

THE INTERNATIONAL BUSINESS REGISTERS SURVEY AND REPORT



BUSINESS DYNAMICS 2018 - 2021
PUBLISHED AUGUST 2022

INTRODUCTION

The International Business Registers Survey and Report aim to assist business registries in comparing their own practice and performance with those of other jurisdictions. Benchmarking is one of the best ways to learn valuable lessons from others on how to improve ways of working and overcome challenges. Benchmarking, in this context, also serves to compare legal systems in different jurisdictions, which is critically important since legal systems are the foundation upon which all business registers operate.

The learning opportunity stretches from acquiring basic knowledge about such things as costs and fees in different jurisdictions, to more detailed information about topical issues, such as how business registers combat corporate identity theft and contribute to the international fight against economic crime.

The Survey and Report have evolved since 2001, growing from a small project involving a few European jurisdictions to a truly global initiative involving the cooperation and collaboration of business registers and individuals all around the world.

The Survey and Report are the result of the combined effort of a working group, comprising business register experts and statisticians.

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General disclaimer

The working group follows statistical best practices when designing the survey which underpin the content of this report. Despite this, as always, there needs to be caution when interpreting the data.

Different business registers operate within different legal frameworks, and the need to comply with the laws of a jurisdiction may be one of the reasons for the obvious differences when benchmarking. To compare only performance would be incorrect. It is necessary to take into account the constraints imposed by legislation or other factors which cannot be measured in this survey.

As is the case every year, we have both gained new respondents and lost a number of existing respondents. This means that we must continue to be cautious when carrying out any trend analyses, since changes between years are often caused by changes to the survey population rather than changes to the way jurisdictions operate. We have made every effort to isolate spurious data from this report, but conclusions drawn based on this principle may be subject to interpretation.

The observations and conclusions reached herein are the opinions of the authors, and do not necessarily reflect the opinions of ASORLAC, CRF, EBRA, or IACA.

Data Collection and Response Rate

In October 2021, the first survey was distributed seeking responses from business registers related to activities carried out during the 2018-2020 calendar years. The survey included 19 questions (some of which were hidden from the respondent, based on their response to an earlier question) and was structured around two major topics: legal and institutional settings and business dynamics.

International Business Registers Report 2021

The questions in the 2021 survey concerned the following entities: (i) sole trader; (ii) general partnership; (iii) private limited company; (iv) public limited company; (v) limited company (where no distinction is made between public and private in the business register); and (vi) limited liability company (or LLC).

General disclaimer

 **In total, 85 jurisdictions responded to the survey.**

In this year's report, the data from responding jurisdictions has been compared using the development status of their economy according to UNCTAD (United Nations Conference on Trade and Development).

There are three categories of development status: developed; transition; and developing. The reason for this categorisation is to show a fresh perspective which should tell us an interesting story, particularly in light of the theme for the report; the changing role of business registers.

Where appropriate to do so, we have continued to show a breakdown by geographical region. These regions are: Africa, Asia, Caribbean, Central America, Europe, North America, Oceania and South America.

The above are the geographical regions used by the United Nations Statistics Division in its publications and databases and are based on continental regions. Further information on these regions can be found by following the below link: <https://unstats.un.org/unsd/methodology/m49/>

The population data used in the analysis comes from the official World Population Prospects 2019, published by United Nations, Department of Economic and Social Affairs, <https://population.un.org/wpp/>; the United States Census Bureau, <https://www.census.gov/>; and Statistics Canada, the Canada's national statistical agency, <https://www.statcan.gc.ca/>.

The report uses the term business register/business registry (save where noted in relation to other specific registers) and is intended to include a companies register or any other register that jurisdictions identify as being captured by the term business register/business registry.

MAIN RESULTS

Link to digital survey:
<https://bit.ly/3HHbmCn>

Shareholder details

In 2020, the share of registries that reported registering shareholder details remained broadly consistent, compared to 2019.

There are no clear trends emerging due to differences in respondents between 2019 and 2020.

Shareholder Details Registration by Region

Number of Registries	Yes		No	
	2019	2020	2019	2020
Africa	6	3	1	0
Asia	12	7	1	0
Caribbean	3	1	0	0
Central America	2	3	2	2
Europe	19	18	11	12
North America	7	4	16	13
Oceania	3	4	0	0
South America	1	14	3	2
TOTAL	53	54	34	29

The South America increase from 1 to 14 registers recording shareholder details reflects 11 of those 14 registers being in Ecuador.

