

FLAGSHIP REFORMS IMPLEMENTED SINCE 2017

INITIATED REFORMS	PATHWAYS	RESULTS
1. A NEW TAX ENVIRONMENT TO ENCOURAGE INVESTMENT		
A decrease of corporate tax (IS) From 33% in 2017 to 25% in 2022	Finance Act 2018	Since 2022, the corporate tax rate has been set at 25% for all businesses , regardless of their size. France is in the European average
Cut to production taxes: 2021: 3 decreases combined <ul style="list-style-type: none"> A 50% reduction in corporate value added tax (CVAE) and property tax A reduction in the capping rate from 3% to 2% of the regional economic contribution based on value added 2022: Permanent removal of the CVAE by 2027	Finance Act 2018 Finance Act 2023	2021-2022: €20 billion in tax cuts (2021 and 2022) then €10 billion/year 600,000 businesses benefiting in January 2021 2023-2024: €4.1 billion CVAE reduction from 2023 Industry: 1st beneficiary: more than 25% of the total gain
Continuation of the research tax credit Possibility to deduct R&D expenditure of 30% up to €100 million in expenditure, and 5% above this threshold, applicable to all sectors and businesses	General Tax Code	France is ranked first among OECD countries for financing R&D. The research tax credit represented a tax expenditure of €7.5 billion in 2020.
Lower taxation on capital: A single capital gains tax rate (prélèvement forfaitaire unique – PFU) of 30% on capital income	Finance Act 2018	France joins the average observed in most developed countries for taxation of movable capital: income taxed at a single rate (flat tax); no annual tax on property
2. OVERHAULING FRANCE'S SOCIAL MODEL		
Reform of labor market: Implementation of the Collective Termination Agreement: facilitating voluntary departures Introduction of a scale of compensation for abusive dismissal, shortening to one year of the notice period for disputing dismissal: simplifying and making dismissal procedures more predictable. Establishment of a unique instance of social dialogue Primacy of the company agreement over the branch agreement: ensure work organization rules align as closely as possible with the needs of businesses.	"Work decrees" of September 22, 2017	The lowest unemployment rate since 2008: 7.1% in first quarter 2023 Employment-related disputes cut in half over 10 years +25% in collective agreements signed between 2018 and 2021
Skills investment plans <ul style="list-style-type: none"> €15 billion (SIP 2018) €1.4 billion (SIP 2021) €2.5 billion ("France 2030") Reformed apprenticeship and professional development system Renewal of grants in 2023 for apprenticeship and professionalization contracts : all businesses, for the first year of the contract, until 2027: <ul style="list-style-type: none"> €6,000 maximum for an apprentice, regardless of age €6,000 maximum for an employee on a professionalization contract, up to 30 years-old 	Freedom to Choose Professional Development Act of September 5, 2018 #1jeune1solution plan, 2019 "France 2030" plan	One million people started training in the year since 2019. Apprenticeship contracts: +140% between 2017 and 2021 One million people undertaking apprenticeships by 2027 Call for expressions of interest "Skills and professions of the future 2021-2025": creation of new sectors for the professions of the future: 1st wave (Dec 2021-March 2023): 116 projects funded, 3.1 million learners trained, 56 specialist schools, a training offer on quantum technology 2nd wave (2023-2024): focus on decarbonization and digital skills More than 2 million young people benefiting from a solution (apprenticeship contract, training or integration path)
A permanent reduction in health insurance contributions	Finance Act 2018	Reducing labor costs for salaries of up to €3,886 gross per month (minus six points for contributions)
Supporting buying power: Tax exemption for overtime (up to a limit of €7,500 per year) Value Added Sharing Bonus: max amount €3,000 or €6,000, exempt from some social security contributions in 2024 Possibility of monetizing recuperation days (RTT) until the end of 2025, with an exemption from social security contributions and income tax, up to a limit of €7,500	Finance Act 2018 and 2019 Emergency Measures to Protect Purchasing Power Act (August 2022) Amending Finance Act 2022 (August 2022)	Foster the economy's resilience against covid crisis followed by energy and inflationary crisis by providing households with flexible tools.
Transforming unemployment insurance and supporting jobseekers <ul style="list-style-type: none"> New unemployment insurance compensation rules (minimum working time) Changes to the length of time during which unemployment benefits are paid Extension of the contribution period and raising of the retirement age from 62 to 64 for the majority of French employees Incentives for returning to work and hiring people on permanent contracts (CDIs) 	Freedom to Choose Professional Development Act of September 5, 2018 Decree of July 26, 2019 Decree of January 26, 2023	Encouraging people to return to/remain in work

