

GOVERNMENT MEASURES TO SUPPORT BUSINESSES AND EMPLOYEES IMPACTED BY COVID-19

Last update December 14, 2020

Faced with the resurgence of the Covid-19 epidemic across many countries around the world, a new nationwide lockdown came into effect on October 30, 2020 throughout France.

On November 24, 2020, the President of the French Republic announced a gradual easing of lockdown restrictions as of November 28, 2020, according to a provisional schedule extending to January 20, 2021, subject to changes in the health situation.

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

Upon the announcement of this second lockdown, the government launched in late October **a new phase of massive, reinforced support for the economy, worth a total of €20 billion**, following two main lines:

- By immediately reactivating several emergency measures implemented in the spring of 2020 (i.e. deferral of upcoming social security contributions and/or tax payments, simplified short-time working scheme);
- By adapting them more in the long term to the needs of businesses facing an enduring decline in activity (i.e. extension of the State-guaranteed loan until June 2021, reactivation and extension of the Solidarity Fund, long-term short-time working scheme).

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

- €470 billion allocated during the economic emergency phase between March and May 2020 (€170 billion in direct aid to businesses, €300 billion in State guarantees given to businesses)
- €45 billion allocated in June to support the sectors most affected by the crisis (€18 billion for tourism, €15 billion for aerospace, €8.5 billion for automotive, €4 billion for tech and startups).
- €100 billion allocated as of September 2020 (including €40 billion from the historic €750 billion European recovery plan, based on a Franco-German initiative), as part of the French economic recovery plan (details of the measures of interest to foreign businesses and their establishments in France implemented by the French economic recovery plan [“Relaunch France” \(Business France\)](#)).

The overall aim is to continue the economy recovery in such a way that the virus, which is still active in the population, does not continue to spread, with the authorities, business leaders, employees, schools and public transport working together since March 2020 to suppress Covid-19 as much as possible.

In order to give some general guidelines to businesses during this new lockdown, and to support them in the implementation of measures adapted to the deterioration of the health situation, the Ministry for Labor published on October 29, 2020 a new [“national protocol to ensure the health and safety of employees faced with the Covid-19 epidemic”](#). This document specifies the general doctrine of collective protection that private sector employers must put in place.

The French government has made every effort to provide detailed and updated information on the evolution of the epidemic ([government website](#)). Clear advice is published daily, and includes the following: travel advice ([Ministry for Europe and Foreign Affairs](#)), health precautions ([Ministry for Health](#)), Q&A daily updates ([Prime Minister's website](#)). A call center providing all the relevant information has also been set up: 0800 130 000 (in French only).

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

TAX MEASURES

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

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

Declarations must be filed by the due dates, but payment of all or part of these fees may be deferred for up to three months, **without neither proof nor penalty**.

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

Which taxes are concerned?

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

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

How to benefit from it?

The request for extended payment terms will be applicable:

- For **social security contributions**, via the URSSAF website for employers and self-employed workers (in the absence of response from URSSAF within 48 hours, the request is considered accepted).
- For **direct business taxes**, on the online platform [www.impots.gouv.fr](#), or via the following [form](#) before December 31, 2020.

Who is eligible?

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

Dividend payment

Businesses with more than 5,000 employees, or that accounted for revenues of more than €1.5 billion, in France that request a postponement of tax and social security deadlines commit not to pay dividends in 2020 to their shareholders in France or abroad (except for entities that have a legal obligation to distribute a part of total dividends during the course of 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 businesses.**

Which taxes are concerned?

VAT and all tax credits.

How to benefit from it?

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

refundable in 2020 (ex: research tax credit, sector-based tax credits) must be submitted online on the professional space of the impots.gouv.fr website.

Who is eligible?

Businesses of all sizes.

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

In the context of the second lockdown (October 2020), a **new exemption from social security contributions** has been implemented for businesses with fewer than 50 employees that are administratively closed, as well as for businesses with fewer than 250 employees in the most affected sectors (tourism, hotels, restaurants, events, culture, sports) facing a decline in activity of at least 50%. This system of assistance for the payment of social security contributions of 20% of the wage bill is also open to businesses with fewer than 50 employees that are administratively closed.

