ACOSS ANNUAL ACCOUNTS

Year ended DECEMBER 31, 2016

CONTENTS

ACOSS BALANCE SHEET

Assets	Notes	2016 GROSS	DEPRECIATION AND PROVISIONS	NET	2015 pro forma	2015
FIXED ASSETS						
Intangible fixed assets	10	90.8	29.4	61.4	66.5	66.5
Tangible fixed assets	10	42.7	29.4	13.3	10.0	10.0
Financial fixed assets	**11**	**4,167.1**	**0.1**	**4,167.1**	**3,237.3**	**3,237.3**
Loans granted to social security systems		3,785.0	0.0	3,785.0	2,865.0	2,865.0
Other		382.1	0.1	382.1	372.3	372.3
TOTAL FIXED ASSETS		**4,300.7**	**58.9**	**4,241.8**	**3,313.7**	**3,313.7**
CURRENT ASSETS	**15.1**					
Claims against contributors		**2,324.8**	**154.9**	**2,169.9**	**2,206.0**	**1,998.8**
Contributors	15.1.1	498.0	0.0	498.0	530.4	530.4
Doubtful or litigious contributors	15.1.1	249.4	154.9	94.4	88.5	97.4
Contributors: deferred income	15.1.1	1,577.4	0.0	1,577.4	1,587.1	1,371.0
Claims against the State and public entities		**5,864.6**	**0.0**	**5,864.6**	**5,943.6**	**5,777.1**
State		**5,847.0**	**0.0**	**5,847.0**	**5,921.2**	**5,754.7**
Receivables in respect of the contribution exemptions		147.5	0.0	147.5	93.0	93.0
Deferred Income in respect of exemptions	15.1.1	411.4	0.0	411.4	395.4	395.4
Deferred Income in respect of taxes and duties,	15.1.1	5,288.0	0.0	5,288.0	5,432.8	5,266.3
Other public entities		**17.6**	**0.0**	**17.6**	**22.4**	**22.4**
Receivables organisations and other Social Security plans	**15.1.1**	**19,941.1**	**0.0**	**19,941.1**	**31,509.0**	**31,508.2**
National Funds' current accounts		**18,610.4**	**0.0**	**18,610.4**	**30,678.0**	**30,678.0**
CNAMTS - Health		16,417.6	0.0	16,417.6	21,625.4	21,625.4
CNAMTS - ATMP		0.0	0.0	0.0	711.2	711.2
CNAF		561.0	0.0	561.0	4,426.9	4,426.9
CNAVTS		1,631.8	0.0	1,631.8	3,914.6	3,914.6
Receivables from National Funds		**32.6**	**0.0**	**32.6**	**32.4**	**32.4**
Other organisations and systems		**1,298.1**	**0.0**	**1,298.1**	**798.5**	**797.8**
Receivables in respect of administrative management		**1.7**	**0.0**	**1.7**	**11.0**	**11.0**
Personnel and related accounts		0.2	0.0	0.2	0.1	0.1
Social Security and other social organisations		0.0	0.0	0.0	0.0	0.0
Suppliers and related accounts		1.5	0.0	1.5	10.8	10.8
Liquid assets	**14.1**	**15,671.6**	**0.0**	**15,671.6**	**10,225.5**	**10,225.5**
Movable marketable securities		0.0	0.0	0.0	0.0	0.0
Banks, financial institutions and similar		913.6	0.0	913.6	1,362.6	1,362.6
Financial instruments		14,758.0	0.0	14,758.0	8,862.9	8,862.9
Sundry debtors		**76.2**	**0.0**	**76.2**	**31.5**	**31.5**
Transitory or suspense accounts	**15.1.2**	**104.1**	**0.0**	**104.1**	**160.9**	**160.9**
Deferred expenses	**15.1.2**	**6.8**	**0.0**	**6.8**	**4.0**	**3.3**
TOTAL CURRENT ASSETS		43,991.0	154.9	43,836.1	50,091.3	49,716.2
TOTAL ASSETS (I)		48,291.7	213.8	48,077.9	53,405.1	53,029.9

PRO FORMA BALANCE SHEET (all managements combined)

LIABILITIES (in millions of Euros)	Notes	2016	2015 pro forma	2015
EQUITY	**12**			
Reserves		443.9	447.8	447.8
Carried forward		0.0		
Results for the year (surplus or deficit)		-17.8	-3.9	-3.9
TOTAL EQUITY		**426.1**	**443.9**	**443.9**
PROVISIONS	**13**			
Provisions in respect of administrative management		0.5	2.1	2.1
Provisions in respect of collections management		142.2	291.0	248.0
Other provisions for expenses		2.0	1.9	1.9
TOTAL PROVISIONS		**144.7**	**295.0**	**252.0**
FINANCIAL DEBTS				
Deposits received from other social security organisations (<1 yr)		1,066.8	1,336.6	1,336.6
Loans Caisse des Dépôts and Consignations (<1 yr)		0.0	4,000.0	4,000.0
Treasury Notes		8,840.0	19,585.0	19,585.0
Euro Commercial Papers		11,573.0	7,786.2	7,786.2
Other		0.0	4.4	4.4
TOTAL FINANCIAL DEBTS	**14.1**	**21,479.7**	**32,712.1**	**32,712.1**
CURRENT LIABILITIES				
Debts in respect of contributors	15.2.1	794.5	731.5	731.5
Claims in respect of the State and public entities	**15.2.1**	**1,182.9**	**1,253.7**	**1,078.1**
State		535.6	526.2	524.4
Public entities (income allocated for collection)	15.2.1	332.5	348.1	174.4
Public entities (cash debts)		314.8	379.3	379.3
Debts with respect of organisations and other social security plans	**15.2.1**	**7,131.9**	**7,341.9**	**7,341.1**
Current account of national funds		154.1	**0.0**	0.0
CNAMTS - ATMP		154.1	0.0	0.0
Debts in respect of national funds of the general system (income allocated for collection)		5,022.4	4,278.9	4,278.8
Debts with respect of other organisations and systems (income allocated for collection)		492.9	911.4	910.6
Other organisations and systems		833.7	826.2	826.2
CNRSI financial tracking account		628.8	1,325.5	1,325.5
Debts in respect of administrative management	**15.2.1**	**28.0**	**24.8**	**24.8**
Suppliers and related accounts		18.6	13.8	13.8
Personnel and related accounts		5.3	5.1	5.1
Social Security and other social organisations		4.2	5.9	5.9
Sundry creditors	**15.2.1**	**628.1**	**657.1**	**657.1**
Debts in respect of third parties (income allocated for collection)	15.2.1	14.0	13.3	13.3
Other (debts in cash to third parties)	15.2.1	614.0	643.8	643.8
Transitory or suspense accounts	**15.2.2**		**155.9**	**0.1**
Financial instruments	**14.1**	**15,233.1**	**8,873.2**	**8,873.2**
Accrued income	**15.2.2**	**1,028.9**	**916.0**	**916.0**
TOTAL CURRENT LIABILITIES		**26,027.3**	**19,954.0**	**19,621.9**
TOTAL LIABILITIES (II)		**48,077.9**	**53,405.1**	**53,029.9**

ACCOSS INCOME STATEMENT

EXPENSES in millions of Euros (€)	Notes	2016	2015 pro forma	2015
TECHNICAL MANAGEMENT EXPENSES				
Income transfers	**5.1.2**	**81,342.3**	**81,467.4**	**76,242.7**
Management costs in respect of revenue collected by the State		**497.1**	**441.1**	**381.8**
Allocations to provisions and depreciation for technical expenses	**5.1.2**	**27.7**	**55.1**	**53.4**
Allocations to provisions for technical expenses		0.0	42.4	42.2
Allocations for depreciation of current assets		27.7	12.7	11.2
TOTAL TECHNICAL MANAGEMENT EXPENSES (I)		**81,867.0**	**81,963.6**	**76,677.9**
DAY-TO-DAY MANAGEMENT EXPENSES	**6.1**			
Purchasing		0.5	0.5	0.5
Other external expenses		54.7	48.3	48.3
Taxes, duties and similar payments		5.5	5.4	5.4
Staff expenses		**48.5**	**47.8**	**47.8**
Wages and salaries		33.4	33.1	33.1
Social security costs		15.1	14.7	14.7
Sundry day-to-day management costs		1,143.3	1,146.1	1,146.1
Allocations to amortization, depreciation and provisions		12.8	12.1	12.1
TOTAL DAY-TO-DAY MANAGEMENT EXPENSES(II)		**1,265.3**	**1,260.3**	**1,260.3**
FINANCIAL EXPENSES	**7.2**			
Financial expenses on repo transactions		2.0	2.0	2.0
Interest expense		121.4	13.3	13.3
TOTAL CHARGES FINANCIERES (III		**123.4**	**15.3**	**15.3**
EXTRAORDINARY EXPENSES (IV)	**8**	**15.0**	**0.2**	**0.2**
TOTAL EXPENSES (V=I+II+III+IV)		**83,270.7**	**83,239.4**	**77,953.7**
NET SURPLUS RESULT FOR THE YEAR (XI=X-V)				
GENERAL TOTAL (XII=V+XI)		**83,270.7**	**83,239.4**	**77,953.7**

INCOME (in millions of Euros)	Notes	2016	2015 pro forma	2015
TECHNICAL MANAGEMENT INCOME				
Contributions, taxes and allocated income	**5.1.1**	**80,136.9**	**80,429.5**	**75,204.8**
Social contributions	5.1.1.1	251.0	258.0	258.0
Contributions Borne by the State	5.1.1.2	3,001.2	2,708.2	2,708.1
Contributions Borne by Social Security	5.1.1.3	1,919.1	2,104.9	2,104.9
General Social Security Contribution	5.1.1.4	25,743.3	24,829.6	23,253.3
Assigned Taxes and Dues	5.1.1.5	38,955.8	40,494.5	40,494.5
Other Assigned Taxes and Dues	5.1.1.5	8,068.0	7,912.9	6,385.9
Contribution to reimbursement of the social debt		2,198.4	2,121.4	0.0
Technical Income		**1,056.6**	**1,033.0**	**1,033.0**
Public contributions	5.1.1.6	98.2	98.7	98.7
Specific contributions	5.1.1.6	958.4	934.4	934.4
Transfers of expenses	**5.1.1.7**	**524.8**	**496.2**	**435.2**
Write-backs on provisions for technical expenses and depreciation		**148.8**	**4.9**	**4.9**
TOTAL TECHNICAL OPERATING INCOME (VI)		**81,867.0**	**81,963.6**	**76,677.9**
DAY-TO-DAY MANAGEMENT INCOME	**6.2**			
Sales of goods and services		240.9	141.7	141.7
Capitalised Production		16.0	14.2	14.2
Contributions from national funds of the general system		997.1	957.3	957.3
Sundry income from day-to-day management		5.1	142.7	142.7
Reversals of provisions		3.3	1.5	1.5
TOTAL DAY-TO-DAY MANAGEMENT INCOME (VII)		**1,262.5**	**1,257.4**	**1,257.4**
FINANCIAL INCOME				
Revenue from sundry receivables (repos)	7.1	0.0	0.0	0.0
Interest income		123.4	14.4	14.4
TOTAL FINANCIAL INCOME (VIII)		**123.4**	**14.4**	**14.4**
EXTRAORDINARY INCOME				
Extraordinary income on day-to-day management operations	8	0.1	0.1	0.1
TOTAL EXTRAORDINARY INCOME (IX)		**0.1**	**0.1**	**0.1**
TOTAL INCOME (X=VI+VII+VIII+IX)		**83,253.0**	**83,235.5**	**77,949.8**
NET DEFICIT RESULT FOR THE YEAR (XI=X-V)	**9**	**17.8**	**3.9**	**3.9**
GENERAL TOTAL (XII=X+XI)		**83,270.7**	**83,239.4**	**77,953.7**

1. Presentation of ACOSS

The *Agence centrale des organismes de Sécurité sociale* (ACOSS - Central Agency of Social Security Organisations) is a national public institution of administrative nature.

ACOSS, in its capacity as the general system's financial institution, manages the common and centralised cash flow of the general system's four branches in accordance with the Articles L.225-1 and Articles D.225-1, D.225-3, D.253-38 and D.253 -41 of the Social Security Code. It guarantees the exact individualisation of the cash flow of each branch of the general Social Security system (Sickness, Occupational Accidents and Occupational Diseases, Family and Old Age), with a role of forecasting and monitoring receipts and disbursements.

It centralises all Social Security employer and employee contributions and taxes collected by organisations responsible for collection, and provides notification thereof and their restitution into the cash flow of each beneficiary, whether this be an organisation of the general system or of another system (in particular the health insurance systems and the Self-Employed Social Security System or RSI), a public entity (FNAL, CADES…) or a third-party entity (IRCEM, UNEDIC..), including collection carried out for the benefit of the Transport Organising Authorities (TOA).

ACOSS also has the role of directly collecting the employer and employee contributions and taxes both on behalf of the general system funds and for various third-party entities, pursuant to Article L.225-1-1 of the Social Security Code (SSC).

As the national fund of the collection branch, it is charged with steering and leading the network of 22 regional URSSAF offices, 7 regional information processing centres (CERTI) and the collection departments of the following entities: Common Social Security Fund of Lozere (CCSS), Social Security Fund of Mayotte and the General Social Security Funds of Overseas Departments (CGSS). This steering mission results in particular in:

- signing with each of the network's organisations a multi-annual management contract (MMC), which defines the objectives of the multi-annual objectives and management agreement entered into between ACOSS and the State for the 2014-2017 period;
- definition of the orientations of the collection and the control policy of the Social Security contributions and levies;
- supporting application by the URSSAF/CGSS of the legislative and regulatory texts as well as developing the service quality rendered to the users;
- implementation of a quality policy with regard to the final beneficiaries of the collected funds;
- allocation of the budgetary resources to the branch's organisations;
- definition and the implementation of the national information system;
- coordination of the branch's real estate policy;
- establishment of an internal audit arrangement complying with the provisions of Decree nº 2013-917 of October 14, 2013, on internal audit of mandatory base Social Security systems and organisations contributing to their financing.

2. Accounting Rules and Methods

The ACOSS accounts have been drawn up, since January 1, 2002, in accordance with the Social Security Organisations' Single Chart of Accounts (PCUOSS), which is based on the general principles of accrual accounting.

As stated in Opinion n°2000-04 of the National Accounting Council, "its provisions comply with the rules of the General Accounting Plan:

- taking into account application of the principle of attribution to a year the following expenses and income: technical income and expenses for a year, that is, those relating to settlement of services, collection of Social Security levies and contributions, internal transfers to social protection and state contributions to certain organisations, are ascribed to the date on which those expenses or income are constituted as entitlements or obligations for the Social Security organisations, in accordance with the legislative or regulatory provisions that apply to them;
- subject to the following adjustments necessitated by the specific characteristics of Social Security Organisations: adjustments to third party accounts, adjustments to technical income and expenses".

In addition to the PCUOSS, the accounting standards of the collections branch include the opinions of the Public Accounts Standards Board (CNoCP) applicable to Social Security Organisations as well as the opinions of the competent standards bodies that preceded it.

For partly conventional reasons, collection transactions follow a different accounting procedure depending on the nature of the revenue assignees. They are either traced in the income statement as technical income and expenses, or only tracked in the balance sheet accounts.

☞ **The assignees for which the collection operations are monitored in the income statement are the following:**

- the branches of the general system (branches of health and Occupational Accidents and Occupational Diseases (or OA-OD) managed by the CNAMTS, the Family branch managed by the CNAF and the Old Age branch managed by the CNAVTS);
- the FSV, the CNSA and the CMU-C Fund;
- the CADES since 2016 (see note 3);
- the CCMSA and the various Social Security system assignees of the assigned taxes and dues that are centralised and distributed by ACOSS.
- various other assignees: FCAATA and, since 2015, the Hardship Fund (in respect of employer contributions financing the staff hardship account).

☞ **The collection transactions recorded on the balance sheet accounts concern the following assignees:**

- the local Alsace Moselle system, in respect of contributions and certain exemption measures (1979-1987-1992 Apprenticeship Acts, and company creators/acquirers);

- the Interprofessional Provident and Old-Age Insurance Fund (CIPAV) for the basic and additional old-age and disability/demise insurance contributions of the self-employed affiliated to that fund; various other assignees, external to the Social Security field:
    - the Transport Organising Authorities (TOA) in respect of the transport payment and of the State's bearing the exemption system costs (1979 Apprenticeship Act);
    - the National Housing Assistance Fund (FNAL), fund devoid of legal personality managed by State Departments, under the State's bearing of the exemption costs relating to the 1979 Apprenticeship Act.

2.1 Collection Management Operations

Technical income consists of social levies and contributions, social security taxes and duties and sundry related income (recovery of provisions) recovered directly by ACOSS. Technical expenses include losses on irrecoverable receivables, deferrals of receivables, management fees for certain receipts collected by the State, allocations to provisions for depreciation of contributor receivables and to provisions for risks and expenses.

Collection duties are entrusted to the branch with the purpose of centralising, distributing and disbursing receipts collected by ACOSS to their beneficiaries, all technical income recorded being the subject of a transfer of the same amount in the form of technical expenses (accounts titled "income transfers"). Similarly, all technical expenses of the branch are transferred to their assignees in the form of technical income (accounts titled "expense transfers").

As all income and technical expenses are transferred to their assignees, the earnings account for technical management does not release earnings by construction.

The ACOSS accounts track the receipts collected directly by the agency for the State and other Social Security systems, except for receipts collected by the URSSAF offices, for which it provides centralisation and disbursement, which are translated to its level only in the cash accounts.

2.1.1 Income

2.1.1.1 General principles for attribution to the year

Transactions are taken into account under the year to which they relate, based on the date at which such income are constituted as entitlements or obligations for the Social Security organisations, in accordance with the legislative or regulatory provisions which are applicable to them (chargeable event), as indicated in the PCUOSS, being the collection of a revenue, payment of a salary and, for tax receipts, the rules shown in Appendices 1 and 2 of the PCUOSS.

As an exception to this principle, the chargeable event selected for levies on income replacement is the period under which the income is paid (ref § 2.1.1.4).

At the time of inventory operations, the entitlements and obligations, arising during the closed financial year but for which the institution has not received the supporting document, are ascribed to that financial year by recording deferred income. Conversely, the income accrued in the financial year, but relating to a period of the following financial year, is recorded as accrued income.

Furthermore, amounts designated for collection that are exclusively recorded on the balance sheet, and not on the income statement, follow the same accounting rules, with the exception of certain accounting entries at the end of the year. In effect, there is no recording of deferred income, accrued income, provisions or depreciation. These inventory postings are only reported to these beneficiaries, for entry in their accrual accounting records.

2.1.1.2 Social Security Contributions

☞ **Chargeable Events**

The chargeable events that determine the accounting year to which they are ascribed for levies collected directly by ACOSS are the following:

Type of social contribution	Chargeable event
Contributions due on unearned income (AGESSA and MDA)	Transfer of contributions
Contributions on replacement incomes	Period under which the income is paid*

*As an exception to the general principle stated above

The Social Security contributions concerned by a deferred income calculation are the contributions from inactive persons for pensions and for early retirement of workers who are victims of asbestos (ACAA) paid in January N+1 in respect of December N.

The method of calculating the Deferred Income is based on the cash inflows communicated to ACOSS by the systems which provide subject services up to 31 January N+1 and of which the chargeable event relates to Financial Year N.

2.1.1.3 Social Security Contributions borne by the State

Social security contribution exemptions targeted on geographical areas or particular populations are compensated for by the national State budget.

ACOSS centralises and books as income the expenses accepted by the State's budget for the Social Security contributions intended for the general system's branches and the Social Security contributions assigned to the FSV, the CADES and the CNSA, which are paid by the URSSAF offices and billed to the State by ACOSS. Expenses in relation to the TOA, the FNAL or to the Local Alsace-Moselle System are accounted for in third-party accounts.

ACOSS records income in the amount of exemptions relating to the financial year as accruals, independently of the amount of the budget appropriations provided by finance laws or payments made by the State, in accordance with the principle of financial neutrality in the relations between the State and social security.

To ascribe them to the financial year, contributions borne by the State budget are treated in the same way as the contributions themselves: the chargeable event is constituted by the period of salary payment, which results in ascribing to the financial year the contributions borne in relation to salary paid in December, independent of the moment at which the amounts borne are paid by the State.

2.1.1.4 Contributions Borne by Social Security

☞ **Social Security contributions for Medical Practitioners and Auxiliaries**

The health insurance systems bear part of the Family and Sickness contributions from the Medical Practitioners and Auxiliaries (MPA), within the limits laid down by the applicable medical agreements. The contributory charge is therefore shared between the health insurance and the practitioners. The URSSAF/CGSS entities call for contributions due from the MPAs and calculate the contributions borne, the invoicing of which is directly carried out by ACOSS to the CNAMTS (which then rebills their share to the other systems).

Following the technical merger of the categories of MPA contributory accounts and self-employed persons from 2017 onwards, recognition of the assumption of health insurance contributions will henceforth be concomitant with the appeal of the health and family contributions due by the MPAs. With a fraction of contributions recorded in December 2016 by some agencies at the time of the call for MPA contributions for the deadline of January 5, 2017, the amounts of PEC Health and AF for the January 2017 period were deducted from income related to the 2016 accounts by recording accrued income (PCA).

☞ **Social levies and contributions for beneficiaries of the early childcare benefit (PAJE)**

The Family Branch assumes a portion of the social levies and contributions for beneficiaries of the supplementary custody arrangement for the early childcare benefit (PAJE) These are not recorded in specific payroll accounts but are included in the contribution income of domestic staff employers. A deferred income is recorded to allow carrying over of amounts assumed in N+1 under N according to the terms described above. An additional abatement (6.7%) is also applied, to take into account the specifics of this arrangement, particular in regard of the rules for assumption of social components.

2.1.1.5 General Social Security Contribution (GSSC)

☞ **GSSC on Earned Income**

The ACOSS accounts trace the GSSC on Earned Income coming mainly from the CCMSA (farmers and farm employee plans). For account closing operations, the CCMSA notifies ACOSS of the amount of deferred income.

☞ **GSSC on Replacement Incomes**

The main incomes constituting the GSSC tax base on replacement incomes centralised directly by ACOSS are base retirement pensions, disability pensions, daily allowances, and occupational accident revenues.

The CNAMTS and the CNAVTS transmit to ACOSS a final statement of income for Year N, which enables it to determine the deferred income in respect of the GSSC deducted from replacement incomes (retirement and disability pensions, and daily allowances) by the difference between the income of the financial year notified by the national funds at the latest by 31/01/N+1 and the income relating to the January to November periods of Year N that has already been recorded. For the other organisations concerned, ascribing to the year is done on the basis of the general principle of the period under which the replacement income is paid.

☞ GSSC on Investment Incomes

Article L.136-7 of the SSC provides for the payment of instalments to the tax authority in the course of year, by the paying institutions (banks, insurers and companies), a part of which relates to the months of January and February of the following year. Instalments collected by ACOSS as such are recorded as accrued income.

At the end of year N+1, the DGFiP communicates, on the one hand, the amount of deferred income (amount of the GSSC on the investment income paid in January and February N+1 and ascribable to Year N), and, on the other hand, that of accrued income relating to the fraction of instalments collected in Year N and ascribable to Year N+1.

☞ GSSC on Unearned Income

The GSSC levied on unearned income is collected by the tax authority by notice of assessment in the context of the collection of PIT. At the beginning of Year N+1, the DGFiP communicates the deferred income on the basis of assessments issued in November and December N (amount of levies on unearned income paid in January N+1 and ascribable to Year N).

☞ GSSC on Gambling Incomes

This is liquidated and collected monthly, on the first working day of the month following the month of realisation of the taxable gambling income (i.e. from 2 January N+1 for the GSSC of December N).

At the beginning of Year N+1, deferred income is reported by the DGFIP on the basis of amounts declared in January N+1 in respect of December N.

2.1.1.6 Other charges on social security (duties and taxes)

In view of those departments' notification procedures, amounts paid during the year by the State Departments are entered as income according to their payment date. For closing the year's accounts, the Directorate General for Public Finance (DGFiP) communicates to ACOSS an estimate of accrued income on the basis of chargeable events foreseen by the PCUOSS.

The main receipts were the following:

- the income tax mentioned at Article 231 of the General Tax Code (CGI): due to the liability date of January 15, N+1, for amounts due in respect of December N, and of the collection and accounting delays for these amounts, deferred income is estimated by the DGFiP on the basis of the amounts received between January 1 and February 10, N+1;
- the tobacco consumption duty mentioned at Article 575 of the CGI: deferred incomes have been assessed on the basis of the amounts to be collected, on receipt of the duty liquidation declarations drawn up by the operators, and assigned according to the scales provided in Article L.131-8 SSC. Data is collected on the basis of declarations relating to Year N, which were filed by the operators between December 1, N, and February 1, N+1;
- Net VAT: a fraction of net budgetary VAT is allocated to the CNAMTS. Deferred income reported for this receipt corresponds to the receipts from net budgetary VAT from January N+1 (relating to December N) allocated to the CNAMTS;

- Social Security levies on unearned and investment incomes (social levy, solidarity levy, Social Solidarity levy, CRDS): they follow the same rules as those stated above for the GSSC on unearned and investment incomes;
- the excise tax on tobacconists' remuneration: declarations are filed by the taxpayers on the 25th day of the month following the one during which the deliveries are made. Thus, deferred income is assessed in respect of declarations of December N filed between December 1, N, and February 1, N+1;
- the tax on company vehicles (Art. 1010 of the CGI) has been allocated to the CNAF since 2014. The deferred income is determined and reported by the DGFIP on the basis of receipts recorded up to February 10, N+1, these transactions being residual beginning in February due to the chargeability of the tax in November, N;
- social Security levies on gambling income, introduced by Law N° 2010-476 of May 12, 2010, target horse-race betting, sports betting and gambling clubs. The income from these levies is declared and liquidated by the operators of on-line lotteries or betting. The monthly declaration is transmitted on the fifth day of the month following that of the levies' chargeable event. Deferred income reported by the DGFIP corresponds to the amount of the gambling levies declared in January N+1 and is ascribable to Year N.

It should be noted that the deferred income corresponds to the amounts collected at the beginning of the following financial year when they are ascribed to the closed financial year: deferred income takes account of a possible change of the scope of ATDs centralised by ACOSS (excluding creating a new receipt) in the Finance Act for the following year. Thus, the payment of a tax in January N+1 by the tax authority, envisaged by a Finance Act in respect of N+1, gives rise to the recording of Deferred Income in year N, thus taking account of the receipt's chargeable event.

