# Doing Business in Pakistan REFORMS UPDATE

## Meeting with DB Data Collection Team

## **INDICATOR:** Starting a Business (Sindh)

Date:

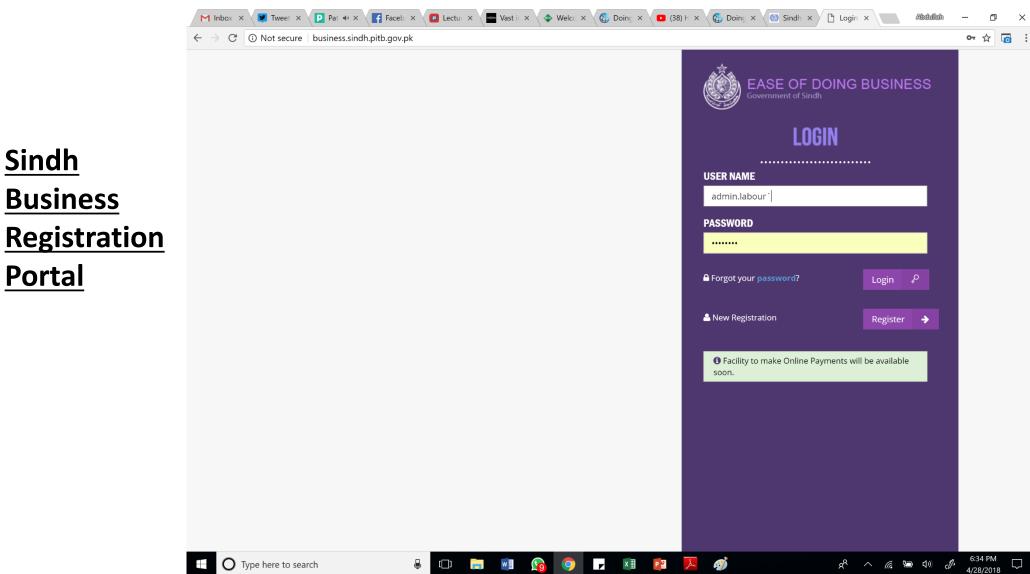
## DB2018 versus Current Status

DB2018 Procedures, Time, Cost, Quality Index	Current Procedures, Time, Cost, Quality Index
Procedure No 8: Register for Professional Tax with the Excise & Taxation Department of the District. Cost: None Time: 7 Days	The Excise & Taxation department has automated the procedure for obtaining Professional Tax Registration through its website : <u>http://www.excise.gos.pk/vehiclefind/tax_register/</u> Cost: None Time: Online
Procedure No 9: Register with the Sindh Employees Social Security Institution (SESSI) Cost: None Time: 7 Days	No Change
Procedure No 11: Register under the West Pakistan Shops and Establishment Ordinance 1969 with the Labor Department of the District Cost: 1000 Time: 7 Days	Registrations now take place under Shops and Commercial Establishment Act, 2015 Cost: 1,000

# Reforms Completed between June 2017 and April 2018 with Data/Evidence

- Launch of Sindh Business Registration Portal (Testing Phase)
  - Combined registration with Industries Department, Labour Department and Sindh Employees' Social Security Institution (SESSI)
  - Eight Facilitation Centers to be established for the portal:
    - One at Sindh Board of Investment
    - One at Karachi Chambers of Commerce
    - One at Office of Directorate of Industries, Department of Industries & Commerce, Sindh
    - Two at Labour & Human Resource Department
    - Three at Directorate of SESSI
  - All provincial departments trained
  - Procurement for hardware and civil works for facilitation centers underway

