



European Commerce Registers' FORUM Report 2011

Global benchmarking of business registration
- ECRF and CRF Business registers survey

Revised version, September

Written by: Staffan Larsson (ed.), Ronald Telson, Vito Gianella, Frits van Dam and Stacey-Jo Smith

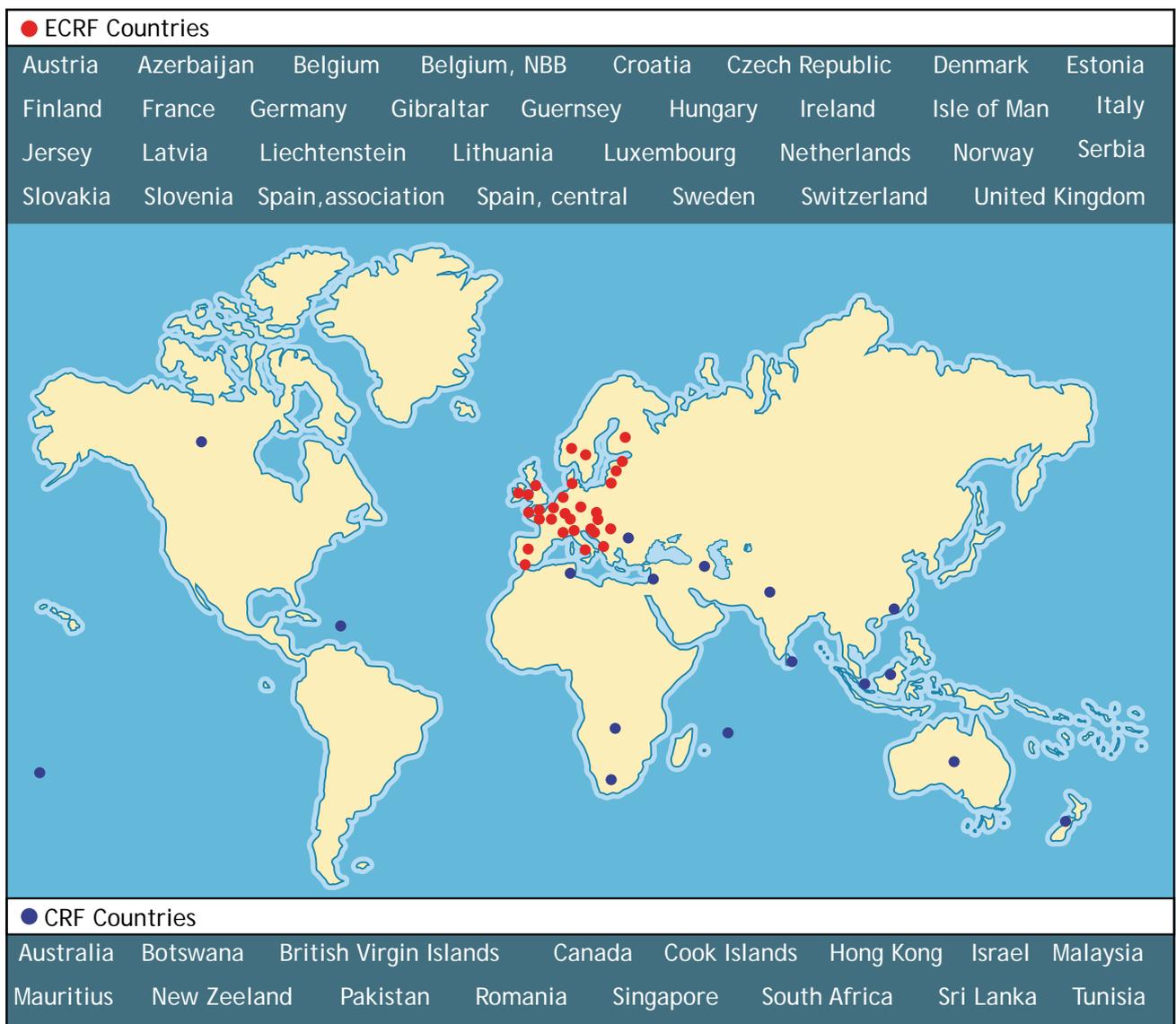


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Preface

The yearly report prepared by the European Commerce Registers' Forum (ECRF) members has now been in place for almost 10 years, starting with the first ECRF Survey presented in Tromsø, Norway in 2002. The interest in launching this survey came from a simple desire to improve the dissemination of knowledge on how different EU registers carry out company registrations. The aim was rather modest and the efforts in connection with collecting, preparing, and presenting the data were simple.

Since the publication of the first report there has been an increased awareness amongst different participating registers that benchmarking and policy sharing are important aspects of improving the registration process. Consequently, the Corporate Registers Forum (CRF) joined the survey in 2007 and promoted it amongst its members. Organisations such as the World Bank have, in addition, recently acknowledged the survey as an important tool not only to answer questions about registration procedures, but also as an important source of information about the business climate in different parts of the world.

In response, ECRF made provisions for a group of representatives from different European registration organisations to meet in Sundsvall in December 2010, a small working group meeting in Bucharest (January 2011) and a follow-up meeting in Brussels in April 2011. The aim was to discuss and develop a more solid structure for future surveys and to write more coherent reports based on the data collected. In June 2011, ECRF decided on a project proposal presented at the General Assembly in Bonn to increase the funding of future surveys by approving a three-year project.

This report results from the efforts made by the working group members, but five persons from the group have written the report. Staffan Larsson, responsible for editing and writing the third, fourth, introduction and summary chapters; Stacey- Jo Smith, responsible for language review and chapter two; Ronald Telson, responsible for statistics and writing chapter one; and Frits van Dam and Vito Gianella, responsible for writing chapter five.

The working group would like to thank ECRF for their decision to increase the funding for an additional three years, CRF for promoting the project amongst its members, and finally all the organisations that have taken the time to answer the survey. We also thank Andrei Mikhnev from the World Bank, Simona Boscolo Bragadin, European Business Register, and Monica Bylund, Bolagsverket for support and early input to the report. We hope to expand the quality of the survey and report over the next three years as part of the working group's project. The conclusions reached herein are the responsibility of the editor and writers, and do not reflect the opinions of ECRF, CRF or the working group members.

Please direct questions and comments about the report to Staffan Larsson; contact Ronald Telson regarding questions on statistics.

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Staffan Larsson, (Ed.)

ECRF Working Group

Vito Gianella, Italy
Axel Forstmann, Germany
André Nowak, Germany
Yves Gonner, Luxembourg
Frits van Dam, Netherlands
Tore Walle Jensen, Norway
Adriana Luminita Iacob, Romania

Snezana Tasic, Serbia
Christian Champeaux, Switzerland
Stacey-Jo Smith, United Kingdom
Annika Bränström, Sweden
Staffan Larsson, Sweden
Ronald Telson, Sweden

Background

As mentioned above, the survey has close to a ten-year history now. Its results have been widely used for the individual needs of participating organisations. The increased interest in the survey has highlighted the need for improvements in the survey itself as well as in the writing and publication of the yearly report. The 2011 Report puts more emphasis on writing and analysing the collected data.

Main purposes of the ECRF business registration report

Historically the main purpose for conducting the ECRF¹ Survey was to gather and compare information about registries, annually, with the intent of encouraging improvement in company registration practices throughout Europe and other parts of the world. The working group gathered to improve the quality of this year's survey and report came up with recommendations for future ECRF surveys and reports. We summarise them below:

- Benchmarking and learning are becoming more and more important for organisations responsible for business registration. Comparing one's own practices and performances with those of other organisations is an important way of improving the quality and content of services provided.
- Different countries can use the ECRF Survey as a tool to promote improvement in their own countries' legal systems and processes. Best practice and actual examples from other registries represent important knowledge in the dialogue that most registrars have with their administrators, and help put forward concrete suggestions for changes, for instance, in assignments and the introduction of new legislation.
- The results of the survey are also a source of information for the customers of the registries, e.g. the business community. The benefit to companies is manifold and stretches from acquiring simple knowledge about such things as fees and charges collected in different countries, to more complex knowledge about differences in legal and institutional structures that influence the registration procedures in different parts of the world.
- Interest in learning more about the causes for fluctuations in economic development has risen during the last decade because of recurring financial crises. At the same time, it has become clear that macro-economic data collected by national statistics quickly become obsolete, as the speed in economic transitions increases. The development of the ECRF Survey and the network created behind it will meet a very important demand for updated micro-economic data.

General disclaimer

This year's report is the first to analyse and draw conclusions from the data collected. This is an important area to continue to develop, and is something that will be at the forefront in future ECRF Survey Reports. During the preparation of this year's report, it became evident that some of the data collected contained inaccuracies. They became evident both at an individual country level and between different groups of countries. We have done our best to exclude questionable data, and to be as cautious as possible when interpreting the results.

¹ European Commerce Registers' Forum

The reasons for apparent inaccuracies in some of the data are not clear, but three concurrent elements can most likely explain them. First, previous reports lacked the purview of stringent analysis and thus allowed for inaccurate or inconsistent responses within the survey to go unnoticed. A second possible explanation is that no one detected the dubious answers concealed inside group averages. Another possible explanation is that some of the disputed data were the result of questions asked in an unclear or confusing fashion and thus leading to misinterpretations. Finally, the lack of a group directly accountable for the survey and the report has meant that not enough resources were available to check the data, call respondents for an explanation of submitted data, or, to find alternate explanations for errors during the analysis.

These facts make it important for readers to understand that even though we attempted to isolate suspicious data from this report, there might still be errors included in the conclusions drawn. The decision made by the ECRF General Assembly to sponsor an on-going project to deal with these issues creates the necessary conditions for understanding and resolving these problems in the future.

Finally, we have done our best to taking into account that each registry operates within different legal constructs. We invite caution against drawing general conclusions while differences in applications of the law and not performance factors, are at the source. In future reports, we will do more to group countries within generic classes of legal systems that will improve the possibility for learning and benchmarking.

Data collection and response rate

We distributed the survey to ECRF, CRF² organisations (and a few other business registries) on January 28, 2011, but the data collected refer to activities registered during 2010. We structured the survey around five major topics: general information on the registry, registration process, facts and registered objects, performance and costs regarding the registration process, and business dynamics/trends resulting from registration.³

In all 48 out of the 66 organisations that received the survey replied, giving for a response rate of almost 73%. This is a slightly higher response rate than the year before, even though the number of organisations that received the survey in 2011 was higher than in 2010 - 66 compared to 57 organisations/countries. This clearly shows that interest in participating in the ECRF Survey and benchmarking is increasing. Table 1: *ECRF and CRF Participating Countries/Organisations*, identifies the participating organisations/countries.

² Corporate Registers Forum

³ The questions in the survey primarily deal with the four most common company types: Sole trader, General partnership, Private Limited Company and Public Limited Company.

Participating organisations/countries in the survey

2010 ECRF/CRF Participant Countries/Organisations		
ECRF		CRF
Austria*	Jersey*	Australia*
Azerbaijan	Latvia	Botswana
Belgium	Liechtenstein*	British Virgin Islands
Belgium, NBB	Lithuania*	Canada*
Croatia	Luxembourg*	Cook Islands
Czech Republic	Netherlands, The*	Hong Kong*
Denmark*	Norway*	Israel
Estonia*	Serbia	Malaysia
Finland*	Slovakia	Mauritius
France*	Slovenia	New Zealand*
Germany	Spain, association	Pakistan*
Gibraltar	Spain, central	Romania*
Guernsey	Sweden*	Singapore*
Hungary	Switzerland*	South Africa*
Ireland*	United Kingdom*	Sri Lanka
Isle of Man		Tunisia
Italy*		

* = Participant in trend analysis

Table 1: ECRF and CRF Participating Countries/Organisations

Structure of the report

The working group has put forward a new structure for the 2011 ECRF Survey Report. The challenge has been to create independent chapters that one can read separately and, at the same time, act as a foundation for overall conclusions. This means that the reader can choose either to read specific chapters or to read the full report. It is also possible to use the report as a reference book to get a glimpse of some specific registration issues.

The report has been organised around the following chapters:

Chapter 1 Processing Time - the time it takes organisations to handle different types of submissions, one of the more important topics to benchmark, is the main purpose of this chapter.

Chapter 2 Use of e-Services by company registries – Most registers consider e-Services as a major tool for improving quality, productivity, and customer satisfaction. This chapter puts together all the issues relating the extent to which different organisations use e-Services.

Chapter 3 Cost, fees and charges - includes some new questions. The chapter tries to benchmark the types of fees and charges that is collected by different organisations as well as the cost-efficiency of performing registration in different organisations. The latter turned out to be difficult to benchmark; therefore only simple comparisons are put forward in the chapter.

Chapter 4 Business dynamics - tries to interpret the collected data from the registries in a new way by creating indicators based on registrations of new companies, terminated companies and company mergers.

Chapter 5 Legal and institutional settings – the chapter interprets the answers to an open survey question. It asked the organisations to describe any major (legal or institutional) changes during the previous year that affected the registration activities. Also in the same chapter, we offer a case study of the Netherlands that describes some changes in registration procedures during last years.

At the beginning of the report, a summary chapter makes some overall conclusions based on the data and analysis done in the separate chapters.

Executive Summary

The 2011 ECRF⁴ Survey Report includes major improvements in comparison to previous ones. The most important amendments include introducing a more analytical approach to the way the report is written, further extended procedures of checks and controls of data and, finally, a structure that should make the report more readable. We will continue to develop the report for another three years, because of the funding allocation by ECRF. Below some of the feasible conclusions are put forward.

The trend is for increasingly faster registration

Implementation of e-Services, introduction of improved manual operations and ever-increasing pressure to shorten turnaround times have led to substantial progress in reducing the time it takes to process submissions to business registries. For ECRF organisations, the average time to process an application for incorporation has decreased from 24 hours in 2007 to 16 hours in 2010, and for processing changes from 34 hours in 2007 to 15 hours in 2010. CRF⁵ organisations are in general performing better but have not decreased the time to process submissions as much as ECRF organisations have. This is mostly because CRF organisations already have a lower time for processing changes and incorporations than ECRF organisations. For CRF organisations, the average time for incorporating and for processing changes was 9 and 11 hours, respectively, in 2010.

When we pool all organisations together, the average incorporation time is 22.4 hours for processing changes and 19.8 hours for processing an application for incorporation. The differences between organisations/countries are quite large. Organisations/countries such as Sweden, Finland, and Denmark can take more than 40 hours to process changes and incorporations while organisations/countries such as Australia, Belgium and United Kingdom can take less than one hour for handling the same type of submissions. Singapore, the Netherlands, Hungary, and Mauritius are other organisations/countries with relatively quick registration procedures. Of the organisations with a processing time for incorporation and changes of 10 or less hours, 50% of CRF countries show this type of performance whereas only a third of ECRF organisations are at that level.

Many organisations have improved in processing times between 2007 and 2010

Measuring time for processing changes and incorporations, we observe that improvements tend to happen in every aspect of the organisations studied. When an organisation reduces the processing time for incorporation, they equivalently decrease the processing time for company changes. If we raise the bar to as high as 50% decrease in time for processing a submission in incorporations and changes between 2007 and 2010, 7 organisations/countries reach that goal. Guernsey made the most impressive advances, decreasing the time for processing changes and incorporations from 16 and 80 hours in 2007 to 1 and 7 hours in 2010. Other organisations/countries with impressive improvements are Australia, the Netherlands, Singapore, Norway, Canada, and Liechtenstein.

The reasons for these improvements are a combination of introducing XBRL-format as a mean of communication between customers and registries, making e-Services mandatory, professional management of manual operations and the development of custom-oriented e-Services. Future reports will detail reasons for these improvements.

⁴ European Commerce Registers' Forum

⁵ Corporate Registers Forum

The time to process an application is not all that matters

The time it takes to process an application for changes or incorporations is of course something that affects the quality of the business climate in different regions, and is as such, an important indicator to measure. Everything being equal, shortening the processing time will make it easier for companies to conduct business. However, this is not all that influences the business climate; equally important is the quality of services provided. The trust built from being able to conduct business in a legally safe and secure environment affects the speed of business, albeit on another level. That level relates to such things as the assurance that one's business partner is the correct one, not having to settle disputes in court etc., and will ultimately have an effect on the business climate in one's region. In future reports, we will consider correlating the speed in processing and the wider perspective of business climate in individual countries.

E-Services are introduced everywhere

We have analysed in chapter two how widespread the use of e-Services is. Many consider the availability and use of e-Services as an important condition for achieving productivity gains, increasing customer satisfaction, and for lessening the administrative burden faced by companies. The use of e-Services is becoming widely spread both among industrialised and, increasingly, in developing countries as well.

Singapore, New Zealand, Germany, and Italy have all achieved 100% e-take up for company registration and changes. Other organisations/countries with an extended use of e-Service are United Kingdom, Ireland, Canada, Estonia, Australia, Luxembourg, Romania, Guernsey, and Slovenia. By performing a regression analysis of these results, one gets a very strong correlation coefficient, R^2 , between the two dimensions: electronically submitted documents for company formation and electronically submitted documents for changes in the companies register.⁶ This implies that improving the e-Services in one dimension also influences the improvements of including e-Services in other processes. Once e-Services begin to develop, they tend to do so in the whole organisation.

CRF organisations have in general a higher usage of e-Services than ECRF organisations. For CRF organisations, the usage of e-Services during the period covered by the survey has been consistently around 90% for both company formation and processing changes. For ECRF the figures are lower but increasing. They have gone from 46% for company formation and 49% for processing changes in 2007 to 61 and 56% in 2010. We do not have any empirical explanation for why there is a difference between ECRF and CRF, but perhaps it has to do with differences in institutional settings for instance, in legal systems. However, a likely explanation could also be that many CRF organisations are late adopters to business registers without the burden of legacy procedures and systems, as is the case in many European countries. They can start with the state of the art framework so it is for them much easier to implement e-Services than for those that must convert their system to do so.

Estonia, United Kingdom, Ireland, Norway, and Sweden have improved the most in the use of e-Services between 2007 and 2010. Estonia, specifically, has made advances and increased the usage of e-Services by 60% in electronic submissions for changes and 59% in electronic submissions for incorporations.

⁶ The R^2 value is as high as 0.89.

Making e-Service mandatory highly improves the performance of different countries. In order to understand the possibility to use e-Services compared to the actual use of e-Services, we created a couple of indexes to try to measure these parameters. The analyses in Chapter 2 show that being able to register documents on-line through e-Services does not necessarily mean that companies will use these e-Services. For some countries, the gap is huge, indicating that the benefits of the investments made in e-Services, IT-technology and electronic documents are not fully utilised. This is the case for example Spain, Finland, Sweden, and Norway. In cases where there is a good match between the two, mandatory e-Services is in most cases in use, implying that legislation can be a good tool for improving the use of e-Services. Countries with a 100% uptake for e-Services are those that have implemented mandatory e-Services (New Zealand, Singapore, and Germany).

