

2026



A practical guide for foreign investors

DOING BUSINESS *in France*

primexis



INVESTING & EXPANDING YOUR BUSINESS IN FRANCE

Foreign Investors & International Groups

Considering Setting Up or
Expanding their Business in France

Key Insights on:

- ✓ Legal Framework
- ✓ Accounting Standards
- ✓ Tax Environment
- ✓ Employment Considerations

Contents

04

WHY SETTLE YOUR BUSINESS IN FRANCE?

10 reasons to choose France

05

LEGAL FRAMEWORK

Legal structures and Corporate forms

07

ACCOUNTING & REPORTING OBLIGATIONS

Accounting requirements
Financial statements and year-end compliance

08

TAX COMPLIANCE

Indirect Tax: VAT
CIT and other direct tax
Transfer Pricing

11

BEING AN EMPLOYER IN FRANCE

Employment and social taxes
Company obligations

13

10 STEPS TO SET-UP YOUR COMPANY

Preparation - Registration - After incorporation

14

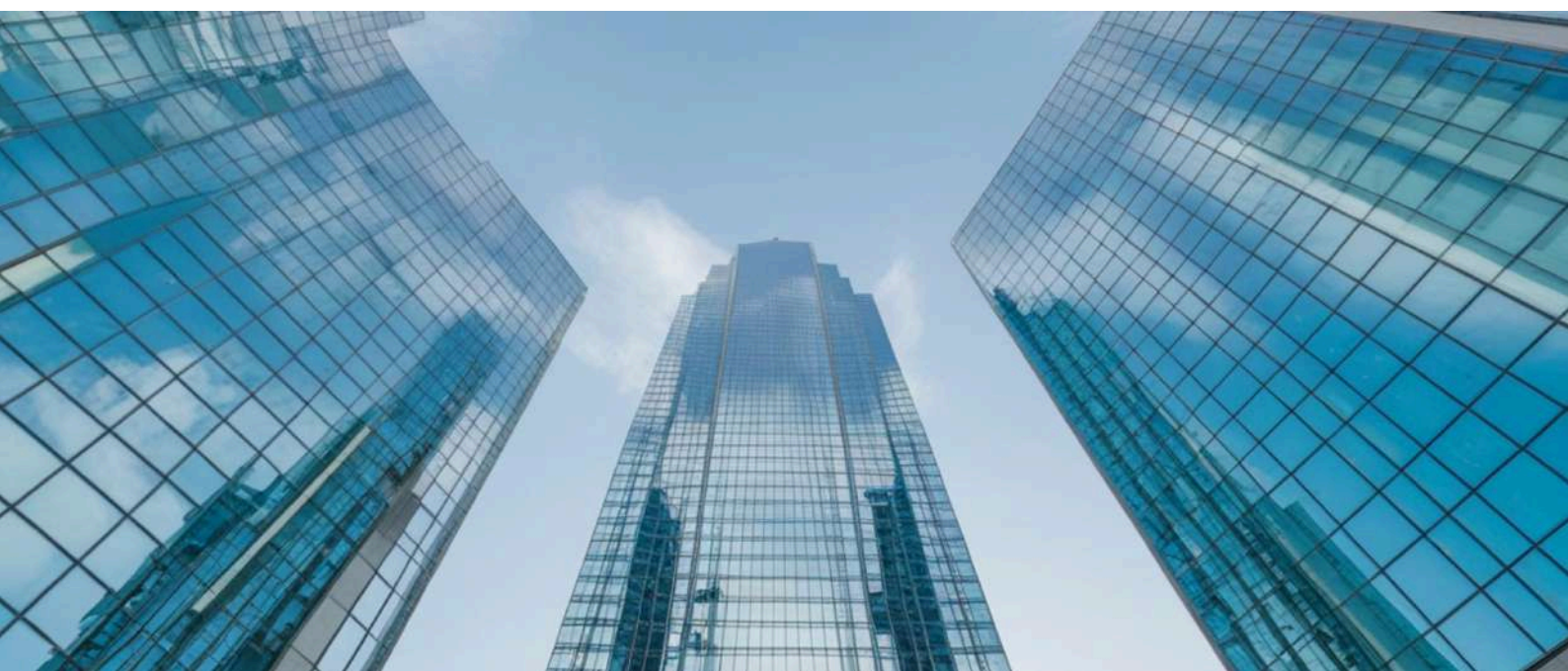
PRIMEXIS SUPPORT

Incorporation
Operational support
Optimization

15

YOUR TRUSTED PARTNER

Presentation of Primexis
Specialized team for international clients



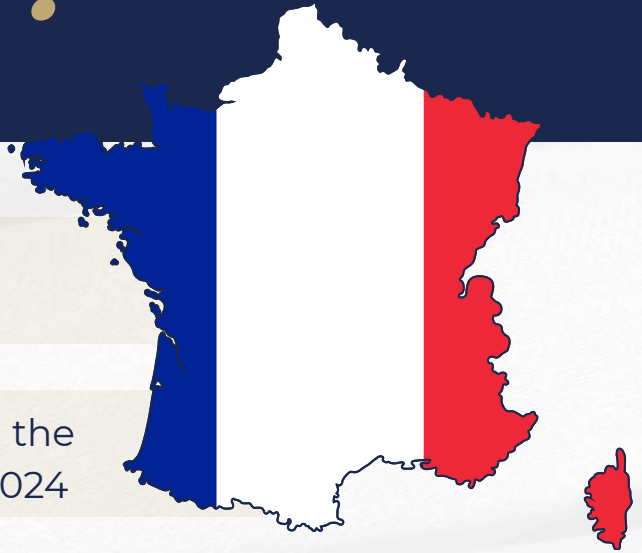
WHY SETTLE YOUR BUSINESS *in France ?*



1st in Europe for Foreign Direct Investment



7th largest economy in the world and 2nd in the EU in 2024



10 REASONS TO CHOOSE **FRANCE**

1

Strategic location & Market access

EU single market access - 450M consumers, with global trade connections

2

Top FDI Destination

#1 in Europe for foreign direct investment

3

Skilled Workforce

A deep and highly qualified talent pool, particularly in engineering and executive roles

4

R&D Tax Incentives - the CIR

One of the world's most generous R&D tax credit schemes

5

Energy Infrastructure

One of the lowest industrial electricity costs in Western Europe and world-class transport

6

Government Support

"Choose France" policy : Active investment support: free advisory, subsidies & incentives

7

Strong legal framework & IP protection

Reliable legal system with robust intellectual property protection

8

Quality of life & Talent retention

High quality of life (healthcare, education, culture...) that helps attract and retain talents

