



SNAPSHOT

Business Licensing Goes “Virtual”

A new simplified, online process saves time, money, and reduces paperwork for businesses.



*Registration process at MINECO's one stop window for in person service
Photo: USAID PRS Project*

Now, entrepreneurs and corporations can easily process their business license, enjoying the speed and convenience of a streamlined process from the comfort of their home or office.

Registering a corporation or sole proprietorship in Guatemala was once a lengthy process. The manual registration system required multiple steps for both local governments and businesses. The time required to register a new corporation could take up to seven weeks while a license for a sole proprietorship took about one week to process. In addition, the logistics were complicated; in order to obtain the necessary signatures, an applicant had to make multiple visits to various offices and authorities.

Working with the USAID Policy Regulatory Support for Economic Growth (PRS) Project, Guatemala's Ministry of Economy (MINECO, Spanish acronym) created a program to streamline the business licensing process. Now businesses have two options: (1) visit the Ministry's new one-stop window for in-person service or (2) simply register online at the Quick Stop Investment Office (*Ventanilla Ágil Plus*, in Spanish). The PRS Project worked with MINECO to facilitate and speed up registration procedures, design standard forms and applications to bring uniformity to the process; and put in place an automated system that guides applicants through the application process.

Entrepreneurs and corporations can now process their business licenses with ease, enjoying the speed and convenience of a simplified process from the convenience of their home or office. It now takes an average of 17 days to issue a new corporate business license, a reduction of four weeks and over 30 unnecessary steps. Now, sole proprietors receive their license in 24 hours and no longer have to endure 17 redundant steps. According to the World Bank Doing Business project which provides objective indicators of business regulations for local firms in 183 economies, in 2011 Guatemala ranked 97 out of 183 countries. The improved licensing procedures have improved the country's ranking. Guatemala ranked 93 in the 2012 report, 79 in 20014, and 73 in 2015.