



# Accounting Newsletter

October 2017



## Good to know...

### Towards a transformation of CICE into relieves of employers' costs

According to the latest statements by Prime Minister Edouard Philippe, the CICE could be abolished by 2019. It would then be replaced by a direct reduction of employers' contributions. This transition would take place in two stages: the CICE would be lowered by one point in 2018 from 7 to 6%, to be definitively replaced in 2019. The reduction in employers' contributions could reach 6 points for wages below 2.5 times the SMIC and would be reinforced by an additional 4.1 point relief for minimum wages (SMIC). In 2019, companies should benefit from increased cash flow by combining the two measures: the granting of the CICE 2018 and the reduction of the contributions.

## Agenda

### 12/10/2017:

**VAT liable for intra-community transactions:** Filing with the customs of the declaration of exchange of goods and the european declaration of services for the transactions in September

### 16/10/2017:

**Employers subject to the salary taxes (exempt from VAT):** payment of the tax on salaries paid in September or during the 3rd Quarter

**Deadline for the filing of results statement No 2065 for companies closing their accounting period on 30/06/2017 (statements sent via teleprocedures only).**

## Reminder

### Taxation of corporate donations

Corporate philanthropy is a device that allows a company to make a donation in the form of financial or material assistance to a recognized charitable organization or foundation, an approved not-for-profit organization, an endowment fund, public or private higher education (non-exhaustive list).

The generous company will benefit from a tax reduction of 60% of the donation within the limit of 5‰ of the annual turnover excluding taxes. To justify the payment of the gift, the company must be given a tax receipt by the beneficiary organization.



# Reform of the Labor Code

## The new organization of social dialogue in enterprises

The orders signed on September 22nd, 2017, have profoundly modified the bodies of representation of the staff as we know them today. Staff delegates, the works council and the health, safety and working conditions committee (CHSCT) are merged into a single body called the "Social and Economic Committee". This committee is compulsory for companies with at least 11 employees, but its prerogatives are limited. Its powers are extended when the company has at least 50 employees. Decrees will specify the modalities for the progressive establishment of this body, but its generalization is announced by 1 January 2020.

## Collective bargaining at the heart of the company

A number of topics regularly discussed in branch agreements have been declassified in favor of company negotiation. In companies with fewer than 11 employees, the employer may propose a draft company agreement to employees. To be validated, the agreement must be approved by a two-thirds majority of the employees.

## New changes on the « penalty account » (compte pénibilité)

The penalty account becomes "Professional Prevention Account", alias "C2P" in French. This system, which is relatively close to the previous one, excludes four old risk factors deemed too complex to evaluate. As a result, employers will no longer be required to report risk factors related to strenuous postures, heavy load handling, mechanical vibration and hazardous chemical agents. On the other hand, the latter will be taken into account for the early retirement scheme.

## Measures in favor of securing labor relations

Now, in case of dismissal without a real and serious cause, a scale providing minimum and maximum indemnities will be imposed on the judges. The details of the indemnities floors and ceilings are given in article L 1235-3 of the Labor Code. This Article also provides a specific scale to companies which employ fewer than 11 employees. This measure applies immediately.

Following the issuance of an upcoming decree, employers will be able to use a standardized model for notification of dismissal. The aim of this measure is to avoid future conflicts over defects in form.

The reform of the Labor Code seeks to give more flexibility to employees by promoting teleworking. The use of teleworking can now be provided for in a collective agreement or a charter drawn up by the employer specifying the situations and the modalities of recourse to this particular form of work. Finally, the employer can no longer refuse teleworking to his employee without justification. This measure is also of immediate application.

