



## **COVID-19 EXCEPTIONAL MEASURES**

**Harlay Avocats | 24 April 2020**

### **Strengthening economic measures to support businesses impacted by the Covid-19 health crisis**

The French Minister of Economy and Finance has announced a strengthening of the schemes in place to support those companies that are financially affected by the Covid-19 crisis.

The budget for the emergency plan has therefore been increased from 45 to 110 billion Euros.

- **Relaxation of the conditions of access to the Government and Regional solidarity funds**

The Government and Regional solidarity funds have benefited more than 900,000 businesses. However, in view of the fact that containment has been extended, the French Government has decided to expand not only its conditions, but also its budget, which is now increased to 7 billion Euros.

Decree No. 2020-433 of April 16, 2020 has changed the conditions of access to the solidarity fund for businesses affected by the health crisis.

To date, in order to benefit from the aid of the solidarity fund, companies needed to have recorded a drop in turnover of at least 50% between March 2019 and March 2020.

This latest decree extends this aid for the month of April and allows companies to calculate their loss of turnover on an average of the last 12 months and not only in comparison with April 2019.

In addition, article 2 of this decree extends access to the solidarity fund to companies in difficulty, with the exception of those that were facing bankruptcy on March 1st, 2020.

Finally, the French Minister of Economy and Finance has also announced that the second level of aid, financed by the French Regions, will be increased from 2,000 Euros to 5,000 Euros.

- **Extension of Government-backed cash loans to companies in difficulty**

The French Minister of Economy and Finance, after announcing that nearly 103,000 companies were eligible for Government-backed cash loans, has extended its program to

companies in difficulty which were, to date, not eligible to benefit from this measure.

Companies that have been refused a loan by their bank are invited by the French Minister of Economy and Finance to contact credit mediation.

- **Simplified and reinforced partial unemployment scheme**

The French Minister of Economy and Finance has announced that the partial unemployment scheme, of which more than ten million employees and 60% of French companies have already taken advantage, will be extended and the budget allocated to its funding will be increased.

24 billion Euros, from the new budget of 110 billion Euros, will be allocated to the partial unemployment scheme.



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