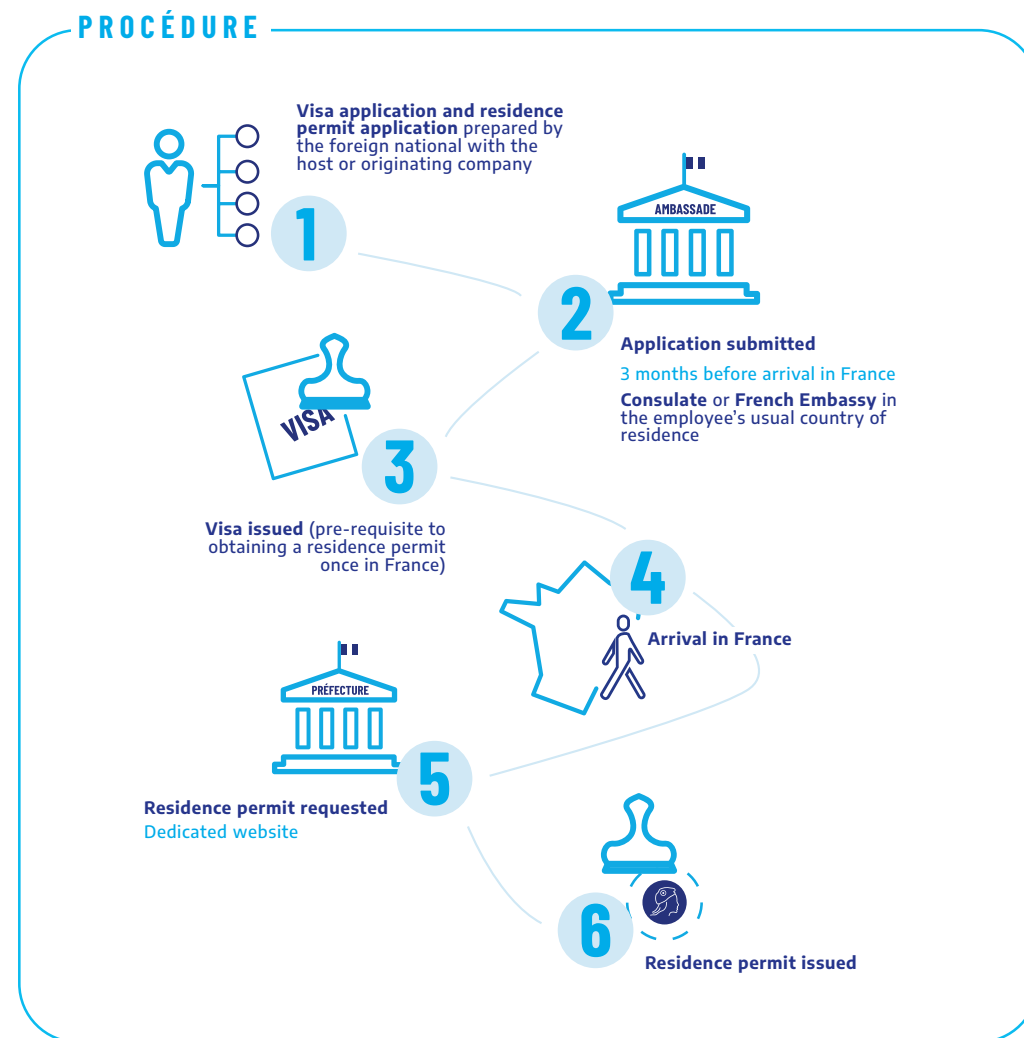


STEP 2

Employees apply for their long-stay visa and/or residence permit, attaching the certificate and other supporting documents.

#5.4

A common procedure for people applying for a Talent Passport residence permit



FAMILY

- The spouse and minor dependent children (under 18 years old) of the holder of an "Intra-company transfer" residence permit or "Talent Passport" and its various mentions can have the [accompanying simplified family procedure](#).

The title automatically issued to the spouse is a "Talent Passport – Family".

Dependent children:

- Children under the age of 18: **No residence permit required** (underage child travel document ([document de circulation pour étranger mineur \(DCEM\) à obtenir](#)))
- Adult children*: **Talent Passport – Family**

* Applies to children who were under the age of 18 when they entered France and who apply for a residence permit in the year they turn 18.

