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on International Trade Law**
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**Draft recommendations on key principles of business
registration**

Note by the Secretariat

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Introduction

1. At its twenty-fifth session (Vienna, 19-23 October 2015), the Working Group, had before it three documents on Key principles of business registration (A/CN.9/WG.I/WP.93, A/CN.9/WG.I/WP.93/Add.1, and A/CN.9/WG.I/WP.93/Add.2), which the Secretariat had been requested to prepare at a previous session (twenty-third session, paras. 43-46, A/CN.9/825). Without intending to pre-empt any decision by the Working Group on the form that a legislative text on business registration might take, those documents were prepared in the form of a draft commentary for a possible legislative guide and were intended to be considered together to facilitate discussion in the Working Group on how the principles of an effective and efficient business registration system could appear in a future legislative text. At its twenty-fifth session, the Working Group considered the first of those documents, A/CN.9/WG.I/WP.93, and strongly supported the view that the Working Group should prepare an instrument along the lines of a concise legislative guide on business registration, without prejudice to considering other texts at a later date. To that end, the Secretariat was requested to prepare a set of draft recommendations to be read along with the draft commentary in Working Papers A/CN.9/WG.I/WP.93, Add.1, and Add.2 when the Working Group resumed its consideration of them at its twenty-sixth session (para. 73, A/CN.9/860). This Working Paper and A/CN.9/WG.I/WP.96/Add.1 are intended to be read together as a response to that request by the Working Group.

2. The order of the draft recommendations in this document and A/CN.9/WG.I/WP.96/Add.1 reflects the order in which it was thought that a draft legislative guide on business registration could most efficiently and logically be presented. The order of these draft recommendations does not precisely follow the order of the draft commentary reflected in Working Papers A/CN.9/WG.I/WP.93, Add.1, and Add.2, and as such, each of the draft recommendations is followed by a brief paragraph, which begins with a cross-reference to the relevant paragraphs of those documents in order to facilitate the reading of the draft commentary with the related draft recommendation. When the two sets of materials are combined into one draft legislative guide in a future iteration, the order in which they are presented will follow the order of the draft recommendations, as adjusted by the Working Group, and each draft recommendation will be preceded by the relevant discussion in the draft commentary. To the extent that the current draft commentary in A/CN.9/WG.I/WP.93, Add.1, and Add.2 needs to be supplemented with additional information on the particular draft recommendation, the brief paragraph following each draft recommendation will suggest possible additional commentary. In addition, not all paragraphs of the draft commentary are reflected in a draft recommendation, and, in any event, the Working Group is encouraged to make suggestions for additional draft recommendations where there are any perceived gaps.

3. The Working Group may also wish to note that the draft recommendations in this Working Paper refer to both “the Regulation” and the “law of the enacting State”. The Regulation is intended to mean the body of rules adopted by the enacting State with respect to the business registry, whether such rules are found in administrative guidelines or in the law of the enacting State governing business registration. The term “law of the enacting State” is intended to denote those

provisions of domestic legislation in the enacting State in the broader sense that are somehow relevant to and touch upon issues related to business registration. The Working Group may also wish to note that the term “business”, as used in these draft recommendations is not intended to include those professions that are otherwise regulated by professional bodies. These and other important terms will form a section on terminology and interpretation in a future iteration of the draft legislative guide.

Draft Recommendations

I. Objectives of a Business Registry

Recommendation 1: Registration permitted for all businesses

The Regulation should establish a system for the registration of businesses that permits and facilitates registration of businesses of all sizes and of all legal forms, but that requires the registration of only those legal forms as established by the law of the enacting State.

4. The Working Group may wish to note that paragraphs 10 and 33 of the draft commentary in A/CN.9/WG.I/WP.93 explain that the approach taken by the draft legislative guide is to recommend that all businesses should be permitted to register, since business registration is considered as the key means through which all businesses, including micro, small and medium-sized enterprises (MSMEs), can participate effectively in the economy. The applicable law in each State should determine which businesses are required to register, and which additional conditions they may have to fulfil as part of that requirement.

