

Research on the Registration Management System of Individual Industrial and Commercial Households

Mingyang Liang*

Dhurakij Pundit University, Bangkok, 10210, Thailand

1332036581@qq.com

**Corresponding author*

Keywords: Individual Industrial, Commercial Households, Registration Management, Countermeasure

Abstract: As an important part of China's market economy, individual industrial and commercial households have made indelible contributions to maintaining social stability and promoting economic prosperity and development since the reform and opening up. With the advent of the shift period of China's economic growth, it is very important to manage the large number of individual industrial and commercial households for the healthy development of China's economy. Firstly, this paper analyzes the causes of unlicensed operation of individual industrial and commercial households and the problems faced by the reform of individual industrial and commercial household registration system. Secondly, this paper puts forward specific countermeasures and suggestions on the "three certificates in one" work of individual industrial and commercial households.

1. Introduction

As one of the main departments of market supervision in China, the industrial and commercial department has played an important role in the process of commercial registration reform. Industrial and commercial departments across the country have successively carried out reform pilot projects, among which Shenzhen was the first to carry out reform pilot projects. In the process of pilot projects, many achievements have been made and many difficulties and problems have been encountered. In the whole process of reform, the industrial and commercial department has shouldered important responsibilities [1]. As a front-line practice department, the experience and lessons in its work are worthy of absorption and reference.

As a unique registration system in China, the individual registration system has encountered some new situations and problems in the process of reform and practice. Solving all kinds of difficulties and problems encountered by individual industrial and commercial households in the commercial registration reform is conducive to effectively solve the difficulties of the masses, consolidate the mass foundation of the commercial registration reform, improve the government's management and service capacity of the market economy, and further stimulate the vitality of market subjects and promote the healthy and orderly development of the market economy [2].

2. Causes of Unlicensed Operation of Individual Industrial and Commercial Households

2.1. Subjective Factors

At present, China stipulates five kinds of behaviors suspected of unlicensed operation: the first is the operation behavior that should have obtained but did not obtain the license document and business license. The second is the business behavior that can apply for a business license without obtaining a license document. The third is the business behavior that has obtained the license document but has not obtained the business license [3]. The fourth is to continue to operate after the cancellation of registration or revocation, and beyond the validity period of the business license. The fifth is the behavior of engaging in business beyond the business scope approved by the business license or license document.

In unlicensed business cases, the more common cases are mainly some stall vendors. Their industry does not need to obtain the administrative license of other departments, but they still do not take the initiative to apply for the business license. Therefore, such unlicensed business activities are punished more. There are two main reasons [4]. First, the business environment is limited. Although these vendors are full of all corners of the market, they do not have a fixed business place and have strong daily liquidity, so it is difficult to expand their business scale. Therefore, they can't apply for a business license in the industrial and commercial department in time. Even if they have handled the business license, it is objectively difficult to insist on going through the change procedures in the industrial and commercial department in time because the business premises and business scope of small businesses are often changed [5]. Second, due to embarrassment, some vendors feel that the business license procedure is cumbersome, time-consuming and troublesome, so they don't do it. To avoid tax, some operators do not understand the current national tax policy and take it for granted that they must pay tax when they apply for a business license, so they are not willing to apply for a business license subjectively.

2.2. Objective Factors

The passive violation of the law in unlicensed business mainly refers to that the parties subjectively want to engage in business activities after handling the license. However, due to the gap between policies, systems, laws and other factors and the actual situation, some operators can not meet the conditions in the actual operation process, so they can not go through the license procedures. This situation is common in some small workshops, such as restaurants, pastry shops, cold dish shops, etc. The catering industry has high environmental requirements for processing places. Many small noodle shops and restaurants cannot apply for the catering service license because they can not meet the environmental requirements of the health department, so they cannot apply for the business license [6]. Small workshops represented by pastry shops and cold dish shops have been in a regulatory vacuum for a long time. According to the law, these food processing industries need to apply for food production license. However, the threshold for handling this certificate is higher, especially after the promulgation of the food safety law, the production environment of small workshops in backward areas can not meet the standard. However, in the actual supervision process, it is impossible for law enforcement personnel to ban all small workshops and enforce a large-scale ban. There is not only a shortage of law enforcement force, but also social unrest and opposition by local governments.

