



FEDERAL GOVERNMENT OF SOMALIA
MINISTRY OF COMMERCE AND INDUSTRY

Terms of Reference

**Consultancy Services for the Integrated Legal and Regulatory
Harmonization Initiative for the Business Environment**

Supported under

The Somalia Productive, Resilient, and Inclusive Growth (SPRING)
Project

Mogadishu, Somalia

March 2026

1. Assignment Summary

| Item | Description |
|----------------------------|--|
| Assignment Title | Consultancy Services for the Integrated Legal and Regulatory Harmonization Initiative for the Business Environment |
| Client | Ministry of Commerce and Industry (MoCI), Federal Government of Somalia |
| Financing Context | The assignment is expected to be financed under the Somalia Productive, Resilient, and Inclusive Growth (SPRING) Project, in accordance with approved implementation, procurement, and financial management arrangements |
| Type of Consultant | Consulting firm or qualified consortium with demonstrated expertise in legal and regulatory reform, business environment development, digital governance, and stakeholder engagement |
| Duty Station | Mogadishu as the main duty station, with national coverage including consultations with Federal Member States and relevant institutions |
| Indicative Duration | Up to 12 calendar months from contract signature |
| Language | All core legal documents and frameworks shall be prepared in English and translated into Somali |
| Selection Approach | Selection method to be specified in the approved procurement plan and Request for Proposals, consistent with World Bank Procurement Regulations |

2. Background and Context

Somalia is undergoing a period of economic transition marked by institutional rebuilding, increased engagement with international partners, and a renewed focus on private sector-led growth. Despite progress, the business environment remains constrained by fragmented legal frameworks, regulatory inefficiencies, and limited institutional coordination.

The World Bank-supported SPRING Project aims to strengthen private sector development, financial inclusion, and access to infrastructure and digital services. A central pillar of this agenda is the modernization and harmonization of legal and regulatory frameworks governing commercial activity.

While Somalia has enacted key legislation such as the Company Law (2019) and its attendant two sets of regulations, gaps persist in implementation, regulatory coordination, SME support frameworks, and governance of digital systems such as the Somalia Business Registration and Licensing System (SBRLS).

To address these challenges, the Government intends to undertake an integrated legal and regulatory reform initiative to strengthen the business environment, improve regulatory efficiency, and support digital transformation. Strengthening legal and regulatory predictability and coherence across the Federal Government of Somalia (FGS) and Federal Member States (FMS) levels.

3. Purpose and Development Objective of the Assignment

The objective of this assignment is to review, harmonize, and modernize key legal and regulatory frameworks governing the business environment, ensuring alignment with international best practices, digital government initiatives, and private sector development priorities.

Specific Objectives

1. Review and suggest amendments to the Company Law (2019) and its related regulations
2. Reform the Commercial Registration and Licensing framework
3. Develop a comprehensive SME and Startup Legal Act
4. Establish the legal and institutional foundations for an Information Governance Framework (IGF) for SBRLS

4. Scope of Work

The consulting firm shall implement an integrated legal and regulatory reform program covering four core areas. In each of the four areas, the firm shall reference all related policy, laws and regulations at FGS and FMS level, reflecting the interconnected nature of the business regulatory environment:

4.1 Review and Amendment of the Company Law (2019)

- Conduct legal and institutional assessment of the Company Law (2019) and its existing two sets of regulations
- Identify gaps affecting governance, compliance, and investor protection, as well as implementation in FMS
- Benchmark against international standards
- Draft amendments and implementing regulations
- Facilitate stakeholder consultations

4.2 Commercial Registration and Licensing Regulatory Reform

- Review existing and draft registration and licensing frameworks
- Identify regulatory overlaps and inefficiencies, including when implementing at FMS
- Develop harmonized regulations and procedures
- Align with SBRLS and digital service delivery
- Validate proposed reforms through stakeholder engagement

4.3 Development of SME and Startup Legal Act

- Assess legal and institutional barriers affecting SMEs and startups
- Benchmark international best practices
- Draft SME and Startup Legal Act
- Define institutional coordination mechanisms
- Conduct consultations with key stakeholders

4.4 Development of Information Governance Legal and Policy Framework for SBRLS

- Assess existing legal and institutional arrangements for data governance
- Define data ownership, stewardship, and sharing principles
- Propose governance structures and institutional responsibilities aligned with the current organization of institutional mandates and responsibilities
- Develop high-level policies for data security, privacy, and interoperability
- Provide legal and policy guidance to support future technical implementation of IGF

5. Methodology

The consultant shall adopt a structured and consultative approach including:

- Desk review of legal and regulatory frameworks
- Institutional assessments
- Comparative benchmarking
- Stakeholder consultations and validation workshops
- Iterative drafting and refinement of legal instruments

