

05/05/2020



# COVID -19

## Measures Announced by the Government



**Tax measures**



**Social measures**



**Legal measures**



**Financial measures**



**Accounting measures**



**Sectoral measures**



**Deconfinement measures**



## Updated Information

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# 1. Tax measures



## Deferral of tax deadlines

The Minister of Action and Public Accounts said in a press release of 04/17/2020 that "Companies experiencing difficulties could request the report of the payment of the May tax deadlines".

In his speech of 04 May 2020 before the Senate, the Prime Minister declared:

"... The reports of fiscal and social charges will remain authorized until the end of May and we are ready to convert these reports into definitive exemptions from charges, not only for companies in the catering and tourism sector, but also for all VSEs which have been subject to closure measures..."

### *Deferral of payment deadlines for tax payments*

Applies to: direct taxes

- Advance payment of corporation tax (IS)
- Payment of payroll tax
- CFE (company property tax), CVAE (company value-added contribution)

Does not apply to:

- VAT and similar taxes
- Repayment of PAS by the employer/collector
- TSCA: Special tax on insurance agreements

### **Granted for a duration of three months**

#### **For outstanding due dates**

### **Claim easily using the simplified form to be sent to the relevant SIE (Corporate Tax Service)**

#### **For due dates already settled**

Two possibilities:

- block the SEPA direct debit with the relevant bank
- claim a refund from the relevant SIE once the debit has been processed – provide supporting documentation

## **Further information**

The deferral measures can be combined with claims for refund of credits and tax rebate measures

## 1. Tax measures, continued



### ***Deferral of deadlines for the self-employed – NOT on earned income***

**Applies to: Income tax**

**For outstanding due dates**

Deferral procedure:

- defer payment from one month to the next up to three months if the instalments are monthly
- defer payment from one quarter to the next if the instalments are quarterly

### ***Deferral of direct debits for monthly contracts***

**Applies to: CFE and / or property tax (*taxe foncière*)**

For outstanding due dates

**Claim for suspension can be made by contacting the relevant tax centre**

The remaining amount will be debited when due.

***Reminders:***

*The CFE balance is due no later than 15/12/year (or 15/02/year+1 if the tax levy has been deferred to December 31).*

*It is expected that the property tax will be levied on October 25 of the year.*

## 1. Tax measures, continued



### Reimbursement of claims against the State

#### *Accelerated procedures for reimbursement of claims against the State*

##### Relevant taxes:

VAT

##### After IS (corporation tax) balance allocation

CICE (competitiveness and employment tax credit)

CIR/CII (research tax credit)

Tax credit for film production expenses

Tax credit for production expenses for audio-visual works

Tax credit for expenses for producing foreign films and audio-visual works

Tax credit for companies organising live musical entertainment and variety shows

Tax credit for phonographic production expenses

Tax credit for video-game creators

##### The following must be downloaded:

- Claim for refund of tax credit – **Form 2573**
- Declaration for justifying tax credit (2069 RCI or specific declaration)
- Corporation tax balance statement – **Form 275** – for settling the tax due and recording a refundable claim for 2020 or a declaration of the result

#### *Accelerated procedures for paying invoices from the State, local authorities and public bodies*

Report invoices awaiting payment to the relevant SIE using the third part of the form.

## 1. Tax measures, continued



### Tax rebates for struggling entities

#### *Support for companies in difficulty*

The DGFIP operates within the Commissions of Heads of Financial Services (CCSF: Commissions des Chefs de Services Financiers) and the Departmental Committees for Examining Corporate Finance Problems (CODEFI: Comités Départementaux d'Examen des Problèmes de Financement des Entreprises).

To benefit from these mechanisms, **taxpayers must be up to date with their tax returns and social security declarations and not have a conviction for undeclared work.**

The obligations covered by these mechanisms include taxes, levies and social security contributions to basic compulsory schemes for the employer's share only.

#### *Further information*

Directory of CCSF and CODEFI permanent secretaries in each department.

Access the simplified CCSF referral procedure for very small businesses.

For the Commissioners for Restructuring and Prevention of Company Difficulties (CRP).

The name and contact details of the CRP for each region.

#### *Business Support Fund*

Created by Ordinance 2020 – 3 of March 25, with the Decree setting all the conditions still awaiting publication.

1. Tax measures, continued



## Deferral of the date for filing tax returns and first CIR (research tax credit) approval claim

### Deferral of the date for filing tax returns

In his press release of April 17, 2020 the Minister of Public Accounts and Action announced the modification of the calendar of tax deadlines:

Calendrier des échéances fiscales		Avril	Mai	Juin	Juillet
<b>Impôt sur les sociétés (IS) et liasses</b>					
Solde	Relevé de solde (2572)		15-mai	<b>30-juin</b>	
	Paiement		15-mai	<b>30-juin</b>	
Liasse fiscale 2019 (y/c exercices clos en janvier et février)	Entreprise à l'IS		20-mai	<b>30-juin</b>	
	Entreprise à l'IR (BIC/BNC/BA)		20-mai	<b>30-juin</b>	
	Associations (2070)		05-mai	<b>30-juin</b>	
	SCI (2071)		05-mai	<b>30-juin</b>	
	SCI (2072)		20-mai	<b>30-juin</b>	
	Périmètre d'intégration fiscale			<b>30-juin</b>	
<b>Impôt sur le revenu (IR)</b>					
Déclaration rev 2019	Revenus BIC/BNC/BA/RF			12/06 <b>30/06 si dématérialisé</b>	
<b>CVAE</b>					
Solde 2019	Déclaration 1329-DEF		05/05 (délai de rigueur pour les créditrices )	<b>30/06 pour les débitrices</b>	
	Paiement		05-mai	<b>30-juin</b>	
Répartition 2019	Déclaration 1330		20-mai	<b>30-juin</b>	
<b>Autres</b>					
DAS2 / Droits d'auteur	Déclaration	DSN déposée en avril ou	15-mai	<b>30-juin</b>	<b>ou DSN déposée</b>
Contrib. Audiovis. Pub.	Déclaration et paiement CA3	15-24/05 <b>Reporté de 3 mois pour les secteurs de l'hébergement et de la restauration</b>			<b>15-24/07</b>

### Deferral of the deadline for the first CIR approval claim

The file can be sent up to April 15, 2020 rather than March 30.

<https://www.enseignementsup-recherche.gouv.fr/cid21182/demande-d-agrements-constituer-le-dossier-et-l-envoyer.html>



## Tax audits and procedures in progress

### Up to the expiration of the one-month deadline following the declaration of the Health Emergency:

- Suspension of the limitation periods for the administration's right of recovery which expire on December 31, 2020
- Suspension of the scheduled deadlines for carrying out control and search procedures (for the taxpayer and the authorities)
- Suspension of the ruling deadlines
- No control or court process can be initiated during this period

**For pending claims, the taxpayer may argue that it is impossible to respond** (to take note of the suspension date).

The same mechanism exists for the measures provided for by the Customs Code.

## Focus on COVID-19 measures on VAT

Speeding up procedures for reimbursing debts owed to the State

It is recalled that only direct taxes can be subject to deferred payment or possibly remission for taxpayers most in difficulty.

No postponement of declarations, payment or remission of VAT rights can be granted to taxpayers.

However, in view of the current exceptional situation, the administration recalls that if the taxable person (or his representative) is unable to gather all the documents useful for establishing your VAT return (normal real regime), a declaration system based on a tax assessment can be implemented, namely:

- as already provided for by the Bofip during the holiday period (paragraph 260 of the Bofip BOI-TVA-DECLA-20-20-10-10), make a simple estimate of the amount of VAT due for a month and pay the month following a deposit corresponding to this amount. The maximum allowable margin of error is 20%.
- for the only companies which experienced a drop in their turnover linked to the Covid-19 crisis, exceptionally and for the duration of the containment decided by the authorities, pay a lump sum VAT payment as follows :

## 1. Tax measures, continued



For the April declaration for March :

- by default, flat rate of 80% of the amount declared in respect of February or, if the company has already made use of a deposit the previous month, flat rate of 80% of the amount declared in respect of January
- if the activity has been stopped since mid-March (total administrative closure) or in a very sharp decline (estimated at 50% or more), fixed price at 50% of the amount declared in respect of February or, if the company has already resorted to a deposit the previous month, fixed price at 50% of the amount declared for January

When paying the deposit for a month, the amount must be mentioned online 5B "Amounts to be added, including holiday deposit" in the gross VAT frame and the "Express mention" frame must be completed keywords "Covid-19 deposit" and the plan used, for example: "80% plan for month M".

For the May declaration for April :

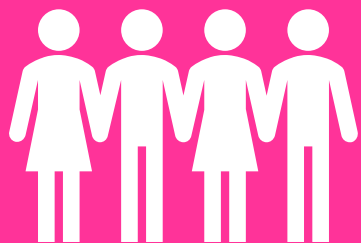
- conditions identical to the previous month if the confinement period is extended and makes it impossible to declare regularization on this date

For the regularization declaration:

- adjustment of the VAT due according to the actual elements drawn from the activity over all of the previous months paid in the form of installments, with allocation of the installments paid

During the adjustment declaration, it must combine the elements relating to the past month with those of the preceding months which were the subject of installments. The sum of the down payments paid for the previous months must be charged and mentioned on line 2C "Amounts to be charged, including holiday deposit" in the deductible VAT framework.

## 2. Social measures



### Short-time working

An exceptional system has been put in place for short-time working that is applicable for compensation claims for hours not worked from March 1, 2020 (Decree 2020-325 of March 25, 2020, Official Journal of March 26, Text 55 and Ordinance 2020-346 of March 27, 2020, Official Journal of March 28).

[Order 2020-428 of April 15, 2020, OJ of 16](#) - [Decree 2020-435 of April 16, 2020, OJ of 17](#) - [Order 2020-460 of April 22, 2020, OJ 23](#)).

Short-time working covers all employees regardless of their length of service, type of contract (permanent / CDI and temporary / CDD) and their working time (full or part-time), including work-study students.

Henceforth, employees with flat-rate pay agreements for hours or days worked over the year may benefit from short-time working, including when this results in a reduction in working hours.

Employees of the individual employer also benefit from short-time working.

#### *Short-time working claim*

Must be submitted electronically on the internet: <http://activitepartielle.emploi.gouv.fr>

However, to take into account the volume of requests and exceptional circumstances, requests for partial activity authorization may be submitted by companies until April 30, 2020 (Press release from the Ministry of Labor of April 9, 2020). Partial unemployment claims for the month of March 2020 can therefore be filed until April 30, with retroactive effect.

The response time of the authorities is now 48 hours. Failure to reply within 48 hours is deemed to be a decision in agreement.

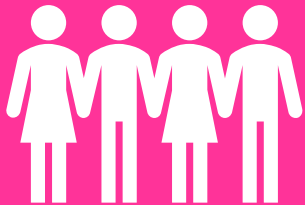
The company must consult its CSE – social and economic committee – (if it has one) on introducing short-time working.

The CSE consultation only concerns companies with at least 50 employees; In the absence of a CSE (when there should be one), the request for partial activity can be authorized in an exceptional manner, these companies will have to commit to organize elections within 3 months from the date of termination of the state of emergency (details from the Ministry of Labor dated April 3, 2020).

Henceforth, the opinion given by the CSE may take place after short-time working has been introduced and be sent to the authorities within two months of the filing of the claim for short-time working. The claim must then specify the planned CSE consultation date.



## *2. Social measures, continued*



Short-time working authorisation can be granted for a maximum period of 12 months (instead of six months previously). Where there is no CSE, the employer directly notifies employees about the planned duration and number of employees affected by its decision to implement short-time working.