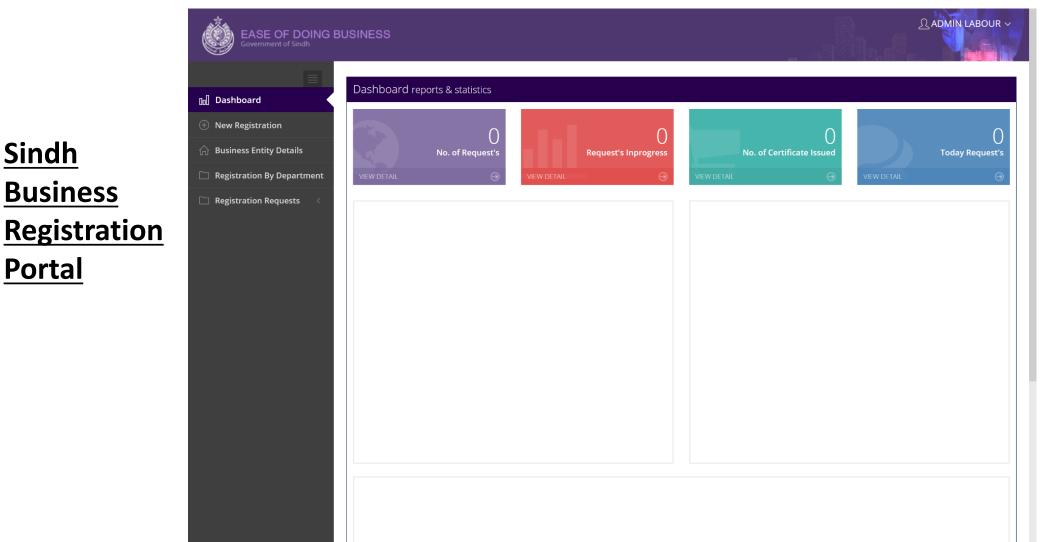
## Reforms Completed between June 2017 and April 2018 with Data/Evidence:



Sindh

**Portal** 

# Reforms Completed between June 2017 and April 2018 with Data/Evidence



Sindh

# Reforms Completed between June 2017 and April 2018 with Data/Evidence

EASE OF DO Government of Sindh	ING BUSINESS			BOUR
🔲 Dashboard	Managing Partner Detail			
New Registration	Full Name *		Father's/ Husband Name *	
🞧 Business Entity Details				
Registration By Departm	CNIC No. *	Verify		
Registration Requests	K Mobile No. *		Landline Phone No.	
	Email Address			
			Save & Next	÷

<u>Sindh</u> <u>Business</u> <u>Registration</u> <u>Portal</u>

# Reforms Completed between June 2017 and April 2018 with Data/Evidence

### <u>Sindh</u> <u>Business</u> <u>Registration</u> Portal

Dashboard
 Dashboard
 New Registr
 Business Er

Registration

Registration

OF DOING B	USINESS				ea 194	180a.4		
	Business Entity	y Details						
							Export To	Excel
Details	Applicant Name	Business Nature	Business Entity Full Name	Sector	Sub Sector	Date of Establishment	Registration Date	Action
artment	<b>T</b>	Ţ	T	Ţ	T	Ţ	T	
<	ATIF HABIB	SOLE PROPRIETORSHIP	M/S. HABIB & COMPANY (PVT) LTD.	TRADER	ALLIED PRODUCTS	06-Dec-2017	14-Feb-2018	Ľ
	ALI	SOLE PROPRIETORSHIP	M/S. ALI ENTERPRISES	SERVICE PROVIDER	DISTRIBUTORS, SALES AGENTS AND IMPORTERS	14-Feb-2018	14-Feb-2018	ľ

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# Reform Outreach

Date	Subject / Event	Attendance
5-Apr-18	Urdu/Sindhi media meet	10 media personnel.
5-Apr-18	DB retreat - 5th April	100 businessmen & contributors
4-Apr-18	<b>Consultative Session on Construction Permit</b>	15 Members of ABAD
4-Apr-18	Contributors meet-up session on Trading across border indicator	12 plus invitees (contributors/Reps of FBR & Customs)
29-Mar-18	Social Media Influencers/Bloggers meet follow- up	3 Bloggers & Social Media Influencers & 5 from WB & SBI
20-Feb-18	Round table with American Business Council (ABC)	20 plus members of ABC
15-Feb-18	Sindh Doing Business Reforms Exhibition	175 members from the business community
14-Feb-18	Social Media Influencers & Bloggers meet	10 Bloggers/Social media influencers/senior journalists
14-Feb-18	Social Media Influencers & Bloggers meet - I	3 Bloggers & Social Media Influencers & 5 from WB & SBI
22-Jan-18	Media Briefing on Sindh DB efforts	40 plus members of the media.
17-Jan-18	<b>Consultative Session on Contract Enforcement</b>	30 plus members of the legal community

