

B.E.R. package

Up to 5 years of tax exemptions*

 select **Ardennes** !

** Under conditions*

French Ardennes, competitive edges

Reach
110
million europeans,
within 5 hours

- A prime location, wide opened to Northern Europe
- An industrial expertise for centuries, now turned towards new technologies
- A unique tax and social contribution exemptions package

Across 75% of the territory, a full corporate tax exemption possibilities

 Average tax and contribution rate for companies in France : 64,7%
Source : PWC-2013

B.E.R. package, what is it ?



Companies that set up a business in the Ardennes, in B.E.R. area, until December 31st 2020, can benefit from highly and unique in France tax incentive :

Corporate income
tax exemption for
5 years

Social security
contributions
exemption for 5
years

The B.E.R. area



Only two employment areas are eligible in France :

- The Meuse Valley B.E.R. area, in the Ardennes :
351 communes
- An area in Midi-Pyrénées



Those areas were set by decree n°2007-228 of February 20th, 2007



B.E.R. package : who can benefit ?

Eligible activities

- Exemptions are reserved for industrial, trade or craft activities,
- Non-commercial activities are also eligible if the company is subjected to corporate tax.

Eligible companies

- Individual entrepreneurs under B.I.C. (Industrial and Commercial profits),
- Companies or organizations under partnerships regime,
- Companies or organizations assigned to corporate tax, automatically or under option,
- Associations assigned to corporate tax.

Sectoral exclusions:

- Movable goods leasing and housing or farming building rental activities.
- Civil activities

B.E.R., which exemptions ?

	Tax section			URSSAF* section
	I.S./I.R. exemption	C.E.T. exemption	T.F.B. exemption	Social security contributions exemption
Start-up	Up to 5 years			Up to 5 years
Expansion	NO	Up to 5 years		Up to 5 years



* URSSAF : french organization in charge of social security contributions recovery

Le B.E.R., which tax exemptions ?

Tax section

I.S.*/I.R.* exemption

C.E.T.* exemption

T.F.B. exemption

I.S. : corporate income tax

I.R. : income tax

C.E.T. : local economic contribution

T.F.B. : property tax

B.E.R., which tax exemptions ?

Corporate income tax and income tax : 5 years without depression

It targets :

- **Corporate income tax (IS)***: debited on financial year profit,
- **Income tax (IR)** : for individual entrepreneurs coming under the jurisdiction of the BIC (industrial and commercial profits).

C.E.T. (local economic contribution) : 5 years without depression

It targets :

- **Corporate added value contribution (CVAE)**: calculated in accordance with companies or group turnover an added value,
- **Corporate property contribution (CFE)** : calculated in accordance with companies property subject to T.F.B.

T.F.B. (property tax) : 5 years without depression

It targets (except local authority opposition) :

- Municipal part of TFB,
- French Intercommunality part of TFB,
- French Department part of TFB.

* Warning : corporate income exemption only applies if company does not distribute dividends to its shareholders.

B.E.R., which social security contributions exemption ?

URSSAF* section

Social security contributions exemption

** URSSAF : french organization in charge of social security contributions recovery*

B.E.R., which social security contributions exemption ?

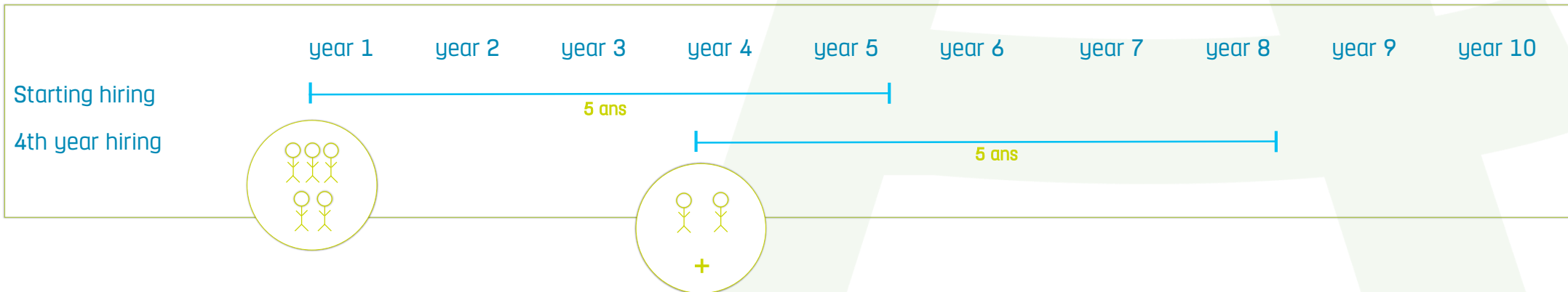
URSSAF section exemption contains :

- **Employer contributions** for **social insurance** (sickness, maternity, death, elderly) and for **family allowances**,
- **FNAL** : housing national fund,
- **Transportation tax**

This exemption is limited to 1,4 minimum hourly wage multiplied by the number of hours paid.
Beyond a salary of 1,4 minimum wage, the exemption only applies until the limit.

If you hire employees within 5 years after the setting up, the exemption is applicable, for those employees, during 5 years strating from the actual beginning of contract employment.

Example :





Actual location and non-sedentary activities

In order to benefit from BER package exemptions, a company has to be actually located inside the BER area.



A non-sedentary activity will need a **physical setting up** (shop, office, plant...), **operating resources** that enable economic activity achievement, and **to fulfill at least one of these two conditions** :

Having a full time sedentary employee located in BER area premises

At least 25% of company turnover achieved in the BER area

Public aid limits



Given that exemption is considered as public assistance, it is ruled by european policy on public aid, according to two regulations :

« De minimis » rule

Public aid limited to 200 000€ per company (or group) over a period of three rolling financial years :

*Cumulative aids for 1st year, 2nd year and 3rd year can't exceed 200 000€ ;
cumulative aids for 2nd year, 3rd year and 4th year can't exceed 200 000€...*

OR

As an option, « AFR » area, for 120 communes in the Ardennes

Here, the authorized limit is not an amount but a calculation:

Eligible costs x Rate

Eligible costs: investments (except movable goods rental or leasing) OR salary costs from created jobs.

Rate : fixed by company size according to European Union

- 30% for small companies
- 20% for medium-sized companies
- 10% for large companies



Example 1 : Industrial project

Industry setting up

Company size : small business

Jobs creation : 35

Setting up location: in AFR area (120 communes in the Ardennes)

Public aid limit : 800 000 €

Eligible costs x 30% rate for a small business



Potential exemptions thanks to B.E.R. : 800 000€ within the first 4 years
(corporate income tax and social security contributions)



Example 2 : Tertiary activity setting up

Customer Relations Center setting up

Company size: large business (group)

Jobs creation : 150 in 3 years (gradually)

Setting up location : in AFR area (120 communes in the Ardennes)

Public aid limit : 700 000 €

Eligible costs x 10% rate for a large business



Potential exemptions thanks to B.E.R. : 700 000€ in 6 years

(corporate income tax, local taxes and social security contributions)



Example 3 : Purchase of an existing business

Business setting up for wholesale company takeover

Company size: small business

Jobs creation : 15

Setting up location : off AFR area (« de minimis » european rule)

Public aid limit : « de minimis », 200 000€ over a period of three rolling financial years



Potential exemptions thanks to B.E.R. : 400 000€ in 5 years
(corporate income tax and social security contributions)



Evaluate your exemptions



Thanks to B.E.R. simulator, set up by Ardennes Development, you can freely estimate in few minutes your project's potential exemptions.

<https://ber.ardennes-developpement.com/en>

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