

Easier, faster, friendlier

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REEFAT IMAM

It was a typical government office in Bangladesh; where every time you enter you curse the red tape that slows things to a snail's pace. It was a large dingy room; poorly lighted, hot, dusty and dirty; one could hear buzzing -- the confused sound of many excited voices. One could see people squeezing their way through the small aisles between tables. Others stood in a queue so long that it snaked out of the room and ended near the stairs outside the office, where a big signboard in Bangla read: "Office of the Registrar of Joint Stock Companies and Firms, Government of Bangladesh." This is the office where people come for business registration in Bangladesh.

The Registrar of Joint Stock Companies and Firms (RJSC) is the sole authority that registers companies. The office stores a wide range of ownership related information as prescribed by laws. The main business services of the office include: Name clearance, registration, returns filing, issuance of certified copies, and winding up and striking off companies. This office is the authority where one can

register the name of the business, file annual returns and apply for liquidation of a company.

A year has passed since I first visited this office. Since then I have visited it numerous times to help in the automation and streamlining of its processes. The office has now, quite literally, seen the light. Some cosmetic changes have been made. Now there are new, better furnished counters where first time applicants come to submit their applications for business registration.

More significantly, the business registration process has been automated. Early this year, the new registrar of RJSC decided to introduce an online registration process, in line with the Digital Bangladesh vision. As a result, online name clearance and registration was launched at the end of February and middle of March respectively. The next major action taken was the introduction of a "fast-track," or same day, name clearance and registration service.

All the counters at RJSC are now computerised. Hand delivered applications are immediately scanned and uploaded to the central data system. This system also scans registered documents, which

can be retrieved quickly. It also has a networking module, which allows instant access to documents. Then there is the search model, which facilitates the searching of documents on different parameters. This search module has reduced the time required for locating relevant documents.

The automation has significantly cut the hassle during payment of the fee at the bank. Now online tracking of an application is available, which has limited the scope for persuasion and corruption. Access to on-line company information will also help banks, credit institutions, courts and any other organisation that needs or uses information about the business sector, as well as improve the transparency of the business environment.

"I have been coming to this office for the last 7 years. It used to be difficult to even stand in one place for long because of the huge crowd near the counters. Now, so much has changed," says Nazmul Islam, a client who provides company formation related legal assistance to a multi-national mobile operating company in Bangladesh.

Computerisation of this department has not just been a benefit to the businesses but has also benefited employees of the department. One of the RJSC employees says: "After computerisation, crowds have been reduced drastically. And with the help of computers, we can now verify and check documents properly."

Now it takes less than three days for name clearance and less than five days for registration. And, if one uses the fast track system, it takes only one day to get name

clearance and registration.

