

## Harnessing the Internet to streamline procedures

K. LATHA

Singapore's Accounting and Corporate Regulatory Authority (ACRA) is entrepreneurs' first stop to start a business. Thousands of businesses and companies are formed every year—and the number keeps on growing. But before 2003 the process was long, tedious, and too dependent on clerical staff entering data by hand, leading to dissatisfaction and delays.

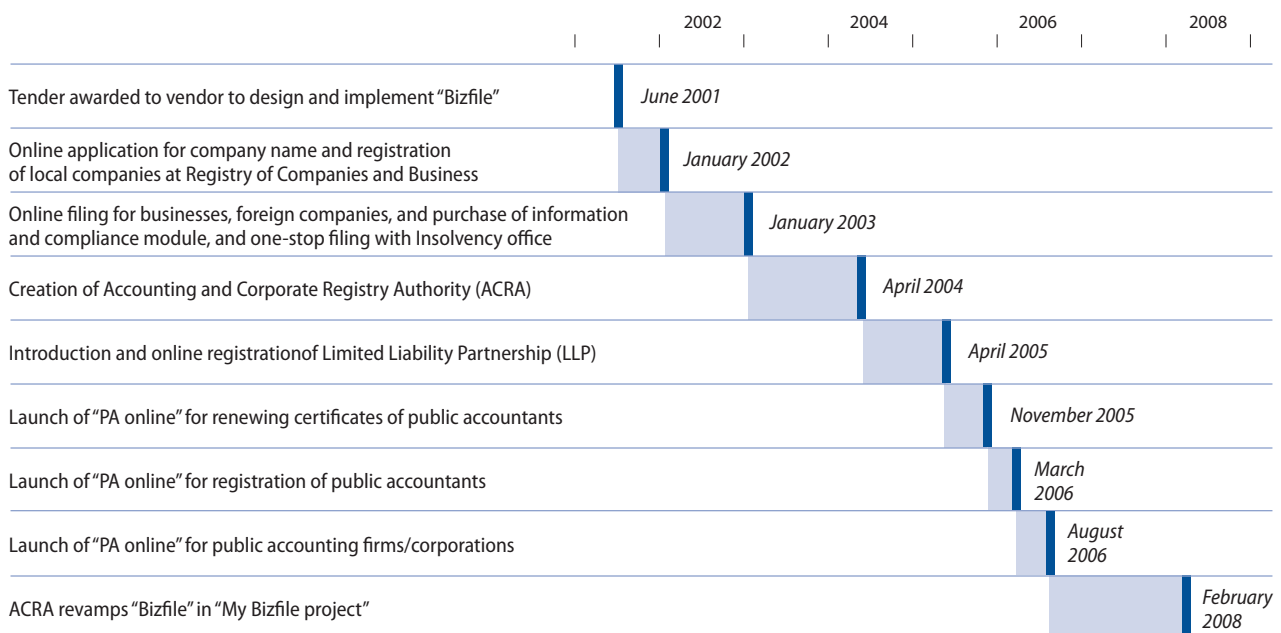
To make operations more efficient and to improve service delivery, the organization embarked on Bizfile, an Internet-based online registration, filing, and information retrieval system. This initiative was part of the government's plan to become a world-class user of information technology, bringing as many public services online as possible, thereby improving customers' experiences.

With Bizfile up and running, information is now updated within half an hour of a successful filing—down from 14–21 days before reform. The time to register a new business has fallen from 24 hours to 15 minutes, and the time to incorporate a company from 5 days to just 15 minutes. Costs are down too—and businesses benefit through lower registration fees.

FIGURE 1

### Timeline of business registration reform in Singapore

Source: *Doing Business* database.



---

**Form 6? Form 7? Or both?**

Before 2003 an entrepreneur had to go to the registry, fill out multiple forms, and wait in line to submit an application. The waiting time at the counters could be long, leading to frustration. And customers could file the documents only during the fixed hours when the registry was open. On top of that, the law prescribed a sometimes bewildering variety of company forms—Form 1 to Form 94, and the like—used in different combinations depending on the purpose.

The complex process often forced entrepreneurs to run to their lawyers or accountants, adding their fees to the cost of starting a business. Clerks manually entered information into a central repository, taking between 14 to 21 days to finish. Manual updating inevitably meant human errors—and more time and effort spent correcting them. Data accuracy and integrity became uncertain.

