CIFA (forest insurance investment account)

The CIFA is a regulated savings product, subscribed with Crédit Agricole, whose objective is to encourage wood mobilization by creating financial savings.
Any natural or legal person who owns forest plots that have taken out storm risk insurance can build up savings.
A CIFA can be opened with a financial institution holding a deposit account or with an insurance company.
The funds placed in this account come only from the income from logging and will be used to finance work to reconstitute forest plots after disasters (health, climate, weather or fire-related risks) or routine forestry work (brush clearing) for the prevention of these risks.

CIFA helps improve sustainable forest management and requires owners to take out storm insurance. It promotes logging and therefore mobilisation by allowing 3/4 exemption from wealth tax and transfer duties.
Without the CIFA, an owner who cut his wood was taxed 100% on the ISF. To keep a tax advantage, he left his forest standing without cutting. The CIFA then makes it possible to market wood that would have remained standing.

Owners can invest up to 2 500 €/ha of insured forest. They can withdraw at any time up to 30% of the total sum of the CIFA per year for current works and up to 100% for works following a disaster. To open an account, the owner must have an insurance certificate, a sustainable management document and a notarized property certificate.
The remuneration is fixed in the contract. In Aquitaine, the CIFA of Crédit Agricole d'Aquitaine sets a rate of return of 2 to 2.5%/year.
The duration of the contract is 10 years.

It allows 75% of the sums deposited there and the interest they generate from the sale of timber to be exempt from wealth tax, gift tax or inheritance tax. The tax benefits are then the same as for standing forests.

DETAILS

ORIGIN OF WOOD

Forest

TYPE OF WOOD

Stemwood

KIND OF WOOD CONCERNED

Stemwood

IMPACT ON ENVIRONMENT & BIODIVERSITY

Improves forest renewal and forest maintenance operation

INCOME EFFECT

NA

EXPLOITATION POTENTIAL

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HUB

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ECONOMIC IMPACT

Tax benefits to encourage logging

SPECIFIC KNOWLEDGE NEEDED

NA

MOBILIZATION POTENTIAL

NA

SUSTAINABILITY POTENTIAL - VALUE

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EASE OF IMPLEMENTATION

Very easy: contract between a banking institution and an forest owner

EASE OF IMPLEMENTATION - EVALUATION

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KEY PREREQUISITES

Precautionary savings account to add value to forest assets and optimise taxation

TYPE OF EVENT WHERE THIS BPI HAS BEEN FEATURED

--

JOB EFFECT

NA

COSTS OF IMPLEMENTATION (EURO - €)

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MORE DETAILS

CHALLENGE ADDRESSED

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DOMAIN

Forest management, ecosystem, resilience

Forest disturbances, risks

TYPE OF SOLUTION

--

KEYWORDS

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DIGITAL SOLUTION

No

INNOVATION

No

COUNTRY OF ORIGIN

France

SCALE OF APPLICATION

--

START AND END YEAR

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CONTACT DATA

OWNER OR AUTHOR

REPORTER

contact@maisondelaforet.fr

REFERENCES AND RESOURCES

MAIN WEBSITE

http://www.maisondelaforet-sudouest.com/services/cifa/

RESOURCES

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PROJECT WEBSITE

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PROJECT REFERENCE

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PROJECT UNDER WHICH THIS FACTSHEET HAS BEEN CREATED

Rosewood

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