Recommendation 2: Purposes of the business registry

The Regulation should provide that the business registry is established for the purposes of:

- (a) Providing an identity recognized by the enacting State to a business that fulfils the requirements established by law; and
- (b) Making accessible to the public information in respect of those businesses that are required or permitted to register.

5. The Working Group may wish to note that this draft recommendation should be read alongside paragraph 33 of the draft commentary in A/CN.9/WG.I/WP.93, which clarifies that States should set the foundations of a business registry either by way of law or regulation. The opening provisions of such law or regulation should set out explicitly the purpose of a system for the registration of businesses.

Recommendation 3: Key features of a business registration system

The Regulation should ensure that the system for business registration contains the following key features:

- (a) The registration process is publicly accessible, simple, user-friendly and time and cost-efficient;

- (b) The registration process is adapted to the needs of micro, small and medium-sized enterprises (MSMEs);
- (c) The registered information on businesses is easily searchable and retrievable; and
- (d) The registered information is current, reliable and secure.

6. The Working Group may wish to note that this draft recommendation should be read alongside paragraph 10 of the draft commentary in A/CN.9/WG.I/WP.93, which enumerates the key features of an effective system for the registration of businesses that are included in this recommendation and are informed by international good practice in the domain of business registration. Such good practice has been outlined in the following Working Papers: A/CN.9/WG.I/WP.85, A/CN.9/WG.I/WP.93, A/CN.9/WG.I/WP.93/Add.1 and A/CN.9/WG.I/WP.93/Add.2.

Recommendation 4: Minimum regulatory burden on micro, small and medium-sized enterprises (MSMEs)

The Regulation should ensure that micro, small and medium-sized enterprises (MSMEs) are subject to the minimum obligations necessary pursuant to the Regulation, except where such a business is subject to additional requirements under the law of the enacting State as a consequence of its particular legal form.

7. The Working Group may wish to note that this draft recommendation should be read alongside paragraphs 5, 13, 22 and 28 of the draft commentary in A/CN.9/WG.I/WP.93/Add.1, which emphasize that in order to promote registration of MSMEs, business registration systems should provide for simplified registration and post-registration procedures. However, it should be noted that MSMEs may be subject to additional requirements as a result of their particular legal form.

II. Establishment and functions of the business registry

Recommendation 5: Responsible authority

The Regulation should establish that the organization and operation of the business registry is a function of the enacting State and that:

- (a) The enacting State retains the authority over the operation of the registry in accordance with the applicable law of the enacting State regardless of the entity responsible for the daily operation of the registry; and
- (b) The enacting State retains ownership of the registry record and, where appropriate, the registry infrastructure.

8. The Working Group may wish to note that this draft recommendation should be read alongside paragraphs 23 to 24 and 44 of the draft commentary in A/CN.9/WG.I/WP.93, which clarify that the business registry can be operated by the State in various ways, including by way of partnership with a private sector firm. However, the State should always retain responsibility for ensuring that the registry is operated in accordance with the applicable law or regulation. State ownership of the registry record and, when necessary, of the registry infrastructure is meant to

establish public trust in the business registry and prevent the unauthorized commercialization or fraudulent use of information in the registry record.

Recommendation 6: Appointment of the registrar

The Regulation should provide that the person or entity authorized by the enacting State has the authority to appoint and dismiss the registrar, to determine the registrar's duties and to monitor the registrar's performance.

9. The Working Group may wish to note that this draft recommendation should be read alongside paragraph 34 of the draft commentary in A/CN.9/WG.I/WP.93, which clarifies that the term "registrar" should be understood as referring to a natural or legal person, and that the term also includes a group of persons appointed to perform the registrar's duties under the registrar's supervision.

Recommendation 7: Simple and predictable legislative framework

The Regulation should adopt a simple structure for rules governing the business registry and should avoid the unnecessary use of exceptions or discretionary power.

