



LA GARANTIE  
DES SALAIRES

BUSINESS REPORT  
WORKING TOGETHER  
TO SHAPE THE FUTURE

2017

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The Association for the Management of Employee Claims (French acronym AGS), an employer organisation founded in 1973, is tasked with guaranteeing, in the event of protection, receivership or liquidation proceedings, the payment of wage claims resulting from the performance of employment contracts.

Pursuant to a management agreement between AGS and Unédic, the technical and financial management of AGS is handled by an institution specifically created for that purpose: the Délégation Unédic AGS (DUA).

DUA works alongside AGS, performing three fundamental missions on its behalf:

- Advancing the funds required to settle employee claims,
- Recovering the sums advanced, as and when protection plans and recovery plans are implemented, businesses are sold or companies are wound up and their assets are sold off,
- Defending the legal interests of the guarantee scheme.

The wage guarantee scheme is financed by employer contributions. The AGS Board of Directors sets the contribution rate for employers and is responsible for ensuring the scheme remains financially balanced. This is achieved by ensuring that the level of advances, recoveries and contributions are always on an even keel.

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DUA's Service Commitments Charter (référentiel d'engagements de service), which applies to all its activities and all its sites, has obtained the Qualicert certification. This means we are expected to demonstrate our strict compliance with each of the commitments, with a view to delivering a consistently high quality service.

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**Jean-François Climent**  
Chairman of the Board  
of Directors of AGS

# WORKING TODAY TO PREPARE FOR TOMORROW'S CHALLENGES

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e are now seeing a sustained decrease in the number of new insolvency proceedings each year, thanks to the more favourable economic climate.

This reversal of the trend was first observed in 2015, and gained momentum in 2016 and 2017. As a result, AGS activity is now once again on a par with pre-crisis levels.

Against this backdrop, it is with great satisfaction and confidence that I have observed DUA staff members' renewed determination to rise to the challenges facing us, and their forward-looking approach. The essential transformation of our organisation and operational methods is proceeding at a brisk but controlled pace.

AGS must retain its focus on its mission to serve employees, companies and all its partners. AGS has a strong sense of social responsibility and is tirelessly dedicated to providing the highest quality service. It will continue to work in this direction, always seeking to identify new areas for improvement to achieve optimum service levels.

In 2017, DUA launched or pursued a number of flagship projects within the context of its plan for operational change: the New Litigation Policy, an increasingly paperless working environment (based on scanning and digital technologies), close partnerships with insolvency practitioners, and staff skills-building.

By focusing on these vectors for change, AGS will successfully evolve in line with an ever-changing working environment, and will be ready to take on board the latest technological developments.

There is no doubt that stakeholders appreciate the efforts being made by DUA; the esteem in which AGS is held in judicial and business circles for our role in insolvency proceedings is one of our key strengths. We share a deep sense of pride in the recognition given to our efforts - it is our duty to remain worthy of it.

» **AGS has a strong sense of social responsibility and is tirelessly dedicated to providing the highest quality service. It will continue to work in this direction, always seeking to identify new areas for improvement to achieve optimum service levels.”**

# WORKING TOGETHER TO BUILD A STRONG FUTURE

## **What is your analysis of the current economic situation?**

Growth in France reached +1.9% in 2017, and the outlook for 2018 is encouraging. This improvement has triggered an increase in company investment, further aided by even lower interest rates. Against this backdrop, we have seen a significant reduction in the number of company failures. AGS advances had risen above the €2 billion bar in 2015, but fell back in 2017, to a level consistent with the average figure of €1.5 billion recorded prior to the 2008-2009 crisis. The fall in the number of insolvency proceedings was observed in every size of company. However, there is still need for caution. The central banks have indicated that they plan to review the current lending policies, and this will push interest rates back up. In France, which is penalised by its trade deficit and its precariously balanced budget, an insufficiently competitive economy could check future growth. AGS is closely monitoring trends in insolvency proceedings in order to anticipate any reversal, even if indicators are good at present. It also reduced its contribution rate twice in 2017, thus bringing down costs for businesses.

## **What is your opinion of the recent regulatory reforms?**

The ordinances of 22 September 2017 that heralded the reform of France's employment laws were met with interest and hope. However, it is regrettable that the proposals for special measures for insolvency proceedings submitted by AGS, with the backing of its partners and several official commentators, were not taken on board. Past experience has clearly shown that ordinary rules of law are not easily transposable to a company placed in compulsory liquidation without any continuity of operations. On a positive note, these ordinances should reduce the number of legal actions contesting redundancies. AGS wholeheartedly supports the introduction of compensation scales and caps on the amount of damages that employment tribunals can award. This will ensure greater legal certainty, by removing the uncertainty surrounding the amounts of damages that can be claimed by former employees. In the case of insolvency proceedings where redundancies are inevitable, it is essential that available funds are used to help employees find new jobs rather than to compensate for jobs lost.

## **Can you describe DUA's new major reform?**

The New Litigation Policy (NLP) integrates the recent reforms to Employment Tribunal proceedings (Conseil des Prud'hommes) and appeal proceedings, and will redefine relations between DUA and its lawyers. AGS staff will be more closely involved in preparing briefs for lawyers, and in monitoring litigation cases at every stage. The NLP also encourages amicable dispute resolution solutions. DUA has high hopes for this new policy, which will be rolled out gradually.

## **Is the AGS accreditation scheme still ongoing?**

Following the AGS Accreditation Committee meeting held on 11 January 2018, 138 firms had been awarded the AGS Label, which corresponds to almost 50% of the profession. Recipients of the AGS Label sign a partnership agreement including a Service Offer, which facilitates dialogue and data exchange by eliminating certain preliminary checks when processing standard cases. This is counterbalanced by ex post checks on a sample of files processed within the framework of the Service Offer in the past quarter. The results of these checks are satisfactory in most cases, and DUA will work closely with any firms that are experiencing difficulties..

## **How do you view 2018?**

We can be reasonably optimistic about the economic outlook. However, some uncertainties remain and there is still a need for caution. AGS' strengths in the face of future change are its capacity to react and innovate, its openness to its environment and the quality of its relationships with its partners.

A portrait of Thierry Méteyé, a middle-aged man with short brown hair, smiling. He is wearing a dark grey suit jacket, a light blue shirt, and a blue tie. He is sitting in a black leather chair. The background is a blurred office setting with green and blue elements. A white diagonal graphic element is on the left side of the image.

**Thierry Méteyé**  
National Director,  
Délégation Unédic AGS

» In the case of insolvency proceedings, it is essential that available funds are used to help employees find new jobs rather than to compensate for jobs lost.”

# 2017 In IMAGES



## AN EAGERLY AWAITED EVENT

On 17 November, AGS lawyers, experts and personalities with specialist expertise came together in Paris for the National Legal Professionals' One-Day Conference (Journée Nationale des Avocats).

**Topics addressed at this year's conference included the ongoing reforms of the Labour Code and employment litigation, and the New Litigation Policy gradually being introduced by DUA.**

For the first time ever, all DUA staff were able to follow the morning's events through live streaming.

## QUALITY OF SERVICE: AN ON-GOING COMMITMENT

The Qualicert certification, which was obtained in October 2016 for three years, needs to be reconfirmed each year. The findings of the first oversight audit carried out in October 2017 by SGS - an independent body accredited by COFRAC - confirmed our certification.



WWW.QUALICERT.FR

## SIGNIFICANT CASES

**AGS intervened in several high-stake cases, in a range of sectors.**

- Clothing: compulsory liquidation of MIM (1,524 employees) and Agora-Tati (1,754 employees)
- Food industry: sale of the Financière Turenne Lafayette group (1,712 employees).
- Metallurgy: compulsory liquidation of GM&S (283 employees) and Lorraine Tubes (237 employees).

It was appointed Controller in 474 cases.

## REFORM OF THE FRENCH LABOUR CODE (*CODE DU TRAVAIL*)

Following an Enabling Bill passed in Parliament, the reform of the French Labour Code was unveiled in ordinances in September 2017. Several measures will affect AGS, including in particular the introduction of a mandatory scale of compensation for dismissals, with minimum and maximum amounts, based specifically on the employee's length of employment with the company. This will facilitate an early evaluation by AGS of the costs of litigation relating to wrongful dismissals and dismissals without just cause.





## INITIAL CONTACT WITH MAYOTTE

**Members of DUA travelled to Mayotte in November, to mark the introduction of its Labour Code on 1 January 2008.**

They presented AGS and its activities to personalities from the economic world, members of the judiciary and senior civil servants. They also evoked the two-year transition period, which will expire on 26 November 2018 when the full guarantee scheme comes into operation.

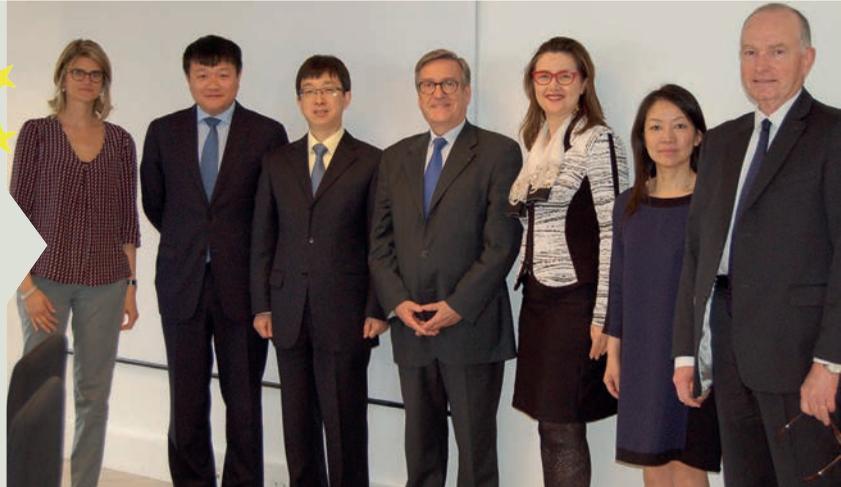


## SAINT PETERSBURG UNIVERSITY SYMPOSIUM

On 25 May, members of DUA attended the fifth symposium to promote bilateral cooperation between the Moscow Higher School of Economy and the Nice Sophia-Antipolis Faculty of Law, represented by Professor Pierre-Michel Le Corre. Participants were able to compare French and Russian legislation on companies in difficulty.

## FRANCO-CHINESE MEETING

In May, AGS welcomed representatives from the Embassy of China in Paris. The meeting, which was organised by the MEDEF Business Confederation's France China Committee, provided an opportunity for DUA to share its expertise with the Chinese authorities, who are considering setting up a wage protection system along the lines of the French model.



## MEETING WITH OUR PORTUGUESE COUNTERPARTS

On 8 September, members of DUA met representatives of the Portuguese Insolvency Fund. At the meeting, they gained a better understanding of the Portuguese Fund's approach to implementation of the Directive on employee protection in the event of employer insolvency, which is based on a simplified social security mechanism and minimum guarantees.



# KEY FIGURES FOR 2017

The key figures for AGS activity in 2017 constitute a reliable indication of trends and provide an overview of AGS indicators.



## COMPANIES & INSOLVENCY PROCEEDINGS

**22,916** | **-8.8%**  
AGS cases opened<sup>(1)</sup> | compared to 2016

The number of AGS cases opened in 2017 has fallen sharply compared to 2016, and is lower than at any other time in the past 10 years.

	Number of AGS cases opened	Change compared to 2016
Companies with less than 10 employees as at CO <sup>(2)</sup>	19,834	-8.4%
Companies with 50+ employees as at CO	285	-24.6%
O/w companies with 100+ employees as at CO	112	-17.0%

<sup>(1)</sup> Excluding cross-border cases

<sup>(2)</sup> CO: court order starting the proceedings



## ADVANCES

**€1,549** | **-11.3%**  
million advanced | compared to 2016

The amount of funds advanced fell sharply in 2017, reaching the level recorded before the economic crisis.



## RECOVERIES

**€697** | **-3.8%**  
million recovered | compared to 2016

Recovered amounts logically fell in 2017 as compared to 2016, given that less funds had been advanced in the previous three years.



**194,480** | **-10.6%**

wage guarantee beneficiaries | compared to 2016

The number of employees benefiting from the AGS wage guarantee fell for the fourth consecutive year. The 2017 figures are some of the lowest ever since the creation of DUA.



2017

### GUARANTEE CEILINGS

< 6 months ceiling 4 = €52,304	6 months - 2 ans ceiling 5 = €65,380	> 2 years ceiling 6 = €78,456
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This ceiling varies according to length of employment on the first day of the insolvency proceedings.



### CONTRIBUTION RATE

Two different rates

**0.20%**  
and then **0.15%**

At the end of 2016, the AGS Board of Directors decided to reduce the contribution rate from 0.25% to 0.20% with effect from 1 January 2017. At its meeting of 29 June 2017, it then decided to further reduce the rate to 0.15% with effect from 1 July 2017.