9

Favourable tax regime for in-patriates

Tax incentives for foreign employees and executives relocating to France

10

Thriving startup & Innovation ecosystem

Leading startup hub with strong funding and global reach

What do you need to know before investing *in France?*

LEGAL STRUCTURES & CORPORATE FORMS

The legal structure is generally the first decision as it drives everything else. Depending on the business plan and the activity required from the French structure, the appropriate set up needs to be chosen.

	Liaison office	Branch	Subsidiary
Legal personality	None	None	Separate entity
Can generate revenue / sign contracts	No	Yes	Yes
Subject to corporate tax	No	Yes	Yes
VAT registration	No	Yes	Yes
Financial statements	No	Parent's financials translated and filed	Yes
Permanent establishment	No	Yes	Yes
Setup complexity	Very low	Low	Medium



The right questions to decide



What is the **objective** (market research vs. business activity)?



Is the parent company willing to bear **liability**?



Need for a separate **taxpayer** in France?



Is there a need for **operational autonomy**?



Accounting & compliance **requirements**?



Will the entity generate **revenue** / sign contracts in France?



Will there be **employees** in France?



Tax considerations (PE, TP, structuring)?



What is the importance of **local credibility**?



Speed / ease of **setup**?

1

LEGAL STRUCTURES & CORPORATE FORMS

1

LIAISON OFFICE

A simple local presence used exclusively for non-commercial activities. Ideal for foreign companies wanting to have boots on the ground in France - for business development, market research - without triggering French tax obligations. Cannot generate revenue or constitute a permanent establishment.

BEST FOR:
Market exploration

2

BRANCH

Allows a foreign company to actively trade in France without creating a separate legal entity. An extension of the foreign parent on French soil, managed by one of its representatives. Same legal entity, but it has its own Corporate ID number (SIRET). Does not have its own share capital. The parent company bears full and direct liability.

