

CEDP: Business Registration and Licensing Reforms



Business registration now a hustle-free service



URSB staff attending to clients at the World Bank Open Day, in May 2017.

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Business registration in Uganda has until recently been a nightmare for many business owners and investors. The process was characterized by slow, manual and bureaucratic procedures.

All the files were manually handled and kept together. This means that if you wanted your file retrieved it could take a whole week or more. In addition, registration was only done at the headquarters of the Uganda Registration Services Bureau (URSB) Kampala.

"The business registration process in the past got to a point where it was not only tedious but also frustrating," says Mr Vincent Katutsi, the director business registration at URSB.

"We had a whole floor full of files which were old and dusty. Several were tattered due to poor storage," he adds. This was in addition to complaints of damaged and misplaced documents, which left many entrepreneurs and investors frustrated.

The registration chaos was beginning to tarnish the image of URSB, and importantly, impact on the ease of doing business in the country.

According to the Private Sector Foundation Uganda (PSFU), the tedious process of business registration contributed to rendering Uganda unattractive for business.

The PSFU Executive Director, Mr Gideon Badagawa, says: "Disorganization at URSB that made registration difficult and expensive directly affected the private sector's ability to create jobs, generate revenue to the government and thrive



File search prior to digitization.



File Census and re-organisation supported under the project.

in business."

He adds: "To attract funding from a financial institution, your registration papers will be required and in order to start operation, you must have a license. So, delay in any of these directly affects not only the time lines but also the bottom lines."

However, the cries of the private sector, the country's biggest employers, were answered, thanks to the Competitiveness and Enterprise Development Project (CEDP), a five-year government of Uganda, World Bank funded project to carry out reforms in business registration and licensing processes at URSB.

CEDP is being coordinated by the Private Sector Foundation Uganda and implemented by seven government agencies, including Ministry of Lands, Housing and Urban Development, Ministry of Tourism, Wild Life and Antiquities, Uganda Tourism Board, Uganda Wildlife Authority, Uganda Registration Service Bureau, the Uganda Hotel Tourism and Training Institute and the Private Sector Foundation.

Already, the project's impact is being felt especially in the private sector. Days when mere registration of a business would take you weeks or months are in the past.

In fact, registration of a business now takes a day or hours depending on its nature. It is also hoped that with the ease of registration and streamlined processes at URSB, the huge informal sector will see no reason why they should not register their businesses and be able to access the wider global and regional markets.

With an efficient registration and licensing bureau, formalization of businesses is easier, access to finance more predictable and those who

KEY ACHIEVEMENTS

- Takes four (4) hours to register a business as opposed to 30 days in 2012.
- Takes a click of a computer today to view a file, compared to 3 days of file retrieval in 2012.
- Name Search can be conducted online through <http://brs.ursb.go.ug/brs/pro/bnr/searchname>
- The number of businesses registered has increased from 201,613 in 2010 to about 505,600 in June 2017
- Non-tax revenue collected by URSB has increased from UGX5.8BN in 2010 to UGX32.5BN in 2016/17
- Business Registration records have been digitized. Customer service center on 0417338100 and Toll Free 0800 100 006 has been established to provide real time feedback to clients.
- URSB ICT infrastructure overhauled and linked to regional offices.

have an eye for the export market can easily do so once their businesses are registered and licensed.

Already, the number of days to register a business has reduced from 33 days to under four hours, with Mr Katutsi believing that it is only a matter of time before the whole exercise is conducted in a matter of minutes.

Mr Jeremiah Ssenkibirwa, who owns Black Mode Fashion House, a company in Kampala, says he registered his company within 4 hours. He commends the services offered by URSB staff, saying they are quick and have eliminated the need for middle men.

As a result, the number of businesses and companies registered has increased from 201,613 in 2010 to about 505,600 as of June 2017.

Efficiency registered in the two and half years of the project has also seen the monthly Non-Tax Revenue collected by URSB increase from **ugx 5.8bn** in 2010 to more **ugx32.5bn** in 2016/17.

Business registration records have so far been digitized under the electronic document system electronic document system.