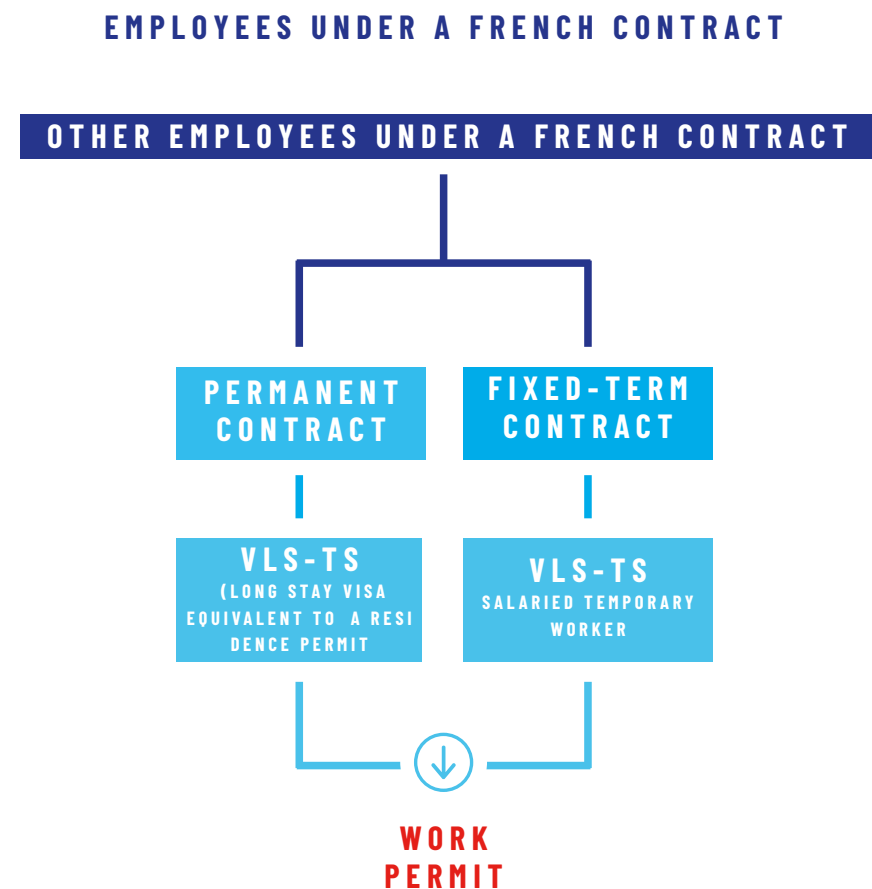
#5.5

Standard introduction procedure

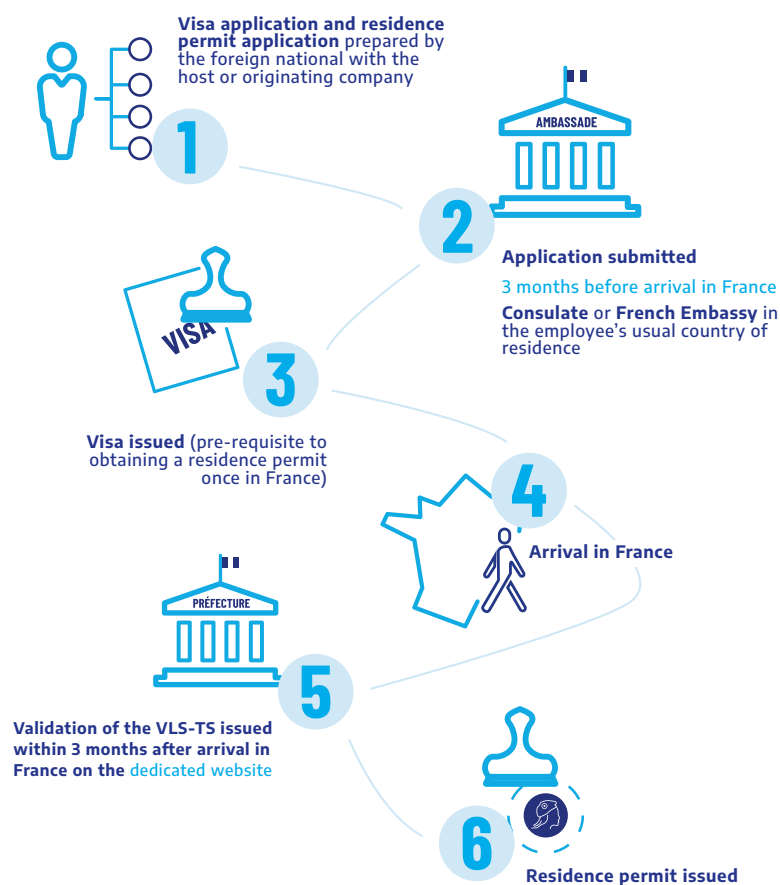
Foreign employees who are not concerned or eligible for the different categories of the "Talent Passport" residence permit may still stay and work in France.

The procedure for obtaining a residence permit differs slightly. In particular, it is conditional upon obtaining a [work permit](#) requested by the employer on the dedicated website.

EMPLOYEES CONCERNED



PROCÉDURE



FAMILY

Families can apply for a residence permit separately from the main applicant (e.g. as a visitor). Families are not eligible to the simplified procedure.

Otherwise, families have the option of coming to France on grounds of **family reunification**. Family reunification applies to foreign nationals who have been lawfully resident in France **for at least 18 months** and who wish to be joined by their spouse and children.



#6 CONSIDERING SOCIAL PROTECTION

Throughout your stay in France, regardless of its duration, you must be covered by a social protection system.

A foreign employee who works and resides in France is, in principle, subject to French social protection legislation, irrespective of their nationality and the country in which their employer is registered. The French social security system is not only protective and generous, but it also offers extremely wide social security coverage.

Employees posted in France can continue to be affiliated to the social security system of their source country **if a social security agreement is in place between the country in which the company is based and France.**

- When an employee is posted in France, **regardless of their nationality**, a secondment declaration must be submitted by their foreign-based employer using the online “[Sipsi](#)” service provided by the Ministry for Labour.

#6.1

Employees: Registering for social security

#6.1.1

Social risks covered

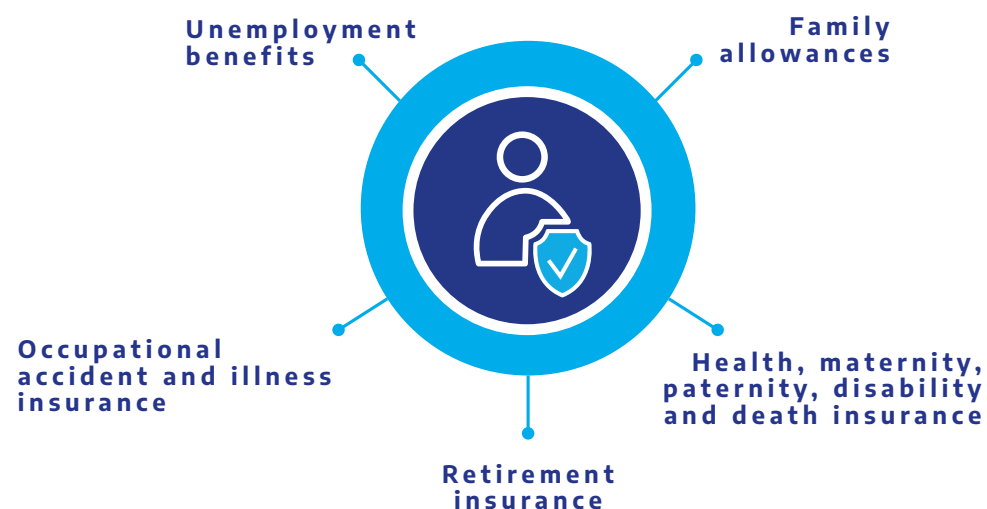
Employees and their families are fully eligible for France's comprehensive social security system, which includes:

- Health, maternity, paternity, disability and death insurance
- Occupational accident and illness insurance
- Pension insurance
- Family allowances
- Unemployment benefits, subject to certain conditions

They are therefore covered by the health insurance scheme called the “**General Scheme**”. The salary and associated benefits (benefits in kind, expatriation bonuses, etc.) paid to the foreign employee are subject to all the social security contributions payable to France's mandatory and supplementary insurance funds at the rates in force.

Foreign employees must be able to prove their regular status in France by presenting a valid residence permit (with the exception of nationals of the European Union, the European Economic Area and Switzerland).

Beneficiaries thus have the advantage of the coverage of their health costs and financial benefits to compensate for any part or permanent inability to work.



#6.1.2

How to register?

Social security registration will lead to the issuance of a **social security number** and an electronic registration card, the **Vitale card** (“**Carte Vitale**”).

The Vitale card contains all the insuree's information, including:

- Their identity and that of their dependents.
- Their social security number.
- Their public health insurance system and the organization by which they are covered.



Source : [site Ameli.fr](https://www.ameli.fr)

YOUR EMPLOYER HAS AN ESTABLISHMENT IN FRANCE

The employer is responsible for the procedures for registering with social security when an employee has never been registered there.

Any business that employs an individual in France must submit a pre-recruitment declaration (DPAE) to the local URSSAF (the government organization in charge of collecting social security and family allowance contributions).

You must then contact your Local Sickness Insurance Fund (CPAM) of your place of residence. For employees who have a “Talent Passport” residence permit, and their accompanying family, the CPAM (Caisse Primaire d'Assurance Maladie) in Paris centralizes applications for membership:

[Registration of foreign workers \(ameli.fr\)](https://www.ameli.fr)

YOUR EMPLOYER HAS NO ESTABLISHMENT IN FRANCE

Any company with its registered office abroad, which has no establishment in France, that recruits an employee to carry out an activity there, must make its declaration and payment of contributions obligations to the URSSAF in the Bas Rhin: www.alsace.urssaf.fr

#6.2 Posted employees: Ensure that the usual health regime is maintained

For social security purposes, a posted employee is one who has been sent by a foreign-based employer to perform a temporary assignment in France.

During the period of secondment, the costs of any care received in France by the posted employee and their family are covered.

The chain of command between the employee and the employer is maintained during the assignment in France. Under certain conditions, **the employee may be covered by the social security system of the country in which they usually work.** In such cases, social security contributions are paid in the individual's country of origin.

#6.2.1 Posted employees from the EU

Employees who are posted to France and usually work in a member state of the European Union or the European Economic Area continue to be covered by the social security system of their home country.

These intra-community employees may be posted for a maximum of **24 months**.

The secondment period's extension will only be granted in exceptional circumstances subject to approval from the foreign organization and the Center of European and International Liaisons for Social Security (CLEISS).

In such cases, social security contributions are paid in the individual's country of origin.

IN PRACTICE



#6.2.2

Posted employees not covered by a bilateral social security agreement

- In the absence of a bilateral social security agreement, employees sent to France must be registered with the general French health insurance system under the conditions explained in our section "[Affiliation to the French Healthcare System](#)".

#6.2.3

Posted employees covered by a social security agreement

Posted employees from countries that have signed [bilateral agreements](#) with France, can remain registered to the social security system in their country of origin for all or part of their secondment period in France.

The period of time during which the employee will retain social security cover is specified in the bilateral agreement (this can range from a few months to five years). Depending on the agreement in place, this initial secondment period may be renewed.

In practice, employees must provide proof of their affiliation in their country of origin in order to benefit from the application of the bilateral social security agreement.

Some bilateral agreements do not cover all healthcare costs, pensions, unemployment benefits, etc. Affiliation to the French system to cover these risks is necessary. **The employer must contact the liaison body of the employee's country of origin in order to obtain a certificate of posting**, before they arrive in France.

At the end of the initial or extended duration of the posting, posted employees are compulsorily affiliated to the French social security system. They can, nevertheless, decide to maintain their affiliation with the social system of their country of origin.



Some bilateral agreements do not cover all healthcare costs, pensions, unemployment benefits, etc. Employees and employers must therefore contribute to the French social security system to cover any expenses that are not included.

IN PRACTICE





#7 CONSIDERING PERSONAL TAXATION

#7.1

Determination of tax residency

Irrespective of nationality, you will be considered to be resident in France for tax purposes if one of the following criteria is met:

- Your **permanent place of residence** is in France, i.e. your habitual place of residence or that of your family (spouse and children).
- If you have dual permanent residence, the **center of your financial and personal interests** is in France.
- If your center of interests cannot be determined, your **primary place of residence** is in France (residence in France for more than 183 days in the same year).
- In the absence of any other deciding criteria among the above (primary place of residence or no place of residence in either country), your tax residence will be in France if you hold **French nationality**.
- Failing which, the tax authorities in the two countries may be asked to decide upon your tax residency.

[Residents of France](#) are taxed on **the entirety of their income earned from** French sources or from foreign sources, while people who are [not tax residents](#) are only taxed on income from French sources.

International tax treaties may also provide for specific arrangements.

When income from foreign sources is also taxed in the country of origin, double taxation is avoided by applying the provisions of the numerous bilateral tax treaties signed between France and other States (tax credit mechanism, etc.).

View the list of [international tax treaties signed by France](#)

#7.2

Non-residents for tax purposes

People in France who are not tax residents are **only taxed on income from French sources**. Remuneration paid in return for work carried out on French soil is therefore taxable in France.

