

Insights

FRANCE - COVID-19 MEASURES FROM 26 MARCH 2020

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SUMMARY

On 26 March 2020, the French government issued 26 Covid 19 decrees as part of the health state of emergency that has been declared. Below is a summary of the measures affecting businesses:

1. General extension of deadlines

Every type of legal or administrative obligation or recourse facing businesses which if ignored or not met would have legal consequences e.g. fine or winding up, and which has a deadline between 12 March and 24 June 2020 (with the possibility of the government extending this) will be given a time extension until 24 August 2020 at the very latest.

2. Extensions for companies

- There are several time extensions for companies. In particular, the period for filing company accounts relating to fiscal years closed between 30 September 2019 and 24 June 2020 is extended by 3 months, except where the auditor has approved the accounts before 12 March 2020.
- Shareholders' and directors' meetings will be permitted to be held by phone or video conference between 12 March and 31 July 2020, even when the company's constitution states the contrary, so long as the participants are able to be identified.

3. Tax measures

- Deadline for filing tax returns: for the filing of tax returns, no time extension will be permitted.
- Tax audits: with regards to tax audits, the time limits with an end date of 31 December 2020 are extended for a period of time equal to the health state of emergency plus one month. Also suspended for taxpayers, from 13 March to 24 June are the various time periods relating to tax audits and inspections, with the exception of the time limits and period of 60 days given for a reimbursement of VAT.

- The time periods for advance rulings are also suspended for the period from 13 March to 24 June 2020.

4. Support for businesses

- Establishment of a rescue fund for businesses particularly affected by Covid 19 for three months. The conditions for eligibility and the size of grants have yet to be clarified.
- During the same period of three month businesses benefitting from the rescue funds will be able to delay the payment of their rent, water, electricity and gas bills in relation to their business premises.

5. Social measures

- Through a business collectively agreeing, employers will be able to impose on employees the dates of their annual leaves within the limit of six days of holiday per employee.
- A struggling business will be able to modify the annual leave of its employees – annual leaves acquired through a specific scheme providing for working time reduction or organization, a flat-rate pay agreement or a time-saving account - by up to 10 days per employee.
- A business that is essential for the safety of the country or the continuation of economic activity will be allowed flexibility regarding maximum working hours and Sunday rest.

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MEET THE TEAM



Christine Daric

Paris

christine.daric@bclplaw.com

[+33 \(0\) 1 44 17 77 68](tel:+33(0)144177768)



Olivier Mesmin

Paris

olivier.mesmin@bclplaw.com

[+33 \(0\) 1 44 17 77 69](tel:+33(0)144177769)

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