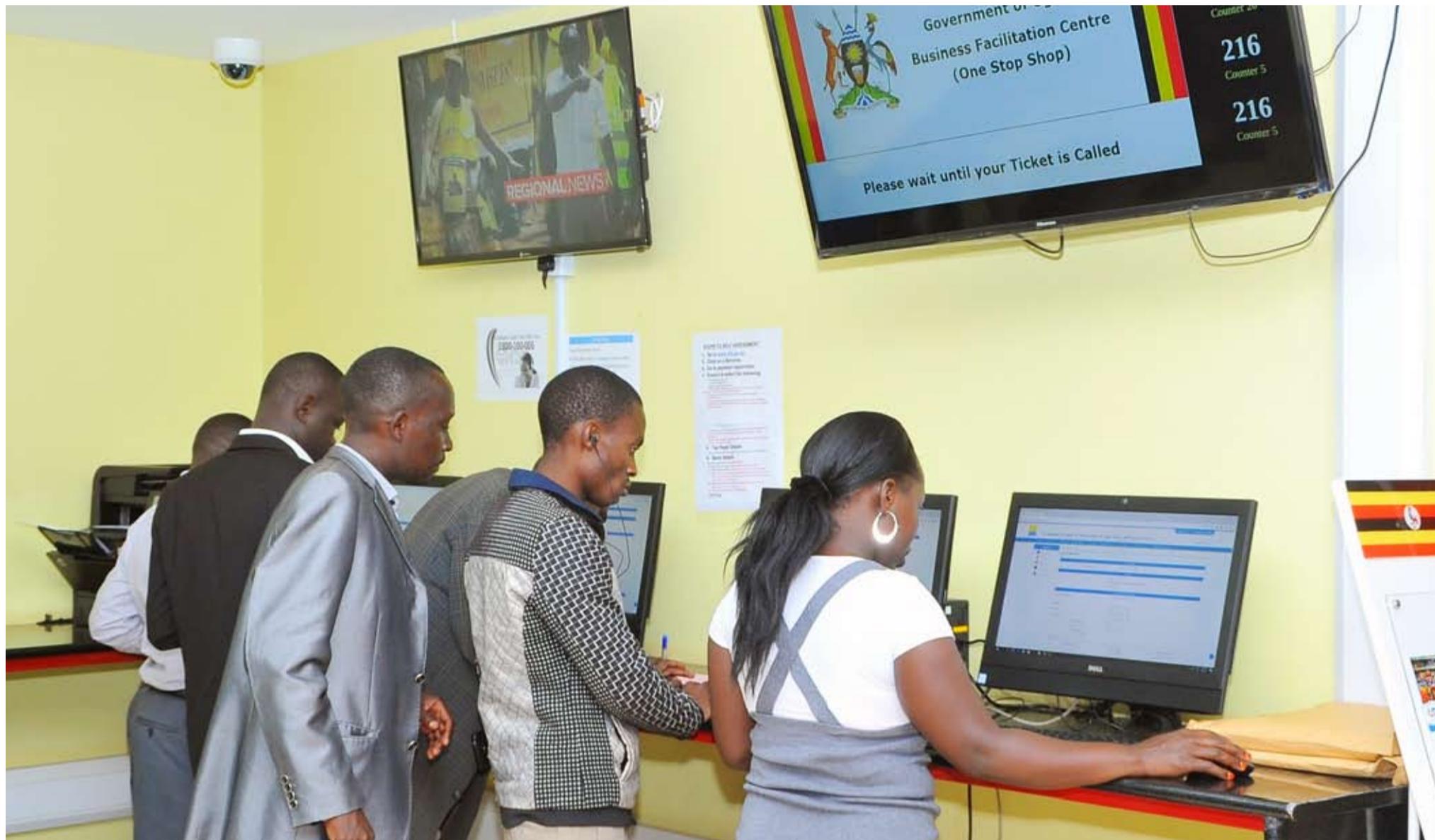
Ms Priscilla Nalwoga, a presenter at Power FM, who was found certifying her business registration documents at URSB offices in Kampala, says the services are quick and efficient, right from start to finish.

