



### **European Commission update on progress made by the 28 Member States in 2014 regarding their commitment to simplify start-up procedures**

On 18 February 2015, the DG Growth (Internal market, Industry, Entrepreneurship and SMEs) of the European Commission has published its latest assessment of compliance regarding the start-up procedures for setting up a company, especially a SME. This activity goes back to the year 1997 when the Commission adopted a recommendation proposing measures to accelerate and simplify start-ups.

#### **Background**

After several studies and data collection in Member States by the Commission, the European Council had set in 2006 a number of ambitious and concrete targets to facilitate start-ups throughout Europe. The significant barriers for a lot of entrepreneurs were the time taken and the costs involved in the administrative procedures to start-up and run a small enterprise. Addressing these difficulties has been part of the European Commission policy for over 15 years. Ever since, progress has been substantial and has led to start-up procedures being included into the "*Small Business Act*" of 26 June 2008 and Council conclusions with a set of wider and more ambitious targets.

"The Council's Action Plan for a Small Business Act for Europe" of 2010 already asked Member States to bring down start-up times to 3 working days.

In 2011, the review of the "*Small Business Act*" established new actions to respond to the challenges resulting from the economic crisis within the EU (see our Secretariat note of 4<sup>th</sup> March 2011). Finally, the conclusions of the Competitiveness Council of 31<sup>st</sup> May 2011 included a call to Member States "**to reduce the start-up time for new enterprises to 3 days and the cost to 100 € by 2012**".

#### **Main findings**

In 2014, the 3 days' benchmark to start-up a company is respected in **19 EU countries** (they were only 10 in 2011). The reduction in average times over the last years is mostly due to simplifications applied in **the Czech Republic** and **Sweden**. Furthermore, the reduction in average cost over the last years is mostly due to simplifications implemented in **Bulgaria** and **Greece**.

#### **Number of Member States**

	<b>Number of Members States that accomplished</b>	<b>Number of Member States that did not accomplish</b>
<b>One-stop-shop</b>	23	5
<b>Time – 3 days</b>	19	9
<b>Cost – ≤ 100 Euros</b>	10	18

## **Conclusions**

In 2014 average time to start-up a private limited company was 3.5 days and cost is 313 €.  
In 2013 average time to start-up a private limited company was 4.2 days and cost was 315 €.  
In 2012 average time to start-up a private limited company was 5.4 days and cost was 372 €.  
In 2010 average time to start-up a private limited company is 7 days and cost was 399 €.  
In 2009 average time to start-up a private limited company was 8 days and cost was 417 €.  
In 2008 average time to start-up a private limited company was 9 days and cost was 463 €.  
In 2007 average time to start-up a private limited company was 12 days and cost was 485 €.

**6 Member States** fully comply with all three objectives (one-stop-shop, 3 days' time and less than 100€ cost): **Denmark, Greece, Latvia, Romania, Slovenia and the United Kingdom.**

**13 Member States** comply with two of the three objectives: **Belgium, Bulgaria, Cyprus, Estonia, France, Hungary, Ireland, Italy, Lithuania, Luxemburg, Poland, Portugal and Spain.**

**8 Member States** comply with one of the three objectives: **Austria, Croatia, the Czech Republic, Finland, Malta, the Netherlands, Slovakia and Sweden.**

Finally, only **Germany** does not comply with any of the objectives.

EFCI members will find attached the 2014 Commission overview table regarding the country by country assessment (only available in English language). For further information, you are invited to visit the dedicated website of the Commission through the following link:

[http://ec.europa.eu/growth/tools-databases/newsroom/cf/itemdetail.cfm?item\\_id=8114&lang=en](http://ec.europa.eu/growth/tools-databases/newsroom/cf/itemdetail.cfm?item_id=8114&lang=en)

Andreas Lill  
Director