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The “Doing Business in France” practical guides are intended to inform you about all the legal, tax and social aspects of your investment and your subsidiary’s operations in France. They provide you with clear, reliable and detailed information to ensure the success of high-potential projects.
Simplify and fast-track project delivery

Business France provides you with made-to-measure, confidential support to succeed with your investments in France, whatever projects they involve:
- Discover France’s key advantages
- Plan a new investment
- Boost your presence at existing sites
- Find industrial or technological partners
- Evaluate acquisition opportunities or financial investments

To realize your investments in France: businessfrance.fr
To facilitate the installation of talent in France: welcometofrance.com

Connect – Fast-track – Succeed

At every stage of the project, Business France personnel work with their network of public, private, national and regional partners to facilitate and accelerate project delivery.
Their aim:
For investment projects to succeed.
Their motivation:
The satisfaction of investors who chose France for their international investment strategy.

Connect
Connecting you to all the French regions to enable you to take the best location decision in France

Guide
Presenting you with all of France’s key strengths, along with the power of its ecosystems

Inform
Informing you about the business environment so you can make an informed decision

Support
Offering you investment opportunities

In your investments in France: businessfrance.com
In Talent Mobility in France: welcometofrance.com
In Government Support & Finance:
- Residence permit
- Personal taxation
- Social security
- Day-to-day life

A dedicated specialized team in global mobility
At Choose France!, a summit focusing on France’s attractiveness to business, 150 heads of multinationals from various sectors committed to investment projects in France. The event was held in Versailles on January 21, 2019 and was attended by the French President.

The summit was an opportunity to showcase France’s attractiveness, while underlining the deep economic transformation being undertaken to support investment and business growth.

### #2 An Ambitious Reform Program

**Transforming France’s social model**
Offering businesses greater flexibility and building a highly skilled society through training, guidance, professional integration and support for talents in industry.

**Encouraging investments**
A new tax environment to encourage investment and employment.

**Supporting industries of the future**
A Major Investment Plan to invest in tomorrow’s technologies.

**Promoting growth and innovation**
An action plan for growth and the transformation of business, enabling firms to innovate, evolve, grow and create jobs.

An ambitious transformation of regulations and government processes, for greater simplicity and acknowledgement of the right to make errors.
Identify

Is my project eligible for a funding program?

Before you begin, determine whether your project is eligible for public funding. Business France and its partners will help you perform an initial assessment of your project and inform you about the funding programs in place.

Secure

How do I identify the most suitable funding program?

Based on an assessment of your project (type, costs, impacts, business sector, etc.), Business France works in conjunction with national bodies and local partners to help you determine the government funding available to you (type, intensity, maximum amount, etc.) according to your project’s state of progress.

What criteria will my project have to meet?

Depending on the size of your business, as well as the purpose and location of your project, Business France and its partners set out the various eligibility criteria and thresholds applicable, as well as the timetables and practicalities of the application processes you must complete, so as to increase your chances of success.

Connect

How do I apply?

Applications must be accompanied by supporting arguments that will convince the bodies processing them. Business France will help you produce quality content.

Which institutions are involved?

Meeting the right contacts.

Business France and its partners facilitate and coordinate interaction with the French public-sector bodies responsible for supporting the projects of investors: ministries, local authorities, government agencies, etc.

What if my project doesn’t meet the criteria for a particular aid scheme?

Business France will look for other support mechanisms for which your project may be eligible and identify ways in which this process could be simplified.
Before you begin

Government support programs are covered by the EU regulations uniformly applicable to all European Union countries. The aim of these regulations is to prevent unfair competition between companies by allocating funds to certain economic players to the detriment of their competitors.

The French transposition of these regulations paves the way for government support that is compatible with the EU’s regulatory framework, thus ensuring that investors operate within the law. Its purpose is also to direct France’s public resources towards measures that boost economic growth in the regions and the competitiveness of businesses, while protecting the integrity of the domestic market.

The maximum funding set by EU regulations depends on the purpose of the project, the size of the company and the part of the country in which the investor is located.

Adhering to the incentivization principle

Any funding provided by a public-sector body must serve to facilitate a company’s business activities or investment programs. Applications must be submitted prior to the investment being made and the project commencing (i.e. before any legally binding commitment is made by the company, such as the signature of a purchase order, a lease, a promise of sale, etc.).

The beneficiary must submit an application for funding containing the following information at the very least:

- The name and size of the company.
- A description of the project, its duration and its location.
- A list of the project’s costs.
- The type of funding requested and the amount.

Choosing the right path depending on the purpose of your project

Government funding programs

The government funding programs in place are broken down according to the purpose of projects (productive investment, research, development, innovation, training, etc.).

- Investing and expanding your business in France.
- Taking over a struggling business in France.
- Supporting your R&D programs and innovative projects.
- Recruiting and training your employees.
- Investing to protect the environment.
- Expanding your startup.

The location (priority development area or otherwise) of the investment and the size of the company (large company, mid-size company or SME) must also be considered in identifying the government support available.

Check the size of the funding’s beneficiary

Check the size of the funding’s beneficiary at group level by consolidating the workforce and results of the companies legally belonging to the group.

Please refer to the SME guide published by the European Commission.

I have a project!

Consult the list of government funding available to businesses [in French only].

This is the definitive database of business funding and support programs. Applicants can search by municipality, according to the nature of their project and their profile.

WHAT SIZE IS MY COMPANY?

<table>
<thead>
<tr>
<th>WORKFORCE (PEOPLE)</th>
<th>REVENUE</th>
</tr>
</thead>
<tbody>
<tr>
<td>&gt;250</td>
<td>LARGE COMPANY</td>
</tr>
<tr>
<td>&lt;250</td>
<td>SMALL AND MEDIUM-SIZED COMPANY</td>
</tr>
<tr>
<td>&lt;50</td>
<td>MICRO-ENTERPRISE</td>
</tr>
</tbody>
</table>
You become eligible for a whole set of public funding programs in France from the moment you open a legal entity in France and hold a bank account.

**Subvention**

**What is it?**
Non-repayable funding that is dependent on the sum invested and the number of jobs created.

**Which institutions are involved?**
- French Commission for Regional Equality CGET (PAT development grant)
- French Environment and Energy Management Agency (ADEME)
- Local authorities (contribution to the PAT, real estate funding)

**Repayable advance / Honor loan / Zero-interest loan**

**What is it?**
Cash injection making it easier for a company to obtain a bank loan. Does not require a guarantee.

In some cases, the repayable advance becomes a subsidy.

**Which institutions are involved?**
- Businesses Directorate DGE (ARI – business development loan)
- Bpifrance
- Local authorities

**Low-interest loans**

**What is it?**
Cash injection.

**Which institutions are involved?**
- Bpifrance (Eco-Energy Loan)

**Co-financing and guarantees**

**What is it?**
Guarantees to banks to generate leverage.

**Which institutions are involved?**
- Bpifrance

**Tax exemption**

**What is it?**
Tax reductions for business creation and in certain cases where a struggling company is taken over.

**Which institutions are involved?**
- Ministry for the Economy (corporate tax)
- Local authorities (local taxes, subject to local deliberation)

**Tax credit**

**What is it?**
Tax reduction giving rise to a rebate in the event of a loss.

**Which institutions are involved?**
- Ministry for the Economy
- Ministry for Research
- Ministry for Labor

**Capital injection**

**What is it?**
Investment in equity.

**Which institutions are involved?**
- French State Investment Fund (CDC)
- Venture capital firms of local authorities
- Bpifrance (SPI fund)

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- Bpifrance (SPI fund)
#5 WHO SHOULD I CONTACT DEPENDING ON MY PROJECT STATUS?

