



## Microsoft .NET Customer Solution Case Study

# Serbia Ranked Top Country for Business Reforms with Company Registration System

### Overview

**Country or Region:** Serbia and Montenegro

**Industry:** Government Agency

#### Customer Profile

The recently-established Serbian Business Registers Agency, with 120 employees, is responsible for commercial registration of business entities in the Republic of Serbia and Montenegro.

#### Business Situation

To support business, the government of the Republic of Serbia and Montenegro wanted to make it quicker and easier for investors and entrepreneurs to comply with commercial registration law, including offering online registration.

#### Solution

Microsoft® Gold Certified Partner Spinnaker built an electronic register, employing the Microsoft Solutions Framework development principles in its project, along with the Microsoft SQL Server™ 2000 database.

#### Benefits

- Single data repository for company registrations
- Registration cut to less than 15 days
- Fees cut, thanks to automation
- Registration process simplified
- Recognition from World Bank

“Thanks to the new electronic system of registration, entrepreneurs no longer have to wait for hours in commercial courts or in a queue at the federal statistics office.”

*Dragiša Okolišanov, Director, Serbian Business Registers Agency*

To encourage and support businesses, the Republic of Serbia and Montenegro wanted to modernise and improve its company registration process. Serbia's legacy of largely paper-based processes involved a more than 50-day delay in business registration. The newly-created Serbian Business Registers Agency set out to create an electronic registration, which employs the Microsoft® .NET Framework with Microsoft SQL Server™ 2000 as the database. The agency now has a single, easily-interrogated data repository for company registrations. Registration information is available online, and processing time has been cut to 15 days or fewer. The entire commercial registration process has been simplified, winning praise for Serbia and Montenegro as the top country worldwide for business reforms in 2005, by the World Bank and its private sector arm, the International Finance Corporation.

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Branislav Dobrosavljević, IT Manager, Serbian Business Registers Agency

## Situation

With its 11 million population, a skilled workforce, and its strategic location, the Republic of Serbia and Montenegro has the potential to become the dominant economic power in south-eastern Europe. It is a market that serious foreign investors or global businesses cannot ignore. To avoid disappointing entrepreneurs, the Belgrade authorities needed to modernise the process for registering businesses to encourage new investment and to cut red tape.

By 2005 the government was ready to take action. Dragiša Okolišanov, Director, Serbian Business Registers Agency, recalls, “Under the previous manual paper-based system, registering a business took 51 days, at a minimum cost of the equivalent of U.S.\$5,000 in assets that was needed for each business. The entire process involved 11 separate procedures, as well as a registration fee of U.S.\$202.”

It was hardly surprising that many business people were unhappy with the old system. Company registration came under the jurisdiction of 17 different commercial courts and 165 separate municipalities. In Belgrade, where 30 percent of businesses are based, there were only five competent judges. Firms were also obliged to register separately with the federal statistics office for a personal identification number and then go separately to the tax office for another registration approval.

The new Serbian Business Registers Agency has now been established as the single office to visit for most of the business processes involved in company registration—with the sole exception of tax law compliance. Its creation followed the adoption of the Law on Registration of Business Entities in May 2005, which gave the green light for a Web-based electronic registration of businesses designed to cut the time and cost of setting

up new firms and registering existing companies.

## Solution

One of the first challenges for the newly-created agency was to choose a business management system for Web-based electronic registration. The choice was made easier by the existence of an agreement between Microsoft and the government of the Republic of Serbia and Montenegro. The project team included Spinnaker New Technologies, a Microsoft® Gold Certified Partner, which has extensive public sector experience.

Spinnaker designed and created the registration system with the Microsoft .NET Framework, Microsoft ASP.NET, and the Microsoft Visual C#® development tool. “It needed to be developed as a Web application with a multi-tier architecture and Internet access,” adds Okolišanov.

To manage and analyse data, the agency employs Microsoft SQL Server™ 2000 for the registration system database, as well as the Microsoft Windows Server™ 2003 operating system, part of Microsoft Windows Server System™ integrated server software. The new agency's 120 staff members have the Windows® XP operating system on their desktop personal computers, with Microsoft Office Enterprise Edition 2003 for documents and spreadsheets.

Branislav Dobrosavljević, IT Manager, Serbian Business Registers Agency, explains, “We chose Microsoft technologies because they are scalable, reliable, and flexible. We’re now free to concentrate on the main mission of our agency—supplying citizen-centric services to businesses—not worrying about the technology. The availability of skilled technical people around us means better service offerings and a low total cost of

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Dragiša Okolišanov, Director, Serbian Business Registers Agency

ownership for the new electronic registration system.

