

e-VEM - On the way to the top position in Europe

e-VEM project for companies, commissioned by Slovenian Ministry for Public Administration and performed by SRC, became the winner of one of the UNPSA 2009 awards. The project »e-VEM – One Stop Shop for Companies«, won the award within strong competition from North American and European countries in the category »Improving service assurance in the public sector«. »The United Nations Public Service Award – UNPSA 2009« is the most prestigious international award for excellence in the field of public administration services. Each year they award the most innovative achievements and contributions, presented by institutions in the public sector, that lead to more efficient and responsive public administration. UNPSA encourages expert knowledge and review of public service.

What does the portal enable?

The main purpose of portal e-VEM-GD-1 (e-VEM for companies – integration) is to assure adequate IT support for future and current companies, which will enable electronic registration of companies in the shortest time possible. The concept electronic registration of companies incorporates all activities regarding the registration of the company, registration of the planned company, change of current data and the deletion of the company. Just like for private entrepreneurs, the electronic registration will be possible from a remote location (online) or on one of the existing and subsequently reinstated VEM entry points

(AJPES, DURS, court, notaries, Chamber of Craft, JAPTI, etc) all over Slovenia. On the entry points, registration forms will be filled out and submitted by clerks or notaries in the name of the company, while in the case of the remote access, applications will be submitted by authorized individuals or individuals authorized electronically by the authorized individuals.

Next to the registration of the company into the court register, the Business register of Slovenia and the register of taxable entities, the services of the portal will also enable the registration of employees and their family members into the mandatory health insurance scheme with the Health Insurance Institute. A novelty on the portal is the integration with the Employment Office of Slovenia, which will enable the checking of the work permit for foreigners and the check respectively allocation of the registration number of the need for a worker. The information will be indirectly submitted also to the Pension and Disability Insurance Institute of the Republic of Slovenia, to the Employment Office and the Statistical Office, while users will also have the possibility to register with the register of craft of Slovenia.

Who is the portal for?

The e-VEM portal for companies will be used by different users. It will be used by the legal representatives of companies as well as their proxies through remote access. VEM clerks on more than 100 VEM entry points all across Slovenia. Clerks on courts as well as all notary offices. Clerks of back-office systems, which settle procedures in their institutions on the basis of electronically received applications and additions, will also have access to insight into documents in the Central electronic storage. According to the assessments of the client, the annual financial and time saving for companies will amount to 3.5 million EUR. The state will at the same time lose one million EUR of incomes from taxes per year. However, the client thinks it is more important that entrepreneurial initiatives aren't hindered already at the

