**French Tax & Financial support measures – Ferrières & Co**

**Postponement of direct tax payments**

Businesses may apply to their tax office to reschedule forthcoming tax payments of direct taxes without incurring any penalties for payment after the due date. This concerns corporate income tax and, for businesses with non-VATable activities, it can also apply to the salaries tax *(taxe sur les salaires)*.

All requests made before the 22nd of the month will be taken into account for the following month. In cases where a declaration has already been filed for the current month, it is still possible for a business to instruct its bank to refuse the direct debit payment.

**VAT**

Monthly VAT returns in relation to February 2020 remains due to be filed in March on each business’s usual date as there are no measures applicable here. The French Tax Administration’s position here is that this indirect tax concerns a period prior to the current health crisis thus no postponement is scheduled.

We will advise on any announcements concerning the FTA’s position in respect of VAT for March 2020.

**Local taxes and business rates**

Where local taxes and business rates are paid under monthly instalment contracts, it is possible to suspend the instalments online or by contacting the tax office direct debit department (*centre prélèvement service*).

**Solidarity Fund**

A solidarity fund has been established for small businesses with revenues less than €1 million. All small businesses in sectors impacted by the COVID – 19 health crisis who are required to close down or who suffer a fall in revenues more than 70% during March 2020 compared to March 2019 will benefit from government aid automatically amounting to €1500 simply by filing a specific application form.

Further aid may also be made available to avoid bankruptcy on a case by case basis.

**Tax rebates for hardship motives**

Where hardship caused by the coronavirus crisis jeopardises the survival of the business, an application for a tax rebate may be made to the company’s tax office on a specific application form. Individual requests will each be examined on their own merits.

**Emergency funding facilities**

The Government has mobilised Bpifrance, the state financed investment bank for business development via the creation of an emergency support fund for SMEs. Measures include:

* Bpifrance guarantees on loans granted by French commercial banks increased from 70% to 90% for businesses impacted by the Covid-19 crisis;
* Extension of current guarantees at no additional costs on investment loans advanced or rescheduled by commercial banks;
* Re-scheduling of medium and long term credit for bpifrance customers impacted by the crisis.

**Debt rescheduling**

State and Banque de France support will be made available via the Credit Mediator to re-schedule bank loans. The Credit Mediator can intervene rapidly in situations where credit lines are frozen, working capital problems, etc.  Applications are made via a dedicated internet site.

**Arbitration**

The Médiateur des Entreprises (*Business Mediator*) can be requested to intervene confidentially to arbitrate on customer or supplier conflicts or disputes between contracting businesses. Requests for intervention are made via a dedicated internet site.