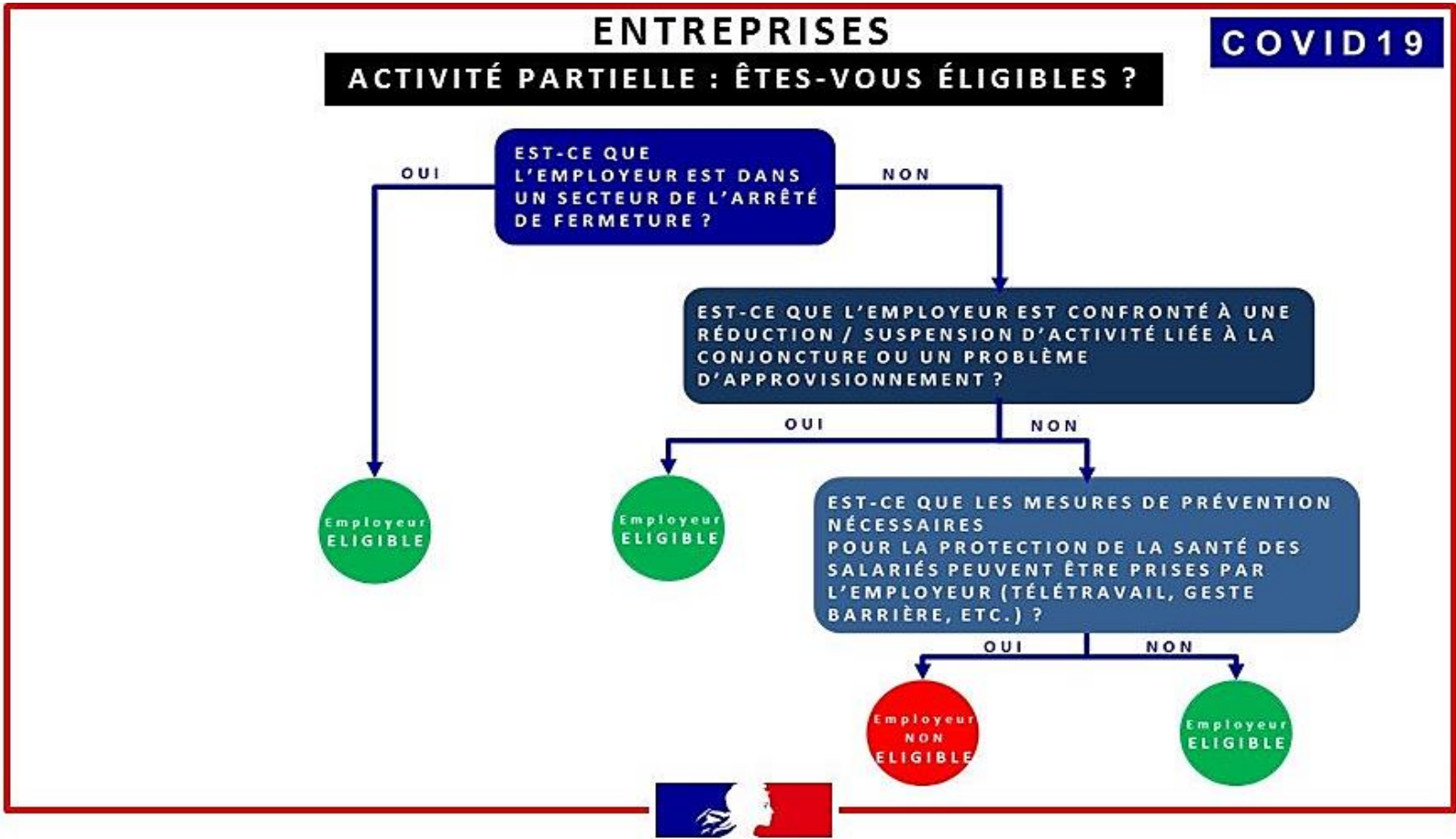
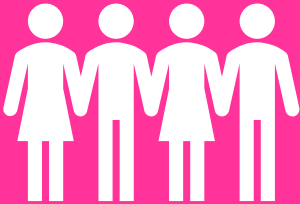
### **The claim made to the authorities must indicate:**

- the reason for the claim,
- the detailed circumstances and economic situation giving rise to the claim,
- the predicted duration of under-employment,
- the number of employees concerned,
- The number of planned not worked hours (the short-time working allowance is awarded up to a limit of 1,000 hours per year per employee).

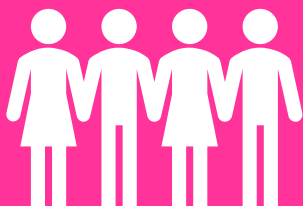
Ordinance 2020-460 of April 22, 2020 sets out the conditions for using the partial activity system by allowing the employer on the basis of either a company or establishment agreement or, failing that, an agreement or sector agreement, either after a favorable opinion from the social and economic committee or the works council, to place only part of the employees of the company, establishment, service or workshop, including including those belonging to the same professional category, in a position of partial activity or to apply to these employees a different distribution of hours worked and not worked, when this individualization is necessary to ensure the maintenance or resumption of activity.

Are you eligible for short-time working?

2. Social measures, continued



## 2. Social measures, continued



### *Compensation for employees*

The indemnity due to employees for each hour not worked covers at least 70% of their prior gross remuneration (as used to calculate holiday pay) or approximately 84% of the net salary.

Only the hours lost below the legal working time can be compensated or, when it is lower, below the agreed or contractual working time.

Note that for employees whose working time is counted according to the equivalence system, account is taken of the paid equivalence hours for calculating the short-time working allowance.

Likewise, compensated non-worked hours are taken into account, working hours beyond the legal or collective working time, as long as they are provided for by a conventional stipulation (for example Hotels-Cafes-Restaurants) or a contractual stipulation (package agreement) concluded before April 23, 2020.

A minimum remuneration of € 8.03 per hour (net SMIC – minimum wage) must be respected (rate not applicable to apprentices).

The employer may compensate its employees beyond 70% of the gross salary if it can and / or wishes to or if a collective agreement or company agreement provides for it.

The partial activity indemnity is not subject to social security contributions, including for the part exceeding 70% of the salary, possibly paid by the company. However, the sums which would be paid for overtime compensation are subject to social security contributions.

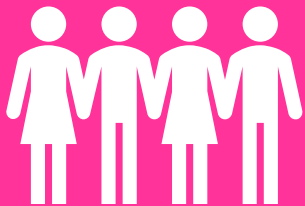
However, when the sum of the statutory partial activity allowance and the additional allowance paid by the employer in application of a collective agreement or a unilateral decision exceeds 3.15 times the minimum wage (€ 31.97) , the part of the additional compensation paid in excess of this amount is subject to social security contributions under normal conditions (from May 1, 2020).

The short-time working allowance is not subject to social security contributions. It is subject to CSG at the rate of 6.2% (3.8% deductible) and to CRDS at a rate of 0.5% after an allowance of 1.75%.

Concerning the subjugation to the contributions of providence and health costs, it is advisable to approach its complementary organization to know the provisions envisaged in the contracts.

The short-time working allowance received by the employee is included in calculating income tax.

## 2. Social measures, continued



### *Compensation for employers*

The short-time working allowance reimbursed by the State to employers now covers 70% of the gross remuneration for an employee regardless of the size of the company. It is at least equal to the hourly net SMIC (€ 8.03) with a ceiling of 70 % of 4.5 SMIC (€ 31.97). It may not be higher than the compensation paid by the employer to the employee (in the case of apprentices, for example).

Accordingly, a company has no charges for employees whose compensation does not exceed 4.5 times the SMIC. If the employer pays its employees compensation of more than 70% of their previous remuneration, this additional portion is not covered.

Each month the employer makes a claim for an allowance declaring the number of hours lost compared to the number of planned hours. The allowance is paid to the company by the Service and Payment Agency (ASP) within an average of 12 days (note from the Ministry).

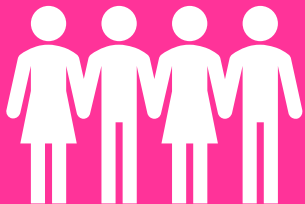
**A calculation simulator is available on the Ministry of Labour website: [www.simulateurap.emploi.gouv.fr](http://www.simulateurap.emploi.gouv.fr)**

The Ministry of Labor specified, in a press release of April 9, 2020, that companies can place their employees in partial activity, without asking to benefit from the partial activity allowance. In this case, companies must pay their employees the partial activity allowance under the usual conditions. To benefit from the exemption from social security contributions attached to it, they must send a request for partial activity authorization. However, they will not have to make a refund request afterwards. They must inform the DIRECCTE of this commitment not to receive state compensation.

### *Payslips*

The employer must submit a pay slip with a specific item on "short-time working", indicating the number of hours compensated, the rate applied for calculating the employee's hourly compensation and the amounts paid for the period under consideration.

## 2. Social measures, continued



### The FNE-Training system

The public authorities have reinforced and extended the FNE-training system to meet the needs of companies wishing to invest in strengthening the skills of their employees during periods of partial activity. All companies with employees in partial activity can benefit from it. Similarly, all employees in partial activity are eligible regardless of their socio-professional category or their level of diploma, with the exception of work-study students. Insofar as the partial activity suspends the employment contract, the employer must obtain the employee's written agreement for monitoring the training. Note that the Ministry of Labor admits "exceptionally" that a company that has not put all its employees in partial activity can make a request for FNE-training for its employees who are not in partial activity.

The training must allow the employee to develop skills and strengthen their employability, whatever the field concerned. Thus, training actions, skills assessments, actions allowing the validation of acquired experience, qualifying training actions or promoting the versatility of employees are eligible, in particular within the framework of the skills development plan. Distance learning is eligible. The training must take place during the hours compensated for the partial activity. The Ministry of Labor indicates, despite everything, that when resuming activity in the company, the employee who leaves the partial activity can continue his training, with the support of FNE-training.

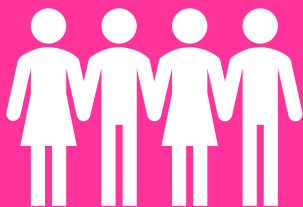
When the company uses FNE-Formation as part of the Covid-19 health crisis, the State undertakes to assume 100% of the educational costs, with no hourly ceiling. Costs exceeding € 1,500 per employee, however, give rise to a detailed examination of the training project by the DIRECCTE.

Companies wishing to obtain assistance from the FNE-formation must contact their DIRECCTE to conclude an agreement. In return for State aid, the employer undertakes to keep the trained employee in employment throughout the period of the agreement.

During the training, the employer pays the employee partial activity allowances, i.e. 70% of their reference compensation, these allowances will be paid by the State for partial activity under common law conditions.

<https://travail-emploi.gouv.fr/le-ministere-en-action/coronavirus-covid-19/questions-reponses-par-theme/article/fne-formation>

## 2. Social measures, continued



### Deferral of social security deadlines

#### *For employers*

In his speech of 04 May 2020 before the Senate, the Prime Minister declared: "... The deferrals of fiscal and social charges will remain authorized until the end of May and we are ready to convert these deferrals into definitive exemptions from charges, not only for companies in the catering and tourism sector, but also for all VSEs which have been subject to closure measures..."

Employers may defer all or part of their employee and employer contributions.

Companies with fewer 50 employees were able to defer contributions payable on March 15, 2020.

Similarly, employers with over 50 employees whose Urssaf due date falls on the 5th of the month may defer all or part of their employee and employer contributions for the due date of April 5, 2020. The date of payment for these contributions may be deferred for up to three months without incurring any penalty.

Employers may adjust their payment according to their needs: either zero or a part of the contributions.

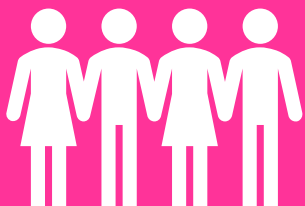
Nevertheless, the nominative social declaration (DSN) must be declared.

If the employer does not wish to opt for a deferral of all contributions and prefers to settle the employee contributions, it can stagger the payment of employer contributions, as usual. It simply logs on to its online space at <https://www.urssaf.fr/> and reports the situation via the messaging service: New message / Declaration formality / Declare an exceptional situation.

A deferral or deadline agreement is also possible for supplementary pension contributions. Employers should contact the body responsible for their supplementary pension.

Switch from non-conforming work stoppages to partial activity From May 1, 2020, employees benefiting from a Covid-19 derogatory work stoppage (regardless of the date of start of the work stoppage), will be placed in a position of partial activity. These are employees who are unable to continue working for one of the following reasons: the employee is a vulnerable person, the employee shares the same domicile as a vulnerable person, the employee is the parent of a child under the age of sixteen or of a person with a disability who is the subject of an isolation, eviction or home support measure.

## 2. Social measures, continued



For the first 2 cases, partial activation will take place until a date fixed by decree and no later than December 31, 2020, for the third case during the entire duration of the isolation, eviction or home support for the child. Employees will receive the partial activity allowance from the employer, the employer will benefit from the partial activity allowance paid by the State. The procedures for applying the system will be defined by forthcoming decree.

The self-employed, as well as agents covered by the general social security scheme, will continue to benefit from the system of statutory sick leave benefits compensated by health insurance. (Amending finance law for 2020, law n ° 2020-473 of 25/4/2020, OJ of 26, Article 20)

### *For the self-employed*

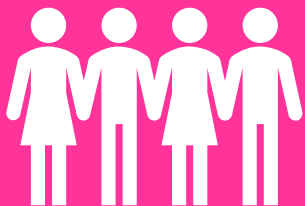
The 20 March direct debit has been canceled. The amount will be smoothed over the following months (April to December). The same will be true for the April 20 and May 20 deadlines. (Press release from the Ministry of Action and Public Accounts of May 4, 2020).

For the self-employed and *professions libérales* (such as self-employed lawyers, accountants, doctors, engineers, architects, etc.) who have opted for payment of contributions on the 5th of the month, the monthly payment for April 5 will not be debited. The amount due on this date will be spread over subsequent due dates (May to December). No specific steps need to be taken to qualify for this measure.

In addition to the above, the self-employed and the *professions libérales* may request:

- the granting of payment terms, including in advance; there will be no charge for late payment or penalty,
- an adjustment of their contribution schedule to already take into account a drop in their income by re-estimating their income without waiting for the annual declaration,
- the implementation of the social action to cover their contributions in part or in total or for the allocation of exceptional financial assistance. Financial assistance granted under social action is only accessible to self-employed workers who cannot benefit from aid from the state solidarity fund managed by the tax authorities.

## 2. Social measures, continued



Craftsmen and traders may carry out their procedures:

- by internet on <https://www.secu-independants.fr/> via the My Account service for a request for an payment term or estimated revenue,
- by email by selecting the subject Your contributions, reason: Payment Difficulties, Health and social action (prior form to be completed in this case).

*Professions liberals* may make their claim:

- by internet, by logging on to their online space on <https://www.urssaf.fr/> and sending a message via the section Declaration formality, Declare an exceptional situation.

Note that these measures are implemented to support companies with serious cash flow difficulties. If this is not the case (slight difficulties or as a preventive measure, etc.) companies must pay social security contributions on the usual due dates. When a debtor conceals, voluntarily or by omission, the true financial situation of the company in order to benefit from the exceptional deferrals of payment of contributions and contributions, the exceptional measures provided for the recovery of these contributions and contributions are not for him not applicable and any penalties and surcharges are due.