BEST FOR:
Active trading

3

SUBSIDIARY

A French company incorporated under French law, controlled by a foreign parent (usually via majority shareholding). Separate legal entity with its own identity. Most common structure for full implantation, offers the strongest liability protection and the most flexibility for growth.

BEST FOR:
Full implantation

Most common corporate structures

	SARL Limited Liability Co.	SASU / SAS Simplified Stock Co.	SA Public Limited Co.
MINIMUM SHARE CAPITAL	1€	1€	37 000€
SHAREHOLDERS	2 - 100 (individuals or companies)	1 (SASU) or 2+ (SAS)	2+ (non-listed) / 7 + (listed)
LIABILITY	Limited	Limited	Limited
CORPORATE TAX	Yes	Yes	Yes
FINANCIAL STATEMENTS	Yes	Yes	Yes
ARTICLES OF ASSOCIATION	Rules largely set by law	Contractual freedom - custom governance & decision-making	Rules largely set by law
GOVERNANCE	General manager (gérant)	1 President + 1 General Manager (optional)	Board of directors (CEO/Chairman) or supervisory board
RECOMMENDED FOR	Smaller entities	Startups, scale-ups, foreign subsidiaries	Large-scale companies seeking to go public

Other legal structures such as SNC, SCI, EURL also do exist.

2

ACCOUNTING & REPORTING OBLIGATIONS

The French accounting framework is highly structured and regulated, ensuring transparency, consistency, and reliability of financial information. It is also grounded in key accounting principles under French GAAP, such as: prudence, going concern, consistency of methods, comparability, historical costs, and the true and fair view, which together aim to present a faithful representation of a company's financial position and performance.

Accounting Essentials

Bookkeeping	Daily recording on a transaction-by-transaction basis, in French, in euros, following French GAAP and French Chart of Accounts. Each entry must be supported by a source document and identified by a sequential number.
Software	You can choose freely your accounting Software.
Mandatory Ledgers	General Ledger, Journal entry ledger, Inventory ledger must be maintained.
Record Retention	Accounting records and supporting documents must be kept for at least 10 years. Books do not need to be localised in France but must be accessible on demand.

The company may do the bookkeeping and prepare its financial statements in-house, or appoint a certified public accountant if it entrusts this task to a professional.

FEC requirement

- General Accounting File in a specific format
- Mandatory in case of tax audit
- Should come out directly from the accounting software

If the bookkeeping is not done in French GAAP: Must include all adjustments entries to convert to French accounting standards.

Year-end legal paperwork

- Financial Statements are approved by Annual General Meeting (AGM) within 6 months after the year-end
- Filed with the Commercial Court Registry 1 month after the AGM - Publicly available
- Option for SMEs : abbreviated accounts
- Filing includes: Financial statements + Management report + Minutes of AGM

Financial Statements (FS)

- Produced Yearly
- Includes : Balance sheet + Income statement + Notes to the financial Statements
- First financial period can be more than 12 months
- Most common year-end : 31st December



AUDITOR REQUIRED - 2 out of 3 threshold

Balance Sheet total	> €5,000,000
Turnover (excl.VAT)	> €10,000,000
Employees	> 50 employees

3

TAX COMPLIANCE

VAT - Value Added tax

Key rules and obligations

VAT is an indirect tax on consumption that applies to all goods and services consumed or used in France. It is collected by Businesses on behalf of the state.

20%

Standard Rate

10%

Intermediate rate

5%

Reduced Rate

2,1%

Super Reduced Rate

Registration & Filing

- **Registration required** immediately if turnover exceeds: Services > €41,250 / Goods > €93,500 and the following year when it exceeds: Services > €37,500 / Goods > €85,000.
- EU trade triggers mandatory registration (EU purchases > €10K or B2B sales)
- Option to be VAT registered

How to register ? Registration is usually done when incorporating the company. However, it is possible to register at a later stage with the tax authorities.

- **Monthly VAT filing** (CA3) done **electronically** with payment - quarterly if annual VAT < €4,000 - Yearly filing possible for very small businesses.