10. The Working Group may wish to note that this draft recommendation should be read alongside paragraphs 24 to 25 of the draft commentary in A/CN.9/WG.I/WP.93/Add.2, which explain that an electronic registration system requires a legal framework that supports simplicity and flexibility. Should the Working Group decide to retain this recommendation, the commentary may be adjusted accordingly and in line with paragraphs 59 to 71 of A/CN.9/WG.I/WP.93/Add.2, which provide an overview of the necessary features of the laws and regulations underlying business registration.

Recommendation 8: Transparency and accountability

The Regulation should ensure that rules or criteria that are developed are made public to ensure transparency of the registration procedures and accountability of the business registry.

11. The Working Group may wish to note that this draft recommendation should be read alongside paragraphs 62 to 64 of the draft commentary in A/CN.9/WG.I/WP.93/Add.2, which provide some examples of features required for a legislative framework promoting transparency and accountability in business registration. It should also be noted that paragraphs 81 to 83 of the draft commentary in A/CN.9/WG.I/WP.93/Add.2 suggest that appropriate institutional mechanisms should be established and sufficient financial means provided to ensure appropriate capacity-building programmes for personnel and supervisory authorities responsible for business registration services.

Recommendation 9: Functions of the business registry

The Regulation should establish that the functions of the business registry include:

(a) Registering the business when the business fulfils the necessary conditions established by the law of the enacting State;

- (b) Providing guidance, particularly to the registrants of MSMEs, on the registration process and on the business's rights and obligations in connection thereto;
- (c) Providing access to the services of the business registry;
- (d) Assisting businesses in searching and registering a business name;
- (e) Listing all the documents that must be submitted in support of an application to the registry;
- (f) Providing the reason for any rejection of an application for business registration;
- (g) Entering the information contained in the application submitted to the registry into the registry record, and indicating the time and date of each registration;
- (h) Assigning a unique business identifier to the registered business;
- (i) Sharing information among public agencies;
- (j) Providing the person identified in the application as the registrant of the business with a copy of the notice of registration;
- (k) Ensuring that any required fees for registration have been paid;
- (l) Providing public notice of the registration in the means specified by the enacting State;
- (m) Ensuring that the information in the registry is kept as current as possible;
- (n) Entering the information contained in an amendment notice into the registry record;
- (o) Entering the information on, including the date of and any reasons for, the declaration of deregistration of a business from the registry record;
- (p) Publicizing the means of access to the services of the business registry, and the opening days and hours of any office of the registry;
- (q) Indexing or otherwise organizing the information in the registry record so as to make it searchable;
- (r) Protecting the integrity of the information in the registry record;
- (s) Archiving information removed from the registry record; and
- (t) Offering services incidental to or otherwise connected with business registration.

12. The Working Group may wish to note that this draft recommendation should be read alongside paragraphs 12, 35 and 45 to 46 of the draft commentary in A/CN.9/WG.I/WP.93, which clarify that listing the various functions of the business registry in the opening provisions of the law or the regulation governing business registration promotes clarity and transparency as to the nature and scope of the issues that are dealt with in detail later in the law or regulation. It is, however, important that such a list is read as an overview of the functions of the business

registry and is not read as implying unintended limitations on the detailed provisions of the law or regulation.

Recommendation 10: Storage of and access to information contained in the registry

The Regulation should establish a centralized registration system that would process and store all information received from the registry's users. Such a central repository should permit access by satellite registry offices through the use of modern technology.

13. The Working Group may wish to note that this draft recommendation should be read alongside paragraphs 25 to 26 of the draft commentary in A/CN.9/WG.I/WP.93, which explain that centralized registration systems with an electronic format that are able to process data from the local registries permit a more efficient collection of data from businesses and avoid the duplication of procedures. In States where the registration process and its regulatory oversight are delegated to the local level, confusion can arise if each locality follows its own approach rather than adhering to a central vision. In order to function efficiently, an electronic central registry should be accessible by terminals in the various regions and/or cities of a State, where other registry offices are located.