3. Problems Faced by the Reform of the Registration System of Individual Industrial and Commercial Households

3.1. Impact of Simplifying Residence (Place of Business) Registration

First, the issue of "changing housing for business". "Housing to business" means that in the process of handling the business license, if the operator registers the house as a business place, it is necessary to change the use of the house to commercial use before it can engage in business activities in the place. However, in the process of simplifying the registration procedures of residence (business premises), "housing to business" has always been the focus of attention from all walks of life. For a long time, the discussion on "housing to business" has never stopped.

Second, the problem of "one business license with multiple addresses". "One business license with multiple addresses" solves the trouble of individual industrial and commercial households who neither want to upgrade to enterprises nor want to handle branches, but there are also some new problems. Take Yibin County as an example [7]. In recent years, many areas of Yibin County have been listed as planning areas by the government. The business households in the planning area are facing the problem of compensation for house demolition. When applying for a business license, it is necessary to provide a relatively complex certificate of legal use of the business place [8]. Therefore, it is difficult for many business households who use small property right houses or rural houses to do business activities. Even if the operators who use legal houses to engage in business are located in the government planning area, they also need the consent certificate issued by relevant departments to engage in business activities.

Third, "one business address has multiple licenses". "Multiple licenses at one business address" refers to the residence (business place) of two or more enterprises or individual businesses at the same address, that is, the same address corresponds to two or more business licenses. There are legal provisions: a real estate certificate, that is, a business address can only apply for one business license, and multiple business licenses shall not be applied for in the same business place. In real life, farmers' markets and large business districts often have only one unified real estate certificate, and the artificially divided business areas within the market have no corresponding real estate certificate [9]. As a result, the operators who rent stalls or counters in the market or shopping malls cannot apply for the business license of individual industrial and commercial households because they cannot provide legal real estate certificates. A large number of people want to apply for licenses but cannot, which is not conducive to the healthy and rapid development of the economy. The implementation of "multiple licenses for one business address" means that the site address of one market or shopping mall can be registered as the residence (business site) of several small market business entities. This behavior reduces the requirements for the proof materials of the operator's residence (business place), enables more market subjects to improve the license procedures in time, and objectively solves the problem that the operator is unable to handle the business license because he cannot provide the legal real estate certificate [10]. However, operators may use "one business address and multiple licenses" to falsely issue invoices to achieve the purpose of tax evasion, tax evasion and tax evasion, which undoubtedly increases the risk of tax management.

3.2. Problems Caused by the Reform of Registered Capital Registration System

Changing the paid in registration system of registered capital to the subscription registration system is an important part of the transformation of the functions of the institutions of the State Council. After the implementation of the subscription registration system, the authenticity of the registered capital can not be controlled, and the actual responsibility bearing capacity of the market

subject can not be directly determined, resulting in the classification of the market subject is no longer necessary. For the industrial and commercial departments, changing the paid in registration system of registered capital to the subscription registration system is not only related to the change of registration form and the simplification of registration procedures, but also may promote the unification of market subject types or the redefinition of market subject types.

Since the subscription registration was implemented on March 1, 2014, the number of newly registered enterprises in Yibin County has increased significantly, which may include leather bag companies, shell companies and other non real business market entities. This increases the uncertainty and mistrust of market transactions. In this way, individual industrial and commercial households that are not affected by the registered capital may have difficulties in development due to the increase of mistrust in the general environment.

3.3. Problems Caused by "License before Certificate"

"License before certificate" reduces the threshold of market access and is conducive to further stimulate the vitality of market subjects, but it also brings some problems in practical work. On the one hand, due to the lag of laws and regulations, in the specific implementation process of "license before certificate", it may lead to problems such as department prevarication and artificial difficulty of registration authority. On the other hand, it is worth paying attention to the waste of administrative resources caused by the reform of "license before certificate".

According to the law, the Department of Industry and Commerce only conducts formal examination on the application materials of the business license. Once the business premises examined and approved by the department of industry and Commerce do not meet the requirements of the post licensing examination and approval department, the business license will face a very embarrassing situation. At that time, the approved business license must be re registered for the change of business premises until it is approved by other administrative examination and approval departments, which greatly wastes administrative resources.

Individual industrial and commercial households are faced with objective reasons such as large liquidity and changing business scope at any time. If the industrial and commercial department can not coordinate with other administrative examination and approval departments and can not solve the specific difficulties encountered in the registration reform of individual industrial and commercial households, the frequent change of registration will undoubtedly increase the burden of operators and increase the workload of government personnel.

