



THE FRENCH LAW OF 2008 ON THE MODERNISATION OF THE ECONOMY
Business concept and categories

BUSINESS CONCEPT AND CATEGORIES REGARDING THE FRENCH LAW OF 2008 ON THE MODERNISATION OF THE ECONOMY

BUSINESS OR LEGAL UNIT?

With the French law of 2008 on the modernisation of the economy, a business is now looked at from the standpoint of its economic substance – which includes the concept of a group – rather than its legal form, as identified by the French business identification number [Siren]. It is a legal unit if it is independent, a standalone section of a group or an entire group.

Depending on its number of employees, its turnover and its balance sheet total, it is categorised as a micro-business, an SME, an intermediate-sized enterprise or a large company:

- A micro-business employs less than 10 people and have an annual turnover or a total of balance sheet not exceeding €2 million.
- A small and medium-sized enterprise (SME) employs less than 250 people and have an annual turnover not exceeding €50 million or a total of balance sheet not exceeding €43 million.
- An intermediate-sized enterprise does not belong to the SME category, employs less than 5,000 people and have an annual turnover not exceeding €1.5 billion or a total of balance sheet not exceeding €2 billion.
- A large company is a statistical business not classified in the previous categories.

Chart – Business categories regarding the French law of 2008 on the modernisation of the economy

Turnover	Total of balance sheet	Employees			
		Less than 10	From 10 to 249	From 250 to 4,999	5,000 and more
Up to €2 million	Up to €2 million	Micro-business	Small and medium-sized enterprise (SME)	Intermediate-sized enterprise	Large company
More than €2 million up to €50 million	Up to €2 million More than €2 million	Micro-business			
More than €50 million up to €1,5 billion	Up to €2 million	Micro-business	SME		
	More than €2 million up to €43 million More than €43 million	Micro-business			
More than €1.5 billion	Up to €2 million	Micro-business			
	More than €2 million up to €43 million				
	More than €43 million up to €2 billion More than €2 billion				

Source : France Stratégie.

As this definition is not yet in widespread use in France, the legal unit remains the reference in certain analyses.