



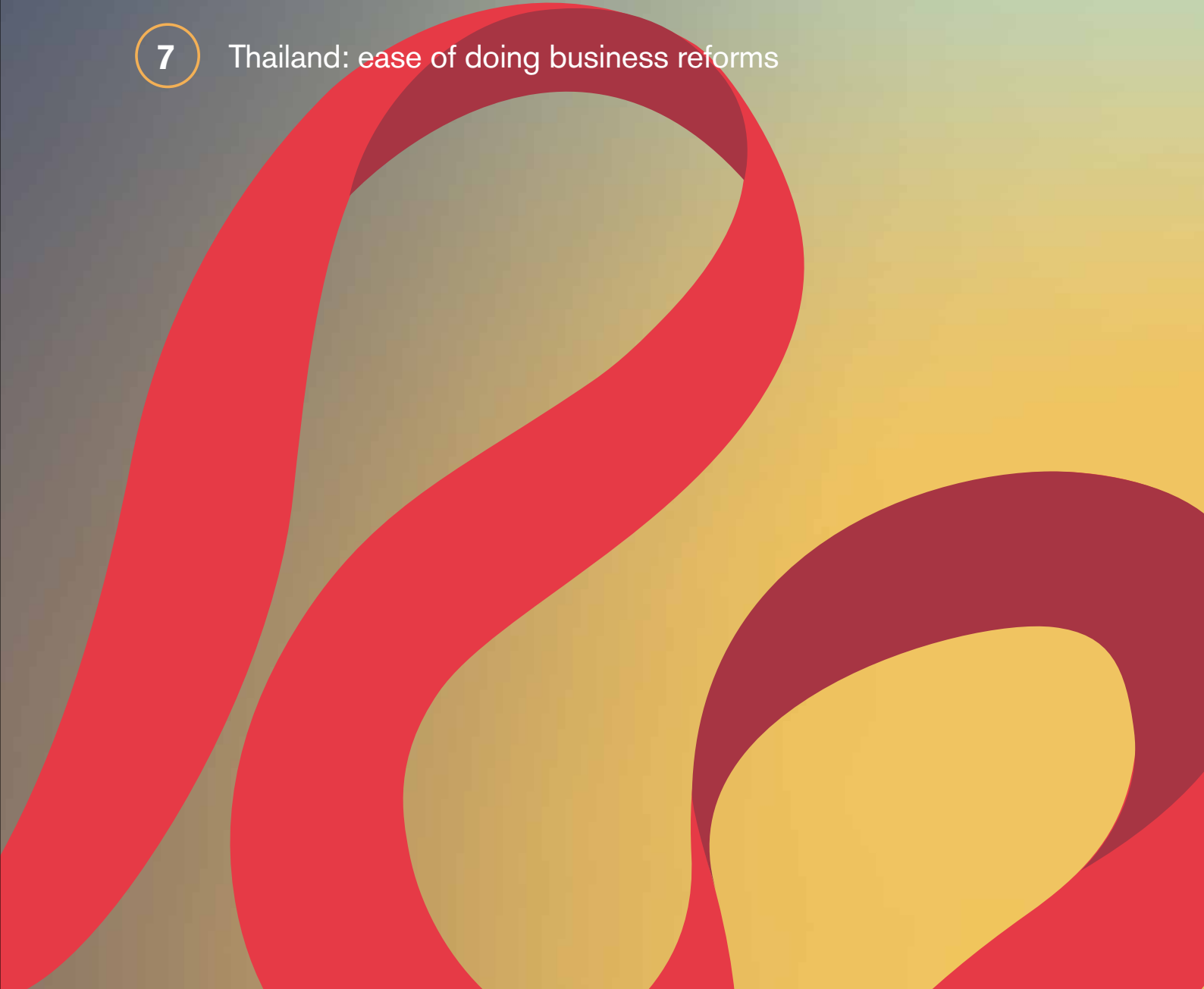
SECTION

3

**Learning from
experience:**

Case study insights on
success factors and
recurring challenges



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Overview of case studies

The case studies complement the Handbook's analysis with practical GRP reform experiences. The Handbook compiles four case studies – Costa Rica, Indonesia, the Philippines and Thailand – that examine the motivations and context for specific reforms aimed at improving authorization procedures with particular relevance to the services sector. Each case study maps legal anchors and institutional arrangements, traces implementation (including digital tools) and distils observed effects and lessons learned from implementation. Evidence draws primarily on laws and regulatory instruments, official government documentation and reports, as well as structured analyses by various international organizations (such as the World Bank, the OECD and APEC) documenting achievements and challenges of the reforms in each case.

The case studies explore the following reform experiences:

- **Costa Rica:** To overcome fragmented and time-consuming licensing procedures, Costa Rica launched the Single Window for Investment (VUI – *Ventanilla Única de Inversión*) in 2017 as a flagship reform to embed GRPs in its investment and business-licensing framework. Led by the Foreign Trade Promotion Office of Costa Rica (PROCOMER) with support from key ministries, the VUI progressively digitized and streamlined procedures through successive legal and institutional milestones between 2010 and 2023. It introduced core GRP principles such as transparency obligations, statutory deadlines and digital workflows. These changes have markedly shortened business start-up times, for instance reducing the approval time for service companies entering the Free Trade Zone from 406 days to just 30–45 days. Building on this progress, the government is now working to evolve the VUI into a fully integrated, nationwide platform supporting faster, smarter and more transparent authorization processes.
- **Indonesia:** Over the past two decades, Indonesia has transformed its business licensing framework from a fragmented, paper-based system into a digitally integrated platform that embeds GRPs. This reform trajectory reached a major milestone in 2021 with the launch of the Online Single Submission Risk-Based Approach (OSS-RBA). More than a licensing portal, the OSS-RBA functions as a core governance instrument: it introduced a risk-based methodology that calibrates licensing requirements to the potential risks associated with different

business activities. While the OSS-RBA has already delivered notable implementation results, the Indonesian government has recently taken steps to consolidate the OSS-RBA's gains and address existing gaps, by incorporating additional GRP features.

- **The Philippines:** The Philippines pursued a sustained and ambitious reform agenda to embed GRPs in public service delivery and business facilitation. Anchored in the *Anti-Red Tape Act* of 2007 and significantly expanded through the *Ease of Doing Business and Efficient Government Service Delivery Act* of 2018, these reforms have aimed to make business licensing and other government services more transparent, predictable and citizen-centred, thereby enhancing the competitiveness of the country's increasingly services-driven economy. The Philippine regulatory reforms have yielded measurable results: in the World Bank's *Business Ready (B-Ready) 2024* report, the Philippines ranked in the top 20 of 50 economies, performing well in the quality of its regulatory framework.
- **Thailand:** In response to persistent bureaucratic inefficiency and limited transparency, Thailand launched a broad reform agenda to embed GRPs into its domestic governance framework through key legal instruments, including the *Licensing Facilitation Act 2015 (LFA)*, the *2017 Constitution*, and the *Rules on Legislative Drafting and Evaluation of the Outcomes of Law Act 2019*, as well as two digital-era laws adopted in 2019 and 2022. These reforms helped lift Thailand's standing in international benchmarks, including a rise in the UN *E-Government Development Index* from 77th in 2016 to 52nd in 2024. While challenges remain, the government is continuing to advance its reform efforts, including revising the LFA and integrating more public services into centralized digital portals for both citizens and businesses to further improve service quality.

Cross-cutting insights from the case studies

1. Effective reform starts with clear legal anchors and empowered lead regulatory agencies.

Clear legal anchors and empowered lead agencies are central to translating reform objectives into implementation. Statutes and decrees set regulatory objectives, establish timelines for service delivery, impose transparency obligations, include provisions

on simplifying and digitalizing authorization processes and provide for applicants' review rights. These legal anchors are then implemented and overseen by designated lead agencies, which coordinate ministries and other involved institutions, issue implementation guidance, monitor compliance against established service standards, take corrective action where necessary, and sustain reform momentum across political cycles.

In Costa Rica, successive laws and decrees created the VUI as an integrated, centralized system for handling business authorization procedures. Strategic coordination of the VUI rests with its Steering Committee, which is empowered to lead ministries and agencies in implementing the system, and which evaluates regulations for simplifying authorization procedures, identifies bottlenecks and recommends corrective measures. The PROCOMER is entrusted to act as the administrator and technical secretariat of the VUI, hosting and operating the platform, coordinating participating ministries and agencies through delegated powers, and following up on the Steering Committee's decisions.

Indonesia's reform under the *Law No. 11/2020 on Job Creation* introduced a risk-based approach to business licensing, with *Government Regulation No. 5/2021* operationalizing this approach through an electronically integrated system – the OSS-RBA. The Ministry of Investment/Indonesia Investment Coordinating Board (BKPM) is responsible for developing, operating and managing the OSS-RBA; coordinating with sectoral ministries and licensing authorities to ensure administrative and technical integration; as well as handling public complaints related to the implementation of the OSS-RBA.

In the Philippines, the *Anti-Red Tape Act* of 2007 introduced the framework for the Citizen's Charter and public service delivery standards. The Act was subsequently strengthened by the *Ease of Doing Business and Efficient Government Service Delivery Act* of 2018. The latter also established the Anti-Red Tape Authority (ARTA) as the central oversight body with authority to set templates for the Citizen's Charter, issue implementing guidelines, monitor compliance and require corrective action.

Thailand's experience reflects a multi-pillar reform effort anchored in several interlinked laws. The LFA of

2015 seeks to enhance transparency and predictability of administrative procedures through a variety of measures, including licensing manuals and time-bound decision-making. The *2017 Constitution* further boosted the implementation of GRPs by requiring stakeholder consultation, impact assessment and periodic law reviews. Subsequent instruments, including the *Rules on Legislative Drafting and Evaluation of the Outcomes of Law Act* of 2019 and digital government laws of 2019 and 2022, extended this framework to promote evidence-based policy-making and digital service delivery. Each pillar of the reform is led by a specialized agency: the Public Sector Development Commission on administrative simplification and licensing facilitation, the Office of the Council of State on legislative quality and evaluation, and the Digital Government Development Agency on digital public service delivery.

2. High-level sponsorship helps, but doesn't guarantee, delivery; sustained results require consistent political backing across election cycles.

High-level sponsorship catalyses reform – establishing objectives and responsibilities, clearing bottlenecks and mobilizing resources – but it does not, on its own, ensure delivery. Durable results depend on continuity of direction, protected budgets and consistent follow-through across election cycles.

The Thailand case study illustrates both sides of this dynamic. Early top-level backing enabled the Regulatory Guillotine initiative in 2016, which aimed to streamline over 1,000 laws and boost Thailand's position in international competitiveness rankings. Yet, subsequent shifts in political attention and bureaucratic resistance slowed implementation, causing the initiative to lose traction.

In contrast, the Philippines' reform demonstrates how sustained political commitment across successive administrations can preserve momentum for change. The *Ease of Doing Business and Efficient Government Service Delivery Act*, enacted under the Rodrigo Duterte presidency in 2018, built on the *Anti-Red Tape Act*, introduced in 2007 during the Gloria Macapagal-Arroyo administration – deepening earlier reform efforts and institutionalizing the ARTA. This continuity across political cycles helped maintain reform direction and deliver stronger implementation results.

3. Institutions are as important as regulation: strong mandates, clear responsibilities and sustainable resourcing ensure effective, consistent implementation and enforcement of regulatory reforms.

Institutions determine whether rules translate into consistent practice. Clear mandates, defined responsibilities and adequate resourcing enable coordination, quality control and day-to-day enforcement of service standards.

Costa Rica's VUI illustrates such an institutional backbone. Deadline monitoring, audit trails and reporting obligations created operational accountability and made clock-stops and escalations more transparent and manageable in routine case handling.

In the Philippines, legal mandates were paired with oversight instruments – most notably the Report Card Survey and the Citizen's Charter reviews. These mechanisms test service quality across agencies, trigger corrective action and reinforce accountability.

Thailand's experience indicates that, while reform laws such as the LFA established important service delivery standards, gaps in implementation capacity and coordination produced uneven compliance across agencies. By leaving practical parameters to the discretion of individual licensing agencies, the LFA has led to uneven implementation – emphasizing that the existence of a regulatory framework and lead agencies does not suffice when reforms lack clarity and enforceability. This highlighted the fact that implementation arrangements and resourcing are as important as the regulatory text.

In addition, sustainable resourcing is critical: platforms and integration require ongoing operation and maintenance funding. Costa Rica's VUI, financed since its inception from PROCOMER's own budget and now authorized under *Law No. 10234 (2022)* to charge service-at-cost fees, highlights the need for a clear tariff/fee model to support long-term operation, maintenance and upgrades. Similarly, in the Philippines, limited budget allocations delayed the rollout of ARTA's electronic complaint management system launched in 2022, slowing case resolution and illustrating how resource constraints can impede the implementation of otherwise well-designed reforms.

4. Meaningful inter-agency coordination – both horizontal across regulatory agencies and vertical across levels of government – is key to reform: it connects political will with institutional practice, prevents siloed implementation and enables (digital) interoperability.

When inter-agency coordination functions well, applicants experience a single, predictable process rather than a sequence of fragmented steps, and governments can monitor performance, enforce deadlines and share data seamlessly.

In Indonesia, the OSS-RBA is designed to serve as the backbone linking its core licensing subsystem to sectoral systems for key technical approvals that are required in the authorization process. It interfaces with dedicated systems, for instance for environmental approvals or building permits, with integration continuing to expand over time; this allows applications to be routed consistently across authorities, tracked against shared service-level commitments, and with decisions made based on the same data.

In Costa Rica, the VUI formalized coordination among participating agencies and institutionalized joint inspections and real-time data verification for the authorization procedures handled directly through the platform. These arrangements reduced duplicative visits and conflicting instructions, while allowing requirements to be checked against authoritative sources.

In the Philippines, the coordination architecture – including the Philippine Business Hub (PBH), the Philippines Business Database, and the local government units' e-Business One-Stop Shops (eBOSS) under oversight of the ARTA – is still being scaled. Uneven local capacity and staggered integration schedules show that without sustained cross-agency coordination, front-end portals cannot yet deliver end-to-end services.

In Thailand, efforts to consolidate public services through multi-agency platforms – such as the Government Central Service System for Businesses (Biz Portal) – have been constrained by partial back-end integration and fragmented agency systems. This underscores that coordination must be backed by shared data standards, enforceable service-levels and central quality assurance.

Across all the case studies, inter-agency coordination – supported by standardized procedures, data-sharing arrangements and escalation protocols – has helped replace sequential, paper-based hand-overs with a single, traceable process. Yet, coordination at the subcentral level remains a persistent challenge. This is evident in delayed onboarding of local government units into the eBOSS network in the Philippines, variation in institutional capacity and regulatory alignment across provinces and districts in relation to the implementation of the OSS-RBA system in Indonesia, and heterogeneous data systems across agencies in Thailand. These observations show that coordination must extend not only vertically but also horizontally to ensure reform objectives are effectively implemented.

5. Digitalization can only deliver its full benefits when it is paired with process simplification and interoperable systems.

Digitalization delivers results only when it is matched with process simplification and interoperable back-end systems. Without these, technology risks merely replicating bureaucratic inefficiencies in digital form.

Indonesia's experience exemplifies this dynamic. The OSS-RBA system couples digitalization with a risk-based licensing approach, cutting processing times for low- and medium-risk activities and enabling the registration of nearly ten million micro and small businesses after just three years of implementation. Yet, incomplete integration between the OSS-RBA and sectoral systems for required technical approvals in the authorization process has forced manual checks and delays in many cases.

In Costa Rica, process re-engineering helped simplify and standardize authorization processes, which were then digitalized through the VUI. As a result, overall processing times have shortened considerably – for services companies, from 406 days to 52.5 days. However, since not all processes on the VUI are fully end-to-end, applicants still have to deal with offline checks and duplicative information requests.

In Thailand, the development of multi-agency digital portals has improved access and transparency, yet fragmented legacy systems and uneven coordination have constrained end-to-end automation. This underscores the need for shared data standards and interoperability frameworks.

In the Philippines, the digital architecture is being scaled nationwide through process mapping and the integration of central and local systems. Progress is uneven where back-office changes have yet to be simplified and aligned with the new digital systems.

Across the case studies, the lesson is clear: digital rollouts must go hand in hand with simplification – through standardized forms, once-only data collection, pre-validation – and underpinned by interoperable systems. Otherwise, their benefits risk remaining partial.

6. Infrastructure is a key enabler – given the strong emphasis on digital tools, reforms need reliable power supply, robust connectivity and functional IT systems to produce tangible results.

Infrastructure is a prerequisite for digital reform to deliver tangible results. Reliable power supply and connectivity ensure that digital platforms function smoothly, data systems remain stable and users can access services without interruption. Without this foundation, even the most well-designed reforms risk remaining fragmented or ineffective in practice.

Costa Rica's experience illustrates this interdependence. The VUI was conceived as a technology-driven reform to simplify, digitize and centralize investment and business authorization procedures through a single online platform. Its effectiveness hinges on the strength of the digital backbone that supports it: robust IT infrastructure, interoperable government systems and the continuous maintenance of its technological architecture. Where these elements are well established, the platform delivers tangible efficiency gains; where they are not, progress stalls.

Indonesia's early OSS-RBA rollout brought these challenges into view. Constraints in electricity supply, connectivity and data migration, which slowed onboarding and hampered implementation, highlighted the need for resilient power networks, reliable connectivity and contingency arrangements to ensure uninterrupted digital service delivery across the archipelago. The system's high volume of use – processing up to 50,000 business identification numbers in a single day at peak periods – also revealed the importance of scalable hosting and robust system architecture. Likewise, standardized interfaces

proved essential to enable seamless data exchange and integration between the OSS-RBA and other technical approval systems that are essential for the authorization process.

In the Philippines, many local government units lagged in establishing fully automated eBOSS systems due to limited IT infrastructure, particularly in remote and island provinces where digital networks remain patchy. These infrastructure gaps curtailed the country's progress towards end-to-end digital processing. Likewise, the deferral of the ARTA's e-complaints platform led to slower resolution of complaints under the *Ease of Doing Business and Efficient Government Service Delivery Act of 2018*, illustrating how institutional performance and transparency ultimately hinge on digital readiness and IT capacity.

In Thailand, the mandated migration of thousands of public services to the Biz and Citizen Portals – the latter is a central platform consolidating government services for individual citizens and residents – between 2025 and 2027, is expected to be an IT-intensive undertaking, whose success will depend on agency readiness to upgrade legacy systems, clean and harmonize data, and expose interoperable interfaces. Without parallel upgrades to back-end systems, front-end gains will remain partial.

Across these cases, the implication is clear: reforms must be underpinned by sustained investment in connectivity (especially at subcentral level), secure digital identity and e-signature, resilient hosting and monitoring, and shared components (payments, logging/analytics). Without these, digital tools alone cannot deliver truly end-to-end improvements.

7. Continuous agency upskilling is essential to ensure that staff is well equipped to adapt and foster a service-oriented culture that supports the effective implementation of reforms.

Continuous upskilling is critical to turn legal reforms and new platforms into consistent day-to-day practice. Regular training, peer learning and institutionalized knowledge-sharing mechanisms help build technical and managerial capabilities needed to embed new processes, close implementation gaps and sustain reform performance over time.

In Costa Rica, more than 370 officials were trained in process re-engineering methods during the VUI

rollout, while alignment and awareness-raising activities were carried out among 38 public institutions and 60 municipalities. These initiatives have helped standardize procedures, apply time-bound rules, and reduce the need for reworking.

In the Philippines, reforms were paired with domestic and international capacity-building partnerships – including with New Zealand, the United Kingdom, the World Bank, and the UN Agency for International Development (USAID). These collaborations supported ARTA in advancing e-governance and regulatory management initiatives; incorporating GRP tools such as RIA; strengthening process mapping; improving front-line service delivery; and promoting public awareness of reform objectives.

Experiences elsewhere in the case studies underline the point: where agency skills and change-management fall behind, implementation becomes uneven and the benefits of digital tools remain only partially realized.

8. User-centred design – including through help desks and unified portals – reduces search and compliance costs, especially for small businesses.

User-centred design reduces search and compliance costs – especially for small businesses – by making rules and processes easy to find, understand and complete. Clear guidance, intuitive layouts and integrated assistance tools allow users to complete transactions with fewer errors and less reliance on intermediaries.

In Costa Rica, efforts to make the VUI more user-centred – such as by introducing help desks, clearer procedural guidance and gradual improvements to usability – have made navigation easier for applicants. However, the platform is still structured around administrative categories rather than life events, and systematic feedback and monitoring mechanisms are yet to be fully established.

In the Philippines, the eBOSS and the PBH consolidate front-end steps for business licensing and are being scaled nationwide. As integration deepens, ensuring standardized guidance across local governments and targeted support for business remain a priority to sustain accessibility and uniform service quality.

Thailand's plan for the consolidation of thousands of public services into the Biz and Citizen portals aims for similar user-facing gains in discoverability, convenience and end-to-end navigation. Achieving these benefits will depend on applying consistent content standards, harmonizing data structures and ensuring back-end alignment across agencies.

9. Central oversight and regular monitoring and evaluation promote accountability and sustain reform momentum.

Central oversight and regular monitoring and evaluation translate legal standards into day-to-day accountability. When performance data are tracked, compared and acted upon, institutions can identify bottlenecks, target support and sustain consistent service delivery across agencies.

In Costa Rica, the VUI tracks statutory time limits and triggers alerts when deadlines lapse, while PROCOMER produces agency performance reports to enable targeted support and corrective action.

In the Philippines, ARTA's Report Card Survey and independent audits provide checks on service quality and compliance, exposing bottlenecks and prompting remedial measures.

Indonesia is embedding statutory service-level agreements in the OSS-RBA ecosystem and moving towards public performance dashboards and silent approvals when service-level agreements lapse, thereby raising accountability and incentives for timely compliance.

In Thailand, oversight mechanisms exist, with the Public Sector Development Commission (OPDC) responsible for monitoring the implementation of the LFA; however, its limited enforcement power has constrained follow-through. Two dozen complaints lodged between 2015 and 2020 revealed delays and procedural inconsistencies, underscoring that without strong consequences for non-compliance, accountability mechanisms struggled to ensure consistent application of the reform law.

10. Flexibility and progressive adjustment are essential to ensure that reforms meet evolving business needs.

Flexibility and progressive adjustment keep reforms aligned with business needs and implementation realities. Regular review and adaptation help ensure that policies remain effective, responsive and capable of addressing emerging challenges over time.

In Indonesia, authorities have iteratively updated the OSS-RBA framework – including, for instance, moving from *Government Regulation 5/2021* to *Government Regulation 28/2025*; introducing statutory service-level agreements and silent approvals; and adding new integrated subsystems (including a basic requirement subsystem covering environmental, building and spatial approvals) – to strengthen time-bound service delivery and address earlier interoperability challenges.

In Thailand, the planned revision of the LFA and the 2025–2027 scale-up of end-to-end services via the Biz and Citizen portals aim to lock in faster and more predictable licensing procedures through features such as e-submission, formal completeness checks and fast-track channels.

These trajectories underscore that durable reform results require built-in feedback loops – both ex ante and ex post review – together with the ability to recalibrate rules, service standards and digital systems as implementation realities change. In the absence of these, initial gains can plateau or fragment across agencies.

GRP aspects of the case studies

The case studies follow the GRP aspects outlined in Figure 1.

Figure 1: GRP aspects reflected in the case studies

GRP	Costa Rica VUI system	Indonesia OSS-RBA system	Philippines Ease of doing business reform	Thailand Ease of doing business reform
Processing of applications	Standardized processing via the VUI; statutory deadlines imposed on procedures; automatic approval (positive administrative silence) if the competent authority fails to act within the prescribed time frame	Standardized processing via the OSS-RBA; risk-tiered time frames for licence issuance, with automatic generation of the Business Identification Number for low-risk activities	Unified business application form; fixed processing deadlines (3–7–20 days depending on complexity); single extension allowed; written notice required for delays; silent-approval mechanism applied	Prompt document verification upon submission; time-bound decision-making, mandatory written explanations for delays
Electronic means for submission of applications	VUI enables e-filing, digital signatures, online payments, case tracking, digital notifications	OSS-RBA portal enables e-submission; digital case files and integration with sectoral systems	PBH/eBOSS enables online submission and tracking; use of electronic signatures is permissible	Biz Portal and Biz Regist platforms provide end-to-end digital services, enabling online application, renewal, modification and cancellation of licences, with the use of electronic signatures and the instant issuing of certified digital documents
Publication of information on authorization	Licensing requirements published via VUI and National Catalogue of Procedures	OSS-RBA's information subsystem publishes risk classification and licensing requirements openly	Licensing requirements, procedures, fees and processing time frames are made publicly available – both on-site and online	LFA requires competent authorities to prepare and publish a licensing manual – both on-site and online –detailing application procedures, required documents and processing time frames
Single window for information/submissions	VUI serves as the national single window for business and investment licensing	The OSS-RBA operates as the national single window for risk-based business licensing, integrating licensing procedures across 17 sectors of economic activity	LGU-level eBOSS and PBH operate as interconnected single windows for business registration and licensing at local and national levels	Biz Portal and Biz Regist platforms provide single interfaces for licence applications
Stakeholder engagement	The VUI implements a Net Promoter Score survey to assess internal and external users' overall satisfaction as part of its ex-post feedback process	Businesses and citizens can monitor licensing processes and provide feedback through the OSS-RBA's information subsystem	Consultations during law drafting and ARTA's Report Card Survey capture citizen and business feedback	Section 77 of the Constitution and the 2019 <i>Rules on Legislative Drafting and Evaluation of the Outcomes of Law Act</i> require that public consultation and stakeholder feedback be conducted both ex ante and ex post as part of the regulatory process
Enquiry points	PROCOMER acts as administrator and primary information point for investors using VUI	OSS-RBA portal offers public helpdesk and user support integrated with BKPM call centre	ARTA serves as central enquiry and complaints point for citizens and businesses; public assistance/complaint desk is established in each licensing office	One-stop shop services centre provides information and clarification on services to the public on licensing rules and procedures
Regulatory impact assessment	Not covered /examined in the case study	Not covered/ examined in the case study	ARTA's <i>RIA Manual</i> provides a structured methodology for conducting RIA to ensure quality of existing and proposed regulations	2019 <i>Rules on Legislative Drafting and Evaluation of the Outcomes of Law Act</i> requires ex ante RIA and ex post review of laws
Inter-agency coordination	The VUI links national and municipal agencies through interoperable databases and streamlined information flows	OSS-RBA mandates inter-agency coordination across licensing authorities via norms, standards, procedures and criteria established by the central government and joint oversight through integrated supervision mechanism	ARTA coordinates and monitors the implementation of ease of doing business and anti-red tape reforms across national government agencies and local government units	OPDC oversees licensing facilitation under the LFA, while DGA drives digital transformation through common standards and system interoperability across agencies



Case study

Costa Rica

Single window for investment

- ① Overview
- ② Costa Rica's economy and the importance of the services sector
- ③ GRP commitments in Costa Rica's services trade agreements
- ④ Investment and business licensing reform
- ⑤ Next steps
- ⑥ Lessons learned
- ⑦ Conclusion

Overview

This case study examines Costa Rica's ambitious reform of its investment and business licensing system through the Single Window for Investment (*Ventanilla Única de Inversión*, VUI), which was launched in 2016 and became operational in 2021. Before the reform, investors in the country faced a fragmented and burdensome regulatory landscape; procedures were scattered across multiple agencies, requirements were often unclear, and approval times could stretch over a year – significantly longer than in neighbouring countries. Against this backdrop, the VUI emerged as a landmark initiative, initially conceived as a digital single window for investment in Free Trade Zones, it gradually evolved to cover a wider range of business establishment and licensing processes, for which responsibilities are distributed across ministries, municipalities and public institutions. Today, the VUI represents Costa Rica's most determined effort to simplify, digitize and centralize regulatory procedures for investment and enterprise creation.

The study traces the VUI's evolution by first situating the reform within Costa Rica's broader economic trajectory and the rising importance of trade in services. It then examines the institutional and regulatory foundations that made the VUI possible, before analyzing the design features that embed GRP principles into its operation. The discussion subsequently turns to the implementation of the VUI, highlighting both gains and ongoing challenges that remain. The study concludes by outlining the next steps in the reform and reflecting on the lessons learned from Costa Rica's experience.

