

EYEING TOP 50: INSOLVENCY RESOLUTION, CROSS-BORDER TRADE, CONTRACTS IN FOCUS

Relevant for: Indian Economy | Topic: Issues relating to Growth & Development - Demographic Economics & Various Indexes

NEW DELHI: The government has chalked out a detailed action plan as it seeks to put India into the top 50 of the World Bank's ease of doing business index. The plan includes strengthening six focus areas—enforcing contracts, resolving insolvency, starting a business, registering property, paying taxes and trading across borders—before the bank releases this year's rankings.

The Department for Promotion of Industry and Internal Trade (DPIIT) also plans to share reforms related to a new indicator contracting with the government for the first time with the World Bank for the upcoming 'doing business report'.

"The idea is to engage expert agencies to receive regular industry feedback on reforms and identify corrective measures based on feedback received," said an official aware of the details. India jumped 14 places to rank 63rd, among 190 countries, in the bank's ease of doing business index in 2019.

While doing business covers 12 areas of business regulation, it includes only 10 broad indicators in the ease of doing business score and ease of doing business ranking. Regulations on employing workers and contracting with the government are not included in the ease of doing business score and ranking. Bengaluru and Kolkata will be included in the upcoming report along with New Delhi and Mumbai.

"We plan to gauge user perception and frequently consult stakeholders to understand the gaps in reform implementation," the official added. Twitter polls and live Twitter chat sessions are planned to gauge user perception.

SECTOR-SPECIFIC, NEW CITY REFORMS

To improve contract enforcement, the government has proposed commercial courts with e-court management, reduced time taken in disposal of cases and fast tracking of large and important cases through daily hearings.

To make it easier to register property, DPIIT and the department of land resources will discuss complete cadastral mapping of all plots, timely disposal of property disputes and making statistics of land disputes public. An integrated portal for verification of title and encumbrances, and a simultaneous action plan to enact land titling bills for all the four cities are also being considered. For ease of paying taxes, the government is mulling introducing cash refund of input tax earned on capital goods besides reducing the time taken in Employee State Insurance Corporation and Employee Provident Fund Organisation compliance.

Amendments to the Insolvency & Bankruptcy Code to include operational creditors in committee of creditors and disposal of old cases on a priority basis are the reforms proposed to better India's rank on the resolving insolvency index. To improve trading across borders, it has been proposed to remove infrastructure bottlenecks at ports and inland container depots.

For Kolkata and Bengaluru specifically, the government wants to make it easier to start a

business and plans to do away with the requirements of bank account details in profession tax registration, and inspection for registration of shops and establishments and trade license. It also plans to provide real time registration for shops and establishments. Integration of online system with all external and internal agencies involved in providing no objection certificates for obtaining construction permits and joint inspections by all agencies is also being thought of.

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