**MATERIAL INVESTMENT**
- CGET (Commission for Regional Equality)
- DGE (Businesses Directorate)
- Regional authorities

**FINANCING / CAPITAL INJECTION**
- French State Investment Fund (CDC)
- European Investment Bank
- Bpifrance
- Regional funds

**RECRUITMENT & TRAINING**
- National Employment Office
- Regional authorities
- OPCOs (professional development joint collection agencies)

**INNOVATE**
- National Research Agency
- French Environment and Energy Management Agency (ADEME)
- Bpifrance
- General Secretariat for Investment (SGPI)

**RESPOND TO AN INVITATION TO TENDER**
- General Secretariat for Investment (SGPI)
- National Research Agency
- Bpifrance
- French Environment and Energy Management Agency (ADEME)

**EXPORTS**
- Bpifrance
- Business France
- Regional authorities

#6 RAISING FINANCE ON THE PARIS FINANCIAL MARKETPLACE

With more than 500 financial players, Paris is Europe’s leading host of foreign banks and financial institutions.

French banks are among the highest ranked in Europe and the world, with four French banks among the top 20 global players.

Sixty percent of the finance pumped into the economy is provided by banks. Business loans total €978 billion (Banque de France, April 2018).

The vast majority of SMEs are able to access bank finance. Ninety-six percent of SMEs have successfully applied for investment loans. The projects launched by SMEs benefit from favorable interest rates (1.75%, compared with a eurozone average of 2.11%).

French banks offer a wide range of tailored products and solutions that cater for your needs when setting up or expanding operations in France (investments, cash flow, innovation, international flows, etc.).

---

### Opening a bank account

**What is the procedure for opening a bank account?**

From the moment your company is registered, you can open a business account. Once this is done, you will obtain an RIB (statement of account information), which will facilitate many of your administrative formalities.

To open an account, you will need to provide a valid identity document for the legal representative, a company registration certificate dated less than three months prior to the application, your company’s articles of association (incorporation), its SIRET registration number and its NAF code.

**What if your application is rejected?**

If a bank rejects your application, you can call upon the Banque de France. The latter will designate a bank responsible for opening an account for you.

[entreprises.banque-france.fr](http://enterprises.banque-france.fr)
Paris-Euronext

Expand your business in the heart of the eurozone’s largest financial center

Paris-Euronext has the highest equity market capitalization of any European stock exchange with €3.6 trillion (compared with €1.85 trillion for Deutsche Börse) and is also the leading bond market in Europe for non-financial companies with US$606 billion, ahead of London.

France is at the heart of the European asset management market and has the eurozone’s highest concentration of players in the sector. More than 600 specialist companies are established in Paris, and four French companies are among the world’s top 20 asset management firms. Funds under management in France total €3.6 trillion (compared with €2.1 trillion in Germany).

Thanks to its entrepreneurial dynamism and an environment conducive to innovation, France has become a choice destination for venture capital. Total funds raised amount to €9.5 billion, compared with €6 billion in Germany.

This performance makes France the eurozone’s top financial market for venture capital.

Bpifrance

Bpifrance works alongside private financial backers to offer priority support to SMEs and mid-size companies, but also to startups and large firms established in France.

From launch to stock market flotation, from loans to equity investments, Bpifrance offers financing solutions tailored to every stage of your company’s development.

Thanks to its large range of guarantee, loan and lease finance products, Bpifrance provided €14.4 billion in credit and support for businesses in 2017.
- €7.2 billion of investment loans
- €5.9 billion of short-term financing
- €1.3 billion of innovation financing

PARIS, EUROPE’S NEW FINANCIAL CENTER

Europe’s Most liquid Market

Narrowest spreads, biggest velocity and lowest volatility
A liquid government securities market (€1,500 billion)

An Open Market

45% of the equity of companies listed on the CAC 40 is owned by foreign investors

1st in Continental Europe

For forex and interest rate derivatives, well ahead of Frankfurt, and 3rd in the world for international bonds (49% market share)
For equity capital raising track record over the past three years

Continental Europe’s Largest Community of Listed Tech Issuers

More than 330 listed Tech SMEs, spanning the digital, cleantech and life sciences sectors

#1 Stock market
Paris is the EU’s leading stock market. France is home to 31 of the world’s top 500 companies (Fortune Global 500)

#1 Asset management
Paris tops Europe when it comes to collective asset management (AFG, 2016)

GOVERNMENT SUPPORT & FINANCE

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This guide is provided for information only and cannot replace the advice of a professional. The above information is not exhaustive, and Business France cannot be held liable for omissions or errors. This document may be shared on condition that it is accompanied by all the relevant information and this disclaimer.
INVEST IN FRANCE

1,298 investment decisions

CREATING OR MAINTAINING 33,489 EMPLOIS

+16% INCREASE IN INVESTMENTS IN 2017

Projects

Jobs

NUMBER OF PROJECTS AND JOBS BY INVESTMENT TYPE

651 CREATION

12,639

551 EXPANSION

12,855

96 TAKEOVER

7,995

25 investment DECISIONS PER WEEK

FRANCE IS AN ATTRACTIVE FOREIGN INVESTMENT DESTINATION*

FOR 84% OF DECISION-MAKERS

+10 pts

MOST ATTRACTIVE COUNTRY IN EUROPE* after Germany

SITE CREATIONS LED THE WAY:

50% OF DECISIONS WERE INVESTMENTS AT NEW SITES

MANUFACTURING

26% of the investments recorded in the Annual Report were in production/manufacturing, generating 48% of all jobs

+23% INCREASE IN INVESTMENTS

+44% INCREASE IN JOBS GENERATED

R&D / ENGINEERING

+9% INCREASE IN R&D/ENGINEERING INVESTMENTS

10% of investments

HEADQUARTERS GLOBAL/ EUROPEAN HQs

29 IN 2017

54 source countries IN 2017

UP FROM 47 IN 2014

58% EUROPE

23% NORTH AMERICA

13% ASIA

SHARP INCREASES IN INVESTMENT DECISIONS FROM THE UNITED STATES +26% AND SWITZERLAND +37%
To attract job-creating investment projects to France, the French government and local authorities have developed support tools to localize economic activity nationwide (investment support for businesses).

In addition to this state aid support, investors can also take part in the Major Investment Plan (Grand plan d’investissement – GPI) launched by the French government to pursue accelerated ecological transition, the building of a knowledge economy, the anchoring of French competitiveness in innovation, and the construction of the State in the digital era.
#1 KEY FIGURES

## Contribution of Foreign Companies to the French Economy

- **30%** of all French exports
- **21%** of the workforce in industry
- **16%** of the value added in the French economy
- **±21%** of business enterprise R&D is conducted by foreign companies
- **+45%** of the equity of companies listed on the CAC 40 is owned by non-residents
- **28,000** foreign-owned subsidiaries

## Other Key Figures

- **1,298** new FDI projects in 2017
- **1st** France is the leading host country for foreign investment in industry

#2 Business France Support

Helping you make a success of your project

### Your Actions

- Presenting your project to Business France
- Expressing your needs and expectations
- Selecting tools
- Ensuring the pre-eligibility of your project with financial backers
- Establishing a list of eligible expenditure
- Analyzing your project
- Targeting aid
- Informing you of the terms and conditions

### Our Support

- Forwarding a detailed business plan
- Putting you in touch with financial backers
  - Connecting you with the right contact people
  - Supporting you during the presentation of your project
- Meeting financial backers
- Presenting your project
- Clarifying your project
- Making a formal request
- Approving the eligibility of your project, thresholds and eligible expenditure to be respected
- Selecting tools
- Examining the business plan, the leveraging of aid, and the economic impact
- Processing your dossier
- Establishing a list of eligible expenditure
- Assigning aid and paying out funds according to the agreed procedures

### Tools

- Selecting tools
  - Pre-eligibility of your project with financial backers
  - Establishing a list of eligible expenditure
- Forwarding a detailed business plan

### Financial Backers

- Business France and its regional partners
- Public financial backers
Investment aid is primarily available depending on the location of your project, the size of your business and the number of jobs to be created. Large businesses can therefore obtain investment and job creation support for projects located in specific areas, known as regional aid areas (zones à finalité régionale – AFR), whereas SMEs are eligible nationwide. Projects may involve several aid schemes up to the ceiling allowed in the investment zone and in accordance with European Union rules on state aid.

