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French Law in Response to the COVID-19 Epidemic

25 March 2020

On 22 March 2020, the French Parliament adopted a law No 2020-290 declaring a public health emergency and addressing various health and economic issues arising from the Covid-19 epidemic and subsequent lockdowns (the "Law"). The Law was adopted following a fast-track legislative process only five days after the Prime Minister submitted the bill to Parliament. The Law was enacted by President Macron on 23 March 2020 and entered into force on the same day. This update provides a brief summary of the main provisions of this Law, pending the adoption of implementing governmental ordinances that are likely to be published on 26 March 2020.

Declaration of a public health emergency. The Law declares a state of public health emergency for a two-month period from 23 March 2020. Any extension would have to be authorized by the Parliament. During that period, the Prime Minister is allowed to take specific measures nationwide by decree (executive order) to address the current health issues, including:

- restriction of the freedom of movement;
- lockdowns;
- control of the prices of some necessary products;
- temporary closure of establishments open to the public, except those that offer essential goods and services;

Law No 2020-290 dated 23 March 2020, available in French at https://www.legifrance.gouv.fr/affichTexte.do?cidTexte=JORFTEXT000041746313&dateTexte=&categorieLien=id.



- requisition of goods and services necessary to address the health disaster; and
- any measure to provide medicine and drugs necessary to eradicate the virus.

On 23 March 2020, the Prime Minister issued a decree No 2020-293 setting up the details of the above-mentioned restrictive measures.² As any decree, it may be challenged before the usual French administrative courts.

The Law provides that failure to comply with requisitions is a criminal offence punishable by up to six months' imprisonment and/or a \leq 10,000 fine. Violations of lockdown measures are punishable by a \leq 135 fine, a \leq 200 fine in the case of recidivism within 15 days³ and up to six months' imprisonment and a \leq 3,750 fine if more than three violations are reported within 30 days.

Authorization to use ordinances to adapt the legislative framework. The Law gives the government permission to use ordinances to adapt specific aspects of the French legislative framework during the state of public health emergency. They include the following:

- **Labor law**. The government may take measures to limit termination of employment contracts, mitigate the effects of a decline in activity and make the French labor law framework more flexible, including through the ability for employers to use short-time working, the possibility of imposing up to six days of paid holidays and the modification of mandatory rules relating to the information and consultation of employees' representatives or works councils.
- Business law. The government may take measures that would lighten companies'
 obligations towards their clients and suppliers, including payment deadlines. It may
 also adapt the legal framework of insolvency proceedings to the current
 circumstances.

The Law also gives the government permission to adapt company law, including the rules governing general meetings, board meetings, approval and publication of accounts or other documents that legal entities are required to publish and the allocation of profits and payments of dividends.

Decree No 2020-293 dated 23 March 2020, available in French at https://www.legifrance.gouv.fr/affichTexte.do?cidTexte=JORFTEXT000041746694&categorieLien=id.

Decree No. 2020-357 of 28 March 2020
https://www.legifrance.gouv.fr/affichTexte.do?cidTexte=JORFTEXT000041763219&dateTexte=&categorieLien=id



- Economic measures. The government may step in to assist companies in surviving the economic situation, including through the creation of a fund benefiting companies facing difficulties because of the epidemic, the increased ability for the French State Investment Bank (BPI France) to grant guarantees and the possibility for small businesses to postpone the payments of rent, gas, electricity and water bills.
- Measures affecting the justice system. French courts are now essentially closed except for the most urgent matters. The government may modify deadlines before courts and adapt, interrupt, suspend or postpone time limits provided for by statutes of limitation. Rules governing the conduct of civil and criminal courts proceedings may also be amended, as well as provisions relating to custody, pre-trial detentions, house arrest with electronic monitoring or imprisonment.

Ordinances must be adopted within two months from 24 March 2020 and, where relevant, may enter into force retroactively as of 12 March 2020. The government has announced that 25 ordinances covering various issues have been adopted on 25 March 2020 and should be published on 26 March 2020.

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Please do not hesitate to contact us with any questions.



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