Covid-19: New announcements from the President of the Republic and the French Government

Paris, 18 March 2020

During his address to the French people on 16 March 2020 about the developments in the situation and new measures to prevent the spread of Covid-19, the French President announced further measures to support companies. These new measures have been detailed by the Minister of the Economy and Finance, Bruno Le Maire, and are structured around three cross-cutting plans:

The guarantee provided by the State (up to €300bn) to French banks for all loans granted to any French company,

A special solidarity fund (€1bn) for small businesses (turnover of less than €1m) experiencing difficulties due to administrative closure or a 70% reduction in their activity. This fund will enable these companies to immediately receive aid of €1,500 per month.

An action plan from the Public Investment Bank (€3bn) enabling:

* a guarantee for banks covering up to 90% of 3- to 7-year loans and overdrafts of 12 to 18 months,
* unsecured 3- to 5-year loans, for amounts of up to €5mn for SMEs, and several tens of millions of euros for mid-caps,
* the suspension of maturities on loans granted by BpiFrance due on 16 March.

Companies may leave their number at the address found in the link below to be contacted by telephone: https://www.bpifrance.fr/A-la-une/Actualites/Coronavirus-Bpifrance-active-des-mesures-exceptionnel-de-soutien-aux-entreprises-49113

Similarly, the IFCIC:

* will guarantee banks up to 70% of all types of loans granted in this context;
* automatically extend credit guarantees to banks at their request and in order to encourage their restructuring;
* will accept, upon substantiated request, the implementation of capital repayment deductibles on its own loans.

These measures come in addition to those already implemented by the Ministry of the Economy and Finance, in particular the payment deadlines for social and/or tax payments (URSSAF, taxes), with, in the most difficult cases, direct tax remittances that can be granted upon individual review of application; simplified forms are available and a single contact person has been designated for each region: https://www.economie.gouv.fr/coronavirus-soutien-entreprises

Furthermore, on the instructions of the Minister for Public Action Accounts, Gérald Darmanin, the DGFiP is fully mobilised to speed up the repayment of 2020 receivables due in respect of 2019 expenses eligible for tax credits (cinema, audio-visual, international).

Companies can also use the partial unemployment mechanism, under which the State pays 100% of wages up to 4.5 times the minimum wage. The request mechanism has been simplified: https://travail-emploi.gouv.fr/actualites/presse/communiques-de-presse/article/coronavirus-covid-19-et-monde-du-travail

Special measures for intermittent workers in the performing arts will be implemented quickly.

In addition to these cross-cutting measures, the Minister for Culture, Franck Riester, confirmed his desire that the National Centre for Cinema and the Moving Image (CNC) implement five additional emergency measures:

* Accelerated payment, from as early as March, of the Art et Essai subsidies for the nation’s 1,200 listed Arthouse Cinema establishments;
* Accelerated payment of selective support to distribution companies, from as early as March;
* Suspension of the TSA (additional solidarity tax) payment due in March 2020;
* Rapid adoption of a measure allowing operators, distributors and producers to mobilise their support funds early;
* Payment of all planned subsidies to events cancelled due to the public health situation.

Dominique Boutonnat, President of the CNC, reiterated that “the CNC will be alongside all companies, intermittent workers and authors in the sector to support them in making use of all the aforementioned mechanisms”. He added that “should these measures prove insufficient to protect companies in the film and audio-visual sectors from the risk of bankruptcy, and also to protect creators, additional measures will be taken by the CNC”. In any event, he announced that “the CNC is exploring, in conjunction with the State and all the professional organisations, which measures will ultimately be needed in order to foster, as soon as health regulations allow, the rapid resumption of activity in all the aforementioned industries”.

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