### LITIGATION

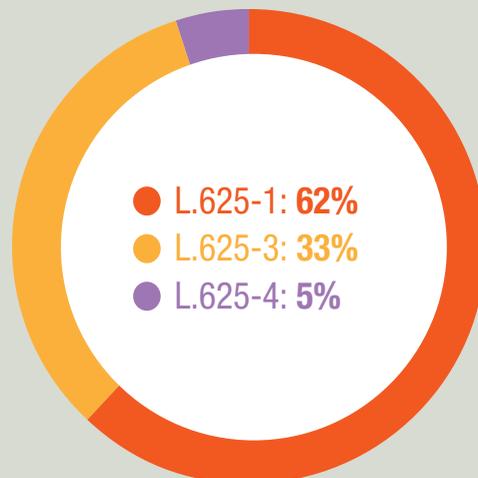
**31,680** | **-20.6%**

Employment Tribunal cases  
(number of employees) | compared to  
2016

The number of French Employment Tribunal cases has fallen significantly over the past four years, and is now at a record low.



### BREAKDOWN BY TYPE OF EMPLOYMENT TRIBUNAL CASE



# ACTIVITY

## And Key Figures

### Companies & Insolvency Proceedings

## AGS CASES OPENED 2017: THE BEST YEAR IN A DECADE

The clear improvement in numbers of company failures observed in 2016 was confirmed in 2017. Although they still relatively high, the number of insolvency proceedings (excluding protection proceedings) fell again, ending below the 55,000 threshold at the lowest level in the past ten years. This quite logically resulted in a similar sharp fall in the number of AGS cases opened. Numbers have not been this low since 2007, immediately before the economic crisis.

# 22,916

AGS cases opened in 2017

**vs 25,139 in 2016**

#### **Definition**

The number of cases opened by AGS in a given year corresponds to the number of cases for which an initial request for an advance was received in that year (irrespective of the date of the court order starting the proceedings, which may pre-date the year under review).

#### **Important**

The method used to calculate the number of cases opened is slightly different to the method used to calculate new cases, which was used as an indicator in the 2014, 2015 and 2016 Business Reports. As numbers are determined on the basis of court orders starting proceedings, a company (identified by its SIREN registration number) for which two court orders are issued starting proceedings (i.e., when a continuation plan is introduced between its receivership and its compulsory liquidation) may be counted twice, in two different years. When the number of new cases is used, the company is only counted once, when the first request for an advance is received, which may be concomitant with the first or a second court order.



# ACTIVITY

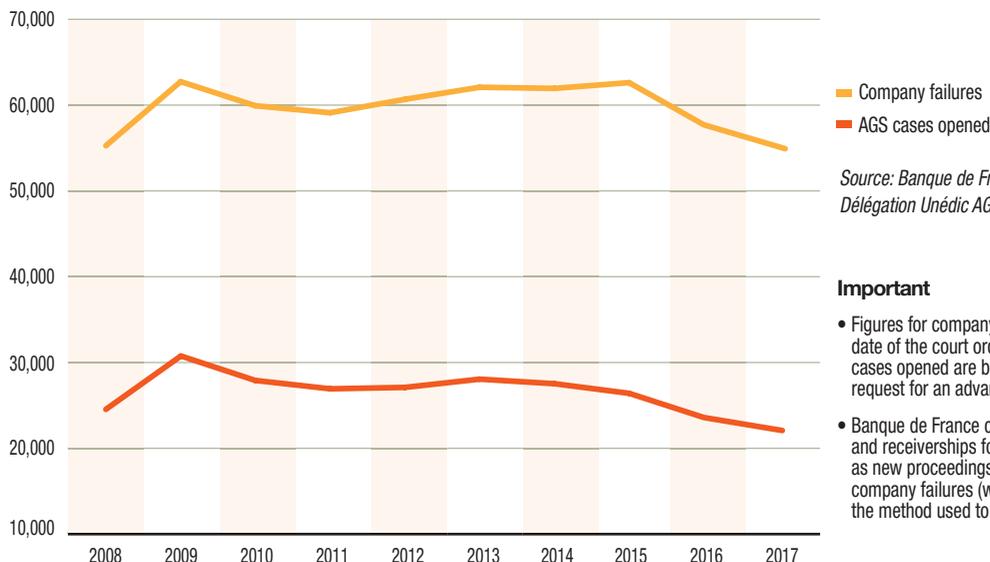
## And Key Figures Companies & Insolvency Proceedings

### COMPANY FAILURES: - 5.8%

The economic recovery observed in France in 2017 meant companies fared better, with fewer company failures. The second estimate published by INSEE (National Institute of Statistics and Economic Studies) on 28 February 2018 suggests that France's Gross Domestic Product rose on average by +2.0%, compared to +1.1% in 2016. This is the biggest increase for the last six years (+2.1% in 2011). This encouraging figure can be explained to a large extent by the acceleration of investments, both by non-financial companies (+4.4%, up from +3.4% in 2016) and households (+5.4%, up from +2.4% in 2016). However, Eurostat, the statistical office of the European Union, reported in a press release dated 7 March 2018 that French growth was lagging slightly behind the euro area as a whole (+2.3% in 2017).

According to figures published by Banque de France (cf. Stat Info, 16 March 2018), the number of company failures in 2017 - excluding companies in protection proceedings - was 54,572, which represents a 5.8% reduction compared to 2016. The construction and property sectors reported the largest decrease in company failures (-11.6% and -16.9%, respectively), while the agriculture, forestry and fishing (+6.0%) and the transport and warehousing (+5.1%) sectors continued to struggle. As a result, the number of jobs threatened by company failures has fallen. Altares estimates that, for the first time in ten years, the number has fallen below the 200,000 threshold to stand at 166,500.

Changes in number of company failures (excluding protection proceedings) and AGS cases opened, 2008 - 2017



Source: Banque de France (company failures);  
Délégation Unédic AGS (AGS cases opened)

#### Important

- Figures for company failures are based on the date of the court order, whereas figures for AGS cases opened are based on the date of the initial request for an advance.
- Banque de France considers company liquidations and receiverships following termination of a plan as new proceedings, and they are counted as new company failures (which method is consistent with the method used to calculate AGS cases opened).



## SHARP FALL IN NUMBER OF AGS CASES OPENED, FOR THE SECOND YEAR IN A ROW

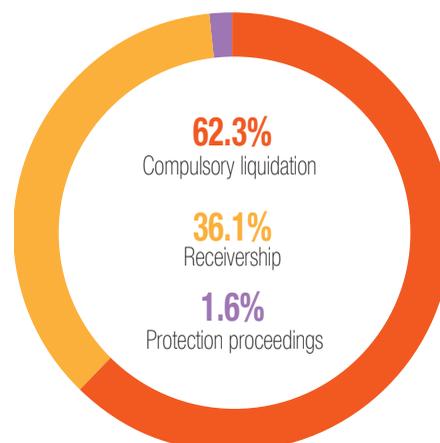
After dropping by 11.0% between 2015 and 2016, the number of AGS cases opened fell sharply once again in 2017: 22,916 cases were registered – excluding cross-border insolvency proceedings – which is 8.8% fewer than in 2016. A lower level than this has not been since since 2006, when 22,814 new cases were registered. Most new cases were registered in the first half of 2017.

### Most cases involved compulsory liquidation proceedings

Over three-fifths of the cases for which an initial request for an advance was registered in 2017 were compulsory liquidations. The breakdown of AGS cases opened by type of proceeding tends to remain stable from year to year.

Compulsory liquidation proceedings accounted for less than 50% of all AGS cases opened in Corsica only, where the most common proceedings were receiverships (51.4%). The number of compulsory liquidations was highest in Ile-de-France and Guadeloupe: 73.4% and 66.1%, respectively.

AGS cases opened in 2017 by type of proceeding



# ACTIVITY

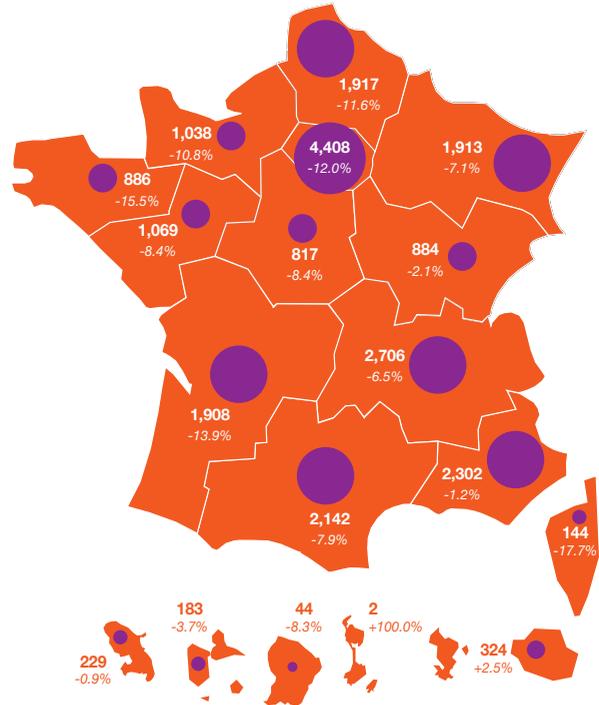
## And Key Figures Companies & Insolvency Proceedings

### Fewer cases opened in almost every region of France

As in previous years, due to its economic structure Ile-de-France was once again the region that registered the most AGS cases opened in 2017 (+19.2%), followed by Auvergne-Rhône-Alpes (+11.8%) and Provence-Alpes-Côte d'Azur (+10.0%).

Fewer cases were registered in 2017 compared to 2016 in almost every region, including in Overseas France. Only Reunion Island (+2.5%) and Saint-Pierre-et-Miquelon (two cases, compared to just one in 2016) recorded an increase. The decrease was proportionately more significant in Corsica (-17.7%), Brittany (-15.5%) and Nouvelle-Aquitaine (-13.9%).

Number of cases opened by AGS in 2017 by region, and variation compared to 2016



#### CROSS-BORDER CASES

In 2017, AGS intervened in 26 new cross-border cases, which is six more than in 2016. These cases can be broken down as follows: 11 for Belgium, 3 for Germany, Spain and the UK, 2 for Luxembourg and the Netherlands, 1 for Austria and Denmark.

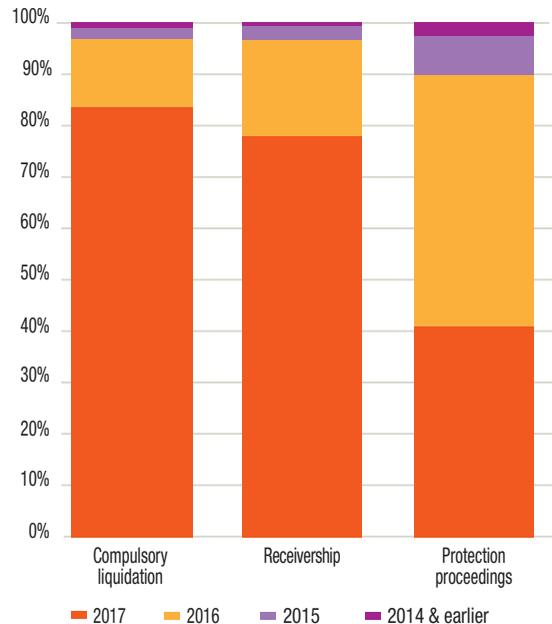
*Pursuant to Directive 2002/74/EC of 23 September 2002 on the protection of employees in the event of the insolvency of their employer, AGS intervenes whenever a claim for an advance is submitted by an insolvency practitioner in the context of insolvency proceedings in another European Union Member State.*

## NUMBER OF CASES OPENED BY AGS, ACCORDING TO INITIAL COURT ORDER DATE

### Over 95% of the cases opened concerned proceedings started in the past two years

80.7% of all cases opened by AGS in 2017 concerned proceedings started in the same year, while 15.8% concerned proceedings started in 2016. The predominance of this two-year period applies irrespective of the type of compulsory court-ordered proceedings. However, company protection proceedings are different, in that almost half of them were started in 2016, one year before the initial request for an advance, which is consistent with the terms of AGS' intervention in such proceedings. In protection proceedings, no outstanding amounts are owed to the employees on the date the court places the company in protection proceedings, and the AGS guarantee is limited to claims resulting from redundancies made during the observation period or in the month following adoption of the protection plan.