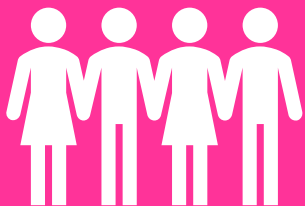
Also note that the social declaration for the self-employed (DSI) can be made online on [net-entreprises.fr](http://net-entreprises.fr) until June 30, 2020.

### CPSTI RCI Covid-19 help for artisans - traders

This additional aid is allocated by the Social Protection Council for the Self-Employed (CPSTI), and will be financed by the reserves of the complementary pension scheme for the self-employed (RCI).

Its amount corresponds to the amount of additional retirement contributions paid by artisans and traders on the basis of their 2018 income within the limit of € 1,250. It will be paid automatically at the end of April by the Urssafs for craftsmen / traders in activity on March 15, 2020 and registered before January 1, 2019. It does not require any action from the self-employed workers concerned. This aid is exempt from taxes and social charges. It can be combined with the solidarity fund set up by the government and with aid from the social action fund for the self-employed.

## 2. Social measures, continued



### Provisions for paid leave

*If a collective agreement or, failing that, a branch agreement authorises it, the employer may:*

- require employees to take paid leave, including before the start of the paid holiday period (May 1, 2020 in general),
- unilaterally alter the dates for taking paid leave.

In both cases, these provisions apply within the limit of six working days and must adhere to a notice period of at least one working day.

The obligatory or modified leave period may not extend beyond December 31, 2020.

*The collective agreement may also authorise the employer to:*

- split the main leave (four weeks in summer) without obtaining the employee's agreement,
- not grant simultaneous leave to spouses or PACS partners working in the company.

In the absence of a collective agreement, these derogating rules do not apply.

[\(Ordinance 2020-323 of March 25, 2020, Official Journal of March 26, Text 52\)](#)

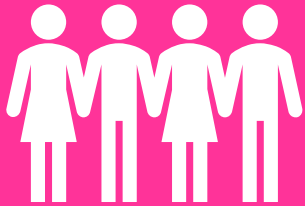
### Provisions regarding rest days

The employer may unilaterally organise the rest days to be taken if "the interest of the company justifies it in view of the economic difficulties linked to the spread of COVID-19". This is only possible in this instance.

*Accordingly, the employer may:*

- impose the dates it chooses, the RTT (TOIL) days acquired or rest days acquired under an agreement for organising working time and rest days acquired under a day package,
- unilaterally modify the dates of rest days already set,
- require that the rights assigned to a working time account (CET: *compte épargne-temps*) are used in the form of rest days, the dates of which it decides.

## *2. Social measures, continued*



The employer may not impose or modify a total number of rest days exceeding 10 days.

In all cases, the employer must respect a notice period of at least one clear day.

The imposed or modified period for taking rest days may not extend beyond December 31, 2020.

[\(Ordinance 2020-323 of March 25, 2020, Official Journal of March 26, Text 52\)](#)

### **Provisions for working hours**

Companies in "sectors of activity particularly important to the safety of the nation and the continuity of economic and social life" may derogate from the rules for maximum working hours within the following limits:

- up to 12 working hours a day, instead of 10 hours,
- up to 60 working hours a week, instead of 48 hours (absolute maximum weekly duration),
- up to 48 working hours a week over a period of 12 consecutive weeks, instead of 44 hours (average weekly maximum duration).

The maximum daily working time completed by a night worker may be extended up to 12 hours instead of 8 hours subject to the allocation of compensatory rest equal to the overrun.

The duration of the daily rest may be reduced up to nine consecutive hours, instead of 11 consecutive hours, subject to allocating compensatory rest equal to the duration of the rest that the employee was not able to benefit from.

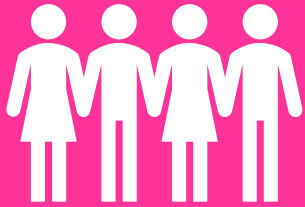
The sectors concerned will be fixed by Decree. For each sector of activity, the Decrees will define the applicable exemptions while respecting the limits set by the Ordinance.

An employer who uses at least one of these exemptions must notify the social and economic committee (CSE).

These exemptions will end on December 31, 2020.

[\(Ordinance 2020-323 of March 25, 2020, Official Journal of March 26, Text 52\)](#)

## *2. Social measures, continued*



### **Provisions for rest on Sundays**

Companies in "sectors of activity particularly important to the safety of the nation and the continuity of economic and social life" may derogate from the principle of Sunday rest and make employees work on Sundays.

The sectors concerned will be fixed by Decree.

Weekly rest will be granted to employees on a rotating basis.

This possibility also applies in the departments of Moselle, Bas-Rhin and Haut-Rhin.

The exemption will end on December 31, 2020.

[\(Ordinance 2020-323 of March 25, 2020, Official Journal of March 26, Text 52\)](#)

### **Provisions for profit sharing and incentive schemes**

In principle, the monies arising from profit sharing and incentive schemes are paid to beneficiaries or allocated to an employee savings plan prior to the first day of the sixth month before the end of the company's financial year (or June 1 for years ended 31/12).

As a derogation from the Labour Code and the provisions of collective agreements and conventions applicable in the company, the payment deadline is deferred to December 31, 2020.

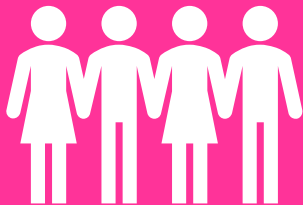
[\(Ordinance 2020-322 of March 25, 2020, Art. 2, Official Journal of March 26, Text 50\)](#)

### **Provisions for foreign workers**

c 16 and May 15, 2020 are extended within the limit of 90 days.

[\(Ordinance 2020-328 of March 25, 2020, Official Journal of March 26, Text 63 modified by Ordinance 2020-460 of April 22, 2020, OJ 23 \(Article 24\)\)](#)

## 2. Social measures, continued



### Adjustments to the 2020 purchasing power premium

All employers can now pay this bonus, whether or not they have a profit-sharing agreement in place.

- Those who do not have a profit-sharing agreement can pay a bonus of € 1,000 exempt from payroll taxes and income tax.
- For employers implementing a profit-sharing agreement on the date of payment of this bonus, the limit of € 1,000 is raised to € 2,000. If the company has already paid a bonus, they can pay a second one. The exemption limit of € 2,000 is assessed by combining the amount of the two premiums.
- The condition relating to the implementation of a profit-sharing agreement does not apply to associations and foundations recognized as being of public utility or of general interest

A new criterion for adjusting the bonus has been introduced: "Working conditions linked to the Covid-19 epidemic". This new provision will allow the employer to pay a higher premium to employees who continued to work at their place of work during the epidemic, due to the lack of telework capacity. However, the bonus must also be paid to other employees.

The deadline for payment of the premium has been extended to August 31, 2020 (instead of 06/30/20).

If the company wishes to establish a profit-sharing agreement, this can be concluded until August 31, 2020.

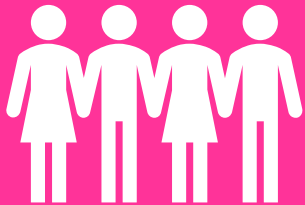
It may cover a period of between one and three years.

The other conditions for setting up the 2020 purchasing power premium remain unchanged, in particular:

- The premium is only exempted for employees who have received remuneration less than 3 times the annual minimum wage over the 12 months preceding its payment,
- The principle of the payment of the premium and its conditions of attribution must be provided for in a collective agreement or a unilateral decision of the employer.

[\(Ordinance 2020-385 of April 1, 2020, OJ of 2, text 17\)](#) [Ordinance 2020-460 of 22 April 2020, OJ 23 \(Article 19\)\)](#)

## 2. Social measures, continued



### Preventive measures to protect the health of employees

The employer has an obligation of safety with regard to his employees which requires him to take the necessary measures to protect their physical and mental health.

In the context of the current health crisis, the employer must ensure that the preventive measures it implements are adapted to protect employees from the risks of contamination from Covid-19.

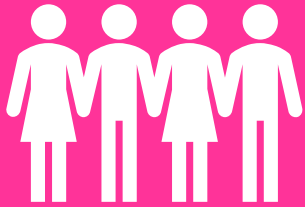
To help companies, the Ministry of Labor has drawn up practical documents formulating recommendations aimed at ensuring the protection of the health of employees:

- A general guide: "What measures should an employer take to protect the health of his employees? "
- <https://travail-emploi.gouv.fr/actualites/l-actualite-du-ministere/article/coronavirus-covid19-quelles-mesures-l-employeur-doit-il-prendre-pour-protger>
- Job advice sheets, to help employees and employers in implementing protective measures against Covid-19 in the workplace.

In particular, advice sheets are available for the following trades: "Delivery Driver" - "Cash desk work" - "Bakery work" - "Garage work" - "Agricultural activity" - "Retail work" - " Work on a garden site in green spaces "- " Work in animal husbandry "- " Work in the horse industry "- " Seasonal work "- " Work in slaughterhouses "- " Work in collective catering or takeout "- " Work in the hotel business - woman and valet "- " Security guard "- " Work in breakdown assistance - Intervention at home "- " Plumber - Sanitary installer "- " Work in industrial laundry "- " Work in collecting household waste (OM) "- Agricultural work sites" - "Receptionist or night watchman" - "Funeral officer" - "Maintenance agent" - "Operator in call center".

43 files are currently available, others files will be gradually published by the Ministry,

## 2. Social measures, continued



### The Social and Economic Committee (CSE)

For employers who have started organizing professional elections, the current electoral process is suspended from March 12, 2020 until a date set three months after the date of cessation of the state of health emergency (i.e. 08/25/20 for the moment).

If the suspension of the electoral process occurs between the date of the first round and the date of the second round of professional elections, it does not affect the regularity of the first round. Similarly, the suspension of the electoral process does not affect the regularity of the first or second round of professional elections, when these took place between March 12, 2020 and April 3, 2020 (date of application of the prescription).

Employers who were required to start the electoral process as of April 3 will have to do so within 3 months of the date the state of emergency ceases. This also applies to employers who had not yet started the electoral process before April 2 when they were under the obligation to do so.

The mandates of the elected representatives, in progress on March 12, 2020 are extended until the results of the first or, if applicable, the second round of the next professional elections are announced. Their protected employee status remains.

[\(Ordinance 2020-389 of April 1, 2020, OJ of 2, Text 25\)](#)

During the state of health emergency, all meetings of the CSE can be held by videoconference or conference call or, if these two methods are not possible, by instant messaging.

[\(Ordinance 2020-389 of April 1, 2020, OJ of 2, Text 25 - Decree 2020-419 of April 10, 2020, OJ of 11\)](#)

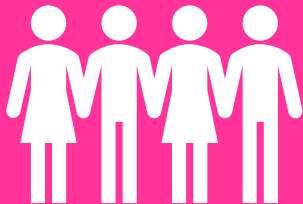
### Occupational health

As part of their missions, occupational health services are now expressly participating in the fight against the spread of covid-19, with a supporting role for businesses.

The occupational physician will be able to prescribe or renew a work stoppage in the event of infection or suspected infection with covid-19 or as part of the preventive measures taken and to carry out screening tests (application decree to be published ). These measures will be applicable until a date fixed by decree and, at the latest, until August 31, 2020.

The medical examinations which must be carried out between March 12, 2020 and August 31, 2020 as part of the individual monitoring of the employees' state of health (hiring, periodic monitoring, recovery) may be reported in conditions defined p). by decree 2020-410 of April 8, 2020.

## 2. Social measures, continued



The postponement of the visit does not prevent, if necessary, the hiring or the resumption of work. Postponed visits must be organized by occupational medicine at the latest before 31 December 2020.

The following hiring visits cannot be postponed:

- The information and prevention visit to the hiring of disabled workers, employees under 18, pregnant women, women who have recently given birth or are breastfeeding, night workers, employees with a disability pension ,
- The medical examination of aptitude for the hiring of employees in reinforced follow-up.

Resumption visits can be postponed, within one month after resumption of work, for employees on enhanced follow-up, within 3 months after resumption of work for other employees. On the other hand, the visit must be maintained before the effective resumption of work when it concerns disabled workers, employees under the age of 18, pregnant women, women who have recently given birth or are breastfeeding, night workers and salaried workers. an invalidity pension.

The occupational physician may object to postponing a visit if he considers it essential to maintain it.

[\(Ordinance 2020-386 of April 1, 2020, OJ of 2, Text 19 and Decree 2020-410 of April 8, 2020, OJ of 9\)](#)

### Apprenticeship and professionalization contracts

For contracts ending between March 12, 2020 and July 31, 2020, without the training cycle having been completely completed, the parties may conclude an addendum extending the contract until the end of the training cycle.

[\(Ordinance 2020-387 of April 1, 2020, OJ of 2, text 21\)](#)

### Professional interview

The interview summarizing the professional career of the employee (after 6 years) taking place during 2020 may be postponed on the initiative of the employer until December 31, 2020.

The obligation to supplement the employee's CPF up to € 3,000 as a "sanction", for companies with at least 50 employees, does not apply between March 12, 2020 and December 31, 2020.