Unless otherwise provided for by a [tax treaty](#), salaries paid to non-residents are subject to tax deducted at source.

Tax deducted at source – 2021 income

APPLICABLE RATE	YEAR	QUARTER	MONTH
0 % on the portion of income under:	€15,018	€3,755	€1,252
12 % on the portion of income between:	€15,018 to €43,563	€3,755 to €10,891	€1,252 to €3,630
20 % on the portion of income greater than:	€43,563	€10,891	€3,630

Source : impots.gouv.fr

How to declare income ?

In May of the year following their arrival, non-residents must report any income received in France over the previous year to the tax office for non-resident individuals (SIPNR).

In order to avoid double taxation, in France and in the country of origin, the withholding tax applied in France gives rise to the granting of a tax credit of the same amount in the country of residence.*

* in accordance with the terms of the [tax agreement](#) between France and the country of residence

#7.2

Tax resident

Unless otherwise provided for in the applicable tax agreement, if you are domiciled in France for tax purposes, you are taxable on all your income from French and foreign sources.

Any income from the activity of a tax resident of France, paid by an employer based in France or abroad, will be subject to withholding tax.

They may also benefit from the tax regime for expatriates, subject to certain conditions.

The income of residents in France is subject to a progressive tax scale:

INCOME TAX RATE TABLE ON 2021 INCOME

Taxable income brackets	Tax rate to apply
Up to €10,225	0 %
From €10,225 to €26,070	11 %
From €26,070 to €74,545	30 %
From €74,545 to €160,336	41 %
More than €160,336	45 %

Taxable salaries (tax category “salaries and wages”) do not include social contributions, other statutory contributions or professional expenses.

Source : service-public.fr

#7.3.1

Withholding tax in connection with international mobility

Employers collect tax on the monthly income of employees based on the rate calculated and communicated by the tax authorities. The amount of tax paid is shown on the payslip.

How is tax calculated?

The tax is calculated on the basis of the combined incomes of the household including the taxpayer, their spouse and children declared dependent.

Income to be declared may come from various sources (wages, salaries and allowances, pension annuities, property income, etc.).

The effective tax rate is determined based on the size of the household using the family quotient method, which consists in dividing the total household income by the number of taxable persons in the household, namely:

- One unit for each adult
- One half-unit for each of the first two children
- One unit for each child thereafter.

The effective tax rate on total household income is thereby determined on the basis of the size of the household.

For equal income, the more dependents the household has, the lower the tax rate for the tax household. In addition, a certain number of costs give rise to tax reductions or credits, such as the employment costs of domestic employees, as well as certain items of capital expenditure in the home.

With the introduction of withholding tax, tax rates can be applied individually depending on each spouse's income, if the person in question is married or in a civil partnership.

If no declaration has been filed, the rate applicable is the neutral rate.

This neutral rate is determined according to a specific tax schedule which does not take into account the circumstances, income and expenses of families.

If it is not appropriate it may be adjusted upwards or downwards, in which case the new rate is communicated to the employer.

Arrival in France or return to France

Employees arriving in France, or returning to France after a period of mobility of more than three years, are automatically subject to the neutral rate.

This rate is sometimes inappropriate because it does not take into account their family situation or the fact that the year of arrival is a part year with a favorable tax rate.

In order to obtain a personalized rate and a tax number, newcomers or their advisers can submit a form 2043 (paper version only) directly to the personal tax office to which they report if they didn't perceive any salary from France while residing abroad.

#7.3.2

The tax regime for expatriates



One of the most competitive in Europe



The period for which this provision applies to expatriates is eight years following the date they take up their post



Employees and certain directors called upon to engage in a principal activity in a company established in France for a fixed or indefinite period, regardless of their nationality



Tax benefits

- Income tax exemption on several types of income, up to 50% of remuneration
- Exemption from real estate assets tax (impôt sur la fortune immobilière – IFI)
- Exemption from payroll tax for certain employers
- Deduction of foreign social security contributions from taxable income



Conditions

- They have not been a tax resident in France during the five years prior to the date they started their job
- They are resident in France for tax purposes

TAXATION OF EMPLOYEE SHARE OWNERSHIP AND ATTRACTIVENESS OF TALENTS IN FRANCE

Employee share ownership, which encompasses all the mechanisms making it possible, in the medium- to long-term, to involve company employees and some directors in its capital, consists of three mechanisms:

- Free shares
- Business creator share subscription warrants
- Stock option system

These mechanisms have a range of consequences – motivation and cohesion within the company, strengthening the involvement and profit-sharing of employees in corporate development, and increased attractiveness of French employee share ownership.

These mechanisms are shown in our dedicated appendix:

[Taxation of employee shareholders and certain directors](#)

APPENDICES

SUMMARY TABLE OF DIFFERENT RESIDENCE PERMITS

PROFESSIONAL IMMIGRATION
INTERNATIONAL MOBILITY OF FOREIGN EXECUTIVES AND TALENTS
(OUTSIDE EU, EEA and Switzerland)