Most registers have more to do in reaping the benefits of introducing e-Services. The impact of introducing e-Services remains to some extent an enigma. In the different chapters, we have tried to find correlation between the introduction of e-Services and effects on processing time, registration time, and number of submissions. Surprisingly, we find very few significant correlations.

About half the countries that submitted complete data showed a marked improvement in both time taken to incorporate and the time taken to process changes. The other half showed either no improvement or took longer time in those processes. While we cannot confirm that the proliferation of e-Services is a factor in this improvement, we cannot rule that out. There could in fact be artefacts in the e-Services process that account for this lack of correlation, when in fact there is one. We are dealing with data that are averages of the manual and electronic processes. Separate analyses of e-Services and manual processes is therefore of great interest for the 2012 ECRF Survey Report.

The lack of strong correlations can also be due to different interpretations of terms used in the questions by different countries. This can cause problems when attempting comparisons between organisations/countries. The reasons for different interpretations could in part be the result of the contrasting political and legal environments in which the business registries operate.

In addition, the lack of clear interdependence between variables could in part be the result of business registration conducted in highly political environments; registration fees set by governments; registered objects based on national, regulated legal structures while the public/private cooperation differs between countries making comparisons difficult.

These issues must be at the forefront of future analyses, discussed, and benchmarked in future collaborations between different organisations/countries.

The organisations answering the survey differ in size and scope but are in most cases run by the government.

The ambition, before actually writing the 2011 ECRF Survey Report, was to analyse improvements and trends in productivity gains. This turned out to be complex since the questions asked in the survey were difficult to answer for some organisations based on the reasons outlined above, plus the fact that the organisations answering the survey differ greatly in size and scope.

There is a wide range of complexity in different registry operations. The total number of submissions per registered company ranges from 2.42 in the case of Gibraltar to Germany

with only 0.01. This clearly shows that some organisations are running registers with a greater scope of activity that ultimately affects their ability to implement streamlined and effective workflows and services.

The government runs most of registers (7 out of 10), even though the range of complexity between the registries is quite wide. Other judicial forms that run registries are court of justice (20%), chamber of commerce (8%), and privately owned companies (2%). The latter is Gibraltar.

There is no common structure for how cost, fees and charges are set

Slightly more than 90% of the organisations collect fees and charges of some sort. The most common billable transactions in both ECRF and CRF organisations are company formation, register changes, and fees for searches. The most obvious difference between ECRF and CRF organisations is that it is more common for CRF organisations to charge fees for keeping a company in the register.

In chapter three, we try to analyse how prices are set among business registers. Use of e-Services, using cost-covering principles or being funded by the government do not give any clear indications on how prices are set, at least when we talk about pricing of services in relation to incorporation activities. The data collected do not indicate that an extensive use of e-Services affects the charges for incorporation, or that using cost-covering principles would imply better cost-awareness. The only correlation that exists is that government-funded organisations in general have a higher price for performing incorporation services than organisations with no governmental funding. The average incorporation price is 172 € for the former and 60 € for the latter. There is not a simple explanation to account for this difference, both governmental budget constraints and lack of incentives for productivity gains can be reasons.

In all, the results clearly show that increased analysis and collective benchmark within the area of price-setting and cost covering are important, and something that should be developed in future reports.

CRF organisations/countries are performing better in business dynamics

A new area developed in the 2011 ECRF Survey Report is a chapter on business dynamics. The working group responsible for the report unanimously concluded that we could do more to extract knowledge from a business dynamic perspective. What do the data say about global economic changes when the number of new entries, terminations, and mergers is analysed from a business perspective?

Based on such a preliminary analysis, some organisations/countries perform better than others do when we compare the percentage of terminations and new registrations to the total of number of companies that exit in the registry. Serbia, United Kingdom, Singapore, Denmark, Hong Kong, the Netherlands, Estonia, and Mauritius have all high levels of business dynamics shown as a high degree of terminations and new registrations. Seen from a growth policy perspective, this implies that younger and more innovative companies replace old and unsuccessful ones in a manner that rejuvenates the local/regional economy. We introduce a disclaimer to counteract to far reaching conclusions. Of the aforementioned countries, only Singapore and Hong Kong can show high real GDP growth numbers for 2010, suggesting that the correlation in the short term is not a straightforward one between business dynamics and GDP growth.

CRF organisations have in general performed better than ECRF organisations when we compare data between 2007 and 2010. The percentage of new registrations is higher and the numbers of terminations are lower for CRF organisations.

Areas to be developed in future reports

This is the first ECRF report written with an analytical approach. Therefore, we need to do more in terms of developing the report and going farther with the analysis. The funds provided by the ECRF for a three-year project for that purpose, are a necessary precondition for future improvements of the survey and the report. Some of the areas that the working group will devote more attention to in the future are:

- Overall improvements regarding the quality of the questions asked in the survey
- Development of additional organisation categories (other than ECRF and CRF), for instance according to legal systems, economic growth or industry sector that would represent analysis categories rather than legal entities
- Further exploration of productivity gains by comparing in more and in details of indicators based on cost, fees, charges, and number of people employed
- Inclusion of more practical examples of decisions and procedures introduced in different countries and organisations
- Diversification of the chapter on processing time to include indicators also describing the wider scope of what define "safe and secure business"
- Extension of the analysis on e-Services so a better understanding can be reached regarding the long-term effects of using electronically submitted documents

Chapter 1 : Processing-Time

This first chapter, found in all previous survey reports, addresses the time taken by the different registries to process a new incorporation or file registry changes to an existing company.

The term processing time refers to the time spent processing documents submitted by a customer. It spans from the receipt of the document, electronically or otherwise, to when a company registration is issued (in the case of a new incorporation) or to when an update is registered, reflecting a change submitted or requested by the customer. The registration process in some countries may require permits or statements from other authorities or entities (courts, public notary, banks, etc.). The results presented here exclude time spent on these associated activities. The data in this chapter are in hours (or days converted to hours, one day equalling eight hours).

We have considered data from a given country as valid when the country has reported a complete set of data. Missing or incomplete data from a country for a year disqualify it from inclusion in trend comparisons. Missing or zero-value data for a given survey question may also disqualify a country from a specific part of the report.

We begin the chapter with a general description of the results for 2010, discussing time for incorporation and time for changes simultaneously. We then look at performance trends in processing times from 2007, the first year for which we recorded such data, through 2010 for those countries that have consistently reported throughout the four-year period. The trends illustrate the results from ECRF⁷ and CRF⁸ countries. We end the chapter with a discussion of the performance comparison between 2007 and 2010, ranked by best performers and attempt to account for the contributing factors to the changes in performance.

Processing times for incorporation and for changes

Figure 1: *Time for Incorporation and Time for Processing Changes* captures a scatter diagram of Time for Incorporation and Time for Changes (Table 6: *List of Country two-letter Abbreviation Codes* for an explanation of the country codes used). The processing time used in these results do not account for time spent on pre-Services activities. The figure shows that countries that typically complete the incorporation process in a few hours tend to also undertake changes to their registry likewise quickly. By contrast, those countries that take longer to complete the process of incorporating a company are inclined to take longer to process changes to an existing corporation's data.

There are three populations emanating from the Figure 1. The first tightly congregates close to the 0,0 intersection of the axes and inside the lower-left quadrant formed by the red lines (means). The other lies somewhat around (to the right and above) the lower-left quadrant. The third consists of a few outliers such as Israel (IL), Finland (FI), Denmark (DK), and Sweden (SE) with the longest processing times regarding incorporations and changes. They all take more than 40 hours to process a submission. The fact that three of the organisations/countries are Nordic clearly shows that legal and institutional settings influence the way registries operates and perform.

⁷ European Commerce Registers' Forum

⁸ Corporate Registers Forum

In order to render the data more legible we have enlarged the portion of the graph enclosed within the box (dashed green lines) and reproduced it in Figure 2: *Time for Incorporation and Time for Changes excluding outliers*. The box excludes data from Croatia (HR), Denmark (DK), Israel (IL), Finland (FI), and Sweden (SE).

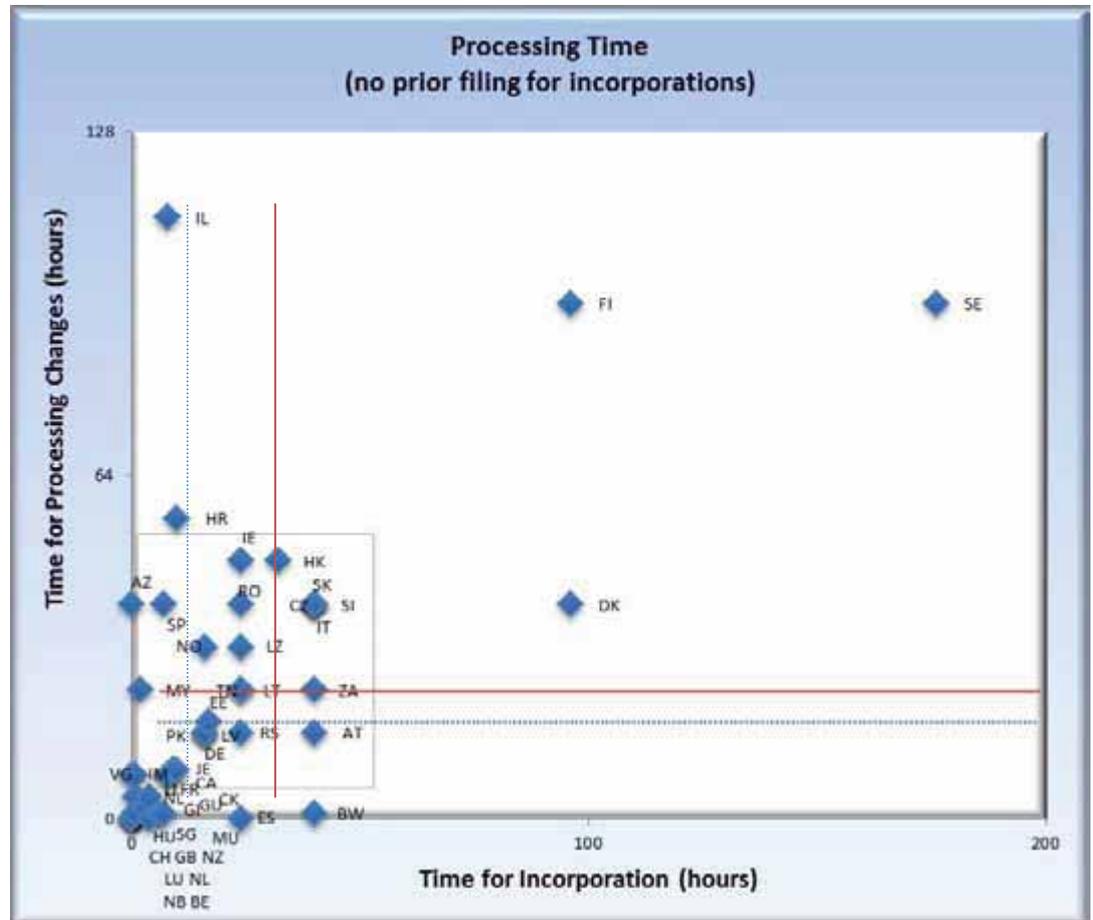


Figure 1: *Time for Incorporation and Time for Processing Changes*

In either figure, the average times for incorporation and for processing changes are 19.8 and 22.4 hours, respectively (the red vertical and horizontal lines depict the means). The median and standard deviation for time for incorporation are 10 and 31.2 hours, respectively; they are 16 and 26.4 hours for time for processing changes, respectively. The dashed blue lines represent the medians; the median for each set of variable (time for incorporation, time to process changes) is the value above and below which 50% of the data reside.

Of the organisations/countries Australia (AU), Belgium (BE) and United Kingdom (UK) have the fastest processing times of less than one hour to process changes and incorporations. Singapore (SG), the Netherlands (NL), Hungary (HU), and Mauritius (MU) are other organisations/countries with high performing registration procedures.

The overall correlation coefficient, R^2 , is rather weak at 0.4, meaning that there is no relationship between time to incorporation and time to process changes. However, the correlation is rather high, 0.78, for data in the lower-left quadrant. This means that for those "high-performer" countries, a low time for incorporation predicts a low time for

processing changes. In other words, the data are indicative of deliberate and successful efforts to lower the cycle times for incorporation and changes to the registry. The strategies delivering these improvements should be noteworthy to other countries. One should also note that R^2 drops to 0.18 – essentially no correlation or prediction – when we remove the high-performers' data in the first quadrant.

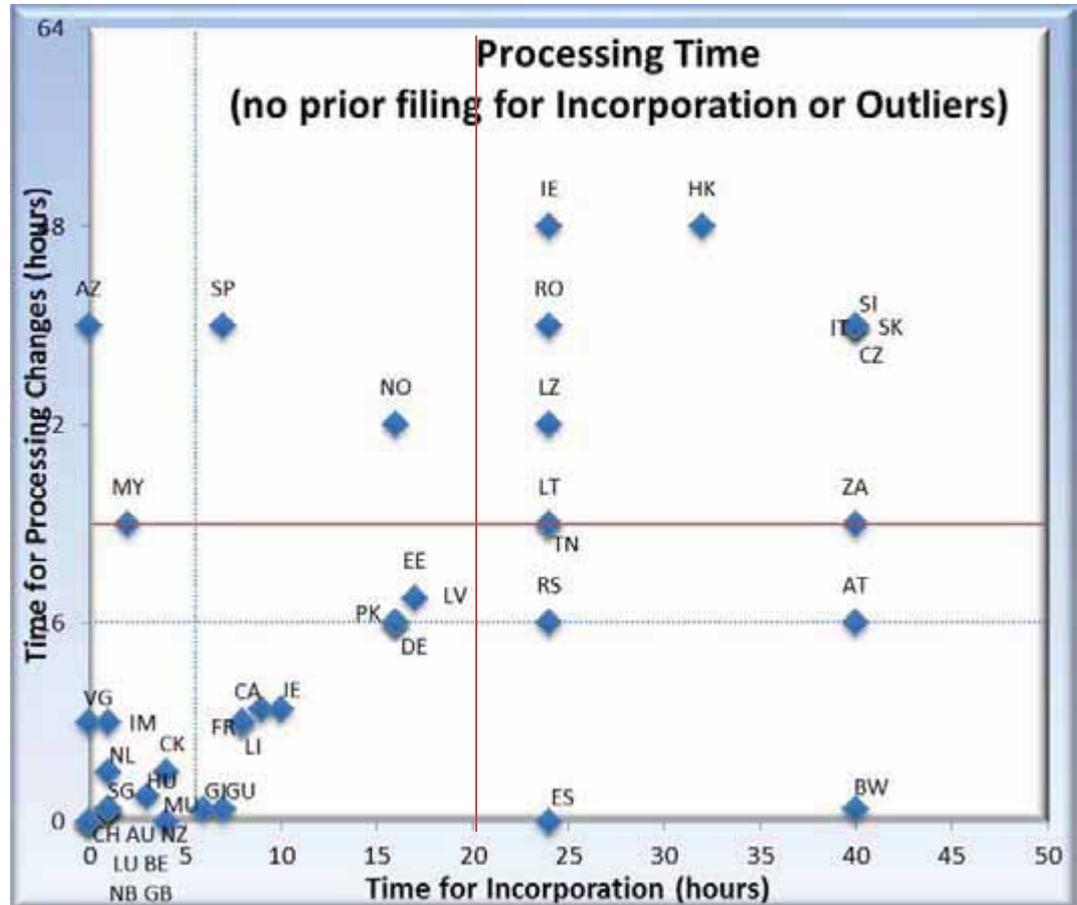


Figure 2: Time for Incorporation and Time for Changes excluding outliers

Trends in processing times for ECRF and CRF

The average processing time for incorporation, converted from days to hours for comparisons, has remained the same at 16 hours (two days) since 2008 for ECRF organisations/countries (see Figure 3: *ECRF Trends for Company Formation*). The average goal, however, has decreased from 40 hours (five days) in 2007, to less than 15 hours. On the average, ECRF countries exceeded their goals between 2007 and 2009. Note that the time for incorporation appears unrelated to the number of companies created (see Figure 5: *ECRF Trends: Number of New Companies since 2007*).

We do not have appropriate data on number of employees in each registry. This could have provided at least some insight regarding whether the added performance is due to an increase in the number of employees.

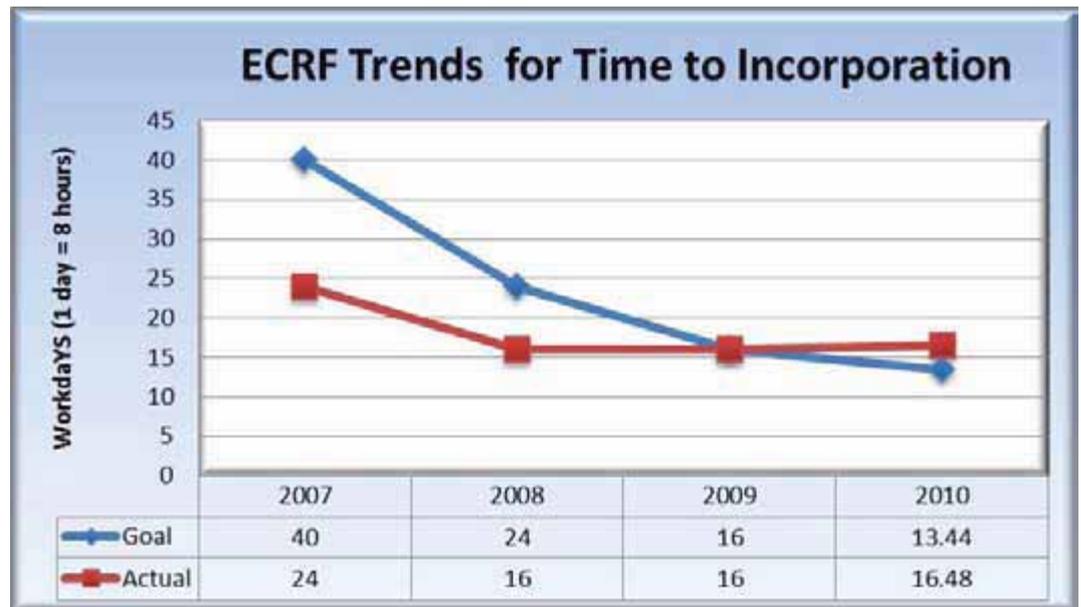


Figure 3: ECRF Trends for Company Formation and Number of New Companies

As shown in Figure 4: *ECRF Trends for Processing Changes*, ECRF countries have on the average halved the time for processing changes from fewer than 32 hours in 2009 to about 15 hours in 2010, the largest decrease in the last three years.

