

A World Bank Group Flagship Report

# Doing Business 2017

**Equal Opportunity for All****Regional Profile 2017****Asia-Pacific Economic Cooperation (APEC)**

WORLD BANK GROUP

Comparing Business Regulation  
for Domestic Firms in **190** Economies

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1818 H Street NW, Washington DC 20433  
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## INTRODUCTION

*Doing Business* sheds light on how easy or difficult it is for a local entrepreneur to open and run a small to medium-size business when complying with relevant regulations. It measures and tracks changes in regulations affecting 11 areas in the life cycle of a business: starting a business, dealing with construction permits, getting electricity, registering property, getting credit, protecting minority investors, paying taxes, trading across borders, enforcing contracts, resolving insolvency and labor market regulation. *Doing Business 2017* presents the data for the labor market regulation indicators in an annex. The report does not present rankings of economies on labor market regulation indicators or include the topic in the aggregate distance to frontier score or ranking on the ease of doing business.

In a series of annual reports *Doing Business* presents quantitative indicators on business regulations and the protection of property rights that can be compared across 190 economies, from Afghanistan to Zimbabwe, over time. The data set covers 48 economies in Sub-Saharan Africa, 32 in Latin America and the Caribbean, 25 in East Asia and the Pacific, 25 in Eastern Europe and Central Asia, 20 in the Middle East and North Africa and 8 in South Asia, as well as 32 OECD high-income economies. The indicators are used to analyze economic outcomes and identify what reforms have worked, where and why.

This economy profile presents the *Doing Business* indicators for Afghanistan. To allow useful comparison, it

also provides data for other selected economies (comparator economies) for each indicator. The data in this report are current as of June 1, 2016 (except for the paying taxes indicators, which cover the period January–December 2015).

The *Doing Business* methodology has limitations. Other areas important to business—such as an economy's proximity to large markets, the quality of its infrastructure services (other than those related to trading across borders and getting electricity), the security of property from theft and looting, the transparency of government procurement, macroeconomic conditions or the underlying strength of institutions—are not directly studied by *Doing Business*. The indicators refer to a specific type of business, generally a local limited liability company operating in the largest business city. Because standard assumptions are used in the data collection, comparisons and benchmarks are valid across economies. The data not only highlight the extent of obstacles to doing business; they also help identify the source of those obstacles, supporting policy makers in designing regulatory reform.

More information is available in the full report. *Doing Business 2017* presents the indicators, analyzes their relationship with economic outcomes and presents business regulatory reforms. The data, along with information on ordering *Doing Business 2017*, are available on the *Doing Business* website at <http://www.doingbusiness.org>.

## THE BUSINESS ENVIRONMENT

### CHANGES IN *DOING BUSINESS* 2017

As part of a three-year update in methodology, *Doing Business* 2017 expands further by adding postfiling processes to the paying taxes indicator, including a gender component in three of the indicators and developing a new pilot indicator on selling to the government. Also, for the first time this year *Doing Business* collects data on Somalia, bringing the total number of economies covered to 190.

The paying taxes indicator is expanded this year to include postfiling processes – those processes that occur after a firm complies with its regular tax obligations. These include tax refunds, tax audits and tax appeals. In particular, *Doing Business* measures the time it takes to get a value added tax (VAT) refund, deal with a simple mistake on a corporate tax return that can potentially trigger an audit and good practices with administrative appeals process.

This year's *Doing Business* report presents a gender dimension in four of the indicator sets: starting a business, registering property, enforcing contracts and labor market regulation. Three of these areas are included in the distance to frontier score and in the ease of doing business ranking, while the fourth—labor market regulation—is not.

*Doing Business* has traditionally assumed that the entrepreneurs or workers discussed in the case studies were men. This was incomplete by not reflecting correctly the *Doing Business* processes as applied to women—which in some economies may be different from the processes applied to men. Starting this year, *Doing Business* measures the starting a business process for two case scenarios: one where all entrepreneurs are men and one where all entrepreneurs are women. In economies where the processes are more onerous if the entrepreneur is a woman, *Doing Business* now counts the extra procedures applied to roughly half of the population that is female (for example, obtaining a husband's consent or gender-specific requirements for opening a personal bank account when starting a business). Within the registering property indicators, a gender component has been added to the quality of land administration index. This component measures women's ability to use, own, and transfer property according to the law. Finally, within the enforcing contracts indicator set, economies will be scored on having equal evidentiary weight of women's testimony in court.

Also for the first time this year *Doing Business* collects data on Somalia, bringing the total number of economies covered to 190.

For more details on the changes, see the "'Old and new factors covered in *Doing Business*'" section in the Overview chapter starting on page 1 of the *Doing Business* 2017 report. For more details on the data and methodology, please see the "Data Notes" chapter starting on page 114 of the *Doing Business* 2017 report. For more details on the distance to frontier metric, please see the "Distance to frontier and ease of doing business ranking" chapter in this profile.



## THE BUSINESS ENVIRONMENT

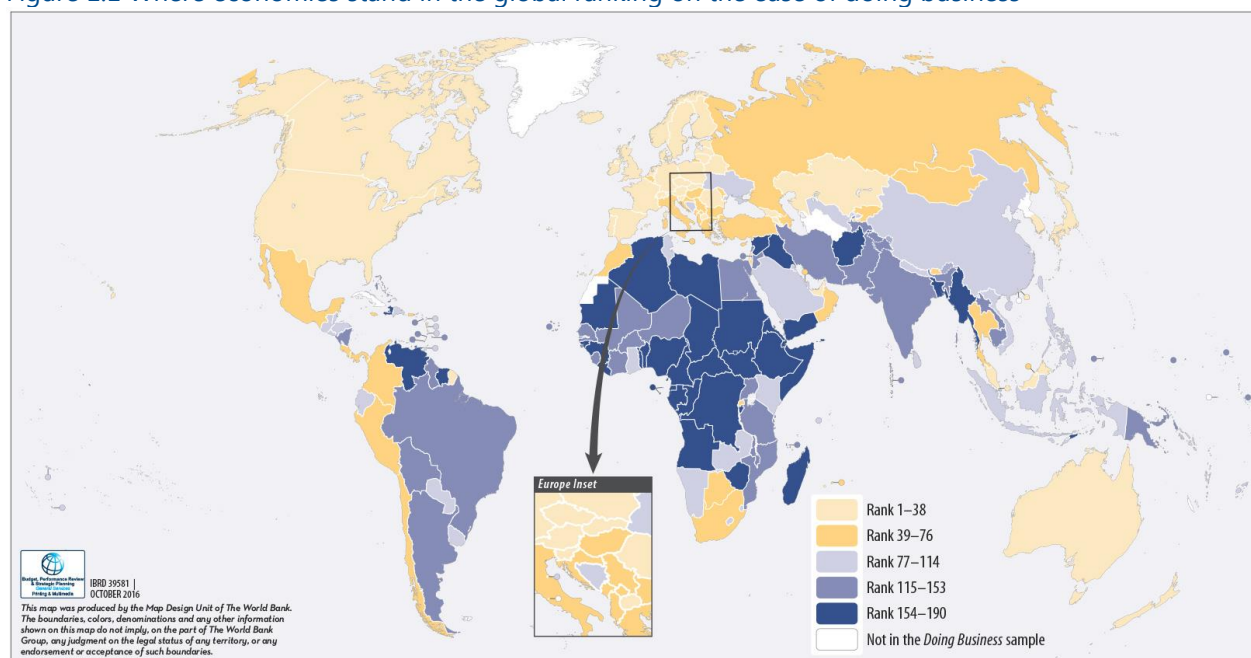
For policy makers trying to improve their economy's regulatory environment for business, a good place to start is to find out how it compares with the regulatory environment in other economies. Doing Business provides an aggregate ranking on the ease of doing business based on indicator sets that measure and benchmark regulations applying to domestic small to medium-size businesses through their life cycle. Economies are ranked from 1 to 190 by the ease of doing business ranking. Doing Business presents results for 2 aggregate measures: the distance to frontier score and the ease of doing business ranking. The ranking of economies is determined by sorting the aggregate distance to frontier scores, rounded to two decimals. An economy's distance to frontier score is indicated on a scale from 0 to 100, where 0 represents the worst performance and 100 the frontier. (See the chapter on the distance to frontier and ease of doing business).

The 10 topics included in the ranking in *Doing Business* 2017: starting a business, dealing with construction

permits, getting electricity, registering property, getting credit, protecting minority investors, paying taxes, trading across borders, enforcing contracts and resolving insolvency. The labor market regulation indicators are not included in this year's aggregate ease of doing business ranking, but the data are presented in the economy profile.

The ease of doing business ranking compares economies with one another; the distance to frontier score benchmarks economies with respect to regulatory best practice, showing the absolute distance to the best performance on each Doing Business indicator. When compared across years, the distance to frontier score shows how much the regulatory environment for local entrepreneurs in an economy has changed over time in absolute terms, while the ease of doing business ranking can show only how much the regulatory environment has changed relative to that in other economies.

Figure 1.1 Where economies stand in the global ranking on the ease of doing business

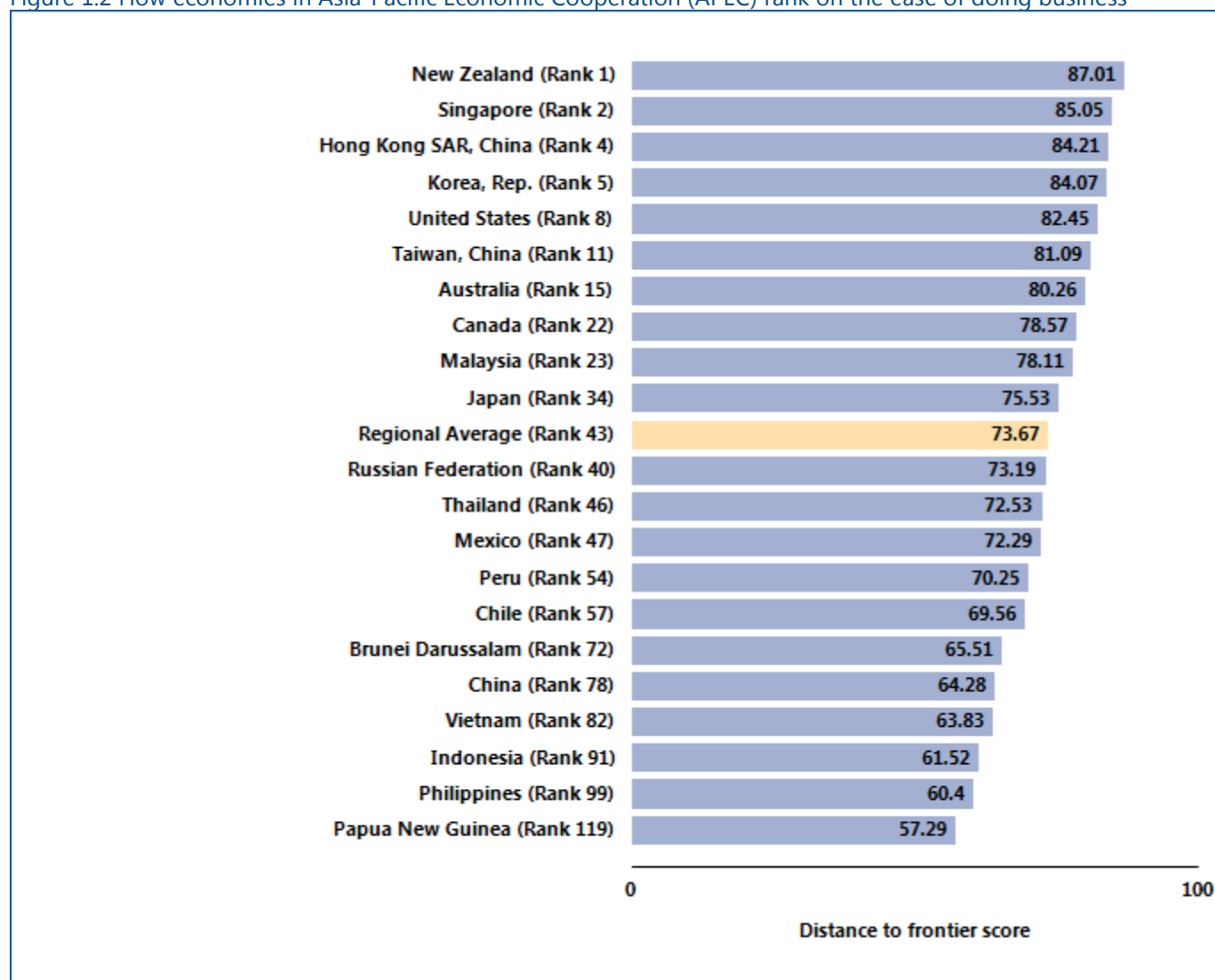


Source: *Doing Business* database.

## THE BUSINESS ENVIRONMENT

For policy makers, knowing where their economy stands in the aggregate ranking on the ease of doing business is useful. Also useful is to know how it ranks compared with other economies in the region and compared with the regional average (figure 1.2). Another perspective is provided by the regional average rankings on the topics included in the ease of doing business ranking (figure 1.3) and the distance to frontier scores (figures 1.4 and 1.5).

Figure 1.2 How economies in Asia-Pacific Economic Cooperation (APEC) rank on the ease of doing business



*Note:* The rankings are benchmarked to June 2015 and based on the average of each economy's distance to frontier (DTF) scores for the 10 topics included in this year's aggregate ranking. The distance to frontier score benchmarks economies with respect to regulatory practice, showing the absolute distance to the best performance in each *Doing Business* indicator. An economy's distance to frontier score is indicated on a scale from 0 to 100, where 0 represents the worst performance and 100 the frontier. For the economies for which the data cover 2 cities, scores are a population-weighted average for the 2 cities.

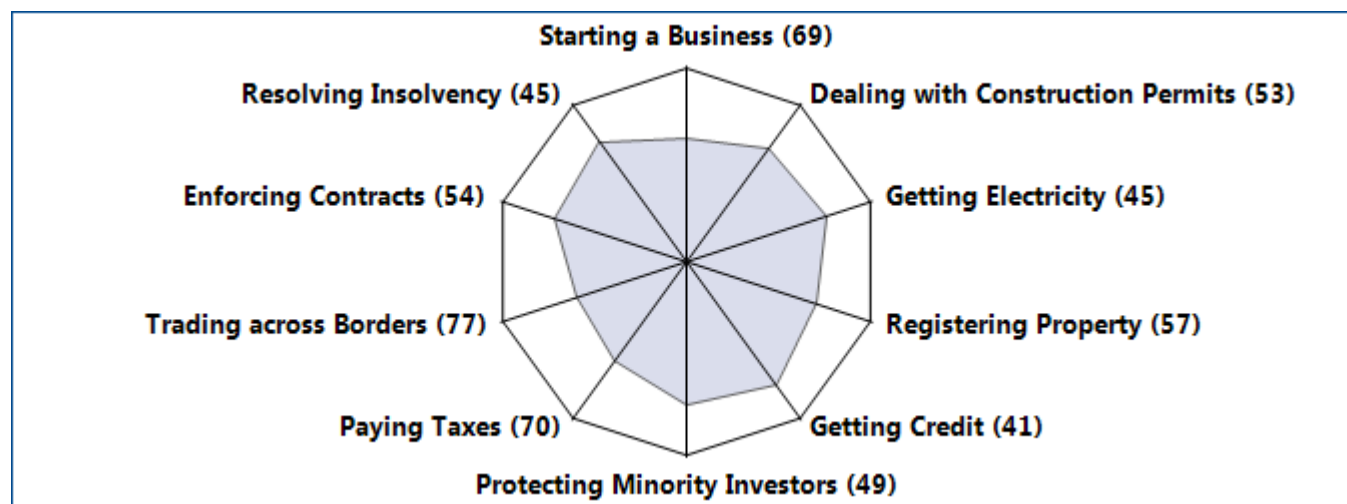
*Source:* *Doing Business* database.

## THE BUSINESS ENVIRONMENT

Figure 1.3 Rankings on *Doing Business* topics - Asia-Pacific Economic Cooperation (APEC)

(Scale: Rank 190 center, Rank 1 outer edge)

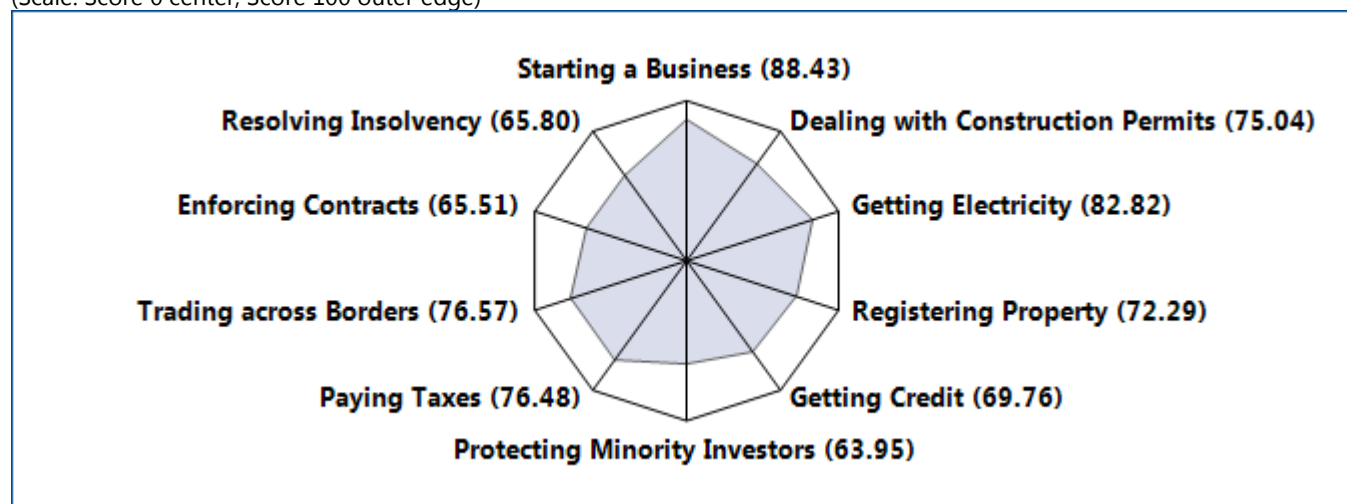
Regional average ranking



Source: *Doing Business* database.

Figure 1.4 Distance to frontier scores on *Doing Business* topics - Asia-Pacific Economic Cooperation (APEC)

(Scale: Score 0 center, Score 100 outer edge)

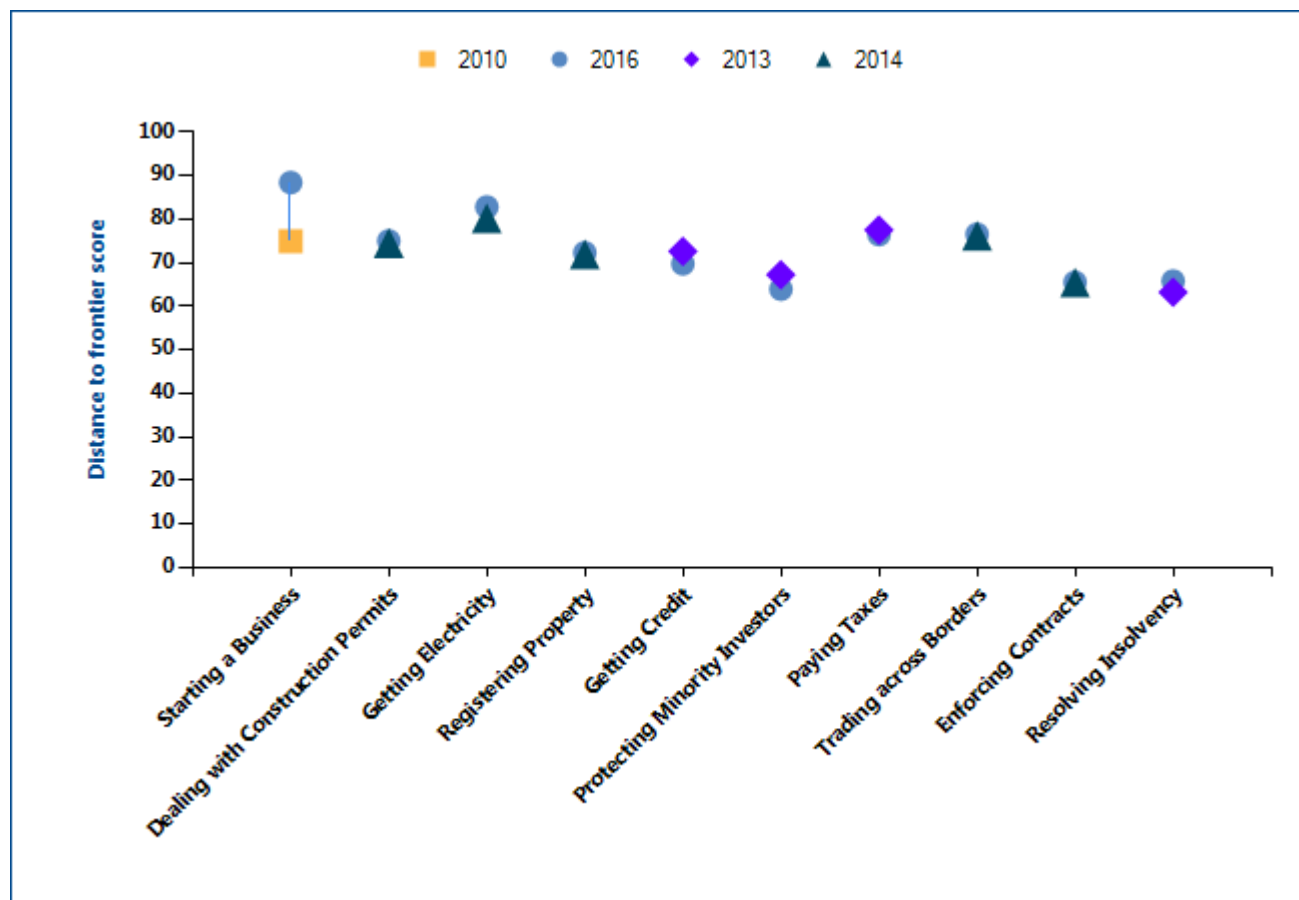


*Note:* The rankings are benchmarked to June 2015 and based on the average of each economy's distance to frontier (DTF) scores for the 10 topics included in this year's aggregate ranking. The distance to frontier score benchmarks economies with respect to regulatory practice, showing the absolute distance to the best performance in each *Doing Business* indicator. An economy's distance to frontier score is indicated on a scale from 0 to 100, where 0 represents the worst performance and 100 the frontier. For the economies for which the data cover 2 cities, scores are a population-weighted average for the 2 cities.

Source: *Doing Business* database.



Figure 1.5 How far has Asia-Pacific Economic Cooperation (APEC) come in the areas measured by *Doing Business*?



Source: *Doing Business* database.

Note: The distance to frontier score shows how far on average an economy is from the best performance achieved by any economy on each *Doing Business* indicator. Starting a business is comparable to 2010. Getting credit, protecting minority investors, paying taxes and resolving insolvency had methodology changes in 2014 and thus are only comparable to 2013. Dealing with construction permits, registering property, trading across borders, enforcing contracts and getting electricity had methodology changes in 2015 and thus are only comparable to 2014. The measure is normalized to range between 0 and 100, with 100 representing the best performance (the frontier). See the data notes starting on page 114 of the *Doing Business 2017* report for more details on the distance to frontier score.

## THE BUSINESS ENVIRONMENT

Just as the overall ranking on the ease of doing business tells only part of the story, so do changes in that ranking. Yearly movements in rankings can provide some indication of changes in an economy's regulatory environment for firms, but they are always relative. An economy's ranking might change because of developments in other economies. An economy that implemented business regulation reforms may fail to rise in the rankings (or may even drop) if it is passed by others whose business regulation reforms had a more significant impact as measured by *Doing Business*.

The absolute values of the indicators tell another part of the story (table 1.1). Policy makers can learn much by comparing the indicators for their economy with those for the lowest- and highest-scoring economies in the region as well as those for the best performers globally. These comparisons may reveal unexpected strengths in an area of business regulation—such as a regulatory process that can be completed with a small number of procedures in a few days and at a low cost.

Table 1.1 Summary of *Doing Business* indicators for Asia-Pacific Economic Cooperation (APEC)

| Indicator  | Lowest regional performance | Best regional performance | Regional average | Best global performance |
|--|-----------------------------|---------------------------|------------------|-------------------------|
| <b>Starting a Business (rank)</b>                    | 171 (Philippines)           | 1 (New Zealand)           | 68.76            | 1 (New Zealand)         |
| <b>Starting a Business (DTF Score)</b>               | 68.86 (Philippines)         | 99.96 (New Zealand)       | 88.43            | 99.96 (New Zealand)     |
| Procedure – Men (number)                             | 16.0 (Philippines)          | 1.0 (New Zealand)         | 6.0              | 1.0 (New Zealand)       |
| Time – Men (days)                                    | 41.0 (Papua New Guinea)     | 0.5 (New Zealand)         | 14.0             | 0.5 (New Zealand)       |
| Cost – Men (% of income per capita)                  | 19.4 (Indonesia)            | 0.3 (New Zealand)         | 6.1              | 0.0 (Slovenia)          |
| Procedure – Women (number)                           | 16.0 (Philippines)          | 1.0 (New Zealand)         | 6.1              | 1.0 (New Zealand)       |
| Time – Women (days)                                  | 41.0 (Papua New Guinea)     | 0.5 (New Zealand)         | 14.1             | 0.5 (New Zealand)       |
| Cost – Women (% of income per capita)                | 19.4 (Indonesia)            | 0.3 (New Zealand)         | 6.1              | 0.0 (Slovenia)          |
| Paid-in min. capital (% of income per capita)        | 3.1 (Philippines)           | 0.0 (Peru)                | 0.1              | 0.0 (127 Economies*)    |
| <b>Dealing with Construction Permits (rank)</b>      | 177 (China)                 | 1 (New Zealand)           | 52.52            | 1 (New Zealand)         |
| <b>Dealing with Construction Permits (DTF Score)</b> | 48.52 (China)               | 87.40 (New Zealand)       | 75.04            | 87.40 (New Zealand)     |
| Procedures (number)                                  | 24.0 (Philippines)          | 9.0 (Singapore)           | 14.0             | 7.0 (4 Economies*)      |

| Indicator  | Lowest regional performance | Best regional performance | Regional average | Best global performance   |
|--|-----------------------------|---------------------------|------------------|---------------------------|
| Time (days)  | 249.0 (Canada)              | 28.0 (Korea, Rep.)        | 133.7            | 28.0 (Korea, Rep.)        |
| Cost (% of warehouse value)                                  | 9.8 (Mexico)                | 0.1 (Thailand)            | 2.3              | 0.1 (Trinidad and Tobago) |
| Building quality control index (0-15)                        | 8.0 (Korea, Rep.)           | 15.0 (New Zealand)        | 11.8             | 15.0 (Luxembourg*)        |
| <b>Getting Electricity (rank)</b>                            | 108 (Canada)                | 1 (Korea, Rep.)           | 44.62            | 1 (Korea, Rep.)           |
| <b>Getting Electricity (DTF Score)</b>                       | 63.76 (Canada)              | 99.88 (Korea, Rep.)       | 82.82            | 99.88 (Korea, Rep.)       |
| Procedures (number)  | 7.0 (Canada)                | 3.0 (Taiwan, China)       | 4.5              | 3.0 (15 Economies*)       |
| Time (days)  | 160.5 (Russian Federation)  | 18.0 (Korea, Rep.)        | 65.9             | 18.0 (Korea, Rep.*)       |
| Cost (% of income per capita)                                | 1,261.3 (Vietnam)           | 0.0 (Japan)               | 158.5            | 0.0 (Japan)               |
| Reliability of supply and transparency of tariff index (0-8) | 0.0 (Papua New Guinea)      | 8.0 (Malaysia)            | 6.4              | 8.0 (26 Economies*)       |
| <b>Registering Property (rank)</b>                           | 134 (Brunei Darussalam)     | 1 (New Zealand)           | 57.48            | 1 (New Zealand)           |
| <b>Registering Property (DTF Score)</b>                      | 50.65 (Brunei Darussalam)   | 94.46 (New Zealand)       | 72.29            | 94.46 (New Zealand)       |
| Procedures (number)  | 9.0 (Philippines)           | 2.0 (New Zealand)         | 5.2              | 1.0 (4 Economies*)        |
| Time (days)  | 298.0 (Brunei Darussalam)   | 1.0 (New Zealand)         | 33.9             | 1.0 (3 Economies*)        |
| Cost (% of property value)                                   | 10.8 (Indonesia)            | 0.1 (New Zealand)         | 4.0              | 0.0 (Saudi Arabia)        |
| Quality of the land administration index (0-30)              | 4.5 (Papua New Guinea)      | 29.0 (Singapore)          | 19.5             | 29.0 (Singapore)          |
| <b>Getting Credit (rank)</b>                                 | 118 (Philippines)           | 1 (New Zealand)           | 40.95            | 1 (New Zealand)           |
| <b>Getting Credit (DTF Score)</b>                            | 40.00 (Philippines)         | 100.00 (New Zealand)      | 69.76            | 100.00 (New Zealand)      |
| Strength of legal rights index (0-12)                        | 3.0 (Philippines)           | 12.0 (New Zealand)        | 6.9              | 12.0 (3 Economies*)       |
| Depth of credit information index (0-8)                      | 5.0 (Philippines)           | 8.0 (China)               | 7.1              | 8.0 (30 Economies*)       |
| Credit registry coverage (% of adults)                       | 0.0 (Australia)             | 91.1 (China)              | 18.8             | 100.0 (3 Economies*)      |

| Indicator  | Lowest regional performance | Best regional performance    | Regional average | Best global performance      |
|--|-----------------------------|------------------------------|------------------|------------------------------|
| Credit bureau coverage (% of adults)                   | 0.0 (Brunei Darussalam)     | 100.0 (New Zealand)          | 63.5             | 100.0 (23 Economies*)        |
| <b>Protecting Minority Investors (rank)</b>            | 137 (Philippines)           | 1 (New Zealand)              | 49.10            | 1 (New Zealand*)             |
| <b>Protecting Minority Investors (DTF Score)</b>       | 41.67 (Philippines)         | 83.33 (New Zealand)          | 63.95            | 83.33 (New Zealand*)         |
| Strength of minority investor protection index (0-10)  | 4.2 (Philippines)           | 8.3 (New Zealand)            | 6.4              | 8.3 (New Zealand*)           |
| Extent of conflict of interest regulation index (0-10) | 4.0 (Philippines)           | 9.3 (Singapore)              | 6.9              | 9.3 (New Zealand*)           |
| Extent of shareholder governance index (0-10)          | 3.7 (Brunei Darussalam)     | 7.7 (Korea, Rep.)            | 5.9              | 8.3 (Norway)                 |
| <b>Paying Taxes (rank)</b>                             | 168 (Vietnam)               | 4 (Hong Kong SAR, China)     | 70.33            | 1 (United Arab Emirates)     |
| <b>Paying Taxes (DTF Score)</b>                        | 52.87 (Vietnam)             | 98.71 (Hong Kong SAR, China) | 76.48            | 99.44 (United Arab Emirates) |
| Payments (number per year)                             | 43.0 (Indonesia)            | 3.0 (Hong Kong SAR, China)   | 14.3             | 3.0 (Hong Kong SAR, China*)  |
| Time (hours per year)                                  | 540.0 (Vietnam)             | 66.5 (Singapore)             | 200.6            | 55.0 (Luxembourg)            |
| Total tax rate (% of profit)                           | 68.0 (China)                | 19.1 (Singapore)             | 36.8             | 26.1 (32 Economies*)         |
| Postfiling index (0-100)                               |                             |                              | 65.8             | 98.5 (Estonia)               |
| <b>Trading across Borders (rank)</b>                   | 164 (Papua New Guinea)      | 32 (Korea, Rep.)             | 77.38            | 1 (10 Economies*)            |
| <b>Trading across Borders (DTF Score)</b>              | 44.64 (Papua New Guinea)    | 92.52 (Korea, Rep.)          | 76.57            | 100.00 (10 Economies*)       |
| Time to export: Border compliance (hours)              | 117 (Brunei Darussalam)     | 2 (United States)            | 39               | 0 (18 Economies*)            |
| Cost to export: Border compliance (USD)                | 765 (Russian Federation)    | 167 (Canada)                 | 374              | 0 (18 Economies*)            |
| Time to export: Documentary compliance (hours)         | 163 (Brunei Darussalam)     | 1 (Canada)                   | 30               | 1 (25 Economies*)            |
| Cost to export: Documentary compliance (USD)           | 375 (Papua New Guinea)      | 11 (Korea, Rep.)             | 99               | 0 (19 Economies*)            |

| Indicator                                      | Lowest regional performance | Best regional performance | Regional average | Best global performance |
|--|-----------------------------|---------------------------|------------------|-------------------------|
| Time to import: Border compliance (hours)      | 99 (Indonesia)              | 2 (United States)         | 50               | 0 (25 Economies*)       |
| Cost to import: Border compliance (USD)        | 1,125 (Russian Federation)  | 172 (Canada)              | 432              | 0 (28 Economies*)       |
| Time to import: Documentary compliance (hours) | 140 (Brunei Darussalam)     | 1 (New Zealand)           | 42               | 1 (29 Economies*)       |
| Cost to import: Documentary compliance (USD)   | 425 (Papua New Guinea)      | 27 (Korea, Rep.)          | 109              | 0 (30 Economies*)       |
| <b>Enforcing Contracts (rank)</b>              | 170 (Papua New Guinea)      | 1 (Korea, Rep.)           | 54.14            | 1 (Korea, Rep.)         |
| <b>Enforcing Contracts (DTF Score)</b>         | 36.21 (Papua New Guinea)    | 84.15 (Korea, Rep.)       | 65.51            | 84.15 (Korea, Rep.)     |
| Time (days)                                    | 910.0 (Canada)              | 164.0 (Singapore)         | 446.2            | 164.0 (Singapore)       |
| Cost (% of claim)                              | 110.3 (Papua New Guinea)    | 12.7 (Korea, Rep.)        | 33.9             | 9.0 (Iceland)           |
| Quality of judicial processes index (0-18)     | 6.5 (Vietnam)               | 15.5 (Australia)          | 10.6             | 15.5 (Australia)        |
| <b>Resolving Insolvency (rank)</b>             | 137 (Papua New Guinea)      | 2 (Japan)                 | 45.14            | 1 (Finland)             |
| <b>Resolving Insolvency (DTF Score)</b>        | 32.15 (Papua New Guinea)    | 93.34 (Japan)             | 65.80            | 93.89 (Finland)         |
| Recovery rate (cents on the dollar)            | 21.3 (Philippines)          | 92.1 (Japan)              | 60.5             | 92.9 (Norway)           |
| Time (years)                                   | 5.0 (Vietnam)               | 0.6 (Japan)               | 1.9              | 0.4 (22 Economies*)     |
| Cost (% of estate)                             | 32.0 (Philippines)          | 3.5 (New Zealand)         | 11.5             | 1.0 (22 Economies*)     |
| Strength of insolvency framework index (0-16)  | 6.0 (Malaysia)              | 15.0 (United States)      | 10.6             | 15.0 (6 Economies*)     |

\* Two or more economies share the top ranking on this indicator. A number shown in place of an economy's name indicates the number of economies that share the top ranking on the indicator. For a list of these economies, see the *Doing Business* website (<http://www.doingbusiness.org>).

*Note:* The global best performer on time for paying taxes is defined as the lowest time recorded among all economies in the DB2017 sample that levy the 3 major taxes: profit tax, labor taxes and mandatory contributions, and VAT or sales tax.

*Source:* *Doing Business* database.

## STARTING A BUSINESS

Formal registration of companies has many immediate benefits for the companies and for business owners and employees. Legal entities can outlive their founders. Resources are pooled as several shareholders join forces to start a company. Formally registered companies have access to services and institutions from courts to banks as well as to new markets. And their employees can benefit from protections provided by the law. An additional benefit comes with limited liability companies. These limit the financial liability of company owners to their investments, so personal assets of the owners are not put at risk. Where governments make registration easy, more entrepreneurs start businesses in the formal sector, creating more good jobs and generating more revenue for the government.

### What do the indicators cover?

*Doing Business* measures the ease of starting a business in an economy by recording all procedures officially required or commonly done in practice by an entrepreneur to start up and formally operate an industrial or commercial business—as well as the time and cost required to complete these procedures. It also records the paid-in minimum capital that companies must deposit before registration (or within 3 months). The ranking of economies on the ease of starting a business is determined by sorting their distance to frontier scores for starting a business. These scores are the simple average of the distance to frontier scores for each of the component indicators.

To make the data comparable across economies, *Doing Business* uses several assumptions about the business and the procedures. It assumes that all information is readily available to the entrepreneur and that there has been no prior contact with officials. It also assumes that the entrepreneur will pay no bribes. And it assumes that the business:

- Is a limited liability company (or its legal equivalent). If there is more than one type of limited liability company in the economy, the limited liability form most common among domestic firms is chosen. Information on the most common form is obtained from incorporation lawyers or the statistical office.

## WHAT THE STARTING A BUSINESS

### INDICATORS MEASURE

#### Procedures to legally start and operate a company (number)

Preregistration (for example, name verification or reservation, notarization)

Registration in the economy's largest business city<sup>1</sup>

Postregistration (for example, social security registration, company seal)

Obtaining approval from spouse to start a business, to leave the home to register the company or open a bank account.

Obtaining any gender specific document for company registration and operation, national identification card or opening a bank account.

#### Time required to complete each procedure (calendar days)

Does not include time spent gathering information

Each procedure starts on a separate day (2 procedures cannot start on the same day). Procedures that can be fully completed online are recorded as ½ day.

Procedure completed once final document is received

No prior contact with officials

#### Cost required to complete each procedure (% of income per capita)

Official costs only, no bribes

No professional fees unless services required by law

#### Paid-in minimum capital (% of income per capita)

Deposited in a bank or with a notary before registration (or within 3 months)

Has at least 10 and up to 50 employees one month after the commencement of operations, all of them domestic nationals..

- Has a turnover of at least 100 times income per



- Operates in the economy's largest business city. For 11 economies the data are also collected for the second largest business city.
- The size of the entire office space is approximately 929 square meters (10,000 square feet).
- Does not qualify for investment incentives or any special benefits.

capita. Has a company deed 10 pages long.

The owners:

- Have reached the legal age of majority and are capable of making decisions as an adult. If there is no legal age of majority, they are assumed to be 30 years old.
- Are sane, competent, in good health and have no criminal record.
- Are married, the marriage is monogamous and registered with the authorities.
- Where the answer differs according to the legal system applicable to the woman or man in question (as may be the case in economies where there is legal plurality), the answer used will be the one that applies to the majority of the population

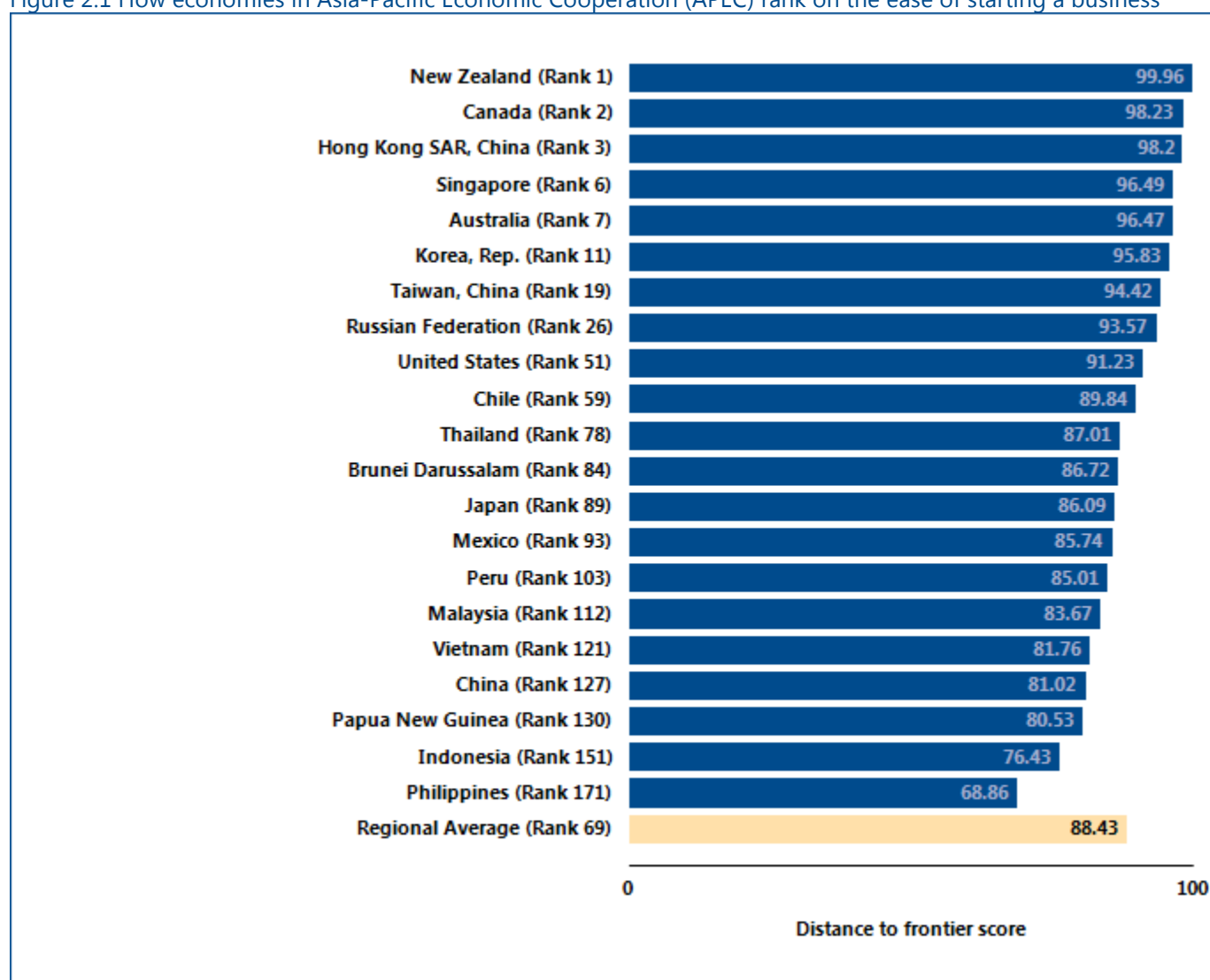
## STARTING A BUSINESS

### Where do the region's economies stand today?

How easy is it for entrepreneurs in economies in Asia-Pacific Economic Cooperation (APEC) to start a business? The global rankings of these economies on the ease of

starting a business suggest an answer (figure 2.1). The average ranking of the region and comparator regions provide a useful benchmark.

Figure 2.1 How economies in Asia-Pacific Economic Cooperation (APEC) rank on the ease of starting a business



Source: Doing Business database.

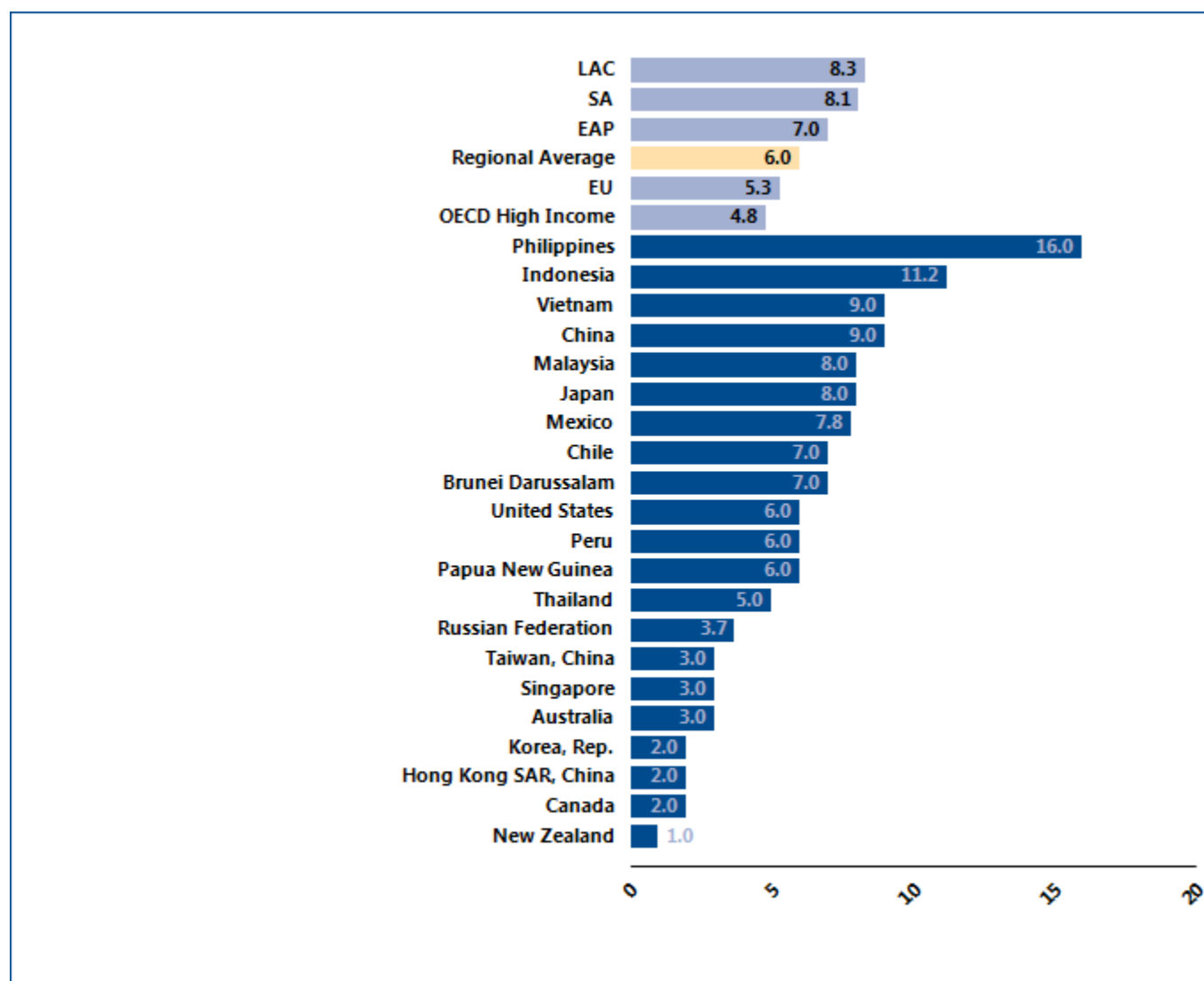
## STARTING A BUSINESS

The indicators underlying the rankings may be more revealing. Data collected by *Doing Business* show what it takes to start a business in each economy in the region: the number of procedures, the time, the cost

and the paid-in minimum capital requirement (figure 2.2). Comparing these indicators across the region and with averages both for the region and for comparator regions can provide useful insights.