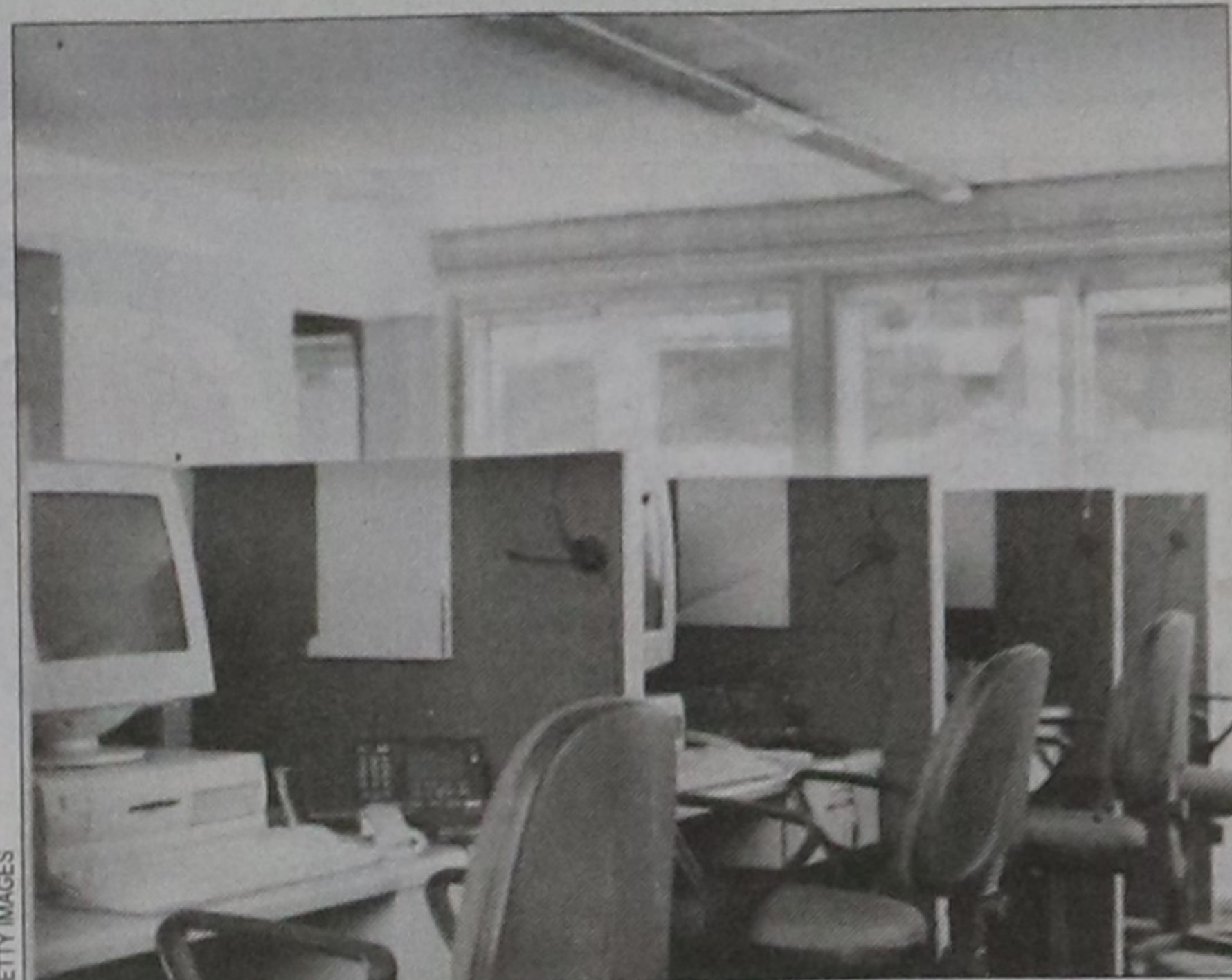
Between March and May 2009, more than 1,000 companies received the same day name clearance and around 1,500 companies got it within 24 hours of submitting their application. During the same period, for 284 companies, the registration process was completed within 24 hours.

During March to September 2008, a total of 2,289 companies and 71 societies got registration. After the automation of the registration process kicked off in the middle of March 2009, the number of registration doubled. Between March 16 and September 8, a total of 4,484 companies and 1,100 societies got registration.

The World Bank's Doing Business 2010 Report, which has just come out, did not fail to spot this achievement of Bangladesh. The report highlights the fact that the implementation of the "modern electronic company registration system (has) cut the time (for registration) by almost half."

Formal incorporation of companies has a number of benefits. The Doing Business 2010 refers to the World Bank's Enterprise Surveys of 2008 where, among 388 informal firms interviewed in Cote d'Ivoire, Madagascar and Mauritius, 85 percent mentioned better access to finance and 68 percent mentioned better access to markets as the main reasons for having their companies registered with the company registration authorities in their respective countries.

Doing Business 2010 also quoted from another Enterprise Survey Data conducted by Benn Eifert in 2008 that a "ten day reduction in startup time was associ-



Making business easier.

ated with an increase of 0.4 percentage points in the growth rate and 0.27 percentage points in the investment rate." These are suggestive evidence on the positive impact of business registration reforms.

Opaque and tedious requirements for business registration influence entrepreneurs in their decision to register or not. This is especially so for small and medium enterprises since they tend to lack the administrative resources to deal with slow and prolonged requirements. Entrepreneurs in general and SMEs in particular express

frustration at the overly bureaucratic regulations.