## Reform Outreach: Sindh DB Reforms Exhibition









## Reform Outreach: Sindh DB Reforms Exhibition



#### CUSTOMER-FRIENDLY INITIATIVES BY K-ELECTRIC FOR INDUSTRIES

ONE-WINDOW SOLUTIONS FOR THE PROVISION OF NEW POWER CONNECTIONS.

#### New Connection Process – Simplified

- Making the application process faster and simpler at 29 locations across Karachi and adjoining areas.
- Introduced simple to understand New Connection request forms, available on KE website.
   Single undertaking for new connection requests.
- Reduced new connection documentation requirements.

#### Reduced turnaround Time (TAT) for customer with above 50KW sanctioned load

 Reduced TAT for execution from 215 days to 120 days after submission of application and required documents (Road Cutting Challan, EIA test form, Power Factor).

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- Time of Execution of infrastructure on full payment reduced from 120 days to 90 days.
- Complete facilitation extended for new connection via industrial associations.
- Internal department to monitor TAT of on-going cases.
- · Plans underway for dedicated industrial customers helpline

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## Rules, Laws and checklists mentioned on website. Adoption of binding service standards and complains mechanism for ensuring quality of services. Online Complaint Management System & UAN available at 111-267-467.

Information System (LARMIS).

QUICKER AND EASIER THAN EVER BEFORE

17 days - A 92% reduction.

2 procedures eliminated.

& App SindhZameen®.

Sub-Registrar Offices reduced by 96%.

50% archival registries of Karachi digitized.

· Live Dashboard of Property Registries in Karachi.

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· Overall time required to register property in Karachi reduced from 208 days to just

• With the Digital Scanning Unit replacing microfilming technology, time spent at the

Transparency and ease of access ensured with online services at www.sindhzameen.gos.pk

Title search facility available online through Land Administration & Revenue Management

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Standard registration templates and tax calculator available online.