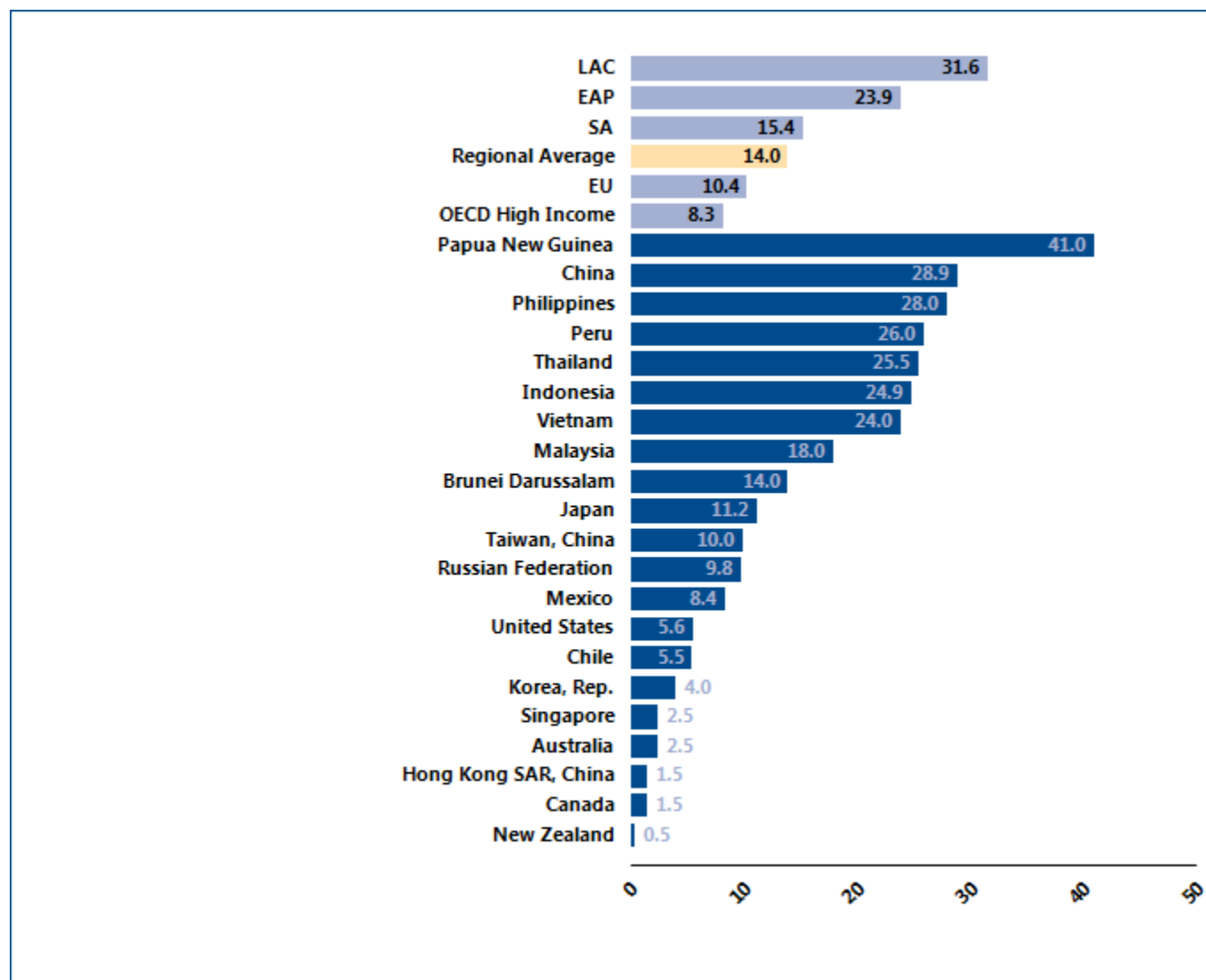
Figure 2.2 What it takes to start a business in economies in Asia-Pacific Economic Cooperation (APEC)

### Procedures (number)



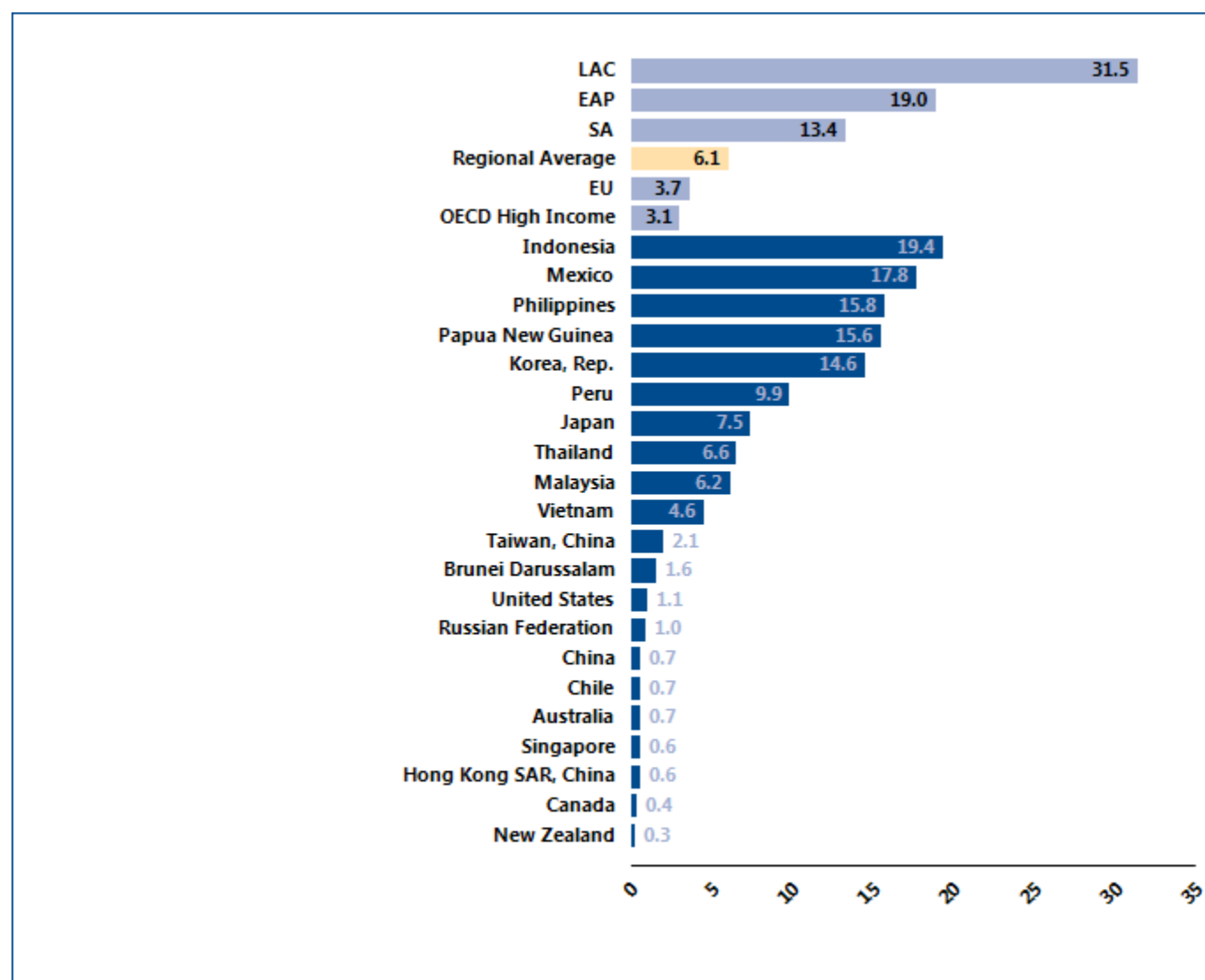
## STARTING A BUSINESS

Time (days)



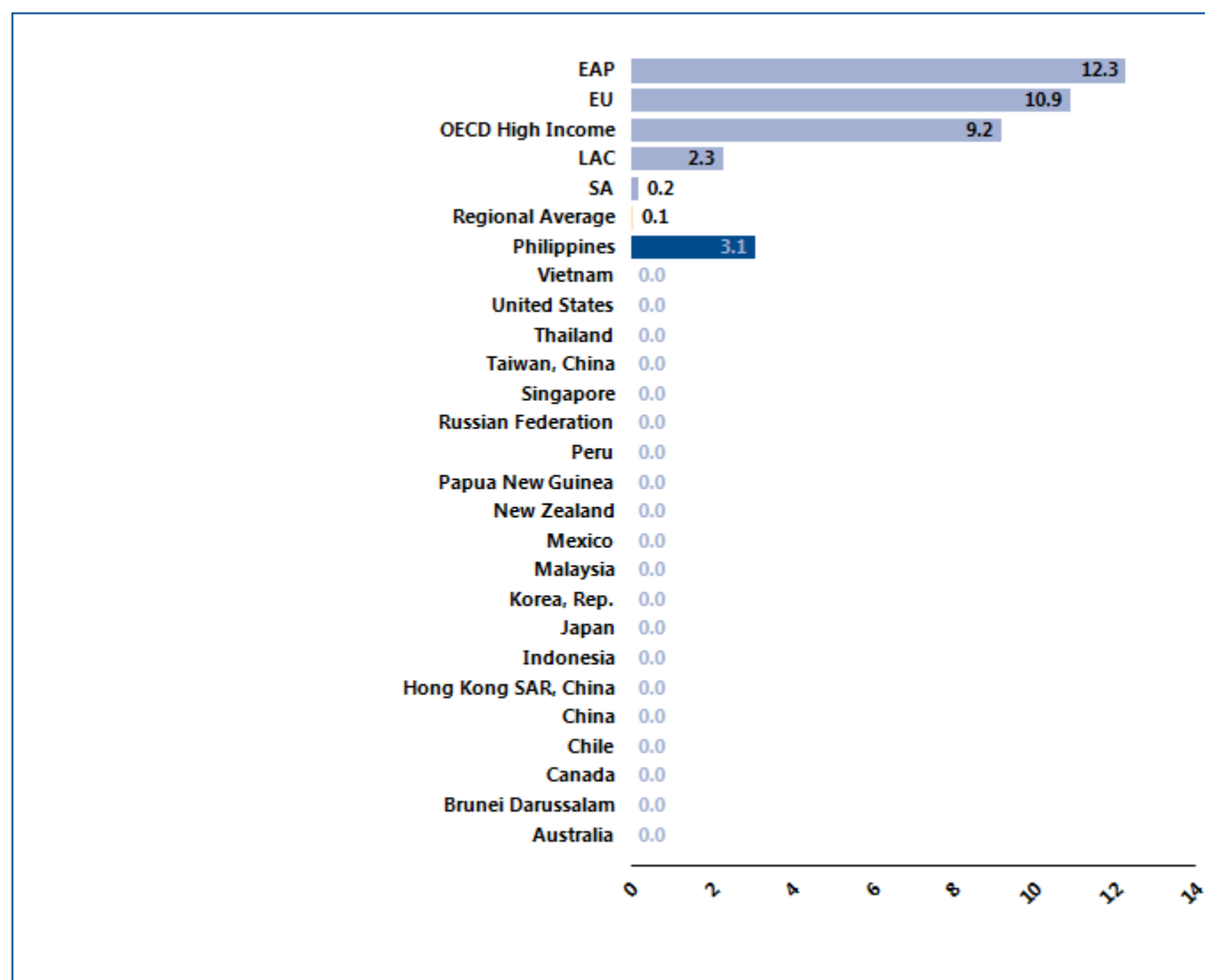
## STARTING A BUSINESS

## Cost (% of income per capita)



## STARTING A BUSINESS

## Paid-in minimum capital (% of income per capita)



Source: Doing Business database.



## STARTING A BUSINESS

### What are the changes over time?

Economies around the world have taken steps making it easier to start a business—streamlining procedures by setting up a one-stop shop, making procedures simpler or faster by introducing technology, and reducing or eliminating minimum capital requirements. Many have undertaken business registration reforms in stages—and often as part of a larger regulatory reform program. Among the benefits have been greater firm satisfaction

and savings and more registered businesses, financial resources and job opportunities.

What business registration reforms has *Doing Business* recorded in Asia-Pacific Economic Cooperation (APEC) (table 2.1)?

Table 2.1 How have economies in Asia-Pacific Economic Cooperation (APEC) made starting a business easier—or not?

By *Doing Business* report year DB2011 to DB2017

| DB year | Economy              | Reform  |
|---------|----------------------|---|
| DB2017  | Malaysia             | In Malaysia the credit bureau began to provide consumer credit scores.  |
| DB2017  | Hong Kong SAR, China | Hong Kong SAR, China, streamlined the processes of reviewing applications for new electrical connections and also reduced the time needed to issue an excavation permit.                        |
| DB2017  | Hong Kong SAR, China | Hong Kong SAR, China, made starting a business less costly by reducing the business registration fee.   |
| DB2017  | Malaysia             | Malaysia made starting a business more difficult by requiring that companies with an annual revenue of more than MYR 500,000 register as a GST payer.   |
| DB2017  | Korea, Rep.          | The Republic of Korea made starting a business faster by eliminating post-registration procedures.  |
| DB2017  | Malaysia             | Malaysia made paying taxes easier by introducing an online system for filing and paying the Goods and Services Tax (GST) while also making it is more complex by replacing sales tax with GST.  |
| DB2017  | Singapore            | Singapore made dealing with construction permits easier by streamlining procedures and improving the online one-stop shop.  |
| DB2017  | Russian Federation   | Russian Federation Saint Petersburg made dealing with construction permits easier by removing the requirement to obtain permission to fence the construction site.                              |
| DB2017  | Indonesia            | Indonesia made enforcing contracts easier by introducing a dedicated procedure for small claims that allows for parties' self-representation. This reform applies to both Jakarta and Surabaya. |

| DB year | Economy                   | Reform   |
|---------|---------------------------|--|
| DB2017  | <i>Russian Federation</i> | The Russian Federation made enforcing contracts more difficult by mandating pre-trial resolution before filing a claim, thereby lengthening the initial phase of judicial proceedings. This reform applies to both Moscow and St. Petersburg.  |
| DB2017  | <i>Mexico</i>             | Mexico adopted a resolution that eliminated geographic differences in national minimum wages. Prior to the reform Mexico was divided into two zones—zone A and zone B—with different applicable minimum wages. This reform applies to both Mexico City and Monterrey.  |
| DB2017  | <i>China</i>              | China improved access to credit information by starting to report payment histories from utility companies and providing credit scores to banks and financial institutions. This reform applies to both Shanghai and Beijing.  |
| DB2017  | <i>Indonesia</i>          | Indonesia strengthened access to credit by establishing a modern collateral registry.  |
| DB2017  | <i>Thailand</i>           | Thailand improved access to credit information by starting to provide credit scores to banks and financial institutions.   |
| DB2017  | <i>Indonesia</i>          | Indonesia made the process for getting an electricity connection faster by reducing the time for contractors to perform external work thanks to an increase in the stock of electrical material supplied by the utility. In Surabaya, getting electricity was also made easier after the utility streamlined the process for new connection requests.      |
| DB2017  | <i>Vietnam</i>            | Vietnam strengthened minority investor protections by making it easier to sue directors in cases of prejudicial transactions between interested parties, by increasing shareholder rights and role in major corporate decisions, by strengthening the ownership and control structures of companies and by increasing corporate transparency requirements. |
| DB2017  | <i>Thailand</i>           | Thailand made resolving insolvency easier by introducing new restructuring for small and medium-size companies and by streamlining provisions related to company liquidation.  |
| DB2017  | <i>Indonesia</i>          | Indonesia made it easier to register property by digitizing its cadastral records and setting up a geographic information system.  |
| DB2017  | <i>Mexico</i>             | Mexico made registering property easier by digitizing its land records, improving the quality of the Land Registry infrastructure and making the registration process more efficient.  |
| DB2017  | <i>Singapore</i>          | Singapore made it easier to transfer a property by introducing an independent mechanism for reporting errors on titles and maps.   |

| DB year | Economy            | Reform   |
|---------|--------------------|--|
| DB2017  | <i>Thailand</i>    | Thailand made starting a business easier by creating a single window for registration payment and reducing the time to obtain a company seal.  |
| DB2017  | <i>Indonesia</i>   | Indonesia made starting a business easier by creating a single form to apply for the company registration certificate and trading license. This reform applies to Jakarta. Indonesia also made starting a business easier by abolishing the minimum capital requirement for small and medium-size enterprises and by encouraging the use of an online system to reserve company names. This reform applies to both Jakarta and Surabaya. |
| DB2017  | <i>China</i>       | China made starting a business easier by introducing a single form to obtain a business license, organization code and tax registration. This reform applies to both Shanghai and Beijing.   |
| DB2017  | <i>Vietnam</i>     | Vietnam made starting a business more difficult by requiring entrepreneurs to receive approval of the seal sample before using it.   |
| DB2017  | <i>Vietnam</i>     | Vietnam made exporting and importing easier by implementing electronic customs clearance system.   |
| DB2017  | <i>Indonesia</i>   | Indonesia made exporting and importing easier by improving the customs services and document submission functions of the Indonesia National Single Window.   |
| DB2017  | <i>Singapore</i>   | Singapore made paying taxes easier by introducing improvements to the online system for filing corporate income tax returns and VAT returns. At the same, the social security contribution rate paid by employers increased and the rebate of 30% on vehicle tax expired.  |
| DB2017  | <i>Peru</i>        | Peru made paying taxes less costly by decreasing the corporate income tax rate.  |
| DB2017  | <i>New Zealand</i> | New Zealand made paying taxes easier by abolishing the cheque levy. New Zealand made paying less costly by decreasing the rate of accident compensation levy paid by employers. At the same time, New Zealand made paying taxes more costly by raising property tax and road user levy rates.  |
| DB2017  | <i>Indonesia</i>   | Indonesia made paying taxes easier by introducing an online system for filing and paying health contributions. Indonesia also made paying taxes more costly by levying a new pension contribution at a rate of 2% paid by employers. These reforms apply to both Jakarta and Surabaya.   |
| DB2017  | <i>Japan</i>       | Japan made paying taxes easier by disclosing the technical specifications of the eTax platform and allowing the upload of additional information in comma separated value (CSV) format. The restoration surtax was also abolished. However, a local corporation tax was introduced and the rates of special local corporation tax, inhabitants tax and enterprise tax were raised. Welfare pension premiums                              |

| DB year       | Economy                  | Reform  |
|---------------|--------------------------|---|
|               |                          | were also raised. These reforms apply to both Tokyo and Osaka. However, the rate for health insurance contributions paid by employers was reduced only in Osaka.  |
| <b>DB2017</b> | <i>Vietnam</i>           | Vietnam made paying taxes easier and less costly by streamlining the administrative process of complying with tax obligations and abolishing environmental protection fees.   |
| <b>DB2017</b> | <i>Brunei Darussalam</i> | Brunei Darussalam made enforcing contracts easier by introducing an electronic filing system as well as a platform that allows users to pay court fees electronically.  |
| <b>DB2017</b> | <i>Brunei Darussalam</i> | Brunei Darussalam strengthened access to credit by adopting a new insolvency law that contemplates protections for secured creditors during an automatic stay in reorganization proceedings. Brunei also improved access to credit information by beginning to distribute data from two utility companies.  |
| <b>DB2017</b> | <i>Brunei Darussalam</i> | The utility in Brunei Darussalam streamlined the processes of reviewing applications, and the time to issue an excavation permit was reduced. In addition, Brunei Darussalam increased the reliability of power supply by rolling out a Supervisory Control and Data Acquisition (SCADA) automatic energy management system for the monitoring of outages and the restoration of service. |
| <b>DB2017</b> | <i>Brunei Darussalam</i> | Brunei Darussalam strengthened minority investor protections by clarifying ownership and control structures, making it easier to sue directors in case of prejudicial related-party transactions, and allowing the rescission of related-party transactions that harm the company.  |
| <b>DB2017</b> | <i>Brunei Darussalam</i> | Brunei Darussalam made resolving insolvency easier by adopting a new insolvency law that introduced a reorganization procedure and facilitated continuation of the debtor's business during insolvency proceedings. Brunei Darussalam also introduced regulations for insolvency practitioners.   |
| <b>DB2017</b> | <i>Brunei Darussalam</i> | Brunei Darussalam made paying taxes easier by fully implementing an electronic system for filing and paying corporate income tax.   |
| <b>DB2017</b> | <i>Philippines</i>       | The Philippines made dealing with construction permits easier by increasing the transparency of its building regulations.   |
| <b>DB2017</b> | <i>Papua New Guinea</i>  | Papua New Guinea strengthened access to credit by adopting a new law on secured transactions that implemented a functional secured transactions system and established a centralized, notice-based collateral registry. The new law broadens the scope of assets that can be used as collateral and allows out-of-court enforcement of collateral.  |
| <b>DB2017</b> | <i>Papua New Guinea</i>  | Papua New Guinea reduced the time required to start a business by streamlining business registration at the   |

| DB year       | Economy                     | Reform   |
|---------------|-----------------------------|--|
|               |                             | Investment Promotion Agency (IPA).   |
| <b>DB2017</b> | <i>Philippines</i>          | The Philippines made paying taxes easier by introducing an online system for filing and paying health contributions and by allowing for the online corporate income tax and VAT returns to be completed offline.   |
| <b>DB2016</b> | <i>Philippines</i>          | The Philippines made starting a business easier by streamlining communications between the Securities and Exchange Commission and the Social Security System and thereby expediting the process of issuing an employer registration number.  |
| <b>DB2016</b> | <i>Brunei Darussalam</i>    | Brunei Darussalam made paying taxes easier and less costly for companies by merging contributions for the Employee Provident Fund and the Supplemental Pension Fund and increasing the capital allowance for industrial buildings. In addition, it reduced the corporate income tax rate, though it also abolished the partial exemption of income and introduced a flat rate. |
| <b>DB2016</b> | <i>Brunei Darussalam</i>    | Brunei Darussalam made starting a business easier by improving online procedures and simplifying registration and post registration requirements.  |
| <b>DB2016</b> | <i>Chile</i>                | Chile made resolving insolvency easier by clarifying and simplifying provisions on liquidation and reorganization, introducing provisions to facilitate the continuation of the debtor's business during insolvency, establishing a public office responsible for the general administration of insolvency proceedings and creating specialized insolvency courts.             |
| <b>DB2016</b> | <i>Chile</i>                | Chile made paying taxes more costly for companies by increasing the corporate income tax rate.   |
| <b>DB2016</b> | <i>Hong Kong SAR, China</i> | The utility in Hong Kong SAR, China, made getting electricity easier by streamlining the process for reviewing connection applications and for completing the connection works and meter installation. In addition, the time needed to issue an excavation permit was reduced.   |
| <b>DB2016</b> | <i>Korea, Rep.</i>          | The Republic of Korea made paying taxes more complicated and costly for companies by requiring separate filing and payment of the local income tax and by increasing the rates for unemployment insurance and national health insurance paid by employers.   |
| <b>DB2016</b> | <i>Hong Kong SAR, China</i> | Hong Kong SAR, China, made paying taxes easier and less costly for companies by simplifying compliance with the mandatory provident fund obligations and increasing the allowance for profit tax. At the same time, it increased the maximum contribution to the mandatory provident fund and reduced the property tax waiver.   |
| <b>DB2016</b> | <i>Malaysia</i>             | Malaysia made paying taxes easier and less costly for companies by making electronic filing mandatory and  |

| DB year       | Economy                     | Reform   |
|---------------|-----------------------------|--|
|               |                             | reducing the property tax rate. At the same time, it also increased the capital gains tax.   |
| <b>DB2016</b> | <i>Hong Kong SAR, China</i> | Hong Kong SAR, China, made starting a business easier by eliminating the requirement for a company seal.   |
| <b>DB2016</b> | <i>Hong Kong SAR, China</i> | Hong Kong SAR, China, improved access to credit by implementing a modern collateral registry.  |
| <b>DB2016</b> | <i>Vietnam</i>              | The utility in Vietnam reduced the time required for getting an electricity connection by reducing delays and increasing efficiency in approving connection applications and designs for connection works. Getting electricity was also made easier by eliminating the need to obtain a substation certification from the Fire Fighters Prevention Department for connections to the medium-voltage grid.  |
| <b>DB2016</b> | <i>Russian Federation</i>   | Russia made the process of obtaining an electricity connection simpler, faster and less costly by eliminating a meter inspection by electricity providers and revising connection tariffs. This reform applies to both Moscow and St. Petersburg.  |
| <b>DB2016</b> | <i>Taiwan, China</i>        | The utility in Taiwan, China, reduced the time required for getting an electricity connection through a simplified procedure for obtaining excavation permits from the municipality.   |
| <b>DB2016</b> | <i>New Zealand</i>          | The utility in New Zealand reduced the time required for getting an electricity connection by improving its payment monitoring and confirmation process for the connection works.  |
| <b>DB2016</b> | <i>Vietnam</i>              | Vietnam made resolving insolvency easier by clarifying and simplifying provisions on liquidation and reorganization, modifying the standard for commencement of insolvency proceedings, changing provisions on voidable transactions, regulating the profession of insolvency trustees and establishing the rules for enterprise asset managers.   |
| <b>DB2016</b> | <i>Vietnam</i>              | Vietnam made paying taxes less costly for companies by reducing the corporate income tax rate—and made it easier by reducing the number of procedures and documents for filing VAT and social security contributions, reducing the number of filings for VAT and replacing quarterly filings of corporate income tax with quarterly advance payments. On the other hand, Vietnam increased the rate for social security contributions paid by employers. |
| <b>DB2016</b> | <i>Indonesia</i>            | Indonesia made paying taxes easier and less costly for companies by introducing an online system for paying social security contributions and by reducing both the rate paid by employers and the ceiling for the contributions. This reform applies to both Jakarta and Surabaya.   |



| DB year | Economy                   | Reform  |
|---------|---------------------------|---|
| DB2016  | <i>China</i>              | China made paying taxes less costly for companies in Shanghai by reducing the social security contribution rate.  |
| DB2016  | <i>Russian Federation</i> | Russia made paying taxes less costly for companies by excluding movable property from the corporate property tax base—though it also raised the wage ceiling used in calculating social contributions. These changes apply to both Moscow and St. Petersburg. In addition, the cadastral value of land in Moscow was updated.     |
| DB2016  | <i>Mexico</i>             | Mexico made paying taxes easier for companies by abolishing the business flat tax—though it also made paying taxes more costly by allowing only a portion of salaries to be deductible. These changes apply to both Mexico City and Monterrey. In addition, the payroll tax rate paid by employers was increased for Mexico City. |
| DB2016  | <i>Peru</i>               | Peru made paying taxes easier for companies by creating an advanced online registry with up-to-date information on employees.   |
| DB2016  | <i>Russian Federation</i> | Russia made transferring property easier by reducing the time required for property registration. This reform applies to both Moscow and St. Petersburg.  |
| DB2016  | <i>Indonesia</i>          | Indonesia made starting a business in Jakarta easier by reducing the time needed to register with the Ministry of Manpower.   |
| DB2016  | <i>Russian Federation</i> | The Russian Federation made starting a business in Moscow easier by reducing the number of days required to open a corporate bank account.  |
| DB2016  | <i>Vietnam</i>            | Vietnam made starting a business easier by reducing the time required to get the company seal engraved and registered.  |
| DB2016  | <i>Indonesia</i>          | Indonesia improved access to credit by enabling searches of the collateral registry by the debtor's name. This reform applies to both Jakarta and Surabaya.   |
| DB2016  | <i>Russian Federation</i> | Russia improved access to credit by adopting a new law on secured transactions that established a centralized collateral registry and allows a general description of a combined category of assets granted as collateral. This reform applies to both Moscow and St. Petersburg.   |
| DB2016  | <i>Mexico</i>             | Mexico improved access to credit by implementing a decree allowing a general description of assets granted as collateral. This reform applies to both Mexico City and Monterrey.  |
| DB2016  | <i>Vietnam</i>            | Vietnam guaranteed borrowers' right to inspect their credit data while the new credit bureau expanded borrower coverage, improving the credit information system.   |
| DB2016  | <i>Peru</i>               | Peru improved its credit information system by implementing a new law on personal data protection.  |

| DB year | Economy                     | Reform  |
|---------|-----------------------------|---|
| DB2015  | <i>New Zealand</i>          | New Zealand improved access to credit information by beginning to distribute both positive and negative credit information.   |
| DB2015  | <i>Taiwan, China</i>        | Taiwan, China, improved access to credit information by beginning to include data from utility companies in credit reports.   |
| DB2015  | <i>Vietnam</i>              | Vietnam improved its credit information system by establishing a new credit bureau.   |
| DB2015  | <i>Mexico</i>               | Mexico improved access to credit by amending its insolvency proceedings law and establishing clear grounds for relief from a stay of enforcement actions by secured creditors during reorganization procedures. This reform applies to both Mexico City and Monterrey.  |
| DB2015  | <i>Hong Kong SAR, China</i> | Hong Kong SAR, China, strengthened minority investor protections by introducing requirements for directors to provide more detailed disclosure of conflicts of interest to the other board members.   |
| DB2015  | <i>Korea, Rep.</i>          | The Republic of Korea strengthened minority investor protections by increasing the level of transparency expected from companies on managerial compensation.  |
| DB2015  | <i>Korea, Rep.</i>          | The Republic of Korea made transferring property easier by reducing the time needed to buy housing bonds and to register the property transfer.   |
| DB2015  | <i>Hong Kong SAR, China</i> | Hong Kong SAR, China, made starting a business more difficult by increasing the registration fee.   |
| DB2015  | <i>Taiwan, China</i>        | Taiwan, China, made getting electricity easier by eliminating site inspections.   |
| DB2015  | <i>Indonesia</i>            | In Indonesia the electricity company in Jakarta made getting electricity easier by eliminating the need for electrical contractors to obtain multiple certificates guaranteeing the safety of internal installations—though. The utility in Jakarta and Surabaya also increased the cost by introducing a security deposit for new connections. |
| DB2015  | <i>Thailand</i>             | Thailand made dealing with construction permits less time-consuming by introducing a fast-track approval process for building permits for smaller buildings.  |
| DB2015  | <i>Singapore</i>            | Singapore made enforcing contracts easier by introducing a new electronic litigation system that streamlines litigation proceedings.  |
| DB2015  | <i>Mexico</i>               | Mexico made resolving insolvency easier by clarifying several rules, shortening the time extensions allowed during reorganization, facilitating the electronic submission of documents and improving the legal rights of creditors and other parties involved in bankruptcy procedures. This reform applies to both Mexico City and Monterrey.  |

| DB year | Economy                   | Reform  |
|---------|---------------------------|---|
| DB2015  | <i>Taiwan, China</i>      | Taiwan, China, made paying taxes easier for companies by introducing an electronic system for paying the vehicle license tax.   |
| DB2015  | <i>Indonesia</i>          | Indonesia made paying taxes less costly for companies by reducing employers' health insurance contribution rate. This reform applies to both Jakarta and Surabaya.  |
| DB2015  | <i>China</i>              | China made paying taxes easier for companies by enhancing the electronic system for filing and paying taxes and adopting new communication channels within its taxpayer service, changes applying to both Beijing and Shanghai. In addition, China made paying taxes less costly for companies in Shanghai by reducing the social security contribution rate. |
| DB2015  | <i>Vietnam</i>            | Vietnam made paying taxes less costly for companies by reducing the corporate income tax rate.  |
| DB2015  | <i>Russian Federation</i> | The Russian Federation made transferring property easier by eliminating the requirement for notarization and introducing tighter time limits for completing the property registration. This reform applies to both Moscow and St. Petersburg.   |
| DB2015  | <i>Russian Federation</i> | The Russian Federation made starting a business easier by eliminating the requirement to deposit the charter capital before company registration as well as the requirement to notify tax authorities of the opening of a bank account. This reform applies to both Moscow and St. Petersburg.  |
| DB2015  | <i>United States</i>      | In the United States starting a business became easier in New York City thanks to faster online procedures.   |
| DB2015  | <i>China</i>              | China made starting a business easier by eliminating both the minimum capital requirement and the requirement to obtain a capital verification report from an auditing firm. This reform applies to both Beijing and Shanghai.  |
| DB2015  | <i>Indonesia</i>          | Indonesia made starting a business easier by allowing the Ministry of Law and Human Rights to electronically issue the approval letter for the deed of establishment. This reform applies to both Jakarta and Surabaya.   |
| DB2015  | <i>Indonesia</i>          | In Indonesia trading across borders became more difficult because of insufficient infrastructure at the Tanjung Priok Port Jakarta. This change applies to both Jakarta and Surabaya.   |
| DB2015  | <i>Brunei Darussalam</i>  | Brunei Darussalam made dealing with construction permits easier by consolidating final inspections.   |
| DB2015  | <i>Brunei Darussalam</i>  | Brunei Darussalam made paying taxes easier for companies by allowing joint filing and payment of supplemental contributory pension and employee provident fund contributions and by introducing an online system for paying these 2 contributions.  |
| DB2015  | <i>Philippines</i>        | In the Philippines trading across borders became more   |

| DB year | Economy                   | Reform   |
|---------|---------------------------|--|
|         |                           | difficult because of a new city ordinance restricting truck traffic in Manila.   |
| DB2014  | <i>Philippines</i>        | The Philippines improved access to credit information by beginning to distribute both positive and negative information and by enacting a data privacy act that guarantees borrowers' right to access their data.    |
| DB2014  | <i>Philippines</i>        | The Philippines made dealing with construction permits easier by eliminating the requirement to obtain a health certificate.   |
| DB2014  | <i>Philippines</i>        | The Philippines made paying taxes easier for companies by introducing an electronic filing and payment system for social security contributions.   |
| DB2014  | <i>Brunei Darussalam</i>  | Brunei Darussalam improved access to credit information by establishing a public credit registry.  |
| DB2014  | <i>Mexico</i>             | Mexico made getting electricity easier by increasing the efficiency of the utility's internal processes and by enforcing a "silence is consent" rule for the approval of the feasibility study for a new connection. |
| DB2014  | <i>Russian Federation</i> | Russia made getting electricity simpler and less costly by setting standard connection tariffs and eliminating many procedures previously required.  |
| DB2014  | <i>Russian Federation</i> | Russia made dealing with construction permits easier by eliminating several requirements for project approvals from government agencies and by reducing the time required to register a new building.                |
| DB2014  | <i>New Zealand</i>        | New Zealand made enforcing contracts easier by improving its case management system to ensure a speedier and less costly adjudication of cases.  |
| DB2014  | <i>Mexico</i>             | Mexico made enforcing contracts easier by creating small claims courts, with oral proceedings, that can hear both civil and commercial cases.  |
| DB2014  | <i>China</i>              | China made enforcing contracts easier by amending its civil procedure code to streamline and speed up all court proceedings.   |
| DB2014  | <i>Thailand</i>           | Thailand made paying taxes less costly for companies by reducing employers' social security contribution rate.   |
| DB2014  | <i>Vietnam</i>            | Vietnam made paying taxes more costly for companies by increasing employers' social security contribution rate.  |
| DB2014  | <i>Vietnam</i>            | Vietnam strengthened investor protections by introducing greater disclosure requirements for publicly held companies in cases of related-party transactions.   |
| DB2014  | <i>Singapore</i>          | Singapore made transferring property easier by introducing an online procedure for property transfers.   |

| DB year | Economy                     | Reform  |
|---------|-----------------------------|---|
| DB2014  | <i>Russian Federation</i>   | Russia made transferring property easier by streamlining procedures and implementing effective time limits for processing transfer applications.  |
| DB2014  | <i>Russian Federation</i>   | Russia made starting a business easier by abolishing the requirement to have the bank signature card notarized before opening a company bank account.   |
| DB2014  | <i>Vietnam</i>              | Vietnam abolished priority rules for redundancy dismissals or layoffs and increased the minimum wage.   |
| DB2014  | <i>Russian Federation</i>   | Russia made trading across borders easier by implementing an electronic system for submitting export and import documents and by reducing the number of physical inspections.   |
| DB2014  | <i>Mexico</i>               | Mexico made trading across borders easier by implementing an electronic single-window system.   |
| DB2014  | <i>Korea, Rep.</i>          | Korea revised its secured transactions framework by creating new types of security rights that can be publicized through registration.  |
| DB2014  | <i>Chile</i>                | Chile made starting a business easier by creating a new online system for business registration.  |
| DB2014  | <i>Malaysia</i>             | Malaysia made getting electricity easier by increasing the efficiency of internal processes at the utility and improving its communication and dialogue with contractors.   |
| DB2014  | <i>Malaysia</i>             | Malaysia made dealing with construction permits easier by establishing a one-stop shop.   |
| DB2014  | <i>Hong Kong SAR, China</i> | Hong Kong SAR, China, made transferring property more costly by increasing the stamp duty.  |
| DB2014  | <i>Malaysia</i>             | Malaysia made starting a business less costly by reducing the company registration fees.  |
| DB2014  | <i>Hong Kong SAR, China</i> | Hong Kong SAR, China, made starting a business less costly by abolishing the capital duty levied on local companies.  |
| DB2014  | <i>Malaysia</i>             | Malaysia introduced a minimum wage.   |
| DB2014  | <i>Australia</i>            | Australia improved its credit information system through the Privacy Amendment (Enhancing Privacy Protection) Act 2012, which permits credit bureaus to collect account payment history with improved privacy protection. |
| DB2014  | <i>China</i>                | China improved its credit information system by introducing credit information industry regulations, which guarantee borrowers' right to inspect their data.  |
| DB2014  | <i>Indonesia</i>            | Indonesia improved its credit information system through a new regulation setting up a legal framework for establishing credit bureaus.   |
| DB2014  | <i>Vietnam</i>              | Vietnam improved its credit information system through a decree setting up a legal framework for the establishment of   |

| DB year       | Economy                   | Reform   |
|---------------|---------------------------|--|
|               |                           | private credit bureaus.  |
| <b>DB2014</b> | <i>Singapore</i>          | Singapore improved its credit information system by guaranteeing by law borrowers' right to inspect their own data.  |
| <b>DB2013</b> | <i>Korea, Rep.</i>        | Korea expedited the insolvency process by implementing a fast track for company rehabilitation.  |
| <b>DB2013</b> | <i>Thailand</i>           | Thailand made starting a business easier by allowing the registrar at the Department of Business Development to receive the company's work regulations.  |
| <b>DB2013</b> | <i>Vietnam</i>            | Vietnam made starting a business easier by allowing companies to use self-printed value added tax invoices.  |
| <b>DB2013</b> | <i>China</i>              | China made starting a business less costly by exempting micro and small companies from paying several administrative fees from January 2012 to December 2014.  |
| <b>DB2013</b> | <i>Mexico</i>             | Mexico made starting a business easier by eliminating the minimum capital requirement for limited liability companies.   |
| <b>DB2013</b> | <i>Korea, Rep.</i>        | Korea made getting electricity less costly by introducing a new connection fee schedule and an installment payment system.   |
| <b>DB2013</b> | <i>Peru</i>               | Peru made obtaining a construction permit easier by eliminating requirements for several preconstruction approvals.  |
| <b>DB2013</b> | <i>Taiwan, China</i>      | Taiwan, China, made dealing with construction permits easier by introducing a risk-based and self-regulatory inspection system and improving operational features of the one-stop shop for building permits.                 |
| <b>DB2013</b> | <i>China</i>              | China simplified the process of obtaining a construction permit by streamlining and centralizing preconstruction approvals.  |
| <b>DB2013</b> | <i>Russian Federation</i> | Russia made obtaining a construction permit simpler by eliminating requirements for several preconstruction approvals.   |
| <b>DB2013</b> | <i>Peru</i>               | Peru strengthened investor protections through a new law regulating the approval of related-party transactions and making it easier to sue directors when such transactions are prejudicial.                                 |
| <b>DB2013</b> | <i>Taiwan, China</i>      | Taiwan, China, strengthened investor protections by increasing disclosure requirements for related-party transactions and improving the liability regime for company directors in cases where such transactions are abusive. |
| <b>DB2013</b> | <i>Australia</i>          | Australia strengthened its secured transactions system by adopting a new national legal regime governing the enforceability of security interests in personal property and implementing a unified collateral registry.       |



| DB year | Economy                   | Reform  |
|---------|---------------------------|---|
| DB2013  | <i>Canada</i>             | Canada made getting an electricity connection easier by reducing the time needed for external connection works.   |
| DB2013  | <i>Malaysia</i>           | Malaysia made dealing with construction permits faster by improving the one-stop center for new buildings and by reducing the time to connect to telephone service.   |
| DB2013  | <i>Malaysia</i>           | Malaysia substantially reduced the number of days it takes to register property transfers.  |
| DB2013  | <i>Korea, Rep.</i>        | Korea strengthened investor protections by making it easier to sue directors in cases of prejudicial related-party transactions.  |
| DB2013  | <i>Korea, Rep.</i>        | Korea made paying taxes less costly for companies by reducing the profit tax rate.  |
| DB2013  | <i>Russian Federation</i> | Russia eased the administrative burden of taxes for firms by simplifying compliance procedures for value added tax and by promoting the use of tax accounting software and electronic services.   |
| DB2013  | <i>Japan</i>              | Japan made paying taxes less costly for companies by reducing the corporate income tax rate—though it also introduced a restoration surtax for a 3-year period.   |
| DB2013  | <i>Thailand</i>           | Thailand made paying taxes less costly for companies by reducing the profit tax rate.   |
| DB2013  | <i>New Zealand</i>        | New Zealand improved access to credit information by allowing credit bureaus to collect positive information on individuals.  |
| DB2013  | <i>Indonesia</i>          | Indonesia made getting electricity easier by eliminating the requirement for new customers applying for an electricity connection to show a neighbor's electricity bill as a way to help determine their address.   |
| DB2013  | <i>Mexico</i>             | In Mexico the distribution utility made getting electricity easier by streamlining procedures, offering training opportunities to private contractors, using a geographic information system (GIS) to map the electricity distribution network and increasing the stock of materials. |
| DB2013  | <i>Brunei Darussalam</i>  | Brunei Darussalam made dealing with construction permits easier by creating a one-stop shop for preconstruction approvals.  |
| DB2013  | <i>Brunei Darussalam</i>  | Brunei Darussalam made paying taxes less costly for companies by reducing the profit tax rate.  |
| DB2012  | <i>Mexico</i>             | Mexico strengthened its secured transactions system by implementing a centralized collateral registry with an electronic database that is accessible online.  |
| DB2012  | <i>Brunei Darussalam</i>  | Brunei Darussalam made getting electricity easier by establishing a one-stop shop and reducing the time required to obtain an excavation permit.  |

| DB year | Economy                     | Reform   |
|---------|-----------------------------|--|
| DB2012  | <i>Philippines</i>          | The Philippines adopted a new insolvency law that provides a legal framework for liquidation and reorganization of financially distressed companies.   |
| DB2012  | <i>Peru</i>                 | Peru strengthened investor protections through a new law allowing minority shareholders to request access to nonconfidential corporate documents.  |
| DB2012  | <i>Vietnam</i>              | Vietnam strengthened investor protections by requiring higher standards of accountability for company directors.   |
| DB2012  | <i>Russian Federation</i>   | Russia made trading across borders easier by reducing the number of documents needed for each export or import transaction and lowering the associated cost.   |
| DB2012  | <i>Russian Federation</i>   | Russia made filing a commercial case easier by introducing an electronic case filing system.   |
| DB2012  | <i>Russian Federation</i>   | Russian Federation made getting electricity less costly by revising the tariffs for connection.  |
| DB2012  | <i>Indonesia</i>            | Indonesia made getting electricity more difficult by increasing connection fees.   |
| DB2012  | <i>Korea, Rep.</i>          | Korea eased the administrative burden of paying taxes for firms by merging several taxes, allowing 4 labor taxes and contributions to be paid jointly and continuing to increase the use of the online tax payment system.   |
| DB2012  | <i>Malaysia</i>             | Malaysia made paying taxes costlier for firms by reintroducing the real estate capital gains tax—but also made tax compliance easier by improving electronic systems and the availability of software.   |
| DB2012  | <i>Hong Kong SAR, China</i> | Hong Kong, China introduced a Minimum Wage.  |
| DB2012  | <i>Hong Kong SAR, China</i> | Hong Kong SAR (China) made starting a business easier by introducing online electronic services for company and business registration.   |
| DB2012  | <i>Korea, Rep.</i>          | Korea made starting a business easier by introducing a new online one-stop shop, Start-Biz.  |
| DB2012  | <i>Malaysia</i>             | Malaysia made starting a business easier by merging company, tax, social security and employment fund registrations at the one-stop shop and providing same-day registration.  |
| DB2012  | <i>Australia</i>            | Australia clarified the priority of claims of unsecured creditors over all shareholders' claims and introduced further regulation of the profession of insolvency practitioners.   |
| DB2012  | <i>Chile</i>                | Chile made business start-up easier by starting to provide an immediate temporary operating license to new companies, eliminating the requirement for an inspection of premises by the tax authority before new companies can begin operations and allowing free online publication of the notice of a company's creation. |

| DB year | Economy            | Reform   |
|---------|--------------------|--|
| DB2012  | Chile              | Chile strengthened its secured transactions system by implementing a unified collateral registry and a new legal framework for nonpossessory security interests.   |
| DB2012  | Canada             | Canada made paying taxes easier and less costly for companies by reducing profit tax rates, eliminating the Ontario capital tax and harmonizing sales taxes.   |
| DB2012  | Chile              | Chile made trading across borders faster by implementing an online electronic data interchange system for customs operations.  |
| DB2012  | Thailand           | Thailand made registering property more expensive by increasing the registration fee.  |
| DB2012  | Russian Federation | Russia made registering property transfers easier by eliminating the requirement to obtain cadastral passports on land plots.  |
| DB2012  | New Zealand        | New Zealand reduced its corporate income tax rate and fringe benefit tax rate.   |
| DB2012  | Peru               | Peru made paying taxes easier for companies by improving electronic filing and payment of the major taxes and promoting the use of the electronic option among the majority of taxpayers.                        |
| DB2012  | Mexico             | Mexico continued to ease the administrative burden of paying taxes for firms by ending the requirement to file a yearly value added tax return and reduced filing requirements for other taxes                   |
| DB2012  | Russian Federation | Russia increased the social security contribution rate for employers.  |
| DB2012  | Malaysia           | Malaysia established dedicated commercial courts to handle foreclosure proceedings.  |
| DB2012  | Mexico             | Mexico made dealing with construction permits faster by consolidating internal administrative procedures.  |
| DB2012  | Japan              | Japan made dealing with construction permits costlier by increasing inspection fees.   |
| DB2012  | Taiwan, China      | Taiwan (China) made dealing with construction permits easier by creating a one-stop center.  |
| DB2012  | Indonesia          | Indonesia made starting a business easier by introducing a simplified application process allowing an applicant to simultaneously obtain both a general trading license and a business registration certificate. |
| DB2012  | Taiwan, China      | Taiwan (China) made starting a business easier by implementing an online one-stop shop for business registration.  |
| DB2012  | Thailand           | Thailand made starting a business easier by introducing a one-stop shop.   |

| DB year | Economy                     | Reform   |
|---------|-----------------------------|--|
| DB2012  | <i>Peru</i>                 | Peru made starting a business easier by eliminating the requirement for micro and small enterprises to deposit start-up capital in a bank before registration.   |
| DB2012  | <i>Hong Kong SAR, China</i> | Hong Kong SAR (China) made getting electricity easier by increasing the efficiency of public agencies and streamlining the utility's procedures with other government agencies.  |
| DB2012  | <i>Malaysia</i>             | Malaysia continued to improve the computerization of its courts by introducing a system making it possible to file complaints electronically.  |
| DB2012  | <i>Korea, Rep.</i>          | Korea made filing a commercial case easier by introducing an electronic case filing system.  |
| DB2011  | <i>Korea, Rep.</i>          | Korea made it easier to deal with insolvency by introducing postfiling financing, granting superpriority to the repayment of loans given to companies undergoing reorganization.   |
| DB2011  | <i>Peru</i>                 | Peru eased business start-up by simplifying the requirements for operating licenses and creating an online one-stop shop for business registration.  |
| DB2011  | <i>Taiwan, China</i>        | Taiwan (China) eased business start-up by reducing the time required to check company names, register retirement plans and apply for health, pension and labor insurance.  |
| DB2011  | <i>Vietnam</i>              | Vietnam eased company start-up by creating a one-stop shop that combines the processes for obtaining a business license and tax license and by eliminating the need for a seal for company licensing.  |
| DB2011  | <i>Mexico</i>               | Mexico launched an online one-stop shop for initiating business registration.  |
| DB2011  | <i>Indonesia</i>            | Indonesia eased business start-up by reducing the cost for company name clearance and reservation and the time required to reserve the name and approve the deed of incorporation.   |
| DB2011  | <i>Peru</i>                 | Peru streamlined construction permitting by implementing administrative reforms.   |
| DB2011  | <i>Vietnam</i>              | Vietnam made dealing with construction permits easier by reducing the cost to register newly completed buildings by 50% and transferring the authority to register buildings from local authorities to the Department of National Resources and Environment. |
| DB2011  | <i>Russian Federation</i>   | Russia eased construction permitting by implementing a single window for all procedures related to land use.   |
| DB2011  | <i>Thailand</i>             | Thailand made registering property more costly by repealing a 2-year temporary tax reduction for property transfers.   |
| DB2011  | <i>Peru</i>                 | Peru introduced fast-track procedures at the land registry, cutting by half the time needed to register property.  |

| DB year | Economy              | Reform  |
|---------|----------------------|---|
| DB2011  | <i>Vietnam</i>       | Vietnam improved its credit information system by allowing borrowers to examine their own credit report and correct errors.   |
| DB2011  | <i>Singapore</i>     | Singapore improved its credit information system by collecting and distributing information on firms.   |
| DB2011  | <i>Mexico</i>        | Mexico increased taxes on companies by raising several tax rates, including the corporate income tax and the rate on cash deposits. At the same time, the administrative burden was reduced slightly with more options for online payment and increased use of accounting software.                                   |
| DB2011  | <i>United States</i> | In the United States the introduction of a new tax on payroll increased taxes on companies operating within the New York City metropolitan commuter transportation district.  |
| DB2011  | <i>Indonesia</i>     | Indonesia reduced its corporate income tax rate.  |
| DB2011  | <i>China</i>         | China's new corporate income tax law unified the tax regimes for domestic and foreign enterprises and clarified the calculation of taxable income for corporate income tax purposes.  |
| DB2011  | <i>Vietnam</i>       | The government of Vietnam eased paying taxes by reducing corporate income tax rate.   |
| DB2011  | <i>Taiwan, China</i> | Taiwan (China) reduced the corporate income tax rate and simplified tax return forms, rules for assessing corporate income tax and the calculation of interim tax payments.   |
| DB2011  | <i>Thailand</i>      | Thailand temporarily lowered taxes on business by reducing its specific business tax for 12 months.   |
| DB2011  | <i>Canada</i>        | Canada increased the efficiency of the courts by expanding electronic document submission and streamlining procedures.  |
| DB2011  | <i>Chile</i>         | Chile made business start-up easier by introducing an online system for registration and for filing the request for publication.  |
| DB2011  | <i>Chile</i>         | An amendment to Chile's securities law strengthened investor protections by requiring greater corporate disclosure and regulating the approval of transactions between interested parties.  |
| DB2011  | <i>Canada</i>        | Canada harmonized the Ontario and federal tax returns and reduced the corporate and employee tax rates.   |
| DB2011  | <i>Australia</i>     | Australia introduced the severance payment obligation and reemployment consideration applicable in cases of redundancy dismissals. Annual leave was increased and averaging of hours is now allowed in shorter periods of time. In addition, notice period applicable in case of redundancy dismissals was decreased. |

| DB year | Economy                     | Reform  |
|---------|-----------------------------|---|
| DB2011  | <i>Malaysia</i>             | Malaysia eliminated the requirements to notify third parties in cases of redundancy dismissals.   |
| DB2011  | <i>Malaysia</i>             | Malaysia eased business start-up by introducing more online services.   |
| DB2011  | <i>Malaysia</i>             | Malaysia's introduction of online stamping reduced the time and cost to transfer property.  |
| DB2011  | <i>Hong Kong SAR, China</i> | Hong Kong SAR (China) abolished the fuel tax on diesel.   |
| DB2011  | <i>Hong Kong SAR, China</i> | Reforms implemented in the civil justice system of Hong Kong SAR (China) will help increase the efficiency and cost-effectiveness of commercial dispute resolution.   |
| DB2011  | <i>Japan</i>                | Japan made it easier to deal with insolvency by establishing a new entity, the Enterprise Turnaround Initiative Corporation, to support the revitalization of companies suffering from excessive debt but professionally managed. |
| DB2011  | <i>Russian Federation</i>   | Russia introduced a series of legislative measures in 2009 to improve creditor rights and the insolvency system.  |
| DB2011  | <i>Brunei Darussalam</i>    | Brunei Darussalam made starting a business easier by improving efficiency at the company registrar and implementing an electronic system for name searches.   |
| DB2011  | <i>New Zealand</i>          | New Zealand enacted new district court rules that make the process for enforcing contracts user friendly.   |
| DB2011  | <i>Indonesia</i>            | Indonesia reduced the time to export by launching a single-window service.  |
| DB2011  | <i>Peru</i>                 | Peru made trading easier by implementing a new web-based electronic data interchange system, risk-based inspections and payment deferrals.  |
| DB2011  | <i>Philippines</i>          | The Philippines eased business startup by setting up a one-stop shop at the municipal level.  |
| DB2011  | <i>Philippines</i>          | The Philippines made construction permitting more cumbersome through updated electricity connection costs.  |
| DB2011  | <i>Papua New Guinea</i>     | Operation of a new private credit bureau improved the credit information system in Papua New Guinea.  |
| DB2011  | <i>Philippines</i>          | The Philippines reduced the time and cost to trade by improving its electronic customs systems, adding such functions as electronic payments and online submission of declarations.   |
| DB2011  | <i>Brunei Darussalam</i>    | The introduction of an electronic customs system in Brunei Darussalam made trading easier.  |
| DB2011  | <i>Brunei Darussalam</i>    | Brunei Darussalam instituted mandatory minimum annual leave and reduced notice periods applicable in case of redundancy dismissals.   |

| DB year | Economy                  | Reform  |
|---------|--------------------------|---|
| DB2011  | <i>Brunei Darussalam</i> | Brunei Darussalam reduced the corporate income tax rate from 23.5% to 22% while also introducing a lower tax rate for small businesses, ranging from 5.5% to 11%. |

*Note:* For information on reforms in earlier years (back to DB2005), see the *Doing Business* reports for these years, available at <http://www.doingbusiness.org>.

