

Start-ups

24 HOUR BUSINESS: COMING SOON?

It may be possible to found a company in just one day, if the new coalition government picks up a private sector proposal.

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aking it easy to launch a business start-up would boost the economy and send a strong message that entrepreneurship is thriving here. So believes Vincent Hieff, head of the Luxembourg Chamber of Commerce's "Espace Entreprises" start-up centre.

"Everything possible must be done to boost entrepreneurial spirit in this country," Hieff tells *Delano*.

Hieff, who spoke at the Amcham event, accepts that nothing will get in the way of a determined entrepreneur, but he wants to energise the less self-assured. "When I talk to young people about going into business many are visibly discouraged when they find out they need €12,500 before they can begin even if they don't need start up capital," he explains. "For example, university students might want to start trading in a small way in parallel with their course work. But under the current system this just isn't practical," he argues.

It is also a matter of image. "Luxembourg must demonstrate clearly that this is a great place in which to do business," says Hieff. "This is all part of the very important national branding process we talk so much about." In addition, he sees this as a striking message to the domestic audience. "Business is an unfamiliar, unusual notion for too many of our citizens. This move would send a strong signal that anyone with a bright idea can have a go," he believes.

In the days when business largely meant making things, the need for an initial capital buffer appeared prudent. Hieff thinks this has little relevance in a services-dominated economy. After all, there is nothing to prevent business owners spending the capital as soon as the Sàrl is formed. In a compromise move, the coalition agreement suggests allowing the firm to build up the €12,500 capital over a, say, five year period.

So when can we expect legislation? "I believe the coalition wants to act, but they have a lot they want to do," he comments. "I hope this could be underway by next year."

Passing the law is probably the easy part. The main issue could be making the necessary administrative changes, not to mention resisting the lobbying by notaries fearful of losing business. It is also possible that the economy ministry, which would lead any reform, could decide it is not worth the effort with so much else to do. //

"Manufacturing industry is in decline and the financial sector is changing. We have to develop home-grown businesses and attract entrepreneurs from around the world," he adds.

Employers' groups have been advocates of making it easier to start-up for many years. The Luxembourg Chamber of Commerce launched the idea several years ago as the "simplified Sàrl" or "limited company" (see box). It appears to be an idea whose time has come as the new coalition has taken up the idea.

The American Chamber of Commerce is also a supporter. The issue was aired at its February 4 seminar entitled "The 111 company: supporting growth in Luxembourg". Amcham came up with the catchy "one-one-one company" name, which refers to the ideal of one person being able to set up in business in one day with just €1.

Centre de Formation



VINCENT HIEFF
One step at a time

THE "SIMPLIFIED SÀRL"

One person would take one day and spend €1 to set up a limited liability firm (Sàrl); hence the name "111 company" coined by Amcham. In this ideal, all formalities would be kept to a minimum and would be completed on line. Currently, potential entrepreneurs must complete several forms, deposit €12,500 in capital in an escrow account and pay for a notary's deed. The whole process takes at least three weeks as documents are processed at the company registrar.