Costa Rica's economy and the importance of the services sector

Costa Rica, an OECD member country since 2021, has maintained strong economic growth – averaging 3.4 per cent over the past decade, reaching 5.1 per cent in 2023 and 4.3 per cent in 2024 – driven by an outward-oriented model centred on trade liberalization and foreign investment, as well as an upswing in domestic demand.¹ The poverty rate, which had declined only gradually between 2010 and 2022, fell more sharply thereafter, dropping by 4.1 percentage

points between 2023 and 2024 and falling to 20.3 per cent of the population in 2024.² Following a decade of fiscal difficulties from 2008 to 2018, a major fiscal reform was adopted in 2018 to restore stability. Although implementation was initially delayed by the COVID-19 pandemic and commodity price shocks, subsequent fiscal consolidation efforts helped reduce public debt from 68 per cent of GDP in 2021 to below 60 per cent in 2024.³ Yet, income inequality, gaps in educational outcomes, environmental vulnerability and rising greenhouse gas emissions continue to challenge the resilience of Costa Rica's green development model, demanding a future strategy built on inclusive growth and efficient use of public resources.⁴

In 2024, Costa Rica's economy reached a GDP of US\$ 95.35 billion⁵, with the services sector playing a dominant role and contributing 68.8 per cent of total value added.⁶ Services exports grew rapidly, doubling from US\$ 7.67 billion in 2015 to US\$ 16.08 billion in 2024.⁷ In this category, other commercial services led with US\$ 9.28 billion, followed by travel at US\$ 5.45 billion, goods-related services at US\$ 0.85 billion, and transport at US\$ 0.50 billion.⁸ In the same period, services imports also doubled from US\$ 3.07 billion in 2015 to US\$ 7.26 billion in 2024.⁹ Of this, other commercial services accounted for US\$ 3.65 billion, travel services for US\$ 1.90 billion and transport services for US\$ 1.70 billion.¹⁰ Figure 1 illustrates the growth of Costa Rica's commercial services trade between 2015 and 2024 and its sectoral composition in 2024.

Digitally delivered services form a substantial share of Costa Rica's trade in services, with exports more than doubling from US\$ 3.15 billion in 2015 to US\$ 8.65 billion in 2024.¹¹ Other business services dominated this category, valued at US\$ 6.18 billion, followed by computer services at US\$ 2.10 billion and financial services at US\$ 0.16 billion.¹² Imports also grew strongly, rising from US\$ 1.26 billion in 2015 to US\$ 3.55 billion in 2024. Charges for the use of intellectual property made up the largest share at US\$ 1.14 billion, with other business services at US\$ 1.02 billion and financial services at US\$ 0.53 billion.¹³ Figure 2 illustrates the growth of Costa Rica's digitally delivered services trade between 2015 and 2024 and its sectoral composition in 2024.

Figure 1: Commercial services trade between 2015 and 2024, and sectoral composition in 2024

Figure 1.1: Commercial services exports (2015-2024)

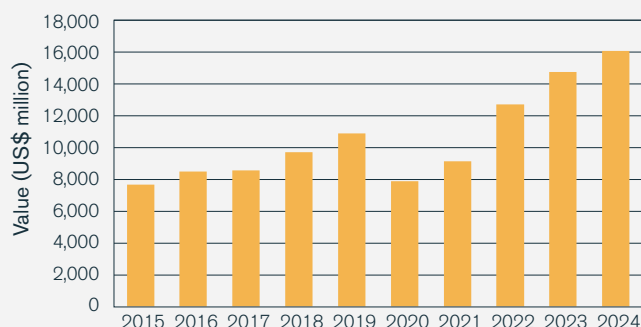


Figure 1.2: Commercial services imports (2015-2020)

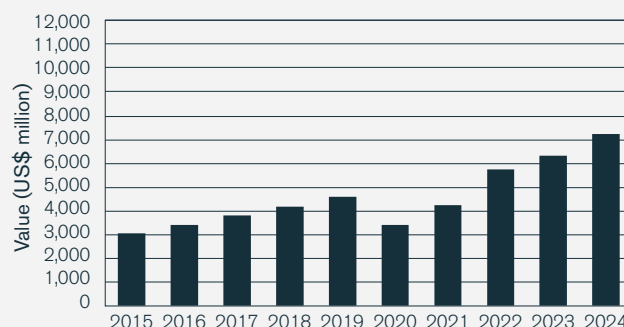
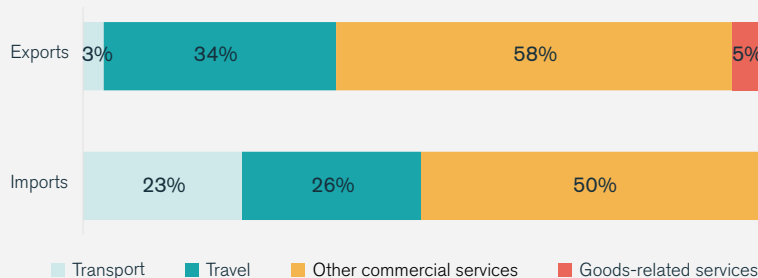


Figure 1.3: Breakdown by main sectors in 2024



Source: WTO, Statistics – Trade in commercial services.

Figure 2: Costa Rica's digitally delivered services trade between 2015 and 2024, and its sectoral composition in 2024

Figure 2.1: Digitally delivered services exports

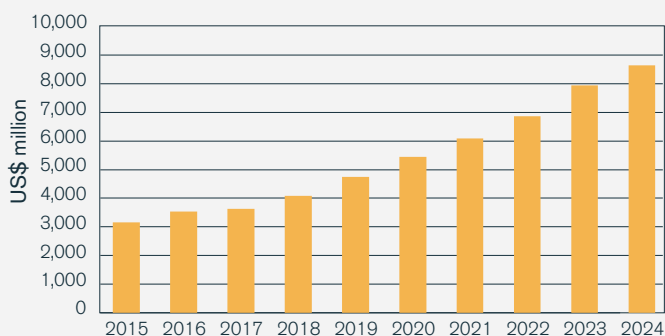


Figure 2.2: Digitally delivered services imports

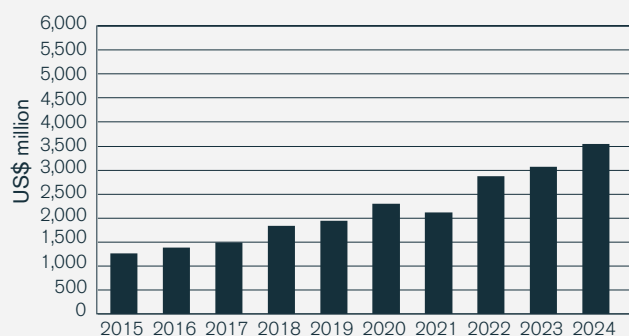


Figure 2.3: Structure of digitally delivered services exports

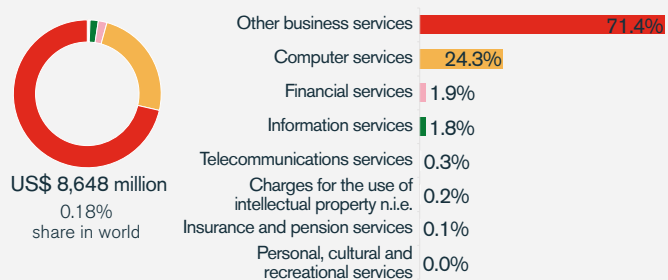
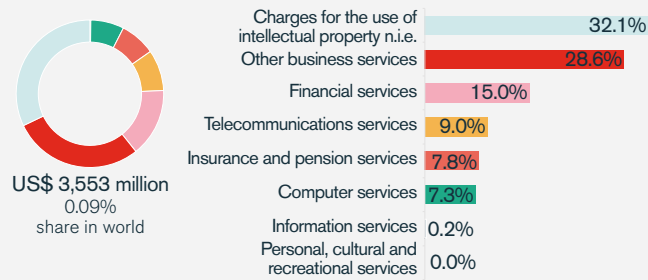


Figure 2.3: Structure of digitally delivered services imports



Source: WTO, Statistics – Digitally delivered services trade dataset.

GRP commitments in Costa Rica's services trade agreements

Costa Rica has progressively deepened its services trade integration through numerous PTAs with trade partners and blocs, including the 2024 EU–Central America Association Agreement, the 2014 EFTA–Central America FTA, and other agreements with partners such as Canada, China, Singapore and the UAE.¹⁴ Additionally, the accession process for Costa Rica to join the CPTPP was launched in November 2024.¹⁵

Over time, the scope of GRP provisions in these agreements has evolved. Earlier agreements contain relatively basic disciplines in line with GATS Article VI, including requirements for the reasonable, objective and impartial administration of measures of general application¹⁶; the timely issuance of decisions on complete applications and the provision of status updates upon request¹⁷; and the maintenance of mechanisms for the prompt review of administrative decisions.¹⁸ Later agreements incorporate more ambitious obligations. The 2025 UAE–Costa Rica CEPA, for example, introduces provisions on correcting deficiencies in applications¹⁹, providing reasons for the rejection of applications²⁰, and the right to resubmit a corrected application without being disqualified by the earlier refusal.²¹ Once accession to the CPTPP is completed, Costa Rica's PTA obligations will include provisions on indicative time frames for processing applications²², acceptance of authenticated copies of documents²³, requirements on reasonableness and transparency of authorization fees²⁴, and rules on the scheduling of qualifying examinations.²⁵

At the WTO, Costa Rica is a participant of the Joint Initiative on Services Domestic Regulation and, at the time of writing, in the process of obtaining the relevant domestic approvals for the SDR Disciplines to enter into force.²⁶ This participation reinforces Costa Rica's commitment to improving the quality, transparency and coherence of its domestic regulatory frameworks in line with internationally agreed benchmarks.

Investment and business licensing reform

Prior to the reform, marked by the creation of the VUI following the issuance of its first regulation in 2016²⁷, entrepreneurs setting up investment projects in Costa Rica faced a fragmented regulatory environment, with lengthy approval times and overlapping requirements

spread across various agencies.²⁸ No unified road map existed to guide investors. Public officials and business associations also struggled to grasp the complete set of steps an investor was required to follow.²⁹

According to the *National Bicentennial Development and Public Investment Plan (PNDIP) 2019–2022*, issued by the Ministry of National Planning and Economic Policy (MIDEPLAN), the baseline in 2017 for completing procedures required for installing an investment project in the services sector stood at 406 days.³⁰ The time frame was even longer for manufacturing projects, reaching 469 days.³¹ Similarly, a study conducted by the Foreign Trade Promotion Office (PROCOMER) in 2016 showed that, at that time, completing a company registration procedure in Costa Rica took 406 days, whereas similar procedures were significantly faster in neighbouring countries – about seven days in Panama and only three days in Colombia.³² Recognizing this gap, the PNDIP 2019–2022 set progressive targets aimed at reducing these timelines, to 45 days for services and 150 days for manufacturing by 2022.³³

International comparisons reflected a similar picture. In the World Bank's *Doing Business 2019* index, Costa Rica ranked 67th out of 190 economies overall.³⁴ Yet, on the specific indicator for “Starting a Business”, Costa Rica ranked 142nd with an average of 23 days to start a business.³⁵ In this position, it trailed well behind regional peers, such as Colombia (100th)³⁶, Mexico (94th)³⁷, and Chile (72nd).³⁸ This performance underscored the need for structural reforms to simplify licensing procedures and improve the investment climate.

Against this backdrop, the VUI project, led by PROCOMER, with the support of the Ministry of Foreign Trade and the Ministry of Economy, Industry and Commerce (MEIC), has been implemented as a strategic reform initiative to digitize, centralize and simplify licensing procedures for both foreign investors and local businesses in Costa Rica.³⁹ It is considered an instrument to enhance the country's competitiveness, promote the attraction of investment and generate employment.⁴⁰

The subsections that follow examine the institutional framework underpinning the VUI. These are critical to understanding how the system operates in practice and how it addresses long-standing barriers to investment. Equally important is the role of GRP elements embedded in the VUI's design, which shape its effectiveness and reinforce its contribution to broader regulatory reforms in Costa Rica.

Institutional framework

The development of the VUI institutional framework has been a gradual process. The foundation of the system was laid in 2010, when the Legislative Assembly approved an amendment to *Law No. 7210 (1990) on Free Trade Zone Regime*. Pursuant to Article 4(l) of this amended law, PROCOMER is empowered to manage a single window for investment that centralizes the procedures and authorizations required for companies wishing to establish and operate within the national territory.⁴¹

Momentum grew in 2016, when the government issued *Executive Decree No. 40035*, declaring the VUI project to be of public and national interest.⁴² The Decree urged both central and decentralized public entities to provide every possible facility and cooperation required for its effective and successful implementation.⁴³ The declaration was grounded in several fundamental GRP-related considerations. First, it drew on the principles of competition law and consumer protection, requiring that administrative procedures and regulatory requirements should not impede, hinder, or distort transactions in either the domestic or international market.⁴⁴ Second, it reaffirmed that streamlining regulatory procedures must be guided by fundamental objectives: safeguarding freedom of enterprise, protecting legitimate policy objectives, and supporting productivity.

It also obliges the public administration to conduct continuous self-assessment to remove unnecessary requirements and simplify those that remain, thereby promoting competition and economic openness.⁴⁵ Third, it emphasized the principle of administrative coordination, mandating that all public agencies harmonize their actions to ensure procedures are swift and efficient for the benefit of economic actors.⁴⁶ Fourth, it was recognized that the protection of collective interests could only be achieved through clear, coherent and simple rules, and the elimination of duplicative or ambiguous requirements that added little value but imposed unnecessary costs on society.⁴⁷

The institutional framework was further reinforced in 2016 with the enactment of *Executive Decree No. 40103* – the first regulation of the VUI.⁴⁸ Focusing on administration and coordination aspects, the Decree designated PROCOMER as the system's administrator⁴⁹ and established a steering committee to oversee coordination.⁵⁰ This steering committee – composed of senior government representatives, key public institutions and private sector actors – was tasked with identifying obstacles, streamlining

procedures, recommending regulatory reforms and fostering inter-agency collaboration to facilitate business establishment and investment in Costa Rica.⁵¹ The Decree also appointed PROCOMER as the technical secretariat responsible for following up on decisions, recommendations and actions of the steering committee.⁵² It was further provided that the implementation of the VUI would be gradual, with priority given in its first phase to procedures related to business establishment in the Free Trade Zones.⁵³

Subsequently, in 2019, *Executive Decree No. 42081* was issued to establish rules for the use and operation of the VUI.⁵⁴ This Decree listed the licensing procedures that could be carried out through the system (for example, applications for a municipal business licence, land use certificate, sanitary operating permit, tax registration and employer registration). It also introduced measures to simplify and modernize licensing processes, such as the publication of requirements and clear time limits for processing applications. In addition, it provided for a fully electronic workflow covering submission of documents, use of certified digital signatures, electronic payments, tracking of applications and issuance of licences. The Decree further set out provisions on inter-agency coordination, accountability and transparency mechanisms, and the system's technical and security functions, including safeguards for data integrity, confidentiality and electronic authentication.

In 2021, the so-called *VUI-01 Regulation* was issued through *Executive Decree No. 42813*.⁵⁵ This regulation combined two separate procedures into a single digital process: the granting of the Free Trade Zone Regime and the authorization of companies as auxiliaries of the public customs function.⁵⁶ By integrating these procedures into the VUI, the regulation sought to reduce administrative burdens for investors entering and operating under the Free Trade Zone Regime.

The reformist drive continued in 2022 with the enactment of *Law No. 10234 on Strengthening Territorial Competitiveness to Promote Investment Attraction Outside the Greater Metropolitan Area (GAM)*.⁵⁷ This landmark legislation sought to stimulate investment flows by extending the benefits of the Free Trade Zone Regime to new projects outside the GAM, provided such companies qualify for full or partial exemption from income tax under the terms of the Regime. Within this framework, the VUI is designated as the centralized platform for processing the related procedures for business establishment and operation.

The most recent developments occurred in March 2023, when two important regulations were issued. First, *Executive Decree No. 43941* which amended Articles 8, 9 and 11 of *Executive Decree No. 40103* (2016).⁵⁸ These amendments concern the composition, organization and meeting procedures of the VUI Board of Directors. Secondly, *Executive Decree No. 43940*, which consolidated the regulatory framework of the VUI by repealing *Executive Decree No. 42081* (2019) and introducing an updated set of rules aligned with *Law No. 10234* (2022).⁵⁹ Together, these two decrees reinforced the legal basis of the key aspects of the VUI, providing a more solid foundation for its operation (see Figure 3).

GRP principles embedded in the VUI's institutional design

The most recent regulation governing the VUI, issued through *Executive Decree No. 43940* as mentioned above, integrates several GRP principles into the framework for business and investment licensing procedures. These include (i) publication of requirements; (ii) establishment of deadlines for decision-making; (iii) digitalization of licensing processes – covering electronic submissions, digital signatures, online payments and application tracking; (iv) inter-agency coordination; (v) risk-based classification of procedures; as well as (vi) mechanisms to ensure accountability and transparency in application processing. Each of these elements is discussed in turn below.

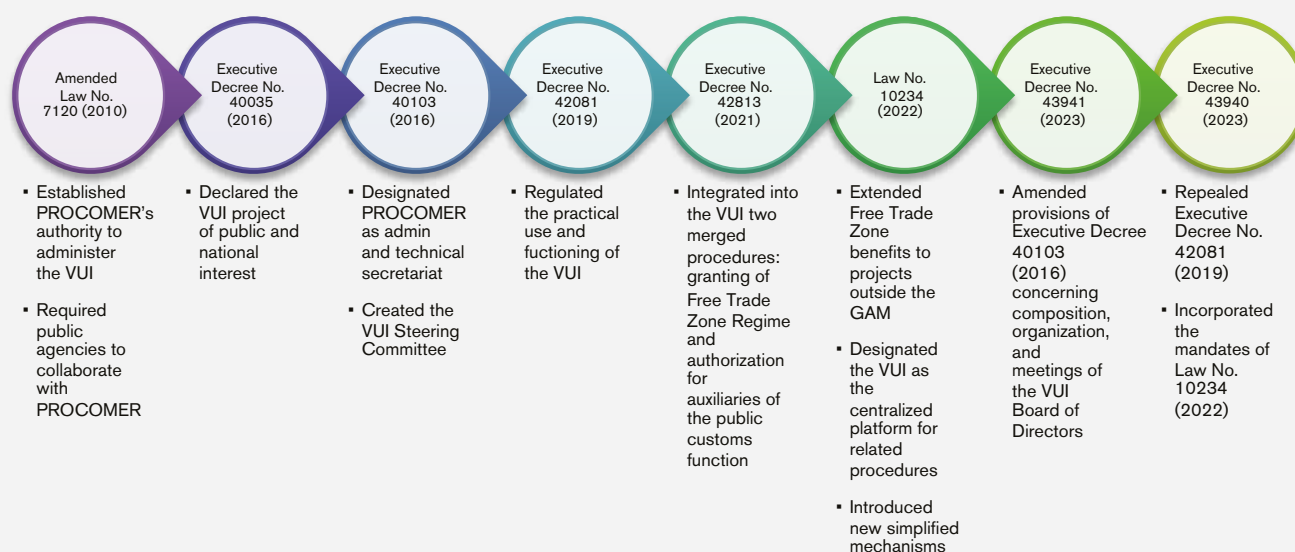
Publication of licensing requirements

Executive Decree No. 43940 mandates that licensing requirements, fees and deadlines be made publicly accessible through the VUI platform. Under Article 56, every municipality participating in the VUI must indicate the requirements applicable to obtaining a municipal business licence in its jurisdiction.⁶⁰ These requirements must either be published in the National Catalogue of Procedures managed by the MEIC or, alternatively, the municipality may adopt the standardized requirements published on the VUI platform.⁶¹ This mechanism seeks to ensure that applicants have access to official information through a single platform, thereby promoting greater consistency and comprehensiveness in the information, and reducing reliance on informal or discretionary channels, a common source of opacity and unpredictability in fragmented licensing systems.

Time-bound decision-making and silent approval mechanism

Executive Decree No. 43940 establishes statutory deadlines for most of the procedures available through the VUI, with the aim of ensuring predictability and efficiency for investors. It gives specific time frames across a wide range of approvals. For example, municipalities participating in the system shall issue land use certificates within five business days⁶²; the

Figure 3: Timeline of the development of the VUI institutional framework



Source: WTO/World Bank, based on Costa Rican laws and executive decrees on the VUI (2010 -2023).

Ministry of Health must grant or renew health permits immediately or within 15 days depending on the risk classification⁶³; National Animal Health Service must decide on veterinary operation certificates within ten business days⁶⁴; municipal commercial licences are to be issued within five business days⁶⁵; and institutions such as the National Insurance Institute, Costa Rican Social Security Fund, and the Directorate General of Taxation must complete occupational risk policy, employer registration and tax registration within one business day.⁶⁶ Environmental impact assessments are also subject to clear limits, ranging from two to 20 business days depending on the complexity of the project.⁶⁷ Additional deadlines apply to Free Zone admission (11 business days)⁶⁸, customs service auxiliary designation (one business day)⁶⁹, and construction permits (10 business days)⁷⁰, among others.

In line with *Law No. 8220 of 4 March 2002 on Protection of Citizens from Excessive Requirements and Administrative Procedures* (as amended), the VUI framework must ensure that applicants are duly informed throughout the licensing process. Public authorities must provide clear information on the status of each application and, where documentation is missing or corrections are required, notify the applicant electronically to complete or clarify the information. Such a notice may be issued only once per procedure and suspends the decision deadline until the applicant provides the requested information within ten business days, thereby reinforcing procedural transparency and predictability.⁷¹

When requests are submitted through the VUI for authorizations, a positive administrative silence mechanism applies: if the competent authority does not issue a decision within the legally established time frame, the application is deemed approved, provided that all legal requirements have been met.⁷² In accordance with *Law No. 8220*, to invoke this mechanism, the applicant must submit a formal declaration – either notarized, signed before the competent official, or electronically signed through the VUI – indicating that the competent authority did not act within the prescribed period and that all relevant requirements have been fulfilled.⁷³ Upon receipt of this declaration, the administration must issue a confirmatory resolution or administrative act within two working days.⁷⁴ In procedures managed through digital platforms such as the VUI, this sworn declaration may be waived, provided all other conditions

are satisfied.⁷⁵ The administration may later apply the nullity procedure under Article 173 of the General Law on Public Administration or initiate a judicial process to demonstrate that the corresponding requirements were not actually met.⁷⁶

To support compliance by relevant agencies, the VUI platform monitors deadlines and response times for all procedures. It generates alerts when a deadline is approaching and sends notifications when one has expired, both to the responsible official and that official's superior.⁷⁷

Digital licensing processes

The VUI is designed as a digital platform, enabling the submission, processing and issuance of licences online. All legal acts carried out through VUI must be authenticated through a certified or advanced digital signature.⁷⁸ The system establishes electronic case files⁷⁹, allows for online payments of fees and charges⁸⁰, and provides real-time case tracking and alerts.⁸¹ Digital notification is the official means of communication, using both a registered email address and users' VUI secure internal mailbox. Each notice generates an electronic acknowledgment of receipt.⁸² Together, these provisions seek to reduce reliance on paper-based processes and increase the efficiency of interactions between applicants and institutions.

Inter-agency coordination and system interoperability

A core function of the VUI is to serve as a platform for domestic inter-agency coordination. *Executive Decree No. 43940* establishes that the VUI functions as the interconnection tool between public agencies through which registered users can complete the licensing of businesses electronically, without needing to submit requirements outside the system.⁸³ Consequently, agencies involved in a given procedure may not require the physical presentation of documents already available in the VUI.⁸⁴ All electronic documents generated during the processing of an application are stored online for at least five years, and administrative authorities may directly access these electronic records through the VUI, in accordance with applicable rules and procedures.⁸⁵

The principle of inter-agency coordination extends to inspections as well. When inspections are required for certain licensing processes, the agencies involved

must coordinate so that the inspections are carried out jointly.⁸⁶ To this end, they may share information, participate in joint alert systems, and coordinate field visits, particularly in related regulatory areas.⁸⁷ Each institution is responsible for publishing clear guidelines or manuals to ensure that businesses know exactly what aspects will be evaluated.⁸⁸

Interoperability is the technical backbone of the VUI. By connecting directly with the databases of participating agencies, the VUI can automatically verify a wide range of requirements in real time. These include validating the applicant's identity and corporate status, retrieving cadastral plans and property certifications from the national registry, confirming that companies are up to date with social security, family allowance fund and occupational risk insurance contributions, and checking compliance with tax and municipal obligations.⁸⁹ Together, these provisions contribute to making the licensing process faster by reducing duplication, cutting workload and ensuring consistent compliance checks among agencies.

Accountability and transparency mechanisms

Executive Decree No. 43940 includes several provisions to ensure accountability in the licensing process. The system maintains audit logs and ensures traceability of actions taken within VUI.⁹⁰ Agencies

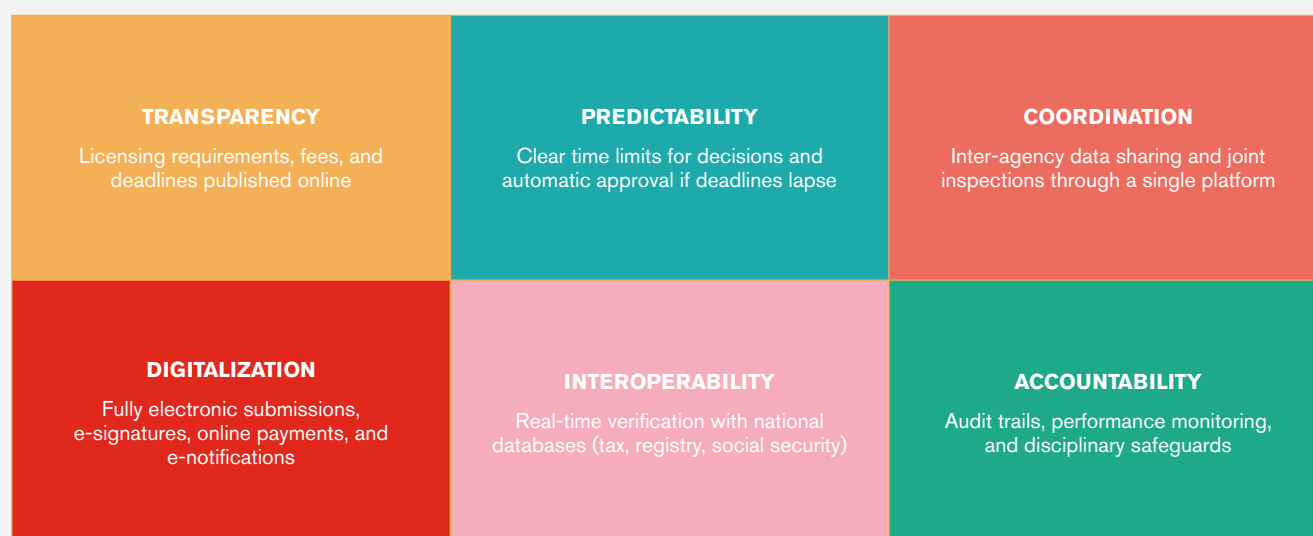
are obliged to safeguard confidential information, and misconduct by officials is subject to disciplinary or even criminal sanctions.⁹¹ In addition, applicants may seek administrative remedies against denial decisions before the corresponding administrative body.⁹²

At a systemic level, PROCOMER, as administrator of VUI, must generate reports on compliance within deadlines and share these with participating agencies to support continuous improvement.⁹³ The Decree also establishes recognition mechanisms for agencies that meet or exceed their performance targets.⁹⁴ Together, these provisions embed accountability into the daily operation of the VUI and reinforce public confidence in the integrity of the licensing system. The key GRP principles embedded in the VUI system are summarised in Figure 4.

Implementation of the VUI

The implementation of the VUI has been guided by a structured methodology that brings together institutional alignment, regulatory reforms and digital solutions to reduce fragmentation and improve efficiency in licensing processes. This approach has delivered tangible achievements. The following subsections outline the methodology, key achievements and broader public impact of the VUI.

Figure 4: Key GRP principles embedded in the VUI



Source: WTO/World Bank, based on *Executive Decree No. 43940*.

Methodology

The implementation of the VUI has followed a phased approach, guided by the FENIX strategy – a Spanish acronym that translates into English as *Strengthen, Standardize, Normalize, Implement and Excellence*.⁹⁵ The Strengthen phase focuses on institutional alignment, raising awareness among senior executives, mapping existing processes and defining a baseline. The Standardize phase involves process re-engineering, identifying technical requirements for digitization and embedding mechanisms for continuous improvement. The Normalize phase addresses any legal reforms that are needed to support the changes. The Implementation phase delivers the technological solutions themselves, including software development, testing and user training. Finally, the Excellence phase consolidates the system by promoting continuous improvement and identifying opportunities for further innovation (Figure 5).

