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**TAJIKISTAN**

# CASE STUDY

## Annual Business Registration Eliminated

### Excessive requirement for annual re-registration of entrepreneurs is lifted



Photo: USAID

One of the entrepreneurs in Dushanbe's Green Bazaar that will benefit from the removal of the onerous requirement.

***USAID helps Tajik business associations lift a requirement for annual business re-registration, saving more than \$285,000 in annual expenses for Tajikistan's estimated 37,000 entrepreneurs.***

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### Challenge

Each year, Tajikistan's 37,000 entrepreneurs used to spend money and time to re-register their businesses. Some 600 of them also had to undergo annual relicensing. Even though the state law did not require these procedures to be performed annually, the country's tax inspectors ruled otherwise, costing each business two working days and \$6.27 in state fees each year. Those businesses subject to annual relicensing, as well as re-registration, lost an additional \$81. In a country where a monthly teacher's salary fell short of \$200, it was a sizeable expenditure.

### Initiative

To help the country's entrepreneurs advocate for removal of this and other business impediments, USAID helped associations of Sogd Oblast form a Business Association Council. Seven business associations became members of the council to coordinate their efforts in solving the problems that affect the business community, advocacy for reforms in state agencies, and other activities.

In early 2007, USAID helped the Association Council prepare a letter to the Sogd Oblast Tax Department asking to lift the unnecessary and cumbersome re-registration requirement. The Association Council pointed out that expiration or re-registration dates for certification were not mentioned or required at all in the country's laws. The group also protested the costs associated with the procedures, especially for businesses subject to related annual relicensing.

### Results

The Sogd Oblast Tax Department concurred with the Association Council's recommendation to abolish the re-registration. As a result, in February 2007, the Tajikistan Tax Committee issued an order to abolish the annual re-registration not only in Sogd Oblast, but also throughout the country. Registration certificates are now issued once, without annual re-registration.

"Eliminating the annual registration requirement saves time and money for entrepreneurs," says the Chairman of the Association of Market Entrepreneurs Panjshanbe.

According to the estimates by the USAID project, elimination of this procedure will save country's businesses more than \$285,000 each year.