

# Can we register a business in 18 minutes?

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Imagine registering a business in under ten minutes – without visiting multiple government offices, submitting countless forms, or waiting weeks for verification. While this might sound like a distant dream in Pakistan, it is the current reality in countries like Estonia, New Zealand and Singapore. In these economies, streamlined digital business registration has catalysed economic growth, formalisation and innovation.

Pakistan, long mired in bureaucratic red tape and inefficiencies, now stands at the threshold of transformative reform – one that could open the floodgates for micro, small, and medium enterprises (MSMEs) through a fully digital business registration platform.

The Pakistan Institute of Development Economics (PIDE), through its recent Policy Viewpoint, outlines an ambitious but feasible proposal: create a unified, mobile-first, multilingual digital platform to register businesses using only a valid CNIC and a mobile phone. This vision of a paperless, frictionless business registration process aligns with global best practices and has the potential to revolutionize how businesses are created and operate in Pakistan.

Why does this matter? Today, over 90 per cent of Pakistan's MSMEs remain in the informal economy. This informality restricts access to finance, government support and formal employment opportunities. It also stifles productivity and innovation while eroding the country's tax base.

According to the World Bank, a key hurdle in formalisation is the complexity and cost of registration. In Pakistan, registering a business can take up to 16.5 days and requires navigating six to eight steps, often including physical visits to multiple government departments. The Punjab Information Technology Board (PITB), with World Bank assistance, has attempted to digitalise the process, but it still requires separate registrations with the SECP and FBR and lacks true one-window integration.

The PIDE-proposed solution addresses these problems head-on. The core of the system is a fully digital, AI-enabled platform where entrepreneurs register using their CNIC, passport, or driver's license. Upon submission and biometric verification, a unique business number

(UBN) is generated, linked directly with the FBR and SECP for tax compliance and regulatory purposes. Bank accounts are integrated at the time of registration, and all documents are stored in a secure digital vault. What would normally take two weeks could now be completed in minutes – even from a remote village.

The benefits of such a system are multifold. First, it dramatically reduces the entry barrier for entrepreneurs, especially women and youth in rural areas who may lack access to legal services or capital. By removing the need for a physical address and enabling biometric verification through mobile phones or nearby point-of-sale (PoS) terminals, the system makes registration universally accessible.

Second, it ensures regulatory compliance and tax inclusion at the point of registration, thereby broadening the tax base without additional enforcement. FBR will automatically link businesses to tax records, reducing evasion and increasing transparency. Third, it provides an opportunity to integrate intellectual property protection. The system allows for simultaneous trademark registration, ensuring that entrepreneurs can protect their brand and identity from day one.

Fourth, from a governance standpoint, the system will enable data-driven policymaking. Aggregated and anonymised data from the registry can provide real-time insights into business activity across regions, helping the government tailor policies and support where needed.

Globally, the impact of digital registration has been profound. In Serbia, for example, the average time to register a business dropped from 51 days in 2003 to just 2–3 days by 2005, with a 95 per cent increase in taxpayer registration among entrepreneurs. Estonia reduced company registration time to 18 minutes and saw a 46 per cent increase in registrations after simplifying the process. Under Saudi Arabia's Vision 2030, business registrations surged by 78 per cent between 2014 and 2023 following digital reforms.

Pakistan must now replicate and contextualise this success. The roadmap for implementation is clear and credible. The National Information Technology Board (NITB) will lead development, integrating systems with NADRA, FBR, SECP, banks, and trademark authorities. The Ministry of IT and Telecom will spearhead policy reforms and a whole-of-government approach. A phased rollout will begin with major cities, followed by rural expansion through telecom partnerships and mobile PoS. Stakeholder coordination, strong encryption for data security, and digital literacy programmes will ensure inclusion and trust.

Of course, challenges exist – digital literacy, limited infrastructure, resistance to formalisation – but the policy outlines practical solutions. Community help desks, training programs, and awareness campaigns will guide users. Incentives such as tax breaks and reduced registration fees for early adopters will accelerate uptake. Integration with the Pakistan Single Window (PSW), which has already digitised import/export processes by eliminating 155 paper-based documents, creates a seamless domestic and international trade ecosystem.

This proposal does more than simplify a process; it reimagines the relationship between the state and the entrepreneur. It replaces suspicion with support, paperwork with trust, and friction with efficiency. It empowers the youth, especially in underserved regions, to start businesses and participate in the formal economy. It aligns with Pakistan's digital transformation goals and provides a rare opportunity to leapfrog into a new era of business facilitation.

The economic impact could be enormous. A 25–30 per cent increase in formal registrations would bring thousands of businesses into the tax net, boost financial inclusion, and generate employment. It would improve Pakistan's rankings in global indices such as the World Bank's Doing Business Report and make the country more attractive to domestic and foreign investors.

But perhaps the most important impact is philosophical. By simplifying registration, Pakistan would signal that it values and trusts its entrepreneurs – not just the big industrialists but the street vendors, artisans, freelancers and small shopkeepers who form the backbone of its economy.

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