

	for different forms of business operations.		retain separate registration and access to services for other forms of business operations such as crafts/OPG's.			
Harmonization with EU requirements and good practice	Moderately. Full automation and exchange of data between relevant agencies as well as appropriate disclosure of information and documents in electronic format would be necessary to comply with EU requirements. International practice (for ex. Doing Business ratings) shows business registries managed by government rate better than the ones managed by court.	+	Very effective. This alternative will enable compliance with EU requirements, in particular Directive 2009/101/EC. This option will however not entirely cover the "Once-Only" Principle (TOOP) which is part of the EU eGovernment Action Plan 2016-2020.	++	Very effective. This alternative will enable full compliance with EU requirements, in particular Directive 2009/101/EC as well as the "Once-Only" Principle (TOOP) which is part of the EU eGovernment Action Plan 2016-2020.	++
Total:		4		9		9
Complexity of Implementation						
Extent of legal changes needed to implement this reform	Low. Legal changes would be necessary as a minimum in the Court Registry law and Companies Act to remove discretionary power in name reservation and registration as well as secure transparency and accessibility of registered data (as per EU Directives). There would have to be formal protocols between the stakeholder agencies to regulate coordination/exchange of data.	-	Medium. Amendments to the Court Registry Law and Companies Act would be needed to move the court registry from the competence of Commercial Courts to an administrative agency. There would have to be formal protocols to regulate coordination/exchange of data with the agencies that remain "outside" of the business registry (e.g. pension and health insurance registration)	--	Significant. In addition to the Court Registry Law and Companies Act, amendments to the Crafts Act and Agriculture Act would be required to move the registration authorities to a single agency. Also, the OPG's law which is currently in public discussion would have to be revised to reflect the implementation of this option. There would have to be formal protocols to regulate coordination/exchange of data with the agencies that remain "outside" of the business registry (e.g. pension and health insurance registration)	--
Extent of institutional changes are needed to implement this reform	Low. No major institutional changes would be needed to implement this option.	-	Medium. Institutional changes would be needed move the court registry from the competence of Commercial Courts to an administrative agency	--	Significant. Institutional changes would be needed move the court registry, craft registry and OPG's from the competence of the courts and other relevant agencies to an administrative agency	---
Time needed to implement the alternative	Medium. Depends on the assessment of the various registry technology platforms and enterprise service bus, however could	--	Medium to Significant. Depends on the assessment of the various registry technology platforms and enterprise service bus. A detailed implementation	--	Significant. Depends on the assessment of the various registry technology platforms and enterprise service bus. A detailed implementation plan would	---

	be implemented in 12 months.		plan would be needed to secure smooth transfer of competencies. Time of implementation could be 12-18 months.		be needed to secure smooth transfer of competencies. Time of implementation could be 12-24 months.	
Total		3		6		9

9. Conclusions

Complete, transparent, accurate data on registered business is an important building block of a good business environment, because:

- It gives the government the tools to produce business statistics and design policies, as well as implement regulatory policy;
- It gives market participants the information they need to value their risks in investing and trading or access a market;

While the Government undertook initial steps in simplifying the business entry regime, there are still significant gaps in the current regime in Croatia that require systematic reforms in this area. The key gaps identified include: (i) no unified registry/database of all business entities; (ii) Businesses need to visit several government offices to start operating their business; (iii) Many of the existing registries lack accuracy, accessibility and transparency; there is a low level exchange of data between the stakeholder institutions; (iv) companies cannot submit electronic filings and the registry is not storing historical company documents in electronic format which makes the current regime non-compliant with European directives; (v) The business registration process in the Commercial Court Registry appears highly discretionary and in many respects not consistent with good international practice; (vi) currently business entities are issued (at least) 3 identification numbers; (vii) while being treated as a form of business operation, the crafts registration regime is essentially a vocational licensing regime; (viii) while sole proprietors are by far the most frequent form of operation in other countries, they are an exception in Croatia, as they are linked to a certain level of turnover.

Based on this analysis, a set of principles/minimum objectives have been identified. The adoption of any institutional, legal and technical solution should be based on these principles, which include:

Standardization - Remove any discretionary and adjudicative aspects of business registration and make it an administrative process/function.

Streamlining - Streamline business forms and data requirements for each class of business and eliminate any unnecessary aspects of registration

Integration - Create an integrated, accurate, up to date registration system that unifies all forms of business operators and allows a single access point to services (including statistics, tax, pension and health insurance).

Accessibility and Transparency - Create a registration system that is transparent and accessible to the general public on-line.

EU compliance and good international practice - Ensure full compliance with EU directives and develop a system that is at the forefront as one of the most efficient European registration practices.