#### Sindh DB Reforms Exhibition – Banners / Infographics (Urdu)

سندهيس كنسركش يرمث كاحصول---کراچی میں پراپرٹی رجسڑیشن۔ بجل كاحصول <u>ک</u>الیکٹرک اصلاحات يہلے سے آسان تراور تيز تر یہلے سے آسان تراور تیز تر بجلی کے نئے کنکشن کیلئے ون ونڈ وسجولیات۔ \* كرا يى ميں يراير فى كى رجىزيشن 208 كى يجائے صرف 17 الله كنسر كشن يرمث كحصول كاطريقة وكار15 ت كم كرك 7 دنول میں -92 فصددقت کی بجت-في كتكش ك مصول كاطريقه، كار، اب انتهائي آسان: مراحل میں۔ ا سب رجشرار کے دفاتر میں مائیکر وفلمنگ نیکنالو ٹی کی بتلائے جدید الله کراچی کے29 مقامات پر نے کنکشن کی درخواست کا آسان الم سندھ بلديگ كنفرول القارثي كى جاب بے منتخب پرا جيكش ويجيش سكيتك يون، جس - 96 فيصد تك وقت كى يجت -اورتيزطريقه وكار-كيليح فلورمر فيقكيث كرحصول كاخاتمه اللہ کے الیکٹرک کی ویب سائٹ پر نے کنکشن کے حصول کیلئے الله المريقة، كارك 2 مراحل كافاتمه. الله سندھ بلڈنگ تشرول اتھارٹی کی جامب ہے کنسٹرکشن پر پٹس کا آسانی سے تجھتانے والے فارم کی فراہمی۔ الله کراچی کی **50 فیصد** آرکائیول رجٹر یوں کی ڈیچیٹلا ئزیشن۔ حصول60 کی بجائے30 دنوں میں اور کمپلیشن سر شیفیکٹ کا ا صرف در خواست د مبنده کے اقرار نامد کے ذریعے مے کنکشن کا حصول45 کې بحائے30 دنوں میں۔ الم آسان رسانی اور شفافیت کیلتے ویب سائٹ www.sindhzameen.gos.pk اورا فيليش الم صرف چند ضرورى دستاويزات كساته نيائكشن -الله سندھ بلڈنگ کنٹرول اتھارٹی کی جانب سے تین (NOCs(3 SindhZameen کے ذریعہ آن لائن سروسز۔ کی پابندی کا خاتمہ۔ منظور شد 50 k ve - زائدلوڈ کے کنکشن کیلیے ثرن اراؤنڈ دورا یے المن سنينڈ رؤرجبتريش ميميليٹس اورئيکس کميلکو لينرجيسي سيوليات کی الله کراچی دائرایندسیوری بورڈ (KWSB) کی جانب سے یانی آن لائن فراجمي-الملح در خواست بمعضر ورى دستاويزات (رود كمنتك حالان ، اى آلى اورسيوريج كنكش كاحصول 61 كى بجا 212 دنول ميں-اے ٹیپٹ فارم، مادر فیکٹر )جع کروانے کے بعدد درخواست پر الينذايذ منسريثن اينذ ريونيو ميتجنت الفارميشن سستم 🖈 سندهانوا رُمنل پرولیکشن ایجنبی (SEPA) کی جانب سے (LARMIS) کے ذریعے نائٹل سریچ کی آن لائن سہولت۔ 215 دن کی بیجائے صرف 120 دنوں میں عملد رآمد۔ 9 منتخب پراجیکٹس کیلئے انوائر منتل ایرول میں رعائیت۔ 🖈 کلمل ادایگی پر انفراسٹر کچر کی پیجیل کا دورانیہ 120 دن کی الله الراحي ثين يراير في رجيش يز كالا تيوذيش بورد. - تحا 200 وان-الم سندھانوار منظل يروليك نايجنى كى جانب سے چيك لسك كى المر ويب سائك يرقوانين ،قوالدوخوا بداور چيك است كى تفعيدات-الذسفريل اليعوى ايشتر كيفاريع بخ كنكشن كى درخواست ير منظوري 30 كى بتمائے 15 دنوں ميں۔ تمام سجوليات كي فراجهي -الملح معياري خدمات كى فراجهي كيليح باستذلك سروس شينذ رؤادر 🛧 کلکشن کی تنصیب کے دورانیہ (TAT) کی ما نٹرقیگ کیلئے شكايات كاجديد نظام-الثلزل ۋيبارشمن، ان لائن كم بلينك ينجنت ستم اور يواريان الم صنعتى صارفين كيليج الك بهيل لائن متعارف كرواف كايلان --111-267-467 🗿 | SBT | 🛞 | 🚟 | SICIC | SICIC WORLD BANK GROUP SICIC WORLD BANK GROUP WORLD BANK GROUP

سندهين نځ کاردبارکا آغاز ـ سلے سے آسان تراور تیز تر

بہ برنس رجبریش پورٹل برآن لائن برنس رجبر میش کی سہولت۔ ا الله سندھ برنس رجشریشن بورش کے استعال کے ذریعے صوباتی محكمول ، دجنایشن كاطریقة كارسات (7) دنول كی بجائے صرف الك-(1)ون شى-

الله حتيز اورآسان برنس رجيز يشن كيليح صنعت ، سنده ايميلائز سوشل سکیورٹی (SESSI) لیبراور ایکسائز اینڈ ٹیکسیشن (ET&CD) بیسے جارتکموں کے درمیان پرو يجرل اللک-

