

EMERGENCY MEASURES TAKEN BY THE FRENCH GOVERNMENT

Parliament passed **an emergency law over the weekend empowering the government to take action to address the health, economic, and social consequences of the spread of the Covid-19 epidemic**. This text complements or implements measures already announced by the Government relating to the restriction of public freedoms and aimed at preventing the cessation of activity of economic actors.

24 orders issued in application of the emergency law should be presented to the Council of Ministers **on Wednesday March 25**, and the other regulatory acts should be taken quickly at the beginning of the week.

At the same time, **an amending finance law was adopted which adapts the budget to take account of a foreseeable worsening of the deficit, a fall in tax revenue and a fall in household consumption by 2%. This law deploys significant means of support for businesses:**

- € 45 billion in immediate support measures: partial activity funding (€ 5.5 billion);
- € 1 billion solidarity fund, for companies suffering the most from traffic restrictions, deferral of contributions, etc.
- € 300 billion in government guaranteed business loans;
- € 1,000 billion in bank loan guarantees by European public authorities.

CONTAINMENT AND RESTRICTIVE OF LIBERTIES MEASURES

CLOSING OF PUBLIC RECEIVING ESTABLISHMENTS

Nurseries, schools, colleges, high schools and universities have been closed since March 16. **Public establishments such as cinemas, museums, bars or nightclubs, shops and restaurants are closed at except those with a character essential** (appendix to the decree of 23 March) like food stores, pharmacies, banks, service stations or distribution of tobacco and press.

CONTAINMENT OF THE POPULATION

Containment of the population is in force at from Tuesday March 17 at 12:00 p.m. and until 31 March 2020. An attestation on the honor allows to circulate only to go to work, to get medical treatment, to make shopping, looking after and picking up your children, returning visit isolated and fragile people, practice physical activity alone within the limit of 1Km around from home and for 1 hour.

Any additional gathering, meeting or activity of 100 people in closed or open environment, is prohibited until April 15, 2020.

The government urges employers to establish teleworking for all positions that allow until further notice.

The borders of the Schengen area are closed from March 17 and for a period of 30 days.

The absolute containment is total of the population is not the logic of the Government, the Prefects received instruction to approach mayors to take tougher measures where necessary.

MAIN CONTAINMENT ECONOMIC ACCOMODATION MEASURES

BUSINESSES LIQUID ASSETS

Prime Minister announced on March 17 the mobilization of **45 billion in aid by the state and the regions** in order to "preserve the economic and productive fabric". **The bulk, 32 billion euros, will go to postponement or cancellation of social and tax charges, already in place for a few days.** All the companies in difficulty can request a deferral of these charges.

In addition, the State is authorized by emergency law to directly or indirectly help companies whose viability is questioned by:

1. The creation of a **solidarity fund**, open to companies with less than 10 employees with a turnover of less than 1 million euros and have been impacted by the crisis
2. **Anti-bankruptcy system** will be set up alongside the solidarity fund for businesses having at least one employee and would be in very great difficulty despite the support implementations
3. The creation of an **exceptional guarantee for all new loans granted by credit institutions between March 1 and December 31, 2020 to companies registered in France.** This exceptional guarantee is in addition to the measures already taken by BPI France (Public Investment Bank) to reinforce its support to companies
4. **Stay of rent, gas and electricity bills** for microenterprises whose activity is affected by the spread of the epidemic

SHORT-TIME WORKING

The emergency law to deal with the Covid-19 epidemic makes it possible to facilitate and strengthen the use of short-time working for all companies, whatever their size.

All companies, regardless of their size or sector, are eligible for short-time working. The companies have thirty days to complete their partial activity request, with retroactive effect.

The reimbursement in the context of partial unemployment will be raised to 84% of net salary for a ceiling of 4.5 times the minimum wage. This reimbursement is 100% for employees earning minimum wage. The allowance that will be paid by the State to the company is proportional to the income of employees placed in short-time working.

PAID LEAVE

The emergency law to deal with the Covid-19 epidemic empowers the Government to adjust the rules relating to stops and leaves: **the employer may impose up to 6 days of paid vacation.**

SOLIDARITY

Through the emergency law two financial aid packages will be made more flexible:

- **exceptional premium** ("yellow vests" premium of €1,000) implemented in 2019
- payment of the **sums paid under profit-sharing**