Specifics for recording receipts collected by the State's departments

For most of the receipts collected by the tax departments, various expenses (relating to collection, recovery and/or relief and non-value) are provided by the texts. They mainly relate to income tax, the social levies on unearned and investment incomes, to which collection and recovery expenses apply (at a rate of 0.5%) and/or costs of relief and non-value admissions (at a rate of 3.6% only on levies based on unearned incomes). These costs are recognised as expenses.

Furthermore, considering the procedures for assignment and reporting of these receipts by the State, the accounts of the branch do not track receivables as amounts remaining outstanding from the State on amounts owed on receipts assigned to it.

However, provisions for risks are made in respect of litigation whose unfavourable future effects would be charged to the social security organisations under applicable legislative and regulatory provisions. This was the case in the results of the de Ruyter litigation relating to the subjugation of certain French source incomes received by individuals affiliated with a Social Security system of another member state of the European Union, which gave rise to the constitution of a provision for risks in respect of social levies on investment incomes, on the basis of an estimate by the ACOSS guardianship administrations. The risk of repayment of social levies on unearned income being covered by the State, in return for the application of relief expenses and non-value expenses of 3.6%, no provision was constituted in this respect in the accounts of the branch.

2.1.1.7 Other Revenues and Taxes Collected by the CCMSA

Employer contributions on the employee savings plan and the “social package” additional pensions: pursuant to Article 13 of the SSFA for 2009, earnings and pay liable for the GSSC but excluded from the Social Security contributions’ tax base are subject to a contribution that is charged to the employer.

For employers included in the agricultural system, the social package is collected by the MSA funds and centralised by the CCMSA, which notifies the income to ACOSS.

Recording income from this contribution and recognition of deferred income follow the rules and methods applied to the social contributions on agricultural employee earned incomes.

2.1.1.8 Other Technical Incomes

They consisted mainly of:

- the “solidarity - autonomy” contribution at the rate of 0.30%, due by private and public employers (ministerial circular of July 1, 2004, specifies that persons affiliated with a self-employed workers’ system are not subject to payment), whose income is assigned to the CNSA. Concerning the Solidarity & Autonomy Contribution paid directly to ACOSS by the general system’s various partners, including the CCMSA, SNCF and CNMSS, cash inflows in Year N+1 but whose chargeable event is ascribed to Year N are recorded as deferred income;

- the “ACSA” additional autonomy solidarity contribution based on retirement and disability pensions as well as on early retirement benefits served from April 1, 2013, is paid by withholding organisations and assigned to the CNSA. Deferred income ascribed to the accounts of Year N is determined in accordance with the same rules as those relating to the GSSC base on these replacement incomes (supra § 2.1.1.5).

2.1.2 Expenses

Technical expenses include:

- sundry fees levied by the tax authority on certain ATDs;
- impairment of receivables in respect of levies collected by the CCMSA and centralised by ACOSS;
- as applicable, allocations to provisions for technical risks and expenses;
- transfers of income in respect of the mechanism for cancellation of the previously described technical earnings.

2.2 Financing

In the context of its general system cash flow manager mission, ACOSS manages the single account opened in the Caisse des Dépôts et Consignations (CDC) on behalf of the general system's four branches: Sickness, Occupational Accidents and Occupational Diseases (OA-OD), Old Age and Family.

Financial movements of these branches made on this single account are traced in the national funds' current accounts opened in the ACOSS accounts. The current accounts, traced back to the balance sheet, give the cash flow situation of each branch of the general system: in the Assets when the branch is in deficit and, as necessary, in the Liabilities when the branch is in surplus.

For their part, financial movements of the URSSAF, CGSS and CERTI on the CUDC are also tracked in the current accounts open in the books of ACOSS.

Since July 1, 2015, ACOSS has provided cash management for the RSI under a financial tracking account, for which operation is similar to that of the current accounts of the national funds of the general system (see note 4).

Furthermore, the CNSA, the CNIEG and the CAMIEG, are participating in pooling of Social Security cash and are making as such advances to ACOSS, which are shown in its financial debt.

The National Mining Autonomous Social Security Fund (CANSSM), the CNIEG and the CCMSA have for their part benefited from advances authorised by ACOSS identified in the financial fixed assets as loans to partners (see notes 4 and 14).

The various means of the general system's financing are recorded in the Liabilities.

Treasury notes (TN) and Euro Commercial Paper (ECP) are negotiable debt securities (NDS) issued on the money market. For ECP, there are not foreign currency flows recorded in ACOSS accounts, since it is the partner bank that carries out the transaction of transforming the currency into Euros.

Foreign currency swap transactions (or foreign exchange swaps) recorded and TNs constitute financial debts. These NDSs are shown on the balance sheet at account 168 "Other loans and similar debts".

Interest expense on these transactions is recognized on a pro rata basis in the income statement using the accrued interest method.

Margin calls related to these instruments are recorded on the balance sheet, as cash assets and liabilities.

Information in the appendix notes discloses the volume of swaps and debts thus backed up, together with their market value at the closing date. Ad hoc information is also provided on counterparty risk and its hedging.

2.3 Administrative Management

The consolidated earnings account records as expenses, all of the branch's administrative expenditures (expenses specific to ACOSS and allocations for operation of the network's organisations, which exactly matches their expenses). These expenses essentially financed by the contributions of the general system's national funds, including management charges invoiced to the assignees as part of the collection mission exercised by the branch on their behalf, which constitute administrative management income.

The collection branch does not in principle have a accounting earnings on its administrative management operations, as the management expenses of the branch not covered by its own receipts are in principle balanced by a corresponding allocation of the national funds of the general system.

However, until 2015 ACOSS applied rules for balancing of management expenses based on a budgetary rationale, revised by an order in early 2017 (see note 4), which led it to charge in advance the national funds for investments not yet depreciated and to release significant accounting earnings to its detriment, which accumulated over the years in ACOSS accounting provisions to reach €443 M by the end of 2015.

In order to rebalance the situation for the benefit of the national funds, the aforementioned order stipulated that ACOSS clears these reserves over a period of 25 years, reducing the amount of contributions invoiced to the national funds by € 17.8 million each year. For 25 years from 2016, it will therefore generate a negative result of the same amount, which will each year reduce the reserves by the same amount until they are fully discharged in 2040. Beginning in 2041, the annual accounting result will be designed to balance.

☞ Depreciation Rules

The method used is linear depreciation. The depreciation periods applied by ACOSS are the usual ones, applied for all new acquisitions from January 1, 2003.

DEPRECIATION TABLE

Nature of the Fixed Assets	Rate – amortization period
Concessions and similar entitlements, patents, trademarks, processes, software, rights and similar securities	100% to 20% From 1 to 5 years
Land layout and development, Interior fittings and installations	10% - 10 years
Structures and similar works	4% - 25 years
Equipment, Tools, Fitting and installation of equipment and machinery	14.29% - 7 years
Rolling stock, Computer hardware and associated software	25% - 4 years
Office equipment	20% - 5 years

☞ Staffing costs

Expenses payable or provisions are recorded for holidays and RTT days not taken, profit-sharing, the variable share of executive officers and performance bonuses for executives level 8 and higher and IT specialists from level VII.

These provisions are evaluated according to the following methods:

- the provision for profit-sharing bonuses due in respect of Year N is recognised by taking account of a 2% change in the amount paid in N in respect of Year N-1 and the increase of the social package set at 20% since August 1, 2012;
- the executive officers' variable share: the protocol agreement of July 22, 2005, envisaged the payment of a variable share to executive officers, the maximum value of which can amount to 1 and a half months of base salary for the directors and to 1 month for the other executive officers. The amount of the provision is established on the basis of 65% of the theoretical total amount, in accordance with the Supervisory Bodies' request in 2006 for all of the general system organisations. This amount includes the corresponding Social Security expenses. It is a question of a limiting envelope which does not prejudge the distribution made in N+1 according to achievement of set objectives;
- the performance bonus of the Level 8 and higher executives and the IT specialists with effect from Level 7, envisaged by the employees' and executives' protocol of November 2004, can reach a half a month of salary at most. Provisions are recognised with regard to an estimate of the bonuses that are likely to be allocated;
- the provisions for long-service awards are recorded in accordance with Recommendation 2003 R01 of the CNC. They cover all employees present at the year end closing and the awards to which they can aspire until their retirement. Evaluations are made by the UCANSS on the basis of the data validated by the national funds and with the help of an actuary. The "Projected Credit Units" method is applied. This is a question of an actuarial method, based on an estimate of the probable future benefits (PFB) and the retrospective benefits, which defines the value of the commitment at the time of the evaluation.

For retirement allowances, the collection activity does not apply the CNC's preferred method (accounting of provisions); however the information relating to this commitment is shown in the Notes (see note 16). The commitments are assessed according to identical methods as those applied to the long-service awards.

2.4 Transactions Traced in the Balance Sheet

The Asset accounts trace the collection branch's asset base situation (goods, receivables and cash flow).

FIXED ASSETS	
Intangible fixed assets	Software or patents held by ACOSS
Tangible fixed assets	Buildings and furniture
Financial fixed assets	Cash advances repayable to the UIOSS and various other Social Security organisations (SSC Mayotte, CLEISS, EN3S)
CURRENT ASSETS	
Suppliers, social intermediaries, service providers	Receivables with respect to suppliers (retained guarantees)
Customers, contributors and related accounts	Receivables from contributors and other liable persons in the context of collection, including those designated for collection traced only in the balance sheet. Receivables from contributors and other taxpayers in respect of beneficiaries whose collections are recorded in earnings reduced by depreciation due to the risk of uncollectability.
State and public entities	Assigned receivables and revenues to be collected from the collection activity's public entities (PAFAR debtors) Receivables and Deferred Income from the State in respect of compensation by its budget of targeted Social Security contribution exemptions, Deferred Income in respect of the assigned taxes and duties, Various receivables from the State in respect of the administrative management Various receivables from public entities including when instalments have been higher than the final allocations.
Organisations and other Social Security plans	Current accounts of the national funds when their cash flow is negative, Assigned receivables and revenues to be collected from organisations and other Social Security systems (PAFAR debtors)
Other operating receivables	Sundry receivables from third parties other than Social Security organisations in respect either of the collection of contributions (adjustments), or administrative management.
Liquid assets	Situation of financial accounts opened in the name of the organisations' accounting officer and of ACOSS.

The Liabilities accounts record shareholders' equity, provisions and debts, including financial loans.

LIABILITIES	
Equity	Reserves, donations, legacies...
Net Earnings for the Year	FNGA and AM result for financing capital transactions
Provisions for risks and expenses	Provisions for technical risks and expenses. Provisions in respect of certain staff expenses (profit-sharing bonuses, long-service awards) and other administrative management provisions
Financial debts	Short-term loans from the Caisse des Dépôts or in the context of treasury notes and Euro Commercial Paper issuance programmes. Third-party deposits (CNSA, CNRSI, etc.)
Debtor Contributions and Customers	Amounts to be repaid to contributors. Balances of appropriations to be allocated that are not later liquidated as income
Suppliers of goods and services and related accounts	Expenses Payable to suppliers
State and public entities	Assigned receivables and income to be collected from public entities Debts in respect of the contribution exemptions and accrued liabilities to the State Debts owed to other public entities in respect of administrative management
Organisations and other Social Security plans	Current accounts of national funds when their cash flow is positive Debts owed to Social Security organisations in respect of the contributions remaining to be reimbursed to them
Other operating debts	Sundry debts owed to non-social-security third parties in particular in respect of contributions collected on their behalf but remaining to be transferred to them.
Accrued income	Income recorded in Year N on income for which the chargeable event will occur in N+1

☞ Collection-Related Receivables and Debts

This is in particular a question of receivables from contributors, the State and some Social Security Organisations recorded in the balance sheet's Assets, as well as deferred income evaluated at the end of the financial year. Impairment is recorded in respect of receivables on levies collected by the CCMSA and centralised by ACOSS on the withholdings of earned incomes.

For assignees for which designation for collection are recorded in the balance sheet in third-party accounts, impairment, deferred income and accrued income are not recorded.

By correlating these receivables, debts in relation to assignees (called "assigned income to be collected" or "PAFAR") are recorded as balance sheet liabilities: amounts recorded correspond to the gross amounts of receivables, increased by deferred income and decreased by impairment of the receivables, provisions for technical risks and expenses, amounts in favour of contributors, accrued income, debt on the State and accrued liabilities. If the PAFARs present a negative credit balance, they are presented as asset receivables on the balance sheet.

The Assets/Liabilities balance of the balance sheet is thus verified for collection management. The detail of items contributing to this balance is described in note 15.

☞ Receivables and Liabilities Relating to Administrative Management and the FNGA

These are receivables and liabilities with respect to staff, Social Security organisations, and suppliers.

3. Accounting Changes

Accounting changes, within the meaning of notice n°2012-05 of October 18, 2012, of the Public Accounts Standardisation Board, which took place in 2016 relate to the points described below. To facilitate comparing of accounts between 2015 and 2016, proforma 2015 accounts have been established.

3.1 Recording in the income statement of the collection transactions on behalf of the CADES

To facilitate monitoring of the GSSC in accruals, recording of collection transactions carried out on behalf of the CADES, until now recorded on behalf of third parties, are now recorded in the branch's earnings account.

This change leads to recognition in the Branch's consolidated accounts of the CADES' inventory operations, previously notified to the beneficiary for recording in its own accounts, but without recording in those of the collection activity.

Also, the open balance for the year has been adjusted for the effect of the change of method: inventory entries at the end of 2015 (deferred income, provisions for depreciation and for risks and expenses) have been incorporated at January 1, 2016, in the opening balance in the amount of:

Assets: - € 382.5 million in receivables (including € 166.5 million under ITAF)

- € 8.9 million for provisions for impairment
- € 0.7 million for prepaid expenses.

Liabilities:
- € 43 million in provisions for risks and charges
- € 155.8 million in accrued income
- € 1.8 million in accrued expenses.

or a net amount of **€ 173.7 million** recorded in the PAFAR account

These elements are incorporated into the 2015 proforma balance sheet.

The 2015 proforma income statement shows the 2015 flows relating to the revenue allocated to the CADES according to the 2016 accounting rules, with the following impacts on the expense and revenue items:

Expenses: **€ 5,285.7 M** which breaks down into tax base and collection costs for revenues collected by the State (€ 59.3 M), allocations to provisions and depreciation (€ 1.7 M), transfer of revenue (€ 5,224.7 M)

Income: **€ 5,285.7 M** which breaks down into GSSC (€ 1,576.3 M), CRDS (€ 2,121.5 M), allocated taxes and duties (€ 1,526.9 M), transfer of expenses (€ 61 M).

3.2 Collection of remaining outstanding amounts in respect of receipts collected by the CCMSA

Until 2014, the CCMSA paid the FSV directly the portion of the social package collected which was allocated to it. Beginning in 2015, as with the other receipts collected by the MSA which do not constitute receipts from agricultural schemes, the total of the social package collected (including the part allocated to the FSV) is now paid back to ACOSS for repayment to the assignees. As collection of the remaining outstanding shown in the accounts of the MSA at the end of 2015 had not been carried out by that day, a RAN entry was recorded to this effect on January 1, 2016 (amounting to €0.8 M).

4. Significant Events of the Year

4.1 Legislative and regulatory developments relating to collection management

The main legislative and regulatory texts that have had an impact on the 2016 accounts are the following:

- Act Nº 2014-892 of August 8, 2014 amending social security finances for 2014;
- Act Nº 2014-1554 of December 22, 2014 on Social Security financing for 2015;
- Act Nº 2014-1654 of December 29, 2014 on finances for 2015;
- Act Nº 2015-1702 of December 21, 2015 on Social Security financing for 2016.
- Act Nº 2014-1654 of December 29, 2014 on finances for 2015;
- Act Nº 2015-1785 of December 29, 2015 on finances for 2016;
- Act Nº 2016-1918 of December 29, 2016 on finances for 2016;
- Decree N°2016-1212 of September 9, 2016, on the financial relationships between the General System and the other systems within the framework of universal health protection.

All significant measures are detailed hereafter.

The structure of receipts allocated to the social security systems for which the branch provides collection were greatly modified in 2016 following measures adopted under phase 2 of the responsibility and solidarity pact, and compliance with community law of the imposition of social security contributions from income of persons affiliated with another Member State of the European Union.

In accordance with the principles of fiscal neutrality in relations between the State and social security laid down in the Social Security Code, the losses of receipts resulting from the responsibility pact are the subject of financial compensation by the State. This compensation took place either in the form of new receipts, or in the form of financial transfers between the State and social security, mainly by assumption by the State of financing for housing assistance. Given their scope, the accounts of the collection branch therefore only record a portion of the effects of these measures.

4.1.1 Bringing into compliance with community law the imposition of social levies on income of persons affiliated with another Member State of the European Union

The decision by the Council of State on July 27, 2015, relating to the “de Ruyter” case, intervening after the judgement by the European Union Court of Justice on February 26, 2015, called into question the imposition of social levies on capital gains in France of persons affiliated with a social security system of another Member State of the European Union (EU) or of the European Economic Area (EEA) or Switzerland. According to the interpretation adopted by the Court, these being allocated to the financing of social security benefits, benefiting only those insured by social security in France, the imposition on people affiliated with other States of the Union could be regarded as contravening the principle of oneness of social legislation applicable to a worker and, in consequence, as an obstacle to freedom of movement within the Union.

In order to take this decision into account, allocation of these social levies on capital has been modified so as to no longer direct them to financing of contributory social benefits.

Article 24 of the SSFA for 2016 is therefore a substantial change from the distribution of receipts between assignees, affecting all social contributions on capital gains, including the GSSC, for the exclusive funding of non-contributory social services, essentially the FSV. In return, the fractions of the GSSC based on earned and replacement incomes received by the FSV (as well as the CNSA) are reallocated to the CNAM and the CADES. The neutrality of these transaction for the various beneficiaries arising from this judgement and the implementation of the responsibility pact is also ensured by transfers of other receipts between organisations.

At the time of these transfers, it was also planned to rationalise the receipts allocated to the CADES (CRDS, then a fraction of GSSC, and finally a fraction of the social security levy on capital gains) by limiting the financing of this social debt to two receipts, the GSSC and the CRDS.

It was also planned to reallocate the fraction of the GSSC allocated up to now to the CNSA to the branches of the general system, to the CADES and to the FSV, in return for the CNSA to allocate a share of social levies on capital gains.

Revenue	2016	2015
GSSC on capital gains	CNAMTS: 0.00% CNAF: 0.00% CNSA: 0.00% CADES: 0.60% FSV: 7.60%	CNAMTS: 5.90% CNAF: 0.87% CNSA: 0.10% CADES: 0.48% FSV: 0.85%
Solidarity levy on capital gains	CNAMTS: 0.00% FSV: 2.00%	CNAMTS: 2.00%
Social security levy on Capital gains	CNAMTS: 0.00% CNAVTS: 0.00% CADES: 0.00% CNSA: 1.15% FSV: 3.35%	CNAMTS: 2.05% CNAVTS: 1.15% CADES: 1.30% CNSA: 0.00% FSV: 0.00%
GSSC on earned income	Health schemes: 6.05% CNAF: 0.85% CNSA: 0.00% CADES: 0.60% FSV: 0.00%	CNAMTS: 5.20% CNAF: 0.87% CNSA: 0.10% CADES: 0.48% FSV: 0.85%
GSSC on Replacement Incomes		
CSG 3.80%	CNAMTS: 100%	CNMATS : 100%
CSG 6.20%	CNAMTS: 4.75% CNAF: 0.85% CNSA: 0.00% FSV: 0.00% CADES: 0.60%	CNAMTS: 3.90% CNAF: 0.87% CNSA: 0.10% FSV: 0.85% CADES: 0.48%
CSG 6.60%	CNAMTS: 5.15% CNAF: 0.85% CNSA: 0.00% FSV: 0.00% CADES: 0.60%	CNAMTS: 4.30% CNAF: 0.87% CNSA: 0.10% FSV: 0.85% CADES: 0.48%
GSSC on gambling		
GSSC on FDJ games	CNAMTS: 5.75% CNAF: 0.85% FSV: 0.00% CNSA: 0.00% CADES: 0.30%	CNAMTS: 4.80% CNAF: 0.87% FSV: 0.85% CNSA: 0.10% CADES: 0.28%
GSSC on Casino games	CNAMTS: 82.00% CNAF: 18.00% FSV: 0.00% CNSA: 0.00% CADES: 0.00%	CNAMTS: 66.00% CNAF: 18.00% FSV: 14.00% CNSA: 2.00% CADES: 0.00%

The effects of these changes are described in note 5

4.1.2 Implementation of the universal health protection (PUMA) and the reform of the financial architecture of the health risk

Implementation of universal health protection (PUMA) from 2016 (Article 59 of the SSFA for 2016) was accompanied by a reform of the health risk financing architecture (Article 32): abolition of the system for bilateral compensation and revision of the method for distribution of the health GSSC to allocate to the systems the GSSC collected on their active affiliates.

A a transitional measure, in 2016, in accordance with Article 11 of Decree N°2016-1212 of September 9, 2016, the income of GSSC on earned incomes was allocated to the mandatory health insurance systems according to the allocation keys set by order on December 22, 2016.

This change of allocation rules of the GSSC on earned incomes to health insurance systems other than the general system has no effect on the income from GSSC on earned incomes of the collection branch taken as a whole, recording according to the chargeable event described in note 2. However, for the allocated systems, it resulted in allocation in 2016 of the equivalent of 13 months of income and receipts related to the transition between the previous preferential allocation mechanism and the new proportional allocation mechanism.

Article 32 also modified the contribution provided for in Article L. 380-2 of the SSC (ex CMU-b contribution). Now subject to the contribution called “subsidiary” are persons affiliated on criteria of stable and regular residence which have not been subject to health contribution on earned or replacement incomes and which do not belong to a household for which one of its members is already insured on professional criteria, retaining a base consisting of capital gains.

As of 2016, deferred income of an amount of **€124.2 M** was recorded in respect of this receipt for new beneficiaries of health coverage under PUMA (on the basis of a figure calculated by the DGFIP, which communicates to ACOSS the elements necessary for imposition of the insured persons concerned).

4.1.3 Changes relating to exemption measures

The increase in the flat-rate deduction for individual employers

Since December 1, 2015, in order to reduce the cost of labour, the flat-rate deduction of employer contributions changed. It rose from €0.75 to €2 per hour worked. This increase concerns the declarations from the December 2015 working periods. For the record, the flat-rate deduction cannot be combined with the exemptions from employer contributions for social security.

Under the responsibility and solidarity pact, this increase in the amount of the contribution reduction must make it possible to support direct employment, carried out by individual employers, in the context of development of personal services activities.

In addition, Article 21 of the Finance Act for 2016 provides that the current mechanism of compensation by the State for flat-rate deductions of individual employers is no longer done by allocating a net VAT fraction but is replaced by budgetary provisions, compensation mode of entitlement common for exemptions (Article L. 131-7 of the SSC). From now on, all compensatory exemption mechanisms are offset by financing by budgetary credits from the State.

The total amount of deductions recorded under this arrangement amount in 2016 to € 392 M, compared to € 192 M in 2015.

The revision of exemption thresholds referred to as LODEOM applicable in the overseas departments

Articles 10 and 11 of the Social Security Finance Act for 2016 changed the exemption thresholds applicable under the so-called LODEOM scheme. The exemption thresholds are reduced for the common entitlement arrangement and increased for the enhanced measure applicable to the companies most subject to competition.

As a result, and to a lesser extent the reduction in the family contribution rate, the "DOM Law" exemption decreased by 6.9% to €863.4 M (compared to €927 M in 2015).

4.1.4 Changes relating to the additional solidarity tax

The SSFA for 2015 provided for merging on January 1, 2016, of the special tax on supplementary health insurance policies and the additional solidarity tax (TSA) by introducing a modified TSA, the rates of which are modulated depending on the characteristics of those policies.

All of the TSA on health insurance policies is allocated to the social sphere (CMU Fund, and also now CNAMTS and CNAF). In addition, Article 27 of the 2016 SSFA increases from 7 to 14% the rate of the TSA for health insurance coverage for health insurance policies covering people who are not covered by a mandatory French health insurance scheme.

In the income statement, 2016 designations for collection represent €**4,186.4 M.**

In addition, under measures of the SSFA for 2015, it was also planned to replace the imposition on insurance policies for motor vehicles with the VTM contribution by subjecting them to two specific TSCA rates without ultimately changing the rates for insured persons (33%, and 15% for heavy vehicles and vehicles for agricultural use). The VTM tax thus decreased from €1,094 M in 2015 to **€13 M** (corresponding to the prior period adjustments) in 2016.

4.1.5 Financing by the net VAT of the reduction in health contributions for farmers

Article 6 of the Finance Amending Law for 2016 brought to 7.49% the portion of the net VAT allocated to the general social security scheme to compensate for the loss of revenue resulting from the lowering by 7 points of health contributions for farmers that was decided as part of the farm support plan (decree of March 31, 2016).

A allocation equivalent to this increase will be granted to the agricultural group fund by the CNAMTS (€478 M).

4.2 Significant Events of Cash Management

4.2.1 Financing needs in 2016 and their means of financing

The 2016 SSFA, amending the SSFA for 2011, which arranged the recovery of deficits in the health and old-age branches of the general scheme, provided in 2016 for the assumption by the CADES of a deficit of €23.6 Bn, anticipating the initially planned collection while respecting the overall ceiling of assumptions which had been set at € 62 Bn.

This assumption of debt in an overall amount of €23.6 Bn was the subject of fourteen instalments between February and September, with a first instalment of €4 Bn on February 9, 2016, to smooth the transfer over a longer period, preventing the CADES from raising funds too suddenly on the markets, while reducing the needs of cash for the general scheme from the beginning of the year.

Spreading the assumption of debts accumulated from the general scheme and the Old Age Solidarity Fund (for an amount of €23.6 Bn) over the first three quarters of 2016 led to the SSFA for 2016 setting two different borrowing ceilings for ACOSS: a first ceiling of €40 Bn for the period from January 1 to July 31, then a second reduced to €30 Bn for the period from August 1 to December 31. Recall that in 2015 the borrowing ceiling for ACOSS was set at €36.3 Bn.

The ACOSS account balance amounted to -€17.2 Bn at December 31, 2016, and would therefore have been -€40.8 Bn without debt assumption. The low point assessed in a "raw" manner (taking into account all financing mobilised in the context of the financial risk management policy implemented by ACOSS, that is, borrowings already realised to cover the increased cash needs for amounts borrowed beyond the daily needs as well as locked-in amounts on the relief accounts to mitigate any incidents), amounted to -€37.8 Bn on January 14, 2016, a level contained within the cap for non-permanent resources now set in "raw" form at €40 Bn by the SSFA for the first quarter of 2016. The high point of cash flow occurred on November 8, 2016, at -€4.6 Bn.

