

China to spur market vitality via integration of certificates

China will keep integrating business certifications and licenses into one consolidated business license, which is to further reduce institutional costs for market entities and stimulate market vitality as part of the country's business registration reform.

The decision was made at a State Council executive meeting, which was presided over by Premier Li Keqiang on Wednesday and approved a guideline on its implementation.

With this policy in action, different certificates related to business registration will be sorted out and merged into one business license, making enterprises ready for operations once they obtain the license with no further delay.

"We should focus on creating a globally competitive business environment and continuing the business registration reform. It's to reduce institutional costs for enterprises and cultivate an inclusive and fair backdrop for mass entrepreneurship and innovation as more enterprises can be easily registered and flourish," Li said.

As a significant measure to boost the supply-side structural reform and administrative reforms, the integration of certificates will further transform governmental functions and unleash benefits enabled by reforms, the guideline said.

The document required integration, simplification and abolition of certificates as much as possible with a handful of exceptions involving safety and security concerns. Any of enterprise-related certificates and licenses with no statutory foundations or set without due legal procedures will be canceled.

The guideline aimed to boost inter-departmental sharing of basic and credit information of enterprises. Repetition in submitting identical registration information will be avoided. Integration of the Internet with governmental services will be further boosted to improve efficiency for approvals.

Supervision will be strengthened to oversee registration and post-registration procedures with clearly-defined departmental responsibilities, while a new supervisory mechanism will be established centering on corporate credits.

The document also encouraged local governments to explore new ways in the integration process and boost assessment and rankings for local business facilitation in accordance with international benchmarks for business environment.

On Oct. 1, 2015, China merged the business license, the organizational code

certificate and the tax registration certificate into one.

One year later, the country further encompassed the social insurance registration certificate and the statistical registration certificate into the business license, a move that has significantly reduced institutional costs.

A State Council executive meeting on Oct. 14, 2016 decided that more enterprises-related certificates will be integrated with the business license to facilitate business startups, boost social creativity and boost employment.

Further actions have been undertaken since to accelerate the process.

It was suggested in the Government Work Report Li delivered in March with an aim to promote mass entrepreneurship and innovation.

Li said that the integration of certificates is an effective way to improve productivity. While numerous certificates still exist, relevant departments need to “give up petty benefits for greater achievements by adding more water to nourish fish in the pond,” a metaphor to symbolize making enterprises thrive with streamlined procedures. He also called for enhanced information-sharing and disclosure as much as possible.

More than 3.59 million new market entities were registered in the first quarter of this year, an increase of 19.5 percent compared to the same period last year, according to the State Administration for Industry and Commerce. Among them were 1.26 million new enterprises, up by 18 percent.

Li said implementation is the key. “To ease burdens for enterprises and for the sake of the people, governments at all levels should focus on improving services and strengthening compliance oversight with special focus on the last mile of service delivery.”

Wednesday’s meeting also decided to change five business registrations from pre-setup approvals into post-setup approvals.