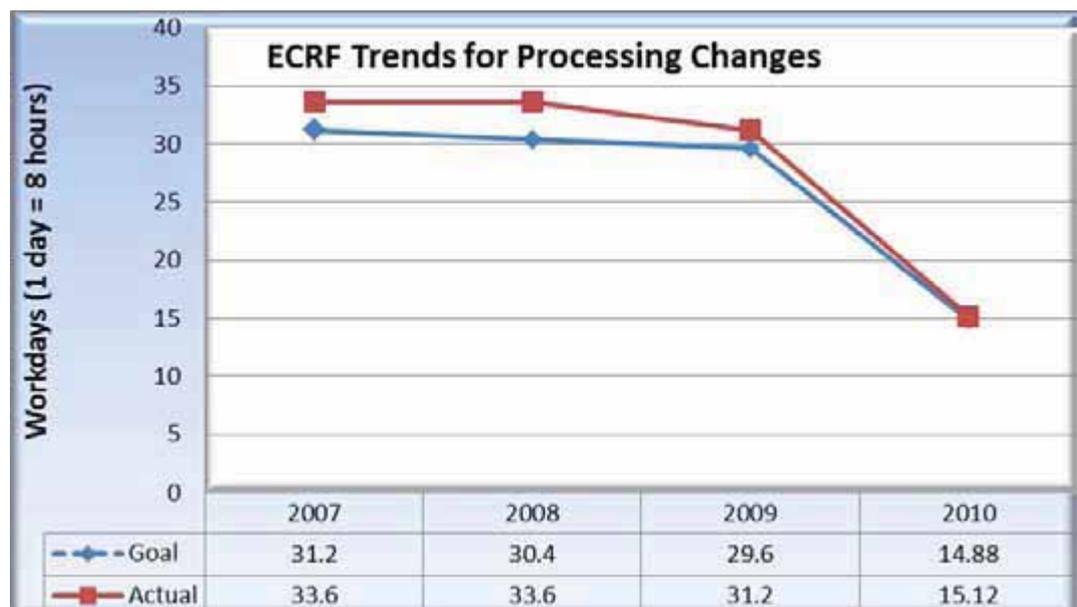


Figure 4: ECRF Trends for Processing Changes

For this metric, the average goal and actual times are virtually the same all four years in a row. While Chapter 2 treats the impact of e-Services in detail, it is easy to speculate that the reduction in processing times for both incorporation and changes to the register could be due to the proliferation of e-Services in automating these processes. However, comparisons between countries are hard to make with the data available. Countries in the lower-left quadrant of Figure 1: *Time for Incorporation and Time for Processing Changes* and Figure 2: *Time for Incorporation and Time for Changes excluding outliers*, comprise both countries with prolific use of e-Services as well as those where these processes are still predominantly manual. In the whole, it is safe to advance that there has been significant process improvement gains.

Figure 5: *ECRF Trends: Number of New Companies since 2007* shows that the period between 2007 and 2010 saw significant variation in the year-on-year number of new companies in ECRF organisations/countries, from a 10% reduction in 2008 to a 20% increase in 2009 and then an 8% reduction in 2010. Market forces of the period best explains these fluctuations.

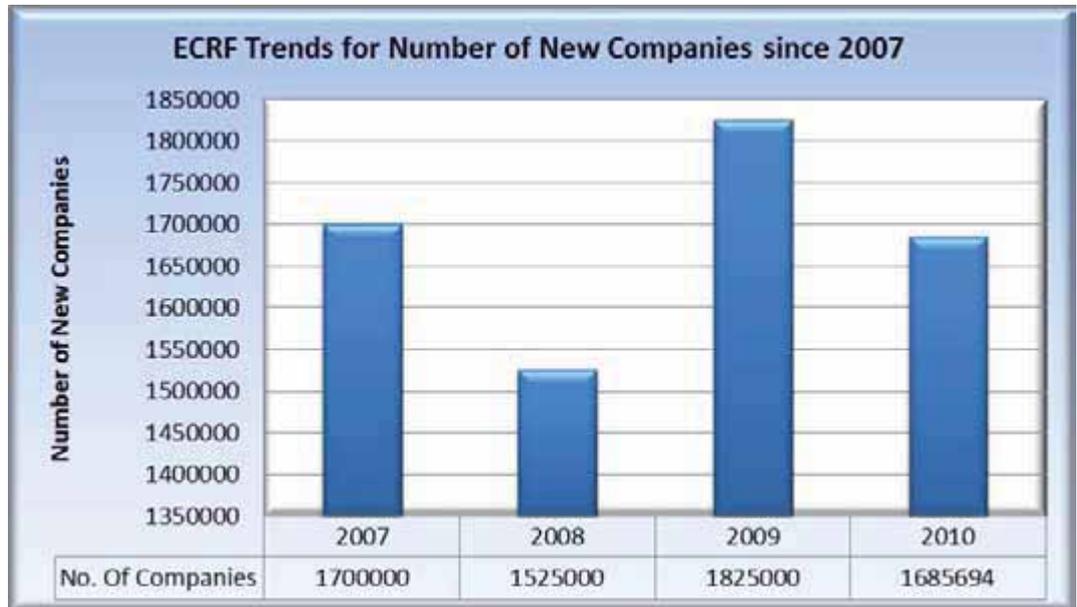


Figure 5: *ECRF Trends: Number of New Companies since 2007*

Figure 6: *CRF Trends for Company Formation* shows that the average processing time for incorporation in CRF countries has decreased from an average of 16 to less than 10 days for CRF countries. In contrast to ECRF countries, the data shows that CRF countries have not met their goals for time to incorporate since 2007, although they came much closer to their targets in 2010.



Figure 6: CRF Trends for Company Formation

Similarly, Figure 7: *CRF Trends for Processing Change*, shows a halving of the time taken to process changes for CRF countries, just as has happened for ECRF processing times. The CRF authorities also reduced the average goal by nearly half.

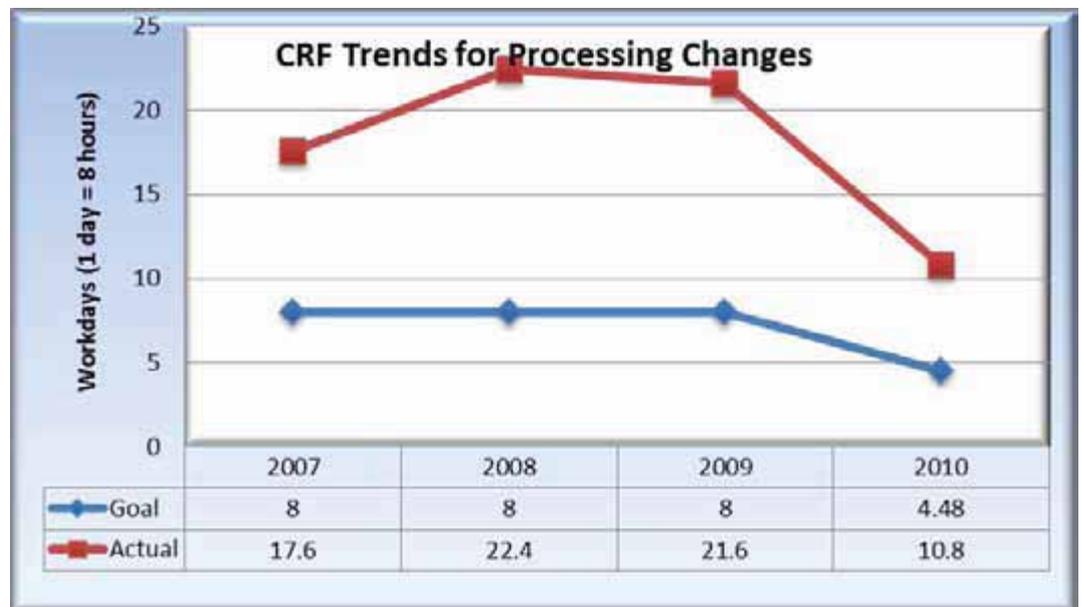


Figure 7: CRF Trends for Processing Change

Seven organisations/countries have improved more than 50% in both time to process incorporations and to process changes

Table 2: *Trends in Country Time for Incorporation, 2007 vs. 2010* shows the individual country performance between 2007 and 2010 in the time taken to process incorporation for those countries that have reported in both years. Having rated the data by the percentage decrease in hours from 2007 and not the absolute number of hours, we then sorted them according to best improvers.

It is interesting to note that the vast majority of the best improvers are also those found in the lower-left quadrant of Figure 1: *Time for Incorporation and Time for Processing Changes* and Figure 2: *Time for Incorporation and Time for Changes excluding outliers*. On the other hand, the worst performers are generally from the Nordic countries. About half of all countries showed either no improvement or suffered a decline in performance. A huge economic upswing, new legislation and a low usage of e-Services are most likely the cause for declining performances in the Nordic countries.

If we raise the bar to as high as 50% decrease in time for processing a submission in incorporations and changes between 2007 and 2010, 7 organisations/countries reach that goal. Most impressive advances have been made by Guernsey where a decrease in time for processing changes and incorporations have gone from 16 and 80 hours in 2007 to 1 and 7 hours in 2010. Other organisations/countries with impressive improvements are Australia, the Netherlands, Singapore, Norway, and Canada.

Time to Process Incorporations				
ECRF/CRF Country	2007	2010	Decrease / Increase in Hours	Percentage Increase / Decrease in Hours
Guernsey	80	7	-73	-91%
Australia	8	1	-7	-88%
Netherlands	8	1	-7	-88%
Singapore	8	1	-7	-88%
Norway	79	16	-63	-80%
Croatia	40	10	-30	-75%
Malaysia	8	2	-6	-75%
Canada	24	9	-15	-63%
Liechtenstein	16	8	-8	-50%
Jersey	16	10	-6	-38%
Lithuania	32	24	-8	-25%
Estonia	22	17	-5	-24%
Hong Kong	32	32	0	0%
Ireland	24	24	0	0%
Italy	40	40	0	0%
Latvia	16	16	0	0%
Pakistan	16	16	0	0%
Serbia	24	24	0	0%
Slovak Republic	40	40	0	0%
Slovenia	40	40	0	0%
Denmark	52	96	44	84%
Finland	48	96	48	100%
Sweden	72	176	104	144%

Table 2: Trends in Country Time for Incorporation, 2007 vs. 2010

Table 3: Trends in Country Time to Process Changes: 2007 vs. 2010 shows the individual country performance between 2007 and 2010 in time to process changes in the registry for those countries that have reported in both years. The results closely resemble those found in Table 2: Trends in Country Time for Incorporation, 2007 vs. 2010.

Time to Process Changes					
ECRF/CRF Country	2007	2010	Decrease / Increase in Hours		Percentage Increase / Decrease in Hours
Guernsey	16	1	-15		-94%
Australia	8	1	-7		-88%
Singapore	8	1	-7		-88%
Canada	24	9	-15		-63%
Norway	79	32	-47		-60%
Italy	80	40	-40		-50%
Liechtenstein	16	8	-8		-50%
Netherlands, The	8	4	-4		-50%
Jersey	16	9	-7		-44%
Estonia	29	18	-11		-38%
Serbia	24	16	-8		-33%
Denmark	54	40	-14		-25%
Hong Kong	56	48	-8		-14%
Croatia, Republic of	56	56	0		0%
Latvia	16	16	0		0%
Lithuania	24	24	0		0%
Pakistan	16	16	0		0%
Slovakia	40	40	0		0%
Slovenia	40	40	0		0%
Finland	48	96	48		100%
Ireland	24	48	24		100%
Malaysia	12	24	12		100%
Sweden	48	96	48		100%

Table 3: Trends in Country Time to Process Changes: 2007 vs. 2010

Difficult to find potential causes for improvements in processing times

Earlier in the chapter, we stated that one could easily speculate as to the causes for the apparent reduction in processing time for incorporations and time for changes for specific countries; specifically that one could attribute these improvements to the increased deployment of e-Services. This potential cause is not necessarily a factor. In this section, we begin a systematic discussion of what could account for these.

E-Services have no apparent effect on processing time

Figure 8: *Time to incorporate and e-Services*, examines whether there is a correlation between trends towards more e-Services to changes and the time taken for incorporation. We have compiled the increase in documents submitted via e-Services from 2007 to 2010 on the one hand and correlated them with the percentage decrease (or increase) in time to incorporate over the same period. The correlation coefficient, R^2 shows no relationships between the two. This means that for those countries considered, an increase in the use of e-Services has no effect on time to incorporate.

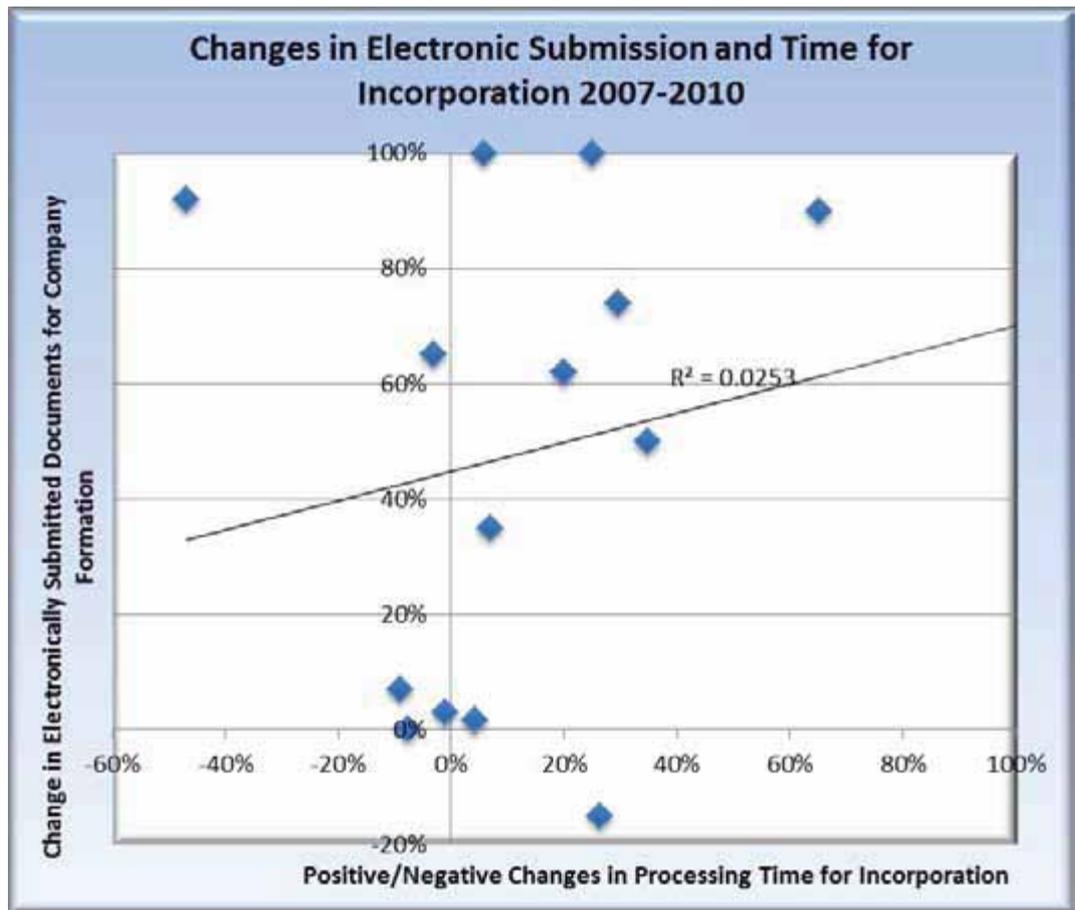


Figure 8: *Time to incorporate and e-Services*

In Figure 9: *Decrease in Time to incorporate and e-Services*, we have considered only those countries that have showed a reduction in the time taken to incorporate and their corresponding increase in e-Services. That is, we have ruled out a potential counteracting effect from countries that, for some reason, had an increase in time to incorporate rather than a decrease. There too, we found no correlation in the data.

Only five countries have showed an increase in incorporation time since they began deploying e-Services. That population is statistically too small and therefore inadequate for correlating e-Services and increased processing time for incorporation.

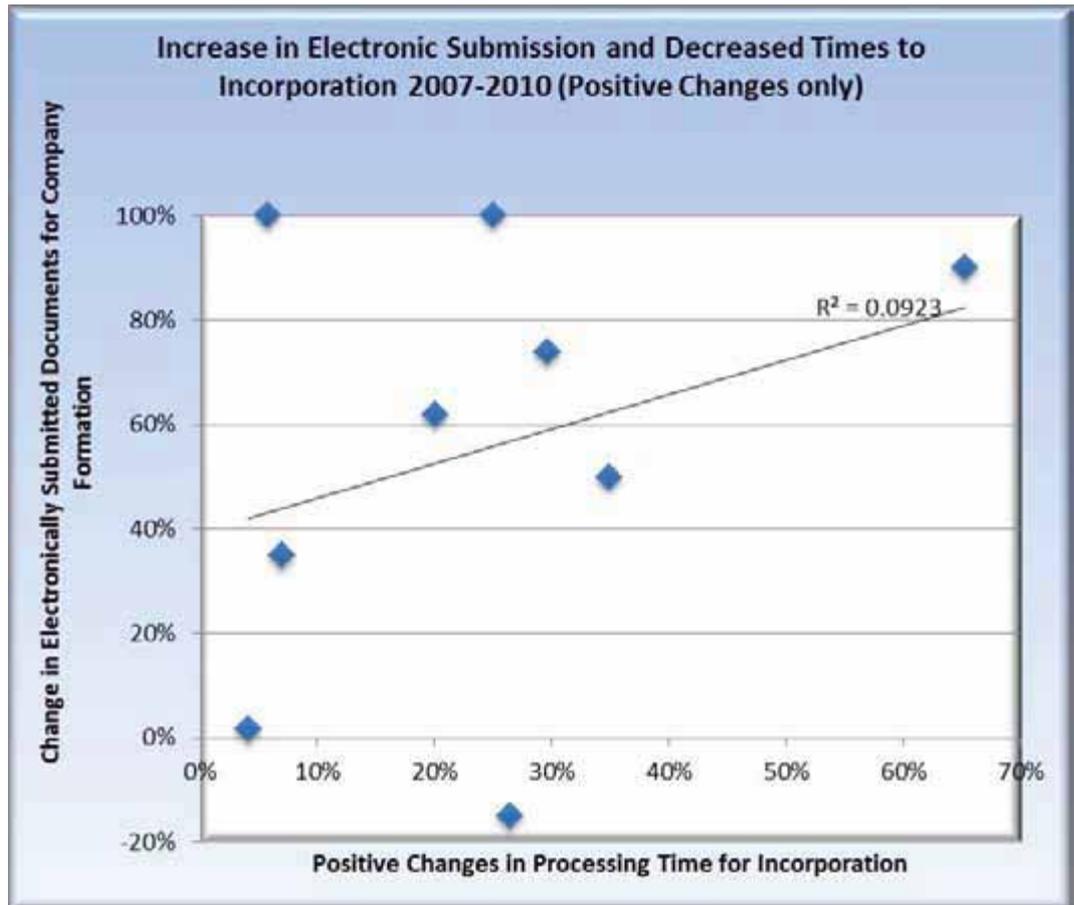


Figure 9: *Decrease in Time to incorporate and e-Services*

Search complexity as a potential root cause

Finally, we investigated the number of sources (databases or other registers)⁹ that an authority has to search through as a potential factor affecting the time to incorporate. The obvious thought being that the more sources one must examine, the longer it would take before one issued a registration. However, we found no correlation between number of sources examined and time for incorporation, in other words that a registry look through additional sources before incorporating a company did not have an impact on the time required to incorporate. Figure 10: *Number of Sources Examined for Incorporation* shows the results of the correlation analysis (note that removing the outliers (SE, DK, and FI) furthers lowers the correlation coefficient, R^2 , to 0.0029).

