

GOVERNMENT MEASURES TO ASSIST COMPANIES AND WORKERS IMPACTED BY COVID-19

Last update : April 21st, 2020

Since January 2020, an epidemic of Coronavirus COVID-19, qualified as a pandemic by the World Health Organization, has spread from China and now concerns 185 countries, among which France.

The French Government is totally mobilized to take the necessary measures to curb the propagation of this virus on the French territory in accordance with the World Health Organisation recommendations.

An important effort to provide detailed and updated information on the evolution of the epidemic is conducted by the Government ([Government Website](#)). Precise recommendations are published daily, notably : [Conseils aux voyageurs](#) (Ministry of Europe and Foreign Affairs), [points de situation et précautions sanitaires](#) (Ministry of Health), [questions-réponses actualisées quotidiennement](#) (Prime Minister's website). A call center providing all relevant information is also available: 0 800 130 000 (in French only).

From a health point of view, several contingency plans (ORSAN, White Plan in hospitals, Blue Plan in retirement homes) **have been implemented as soon as the first suspicious cases were detected** in order to optimize the mobilization of the health system and prepare all health institutions and professionals to a possible situation of active circulation of the virus on the whole French territory.

France has activated several R&D and clinical trial programs at the national and European level, notably through the REACTING initiative, and has pushed at the EU and G7 level for a better sanitary and R&D coordination in order to produce biological test diagnostics and to find leads for treatment of COVID-19.

From an economic standpoint, the government launched as soon as March 2020 [an action plan to support and assist businesses](#) impacted by the coronavirus epidemic (COVID-19). This **massive plan was just reinforced** to protect employment as well as our health system and to allow a swift economic recovery.

It includes the immediate application of emergency measures that aim to:

- **Guarantee the widest economic continuity** possible while ensuring the health security of employees,
- **Safeguard employment and competencies,**
- **Preserve companies' financial health**, from SMEs to large groups, both in terms of treasury and financing requirements,
- **Adapt** the specific measures to **each line of business** when necessary.

The overall envelope to support the economy amounts to 110 bn EUR (initially 45 bn EUR), in direct aids to companies that would encounter proven difficulties linked to this health crisis in the deployment of their activity in France. This is in addition to 315 bn EUR in State guarantees given to businesses (1000 bn EUR for the combined member states of the eurozone). An emergency law to handle the Covid-19 epidemic and to allow the implementation of these measures was published in the Journal Officiel on March 24th, 2020.

This plan will be extended by economic stimulus measures once the health crisis ends.

TAX MEASURES

For companies that encounter cash flow problems, the following measures are applicable:

1/ Allow **upcoming social charges and/or tax payments** to the URSSAF and/or French tax administration **to be carried over, by automatic right and without prior authorization** for the months of March and April. The due date may be deferred for up to 3 months without neither proof nor penalty. For May, companies are asked to fulfill their payment obligations following the normal calendar; for those facing difficulties, companies may postpone the business taxes due in May (same procedure as described below).

Which taxes are concerned?

Concerns all direct business taxes: advance income tax payment, payroll tax. The VAT and the repayment of the withholding tax made by the collectors are excluded.

The direct debit of the corporate real property tax (CFE), the company value-added contribution (CVAE) and property taxes may be suspended directly on the professional tax account of the companies.

How to benefit from it?

The request for extended payment terms will be applicable:

- For **social charges**, via the URSSAF website for employers and self-employed workers (extension possible up to 3 months, without penalty);
- For direct business **taxes**, on the online platform www.impots.gouv.fr, or via the following [form](#).

Who is eligible?

Companies of all sizes that are subject to the payment of a direct business tax in France.

Dividend payment

Companies with more than 5000 employees or that accounted a turnover of more than 1.5 bn EUR in France that request a postponement of tax and social security deadlines commit not to pay dividends in 2020 to its shareholders in France or abroad (except for entities that have a legal obligation to distribute a part of total dividends during the course of 2020) and not to buy back shares during the course of 2020.

