

## Problems and Challenges

### Legislative chaos

- Too many normative acts regulated the field, ambiguous legal framework and conflicting legislation, resulting in inconsistent decision-making
- No compliance with the Administrative Law
- The legislation contained several imperatively written standards, which prevented entrepreneurs from expressing their interest and willingness in the statutory documentation
- The regulation of the processes of insolvency, liquidation and reorganization of a company was complex and fragmented – it was nearly impossible to implement it

### Institutional problem and administrative difficulties

- Since the 90s, responsibility for business registration was transferred from one department to other. As a result, there was no unified database. Therefore, two or more unique registration cards were issued to every company. There existed requirements for minimum capital, notarization and an official seal for registration. However, the registration period was not specified, and in case of a negative answer or termination of the registration, no explanation was given. Moreover, some artificial limitations were established. Although they did not play any role in a company's registration process, they did create problems for future business activities.
- The entire registration process was paper-based. No electronic registration data was kept and citizens were not informed on subsequent steps and results. They had to visit the registration office several times to check on the process' status.

## Developing Legislative Database

- Legislation has been created, which gathers all of the company registration and business regulation rules, and has become into compliance with the General Administration norms.
- The law has been liberalized
- The imperative norms, which limited the flexibility and freedom of companies, have been eliminated. Amendments to the law on entrepreneurs have eliminated requirements for minimum capital, notarization, and an official seal. Procedures for a company's liquidation, insolvency and reorganization have been simplified. Every procedure is now described in detail, including time needed to complete. In case of liquidation/reorganization, the information becomes public as soon as the application is submitted.

## Institutional reform and simplification

### Institutional reform

- 1 Jan 2010 - the registry is transferred to a single body, the National Agency of Public Registry
- An unified database has been created

### Simplification of procedures

- The registration procedures have been simplified and reorganized
- The number of required documents has been reduced to two
- There is only one procedure to complete the registration
- Reduced discretionary authority of the State in decision-making – it has to give detailed and justified decisions.
- The unified business and tax registration process has been significantly streamlined
- Quick registration service has been established - 15-20 minutes to register a company

## Electronic Systems

- Modern technologies, electronic chancellery, have been introduced – reducing time for each process
- A special ERP has been developed, which transforms submitted documents to an electronic format and sends it to the central registration unit. The status on each stage of registration is available on the webpage and available to everyone.
- Extracts from the Business Registry are available online via an application
- The system allows for online payments

## Results

- Simple and transparent administration processes
- Reduced time and cost of registration
- Comfortable services
- Corruption free environment
- International recognition – # 7 in starting a business in Doing business ranking (2013)
- Time required for the procedure decreased from 25 days (2005) to just 2 days (2013)