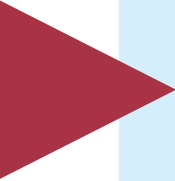


MAKE A *FRENCH* START

**10 insights to grow
your business in France**

**AVAILABLE SUPPORT
AND GRANTS**



FORWARD

MAKE A *FRENCH* START
10 insights to grow
your business in France

Even in a global economy, investment remains local. Investing in a foreign country for the first time is a leap into the unknown: from language to culture, business practices and regulations, nearly everything is different, and having a good product or service may not be enough to succeed. The size and buoyancy of a country's market, its infrastructure, ecosystems, human capital and business environment are all crucial factors that need to be analyzed to assess the challenges at hand, seize opportunities and make the right choices when considering all the various options.

More than 28,000 foreign companies made these choices when they established themselves in France. Many have been expanding here for some considerable time, offering proof that businesses can prosper in the French economy.

This figure also reflects France's investment attractiveness, which is founded on a powerful economy – the fifth largest in the world – and various structural advantages, as well as highly effective incentive schemes, including one of the best research tax credits available in OECD countries. It also shows the confidence investors have in France's ability to face up to the challenges of the digital revolution, knowing that it is one of the most creative and innovative nations in the world. It is worth remembering, too, that France boasted the largest delegation of startups after the United States at the Las Vegas Consumer Electronics Show in January 2018, and that Paris is now home to Station F, the world's largest startup campus.

Ever at the cutting edge of technological progress, France embarked on a path of structural transformation in 2017, starting with far-reaching reforms to employment and tax law. With companies now enjoying greater flexibility and security in managing their workforce, corporate tax being gradually reduced to 25% by 2022, and capital gains tax and labor costs both falling, France's investment attractiveness is taking a major step forward. These changes will continue over the coming months, which should encourage an ever greater number of investors to choose France.

Mazars and Business France are convinced of France's growing attractiveness and are keen to explain these latest reforms as clearly as possible. This is why they have decided to join forces and use their combined skills to create this guide. Mazars offers internationally renowned consulting, auditing, tax and accounting services in 86 countries, with 20,000 employees in 300 branches, while Business France is the national agency supporting the international development of the French economy, providing support each year to more than 1,000 foreign investment projects. What better partnership could there be to provide you with an operational response to your key preoccupations regarding tax issues, employment regulations, state aid and corporate law? What better alliance of expertise could there be to provide answers tailored to the specificities of your investment project and to help you with the various formalities involved? We hope this guide will fully satisfy your requirements and provide valuable insight.

Caroline Leboucher,
COO of Business France

Marc Biasibetti,
Partner - Mazars

DISCLAIMER

MAKE A *FRENCH* START
10 insights to grow
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Drawing on conversations with hundreds of foreign business leaders looking to set up in France and all of their combined experience, Business France and Mazars have identified **10 key questions on this issue to which this guide seeks to provide some initial answers.**

However, by their very nature, the various schemes discussed hereafter are subject to potential regulatory changes. Should you wish to obtain the very latest information, and for any further enquiries, we would therefore recommend that you contact Mazars and Business France experts, whose details can be found at the end of this guide. _

INTRODUCTION

MAKE A *FRENCH* START
10 insights to grow
your business in France

France is back!

France attracts investment and entrepreneurs from all over the world. France has a lot going for it, and foreign investment in the country is higher than at any time in the last ten years.

France remains fertile ground for businesses, and is much more attractive than the pervasive declinist rhetoric would suggest. Contrary to popular misconceptions, France has many advantages over its European neighbors, and offers a range of often little-known support schemes.

Against this favorable backdrop, France offers a wide range of help and support schemes to lower labor costs and tax.

Eligibility for support is based on criteria relating to each business and its plans, as well as a number of conditions laid down by the funding body. We recommend that you make direct contact with the managing agencies referred to in the following pages to find out whether your project qualifies for support.

After describing the types of support likely to be available, we will set out the various schemes and their eligibility requirements in the order in which they might best address issues encountered by investors:

- What support is there for my investment project in France?
- What benefits are available for R&D?
- How can I lower labor costs?

#1 WHAT SUPPORT IS THERE FOR MY INVESTMENT PROJECT IN FRANCE?

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#2 HOW CAN I APPLY FOR A PAT DEVELOPMENT GRANT?

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#3 HOW CAN I APPLY FOR AN ARI BUSINESS DEVELOPMENT LOAN?