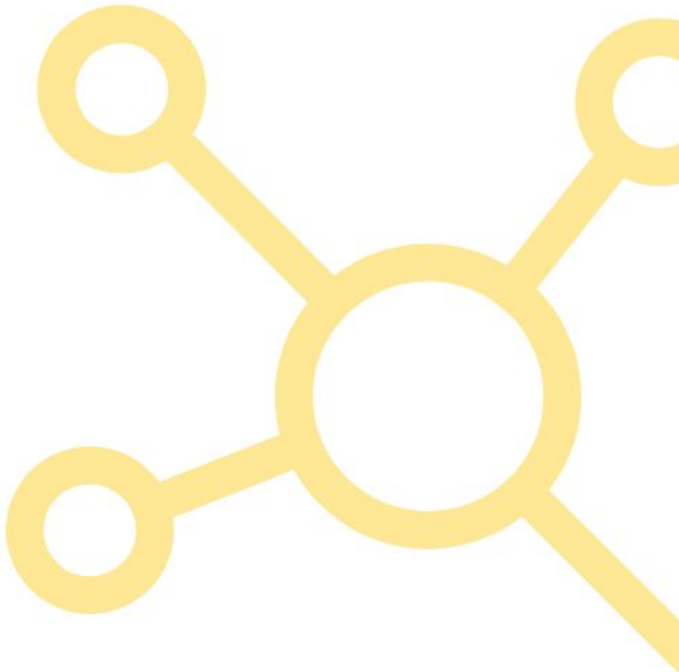
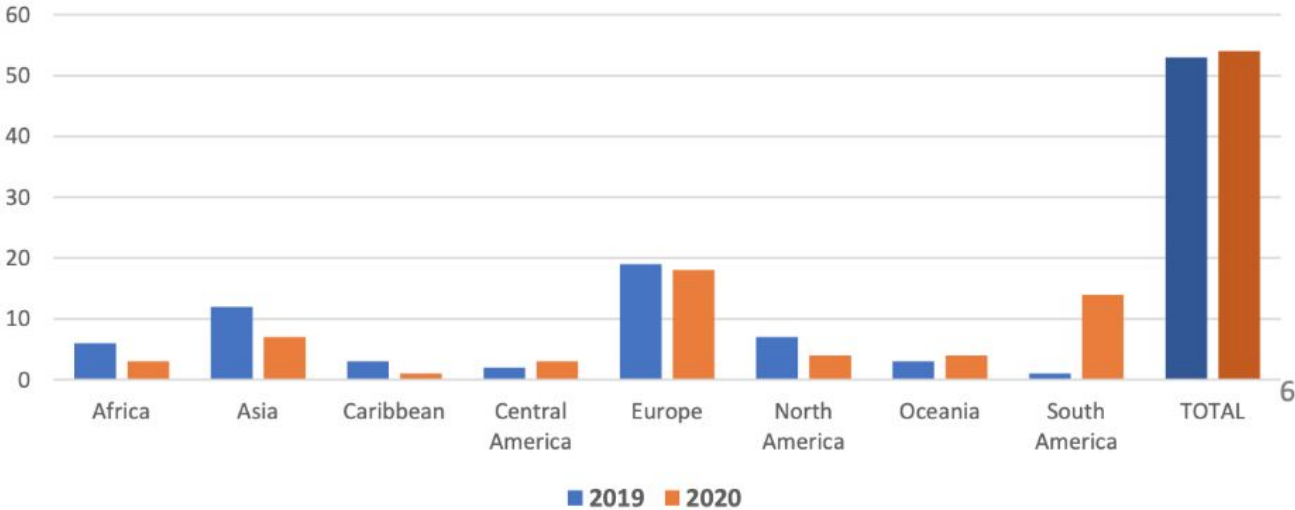
The overall data for North America includes more US states responding in 2019 who, by and large, do not record shareholder details.

The rate of positive responses among respondents in Africa and Asia both increased although the sample size was very small (3 and 7 registers respectively).

For Europe, the position is broadly the same but it is surprising that, despite pressures to record shareholder details, 12 registers still do not do so.

Shareholder details

Number of Registries that register Shareholder Details



Beneficial Ownership details

In 2020 the share of registries that reported registering beneficial ownership details experienced significant variation without a significant trend emerging.