Alongside FENIX, the VUI project has applied complementary methodologies. The Lean KAIZEN philosophy⁹⁶ has been used to streamline processes and eliminate inefficiencies, while Six Sigma⁹⁷ has helped reduce variability and ensure that service delivery is consistent and time-bound.⁹⁸ These approaches have been structured into project cycles using the DMAIC model (Define, Measure, Analyse, Improve, Control), which provides a step-by-step method for diagnosing problems, applying improvements and maintaining results.⁹⁹

Achievements

The implementation of the VUI has generated measurable achievements that demonstrate its value as a national reform instrument. Progress can be observed across three main dimensions: (i) the expansion of the catalogue of procedures available through the VUI; (ii) the streamlining of administrative processes to reduce processing times; and (iii) institutional outreach and capacity building.

Catalogue of procedures

The integration of procedures into the VUI has been gradual. At the time of writing, the VUI offers a catalogue of 35 distinct types of authorization, grouped into six categories: registration procedures (1 procedure), investment attraction (1 procedure), Free Trade Zone Regime (2 procedures), preliminary procedures for establishing a company (4 procedures), business set-up procedures (8 procedures) and environmental procedures (19 procedures).¹⁰¹ In addition to general establishment and environmental procedures, the catalogue also includes certain sector-specific authorizations, for example, licences for the marketing of alcoholic beverages and approvals for foreign film and audiovisual projects.

As mentioned, responsibility for these procedures is distributed across three levels of government: ministries, municipalities and public institutions.¹⁰²

Figure 5: VUI's FENIX methodology¹⁰⁰

RE-ENGINEERING PROCESSES		AUTOMATING PROCESSES		CONTINUOUS IMPROVEMENT
Fortalecer	Estandarizar	Normalizar	Implementar	eXcelencia
Strengthen	Standardize	Normalize	Implement	Excellence
- Alignment and awareness - Current process mapping - Current process baseline - Portfolio of improvements	- Process re-engineering - Elimination of inefficiencies - Improved process map - Technical inputs - Standardization - Control plans	- Decrees - Agreements - Draft bills - Regulations - Regulatory improvement - Legal criteria	- Architecture - Prototypes - Software requirements - Software development - Acceptance tests - Training - Launch	- Training - Continuous improvement - Innovation - Participation in activities and forums

Source: WTO/World Bank, based on PROCOMER (2024).

At the municipal level, 46 municipalities are active on the platform. They process three core business set-up procedures: issuing business certificates; registering a change of business activity; and registering a change of business location.¹⁰³

At the level of public institutions, 24 entities are featured on the VUI but only five provide services directly through it. The remaining entities' authorization services are accessible via links that redirect users to their respective websites. These five public institutions are the National Environmental Technical Secretariat (SETENA), the Water Directorate, PROCOMER, the Directorate-General for Transport and Commercialization of Fuels, and the National Animal Health Service.¹⁰⁴ Together, these institutions are responsible for 23 procedures, with SETENA alone accounting for 14 of them.¹⁰⁵

At the ministerial level, 16 ministries are featured on the VUI but only five provide services directly through it.¹⁰⁶ These five ministries administer 13 procedures, amongst which six procedures are managed by the Ministry of Health.¹⁰⁷ The remaining ministries'

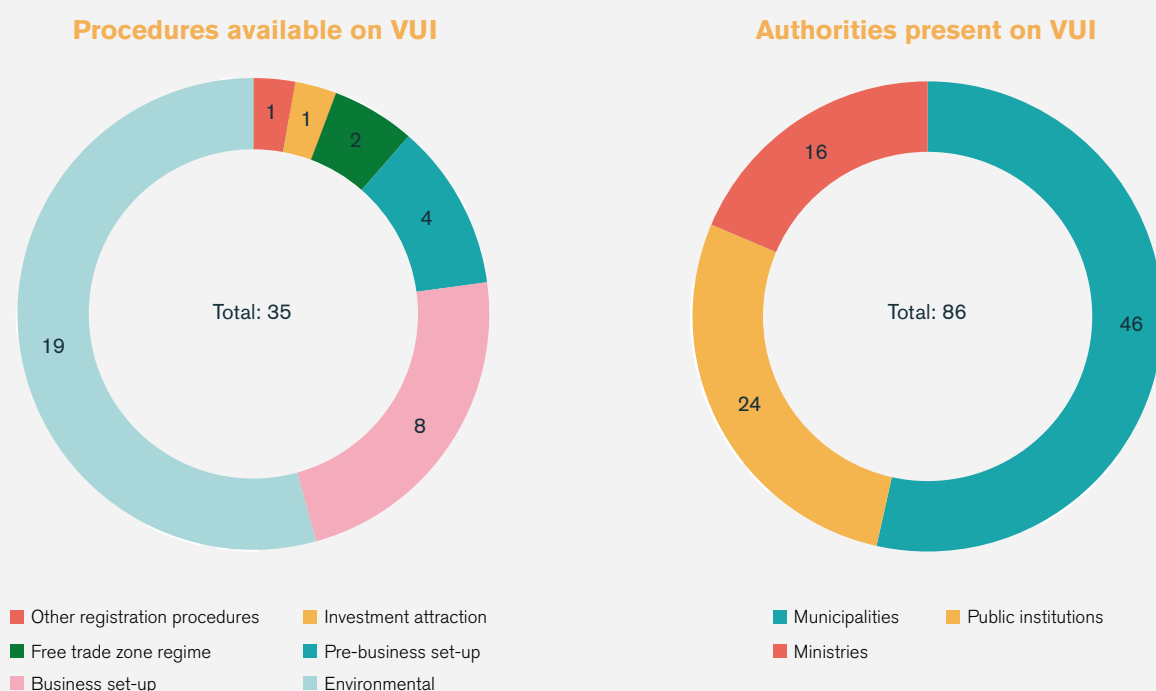
authorization services are available through links to their respective websites provided on the VUI. An overview of these procedures and authorities is presented in Figure 6.

Processing time reductions and efficiency gains

Significant progress has been made in cutting processing times and streamlining administrative procedures. Entry into the Free Trade Zone Regime has been dramatically streamlined: for companies in the services category, the process has been reduced from an average of 406 days to just 52.5 days, while for manufacturing companies it has dropped from 469 days to 130 days.¹⁰⁸ The sanitary operating permit for Type A companies has been reduced from 91 days to only seven.¹⁰⁹

In terms of process re-engineering and automation – two core pillars of the VUI project – significant progress was achieved between its launch in 2017 and 2023. A total of 138 processes were mapped, identifying 125 specific procedures.¹¹⁰ 129 improvement projects were successfully implemented,

Figure 6: Catalogue of VUI procedures and competent authorities



Source: WTO/World Bank, drawn from VUI website.

with an additional 66 projects still in progress.¹¹¹ For example, the process for issuing the Executive Agreement for Free Trade Zones – managed jointly by PROCOMER, COMEX (The Ministry of Foreign Trade) and the Presidential Office – has shown a 56 per cent improvement.¹¹² Registration of personnel with the General Directorate of Migration and Foreigners has recorded a 76 per cent improvement¹¹³, while employer registration with the Costa Rican Social Security Fund has achieved a 75 per cent improvement.¹¹⁴

Outreach and capacity building

The rollout of the VUI has been accompanied by a broad outreach and training effort aimed at preparing institutions to adopt new processes. Alignment and awareness-raising activities were conducted with 38 public institutions and 60 municipalities to ensure a shared understanding of the platform's objectives and requirements.¹¹⁵ In addition, more than 370 officials received training in Lean and Six Sigma methodologies.¹¹⁶

Public impact

In the World Bank's *Business Ready 2024 index*, under the Business Entry topic, Costa Rica ranks 26th out of 50 economies studied.¹¹⁷ In the Regulatory Framework Pillar (Pillar I), it scores 82.5 and holds the 26th position. Its performance is stronger in the Public Services Pillar (Pillar II) where it ranks 18th with a score of 72. By contrast, in the Operational Efficiency Pillar (Pillar III) Costa Rica falls to 32nd place, with a score of 58.75. These results suggest that while Costa Rica has established an accessible and transparent legal framework, the efficiency of day-to-day administrative processes still constrains overall performance.

In the same vein, according to the OECD's 2025 *Review of Costa Rica's One-Stop Shop for Investment*, the VUI has produced measurable improvements in simplifying and digitizing procedures. These advances, however, have not yet translated into a substantial improvement in overall business performance.¹¹⁸

Implementation challenges

While the VUI represents a significant step towards simplifying and digitizing business licensing procedures, its implementation has faced obstacles that limit its ability to achieve its full potential. The

main challenges are (i) limited end-to-end digital integration, (ii) shortcomings in user-centred design and feedback mechanisms, and (iii) low adoption within the business sector.

Limited end-to-end digital integration

One of the most significant obstacles faced by the VUI is the limited progress towards achieving fully digital, end-to-end procedures. Although important strides have been made in simplifying and digitizing processes, many of them remain only partly digital, leaving users with an incomplete experience. As noted above, only five out of 24 public institutions and five out of 16 ministries featured on the VUI provide services directly through the platform. For the remaining public institutions, the VUI merely provides links to their respective websites, where applicants must locate the procedures themselves.¹¹⁹

At present, investors and citizens can access information and begin certain procedures online, but critical elements that would enable seamless interaction with government are still underdeveloped. For example, a unified national registry of procedures and services, which should provide accurate and consistent information in clear, everyday language, does not yet exist.¹²⁰ Similarly, tools such as a georeferenced map – which would provide an online spatial information system allowing citizens, businesses and public officials to consult location-based data for decision-making purposes – and a digital inspection platform have yet to be developed, while the use of digital signatures remains underutilized.¹²¹ Even functions that are available, like the payment systems, lack flexibility, with no support for credit cards or calculators to manage variable fees.¹²² Currently, payments through the VUI are processed online via the Central Bank's National System of Electronic Payments, which enables secure bank transfers for the required fees but is limited to this payment method.¹²³

At this stage, the current level of digitalization of the VUI still leaves some gaps in service delivery, as users may need to complete certain steps outside the platform. Further progress towards full, end-to-end integration – from application and payment to approval and issuance of authorizations – would help ensure a more seamless user experience and allow the VUI to fully realize the benefits of digitalization.

Lack of user-centred design and systematic feedback

Another important challenge relates to the way the VUI is designed and improved over time. While the platform has drawn on international process re-engineering methods such as Lean KAIZEN and Six Sigma, its development has not been consistently centred on the needs of end users. Currently, procedures are categorized in ways that make sense administratively, but they are not organized according to a life-event approach – one that structures public services around users' real goals or situations – which would make the experience far more intuitive for users.¹²⁴

The OECD further observes that there is currently no evidence of a comprehensive monitoring and evaluation framework to identify areas for improvement in the platform or in the procedures it manages.¹²⁵ Performance indicators related to user experience have not yet been defined, and the VUI does not include online communication channels that allow users to provide real-time feedback, complaints or recommendations.¹²⁶

Low usage by the business sector

Despite its successes in simplifying and improving government procedures, the VUI has yet to achieve widespread adoption among the business community. Representatives from the private sector acknowledge its potential but often lack first-hand experience with its tools, suggesting a gap between awareness and actual use.¹²⁷ This limited awareness may lead entrepreneurs to rely on law firms or consultants to complete the procedures on their behalf, even though these could be carried out directly through the platform.

Part of the problem has been found to stem from the absence of a coherent communication strategy.¹²⁸ The VUI has not invested in a sustained programme to raise awareness, provide clear explanations of its benefits, or guide businesses through the procedures it hosts.¹²⁹ Information on the portal is not always conveyed in accessible or user-friendly language, further reducing its appeal.

Next steps

With its *2023–2026 Strategy*, PROCOMER has laid out a roadmap built around five strategic axes: exports, productive linkages, human talent, investment and agile commerce.¹³⁰ These axes are united by a single purpose: to generate inclusive and sustainable well-being across every region of Costa Rica through the promotion of foreign trade and investment.¹³¹ Within the “agile commerce axis”, a key focus is the continued development of the VUI.¹³²

The next stage of the VUI development is centred around three lines of action. The first is the reengineering of procedures, with the aim of simplifying licensing requirements further and aligning processes across municipalities.¹³³ The target is to integrate all 84 municipalities into the system¹³⁴ and to incorporate an average of 25 new procedures each year between 2024 and 2026.¹³⁵

The second is automation of licensing procedures.¹³⁶ By continuing this process within the VUI, PROCOMER seeks to further shorten processing times and improve efficiency of the system. The long-term objective is to make it possible to establish a company in Costa Rica within a single day.¹³⁷

The third line of action concerns the VUI fees.¹³⁸ Currently, the platform does not entail any charges and is funded through PROCOMER's budget. However, *Law No. 10234* (2022) includes a provision authorizing PROCOMER to charge cost-based service fees for the use of the VUI platform – distinct from the fees charged for individual authorization procedures.¹³⁹ The resulting revenues will be allocated to the implementation, maintenance and governance of the platform. The introduction of such a fee system would place the VUI on a sustainable financial footing.

Through these measures, the VUI is expected to evolve from a promising experiment into a cornerstone of Costa Rica's investment climate. By broadening its reach, deepening its functionality and securing its financial independence, the platform is expected to deliver a faster, more consistent and more transparent

service for business procedures nationwide, and in doing so, to reinforce the broader objectives of the national strategy.

Lessons learned

Costa Rica's VUI reform demonstrates that digital transformation of licensing systems requires more than the introduction of new technology. Progress depends on continued political support, legal reforms, strong governance, process redesign and careful dedication to implementation. The following lessons capture the most relevant insights from this experience.

1. Legal and institutional foundations are essential.

The VUI was anchored in laws and executive decrees that empowered PROCOMER to lead, set binding deadlines and coordinate across agencies. Clear mandates set out a rigorous framework and strengthened credibility and compliance.

2. Deadlines can strengthen accountability.

Statutory time limits and the silent approval mechanism made licensing procedures more predictable for the private sector. When combined with monitoring tools and performance reporting, these measures can create stronger incentives for timely decision-making.

3. Interoperability and coordination reduce duplication.

By linking directly with agency databases and supporting joint inspections, the VUI enabled information sharing and stronger coordination among government agencies. This not only reduced repeated submissions from applicants and institutional inefficiencies but also promoted greater coherence and consistency across the legal and procedural framework for licensing.

4. Simplifying requirements and processes first, makes digitization more effective.

Costa Rica applied Lean, Six Sigma, and its own FENIX methodology to eliminate redundancies and harmonize

requirements before digitizing them. This step prevented the transfer of outdated or inefficient processes into the new platform.

5. User-centred design is key as it increases usability.

When procedures are structured according to administrative logic rather than business needs, users encounter friction. Organizing public services following a life-event approach and integrating real-time feedback channels would make the system more intuitive and responsive.

6. Communication and outreach are vital for adoption.

A platform's technical capabilities matter little if users are unaware of them. Sustained communication strategies, clear language and active engagement with the private sector are necessary to build trust and encourage widespread use.

Conclusion

Costa Rica's VUI reform represents an ambitious attempt to address long-standing barriers to investment by simplifying and digitizing business licensing procedures. Prior to its introduction, entrepreneurs faced a fragmented and unpredictable regulatory environment, with procedures taking over a year to complete and little clarity on requirements. By anchoring the reform in law, assigning PROCOMER as a strong institutional leader and adopting structured methodologies, the government succeeded in creating a platform that integrates multiple agencies, introduces statutory deadlines and reduces the time required for many key licensing processes.

At the same time, the VUI's limitations reveal that digitalization alone does not automatically produce seamless user experiences. Partial integration and the absence of a unified catalogue of procedures still generate inefficiencies. Weak user-centred design, limited feedback mechanisms, and low adoption by the business sector show that reforms must focus as much on usability and communication as on technical

solutions. Without a sustained outreach strategy and more intuitive organization of services around life events, the VUI risks underutilization despite its potential.

Looking ahead, integrating all municipalities into the VUI, expanding the catalogue of procedures, automating processes, and establishing a fee system for sustainable financing of the system are critical

next steps. If these ambitions are realized, Costa Rica could move closer to its long-term objective of enabling business establishment within a single day. More broadly, the VUI has the potential to evolve from a promising experiment into a consolidated single window that not only strengthens Costa Rica's competitiveness but also serves as a reference point for digital licensing reforms across the region.

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Case study

Indonesia

Online submission system – risk-based approach

- ① Overview
- ② Indonesia's economy and the importance of the services sector
- ③ GRP commitments in Indonesia's services trade agreements
- ④ Business licensing reforms
- ⑤ Next steps
- ⑥ Lessons learned
- ⑦ Conclusion

Overview

Two decades ago, starting a business in Indonesia meant navigating a maze of paperwork, overlapping rules, and long queues at multiple government offices. Licensing procedures were fragmented across ministries and local authorities, each with its own forms, requirements and timelines. The process was not only slow but also unpredictable, creating barriers for entrepreneurs and investors alike.

Change began to take shape gradually, driven by the government's recognition that a more efficient, transparent and coordinated licensing system was essential for improving the business climate. This momentum culminated in the launch of the Online Single Submission Risk-Based Approach (OSS-RBA), introduced under *Government Regulation No. 5/2021*, as part of the sweeping reforms mandated by *Law No. 11/2020 on Job Creation*. The OSS-RBA marked a pivotal shift towards a unified, digitally integrated framework, replacing much of the old paper-based system and aligning licensing requirements with the risk profile of each business activity.

This case study first examines how GRP elements have been woven into the design of the OSS-RBA framework. It then analyses the platform's key achievements in streamlining procedures and improving service delivery, before addressing the challenges that have so far limited its full effectiveness. Finally, it considers the anticipated regulatory and institutional developments under the evolving OSS-RBA framework and distils the main lessons learned from Indonesia's reform experience.

Indonesia's economy and the importance of the services sector

Indonesia, the largest economy in ASEAN and the world's fourth most populous nation, has demonstrated remarkable resilience and growth since the Asian financial crisis of the late 1990s. Indonesia has emerged as the 10th largest global economy by purchasing power parity, while cutting its poverty rate by more than half between 1999 and 2019.¹ Although the COVID-19 pandemic briefly pushed the country out of the upper-middle-income bracket in 2020, Indonesia regained that status in July 2023, marking a strong recovery and reaffirming its upward economic trajectory.² Indonesia is implementing a

20-year development strategy (2005–2025), which is structured through five-year medium-term phases, with the final phase now focusing on enhancing human capital and global competitiveness to further strengthen the nation's economy.³

In 2024, Indonesia's economy reached a GDP of US\$ 1.4 trillion⁴, with the services sector contributing 43.8 per cent of total value added.⁵ In terms of commercial services, exports totalled US\$ 38.76 billion, led by travel services at US\$ 16.71 billion, followed by other business services at US\$ 15.37 billion and transport services at US\$ 5.51 billion.⁶ On the import side, commercial services totalled US\$ 57.43 billion, with other business services making up US\$ 28.62 billion, transport US\$ 14.33 billion, and travel US\$ 13.46 billion.⁷ Figure 1 illustrates the development of Indonesia's commercial services trade between 2015 and 2024 and its sectoral distribution in 2024.

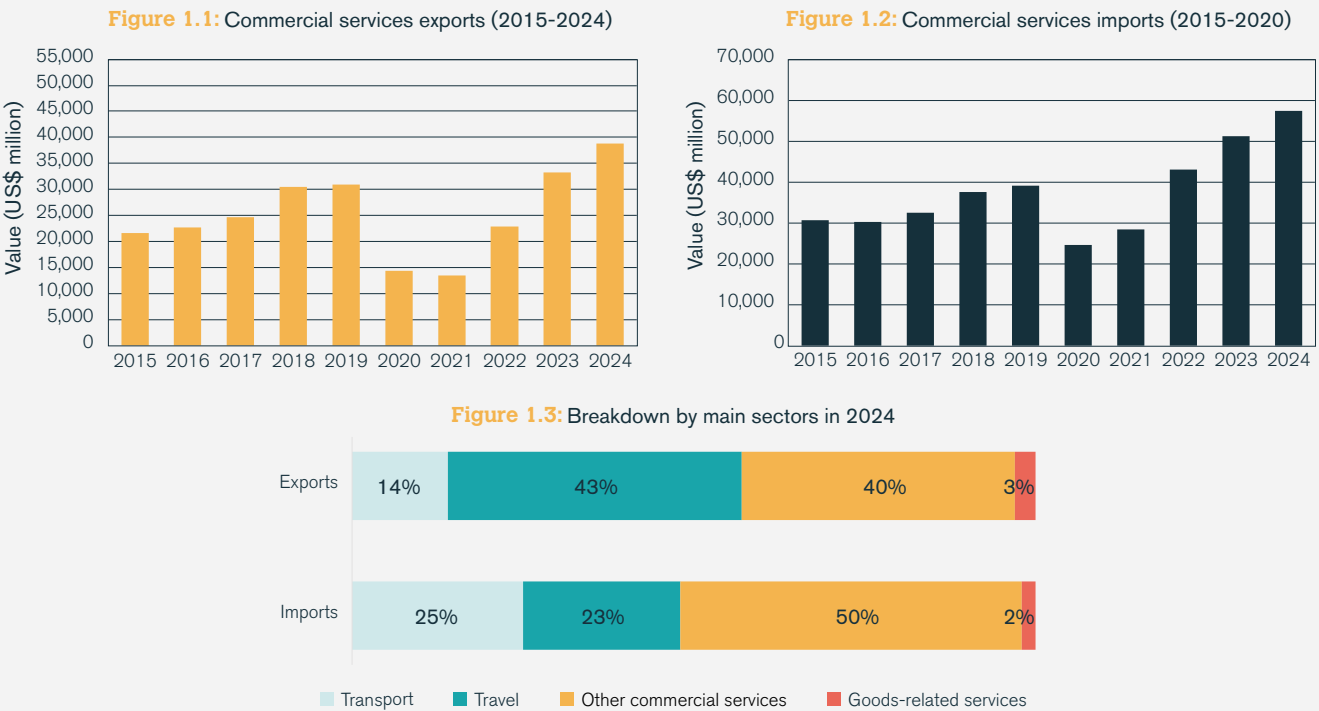
Between 2019 and 2024, digitally delivered services in Indonesia also experienced substantial growth, with both exports and imports more than doubling over the five-year period. Exports rose from US\$ 5.17 billion in 2019 to US\$ 10.94 billion in 2024, driven largely by other business services at US\$ 5.10 billion, computer services at US\$ 2.03 billion, and telecommunications services at US\$ 1.63 billion.⁸ On the import side, the value increased from US\$ 13.35 billion to US\$ 27.10 billion during the same period.⁹ In 2024, imports were dominated by other business services at US\$ 13.19 billion, followed by computer services at US\$ 3.91 billion and financial services at US\$ 3.53 billion.¹⁰ Figure 2 presents the 2015–2024 growth of Indonesia's digitally delivered services and its 2024 sectoral composition.

GRP commitments in Indonesia's services trade agreements

Since joining the WTO in 1995, Indonesia has pursued deeper engagement with regional frameworks that not only promote market access but also encourage the adoption of GRPs across the services sector.

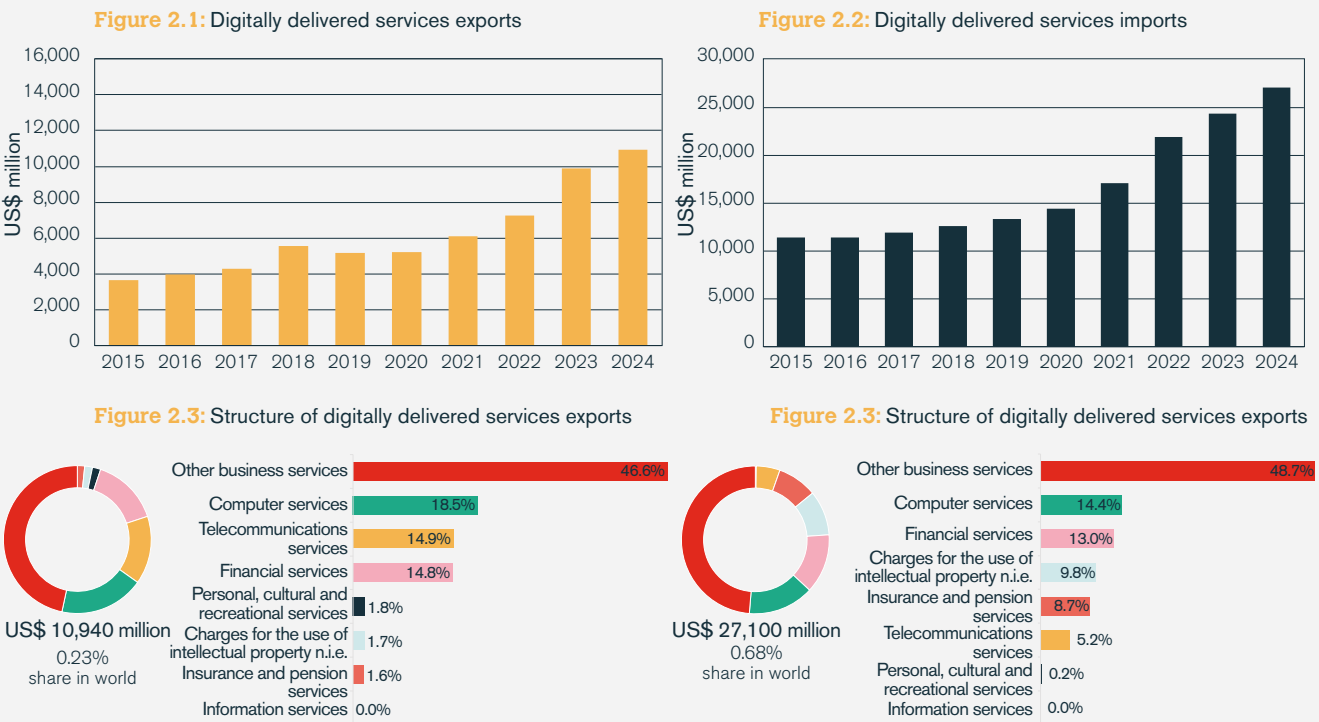
As a member of ASEAN, Indonesia has become increasingly integrated into a wide network of PTAs with key regional partners, including Australia¹¹, China¹², India¹³, Japan¹⁴, New Zealand¹⁵ and the Republic of Korea.¹⁶ In addition, the entry into force of the RCEP in

Figure 1: Commercial services trade between 2015 and 2024, and sectoral composition in 2024



Source: WTO, Statistics – Trade in commercial services.

Figure 2: Digitally delivered services trade between 2015 and 2024, and its sectoral composition in 2024



Source: WTO, Statistics – Digitally delivered services trade dataset.

January 2022¹⁷, of which Indonesia became a member in January 2023, further reinforced the government's commitment to advancing regional economic integration and facilitating trade in services.

Earlier PTAs adopted by economies in the region generally incorporated basic GRP-related obligations, such as the publication of authorization requirements and procedures¹⁸, the communication of decisions to applicants¹⁹, and the use of transparent and objective criteria in authorization processes.²⁰ More recent PTAs, particularly RCEP and some ASEAN+1 PTAs, have expanded the scope of GRP commitments. These include provisions on prescribing timelines for application processing²¹, enabling the use of electronic means for application submission²², and providing stakeholders with reasonable opportunities to comment on proposed legislation.²³

In parallel, Indonesia has actively participated in regulatory reform discussions through the APEC forum. The endorsement by APEC economies of the *2018 Non-binding Principles for Domestic Regulation of the Services Sector* reflects a shared regional aspiration to promote open, efficient and accountable regulatory environments through the implementation of various GRPs for streamlining domestic regulatory frameworks affecting trade in services.²⁴

Business licensing reforms

Prior to the reforms, Indonesia's business licensing framework posed a serious barrier to the improvement of the investment climate. Entrepreneurs faced a maze of overlapping and often inconsistent licensing procedures, both at the national and local levels. Starting a business typically required multiple permits, such as a trading licence, a business registration certificate, building permits and nuisance permits, with the latter two often contingent upon obtaining other approvals.²⁵ According to the World Bank, the process to obtain these core permits in 2011 took an average of 45 days and eight procedural steps, which was longer than the Asia-Pacific region's average of 38 days and seven steps.²⁶ This complexity not only discouraged business formalization but also perpetuated a large informal sector, with more than 30 per cent of micro, small, and medium-sized enterprises (MSMEs) operating without registration.²⁷

The government sought to address these inefficiencies by expanding one-stop shops under the Minister of

Home Affairs Regulation No. 24/2006²⁸ and creating the Electronic Investment Licensing and Information Service System (SPIPISE) under *Presidential Regulation No. 27/2009*.²⁹ The results, however, were mixed. While the one-stop shops helped cut the average time and cost of obtaining core licences by roughly 47 per cent and 44 per cent, respectively, they only had limited authority to issue a small subset of the available permits.³⁰ The SPIPISE, meanwhile, was an early step towards digitalizing licensing procedures specifically in the domain of investment permits, leaving broader business licensing processes mainly out of the scope of application.

