

Press release – 27 September 2017

**Draft budget bill for 2018:
Paris EUROPLACE welcomes the confirmation of the commitment to the
attractiveness of the French Financial Centre**

The Council of Ministers today adopted the draft budget bill for 2018. Paris EUROPLACE welcomes the inclusion in the proposal of the fiscal measures announced last summer* by Prime Minister Edouard Philippe in favour of the attractiveness of the Paris Financial Centre and calls for this competitiveness strategy to be further amplified.

Among the announced measures:

- Acceleration of the downward trajectory of the corporate tax rate to 25%;
- Transformation of the wealth tax, conducive to the financing of companies, and simplification of tax rules applicable to investors, with a view to improve the channelling of national savings towards French companies;
- Creation of a flat tax on invested savings of 30% as soon as 2018;
- Removal of the top band of the payroll tax, which only exists in France and strongly hinders the creation of high value-added jobs.

The implementation of these reforms shows the determination of the President of the Republic and of the Government to reposition France in a competitive situation with other European countries and to encourage the French financial industry, which employs as many as 1,2 million people, to support companies, in particular mid-cap companies and SMEs, in a context of growth resumption.

The engagement for attractiveness should continue, whether it relates to the development of long term savings, in particular retirement savings, geared towards the financing of companies, including SMEs, to the support of innovation in particular of high-tech SMEs, to training, and more generally to an improved regulatory and fiscal stability in France, once the reforms are completed.

G rard MESTRALLET, Chairman of Paris EUROPLACE, stated: *“The confirmation of the commitment of our Government reinforces the credibility of the Paris Financial Centre to attract financial institutions impacted by Brexit, and beyond, to participate to tomorrow’s financial services in Europe. It is an acknowledgement of the proposals consistently made by Paris EUROPLACE in relation to financial attractiveness and we wish to welcome the commitment of Bruno Le Maire, Minister of Economy and Finance, in this regard.*”

The Paris Financial Centre thus benefits from a configuration unprecedented in its history to develop, innovate and invest in the long term.

In the context of Brexit, we call for this attractiveness strategy to be amplified, in particular in terms of a reduction of social charges which weigh on employment”.

*Edouard PHILIPPE made these announcement on July 7th, 2017 when he presented the programme “Our ambition for Paris’ Financial centre”, with the presence of Valérie PECRESSE, Anne HIDALGO and Patrick OLLIER, and on July 11th at the occasion of the Paris EUROPLACE International Financial Forum.

About Paris EUROPLACE:

Paris EUROPLACE is the organization in charge of developing and promoting the Paris Financial Centre and the French financial industry internationally. It brings together all financial industry stakeholders; its 400+ members include issuers, investors, banks and financial intermediaries, insurance companies, attorneys and accountants, consulting firms, etc. The association is chaired by Gérard Mestrallet, Chairman of the Board of ENGIE.

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