Since 2010, financing of the general system's cash flow needs has been marked in particular by the diversification of its financial instruments, and the growing use of market instruments such as treasury notes (TN) and Euro Commercial Paper (ECP). Indeed, while in 2010 the share of bank loans via the Caisse des Dépôts and Consignments still represented 72% of the cash flow financing needs, it was no more than 4% at the end of December 2016.

Conversely, treasury notes subscribed on the financial markets and Euro Commercial Paper (ECP) covered 82% of ACOSS financing in 2016 (compared to 67% in 2015). Pooling of social and public cash, mainly through subscription of treasury notes by players in the social (CNSA, CADES, CNIEG, CAMIEG) or public (AFT) sphere, which was nil in 2010, represents 17% of financing (compared to 19% in 2015), by also taking into account treasury notes from the social sphere (CNSA, CAMIEG).

The table below presents the financing structure of ACOSS in 2016.

	Maximum amounts	Price conditions	Average outstandi	Share of financing
Medium-term loan	33% of the cash ceiling for ACOSS within the limit of 10 Bn	Euribor of the loan maturity +3.5bp	€ 0.3 Bn	1%
Treasury Notes social/public sphere	€ 25 Bn	EONIA from 0 to +2bp	€ 3.5 Bn	13%
Treasury Notes social/public sphere	-	(EONIA + O bp) 0% in 2016	€1.1 Bn	4%
Treasury/Market Notes	€ 25 Bn	EONIA from -5 to +5 bp	5.4	20%
Euro Commercial Paper	€ 20 Bn	Fixed rate EONIA -10 to +0 bp	€ 16.4 Bn	62%

All these elements are expanded in notes 7 (financial earnings) and 14 (debt and cash).

4.2.2 Implementation of the ACOSS/CDC agreement

Relations between ACOSS and the Caisse des Dépôts et Consignations, its financial partner of reference, are governed by an agreement renegotiated in 2015 and covering the 2015-2018 period, updated by endorsement in 2016, which provides a structure of three levels of cash for loans granted to ACOSS:

- closed “medium term” loans of 3 to 12 months, intended to cover the basic cash needs of ACOSS. These loans are limited to 33% of the cash ceiling set by the financing law, and in any event to €10 Bn for 2016;
- “short term” financing (formerly “pension” or “tile” loans), maturing in 6 working days for a maximum amount of €2.5 Bn, are mobilised each month to specifically deal with the deadline for payment of retirement pensions; This financing has taken the form of CDC treasury notes since 2015;
- renewable cash advances on D-1 for D (overnight) amount to €1 Bn or on D for D (available same day) for a maximum of €0.5 Bn, intended to deal with uncertainties of the cash profile.

In 2016, the assistance of the Caisse des dépôts was mobilised, through “pension” treasury notes, specifically to deal with the payment deadline for retirement pensions, which each month constitutes the largest disbursement for ACOSS (more than €9 Bn). Given the reduction in needs in 2016 (average financing requirement down to € 20.5 Bn), ACOSS has not taken out a medium-term loan this year. However, four loans of € 1 Bn each, positioned in 2015, were repaid in January and February 2016. Since the beginning of 2016, assistance by the CDC represents a total of 4% of the cash financing needs of ACOSS, an average outstanding of €1.2 Bn (compared to 16% in 2015, or €3.6 Bn on average, and 15% in 2014, or €4.5 Bn).

The 2015-2018 agreement between ACOSS and the CDC also provides that cash surpluses on the CDC account at the end of the day are paid. However, the terms of payment for surpluses by the CDC have been, at its request, revised downward to take into account the money market rates and their trend to levels that are now negative. Also, a negative rate is reflected in the daily surpluses on the CDC account exceeding €200 M. An additional penalty is applied where the credit balance of the central current account is greater than € 7.5 Bn for the first eleven days of the month and € 5 Bn from the twelfth day.

4.2.3 Repatriation at ACOSS from the ECP programme

Since February 17, 2016, management of the ECP (Euro Commercial Paper) programme, until then performed by the AFT under a management mandate, was repatriated into the Central Agency. Since 2010, Agence France Trésor (AFT) has managed on behalf ACOSS a debt issuance programme in the form of Euro Commercial Paper (ECP).

Planned in the 2014/2017 COG and in the ACOSS MMC, full management of the ECP program carries strategic stakes for the Central Agency. ACOSS is increasing its skills not only on the aspects of issuance on the ECP markets, but also on the middles office portion of all market transactions.

ACOSS now carries out its ECP issuances daily, with incorporation of the middle office for all market transactions as well as the back offices provided by the Accounting Agency in accordance with the respect for separation of the authorising / accounting functions.

The programme involves several banking partners, including:

- the arranger (or leader) of the programme: UBS;
- the paying agent (intermediary responsible, among other functions, for delivering securities

issued to the investors and ensuring the proper cash flow on issue and redemption): Citibank;

- the investing agents: Barclays, CA-CIB, Crédit Suisse, RBOS, BOAML and UBS.

ACOSS issued 1,081 ECP for an overall mandate of € 96.4 Bn during 2016.A maximum outstanding of € 19.9 Bn was reached on March 11. The programme's ceiling is set at € 25 Bn.

4.2.4 Management of financial risks by ACOSS

To take into account changes observed in the structure of its financing, ACOSS implements strengthened actions for financial risk management.

This concern is in particular reflected in the strategy implemented for securing the mobilisation on the markets of additional financing necessary to the monthly payment cheque of pensions, in addition to the "pensions" loans obtained from the Caisse des dépôts. To the extent that ACOSS is not able to mobilise each day on the markets the exact amount that would allow it to have "zero cash" every day, it has chosen to raise more funds ahead of time in order to ensure coverage of needs associated with the deadline for pensions. This "over-issuance" can be reflected in positive balances for ACOSS.

In order to optimise management of one-time cash surpluses released in this way, ACOSS is not authorised to conduct short term investments by taking government securities into pensions and, since 2012, CADES securities ("repurchase agreement" transactions). ACOSS thus joins the standards from the CADES and the AFT which secure their cash in the same way. Market conditions in 2016 however severely limited the recourse to this mechanism.
In order to limit its net financial expenses, ACOSS is also authorised to dispense funds to a Banque de France account (21 offloadings recorded to the Banque de France sine July 1, 2016). Finally, it should be emphasised that the liquid assets filed in the current accounts are also subject, under certain conditions, to compensation.

4.2.5 The expansion of cash management to other systems and organisations

As part of the financial integration of the Self-employed Worker Social System with the General System in 2015, ACOSS was entrusted by decree with centralised management of the cash flow for the base SWSS systems and on July 1, 2015, opened for this purpose in its books a current account called "Financial Tracking Account" on behalf of the SWSS National Fund. A financial agreement was concluded between the fund and ACOSS on June 30, 2015.

As of December 31, 2016, the outstanding balance of the basic RSI systems managed by ACOSS amounted to € 628.8 M, compared with € 1,325 M at the end of 2015.

The decree of December 20, 2016 extended the list of organisations or funds entering this arrangement with the CCMSA, the FSV, the fund financing rights related to the personal account of hardship prevention fund and the CMUC Fund. The establishment of monitoring accounts for these organisations is scheduled for 2017.

4.3 Significant Events of Administrative Management

4.3.1 Changes in the method of calculation of the contributions from National Funds of the General System to financing expenses for management of the branch

The collections branch does not in principle release accounting earnings on its administrative management operations, as the management expenses of the branch not covered by its own receipts are in principle balanced by a corresponding allocation of the national funds of the general system.

However, until 2015 ACOSS applied rules for balancing of management expenses based on a budgetary rationale provided for by an order in 2001, which led it to charge in advance the national funds for investments not yet depreciated and to release significant accounting earnings to its detriment, which accumulated over the years in ACOSS accounting provisions to reach €443 M by the end of 2015.

Beginning in 2016, it was planned by order to review the the method of calculation of the contributions from National Funds of the General System to financing expenses for administrative management of the collections branch's organisations (order of March 14, 2016).

In order to rebalance the situation for the benefit of the national funds, this order stipulated that ACOSS clears these reserves over a period of 25 years, reducing the amount of contributions invoiced to the national funds by € 17.8 million each year. For 25 years from 2016, it will therefore generate a negative result of the same amount, which will each year reduce the reserves by the same amount until they are fully discharged in 2040. Beginning on this date, the annual accounting result will be designed to balance.

5. Technical Income and Expenses

The main categories of receipts provided by the Social Security Finance Act collected by ACOSS are: Social Security contributions, the General Social Security Contribution, the contribution to reimbursement of the social debt, the allocated taxes and duties and the Social Security contributions borne by the State and by Social Security (ref. note 2).

The overall amount designated for collection, corresponding to the income related to the year in accruals, amounted in 2016 to **€81,371 M** for all beneficiaries, compared to €81,335.8 M in 2015, an increase of +0.04%, including:

☞ **€81,342.3 M** recorded in the income account (class 7); or -0.2% compared to the 2015 proforma data (see note 3),

☞ **€28.7 M** recorded exclusively on the balance sheet (class 4) (compared to -€ 72.1 in 2015).

The summary table below presents a synthesis of 2016 income by nature and assignee:

Summary table of 2016 income by accounting mode, beneficiary and nature (excluding transfers of expenses)

in millions of Euros (€M)

Beneficiaries	Social contributions	Borne by the State	Borne by Social Security	GSSC	ATD	Other contributions (2)	Other day-to-day management income (3)	Extraordinary Income	Total income 2016	Total income 2015 pro forma	Total income 2015 published
Health CNAMTS	94.5	1,292.9	1,587.0	11,882.3	20,848.0	98.2	87.5		35,890.4	44,718.5	44,718.5
CNAMTS AT		106.0			0.0				106.0	97.5	97.5
CNAF	9.0	436.8	332.1	1,845.5	5,507.7		10.2		8,141.3	9,976.4	9,976.4
CNAVTS	147.1	1,165.5			8,466.9		16.5		9,796.0	9,828.1	9,828.1
FSV				9,634.7	7,043.1		9.0		16,686.8	6,552.1	6,552.1
CADES		0.0		2,039.3	-15.9	2,198.4	22.0		4,243.8	5,224.7	
CCMSA				73.4	3,084.3				3,157.7	3,139.7	3,139.7
CNSA		0.0		-2.3	1,661.4	958.4	3.6		2,621.1	1,492.4	1,492.4
Sundry plans and funds (1)	0.5			270.4	428.3				699.2	438.1	438.1
Subtotal of income recorded in the earnings account	251.1	3,001.2	1,919.1	25,743.3	47,023.8	3,255.0	148.8	0.0	81,342.3	81,467.4	76,242.7
CADES		0.0									5,165.2
RAVGDT					23.9				23.9		
AOT		0.8							0.8	0.9	0.9
FNAL		2.3							2.3	-18.1	-18.1
FNSA									0.0	-52.9	-52.9
Solidarity Fund									0.0	-3.9	-3.9
Alsace Moselle local system		1.7							1.7	1.8	1.8
Subtotal of income recorded in the balance sheet accounts	0.0	4.8	0.0	0.0	23.9	0.0	0.0	0.0	28.7	-72.1	5,093.1
General total of recovered income	**251.1**	**3,006.0**	**1,919.1**	**25,743.3**	**47,047.7**	**3,255.0**	**148.8**	**0.0**	**81,371.0**	**81,395.2**	**81,335.7**

(1) CMU, CNRSI, FCAATA, CRPCEN, ENIM, CPRP SNCF, RATP, CANSSM, FFP, CAVIMAC, PAB

(2) Public contributions (health contributions from inmates) and specific contributions (CSA, ACSA, Additional contribution) and CRDS

(3) Reversals of provisions for impairment of receivables and for risks and expenses

5.1 Technical Income and Expenses Recorded on the Income Statement

5.1.1 Technical Income

Since 2016, income collected on behalf of the CADES are now recorded in the income statement account (ref. note 3).

Income from technical management corresponds to the ACOSS's direct collection receipts that are reassigned to the assignee as well as income recorded as expenses transfers to assignees (see note 2).

General table of income from technical management

in millions of Euros (€M)

Technical management income	2016	2015 pro forma	2015 published	Change 2016 / 2015 pro forma		Structure 2016
Contributions, taxes and allocated income	**80,136.9**	**80,429.50**	**75,204.70**	**- 292.6**	**-0.4%**	**97.9%**
Social contributions	251.1	258.00	258.00	- 6.9	-2.7%	0.3%
Contributions Borne by the State	3,001.2	2,708.20	2,708.10	293.0	10.8%	3.7%
Contributions Borne by Social Security	1,919.1	2,104.90	2,104.90	- 185.8	-8.8%	2.4%
Income Tax: general social security contribution	25,743.3	24,829.60	23,253.30	913.7	3.7%	32.1%
Taxes: Contribution to Reimbursement of the Social Debt	2,198.4	2,121.40	-	77.0	3.6%	2.7%
Assigned Taxes and Dues	47,023.8	48,407.40	46,880.40	- 1,383.6	-2.9%	58.7%
Technical Income	**1,056.6**	**1,033.10**	**1,033.10**	**23.5**	**2.3%**	**1.3%**
Public contributions	98.2	98.70	98.70	- 0.5	-0.5%	9.3%
Specific contributions	958.4	934.40	934.40	24.0	2.6%	90.7%
Sundry Technical Income	**524.8**	**496.20**	**435.20**	**28.6**	**5.8%**	**0.6%**
Transfers of expenses	524.8	496.20	435.20	28.6	5.8%	100.0%
Reversals of provisions	**148.8**	**4.90**	**4.90**	**143.9**		**0.2%**
Total technical management income	**81,867.1**	**81,963.70**	**76,677.90**	**- 96.6**	**-0.1%**	**100.0%**
Total income from technical management excluding transfer of expenses	*81,342.3*	*81,467.5*	*76,242.7*	*- 125.2*	*-0.2%*	

5.1.1.1 Social Security Contributions

This post, which represents 0.3% of income collected by ACOSS, consists of:

Detail of social contributions by beneficiary

in millions of Euros (€M)

Social contributions (by type/beneficiary)	2016	2015 pro forma	2015 published	Change 2016 / 2015 pro forma	
Contributions from inactive people (retirees and preretiree	**160.0**	**169.1**	**169.1**	**-9.1**	**-5.4%**
CNAVTS	87.0	97.5	97.5	-10.5	-10.8%
Health CNAMTS	72.9	71.5	71.5	1.4	2.0%
Sundry Health / FFP systems	0.1	0.1	0.1	0.0	0.0%
Non-salaried contributions (Artist/Author system)	**90.6**	**88.9**	**88.9**	**1.7**	**1.9%**
CNAVTS	60.0	57.8	57.8	2.2	3.8%
Health CNAMTS	21.6	21.3	21.3	0.3	1.4%
CNAF	9.0	9.8	9.8	-0.8	-8.2%
Other social contributions	**0.5**	**0.0**	**0.0**	**0.5**	
Financial hardship fund	0.5	0.0	0.0	0.5	
Total social contributions	**251.1**	**258.0**	**258.0**	**-6.9**	**-2.7%**

- contributions intended to finance voluntary old age insurance of beneficiaries of the asbestos allocation (€ 92.1 M, a reduction of 10.8%);
- health insurance contributions from retirement and pre-retirement pensions (€ 67.8 M, up 2%);
- contributions from non-employees and the 1% contribution due from the distributors of works relating to the artists-authors system affiliated with the AGESSA and the MDA, (€ 90.6 M, an increase of 1.9%).

5.1.1.2 Social Security Contributions borne by the State

Article L.131-7 of the Social Security Code (SSC) provides that any measure of reduction or exemption of Social Security contributions, instituted from the date of the coming into force of the Law of 25 July 1994 on Social Security which provided for it, gives rise to full compensation by the State budget for the systems concerned throughout its entire period of application. This compensation is to be made without prejudice to the compensation already applied at the date of the coming into force of the aforesaid Act.

Furthermore, Article L.139-2 of the SSC provides that the relations between the State and the basic mandatory Social Security systems are governed by agreements that guarantee in particular the neutrality of the financial flows of their cash.

These so-called “targeted” exemptions - as opposed to the general alleviations from contributions, which were financed under another framework - were liquidated by the URSSAF and CGSS on the basis of the contributors’ declarations. ACOSS recorded in its accounts, for the full amount of the accrued exemptions, the income and receivables in respect of the State’s defrayment of those contributions, financed by allocations from the State budget.

Under the State/ACOSS financial agreement Of June 27, 2013, the State pays instalments to ACOSS in favour of the general system, on the one hand and, on the other hand, in favour of sundry systems concerned (RSI, CCMSA,...) by the various exemption measures. This agreement specifies that the payments are registered “within the limit of the State’s budget appropriations”. In case of insufficient financing, the amounts remaining due by the State are recorded as receivables on the State in the accounts of the branch, and similarly any financing surplus received are recorded as debts (see note 15).

Contributions borne by the State amounted to **€ 3,006 M** for all assignees combined and **€ 3,001 M** for assignees dealt with in the income statement, an increase of 10.8%. The increase is mainly explained by the change in financing arrangements of the flat-rate deduction of employer contributions for individual employers, which is not done in the form of budgetary allocations rather than by allocation of tax revenues. If this perimeter effect is neutralised, the total State defrayments decreased 5% in 2016 (- € 134.9 M), mainly due to the reduction of exemptions in the DOMs following the reform of exemption ceilings by the SSFA for 2016 and those relating to overtime (see below).

The tables below present, by destination and by beneficiary, the contribution defrayments (excluding the share of the collections recorded in the third-party account of the balance sheet):

Tableau synoptique des cotisations sociales prises en charge par l'Etat, par destination

en millions d'euros (M€)

Détail des cotisations prises en charge par l'Etat par dispositif	2016	2015 publié	Evolution 2016 / 2015		Structure 2016
En faveur de certaines catégories de salariés	872.70	865.35	7.4	0.8%	29.1%
En faveur de zones géographiques	1,059.50	1,143.07	-83.6	-7.3%	35.3%
En faveur de divers secteurs économiques	602.70	166.94	435.8	261.0%	20.1%
Réduction ou abattement d'assiette	0.00	0.60	-0.6	-100.0%	0.0%
En faveur de certaines catégories de cotisants	8.80	14.72	-5.9	-40.2%	0.3%
Autres prises en charge	457.50	517.40	-59.9	-11.6%	15.2%
Total des cotisations prises en charge par l'Etat	**3,001.20**	**2,708.08**	**293.1**	**10.8%**	**100.0%**
Total hors financement déduction forfaitaire EPM	*2,573.19*	*2,708.08*	*-134.9*	*-5.0%*	

Détail synoptique par attributaire

en millions d'euros (M€)

Cotisations prises en charge par l'Etat	2016	2015 publié	Evolution 2016/ 2015		structure 2016
Maladie	1,292.9	1,156.9	136.0	11.8%	43.08%
AT	106.0	95.7	10.3	10.8%	3.53%
Famille	436.8	407.9	28.9	7.1%	14.56%
Vieillesse	1,165.5	1,047.5	118.0	11.3%	38.83%
Partenaires	0.0	0.1	-0.1	-100.0%	0.00%
Total des cotisations prises en charge par l'Etat	3,001.2	2,708.1	293.1	10.8%	100.00%

The table below includes each system in detail:

Détail des cotisations prises en charge par l'Etat par dispositif
(produits de gestion courante et variation des PAR)

en millions d'euros (M€)

Détail des cotisations prises en charge par l'Etat par dispositif	2016	2015 publié	Evolution 2016 / 2015		Structure 2016
En faveur de certaines catégories de salariés	**872.7**	**865.3**	**7.4**	**0.8%**	**29.1%**
Apprentissage	838.3	828.6	9.7	1.2%	
Porteurs de presse	14.2	15.7	-1.5	-9.5%	
Contrats de professionnalisation	9.5	10.1	-0.6	-6.2%	
Réduction sur avantage en nature HCRB	0.1	0.1	0.0	-13.1%	
Insertion	10.6	10.8	-0.2	-2.0%	
En faveur de zones géographiques	**1,059.5**	**1,143.1**	**-83.6**	**-7.3%**	**35.3%**
ZRR Embauche du 1er au 50ème salarié	10.3	10.7	-0.4	-3.3%	
ZRR Organismes d'intérêt général	91.6	91.6	0.0		
ZRU Embauche du 1er au 50ème salarié	0.0	-0.2	0.2	-100.0%	
Zone de restructuration de la défense (ZRD)	3.1	4.2	-1.1	-25.3%	
ZFU	54.3	68.0	-13.7	-20.1%	
Bassin d'emploi à redynamiser	18.0	19.4	-1.4	-7.0%	
CAE champ Exo Dom	0.1	0.9	-0.8	-88.6%	
Exonération Loi Dom	863.4	927.0	-63.6	-6.9%	
CAE (hors champ Exo Dom)	18.7	21.5	-2.8	-13.1%	
En faveur de divers secteurs économiques	**602.7**	**167.0**	**435.7**	**260.9%**	**20.1%**
Déduction forfaitaire EPM - Services à la personne	428.1		428.1		
Jeunes Entreprises Innovantes	173.6	166.8	6.8	4.1%	
Jeunes Entreprises Universitaires	1.0	0.1	0.9	688.7%	
Réduction ou abattement d'assiette	**0.0**	**0.6**	**-0.6**	**-100.0%**	**0.0%**
Contrat volontariat insertion/association	0.0	0.6	-0.6	-100.0%	
En faveur de certaines catégories de cotisants	**8.8**	**14.7**	**-5.9**	**-40.2%**	**0.3%**
Micro social	0.0	5.7	-5.7	-100.0%	
Contribution diffuseur MDA	2.6	2.5	0.1	2.0%	
Exo AF entreprises d'armement maritime	6.2	6.5	-0.3	-4.7%	
Autres prises en charge	**457.5**	**517.4**	**-59.9**	**-11.6%**	**15.2%**
Exonérations heures supplémentaires TEPA	457.5	517.4	-59.9	-11.6%	
Total des cotisations prises en charge par l'Etat	3,001.2	2,708.1	293.1	10.8%	100.0%

Exemptions in favour of geographic areas, which represent 35.3% of exemptions recorded in 2016, down 7.3%. Two arrangements explain most of the variation observed on this item:

- The "DOM Law" exemption of € 863.4 M decreased 6.9%, under the effect of the change in exemption thresholds and compensation ceilings entitling exemption, introduced by the SSFA 2016 (the exemption thresholds are reduced for the common entitlement arrangement and increased for the enhanced measure applicable to the companies most subject to competition) and to a lesser extent, the reduction in the family contributions rate.

- Exemptions for the benefit of the urban free zones declined 20% to 54.3 M€: this measure is terminated, the compensation still applies on the stock of contracts under way, decreasing in number.

Exemptions on **overtime (TEPA),** which represent 15.2% of exemptions recorded in 2016, decreased 11.6% in accruals. In cash inflows/outflows, the arrangement posted an increase of 2.49%. This reductions is mainly explained by the accounting effect related to the change in procedures for financing of the TEPA arrangement in 2015, now carried out in the form of a budgetary allocation, and which is reflected in recording for the first time of a deferred income in 2015 amounting to € 71.5 M (without reversal in respect of N-1), and of € 72 M (a deferred income effect of € 0.5 M in 2016).

Exemptions for certain economic sectors were up 4.6% (excluding the impact of the SME flat-rate deduction) as a result of changes to the Young Innovative Enterprises measure. Initially planned to end on December 31, 2016, it has been extended until December 31, 2019 by the Finance Law for 2017 (article 73). The increase in workforces (the tax based increased 3.5%) mainly explains the change seen.

5.1.1.3 Contributions Borne by Social Security

Recording of amounts borne in respect of contributions by health insurance for medical practitioners and auxiliaries (MPA) is done in the ACOSS accounts, after consolidation of the amounts recorded in this respect by the network's organisations. ACOSS invoices these defrayments to the CNAMTS, which distributes it between the health insurance systems and the CNAF.

The table below presents the breakdown health and family defrayments.

Détail des prises en charge par la Sécurité sociale par attributaire

en millions d'euros (M€)

Cotisations prises en charge par la Sécurité sociale	2016	2015 pro format	2015 publié	Evolution 2016 / 2015	
CNAMTS Maladie	1 587,0	1 786,0	1 786,0	-199,0	-11,1%
CNAF	332,1	318,9	318,9	13,2	4,1%
Total Cotisations prises en charge par la Sécurité sociale	**1 919,1**	**2 104,9**	**2 104,9**	**-185,8**	**-8,8%**

Income corresponding to these defrayments decreased 8.8% under the effect of the reduction of defrayments for health contributions, which declined from 9.70% in 2015 to 8.05% in 2016. Article 84 of the SSFA 2016 has indeed reformed the arrangement of MA contributions for contracted MPAs, in particular by harmonising the rates with those applied by the SWSS to the liberal professions, with a transitional step in 2016.

The table below presents the change in contribution rates due and defrayments by the CMPAs for the 2015 – 2017 period.

	2015		2016		2017	
	CMPA revenue opening entitlement to PEC	CMPA Income without right to PEC	CMPA revenue opening entitlement to PEC	CMPA Income without right to PEC	CMPA revenue opening entitlement to PEC	CMPA Income without right to PEC
TABLE OF CONTRIBUTIONS DUE						
AM CONTRIBUTION	0.10%	9.80%	0.10%	8.15%	0.10%	6.50%
Additional CONTRIBUTION SWSS	0.01%	0.01%		1.65%		3.25%
TABLE OF PEC CONTRIBUTIONS						
AM CONTRIBUTION	9.70%		8.05%		6.40%	
TOTAL	**9.81%**	**9.81%**	**8.15%**	**9.80%**		

5.1.1.4 The GSSC and the CRDS

ACOSS collects revenues for GSSC and CRDS on different types of taxable incomes: mostly from replacement incomes, earned income (CCMSA collection), capital gains and also income from gambling.

The GSSC collected by ACOSS is assigned to partners according to the rates in force and the nature of the taxable incomes, with a change in 2016 of allocation (see note 4). The CRDS is allocated to the CADES. The allocation of the GSSC between beneficiaries is detailed in note 4.