[\(Ordinance 2020-387 of April 1, 2020, OJ of 2, text 21\)](#)

## 3. Legal measures



### Arrangements for approving accounts

Applies to all legal persons and entities that do not have legal personality (very wide scope and circumventing statutory provisions)

#### *Deadline for approving accounts and convening general assemblies*

**Three-month extension** of the deadline for approving accounts and convening general assemblies

- for all closings between September 30, 2019 and one month after the termination date of the State of Emergency
- when the accounts have not been approved as of March 12, 2020
- when the CAC (statutory auditor) did not issue its report on the accounts before March 12, 2020

#### *Board of directors: documents submitted to the supervisory board before the general assembly*

**Three-month extension** of the deadline given to the board of directors for presenting the documents to the general assembly (annual accounts, consolidation, management report) to the supervisory board for verification and control before being presented to the general assembly

- for closings between December 31, 2019 and one month after the termination date of the State of Emergency
- when the auditor has not issued his or her report on the accounts before March 12, 2020

#### *Company in liquidation*

**Two-month extension** of the deadline for drawing up accounts and accompanying documents for companies in liquidation

- for closings between December 31, 2019 and one month after the termination date of the State of Emergency

#### *Documents on preventing difficulties for businesses*

**Two-month extension** of the deadlines for submitting documents on the prevention of difficulties for businesses (relevant companies exceeding one of the following two thresholds: turnover > €18 million or workforce > 300 employees)

- for companies closing their accounts or their semester between November 30, 2019 and one month after the termination date of the Health Emergency

### 3. Legal measures, continued



#### *Organisations receiving public subsidies*

Three-month extension to the deadline for producing financial reports to the authorities for private-law bodies that receive a public subsidy

- for closings between September 30, 2019 and one month after the termination date of the Health Emergency ([Ordinance 2020-3 18 of March 25, 2020, Official Journal of March 26](#))

#### Arrangements for holding general assemblies

These measures have a wide field of application so they can meet the objective of continuity and legal certainty for the operations of private-law groups in all their diversity and variety. The Ordinance covers all legal persons and entities without private law personality.

The Ordinance is applicable to general assemblies taking place from March 12, 2020 until July 31, 2020 that cannot be held face-to-face due to the COVID-19 epidemic. An extension may be decided by Decree fixing a date up to November 30, 2020 at the latest.

The arrangements apply regardless of the subject of the decision on which the body is called to rule.

#### *Adaptation of the convening and reporting rules*

For **listed companies** required to convene a shareholders' general assembly by post:

- no nullity simply because the convocation could not be made by post
- implementation of an alternative channel for convening the general assembly

For **listed and non-listed companies**, a member of a general assembly may legitimately be notified about a document or item of information prior to the meeting by email, provided that the requestor indicates in his or her claim request the email address to which it should be sent.

#### *Adaptation of the rules of participation and deliberation*

The body responsible for convening the general assembly or its delegate may decide that the meeting will be held:

- without the members and other persons who have the right to attend being physically present
- or by conference call or audio-visual conference

### 3. Legal measures, continued



The members of the general assembly or the other persons with the right to attend the meeting are **notified by any means** that guarantees the effective reporting of:

- the date and time of the general assembly
- the conditions under which they will be able to exercise all of the rights in their capacity as a member or person with the right to attend the general assembly

**Even if the statutes do not provide for it:** the competent body or its delegate may decide that the members of general assemblies who participate by conference call or audio-visual conference allowing their identification are deemed to be present for calculating the quorum and majority.

#### *Adaptation of the rules of participation and deliberation (continued)*

The competent body may delegate in writing to the legal representative, whose identity and quality are specified, for a specified period of time, its competence to convene the meeting

Other persons **with** the right to attend general assembly meetings may attend by the same means.

The technical resources employed must:

- transmit at least the voice of the participants
- enable the continuous and simultaneous retransmission of the deliberations
- The president, if necessary, can be chosen by the corporate officers present. The scrutineers are chosen primarily from among the shareholders.

Exception: for entities whose statutes already provide for this type of general assembly (general assemblies of public limited companies (*sociétés anonymes*) by video-conference or means of telecommunication that make identification possible), the nature of the technical resources remains unchanged (according to Decree in the corresponding Council of State (Conseil d'Etat)).

When the law already provides that the decisions of general assemblies may be taken by written consultation of members, it is possible to have recourse to this facility whether the statutes provide for the possibility or not.

When the law or the statutes provide for the possibility of being represented or voting by correspondence, provision may be made to send the elements by electronic message to the address indicated for this purpose in the notice.

In limited companies, shareholders can give a mandate electronically up to the 4th day preceding the date of the meeting. The partners and shareholders can revoke the previous instructions transmitted as long as the deadlines are respected. The minutes of the meeting must mention the adaptations of the rules of participation and deliberation adopted by the competent body or its delegate.

***Special note: when all or part of the convening formalities have already been completed***

**For unlisted entities:**

The members of the general assembly are notified by any means at least three working days prior to the date of the general assembly of the change of venue and / or means of participation. The remaining formalities must be completed. The change to the venue of the general assembly meeting or means of participation does not result in the renewal of the convening formalities and does not constitute an irregular convocation.

For meetings of bondholders, holders of participating securities and holders of transferable securities giving access to capital: When it is decided to allow partners or shareholders to vote by electronic means, the company sets up a site exclusively dedicated to this end whose access requires a prior identification code.

For certain companies governed by the insurance code:

- In associations subscribing to group life insurance or capitalization contracts, voting by post or electronic voting is possible, provided that the procedures laid down allow the secrecy of the vote and the fairness of the ballot to be respected.
- In mutual insurance companies under Book III, voting by post or by proxy is possible without the statutes providing for it. The governing body sets the limit on the number of powers for the same representative (maximum 10). It may decide that electronic voting is possible provided that the procedures it sets for this purpose allow the secrecy of the vote and the fairness of the ballot to be respected.

**For listed entities or entities listed on a regulated market:**

The shareholders are informed as soon as possible by means of a communiqué, whose effective distribution in full is undertaken by the company, stating the change of venue and / or methods of participation. The remaining formalities must be completed.

[\(Ordinance 2020-321 of March 25, 2020, Official Journal of March 26\)](#)

[\(Decree 2020-418 of April 10, 2020, OJ of 11\)](#)

### *3. Legal measures, continued*



## Arrangements for holding board of directors meetings and other meetings

The arrangements apply regardless of the subject of the decision on which the body is called to rule.

No clause in the statutes or internal rules is necessary or the right to object:

- members who participate by means of a telephone or audio-visual conference allowing their identification and guaranteeing their effective participation are deemed to be present at meetings of the relevant bodies
- the decisions of the relevant bodies may be taken by written consultation of their members under conditions that ensure the collegiality of the deliberations

The technical resources employed must:

- transmit at least the voice of the participants
- allow for the continuous and simultaneous retransmission of deliberations

[\(Ordinance 2020-3 21 of March 25, 2020, Official Journal of March 26\)](#)

### 3. Legal measures, continued



## Business Solidarity Fund

### *Creation of a Solidarity Fund*

The purpose of this new Solidarity Fund is to give financial support to natural persons (the self-employed, artists, authors, etc.) and private parties (companies, associations, etc.) exercising an economic activity that is particularly affected by the COVID-19 measures. This Solidarity Fund complements the other systems already in place.

The Solidarity Fund is created for three months, and may be extended by Decree for a period of up to three months.

The fund is financed by the State and, on a voluntary basis, by the regions, overseas collectivities and New Caledonia, the local and regional authorities, and public bodies for inter-municipal cooperation that levy their own taxes.

### *Conditions for granting assistance*

Eligibility conditions:

- workforce  $\leq$  10 employees; turnover before tax for the last completed financial year  $<$  1 million euros; taxable profit increased, where applicable, by the sums paid to the director for the last completed financial year  $<$  60,000 euros
- and either subject to an administrative ban on receiving the public between March 1 and 31, 2020 or suffered a loss of turnover of over 50% during this period compared to the previous year

Exclusions:

- Persons with a full-time employment contract or old-age pension or who have received daily social security benefits of above 800 euros over the period.
- Companies that filed a declaration of cessation of payments on March 1, 2020
- Companies that started their activity after February 1, 2020
- Companies controlled by a commercial company within the meaning of Article L. 233-3 of the Commercial Code
- When they control one or more commercial companies within the meaning of Article L. 233-3 of the Commercial Code, the head of the group is not eligible for aid if the total number of employees, turnover and profits of related entities exceeds the above thresholds.

### 3. Legal measures, continued



#### *Amount of aid awarded in the form of a subsidy*

On a claim made electronically no later than April 30, payment of flat-rate assistance of 1,500 euros or assistance equal to the lost turnover under 1,500 euros.

On a claim made electronically, no later than May 31, additional flat-rate assistance of 2,000 euros if a company has at least one employee, is unable to settle its debts within thirty days and has been refused a cash loan by its bank (or has received no response for 10 days). This aid will be examined by the Regional Council (Conseil Régional).

[\(Ordinance 2020-317 of March 25, 2020, Official Journal of March 26\)](#)

[\(Decree 2020-371 of March 30, 2020, Official Journal of March 31\)](#)

#### **Business ombudsman – free support for dealing with a conflict with customers or suppliers**

As part of the government's fight against the Coronavirus COVID-19 epidemic, the business ombudsman is one of the services introduced for offering potential help to economic actors.

The ombudsman uses mediation to help these actors find quick solutions in the event of a dispute. The ombudsman can be called on to provide assistance to businesses that are experiencing economic difficulties linked to litigation caused by the consequences of the health crisis.

#### *The benefits of mediation:*

- Free: unlike legal procedures, which are often long and costly, the mediation service is entirely free.
- Fast: the procedure is rapid, from a few days to two or three months maximum.
- Confidential: all exchanges are covered by the strictest confidentiality: business secrets are preserved, as is the reputation of companies and public organisations.
- Effective: mediation leads to success in 75% of cases, while in most instances it helps with the continuation of the commercial relationship after the amicable settlement of a dispute.

### 3. Legal measures, continued



#### *When to turn to the ombudsman:*

- Any dispute related to the performance of a private-law contract (including tacit) or a public procurement contract may be subject to referral:
- Unbalanced contractual clauses, payment conditions not met, sudden breach of contract, misappropriation of intellectual property, etc.
- Any company or public entity, regardless of its size or sector, may contact the ombudsman at any time.

#### *How to refer a case:*

- By recording the case directly on the internet
- By writing to the ombudsman via the messaging service on the website

Website address: <https://www.mieist.bercy.gouv.fr>

### 3. Legal measures, continued



## Tourist trips and holidays

Given the magnitude of the economic risk for travel and holiday operators across Europe, the European Commission published guidelines on March 19, 2020 opening up the possibility of offering customers a credit note.

Ordinance 2020-315 aims to protect an operator's cash flow by allowing it to offer customers a refund in the form of an identical or equivalent service offer or by means of a credit note that is valid for 18 months.

### *Trips and holidays covered:*

Notification of rescission of a contract by the customer or operator is made after March 1 and prior to September 15, 2020 inclusive.

The relevant contracts are:

- Trips and holidays sold by an organiser or retailer
- Travel services such as accommodation, car rental and any other tourist service that does not form an integral part of a travel service. The sale of transport tickets is excluded.
- Travel services sold by associations, especially those organising the reception of groups of minors for educational purposes in France

### *Credit note instead of a refund:*

Instead of refunding the entire payment made, an operator may offer a credit note (thereby derogating from the right to the specific refund provided for in the Tourism Code).

The amount of the credit note is equal to the total payment made under the cancelled contract. When the credit note is offered, the customer may not request the refund of these payments during the validity period of the credit note, i.e. 18 months.

The customer is notified about the credit note by post or email within 30 days of the rescission or within 30 days of the entry into force of this Ordinance if the rescission occurred before.

### ***3. Legal measures, continued***



#### ***Substitute service:***

The operator must offer a new service to its customer so that it can use the credit loan.

This service is the subject of a contract that meets strictly-defined conditions:

1. The service is identical or equivalent to the service provided under the rescinded contract;
2. The price is not higher than the price provided for in the rescinded contract;
3. It does not result in any increase in the rate other than that provided for, where applicable, by the rescinded contract.

This proposal is made at the latest within three months of notification of the rescission and remains valid for 18 months.

When the price of the new service differs from the service provided by the rescinded contract, the price to be paid takes account of the credit note, which may be used once or several times.

#### ***Non-use in whole or in part of the credit note:***

If the contract relating to the new service for which the client has a credit note is not concluded before the end of the validity period of 18 months, the professional or association makes the refund for which it is liable, i.e. for all payments made under the rescinded contract or, where applicable, for the balance of the remaining credit note.

[\(Ordinance 2020-3 15 of March 25, 2020, Official Journal of March 26\)](#)

### 3. Legal measures, continued



## Rents – Water, gas and electricity bills for business premises

It is permissible to fully defer or stagger the payment of rents and water, gas and electricity bills for business and commercial premises and to waive financial penalties and suspensions, interruptions or reductions in service likely to be applied in the event of non-payment of these bills.

### *Applies to:*

Natural and legal persons carrying out an economic activity in the category of **micro-enterprises**.

They must be **eligible for the Solidarity Fund** created by the Ordinance of March 26, 2020, including companies in a safeguarding procedure, receivership or winding-up order.

The eligibility criteria are as follows:

- workforce  $\leq$  10 employees; turnover before tax for last completed financial year  $<$ 1 million euros; taxable profit increased, if applicable, by the sums paid to the director for the last completed financial year  $<$ 60,000 euros
- and, they were either subject to an administrative ban on receiving the public between March 1 and 31, 2020 or suffered a lost turnover of more than 70% during this period compared to the previous year

Exclusions:

- People with a full-time employment contract or an old-age pension or who have received daily social security benefits for more than 800 euros over the period.
- Businesses that started their activity after February 1, 2020
- Businesses controlled by a commercial company within the meaning of Article L. 233-3 of the Commercial Code

When they control one or more commercial companies within the meaning of Article L. 233-3 of the Commercial Code, the head of the group is not eligible for assistance if the total sum of employees, turnover and profits of related entities exceeds the above thresholds.