How do I find out if the municipality allows for investment aid to be obtained?

Where can I find where regional aid areas are located?

An interactive map is at your disposal at the Observatoire des territoires to identify municipalities (communes) where investment aid may be awarded by a public body, and what the maximum intervention rate would be. Interactive map: carto.observatoire-des-territoires.gouv.fr

Identify, secure, connect

Based on an evaluation of your project (nature and amount of investment, economic impacts, job creation, calendar for investment), Business France defines with you, in coordination with national players and regional partners, which state aid schemes can be called upon (tools, nature, intensity, ceiling) to support the development of your projects nationwide. Business France helps you secure the different criteria and eligibility thresholds, calendars and arrangements of the application process and puts you in touch with the relevant parties.

#3 SUPPORT FOR YOUR INVESTMENT PROJECT FROM PUBLIC BODIES

#4 WHAT ARE THE MAIN TYPES OF INVESTMENT AID?

## NATIONAL TOOLS

**PAT**
Development grant

**CGET**
French Commission for Regional Equality
Up to €15,000 per job created

**ARI**
Business development loan not available in 2019

**DGE**
Businesses Directorate
Repayable advance for SMEs/mid-size companies €500,000 / €2 million

## SUPPORT FROM LOCAL AUTHORITIES

**Real estate investment**
Support for expansions or new projects; purchase of land, construction or expansion of buildings, etc.

**Material investment**
Aid to finance the acquisition of machines, a new chain of production, an industrial IT system, etc.

**Tax exemptions**
After deliberation from local authorities

**Employment and professional development aid**

**National Employment Office**
Companies with industrial projects (SPIs)

**Bpifrance**
A minority stake in a new company
Ticket €10 million to €160 million

Schemes capped by regional aid area and company size
WHAT ARE THE THRESHOLD CONDITIONS AND LIMITS?

Development grant (Prime à l’aménagement du territoire – PAT)
Contact: French Commission for Regional Equality (CGET)
Nature: Subsidy upon job creation in regional aid areas (AFR)
Budget: €18 million (2018)
Eligibility:
- Micro-enterprises and SMEs for all projects
- Large business: creation and diversification of activities
Sectors: Industry and services
Amount: Max. €15,000 per job created + possible support from the regional government
Thresholds:
- Site creation: €3 million in investment and 20 jobs
- Expansion/diversification:
  - Either: 20 net jobs, representing at least 50% of the workforce, and €3 million in investment
  - Or: 40 net jobs and €3 million in investment
  - Or: €10 million in investment
Acquisition of assets:
- Durable and structural reestablishment of the business’ competitiveness.
- Recovery of 50 jobs and €3 million invested.
Eligible amount: Land, buildings, machinery, equipment, intangible fixed assets, etc., or salary costs over two years
Ceiling: 10% of eligible costs, SMEs 20%, large businesses 10%
Inquiry: At the Interministerial Commission for Business Location Aid (CIALA): five sessions with the CGET per year

Business development loan (Aide à la réindustrialisation – ARI)
Contact: Businesses Directorate (DGE)
Nature: Reimbursable interest-free advance without royalties or a guarantee, allowing projects representing an intensive investment and with a strong impact on the employment zone affected to be supported.
Eligibility: SMEs and mid-size companies at least three years old in the manufacturing sector
Amount: Maximum of €2 million reimbursable advance
Threshold: €5 million in investment and 25 jobs created
Duration: Reimbursement after five years after a grace period of up to two years
Eligible amount: Buildings, equipment, machinery, engineering, intangible fixed assets
Ceiling: 10% of eligible costs, SMEs 20%, large businesses 10%
Examination by the DGE/CGET per year

SPI funds – Société de projets industriels (society of industrial projects)
Contact: Bpifrance
Nature: Minority shareholdings in project companies (new industrial companies)
Goal: To support industrialization projects
Budget: €800 million in the form of equity and quasi-equity investments
Eligibility: Any size of business
Amount: Ticket from €10 million to €160 million
Threshold: Support for manufacturers including a share in case of at least one-third
Duration: Five years
Ceiling: Wise minority investment
Examination: Bpifrance

Tax exemptions from corporate property contribution (CFE)
Contact: Tax4Business, local authorities
Nature: Exemption from corporate property contribution (cotisation foncière des entreprises – CFE) in regional aid areas
Eligibility: Businesses from manufacturing sectors; any size of business
Duration: Two to five years
Ceiling: Regional aid (AFR)
Examination: Depending on deliberation of the local authority

Pre-recruitment training – AFPR and POEI
Contact: Pôle emploi
Nature: Financial aid (not reimbursable)
Goal: To reduce the gap between the skills of new recruits and the demands of the jobs targeted
Target: People registered with Pôle Emploi
Eligibility: Any company size from any sector
Amount: Maximum aid of €5 per hour of internal training, up to €2,000. Maximum aid of €8 net per hour of external training, i.e. up to €3,200 for 400 hours of training.
Conditions:
- Fixed-term contract of between six and 12 months
- Fixed-term professionalization contract
- Temporary work contract, if the missions take place for at least six months during the nine months following the training course.
Examination: Pôle Emploi

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Examination: Pôle Emploi

WHAT ARE THE THRESHOLD CONDITIONS AND LIMITS?
#5 THE MAJOR INVESTMENT PLAN 2018-2022

What does it involve?

The French government has committed itself to a €57 billion Major Investment Plan (Grand plan d’investissement – GPI) to support structural reforms over the current five-year term and to respond to the four major challenges facing France: fast-tracking the ecological transition (€20 billion), building a knowledge economy (€15 billion), anchoring competitiveness in innovation (€13 billion) and building the digital economy (€9 billion). These four priority axes are divided into 25 initiatives.

What initiatives will be made as part of the GPI?

The Major Investment Plan draws on:
- Financial initiatives, such as loans, equity or guarantee funds (€11 billion), led in particular by the CDC (the French State Investment Fund, Caisse des dépôts et consignations).
- The activation or redirection of existing investments to best serve the priorities of the Major Investment Plan (€12 billion).
- New budgetary measures to finance the priorities of the Plan (€24 billion).
- The financing for the third part of the National Investment Program to support progress in teaching and research, harness research, and fast-track the modernization of businesses (€10 billion).

Who?

For each initiative, a minister will be responsible for its implementation and management. The General Secretariat for Investment (Secrétariat général pour l’investissement – SGPI) is responsible for coordinating and following up the Major Investment Plan and implementing the National Investment Program (Programme d’investissements d’avenir).

#6 KEY STAKEHOLDERS

CGET
cget.gouv.fr
DGE
entreprises.gouv.fr/dge
PÔLE EMPLOI
pole-emploi.fr
BPFRANCE
bpifrance.fr
TAX4BUSINESS
impots.gouv.fr
RÉGIONS DE FRANCE
regions-france.org

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Choose France as a venue for takeovers

Taking over a business, either in good health or bad, requires preparation and support from specialist professionals. Taking over a business in bad health may be supported by the public authorities using a variety of state aid measures.
#1 KEY FIGURES

Business transfers in France (2016)

60,000 businesses on sale

185,000 businesses to be sold each year or 750,000 jobs safeguarded

50% of businesses wound-up due to there being no buyer

According to a study by the BPCE Observatory, 80% of business sales every year in France involve micro-enterprises employing a total of 143,000 people.