Breakdown of AGS cases opened in 2017 according to date of the initial court order



# ANALYSIS OF AGS CASES OPENED ACCORDING TO TYPE OF COMPANY

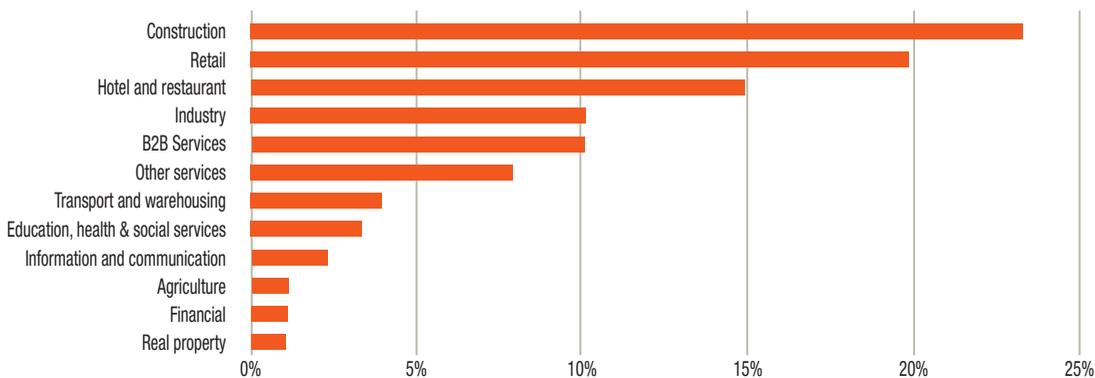


## Fewer new cases in most business sectors

The number of new cases opened fell compared to 2016 in most sectors. The only sectors to experience an increase in cases opened were the transport and warehousing sector (+5.8%) and, to a lesser degree, the education, health & social services sector (+0.8%). As in 2016, the most marked relative declines were observed in real property (-20.4%) and construction (-18.6%).

Despite the construction sector consistently accounting for the largest proportion of cases opened each year, the number of company failures in this sector has fallen substantially over the past two years.

## Breakdown of AGS cases opened in 2017 by business sector (according to NAF business codes, version 2, 2008)

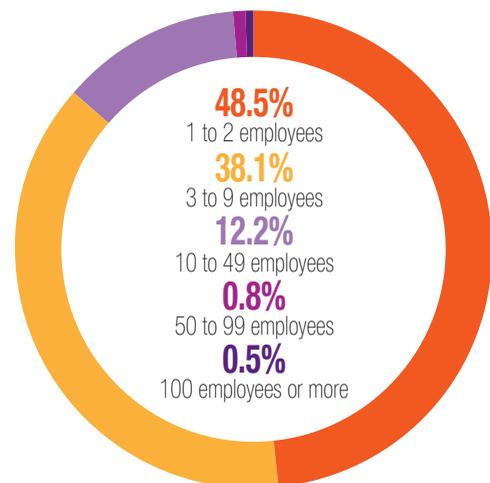


## Marked reduction in cases opened in companies with 50 employees or more

By far the greatest majority of cases opened by AGS each year concern small companies. In 2017, 86.6% of new cases concerned companies with less than 10 employees, with companies with 50 employees or more representing only 1.2% of all new cases.

It is significant that the number of cases opened fell in all groups. The reduction was fairly marked in companies with over 50 employees (-24.3%), lesser so for companies with less than 10 employees (-8.3%).

## Breakdown of AGS cases opened in 2017 by headcount at the time of the court order



# ACTIVITY

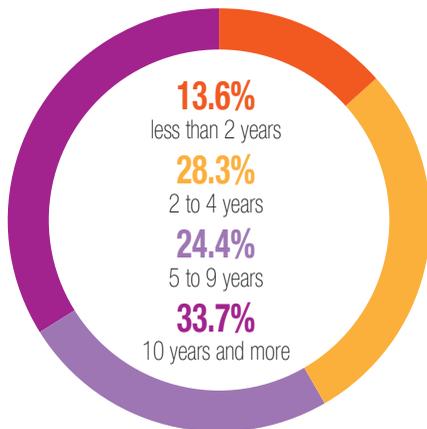
## And Key Figures Companies & Insolvency Proceedings

### Companies in existence for five years or more were hardest hit

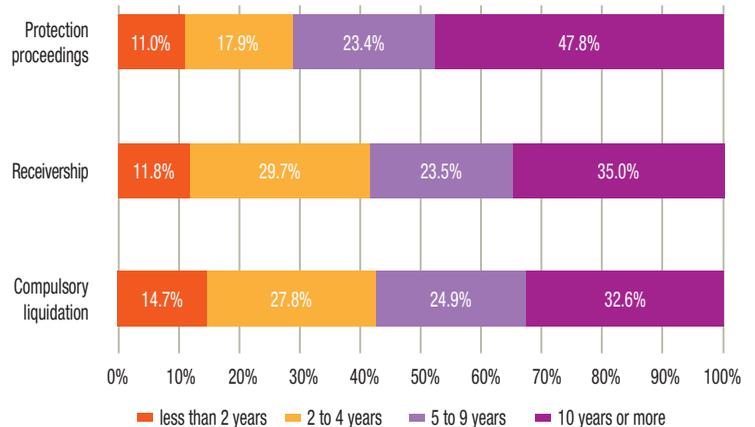
Companies in existence for five years or more on the date of the initial court order accounted for most cases opened in 2017 (58.1%). This was true for all types of insolvency proceedings: 57.5% for companies in compulsory

liquidation, 58.5% for companies in receivership, and 71.2% for companies in protection proceedings. Almost half of the companies in protection proceedings had been in existence for ten years or more.

Breakdown of AGS cases opened in 2017 by age of company at date of court order



Breakdown of AGS cases opened in 2017 by age of company and type of proceedings

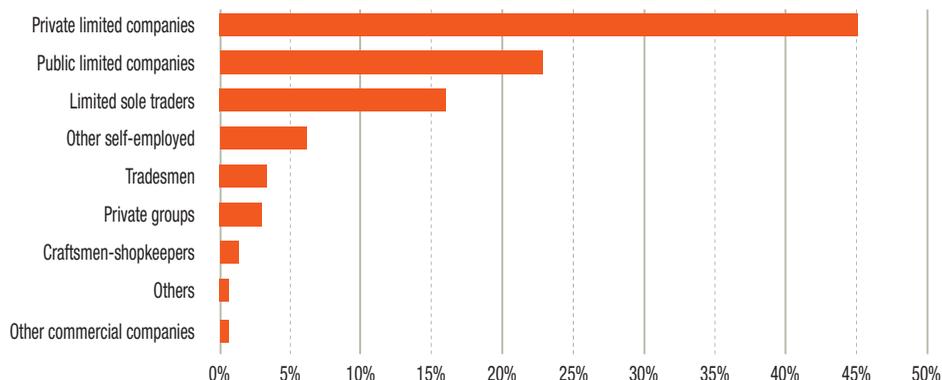


### Almost two-thirds of cases opened involve private limited companies

The breakdown of cases opened in 2017 by legal form of company (INSEE classification, also used for management of the Trade and Companies Register) shows that 85.7% of cases opened concerned commercial companies. More specifically,

62.2% concerned private limited companies (SARLs) and limited sole traders (*SARL unipersonnelles*). Tradesmen (*artisans*) and craftsmen-shopkeepers (*artisan-commerçants*) accounted for 4.5% of new cases.

Breakdown of AGS cases opened in 2017 according to legal form of company





INTERVIEW //

## CURRENT CLIMATE & DEVELOPMENTS

### Sébastien Depreux

Judicial representative and President of the IFPPC  
(Association of French insolvency practitioners)

#### What impact will the fall in the number of insolvency proceedings have on your business?

*The most salient feature is the deterioration in quality rather than in the number of cases. In the past five years, the percentage of the cases I handle where the company cannot pay has risen from 10% to 50%. In some regions of France, the figure is as high as 70%. At this rate, the Fund that finances such impecunious cases (Fonds de Financement des Dossiers Impécunieux) may not be able to do so for much longer.*

#### Will the planned PACTE law for business growth and transformation affect your profession?

*At this stage, it appears that the law will not have any major implications for judicial representatives and will not modify existing legislation on companies in difficulty. However, we need to monitor the situation as very little is currently known about the actual content of the law. Moreover, a reform of the laws on security interests has also been announced, and this may radically alter the management of companies in difficulty.*

*In terms of the proposed “professional recovery” procedure\*, both the Ministry of Economy and Finance and the Ministry of Justice have been informed that the procedure would be of greater interest if creditors’ claims were suspended from the outset, rather than simply raising the thresholds.*

*In order to shorten proceedings and facilitate recovery, we have also suggested that the time periods allowed for filing statements of claim, filing claims on property, contesting claims and confirming or adjusting estimated tax and employment liabilities be shortened in company protection, receivership and compulsory liquidation proceedings*

#### What are your priorities as the newly appointed President of the IFPPC?

*I aim to work alongside our institutions, partners and stakeholders to ensure judicial administrators can remain impartial and continue to provide a quality service, which is in the interests of businesses, employees and creditors alike. We also need to embrace artificial intelligence as a matter of urgency, as this will have a huge impact on the way we work.*

#### What was your experience of the accreditation process which led to your firm being awarded the AGS Label?

*Accreditation is important, but firms need to clearly understand what AGS expects of them. For example, I work on two different sites with a team of three people who handle employment-related matters with two separate AGS Regional Management Centres. We first had to coordinate our teams and standardise our internal procedures. Once this work was completed, the award of the Label was a source of great satisfaction for all staff members.*

» **The most salient feature is the deterioration in quality rather than in the number of cases”**

\* NdT : under which the debts of insolvent small businesses with no employees would be written off without a full liquidation process.

# ACTIVITY

And Key Figures

Companies & Insolvency Proceedings

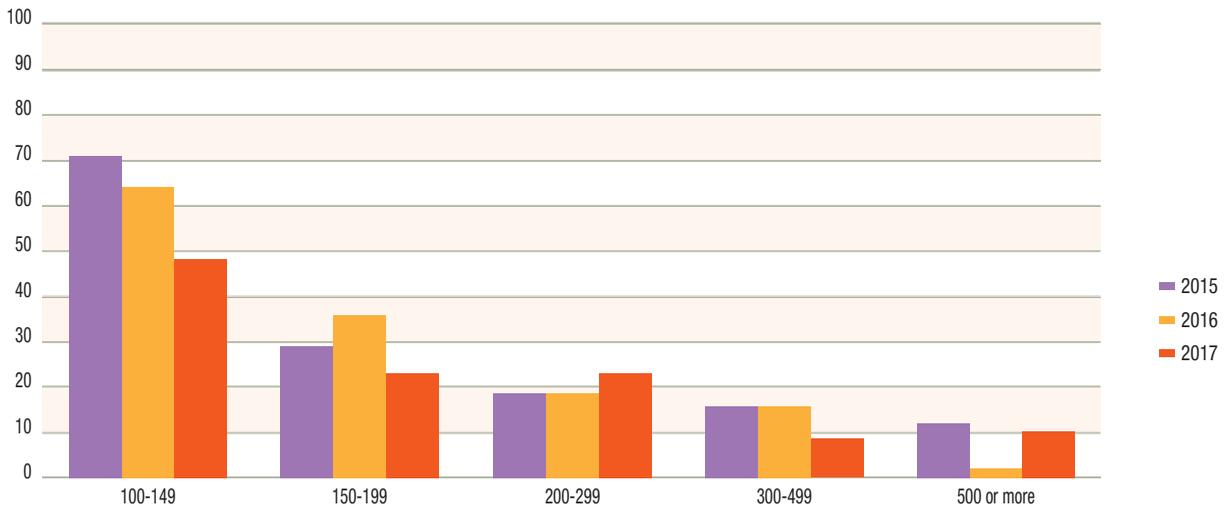


## AGS CASES OPENED INVOLVING 100 EMPLOYEES OR MORE -17.0%

AGS cases opened involving companies with 100 or more employees account for less than 1% of all cases opened each year, but represent a major financial challenge for the wage guarantee scheme.

18

AGS cases opened involving 100+ employees by company headcount



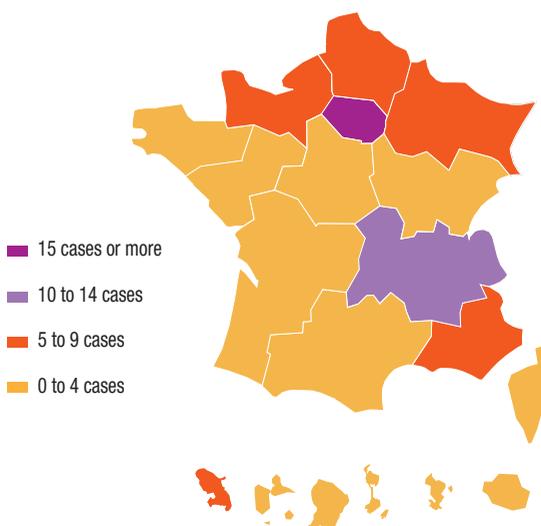
After the fall observed between 2015 and 2016, numbers dropped again quite significantly in 2017: 112 new cases were opened, compared to 135 in the previous year, spread evenly between the first and second halves of the year. The number

of new cases involving the largest companies (500 employees or more) rose significantly in 2017 to ten, compared to three in 2016.

