**Press Release**

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**Full Automation of Company Registration Process with Less Time and Cost underscored at BUILD Webinar**

The government of Bangladesh is committed to implementing high-impact regulatory reforms such as streamlining the existing company registration process and reduce administrative costs in the procedures, said Mr. Tipu Munshi, MP, Hon’ble Minister of Commerce who spoke in the webinar on “Streamlining Company Registration Process in Bangladesh” as Chief Guest on Sunday. The meeting was organized by Business Initiative Leading Development (BUILD) in collaboration with The Feed the Future Bangladesh Improving Trade and Business Enabling Environment supported by USAID(FtFBITBEE) activity of USAID.

The Commerce Minister cited the examples of Singapore and Malaysia that have shown remarkable success in simplifying the company registration process, reducing the time to register a company to less than one hour. The Registrar of Joint Stock Companies and Firms (RJSC) of Bangladesh has undergone several reforms and digitalized the registration process, but still, there is room for improvement for which collaboration of both the public and private sector is required.

Mr. Abul Kasem Khan, Chairperson, BUILD commenced the program by thanking the Commerce Minister for taking the lead in modernising the Companies Act. RJSC has digitized the registration process along with other services. He mentioned that BUILD is presenting a survey conducted jointly with FtFBITBEE supported by USAID containing recommendations to reduce the time and costs in the company registration process.

Ms. Ferdaus Ara Begum, CEO, BUILD delivered the keynote presentation on ‘Removing Time, Cost and Process related Bottlenecks in Company Registration in Bangladesh’. She presented the findings of the survey conducted during March-April, 2021 on the companies registered in the country in the past two years. The Survey looks after the effective time and overall all time and total costs of each statages of name clearance, company registration, company seal, opening a bank account, obtaining trade license and registering VAT. It also made oa comparison of official time and cost with the applicable cost and time.

She said that new and inexperienced applicants spent more hours to obtain information on RJSC registration, thus taking 8 days to complete it which is supposed to be finished within 3 days. She highlighted bottlenecks like manual intervention in preparing documents, consulting with 3rd parties, paying bank fees, etc. The study found that RJSC registration requires 89% of 3rd party engagement and thus cost enhances up to 49.22%. In the case of obtaining a trade license, 67% 3rd party engagement is required incurring an additional 32.33% cost. She also added that the post-registration process is more difficult than pre-registration as more offline interaction is required. CEO, BUILD suggested that effective and overall time for Company registration can be reduced with a fully automated registration service has to be introduced. She also recommended one-stop service for all stages of company registration, capacity development of applicants, embedding mobile financial services for payment, ensuring mobile-friendly website, simplification in amending the online application, express service for foreign investors, etc.

Mr. Sheikh Shoebul Alam ndc, Registrar, (Additional Secretary), RJSC appreciated the recommendations placed by BUILD in the presentation. RJSC seeks to implement full online service. He recommended training, awareness and outreach program to familiarize the stakeholders related to RJSC with the existing online system.

Ms. Maleka Khayrunnessa, Additional Secretary, Ministry of Commerce, GoB mentioned that the applicant should be accustomed to the online process and there should be more training or publicity so that the registration can be done without the help of a third party and without any hassle.

Mr. Igor Gutan, Team Leader, FtFBITBEE said that the study is very important to know about the true cost and time incurred in company registration in the country. If Bangladesh wants to get into the first fifty countries in Doing Business, the country needs to improve its position in terms of time, cost, and number of procedures in company registration.

Mr. Rajin Ahmed, Advocate at Supreme Court of Bangladesh & Head of Chambers, Ahmed & Associates, mentioned that soft copies and both hard copies are still required in RJSC registration. Less than a thousand foreign companies were registered in RJSC. The payment system should be online, using mobile financial services like Bkash and Nagod.

In the Open Session, Mr. Rizwan Rahman, President, DCCI noticed that the cost of company registration process in RJSC ranges from BDT 6000-10,000 is bearable for medium and large industry though it is a bit high for small industry. Third party support is recognised all over the world. We may provide this third party/consultancy system under institutional formation and bring them under tax bracket.

Ms. Asifa Aziz, Owner, Yoshi International emphasized that 100% automation in every stage of the office will be business friendly for the companies other wise online services will have no meaning.

Dr Nadia, Director FBCCI requested for both English and Bengali version of Trade license while its renewal as five years as like as passport to encourage people to be under legal coverage.

Mr. Tapan Kanti Ghosh, Secretary, Ministry of Commerce, Government of the People's Republic of Bangladesh mentioned that while a remarkable number of reforms have been made but more needs to be done. The officials must work hard to reduce the number of days for the procedure, while the cost is bearable. To avail the benefit of automation every applicant should be accustomed to the online process. The RJSC should ensure that any 3rd party engagement can not pose any obstacle in the smooth process.

As Special Guest, Ms. Rebecca Moanikeala Robinson Acting Deputy Office Director - Feed the Future Office of Economic Growth USAID Bangladesh mentioned that Ease of doing business ranking can be improved by better and effective reform proposed by BUILD for reducing cost and time in RJSC registration.

CEO BUILD said that the comments of the participants are noted carefully will be taken into account and addressed. The points derived from the discussion session will be incorporated in the final report.

As the Guest of Honor, Mr. Marc Shiman (Acting) Chief of Party FtFBITBE suggested that the RJSC should follow best practices and adopt a practical approach to set its future actions to upgrade ranking in Ease of Doing Business Index. The Ministry of Commerce is playing a very important role in driving reform. An initiative from high powered political level is required to ensure incremental changes to have a better business environment in Bangladesh. He said process is a continuous effort, all other countries in the world are also following the improvement in the process development. He suggested that while Bangladesh is trying to reduce process for getting Trade License so countries have already get rid of Trade License through its Bank account provision.

Sincerely

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