*Source:* *Doing Business* database.

## DEALING WITH CONSTRUCTION PERMITS

Regulation of construction is critical to protect the public. But it needs to be efficient, to avoid excessive constraints on a sector that plays an important part in every economy. Where complying with building regulations is excessively costly in time and money, many builders opt out. They may pay bribes to pass inspections or simply build illegally, leading to hazardous construction that puts public safety at risk. Where compliance is simple, straightforward and inexpensive, everyone is better off.

### What do the indicators cover?

Doing Business records all procedures required for a business in the construction industry to build a warehouse along with the time and cost to complete each procedure. In addition, this year Doing Business introduces a new measure, the building quality control index, evaluating the quality of building regulations, the strength of quality control and safety mechanisms, liability and insurance regimes, and professional certification requirements.

The ranking of economies on the ease of dealing with construction permits is determined by sorting their distance to frontier scores for dealing with construction permits. These scores are the simple average of the distance to frontier scores for each of the component indicators.

To make the data comparable across economies, several assumptions about the construction company, the warehouse project and the utility connections are used.

### Assumptions about the construction company

The construction company (BuildCo):

- Is a limited liability company (or its legal equivalent).
- Operates in the economy's largest business city. For 11 economies the data are also collected for the second largest business city.
- Is 100% domestically and privately owned
- Has five owners, none of whom is a legal entity..
- Is fully licensed and insured to carry out construction projects, such as building

## WHAT THE DEALING WITH CONSTRUCTION PERMITS INDICATORS MEASURE

### Procedures to legally build a warehouse (number)

Submitting all relevant documents and obtaining all necessary clearances, licenses, permits and certificates

Submitting all required notifications and receiving all necessary inspections

Obtaining utility connections for water and sewerage

Registering and selling the warehouse after its completion

### Time required to complete each procedure (calendar days)

Does not include time spent gathering information

Each procedure starts on a separate day. Procedures that can be fully completed online are recorded as ½ day

Procedure considered completed once final document is received

No prior contact with officials

### Cost required to complete each procedure (% of warehouse value)

Official costs only, no bribes

### Building quality control index (0-15)

Sum of the scores of six component indices:

Quality of building regulations (0-2)

Quality control before construction (0-1)

Quality control during construction (0-3)

Quality control after construction (0-3)

Liability and insurance regimes (0-2)

Professional certifications (0-4)



warehouses.

- The construction company (BuildCo) (*continued*):
- Has 60 builders and other employees, all of them nationals with the technical expertise and professional experience necessary to obtain construction permits and approvals.
- Has a licensed architect and a licensed engineer, both registered with the local association of architects or engineers. BuildCo is not assumed to have any other employees who are technical or licensed experts, such as geological or topographical experts.
- Has paid all taxes and taken out all necessary insurance applicable to its general business activity (for example, accidental insurance for construction workers and third-person liability).
- Owns the land on which the warehouse will be built and will sell the warehouse upon its completion.
- Is valued at 50 times income per capita.
- Assumptions about the warehouse
- The warehouse:
  - Will be used for general storage activities, such as storage of books or stationery. The warehouse will not be used for any goods requiring special conditions, such as food, chemicals or pharmaceuticals.
  - Will have two stories, both above ground, with a total constructed area of approximately 1,300.6 square meters (14,000 square feet). Each floor will be 3 meters (9 feet, 10 inches) high.
  - Will have road access and be located in the periurban area of the economy's largest business city (that is, on the fringes of the city but still within its official limits). For 11 economies the data are also collected for the second largest business city.
    - Will not be located in a special economic or industrial zone. Will be located on a land plot of approximately 929 square meters (10,000 square feet) that is 100% owned by BuildCo and is accurately registered in the cadastre and land registry.
- Will be a new construction (there was no previous construction on the land), with no trees, natural water sources, natural reserves or historical monuments of any kind on the plot.
- Will have complete architectural and technical plans prepared by a licensed architect. If preparation of the plans requires such steps as obtaining further documentation or getting prior approvals from external agencies, these are counted as procedures.
- Will include all technical equipment required to be fully operational.
- Will take 30 weeks to construct (excluding all delays due to administrative and regulatory requirements).
- Assumptions about the utility connections
- The water and sewerage connections:
  - Will be 150 meters (492 feet) from the existing water source and sewer tap. If there is no water delivery infrastructure in the economy, a borehole will be dug. If there is no sewerage infrastructure, a septic tank in the smallest size available will be installed or built.
- Will not require water for fire protection reasons; a fire extinguishing system (dry system) will be used instead. If a wet fire protection system is required by law, it is assumed that the water demand specified below also covers the water needed for fire protection.
- Will have an average water use of 662 liters (175 gallons) a day and an average wastewater flow of 568 liters (150 gallons) a day. Will have a peak water use of 1,325 liters (350 gallons) a day and a peak wastewater flow of 1,136 liters (300 gallons) a day.
- Will have a constant level of water demand and wastewater flow throughout the year.
- Will be 1 inch in diameter for the water connection and 4 inches in diameter for the sewerage connection.

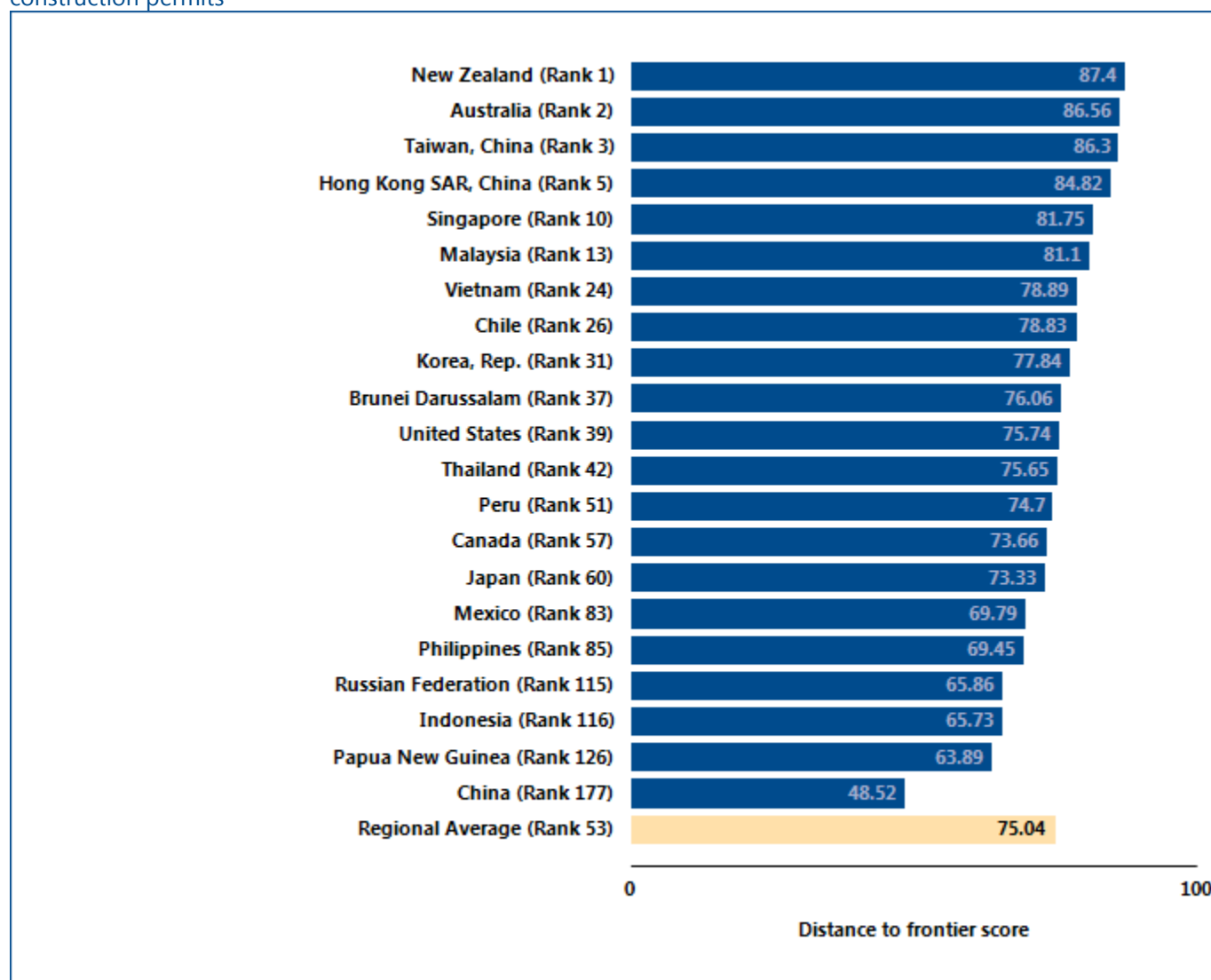
## DEALING WITH CONSTRUCTION PERMITS

### Where do the region's economies stand today?

How easy it is for entrepreneurs in economies in Asia-Pacific Economic Cooperation (APEC) to legally build a warehouse? The global rankings of these economies on

the ease of dealing with construction permits suggest an answer (figure 3.1). The average ranking of the region and comparator regions provide a useful benchmark.

Figure 3.1 How economies in Asia-Pacific Economic Cooperation (APEC) rank on the ease of dealing with construction permits



Source: Doing Business database.

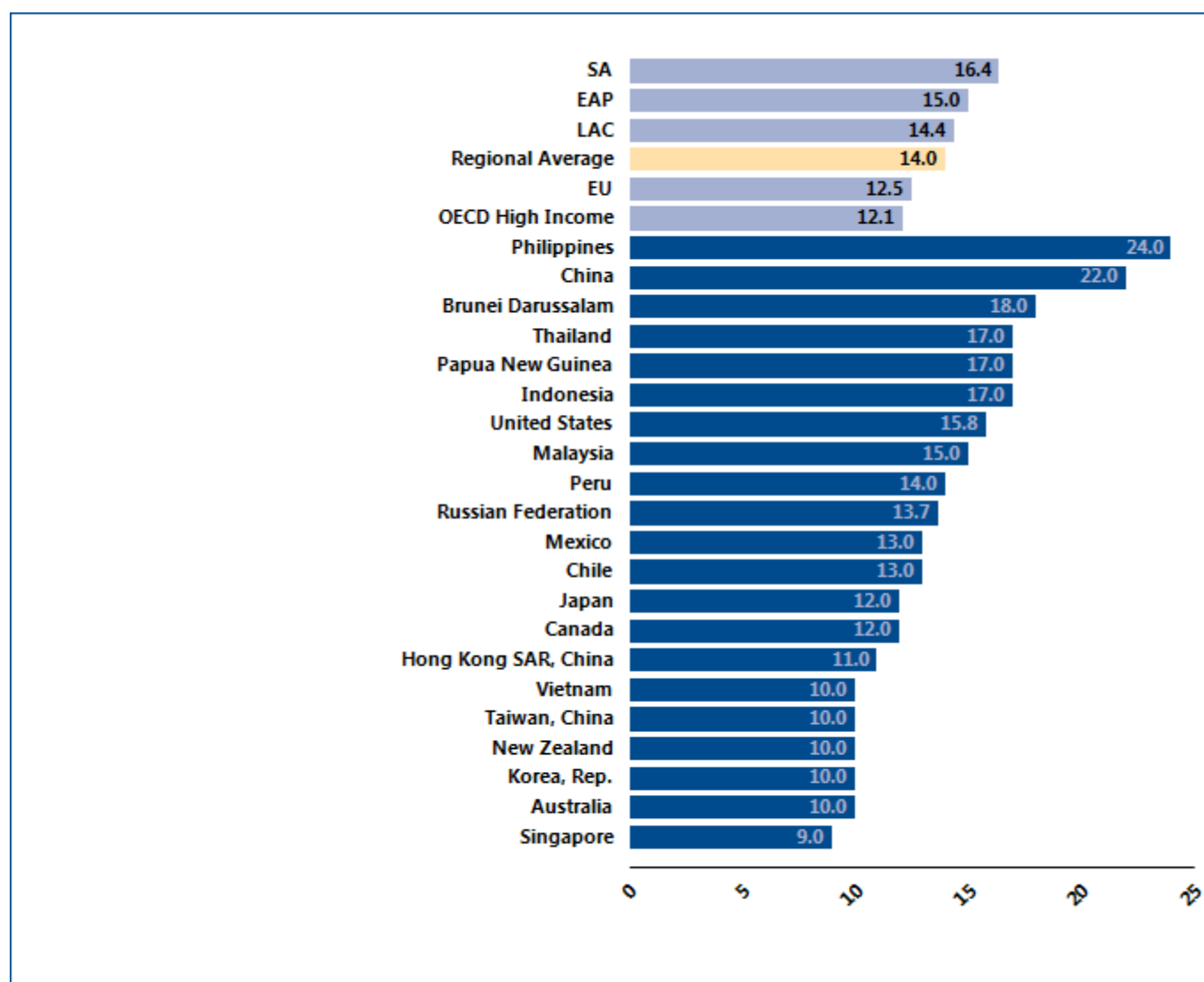
## DEALING WITH CONSTRUCTION PERMITS

The indicators underlying the rankings may be more revealing. Data collected by *Doing Business* show what it takes to comply with formalities to build a warehouse in each economy in the region: the number of procedures,

the time and the cost (figure 3.2). Comparing these indicators across the region and with averages both for the region and for comparator regions can provide useful insights.

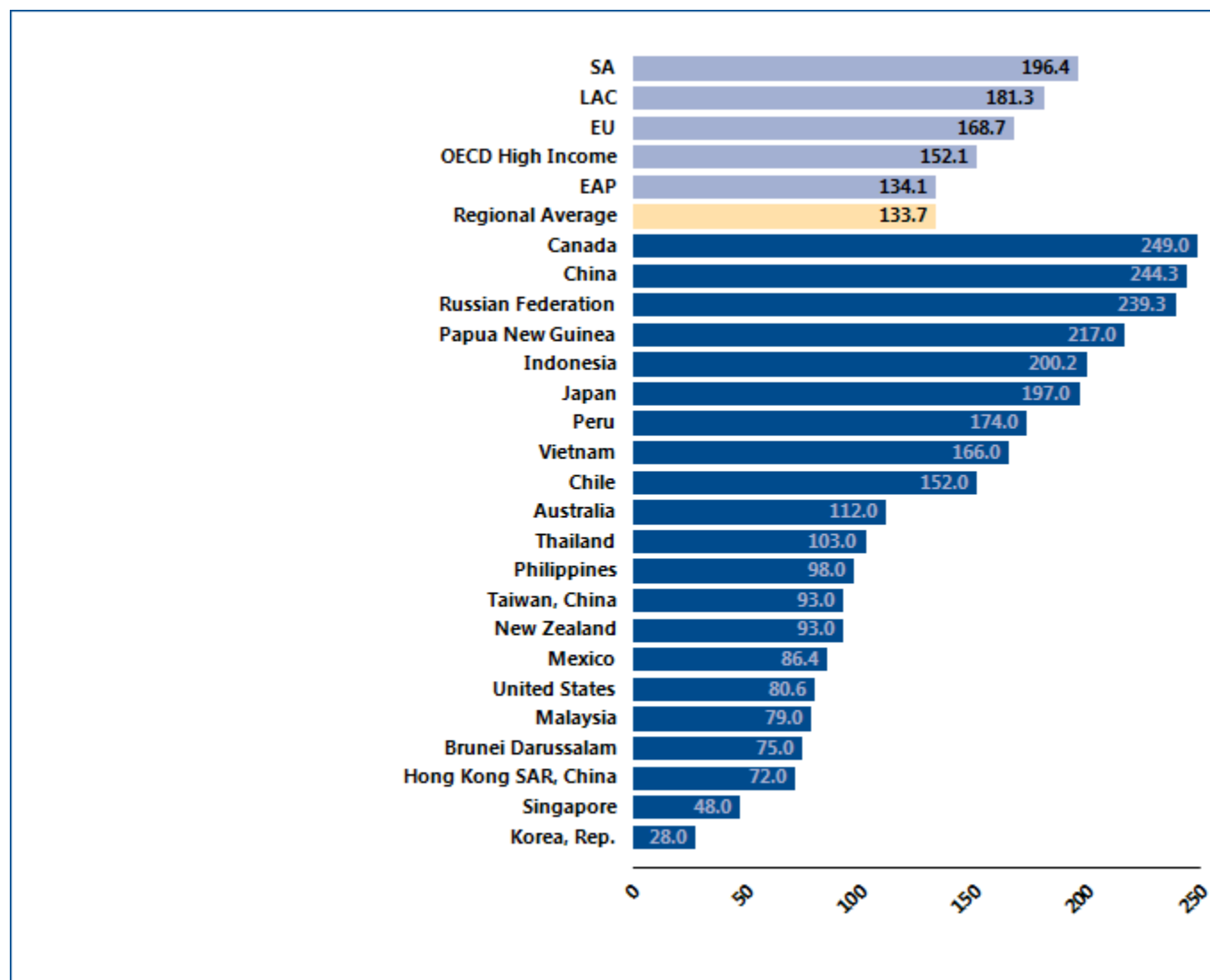
Figure 3.2 What it takes to comply with formalities to build a warehouse in economies in Asia-Pacific Economic Cooperation (APEC)

### Procedures (number)



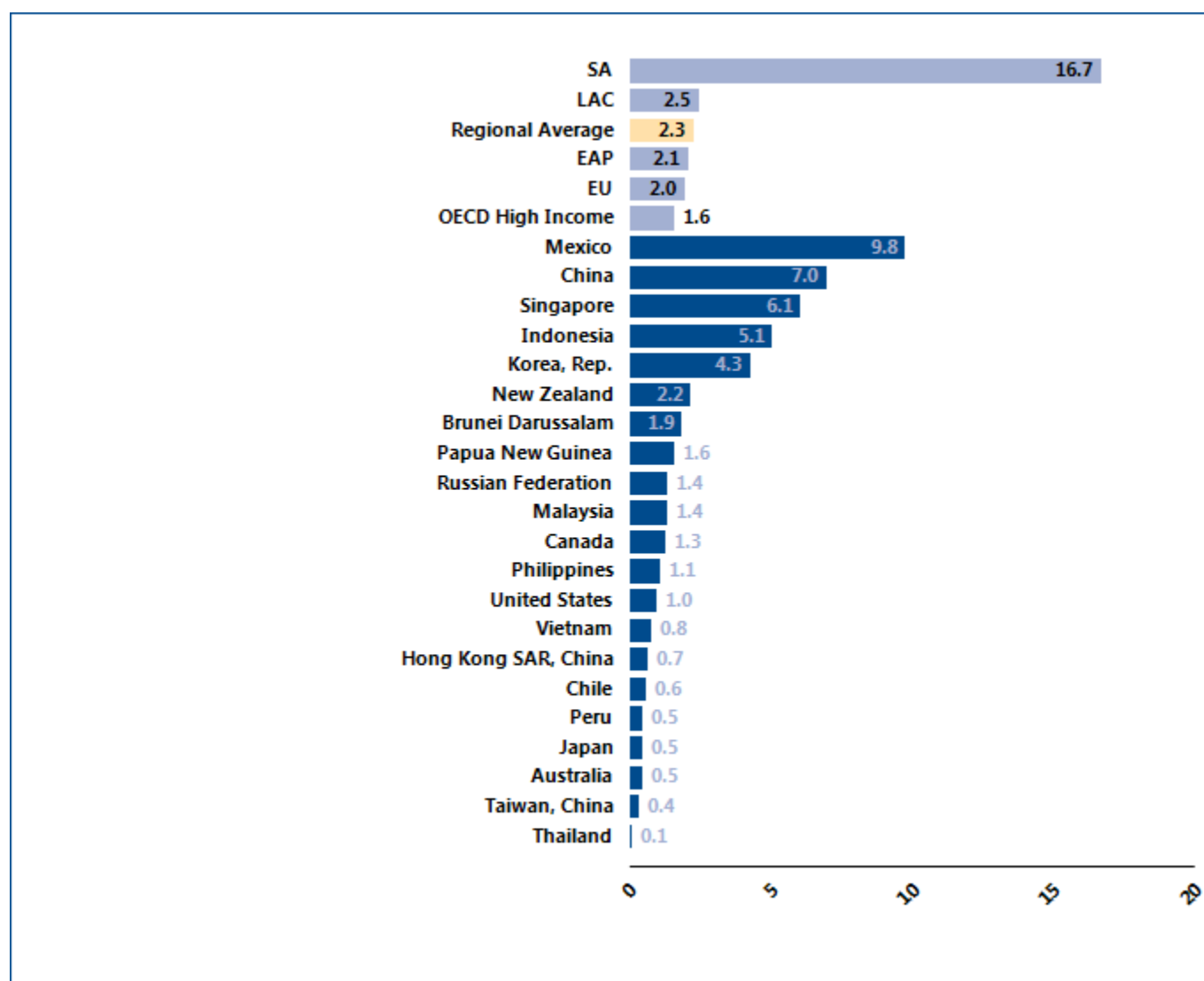
## DEALING WITH CONSTRUCTION PERMITS

Time (days)



## DEALING WITH CONSTRUCTION PERMITS

Cost (% of warehouse value)

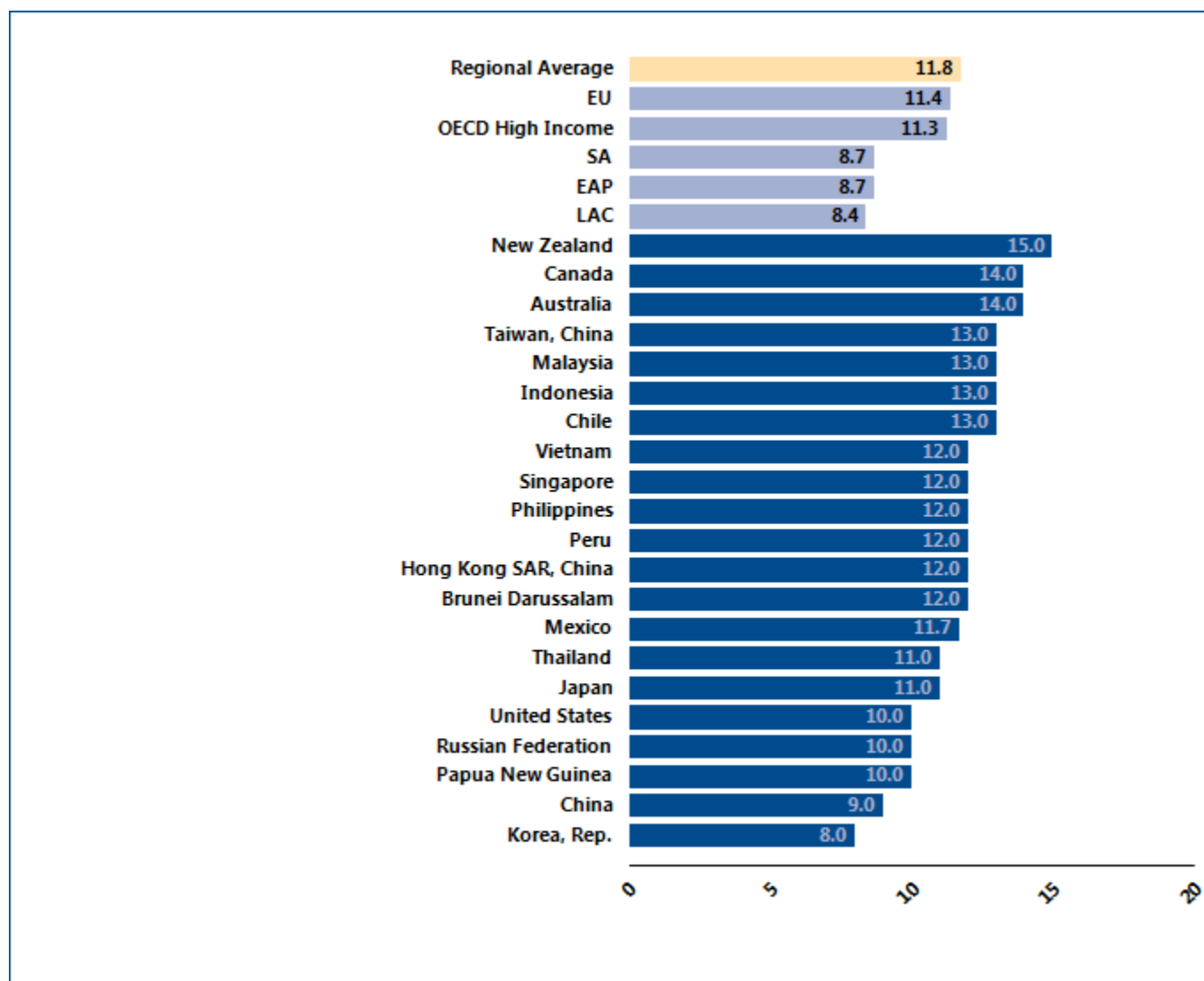


\* Indicates a "no practice" mark. If an economy has no laws or regulations covering a specific area—for example, insolvency—it receives a "no practice" mark. Similarly, an economy receives a "no practice" or "not possible" mark if regulation exists but is never used in practice or if a competing regulation prohibits such practice. Either way, a "no practice" mark puts the economy at the bottom of the ranking on the relevant indicator.

Source: *Doing Business* database.

## DEALING WITH CONSTRUCTION PERMITS

## Building Quality Control Index (0-15)



\* Indicates a “no practice” mark. If an economy has no laws or regulations covering a specific area—for example, insolvency—it receives a “no practice” mark. Similarly, an economy receives a “no practice” or “not possible” mark if regulation exists but is never used in practice or if a competing regulation prohibits such practice. Either way, a “no practice” mark puts the economy at the bottom of the ranking on the relevant indicator.

*Note:* The index ranges from 0 to 15, with higher values indicating better quality control and safety mechanisms in the construction permitting system. The indicator is based on the same case study assumptions as the measures of efficiency.

*Source:* *Doing Business* database.

## DEALING WITH CONSTRUCTION PERMITS

### What are the changes over time?

Smart regulation ensures that standards are met while making compliance easy and accessible to all. Coherent and transparent rules, efficient processes and adequate allocation of resources are especially important in sectors where safety is at stake. Construction is one of them. In an effort to ensure building safety while keeping

compliance costs reasonable, governments around the world have worked on consolidating permitting requirements. What construction permitting reforms has *Doing Business* recorded in Asia-Pacific Economic Cooperation (APEC) (table 3.1)?

Table 3.1 How have economies in Asia-Pacific Economic Cooperation (APEC) made dealing with construction permits easier—or not?

By *Doing Business* report year DB2011 to DB2017

| DB year | Economy              | Reform   |
|---------|----------------------|--|
| DB2017  | Malaysia             | In Malaysia the credit bureau began to provide consumer credit scores.   |
| DB2017  | Hong Kong SAR, China | Hong Kong SAR, China, streamlined the processes of reviewing applications for new electrical connections and also reduced the time needed to issue an excavation permit.                       |
| DB2017  | Hong Kong SAR, China | Hong Kong SAR, China, made starting a business less costly by reducing the business registration fee.  |
| DB2017  | Malaysia             | Malaysia made starting a business more difficult by requiring that companies with an annual revenue of more than MYR 500,000 register as a GST payer.  |
| DB2017  | Korea, Rep.          | The Republic of Korea made starting a business faster by eliminating post-registration procedures.   |
| DB2017  | Malaysia             | Malaysia made paying taxes easier by introducing an online system for filing and paying the Goods and Services Tax (GST) while also making it is more complex by replacing sales tax with GST. |
| DB2017  | Singapore            | Singapore made dealing with construction permits easier by streamlining procedures and improving the online one-stop shop.   |
| DB2017  | Russian Federation   | Russian Federation Saint Petersburg made dealing with construction permits easier by removing the requirement to obtain permission to fence the construction site.                             |
| DB2017  | Indonesia            | Indonesia made enforcing contracts easier by introducing a   |

| DB year       | Economy                   | Reform   |
|---------------|---------------------------|--|
|               |                           | dedicated procedure for small claims that allows for parties' self-representation. This reform applies to both Jakarta and Surabaya.   |
| <b>DB2017</b> | <i>Russian Federation</i> | The Russian Federation made enforcing contracts more difficult by mandating pre-trial resolution before filing a claim, thereby lengthening the initial phase of judicial proceedings. This reform applies to both Moscow and St. Petersburg.  |
| <b>DB2017</b> | <i>Mexico</i>             | Mexico adopted a resolution that eliminated geographic differences in national minimum wages. Prior to the reform Mexico was divided into two zones—zone A and zone B—with different applicable minimum wages. This reform applies to both Mexico City and Monterrey.  |
| <b>DB2017</b> | <i>China</i>              | China improved access to credit information by starting to report payment histories from utility companies and providing credit scores to banks and financial institutions. This reform applies to both Shanghai and Beijing.  |
| <b>DB2017</b> | <i>Indonesia</i>          | Indonesia strengthened access to credit by establishing a modern collateral registry.  |
| <b>DB2017</b> | <i>Thailand</i>           | Thailand improved access to credit information by starting to provide credit scores to banks and financial institutions.   |
| <b>DB2017</b> | <i>Indonesia</i>          | Indonesia made the process for getting an electricity connection faster by reducing the time for contractors to perform external work thanks to an increase in the stock of electrical material supplied by the utility. In Surabaya, getting electricity was also made easier after the utility streamlined the process for new connection requests.      |
| <b>DB2017</b> | <i>Vietnam</i>            | Vietnam strengthened minority investor protections by making it easier to sue directors in cases of prejudicial transactions between interested parties, by increasing shareholder rights and role in major corporate decisions, by strengthening the ownership and control structures of companies and by increasing corporate transparency requirements. |
| <b>DB2017</b> | <i>Thailand</i>           | Thailand made resolving insolvency easier by introducing new restructuring for small and medium-size companies and by streamlining provisions related to company liquidation.  |



| DB year       | Economy          | Reform   |
|---------------|------------------|--|
| <b>DB2017</b> | <i>Indonesia</i> | Indonesia made it easier to register property by digitizing its cadastral records and setting up a geographic information system.  |
| <b>DB2017</b> | <i>Mexico</i>    | Mexico made registering property easier by digitizing its land records, improving the quality of the Land Registry infrastructure and making the registration process more efficient.  |
| <b>DB2017</b> | <i>Singapore</i> | Singapore made it easier to transfer a property by introducing an independent mechanism for reporting errors on titles and maps.   |
| <b>DB2017</b> | <i>Thailand</i>  | Thailand made starting a business easier by creating a single window for registration payment and reducing the time to obtain a company seal.  |
| <b>DB2017</b> | <i>Indonesia</i> | Indonesia made starting a business easier by creating a single form to apply for the company registration certificate and trading license. This reform applies to Jakarta. Indonesia also made starting a business easier by abolishing the minimum capital requirement for small and medium-size enterprises and by encouraging the use of an online system to reserve company names. This reform applies to both Jakarta and Surabaya. |
| <b>DB2017</b> | <i>China</i>     | China made starting a business easier by introducing a single form to obtain a business license, organization code and tax registration. This reform applies to both Shanghai and Beijing.   |
| <b>DB2017</b> | <i>Vietnam</i>   | Vietnam made starting a business more difficult by requiring entrepreneurs to receive approval of the seal sample before using it.   |
| <b>DB2017</b> | <i>Vietnam</i>   | Vietnam made exporting and importing easier by implementing electronic customs clearance system.   |
| <b>DB2017</b> | <i>Indonesia</i> | Indonesia made exporting and importing easier by improving the customs services and document submission functions of the Indonesia National Single Window.   |
| <b>DB2017</b> | <i>Singapore</i> | Singapore made paying taxes easier by introducing improvements to the online system for filing corporate income tax returns and VAT returns. At the same, the social security contribution rate paid by employers increased and the rebate of 30% on vehicle tax expired.  |

| DB year       | Economy                  | Reform   |
|---------------|--------------------------|--|
| <b>DB2017</b> | <i>Peru</i>              | Peru made paying taxes less costly by decreasing the corporate income tax rate.  |
| <b>DB2017</b> | <i>New Zealand</i>       | New Zealand made paying taxes easier by abolishing the cheque levy. New Zealand made paying less costly by decreasing the rate of accident compensation levy paid by employers. At the same time, New Zealand made paying taxes more costly by raising property tax and road user levy rates.  |
| <b>DB2017</b> | <i>Indonesia</i>         | Indonesia made paying taxes easier by introducing an online system for filing and paying health contributions. Indonesia also made paying taxes more costly by levying a new pension contribution at a rate of 2% paid by employers. These reforms apply to both Jakarta and Surabaya.   |
| <b>DB2017</b> | <i>Japan</i>             | Japan made paying taxes easier by disclosing the technical specifications of the eTax platform and allowing the upload of additional information in comma separated value (CSV) format. The restoration surtax was also abolished. However, a local corporation tax was introduced and the rates of special local corporation tax, inhabitants tax and enterprise tax were raised. Welfare pension premiums were also raised. These reforms apply to both Tokyo and Osaka. However, the rate for health insurance contributions paid by employers was reduced only in Osaka. |
| <b>DB2017</b> | <i>Vietnam</i>           | Vietnam made paying taxes easier and less costly by streamlining the administrative process of complying with tax obligations and abolishing environmental protection fees.  |
| <b>DB2017</b> | <i>Brunei Darussalam</i> | Brunei Darussalam strengthened access to credit by adopting a new insolvency law that contemplates protections for secured creditors during an automatic stay in reorganization proceedings. Brunei also improved access to credit information by beginning to distribute data from two utility companies.   |
| <b>DB2017</b> | <i>Brunei Darussalam</i> | The utility in Brunei Darussalam streamlined the processes of reviewing applications, and the time to issue an excavation permit was reduced. In addition, Brunei Darussalam increased the reliability of power supply by rolling out a Supervisory Control and Data Acquisition (SCADA) automatic energy management system for the monitoring of outages and the restoration of service.  |

| DB year | Economy                  | Reform   |
|---------|--------------------------|--|
| DB2017  | <i>Brunei Darussalam</i> | Brunei Darussalam strengthened minority investor protections by clarifying ownership and control structures, making it easier to sue directors in case of prejudicial related-party transactions, and allowing the rescission of related-party transactions that harm the company.   |
| DB2017  | <i>Brunei Darussalam</i> | Brunei Darussalam made resolving insolvency easier by adopting a new insolvency law that introduced a reorganization procedure and facilitated continuation of the debtor's business during insolvency proceedings. Brunei Darussalam also introduced regulations for insolvency practitioners.  |
| DB2017  | <i>Brunei Darussalam</i> | Brunei Darussalam made paying taxes easier by fully implementing an electronic system for filing and paying corporate income tax.  |
| DB2017  | <i>Philippines</i>       | The Philippines made dealing with construction permits easier by increasing the transparency of its building regulations.  |
| DB2017  | <i>Papua New Guinea</i>  | Papua New Guinea strengthened access to credit by adopting a new law on secured transactions that implemented a functional secured transactions system and established a centralized, notice-based collateral registry. The new law broadens the scope of assets that can be used as collateral and allows out-of-court enforcement of collateral. |
| DB2017  | <i>Papua New Guinea</i>  | Papua New Guinea reduced the time required to start a business by streamlining business registration at the Investment Promotion Agency (IPA).   |
| DB2017  | <i>Philippines</i>       | The Philippines made paying taxes easier by introducing an online system for filing and paying health contributions and by allowing for the online corporate income tax and VAT returns to be completed offline.   |
| DB2017  | <i>Brunei Darussalam</i> | Brunei Darussalam made enforcing contracts easier by introducing an electronic filing system as well as a platform that allows users to pay court fees electronically.   |
| DB2016  | <i>Philippines</i>       | The Philippines made starting a business easier by streamlining communications between the Securities and Exchange Commission and the Social Security System and thereby expediting the process of issuing an employer registration number.  |

| DB year | Economy                     | Reform   |
|---------|-----------------------------|--|
| DB2016  | <i>Brunei Darussalam</i>    | Brunei Darussalam made paying taxes easier and less costly for companies by merging contributions for the Employee Provident Fund and the Supplemental Pension Fund and increasing the capital allowance for industrial buildings. In addition, it reduced the corporate income tax rate, though it also abolished the partial exemption of income and introduced a flat rate. |
| DB2016  | <i>Brunei Darussalam</i>    | Brunei Darussalam made starting a business easier by improving online procedures and simplifying registration and post registration requirements.  |
| DB2016  | <i>Chile</i>                | Chile made resolving insolvency easier by clarifying and simplifying provisions on liquidation and reorganization, introducing provisions to facilitate the continuation of the debtor's business during insolvency, establishing a public office responsible for the general administration of insolvency proceedings and creating specialized insolvency courts.             |
| DB2016  | <i>Chile</i>                | Chile made paying taxes more costly for companies by increasing the corporate income tax rate.   |
| DB2016  | <i>Hong Kong SAR, China</i> | The utility in Hong Kong SAR, China, made getting electricity easier by streamlining the process for reviewing connection applications and for completing the connection works and meter installation. In addition, the time needed to issue an excavation permit was reduced.   |
| DB2016  | <i>Korea, Rep.</i>          | The Republic of Korea made paying taxes more complicated and costly for companies by requiring separate filing and payment of the local income tax and by increasing the rates for unemployment insurance and national health insurance paid by employers.   |
| DB2016  | <i>Hong Kong SAR, China</i> | Hong Kong SAR, China, made paying taxes easier and less costly for companies by simplifying compliance with the mandatory provident fund obligations and increasing the allowance for profit tax. At the same time, it increased the maximum contribution to the mandatory provident fund and reduced the property tax waiver.   |
| DB2016  | <i>Malaysia</i>             | Malaysia made paying taxes easier and less costly for companies by making electronic filing mandatory and reducing the property tax rate. At the same time, it also increased the capital gains tax.   |

| DB year       | Economy                     | Reform   |
|---------------|-----------------------------|--|
| <b>DB2016</b> | <i>Hong Kong SAR, China</i> | Hong Kong SAR, China, made starting a business easier by eliminating the requirement for a company seal.   |
| <b>DB2016</b> | <i>Hong Kong SAR, China</i> | Hong Kong SAR, China, improved access to credit by implementing a modern collateral registry.  |
| <b>DB2016</b> | <i>Vietnam</i>              | The utility in Vietnam reduced the time required for getting an electricity connection by reducing delays and increasing efficiency in approving connection applications and designs for connection works. Getting electricity was also made easier by eliminating the need to obtain a substation certification from the Fire Fighters Prevention Department for connections to the medium-voltage grid.  |
| <b>DB2016</b> | <i>Russian Federation</i>   | Russia made the process of obtaining an electricity connection simpler, faster and less costly by eliminating a meter inspection by electricity providers and revising connection tariffs. This reform applies to both Moscow and St. Petersburg.  |
| <b>DB2016</b> | <i>Taiwan, China</i>        | The utility in Taiwan, China, reduced the time required for getting an electricity connection through a simplified procedure for obtaining excavation permits from the municipality.   |
| <b>DB2016</b> | <i>New Zealand</i>          | The utility in New Zealand reduced the time required for getting an electricity connection by improving its payment monitoring and confirmation process for the connection works.  |
| <b>DB2016</b> | <i>Vietnam</i>              | Vietnam made resolving insolvency easier by clarifying and simplifying provisions on liquidation and reorganization, modifying the standard for commencement of insolvency proceedings, changing provisions on voidable transactions, regulating the profession of insolvency trustees and establishing the rules for enterprise asset managers.   |
| <b>DB2016</b> | <i>Vietnam</i>              | Vietnam made paying taxes less costly for companies by reducing the corporate income tax rate—and made it easier by reducing the number of procedures and documents for filing VAT and social security contributions, reducing the number of filings for VAT and replacing quarterly filings of corporate income tax with quarterly advance payments. On the other hand, Vietnam increased the rate for social security contributions paid by employers. |

| DB year | Economy                   | Reform  |
|---------|---------------------------|---|
| DB2016  | <i>Indonesia</i>          | Indonesia made paying taxes easier and less costly for companies by introducing an online system for paying social security contributions and by reducing both the rate paid by employers and the ceiling for the contributions. This reform applies to both Jakarta and Surabaya.  |
| DB2016  | <i>China</i>              | China made paying taxes less costly for companies in Shanghai by reducing the social security contribution rate.  |
| DB2016  | <i>Russian Federation</i> | Russia made paying taxes less costly for companies by excluding movable property from the corporate property tax base—though it also raised the wage ceiling used in calculating social contributions. These changes apply to both Moscow and St. Petersburg. In addition, the cadastral value of land in Moscow was updated.     |
| DB2016  | <i>Mexico</i>             | Mexico made paying taxes easier for companies by abolishing the business flat tax—though it also made paying taxes more costly by allowing only a portion of salaries to be deductible. These changes apply to both Mexico City and Monterrey. In addition, the payroll tax rate paid by employers was increased for Mexico City. |
| DB2016  | <i>Peru</i>               | Peru made paying taxes easier for companies by creating an advanced online registry with up-to-date information on employees.   |
| DB2016  | <i>Russian Federation</i> | Russia made transferring property easier by reducing the time required for property registration. This reform applies to both Moscow and St. Petersburg.  |
| DB2016  | <i>Indonesia</i>          | Indonesia made starting a business in Jakarta easier by reducing the time needed to register with the Ministry of Manpower.   |
| DB2016  | <i>Russian Federation</i> | The Russian Federation made starting a business in Moscow easier by reducing the number of days required to open a corporate bank account.  |
| DB2016  | <i>Vietnam</i>            | Vietnam made starting a business easier by reducing the time required to get the company seal engraved and registered.  |
| DB2016  | <i>Indonesia</i>          | Indonesia improved access to credit by enabling searches of the collateral registry by the debtor's name. This reform applies to both Jakarta and Surabaya.   |

| DB year       | Economy                     | Reform  |
|---------------|-----------------------------|---|
| <b>DB2016</b> | <i>Russian Federation</i>   | Russia improved access to credit by adopting a new law on secured transactions that established a centralized collateral registry and allows a general description of a combined category of assets granted as collateral. This reform applies to both Moscow and St. Petersburg. |
| <b>DB2016</b> | <i>Mexico</i>               | Mexico improved access to credit by implementing a decree allowing a general description of assets granted as collateral. This reform applies to both Mexico City and Monterrey.  |
| <b>DB2016</b> | <i>Vietnam</i>              | Vietnam guaranteed borrowers' right to inspect their credit data while the new credit bureau expanded borrower coverage, improving the credit information system.   |
| <b>DB2016</b> | <i>Peru</i>                 | Peru improved its credit information system by implementing a new law on personal data protection.  |
| <b>DB2015</b> | <i>New Zealand</i>          | New Zealand improved access to credit information by beginning to distribute both positive and negative credit information.   |
| <b>DB2015</b> | <i>Taiwan, China</i>        | Taiwan, China, improved access to credit information by beginning to include data from utility companies in credit reports.   |
| <b>DB2015</b> | <i>Vietnam</i>              | Vietnam improved its credit information system by establishing a new credit bureau.   |
| <b>DB2015</b> | <i>Mexico</i>               | Mexico improved access to credit by amending its insolvency proceedings law and establishing clear grounds for relief from a stay of enforcement actions by secured creditors during reorganization procedures. This reform applies to both Mexico City and Monterrey.            |
| <b>DB2015</b> | <i>Hong Kong SAR, China</i> | Hong Kong SAR, China, strengthened minority investor protections by introducing requirements for directors to provide more detailed disclosure of conflicts of interest to the other board members.   |
| <b>DB2015</b> | <i>Korea, Rep.</i>          | The Republic of Korea strengthened minority investor protections by increasing the level of transparency expected from companies on managerial compensation.  |
| <b>DB2015</b> | <i>Korea, Rep.</i>          | The Republic of Korea made transferring property easier by reducing the time needed to buy housing bonds and to register the property transfer.   |

| DB year | Economy                     | Reform  |
|---------|-----------------------------|---|
| DB2015  | <i>Hong Kong SAR, China</i> | Hong Kong SAR, China, made starting a business more difficult by increasing the registration fee.   |
| DB2015  | <i>Taiwan, China</i>        | Taiwan, China, made getting electricity easier by eliminating site inspections.   |
| DB2015  | <i>Indonesia</i>            | In Indonesia the electricity company in Jakarta made getting electricity easier by eliminating the need for electrical contractors to obtain multiple certificates guaranteeing the safety of internal installations—though. The utility in Jakarta and Surabaya also increased the cost by introducing a security deposit for new connections.               |
| DB2015  | <i>Thailand</i>             | Thailand made dealing with construction permits less time-consuming by introducing a fast-track approval process for building permits for smaller buildings.  |
| DB2015  | <i>Singapore</i>            | Singapore made enforcing contracts easier by introducing a new electronic litigation system that streamlines litigation proceedings.  |
| DB2015  | <i>Mexico</i>               | Mexico made resolving insolvency easier by clarifying several rules, shortening the time extensions allowed during reorganization, facilitating the electronic submission of documents and improving the legal rights of creditors and other parties involved in bankruptcy procedures. This reform applies to both Mexico City and Monterrey.                |
| DB2015  | <i>Taiwan, China</i>        | Taiwan, China, made paying taxes easier for companies by introducing an electronic system for paying the vehicle license tax.   |
| DB2015  | <i>Indonesia</i>            | Indonesia made paying taxes less costly for companies by reducing employers' health insurance contribution rate. This reform applies to both Jakarta and Surabaya.  |
| DB2015  | <i>China</i>                | China made paying taxes easier for companies by enhancing the electronic system for filing and paying taxes and adopting new communication channels within its taxpayer service, changes applying to both Beijing and Shanghai. In addition, China made paying taxes less costly for companies in Shanghai by reducing the social security contribution rate. |
| DB2015  | <i>Vietnam</i>              | Vietnam made paying taxes less costly for companies by reducing the corporate income tax rate.  |
| DB2015  | <i>Russian Federation</i>   | The Russian Federation made transferring property easier by   |



| DB year       | Economy                   | Reform   |
|---------------|---------------------------|--|
|               |                           | eliminating the requirement for notarization and introducing tighter time limits for completing the property registration. This reform applies to both Moscow and St. Petersburg.  |
| <b>DB2015</b> | <i>Russian Federation</i> | The Russian Federation made starting a business easier by eliminating the requirement to deposit the charter capital before company registration as well as the requirement to notify tax authorities of the opening of a bank account. This reform applies to both Moscow and St. Petersburg. |
| <b>DB2015</b> | <i>United States</i>      | In the United States starting a business became easier in New York City thanks to faster online procedures.  |
| <b>DB2015</b> | <i>China</i>              | China made starting a business easier by eliminating both the minimum capital requirement and the requirement to obtain a capital verification report from an auditing firm. This reform applies to both Beijing and Shanghai.   |
| <b>DB2015</b> | <i>Indonesia</i>          | Indonesia made starting a business easier by allowing the Ministry of Law and Human Rights to electronically issue the approval letter for the deed of establishment. This reform applies to both Jakarta and Surabaya.  |
| <b>DB2015</b> | <i>Indonesia</i>          | In Indonesia trading across borders became more difficult because of insufficient infrastructure at the Tanjung Priok Port Jakarta. This change applies to both Jakarta and Surabaya.  |
| <b>DB2015</b> | <i>Brunei Darussalam</i>  | Brunei Darussalam made dealing with construction permits easier by consolidating final inspections.  |
| <b>DB2015</b> | <i>Brunei Darussalam</i>  | Brunei Darussalam made paying taxes easier for companies by allowing joint filing and payment of supplemental contributory pension and employee provident fund contributions and by introducing an online system for paying these 2 contributions.   |
| <b>DB2015</b> | <i>Philippines</i>        | In the Philippines trading across borders became more difficult because of a new city ordinance restricting truck traffic in Manila.   |
| <b>DB2014</b> | <i>Philippines</i>        | The Philippines improved access to credit information by beginning to distribute both positive and negative information and by enacting a data privacy act that guarantees borrowers' right to access their data.  |

