

# FLAGSHIP REFORMS IMPLEMENTED SINCE 2017

INITIATED REFORMS	PATHWAY	RESULTS
<b>1. 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% in 2017 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>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 2018	<b>€20 billion in tax cuts</b> (2021 and 2022) then €10 billion/year. 600,000 businesses benefiting from January 2021.
<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	<b>France is ranked second among OECD countries for financing R&amp;D.</b>
<b>Lower taxation on capital:</b> A single capital gains tax rate (prélèvement forfaitaire unique – PFU) of 30%.  The wealth tax on total assets (impôt de solidarité sur la fortune – ISF) was replaced by the property wealth tax (impôt sur la fortune immobilière – IFI).	Finance Act 2018	Improving <b>tax competitiveness</b> (La France résiste aux chocs, EY Attractiveness Survey – June 2019).
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<b>2. 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>Employment-related disputes</b> cut in half over 10 years. <b>The lowest unemployment rate</b> since 2008 (7.6% in late 2021). <b>+27% in collective agreements</b> signed between 2018 and 2020. <b>231,000 industrial jobs</b> created or strengthened.
<b>Reformed apprenticeship and professional development system.</b> <b>Skills investment plans (SIPs).</b> <ul style="list-style-type: none"> <li>Massive investments: €15 billion (SIP 2018), €1.4 billion (SIP 2021), €2.5 billion ("France 2030").</li> <li>Training target set in 2018 of two million people over five years.</li> </ul>	Freedom to Choose Professional Development Act of September 5, 2018  "France 2030" plan	<b>One million people started training in the year</b> since 2019 (record). <b>Historic record of 495,000 apprenticeship contracts</b> signed in the private sector in 2020.
<b>A permanent reduction in health insurance contributions.</b>	Finance Act 2018	<b>Reducing labor costs</b> for salaries of up to €3,886 gross per month (minus six 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> <b>Tripling of budget allocated to young people</b> (€9 billion).	Decree of December 26, 2019 #1jeune1solution plan	Over <b>two million young people</b> benefit from a solution (apprenticeship contract, training or pathways to integration).
<b>Improving the purchasing power of employees.</b>	Finance Act 2018 and 2019	<b>Tax exemption</b> on overtime for employees, abolition of housing tax, activity bonus.
<b>Short-time working:</b> Securing employees and employers subject to a slump in demand.  <b>€36 billion of public funds</b> since 2020 to keep employees in work and to start more quickly.	Order of October 14, 2020	Up to <b>nine million employees</b> benefiting in spring 2020. <b>Unemployment rate at the lowest</b> since 2008 (7.6% in late 2021).
<b>Transforming unemployment insurance</b> and supporting jobseekers.	Freedom to Choose Professional Development Act of September 5, 2018	<b>Encouraging people to return to work</b> and businesses to offer more permanent contracts (CDIs).

## INITIATED REFORMS

## PATHWAY

## RESULTS

## 3. ADMINISTRATIVE SIMPLIFICATION AND FACILITATING SETTING UP SITES IN FRANCE

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	<b>One-stop shop</b> since January 2021, around ten ICO visa applications, <b>€145 billion</b> in employee and retirement savings and <b>€55 billion</b> in shareholding funds at the beginning of 2020.
A boost to the <b>equity capital</b> of micro-enterprises, SMEs and mid-size companies.	"Relaunch France" initiative	<b>A total of 199 accredited "Relaunch France" funds</b> in August 2021.
Calls for proposals to <b>accelerate the creation or relocation of industrial activities</b> in France.	"Relaunch France" initiative	€2 billion of public funding. <b>In October 2021</b> , there were 624 winning businesses in the strategic sectors element and 1,400 winning businesses in the regions element.
Enshrining the right to amend errors, simplifying, and <b>making all administrative procedures paperless within businesses.</b>	ESSOC Act of August 10, 2018	<b>More fluid relations with the authorities</b> , 250 administrative procedures will be made paperless by 2021.
<b>Ready-to-use sites.</b> Accelerating the implementation of industrial sites, simplifying public procurement.	ASAP Act of December 7, 2020	<a href="#">127 ready-to-use sites.</a>
<b>Strengthening the attractiveness of France as a location for healthcare industries</b>	Strategic Council of Healthcare Industries (2018, 2021) "France 2030" plan	<b>Constructive dialogue</b> between the state and industry, simplified regulatory framework and reduced market access timeframes.
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## 4. ACCELERATION OF THE ECOLOGICAL TRANSITION

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 to <b>reduce the environmental impact of ports</b> , €4.7 billion for the <b>modernization of the rail transport</b> , €300 million 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	<b>An attractive, simplified environment</b> 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 "France 2030" plan	<b>National Investment Program:</b> €11 billion between 2021 and 2022 (digitization of public services, energy efficiency and adaptation of industrial processes). <b>Saving up to 80% of CO2 emissions.</b> <b>France 2030:</b> €34 billion, including €3.5 billion rolled out in 2022.