



## SUCCESS STORY

### USAID Support to the Companies Control Department Pays Off in Enhanced Business Environment for Investors



**A Jordanian citizen receiving an online company registration certificate from the CCD, marking the first successful online registration of a limited liability company supported by USAID / ROLP.**

On January 10, 2019, Jordan marked a milestone in its history: the first entirely online registration of a limited liability company was completed through a newly-launched e-service web portal. While certainly novel, this achievement is just one recent success of the ongoing partnership between the USAID / Rule of Law Program (ROLP) and the government of Jordan to modernize government services through the development of automated, online systems. This wide-ranging initiative is already making progress towards many future breakthroughs to help create a friendlier environment for business and investment and ultimately promote long-term economic growth and stability in Jordan.

There are persistent barriers to doing business in Jordan that need to be tackled on the national level for Jordan to improve the business environment and encourage investment activities. Jordan's economy suffers from often ambiguous and complex laws and regulations, lack of clarity on required procedures and paperwork to license new businesses, and relatively high licensing costs compared to other countries in the region, according to the *Doing Business Report of 2018*. These factors make planning an uphill battle for investors.

Amidst these challenges, the USAID / ROLP and the Companies Control Department (CCD) collaborated on a joint initiative to improve factors governing the business environment in Jordan to foster a safe and expanding investment environment and ultimately contribute to inclusive economic growth and stability. The initiative sought to improve the efficiency of the CCD's new company registration service by automating processes, reducing the time needed to attain all required government approvals. Service automation will also help clarify regulations and procedures governing the registration processes for service recipients, thereby enhancing the government's transparency and accountability to the Jordanian citizens.

Further, there is a disconnect between the multiple government agencies involved in providing business licenses, with no clear guidance across all government entities and their personnel on defined roles and responsibilities. This acts as an added impediment to investors seeking to register new businesses.

In response, the CCD automation project, supported by USAID / ROLP, is fostering transparency and accountability mechanisms by establishing a clear series of procedures for accessing services through an "e-service" web portal with a fully-automated system that allows processing of services internally within the CCD and in coordination with other government agencies. Now, applicants don't need to be physically present at the CCD or at any other government



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**Brainstorming session to discuss additional e-services benefiting business and investors in Jordan, with the participation of CCD, private sector, and USAID / ROLP representatives.**

entity to complete the administrative requirements of new business applications. Rather, the automated system includes e-integration with relevant government entities that provide necessary information and approvals, such as the Chamber of Commerce and Trade, Public Security Department, Tax Department, Social Security Commission. The system also integrates banks, so new business applicants can deposit the prerequisite company capital.

During the CCD launch event of the “Companies Registration” e-service, the Minister of Industry and Trade emphasized how automation improves the quality of services provided to citizens and investors, enhances the business environment that is crucial for empowering the private sector to contribute to a sustained national economy, and aligns with King Abdullah II’s vision for a “Paperless Jordan” by 2020.

According to the CCD, initial service recipients expressed their appreciation of the improved quality and efficiency of the online registration procedures, while the CCD expressed their gratitude to USAID for supporting the success of this automation project. The CCD further publicized their appreciation and pride in the achievement through its Facebook page, stating: “Today, we successfully completed the online registration of the first limited liability company. . . The CCD thanks the USAID for their continuous support of the automation system”.

In the *Doing Business Report of 2019*, Jordan’s overall rank has improved by almost 1.5 percent, and, at a score of 60.98, is now above the regional average of 58.30. This is attributable in part to an increase between 2018 and 2019 in the “Starting a Business” and “Enforcing Contracts” indicators. Moreover, Jordan’s score slightly increased on the *Corruption Perception Index of 2018*. This increase is attributable to improvements on criteria under the *World Economic Forum Survey* and *Global Competitiveness Survey*, which are determined in part by the level of automation of government services, including issuing licenses online and e-payment.

USAID / ROLP has been partnering with the government of Jordan to develop e-services in other areas as well. Interventions focusing on e-governance, improving the quality of judicial processes, and reducing the barriers to judgment enforcement have made it possible for Jordan to facilitate more efficient access to multiple key services. USAID / ROLP will continue to provide necessary technical assistance to enhance administrative independence and self-reliance by developing additional automated e-services responsive to the most urgent services needs of citizens and investors.