| DB year | Economy                   | Reform   |
|---------|---------------------------|--|
| DB2014  | <i>Brunei Darussalam</i>  | Brunei Darussalam improved access to credit information by establishing a public credit registry.  |
| DB2014  | <i>Philippines</i>        | The Philippines made dealing with construction permits easier by eliminating the requirement to obtain a health certificate.   |
| DB2014  | <i>Philippines</i>        | The Philippines made paying taxes easier for companies by introducing an electronic filing and payment system for social security contributions.   |
| DB2014  | <i>Mexico</i>             | Mexico made getting electricity easier by increasing the efficiency of the utility's internal processes and by enforcing a "silence is consent" rule for the approval of the feasibility study for a new connection. |
| DB2014  | <i>Russian Federation</i> | Russia made getting electricity simpler and less costly by setting standard connection tariffs and eliminating many procedures previously required.  |
| DB2014  | <i>Russian Federation</i> | Russia made dealing with construction permits easier by eliminating several requirements for project approvals from government agencies and by reducing the time required to register a new building.                |
| DB2014  | <i>New Zealand</i>        | New Zealand made enforcing contracts easier by improving its case management system to ensure a speedier and less costly adjudication of cases.  |
| DB2014  | <i>Mexico</i>             | Mexico made enforcing contracts easier by creating small claims courts, with oral proceedings, that can hear both civil and commercial cases.  |
| DB2014  | <i>China</i>              | China made enforcing contracts easier by amending its civil procedure code to streamline and speed up all court proceedings.   |
| DB2014  | <i>Thailand</i>           | Thailand made paying taxes less costly for companies by reducing employers' social security contribution rate.   |
| DB2014  | <i>Vietnam</i>            | Vietnam made paying taxes more costly for companies by increasing employers' social security contribution rate.  |
| DB2014  | <i>Vietnam</i>            | Vietnam strengthened investor protections by introducing greater disclosure requirements for publicly held companies in cases of related-party transactions.   |

| DB year | Economy                     | Reform  |
|---------|-----------------------------|---|
| DB2014  | <i>Singapore</i>            | Singapore made transferring property easier by introducing an online procedure for property transfers.  |
| DB2014  | <i>Russian Federation</i>   | Russia made transferring property easier by streamlining procedures and implementing effective time limits for processing transfer applications.                              |
| DB2014  | <i>Russian Federation</i>   | Russia made starting a business easier by abolishing the requirement to have the bank signature card notarized before opening a company bank account.                         |
| DB2014  | <i>Vietnam</i>              | Vietnam abolished priority rules for redundancy dismissals or layoffs and increased the minimum wage.   |
| DB2014  | <i>Russian Federation</i>   | Russia made trading across borders easier by implementing an electronic system for submitting export and import documents and by reducing the number of physical inspections. |
| DB2014  | <i>Mexico</i>               | Mexico made trading across borders easier by implementing an electronic single-window system.   |
| DB2014  | <i>Korea, Rep.</i>          | Korea revised its secured transactions framework by creating new types of security rights that can be publicized through registration.  |
| DB2014  | <i>Chile</i>                | Chile made starting a business easier by creating a new online system for business registration.  |
| DB2014  | <i>Malaysia</i>             | Malaysia made getting electricity easier by increasing the efficiency of internal processes at the utility and improving its communication and dialogue with contractors.     |
| DB2014  | <i>Malaysia</i>             | Malaysia made dealing with construction permits easier by establishing a one-stop shop.   |
| DB2014  | <i>Hong Kong SAR, China</i> | Hong Kong SAR, China, made transferring property more costly by increasing the stamp duty.  |
| DB2014  | <i>Malaysia</i>             | Malaysia made starting a business less costly by reducing the company registration fees.  |
| DB2014  | <i>Hong Kong SAR, China</i> | Hong Kong SAR, China, made starting a business less costly by abolishing the capital duty levied on local companies.  |
| DB2014  | <i>Malaysia</i>             | Malaysia introduced a minimum wage.   |

| DB year | Economy              | Reform  |
|---------|----------------------|---|
| DB2014  | <i>Australia</i>     | Australia improved its credit information system through the Privacy Amendment (Enhancing Privacy Protection) Act 2012, which permits credit bureaus to collect account payment history with improved privacy protection. |
| DB2014  | <i>China</i>         | China improved its credit information system by introducing credit information industry regulations, which guarantee borrowers' right to inspect their data.  |
| DB2014  | <i>Indonesia</i>     | Indonesia improved its credit information system through a new regulation setting up a legal framework for establishing credit bureaus.   |
| DB2014  | <i>Vietnam</i>       | Vietnam improved its credit information system through a decree setting up a legal framework for the establishment of private credit bureaus.   |
| DB2014  | <i>Singapore</i>     | Singapore improved its credit information system by guaranteeing by law borrowers' right to inspect their own data.   |
| DB2013  | <i>Korea, Rep.</i>   | Korea expedited the insolvency process by implementing a fast track for company rehabilitation.   |
| DB2013  | <i>Thailand</i>      | Thailand made starting a business easier by allowing the registrar at the Department of Business Development to receive the company's work regulations.   |
| DB2013  | <i>Vietnam</i>       | Vietnam made starting a business easier by allowing companies to use self-printed value added tax invoices.   |
| DB2013  | <i>China</i>         | China made starting a business less costly by exempting micro and small companies from paying several administrative fees from January 2012 to December 2014.   |
| DB2013  | <i>Mexico</i>        | Mexico made starting a business easier by eliminating the minimum capital requirement for limited liability companies.  |
| DB2013  | <i>Korea, Rep.</i>   | Korea made getting electricity less costly by introducing a new connection fee schedule and an installment payment system.  |
| DB2013  | <i>Peru</i>          | Peru made obtaining a construction permit easier by eliminating requirements for several preconstruction approvals.   |
| DB2013  | <i>Taiwan, China</i> | Taiwan, China, made dealing with construction permits easier  |

| DB year       | Economy                   | Reform   |
|---------------|---------------------------|--|
|               |                           | by introducing a risk-based and self-regulatory inspection system and improving operational features of the one-stop shop for building permits.  |
| <b>DB2013</b> | <i>China</i>              | China simplified the process of obtaining a construction permit by streamlining and centralizing preconstruction approvals.  |
| <b>DB2013</b> | <i>Russian Federation</i> | Russia made obtaining a construction permit simpler by eliminating requirements for several preconstruction approvals.   |
| <b>DB2013</b> | <i>Peru</i>               | Peru strengthened investor protections through a new law regulating the approval of related-party transactions and making it easier to sue directors when such transactions are prejudicial.                                 |
| <b>DB2013</b> | <i>Taiwan, China</i>      | Taiwan, China, strengthened investor protections by increasing disclosure requirements for related-party transactions and improving the liability regime for company directors in cases where such transactions are abusive. |
| <b>DB2013</b> | <i>Australia</i>          | Australia strengthened its secured transactions system by adopting a new national legal regime governing the enforceability of security interests in personal property and implementing a unified collateral registry.       |
| <b>DB2013</b> | <i>Canada</i>             | Canada made getting an electricity connection easier by reducing the time needed for external connection works.  |
| <b>DB2013</b> | <i>Malaysia</i>           | Malaysia made dealing with construction permits faster by improving the one-stop center for new buildings and by reducing the time to connect to telephone service.  |
| <b>DB2013</b> | <i>Malaysia</i>           | Malaysia substantially reduced the number of days it takes to register property transfers.   |
| <b>DB2013</b> | <i>Korea, Rep.</i>        | Korea strengthened investor protections by making it easier to sue directors in cases of prejudicial related-party transactions.   |
| <b>DB2013</b> | <i>Korea, Rep.</i>        | Korea made paying taxes less costly for companies by reducing the profit tax rate.   |
| <b>DB2013</b> | <i>Brunei Darussalam</i>  | Brunei Darussalam made dealing with construction permits easier by creating a one-stop shop for preconstruction approvals.   |

| DB year       | Economy                   | Reform  |
|---------------|---------------------------|---|
| <b>DB2013</b> | <i>Brunei Darussalam</i>  | Brunei Darussalam made paying taxes less costly for companies by reducing the profit tax rate.  |
| <b>DB2013</b> | <i>Indonesia</i>          | Indonesia made getting electricity easier by eliminating the requirement for new customers applying for an electricity connection to show a neighbor's electricity bill as a way to help determine their address.   |
| <b>DB2013</b> | <i>Mexico</i>             | In Mexico the distribution utility made getting electricity easier by streamlining procedures, offering training opportunities to private contractors, using a geographic information system (GIS) to map the electricity distribution network and increasing the stock of materials. |
| <b>DB2013</b> | <i>Russian Federation</i> | Russia eased the administrative burden of taxes for firms by simplifying compliance procedures for value added tax and by promoting the use of tax accounting software and electronic services.   |
| <b>DB2013</b> | <i>Japan</i>              | Japan made paying taxes less costly for companies by reducing the corporate income tax rate—though it also introduced a restoration surtax for a 3-year period.   |
| <b>DB2013</b> | <i>Thailand</i>           | Thailand made paying taxes less costly for companies by reducing the profit tax rate.   |
| <b>DB2013</b> | <i>New Zealand</i>        | New Zealand improved access to credit information by allowing credit bureaus to collect positive information on individuals.  |
| <b>DB2012</b> | <i>Peru</i>               | Peru strengthened investor protections through a new law allowing minority shareholders to request access to nonconfidential corporate documents.   |
| <b>DB2012</b> | <i>Vietnam</i>            | Vietnam strengthened investor protections by requiring higher standards of accountability for company directors.  |
| <b>DB2012</b> | <i>Russian Federation</i> | Russia made trading across borders easier by reducing the number of documents needed for each export or import transaction and lowering the associated cost.  |
| <b>DB2012</b> | <i>Mexico</i>             | Mexico strengthened its secured transactions system by implementing a centralized collateral registry with an electronic database that is accessible online.  |
| <b>DB2012</b> | <i>Russian Federation</i> | Russia made filing a commercial case easier by introducing an electronic case filing system.  |

| DB year | Economy                     | Reform  |
|---------|-----------------------------|---|
| DB2012  | <i>Russian Federation</i>   | Russian Federation made getting electricity less costly by revising the tariffs for connection.   |
| DB2012  | <i>Indonesia</i>            | Indonesia made getting electricity more difficult by increasing connection fees.  |
| DB2012  | <i>Philippines</i>          | The Philippines adopted a new insolvency law that provides a legal framework for liquidation and reorganization of financially distressed companies.  |
| DB2012  | <i>Brunei Darussalam</i>    | Brunei Darussalam made getting electricity easier by establishing a one-stop shop and reducing the time required to obtain an excavation permit.  |
| DB2012  | <i>Korea, Rep.</i>          | Korea eased the administrative burden of paying taxes for firms by merging several taxes, allowing 4 labor taxes and contributions to be paid jointly and continuing to increase the use of the online tax payment system.  |
| DB2012  | <i>Malaysia</i>             | Malaysia made paying taxes costlier for firms by reintroducing the real estate capital gains tax—but also made tax compliance easier by improving electronic systems and the availability of software.  |
| DB2012  | <i>Hong Kong SAR, China</i> | Hong Kong, China introduced a Minimum Wage.   |
| DB2012  | <i>Hong Kong SAR, China</i> | Hong Kong SAR (China) made starting a business easier by introducing online electronic services for company and business registration.  |
| DB2012  | <i>Korea, Rep.</i>          | Korea made starting a business easier by introducing a new online one-stop shop, Start-Biz.   |
| DB2012  | <i>Malaysia</i>             | Malaysia made starting a business easier by merging company, tax, social security and employment fund registrations at the one-stop shop and providing same-day registration.   |
| DB2012  | <i>Australia</i>            | Australia clarified the priority of claims of unsecured creditors over all shareholders' claims and introduced further regulation of the profession of insolvency practitioners.  |
| DB2012  | <i>Chile</i>                | Chile made business start-up easier by starting to provide an immediate temporary operating license to new companies, eliminating the requirement for an inspection of premises by the tax authority before new companies can begin operations and allowing free online publication of the notice |

| DB year       | Economy                   | Reform   |
|---------------|---------------------------|--|
|               |                           | of a company's creation.   |
| <b>DB2012</b> | <i>Chile</i>              | Chile strengthened its secured transactions system by implementing a unified collateral registry and a new legal framework for nonpossessory security interests.                               |
| <b>DB2012</b> | <i>Canada</i>             | Canada made paying taxes easier and less costly for companies by reducing profit tax rates, eliminating the Ontario capital tax and harmonizing sales taxes.                                   |
| <b>DB2012</b> | <i>Chile</i>              | Chile made trading across borders faster by implementing an online electronic data interchange system for customs operations.  |
| <b>DB2012</b> | <i>Thailand</i>           | Thailand made registering property more expensive by increasing the registration fee.  |
| <b>DB2012</b> | <i>Russian Federation</i> | Russia made registering property transfers easier by eliminating the requirement to obtain cadastral passports on land plots.  |
| <b>DB2012</b> | <i>New Zealand</i>        | New Zealand reduced its corporate income tax rate and fringe benefit tax rate.   |
| <b>DB2012</b> | <i>Peru</i>               | Peru made paying taxes easier for companies by improving electronic filing and payment of the major taxes and promoting the use of the electronic option among the majority of taxpayers.      |
| <b>DB2012</b> | <i>Mexico</i>             | Mexico continued to ease the administrative burden of paying taxes for firms by ending the requirement to file a yearly value added tax return and reduced filing requirements for other taxes |
| <b>DB2012</b> | <i>Russian Federation</i> | Russia increased the social security contribution rate for employers.  |
| <b>DB2012</b> | <i>Malaysia</i>           | Malaysia established dedicated commercial courts to handle foreclosure proceedings.  |
| <b>DB2012</b> | <i>Mexico</i>             | Mexico made dealing with construction permits faster by consolidating internal administrative procedures.  |
| <b>DB2012</b> | <i>Japan</i>              | Japan made dealing with construction permits costlier by increasing inspection fees.   |
| <b>DB2012</b> | <i>Taiwan, China</i>      | Taiwan (China) made dealing with construction permits  |



| DB year       | Economy                     | Reform   |
|---------------|-----------------------------|--|
|               |                             | easier by creating a one-stop center.  |
| <b>DB2012</b> | <i>Indonesia</i>            | Indonesia made starting a business easier by introducing a simplified application process allowing an applicant to simultaneously obtain both a general trading license and a business registration certificate. |
| <b>DB2012</b> | <i>Taiwan, China</i>        | Taiwan (China) made starting a business easier by implementing an online one-stop shop for business registration.  |
| <b>DB2012</b> | <i>Thailand</i>             | Thailand made starting a business easier by introducing a one-stop shop.   |
| <b>DB2012</b> | <i>Peru</i>                 | Peru made starting a business easier by eliminating the requirement for micro and small enterprises to deposit start-up capital in a bank before registration.   |
| <b>DB2012</b> | <i>Hong Kong SAR, China</i> | Hong Kong SAR (China) made getting electricity easier by increasing the efficiency of public agencies and streamlining the utility's procedures with other government agencies.                                  |
| <b>DB2012</b> | <i>Malaysia</i>             | Malaysia continued to improve the computerization of its courts by introducing a system making it possible to file complaints electronically.  |
| <b>DB2012</b> | <i>Korea, Rep.</i>          | Korea made filing a commercial case easier by introducing an electronic case filing system.  |
| <b>DB2011</b> | <i>Korea, Rep.</i>          | Korea made it easier to deal with insolvency by introducing postfiling financing, granting superpriority to the repayment of loans given to companies undergoing reorganization.                                 |
| <b>DB2011</b> | <i>Peru</i>                 | Peru eased business start-up by simplifying the requirements for operating licenses and creating an online one-stop shop for business registration.  |
| <b>DB2011</b> | <i>Taiwan, China</i>        | Taiwan (China) eased business start-up by reducing the time required to check company names, register retirement plans and apply for health, pension and labor insurance.  |
| <b>DB2011</b> | <i>Vietnam</i>              | Vietnam eased company start-up by creating a one-stop shop that combines the processes for obtaining a business license and tax license and by eliminating the need for a seal for company licensing.            |

| DB year | Economy                   | Reform  |
|---------|---------------------------|---|
| DB2011  | <i>Mexico</i>             | Mexico launched an online one-stop shop for initiating business registration.   |
| DB2011  | <i>Indonesia</i>          | Indonesia eased business start-up by reducing the cost for company name clearance and reservation and the time required to reserve the name and approve the deed of incorporation.  |
| DB2011  | <i>Peru</i>               | Peru streamlined construction permitting by implementing administrative reforms.  |
| DB2011  | <i>Vietnam</i>            | Vietnam made dealing with construction permits easier by reducing the cost to register newly completed buildings by 50% and transferring the authority to register buildings from local authorities to the Department of National Resources and Environment.                        |
| DB2011  | <i>Russian Federation</i> | Russia eased construction permitting by implementing a single window for all procedures related to land use.  |
| DB2011  | <i>Thailand</i>           | Thailand made registering property more costly by repealing a 2-year temporary tax reduction for property transfers.  |
| DB2011  | <i>Peru</i>               | Peru introduced fast-track procedures at the land registry, cutting by half the time needed to register property.   |
| DB2011  | <i>Vietnam</i>            | Vietnam improved its credit information system by allowing borrowers to examine their own credit report and correct errors.   |
| DB2011  | <i>Singapore</i>          | Singapore improved its credit information system by collecting and distributing information on firms.   |
| DB2011  | <i>Mexico</i>             | Mexico increased taxes on companies by raising several tax rates, including the corporate income tax and the rate on cash deposits. At the same time, the administrative burden was reduced slightly with more options for online payment and increased use of accounting software. |
| DB2011  | <i>United States</i>      | In the United States the introduction of a new tax on payroll increased taxes on companies operating within the New York City metropolitan commuter transportation district.  |
| DB2011  | <i>Indonesia</i>          | Indonesia reduced its corporate income tax rate.  |
| DB2011  | <i>China</i>              | China's new corporate income tax law unified the tax regimes for domestic and foreign enterprises and clarified   |

| DB year       | Economy                     | Reform  |
|---------------|-----------------------------|---|
|               |                             | the calculation of taxable income for corporate income tax purposes.  |
| <b>DB2011</b> | <i>Vietnam</i>              | The government of Vietnam eased paying taxes by reducing corporate income tax rate.   |
| <b>DB2011</b> | <i>Taiwan, China</i>        | Taiwan (China) reduced the corporate income tax rate and simplified tax return forms, rules for assessing corporate income tax and the calculation of interim tax payments.   |
| <b>DB2011</b> | <i>Thailand</i>             | Thailand temporarily lowered taxes on business by reducing its specific business tax for 12 months.   |
| <b>DB2011</b> | <i>Canada</i>               | Canada increased the efficiency of the courts by expanding electronic document submission and streamlining procedures.  |
| <b>DB2011</b> | <i>Chile</i>                | Chile made business start-up easier by introducing an online system for registration and for filing the request for publication.  |
| <b>DB2011</b> | <i>Chile</i>                | An amendment to Chile's securities law strengthened investor protections by requiring greater corporate disclosure and regulating the approval of transactions between interested parties.  |
| <b>DB2011</b> | <i>Canada</i>               | Canada harmonized the Ontario and federal tax returns and reduced the corporate and employee tax rates.   |
| <b>DB2011</b> | <i>Australia</i>            | Australia introduced the severance payment obligation and reemployment consideration applicable in cases of redundancy dismissals. Annual leave was increased and averaging of hours is now allowed in shorter periods of time. In addition, notice period applicable in case of redundancy dismissals was decreased. |
| <b>DB2011</b> | <i>Malaysia</i>             | Malaysia eliminated the requirements to notify third parties in cases of redundancy dismissals.   |
| <b>DB2011</b> | <i>Malaysia</i>             | Malaysia eased business start-up by introducing more online services.   |
| <b>DB2011</b> | <i>Malaysia</i>             | Malaysia's introduction of online stamping reduced the time and cost to transfer property.  |
| <b>DB2011</b> | <i>Hong Kong SAR, China</i> | Hong Kong SAR (China) abolished the fuel tax on diesel.   |

| DB year | Economy                     | Reform  |
|---------|-----------------------------|---|
| DB2011  | <i>Hong Kong SAR, China</i> | Reforms implemented in the civil justice system of Hong Kong SAR (China) will help increase the efficiency and cost-effectiveness of commercial dispute resolution.   |
| DB2011  | <i>Japan</i>                | Japan made it easier to deal with insolvency by establishing a new entity, the Enterprise Turnaround Initiative Corporation, to support the revitalization of companies suffering from excessive debt but professionally managed. |
| DB2011  | <i>Russian Federation</i>   | Russia introduced a series of legislative measures in 2009 to improve creditor rights and the insolvency system.  |
| DB2011  | <i>New Zealand</i>          | New Zealand enacted new district court rules that make the process for enforcing contracts user friendly.   |
| DB2011  | <i>Indonesia</i>            | Indonesia reduced the time to export by launching a single-window service.  |
| DB2011  | <i>Peru</i>                 | Peru made trading easier by implementing a new web-based electronic data interchange system, risk-based inspections and payment deferrals.  |
| DB2011  | <i>Brunei Darussalam</i>    | The introduction of an electronic customs system in Brunei Darussalam made trading easier.  |
| DB2011  | <i>Brunei Darussalam</i>    | Brunei Darussalam instituted mandatory minimum annual leave and reduced notice periods applicable in case of redundancy dismissals.   |
| DB2011  | <i>Brunei Darussalam</i>    | Brunei Darussalam reduced the corporate income tax rate from 23.5% to 22% while also introducing a lower tax rate for small businesses, ranging from 5.5% to 11%.   |
| DB2011  | <i>Brunei Darussalam</i>    | Brunei Darussalam made starting a business easier by improving efficiency at the company registrar and implementing an electronic system for name searches.   |
| DB2011  | <i>Philippines</i>          | The Philippines eased business startup by setting up a one-stop shop at the municipal level.  |
| DB2011  | <i>Philippines</i>          | The Philippines made construction permitting more cumbersome through updated electricity connection costs.  |
| DB2011  | <i>Papua New Guinea</i>     | Operation of a new private credit bureau improved the credit information system in Papua New Guinea.  |
| DB2011  | <i>Philippines</i>          | The Philippines reduced the time and cost to trade by   |

| DB year | Economy | Reform  |
|---------|---------|---|
|         |         | improving its electronic customs systems, adding such functions as electronic payments and online submission of declarations. |

*Note:* For information on reforms in earlier years (back to DB2005), see the *Doing Business* reports for these years, available at <http://www.doingbusiness.org>.

*Source:* *Doing Business* database.

## GETTING ELECTRICITY

Access to reliable and affordable electricity is vital for businesses. To counter weak electricity supply, many firms in developing economies have to rely on self-supply, often at a prohibitively high cost. Whether electricity is reliably available or not, the first step for a customer is always to gain access by obtaining a connection.

### What do the indicators cover?

Doing Business records all procedures required for a local business to obtain a permanent electricity connection and supply for a standardized warehouse, as well as the time and cost to complete them. These procedures include applications and contracts with electricity utilities, clearances from other agencies and the external and final connection works. In addition, this year Doing Business adds two new measures: the reliability of supply and transparency of tariffs index (included in the aggregate distance to frontier score and ranking on the ease of doing business) and the price of electricity (omitted from these aggregate measures). The ranking of economies on the ease of getting electricity is determined by sorting their distance to frontier scores for getting electricity. These scores are the simple average of the distance to frontier scores for each of the component indicators. To make the data comparable across economies, several assumptions are used.

### Assumptions about the warehouse

The warehouse:

- Is owned by a local entrepreneur.
- Is located in the economy's largest business city. For 11 economies the data are also collected for the second largest business city.
- Is located in an area where similar warehouses are typically located. In this area a new electricity connection is not eligible for a special investment promotion regime (offering special subsidization or faster service, for example).
- It is located in an area with no physical constraints. For example, the property is not near a railway.
- Is a new construction and is being connected to electricity for the first time.

## WHAT THE GETTING ELECTRICITY

### INDICATORS MEASURE

#### Procedures to obtain an electricity connection (number)

- Submitting all relevant documents and obtaining all necessary clearances and permits
- Completing all required notifications and receiving all necessary inspections
- Obtaining external installation works and possibly purchasing material for these works
- Concluding any necessary supply contract and obtaining final supply

#### Time required to complete each procedure (calendar days)

- Is at least 1 calendar day
- Each procedure starts on a separate day
- Does not include time spent gathering information
- Reflects the time spent in practice, with little follow-up and no prior contact with officials

#### Cost required to complete each procedure (% of income per capita)

- Official costs only, no bribes
- Excludes value added tax

#### The reliability of supply and transparency of tariffs index

- Sum of the scores of six component indices:
- Duration and frequency of outages
- Tools to monitor power outages
- Tools to restore power supply
- Regulatory monitoring of utilities' performance
- Financial deterrents aimed at limiting outages
- Transparency and accessibility of tariffs

#### Price of electricity (cents per kilowatt-hour)\*

- Price based on monthly bill for commercial warehouse in case study

*\*Price of electricity is not included in the calculation of distance to frontier nor ease of doing business ranking*

The warehouse (*continued*):

- Has two stories, both above ground, with a total surface area of approximately 1,300.6 square meters (14,000 square feet). The plot of land on which it is built is 929 square meters (10,000 square feet).
- Is used for storage of goods.

### **Assumptions about the electricity connection**

The electricity connection:

- Is a permanent one.
- Is a three-phase, four-wire Y connection with a subscribed capacity of 140-kilo-volt-ampere (kVA) with a power factor of 1, when 1 kVA = 1 kilowatt (kW)
- Has a length of 150 meters. The connection is to either the low- or medium-voltage distribution network and is either overhead or underground, whichever is more common in the area where the warehouse is located. Requires works that involve the crossing of a 10-meter road (such as by excavation or overhead lines) but are all carried out on public land. There is no crossing of other owners' private property because the warehouse has access to a road.
- Includes only a negligible length in the customer's private domain.
- Does not require work to install the internal wiring of the warehouse. This has already been completed up to and including the customer's service panel or switchboard and the meter base.

•

### **Assumptions about the monthly consumption**

- It is assumed that the warehouse operates 30 days a month from 9:00 a.m. to 5:00 p.m. (8 hours a day), with equipment utilized at 80% of capacity on average and that there are no electricity cuts (assumed for simplicity reasons).
- The monthly energy consumption is 26,880 kilowatt-hours (kWh); hourly consumption is 112 kWh.
- If multiple electricity suppliers exist, the warehouse is served by the cheapest supplier.
- Tariffs effective in March of the current year are used for calculation of the price of electricity for the warehouse. Although March has 31 days, for calculation purposes only 30 days are used.

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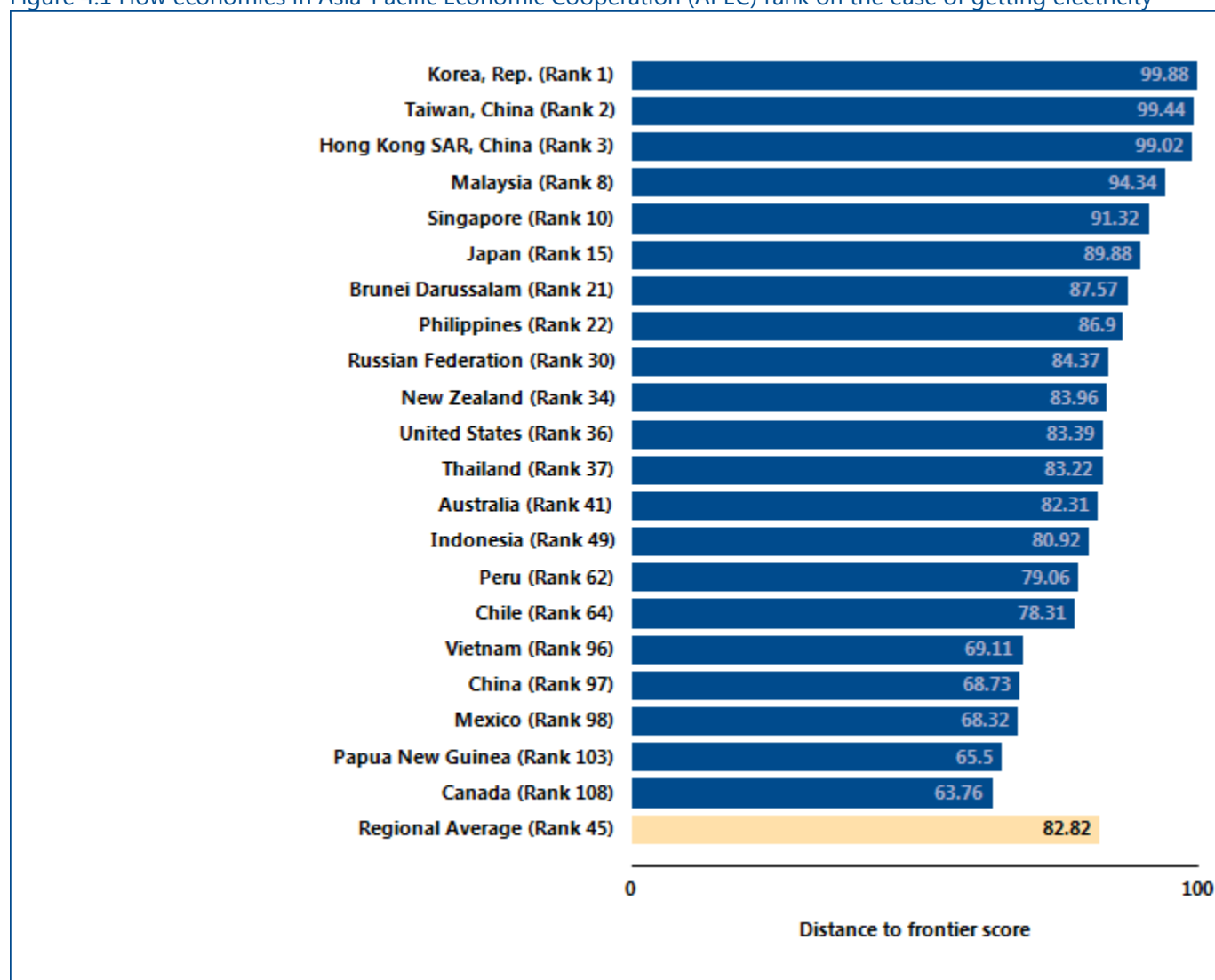
## GETTING ELECTRICITY

### Where do the region's economies stand today?

How easy is it for entrepreneurs in economies in Asia-Pacific Economic Cooperation (APEC) to connect a warehouse to electricity? The global rankings of these economies on the ease of getting electricity suggest an

answer (figure 4.1). The average ranking of the region and comparator regions provide a useful benchmark.

Figure 4.1 How economies in Asia-Pacific Economic Cooperation (APEC) rank on the ease of getting electricity



Source: Doing Business database.

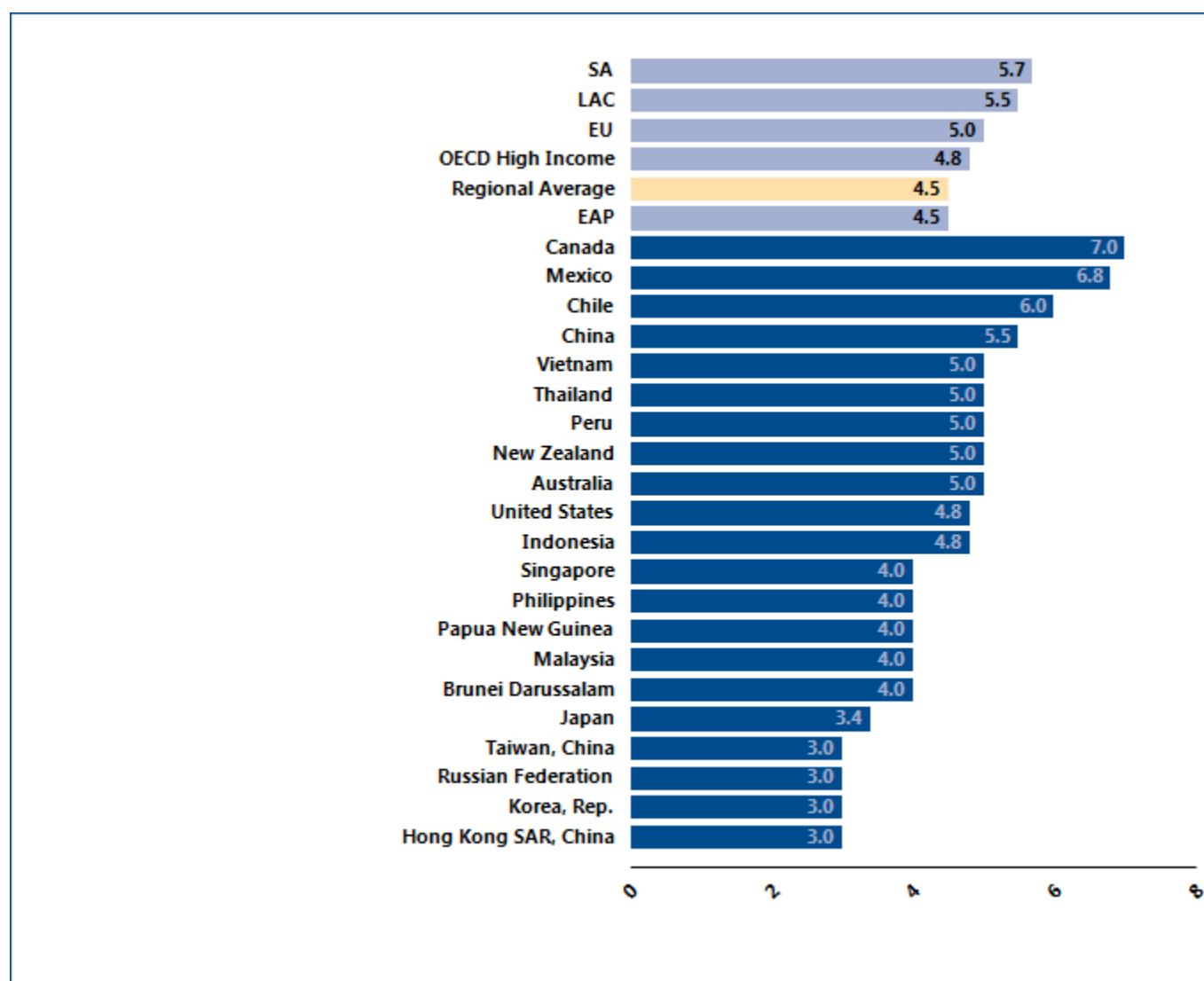


## GETTING ELECTRICITY

The indicators underlying the rankings may be more revealing. Data collected by *Doing Business* show what it takes to get a new electricity connection in each economy in the region: the number of procedures, the

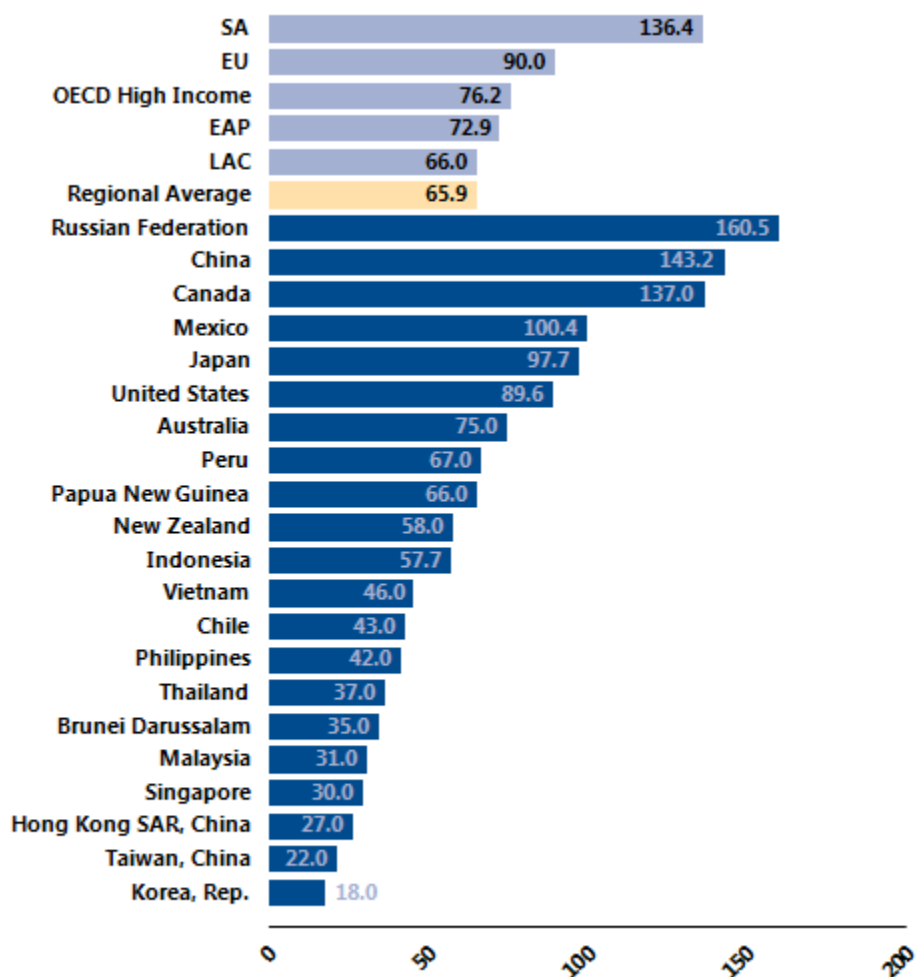
time and the cost (figure 4.2). Comparing these indicators across the region and with averages both for the region and for comparator regions can provide useful insights.

Figure 4.2 What it takes to get an electricity connection in economies in Asia-Pacific Economic Cooperation (APEC)  
**Procedures (number)**



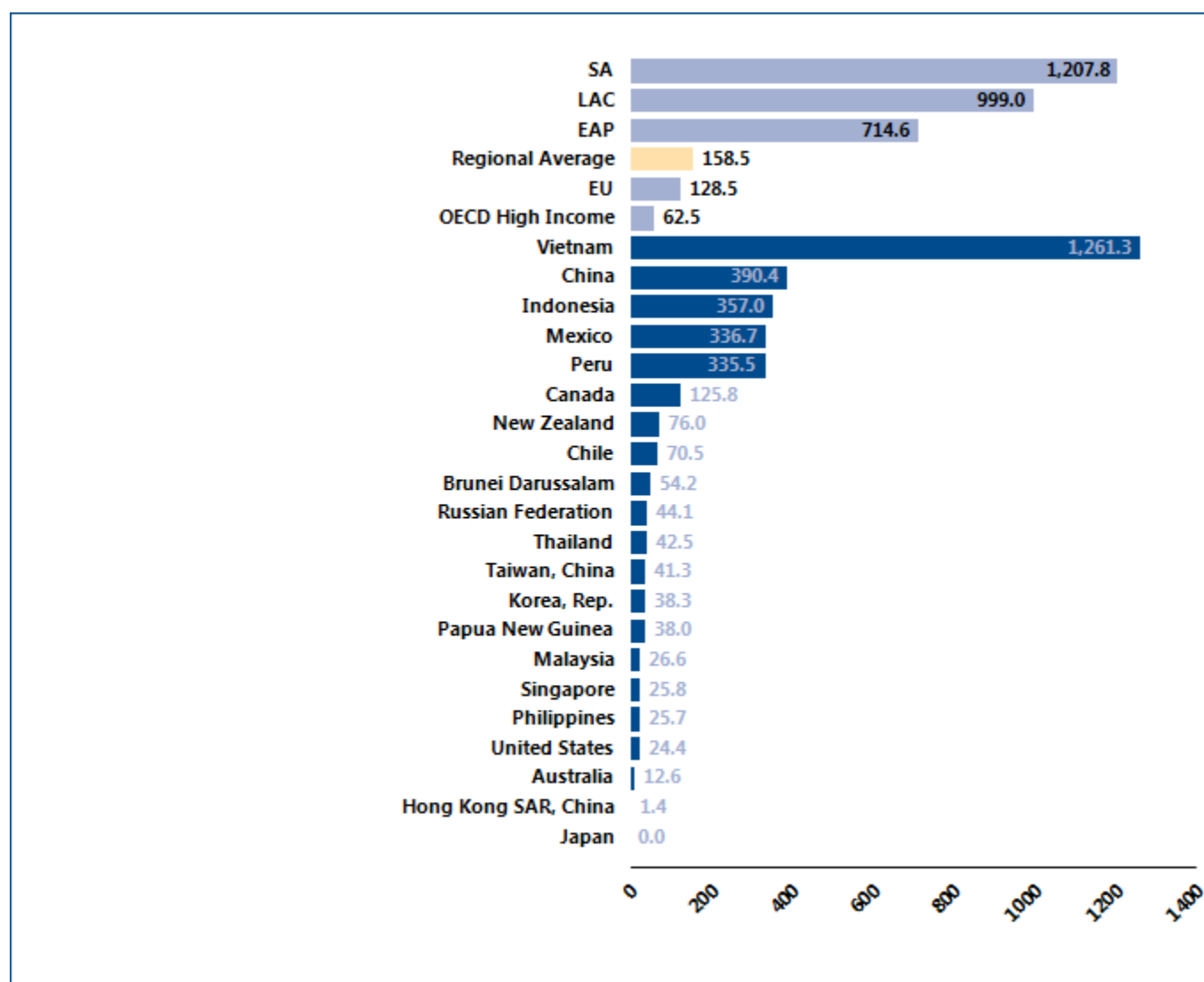
## GETTING ELECTRICITY

Time (days)



## GETTING ELECTRICITY

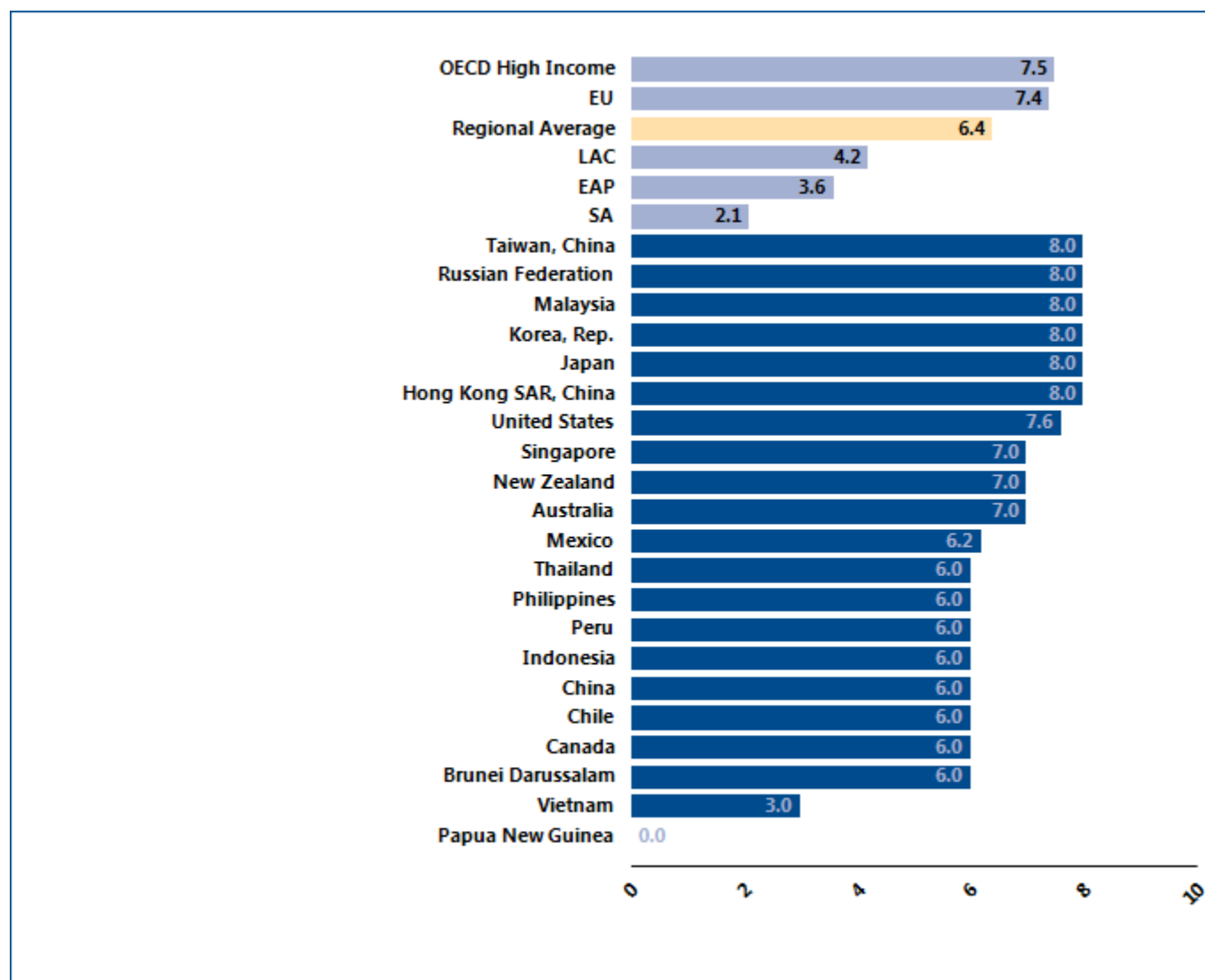
## Cost (% of income per capita)



Source: Doing Business database.

## GETTING ELECTRICITY

## Reliability of supply and transparency of tariff index (0-8)



Source: *Doing Business* database.

Note: The index ranges from 0 to 8, with higher values indicating greater reliability of electricity supply and greater transparency of tariffs.

## GETTING ELECTRICITY

### What are the changes over time?

Obtaining an electricity connection is essential to enable a business to conduct its most basic operations. In many economies the connection process is complicated by the multiple laws and regulations involved—covering service quality, general safety, technical standards, procurement practices and internal wiring installations. In an effort to

ensure safety in the connection process while keeping connection costs reasonable, governments around the world have worked to consolidate requirements for obtaining an electricity connection. What reforms in getting electricity has *Doing Business* recorded in Asia-Pacific Economic Cooperation (APEC) (table 4.1)?

Table 4.1 How have economies in Asia-Pacific Economic Cooperation (APEC) made getting electricity easier—or not?