The tables below present the income from GSSC and CRDS by assignee and by type of revenue:

Détail de la CSG par attributaire

en millions d'euros (M€)

Impôts : Contribution Sociale Généralisée	2016	2015 pro forma	2015 publié	Evolution 2016 / 2015 pro forma	
CNAMTS Maladie	11 882,3	17 220,3	17 220,3	-5 338,0	-31,0%
FSV	9 634,7	2 799,8	2 799,8	6 834,9	244,1%
CADES	2 039,3	1 576,3	0,0	463,0	29,4%
CNAF	1 845,5	2 899,1	2 899,1	-1 053,6	-36,3%
Divers régimes maladie (1)	343,8			343,8	
CNSA	-2,3	334,1	334,1	-336,4	-100,7%
dont total suivi en compte de produits	**25 743,3**	**24 829,6**	**23 253,3**	**913,7**	**3,7%**
CADES			1 564,0		
dont total suivi en compte de tiers attributaires			**1 564,0**		
Total CSG	**25 743,3**	**24 829,6**	**24 817,3**	**913,7**	**3,7%**

(1) CNRSI, MSA, CNMSS, CPRP SNCF, CANSSM, RATP, ENIM, CAVIMAC, PAB

Detail of the GSSC by income type

in millions of Euros (€M)

Income tax: General social security contribution	2016	2015 pro forma	2015 published	Change 2016 / 2015 pro forma		Structure 2016
GSSC on replacement incomes	12,501.1	12,350.3	11,506.6	150.8	1.2%	48.6%
GSSC on investment income	5,394.2	5,092.9	4,793.5	301.2	5.9%	21.0%
GSSC on unearned income	5,027.7	4,568.1	4,300.7	459.5	10.1%	19.5%
GSSC on earned income	2,455.2	2,463.1	2,305.5	-7.9	-0.3%	9.5%
GSSC on lottery income	365.2	355.1	347.0	10.1	2.8%	1.4%
including total GSSC attributed to the General System and partners	25,743.3	24,829.6	23,253.30	913.7	3.7%	100.0%
GSSC on replacement incomes			841.3			
GSSC on investment income			296.1			
GSSC on unearned income			260.2			
GSSC on earned income			158.4			
GSSC on lottery income			8.0			
including total GSSC allocated to the CADES			166.4			
Total GSSC all beneficiaries	25,743.3	24,829.6	24,817.4	913.7	3.7%	

Detail of the CRDS by income type

in millions of Euros (€M)

Income tax: Contribution to Reimbursement of the Social Debt	2016	2015 pro forma	2015 published	Change 2016 / 2015 pro forma		Structure 2016
CRDS on revenues from replacement	1,245.0	1,219.2	0.0	25.8	2.1%	56.6%
CRDS on investment income	328.9	311.4	0.0	17.5	5.6%	15.0%
CRDS on unearned income	313.9	283.0	0.0	30.9	10.9%	14.3%
CRDS on revenues from activity	161.9	163.6	0.0	-1.8	-1.1%	7.4%
CRDS on lottery income	148.7	144.2	0.0	4.5	3.2%	6.8%
including total CRDS allocated to the CADES recorded in earnings account	2,198.4	2,121.4	0.0	77.1	3.6%	100.0%
CRDS on revenues from replacement			1,215.3			
CRDS on investment income			308.1			
CRDS on unearned income			275.5			
CRDS on revenues from activity			164.5			
CRDS on lottery income			142.4			
including total CRDS allocated to the CADES recorded in third party assignee account			2,105.7			
Total CRDS	2,198.4	2,121.4	2,105.7	77.1	3.6%	

Revenues collected under the GSSC and the CRDS increased substantially the same (+3.7% and +3.6% respectively).

This change reflects contrasting variations depending on the type of income.

☞ GSSC and CRDS on Earned and Replacement Incomes

The GSSC and the CRDS on earned incomes collected by ACOSS (€ 2,617.1 M) consist essentially (nearly 95%) of the amounts collected by the MSA funds in respect of farmers and farmhands. Income collected under this heading are very slightly down in line with the changes to the underlying tax base.

The GSSC on replacement incomes collected by ACOSS is mainly from pensions serviced by the basic old-age systems (systems with more than 300,000 insured persons: CNAVTS, RSI, STATE Pensions, CNRACL, CCMSA, etc.) and from various other incomes (disablement pensions, IJSS…). It amounted to **€ 12,501.1 M** with the contrasting changes depending on the collecting regimes.

Changes in accruals 2016 vs 2015

Contributor	2016	2015	change	2016/2015 %
CNAV	5,483.3	5,334.5	148.8	2.8%
MINISTRY OF THE BUDGET (SERVICE PENSIONS)	3,198.2	3,155.2	43.0	1.4%
CNRACL (LOCAL COMMUNITY AGENTS)	1,087.2	1,044.5	42.7	4.1%
CNAMTS	1,049.4	1,016.9	32.5	3.2%
CCMSA	712.0	702.3	9.7	1.4%
CNAVPL	360.8	342.9	18.0	5.2%
RSI Artisans	220.3	222.6	-2.2	-1.0%
RSI Merchants	206.0	225.5	-19.5	-8.7%
Mining Retiress	65.2	67.7	-2.5	-3.7%
ENIM (seamen's scheme)	52.6	52.8	-0.2	-0.4%
SBCM MINEFI - RSE	51.1	47.8	3.2	6.8%
CAISSE DES BARREAUX FRANCAIS	11.6	22.4	-10.8	-48.3%
FSPOEIE (CIVLI SERVANTS)	-	110.1	-110.1	-100.0%
CAVIMAC (minister of religion's scheme)	1.7	1.8	-0.1	-3.5%
RSI Branch BTP (EX-CNREBTP)	1.5	1.6	-0.1	-5.8%
CARMF	0.2	0.4	-0.2	-43.6%
ICNA (Air Traffic Controllers)	-	1.2	-1.2	-100.0%
CRCF FRANCO ETHIOPIAN	-	0.2	-0.2	-100.0%
	12,501.1	12,350.3	150.8	1.2%

With regards to the CNAVTS, the bulk of the GSSC levied on basic GS pensions grew by 2.8% while in the same period the bulk of pensions only increased 2.3%. This change does not seem abnormal and confirms a dynamism relating to the receipt of GSSC based on replacement incomes.

This difference in growth is explained by the structural effects (the share of exempt and reduced-rate recipients declined over the period, except in December). These structural effects were themselves explained by a revaluation of the tax thresholds as of January 1, 2016 (+0.4%) which were much lower than the overall change of reference taxable income of pensioners (according to data from DGFIP) which is itself explained by the "noria" effect.

This increase in the number of employees subject to the high rate, on the other hand, fell sharply in December 2016, in favour of reduced rates or an exemption, as a result of the 3% increase in the reduced rate or CSG exemption thresholds (SSFA 2017 measure, having an impact on 2016 deferred income).

The **CRDS on replacement income** is based on the pensions provided by the basic old-age pension schemes as well as certain allowances related to the family, social assistance (activity premium) and housing. It amounted to **€ 1,245 M**, an increase of 2.1%.

☞ **GSSC and CRDS on capital gains**

The **GSSC and CRDS revenues from unearned and investment incomes** are collected by the DGFiP network and paid to ACOSS for the shares allocated to the General System's Health and Family branches, as well as, since 2014, for the shares allocated to the other beneficiaries: FSV, CNSA and CADES.

CSG and CRDS revenues collected on asset incomes increased by 10.1% to **€ 5,341.6 M** in 2016.

CSG and CRDS revenues collected on investment incomes increased by more than 5.9% and amounted to **€ 5,723.1 M** in 2016.

☞ **GSSC and CRDS on Gambling Incomes**

GSSC and CRDS incomes from gambling were €365.2 M (compared to € 355.1M in 2015) and € 148.7 M (compared to € 144.2 M in 2015) respectively. This change is explained by the growth in yield from sports betting.

5.1.1.5 Other charges on social security (duties and taxes)

Assigned taxes and duties, which constitute the largest item under the contributions, taxes and allocated revenue heading (58.7% in 2016), recorded a decrease of 2.7%. This change is explained by the merger on January 1, 2016, of the Additional Solidarity Tax (TSA) and the special tax on insurance policies (TSCA) for supplementary health insurance policies (Article 22 of the SSFA for 2015) (see note 4). The "merged" TSA now being collected by the URSSAF IDF, the TSCA revenues, previously collected by the DGFiP and paid to ACOSS are no longer recorded in its accounts.

The tax rationalisation of supplementary health insurance policies is also accompanied by a tax rationalisation of policies related to land motor vehicles. The LMV contribution was replaced by a TSCA at two specific rates, entirely collected by the DGFiP.

If we neutralise the effects of the provisions of Article 22 of the SSFA for 2015 relating to the TSCA, the allocated taxes and duties are stable compared to 2015 (+€3.2 M)

The tables in detail the various allocated taxes and duties and their amounts by beneficiary.

Summary table of assigned taxes and duties (ATD) by type of receipt

in millions of Euros (€M)

Assigned Taxes and Dues	2016	2015 pro forma	2015 published	Change 2016 / 2015 pro forma		Structure 2016
ATD - Collected by the DGFIP	**46,797.2**	**48,076.6**	**45,645.1**	**-1,279.4**	**-2.7%**	**99.5%**
Payroll Tax	13,515.2	13,164.9	13,164.9	350.4	2.7%	28.9%
Net VAT	11,694.0	11,021.8	11,021.8	672.1	6.1%	25.0%
Consumption duties on tobacco	11,195.5	11,420.5	11,420.5	-225.0	-2.0%	23.9%
Social Security levy on investment income	2,959.9	2,997.0	2,186.4	-37.1	-1.2%	6.3%
Social Security levy on unearned income	2,624.8	2,480.0	1,763.7	144.8	5.8%	5.6%
Solidarity levy on investment income	1,316.3	1,334.1	1,334.1	-17.8	-1.3%	2.8%
Solidarity levy on unearned income	1,167.1	1,101.7	1,101.7	65.4	5.9%	2.5%
TSCA except other vehicles	808.0			808.0		1.7%
Tax on company vehicles	542.0	603.5	603.5	-61.5	-10.2%	1.2%
Excise tax on tobacco dealers	327.2	330.3	330.3	-3.1	-0.9%	0.7%
TSCA except heavy vehicles	190.4			190.4		0.4%
Horse-race betting	142.8	148.7	148.7	-5.9	-3.9%	0.3%
Salary contribution on allocation of shares and stock options	98.8	60.0	60.0	38.8	64.8%	0.2%
Sports betting	79.2	62.1	62.1	17.1	27.6%	0.2%
Health taxes	76.2	131.3	131.3	-55.1	-42.0%	0.2%
Financing tax support fund for local authorities	28.0			28.0		0.1%
TSCA on health insurance contracts	17.5	2,301.5	2,301.5	-2,284.0	-99.2%	0.0%
Online gambling clubs	7.2	7.3	7.3	0.0	-0.7%	0.0%
Tax on telephone calls	2.9	2.3	2.3	0.6	23.9%	0.0%
Contribution on energy drinks	2.1	3.9	3.9	-1.8	-46.7%	0.0%
Tax on premix beverages	1.4	1.1	1.1	0.3	23.9%	0.0%
Non-accessible social security contribution	0.6	0.7	0.7	-0.1	-7.7%	0.0%
Employer contribution on allocation of shares and stock options	0.1			0.1		0.0%
Levies on investment income - life insurance	0.0	904.0	904.0	-904.0	-100.0%	0.0%
ATD - Collected by contributors	**226.8**	**177.6**	**177.6**	**49.2**	**27.7%**	**0.5%**
Social package	226.8	177.6	177.6	49.2	27.7%	100.0%
Taxes on pension contributions	0.0	0.0		0.0		0.0%
ATD - Financing of exemptions measures	**0.0**	**153.2**	**153.2**	**-153.2**	**-100.0%**	**0.0%**
Net VAT	0.0	153.2	153.2	-153.2	-100.0%	
including total of taxes and dues assigned to the general system and partners	**47,023.8**	**48,407.3**	**46,880.4**	**-1,383.5**	**-2.9%**	**100.0%**
Consumption duties on tobacco	23.9			23.9		100.0%
Social security levy on unearned and investment income			1,495.4	0.0		
Solidarity levy on unearned and investment income	0.0	-77.3	-77.3	77.3	-100.0%	0.0%
including total of taxes and duties assigned to third-party beneficiaries	**23.9**	**-77.3**	**1,418.1**	**101.2**	**-130.9%**	**100.0%**
Total ATD all beneficiaries	**47,047.7**	**48,330.0**	**48,298.5**	**-1,282.3**	**-2.7%**	
Total excluding TSCA	***46,031.8***	***46,028.5***	***45,997.0***	***3.2***	***0.01%***	

Detail of assigned taxes and dues by beneficiary

in millions of Euros (€M)

Assigned Taxes and Dues	2016	2015 pro forma	2015 published	Change 2016 / 2015 pro forma		Structure 2016
Health CNAMTS	20,848.0	24,363.6	24,363.6	-3,515.6	-14.4%	44.3%
CNAVTS	8,466.9	8,620.9	8,620.9	-154.0	-1.8%	18.0%
FSV	7,043.1	3,752.0	3,752.0	3,291.1	87.7%	15.0%
CNAF	5,507.7	6,340.6	6,340.6	-832.9	-13.1%	11.7%
CCMSA	3,084.3	3,139.7	3,139.7	-55.4	-1.8%	6.6%
Sundry plans and funds	2,089.7	661.9	661.9	1,427.8	215.7%	4.4%
CNAMTS AT-MP	0.0	1.7	1.7	-1.7	-100.0%	0.0%
CADES	-15.9	1,526.9		-1,542.8	-101.0%	0.0%
including total of taxes and dues assigned to the general system and partners	**47,023.8**	**48,407.3**	**46,880.4**	**-1,383.5**	**-2.9%**	**100.0%**
RAVGDT	23.9			23.9		100.0%
CADES			1,495.4	0.0		
FNSA	0.0	-52.9	-52.9	52.9	-100.0%	0.0%
FNAL	0.0	-20.5	-20.5	20.5	-100.0%	0.0%
SOLIDARITY FUND	0.0	-3.9	-3.9	3.9	-100.0%	0.0%
including total of taxes and duties assigned to third-party beneficiaries	**23.9**	**-77.3**	**1,418.1**	**101.2**	**-130.9%**	**100.0%**
Total ATD all beneficiaries	**47,047.7**	**48,330.0**	**48,298.5**	**-1,282.3**	**-2.7%**	

The most significant changes noted in the distribution of ITAFs between beneficiaries is explained by:

- A transfer to the FSV and, to a lesser extent, the CNSA of social levies on capital gains, previously allocated in part to the CNAMTS, the CNAF, the CNAV, and the CADES (see note 4);
- The elimination of the allocation of a portion of the social levy on capital to the CADES (see note 4);
- A transfer to the CNAMTS of a portion of the share of the tax on wages previously allocated to the FSV.

5.1.1.5.1 Taxes and duties collected by the tax and customs authorities allocated to financing Social Security systems

☞ Payroll tax

Income from the payroll tax, which is the largest tax imposition allocated to financing Social Security, posted a very slight increase of 2.7% compared to 2015, amounting to **€13,515.2 M.**

Given the changes in distribution of this revenue (see note 4), the amounts allocated to the FSV fell by 91%, to €337.9 M, while conversely those for the CNAVTS and the CNAF rose 17.2%, to €8,257.8 M, and 9.5% to €2,594.9 M, respectively. In addition, as of January 1, 2016, a 17.2% share is allocated to CNAMTS Health for an amount of € 2,324.6 million.

☞ Net VAT

The net VAT allocated to the CNAMTS amounted to € **11,694 M** in 2016, a change of 6.1%. This change is mainly explained by the increased share allocated to the CNAMTS which rose from 7.10% in 2015 to 7.49% in 2016 (Art. 5 of the LFR for 2016).

☞ Consumption duties on tobacco

Consumption taxes on tobacco amounted to **€ 11,195.5 M** at the end of 2016, a decrease of 2% compared to 2015.

☞ Social levies on capital gains

These levies, which in 2016 represented an amount of **€5,584.7 M,** consisted of levies at the rate of 4.5%:

- on unearned income: these levies are up by 5.8% compared to 2015; the CNAMTS, CADES and CNAVTS are no longer beneficiaries of this revenue, and from 2016, a fraction of 3.35 points is allocated to the FSV, or **€ 1,977.9 M** and a fraction of 1.15 points to the CNSA, or **€ 679.4 M**,
- on investment income, down 1.2%; the CNAMTS, CADES and CNAVTS are no longer beneficiaries of this revenue, and from 2016, a fraction of 3.35 points is allocated to the FSV, (or **€ 2,224.6 M)** and a fraction of 1.15 points to the CNSA (or **€ 763.8 M);**

☞ The solidarity levy

For 2016 the SSFA provided for transfer of this levy from the CNAMTS to the FSV: it now receives the entire solidarity levy, or **€ 1,316.3 M** in respect of investment income and **€1,167.1 M** in respect of unearned income.

☞ Tax on insurance contracts (TSCA)

Following the merger in 2016 of the Additional Solidarity Tax (TSA) and the special tax on insurance policies (TSCA) for supplementary health insurance policies (Article 22 of the SSFA for 2015), revenues collected under the “merged” TSA are collected by the URSSAF Ile de France. As a result, revenues collected under this tax are no longer recorded in the EPN accounts, except for revenues collected in previous years (**€ 17.5 M** in 2016).

In addition, as part of the rationalisation of the taxation of policies for land motor vehicles, the LMV contribution was eliminated and replaced by a TSCA at two specific rates, collected by the DGFiP. A portion of these taxes was allocated to the CNAF in 2016, amounting to **€ 808 M** under the TSCA on other vehicles (Article 1001 5°d, 2nd paragraph of the CGI) and **€ 190 M** under the TSCA on heavy vehicles (Article 1001 5°d 1st paragraph of the CGI).

☞ Tax on Company Passenger Vehicles (TVTS)

The TVTS is allocated entirely to financing the CNAF. It’s revenues amounted to **€ 542 M** in 2016, down 10% compared to 2015.

☞ The licensing duty on tobacco dealers

This entitlement, fully allocated to the CNAMTS, amounted to €**327 M**, in 2016, down 0.9% compared to 2015.

☞ **Sundry levies: surtaxed telephone calls, horse and sports betting, online game clubs**

These levies were fully allocated to the CNAF in 2016, with the exception of an amount of €5 M allocated to the INPES, and their overall revenue amounted to **€232 M**, an increase of 6.4%, mainly due to the increase of 27.6% on sports betting levies.

☞ **Sundry registration fees and taxes on medicines and medical devices**

These various receipts governed by the CGI, allocated to the CNAMTS, represent revenue of **€76.2 M**, down 42% compared to 2015.

☞ **Salary contribution on allocations of bonus shares, stock options and carried interest**

These contributions allocated to the CNAF represent an overall income of **€98.8 M,** an increase of 64.8% compared to 2015, following the increase of the contribution rate on bonus shares and stock options, set at 10% since August 2015.

5.1.1.6 Technical Income

These revenues, amounting to **€1,056.6 M** for 2016, or an increase of 2.3%, cover:

- income relating to the Solidarity & Autonomy Contribution (CSA) of 0.3% on earned incomes collected by the basic health insurance schemes other than the general system and centralised at ACOSS for transfer to the CNSA, amounted to €**96.9 M** (compared to € 100.8 M in 2015);
- revenues relating to the additional solidarity & autonomy contribution (CASA) of 0.3% deducted from certain replacement incomes (mainly retirement, pre-retirement and disability pensions), served from 01/04/2013 and allocated to the CNSA, amounted to **€ 489.4 M** (compared to **€481.1 M** in 2015);
- with regard to the solidarity contribution of 0.3% on capital gains, paid by the DGFIP to ACOSS since 2014, amounting to **€ 372.1 M,** which represents an increase of +5.6%.

Furthermore, public contributions corresponding to the levies relating to inmates, financed by the State, amounted to **€98.2 M** and remained stable compared to 2015.

5.1.1.7 Write-backs on provisions for disputes

The provision recorded in the ACOSS accounts for risks of reimbursement related to an unfavourable decision from the CJUE, on imposition of social levies on French source income received from individuals affiliated with a social security scheme of another member State of the European Union amounted to € 291 M at the end of 2015.

In 2016, two write-backs of provisions were completed, for a total amount of € 148.8 M:

- a write-back was made in the amount of refunds made in 2016 in respect of the De Ruyter dispute, which amounted to € 98.8 M and were charged against the income for the year,

- in addition, in view of the expiry of the time-limit for appeal by contributors for part of the contested years on the one hand and the significant reduction in the amount and volume of claims on the other hand, an additional write-back of € 50 M was recorded, the balance of the provision being € 142 M at the end of 2016.

5.1.1.8 Sundry technical incomes: transfers of expenses

Sundry technical income corresponds to the transfers of expenses, which lead to neutralisation of the technical management result, by recording an income strictly equal to the expenses to be transferred to beneficiaries (and conversely for revenues).

In 2016, the transfer of expenses was **€ 524.8 M**, an increase of 5.8%, mainly due to the increase in ITAF expenses (+ € 55 M), in line with the increase recorded in social levies on unearned incomes and a decrease in allocations for provisions amounting to **€ 27.4 M** (no provisions for risks and charges were recognized in 2016, the provision for risks and charges for the De Ruyter dispute having been reversed up to nearly € 148.8 M (see above).

Detail of transfers of expenses by beneficiary

in millions of Euros (€M)

Transfers of expenses	2016	2015 pro forma	2015 published	Change 2016 / 2015 pro forma	
Health CNAMTS	**27.00**	**277.95**	**277.95**	**-250.95**	**-90.29%**
CNAMTS AT-MP	**0.00**	**0.00**	**0.00**		
CNAF	**23.40**	**41.42**	**41.42**	**-18.02**	**-43.51%**
CNAVTS	**41.60**	**64.64**	**64.64**	**-23.04**	**-35.64%**
Partners:	**432.80**	**112.20**	**51.20**	**320.60**	**285.74%**
CADES	41.10	61.00	0.00	-19.90	-32.62%
CNSA	37.60	8.52	8.52	29.08	341.31%
FSV	353.40	42.68	42.68	310.72	728.02%
Sundry Health systems	0.70	0.00	0.00	0.70	
Total transfers of expenses	524.80	496.21	435.21	28.59	5.76%

5.1.2 Technical Management Expenses

Technical management expenses in 2015 amounted to **€81,867.1 M**, detailed as follows:

Tableau général des charges de gestion technique

en millions d'euros (M€)

Charges de gestion technique	2016	2015 pro forma	2015 publié	Evolution 2016 / 2015 pro forma		Structure 2016
Autres charges techniques	497.1	441.1	381.8	56.0	12.7%	0.6%
Dotations aux amortissements et provisions	27.7	55.2	53.4	-27.5	-49.8%	0.0%
Pour dépréciation des actifs circulants	27.7	12.7	11.2	15.0	118.1%	100.0%
Pour risques et charges		42.5	42.2	-42.5	-100.0%	0.0%
Transferts de produits	81,342.3	81,467.4	76,242.7	-125.1	-0.2%	99.4%
Total des charges de gestion technique	**81,867.1**	**81,963.7**	**76,677.9**	**-96.6**	**-0.1%**	**100.0%**

Apart from management expenses with respect to receipts collected by the State, the main point of the item corresponds to the transfer of technical incomes.

5.1.2.1 Management Expenses

Certain revenues centralised by ACOSS are subject to two types of expenses applied by the administrations responsible for their collection: base and collection fees (0.5%) and, only for base levies on unearned income, fees for alleviation and non-value (3.6%).

These management expenses have been recorded in the accounts as income tax, the GSSC and the Social Security levy on unearned income, social levies relating to stock options and free share grants and to the GSSC on foreign source income.

In 2016, the total amount of expenses recorded in the income statement as management expenses amounted to **€497.1 M**, an increase of 12.7% compared to 2015. This is mainly due to the growth in receipts based on unearned income.

They are broken down as follows:

Summary table of management fees recorded in 2016 on ATD

in millions of Euros (€M)

Type of Recettes	2016 FAR	2016 FDNV	2016 Total	2015 pro forma FAR	2015 pro forma FDNV	2015 pro forma Total	2015 published FAR	2015 published FDNV	2015 published Total
GSSC asset base	25.2	170.0	195.2	22.5	158.8	181.3	21.2	149.4	170.6
PS Unearned	13.3	92.5	105.8	12.3	86.2	98.5	8.8	61.2	70.0
Payroll Tax	67.6		67.6	65.8		65.8	65.8		65.8
GSSC Investment	27.3	0.0	27.3	4.7	0.3	5.0	3.0	0.3	3.3
PS Investment	15.1	0.0	15.1	15.6	0.1	15.7	11.1	0.1	11.2
CRDS Unearned	1.7	10.4	12.1	1.4	10.0	11.4			
Contribution add. Unearned		6.2	6.2		5.7	5.7		5.7	5.7
CS stock-options		3.6	3.6		2.2	2.2		2.2	2.2
TSCA LMV other vehicles	4.0		4.0						
GSSC replacement RSE	0.3	1.8	2.1	0.2	1.7	1.9	0.2	1.6	1.8
TSCA LMV heavy vehicles	1.0		1.0						
CRDS Investment	1.6	0.0	1.6	1.7	0.0	1.7		0.0	
TSCA health	0.1		0.1	11.4		11.4	11.4		11.4
CRDS lotteries	0.7		0.7	0.7		0.7			
Health taxes	0.4		0.4	1.0		1.0	1.0		1.0
GSSC RSE activity	0.0	0.4	0.4	0.0	0.3	0.3	0.0	0.3	0.3
Unearned solidarity levy	5.9	41.2	47.1		38.3	38.3		38.3	38.3
GSSC lotteries	0.0		0.0	0.2		0.2	0.2		0.2
Unearned solidarity levy	6.6	0.0	6.6		0.1	0.1		0.1	0.1
Surtaxed calls	0.0		0.0	0.0		0.0	0.0		0.0
Contribution add. Investment		0.0	0.0		0.0	0.0		0.0	0.0
GSSC gains from exercise of options	0.0	0.2	0.2	0.0	0.0	0.0	0.0	0.0	0.0
CSL		0.0	0.0		0.0	0.0		0.0	0.0
CASA RSE		0.0	0.0						
Subtotal of expenses recorded in the results account	**170.8**	**326.3**	**497.1**	**137.5**	**303.7**	**441.2**	**122.7**	**259.2**	**381.9**
PS Unearned							3.5	25.0	28.5
CRDS Unearned							1.4	10.0	11.4
GSSC asset base							1.3	9.4	10.7
PS Investment							4.5	0.0	4.5
CRDS Investment							1.7	0.0	1.7
GSSC Investment							1.7	0.0	1.7
Levy on asset solidarity (1)					1.0	1.0		1.0	1.0
CRDS lotteries							0.7		0.7
GSSC replacement RSE							0.0	0.1	0.1
GSSC RSE activity							0.0	0.0	0.0
GSSC gains from exercise of options							0.0	0.0	0.0
GSSC lotteries							0.0		0.0
Subtotal of expenses recorded in the balance sheet accounts	**0.0**	**0.0**	**0.0**		**1.0**	**1.0**	**14.8**	**45.5**	**60.3**
General total of expenses recorded	**170.8**	**326.3**	**497.1**	**137.5**	**304.7**	**442.2**	**137.5**	**304.7**	**442.2**

(1) FNAL, FNSA, Solidarity fund

5.1.2.2 Impairment of doubtful receivables

ACOSS has recorded since 2014 a provision for impairment of doubtful receivables as outstanding amounts of the CCMSA on earned incomes, which were not previously notified to it. The allocation for 2016 amounted to **€27.7 M**, bringing the inventory of accumulated depreciation at December 31, 2016, to **€155 M**(compared to € 127.3 M at the end of 2015).