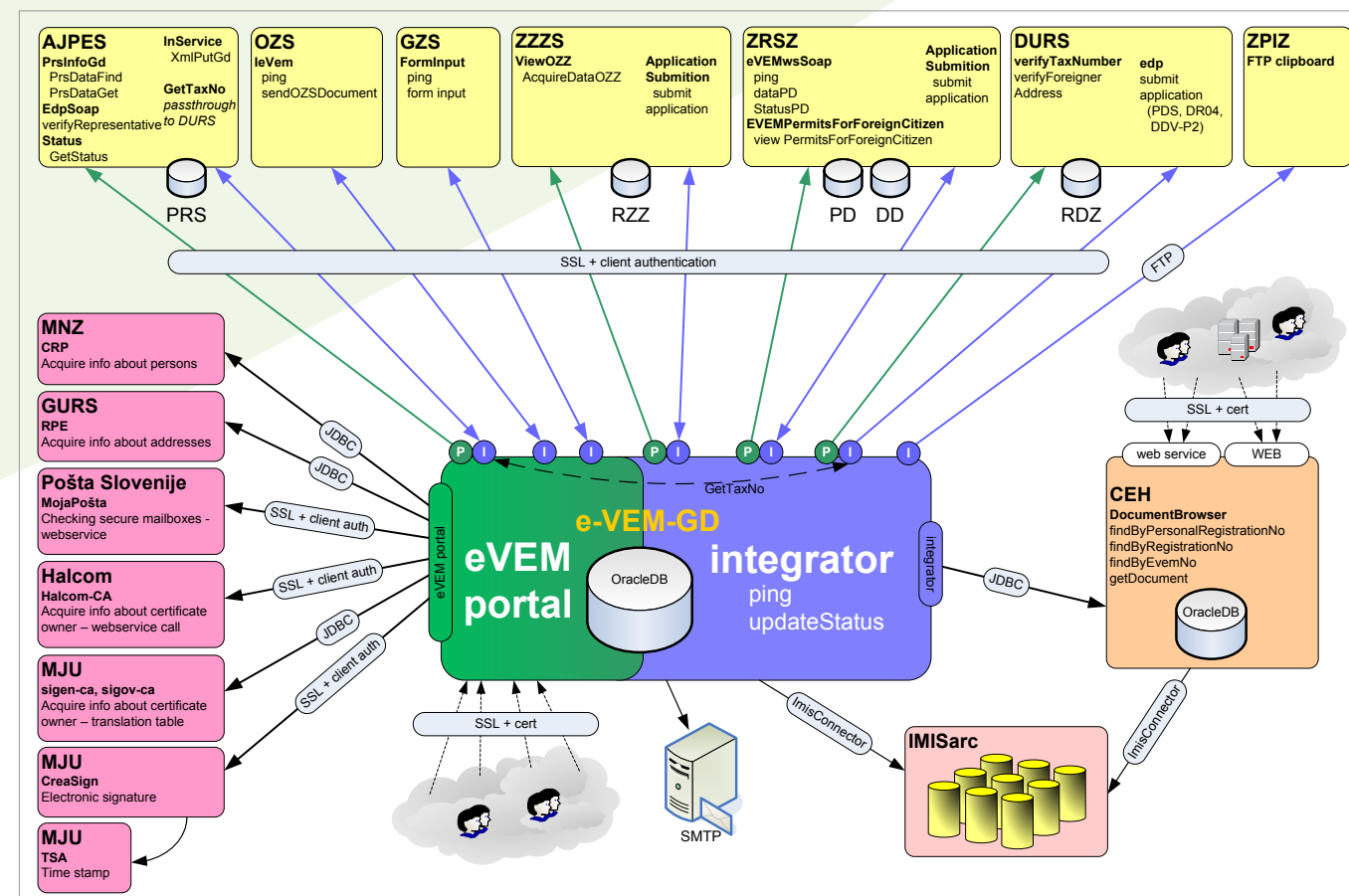
beginning. Minister Virant has thus commented the project for RTV SLO as follows: "This is a considerable contribution to a friendlier administrative environment, which should encourage entrepreneurial individuals to get involved in economic activities."

Which procedures can be performed over the portal and where?

The idea at the beginning of the project was that portal e-VEM for private entrepreneurs would be upgraded with the entry application "General proposal for the registration of d.o.o.", to wit the registration of d.o.o. into the Business register of Slovenia (hereafter PRS) and the Court register of Slovenia (Srg). However, the client considered the idea of registering all companies over the internet. Why not? And every meeting with the client was a new surprise and also a challenge for us. We soon realized that not everything was as simple as might seem at first glance. Today, we don't regret accepting the challenge and successfully completing it. Seven applications for the realization of procedures Srg/PRS were formed from one entry application into Srg/PRS.

With regard to the type of the user, registered into the system e-VEM-GD, the procedures, which can be carried out by this user, are shown on the screen. Users can register into the system e-VEM-GD through remote access, which means legal representatives and their proxies, current VEM clerks, notaries and employees on courts. Through the remote access, the user will with the help of the qualified digital certificate submit the "General proposal for the registration of establishment of one-man d.o.o." and regulate procedures for the registration organs of the Health Insurance Institute, Tax Administration, Chamber of Craft and the Employment Office of Slovenia: Registration of employees into the mandatory health insurance (M-1), Deregistration of employees from mandatory health insurance (M-2), Change of

Picture 1. e-VEM architecture



data on employees (M-3), Registration of family members into mandatory health insurance (M-DČ), Change of data on family members (M-DC), Deregistration of family members from mandatory health insurance, Need for worker (PD-1), Joint form for the entry into the tax register, Application for the issue of the VAT identification number (DDV-P2), Registration into the Register of Craft of Slovenia.