Building on earlier reforms, *Presidential Regulation No. 91/2017* mandated the creation of an online submission system as an integrated platform for all business licensing.³¹ Implemented through *Government Regulation No. 24/2018*³², the first iterations of the online submission system – OSS 1.0 and its subsequent enhancement, OSS 1.1 – streamlined procedures by adopting a commitment-based model. Under this system, business licences could be issued immediately upon registration.³³ After obtaining the business licence, companies could undertake preparatory activities (such as acquiring land, procuring equipment and recruiting employees).³⁴

Under this framework, the licence remained conditional and became fully effective only once the company had completed the required commitments, including obtaining location permits, environmental approvals and building permits from the relevant authorities.³⁵ However, this approach did not account for differences in business risk. As a result, enterprises posing minimal regulatory concerns were subjected to the same level of scrutiny as high-risk ventures. By doing so, the system created unnecessary delays and compliance burdens for smaller firms, thereby undermining its objective of fostering a more business-friendly environment.

This framework underwent a fundamental transformation with the enactment of *Government Regulation No. 5/2021 on Implementation of Risk-Based Business Licensing*³⁶, which implemented the government's *Omnibus Law on Job Creation (Law No. 11/2020)*. The new system, also known as the OSS Risk-Based Approach (OSS-RBA), replaced the commitment-based approach with a risk-based classification approach. The following sections examine the key features of the current OSS-RBA system, its operationalization and implementation challenges.

OSS-RBA's key features

The adoption of the OSS-RBA system (accessible via oss.go.id) reflects an institutionalization of GRP principles within the legal design, administrative processes and digital infrastructure of the licensing regime in Indonesia. Beyond serving as a digital service delivery platform, the OSS-RBA operates as a governance instrument aimed at strengthening regulatory quality, enhancing procedural predictability and promoting public accountability. The government agency responsible for managing and administering the OSS-RBA system is the Ministry of Investment/the Indonesian Investment Coordinating Board (BKPM).³⁷

This section examines the core features of the OSS-RBA that operationalize GRP principles in practice, including its modular subsystem architecture, the application of a risk-based licensing methodology, and its integration with other technical approval systems.

Interconnected subsystems for transparent and accountable licensing

A key feature of the OSS-RBA system is its organization around three interconnected subsystems: (i) the information subsystem; (ii) the business licensing subsystem; (iii) and the supervision subsystem.³⁸ Together, these three subsystems form an integrated digital ecosystem that embeds GRP principles into the delivery and enforcement of Indonesia's business licensing framework (see Figure 3).

The information subsystem operationalizes the principle of transparency and accessibility.³⁹ It ensures that business actors and the public have access to comprehensive, up-to-date information on all aspects of the licensing regime. This includes risk-based classifications of business activities under the Indonesian Standard Classification of Business Fields (KBLI). In addition, the subsystem publishes a broad set of information, including land-use and zoning information (RDTR), investment conditions, licensing requirements, application procedures, compliance obligations, simulation tools and public complaints services. The regulation also mandates the public accessibility of this information without requiring user authentication, thereby reinforcing the predictability and openness of the licensing system.

Serving as the core procedural engine of the OSS-RBA is the business licensing subsystem, which

applies to 17 sectors of economic activity.⁴⁰ It incorporates the principles of proportionality and procedural simplification. By operationalizing the differentiated licensing requirements according to risk level⁴¹, the subsystem ensures that regulatory burdens are aligned with the potential harm posed by each business activity. Moreover, the integration of licensing authorities across all levels into a single platform⁴² enhances inter-agency coordination and legal coherence, which are both essential elements of effective regulatory governance.

The third component, the supervision subsystem, supports risk-based enforcement and post-licensing compliance monitoring.⁴³ It embodies the principles of accountability, performance-based oversight and continuous improvement. Through this subsystem, the relevant authorities are empowered to monitor business compliance with licensing conditions, conduct inspections proportionate to risk, require periodic reporting, and impose sanctions or revoke licences where necessary.⁴⁴

Risk-based approach to business licensing

As already mentioned, the principle of risk-based regulation adopted by the OSS-RBA marks a fundamental shift from Indonesia's previous licensing model. By classifying business activities according to their potential risk to public health, safety, environment and resource use, the system embeds the principle of proportionality into the heart of the licensing system. This ensures that the regulatory burden imposed on businesses is commensurate with the level of risk posed by their activities, thereby enhancing both formalization incentives and regulatory compliance. The categorization of business risks is determined in accordance with Annex I of *Government Regulation No. 5/2021*. To illustrate this, Table 1 outlines the classification of business risks in the tourism sector and the associated licensed products.

The risk classification system is legally grounded in Articles 7 to 15 of *Government Regulation No. 5/2021*, which set out the framework for assessing and assigning risk levels to business activities. Four risk categories are established: low, medium-low, medium-high and high risk.⁴⁶ The classification is established by the central government based on a combination of technical criteria, including the hazard profile of the activity and the scale or complexity of the business operation.

Figure 3: The OSS-RBA subsystems⁴⁵

The Information Subsystem	The Business Licensing Subsystem	The Supervision Subsystem
▪ KBLU by risk level ▪ RDTR ▪ Investment requirements ▪ Licensing requirements and obligations, including: ▪ Validity period ▪ Standards for business activities ▪ Other provisions in the Norms, Standards, Procedures, and Criteria ▪ Guidelines and procedures ▪ Basic requirement, including: ▪ Spatial use conformity ▪ Building approval ▪ Building functionality certificate ▪ Environmental approvals ▪ Investment incentives and facilities ▪ Supervision rules and reporting obligations ▪ Licensing simulation tools, OSS user guides, OSS glossary, FAQ ▪ Public complaints service ▪ Other info	▪ Account/access registration ▪ Low risk business licensing process: ▪ NIB ▪ Medium-low risk business licensing process: ▪ NIB ▪ Standard Certificate (self-declare) ▪ Medium-high risk business licensing process: ▪ NIB ▪ Standard Certificate (self-declare and verification) ▪ High risk business licensing process: ▪ NIB ▪ Business Licence ▪ Required Standard Certificate	▪ Annual inspection planning ▪ Business actors' periodic reports and activity data ▪ Supervision work instruments, including: ▪ Business actor profile ▪ Assignment letter for field inspector ▪ Visit notification letter ▪ Inspection report ▪ List of questions for business actor ▪ Other instruments ▪ Compliance assessment (against licensing requirements and standards) ▪ Complaints handling (against businesses or inspectors) and follow-up ▪ Guidance and sanctions

Source: WTO/World Bank, based on relevant provisions of *Government Regulation No. 5/2021*.

Each level of risk triggers a different set of licensing requirements. Low-risk activities require only the issuance of a Business Identification Number (NIB), which serves as an authorization allowing immediate commencement of operations. For low-risk business activities carried out by MSMEs, the NIB also functions as proof of compliance with the Indonesian National Standard and/or Halal assurance declaration under other applicable laws. Medium-low and medium-high risk activities require a self-declared or verified standard certificate, respectively, which attests to compliance with specific business or product standards. High-risk businesses must obtain a formal licence issued by the competent authority before starting their commercial operations.

This tiered structure enables regulators to concentrate oversight resources on activities that present the highest risks, while facilitating rapid market entry for low-risk businesses, particularly MSMEs.

Inter-agency coordination and reduction of policy fragmentation

The design of the OSS-RBA system mandates inter-agency coordination across all levels of government responsible for business licensing. At the normative level, the central government is responsible for formulating and establishing norms, standards, procedures and criteria (NSPK) for risk-based licensing across sectors.⁴⁷ As stipulated in Article 21(2) of *Government Regulation No. 5/2021*, the NSPK serves as a single reference point for both central and local licensing authorities.⁴⁸ By consolidating regulatory standards into a single reference, the OSS-RBA system reduces policy fragmentation and ensures that all actors operate within one coherent legal and procedural framework.

The use of the OSS-RBA system is mandatory for all licensing authorities, including ministries, local

Table 1: Illustration of risk classification in the tourism sector under *Government Regulation No. 5/2021*

No	Business line Parameter			Risk			Business licensing	Time	Validity period	Government authority	
				Parameter		Level				Parameter	National/ provincial/ Regency/ city
	KBLI Code	KBLI Title	Scope	Business scale ⁴⁹	Land area						
4	79111 ⁵⁰	Travel agency activities	Business activities acting as intermediaries for the sale of tour packages, either online or offline, packaged by travel agencies; booking tickets for land, sea and air transportation, for both domestic and international purposes; booking accommodation, restaurants and tickets for cultural performances; arranging visits to tourist attractions; and handling travel documents such as passports, visas or other equivalent documents	Micro, small	N/A	Low	NIB	N/A	As long as the business entity carries out business activities	Regency/ City	Regent/ Mayor
60	79121 ⁵¹	Travel agency activities	Business activities that involve planning and packaging travel components	Micro, small, medium, and large	N/A	Medium-low	NIB Standard certificate	N/A	As long as the business entity carries out business activities	Regency/ City	Regent/ Mayor
82	55194 ⁵²	Apartment hotel, with 100–200 guest housing units or 100–200 employees	Business of providing accommodation services for the general public that manages and operates apartments as hotels for temporary residence, with payment calculation according to regulations For example: apartment hotel/ condominium hotel (aparthotel/condotel)	Micro, small, medium, and large	> 6,000 – < 10,000 m ²	Medium-high	NIB Standard certificate	5 days	As long as the business entity carries out business activities	Regency/ City	Regent/ Mayor
103	55194 ⁵³	Apartment hotel, with more than 200 guest housing units or more than 200 employees	Business of providing accommodation services for the general public that manages and operates apartments as hotels for temporary residence, with payment calculation according to regulations For example: apartment hotel/ condominium hotel (aparthotel/condotel)	Micro, small, medium, and large	≥ 10,000 m ²	High	NIB Standard certificate Licence	Standard certificate: 5 days Licence: 30 days	As long as the business entity carries out business activities	National	Minister

governments, administrators of Special Economic Zones, and the managing bodies of Free Trade Zones and Free Ports.⁵⁴ This mandate ensures that for sectors covered under *Government Regulation No. 5/2021*, licensing must be processed exclusively through the OSS-RBA, thereby reinforcing the single-window principle.

Beyond licensing, *Government Regulation No. 5/2021* also establishes a framework for integrated and coordinated supervision. As provided in Articles 211(1) and 215(1), oversight responsibilities of relevant government agencies must be carried out and coordinated through the OSS-RBA system itself.⁵⁵ This integrated supervision mechanism allows for real-time data sharing, joint monitoring and harmonized enforcement of regulatory obligations by the various authorities involved.

Integration with critical sectoral systems

Another important feature of the OSS-RBA system is its integration with other systems that are critical to the business licensing process. In accordance with *Government Regulation No. 5/2021*, the issuance of a business permit, regardless of the risk level classification, is contingent upon prior fulfilment of several basic requirements. These include (i) conformity with land-use and zoning regulations (spatial use conformity), (ii) building approval, (iii) building functionality certificate, as well as (iv) environmental approvals, which may take the form of an environmental impact analysis, an environmental management and monitoring plan, or a statement of environmental management and monitoring commitment.⁵⁶ To enable this, the OSS-RBA platform is designed to interoperate with sectoral systems tasked with issuing these approvals.⁵⁷ This digital integration facilitates real-time verification of regulatory compliance, reduces transaction costs and enhances procedural transparency.

The workflows of the OSS-RBA system are illustrated in Figure 4. The platform integrates the full licensing lifecycle through a sequential process of information provision, verification, risk assessment, permit issuance and post-licensing supervision. Business actors can first use the information subsystem to access regulatory guidance and support services and then proceed to the licensing subsystem. Here, the validation stage verifies identity, tax, legal and geospatial data through electronic links with relevant

authorities. The smart engine then determines the applicable requirements and standards based on the business profile, KBLI classification, investment plan and location, while the risk management engine assigns an overall risk level using risk matrices for sector, location and business criteria. The system subsequently generates the appropriate product – from an NIB for low-risk activities to NIB plus standard certificates or licences for higher-risk activities. Once issued, licences are automatically communicated to ministries, institutions and local governments to support coordinated implementation. The supervision subsystem completes the cycle by facilitating risk-based monitoring, profile weighting and enforcement actions where necessary.

Implementation achievements

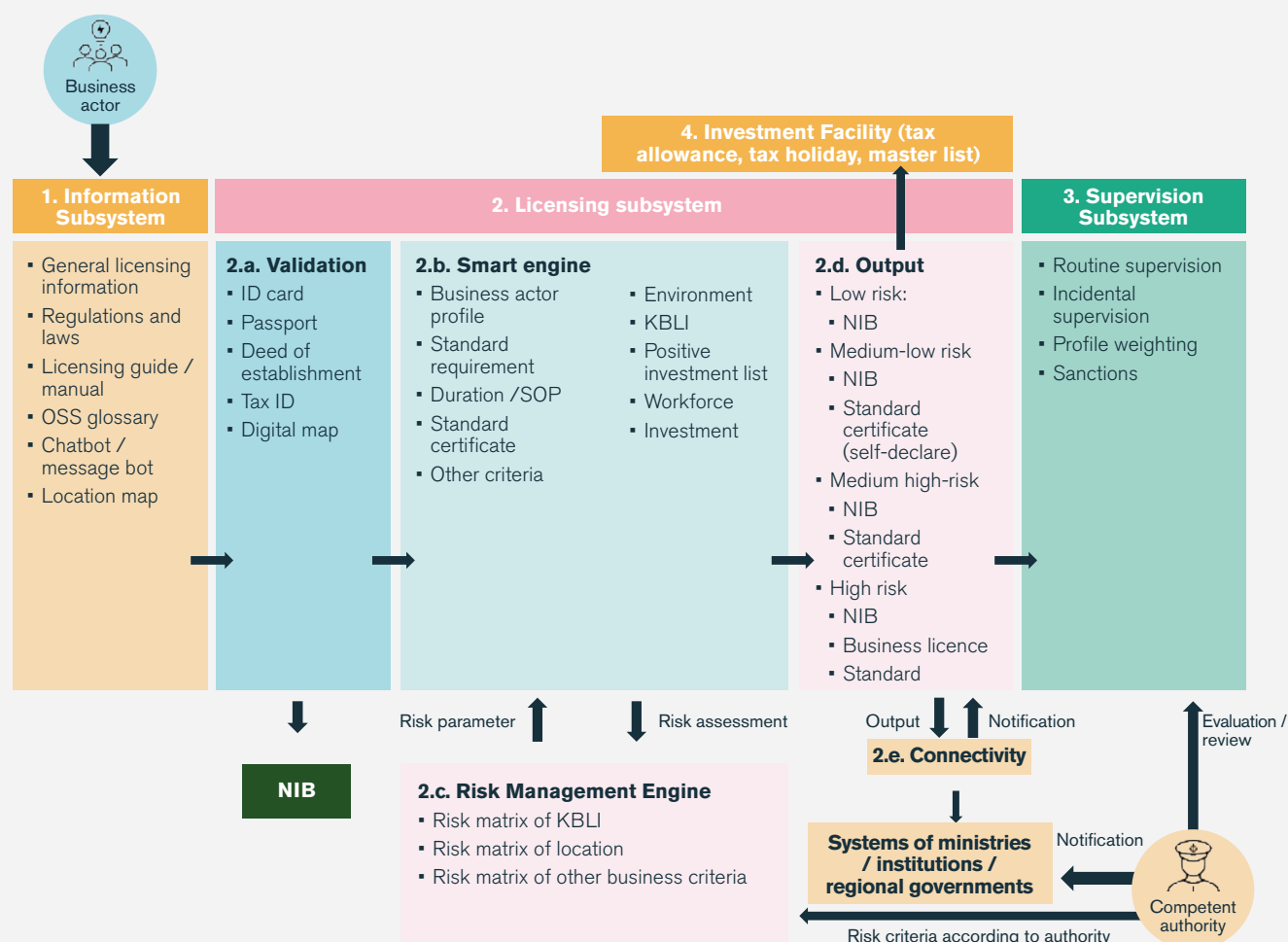
Since its launch in 2021, the OSS-RBA system has been at the forefront of Indonesia's business licensing reform. It has delivered tangible achievements in three key areas: (i) rapid expansion of business formalization; (ii) integration with key technical approval systems; and (iii) provision of robust user support services to facilitate adoption.

Rapid business formalization

After three years of implementation, as of August 2024, the OSS-RBA system had issued a total of 10,000,019 NIBs.⁵⁹ In its first two years, the system had already issued more than five million NIBs, surpassing the total output of the previous OSS system, which had issued only four million NIBs over a three-year period (2018–2021).⁶⁰ The system's momentum accelerated further in its third year, with an additional five million NIBs issued within just 12 months. Notably, between August and December 2023 alone, more than two million NIBs were issued, almost matching the total NIB output recorded during the entire year of 2022.⁶¹ As reported in December 2023, on average, the system was capable of processing between 13,000 and 15,000 NIBs per day. At peak periods, it could issue more than 50,000 in a single day.⁶² These figures underscore the OSS-RBA's expanding operational capacity and its growing role as an efficient platform for business formalization nationwide.

Of the 10 million NIBs issued over the three-year period (August 2021– August 2024), 9,909,900 were granted to micro and small firms, accounting for approximately 99.1 per cent of total registrations. Of the remaining

Figure 4: General Description of the OSS-RBA System⁵⁸



Source: WTO/World Bank, adapted from BKPM materials.

registrations, only 28,303 NIBs (0.28 per cent) were issued to medium enterprises, and 61,816 NIBs (0.62 per cent) to large enterprises (see Figure 5).⁶³ This overwhelming share of micro and small enterprise registrations highlights the OSS-RBA system's critical function in facilitating the formalization of Indonesia's small business sector. By streamlining registration procedures and offering a fully digital process, the system has dramatically lowered barriers and costs to entry and empowered micro and small enterprise actors to integrate more fully into the formal economy.

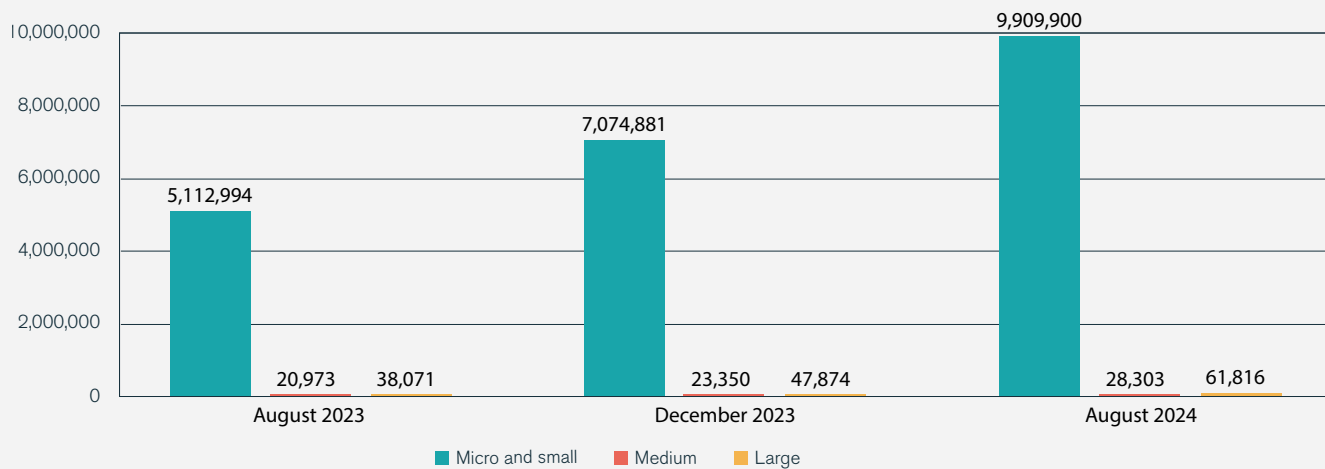
Integration with technical approval systems

As noted earlier, the systems responsible for issuing spatial use conformity, building approvals, building functionality certificates and environmental approvals, play a pivotal role, as these approvals must be obtained before a business licence can be

granted. Ideally, the OSS-RBA system should be fully interoperable with these systems to enable applicants to meet these requirements through a single, unified interface.

Concerning spatial use conformity, the Ministry of Agrarian and Spatial Planning/National Land Agency operates the Geographic Information System for Spatial Planning platform ([GISTARU](#)), which hosts detailed spatial plan maps (RDTR). The OSS-RBA is designed to pull data from GISTARU to automatically issue a spatial use conformity confirmation when a proposed location falls within a zone permitted under an up-to-date RDTR. Integration of RDTR data into the OSS-RBA system has progressed gradually: in December 2022, 108 RDTRs were integrated⁶⁴; this rose to 367 in July 2025⁶⁵; and most recently, as of October 2025, a total of 445 RDTRs had been integrated into the OSS.⁶⁶

Figure 5: Number of NIBs issued through OSS-RBA



Source: BKPM.

For environmental approvals, the Ministry of Environment and Forestry issued a circular letter in March 2024 requiring that, effective 1 April 2024, all new medium-high and high-risk business licence applications be submitted through the OSS-RBA system for obtaining environmental approvals.⁶⁷ In an official update in October 2024, the Ministry noted that **AMDALNET** – the national system for verifying environmental compliance – had been successfully integrated as an information subsystem within the OSS-RBA, and that the integration was functioning effectively.⁶⁸

With respect to building-related requirements, the Ministry of Public Works and Housing's Building Management Information System (**SIMBG**), which issues the building approvals and building functionality certificates, has also been integrated with the OSS-RBA platform as of January 2025.⁶⁹

Multiple support channels for users

An integral component of the OSS-RBA ecosystem is its Contact Centre, which provides technical assistance and user support to business persons navigating the licensing system. Between January and July 2023, the Contact Centre recorded a total of 556,529 user interactions across its various communication channels.⁷⁰ The social media service WhatsApp emerged as the most frequently used platform, accounting for 352,089 interactions or 63.28 per cent of the total. This was followed by e-mail with 127,580 interactions (22.92 per cent), telephone calls with 65,928 interactions (11.84 per cent), and the social media platform Instagram with 10,932 interactions (1.96 per cent).⁷¹

In December 2023, the Contact Centre was handling an average of 500 phone calls, 1,000 WhatsApp messages and 1,000 e-mails per day.⁷² These figures indicated that approximately 15 per cent of NIBs issued were accompanied by some form of user inquiry or support request.⁷³ Importantly, the data also suggest that the vast majority of business persons – around 85 per cent – were able to complete the NIB issuance process independently. This underscored the user-friendly nature of the interface, the completeness and clarity of the information published, as well as the effectiveness of the self-service design of the submission process for the majority of applicants.

Implementation challenges

Despite its achievements, the OSS-RBA system has faced challenges that have limited its ability to function as a fully integrated, nationwide licensing platform. The main issues include: (i) regulatory misalignment; (ii) data migration problems; (iii) institutional coordination gaps; (iv) connectivity limitations; (v) and incomplete integration with technical approval systems.

Regulatory misalignment

According to the Audit Board of Indonesia (BPK), at the time of the OSS-RBA system's launch, there was a lack of harmonization between business licensing regulations at the national and local levels. While *Government Regulation No. 5/2021* provided the overarching framework for risk-based licensing, its implementation was constrained by inconsistencies between its licensing requirements and

those in other legal instruments, such as *Government Regulation No. 17/2019 on Water Resources*, *Government Regulation No. 22/2021 on Environmental Protection and Management*, and *Government Regulation No. 27/2021 on Marine and Fisheries*.⁷⁴ These regulatory inconsistencies prevented the licensing procedures from being fully carried out through the platform at rollout.

Data migration problems

The transition from OSS Version 1.1 to OSS-RBA was hampered by serious data migration issues. The BPK found that, at the end of 2021, 291,112 business licences had an undetermined status due to incomplete or failed data transfers between the two systems.⁷⁵ These unresolved cases not only undermined public confidence in the reliability of the OSS-RBA system but also created legal uncertainty for affected businesses, whose licensing status could not be verified in the new platform. The absence of a robust risk-mitigation and data-validation framework exacerbated these problems.

GAPS in implementing regulations and institutional coordination

By the end of 2021, institutional readiness at both central and local levels had still lagged behind the OSS-RBA's technical deployment. At the central level, the Ministry of Home Affairs had not yet fully formulated policies for licensing service delivery in line with *Law No. 11/2020 on Job Creation* and its implementing regulations, resulting in delays in service delivery at the local level.⁷⁶ The Ministry had also not established standard operating procedures for guiding and supervising local licensing services, making it difficult to properly assess the performance of officials and local units responsible for promoting the ease of doing business.⁷⁷

At the local level, many governments had neither established coordination forums with a structured schedule of activities nor adopted defined procedures for coordination and proper documentation.⁷⁸ Consequently, investment-related problems were not identified or resolved in a timely way.

Connectivity and infrastructure limitations

At its launch, the OSS-RBA system faced operational challenges in regions with limited infrastructure. As acknowledged by the Minister of Investment, in a speech at its launch, not all areas in Indonesia had full electricity coverage, with certain regions receiving power only part

of the day, and internet connectivity remaining inadequate in others.⁷⁹ To address these constraints, the government prepared semi-online licensing options, allowing applications to be processed during available electricity hours, while exploring alternative solutions for areas lacking reliable power and internet access.⁸⁰

Incomplete integration with technical approval systems

The OSS-RBA's effectiveness has been significantly constrained by incomplete interoperability amongst key technical approval and information systems, such as GISTARU (for spatial conformity), SIMBG (for building requirements), and AMDALNET (for environmental approvals). As noted in a study conducted by the Regional Autonomy Implementation Monitoring Committee (KPPOD) in 2023, many entrepreneurs complained that these systems were not properly integrated as originally envisaged.⁸¹ In practice, licensing authorities were often forced to rely on manual verification procedures or operate through parallel platforms, leading to delays and undermining the consistency and efficiency of service delivery.

For example, although 367 RDTRs were integrated into the OSS-RBA as of mid-2025, this represents only a small fraction of the approximately 2,000 RDTRs nationwide.⁸² As a result, when an area does not yet have an RDTR in place, the spatial use conformity cannot be automatically issued through the OSS-RBA system. Instead, applicants must undergo a separate process with the central government, which reviews the request based on the broader regional spatial plan.⁸³ This route adds another layer of bureaucracy, slowing down the overall licensing process and diminishing the one-stop-shop objective of the OSS-RBA platform.

The slow pace of RDTR integration stems from challenges at both local and central government levels. At the local level, delays in RDTR preparation are often linked to insufficient budget allocations for conducting spatial planning studies as well as occasional interference from political interests.⁸⁴ At the central level, the approval process for RDTR substance by the relevant ministry is frequently time-consuming, further hindering timely integration into the OSS-RBA system.⁸⁵

Public impact

Before the launch of the OSS-RBA system, Indonesia's ease of doing business reforms, including the

implementation of the previous commitment-based OSS system, helped the country climb from 129th place in 2012⁸⁶ to 73rd in 2020 in the World Bank's Doing Business index.⁸⁷ Since then, other sources, including the BKPM, reported that the implementation of the OSS-RBA system did help streamline procedures for starting a business in Indonesia.⁸⁸

In the World Bank's *Business Ready (B-Ready) 2024 index*, Indonesia ranks 32nd out of 50 studied economies in the 'Starting a Business' topic, with a score of 65.47/100.⁸⁹ While this position places Indonesia ahead of several emerging economies, it remains well below other ASEAN performers such as Singapore and Viet Nam. One of the main factors constraining Indonesia's performance is the length of time required to establish a business, particularly for foreign investors who may have to wait up to 65 days to complete all entry procedures.

