

PRESS KIT

**A ONE-STOP SHOP
TO FACILITATE
ADMINISTRATIVE PROCEDURES
FOR FOREIGN INVESTORS**

November 3, 2016

A ONE-STOP SHOP, A TOP-LEVEL SERVICE TO PROVIDE SUPPORT TO INVESTMENTS IN THE PARIS REGION

A one-stop shop is being introduced to promote investment by foreign companies in Ile de France (Paris region). It has been formed by pooling resources from the Ile de France Regional Council (working through the Paris Région Entreprises body) and Paris City Hall, as well as Paris&Co, the French capital's economic development and innovation agency, the Métropole du Greater Paris, the Paris Ile de France Chamber of Commerce and Industry, and Business France, the government agency supporting the international development of the French economy.

WHAT IS THE PURPOSE OF THIS ONE-STOP SHOP?

This one-stop shop is intended to serve as a gateway for foreign companies looking to set up business in the Paris region to complete a wide range of administrative procedures.

- It provides them with information about all of France's key strengths and advantages, sector by sector, its vibrant ecosystems, and deep talent pools.
- It also helps them understand the regulatory, tax and employment law framework, and provides an overview of educational provision, as well as of the advantages open to economic migrants.
- Once an investment decision has been made, it can streamline the procedures to set up a business.

Every company that contacts the one-stop shop will be put in contact with a lead investment advisor who will become their main port of call, and whose responsibility it will be to respond to queries and support the decision-making process. They will in turn request information from a network of leading experts from within central and local government, as well as the private sector.

WORKING EXAMPLE: The investment advisor can forward the company's tax queries to the Tax4Business service set up by the Ministry for the Economy and Finances. Tax4Business has the expertise to inform investors about all applicable tax legislation to their investment, and if necessary provide investors with a tax ruling from the French Tax Authorities.

HOW IS A ONE-STOP SHOP DIFFERENT, AND WHAT NEW SERVICES WILL IT PROVIDE?

Pooling resources and improving co-ordination between Business France and the various different business support entities in the Paris region will enable a variety of procedures to be completed more quickly and accurately. The one-stop shop will respond to all kinds of company queries, from those concerning employing personnel, to others regarding for example the issuing of residence permits, employment regulations for spouses, and educational provision (130 international school programs in the Paris region).

DAY-TO-DAY CONTACT

Investment advisors from Choose Paris Region can be contacted by email at the following address:
contact@chooseparisregion.fr

FRANCE IS AN ATTRACTIVE BUSINESS LOCATION

“France already has one of the strongest research communities in the world.”

Mark Zuckerberg, Founder, Facebook,

June 2, 2015

“France can lead the way in digital technology.”

John Chambers, Executive Chairman, CISCO

October 30, 2016

The fact that 20,000 foreign-owned subsidiaries are already operating in France reflects France's attractiveness to foreign investors. On average, 19 foreign companies invest in France every week. France is also Europe's leading destination for job-creating foreign investment in industry. (EY, 2015)

France welcomes foreign talent: with 278,000 foreign students enrolled in higher education, France is one of the leading destination countries in the world. It is also at the cutting edge of research and development, ranked sixth in the world for the number of international patents filed, and is also ranked first in Europe in an index of the 100 most innovative organizations in the world. (Thomson Reuters Top 100 Global Innovators)

France also offers some of the most attractive innovation incentives in Europe, in addition to boasting a host of high-caliber engineers and researchers. France's research tax credit – which makes 30% of R&D expenses tax-deductible up to €100 million, and 5% above this threshold – means that the costs of employing a researcher in France are much lower than in Germany or the United States. Startups may also benefit from France's 'innovative new company' status (*jeune entreprise innovante* – JEI), which the European Commission has ranked first among R&D tax incentives in Europe.

**AVERAGE COST OF EMPLOYING A RESEARCHER
(NET, AFTER TAXES AND GRANTS) IN 2015**



France is ranked fourth, after India, Spain and Singapore, but ahead of Italy, the Netherlands, the United Kingdom, Belgium, Canada, Japan, Germany, and the United States.

