UNCITRAL Legislative Guide on Key Principles of a Business Registry

The United Nations Commission on International Trade Law recognizes the importance of micro, small and medium-sized enterprises (MSMEs) to the economic health of the States and since 2013 has been carrying out legislative work to reduce the legal obstacles that compromise the performance and opportunity to grow of those businesses.

In July 2018, the Commission thus adopted the UNCITRAL Legislative Guide on Key Principles of a Business Registry with the view not only to promoting business registration for businesses of all sizes, but to make it desirable for MSMEs to register. The Guide reflects the idea that, in order to create a sound business environment, it is in the interest of States and MSMEs that these latter operate in the formal economy and entrepreneurs who have not yet started a business may be encouraged to register if the registration requirements are not overly burdensome, and if the advantages for doing so outweigh their interest in operating in the informal economy.

For this reason, the Guide encourages States to rationalize and streamline business registration. Evidence suggests that faster and simpler procedures are likely to facilitate the registration of MSMEs, as well as permitting registries to operate more efficiently for businesses of all sizes. Moreover, when registries function in accordance with simplified features they can more effectively maintain and share the registered information, thus making it easy for the users to access that information. This facilitates the search for potential business partners, clients or sources of finance and reduce the risk when entering into business partnerships.

Structured around 58 recommendations and relevant commentary, the Guide draws on the lessons learned through business registration reforms implemented all around the world and benefits from tools prepared by various international organisations, including the World Bank. It discusses all aspects of establishing and operating an efficient business registry and outlines the requirements businesses should meet in order to register.

To make registration easily accessible for all businesses and in particular MSMEs, the Guide takes a user-centric approach, tailored to the needs of the businesses. It thus recommends that registration be made accessible through a single-entry point; simultaneous registration with the business registry and other relevant public authorities (for example, taxation and social security) be allowed and services be delivered in the shortest time possible with user procedures easy to follow. Further, it supports the use of electronic registries (where electronic means any current and emerging technology) and of unique business identifiers, which ensure the unique identity of a business in its interaction with State authorities and private entities, and the establishment of one-stop shops - physical or virtual offices that permit simultaneous registration with all authorities involved in business start-up.

The Guide is addressed to States interested in the reform or improvement of their business registries, and to all stakeholders in the State that are interested or actively involved in the design and implementation of business registries.

The text of the Guide is available as an e-book in the six UN languages on the UNCITRAL web-site: unctral.un.org (free download); printed copies have also been published. [to contact the UNCITRAL secretariat: unctral@un.org]