"I have found their services to be efficient, quick and to the dot. The last time I came to certify documents here, it took me 24 hours – but this has changed. I love the customer care right from the person who gives out the coupons to the last person, the banker. It is a very good service for Ugandans," says Nalwoga.

According to URSB Post Office branch Registrar Juliet Scovia Apolot, operations at the Bureau have all been simplified even for them who operate from branches and regional offices

"A lot has changed here. We have got good feedback from the public and that makes us believe that we are on the right track," she says.

With the progress attained so far, Ugandans can now open up businesses with the knowledge of who their competitors are, the number of business in that particular sector and location among other interesting details, a business needs to know.



Clients at the self service corner of the One Stop Shop at URSB office.

SMEs reaping from an efficient service at the Registration Service Bureau

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Businesses today must adapt to the changing trends or risk being left behind. With technology having an indelible influence on every aspect of business, organizations across the globe struggle with how best to approach their routine processes and workflows. Uganda Registration Services Bureau (URSB) has now digitized its records through the Electronic Document Management System (EDMS).

Ms. Madiina Kanyago, a paralegal at Sebuliba and Company Advocates in Nakasero, Kampala, has for the last five years handled all company registration work from the offices of URSB in Kampala.

Initially, Ms. Kanyago says she would take days off her work schedule to line up for any service at URSB offices.

"Too many people would be on a particular window because you all tried to submit your documents. I would come and camp here for days. Even conflict resolutions at our company were delayed since searches for company documents took long," she recalls.

Ms. Kanyago says the new business registration system at URSB is now faster as opposed to then. She also attests to the decongestion at the offices currently because of the decentralization

of registration services, and the new digitized system. She says all these changes help to curb bribery.

The CEDP project coordinator, Mr John Marie Kyewalabye, says: "The major purpose of this project is to support key government reforms that are geared towards creating a conducive business environment. Some of the reforms being undertaken are in land administration, business registration and tourism, with focus on spurring growth and development in those sectors," says Mr Kyewalabye.

He adds; "The project seeks to promote an environment where enterprises created can grow, provide jobs and support the economy as envisaged in Vision 2020-2040."

The Director in charge of ICT at URSB Mr Arthur Kwesiga, also says private sector players will be the biggest winners of the ongoing reforms.

According to Mr Kwesiga, development of IT infrastructure has been a priority of the bureau.

He says restructuring of the ICT department was done in 2012 and they embarked on ICT reforms which have been ongoing since then. The introduction of the EDMS will complete its digitization journey, paving way for e-registration.

With digitization and reorganization, Kwesiga says, corruption is a thing of the past. By the end of the project, there will be no need to walk to the head office to register a business as it

will be done either online or at the zonal offices across the country's regional centers. The name search, for example, can be done online.

Mr Roland Ndagije, a city-based lawyer, is another of the clients that deal with URSB. He too has benefitted from the digitized company search processes at URSB. He says previously it would take five days to search for a company's documents but now by just typing in the search box, the company information is retrieved.

"The system has changed for the better; company searches are faster than they were," he says.

Mr Kwesiga says the new IT infrastructure at URSB links up all the up country offices to the Kampala main office thereby making it easy for information to be retrieved and accessed from anywhere instantly.

"We now have the ability to avail information as and when any companies need it. Our systems are revamped and we encourage the private sector to use them because they are meant to facilitate rather than hamper business," says Mr Kwesiga.

Currently, companies can also use mobile money payments and visa card payments to access URSB services. All these are meant to improve and empower the private sector.

A Business Facilitation Centre (one-stop shop) has also been set up and is fully operational to enable clients have all the registration necessities catered for under one roof. The facility

houses seven agencies that offer services key in starting up a business. Uganda Registration Services Bureau, Uganda Revenue Authority, Kampala Capital City Authority, Ministry of Local Government, National Social Security Fund, National Identification Registration Authority and Ministry of Lands, Housing and Urban Development. This means clients do not have to move to and from organizations to get certificates that they can get under one institution.

"I am happy with the progress made by the project so far although there is still more to be done. But one thing I can promise is we will consolidate the achievements we have registered even after the project's life." Mr Kwesiga says.