ایک از ایندیکسیشن (ET&CD)، لیر، صنعت اور کراچی چیبرآف کامرس ایذانڈ شری (KCCA) میں پیک فسيليفيض ذبيك كاقيام-

الله بزنس رجیزیش سے متعلقہ صوبائی ایجنے یوں کے ساتھ بیک وقت رجسر يشن-

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#### Sindh DB Reforms Exhibition – Banners / Infographics

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#### EASE OF DOING BUSINESS REFORMS - SINDH

COMMITTED TO MAKING SINDHAN EASY AND COMPETITIVE BUSINESS HUB. SPEARHEADING EFFECTIVE BUSINESS REFORMS FOR IMPROVING THE INVESTMENT CLIMATE IN SINDH.

As a part of the Government of Sindh's current focus on moving aggressively to transform the regulatory environment of the province, ground-breaking reforms have been introduced to help make Sindh the next business powerhouse.

This reform is a part of the larger plan developed to introduce Doing Business reform at the federal and provincial levels.

With regards to this endeavour, the Government has formed Sindh Investment Climate Improvement Cell (SICIC) – a dedicated unit for execution of the reform agenda.



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**SICIC** 

#### Leaflets - SBCA

SBCA is also in the process of introducing a risk-based evaluation system for issuance of Construction Permits, with the pilot currently notified for Category-I buildings.

For Category-I buildings, the following NOC's shall not be required:

- NOC from Karachi Water & Sewerage Board (KWSB)
- Floor Certificate from the Structural Engineer
- NOC from Sindh Environmental Protection Agency (SEPA)
- NOC from Excise & Taxation (E&T) Department, Government of Sindh

Ease of Doing Business Reforms - Sindh

#### SINDH BUILDING CONTROL AUTHORITY (SBCA)



#### Sindh Building Control Authority (SBCA)

SBCA is a regulatory and supervisory body whose prime function is to ensure that the approval of building plans and NOCs etc. are in conformation with the existing Building & Town Planning Regulations. The quality, soundness and implementation of approved design/specifications are the sole responsibility of the concerned professionals licensed by SBCA under Karachi Building & Town Planning Regulations 2002 (Amendment up to date).

#### **Functions:**

- To regulate Town Planning and Building Control in accordance with Master Plan and Environmental Control (Building & Town Planning) Regulations, given legal cover under SBCO 1979.
- Approval of all type of building plans under the jurisdiction of SBCA.
- Approval of Structural Designs of the buildings.
- Issuance of NOCs for sale and advertisement for Public Sale Projects to the Builders and Developers i.e fixation/approval of unit price, time period and specifications of construction and development.
- To resolve public complaints against builders and developers regarding public sale projects within the purview of approved plans and specifications.

- To take action against the builders for violation of approved building plans.
- To identify, declare and demolish dangerous buildings in different parts of the city.
- To take legal action against the builders and developers involved in unauthorized construction and violations of building plan/NOC.
- To issue licenses to professionals, builders and developers under Karachi Building & Town Planning Regulations 2002. (Amended up to date).

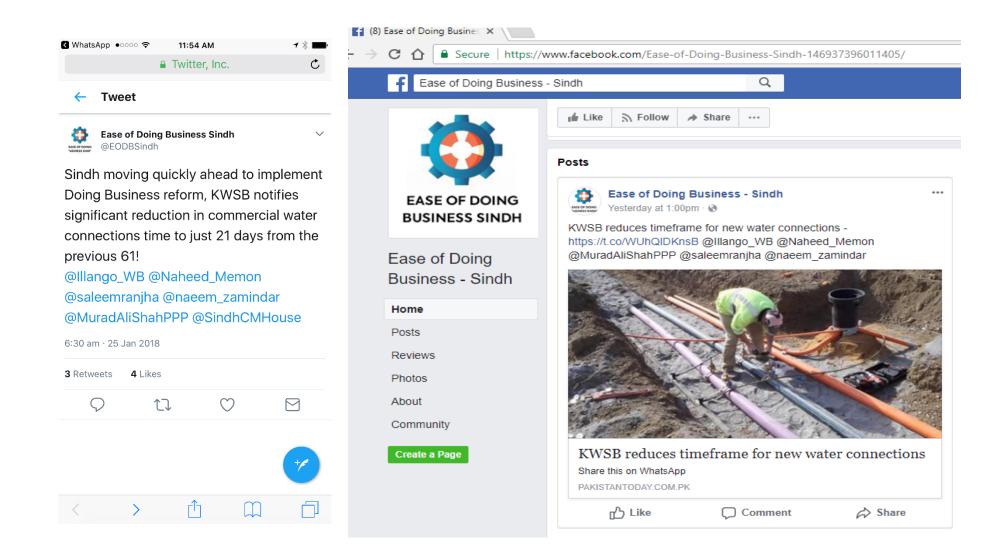
#### **Public-friendly Building Regulations by SBCA:**

