

The European Business Registry Association (EBRA), together with our peer organizations International Association of Commercial Administrators (IACA), Corporate Registers Forum (CRF) and ASORLAC, sought member feedback on the impact of the COVID-19 Pandemic on business registries. The response period was open from 8 March to 16 April 2021. We hereby present the received responses from our member jurisdictions.

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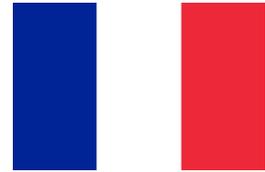
COVID-19 in your country

Companies were badly affected by this unprecedented health crisis. This unpredictable situation has led our economic environment to adapt, leading many sectors to radically rethink their operating methods in order to continue to exist. If such a macroeconomic situation suggests, in the short term, great difficulties for a great number of companies, the indicators of the number of business creations and the number of insolvency proceedings opened, usually relevant for taking the pulse of the business world, now seem to be completely reversed compared to what we could see.

This is the great paradox of the 2020 business registries situation. While a crisis of this magnitude should paralyze entrepreneurship and see business failures soar, the situation today is quite different. Business start-ups are at an all-time high, even breaking the previous year's record of tens of thousands of registered entities, while many industries are paralyzed. This paradoxical dynamic can also be seen in the opening of insolvency proceedings, which has fallen sharply this year despite a difficult economic situation.

The protection measures put in place by the government came into full effect in 2020. Thus, the exemptions from charges, the freezing of the state of suspension of payments, partial unemployment, loans guaranteed by the State or the solidarity funds have also helped to preserve corporate treasuries and absorb the impact of the crisis on business failures. While the recession is hitting the French economy and despite the continued activity of the commercial courts and their registries, only 27,645 insolvency proceedings were opened in 2020, a drop of 37.5% compared to 2019 – a dynamic that reflects the increasing complexity and irreversibility of the situations of companies in difficulty.

The aid distributed by the State to companies can, in part, justify what can be considered a great moment of hesitation in national economic life. By preventing businesses from suffering the brutal effects of the crisis, the government has so far prevented the dreaded wave of business failures from materializing. But we can assume that, while this epidemic has already had, in many ways, devastating effects on our companies, they remain today in the eye of a cyclone which is far from having fallen.



Impact of COVID-19 on workload and operations

The Commercial court clerks have organized themselves to maintain their activities and ensure the continuity of commercial justice thanks to our digital platforms and tools, foremost among which is the Infogreffe portal: <https://www.infogreffe.com>.

This portal, which has made it possible to create a business online since 2007, has been widely used by entrepreneurs. The registers quickly set up a home-office system in order to be able to control files and register companies. It was particularly important for companies to make changes to their situation during the crisis. The changes could thus be recorded.

The digital tools developed by the commercial clerks made it possible to continue the hearings. The French business registrars have created in 2018 a free and secure authentication service that allows anyone to activate their digital identity. For the company director, the service operates reconciliation with the trade and companies register, allowing him to act on his behalf in complete security. "Monidenum" is the litigant authentication service used by the Digital Court and it is legally enforceable.

The "Digital Court" was launched in 2019. This portal which makes it possible to take legal action online has been widely used during the confinement periods. Since the government has made it possible to hold videoconference hearings, the national council has provided all commercial courts with a secure videoconferencing solution, making it possible to deal with disputes so as not to lose contact with companies.

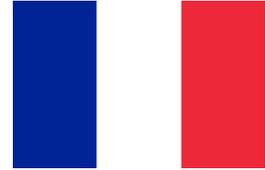
Despite the uncertainty related to the future of the post-COVID economic situation, the French have largely continued to undertake business in 2020. After a clear slowdown observed in the second quarter of 2020, the pace of business creation has accelerated since the end of the first confinement, ultimately resulting in a total number of registrations greater than in 2019. Thus, 469,044 companies were created in 2020, an increase of more than 2% and 10,000 additional registrations compared to 2019. This is a new record which seems to reflect the continuing optimism of business creators in 2020.

With more than 50,000 business creations and an increase of 24% compared to 2019, transport is at the top of the most dynamic sectors of 2020. The sector is particularly driven by home delivery, where registrations have grown by 38% compared to 2019, representing alone almost a tenth of the total of new entries in the trade and company register. Commerce is second on the podium and has seen its registrations increase by more than 7% compared to 2019: the development of e-commerce is attracting more and more entrepreneurs.

Impact of COVID-19 on development projects and strategy

Even if it was very difficult to maintain the progress of the projects, the profession continued to develop its strategy. The implementation of home-office and the management of projects in agile mode made it possible not to delay projects. Moreover, the pandemic has led to the acceleration of the release of some digital tools in order to fulfill the needs of companies.

For example, the information collected across the country in the 141 commercial court registries constitutes an incredible snapshot of the French economy. The profession has therefore decided to make them available to as many people as possible through its



Statistical Observatory. This Statistical Observatory makes it possible to follow the major trends in French economic and entrepreneurial activity throughout the year, to identify growing or struggling business sectors, and the dynamics across the country. During 2020, three special flashes were released to publish up-to-date analysis of the economic situation. The Observatory covers the updated economic and legal data of the 5.5 million companies registered with the RCS and makes it possible to analyze and compare various official public indicators, such as the number of registered companies (by legal form, by sector of activity), the number of delisted companies (by sector of activity), the density of companies (by number of inhabitants), the average lifespan of companies, the average age and civility of managers, etc. Each year, a national report is drawn up by an independent research firm. The restitution of the analyses of these data is done through economic studies and dynamic presentations based on a portal called "Open Data" in order to illustrate region by region, municipality by municipality, in the form of maps and other diagrams, the data on businesses. The site of the Statistical Observatory is free to access. The data can be viewed on the website: <https://statistiques.cngtc.fr/>.

COVID-19 and companies

The holding of videoconference hearings was made possible by the Government through the publication of ordinances. Many extensions of procedures deadlines were also put in place by decrees and ordinances. The commercial court has developed the possibility to book appointments with a clerk online.

The “New Normal”

The commercial court clerks have always been defenders of dematerialization. If the physical contact with people remains essential, it is now clear that digital tools allow business to continue in difficult times like the ones we are living through. The profession therefore continues to work on the development of these tools, which is how it is stepping up its work in the context of the blockchain.