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WHAT SUPPORT IS THERE FOR MY INVESTMENT PROJECT IN FRANCE?

MAKE A FRENCH START
10 insights to grow your business in France

- France offers an extensive and varied range of support to meet investors' needs. Support is based on eligibility criteria: (i) a project's **purpose** (physical investment, research, development and innovation, training, etc.); (ii) location (priority development area or otherwise); and (iii) **type and size of company** making the investment (large corporate, mid-size company or SME).



Domestic support schemes are **governed by European Union regulations** that apply to all Member States.

What types of support are available?



The French authorities provide support in a variety of forms:

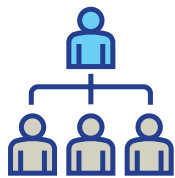
- The best-known form of support is a **grant**: Financial aid calculated as a percentage of an expense or investment. Grants are not repayable.
 - > **Example:** The PAT development grant (see question 2) can amount to up to €15,000 per job created.
- An **allowance** is a form of non-repayable financial support which, rather than being proportional to an expense (like a grant), is set at a fixed amount.
 - > **Example:** Ile de France (Paris region) pays an allowance of €1,000 per apprentice hired.
- **Repayable advances/honor loans/interest-free loans:** These three terms are very similar, referring to an amount of money that is lent out interest-free and is repayable. In certain cases, the amount may not be repaid, in which case it becomes a grant.
 - > **Example:** The business development loan (aide à la réindustrialisation – ARI; see question 3) is an interest-free, fee-free repayable advance of between €500,000 and €2 million.
- **Low-interest loans** and subsidized loans: These are more attractive or easier to obtain than traditional bank loans.
 - > **Example:** Bpifrance offers the EIF innovation loan to finance intangible expenditure in connection with the industrial and commercial launch of an investment, in the form of a low-rate loan where the risk is shared with the EIB's European Investment Fund (EIF).

- **Co-financing and guarantees:** These are often combined to leverage bank lending. Under this type of arrangement, a bank will finance only part of the requirement, and will have the benefit of a guarantee – often covering more than 50% of the capital loaned.

> **Example:** Bpifrance guarantee to help biotech SMEs access bank lending. For SMEs under five years old, 70% of the amount of the bank loan is guaranteed.

- Tax and social security **exemptions** and tax credits (including the research tax credit) are another type of support that can be provided in a variety of ways.

> **Example:** France's research tax credit gives businesses incurring R&D expenses a tax credit under certain conditions.



Who should I apply to?

There are a number of financial incentives designed to help businesses invest and create jobs. They are administered by central government, public-sector agencies and local authorities.

- **Central government and public-sector agencies:** Central government directly supports investment projects through initiatives like the PAT development grant, managed by the Commission for Regional Equality (*Commissariat général à l'égalité des territoires* – CGET), and the ARI business development loan, managed by the Large Business division (DGE) of the Ministry for the Economy. Some support schemes in industry sectors where the application assessment process requires technical expertise are managed by **public-sector agencies** on behalf of the State.

> **Examples:**

> **The French Environment and Energy Management Agency (ADEME)** manages support schemes relating to climate change and the energy and environment transition: www.ademe.fr.

> **FranceAgriMer** manages support mainly relating to the agriculture, wine and fisheries sectors: www.franceagrimer.fr.

> **Bpifrance** manages innovation and development financing schemes supported by central and regional government: www.bpifrance.fr.

- **Local authorities:** France's regions and *départements* are responsible for supporting economic development projects. Local authorities are also involved in supporting projects relating to jobs and training.

- **Municipal and intermunicipal councils:** Mainly involved in the real estate and urban development aspects of investment projects.



To apply

- Most support initiatives are the subject of time-limited **calls for projects** with **specific requirements** covering various aspects, such as:
 - > Project eligibility criteria.
 - > Type of support: grants, repayable advances, loans, etc.
 - > Minimum investment and/or job creation thresholds.
 - > Eligible expenses.
 - > Potential partners.
 - > Financial implications of the project.
- These types of support are not systematic in nature. Their rates apply to eligible expenses. Their amount may vary depending on the benefits of the project, and in particular on an analysis of economic profitability.
- Potential applicants may make preliminary contact with the awarding body to clarify eligibility criteria and seek technical guidance. Applications must be made in writing before the relevant study or work begins.