Note that because of the new procedures for allocation of the GSSC on RA Health beginning in 2016, the provisions for impairments related to receivables recorded in 2016 for these revenues were distributed between all the health insurance schemes and no longer allocated solely to the CNAMTS.

5.1.2.3 Income Transfers

ACOSS accounts for technical expenses in the context of the direct collection of employer and employee Social Security contributions and taxes and duties assigned for transfer of revenues to the assignees, which correspond to the notifications that it sends them.

Detail of transfers of income by beneficiary

in millions of Euros (€M)

Income transfers	2016	2015 pro forma	2015 published	Change 2016 / 2015 pro forma	
Health CNAMTS	35,890.3	44,718.5	44,718.5	-8,828.2	-19.74%
CNAMTS AT-MP	106.0	97.5	97.5	8.5	8.73%
CNAF	8,141.4	9,976.4	9,976.4	-1,835.0	-18.39%
CNAVTS	9,795.9	9,828.1	9,828.1	-32.2	-0.33%
Partners:	27,408.7	16,846.9	11,622.3	10,561.8	62.69%
FSV	16,686.8	6,552.1	6,552.1	10,134.7	154.68%
CADES	4,243.8	5,224.7		-980.9	-18.77%
CCMSA	3,157.8	3,139.7	3,139.7	18.1	0.58%
CNSA	2,621.1	1,492.4	1,492.4	1,128.7	75.63%
Sundry plans and funds (1)	699.2	438.1	438.1	261.1	59.60%
Total of income transfers	**81,342.3**	**81,467.4**	**76,242.7**	**-125.1**	**-0.15%**

(1) CMU, CNRSI, FCAATA, CNMSS, CRPCEN, ENIM, CPRP SNCF, RATP, CANSSM, FFP, CAVIMAC, PAB

Technical Income Recorded in third party accounts on the Balance Sheet

Income recorded on the ACOSS balance sheet, excluding inventory transactions which are separately identified, mainly relates to collections on behalf of the RAVGDT (DCT) and partners benefiting from exemptions (FNAL, AOT, RALM).

In 2016, as a result of the transfer to the income statement of the collection operations carried out on behalf of the CADES, the amounts recognized in this respect amounted to **€ 28.7 M** and cover:

- defrayments by the State of FNAL contribution exemptions (€ 2.3 M), transport contributions (€ 0.76 M) and Alsace Moselle contributions (€ 1.8 M);
- the share of tobacco consumption rights allocated to the RAVGDT for € 23.9 M.

Details of the income collected on behalf of public entities
(excluding inventory transactions)

in millions of Euros (€M)

Public entities	2016	2015 pro forma	2015 published	Change 2016 / 2015 pro forma	
on behalf of the CADES			**5,165.2**		
on behalf of the FNAL	**2.3**	**-18.1**	**-18.1**	**20.4**	**-112.7%**
Social Security levy unearned and investment income		-20.5	-20.5	20.5	-100.0%
Borne by the State	2.3	2.4	2.4	-0.1	-3.0%
on behalf of the Solidarity Fund		**-3.9**	**-3.9**	**3.9**	**-100.0%**
Social Security levy unearned and investment income		-3.9	-3.9	3.9	-100.0%
on behalf of the FNSA		**-52.9**	**-52.9**	**52.9**	**-100.0%**
Social Security levy unearned and investment income		-52.9	-52.9	52.9	-100.0%
Total Public Entities	**2.3**	**-74.8**	**5,090.4**	**77.1**	**-103.1%**

Details of the income collected on behalf of third parties
(excluding inventory transactions)

in millions of Euros (€M)

Other third parties	2016	2015 pro forma	2015 published	Change 2016 / 2015 pro forma	
on behalf of Transport Organising Authorities	0.8	0.9	0.9	-0.1	-11.1%
Borne by the State	0.8	0.9	0.9	-0.1	-11.1%
Total Other third parties	**0.8**	**0.9**	**0.9**	**-0.1**	**-11.1%**

Details of the income collected on behalf of other other organisations and systems
(excluding inventory transactions)

in millions of Euros (€M)

Other organisations and systems	2016	2015 pro forma	2015	Change 2016 / 2015 pro forma	
on behalf of the Alsace Moselle local system	1.8	1.8	1.8	0.0	0.0%
Borne by the State	1.8	1.8	1.8	0.0	0.0%
on behalf of the RAVGDT	23.9			23.9	
Consumption duties on tobacco	23.9			23.9	
Other organisations and systems	**25.7**	**1.8**	**1.8**	**23.9**	

6. Day-to-day Management Income and Expenses

The Public Institution's income statement records two types of expenses and incomes for day-to-day management:

- transactions of the National Administrative Management Fund (FNGA) for financing the branch: allocations to the URSSAF, CERTI, CGSS and various contributions to external organisations (EN3S, CLEISS, GIP...) or transaction concerning the branch (pension scheme, contribution to the printing expenses of the DADS and the expenditure of transferring Social Security data...), or 89.1% of day-to-day management expenses;
- the Public Institution's day-to-day management transactions: staff costs, purchases, studies, etc

Through the mechanism of network allocations, which exactly balances their annual expenses, net of their own revenues, current operating expenses and revenues recorded at ACOSS have an identical scope to the expenses and revenues of the branch.

6.1 Day-to-Day Management Expenses

Type of expense	2016	2015	Evolution 2016/2015		STRUCTURE 2016
Purchases	**0.5**	**0.5**	**0.0**	**0.0%**	**0.0%**
Other external expenses	**54.8**	**48.3**	**6.5**	**13.4%**	**4.3%**
External services	11.2	21.9	-10.7	-49.0%	0.9%
Other external services	43.6	26.4	17.2	65.1%	3.4%
Taxes, duties and similar payments	**5.4**	**5.4**	**0.0**	**0.7%**	**0.4%**
Taxes and duties on compensation	5.2	5.3	-0.1	-1.1%	0.4%
Other taxes	0.2	0.1	0.1	100.0%	0.0%
Staff expenses	**48.5**	**47.8**	**0.7**	**1.5%**	**3.8%**
Wages and salaries	33.4	33.1	0.3	0.9%	2.6%
Social security costs	15.1	14.7	0.4	2.7%	1.2%
Sundry day-to-day management costs	**1,143.3**	**1,146.1**	**-2.8**	**-0.2%**	**90.4%**
Losses on bad debts	-	0.0	0.0	NS	0.0%
Other day-to-day management expenses	1,143.3	1,146.1	-2.8	-0.2%	90.4%
Allocations to depreciation and provisions	**12.8**	**12.2**	**0.6**	**4.9%**	**1.0%**
Total day-to-day management expenses	**1,265.3**	**1,260.3**	**5.0**	**0.4%**	**100.0%**
including Acoss Administrative Management	124.2	116.6	7.6	6.5%	9.8%
including FNGA	1,141.1	1,143.7	-2.6	-0.2%	90.2%

6.1.1 The Public Institution's Day-to-Day Expenses

These expenses amounted to € 124.2 M compared to € 116.6 M in 2015, mainly due to increased use of external assistance in the context of IT projects related to the Clé-a renovation project launched in 2016, and implementation of new measures. Most of these expenses are included in the cost of the intangible assets created by the branch as such, with a comparable increase in the "capitalised production" item within revenue, which neutralises the effect on the earnings account (see below).

Expenses of the public institution amounted to 43.2% of staffing costs, which amounted to € 53.7 M in 2016, compared with € 52.9 M in 2015, including taxes.

The table below reveals the detail of the trend of the remunerations and the related expenses:

Detail of staffing costs

In millions of Euros (€M)

Type of expense	2016	2015	Evolution 2016/2015	
Staff expenses	48.5	47.8	0.7	0.0
Wages and salaries	33.4	33.1	0.3	0.0
Wages	26.8	26.5	0.3	*0.0*
Paid leave / paid leave not taken	3.3	3.6	-0.3	*-0.1*
Premiums and bonuses	0.3	0.2	0.1	*0.5*
Miscellaneous indemnities and benefits	2.0	2.1	-0.1	*0.0*
Compensation in lieu of notice, termination and o	0.3	0.1	0.2	*2.0*
Other staffing costs	0.7	0.6	0.1	*0.2*
Social security costs	15.1	14.7	0.4	0.0
Social security and provident costs	13.2	13.0	0.2	*0.0*
Other social security costs	1.8	1.7	0.1	*0.1*
Other staffing costs	0.1	0.0	0.1	*NS*
Taxes and duties on compensation	5.2	5.1	0.1	0.0
Total staffing costs	53.7	52.9	0.8	0.0

No significant changes are observed.

The breakdown of staff (FTE) by employment category is given below.

Calculation basis: individual situations for compensation of agents present and paid in 2016, as codified by payroll managers and whose work schedule is greater than 0

(Average annual FTE headcount)		INDEFINITE TERM CONTRACT Employment contract specificity						FIXED TERM CONTRACT Employment contract specificity						TOTAL
		None	CES	Consolidated CES	Youth employment	Qualification	Other	None	CES	Consolidated CES	Youth employment	Qualification	Other	
Management agents	Collective agreement staff	54.46						0.52						54.98
	Public service staff													
	Collective agreement staff - Employment measures													
	Staff under another collective agreement													
	Other status													
Supervisors 5A to 10	Collective agreement staff	331.15						3.78						334.93
	Public service staff													0.00
	Collective agreement staff - Employment measures													0.00
	Staff under another collective agreement													
	Other status													
Employees 1 to 4	Collective agreement staff	10.97						1.66						12.63
	Public service staff													
	Collective agreement staff - Employment measures													
	Staff under another collective agreement													
	Other status													
Inf. VA to X	Collective agreement staff	144.34												144.34
	Public service staff													
	Collective agreement staff - Employment measures													
	Staff under another collective agreement													
	Other status													
Inf. IA to IVB	Collective agreement staff	13.40												13.40
	Public service staff													
	Collective agreement staff - Employment measures													
	Staff under another collective agreement													
	Other status													
Other staff	Collective agreement staff	3.08					5.19					0.41	0.05	8.73
	Public service staff	4.00						0.20						4.20
	Collective agreement staff - Employment measures													
	Staff under another collective agreement													
	Other status	1.67					2.75	6.13						10.55
TOTAL		**563.07**				**0.00**	**7.94**	**12.29**				**0.41**	**0.05**	**583.76**

6.1.2 The Public Institution's Other Administrative Management Expenses

Detail of other external expenses

in millions of Euros

Type of expense	2016	2015	Evolution 2016/2015	
External services	11.2	21.9	-10.7	-0.5
General subcontracting	0.0	0.0	0.0	NS
Locations	4.5	5.5	-1.0	-0.2
Rental and joint ownership expenses	0.9	0.9	0.0	0.0
Maintenance and repairs	5.3	3.4	2.0	0.6
Studies and research	0.1	11.8	-11.8	-1.0
Other external services	0.3	0.2	0.1	0.4
Other external services	43.6	26.4	17.2	0.6
Personnel external to the agency	0.6	0.6	0.1	0.1
Travel, missions and receptions	1.1	0.9	0.1	0.1
Postal and telecommunication expenses	1.7	1.9	-0.2	-0.1
Banking and related services	0.0	0.0	0.0	-0.3
Other external services	16.2	2.1	14.1	6.8
Divers	24.0	20.9	3.1	0.1
Work, ways, services performed by outside providers	*22.3*	*19.4*	*2.9*	*0.2*
Other sundry external services	*1.7*	*1.5*	*0.2*	*0.1*
Total external expenses	54.7	48.3	6.5	0.1

External expenses recorded in 2016 increased by € 6.5 M compared to 2015. Most of this change is linked to the launch in 2016 of the plan to renovate the collection computer system (Clé-a), (see above).

Changes in the opposite direction seen between the "Research and studies" and "Other external services" headings are mainly related to a change in accounting posting.

6.1.3 The National Administrative Management Fund's Charges

Expenses of the National Administrative Management Fund (excluding allocation of the administrative management of ACOSS) amounted to **€1,141.1 M**, compared to €1,143.7 M in 2015, a decrease of 0.23% or € 2.60 M.

They mainly consisted of:

- day-to-day management allocations to the URSSAF, CERTI and CGSS, which fell to €1,059.6 M in 2016, compared to €1,064.9 M in 2015, a decrease of € 5.3 M.
- various day-to-day management contributions to non-combined organisations, which amounted to € 47.2 M in 2016 compared to € 46.7 M in 2015, an increase of €0.5 M.
- various other day-to-day management expenses relating mainly to the assumption of the operating costs of the Social Security courts (TASS), which in 2016 amounted to €33.7 M compared to €31.5 M in 2015, an increase of €2.2 M (+7%).

6.2 Day-to-Day Management Income

Details of day-to-day management income by type

Type of income	2016	2015	Change 2016/2015		STRUCTURE 2016
Sales of goods and services	240.9	141.7	99.2	70.0%	17.5%
Capitalized production	16.0	14.2	1.8	12.7%	1.2%
Operating subsidies	0.0	0.0	0.0	0.0%	0.0%
Sundry income from day-to-day management	1,002.2	1,100.0	-97.8	-8.9%	81.1%
Contributions from National Funds	997.1	957.3	39.8	4.2%	72.3%
Other day-to-day management income	5.1	142.7	-137.6	-96.4%	8.8%
Write-backs on provisions and expense transfers	3.3	1.5	1.8	120.0%	0.2%
Total day-to-day management income	1,262.4	1,257.4	5.0	0.4%	100.0%

Income from day-to-day management recorded in 2016, or **€ 1,262.4 M**, is slightly higher than in 2015.

However, leaving aside the contribution from the national funds of the General System (which balances management expenses of the branch, net of its own receipts (see note 2)), the branch's own receipts, as they appear from the combined accounts after neutralisation of the allocations from ACOSS to the network's organisations, decreased by 12% compared to 2015, to € 329.5 M, compared to € 375.9 M at the end of 2015.

This change results mainly from the change in allocation of the GSSC from activity in 2016 (see note 4). Indeed, the portion previously allocated to the FSV resulted in application of collection expenses by ACOSS in accordance with the regulations, which is no longer the case for the new beneficiaries of this revenue. These receipts amounted to € 49.6 M in 2015.

In addition, harmonisation in 2016 of the accounting of management fees collected from beneficiaries of receipts, now fully recorded under the "Service delivery" heading, which were until then partly recorded under the "Other income from day-to-day management” heading, gives rise to changes in the opposite direction between these two headings which cancel out in the amount of € 95 M.

6.2.1 Sales of goods and services

With an amount of € 240.9 M, they increased € 99.2 M and mainly consist of:

- management expenses of AOT/SMT for € 78.9 M, recognized in 2016 (€ 75.2 M in 2015);
- management expenses for the CADES of € 65 M
- management expenses billed to third parties (FSV, CNSA, Alsace Moselle local plan, UNEDIC, FAF, SME, IRCEM, URPS FAF and ETI), for an amount of € 45.7 M;
- management expenses related to collection of unemployment and AGS contributions billed as part of the Employment Centre and UNEDIC convention partner, recorded at December 31, 2016, in the amount of €29.6 M, compared to €27.4 M in 2015;

- management costs billed to the FNAL of €15.4 M;
- recording in income from day-to-day management the rebate generated by the telephony contract (ARAMIS) for the collections branch (+€5.2 M).

As indicated above, the very significant increase in this heading is mainly due to a change in accounting of management expenses for the FSV, CADES and CNSA.

6.2.2 Capitalised Production

It relates to the collection activity's "SNV2" production system, capitalised for this year in the amount of €16 M (ref. note 10), compared to €14.2 M in 2015.

6.2.3 Contributions from National Funds of the General System to financing expenses for administrative management of the collections branch

In accordance with the new rules laid down by decree (see note 4.3), the amount of the contribution of the national funds of the general scheme is set to balance the annual management expenditure of the branch, after deducting its own revenue. In order to clear reserves previously accrued in the ACOSS accounts (€ 443 M at 31/12/2015), a € 17.8 N reduction is made on the theoretical amount of the contribution calculated by deducting day-to-day management expenses of the branch (including extraordinary expenses) and its day-to-day management income (including extraordinary income).

In total, the national funds' contribution amounted to € 997.1 M in 2016; Its change (+ € 39.8 M) resulted from the increase in the net management expenses of the branch (+ € 53.6 M, the bulk of which is linked to the decrease in revenues recorded on the FSV, see above) and in the opposite direction, from application of the new reserve clearance mechanism (- € 17.8 M). The deficit generated in 2015 (- € 3.9 M) was related to application of the former rules for balancing the management expenses of the branch by the national funds of the general scheme.

The table below presents the determination of the contribution from national funds of the general system for 2016:

in €M	2016	2015	change
day-to-day management expenses	*1328.5*	*1334.3*	-5.8
extraordinary management expenses	*15.8*	*1.7*	14.1
current expenses related to cash management	*0*	*1.1*	-1.1
total day-to-day management expenses (a)	1344.3	1337.1	7.2
income specific to day-to-day management	*328.6*	*369.2*	-40.6
extraordinary income from day-to-day management	*0.9*	*6.7*	-5.8
total day-to-day management income (b)	329.5	375.9	-46.4
net costs of day-to-day management (c)=(a)-(b)	**1014.8**	**961.2**	**53.6**
theoretical contribution of national funds (d)=(c)	1014.8	957.3	57.5
annual rebate (since 2016) (e)	-17.8	-	-17.8
contribution of national funds (f)=(d)+(e)	**997**	**957.3**	**39.7**
Net result for the collections branch (g)=(f)-(c)	-17.8	-3.9	-13.9

Its breakdown between the national funds, according to the keys set by the aforementioned decree, is as follows:

Contributions from the national funds to the FNGA of the branch

In millions of Euros (€M)

NATIONAL FUNDS	2016 Contribution	2015 Contribution	Evolution 2015/2016	
HEALTH CNAMTS	501.1	481.3	19.8	**4.1%**
AT - MP CNAMTS	47.2	45.1	2.1	**4.7%**
CNAF	183.6	176.1	7.5	**4.3%**
CNAVTS	265.2	254.8	10.4	**4.1%**
Total contributions	997.1	957.3	39.8	

6.2.4 Other day-to-day management income

The "other day-to-day management income" recorded in 2016, € 121.3 M, decreased by € 130.3 M compared with 2015, or -51.8%.

This decrease was mainly due to the change in accounting of management expenses billed to the FSV, the CADES and CNSA mentioned above (€ 131.1 M in 2015).

Notwithstanding this accounting change, the decrease in revenue (- € 36.7 M) was mainly due to:

- The decrease in management expenses billed to the FSV (€ 49.6 M in 2015), as it is no longer an employee assignee of the GSSC on earned income (see note 4)
- A decrease in the contributions of the GIP MDS (DSN project) of € 3.4 M following a readjustment of the recognition of the accruals of deferred income in 2015;

An increase in the share of GSSC allocated to the CADES which rose from 0.48% to 0.60% (see note 5).

7. Financial Income and Expenses

In 2016, in the context of negative short-term interest rates, ACOSS recorded positive financial earnings of € 91.9 M for financial management of the general scheme (compared with € 16.3 M in 2015). These earnings were allocated to the national funds of the general scheme by application of interest on the current accounts of the branches set by decree (€ 96 M versus € 17.2 M in 2015) and the retrocession of interest on the management of advances and deposits with other plans (€ 4.1 M versus € 0.9 M in 2015). Given these mechanisms, earnings of the branch's financial activity is in balance by design.

The table below presents the detail of financial earnings:

Detail of financial income and expenses from the collection activity

(in millions of Euros)

Type of expenses and Revenues	2016 Amount	2015 Amount	Change 2016/2015	
Financial income and expenses of ACOSS				
Bank interest				
Commitment commissions on D-1 and D-D advances	2.0	2.0	-	0.0%
Penalties on announcement / forecast differential	0.3	0.8	-0.6	-66.9%
Interest on short-term loan	-	-	-	-
Interest on medium term loan	0.4	8.2	-7.8	-95.2%
Credit interest on Caisse des dépôts account	9.5	2.2	7.2	322.1%
Credit interest on the Bank of France account	2.5	0.3	2.1	620.2%
Interest on market operations				
Interest on treasury notes	0.0	0.4	-0.4	-100.0%
Interest on Euro Commercial Paper	-	0.4	-0.4	-100.0%
Interest on ECP margin calls	0.3	0.0	0.3	583.6%
Interest on Repurchase Agreements	0.1	0.3	-0.3	-73.5%
Interest on repurchase agreement margin calls	-	0.0	-0.0	-
Interest on Rate Swap Margin Calls	-	-	-	-
Interest on rate swaps	8.9	0.1	8.8	8849.0%
Repayment of dividends received on repos	-	-	-	-
Total debtor bank interest (expenses)	**23.9**	**14.9**	**8.9**	**59.7%**
Bank interest				
Interest from the CDC central account	-	-	-	-
Interest on the Bank of France account	-	0.0	-0.0	-
Interest on the ACOSS relief account	-	-	-	-
Interest on market operations				
Interest on Treasury Notes	25.0	6.2	18.8	305.9%
Interest on Euro Commercial Paper	79.3	25.1	54.1	215.4%
Interest on ECP margin calls	0.3	0.2	0.0	15.5%
Interest on repurchase agreements	-	0.0	-0.0	-
Interest on repurchase agreement margin calls	-	0.0	-0.0	-100.0%
Income from dividends on repurchase agreements	-	-	-	-
Interest on rate swaps	11.0	0.0	11.0	165810.7%
Interest on Rate Swap Margin Calls	0.0	-	0.0	-
Creditor interest on loan	-	-	-	-
Total creditor bank interest (income)	**115.5**	**31.5**	**84.0**	**266.2%**
balance of management market operations and bank interest	**91.7**	**16.6**	**75.1**	**452.0%**
Branch Interest				
Interest payable CNAMTS Health (expenses)	70.8	11.6	59.2	510.6%
Interest payable CNAMTS AT-MP (expenses)	0.4	0.4	-0.0	-1.5%
Interest payable CNAF (expenses)	5.4	3.2	2.2	68.1%
Interest payable CNAVTS (expenses)	22.8	2.1	20.7	992.6%
Total branch interest payable (expenses)	**99.4**	**17.3**	**82.1**	**473.8%**
Interest receivable CNAMTS Health (income)	-0.0	-	-0.0	-
Interest receivable CNAMTS AT-MP (income)	0.6	-	0.6	-
Interest receivable CNAF (income)	2.2	-	2.2	-
Interest receivable CNAVTS (income)	0.7	0.1	0.6	695.2%
Total branch interest receivable (income)	**3.4**	**0.1**	**3.3**	**4006.6%**
balance of branch interest management	**-96.0**	**-17.2**	**-78.7**	**456.7%**
Partner interest				
CNSA interest expenses	0.0	0.3	-0.3	ns
CNIEG interest expenses	0.0	0.0	-0.0	-
CAMIEG interest expenses	-	0.0	-0.0	-
Charge des interêts CNRSI C3S	-	0.0	-0.0	-
UNEDIC interest expenses	0.1	0.0	0.1	-
HAS interest expenses	-	0.0	-0.0	-
Total interest payable in relation to third parties (expenses)	**0.1**	**0.4**	**-0.3**	**-74.2%**
Income from CANSSM interest	0.0	0.0	0.0	-
UNEDIC interest income	0.3	0.1	0.2	231.9%
Interest income CNIEG	0.0	0.0	0.0	ns
Interest income CCMSA	0.0	0.1	-0.1	ns
Interest income Sundry partners	-	-	-	-
Total interest receivable in relation to third parties (income)	0.3	0.2	0.1	93.4%
balance of partner interest management	0.2	-0.2	0.4	-184.9%
Financial income and expenses from the collection activity				
Total Financial expenses	**123.4**	**32.6**	**90.7**	**277.9%**
Total Financial income	**119.2**	**31.8**	**87.5**	**275.2%**
Financial result before allocation to branches	**-4.1**	**-0.9**	**-3.3**	**375.6%**

ALLOCATION OF FINANCIAL RESULT TO THE BRANCHES	2016 Amount	2015 Amount	Change 2016/2015	
Transfer of financial earnings - Health	2.1	0.4	1.7	375.6%
Transfer of financial earnings - AT MP	0.2	0.0	0.1	375.6%
Transfer of financial earnings - Family	0.7	0.2	0.6	375.6%
Transfer of financial earnings - Old age	1.1	0.2	0.9	375.6%
	4.1	**0.9**	**3.3**	**375.6%**

Financial income and expenses from the collection activity after allocation to Branches				
Total Financial expenses	123.4	32.6	90.7	2.8
Total Financial income	123.4	32.6	90.7	2.8
Financial result after allocation to branches	-	-	-	ns

7.1 Financial income

Financial income, totalling **€119.9 M**, consisted of:

- **€115.5 M** interest from financial market transactions;
- **€0.3 M** of interest on financial transactions with the partners;
- **€3.4 M** of interest applied to the branches' balances.

7.1.1 Bank and Market Transaction Interest Income

Bank and market transaction interest incomes were constituted as follows:

INTEREST INCOME BANKING & MARKET OPERATIONS	2016 in €M	2015 in €M	Change 2016/2015	
			in €M	in %
Interest on Treasury Notes	25.0	6.2	18.8	
Interest on Euro Commercial Paper	79.3	25.1	54.1	
Interest on ECP margin calls	0.3	0.2	0.0	
Interest on repurchase agreements	0.0	0.0	0.0	
Interest on repurchase agreement margin calls	0.0	0.0	0.0	
Income from dividends on repurchase agreements	0.0	0.0	0.0	
Interest on rate swaps	11.0	0.0	11.0	
Interest on Rate Swap Margin Calls	0.0	0.0	0.0	
Creditor interest on loan	0.0	0.0	0.0	
Interest on financial market operations	115.5	31.5	84.0	266.2%
Interest on the central CDC current account	0.0	0.0	0.0	
Interest on the Bank of France account	0.0	0.0	0.0	
Interest on the CDC emergency account	0.0	0.0	0.0	
Bank interest	0.0	0.0	0.0	-100.0%
TOTAL	115.5	31.5	84.0	266.2%

Income on market operations (**€115.5 M**) come mainly from interest income on loans at negative rates recorded in particularly favourable market conditions in 2016 on:

- ECP for €79.3 M,
- treasury notes for €25 M.