## Ile-de-France remains predominant

As in previous years, the predominance of Ile-de-France in new cases involving companies with 100 employees or more was marked: 46 new cases (43 in 2016), i.e., 41% of all new cases. The reason for this is the concentration of businesses in the region and the fact that many insolvency proceedings concern companies operating in other regions but which have their registered office in Paris. Ile-de-France was followed by Auvergne-Rhône-Alpes with 13 cases (11 in 2016) and Hauts-de-France with 9 cases (as in 2016).

## New AGS cases opened involving 100+ employees by region



## AGS APPOINTED CONTROLLER IN MOST CASES OPENED INVOLVING COMPANIES WITH 100+ EMPLOYEES

AGS was appointed Controller in 402 of the cases opened in 2017 (at 31 March 2018), 121 of which involved companies with 50 to 99 employees and 104 of which involved companies with 100+ employees.

In 2017, AGS was appointed Controller in 474 cases, irrespective of the date of the initial court order.

*For several years now, AGS has systematically asked the supervisory judge (juge commissaire) to appoint it Controller in insolvency proceedings involving companies with 100+ employees, which have a massive economic and social impact, and also in receivership and protection proceedings involving more than 50 employees. The objective is to help save jobs while achieving the best possible outcome for creditors and a sustainable solution.*

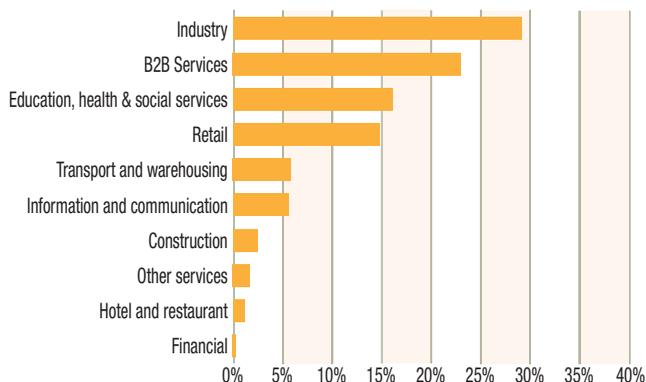
## Industry accounts for one third of cases opened involving 100+ employees

Industry is consistently the most represented sector in cases opened involving 100+ employees (37 cases in 2017 compared to 47 in 2016). It was followed by the B2B services sector (26 cases versus 33 in 2016) and education, health and social services (15 versus 14 in 2016). In cases involving 100+ employees, slightly less than 30% of the employees work in the industrial sector (35% in 2016).

## Breakdown of cases involving 100+ employees opened in 2017 by business sector



## Breakdown of number of employees in cases involving 100+ employees opened in 2017 by business sector



## Fewer compulsory liquidations

This type of case differs from other cases in several respects. While over 60% of all cases opened by AGS in 2017 concerned compulsory liquidations, 79.5% of cases involving 100+ employees concerned receiverships and only 14.3% concerned liquidations (in 2016, receiverships represented 78.5%, and liquidations 14.1%). This high proportion of receiverships in cases involving 100+ employees can be explained by the age of the companies concerned: 73.2% had been in existence for 10 years or more.

# ACTIVITY

And Key Figures  
Companies & Insolvency Proceedings

INTERVIEW //

## COMPANIES & AGS INTERVENTIONS

### Françoise Bourgin

Member (CPME) of the AGS Board of Directors and company director, CRPJ (which specialises in claims collection management).



#### What have you learned from your experience as a member of AGS' Board of Directors?

AGS has acted as a facilitator of social harmony for more than 40 years. It ensures employees of companies in insolvency proceedings receive prompt payment. Its ability to process wage claims extremely rapidly means AGS provides peace of mind to employees, who have often been traumatised by their involvement in unfamiliar proceedings.

France's wage guarantee system, which has been extremely well managed over the years, has served as a model for other countries.

National growth at the end of 2017 stood at 1.9%, a record high since 2011, and global growth picked up by more than 3%. Companies have begun to invest again, and exports rose by over 3.5%. These improvements have resulted in a substantial fall in the number of company failures. Everything augers well for 2018. If growth exceeds 2%, the number of company failures should continue to fall.

#### How do you perceive DUA's work in performance of its mandate?

AGS has become a central force in insolvency proceedings, as is evidenced by the amounts it advances and the number of beneficiaries. DUA has forged strong, harmonious relationships with judicial representatives, and also with judicial administrators who may, depending on the company's capacity, need to negotiate repayment deadlines for superpriority advances.

Such exceptional measures can only be arranged in a context of mutual trust and transparency.

AGS' increasingly frequent interventions as Controller mean it is well placed to provide courts and insolvency practitioners with informed advice.

The public authorities acknowledge AGS as a key contributor to discussions on statutory and regulatory changes concerning companies in difficulty. The social and financial stakes fully justify its involvement.

Lastly, the large number of cases in litigation is to be deplored, as they create a substantial financial burden for AGS, and also monopolise DUA staff members' time, as all such cases are closely monitored.

» Its ability to process wage claims extremely rapidly means AGS provides peace of mind to employees”

## A MARKED DECLINE IN PROTECTION PROCEEDINGS

Since 2006 and the introduction of the law on company protection proceedings, DUA has monitored the number of protection proceedings and the number of cases in which AGS intervenes.

Protection proceedings in the last five years  
(at 31 March 2017)

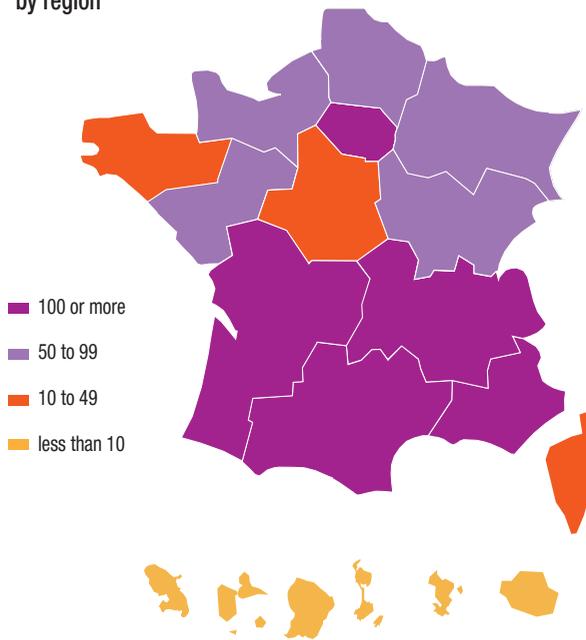
Year	Number of new proceedings	Cases involving AGS*
2013	1,678	669
2014	1,674	642
2015	1,552	465
2016	1,301	355
2017	1,192	210**

\* Including after conversion into liquidation or receivership proceedings

\*\* very provisional figure, to be confirmed subsequently

After a sharp decrease in the number of protection proceedings between 2015 and 2016, the number once again fell significantly in 2017 (8.4% less than in 2016).

### Number of protection proceedings started in 2017 by region

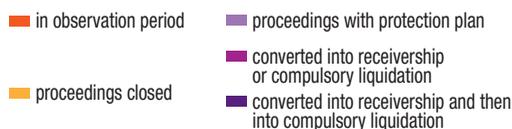


The Nouvelle-Aquitaine region recorded the greatest number of new protection proceedings in 2017, i.e., 16.6% of all proceedings. It was followed by Provence-Alpes-Côte d'Azur (14.6%) and Auvergne-Rhône-Alpes (12.5%). Ile-de-France ranked fourth, with 10.9% of all proceedings.

The retail sector accounted for the largest proportion of protection proceedings in 2017, with almost one fifth of all new cases involving companies in this sector (19.5%), followed by property (11.6%), hotels and restaurants (11.1%) and construction (10.8%).

Note that in most cases AGS intervenes after the proceedings have been converted into liquidation or receivership proceedings, and very rarely during the protection plan.

### Protection proceedings opened since 2013 (at 31 March 2018)



#### Protection proceedings started in 2013, 2014 and 2015

At 31 March 2018, more than half of these proceedings had resulted in the implementation of a protection plan (55% for 2013 and 2014, 62% for 2015), while approximately one-third were directly converted into receivership or liquidation proceedings. On average, protection plans were implemented 14 months after the start of the proceedings. The period was shorter for conversions: 6 months on average for receiverships and 8 months for liquidations.

#### Protection proceedings started in 2016

At 31 March 2018, 51% of proceedings had resulted in implementation of a protection plan, 35% were directly converted into receivership or liquidation proceedings, and 13% were still in the observation period, due to the length of time needed to prepare plans and conversions.

#### Protection proceedings started in 2017

At 31 March 2018, 68% of proceedings were still in the observation period, 9% had resulted in implementation of a protection plan and 22% were directly converted into receivership or liquidation proceedings.

# ACTIVITY

And Key Figures  
Advances

## ADVANCES NEAR PRE-CRISIS LEVEL

For the fourth consecutive year, the number of beneficiaries of the AGS wage guarantee fell significantly in 2017, to stand at one of the lowest levels ever recorded. This marked decrease has had a direct impact on the amounts advanced by AGS, which have also dropped significantly. The figure is hovering just above figures recorded between 2005 and 2008, prior to the major economic and financial crisis in 2008-2009.

**-11.3%**

Amounts advanced in 2017 vs 2016



# ACTIVITY

## And Key Figures Advances

### €1.55 BILLION PAID OUT

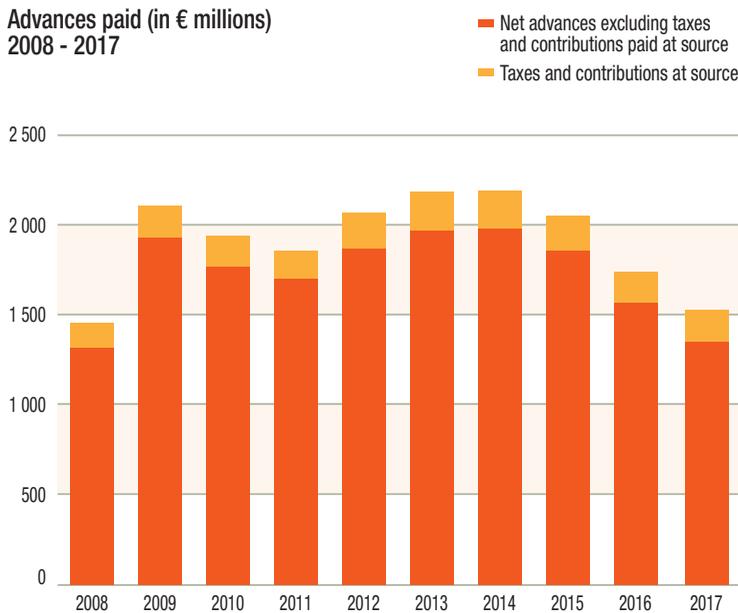
**After a sharp fall in payments made in 2016 (15.4% down on 2015), amounts advanced again fell significantly in 2017 (-11.3% compared to the previous year).**

The fall in payments was more marked in the first half of the year (-13.7% compared to the first half of 2016) than in the second half (-8.5% compared to the second half of 2016).

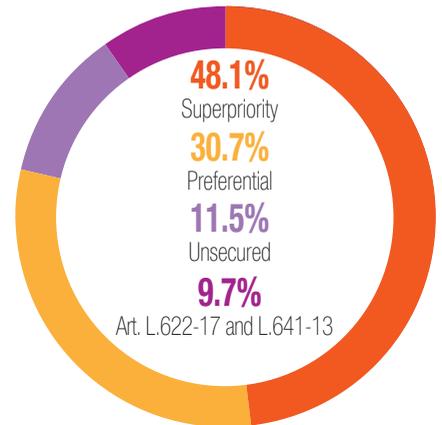
Total advances include net advances for claims arising from employment contracts and advances to cover taxes and contributions paid at source.

Pursuant to article 36 of the Act of 27 December 1996, statutory and contractual pay-related taxes and contributions are claims guaranteed by AGS. The estimated amount for 2017 represented approximately 10% of all advances in the year, broken down as follows: 69% for Social Security, 20% for pension schemes and 11% for unemployment insurance.

**Advances paid (in € millions)  
2008 - 2017**



**Breakdown of 2017 advances by seniority of claim**



### Almost half of the amount advanced corresponds to superpriority claims

The breakdown of advances by seniority of claim in 2017 is substantially identical to figures observed since 2014: advances made for superpriority claims remained predominant, at 48%.

#### SENIORITY OF CLAIMS

- 1 • **Superpriority claims:** these claims benefit from the statutory subrogation of employees' rights, and must be repaid first.
- 2 • **Claims under Articles L. 622-17 and L. 641-13 of the French Commercial Code:** these claims must be paid before all other claims, with the exception of superpriority claims.
- 3 • **Preferential claims:** these claims are secured by a general charge over movable and immovable assets and are paid according to the plan or, in the event of liquidation, in accordance with the type of charge over the assets sold.
- 4 • **Unsecured claims:** these claims are not secured and are paid according to the plan or, in the event of liquidation, after preferential claims.