Further information

Identify support schemes:

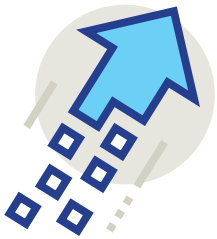
- Overview of available support:
 - ✓ <http://www.aides-entreprises.fr/>
- List of calls for projects open under the French government's "National Investment Program":
 - ✓ www.gouvernement.fr/appels-a-projets-et-manifestations-cgi
 - ✓ Bpifrance: investissementsdavenir.bpifrance.fr
 - ✓ SGPI (Secretariat-General for Investment): www.gouvernement.fr/secretariat-general-pour-l-investissement-sgpi
 - ✓ Caisse des dépôts: www.caissedesdepots.fr/soumettre-un-projet
 - ✓ Make our Planet Great Again: www.makeourplanetgreatagain.fr/home
 - ✓ ADEME – expressions of interest: www.ademe.fr/entreprises-monde-agricole/financer-projet



HOW CAN I APPLY FOR A PAT DEVELOPMENT GRANT?

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- To attract more internationally mobile investment projects and retain foreign businesses in the country, France offers the PAT development grant and the ARI business development loan.



- A fast-track procedure has been introduced to help secure a response from public-sector agencies within 15 days. This procedure has twin aims:

- > **To guarantee a quick response from the authorities and obtain 'indicative opinions'** on whether internationally mobile investments are eligible.
- > **To list all forms of state aid available** for an eligible project, and quantify, within 15 days, the amount of the PAT grant or ARI loan that might be available.



Definition

- The PAT development grant for industry and services is a form of **direct investment aid** to promote the establishment and development of businesses with plans to create sustainable operations and jobs in **priority development areas eligible for regional aid** ('AFR' zoning).



Amount

- The business may receive **a grant of up to €15,000 per job created**.
- Factors affecting the award and amount of grants include the socio-economic situation in the local labor market, the incentive effect of the support provided, the extent to which the project is innovative, and how committed the business is to corporate social responsibility (CSR).



Eligible businesses

- Businesses in the **industrial** and **service** sectors located in priority regional development areas.

- Local authorities can, under certain conditions, top up a PAT development grant.
- Projects located in **regional aid ('AFR') areas** can also qualify for tax exemptions on income tax, business property tax ('CFE') and the CVAE tax on corporate value added, subject to local authorities voting to adopt the exemptions in question.



Eligible investment projects

- Eligibility for PAT development grants is based on criteria relating to project type, business size, socio-economic conditions, and thresholds on the number of jobs to be created and the amount to be invested.

Eligibility and conditions for securing a PAT development grant

Project	Eligibility		Thresholds
	SME	Large corporate	
Set up a new establishment	YES	YES	€3 million of investment and Creation of 20 net new permanent jobs
Extend an establishment's capacity	YES	NO	Creation of 20 net new permanent jobs (50% increase in workforce) and €3 million of investment Or: Creation of 40 net new permanent jobs and €3 million of investment
Diversify output	YES	YES, if change of NAF activity code	
Fundamentally change production process	YES	NO	Or: €10 million of investment
Acquire an establishment or assets	YES	YES, if change of NAF activity code	Establishment has closed or would have closed if not acquired At least 50 permanent jobs maintained and at least €3 million invested



Eligible expenses

Eligible expenses comprise investment costs or payroll costs calculated **over two tax years**.

— Investment costs:

- > Property, plant and equipment (land, buildings, capital goods).
- > New equipment.
- > Intangible assets (patents, licenses, IP).
- > For acquisitions, eligible costs include buying assets from a third party not related to the buyer.
- > Not eligible: Transport equipment and replacement investments.

— Payroll costs:

- > Full-time equivalent (FTE) jobs resulting from recruitment onto a permanent contract.
- > Additional jobs created by the business at the site in question.
- > Not eligible: Transferred jobs and replacement jobs not resulting in net new jobs at the site.



Example of a grant awarded in 2017

— Project led by a large international company in the agri-food sector.

- > Creation of an industrial production site in a priority development area (Paris region).
- > **Total investment: €30 million.**
- > **Jobs created: 65.**
- > **PAT development grant awarded: €455,000.**



Further information

- Commission for Regional Equality (CGET): www.cget.gouv.fr/prime-damenagement-territoire-pat
- Map of priority development areas: carto.observatoire-des-territoires.gouv.fr



HOW CAN I APPLY FOR AN ARI BUSINESS DEVELOPMENT LOAN?