Specific rules for non-established foreign companies

A foreign company with no permanent establishment in France must register for VAT: **the first taxable transaction triggers the obligation.**

Since January 2022, import VAT on most items is no longer paid at the border, using the reverse charge mechanism on the VAT return.

Non-EU companies often need to appoint a **fiscal representative** to recover French VAT.

The French e-invoicing reform in a nutshell

E-Invoicing Timeline

France is making electronic invoicing (**e-invoicing**) mandatory for all VAT-registered businesses operating in France (B2B transactions) and **e-reporting** - for B2B and cross border transactions.

Those will be transmitted to the tax authorities via a **certified platform (PA - Authorised Plateform).**



3

TAX COMPLIANCE

Corporate Income Tax & Other Common Taxes

Key rates, thresholds and obligations for companies operating in France

25%

Standard CIT Rate

15%

Reduced rate up to
€42,500 profit

0-25%

Withholding tax on
dividends

30%

R&D Tax credit

Corporate Income Tax (CIT)

Standard rate: 25%

Applies to all companies operating in France. The CIT return is due in May for 31 Dec year-end, or **3 months** after year-end otherwise.

Reduced rate: 15%

On profits up to **€42,500** if turnover < €10M, share capital fully paid up & at least 75% owned by individuals.

Loss carry-forward

Losses carried forward indefinitely, capped at **€1M + 50%** of taxable profit exceeding €1M per year.

Social contribution: 3.3%

For companies with turnover **≥ €7.63M**. Applied on CIT due after a €763,000 allowance per 12-month period.

Other taxes & contributions

C3S

Social Solidarity Contribution

Rate: 0.16% of turnover excl. VAT. Applies to companies with turnover above **€19M**. Funds the pension system.

CET

Territorial Economic Contribution

Local tax with two components: **CFE** (Business Property Tax) and **CVAE** (Value Added Contribution of Companies).

Withholding Tax on Dividends

Standard rate of 25% - almost always reduced or eliminated by an applicable tax treaty or EU rules

25%

Standard Rate

0%

EU parent holding **≥10%**
for **≥2 years**

5%

US parent company
≥10%

15%

US parent company -
all other cases

3

TAX COMPLIANCE

Other Declarations & Incentives

Common Declarations

DAS2

➤ Fees & commissions declaration

IFU

➤ Interests paid declaration

Tax Incentives

30%

R&D Tax Credit
Under 100M€, 5% above

20%

Innovative Products Tax credit
Medium-size entities under 400K€

JEI · Tax Group Relief

Corporate tax exemption · local taxes & social charges relief · loss offset within group

Pillar II

You are part of a group with a consolidated Turnover > 750M€ ?

=> **YES** - Either you are not the filing entity: you only notify (with possible local top-up tax), or you file the full GloBE return for the group. => **NO** - No declaration needed

Transfer Pricing (TP)

Reporting obligations



Common risk area

Management fees, royalties & intragroup financing are most frequently challenged. Prices must be set at arm's length.

Note : Any year-end transfer pricing adjustment required to meet the target margin should be determined and recorded based on the French statutory accounts, as these form the basis for local tax reporting.

Reporting Obligations

Obligation	Threshold	Content
Transfer Pricing Declaration <i>Form 2257</i>	50M€ OR 100K€ annual turnover or total assets intragroup flows	Summary of intercompany transactions, methods used, related entities
Full Transfer Pricing Documentation <i>Art. L.13 AA LPF</i>	400M€ annual turnover or total assets	Comprehensive master file + local file per OECD BEPS Action 13
Country-by-Country Report <i>CbCR — Art. L.13 AA LPF</i>	750M€ consolidated group revenue	Revenue, profit, taxes and employees by country - filed with DGFIP

4

BEING AN EMPLOYER IN FRANCE

France has one of the most protective employment frameworks in the world.