4. Suggestions for Perfecting the Reform of Individual Industrial and Commercial Household Registration System

4.1. Deregulation of Individual Industrial and Commercial Households

All kinds of new problems encountered in the reform of commercial registration require us to re understand the market subject nature of individual industrial and commercial households, and require us to take a series of measures to relax the control of individual industrial and commercial households. Only in this way can we stimulate the market vitality of individual industrial and commercial households and make them truly become a new force to solve employment and promote economic development. This paper holds that to relax the control of individual industrial and commercial households, we should seek specific countermeasures and measures from two aspects: changing government functions and innovating management means.

(1) Transforming government functions

First, improve the top-level design and implement the administration according to law. Through

the improvement of laws and regulations and the implementation of the Department's "three fixed plans", all government departments can better implement the concept of having laws to abide by and must abide by law, and all departments can fully clarify their functions and responsibilities, so as not to exceed their authority and be absent. Looking around the world, individual businesses only exist in China. Other western developed countries have not specifically divided this kind of market subjects. By improving the General Principles of Civil Law, Regulations on Individual Industrial and Commercial Households, Administrative Licensing Law and other laws and regulations, we will create a fair and free environment for individual industrial and commercial households to participate in market competition.

Second, strengthen the theoretical studies and improve personnel quality. Through various political studies, skill training, expert lectures and law popularization, the comprehensive professional quality of government staff can be improved. In addition, these measures can also strengthen the service consciousness of relevant personnel, especially the purpose consciousness of "serving the people" of party members and comrades. In particular, industry and commerce, taxation and other departments should change their traditional ideas. These departments should focus on serving local economic development and change the traditional high-pressure supervision policy for individual industrial and commercial households from the standpoint of promoting employment and maintaining social stability and prosperity.

(2) Innovation management means

As the main supervision department of the market economy, the industrial and commercial department should not only change the management concept of the market economy, but also focus on the overall situation and innovate management means.

First of all, industrial and commercial staff can fully grasp the difficulties and problems existing in the development of individual industrial and commercial households by means of daily inspection, visit and research. In view of the existing problems, the personnel of the industrial and commercial department should formulate response plans, and give more guidance and help to individual industrial and commercial households in relaxing the access threshold, broadening financing channels and optimizing business strategies according to the existing policies.

Secondly, due to the reform of business registration and the measures taken by the tax department to raise the threshold of individual income tax again, the regulation of individual industrial and commercial households has been greatly reduced. The government can also try to further relax the control of individual industrial and commercial households, even exempt the industrial and commercial registration and tax registration of individual industrial and commercial households, and endow individual industrial and commercial households with a unique organization code through the "three certificates in one".

Thirdly, the Industrial and Commercial Department, as the leading unit of the "three certificates in one" work, should clear the technical obstacles for the "three certificates in one" work. In the conclusion of the text, the work of "three certificates in one" requires that individual industrial and commercial households do not pay taxes. At this stage, the vast majority of self-employed households have not reached the tax threshold, so the next key work is to require the industrial and commercial department to actively guide the transformation and upgrading of large-scale individual industrial and commercial households that meet the tax conditions of enterprises.

4.2. Assumption of "One Certificate and One Number"

Many provinces and cities across the country have launched the pilot work of "three certificates in one". In view of the current problems such as the conflict of laws, regional restrictions and various types of organizations related to "three certificates in one", this paper believes that the idea

of "one certificate and one number" can be realized by means of unified coding to solve the above problems.

The assumption of "one certificate one number" in this paper is that only one piece of paper and one number can cover all kinds of organizations in society, including market subjects, government organs, social organizations and other organizations. "One piece of paper" means that the business license, tax registration certificate and organization code certificate are composed of three separate pieces of paper and put on one piece of paper. "One number" refers to the unique identification code of an organization. Even if it is cancelled, it cannot be used by other organizations. Its form is as follows:

Administrative division + organization code + Organization ID (B, G, S, O)

The existing administrative division codes in China can be used for administrative divisions (for example, the code of Yibin County is 511521). The organization code is represented by 7 digits. This group of numbers is arranged in the order of handling, and nearly 100000 organizations can be handled in each county-level administrative region. Organization logo is mainly used to distinguish market entities, government organs, social organizations and other organizations. B stands for business, G for government, S for society and O for others.

Among them, individual businesses can be classified into other organizations. For example, the ID code of an individual industrial and commercial household in Yibin County is as follows: 5115211234567o. After the implementation of the "three certificates in one", the departments of industry and commerce, taxation and quality supervision can retrieve the data required by their own departments from the "three certificates in one" registration database. For example, the organizations involved in the industry and Commerce Department have organization data with B and o at the end, and the organization data with B at the end is basically what the tax department needs to retrieve.

