



# France: Legal Framework

KINSTELLAR



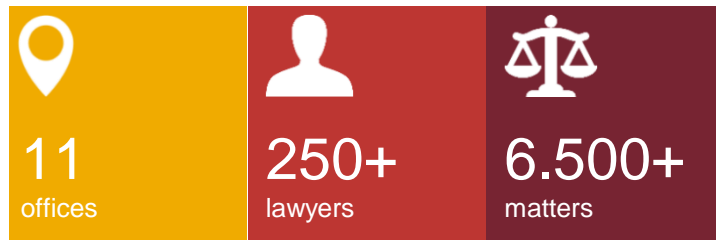
# Kinstellar

## Introduction

Kinstellar is a leading independent law firm in Emerging Europe, Turkey and Central Asia, with offices in **Almaty** and **Astana** (Kazakhstan), **Belgrade** (Serbia)\*, **Bratislava** (Slovakia), **Bucharest** (Romania), **Budapest** (Hungary), **Istanbul** (Turkey), **Kyiv** (Ukraine), **Prague** (the Czech Republic), **Sofia** (Bulgaria) and **Tashkent** (Uzbekistan).

Operating as a single fully integrated firm, Kinstellar delivers consistently high quality services across all jurisdictions in an integrated and seamless style. We are particularly well suited to servicing complex transactions and advisory requirements spanning several jurisdictions.

### Our key highlights:



# Real Depth

The range and breadth of our specialist practices and sectors set us apart in Emerging Europe and Central Asia.

## Sectors:

|                                |                            |                          |
|--------------------------------|----------------------------|--------------------------|
| Aviation                       | Asset Solutions            | Automotive & Industrials |
| Banks & Financial Institutions | Energy & Natural Resources | Infrastructure           |
| Life Sciences & Healthcare     | Private Equity             | Real Estate              |
| Technology, Media & Telecomms  |                            |                          |

## Practices:

|                                    |                                      |   |
|------------------------------------|--------------------------------------|---|
| Banking, Finance & Capital Markets | Competition & State Aid              | Compliance, Risk & Sensitive Investigations |
| Dispute Resolution                 | Employment & Labour Law              | Energy & Natural Resources                  |
| Infrastructure & Projects          | Intellectual Property                | M&A & Corporate                             |
| NPLs & Distressed Assets           | Real Estate, Construction & Planning | Restructuring & Insolvency                  |
| Tax                                | Technology, Media & Telecomms        | White-Collar Crime                          |

## Out of Area

But certainly not out of our depth. Quite the contrary.

We have experience in **close teamwork with legal counsel in jurisdictions where we do not have our own office**. Kinstellar Prague would be your **single point of contact** in order to ensure the unified approach.

In **France** we use to work closely with number of law firms including leading domestic law firm, Alerion.

A L E R I  N

Alerion is one of France's foremost independent law firms specialising in international business, based in Paris and serve French and foreign clients.

The firm's partners advise clients operating in most sectors of French and international economic life. Over the years, they have also developed specific and cross-disciplinary knowledge of certain areas of activity such as sports, pharmaceuticals & biotechnology, the digital economy, real-estate, and aerospace.

# Overview

- International Treaties
- Enforcement of Decisions / Judicial Cooperation / Arbitration
- Verification of Documents / Apostille
- How To Start a Business in France
- Establishing a Company
- Restrictions on foreigners owning shares / real estate
- Debt financing / typical security package
- IP



# International Treaties

## Energy

- Energy Charter Treaty (1994)
- International Energy Forum Charter (2011)

## IP

- Member state of the World International Patent Organisation (WIPO, 1883)
- Member state of the European Patent Organisation (EPO, 1977)

## Finance

- Agreement of the International Monetary Fund (IMF, 1945)
- Member state of the International Bank for Reconstruction and Development (IBRD), the International Finance Corporation (IFC) and European Bank for Reconstruction and Development (EBRD) (recipient of funds)