EMPLOYMENT CONTRACTS & TRIAL PERIOD

CDI (Permanent)	Default contract – strongly preferred by employees and courts alike	
CDD (Fixed-term)	Permitted only in specific legal circumstances. Max 18 months including renewal (with few exceptions)	
Other forms	Freelance, interim, portage salarial - exist with specific conditions	
Collective bargaining agreement	Sets sector-specific rules: hours, job classification, salary scale, probation	
<i>Note: The drafting of contracts is usually done by a specialist.</i>		
The trial period	Depends on the employee's status, can usually be renewed once.	
Workers / Employees	2 months	Renewable up to 4 months
Supervisors / Technicians	3 months	Renewable up to 6 months
Executives	4 months	Renewable up to 8 months

PAYROLL COSTS & SOCIAL CONTRIBUTIONS

42-45%

EMPLOYER CONTRIBUTIONS

22-25%

EMPLOYEE CONTRIBUTIONS

x1.45

TOTAL COST MULTIPLIER



A EUR 50,000 gross salary costs the employer approximately EUR 72,500 in total

MINIMUM WAGE (SMIC) & PAID LEAVE

€1,823.03

SMIC GROSS / MONTH 2026

5 weeks

MINIMUM PAID LEAVE / YEAR

11 days

PUBLIC HOLIDAYS for 2026

PAYROLL

Payroll is done monthly. At the end of each cycle:

- Payslips are sent to all employees
 - The DSN file (Déclaration Sociale Nominative) is sent simultaneously to all French social security organisations
 - DSN compliance is mandatory from the first month of payroll. This is not optional
- ⚠ The Payroll software needs to be DSN-compliant

4

BEING AN EMPLOYER IN FRANCE

TERMINATION & DISMISSAL

1 – 3 month(s)

NOTICE PERIOD BASED ON SENIORITY

¼ month of salary / year

SEVERENCE

Dismissal is strictly regulated. It requires a genuine and serious cause — personal (misconduct, incapacity) or economic (redundancy). Unfair dismissal claims are heard by the Conseil de Prud'hommes (labour tribunal) and can result in reinstatement or compensation.

Mutal termination or negotiated exit is common and less contentious.

The **statutory severance** = one-quarter of a month's salary per year of service for up to 10 years, and one-third of a month's salary per year of service for each year beyond 10 years.

PROFIT SHARING

50+

EMPLOYEES

Mandatory for companies with 50+ employees for 5 consecutive years.

Profit is shared using a legal formula or a tailored one more advantageous to the employees.

EMPLOYEE REPRESENTATION

11 emp.

MANDATORY SETUP

The Comité Social et Économique (CSE) is the single employee representative body in France.

Mandatory from 11 employees - powers grow significantly with headcount.

COMPANY OBLIGATIONS BY HEADCOUNT

Headcount

Company obligations

11+ employees	<ul style="list-style-type: none"> • Implementation of a Works Council (CSE) through employee elections • Contribution to : Vocational training, Mobility contribution (transport tax), Social contribution
20+ employees	<ul style="list-style-type: none"> • Obligation to employ a minimum of 6% of disabled workers (or pay a contribution) • Annual reporting of compliance through payroll filings
50+ employees	<ul style="list-style-type: none"> • Full CSE power (financial info rights, consultation on major decisions...) • Requirement to provide employee facilities (e.g. lunch area) • Obligation to engage in regular collective negotiations • Implementation of: Company bylaws, A structured employee information database (BDESE), Publication of a gender equality index • Additional employer contributions (e.g. PEEC (construction), FNAL)
200+ employees	<ul style="list-style-type: none"> • Obligation to provide dedicated facilities for trade unions
250+ employees	<ul style="list-style-type: none"> • Appointment of specific HR roles: A harassment and misconduct officer & A disability officer • Mandatory union delegate if representative union present
300+ employees	<ul style="list-style-type: none"> • Implementation of: An annual HR report, training plan and extended committee rights • Obligation to implement workforce planning discussions (GPEC)
500+ employees	<ul style="list-style-type: none"> • Requirement to provide or subscribe to occupational health services
1000+ employees	<ul style="list-style-type: none"> • Additional obligations in case of restructuring, including redeployment support • Enhanced requirements for trade union facilities

10 STEPS TO SET-UP your company *in France?*

DID YOU KNOW ?

France ranks among the countries where setting up a business is **FASTEST!**

PHASE 1 - PREPARATION

PHASE 2

1

Choose legal structure
Liaison office, branch or subsidiary

2

Check name availability & business address
INPI + RCS
Rent or domiciliation

3

Draft articles of association
Specialist recommended (~€500-3000€)

1 - 2 weeks

4

Deposit share capital
Bank account - may take weeks for foreign companies.