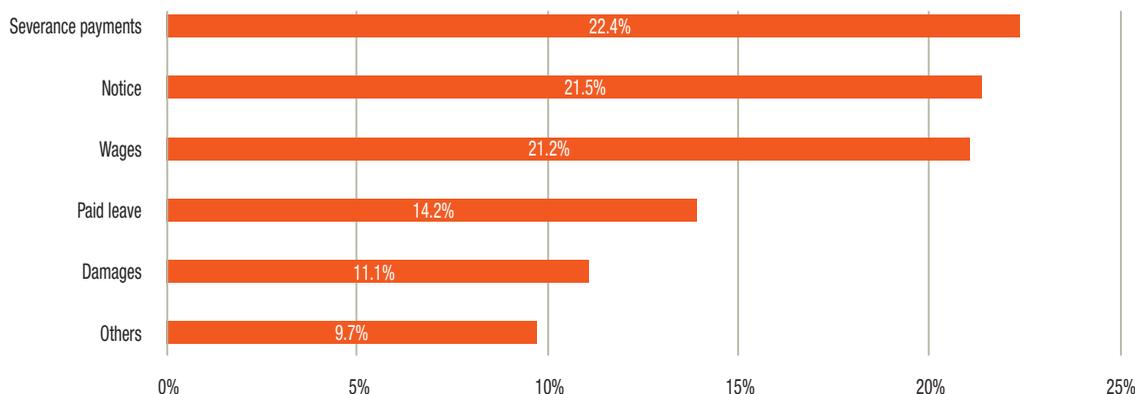
## Severance payments are still preponderant

The breakdown of advances paid in 2017 by type of claim is substantially the same as in 2016. As has been the case in the past five years, amounts advanced for severance payments continued to account for the largest proportion of advances. Payments corresponding to notice periods (including the contribution to the CSP redundancy support contract) ranked second, ahead of wage claims for the second consecutive year.

Note that 68% of amounts advanced for claims for damages relate to wrongful termination claims.

Approximately 13% of the total amount advanced in 2017 corresponded to advances allocated to a dispute at the time of payment.

### Breakdown of 2017 advances by seniority of claim



#### STATUTORY LIMITS

Pursuant to Articles L.3253-17 and D.3253-5 of the French Labour Code, the guarantee on all outstanding wage claims per employee is limited to:

- six times the monthly ceiling on unemployment insurance contributions (i.e., €78,456 in 2017) if the employment contract was signed at least two years before the date of the initial court order starting proceedings;
- five times the monthly ceiling on unemployment insurance contributions (i.e., €65,380 in 2017) if the employment contract was signed at least six months but less than two years before the date of the initial court order starting proceedings;
- four times the monthly ceiling on unemployment insurance contributions (i.e., €52,304 in 2017) if the employment contract was signed less than six months before the date of the initial court order starting proceedings.

# ACTIVITY

And Key Figures  
Advances

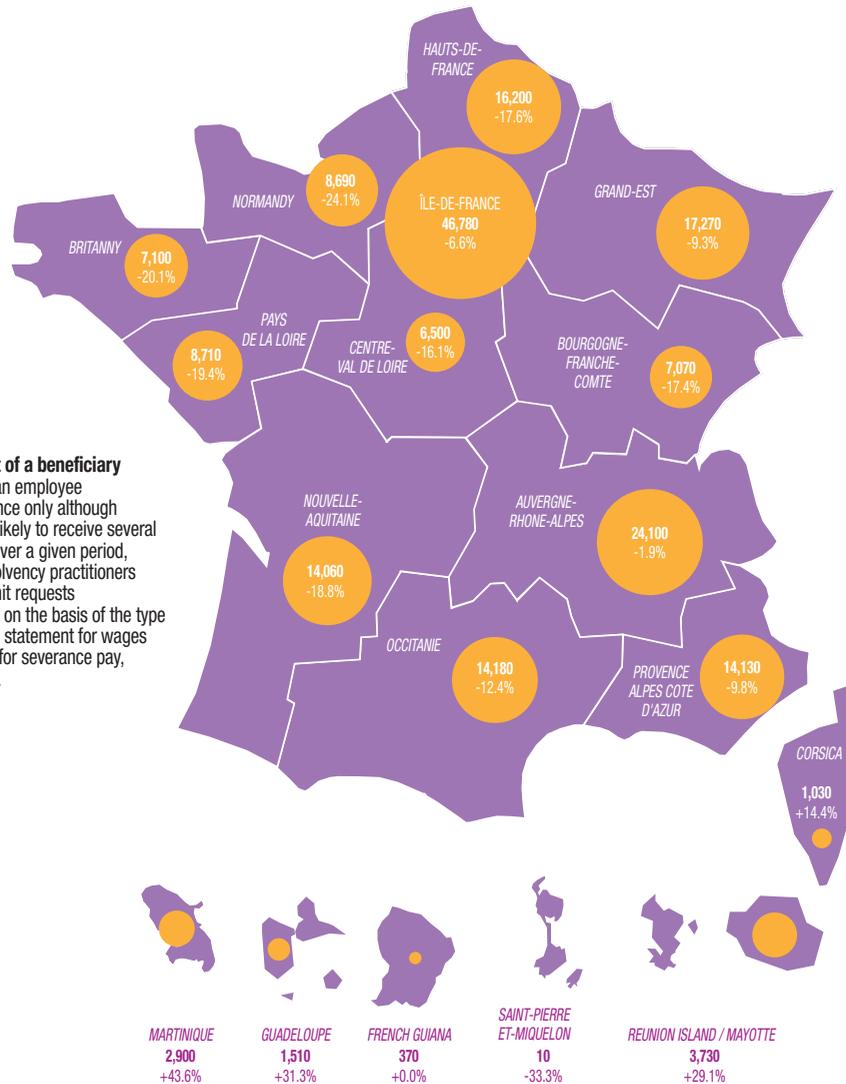
# 194,480

AGS beneficiaries in 2017

## MARKED FALL IN NUMBER OF BENEFICIARIES

The decline in number of AGS beneficiaries was substantial in 2017 (-10.6% compared to 2016), with numbers falling below the 200,000 threshold, which is rarely seen. This downward trend was observed to varying degrees in almost all French regions. Only in Corsica and Overseas France did the number of beneficiaries increase or remain unchanged.

AGS beneficiaries in 2017 per region, and variation compared to 2016



The concept of a beneficiary means that an employee is counted once only although he or she is likely to receive several pavements over a given period, because insolvency practitioners tend to submit requests for advances on the basis of the type of claim (one statement for wages and another for severance pay, for example).

# ACTIVITY

And Key Figures  
Recoveries

## AN IMPROVEMENT IN AVERAGE RECOVERY RATES

The reduction in amounts advanced over the past three years logically resulted in a smaller total amount recovered in 2017 compared to 2016. However, this downward trend is less marked than for advances, essentially due to AGS' continuous efforts to optimise recoveries, with the invaluable assistance of insolvency practitioners. This has had a positive impact on the average recovery rate, which improved for the second consecutive year.

**€697**

million recovered

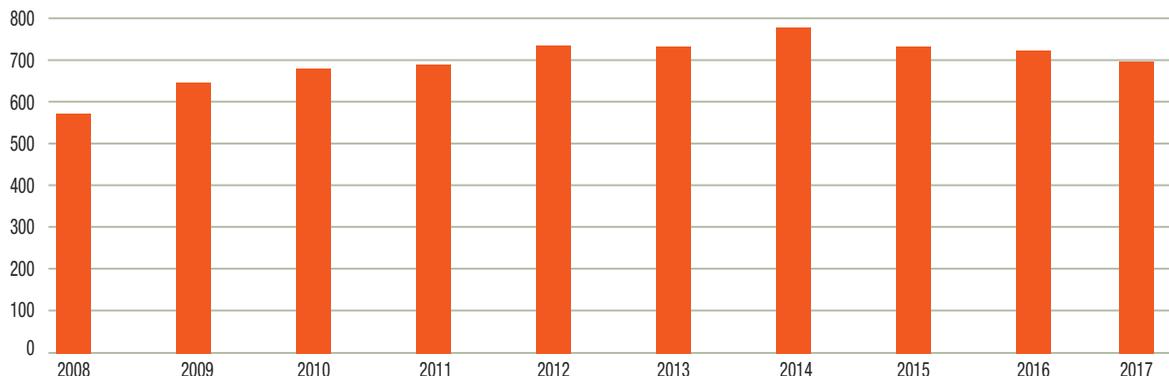
## DECLINE IN RECOVERIES MITIGATED BY OPTIMISATION STRATEGY

**After 2015 (-5.7% compared to 2014) and 2016 (-1.3% compared to 2015), amounts recovered fell in 2017 for the third consecutive year (-3.8% compared to 2016). This downward trend is logical, in that there is a close correlation between amounts recovered in any given year and amounts advanced in the same year and the previous two years.**

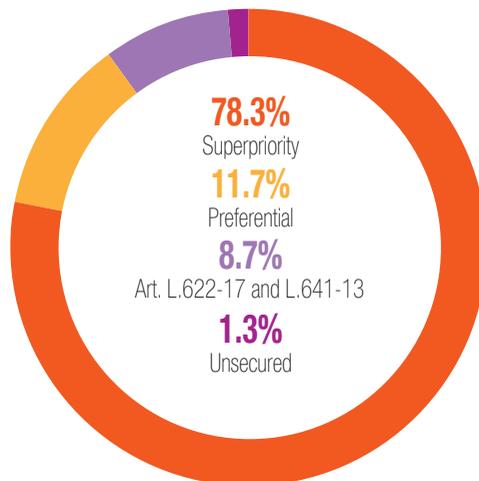
Despite the sharp decline in advances in 2016 and 2017, the corresponding reduction in recoveries was limited by ongoing optimisation initiatives rolled out by AGS, including specific follow-up measures according to type of case and

systematically asking the courts to appoint it as Controller in all proceedings involving more than 50 employees, in which the wage claims recovery rate is higher than average.

Amounts recovered (in € millions)  
2008 - 2017



Breakdown of recoveries in 2017  
by seniority of claim



### High proportion of superpriority claims

As always, the level of recovery of superpriority claims in 2017 was very high, at almost 80%. This can be explained by the fact that advances made are predominantly for superpriority claims, and payment of this type of claim by the insolvency practitioner takes priority over all other claims. Nevertheless, recoveries of this type of claim have fallen by almost four points since 2014, dropping from 82.1% to 78.3% in 2017.

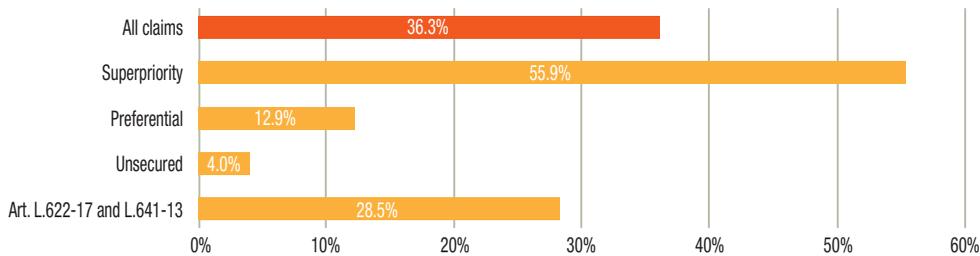
# 36.3%. AN IMPROVEMENT IN AVERAGE RECOVERY RATES

**As at the end of 2017, the average recovery rate for all cases opened since 1 January 1986 stood at 36.3%, which is an improvement of 0.3 percentage points compared to the previous year.**

The reduction in amounts recovered between 2016 and 2017 was less marked than the reduction in amounts advanced, hence this rate. The average recovery rate improved for all types of claims, with the exception of the unsecured claim recovery

rate, which remained unchanged: +0.5 points for superpriority claims, +0.2 points for preferential claims, and +0.5 points for claims based on Articles L.622-17 and L.641-13 of the French Commercial Code.