## Terrorism and Corruption

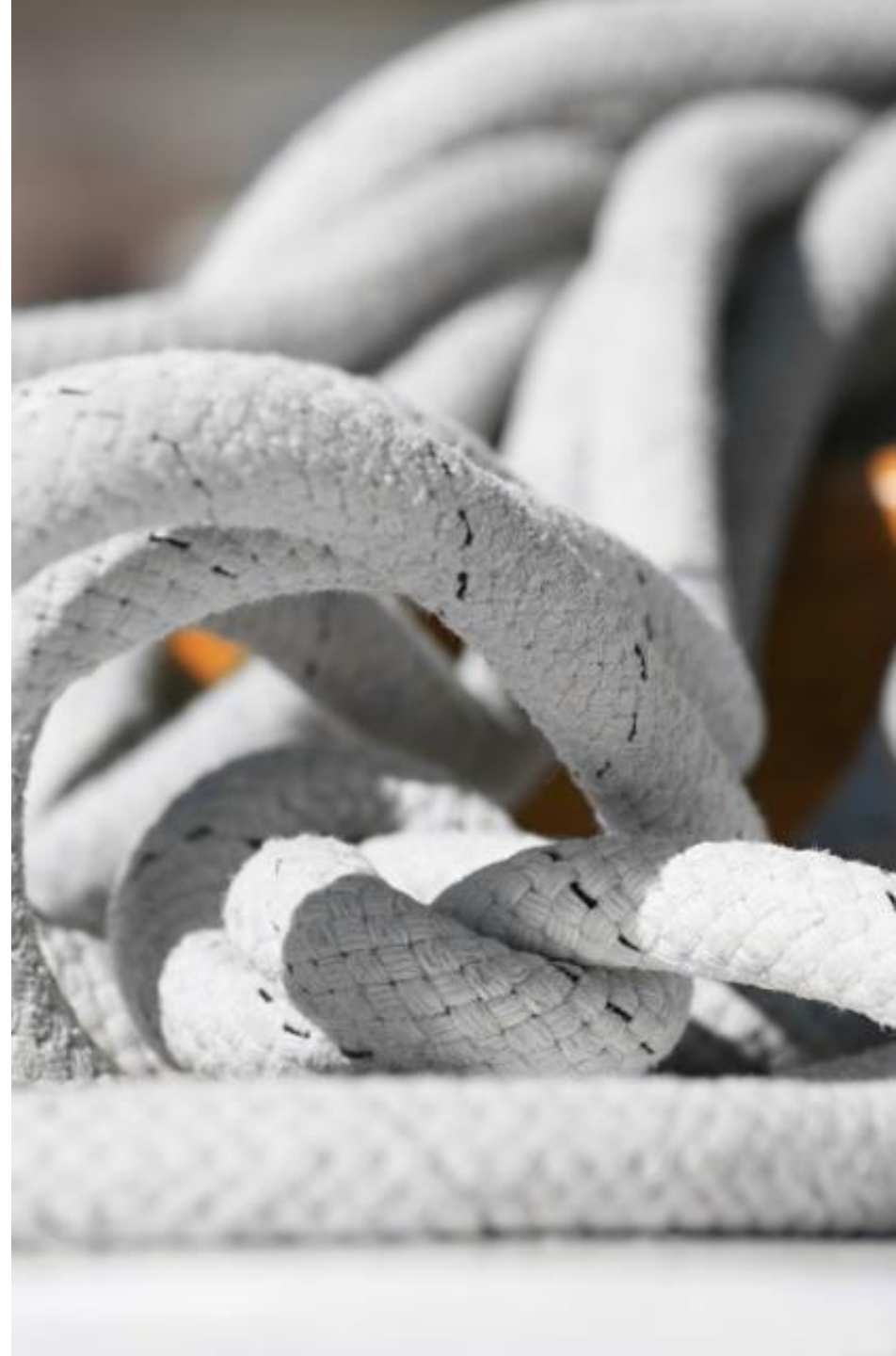
- UN International Convention for the Suppression of the Financing of Terrorism (1999)
- UN Convention against Corruption (2003)





# International Treaties

- Agreement between the Czechoslovak Socialist Republic and the French Republic on the economical cooperation in industry sector (1993)
- Payment treaty between the Czechoslovak Socialist Republic and the French Republic (1993)



# Enforcement of Decisions / Judicial Cooperation

- **New York Convention** on the Recognition and Enforcement of Foreign Arbitral Awards (New York, 1959) ✓
- Regulation No. 1215/2012 of the European Parliament and of the Council of 12 December 2012 on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters (**Brussels Regulation**) ✓
- **Hague Convention** of 30 June 2005 on Choice of Court Agreements (Hague Convention) ✓





# Verification of Documents / Apostille

## Hague Convention on Apostilles

Verification of **French documents** for use in the Czech Republic

- les Procureurs généraux près les Cours d'appel

Verification of **Czech documents** for use in France

- Ministry of Foreign Affairs of the Czech Republic (documents issued by administration)
- Ministry of Justice of the Czech Republic (documents issued by judicial authority or notary)



# How To Start a Business in France

## **Entreprise Individuelle**

- a sole proprietorship

## **Entreprise Individuelle à Responsabilité Limitée**

- a company with no personal liability and without the need to form a separate legal identity

## **Société à Responsabilité Limitée**

- the most common type of business in France for small to medium sized companies

## **Société Anonyme Par Actions**

- the most frequently used business model for large companies.



# Establishing a Company

## **Société à Responsabilité Limitée / LLC**

- formed with two to 100 individual partners (human or corporate)
- No starting capital required (minimum of EUR 1 shared capital)
- The company managers are appointed by the shareholders
- transfer of company shares between shareholders is free of charge

## **Société Anonyme Par Actions / PLC**

- a minimum of seven corporate or human individuals (at least one person)
- a minimum capital share of EUR 37,000
- a board of directors (from three to 18 people)

# Restrictions on foreigners owning shares / real estate

## SHARES

- No restrictions
- Though when investing in sensible branches (security, defence, nuclear technology, etc.) or from outside the European community, either a prior declaration or an authorisation has to be required from the French Ministry of Economy and Finance.

## REAL ESTATE

- No restrictions



# Debt Financing / Typical Security Package

## Debt financing

- Typically based on LMA standard.

## Typical security package

- Pledge granted by Borrower over the shares held in the material subsidiaries
- Bank account pledge agreements granted by Borrower and the Material Subsidiaries (subject to compliance with up stream guarantee rules)
- Intra Group receivables pledge agreement granted by Borrower and the Material Subsidiaries (subject to compliance with up stream guarantee rules)
- On-going Business Pledge agreement granted the Material Subsidiaries (subject to compliance with up stream guarantee rules)
- Pledge over the receivables that may arise from the acquisition agreement granted by Borrower

# IP Protection

## Trade marks

- protected for 10 years infinitely renewable.

## Copyright

- There is no need to apply for copyright; protection arises on creation.

## Patents

- protected for 20 years (or 25 years in a few cases) without possibility to extend the duration of the protection

## Design and models

- protected for 5 years, renewable through 5 years periods within max. 25 years.





# Questions?



# Thank You!



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We would be pleased to provide you with any further information about any of our offices, lawyers, practice areas or expertise (as well as our fees policy) which you might require. Should you have any questions, all contact information is available on: [www.kinstellar.com](http://www.kinstellar.com)

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