

## FLAGSHIP REFORMS IMPLEMENTED SINCE 2017

The national strategy since 2017 is based on four main axes.

INITIATED REFORMS	PATHWAY	RESULTS
<b>A NEW TAX ENVIRONMENT TO ENCOURAGE INVESTMENT</b>		
<b>A progressive lowering of the rate of corporate tax (impôt sur les sociétés – IS)</b> from 33.33% to 25% by 2022.	Finance Act 2018	<b>In 2021, the corporate tax rate is 26.5%</b> for almost all businesses and 27.5% if revenues exceed €250 million.
<b>Significant and lasting cuts to production taxes</b> <ul style="list-style-type: none"> <li>A 50% reduction in corporate value added tax (CVAE) and property tax.</li> <li>A reduction in the capping rate from 3% to 2% of the regional economic contribution based on value added.</li> </ul>	Finance Act 2021	€20 billion in production tax cuts (2021 and 2022, then €10 billion/year).
<b>The research tax credit has been made permanent.</b> Possibility to deduct R&D expenditure of 30% up to €100 million in expenditure, and 5% above this threshold.	Annual Finance Act	France is <b>ranked second among OECD countries for financing R&amp;D.</b>
<b>Lower taxation on capital:</b> A single capital gains tax rate of 30%. This flat-rate tax is referred to as the prélèvement forfaitaire unique (PFU). The wealth tax on total assets (impôt de solidarité sur la fortune – ISF) was replaced in 2018 by the property wealth tax (impôt sur la fortune immobilière – IFI).	Finance Act 2018	Improving tax competitiveness ( <i>La France résiste aux chocs</i> , EY Attractiveness Survey – June 2019).
<b>OVERHAULING FRANCE'S SOCIAL MODEL</b>		
<b>Reform of labor market:</b> Collective performance agreement, <b>simplifying dismissals</b> on economic grounds, facilitating <b>social dialogue</b> .	“Work decrees” of September 22, 2017	<b>A fall in the number of appeals to industrial tribunals.</b> Greater labor market flexibility, transformation of social authorities.
Reforms to the apprenticeship and <b>professional development</b> system. <b>A skills investment plan.</b>	Freedom to Choose Professional Development Act of September 5, 2018	<b>Two million people will be trained in five years.</b> €15 billion by 2022.
<b>A permanent reduction in health insurance contributions.</b>	Finance Act 2018	<b>Reducing labor costs</b> for salaries of up to €3,886 per month (minus six rating points for contributions).
<b>Stimulating the employment</b> of vulnerable groups: <ul style="list-style-type: none"> <li>Zero-cost jobs: Up to €15,000 for the hiring of employees living in priority neighborhoods.</li> <li>Apprentices up to €8,000 per job.</li> </ul>	Decree of December 26, 2019  Plan #1jeune1solution	Tripling resources for young people (€6.7 billion).  Creation of 160,000 jobs in 2021.
Improving the <b>purchasing power of employees.</b>	Finance Act 2018 and 2019	Tax exemption on overtime for employees, abolition of housing tax, activity bonus.
<b>Short-time working:</b> Extension of the short-time working scheme and deployment of a long-term short-time working scheme.	Order of October 14, 2020	Protecting employees and employers who have experienced a fall in activity.
<b>Transforming unemployment insurance</b> and supporting jobseekers.	Freedom to Choose Professional Development Act of September 5, 2018	Encouraging people to return to work and businesses to offer more permanent contracts (CDIs).

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<b>ADMINISTRATIVE SIMPLIFICATION AND FACILITATING SETTING UP SITES IN FRANCE</b>		
The Action Plan for Business Growth and Transformation: <b>Simplifying business startups, a legal framework for initial coin offerings (ICOs), simplifying profit-sharing and corporate participation.</b>	PACTE Act of May 22, 2019	First version of the <b>one-stop shop</b> in January 2021, around ten ICO visa applications, €145 billion in employee and retirement savings and €55 billion in shareholding funds at the beginning of 2020.
A boost to the equity capital of micro-enterprises, SMEs and mid-size companies.	"Relaunch France" initiative	<b>A hundred funds within the scope</b> of "Relaunch France" at the beginning of December 2020.
Calls for proposals <b>to accelerate the creation or relocation of industrial activities</b> in France	"Relaunch France" initiative: Calls for proposals	€1 billion of public funding, <b>520 winning businesses by the end of 2020</b> , 2nd call for proposals (ongoing).
Enshrining the right to amend errors, simplifying, and <b>making all administrative procedures paperless.</b>	ESSOC Act of August 10, 2018	<b>Simplification</b> and better coordination of <b>administrative procedures.</b>
<b>Ready-to-use sites.</b> Accelerating the implementation of industrial sites, simplifying public procurement.	ASAP Act of December 7, 2020	<b>78 ready-to-use sites.</b> Enhancing attractiveness.
<b>ACCELERATION OF THE ECOLOGICAL TRANSITION</b>		
The multi-year energy planning and the <b>national low-carbon strategy.</b>	Decree of April 23, 2020	<b>Carbon neutrality by 2050.</b>
<b>Limiting waste:</b> Transforming our linear economy (producing, consuming, throwing away) into a <b>circular economy.</b>	Anti-waste Act for a Circular Economy of February 10, 2020	End of single-use plastic packaging by 2040. <b>100% recycled plastic by January 1, 2025.</b>
€200 million <b>to reduce the environmental impact of ports</b> , €4.7 billion for the <b>modernization of the rail transport</b> , €300 billion for the rehabilitation of brownfield sites, <b>financial support</b> to boost <b>energy efficiency</b> and adapt industrial processes (€1.2 billion).	"Relaunch France" initiative	Government programs of a <b>structural nature</b> , to create an attractive, <b>simplified</b> environment for firms seeking to set up industrial operations.
Investing in the <b>technologies of the future and innovating in the ecological transition</b> (decarbonated hydrogen, decarbonation of the agri-food industry, transport and mobility).	"National Investment Program" 4	€11 billion between 2021 and 2022 (digitization of public services, energy efficiency and adaptation of industrial processes). <b>Save up to 80% of CO2 emissions.</b>