## Relative recovery rates of cases opened since 1 January 1986 (at 31/12/2017)



### FACT

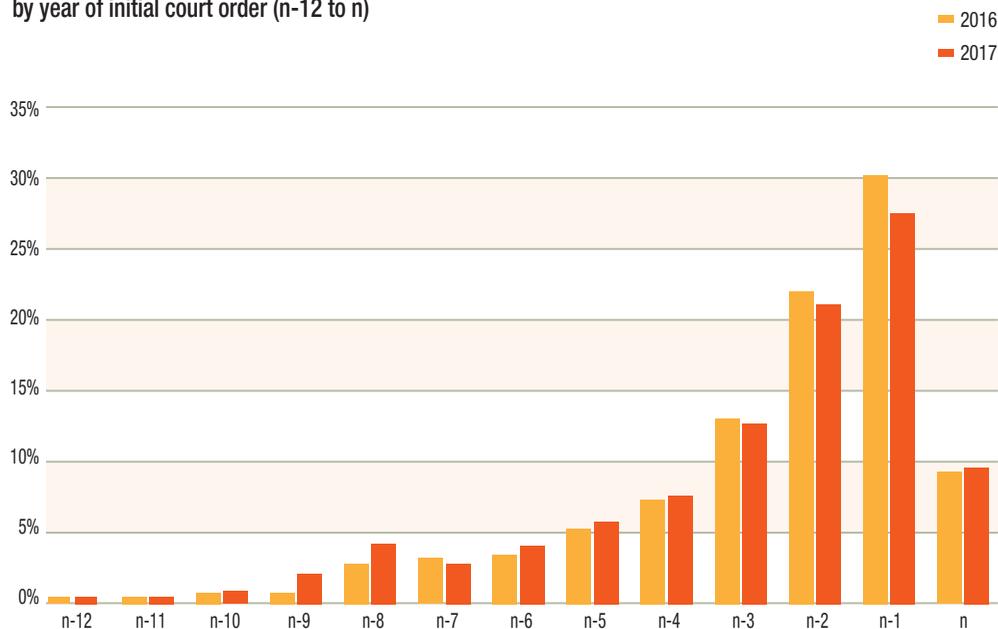
For a given AGS case, the recovery rate corresponds to the ratio between amounts recovered and advances paid.

## Most recoveries concern procedures started in the past four years

Almost 70% of all 2017 recoveries relate to procedures started in the current year and in the previous three years. At 31 December 2017, the recovery rate was 9% for AGS cases registered in the year, 20% for cases registered in 2016 and

26% for 2015 cases. Generally speaking, the recovery rate for procedures started in any given year is around 20% by the end of the following year, and 25% to 30% at 31 December of year n+2.

## Amounts recovered in 2016 and 2017 by year of initial court order (n-12 to n)



### Key

n corresponds to the reference year 2016 or 2017, as applicable. Thus, around 9% of recoveries recorded in 2017 relate to proceedings started in 2017 (n), 28% to proceedings started in 2016 (n-1) and 21% to proceedings started in 2015 (n-2). 30% of amounts recovered in 2016 relate to proceedings started in 2015 (n-1), the last year in which advances exceeded €2 billion.

# ACTIVITY

And Key Figures  
Contributions

## CONTRIBUTION RATE REDUCED TWICE

The AGS contribution rate levied on companies was reduced from 0.25% to 0.20% with effect from 1 January 2017, and further reduced from 0.20% to 0.15% with effect from 1 July 2017. The AGS Board of Directors, chaired by the MEDEF French Business Confederation, approved these reductions in view of the fall in insolvency proceedings in France and the growth outlook for 2017 and 2018. These reductions are in line with the general objective of reducing charges paid by companies.

**2018 RATE**

**0.15%**

The contribution rate set on 1 July 2017 remained in effect until 1 January 2018.



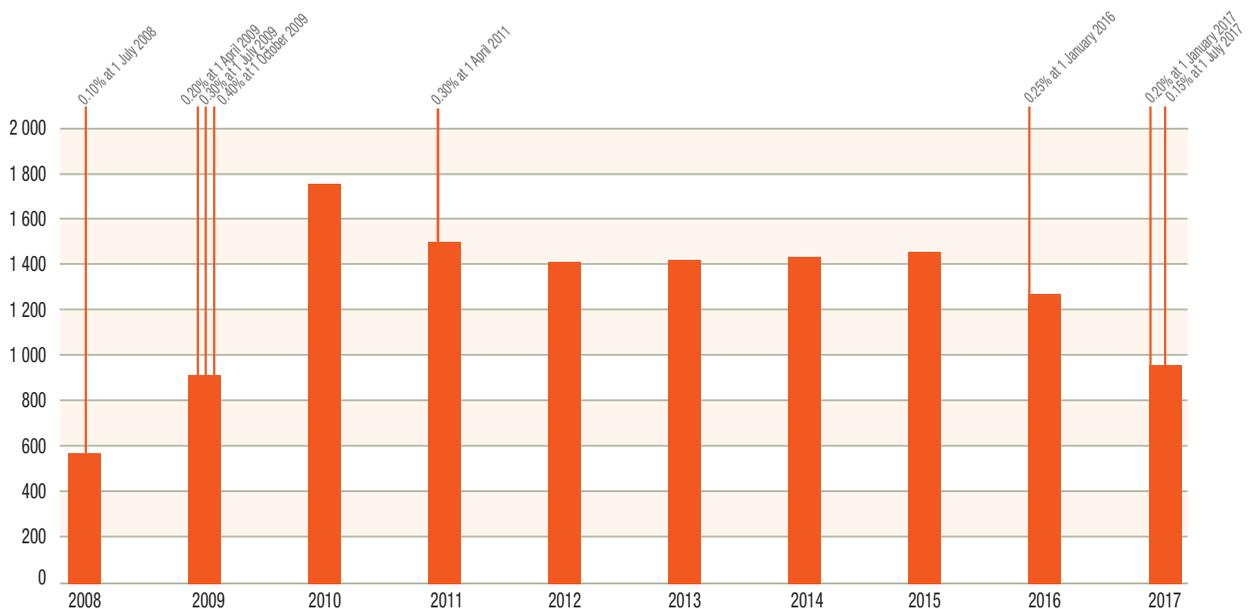
## CONTRIBUTIONS TOTALLED €966 BILLION

**Contributions received fell for the second consecutive year: -24.2% in 2017 compared to 2016 (-12.7% between 2015 and 2016).**

This is a logical consequence of the lower contribution rates in the past two years. The significant fall in advances and the controlled reduction in recoveries ensured AGS retained financial

stability, with a cash balance in line with its activities at all times throughout the year.

**Change in contributions received (€ millions) and contribution rate 2008 - 2017**



### FINANCING

The wage guarantee scheme is financed by employer contributions based on the amount of unemployment insurance contributions. It is kept in balance by constantly offsetting advances against the amount of recoveries and contributions.

# ACTIVITY

And Key Figures  
Litigation

## LITIGATION AT A RECORD LOW

The number of cases brought before the French Employment Tribunal (Conseil des prud'hommes) has fallen significantly over the past four years, and particularly between 2016 and 2017. It is now at the lowest ever since the creation of DUA in 1996. DUA anticipated this trend, and was therefore able to launch a new litigation policy in 2018, to better defend the interests of the wage guarantee scheme.

**-20.6%**

number of Employment Tribunal cases in 2017 vs 2016

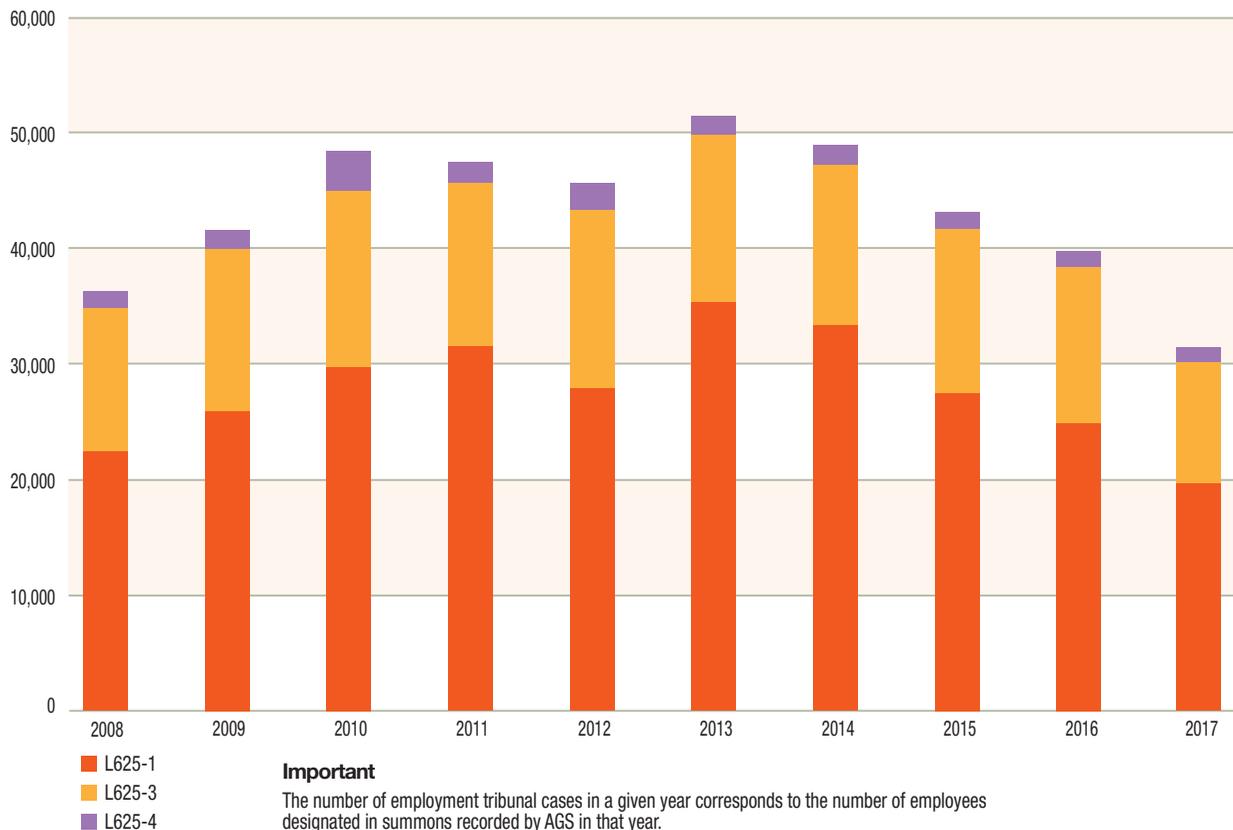
# 31,680 EMPLOYMENT TRIBUNAL CASES

**The number of Employment Tribunal cases recorded by AGS in 2017 is much lower than in 2016: -20.6% This substantial reduction is essentially due to the smaller number of employees affected by insolvency proceedings, given that there have been fewer company failures.**

The breakdown by type of proceeding is similar to that observed in 2016 and 2015: 62% of cases concerned an insolvency practitioner's refusal to include all or part of an employee's claims on the statement of claims (article L. 625-1), 33% arose before

insolvency proceedings started (article L. 625-3), while only 5% corresponded to AGS challenging all or some of the claims presented (article L. 625-4).

Number of Employment Tribunal cases 2008 - 2017



# ACTIVITY

And Key Figures  
Litigation

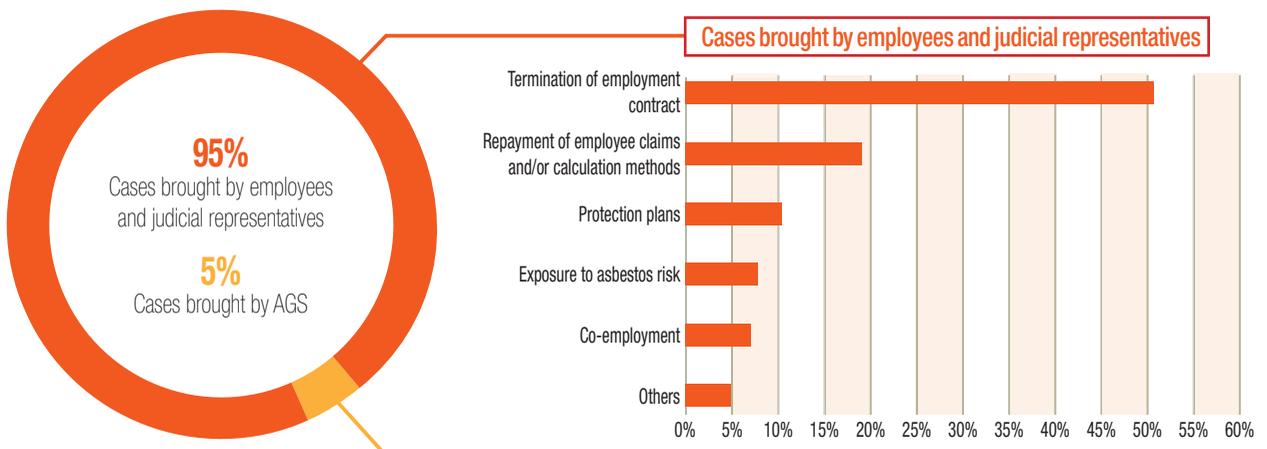


## WRONGFUL TERMINATION OF EMPLOYMENT IS THE MAIN GROUNDS FOR LITIGATION

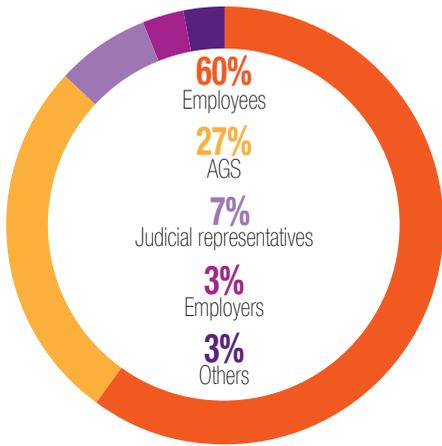
As in 2016, more than half of all cases brought by employees or judicial representatives (articles L625-1 and L625-3 of the Commercial Code) contested the termination of the employment contract. Cases contesting protection plans (PSEs) rose in 2017, overtaking cases in which exposure to asbestos risk was cited as a ground.