By *Doing Business* report year DB2011 to DB2017

| DB year | Economy              | Reform  |
|---------|----------------------|---|
| DB2017  | Malaysia             | In Malaysia the credit bureau began to provide consumer credit scores.  |
| DB2017  | Hong Kong SAR, China | Hong Kong SAR, China, streamlined the processes of reviewing applications for new electrical connections and also reduced the time needed to issue an excavation permit.                        |
| DB2017  | Hong Kong SAR, China | Hong Kong SAR, China, made starting a business less costly by reducing the business registration fee.   |
| DB2017  | Malaysia             | Malaysia made starting a business more difficult by requiring that companies with an annual revenue of more than MYR 500,000 register as a GST payer.   |
| DB2017  | Korea, Rep.          | The Republic of Korea made starting a business faster by eliminating post-registration procedures.  |
| DB2017  | Malaysia             | Malaysia made paying taxes easier by introducing an online system for filing and paying the Goods and Services Tax (GST) while also making it is more complex by replacing sales tax with GST.  |
| DB2017  | Singapore            | Singapore made dealing with construction permits easier by streamlining procedures and improving the online one-stop shop.  |
| DB2017  | Russian Federation   | Russian Federation Saint Petersburg made dealing with construction permits easier by removing the requirement to obtain permission to fence the construction site.                              |
| DB2017  | Indonesia            | Indonesia made enforcing contracts easier by introducing a dedicated procedure for small claims that allows for parties' self-representation. This reform applies to both Jakarta and Surabaya. |
| DB2017  | Russian Federation   | The Russian Federation made enforcing contracts more  |

| DB year | Economy   | Reform   |
|---------|-----------|--|
|         |           | difficult by mandating pre-trial resolution before filing a claim, thereby lengthening the initial phase of judicial proceedings. This reform applies to both Moscow and St. Petersburg.   |
| DB2017  | Mexico    | Mexico adopted a resolution that eliminated geographic differences in national minimum wages. Prior to the reform Mexico was divided into two zones—zone A and zone B—with different applicable minimum wages. This reform applies to both Mexico City and Monterrey.  |
| DB2017  | China     | China improved access to credit information by starting to report payment histories from utility companies and providing credit scores to banks and financial institutions. This reform applies to both Shanghai and Beijing.  |
| DB2017  | Indonesia | Indonesia strengthened access to credit by establishing a modern collateral registry.  |
| DB2017  | Thailand  | Thailand improved access to credit information by starting to provide credit scores to banks and financial institutions.   |
| DB2017  | Indonesia | Indonesia made the process for getting an electricity connection faster by reducing the time for contractors to perform external work thanks to an increase in the stock of electrical material supplied by the utility. In Surabaya, getting electricity was also made easier after the utility streamlined the process for new connection requests.      |
| DB2017  | Vietnam   | Vietnam strengthened minority investor protections by making it easier to sue directors in cases of prejudicial transactions between interested parties, by increasing shareholder rights and role in major corporate decisions, by strengthening the ownership and control structures of companies and by increasing corporate transparency requirements. |
| DB2017  | Thailand  | Thailand made resolving insolvency easier by introducing new restructuring for small and medium-size companies and by streamlining provisions related to company liquidation.  |
| DB2017  | Indonesia | Indonesia made it easier to register property by digitizing its cadastral records and setting up a geographic information system.  |
| DB2017  | Mexico    | Mexico made registering property easier by digitizing its land records, improving the quality of the Land Registry infrastructure and making the registration process more efficient.  |
| DB2017  | Singapore | Singapore made it easier to transfer a property by introducing an independent mechanism for reporting errors on titles and maps.   |

| DB year | Economy     | Reform   |
|---------|-------------|--|
| DB2017  | Thailand    | Thailand made starting a business easier by creating a single window for registration payment and reducing the time to obtain a company seal.  |
| DB2017  | Indonesia   | Indonesia made starting a business easier by creating a single form to apply for the company registration certificate and trading license. This reform applies to Jakarta. Indonesia also made starting a business easier by abolishing the minimum capital requirement for small and medium-size enterprises and by encouraging the use of an online system to reserve company names. This reform applies to both Jakarta and Surabaya. |
| DB2017  | China       | China made starting a business easier by introducing a single form to obtain a business license, organization code and tax registration. This reform applies to both Shanghai and Beijing.   |
| DB2017  | Vietnam     | Vietnam made starting a business more difficult by requiring entrepreneurs to receive approval of the seal sample before using it.   |
| DB2017  | Vietnam     | Vietnam made exporting and importing easier by implementing electronic customs clearance system.   |
| DB2017  | Indonesia   | Indonesia made exporting and importing easier by improving the customs services and document submission functions of the Indonesia National Single Window.   |
| DB2017  | Singapore   | Singapore made paying taxes easier by introducing improvements to the online system for filing corporate income tax returns and VAT returns. At the same, the social security contribution rate paid by employers increased and the rebate of 30% on vehicle tax expired.  |
| DB2017  | Peru        | Peru made paying taxes less costly by decreasing the corporate income tax rate.  |
| DB2017  | New Zealand | New Zealand made paying taxes easier by abolishing the cheque levy. New Zealand made paying less costly by decreasing the rate of accident compensation levy paid by employers. At the same time, New Zealand made paying taxes more costly by raising property tax and road user levy rates.  |
| DB2017  | Indonesia   | Indonesia made paying taxes easier by introducing an online system for filing and paying health contributions. Indonesia also made paying taxes more costly by levying a new pension contribution at a rate of 2% paid by employers. These reforms apply to both Jakarta and Surabaya.   |
| DB2017  | Japan       | Japan made paying taxes easier by disclosing the technical specifications of the eTax platform and allowing the upload of additional information in comma separated value (CSV) format. The restoration surtax was also abolished. However, a local corporation tax was introduced and the rates of special  |

| DB year       | Economy                  | Reform  |
|---------------|--------------------------|---|
|               |                          | local corporation tax, inhabitants tax and enterprise tax were raised. Welfare pension premiums were also raised. These reforms apply to both Tokyo and Osaka. However, the rate for health insurance contributions paid by employers was reduced only in Osaka.  |
| <b>DB2017</b> | <i>Vietnam</i>           | Vietnam made paying taxes easier and less costly by streamlining the administrative process of complying with tax obligations and abolishing environmental protection fees.   |
| <b>DB2017</b> | <i>Brunei Darussalam</i> | Brunei Darussalam strengthened access to credit by adopting a new insolvency law that contemplates protections for secured creditors during an automatic stay in reorganization proceedings. Brunei also improved access to credit information by beginning to distribute data from two utility companies.  |
| <b>DB2017</b> | <i>Brunei Darussalam</i> | The utility in Brunei Darussalam streamlined the processes of reviewing applications, and the time to issue an excavation permit was reduced. In addition, Brunei Darussalam increased the reliability of power supply by rolling out a Supervisory Control and Data Acquisition (SCADA) automatic energy management system for the monitoring of outages and the restoration of service. |
| <b>DB2017</b> | <i>Brunei Darussalam</i> | Brunei Darussalam strengthened minority investor protections by clarifying ownership and control structures, making it easier to sue directors in case of prejudicial related-party transactions, and allowing the rescission of related-party transactions that harm the company.  |
| <b>DB2017</b> | <i>Brunei Darussalam</i> | Brunei Darussalam made resolving insolvency easier by adopting a new insolvency law that introduced a reorganization procedure and facilitated continuation of the debtor's business during insolvency proceedings. Brunei Darussalam also introduced regulations for insolvency practitioners.   |
| <b>DB2017</b> | <i>Brunei Darussalam</i> | Brunei Darussalam made paying taxes easier by fully implementing an electronic system for filing and paying corporate income tax.   |
| <b>DB2017</b> | <i>Philippines</i>       | The Philippines made dealing with construction permits easier by increasing the transparency of its building regulations.   |
| <b>DB2017</b> | <i>Papua New Guinea</i>  | Papua New Guinea strengthened access to credit by adopting a new law on secured transactions that implemented a functional secured transactions system and established a centralized, notice-based collateral registry. The new law broadens the scope of assets that can be used as collateral and allows out-of-court enforcement of collateral.  |
| <b>DB2017</b> | <i>Papua New Guinea</i>  | Papua New Guinea reduced the time required to start a business by streamlining business registration at the   |



| DB year       | Economy                     | Reform   |
|---------------|-----------------------------|--|
|               |                             | Investment Promotion Agency (IPA).   |
| <b>DB2017</b> | <i>Philippines</i>          | The Philippines made paying taxes easier by introducing an online system for filing and paying health contributions and by allowing for the online corporate income tax and VAT returns to be completed offline.   |
| <b>DB2017</b> | <i>Brunei Darussalam</i>    | Brunei Darussalam made enforcing contracts easier by introducing an electronic filing system as well as a platform that allows users to pay court fees electronically.   |
| <b>DB2016</b> | <i>Philippines</i>          | The Philippines made starting a business easier by streamlining communications between the Securities and Exchange Commission and the Social Security System and thereby expediting the process of issuing an employer registration number.  |
| <b>DB2016</b> | <i>Brunei Darussalam</i>    | Brunei Darussalam made paying taxes easier and less costly for companies by merging contributions for the Employee Provident Fund and the Supplemental Pension Fund and increasing the capital allowance for industrial buildings. In addition, it reduced the corporate income tax rate, though it also abolished the partial exemption of income and introduced a flat rate. |
| <b>DB2016</b> | <i>Brunei Darussalam</i>    | Brunei Darussalam made starting a business easier by improving online procedures and simplifying registration and post registration requirements.  |
| <b>DB2016</b> | <i>Chile</i>                | Chile made resolving insolvency easier by clarifying and simplifying provisions on liquidation and reorganization, introducing provisions to facilitate the continuation of the debtor's business during insolvency, establishing a public office responsible for the general administration of insolvency proceedings and creating specialized insolvency courts.             |
| <b>DB2016</b> | <i>Chile</i>                | Chile made paying taxes more costly for companies by increasing the corporate income tax rate.   |
| <b>DB2016</b> | <i>Hong Kong SAR, China</i> | The utility in Hong Kong SAR, China, made getting electricity easier by streamlining the process for reviewing connection applications and for completing the connection works and meter installation. In addition, the time needed to issue an excavation permit was reduced.   |
| <b>DB2016</b> | <i>Korea, Rep.</i>          | The Republic of Korea made paying taxes more complicated and costly for companies by requiring separate filing and payment of the local income tax and by increasing the rates for unemployment insurance and national health insurance paid by employers.   |
| <b>DB2016</b> | <i>Hong Kong SAR, China</i> | Hong Kong SAR, China, made paying taxes easier and less costly for companies by simplifying compliance with the mandatory provident fund obligations and increasing the  |

| DB year       | Economy                     | Reform  |
|---------------|-----------------------------|---|
|               |                             | allowance for profit tax. At the same time, it increased the maximum contribution to the mandatory provident fund and reduced the property tax waiver.  |
| <b>DB2016</b> | <i>Malaysia</i>             | Malaysia made paying taxes easier and less costly for companies by making electronic filing mandatory and reducing the property tax rate. At the same time, it also increased the capital gains tax.  |
| <b>DB2016</b> | <i>Hong Kong SAR, China</i> | Hong Kong SAR, China, made starting a business easier by eliminating the requirement for a company seal.  |
| <b>DB2016</b> | <i>Hong Kong SAR, China</i> | Hong Kong SAR, China, improved access to credit by implementing a modern collateral registry.   |
| <b>DB2016</b> | <i>Vietnam</i>              | The utility in Vietnam reduced the time required for getting an electricity connection by reducing delays and increasing efficiency in approving connection applications and designs for connection works. Getting electricity was also made easier by eliminating the need to obtain a substation certification from the Fire Fighters Prevention Department for connections to the medium-voltage grid.               |
| <b>DB2016</b> | <i>Russian Federation</i>   | Russia made the process of obtaining an electricity connection simpler, faster and less costly by eliminating a meter inspection by electricity providers and revising connection tariffs. This reform applies to both Moscow and St. Petersburg.   |
| <b>DB2016</b> | <i>Taiwan, China</i>        | The utility in Taiwan, China, reduced the time required for getting an electricity connection through a simplified procedure for obtaining excavation permits from the municipality.  |
| <b>DB2016</b> | <i>New Zealand</i>          | The utility in New Zealand reduced the time required for getting an electricity connection by improving its payment monitoring and confirmation process for the connection works.   |
| <b>DB2016</b> | <i>Vietnam</i>              | Vietnam made resolving insolvency easier by clarifying and simplifying provisions on liquidation and reorganization, modifying the standard for commencement of insolvency proceedings, changing provisions on voidable transactions, regulating the profession of insolvency trustees and establishing the rules for enterprise asset managers.  |
| <b>DB2016</b> | <i>Vietnam</i>              | Vietnam made paying taxes less costly for companies by reducing the corporate income tax rate—and made it easier by reducing the number of procedures and documents for filing VAT and social security contributions, reducing the number of filings for VAT and replacing quarterly filings of corporate income tax with quarterly advance payments. On the other hand, Vietnam increased the rate for social security |

| DB year | Economy                   | Reform  |
|---------|---------------------------|---|
|         |                           | contributions paid by employers.  |
| DB2016  | <i>Indonesia</i>          | Indonesia made paying taxes easier and less costly for companies by introducing an online system for paying social security contributions and by reducing both the rate paid by employers and the ceiling for the contributions. This reform applies to both Jakarta and Surabaya.  |
| DB2016  | <i>China</i>              | China made paying taxes less costly for companies in Shanghai by reducing the social security contribution rate.  |
| DB2016  | <i>Russian Federation</i> | Russia made paying taxes less costly for companies by excluding movable property from the corporate property tax base—though it also raised the wage ceiling used in calculating social contributions. These changes apply to both Moscow and St. Petersburg. In addition, the cadastral value of land in Moscow was updated.     |
| DB2016  | <i>Mexico</i>             | Mexico made paying taxes easier for companies by abolishing the business flat tax—though it also made paying taxes more costly by allowing only a portion of salaries to be deductible. These changes apply to both Mexico City and Monterrey. In addition, the payroll tax rate paid by employers was increased for Mexico City. |
| DB2016  | <i>Peru</i>               | Peru made paying taxes easier for companies by creating an advanced online registry with up-to-date information on employees.   |
| DB2016  | <i>Russian Federation</i> | Russia made transferring property easier by reducing the time required for property registration. This reform applies to both Moscow and St. Petersburg.  |
| DB2016  | <i>Indonesia</i>          | Indonesia made starting a business in Jakarta easier by reducing the time needed to register with the Ministry of Manpower.   |
| DB2016  | <i>Russian Federation</i> | The Russian Federation made starting a business in Moscow easier by reducing the number of days required to open a corporate bank account.  |
| DB2016  | <i>Vietnam</i>            | Vietnam made starting a business easier by reducing the time required to get the company seal engraved and registered.  |
| DB2016  | <i>Indonesia</i>          | Indonesia improved access to credit by enabling searches of the collateral registry by the debtor's name. This reform applies to both Jakarta and Surabaya.   |
| DB2016  | <i>Russian Federation</i> | Russia improved access to credit by adopting a new law on secured transactions that established a centralized collateral registry and allows a general description of a combined category of assets granted as collateral. This reform applies to both Moscow and St. Petersburg.   |

| DB year | Economy                     | Reform  |
|---------|-----------------------------|---|
| DB2016  | <i>Mexico</i>               | Mexico improved access to credit by implementing a decree allowing a general description of assets granted as collateral. This reform applies to both Mexico City and Monterrey.  |
| DB2016  | <i>Vietnam</i>              | Vietnam guaranteed borrowers' right to inspect their credit data while the new credit bureau expanded borrower coverage, improving the credit information system.   |
| DB2016  | <i>Peru</i>                 | Peru improved its credit information system by implementing a new law on personal data protection.  |
| DB2015  | <i>New Zealand</i>          | New Zealand improved access to credit information by beginning to distribute both positive and negative credit information.   |
| DB2015  | <i>Taiwan, China</i>        | Taiwan, China, improved access to credit information by beginning to include data from utility companies in credit reports.   |
| DB2015  | <i>Vietnam</i>              | Vietnam improved its credit information system by establishing a new credit bureau.   |
| DB2015  | <i>Mexico</i>               | Mexico improved access to credit by amending its insolvency proceedings law and establishing clear grounds for relief from a stay of enforcement actions by secured creditors during reorganization procedures. This reform applies to both Mexico City and Monterrey.  |
| DB2015  | <i>Hong Kong SAR, China</i> | Hong Kong SAR, China, strengthened minority investor protections by introducing requirements for directors to provide more detailed disclosure of conflicts of interest to the other board members.   |
| DB2015  | <i>Korea, Rep.</i>          | The Republic of Korea strengthened minority investor protections by increasing the level of transparency expected from companies on managerial compensation.  |
| DB2015  | <i>Korea, Rep.</i>          | The Republic of Korea made transferring property easier by reducing the time needed to buy housing bonds and to register the property transfer.   |
| DB2015  | <i>Hong Kong SAR, China</i> | Hong Kong SAR, China, made starting a business more difficult by increasing the registration fee.   |
| DB2015  | <i>Taiwan, China</i>        | Taiwan, China, made getting electricity easier by eliminating site inspections.   |
| DB2015  | <i>Indonesia</i>            | In Indonesia the electricity company in Jakarta made getting electricity easier by eliminating the need for electrical contractors to obtain multiple certificates guaranteeing the safety of internal installations—though. The utility in Jakarta and Surabaya also increased the cost by introducing a security deposit for new connections. |
| DB2015  | <i>Thailand</i>             | Thailand made dealing with construction permits less time-consuming by introducing a fast-track approval process for  |

| DB year | Economy                   | Reform  |
|---------|---------------------------|---|
|         |                           | building permits for smaller buildings.   |
| DB2015  | <i>Singapore</i>          | Singapore made enforcing contracts easier by introducing a new electronic litigation system that streamlines litigation proceedings.  |
| DB2015  | <i>Mexico</i>             | Mexico made resolving insolvency easier by clarifying several rules, shortening the time extensions allowed during reorganization, facilitating the electronic submission of documents and improving the legal rights of creditors and other parties involved in bankruptcy procedures. This reform applies to both Mexico City and Monterrey.                |
| DB2015  | <i>Taiwan, China</i>      | Taiwan, China, made paying taxes easier for companies by introducing an electronic system for paying the vehicle license tax.   |
| DB2015  | <i>Indonesia</i>          | Indonesia made paying taxes less costly for companies by reducing employers' health insurance contribution rate. This reform applies to both Jakarta and Surabaya.  |
| DB2015  | <i>China</i>              | China made paying taxes easier for companies by enhancing the electronic system for filing and paying taxes and adopting new communication channels within its taxpayer service, changes applying to both Beijing and Shanghai. In addition, China made paying taxes less costly for companies in Shanghai by reducing the social security contribution rate. |
| DB2015  | <i>Vietnam</i>            | Vietnam made paying taxes less costly for companies by reducing the corporate income tax rate.  |
| DB2015  | <i>Russian Federation</i> | The Russian Federation made transferring property easier by eliminating the requirement for notarization and introducing tighter time limits for completing the property registration. This reform applies to both Moscow and St. Petersburg.   |
| DB2015  | <i>Russian Federation</i> | The Russian Federation made starting a business easier by eliminating the requirement to deposit the charter capital before company registration as well as the requirement to notify tax authorities of the opening of a bank account. This reform applies to both Moscow and St. Petersburg.  |
| DB2015  | <i>United States</i>      | In the United States starting a business became easier in New York City thanks to faster online procedures.   |
| DB2015  | <i>China</i>              | China made starting a business easier by eliminating both the minimum capital requirement and the requirement to obtain a capital verification report from an auditing firm. This reform applies to both Beijing and Shanghai.  |
| DB2015  | <i>Indonesia</i>          | Indonesia made starting a business easier by allowing the Ministry of Law and Human Rights to electronically issue the approval letter for the deed of establishment. This reform applies to both Jakarta and Surabaya.   |

| DB year | Economy                   | Reform   |
|---------|---------------------------|--|
| DB2015  | <i>Indonesia</i>          | In Indonesia trading across borders became more difficult because of insufficient infrastructure at the Tanjung Priok Port Jakarta. This change applies to both Jakarta and Surabaya.  |
| DB2015  | <i>Brunei Darussalam</i>  | Brunei Darussalam made dealing with construction permits easier by consolidating final inspections.  |
| DB2015  | <i>Brunei Darussalam</i>  | Brunei Darussalam made paying taxes easier for companies by allowing joint filing and payment of supplemental contributory pension and employee provident fund contributions and by introducing an online system for paying these 2 contributions. |
| DB2015  | <i>Philippines</i>        | In the Philippines trading across borders became more difficult because of a new city ordinance restricting truck traffic in Manila.   |
| DB2014  | <i>Philippines</i>        | The Philippines improved access to credit information by beginning to distribute both positive and negative information and by enacting a data privacy act that guarantees borrowers' right to access their data.                                  |
| DB2014  | <i>Brunei Darussalam</i>  | Brunei Darussalam improved access to credit information by establishing a public credit registry.  |
| DB2014  | <i>Philippines</i>        | The Philippines made dealing with construction permits easier by eliminating the requirement to obtain a health certificate.   |
| DB2014  | <i>Philippines</i>        | The Philippines made paying taxes easier for companies by introducing an electronic filing and payment system for social security contributions.   |
| DB2014  | <i>Mexico</i>             | Mexico made getting electricity easier by increasing the efficiency of the utility's internal processes and by enforcing a "silence is consent" rule for the approval of the feasibility study for a new connection.                               |
| DB2014  | <i>Russian Federation</i> | Russia made getting electricity simpler and less costly by setting standard connection tariffs and eliminating many procedures previously required.  |
| DB2014  | <i>Russian Federation</i> | Russia made dealing with construction permits easier by eliminating several requirements for project approvals from government agencies and by reducing the time required to register a new building.  |
| DB2014  | <i>New Zealand</i>        | New Zealand made enforcing contracts easier by improving its case management system to ensure a speedier and less costly adjudication of cases.  |
| DB2014  | <i>Mexico</i>             | Mexico made enforcing contracts easier by creating small claims courts, with oral proceedings, that can hear both civil and commercial cases.  |
| DB2014  | <i>China</i>              | China made enforcing contracts easier by amending its civil  |

| DB year | Economy                     | Reform  |
|---------|-----------------------------|---|
|         |                             | procedure code to streamline and speed up all court proceedings.  |
| DB2014  | <i>Thailand</i>             | Thailand made paying taxes less costly for companies by reducing employers' social security contribution rate.  |
| DB2014  | <i>Vietnam</i>              | Vietnam made paying taxes more costly for companies by increasing employers' social security contribution rate.   |
| DB2014  | <i>Vietnam</i>              | Vietnam strengthened investor protections by introducing greater disclosure requirements for publicly held companies in cases of related-party transactions.                  |
| DB2014  | <i>Singapore</i>            | Singapore made transferring property easier by introducing an online procedure for property transfers.  |
| DB2014  | <i>Russian Federation</i>   | Russia made transferring property easier by streamlining procedures and implementing effective time limits for processing transfer applications.                              |
| DB2014  | <i>Russian Federation</i>   | Russia made starting a business easier by abolishing the requirement to have the bank signature card notarized before opening a company bank account.                         |
| DB2014  | <i>Vietnam</i>              | Vietnam abolished priority rules for redundancy dismissals or layoffs and increased the minimum wage.   |
| DB2014  | <i>Russian Federation</i>   | Russia made trading across borders easier by implementing an electronic system for submitting export and import documents and by reducing the number of physical inspections. |
| DB2014  | <i>Mexico</i>               | Mexico made trading across borders easier by implementing an electronic single-window system.   |
| DB2014  | <i>Korea, Rep.</i>          | Korea revised its secured transactions framework by creating new types of security rights that can be publicized through registration.  |
| DB2014  | <i>Chile</i>                | Chile made starting a business easier by creating a new online system for business registration.  |
| DB2014  | <i>Malaysia</i>             | Malaysia made getting electricity easier by increasing the efficiency of internal processes at the utility and improving its communication and dialogue with contractors.     |
| DB2014  | <i>Malaysia</i>             | Malaysia made dealing with construction permits easier by establishing a one-stop shop.   |
| DB2014  | <i>Hong Kong SAR, China</i> | Hong Kong SAR, China, made transferring property more costly by increasing the stamp duty.  |
| DB2014  | <i>Malaysia</i>             | Malaysia made starting a business less costly by reducing the company registration fees.  |
| DB2014  | <i>Hong Kong SAR, China</i> | Hong Kong SAR, China, made starting a business less costly by abolishing the capital duty levied on local companies.  |



| DB year | Economy       | Reform  |
|---------|---------------|---|
| DB2014  | Malaysia      | Malaysia introduced a minimum wage.   |
| DB2014  | Australia     | Australia improved its credit information system through the Privacy Amendment (Enhancing Privacy Protection) Act 2012, which permits credit bureaus to collect account payment history with improved privacy protection. |
| DB2014  | China         | China improved its credit information system by introducing credit information industry regulations, which guarantee borrowers' right to inspect their data.  |
| DB2014  | Indonesia     | Indonesia improved its credit information system through a new regulation setting up a legal framework for establishing credit bureaus.   |
| DB2014  | Vietnam       | Vietnam improved its credit information system through a decree setting up a legal framework for the establishment of private credit bureaus.   |
| DB2014  | Singapore     | Singapore improved its credit information system by guaranteeing by law borrowers' right to inspect their own data.   |
| DB2013  | Korea, Rep.   | Korea expedited the insolvency process by implementing a fast track for company rehabilitation.   |
| DB2013  | Thailand      | Thailand made starting a business easier by allowing the registrar at the Department of Business Development to receive the company's work regulations.   |
| DB2013  | Vietnam       | Vietnam made starting a business easier by allowing companies to use self-printed value added tax invoices.   |
| DB2013  | China         | China made starting a business less costly by exempting micro and small companies from paying several administrative fees from January 2012 to December 2014.   |
| DB2013  | Mexico        | Mexico made starting a business easier by eliminating the minimum capital requirement for limited liability companies.  |
| DB2013  | Korea, Rep.   | Korea made getting electricity less costly by introducing a new connection fee schedule and an installment payment system.  |
| DB2013  | Peru          | Peru made obtaining a construction permit easier by eliminating requirements for several preconstruction approvals.   |
| DB2013  | Taiwan, China | Taiwan, China, made dealing with construction permits easier by introducing a risk-based and self-regulatory inspection system and improving operational features of the one-stop shop for building permits.              |
| DB2013  | China         | China simplified the process of obtaining a construction permit by streamlining and centralizing preconstruction approvals.   |



| DB year | Economy                   | Reform  |
|---------|---------------------------|---|
| DB2013  | <i>Russian Federation</i> | Russia made obtaining a construction permit simpler by eliminating requirements for several preconstruction approvals.  |
| DB2013  | <i>Peru</i>               | Peru strengthened investor protections through a new law regulating the approval of related-party transactions and making it easier to sue directors when such transactions are prejudicial.  |
| DB2013  | <i>Taiwan, China</i>      | Taiwan, China, strengthened investor protections by increasing disclosure requirements for related-party transactions and improving the liability regime for company directors in cases where such transactions are abusive.  |
| DB2013  | <i>Australia</i>          | Australia strengthened its secured transactions system by adopting a new national legal regime governing the enforceability of security interests in personal property and implementing a unified collateral registry.  |
| DB2013  | <i>Canada</i>             | Canada made getting an electricity connection easier by reducing the time needed for external connection works.   |
| DB2013  | <i>Malaysia</i>           | Malaysia made dealing with construction permits faster by improving the one-stop center for new buildings and by reducing the time to connect to telephone service.   |
| DB2013  | <i>Malaysia</i>           | Malaysia substantially reduced the number of days it takes to register property transfers.  |
| DB2013  | <i>Korea, Rep.</i>        | Korea strengthened investor protections by making it easier to sue directors in cases of prejudicial related-party transactions.  |
| DB2013  | <i>Korea, Rep.</i>        | Korea made paying taxes less costly for companies by reducing the profit tax rate.  |
| DB2013  | <i>Brunei Darussalam</i>  | Brunei Darussalam made dealing with construction permits easier by creating a one-stop shop for preconstruction approvals.  |
| DB2013  | <i>Brunei Darussalam</i>  | Brunei Darussalam made paying taxes less costly for companies by reducing the profit tax rate.  |
| DB2013  | <i>Indonesia</i>          | Indonesia made getting electricity easier by eliminating the requirement for new customers applying for an electricity connection to show a neighbor's electricity bill as a way to help determine their address.   |
| DB2013  | <i>Mexico</i>             | In Mexico the distribution utility made getting electricity easier by streamlining procedures, offering training opportunities to private contractors, using a geographic information system (GIS) to map the electricity distribution network and increasing the stock of materials. |
| DB2013  | <i>Russian Federation</i> | Russia eased the administrative burden of taxes for firms by simplifying compliance procedures for value added tax and  |

| DB year | Economy                     | Reform   |
|---------|-----------------------------|--|
|         |                             | by promoting the use of tax accounting software and electronic services.   |
| DB2013  | <i>Japan</i>                | Japan made paying taxes less costly for companies by reducing the corporate income tax rate—though it also introduced a restoration surtax for a 3-year period.  |
| DB2013  | <i>Thailand</i>             | Thailand made paying taxes less costly for companies by reducing the profit tax rate.  |
| DB2013  | <i>New Zealand</i>          | New Zealand improved access to credit information by allowing credit bureaus to collect positive information on individuals.   |
| DB2012  | <i>Peru</i>                 | Peru strengthened investor protections through a new law allowing minority shareholders to request access to nonconfidential corporate documents.  |
| DB2012  | <i>Vietnam</i>              | Vietnam strengthened investor protections by requiring higher standards of accountability for company directors.   |
| DB2012  | <i>Russian Federation</i>   | Russia made trading across borders easier by reducing the number of documents needed for each export or import transaction and lowering the associated cost.   |
| DB2012  | <i>Mexico</i>               | Mexico strengthened its secured transactions system by implementing a centralized collateral registry with an electronic database that is accessible online.   |
| DB2012  | <i>Russian Federation</i>   | Russia made filing a commercial case easier by introducing an electronic case filing system.   |
| DB2012  | <i>Russian Federation</i>   | Russian Federation made getting electricity less costly by revising the tariffs for connection.  |
| DB2012  | <i>Indonesia</i>            | Indonesia made getting electricity more difficult by increasing connection fees.   |
| DB2012  | <i>Philippines</i>          | The Philippines adopted a new insolvency law that provides a legal framework for liquidation and reorganization of financially distressed companies.   |
| DB2012  | <i>Brunei Darussalam</i>    | Brunei Darussalam made getting electricity easier by establishing a one-stop shop and reducing the time required to obtain an excavation permit.   |
| DB2012  | <i>Korea, Rep.</i>          | Korea eased the administrative burden of paying taxes for firms by merging several taxes, allowing 4 labor taxes and contributions to be paid jointly and continuing to increase the use of the online tax payment system. |
| DB2012  | <i>Malaysia</i>             | Malaysia made paying taxes costlier for firms by reintroducing the real estate capital gains tax—but also made tax compliance easier by improving electronic systems and the availability of software.                     |
| DB2012  | <i>Hong Kong SAR, China</i> | Hong Kong, China introduced a Minimum Wage.  |

| DB year | Economy                     | Reform   |
|---------|-----------------------------|--|
| DB2012  | <i>Hong Kong SAR, China</i> | Hong Kong SAR (China) made starting a business easier by introducing online electronic services for company and business registration.   |
| DB2012  | <i>Korea, Rep.</i>          | Korea made starting a business easier by introducing a new online one-stop shop, Start-Biz.  |
| DB2012  | <i>Malaysia</i>             | Malaysia made starting a business easier by merging company, tax, social security and employment fund registrations at the one-stop shop and providing same-day registration.  |
| DB2012  | <i>Australia</i>            | Australia clarified the priority of claims of unsecured creditors over all shareholders' claims and introduced further regulation of the profession of insolvency practitioners.   |
| DB2012  | <i>Chile</i>                | Chile made business start-up easier by starting to provide an immediate temporary operating license to new companies, eliminating the requirement for an inspection of premises by the tax authority before new companies can begin operations and allowing free online publication of the notice of a company's creation. |
| DB2012  | <i>Chile</i>                | Chile strengthened its secured transactions system by implementing a unified collateral registry and a new legal framework for nonpossessory security interests.   |
| DB2012  | <i>Canada</i>               | Canada made paying taxes easier and less costly for companies by reducing profit tax rates, eliminating the Ontario capital tax and harmonizing sales taxes.   |
| DB2012  | <i>Chile</i>                | Chile made trading across borders faster by implementing an online electronic data interchange system for customs operations.  |
| DB2012  | <i>Thailand</i>             | Thailand made registering property more expensive by increasing the registration fee.  |
| DB2012  | <i>Russian Federation</i>   | Russia made registering property transfers easier by eliminating the requirement to obtain cadastral passports on land plots.  |
| DB2012  | <i>New Zealand</i>          | New Zealand reduced its corporate income tax rate and fringe benefit tax rate.   |
| DB2012  | <i>Peru</i>                 | Peru made paying taxes easier for companies by improving electronic filing and payment of the major taxes and promoting the use of the electronic option among the majority of taxpayers.  |
| DB2012  | <i>Mexico</i>               | Mexico continued to ease the administrative burden of paying taxes for firms by ending the requirement to file a yearly value added tax return and reduced filing requirements for other taxes   |
| DB2012  | <i>Russian Federation</i>   | Russia increased the social security contribution rate for   |

| DB year | Economy              | Reform   |
|---------|----------------------|--|
|         |                      | employers.   |
| DB2012  | Malaysia             | Malaysia established dedicated commercial courts to handle foreclosure proceedings.  |
| DB2012  | Mexico               | Mexico made dealing with construction permits faster by consolidating internal administrative procedures.  |
| DB2012  | Japan                | Japan made dealing with construction permits costlier by increasing inspection fees.   |
| DB2012  | Taiwan, China        | Taiwan (China) made dealing with construction permits easier by creating a one-stop center.  |
| DB2012  | Indonesia            | Indonesia made starting a business easier by introducing a simplified application process allowing an applicant to simultaneously obtain both a general trading license and a business registration certificate. |
| DB2012  | Taiwan, China        | Taiwan (China) made starting a business easier by implementing an online one-stop shop for business registration.  |
| DB2012  | Thailand             | Thailand made starting a business easier by introducing a one-stop shop.   |
| DB2012  | Peru                 | Peru made starting a business easier by eliminating the requirement for micro and small enterprises to deposit start-up capital in a bank before registration.   |
| DB2012  | Hong Kong SAR, China | Hong Kong SAR (China) made getting electricity easier by increasing the efficiency of public agencies and streamlining the utility's procedures with other government agencies.                                  |
| DB2012  | Malaysia             | Malaysia continued to improve the computerization of its courts by introducing a system making it possible to file complaints electronically.  |
| DB2012  | Korea, Rep.          | Korea made filing a commercial case easier by introducing an electronic case filing system.  |
| DB2011  | Korea, Rep.          | Korea made it easier to deal with insolvency by introducing postfiling financing, granting superpriority to the repayment of loans given to companies undergoing reorganization.                                 |
| DB2011  | Peru                 | Peru eased business start-up by simplifying the requirements for operating licenses and creating an online one-stop shop for business registration.  |
| DB2011  | Taiwan, China        | Taiwan (China) eased business start-up by reducing the time required to check company names, register retirement plans and apply for health, pension and labor insurance.  |
| DB2011  | Vietnam              | Vietnam eased company start-up by creating a one-stop shop that combines the processes for obtaining a business license and tax license and by eliminating the need for a seal for company licensing.            |

| DB year | Economy            | Reform  |
|---------|--------------------|---|
| DB2011  | Mexico             | Mexico launched an online one-stop shop for initiating business registration.   |
| DB2011  | Indonesia          | Indonesia eased business start-up by reducing the cost for company name clearance and reservation and the time required to reserve the name and approve the deed of incorporation.  |
| DB2011  | Peru               | Peru streamlined construction permitting by implementing administrative reforms.  |
| DB2011  | Vietnam            | Vietnam made dealing with construction permits easier by reducing the cost to register newly completed buildings by 50% and transferring the authority to register buildings from local authorities to the Department of National Resources and Environment.                        |
| DB2011  | Russian Federation | Russia eased construction permitting by implementing a single window for all procedures related to land use.  |
| DB2011  | Thailand           | Thailand made registering property more costly by repealing a 2-year temporary tax reduction for property transfers.  |
| DB2011  | Peru               | Peru introduced fast-track procedures at the land registry, cutting by half the time needed to register property.   |
| DB2011  | Vietnam            | Vietnam improved its credit information system by allowing borrowers to examine their own credit report and correct errors.   |
| DB2011  | Singapore          | Singapore improved its credit information system by collecting and distributing information on firms.   |
| DB2011  | Mexico             | Mexico increased taxes on companies by raising several tax rates, including the corporate income tax and the rate on cash deposits. At the same time, the administrative burden was reduced slightly with more options for online payment and increased use of accounting software. |
| DB2011  | United States      | In the United States the introduction of a new tax on payroll increased taxes on companies operating within the New York City metropolitan commuter transportation district.  |
| DB2011  | Indonesia          | Indonesia reduced its corporate income tax rate.  |
| DB2011  | China              | China's new corporate income tax law unified the tax regimes for domestic and foreign enterprises and clarified the calculation of taxable income for corporate income tax purposes.  |
| DB2011  | Vietnam            | The government of Vietnam eased paying taxes by reducing corporate income tax rate.   |
| DB2011  | Taiwan, China      | Taiwan (China) reduced the corporate income tax rate and simplified tax return forms, rules for assessing corporate income tax and the calculation of interim tax payments.   |

| DB year | Economy                     | Reform  |
|---------|-----------------------------|---|
| DB2011  | <i>Thailand</i>             | Thailand temporarily lowered taxes on business by reducing its specific business tax for 12 months.   |
| DB2011  | <i>Canada</i>               | Canada increased the efficiency of the courts by expanding electronic document submission and streamlining procedures.  |
| DB2011  | <i>Chile</i>                | Chile made business start-up easier by introducing an online system for registration and for filing the request for publication.  |
| DB2011  | <i>Chile</i>                | An amendment to Chile's securities law strengthened investor protections by requiring greater corporate disclosure and regulating the approval of transactions between interested parties.  |
| DB2011  | <i>Canada</i>               | Canada harmonized the Ontario and federal tax returns and reduced the corporate and employee tax rates.   |
| DB2011  | <i>Australia</i>            | Australia introduced the severance payment obligation and reemployment consideration applicable in cases of redundancy dismissals. Annual leave was increased and averaging of hours is now allowed in shorter periods of time. In addition, notice period applicable in case of redundancy dismissals was decreased. |
| DB2011  | <i>Malaysia</i>             | Malaysia eliminated the requirements to notify third parties in cases of redundancy dismissals.   |
| DB2011  | <i>Malaysia</i>             | Malaysia eased business start-up by introducing more online services.   |
| DB2011  | <i>Malaysia</i>             | Malaysia's introduction of online stamping reduced the time and cost to transfer property.  |
| DB2011  | <i>Hong Kong SAR, China</i> | Hong Kong SAR (China) abolished the fuel tax on diesel.   |
| DB2011  | <i>Hong Kong SAR, China</i> | Reforms implemented in the civil justice system of Hong Kong SAR (China) will help increase the efficiency and cost-effectiveness of commercial dispute resolution.   |
| DB2011  | <i>Japan</i>                | Japan made it easier to deal with insolvency by establishing a new entity, the Enterprise Turnaround Initiative Corporation, to support the revitalization of companies suffering from excessive debt but professionally managed.   |
| DB2011  | <i>Russian Federation</i>   | Russia introduced a series of legislative measures in 2009 to improve creditor rights and the insolvency system.  |
| DB2011  | <i>New Zealand</i>          | New Zealand enacted new district court rules that make the process for enforcing contracts user friendly.   |
| DB2011  | <i>Indonesia</i>            | Indonesia reduced the time to export by launching a single-window service.  |
| DB2011  | <i>Peru</i>                 | Peru made trading easier by implementing a new web-based electronic data interchange system, risk-based inspections   |

| DB year       | Economy                  | Reform  |
|---------------|--------------------------|---|
|               |                          | and payment deferrals.  |
| <b>DB2011</b> | <i>Brunei Darussalam</i> | The introduction of an electronic customs system in Brunei Darussalam made trading easier.  |
| <b>DB2011</b> | <i>Brunei Darussalam</i> | Brunei Darussalam instituted mandatory minimum annual leave and reduced notice periods applicable in case of redundancy dismissals.   |
| <b>DB2011</b> | <i>Brunei Darussalam</i> | Brunei Darussalam reduced the corporate income tax rate from 23.5% to 22% while also introducing a lower tax rate for small businesses, ranging from 5.5% to 11%.                   |
| <b>DB2011</b> | <i>Brunei Darussalam</i> | Brunei Darussalam made starting a business easier by improving efficiency at the company registrar and implementing an electronic system for name searches.                         |
| <b>DB2011</b> | <i>Philippines</i>       | The Philippines eased business startup by setting up a one-stop shop at the municipal level.  |
| <b>DB2011</b> | <i>Philippines</i>       | The Philippines made construction permitting more cumbersome through updated electricity connection costs.  |
| <b>DB2011</b> | <i>Papua New Guinea</i>  | Operation of a new private credit bureau improved the credit information system in Papua New Guinea.  |
| <b>DB2011</b> | <i>Philippines</i>       | The Philippines reduced the time and cost to trade by improving its electronic customs systems, adding such functions as electronic payments and online submission of declarations. |

Source: Doing Business database.

## REGISTERING PROPERTY

Ensuring formal property rights is fundamental. Effective administration of land is part of that. If formal property transfer is too costly or complicated, formal titles might go informal again. And where property is informal or poorly administered, it has little chance of being accepted as collateral for loans—limiting access to finance.

### What do the indicators cover?

*Doing Business* records the full sequence of procedures necessary for a business to purchase property from another business and transfer the property title to the buyer's name. The transaction is considered complete when it is opposable to third parties and when the buyer can use the property, use it as collateral for a bank loan or resell it. In addition, this year *Doing Business* adds a new measure to the set of registering property indicators, an index of the quality of the land administration system in each economy. The ranking of economies on the ease of registering property is determined by sorting their distance to frontier scores for registering property. These scores are the simple average of the distance to frontier scores for each of the component indicators. To make the data comparable across economies, several assumptions about the parties to the transaction, the property and the procedures are used.

The parties (buyer and seller):

- Are limited liability companies (or the legal equivalent).<sup>1</sup>
- Are located in the periurban area of the economy's largest business city. For 11 economies the data are also collected for the second largest business city
- Are 100% domestically and privately owned
- Have 50 employees each, all of whom are nationals
  - Perform general commercial activities.

### WHAT THE REGISTERING PROPERTY INDICATORS MEASURE

#### Procedures to legally transfer title on immovable property (number)

Preregistration (for example, checking for liens, notarizing sales agreement, paying property transfer taxes)

Registration in the economy's largest business city<sup>2</sup>

Postregistration (for example, filing title with the municipality)

#### Time required to complete each procedure (calendar days)

Does not include time spent gathering information

Each procedure starts on a separate day. Procedures that can be fully completed online are recorded as ½ day.

Procedure considered completed once final document is received

No prior contact with officials

#### Cost required to complete each procedure (% of property value)

Official costs only, no bribes

No value added or capital gains taxes included

#### Quality of land administration index (0-30)

- Is located in a periurban commercial zone, and no rezoning is required.
- Has no mortgages attached, has been under the same ownership for the past 10 years.
- Consists of land and a building. The land area is 557.4 square meters (6,000 square feet). A two-story warehouse of 929 square meters (10,000 square feet) is located on the land. The warehouse is 10 years old, is in good condition and complies with all safety standards, building codes and other legal requirements. It has no heating system. The property of land and building will be transferred in its entirety

<sup>1</sup> For the 11 economies with a population of more than 100 million, data for a second city have been added.



The property (fully owned by the seller):

- Has a value of 50 times income per capita. The sale price equals the value and entire property will be transferred.
- Is fully owned by the seller
- Is registered in the land registry or cada-stre, or both, and is free of title disputes.
- Will not be subject to renovations or additional building following the purchase.
- Has no trees, natural water sources, natural reserves or historical monuments of any kind.
- Will not be used for special purposes, and no special permits, such as for residential use, industrial plants, waste storage or certain types of agricultural activities, are required.
- Has no occupants, and no other party holds a legal interest in it.
- .

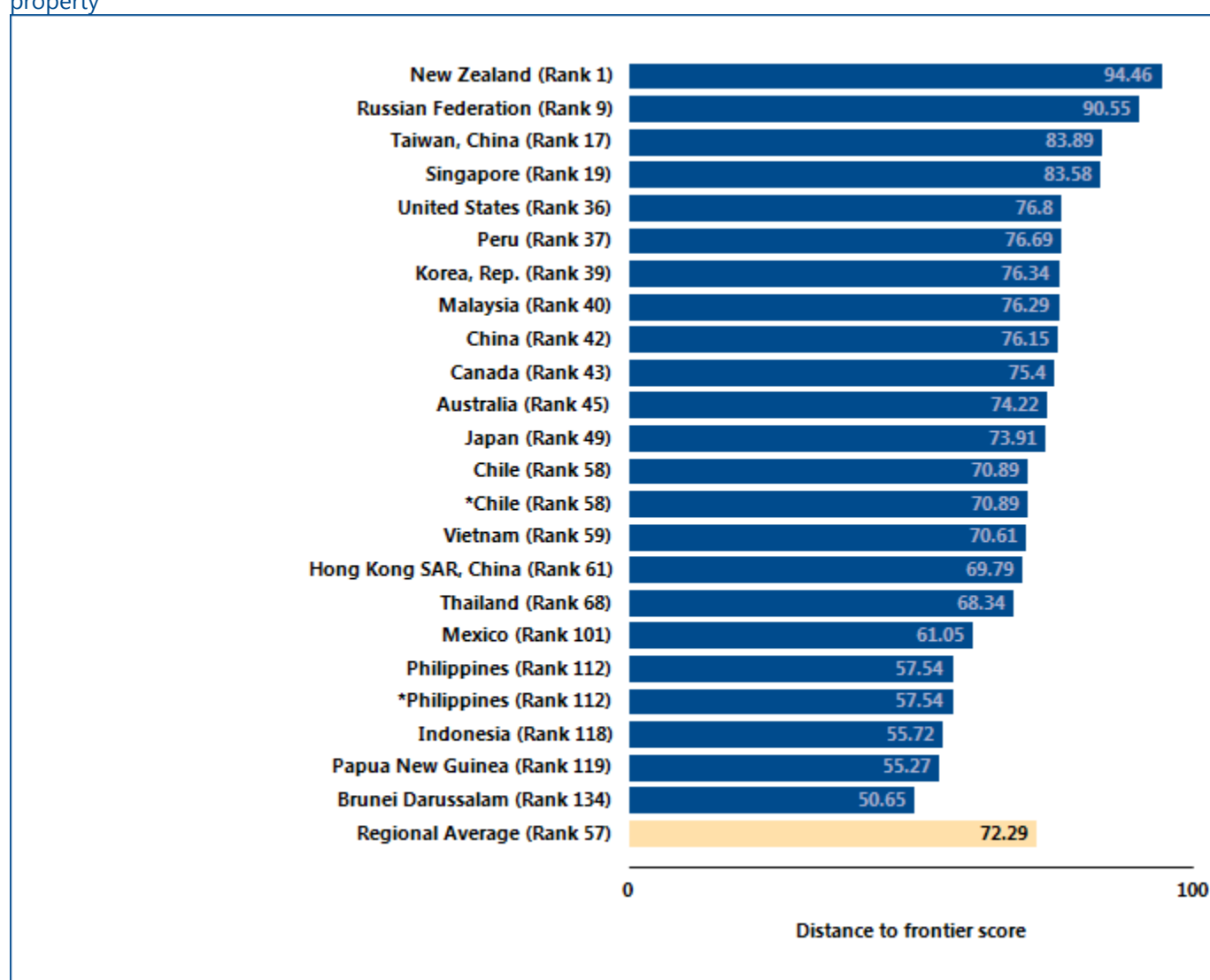
## REGISTERING PROPERTY

### Where do the region's economies stand today?

How easy is it for entrepreneurs in economies in Asia-Pacific Economic Cooperation (APEC) to transfer property? The global rankings of these economies on the

ease of registering property suggest an answer (figure 5.1). The average ranking of the region and comparator regions provide a useful benchmark.

Figure 5.1 How economies in Asia-Pacific Economic Cooperation (APEC) rank on the ease of registering property



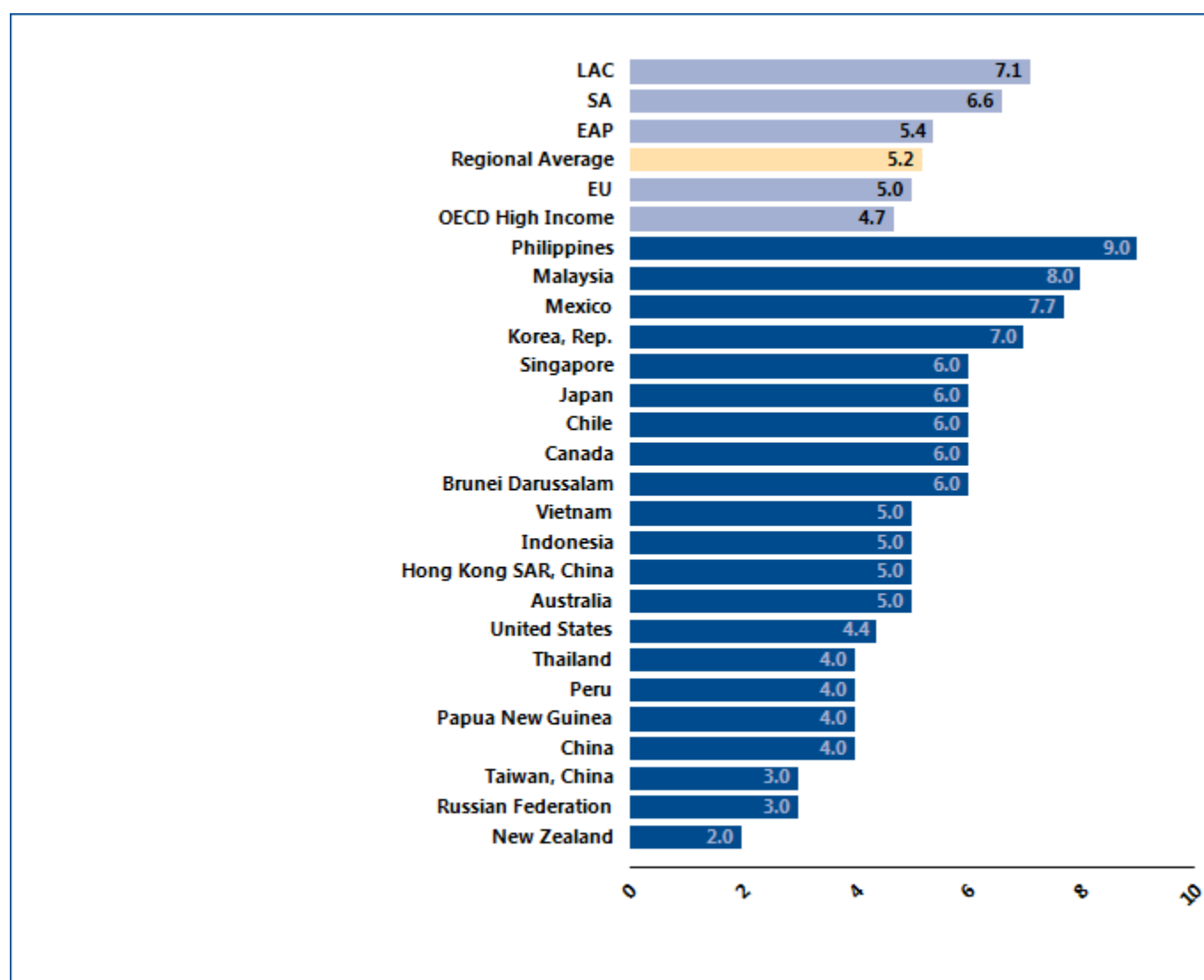
Source: Doing Business database.

