

# The effect of the new electronic one-stop shop for business formalities on monthly business births

## The new electronic one-stop shop for business formalities

The PACTE Act (No. 2019-486 of 22 May 2019) provides that, from 1<sup>st</sup> January 2023, all business formalities will be carried out online through a unique internet portal.

Until then, business formalities were collected and processed by several networks of business formalities centres (CFE), such as Chambers of commerce and industry (CCI), Chambers of trade and crafts (CMA), Chambers of agriculture (CA), clerks of the Commercial courts, and the administrations in charge of the collection of Social Security contributions (URSSAF) and of taxes (DGFiP).

Since 1<sup>st</sup> January 2023, the use of the new electronic one-stop shop for business formalities, operated by the National institute of industrial property (INPI), has been mandatory for business creation formalities.

The one-stop shop then informs the competent bodies of the completed formalities, in particular INSEE for the registration of new businesses in the SIRENE register, but also the validating bodies (registries of commercial courts, consular chambers, etc.), which process the information received, validate it and request additional information if necessary. If need be, the formalities may also be rejected.

## A significant effect on the monthly monitoring of business births

This major change in the completion of business formalities, and in particular the declarations of activity, has introduced a significant one-time disruption in the monitoring of business births. The figures on business creation since the beginning of 2023 should therefore be interpreted with the greatest caution.

Indeed, this monitoring, which aims to report on the monthly dynamics of business births, is based mainly on the observation of registrations<sup>1</sup> in the SIRENE register, which is one of the administrative steps of business set-ups. The monitoring of business births is therefore dependent on any changes in the administrative operations prior to registration, particularly if this affects the speed with which business creations are recorded in the register, as well as any variation in the delay between the receipt of formalities by INSEE and their validation by the competent bodies. For instance, a shift of one day in the registration date results in a 5% increase or decrease in the number of business births registered during a month.

1 Implementing Regulation (EU) 2020/1197 detailing European Regulation (EU) 2019/2152 on European business statistics stipulates for the transmission to Eurostat of short-term statistics on registrations of legal units.

## Understanding the results for 2023

These major changes required a temporary adaptation of the system for monitoring business births in 2023. The aim of this adaptation was to ensure the temporal consistency of the series of business births by neutralising variations in the time taken to register business creations in SIRENE or in the delay between the receipt of formalities by SIRENE and their validation.

Extended throughout 2023, this temporary adaptation meant that all formalities were taken into account in the calculation of business births, as soon as they were received by INSEE. Insofar as some of these formalities were likely to be invalidated, a proportion of invalidations was deducted from the count of business births, on the basis of the invalidation rate recorded in the previous months.

As only businesses whose creation has been validated by the competent bodies are now recorded in the SIRENE register, this temporary adaptation has come to an end, and as of the publication of the Informations Rapides relating to business births of December 2023, the usual process for counting business births, which prevailed until December 2022, has been fully reinstated. As a result, the calculation of business births now only takes into account the business formalities actually received and processed by SIRENE, validated by the competent bodies, and recorded in the Sirius statistical business register.

Moreover, the total number of business births recorded in 2023 has been recalculated using the usual process. This results in a downward revision, compared with the temporary system, of around 1% of the annual number of new businesses, which is mainly due to the time lag between the date on which business births are recorded under the temporary system and that under the usual process.

The re-computation of business births in 2023 has nevertheless preserved the temporal pattern of the series determined by the temporary system for the first eight months of 2023, as it more accurately reflects the dynamics of business births over this period. Thereafter, as the rate at which new businesses are registered and validated gradually stabilised, the temporal pattern of the series used is that determined by the usual calculation process.

Infra-annual variations in business births during 2023 should therefore be interpreted with caution, mainly over the first three quarters of 2023. However, the effect of the changes linked to the one-stop shop for business formalities on the measurement of the amount of business births recorded in 2023 seems limited overall.