⁹ For example, National or ALICANTE Trademark databases, Google or the company register, etc.

Chapter 2: Use of e-Services by company registries

The extent to which registries make use of e-Services is a high profile topic and an important indicator in the benchmarking of performance. The speed of incorporating a new business, of processing changes in an existing one, and the ease of accessibility to company information are important attributes in the definition of world class. These aspects increasingly depend on the provision of e-Services.

This chapter will examine the availability and use of e-Services. It will also look at the countries that have increased their provision of e-Services and how they have achieved this.

Note that the survey respondents have provided the definition of e-Services used in this report. The reader should bear in mind that definitions may differ, for example, some countries consider "e-Service" as to mean the absence of manual intervention, others to mean the use PDF files or as re-keying of information. In future surveys there should be a common definition of e-Services in order to improve the reliability of the results and analysis.

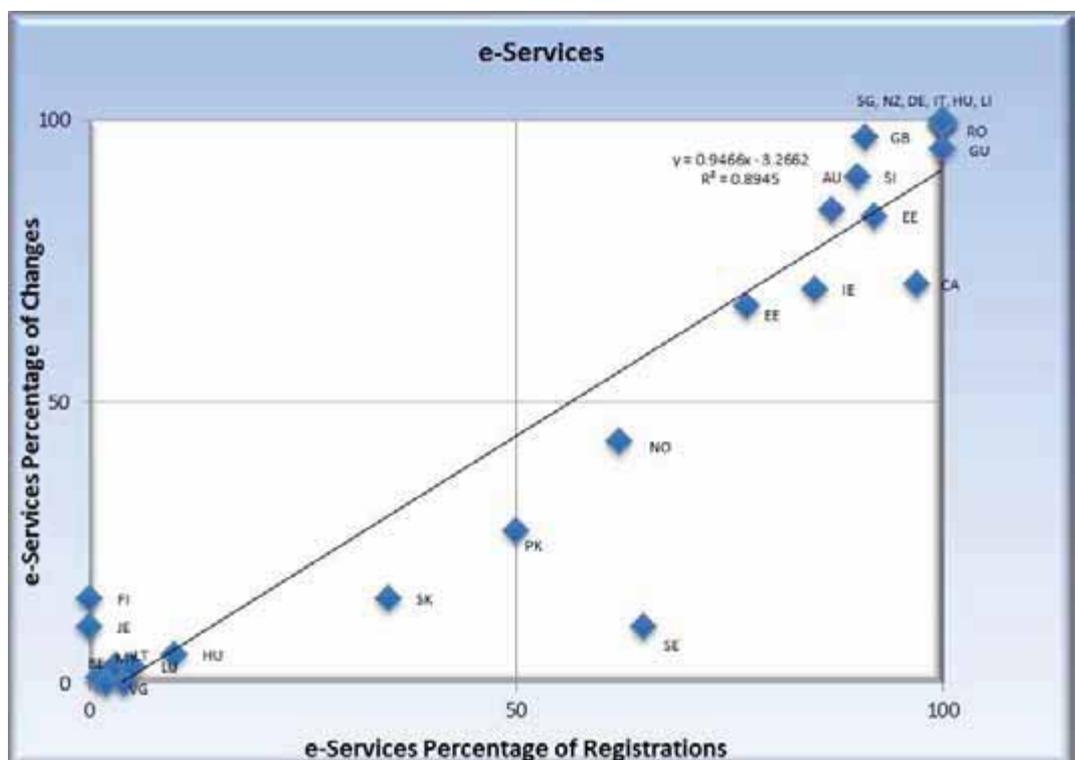


Figure 11: *Percentage of Documents Submitted electronically for Registrations and Changes*

Use of e-Services in company formation and company registration¹⁰

The graph above, Figure 11: *Percentage of Documents Submitted electronically for Registrations and Changes* illustrates the percentage of electronically filed documents submitted for company formation and changes in company details. The X-axis represents the percentage of new company registrations submitted electronically, and the Y-axis represents the percentage of company changes submitted electronically. The top right-hand corner of the figure shows a cluster of countries with a high percentage of both registrations and changes submitted electronically.

¹⁰ See appendix, table 6: List of Two-letter Abbreviations Codes, for explanation on specific country abbreviations.

Singapore (SG), New Zealand (NZ), Germany (DE), and Italy (IT) have achieved 100% e-take up for company registration and changes. These countries have implemented mandatory electronic filing for public and private limited companies. Other organisations/countries with a high percentage usage of e-Services are United Kingdom (UK), Ireland (IE), Canada (CA), Estonia (EE), Australia (AU), Luxembourg (LU), Romania (RO), Guernsey (GU), and Slovenia (SI).

By performing a regression analysis of these results, one gets a very strong correlation coefficient, R^2 , between the two dimensions: electronically submitted documents for company formation and electronically submitted documents for changes in the companies register¹¹. This implies that improving the e-Services in one dimension also influences the improvements of including e-Services in other types of registers. One could actually say that once you start to develop e-Services you tend to do so in the whole organisation.

Trends for ECRF¹² and CRF¹³ member organisations

Figure 12: *Trends in ECRF/CRF Electronic Submissions*, illustrates that CRF organisations/countries consistently receive a higher proportion of documents electronically than ECRF organisations/countries. This has been the case over the last few years.

We do not have any good explanation as to why there is a difference between ECRF and CRF. It could be the case that many CRF organisations are late adopters to business registers without the burden of legacy procedures and systems, as is the case in many European countries. They could possibly start with the state of the art framework much easier than those that must convert to one.

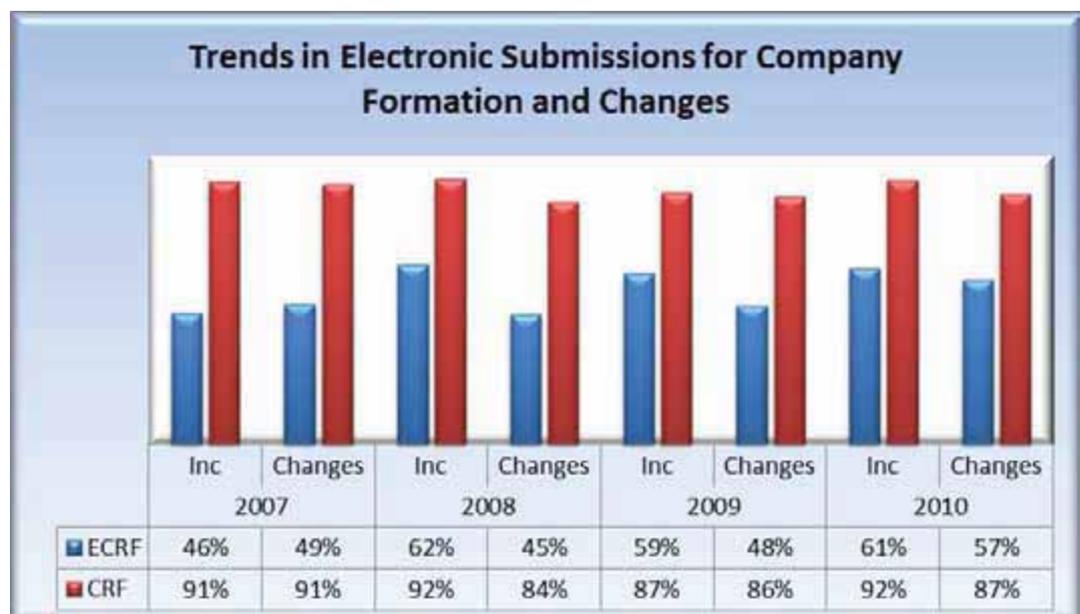


Figure 12: *Trends in ECRF/CRF Electronic Submissions*

¹¹ The R^2 value is as high as 0.89.

¹² European Commerce Registers' Forum

¹³ Corporate Registers Forum

In addition to implementing mandatory electronic filing, some CRF organisations/countries have undertaken initiatives to encourage e-take up. For example, New Zealand and Malaysia have introduced a one-stop-shop for businesses to transact with Government. New Zealand has introduced iGovt and Malaysia has introduced MyCoID.

ECRF organisations/countries have also done some work to encourage electronic filing. For example, Azerbaijan has a one-stop-shop for transacting with Government. Luxembourg and Lithuania have introduced electronic company registration, and Norway is continuing to make improvements in the availability of electronic filing facilities.

Trends for single organisations on electronic submissions for incorporations

Figure 13: *Trends in Electronic Submission for Incorporation, 2007 – 2010* shows the trend in the percentage of electronically submitted incorporations at different registries, between 2007 and 2010. Sweden has shown a marked improvement in the percentage of e-incorporations, increasing from 20% in 2007 to 65% in 2010.

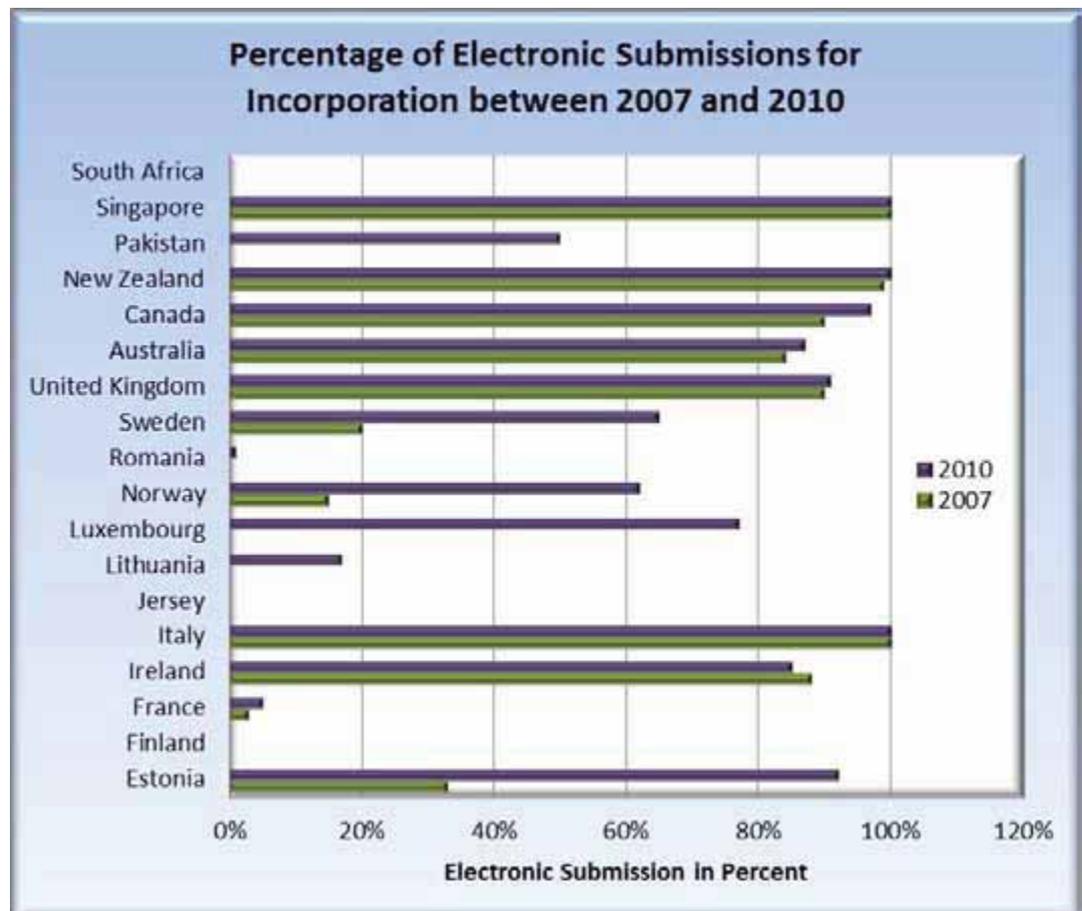


Figure 13: *Trends in Electronic Submission for Incorporation, 2007 – 2010*

The almost exclusive use of e-Services by outside agencies helping new companies (85%) and the deployment of an online service for business start-ups accounts for most of this. In addition, they charge less for using the new e-Services than for traditional paper, and one can pay the fees electronically. E-Services have become more widely accepted in society; this also helps explain the overall increase. Furthermore, security, processing speed

and traceability is significantly higher in the flow of e-Services than in traditional paper processing.

Estonia has also improved greatly, having increased from 33% in 2007 to 92% in 2010.

Trends for single organisations on electronic submissions for changes

Figure 14: *Trends in Electronic Submissions for Changes* shows the percentage of electronically submitted changes to company details at different registries between 2007 and 2010. The United Kingdom has shown a significant improvement in the percentage of changes in company details submitted electronically, particularly in changes to officer particulars. Encouraging customers to sign-up to Companies House PROOF (PROTECTED Online Filing) scheme has mainly achieved this. Thus by signing up to the scheme one commits to e-filing company changes, (changes filed on paper are accepted in good faith and are a potential source of fraud). Over a million companies are now opted into this scheme.

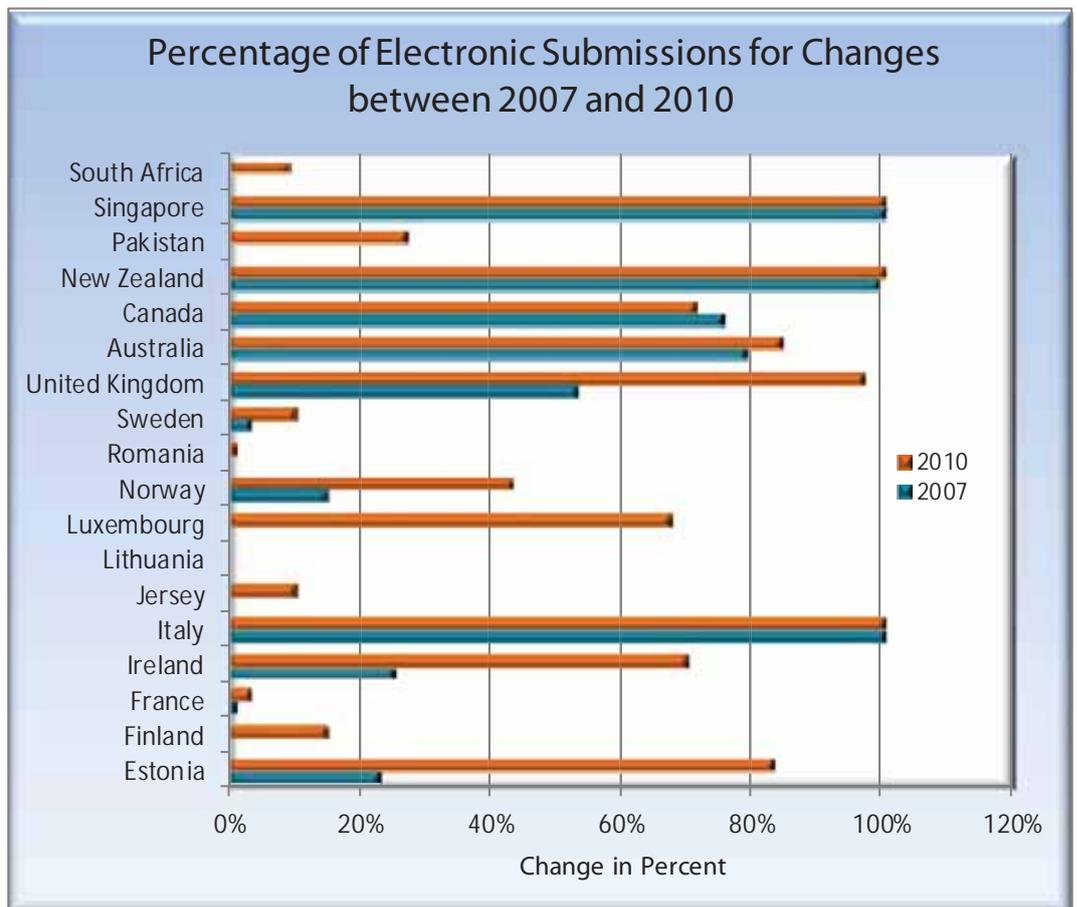


Figure 14: *Trends in Electronic Submissions for Changes*

Only nine organisations/countries have mandatory e-Services

Table 4: *Organisations/Countries with Mandatory e-Services*, shows countries where e-filing of documents is mandatory and where there are plans to make it mandatory. We have sorted the data by ECRF and CRF countries.

Existing Mandatory e-Services	
ECRF	CRF
Germany	Singapore
Italy	New Zealand
Hungary	British Virgin Islands
Austria	
Belgium	
Guernsey	

Table 4: *Organisations/Countries with Mandatory e-Services*

E-Services are mandatory at present for private limited companies in ten countries, four of which are CRF members and six of which are ECRF members (see Figure 15). Table 5: *Organisations/Countries Planning Mandatory e-Services*, further illustrates that this is an increasing trend. Figure 15: *Existing and Planning Mandatory e-Services*, shows the same data as a bar graph.