### 3. Legal measures, continued



#### *Conditions for granting assistance*

The provisions are applicable to eligible persons on **presentation of a certificate** stating that they fulfil the required conditions, the acknowledgment of receipt of the filing of their eligibility claim for the Solidarity Fund and, where applicable, a copy of the filing of the declaration of cessation of payments or the judgment initiating a collective procedure.

#### *Rents and rental charges relating to their business and commercial premises:*

It is **forbidden to apply financial penalties** or interest on late payment, damages, penalties, performance of termination clauses, penal clauses or any clause providing for forfeiture or activation of guarantees or sureties due to the failure to pay rents or rental charges relating to business and commercial premises.

This applies to payment deadlines **falling between March 12, 2020 and the expiration of a two-month period** after the termination date of the Health Emergency.

**Please note: The rent discounts and / or payment deadlines or staggering measures to be applied are purely contractual.**

#### *Electricity, gas and water supplies*

Suppliers of electricity, gas and water are prohibited from interrupting, suspending or reducing the provision of electricity, gas or water to eligible businesses **from the entry into force until the cessation date of the Health Emergency** for non-payment of their bills.

#### *Claim to defer and stagger electricity, gas and water payments*

It is possible for eligible companies to claim the deferral of payment deadlines for bills due between March 12, 2020 and the date of cessation of the Health Emergency that have not been settled. This deferral is granted, without penalty or interest, costs or compensation, on presentation of a certificate stating they meet the required conditions.

The payment of receivables due on these deadlines that has been deferred is **distributed equally** over the payment deadlines for bills after the last day of the month following the date of the end of the Health Emergency **over a period which cannot be less than six months.**

### 3. Legal measures, continued



Claims for deferring and staggering payment can be obtained from:

- suppliers and services distributing drinking water on behalf of municipalities
- electricity providers supplying over 100,000 customers
- gas providers supplying over 100,000 customers
- electricity suppliers operating in areas that are not inter-connected to the mainland network in France
- local distribution companies: mixed economy companies where the State or local authorities hold the majority of the capital, user cooperatives and collective agricultural interest companies that are concessionaires for gas or electricity, as well as the boards made up by local communities, existing on April 9, 1946 and whose autonomy was maintained after this date

[\(Ordinance 2020-316 of March 25, 2020, Official Journal of March 26\)](#)

#### Rent – suspension of tenant evictions during winter (*trêve hivernale*)

The usual period for the suspension of evictions (November 1 to March 31) is extended until May 31, 2020 for the following procedures:

- In a main residence, it is prohibited to interrupt the supply of electricity, heating and gas – including by terminating a contract – during the usual period (Paragraph 3 of L 115-3 of the Social Action and Families Code)
- Any eviction order not executed during the usual period is suspended unless the rehousing of the relevant parties is guaranteed in adequate conditions that respect the unity and needs of the family (Paragraph 1 of L 412-6 of the Civil Enforcement Proceedings Code (*Code des Procédures Civiles d'Exécution*))

The specific periods in overseas territories referred to in the following Articles are also extended by two months:

- L 611-1 of the Civil Enforcement Proceedings Code: Guyana, Guadeloupe, Martinique, La Réunion and Mayotte
- L 641-8 of the Civil Enforcement Proceedings Code: Wallis and Futuna

[\(Ordinance 2020-330 of March 25, 2020, Official Journal of March 26\)](#)

### 3. Legal measures, continued



## Extension of expired deadlines

### *Deadlines whose term or deadline is deferred:*

Covers deadlines where an approach must be taken which, if it was not carried out; may result in legal effects such as sanction, prescription or forfeiture of a right expired **between March 12, 2020 and the expiration of a period of one month from the termination date of the Health Emergency.**

[Ordinance 2020-427](#) completes the provisions concerning the deadlines applicable in town planning and development.

### *Deferral and expiry mechanism:*

Any act, legal action, recourse, formality, registration, declaration, notification or publication prescribed by law or regulation whose expiry or non-occurrence would result in nullity, sanction, void, foreclosure, lapse of a statute of limitations, non-opposability, inadmissibility, expiration, automatic withdrawal, application of a special legal regime, or any right whatsoever not having arisen or being forfeited, and which should have been completed during this period:

- The deadlines are extended from the end of this period for the duration that was legally provided
- But within the limit of two months (i.e. the cessation of the State of Emergency plus three months).

Accordingly, the Ordinance does not provide for suppressing the performance of any act or formality whose term expires during the applicable period; it simply makes it possible to consider the act performed within the additional deadline as not being late.

The time limit for taking action must therefore be "prescribed" by law or regulation, "barely" by a sanction or forfeiture of a right.

The clauses and periodic penalty payments which penalize the non-performance of an obligation are extended for the duration of the performance of the affected contract.

### *The applicable deadlines are excluded from this mechanism:*

- in criminal matters and criminal procedures as well as in elections governed by the Electoral Code,
- those relating to custodial measures,
- deadlines for registration procedures for routes into the civil service or training in an educational institution,

### 3. Legal measures, continued



- the related financial obligations and guarantees mentioned in Articles L. 211-36 *et seq.* of the Monetary and Financial Code as well as the agreements concluded within the framework of a payment system and settlement and delivery systems for financial instruments mentioned in Article L. 330-1 of the above code,
- the deadlines and measures developed in application of the emergency law to deal with the epidemic.

Please note: contractual deadlines are not covered by this Ordinance.

[\(Ordinance 2020-306 of March 25, 2020, Official Journal of March 26\)](#)

## Difficulties and collective procedures for agricultural holdings and businesses

### *Date of cessation of payments*

The assessment of any **cessation of payments** regarding the financial situation of agricultural holdings or businesses was **frozen on March 12, 2020** except in the event of fraud.

This moratorium means companies may benefit from preventive measures or procedures even if, **after March 12 and during the period of the Health Emergency plus three months**, they experienced a worsening of their situation such that they would then be in cessation of payments.

**Please note:** The court may always set an earlier date for cessation of payments. This provision also concerns conciliation and safeguarding procedures.

**Liability of directors:** With the exception of fraud, the freezing of the date of cessation of payments at March 12, 2020 may not entail personal sanctions against the debtor for late reporting thereof.

The same principle of moratorium has been applied for agricultural holdings within the framework of an amicable settlement procedure under the Rural and Maritime Fishing Code.

### *Duration of plans*

- For the safeguarding and receivership procedures, the presiding judge may extend the durations of the plans to the maximum duration provided for by the Ordinance (State of Emergency plus three months).
- At the request of the Ministry of Public Affairs within nine months of the end of the Health Emergency, the extension may, however, be ordered for a maximum of one year.

### 3. Legal measures, continued



- Finally, within three months of the end of the Health Emergency, the court will have sole jurisdiction to grant deadlines for a period equal to the foreseeable duration of the disruption that the crisis may have caused to the cashflow of businesses.

These extensions to the duration of the plan are possible without having to comply with the binding procedure of a substantial modification of the plan initially adopted by the court.

#### *Initiating receivership proceedings or a winding-up order*

**The debtor – and the debtor alone – may ask for the initiation of** receivership proceedings or a winding-up order or to benefit from business recovery due to the worsening situation.

Accordingly, it will be possible for the payment of salaries to be covered by the competent guarantee institution within the limits provided for by the Texts, which remain unchanged on this point.

The same principle of moratorium has been applied for agricultural holdings within the framework of an amicable settlement procedure falling under the Rural and Maritime Fishing Code (Article 3 of the Ordinance)

#### *Adaptation of procedural time constraints.*

The **time constraints for** reconciling and executing a safeguarding or recovery plan are **relaxed** so as not to compromise any effort to find a preventive solution or to implement a safeguarding or recovery plan. Negotiations may resume without delay in the event of the failure of an initial search for an agreement.

Given that it is impossible for officers appointed by the court initiating a collective procedure to adhere to the usual deadlines, it will fall to the **presiding judge to assess on a case by case basis to what extent the exceptional circumstances justify an extension of these deadlines.** *This will be the case, for example, for the deadline imposed on the liquidator for realising the assets of the debtor within the framework of a winding-up order.*

The presiding judge will automatically extend the duration of these deadlines without the need to hold a hearing or render a judgment.

In addition, during the period of the State of Emergency, extended by one month, the intermediate hearing for ensuring that it is possible for a company to continue operating during the period of observation of the receivership is set aside. However, a request for a conversion of the proceedings may be referred to the court, if necessary.

### 3. Legal measures, continued



#### *Covered by AGS (wage guarantee scheme)*

During the State of Emergency plus an additional three months, **the Association For Managing the Wage Guarantee Scheme for employees' claims (AGS)** will offer **faster support**. It does not rule out the employee representative or the bankruptcy judge but makes it possible – without waiting for their intervention – for the court officer to submit statements of wage claims to AGS that trigger the payment of sums by this organisation.

The limits of the AGS guarantee are adapted to take account of the relaxation of the procedural deadlines and to allow for the payment of wages or allowances by AGS.

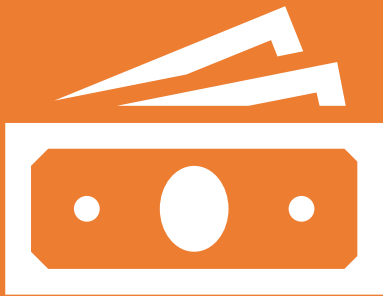
#### *Easing of formalities.*

**The formalities for filing with the registry are set aside** in order to facilitate compliance with the health safety rules implemented.

Finally, the debtor is encouraged to request its non-appearance before the Commercial Court, and the provisions of local law applicable in Moselle and in the Bas-Rhin and Haut-Rhin departments are provisionally set aside to facilitate the holding of hearings in conditions compatible with the Health Emergency measures.

[\(Ordinance 2020-341 of March 27, 2020, Official Journal of March 28\)](#)

## 4. Financing measures



### Mobilisation of BPI France (French Bank for Public Investment) to guarantee bank liquidity lines

#### *State-guaranteed loan*

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

Until December 31, 2020, businesses of all sizes, regardless of their legal form (including companies, traders, artisans, farmers, *professions libérales* (such as self-employed lawyers, accountants, doctors, engineers, architects, etc.), micro-entrepreneurs, associations and foundations with an economic activity), with the exception of property management companies (*sociétés civiles immobilières*), loan institutions and finance companies, will be able to apply to their usual bank for a loan guaranteed by the State to help with their cash flow.

This loan may represent up to three months of their 2019 turnover or two years of payroll for innovative companies or companies created since January 1, 2019.

- No refund will be required for the first year;
- The company may choose to amortise the loan over a maximum period of five years.

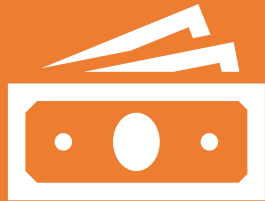
The banks undertake to examine all claims submitted to them and to reply promptly.

They undertake to distribute, at cost price and on a massive scale, the loans guaranteed by the State in order to relieve the cash flow of businesses and professionals without delay.

Nevertheless, all companies – particularly the largest – that do not respect their obligations in terms of payment deadlines will not have access to this State guarantee for their bank loans.

Furthermore, French banks have committed to defer the refund of corporate loans for up to six months, free of charge. You may use the example mail available on My ATH to benefit from this deferred refund.

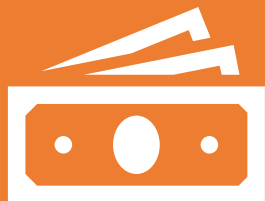
## 4. Financing measures, continued



### How can you benefit?

- For companies with fewer than 5,000 employees and a turnover of under 1.5 billion euros in France:
  1. The company approaches a banking partner to apply for a loan  
It is possible to make an application that includes several loans.  
The cumulative amount of these loans must not exceed 25% of turnover or two years of payroll for a start-up or innovative companies.
  2. After examining the situation of the company (eligibility criteria in particular), the bank issues a pre-agreement for a loan
  3. The company logs on to the platform [attestation-pge.bpifrance.fr](https://attestation-pge.bpifrance.fr) to obtain a unique ID which it sends to its bank.  
The company provides its SIREN for this purpose together with the amount of the loan and the name of the bank branch.  
During the first month of the system, the company will only be able to obtain a single unique number; as a result, it only requests it after obtaining a pre-agreement from the bank.
  4. On confirmation of the unique number by BPI France, the bank grants the loan  
In the event of a problem or refusal, the company may contact BPI France at the following address: [supportentrepriseattestation-pge@bpifrance.fr](mailto:supportentrepriseattestation-pge@bpifrance.fr)
- In addition, the measures implemented by BPI France remain as follows:
  - guarantee to SMEs and intermediate-sized companies on an overdraft confirmed over 12 to 18 months
  - or on a loan of 3 to 7 years,
  - six-month deferral of the account due dates from March 16.
  - To benefit from BPI France's measures:
  - you should complete the online form: <https://mon.bpifrance.fr> or call the BPI France toll-free number "Coronavirus" on 0969 370 240.