Beneficial Ownership Details Registration by Region

Number of Registries	Yes		No	
	2019	2020	2019	2020
Africa	6	3	1	0
Asia	4	3	7	3
Caribbean	0	0	3	1
Central America	1	0	3	5
Europe	16	19	13	9
North America	0	1	22	15
Oceania	1	2	2	2
South America	0	12	3	3
TOTAL	28	40	54	38

South America registered the most significant positive responses from a baseline of zero but this includes 11 of the 12 positive responses coming from Ecuador registers.

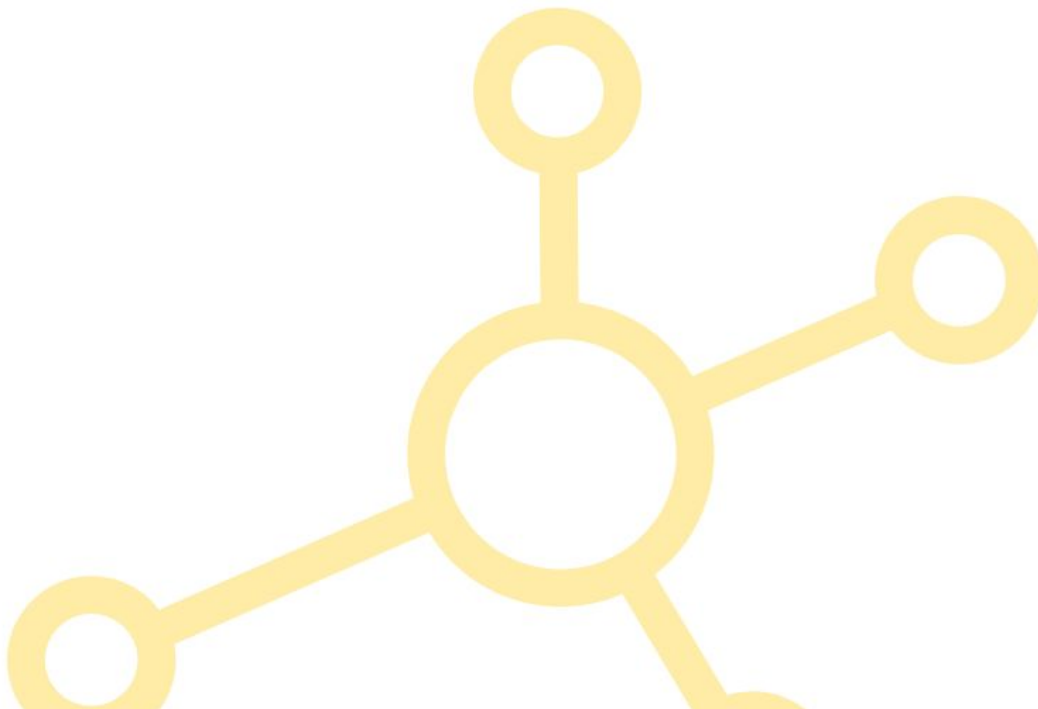
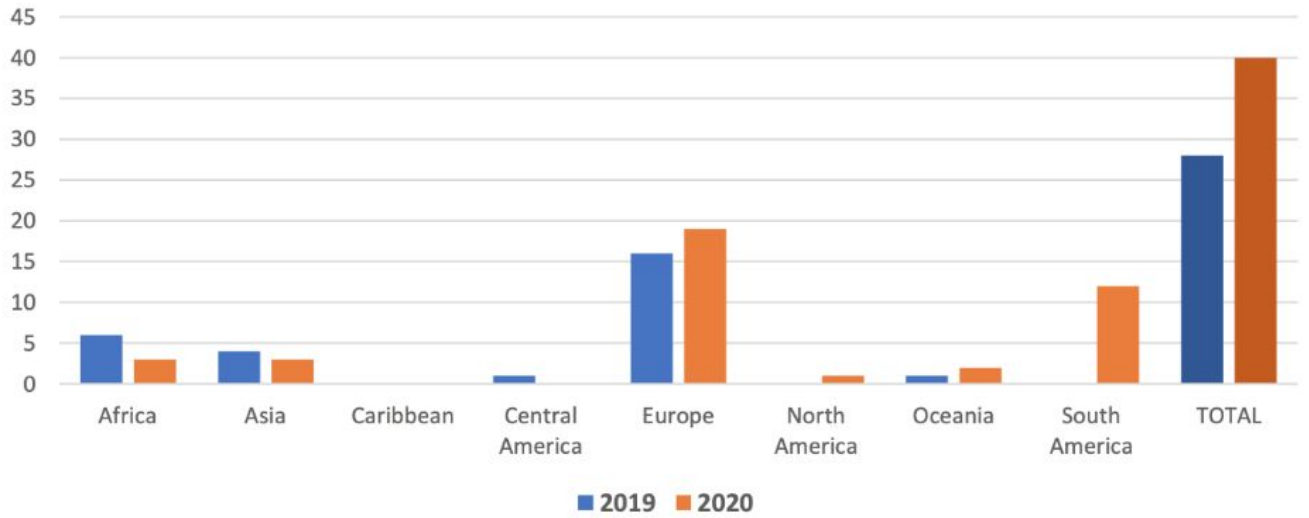
Positive responses from the Caribbean remained at zero for the second year running.