In an attempt to respond to the existing obstacles, the government has identified the simplification of business entry procedures as a top reform priority and aimed to increase Indonesia's rankings in the coming years⁹⁰

Next steps

The Indonesian government is actively pursuing further improvements to its business licensing system to consolidate the gains of the OSS-RBA system and address persisting challenges. As a major milestone, in June 2025, the government enacted *Government Regulation No. 28/2025 on Implementation of Risk-Based Business Licensing*, which supersedes *Government Regulation No. 5/2021*.⁹¹ Pursuant to the transition provisions of *Government Regulation No. 28/2025*, within four months from its enactment date, the OSS-RBA system must be adjusted and the implementing regulations of *Government Regulation No. 28/2025* shall be established.⁹² The effective implementation of this new regulation is expected to further enhance legal certainty, reduce transaction costs, and improve the overall ease of doing business in Indonesia, thereby strengthening the country's competitiveness as an investment destination.

The new framework introduces three core innovations: (i) the statutory adoption of service level agreements (SLAs) for licensing processes, (ii) the positive fiction ('*fiktif positif*') mechanism, and (iii) the establishment of new integrated subsystems within the OSS-RBA platform. These innovations are outlined below.

Service level agreements

Statutory maximum time limits have been imposed on every stage of the licensing process, particularly in the Chapter on Basic Requirements in the OSS-RBA framework. They include document verification, substantive assessment, correction of deficiencies, re-examination of corrected submissions and issuance of final approvals.⁹³

One example of SLA implementation is in the approval process for the spatial use conformity on land. The regulation sets a maximum of 25 working days if documents are complete and correct, or up to 40 working days if improvements and re-verifications are required.⁹⁴ Another example is found in the environmental approval process, where *Government Regulation No. 28/2025* sets clear statutory deadlines: 30 working days for wastewater and emission quality assessments, and 16 working days for assessments of hazardous emissions for the management of hazardous and toxic waste.⁹⁵

This action addresses one of the most persistent complaints from businesses: uncertain and often protracted waiting times. By codifying SLAs into law, licensing authorities are placed under a legal obligation to act within prescribed timelines, thereby enhancing procedural certainty and reducing administrative delays.

Fiktif Positif silent approval mechanism

Unlike *Government Regulation No. 5/2021*, *Government Regulation No. 28/2025* explicitly provides for the application of the *fiktif positif* mechanism. Under this mechanism, if a competent authority fails to act within the SLA, the system will automatically advance the application to the next procedural stage.⁹⁶

The *fiktif positif* mechanism applies to three categories of licensing: (i) basic requirements, (ii) business licensing, and (iii) business licensing to support business activities.⁹⁷ A list of 258 KBLIs has been identified for implementation under this mechanism.⁹⁸

One example of this mechanism is found in the approval process for spatial use conformity on small islands of less than 100 km². Pursuant to Article 35 of the Regulation, the Ministry of Marine Affairs and Fisheries is required to issue a recommendation within 14 working days of receiving complete application documents.⁹⁹ However, if the ministry fails to issue the recommendation within this statutory time limit, the law directs that the application process shall continue without the recommendation.¹⁰⁰

Importantly, the issuance of permits through *fiktif positif* does not remove the obligation of the relevant licensing authorities to verify the accuracy of submitted information.¹⁰¹ Where discrepancies are later identified, such permits may be evaluated and, if necessary, revoked in accordance with applicable laws and regulations.¹⁰² As the government emphasizes, *fiktif positif* is to accelerate, not to ignore accuracy.¹⁰³

Complementing the SLAs, this mechanism aims to reduce bureaucratic inertia and ensure that administrative silence does not disadvantage business actors, while enhancing legal certainty and accelerating licensing processes.

New integrated subsystems

To address persistent integration gaps and broaden the functionality of the OSS-RBA platform, *Government Regulation No. 28/2025* also mandates the introduction of three new subsystems: the basic requirements subsystem, the investment facilities subsystem, and the business partnership subsystem.

Basic requirements subsystem¹⁰⁴: This module integrates pre-licensing approvals – such as spatial conformity, environmental approvals and building permits – directly into the OSS-RBA platform. Previously, these processes were often conducted outside of the OSS-RBA, resulting in fragmented procedures. The reform positions the OSS-RBA as a genuine one-stop platform, enabling foundational clearances to be processed seamlessly alongside licensing applications.

Investment facilities subsystem¹⁰⁵: This subsystem enables investors to apply for government-provided investment incentives, such as tax holidays and import duty exemptions, directly through the OSS-RBA. By combining licensing and incentive facilitation in a single digital window, the system streamlines administrative steps and encourages greater uptake of available fiscal facilities.

Business partnership subsystem¹⁰⁶: Certain sectors regulated under *Law No. 11/2020 on Job Creation* require large-scale investors to establish partnerships with, or otherwise empower, MSMEs. This subsystem provides a centralized digital record of such partnership arrangements within the OSS-RBA database, thereby facilitating compliance monitoring and enforcement.

Lessons learned

Indonesia's OSS-RBA reform offers valuable lessons on the implementation of a digital licensing system within a complex regulatory environment. These lessons relate to the importance of regulatory coherence, inter-agency coordination, technical and infrastructure preparedness, user engagement and continuous policy refinement.

1. Policy coherence and inter-agency coordination are essential

Digital platforms cannot operate effectively without harmonized regulatory frameworks and clearly defined institutional responsibilities. Early misalignments between central and local regulations created bottlenecks that limited the OSS-RBA's intended efficiency.

2. Complete and updated information strengthens accessibility and compliance

Transparent, comprehensive information makes licensing systems more accessible, predictable and compliant. The OSS-RBA puts this into practice through its information subsystem, which makes a broad range of up-to-date data openly available to business actors and the public.

3. Digital systems integration must be matched by institutional capacity and planning

Full interoperability between licensing and technical approval systems requires both technical compatibility and administrative readiness. Incomplete integration with RDTR, building and environmental approval systems undermined the seamless user experience envisioned by the reform.

4. Infrastructure gaps must be addressed early

Connectivity and power supply limitations in certain regions constrained the reach of the OSS-RBA. Provision of semi-online options and infrastructure development are essential for ensuring equitable access to digital licensing platforms.

5. User support services drive efficiency and compliance

The OSS-RBA Contact Centre's multi-channel assistance proved crucial for facilitating compliance,

especially during the early stages of implementation. High responsiveness to user enquiries built confidence in the system and enabled more businesses to transition to the formal sector.

6. Reforms are iterative, not static

The enactment of *Government Regulation No. 28/2025* demonstrates that major regulatory and digital reforms require continuous adjustment. Iterative policy updates allow governments to respond to implementation realities while maintaining reform momentum.

Conclusion

Indonesia's licensing reform trajectory illustrates how embedding GRP principles into digital governance frameworks can substantially improve the ease of doing business. Central to this transformation is the OSS-RBA system, which has enabled the formalization of millions of MSMEs, improved transparency and created a foundation for coordinated, risk-based regulation. By directing oversight efforts to the areas of greatest risk, the system has allowed limited resources to be deployed more strategically, reducing

unnecessary burdens on low-risk businesses while strengthening oversight where it matters most. In this way, regulatory quality and efficiency have advanced together, reinforcing confidence in the system and laying the groundwork for more adaptive and responsive governance.

However, the reform's full potential has yet to be realized. Persistent regulatory fragmentation, uneven system integration, and infrastructure disparities underscore the complexity of translating legal innovation into uniformly effective service delivery. The adoption of *Government Regulation No. 28/2025* with its statutory service level agreements, silent approval mechanism and expanded subsystem integration offers a renewed opportunity to close these gaps.

If implemented effectively, these measures would not only further streamline licensing procedures but also strengthen Indonesia's competitiveness in global markets, improve business confidence, and support sustainable economic growth. The Indonesian case thus provides insightful narratives for other economies seeking to combine regulatory quality with digital transformation in business licensing.

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Case study

The Philippines

Ease of Doing Business Act

- ① Overview
- ② The Philippine economy and the importance of the services sector
- ③ GRP commitments in the Philippines' services trade agreements
- ④ Ease of doing business reform in the Philippines
- ⑤ Next steps in strengthening the EoDB reform
- ⑥ Lessons learned
- ⑦ Conclusion

Overview

The Philippines has embarked on a long-term effort to transform its regulatory environment and public service delivery through the adoption of GRPs. These efforts are rooted in the recognition that efficient, transparent and predictable regulation is essential to fostering economic growth, improving citizen experience and enhancing national competitiveness, particularly in an increasingly services-driven economy.

This study presents the Philippines' journey in embedding GRP elements across licensing authorities, emphasizing their importance for businesses and investment, where complex licensing and administrative procedures often affect market entry and operational efficiency. It focuses on the implementation of two major pieces of legislation: the *Anti-Red Tape Act* of 2007 (RA 9485) and the *Ease of Doing Business and Efficient Government Service Delivery Act* of 2018 (RA 11032). Together, these pieces of legislation provide the legal and institutional foundation for regulatory simplification, digital transformation and improved service delivery at both national and local levels.

The purpose of this study is to highlight how GRP elements have been introduced and operationalized in the Philippine context. It draws lessons from implementation, identifies continuing challenges, and outlines the next steps. Through this lens, the study seeks to offer a practical reference for understanding how GRP elements can support broader public sector reform and economic development.

The Philippine economy and the importance of the services sector

The Philippines has established itself as one of the most dynamic economies in the Asia-Pacific region.¹ Its economic dynamism is underpinned by rapid urbanization, a large and young population, and high consumer demand, supported by a vibrant labour market and robust remittance inflows.² In 2024, the country's GDP reached US\$ 461.62 billion³ and expanded by 5.6 per cent, making it one of the region's top performers.⁴

The services sector plays a pivotal role in the Philippine economy, serving as a key engine of growth, employment and international competitiveness. In 2024, services value added represented about 63.2 per cent of the Philippines' GDP, making it the largest contributor among all economic sectors.⁵

The Philippines' commercial services trade expanded significantly between 2015 and 2024. Exports rose from US\$ 29.05 billion to US\$ 51.95 billion over the period.⁶ In 2024, other commercial services accounted for the largest share at US\$ 33.66 billion, followed by travel services at US\$ 9.71 billion and goods-related services at US\$ 5.02 billion.⁷ On the import side, commercial services increased from US\$ 23.36 billion in 2015 to US\$ 37.02 billion in 2024.⁸ Of this total, other commercial services represented US\$ 16.60 billion, while travel services and transport services amounted to US\$ 12.75 billion and US\$ 7.44 billion, respectively.⁹ Figure 1 illustrates the growth of the Philippines' commercial services trade between 2015 and 2024 and its sectoral composition in 2024.

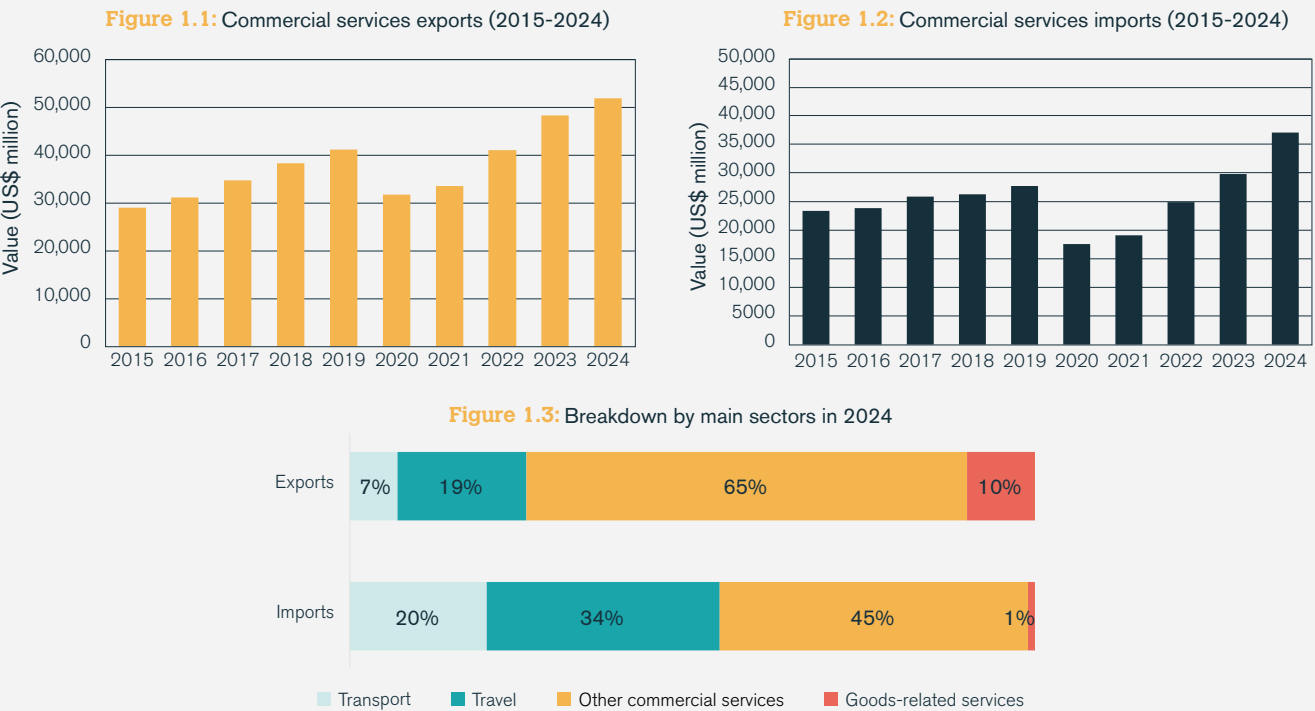
Digitally delivered services also form a substantial and growing component of the Philippines' services trade. Exports nearly doubled from US\$ 11.63 billion in 2015 to US\$ 22.97 billion in 2024.¹⁰ In 2024, this category was led by other business services, valued at US\$ 14.47 billion, followed by computer services at US\$ 7.24 billion, telecommunications services at US\$ 0.46 billion and financial services at US\$ 0.44 billion.¹¹ Imports increased from US\$ 6.82 billion in 2015 to US\$ 15.78 billion in 2024, with other business services comprising the largest share at US\$ 8.64 billion. This was followed by financial services at US\$ 2.45 billion and insurance and pension services at US\$ 2.03 billion.¹² Figure 2 provides an overview of the growth of digitally delivered services trade between 2015 and 2024 and its sectoral composition in 2024.

As of July 2024, the services sector continued to be the top sector in terms of the number of employed persons with a share of 60.8 per cent of the 47.7 million employed persons.¹³ In 2018, among the major economic sectors, services accounted for the overwhelming majority, with 298,021 establishments, comprising 89.1 per cent of the total.¹⁴

GRP commitments in the Philippines' services trade agreements

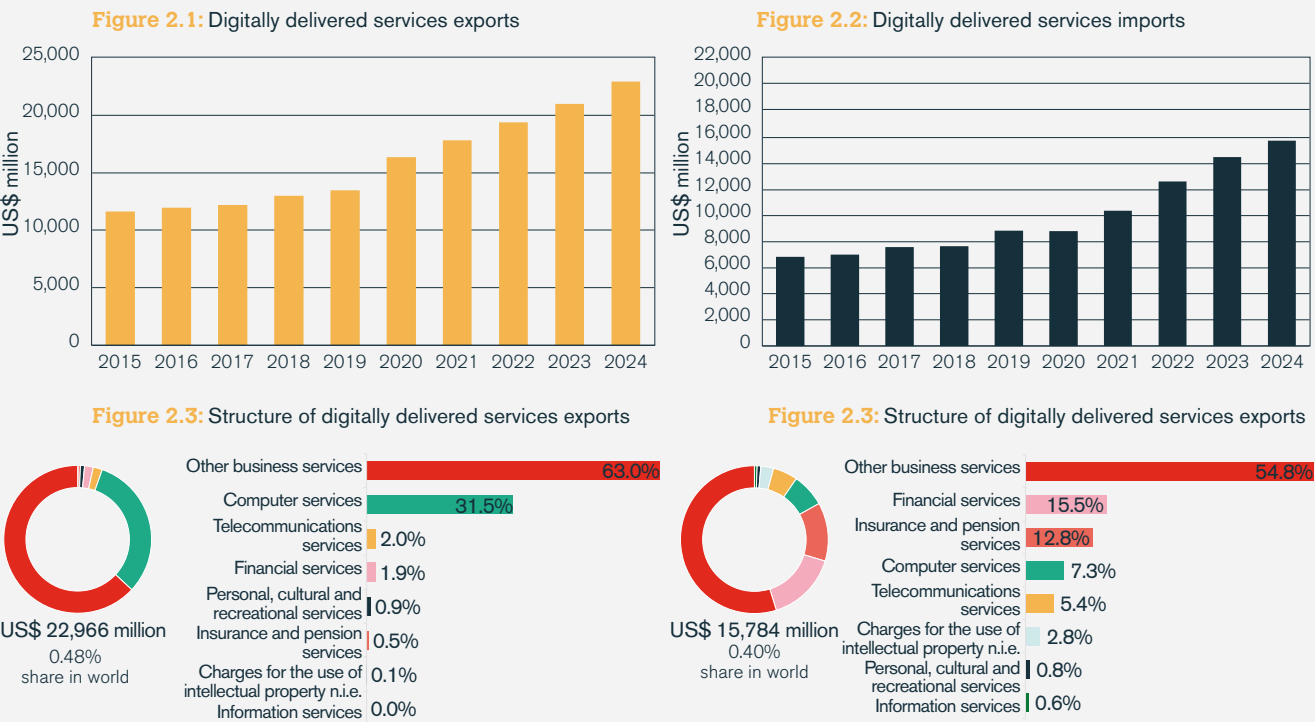
Since becoming a member of the WTO in 1995, the Philippines has entered into multiple trade agreements that liberalize trade in services. These agreements not only facilitate cross-border services trade but also increasingly incorporate commitments to adopt and implement GRPs.

Figure 1: Commercial services trade between 2015 and 2024, and sectoral composition in 2024



Source: WTO, Statistics – Trade in commercial services.

Figure 2: Digitally delivered services trade between 2015 and 2024, and its sectoral composition in 2024



Source: WTO, Statistics – Digitally delivered services trade dataset.

Through its membership in the ASEAN, the Philippines is party to trade agreements with China, India, Japan, the Republic of Korea, Australia and New Zealand. In November 2020, the Philippines, together with 14 other economies, signed the RCEP – the world's largest free trade agreement.¹⁵ The Philippines also engages as a founding and active participant of APEC.¹⁶ Earlier commitments under these agreements typically incorporated basic GRPs, such as publishing authorization requirements and procedures¹⁷; providing updates on application status and decisions¹⁸; allowing applicants to correct minor deficiencies¹⁹; and ensuring that authorization measures are based on objective and transparent criteria.²⁰ More recently, the Philippines adopted in its trade agreements more ambitious GRP commitments, such as specifying time frames for processing applications²¹; accepting applications in electronic format and authenticated copies of documents²²; establishing mechanisms to respond to inquiries from interested parties²³; and providing opportunities for public comment on proposed regulations.²⁴ Additionally, in 2018, APEC economies endorsed the *Non-binding Principles for Domestic Regulation of the Services Sector*, which aim to promote transparent, open and efficient regulatory environments for services authorizations.²⁵

Further strengthening its commitment to regulatory reforms, the Philippines formally announced its participation in the WTO Joint Initiative on Services Domestic Regulation in November 2021.²⁶ This engagement aligns with the country's domestic reform efforts and the existing commitments under its PTAs.

Ease of Doing Business reform in the Philippines

In the early 2000s, Filipinos encountered widespread challenges in accessing timely and efficient government services. To start a business, entrepreneurs were required to navigate at least 11 separate procedures with a waiting period of 48 days for approval.²⁷ These numbers were reflected in the *Doing Business 2007* report of the World Bank, which ranked the Philippines 126th out of 175 economies in terms of the ease of doing business.²⁸

Recognizing the urgent need for institutional reform, the Philippine government initiated many legislative and administrative reforms to modernize public sector processes, enhance transparency and reduce red tape. Among these, the *Anti-Red Tape Act* of

2007 (RA 9485)²⁹ and the *Ease of Doing Business and Efficient Government Service Delivery Act* of 2018 (RA 11032)³⁰ were enacted to more closely align the Philippines' regulatory system with GRPs for business facilitation and public service delivery.

Anti-Red Tape Act of 2007 (RA 9485)

Signed into law by President Gloria Macapagal-Arroyo on 2 June 2007, RA 9485 was the country's first major legislative step towards reducing bureaucratic inefficiency and improving public service delivery. At its core, the law sought to promote greater transparency by simplifying procedures for frontline services³¹, developing clear service standards for every transaction (i.e. "the step-by-step procedure for availing a particular service, and the guaranteed performance level that are to be expected for that service")³² and communicating these standards to clients, who may be individuals or entities.³³

The law applied to government offices and agencies, including local government units (LGUs) and government-owned or -controlled corporations (GOCCs) providing frontline services, excluding those performing judicial, quasi-judicial and legislative functions.³⁴ The agencies responsible for issuing the implementing rules and regulations (IRR) of RA 9485 were the Civil Service Commission (CSC), Office of the Ombudsman (OMB), Presidential Anti-Graft Commission (PAGC), and the Development Academy of the Philippines (DAP).³⁵

GRP elements in RA 9485

RA 9485 sought to implement several GRP elements. These include provisions on the Citizen's Charter, application processing, automatic approval mechanism, Report Card Survey and penalties for non-compliance. The key provisions are outlined below.

a. Citizen's Charter³⁶

The Citizen's Charter is an official document, a service standard, or a pledge, used by government agencies to communicate government service delivery standards to their citizens.³⁷ Under RA 9485, it was mandatory for all government agencies to implement the Charter in the form of information billboards and published materials. The Charter had to be posted at the main entrance or in a conspicuous area of the government office and written in English, Filipino or the local dialect.

The purpose of the Charter was to guide clients seeking frontline services from government offices by providing information on (1) the procedures for accessing government services, (2) identifying the officials responsible for each step, (3) stating the maximum processing time for applications, (4) listing the required documents and (5) applicable fees, and (6) explaining the procedure for lodging complaints on decisions.

b. Application processing³⁸

RA 9485 required government officers to accept applications and acknowledge receipt of such applications by clearly indicating their full name, working unit and the time of receipt. In addition, the assigned officer was required to perform a preliminary assessment of the application to facilitate processing.

The law set clear deadlines for processing applications. Government offices and agencies were required to act on simple transactions within five working days and on complex transactions within 10 working days from the date of application. The maximum processing time for frontline services could be extended, particularly when the nature of the requested service or the specific mandate of the office or agency would require it under exceptional circumstances. When such extensions were necessary, the adjusted time frame for delivery of a specific frontline service needed to be indicated in the Citizen's Charter. The agency then had to notify the applicant in writing, on a case-by-case basis, of the reason for the extension and the final date of release of the requested service.

Furthermore, no application could be returned to the applicant without any action. In case of rejection (i.e. typically due to failure to meet requirements), the competent office making the decision was required to issue a written notice within five days, state the reason for the rejection and specify any missing requirements. Likewise, any denial of a request for access to a government service (for example, if an application is deemed ineligible or outside the scope of the agency's mandate) had to be fully explained in writing, indicating the name of the officer issuing the denial and the grounds on which the decision was based. To streamline internal procedures, the law also limited the number of required signatories on any document to a maximum of five.

Offices providing frontline services were required to adopt appropriate working schedules to ensure that all clients within their premises would be attended

to and served, including during lunch breaks and beyond regular office hours. The law also required the establishment of a public assistance/complaints desk in each office.

c. Automatic extension of existing authorization³⁹

In the case of a government agency's failure to act within the prescribed period on an application for renewal of a permit, licence or other form of authorization, the law mandated that the existing authorization be automatically extended until a decision is made. This provision, however, excluded applications related to activities that would pose risks to public health, safety, moral order or public policy.

d. Report Card Survey⁴⁰

To monitor performance of government agencies and ensure their compliance with the provisions of the Citizen's Charter, RA 9485 introduced the Report Card Survey (RCS). The survey was designed to gather public feedback on the actual implementation of the Citizen's Charter and assess how well agencies would deliver the government services. It also aimed to capture information on hidden costs experienced by clients, such as bribes or payments to fixers. The results of these surveys were required to be included in the agencies' annual performance reports.

Implementation of RA 9485

One year after the enactment of RA 9485, the CSC promulgated the IRR of the said law through *Resolution No. 081471*.⁴¹ The promulgation was carried out in collaboration with the DAP, the OMB, and PAGC⁴², following a series of consultative meetings with various stakeholders to gather comments and recommendations on the implementation of the law.⁴³

Under RA 9485, the CSC, in coordination with DAP, was responsible for overseeing the implementation of the Citizen's Charter across government agencies through the Report Card Survey.⁴⁴ In its 2017 report, the CSC found that more than 80 per cent of the offices assessed met the required standards for service delivery.⁴⁵ According to the CSC Chairperson, compliance steadily improved over time, with the percentage of offices meeting the required standard increasing from 78 per cent in 2010 to 81.65 per cent in 2017.⁴⁶

Several studies were conducted to examine successes and challenges from the implementation of the Citizen's Charter. For example, one study found that the Bureau of Customs and the Development Corporation in the Clark Freeport Zone – a special economic zone of the Philippines – failed to comply with the requirements to provide information on the procedure for lodging complaints and contact details for submitting feedback.⁴⁷

The overall impact of RA 9485 after a decade of implementation reflected both progress and areas for further improvement. According to the World Bank's *Doing Business* reports, the Philippines improved its ranking from 126th out of 175 economies in 2007 to 99th out of 190 in 2017.⁴⁸ Furthermore, while the time required to start a new business was reduced from 48 to 28 days⁴⁹, the number of procedures increased from 11 to 16.⁵⁰ This indicates that, although processing times improved, the procedures did not necessarily get simpler and less bureaucratic. This may be attributed to the narrow scope of RA 9485, which focused mainly on mandating fixed processing times for frontline services rather than evaluating the appropriateness of the underlying regulatory requirements themselves.⁵¹

Ease of Doing Business and Efficient Government Service Delivery Act of 2018

In response to public demand for an even more efficient, accessible and transparent system for business registrations and other public service transactions, President Rodrigo Roa Duterte signed the *Ease of Doing Business and Efficient Government Service Delivery Act* (RA 11032) into law on 28 May 2018. This landmark legislation was also seen as a necessary step towards boosting the Philippines' competitiveness within the Southeast Asian region by creating a more business-friendly environment conducive to attracting foreign suppliers and investors.⁵²

Strengthened GRP elements in RA 11032

RA 11032 significantly expanded and deepened the integration of GRP elements into the legal framework established by RA 9485. The new law is broader in terms of scope and applies to all government offices and agencies, including LGUs, GOCCs and other government instrumentalities, whether in the Philippines or abroad.⁵³ At the core of the law is the creation of the Anti-Red Tape Authority (ARTA), which serves as the oversight body responsible for ensuring effective

implementation of the law. In addition to updating the key provisions of RA 9485, RA 11032 introduces several new and important legal requirements. These key provisions are presented in the following sections (see Figure 4 for a summary of these provisions).