The project was delivered in line with Microsoft Solutions Framework principles, where roles were divided between the Spinnaker development team and the IT staff in the agency. The project involved a small project team of two consultants, a business analyst, four programmers, an individual who performed both test and design tasks, and two systems engineers. “It took just four months to implement on time and to budget,” Dobrosavljević comments.

### Benefits

#### Single Data Repository for Company Registrations

Instead of querying multiple manual filing systems, Serbian officials can now locate from one system all of the information they need for the entire country about new businesses and existing company registrations. This is in line with Serbia’s goal to support and ease doing business, and will help to create a climate for new investment in the country.

Okolišanov observes, “Thanks to Microsoft, this is a revolution in our processes, compared to what existed previously. Entrepreneurs no longer have to wait for hours in commercial courts or in a queue at the federal statistics office. Previously, the system was uncoordinated and often dysfunctional. There was no consistency, with processes often varying between different commercial courts or municipalities.”

#### Faster Company Registration at a Lower Cost to Citizens

Serbia has cut the time to register a new business or an existing company to between five and 15 days—significantly reduced from more than 50 days that was previously required. The cost of registration has also

been reduced, passing on a real benefit to investors and entrepreneurs.

The registration fee which was U.S.\$202 is now €50 (U.S.\$60) and the capital requirement of U.S.\$5,000 (€4,098.22) has been cut to €500 (U.S.\$600), with only half of that figure needed up front, and the remainder due after two years.

Miladin Maglov, Registrar of the Business Entities Register, notes, “The shorter time for completion of company registration has been achieved because entrepreneurs now only need to submit two documents. For limited liability companies, only eight documents are necessary. Besides that, a registration application can be downloaded from the Internet and submitted online.”

#### Registration Process Made Simple

This year, the agency has registered around 10,000 new business entities, averaging between 30 and 40 new business entities every working day. This is a significant increase over the 6,329 businesses registered in the last year of the old system. So far 69,500 businesses, which were formerly on the books at the commercial courts, have been transferred to the new agency.

Other achievements include:

- Approximately 23,000 changes in status and other fields pertaining to Business Entities and other changes registered.
- Around 1,000 requests taken for a registered business name.
- Some 1,000 company liquidations recorded.
- Around 19,500 certificates and declarations issued from the Register of Business Entities.

## For More Information

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[www.microsoft.com](http://www.microsoft.com)

For more information about Spinnaker products and services, call +381 11 201 56 00 or visit the Web site at:

[www.spinnaker-nt.com](http://www.spinnaker-nt.com)

## Recognition from World Bank for Business Reforms

The streamlined process for registering new businesses led to the Republic of Serbia and Montenegro being cited by the World Bank as the top country for business reforms in the past year. The changes were singled out in a report co-sponsored by the World Bank and its private sector arm The International Finance Corporation and are in line with the pro-business policies of the Serbian government.

Okolišanov comments, "Over the coming 12 months, the agency will focus on introducing all-electronic registration requests. Thanks to Microsoft, all the technical requirements are already in place."

The target date for completion of the project is early 2007, involving migration of legacy data to the new system. Two other electronic registers have also been completed including the registration of financial leasing agreements and registration for pledges on moveable properties and rights. Some 4,200 applications have been submitted, valued at a total of €1.6 billion (U.S.\$1.93 billion).

## Microsoft .NET

Microsoft .NET is software that connects people, information, systems, and devices through the use of Web services. Web services are a combination of protocols that enable computers to work together by exchanging messages. Web services are based on the standard protocols of XML, SOAP, and WSDL, which allow them to interoperate across platforms and programming languages.

.NET is integrated across Microsoft products and services, providing the ability to quickly build, deploy, manage, and use connected, secure solutions with Web services. These solutions provide agile business integration and the promise of information anytime, anywhere, on any device.

For more information about Microsoft .NET and Web services, please visit these Web sites:

[www.microsoft.com/net](http://www.microsoft.com/net)

[www.msdn.microsoft.com/webservices](http://www.msdn.microsoft.com/webservices)

### Software and Services

#### ■ Products

- Microsoft Windows Server System
- Microsoft Windows Server 2003
- Microsoft SQL Server 2000
- Microsoft Office Enterprise Edition 2003

#### ■ Technologies

- Microsoft .NET Framework
- Microsoft Visual C#®
- Microsoft ASP.NET

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