For Europe, the positive response percentages continue to increase.

Of the 9 European registers who responded and did not register Beneficial Ownership details, 5 registered those details elsewhere other than the business register, leaving a delta of 4 who continue not to register details.

Beneficial Ownership details

Number of Registries that register Beneficial Ownership details



Business Dynamics – Registered Companies

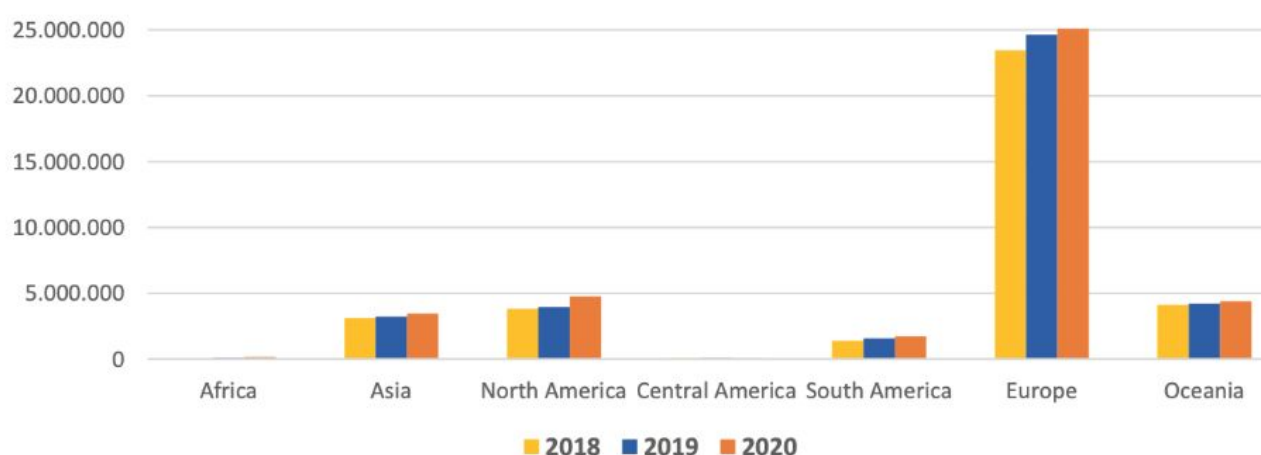
Responses were received from jurisdictions that together hold about 40 million companies.

The number of registered companies on the registers in the responding jurisdictions has been steadily rising in the period 2018-2020, regardless of development status or region (with some anomalies in Central America). However we observe a slower increase rate in developed and developing countries.

Business Dynamics - Registered Companies by Development Status

Number	2018	2019	2020
Developed	30.857.790	32.268.513	33.738.050
Developing	3.490.472	3.778.662	4.010.177
Transition	1.651.844	1.757.334	1.939.701
TOTAL	36.000.106	37.804.509	39.687.928

Registered Companies



The number of registered companies on the registers in the responding jurisdictions per 1.000 inhabitants has also been rising regardless of development status. However, we observe a significantly smaller number of registered companies per 1.000 inhabitants in developing countries as compared with developed and transition countries.

Business Dynamics - Registered Companies

Business Dynamics - Registered Companies by Development Status

Number per 1.000 inhabit.	2018	2019	2020
Developed	52,88	55,09	57,36
Developing	3,65	3,89	4,06
Transition	31,35	33,20	36,48
TOTAL	22,61	23,48	24,38