The 15,000 sales of SMEs and mid-size companies involved 1.1 million jobs – including 450,000 working for SMEs.

However, 60% survival rate of businesses recently sold

A positive correlation can be observed between the dynamism of the rate of business sales in local areas and the dynamism of its local economy.

Sources: Report by Fanny Dombre-Coste, Figures from the BPCE Observatory
Identify
Business France and its partners regularly share information about investment opportunities in France on its website and around its network. From takeovers of ailing businesses, investment in growing businesses (startups, SMEs) or in the French Tech ecosystem (incubator, accelerators, innovation clusters), we can present you with opportunities corresponding to your business sector.

Moreover, there are investment opportunities in terms of acquiring equity stakes in equipment, infrastructure, or key real estate (Grand Paris, airports, etc.).

Secure
Based on an evaluation of your project (targets sought, nature and amount of investment, economic impacts, job creation or job saving, calendar for investment), Business France helps you understand the takeover procedure in strict compliance with the confidentiality of your project.

Connect
Business France and its partners puts you in touch with relevant players to help you identify targets and produce the information you need to take decisions.
Insolvency proceedings and taking over ailing businesses: what do they involve?

Takeovers of over ailing sites aim to maintain all or part of an activity and jobs, as well as wiping out debts accrued by the targeted company. Investors must be able to carry out a detailed diagnostic of the company to be taken over (due diligence) so as to provide the best assessment of the risks inherent in proceeding with the operation.

As part of the bankruptcy protection procedures, the court decides on external takeover projects coming from third parties who have submitted offers and chooses the offer that best fits the sustainability of the business, continued employment and settlement of liabilities.

The takeover offer made by the buyer must notably include the precise description of goods, rights and contracts included in the offer, forecasts for activity and financing, the price offered, the capacity of capital contributors, the level and prospects for employment justified by the business being considered, the guarantees obtained with a view to going through with the takeover, and the duration of each of these engagements made by those making the takeover.

**WHAT IS DUE DILIGENCE?**

- **Target**
  - Analyzing the activity of the firm and its market: its client base, competition, verifying the application of the IEF decree
- **Assets**
  - Assessing the state of equipment, investment needs and environmental diagnostics
- **Financial diagnostic**
  - Carrying out a financial diagnostic with the help of accountancy documents
- **Contracts**
  - Identifying live contracts and main commercial agreements
- **Employees**
  - Studying the internal organization and assessing the social climate
- **Finance**
  - Drawing on different finance players
#4 PREPARING TO RESTART AN ACTIVITY

Supporting your takeover

What does it involve?

The control of foreign investments in France

Am I affected?

Some takeover operations made in so-called “sensitive” sectors are subject to prior authorization by the government minister responsible for the economy. This authorization is given within a two-month timeframe from when the request is received by the minister for the economy. If no response is given, tacit approval may be considered.

What aid exists for takeovers?

The French government and local authorities have introduced a number of financial aid schemes for those who take over a business so as to provide support for company takeovers of ailing firms. This aid enables the takeover costs to be reduced and applies according to different criteria, particularly the exact location (regional aid areas) and the type of business acquired.

Some regions offer finance for takeovers of ailing SME assets if jobs are maintained.

What are the main sectors involved?

Public security, public order and defense, transport, water and energy supplies, electronic communications, public healthcare and vital activities such as those defined in the defense code. Also affected are businesses in the aerospace and civil protection sectors, or those leading research and development activities involving cybersecurity, artificial intelligence, robotics, the manufacture of additives, and semi-conductors.

#5 WHAT ARE THE MAIN SCHEMES?

**NATIONAL MEASURES**

<table>
<thead>
<tr>
<th>Scheme</th>
<th>Description</th>
</tr>
</thead>
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<tr>
<td>ARI</td>
<td>Business development loan not available in 2019</td>
</tr>
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<td>DGE</td>
<td>Businesses Directorate</td>
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<td>Real estate aid</td>
<td>After deliberation by local authorities</td>
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<td>Exemption from corporate tax</td>
<td>For two years</td>
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<td>Regeneration funds</td>
<td>Finance for the development of businesses in the struggling employment area</td>
</tr>
<tr>
<td>Loan and guarantee</td>
<td>Bpifrance</td>
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</tbody>
</table>

**AID FROM LOCAL AUTHORITIES**

<table>
<thead>
<tr>
<th>Scheme</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exemption from local taxes</td>
<td>After deliberation by local authorities</td>
</tr>
<tr>
<td>Aid for the retention of employees</td>
<td></td>
</tr>
<tr>
<td>Aid for employment and professional training</td>
<td></td>
</tr>
</tbody>
</table>

Schemes capped by regional aid area and company size
Tax exemptions for the takeover of an industrial business in difficulty

**Nature:** Corporate tax exemptions for two years and/or exemption from local taxes (for up to five years after deliberation by the local authorities)

**Target:** The company having been ordered by a tribunal as part of insolvency protection to sell some or all of its business, or is in bankruptcy protection or liquidation. An industrial activity

**Exclusion:** Of transport activities, making of synthetic fibers, steel industry and fishing

**Eligibility:** A company created before December 31, 2020 to take over an ailing business (corporate tax exemption for two years)

**Ceiling:** Varies according to the size of the business and where it is located (for example, it is increased for SMEs within a regional aid area). Businesses receiving this exemption may also benefit from: an exemption from the corporate property contribution (CFE), the contribution on business value-added (CVAE) and property tax on developed property (TFPB) for a duration of between two and five years.

**Examination:** Corporate tax office (Service des impôts des entreprises)

Using the research tax credit – Bpifrance

**Nature:** A cash advance within the R&D program authorizing a research tax credit

**Eligibility:** A mid-size company (ETI) or large business subject to corporate tax

**Amount:** 80% of the amount outstanding (minimum: €30,000)

**Financial conditions:** Commitment fee calculated on the amount authorized. Interest on advances used. Administrative fee and technical expertise

**Examination:** Bpifrance (regional offices)

Bpifrance growth loan

**Nature:** Unsecured loan

**Goal:** To secure your immaterial investments and strengthen your working capital requirement

**Eligibility:** SMEs and independent mid-size companies (ETIs)

**Amount:** €300,000 to €5,000,000 at a fixed or variable rate limited by your business’ equity capital and quasi equity capital

**Duration:** Seven years, including 24 months of deferred capital repayment

**Access conditions:** In partnership with your bank, at a rate of 1 euro of growth loan for 1 euro of support loan, or own funding

**Examination:** Bpifrance (regional offices)

Business development loan (Aide à la réindustrialisation – ARI)

**Nature:** Reimbursable interest-free advance without royalties or a guarantee

**Goal:** Supporting projects representing an intensive investment and with a strong impact on the employment zone affected

**Eligibility:** SME and mid-size companies: at least three years

**Amount:** Maximum of €2 million reimbursable advance

**Threshold:** €5 million in investment and 25 jobs created

**Duration:** Reimbursement after five years after a grace period of up to two years

**Inquiry:** By the DGE and CCET at the Interministerial Commission for Business Location Aid (CIALA): five sessions per year

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Recruiting and training your employees

France has a wide, effective system of workplace training. Access for all employees to workplace training and apprenticeships guarantees the availability of a qualified, versatile workforce.

As a cornerstone of French government policy, reform to workplace training and apprenticeship schemes will profoundly transform the French model guided by a twofold aim: adopting effective tools to fight against unemployment; and preparing for the future by making social democracy brighter, livelier and more legitimate.