Since the end of 2014, interest rates on the Euro zone money market have been negative. All short term assets with a duration of less than 1 year posted a negative compensation. The amount repaid was therefore less than the amount borrowed, leading to recording income on issuances of securities to provide cash balance. ACOSS, as a short-term debt issuer, therefore recorded in 2016 revenue on borrowings (Treasury Notes and Euro Commercial Paper).

Other income on market operations relate to a € 3 Bn macro-hedging transaction with the express authorisation of the ACOSS Supervisory Bodies to guarantee against interest rate fluctuations (€ 11.0 M), an operation running from February 11 to December 30, 2016 (see appendix 14) and to margin calls paid in respect of ECPs (€0.3 M).

7.1.2 Interest Income from Transactions with Partners

INTEREST INCOME OPERATIONS with PARTNERS	2016 in €M	2015 in €M	Change 2016/2015	
			in €M	in %
CANSSM	0.0	0.0	0.0	157.8%
UNEDIC - Daily cash	0.3	0.1	0.2	231.9%
CNIEG	0.0	0.0	0.0	140.6%
CCMSA	0.0	0.1	-0.1	-93.0%
Partner interest	0.3	0.2	0.1	93.4%

Interest income comes mainly from cash flow adjustments with the UNEDIC in respect of the post hoc restoration of neutrality when the monthly total of the instalments paid daily by ACOSS is higher than the total monthly receipts accounted for by the network for the benefit of this partner, in accordance with the ACOSS/UNEDIC agreement of December 17, 2010 (€0.3 M).

Interest income from cash advances to the CANSSM, CNIEG and CCMSA according to the financial agreement signed with the partners were insignificant. The compensation rate for advances may be revised each year to be consistent with the ACOSS financing policy. For 2016, taking into account the current market conditions and a negative Eonia rate for the whole year, the rate applied to advances to partners was 0 bp (0.0%).

7.2 Financial expenses

Financial expenses, totalling **€52.43M**, consisted of:

- **€99.4 M** of remuneration of the branches' credit balances;
- **€23.9 M** from financial market transactions (€9.3 M) and from bank interest (€14.6 M);
- **€0.1 M** of remuneration of financial transactions with the partners.

7.2.1 Bank Interest and Market Transaction Expenses

Bank and market transaction interest expenses were constituted as follows:

INTEREST EXPENSES BANKING & MARKET OPERATIONS	2016 in €M	2015 in €M	Change 2016/2015 in €M	Change 2016/2015 in %
Interest on treasury notes	0.0	0.4	-0.4	
Interest on Euro Commercial Paper	0.0	0.4	-0.4	
Interest on ECP margin calls	0.3	0.0	0.3	
Interest on Repurchase Agreements	0.1	0.3	-0.3	
Interest on repurchase agreement margin calls	0.0	0.0	0.0	
Interest on Rate Swap Margin Calls	0.0	0.0	0.0	
Interest on rate swaps	8.9	0.1	8.8	
Repayment of dividends received on repos	0.0	0.0		
Interest on market operations	**9.3**	**1.4**	**7.9**	**583.8%**
Commitment commissions on D-1 and D-D advances	2.0	2.0	0.0	
Penalties on announcement / forecast differential	0.3	0.8	-0.6	
Interest on short-term loan	0.0	0.0	0.0	
Interest on medium term loan	0.4	8.2	-7.8	
Credit interest on Caisse des dépôts account	9.5	2.2	7.2	
Credit interest on the Bank of France account	2.5	0.3	2.1	
Bank interest	**14.6**	**13.6**	**1.0**	**7.4%**
TOTAL	23.9	14.9	8.9	59.7%

In 2016, interest expense recorded a financial expense of € 8.9 M following the introduction of a fixed rate swap paid by ACOSS against the variable rate paid by the counterparty as part of hedging the interest rate risk. This amount is to be compared with the € 11 M of income reported in the same way (see above), leading ultimately to a positive result of € 2.1 M on this transaction.

Interest expenses on ECP and treasury notes is virtually nil with respect to negative interest rates on the markets (€ 0.4 M in 2016 compared to € 0.9 M in 2015).

Bank interest expenses grew by 7.4% in 2016. Indeed, interest on the account opened with the Caisse des Dépôts rose from €2.2 M in 2015 to €9.5 M in 2016. It corresponds to the remuneration of the balance of the centralising current account in accordance with the conditions on investment of liquid assets under the agreement with the CDC. This change arises from:

- the change in the applied rate which fell from -0.20% in 2015 to -0.40% in 2016,
- of the increase in the number of days with a balance of more than € 200 M, from 250 in 2015 to 340 days in 2016. Since repo transactions do not provide interest in the negative rate environment, it is more appropriate to leave the funds in the CDC account. To the extent that ACOSS is not able to mobilise each day on the markets the exact amount that would allow it to have zero cash, it raises funds more ahead of time in order to ensure coverage of needs. This results in an increase in the number of days with a higher balance than that allowed in the ACOSS/CDC agreement.

In order to reduce the penalties on the difference between cash balance forecasts and actuals (- € 0.6 M in 2016) and to comply with the balance limits set by the CDC 2015-2018 agreement, ACOSS may carry out offloading transfers (21 in 2016) from the CDC account to the account opened with the Banque de France. Interest expense related to this account will increase by **€ 2.1 M** in 2016, based on negative interest rates on the credit balances recorded.

However, interest on medium-term loan contracts decreased (**€ 0.4 M** in 2016 compared with **€ 8.2 M** in 2015, corresponding to the remuneration of two tranches of CDC loans for € 4.8 Bn concluded in 2015 and maturing in January and February 2016), with no new loans being taken out with the CDC in 2016.

7.2.2 Interest Expenses from Transactions with Partners

Interest expenses from partners remunerated the following transactions:

INTEREST EXPENSES OPERATIONS with PARTNERS	2016 in €M	2015 in €M	Change 2016/2015	
			in €M	in %
CNSA - Term deposit	0.0	0.3	-0.3	-88.5%
CNIEG - Term deposit	0.0	0.0	0.0	-45.8%
CNRSI - Sight deposit	0.0	0.0	0.0	-100.0%
HAS - Current account	0.0	0.0	0.0	-100.0%
UNEDIC - Daily cash	0.1	0.0	0.1	6397.5%
CAMIEG - Sight deposit	0.0	0.0	0.0	-100.0%
Partner interest	0.1	0.4	-0.3	-74.2%

The main interest expense relates to the UNEDIC (**€ 0.1 M**) following the recording of interest expense calculated on the monthly adjustments paid at the Eonia rate according to the financial agreement signed on December 17, 2010 between UNEDIC and ACOSS.

Compensation for the CNSA's deposit fell again in 2016 (- € 0.3 M) following the sharp decline in the applied rate, which fell from 0.182% at the end of 2014 on tickets maturing in 2015 to 0.005% applied in 2016.

7.2.3 Interest Income and Expenses of the Branches

The interest for the branches is calculated on the basis of a reference rate applied to the daily balances recorded on the national funds' current accounts. The rate adopted for 2016 was:

- 0.45045%. Since 2011, the Supervisory Bodies chose a "365 day" basis for branch interest rates. Thus, the rate laid down by the Ministerial Order of March 23, 2017, published in the Official Journal on April 5, 2017, was -0.458% (or 0.184%*366/360).

For comparison with the rate adopted in 2015 (-0.0612%), the strong decline in the rate applied to the branches is a combination of two elements:

- a sharp drop in the rates recorded on the market for short-term marketable securities, which benefited from the financing exercised in Treasury Notes and ECP (Euro Commercial Paper),
- to a lesser extent, a decrease in the CDC share of financing, to 4% of financing in 2016 compared to 14% in 2015, as well as a decrease in the cost of these financings, mainly due to the lower EURIBOR rates on which these borrowings are indexed at the time of the withdrawals.

The monetary policy pursued by the European Central Bank leads to negative borrowing rates on the money market which ACOSS enjoys as a short-term debt issuer. The agency thus records financial income on its security issues which leads to ultimately recording income on behalf of the branches.

Therefore, as in 2015 and to a greater extent, the negative rates in the Euro zone money market led to recording income on borrowings and expenses on investment.

The daily balances of the national funds' current accounts generated - **€ 99.4 M** of interest expenses for ACOSS, apportioned between the branches as follows:

INTEREST EXPENSES FROM BRANCHES	2016 in €M	2015 in €M	Change 2016/2015	
			in €M	in %
Health CNAMTS	70.8	11.6	59.2	
CNAMTS AT-MP	0.4	0.4	0.0	
CNAF	5.4	3.2	2.2	
CNAVTS	22.8	2.1	20.7	
Interest from branches	99.4	17.3	82.1	473.8%

Interest income was marginally recorded at **€ 3.4 M** on the branches apportioned as follows:

INTEREST INCOME FROM BRANCHES	2016 in €M	2015 in €M	Change 2016/2015	
			in €M	in %
Health CNAMTS	0.0	0.0	0.0	
CNAMTS AT-MP	0.6	0.0	0.6	
CNAF	2.2	0.0	2.2	
CNAVTS	0.7	0.1	0.6	695.2%
Interest from branches	3.4	0.1	3.3	3300%

The change in interest income on the CNAF current account is due to the change in the negative interest rate applied to daily balances, which fell from -0.0612% to -0.45045% and to the improvement of the CNAF balances, which when credit record interest income. To a lesser extent, the situation is the same for the old age and industrial accidents branches.

8. Extraordinary income and expenses

Extraordinary earnings, exclusively related to administrative management, had a deficit of €14.9 M in 2016 (compared to a deficit of - € 0.15 M in 2015).

This extraordinary loss from day-to-day management is mainly related to the recognition of an exceptional depreciation of assets in the amount of € 15 M, following abandonment of the former plan for renovation of the information system (Clé-A), corresponding to costs capitalised on projects that will not be completed.

9. Formation of the Year's Earnings

This note presents the earnings for the year:

Detailed earnings by management area	2016	2015	Evolution 2016/2015	
Earnings from collection management (A-B)	**0.0**	**0.0**	**0.0**	*NS*
rom technical management excluding transfer of expenses (a)	*81,342.3*	*76,242.7*	*5,099.6*	*6.7%*
Transfer of expenses (b)	*524.8*	*435.2*	*89.6*	*20.6%*
Extraordinary income on technical operations (c)	*0.0*	*0.0*	*0.0*	*NS*
A - Total technical income (a+b+c)	***81,867.1***	***76,677.9***	***5,189.2***	***6.8%***
ınical management expenses excluding transfer of income (d)	*524.8*	*435.2*	*-89.6*	*-20.6%*
Transfer of income (e)	*81,342.3*	*76,242.7*	*-5,099.6*	*-6.7%*
Extraordinary expenses on technical operations (f)	*0.0*	*0.0*	*0.0*	*NS*
B - Total technical expenses (d+e+f)	***81,867.1***	***76,677.9***	***-5,189.2***	*NS*
Earnings from cash management (C+D)	**0.00**	**0.0**	**0.0**	*NS*
Day-to-day management income	*0.00*	*0.9*	-0.9	*-100.0%*
Day-to-day management expenses	*0.00*	*0.0*	0.0	*NS*
C - Day-to-day management earnings	*0.00*	*0.9*	-0.9	*-100.0%*
Financial income	*123.4*	*14.4*	109.0	*NS*
Financial expenses	*123.4*	*15.2*	108.1	*709.5%*
D - Financial Earnings	*0.00*	*-0.9*	*0.9*	*NS*
Earnings from Administrative Management (E+F+G)	**-17.8**	-3.9	-13.8	*NS*
Day-to-day management income	*1,262.5*	*1,365.4*	-103.0	*-7.5%*
Day-to-day management expenses	*1,265.3*	*1,369.2*	-103.9	*-7.6%*
E - Day-to-day management earnings	*-2.8*	*-3.7*	0.9	*NS*
Financial income	*0.0*	*0.0*	0.0	*-90.0%*
Financial expenses	*0.0*	*0.0*	0.0	*-94.6%*
F - Financial Earnings	*0.0*	*0.0*	0.0	*-94.7%*
Extraordinary income	*0.09*	*0.1*	0.0	*54.2%*
Extraordinary expenses	*15.0*	*0.2*	14.8	*NS*
G - Extraordinary earnings	*-14.9*	*-0.1*	-14.8	*NS*
Earnings for the year	**-17.8**	**-3.9**	**-13.8**	***NS***

Taking ACOSS activities into account, interim management balances are the subject of a presentation adapted from that defined by the GAP (General Accounting Plan), to show the results of its activities according to their nature (technical management, cash flow management and administrative management).

With regards to the rules of accounting and management used in the branch, as for 2015, earnings for 2015, amounting to **- € 17.8 M,** comes exclusively from administrative management (see below).

9.1 Collection Management Earnings

Given the nature of its activity, ACOSS generates **nil earnings from technical management** to the extent that all income and technical expenses from collection is transferred to the beneficiaries:

- transfers of incomes entered as technical management expenses correspond to the technical incomes reported to assignees for which the designations for collection are recorded as income in the income statement;
- similarly, the transfers of expenses recorded as technical management incomes correspond to the technical expenses reported to the assignees and recorded as expenses in the income statement.

9.2 Cash Management Earnings

To the extent that the applicable regulations provide that ACOSS allocates to the national funds of the general system the net costs of financing that it carries, earnings from cash management is nil (see note 7).

The financial earnings of those transactions has been apportioned between the branches on the basis of apportionment formulae set by the decree provided for in Article L. 225-6 of the Social Security Code.

9.3 Administrative Management Earnings

Administrative Management earnings amounted to -€17.8 M.

In line with the order amending the method for calculating the contribution of the national funds to financing of the FNGA (ref. note 4), the accounting earnings for administrative management amounts this year to - € 17.8 M.

This accounting earnings will be unchanged until 2040, the date when reserves will be cleared of up € 443 M due to a billing the national funds for investments at the time of their creation and not to the extent of their amortization.

Then, the accounting earnings will be structurally balanced in accordance with the savings of the arrangement for financing expenses of collection administrative management, which provides for their assumption by the national funds, since ACOSS does not intend to generate any profit.

10. Tangible and Intangible Fixed Assets

Tangible and intangible fixed assets represented **€74.7 M**, a decrease of 2.40% compared to 2015.

This fluctuation is mainly explained by the payment of € 5.1 M of deposit on the purchase of a building in Valbonne and the pursuit of the renovation plan of the DPS and, in the opposite direction, by the recognition of a loss on current capitalised production (see note 8).

Details of Fixed Assets

in millions of Euros (€M)

Net assets	2016	2015	Evolution 2016/2015		STRUCTURE 2016	STRUCTURE 2015
Intangible fixed assets	61.4	66.5	-5.1	-7.7%	82.2%	86.9%
Tangible fixed assets	13.3	10.0	3.3	33.0%	17.8%	13.1%
Total fixed assets	74.7	76.5	-1.8	-2.4%	100.0%	100.0%

Intangible fixed assets consisted of software, software packages and licences.

The tangible fixed assets consisted of technical installations, equipment and tools, general installations, various fittings and furnishings, vehicles and office furniture.

Table of fixed assets

in millions of Euros (€M)

HEADINGS	GROSS VALUES AT BEGINNING OF YEAR (1)	ACQUISI-TIONS (2)	TRANSFERS / WITHDRAWALS (3)	GROSS VALUES END OF YEAR (4)=(1)+(2)-(3)	ACCUMULATED AMORTIZATION AT BEGINNING OF YEAR (5)	ALLOCATIONS FOR THE YEAR (6)	REVERSALS / WITHDRAWALS FOR THE YEAR (7)	ACCUMULATED DEPRECIATION END OF YEAR (8)=(5)+(6)-(7)	NET VALUES END OF YEAR (9)=(4)-(8)
INTANGIBLE FIXED ASSETS	87.6	59.7	56.5	90.8	21.1	23.3	15.0	29.4	61.4
Concessions and similar entitlements, patents, trademarks, processes, software, rights and similar securities	31.9	46.4	13.3	65.0	21.1	23.3	15.0	29.4	35.5
Other digital intangible fixed assets in progress	55.6	13.3	43.1	25.8	0.0	0.0	0.0	0.0	25.8
Advances and instalments paid on orders for fixed assets Intangible	0.1	0.0	0.1	0.0				0.0	0.0
TANGIBLE FIXED ASSETS	37.0	12.0	6.3	42.7	27.0	2.7	0.3	29.4	13.3
Land	0.0	0.0	0.0	0.0				0.0	0.0
Developments and improvements to land	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Buildings	0.0	5.1	5.1	0.0	0.0	0.0	0.0	0.0	0.0
Construction on land of others	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Technical facilities, equipment and tooling	0.7	0.0	0.0	0.7	0.6	0.0	0.0	0.6	0.1
Other tangible fixed assets	32.2	1.7	0.6	33.3	26.4	2.7	0.3	28.8	4.5
Current tangible fixed assets	0.0	5.1	0.0	5.1	0.0	0.0	0.0	0.0	5.1
Advances and instalments paid on orders for tangible fixed assets	4.1	0.1	0.6	3.6				0.0	3.6
Total fixed assets	124.6	71.7	62.8	133.5	48.1	26.0	15.3	58.8	74.7

Acquisitions during the Year

The 2016 intangible fixed asset inflows of € 59.7 M break down as follows:

- € 46.4 M of intangible fixed assets, or:
  - € which made € 28.1 M for software completed during the year and previously recorded as assets under construction;
  - € 2.7 M in respect of the capitalised production costs for the year (ALTAIR, REI, HAWAI);

- € 2.3 M for acquisitions of licenses and software;
- 13.3 M the subject of a transfer to current assets.

➢ € 13.3 M of other current intangible assets corresponding to the work to redesign the Clé-a data processing system (ACOSS);

The property, plant and equipment (€ 12 M) entries essentially relate to an advance payment (€ 5.1 M) for the purchase in VEFA of a building located in Biot to replace the current premises rented in Valbonne. The work is expected to be completed in 2017.

Sale or reduction of assets during the year in gross value:

– Intangible Fixed Assets (€ 56.5 M)

This decrease is for ACOSS mainly due to:

- a reclassification of fixed assets to current assets for an amount of € 13.3 M
- a transfer of current assets to intangible fixed assets (software completed) as part of the work of renovating the Clé-a data processing system for € 28.1 M
- recognition of an extraordinary depreciation of € 15 M arising from capitalised production (see note 8).

– Tangible Fixed Assets (€ 6.3 M)

Aside from transfers of fixed assets to current assets for an amount of € 5.1 M, the actual amount of disposals of fixed assets was € 1.2 M. This amount mainly relates to the sale of equipment for € 0.3 M and € 0.6 M related to the reclassification of acquisitions of computer equipment.

11. Financial Fixed Assets

Details of Financial fixed assets

in millions of Euros (€M)

Net assets	2016	2015	Change 2016/2015	
Claims between Social Security organisations	380.3	365.5	14.8	4.1%
Loans to partners	3,785.0	2,865.0	920.0	32.1%
Loans to staff	1.3	1.5	-0.2	-13.7%
Other loans	0.0	0.0	0.0	NS
Deposits and guarantees paid	0.5	0.5	0.1	14.0%
Other fixed receivables	0.0	4.9	-4.9	-100.0%
Other financial fixed assets	0.0	0.0	0.0	0.0%
Total financial fixed assets	**4,167.1**	**3,237.3**	**929.8**	**28.5%**

Financial fixed assets mainly consist of long-term loans and receivables with Social Security Organisations or organisations contributing to the exercise of their duties.

They are of three kinds:

- loans of € 3,786.3 M representing 91.0% of financial fixed assets comprising:
  - loans to partners OF € 3,785.0 M;

    This balance of €3,785 M corresponds to a cash advance carried out for the benefit of the National Mining Autonomous Social Security Fund (CANSSM) amounting to €335 M, and a bridge loan for the benefit of the Agricultural Social Insurance Mutual Benefit Fund (CCMSA) amounting to €3,450 M. These advances, recorded as "Loans to partners", are expanded upon in note 14;

  - loans to staff of €1.3 M;
- advances allocated to the Social Security organisations of €380.3 M (or 9.1% of the item) consisting of:
  - advances allocated to the branch's organisations - CGSS included - to finance their investment transactions (€363.3 M representing 8.7% of financial fixed assets);
  - advances allocated to the other Social Security organisations (CLEISS, EN3S, Maison des Artistes and SSC de Mayotte) or €17.0 M.

The following table shows the amounts of advances allocated in 2016 (beneficiary organisations and purpose):

Details of Financial fixed assets

in millions of Euros (€M)

	URSSAF		CERTI		CGSS		OTHER		TOTAL		CHANGE	
PAYMENT	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015		
advances for fixed asset unions	0.7	1.3	0.0	0.0	0.0	0.0	0.0	0.0	0.7	1.30	-0.60	-46.2%
deferred advances	15.0	8.8	10.0	6.3	0.9	0.3	0.0	0.0	25.9	15.40	10.50	68.2%
other advances	10.3	4.7	26.4	14.4	1.6	2.7	1.5	0.2	39.8	22.00	17.80	80.9%
TOTAL	**26.0**	**14.8**	**36.4**	**20.7**	**2.5**	**3.0**	**1.5**	**0.2**	**66.4**	**38.7**	**27.70**	71.6%

The increase in advances of € 27.7 M in 2016 (compared to a decrease of € 35.8 M in 2015) is explained by:

- an increase of €10.5 M (+68.2%) of deferred payment advances (advance payments for investment operations whose completion will occur in future years and for which the organisations wished to preserve financing they were notified about in 2016);
- an increase of €17.8 M (+80.9%) in payments for other advances that finance acquisition of fixed assets in the year in addition to the use of deferred advances;
- a decrease of €0.6 M of advances for real estate unions.

In addition to the 2016 payments, it should be specified that €28.3 M of advances carried over from 2015 were used to finance some of the organisations' 2016 acquisitions, all types combined.

- Other items:
  - The standing advance allocated to the CLEISS of €4.9 M provided for by Decree of 24/02/1975 was fully reimbursed in 2016.
  - deposits and sureties (€0.5 M).

12. Equity

in millions of Euros (€M)

Equity	Balance at 31/12/15	Allocation for earnings N-1	Earnings N	Other changes in the year	Balance at 31/12/16 before allocation	Allocation of earnings N	Balance at 31/12/16 after allocation
Allocations and contributions	0.0			0.00	0.0		0.0
Goods given in freehold to the organisations	0.0			0.00	0.0		0.0
Reserves	447.8	443.9		0.00	443.9	-17.8	426.1
Earnings for the year	-3.9	0.0	-17.8	0.00	-17.8	17.8	0.0
Investment subsidies	0.0			0.00	0.0		0.0
Total equity	**443.9**	**443.9**	**-17.8**	**0.00**	**426.1**	**0.0**	**426.1**

Equity amounted to € 426.1 M at December 31, 2016.

After allocation of the earnings for the year, they are composed exclusively of reserves constituted by ACOSS as part of the financing by the national funds of the general system for operating expenses of the branch. These reserves will be cleared over a period of 25 years by allocating the earnings for the year, which will be recorded annually at - € 17.8 M, in accordance with the mechanism established by decree in 2016 (see notes 4 and 6).

13. Provisions for Risks and Expenses

The following table shows the provisions for risks and expenses:

CHANGES IN PROVISIONS

in millions of Euros (€M)

Provisions for risks and expenses	Balance as at 31/12/15	Balance as at 31/12/2015 Proforma	Increase in 2016	Decrease in 2016	Balance as at 31/12/16
Provisions for risks	2.1			1.6	0.5
Provisions for technical risks and expenses	248.0	291.0		148.00	142.2
Other provisions for expenses	1.9		1.7	1.7	1.9
Total provisions for risks and expenses	252.0		1.7	151.3	144.6

Technical provisions amounted to € 142 M at the end of 2016, compared to € 291 M at the end of 2015, after taking into account the provisions allocated to CADES (see note 3). The correspond exclusively to the provisions recorded for risks of reimbursement related to an unfavourable decision from the CJUE, on imposition of social levies on French source income received from individuals affiliated with a social security scheme of another member State of the European Union ("de Ruyter" dispute). The reversal in 2016 is partly related to the reductions recorded over the period and the balance of a downward adjustment of risk (see note 5, reversals of provisions).

The other provisions for expenses totalling **€1.9 M** relate to staffing (incentive bonus, variable portion, performance bonus, long-service medals (see note 2)).

14. Financial Debt and Cash Flow

ACOSS fulfils its mission of general system cash manager in accordance with Articles L.225-1, L.225-1-3, L.225-1-4, D.225-1 to 3 and D.253-38 and 41 of the SSC.

Decree 2012-1127 of October 4, 2012, relating to the common cash management of the general system organisations by ACOSS specifies that a central current account is open in the books of the Caisse des Dépôts et Consignations (CDC) in ACOSS's name. This provision is without prejudice to opening other accounts in the CDC's books, in particular of accounts necessary for the organisation of the financial channels as well as an account dedicated to establishing a reserve in respect of financial risk management. These provisions are codified in the SSC, at Article D.225-3.

Thus, ACOSS has the following accounts with the Caisse des Dépôts et Consignations:

- the 185A Head-Office account, through which transit:
    - revenue and expenditure accrued directly by ACOSS. These are in particular financing (cash advances, repayments of advances, treasury notes, deposits, etc…), and employer and employee Social Security contributions and impositions collected directly by the Central Agency;
    - if applicable, the operations for total or partial cover of an incident by transfers from the contingency account or the Banque de France account (see below).
- procurement accounts open with the network of Regional and Departmental Public Finance Directorates (DGFiP), which records:
    - clearing of cash inflows of employer and employee social contributions and impositions collected by the URSSAF/CGSS/CCSS network;
    - withdrawals by organisations of the general system (CPAM, CAF, CARSAT) to settle benefits, other technical expenses and administrative management.
- accounts for OSS cash surpluses (one per branch and one for collection and the UCANSS);
- the ECP account 380558Z recording the transactions of the Euro Commercial Paper (ECP) issued by ACOSS.

Each day, the balances of these accounts are levelled on the pivot account.

ACOSS has also opened a contingency account with the CDC intended to cover the risk of cash transactions not covered in the allotted time. On the basis of the provisions of the same Article D.225-3, ACOSS also has a deposit account with the Banque de France, intended for:

- securing supply of the central current account, due to infra-day time lags between the financial flows associated with ACOSS's cash management;
- investment of the durable surpluses or other liquid assets mentioned in Article R. 255-4.

