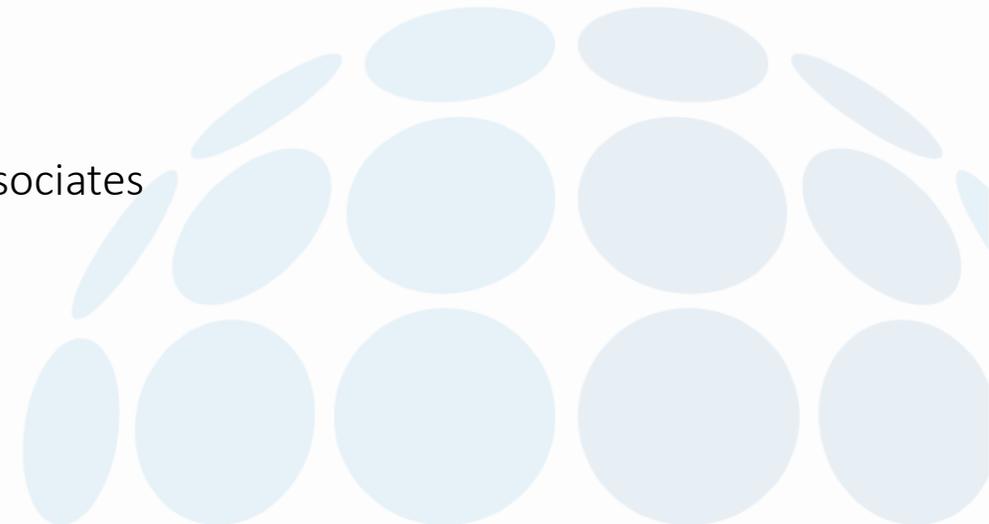


2021 Incheon Law & Business Forum

“Navigating the Storm: Helping MSMEs Set Sail with Legal Harmonization”

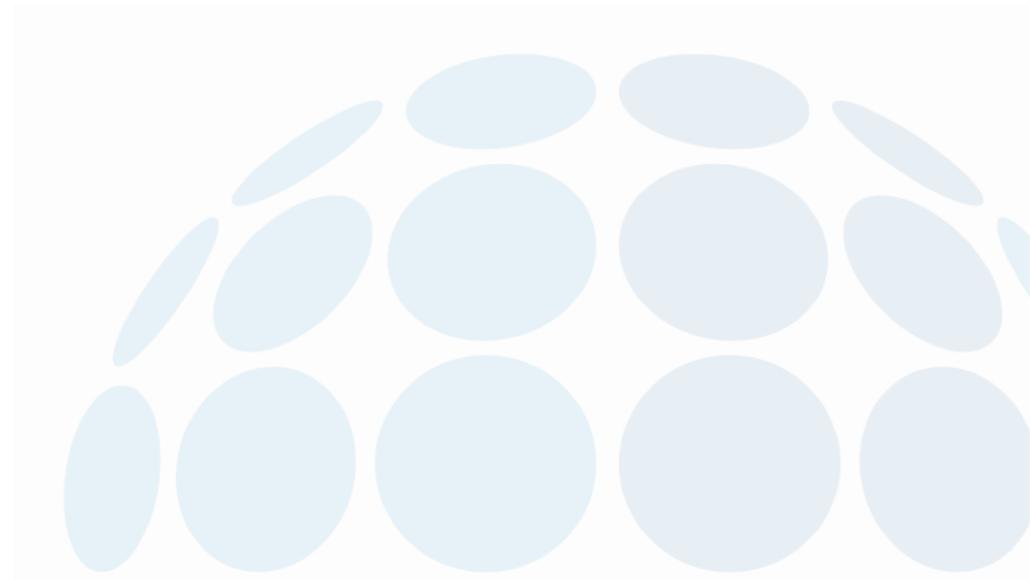
6-7 September 2021

Cesar Cordova
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The Project

- 2017 Baseline
 - Transactional nature of business formalities
 - High discretion in interpreting requirements (e.g., ex ante inspections)
 - Merged and complex system to authorize registration and startup licenses (Provincial differences)
- 2018 New Business Startup Vision by MOIC
 - Splitting getting the registration number from operating licenses
 - From ex ante to ex post controls
 - Risk-based Operating licensing
 - Reform of inspection
- But pending Issues
 - Communication at window level
 - Perception by businesses
 - Provincial level situation