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

2/ **Accelerate the refund by the administration of VAT and tax credits** to companies.

Which taxes are concerned?

VAT and all tax credits.

How to benefit from it?

To obtain the reimbursement of the VAT tax credit, the company must submit a request online, directly on its professional account or by contacting one of the authorized partners (EDI partners). The applications for tax credits refundable in 2020 (ex: R&D tax credit (CIR), sectorial tax credits) must be submitted online on the professional space of the website impots.gouv.fr.

Who is eligible?

Companies of all sizes.

3/ Allow direct tax rebates for businesses in the most precarious situations and threatened to go bankrupt.

What debts are concerned?

Tax and social security debts (employers' share).

How to benefit from it?

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

Who is eligible?

Companies of all sizes facing financial difficulties.

Regarding tax returns, the submission deadlines of the tax forms and assimilated submissions due in May are all postponed to June 30th (the schedule is carried over by automatic right and is available [online](#)).

FINANCING MEASURES

Finance the operation cycle and consolidate the cash flow

1/ State-guaranteed treasury loans up to an aggregated amount of 300 bn EUR

What is it?

Until December 31st, companies can apply to their usual bank for a State-guaranteed loan to support their cashflow.

The amount of the "[State-guaranteed loan](#)" (PGE) may reach up to 3 months of the company's 2019 turnover. It will be possible to make a request gathering several loans, but the cumulative amount must not exceed 25% of the company's turnover in France. No repayment will be required in the first year, and the company may choose to amortize the loan over a maximum period of 5 years.

How to benefit from it?

For companies with less than 5000 employees and that accounted a turnover of less than 1.5 bn EUR in France:

The company contacts a banking partner to make a request for a loan then logs onto the [attestation-pge.bpifrance.fr](#) platform.

For companies with more than 5000 employees or that accounted a turnover of more than 1.5 bn EUR in France:

The company forwards its request to garantie.etat.grandesentreprises@bpifrance.fr. The State-guarantee is given by individual order of the Ministry for Economic Affairs and Finance.

Who is eligible?

Companies of all sizes.

Dividend payment

Companies with more than 5000 employees or that accounted a turnover of more than 1.5 bn EUR in France that request a State-guaranteed loan commit not to pay dividends in 2020 to its shareholders in France or abroad (except for entities that have a legal obligation to distribute a part of total dividends during the course of 2020) and not to buy back shares during the course of 2020.

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

2/ Guarantees to SMEs and mid-cap companies

What is it?

Guarantee given on confirmed credit lines for 12 to 18 months or on 3 to 7-year loans; a 6-month deferment as of March 16th, 2020.

How to benefit from it?

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

Who is eligible?

SMEs and mid-caps.

3/ How to benefit from liquidity support loans?

What is it?

Unsecured loans on the assets of the company or its manager.

How to benefit from it?

- With the regions, the [rebound loan](#) of 10K EUR to 300K EUR over 7 years, including 2 years of deferred capital amortization
- [Asset loan](#) of up to 5M EUR for SMEs, 15M EUR for mid-cap companies over 3 to 5 years with a deferred depreciation.

Who is eligible?

VSEs, SMEs, and mid-cap companies threatened by the impact of the Coronavirus outbreak.

For eligible SMEs, a grant scheme in the form of repayable advances allowing a recovery of the cash flow will be implemented in the upcoming days (500M EUR envelope).

4/ Postponement of credit reimbursement without additional charge (for up to 6 months)

How to benefit from it?

Contact your bank.

5/ Companies will be able to request the support of the government and Banque de France (credit mediation) when requesting a rescheduling or moratorium of credits with their banks for the next 6 months.

How to benefit from it?

Contact the credit mediators on [their website](#).

6/ Loans to vulnerable and struggling companies through the economic and social development fund (FDES) (supplied by an additional 1 bn EUR)

What is it?