## 4. Financing measures, continued



### Mobilisation of the Solidarity Fund financed by the State and Regions

*The State and the Regions have set up a Solidarity Fund to help the small businesses most impacted by the crisis.*

(Order 2020-317 of March 25, 2020, OJ of 26) - (Decree 2020-371 of March 30, 2020, OJ of 31) - (Order 2020-433 of April 16, 2020, OJ of 16) (Order 2020-460 of April 22 OJ of 23)

#### *Who is covered by this fund financed by the State and the Regions?*

The aid, which is worth up to 3,500 euros, applies to very small businesses, freelancers, micro-entrepreneurs and *professions libérales* (such as self-employed lawyers, accountants, doctors, engineers, architects, etc.) with a turnover of under 1 million euros and a taxable annual profit below 60,000 euros that:

- undergo an administrative closure;
- or lose more than 50% of their turnover in March 2020 compared to March 2019.

For the most difficult situations, additional support may be granted to avoid bankruptcy on a case-by-case basis. Cases will be examined jointly by the Regions and the State at regional level.

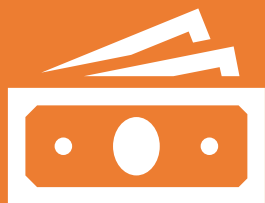
The first part of the package means a company may receive financial assistance for an amount equal to the loss of turnover reported in March 2020, up to a limit of € 1,500.

The benchmark for calculating the loss of turnover is specified in the table below:

- Businesses existing on March 1, 2019: turnover in March 2019
- Companies created after March 1, 2019: average monthly turnover between the date of creation and March 1, 2020
- Contractors who were granted sick leave, occupational accident or maternity leave in March 2019: average monthly turnover between April 1, 2019 and March 1, 2020
- were not in compulsory liquidation on March 1, 2020
- had no tax and social security debts due as of December 31, 2019 (except current settlement plan)
- indicate whether they were in difficulty within the meaning of European Regulation No. 651-2014 as of December 31, 2019

To make a claim, the company must have at least one employee. The Regions will be responsible for examining this second part of the package.

## 4. Financing measures, continued



### *How can you benefit from this financial support?*

From 15 April, the companies experiencing the most difficulties will be able to obtain, on a case-by-case basis from the regions, additional assistance of up to 5,000 euros.

This amount will be tax exempt.

From April 15, companies in the greatest difficulty will be able to obtain additional assistance of 2,000 euros on a case-by-case basis from the Regions.

The second part of the package enables companies benefiting from the first part to receive additional flat-rate aid of € 2,000 when:

- they are unable to settle their debts due after 30 days;
- they have been refused a reasonable cash loan by their bank.

To make the claim, the company must have at least one employee. The Regions will be responsible for examining this second part of the package.

### **Mobilisation at individual regional level**

The president of the Regional Council (Conseil Régional) may grant financial support to companies up to a limit of 100,000 euros per grant within the following two cumulative limits:

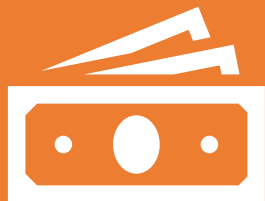
- unless otherwise stated
- within the limit of the credit opened as part of the business assistance scheme

The president of the Regional Council reports on the aid granted:

- At the next meeting of the Regional Council
- Under common-law control of legality conditions (L 4141-1, L 4142-1, L 4142- 3 of the General Local Authorities Code)

[\(Ordinance 2020-330 of March 25, 2020, Official Journal of March 26\)](#)

## 4. Financing measures, continued



The vast majority of the regions, like the National Solidarity Fund (see above), have created regional funds that complement the national financial support – from an additional € 1,000 to € 25,000 as applicable.

They have also confirmed the moratoriums on:

- Any delays of their co-contractor for the performance of public contracts
- Repayment of advances and loans
- Collection of rents from entities housed directly by the regions

Sectoral aid has also been mobilised to support sectors such as transport, agriculture, event management, fishing and culture.

### Changes in factoring mechanisms

For factoring companies that currently benefit from agreements for SMEs, the proposed changes are:

- To raise the maximum outstanding secured claims from € 200 K to € 500 K
- To allow the release of the safety deposit

### Credit mediation for restructuring bank loans

Credit mediation is a public service designed to help any business encountering difficulties with one or more financial institutions (banks, finance lessors, factoring companies, loan insurers, etc.).

This mediation is available across France in the form of 105 credit ombudsmen who are Banque de France directors in mainland France and directors of issuing institutes in French Overseas Territories.

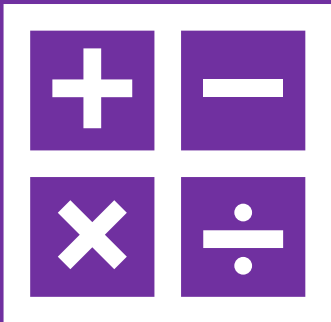
#### *How can you benefit?*

The company can contact the credit ombudsman via their [website](#).

The ombudsman will get in touch with you within 48 hours of your making contact to check the admissibility of your claim and to draw up an action plan with you. They will contact the banks concerned.

The ombudsman can bring together your company's financial partners to identify and resolve blocking points and to suggest a solution to the different stakeholders.

## 5. Accounting measures



### Coronavirus and accounts closed in accordance with French standards

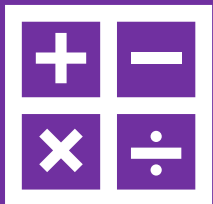
#### *Accounts closed on December 31, 2019:*

- While the epidemic did not take on an international scale until 2020, the college of the ANC considers that the assets and liabilities, the charges and products mentioned respectively in the balance sheet and in the income statement at December 31, 2019 are recognized and evaluated "without taking into account this event and its consequences".
- However, appropriate information must be given in the notes to the accounts closed on December 31, 2019 for events after the balance sheet date.
  - ✓ Mention the effects of the crisis and, if applicable, the known and estimated impacts on the date of preparation of these accounts.
  - ✓ Information on this event can be qualitative or quantitative. Example: - The evolution of the turnover estimated at the date of the closing of the annual accounts;
    - Site closings;
    - The use of partial unemployment measures;
    - The implementation of loan restructuring and the use of loans guaranteed by the State;
    - The evolution of the amount of outstanding receivables.
- If this crisis has no effect on the activity of an entity, it is mentioned in the appendix.

#### *Accounts closed between January 1 and March 11, 2020:*

- "An analysis must be carried out by each entity with regard to its activities to determine whether this event arose during this period and to draw, if necessary, the consequences on the valuation of its assets, liabilities, charges and income".

## 5. Accounting measures, continued



### **Accounts closed after March 11, 2020:**

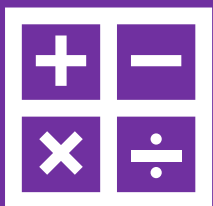
- Accounts closed after this date must take account of this event and its consequences.

### **No-calling into question of the principle of business continuity:**

- The College of the ANC considers that the establishment of accounts according to the principle of going concern is not called into question by events which arose after the end of the financial year;
- In the event that the principle of going concern is called into question by events after the balance sheet date, such events fall under the information to be mentioned in the appendix to the accounts and do not justify the production of accounts in net asset values.

[The ANC will soon communicate on the consequences of the pandemic on the closure of accounts after January 1, 2020.](#)

## 5. Accounting measures, continued



### Financial reporting of listed companies

AMF memo  
February 28 and 30, 2020

#### *Communication under permanent information*

**Make public any inside information likely to have a significant influence on the stock market price (European Regulation 596/2014 art. 7)**

- Communicate, without delay, the significant impact of the epidemic on activity, performance or prospects;
- Periodically reassess the significance and / or the amount of this impact due to the uncertainty linked to the future developments of this epidemic.
- Inform the market of any significant trend, liquidity position, key figures from approved but unaudited financial statements;
- The process of establishing, approving, auditing and reviewing the accounts may give rise to inside information without legitimate reason to delay publication in the current circumstances.
  - ✓ Communicate on the progress of the audit or limited examination.

Communicate this inside information in the form of a press release during the presentation of the annual results

- Even in the absence of precise information, communicate the 2020 outlook to the market, indicating the assumptions used in establishing the results.

#### *Reporting as part of periodic disclosure*

Periodic disclosure relates in particular to the information to be provided in the Annex to the financial statements, in the management report and in the universal registration document.

#### **Information to be provided in the Annex for events subsequent to closing**

Events indicating situations arising after the balance sheet date are events subsequent to the balance sheet date that do not result in adjustments (IAS 10.3b)

The coronavirus pandemic and its global economic consequences are therefore considered to be events subsequent to the end of the financial year that are not likely to adjust accounts closed at December 31, 2019

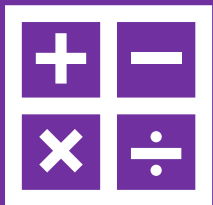
Nevertheless, these post-closing events must give rise to suitable information in the Annex to the financial

Statements closed on 31/12/2019, namely:

- the nature of these events and
- an estimate of their financial impact or an indication that this estimate cannot be made.

For accounts closed on 31/12/2019, the coronavirus pandemic is a post-closing event that is unlikely to adjust the accounts for this financial year.

## 5. Accounting measures, continued



### Please note:

- In certain cases, events subsequent to the close of the financial year help to confirm situations that existed on the balance sheet date and are therefore regarded as events after the balance sheet date giving rise to adjustments (IAS 10.9).
- Consequently, the entity must adjust the amounts recognised in its financial statements to reflect these events subsequent to the balance sheet date.
- For example, a client's bankruptcy after the balance sheet date confirms that the client experienced a deterioration in its credit before the emergence of the health crisis, which it precipitated.

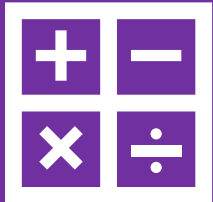
### Continuity of operations

- An entity should not prepare its financial statements on the basis of continuity of operations if events subsequent to the balance sheet date indicate that the assumption of continuity of operations is compromised (IAS 10).
- The entity must take into account, as part of its financial statements closed on 31/12/2019, all post-closing events (including the coronavirus pandemic) likely to call into question the principle of continuity of operations.
- When continuity of operations is compromised, the financial statements for the year ended 31/12/2019 must be drawn up in net asset values.
- Provide the information in the Annex on the assessment of the continuity of operations (IAS 1.25):
  - Identify the material uncertainties linked to events that may cast significant doubt on the ability of the entity to continue its activities
  - Indicate the basis on which the financial statements have been prepared and the reason why the entity is not regarded as a going concern.
- Provide, in the note on significant accounting policies, the judgements and estimations used in assessing continuity of operations (IAS 1. 122).

### Information on assumptions and uncertainties relating to estimations

- Provide, in an Annex, information on the assumptions and uncertainties relating to the estimations at the end of the reporting period that have a significant risk of resulting in a material adjustment of the carrying amounts of assets and liabilities within the next financial year (IAS 1.125).

## 5. Accounting measures, continued



### Management report

- The management report must include a description of the main risks and uncertainties facing the entity, i.e. indications adapted to the evolution of the coronavirus pandemic on the date the annual financial report (AFR) is filed.
- This information must be current as of the filing date of the AFR.
  - Consequently, differences may exist between the management report presented when the accounts were closed and that included in the published AFR.

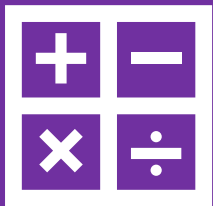
### Universal Registration Document (URD)

- Issuers preparing a URD for the 2019 financial year may give more precise details in the Risk Factors section about their economic exposure to the pandemic, together with any measures taken.

### What are consequences for the declaration of extra-financial performance (DEFP)?

- Consider the consequences of the health crisis on the content of the declaration of extra-financial performance published for the 2019 financial year and after the 2019 financial year, namely:
  - the business model (main resources and activities, supply chains, strategic information and prospects, etc.),
  - the main risks (including risks with a low probability but high impact),
  - the policies introduced and the due diligence implemented, as well as
  - the results of these policies and performance indicators.

## 5. Accounting measures, continued



# Consequences of the coronavirus pandemic on IFRS financial statements

## Accounting implications

Issuers should ask themselves, in conjunction with their auditors, about the possible effects of the pandemic on their next financial statements (AMF press release, February 28, 2020).

For accounts closed on 31/03/2020, the coronavirus pandemic is a significant event that is likely to adjust the accounts for this financial year.

### Impairment of non-financial assets (goodwill, equity securities, tangible and intangible assets)

- Given the economic consequences generated by the coronavirus pandemic, the entity must perform an impairment test on its assets outside the usual test periods.
- Evidence of impairment (IAS 36.12)
  - Book value of the entity's net assets is higher than its market capitalisation
  - Significant changes with a negative effect on the entity
  - Deterioration of the economic environment in which the entity operates
  - Significant drop in activity
  - Deterioration of economic performance
- The estimate of future cash flows must reflect the consequences of the health crisis:
  - Put multiple scenarios in place weighted by their probabilities of occurrence
  - Revise the risk premium included in the discount rate

Carry out sensitivity tests on critical assumptions.

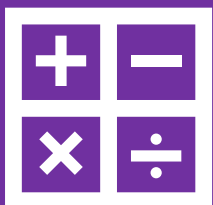
### Valuation of inventories

- Please note: the cost of under-activity should not be included in the valuation of inventories (IAS 2. 12-14)
- Note the possible impairment of inventories to bring them back to their net realisable value.

### Provisions

- It is prohibited to record a provision for future operating losses (IAS 37)
- It is prohibited to record a provision for charges related to short-time working or temporary lay-off measures (IAS 19.13)
- The entity must book a provision for loss-making contracts (IAS 37. 66-69).

## 5. Accounting measures, continued



### State support measures

- Guarantee of bank loans, refund of short-time work benefits, measures relating to taxes and charges
- A case-by-case analysis of State support measures is needed to determine whether the benefits received from the State fall within the scope of IAS 12, IFRIC 21, IAS 19, IAS 2, etc.