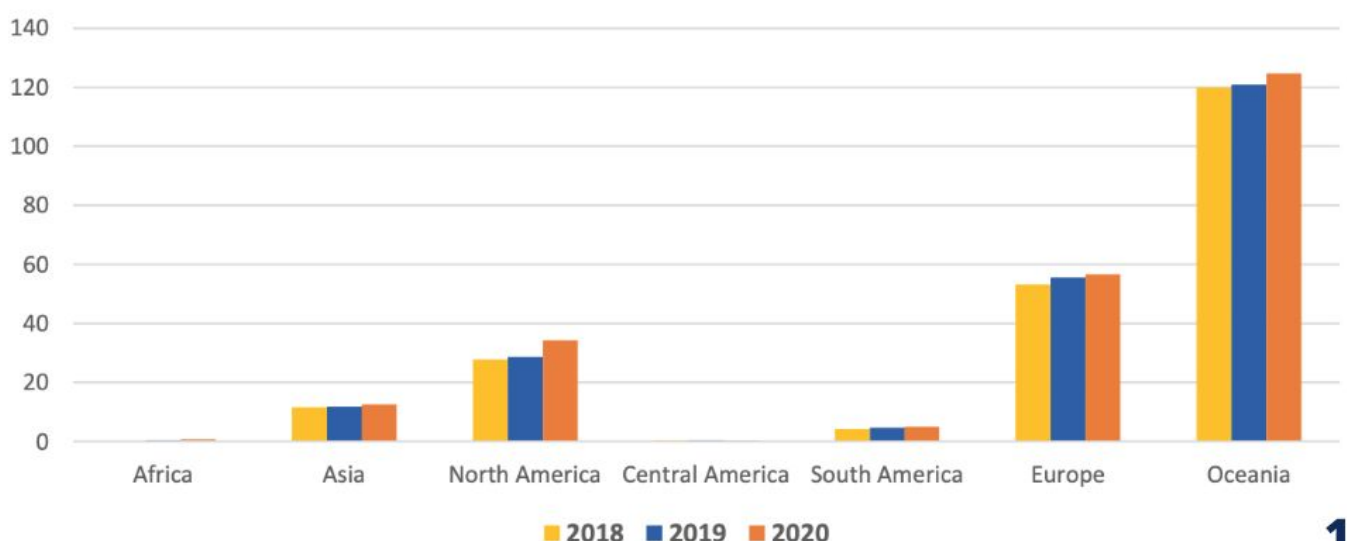
In Europe the total number of companies has increased by 5,01% in 2018-2019, but only by 1,9% in 2019-2020. There is an increase in LLCs and private limited companies, but a decrease in other legal forms.

We generally observe a reduction in the total number of general partnerships across jurisdictions regardless of development status.

Sole traders have been growing at a slower pace in developed and developing countries compared to countries in transition. This is also reflected in the total numbers of registered sole traders by development status: in 2020 there were 9,72 sole traders per 1.000 inhabitants in developed countries, 0,62 in developing countries, and 29,4 in transition countries.

In developed countries we observe the highest net increase rate 2019-2020 for the total number of LLCs compared to other legal forms.

Registered Companies per 1.000 inhabitants



Business Dynamics – Incorporations

New incorporations have been rising regardless of development status, but at a significantly higher rate in jurisdictions in transition only.

We observe slower growth rate of incorporations 2019-2020 compared to 2018-2019 in jurisdictions in transition only.

Business Dynamics - Incorporations by Development Status

Number	2018	2019	2020
Developed	3.343.012	3.513.359	3.854.892
Developing	561.958	589.932	602.350
Transition	174.068	199.764	252.245
TOTAL	4.079.038	4.303.055	4.709.487

There is an increase in new incorporations (2019-2020) of 9,72% in developed jurisdictions, 2,1% in developing jurisdictions and 26,27% in jurisdictions in transition

New incorporations have also been rising regardless of geographical region.

In responses from European jurisdictions we see a steady increase (2018-2020) in new incorporations for sole traders, general partnerships, private limited companies, and a steady decrease in LLCs and public limited companies.

Business Dynamics - Incorporations by Region

Number	2018	2019	2020
Africa	--	22.164	35.039
Asia	332.777	336.726	378.962
Europe	2.299.374	2.452.732	2.483.064
North America	633.987	667.050	894.366
Oceania	483.740	465.952	541.968
South America	329.150	358.419	376.070

Business Dynamics – Incorporations



However, in Europe we observe a lower growth rate for 2019-2020 (1,24%) as compared to 2018-2019 (6,67%).

The number of incorporations per 1.000 inhabitants has been rising in developed and transition jurisdictions, but not in developing jurisdictions.

In 2020 we observe 6,55 new incorporations per 1.000 inhabitants in developed jurisdictions, 4,74 in transition jurisdictions, and 0,61 in developing jurisdictions.

