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France

1 Covid-19 impact on civil proceedings

1.1 Time limits in civil proceedings

Time limits (procedural), including limitation periods, expiring between 12/03 and the end of the state of emergency period +1 month are extended. At the end of the aforementioned period, all time limits resume normally but within a limit of 2 months. The extended period does not however restrain parties to seek remedy or to exercise their rights of action in any possible manner during the state of emergency period, to the extent possible.

In principle, performance duties and time limits provided for in contracts are not affected, national law being applicable to specific circumstances (force majeure etc.) will apply. However, contractual sanctions of non-performance from debtor (penalty clause, termination clause etc.) are temporarily lifted in order to take account of enforcement difficulties.

Contract penalties, renewals and notice periods provided by law are also suspended or extended.

1.2 Judicial organization and Judiciary

Between March, 17 and May 10, courts have dealt only with urgent cases (hearing regarding civil freedom and custody in civil matter, enforcement, child protection, family court urgent case, including protection orders, and emergency interim proceedings).

Courts have progressively resumed activity since 11 May in all matters.

In case a court cannot work, another court can be designated to deal with urgent cases.

Parties are informed of the court decisions by all means, in particular by email or by phone (decisions will not be considered as served to the recipient). Concerning protective measures for children and adults, those that expire during the state of emergency period are automatically extended, unless the judge decides otherwise.

Time periods for enquiry and mediation measures are suspended and are extended by an additional three months as of 23 June 2020.

Heads of courts will be able to regulate the flow of people entering the jurisdiction and define the number of people allowed to enter a courtroom to ensure compliance with the rules of physical distancing.

They may also be seized by any means of a request from persons wishing to attend the hearing where access is limited.

Where an audiovisual or other electronic means of communication is used to hold a hearing, the hearing may not be held in a single location.

Finally, it is recalled that the means of communication used must guarantee the secrecy of the deliberations.

1.3 EU Judicial Cooperation

Regarding judicial cooperation, requests are handled normally.

Family cooperation (Regulation 2201/2003): In the field of international child abduction and protection of children, the French central authority caseworker telework most of the time and come to the office one day per week at least. It means that all the new requests may be sent by post, fax or e-mail.

Taking of evidence (Regulation 1206/2001): The requests are normally dealt with. The processing time may be a little bit longer since the caseworker teleworks and comes to the office one day by week to deal with the requests received by post or by fax.

Service of documents (Regulation 1393/2007): Under the current circumstances, service of documents may be slowed down. Electronic service can be performed on the condition that the recipient has given prior consent.

The French Central Authority under these three regulations (2201/2003, 1206/2001, 1393/2007) continues to communicate by email (entraide-civile-internationale@justice.gouv.fr) but also by letter or by fax.

The French Central Authority under regulation (CE) 4/2009 relating to maintenance obligations communicates by email:

obligation.alimentaire@diplomatie.gouv.fr

2 Insolvency related measures adopted or planned for adoption in member states after the outbreak of the pandemic

2.1 Substantive insolvency measures and related contracts affecting measure

2.1.1 Insolvency suspension

2.1.1.1 Suspension of duty to file for insolvency (debtors)

2.1.1.2 Protection of debtors about insolvency filing from creditors

2.1.2 Claim enforcement suspension and contract termination suspension

2.1.2.1 General / specific moratoria on claims enforcement / certain types of claims enforcement

Ordinance 2020-596 provides that the debtor may request the president of the court to grant a general stay for the duration of the conciliation proceeding. During this proceeding, the conditions to grant a "grace" period are also alleged.

See Ordinance 2020-596 - 20 may 2020.

Reminder (measures which are not specific to the covid-19 context):

In the course of judicial reorganization proceedings (procédures de sauvegarde ou de redressement judiciaire), a general stay of individual enforcement actions is applicable (with specific exceptions).

Before the opening of a liquidation proceeding (procédure de liquidation judiciaire) or a judicial reorganization proceeding (procédure de sauvegarde ou redressement judiciaire), an informal and confidential proceeding (conciliation proceeding) may be opened at the request of the debtor. If a creditor brings a non-judicial or judicial action against the debtor during the conciliation proceeding, the debtor may request the president of the court to grant him a "grace"

2.1.2.2 Suspension of contract termination (general / specific contracts)

Reminder (measures which are not specific to the covid-19 context):

In the course of judicial reorganization proceedings (procédures de sauvegarde ou de redressement judiciaire), the commercial code prevents creditors from terminating or modifying essential executory contracts to the detriment of the debtor.

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2.2 Civil, including insolvency courts suspension and procedural suspensions

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2.3 Other insolvency measures (those relating to avoidance actions, reorganization plans, informal agreements, and others if appropriate)

Ordinance 2020-596 provides the possibility for the court to grant to the debtor a modification and extension of the duration of its judicial reorganization plan. Grantors of new or interim financing during judicial reorganization proceedings may be entitled to receive a specific privilege (priority of payment in case of subsequent insolvency). This privilege is be granted by the court under specific conditions.

Simplified liquidation proceedings for sole entrepreneurs and small businesses are facilitated.

See Ordinance 2020-596 - 20 may 2020.

2.4 Related non-insolvency measures (payment deferrals, bank loans, social security, health insurance, business subsidies)

The main emblematic measures are the following:

Economic and financial measures in order to support business activities: a state guarantee scheme is applicable to new money loans granted by financial institutions (with specific conditions to fulfil).

Social measures: businesses may request for a partial activity scheme under unusual circumstances.

For more information, please refer to: https://www.economie.gouv.fr/covid19-soutien-entreprises/les-mesures

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