### Classification of costs generated by the pandemic in the income statement

- The entity must not present items of income or expense as extraordinary items, whether in the statement of comprehensive income or in the separate income statement or in the notes (IAS 1. 87).

### Financial debts

- In the event of debt renegotiation, analyse in substance the terms and circumstances of the negotiation in order to determine whether it is an extinguishment or non-substantial modification of debt under IFRS 9.
- A breach of covenant results in reclassification as current debts.
  - No reclassification into current debts if a waiver has been obtained before the balance sheet date;
  - Breach of debt covenant after the end of the financial year: post-closing event to be provided in the Annex.

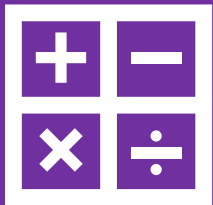
### Information to be disclosed regarding financial risk

- Upgrade the information, if necessary, on liquidity risk, loan risk and market risk (IFRS 7).

### Lease contracts

- Given the effects of the pandemic, when the lessee modifies its business plan and therefore reconsiders the renewal and / and termination options, it must re-estimate the rental period;
- The benefits received from the lessor must be analysed:
  - The benefit received from the lessor could be treated as a modification of the rental contract
  - If the lessor acts as a State agent, IAS 20 could apply.

## 5. Accounting measures, continued



### Impairment of trade receivables

- Estimate the amount of expected losses taking into account the expected effects of the pandemic, including future economic forecasts such as macro-economic data (IFRS 9).

### Deferred tax assets

- It is necessary to revise the assumptions used to recognise deferred tax assets:
  - Deterioration of economic performance and probability of generating future taxable profits
  - Reduction of taxable temporary differences caused by the lost value of assets

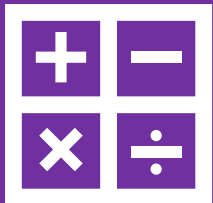
### Income recognition

- The variable compensation linked to the goods delivered and services provided must be re-estimated
- Example of variable considerations: late penalties, volume discounts, return rights, price adjustment clauses, royalties, complaints, etc.
- The variable consideration is subject to an estimate and must be included in the transaction price.

### Impairment of fixed assets

- Impairment does not cease when the asset is left unused or retired (IAS 16.55);
- However, depending on the impairment method based on use, the impairment charge may be zero when there is no production.

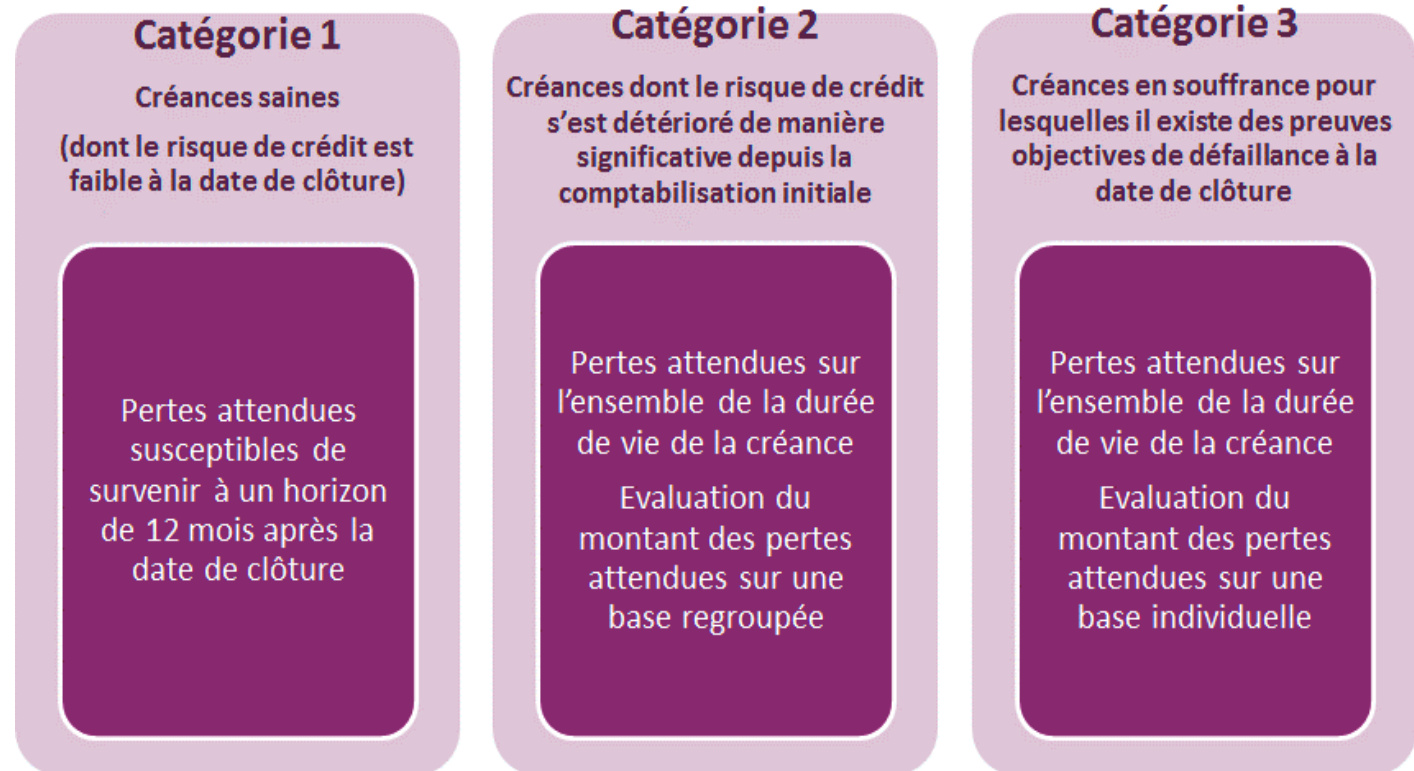
## 5. Accounting measures, continued



### Accounting implications– specific bank procedures

#### Impairment of financial assets

- Reminder about the impairment model for financial assets under IFRS 9:



## 5. Accounting measures, continued



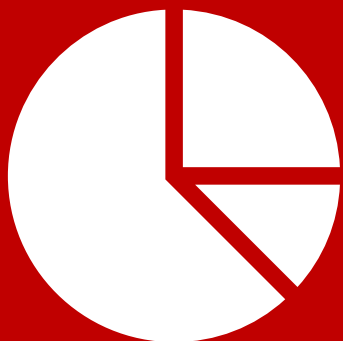
- The different scenarios must be developed while taking into account future economic forecasts, including macro-economic data, in order to estimate the expected losses
- It is assumed that the loan risk linked to a financial instrument increases significantly when there are more than 30 unpaid days.
  - Transition from phase 1 to phase 2
- Rebuttable presumption: A financial instrument is in default when there are over 90 unpaid days.
  - Transition from phase 2 to phase 3.

### Deadlines for publication of the annual financial report and the half-yearly financial report of listed companies

AMF memo  
March 30, 2020

- Reminder of the publication deadlines for these reports:
  - Within 4 months of the end of the financial year for the annual financial report;
  - Within 3 months of the end of the first semester for the half-yearly financial report;
  - These deadlines come from the European Directorate "Transparency" so it is not possible to legally derogate from them under French law.
- Nevertheless, the AMF invited issuers who could not publish their financial report on time, to communicate to the regulator and to the market (AMF press release of March 30, 2020):
  - any anticipation of a possible delay in publication on the regulatory calendar;
  - the reasons for this delay; and
  - a forecast date of publication.
- In accordance with ESMA's announcement, the AMF will postpone its policy of relaunching issuers who fail to publish:
  - during a period of two months beyond the deadline for annual financial reports relating to a financial year ended between December 31 and March 31;
  - during a period of one month beyond the deadline for half-yearly financial reports drawn up during this same period.

## 6. Sectoral measures



### Ordinance No. 2020-304: specific measures for property management companies

This Ordinance applies equally to **contracts pertaining to professional and voluntary management companies**

***For property management contracts that expire – or have expired – during the Health Emergency:***

- The (old) contract is **renewed under the same terms until the new contract takes effect.**
- The new contract is designated by the next general assembly of the co-owners. The new contract takes effect no later than six months after the termination date of the Health Emergency.

**This measure does not apply to property management contracts renewed by general assemblies of co-owners that were held up to March 24, 2020.**

For the interim period (between March 12 and March 24, 2020), contracts are deemed to take effect from March 12, 2020

### Ordinance 2020-309: specific financing procedures for medico-social security institutions

***Applies to: institutions covered by L 6111-1 of the Public Health Code***

All health institutions:

- public
- private companies in the public interest
- private

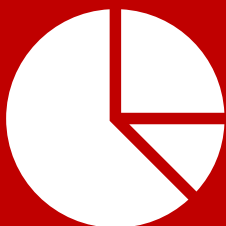
That deliver:

- care
- with or without accommodation
- outpatient or at home

**Applicable period: at least three months and not exceeding one year**

- Ends at the latest in 2021

## 6. Sectoral measures, continued



### ***Purpose: to guarantee the amount of funding for the relevant institutions***

The monthly level of the guarantee is determined by taking into account:

- the volume of activity
- previously collected revenues

If the revenue from activities is less than the amount of the guarantee for a period of one month, the relevant institutions benefit from additional revenues to reach the level of the guarantee

Fee-for-service rules continue to apply subject to the necessary modifications to the payment terms

A Decree issued by the Medico-social Security Ministers will set the terms for:

- calculating the level of the guarantee
- the dates and duration of implementation
- remittance
- the distribution of the sums paid between the different schemes

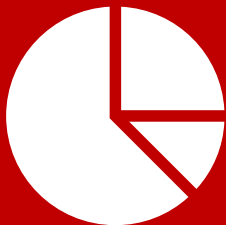
**The Agence Centrale des Organismes de Sécurité Sociale (Central Agency for Social Security Organisations)** may agree to the following on an exceptional basis for the 2020 financial year:

- loans and cash advances for less than 12 months
- for organisations managing a compulsory complementary social security scheme against payment

Remuneration conditions:

- are determined by an agreement entered into between ACOSS and the relevant organisation approved within 15 days by the by the relevant ministers
- must cover the costs incurred by ACOSS in relation to these loans and advances

## 6. Sectoral measures, continued



### Ordinance 2020-313: specific rules for the organisation and operations of social and medico-social institutions

#### ***The relevant institutions are defined by:***

- I and III of Article L 312-1 of the Social Action and Families Code

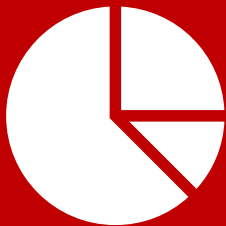
#### ***All these institutions may:***

- Re-organise by:
  - Derogating from the minimum technical organisational and operating conditions in II of Article L 312-1 of the Social Action and Families Code
  - Changing the location where activities are carried out
  - Changing the distribution of activities
  - Changing the distribution of people in care
- Continue with admissions even in the absence of a preliminary policy decision by the competent committee

#### ***Additional measures that must ensure that adequate safety conditions are maintained for the following institutions:***

- Institutions falling under I of Article L 312-1 of the Social Action and Families Code may:
  - Admit or support individuals who fall outside the authorised intervention area (L 313-1-2 of the Code)
  - Increase their capacity to 120% of their authorised capacity
- Institutions falling under 7° of I of Article L 312-1 of the Social Action and Families Code may:
  - Admit teenagers aged 16 and over
- Institutions falling under 2° and 7° of I of Article L 312-1 of the Social Action and Families Code may:
  - Admit individuals who have previously been cared for by the institutions mentioned in 1°, I of Article L 312-1 of the Social Action and Families Code who are no longer able to admit them under adequate safety conditions

## 6. Sectoral measures, continued



- Institutions falling under 2°, 5° and 7° of I of Article L 312-1 of the Social Action and Families Code that are no longer able to admit disabled people in adequate safety conditions may:
  - Adapt their services so they are carried out at home
  - Have recourse to their staff or independent healthcare workers or services that fall under 2°, 3°, 6° and 7° of I of Article L 312-1 of the Social Action and Families Code and families they remunerate to that effect
- Medico-social institutions for disabled people may:
  - Derogate from the annual temporary admittance period up to a limit of 90 days

### **Implementation of measures**

- The measures are:
  - decided by the director of the institution
  - after consulting with the chairman of the Conseil de la Vie Sociale and, where appropriate, the social and economic committee.

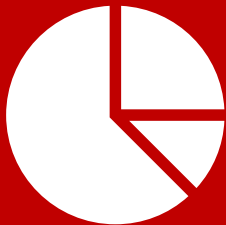
**Good practice: refer to Ordinance 2020-321 which adapts the operating rules of the management bodies to the use of teleconferencing for consulting the president of the Welfare Council and the Social and Economic Committee.**

- The director immediately informs:
  - the competent control and pricing authority(ies)
  - where applicable, the commission mentioned in Article L 241-5 of the Code
- The competent authority(ies) may oppose the implementation of the requested measures or adapt them if:
  - safety is no longer guaranteed
  - the proposed adaptations do not meet the region's identified needs

### **In the event of under-activity or temporary closure (resulting from the COVID-19 epidemic)**

- Applies to the financing of institutions that fall under I of Article L 312-1 of the Social Action and Families Code
  - The overall allocation or package is unchanged
  - Fee-for-service billings are drawn up in monthly terms due on the basis of the forecast activity without taking into account under-activity or temporary closure

## 6. Sectoral measures, continued



### ***Administrative, budgetary and / or accounting procedures***

All administrative, budgetary and / or accounting procedures that might expire between March 12, 2020 and the termination date of the Health Emergency are extended by an additional period of four months.