The Anti-Red Tape Authority

The creation of ARTA is perhaps the most salient feature of RA 11032, particularly given that earlier efforts to establish an oversight body for regulatory reform in the Philippines had not been successful.⁵⁴ According to Section 17 of the law, the Authority is attached to the Office of the President and mandated to ensure that the law's objectives are attained.⁵⁵ ARTA has 13 formal powers and functions⁵⁶, which can be grouped into two main categories: empowerment and enforcement (Figure 3).⁵⁷

ARTA's empowerment functions focus on simplifying procedures, removing unnecessary requirements and promoting transparent, efficient and inclusive service delivery.⁵⁸ ARTA works closely with NGAs, LGUs and stakeholders to implement reform initiatives, conduct RIAs and support digital transformation.⁵⁹

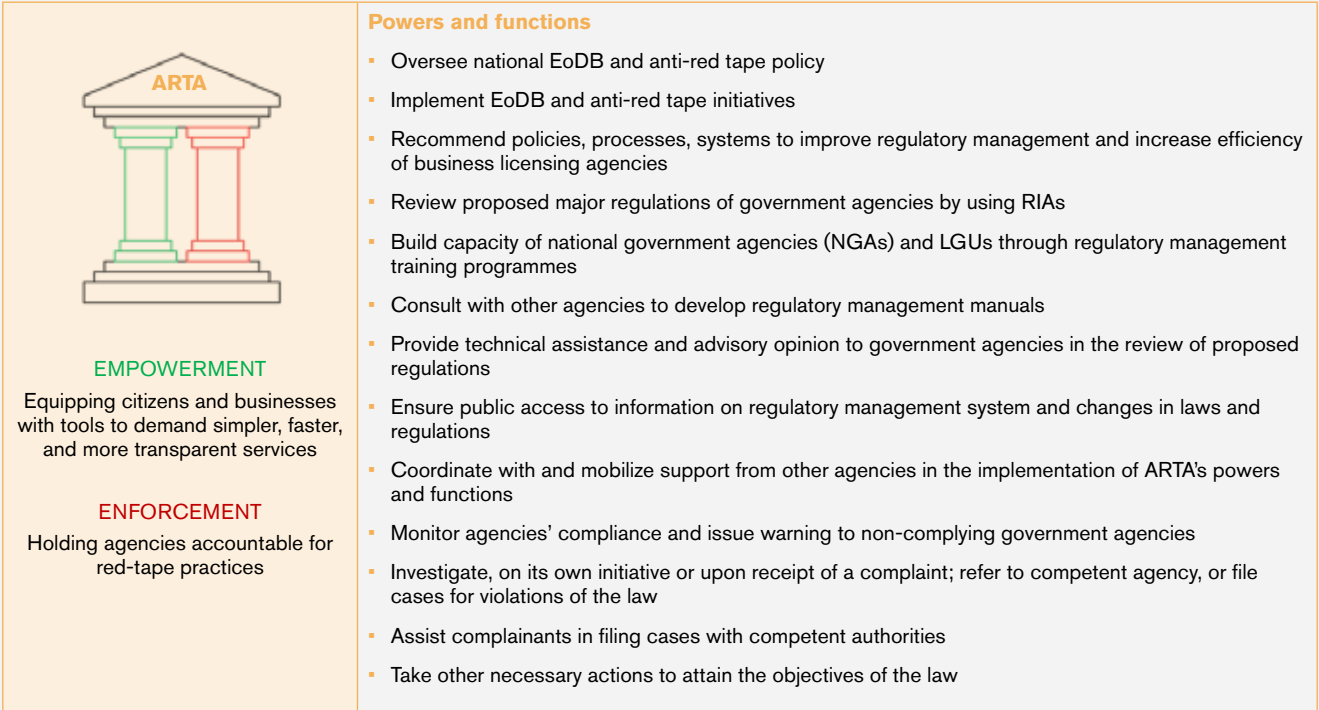
At the same time, ARTA exercises a strong enforcement mandate to uphold compliance with RA 11032. It monitors government agency performance, handles public complaints about red tape and inefficiencies and recommends sanctions for officials who fail to meet service standards.⁶⁰ By facilitating accountability through investigations and case referrals to the CSC and the OMB, ARTA ensures that government institutions are held responsible for delivering timely and effective services.⁶¹

Enhanced Citizen's Charter⁶²

The requirements of the Citizen's Charter are enhanced in RA 11032. All government agencies are mandated not only to set up the Charter in physical form and display it in the most conspicuous area of the office, but also to publish the most current and updated version of the Charter on the agency's respective website.

Furthermore, RA 11032 requires that the Charter include a comprehensive and uniform checklist of requirements for each type of application or request. This is in addition to the pieces of information on procedures, responsible personnel, maximum processing time, required documents, applicable fees and the procedure for filing complaints, which were already required under RA 9485.

Figure 3: ARTA's powers and functions



Source: WTO/World Bank, based on Section 17 of RA 9485 (amended by RA 11032).

Beyond being a transparency tool, the Citizen's Charter also serves as a basis for holding government offices accountable for imposing additional requirements or costs not explicitly indicated therein.

Application processing⁶³

In addition to the mandatory acknowledgement of receipt and preliminary assessment of application upon receipt provided under RA 9485, RA 11032 requires the receiving officer to assign a unique identification number to each application, which serves as a permanent identifier for the transaction. It also enables both the agency and the applicant to track progress through every stage of the application process.

RA 11032 also introduces stricter time frames for processing applications. Simple transactions are now to be completed within three working days, while complex ones are to be resolved within seven working days. Applications involving highly technical evaluations or issues of public health, safety, or policy shall be completed within a maximum of 20 working days.

Unlike the previous law, RA 11032 allows for only one extension of processing time, which is of equal duration to the original period and indicated in the Citizen's Charter. The competent agency is required to notify the applicant if such an extension applies to the specific case in writing, prior to the expiration of the first deadline. The written notice shall also include the reason for the delay and a definitive date for the release of the requested service.

Furthermore, all agencies are encouraged to produce electronic versions of authorizations, which are considered equivalent to hard-copy versions. The maximum number of signatures of responsible officers is reduced from five to three and the use of electronic signatures is permissible, provided that appropriate security and control mechanisms are in place.

Extended automatic approval⁶⁴

While the automatic approval mechanism only applied to requests for extension of authorization under RA 9485, under RA 11032 this mechanism extends to also cover

original applications. Accordingly, if an agency fails to decide on an application for authorization within the set processing time and the applicant has submitted all required documents and paid all fees, the application is deemed approved. In such a case, the receipt of acknowledgement together with the receipt of payment issued to the applicant serve as valid proof of authorization.

Zero-contact policy⁶⁵

A new feature introduced in RA 11032 is the implementation of the zero-contact policy. Accordingly, no government officer is permitted to communicate with an applicant once the initial assessment and validation of submitted requirements have been completed, unless such contact is deemed strictly necessary. All related transactions shall be carried out through a web-based software-enabled business registration system developed by the Department of Information and Communications Technology (DICT).

Single unified business application form⁶⁶

The requirement of a single or unified business application form, which was not present in RA 9485, is introduced under RA 11032. Pursuant to this provision, LGUs are mandated to use a single or unified business application form for both new applications and renewals. This form is intended to consolidate all information required by various local departments, including information relating to taxation, zoning, sanitation and fire safety, into one application form to reduce the need for multiple submissions. The law further provides that the unified form must be made available both in physical form in designated office areas as well as online, through technology-neutral platforms, such as the central business portal or LGUs' websites.

Business One-Stop Shop (BOSS)⁶⁷

In line with the new provision on a single unified business application form, RA 11032 mandates LGUs to establish a BOSS. This mechanism is designed to streamline the processing of local business authorizations by consolidating the functions of various LGU offices, such as those handling treasury, zoning, building, sanitation and fire safety, into a single location. For example, a bank would be required to submit its application for a banking licence directly to the Central Bank, but it would act through the BOSS to request any required local branch office authorization. Through the BOSS, applicants may submit the application

form either manually or electronically, and the necessary authorizations are processed collectively by co-located offices.

The law further requires LGUs to automate their business permitting and licensing system or set up an electronic BOSS (eBOSS) within 3 years from the entry into force of the law. The detailed operational requirements for eBOSS are provided in the *ARTA-DILG-DICT-DTI Joint Memorandum Circular No. 1, Series of 2021*.⁶⁸ Pursuant to Section 8.3.1 of the Circular, the gold standard for a one-step, end-to-end digital authorization process through an eBOSS requires the system to accept electronic submission of applications using a unified application form, support digital payments, issue authorizations electronically, and provide a gateway facility linked to courier services for applicants who prefer to receive hard copies. It must also ensure that a customer support system is available, at a minimum, during working hours.

Central business portal⁶⁹

RA 11032 mandates the establishment of a central business portal (CBP), which functions as a central system for receiving and capturing application data of business-related transactions, including primary authorizations handled at the national level and secondary authorizations issued by LGUs. The CBP may also provide links to the NGA's online registration systems.

In June 2022, the CBP was relaunched as the Philippine Business Hub (PBH).⁷⁰ Currently, the PBH platform allows new enterprises to register, obtain a tax identification number, and register as an employer with the social-insurance agencies.⁷¹ After these national registrations are completed via the PBH, businesses can then proceed to obtain the permits required at the local level through the LGU's BOSS or, where available, the eBOSS.

The functionality of the eBOSS will be significantly enhanced when it is integrated with the CBP/PBH, as local business-permitting processes and national-level registrations will be able to be carried out in a unified, end-to-end system.⁷² DICT is mandated to develop rules and guidelines for the operation of the portal in consultation with the National Privacy Commission, NGAs and LGUs. DICT is also tasked with developing interconnectivity infrastructure among NGAs and LGUs and leading public awareness campaigns about the CBP to promote its use and benefits.

Philippine Business Databank⁷³

Another feature introduced in RA 11032 is the establishment of the Philippine Business Databank (PBD), which is a government-managed database providing NGAs and LGUs with access to verified information on legal existence, registration status and other relevant details of businesses. Government agencies with access to the PBD must not require applicants to resubmit documents that are already available in the system. Instead, required information must be retrieved and crosschecked directly through the PBD.

At the local level, business process and licensing offices are prohibited from requiring previously submitted documents, such as tax clearances, occupancy permits, or neighbourhood clearances, if these have already been presented to other

departments in connection with other business-related authorizations. Within one year from the entry into force of the law, DICT is mandated, in collaboration with other agencies, to develop, maintain, and operate the PBD.

Report Card Survey⁷⁴

The provision on Report Card Survey has been upgraded in RA 11032. Now conducted by ARTA in collaboration with the Philippine Statistics Authority (PSA), the survey's scope is expanded to assess not only agencies' compliance with the Citizen's Charter but also their adherence to the broader requirements of the law. Furthermore, it also serves as a tool for recognizing high-performing agencies: the survey's results can indeed be used as a basis for granting awards, incentives and recognition for excellent service delivery, which adds a motivational element to compliance and performance improvement.

Figure 4: GRP elements embedded in RA 11032

 Citizen's Charter A publicly available service standard detailing: - Complete checklist of requirements for each type of application. - Steps to obtain a particular service. - Responsible person(s) for each step. - Maximum time to complete an application. - Document(s) required. - Fee(s) required. - Procedure for filing complaints.	 Application processing - Preliminary assessment and acknowledgement of receipt required upon submission. - Application deficiencies must be communicated to applicant during preliminary assessment. - Rejections must be justified and notified to the applicant.	 Processing time limit - Three working days for simple transactions. - Seven working days for complex transactions. - Twenty business days for highly technical transactions. One-time extension is allowed if indicated in the Citizen's Charter and notified in writing with reason for delay and release date.	 Automatic approval Original application or request for extension of authorization is deemed approved if the competent authority fails to process within the time limit.
 Electronic business one-stop shop (eBOSS) Streamlining the processing of local business authorizations by consolidating the functions of various LGU offices, including those dealing with business licensing, treasury, fire safety and construction.		 Central Business Portal (CBP) and Philippines Business Data Bank (PBD) - CBP serves as a central system to receive and capture data for business transactions, including authorizations from LGUs, and may link to online application systems of NGAs. - PBD serves as a repository of data on registered businesses, which can be used by NGAs and LGUs for verification purposes.	
 Single unified application form A streamlined form for business authorization applications that consolidates all required information required by various LGU departments, including those dealing with treasury, zoning, sanitary and fire safety.	 ARTA Anti-Red Tape Authority - Empowers agencies to improve efficiency in services delivery. - Enforces compliance with the provisions of RA 11032.		 Electronic authorization and signature - Issuance of electronic authorization is encouraged. - Maximum of three signatories per authorization document. - Electronic signatures are allowed.
 Public assistance/complaints desk Each government agency must set up a public assistance/complaints desk in their offices.	 Zero-contact policy No contact between government personnel and applicants allowed after preliminary assessment, unless strictly necessary.		

Source: WTO/World Bank, based on relevant provisions of RA 11032.

Implementation of RA 11032

To translate the broad mandate of RA 11032 into concrete actions, a series of memorandum circulars were issued to provide detailed guidance on the implementation of specific provisions of the law. The implementation of RA 11032 embraces a whole-of-government approach, which requires close collaboration among government agencies.⁷⁵ The implementation of the GRP elements embedded in RA 11032 will be discussed in the subsections that follow.

a. Implementation of the Citizen's Charter

In accordance with *ARTA Memorandum Circular No. 2019-002*⁷⁶, the Compliance Monitoring and Evaluation Office (CMEO) of ARTA provides a handbook template to guide agencies in preparing complete, accurate and standardized Citizen's Charters.⁷⁷ As of 31 December 2023, 10,724 out of 11,286 government agencies and LGUs had completed and submitted their Citizen's Charters.⁷⁸ This translates to a 95.02 per cent compliance rate and exceeds ARTA's target of 9,456 submissions for 2023.⁷⁹

To ensure agencies' compliance with the law's requirement, the CMEO regularly conducts inspections to evaluate completeness and proper display of the Citizen's Charters in the form of information billboards, handbooks and online copies.⁸⁰ The CMEO also facilitates orientation sessions for government agencies to deepen their understanding of RA 11032's requirements.⁸¹

b. Implementation of the Report Card Survey

The implementing guidelines for the Report Card Survey are provided through Memorandum Circulars No. 2022-04⁸² and 2023-04.⁸³ To ensure objectivity and credibility of the survey, ARTA contracted People Dynamics, Inc. as a third-party provider to develop and implement the survey instruments across participating offices.⁸⁴

Initially piloted in September 2022 with 50 participating agencies⁸⁵, the Report Card Survey 2.0 moved into first cycle implementation in November 2023.⁸⁶ During this phase, the survey attempted to expand its reach to 860 government offices nationwide. Despite the large-scale rollout, only 740 offices, i.e. 86 per cent of the total agencies, were successfully surveyed. The remaining 120 agencies, accounting for 14 per cent of the targeted pool, were not assessed due to lack

of data.⁸⁷ To complete the first cycle, 904 agencies were subjected to the 2024 Report Card Survey 2.0 implementation.⁸⁸ Out of these 904 agencies, 868 agencies successfully surveyed and 36 agencies did not obtain complete scores due to incomplete data.⁸⁹

ARTA's report on the 2024 implementation of Survey 2.0 presents a mixed landscape of government service delivery. Only 227 agencies (around 26 per cent) were rated at least "compliant", meaning they met the minimum standards set under RA 11032. Within this group, 99 agencies obtained a "compliant" rating, 69 achieved a "satisfactory" rating (reflecting basic service delivery that nonetheless leaves room for improvement), 49 were rated "very satisfactory", and 10 agencies distinguished themselves by earning the highest classification of "excellent". By contrast, 641 agencies (around 74 per cent) fell below the minimum standard: 106 agencies were marked "needs improvement", and 535 were categorized as "requires thorough review of RA 11032 requirements", indicating significant shortcomings in service quality and legal compliance. Compared with 2023, when 96 agencies were rated "very satisfactory," 64 "excellent", 83 "needs improvement", and 311 "requires thorough review", the 2024 results reflect a deterioration in both service quality and compliance under RA 11032.

c. Implementation of the eBOSS

As mentioned above, all LGUs were required to set up eBOSS within three years from the date the law took effect – a deadline that lapsed on 17 June 2021.⁹⁰ However, as of 31 December 2023, progress towards full implementation remained limited, with only 19 LGUs (1 per cent of all 1,634 LGUs nationwide) having established fully automated eBOSS systems, and an additional 611 LGUs (37.45 per cent) achieving partial automation.⁹¹ According to ARTA, by end-2024, 112 LGUs had fully implemented end-to-end eBOSS systems⁹², and this figure rose to 115 LGUs by May 2025.⁹³

It has been noted that one major reason for the delay in compliance was the issue of connectivity.⁹⁴ Smaller LGUs, particularly those in remote areas or those separated from business centres by seas, mountains or rugged terrain, often lacked the basic digital infrastructure necessary to support automation.⁹⁵ Recognizing this challenge, ARTA engaged with telecommunications companies and tower providers to develop a collaborative solution.⁹⁶ The resulting

arrangement encouraged LGUs to streamline their internal permitting processes to hasten the construction of telecom infrastructure in return for the prioritized delivery of connectivity services to their localities.⁹⁷

d. Implementation of CBP/PBH

As already mentioned, in June 2022, the CBP was relaunched under the new banner of the PBH.⁹⁸ The latter was further improved through ARTA's Business Process Mapping (BPM) project, which involved mapping all permits and licences throughout the business lifecycle for integration into the PBH.⁹⁹ According to ARTA, the implementation of the PBH shortened the time required to register a business to just three days and six procedural steps.¹⁰⁰

By December 2022, the PBH had facilitated the registration of 13,237 corporations and 9,994 sole proprietorships. The momentum continued into the following year.¹⁰¹ By 15 December 2023, the PBH had recorded a substantial increase, with 37,395 corporate registrations and 15,403 sole proprietorship registrations processed through the system.¹⁰² In addition, the PBH also processed 8,658 registrations for the Philippine Health Insurance Corporation, 9,704 for the Home Development Mutual Fund, and 10,127 for the Social Security System, as well as 11,381 tax identification numbers. These figures reflect the growing reliance on the PBH as a central hub for business-related transactions in the Philippines.

e. Complaint resolution

With a dedicated team of approximately 70 personnel, including the Contact of Service in ARTA's Legal Department, the Office of the Deputy Director General for Legal is tasked with addressing all complaints received. As of 31 December 2023, ARTA had received a total of 16,099 initial complaints. Of these, 15,898 were either resolved or referred to the appropriate government agencies for further action. Notably, four cases resulted in convictions for violating provisions of RA 11032. This translates to a remarkable complaint closure rate of 98.75 per cent.¹⁰³

However, ARTA encountered certain challenges in its complaint resolution efforts. In its 2022 report, the Commission on Audit (COA) noted areas where improvements could be made, particularly in the timeliness of resolving cases. While ARTA's procedures were designed to ensure prompt action, a few cases

took ARTA over 100 days to resolve.¹⁰⁴ COA also pointed out opportunities to strengthen documentation practices¹⁰⁵ and suggested ARTA review its current guidelines.¹⁰⁶ ARTA explained that some delays were related to the deferment of its electronic complaints management system, an initiative introduced in 2022 by the previous administration.¹⁰⁷ Due to budgetary constraints, full implementation of the system had to be postponed, which affected efforts to streamline and monitor complaints handling more effectively.¹⁰⁸

Other highlighted reform initiatives

The Philippine government has undertaken various initiatives to further embed GRP elements across public institutions. One of the flagship initiatives in this respect is the National Effort for the Harmonization of Efficient Measures of Inter-Related Agencies (NEHEMIA) programme, which seeks to promote a whole-of-government approach to regulatory simplification and efficiency. The programme targets critical sectors such as common towers in telecommunications infrastructure and interconnectivity, housing, food and pharmaceuticals, logistics, and energy.¹⁰⁹ The goal of the programme was to reduce by at least 52 per cent the time, cost, requirements and procedures associated with securing government approvals within a 52-week period.¹¹⁰

Parallel to sectoral streamlining efforts, ARTA issued several policy frameworks and manuals to institutionalize regulatory best practices. Notably, the *Philippine Good Regulatory Principles* (PGRP) were issued to provide a foundational guide on how government agencies should regulate.¹¹¹ Ten core principles have been identified: clarity in policy rationale; legal and empirical basis; benefits versus costs; assessment of alternative options through RIA; stakeholder engagement; policy coherence; whole-of-government approach; continuous evaluation of regulations' relevance, efficiency and effectiveness; regulations' compatibility with competition, trade and investment-facilitation; and risk management at every stage of the decision-making process.

Alongside the PGRP, ARTA released the *RIA Manual*, which provides government agencies with a structured methodology for conducting RIA to ensure the quality of existing and proposed regulations.¹¹² Additionally, the *National Policy on Regulatory Management System* (NPRMS) was issued to promote the adoption of a systematized approach to managing regulations in the Philippines. It provides a common framework on

GRPs, as well as establishing institutional arrangements and coordinating all regulatory activities across government.¹¹³ The NPRMS aims to ensure that all proposed and existing regulations are rational, fit-for-purpose and do not impose undue regulatory burden and cost on stakeholders.

Further to the strong political commitment to regulatory reform, President Ferdinand R. Marcos Jr. proclaimed the month of May as the official EoDB Month through a presidential declaration issued in March 2025.¹¹⁴ EoDB Month serves as a platform to raise public awareness, showcase reform achievements and renew inter-agency collaboration under the whole-of-government approach mandated by RA 11032.

During the first EoDB Month, ARTA launched the first *Philippine EoDB Reform Guidebook*, which was developed in collaboration with government agencies and private sector stakeholders.¹¹⁵ The Guidebook sets out priority reform areas and provides an implementation road map aligned with the EODB agenda. It is designed to serve as a reference document for policymakers, government offices and industry actors involved in efforts to improve the country's business environment.

Public impact

Over the course of approximately six years, the implementation of RA 11032 has produced measurable public impacts as reflected in the World Bank's first *Business Ready (B-Ready)* report, issued in 2024.¹¹⁶ The Philippines achieved a ranking within the top 20 of 50 assessed economies. The evaluation covered three principal areas critical to the ease of doing business: the quality of regulatory framework and public services, and operational efficiency within the business environment. In these areas, the Philippines ranked 16th, 24th and 46th respectively.¹¹⁷

These results highlight both progress and areas that require further attention. The country's strong performance in its regulatory framework underscores the impact that initiatives such as streamlined licensing procedures, the establishment of one-stop shops and the digitalization of business-related services make. Meanwhile, the mid-range ranking in public services and the relatively lower performance in operational efficiency point to ongoing challenges in service delivery and institutional coordination that need to be addressed to fully realize the goals of RA 11032.

Technical assistance

The rollout and implementation of RA 11032 have been bolstered by the support of the Philippines' development partners and international organizations. Among these, New Zealand emerged as a key partner in the country's EoDB reform¹¹⁸ that eventually led to a formal partnership with ARTA in 2021.¹¹⁹ The partnership aimed to advance EoDB initiatives on e-governance, capacity building, regulatory management, data-sharing across government agencies and public awareness campaigns in the Philippines.¹²⁰

Through the Improving Business Environment for Prosperity programme, the World Bank Group advised the Philippines on the implementation of RA 11032 and produced benchmarking reports that analysed the legal powers and organizational structure of ARTA against those of 13 regulatory oversight bodies from various other countries.¹²¹ The programme also contributed to the implementation of several key provisions of the Act, particularly those related to the Citizens' Charter, process reengineering, report card surveys, and the establishment of complaints referral and feedback mechanisms.¹²² The World Bank also supported the development of the *Philippine EoDB Reform Guidebook*.¹²³

Furthermore, in partnership with the UK¹²⁴, ARTA developed the PGRP through the review and adoption of established principles from the 2012 OECD *Recommendation of the Council on Regulatory Policy and Governance*¹²⁵, the *ASEAN Guidelines on Good Regulatory Practices*¹²⁶ and the *UK Regulators' Code*.¹²⁷ The formulation of the *RIA Manual* also benefited from the technical assistance provided by USAID.¹²⁸

Next steps in strengthening the EoDB reform

Building on its initial successes, the Philippine government is committed to making even greater strides towards a more efficient, transparent and responsive public services delivery. Several key next steps for advancing the EoDB reform in the country have been identified in ARTA's Accomplishment Reports¹²⁹ and the National Economic and Development Authority's *Philippine Development Plan 2023-2028*.¹³⁰

Expediting automation and streamlining for business authorization processes

NGAs and LGUs will fully operationalize existing initiatives aimed at automating and streamlining government services.¹³¹ Central to this effort is the integration of LGU

and NGA processes into the PBH and the PBD, enabling information-sharing among agencies, digital payment of fees, and the issuance of electronic certificates, permits and licences.¹³² The PBH is expected not only to ease compliance with regulatory and licensing requirements throughout the entire life cycle of a business – from initial registration to eventual closure – but also to support business in making necessary changes to their purposes or re-aligning their operations in response to evolving market opportunities and challenges.¹³³

In parallel, ARTA is scaling up its efforts to onboard additional LGUs into the eBOSS system; ARTA has set an ambitious target to bring more than 200 new LGUs into the eBOSS network, aiming to surpass 300 fully compliant LGUs nationwide by the end of 2025.¹³⁴

Continuing to eliminate redundant requirements and increasing regulation quality

Under the stewardship of ARTA and DICT, both NGAs and LGUs will intensify efforts to eliminate redundant, duplicative and unnecessary permits and licensing requirements.¹³⁵ ARTA will remain steadfast in promoting a whole-of-government approach to regulatory reform and will continue the NEHEMIA programme to streamline regulatory processes in priority sectors, including transportation, telecommunications infrastructure and financial technology.¹³⁶

This work will be complemented by the Modernizing Government Regulations Program led by DAP, NEDA and the Department of Budget and Management, which reviews and streamlines existing regulations with the goal of reducing compliance costs and improving GRPs across NGAs and LGUs.¹³⁷

To reinforce regulatory efficiency and coherence, the government will also implement the NPRMS. Building capacity for NPRMS implementation will be prioritized across NGAs and LGUs.¹³⁸ As part of this effort, the Philippine Business Regulations Information System, a web-based platform that ensures the dissemination of and access to information on regulatory management and changes in laws and regulations, will likewise be rolled out.¹³⁹

Strengthening monitoring and evaluation mechanisms

The Philippine Ease of Doing Business (PH EoDB) Reporting System is to be established.¹⁴⁰ This system

will adopt localized methodologies and criteria for evaluating the quality of regulatory practices in relation to their adherence to the PGRP and the compliance of government agencies with RA 11032.¹⁴¹ Furthermore, the system will provide a baseline for identifying and reporting EoDB reform initiatives and introduce incentive mechanisms linked to agency performance.¹⁴² In February 2025, the PSA granted clearance for the conduct of the PH EoDB Reporting System. Data will be collected from six NGAs and 321 LGUs, on all officially required procedures, as well as those commonly practised, along with the time and cost necessary for an entrepreneur to start and formally operate a business in the country. Findings are expected in late 2025.¹⁴³

Enhancing engagement with domestic and international stakeholders

Recognizing that meaningful reform requires active collaboration with a broad network of partners, ARTA will strengthen its engagement with stakeholders across the country and around the world to promote shared learning, build consensus and advance regulatory improvements.¹⁴⁴ Through various initiatives, ARTA aims to create inclusive platforms for dialogue, encourage the exchange of best practices and foster stronger partnerships in support of the EoDB agenda.¹⁴⁵

Lessons learned

The journey of the Philippines' EoDB reform through the implementation of RA 9485 to RA 11032 offers valuable insights on successes and challenges of regulatory reform. It demonstrates the incremental nature of institutional change, the central role of GRPs, and the enduring efforts of building a responsive, efficient and citizen-centred bureaucracy. Several key lessons emerge from this experience:

1. A progressive and evolving legal framework is essential

RA 9485 laid the groundwork for service standardization and transparency but was limited in scope. RA 11032 built on this foundation by embedding broader regulatory principles and creating a more holistic reform architecture. This progression underscores the importance of continuously updating legal frameworks to deepen and institutionalize reform.

2. Central oversight must be matched with operational capacity

The establishment of ARTA under RA 11032 was a major advancement, providing centralized leadership for reform. However, challenges in complaint resolution and monitoring capacity revealed that strong legal mandates must be supported by sufficient resources, staffing and operational readiness to be fully effective.

3. Digital tools transform service delivery, but infrastructure gaps must be addressed

The rollout of digital platforms such as the PBH and eBOSS accelerated reform implementation and improved service delivery. Yet, many rural and remote LGUs struggled due to limited connectivity and technological readiness, highlighting the need for parallel investment in digital infrastructure and capacity-building.

4. Standardization must be balanced with flexibility

While national standards ensure uniformity and predictability, the diversity in local government capacity calls for adaptable approaches. Effective reform must allow for localized implementation strategies while upholding core service delivery principles.

5. Feedback mechanisms are critical for adaptive reform

Tools such as the RCS have provided essential data on performance, bottlenecks and public satisfaction. These mechanisms have helped calibrate interventions and build public trust, demonstrating the value of continuous, institutionalized feedback loops in maintaining reform momentum.

6. International partnerships can accelerate change

Technical assistance from partners such as New Zealand, the World Bank and the United Kingdom played a catalytic role in supporting regulatory management, capacity development and the adoption of international best practices. Strategic collaboration with

development partners can significantly enhance reform impact and sustainability in the long run.

7. Reform is most effective when pursued collaboratively across sectors and levels of society

Fragmented efforts yield limited results, while broad, coordinated initiatives are more likely to produce lasting, system-wide change. The Philippines' experience underscores the importance of collective action across government institutions, local authorities and the wider public in driving meaningful and sustainable reform.

Conclusion

The evolution of the Philippines towards regulatory reform tells a story of steady, deliberate progress in building a government that is more responsive, transparent and effective. Through the *Anti-Red Tape Act* of 2007 and the *Ease of Doing Business and Efficient Government Service Delivery Act* of 2018, the government has made tangible strides in reducing administrative burdens and enhancing the accessibility of public services. These reforms, rooted in GRPs, reflect a vision of regulation not as an obstacle, but as an instrument for inclusion, innovation and progress.