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10 insights to grow your business in France

- An integral part of the French government's "National Investment Program" **[see question 4]**, the ARI business development loan is designed to support job-creating industrial investment. It takes the form of **an interest-free, fee-free repayable advance of between €500,000 and €2 million.**
- The ARI business development loan cannot be combined with any other form of state aid from central government, and so cannot be combined with a PAT development grant.



A business is eligible if:

- It is at least **three years old** and can produce three balance sheets.
- Mainly operates in the **manufacturing industry.**



The ARI business development loan comes in two versions:

- **An 'industrial excellence' version** supporting projects representing intensive investment and with a high impact on the employment area in question. This version is designed to encourage the creation of new establishments and large-scale projects in terms of investment, jobs and impact:
 - > It is aimed at SMEs and mid-size companies.

- > The project must encompass a program of eligible investments of at least €5 million resulting in the net creation of at least 25 jobs at the site in question.
- > The project must be completed within 36 months.

- **A 'growth and development' version** reserved for micro-enterprises and SMEs, with lower eligibility thresholds and a simplified, decentralized application process:
 - > This version is aimed at **micro-enterprises and SMEs**, i.e. independent businesses and groups with fewer than 250 employees and revenues not exceeding €50 million or total balance sheet assets not exceeding €43 million.

- > The project must encompass a **program of eligible investments of at least €2 million resulting in the creation of at least 10 net new jobs at the site in question.**



Eligible expenses

Eligible expenses comprise:

- Buildings, equipment and machinery at cost price excluding taxes.
- Internal and external project engineering expenses.
- Intangible assets resulting from a technology transfer in the form of acquisitions of patents, licenses, expertise or non-patented technical knowledge.

Only unit expenses in excess of €50,000 may be included in the total eligible amount. Buildings may not account for more than 25% of the total eligible investment budget (e.g. for an €8 million project, the eligible budget for property will be capped at €2 million). The business must keep specific accounting records of expenses incurred during the program period so that checks can be carried out.



Further information

- Large Business division (DGE): www.entreprises.gouv.fr/politique-et-enjeux/aide-a-la-reindustrialisation
- www.entreprises.gouv.fr/files/files/directions_services/politique-et-enjeux/competitivite/ari/aide-a-la-reindustrialisation-ARI-2017-cahier-des-charges.pdf



Example of a loan awarded in 2017

- **Project led by a French SME specializing in manufacturing tempered glass**
 - > Production site upgrade to meet environmental standards
 - > Eligible expenses: **€13.8 million** (industrial furnace, optical control system, etc.)
 - > Jobs created: **45**
 - > ARI development loan awarded: **€2 million, with repayment deferred for two years**



Application process

- One-stop shop: Applications should be submitted electronically to **aide-a-la-reindustrialisation.dge@finances.gouv.fr**
- Processing: By the Commission for Regional Equality (CGET) through the Interministerial Commission for Business Location Aid (CIALA, a representative of Business France), supplemented by a strategic and financial audit.
- Decision: Minister with responsibility for Industry.
- Financial administration: Bpifrance.
- Project monitoring: Undertaken by a monitoring committee led by the Large Business division (DGE) and supervised by the Secretariat-General for Investment (SGPI).



HOW CAN I APPLY FOR NATIONAL INVESTMENT PROGRAM FUNDING?

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Eligible businesses

- With a budget of nearly **€57 billion**, the “National Investment Program”, managed by the Commissariat-General for Investment (CGI), was set up by the French government to **finance innovative and promising investments** nationwide, under the principle that each project is co-financed, with the risk associated with financing investments shared with the business’s bank(s).



Eligible projects

- National priorities have been identified to help boost France’s growth and employment potential.
- The program’s aim is to help modernize the country and make it more competitive by encouraging investment and innovation in **five priority sectors** that generate growth and jobs:
 - > Higher education and training
 - > Research
 - > Industry and SMEs
 - > Sustainable development
 - > Digital technology



Available financing

- Depending on specific governance arrangements, **very significant amounts** can be made available under the “National Investment Program”, alongside a business’s own equity funding, in priority investment areas: investment in SMEs, the knowledge economy, urban policy, the social economy, training, the digital economy, regional development, etc.
- Funding is mainly targeted at businesses eligible for repayable or part-repayable **advances, grants or equity funding**.



Selection criteria

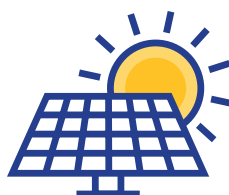
- Projects are assessed in particular on the basis of how innovative they are, their environmental and social impact, their prospects of creating, maintaining or developing business, and the business’s financial strength (healthy finances, equity and a funding plan consistent with the project; ability to repay repayable advances).