III. Operation of the business registry

Recommendation 11: Electronic, paper-based or mixed registry

The Regulation should provide that the optimal medium to operate an efficient business registry is electronic. Should full adoption of electronic services not yet be possible, such an approach should nonetheless be implemented to as great an extent as permitted by the current technological infrastructure of the enacting State, as well as its institutional and legal framework, and expanded as that infrastructure improves.

14. The Working Group may wish to note that this draft recommendation should be read alongside paragraphs 47 to 55 of the draft commentary in A/CN.9/WG.I/WP.93, and paragraphs 12 to 23 of the draft commentary in A/CN.9/WG.I/WP.93/Add.2, which explain in broad terms the different media in which the application for registration should be filed and which information contained in the registry should be stored and searchable. In accordance with the consideration of these issues by the Working Group at its twenty-fifth session (paras. 67-68, A/CN.9/860), this draft recommendation and the relevant draft commentary take the view that achieving a registration system fully based on the use of modern technology should be the goal to which all registries should aspire. These materials, however, recognize that in several States, paper-based or mixed registration systems are in place and that such systems might be the only option available due to a lack of advanced technological infrastructure. Those States might benefit from the implementation of a phased-in approach, starting with the adoption of more simple electronic solutions and then progressing to more sophisticated solutions.

Recommendation 12: A single interface for business registration and registration with other authorities

The Regulation or the law of the enacting State should establish a single interface for business registration and registration with other public agencies, including designating which public agency should have overall authority for the single interface. Such an interface:

- (a) May consist of virtual or physical offices; and
- (b) Should integrate the services of as many public agencies requiring the same information as possible, but at a minimum should include taxation and social service agencies.

15. The Working Group may wish to note that this draft recommendation should be read alongside paragraphs 2 to 11 of the draft commentary in A/CN.9/WG.I/WP.93/Add.2, which clarify that establishing a single interface, also known as a “one-stop shop”, for the registration of businesses is one of the most effective approaches to streamline business registration. As a new business is usually required to register with several different government agencies, which often require the same information that has already been gathered by the business registry, the adoption of a “one-stop shop” permits businesses to, at a minimum, receive all the information and forms they need in order to complete the necessary procedures to establish their business by visiting one single office.

Recommendation 13: Use of unique business identifiers

The Regulation should provide that a unique business identifier should be allocated to each registered business and should:

- (a) Be structured as a set of numeric or alphanumeric characters;
- (b) Be unique to the business to which it has been allocated; and
- (c) Remain unchanged until [x period of time] after any deregistration of the business.

16. The Working Group may wish to note that this draft recommendation should be read alongside paragraphs 38 to 44 of the draft commentary in A/CN.9/WG.I/WP.93/Add.2, which clarify the importance of interoperability between the business registry and other public agencies with which the business is required to register. This draft recommendation and its related commentary promote the view that integrated registration systems should be adopted based on the use of a unique business identifier, which ties information to a given business and allows for information in respect of it to be shared among different public and private agencies. The appropriate period of time in paragraph (c) should be chosen by the enacting State in keeping with its laws on the preservation of records.

Recommendation 14: Allocation of unique business identifiers

The Regulation or the law of the enacting State should specify that the allocation of a unique business identifier should be carried out either by the business registry upon registration of the business, or before registration by a legally-designated authority. In either case, the unique business identifier should then be made available to all other public agencies sharing the

information associated with that identifier, and should be used in all official communication in respect of that business.

17. The Working Group may wish to note that this draft recommendation should be read alongside paragraphs 45 to 49 of the draft commentary in A/CN.9/WG.I/WP.93/Add.2, which provide examples of different ways to allocate unique business identifiers.

Recommendation 15: Implementation of a unique business identifier

The Regulation or the law of the enacting State should ensure that, when adopting a unique business identifier across different public agencies:

(a) There is interoperability between the technological infrastructure of the business registry and of the other public agencies sharing the information associated with the identifier; and

(b) That existing identifiers are linked to the unique business identifier.