Planning Mandatory e-Services	
ECRF	CRF
Germany	Singapore
Italy	New Zealand
Hungary	British Virgin Islands
Austria	
Belgium	
Slovenia	
Guernsey	

Table 5: *Organisations/Countries Planning Mandatory e-Services*

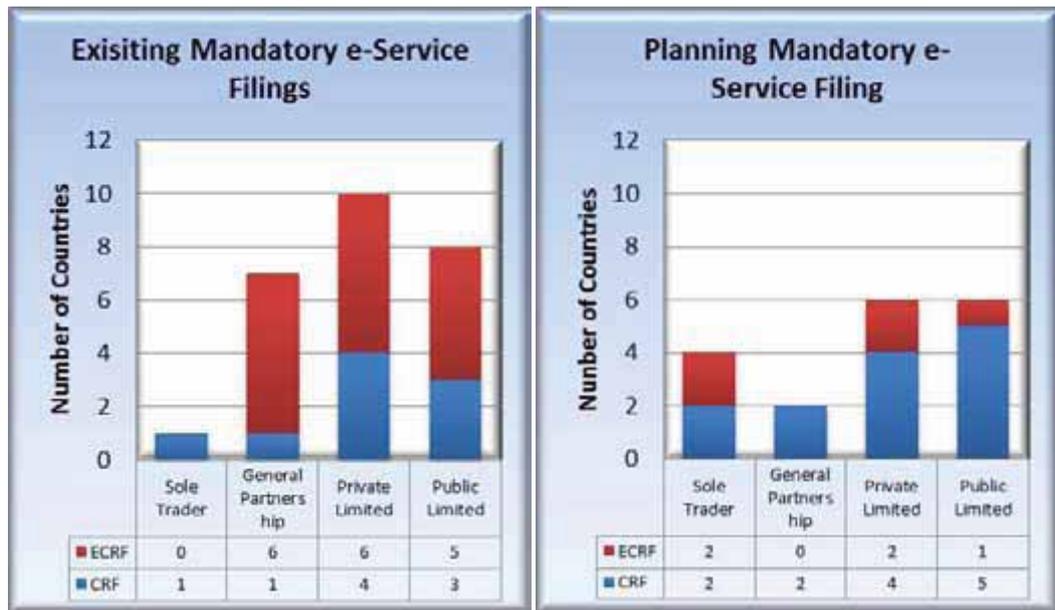


Figure 15: Existing and Planning Mandatory e-Services

For most organisations/countries it's possible to completely register online

Figure 16: *Possibility to Completely Register online*, shows countries where it is possible for companies to complete the entire registration procedure online, split by company type and ECRF vs. CRF countries. The graph illustrates that for private limited companies, in the majority of countries, it is possible to register online. Only 3 out of 32 countries have indicated that is neither possible, nor planned, to register online.

Online registration for public limited companies is available to a slightly lesser extent in ECRF countries and to a lesser extent again across ECRF and CRF countries for sole traders and general partnerships.

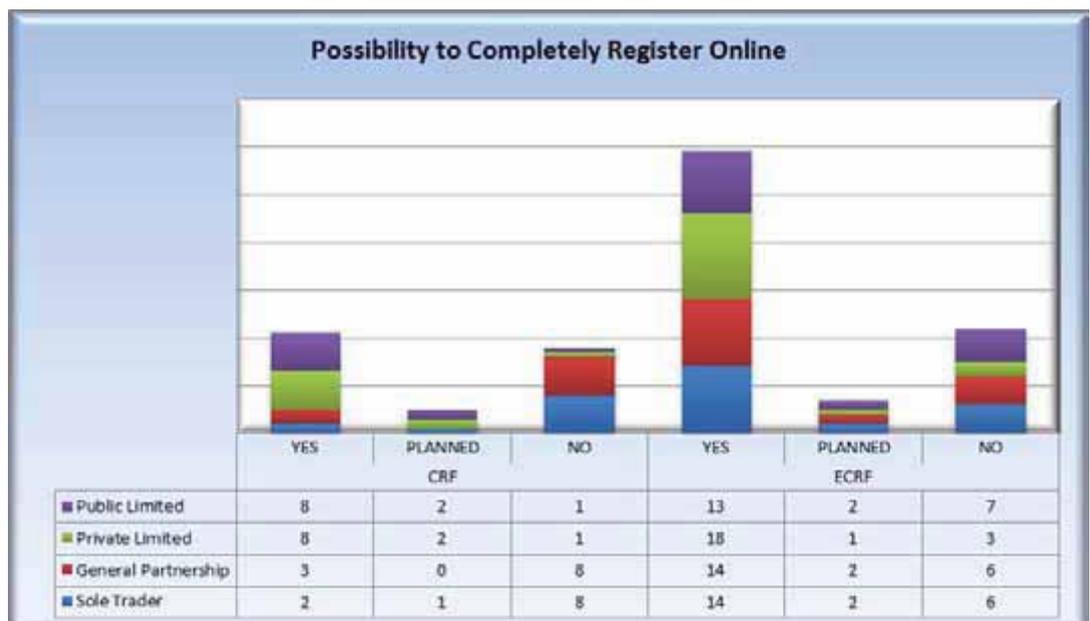


Figure 16: Possibility to Completely Register online

For many organisations there is a huge gap between the availability and use of e-Services

The green bar in Figure 17: *e-Services Opportunity Analysis*, gives an indication of the possibility for countries to make e-Services available, based on ITU internet penetration data.¹⁴ It compares a country's maturity with respect to internet connectivity (green bar) with the extent of e-take up from the country's registry (purple bar).

The best performers in this area are those countries with both a high degree of opportunity to provide e-Services (based on the ITU internet penetration statistics) and receive a large proportion of electronic filings, as for example, New Zealand, Singapore and Germany. These countries have gone further than simply making e-Services available; they have made the e-Services of documents mandatory for at least some company types and documents.

The graph also shows where there is scope to increase the provision of e-Services. For example, in Spain, Finland, Sweden, and Norway, there is a high level of maturity in terms of the ability to provide e-Services, but a low percentage of e-Services are available for use by customers of the business register.

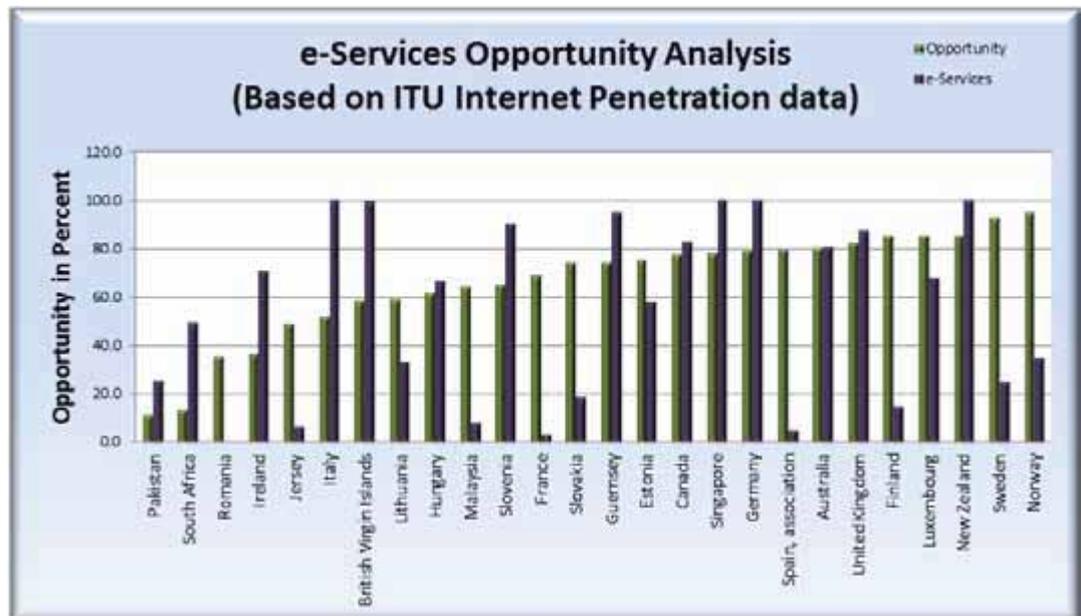


Figure 17: *e-Services Opportunity Analysis*

The graph below, Figure 18: *e-Services Availability vs. e-Services Uptake*, provides a useful comparison between the percentage of electronic services that are available and the Percentage of e-take up.

This graph measures e-Service availability according to how organisations have answered to four questions in the survey:

- *Do you provide the facility for electronic filing on your website?*
- *Are e-Services possible at your registry?*
- *Is it possible to use electronic signature on information that is transmitted electronically?, and*
- *Is it possible to completely register online?*

¹⁴ ITU (International Telecommunication Union) is the United Nations specialized agency for information and communication technologies – ICTs. The internet penetration data measures access to broadband, internet etc. in different countries.

Organisations that answered positively to all the above questions scored highly on the availability bar.

Countries with 100% uptake for e-Services are those that have implemented mandatory e-Services. Other countries where the use of e-Services is not mandatory but they have achieved high levels of e-take up are Australia, Canada, United Kingdom, Slovenia, and Guernsey. All of these countries have a relatively high percentage of services available electronically. Guernsey, for example, accounts for its high levels of e-take up through a combination of mandatory electronic incorporation and making company changes easier and cheaper to submit electronically.

The graph also highlights countries where a high percentage of services are available electronically but there is a low percentage of take up. For example, France, Spain, Malaysia, Slovakia, and Sweden provide 100% of their services electronically, but have an e-take up rate of between 5% and 25%.

The graph shows that there is a wide variation in the use of e-Services across different countries. Of the 26 countries analysed, 11 have an e-take up rate of less than 50% and 15 have an e-take up rate of more than 50%. This shows while the area is quite active there is still scope for improvement.



Figure 18: *e-Services Availability vs. e-Services Uptake*

Chapter 3 : Cost, fees and charges

This third chapter relates to cost, fees, and charges. In content and in data, it is new to previous reports and surveys. The ECRF¹⁵ working group concluded that comparing and benchmarking the types of fees, cost and charges that are collected, is an important aspect of learning between registers since it will give a better understanding of how different registers are paid for and the type of fees that are collected. It can also be a source of knowledge for comparing trends and challenges regarding productivity and cost efficiency. Therefore, new questions were included in this year's survey related to the number of people employed by different registers and cost for different types of registration.

We make some preliminary efforts to compare between registers. However, the chapter has been difficult to write because there is a lack of history of making comparisons regarding costs, fees, and issues related to cost efficiency in the ECRF benchmarking project. This means that there is a lack of a common denominator regarding measurements and that the new questions introduced in this survey have been difficult to fill out for some organisations. The chapter represents a starting point for future developments with the aim of finding better indicators to compare registers. For these reasons, the chapter is more descriptive than analytical; and we constructed it around the questions concerning issues such as the source of funding, and the types of fees and charges collected. We also include possible explanations for differences in levels of fees and charges. Nevertheless, as said earlier, this is the first attempt to embark on a new area earmarked for development in future surveys and reports.

Since some of the organisations participating in the survey have had difficulties in answering these questions, we advise the reader to accept the results with caution since errors may exist resulting from their interpretation of the questions.

Government funding is slightly more common than other (private) funding

In the survey the organisations were asked to answer a question regarding funding. The options available to choose between was governmental funding and no funding (private funding, cf. Figure 19: *Source of Funding*). Of the 46 organisations that answered this question 24 (52%) answered that the budget was based on government funding and 22 (48%) that no funding existed. Comparing the two organisations ECRF and CRF¹⁶ produces no obvious differences. The number of organisations receiving government funding is slightly higher for CRF (53%) than for ECRF organisations (51%).

In addition, when the organisations answered the question as to who operates the business registry, the majority - almost 70% - replied "the government". Other juridical forms for running register are court of justice (20%), chamber of commerce (8%), and privately owned companies (3%). The latter is Gibraltar.

¹⁵ European Commerce Registers' Forum

¹⁶ Corporate Registers Forum

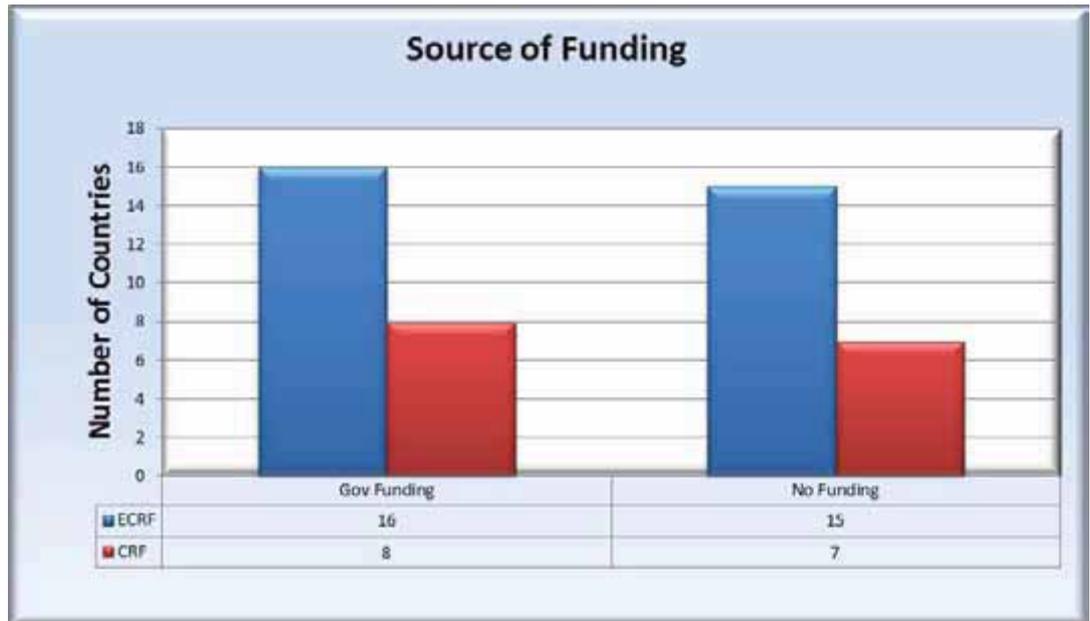


Figure 19: Source of Funding

What fees and charges are collected?

Key to the area of funding is what types of fees and charges are collected. Of the organisations that have answered the survey, 91% collect some sort of fees or charges (see Figure 20: *Fees Collected by the Registries*). The three organisations that provide their services without fee are Azerbaijan, Slovenia, and Spain Central. Even though most organisations collect fees and charges, 87% state that some e-Services are free of charge.

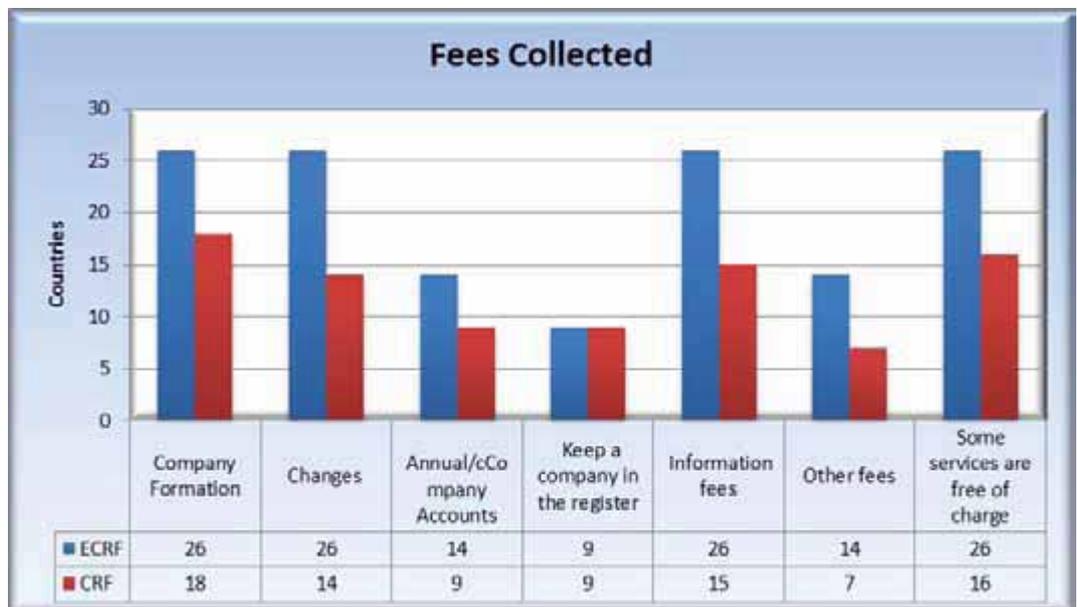


Figure 20: Fees Collected by the Registries

When it comes to the different types of fees and charges, the pattern is very similar between ECR and CRF organisations. The most common fees that are collected are fees for company formation, the registration of changes and search fees. The most obvious difference is that it is more common for CRF than ECRF organisations to take fees to keep

a company in the register; 50% of CRF and 30% of ECRF organisations state that they take fees for keeping a company in the register.

Do you apply the cost-covering principle when setting your prices?

Most organisations collect some sort of fees and charges and provide services free of charge. When organisations are asked directly whether they apply cost covering principles when setting prices, 48% report that they always do, 40% that they sometimes do and 10% that they never do (see Figure 21: *Cost-covering Principle when Setting Pricing*). The pattern amongst ECRF and CRF organisations is almost identical and only a small percentage of difference between the two groups.

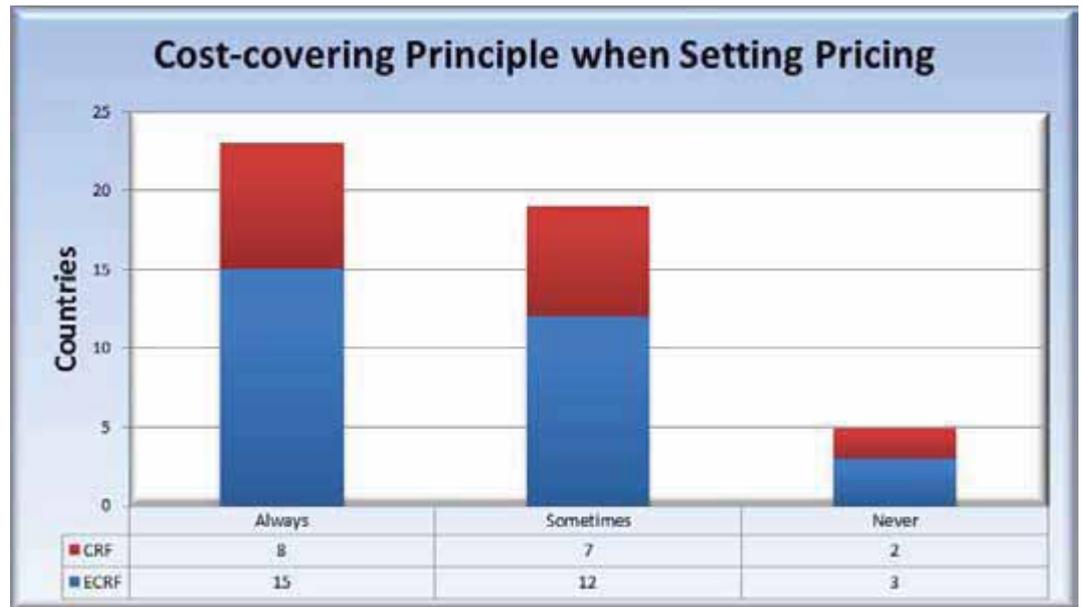


Figure 21: *Cost-covering Principle when Setting Pricing*

The complexity between registers differs

The working group made some early attempts at introducing an indicator describing cost efficiency and productivity. This turned out to be very difficult because some of the answers regarding the number of people employed was unreliable, most likely because of different ways of interpreting the question. At the same time, this area is a very important one and we must develop it further in future reports. We have put a simple graph together in an attempt to show that the complexity is not the same for all types of organisations.