INVESTORS, COMPANY DIRECTORS, COMPANY AND STARTUP FOUNDERS

STATUTE / POSITION	VISA AND RESIDENCE PERMIT ISSUED	MAX. RESIDENCE PERIOD IN FRANCE	ELIGIBILITY CRITERIA	HOW TO APPLY	EXTRA FORMALITIES	WORK PERMIT	ACCOMPANYING FAMILY
Investor	Long stay visa + “Talent Passport – Business Investor” residence permit	4 ans Renouvelable Eligibilité à la carte de résident après 5 ans de résidence	The investor must provide evidence of: -Investment of at least €300,000 in fixed tangible or intangible assets. - Investment either directly or via a company in which they have at least a 30% shareholding. - Ownership of at least 10% of the company in which the investment is being made. - Creation/protection, or commitment to create/pro- tect, jobs in the four years following the investment. Direct investments include share capital invest- ments, reinvested earnings or ‘loans between affiliated companies’ . Exclusively financial investments are therefore outside the scope of the scheme. Investors and business angels associated with the French Tech program are also eligible for this type of residence permit. Further information about this procedure can be found on the website dedicated to the French Tech Visa for Investors .	Application: Consulate (applicant’s country of residence) Renewal: Dedicated website (3 months before the date of expiration of the residence permit)	None	N/A*	“Talent Passport – Family” residence permit. Permit valid for the same period as the main residence permit. Valid for up to four years (renewable). Any paid employment may be undertaken.
Company director or legal representative of a french company	Long-stay visa + “Talent Passport – Company Director” residence permit	Four years Renewable Eligible for a residence card after five years’ residence	The company director must provide evidence of: - Three months’ service in an establishment or bu- siness belonging to the same group, as an employee or company director. - Gross annual pay of at least three times the statutory national minimum wage (SMIC) = €59,241 (1/5/2022). -Appointment as legal representative of an establi- shment or company set up in France.	Application: Consulate (applicant’s country of residence) Renewal: Dedicated website (3 months before the date of expiration of the residence permit)	None	N/A*	“Talent Passport – Family” residence permit. Permit valid for the same period as the main residence permit. Valid for up to four years (renewable). Any paid employment may be undertaken.
Company founder residing in France	Long-stay visa + “Talent Passport – New Business” residence permit	Four years Renewable Eligible for a residence card after five years’ residence	The company founder must provide evidence of:-Qualification corresponding to a master’s degree or equivalent, or at least five years’ commensurate professional experience. - A real, serious plan to form an economically viable business in France. - Investment of at least €30,000 in the planned business. - Annual financial means of at least the statutory national minimum wage (SMIC) = €19,747 (1/5/2022)	Before submitting the application: request for a certificate recognizing the real and serious nature of a business creation project on the dedicated website Application: Consulate (applicant’s country of residence) Renewal: Dedicated website (3 months before the date of expiration of the residence permit)	None	N/A*	“Talent Passport – Family” residence permit. Residence permit valid for the same period as the main residence permit. Valid for up to four years (renewable). Any paid em- ployment may be undertaken.

*N/A: The applicant is a company director and so does not have employee status under French employment law

STATUTE / POSITION	VISA AND RESIDENCE PERMIT ISSUED	MAX. RESIDENCE PERIOD IN FRANCE	ELIGIBILITY CRITERIA	HOW TO APPLY	EXTRA FORMALITIES	WORK PERMIT	ACCOMPANYING FAMILY
Entrepreneur residing in France with an "innovative business project" (startup)	Long-stay visa + “Talent Passport – Innovative Business Project” residence permit	Four years Renewable Eligible for a residence card after five years’ residence	The entrepreneur with an innovative business project must provide evidence of: - An innova- tive business project to be developed in France. - Recognition of the innovative nature of the project by a public-sector body (government, local authorities, public institutions, public corporation, etc.). - Annual financial means of at least the statutory national minimum wage (SMIC) = €19,747 (1/5/2022). Entrepreneurs associated with the French Tech programs are also eligible for this residence permit. Further information about this procedure can be found on the website dedicated to the French Tech Visa for Founders .	Application: Consulate (appli- cant’s country of residence) Renewal: Dedicated website (3 months before the date of expira- tion of the residence permit)	None	N/A*	“Talent Passport – Family” residence permit. Residence permit valid for the same period as the main residence permit. Valid for up to four years (renewable). Any paid em- ployment may be undertaken.
Company director not eligible for A talent passport residing in France	Long- stay visa equivalent to a residence permit (VLS- TS) or an “Entrepreneur/ Independent Professional temporary residence permit (CST)”	12 months Renewable Possibility of changing status to a multi-year residence permit for Entrepreneurs / Liberal professions Eligible for a residence card after five years’ residence	Any foreign national wishing to engage in a commercial, industrial or craft activity must provide evidence: - Economically viable business plan or an existing company’s ability to pay at least the statutory national minimum wage (SMIC) = €19,747 (1/5/2022). - Business compatible with public safety, health and peace. - Compliance with all professional obligations (qualifications, professional experience, etc.). - No professional disqualifications or prohibi- tion orders.	Before submitting the application: request for a certifi- cate recognizing the economic viability of a business creation project on the dedicated website Application (VLS- TS): Consulate (applicant’s country of residence) Renewal (CST): Pré- fecture (applicant’s place of residence in France) in the two months before the date of expiration of the residence permit	Upon arrival in France: -Validate your VLS-TS online . -Medical examination at the Immi- gration and Citizenship Office (OFII). Republican citizenship contract (CIR).	N/A*	Separate residence permit or Family reunification application with the Immigration and Citizenship Office (OFII) (applicant’s place of residence); forwarded to the Préfecture.
Company director not residing in France	Schengen short-stay “Business Trip” visa May obtain a travel visa	Up to 90 days per 180-day period	Must be the company’s legal representative. - Certain foreign nationals are exempt from the short-stay visa due to their nationality	Application: Consulate (appli- cant’s country of residence) Renewal: New visa and/or residence permit should be requested at the Consulate (applicant’s country of residence)	None	N/A*	Separate visa required

*N/A: The applicant is a company director and so does not have employee status under French employment law

