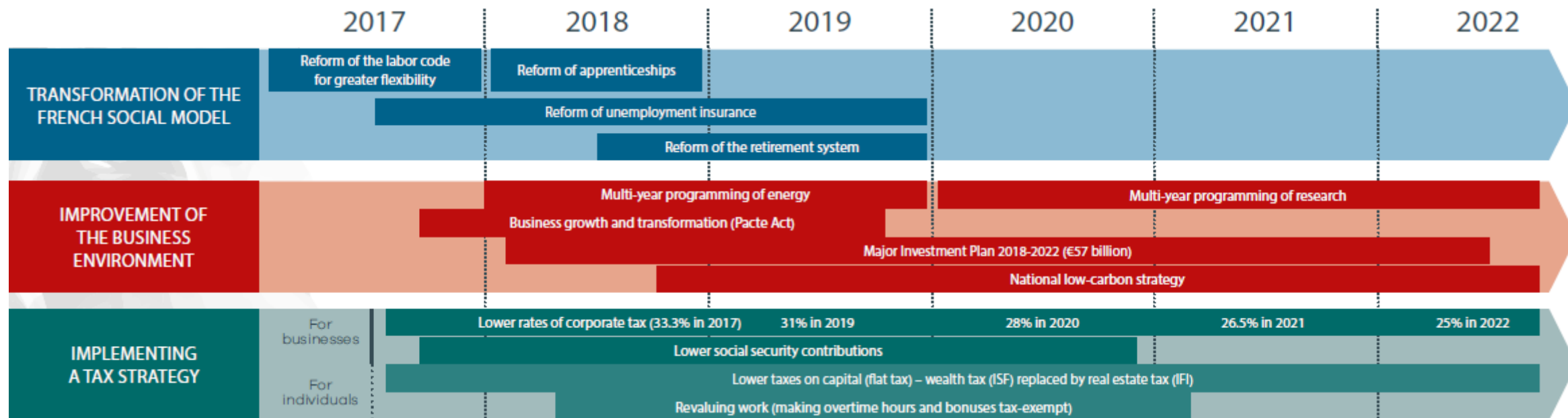


FRANCE IS MOVING UP
THE ONGOING
AGENDA OF
REFORMS



A DETAILED FIVE-YEAR REFORM PROGRAM



75% of foreign economic decision-makers hail improvements in tax competitiveness, administrative simplification for businesses and greater employment law flexibility.

A STRAIGHTFORWARD PRO BUSINESS AGENDA

“France is witnessing reform at a rate never seen before”

FINANCIAL TIMES - MAY 17, 2018



IMPROVE FLEXIBILITY & PREDICTABILITY

Flexible legal
framework to **make
businesses more
agile and resilient**
to economic changes



FOSTER HUMAN CAPITAL

**Better training and
education** to prepare
the workforce to
technological
breakthroughs



PROMOTE INVESTMENT

**Reduced taxation on
businesses and capital**
to promote job creation



INVEST IN FUTURE INDUSTRIES

**Innovation, artificial
intelligence, digital
and ecological
transition**

TRANSFORMING OUR SOCIAL MODEL: FLEXIBILITY & PREDICTABILITY



SEPT.
2017

LABOUR MARKET REFORM

Executive orders of September 2017 – in force since Jan 2018

More flexible rules adapted to the size and diversity of companies



Setting up rules at the company level

Enhanced social dialogue within companies



A single employee consultation committee: the Social and Economic Committee.
In SMEs with no trade union: direct negotiation with employees

More flexible and legally secure framework for recruitment and redundancies



A mandatory scale of damage to limit the impact of potential disputes
Facilitating voluntary departure plans
Reducing the time limit for appeals to 12 months

Simpler framework for restructuring



Dismissal on economic grounds: evaluation of the financial difficulties on a national scope

TRANSFORMING OUR SOCIAL MODEL: INVESTING IN HUMAN CAPITAL



SEPT.
2018

INVEST IN HUMAN CAPITAL

Apprenticeship & vocational training reform

APPRENTICESHIP AND
VOCATIONAL TRAINING REFORM

MEASURES PROMOTING TALENTS

Skills Investment Prgm : €15 billion to train 2million people within 5 years

Adapting the workforce's training to the needs of companies

Reforming the unemployment insurance scheme : stricter controls, stronger incentives

Simpler procedures for companies to hire apprentices

“Bienvenue en France” program (welcoming 500,000 international students in France by 2027)

Improvement of international school offer

Student guidance and Success Act – Parcoursup (March 2018)