If they want to establish a multi-member company, the users must stop at a VEM point or by a notary office and submit the "General proposal for the registration of establishment of d.o.o." with the help of a VEM clerk or notary. VEM points will also carry out the "General proposal for the registration of a simple change at d.o.o.", "Registration of a planned company" and procedure "Submission of documents". Other, more complex procedures in relation with companies will be carried out by notaries. For instance such as: "General proposal for the registration of establishment of d.o.o.", "General

proposal for the registration of other subjects in Srg", "Proposal for erasure from Srg", "Proposal for the registration of planned company", "Proposal for the registration of a simple change at d.o.o.", "General proposal for the registration of changes in Srg" and the "Submission of documents".

Courts aren't a VEM entry point and operate only in the back-office system. They are an important part of the realization of procedures for companies within Srg/PRS, because they perform these procedures ex officio: "General proposal for the registration of establishment of d.o.o.", "Proposal for the registration of another subject in Srg", "Proposal for deletion from Srg", "Proposal for the registration of planned company", "Proposal for the registration of a simple change at d.o.o.", "General proposal for the registration of change to Srg" and procedure "Submission of documents".

Benefits of the portal e-VEM-GD

Reinstatement of electronic registration of GD through remote access, on all VEM entry points, simplification and speeding up of registration procedures for initiators and national organs, which carry out individual phases of the registration process, assurance of control of entered data through primary reference sources and herewith a considerable shortening of the time necessary for the acquisition of complete applications for registration, shortening of the time from the submission of the application to registration (formation) of GD, assurance of better conditions for work to VEM clerks and clerks of registration organs, replacement of paper documents with electronic documents, central storage of documents and archiving of documents in electronic form, assurance of conditions for electronic acquisition of consents, permits, licences, registration of

workers and realization of other administrative activities in the life span of GD/a company.

More than just realization of procedures

Next to the already described procedures, the portal e-VEM offers a lot more to future stakeholders than merely the entry of complete applications for the start-up of the company and the submission of these documents to appropriate registration organs. Among the services, which are the most interested and will probably be used the most by company founders, is also the automatic creation of documents, which stakeholders must enclose to the proposal for the registration of the company in the court register. The portal can automatically create more than a dozen variations of documents, including the contract of members, articles of association, decisions on the appointment of the management, statements of managers and different certificates. These are documents, which were so far prepared by notaries or attorneys and their content was agreed upon by stakeholders. The altered legislation now namely enables stakeholders to conclude a contract of members on the so-called VEM form. This is a "sample" of a contract of members, which includes all the necessary elements of the contract of members without which the registration into the court register won't be successful. If stakeholders agree on elements of the contract of members, which the VEM form doesn't include, the contract can still be prepared by a notary or attorney in the same manner as before. Above all larger companies will decide for this method and for them the VEM form is inappropriate. Experts assessed that the contract of members on the VEM form, which can be automatically created on portal e-VEM, will be appropriate for around 95 percent of newly established limited liability company (d. o. o.). We should also mention that the elaboration of documents on portal e-VEM is free of charge.

Automatic elaboration of documents

The procedure of automatic elaboration of documents can be used by users, which use the services of the portal for their company, as

well as any clerk on one of the more than 200 VEM points performing procedures for other companies. The user of the portal, despite the fact that the document can have several pages, doesn't need to enter special data. The data used at registration are namely automatically set from the proposal for the entry into the court register. All that the user has to do is to select the appropriate copy and change the dates of documents, if needed, and print the documents. If the user carries out procedures for his company, he can even omit the last step. He doesn't need to print out the document and sign it, but can sign the document electronically and submit it for entry in digital form. Among other services, which the portal offers to the user is next to the performing of procedures of registration organs, we should mention the possibility of authorizing additional users for work on the portal, informing about important events over e-mail and the review of the company's document in one place in electronic form.

