

FRIDAY, 24 MARCH, 2017

MINISTERIAL STATEMENTS

BY THE

THE MINISTER OF COMMERCE, TRADE AND INDUSTRY,

MRS MWANAKATWE,

ON THE

OPERATIONALISATION OF BUSINESS REGULATORY ACT

Mr Speaker, I thank you for according me this opportunity to render a ministerial statement on the operationalisation of the Business Regulatory Act No. 3 of 2014.

Sir, you may recall that the National Assembly in 2014, approved the enactment of the Business Regulatory Act No. 3 of 2014. The Act among other things, seeks to provide an efficient, cost effective and accessible business licensing system as well as a set of principles to guide regulatory agencies in regulating and licensing businesses.

Mr Speaker, I thank you for the opportunity to update the House and by extension, the nation, on what has so far been done to operationalise this law and what reforms will be put in place, going forward.

Sir, the House will recall that under the Private Sector Development Reforms Programme, a comprehensive business regulatory reform was undertaken. The main reason behind this was to reform the investment climate which was being hampered by the existence of costly and overly bureaucratic business licensing and regulatory frameworks. The Patriotic Front (PF) Government identified the private sector as a key driver of economic growth and development. To this effect, we are committed to ensuring that policies, laws and regulations adopted by relevant Government agencies are sound, high quality and supportive of private sector growth. It is for this reason that the Government, through this House, enacted the Business Regulatory Act No. 3 of 2014. Since the enactment of the law, my ministry has facilitated the establishment of the necessary institutional framework to support the implementation of the legislation. This has included:

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- (a) establishment of the Business Regulatory Review Committee (BRRC) responsible for the implementation of the Act through the provision of guidelines and standards to follow when coming up with regulations; and
- (b) establishment of the Business Regulatory Review Agency (BRRA), which became operational in May, 2016, charged with the responsibility of assisting the committee with the performance of its functions under the Act.

Sir, a sensitisation programme for regulatory agencies and public bodies has been implemented to inform them of the provisions of the Business Regulatory Act and its implications, as well as their interactions with the BRRA, going forward.

Mr Speaker, I will now highlight how far we have gone, and what is expected going forward, under some key provisions of the Act.

Regulatory Impact Assessment (RIA)

Sir, a key provision in the Act is a requirement of all regulatory agencies to undertake regulatory impact assessments before introduction of any regulation that affects business. This means that any proposal to introduce, amend, or repeal a policy, regulation, law, Statutory Instrument (SI), fee, charge or levy affecting businesses, collected pursuant to the issuance of a licence, a permit, certificate and authorisation as prescribed by any given law, should be subjected to a regulatory impact assessment before its implementation. The purpose of a regulatory impact assessment is to ensure that:

- (a) stakeholders are consulted when developing regulations so that the purpose and impact are well appreciated by all stakeholders;
- (b) all possible options or alternatives to a regulation that may be applied to address a problem are explored before coming to a decision that a regulation is the best option; and

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- (c) regulation appreciates the costs and benefits of a proposed regulation in order to ensure that an informed decision is made to have a regulation that will have more benefits than costs.

Mr Speaker, the BRRRA has been tasked with the responsibility to coordinate and mainstream regulatory impact assessments by ensuring that all proposed regulatory frameworks affecting businesses are subjected to the impact assessment process. So far, BRRRA has received three regulatory impact assessment reports for review from three different regulatory agencies. The agency has also offered technical support to four regulatory agencies on how to prepare reports on regulatory impact assessments and how to conduct stakeholder consultation.

Sir, in order to promote development of high quality regulations, the BRRC will soon be issuing guidelines and standards to help regulators adhere to the provisions of the Business Regulatory Act. Further, under this Act, my ministry will develop terms of reference for the business licensing and regulatory framework. For this, we have prioritised the local authorities, agriculture, tourism and energy sectors.