4.3. Registration Authority of "Three Certificates in One"

Based on the theory of government outsourcing and "gifted business right", this paper suggests that the registration of "three certificates in one" should be undertaken by organizations outside the government.

"Commercial registration" is the result of the spontaneous practice of commercial subjects under the control of commercial laws, which fully embodies the concept of private autonomy of "shaping the mutual legal relationship with others according to their own free will". However, this kind of behavior needs to register and publicize the information of private (including natural persons and legal persons) in the authority through the application procedure, and provide guarantee for the credibility of the publicized information and its own credit with the help of the credibility of the authority, so as to ensure the honest and efficient progress of commercial transactions with others.

The purpose of commercial registration is not to strengthen the supervision of market subjects. Law enforcement agencies should more supervise the transaction behavior of market subjects and should not focus on the market access gate.

Information asymmetry will lead to market failure. The significance of commercial registration is to realize information symmetry among market subjects, operators and consumers, so as to promote the healthy development of economy. On the one hand, because government departments represent public power and national reputation, national reputation is not only not suitable for guaranteeing private people, but also government agencies are not suitable to act as regulators and guarantors of market trading activities at the same time. On the other hand, as an individual industrial and commercial household with "talent business rights", whether they are willing to disclose information depends on their own development needs and should not be enforced by public

power.

Commercial registration is also a social public service, which needs a sound incentive mechanism to ensure its quality. At present, China's government agencies have the problems of aging personnel structure and low work efficiency. If the government blindly undertakes the front-line service work directly, it may intensify the contradiction between cadres and the masses. Therefore, it is particularly necessary to entrust the commercial registration work to the third-party organization without government background. In this process, the government can outsource the commercial registration work to powerful enterprises or organizations through bidding. The government only acts as the supervisor of the commercial registration work and guides the commercial registration work from a macro perspective.

5. Conclusions

As an important part of China's market economy, individual industrial and commercial households have made indelible contributions to maintaining social stability and promoting economic prosperity and development since the reform and opening up. With the advent of the shift period of China's economic growth, it is very important to manage the large number of individual industrial and commercial households for the healthy development of China's economy.

Individual industrial and commercial households are faced with objective reasons such as large liquidity and changing business scope at any time. If the industrial and commercial departments can not coordinate with other administrative examination and approval departments and can not solve the specific difficulties encountered in the commercial registration reform of individual industrial and commercial households, the frequent change of registration will undoubtedly increase the burden of operators and increase the workload of government personnel.

References

- [1] Sun Wenxu. *Reflections on the reform of the hierarchical and classified registration management of individual industrial and commercial households*. *Industrial and commercial administration*, 2005 (20): 5.
- [2] Pandeqiang, Ping Lizhi. *Discussion on "innovative mode" of individual registration supervision system-problems and Countermeasures in the implementation of the regulations on individual industrial and commercial households*. *Wuhan academic journal*, 2012 (3): 3.
- [3] Wuqiang, Dingling. *Problems and Countermeasures of tax collection and management of individual industrial and commercial households in China*. *New economy*, 2016 (7): 2.
- [4] Fang Jianxin. *Discussion on Problems and Countermeasures of individual household survey in economic census*. *Global market*, 2019.
- [5] Zhangweiming. *Using the scientific concept of development to guide the hierarchical and classified registration management of individual industrial and commercial households*. *China business administration research*, 2005.
- [6] Zhou Xiangbin. *On the problems and Countermeasures in the tax management of rural individual industrial and commercial households in Pingguo County*. *Journal of Guangxi Commercial College*, 2003 (S1): 3.
- [7] Pan Yuyan. *Reasons and Countermeasures for tax evasion of individual industrial and commercial households*. *Journal of Guangxi University for Nationalities: Philosophy and Social Sciences Edition*, 2008, 30 (B06): 2.
- [8] Hushaoyu. *Problems and Countermeasures of tax collection and management of individual industrial and commercial households in China*. *Economic Forum*, 2014 (7): 133-136.
- [9] Liu Mengting. *Research on tax credit management system of natural persons in China*. *Regional governance*, 2020 (31): 2.
- [10] Cao Huipei, Sun Huijie, Liu Chunsong. *Innovative understanding of achievement delivery contract of individual industrial and commercial households*. *Time honored brand marketing*, 2020 (12): 2.