Key aspect of the 2018 reform: splitting the start up objectives

- Business registration should be seen as a public service and not as a mitigation of risks market failures
 - Business registration number is the “birth certificate” of businesses enabling to profit from rule of law
 - “One business – One Number”
- Start up licensing should mostly be focused on preventing market failures
 - The risks of market failures are related to the economic sector, size, location of the future business
- Ex post inspection are better to created incentives to control and mitigate risks

2019-2021 reforms of the Lao Registration System

- The targets

Improving Doing Business “Starting business” Indicator

- The 3 pillars implementation strategy

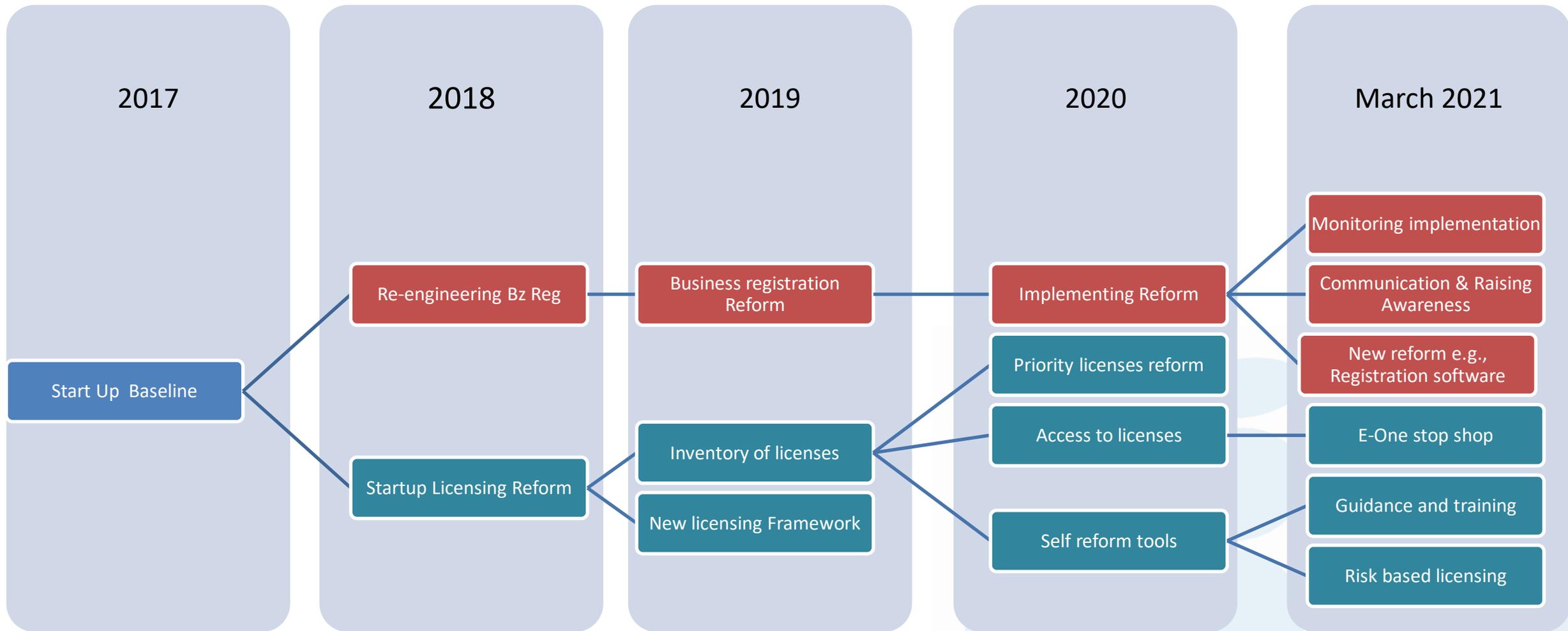
- Monitoring past reforms implementation
- Communication Strategy
- New reforms, (including new software)

	Baseline (2019)	Baseline 2019 (in the books)	Target 2021
Rank	181	145	47
Time	173 days	67 days	3
No of Procedures	9	9	3

World Bank Doing Business (in Vientiane)



A coordinated efforts with the reform of operating licenses



Moving forward on Registration

- Registration
 - Take time
 - Including DB experts and analysis
 - Technical infrastructure (new software)

Training and raising awareness about "registration benefits"

Further streamlining registration

One business, one number

Online registration

17 days

5 days

Moving Forward on Operating Licenses

- Regulating the licensing powers of ministries and authorities
 - E-platform
 - Transparency, accountability, efficiency
- Are bottom-up reforms too difficult?
 - Informal and SMEs require a new approach based locally and organized around risks
 - See Green and Red Channels