EMPLOYEES WORKING UNDER A FRENCH EMPLOYMENT CONTRACTS


STATUTE / POSITION	VISA AND RESIDENCE PERMIT ISSUED	MAX. RESIDENCE PERIOD IN FRANCE	ELIGIBILITY CRITERIA	HOW TO APPLY	EXTRA FORMALITIES	WORK PERMIT	ACCOMPANYING FAMILY
Highly skilled employee	Long-stay visa + "Talent Passport – European Blue Card" residence permit	Four years Renewable Eligible for a residence card after five years' residence	Foreign employees must have evidence of the following: - Permanent or fixed-term employment contract for at least 12 months with an employer established in France. - Qualification awarded on completion of at least three years' higher education, or documents providing evidence of five years' commensurate professional experience. - Gross annual pay of at least 1.5x the average annual gross salary set by decree = €53,836.50 (1/5/2022). Holders of a Blue Card granted by another EU Member State, who have lived there for at least 18 months, may receive this type of residence permit if they apply within one month of entering France.	Application: Consulate (applicant's country of residence) Renewal: Dedicated website (3 months before the date of expiration of the residence permit)	None	The multi-year Talent Passport residence permit is also valid as a work permit.	"Talent Passport – Family" residence permit. Residence permit valid for the same period as the main residence permit. Valid for up to four years (renewable). Any paid employment may be undertaken.
Employee on intra-company transfer (french contract)	Long-stay visa + "Talent Passport – Employee on Assignment" residence permit	Four years Renewable Not eligible for a residence card	Employees of a company established outside France must have evidence of the following: - An employment contract with the subsidiary in France. - At least three months' service in the group to which the employing company belongs. - Gross annual pay of at least 1.8x the statutory national minimum wage (SMIC) = €35,544.60 (1/5/2022).	Application: Consulate (applicant's country of residence) Dedicated website (3 months before the date of expiration of the residence permit)	None	The multi-year Talent Passport residence permit is also valid as a work permit	"Talent Passport – Family" residence permit. Permit valid for the same period as the main residence permit. Valid for up to four years (renewable). Any paid employment may be undertaken.

STATUTE / POSITION	VISA AND RESIDENCE PERMIT ISSUED	MAX. RESIDENCE PERIOD IN FRANCE	ELIGIBILITY CRITERIA	HOW TO APPLY	EXTRA FORMALITIES	WORK PERMIT	ACCOMPANYING FAMILY
Young graduate or employee of an innovative new company (JEI)	Long-stay visa + "Talent Passport – Young Graduate or Employee of an Innovative New Company" residence permit	Four years Renewable Eligible for a residence card after five years' residence	Graduated employees and employees of an innovative new company (jeune entreprise innovante – JEI) must have evidence of the following: - Gross annual pay of at least twice the statutory national minimum wage (SMIC) = €39,494 (1/5/2022) - Permanent or fixed-term employment contract for at least three months with an employer established in France, plus a qualification equivalent to a master's degree obtained in France - For employees who graduated in France, plus a qualification equivalent to a master's degree obtained in France - For employees of a JEI, the company must be officially recognized as such (and meet all the following conditions: company of less than 11 years old, consolidated workforce of fewer than 250 employees, 50% of equity owned by individuals; >15% of revenues spent on research; the company must not arise from a concentration of undertakings). Employees of startups or scale-ups that are members of the French Tech programs are also eligible for this type of residence permit. Further information about this procedure can be found on the website dedicated to the French Tech Visa for Employees .	Application (VLS-TS): Consulate (applicant's country of residence) Renewal (CST): Dedicated website (3 months before the date of expiration of the residence permit)	None	The multi-year Talent Passport residence permit is also valid as a work permit.	"Talent Passport – Family" residence permit. Permit valid for the same period as the main residence permit. Valid for up to four years (renewable). Any paid employment may be undertaken.
Employee with a permanent French contract not eligible for a talent passport	Long-stay visa equivalent to a residence permit (VLS-TS) or an "Employee" temporary residence permit (CST)	12 months Renewable Eligible for a residence card after five years' residence	The employee must provide evidence of : - a permanent French employment contract - a work permit requested by the employer prior to the application on the dedicated website	Application (VLS-TS): Consulate (applicant's country of residence) Renewal (CST): Préfecture (applicant's place of residence in France) in the two months before the date of expiration of the residence permit	Upon arrival in France: Medical examination at the Immigration and Citizenship Office (OFII). Republican citizenship contract (CIR).	Yes. The employer applies for the work permit on the dedicated website .	Separate residence permit or Family reunification application to be filed with the Immigration and Citizenship Office (OFII) in the applicant's place of residence in France before being forwarded to the Préfecture.
Employee with a fixed-term French contract not eligible for a talent passport	Long-stay visa equivalent to a residence permit (VLS-TS) or a "Temporary Worker" temporary residence permit (CST)	Duration of the fixed-term contract (CDD)	The employee must provide evidence of : - a fixed-term French employment contract - a work permit requested by the employer prior to the application on the dedicated website	Application (VLS-TS): Consulate (applicant's country of residence) Renewal (CST): Préfecture (applicant's place of residence in France) in the two months before the date of expiration of the residence permit	Upon arrival in France: Medical examination at the Immigration and Citizenship Office (OFII). Republican citizenship contract (CIR).	Yes. The employer applies for the work permit on the dedicated website .	Separate residence permit or Family reunification application to be filed with the Immigration and Citizenship Office (OFII) in the applicant's place of residence in France before being forwarded to the Préfecture.