Identifying a call for projects corresponding to your investment

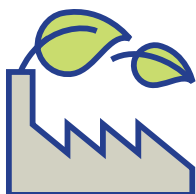
- Calls for projects under the third phase (PIA3) of the “National Investment Program” are listed on the website of the Commissariat-General for Investment (CGI) and are focused on a number of priority sectors:



Supporting
the digital
revolution



Meeting
the energy
challenge



Developing
industries
and transport



Investing
in healthcare
and biotech

Application process

- List of open calls for projects: www.gouvernement.fr/appels-a-projets-et-manifestations-cgi
- For each type of support, the guide to calls for projects specifies eligible projects, selection criteria, financing method, deadlines and relevant contact.
- A project submission form can be completed at: <http://www.caissedesdepots.fr/en/investments-future>



Further information

- Bpifrance: investissementsdavenir.bpifrance.fr
- National Investment Commission (CGI): www.gouvernement.fr/documents-cgi
- Caisse des Dépôts: www.caissedesdepots.fr/soumettre-un-projet
- Economy and Finance Ministry portal: www.economie.gouv.fr



5



HOW CAN I APPLY
FOR FRANCE'S
RESEARCH TAX
CREDIT AND
INNOVATION TAX
CREDIT?

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France's research tax credit is designed for businesses that incur research costs, while the innovation tax credit is an incentive restricted to SMEs, which can receive **tax relief amounting to 20%** of expenses incurred in designing and/or making prototypes or pilots of new products, as defined in tax regulations.

Other innovation and R&D measures include the following:

- Operating expenses incurred in connection with scientific and technical research can, at the company's option, be capitalized (under certain conditions) or deducted in the year in which they are incurred.
- France has specific tax rules for revenue from licenses and sub-licenses, in the form of a **reduced 15% tax rate**.

Research tax credit

- France's research tax credit is a generic measure to support business R&D operations, irrespective of industry sector or size.
- Businesses that incur basic research and experimental development costs may, under certain conditions, be eligible to deduct these costs from their taxes.
- The research tax credit rate varies depending on the amount of investment made.



Eligible businesses

- Industrial, commercial, craft and agricultural businesses, irrespective of legal status, that are subject to corporate tax or income tax in the category 'industrial and commercial profits', and are taxed based on actual profit under either the normal or simplified system.



Businesses exempt from corporate tax are ineligible, except for businesses with 'innovative new company' (JEI) status, businesses established to take over a struggling company, and businesses located in assisted areas.



Tax credit rate

- 30% for the first €100 million in expenses.
- 5% for amounts in excess of the €100 million threshold.



Eligible expenses and amount

- The amount of research tax credit is calculated by multiplying all the eligible expenses that the beneficiary incurs by the relevant rate. In order to be eligible, expenses must fall within the scope of R&D activities within the meaning of the international definition drawn up by the OECD, detailed in a regularly updated manual.



Advance tax rulings

- An advance tax ruling (*rescrit fiscal*) is a way for a business that is unsure which regulations might apply to a future project to obtain an explicit decision from the tax authorities.
- **In the case in point, an advance ruling is a formal position issued by the authorities establishing whether an innovation project put forward by an SME qualifies for the research tax credit.** This formal position provides the business with a guarantee that the eligibility of its project cannot be challenged if the project is assessed differently during a subsequent tax audit. This guarantee is only valid if the actual situation corresponds to the situation described by the business, and on the basis of which a positive ruling is issued. Businesses can apply for as many advance rulings as they wish, covering one or more projects, so as to guarantee optimum eligibility.



Eligible expenses

- Amortization and depreciation of assets allocated to R&D activities.
- Employee expenses associated with researchers and technical staff (expenses relating to junior final-year doctoral and post-doctoral researchers are double-counted).
- Operating expenses calculated on a flat-rate basis as a proportion of employee expenses.
- Expenses incurred in relation to R&D activities outsourced to public or private research institutions in France or another European Union country (expenses in relation to R&D activities outsourced to accredited public institutions where there is an arm's length relationship with the business are double-counted).
- Costs incurred in filing and maintaining patents.
- Costs incurred in defending patents, without limitation.
- Standardization costs in relation to the business's products.
- Technological monitoring expenses.
- Expenses associated with designing and creating new collections incurred by businesses in the textiles, clothing and leather sector.