WAY FORWARD

- Recruiting and skilling of staff to oversee the project to ensure sustainability and continuity of the gains made.
- Transforming the e-licensing portal into a transactional online registry.
- Construction of Business Facilitation Centre in Kololo, an upscale suburb in Kampala



One Stop Shops streamlining business registration

Uganda Registration Services Bureau (URSB) under the Competiveness and Enterprise Development Project (CEDP) to open up One-Stop Shops countrywide to ease business registration. Mr Vincent Katutsi, the Director Business Registration at URSB, spoke to *Daily Monitor's* Christine Kasemiire on how One Stop Shops have made business processes less burdensome.

How is Uganda Registration Services Bureau easing doing of business in Uganda?

URSB, through a series of measures, is supporting trade and improving ease of doing business. Some of these include establishment and management of the Government Facilitation Centre (One-Stop Shop) for businesses, the management of the electronic licensing portal on www.businesslicenses.go.ug which has a pool of all licenses in sectors in the country for ease of investors' information on all licenses before application.

What has been the progress todate?

URSB has executed a number of reforms aimed at easing the starting of a business and improving the 'Doing Business Environment' in the country. The last three years have been marked by the transformation of business registration services from manual to automated processes, leading to a remarkable improvement in turnaround time. The project is helping us to establish a single platform to avail business and investment related services. We already have a One Stop Shop facility on the first floor, which in the near future, will be virtual.

The current reforms under the project will result in radical improvements in ease of doing business by reducing time, efforts and costs taken in obtaining clearances and ensuring compliance levels.

How has URSB helped upcountry businesses to improve their operations?

We have offices in Mbarara, Arua, Gulu and in Mbale. We also have three branches within Kampala. At the regional one-stop shops, all bodies that provide services pertaining to

licensing and registration are under one roof just as it is the case in Kampala. This in turn reduces the cost of doing business in terms time and operational costs.

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Under the Taxpayer Register Expansion Project (TREP); a government project implemented by URSB, URA, KCCA/Ministry of Local Government, we have 34 One Stop Shops across the country, and we plan to expand further to reach every corner of this country, and to meet each and every business person from their area of operation. This is currently being undertaken through mobile business registration clinics.

Any benefits accrued from the transition?

A lot has changed if you have known



Vincent Katutsi, The director business registration at URSB

FOR MORE INFORMATION ABOUT URSB SERVICES

- **Uganda Registration Services Bureau, Plot 5 George Street, Georgian House, P.O Box 6848 Kampala**
- **Call Centre Number: +256 0417 338100 Toll Free Call: 0800100006**
- **Online Name Search: <http://ursb.go.ug/brs/pro/bnr/searchname#SearchName>**

URSB of the previous years. We now have a very neat and organized office, all information are on line, there is easy access of records for clients, which has reduced turnaround time. Exchange of information with our major stakeholders is now easier among so many other benefits.

What are your thoughts on sustainability and implementation of the reforms?

Thanks to CEDP, we have a vibrant ICT infrastructure in place and managed by well-trained employees. One of the ways to sustain our reforms is through retaining and re-skilling staff, with support from the private sector and other stakeholders, and having investors both local and foreign continue injecting their money into our country because we are now ready for business. Companies should also update their data just to be sure that all is well and that we are all reading from the same script.



An Artistic Impression of the Uganda Business Facilitation Centre. The facility will house three government agencies; URSB, UIA, CMA and a physical One Stop Shop, planned to accommodate 13 government agencies service points.

URSB managing the Government of Uganda Business licenses portal

Government of Uganda's economic development goal since 1990 has been to promote a private sector led economy and there is an evident commitment to improving the country's performance in the Global Doing Business (DB) Report and the World Economic Forum's Global Competitiveness which has been poor.

To this effect, a number of initiatives have been undertaken by the Government to create a conducive business investment

environment and reduce the cost of doing business hence improving the Global Doing Business ranking.

In March 2011, the Minister of Finance Planning and Economic development appointed a high level committee (the Business Licensing Reform Committee) to oversee the implementation of targeted regulatory reforms under the Uganda Investment Climate Program (UICP).

