PROJECT AT A GLANCE

COUNTRY/REGION  NEPAL/SOUTH ASIA
PRODUCT  BUSINESS REGISTRATION
THEME  FRAGILE AND CONFLICTED-AFFECTED AREA

The Nepal Business License e-Portal is an initiative of the Investment Climate Program in Nepal, which seeks to reform the business environment by reducing regulatory barriers to business registration and investment. The program helped create the Nepal Business Forum and Licensing Task Force. The e-portal is based on a system piloted in Kenya. It draws on international best practice. The ultimate goal is to make the portal transactional by allowing online business license applications and approvals.

CONTEXT

In post-conflict Nepal the process of registering a business required 15 steps, several days, and multiple visits to the Office of the Company Registrar. Information on business license requirements was spread out across 60 websites, several publications, and citizen charters of multiple agencies. Licensing requirements and forms were complex and difficult to access, particularly for remote groups and small

RESULTS AND IMPACTS

• Nepal Business Licensing e-Portal expected to save at least one day of searching for licensing requirements for businesses.
• Reduces need for multiple visits to regulatory agencies to obtain application forms and comply with their requirements.
• Enhanced data sharing between Office of the Company Registrar, tax authority, and government data center reduce number of steps and document requirements and should save firms considerably in compliance costs.

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businesses. Investment climate impediments and a lack of transparency have been a disincentive to formalization, leaving many entrepreneurs without access to finance and government support services.

**OUR ROLE**

The government of Nepal, supported by investment climate teams of the World Bank Group, launched the Nepal Business License e-Portal, a repository of 125 licenses, in May 2011. They developed this electronic portal within six months with the backing of an important champion and website host, the National IT Center. This central government information and technology body helped push the project forward despite a fragile political environment. It began with a comprehensive survey and compiled an inventory of business licenses. After this, all of the licensing information could be accessed in one place, at http://licenseportal.gov.np. The portal features:

- A repository of license requirements across all sectors.
- Mobile and online access.
- A search function allows users to identify licenses required for specific business activities.

A range of stakeholders attended the launch, including government officials, civil society representatives, members of the private sector and the media. Chhaya Sharma, President of the Federation of Women Entrepreneurs’ Association of Nepal, officially introduced the portal. She said that it would foster inclusion and make licensing requirements more practicable and accessible to disadvantaged groups and small business. The e-portal, implemented by IFC, is expected to encourage new business owners in remote areas and motivate informal businesses to formalize. Entrepreneurs will no longer have to visit the offices of multiple licensing agencies.

The e-portal builds on the Bank Group’s efforts to improve the business environment in Nepal. These efforts include the setup of a multi-stakeholder body, the Nepal Business Forum. This forum originated in 2008 and was approved by Nepal’s cabinet in 2010. The Bank Group also supported the creation of a License Reform Task Force. The process of modernizing the business registration system was a priority addressed by members of the Nepal Business Forum and the Task Force.

In addition to launching an online registrar of licensing requirements, the Bank Group also supported modernization of the Office of the Company Registrar. Technology upgrades helped streamline regulatory requirements for businesses. Paper-based files were at risk of being lost, and the computer system lacked adequate storage capacity. With the support of investment climate teams, the Office of the Company Registrar upgraded its systems and made available several activities on-line. They also increased data sharing with the tax authority and government data center. In tandem with the e-Portal, these reforms help encourage registration and formalization.

“The portal is expected to make the licensing system more efficient, and licensing requirements will be more predictable, particularly for small businesses and disadvantaged groups.”

CHHAYA SHARMA
President
Federation of Women Entrepreneurs’ Association of Nepal