1 - 3 weeks

5

Publish legal notice
Mandatory official journal publication

~€150 - €200

1 day

PHASE 2 - REGISTRATION

PHASE 3 - AFTER INCORPORATION

6

Submit incorporation
"Le Guichet Unique" /One-stop shop portal

~€50 - €70

1 - 3 days

7

Obtain Kbis + SIREN
Corporate ID and VAT number

3 - 5 days

8

Open tax portal
Tax registration (automatic)

1 - 2 weeks

9

Register URSSAF
Register director and employees

1 - 2 weeks

10

Operational setup
Release capital
Setup payroll and DSN

YOUR FRENCH JOURNEY *in 3 Steps*

How Primexis can help at each stage



INCORPORATION

We de-risk your setup

- Domiciliation at Tour Pacific - Paris La Défense
- Registered address + mail management
- AGM in our meeting rooms
- Legal representative (directorship)
- Corporate secretary & articles of association
- Coordination with legal partners



OPERATIONS SUPPORT

We ensure your compliance

- Bookkeeping services (using our system or yours)
- Management reporting & GAAP conversion
- Year-end closing + statutory statements
- VAT & direct tax (CIT return)
- Support with tax audits
- Outsourced payroll & DSN filing
- Social law & secondments
- Transaction & valuation services

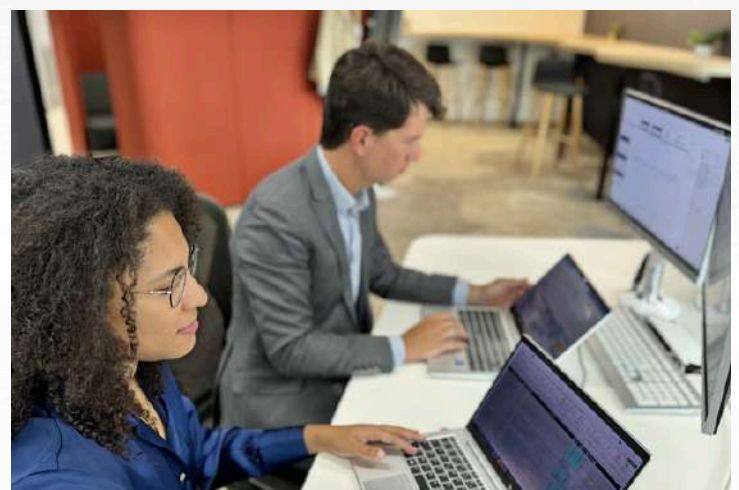


MATURITY & OPTIMIZATION

We support your growth

- Secondment within your company
- Finance function transformation
- Management accounting support
- Consolidation and reporting software implementation
- Outsourcing or secondment
- Transaction & valuation services
- Fund Services

The french environment is complex but manageable with the right partner by your side!



YOUR TRUSTED PARTNER IN FRANCE

450
employees

48+
years of service

100%
Independent Firm

32
average age

WHO WE ARE

- ✓ Primexis is an independent **financial consulting and specialized accounting firm** based in Paris La Défense
- ✓ We support large **French groups, international subsidiaries and mid-cap companies** in addressing their financial, accounting and regulatory challenges
- ✓ Our teams combine **strong technical expertise** with a pragmatic, execution-driven approach

OUR APPROACH

Independence

- Our independence guarantees objective recommendations, rigorous governance, and the direct involvement of partners in our engagements

Expertise

- Recognized expertise combined with strong operational capabilities and a results-oriented approach, from financial information production to transforming the finance function

Commitment

- Our teams work at the heart of your organizations to secure processes, enhance data quality, and lead strategic projects, tailored to each environment

Banking & Finance

- The acquisition of MLAdvisory strengthened our expertise in the banking and finance sectors, expanding our capacity to address complex strategic and operational challenges

They have placed their trust in us





primexis

Shaping Finance with Precision



Mélanie LAHOUD
Partner

melanie.lahoud@primexis.fr



Alexis GASTO
Partner

alexis.gasto@primexis.fr



Julien BEAUCE
Director

julien.beauce@primexis.fr

www.primexis.fr