ACOSS has moreover an external liquid asset account, opened with the Regional Public Finance Directorate of Ile de France (DRFiP), for managing its administrative management expenses and receipts.

14.1 ACOSS's Net Financial Debt at December 31, 2016

The net financial debt corresponds to the value of the financial debts (**€21.5 Bn**), less the balance of liquid assets recorded in the balance sheet's Assets (**€15.6 Bn**) and Liabilities (**€15.2 Bn**).

It amounted to **€21 Bn** at December 31, 2016, a decrease of **€10.3 Bn** compared to December 31, 2015. This change mainly reflects, firstly, the assumption of deficits by the CADES occurring in 2016 in the amount of €23.6 M and secondly the financing needs of the general system and the FSV in 2015 related to the deficit for the year, which amounted to €7.8 Bn. The current accounts of all branches of the GS are improving, that of the ATMP branch becoming a credit again in 2016 given the surpluses recorded for the last four years.

Net financial debts

in millions of Euros (€M)

Net financial debts	2016	2015	Change 2016/2015	
Treasury Notes	8,840.0	19,585.0	-10,745.0	-54.9%
ECP	11,573.0	7,786.2	3,786.8	48.6%
CDC - Medium term loan	0.0	4,000.0	-4,000.0	-100.0%
CNRSI deposit	0.0	0.0	0.0	-100.0%
CNSA deposit	750.0	850.0	-100.0	-11.8%
CAMIEG deposit	316.8	286.6	30.2	10.5%
CNIEG deposit	0.0	200.0	-200.0	-100.0%
Financing (1)	**21,479.7**	**32,707.8**	**-11,228.1**	**-34.3%**
Accrued interest payable *	10.0	4.7	5.3	113.9%
Other financial debts (2)	**10.0**	**4.7**	**5.3**	**113.9%**
TOTAL FINANCIAL DEBTS (3)=(1)+(2)	**21,489.7**	**32,712.4**	**-11,222.8**	**-34.3%**
Moveable investment securities (4)				-
Repurchase agreements	-	-	-	-
Banks, financial institutions and similar (5)	913.6	1,362.6	-449.0	-33.0%
CDC Central current account	202.0	661.9	-459.9	-69.5%
CDC Emergency account	500.0	500.0	0.0	-
Banque de France	200.0	200.0	0.0	-
Regional Directorate of Public Finance Ile de France (CED)	0.1	0.1	0.0	1.6%
Postal Bank	0.0	0.1	0.0	-17.9%
Accrued interest receivable	11.5	0.6	10.9	1815.5%
Cash instruments (6)	-465.2	-10.0	-455.2	4574.9%
Margin calls (on ECP & Repurchase agreements) **	-465.2	-10.0	-455.2	4574.9%
Currency (7)	ns	ns	ns	ns
Liquid assets (8)=(4)+(5)+(6)+(7)	**448.5**	**1,352.6**	**-904.2**	**-66.8%**
Net financial debt (9)=(3)-(8)	**21,041.2**	**31,359.8**	**-10,318.6**	**-32.9%**
Net financial debt excluding accrued interest (10)=(1)-(8)	**21,031.3**	**31,355.2**	**-10,323.9**	**-32.9%**

At December 31, 2016, financial debts, totalling **€21.5 Bn**, consisted of:

- financing issued on the financial markets for an amount of **€20.4 Bn**, distributed between treasury notes (TN) of €8.8 Bn and ECPs of €11.6 Bn;
- CNSA deposits of **€0.8 Bn**;
- CAMIEG deposits of **€0.3 Bn**;

Liquid assets amounted to **€0.5 Bn** and are detailed in the table above and in the cash flow table (ref. § 14.3).

14.2 The Net Financial Debt of the General System's Branches Within ACOSS's Net Debt at December 31, 2016

The collection activity's net financial debt at December 31, 2016, **€21 Bn**, covered:

- a net financial debt of the general system's branches of **€18.4 Bn**, recorded in the balances of the national funds' current accounts at ACOSS;
- the net balance of the other third-party cash receivables and liabilities recorded on the ACOSS balance sheet, **€2.5 Bn**.

The cash flows of the general system's four branches taking part in the common cash management have been individualised.

This individualisation occurs by the debit or credit supply of the current accounts opened in the ACOSS books, which are similar to those held by a bank for its customers. ACOSS holds current accounts for the national funds (CNAMTS Health, CNAMTS AT-MP, CNAF, CNAVTS), as well as for the UCANSS, each URSSAF and CGSS, the CCSS of Lozere and each CERTI.

On these current accounts, ACOSS positions daily, at their value date, all the financial movements recorded on the central current account in respect of each organisation and its relevant branch.

The national organisations hold in their records the current accounts of the relevant organisations of their network, and attribute each local organisation's movements to them (excluding Mayotte, not incorporated within the scope of accounts, see note 1).

The following table presents the change in debit balances of the current accounts at the general system's branches between 2015 and 2016 as well as the overall cash balance of the branches:

Current accounts of branches of the General System at ACOSS

(In billions of Euros)

Branches	Current account situation			
	At 31/12/2016	At 31/12/2015	Change in 2016	Change in %
Health	debtor 16.4	debtor 21.7	5.3	24.3%
AT-MP	Creditor 0.2	debtor 0.7	-0.9	-121.1%
Family	debtor 0.5	debtor 4.4	3.9	88.6%
Old Age	debtor 1.6	debtor 3.9	2.3	59.1%
Total General System	**18.4**	**30.7**	**12.3**	**40.2%**

The branches' cash flow improved by €12.3 Bn in 2016, the cumulative net debit balance of these current accounts falling from of €30.7 Bn at December 31, 2015 to **€18.4 Bn** at December 31, 2016.

14.3 Factors Explaining the Variation of Liquid Assets Between 1 January and December 31, 2016: The ACOSS Cash Flow Table

The following table shows all cash inflows and disbursements, between January 1, 2016 to December 31, 2016, supporting the balance of liquid assets at the end of the year.

TABLE OF CASH FLOWS - FISCAL 2016 - EPN

in millions of Euros €M

TABLE OF CASH FLOWS - FISCAL 2016 - EPN	2016	2015	Change	Change in %
LIQUID ASSETS AT JANUARY 1 (A)	1,362.58	1,947.93	-585.35	-30.05%
Bank of France account (51211)	200.00	200.01	0.00	0.00%
CDC Central current account (51313)	661.86	1,247.68	-585.82	-46.95%
CDC emergency account (51317)	500.00	500.00	0.00	0.00%
Other Acoss cash accounts (RGF 51212, La Poste 51213, Interest 5188, Fund 5311)	0.72	0.24	0.48	204.27%
TOTAL INPUTS (B)=(B1+B2+B3)	829,106.54	817,244.63	11,861.91	1.45%
CASH INFLOWS (B1)	509,739.46	499,270.02	10,469.44	2.10%
CADES debt assumption	**23,609.04**	**10,000.00**	**13,609.04**	**136.09%**
Cash received via territorial lines	**358,237.96**	**353,034.08**	**5,203.89**	**1.47%**
Contributions and levies from the private sector	282,656.95	277,183.20	5,473.76	1.97%
Contributions and levies from the public sector	44,459.06	45,118.06	-659.00	-1.46%
Contributions and levies for the ISU	14,802.22	15,347.30	-545.08	-3.55%
Cash surplus generated by the URSSAF-CERTI-SSTC-CCSS	83.59	33.74	49.85	147.72%
Cash surplus generated by organisation outside the scope of combination	16,236.14	15,351.78	884.36	5.76%
Cash received directly from the ACOSS headquarters account (185A)	**127,892.45**	**136,235.94**	**-8,343.49**	**-6.12%**
Collection direct from ACOSS (R 451461)	73,359.66	71,898.82	1,460.84	2.03%
Cash inflows under common cash management	54,532.79	64,337.12	-9,804.33	-15.24%
FINANCING (B2)	254,221.15	280,795.86	-26,574.71	-9.46%
CDC medium term loan withdrawals (167415)	0.00	7,000.00	-7,000.00	-100.00%
Interest accrued on loans (16884)	0.39	7.69	-7.30	-94.92%
Interest / deposits and surety, receipts (16885)	0.02	0.02	0.00	-14.86%
CNSA deposit (165111)	850.00	200.00	650.00	325.00%
CNRSI / C3S deposit (1651123)	0.00	9.16	-9.16	-100.00%
CNIEG deposit (165113)	8,005.00	9,460.00	-1,455.00	-15.38%
(CAMIEG) deposit (165114)	30.16	32.44	-2.27	-7.01%
Treasury Notes (1681111)	142,586.00	195,373.70	-52,787.70	-27.02%
ECP (1681112)	96,402.71	61,852.34	34,550.36	55.86%
Cash inflows from ECP margin calls (5211)	6,346.88	6,860.51	-513.63	-7.49%
INVESTMENTS (B3)	65,145.92	37,178.75	27,967.17	0.75
Loans to partners (274231) Reimbursements of Advances (CANSSM)	2,970.00	480.00	2,490.00	518.75%
Loans to partners (274232) Reimbursements of Advances (CNIEG)	825.00	335.00	490.00	146.27%
Loans to partners (274233) Reimbursements of Advances (CCMSA)	60,586.00	14,886.00	45,700.00	307.00%
CSSTM working capital advance	4.86	0.00	4.86	ns
Surrender of Repurchase agreements (50816)	756.67	21,443.41	-20,686.74	-96.47%
Cash inflows from Margin Calls on Repurchase agreements (52122)	0.00	34.34	-34.34	-100.00%
Rate swap creditor margin calls (52132)	3.40	0.00	3.40	ns
TOTAL OUTPUTS (C)=(C1+C2+C3)	829,566.40	817,830.46	11,735.94	1.44%
DISBURSEMENTS (C1=C11+C12+C13)	498,506.98	500,246.57	-1,739.59	-0.35%
Withdrawals (C11)	379,521.59	373,709.89	5,811.70	1.56%
Withdrawals Health	181,994.77	180,004.27	1,990.50	1.11%
Withdrawals AT-MP	9,240.07	9,248.29	-8.22	-0.09%
Withdrawals Family	76,716.25	74,279.10	2,437.14	3.28%
Withdrawals Old Age	107,862.64	106,307.90	1,554.73	1.46%
Withdrawals URSSAF-CERTI-CGSS-CCSS	3,679.47	3,840.16	-160.69	-4.18%
Withdrawals Ucanss	28.39	30.16	-1.77	-5.86%
Repayments (C12)	98,192.11	105,742.13	-7,550.02	-0.07
Repayments to UNEDIC (Unemployment insurance, AGS)	32,713.70	32,178.48	535.22	1.66%
Repayments to the CNRSI	13,451.63	10,413.90	3,037.73	29.17%
Repayments to the FSV	7,356.18	16,117.77	-8,761.59	-54.36%
Repayments to the CADES	14,538.23	13,703.85	834.38	6.09%
Repayments to the CNSA	4,581.34	4,175.94	405.40	9.71%
Repayments to other partners and third-parties (CCMSA, CPRP SNCF, IRCEM, CMU,,,)	25,551.03	29,152.20	-3,601.17	-12.35%
Acoss headquarters account expenditures (C13)	20,793.29	20,794.56	-1.27	-0.01%
Health expenditures	12,125.01	6,333.13	5,791.88	91.45%
AT-MP expenditures	906.41	1,046.51	-140.10	-13.39%
Family expenses	2,095.96	5,832.25	-3,736.29	-64.06%
Old Age expenses	5,665.90	7,582.66	-1,916.77	-25.28%
FINANCING (C2)	265,000.36	280,382.38	-15,382.01	-5.49%
Reimbursement CDC medium term loan (167415)	4,000.00	9,000.00	-5,000.00	-55.56%
Interest accrued on loans (16884)	4.72	19.75	-15.03	-76.09%
Interest / deposits and surety, receipts (16885)	0.02	0.51	-0.48	ns
Reimbursement of CNSA deposit (165111)	950.00	0.00	950.00	ns
Withdrawals from the CNRSI - C3S deposits (1651123)	0.01	1,023.63	-1,023.62	-100.00%
Reimbursement of the CNIEG deposit (165113)	8,205.00	9,260.00	-1,055.00	-11.39%
Reimbursement of Treasury Notes (1681111)	153,331.00	191,953.70	-38,622.70	-20.12%
Reimbursement of ECP (1681112)	92,615.93	62,104.94	30,510.99	49.13%
Payment of ECP Margin calls (5211)	5,893.68	7,019.85	-1,126.17	-16.04%
INVESTMENTS (C3)	66,059.06	37,201.51	28,857.55	0.78
Loans to partners (274231) CANSSM advances	3,140.00	400.00	2,740.00	685.00%
Loans to partners (274232) Reimbursements of Advances (CNIEG)	825.00	335.00	490.00	146.27%
Loans to partners (274233) Reimbursements of Advances (CCMSA)	61,336.00	15,086.00	46,250.00	306.58%
Repurchases (Repurchase agreements) (50816)	756.67	21,346.17	-20,589.50	-96.46%
Payments of Margin calls on Repurchase agreements (52121)	0.00	34.34	-34.34	-100.00%
Rate swap creditor margin calls (52131)	1.39	0.00	1.39	ns
Change in other Acoss cash accounts (D)	-0.61	0.48	-1.09	-226.02%
LIQUID ASSETS AS AT DECEMBER 31 (E)=(A+B-C+D)	902.11	1,362.58	-460.47	-33.79%
Bank of France account (51211)	200.00	200.00		
CDC Central current account (51313)	202.00	661.86		
CDC emergency account (51317)	500.00	500.00		
Other Acoss cash accounts (RGF 51212, La Poste 51213, Interest 5188, Fund 5311)	0.11	0.72		
TOTAL LIQUID ASSETS at DECEMBER 31	902.11	1,362.58		

In 2016, a new debt assumption was made by CADES, in accordance with Article 3 of Decree n° 2016-110 of February 4, 2016, amended by the decree of September 14, 2016, for an amount of **€23.6 Bn**, which breaks down as follows:

CADES DEBT ASSUMPTION

in billions of Euros (€ Bn)

CNAMTS	CNAVTS/ FSV	CNAF	TOTAL
14.0	3.7	5.9	23.6

The amount of the transfer from the CADES was **€3.7 Bn** to the Old Age branch and the FSV in respect of 2014/2015, **€5.9 Bn** to the family branch in respect of 2013/2014 and **€14 Bn** to the Health branch in respect of 2013/2015.

In accordance with the schedule of the decree, 14 instalments were made between February 9 and September 20, 2016, on the ACOSS account.

14.4 Detail of ACOSS's (Gross) Financial Debts at December 31, 2016

14.4.1 The ACOSS Account

In 2016, the changes in cash amounted to -€ 12.3 Bn and -€11.2 Bn after assumption of the CADES debt. The balance at the end of December amounted to -€ 17.2 Bn. The low point of ACOSS's financing need was reached on January 13, at -€ 33.4 Bn and the high point was recorded on November 8, at -€ 4.6 Bn. The average balance amounted to -€ 20.0 Bn. The amount of financing used amounted to a maximum of € 37.8 Bn on January 14, 2016, remaining below the ceiling set at € 40 Bn by the SSFA for the first 7 months of 2016 and € 30 Bn as of August 1, 2016.

The following table shows the trend in recent years, of the central current account balance, excluding financial debt (defined in this development as follows: financial debts excluding accrued interest – liquid assets) and highlights for each of them the variation of this balance.

Key data from the ACOSS Account for the 2013-2016 period

	2013	2014	2015	2016
Change in the ACOSS Account balance excluding financial indebtedness (*)	€ -7.3 Bn	€ -3.6 Bn	-€1 Bn	+11.2 Md€
ACOSS account balance at December 31 excluding financial indebtedness	€ -23.9 Bn	€ -27.5 Bn	€ -28.5 Bn	€ -17.2 Bn
Average balance of the Acoss Account balance excluding financi	-€19 Bn	€ -22.2 Bn	€ -26.4 Bn	€ -20.0 Bn
Average amounts borrowed	€ 22 Bn	€ 24.8 Bn	€28.6 Bn	€ 26.7 Bn
Number of days with negative balance	365	365	365	365

(*) In current communication from ACOSS this aggregate is designated under the term "changes in cash".

The URSSAF also have accounts opened in various bank institutions through which their cash and withdrawals flow.

14.4.2 Euro Commercial Papers

In accordance with the roadmap of March 4, 2010 sent its Supervisory Bodies, ACOSS has opened a program of ECP in a maximum amount of € 20 Bn in all currencies of OECD, with the technical assistance of the France Treasury Agency. This management program was internalised at ACOSS on February 17, 2016 (with post-market integration) (see note 4).

This instrument is preferred considering the good dynamics of the ECP market permitting the liquidity necessary to be obtained to cover financing needs at a beneficial price with a favourable price spread compared to the TN market. It represented **62%** of average outstanding balances in 2016 compared to **51%** in 2015. The highest outstanding balance was reached on March 11, 2016 for an amount of € 19.9 Bn. The average maturity was 65 days in 2016. The average amount outstanding reached €16.4 Bn in 20126 (compared to € 14.5 Bn in 2015).

During 2016, ACOSS issued 1081 tickets for a cumulative nominal value of **€96.4 Bn** compared to € 61.9 M in 2015, for which the breakdown in foreign exchange and counterparties is given below.

Distribution of ECPs issued by currency

in millions of Euros €M

	Currency					
Counterparties	USD	GBP	AUD	EUROS	Other	TOTAL
BARCLAYS	1,224.6	697.7	30.2	-	39.1	1,991.5
CA-CIB	29,906.1	6,145.5	890.8	1,139.5	549.9	38,631.8
CSFB	4,372.7	29.6	26.9	-	-	4,429.2
ML	6,559.1	1,244.0	419.5	-	-	8,222.6
RBS	10,483.6	21,260.0	185.0	410.0	-	32,338.6
UBS	5,308.5	4,343.5	292.0	192.0	653.0	10,788.9
Grand Total	57,854.5	33,720.2	1,844.4	1,741.5	1,242.0	96,402.7

In 2016, ECP issues were primarily in USD (60.1%), GBP pounds sterling (34.9%), and AUD Australian dollars (1.9%). In 2016 as in 2015, the proportion of issues in Euros remained close to 1% (1.8% in 2016) due to the more favourable financial conditions for foreign currency issues. All issues in 2016 were carried out at negative rates.

At December 31, 2016, the ECPs outstanding amounted to **€11.6 Bn**, including €11.1 Bn in foreign currencies that were the subject of a systematic foreign exchange hedge leading to a "Swap" outstanding.

Indeed, all cash flows issued and received by the ACOSS in respect of the ECP is denominated in Euros. Each ticket is fixed at issue so that its value is accurately known throughout its life (capital and interest), irrespective of the fluctuations in the currencies in which the tickets are issued. Each issue is the subject of a hedge for the amount and the maturity using a standard cover instrument (currency "swap"), in keeping with financial market regulations. In order to guarantee ACOSS against any possible default, these transactions are "collateralised", that is, a guarantee is taken out in the form of margin calls, serving as a repayment pledge.

As such, during 2016, **€5.9 Bn** was recorded as an asset relating to margin calls whose counterparty is a debtor in respect to ACOSS and **€6.3 Bn** was recorded as liabilities under creditor counterparties, for a net balance of **€ 0.5 M.** These amounts arise from foreign exchange issue hedging instruments in stock at December 31, 2016.

14.4.3 Treasury Notes

These short-maturity debt securities (from 1 to 364 days), tradeable on the financial markets, enable ACOSS to secure its short-term financing needs. In return, ACOSS bears the risk relating to this financing.

Article 43 of the SSFA for 2007 authorises the ACOSS to issue treasury notes and Article L.213-3 of the Monetary and Financial Code has been supplemented by a subparagraph mentioning ACOSS as an institution authorised to issue commercial paper. This financial instrument has become a central element of the Agency's financing, with more flexibility in day-to-day cash management.

In 2010, the Banque de France approved the raising of ACOSS's treasury note programme's ceiling from €11.5 Bn to €25 Bn.

The market for short-term negotiable debt securities in France was amended in June 2016 by the creation of a security, the Neu Commercial Paper (Neu CP). The TN programme for ACOSS was thus updated to become a Neu CP programme with a ceiling unchanged at € 25 Bn.

Since the beginning of 2016, the share of Treasury Notes taken out on the financial markets represents **33%** of the total funding, a slight variation compared to 30% in 2015.

In addition to TN issues on the market (20% of financing), as part of a strategy aimed at optimising the management of "public" cash, ACOSS invests treasury notes with other public players such as the CADES and AFT, especially at the end of each quarter (13% of financing).

Short-term Treasury Notes known as "tile" TNs are also taken out by the CDC. They are a non-permanent resource to which the ACOSS is authorised to use to partially finance the cash needs of the general social security system related to the payment of old age pensions (€ 2.5 Bn per month, amount outstanding zero at December 31, 2016).

The average outstanding of TNs taken out by the investors amounted to € 8.9 Bn (compared to € 8.1 Bn in 2015) for an average maturity of 9 days.

During 2016, ACOSS issued 472 treasury notes for a cumulative nominal value of **€142.6 Bn**.

At December 31, 2016, treasury notes outstanding amounted to **€8.8 Bn**, including €4 Bn in respect of issues with the CADES as well as as the AFT.

14.4.4 Term Deposits in the Context of Pooling of Social Security Cash

Article 33 of SSFA 2009 n° 2008-1330 of December 17, 2008, codified in Article L. 225-1-3 of the SSC, authorised certain organisations to deposit all or part of their liquid assets with ACOSS, in return for remuneration, for optimising cash channels within the social sphere, initiated by COG 2006-2010.

☞ CNSA term deposits

Under an agreement signed with ACOSS on 13 April 2010, the CNSA entered the deposit services offer arrangement, allowing for pooling of social cash.

The CNSA issued four tickets in 2016 which are detailed as follows:

CNSA fixed term deposit

In millions of Euros (€M)

	Starting date	Maturity date	Amount of the deposit
Ticket n°20	10/05/2016	08/01/2016	100.00
Ticket n°16	03/30/2016	03/30/2017	250.00
Ticket n°17	22/04/2016	04/21/2017	200.00
Ticket n°21	11/18/2016	03/17/2017	200.00
Ticket n°22	24/11/2016	03/24/2017	100.00

At December 31, 2016, the balance of the account was €0.75 Bn.

☞ CNIEG term deposits

Under an agreement signed with ACOSS on 4 April 2013, the CNIEG entered the cash services offer arrangement.

In 2016, the total amount of the 47 deposits amounted to €8.05 Bn. At December 31, 2016, the balance of the account was zero.

14.4.5 Sight deposits with the CAMIEG

By an agreement signed with ACOSS on 6 October 2014, the Health Insurance Fund for the Electricity and Gas Industries (CAMIEG) entered the cash services offer arrangement in accordance with the provisions of Articles L.225-1-3 and R.255-5 of the Social Security Code.

At December 31, 2016, the balance of the account was €316.8 Bn.

14.4.6 Sight Deposits with CNRSI in Respect of the C3S

The CNRSI C3S sight deposit account was closed on April 4, 2016 after liquidation and payment of the balance of interest generated by the 2015 credit balances.

14.4.7 Loans from the Caisse des Dépôts

In view of the decrease in the cash needs of ACOSS in 2016, the annual confirmation of 2016 commitments, as indicated in Article 12.2.2 of the 2015-2018 of the Caisse des dépôts et Consignations (endorsement no. 1), did not prescribe provision of a short-term loan by the CDC.

In 2015, this type of financing was granted in the form of four loans of € 1 Bn, positioned in March and June 2015, repaid in January and February 2016.

14.5 ACOSS Investments

14.5.1 Repurchase agreements

According to the decree of March 3, 2011, on the conditions for investment of ACOSS's liquid assets, the agency is authorised to invest its liquid assets by repurchasing French government securities (OAT, BTF): "The Central Agency for social security bodies may invest the liquid assets referred to in the third paragraph of Article R. 255-4 of the Social Security Code by repurchasing French government securities under the conditions provided for in articles L. 211-27 and subsequent of the French Monetary and Financial Code." Amended on July 19, 2012, the decree also allows for the repurchase of CADES securities.

A share repo transaction is a cash flow transaction which consists of a transfer of shares with a firm repurchase agreement by the assignor and a firm resale agreement by the assignee of those same shares, at an agreed price and date.

A share repo is said to be delivered when:

- the materialised securities have effectively and physically been delivered to the assignee (ACOSS), or
- the materialised securities are kept by an agent (BP2S in this case) and circulate by transfer from account to account.

In 2016, the rate of repurchase agreements remained below the rate of ECB deposits because of the scarcity of papers provided as collateral, following the massive ECB buy-back on the market. Recourse to repurchase agreements proved economically unprofitable. Investment in the CDC proved to be better.

In 2016, 4 "repo" tickets were issued, a decrease of 94%, for a total cumulative amount of €0.75 Bn, and 5 tickets were repurchased for €0.75 Bn.

At December 31, 2016, the share repo outstandings were zero.

14.5.2 Advances

Article L. 225-1-4 of the Social Security Code provides that ACOSS may agree, against remuneration, to loans and advances of less than twelve months duration to the old-age insurance scheme for non-farm workers and to the old-age insurance scheme of the special scheme for miner's social security;

And, exceptionally and with compensation, to agree to advances for a period of less than one month to the basic mandatory systems other than the General System within the limit of the estimated amount of financial flows for the current year between the agency and the system, organisation or fund concerned.

The cumulative level of ceilings granted to these schemes is € 4.9 Bn for 2016 compared with € 6.0 Bn in 2015, for ceilings between € 250 M and € 3,950 M.

Advances

In millions of Euros (€M)

AVANCES	31/12/2016	31/12/2015	Change 2016/2015 in €M	Change 2016/2015 in %
Advances to partners	3,785.00	2,865.00	920.0	32.1%
CANSSM	335.00	165.00		
CNIEG	0.00	0.00		
CCMSA	3,450.00	2,700.00		

☞ Advances to the CCMSA

Article 31 of Law N° 2014-1554 of December 22, 2014, for financing Social Security for 2015 amends the provisions of article L.225-1-4 of the Social Security Code by opening the possibility for ACOSS to provide remunerated loans and advances for a period of less than twelve months to the Old Age insurance system for non-employed agricultural workers (CCMSA). It also specified that for 2015 to 2017 the amounts loaned by the CCMSA to ACOSS cannot exceed a ceiling of **€3.8 Bn.**

The reduction in the average needs borrowed by ACOSS as well as the financing environment on the negative-rate markets made it possible to broaden the scope of coverage by ACOSS compared to the previous year. The Agency was able to cover all the cash flow requirements of the CCMSA for an average volume of € 2.9 Bn.

In 2016, ACOSS granted 67 advances for a cumulative amount of € 61.4 Bn compared with € 15.08 Bn in 2015.

