



United Nations Commission on International Trade Law (UNCITRAL)

UNCITRAL work on MSMEs

WTO, 24 September 2021

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Why supporting MSMEs?



UNCITRAL texts for MSMEs' life cycle



Mandate of Working Group I

Active participation from member States, observer States, NGOs and IGOs

Mandate to Working Group I to work on reducing legal obstacles throughout the lifecycle of MSMEs starting with simplification of incorporation

2013

2014

The Working Group agrees to focus on simplification of incorporation and business registration

Deliberations on business registration and simplified incorporation (interim name UNLLO)

2015
–
2017

Mar
2017 –
Mar
2018

Break on work on UNLLO – Focus on the draft legislative guide on business registration

Mandate of Working Group I (ctd.)

Draft legislative guide on business registration is finalized and submitted to the Commission

Mar
2018

June
2018

Commission adopts the UNCITRAL Legislative Guide on Key Principles of a Business Registry

Work on UNLLO is resumed

Oct
2018 –
Jan
2021

June
2018

Commission adopts the UNCITRAL Legislative Guide on Limited Liability Enterprises

Legislative Guide on Key Principles of a Business Registry

Easy access to information

- ❖ Publicly accessible - easily searchable and retrievable
- ❖ Cross-border access

- ❖ Fully electronic operation
- ❖ One-stop shop for all public authorities
- ❖ Time-and cost-efficient process

Simplified registration process

Guidance

- ❖ Guidance on pre-and post-registration procedures
- ❖ Liability and sanction provisions
 - ❖ Preservation of records

- ❖ Registry system and information of good quality
 - ❖ Periodically updated
 - ❖ Use of unique identifiers

Improved registry system

Key Features

A guide suited to the needs of MSMEs

Legislative Guide on Limited Liability Enterprises

“Think small first”



Purpose

Create **flexible business form** that can be tailored to the needs of micro and small businesses

Provide an **economically inclusive** legal form supported by a **stand-alone legislation**

Move away from traditional, hierarchical and formal governance models

Benefits for: start-ups, MSMEs outside the formal economy, MSMEs looking to enter the formal economy

Outline of the Legislative Guide



General Provisions

- ❖ **Any** lawful commercial/business activity
- ❖ **Legal personality** of the LLE
- ❖ **Limited liability** for LLE members
- ❖ Formation upon registration (and **minimum information** required)
- ❖ **No minimum capital** at formation
- ❖ Members' **equal rights**
- ❖ **Freedom of contract**

Mandatory Provisions

Default Provisions

Outline of the Legislative Guide (ctd.)

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- ❖ **Limited liability** for UNLLO members
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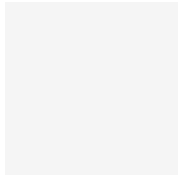
Mandatory Provisions

- ❖ Standards to ensure transparency and protect third parties
- ❖ For instance: managers' duty of care & loyalty, prohibition of improper distributions...

Default Provisions

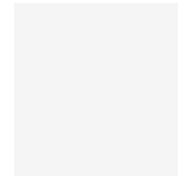
- ❖ Protection against circumstances or events that may not be foreseeable
- ❖ Fill gaps in the organization rules
- ❖ Provisions on: management, transfer...

Outline of the Legislative Guide (ctd.)



General Provisions

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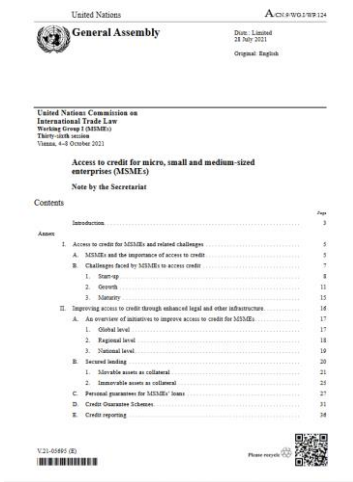


Default Provisions

- ❖ Protection against circumstances or events that may not be foreseeable
- ❖ Fill gaps in the organization rules
- ❖ For instance: management, transfer of rights...

36th session Working Group I (4-8/10/2021)

The Commission agreed to ...[request] the Secretariat to start preparing draft materials on access to credit for micro, small and medium-sized enterprises, drawing, as appropriate, on the relevant recommendations and guidance contained in the UNCITRAL Model Law on Secured Transactions... [A/74/17, para. 192 (a)]



The image shows the cover page and table of contents of a report. The cover page includes the United Nations logo and the text 'General Assembly', 'Date: Limited 23 May 2021', and 'Original: English'. The table of contents lists the following sections and page numbers:

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- Introduction:
 - Sets the context of MSMEs A2C and presents the challenges by stage of development.
- Core part:
 - Discusses key legislative and policy/operational measures to facilitate A2C (e.g. secured lending, personal guarantees, credit guarantee schemes...)
- Final part:
 - Emphasizes the importance of building the capacity of MSMEs and financiers to improve A2C.



Thank you!
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