Key innovations, such as the establishment of the ARTA, the rollout of digital platforms, and the use of performance monitoring tools, have contributed to a gradual shift in government culture towards greater transparency and accountability. Yet, like any long-term reform effort, the path has not been without its challenges. Variations in implementation across local governments, gaps in digital infrastructure, and the need for stronger coordination highlight the complexities of systemic change.

Still, the Philippine experience offers a hopeful and grounded lesson: that meaningful reform is possible when driven by clear purpose, inclusive engagement and a willingness to learn and adapt. The government's ongoing efforts to strengthen regulatory governance may serve as a valuable reference for others on similar paths. As reforms continue to take root and evolve, they hold the potential to shape a more equitable, dynamic and citizen-centred future for the Philippines.

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Case study

Thailand

Ease of Doing Business reforms

- ① Overview
- ② Thailand's economy and the importance of the services sector
- ③ GRP commitments in Thailand's services trade agreements
- ④ Ease of Doing Business reforms in Thailand
- ⑤ Next steps
- ⑥ Lessons learned
- ⑦ Conclusion

Overview

Over the past decade, Thailand has undertaken a comprehensive reform agenda to enhance regulatory transparency, simplify administrative procedures and improve the overall ease of doing business in the country. Spurred by critical findings from international assessments and domestic legal reviews, the Thai government sought to move away from a legacy of control-based regulation and towards a more service-oriented model of governance. Beginning in 2015, a suite of legal and institutional reforms laid the groundwork for embedding GRPs across the public sector.

This case study examines the evolution and implementation of Thailand's ease of doing business (EoDB) reforms, focusing on the legislative and policy tools used to institutionalize GRPs, including the *Licensing Facilitation Act 2015*, the *Rules on Legislative Drafting and Evaluation of the Outcomes of Law Act 2019*, the *Constitution of the Kingdom of Thailand 2017*, the *Digitalization of Public Administration and Services Delivery Act 2019*, and the *Act on Carrying Out of Public Services via Electronic Means 2022*. It also explores the operationalization of these reforms through the establishment of digital platforms and regulatory streamlining initiatives. Finally, the study considers the ongoing challenges of implementation and reflects on broader lessons. Thailand's experience offers interesting insights on building a transparent, efficient and user-focused regulatory system.

Thailand's economy and the importance of the services sector

Thailand's economic trajectory reflects a successful shift from agricultural dependence to a modern, industrial and export-led economy.¹ Over the past two decades, the services sector has emerged as a cornerstone of the Thai economy. Since 2020, Thailand has experienced a deficit in trade in services. This deficit was driven by the collapse of tourism following the COVID-19 pandemic, which led to a sharp fall in travel service exports. The tourism industry has gradually recovered but travel service exports have not yet reached their pre-pandemic levels.

In 2024, Thailand generated US\$ 526.41 billion in GDP², of which the services sector accounted for 59.2 per cent of total value added.³ Service exports

were valued at around US\$ 71.36 billion, while service imports reached US\$ 73.33 billion.⁴ Exports were headed by travel services at US\$ 42.69 billion, followed by other commercial services at US\$ 21.08 billion and transport services at US\$ 7.58 billion. On the import side, other commercial services reached US\$ 34.62 billion, transport US\$ 23.01 billion, and travel US\$ 15.70 billion. Figure 1 shows the development of Thailand's commercial services trade between 2015 and 2024 and its sectoral distribution in 2024.

Between 2019 and 2024, Thailand experienced strong growth in digital trade, outpacing the global average and despite starting from a relatively low base. Over this period, exports of digitally delivered services nearly doubled, from US\$ 9.67 billion to US\$ 17.60 billion in 2024, while imports increased from US\$ 22.36 billion to US\$ 33.37 billion.⁵ Figure 2 depicts the 2015–2024 growth of Thailand's digitally delivered services trade and its 2024 sectoral structure.

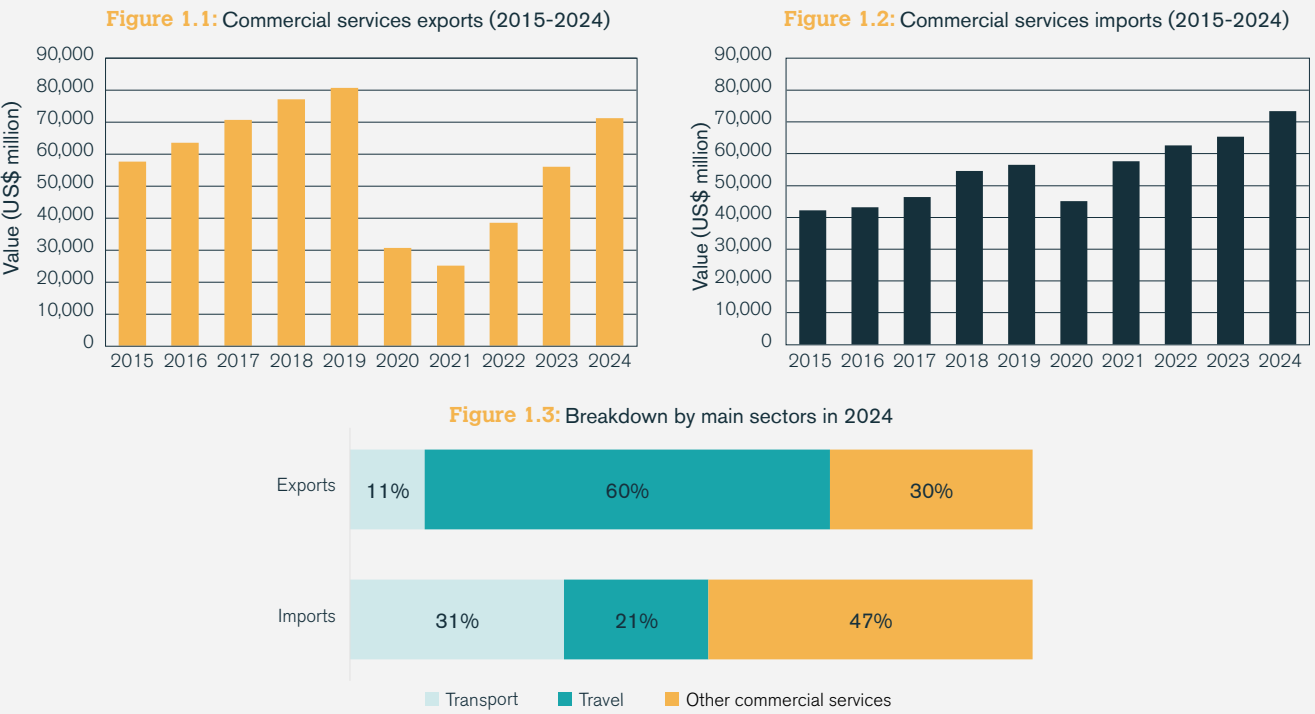
In terms of employment, about half of all Thai workers are employed in the services sector. The National Economic and Social Development Council (NESDC) of Thailand reported that, in 2022, the services sector employed 20.8 million people (53 per cent of total employment).⁶

GRP commitments in Thailand's services trade agreements

Since joining the WTO in 1995, Thailand has actively pursued the liberalization of services trade through a series of bilateral and regional trade agreements. The latter have increasingly placed emphasis on the adoption and implementation of GRPs to promote transparency, administrative efficiency and regulatory predictability of trading relations. As a member of ASEAN, Thailand has entered into PTAs with several major economies, including Australia, China, India, Japan, New Zealand and the Republic of Korea. In January 2022, Thailand further deepened its regional integration with the entry into force of the RCEP.⁷

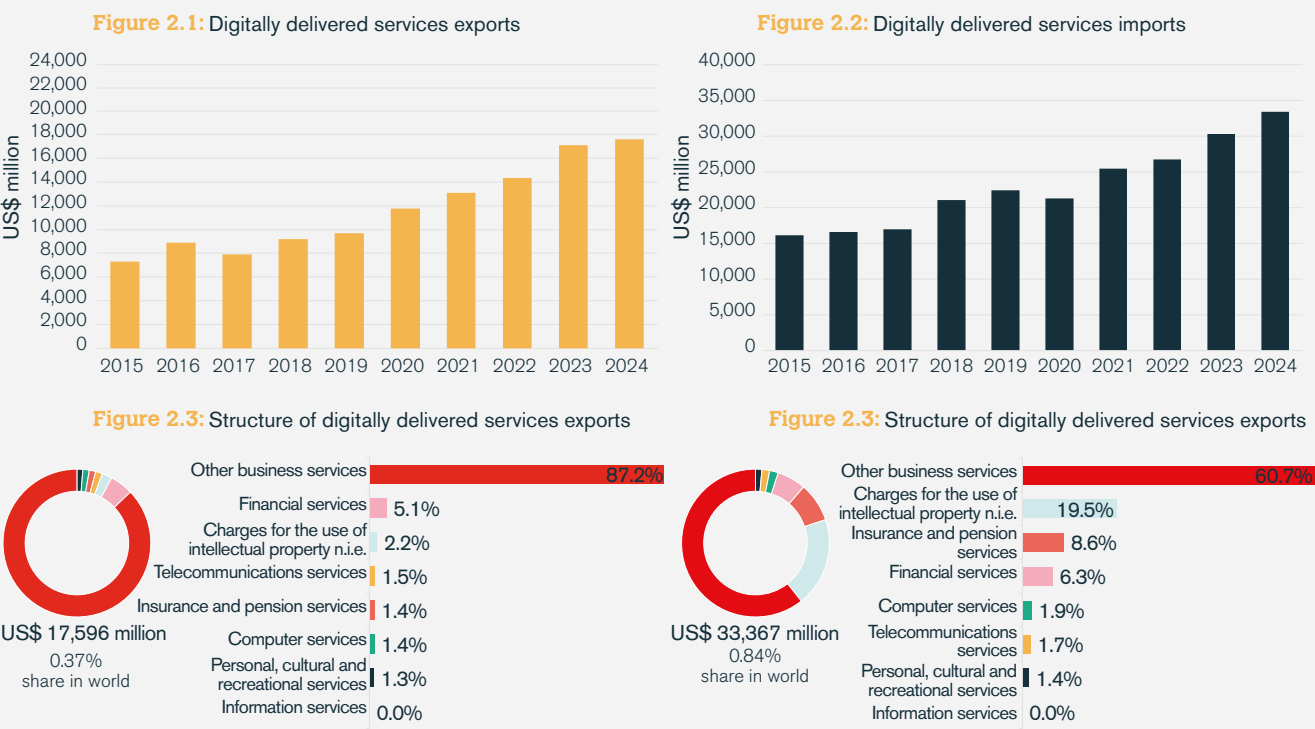
Thailand's earlier trade agreements generally incorporated basic elements of GRPs, including the obligation to publish information on licensing procedures and requirements⁸, inform applicants of the status and outcome of their applications⁹, permit the correction of minor errors¹⁰, and decide on authorization

Figure 1: Commercial services trade between 2015 and 2024, and sectoral composition in 2024



Source: WTO, Statistics – Trade in commercial services.

Figure 2: Digitally delivered services trade between 2015 and 2024, and its sectoral composition in 2024



Source: WTO, Statistics – Digitally delivered services trade dataset.

applications based on transparent and objective standards.¹¹ More recent agreements, such as RCEP and certain ASEAN+1 PTAs, mark a notable shift toward incorporating more robust GRP provisions. These include commitments on establishing indicative time frames for processing applications¹², acceptance of electronic submissions¹³, and reasonable opportunity for public comments on proposed regulatory measures.¹⁴

In 2018, together with other APEC member economies, Thailand endorsed the APEC *Non-binding Principles for Domestic Regulation of the Services Sector*.¹⁵ These principles encourage the adoption of GRPs, such as publication of information, administrative efficiency and stakeholder consultation, to foster a more open, efficient and predictable regulatory environment for services trade across the APEC region.

At the WTO, in 2024, Thailand adopted the SDR Disciplines in its schedule of specific commitments.¹⁶ This underscores Thailand's commitment to enhancing the quality and coherence of its domestic regulatory frameworks in a manner consistent with internationally agreed rules.

Ease of Doing Business reforms in Thailand

Prior to 2014, with the ambition of enhancing the country's investment and business prospects, successive Thai governments had heavily invested in hard infrastructure, such as roads, power grids, airports, seaports and similar assets.¹⁷ However, studies by international institutions consistently placed Thailand's national competitiveness in relatively modest positions. In 2014, in the World Economic Forum (WEF)'s *Global Competitiveness Report*, Thailand ranked 31st out of 133 countries¹⁸, while in the International Institute for Management Development (IMD)'s *World Competitiveness Yearbook*, it ranked 29th out of 60 economies.¹⁹ These rankings suggest that investing in infrastructure development is only one component of a strategy to enhance national competitiveness.²⁰ As pointed out in the WEF's *Global Competitiveness Report 2014-2015*, key obstacles to doing business in Thailand, besides government instability, were mainly related to good governance, including concerns about corruption, bureaucratic inefficiency and policy instability.²¹

Against this backdrop, the government led by General Prayuth Chan-o-cha, who assumed office in 2014, commissioned the Law Reform Commission (LRC) of the Office of the Council of State (OCS) to conduct

a comprehensive review of over 650 legislative instruments, including both acts in force and draft bills pending approval at that time.²² The findings of the analysis revealed that approximately 90 per cent of Thai legislation was still based on a close government control model that was developed for the trade protectionism regime during the 1950s to 1970s.²³

Under this antiquated model, nearly all economic and social activities required licensing or prior authorization.²⁴ As there were no standard rules on licensing procedures, licensing authorities had broad discretionary powers. The predictability of regulatory decisions, therefore, depended largely on individual officials handling them.²⁵ Moreover, authorities were empowered to issue secondary legislation, the purpose of which was often to facilitate the operations of government agencies rather than to serve or protect the public interest.²⁶ Cost-benefit and cost-effectiveness analyses, as well as stakeholder consultation were virtually absent in the regulatory process.²⁷

Based on its findings, the LRC recommended a set of measures to the Council of Ministers (Cabinet) for further action. These recommendations laid the groundwork for Thailand's subsequent efforts to modernize its regulatory framework and shift toward a more transparent, efficient and user-oriented model of governance.

Embedding GRP elements into Thailand's regulatory framework

Building on the LRC's recommendations, the Thai government initiated a comprehensive legal overhaul aimed at embedding GRP elements into its regulatory system. The LRC specifically proposed three pieces of legislation²⁸ – the *Licensing Facilitation Act 2015*, the *Royal Decree on Revision of Law 2015* (also known as the Sunset Law), and a draft law on regulatory impact assessment. These were subsequently complemented by a broader framework, including the *Constitution of the Kingdom of Thailand 2017*, the *Rules on Legislative Drafting and Evaluation of the Outcomes of Law Act 2019*, the *Digitalization of Public Administration and Services Delivery Act 2019*, and the *Act on Carrying Out of Public Services via Electronic Means 2022*. The following sections will examine the key GRP-related provisions contained in these laws.

Licensing Facilitation Act 2015

The *Licensing Facilitation Act*, B.E. 2558 (LFA) was adopted by the National Legislative Assembly

on 22 January 2015 and took effect from 21 July 2015.²⁹ Its enactment is seen as a pioneering piece of legislation paving the way for various reform efforts to improve the efficiency of the public sector.³⁰ Promoting two overarching principles of greater transparency and less administrative discretion, the Act aims to streamline the processes by which individuals and businesses obtain licenses and approvals from government agencies. The Act applies to all government authorities responsible for issuing authorizations that are required by law, except for certain agencies or procedures.³¹

The LFA incorporates several important GRP elements into Thailand's licensing system. These are (a) the mandatory publication of licensing manuals; (b) the establishment of procedures for document verification and applicant protection; (c) the imposition of time frames for application processing; (d) the creation of a One-stop Shop Service Centre; as well as (e) the requirement for the periodic review of licensing procedures. These GRP elements are examined in the subsections that follow.

a. Publication of licensing manuals³²

A key element of the LFA is the obligation for all licensing authorities to create licensing manuals for public use. Under Section 7, these manuals contain, at a minimum, the rules, procedures and conditions applicable to the licensing applications; the workflow and the time required for the granting of the license; and the list of documents or evidential materials that must accompany the application. While the Act permits the submission of applications via electronic means, this option is only available if the competent authority expressly provides for it in the licensing manual. The time frame for processing applications is likewise left to the discretion of each authority.

The licensing manual must be available at the location where applications are submitted and disseminated via electronic media. Upon request, the competent official must provide a physical copy of the manual, subject to the payment of an appropriate service charge, the amount of which must also be specified in the manual.

b. Document verification and applicant protection³³

Under Section 8 of the LFA, competent officials, upon receiving a licensing application, must promptly examine the completeness of the application, including

all required documents or evidential materials. Should deficiencies be identified, the official is obliged to advise the applicant to make corrections. If such corrections can be made immediately, they must be carried out on the spot. If not, the official must record the deficiencies, the specific requirements for rectification, and the time frame within which corrections must be made. This record must be signed by both the official and the applicant, and a copy must be provided to the latter.

If the application is complete as specified in the licensing manual, or if the application has been corrected as suggested by the official on the spot or as recorded in the deficiency record, the official is barred from requesting additional documentation or refusing to process the application on grounds of prior deficiencies. Should a license be wrongfully withheld on the basis of such claims, the law requires that the responsible official be subject to disciplinary or criminal proceedings. This provision is designed to serve as a safeguard against arbitrary or repetitive demands that could undermine procedural fairness during the licensing process.

However, it appears that the Act does not require a formal record of when an application is deemed complete. This procedural gap creates a degree of ambiguity as to the precise point at which the official's obligation to proceed with the application, along with the prohibition against requesting additional documents, takes effect – thereby diluting the effectiveness of the intended safeguard.

c. Time-bound decision-making³⁴

Section 10 of the LFA establishes binding time frames for licensing decisions. Authorities are required to complete their consideration of an application within the time specified in the licensing manual. Upon concluding the decision-making process, the competent official must notify the applicant of the result within seven days. If the official fails to conclude processing the application within the prescribed period, a written clarification must be issued to explain the cause of delay to the applicant every seven days until a final decision is rendered. Each such notification must also be transmitted to the Public Sector Development Commission (OPDC).

The Act further empowers the OPDC to review whether such delays are the result of inefficiency or other unreasonable causes. If so, it must report its findings to the Cabinet and submit recommendations for institutional or procedural improvement.

In cases where no explanation is provided, and the delay is not attributable to *force majeure*, the failure to act is deemed an omission causing damage to another person. This approach introduces a measure of administrative accountability and reinforces the principle that licensing agencies must not only act, but act within clearly defined time limits to ensure predictability.

d. Establishment of the One-stop Shop Service Centre³⁵

Another innovation introduced by the LFA is the establishment of the One-stop Shop Service Centre (OSSC). Under the Act, the OSSC operates as a government agency attached to the Office of the Prime Minister. Branches of the OSSC can be established in any ministry or province as necessary.

The OSSC's duties are set out in Section 16 of the Act. It is authorized to receive license applications, fees, and appeal requests and forward them to the competent licensing authority. The OSSC is also tasked with providing the public with information and clarification regarding licensing rules and procedures. Importantly, the OSSC is bound by the same procedural obligations and accountability standards as those applied to the licensing authorities.

To support the OSSC's functions, licensing authorities are required to disseminate up-to-date licensing manuals to the OSSC and to provide training to the OSSC officials to ensure consistency and competence in service delivery.

e. Regulatory review³⁶

The LFA imposes on government agencies the obligation to periodically review the legal frameworks underpinning their licensing powers. Specifically, every five years – or earlier, if deemed necessary – each competent authority must examine the laws that authorize it to issue licenses. This review is intended to determine whether the existing procedures remain appropriate or should be repealed or replaced with alternatives that are more streamlined, less time-consuming and better aligned with principles of administrative efficiency.

Constitution of the Kingdom of Thailand 2017

Section 77 of the 2017 Constitution formalizes the implementation of GRPs across governmental institutions and throughout the decision-making process.³⁷ It mandates that laws should be enacted

only when necessary and that outdated, unsuitable or unnecessarily burdensome laws be revised or repealed. Additionally, laws must be easily accessible and understandable to the public to facilitate compliance. Prior to enacting any new legislation, the government is required to conduct stakeholder consultations and systematically assess the potential impact of the proposed law. The findings from these consultations and assessments must be publicly disclosed and considered at every stage of the legislative process. After a law comes into effect, its implementation and outcomes must be regularly reviewed, again involving stakeholder consultation, with a view to ensuring its continued relevance amid changing circumstances.

Furthermore, the Constitution requires laws to clearly define the rules governing the exercise of official discretion and to set time limits for each procedural step. These provisions are particularly relevant for the services sector, where complex licensing and regulatory requirements often affect market entry and operation. By mandating stakeholder consultation, regulatory impact assessment and regular review, Section 77 helps ensure that service-related regulations remain transparent, proportionate and responsive to business needs.

Section 258 of the Constitution complements these provisions by setting specific targets related to national reforms and includes related directives tied to Section 77. These include the establishment of a mechanism for reviewing existing laws, regulations and rules prior to the date of promulgation of the Constitution; enhancing legal education to promote ethical and informed legal practitioners; developing a public legal database to improve access and understanding; and facilitating public participation in lawmaking through assistance mechanisms for proposing draft laws.³⁸

Rules on Legislative Drafting and Evaluation of the Outcomes of Law Act 2019

The *Rules on Legislative Drafting and Evaluation of the Outcomes of Law Act*³⁹ was established in 2019 to implement the requirements under Section 77 of the Constitution, consolidating provisions on the processes and tools necessary for good quality regulation into a single legal instrument.⁴⁰ As such, it serves as the key reference text for the application of GRPs in Thailand.⁴¹

This Act builds upon and expands the principles set out in the Sunset Law 2015⁴² by providing more systematic processes of legislative review. While the Sunset Law only required *ex post* review of laws at least once every five years from their entry into force⁴³, the 2019 Act looks at the entire regulatory cycle and also mandates *ex ante* RIA, stakeholder engagement procedures and regular assessment of existing laws.⁴⁴ Under the 2019 Act, regulatory quality standards, such as necessity, proportionality, effectiveness, transparency and minimization of public burden, apply not only to the review of existing laws but also to the drafting of new legislation.⁴⁵ Notably, the 2019 Act only requires *ex ante* RIA for draft primary legislation, and not for secondary legislation, whereas *ex post* review is required for both primary and secondary legislation. In 2022, the scope of *ex ante* RIA was extended to all secondary legislation that has an impact on people or businesses under a Ministerial Regulation titled *Prescribing Draft Regulations Which Must Conduct Public Consultation and Impact Assessment*.⁴⁶

Since the entry into force of the Act and its *Guidelines for Evaluation of the Outcomes of Law* in 2019⁴⁷, the Sunset Law has been repealed.

Digitalization of Public Administration and Services Delivery Act 2019

Thailand's first dedicated law on digital government⁴⁸, the Digitalization of *Public Administration and Services Delivery Act*, B.E. 2562⁴⁹, was introduced in 2019 to drive digital transformation forward across the public sector. The Act focuses on three key areas: (a) user-focused digital service delivery; (b) cross-agency data integration; and (c) open government data promotion.

a. User-focused digital service delivery

Section 4 mandates that all state agencies provide services via digital means, with the aim of enhancing efficiency, accessibility and responsiveness in public service delivery. Section 11 provides that, where a law or regulation requires an applicant to submit a government-issued document, this obligation shall not fall on the applicant if the document originates from another state agency. Instead, the receiving agency is required to obtain necessary data or documentation directly from the issuing agency through digital means. Furthermore, in Section 12, government agencies are

required to develop supporting systems, including a digital payment system and a system for digital identification and identity verification. Additionally, competent agencies must implement appropriate security and protection measures for accessing digital services, including cybersecurity safeguards, to ensure readiness, credibility and transparency in digital government service delivery.

b. Cross-agency data integration

Concerning data integration and interoperability among government agencies, Section 4(2) calls for the development of standards and infrastructure to enable secure and efficient data sharing across government agencies. The obligation to facilitate such integration is further elaborated in Sections 13 and 14, which require agencies to share digital data with one another upon request, provided it is relevant to their official duties. To support this, Section 15 establishes a centralized data exchange centre that acts as an intermediary platform for coordinating inter-agency digital connectivity.

c. Open government data promotion

To promote open government data, Section 17 requires state agencies to publish government information digitally, ensuring public access without cost, and enabling the reuse of data for the development of services and innovations. Section 18 reinforces this by establishing an open government data centre and mandating that data disclosure standards align with internationally accepted open data principles.

Act on Carrying Out of Public Services via Electronic Means 2022

The *Act on Carrying Out of Public Services via Electronic Means*, B.E. 2565 (2022) came into force on 10 January 2023.⁵⁰ This legislation marks another important step in Thailand's efforts to modernize government service delivery by requiring state agencies to provide public services through electronic means.⁵¹

At the core of the Act lies the principle that electronic processes are to be treated as legally equivalent to traditional paper-based ones. Section 7 explicitly authorizes applicants to submit license applications, supporting documents and related filings electronically.⁵² Importantly, it prohibits state officials from rejecting such applications solely on the grounds that they were submitted through digital channels. This principle also

extends to payments made to government agencies, including application fees, taxes, fines and other forms of payment.⁵³ Additionally, Section 11 requires that any subsequent correspondence or issuing of documents following such filings be carried out electronically, unless the applicant expressly requests otherwise.⁵⁴

The Act further sets out procedural rules to facilitate electronic filings. Copies of documents submitted electronically are not required to bear physical signatures to be considered certified.⁵⁵ Where laws require submission of multiple copies of the same document, a single electronic submission of such a document is deemed sufficient.⁵⁶ Moreover, in cases where copies of original paper documents presented by the applicant are necessary, the relevant agency is responsible for making and certifying copies at its own expense.⁵⁷ The key milestones in embedding GRP elements in Thailand's regulatory framework are presented in Figure 3.

Making GRPs work: implementation of EoDB reforms

While great strides in embedding the GRP elements in the legal instruments have been made, the practical success of these reforms ultimately depends on their implementation. This section examines how the GRP elements have been put into practice to simplify procedures, increase transparency and improve public service delivery through the implementation of the

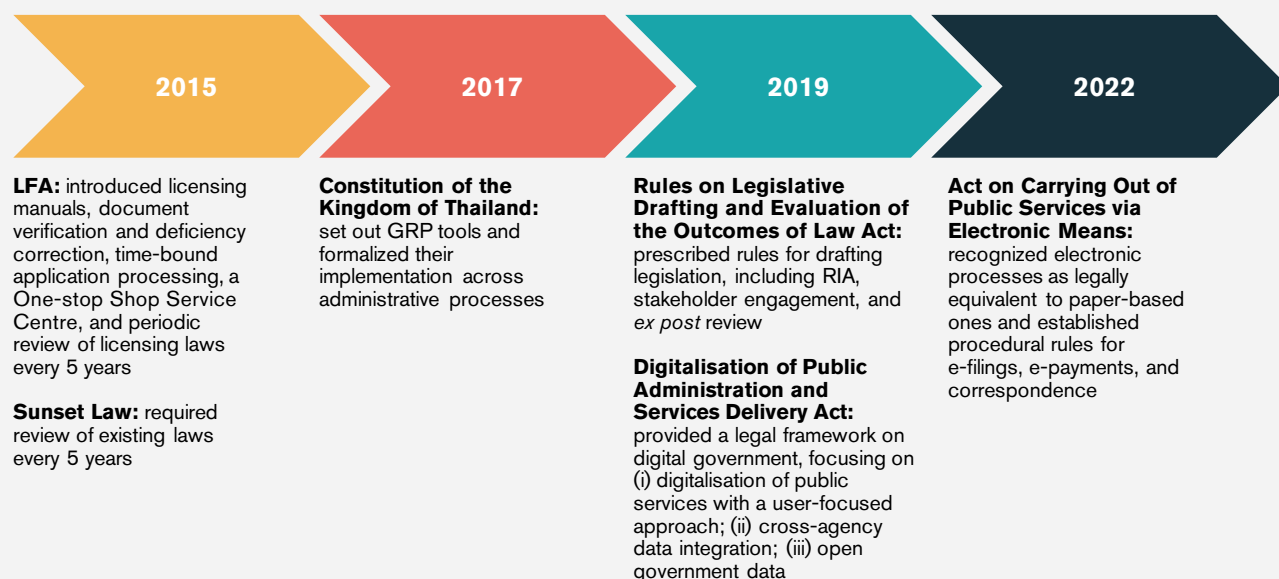
LFA, the expansion of e-government platforms, and the operationalization of regulatory review mechanisms.