On a subsidiary basis and if all avenues have been explored, notably State-guaranteed loans (PGE), the General Secretariat of the inter-ministerial committee for industrial restructuring (CIRI) and the departmental committees in charge of assessing companies' financing problems (CODEFI) in conjunction with the General Secretariat of the CIRI are given a framed ability to lend, when necessary, to reach the closure of a financial round table. The intervention of the State as a lender takes place under similar conditions as for the private funders and necessarily goes along with a financial and industrial restructuring.

How to benefit from it?

Companies of less than 400 employees must refer to the CODEFI for which the headquarters fall within the jurisdiction, by contacting either the CODEFI's permanent secretary at the Public Finances Departmental Directorate or the Commissioner responsible for the productive improvement (CPR) of the region.

Companies of more than 400 employees fall within the jurisdiction of the CIRI whose General Secretary is operated by the General Directorate of the Treasury. The latter may be contacted with no formal procedures by phone: 01 44 87 72 58 or via email: ciri@dgtrésor.gouv.fr.

Who is eligible?

Companies of all sizes facing difficulties.

7/ The Ministry of Economic Affairs and Finance announced the creation of a 7 bn EUR solidarity fund dedicated to the **payment of a tax free aid to the smallest companies, the independents, the micro companies and the liberal professions.** The aid may amount to up to 1 500 EUR paid by the Public Finances General Directorate. Companies threatened to go bankrupt may benefit from an aid of up to 5 000 EUR as of April 15th.

How to benefit from it?

The access request to the solidarity fund can be made since March 31st through your personal space (not the professional space, even for companies) on the website <https://www.impots.gouv.fr/portail/>.

Who is eligible?

Individuals and companies that accounted a turnover of less than 1M EUR, with an annual taxable profit of 60K EUR, and that lost 50% of their turnover between March 2019 and March 2020. Moreover, they must have 10 or less employees. These conditions will soon be softened to benefit to more entrepreneurs.

9/ For VSEs and SMEs whose activity is interrupted, the collection of bills and charges (rent, water, gas, and electricity) is suspended as of April 1st, 2020 and for the subsequent periods of cessation of activity imposed by decree. Regarding companies whose activity, without being interrupted, has been considerably weakened by the coronavirus outbreak, their situation will be assessed on a case-by-case basis, in accordance with their economic realities. When business resumes, these rents and charges will be subject to deferred payment or spread without penalty or interest on arrears and adapted to the situation of the companies in question.

ECONOMIC AND SOCIAL MEASURES

The following measures have been adopted in order to ensure the economic survival of companies and the maintenance of employment:

1/ A simplified and reinforced use of short-time working which is available to companies experiencing cyclical economic difficulties.

What is it?

This system, also called partial employment, enables companies to preserve jobs by having the State taking responsibility for all or part of employees' remuneration. The employer facing difficulty will receive financial aid to offset the loss of income caused by the reduction in the working time of the concerned employees or by the temporarily closure of an establishment.

Employers must maintain a part of the employees' remuneration by paying an indemnity equal to 70% of the gross salary (about 84% of the net) to their employees. Employees on minimum wage (SMIC) receive 100% compensation.

The employer is then reimbursed in full by the State, for wages up to €6,927 gross per month (i.e. 4.5 times the SMIC). Therefore, there is no remainder payable by the company within this ceiling.

In total, the public financing of short-time working amounts to 24 bn EUR.

How to benefit from it?

Request form : <https://activitepartielle.emploi.gouv.fr/aparts/>. The company must indicate the desired duration of the indemnification and the reasons for the use of this scheme (max 12 months). Authorisation is granted within a period of 2 days.

Companies have 30 days from the interruption of activity to apply for the short-time working mechanism partial activity system; indemnification compensation will be retro-active.

Due to exceptional circumstances, such requests do not require prior consultation with employee representatives (usually mandatory). However, the CSE is to be consulted within two months after the request.

Who is eligible?

Companies of all sizes that face difficulty in the context of the sanitary crisis (decrees requiring the closing of the company, decline in activity, supply difficulties, inability to implement the required preventive measures for the health protection of the employees (teleworking, everyday steps to halt the virus, etc.)).