3. ADMINISTRATIVE SIMPLIFICATION AND FACILITATING SETTING UP SITES IN FRANCE

<p>Action Plan for Business Growth and Transformation:</p> <ul style="list-style-type: none"> -Simplification of business formalities -Grouping or raising social thresholds (three levels: 11, 50 or 250 employees, and harmonization of the calculation of the number of employees) and reduction of associated obligations for employers -Simplifying profit-sharing and corporate participation 	PACTE Act of May 22, 2019	<p>A single point of contact, formalites.entreprises.gouv.fr to carry out all business formalities online.</p> <p>Establishment of a single national register of businesses (instead of 4 registers up to now)</p>
<p>Implementation of the <i>right to amend</i> a declaration without being penalized.</p> <p>Simplification and dematerialization of administrative procedures</p>	ESSOC Act of August 10, 2018	<p>More fluid relations with the authorities</p> <p>1 million amended declarations since 2018</p> <p>2,750 Maisons France Services (point of contact for administrative procedures less than 30 minutes away for 99% of French people)</p> <p>France Connect (1400 public services online)</p>
<p>Ready-to-use-sites</p> <p>Accelerating and facilitating the establishment of industrial facilities</p>	ASAP Act of December 7, 2020	<p>89 ready-to-use sites gathered online: Dataviz</p>
<p>Implementation of a platform to understand the labor market in the territories</p>	Modernization of public action	<p>Data Emploi platform</p>

4. ACCELERATION OF THE ECOLOGICAL TRANSITION

<p>Transition from a linear to a circular economy</p>	<p>Anti-Waste Act for a Circular Economy of February 10, 2020</p>	<p>End of single-use plastic packaging by 2040</p> <p>100% recycled plastic by January 1, 2025</p> <p>Monitoring a recycling strategy for single-use waste (by 2025)</p>
<ul style="list-style-type: none"> • €200 million to reduce the environmental impact of ports, • €4.7 billion for the modernization of the rail transport, • €750 million in 2021-2022 for the rehabilitation of brownfield sites, establishment of a permanent “green fund” from 2023; potential rehabilitation of a 150,000-hectare brownfield site <p>Financial support to boost energy efficiency and adapt industrial processes (€1.2 billion)</p>	<p>“Relaunch France” initiative</p> <p>“France 2030” plan</p>	<p>Facilitating the availability of rehabilitated land</p> <p>Cartofriches</p>
<p>Strategy for ecological planning:</p> <p>7 axes: better housing, better food, better travel, better consumption, better production and better preservation and enhancement of our ecosystem</p>	<p>France “Green Nation” (2022)</p>	<p>€100 billion over 5 years for the decarbonization of industry</p> <p>Reduction of emissions from the 50 most emitting sites: business/State roadmap: ambitious climate trajectory in exchange for a commitment of massive financial support from the State. Infrastructure planning facilitated for the State, risk reduction in the decarbonization financial plan for industrialists</p>
<p>Respond to growing electrification needs and strengthen security of supply and competitiveness in France</p>	<p>Renewable Energy Acceleration Act (2023)</p> <p>Nuclear Acceleration Act (2023)</p>	<p>Simplify the examination of renewable energy projects and halve the deadlines; optimize the use of land; improve the financing and contracting methods between producers and consumers</p> <p>Accelerated construction of new reactors (including six EPR 2 (European Pressurized Reactor) by 2035, and eight others under consideration, as well as small modular reactors (SMR)); improved operation of existing nuclear facilities</p>

5. FRANCE 2030: AN UNPRECEDENTED INVESTMENT FOR RESEARCH, INNOVATION AND INDUSTRY

<p>Contribute to covering the financial risk of the industrialization stage of innovations.</p> <p>Investing in the technologies of the future and innovating in the ecological transition (decarbonated hydrogen, decarbonation of the agri-food industry, transport, mobility, deeptech, digital, nuclear).</p> <p>50% of the allocated funds for decarbonation of industry.</p> <p>50% of the allocated funds for emerging players driving innovation</p>	<p>“France 2030” plan</p>	<p>France 2030: €54bn of which €8.4bn will be deployed by the end of 2022.</p> <p>Already 2,800 winning projects and €18 billion invested</p> <p>Call for projects on France 2030 website</p>
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