The focus of business registration reform should be on market results. The bottom line for the success of reform is not whether a government adopts reforms but whether the market is responding with a large number of new registered firms, which are making new investment, creating new jobs and competition, and enjoying an appropriate level of protection.

Reefat Imam is consultant for Bangladesh Investment Climate Fund.

Challenges galore in Bangladesh

The exasperated nation has gone back to the beginning and given more than two-thirds of parliament seats to the daughter of the founder of Bangladesh, Sheikh Hasina. Still the political unity has eluded the country because BNP has boycotted parliament.

KULDIP NAYAR

It was a feeling of humiliation that gave brick and mortar to the people in East Pakistan to build a country of their own. That was some 38 years ago when Bangladesh was born. With skimpy resources and a larger population, it did not flag their determination to convert the country into a Sonar Bangla. But gradually a mood of uncertainty had taken over the nation.

The first blow came when Sheikh Mujib-ur Rahman, the father of the nation, was assassinated. He had the vision and the support of people who were willing to offer any sacrifice at his asking.

The second blow was the military-inspired coup that destroyed the open and democratic society. Such elements were unleashed which drove the liberals -- and their ideals -- to the wall. The dictum of force, fanaticism and feud came in train.

Bangladesh needed unity to develop. But it witnessed a rash of military rules and authoritarian regimes. Then there were the ever-battling begums, Sheikh Hasina of Awami League confronting Khaleida Zia of Bangladesh Nationalist Party (BNP).

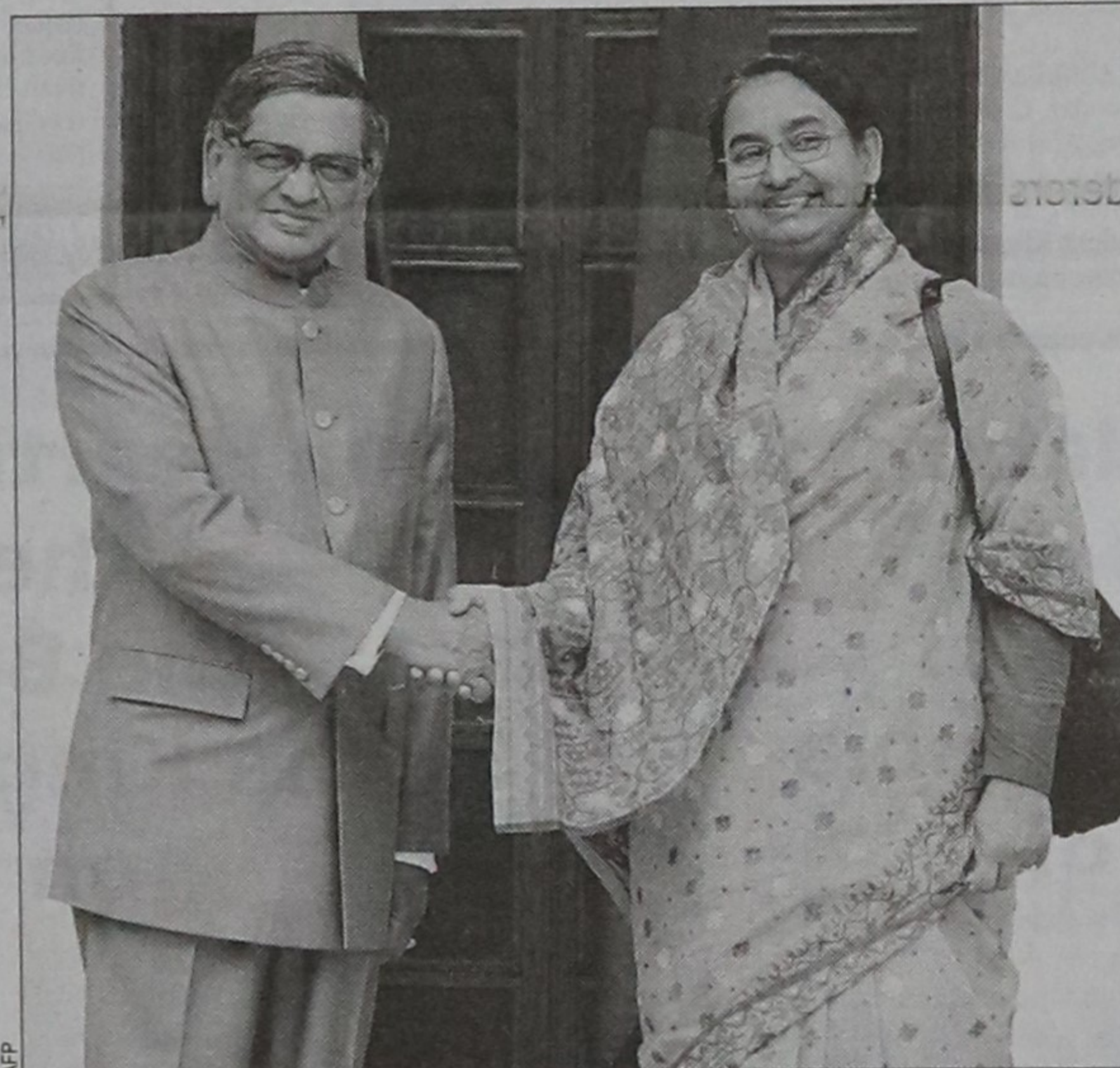
The exasperated nation has gone back to the beginning and given more than