18. The Working Group may wish to note that this draft recommendation should be read alongside paragraphs 47 to 49 and 53 to 54 of the draft commentary in A/CN.9/WG.I/WP.93/Add.2, which clarify that adoption of a unique business identifier normally requires a centralized database linking the businesses to all relevant government agencies whose information and communication systems must be interoperable. Use of a unique identifier also requires adaptation by public authorities of their existing identifiers, which can be accomplished in various ways.

Recommendation 16: Unique business identifiers and individual businesses

The Regulation or the law of the enacting State should adopt a verification system to avoid multiple unique business identifiers being allocated to the same business by different public agencies.

19. The Working Group may wish to note that this draft recommendation should be read alongside paragraphs 50 to 51 of the draft commentary in A/CN.9/WG.I/WP.93/Add.2, which explain that situations may arise in which different agencies in the same jurisdiction allocate identifiers to businesses based on the particular business form of the enterprise. This may result in one business being allocated several identifiers or in several businesses being allocated the same identifier.

IV. Registration

Recommendation 17: Accessibility of information on how to register

The Regulation should specify that information on the registration process and the applicable fees, if any, should be widely publicized, readily retrievable, and available free of charge.

20. The Working Group may wish to note that this draft recommendation should be read alongside paragraphs 55 to 57 of the draft commentary in A/CN.9/WG.I/WP.93/Add.1 and paragraph 84 of the draft commentary in A/CN.9/WG.I/WP.93/Add.2, which explain that in order to encourage businesses to

register, it is important to make available to the registry's users information concerning the registration process and the relevant fees. The commentary notes that while developed technological infrastructures facilitate sharing such information, lack of modern technology should not prevent access to information, which could be ensured through other means.

Recommendation 18: Businesses required or permitted to register

The Regulation or the law of the enacting State should specify:

- (a) Which businesses are required to register; and
- (b) Which businesses are permitted to register.

21. The Working Group may wish to note that this draft recommendation should be read alongside paragraphs 5 to 7 of the draft commentary in A/CN.9/WG.I/WP.93/Add.1, concerning which commercial entities are required to register. In accordance with draft recommendation 1, this recommendation requires that it be made clear which businesses are required to register and which are permitted to register. The commentary could clarify that such a distinction should be made in the law establishing the business registry or in the law specifying the legal form of the business, but that, in any event, the two bodies of law should be consistent.

Recommendation 19: Minimum information required for registration

The Regulation or the law of the enacting State should establish the minimum information and supporting documents required for the registration of a business, including at least:

- (a) The name and address of the business or, in cases where the business does not have a standard form address, the precise description of the geographical location of the business;
- (b) The identity of the person or persons registering the business;
- (c) The identity of the person or persons who are authorized to act on behalf of the business; and
- (d) The legal form of the business being registered.

22. The Working Group may wish to note that this draft recommendation should be read alongside paragraphs 8 to 9 of the draft commentary in A/CN.9/WG.I/WP.93/Add.1, which explain the requirements businesses must meet in order to be registered. Although such requirements are determined by the State based on its legal and economic framework and may vary depending on the legal form of the business being registered, the common minimum requirements for business registration are thought to be those listed in subparagraphs (a) to (d) of this draft recommendation.

Recommendation 20: Language in which information submitted

The Regulation should provide that the information and documents submitted to the business registry must be expressed in the language or languages

specified by the enacting State, and in the character set as determined and publicized by the registry.

23. The Working Group may wish to note that this draft recommendation should be read alongside paragraphs 51 to 53 and 80 of the draft commentary in A/CN.9/WG.I/WP.93/Add.1, which explain that in most States, the business registration request can only be submitted in the official language(s) of the State or region of the business registry. There are States, however, where information can be submitted in a foreign language. The commentary further clarifies that States with multiple official languages should ensure that the registration, post-registration and information services of the registry are available to all users regardless of the official language with which they are conversant.