The Figure 22: *Activity per Registered Company* below shows the number of registered changes, total number of new company registrations (adds) and total number of company terminations (deletes) as a percentage of total number of registered companies per organisation and year. As can be seen in the graph the organisations vary from Gibraltar where each company registered causes 2.42 registered changes, additions and deletions to Germany where every registered company only causes 0.01 changes, additions and deletions. Provided that all organisations have interpreted the question the same way, the graph shows that some organisations have more activity in their operation, perhaps caused by being responsible for more registers or that the legal systems in different countries call for more recurring information to be registered/updated. Based on such an assumption Gibraltar, Ireland, New Zealand and Guernsey operates the most active registers.



Figure 22: Activity per Registered Company

If we compare the indicator above with the percentage of documents submitted electronically (see Figure 11: *Percentage of Documents Submitted electronically for Registrations and Changes*), one would expect to find some kind of correlation with the number of registered changes, additions and deletions. In fact, we find that a business register is as likely to introduce e-Services whether there are many or few changes, additions, and deletes per registered company. Meaning that having many submissions per year does not automatically promote the conclusion that introducing e-Service, as a way of fostering productivity and cutting cost, is seen as important.

In future reports, we must compare these types of indicators to the number of people employed in order to make it possible to come up with assumptions regarding development in productivity and cost efficiency.

No comment on price setting between registers

The previous graphs in this chapter show great similarities when it comes to how organisations are funded and what types of fees and charges that are collected. This is true for both the population overall and when comparisons are done between ECRF and CRF organisations. In order to deepen the discussion regarding the funding of organisations and the pricing of services, we have added a graph comparing the source of funding and average incorporation price¹⁷.

Figure 23: *Comparing Source of Funding and Average Incorporation Price* shows that there are differences between organisations as well as between ECRF and CRF members. The average incorporation fee ranges from 8 € to 397 €. The average incorporation price is lower for organisations with no government funding than for organisations that have governmental funding. The average incorporation price is 60 € for the former and 172 € for the latter organisations. The explanation for this huge difference in setting prices (112

¹⁷ To derive the average incorporation price, one multiplies the price for incorporating different types of companies by the total number of incorporations for 2010 divided by the total sum of incorporations for the same year.

€), it not easy to determine; all respondents to the above question also apply the principle of cost covering when setting prices.

One obvious caveat to the reasoning above is that it is only the pricing of incorporations has been analysed. It could be that the cost recovery principle that organisations say that they apply reflects the total sum of services they provide and sell, and it does not necessarily apply to each individual service. This could mean that some services are under-priced while others are overpriced.

Another possible explanation is, of course, that the differences reflect the general economic development of countries. One expects a higher incorporation price in countries with a high GDP and average income levels, while one expects a lower one in countries with a low GDP. To some extent, one draws such a conclusion by observing Figure 23: *Comparing Source of Funding and Average Incorporation Price* for comparison. Some of the lowest incorporation prices exist in countries such as Tunisia (8 €), Pakistan (18 €), Sri Lanka (28 €) and Botswana (30 €), and some of the highest incorporation prices in countries such as Liechtenstein (394 €), Norway (374 €), Australia (300 €), Finland (261 €), Singapore (215 €) and Sweden (182 €). At the same time this, is not quite true for all countries since countries such as United Kingdom (17 €), Denmark (36 €) and New Zealand (45 €) have among the lowest incorporation prices of all countries.

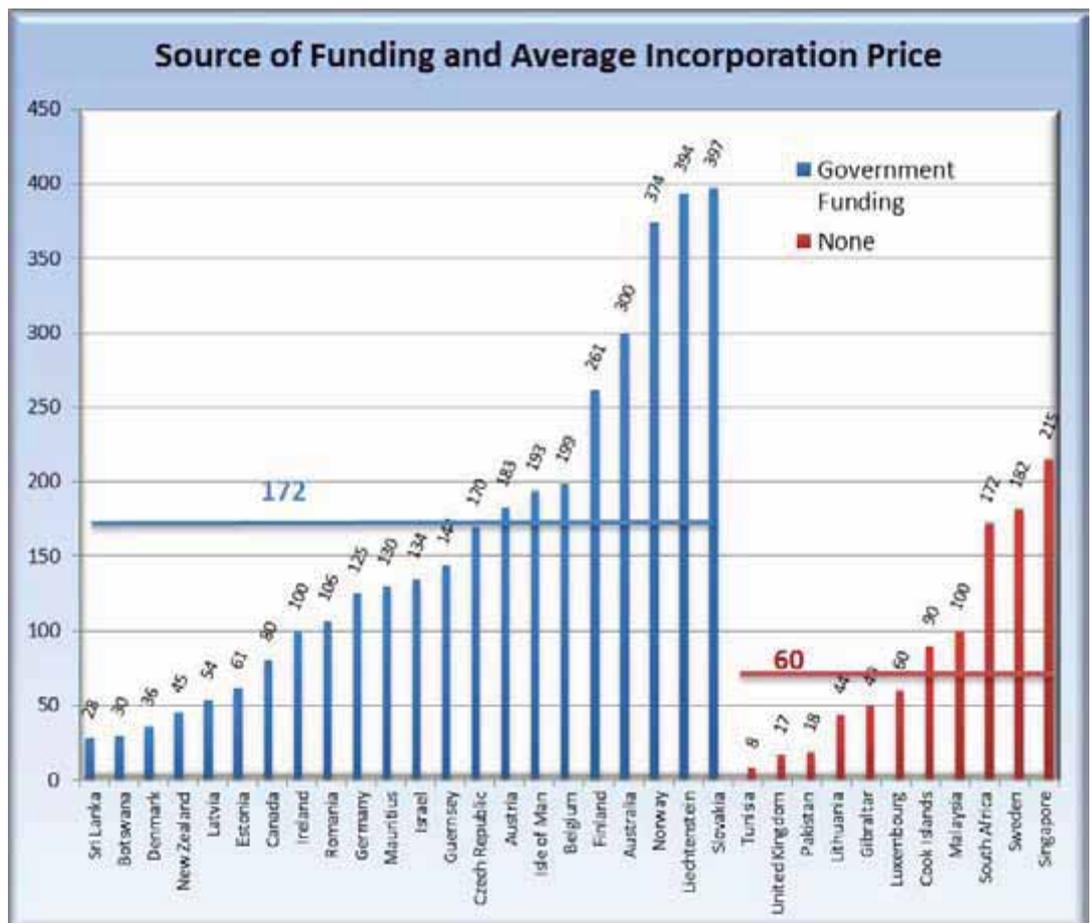


Figure 23: *Comparing Source of Funding and Average Incorporation Price*

One aspect of the graph which is, perhaps, most difficult to explain is the difference that exists between government funded organisations and non-government funded

organisations. One possible explanation is that running an organisation solely on income from fees and charges encourages greater awareness of income and expenditure resulting in a more cost-conscious approach to budgeting. Another possible explanation is that having government funding means that the resources received from incorporation are used for other purposes within the field of commercial policy, not necessarily implying that services are less cost sensitive in such organisations, but that the income received may be important for stimulating other business areas.

Nonetheless, the results presented in the graph clearly show that benchmarking and learning between organisations are important to develop a better understanding of how to price services. The results also show that the cost recovery principle is not an easy one to apply. We recommend a collective approach between registers to understand the techniques and principles of calculating the cost and benefits associated with different services.

The use of e-Services does not affect the pricing of incorporating new companies¹⁸

The last graph in the chapter (see Figure 24: *Impact of e-Services in Average Incorporation Price*), compares the percentage of documents submitted electronically to the average incorporation price. The assumptions made in this graph is that there should be a correlation between the average incorporation price and the use of e-Service, meaning that a widespread use of e-Services should result in productivity gains and ultimately lead to lower prices for the e-Services provided.

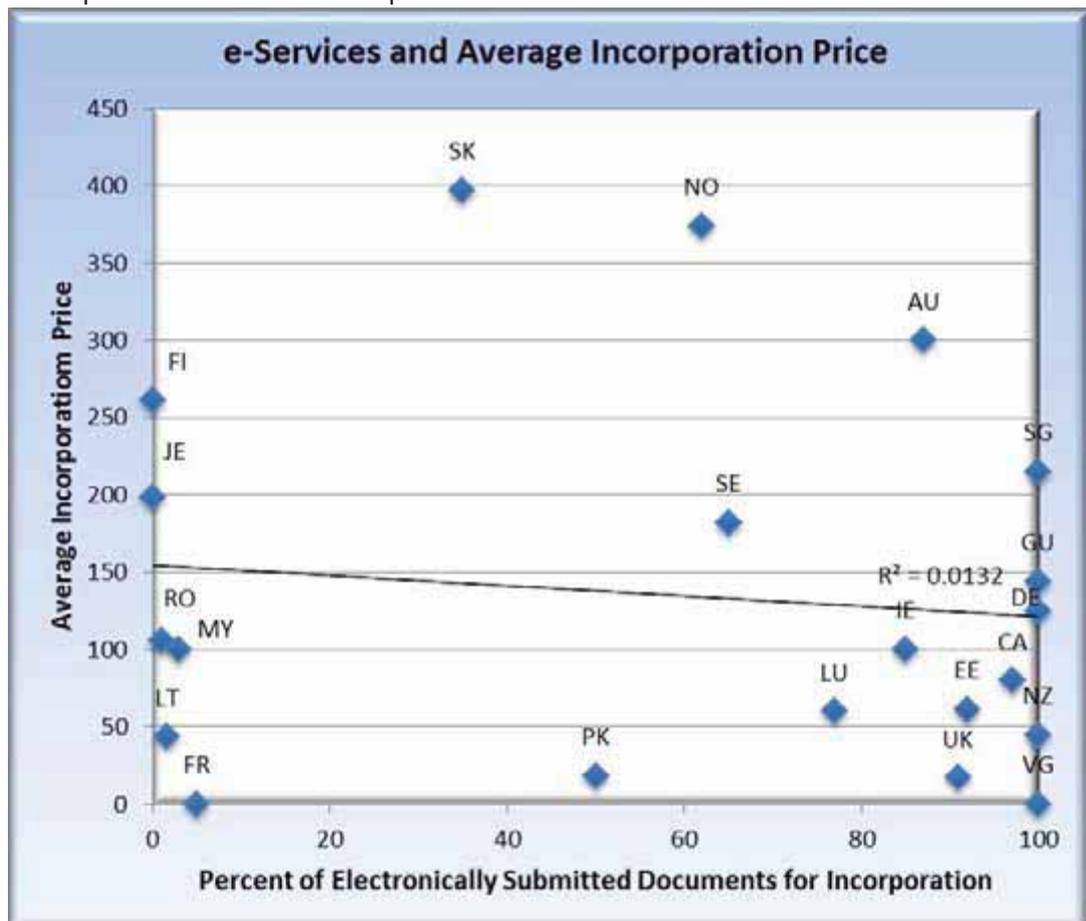


Figure 24: *Impact of e-Services in Average Incorporation Price*

¹⁸ See appendix, table 6: List of Two-letter Abbreviations Codes, for explanation on specific country abbreviations.

As can be seen, we observe no such correlation. Among countries with almost 100% of the documents submitted electronically are organisations with very low and very high incorporation prices. The same goes for countries with a low percentage of documents submitted electronically. It does not matter whether we break down the grouping of countries according to indicators such as ECRF/CRF or Government funding or not, there are no strong linkages between incorporation prices and the use of e-Services. The lack of correlation once more proves the point that we need to understand more about e-Services and the logic of introducing these types of services and what the true benefits can be.

Chapter 4 : Business dynamics

Business dynamics is a completely new part of the ECRF¹⁹ report. Throughout the working group discussions it became clear that we should do more regarding not only extracting information about registration procedures, but also information regarding business climate and dynamics.

Registration organisations as a group have more contacts with the business community than most other types of organisations. The knowledge hidden in these contacts is a gold mine for those interested in these types of questions and an experience that can complement the knowledge extracted from statistics provided by financial actors and administrative statistical agencies. In a global financial integrated world, the updated and accurate knowledge provided by registers can be a more micro level approach of understanding financial and economic changes. In future reports and surveys, we intend to develop this part of the ECRF Survey to fulfil the needs among registries and other organisations interested in getting better insights about global economic changes.

We have structured the chapter around questions asked in the survey regarding the termination of companies, incorporation of new companies, number of companies registered, types of companies registered and finally the number of cross-border mergers.

Creative growth and decline – new company formation and termination seen from a registration perspective²⁰

Figure 25: *Percentage of Deletions vs. Percentage of New Registrations* is an attempt to measure the business dynamics in different registers/countries. We compare the total number of new registrations (incorporations) and terminations (deletions) as a percentage of total number of registered companies. We performed this calculation for all organisations/countries participating in the 2010 Survey. It is possible to discern four different types of patterns from the graph.

- In the upper right corner we will find countries with a “Silicon Valley type of situation”, symbolised by both a high degree of new company creation and a high degree of terminations. This implies that new companies replace old and unsuccessful ones contributing to continual flow of innovation and change that rejuvenate the local/regional economy. In this square, we find countries such as Serbia (RS), United Kingdom (UK), Singapore (SG), and Denmark (DK)²¹.
- One would also expect to find developing regions in the upper left square characterised by high percentage of new company creation and low percentage of terminations. Here we have five countries or organisations; Hong Kong (HK), the Netherlands (NL), Estonia (EE) Mauritius (MU) and Latvia (LV).
- As shown in the graph most of the countries/organisations cluster in the bottom left corner: small percentage of new companies and terminations, which is typical for stable economies.

¹⁹ European Commerce Registers' Forum

²⁰ See appendix, table 6: List of Two-letter Abbreviations Codes, for explanation on specific country abbreviations.

²¹ We use the United Kingdom (UK) to illustrate as an example. In the graph United Kingdom shows a pattern where 14 out of 100 companies that exist in the register are new companies (14%), and 13 out of 100 companies that exist in the register are deleted/terminated companies (13%).

- The fourth quadrant indicates those countries in which there are more terminations than replacements; only Lichtenstein (LI) is clearly in this quadrant but the root cause may be changes in the registry rather than lack of positive business dynamics.

When we compare the different organisations, there are a slightly higher percentage of new company formations and terminations in CRF²² organisations than in ECRF organisations. This is in line with most of our assumptions regarding business dynamics in Europe compared with the rest of the world.

However, when interpreting the data we have to be cautious, because these figures are based on registration. It means that an organisation's position on the chart changes if the organisation has done some changes in their routines due to legislative directives or, if the organization has decided to clean out non-active companies.

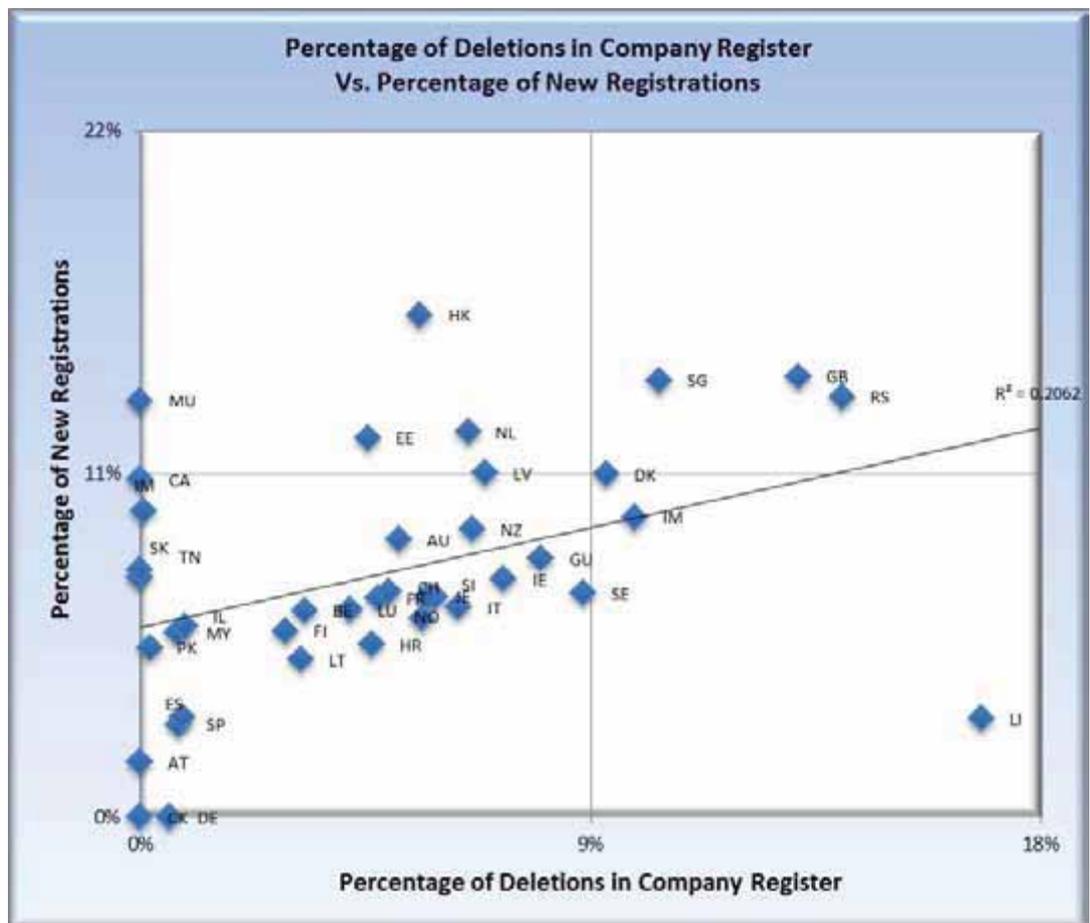


Figure 25: *Percentage of Deletions vs. Percentage of New Registrations*

The need for caution when interpreting the data is clearly shown when we try to compare real GDP growth with the indicator used to describe different countries business dynamics. In some cases, there is a correlation between the two such as Singapore (SG) and Hong Kong (HK), shown by a high real GDP growth of 14.14 and 6.8% respectively, followed by a high degree of business dynamics. For other countries such as Serbia (RS), United Kingdom (UK) and Denmark (DK), this is not the case since a high degree of business dynamics is followed by a slow real GDP growth of 1.8, 1.2 and 2.0% respectively

²² Corporate Registers Forum

for 2010. At the other end countries such as Sweden (SE) and Israel (IL) shows a low degree of business dynamics but at the same time have had fast growing real GDPs during 2010²³.