NB: Calculations exclude France's research tax credit and also exclude grants.

Source: French National Research and Technology Association (ANRT)

FRANCE'S KEY STRENGTHS, IN SIX POINTS...

- 1** France enjoys a **very solid, stable institutional framework** that has proven its strength and effectiveness over time.
- 2** France is a member of the **euro zone**, as well as the **European Single Market**. As such, **France is an ideal springboard** into markets throughout Europe, the Middle East, and Africa.
- 3** France has **renowned infrastructure**, particularly in transport and healthcare.
- 4** France has **deep talent pools and great expertise**, and French employees are among the most productive in the world. France has a renowned education system, and has a particularly strong reputation in business and management.
- 5** France is a **constant innovator**, and is one of the pioneers in green investments; it has world-class innovation clusters and is **a preferred location** for multinationals the world over.
- 6** France also provides **exceptional quality of life** (international schools, high-quality accommodation, healthcare provision, cultural attractions, sporting events, tourist destinations and culinary delights).

AN EVER MORE ATTRACTIVE BUSINESS LOCATION

In recent years, the attractiveness of the French economy has been enhanced by a raft of ambitious reforms.

The competitiveness and employment tax credit (CICE) and the Responsibility and Solidarity Pact have enabled businesses to restore their financial health to a level similar to before the global economic crisis, to step up their investments (up 3.8% in 2016), and to create jobs (net increase of 130,000 jobs forecast in 2016). According to KPMG (Competitive Alternatives, 2016), business setup and operating costs are now lower in France than in Italy, Japan, the United States and Germany.

Determined action has also been carried out to enhance non-cost competitiveness, by prioritizing streamlined administrative procedures, abolishing unnecessary charges, modernizing goods and services regulations, supporting innovation and research, and reforming the labor market. The progressive introduction of French-style 'flexi-security' is giving businesses greater possibilities for flexibility, alongside greater protection for employees throughout the different stages of their careers.

NEW REFORMS IN 2017 TO ENHANCE FRANCE'S ATTRACTIVENESS TO BUSINESS

The French Government Budget Bill for 2017 includes a number of measures to improve France's attractiveness as a business location:

- The **corporate tax rate will be lowered to 28% for SMEs in 2017**, and for all businesses by 2020. This reform will lead France towards convergence of corporate tax rates within European Union Member States.
- The **competitiveness and employment tax credit (CICE) and SME hiring incentives** already introduced during the current Presidential term (2012-2017) will be enhanced. SME hiring incentives will be extended in 2017, while the rate of the CICE tax credit will rise to 7% of gross payroll.
- **The special expatriate tax regime will be extended from five years to eight, while expatriation bonuses will be exempted from income tax.**
- **A new Entrepreneur/Investor Account** will provide a better tax framework for business angels passing through successive investment cycles in fledgling startups.

France's attractiveness as a business location will also be enhanced starting in 2017 by the introduction on January 1, 2018 of a new system to deduct income tax at source. In practice, an individual who comes to live in France at the start of 2017 will not pay any income tax during the calendar year. Once their 2017 tax return has been filed in spring 2018, they will receive a tax credit cancelling out all tax due on salary income, pension income, real estate income, or income from an independent profession earned or received since their arrival in 2017 to the end of the year. Ultimately, however long the individual continues to reside in France, they will pay French income tax for one year fewer than the duration of their stay in the country.