Another problem was processing time for applications. It took 5 days to approve a company name and another 5 to incorporate a new company. Registering a new business took 24 hours—longer if approvals were required from other government agencies. For these cases, the registry had to send, via mail or fax, copies of the application forms to the agency concerned, and the agencies had to reply using the same methods.

---

**An ambitious plan—put everything online**

The Registrar of Companies and Businesses, Ms Juthika Ramanathan, saw an online filing system as a way to tackle the problems in the manual registration system and offer better service to customers. Support came from an e-government encouraging public agencies to offer their services online. So, the registry won strong backing from Ministry of Finance for its plan to become one of the first regulatory agencies in the world to offer all its services online. It was a big step, involving far more than just putting manual forms online. Instead, the registry painstakingly reengineered all its forms and offered all its other services online.

---

**Bringing the Internet to business registration**

Bizfile was designed to provide a user-friendly online filing system for all the forms and documents needed for new and current businesses. To enable faster processing, the registry reviewed and re-engineered work procedures and removed or reduced labor-intensive elements. Bizfile also implemented a compliance management system to track entities' compliance with statutory requirements and to penalize defaulters—another part of the registry's responsibilities. Bizfile also made up-to-date information quickly available to the public.

Work on Bizfile commenced in 2001, with completion targeted for 2003. A local information technology company, SCS Computer Systems Limited, was awarded the contract.

Bizfile was fully implemented on 13 January 2003. It resides on the government's standardized eService platform, the Public Service Infrastructure. To access Bizfile, customers do not need any special software and hardware—just a personal computer with broadband Internet connectivity.

Today, Bizfile offers 284 electronic services: registration and closure of companies, businesses, limited liability partnerships, and public accounting firms; filing of statutory documents; registration of company charges; purchase of information and extracts of documents lodged; payment of fines; and other services. The system also includes an intranet module to help officers process complex cases requiring human input. For cases requiring approval from other government agencies, Bizfile sends an email notifying the agencies of a pending application. The agency then logs on to Bizfile to retrieve the online application and provide its comments, saving time and effort.

The system made it easier for business owners, company officers, and professionals to file documents. The registry also reached out to private service providers, promoting service bureaus for people who required assistance in filing but could not afford to engage a professional. The initiative thus created another channel to handle filings where assistance is required. The first service bureau opened next door to the registry, around the same time as Bizfile's launch. In the early days of Bizfile the registry worked with the service bureau to monitor performance and solicit feedback.

To prepare users and smooth the transition to online filing, the registry implemented Bizfile in 2 phases. Name reservation and incorporation of local companies became active on 15 January 2002. Business registration and other processes came on line on 13 January 2003.

There was some resistance from customers and staff. But the registry overcame it through change management initiatives—constant communication, extra help for customers during the initial stages, and a strong message that counter staff should perform value-added functions such as approving online applications and having greater involvement in ACRA's strategic projects.

---

## A fresh look at work processes

A major change was doing away with the confusing forms and form numbers and instead classifying transactions according to what the customer wants to do. Consider incorporating a limited company. In the manual system some required documents would have to be prepared and affirmed by a lawyer or other professional. With the online system, all customers have to do is look for the transaction under the header “Application for Incorporation of a Company” and incorporate the company on their own. There is no need for a professional firm.

To simplify the process, Bizfile pre-populates forms with information already available in the database. The customer doesn’t need to reenter the information but can make changes if needed.

To ensure accuracy and integrity, Bizfile validates and verifies the data entered. This could mean checking the addresses against a register provided by a local authority, calling on algorithms provided by the national registration body that issues identity cards, or verifying information with a building register to confirm whether a road, street, or house exists at the address declared by the customer.

The registry also reviewed what documents needed to be filed, questioning long-standing rules and removing obsolete or unnecessary requirements. Statutory declarations, formerly required to be made before commissioners of oaths or notaries public, were replaced with online declarations carrying the same punishment for false or misleading statements. Affidavits to support applications to correct court records are no longer required, with the records now obtained from the courts only if the need for inspection arises.

Taking full advantage of widespread access to the Internet, email, and Portable Document Format (PDF) files, the registry replaced hard copy certifications with electronic notifications. When an entity successfully registers, the registry sends an e-mail confirmation that can be printed for records. Signed hard copies can be purchased if the filer requires them—say, to register in a foreign jurisdiction. Amendments to the laws validated the changes.