two-thirds of parliament seats to the daughter of the founder of Bangladesh, Sheikh Hasina. Still the political unity has eluded the country because BNP has boycotted parliament.

Some developments are ominous. Islamist extremism, though thrashed at the polls, appears to be rearing its head again. Jihadis are sprouting here and there. That the hanging of Bangla Bhai and his eight fundamentalist colleagues last year did not evoke any protest is a healthy sign. But he was more of a killer than a religious figure. Even the mullahs felt relieved.

The manner in which the fundamentalists have joined hands with BNP indicates that religion and politics are sought to be mixed. The Jamaat-i-Islami is their supporter, although it has reluctantly conceded that the liberation struggle contributed to independence. The Awami League, slipping in performance, may find these forces catching the imagination of the common man despite the liberal temperament of Bangladeshis.

The other unfavourable development is that Bangladesh, pre-occupied with the problem of finding lakhs of jobs, has neglected its borders. It has become a haven for all the banned organisations in India, Sri Lanka and even Myanmar. The Indians believe that they operate from



Cooperating to meet the challenges.

Bangladesh soil and find it safe to do so. Bangladesh denies it.

They belong to the United Liberation Front of Assam (ULFA), the Liberation Tigers of Tamil Eelam (LTTE) and other lawless groups.

A concerted fight against them is what Bangladesh Foreign Minister Dipu Moni's promised Indian Foreign Minister S.M. Krishna when they met at Delhi a few days ago. "We will not allow any terrorists on our soil, be they of any creed or colour," she assured. "We are

undertaking action to arrest and uproot them." She has signed an agreement to combat international terrorism and crime.

India has, in turn, allowed border markets and given Bangladesh 100 MW of power straightaway, apart from developing power grid connectivity. After straightening things with the West, India was the first country to which Sheikh Hasina sent her foreign minister as her emissary to assess how far India was willing to accommodate Bangladesh.

It is apparent that Sheikh Hasina cannot be satisfied with an agreement on power. She expects wider and closer economic cooperation.

In fact, after the liberation of Bangladesh there was a joint planning board of New Delhi and Dhaka. An outline was prepared on how the economy of the two countries would be dovetailed to benefit each other. Everything has remained on paper since the assassination of Mujib-ur Rahman.

True, New Delhi has its own limitations. But it has a larger economy. It can do much more than it has promised. Perhaps New Delhi can encourage some private investors to pump money in Bangladesh or set up joint ventures to produce what India requires. The Tatas had a bad experience. But then the BNP was in power and its plank was anti-India.