Business Dynamics - Incorporations by Development Status

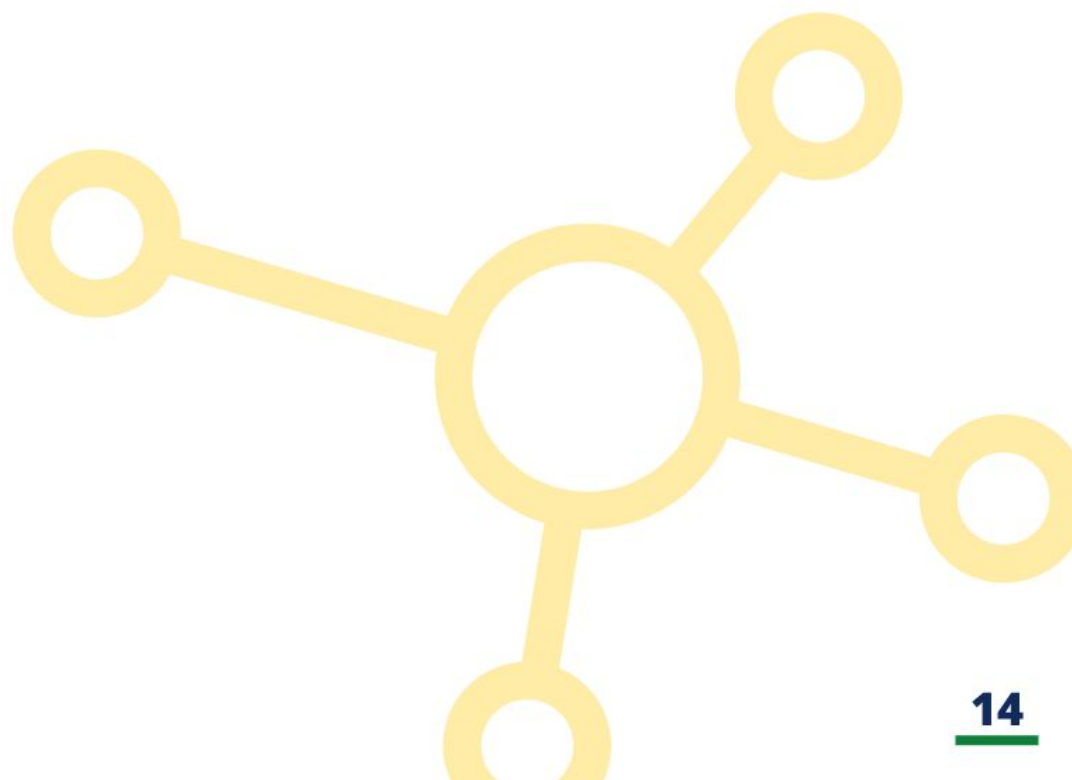
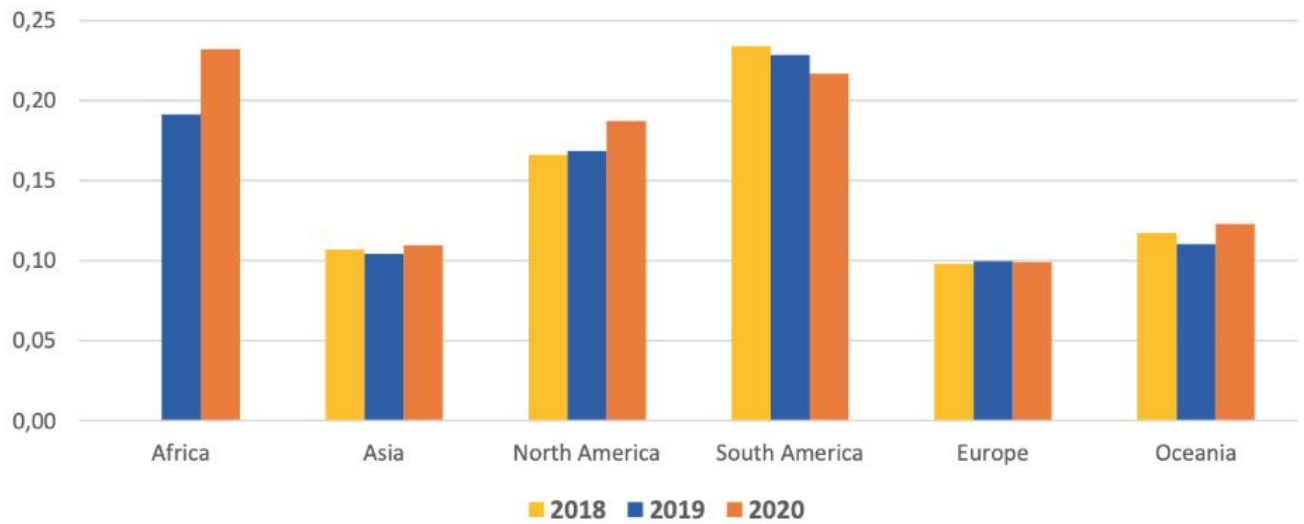
Number per 1.000 inhabit.	2018	2019	2020
Developed	5,73	6,00	6,55
Developing	0,59	0,61	0,61
Transition	3,30	3,77	4,74
TOTAL	2,56	2,67	2,89

