

Formalízate: One-Stop Shop for Business Registration

The Dominican Republic's introduction of Formalízate, a digital one-stop shop for business registration, sought to reduce the time, cost, and complexity associated with registering businesses and thereby combat widespread economic informality. This approach aligns with global evidence showing that one-stop shops are an effective mechanism for reducing administrative burdens and increasing firm registration by consolidating processes and lowering transaction costs ([World Bank, n.d.](#)). In the Dominican Republic, the program was led by the Ministry of Industry, Commerce, and SMEs and rolled out progressively across provinces, based on the capacity of each province's local Ministry. Between 2013 and 2018, the program had been implemented nearly nationwide—in all but two provinces ([Bobic et al., 2023](#)).

Quick facts

Barriers addressed



Women's Participation in the Workforce

Complex business registration requirements
Lack of formal job opportunities



Social Norms

Women's disproportionate time burden

Segment focus

1 2 3 4

Geography

Dominican Republic

Sources

[Bobic et al. \(2023\)](#)
[World Bank \(n.d.\)](#)

Customer Journey Relevance



Key stakeholders involved

Ministry of Industry, Commerce,
and SMEs
Inter-American Development Bank

Formalízate: One-Stop Shop for Business Registration

Key activities

In partnership with the Inter-American Development Bank, the Ministry of Industry, Commerce and SMEs designed and launched a web portal one-stop shop that consolidated multiple business registration processes into a single platform. Called Formalízate, this portal integrated registration forms from the Chamber of Commerce, Internal Revenue Office, Social Security, National Industrial Property Office, and the Ministry of Labor's employer registry—previously separate forms and steps—into a single platform. The platform also provided clearer and more accessible information about registration requirements, enabling entrepreneurs to navigate the process more efficiently ([Bobic et al., 2023](#)). The reform specifically targeted sectors with especially high levels of informality, including commerce, services, and tourism ([Bobic et al., 2023](#)).

In addition to streamlining registration, the reform implicitly reshaped incentives for labor market participation by making it easier for self-employed individuals to formalize. By lowering entry barriers,

the program encouraged marginal firms, particularly the smallest microenterprises, to transition into the formal sector ([Bobic et al., 2023](#)).

Outcomes/results

- Reduced average registration time burden from 20 business days to seven, the required number of in-person visits from seven to one, and registration cost from USD 1,000 to USD 150. ([Bobic et al., 2023](#))
- Increased rates of formalization by nearly 30%, with particularly strong effects among smallest microenterprises, as well as in the commerce, tourism, and services sectors, which are dominated by women. ([Bobic et al., 2023](#))
- Positive and significant increase in women's labor force participation as entrepreneurs, but not for men, indicating that firms formalized as a result of the program were largely led by women. ([Bobic et al., 2023](#))

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Key enabling environment factors for the intervention

A key enabler was the capacity of local Ministries of Commerce, who were able to implement the program within their provinces. The government's ability to roll out the program sequentially across provinces, combined with existing data systems (e.g., tax authority records and labor force surveys), enabled both effective implementation and rigorous impact evaluation ([Bobic et al., 2023](#)). Additionally, the concentration of informal activity in microenterprises and specific sectors created a clear target group that could benefit from reduced barriers to entry.

Key design elements and principles that led to successful outcomes

- Consolidation of multiple procedures into a single, digital access point to reduce administrative, time, and cost burden of registration

- Providing clear information and guidance on registration requirements and steps
- Focus on marginal firms and microenterprises most sensitive to entry costs, as well as high-informality sectors
- Phased rollout that allowed for adaptive implementation based on capacity of local ministries

Potential for scale/replicability

Evidence suggests strong potential for replication in other contexts with high informality, particularly where microenterprises face significant regulatory barriers. The model's effectiveness stems from relatively straightforward interventions (digitization, simplification, and cost reduction) that can be adapted to different institutional settings. However, there is also evidence that formalization alone may not ensure firm sustainability, as evidenced by increased exit rates, indicating that complementary support (e.g., access to finance or business development services) may be necessary to sustain long-term impacts at scale.

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Challenges encountered during the program

While Formalízate significantly reduced barriers to entry and increased formalization rates, it has also led to an increase in firm exit rates, suggesting that some newly formalized firms, particularly smaller enterprises, may struggle to remain viable in the formal sector or overcome other structural barriers beyond registration ([Bobic et al., 2023](#)).

Additionally, uptake of the platform has been slow to grow, and in 2018 just 39% of firms registered through the Formalízate platform - 71% continue to register using the traditional process ([Bobic et al., 2023](#)).

Recommendations from the research

To strengthen impact, registration reforms should be complemented by targeted support for sustainability and expansion. This may include improving credit access, business development services, and market opportunities, particularly for microenterprises. Policymakers

should also consider integrating registration reforms with broader labor and social protection systems to better link firm formalization with job quality and worker benefits. There may also be a need for efforts to build capability and awareness of the digital platform, especially in contexts with low digital penetration and skills. Finally, given the observed positive effects on women's self-employment, future efforts could build on this momentum by incorporating more explicit gender-responsive measures to address the specific constraints women entrepreneurs face.