Innovation tax credit

- France's innovation tax credit is a tax incentive restricted to SMEs.
- SMEs can receive **tax relief amounting to 20%** of expenses incurred in designing and/or making prototypes or pilots of new products, as defined in tax regulations.
- Eligible expenses are capped at €400,000 per business per year. Expenses are declared using the same form (Cerfa no. 2069-A-SD) and **under the same terms and conditions as the research tax credit.**
- Under certain conditions, SMEs can receive their innovation tax credit rebate up front.



HOW CAN I APPLY FOR THE COMPETITIVENESS AND EMPLOYMENT TAX CREDIT?

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- France's competitiveness and employment tax credit is a tax benefit for businesses with employees whose effect is equivalent to lowering their social security contributions. It is primarily applied to income tax or corporate tax due in respect of the year in which the remuneration used to calculate the tax credit was paid. It can then be applied over the following three years, with any remaining excess amount available as a rebate.
- It is calculated at a rate of 6% of remuneration paid since January 1, 2018.
- The competitiveness and employment tax credit will be withdrawn in 2019 and replaced by a 6% reduction in employer social security contributions.



Eligible businesses

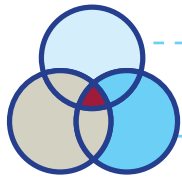
Businesses **with employees** and:

- Taxed on the basis of actual profits (i.e. excluding businesses that pay flat rate tax, micro-enterprises and micro-entrepreneurs).
- Irrespective of the form of the company: sole proprietorship, partnership, company with share capital, etc.
- In any industry sector: agricultural, craft, commercial, industrial, service, etc.
- Under any tax system: income tax or corporate tax.
- Even businesses that already qualify for a temporary tax exemption under regional development schemes (ZFU-TE, ZRR, etc.) or business creation and innovation incentive schemes (new businesses, innovative new company [JEI] status).



Eligible expenses and amount

- **Eligible expenses comprise gross remuneration subject to social security contributions, paid during a calendar year**, on the basis of statutory working hours (i.e. 151.67 hours a month or 1,820 hours a year).
- The tax credit is calculated on the basis of remuneration used to calculate employer social security contributions: basic pay, overtime, bonuses, paid leave, benefits in kind, etc.
- Gratuities paid to interns are not taken into account.



Combining with other forms of support

The competitiveness and employment tax credit can be combined with:

- Any exemptions from social security contributions that might apply to employee remuneration.
- Certain tax credits, such as the apprenticeship tax credit and the research tax credit.
- Certain exemptions from corporate tax: innovative new companies (JEIs), regional aid areas, employment priority areas, etc.



HOW CAN I FINANCE PRE-RECRUITMENT TRAINING?

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- Financial support for training is paid to an employer after it has taken on a new employee on a fixed-term employment contract of between six and 12 months, a fixed-term professional training contract, or a temporary employment contract, provided that the relevant duties are performed for at least six of the nine months following the training.
- The decision as to whether to provide this support is made by Pôle Emploi (the National Employment Office) handling the pre-recruitment training (*action de formation préalable au recrutement* – AFPR), drawing on a written summary of the training agreement and a copy of the employment contract.



Eligible businesses

- Jobseekers registered with Pôle Emploi for whom the advisor proposes a fixed-term position requiring adaptation through training.
- The training, recommended by Pôle Emploi, may not exceed 400 hours on the company's premises and/or at a training organization, and may be undertaken on a full-time or part-time basis.
- Pre-recruitment training may be used for pre-qualification training preceding a professional training contract.



Eligible expenses and amount

- Training costs incurred prior to recruitment
- Maximum of 400 hours:
 - > Maximum net amount of €5 per hour of in-house training, capped at €2,000.
 - > Maximum net amount of €8 per hour of external training, giving a maximum of €3,200 for 400 hours' training.



Further information

- Submit a job offer to Pôle Emploi at www.pole-emploi.fr



Our services

- Drafting the trainee's employment contract.
- Help with submitting the application to Pôle Emploi (submitting a pre-recruitment training agreement, copy employment contract, training invoice, etc.)



HOW DO I SET UP A PROFESSIONAL TRAINING CONTRACT?

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Recruitment grants form part of the range of employment support schemes and are available for all contracts in a category eligible for support. They comprise a financial donation by central government in exchange for recruiting a person considered a priority by the authorities.

A professional training contract is a work-study employment contract that combines:

- Acquisition of theoretical knowledge through classes (general, professional or technical training).
- Acquisition of practical expertise within one or more businesses.