Almost one third of cases brought by AGS (article L625-4 of the Commercial Code) concerned repayment of employee claims and/or calculation methods, with both the number and relative weight of such cases increasing between 2016 and 2017. As in the previous three years, increased efforts to combat fraud led to cases concerning reported fraud ranking among the five grounds most frequently raised by AGS.

### Main grounds for litigation in 2017



### Origin of appeals in 2016



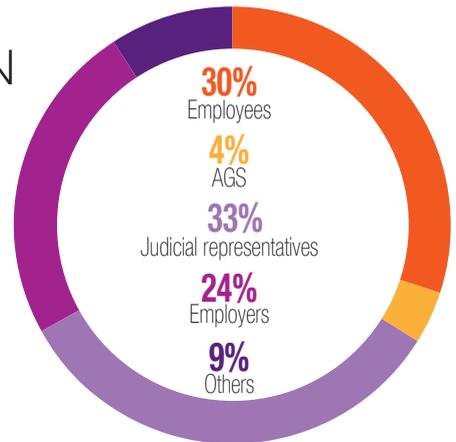
## ALMOST THREE IN TEN EMPLOYMENT TRIBUNAL DECISIONS APPEALED

24,610 decisions were handed down in 2017 by the French Employment Tribunal and recorded by AGS (-18% compared to 2016), of which 19,550 decisions were open to appeal. 28% of these were appealed, 60% of which by employees.

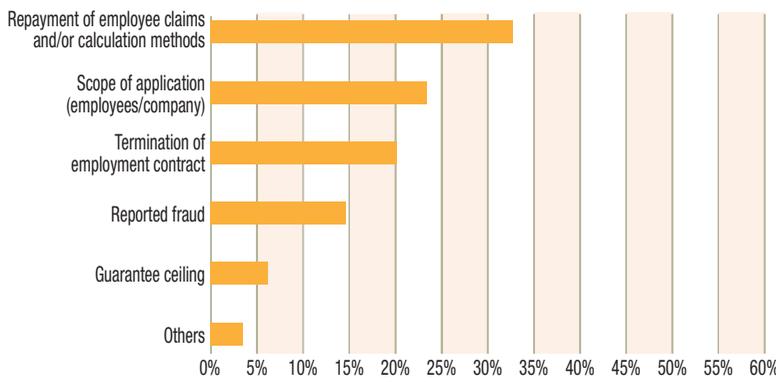
## ONE THIRD OF COURT OF CASSATION APPEALS ARE FILED BY JUDICIAL REPRESENTATIVES

Of the 11,620 appeal court decisions handed down in 2017 (-18% compared to 2016), 9,015 could be challenged. 15% of them were appealed before the Court of Cassation (France's supreme court) on a point of law, 33% of which by judicial representatives (21% in 2016), and 24% by employers (2% in 2016).

### Origin of appeals in 2017



### Cases brought by AGS



### DISPUTES INVOLVING 20+ EMPLOYEES CAREFULLY MONITORED

Almost 15,700 employees named in new Employee Tribunal cases recorded by AGS in 2017 were involved in group actions brought by between 2 and 220 employees.

As in previous years, cases involving 20 employees or more represented approximately 1% of all litigation, but a much larger proportion of the amounts claimed (almost 30% in cases brought in 2017). Such cases are therefore carefully monitored, given the financial implications and the increased risk of fraud for AGS.

# INTERACTIVITY

Dialogue & Cooperation

## AT THE HEART OF COLLECTIVE INTELLIGENCE

Against a background of radical change, both in France - and Mayotte - with the reforms of the Labour Code, and globally, with the globalisation of the economy, DUA's effective interactivity with insolvency practitioners will guarantee the issues at stake are fully understood by all and ensure optimal processing. The events organised in 2017 reinforced cooperation and provided DUA with an opportunity to present its position on key topical subjects and outline possible avenues for joint reflection.

## Meeting in Mayotte on implementation of the wage guarantee

DUA representatives, namely **Thierry Méteyé (National Director)**, **Michel Mathieu (Assistant Director, Network)**, **Michel Deirmendjian (Head of the Anti-Fraud Department)** and **Jacques Andrieu (Head of Communications)**, travelled to Mayotte in November 2017 to mark the introduction of its Labour Code on 1 January 2008.

**An important event for the island's business leaders and professionals.**



From left to right: Messrs. Saïd Charifou, Benjamin Banizette, Thierry Méteyé, Thierry Galarme, Pascal Bouvard

Thierry Galarme, President of the MEDEF Business Confederation, welcomed the AGS team at an introductory meeting. Local personalities such as Pascal Bouvard, Presiding Judge of the Mamoudzou District Court, Benjamin Banizette, District Court Judge and Presiding Judge of the Employment Tribunal, Saïd Charifou, Vice-President of the CAPEB construction business confederation, and company directors also attended.

### **Transition period**

The participants took part in lively discussions and shared their experiences. The delegation presented the AGS and its activities, and also evoked the two-year transition period before the full

guarantee scheme comes into operation. Special measures concerning the rules on the wage guarantee in protection, receivership and compulsory liquidation proceedings will apply until 26 November 2018, which take account of the specific context of this young overseas *département*. AGS will only guarantee the payment of amounts owed to employees for the six-month period prior to the commercial court order triggering the insolvency proceedings. At the end of the transition period, this restriction will be lifted and all unpaid amounts will be covered. To date, only two insolvency proceedings have been recorded in Mayotte (compared to over 300 on Reunion Island).

# INTERACTIVITY

Dialogue & Cooperation



## Discussions with our Portuguese counterparts

**On 8 September 2017, AGS representatives met their Portuguese counterparts as part of the cooperation efforts between EU Member State Insolvency Funds pursuant to Directive 2008/94/EC on the protection of employees in the event of the insolvency of their employer.**

The Portuguese Fund is managed by the IGFSS (social security financial management institute), which has a tripartite governance system based on social dialogue: government / employee representative body / employer representative bodies.

## Limited scope of action

Its financing comes from the Social Security budget. In 2016, amounts recovered totalled €7,917,883, which represented 16% of amounts advanced (approximately 35% in the case of AGS). Its scope of action is limited to claims that accrued in the six-month period immediately prior to the start of the insolvency proceedings, with a monthly cap on the amount covered (3 times the monthly minimum wage of €557) or a general cap (€10,026). Employees are responsible for filing claims, using a standard form and enclosing a certificate of insolvency issued by the judicial administrator. The level of cover is consistent with the Directive and Portuguese social security laws.

## Comparative law in Saint Petersburg

A conference was held in Saint Petersburg on 25 May as part of the fifth symposium to promote bilateral cooperation between the Moscow Higher School of Economy, represented by Professor Elena Pirogova, and the Nice Sophia-Antipolis Faculty of Law, represented by Professor Pierre-Michel Le Corre. The theme of the symposium was commitments entered into during the so-called “suspect period” and the “observation period”. Participants were able to compare French and Russian legislation on companies in difficulty.

### No compensation fund

During his presentation, Thierry Métey  stressed that contracts entered into during the suspect period, such as contracts of employment, will be deemed null and void. Russian law places the focus on transactions carried out by the debtor during the suspect period.

It was established that the Russian social protection system does not have a mechanism that is comparable to AGS, covering unpaid employee claims in the event of a company failure. This absence of a compensation fund has become all the more problematic as the privatisation of the Russian economy has intensified.

The symposium is an annual event, which is held alternately in France and in Russia. Topics addressed contribute to a better understanding of legislative differences.

## Franco-Chinese meeting

On 3 May 2017 a meeting, organised by Sybille Dubois-Fontaine Turner, Executive Director of the MEDEF’s France China Committee, was held at the AGS offices with representatives from the Embassy of China in Paris. DUA shared its expertise with the Chinese authorities, who are considering setting up a wage protection system along the lines of the French model.

### Fermetures d’entreprises

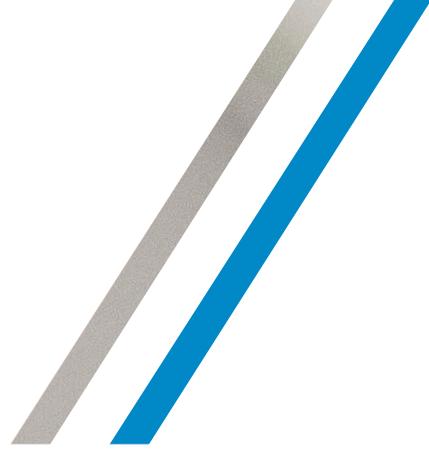
The team from the Embassy were tasked with preparing a report on the wage guarantee scheme. The privatisation of the Chinese economy combined with economic jolts have resulted in a major increase in company failures. Safety nets need to be put in place for employees as a matter of urgency.

# NETWORK

Focus

## AN EXPERTISE NETWORK TO IMPROVE QUALITY

Consolidation of the Qualicert process, expansion of the AGS Label, accelerated dematerialization of data exchange with partners: in 2017, DUA continued to optimise its working methods within a network dynamic. Its objective is to improve efficiency and global performance in order to benefit insolvency proceedings.



## THE AGS LABEL: A RESOUNDING SUCCESS



40 After its successful launch in 2016, the AGS Label accreditation process was pursued in 2017, with 43 new labels awarded. As at 11 January 2019, 129 firms of judicial representatives had obtained the AGS Label, which is approximately 40% of all firms. In the fourth quarter of 2017, one in every three requests for advances was processed in accordance with the simplified fast-track procedure reserved for accredited firms. Requests are processed within 24 hours and no supporting documents are required.

The AGS Accreditation Committee, which meets every six months to review assessments of eligible firms and accredited firms, welcomed a new member in 2017. Michel Balduin, representing the Conférence Générale des Juges Consulaires de France (association representing France's commercial court judges), now sits on the Committee alongside a representative of the CNAJMJ (regulatory authority for insolvency practitioners) and members of AGS.

## ON-LINE FOR INCREASED EFFICIENCY

### The AGS website

Comprehensive, intuitive and easy to use, the [www.ags-garantie-salaires.com](http://www.ags-garantie-salaires.com) website provides access to a full range of documentation on the guarantee scheme: AGS' mission and scope of action, monthly business indicators, quarterly statistical reports on insolvency proceedings and AGS' actions, etc.

- **Employees and employers alike** can find practical information on how the guarantee system works and an explanation of the different insolvency proceedings: what needs to be done, a breakdown of the process, and the professionals involved.
- **DUA partners** can access a secure documentation area containing specialist documents and information, including the latest legal news.
- **For further information, the *Contact us*** section allows site users to send complaints or queries concerning AGS actions or their particular situation.

### AGS Extranet

The AGS Extranet was developed by DUA to improve the accessibility of its services. This is a personalized, secure portal for AGS partners.

- **Legal professionals, judicial administrators and judicial representatives** can access their AGS files 6 days a week, wherever they may be.
- **The extranet for legal professionals (*Extranet Avocats*) and, since March 2018, the extranet for judicial representatives (*Extranet Mandataires Judiciaires*)** can be used to upload documents or send messages.

# QUALICERT CERTIFICATION CONFIRMED



The Qualicert certification, which was obtained on 19 October 2016 for three years, needs to be reconfirmed each year. The findings of the first oversight audit carried out in October 2017 by SGS - an independent body accredited by COFRAC - confirmed our certification.

Not one single discrepancy was observed during the certification audits, bearing witness to the motivation and determination of all our staff members to provide a consistently high quality service.

The Qualicert certification constitutes an official recognition of DUA's professionalism, based on a partnership-focused vision and a mutually demanding relationship with insolvency professionals. For DUA, the certification process is a means to bringing its practices into line with its changing environment and better addressing its partners' needs.

# PARTNER SATISFACTION IS AT THE HEART OF AGS STRATEGY

Almost 500 insolvency practitioners and lawyers who work with DUA took part in a major survey in May 2017.

The questionnaire, which was tailored to their activities, allowed them to comment on the quality of service, the quality of information exchanges and the services offered. The level of satisfaction is globally high. The number of "very satisfied" responses by all categories of professionals surveyed was higher than in the previous survey, conducted in 2012.

## Attentiveness, responsiveness and professionalism

The attentiveness, responsiveness and professionalism of AGS teams was found to be good or very good, in particular

as regards response times and processing times, the extranet, and information meetings for local partners organised by the Regional Management Centres (for judicial administrators/judicial representatives and DUA's lawyers). The creation of the AGS Label and the network of lawyers acting as controllers were welcomed. 78% of administrators found that contacts with controllers had improved, and 95% of accredited judicial representatives considered that the Label has improved relations with their Regional Management Centre. Some suggestions were made, and these will be taken into consideration in 2018. They more specifically concern the quality of written correspondence, improvements to relations with administrators, and a better visibility of information available via the extranet.