## REGISTERING PROPERTY

The indicators underlying the rankings may be more revealing. Data collected by *Doing Business* show what it takes to complete a property transfer in each economy in the region: the number of procedures, the

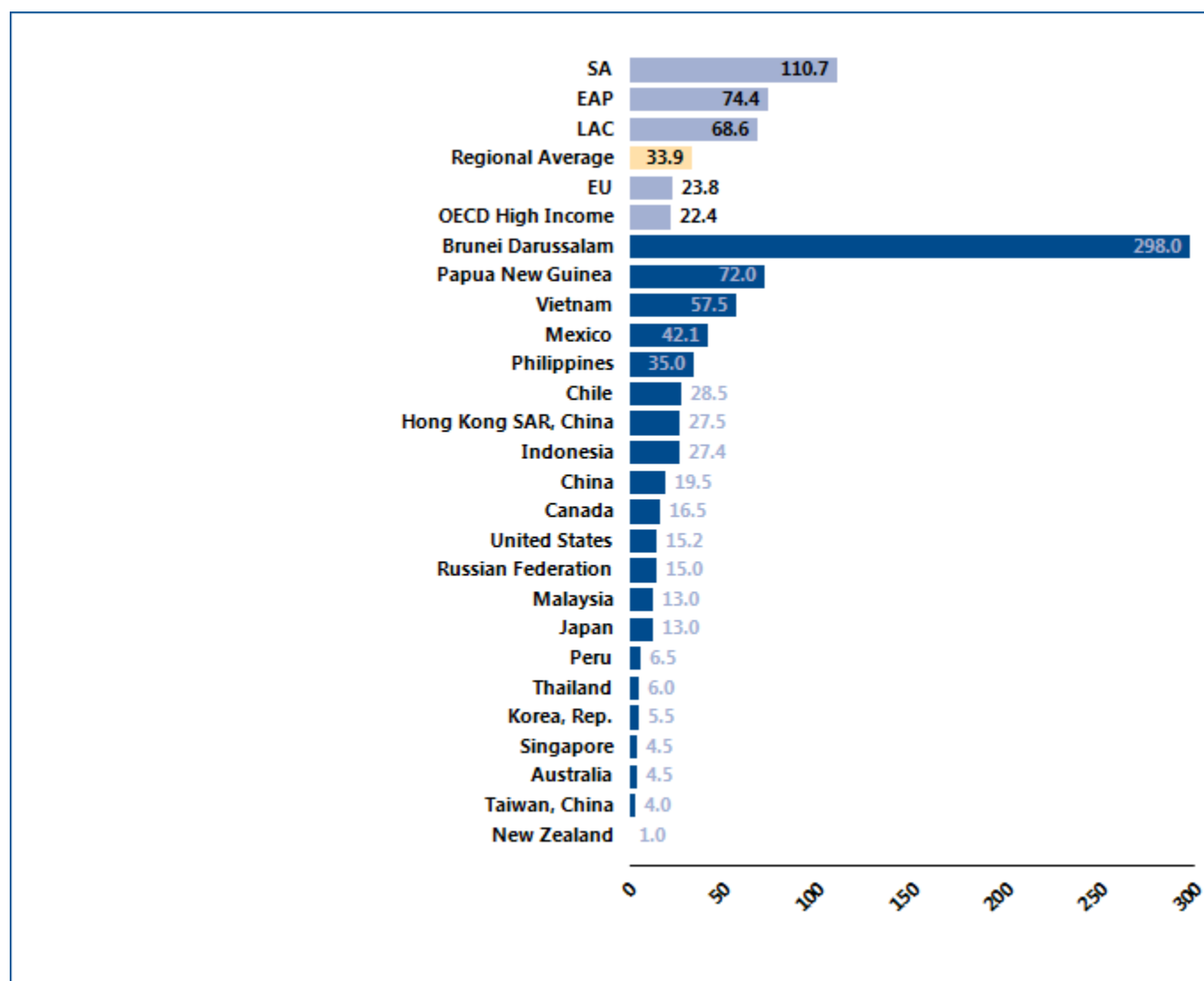
time and the cost (figure 5.2). Comparing these indicators across the region and with averages both for the region and for comparator regions can provide useful insights.

Figure 5.2 What it takes to register property in economies in Asia-Pacific Economic Cooperation (APEC)  
**Procedures (number)**



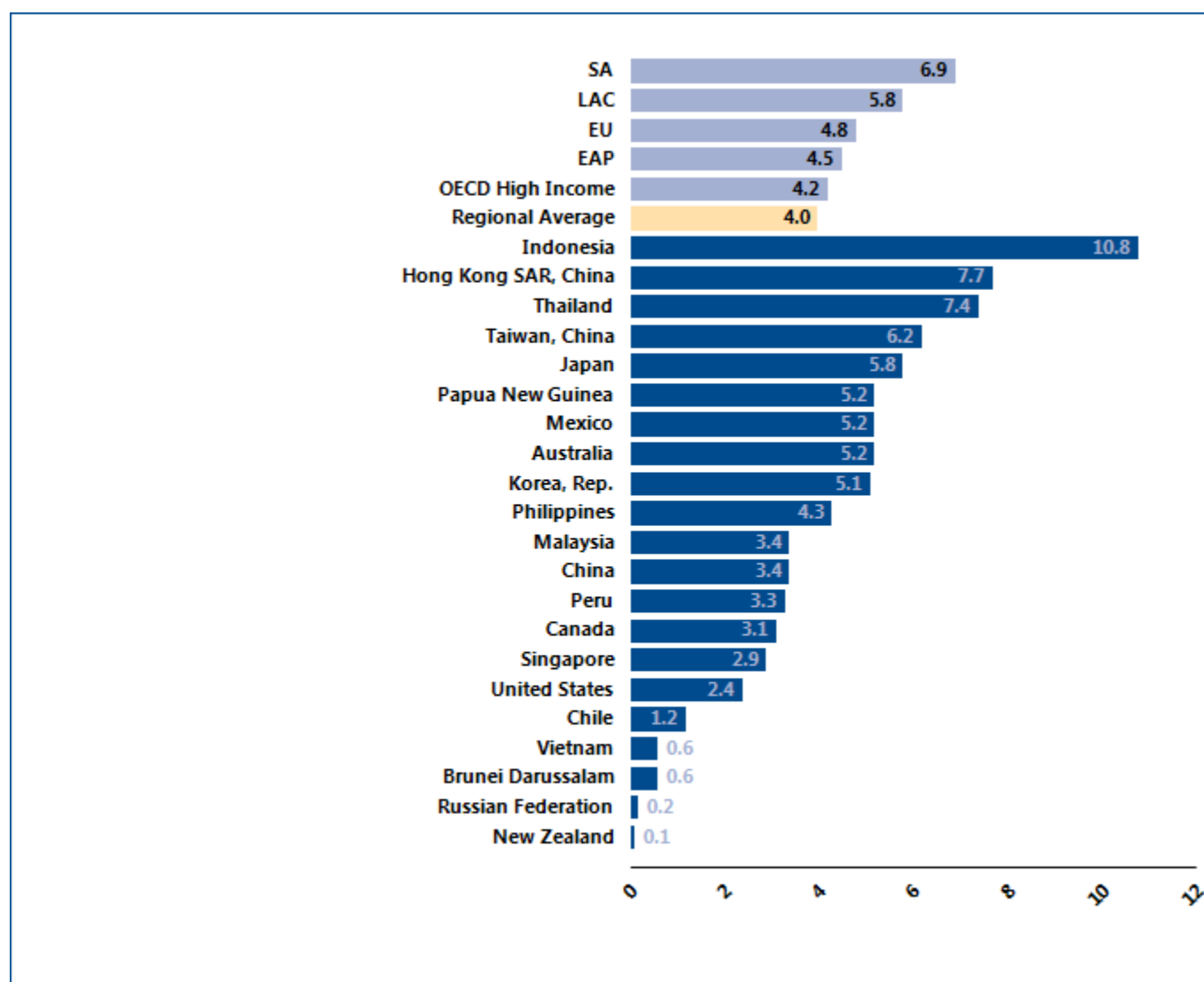
## REGISTERING PROPERTY

Time (days)



## REGISTERING PROPERTY

## Cost (% of property value)

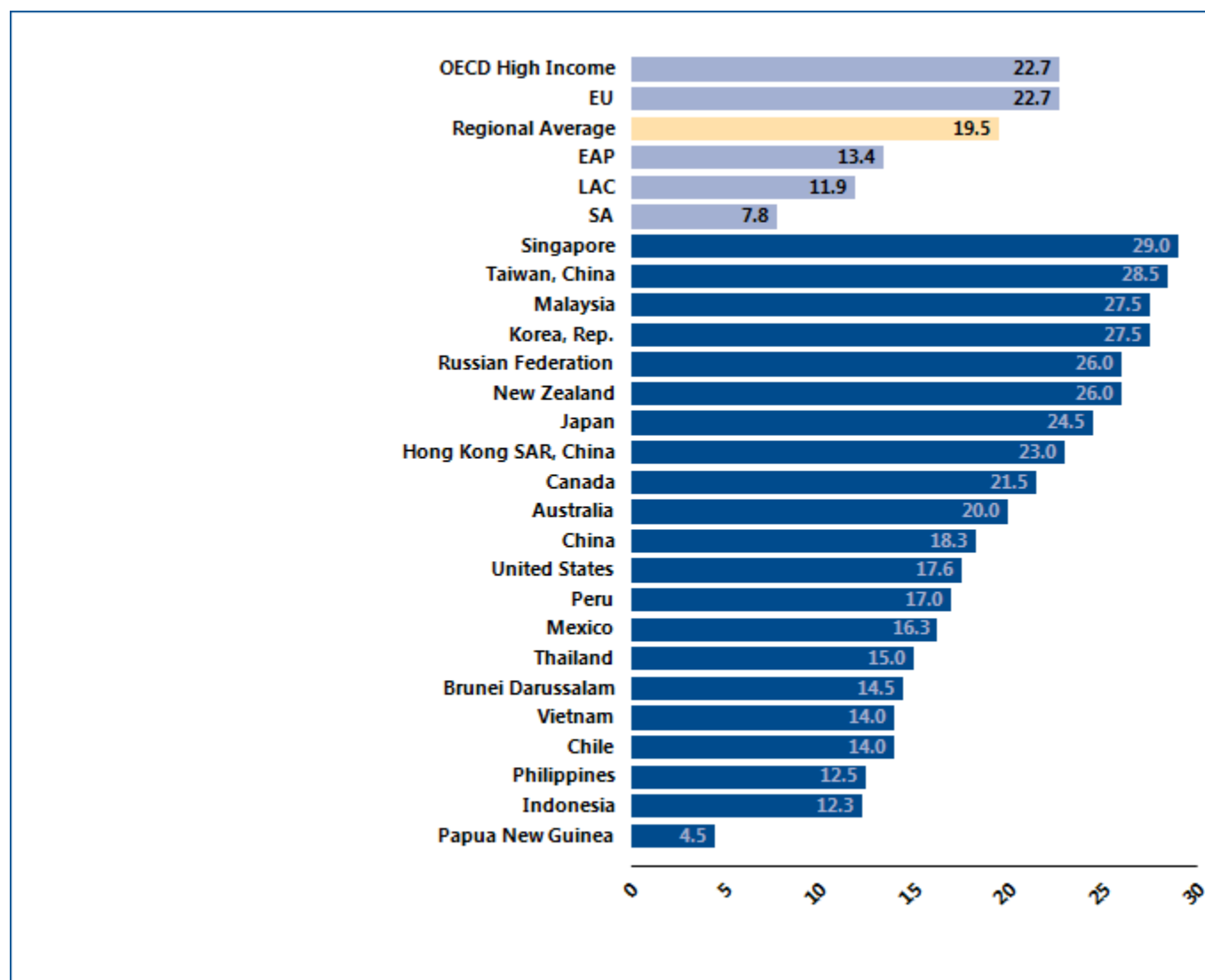


\* Indicates a "no practice" mark. If an economy has no laws or regulations covering a specific area—for example, insolvency—it receives a "no practice" mark. Similarly, an economy receives a "no practice" or "not possible" mark if regulation exists but is never used in practice or if a competing regulation prohibits such practice. Either way, a "no practice" mark puts the economy at the bottom of the ranking on the relevant indicator.

Source: *Doing Business* database.

## REGISTERING PROPERTY

## Quality of Land Administration Index (0-30)



\* Indicates a “no practice” mark. If an economy has no laws or regulations covering a specific area—for example, insolvency—it receives a “no practice” mark. Similarly, an economy receives a “no practice” or “not possible” mark if regulation exists but is never used in practice or if a competing regulation prohibits such practice. Either way, a “no practice” mark puts the economy at the bottom of the ranking on the relevant indicator.

Source: *Doing Business* database.

Note: The index ranges from 0 to 30, with higher values indicating better quality of the land administration system.

## REGISTERING PROPERTY

### What are the changes over time?

Economies worldwide have been making it easier for entrepreneurs to register and transfer property—such as by computerizing land registries, introducing time limits for procedures and setting low fixed fees. Many have cut the time required substantially—enabling

buyers to use or mortgage their property earlier. What property registration reforms has *Doing Business* recorded in Asia-Pacific Economic Cooperation (APEC) (table 5.1)?

Table 5.1 How have economies in Asia-Pacific Economic Cooperation (APEC) made registering property easier—or not?

By *Doing Business* report year DB2011 to DB2017

| DB year | Economy              | Reform  |
|---------|----------------------|---|
| DB2017  | Malaysia             | In Malaysia the credit bureau began to provide consumer credit scores.  |
| DB2017  | Hong Kong SAR, China | Hong Kong SAR, China, streamlined the processes of reviewing applications for new electrical connections and also reduced the time needed to issue an excavation permit.                    |
| DB2017  | Hong Kong SAR, China | Hong Kong SAR, China, made starting a business less costly by reducing the business registration fee.   |
| DB2017  | Malaysia             | Malaysia made starting a business more difficult by requiring that companies with an annual revenue of more than MYR 500,000 register as a GST payer.                                       |
| DB2017  | Korea, Rep.          | The Republic of Korea made starting a business faster by eliminating post-registration procedures.  |
| DB2017  | Malaysia             | Malaysia made paying taxes easier by introducing an online system for filing and paying the Goods and Services Tax (GST) while also making it more complex by replacing sales tax with GST. |
| DB2017  | Singapore            | Singapore made dealing with construction permits easier by streamlining procedures and improving the online one-stop shop.  |
| DB2017  | Russian Federation   | Russian Federation Saint Petersburg made dealing with construction permits easier by removing the requirement to  |

| DB year | Economy                   | Reform  |
|---------|---------------------------|---|
|         |                           | obtain permission to fence the construction site.   |
| DB2017  | <i>Indonesia</i>          | Indonesia made enforcing contracts easier by introducing a dedicated procedure for small claims that allows for parties' self-representation. This reform applies to both Jakarta and Surabaya.   |
| DB2017  | <i>Russian Federation</i> | The Russian Federation made enforcing contracts more difficult by mandating pre-trial resolution before filing a claim, thereby lengthening the initial phase of judicial proceedings. This reform applies to both Moscow and St. Petersburg.   |
| DB2017  | <i>Mexico</i>             | Mexico adopted a resolution that eliminated geographic differences in national minimum wages. Prior to the reform Mexico was divided into two zones—zone A and zone B—with different applicable minimum wages. This reform applies to both Mexico City and Monterrey.   |
| DB2017  | <i>China</i>              | China improved access to credit information by starting to report payment histories from utility companies and providing credit scores to banks and financial institutions. This reform applies to both Shanghai and Beijing.   |
| DB2017  | <i>Indonesia</i>          | Indonesia strengthened access to credit by establishing a modern collateral registry.   |
| DB2017  | <i>Thailand</i>           | Thailand improved access to credit information by starting to provide credit scores to banks and financial institutions.  |
| DB2017  | <i>Indonesia</i>          | Indonesia made the process for getting an electricity connection faster by reducing the time for contractors to perform external work thanks to an increase in the stock of electrical material supplied by the utility. In Surabaya, getting electricity was also made easier after the utility streamlined the process for new connection requests. |
| DB2017  | <i>Vietnam</i>            | Vietnam strengthened minority investor protections by making it easier to sue directors in cases of prejudicial transactions between interested parties, by increasing shareholder rights and role in major corporate decisions, by   |



| DB year       | Economy          | Reform   |
|---------------|------------------|--|
|               |                  | strengthening the ownership and control structures of companies and by increasing corporate transparency requirements.   |
| <b>DB2017</b> | <i>Thailand</i>  | Thailand made resolving insolvency easier by introducing new restructuring for small and medium-size companies and by streamlining provisions related to company liquidation.  |
| <b>DB2017</b> | <i>Indonesia</i> | Indonesia made it easier to register property by digitizing its cadastral records and setting up a geographic information system.  |
| <b>DB2017</b> | <i>Mexico</i>    | Mexico made registering property easier by digitizing its land records, improving the quality of the Land Registry infrastructure and making the registration process more efficient.  |
| <b>DB2017</b> | <i>Singapore</i> | Singapore made it easier to transfer a property by introducing an independent mechanism for reporting errors on titles and maps.   |
| <b>DB2017</b> | <i>Thailand</i>  | Thailand made starting a business easier by creating a single window for registration payment and reducing the time to obtain a company seal.  |
| <b>DB2017</b> | <i>Indonesia</i> | Indonesia made starting a business easier by creating a single form to apply for the company registration certificate and trading license. This reform applies to Jakarta. Indonesia also made starting a business easier by abolishing the minimum capital requirement for small and medium-size enterprises and by encouraging the use of an online system to reserve company names. This reform applies to both Jakarta and Surabaya. |
| <b>DB2017</b> | <i>China</i>     | China made starting a business easier by introducing a single form to obtain a business license, organization code and tax registration. This reform applies to both Shanghai and Beijing.   |
| <b>DB2017</b> | <i>Vietnam</i>   | Vietnam made starting a business more difficult by requiring entrepreneurs to receive approval of the seal sample before using it.   |

| DB year | Economy            | Reform   |
|---------|--------------------|--|
| DB2017  | <i>Vietnam</i>     | Vietnam made exporting and importing easier by implementing electronic customs clearance system.   |
| DB2017  | <i>Indonesia</i>   | Indonesia made exporting and importing easier by improving the customs services and document submission functions of the Indonesia National Single Window.   |
| DB2017  | <i>Singapore</i>   | Singapore made paying taxes easier by introducing improvements to the online system for filing corporate income tax returns and VAT returns. At the same, the social security contribution rate paid by employers increased and the rebate of 30% on vehicle tax expired.  |
| DB2017  | <i>Peru</i>        | Peru made paying taxes less costly by decreasing the corporate income tax rate.  |
| DB2017  | <i>New Zealand</i> | New Zealand made paying taxes easier by abolishing the cheque levy. New Zealand made paying less costly by decreasing the rate of accident compensation levy paid by employers. At the same time, New Zealand made paying taxes more costly by raising property tax and road user levy rates.  |
| DB2017  | <i>Indonesia</i>   | Indonesia made paying taxes easier by introducing an online system for filing and paying health contributions. Indonesia also made paying taxes more costly by levying a new pension contribution at a rate of 2% paid by employers. These reforms apply to both Jakarta and Surabaya.   |
| DB2017  | <i>Japan</i>       | Japan made paying taxes easier by disclosing the technical specifications of the eTax platform and allowing the upload of additional information in comma separated value (CSV) format. The restoration surtax was also abolished. However, a local corporation tax was introduced and the rates of special local corporation tax, inhabitants tax and enterprise tax were raised. Welfare pension premiums were also raised. These reforms apply to both Tokyo and Osaka. However, the rate for health insurance contributions paid by employers was reduced only in Osaka. |
| DB2017  | <i>Vietnam</i>     | Vietnam made paying taxes easier and less costly by  |

| DB year       | Economy                  | Reform  |
|---------------|--------------------------|---|
|               |                          | streamlining the administrative process of complying with tax obligations and abolishing environmental protection fees.   |
| <b>DB2017</b> | <i>Brunei Darussalam</i> | Brunei Darussalam strengthened access to credit by adopting a new insolvency law that contemplates protections for secured creditors during an automatic stay in reorganization proceedings. Brunei also improved access to credit information by beginning to distribute data from two utility companies.  |
| <b>DB2017</b> | <i>Brunei Darussalam</i> | The utility in Brunei Darussalam streamlined the processes of reviewing applications, and the time to issue an excavation permit was reduced. In addition, Brunei Darussalam increased the reliability of power supply by rolling out a Supervisory Control and Data Acquisition (SCADA) automatic energy management system for the monitoring of outages and the restoration of service. |
| <b>DB2017</b> | <i>Brunei Darussalam</i> | Brunei Darussalam strengthened minority investor protections by clarifying ownership and control structures, making it easier to sue directors in case of prejudicial related-party transactions, and allowing the rescission of related-party transactions that harm the company.  |
| <b>DB2017</b> | <i>Brunei Darussalam</i> | Brunei Darussalam made resolving insolvency easier by adopting a new insolvency law that introduced a reorganization procedure and facilitated continuation of the debtor's business during insolvency proceedings. Brunei Darussalam also introduced regulations for insolvency practitioners.   |
| <b>DB2017</b> | <i>Brunei Darussalam</i> | Brunei Darussalam made paying taxes easier by fully implementing an electronic system for filing and paying corporate income tax.   |
| <b>DB2017</b> | <i>Philippines</i>       | The Philippines made dealing with construction permits easier by increasing the transparency of its building regulations.   |
| <b>DB2017</b> | <i>Papua New Guinea</i>  | Papua New Guinea strengthened access to credit by adopting a new law on secured transactions that implemented a   |

| DB year       | Economy                  | Reform   |
|---------------|--------------------------|--|
|               |                          | functional secured transactions system and established a centralized, notice-based collateral registry. The new law broadens the scope of assets that can be used as collateral and allows out-of-court enforcement of collateral.   |
| <b>DB2017</b> | <i>Papua New Guinea</i>  | Papua New Guinea reduced the time required to start a business by streamlining business registration at the Investment Promotion Agency (IPA).   |
| <b>DB2017</b> | <i>Philippines</i>       | The Philippines made paying taxes easier by introducing an online system for filing and paying health contributions and by allowing for the online corporate income tax and VAT returns to be completed offline.   |
| <b>DB2017</b> | <i>Brunei Darussalam</i> | Brunei Darussalam made enforcing contracts easier by introducing an electronic filing system as well as a platform that allows users to pay court fees electronically.   |
| <b>DB2016</b> | <i>Philippines</i>       | The Philippines made starting a business easier by streamlining communications between the Securities and Exchange Commission and the Social Security System and thereby expediting the process of issuing an employer registration number.  |
| <b>DB2016</b> | <i>Brunei Darussalam</i> | Brunei Darussalam made paying taxes easier and less costly for companies by merging contributions for the Employee Provident Fund and the Supplemental Pension Fund and increasing the capital allowance for industrial buildings. In addition, it reduced the corporate income tax rate, though it also abolished the partial exemption of income and introduced a flat rate. |
| <b>DB2016</b> | <i>Brunei Darussalam</i> | Brunei Darussalam made starting a business easier by improving online procedures and simplifying registration and post registration requirements.  |
| <b>DB2016</b> | <i>Chile</i>             | Chile made resolving insolvency easier by clarifying and simplifying provisions on liquidation and reorganization, introducing provisions to facilitate the continuation of the debtor's business during insolvency, establishing a public office responsible for the general administration of insolvency   |

| DB year       | Economy                     | Reform  |
|---------------|-----------------------------|---|
|               |                             | proceedings and creating specialized insolvency courts.   |
| <b>DB2016</b> | <i>Chile</i>                | Chile made paying taxes more costly for companies by increasing the corporate income tax rate.  |
| <b>DB2016</b> | <i>Hong Kong SAR, China</i> | The utility in Hong Kong SAR, China, made getting electricity easier by streamlining the process for reviewing connection applications and for completing the connection works and meter installation. In addition, the time needed to issue an excavation permit was reduced.  |
| <b>DB2016</b> | <i>Korea, Rep.</i>          | The Republic of Korea made paying taxes more complicated and costly for companies by requiring separate filing and payment of the local income tax and by increasing the rates for unemployment insurance and national health insurance paid by employers.  |
| <b>DB2016</b> | <i>Hong Kong SAR, China</i> | Hong Kong SAR, China, made paying taxes easier and less costly for companies by simplifying compliance with the mandatory provident fund obligations and increasing the allowance for profit tax. At the same time, it increased the maximum contribution to the mandatory provident fund and reduced the property tax waiver.  |
| <b>DB2016</b> | <i>Malaysia</i>             | Malaysia made paying taxes easier and less costly for companies by making electronic filing mandatory and reducing the property tax rate. At the same time, it also increased the capital gains tax.  |
| <b>DB2016</b> | <i>Hong Kong SAR, China</i> | Hong Kong SAR, China, made starting a business easier by eliminating the requirement for a company seal.  |
| <b>DB2016</b> | <i>Hong Kong SAR, China</i> | Hong Kong SAR, China, improved access to credit by implementing a modern collateral registry.   |
| <b>DB2016</b> | <i>Vietnam</i>              | The utility in Vietnam reduced the time required for getting an electricity connection by reducing delays and increasing efficiency in approving connection applications and designs for connection works. Getting electricity was also made easier by eliminating the need to obtain a substation certification from the Fire Fighters Prevention Department for connections to the medium-voltage grid. |

| DB year       | Economy                   | Reform   |
|---------------|---------------------------|--|
|               |                           |  |
| <b>DB2016</b> | <i>Russian Federation</i> | Russia made the process of obtaining an electricity connection simpler, faster and less costly by eliminating a meter inspection by electricity providers and revising connection tariffs. This reform applies to both Moscow and St. Petersburg.  |
| <b>DB2016</b> | <i>Taiwan, China</i>      | The utility in Taiwan, China, reduced the time required for getting an electricity connection through a simplified procedure for obtaining excavation permits from the municipality.   |
| <b>DB2016</b> | <i>New Zealand</i>        | The utility in New Zealand reduced the time required for getting an electricity connection by improving its payment monitoring and confirmation process for the connection works.  |
| <b>DB2016</b> | <i>Vietnam</i>            | Vietnam made resolving insolvency easier by clarifying and simplifying provisions on liquidation and reorganization, modifying the standard for commencement of insolvency proceedings, changing provisions on voidable transactions, regulating the profession of insolvency trustees and establishing the rules for enterprise asset managers.   |
| <b>DB2016</b> | <i>Vietnam</i>            | Vietnam made paying taxes less costly for companies by reducing the corporate income tax rate—and made it easier by reducing the number of procedures and documents for filing VAT and social security contributions, reducing the number of filings for VAT and replacing quarterly filings of corporate income tax with quarterly advance payments. On the other hand, Vietnam increased the rate for social security contributions paid by employers. |
| <b>DB2016</b> | <i>Indonesia</i>          | Indonesia made paying taxes easier and less costly for companies by introducing an online system for paying social security contributions and by reducing both the rate paid by employers and the ceiling for the contributions. This reform applies to both Jakarta and Surabaya.   |

| DB year | Economy                   | Reform  |
|---------|---------------------------|---|
| DB2016  | <i>China</i>              | China made paying taxes less costly for companies in Shanghai by reducing the social security contribution rate.  |
| DB2016  | <i>Russian Federation</i> | Russia made paying taxes less costly for companies by excluding movable property from the corporate property tax base—though it also raised the wage ceiling used in calculating social contributions. These changes apply to both Moscow and St. Petersburg. In addition, the cadastral value of land in Moscow was updated.     |
| DB2016  | <i>Mexico</i>             | Mexico made paying taxes easier for companies by abolishing the business flat tax—though it also made paying taxes more costly by allowing only a portion of salaries to be deductible. These changes apply to both Mexico City and Monterrey. In addition, the payroll tax rate paid by employers was increased for Mexico City. |
| DB2016  | <i>Peru</i>               | Peru made paying taxes easier for companies by creating an advanced online registry with up-to-date information on employees.   |
| DB2016  | <i>Russian Federation</i> | Russia made transferring property easier by reducing the time required for property registration. This reform applies to both Moscow and St. Petersburg.  |
| DB2016  | <i>Indonesia</i>          | Indonesia made starting a business in Jakarta easier by reducing the time needed to register with the Ministry of Manpower.   |
| DB2016  | <i>Russian Federation</i> | The Russian Federation made starting a business in Moscow easier by reducing the number of days required to open a corporate bank account.  |
| DB2016  | <i>Vietnam</i>            | Vietnam made starting a business easier by reducing the time required to get the company seal engraved and registered.  |
| DB2016  | <i>Indonesia</i>          | Indonesia improved access to credit by enabling searches of the collateral registry by the debtor's name. This reform applies to both Jakarta and Surabaya.   |
| DB2016  | <i>Russian Federation</i> | Russia improved access to credit by adopting a new law on secured transactions that established a centralized collateral  |

| DB year       | Economy                     | Reform   |
|---------------|-----------------------------|--|
|               |                             | registry and allows a general description of a combined category of assets granted as collateral. This reform applies to both Moscow and St. Petersburg.   |
| <b>DB2016</b> | <i>Mexico</i>               | Mexico improved access to credit by implementing a decree allowing a general description of assets granted as collateral. This reform applies to both Mexico City and Monterrey.   |
| <b>DB2016</b> | <i>Vietnam</i>              | Vietnam guaranteed borrowers' right to inspect their credit data while the new credit bureau expanded borrower coverage, improving the credit information system.  |
| <b>DB2016</b> | <i>Peru</i>                 | Peru improved its credit information system by implementing a new law on personal data protection.   |
| <b>DB2015</b> | <i>New Zealand</i>          | New Zealand improved access to credit information by beginning to distribute both positive and negative credit information.  |
| <b>DB2015</b> | <i>Taiwan, China</i>        | Taiwan, China, improved access to credit information by beginning to include data from utility companies in credit reports.  |
| <b>DB2015</b> | <i>Vietnam</i>              | Vietnam improved its credit information system by establishing a new credit bureau.  |
| <b>DB2015</b> | <i>Mexico</i>               | Mexico improved access to credit by amending its insolvency proceedings law and establishing clear grounds for relief from a stay of enforcement actions by secured creditors during reorganization procedures. This reform applies to both Mexico City and Monterrey. |
| <b>DB2015</b> | <i>Hong Kong SAR, China</i> | Hong Kong SAR, China, strengthened minority investor protections by introducing requirements for directors to provide more detailed disclosure of conflicts of interest to the other board members.  |
| <b>DB2015</b> | <i>Korea, Rep.</i>          | The Republic of Korea strengthened minority investor protections by increasing the level of transparency expected from companies on managerial compensation.   |
| <b>DB2015</b> | <i>Korea, Rep.</i>          | The Republic of Korea made transferring property easier by   |



| DB year       | Economy                     | Reform  |
|---------------|-----------------------------|---|
|               |                             | reducing the time needed to buy housing bonds and to register the property transfer.  |
| <b>DB2015</b> | <i>Hong Kong SAR, China</i> | Hong Kong SAR, China, made starting a business more difficult by increasing the registration fee.   |
| <b>DB2015</b> | <i>Taiwan, China</i>        | Taiwan, China, made getting electricity easier by eliminating site inspections.   |
| <b>DB2015</b> | <i>Indonesia</i>            | In Indonesia the electricity company in Jakarta made getting electricity easier by eliminating the need for electrical contractors to obtain multiple certificates guaranteeing the safety of internal installations—though. The utility in Jakarta and Surabaya also increased the cost by introducing a security deposit for new connections. |
| <b>DB2015</b> | <i>Thailand</i>             | Thailand made dealing with construction permits less time-consuming by introducing a fast-track approval process for building permits for smaller buildings.  |
| <b>DB2015</b> | <i>Singapore</i>            | Singapore made enforcing contracts easier by introducing a new electronic litigation system that streamlines litigation proceedings.  |
| <b>DB2015</b> | <i>Mexico</i>               | Mexico made resolving insolvency easier by clarifying several rules, shortening the time extensions allowed during reorganization, facilitating the electronic submission of documents and improving the legal rights of creditors and other parties involved in bankruptcy procedures. This reform applies to both Mexico City and Monterrey.  |
| <b>DB2015</b> | <i>Taiwan, China</i>        | Taiwan, China, made paying taxes easier for companies by introducing an electronic system for paying the vehicle license tax.   |
| <b>DB2015</b> | <i>Indonesia</i>            | Indonesia made paying taxes less costly for companies by reducing employers' health insurance contribution rate. This reform applies to both Jakarta and Surabaya.  |
| <b>DB2015</b> | <i>China</i>                | China made paying taxes easier for companies by enhancing the electronic system for filing and paying taxes and adopting new communication channels within its taxpayer service,  |

| DB year       | Economy                   | Reform   |
|---------------|---------------------------|--|
|               |                           | changes applying to both Beijing and Shanghai. In addition, China made paying taxes less costly for companies in Shanghai by reducing the social security contribution rate.   |
| <b>DB2015</b> | <i>Vietnam</i>            | Vietnam made paying taxes less costly for companies by reducing the corporate income tax rate.   |
| <b>DB2015</b> | <i>Russian Federation</i> | The Russian Federation made transferring property easier by eliminating the requirement for notarization and introducing tighter time limits for completing the property registration. This reform applies to both Moscow and St. Petersburg.  |
| <b>DB2015</b> | <i>Russian Federation</i> | The Russian Federation made starting a business easier by eliminating the requirement to deposit the charter capital before company registration as well as the requirement to notify tax authorities of the opening of a bank account. This reform applies to both Moscow and St. Petersburg. |
| <b>DB2015</b> | <i>United States</i>      | In the United States starting a business became easier in New York City thanks to faster online procedures.  |
| <b>DB2015</b> | <i>China</i>              | China made starting a business easier by eliminating both the minimum capital requirement and the requirement to obtain a capital verification report from an auditing firm. This reform applies to both Beijing and Shanghai.   |
| <b>DB2015</b> | <i>Indonesia</i>          | Indonesia made starting a business easier by allowing the Ministry of Law and Human Rights to electronically issue the approval letter for the deed of establishment. This reform applies to both Jakarta and Surabaya.  |
| <b>DB2015</b> | <i>Indonesia</i>          | In Indonesia trading across borders became more difficult because of insufficient infrastructure at the Tanjung Priok Port Jakarta. This change applies to both Jakarta and Surabaya.  |
| <b>DB2015</b> | <i>Brunei Darussalam</i>  | Brunei Darussalam made dealing with construction permits easier by consolidating final inspections.  |
| <b>DB2015</b> | <i>Brunei Darussalam</i>  | Brunei Darussalam made paying taxes easier for companies by allowing joint filing and payment of supplemental contributory pension and employee provident fund   |

| DB year       | Economy                   | Reform   |
|---------------|---------------------------|--|
|               |                           | contributions and by introducing an online system for paying these 2 contributions.  |
| <b>DB2015</b> | <i>Philippines</i>        | In the Philippines trading across borders became more difficult because of a new city ordinance restricting truck traffic in Manila.   |
| <b>DB2014</b> | <i>Philippines</i>        | The Philippines improved access to credit information by beginning to distribute both positive and negative information and by enacting a data privacy act that guarantees borrowers' right to access their data.    |
| <b>DB2014</b> | <i>Brunei Darussalam</i>  | Brunei Darussalam improved access to credit information by establishing a public credit registry.  |
| <b>DB2014</b> | <i>Philippines</i>        | The Philippines made dealing with construction permits easier by eliminating the requirement to obtain a health certificate.   |
| <b>DB2014</b> | <i>Philippines</i>        | The Philippines made paying taxes easier for companies by introducing an electronic filing and payment system for social security contributions.   |
| <b>DB2014</b> | <i>Mexico</i>             | Mexico made getting electricity easier by increasing the efficiency of the utility's internal processes and by enforcing a "silence is consent" rule for the approval of the feasibility study for a new connection. |
| <b>DB2014</b> | <i>Russian Federation</i> | Russia made getting electricity simpler and less costly by setting standard connection tariffs and eliminating many procedures previously required.  |
| <b>DB2014</b> | <i>Russian Federation</i> | Russia made dealing with construction permits easier by eliminating several requirements for project approvals from government agencies and by reducing the time required to register a new building.                |
| <b>DB2014</b> | <i>New Zealand</i>        | New Zealand made enforcing contracts easier by improving its case management system to ensure a speedier and less costly adjudication of cases.  |
| <b>DB2014</b> | <i>Mexico</i>             | Mexico made enforcing contracts easier by creating small   |

| DB year       | Economy                   | Reform  |
|---------------|---------------------------|---|
|               |                           | claims courts, with oral proceedings, that can hear both civil and commercial cases.  |
| <b>DB2014</b> | <i>China</i>              | China made enforcing contracts easier by amending its civil procedure code to streamline and speed up all court proceedings.  |
| <b>DB2014</b> | <i>Thailand</i>           | Thailand made paying taxes less costly for companies by reducing employers' social security contribution rate.  |
| <b>DB2014</b> | <i>Vietnam</i>            | Vietnam made paying taxes more costly for companies by increasing employers' social security contribution rate.   |
| <b>DB2014</b> | <i>Vietnam</i>            | Vietnam strengthened investor protections by introducing greater disclosure requirements for publicly held companies in cases of related-party transactions.                  |
| <b>DB2014</b> | <i>Singapore</i>          | Singapore made transferring property easier by introducing an online procedure for property transfers.  |
| <b>DB2014</b> | <i>Russian Federation</i> | Russia made transferring property easier by streamlining procedures and implementing effective time limits for processing transfer applications.                              |
| <b>DB2014</b> | <i>Russian Federation</i> | Russia made starting a business easier by abolishing the requirement to have the bank signature card notarized before opening a company bank account.                         |
| <b>DB2014</b> | <i>Vietnam</i>            | Vietnam abolished priority rules for redundancy dismissals or layoffs and increased the minimum wage.   |
| <b>DB2014</b> | <i>Russian Federation</i> | Russia made trading across borders easier by implementing an electronic system for submitting export and import documents and by reducing the number of physical inspections. |
| <b>DB2014</b> | <i>Mexico</i>             | Mexico made trading across borders easier by implementing an electronic single-window system.   |
| <b>DB2014</b> | <i>Korea, Rep.</i>        | Korea revised its secured transactions framework by creating new types of security rights that can be publicized through registration.  |

| DB year | Economy                     | Reform  |
|---------|-----------------------------|---|
| DB2014  | <i>Chile</i>                | Chile made starting a business easier by creating a new online system for business registration.  |
| DB2014  | <i>Malaysia</i>             | Malaysia made getting electricity easier by increasing the efficiency of internal processes at the utility and improving its communication and dialogue with contractors.   |
| DB2014  | <i>Malaysia</i>             | Malaysia made dealing with construction permits easier by establishing a one-stop shop.   |
| DB2014  | <i>Hong Kong SAR, China</i> | Hong Kong SAR, China, made transferring property more costly by increasing the stamp duty.  |
| DB2014  | <i>Malaysia</i>             | Malaysia made starting a business less costly by reducing the company registration fees.  |
| DB2014  | <i>Hong Kong SAR, China</i> | Hong Kong SAR, China, made starting a business less costly by abolishing the capital duty levied on local companies.  |
| DB2014  | <i>Malaysia</i>             | Malaysia introduced a minimum wage.   |
| DB2014  | <i>Australia</i>            | Australia improved its credit information system through the Privacy Amendment (Enhancing Privacy Protection) Act 2012, which permits credit bureaus to collect account payment history with improved privacy protection. |
| DB2014  | <i>China</i>                | China improved its credit information system by introducing credit information industry regulations, which guarantee borrowers' right to inspect their data.  |
| DB2014  | <i>Indonesia</i>            | Indonesia improved its credit information system through a new regulation setting up a legal framework for establishing credit bureaus.   |
| DB2014  | <i>Vietnam</i>              | Vietnam improved its credit information system through a decree setting up a legal framework for the establishment of private credit bureaus.   |
| DB2014  | <i>Singapore</i>            | Singapore improved its credit information system by guaranteeing by law borrowers' right to inspect their own data.   |

| DB year | Economy                   | Reform   |
|---------|---------------------------|--|
| DB2013  | <i>Korea, Rep.</i>        | Korea expedited the insolvency process by implementing a fast track for company rehabilitation.  |
| DB2013  | <i>Thailand</i>           | Thailand made starting a business easier by allowing the registrar at the Department of Business Development to receive the company's work regulations.  |
| DB2013  | <i>Vietnam</i>            | Vietnam made starting a business easier by allowing companies to use self-printed value added tax invoices.  |
| DB2013  | <i>China</i>              | China made starting a business less costly by exempting micro and small companies from paying several administrative fees from January 2012 to December 2014.  |
| DB2013  | <i>Mexico</i>             | Mexico made starting a business easier by eliminating the minimum capital requirement for limited liability companies.   |
| DB2013  | <i>Korea, Rep.</i>        | Korea made getting electricity less costly by introducing a new connection fee schedule and an installment payment system.   |
| DB2013  | <i>Peru</i>               | Peru made obtaining a construction permit easier by eliminating requirements for several preconstruction approvals.  |
| DB2013  | <i>Taiwan, China</i>      | Taiwan, China, made dealing with construction permits easier by introducing a risk-based and self-regulatory inspection system and improving operational features of the one-stop shop for building permits. |
| DB2013  | <i>China</i>              | China simplified the process of obtaining a construction permit by streamlining and centralizing preconstruction approvals.  |
| DB2013  | <i>Russian Federation</i> | Russia made obtaining a construction permit simpler by eliminating requirements for several preconstruction approvals.   |
| DB2013  | <i>Peru</i>               | Peru strengthened investor protections through a new law regulating the approval of related-party transactions and making it easier to sue directors when such transactions are prejudicial.                 |

| DB year | Economy                  | Reform   |
|---------|--------------------------|--|
| DB2013  | <i>Taiwan, China</i>     | Taiwan, China, strengthened investor protections by increasing disclosure requirements for related-party transactions and improving the liability regime for company directors in cases where such transactions are abusive. |
| DB2013  | <i>Australia</i>         | Australia strengthened its secured transactions system by adopting a new national legal regime governing the enforceability of security interests in personal property and implementing a unified collateral registry.       |
| DB2013  | <i>Canada</i>            | Canada made getting an electricity connection easier by reducing the time needed for external connection works.  |
| DB2013  | <i>Malaysia</i>          | Malaysia made dealing with construction permits faster by improving the one-stop center for new buildings and by reducing the time to connect to telephone service.  |
| DB2013  | <i>Malaysia</i>          | Malaysia substantially reduced the number of days it takes to register property transfers.   |
| DB2013  | <i>Korea, Rep.</i>       | Korea strengthened investor protections by making it easier to sue directors in cases of prejudicial related-party transactions.   |
| DB2013  | <i>Korea, Rep.</i>       | Korea made paying taxes less costly for companies by reducing the profit tax rate.   |
| DB2013  | <i>Brunei Darussalam</i> | Brunei Darussalam made dealing with construction permits easier by creating a one-stop shop for preconstruction approvals.   |
| DB2013  | <i>Brunei Darussalam</i> | Brunei Darussalam made paying taxes less costly for companies by reducing the profit tax rate.   |
| DB2013  | <i>Indonesia</i>         | Indonesia made getting electricity easier by eliminating the requirement for new customers applying for an electricity connection to show a neighbor's electricity bill as a way to help determine their address.            |
| DB2013  | <i>Mexico</i>            | In Mexico the distribution utility made getting electricity easier by streamlining procedures, offering training opportunities to private contractors, using a geographic  |

| DB year       | Economy                   | Reform  |
|---------------|---------------------------|---|
|               |                           | information system (GIS) to map the electricity distribution network and increasing the stock of materials.   |
| <b>DB2013</b> | <i>Russian Federation</i> | Russia eased the administrative burden of taxes for firms by simplifying compliance procedures for value added tax and by promoting the use of tax accounting software and electronic services. |
| <b>DB2013</b> | <i>Japan</i>              | Japan made paying taxes less costly for companies by reducing the corporate income tax rate—though it also introduced a restoration surtax for a 3-year period.                                 |
| <b>DB2013</b> | <i>Thailand</i>           | Thailand made paying taxes less costly for companies by reducing the profit tax rate.   |
| <b>DB2013</b> | <i>New Zealand</i>        | New Zealand improved access to credit information by allowing credit bureaus to collect positive information on individuals.  |
| <b>DB2012</b> | <i>Peru</i>               | Peru strengthened investor protections through a new law allowing minority shareholders to request access to nonconfidential corporate documents.   |
| <b>DB2012</b> | <i>Vietnam</i>            | Vietnam strengthened investor protections by requiring higher standards of accountability for company directors.  |
| <b>DB2012</b> | <i>Russian Federation</i> | Russia made trading across borders easier by reducing the number of documents needed for each export or import transaction and lowering the associated cost.                                    |
| <b>DB2012</b> | <i>Mexico</i>             | Mexico strengthened its secured transactions system by implementing a centralized collateral registry with an electronic database that is accessible online.                                    |
| <b>DB2012</b> | <i>Russian Federation</i> | Russia made filing a commercial case easier by introducing an electronic case filing system.  |
| <b>DB2012</b> | <i>Russian Federation</i> | Russian Federation made getting electricity less costly by revising the tariffs for connection.   |
| <b>DB2012</b> | <i>Indonesia</i>          | Indonesia made getting electricity more difficult by increasing connection fees.  |



| DB year | Economy                     | Reform   |
|---------|-----------------------------|--|
| DB2012  | <i>Philippines</i>          | The Philippines adopted a new insolvency law that provides a legal framework for liquidation and reorganization of financially distressed companies.   |
| DB2012  | <i>Brunei Darussalam</i>    | Brunei Darussalam made getting electricity easier by establishing a one-stop shop and reducing the time required to obtain an excavation permit.   |
| DB2012  | <i>Korea, Rep.</i>          | Korea eased the administrative burden of paying taxes for firms by merging several taxes, allowing 4 labor taxes and contributions to be paid jointly and continuing to increase the use of the online tax payment system.   |
| DB2012  | <i>Malaysia</i>             | Malaysia made paying taxes costlier for firms by reintroducing the real estate capital gains tax—but also made tax compliance easier by improving electronic systems and the availability of software.   |
| DB2012  | <i>Hong Kong SAR, China</i> | Hong Kong, China introduced a Minimum Wage.  |
| DB2012  | <i>Hong Kong SAR, China</i> | Hong Kong SAR (China) made starting a business easier by introducing online electronic services for company and business registration.   |
| DB2012  | <i>Korea, Rep.</i>          | Korea made starting a business easier by introducing a new online one-stop shop, Start-Biz.  |
| DB2012  | <i>Malaysia</i>             | Malaysia made starting a business easier by merging company, tax, social security and employment fund registrations at the one-stop shop and providing same-day registration.  |
| DB2012  | <i>Australia</i>            | Australia clarified the priority of claims of unsecured creditors over all shareholders' claims and introduced further regulation of the profession of insolvency practitioners.   |
| DB2012  | <i>Chile</i>                | Chile made business start-up easier by starting to provide an immediate temporary operating license to new companies, eliminating the requirement for an inspection of premises by the tax authority before new companies can begin operations and allowing free online publication of the notice of a |

| DB year | Economy                   | Reform   |
|---------|---------------------------|--|
|         |                           | company's creation.  |
| DB2012  | <i>Chile</i>              | Chile strengthened its secured transactions system by implementing a unified collateral registry and a new legal framework for nonpossessory security interests.                               |
| DB2012  | <i>Canada</i>             | Canada made paying taxes easier and less costly for companies by reducing profit tax rates, eliminating the Ontario capital tax and harmonizing sales taxes.                                   |
| DB2012  | <i>Chile</i>              | Chile made trading across borders faster by implementing an online electronic data interchange system for customs operations.  |
| DB2012  | <i>Thailand</i>           | Thailand made registering property more expensive by increasing the registration fee.  |
| DB2012  | <i>Russian Federation</i> | Russia made registering property transfers easier by eliminating the requirement to obtain cadastral passports on land plots.  |
| DB2012  | <i>New Zealand</i>        | New Zealand reduced its corporate income tax rate and fringe benefit tax rate.   |
| DB2012  | <i>Peru</i>               | Peru made paying taxes easier for companies by improving electronic filing and payment of the major taxes and promoting the use of the electronic option among the majority of taxpayers.      |
| DB2012  | <i>Mexico</i>             | Mexico continued to ease the administrative burden of paying taxes for firms by ending the requirement to file a yearly value added tax return and reduced filing requirements for other taxes |
| DB2012  | <i>Russian Federation</i> | Russia increased the social security contribution rate for employers.  |
| DB2012  | <i>Malaysia</i>           | Malaysia established dedicated commercial courts to handle foreclosure proceedings.  |
| DB2012  | <i>Mexico</i>             | Mexico made dealing with construction permits faster by consolidating internal administrative procedures.  |

| DB year | Economy                     | Reform   |
|---------|-----------------------------|--|
| DB2012  | <i>Japan</i>                | Japan made dealing with construction permits costlier by increasing inspection fees.   |
| DB2012  | <i>Taiwan, China</i>        | Taiwan (China) made dealing with construction permits easier by creating a one-stop center.  |
| DB2012  | <i>Indonesia</i>            | Indonesia made starting a business easier by introducing a simplified application process allowing an applicant to simultaneously obtain both a general trading license and a business registration certificate. |
| DB2012  | <i>Taiwan, China</i>        | Taiwan (China) made starting a business easier by implementing an online one-stop shop for business registration.  |
| DB2012  | <i>Thailand</i>             | Thailand made starting a business easier by introducing a one-stop shop.   |
| DB2012  | <i>Peru</i>                 | Peru made starting a business easier by eliminating the requirement for micro and small enterprises to deposit start-up capital in a bank before registration.   |
| DB2012  | <i>Hong Kong SAR, China</i> | Hong Kong SAR (China) made getting electricity easier by increasing the efficiency of public agencies and streamlining the utility's procedures with other government agencies.                                  |
| DB2012  | <i>Malaysia</i>             | Malaysia continued to improve the computerization of its courts by introducing a system making it possible to file complaints electronically.  |
| DB2012  | <i>Korea, Rep.</i>          | Korea made filing a commercial case easier by introducing an electronic case filing system.  |
| DB2011  | <i>Korea, Rep.</i>          | Korea made it easier to deal with insolvency by introducing postfiling financing, granting superpriority to the repayment of loans given to companies undergoing reorganization.                                 |
| DB2011  | <i>Peru</i>                 | Peru eased business start-up by simplifying the requirements for operating licenses and creating an online one-stop shop for business registration.  |
| DB2011  | <i>Taiwan, China</i>        | Taiwan (China) eased business start-up by reducing the time  |

| DB year       | Economy                   | Reform   |
|---------------|---------------------------|--|
|               |                           | required to check company names, register retirement plans and apply for health, pension and labor insurance.  |
| <b>DB2011</b> | <i>Vietnam</i>            | Vietnam eased company start-up by creating a one-stop shop that combines the processes for obtaining a business license and tax license and by eliminating the need for a seal for company licensing.  |
| <b>DB2011</b> | <i>Mexico</i>             | Mexico launched an online one-stop shop for initiating business registration.  |
| <b>DB2011</b> | <i>Indonesia</i>          | Indonesia eased business start-up by reducing the cost for company name clearance and reservation and the time required to reserve the name and approve the deed of incorporation.   |
| <b>DB2011</b> | <i>Peru</i>               | Peru streamlined construction permitting by implementing administrative reforms.   |
| <b>DB2011</b> | <i>Vietnam</i>            | Vietnam made dealing with construction permits easier by reducing the cost to register newly completed buildings by 50% and transferring the authority to register buildings from local authorities to the Department of National Resources and Environment. |
| <b>DB2011</b> | <i>Russian Federation</i> | Russia eased construction permitting by implementing a single window for all procedures related to land use.   |
| <b>DB2011</b> | <i>Thailand</i>           | Thailand made registering property more costly by repealing a 2-year temporary tax reduction for property transfers.   |
| <b>DB2011</b> | <i>Peru</i>               | Peru introduced fast-track procedures at the land registry, cutting by half the time needed to register property.  |
| <b>DB2011</b> | <i>Vietnam</i>            | Vietnam improved its credit information system by allowing borrowers to examine their own credit report and correct errors.  |
| <b>DB2011</b> | <i>Singapore</i>          | Singapore improved its credit information system by collecting and distributing information on firms.  |
| <b>DB2011</b> | <i>Mexico</i>             | Mexico increased taxes on companies by raising several tax   |

| DB year       | Economy              | Reform   |
|---------------|----------------------|--|
|               |                      | rates, including the corporate income tax and the rate on cash deposits. At the same time, the administrative burden was reduced slightly with more options for online payment and increased use of accounting software. |
| <b>DB2011</b> | <i>United States</i> | In the United States the introduction of a new tax on payroll increased taxes on companies operating within the New York City metropolitan commuter transportation district.   |
| <b>DB2011</b> | <i>Indonesia</i>     | Indonesia reduced its corporate income tax rate.   |
| <b>DB2011</b> | <i>China</i>         | China's new corporate income tax law unified the tax regimes for domestic and foreign enterprises and clarified the calculation of taxable income for corporate income tax purposes.                                     |
| <b>DB2011</b> | <i>Vietnam</i>       | The government of Vietnam eased paying taxes by reducing corporate income tax rate.  |
| <b>DB2011</b> | <i>Taiwan, China</i> | Taiwan (China) reduced the corporate income tax rate and simplified tax return forms, rules for assessing corporate income tax and the calculation of interim tax payments.  |
| <b>DB2011</b> | <i>Thailand</i>      | Thailand temporarily lowered taxes on business by reducing its specific business tax for 12 months.  |
| <b>DB2011</b> | <i>Canada</i>        | Canada increased the efficiency of the courts by expanding electronic document submission and streamlining procedures.   |
| <b>DB2011</b> | <i>Chile</i>         | Chile made business start-up easier by introducing an online system for registration and for filing the request for publication.   |
| <b>DB2011</b> | <i>Chile</i>         | An amendment to Chile's securities law strengthened investor protections by requiring greater corporate disclosure and regulating the approval of transactions between interested parties.                               |
| <b>DB2011</b> | <i>Canada</i>        | Canada harmonized the Ontario and federal tax returns and reduced the corporate and employee tax rates.  |

| DB year | Economy                     | Reform  |
|---------|-----------------------------|---|
| DB2011  | <i>Australia</i>            | Australia introduced the severance payment obligation and reemployment consideration applicable in cases of redundancy dismissals. Annual leave was increased and averaging of hours is now allowed in shorter periods of time. In addition, notice period applicable in case of redundancy dismissals was decreased. |
| DB2011  | <i>Malaysia</i>             | Malaysia eliminated the requirements to notify third parties in cases of redundancy dismissals.   |
| DB2011  | <i>Malaysia</i>             | Malaysia eased business start-up by introducing more online services.   |
| DB2011  | <i>Malaysia</i>             | Malaysia's introduction of online stamping reduced the time and cost to transfer property.  |
| DB2011  | <i>Hong Kong SAR, China</i> | Hong Kong SAR (China) abolished the fuel tax on diesel.   |
| DB2011  | <i>Hong Kong SAR, China</i> | Reforms implemented in the civil justice system of Hong Kong SAR (China) will help increase the efficiency and cost-effectiveness of commercial dispute resolution.   |
| DB2011  | <i>Japan</i>                | Japan made it easier to deal with insolvency by establishing a new entity, the Enterprise Turnaround Initiative Corporation, to support the revitalization of companies suffering from excessive debt but professionally managed.   |
| DB2011  | <i>Russian Federation</i>   | Russia introduced a series of legislative measures in 2009 to improve creditor rights and the insolvency system.  |
| DB2011  | <i>New Zealand</i>          | New Zealand enacted new district court rules that make the process for enforcing contracts user friendly.   |
| DB2011  | <i>Indonesia</i>            | Indonesia reduced the time to export by launching a single-window service.  |
| DB2011  | <i>Peru</i>                 | Peru made trading easier by implementing a new web-based electronic data interchange system, risk-based inspections and payment deferrals.  |
| DB2011  | <i>Brunei Darussalam</i>    | The introduction of an electronic customs system in Brunei Darussalam made trading easier.  |

| DB year       | Economy                  | Reform  |
|---------------|--------------------------|---|
| <b>DB2011</b> | <i>Brunei Darussalam</i> | Brunei Darussalam instituted mandatory minimum annual leave and reduced notice periods applicable in case of redundancy dismissals.   |
| <b>DB2011</b> | <i>Brunei Darussalam</i> | Brunei Darussalam reduced the corporate income tax rate from 23.5% to 22% while also introducing a lower tax rate for small businesses, ranging from 5.5% to 11%.                   |
| <b>DB2011</b> | <i>Brunei Darussalam</i> | Brunei Darussalam made starting a business easier by improving efficiency at the company registrar and implementing an electronic system for name searches.                         |
| <b>DB2011</b> | <i>Philippines</i>       | The Philippines eased business startup by setting up a one-stop shop at the municipal level.  |
| <b>DB2011</b> | <i>Philippines</i>       | The Philippines made construction permitting more cumbersome through updated electricity connection costs.  |
| <b>DB2011</b> | <i>Papua New Guinea</i>  | Operation of a new private credit bureau improved the credit information system in Papua New Guinea.  |
| <b>DB2011</b> | <i>Philippines</i>       | The Philippines reduced the time and cost to trade by improving its electronic customs systems, adding such functions as electronic payments and online submission of declarations. |

Note: For information on reforms in earlier years (back to DB2005), see the *Doing Business* reports for these years, available at <http://www.doingbusiness.org>.