Recommendation 21: Notice of registration

The Regulation should establish that the business registry should notify the registrant whether or not its registration is effective as soon as practicable, and in any event no later than [x] business days following receipt of the application for registration.

24. The Working Group may wish to note that this draft recommendation should be read alongside paragraphs 38 to 45 of the draft commentary in A/CN.9/WG.I/WP.93/Add.1, which clarify the importance for the business registry of ensuring the integrity and the security of the registry record. Again, the enacting State is to choose the shortest possible appropriate time period within which the registrant should be notified of the effectiveness of the business registration.

Recommendation 22: Content of notice of registration

The Regulation should provide that the notice of registration may be in the form of a certificate, notice or card, and that it should contain the following information:

- (a) The unique business identifier;
- (b) The date of registration;
- (c) The name of the business; and
- (d) The legislation under which the registration has been effected.

25. The Working Group may wish to note that there is no specific paragraph in the draft commentary that supports this recommendation, but that if the draft recommendation is retained, an appropriate addition should be made to the draft commentary currently found in paragraphs 22 to 26 of A/CN.9/WG.I/WP.93/Add.1.

Recommendation 23: Period of effectiveness of registration

The Regulation should clearly establish that the registration is valid until the business is deregistered.

26. The Working Group may wish to note that this draft recommendation should be read alongside paragraphs 29 to 30 of the draft commentary in A/CN.9/WG.I/WP.93/Add.1, which clarify the approaches a State can adopt in order to determine the period of effectiveness of the registration of a business. Under the

first approach, the registration of the business is subject to a maximum period of duration established by law, so that unless the registration is renewed, the registration of the business will expire on the date stated in the certificate of registration (or upon termination of the business). This recommendation opts for the second approach under which no maximum period of validity is established for the registered business.

Recommendation 24: Time and effectiveness of registration

The Regulation should:

- (a) Require the business registry to time and date stamp applications for registration and to process them in the order in which they are received and as soon as practicable, but in any event not later than [x] business days after their receipt;
- (b) Establish that the registration of the business is effective from the moment the notice of registration is issued; and
- (c) Specify that the registration of the business must be entered into the business registry as soon as practicable thereafter, and in any event within [x] business days.

27. The Working Group may wish to note that this draft recommendation should be read alongside paragraphs 31 to 33 of the draft commentary in A/CN.9/WG.I/WP.93/Add.1, which explain that the requirement to determine the time when the registration of a business is effective ensures the transparency and predictability of the business registration system. The Working Group may wish to note that paragraph (a) of the recommendation takes into consideration both electronic registry systems in which the registry software usually time and date stamp the information submitted as well as registry systems in which the information to be registered is submitted in paper form and must be entered into the registry record by the registry staff. Again, the enacting State is to choose the shortest possible appropriate time period within which the registration of the business should be entered into the business registry.

Recommendation 25: Refusal to register and incorrect or incomplete information

The Regulation should provide that the business registrar:

- (a) Must refuse registration of the business if the application does not meet the requirements specified in the Regulation or the law of the State and is required to provide to the registrant the reasons for refusal in written form; and
- (b) Is granted the authority to correct its own errors as well as any incidental errors that may appear in the information and documents submitted in support of the registration of the business. The Regulation should strictly determine the conditions under which the registrar may exercise this authority.

28. The Working Group may wish to note that this draft recommendation should be read alongside paragraphs 22 to 26 and 38 to 39 of the draft commentary in A/CN.9/WG.I/WP.93/Add.1, which explain that while the business registrar does not have the discretion to refuse to register a business for reasons other than those

established by law, the registrar should be given the authority to rectify its own clerical mistakes and any incidental errors that may be noted in the information and documents submitted in support of the business registration. Such an approach could avoid imposing a potentially costly and time-consuming burden on the registrant to resubmit information and documents.

