

FCPI (innovation fund)

A fund invested in innovative SMEs. The tax reduction on subscription was abolished on 21 February 2026, except for FCPIs invested in young innovative companies.

An FCPI invests in unlisted innovative SMEs, with a 30% tax reduction when the fund is invested in young innovative companies.

OVERVIEW

The fonds commun de placement dans l'innovation (FCPI) invests at least 70% of its assets in unlisted innovative SMEs. The 2026 Finance Act abolished the 18% tax reduction on subscription for payments made from 21 February 2026. Only FCPIs invested in young innovative companies (JEI) still give a reduction, at 30%, up to €75,000 of payments for a single person and €150,000 for a couple. This reduction requires the units to be held for five years. Over 2024-2028, the total reduction obtained on subscriptions in young innovative companies, directly or through an FCPI, is capped at €50,000. Capital gains remain exempt from income tax after five years, with social contributions still due. Liquidity is nil until the fund is wound up, in practice after five to ten years, and costs are high.

HOW IT WORKS

Subscription

Standard FCPI, or FCPI invested in young innovative companies

Tax reduction

30% in the year of payment, for FCPI-JEI only

Exit after five years

Capital gain exempt from income tax

KEY POINTS

Strengths

30% reduction reserved, since 21 February 2026, for FCPIs invested in young innovative companies

Capital gains exempt after five years, social contributions still due

Pooled exposure to innovation

Points to watch

Standard tax reduction abolished for payments made since 21 February 2026

Total reduction capped at €50,000 over 2024-2028, including direct subscriptions in young innovative companies

Very limited liquidity for five to ten years

High risk of capital loss

Past performance varies widely from one fund to another

High management fees

WHO IT IS FOR	FCPIs concern first those who subscribed earlier and must complete their five-year holding period. They also concern taxpayers prepared to lock up a small fraction of their wealth in an FCPI-JEI, with a real risk of loss, in return for the 30% reduction. An FCPI is not, on its own, a diversification investment.
WORKED ILLUSTRATION	Example based on assumptions Assumptions: a taxpayer subscribed €5,000 to an FCPI in 2025, obtained a reduction of €900 (18%) and holds the units until 2030. The same subscription in 2026 to a standard FCPI no longer gives a reduction. In an FCPI invested in young innovative companies, it gives €1,500 (30%).



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Risk of partial or total loss of capital: unlisted companies and SMEs carry a high risk of failure. Liquidity is almost nil for five to ten years, with exit depending on the fund's timetable or on a sale. High costs. Tax advantages are conditional on the holding period. Forestry and wine-estate groups are also exposed to climate, health and market hazards.

Complaints and mediation

Any complaint may be sent to ASTERALE, 4 allée Django Reinhardt, 94110 Arcueil, France, or to sebastien.bailly@asterale.fr. Failing a satisfactory reply within two months, you may refer the matter to the competent mediator. For financial investment advice: the AMF Ombudsman (Médiateur de l'AMF), 17 place de la Bourse, 75082 Paris Cedex 02 (www.amf-france.org/fr/le-mediateur). For insurance broking and intermediation, banking and payment services intermediation and property transactions: ANM Conso, 2 rue de Colmar, 94300 Vincennes (www.anm-conso.com, contact@anmconso.com).

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