EMPLOYEES WHOSE ORIGINAL FOREIGN EMPLOYMENT CONTRACT REMAINS VALID

STATUTE / POSITION	VISA AND RESIDENCE PERMIT ISSUED	MAX. RESIDENCE PERIOD IN FRANCE	ELIGIBILITY CRITERIA	HOW TO APPLY	EXTRA FORMALITIES	WORK PERMIT	ACCOMPANYING FAMILY
Employee on intra-company transfer (posting, contract with a company established outside the eu)	Long-stay visa + "Intra-company transfer" residence permit (Salarié détaché ICT)	Three years Non-renewable Not eligible for a residence card	Employees posted by an employer established outside the EU must provide evidence of the following- At least six months of service in the group to which the company employing them belongs. - An employment contract with the home company sending them to work as a senior director or expert in France. - That the home company and the host company belong to the same group No employment contract is entered into with the host company in France.	Application: Consulate (applicant's country of residence) Extension: New visa and/ or residence permit should be requested at the Consulate (applicant's country of residence)	Before arriving in France: - Apply to social security (home country) for a posting certificate - Obtain a prior posting declaration from the Labor Inspectorate via the SIPSI online service .	The multi-year "Intra-company transfer" residence permit is also valid as a work permit.	"Intra-company transfer – Family" residence permit issued. Permit valid for the same period as the main residence permit. Valid for up to three years (non-renewable). Any paid employment may be undertaken
Employee on intra-company transfer (posting, contract with a company established in the eu)	Long-stay visa + "Intra-company transfer" residence permit (Salarié détaché mobile ICT)	Three years Non-renewable Not eligible for a residence card	The employee posted in France by an employer established in the EU must justify- An "Intra-company transfer" residence permit issued by another EU Member State. - An amendment to the employment contract entered into with their employer specifying the assignment in France and pay conditions. - Their home company and the host company belong to the same group. For assignments <90 days, the employer of the employee posted to France must give advance notification to the Prefect of the département where the host company is located.	Application: Consulate (applicant's country of residence) Extension: New visa and/ or residence permit should be requested at the Consulate (applicant's country of residence)	Before arriving in France: - Apply to social security (home country) for a posting certificate - Obtain a prior posting declaration from the Labor Inspectorate via the SIPSI online service .	The multi-year "Intra-company transfer" residence permit is also valid as a work permit.	"Intra-company transfer – Family" residence permit issued. Resident permit valid for the same period as the main residence permit. Valid for up to three years (non-renewable). Any paid employment may be undertaken.
Employee not eligible for "intra-company transfer" residence permit (salarié détaché ict) posting < three months	Short-stay visa	Up to 90 days within the Schengen Area per half-year	The employee must : - be an employee of the foreign company prior to the posting. - be posted for an assignment on the foreign company's behalf or to provide a service with a company based in France.	Application: Consulate (applicant's country of residence) Extension: New visa and/ or residence permit should be requested at the Consulate (applicant's country of residence)	Before arriving in France: - Apply to social security (home country) for a posting certificate. An intra-community secondment may last up to 24 months. - Obtain a prior posting declaration from the Labor Inspectorate via the SIPSI online service . Upon arrival: - Medical examination at the Immigration and Citizenship Office (OFII) - Republican citizenship contract (CIR)	Yes, unless exempt under the Decree of October 28, 2016. The employer applies for the work permit on the dedicated website .	Separate visa required
Employee from outside group not eligible for "intra-company transfer" residence permit (salarié détaché ict) posting > three months	"Temporary Worker" long-stay visa equivalent to a residence permit (VLS-TS)	Depends on length of assignment: three to 12 months Renewable subject to certain restrictions	The employee must: - be an employee of the foreign company prior to the posting. - be posted for an assignment on the foreign company's behalf or to provide a service with a company based in France.	Application (VLS-TS): Consulate (applicant's country of residence) Renewal (CST): Préfecture (applicant's place of residence in France) in the two months before the date of expiration of the residence permit	Before arriving in France: - Apply to social security (home country) for a posting certificate An intra-community secondment may last up to 24 months. - Obtain a prior posting declaration from the Labor Inspectorate via the SIPSI online service . Upon arrival: - Medical examination at the Immigration and Citizenship Office (OFII) - Republican citizenship contract (CIR)	Yes. The employer applies for the work permit on the dedicated website .	Separate residence permit or Family reunification application to be filed with the Immigration and Citizenship Office (OFII) in the applicant's place of residence in France before being forwarded to the Préfecture.

TAXATION OF EMPLOYEE SHARE OWNERSHIP AND CERTAIN DIRECTORS

Allocation of free shares	Business creator share subscription warrants	Stock-Options (SO)
PRINCIPLE		
The beneficiary receives free shares in the company	The beneficiary receives free warrants that can be converted into shares, at a price already set.	The beneficiary purchases shares in the company at a price set in advance.
WHICH COMPANIES ISSUE BONDS?		
Joint stock companies: SA, SAS and SCA	<p>Joint stock companies (SA, SAS and SCA)</p> <ul style="list-style-type: none">Created less than 15 years ago, in a context different from that of concentration, restructuring, expansion or takeover of pre-existing activitiesSubject to corporate tax in FranceUnlisted or for capitalization < €150 millionOf which at least 25% of the capital is held by private individuals or by legal entities of which 75% of the capital is held by private individuals.	Joint stock companies: SA, SAS and SCA
WHO CAN BENEFIT?		
<div><div><div><div></div><div>Company employees</div></div><div><div></div><div>corporate officers</div></div></div><div>Employees of affiliated companies</div><div>except those already holding – or for whom the AGA would have the effect of conferring – more than 10% of the share capital</div></div>	<div><div><div><div></div><div>Company employees</div></div><div><div></div><div>directors subject to employee tax regime</div></div></div><div>Employees and directors of subsidiaries owned > 75%</div></div>	<div><div><div><div></div><div>Company employees</div></div><div><div></div><div>corporate officers</div></div></div></div>
HOW IS THE ALLOCATION ORGANIZED?		
<div><div>MAX 38 MONTHS</div><div>SHAREHOLDERS' DECISION TO PAY A BONUS</div><div>Number of shares: maximum 10% of the capital (with exceptions, particularly if the bonus benefits all employees – that is 30%).</div><div>MIN 1 YEAR</div><div>SHAREHOLDERS' DECISION TO PAY A BONUS on one or more occasions</div><div>DEFINITIVE ALLOCATION OF SHARES</div><div>POSSIBLE TRANSFER OF SHARES</div></div>	<div><div>MAX 18 MONTHS</div><div>SHAREHOLDERS' DECISION TO ISSUE BUSINESS CREATOR SHARE SUBSCRIPTION WARRANTS</div><div>The decision specifies in particular the number of warrants issued and their exercise price.</div><div>NB: If the company carried out a capital increase in the six months preceding the issue of the warrants, the exercise price may not be lower than the issue price.</div><div>MIN 2 YEARS</div><div>DECISION TO AWARD THE WARRANTS on one or more occasions</div><div>NB: Warrants are non-transferable.</div><div>EXERCISE OF WARRANTS *conversion into shares</div><div>POSSIBLE TRANSFER DES ACTIONS</div><div>Transfer of shares may be subject to conditions (temporal, operational, presence in the company, etc.).</div></div>	<div><div>DECISION OF THE SHAREHOLDERS TO ISSUE STOCK OPTIONS</div><div>Setting of the number and price of the shares + exercise price</div><div>ALLOCATION OF THE STOCK OPTIONS against payment by the beneficiary of the price set</div><div>SALE OF SHARES</div><div>EXERCISE OF SHARES</div></div>

