

User Guide

FRENCH PASS EXPORT SOLUTION

(Informative, non-contractual document)

The French Pass Export meets the dual objective of improving and simplifying export support procedures and developing benefits for the national economy. It is part of an active industrial policy approach, for the benefit of recurrent exporters in the context of their requests for public support (credit insurance including internal insurance and foreign exchange insurance). It takes the form of a proactive and tailored partnership based on trust, negotiated individually between the State (represented by Bpifrance Assurance Export) and each exporter that is interested in this solution.

The exporter who has an French Pass Export benefits, during its period of validity, from public guarantee coverage up to the maximum allowed by France's multilateral commitments. In return, the exporter undertakes to respect a weighted minimum average of the French content in all its public-supported exports and may also be required to make other broader economic and industrial commitments (investment, development of activity, maintenance of employment and/or industrial sites, training activities, etc.).

This partnership meets the needs of exporters with regard to the predictability of the financial support obtained and the flexibility of the procedures. The French Pass Export also introduces simplified procedures for guarantees' application by moving from prior contract-by-contract control of the French goods and services exported to a comprehensive preliminary analysis of the industrial interest that said exporter's activities represent for the French economy.

1. WHAT IS THE FRENCH PASS EXPORT ?

It is a partnership based on trust established between the State (which may be represented by Bpifrance Assurance Export) and an export company, allowing the latter to:

- receive up to the maximum support for the guarantees requested as permitted by the OECD Arrangement and to be able to rely on it vis-à-vis its customers prior to its commercial procedures, even if the French content varies from one contract to another;
- be exempted from the ex-ante analysis of the French content of its operations, contract by contract, only one comprehensive preliminary analysis being carried out by the relevant Technical Ministry and the declarations of the French content appearing in the application for credit insurance being authoritative;

in return:

- for the commitment to adhere to a weighted average of French content⁽¹⁾ on the basis of the French Pass Export and on all the insured contracts;
- for other general ad-hoc commitments to maintain and develop business and economic benefits on the national territory (e.g.: maintenance of employment, training initiatives, development of industrial sites in France, investments, increased use of French subcontractors, etc.).

For companies not benefiting from the French Pass Export, the usual rules in terms of French content apply.

2. WHAT ARE ITS CHARACTERISTICS?

- Eligibility: any French exporter, regardless of its turnover, whether the applicant is an independent company, a group for its French subsidiaries, a French subsidiary of a French or foreign group.
- Indicative duration: normally 3 years from the date of signature of the French Pass Export⁽²⁾.
- Guarantees concerned: credit insurance (including the internal guarantee) and foreign exchange insurance.
- Form: letter signed by the State (or Bpifrance Assurance Export on its behalf) and by the executive director of the company.

3. PROCEDURE FOR GRANTING THE FRENCH PASS EXPORT

The exporter applies for an French Pass Export with Bpifrance Assurance Export by completing the dedicated application form available on the website **www.bpifrance.fr**.

The following information is required for reviewing the application:

- the list of contracts concluded for export by the company during the last 3 years, distinguishing between those guaranteed by Bpifrance Assurance Export;
- projects identified for the next 3 years;
- an initial proposal of commitments that can be valuable as part of the French Pass Export;
- audited financial statements for the last three years.

During review of the application, it may be necessary to estimate the level of French content for contracts that have not been guaranteed by Bpifrance Assurance Export and to obtain a list of the main French and foreign subcontractors.

Additional documents may be requested by Bpifrance Assurance Export or the relevant State departments, if necessary.

Review of the application will be carried out by the Directorate General of the Treasury and the relevant technical ministries (Directorate General for Enterprise, the French Armament Procurement Agency, etc.) with the support of Bpifrance Assurance Export and in connection with the exporter. This stage, which lasts a maximum of three months, will be structured in two phases:

- **(i) a diagnostic phase**, during which the company will open its doors to the departments of the State and to Bpifrance Assurance Export so that an in-depth analysis of the company's impact, and in particular that of its exports, and repercussions on the national territory of the company can be carried out;
- **(ii) a discussions phase**, during which the commitments that will constitute the objectives to be achieved under the French Pass Export will be discussed.

(1) Determination of the French share of each export contract shall be made in accordance with the user guide on the French share published by the Directorate General of the Treasury (Direction Générale du Trésor - DGT) and the Directorate General for Enterprise (Direction Générale des Entreprises - DGE).

(2) This duration can be adapted on a case-by-case basis according to the industrial sectors.

In the event that the discussions reach a favourable conclusion, the French Pass Export is granted, following the opinion of the Committee on Guarantees and External Trade Credit (interministerial committee), by decision of the Minister of Economy and Finance or his representative by delegation.

The granting of the French Pass Export is notified by mail and is formalised by the company's executive director signing a letter containing the details of the commitments made by the company. Its formalisation is reinforced by the presentation of said letter to the governing bodies of the company.

The State and Bpifrance Assurance Export may communicate publicly on the granting of the passport to the company, according to the terms agreed with said company.

4. MONITORING OF COMMITMENTS AND POSSIBLE RENEWAL OF THE FRENCH PASS EXPORT

Dialogue is established between the exporter and the State throughout the duration of the French Pass Export. In particular, a progress report is made with the company by the Directorate General of the Treasury and the relevant technical ministries (Directorate General for Enterprise and/or the French Armament Procurement Agency, etc.) halfway through the duration of validity of the French Pass Export in order to establish a status report of compliance with the commitments undertaken.

During implementation, in the event of a significant discrepancy noted with the objectives initially specified, the exporter will be invited to propose a strategy to achieve said objectives by the end of the validity of the French Pass Export..

At the end of the period of validity of the French Pass Export, the exporter must submit to the Directorate General of the Treasury, the relevant technical ministry and Bpifrance Assurance Export, a report demonstrating that the commitments made have been fulfilled. A new French Pass Export may be granted on conditions to be determined by the French Foreign Trade Credit and Insurance Commission (Commission des Garanties et du Commerce Extérieur).

5. WHAT HAPPENS IN THE EVENT OF BREACH OF THE COMMITMENTS UNDERTAKEN BY THE COMPANY?

In case of difficulty in achieving the objectives set, discussions shall be initiated with the exporter to find balanced solutions.

In the event of misrepresentation in respect of the French content or manifest breach of the commitments (weighted average of French content or general commitments) made by the company, the following measures may be taken upon decision of the French Minister of the Economy and Finance, after opinion of the French Foreign Trade Credit and Insurance Commission:

- revocation of the French Pass Export;
- introduction of a stricter regime to limit, for a specific period, the financing base insured.

Moreover, at the end of the validity of the French Pass Export, in the event of a significant discrepancy between the French content and the average which the company committed to maintain, the possibility of granting a new French Pass Export may be suspended for a period of time determined on an individual case basis.

6. IN THE EVENT OF LOSS

In the event of loss, the file will be managed on a case-by-case basis according to the rules of ordinary law.

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