For overall packages, there is no modulation of 2021 funding based on the activity observed in 2020.

**For disabled employees** accommodated in an institution or service falling under 5° of I of Article L. 312-1 where the institution has reduced its activity due to the COVID-19 epidemic or has been closed, **the differential between the level of this reduced (or zero) activity and the previous level of guaranteed remuneration is offset by job assistance paid by the State**

### **Ordinance 2020-319: specifics measures for public procurement**

#### ***All contracts with administrative or similar authorities are affected:***

- Subject to the Public Procurement Code or not

#### ***All the stages of contract conclusion***

- Concluded before the Health Emergency
- In the course of being concluded or concluded during the Health Emergency

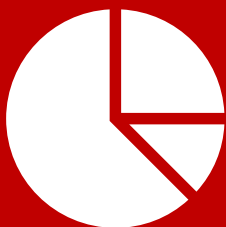
#### ***Health Emergency***

- Start: March 12, 2020
- End: two months after the declaration of the end of the Health Emergency

#### ***Purpose of the Ordinance***

- To adapt the procedures for awarding and executing contracts to the consequences of the COVID-19 epidemic while respecting the principles of equal treatment of candidates

## 6. Sectoral measures, continued



### **Reminders at January 1, 2020**

#### **Obligation to use to a paper-free system and Chorus Pro**

- For all purchases regardless of the type of contract and the legal form of the purchaser
- For all providers regardless of their size

#### **Thresholds for formalised procedures**

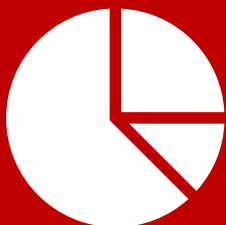
- < 40,000 € exempt from the procedure
- > € 139,000 excluding tax for supply and service contracts for the State,
- > € 214,000 excluding tax for supply and service contracts for local authorities,
- > € 428,000 excluding tax for supply and service contracts for contracting entities and for supply and service contracts in the defence or safety sectors,
- > € 5,350,000 excluding tax for public works contracts and concession contracts.

### **Contracting authorities are also subject to public procurement rules**

#### **The contracting authorities are:**

- 1° Legal persons governed by public law;
- 2° Legal persons governed by private law which have been created to specifically meet general interest needs that are neither industrial or commercial in nature, including:
  - a) Either the activity is financed mainly by a contracting authority;
  - b) Or the management is subject to control by a contracting authority;
  - c) Or the administrative, management or supervisory body is made up of members over half of whom are appointed by a contracting authority.
- 3 Private-law bodies with legal personality set up by contracting authorities with a view to carrying out certain joint activities.

## 6. Sectoral measures, continued



### ***For contracts in the process of being awarded***

The **deadlines** for submitting applications or tenders under **the current procedures are extended for a sufficient period by the granting authority** – except when the service that is the subject of the contract cannot be delayed. Procedures for competitive tendering adapted by the contracting authority while respecting the principle of equal treatment of candidates.

***For good practice, see the Ordinance on the functioning of management bodies and general assemblies***

### ***For contracts that expire***

Contracts that expire during the period of the Health Emergency **may be extended by an amendment** when the competitive competition process cannot be implemented. Where applicable, this amendment is exempt from prior examination by the competent State authority.

**The duration may not exceed the date the Health Emergency is declared over plus two months plus the time period needed for the call for competitive tendering**

### ***Before the performance of the contract***

Public purchasers may:

- modify by amendment the terms of payment of advances and change the rate to an amount over 60% of the amount of the contract or purchase order
- do not require the lodging of a guarantee when the amount of the advances exceeds 30% of the contract

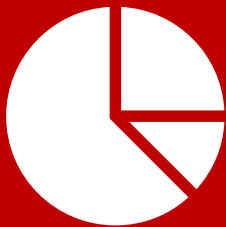
### ***For contracts encountering difficulties during their performance***

#### **Difficulties in meeting contract execution deadlines**

The contract holder must formalise a claim for a deferral of execution to the authority:

- Before the originally-scheduled deadline
- Justify that execution on the scheduled date would require manifestly excessive resources
- For a period at least equivalent to the date of the end of the Health Emergency plus two months

## 6. Sectoral measures, continued



***Good practice: alert the administrative authority to the impossibility of meeting the deadlines provided for in the initial contract before the deadline has passed.***

In which case

- the holder cannot be:
  - Sanctioned
  - Be subject to the contractual penalties
  - Be held liable for this reason alone
- The purchaser
  - May enter into a substitute contract with a third party for those requirements that cannot be delayed
  - Is not liable for this reason alone
  - Cannot defer the costs and risks of this substitute contract to the initial holder
- Cancellation of a purchase order or termination of a contract

If the cancellation of a purchase order (or the termination of a contract) by the purchaser is the direct consequence of the measures taken under the Health Emergency, the **holder may be compensated** for:

**Expenses directly attributable to the performance of the cancelled purchase order** or the terminated contract

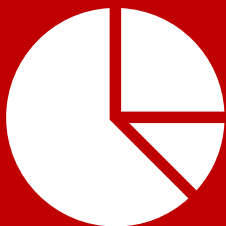
***Good practice: the ability to identify within or outside the accounts expenses directly chargeable per cancelled purchase order or terminated contract***

### ***Suspension of a fixed-price contract***

The authority proceeds without delay to the settlement of the contract based on the terms and for the amounts stipulated in the contract. At the end of the suspension, an amendment determines the necessary modifications to the contract, in particular:

- Identical resumption or termination
- Amounts due to the holder or the purchaser

## 6. Sectoral measures, continued



### ***Specific procedures for concession contracts***

#### **When the granting agency suspends the performance of the contract:**

- Any payment to the granting agency is suspended
- An advance on the monies owed by the granting agency to the economic operator may be paid if:
  - The economic operator justifies its difficult situation
  - Up to the needs of the economic operator

#### ***When the granting agency significantly modifies the terms of performance of the contract:***

- The concessionaire is entitled to compensation intended to compensate for the additional costs resulting from the continuation of the performance of the concession when
  - These additional costs were not provided for in the initial contract
  - They represent a clearly excessive charge in view of the financial situation of the concessionaire

***Good practice: identify, using analytical accounting and / or intermediate situations, the additional cost incurred by the concessionaire following modifications to the methods of execution by the granting agency***

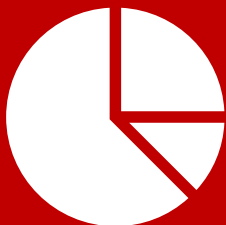
### **Suspension of the audit of the accounts at December 31, 2019 of public health establishments**

Public health establishments can, on their initiative, be exempted for the 2019 financial year from the certification of their accounts, by an auditor or by the Court of Auditors.

In this case, they are subject to a suitable system for auditing their accounts in order to prepare for the certification of the 2020 financial year, the terms of which will be fixed by decree.

[\(Ordinance 2020-428 of 04/15/2020 published in the OJ of 16\)](#)

## 6. Sectoral measures, continued



### Measures specific to the sectors of Hotels, Cafes, Restaurants, tourism, events, sport and culture

In a press release dated 04/24/2020, the Ministers of Europe and Foreign Affairs, Action and Public Accounts, and Economy and Finance announced the following specific measures:

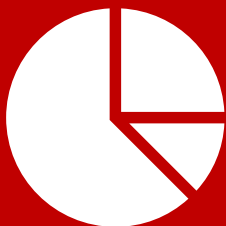
- The solidarity fund will also remain open to companies in these sectors beyond May. Its access conditions will be extended to companies in the sectors concerned having:
  - up to 20 employees
  - up to 2 million euros in turnover,
  - the ceiling for grants that may be paid under the second part of the fund will be raised to 10,000 euros.
- The possibility of resorting to partial activity will be maintained after resumption of activity for these sectors.
- An exemption from social security contributions for very small enterprises (VSEs) and for small and medium-sized enterprises (SMEs) in these sectors during the closure period (from March to June 2020). This exemption will apply automatically, whether or not the entities concerned have already paid their contributions.
- A long spread of social and tax charges for medium-sized companies (ETI), possibly cancellations depending on the financial situation of the applicant
- On the fiscal side, the Government will discuss with local authorities on the modalities of deferral of the business property tax (CFE) and exemption from the flat part of the tourist tax for the year 2020.
- The rents and fees for occupying the public domain due to national donors (State and operators) for VSEs and SMEs in these sectors will be canceled for the period of administrative closure.

A practical guide will be drawn up for local authorities who would like to do the same. In this case, they are subject to a suitable system for auditing their accounts in order to prepare for the certification of the 2020 financial year, the terms of which will be fixed by decree.

Additional measures to support the resumption of activity may be taken. The Government is working on the creation of an investment fund for these sectors. An update will be made during the interministerial tourism council on May 14, 2020.



## 6. Sectoral measures, continued



### Specific measures for contracted health care workers whose activity is particularly affected by the Covid-19 epidemic

An aid fund for contracted health professionals whose activity is particularly affected by the Covid-19 epidemic is created by ordinance n ° 2020-505 which gives management to the National Health Insurance Fund.

The following health professionals can request this aid, as soon as they exercise their activity within the framework of the national conventions provided for in articles of the Social Security Code and that their income from activities is financed for the most part by insurance. disease :

- General practitioners and specialists - L. 162-5,
- Dental surgeons, midwives and medical auxiliaries - L. 162-9, • The nurses - L. 162-12-2,
- Masseurs-physiotherapists - L. 162-12-9,
- Directors of private medical analysis laboratories - L. 162-14,
- Pharmacists holding dispensaries - L. 162-16-1,
- Health centers - L. 162-32-1,
- Distributors of medical devices for individual use - L. 165-6
- Health transport companies - L. 322-5-2

These same professionals cannot claim this aid, if they have already concluded an agreement having equivalent effects with health insurance.

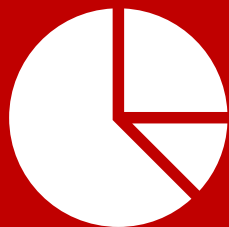
Aid paid in the form of a deposit takes account of the following:

- The average level of fixed charges for the profession and whose activity income is mainly financed by health insurance
- Daily allowances paid to the claimant by social security schemes since March 12, 2020
- Partial activity allowances received from the same date for its employees in application of the provisions of article L. 5122-1 of the labor code
- Aid paid by the solidarity fund provided for by the aforementioned order of March 25, 2020

The benefit of the aid is subject to compliance with de minimis aid.

The amount of this aid will be fixed by decree of the ministers responsible for social security and the budget which remains to be published.

*6. Sectoral  
measures,  
continued*



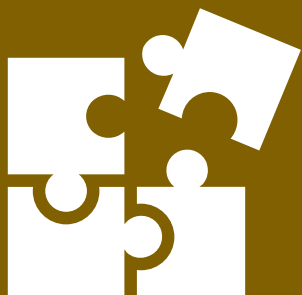
## Raising the contactless payment limit

From May 11, 2020, the limit for contactless payments is raised to € 50.

In view of the current payment figures, thanks to the increase in the ceiling, more than 70% of payments in shops could be made without contact.

The implementation of the recovery still requires the reprogramming of merchant terminals.

## 7. Deconfinement measures



### Measures specific to deconfinement

The deconfinement is scheduled for May 11, 2020. It is being prepared by monitoring all the indicators to check, department by department, the evolution of the epidemic. If the health situation on May 11 allows, then a second phase will begin, which will last until June 2. It will make it possible to verify that the measures implemented make it possible to contain the epidemic. And to consider the measures for the following phase: from June 2 until summer.

During the period from May 11 to June 2, the deconfinement measures will be different depending on the classification of the department (green = relaxed measures, red = more restrictive measures). You can find the details of the measures authorized in the file "Deconfinement plan: organization of daily life" in the appendix.

The majority of businesses will be able to open from May 11, respecting health protection measures:

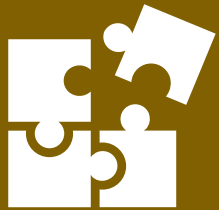
- the number of people in the stores will be limited;
- the physical distance of 1 meter between each person must be respected;
- personnel must be protected;
- the wearing of a mask will be recommended for both staff and customers when physical distance is not possible. A merchant may impose the wearing of the mask in his store.

Specific cases:

- concerning cafes and restaurants, a decision will be taken at the end of May for a possible reopening on June 2;
- the outdoor markets and covered halls will reopen from May 11 if the safety distances between consumers are guaranteed. Mayors or prefects may revoke this authorization if they find it impossible to guarantee compliance with barrier actions;
- for shopping centers over 40,000 m<sup>2</sup>: the prefects may decide to keep them closed if they believe that the catchment area of these businesses goes beyond the living area. In this case, only open food and essential stores located inside the mall remain open.

For companies, the Ministry of Labor has published a "national deconfinement protocol" (in the appendix) to help and support companies and associations, whatever their size, activity and geographic location, to resume their activity while ensuring the protection of the health of their employees through universal rules. This protocol specifies the general doctrine of collective protection that employers in the private sector must put in place, it complements the trade guides.

## *7. Deconfinement measures, continued*



The implementation of protective measures in the company requires prior consultation with the social and economic committee. It should be noted that the time limits applicable when the information or consultation of the social and economic committee relates to the employer's decisions which aim to face the economic, financial and social consequences of the spread of the epidemic of 19, were reduced from May 3 until August 23, 2020.

The deconfinement plan adopted by the employer must be integrated into its single risk assessment document.