

The tax credit for commercial prospecting is designed to encourage commercial prospecting among small and medium size companies.



Prerequisites for obtaining the tax credit

Companies with :

- Less than 250 employees (part-time employees are taken into account in proportion to their attendance);
- Gross turnover < 50 million €;
- Total assets < 43 million €;
- At least 75% of the company's capital held, directly or indirectly, by individuals;
- Subject to corporate tax ("Impôt sur les Sociétés") or income tax ("Impôt sur le Revenu") - excluding micro-businesses.

Conditions of application for the tax credit

The company must:

- Recruit an export manager;
- Make use of a « Volontaire International en Entreprise » (a young person, less than 28 years old, enrolled in that special programme), whose role should be to expand the company's export activity, during a 6 to 24 month period.

The nature of expenses eligible for tax credit

The categories of eligible expenses are:

- Travel and accommodation expenses and indemnities related to the development of export activity;

- Expenses related to the collection of information on foreign markets and customers;
- Expenses related to participation in professional trade shows and exhibitions;
- Expenses intended for the promotion of products and services, with the aim of exporting (website, etc.);
- Remuneration and benefits related to the use of the "Volontaire International en Entreprise";
- Consulting activities provided by organizations specialized in international trade development;
- Expenses incurred by law firms related to the organization or participation in events outside France, with the aim of increasing their renown.

Remuneration paid to employees is not eligible.

How the tax credit works?

How the tax credit is determined?

The tax credit granted to the company is equal to 50% of the eligible expenditure (less any grants received, if any). It is capped at €40,000 (which corresponds to €80,000 expenditure) for a 24 month period. It can only be granted once. The tax credit is capped at €80,000 for non-profit organizations liable to corporate tax or for economic interest groups.

How the tax credit is used?

Tax credit for commercial prospecting is offset with either the corporate tax or income tax, due for the fiscal year in which the expenses were incurred. If a surplus remains, it is reimbursed to the company.

Companies subject to corporate tax have to file the form #2079-P-SD, which should be attached to the return for the corporate tax final instalment.

Companies subject to income tax have to file the form #2079-P-SD, which should be attached to the professional income tax return (#2031 or #2035) and to the personal income tax return (#2042).

Your Chartered Accountant is your best consultant.

Don't hesitate to contact us!

This information is only a rough summary. It does not cover all the situations nor resume the whole French Employment Code - which is very intricate. Please contact us for accurate information adapted to your situation. We cannot be held responsible for any misinterpretation of this document. Edition Dec-11