

# 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 31<sup>st</sup> 2017, 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 ?

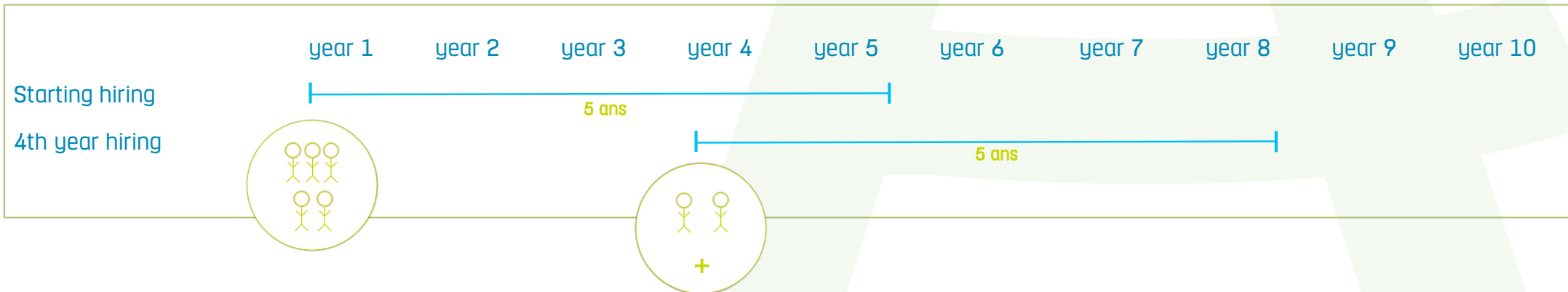
URSSAF section exemption contains :

- **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



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, 2<sup>nd</sup> year and 3rd year can't exceed 200 000€ ;  
cumulative aids for 2<sup>nd</sup> 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.

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



Please contact us :



**select  
Ardennes !**

**Ardennes Développement**

Tel. +33 (0)3 24 27 19 95

19, Bd Fabert - 08200 Sedan - France

[www.ardennes-developpement.com](http://www.ardennes-developpement.com)