To achieve these aims, the French government and public-sector organizations have different financial support tools to encourage businesses to create jobs and train their staff.
#1 KEY FIGURES

France, a talent pool!

1 million
engineers
75,000 PHDS
(41% of foreign-national)
278,000 students enrolled in higher education
38,000 graduate engineers every year

#3 in Europe for R&D staff availability
Number of students in PhD grade
(Eurostat, 2014)

#4 in the world for R&D staff
Per 1,000 workers
After Finland, Sweden and Austria
(OECD 2014)

#2 BUSINESS FRANCE SUPPORT

Helping you make a success of your project

YOUR ACTIONS
Presenting your project to Business France
Expressing your needs and expectations

Analyzing your project
- Targeting aid
- Informing you of the terms and conditions

Selecting tools
- Ensuring the pre-eligibility of your project with financial backers
- Establishing a list of eligible expenditure

Putting you in touch with financial backers
- Connecting you with the right contact people

Forwarding a detailed business plan

Meeting financial backers
Contacting your skills operator

Clarifying your project
Making a formal request

Approving the eligibility of your project, thresholds and eligible expenditure to be respected

Filing your request
Exchanging with the appraising body

Processing your dossier

Signing an aid agreement
Justifying investments and jobs created

Assigning aid and paying out funds according to the agreed procedures

OUR SUPPORT

Business France
Business France partners
France faces multiple challenges

Today, an hour’s training for a cadre is generally more expensive than for an employé or ouvrier. To give fairer access, the personal training account (CPF) is drawn up in euros.

- Investing massively in training and skills, to be collectively capable of provoking change in the knowledge economy.
- Giving everyone the freedom to choose their professional future and the ability to build their own career path.
- Protecting the most vulnerable in society against the lack and the rapid obsolescence of expertise, and winning the battle against mass unemployment.

What does it involve?

By 2019-2020, all employees in France will see their personal training account (Compte personnel de formation – CPF) credited with €500 per year to freely choose training courses.

Within 10 years, the CPF will reach its ceiling of €5,000, to which an employer contribution may be added.

The CPF may be contributed to businesses and branches, particularly through collective agreements.

The CPF is therefore reinforced as a personal right collectively guaranteed.

For employees without qualifications, rights will be increased, and the CPF will be credited with €800 per year, up to €8,000 in all, to fund occupational retraining.

An investment plan in skills will be introduced worth a total of €15 billion.

**Example Training Courses**

All the training courses can be accessed through the CPF as part of a certification.

<table>
<thead>
<tr>
<th>Training</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>TOEIC (Test Of English for International Communication)</td>
<td>Around €800</td>
</tr>
<tr>
<td>TOSA (Certificate of IT literacy)</td>
<td>Nearly €600</td>
</tr>
<tr>
<td>Forklift Truck Driving Certificate CACES R389</td>
<td>Nearly €800</td>
</tr>
<tr>
<td>Family Life Assistant (level V)</td>
<td>Nearly €5,000</td>
</tr>
<tr>
<td>Website Developer</td>
<td>Nearly €5,000</td>
</tr>
<tr>
<td>Public Works Team Leader</td>
<td>Nearly €5,000</td>
</tr>
<tr>
<td>Fashion designer (level V)</td>
<td>Nearly €7,000</td>
</tr>
<tr>
<td>Upholsterer (level V)</td>
<td>Nearly €7,500</td>
</tr>
<tr>
<td>Fitter for heating air conditioning, plumbing and renewable energy (level V)</td>
<td>Nearly €10,000</td>
</tr>
</tbody>
</table>

Source: Ministry for Labour
#4 WHAT ARE THE MAIN SCHEMES?

**Reduced employer social security contributions**

**Urssaf**

Pre-employment training program (Action de formation préalable au recrutement – AFPR)

Operational readiness for employment (Préparation opérationnelle à l'emploi individuelle – POEI)

From €5 to €8 per hour of training, up to 400 hours per employee

**Pôle Emploi support**

Local authorities can back certain national initiatives.

**Skill operators**

Accredited fund-collecting agencies can offer supplementary finance to that offered by Pôle Emploi, as well as launch sector programs.

**Training and employment aid**

Nature: Grant up to 400 hours before taking on the post

Goal: To reduce the gap between the skills of new recruits and the demands of the jobs targeted

Target: People registered with Pôle Emploi

Eligibility: Any business size from any sector

Amount:

- For an internal training course (in the company): €5/hour up to €2,000
- For an external training course: €8/hour up to €3,200

Conditions:

- AFPR: fixed-term contract of between six and 12 months, fixed-term professionalization contract, or temporary work contract for missions of at least 6 months.
- Operational readiness for employment (Préparation opérationnelle à l'emploi individuelle – POEI) permanent contract or fixed-term contract of less than 12 months

Contact: Pôle Emploi

**Reduction in employer social security contributions**

Nature: Reduction in social security contributions

Goal: To restore growth and employment

Eligibility: Any business size from any sector

Amount:

- For three years:
  - Zero URSSAF contributions on statutory national minimum wage (SMIC)

Conditions:

- Zero URSSAF contributions on salaries lower than 1.6 times the statutory national minimum wage
- Reduction of family allowance rates up to 3.5 times the statutory national minimum wage
- Exemption from employer social security contributions for five to seven years following investment in specific areas (employment priority areas, urban enterprise areas, overseas)

**Subsidized employment scheme**

Nature: Bonus paid to employer

Goal: To fight unemployment in 194 priority districts (1.4 million inhabitants and 200,000 jobseekers) and against trends to discriminate when hiring

Eligibility: Any business size, any sector

Amount:

- For fixed-term contracts (six months and over): €2,500 per year for two years (amounts in accordance with working hours (part-time) and the contract duration)
- For permanent contracts: €5,000 a year for three years

Conditions:

- To be registered with Pôle Emploi, without restriction for age or level of qualification.
- To live in a priority district under the town’s policies.
- To sign a contract before December 31, 2019 with a business or association.

Contact: Ministry for Regional Cohesion and Pôle Emploi

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#5 KEY STAKEHOLDERS

**PÔLE EMPLOI**

pole-emploi.fr

**REGIONS OF FRANCE**

regions-france.org

**MINISTRY FOR REGIONAL COHESION**

cohesion-territoires.gouv.fr

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Support for your R&D programs and innovative projects

France is Europe’s most attractive country in terms of its research tax credit (CIR) and effective tax rate for R&D activities. Thirty percent of eligible expenses are refundable up to a limit of €100 million, and 5% for amounts above this limit. (2016 research tax credit budget: €5.4 million.)

France is ranked first in Europe for its share of institutions featuring among the world’s top 100 innovators with 13 Fields medalists (France is ranked second in the world).

In 2015, gross domestic expenditure on research and development (GERD) amounted to €49.8 billion. Foreign companies have increased their R&D spending in France by 9% per year since 2007.
The United Kingdom went from having 100 R&D centers to 63 R&D centers.

France went from having 45 R&D centers to 51 R&D centers.

2.24% of GDP spent on research and development.

**TOP FIVE ADVANTAGES OF FRANCE**

1. Capacity for innovation and research
2. Tourism outreach
3. International accessibility and infrastructures
4. Ability to support entrepreneurship
5. Reforms to boost competitiveness

- 578,000 researchers and support staff
- 9,300 researchers out of 1,000 workers
- 266,700 researchers of which 26% are female
- 14,500 doctorates awarded each year
- 4th in the world for patenting (6.3% of applications registered)
- 7th in the world for its scientific publications

Source: EY, France Attractiveness Survey 2017

Source: Ministry for Higher Education, 2017
State aid in France for innovation is available at all levels of the production chain, from the creation of an ecosystem for the development of innovative companies to the financing of projects.