India has exacted a price in the shape of Dhaka's undertaking to go after the Islamist extremists and militants operating from its soil. But, as Sheikh Hasina found during her earlier stint of rule, it is not easy to fight against them when they have godfathers in both the countries. The drug trafficking by the militants gives them an income of hundreds of crores. It is difficult to demolish their network or that of criminals, smugglers and religious bigots because those who use them wield political power as well.

The steps that Dhaka takes against them -- it has tinkered with the problem in the past -- may stoke anti-India fire. Still, Dhaka has to face the situation. It cannot be seen running with the hare and hunting with the hound. Bangladesh knows that the failure to tackle the terrorists operating from its soil may cost the country. After all, the

assistance by India is at stake.

The point to worry about is New Delhi. It expects much more than Dhaka can deliver. India also wants transit rights to reach its northeastern states and facilities at the Chittagong port for exports. The common man sees such steps as New Delhi's hegemony. Talks on such matters soured relations in the past. New Delhi will have to sell them to the people of Bangladesh with reason and in what they see as their own advantage. Thank God, the demand for natural gas has not been renewed. This is a touchy subject for Bangladesh.

Again, there is apprehension in Bangladesh over the Tipaimukh Dam project located near the confluence of the Barak and Tuivai rivers in Manipur. True, New Delhi says that there will be no diversion of water. Why not suggest a joint board of engineers from India and Bangladesh to supervise the project to remove any doubts?

With great difficulty we have been able to quieten the Farakka barrage controversy. Let us not have another one.

The matter to ponder over by India is why all neighbouring countries have distanced themselves from it. No doubt, its size deters them. But more than that, their feeling is that New Delhi is becoming increasingly conscious of emerging as a world power. It tends to throw its weight around in such a manner that the neighbours have come to have doubts about its bona fides.

New Delhi must do some introspection because it is not that all next-door neighbours have turned hostile. They are suspicious, something which India must remove by its deeds.

Kuldip Nayar is an eminent Indian columnist.

