

## **GUIDELINES FOR STARTING A BUSINESS**

### **1. PROCEDURES BEFORE THE START OF THE BUSINESS ACTIVITY**

1. Any Person / Company wishing to Start a business should register himself accordingly at the Registrar of Business where a Business Registration Number will be allocated to him. Details such as the type(s) of business activities, the address of the propose trade and the expected date of commencement should be submitted thereat.
  
2. Once registered, Local Authorities, the Sanitary Authority, the Police Department, the fire Services Department and other relevant Ministries & Departments will be communicated on line (i.e via internet) details regarding the newly registered businessman and the expected date of commencement of the activity.
  
3. The Local Authority will sort out those prospective economic operators who intend to trade within its administrative area and will communicate the relevant parts of its guidelines, fees to be paid and any other provisions of the Local Government Act 2003 as amended to the person / company concerned by e-mail, letters or on-site visit.
  
4. The Local Authority, The Fire Services Department, The Ministry of Health, Police Department, Ministry of Environment etc will carry out ex post control to ensure compliance with their guidelines.
  
5. The prospective economic operator, having satisfied guidelines issued by the Local Authority should pay the fees for the current financial year for the classified trade as published by the Local Authority within 15 days of the start of the business and for subsequent financial years not later than the 15<sup>th</sup> July.  
A surcharge of 50% shall be leviable on any amount not paid within the prescribed period.

2. **CONDITIONS TO BE SATISFIED FOR THE START AND CONDUCT OF A BUSINESS ACTIVITY**

1. A business activity cannot be conducted on the name of :
  - (i) More than one person.
  - (ii) A trade name.
  - (iii) Succession or heirs.
  - (iv) Any organization, club, 'société' or institution which has no legal entity.
2. A Professional activity e.g Architect, Engineer, Motor Surveyor, Land Surveyor etc should be on the name of an individual only .
3. Any fee payable for the operation of a classified trade shall be due on 01 July of that year and shall be paid by the person.
  - a. **Within 15 days after the start of the classified trade** and
  - b. Not later than 15 July in respect of every subsequent financial year.A surcharge of 50% shall be leviable on any amount not paid within the period specified above.

According to the Local Govt Act 2003 as amended, any person who fails to pay any fee under this section shall commit an offence and shall, on conviction, be liable to a fine not exceeding Rs 50 000.00

4. Any person carrying on, practicing or exercising one or more of these classified trades shall pay the prescribed fees for each of these trades and he shall be registered accordingly at the Registrar of Business.
5. The conduct of the following trades is prohibited for newly registered business operators:
  - (i) Seller of foodstuff and non foodstuff (mobile)
  - (ii) Night Club or Discotheque except those situated within the precincts of a hotel
  - (iii) Any such trade which may cause obstruction to public thoroughfares, drain, traffic etc.
6. For classified trades requiring a Building and Land Use Permit (previously Land Development Permit and Building Permit) the economic activity should fall in the appropriate cluster as specified in the eleventh schedule of the Local Government Act 2003 as amended.

Where there is a proposed change in economic activity.

- (a) Within a cluster, no fresh Building and Land Use Permit shall, subject to the eleventh schedule, be required.
- (b) From one cluster to another, a fresh Building and Land Use Permit shall be required.

All conditions mentioned in the Building Land Use Permit should be complied with, at start of the business.

7. Before starting a business, the person / company concerned should ensure that the previous occupier of the premises has informed the Council of having ceased business.

In case the latter has not done so, a letter from the owner certifying that the previous occupier has vacated the premises (specifying the exact date) should be produced.

8. The building / Vehicle / Bicycle / Showcase or any structure or premises as the case may be, within which the trade will be carried out, should be ready for use at the time of the start of the business.
9. Every trader shall deposit or cause to be deposited any refuse or any waste material resulting for the trade activity in a receptacle or dustbin.
10. All traders involved in the manufacture, sale or processing of foodstuffs should be in possession of a valid Food Handler's Certificate issued by the Ministry of health before starting the business.
11. Before starting to operate, the trader be in possession of the necessary permit or authorization from the main regulating authority.
12. In case electric motors are being used the trader should hold a permit to run the electric motors issued by the Municipal Council.
13. Hawking activities is prohibited within a radius of 500 metres from any Market / Fair.
14. Fresh registration should be made in case change of person for same trade or for change in address of premises. The Council shall also be informed accordingly in writing and the trader shall pay the relevant fees.
15. In case of cessation or transfer of business, the Council shall be informed in writing within 15 days of the date of cessation or transfer failing which fees due will continue to be claimed for each subsequent financial years and appropriate legal action will be initiated for non payment of fees. The applicant may also fill in the appropriate form available at this office. The Council should be informed immediately in case of death of the trader.
16. The trade activities should not be carried out outside the authorised premises.
17. The trader should at all times comply with the relevant parts of the guidelines published by the Sanitary Authority, The Fire Services Department, The Police, The Ministry of Environment or any other Government Department or Authority.
18. The trader should produce the receipt of payment for the previous financial year while effecting payment for the next financial year.

Where a person carrying out a classified trade dies, the heirs of the deceased person may continue to carry on the classified trade during the period for which

the fee has been paid. The designated heir should thereafter register himself at the Registrar of Business.

19. Every person carrying on a classified trade shall display in a conspicuous place at each of his business premises, the receipt acknowledging payment of the fees in respect of the current financial year.
20. Every hawker of such goods as may be authorised by the Local Authority shall at all times carry his receipt acknowledging payment of the fees in respect of the current financial year.
21. The economic activity should not be carried in such a way so as to be a danger to public health, public order or public safety.
22. The Chief Executive or any officer authorised by him in writing may make a provisional closing down order in respect of any premises where he is satisfied that any of the conditions mentioned above has not been complied with.