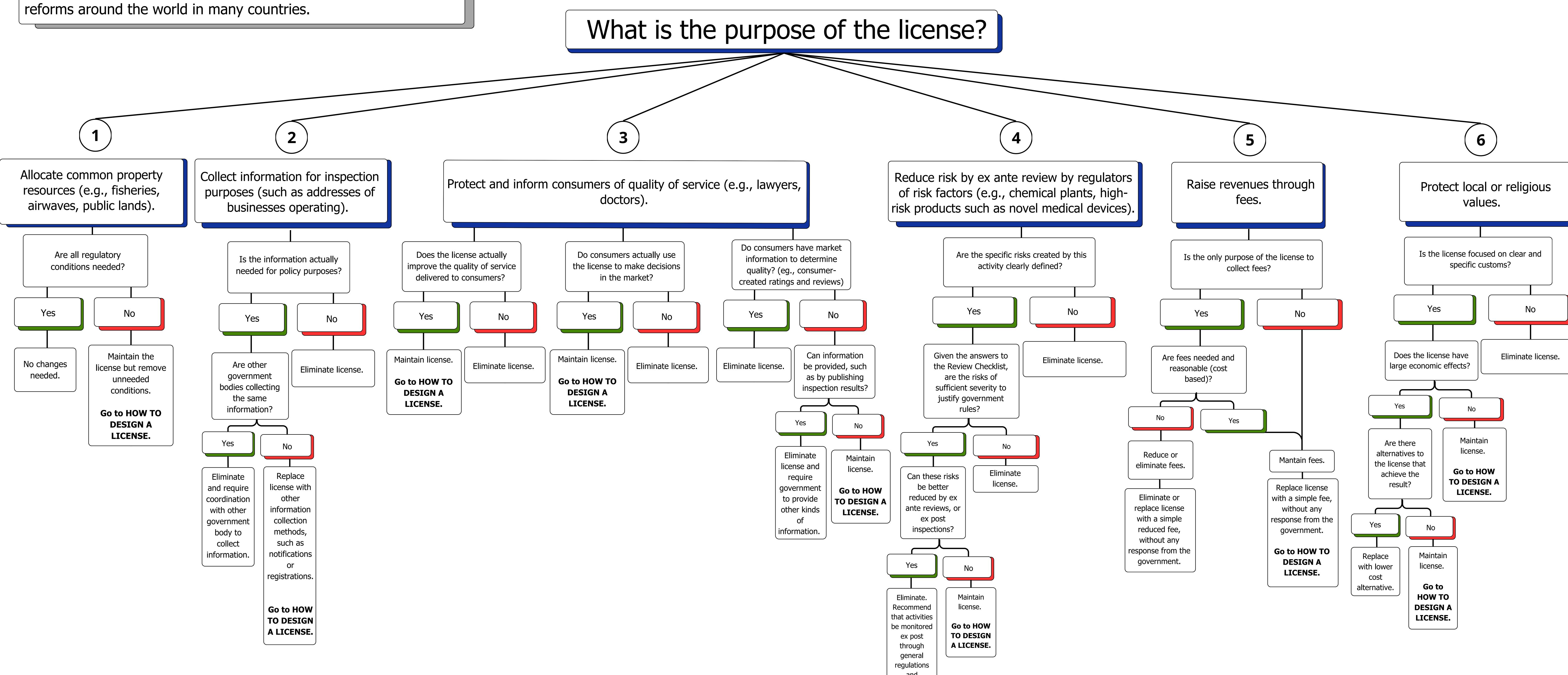


The License Decision Tree was developed by Jacobs, Cordova & Associates to assist regulators to identify and eliminate unnecessary licenses and streamline justified licensing processes. It is based on international good regulatory practices and licensing reforms around the world in many countries.

## Decision Tree for License Review®



inspections

of activities.



## How to design a license?

If a license or information is needed, have you chosen the most efficient method?

Adopt more efficient mechanisms instead of licenses.

Replace licenses with more efficient market surveillance.

Replace licenses with notifications. Shift to notification-based systems that remove the need for ex ante government approval while maintaining risk response capacity.

Standardize reporting formats for regular data submission to oversee compliance without a full licensing regime.

Establish information registries updated to track information needed for policy or oversight.

Deregulate and target.

Eliminate all conditions of the license that are not justified for the purpose.

When available, use alternatives to regulation, e.g., voluntary code of practice (recognized good practices).

Exempt groups or sectors of stakeholders from the obligation, e.g., small businesses.

Risk-based targeting: e.g., license only more risky operations.

Consolidate/merge licenses with overlapping information and risks into a single license for multiple purposes.

For low-risk activities, allow qualified third parties verify compliance.

Renew licenses as seldom as possible.

Make licenses permanent.

If risks require more frequent renewal, require 5 year renewals EXCEPT (see below).

When risks are very high (e.g., chemical plants), renewal should be justified by severe and irreversible risk.

Implement risk-based renewals: grant license holders in good standing an automatic extension or reduced renewal process.

Simplify processes.

Re-engineer. Remove unnecessary forms, inspections or data requests to remove as much cost as possible (use cost impact assessment).

Harmonize requests for information with other information obligations.

Set maximum processing times: establish legally binding deadlines for regulators to review and respond to license applications.

Centralize licensing procedures through a single, integrated portal—either online or in a physical "onestop" facility—to reduce transaction costs and enhance user experience.

Adopt online application and the use of ICT tools.

Simplify the terminology of the regulation and reduce its complexity.

Ease data collection.

Require reporting only when there is a change (event driven reporting).

Reduce the frequency of information requests (once a year, not once a month).

Collect the data from other government bodies rather than from businesses.

Use statistical data collection rather than full population reporting.

Collect the data directly from businesses' ICT systems (accounts).

Set up one-stop-shop systems for businesses, where all filing and relevant information is available.

Develop standard definitions for terms in legislation (e.g., small business, worker).

Streamline application forms.

Eliminate all lines and information requests on the form that are not explicitly needed to for agency decision.

Reduce the time taken to fill out forms, e.g., by improving their design, clarity etc.

Make forms and other data requests available on the internet.

Make forms interactive/"intelligent" so that they do not request irrelevant data.

Incorporate tooltips, FAQs, and brief explanations next to each field.

Enhance information access with clear, userfriendly guidance.

Develop better and more accessible guidance, e.g., by making guidance available on the internet.

Rewrite guidance in simpler language.

Separate compulsory from voluntary requirements in guidance

Make regulations available on-line at the one-stop-shop

Adopt ICT tools such as interactive tutorials or videos, intelligent helpdesks or chat support

Incorporate user feedback tools—such as surveys or ratings—on guidance materials and online portals.

For highly technical issues, regulator organizes informational sessions targeted at specific user groups (e.g., small businesses, start-ups, entrepreneurs).