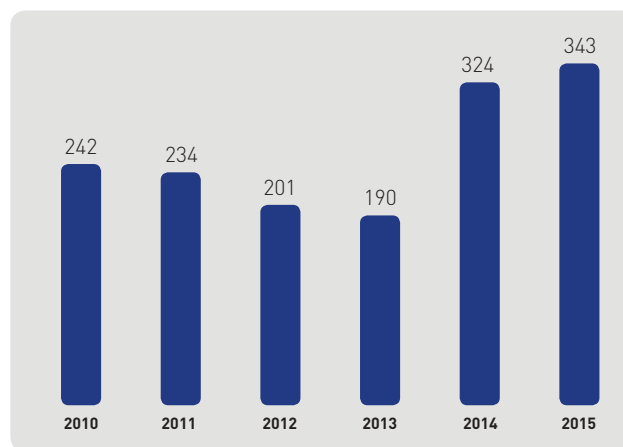
ILE DE FRANCE, EUROPE'S #1

Ile de France (Paris region) has the largest GDP of any of Europe's regional economies, serving as home to more than 800,000 business and 13,000 foreign subsidiaries (including headquarters for 29 businesses listed in the Fortune Global 500). It is one of the most competitive regions in the world, boasting a wide array of different industries. A total of 343 foreign investments were made in the region in 2015, up significantly from previous years.

The region has **superb air and rail connections** to the rest of the continent, with three international airports (including the second largest in Europe), and seven high-speed rail stations. The '**Greater Paris**' project will enhance the Paris region's attractiveness to businesses in the years to come, creating quicker access to Paris-Charles de Gaulle airport, and creating new business and residential districts interconnected by a new, vastly expanded transport network.

With production costs in 2015 ranked lower by KPMG than in Berlin, London and Frankfurt, the region is also home to major world-renowned universities (Paris-Saclay, Paris Sciences & Lettres, Paris-Sorbonne), innovation clusters, and laboratories (Genopole, CEA, INRIA, INRA).

FOREIGN INVESTMENTS CONFIRMED
IN ILE DE FRANCE (2010-2015)

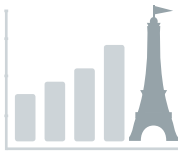


ILE DE FRANCE'S ATTRACTIVENESS TO BUSINESS IN 10 POINTS



1 A key European business hub

- Europe's leading regional economy, located at the heart of Europe
- Highest regional GDP in Europe, and access to the European Single Market of 506 million consumers
- The highest concentration of Fortune 500 businesses in Europe



2 Flourishing enterprise

- 816,000 businesses, from high-tech sectors to traditional industries
- The leading region for startups in Western Europe
- The world's leading location for business meetings



3 A haven for innovation

- 100,000 researchers and the highest number of high-tech patents filed
- Europe's leading region for R&D expenditure and capabilities
- Seven innovation clusters



4 World-class real estate

- Europe's leading corporate real estate portfolio
- 52 million sq. m. of office space
- 29 million sq. m. of warehouse space



5 Exceptional transport connections

- Three international airports
- Three ports on the River Seine – Paris, Rouen and Le Havre – forming France's largest port complex
- Located less than three hours from major European cities
(by train: Paris-London: 2hrs 15mins, Paris-Brussels: 1hr 25mins, Paris-Frankfurt: 3hrs 50mins, Paris-Amsterdam: 4hrs 10mins)



6 A region brimming with talent

- The highest concentration of higher education students in Europe
- World-renowned scientific institutions and business schools
- 20% of students are foreign nationals



7 Ambitious urban development projects

- 'Greater Paris' is the largest urban renewal project in Europe
- Policies to reduce greenhouse gas emissions, save energy, and conserve biodiversity
- Parks and green spaces cover 80% of the Ile de France region



8 An extensive transport network

- High-speed trains, regional expresses, metros, buses, Vélib' public bike rental, Autolib' electric car sharing
- Greater Paris Express: 205 km (125 miles) of new lines, and 72 new stations



9 The world's leading destination for foreign tourists

- 42 million visitors per year, with 10 million visitors to trade shows and exhibitions
- Four UNESCO world heritage sites: the Palace and Park of Versailles, the banks of the River Seine in Paris, the medieval town of Provins, the Palace and Park of Fontainebleau)
- The world's largest hotel sector, with 150,000 rooms



10 Rich cultural heritage

- A wide array of museums, including the Louvre, the Musée d'Orsay, the Centre Georges Pompidou, and Versailles
- Typical universally known places (the banks of the Seine, the Canal Saint-Martin, street cafés, etc.)
- The largest number of cinemas and libraries in the world, and the most theatres of any European city

GREATER PARIS A LEADING GLOBAL FINANCIAL MARKETPLACE

LEADING FINANCIAL MARKETPLACE IN THE EURO ZONE

With over 800,000 direct jobs and 400,000 indirect jobs, France's financial industry plays a central role in the French economy. Finance accounts for over 4% of French GDP, and is the third-largest sector by employment in Ile de France (Paris region), providing 350,000 jobs.

