



The One Stop Shop Concept: Best Practices for Benchmarking

**Training Workshop on One Stop Shop Services for Investors in the MENA Region
10-12 March 2010, Beirut, Lebanon**

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- B. Commercial registry liaising with other bodies (one window shop)
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An extract from the OECD Policy Framework for Investment

The main targets of one stop shops are:

- To quicken and simplify the process of starting a new business.
- To advocate policy improvements by raising governmental awareness of investor problems and overly complex regulations.

These targets can be achieved by:

- Providing information on registration, legal framework and investment climate.
- Providing services to speed up the granting of necessary permits and licenses in a centralised and comprehensive manner.

Services provided by an OSS include:

- Specific assistance with registration procedures.
- Ongoing support of the investment, for example: advice, matchmaking, assisting during negotiations, supporting finance and recruitment, etc.
- Facilitating and mediating in case of conflicts.

A recent World Bank Group study¹ on trends in business registration identified 5 main types of one stop shops:

- A. Commercial registry with other bodies on same site (one door shop)
- B. Commercial registry liaising with other bodies (one window shop)
- C. One-Stop Shop (not a commercial registry) liaising with other bodies (one more stop)
- D. Integrated registration function
- E. Online registration facility

1 How Many Stops in a One Stop Shop?: A Review of Recent Developments in Business Registration (December 2009)

A. Commercial registry with other bodies on same site (one door shop)

- Brings together representatives of different government agencies into one place.
- Often described as the “one door” or “one roof ” approach.
- Does not normally require changes in legislation or ministerial responsibilities.
- Does require cooperation between different ministries and agencies.
- Delegation problem: will agency representatives be allowed to process files or will they simply pass documents on to headquarters for others to process and return?

A. One Door Shop Case Study: Angola

- The *Guiché Único das Empresas*, at the commercial registry, is affiliated with the Ministry of Justice
- Commercial registry confirms availability of company name
- After the initial capital has been paid into a bank account, clerks and judges at the *Guiché Único* will check the company documents
- The applicant can then obtain a tax ID number from the *Direccao Nacional dos Impostos* and submit the dossier to the notary public, also at the *Guiché Único*
- The notary and applicant review documentation, then copies go (at the *Guiché Único*) to *Impresa Nacional*, the National Institute of Statistics, the tax office of the Ministry of Finance, the Social Security Institute and the Ministry of Public Administration

A. One Door Case Study: Angola – Basic Scenario

- Several agencies are co-located
- But the applicant still needs to deal separately with:
 - The commercial registry official dealing with name approvals,
 - The clerks checking documents,
 - The tax official,
 - and the notary public
- This is the “one door” or “one roof ” approach

B. Commercial Registry liaising with other bodies (one window shop)

- Several agencies are co-located
- On going through the “one door,” the customer finds not several counters, but just one (or several, of which he can go to any one)
- The official is authorized to accept documents for government bodies other than the one that employs him or her
- Documents may be sent by hand or courier to other offices for action, or this may be done electronically
- The applicant will normally only need to deal with one person and will not need to go to other offices

B. One Window Shop Case Study: Romania

- The National Trade Register Office (Ministry of Justice) operates a one-stop shop (*Biroul Unic*) for business registration
- The applicant applies for registration after:
 - Obtaining approval of the company name,
 - Depositing the initial capital at a bank, and
 - Obtaining a fiscal record for the company's associates and legal representatives
- The *Biroul Unic* liaises directly with the Ministry of Public Finances
- The registration certificate, issued within 3 days, includes a tax registration code
- The *Biroul Unic* also arranges publication in the Official Gazette and registration for statistics and social security. The company may apply for VAT registration.

B. One Window Shop Case Study: Romania – Basic Scenario

- Effective coordination between the registry and the tax office, the publications office, the statistics and social security departments
- Each agency involved will need to modify its procedures in order to ensure an effective flow of documents or information.
- There may be circumstances where this will require a change in legislation.
- The officer at the one-stop shop must be fully authorized—and trained—to receive documents for other agencies.

C. One Stop Shop (not a Commercial Registry) liaising with other bodies

(one more stop)

- A new organization is created to coordinate registration functions.
- This avoids major restructuring of the bodies with primary responsibility for registration.
- This increases the cost of the administrative functions and only reduces timeframes to the extent that it allows back-to-back operations or the one stop shop can speed up other agencies
- But from the applicant's viewpoint, there is still the advantage of being able to deal with a single organization
- This may be regarded as "one more stop," as it adds a new function without any corresponding reduction elsewhere

C. One More Stop Case Study: Burkina Faso

- Creation of the Center for Company Formalities (CCF)
- A single form (but multiple copies and supporting documents)
- A unique identifier per business proved impractical in the short term due to differing government agency systems/procedures
- Presence in the same offices of the tax administration, the Ministry of Commerce, and the Social Security Authority
- Applicants generally only visit CCF twice, to deliver the application and to collect confirmation of the registration
- In 2005, it took 40 days to complete the 12 formalities, but by 2008, it took 16 days to complete 5 formalities

C. One More Stop Case Study: Burkina Faso – Basic Scenario

- Simply sending one person from each agency to a single location did not itself simplify the process. Improvements were due to a single form and other streamlining.

One person per agency in a single place creates problems of:

- Authority (need to refer back to headquarters for approval)
 - Personal development (official may be excluded from mainstream activities of the parent department, affecting promotion prospects and motivation); and
 - Management (the head of the OSS will not normally be line manager for representatives of other departments)
- Bringing a team of people from each government body to the one stop shop does not have the same drawbacks and this is the approach now being adopted

D. Integrated Functions

- Not necessary for an official at a one-stop shop to pass information to a separate agency, as the functions of the offices concerned have been integrated, usually using a common database
- In the Russian Federation, since 2002, the tax administration itself is responsible for the state registration of legal entities, thus avoiding the need for separate registers with similar Information
- Albania: National Registration Center (since 2007) provides a single-window service for business registration with simultaneous registration for tax, social insurance, employment, and statistics

D. Integrated Functions Case Study: Azerbaijan

- A single form, & a simple 2-page template for the company charter
- The fees structure is simple and transparent
- Fees are paid at the bank, no payments to government officials
- Apart from notarization, the only direct contact with officials is at the one-stop shop at the regional office of the Ministry of Taxes
- It will not normally be necessary to use a lawyer or other intermediary except to notarize the company charter
- The taxpayer number used as unique ID number for all purposes
- State registration with the tax ministry should be completed within 3 days and the entire start-up process in 8 days
- Taxpayer registration is conducted as part of business registration.

D. Integrated Functions Case Study: Azerbaijan – Results

- Azerbaijan was *Doing Business 2009* top reformer, with the most regulatory reforms, having jumped to 33 on the list (96 in 2008).
- For Starting a Business, Azerbaijan ranked 13th (64th in 2008).
- A one stop shop with integrated functions halved the time, cost, and number of steps required to start a business.
- Business registrations increased by 40% in the first six months of its operation and 32,000 businesses were registered.

E. Online Registration Facilities

- With advances in technology and increasing internet penetration, many registries are making services available via a web site
- In the case of Singapore, all business registrations must be done online. In other cases, online registration is an option
- An online gateway may provide a totally integrated facility (the case of Canada), or may require a separate registration for tax purposes

E. Online Registration Facilities Case Study: Hungary

- Application for registration at the commercial court through paper documents or by completing a standard template online.
- Companies must complete an application form and file certain documents specified under the law. Other corporate documents are kept by the attorney handling the incorporation.
- The court registers the company with the State Taxation Office (for VAT and income tax) and the Statistical Office via an online system
- Incorporation using paper documents takes 8 working days. Online application reduces the timeframe to 2 to 3 days.

Comparative performance of the types of one-stop shop

	No. of countries	Average		
		No. of procedures	No. of days	Ranking (out of 183)
A Commercial Registry with other bodies on the same site	7	7.0	24	99
B Commercial Registry which liaises with other bodies	20	6.7	19	61
C One-Stop Shop (not a Commercial Registry) which liaises with other bodies	13	6.3	27	98
D Integrated registration function	12	5.8	13	49
E Online registration facility	15	5.2	14	48
All countries with one-stop shops	67	6.1	19	67
F Other countries	116	9.3	46	106

Source: Doing Business database.

- Countries with one stop shops register businesses much faster and more simply than countries with no one stop shop
- One stop shops offering integrated registration & online registration get best results

- Migration of businesses from informal to formal economy
- Broader tax base and higher tax revenues
- Better collaboration among government agencies
- Reliable data bases
- FDI inflow
- New employment generation
- OSS needs to be part of a wider regulatory reform agenda

Many OECD and MENA countries have adopted a comprehensive business registration reform strategy with high-level political support, **targeting compliance requirements (permits and licenses)**.

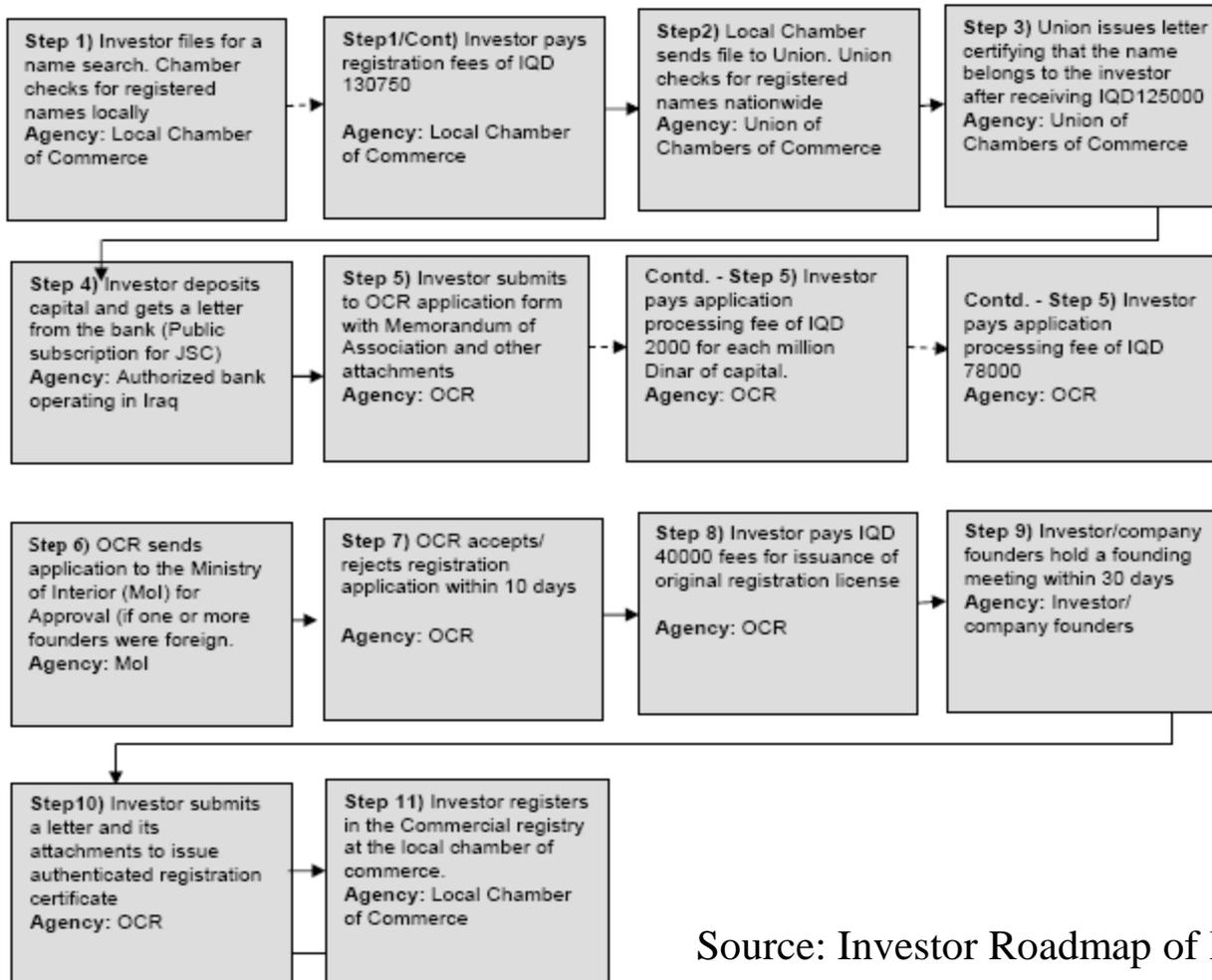
Licenses can be abolished altogether, or combined with similar licenses or the whole procedure can be re-engineered. Basic assessments while re-engineering licensing policies include:

- The use of licenses only where there are clear risks to the public associated with the conduct of the business;
- Renewal requirements being adopted only where there is a substantial need to verify continued competence and suitability to undertake the business;
- Qualification requirements being directly and substantively related to the ability to carry out the business without risks to the public;
- Informational and procedural requirements being restricted to the minimum necessary to verify the above.

Source:

OECD (2008), Making Reforms Succeed: Moving Forward with the MENA Investment Policy Agenda.

Figure 3.4: Summary of steps of registering a company in Iraq

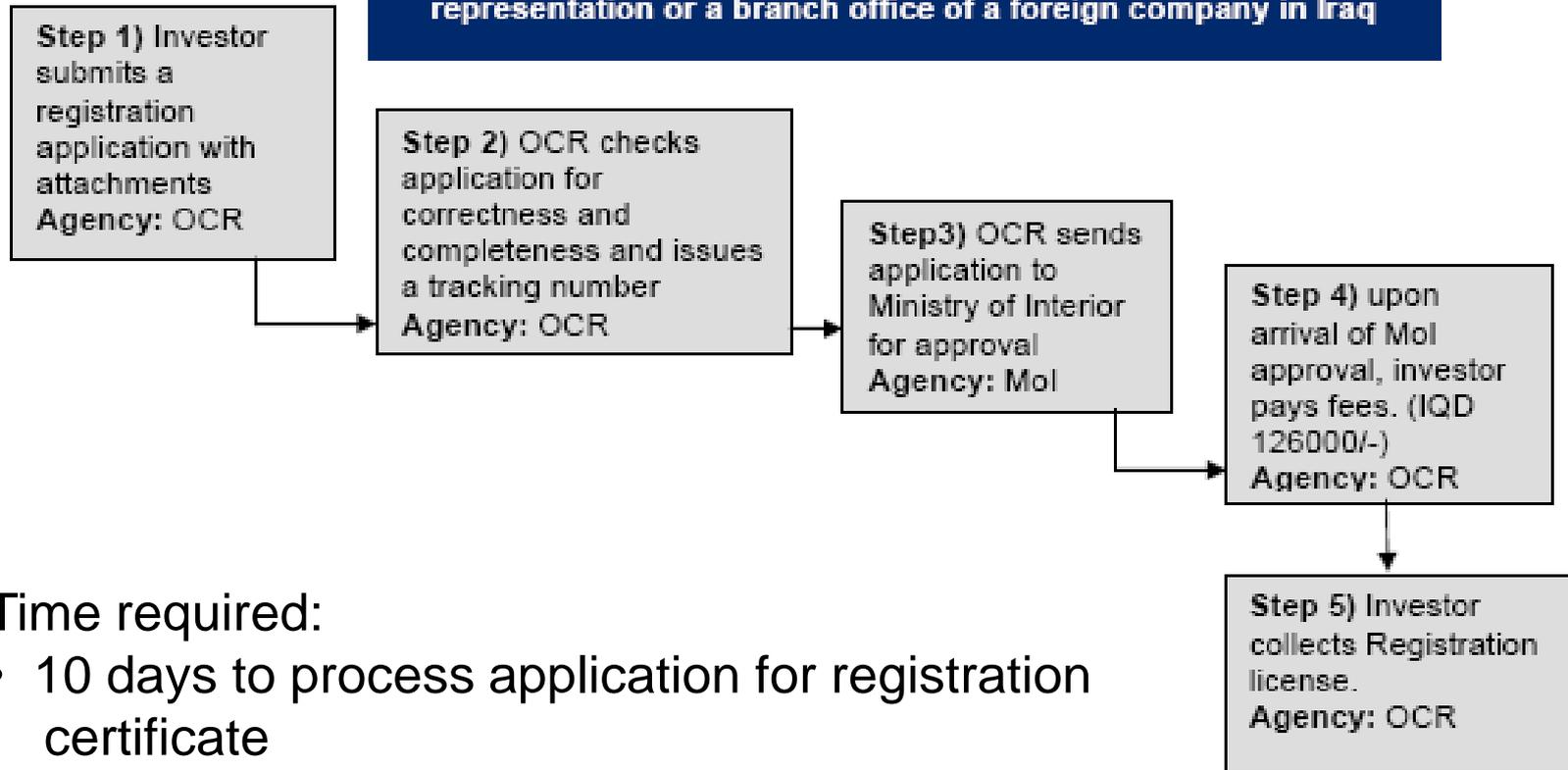


Time required to complete all steps:

- Approximately two months for a joint stock company
- Approximately 20-25 days for all other companies

Source: Investor Roadmap of Iraq, USAID, September 2009

Figure 2.5: Summary of steps for registering a trade representation or a branch office of a foreign company in Iraq



Time required:

- 10 days to process application for registration certificate
- 15 days for the whole process

1. **MENA-OECD Workshop on Private Sector Integrity in Iraq: Public procurement**

This workshop will support Iraq in its efforts to further improve integrity in the private sector based on related international standards, with a focus on public procurement. Manama, 18 March 2010, following regional workshop. Partner: Bahrain Economic Development Board.

2. **MENA-OECD Workshop on the Iraqi Legal Investment Framework**

A workshop for NIC and other government legal experts focusing on Investment Law Implementation, Arbitration Law, Investor-State Dispute Settlement and a Model Investment Treaty. Cairo, 19-22 April 2010. Partner: CRCICA.

3. **Second Meeting, Working Group on Infrastructure Finance in Iraq.**

Organised by MENA-OECD Investment programme, Paris, 29-30 April 2010.

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