Trends for ECRF and CRF regarding terminations and new registration

In Figure 26: *Additions as a Percentage Total of Number of Companies*, and Figure 27: *Deletions as a Percentage of Total Number of Companies*, we compare ECRF and CRF for the period from 2007 to 2010. Only the countries that have responded for all the years measured are included in the two graphs.

The trends do not follow the same trajectories for ECRF and CRF in the two graphs below. To some extent, one can interpret both cases as CRF organisations (as a group) as having a better position and capacity to cope with economic decline and development. In the graph showing additions as a percentage of total number of companies, CRF organisations have climbed from 7% in 2007 to 11% in 2010. Even during the economic downturn in 2008 and 2009 the number of additions (creation of new firms) rose. Compared to ECRF organisations, the percentage of additions is virtually at the same level 2010 as 2007; 9% 2010 compared to 8% 2007, and with a significant downturn of additions (creation of new firms) during 2009.

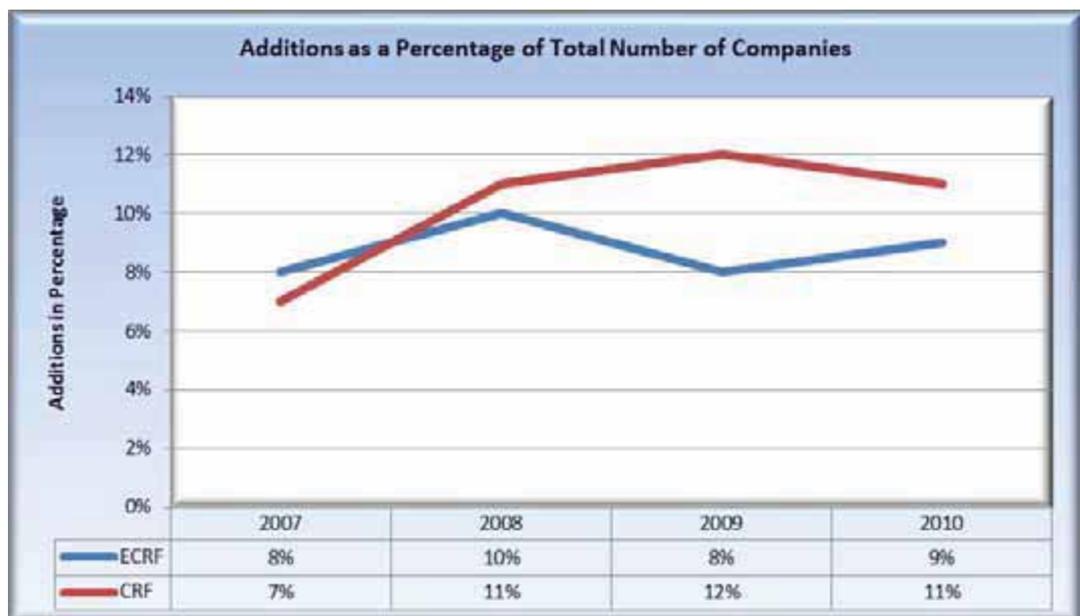


Figure 26: *Additions as a Percentage of Total Number of Companies*

In 2010, the percentage of deletions is significantly lower for CRF than ECRF, 5% for CRF compared to 7% for ECRF. This indicates once again that, based on the chosen indicators, CRF is performing better than ECRF organisations. In contrast to new firm creations (additions), both ECRF and CRF organisations had a major increase in deletions during the economic downturn in 2008 and 2009, indicating that economies in both member countries were struck by the economic recession 2008/2009. For both ECRF and CRF organisations there have been an increase in deletions during the period, so that the percentage of deletions is around twice as high in 2010 compared to 2007.

²³ See International Monetary Fund

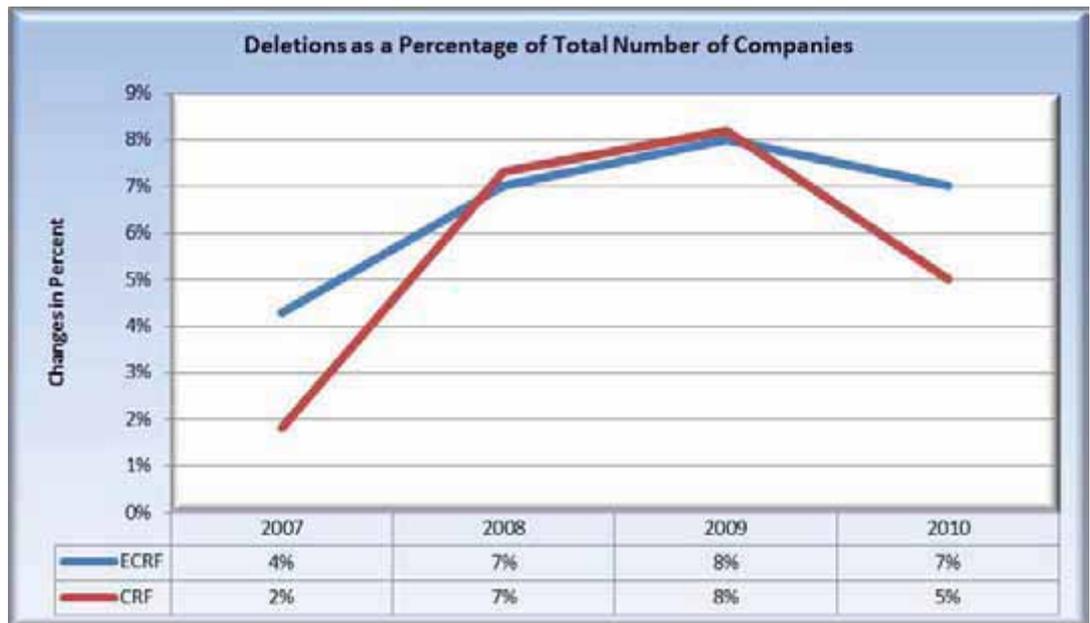


Figure 27: *Deletions as a Percentage of Total Number of Companies*

To sum up, if we make an analysis based on registrations and effects changing global markets it becomes clear that CRF organisations/countries have coped with economic decline in 2008 and 2009 in a better manner than ECRF organisations. The financial situation that some European countries for the moment find themselves in is just a confirmation of the data presented in graphs in this chapter.

Company turnover for different organisations/countries

An alternative way of benchmarking the net effect of companies is to calculate the turnover for a single year, in this case 2010 (difference of new incorporated companies minus terminated divided by the total number of companies). Expressed as a percentage of total number of companies, it provides an indicator of the net company turnover for each organisation/country. As seen in Figure 28: *Company Turnover*, different patterns exist for the organisations/countries participating in the survey.

One general conclusion is that most countries experience a positive net effect, with more companies created than terminated. This is most evident for Estonia (8.3%), the Netherlands (6.4%), and Pakistan (5.6%). For four organisations/countries a negative net effect can be observed, with Lichtenstein (-14.3%) as the most obvious case followed by Romania (-3.4%), Sweden (-1.6%), Serbia (-0.6%) and Germany (-0.5%). Same disclaimer applies here as in the previous subchapters, since this is registration activities that are measured and changes in legislation and registration procedures will effect organisations order of precedence.

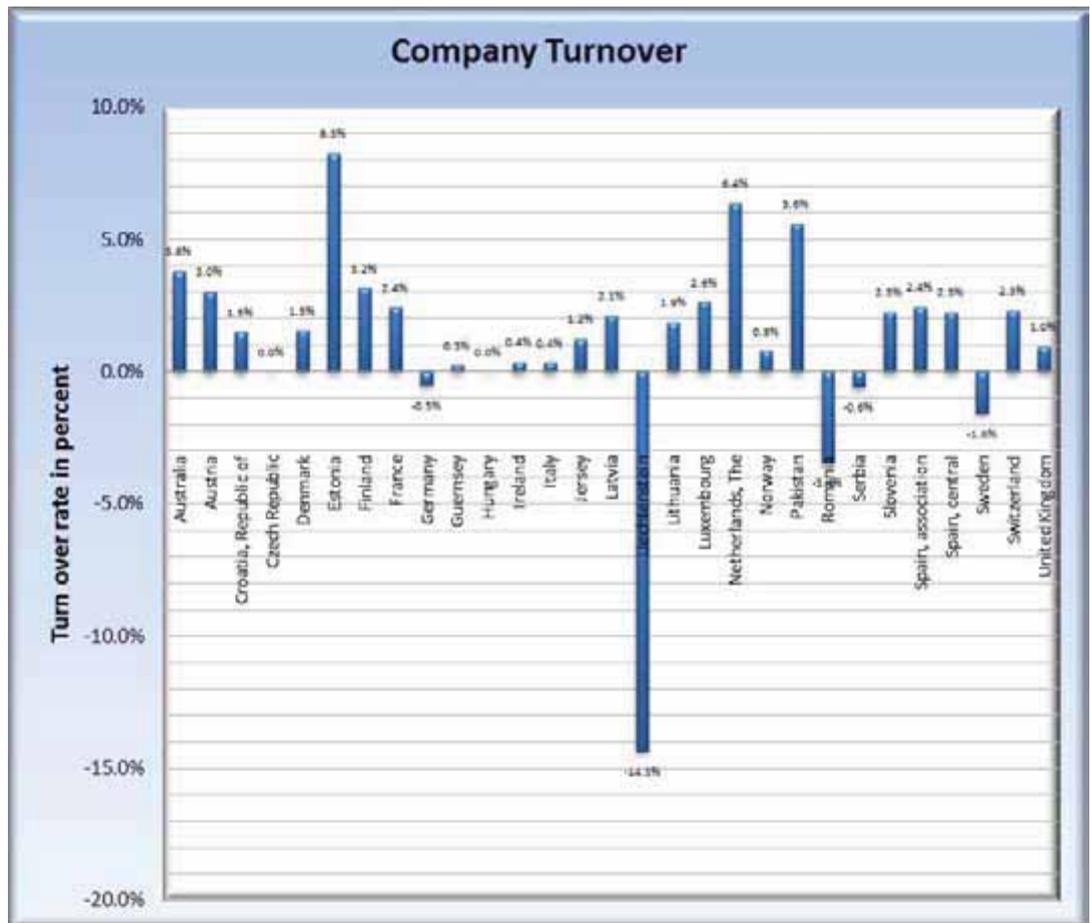


Figure 28: Company Turnover

Private limited companies are the most common types of companies created. In Figure 29: *Firm Creation 2007 - 2010*, we attempt to look at the different types of new firms. In the survey, we asked the participating organisations to specify the total number of companies distributed according to the most common company types such as sole trader, general partnership, private limited company, and public limited company. As can be seen in the graph below the most common company type is private limited company. Almost 54% of the firms created in 2010 were private limited companies. It is more common for CRF organisations to register private limited companies than for ECRF organisations.

On the other hand, it is more common for ECRF organisations to register sole traders. Sole traders make up for almost 33% of the companies registered in 2010 among ECRF organisations, compared to 22% for CRF organisations. If we analyse the trend between 2007 and 2010 the major changes are that the percentage of companies registered as private limited companies increases from 45% in 2007 to 54% in 2010, and that the percentage of others types of registrations decreases from 15% in 2007 to 8% in 2010. In other words, there is a trend for greater registration of private limited companies at the expense of other types of companies²⁴. The global trend of decreasing the amount of share capital needed for starting a private limited company and in some countries making it non-compulsory for

²⁴ This could also reflect a natural evolution from private limited companies to public limited companies following the financial crisis; in most cases, public limited companies would have started as private limited companies.

the smallest companies to have a company auditor, have most certainly played a role in making it more common to use this type of company when setting up your own business. One of the upturns of this streamlining is of course that in the end it should make it easier to conduct business between countries both in terms of trade and company mergers.

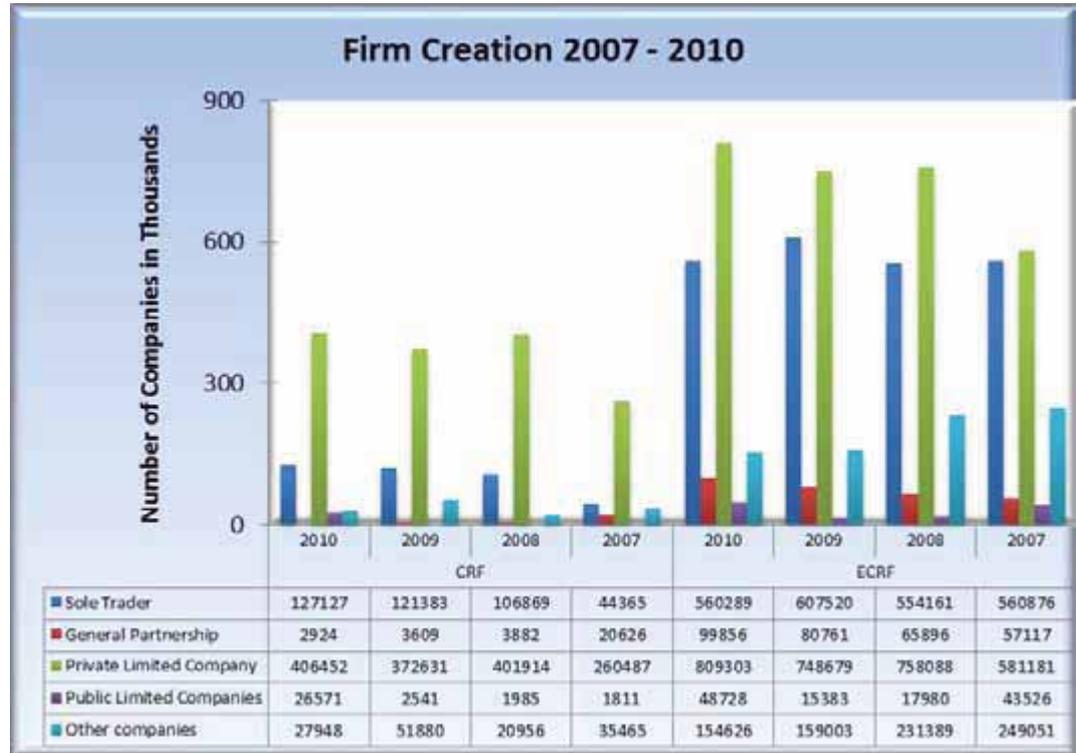


Figure 29: Firm Creation 2007 - 2010

Cross-border mergers may have long term effects on the regional economy but are not that common.

The last part in the chapter on business dynamics is about cross-border mergers. The survey asked organisations to specify the gain and losses caused by cross border mergers during 2010. Only 13 countries responded to this question, all from the ECRF group.

As portrayed in Figure 29: *Cross-border gains and losses*, there were not that many mergers during 2010. Of the 173 mergers, 88 were gains and 85 losses, therefore, an almost zero sum game, but from the answers, we do not know whether this primarily constitutes a tug-of-war between European countries, or whether there is an inflow and outflow of Headquarters between Europe and other regions.

The indicator as such is an interesting one to analyse because there is an important research topic in economic research concerning the long-term effects of foreign owned companies. The assumption is that when a headquarters is relocated from one region to another there will be a following effect of relocation of research and development (R&D) and, in the long run, production.²⁵ The indicator perhaps says something about access to different markets and something about the business climate in different regions concerning such aspects as taxes and bureaucratic burdens.

²⁵ For more information on this topic, see for instance Malmberg, B. (1990): The effect of external ownership – a study of linkages and branch plant location, Uppsala University.

The chart below, Figure 30: *Cross-border Gains and Losses*, shows that seven countries have lost more companies than they gained in the event of a merger between companies. Those are Luxembourg, Denmark, Estonia, Liechtenstein, Latvia, Switzerland, and Ireland. Of these countries, Liechtenstein also had a low result when we considered business dynamics.

On the opposite side, you have five countries that gained more than they lost after companies have merged. Those are Belgium, British Virgin Islands, Sweden, Lithuania, and Finland. Of these countries, none is performing above average when we considered business dynamics in previous subchapters. This implies that there is no simple correlation between the two and most likely, a time gap exists. Effects measured as changes in start-ups and terminations will follow short term fluctuations in the global economy while effects causing shifts in cross-border mergers are more long term caused by shifting taxation and legislation. In future reports, we will scrutinize these factors in more detail.

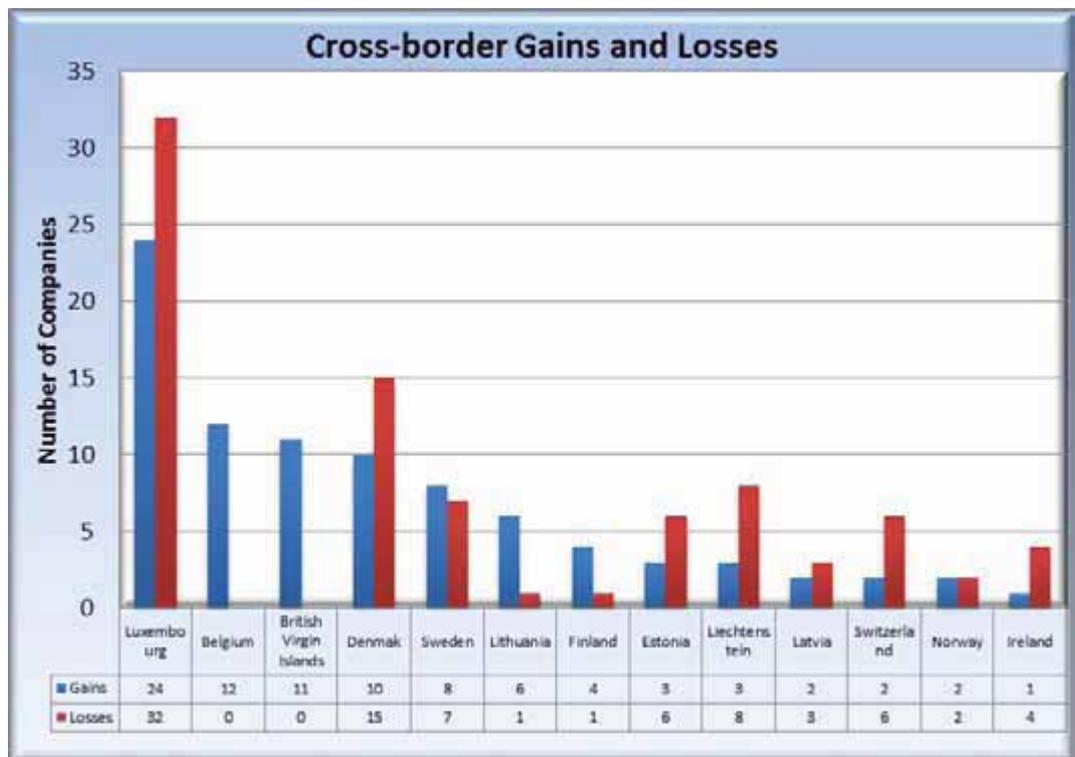


Figure 30: *Cross-border Gains and Losses*

Chapter 5 Legal and institutional settings

The final chapter in the 2011 ECRF²⁶ Survey Report is devoted to legal and institutional questions. The idea to include this chapter came from the discussions in the working group that not only statistics about registration matters should be included in the report but also analysis and descriptions about changes that affect the legal and institutional setting that constitute the framework within which registries operate.