Whether you need a tax credit, subsidy, loan or repayable advance, Business France and its national and regional partners will show you what support systems are in place for R&D and innovation to help you carry out your ambitious projects.

Business France facilitates contact with the Ministry for Higher Education, Research and Innovation, the National Research Agency and Bpifrance. It also coordinates exchanges between the different national and local levels to support your R&D programs and your innovative projects.

Working with the network of organizations and experts approved by the Ministry for Higher Education, Research and Innovation, Business France will help you to determine whether your R&D and innovation projects are eligible for support from state aid schemes.
Support for R&D
France has a wide range of state aid schemes for R&D and innovation to provide you with an appropriate response to each type of project (breakthrough innovation, industrial research, etc.), the degree of maturity of your project, and any financing issues. Aid for R&D projects is available throughout the country and can cover a large amount of staff costs, R&D equipment, contract research costs, technical knowledge, patents purchased and overhead costs.

The very definition of R&D is a broad one, a term that can mean supporting various projects ranging from industrial research to experimental development through to technological partnerships.

THE INNOVATION FUND
Aim: As part of the government’s strong focus on innovation, in January 2018 a fund was created through the French public investment bank, Bpifrance.

Amount: €10 billion.

Mission: Invest in breakthrough innovations and foster their industrialization in France.

Main targets: Companies, who will be eligible for large amounts of aid.

Contact: Bpifrance

Support for digital technology
Bpifrance has developed a very simple tool to assess your level of “digital maturity” before launching your digital transformation project. All you need to do is click on the following link to create an account: mon.bpifrance.fr/mon-espace/#/login

DIGITAL AMBITION FUND
Aim: Fast-track startups’ growth and help to create French digital champions.

Nature: Investment in equity or quasi-equity in digital companies, alongside private co-investors.

Targets: Companies with high-growth potential, developing innovative technologies or deploying new products / services or innovative business models, with the aim of becoming a leader in their market.

Investment areas: Software, the internet of things, products / hardware, AI and new digital uses.

Thresholds: Between €1 and €10 million.

As at December 31, 2017, after six years of activity, the Digital Ambition fund had invested up to €182 million in 39 startups.

Contact: Bpifrance

Grants, interest-free loans, repayable advances
Awarded by local authorities

Bpifrance aid
Finance from 25% to 60% of the R&D budget:
- Interest-free loans
- Grants

Calls for projects
- Innovation clusters
- National Research Agency
- Sectoral aid
- European aid
- Horizon 2020

Schemes capped from 25 to 100% of total eligible expenses according to the technology stage (experimental development, industrial research, basic research)
**What are the threshold conditions and limits?**

**Innovation development loan (Aide pour le développement de l’innovation)**

**Contact:** Bpifrance regional authorities

**Aim:** Any independent or collaborative research, development and innovation (RDI) project, aimed at developing innovative products, processes or services with significant prospects for industrialization and commercialization

**Target:** SMEs and companies with fewer than 2,000 employees

**Amount:** Repayable advance or interest-free loan up to €3 million. Assistance offered by Bpifrance may vary depending on the characteristics and progress of the project, the level of risk, the company profile, or the actual incentivenss of the aid (aid rate of between 25-65%, according to the total eligible expenditure base)

**Bpifrance Industries of the Future Loan**

**Contact:** Bpifrance regional authorities

**Aim:** Foster the industrialization of products, services and processes

**Target:** SMEs over three years old

**Amount:** €500,000 to €5,000,000

The loan must be associated with external financing, at the rate of one to one

**Duration:** Seven years, including a grace period of two years

**Guarantee:** No security on the assets of the company, nor on those of the company director

**Tax relief for innovative new companies (Jeune entreprise innovantes – JEIs)**

**Contact:** General Tax Directorate, who will issue an official declaration

**Aim:** Tax status enabling young SMEs to finance their R&D activity

**Target:** SMEs under eight years old created from scratch

**Amount:** 100% corporate tax exemptions for the first financial year and 50% thereafter within the agreed ceiling

- Exemption for eight years from certain employers’ mandatory social security contributions (sickness, old age, family allowances, etc.)
- May be combined with the research tax credit

**Conditions:** Companies for whom R&D expenditure equates to at least 15% of total expenditure per financial year, are more than 50% owned by private individuals or by investment funds, and are a SME under eight years old created from scratch

**Industrial agreements for training through research (Convention CIFRE)**

**Contact:** National Association for Research and Technology (ANRT)

**Nature:** Grant

**Aim:** Hire a PhD student to be at the heart of a research partnership with a public laboratory

**Target:** All industry sectors, companies of all sizes

**Conditions:** The company recruits someone with a Master’s degree on a fixed-term (CDD) or permanent (CDI) contract to carry out strategic research. The doctoral salary is eligible for the research tax credit

**Amount:** €14,000 every year for three years.

**Procedures:** Declaration to be filed at the corporate tax department

**Research tax credit (Crédit d’impôt recherche – CIR)**

**Contact:** Ministry for Higher Education and Research

**Aim:** Facilitate the financing of R&D operations carried out in France

**Target:** All industry sectors, companies of all sizes

**Amount:** Tax credit of 30% of annual research expenses (50% in the overseas regions of Guadeloupe, French Guiana, Martinique, Reunion and Mayotte) up to a maximum limit of €100 million, and 5% beyond this limit

**Procedure:** Declaration to be filed at the corporate tax department

**Providers:** List of approved providers available from the Ministry of Higher Education and Research

**Simulator**

**Innovation tax credit (Crédit d’impôt innovation – CII)**

**Contact:** Ministry for Higher Education and Research

**Aim:** Facilitate the financing of R&D operations for SMEs

**Target:** All industry sectors

**Eligibility:** Only SMEs

**Amount:** 20% of the expenses required for designing and creating prototypes or pilot plants for new products

**Ceiling:** The base is capped at €400,000 per year and per company

**Procedures:** Declaration to be filed at the corporate tax department. SMEs may, under certain conditions, benefit from an early repayment of the innovation tax credit

**Simulator**

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Encouraging investments to protect the environment

France reaffirmed its steadfast commitment to the environment at the Paris Agreement on Climate Change at the end of the COP 21 conference and by its Make Our Planet Great Again (MOPGA) initiative. These commitments include a series of innovative, ambitious measures to bring together all stakeholders in this planetary struggle.

In order to meet the energy and ecological transition targets set out, France has rearranged financial support to its businesses, local authorities and research bodies. Generally, investments should allow to go further than regulatory obligations. Admissible costs cover the supplementary investment costs involved in protecting the environment.
#1 KEY FIGURES

€2.5 billion of aid; 745 projects

**SECTORS**

- **TRANSPORT AND VEHICLES OF THE FUTURE**
  - 311 winning projects
  - €902 million in aid

- **RENEWABLE ENERGY, ENERGY STORAGE AND ELECTRICAL NETWORKS**
  - 197 winning projects
  - €1,106 million in aid

- **BUILDING, INDUSTRY AND AGRICULTURE, BIO-BASED CHEMISTRY**
  - 112 winning projects
  - €288 million in aid

- **CIRCULAR ECONOMY AND WASTE, WATER AND BIODIVERSITY**
  - 135 winning projects
  - €214 million in aid

**BENEFICIARIES**

- 11% PUBLIC BENEFICIARIES
- 25% MICRO-ENTERPRISES/SMES
- 62% LARGE BUSINESS
- 2% MID-SIZE COMPANIES
- 22% EQUITY ACQUISITIONS OR EQUITY CAPITAL
- 41% REPAYABLE ADVANCES
- 37% SUBSIDIES

**TYPES OF INTERVENTION**

**MAKE OUR PLANET GREAT AGAIN INITIATIVE**
WHAT DOES IT INVOLVE?

With its openness to the world and its policy of attracting talent in any form, France is determined to attract investors and to support their expansion across the nation. France is at the forefront of innovation and development of the industries of the future, such as clean technology and green finance, which will be the engine of tomorrow’s growth.