Recommendation 26: Registration of branches

The Regulation should ensure that:

- (a) Registration of branches of businesses established outside the jurisdiction of the business registry is required or permitted;
- (b) Any definition of “branch” for registration purposes is consistent with the definition provided in the law of the enacting State; and
- (c) Provisions regarding branch registration should address the following issues:
 - (i) Time and date of registration of the branch;
 - (ii) Disclosure requirements, such as name, address of the person or persons registering the branch; name and address of the branch and copy of the notice of registration of the parent company;
 - (iii) Information on the person or persons who can legally represent the branch; and
 - (iv) The language in which the registration documents should be submitted.

29. The Working Group may wish to note that this draft recommendation should be read alongside paragraphs 15 to 17 of the draft commentary in A/CN.9/WG.I/WP.93/Add.1, which outline the advantages of permitting the registration in the enacting State of branches of a foreign company. It would also be possible to include in the draft recommendation reference to the situation where a person or branch does not have a standard form address and should instead include a precise description of the geographical location.

V. Post-registration

Recommendation 27: Information required after registration

The Regulation should specify that after registration, the registered business must file with the business registry the following information:

- (a) Annual or periodic reports and financial documents as required by the law of the enacting State;
- (b) The identity of the owner of the business if different from that of the registrant, and as required by the law of the enacting State;

(c) Amendments to the current information in the business registry in respect of changes as they occur:

(i) In the name, address, description of geographical location, or legal status of the business;

(ii) In the identity of the person or persons authorized to act on behalf of the business; and

(iii) Any other changes to the information that was initially required for the registration of the business.

30. The Working Group may wish to note that this draft recommendation should be read alongside paragraphs 11 to 13 of the draft commentary in A/CN.9/WG.I/WP.93/Add.1, which explain that registered businesses, in order to remain validly registered, are usually required to provide certain information throughout their life cycle. The information enumerated in this recommendation should be required from all registered businesses regardless of their size or legal form. Depending on the legal form of the business being registered, additional information may be required pursuant to the law of the enacting State.

Recommendation 28: Maintaining a current registry

The Regulation should require the registrar to ensure that the information in the business registry is kept current, including through:

(a) Sending an automated request to registered businesses at intervals of [x] year(s) requiring them to report whether the information maintained in the registry continues to be accurate or stating which changes should be made; and

(b) Updating the registry immediately upon receipt of the amending information or as soon as practicable thereafter.

31. The Working Group may wish to note that this draft recommendation should be read alongside paragraphs 27 and 78 of the draft commentary in A/CN.9/WG.I/WP.93/Add.1, which stress that the information maintained in the registry must be of good quality, current and reliable in order to make the services of the business registry valuable for the users. The commentary provides examples of various approaches that have been adopted in this regard. If the Working Group decides to retain this recommendation, it may wish to include in the commentary an additional clarification on the advantages and disadvantages of the various approaches and in particular of the approach recommended in this recommendation. With regard to paragraph (a) of the recommendation, the Working Group may also wish to note that the enacting State should determine the length of the interval at which the automated request to the registered business should be sent.

Recommendation 29: Time and effectiveness of amendments to registered information

The Regulation should:

(a) Require the business registry to time and date stamp amendments to registered information and to process them in the order in which they are received;

(b) Notify the registered business as soon as practicable that its registered information has been amended; and

(c) Establish that amendments to the registered information are effective from the moment the notice of amendment is issued.

32. The Working Group may wish to note that this recommendation mirrors draft recommendation 24 which discusses the time and effectiveness of registration. As explained in paragraphs 31 to 33 of the draft commentary in A/CN.9/WG.I/WP.93/Add.1, it is also important to establish the time and effectiveness of amendments to registered information in order to ensure the transparency and predictability of the business registration systems. Paragraph (a) of the draft recommendation takes into consideration both electronic registry systems in which the registry software usually time and date stamp the information submitted as well as registry systems in which the information to be registered is submitted in paper form and must be entered into the registry record by the registry staff.