The Committee came up with a report in

which one of the key recommendations was to setup an electronic registry to house all information on approved business licenses to be hosted at Uganda Registration Services Bureau (URSB).

On 11th June 2013, the Minister of Finance, Planning and Economic Development launched the online business licensing registry www.businesslicences.go.ug as an electronic repository portal that provides easy, one-stop-shop access to exhaustive information about licenses and licensing requirements for all business activities in Uganda.

The e-licensing portal is currently being implemented under the Competitiveness and Enterprise Project (CEDP) and focuses on activities that will reduce the costs involved in licensing procedures by limiting the scope of application and streamlining the issuance process through the creation of a one-stop-shop for business licensing that will be accessible online.

Preparations are underway to have the current informational e-licensing portal transformed into a fully functional transactional e-licensing portal that will facilitate online applications and payments with support for back office processing from all licensing regulatory agencies.

WHAT THE PROJECT COORDINATOR HAS TO SAY

The Business Registration and licensing component of CEDP implemented under URSB seeks to reduce the burden for businesses in dealing with registration and licenses procedures by creating an online one-stop-shop for business registration and an e-registry for business licensing, and by implementing measures aimed at simplifying and streamlining business registration and business licensing procedures.

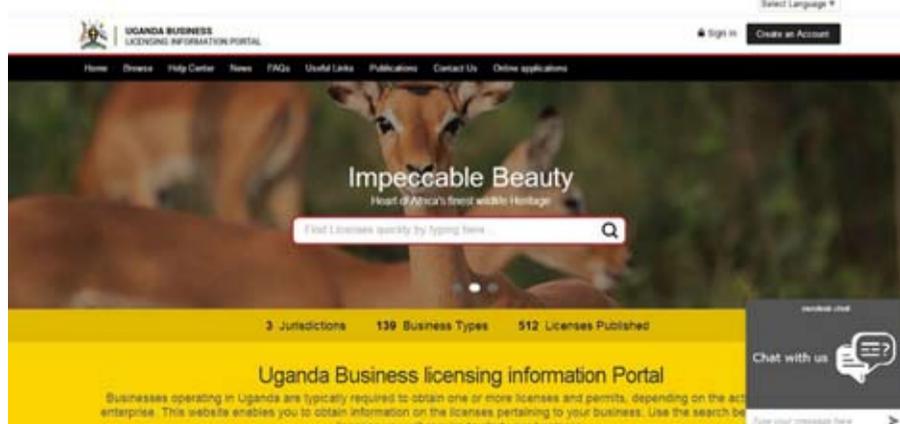
The implementation of this component is on course towards attainment of the development objective. Already as a result of reforms undertaken in reengineering procedures and processes, it's now simpler, faster, easier, convenient and less costly for the private sector to register business.

The reforms undertaken have enabled enterprises previously operating informally to formalize their business and ceasing the informal approach to business. A number of them are now resilient and have grown in bounds. The businesses have ceased surviving by chance and are now in charge of their destiny. Whereas, majority were previously scared of the taxman (URA), the collaboration under TREP where the URSB works closely with the URA has enabled them overcome the fears through tax education and enlightenment. Registered enterprises have since realized the benefit of operating formally and now see the taxman as a good ally!

Efficient business registration will contribute to government efforts in reducing the informal sector but also promoting enterprise creation, growth, productivity and employment. Registration eases access to enterprise support through financing, partnerships, investors and other government development programmes like the matching grants under CEDP.

We are glad that the reforms supported under URSB have impacted on performance of the private sector and government in terms of contribution to non-tax revenue. Without any increase in fees the NTR has grown by over 75% between 2010 and 2017. This is majorly as a result of closing loopholes in the process but also confirms the need for improved service delivery and the benefits that would accrue to government.

CEDP is set to commence construction of the Uganda Business Facilitation Centre (UBFC) which will house 3 government agencies: Uganda Registration Services Bureau (URSB), Uganda Investment Authority (UIA) and Capital Markets Authority (CMA). The building will also have a floor with a one stop centre planned to accommodate 13 government agency service points. This will have the benefit of having all government services to the private sector provided under one roof and further the E-government services already operational under leadership of UIA.



John Marie Kyewalabye