With connections to the top

The e-VEM system was designed as an explicitly integration system. Its key characteristic is the possibility of connecting to systems of institutions included in the processes of

establishment and start-up of the company. There are many such institutions, because the system has developed interfaces for information systems of six institutions: AJPES (Agency of the Republic of Slovenia for Public Legal Records and Related Services), to which e-VEM sends proposals for the entry into the court register and from which it receives updated information on companies in the Business register of Slovenia; DURS (Tax Administration of the Republic of Slovenia), where e-VEM acquires the tax number for the new company and to which e-VEM sends applications for the entry into the tax register; ZZSZ (Health Insurance Institute), to which e-VEM sends registrations into the mandatory health and pension insurance and from which it receives information on individuals liable for insurance and their family members; ZRSZ (Employment Office of Slovenia), to which e-VEM sends the registration of the need for workers and the data on work permits for foreigners; OZS (Chamber of Craft of the Republic of Slovenia), to which e-VEM sends applications for the entry into register of craft; ZPIZ (the Pension and Disability Insurance Institute of the Republic of Slovenia), to which e-VEM sends registrations into mandatory health and pension insurance. The exchange of conditions of submitted applications is on-going with all sub-systems and enables the user to

check at any time what is going on with his applications. The benefit of the e-VEM system is his advanced architecture, because it enables subsequent inclusion of additional interfaces to sub-systems of institutions, for instance a connection with the Chamber of Commerce and Industry of Slovenia as regards the registration of membership. Integration with sub-systems takes place through safe connections and the use of server digital certificates, which assures the confidentiality of submitted documents. This is necessary at least due to the type of submitted/transferred data - the majority of data in the e-VEM system are personal. The technical mechanism, which provides for the delivery of documents to registration organs, is innovative and specific for the e-VEM system. Due to the important content of the documents and the key delivery of documents with regards to consequences, the system was made very robust. Once the document is entered into the system it is practically impossible for not being delivered, while on the other hand, every act related with the document is recorded. In this way, an extremely high level of confidence into the system is attained as well as complete traceability of events, whether they are expected, unexpected or even unauthorized.

Correct data - correct path!

One of the objectives of the reinstatement of portal e-VEM is the reduction of the number of incomplete applications and applications with incomplete or incorrect data. On the one hand, there are technically deficient applications, while on the other hand the contents are false. Technically deficient applications are practically impossible on the e-VEM portal due to installed controls and cross-checking of entered data. Checks are namely so strict that it isn't possible to submit an incomplete application. Applications with false contents are applications which are technically acceptable, but the data don't match the real condition. The system has therefore been designed in a way that no data referring to another register available in electronic form is entered by the user, but selected through a joint identifier. One of the purposes of the portal is to prevent the establishment of phantom-companies, which on one hand cause debts, while on the other hand they don't have a tangible individual that would be responsible for the debts. The

example of "selection" of data rather than entry is the entry of personal data of a stakeholder. If the stakeholder is registered in the Central population register, then the user must only enter the EMŠO number (unique personal identification number) of the stakeholder, while data such as name, surname and address are automatically transferred from the register. In this way, it is impossible to establish a phantom company, whose stakeholders wouldn't exist. Clerks and their supervisors are satisfied as well since the entry of correct data doesn't take a lot of time. In order to enable the selection (and not the entry) of data, the e-VEM system connects with official registers, public records and other

data sources, which store the required data. There are several such sources, naming here but only the most representative ones: the Central population register: data on private persons; Tax register: data on foreigners (private persons as well as legal entities); the Business register of Slovenia: data on legal entities; the Register of Spatial Units: data on addresses in Slovenia; the Register of Health Insurances: data on insurances and individuals liable for insurance; Record of digital certificates: data on representatives of companies and their digital certificates.



Teja Batagelj, Head of project e-VEM for companies, Ministry of Public Administration

The reinstatement of the e-VEM system for companies means the improved service for private persons and legal entities, because they can on one place and even over the internet carry out daily services with public administration and the services are accessible to everyone under the same conditions, regardless of the time, geographical or any other component. At the same time, it is an improved service for public officials (VEM entry points, notaries, courts), because clerks can focus on providing quality information to the client due to good system support for their work.

The introduction of the system shortens the time necessary for the establishment of a company to 4 days since the submission of a complete application. All documents enclosed to the proposal for entry into the court or business register are also generated automatically. The e-VEM system communicates with the largest databases in the Republic of Slovenia and is connected with six systems of other public administration institutions. Due to controls and connections to registers, the system enables the submission of complete applications, which enables faster decision-making of institutions.

Savings due to the introduction of the e-VEM system are assessed at 3 million EUR per year for companies. Savings originate from the annulled tax for all types of entries into the court register, the annulled mandatory notary verification of the contract of members for simple d. o. o. Companies also save on time due to the concept all on one place, because they don't need to visit several institutions, but merely one entry point.