In the responses from European registries, we observe 5,6 new incorporations per 1.000 inhabitants.

The ratio of incorporations/registered companies has been pretty steady in 2018-2020 regardless of development status. For the European jurisdictions we observe a steady ratio of 0,1 over the entire period.

Business Dynamics – Incorporations

Incorporations/Registered Companies



Business Dynamics – Terminations

In all areas, by development status, the numbers, as well as the proportion of terminations per inhabitant, increase in 2019 and decrease in 2020. This translates to between 2 and 2.5 million terminations per year (half the number of incorporations per year).

Business Dynamics - Terminations by Development Status

Number	2018	2019	2020
Developed	1.802.075	2.452.955	2.159.007
Developing	238.398	275.651	208.033
Transition	39.138	51.787	48.659
TOTAL	2.079.611	2.780.393	2.415.699

We observe big differences in terminations per 1.000 inhabitants among developing, developed and transition countries. While in developed countries terminations are between 3 and 4 per 1.000 inhabitants, in transition this countries this barely reaches 1, and in developing countries around 0,25 over the three years.

Business Dynamics - Terminations by Development Status

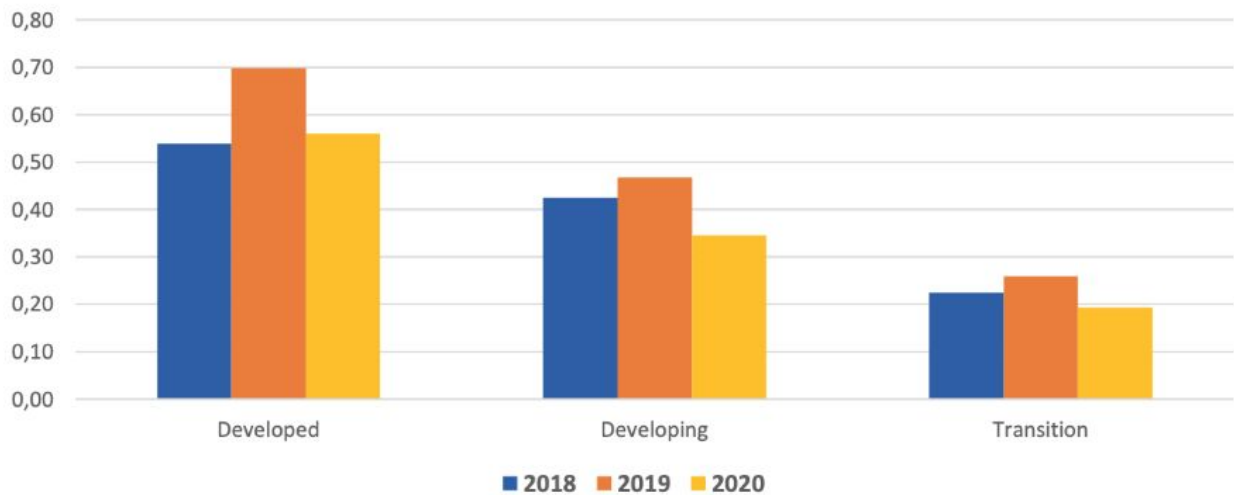
Number per 1.000 inhabit.	2018	2019	2020
Developed	3,09	4,19	3,67
Developing	0,25	0,28	0,21
Transition	0,74	0,98	0,92
TOTAL	1,31	1,73	1,48

The proportion between terminations and incorporations is also higher in developed countries, over 55%, followed by developing areas with values under 50%.

In transition countries this proportion is around 25%. This proportion increases in 2019 and decreases in 2020.