The requirement to sign forms for authentication was also removed. All filers are now authenticated through their unique identification card number and SingPass. The identification card number is issued by the National Registration Office; SingPass, by the Central Provident Fund Board, a statutory body that administers the compulsory savings fund. All employed people can get a SingPass. Those who cannot get a SingPass can hire a professional firm to file on their behalf. To enable professional firms to file on clients’ behalf, the registry issues a professional identification number.

Where possible, Bizfile integrated decision making rules into the system, allowing it to process applications without human intervention. Certain names, for example, are prohibited. Bizfile processes the name based on these rules and informs the customer of the outcome almost instantaneously. Selecting a company name now takes only a few minutes, down from 5 days before the reform.

Information technology advances also enabled online payments using credit cards, internet banking facilities, or cashcards.<sup>1</sup> Professional firms that do regular filings can open a deposit account with the registry, drawing on it to pay filing fees.

The registry's reviews also revealed that some common forms used in insolvency cases were lodged with both the registry and the Insolvency Office. So, the registry created a one-stop filing process so that the form needs be filed only once, using Bizfile. Bizfile then transmits a PDF version of the electronic form to the Insolvency Office.

---

### **Still striving to improve**

The government continued pushing forward to improve Bizfile after its initial implementation. On 1 April 2004 the registry was merged with the Public Accountants Board to form the Accounting and Corporate Regulatory Authority (ACRA). Established to be the national regulator of businesses and public accountants, ACRA now regulates more than 340,000 business entities and more than 800 public accountants.

In April 2005 ACRA added online filing for limited liability partnerships to Bizfile. Just a few months later, it added a new module, PA Online, which provides online registration and renewals for public accountants' licenses, cutting the time for renewals from 2 months to 30 minutes. Registration time fell from an average of 3 months to less than 21 days.

Bizfile garnered many accolades, locally and worldwide. Most important, customers continue to express satisfaction with Bizfile's e-services. And improvements are still ongoing. For example, the first phase of MyBizfile was launched in February 2008, with the second phase slated for later in 2008. MyBizfile is a project to make transactions via Bizfile easier. Other enhancements include streamlining current services and including a step-by-step guide, a search facility for specific services and customized information search.

## BizFile's effects—already impressive

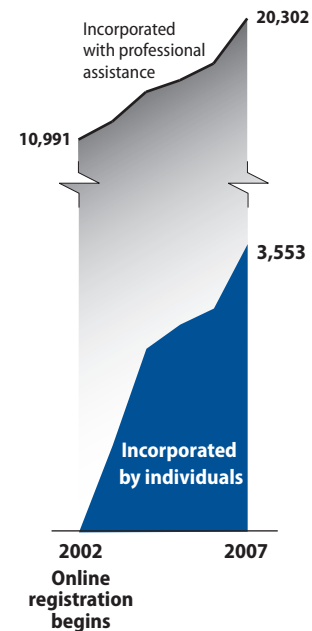
With the simplified rules, individuals can now register their business entities on their own—without the need to seek professional assistance. This saves money for business owners.

Bizfile is available 24 hours a day, 7 days a week, including Sundays and holidays. It also has a Helpdesk facility accessible from 8am to 7pm on weekdays and 8am to 1pm on Saturdays. Filings are now based on transactions, not forms. And the Bizfile menu was arranged in logical sequence, based on the life of a business entity, to make filing easier.

After a successful filing, information is updated within half an hour—down from 14–21 days before reform. It is then available for purchase as well. The time to register a new business has fallen from 24 hours to 15 minutes; that to incorporate a company, from 5 days to just 15 minutes. Bizfile has saved manpower costs as well, with the savings passed to the businesses through lower registration fees. The fees to register a new business dropped from S\$100 to S\$50; those to incorporate a new company, from S\$1,200–\$35,000 to a flat rate of S\$300. Bizfile cut the annual fee to renew a business registration from S\$25 to S\$20.

With the mundane, labor-intensive work trimmed away, officers can be retrained and redeployed to do higher value-added work—say, approving charge registrations and name appeals. This boosts their job satisfaction and career prospects.

FIGURE 2  
**Bizfile enables individuals to register businesses on their own**



Source: Doing Business database.

## Notes

1. A cashcard is issued jointly by the participating banks, which are jointly liable to the cardholder for the deposit and stored value. These cards can be topped up at the teller machines of the participating banks and can be used for making electronic payments.

*The author is the Head of the Business Facilitation Division, Accounting and Corporate Regulatory Authority (ACRA), Singapore.*