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Factsheet for case **FR-2020-10/570**

State-guaranteed treasury loans

Factsheet generated on 24 April 2020, 18:55

Country	France, applies nationwide
Time period	Temporary, 01 March 2020 - 31 December 2020
Type	Legislation or other statutory regulation
Category	Supporting businesses to stay afloat – Access to finance
Case created	13 April 2020 (updated 17 April 2020)

Background Information

The government has implemented an exceptional guarantee scheme to support bank financing for businesses, amounting to €300 billion. Until 31 December, companies of all sizes, whatever their legal form, will be able to apply to their usual bank for a State-guaranteed loan to support their cash flow. This loan may represent up to 3 months of 2019 turnover, or two years of payroll for innovative companies or companies created since 1 January 2019. No repayment will be required in the first year. The company may choose to amortize the loan over a maximum of five years.

Content of measure

The loans covered by the guarantee must comply with specifications defined by order of the Minister of the Economy. They include a minimum twelve-month grace period and a clause giving the borrower the option, at the end of the first year, to amortize them over an additional period of up to five years.

The banks undertake to examine all applications submitted to them and to give a prompt response. They undertake to distribute State-guaranteed loans on a massive scale at cost price to relieve the cash flow of businesses and professionals without delay.

Nevertheless, all companies, particularly the largest, which do not meet their obligations in terms of payment deadlines, will not have access to this State guarantee for their bank loans.

In addition, French banks have undertaken to defer repayment of business loans for up to six months at no charge.

Use of measure

On 11 April, 200,000 applications had already arrived in the banking networks. And 150,000 files have already been processed, for a total amount of €22 billion," according to Nicolas Dufourcq, director of BPI France, the French public investment bank.

Actors, target groups and funding

Actors	Target groups	Funding
National government	All companies	National funds Other

Social partners

Role of social partners	No involvement
Form of involvement	Not applicable

This instrument seems to reach a consensus among social partners.

Sectors and occupations

This case is not sector-specific.

This case is not occupation-specific.

Sources

- 23 March 2020: Loi n° 2020-289 du 23 mars 2020 de finances rectificative pour 2020 (1)
(www.legifrance.gouv.fr)