We structured this chapter in two parts. The first is a reflection of an open question asked in the survey about legal and institutional changes that have affected the registry and/or the registration activities. The question in the survey is a kind of background question that we wanted to use to see what kind of trends there might be in legal and institutional changes. It was also a way of getting a better understanding of what lies behind different organisations' statistics and why they have improved or not.

The second part is a case study of one single country. We choose this approach to get more in-depth knowledge on what is happening on a national level. We felt that the case study would make a fitting additional contribution and increase its benchmarking capacity. The Netherlands have been chosen as the country to study for the following reasons: the country has, for the last four years, achieved a major decrease in time for processing incorporation (from 8 to 1 hour between 2007 and 2010), as well as in time to process changes (from 8 to 4 hours). In addition, the country enjoys a positive reputation when it comes to policy initiatives concerning cutting bureaucratic burden and business registration (introduction of Standard Business Reporting, SBR, early movers towards eXtensible Business Reporting Language, XBRL, etc.).

In this chapter, we are presenting mostly comprehensive trends based on the survey and a description of on-going co-operation in the Netherlands between the National Tax Authority and Business Register.

Main trends according to the survey

The open question asked in the survey - to describe any major changes during the last year that have affected your registry and/or the registration activities - addresses some of the major reasons for the creation of both ECRF and CRF²⁷, the exchange of practices and sharing of knowledge between the business registers. In spite of that, we received only 20 replies from the 48 organisations participating in the survey, and only 18 provided some content in their replies. The ECRF Survey Working Group will further discuss this aspect and will propose a better and more effective way to collect experiences and practices, so enhancing the role of this kind of exercise.

Although we detected very few specific trends in the survey, we would like to point out some interesting changes and/or evolutions in the business registers activities, stemming from the survey analysis²⁸:

- More detailed checking on company names before granting the authorisation for the incorporation of a new company in order to provide more transparency on the market and prevent frauds.

²⁶ European Commerce Registers' Forum

²⁷ Corporate Registers Forum

²⁸ Contact details of the jurisdictions where these developments are taking place are available on request

- New legal form for private limited liability companies that can be established with a very limited capital (close to 1 €), so confirming a sort of competition between jurisdictions to attract companies establishment.
- New IT platform with a variety of functions and information combined with a nationwide accepted government electronic key.
- Increasing usage of XBRL as standard format to send, receive, and store company annual accounts, so improving the quality of the stored data and providing better services for the users of the annual accounts information.²⁹

The case of the Netherlands – Co-operation National Tax Authority and Business Register: joint registration

In most countries, a starting company has to fulfil lots of paperwork in order to register the business, register with the tax authority and various others. For a start-up, these registration procedures are most of the times an annoyance specifically when noticing that many governmental organisations ask for the very same information. Therefore, in the Netherlands, the tax authority and the business register merged the information and for the last three years, a starting company can register at the same time for the business register and the tax authority. When the company is fully registered, the entrepreneur leaves with the number of the business register and his VAT-number.

The previous process in place by the tax authority entailed a separate form filled by a legal representative of the starting company. In the current process, the entrepreneur, together with a trained and well-informed staff member of the business register, fills out the data. The tax authority gets better information, have less need for questions, and can concentrate on their main task: impose and collect taxes. There is a high degree of appreciation from entrepreneurs as there is one less organisation to visit when they start a business: “joint registration ends many irritations”.

The starting approach

Starting this co-operation seemed easy at first, but barriers quickly followed in the form of:

- Payment
- People involved
- Different definitions of entrepreneurship
- Reaction of intermediaries
- Getting agreement on a common direction

The management of both the tax authority and the business register were involved in the project - not only at the start, but also throughout its entirety. Therefore, they could freely engage in the payment issues. The tax authority settled to pay the average time the business register needs to fill out the registration forms for the tax authority.

Changing the process meant that the people working for the tax authority responsible for the registration of new companies were losing their jobs. Therefore, one had to consult with the central organisation of employees of the tax authority. Because the management of the tax authority very much wanted this new process, the project continued even though the formal route of consultation had not finished.

²⁹ If more knowledge is required about the progress of XBRL in Europe, we recommend the reading of Verdin, T. (2011) Cross Border Communication, BR vol. 01, issue 01.

The business register use one definition for a company; the tax authority, on the other hand, uses various definitions. There is one for the VAT, and one to decide whether to consider the entrepreneur as a "full entrepreneur", thereby enjoying the tax benefits for entrepreneurship. One needed to fill out a form for the tax authority registration. No background knowledge existed on what percentage accountants or auditors filled out, nor was it possible to foresee whether the world of accountants were happy with this new approach. It could cost them a paid service.

The last point in the list is common for many projects of this kind. The Business Register underestimated the complexity that co-operation with an organisation of more than 30 000 employees truly means. It felt, at times, as if complex structures encapsulated easy-to-solve problems. The conclusion was that one must, in a project involving a complex organization, account for these facts in the project-planning phase.

Legal aspects and the organisation of the project

For this project, the director of the tax authority signed an agreement for the project including the pilot. Because a business register cannot require the co-operation of a company to register with the tax authority, participation was voluntary. At first, one thought that working with the tax authority meant that one needed a confidentiality agreement from the entire staff of the business register. After reconsideration, this became unnecessary. The information is more or less the same as for the business register and estimations of investments, turnover, and profit are not confidential. In the Netherlands, all agreed that the confidentiality for the business register also meets the needs for the tax authority.

After the agreement, we created task forces from both institutions, and responsibilities divided. At the start of this project, we made a thorough investigation of the new company registration process for the tax authority and compared the objects to those needed for the business register. Both organisations appointed a responsible project leader who periodically gathered and shared information with the entire project staff. The team celebrated every success. At times, even though such meetings seemed of little value for the people directly involved in the project, they helped with gaining and maintaining support at various levels. In addition, staff presentations from one of the authorities on the value and successes of the project were of high interest.

Linked systems

Technically, we linked the tax registration to the registration of the business register. The tax authority also needs to have all the basic company data that one registers with the business register. It was logical for the Business Registry to start the registration for the register. When starting the tax registration, the process automatically filled the necessary forms with all relevant information that by then was already in the business register. Moreover, they only asked and filled out the additional information needed for the tax registration. After finishing the registration process, the entrepreneur signs for both the business register as for the tax authority. After the registration, they sent all the data to the tax authority electronically. At the end of the registration process, the entrepreneur receives the new number of the business register, together with the new VAT-number. The VAT-number is conditional. Within 5 working days, the entrepreneur receives a formal letter from the tax authority, confirming the VAT-number or the tax authority contacts the entrepreneur for more information. Only businesses with special tax arrangements for VAT, or types of businesses where VAT fraud regularly happens do not get the conditional VAT-number.

The tax authority established an adequate training program. The training was also obligatory for all staff of the business register. Successfully finishing the training allowed an employee to register for the tax authority.

A pilot was organised as a start in four regions

As a start for the project, the business registry began to register for the tax authority in four regions. In every location, a colleague from the tax authority was present to answer questions during the first weeks. The process was so relatively simple and the training so effective that the presence lasted for only a few days.

The pilot only allowed joint registration of sole traders and limited partnership. The plan was to start later with private limited companies. The project has so far not started with this company form because these organisations are more complex, and most of times require the involvement of an accountant from the start of the company.

Some figures and the current organisation

To give an idea of the numbers involved in this project: in 2010, nearly 100 000 sole traders and limited partnerships were jointly registered. That is over 80% of the total number of new registrations of these legal forms. Non-participants are companies where the accountant still handles the registration. In addition, some non-participants are not prepared or are afraid to give an indication of profit, etc.

To keep this project running the following internal organisation is in place:

- Both business register and tax authority have a project leader
- Periodically, a meeting is organised with attendance of the technical staff of both organisations
- The tax authority has a central information phone number for business register staff
- A taskforce of both organisations meets at higher level
- All process items have been fixed in a service level agreement

Together with the tax authority, we planned the general communication and information to accountants. They did not invest too much effort into convincing accountants of this new approach. That appeared to be the right decision, see figures above.³⁰

³⁰ For more information about the Netherlands case, please contact Frits van Dam (frits.van.dam@kvk.nl).

Appendix (Tables)

Two-letter Country Abbreviation			
Abbrev	Country		
AZ	Azerbaijan		
AT	Austria	AU	Australia
BE	Belgium	BW	Botswana
NB	Belgium, NBB	VG	British Virgin Islands
HR	Croatia	CA	Canada
CZ	Czech Republic	CK	Cook Islands
EE	Estonia	HK	Hong Kong
FI	Finland	IL	Israel
FR	France	MY	Malaysia
DE	Germany	MU	Mauritius
GI	Gibraltar	NZ	New Zealand
GU	Guernsey	PK	Pakistan
HU	Hungary	RO	Romania
IE	Ireland	SG	Singapore
IM	Isle of Man	ZA	South Africa
IT	Italy	LZ	Sri Lanka
JE	Jersey	TN	Tunisia
LV	Latvia		
LI	Liechtenstein		
LT	Lithuania		
LU	Luxembourg		
NL	Netherlands, The		
NO	Norway		
RS	Serbia		
SK	Slovakia		
SI	Slovenia		
SP	Spain, association		
ES	Spain, central		
SE	Sweden		
CH	Switzerland		
UK	United Kingdom		

Table 6: List of Country two-letter Abbreviation Codes

List of questions not used in the report

We did not make use of the following questions in this report.

What type of structure does your organization have?

Centralized	29
Decentralized	16
Total	45

Does your legislation permit you to make a profit or have a surplus?

Yes	8
Yes, but with some restrictions	19
No	20
Total	47

Do you accept documents in languages other than your national language(s)?

Yes, all documents can be submitted in a foreign language	8
Yes, some documents can be submitted in a foreign language	16
No, but we are planning to do so	2
No, we accept no documents in a foreign language	22
Total	48

Is the company register number unique for... ?

	Yes	No
Sole trader	33	5
General partnership	36	5
Private limited company	46	2
Public limited company	43	2

Does your company law include clauses that impose requirements on registering a business in your country, such as: (choose those alternatives that apply to you)

Gender quota	1
Residency requirement	22
Nationality requirement	3
Audited annual accounts	23
Total	49

Do you register and / or decide on the following types of business registration?

	Decide on	Register
Bankruptcy	5	28
Wind up / Liquidation	12	41
Merger	11	37
Strike off	28	37

What is your organization's most popular means of communication with companies regarding filed documents? Rank the 3 most popular means.

	Rank 1	Rank 2	Rank 3
E-mail	17	11	12
Fax	0	1	6
Letter	9	15	10
Phone	9	14	8
Sms	1	2	0
In person/over the counter	10	3	7

Is e-Services possible at your registry?

Yes	33
No	14

Is it possible to use/do you require an electronic signature on information that is transmitted electronically by the customer to the Register?

	Yes, possible	Yes, mandatory electronic signature	Yes, mandatory advanced electronic signature	Not yet, but planned	No
Sole trader	5	4	8	2	7
General partnership	3	5	9	3	5
Private limited company	7	7	11	4	3
Public limited company	8	7	9	4	4

How do users authenticate when delivering information electronically to the Register? (mark one or more answers)

No authentication required	3
User ID and pass word	13
Electronic certificate	21

Who can submit an application for company formation? (choose one or more alternatives)

Agent or any third party	29
Consulting company	26
Entrepreneur or the company itself	37
Lawyer	31
Public notary	28
Accountant	20
Trustee	19
TOTAL	190

Is you organization in charge of receiving annual accounts?

Yes	32
No	15
Total	47

Which company types are required by law to file annual accounts?

	Yes, required to file annual accounts	No, not required
Sole trader	6	18
General partnership	8	16
Private limited companies	28	3
Public limited companies	33	0

Are the annual accounts available to the public?

On paper	26
Electronically in XBRL or equivalent data format	8
Electronically in image format, e.g. PDF	30
No, Annual accounts are not available to the public	0
Total	64

What percentage of companies files their annual accounts on time (annual average) ?

Figures not available	3
1 to 9%	2
10 to 49%	3
50 to 69 %	7
70 to 79%	5
80 to 89%	6
90 to 95%	5
96 to 100%	1
Total	32

Within what period must companies submit their annual accounts (in months) ?

Private companies - 6 months, Public companies - 4 months
9 months for private limited and 6 months for public limited
from april to july
Companies are required to file their annual return form and accounts within 28 days of their Annual Return Date (ARD) and must be filed at least once each year. The ARD cannot be more than 9 months after the financial year end.
5 months and 20 working days from the company's balance date.
Public limited companies are required to submit their annual accounts together with their annual returns within 42 days after the date of annual general meeting of the company.
28 days after their annual meeting
within 13 month of the end of the relevant accounting period and 10 months for a Public company
6 months
Maximum 8 months.
12 months
From five to seven months after the end if the financial year
Disclosing entities and Managed Investment Schemes must submit their accounts within 3 months after the end of the financial year. All other entities which are required to provide annual accounts need to submit these within 4 months after their end of financial year
13 months after their financial year
7 months after end of accountig year
Within 2 (two) months (i.e. from January 1 to Feb 28/29).
Companies must submit their annual accounts 1 month after it has been tabled at the AGM and the AGM must be held not more than 6 months after the end of the financial year.
The annual accounts must be submitted within one month after their making. (The annual accounts must be produced/made within six months after the end of the accounting period).
Annual financial accountancy must be submitted to the Register of legal entities within 30 days from the moment when the legal entity approves it in a manner prescribed by laws and documents of incorporation of the legal entity.
within one month of the companies return date
18 months after end of financial year
Within the period of 15 months.
6 months
within 9 month after the period
The annual accounts must be filed with the National Bank of Belgium within 30 days after they have been approved and no later than 7 months after the end of the financial year.
throughout the year, depending on the Closing Date
10 months from the end of the accounting period
Punlic companies are given 7 months after their year end to file audited accounts with the registrar.
Within one month from the holding of annual general meeting
within 6 months after the financial year.
Private limited companies are required by law to file annual accounts within seven months from the end of the fiscal year.
Deadlines are 31st March for statistical purposes, 30th June for public notice (publication)
Five months afte the termination of the accounting period for limited companies and four months for listed companies and for state-owned public limited companies

What payment methods do you accept?

Bank draft / checks	28
Cash	30
Deposit accounts	21
Invoice	15
Major credit / debit cards	28
Money orders	12
Online payments	26
Postal / money orders	15
Direct debet	6
Total	181

What online payment methods do you accept?

Major credit / debit cards	32
Financial cybermediary (an internet based company that facilitates s payment between two individuals online usually by credit card)	6
Electronic checks (transferring money from one check account to another over the internet)	6
Electronic bill (a computer system that generates electronic bills and sends them to customers over the internet)	6
Total	50

When is payment due for...

	In advance	Upon registration/delivery	After registration/delivery
Company formation / incorporation	19	22	5
Application for changes in the companies register	15	21	5
Information delivery	16	22	7

What is the amount of the penalty fees for late or inadequate filing of annual accounts, if any?**Give amount in Euro.**

0-10	6
11-21	0
22-32	0
33-43	0
44-54	0
55-65	0
66-76	0
77-87	0
88-98	1
99-109	0
Total	7

Do you take action for late or inadequate filing? (e.g. strike off from register)

Yes	36
No	7

What is the minimum share capital for...? Give amount in Euro.**Private limited liability company**

0-6750	30
6751-13501	5
13502-20252	3
20253-27003	1
27004-33754	0
33755-40505	1
40506-47256	0
47257-54007	0
54008-60758	0
60759-67509	1
Total	41

Public limited liability company

0-12500	12
12501-25001	7
25002-37502	3
37503-50003	4
50004-62504	3
62505-75005	2
75006-87506	4
87507-100007	0
100008-112508	0
112509-125009	2
Total	37

In what currencies can share capital be registered?

EUR	27
GBP	11
USD	14
Our country 's own currency	28
Other	12
Total	92

What is the minimum number of shareholders for...?

	Private limited liability company	Public limited liability company
0	1	0
1	39	28
2	5	8
3	0	1
4	0	0
5	0	0
6	0	0
7	0	4
Total	45	41

Do you require that the branch of a company registered in another EU country be registered?

Yes	28
Sometimes	1
No	13
Total	42

Do you require that the branch of a company registered in another country outside the EU be registered?

Yes	29
Sometimes	1
No	12
Total	42

Do you register the following company types?

European Economic Interest Grouping (EEIG)	24
European Companies (SE)	27
European Cooperative Society (SCE)	20
European groupings of territorial cooperation (EGTC).	7
Total	78

How many people are employed to perform business registration services? Please give the number as FTE's (full time equivalent). If your organisation only does business registration give number of FTE's for whole organisation, if it performs other functions please give number of FTE's working within business registration.

0-10	5
11-21	8
22-32	2
33-43	0
44-54	0
55-65	2
66-76	3
77-87	0
88-98	4
99-109	0
Total	24

Total number of submissions for changes in the registered particulars, filed from January to December 2010

Sole Trader

70-14871	8
14872-29673	1
29674-44475	1
44476-59277	0
59278-74079	1
74080-88881	1
88882-103683	0
103684-118485	0
118486-133287	0
133288-148089	1
Total	13

General Partnership

0-32880	11
32881-65761	0
65762-98642	1
98643-131523	0
131524-164404	0
164405-197285	0
197286-230166	0
230167-263047	0
263048-295928	0
295929-328809	1
Total	13

Private Limited Company

4104-93426	10
93427-182749	2
182750-272072	2
272073-361395	2
361396-450718	0
450719-540041	0
540042-629364	0
629365-718687	0
718688-808010	2
808011-897333	1
Total	19

Public Limited Company

69-15141	10
15142-30214	1
30215-45287	0
45288-60360	1
60361-75433	0
75434-90506	0
90507-105579	1
105580-120652	0
120653-135725	0
135726-150798	1
Total	14

Other companies

22-6816	7
6817-13611	2
13612-20406	1
20407-27201	2
27202-33996	1
33997-40791	0
40792-47586	2
47587-54381	0
54382-61176	0
61177-67971	1
Total	16