Implementation of the LFA

Since the enactment of the LFA, significant progress has been made in enhancing the transparency, efficiency and accessibility of government licensing procedures. One of the Act's most notable achievements has been the development and dissemination of the licensing manuals. By the end of 2020, 3,418 licensing manuals had been produced and made publicly available.⁵⁸ As of 2023, this number had risen to 3,997 – an increase of approximately 17 per cent over the three-year period.⁵⁹

Furthermore, the reform has resulted in a measurable reduction in regulatory burden. As of 2023, 63 government agencies had managed to reduce licensing procedural steps by between 30 and 50 per cent for a total of 532 types of licenses, with the average processing time reduced by 41.7 per cent.⁶⁰ In some cases, the impact was even greater. For 41 specific licenses, the time required to complete the licensing process dropped by more than 70 per cent.⁶¹ Equally noteworthy was the reduction in documentary requirements imposed on applicants: a total of 1,212 document types were eliminated from application processes across 58 agencies, affecting 530 types of licences.⁶²

Figure 3: Key milestones in embedding GRP elements in Thailand's regulatory framework



Source: WTO/World Bank, based on Thai legislative instruments adopted between 2015 and 2022.

In support of Thailand's broader digital government agenda, the issuance of electronic documents has also been implemented. As of 2023, 50 agencies had issued 148 types of official documents, including electronic receipts and corporate registration certificates, through digital platforms.⁶³ To complement these developments, legal reviews had been undertaken for 56 licensing schemes across 22 agencies to ensure that existing laws were compatible with digital service delivery.⁶⁴

An example of the implementation of the LFA can be seen in the education sector. The Office of the Private Education Commission (OPEC) implemented reforms under the LFA to improve licensing processes for international schools. In line with Section 7 of the LFA, OPEC published a detailed licensing manual for the establishment and operation of international schools.⁶⁵ The manual outlines procedures, required documents, fees and expected timelines, and is available in Thai. Licensing timelines were established and published online.⁶⁶ Specifically, the process for the establishment of a school is broken down into specific steps across a 30-day window, including 1 day for document receipt, 7 days for document review, 6 days for school inspection, 15 days for license issuance and 1 day for license notification. While Section 19 of the *Private School Act 2007* already requires completion of the process within 30 days⁶⁷, OPEC's updated timeline provides a more detailed and structured breakdown of each procedural step, improving clarity and consistency in implementation.

Beyond the services sector, the LFA's provisions have also been implemented across a wide range of regulatory domains. One such example are the reforms undertaken by Thailand's Food and Drug Administration (FDA) which came into effect on 1 May 2024. In compliance with Section 7 of the LFA, the FDA revised its manuals to reflect the updated procedures, which now cover more than 100 guiding documents. Additionally, the FDA has upgraded its information systems and revised 375 procedures to support the implementation of the electronic application submission system. Furthermore, the FDA removed the requirement for three commonly required documents: copies of national ID cards, house registration documents and business registration certificates. These documents, which can now be retrieved electronically through system linkages with the Department of Provincial Administration (DOPA) and the Department of Business Development (DBD), are no longer required to be submitted by entrepreneurs seeking health product approvals.

E-Government Services

As part of Thailand's digital government strategy, e-government platforms such as the Centralized Information System for Government Services (info.go.th), the Government Central Service System for Businesses (bizportal.go.th), and the DBD Biz Regist (edbr.dbd.go.th) – available only in Thai – have been developed. This subsection looks at how these platforms contribute to the practical implementation of GRP elements by enhancing regulatory transparency and streamlining administrative procedures for investors and businesses.

a. Centralized Information System for Government Services

To facilitate the dissemination of the licensing manuals to the public, the Digital Government Development Agency (DGA), in collaboration with the OPDC, launched in 2015, the Centralized Information System for Government Services (accessible via info.go.th).⁶⁸

From the user's perspective, the platform significantly simplifies access to information and has become an essential feature of Thailand's digital government architecture. Users can search for licensing requirements and procedures by service, agency, or type of document, and receive information tailored to their needs. The platform also maps data for public service offices, offers navigational support by linking location data to mapping applications for showing directions, and includes public feedback mechanisms to express satisfaction or lodge complaints. For government agencies, the platform provides a structured digital environment to manage, review and update information in real time. Agencies can also monitor user satisfaction, and record data on instances where processing times exceed the timelines set under the LFA. As of August 2023, all licensing manuals were published on the online system.⁶⁹

b. Government Central Service System for Businesses

Launched in 2016, through the joint efforts of the OPDC, the DGA, and other relevant bodies, the Government Central Service System for Businesses (accessible via bizportal.go.th) was developed as an integrated one-stop electronic government services system to support entrepreneurs and businesses.⁷⁰

In terms of functions, the portal supports entrepreneurs' applications, renewals, modifications, and cancellations of certificates, licenses, and various official documents digitally. It consolidates data from multiple agencies and allows applicants to submit requests, track progress, make fee payments, and receive electronic licenses entirely online. For government agencies, the Biz Portal serves as a shared service infrastructure, especially useful for those without their own digital systems, to streamline application processing, collect fees and issue licenses.

By 2022, the portal had offered services for 94 licenses across 25 business categories in Bangkok and 18 licenses across 10 business categories in all 76 provinces.⁷¹ Between 2020 and 2021, 36 of these licensing procedures – approximately 38 per cent – were upgraded to fully digital status.⁷² As of August 2024, the number of services available through the portal had increased to 134, reflecting a 20 per cent rise compared to 2022.⁷³ However, this accounted for only a limited share of government services available.

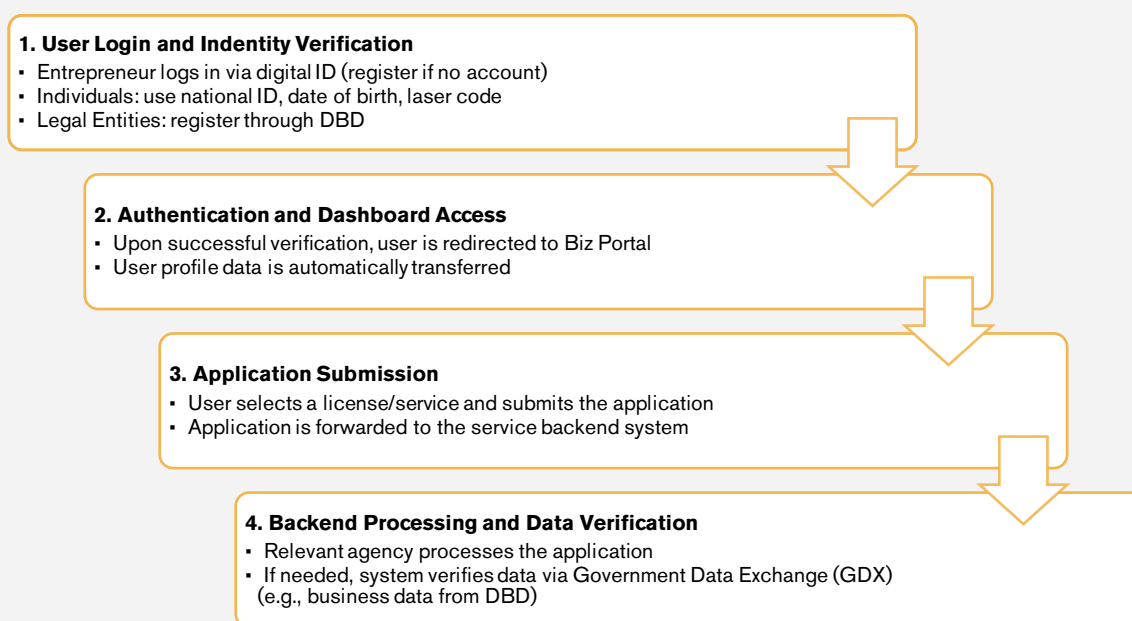
In fact, by 2022, there had been approximately 343 e-services offered by 117 agencies⁷⁴, out of several thousand public services nationwide.

The application submission workflow and the corresponding backend processing steps through the Biz Portal are shown in Figures 4 and 5.⁷⁵

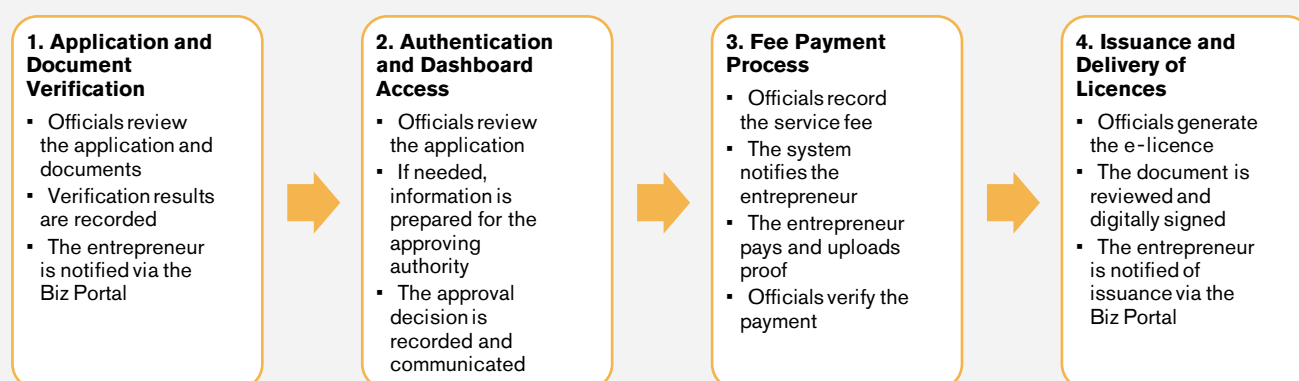
c. DBD Biz Regist

In January 2025, the DBD launched a digital platform called "Biz Regist" (accessible via edbr.dbd.go.th). This platform offers a fully digital, end-to-end solution for the registration of partnerships and private limited companies in Thailand. This initiative marks another important step forward in Thailand's efforts to modernize and streamline its corporate registration system, particularly in the light of a 2022 government report revealing that paper-based registrations still accounted for 96 per cent of all submissions, while online registrations made up only 4 per cent.⁷⁶

Figure 4: Application Submission Workflow through the Biz Portal⁷⁵



Source: WTO/World Bank, based on information provided on the Biz Portal, <https://www.dga.or.th/en/bizportal-2/>.

Figure 5: Backend Processing Workflow for Licensing Applications through the Biz Portal⁷⁶

Source: WTO/World Bank, based on information provided on the Biz Portal, <https://www.dga.or.th/en/bizportal-2/>.

A key feature of the new system is the possibility to complete the entire application and identity verification process online. Users can create accounts on the platform and authenticate their identity through secure digital channels.⁷⁸ The platform also supports the use of electronic signatures, allowing applicants to sign and submit documents without the need for their physical presence.⁷⁹ Upon approval, certified corporate documents are issued in digital format and made available for immediate download through the platform.⁸⁰ The platform is designed to facilitate the completion of the full registration process within a single business day.⁸¹

Although the DBD had set 1 July 2025 as the target date for shifting all business registration services to the DBD Biz Regist platform, data from May 2025 indicated that the transition was still underway.⁸² Specifically, walk-in registrations still accounted for 47 per cent of total submissions, while 53 per cent were processed through the online platform.⁸³ Recognizing that a large portion of users had yet to fully adapt to the digital system, the DBD decided to extend the availability of walk-in services until the end of December 2025, with full migration to the online platform expected to take effect from 1 January 2026.⁸⁴

Ex ante and ex post review

As previously mentioned, the LFA and the Sunset Law of 2015 introduced formal requirements for *ex post evaluations at least every five years. This concerned in particular:* (i) licensing procedures to be reviewed by the competent authorities under the LFA, as well as (ii) laws to be assessed by the responsible ministries under the Sunset Law. In practice, however, the implementation of these review mechanisms remained limited. By 2020, only a small number of government agencies had undertaken evaluations in accordance with the Sunset Law, and no reviews of licensing procedures had been reported under the LFA.⁸⁵

Since the repeal of the Sunset Law and the entry into force of the 2019 Act, regulatory reviews in Thailand have become more structured and systematic. As of 2024, more than 200 *ex post reviews had been conducted by Thai authorities, many of which resulted in the amendment or repeal of outdated laws and regulations.*⁸⁶ These reviews are guided by methodological templates and manuals developed by the OCS, in coordination with the LRC.⁸⁷

With respect to *ex ante* review, however, persistent challenges remain. While a RIA process is now formally required for most primary and secondary legislation, this is often treated as a procedural formality with limited influence on decision-making.⁸⁸ In many cases, RIAs are not initiated during the early stages of policy formulation, when consideration of alternative policy options would be most meaningful, but are instead prepared shortly before the draft law is submitted to the Cabinet.⁸⁹ This sequencing reduces the potential of RIAs to inform the design of regulatory instruments and undermines the broader objective of evidence-based policy-making.

Regulatory Guillotine Project

Complementing the legal review requirements under the LFA and the Sunset Law, the Regulatory Guillotine project was a distinct, fast-track mechanism to screen licences, permits and other rules and accordingly, repeal, amend or simplify those which were obsolete, redundant or disproportionately costly. It formed part of the broader wave of reforms launched between 2015 and 2017, which aimed to modernize Thailand's regulatory landscape and improve the country's performance in international competitiveness indices.⁹⁰ Unlike agency-led reviews mandated under the LFA and the Sunset Law, the Regulatory Guillotine was centrally coordinated and driven by strong political backing from the Office of the Prime Minister.⁹¹

In 2016, the Thai government launched the project by engaging the Thailand Development Research Institute (TDRI) to conduct a review of the existing laws and regulations, since many of these were considered redundant, outdated, or incompatible with the regulatory environment.⁹² Through the project, the government aimed to eliminate approximately 1,000 unnecessary laws from the country's regulatory framework, which comprised around 100,000 laws in total.⁹³ It was estimated that this removal could reduce compliance costs for the private sector and the Thai public by approximately 133.8 billion baht (US\$ 3.75 billion) per year, equivalent to 0.8 per cent of GDP.⁹⁴

Building on the political support, the implementation of the Guillotine scheme has led to concrete reforms. Permits and licenses were cut or simplified in several sectors. For example, in the financial sector, the Securities and Exchange Commission of Thailand (SEC) engaged in the Guillotine scheme during 2020-2023⁹⁵ and subsequently developed fully digital procedures for the establishment and management of mutual funds through the Online Fund

Approval and Management System (OFAM). The latter was finalized and became operational in the first quarter of 2020.⁹⁶ Additionally, the SEC undertook a comprehensive review of the filing process for debt instrument offerings and expected to reduce the number of required forms from 32 to 13.⁹⁷

Implementation challenges

Despite the progressive ambition of the LFA and related regulatory reform initiatives, their full realization in Thailand has faced several implementation challenges. These include insufficient implementation support, institutional workarounds, lack of compliance, limited coordination among government agencies, fragmented digital infrastructure and uneven political momentum behind reform efforts.

Insufficient implementation support

In the early phase of implementation, confusion over institutional responsibilities and the scope of obligations under the LFA led to inefficiencies and misallocation of resources. For instance, over 700,000 licensing manuals were created due to misunderstandings regarding which services had to be prescribed in manuals and which units were responsible for preparing them.⁹⁸ This duplication was particularly widespread among provincial and local government agencies, suggesting a lack of operational guidance and training from the central level.⁹⁹ The OPDC later resolved this issue by consolidating and standardizing the manuals into a single national set of 3,418 manuals.¹⁰⁰ While this solution addressed the immediate problem, the incident revealed the limitations of a top-down legislative approach without adequate implementation planning and institutional capacity-building.

Institutional workarounds through gaps in the LFA

Although the requirements on licensing manuals under the LFA were designed to provide clarity by specifying procedures and time frames, the delegation of authority to individual licensing agencies to determine these parameters has resulted in problems. As reported by the OPDC, within the first five years of the LFA implementation, some agencies adopted excessively generous timelines to shield themselves from performance pressure.¹⁰¹ Others imposed unrealistically short deadlines to demonstrate efficiency, which in turn contributed to procedural backlogs.¹⁰²

Moreover, in responding to complaints, certain agencies resorted to repeatedly issuing seven-day delay notifications to avoid legal accountability.¹⁰³ In more problematic cases, officials circumvented formal processing altogether by requesting applicants pre-submit documents for informal review of the applications, thereby postponing the official commencement of the licensing timeline.¹⁰⁴

Institutional non-compliance and limited inter-agency coordination

Institutional non-compliance has also posed a critical obstacle to realizing the full potential of the regulatory reforms. In practice, many public agencies have lagged in complying with the mandated reforms, in part due to insufficient personnel or lack of effective oversight mechanisms at the central level.¹⁰⁵ As a result, competent agencies have often defaulted to a business-as-usual approach, rather than adapting to new regulatory practices.¹⁰⁶ This has been evident in the implementation of the licensing manuals, as many agencies have failed to operationalize them effectively and often demonstrated a limited understanding of the procedures and requirements outlined by their own institutions.¹⁰⁷

Between 2015 and 2020, a total of 21 public complaints were filed concerning the implementation of the LFA.¹⁰⁸ Among these, eight cases involved agencies establishing inappropriate procedures and timelines, failing to clearly display required steps, and granting officials excessive discretion. In five cases, agencies did not complete the licensing process within the time frame specified in the licensing manual and failed to provide progress updates or reasons for delay. Another five cases concerned agencies requesting additional documents not listed in the manuals, including copies of government-issued documents. In two cases, applicants fully complied with the licensing procedures but were still denied a license. One case involved an unjustified suspension of licensing procedures, causing serious harm to the public.

Lack of institutional compliance has, in turn, led to coordination gaps among agencies, undermining the Act's transparency objectives, particularly those linked to the central portals.¹⁰⁹ When agencies neglected to prepare or update licensing manuals, the result was regulatory ambiguity, as the public faced difficulty accessing essential sector-specific information. While the portals are meant to consolidate such data, their

effectiveness depends on consistent inter-agency collaboration and communication to ensure the information is complete, updated and accessible from single sources.

Fragmented digital infrastructure and data incompatibility

Thailand has made notable efforts to develop digital platforms aimed at streamlining public service delivery, including both multi-agency platforms, such as info.go.th and the Biz Portal, as well as single-agency platforms, like the DBD Biz Regist. However, the implementation of the multi-agency platforms has revealed broader systemic challenges that limit their overall effectiveness.

A key limitation is that many of these platforms still follow a conventional e-government model that prioritizes one-way information provision rather than offering fully digital, interactive and user-centred services.¹¹⁰ A major barrier lies in the fragmentation of data systems across government agencies. Since agencies manage their own datasets independently, information is stored in diverse formats and lacks standardization.¹¹¹ This fragmentation impedes efforts to link and integrate services across platforms, such as Biz Portal, which relies heavily on cross-agency data interoperability to function effectively as a one-stop service for business procedures.

A further limitation is the language of these digital platforms, which are currently only operated in Thai. While this is suitable for domestic users, it significantly limits accessibility for foreign investors and service providers seeking regulatory information.

Inconsistent political backing

Another challenge lies in the regulatory review process. The implementation of the Regulatory Guillotine has advanced more slowly than anticipated. Although the initiative initially gained momentum, private sector stakeholders have repeatedly urged the government to expedite reforms and repeal outdated or unnecessary laws.¹¹² However, progress in responding to these proposals has been limited.¹¹³ This slowdown can be attributed to a combination of factors in the current Thai context, including inconsistent political support, resistance from certain government agencies and shifting institutional mandates.¹¹⁴

Public impact

Overall, Thailand's regulatory reforms have yielded significant improvements in transparency and administrative efficiency including through digital solutions. These gains are reflected in key international benchmarks. Notably, in the World Bank's *Doing Business* rankings, Thailand advanced significantly from 49th place in 2016¹¹⁵ to 21st in 2020, out of 190 economies.¹¹⁶

Between 2016 and 2024, the country also advanced on the United Nations *E-Government Development Index* (EGDI), moving from 77th to 52nd place out of 193 countries.¹¹⁷ This steady climb reflects the impact of successive digital government reforms and inter-agency coordination initiatives. As of 2024, Thailand holds the position of the second highest-ranked country in ASEAN on the EGDI and aspires to further improve its standing, with an ambitious goal of reaching the global top 40.¹¹⁸

Next steps

As Thailand continues to advance its regulatory reform agenda, the government has outlined a series of next steps to modernize its regulatory environment and enhance public service delivery. Among the various reforms underway, this chapter focuses on two initiatives that illustrate Thailand's strategic shift toward more transparent, efficient and technology-driven governance. The first is the revision of the LFA and the second is the nationwide expansion of e-government platforms.

Revisions to the LFA

In April 2024, the Cabinet approved the *Draft Act on Licensing Facilitation and Public Service Delivery*, which is expected to be passed into law and enter into force soon.¹¹⁹ This revision process is undertaken as a consequence of the legal review requirement under Section 77 of the Constitution and is driven by practical challenges identified during the implementation of the LFA.

The Draft Act introduces several key reforms designed to further streamline administrative procedures, improve service delivery and increase transparency and accountability across all levels of government. One of the major changes is the envisaged expansion of the LFA's scope. The Draft Act will no longer be limited to licensing procedures but will also apply to requests

for any public services that fall within the authority of government agencies. To support this shift, the definition of government agency under the Draft Act will be expanded to cover all public-sector entities, not only those authorized to grant licenses.¹²⁰

The Draft Act also seeks to rectify certain procedural shortcomings of the LFA, as discussed above. Regarding the discretion granted to licensing authorities in determining processing time frames in the licensing manuals, the Draft Act retains this discretion but introduces an important safeguard: the licensing authorities must take into account public convenience and avoid imposing unreasonable burdens on applicants.¹²¹ Additionally, whereas the LFA does not impose an explicit obligation to issue a formal record stating the completeness of a received application – only requiring such documentation in cases where deficiencies are identified – the Draft Act now envisages that officials must issue a formal record in both cases.¹²²

Furthermore, the Draft Act will introduce three important procedural changes. First, in line with the *Act on Carrying Out of Public Services via Electronic Means 2022*, it incorporates provisions on electronic interactions between the public and government agencies. These include recognition of the right to submit applications electronically¹²³, a requirement that licensing manuals must prescribe provisions for submission of applications electronically¹²⁴, and procedures for receiving those applications.¹²⁵ Second, a fast-track processing option would be made available to applicants who require urgent attention, provided that this option is specified in the licensing manual and subject to additional fees set by the relevant authority.¹²⁶ Third, the Draft Act introduces a consolidated licensing mechanism known as the super licence.¹²⁷ This mechanism is designed for business operators who require multiple permits to carry out their activities, under which the holder of a super licence is deemed to have received all related subsidiary licences. The specific requirements and conditions for the super licences will be prescribed by Royal Decree.

Lastly, the Draft Act also seeks to enhance accessibility, particularly for non-Thai speakers, by authorizing government agencies to provide English-language or bilingual versions of application forms.¹²⁸ While not mandatory, this change is expected to benefit foreign investors, businesses and individuals navigating Thai administrative procedures.

Expansion of e-government platforms

To accelerate the implementation of digital government policies in line with the *Digitalization of Public Administration and Services Delivery Act* (2019) and the *Digital Government Development Plan (2023–2027)*, the *Digital Government Integration Plans* for Fiscal Years 2025¹²⁹ and 2026¹³⁰ have been developed by the DGA. Both plans are structured across three levels – upstream, midstream and downstream – each representing a distinct phase in Thailand's digital transformation journey. At the upstream level, efforts focus on laying the institutional and technical groundwork, which includes strengthening digital foundations, developing core infrastructure and disclosing master datasets to facilitate data interoperability between agencies.

The midstream phase emphasizes the development of shared platforms and digital tools across the public sector to avoid duplication, reduces administrative overheads and ensures that all agencies can benefit from common digital resources. Finally, at the downstream level, the full integration of public services into end-to-end digital platforms is envisioned. This includes not only the digitization of forms and workflows, but the reimagining of service delivery through user-centred design and cross-platform connectivity. Compared to the 2025 plan, the 2026 plan has introduced a sharper focus on emerging technologies, particularly artificial intelligence and cloud computing, reflecting a policy shift under the administration led by Prime Minister Paetongtarn Shinawatra.

The government has introduced a series of initiatives to operationalize the goals set out in the integration plans. In May 2024, the Joint Corporate Data Linkage initiative was announced.¹³¹ By allowing government agencies to share corporate information through a centralized platform, the initiative aims to reduce redundant documentation requirements, such as repeated submissions of ID cards, house registrations and company affidavits. As an initial phase, 10 key agencies have joined the platform, with the potential for expansion. The system is expected to eliminate nearly 400 document retrieval procedures and reduce administrative costs. It operates via the government data exchange infrastructure, which was mandated under the *Digitalization of Public Administration and Services Delivery Act* (2019). A practical example of the benefits of this initiative can already be seen in the reforms implemented by the FDA.

Furthermore, on 4 June 2025, the Cabinet endorsed a proposal by the OPDC to accelerate the integration of 2,101 government services into either the Biz Portal (for business users) or the Citizen Portal (for the general public), in alignment with the country's *Digital Government Development Plan (2023–2027)*.¹³² As of the most recent report, only 182 government services have been successfully integrated into these platforms. Under the approved framework, government agencies must follow one of two pathways: those without existing electronic service channels are required to launch their services directly via the central platforms, while agencies with existing digital services must migrate and integrate them into the Biz or Citizen Portal. The implementation of this initiative is scheduled to take place from 2025 to 2027.

Lessons learned

Thailand's EoDB reforms offer important lessons on how legal, institutional and digital reforms can transform governance. Through the adoption of important regulatory instruments and digital government initiatives, Thailand has moved towards a more transparent, efficient and user-oriented regulatory system. Key lessons include the following:

1. Regulatory reform must focus on users' experience

Thailand's regulatory landscape was historically shaped by a legacy of discretionary, control-based regulation. The adoption of laws, such as the LFA and subsequent digital government legislation, marked a meaningful shift towards institutionalizing transparency, time-bound procedures and digital service provision, laying the foundation for a more user-focused public administration.

2. Central guidance and oversight are critical for implementation and operational clarity

The initial proliferation of over 700,000 licensing manuals under the LFA revealed that, without detailed central instructions and training, local agencies could misinterpret or inconsistently apply reform mandates. Standardized templates, centralized oversight and ongoing capacity-building are essential to translate legal mandates into coherent action at all administrative levels.

3. Reform design must anticipate and close procedural loopholes

Discretion left to agencies under the LFA regarding processing timelines and licensing manual content led to both over-cautious and overly ambitious behaviours, undermining efficiency and accountability. The experience suggests that reform frameworks should include safeguards against potential non-compliance or procedural inaccuracies by public officials.

4. Digital tools enhance service delivery but require interoperability

Digital platforms, such as info.go.th and bizportal.go.th, have improved access to public services, but fragmented data systems and at times poor inter-agency coordination have limited their effectiveness. Reform success depends on integrated digital infrastructure and shared standards.

5. High-level political support drives, but does not guarantee, reform

Initial momentum from the government enabled major initiatives, including the Regulatory Guillotine. Yet uneven political backing and bureaucratic resistance later slowed progress, highlighting the need for sustained leadership and institutional incentives.

6. Implementation and monitoring matter as much as regulatory frameworks

Despite strong legal frameworks, inconsistent compliance by line agencies revealed gaps in operational capacity. Effective reform requires follow-through mechanisms, regular monitoring, as well as continuous training for government officials.

Conclusion

This case study demonstrates a significant and multifaceted effort to modernize Thailand's regulatory framework and improve the delivery of public services. Anchored in the LFA and complemented by a broader legislative and digital infrastructure, the reform agenda marked a decisive shift from discretionary, control-based regulation towards a system grounded in transparency, efficiency and service orientation.

The implementation of digital platforms, such as info.go.th and bizportal.go.th, along with the rollout of the Regulatory Guillotine, demonstrated Thailand's commitment to simplifying procedures, reducing administrative burdens and leveraging technology for good governance.

However, reform outcomes have been uneven. While there have been measurable gains in processing times, document reductions and international rankings, persistent challenges, including inter-agency fragmentation, uneven compliance and limited data interoperability, have constrained the full realization of the reform goals.

Looking ahead, the planned revisions to the LFA and expansion of end-to-end digital government services signal a continued push to deepen and sustain regulatory reform to improve the business environment. To achieve its ambitions, Thailand must continue investing in institutional capacity, enforce implementation across all levels of government and strengthen the governance frameworks that support digital integration and regulatory coherence. Thailand's experience provides reflections that could be informative for other economies seeking to modernize public administration and embed GRP elements in a complex and evolving policy environment.

ENDNOTES

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