2/ Companies providing essential services, especially to the security of the nation or the continuity of economic and social life will be able to **derogate from the rules on working hours and rest periods** until December 31st, 2020.

For more details: <https://travail-emploi.gouv.fr/actualites/presse/communiqués-de-presse/article/precisions-sur-l-ordonnance-portant-mesures-d-urgence-en-matiere-de-conges>.

3/ A simplification of the payment terms and conditions of the exceptional purchasing power bonus for employees : the payment of the bonus can be made between December 29th, 2019 and August 31st, 2020 (initially June 30th, 2020). Employers are free to pay this bonus of 1 000 EUR. The amount of the bonus can be up to 2 000 EUR for companies that implemented or will implement a profit-sharing agreement before August 31st, 2020.

4/ Support from the Business Mediator (<https://www.economie.gouv.fr/mediateur-des-entreprises>) for businesses that face a conflict in their business relationships with customers and/or suppliers.

[Business Mediator Contact Form](#) – return under 7 days

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

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

PROFESSIONALS’ MOVEMENT MEASURES

Limiting movements as much as possible is the only way to slow down the rapid progression of the virus, within France, the European Union, and worldwide. Since March 17th, 2020 and until further notice, all external borders of the European Union, of the Schengen area and of the United Kingdom are closed for non-European citizens. France has suspended the issuance of visas, until further notice.

Foreign workers cannot enter France, with limited exceptions. In accordance with the guidelines of the European Commission as well as the Prime Minister’s circular of March 18th, some European citizens or third country nationals can be authorized to enter French territory: aside from individuals accompanied by their spouse and children having their primary residence in France or transiting, are concerned the cross-borders workers, healthcare workers supporting the fight against Covid-19, goods carriers, including seamen as well as flight and cargo crews or travelling as a passenger to their departure base.

Since April 8th, 2020, any traveler authorized to enter French territory must be in possession of an “[Attestation de déplacement international dérogatoire vers la France](#)” (Website of the Ministry of the Interior). On French soil, concerned individuals must also carry the [individual certificate and the employer’s certificate](#).

USEFUL CONTACTS AND SOURCES OF INFORMATION

We invite you to consult the **Government's website** very regularly in order to obtain up-to-date information: <https://www.gouvernement.fr/info-coronavirus>.

The Ministry of Economic Affairs and Finance, with the support of the concerned administrations, has implemented an online help tool updated daily: <https://info-entreprises-covid19.economie.gouv.fr/kb>

In order to **inform companies and employees in real time**, the Ministry of Labor has published the following document, which is updated frequently: <https://travail-emploi.gouv.fr/actualites/l-actualite-du-ministere/article/coronavirus-questions-reponses-pour-les-entreprises-et-les-salaries>.

Companies that wish to stock up **essential products** (gel, masks, etc.) directly and smoothly with suppliers and distributors can go on the platform: <https://stopcovid19.fr/customer/account/login/>, supported by the Ministry of Economic Affairs and Finance.

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

<https://www.pplateforme-attractivite.com/choosefrance/fiches-mesures-sociales/>
<https://www.pplateforme-attractivite.com/choosefrance/fiches-mesures-financieres/>

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

- for any question, companies can contact the General Directorate of Companies (Ministry of Economy and Finance) via the following address: covid.dge@finances.gouv.fr
- for help with administrative procedures, companies are invited to get in touch with the SPOC (**single point of contact**) of the DIRECCTE in the region where their company is located (contacts: <https://www.economie.gouv.fr/coronavirus-soutien-entreprises#>).
- In addition, a toll-free number (0 969 370 240) is operational since March 10th to guide companies toward the regional management of Bpifrance for cash flow issues.

All Business France teams, in France and abroad, are also mobilized to answer questions from international companies, subsidiaries in France and international talents:

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

Information and contact for investors: www.choosefrance.fr/en

Information and contact for international talents: www.welcometofrance.com