Source: *Doing Business* database.

## GETTING CREDIT

Two types of frameworks can facilitate access to credit and improve its allocation: credit information systems and borrowers and lenders in collateral and bankruptcy laws. Credit information systems enable lenders' rights to view a potential borrower's financial history (positive or negative)—valuable information to consider when assessing risk. And they permit borrowers to establish a good credit history that will allow easier access to credit. Sound collateral laws enable businesses to use their assets, especially movable property, as security to generate capital—while strong creditors' rights have been associated with higher ratios of private sector credit to GDP.

### What do the indicators cover?

*Doing Business* assesses the sharing of credit information and the legal rights of borrowers and lenders with respect to secured transactions through 2 sets of indicators. The depth of credit information index measures rules and practices affecting the coverage, scope and accessibility of credit information available through a credit registry or a credit bureau. The strength of legal rights index measures whether certain features that facilitate lending exist within the applicable collateral and bankruptcy laws. *Doing Business* uses two case scenarios, Case A and Case B, to determine the scope of the secured transactions system, involving a secured borrower and a secured lender and examining legal restrictions on the use of movable collateral (for more details on each case, see the Data Notes section of the *Doing Business 2017* report). These scenarios assume that the borrower:

- Is a private limited liability company.
- Has its headquarters and only base of operations in the largest business city. For the 11 economies with a population of more than 100 million, data for a second city have been added.

### WHAT THE GETTING CREDIT INDICATORS MEASURE

#### Strength of legal rights index (0–12)

- Rights of borrowers and lenders through collateral laws
- Protection of secured creditors' rights through bankruptcy laws

#### Depth of credit information index (0–8)

- Scope and accessibility of credit information distributed by credit bureaus and credit registries

#### Credit bureau coverage (% of adults)

- Number of individuals and firms listed in largest credit bureau as percentage of adult population

#### Credit registry coverage (% of adults)

- Number of individuals and firms listed in credit registry as percentage of adult population

- Has up to 50 employees.
- Is 100% domestically owned, as is the lender.
- The ranking of economies on the ease of getting credit is determined by sorting their distance to frontier scores for getting credit. These scores are the distance to frontier score for the strength of legal rights index and the depth of credit information index.



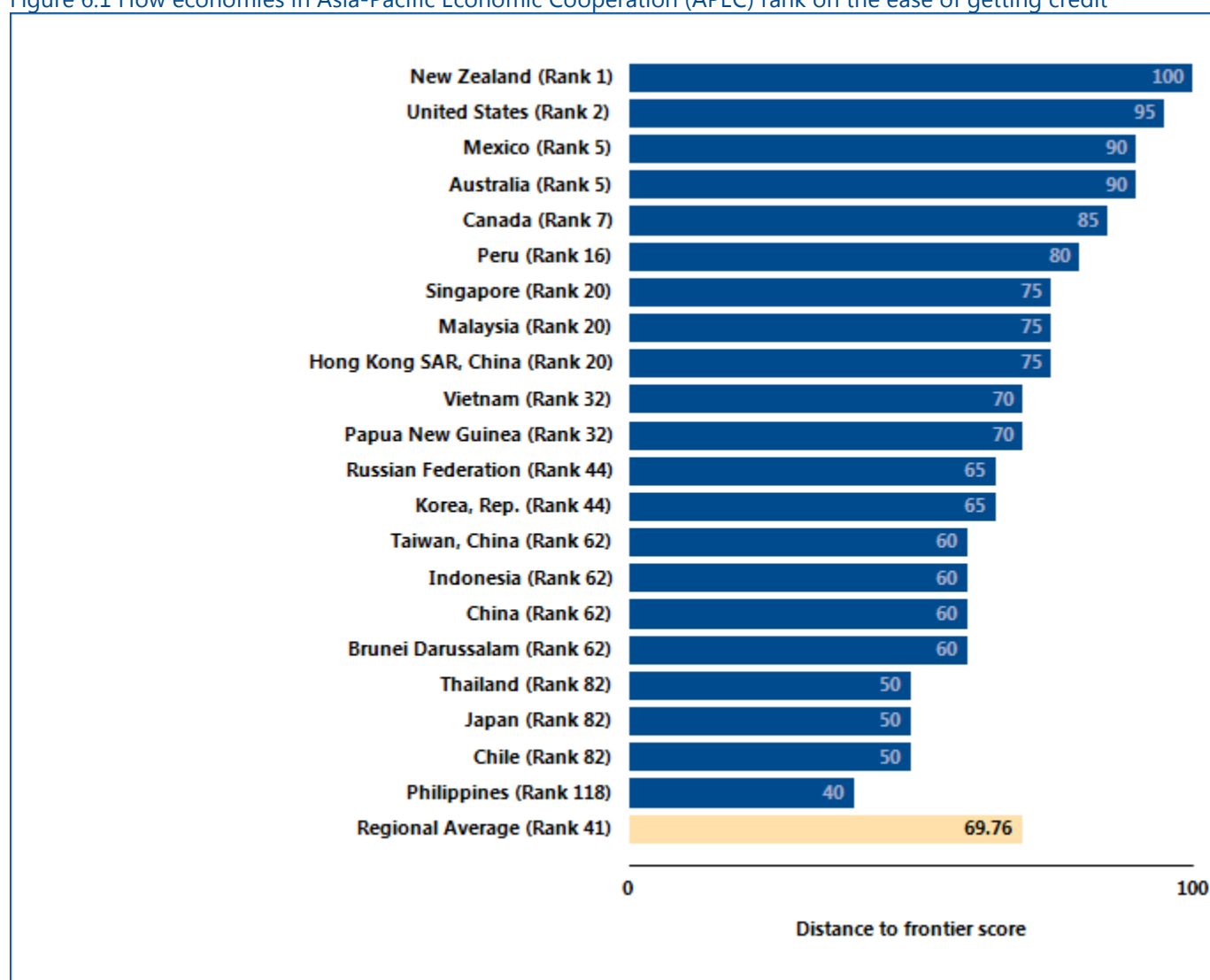
## GETTING CREDIT

### Where do the region's economies stand today?

How well do the credit information systems and collateral and bankruptcy laws in economies in Asia-Pacific Economic Cooperation (APEC) facilitate access to credit? The global rankings of these economies on the

ease of getting credit suggest an answer (figure 6.1). The average ranking of the region and comparator regions provide a useful benchmark.

Figure 6.1 How economies in Asia-Pacific Economic Cooperation (APEC) rank on the ease of getting credit



Source: Doing Business database.

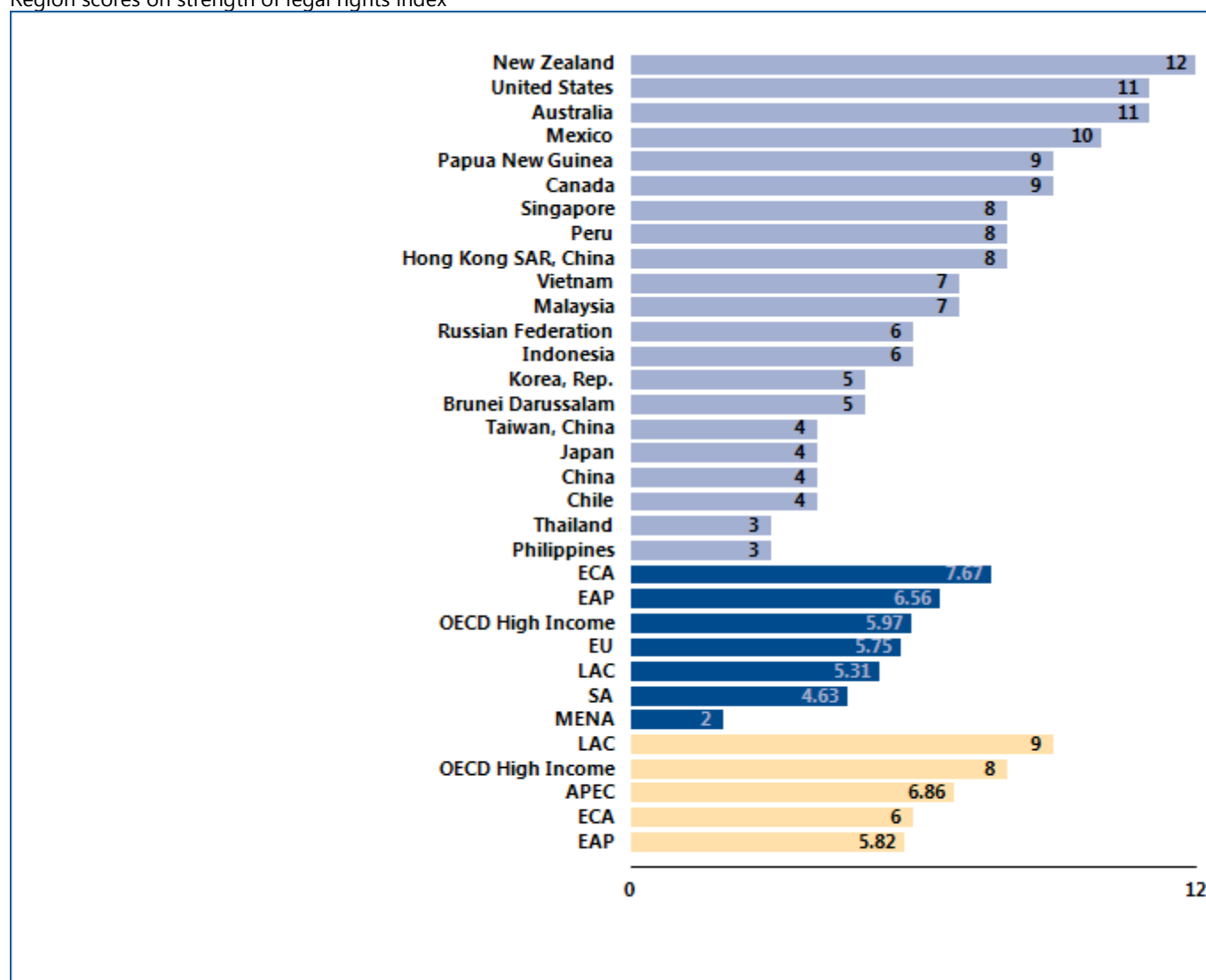
## GETTING CREDIT

Another way to assess how well regulations and institutions support lending and borrowing in the region is to see where the region stands in the distribution of scores across regions. Figure 6.2 highlights the score on

the strength of legal rights index for Asia-Pacific Economic Cooperation (APEC) and comparators on the strength of legal rights index. Figure 6.3 shows the same thing for the depth of credit information index.

Figure 6.2 How strong are legal rights for borrowers and lenders?

Region scores on strength of legal rights index

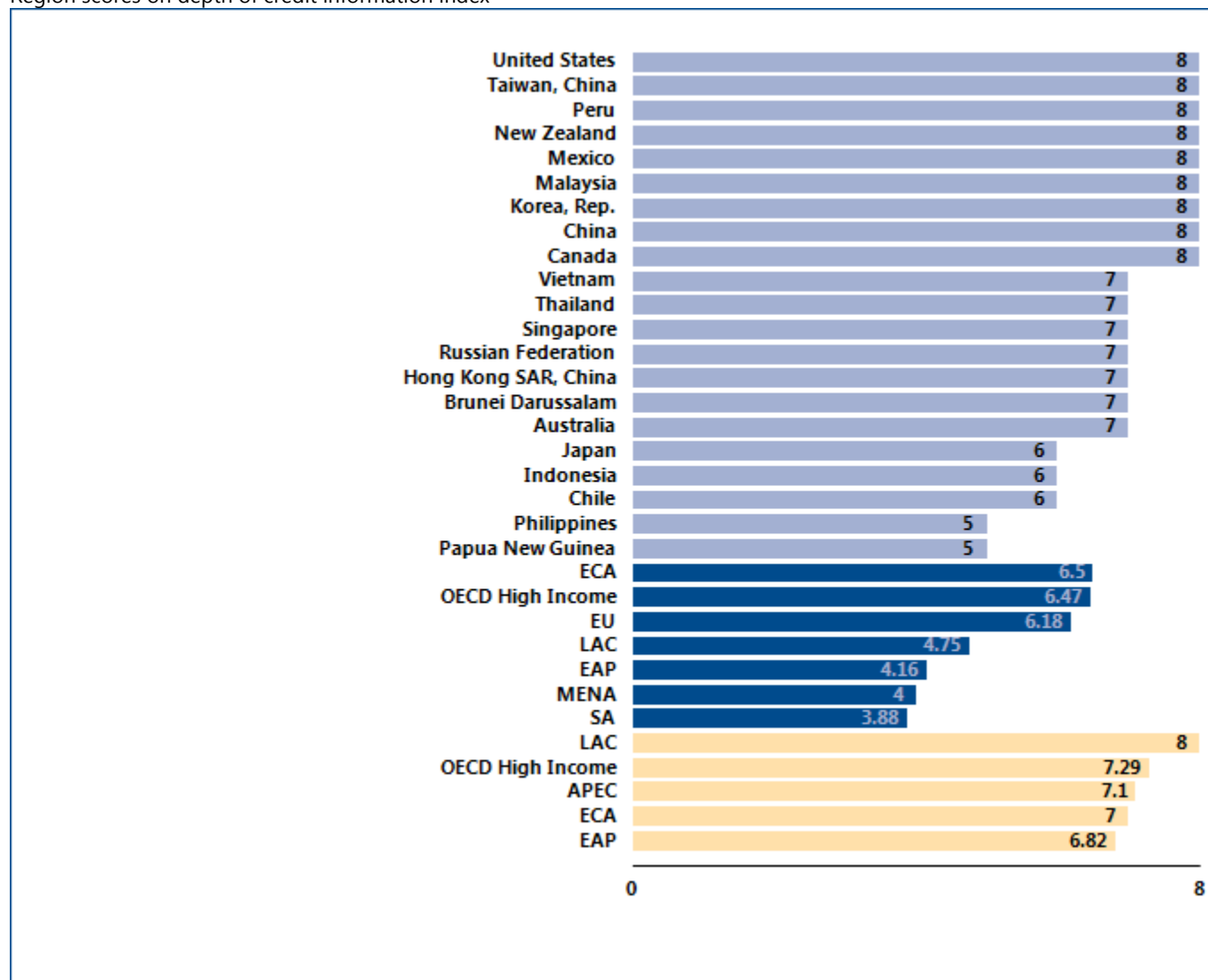


Note: Higher scores indicate that collateral and bankruptcy laws are better designed to facilitate access to credit.

Source: *Doing Business* database.

Figure 6.3 How much credit information is shared—and how widely?

Region scores on depth of credit information index



*Note:* Higher scores indicate the availability of more credit information, from either a credit registry or a credit bureau, to facilitate lending decisions. If the credit bureau or registry is not operational or covers less than 5% of the adult population, the total score on the depth of credit information index is 0.

*Source:* *Doing Business* database.

## GETTING CREDIT

### What are the changes over time?

When economies strengthen the legal rights of lenders and borrowers under collateral and bankruptcy laws, and increase the scope, coverage and accessibility of credit

information, they can increase entrepreneurs' access to credit. What credit reforms has *Doing Business* recorded in Asia-Pacific Economic Cooperation (APEC) (table 6.1)?

Table 6.1 How have economies in Asia-Pacific Economic Cooperation (APEC) made getting credit easier—or not?  
By *Doing Business* report year DB2011 to DB2017

| DB year | Economy              | Reform  |
|---------|----------------------|---|
| DB2017  | Malaysia             | In Malaysia the credit bureau began to provide consumer credit scores.  |
| DB2017  | Hong Kong SAR, China | Hong Kong SAR, China, streamlined the processes of reviewing applications for new electrical connections and also reduced the time needed to issue an excavation permit.                        |
| DB2017  | Hong Kong SAR, China | Hong Kong SAR, China, made starting a business less costly by reducing the business registration fee.   |
| DB2017  | Malaysia             | Malaysia made starting a business more difficult by requiring that companies with an annual revenue of more than MYR 500,000 register as a GST payer.   |
| DB2017  | Korea, Rep.          | The Republic of Korea made starting a business faster by eliminating post-registration procedures.  |
| DB2017  | Malaysia             | Malaysia made paying taxes easier by introducing an online system for filing and paying the Goods and Services Tax (GST) while also making it more complex by replacing sales tax with GST.     |
| DB2017  | Singapore            | Singapore made dealing with construction permits easier by streamlining procedures and improving the online one-stop shop.  |
| DB2017  | Russian Federation   | Russian Federation Saint Petersburg made dealing with construction permits easier by removing the requirement to obtain permission to fence the construction site.                              |
| DB2017  | Indonesia            | Indonesia made enforcing contracts easier by introducing a dedicated procedure for small claims that allows for parties' self-representation. This reform applies to both Jakarta and Surabaya. |

| DB year | Economy                   | Reform   |
|---------|---------------------------|--|
| DB2017  | <i>Russian Federation</i> | The Russian Federation made enforcing contracts more difficult by mandating pre-trial resolution before filing a claim, thereby lengthening the initial phase of judicial proceedings. This reform applies to both Moscow and St. Petersburg.  |
| DB2017  | <i>Mexico</i>             | Mexico adopted a resolution that eliminated geographic differences in national minimum wages. Prior to the reform Mexico was divided into two zones—zone A and zone B—with different applicable minimum wages. This reform applies to both Mexico City and Monterrey.  |
| DB2017  | <i>China</i>              | China improved access to credit information by starting to report payment histories from utility companies and providing credit scores to banks and financial institutions. This reform applies to both Shanghai and Beijing.  |
| DB2017  | <i>Indonesia</i>          | Indonesia strengthened access to credit by establishing a modern collateral registry.  |
| DB2017  | <i>Thailand</i>           | Thailand improved access to credit information by starting to provide credit scores to banks and financial institutions.   |
| DB2017  | <i>Indonesia</i>          | Indonesia made the process for getting an electricity connection faster by reducing the time for contractors to perform external work thanks to an increase in the stock of electrical material supplied by the utility. In Surabaya, getting electricity was also made easier after the utility streamlined the process for new connection requests.      |
| DB2017  | <i>Vietnam</i>            | Vietnam strengthened minority investor protections by making it easier to sue directors in cases of prejudicial transactions between interested parties, by increasing shareholder rights and role in major corporate decisions, by strengthening the ownership and control structures of companies and by increasing corporate transparency requirements. |
| DB2017  | <i>Thailand</i>           | Thailand made resolving insolvency easier by introducing new restructuring for small and medium-size companies and by streamlining provisions related to company liquidation.  |
| DB2017  | <i>Indonesia</i>          | Indonesia made it easier to register property by digitizing its cadastral records and setting up a geographic information system.  |

| DB year | Economy   | Reform   |
|---------|-----------|--|
| DB2017  | Mexico    | Mexico made registering property easier by digitizing its land records, improving the quality of the Land Registry infrastructure and making the registration process more efficient.  |
| DB2017  | Singapore | Singapore made it easier to transfer a property by introducing an independent mechanism for reporting errors on titles and maps.   |
| DB2017  | Thailand  | Thailand made starting a business easier by creating a single window for registration payment and reducing the time to obtain a company seal.  |
| DB2017  | Indonesia | Indonesia made starting a business easier by creating a single form to apply for the company registration certificate and trading license. This reform applies to Jakarta. Indonesia also made starting a business easier by abolishing the minimum capital requirement for small and medium-size enterprises and by encouraging the use of an online system to reserve company names. This reform applies to both Jakarta and Surabaya. |
| DB2017  | China     | China made starting a business easier by introducing a single form to obtain a business license, organization code and tax registration. This reform applies to both Shanghai and Beijing.   |
| DB2017  | Vietnam   | Vietnam made starting a business more difficult by requiring entrepreneurs to receive approval of the seal sample before using it.   |
| DB2017  | Vietnam   | Vietnam made exporting and importing easier by implementing electronic customs clearance system.   |
| DB2017  | Indonesia | Indonesia made exporting and importing easier by improving the customs services and document submission functions of the Indonesia National Single Window.   |
| DB2017  | Singapore | Singapore made paying taxes easier by introducing improvements to the online system for filing corporate income tax returns and VAT returns. At the same, the social security contribution rate paid by employers increased and the rebate of 30% on vehicle tax expired.  |
| DB2017  | Peru      | Peru made paying taxes less costly by decreasing the corporate income tax rate.  |

| DB year | Economy                  | Reform   |
|---------|--------------------------|--|
| DB2017  | <i>New Zealand</i>       | New Zealand made paying taxes easier by abolishing the cheque levy. New Zealand made paying less costly by decreasing the rate of accident compensation levy paid by employers. At the same time, New Zealand made paying taxes more costly by raising property tax and road user levy rates.  |
| DB2017  | <i>Indonesia</i>         | Indonesia made paying taxes easier by introducing an online system for filing and paying health contributions. Indonesia also made paying taxes more costly by levying a new pension contribution at a rate of 2% paid by employers. These reforms apply to both Jakarta and Surabaya.   |
| DB2017  | <i>Japan</i>             | Japan made paying taxes easier by disclosing the technical specifications of the eTax platform and allowing the upload of additional information in comma separated value (CSV) format. The restoration surtax was also abolished. However, a local corporation tax was introduced and the rates of special local corporation tax, inhabitants tax and enterprise tax were raised. Welfare pension premiums were also raised. These reforms apply to both Tokyo and Osaka. However, the rate for health insurance contributions paid by employers was reduced only in Osaka. |
| DB2017  | <i>Vietnam</i>           | Vietnam made paying taxes easier and less costly by streamlining the administrative process of complying with tax obligations and abolishing environmental protection fees.  |
| DB2017  | <i>Brunei Darussalam</i> | Brunei Darussalam strengthened access to credit by adopting a new insolvency law that contemplates protections for secured creditors during an automatic stay in reorganization proceedings. Brunei also improved access to credit information by beginning to distribute data from two utility companies.   |
| DB2017  | <i>Brunei Darussalam</i> | The utility in Brunei Darussalam streamlined the processes of reviewing applications, and the time to issue an excavation permit was reduced. In addition, Brunei Darussalam increased the reliability of power supply by rolling out a Supervisory Control and Data Acquisition (SCADA) automatic energy management system for the monitoring of outages and the restoration of service.  |
| DB2017  | <i>Brunei Darussalam</i> | Brunei Darussalam strengthened minority investor protections by clarifying ownership and control structures, making it easier to sue directors in case of prejudicial related-   |

| DB year       | Economy                  | Reform   |
|---------------|--------------------------|--|
|               |                          | party transactions, and allowing the rescission of related-party transactions that harm the company.   |
| <b>DB2017</b> | <i>Brunei Darussalam</i> | Brunei Darussalam made resolving insolvency easier by adopting a new insolvency law that introduced a reorganization procedure and facilitated continuation of the debtor's business during insolvency proceedings. Brunei Darussalam also introduced regulations for insolvency practitioners.  |
| <b>DB2017</b> | <i>Brunei Darussalam</i> | Brunei Darussalam made paying taxes easier by fully implementing an electronic system for filing and paying corporate income tax.  |
| <b>DB2017</b> | <i>Philippines</i>       | The Philippines made dealing with construction permits easier by increasing the transparency of its building regulations.  |
| <b>DB2017</b> | <i>Papua New Guinea</i>  | Papua New Guinea strengthened access to credit by adopting a new law on secured transactions that implemented a functional secured transactions system and established a centralized, notice-based collateral registry. The new law broadens the scope of assets that can be used as collateral and allows out-of-court enforcement of collateral. |
| <b>DB2017</b> | <i>Papua New Guinea</i>  | Papua New Guinea reduced the time required to start a business by streamlining business registration at the Investment Promotion Agency (IPA).   |
| <b>DB2017</b> | <i>Philippines</i>       | The Philippines made paying taxes easier by introducing an online system for filing and paying health contributions and by allowing for the online corporate income tax and VAT returns to be completed offline.   |
| <b>DB2017</b> | <i>Brunei Darussalam</i> | Brunei Darussalam made enforcing contracts easier by introducing an electronic filing system as well as a platform that allows users to pay court fees electronically.   |
| <b>DB2016</b> | <i>Philippines</i>       | The Philippines made starting a business easier by streamlining communications between the Securities and Exchange Commission and the Social Security System and thereby expediting the process of issuing an employer registration number.  |
| <b>DB2016</b> | <i>Brunei Darussalam</i> | Brunei Darussalam made paying taxes easier and less costly for companies by merging contributions for the Employee Provident Fund and the Supplemental Pension Fund and increasing the capital allowance for industrial buildings. In  |



| DB year       | Economy                     | Reform   |
|---------------|-----------------------------|--|
|               |                             | addition, it reduced the corporate income tax rate, though it also abolished the partial exemption of income and introduced a flat rate.   |
| <b>DB2016</b> | <i>Brunei Darussalam</i>    | Brunei Darussalam made starting a business easier by improving online procedures and simplifying registration and post registration requirements.  |
| <b>DB2016</b> | <i>Chile</i>                | Chile made resolving insolvency easier by clarifying and simplifying provisions on liquidation and reorganization, introducing provisions to facilitate the continuation of the debtor's business during insolvency, establishing a public office responsible for the general administration of insolvency proceedings and creating specialized insolvency courts. |
| <b>DB2016</b> | <i>Chile</i>                | Chile made paying taxes more costly for companies by increasing the corporate income tax rate.   |
| <b>DB2016</b> | <i>Hong Kong SAR, China</i> | The utility in Hong Kong SAR, China, made getting electricity easier by streamlining the process for reviewing connection applications and for completing the connection works and meter installation. In addition, the time needed to issue an excavation permit was reduced.   |
| <b>DB2016</b> | <i>Korea, Rep.</i>          | The Republic of Korea made paying taxes more complicated and costly for companies by requiring separate filing and payment of the local income tax and by increasing the rates for unemployment insurance and national health insurance paid by employers.   |
| <b>DB2016</b> | <i>Hong Kong SAR, China</i> | Hong Kong SAR, China, made paying taxes easier and less costly for companies by simplifying compliance with the mandatory provident fund obligations and increasing the allowance for profit tax. At the same time, it increased the maximum contribution to the mandatory provident fund and reduced the property tax waiver.                                     |
| <b>DB2016</b> | <i>Malaysia</i>             | Malaysia made paying taxes easier and less costly for companies by making electronic filing mandatory and reducing the property tax rate. At the same time, it also increased the capital gains tax.   |
| <b>DB2016</b> | <i>Hong Kong SAR, China</i> | Hong Kong SAR, China, made starting a business easier by eliminating the requirement for a company seal.   |
| <b>DB2016</b> | <i>Hong Kong SAR, China</i> | Hong Kong SAR, China, improved access to credit by   |

| DB year | Economy                   | Reform   |
|---------|---------------------------|--|
|         |                           | implementing a modern collateral registry.   |
| DB2016  | <i>Vietnam</i>            | The utility in Vietnam reduced the time required for getting an electricity connection by reducing delays and increasing efficiency in approving connection applications and designs for connection works. Getting electricity was also made easier by eliminating the need to obtain a substation certification from the Fire Fighters Prevention Department for connections to the medium-voltage grid.  |
| DB2016  | <i>Russian Federation</i> | Russia made the process of obtaining an electricity connection simpler, faster and less costly by eliminating a meter inspection by electricity providers and revising connection tariffs. This reform applies to both Moscow and St. Petersburg.  |
| DB2016  | <i>Taiwan, China</i>      | The utility in Taiwan, China, reduced the time required for getting an electricity connection through a simplified procedure for obtaining excavation permits from the municipality.   |
| DB2016  | <i>New Zealand</i>        | The utility in New Zealand reduced the time required for getting an electricity connection by improving its payment monitoring and confirmation process for the connection works.  |
| DB2016  | <i>Vietnam</i>            | Vietnam made resolving insolvency easier by clarifying and simplifying provisions on liquidation and reorganization, modifying the standard for commencement of insolvency proceedings, changing provisions on voidable transactions, regulating the profession of insolvency trustees and establishing the rules for enterprise asset managers.   |
| DB2016  | <i>Vietnam</i>            | Vietnam made paying taxes less costly for companies by reducing the corporate income tax rate—and made it easier by reducing the number of procedures and documents for filing VAT and social security contributions, reducing the number of filings for VAT and replacing quarterly filings of corporate income tax with quarterly advance payments. On the other hand, Vietnam increased the rate for social security contributions paid by employers. |
| DB2016  | <i>Indonesia</i>          | Indonesia made paying taxes easier and less costly for companies by introducing an online system for paying social security contributions and by reducing both the rate paid by  |

| DB year | Economy                   | Reform  |
|---------|---------------------------|---|
|         |                           | employers and the ceiling for the contributions. This reform applies to both Jakarta and Surabaya.  |
| DB2016  | <i>China</i>              | China made paying taxes less costly for companies in Shanghai by reducing the social security contribution rate.  |
| DB2016  | <i>Russian Federation</i> | Russia made paying taxes less costly for companies by excluding movable property from the corporate property tax base—though it also raised the wage ceiling used in calculating social contributions. These changes apply to both Moscow and St. Petersburg. In addition, the cadastral value of land in Moscow was updated.     |
| DB2016  | <i>Mexico</i>             | Mexico made paying taxes easier for companies by abolishing the business flat tax—though it also made paying taxes more costly by allowing only a portion of salaries to be deductible. These changes apply to both Mexico City and Monterrey. In addition, the payroll tax rate paid by employers was increased for Mexico City. |
| DB2016  | <i>Peru</i>               | Peru made paying taxes easier for companies by creating an advanced online registry with up-to-date information on employees.   |
| DB2016  | <i>Russian Federation</i> | Russia made transferring property easier by reducing the time required for property registration. This reform applies to both Moscow and St. Petersburg.  |
| DB2016  | <i>Indonesia</i>          | Indonesia made starting a business in Jakarta easier by reducing the time needed to register with the Ministry of Manpower.   |
| DB2016  | <i>Russian Federation</i> | The Russian Federation made starting a business in Moscow easier by reducing the number of days required to open a corporate bank account.  |
| DB2016  | <i>Vietnam</i>            | Vietnam made starting a business easier by reducing the time required to get the company seal engraved and registered.  |
| DB2016  | <i>Indonesia</i>          | Indonesia improved access to credit by enabling searches of the collateral registry by the debtor's name. This reform applies to both Jakarta and Surabaya.   |
| DB2016  | <i>Russian Federation</i> | Russia improved access to credit by adopting a new law on secured transactions that established a centralized collateral registry and allows a general description of a combined category of assets granted as collateral. This reform applies to   |

| DB year       | Economy                     | Reform   |
|---------------|-----------------------------|--|
|               |                             | both Moscow and St. Petersburg.  |
| <b>DB2016</b> | <i>Mexico</i>               | Mexico improved access to credit by implementing a decree allowing a general description of assets granted as collateral. This reform applies to both Mexico City and Monterrey.   |
| <b>DB2016</b> | <i>Vietnam</i>              | Vietnam guaranteed borrowers' right to inspect their credit data while the new credit bureau expanded borrower coverage, improving the credit information system.  |
| <b>DB2016</b> | <i>Peru</i>                 | Peru improved its credit information system by implementing a new law on personal data protection.   |
| <b>DB2015</b> | <i>New Zealand</i>          | New Zealand improved access to credit information by beginning to distribute both positive and negative credit information.  |
| <b>DB2015</b> | <i>Taiwan, China</i>        | Taiwan, China, improved access to credit information by beginning to include data from utility companies in credit reports.  |
| <b>DB2015</b> | <i>Vietnam</i>              | Vietnam improved its credit information system by establishing a new credit bureau.  |
| <b>DB2015</b> | <i>Mexico</i>               | Mexico improved access to credit by amending its insolvency proceedings law and establishing clear grounds for relief from a stay of enforcement actions by secured creditors during reorganization procedures. This reform applies to both Mexico City and Monterrey. |
| <b>DB2015</b> | <i>Hong Kong SAR, China</i> | Hong Kong SAR, China, strengthened minority investor protections by introducing requirements for directors to provide more detailed disclosure of conflicts of interest to the other board members.  |
| <b>DB2015</b> | <i>Korea, Rep.</i>          | The Republic of Korea strengthened minority investor protections by increasing the level of transparency expected from companies on managerial compensation.   |
| <b>DB2015</b> | <i>Korea, Rep.</i>          | The Republic of Korea made transferring property easier by reducing the time needed to buy housing bonds and to register the property transfer.  |
| <b>DB2015</b> | <i>Hong Kong SAR, China</i> | Hong Kong SAR, China, made starting a business more difficult by increasing the registration fee.  |

| DB year | Economy                   | Reform  |
|---------|---------------------------|---|
| DB2015  | <i>Taiwan, China</i>      | Taiwan, China, made getting electricity easier by eliminating site inspections.   |
| DB2015  | <i>Indonesia</i>          | In Indonesia the electricity company in Jakarta made getting electricity easier by eliminating the need for electrical contractors to obtain multiple certificates guaranteeing the safety of internal installations—though. The utility in Jakarta and Surabaya also increased the cost by introducing a security deposit for new connections.               |
| DB2015  | <i>Thailand</i>           | Thailand made dealing with construction permits less time-consuming by introducing a fast-track approval process for building permits for smaller buildings.  |
| DB2015  | <i>Singapore</i>          | Singapore made enforcing contracts easier by introducing a new electronic litigation system that streamlines litigation proceedings.  |
| DB2015  | <i>Mexico</i>             | Mexico made resolving insolvency easier by clarifying several rules, shortening the time extensions allowed during reorganization, facilitating the electronic submission of documents and improving the legal rights of creditors and other parties involved in bankruptcy procedures. This reform applies to both Mexico City and Monterrey.                |
| DB2015  | <i>Taiwan, China</i>      | Taiwan, China, made paying taxes easier for companies by introducing an electronic system for paying the vehicle license tax.   |
| DB2015  | <i>Indonesia</i>          | Indonesia made paying taxes less costly for companies by reducing employers' health insurance contribution rate. This reform applies to both Jakarta and Surabaya.  |
| DB2015  | <i>China</i>              | China made paying taxes easier for companies by enhancing the electronic system for filing and paying taxes and adopting new communication channels within its taxpayer service, changes applying to both Beijing and Shanghai. In addition, China made paying taxes less costly for companies in Shanghai by reducing the social security contribution rate. |
| DB2015  | <i>Vietnam</i>            | Vietnam made paying taxes less costly for companies by reducing the corporate income tax rate.  |
| DB2015  | <i>Russian Federation</i> | The Russian Federation made transferring property easier by eliminating the requirement for notarization and introducing tighter time limits for completing the property registration. This reform applies to both Moscow and St. Petersburg.   |

| DB year       | Economy                   | Reform   |
|---------------|---------------------------|--|
|               |                           |  |
| <b>DB2015</b> | <i>Russian Federation</i> | The Russian Federation made starting a business easier by eliminating the requirement to deposit the charter capital before company registration as well as the requirement to notify tax authorities of the opening of a bank account. This reform applies to both Moscow and St. Petersburg. |
| <b>DB2015</b> | <i>United States</i>      | In the United States starting a business became easier in New York City thanks to faster online procedures.  |
| <b>DB2015</b> | <i>China</i>              | China made starting a business easier by eliminating both the minimum capital requirement and the requirement to obtain a capital verification report from an auditing firm. This reform applies to both Beijing and Shanghai.   |
| <b>DB2015</b> | <i>Indonesia</i>          | Indonesia made starting a business easier by allowing the Ministry of Law and Human Rights to electronically issue the approval letter for the deed of establishment. This reform applies to both Jakarta and Surabaya.  |
| <b>DB2015</b> | <i>Indonesia</i>          | In Indonesia trading across borders became more difficult because of insufficient infrastructure at the Tanjung Priok Port Jakarta. This change applies to both Jakarta and Surabaya.  |
| <b>DB2015</b> | <i>Brunei Darussalam</i>  | Brunei Darussalam made dealing with construction permits easier by consolidating final inspections.  |
| <b>DB2015</b> | <i>Brunei Darussalam</i>  | Brunei Darussalam made paying taxes easier for companies by allowing joint filing and payment of supplemental contributory pension and employee provident fund contributions and by introducing an online system for paying these 2 contributions.   |
| <b>DB2015</b> | <i>Philippines</i>        | In the Philippines trading across borders became more difficult because of a new city ordinance restricting truck traffic in Manila.   |
| <b>DB2014</b> | <i>Philippines</i>        | The Philippines improved access to credit information by beginning to distribute both positive and negative information and by enacting a data privacy act that guarantees borrowers' right to access their data.  |
| <b>DB2014</b> | <i>Brunei Darussalam</i>  | Brunei Darussalam improved access to credit information by establishing a public credit registry.  |

| DB year | Economy                   | Reform   |
|---------|---------------------------|--|
| DB2014  | <i>Philippines</i>        | The Philippines made dealing with construction permits easier by eliminating the requirement to obtain a health certificate.   |
| DB2014  | <i>Philippines</i>        | The Philippines made paying taxes easier for companies by introducing an electronic filing and payment system for social security contributions.   |
| DB2014  | <i>Mexico</i>             | Mexico made getting electricity easier by increasing the efficiency of the utility's internal processes and by enforcing a "silence is consent" rule for the approval of the feasibility study for a new connection. |
| DB2014  | <i>Russian Federation</i> | Russia made getting electricity simpler and less costly by setting standard connection tariffs and eliminating many procedures previously required.  |
| DB2014  | <i>Russian Federation</i> | Russia made dealing with construction permits easier by eliminating several requirements for project approvals from government agencies and by reducing the time required to register a new building.                |
| DB2014  | <i>New Zealand</i>        | New Zealand made enforcing contracts easier by improving its case management system to ensure a speedier and less costly adjudication of cases.  |
| DB2014  | <i>Mexico</i>             | Mexico made enforcing contracts easier by creating small claims courts, with oral proceedings, that can hear both civil and commercial cases.  |
| DB2014  | <i>China</i>              | China made enforcing contracts easier by amending its civil procedure code to streamline and speed up all court proceedings.   |
| DB2014  | <i>Thailand</i>           | Thailand made paying taxes less costly for companies by reducing employers' social security contribution rate.   |
| DB2014  | <i>Vietnam</i>            | Vietnam made paying taxes more costly for companies by increasing employers' social security contribution rate.  |
| DB2014  | <i>Vietnam</i>            | Vietnam strengthened investor protections by introducing greater disclosure requirements for publicly held companies in cases of related-party transactions.   |
| DB2014  | <i>Singapore</i>          | Singapore made transferring property easier by introducing an online procedure for property transfers.   |

| DB year | Economy                     | Reform  |
|---------|-----------------------------|---|
| DB2014  | <i>Russian Federation</i>   | Russia made transferring property easier by streamlining procedures and implementing effective time limits for processing transfer applications.                              |
| DB2014  | <i>Russian Federation</i>   | Russia made starting a business easier by abolishing the requirement to have the bank signature card notarized before opening a company bank account.                         |
| DB2014  | <i>Vietnam</i>              | Vietnam abolished priority rules for redundancy dismissals or layoffs and increased the minimum wage.   |
| DB2014  | <i>Russian Federation</i>   | Russia made trading across borders easier by implementing an electronic system for submitting export and import documents and by reducing the number of physical inspections. |
| DB2014  | <i>Mexico</i>               | Mexico made trading across borders easier by implementing an electronic single-window system.   |
| DB2014  | <i>Korea, Rep.</i>          | Korea revised its secured transactions framework by creating new types of security rights that can be publicized through registration.  |
| DB2014  | <i>Chile</i>                | Chile made starting a business easier by creating a new online system for business registration.  |
| DB2014  | <i>Malaysia</i>             | Malaysia made getting electricity easier by increasing the efficiency of internal processes at the utility and improving its communication and dialogue with contractors.     |
| DB2014  | <i>Malaysia</i>             | Malaysia made dealing with construction permits easier by establishing a one-stop shop.   |
| DB2014  | <i>Hong Kong SAR, China</i> | Hong Kong SAR, China, made transferring property more costly by increasing the stamp duty.  |
| DB2014  | <i>Malaysia</i>             | Malaysia made starting a business less costly by reducing the company registration fees.  |
| DB2014  | <i>Hong Kong SAR, China</i> | Hong Kong SAR, China, made starting a business less costly by abolishing the capital duty levied on local companies.  |
| DB2014  | <i>Malaysia</i>             | Malaysia introduced a minimum wage.   |
| DB2014  | <i>Australia</i>            | Australia improved its credit information system through the Privacy Amendment (Enhancing Privacy Protection) Act 2012, which permits credit bureaus to collect account       |



| DB year       | Economy              | Reform  |
|---------------|----------------------|---|
|               |                      | payment history with improved privacy protection.   |
| <b>DB2014</b> | <i>China</i>         | China improved its credit information system by introducing credit information industry regulations, which guarantee borrowers' right to inspect their data.                      |
| <b>DB2014</b> | <i>Indonesia</i>     | Indonesia improved its credit information system through a new regulation setting up a legal framework for establishing credit bureaus.   |
| <b>DB2014</b> | <i>Vietnam</i>       | Vietnam improved its credit information system through a decree setting up a legal framework for the establishment of private credit bureaus.                                     |
| <b>DB2014</b> | <i>Singapore</i>     | Singapore improved its credit information system by guaranteeing by law borrowers' right to inspect their own data.   |
| <b>DB2013</b> | <i>Korea, Rep.</i>   | Korea expedited the insolvency process by implementing a fast track for company rehabilitation.   |
| <b>DB2013</b> | <i>Thailand</i>      | Thailand made starting a business easier by allowing the registrar at the Department of Business Development to receive the company's work regulations.                           |
| <b>DB2013</b> | <i>Vietnam</i>       | Vietnam made starting a business easier by allowing companies to use self-printed value added tax invoices.   |
| <b>DB2013</b> | <i>China</i>         | China made starting a business less costly by exempting micro and small companies from paying several administrative fees from January 2012 to December 2014.                     |
| <b>DB2013</b> | <i>Mexico</i>        | Mexico made starting a business easier by eliminating the minimum capital requirement for limited liability companies.  |
| <b>DB2013</b> | <i>Korea, Rep.</i>   | Korea made getting electricity less costly by introducing a new connection fee schedule and an installment payment system.  |
| <b>DB2013</b> | <i>Peru</i>          | Peru made obtaining a construction permit easier by eliminating requirements for several preconstruction approvals.   |
| <b>DB2013</b> | <i>Taiwan, China</i> | Taiwan, China, made dealing with construction permits easier by introducing a risk-based and self-regulatory inspection system and improving operational features of the one-stop |