Together making France a leader in the green economy

Investment needs in the sectors of energy transition are among the largest in Europe, due to the ambitious objectives pursued by public policies to reduce fossil energy consumption, increase the production of renewable energies, and reduce greenhouse gases.

All sectors are called upon to take part in this green revolution. The mobility of people and towns and cities will change to make France an example for the world.

These ambitions open the possibility to companies the world over to access a market of the future!

Source: ADEME, 2018
#2 BUSINESS FRANCE SUPPORT

Helping you make a success of your project

## YOUR ACTIONS
- **Presenting** your project to Business France
- **Expressing** your needs and expectations
- **Forwarding** a detailed business plan
- **Meeting** financial backers
- **Presenting** your project
- **Clarifying** your project
- **Making a formal request**
- **Filing** your request
- **Exchanging** with the appraising body
- **Signing** an aid agreement
- **Justifying** investments and jobs created

## OUR SUPPORT
- **Analyzing** your project
  - Targeting aid
  - Informing you of the terms and conditions
- **Selecting** tools
  - Ensuring the pre-eligibility of your project with financial backers
  - Establishing a list of eligible expenditure
- **Putting** you in touch with financial backers
  - Connecting you with the right contact people
  - Supporting you during the presentation of your project
- **Approving** the eligibility of your project, thresholds and eligible expenditure to be respected
- **Processing** your dossier
  - Examining the business plan, the leveraging of aid, and the economic impact
- **Assigning** aid and paying out funds according to the agreed procedures

**Business France and its regional partners**

**Public financial backers**

#3 WHAT ARE THE MAIN SCHEMES?

## SUPPORT FROM THE FRENCH ENVIRONMENT AND ENERGY MANAGEMENT AGENCY (ADEME)

### Heat fund
- Support for the development of renewable heat

### Decision-making support
- Support for design work undertaken by consultants on ADEME topics

### Waste fund
- Support for the development of the circular economy

### Research, development and innovation
- Subsidies or repayable advances for research, development and innovation projects through calls for projects

## SUPPLEMENTARY SUPPORT

### Regional aid
- Aid from local authorities intervening in addition to the ADEME

### Bpifrance
- Financial intervention or investment notably through the eco-energy loan

### Water agencies
- Subsidies or loans to achieve a balanced management of water resources
WHAT ARE THE THRESHOLD CONDITIONS AND LIMITS?

Heat fund - Support to develop renewable heat

**Nature:** Investment subsidy for projects to:
- Produce renewable heat (biomass, solar thermal, geothermal, etc.)
- Heating networks

**Target:** Businesses or local authorities responding mainly to:
- A BCIAT call for projects (Heat Biomass – Industry, Commerce & Agriculture) aimed at businesses for the largest biomass projects (output of more than 1,000 toe/year).
- Regional calls for projects managed by regional ADEME offices in conjunction with the French regional governments.

**Indicative support rate:** 20-40%, mostly defined by fixed rates and enabling competitive solutions

**Contact:** ADEME

Decision-making support

**Nature:** Subsidies for design work undertaken by external engineering and consultancy firms in all areas covered by ADEME: energy efficiency, renewable energies, the circular economy, waste, transport, air quality plans etc.

**Target:** Businesses and local authorities

**Support:** 50-70% depending on beneficiaries: large companies, medium-sized companies, small companies and non-economic activities

**Maximum eligible expenditure:**
- €50,000 for diagnosis
- €100,000 for project support studies

**Access conditions:** Exclusions exist (notably for companies with more than 250 employees) as well as eco-conditionality criteria on the qualification of design and research offices

**Contact:** ADEME

Research, development and innovation

**Nature:** Support through subsidies or repayable advances to research, development and innovation programs, principally selected by calls for projects

**Target:** Businesses, research organizations, associations or local authorities

**Maximum rate of aid:** Depends on beneficiaries
- 70% for research on new knowledge
- 50-70% for industrial research
- 25-50% for experimental development
- 50% for innovation for SMEs

The aid rates are fixed at each call for tenders.

**Contact:** ADEME

Waste fund - Support to develop the Circular Economy

**Aim:** A subsidy for projects involving waste prevention, collection and recycling, and organic, material and energy recovery

**Rate:** Up to 30%

**Calculation base:** Up to €10 million

**Contact:** ADEME

Eco-energy loan

**Nature:** Financing your equipment eligible for energy savings certificates

**Target:** Micro-enterprise / SME

**Ceiling:** Between €10,000 and €100,000

**Preferential rate**

**Duration:** Five years, including one year deferred as capital. No guarantee, personal or otherwise.

**Equity loan**

**Contact:** Bpifrance

#4 KEY STAKEHOLDERS

- THE FRENCH ENVIRONMENT AND ENERGY MANAGEMENT AGENCY (ADEME)
  ademe.fr
- THE WATER AGENCIES
  lesagencesdeleau.fr
- BPIFRANCE
  bpifrance.fr
- MAKE OUR PLANET GREAT AGAIN
  makeourplanetgreatagain.fr
- MINISTRY FOR THE ECOLOGICAL AND INCLUSIVE TRANSITION
  ecologique-solidaire.gouv.fr

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Entrepreneur is the new France!

In 2018, France was once again very well represented at the Consumer Electronics Show (CES) in Las Vegas, finishing second after the United States, and well ahead of the Netherlands and China. It is safe to say that France is doing well, with 31 products from French startups recognized at this year’s CES Innovation Awards.

What’s the secret behind this success? “La French Tech” comprises both the French authorities and other institutions, all of which are supporting a favorable environment for innovation which is unique in Europe.
“La French Tech” is a support network for startups that are created or developed in France. It is a collective brand launched by the French government in 2014. “La French Tech” aims to help create tech champions, promote French expertise on the international stage and attract foreign investors. To increase the initiative’s effectiveness, the government has launched a call for projects for the accreditation of regions. Once accredited, these regions will commit to doing their best to support the ecosystem and to put in place the necessary systems to ensure startups move beyond being mere ideas and become tech champions.

#1 KEY FIGURES
The other Startup nation

La French Tech
the open brand of the French startup scene
9,400 startups
US$3 billion raised in 2017
743 deals
300 incubators
50 accelerators

Station F
The world’s largest startup incubator is in Paris
1,000 startups
3,000 work stations

Deals growing sharply

OVH raised €250 million in 2016
SIGFOX raised €150 million in 2016
OODRIVE raised €65 million in 2017

Source: Bpifrance
Identify

France offers a range of state aid schemes, as well as calls for projects and events to support the growth strategy of both startups and entrepreneurs.

Business France helps you to identify exactly what you need for each stage of your startup project development.

Secure

Business France offers a dedicated support service for foreign entrepreneurs who have chosen France as the place to create and develop their startups.

Through a personalized support program, Business France provides you with information on and lets you discover more about a dynamic and constantly growing ecosystem.

