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 <u>PACTE Act (No. 2019-486 of 22 May 2019)</u> provides that, from 1 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 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 January 2023 figures on business births, but also those of February and March 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 registrations¹ 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 they change the speed of registration of the new businesses in the SIRENE register in relation to the effective creation of the business by the declarant. A shift of one day in the registration date results in an increase or decrease in the number of business births registered each month of around 5%.

Compared with the situation that prevailed previously, the entry into force of the one-stop shop changed the average time taken to register business births in the INSEE registers in January 2023: it positioned INSEE earlier in the administrative process, as the new

¹ The European Regulation (EU) 2019/2152 on European business statistics provides for the transmission to Eurostat of monthly statistics on business registrations.



business is registered in SIRENE immediately after the formalities are fulfilled in the one-stop shop. This positioning of INSEE was changed again at the beginning of February 2023: the registration of the new business in SIRENE now only takes place once it has been validated by all the administrations concerned, in a similar way to that which prevailed until December 2022.

Understanding the results for January 2023 and for the subsequent months

Even though the use of the new electronic one-stop shop for business formalities has become mandatory since January 2023, business creation statistics for that month take into account residual declarations processed by the former business formalities centres (CFE).

Moreover, in order to ensure the statistical consistency of the series of business births, the temporary shortening of the registration delays during January 2023 was neutralised in the business births statistics. In fact, some business births were registered in January with the new process, but would have been registered in February with the former one. The neutralisation was carried out by shifting to February around 5,000 business births registered in January, on the basis of an estimate of the shortening of the registration delay of slightly more than one day.

The new validation circuit for formalities that came into effect in February 2023 also led to a change in the time taken to register formalities in the SIRENE register, due to the delay between the receipt of formalities by INSEE and their validation by the competent bodies. In order to ensure the homogeneity of the series of business births, the effect of this delay was neutralised. Thus, all the formalities actually received by INSEE in February were retained in the calculation of business births in February. Insofar as some of these formalities are likely to be invalidated, the proportion of invalidations has been estimated on the basis of the observed invalidation rate. However, as information on validations will become further available, the number of business births thus estimated might be revised significantly. A similar treatment was applied to the calculation of business births in March.

Finally, on the occasion of the release of the February 2023 issue of *Informations Rapides*, the number of business births recorded in 2022 was revised, by removing from the count about 10,000 creations that had finally been invalidated.

The major changes affecting the administrative process for business creation will have a strong impact on the monitoring of business births during the first months of 2023. Over this period, the series of business births will remain fragile and should be interpreted with caution. Furthermore, due to adjustments made at a national level, the dissemination of time series of business births is temporarily limited to national series (excluding departmental or regional series).