What debts are concerned?

Tax and social security debts (employer contributions).

How to benefit from it?

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

Who is eligible?

Businesses of all sizes facing financial difficulties.

FINANCING MEASURES

Finance the operation cycle and consolidate the cash flow

1/ Extension of State-guaranteed treasury loans granted to businesses

What is it?

Until June 30, 2021 (instead of December 31, 2020 as originally planned), businesses can apply to their usual bank for a State-guaranteed loan to support their cashflow.

The amount of the "[State-guaranteed loan](#)" may reach up to three months of the business' 2019 revenues. It will be possible to make a request gathering several loans, but the cumulative amount must not exceed 25% of the business's revenues, or two years of payroll for startups or innovative companies. No repayment will be required in the first year, and the business may choose to amortize the loan over a maximum period of five years, with rates of between 1 and 2.5% (including government guarantee) negotiated with French banks for SMEs **and without this being considered as a default by the Bank of France.**

How to benefit from it?

For businesses with fewer than 5,000 employees and that accounted for revenues of less than €1.5 billion in France:

The business contacts a banking partner to make a request for a loan then logs onto the attestation-pge.bpifrance.fr platform.

In case of difficulty or refusal, the business can contact Bpifrance at the following address: supportentreprise-attestation-pge@bpifrance.fr.

For businesses with more than 5,000 employees or that accounted for revenues of more than €1.5 billion in France:

The business contacts a banking partner to obtain a pre-loan agreement, and then forwards its request to garantie.etat.grandesentreprises@bpifrance.fr. The State guarantee is given by individual order of the Ministry for

Economic Affairs and Finance.

Who is eligible?

Businesses of all sizes.

Dividend payment

Businesses with more than 5,000 employees, or that accounted for revenues of more than €1.5 billion in France that request a State-guaranteed loan, commit not to pay dividends in 2020 to their shareholders in France or abroad (except for entities that have a legal obligation to distribute a part of total dividends during the course of 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-size companies

What is it?

Guarantee given on confirmed credit lines for 12 to 18 months or on three- to seven-year loans; a six-month deferment as of March 16, 2020.

How to benefit from it?

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

Who is eligible?

SMEs and mid-size companies.

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

Who is eligible?

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

Pour les PME qui ne pourraient bénéficier de ces dispositifs et ne trouveraient aucune solution de financement, l'Etat met en place des mesures spécifiques de soutien à la trésorerie (500 millions d'euros) :

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

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

How to benefit from it?

Contact your bank.

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

How to benefit from it?

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

6/ Loans to vulnerable and struggling businesses through the economic and social development fund (FDES) (supplied by an additional €1 billion)

What is it?

On a subsidiary basis and if all avenues have been explored, notably State-guaranteed loans, the General Secretariat of the inter-ministerial committee for industrial restructuring (CIRI) and the departmental committees in charge of assessing business' financing problems (CODEFI), in conjunction with the General Secretariat of the CIRI, 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?

Businesses 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.

Businesses 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: +33 1 44 87 72 58 or via email: ciri@dgtresor.gouv.fr

Who is eligible?

Businesses of all sizes facing difficulties.

7/ The reactivation and massive reinforcement of the [Solidarity Fund](#) (with an additional €6 billion envelope per month of lockdown), dedicated to **the payment of a tax-free aid to the smallest businesses, the independents, the micro-companies and the liberal professions. The aid may amount to up to €10,000** paid by the Public Finances General Directorate, or a **compensation of up to 20% of monthly revenues** up to a maximum of €200,000 per month (reference: December 2019 revenues or average monthly revenues in 2019). Businesses threatened to go bankrupt may benefit from an additional aid directly from French regions. As of December 1, the Solidarity Fund mechanism is changing radically to support the sectors most exposed to the crisis, by including mid-sized companies.

How to benefit from it?

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

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

Who is eligible?