At December 31, 2016, the balance of the account was **€3.5 Bn,** representing an advance over the period from December 30, 2016, to January 1, 2017.

☞ Advances to the CANSSM

Under the agreement of December 30, 2013, ACOSS granted 21 cash advances to the National Mining Autonomous Social Security Fund (CANSSM).

The cumulative amount of advances was **€3.1 Bn** compared to **€ 0.4 Bn**.

At December 31, 2016, outstanding cash advances amounted to **€0.3 Bn**, in respect of the three advances repaid on January 2, 2017.

☞ Advances to the CNIEG

In accordance with the provisions of Article L.225-1-4 of the Social Security Code, the system used (exceptionally and against compensation) cash advances from ACOSS with a maximum maturity of one month and limited to a maximum outstanding amount of € 145 M.

The cumulative amount of advances was **€0.8 Bn** in 2016, outstandings being zero at the end of the year.

14.5.3 Rate Swaps

A rate swap transaction was carried out with the BNP on February 9, 2016 (for the February 11 to December 30 period) for a nominal amount of €3 Bn at a fixed rate of -0.40750%.

The agency thereby neutralised its exposure to variable rates (in this case, loans were taken during 2016 to cover cash flow of €3 Bn indexed on a Euribor rate). The turbulence and volatility of financial markets could deteriorate the borrowing rate of this debt. Through a rate swap with the characteristics of a bank loan (nominal, term, index, etc.), ACOSS was able to transfer its risk of the variable rate to the swap counterparty, and freeze a debt at a definitive fixed rate.

15. Current Assets and Liabilities

15.1 Current Assets

15.1.1 Receivables

Net receivables, all due within one year apart from the current accounts of the national funds of the General System, amounted to **€ 28,053.5 M** at December 31, 2016, compared to € 39,731 M at December 31, 2015, a decrease of 29.4%.

RECEIVABLES	2016	2015 pro forma	2015 published	Change 2016/2015 pro forma	Change in %
Contributor receivables	2,169.9	2,206.0	1,998.8	-36.1	-1.6%
Contributors	*498.0*	*530.4*	*530.4*	-32.4	*-6.1%*
Doubtful or litigious contributors	*94.4*	*88.5*	*97.4*	5.9	*6.7%*
Customers and contributors: deferred income	*1,577.4*	*1,587.1*	*1,371.0*	-9.7	*-0.6%*
Receivables State and public entities	5,864.6	5,973.6	5,777.1	-109.0	-1.8%
State	5,847.0	5,921.2	5,754.7	-74.2	-1.3%
Contribution exemptions	*147.5*	*93.0*	*93.0*	*54.5*	*58.5%*
Exemptions: income receivable	*411.4*	*395.4*	*395.4*	*16.1*	*4.1%*
ATD: deferred income	*5,288.0*	*5,432.8*	*5,266.3*	*-144.7*	*-2.7%*
Other public entities	17.6	22.4	22.4	-4.8	-21.4%
Receivables Organisations and other Social Security plans	19,941.1	31,509.0	31,508.2	-11,567.8	-36.7%
National Funds' current accounts	18,610.4	30,678.0	30,678.0	-12,067.6	-39.3%
CNAMTS Health	*16,417.6*	*21,625.4*	*21,625.4*	*-5,207.8*	*-24.1%*
CNAMTS AT-MP	*0.0*	*711.2*	*711.2*	*-711.2*	*-100.0%*
CNAF	*561.0*	*4,426.9*	*4,426.9*	*-3,865.9*	*-87.3%*
CNAVTS	*1,631.8*	*3,914.6*	*3,914.6*	*-2,282.8*	*-58.3%*
Receivables from National Funds	*32.6*	*32.4*	32.4	0.2	0.7%
Other organisations and systems	*1,298.1*	*798.5*	797.8	499.6	62.6%
Receivables in respect of administrative manage	1.7	11.0	11.0	-9.2	-84.4%
Personnel and related accounts	0.2	0.1	0.1	0.1	132.3%
Social Security and other social organisations	0.0	0.0	0.0	0.0	-45.0%
Suppliers and related accounts	1.5	10.8	10.8	-9.4	-86.5%
Sundry debtors	76.2	31.5	31.5	44.7	142.2%
Total receivables	**28,053.5**	**39,731.0**	**39,326.6**	**-11,677.4**	**-29.4%**

The **contribution receivables and related accounts** amounted to € **2,169.8 M** at December 31, 2016, compared to € 2,206 M at December 31, 2015, a decrease of 1.69%. They consisted of:

- outstanding amounts collectible relating to the GSSC and CRDS on replacement incomes amounting to **€ 498 M** compared to **€ 530.4 M** in 2015; they are amounts representing the difference between the 2016 final earnings reported by the national funds (mainly CNAMTS and CNAVTS) and the advances paid in 2016 by them;
- amounts remaining outstanding reported by the CCMSA on collections of deductions at source on earned incomes, a net of **€ 94.4 M** (€ 249.4 M from gross deduction made from € 155 M of depreciation);
- deferred income amounting **€ 1,577.4 M** from contributors in respect of deductions at source on earned incomes and replacement incomes, compared to € 1,587.1 M in 2015.

Receivables from the State and public entities amounted to **€5,864,6 M** at December 31, 2016:

- deferred income in respect of ATDs collected by the State and allocated to financing of social security organisations constitute the bulk of this item, at **€ 5,288 M**, down 1.7%;
- deferred income relating to the arrangement for exemptions from contributions, amounting to **€ 411.4 M**, up by 4%, mainly due to the intervention of deferred income on the SME personal services flat-rate deduction , for € 33.7 M, which in 2015 was recorded at the item for ATD deferred income;
- claims against the State in respect of exemptions compensated by budgetary allowances, of **€ 147.5 M**: this amount corresponds to the total of receivables under measures with an overall debit position at the end of 2016, the measures with a credit position being presenting a liability on the ACOSS balance sheet. The main measures presenting a debit situation at the end of 2016 are: exemptions from AF contributions in favour of IT (€ 55.6 M), apprenticeship (€ 34.7 M) and the ZFU scheme (€ 26.3 M) (see table note 15.2.1).

Receivables from the Social Security and other system organisations amounted to **€ 19,941.1 M**, compared to € 31,508.2 M in 2014. This decrease (-36.7%) comes mainly from balances of current accounts of the national funds following deficit assumption transactions by the CADES (see note 14).

These receivables consisted of:

- **€ 18,610,4 M** of debit balances at December 31, 2016, of current accounts of three national funds.

- **€ 1298.1 M** of debt in respect of other organisations and systems, which breaks down to:

  - the balance of cash transactions with the SSC Mayotte recorded at December 31, 2016, on the headquarters account 185A, for € 872.3 M in anticipation of the effective integration of the fund within the scope of the general system accounts (see note 1 to the combined accounts);
  - for € 295 M of PAFAR debtors to the FSV beneficiary, due to the allocation to the FSV in 2016 of almost all of social security levies on investments, for which there is a deposit mechanism leading to allocation of cash receipts in N in respect of earnings that will be allocated to N+1, which gives rise to recording of accrued income (see below);

- for € 40.5 M of a cash balance receivable from the CCMSA;
- for € 41.1 M of the outstanding balance of the CNRSI in 2016, mainly as cash instalments paid in the last two months of the year, higher than the contributions collected on its behalf;
- for € 22.2 M of sundry receivables from Social Security Funds or organisations (FSV, SNCF, Alsace Moselle local system);
- for € 22.9 M of the debit settlement with the CIPAV, between advance payments based on a schedule and the cash inflows attributed to it;

- **€ 32.6 M** by deferred income for collection from national funds.

The **Sundry Debtors** item amounted to **€ 76.2 M** at December 31, 2016 and mainly consisted of:

- deferred income as management expenses (€ 30.3 M) for payments expected from the Employment Centre and UNEDIC in respect of the management expenses provided for in the agreement of December 17, 2010 relating to the reform of the public employment service (€ 19.6 M) as well as payments of the GIP MDS relating to the DSN and RCD project (€ 3.8 M);
- cash receivable from UNEDIC (€ 33.2 M) as well as the € 9.5 M debit balance of the FAF SME account following national corrections and adjustments to allocations recorded in 2016.

15.1.2 Transitory or Suspense Accounts and Deferred Expenses

These accounts amounted to **€ 111 M** at December 31, 2016, compared to € 164.1 M at December 31, 2015.

Transitory or suspense accounts and adjustment accounts

in millions of Euros (€M)

Transitory or suspense accounts and adjustment accounts	2016	2015	Change 2016/2015	
Transitory or suspense accounts	104.1	160.9	-56.7	-35.3%
Deferred expenses	6.8	3.3	3.6	110.2%
Total	**111.0**	**164.1**	**-53.1**	**-32.39%**

At the end of 2016 the transitory or suspense accounts had a debit balance, consisting of credits expected from December 2016 on January 2017 for a credit amount € 104.1 M.

15.2 Current Liabilities

15.2.1 Non-financial debts

Debts, all due within one year apart from the current accounts of the ATMP branch, amounted to **€ 9,765 M** at December 31, 2016, compared to € 10,009 M at December 31, 2015, a decrease of 2.4%.

in millions of Euros (€M)

DETTES NON FINANCIERES	2016	2015 pro forma	2015 published	Change 2016/2015 pro forma	Change in %
Debts in respect of contributors	**794.5**	**731.5**	**731.5**	**63.0**	**8.6%**
Debts State and public entities	**1,182.9**	**1,253.7**	**1,078.2**	**-70.8**	**-5.6%**
State	535.6	526.2	524.4	9.4	1.8%
Public entities (PAFAR)	332.5	348.1	174.5	-15.7	-4.5%
Public entities (cash debts)	314.8	379.3	379.3	-64.6	-17.0%
Debts Organisations and other Social plans	**7,131.9**	**7,341.9**	**7,341.1**	**-210.0**	**-2.9%**
National Funds' current accounts	154.1				
CNAMTS Health					
CNAMTS AT-MP	*154.1*				
CNAF					
CNAVTS					
Debt in respect of national funds	5,022.4	4,278.9	4,278.8	743.6	17.4%
Debt in respect of other schemes and funds	492.9	911.4	910.6	-418.5	-45.9%
				0.0	#DIV/0!
CSF CNRSI	*628.8*	*1,325.5*	*1,325.5*	-696.7	-52.6%
Other organisations and systems (cash debts)	*833.7*	*826.2*	*826.2*	7.5	0.9%
Debts in respect of administrative management	**28.0**	**24.8**	**24.8**	**3.2**	**13.0%**
Suppliers and related accounts	18.6	13.8	13.8	4.8	34.4%
Personnel and related accounts	5.3	5.1	5.1	0.1	2.6%
Social Security and other social organisations	4.2	5.9	5.9	-1.7	-28.5%
Sundry creditors	**628.1**	**657.1**	**657.1**	**-29.1**	**-4.4%**
Debts with third parties	14.0	13.3	13.3	0.8	5.7%
Other creditor accounts	614.0	643.8	643.8	-29.8	-4.6%
Total non-financial debts	**9,765.3**	**10,009.0**	**9,832.8**	**-243.6**	**-2.4%**

The "Debts with respect of contributors" item, which amounted to **€ 794.5 M**, recorded:

- **unassigned credits** in respect of deductions at source from replacement incomes (payment of December 2016 for the CNAMTS and the CNAVTS) for **€ 607.6 M**, simultaneously entered as contributors' deferred income in the balance sheet's Assets;
- contributors **assets** of **€ 187 M**, mainly in respect of the levies on replacement incomes (on advances from January to November 2016 from the CNAMTS and the CNAVTS) amounting to € 118.1 M and in respect of assets on social levies on investment income amounting to € 68.8 M (instalments paid greater than contributions due).

Debts to the State and public entities amounted to **€ 1,182.9 M** at December 31, 2016, compared to € 1,253.7 M at December 31, 2015. They mainly consisted of:

- debts to the State for **€ 535.6 M**, including € 267.9 M of debts in respect of exemption arrangements from contributions offset by budgetary allocations, € 248.8 M in respect of funding surpluses relating to arrangements previously offset by allocation of a portion of VAT (see detail table below), and € 18.5 M in respect of expenses payable (tax base and collection costs);

- for **€ 332.5 M,** revenues to be collected, mainly on behalf of the CMU-C Fund (€ 52.4 M), of the CADES (€ 181 M) and of the CNSA (€ 67.4 M);

- for an amount of **€ 314.8 M** of outstanding cash repayment transactions:
  - final settlement in cash of receipts collected in 2016, which will be transferred in 2017 to the CNSA, CADES, and DGFiP (**€ 177 M**);
  - reversal of the portion of consumption duties on tobacco allocated to the CMU Fund (€ 51.3 M).

Table of debts and mutual claims with the State by measure

in millions of Euros (€M)

DISPOSITIF	BALANCE SHEET AT 31/12/2015		CASH INFLOWS 2016	INCOME 2016 excluding Deferred income	BALANCE SHEET AT 31/12/2016	
	ASSETS	LIABILITIES			ASSETS	LIABILITIES
In favour of certain categories of employees						
Learning	49.9		859.3	844.2	34.8	
Press deliverypersons		4.4	12.6	14.4		2.6
Pact		2.4				2.4
Employment Initiative Contract (CIE)		2.7	-0.7	0.0		2.0
Professionalization contract		11.0	13.9	9.4		15.5
Reduction of Benefits in Kind HCR		19.2		0.0		19.2
Qualification contracts		2.5	0.3			2.8
Back to Work contracts (Mainland France)		4.2	0.0			4.2
Back to Work contracts (DOM)						
CIRMA						
Enterprise Insertion Welcome		1.7	11.3	0.1		12.9
Aggregated organisation Insertion Welcome		4.6	0.5	10.5	5.4	
s/total	49.9	52.7	897.2	878.6	40.2	61.6
In favour of geographic areas						
Rural revitalization zones (ZRR)		11.7	14.2	11.5		14.4
Urban revitalization zones (ZRU)		0.2	0.0			0.2
ZRR for organisations of general interest		4.8	88.8	92.9		0.7
Restructuring of defence zone		40.4	4.8	3.5		41.7
Labour pool to be revitalised		1.5	20.4	18.2		3.7
Urban free zones	6.3		35.8	55.9	26.4	
DOM Law Employer's Part Exemption		40.1	849.2	848.3		41.0
Access to Employment Contracts - Excluding DOM exempt field	0.3		20.0	19.6		0.1
Access to Employment Contracts - DOM exempt field	0.9			0.2	1.1	
s/total	7.5	98.7	1,033.2	1,050.1	27.5	101.8
In favour of sundry economic sectors						
SME - personal services			386.7	392.7	6.0	
Young innovative companies	0.6		166.5	171.3	5.4	
Young Academic Enterprises		3.5		1.1		2.4
s/total	0.6	3.5	553.2	565.1	11.4	2.4
Reductions and abatements of base						
Volunteering for insertion	1.1			0.3	1.4	
Associative volunteering		0.2				0.2
Contributions eng. civic service		1.7				1.7
Exemption on actual salary - SME		18.6	-1.0			17.6
Personal Services Exemption		23.9	4.4			28.3
s/total	1.1	44.4	3.4	0.3	1.4	47.8
In favour of certain categories of contributors						
Employed business creators / buyers		8.2	5.8			14.0
Micro-Enterprise Social Security System / Self-Employed		40.6				40.6
State compensation contributor dissemination Artists and authors scheme	2.6			2.6	5.2	
AF IT exemptions	31.3		8.4	32.6	55.6	
Exempt AF Maritime Armament Companies		0.1	5.3	6.2	0.8	
s/total	33.9	48.9	19.5	41.4	61.6	54.6
Others borne						
TEPA overtime hours		6.6	445.0	457.0	5.4	
s/total	0.0	6.6	445.0	457.0	5.4	0.0
Total debts / mutual receivables relating to targeted exemptions	**93.0**	**254.7**	**2,951.5**	**2,992.5**	**147.5**	**268.2**
Exemptions financed by tax receipts						
Maritime routes exemption		37.0				37.0
Domestic workers and staff exemption		193.8	0.3			194.1
TEPA overtime hours exemption		17.8				17.8
Total debts / mutual receivables relating to exemptions financed by tax receipts	**0.0**	**248.6**	**0.3**	**0.0**	**0.0**	**248.9**
Reimbursements of contributions						
Contributions from inmates		5.5	90.0	95.5		
Total debts / mutual receivables relating to reimbursements of contributions	**0.0**	**5.5**	**90.0**	**95.5**	**0.0**	**0.0**
GENERAL TOTAL	**93.0**	**508.8**	**3,041.8**	**3,088.0**	**147.5**	**517.1**

Debts owed to the national funds and other social systems amounted to **€ 7,131.9 M** at December 31, 2016, compared to € 7,341.9 M at December 31, 2015, down 2.9%. It included:

- for **€ 5,515.3 M**, deferred income for collection, amounting to € 5,022.4 M for the national funds and € 492.9 M for the other organisations and systems (CCMSA, FSV, Alsace/Moselle and various systems);
- the CNRSI financial tracking account opened since July 1, 2015, in the books of ACOSS, for an amount of **€ 628.8 M;**
- other debts with respect to the Social Security organisations and systems, for an amount of **€ 833.7 M**, representing:
  - o the credit balance of current transactions remaining to be adjusted in 2016 with the URSSAF, CGSS, CCSS, CERTI, UCANSS (current accounts of organisations, for **€ 294 M**);
  - o cash transactions awaiting repayment: tax revenues and consumption duties on tobacco collected in December 2015, which will be transferred to the CCMSA and the various systems in 2016 (**€ 198 M**); credit adjustments of contributions collected in 2016 for the benefit of the FSV (**€ 101 M**); payment of contributions collected and to be transferred to the CNRSI mainly under the ISU (**€ 75.3 M**); transfers to be made to various entities: CNIEG, CIPAV, CANSSM, AGESSA MDA, National Assembly, Senate, etc. (**€ 128 M**) ;
  - o expenses payable in respect of the Social Security Organisations (**€ 36 M**).

This heading also includes the credit balance at December 31, 2016 of the current account of the CNAMTS AT-MP branch, amounting to **€ 154.1 M (see** §14.2).

The Sundry Creditors item, which amounted to **€ 628.1 M** in 2016, encompassed mainly:

- for **€ 613.6 M,** contributions collected and to be transferred:
  - o to the transport organising authorities (TOA/SMT) in the amount of € 433.2 M;;
  - o to the UNEDIC, in the amount of € 73.9 M;
  - o to the Training Insurance Funds (FAF) in the amount of € 62.8 M;
  - o to the GIE AGIRC-ARRCO (€ 20.6 M);
  - o to the partners of the CEA-TESE scheme (€ 12 M);
- for **€ 14 M** for deferred income for collection on behalf of the transport organising authorities in the context of apprenticeship.

15.2.2 Transitory or Suspense Accounts and Accrued Income

Transitory or suspense accounts and adjustment accounts

Transitory or suspense accounts and adjustment accounts	2016	2015 pro forma	2015	Change 2016/2015	
Transitory or suspense accounts	0.0	0.1	0.1	-0.1	-100.0%
Deferred income	1,028.9	1,071.8	916.0	-42.9	-4.0%
Total	1,028.9	1,071.9	916.0	-43.0	-4.0%

These accounts amounted to **€ 1,028.9 M** at December 31, 2016, compared to € 1,071.9 M at December 31, 2015, a decrease of 4%.

This heading mainly includes:

- PCAs on technical operations of direct collection, for € 1,015.5 M, down 5%.

This decrease mainly concerns the PCAs notified by the DGFiP in respect of levies on investment income in the amount of € 988.9 M in 2016 (compared with € 1,037.3 M in 2015). These PCAs corresponds to the fraction of instalments paid in October 2016 which relate to incomes in January 2017.

PCAs are also recorded in respect of the deductions on retirement pensions paid by the CARSAT of Strasbourg (payment in advance of pensions for December 2016) (€24.9 M)

- for € 13.4 M, accrued income correspond to the 2017 share of accrued income from interest expenses deducted from the treasury notes (TN) and ECPs acquired in 2016 and maturing in 2017.

15.3 Equality of the Contributor and State Receivables with the Debts and Other Liabilities Assigned to the Assignees

The table below enables the contributor and State receivables to be reconciled in the balance sheet's Assets with assignee-related debts in the Liabilities.

All technical income and expenses being distributed between beneficiaries, it follows that all technical receivables and liabilities (called "PAFAR - deferred income to be collected") are necessarily distributed between beneficiaries on the balance sheet. This equilibrium is presented below:

Reconciliation receivables / debts 2016 to assignees

in millions of Euros (€ M)

Assets		Passif	
Receivables from public entities		Payables in respect of public entities *(3)*	332.5
Receivables in respect of national funds *(1)*	32.6	Payables in respect of national funds *(4)*	5,022.4
Receivables in respect if other associations (2)	295.4		0.0
Total PAFAR	**328.1**	Debts in respect if other organisations (5)	492.9
Contributors - Receivables	498.0	Payables in respect of third parties *(6)*	14.0
Doubtful receivables	249.4	**Total PAFAR**	**5,861.8**
State - Receivables Employment measures	147.5	Provisions for technical risks and expenses	142.2
State - Contribution receivables, contributions, A	8.5		0.0
Provisions for Depreciation	-154.9	Debts on the State - Exemptions from contributions	517.1
Contributors - deferred income	1,577.4	Debt to the State - Contributions, levies, ATD	8.5
State - Deferred Income Employment measures	394.7	Debts on the State - Expenses payable	18.6
State - Other receivables	16.7		0.0
State - Income Receivable ATD	5,288.0	Contributors and Customer creditors - Acoss Assets	186.9
Deferred expenses	4.8	Creditor Contributors and Customers - Credits to be allocated	607.6
		Deferred income	1,015.6
Total receivables	8,358.3	Total payables	8,358.3

(1) CNAMTS-AT; (2) FSV; (3) FNAL, CADES, CMU, CNSA et FFP; (4) CNAMTS, CNAF and CNAVTS ; (5) CANSSM, CAVIMAC, CNMSS, CNRSI, CPRP SNCF, CRPCEN, ENIM, FCAATA, MSA, RATP and PAB ; (6) AOT

16. Off-Balance Sheet Commitments

16.1. Commitments on financial instruments

For each issuance of Euro Commercial Paper (ECP) in foreign currency, ACOSS uses a systematic coverage of foreign exchange risk by swapping in Euros its ECP issuances in foreign currency (foreign exchange swaps) letting it manage its risk by freezing the rate of exchange at the entry into the transaction.

At December 31, 2016, coverage transactions, all for a term of less than one year, negotiated over the counter on ECPs unwound in 2017 are the following, by counterparty:

Counterparty	Currency	Swaps Return Amount	Market value
CA-CIB	EUR	5,261,202,926.16	166,398,004.37
Crédit Suisse	EUR	1,103,574,108.38	29,293,364.34
Merrill Lynch	EUR	1,142,563,505.81	47,117,352.53
RBS	EUR	2,287,093,297.53	73,966,784.28
UBS	EUR	1,489,840,147.52	48,747,477.07
TOTAL	EUR	11,284,273,985.40	365,522,982.59

The € 11.3 Bn is the value of ECP issued outstanding at December 31, 2016, regardless of the start date (incl. later than 31/12), unlike the € 11.1 Bn recorded as financial debt, not taking into account effectively issued ECPs (ie, with a start date prior to December 31, 2016).

The 150 transactions concerned for a total Mark-to-Market amount of € 365.5 M, represent the market value calculated by ACOSS if it were to renegotiate the foreign exchange swaps with another counterparty, particularly in the event of its default.

This counterparty risk on foreign exchange rate swaps does not represent the amounts to be paid or received by ACOSS since it is covered by margin calls whose stock at December 31, 2016 is € 465.1 M, a value negotiated between ACOSS and its counterparties.

(in Euros)

Counterparty	BALANCE	
	credit	debit
BNP	2,010,000.00	-
CA-CIB	217,530,000.00	-
Crédit Suisse	38,700,000.00	-
Merrill Lynch	56,920,000.00	-
RBS	89,720,000.00	-
UBS	60,270,000.00	-
GROSS TOTAL	465,150,000.00	-
NET TOTAL	465,150,000.00	

Note that the margin call balance with BNP corresponds to a hedge of counterparty risk on rate swaps and non-exchange swaps, unlike the other counterparties.

This guarantee provided by the counterparties for the ECP programme is the subject of an interest remuneration at the EONIA rate, the BNP and UBS counterparties not applying negative rates:

(in Euros)

Counterparty	Reimbursement	Issuance
BNP	-	-
CA-CIB	67,273.14	-
Crédit Suisse	13,621.99	-
Merrill Lynch	16,302.68	-
RBS	28,337.33	-
UBS	-	-
Total 2016	**125,535.14**	-

16.2. Retirement departure indemnities

In accordance with accounting rules, the collection activity assesses the retirement benefits of the branch staff. These benefits are provided as information in the appendix.

The commitments are assessed according to the actuarial methods recommended by the IAS 19 standard.

The UCANSS has calculated these commitments for each organisation. This calculation takes into account the increase in retirement age provided for by the Law of November 9, 2010, on the legal age of retirement progressing to 62 in 2018, and, from the calculation of social commitments 2013, postponement of the legal age as provided by the Law of December 21, 2011, or 4 quarters for insured persons born between 1951 and 1954 and 5 quarters for insured persons born from 1955 as well as the increase in the duration of insurance set by Law 2014-40 January 20, 2014 for generations from 1958 set at:

- 167 quarters, for insured persons born between January 1, 1958 and December 31, 1960,
- 168 quarters, for insured persons born between January 1, 1961 and December 31, 1963;
- 169 quarters, for insured persons born between January 1, 1964 and December 31, 1966;
- 170 quarters, for insured persons born between January 1, 1967 and December 31, 1969,
- 171 quarters, for insured persons born between January 1, 1970 and December 31, 1972,
- 172 quarters, for insured persons born on or after January 1, 1973.

The method of assessment, which is identical to that applied for provision of long-service medals, is set out in chapter 2.

The rates used for Social Security and tax expenses are the average rates of expenses recorded for salaries paid to UCANSS for the period from January to October 2016, or 59% for non-management and 62% for management, compared to 60% of non-management and 63% for management in 2015.

The rate used, upon the recommendation from the SPAC actuary firm, is that of Euro borrowings of 10 or more years for first-ranking companies rated AA (IBOXX Corporate AA 10+) at October 31, 2016, or 1.05% compared to 1.95% in 2015.

These commitments amounted to € 6.4 M at December 31, 2016, compared to € 5.7 M at December 31, 2015, an increase of 12.28%.

17. Post-Closing Events

There are no post-closing events within the meaning of accounting standards to be reported.