E-VEM is an example of good practice of e-administration, which considerably contributes to the reinstatement of an entrepreneur-friendly environment. It is a system with a design of interoperability and will enable operations also with foreign subjects. The system is also on the EU level one of the most advanced systems of public administration for companies. Such an advanced solution, which modernizes the functioning of the public administration and courts and is at the same time easy to use, can be reinstated only through good cooperation of all institutions and authorities, included in the project.



Picture 2. e-VEM portal screenshot

With new ideas to new successes

In the planning of the architecture of the system, we often ran across the potential technological restrictions of the system when discussing different topics. In the e-VEM procedures, printed documents are read optically, the clerk signs them electronically and the system delivers the documents to the registration organ in electronic form. The original documents are often very extensive, since the supplement to the application for the entry into the court register with 100 pages isn't rare. It wouldn't be surprising if the electronic document would have several MB. Problems would most likely occur when we would want to submit the document through web services to the sub-systems of institutions, which are very different. We must consider the fact that institutions, which receive the applications, use solutions of different providers. These solutions are compatible only in theory, while practice often reveals a different reality. Since the assurance of delivery of the original document to the registration organ is one of the main requirements, we had to come up with a different solution. The solution we came up with is very simple: the reinstatement of a centre location, where all documents formed in any e-VEM procedure will be stored. This means all applications, registrations and entries, all supplements and documentation as well as all decisions, rulings and resolutions derived from the procedures of establishment, start-up and functioning of the company. We called the location Central electronic storage – the institutions, which learned about the solution, gladly accepted it and gave it the name "CEH". CEH stores documents with electronic signatures for the entire period of operations of the company and for the statutory defined period after the cessation of operations of the company. Every document will be instantly available in electronic form and will also include information on when it was transformed into the electronic form, who changed it and where the paper version of the document is stored. Documents stored in CEH meet the requirements of the legislation on electronic storage, while the storage itself was elaborated in a way as to enable a connection with archiving systems. Only one step thus

separates us from the reinstatement of a real electronic archive.

By solving one of the technical restrictions with the use of common sense and a lot of experience, we came up with a brilliant solution, which offers much more. The added value, which offers companies and institutions more than they have had at their disposal so far. Instead of a long-lasting wait for the elaboration of documentation on courts and the time consuming elaboration, the authorized individual will be able to prepare the documents itself, when it needs them. This also represents a step towards offices with less paper. Such a solution to the technical problem, which represents an additional advantage for users after the implemented product, is an example of excellent practice, which needs to be repeated as often as possible.

E-VEM as a whole

The e-VEM system is as a puzzle consisting of a great number of different parts, for which we first needed to establish what they will look like and how they will fit together, produce them with the use of different expertise, then put them on top of the other and connect them with great precision and care. The elaboration and assembly of the puzzle required participation from several top experts from the technical, content and organizational areas. We are proud to participate in the development of the solution that will offer Slovenian companies a friendlier environment and fewer administrative obstacles and assure Slovenia a firm position on top of e-administration services in Europe.

Andreja Knafeljc, Miha Pšenica

Nina Plavšak, Ph.D.

The e-VEM-GD application supports procedures in relation with the submission of all proposals for the entry into the court and business register, which will be carried out by all entry points (VEM points, notaries and courts). The drafting of information solutions, which provide comprehensive support to these procedures, was very challenging, because the application enables the inclusion (entry) of data as regards all subjects of entries (companies, institutes, cooperatives, subsidiaries and many other subjects). The structure of data entered on an individual subject is different; therefore, SRC had to form and appropriately install (implement) different control algorithms, which assure logical supervision of the correctness of entered data, during the elaboration of information solutions. The application is also user-friendly, because it is designed in such a way that individual steps in the inclusion of data follow the logic of business processes in the preparation of proposals for entry. Important aspects of its user-friendly nature are also logical and comprehensible warnings, with which the application guides the user during the entry of data. The application also enables the generation of the majority of documents that need to be enclosed to the proposals for the registration of establishment of a simple limited liability company and for the registration of simple changes to the limited liability company. Due to functions, which it enables, and the user-friendly design, the application will undoubtedly contribute greatly to the considerable increase of correct and complete proposals for entry into the court register. Therefore, the decision-making procedures on entries into the court register will thus be faster.