IN MEMORIAM

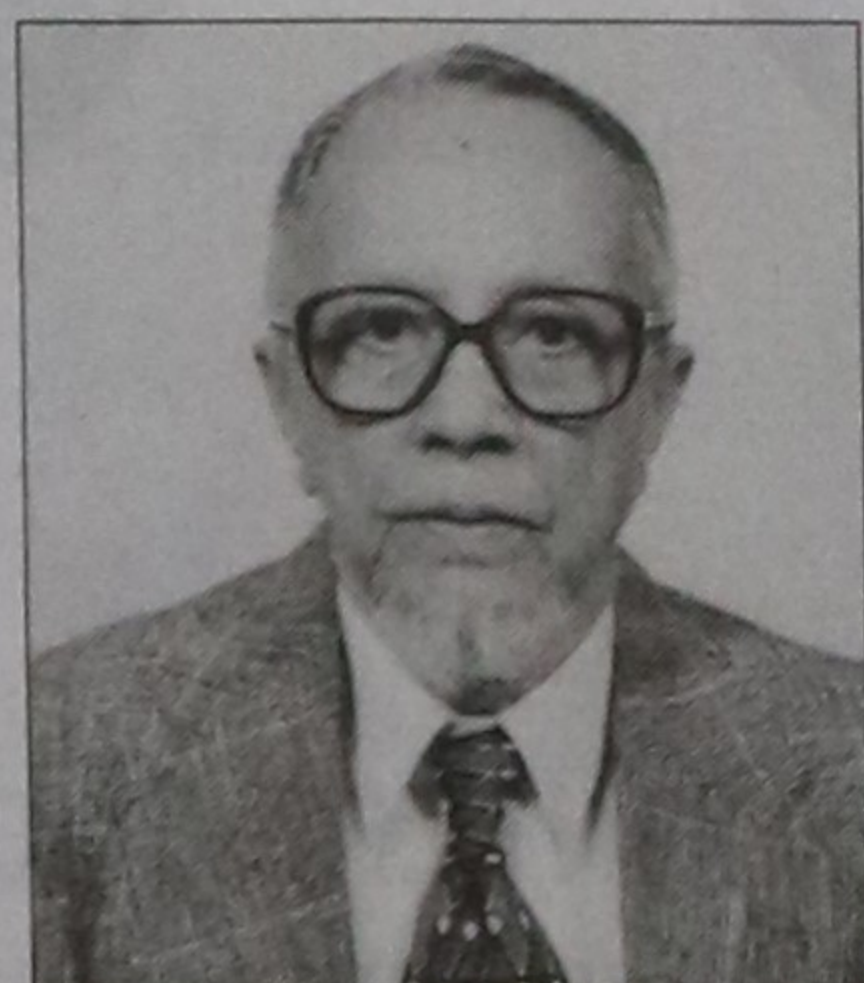
Sulaiman -- my loving friend

A.K.N. AHMED

I am not used to writing anything without proper thinking. It is only on a rare occasion that I do this. The last time was when my good friend S.M. Ali, the noted journalist and founder editor of The Daily Star, expired. I am doing the same thing once again on the demise of Sulaiman Chaudhury, an eminent banker.

I first met Sulaiman on January 4, 1949. On that day, perhaps ten of us were waiting in the State Bank office to meet the manager. Each one of us was holding a letter of selection for Bank Officials Training Scheme.

I found that I knew them from university days, except one handsome young person wearing a suit and oxford shoes. I asked him who he was and whether he was also a student of Dhaka University. He said that he had studied in Calcutta



Sulaiman Chaudhury

and after his M.A., had worked in a bank for more than a year. This came to me as a surprise, since none of us had ever visited a bank or had a bank account

until then. I left the place very impressed after talking to him -- a person with banking experience. For me, this was a strange experience.

The next day, when I reported to Central Bank of India office at Sadarghat where I was assigned for the first phase of training, I met him there to my surprise. He told me that he had also been placed at the same bank for training. From that day on our friendship started, developed, and ended on his demise the other day.

During this long period of 60 years he built up a banking career, which could be a matter of pride for any successful banker in our country. As far as I can remember, after leaving training in the middle, he joined as an officer in the then Imperial Bank of India, and then the State Bank of Pakistan.

He then served in Eastern Mercantile Bank, the first regional bank in East

Pakistan, and as a senior official in the newly found Agricultural Bank of Pakistan. In the later part of the '60s, he became chief manager of Industrial Bank, and ultimately became head of that institution. He also served as managing director of Shilpa Rin Sangstha, Rupali Bank and Janata Bank after the emergence of Bangladesh.

In each of these positions, he earned a reputation as an excellent, honest and very efficient officer. While we were moving in different trajectories in our professional careers, we never lost touch with each other. On the contrary, our friendship grew deeper and our family members became closer to each other.

With his many qualities, and with his magnificent and magnetic personality, he was very popular in the social circle of Dhaka. Almost from the beginning of his official career, he became a Rotarian, not

only in name but also in deed, and was associated with many charitable works. By nature he was an extrovert and fond of talking on diverse interests.

Unlike many of us, position, power and prestige never hung heavily on his shoulders. Only when our friendship deepened did I come to know that he was from a respected family from Sylhet and that Syed Mujtaba Ali saheb was his maternal uncle and S.M. Ali was his first cousin. He was the only son of his father, who was an eminent scholar in Islamic Studies, who expired when Sulaiman was very young.

I watched with great admiration how he gallantly shouldered the responsibility of looking after his mother and his young sisters without a single murmur of complaint. Later on, he did the same thing with his sons and daughters, of whom two are PhDs and two are eminent doctors -- all well placed in Dhaka and

abroad.

I will remember him as a great friend who always stood by me, sharing my joys and sorrows, and provided all the help and advice that I stood in need of. I never thought he would predecease me. When I last met him last March at Dhaka, I had no idea that his end was near. If I could, then, I would have told my loving friend the following lines:

*My latest sun is sinking fast
My race is nearly run
My strongest friends now past
My triumph is begun
I know I am nearing the holy ranks
Off friend and kindred dear
I brush the dew of Jordan's banks
The crossing must be near
Adieu, my loving friend, your triumph is begun.*

Mr. A.K.N. Ahmed is a former Governor of Bangladesh Bank.