6. Key Deliverables and Detailed Timeline

| Task Title | Description of Activities | Deliverables | Timeline |
|--|--|--|-----------------|
| Task 1: Inception and Work Planning | Review documents, confirm methodology, stakeholder mapping, and workplan | 1. Inception Report 2. Detailed workplan 3. Stakeholder engagement plan | Within 3 weeks |
| Task 2: Legal and Regulatory Diagnostics | Conduct assessments across all reform areas | 1. Diagnostic Report (Company Law) 2. Diagnostic Report (Commercial Registration and Licensing Law) 3. Diagnostic Report (SME ecosystem) | Within 10 weeks |

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|--|--|--|-----------------|
| | | 4. Diagnostic Report (Data governance legal framework) | |
| Task 3: Draft Company Law Amendments and Regulations | Draft amendments and implementing regulations | <ol style="list-style-type: none"> 1. Draft Company Law Amendments 2. Draft Implementing Regulations | Within 18 weeks |
| Task 4: Draft Licensing and Regulatory Framework | Develop harmonized licensing framework | <ol style="list-style-type: none"> 1. Draft Licensing Regulations 2. Administrative procedures framework | Within 20 weeks |
| Task 5: Draft SME and Startup Legal Act | Develop comprehensive legal framework for SMEs | <ol style="list-style-type: none"> 1. Draft SME and Startup Legal Act 2. Institutional coordination framework | Within 22 weeks |
| Task 6: Draft Information Governance Legal Framework | Develop legal and policy foundation for IGF | <ol style="list-style-type: none"> 1. Draft IGF Legal and Policy Framework 2. Governance structure and roles 3. Data governance principles and policies | Within 22 weeks |
| Task 7: Stakeholder Consultations and Validation | Conduct consultations and validation workshops | <ol style="list-style-type: none"> 1. Consultation Reports 2. Validation workshop summaries 3. Consolidated feedback report | Within 30 weeks |
| Task 8: Final Legal and Regulatory Reform Package | Finalize all outputs | <ol style="list-style-type: none"> 1. Final Company Law Amendments 2. Final Licensing Framework 3. Final SME Act 4. Final IGF Legal Framework 5. Implementation roadmap | Within 40 weeks |
| Task 9: Final Completion Report | Consolidation and reporting | <ol style="list-style-type: none"> 1. Final Completion Report 2. Summary of reforms and recommendations | Within 41 weeks |

7. Team Composition

The consulting firm shall propose a multidisciplinary team with the following key experts:

| Position | No. | Minimum Qualifications and Responsibilities |
|---|-----|--|
| Team Leader / Senior Legal Reform Expert | 1 | Master's or PhD in Law; 10–15 years' experience; lead assignment, ensure quality, stakeholder coordination |
| Corporate and Company Law Specialist | 1 | Master's in Law; 8+ years' experience; lead company law review and drafting |
| Commercial Registration and Regulatory Reform Specialist | 1 | Master's in Law; 8+ years' experience; licensing and regulatory reform |
| SME and Entrepreneurship Policy Expert | 1 | Master's in Economics/Business; 7+ years' experience; SME legal framework |
| Digital Governance and Data Policy Expert | 1 | Master's in ICT/Policy; 7+ years' experience; lead IGF legal and policy framework |
| Legal Drafting Specialist | 1 | 8+ years' legislative drafting experience; ensure quality and consistency |
| Stakeholder Engagement Specialist | 1 | 7+ years' experience; manage consultations and documentation |

8. Duration and Level of Effort

The assignment duration is up to 12 months. The consultant shall propose a detailed staffing schedule and level of effort aligned with the scope, ensuring sufficient expert input for diagnostics, drafting, consultations, and validation.

9. Data, Ownership, Confidentiality, and Ethics

All outputs shall be the property of the Client. The consultant shall maintain confidentiality, ensure ethical conduct, and comply with applicable anti-corruption and professional standards.

10. Environmental and Social Considerations

The consultant shall ensure inclusive stakeholder engagement and assess potential economic and social impacts of proposed reforms, with attention to vulnerable groups.

11. Obligation of the Client

The Client will provide coordination, access to documents, facilitate stakeholder engagement, and review deliverables.

12. Obligations of the Consultant

The Consultant shall execute the assignment professionally, ensure quality outputs, and conduct inclusive consultations.

13. Qualifications and Experience Required from the Consultant

The firm shall have at least 10 years of experience in legal and regulatory reform, demonstrated experience in similar assignments, and capacity to deliver multidisciplinary expertise.

14. Payment Schedule

| Deliverable | Payment (%) |
|--------------------------------|-------------|
| Inception Report | 15% |
| Diagnostic Report | 25% |
| Draft Legal Outputs | 25% |
| Stakeholder Validation | 15% |
| Final Reform Package | 15% |
| Final Completion Report | 5% |