A GATEWAY TO EURO ZONE INVESTMENTS

Euronext is the leading stock exchange in the euro zone, accounting for 40% of the euro zone's market capitalization. As the European leader in equities and corporate bonds, the Paris financial marketplace is also up to speed with new ways of financing SMEs, including private equity and crowdfunding. In 2015, Paris outpaced all other European cities for raising seed capital.

EUROPE'S SECOND HOME TO FOREIGN FINANCE

Centered on long-term and sustainable finance, the Paris financial marketplace attracts plenty of foreign investors. In all, **€90 billion are currently invested by foreign investors in French financial assets**. Moreover, with more than ¥13 billion raised on Euronext Paris since 2012, **Paris has become a hub for the internationalization of the Yuan**.

PARIS: EUROPE'S LEADING CITY FOR INTERNATIONAL FINANCE OPPORTUNITIES

There are more leading multinationals operating in Paris than in London or Frankfurt. Their financial dealings mean that they are much sought-after clients for banks and international investment funds. Today there are more than 500 portfolio management companies and over 500 banks set up in the French finance industry, which is responsible for managing a total of €3,000 billion in assets.

PARIS: EUROPE'S INNOVATION CAPITAL

Paris is ranked first in Europe for the number of large corporate headquarters. Its attractiveness to business is due not only to a diverse portfolio of affordable office space, but also the quality of its innovation ecosystem. Paris is unique in the world for its ability to forge links between large corporates, investors, startups and researchers.

EUROPE'S STARTUP CAPITAL

Paris City Hall invested more than €1 billion in innovation between 2008 and 2014. Today, there are around sixty incubators (and a further fifteen in the pipeline) in the French capital, as well as around eighty co-working spaces and 23 FabLabs. This year saw the official opening of Le Cargo, Europe's largest incubator (15,000 sq. m.), while the even larger 30,000 sq. m. privately financed Station F will open its doors in 2017 to 1,000 startups, making it the largest incubator in the world.

These venues are increasingly internationally oriented, with a target for 30% of startups hosted to be foreign by 2020. To achieve this, Paris City Hall has signed exchange agreements with several other cities, in a similar fashion to New York.

Paris City Hall is also a major financial partner in innovative companies, awarding €38 million in grants and repayable advances to startups between 2010 and 2015. The city has become a vast laboratory, where 350 experiments are currently being undertaken.

Paris has been ranked the fourth most attractive city in two different reports – Cities of Opportunity (PwC) and the Global Power City Index (Mori Memorial Foundation) – and is also Europe's leading city for new startups, with more than 1,500 being founded every year.

A CITY ATTRACTING INVESTORS

A total of 297 fundraising rounds were recorded in the French capital in the first half of 2016, some 27% of all rounds in Europe. Paris is ranked second, just after London, for the number of venture capital transactions. KPMG's Global Cities Investment Monitor ranks Paris fifth in the world among the best rated cities by foreign investors, ahead of all other cities in the euro zone, and third for its international research centers.

This thriving economy also provides exceptional quality of life for business leaders, employees and students alike. According to a report by the Institute for Transportation and Development Policy (2016), Paris enjoys the best public transport network in the world. Its rich heritage, cultural attractions, sporting events, and diversity of green spaces require no further introduction. Paris is a 21st century city very much on the up, buoyed by a number of ultra-modern urban projects, including "Reinventing Paris", and transforming the banks of the Seine from urban expressways into spaces for pedestrians and cyclists.

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An initiative involving:

