

Boosting registration and Licensing through reforms

ROBUST SENSITISATION DRIVES HAVE BEEN CARRIED OUT TO COVER THE INFORMATION GAP ON PROCEDURES

A few years ago, getting your business registered was a nightmare. Not anymore. The fortunes are changing at the Uganda Registration Services Bureau (URSB) thanks to government initiatives like the Competitiveness and Enterprise Development Project (CEDP), funded by the World Bank.

The 2014 figures from the Uganda Bureau of Statistics indicated that the informal sector is the fastest growing sector in Uganda, accounting for at least 43 per cent of the total economy.

It is important to get these enterprises registered for business expansion, competitiveness, and national planning purposes and ultimately increase government revenue. That is why under the CEDP project, US\$10m was allocated to URSB for business registration and licensing reforms. This is geared towards strengthening of business registration institutions and processes, building the capacity for URSB and other relevant regulatory agencies' staff, and developing and implementing an information, education and communications strategy.

Some of the reforms are already paying off

To make it easy for the growing informal sector to easily formalise their businesses, URSB has spread its wings from the head office on George Street.

In Kampala, a fully-fledged functional branch office at Post office building, Lumumba Avenue (Uganda Investment Authority premises) and a recent addition at Nakivubo in down town Kampala, have been introduced to ease access to the registration and licensing services.

These offices supplement the already operational upcountry offices in Mbale, Mbarara, Arua and Gulu where operations have been improved with new infrastructure including interlink with the head office to facilitate ease of registration in the regional offices. This, plus a fully facilitated office, the business community across the country do not need to travel to Kampala to register their business.

Other interventions that have been undertaken thanks to the World Bank support are;

Legal reforms that have led to improved business registration processes. Reforms include the Operationalization of the Companies Act 2012, supporting the consultative process of regulations and publication of the Companies



The URSB now has a call center that can be reached on 0417338100

General Regulations, and fast tracking the amendments to the Companies Act No. 1 of 2012. This has led to simplification of the registration processes, drafting and publishing of the Partnership Regulations, 2016, drafting of the Companies (Powers of the Registrar) Regulations, the Companies (Single Member) Regulations, and Chattels Securities Regulations.

The Administrative reforms including reduction in steps taken to register businesses, reduction in documentation requirements, offering all registration services and banking of fees on one floor (Level 6) have impacted a lot on the ease of doing business. It now takes 8 hours to register a business as opposed to 7 days in 2012. Other reforms like the re-organisation of records/file census have enabled the maintenance of proper statistics on companies, business names and legal names registered and has eased access to files and improved file retrievals. A file can now be retrieved within 5 minutes as compared to 3 days in 2012.

Robust sensitization drives through market areas and mass media to cover the information gap that had existed in the country for long about business registration and licensing procedures and processes.

HIGHLIGHTS

- It now takes 8 hours to register a business as opposed to 7 days in 2012
- It takes 5 minutes for file retrieval compared to 3 days in 2012.
- Operationalisation of the Companies Act 2012 leading to simplification of the registration processes.
- Number of businesses registered from 16,000 in 2013 to 19,000 in 2016
- Increase in Non-Tax Revenue collections from Shs. 5bn per year in 2010/11 to over 2 bn in 2014/15

A Customer Service Center on 0417338100 has been established to provide real time feedback to clients.

The e-licensing portal is in place at an informational stage. Work is ongoing to have it transactional.

Overhaul of the URSB ICT infrastructure for voice and data at the head office and regional offices and automation of URSB and installation of equipment like CCTV and access control have improved staff performance, transparency and accountability. Working with other agencies to promote use of Information Technology for the transmission



The state of URSB records before the project (above) and below is the new archive



and authentication of information submitted between doing business related agencies. We currently share online data with URA, NSSF and KCCA. The current system is expected to become even better with the implementation of the Electronic Document Management System and the full implementation of registration integrated services.

These efforts have not gone unnoticed. In the 2016 World Bank Doing Business report, Uganda is rated among the best top ten countries that have undertaken doing business reforms. This improvement is partly due to reforms undertaken by URSB which impacts on the first indicator of 'starting a business.'

The Private sector members also recognized URSB as one of the agencies that have positively contributed to their growth at the Private sectors' 6th annual awards under the best "Government agency of the year".



Dr Peter Ngategize,

By Vision Reporter

Although Uganda moved from 135th position last year to 122 this year in the World Bank's Doing Business report, the country is still in the wrong half of the table that ranks 189 economies in the world in terms of business regulations and their enforcement.

Dr Peter Ngategize, the National

Improving Uganda's competitiveness

Coordinator of the Competitiveness and Investment Climate Strategy at the Ministry of Finance, Planning and Economic Development is keen to see initiatives such as the Competitiveness and Enterprise Development Project (CEDP), which he was one of the key architects of, help Uganda climb up the ladder in the doing business ranking.

He is particularly happy with what the business registration and licensing reforms being undertaken under the project is doing. "We are undertaking reforms to make the business registration processes easier. One of the reforms we are carrying out as government is to make sure that URSB, URA, KCCA are working together, sharing information and are under one roof," he says.

Under the project, a Business Facilitation Centre will be constructed in Kololo, Plot 1 Baskerville Avenue. "In addition, we have made sure that there is one form to

complete for anybody wishing to register a business. This form has enough information for all these agencies so that when you complete it, the information captured are sufficient for all the relevant government agencies to work with.

Secondly, we are also making sure that these agencies can communicate with each other," he explains. "When we do all these, then we hope to improve on the doing business index ranking. URSB is doing a good job, but for the totality of the index, we need to improve the interaction of these agencies, which the Business Facilitation Centre will help with. We also intend to interlink with other agencies like Immigration, NIRA on the e-platform to simplify processes."

Ngategize is also quick to mention reforms such as those being undertaken under Tax Payer Registration Expansion Project (TREP). TREP aims to bring more businesses out of informal settings by giving them tax

identification numbers.

Government is also looking to streamlining business licensing regimes, and many obsolete licenses have already been dropped. "Studies were done which showed that the cost of regulatory burden imposed by business licenses, permits and approvals was estimated at sh750b. We conducted a comprehensive review of these licenses in 2011 and reviewed an inventory of about 800 licenses.

A decision was made that some of these licenses were not useful," explains Ngategize. "Cabinet permitted us to eliminate about 41 licenses and improve the legal framework for about 300. As a result, to date we have reduced the regulatory burden by 26%, equivalent to sh188b, and the process is still continuing."

"When a company is registered, you can secure contracts, get access to funding such as the Matching Grant Facility under CEDP to improve capacities and quality standards on a cost sharing basis. We want more viable SMEs, so we can create more jobs, more exports and more taxes."