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

8/ Rent coverage for VSEs and SMEs belonging to sectors whose activity is interrupted or belonging to the hospitality sector: **a tax credit of 30% of the amount of abandoned rents will be opened in 2021 to lessors** who have cancelled at least one month's rent over the period October – December 2020.

ECONOMIC AND SOCIAL MEASURES

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

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

What is it?

This system, also called partial employment, enables businesses 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 to their employees, with a minimum of €8.03/hour, regardless of the business' workforce size. The employer is then reimbursed by the State, up to 85% of the compensation paid to employees up to a maximum of 4.5 times the statutory national minimum wage (SMIC) (i.e. €6,927 gross per month). This compensation is increased to 100% for businesses in the tourism, events, hotel and restaurant, sports, culture and air transport sectors.

Authorization can be granted for a **period of 12 months** (previously six months).

How to benefit from it?

Request form : The business must indicate the desired duration of the indemnification and the reasons for the use of this scheme (maximum 12 months). The Administration responds to requests **within 15 days**: the absence of a decision after this period is considered as approval.

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

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

Due to exceptional circumstances, such requests **do not require prior consultation** with employee representatives (usually mandatory). However, the Social and Economic Committee (CSE) is to be consulted within two months after the request. Moreover, the obligation to consult the CSE in advance is only imposed on businesses with at least 50 employees.

Who is eligible?

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

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

This mechanism enables the business to reduce its employees' working hours within the limit of 40% of the legal working hours per employee.

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

For more details : [click here](#).

3 / **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 within seven days

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

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

PROFESSIONAL MOVEMENT MEASURES

Limiting movements as much as possible is the only way to slow down the rapid progression of the virus, within France, the European Union, and worldwide.

On October 28, 2020, the President of the French Republic announced that the external borders of the European Union, the Schengen area and the United Kingdom will be closed with few exceptions, while the internal borders will remain open:

- Entries from the European area (Member States of the European Union + Andorra, Iceland, Liechtenstein, Monaco, Norway, United Kingdom, San Marino, Switzerland, Vatican) as well as from the following countries (Australia, South Korea, Japan, New Zealand, Rwanda, Thailand, Singapore) are not subject to any particular restrictions in the fight against the Covid-19 epidemic.
- Entry from another country is only allowed in a limited number of cases (listed in the certificate of derogatory international travel) and is subject to special sanitary measures (production of a negative PCR test performed within 72 hours prior to boarding).

These third-country nationals must be in possession of the « [Attestation of international travel to France](#) » (Ministry of the Interior website) in order to enter France.

Upon arrival, travel on the territory is authorized provided that an [individual certificate](#) is filled out (until December 15th).

USEFUL CONTACTS AND SOURCES OF INFORMATION FOR BUSINESSES

We invite you to consult the [government's website](#) regularly in order to obtain up-to-date information :

The Ministry for Labor published on October 29, 2020 a new [national protocol to ensure the health and safety of employees](#)

Leaflets for each principal sector of activity complete this protocol: <https://travail-emploi.gouv.fr/le-ministere-en-action/coronavirus-covid-19/protection-des-travailleurs/article/fiches-conseils-metiers-et-guides-pour-les-salaries-et-les-employeurs>

The Ministry of Economic Affairs and Finance, with the support of the affected administrations, has implemented an **online [help tool](#)** updated daily.

In order to inform businesses and employees in real time, the **Ministry of Labor has published the following [document](#)**, which is updated frequently.

Businesses that wish to **stock up with essential products** (gel, masks, etc.) directly and smoothly with suppliers and distributors can go to the [StopCovid](#) website, supported by the Ministry of Economic Affairs and Finance.

Business France also makes available for international businesses and their subsidiaries in France an online FAQ to answer the main questions regarding the social environment and the protection of workers, as well as financial measures: <https://investinfrance.fr/doing-business-in-france/overcoming-the-crisis-together/>

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

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

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

- Abroad : <https://www.businessfrance.fr/en/contact>
 - In France : Information and contact for investors: www.choosefrance.fr/en
- Information and contact for international talents: www.welcometofrance.com