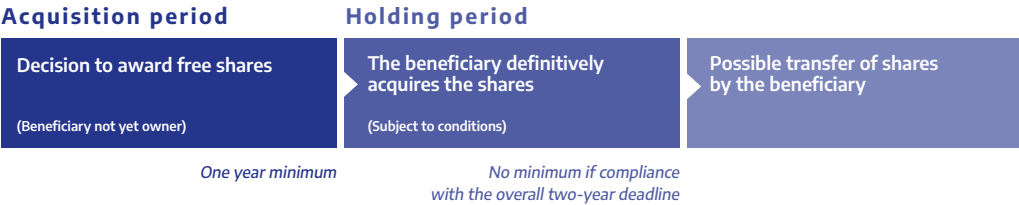
Allocation of free shares (Attributions gratuites d’actions – AGA)

The free share allocation system is used to retain employees and certain company representatives by offering them the opportunity to become shareholders of the company, free of charge, at the end of a fixed period set in advance and after a minimum holding period for the shares.

The definitive acquisition of shares may be subject to conditions of presence and/or performance in the company. AGAs are a

common profit-sharing tool and therefore target a broad population within the business.

This system also applies to free allocations made, by companies whose registered office is located abroad, to employees and salaried directors who carry out their activity in one of the group’s companies (parent company or subsidiary).



ACQUISITION GAIN

TAX PERIOD		SOCIAL SECURITY AND TAX REGIME	
INCOME TAX	Sale of shares	Acquisition gain < 300 000 €	Portion of acquisition gain > 300 000 €
		50% tax base allowance	Progressive tax brackets for income up to 45%
		Progressive tax brackets for income up to 45%	
SOCIAL SECURITY DEDUCTIONS		17,2% (of which 6.8% deductible CSG)	9,7% (of which 6.8% deductible CSG) + 10% specific salary contribution
MAXIMUM TAXATION		38,17%	61,64%

CAPITAL GAIN ON DISPOSAL

TAX PERIOD		SOCIAL SECURITY AND TAX REGIME ("PFU OU FLAT TAX")	
INCOME TAX	Sale of shares	12,80 %	
SOCIAL SECURITY DEDUCTIONS		17,20%	
MAXIMUM TAXATION		30,00%	

Good to know

The social security deductions of this employee profit-sharing tool are also attractive for the employer (specific social security contribution of 20%, based on the

value of the shares definitively acquired and delivered to the beneficiaries) compared with remuneration in salary.

Business creator share subscription warrants (BSPCE)

Business creator share subscription warrants (BSPCE) enable businesses, particularly startups created less than 15 years ago, to offer their employees and certain directors the right to subscribe for shares at a price set in advance.

For the beneficiary of BSPCEs, the tax regime is as follows: the gain realized on the sale of the shares is equal to the difference between the sale price of the shares and the acquisition price. It is taxed under the following conditions:

SOCIAL AND TAX REGIME OF BSPCES

	TAX PERIOD	SOCIAL SECURITY AND TAX REGIME	
		If the employee has been working for at least 3 years on the date of the sale ("PFU or Flat tax")	If the employee has been working for less than 3 years on the date of the sale
INCOME TAX	Sale of shares	12,80%	30,00%
SOCIAL SECURITY DEDUCTIONS		17,20%	17,20%
MAXIMUM TAXATION		30,00%	47,20%

Good to know

Since January 1, 2020, a foreign company may offer BSPCEs to employees of its French subsidiary. The allocation must be carried out under the same conditions as if it were done by a company established in France: conditions related to the company and the beneficiary, as well as the terms of allocation. For the business, the allocation of BSPCEs is attractive as it does not lead to any specific employer social security contribution.

Stock-Options

Stock options (share purchase or subscription options) allow employees and certain company representatives to subscribe for, or purchase, shares in their business or in a group company at a price set in advance over a fixed period of time. This system also applies to stock options offered by companies whose registered office is located abroad. In practice, this profit-sharing tool is often offered to the company's senior executives.

The advantage for the employee or director is that they can acquire, on the day the option is exercised, shares at a lower price than the market price.

The social security and tax regime applicable to stock option allocations is as follows:

SOCIAL SECURITY AND TAX REGIME APPLICABLE TO THE EXERCISE GAIN

	TAX PERIOD	SOCIAL SECURITY AND TAX REGIME
INCOME TAX	Sale of shares	Progressive tax brackets for income up to 45%
SOCIAL SECURITY DEDUCTIONS		9,7% (of which 6.8% deductible CSG) + 10% specific salary contribution
MAXIMUM TAXATION		61,64%

CAPITAL GAIN ON DISPOSAL

	TAX PERIOD	SOCIAL SECURITY AND TAX REGIME ("PFU OR FLAT TAX")
INCOME TAX	Sale of shares	12,80 %
SOCIAL SECURITY DEDUCTIONS		17,20%
MAXIMUM TAXATION		30,00%

Good to know

The social security scheme provides for a specific social security contribution for the company, which may be reduced to 7.5% of the value of the shares on the day of the allocation decision. This employee profit-sharing tool is therefore attractive compared with traditional remuneration.



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