



LEGALINK

INTERNATIONAL BUT PERSONAL

FIVE ADVANTAGES OF DOING BUSINESS IN...

FOR PRIVATE CLIENTS
AND CORPORATE ENTITIES



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FRANCE

BERSAY ET ASSOCIÉS

Introduction

The facts speak for themselves: France brings in more than 1,100 foreign investments every year and is Europe's leading recipients of foreign investment in the manufacturing sector.

Hard to believe? Not that hard for companies that see the advantages of France's highly-skilled workforce and research tax credit, not to mention its extensive infrastructure, energy mix, and prime location at the heart of the euro zone and the European Single Market (500 million consumers).

1. World-class infrastructure

1st Europe's leading business aviation airport (Le Bourget) and leading airport for freight / 2nd in terms of passenger traffic (Paris Charles de Gaulle).

2nd longest high-speed rail network in Europe

France is ranked third in Europe for its national road system, with more than 11,450 km of motorways (7,115 miles). (Eurostat, 2016)

Second largest electricity supply in the EU. (WEF, 2017)

2. A leading and open economy

France is the world's fifth largest economy, the second biggest consumer market in Europe and the world's seventh largest foreign investor. It offers a wide array of business opportunities for investors and has a proven track record of attracting and retaining foreign companies and key talent.

Contribution Of Foreign Companies To The French Economy

- 16 % of value added in the French economy,
- 30 % of all French exports,
- More than 45% of the equity of companies listed on the CAC 40 is owned by non-residents,
- Nearly 21% of business enterprise R&D is conducted by foreign companies.

France Welcomes Foreign Talent And Investment

France is the leading host country for foreign investment in industry (EY, 2016).

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3. A deep talent pool

High hourly labour productivity rate, ahead of Germany and the United Kingdom. (The Conference Board, 2017).

1.6 million scientists and engineers and 44% of 25- to 34-year-olds have a tertiary education qualification, compared with 30.5% in Germany and 25.6% in Italy. (OECD, Education at a Glance, 2017)

Some of the best business schools in the world.

Three of the six best establishments offering Master's courses in management are French. (FT, 2017)

New and innovative players such as 42, a coding school in Paris, train 900 developers per year. Fourth leading host country in the world with 309, 600 foreign nationals enrolled in higher education. (UNESCO, Atlas Project, 2016)

France is a 'Startup Nation' with no fewer than 12,000 startups and the largest startup campus in Europe, Station F, located in Paris.

4. A strategic position

Europe was the world's second largest market in 2017. France, with more than 67 million inhabitants, has a direct access to more than 500 million consumers in the European Single Market.

Largest concentration of headquarters in Europe. (Fortune Global 500)

Free movement of capital & persons (workers), etc. : Rome treaty

France offers a central European location providing easy access to EMEA and African markets.

5. A highly creative, innovation-friendly business environment

The best place in Europe for R&D tax incentives and effective corporate tax rate on R&D operations.

30% of eligible R&D expenses constitutes a tax credit up to €100 million, and 5% above this threshold.

Foreign companies have increased their R&D spending in France by 9% a year since 2007.

France is the leading source country of high-flying tech firms in the EMEA. (Deloitte, 2016)

France is the leading source country in Europe of institutions among the 100 most innovative organizations in the world. (Clarivate Analytics, 2016)

13 Fields Medals: France is the second leading source country of Fields Medal winners.

6. A leading financial center in Europe

In 2017, France was the leading European market for venture capital, with €2.7 billion funds

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raised (Q1-Q3) ahead of the United Kingdom. (Dealroom, 2017)

Paris is a leading financial market place in the euro zone with more than 800,000 direct jobs and 400,000 indirect jobs in the financial industry (Paris region).

The European Banking Authority will be located in Paris after Brexit

7. A favourable tax environment

France has embarked on a process of significantly lowering the corporate tax rate, which will fall from 33.33% to 25% by 2025, bringing it into line with the EU average rate.

Capital gains are subject to an effective tax rate of 3.36% and dividends to an effective tax rate of 1.4%.

France has a very attractive tax regime for innovative companies :

- Tax credit: 30% up to EUR 100 millions of the R&D total expenditures, and 5% above this ceiling;
- Tax rebate after 3 years in cases where the Company does not owe any corporate tax during a year when R&D expenditures have been incurred;
- Immediate tax rebate for New companies and Young innovative companies and SME.

Expatriates enjoy a tailor-made tax regime applicable for eight years, offering an income tax exemption of between 30% and 50% of their total pay.

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