As a landmark step taken towards facilitating the public, the proce dure for approval and issuance of permits for Residential Bungalows, Non-Obnoxious Warehouses or any other buildings falling in Category-I has been eased out.

Amendments in procedures and timeline have been notified, according to which every case of construction permit falling within Category-I, after completion of necessary requirements, shall be approved and issued in a single-stage procedure within a period of 30 days.

Also, every case of Final Completion Certificate falling within Category-I, after completion of necessary requirements and final inspection, shall be approved within 30 days.

# Reform Outreach: Twitter & Facebook



#### **COMMUNICATIONS – Twitter & Facebook Posts**



"I will admit I did have women in mind when I started working on making doing business easier in Sindh. We have a long way to go but a good place to begin is to 'want'. Nothing makes me happier than to see women wanting to be independent, successful, powerful, and rich. It is as much our world and our right to do whatever we want."

Naheed Memon, Chairperson, Sindh Board of Investment



"Right from the top executive in Sindh the Chief Minister - to officials in the government of Sindh, we are all geared to achieving targets on the Doing Business reform.": Mohammad Waseem, Chairman Planning and Development, Sindh.

#SindhDoingBusiness #EoDB





Sindh is open for business. Karachi is open for business . And the departments in the government of Sindh eagerly await new businesses to come in and promote the investment climate in the dynamic province of Sindh.

> AGHA WASIF ABBASS, SECRETARY SINDH #DoingBusinessSindh #EoDB



#### #DoingBusinessSindh #EoDB

"We stand at an opportune time today because we are on the verge of re-industrialization in Pakistan. Karachi and the province of Sindh are poised, placed and located to lead this reindustrialization. We in the government of Sindh take on this opportunity and responsibility with passion."

Naheed Memon, Chairperson, Sindh Board of Investment.





# Reform Outreach: News Ad



### BUSINESS BECOMES EASIER IN SINDH











## Reform Outreach

Articles, Interviews, Press-releases, Photographs





department --- were waived off. The procedures and the timeline days, said Ms Memon.

rhouse

nits for residential houses

rtmental no-objection

buildings).

Sindh Building Control for approvals of construction perity (SBCA), she said, had mits for residential houses and nonout the procedure for the obnoxious warehouses had been and issuance of construc- revisited.

obnoxious warehouses recently de-notified the requirement for environmental approval d that the requirement for nine types of projects.

She said reforms introduced by (NOCs), and others the Sindh Board of Revenue would - Karachi Water and help make registering property

reduced from 208 days to just 1

President of Karachi Chamber Commerce and Industry (KCC Mufassar Malik, said the d required to register for profession Ms Memon said that the SEPA tax with the excise and taxi department, SESSI, EOBI and trict labour department show reduced to one to two days fro to four weeks.

> Pakistan's Doing Busines ing had slipped to 147 from

## Reform Outreach: Op-ed

• Articles, Interviews, Press-releases, Photographs

## Sindh rising to the challenge

By Naheed Memon

Globalisation has introduced unparalleled competition, and Pakistan's market size and location advantages can dissipate into nothingness if we do not act swiftly to improve our business environment

AKISTAN has lagged behind in development and investment-driven growth. This sluggish development could be attributed mostly to capital constraints, an underdeveloped bond market, directionless bank support for infrastructure construction and ad hocism in fiscal management.

