Faster registration of firms boosts Kenya

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06-June-2007: The business environment has taken a big leap following a 75 per cent reduction in the time it takes to register a company. Solicitor General Wanjuji Muchemi said those wishing to register a company can now do so in 14 days from an average of 60 days.

Chaos at the office of the registrar of companies is part of the long list of reasons that are usually given for Kenya’s poor score as a business destination. Continued use of files as the principle means of keeping records has provided a fertile ground for civil servants to demand bribes. While those seeking new registrations have had to part with money to speed up the process, companies with questionable records have ensured that their files are permanently missing from the shelves by paying bribes to the officials.

Yesterday, Mr Muchemi said all that will be history when the Company Registry is fully automated in a month’s time. Under the new documentation system, the public will be able to get key services such as file and company name search online. The system is expected to be in place by end of July.

The Rapid Results Initiative (RRI), was launched early this year as part of the Government’s effort to improve the quality of public services. At the State Law Office, RRI initiative is aimed at improving the work environment and raise the level of customer satisfaction by 80 per cent in 100 days. Analysts reckon that improvement of efficiency in key areas of the public service such as the registration of companies and in courts, is critical to the realisation of the Government-driven Vision 2030 that aims at transforming the country into a middle income economy.

Mr Muchemi said installation of an e-filing system that will enable the public to access files on-line was underway at the company registry. “The office will host a website that will provide downloadable forms, and also provide an on-line name search facility,” he said.

Implementation of reforms at the registry has faced many challenges including a 10-year backlog on the filing of annual returns. Mr Muchemi said the office had employed 100 students from the Jomo Kenyatta University of Agriculture and Technology to manage the backlog leading to the processing a half a million files. Apart from the automation, refurbishment of the offices is expected to increase work process flow and raise the morale of the public servants. The reforms are being implemented at a cost Sh21.6 million.

Kenya has been graded among the world’s least competitive foreign investment destination with corruption in the public system cited as the biggest contributor to the poor ranking.

The United Nations Conference on Trade and Development data indicates that it takes an average of 120 days to register and set up a business in Kenya as opposed to Botswana and South Africa where it takes less than a month to complete the process.

Kenya has recently improved its ranking on many fronts and was recently recognised by the UN as the country that has done the most to improve the quality of public services in the past one year.

It also aims to cut down on the paper work that those seeking to register a company must do by reducing number of forms to be filled from four to just one.