The aim is for the contract-holder to obtain certificates or diplomas corresponding to qualifications that are:

- Listed in the national database of professional certifications (*répertoire national des certifications professionnelles* – RNCP).
- Or recognized in the classifications of a national industry-specific collective bargaining agreement.
- Or included on the list of qualifications entitling the holder to a certificate of professional qualification.



Eligible businesses

- Young people aged 16-25 wishing to supplement their basic education.
- Jobseekers aged 26 and over.
- Recipients of the earned income supplement (*revenu de solidarité active* – RSA).
- Recipients of the specific welfare allowance (*allocation spécifique de solidarité* – ASS).
- Recipients of the disabled adult's allowance (*allocation pour adulte handicapé* – AAH).
- Persons previously on an integration contract (*contrat unique d'insertion*).
- Recipients of the earned income supplement (RSA) in overseas départements and the communities of Saint-Barthélemy, Saint-Martin and Saint-Pierre-et-Miquelon.



Eligible activities

- Recruitment onto a full-time permanent contract, and continued employment throughout the duration of support, of a young person aged under 26 (30 for employees with disabilities). If justified by the young person's experience or circumstances, they may agree to be employed part-time. In such cases, their weekly working hours may not be less than four-fifths of a full-time working week.
- Recruitment of a young person aged under 30, followed by training and skills transfer where a business is being passed on by a person aged 57 or over.
- Continued employment on a permanent contract throughout the duration of the support or until retirement of:
 - > An employee aged 57.
 - > An employee aged 55 or over at the time of recruitment.
 - > An employee aged 55 or over recognized as a disabled worker.



Amount and form of support

- Exemption from certain employer social security contributions for contracts entered into with a jobseeker aged 45 or over:
 - > Lump-sum state aid (*aide forfaitaire de l'Etat* – AFE) of up to €2,000 per recipient. For part-time employees, the amount of support is calculated on a pro rata basis in proportion to actual working hours.
 - > Exemption from employer social security contributions for health and maternity insurance, basic old age pension, death and incapacity, and family allowances in respect of remuneration paid.

The exemption relates to that part of remuneration not exceeding the statutory hourly minimum wage multiplied by the number of paid hours in a month.

This measure may not be combined with any other partial or full exemption from social security contributions.

- Reimbursement of tutor's training expenses at a rate of €15 per hour, up to a maximum of 40 hours. The contract must be filed with the accredited fund-collecting agency (*organisme paritaire collecteur agréé* – OPCA) within five days, after which a decision as to whether training expenses are eligible for reimbursement will be made within 20 days (if no response is received within this timescale, expenses are assumed to be eligible).
- Lump-sum aid of €686 per person supported per year, if recruited by a group of employers and only in certain cases. This is allocated, under certain conditions, to groups of employers who organize, in connection with professional training contracts, induction and qualification paths for:
 - > Young people aged 16-25 who have left the education system with no qualifications, or who have encountered particular difficulties finding work.
 - > Jobseekers aged over 45.
- These employees are not counted as part of the employer's workforce for a period that varies depending on the nature of the contract.



HOW CAN I BENEFIT FROM THE CIFRE SCHEME?

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10 insights to grow your business in France

Under the CIFRE scheme (*conventions industrielles de formation par la recherche* – 'industrial agreements for training through research'), businesses can receive a grant if they hire a doctoral student and employ them in a central role in a research partnership with a public-sector research organization.



Eligible businesses

- **Any French business that hires a doctoral student** and employs them in a central role in a research partnership with a public-sector research organization.
- A business that hires a graduate with a master's degree or equivalent on a fixed-term or permanent contract and assigns them research duties that are strategic for its socio-economic development. The starting gross annual salary must not be less than €23,484. The work undertaken forms the subject of the doctoral student's thesis.



Amount

- The grant is paid on the basis of the agreement entered into between the National Association for Research and Technology (*Association nationale de la recherche et de la technologie* – ANRT) and the business.
- **The contracting business receives an annual grant of €14,000** (not subject to VAT) for three years, giving it financial security to fund its research work.



NB: Expenses incurred in connection with a CIFRE agreement are eligible for the research tax credit, after deducting grants received under the agreement (€14,000 a year). The same applies to expenses incurred in connection with a partnership with a public-sector research organization.