Regulatory Service Centres

Mr Speaker, the Business Regulatory Act also provides for the establishment of regulatory service centre for the registration of businesses and provision of different regulatory services for the business community. The establishment of the regulatory service centres is a strategy aimed at improving the business environment in Zambia through provision of an efficient regulatory clearing system by:

- (a) streamlining registration processes;
- (b) reducing the procedures and time it takes to complete registration processes; and

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- (c) increasing accessibility of business registration institutions by placing services under one roof or portal.

Sir, activities under this aspect of the Act so far, have largely focussed on streamlining of business registration procedures as well as working towards establishment of regulatory service centres in all provinces of Zambia.

Mr Speaker, in order to improve the delivery of business regulatory and licensing services, the Government, through the BRRA is in the process of implementing a virtual integrated business regulation system dubbed, "One Stop Shop Integrated System (OSSIS)." Once implemented, OSSIS is set to drastically reduce the full business registration process through integration of back office systems and therefore, sharing of information captured by various participating agencies. The successful implementation of OSSIS will also significantly reduce the cost of offering business regulatory services as there will no longer be need for all the agencies to be present at a regulatory service centre for a full registration to be completed, as most of the processes will be completed through the integration of back office systems. The participating agencies in OSSIS project so far include: Patents and Companies Registration Agency (PACRA), National Pension Scheme Authority (NAPSA), Zambia Revenue Authority (ZRA), Workers Compensation Fund Control Board (WCFCB), Zambia Public Procurement Authority (ZPPA) and the Financial Intelligence Centre. The One Stop Shop Integrated System (OSSIS) is operational in the area of information sharing among regulatory agencies. It is anticipated that OSSIS will be up scaled to facilitate issuance of licences through a single window before the end of this year.

Mr Speaker, so far we have four Regulatory Centres that have been established in Lusaka, Livingstone, Chipata and Kitwe. Lusaka and Kitwe are fully operational with stakeholders including: the Department of Tourism; Zambia Development Agency (ZDA); Patents and Companies Registration Agency (PACRA); Zambia Revenue Authority (ZRA); National Pensions Scheme Authority (NAPSA); Workers Compensation Fund Control Board (WCFCB); Zambia Wildlife Authority (ZAWA); Zambia Environmental Management Agency (ZEMA);

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Department of Co-operatives; Citizens Economic Empowerment Commission (CEEC); Local Authorities; and Zambia Public Procurement Authority (ZPPA).

The Chipata and Kitwe Centres are yet to become fully operational with more services included. So far the Chipata Center offers services of PACRA and the Competition and Consumer Protection Commission (CCPC) while the Kitwe facility offers services of PACRA and NAPSA.

Sir, it is planned that six more Regulatory Service Centres will be established and operationalised in the remaining provinces and assessments for this purpose have already been conducted.

Electronic Registry

Mr Speaker, the Business Regulatory Act further mandates the Business Regulatory Review Agency (BRRA) to establish and maintain an electronic registry (e-registry) of business names. The e-registry is meant to serve as a centralised database and make it possible for an online transaction platform holding information on regulations and formalities which businesses have to comply with.

Pursuant to this provision, the (BRRA) has been collecting information on licences, permits, certificates, authorisations and regulations for the electronic registry which is in the process of being updated. In this vein, we are coordinating with regulatory agencies and government ministries and departments because this electronic system will increase transparency and efficiency in the regulatory clearance process.

Additionally, electronic registry will provide legal security and certainty by ensuring that only those business regulation licenses, permits, certificates and authorisations published in the electronic registry have legal effect, validity and enforceability as far as business activities are concerned.

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In conclusion, Mr Speaker, I will state that the Business Regulatory Act provides the legal and institutional framework to govern business licences and regulation, is an effort by the Patriotic Front (PF) Government, to create an enabling business environment. This Government is committed to providing quality regulations and address red tape that proves to be burdensome for sustainable business growth. This Government wants businesses to flourish and create jobs and wealth for its people.

I, therefore, thank you, Mr Speaker for the opportunity to update the House on the progress made in implementing the Business Regulatory Act, No. 3 of 2014.

I thank you, Mr Speaker.