



UNDERSTANDING THE MICRO-ENTREPRENEUR LIMITS

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Since 2014, the French government established a legal, simplified business status called the micro-entreprise which is described as «the pay-as-you-go system». It is aimed at reducing the taxes and financial costs of running a small business in France.

However, it has some set turnover levels above which the micro-entrepreneur must change their legal status. Beyond this point, you need to become a sole trader (entreprise individuelle) or create a new legal status: A company (société).

Turnover limits 2018 for revenue 2017

- ☐ Service based business, or a 'professional' activity: the turnover cannot exceed 70,000€ per year.
- ☐ Commercial sales, bar/restaurant or furnished accommodation have a turnover limit of 170,000€ per year.

The turnover limits are calculated per year (12 months). If the beginning of the activity is mid-year (1/7) the turnover limits are divided by 2 (35,000€ for services and 85,000€ for commercial sales) (prorata temporis).

The micro-entrepreneur can follow up the limit monthly (5,833€ for services and 14,167€ for commercial sales), it's an average. The aim being to stay under the annual turnover limits.

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