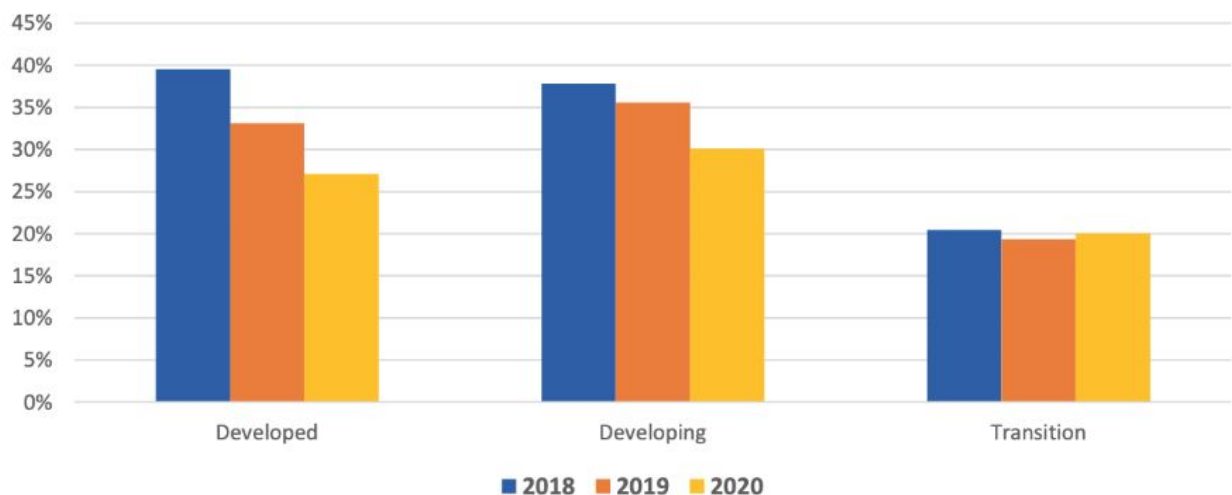
Business Dynamics – Terminations

Terminations/Incorporations



If we consider the proportion between compulsory and total terminations, the numbers of developing countries are very similar to developed ones. For transition countries this proportion is always lower than in the other areas.

Compulsory/Total Terminations



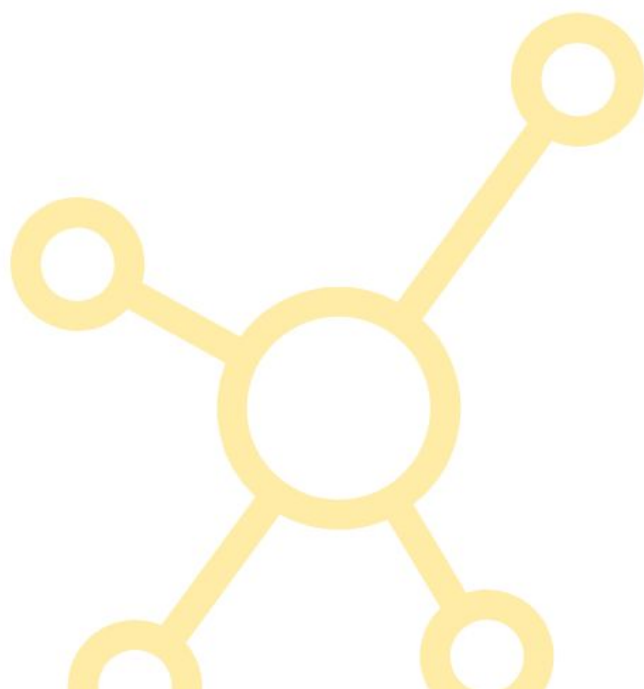
In all regions, the number of terminations has decreased in 2020 (after increasing in 2019), as the number of incorporations has increased. The area that registers the higher proportion per 1.000 inhabitants is Oceania, with 10, followed by Europe with between 3 and 4, and North America with around 2.

Business Dynamics – Terminations

Business Dynamics - Terminations by Region

Number	2018	2019	2020
Africa	--	--	--
Asia	186.820	204.806	141.777
Europe	1.227.924	1.760.720	1.583.672
North America	234.193	352.020	274.296
Oceania	374.582	382.009	343.793
South America	55.883	80.763	72.117

If we consider the legal form of the company, the proportion for General Partnership is higher in Asia and Oceania (about double the average for the region), and the same is true of Public Limited Companies in Europe and South America (in Europe 3 or 4 times the average, in South America between 6 and 11 times the regional average depending on the year).



CONTACT

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