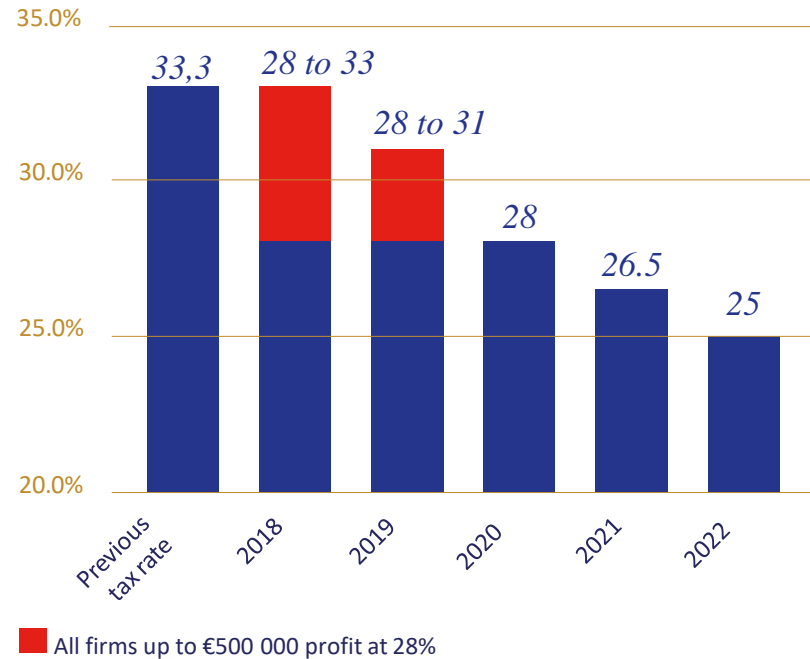
BUSINESS TAX STRATEGY



OCT.
2017

DECREASED NOMINAL CORPORATE TAX RATE

From 33% to 25% by 2022



Reduced employer's social contribution

Business-friendly tax administration, introduction of a new “right to amend errors”

- Support takes precedence over penalties
- Partnership-oriented relationship, separate from audit functions, between companies and French tax authorities
- A one-stop-shop for filling and processing requests

Supplementary depreciation allowance for SMEs

Covering 40% of the cost of the price of certain investments made in 2019 and 2020

BUSINESS ENVIRONMENT: COMPANY GROWTH ACT (PACTE)


OCT.
2018

A ROUND OF ECONOMIC LIBERALISATION MEASURES

Bill approved at first reading

Setting up a company 100%
online at less cost



Creation of a **single online platform** for business formalities

Simplifying thresholds
applicable to SMEs



Revision of social thresholds significantly reduced and simplified
[11 / 50 / 250 employees]

Fostering innovation



A **€10 billion disruptive innovation fund**

Facilitating business
transfers



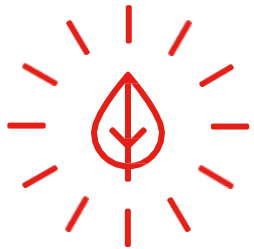
Business transfers to employees and funding of takeovers of
small companies will be facilitated

Supporting SMEs'
export initiatives



Creation of single regional windows, so that international
markets will become natural for SMEs

€57 Billion Great Investment Plan 2018-2022



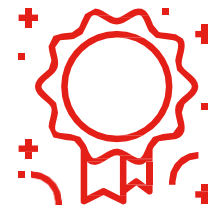
€20 Bn

Accelerating
ecological
transition



€15 Bn

Building
a skilled
society



€9 Bn

Creating the
Digital State



€13 Bn

Competitiveness
through innovation

French public support at a glance

Innovate 



Productive investment - CAPEX

- PAT grant** Max 15K€ per job created in State aid areas
- Grant** from regional authorities in State aid areas
- Local Tax Exemptions by local authorities (if voted)
- Max 10%** for C.I.E.S over 250 employees worldwide
- Real Estate** : purchase of land, construction or expansion



Financing / Capital injection

- CDC –French State Investment Fund : equity or loan
- European Investment Bank : loan or equity
- Bpifrance SPI : equity from 10 to 160M€ in a SPV
- Regional Funds : loans, equity or repayable advances



Recruitment & Training

- National Employment Office : pre-hiring training grant up to 3.2K€ per trainee (AFPR & POEI)
- Grants by Regional Authorities
- Emplois francs** : Max 15K€ grant over 3 years for recruitments in priority districts (QPV)



IDENTIFY – SECURE – CONNECT

- 30% Research Tax Credit** for R&D expenses up to 100M€ and 5% above / 100% companies eligible
- 400K€** Innovation tax credit for SMEs
- SGPI** collaborative R&D projects : mix of grants and repayable advances
- Innovative new small company** : tax & social benefits
- CIFRE: 14K€** grant per year for 3 years to hire a PhD
- Bpifrance ADI**: Max 3M€ interest-free loan for SMEs

Protect the environment

- ADEME** – Environment & Energy Agency call for tenders: mix of grants and repayable advances
- ADEME** subsidies: heat fund, waste fund and decision-making support
- Bpifrance** Max 100K€ eco-energy loan for SMEs

Exports

- Bpifrance export insurance**
- Business France** : international prospection / collective action at tradeshows / sectorial and regulatory watch / subsidy for international volunteering posting (VIE program)
- Regional Authorities

