National Business Registration System (NBRS): A case study from Viet Nam

Abstract

In 2008, it took 15 days to register a new business in Viet Nam. While an improvement over past performance, entrepreneurs lost considerable time and effort with procedures. Regulations and the process were full of challenges: entrepreneurs had to first obtain a business code from the Business Registration Office in their locality; then apply for a tax code at the provincial Tax Office and then travel to the provincial office for Public Security to obtain a permit to carve a company seal and then to register their seal. At every stop, forms that required same or similar information had to be filled; people had to stand in queues for days and travel back and forth. All of this was very costly.

Ministry of Planning and Investment (MPI), in collaboration with 63 provincial Business Registration Offices (BROs) throughout the country, the General Department of Tax, under the Ministry of Finance (MOF), 63 provincial Tax Offices and the Ministry of Public Security (MPS) implemented “business registration reform”, with assistance from UNIDO, the United Nations Industrial Development Organization. The reform programme received financial support from NORAD; the Norwegian Agency for Development, SECO; Switzerland’s State Secretariat for Economic Affairs and UNIDO.

Reforms were comprehensive; regulations used by MPI, MOF and MPS were simplified and combined and set the stage for inter-institutional collaboration. A unique ID recognized by all participating agencies was instituted. With capacity development at the central and provincial levels to establish and operate the national business registration system (NBRS), all provincial BROs started using the same computerized workflows when registering a new business or amending the legal record of an already established enterprise. ICT systems deployed were built on a thin-client architecture to minimize operational and maintenance costs.

As of April 2013, the NBRS was complemented with e-signatures, e-payment, on-line registration and on-line information provision facilities, also with assistance from UNIDO. On-line business registration, business name checks and amendment of own records are now enabled. The NBRS also provides on-line information services, including access to financial statements of shareholding companies and is financially sustainable. UNIDO’s technical assistance, with funding from SECO, continues for the incorporation of all business entities, including foreign invested enterprises that are subject to a different registration and licensing scheme.