ASEAN REGIONAL PRINCIPLES FOR GOOD BUSINESS
REGISTRATION PRACTICES
Background

1. The Report and Work Programme on “Starting a Business in ASEAN” was adopted by the ASEAN Economic Ministers (AEM) as one of the priority deliverables under the Lao PDR Chairmanship of ASEAN in 2016. This initiative is part of the broader mandate of enhancing the growth and development of micro, small and medium enterprises (MSME) under section D.1. “Strengthening the Role of Micro, Small, and Medium Enterprises” of the ASEAN Economic Community (AEC) Blueprint 2025. It is an ASEAN commitment to enhance the policy and regulatory environment through streamlining processes involved in obtaining business registrations, as well as licenses and permits, so as to enable less costly and faster business formation.

2. As indicated in the World Bank Doing Business 2017 report, cumbersome procedures will discourage businesses, particularly MSMEs, from registering their businesses, thus pushing them to remain in the informal economy. Hence, the ASEAN Work Programme on Starting a Business adds to the impetus for ASEAN Member States to examine the administrative and regulatory burden on businesses, in particular MSMEs and Start-ups. The Work Programme addresses four main components covering (i) enhancing transparency of administrative procedures, (ii) developing effective coordination among government agencies, (iii) promoting simplification and rationalization of business registration procedures and upgrading of national company registers, and (iv) strengthening ASEAN regional cooperation, which includes an undertaking to develop a set of ASEAN Regional Principles to provide a basis for good business registration practices in all ASEAN Member States (AMS).

3. This paper outlines the proposed ASEAN Regional Principles for Good Business Registration Practices (henceforth referred to as the “ASEAN Regional Principles” or “Principles”). The Principles has been prepared, taking into consideration the ASEAN “Starting a Business” Report and Work Programme, the Doing Business 2017 report by the World Bank, OECD work on good regulatory practices and business registration, and input by AMS through discussions held during the first and second meetings of the ASEAN Task Force on Starting a Business, held on 26 November 2016 in Brunei Darussalam and on 16 May 2017 in Malaysia respectively. The Principles were also considered by the public- and private-sector delegates to the 2017 ASEAN Policy Dialogue on Starting a Business, held on 15 May 2017 in Kuala Terengganu, Malaysia. The event brought together members of the Task Force and the ASEAN Coordinating Committee on Micro Small and Medium Enterprises (ACCMSME), including government agencies related to business registration, as well as representatives from business associations and third-party agencies (such as public notaries, lawyers, business consulting companies). Inputs from the Policy Dialogue were considered in finalizing the draft Principles.
Purpose of the ASEAN Regional Principles

4. The ASEAN Regional Principles on Good Business Registration Practices will guide AMS in its implementation of the Work Programme on Starting a Business, by providing a common reference framework to help narrow the differences in the region and boost efforts towards simplification of procedures and processes related to business registration and starting a business.

5. The Principles will also promote a more transparent ASEAN, and foster the element of predictability in doing business in the region. Simplicity, transparency, clarity and predictability are essential elements from a public policy perspective. Whilst ASEAN is equipped with tremendous talent and skilled workforce, it needs to add the element of certainty, predictability, transparency and clarity into its laws and regulations to attract more business start-ups and investments.

6. The Principles will build on and complement relevant existing efforts and is not aimed at harmonization for its own sake; instead, the Principles will serve as a benchmark for AMS to target simplification. Each AMS retains its own business registration system, but will be required to make improvements in accordance with the agreed targets and indicators.

Relations with the ASEAN Good Regulatory Practice (GRP) Initiative

7. ASEAN has also developed an overarching Work Plan on Good Regulatory Practice (GRP) 2016-2025, which has been adopted by the ASEAN Economic Ministers and endorsed by the ASEAN Economic Community Council. The GRP Work Plan identifies priority areas and activities for implementation under element B6 (Good Governance) and B7 (Effective, Efficient, Coherent and Responsive Regulations, and Good Regulatory Practice) in the AEC Blueprint 2025.

8. The GRP Work Plan does not duplicate but builds on and complements relevant existing and planned platforms and work, including at the sectoral level, and will provide the general directions for ASEAN’s work on GRP.

9. The GRP Work Plan aims to improve the quality of regulations, through processes, systems, tools and methods. The quality of regulation is often measured in terms of the ease of experience of regulated entities (e.g. citizens, businesses). Good business registration (and thus the ASEAN Regional Principles) is a good example on the application of ASEAN GRP Workplan into concrete initiatives. Good business registration practices is an important step in the broader promotion of an accountable, transparent, efficient, and predictable regulatory business operating environment, often implemented by different licensing and inspection authorities, tax and custom administrations. Registration enables businesses to have formal protection of rights and
makes it easier for them to trade and grow. With a formal business identity, registration also allows businesses to be accessed regionally or even internationally, and hence themselves access wider domestic, regional and international markets

**Relations with other relevant ASEAN Initiatives**

10. The ASEAN Regional Principles on Good Business Registration Practices will focus on all procedures officially required, or commonly done in practice, for a local entrepreneur / MSME to start up and to formally operate their businesses while the efforts under the investment track (ASEAN Coordinating Committee on Investments) will address intra-ASEAN and overseas investments from large corporations making investments in the region.
ASEAN Regional Principles for Good Business Registration Practices

11. The adoption of these seven inter-related principles shall contribute towards enhancing the policy and regulatory environment in the ASEAN Economic Community (AEC), and specifically, to the desired outcome D-1 (inter- and intra-governmental cooperation in terms of policy and regulation will be enhanced) and D-3 (obtaining of permits and business registration will be streamlined) as stipulated in the ASEAN Strategic Action Plan for SME Development 2016-2025. These principles shall guide ASEAN Member States in the implementation of the ASEAN Work Programme on Starting a Business by providing a common reference, with accompanying targets and the end goal of easing the business registration process for businesses, particularly for MSMEs.

12. Each of the seven principles is elaborated in the following sections, with illustrations/examples in the respective boxes, where applicable:

A. Restrictive regulations reduced by effectively reviewing complex procedures and requirements;
B. Review mechanism and stakeholder engagement/consultation institutionalised;
C. Effective inter-agency co-ordination mechanisms established;
D. “One stop” or “single roof” service centres established or improved to simplify business registration processes, and to serve as a conducive information hub for business start-ups;
E. Targets established for the provision of simple and transparent procedures, certainty in fees and service standards;
F. Invest in information technology for a more comprehensive online registration system; and
G. Inter-operable business registration systems: established to support greater ASEAN economic integration.

A. Restrictive regulations reduced by effectively reviewing complex procedures and requirements

13. Practical actions, consistent with national circumstances, should be taken to reduce restrictive regulations. This would lower the burden imposed on entrepreneurs and improve the business climate as a whole. Regulatory burden imposed on MSMEs and entrepreneurs should be assessed to ensure that the business registration systems for MSMEs are simplified and facilitated, compared to large corporations with more complex requirements.

14. Reforms would need to be aligned to the domestic circumstance, specifically to the respective economic context or problems that are targeted for resolution. Reduction in the cost of registering for business could be addressed through combining
procedures that incur separate costs, eliminating unnecessary or duplicative requirements and thus lower the financial burdens on entrepreneurs. For example, in terms of applicant data entry and interface, the business registration system should ensure that applicants only need to provide the same information once and the system should have an inter-agency mechanism to share the data provided among relevant authorities.

15. The procedures should also be reviewed to be simple and practical to follow. Besides making the procedures simple and easy to understand, AMS should also consider having consistent regulations, administrative procedures, processes, and forms applied across all provinces/region within the AMS.

16. It is also important for business registration agencies to adopt a customer-orientated approach in reviewing procedures. Customer orientation is an approach in which objectives are defined around satisfying the customers, registering businesses, while achieving the policy objective of high registration compliance to enable sustainable economic growth. This would mean arranging processes around the needs of new businesses rather than the ease of existing agency structures.

17. Enhancing inter-agency communication and co-operation in simplifying and standardising business start-up procedures and steps is also critical to achieving smooth business registration processes, which in turn will help improve the business climate, thus contributing towards higher levels of business competitiveness.

18. Some tools commonly used for streamlining complex procedures are the Standard Cost Model (SCM), Regulatory Impact Assessment (RIA) and Process Mapping. SCM has been developed to provide a simplified, consistent method for estimating the administrative costs imposed on business by government regulation. This measurement focuses only on the administrative activities that must be undertaken in order to comply with regulation. On the other hand, RIA encompasses a range of methods to systematically assess negative and positive impacts (the costs and benefits) of regulations. Its aim is to ensure higher quality regulations, by providing greatest net benefit to the community. Finally, Process Mapping is easy to understand since it comprises diagrams or pictures of how the specific steps in a procedure or process

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work. It helps to identify where improvements can be made and show where too many people are involved in a process and the possible bottlenecks and cumbersome procedures that business (and citizens) have to face.

19. The above consideration should be complemented by offering simple legal forms for businesses with standard or model templates, capital deposit requirements reduced or eliminated, and the need for the use of intermediaries, such as notaries, removed. There should also be clarity on whether micro-enterprises, sole traders and other non-incorporated businesses are included in the register.

20. The elimination of minimum capital requirements should also be taken into high consideration by all ASEAN Member States\textsuperscript{4}. Paid-in minimum capital is usually the amount that an entrepreneur needs to deposit in a commercial bank or with a notary when, or shortly after, incorporating a business, even if the deposited amount can be withdrawn soon after a company is created\textsuperscript{5}. However, the requirements often have adverse effects. As access to finance is probably the largest barrier to MSME growth, eliminating capital deposit requirements should be a priority in ASEAN. For instance, if capital requirements are too high then certain capital entrepreneurial activity may fail to formalise. Moreover, the required capital is often a fixed amount which ignores specific details such as the size, activities, risks and other characteristics of the new enterprise. As such, it may be too high, impeding the development of the start-up, thereby distorting healthy competition; or it may be too low, thereby failing to shield enterprises from insolvency and hence protect investors and creditors.

\begin{table}[h]
\centering
\caption{Box 1. Starting a Business Indicators}
\begin{tabular}{|c|c|}
\hline
Box shown below illustrates the performance of each AMS in the Starting a Business indicators by the World Bank Doing Business 2017 report. Whilst not the only tool, the analysis provides some useful insights to identifying areas for possible review. On average, it takes 8.7 procedures and 31.6 days to start a business in ASEAN. The gap between the highest and lowest ranked AMS is still wide, with 3 procedures in Singapore and 16 procedures in the Philippines; 2.5 days in Singapore to 99 days in Cambodia. In mapping the procedures, it can be seen that there are some avoidable procedures that can be merged into one step. The procedures can also be eliminated
\hline
\end{tabular}
\end{table}

\textsuperscript{4} Out of the 212 economies studied in the World Bank Doing Business 2016, 150 do not have minimum capital requirements for firms. In ASEAN itself, 8 out of 10 AMS do not have a minimum capital requirement for businesses. ASEAN would need to adopt international norms to support the formalization of MSMEs in the region.

through the introduction of innovative technology.

<table>
<thead>
<tr>
<th>AMS</th>
<th>Starting a Business Ranking</th>
<th>Number of Procedures</th>
<th>Days</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brunei Darussalam</td>
<td>84</td>
<td>7</td>
<td>14</td>
</tr>
<tr>
<td>Cambodia</td>
<td>180</td>
<td>9</td>
<td>99</td>
</tr>
<tr>
<td>Indonesia</td>
<td>151</td>
<td>11.2</td>
<td>24.9</td>
</tr>
<tr>
<td>Lao PDR</td>
<td>160</td>
<td>8</td>
<td>67</td>
</tr>
<tr>
<td>Malaysia</td>
<td>112</td>
<td>8</td>
<td>18</td>
</tr>
<tr>
<td>Myanmar</td>
<td>146</td>
<td>11</td>
<td>13</td>
</tr>
<tr>
<td>Philippines</td>
<td>171</td>
<td>16</td>
<td>28</td>
</tr>
<tr>
<td>Singapore</td>
<td>6</td>
<td>3</td>
<td>2.5</td>
</tr>
<tr>
<td>Thailand</td>
<td>78</td>
<td>5</td>
<td>25.5</td>
</tr>
<tr>
<td>Viet Nam</td>
<td>121</td>
<td>9</td>
<td>24</td>
</tr>
<tr>
<td><strong>Average</strong></td>
<td><strong>120.9</strong></td>
<td><strong>8.7</strong></td>
<td><strong>31.6</strong></td>
</tr>
</tbody>
</table>

21. To help ASEAN countries improve their respective rankings, by 2020, business registration in AMS should be completed within targets as stated below:\(^6\):  
- No more than 19 days  
- No more than 5 procedures  
- No minimum capital requirement stipulated

22. Flexibility with the aforementioned target is accorded to Lao PDR and Cambodia. Business registration formalities should be completed in Lao PDR and Cambodia within 25 days.

**B. Review mechanism and stakeholder engagement/consultation institutionalized**

23. Effectiveness and efficiency of procedures shall be reviewed from time to time. This can be done through regular dialogues with concerned government agencies as well as relevant stakeholders such as notaries, registration agents and business associations to provide latest information on policy changes or obtain feedback on needed changes. Experts such as lawyers, notaries, judges, architects, trade logistics specialists, accountants and engineers could be periodically gathered for consultations to discuss and compile reports on how to streamline business start-up procedures. These consultations should not be held on an ad-hoc basis but be designed, coordinated and built into the overall business registration system. The aim is to minimise aggregate regulatory burden in order to stimulate economic efficiency, while

\(^6\) The figures are the average of ASEAN-6 required procedures and days.
achieving intended benefits of the regulation\textsuperscript{7}. Involving stakeholders will ensure a good regulatory outcome.

24. AMS should also continue to look at international best practices. ASEAN regional policy dialogue, for instance, can provide a platform to learn from regional and international best practices.

25. Business registration agencies should also welcome inputs from end-users/entrepreneurs. This should be carried out systematically through customer satisfaction surveys and feedback mechanisms. Obtaining customer feedback can be done through both online and offline procedures e.g. survey collection, suggestion boxes, customer complaints desks, and online petitions. If possible, online feedback should also be available online.

26. By utilizing the service standards as previously mentioned, businesses should know when the service is below par. The feedback mechanism should allow businesses to give feedback and ensure that there is a procedure for the feedback to be meaningfully dealt with.

\textbf{C. Effective inter-agency coordination mechanisms established}

27. Reducing the regulatory burden on entrepreneurs looking to start a new business could benefit the business climate as a whole, but would require effective coordination between government agencies to ensure alignment of reforms and clarity of roles. An effective and efficient process in business registration requires well-designed regulations and effective inter-agency coordination among national and regional agencies, with coherent policy objectives and clearly defined responsibilities.

28. Business registration procedures in ASEAN should not require any business to supply the same information to more than one government body. It makes data entry errors far more likely, and failure to update information in all systems to be almost inevitable.

29. The first inter-agency coordination is usually between business registration and basic business tax registration. Both agencies can often see the links and the potential for simplification. The next most common registrations are for labour requirements but these are much more rarely included. Further coordination must also be established with agencies and other offices or departments responsible for implementing policies

and regulation that directly or indirectly affect the life of a business, including for example social security, health insurance, safety, licensing and inspection.

30. There is also a need to address the coordination between the central government and local/provincial government. A good business registration practice should have one single registration system and one unique ID number across the country. This system should be consistently implemented, with measures to prevent local governments from introducing additional conditions and requirements. For some cases, where the local governments have the autonomy to introduce specific laws, the central government may encourage the adoption of the national system by producing a yearly ranking of ease of doing business in each local province.

31. There is increasing use of computer systems for managing corporate or business registration systems, for back office data storage, for giving information (data entries), to allow documents to be sent and finally to enable online registration. The advancement of information technology (IT) should be leveraged to enhance the inter-agency coordination, for instance through the use of a unique ID for individual and legal entity, then linking all information to that entity.

32. The ASEAN Starting a Business Report has agreed that AMS should review the feasibility of introducing a unique ID number system across the government IT systems, including mechanisms that could help improve verification and reduce data errors. The implementation of such a system could be part of larger-scale administrative reforms which could include streamlining business start-up procedures, integrating government-to-business service delivery and establishing technical infrastructure to support inter-agency communication and data sharing.

33. The unique ID number could replace the current “Task Force” or “Working Group” system in some AMS to improve the communication between government agencies through a shared database. In the long term, a fully accountable agency could be set up to lead co-ordination between government agencies which aims to reduce regulatory burdens on entrepreneurs.

**Box 2. MyCoID experience (extract from MyCoID website)**

The Malaysia Corporate Identity Number (MyCoID) is a very good success story from Malaysia, where a comprehensive ID numbering system covers almost all relevant government agencies.

MyCoID refers to the company incorporation number which is used as a single source of...

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reference for registration and transaction purposes with other relevant Government agencies. With the MyCoID, the public can utilize a single series of number derived from the incorporation number assigned by the Companies Commission of Malaysia (SSM) for the registration, reference and transaction purposes in the following agencies:

- The Inland Revenue Board (IRB)
- Employees Provident Fund (EPF)
- Human Resources Development Fund (HRDF)
- Social Security Organization (SOCSO)
- Small and Medium Enterprise Corporation Malaysia (SME Corp. Malaysia)

MyCoID effectively phases out and eventually eliminates various serial numbers assigned by different agencies for the purpose of public dealings and internal references.

Having a unique ID number system will remove the burden of having several different references number by different agencies. The usage of a single reference number will also reduce the time taken for Government agencies to do cross referencing, thus enabling the procedures to be carried out more expeditiously. The increase of efficiency would ultimately be translated into the reduction of costs and increase of productivity. Having a unique ID system will also enhance inter-agency coordination by intensifying interactions among all Government agencies for the purposes of data verification, data input, data updating, information exchange as well as enforcement. The unique ID system needs to be complemented with appropriate protection of the database.

Box 3. Status of information sharing in ASEAN

How far is information shared between the business registry and tax authority in ASEAN countries?

Brunei–Darussalam – The Registry of Companies notifies the Collector of Income Tax of the company’s registration and basic details. The company collects a letter from the registry to take to the tax office.

Cambodia and Indonesia – The company must register for tax separately.

Lao PDR – The company gets a letter for the tax office when registered at Enterprise Registration Office.

Malaysia – The company must register separately for income tax and pay as you earn (PAYE). This is done online after receiving the MyCOID number. To register for GST the company needs to submit further details with to Royal Malaysian customs.
Myanmar – companies are obliged to register for commercial tax with the tax authorities one month before the start of their business and inform the tax authorities within 10 days of starting a business. Each month the Company Registration Office also sends a list of newly registered to the relevant townships for cross-checking.

Philippines – The company is issued a Taxpayer Identification Number at registration but must still register in person with Bureau of Internal Revenue

Singapore, Thailand, and Viet Nam – Automatically registered at business registration

Note: Because of national variation between time and thresholds, VAT registration is often a separate activity

D. “One-stop” or “Single Roof” service centres established or improved to simplify business registration processes and to serve as a conducive information hub for business start-ups

34. One-stop shops (or sometimes referred to as single roof service centres) should be considered as an approach to reduce complex processes as well as to enhance inter-agency coordination. The one-stop-shop is established for the convenience of the customer, whereby every related government agency is available to assist in the “one stop shop” or services available at one location/under one roof or through an integrated website/portal. The one-stop shop can be physical or online, provide information only or include transactional processes as well. At best, a business can be set up in a single visit and with a single (affordable) payment.

35. One-stop-shops should drive simplification of process and coordination with the end-user in mind and not just put everything under one roof with the same number of procedures behind the window.

36. In reality, there is a continuum of varieties of one-stop shop, from a “single door” approach with various separate agency functions under one roof, to a “single desk” dealing with all functions, a single visit or single interaction online platform with single payment points.

37. Introducing one stop shop should take into account the economic context of the AMS, for example, in countries with frequent or recurrent electricity shortages it might be best to create physical one-stop shop to streamline incorporation processes and coordinate the work of different agencies.
38. The function of one stop shops may be expanded to go beyond business registration, to also include post-registration procedures which may include tax authorities, the labour office, social security and municipalities.

39. One stop shops should also serve as an information hub that helps put in place a conducive eco-system to promote business start-ups, by including information services such as on how to access government incentive schemes, how to obtain the relevant industry sector business permits and licenses, providing the full spectrum of information required for business start-ups.

40. Well-designed compliance incentives schemes should be introduced and properly disseminated at the information hub as well. Despite the potential benefits, most businesses see registration, at best, as a necessary evil - something they have to do before they can get on with their real activities. Hence, as well as making it as simple as possible, government should make sure that the incentives to comply are aligned as well\textsuperscript{9}. Examples of relevant action could include additional start-up advice being offered alongside registration or to newly registered businesses or tax breaks for small registered businesses\textsuperscript{10}. Enforcement should be well targeted and supportive of compliance: registering a business must not be an opportunity for rent-seeking behaviour by officials\textsuperscript{11}. It is equally important that the one-stop shop is effectively able to deliver on expectations and ease of use for businesses. In this respect, it is important to put resources and capacity into putting in place the back-office procedures that will make the one-stop shop work.

Box 4. Business registration compliance and enforcement thinking:
Source: SME Corp and SSM websites,

Some examples on promoting compliance: Malaysia

Links to support and advice. At incorporation, the business is automatically registered with specified authorities and with the SME Corp. This is a network of ‘one-stop


centres’ for business advisory services, relevant information on Government funds and incentives for SMEs, including tax incentives, and also provides a channel for feedback on SME issues.

Companies Commission of Malaysia (SSM). SSM is a strong proponent of the philosophy of “enforcement by education”. With the ‘Balanced Enforcement’ approach, SSM believes that education complements the effectiveness of enforcement initiatives in ensuring voluntary compliance. The Companies Commission of Malaysia Training Academy (COMTRAC) was established in 2007 to educate stakeholders and strengthen public awareness about the need, importance, and benefits of complying with corporate legal provisions. Since implementing this approach, the compliance rate has improved from 40% in the early 2000s to 93% in 2016.

Tax compliance. The approach includes an education and outreach programme (including one-stop service counters at tax offices), verification (surveillance, public information gathering, cooperation with other government agencies for data matching between asset acquisitions e.g. through stamp duty on property, motor vehicle registrations and insurance) and tax payer database), and enforcement.

Box 5. Thailand Single Point Service Centre
Source: World Bank
http://www.doingbusiness.org/data/exploreeconomies/thailand/starting-a-business

One stop shops can also simplify the procedures that correlate with post-registration procedures. For example in Thailand, at the Single Point Service Centre, entrepreneurs can register for social security and register for the Workmen’s Compensation Fund. The Department of Business Development also receives the work regulations and then forward them to the Office of Labour Protection and Welfare of the Ministry of Labour at the district where the head office of the company is located. Alternatively, an entrepreneur could also register for the work regulations at the Ministry of Labour directly.

E. Targets established for the provision of simple and transparent procedures, certainty in fees, and service standards

41. The length and complexity, transparency, and costliness of business start-up procedures vary among the ten AMS. While obtaining a business registration could be a relatively straightforward exercise, it may take an inordinate amount of time and cost in
certain cases. Barriers to enterprise creation can hamper the transitioning of micro-enterprises into the formal sector.

42. There is a link between start-up processes necessitating third-party involvement (notaries and lawyers) and levels of regulatory transparency. Complex processes are often a major cause of cost-intensive business start-up procedures; most of these added costs arise from third party fees such as those of notaries and lawyers, required by entrepreneurs to support processes. Less regulatory transparency and a less efficient civil justice system is also associated with a higher level of business informality.

43. An important aspect to boost business incorporation is to inform, educate and clearly communicate the requirements and procedures involved in the business registration process. Businesses are less anxious if regulations are simple and transparent. In assessing level of transparency, governments should consider:

   a) Are information on the fees for starting a business easily available and certain?
   b) Are the regulations related to starting a business easily accessible and understandable?
   c) Are there any brochures / user guide at the website / agency’s office?

44. A way of driving improvement is to set measures for the standard of the service that can be expected, and then to set targets and publish performance. Business registration agencies should set targets for maximum response and processing times. If time limits are defined, then a decision is needed about what happens when the limit is reached.

45. One other way to monitor the level of service standards regularly is through the mystery shopper approach, often used in consumer research and testing. A business registration officer or tester may pose as an applicant and actually gets into the ground and try to register a new business. The information gathered should validate the actual delivery of services.

12 ASEAN Report on Starting a Business

13 Some SMEs are more comfortable talking to someone seeking advice than looking at a diagram (process maps) on paper. Singapore deployed Business Advisers at 12 SME Centres in various locations in Singapore to bring the information closer to the potential users. Since the information to be disseminated involved multiple agencies, the Business Advisors are trained by the relevant agencies.

14 An example from Singapore’s Accounting and Corporate Regulatory Authority (ACRA) can be found in Box 7.

Box 6. Singapore’s ACRA service standards (extract)\textsuperscript{16}

<table>
<thead>
<tr>
<th>ACRA Service Standards</th>
<th>Business Registration Department</th>
</tr>
</thead>
<tbody>
<tr>
<td>Registration of new business (direct registration)</td>
<td>100% within 15 minutes of payment</td>
</tr>
<tr>
<td>Registration of new business (processing of name appeal)</td>
<td>100% within 3 working days of complete submission of information</td>
</tr>
<tr>
<td>Online renewal of business registration</td>
<td>100% within 15 minutes of payment</td>
</tr>
<tr>
<td>Processing of incorporation / registration of companies</td>
<td>98% within 15 minutes of payment 100% within 2 months of payment</td>
</tr>
</tbody>
</table>

F. \textbf{Invest in information technology for a more comprehensive online registration system}

46. As the first interface between the regulator and a potential new entrepreneur, company registries hold the key to the formal economy. Thus the relative ease or difficulty of start-up can have important economic consequences.

47. In assessing a registry’s efficiency in providing daily services, several elements are often considered to be key. These include a comprehensive electronic database, a one-stop shop and an online platform for business registration\textsuperscript{17}.

48. It must be mentioned that this database should be an inter-operable or integrated database that can be used across agencies. An effective integrated electronic database maintains up-to-date information and documents on both newly registered and existing companies and makes this information easily accessible, whether online or onsite at the registry’s office. This not only helps reduce errors in inputting and updating business information but also speeds up searches. In addition, electronic record keeping makes it easier to extract. Streamlining registries and databases offers faster processing and helps to meet growing demands for company information within government for


\textsuperscript{17} World Bank 2015: Going Beyond Efficiency. \texttt{http://www.doingbusiness.org/reports/global-reports/doing-business-2015}
reduction of duplication and regulatory oversight. It improves data integrity and improves access for firms operating at a distance from registrar’s offices and application forms can be pre-filled with information already held on other government systems.

49. Most common online features offered around the world include online company name search, electronic submission of documents and applications, online filing of annual accounts and the exchange of data between different agencies. In the long run, AMS should aim to include tax and social security into the systems to further reduce processing times. However, effective security measures are needed to ensure data security.

50. Using online services for business registration has several advantages. Online platforms make the process faster and more efficient by eliminating the need for entrepreneurs to travel to meet with government officials and wait in long lines. Online platforms would reduce the time to incorporate a business to only within a day.

**Box 7. Comprehensive online one stop shop**

Source: World Bank

http://www.doingbusiness.org/data/exploreeconomies/singapore/starting-a-business

Today more than 120 economies use information and communication technology for services ranging from name search to full online business registration (World Bank, 2016). Eighty-two economies offer electronic registration services (World Bank, 2016). In New Zealand and Singapore, for example, entrepreneurs can complete the entire business registration process online. The interconnectivity between different agencies’ systems allows businesses to register their business with tax and social security authorities at the same time as they complete the incorporation process.

BizFile is ACRA’s online filing and information retrieval system. Almost all submissions and applications required under the Singapore Companies’ Act can be submitted via Bizfile. This includes the updating of a company’s information, such as the details of its directors, shareholders, officers, registered office address and changes to a company’s issued and paid up share capital.

Since 2007, Bizfile has been providing one-stop business facilitation services to customers at the point of registration. These services include reserving domain names,

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goods and services tax (GST) registration, subscribing for the relevant e-newsletter and registering for e-service alerts on latest government procurement opportunities, activating customs account and application for a corporate bank account (World Bank, 2016). An application fee of SGD 15 is payable for each approved company name. It can generally be completed within an hour after payment online. The registration with the Inland Revenue Authority of Singapore (IRAS) for the goods and services tax (GST) when its annual taxable turnover exceeds SGD 1 million can be done using the same online forms.