Furthermore, if the business hires the doctoral student after their thesis is completed, it will be able to grant them the status of junior post-doctoral researcher. Expenses in connection with junior post-doctoral researchers can be double-counted when calculating expenses eligible for the research tax credit.



10

HOW DO I SET UP
AN APPRENTICESHIP
CONTRACT?

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- An apprenticeship contract is a type of employment contract between an employer and an employee. It must enable a young person to pursue general training of both a theoretical and a practical nature, with a view to gaining an officially recognized qualification (CAP [certificate of professional aptitude], *baccalauréat* [high school leavers' certificate], BTS [higher technical diploma], bachelor's or master's degree, etc.) or a vocational qualification listed in the national database of professional qualifications (RNCP), including all vocational qualifications approved by the ministry with responsibility for employment.
- **Apprenticeships are based on the principle of alternating** between theoretical learning at an apprentice training center (centre de formation d'apprentis – CFA) or educational institution, and hands-on learning with the employer with whom the apprentice has signed a contract.



Eligible businesses and individuals

- **Any private sector business, including non-profits, can hire an apprentice** if the employer declares that it has taken the necessary steps to organize the apprenticeship. This means the employer must, among other things, guarantee that the business's facilities and equipment, the techniques used, the working, health and safety conditions provided, and the professional and teaching skills of the apprenticeship supervisor are conducive to satisfactory training.
- Young people aged 16-25. However, the Labor, Social Dialogue Modernization and Career Security Act of August 8, 2016 (the 'Labor Act') provided for access to apprenticeships, on a trial basis, for all people up to the age of 30.



Amount

- Employers who take on apprentices may be eligible for various forms of financial support:
- **Exemption from social security contributions**, either in part or in full **depending on the size of the business** and whether it is a sole proprietorship.
 - An **apprenticeship bonus** of at least €1,000 **for employers with fewer than 11 employees**. This is paid by the Regional Council every year until the apprentice gains the qualification they have been working towards.
 - **Recruitment support** of at least €1,000 for all **employers with fewer than 250 employees** who take on their first apprentice or an additional apprentice, paid by the Regional Council in the year in which the contract is signed.
 - **'Young apprentice' support for micro-enterprises**, payable to businesses with fewer than 11 employees who take on an apprentice under the age of 18.
 - Additional support for employers who **take on a disabled worker**.
 - **A tax credit** of €1,600 for hosting an apprentice up to 'Bac+2' level (equivalent to two years' post-high-school education). The amount of tax credit rises to €2,200 for some apprentices, including those with disabilities.
 - **Tax deductions from the apprenticeship tax** (work-study bonus, course fees, donations in kind).



OUR SERVICES

YOUR NEEDS		
Identifying support corresponding to my plans	<ul style="list-style-type: none"> > Identifying support measures > Checking eligibility > Coordinating public-sector agencies 	<ul style="list-style-type: none"> > Financial simulation
Leveraging physical investments (PAT grants & ARI loans)	<ul style="list-style-type: none"> > Checking eligibility > Coordinating public-sector agencies > Help with preparing applications 	<ul style="list-style-type: none"> > Financial simulation > Financial audit
Help with tax credits (research tax credit; competitiveness & employment tax credit)	<ul style="list-style-type: none"> > Identifying support measures > Checking eligibility > Introduction to the Ministry for Research > Introduction to accredited service providers 	<ul style="list-style-type: none"> > Financial simulation > Securing eligibility
Help with taking over a struggling business	<ul style="list-style-type: none"> > Distributing takeover opportunities > Available public-sector support > Coordinating public-sector agencies 	<ul style="list-style-type: none"> > Pre-acquisition audit (legal, workforce, financial, etc.) > Seeking funding
Employment contracts	<ul style="list-style-type: none"> > Identifying the relevant collective bargaining agreement 	<ul style="list-style-type: none"> > Drafting of contracts by our legal specialists

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Business France

77, Boulevard Saint-Jacques
75680 Paris Cedex 14
Tel: +33 1 40 73 30 00
<https://en.businessfrance.fr/invest>

Bertrand Gaillard

Project finance
bertrand.gaillard@businessfrance.fr
Tel: +33 1 40 73 30 00



Mazars

61, rue Henri Regnault
92075 Paris - La Défense
Tel: +33 1 49 97 60 00
Fax: +33 1 49 97 60 01
www.avocats-mazars.com

Simon Elbaz

Senior Manager - Paris
simon.elbaz@mazars.fr
Tel: +33 6 99 57 79 92

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— AVAILABLE SUPPORT AND GRANTS