A constant ray of hope and a propelling force in the country's growth story has been its private sector. The business community seems ready to re-industrialise Pakistan and we may have an opportunity to make up for the lost decades.

Despite all the apprehensions people may have about the China-Pakistan Economic Corridor (CPEC), business is on the move areas - registering property, getting building because Pakistan has somewhat closed infrastructure gaps in infrastructure through mega projects. Criticism of CPEC is mainly based on our expected inability to pay back loans and the the provinces' purview. imminent balance-of-payments crisis.

Ironically, the solution to this impending issue lies with the very beneficiary of this build-up, i.e. business.

A simple message, therefore, for policy makers is that unless we support business, we won't have the money to pay back the loans we have taken. Hence, the ease of doing business, a concept

now synonymous with World Bank's \$1-millionper-year project in Pakistan, is a way to avoid a to introduce administrative and economic reforms

fiscal crisis in the medium to long term We certainly do not owe all new business opportunities to CPEC. There is now a resurgence of foreign investment interest in Pakistan on account of greater stability, a growing middle class and an urbanising society.

However, globalisation has introduced unparalleled competition, and the country's market size and location advantages can dissipate if we do not act swiftly to improve our business environment. Recently, a friend representing one of the world's largest community development funds told me that they select their next investment destination singularly on the "respect" shown for their money.

And the principal way of showing respect for people's money, whether domestic or foreign, is by making the environment business friendly.

Of late, Pakistan's ranking in the World Bank's ease of doing business index has not been encouraging. In the Doing Business Report 2018, the country declined to 147 from 144 a year ago out of 190 countries.

Our distance to frontier score - which helps assess the absolute level of regulatory performance of an economy over time - was 51.65; a far cry from the best score of 100.

In Pakistan, regulations evaluated in three permits and enforcing contracts - are in the provincial domain. Two other areas - starting a business and paying taxes - partially fall within

In Sindh, recent developments spell out the provincial government's commitment to this agenda. A steering committee is overseeing the reform plan in collaboration with the World Bank. A dedicated unit - the Sindh Investment Climate Improvement Cell - is responsible for ensuring that the number of procedures and time are reduced

Over the last decade, Sindh has been quicker



compared with other provinces. The Land Record records of all 29 districts in the province --- main-Management Information System (Larmis) was first deployed in Sindh. Under the project, 90 per cent of the land

tained since 1985 - have been computerised and verified by deputy commissioners of districts. Similarly, the Sindh Revenue Board has led the

way in collecting sales tax in the country after the 18th Constitutional Amendment.

With the help of the Punjab Board of Information and Technology, Sindh also plans to automate business registration via a portal which will link all provincial and central databases and authorities for starting a business. The idea is to integrate all departmental procedures online so that entrepreneurs can get required provincial registrations from a single place in real time.

This facility will be launched in a pilot form in key government departments and will also be placed in the Karachi Chamber of Commerce and Industry office soon. Business facilitation or customer services centres will also be set up in Karachi at as many locations as possible.

The Sindh government also plans to set up arbitration centres to mitigate undue delays in settling business matters and to lessen the burden on district courts. The World Bank is collaborating with the Sindh Judicial Academy and the office of the Attorney General Sindh to draft a plan to make such centres operational quickly.

Studies show that high start-up costs can result in lower overall productivity. Inefficient incumbent firms are more likely to continue operating despite poor productivity because there is little competition from new, more productive firms.

There may be some merit in tax amnesty schemes in the short term, but these are mere quick fixes for a problem which can only be solved through encouraging businesses to enter the formal sector.

The Sindh government is committed to embracing global best practices and forging meaningful partnerships with all stakeholders, while holding in place our values and priorities. Unless there is more and bigger business, there cannot be more prosperity.

-The writer is chairperson of the Sindh Board of Investment