G. **Inter-operability of business registration systems established to support as well as leverage greater ASEAN economic integration.**

51. Beyond local and national initiatives to simplify regulations, processes and procedures, to reduce costs of business registration and to increase service standards, the ASEAN region also stands to gain from greater ASEAN economic integration through the establishment of interoperable business facilities for the benefit of both the public (regulators) and private sectors. Inter-operable systems promote ease of use and access to critical/trustworthy information on business entities across the region and thus promote greater regional/international linkages and investments among business entities in ASEAN.

**Box 8. Development of EU/Europe’s Business Registers Interconnection System (BRIS)**

The European Business Register (EBR)\(^20\) was established in 1998. The European regional system has now evolved to leverage greater interconnectivity afforded by new technologies. This follows the adoption of the European framework in 2008, which included the development of regional principles for harmonization of the legal framework and addressing the needs of SMEs through simplification of procedures and removal of unnecessary administrative burdens for SMEs. A 2012/17 EU Directive commits EU and member state governments to provide a compulsory and comprehensive network for all businesses. This new system is called the Business Registers Interconnection System (BRIS). Both the EBR and the BRIS can be accessed through the EU e-Justice portal, to search the business registers in the European region. It is a useful platform for addressing cross-border matters – business mergers and

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\(^20\) The EBR is a network of European business registers. It started off as an informal technical cooperation between business registers, and over time it focused on offering information on companies all over Europe. Today, users may subscribe to the EBR services via the business register of their own country. This gives them cross-border access to information on companies registered in those countries that are participating in the EBR network. (Source: [https://e-justice.europa.eu/content_business_registers_at_european_level-105-en.do?clang=en](https://e-justice.europa.eu/content_business_registers_at_european_level-105-en.do?clang=en))
setting up of branches and business operations across Europe. The BRIS is expected to go live on 8 June 2017 across Europe. When in place, the system will allow citizens, businesses and national authorities to search, via the e-Justice portal, for information filed by companies in the national registers. In addition, the new system is expected to improve the communication between registers by allowing them to exchange trustworthy information on companies between each other.
### Targets and Indicators to Drive the Implementation of the Principles

**NOTE:** Font in italics refer to the target set in the ASEAN Work Programme on Starting a Business

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<th>Principles</th>
<th>Target</th>
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| Restrictive regulations reduced by effectively reviewing complex procedures and requirements | - No more than 19 days by 2020\(^{21}\)  
- No more than 5 procedures by 2020  
- No minimum capital requirements stipulated by 2020 |
| Review mechanism and stakeholder engagement/consultation institutionalized | - Annual consultation with stakeholders (local, national and ASEAN level) institutionalised, to gather feedback and provide updates (Q4 2016)  
- Methods of stakeholder engagement adopted at the national, regional, local level (2017) |
| Effective inter-agency co-ordination mechanisms established                | - National coordinating council under a lead agency established with clear political mandate to review and reform by (Q3 2017)  
- a fully accountable agency with integrated databases established (2020 / 2025) |
| “One stop” or “single roof” service centres established or improved to simplify business registration processes, and to serve as a conducive information hub for business start-ups | - Establishment of one-stop-shop (online/physical) (2017) |

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\(^{21}\) The World Bank approach is to be applied to ensure clarity and consistency. Hence, if the law and regulation of a country includes the sector-specific licenses and permits in its definition of “procedures to legally operate a business”, then the indicator to be used by the country should also include the number of days to obtain the sector-specific licenses and permits.
| **Targets established for the provision of simple and transparent procedures, certainty in fees and service standards** | • Information on fees is easily available and certain (2017)  
• User guides are readily available online and offline (Q1 2017)  
• User support centres (local contact points) established (Q1 2017)  
• National level service standards established (Q1 2018) |
| --- | --- |
| **Invest in information technology for a more comprehensive online registration system** | • Electronic database is inter-operable with relevant agencies  
• Electronic record keeping  
• Single data entry are shared with relevant agencies  
• Provides search function and online filing of documents and annual accounts  
• To include the following features: single national register, unique ID number, single payment point and digital signature. *Pilot 2020 / Actual 2023* |
| **Inter-operable business registration systems established to support greater ASEAN economic integration** | • Feasibility Study of Business Registration Requirements Harmonization Across the ASEAN Region conducted. (2018) |