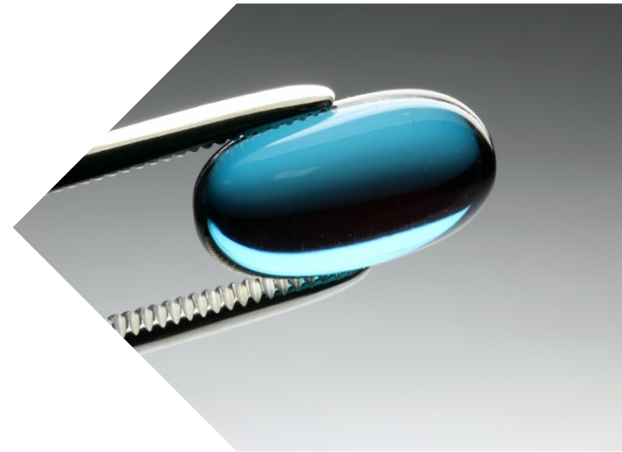


Coronavirus Financial Measures, April 2nd, 2020

SUPPORT MEASURES TO ACCOMPANY YOUR BUSINESS IN FRANCE



Facing the COVID-19 Coronavirus epidemic, the French Government has set up immediate support measures for businesses:

FRENCH GOVERNMENT-GUARANTEED TREASURY LOANS

What Government-guaranteed treasury loans have been implemented?

The Government is implementing an exceptional guarantee scheme to support bank financing for businesses, up to 300 billion euros.

Until 31 December 2021, businesses of all sizes, regardless of the legal form of the business (including companies, traders, craftsmen, farmers, liberal professions, micro-entrepreneurs, associations and foundations with an economic activity), with the exception of non-trading property companies, credit institutions and finance companies, may apply to their usual bank for a State-guaranteed loan to support their cash flow.

This loan may represent up to three months of 2019 turnover, or 25% of the Turnover of the prior year. No repayment will be required in the first year; the company may choose to amortize the loan over a maximum period of five years.

Banks are committed to examining all requests submitted to them and providing them with a prompt response. They undertake to distribute state-guaranteed loans on a massive scale at cost price (0.25%) to promptly relieve the cash flow of companies and professionals. Nevertheless, all companies, particularly the largest, which do not meet their obligations in terms of payment deadlines, will not have access to this State guarantee for their bank loans.

Moreover, French banks have committed to postpone the repayment of corporate loans for up to six months, free of charge.

How to benefit from it?

For companies with less than 5,000 employees and a turnover of less than €1.5 billion in France:

- The company approaches one or several banking partners to apply for a loan.
- It is possible to apply for more than one loan. The cumulative amount of these loans must not exceed 25% of the turnover.
- The documentations which must be provided are:
 - Last year-end figures if available
 - Cash plan showing the cash deterioration
 - Budget 2020

After examining the company's situation, the bank gives a pre-approval for a loan. In some cases, information related to the mother company could be requested.

Process:

The company connects to the attestation-pge.bpifrance.fr platform to obtain a unique identifier which it communicates to its bank.

To this end, the company provides its SIREN (French company ID-number), the amount of the loan and the name of the bank agencies. During the first month of the scheme, the company will only be able to obtain one single unique number, so it will only ask for this number once it obtained a pre-approval from its bank.

In case of difficulties or refusal, the company may contact Bpifrance at the following address: supportentrepriseattestation-pge@bpifrance.fr.

For companies employing at least 5,000 employees or with a turnover of more than 1.5 billion euros in France:

The company approaches its banking partners to apply for a loan and obtains their pre-approval.

The company sends its request to: garantie.Etat.grandesentreprises@bpifrance.fr.

As soon as the file is received for the State it is processed by the Treasury Department, supported by Bpifrance Financement SA. The State guarantee is granted by individual order of the Minister of Economy and Finance. The banks can then grant the loan to the company.

Tax credits

On March 22, 2020, the Direction générale des finances publiques (DGFIP) updated the page on the site www.impôt.gouv.fr relating to questions / answers in connection with COVID-19. It confirmed that companies benefiting from one or more tax credits that would be refunded in 2020, including the CIR, can now request the immediate refund of the balance.

The refund request in practice:

Please note that these are the only claims that will be refundable in 2020 - companies will therefore not be able to benefit from early repayment of all their tax credit claims. For companies that close their fiscal year on December 31st, this means in practice that small companies will benefit from immediate repayment of the CIR 2019 claim.

The company may make this request without waiting for the filing of its tax return and after deducting, if applicable, its CIR from its corporate income tax.

To do so, the DGFIP invites companies to go to their professional tax space on the internet and to file their tax return there:

- the tax credit refund application (form no. 2573)
- the declaration to justify the tax credit (declaration No. 2069-RCI or specific declaration, unless it has already been filed previously)

in the absence of a tax return, the corporate tax balance statement (form no. 2572), which makes it possible to settle the tax due and to establish the refundable claim for 2020.

For further information please contact us

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