Business France informs, guides and supports foreign talent and their families with their international professional mobility.

welcometoFrance.com

Connect

Whether it be incubators, accelerators, innovation clusters, financiers, Bpifrance, venture capitalists, tech events, we can connect you with our partners who contribute to the success of “La French Tech” on a daily basis.
## #3 FIND THE FUNDING THAT MATCHES YOUR NEEDS

### PRIVATE

<table>
<thead>
<tr>
<th>Initial contribution</th>
<th>PRIOR TO FOUNDING THE COMPANY</th>
<th>Salary compensation</th>
<th>Seed funding initiatives</th>
</tr>
</thead>
<tbody>
<tr>
<td>Love Money</td>
<td>Regions and operators</td>
<td></td>
<td></td>
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</tbody>
</table>

### INCEPTION

<table>
<thead>
<tr>
<th>&lt; €60,000 Business startup loan</th>
<th>Regions and operators</th>
<th>Unsecured loans (€2,000-€100,000)</th>
<th>Competitions (€1,000-€150,000)</th>
<th>Aid from incubators (&lt;€40,000)</th>
<th>French Tech grant (&lt;€30,000)</th>
</tr>
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<tbody>
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</table>

### CROWDFUNDING

<table>
<thead>
<tr>
<th>Crowdfunding Business Angels</th>
<th>Seed funding</th>
<th>Bank loan</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Regions and operators</td>
<td>Bpifrance</td>
</tr>
<tr>
<td></td>
<td>Incubators</td>
<td>Banks</td>
</tr>
</tbody>
</table>

### INITIAL SUCCESS

<table>
<thead>
<tr>
<th>Seed funding innovation aid</th>
<th>call for projects</th>
<th>tax and social exemptions (EI)</th>
<th>Research and innovation tax credit</th>
</tr>
</thead>
</table>

### GROWTH

<table>
<thead>
<tr>
<th>Venture capital fund</th>
<th>Bank loan</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>VCs &amp; CVCs, Bpifrance</td>
</tr>
</tbody>
</table>

### EUROPE

- **€7.7 billion** capital raised
- **€6.4 billion** invested
- **3 700 Deals**

### FRANCE

- **1st in Europe with €2.6 billion** of capital raised ahead of the United Kingdom and Germany
- **€1.2 billion** invested
- **€4.3 billion** average deal size

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**Sources:** France Invest/Invest Europe 2017

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<table>
<thead>
<tr>
<th>#</th>
<th>Company</th>
<th>Europe</th>
<th>France</th>
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<tr>
<td>2</td>
<td>Bpifrance</td>
<td>600</td>
<td>600</td>
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<tr>
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<td>Partech</td>
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<td>Andera</td>
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<td>Sofinnova</td>
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<td>6</td>
<td>Bpifrance</td>
<td>201</td>
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<td>7</td>
<td>Aurina</td>
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<tr>
<td>8</td>
<td>Axa Venture Partners</td>
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<tr>
<td>9</td>
<td>Korelya Capital Partners</td>
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<tr>
<td>10</td>
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</tr>
</tbody>
</table>

**Source:** PitchBook, July 2018
#4 WHAT ARE THE MAIN SCHEMES?

**Incubators & accelerators**
- Make yourself known
  - La French Tech Central
  - Business France
- Move in
  - La French Tech incubators

**Startup ecosystem**
- Get connected
  - French Tech Hub

**Funding**
- Identifying investors
  - Bpifrance, La French Tech, France Invest Association

**Recruitment assistance**
- Finding skills
  - La French Tech

**Welcome to France**
- Facilitating recruitment of foreign talents
  - Welcome to France

**French Tech metropolis**
- lafrenchtech.com

- Rennes
  - @LaFTRennes
- Nantes
  - @NantesTech
- Lille
  - @LaFrenchTech
- Paris
  - @FrenchTechParis
- Bordeaux
  - @FrenchTechBX
- Lyon
  - @LyonFrenchTech
- Grenoble
  - @DigitalGrenoble
- Aix-Marseille
  - @FrenchTechAM
- Montpellier
  - @MTP_numérique
- Toulouse
  - @FrenchTechTlse

**Government support & finance**
- 8180
Innovation Fund (Fonds pour l’innovation)

Amount: €10 billion
Nature: Finance breakthrough innovations
Eligibility: The fund aims to support and finance startups and projects specializing in breakthrough technologies, and help public laboratories, SMEs and large corporates focus on major challenges
Targeted sectors: Artificial intelligence, nanoelectronics, biomanufacturing, new generation batteries and autonomous vehicles
Contact: Bpifrance

French Tech Seed Fund (Fonds French Tech Seed)

Amount: €400 million grant from the National Investment program
Nature: To provide France with the tools to support pre-seed funding on a large scale
Eligibility: The fund supports fundraising for technology startups from laboratories, incubators and technology transfer accelerator companies (SATT)
Ticket: Investments are generally less than €500,000 because the fund is intended for pre-seed development
Contact: Bpifrance

Innovation development loan (Aide pour le développement de l’innovation)

Aim: Any independent or collaborative research, development and innovation (RDI) project, aimed at developing innovative products, processes or services with significant prospects for industrialization and commercialization
Target: SMEs and companies with fewer than 2,000 employees
Amount: Repayable advance or interest-free loan up to €3 million. Assistance offered by Bpifrance may vary depending on the characteristics and progress of the project, the level of risk, the company profile, or the actual incentiveness of the aid (aid rate of between 25–65%, according to the total eligible expenditure base)
Minimum amount: €100,000
Maximum amount: €500,000 per intervention
Duration: Eight years with a grace period of 36 months. Loan supported by InnovFin SME guarantee, with financial support from the EU as part of the Horizon 2020 program and the European Fund for Strategic Investments (EFSI)
No guarantee on the company’s assets or on those belonging to the head of the company
Contact: Bpifrance

Tax relief for young innovative companies (JEI)

Aim: Tax status enabling young SMEs to finance their R&D activity
Target: SMEs under eight years old created from scratch
Amount: 100% corporate tax exemptions for the first financial year and 50% thereafter within the agreed ceiling
Exemption for eight years from certain employers’ mandatory social security contributions (sickness, old age, family allowances, etc.). May be combined with the research tax credit
Eligibility: Companies for whom R&D expenditure equates to at least 15% of total expenditure per financial year, are more than 50% owned by private individuals or by investment funds, and are a SME under eight years old created from scratch
Contact: Local tax authorities

French Tech grant (Bourse French Tech)

Nature: Support projects requiring a phase of maturation and techno-economic validation. The grant can help with the following: business models, technological feasibility, changes in usage, ergonomic user interfaces, service design, tests, marketing, technical support, legal matters, corporate internal reorganization and partnerships.
Eligible companies: Young companies with real growth potential created less than a year ago and registered in France
Amount: A grant that can cover up to 70% of the estimated eligible expenditure up to a limit of €30,000. The French Tech grant is financed by both Bpifrance and the National Institute of Industrial Property (INPI) for brand new projects
Contact: Bpifrance

Early-stage development loan (Prêt amorçage invest)

Nature: To help bolster a company that has just successfully raised funds and support its development and growth by providing additional financing in the form of a development loan.
Eligible companies: Young companies under eight years old having successfully raised a minimum of €200,000 in seed money
Minimum amount: €100,000
Maximum amount: €500,000 per intervention
Duration: Eight years with a grace period of 36 months. Loan supported by InnovFin SME guarantee, with financial support from the EU as part of the Horizon 2020 program and the European Fund for Strategic Investments (EFSI)
No guarantee on the company’s assets or on those belonging to the head of the company
Contact: Bpifrance

WHAT ARE THE THRESHOLD CONDITIONS AND LIMITS?

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Business France is the national agency supporting the international development of the French economy, responsible for fostering export growth by French businesses, as well as promoting and facilitating international investment in France. It promotes France’s companies, business image and nationwide attractiveness as an investment location, and also runs the VIE international internship program. Business France has 1,500 personnel, both in France and in 64 countries throughout the world, who work with a network of public- and private-sector partners.

**CONNECT - FAST-TRACK - SUCCEED**

For further information, please visit: www.businessfrance.fr