## >>> Global satisfaction

• Overall, how do you rate your relationship with the Regional Management Centre?



### Accredited judicial representatives

• Has the AGS Label improved relations with the Regional Management Centres?



• Are you satisfied with the quarterly data on insolvency proceedings in your firm's area?



### Judicial administrators

• Have you noticed an improvement in relations with the lawyer in charge of the case since AGS has extended the role of the lawyer-controller?



• Would you like to receive information on changes to the laws, regulations or case-law affecting the AGS guarantee?



# APPENDICES STATISTICS

## BUSINESS INDICATORS BY REGION IN 2017

	Number of AGS cases opened	Region as a percentage of all cases opened	Change in number of cases opened compared to 2016	AGS cases opened involving 100+ employees	Region as a percentage of cases opened with 100+ employees	Number of AGS beneficiaries	Region as a percentage of all beneficiaries	Change in number of beneficiaries compared to 2016
Auvergne-Rhône-Alpes	2,706	11.8%	-6.5%	13	11.6%	24,100	12.4%	-1.9%
Bourgogne-Franche-Comté	884	3.9%	-2.1%	3	2.7%	7,070	3.6%	-17.4%
Brittany	886	3.9%	-15.5%	3	2.7%	7,100	3.7%	-20.1%
Centre-Val de Loire	817	3.6%	-8.4%	2	1.8%	6,500	3.3%	-16.1%
<sup>42</sup> Corsica	144	0.6%	-17.7%	1	0.9%	1,030	0.5%	+14.4%
Grand-Est	1,913	8.3%	-7.1%	8	7.1%	17,270	8.9%	-9.3%
Guadeloupe	183	0.8%	-3.7%	1	0.9%	1,510	0.8%	+31.3%
French Guiana	44	0.2%	-8.3%	0	0.0%	370	0.2%	+0.0%
Hauts-de-France	1,916	8.4%	-11.6%	9	8.0%	16,200	8.3%	-17.6%
Île-de-France	4,408	19.2%	-12.0%	46	41.1%	46,780	24.1%	-6.6%
Reunion Island	324	1.4%	+2.5%	2	1.8%	3,730	1.9%	+29.1%
Martinique	229	1.0%	-0.9%	5	4.5%	2,900	1.5%	+43.6%
Normandy	1,038	4.5%	-10.8%	5	4.5%	8,690	4.5%	-24.1%
Nouvelle-Aquitaine	1,909	8.3%	-13.9%	3	2.7%	14,060	7.2%	-18.8%
Occitanie	2,142	9.3%	-7.9%	3	2.7%	14,180	7.3%	-12.4%
Pays de la Loire	1,069	4.7%	-8.4%	3	2.7%	8,710	4.5%	-19.4%
Provence-Alpes-Côte d'Azur	2,302	10.0%	-1.2%	5	4.5%	14,130	7.3%	-9.8%
Saint-Pierre-et-Miquelon	2	0.0%	+100.0%	0	0.0%	10	0.0%	-33.3%

## CHANGES TO KEY BUSINESS CRITERIA

	2013	2014	2015	2016	2017
<i>Advances (€ million)</i>	2,192	2,203	2,063	1,745	1,549
<i>Recoveries (€ million)</i>	734	778	734	725	697
<i>Recovery rate at 31 December from cases under the 1985 Act</i>	36.0%	35.9%	35.8%	36.0%	36.3%
<i>Contributions received (€ million)</i>	1,422	1,437	1,458	1,273	966
<i>Contribution rate</i>	0.30%	0.30%	0.30%	0.25%	0.20% at 01/01 then 0.15% at 01/07
<i>Number of company failures (court order date - excluding protection procedures - source Banque de France)</i>	62,532	62,398	63,011	57,947	54,572
<i>Number of AGS cases opened (registration date of first request for an advance, including protection proceedings, excluding cross-border insolvencies)</i>	29,836	29,380	28,256	25,139	22,916
<i>AGS cases opened involving 100+ employees (registration date of first request for an advance, including protection proceedings, excluding cross-border insolvencies)</i>	199	187	146	135	112
<i>Number of employee beneficiaries</i>	285,700	273,700	251,070	217,440	194,480
<i>Number of Employment Tribunal cases</i>	51,600	49,000	43,260	39,920	31,680
<i>Number of Appeal Court decisions</i>	12,100	14,160	11,770	14,120	11,620

# ORGANISATION CHART



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- |                       |  |
|-----------------------|--|
| <b>Thierry Méteyé</b> | <b>National Director</b>                               |
| Jacques Savoie        | Chief of Staff   |
| Yves Roussel          | Internal Auditor                                       |
| Michel Mathieu        | Assistant Director, Network                            |
| Vincent Garraud       | Head of Operational Support                            |
| Anne Varin            | Secretary General and Head of Management and Resources |
| Jacques Andrieu       | Head of Communications                                 |
| Laurence Monchaux     | Head of Human Resources                                |
| Béatrice Veyssière    | Head of Legal  |

From left to right: Michel Mathieu, Béatrice Veyssière, Jacques Andrieu,  
Laurence Monchaux, Thierry Méteyé, Jacques Savoie, Anne Varin, Yves Roussel.



## DÉLÉGATION UNÉDIC AGS MANAGEMENT COMMITTEE

# NETWORK & CONTACTS

## National Head Office

50 boulevard Haussmann  
75009 Paris  
Tel.: +33 (0)1 55 50 23 00  
Fax: +33 (0)1 56 02 65 56  
E-mail: ags-dn@delegation-ags.fr

## Network Management

Michel Mathieu  
Assistant Director, Network  
Tel.: +33 (0)1 41 40 70 07  
E-mail: agssdr@delegation-ags.fr

## Amiens Regional Management Centre (CGEA)

Benoit Graillet, Director (acting)  
Tel. +33 (0)3 22 50 35 30  
E-mail: ags-cgea-as@delegation-ags.fr

## Annecy Regional Management Centre (CGEA)

Laurent Liard, Responsable  
Tel. +33 (0)4 50 69 80 20  
E-mail: ags-cgea-ay@delegation-ags.fr

## Bordeaux Regional Management Centre (CGEA)

Christophe Mounin, Responsable  
Tel. +33 (0)5 56 69 64 00  
E-mail: ags-cgea-bx@delegation-ags.fr

## Chalon-sur-Saône Regional Management Centre (CGEA)

Sonia Mouroz, Responsable  
Tel. +33 (0)3 85 46 98 30  
E-mail: ags-cgea-cn@delegation-ags.fr

## Ile-de-France East Regional Management Centre (CGEA)

Jérôme Lemerrier, Responsable  
Tel. +33 (0)1 41 40 70 30  
E-mail: ags-cgea-idfe@delegation-ags.fr

## Ile-de-France West Regional Management Centre (CGEA)

Michel Wieczor, Director  
Tel.: +33 (0)1 41 40 70 00  
E-mail: ags-cgea-idfo@delegation-ags.fr

## Lille Regional Management Centre (CGEA)

Benoit Graillet, Director  
Tel.: +33 (0)1 20 74 62 10  
E-mail: ags-cgea-le@delegation-ags.fr

## Marseille Regional Management Centre (CGEA)

Alain Bouzeman, Director  
Tel. +33 (0)4 96 11 66 20  
E-mail: ags-cgea-me@delegation-ags.fr

## Nancy Regional Management Centre (CGEA)

Loïc Duclos, Director  
Tel. +33 (0)3 83 95 52 50  
E-mail: ags-cgea-ny@delegation-ags.fr

## Orléans Regional Management Centre (CGEA)

Ange Massonnat, Director  
Tel. +33 (0)2 38 24 20 40  
E-mail: ags-cgea-os@delegation-ags.fr

## Rennes Regional Management Centre (CGEA)

Sophie Daniel, Director  
Tel. +33 (0)2 99 85 95 00  
E-mail: ags-cgea-rs@delegation-ags.fr

## Rouen Regional Management Centre (CGEA)

Christophe Mounin, Director (acting)  
Tel. +33 (0)2 32 81 57 00  
E-mail: ags-cgea-ro@delegation-ags.fr

## Toulouse Regional Management Centre (CGEA)

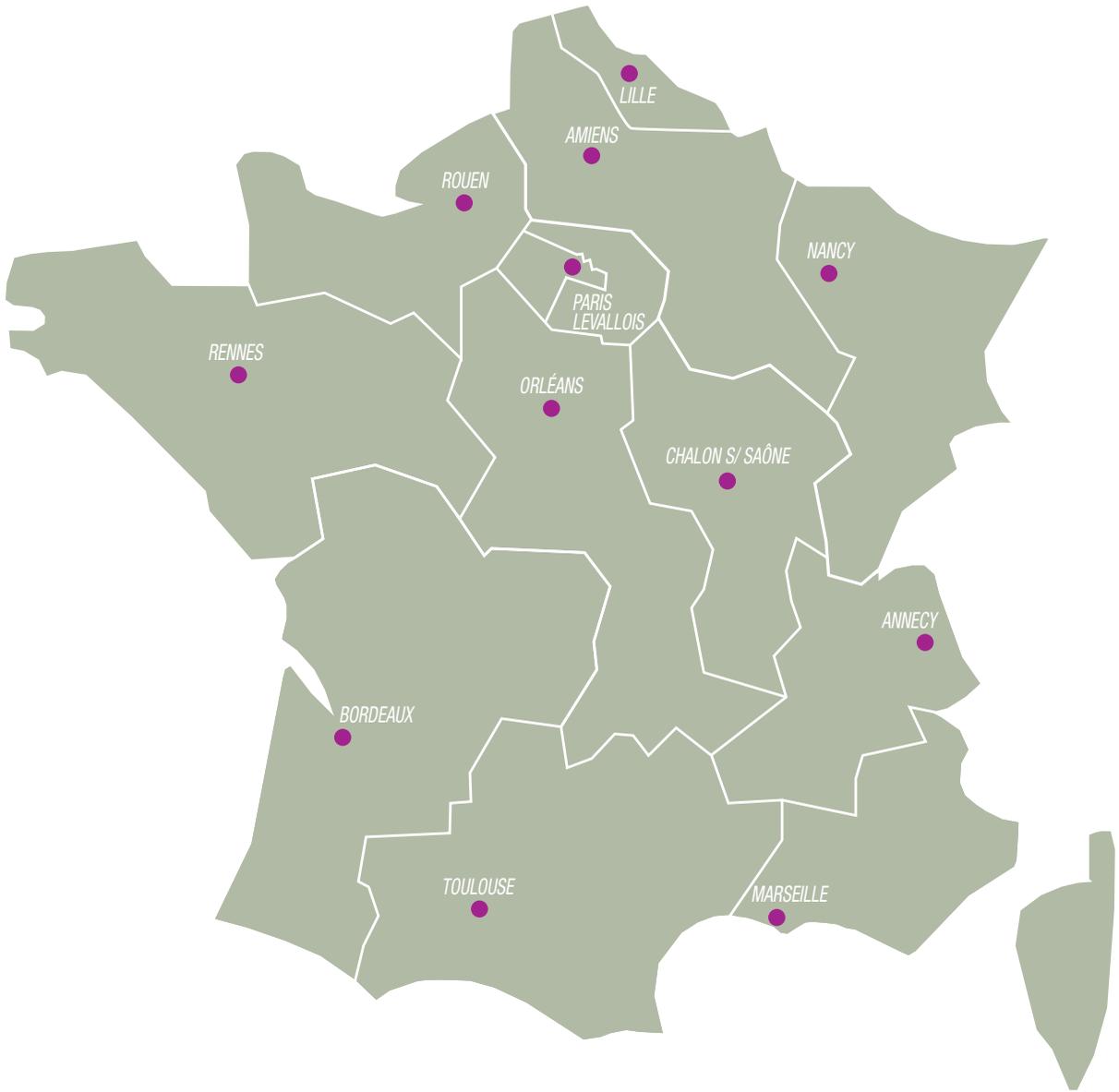
Jean-Paul Ayraud, Director  
Tel. +33 (0)5 62 73 76 00  
E-mail: ags-cgea-te@delegation-ags.fr

## Fort-de-France Centre

Colette Nouchet, Director  
Tel. +596 (0)5 96 60 65 65  
E-mail: ags-cgea-ma@delegation-ags.fr

## Reunion Island Centre

Héry Randriamampiana, Director  
Tel. +262 (0)2 62 20 94 50  
E-mail: ags-cgea-rn@delegation-ags.fr



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To view the  
AGS website

# Délégation Unédic Ags

50 boulevard Haussmann  
75009 Paris

Tel.: +33 (0)1 55 50 23 00

Fax: +33 (0)1 56 02 65 56

E-mail: [ags-dn@delegation-ags.fr](mailto:ags-dn@delegation-ags.fr)

Website: [www.ags-garantie-salaires.com](http://www.ags-garantie-salaires.com)

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