| DB year       | Economy                   | Reform   |
|---------------|---------------------------|--|
|               |                           | shop for building permits.   |
| <b>DB2013</b> | <i>China</i>              | China simplified the process of obtaining a construction permit by streamlining and centralizing preconstruction approvals.  |
| <b>DB2013</b> | <i>Russian Federation</i> | Russia made obtaining a construction permit simpler by eliminating requirements for several preconstruction approvals.   |
| <b>DB2013</b> | <i>Peru</i>               | Peru strengthened investor protections through a new law regulating the approval of related-party transactions and making it easier to sue directors when such transactions are prejudicial.                                 |
| <b>DB2013</b> | <i>Taiwan, China</i>      | Taiwan, China, strengthened investor protections by increasing disclosure requirements for related-party transactions and improving the liability regime for company directors in cases where such transactions are abusive. |
| <b>DB2013</b> | <i>Australia</i>          | Australia strengthened its secured transactions system by adopting a new national legal regime governing the enforceability of security interests in personal property and implementing a unified collateral registry.       |
| <b>DB2013</b> | <i>Canada</i>             | Canada made getting an electricity connection easier by reducing the time needed for external connection works.  |
| <b>DB2013</b> | <i>Malaysia</i>           | Malaysia made dealing with construction permits faster by improving the one-stop center for new buildings and by reducing the time to connect to telephone service.  |
| <b>DB2013</b> | <i>Malaysia</i>           | Malaysia substantially reduced the number of days it takes to register property transfers.   |
| <b>DB2013</b> | <i>Korea, Rep.</i>        | Korea strengthened investor protections by making it easier to sue directors in cases of prejudicial related-party transactions.   |
| <b>DB2013</b> | <i>Korea, Rep.</i>        | Korea made paying taxes less costly for companies by reducing the profit tax rate.   |
| <b>DB2013</b> | <i>Brunei Darussalam</i>  | Brunei Darussalam made dealing with construction permits easier by creating a one-stop shop for preconstruction approvals.   |

| DB year | Economy                   | Reform  |
|---------|---------------------------|---|
| DB2013  | <i>Brunei Darussalam</i>  | Brunei Darussalam made paying taxes less costly for companies by reducing the profit tax rate.  |
| DB2013  | <i>Indonesia</i>          | Indonesia made getting electricity easier by eliminating the requirement for new customers applying for an electricity connection to show a neighbor's electricity bill as a way to help determine their address.   |
| DB2013  | <i>Mexico</i>             | In Mexico the distribution utility made getting electricity easier by streamlining procedures, offering training opportunities to private contractors, using a geographic information system (GIS) to map the electricity distribution network and increasing the stock of materials. |
| DB2013  | <i>Russian Federation</i> | Russia eased the administrative burden of taxes for firms by simplifying compliance procedures for value added tax and by promoting the use of tax accounting software and electronic services.   |
| DB2013  | <i>Japan</i>              | Japan made paying taxes less costly for companies by reducing the corporate income tax rate—though it also introduced a restoration surtax for a 3-year period.   |
| DB2013  | <i>Thailand</i>           | Thailand made paying taxes less costly for companies by reducing the profit tax rate.   |
| DB2013  | <i>New Zealand</i>        | New Zealand improved access to credit information by allowing credit bureaus to collect positive information on individuals.  |
| DB2012  | <i>Peru</i>               | Peru strengthened investor protections through a new law allowing minority shareholders to request access to nonconfidential corporate documents.   |
| DB2012  | <i>Vietnam</i>            | Vietnam strengthened investor protections by requiring higher standards of accountability for company directors.  |
| DB2012  | <i>Russian Federation</i> | Russia made trading across borders easier by reducing the number of documents needed for each export or import transaction and lowering the associated cost.  |
| DB2012  | <i>Mexico</i>             | Mexico strengthened its secured transactions system by implementing a centralized collateral registry with an electronic database that is accessible online.  |
| DB2012  | <i>Russian Federation</i> | Russia made filing a commercial case easier by introducing an electronic case filing system.  |

| DB year | Economy                     | Reform   |
|---------|-----------------------------|--|
| DB2012  | <i>Russian Federation</i>   | Russian Federation made getting electricity less costly by revising the tariffs for connection.  |
| DB2012  | <i>Indonesia</i>            | Indonesia made getting electricity more difficult by increasing connection fees.   |
| DB2012  | <i>Philippines</i>          | The Philippines adopted a new insolvency law that provides a legal framework for liquidation and reorganization of financially distressed companies.   |
| DB2012  | <i>Brunei Darussalam</i>    | Brunei Darussalam made getting electricity easier by establishing a one-stop shop and reducing the time required to obtain an excavation permit.   |
| DB2012  | <i>Korea, Rep.</i>          | Korea eased the administrative burden of paying taxes for firms by merging several taxes, allowing 4 labor taxes and contributions to be paid jointly and continuing to increase the use of the online tax payment system.   |
| DB2012  | <i>Malaysia</i>             | Malaysia made paying taxes costlier for firms by reintroducing the real estate capital gains tax—but also made tax compliance easier by improving electronic systems and the availability of software.   |
| DB2012  | <i>Hong Kong SAR, China</i> | Hong Kong, China introduced a Minimum Wage.  |
| DB2012  | <i>Hong Kong SAR, China</i> | Hong Kong SAR (China) made starting a business easier by introducing online electronic services for company and business registration.   |
| DB2012  | <i>Korea, Rep.</i>          | Korea made starting a business easier by introducing a new online one-stop shop, Start-Biz.  |
| DB2012  | <i>Malaysia</i>             | Malaysia made starting a business easier by merging company, tax, social security and employment fund registrations at the one-stop shop and providing same-day registration.  |
| DB2012  | <i>Australia</i>            | Australia clarified the priority of claims of unsecured creditors over all shareholders' claims and introduced further regulation of the profession of insolvency practitioners.   |
| DB2012  | <i>Chile</i>                | Chile made business start-up easier by starting to provide an immediate temporary operating license to new companies, eliminating the requirement for an inspection of premises by the tax authority before new companies can begin operations and allowing free online publication of the notice of a |

| DB year       | Economy                   | Reform   |
|---------------|---------------------------|--|
|               |                           | company's creation.  |
| <b>DB2012</b> | <i>Chile</i>              | Chile strengthened its secured transactions system by implementing a unified collateral registry and a new legal framework for nonpossessory security interests.                               |
| <b>DB2012</b> | <i>Canada</i>             | Canada made paying taxes easier and less costly for companies by reducing profit tax rates, eliminating the Ontario capital tax and harmonizing sales taxes.                                   |
| <b>DB2012</b> | <i>Chile</i>              | Chile made trading across borders faster by implementing an online electronic data interchange system for customs operations.  |
| <b>DB2012</b> | <i>Thailand</i>           | Thailand made registering property more expensive by increasing the registration fee.  |
| <b>DB2012</b> | <i>Russian Federation</i> | Russia made registering property transfers easier by eliminating the requirement to obtain cadastral passports on land plots.  |
| <b>DB2012</b> | <i>New Zealand</i>        | New Zealand reduced its corporate income tax rate and fringe benefit tax rate.   |
| <b>DB2012</b> | <i>Peru</i>               | Peru made paying taxes easier for companies by improving electronic filing and payment of the major taxes and promoting the use of the electronic option among the majority of taxpayers.      |
| <b>DB2012</b> | <i>Mexico</i>             | Mexico continued to ease the administrative burden of paying taxes for firms by ending the requirement to file a yearly value added tax return and reduced filing requirements for other taxes |
| <b>DB2012</b> | <i>Russian Federation</i> | Russia increased the social security contribution rate for employers.  |
| <b>DB2012</b> | <i>Malaysia</i>           | Malaysia established dedicated commercial courts to handle foreclosure proceedings.  |
| <b>DB2012</b> | <i>Mexico</i>             | Mexico made dealing with construction permits faster by consolidating internal administrative procedures.  |
| <b>DB2012</b> | <i>Japan</i>              | Japan made dealing with construction permits costlier by increasing inspection fees.   |

| DB year | Economy                     | Reform   |
|---------|-----------------------------|--|
| DB2012  | <i>Taiwan, China</i>        | Taiwan (China) made dealing with construction permits easier by creating a one-stop center.  |
| DB2012  | <i>Indonesia</i>            | Indonesia made starting a business easier by introducing a simplified application process allowing an applicant to simultaneously obtain both a general trading license and a business registration certificate. |
| DB2012  | <i>Taiwan, China</i>        | Taiwan (China) made starting a business easier by implementing an online one-stop shop for business registration.  |
| DB2012  | <i>Thailand</i>             | Thailand made starting a business easier by introducing a one-stop shop.   |
| DB2012  | <i>Peru</i>                 | Peru made starting a business easier by eliminating the requirement for micro and small enterprises to deposit start-up capital in a bank before registration.   |
| DB2012  | <i>Hong Kong SAR, China</i> | Hong Kong SAR (China) made getting electricity easier by increasing the efficiency of public agencies and streamlining the utility's procedures with other government agencies.                                  |
| DB2012  | <i>Malaysia</i>             | Malaysia continued to improve the computerization of its courts by introducing a system making it possible to file complaints electronically.  |
| DB2012  | <i>Korea, Rep.</i>          | Korea made filing a commercial case easier by introducing an electronic case filing system.  |
| DB2011  | <i>Korea, Rep.</i>          | Korea made it easier to deal with insolvency by introducing postfiling financing, granting superpriority to the repayment of loans given to companies undergoing reorganization.                                 |
| DB2011  | <i>Peru</i>                 | Peru eased business start-up by simplifying the requirements for operating licenses and creating an online one-stop shop for business registration.  |
| DB2011  | <i>Taiwan, China</i>        | Taiwan (China) eased business start-up by reducing the time required to check company names, register retirement plans and apply for health, pension and labor insurance.  |
| DB2011  | <i>Vietnam</i>              | Vietnam eased company start-up by creating a one-stop shop that combines the processes for obtaining a business license and tax license and by eliminating the need for a seal for company licensing.            |

| DB year | Economy                   | Reform  |
|---------|---------------------------|---|
| DB2011  | <i>Mexico</i>             | Mexico launched an online one-stop shop for initiating business registration.   |
| DB2011  | <i>Indonesia</i>          | Indonesia eased business start-up by reducing the cost for company name clearance and reservation and the time required to reserve the name and approve the deed of incorporation.  |
| DB2011  | <i>Peru</i>               | Peru streamlined construction permitting by implementing administrative reforms.  |
| DB2011  | <i>Vietnam</i>            | Vietnam made dealing with construction permits easier by reducing the cost to register newly completed buildings by 50% and transferring the authority to register buildings from local authorities to the Department of National Resources and Environment.                        |
| DB2011  | <i>Russian Federation</i> | Russia eased construction permitting by implementing a single window for all procedures related to land use.  |
| DB2011  | <i>Thailand</i>           | Thailand made registering property more costly by repealing a 2-year temporary tax reduction for property transfers.  |
| DB2011  | <i>Peru</i>               | Peru introduced fast-track procedures at the land registry, cutting by half the time needed to register property.   |
| DB2011  | <i>Vietnam</i>            | Vietnam improved its credit information system by allowing borrowers to examine their own credit report and correct errors.   |
| DB2011  | <i>Singapore</i>          | Singapore improved its credit information system by collecting and distributing information on firms.   |
| DB2011  | <i>Mexico</i>             | Mexico increased taxes on companies by raising several tax rates, including the corporate income tax and the rate on cash deposits. At the same time, the administrative burden was reduced slightly with more options for online payment and increased use of accounting software. |
| DB2011  | <i>United States</i>      | In the United States the introduction of a new tax on payroll increased taxes on companies operating within the New York City metropolitan commuter transportation district.  |
| DB2011  | <i>Indonesia</i>          | Indonesia reduced its corporate income tax rate.  |
| DB2011  | <i>China</i>              | China's new corporate income tax law unified the tax regimes for domestic and foreign enterprises and clarified the   |

| DB year       | Economy                     | Reform  |
|---------------|-----------------------------|---|
|               |                             | calculation of taxable income for corporate income tax purposes.  |
| <b>DB2011</b> | <i>Vietnam</i>              | The government of Vietnam eased paying taxes by reducing corporate income tax rate.   |
| <b>DB2011</b> | <i>Taiwan, China</i>        | Taiwan (China) reduced the corporate income tax rate and simplified tax return forms, rules for assessing corporate income tax and the calculation of interim tax payments.   |
| <b>DB2011</b> | <i>Thailand</i>             | Thailand temporarily lowered taxes on business by reducing its specific business tax for 12 months.   |
| <b>DB2011</b> | <i>Canada</i>               | Canada increased the efficiency of the courts by expanding electronic document submission and streamlining procedures.  |
| <b>DB2011</b> | <i>Chile</i>                | Chile made business start-up easier by introducing an online system for registration and for filing the request for publication.  |
| <b>DB2011</b> | <i>Chile</i>                | An amendment to Chile's securities law strengthened investor protections by requiring greater corporate disclosure and regulating the approval of transactions between interested parties.  |
| <b>DB2011</b> | <i>Canada</i>               | Canada harmonized the Ontario and federal tax returns and reduced the corporate and employee tax rates.   |
| <b>DB2011</b> | <i>Australia</i>            | Australia introduced the severance payment obligation and reemployment consideration applicable in cases of redundancy dismissals. Annual leave was increased and averaging of hours is now allowed in shorter periods of time. In addition, notice period applicable in case of redundancy dismissals was decreased. |
| <b>DB2011</b> | <i>Malaysia</i>             | Malaysia eliminated the requirements to notify third parties in cases of redundancy dismissals.   |
| <b>DB2011</b> | <i>Malaysia</i>             | Malaysia eased business start-up by introducing more online services.   |
| <b>DB2011</b> | <i>Malaysia</i>             | Malaysia's introduction of online stamping reduced the time and cost to transfer property.  |
| <b>DB2011</b> | <i>Hong Kong SAR, China</i> | Hong Kong SAR (China) abolished the fuel tax on diesel.   |



| DB year | Economy                     | Reform  |
|---------|-----------------------------|---|
| DB2011  | <i>Hong Kong SAR, China</i> | Reforms implemented in the civil justice system of Hong Kong SAR (China) will help increase the efficiency and cost-effectiveness of commercial dispute resolution.   |
| DB2011  | <i>Japan</i>                | Japan made it easier to deal with insolvency by establishing a new entity, the Enterprise Turnaround Initiative Corporation, to support the revitalization of companies suffering from excessive debt but professionally managed. |
| DB2011  | <i>Russian Federation</i>   | Russia introduced a series of legislative measures in 2009 to improve creditor rights and the insolvency system.  |
| DB2011  | <i>New Zealand</i>          | New Zealand enacted new district court rules that make the process for enforcing contracts user friendly.   |
| DB2011  | <i>Indonesia</i>            | Indonesia reduced the time to export by launching a single-window service.  |
| DB2011  | <i>Peru</i>                 | Peru made trading easier by implementing a new web-based electronic data interchange system, risk-based inspections and payment deferrals.  |
| DB2011  | <i>Brunei Darussalam</i>    | The introduction of an electronic customs system in Brunei Darussalam made trading easier.  |
| DB2011  | <i>Brunei Darussalam</i>    | Brunei Darussalam instituted mandatory minimum annual leave and reduced notice periods applicable in case of redundancy dismissals.   |
| DB2011  | <i>Brunei Darussalam</i>    | Brunei Darussalam reduced the corporate income tax rate from 23.5% to 22% while also introducing a lower tax rate for small businesses, ranging from 5.5% to 11%.   |
| DB2011  | <i>Brunei Darussalam</i>    | Brunei Darussalam made starting a business easier by improving efficiency at the company registrar and implementing an electronic system for name searches.   |
| DB2011  | <i>Philippines</i>          | The Philippines eased business startup by setting up a one-stop shop at the municipal level.  |
| DB2011  | <i>Philippines</i>          | The Philippines made construction permitting more cumbersome through updated electricity connection costs.  |
| DB2011  | <i>Papua New Guinea</i>     | Operation of a new private credit bureau improved the credit information system in Papua New Guinea.  |

| DB year | Economy            | Reform  |
|---------|--------------------|---|
| DB2011  | <i>Philippines</i> | The Philippines reduced the time and cost to trade by improving its electronic customs systems, adding such functions as electronic payments and online submission of declarations. |

*Note:* For information on reforms in earlier years (back to DB2005), see the *Doing Business* reports for these years, available at <http://www.doingbusiness.org>.

*Source:* *Doing Business* database.

## PROTECTING MINORITY INVESTORS

Protecting minority investors matters for the ability of companies to raise the capital they need to grow, innovate, diversify and compete. Effective regulations define related-party transactions precisely, promote clear and efficient disclosure requirements, require shareholder participation in major decisions of the company and set detailed standards of accountability for company insiders.

### What do the indicators cover?

*Doing Business* measures the protection of minority investors from conflicts of interest through one set of indicators and shareholders' rights in corporate governance through another. The ranking of economies on the strength of minority investor protections is determined by sorting their distance to frontier scores for protecting minority investors. These scores are the simple average of the distance to frontier scores for the extent of conflict of interest regulation index and the extent of shareholder governance index. To make the data comparable across economies, a case study uses several assumptions about the business and the transaction.

The business (Buyer):

- Is a publicly traded corporation listed on the economy's most important stock exchange. If the number of publicly traded companies listed on that exchange is less than 10, or if there is no stock exchange in the economy, it is assumed that Buyer is a large private company with multiple shareholders.
- Has a board of directors and a chief executive officer (CEO) who may legally act on behalf of Buyer where permitted, even if this is not specifically required by law.
- Has a supervisory board (applicable to economies with a two-tier board system) on which 60% of the shareholder-elected members have been appointed by Mr. James, who is Buyer's controlling shareholder and a member of Buyer's board of directors.
- Has not adopted any bylaws or articles of association that differ from default minimum standards and does not follow any nonmandatory codes, principles,

### WHAT THE PROTECTING MINORITY INVESTORS INDICATORS MEASURE

#### Extent of disclosure index (0–10)

Review and approval requirements for related-party transactions ; Disclosure requirements for related-party transactions

#### Extent of director liability index (0–10)

Ability of minority shareholders to sue and hold interested directors liable for prejudicial related-party transactions; Available legal remedies (damages, disgorgement of profits, fines, imprisonment, rescission of the transaction)

#### Ease of shareholder suits index (0–10)

Access to internal corporate documents; Evidence obtainable during trial and allocation of legal expenses

#### Extent of conflict of interest regulation index (0–10)

Simple average of the extent of disclosure, extent of director liability and ease of shareholder indices

#### Extent of shareholder rights index (0–10)

Shareholders' rights and role in major corporate decisions

#### Extent of ownership and control index (0–10)

Governance safeguards protecting shareholders from undue board control and entrenchment

#### Extent of corporate transparency index (0–10)

Corporate transparency on ownership stakes, compensation, audits and financial prospects

#### Extent of shareholder governance index (0–10)

Simple average of the extent of shareholders rights, extent of ownership and control and extent of corporate transparency indices

#### Strength of investor protection index (0–10)

Simple average of the extent of conflict of interest regulation and extent of shareholder governance indices

recommendations or guidelines relating to corporate governance.

- Is a manufacturing company with its own distribution network

The transaction involves the following details:

- Mr. James owns 60% of Buyer and elected two directors to Buyer's five-member board.
- Mr. James also owns 90% of Seller, a company that operates a chain of retail hardware stores. Seller recently closed a large number of its stores.
- Mr. James proposes that Buyer purchase Seller's unused fleet of trucks to expand Buyer's distribution of its food products, a proposal to which Buyer agrees. The price is equal to 10% of Buyer's assets and is higher than the market value.
- The proposed transaction is part of the company's ordinary course of business and is not outside the authority of the company.
- Buyer enters into the transaction. All required approvals are obtained, and all required disclosures made (that is, the transaction is not fraudulent).
- The transaction causes damages to Buyer. Shareholders sue Mr. James and the other parties that approved the transaction. .

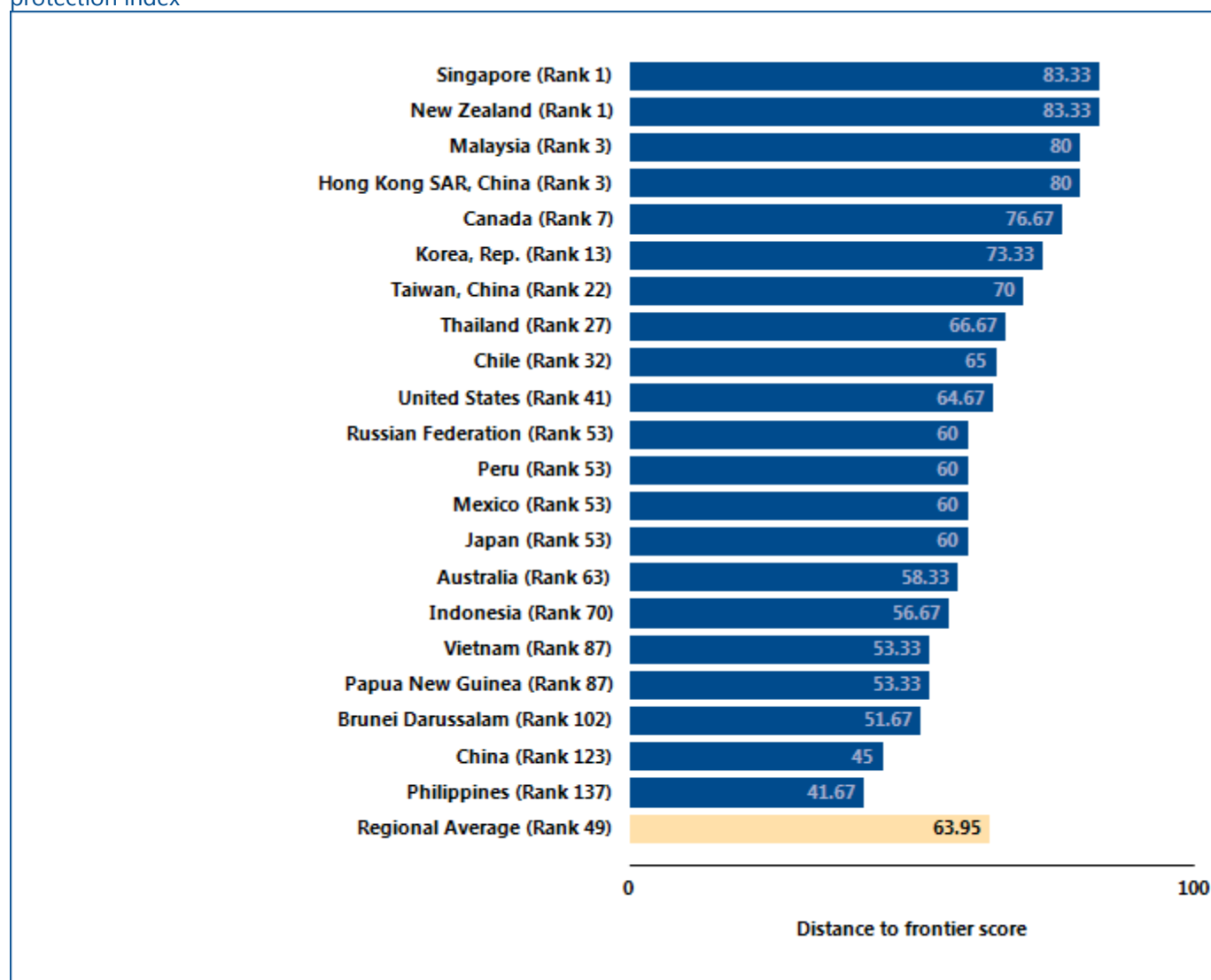
## PROTECTING MINORITY INVESTORS

### Where do the region's economies stand today?

How strong are investor protections against self-dealing in economies in Asia-Pacific Economic Cooperation (APEC)? The global rankings of these economies on the strength of investor protection index suggest an answer (figure 7.1). While the indicator does not measure all

aspects related to the protection of minority investors, a higher ranking does indicate that an economy's regulations offer stronger investor protections against self-dealing in the areas measured.

Figure 7.1 How economies in Asia-Pacific Economic Cooperation (APEC) rank on the strength of investor protection index



Source: Doing Business database.

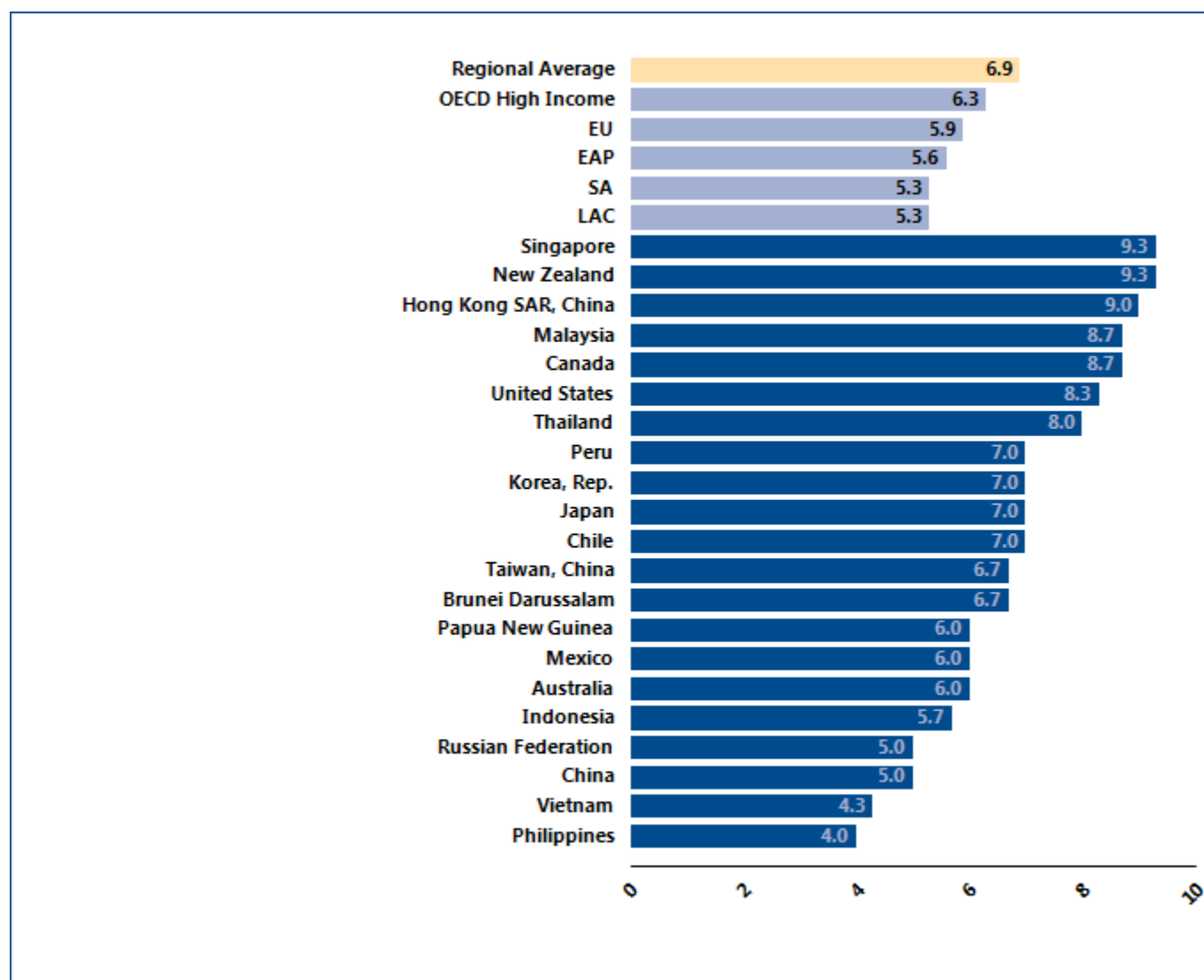
## PROTECTING MINORITY INVESTORS

The strength of minority investor protection index is the average of the extent of conflict of interest regulation index and the extent of shareholder governance index. The index ranges from 0 to 10, rounded to the nearest decimal place, with higher values indicating stronger minority investor protections. Figures 7.2 and 7.3

highlight the scores on the various minority investor protection indices for Asia-Pacific Economic Cooperation (APEC). Comparing the scores across the region and with averages both for the region and for comparator regions can provide useful insights.

Figure 7.2 How extensive are conflict of interest regulations?

**Extent of conflict of interest regulation index (0-10)**

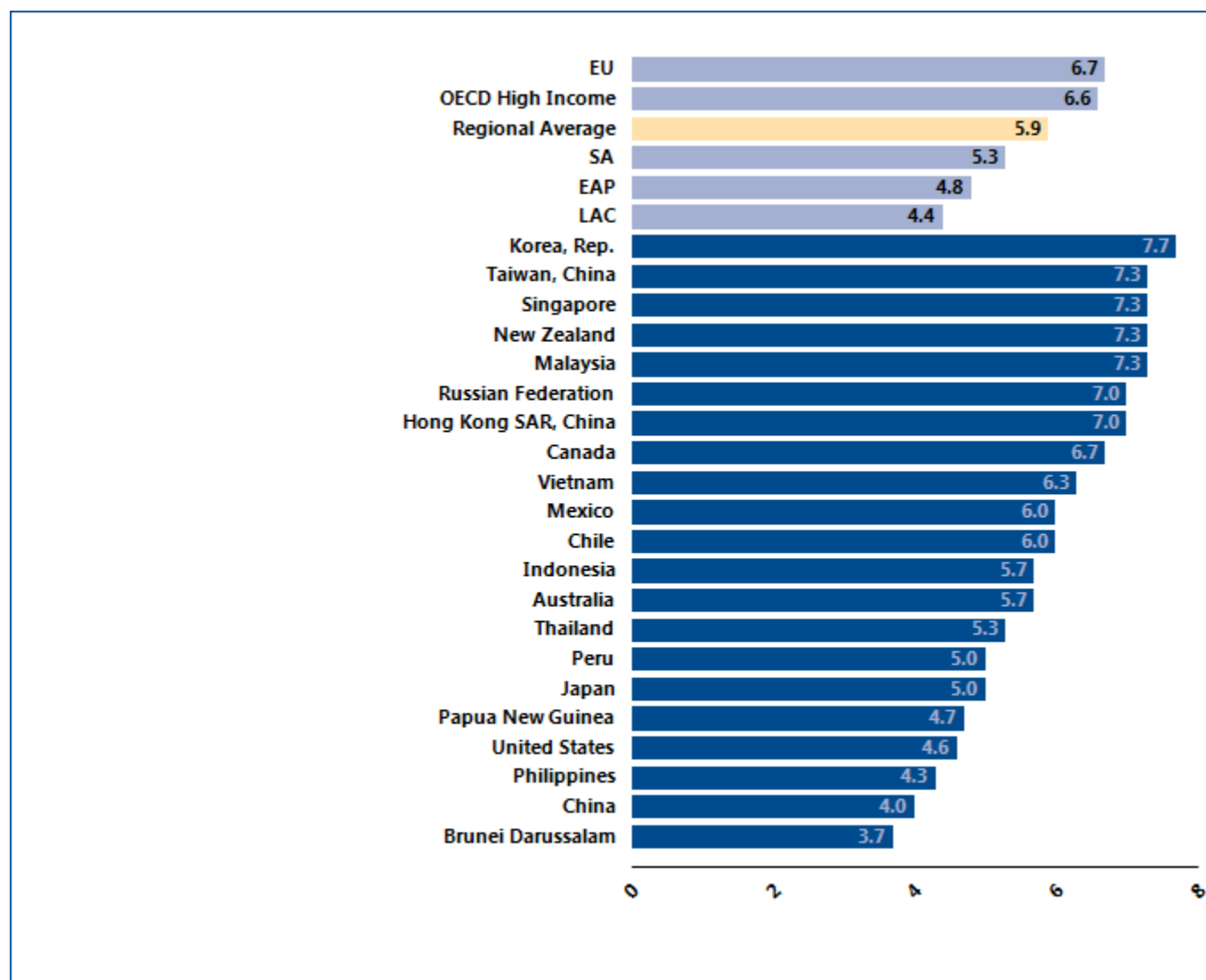


Note: Higher values indicate stronger regulation of conflicts of interest.

Source: Doing Business database.

Figure 7.3 How extensive is shareholder governance?

Extent of shareholder governance index (0-10)



Note: Higher scores indicate stronger rights of shareholders in corporate governance.

Source: Doing Business database.

## PROTECTING MINORITY INVESTORS

### What are the changes over time?

Economies with the strongest protections of minority investors from self-dealing require detailed disclosure and define clear duties for directors. They also have well-functioning courts and up-to-date procedural rules that give minority shareholders the means to prove their case and obtain a judgment within a reasonable time. So

reforms to strengthen minority investor protections may move ahead on different fronts—such as through new or amended company laws, securities regulations or revisions to court procedures. What minority investor protection reforms has *Doing Business* recorded in Asia-Pacific Economic Cooperation (APEC) (table 7.1)?

Table 7.1 How have economies in Asia-Pacific Economic Cooperation (APEC) strengthened minority investor protections—or not? By *Doing Business* report year DB2011 to DB2017

| DB year | Economy              | Reform  |
|---------|----------------------|---|
| DB2017  | Malaysia             | In Malaysia the credit bureau began to provide consumer credit scores.  |
| DB2017  | Hong Kong SAR, China | Hong Kong SAR, China, streamlined the processes of reviewing applications for new electrical connections and also reduced the time needed to issue an excavation permit.                    |
| DB2017  | Hong Kong SAR, China | Hong Kong SAR, China, made starting a business less costly by reducing the business registration fee.   |
| DB2017  | Malaysia             | Malaysia made starting a business more difficult by requiring that companies with an annual revenue of more than MYR 500,000 register as a GST payer.                                       |
| DB2017  | Korea, Rep.          | The Republic of Korea made starting a business faster by eliminating post-registration procedures.  |
| DB2017  | Malaysia             | Malaysia made paying taxes easier by introducing an online system for filing and paying the Goods and Services Tax (GST) while also making it more complex by replacing sales tax with GST. |
| DB2017  | Singapore            | Singapore made dealing with construction permits easier by streamlining procedures and improving the online one-stop shop.  |
| DB2017  | Russian Federation   | Russian Federation Saint Petersburg made dealing with construction permits easier by removing the requirement to  |



| DB year       | Economy                   | Reform  |
|---------------|---------------------------|---|
|               |                           | obtain permission to fence the construction site.   |
| <b>DB2017</b> | <i>Indonesia</i>          | Indonesia made enforcing contracts easier by introducing a dedicated procedure for small claims that allows for parties' self-representation. This reform applies to both Jakarta and Surabaya.   |
| <b>DB2017</b> | <i>Russian Federation</i> | The Russian Federation made enforcing contracts more difficult by mandating pre-trial resolution before filing a claim, thereby lengthening the initial phase of judicial proceedings. This reform applies to both Moscow and St. Petersburg.   |
| <b>DB2017</b> | <i>Mexico</i>             | Mexico adopted a resolution that eliminated geographic differences in national minimum wages. Prior to the reform Mexico was divided into two zones—zone A and zone B—with different applicable minimum wages. This reform applies to both Mexico City and Monterrey.   |
| <b>DB2017</b> | <i>China</i>              | China improved access to credit information by starting to report payment histories from utility companies and providing credit scores to banks and financial institutions. This reform applies to both Shanghai and Beijing.   |
| <b>DB2017</b> | <i>Indonesia</i>          | Indonesia strengthened access to credit by establishing a modern collateral registry.   |
| <b>DB2017</b> | <i>Thailand</i>           | Thailand improved access to credit information by starting to provide credit scores to banks and financial institutions.  |
| <b>DB2017</b> | <i>Indonesia</i>          | Indonesia made the process for getting an electricity connection faster by reducing the time for contractors to perform external work thanks to an increase in the stock of electrical material supplied by the utility. In Surabaya, getting electricity was also made easier after the utility streamlined the process for new connection requests. |
| <b>DB2017</b> | <i>Vietnam</i>            | Vietnam strengthened minority investor protections by making it easier to sue directors in cases of prejudicial transactions between interested parties, by increasing shareholder rights and role in major corporate decisions, by strengthening the ownership and control structures of companies and by increasing corporate transparency          |

| DB year       | Economy          | Reform   |
|---------------|------------------|--|
|               |                  | requirements.  |
| <b>DB2017</b> | <i>Thailand</i>  | Thailand made resolving insolvency easier by introducing new restructuring for small and medium-size companies and by streamlining provisions related to company liquidation.  |
| <b>DB2017</b> | <i>Indonesia</i> | Indonesia made it easier to register property by digitizing its cadastral records and setting up a geographic information system.  |
| <b>DB2017</b> | <i>Mexico</i>    | Mexico made registering property easier by digitizing its land records, improving the quality of the Land Registry infrastructure and making the registration process more efficient.  |
| <b>DB2017</b> | <i>Singapore</i> | Singapore made it easier to transfer a property by introducing an independent mechanism for reporting errors on titles and maps.   |
| <b>DB2017</b> | <i>Thailand</i>  | Thailand made starting a business easier by creating a single window for registration payment and reducing the time to obtain a company seal.  |
| <b>DB2017</b> | <i>Indonesia</i> | Indonesia made starting a business easier by creating a single form to apply for the company registration certificate and trading license. This reform applies to Jakarta. Indonesia also made starting a business easier by abolishing the minimum capital requirement for small and medium-size enterprises and by encouraging the use of an online system to reserve company names. This reform applies to both Jakarta and Surabaya. |
| <b>DB2017</b> | <i>China</i>     | China made starting a business easier by introducing a single form to obtain a business license, organization code and tax registration. This reform applies to both Shanghai and Beijing.   |
| <b>DB2017</b> | <i>Vietnam</i>   | Vietnam made starting a business more difficult by requiring entrepreneurs to receive approval of the seal sample before using it.   |
| <b>DB2017</b> | <i>Vietnam</i>   | Vietnam made exporting and importing easier by implementing electronic customs clearance system.   |
| <b>DB2017</b> | <i>Indonesia</i> | Indonesia made exporting and importing easier by improving   |

| DB year       | Economy                  | Reform   |
|---------------|--------------------------|--|
|               |                          | the customs services and document submission functions of the Indonesia National Single Window.  |
| <b>DB2017</b> | <i>Singapore</i>         | Singapore made paying taxes easier by introducing improvements to the online system for filing corporate income tax returns and VAT returns. At the same, the social security contribution rate paid by employers increased and the rebate of 30% on vehicle tax expired.  |
| <b>DB2017</b> | <i>Peru</i>              | Peru made paying taxes less costly by decreasing the corporate income tax rate.  |
| <b>DB2017</b> | <i>New Zealand</i>       | New Zealand made paying taxes easier by abolishing the cheque levy. New Zealand made paying less costly by decreasing the rate of accident compensation levy paid by employers. At the same time, New Zealand made paying taxes more costly by raising property tax and road user levy rates.  |
| <b>DB2017</b> | <i>Indonesia</i>         | Indonesia made paying taxes easier by introducing an online system for filing and paying health contributions. Indonesia also made paying taxes more costly by levying a new pension contribution at a rate of 2% paid by employers. These reforms apply to both Jakarta and Surabaya.   |
| <b>DB2017</b> | <i>Japan</i>             | Japan made paying taxes easier by disclosing the technical specifications of the eTax platform and allowing the upload of additional information in comma separated value (CSV) format. The restoration surtax was also abolished. However, a local corporation tax was introduced and the rates of special local corporation tax, inhabitants tax and enterprise tax were raised. Welfare pension premiums were also raised. These reforms apply to both Tokyo and Osaka. However, the rate for health insurance contributions paid by employers was reduced only in Osaka. |
| <b>DB2017</b> | <i>Vietnam</i>           | Vietnam made paying taxes easier and less costly by streamlining the administrative process of complying with tax obligations and abolishing environmental protection fees.  |
| <b>DB2017</b> | <i>Brunei Darussalam</i> | Brunei Darussalam strengthened access to credit by adopting a new insolvency law that contemplates protections for secured creditors during an automatic stay in reorganization proceedings. Brunei also improved access to credit   |

| DB year       | Economy                  | Reform  |
|---------------|--------------------------|---|
|               |                          | information by beginning to distribute data from two utility companies.   |
| <b>DB2017</b> | <i>Brunei Darussalam</i> | The utility in Brunei Darussalam streamlined the processes of reviewing applications, and the time to issue an excavation permit was reduced. In addition, Brunei Darussalam increased the reliability of power supply by rolling out a Supervisory Control and Data Acquisition (SCADA) automatic energy management system for the monitoring of outages and the restoration of service. |
| <b>DB2017</b> | <i>Brunei Darussalam</i> | Brunei Darussalam strengthened minority investor protections by clarifying ownership and control structures, making it easier to sue directors in case of prejudicial related-party transactions, and allowing the rescission of related-party transactions that harm the company.  |
| <b>DB2017</b> | <i>Brunei Darussalam</i> | Brunei Darussalam made resolving insolvency easier by adopting a new insolvency law that introduced a reorganization procedure and facilitated continuation of the debtor's business during insolvency proceedings. Brunei Darussalam also introduced regulations for insolvency practitioners.   |
| <b>DB2017</b> | <i>Brunei Darussalam</i> | Brunei Darussalam made paying taxes easier by fully implementing an electronic system for filing and paying corporate income tax.   |
| <b>DB2017</b> | <i>Brunei Darussalam</i> | Brunei Darussalam made enforcing contracts easier by introducing an electronic filing system as well as a platform that allows users to pay court fees electronically.  |
| <b>DB2017</b> | <i>Philippines</i>       | The Philippines made dealing with construction permits easier by increasing the transparency of its building regulations.   |
| <b>DB2017</b> | <i>Papua New Guinea</i>  | Papua New Guinea strengthened access to credit by adopting a new law on secured transactions that implemented a functional secured transactions system and established a centralized, notice-based collateral registry. The new law broadens the scope of assets that can be used as collateral and allows out-of-court enforcement of collateral.  |
| <b>DB2017</b> | <i>Papua New Guinea</i>  | Papua New Guinea reduced the time required to start a   |

| DB year       | Economy                     | Reform   |
|---------------|-----------------------------|--|
|               |                             | business by streamlining business registration at the Investment Promotion Agency (IPA).   |
| <b>DB2017</b> | <i>Philippines</i>          | The Philippines made paying taxes easier by introducing an online system for filing and paying health contributions and by allowing for the online corporate income tax and VAT returns to be completed offline.   |
| <b>DB2016</b> | <i>Philippines</i>          | The Philippines made starting a business easier by streamlining communications between the Securities and Exchange Commission and the Social Security System and thereby expediting the process of issuing an employer registration number.  |
| <b>DB2016</b> | <i>Brunei Darussalam</i>    | Brunei Darussalam made paying taxes easier and less costly for companies by merging contributions for the Employee Provident Fund and the Supplemental Pension Fund and increasing the capital allowance for industrial buildings. In addition, it reduced the corporate income tax rate, though it also abolished the partial exemption of income and introduced a flat rate. |
| <b>DB2016</b> | <i>Brunei Darussalam</i>    | Brunei Darussalam made starting a business easier by improving online procedures and simplifying registration and post registration requirements.  |
| <b>DB2016</b> | <i>Chile</i>                | Chile made resolving insolvency easier by clarifying and simplifying provisions on liquidation and reorganization, introducing provisions to facilitate the continuation of the debtor's business during insolvency, establishing a public office responsible for the general administration of insolvency proceedings and creating specialized insolvency courts.             |
| <b>DB2016</b> | <i>Chile</i>                | Chile made paying taxes more costly for companies by increasing the corporate income tax rate.   |
| <b>DB2016</b> | <i>Hong Kong SAR, China</i> | The utility in Hong Kong SAR, China, made getting electricity easier by streamlining the process for reviewing connection applications and for completing the connection works and meter installation. In addition, the time needed to issue an excavation permit was reduced.   |
| <b>DB2016</b> | <i>Korea, Rep.</i>          | The Republic of Korea made paying taxes more complicated and costly for companies by requiring separate filing and   |

| DB year       | Economy                     | Reform  |
|---------------|-----------------------------|---|
|               |                             | payment of the local income tax and by increasing the rates for unemployment insurance and national health insurance paid by employers.   |
| <b>DB2016</b> | <i>Hong Kong SAR, China</i> | Hong Kong SAR, China, made paying taxes easier and less costly for companies by simplifying compliance with the mandatory provident fund obligations and increasing the allowance for profit tax. At the same time, it increased the maximum contribution to the mandatory provident fund and reduced the property tax waiver.  |
| <b>DB2016</b> | <i>Malaysia</i>             | Malaysia made paying taxes easier and less costly for companies by making electronic filing mandatory and reducing the property tax rate. At the same time, it also increased the capital gains tax.  |
| <b>DB2016</b> | <i>Hong Kong SAR, China</i> | Hong Kong SAR, China, made starting a business easier by eliminating the requirement for a company seal.  |
| <b>DB2016</b> | <i>Hong Kong SAR, China</i> | Hong Kong SAR, China, improved access to credit by implementing a modern collateral registry.   |
| <b>DB2016</b> | <i>Vietnam</i>              | The utility in Vietnam reduced the time required for getting an electricity connection by reducing delays and increasing efficiency in approving connection applications and designs for connection works. Getting electricity was also made easier by eliminating the need to obtain a substation certification from the Fire Fighters Prevention Department for connections to the medium-voltage grid. |
| <b>DB2016</b> | <i>Russian Federation</i>   | Russia made the process of obtaining an electricity connection simpler, faster and less costly by eliminating a meter inspection by electricity providers and revising connection tariffs. This reform applies to both Moscow and St. Petersburg.   |
| <b>DB2016</b> | <i>Taiwan, China</i>        | The utility in Taiwan, China, reduced the time required for getting an electricity connection through a simplified procedure for obtaining excavation permits from the municipality.  |
| <b>DB2016</b> | <i>New Zealand</i>          | The utility in New Zealand reduced the time required for  |

| DB year       | Economy                   | Reform   |
|---------------|---------------------------|--|
|               |                           | getting an electricity connection by improving its payment monitoring and confirmation process for the connection works.   |
| <b>DB2016</b> | <i>Vietnam</i>            | Vietnam made resolving insolvency easier by clarifying and simplifying provisions on liquidation and reorganization, modifying the standard for commencement of insolvency proceedings, changing provisions on voidable transactions, regulating the profession of insolvency trustees and establishing the rules for enterprise asset managers.   |
| <b>DB2016</b> | <i>Vietnam</i>            | Vietnam made paying taxes less costly for companies by reducing the corporate income tax rate—and made it easier by reducing the number of procedures and documents for filing VAT and social security contributions, reducing the number of filings for VAT and replacing quarterly filings of corporate income tax with quarterly advance payments. On the other hand, Vietnam increased the rate for social security contributions paid by employers. |
| <b>DB2016</b> | <i>Indonesia</i>          | Indonesia made paying taxes easier and less costly for companies by introducing an online system for paying social security contributions and by reducing both the rate paid by employers and the ceiling for the contributions. This reform applies to both Jakarta and Surabaya.   |
| <b>DB2016</b> | <i>China</i>              | China made paying taxes less costly for companies in Shanghai by reducing the social security contribution rate.   |
| <b>DB2016</b> | <i>Russian Federation</i> | Russia made paying taxes less costly for companies by excluding movable property from the corporate property tax base—though it also raised the wage ceiling used in calculating social contributions. These changes apply to both Moscow and St. Petersburg. In addition, the cadastral value of land in Moscow was updated.  |
| <b>DB2016</b> | <i>Mexico</i>             | Mexico made paying taxes easier for companies by abolishing the business flat tax—though it also made paying taxes more costly by allowing only a portion of salaries to be deductible. These changes apply to both Mexico City and Monterrey. In addition, the payroll tax rate paid by employers was increased for Mexico City.  |
| <b>DB2016</b> | <i>Peru</i>               | Peru made paying taxes easier for companies by creating an   |

| DB year       | Economy                   | Reform  |
|---------------|---------------------------|---|
|               |                           | advanced online registry with up-to-date information on employees.  |
| <b>DB2016</b> | <i>Russian Federation</i> | Russia made transferring property easier by reducing the time required for property registration. This reform applies to both Moscow and St. Petersburg.  |
| <b>DB2016</b> | <i>Indonesia</i>          | Indonesia made starting a business in Jakarta easier by reducing the time needed to register with the Ministry of Manpower.   |
| <b>DB2016</b> | <i>Russian Federation</i> | The Russian Federation made starting a business in Moscow easier by reducing the number of days required to open a corporate bank account.  |
| <b>DB2016</b> | <i>Vietnam</i>            | Vietnam made starting a business easier by reducing the time required to get the company seal engraved and registered.  |
| <b>DB2016</b> | <i>Indonesia</i>          | Indonesia improved access to credit by enabling searches of the collateral registry by the debtor's name. This reform applies to both Jakarta and Surabaya.   |
| <b>DB2016</b> | <i>Russian Federation</i> | Russia improved access to credit by adopting a new law on secured transactions that established a centralized collateral registry and allows a general description of a combined category of assets granted as collateral. This reform applies to both Moscow and St. Petersburg. |
| <b>DB2016</b> | <i>Mexico</i>             | Mexico improved access to credit by implementing a decree allowing a general description of assets granted as collateral. This reform applies to both Mexico City and Monterrey.  |
| <b>DB2016</b> | <i>Vietnam</i>            | Vietnam guaranteed borrowers' right to inspect their credit data while the new credit bureau expanded borrower coverage, improving the credit information system.   |
| <b>DB2016</b> | <i>Peru</i>               | Peru improved its credit information system by implementing a new law on personal data protection.  |
| <b>DB2015</b> | <i>New Zealand</i>        | New Zealand improved access to credit information by beginning to distribute both positive and negative credit information.   |
| <b>DB2015</b> | <i>Taiwan, China</i>      | Taiwan, China, improved access to credit information by beginning to include data from utility companies in credit  |



| DB year       | Economy                     | Reform  |
|---------------|-----------------------------|---|
|               |                             | reports.  |
| <b>DB2015</b> | <i>Vietnam</i>              | Vietnam improved its credit information system by establishing a new credit bureau.   |
| <b>DB2015</b> | <i>Mexico</i>               | Mexico improved access to credit by amending its insolvency proceedings law and establishing clear grounds for relief from a stay of enforcement actions by secured creditors during reorganization procedures. This reform applies to both Mexico City and Monterrey.  |
| <b>DB2015</b> | <i>Hong Kong SAR, China</i> | Hong Kong SAR, China, strengthened minority investor protections by introducing requirements for directors to provide more detailed disclosure of conflicts of interest to the other board members.   |
| <b>DB2015</b> | <i>Korea, Rep.</i>          | The Republic of Korea strengthened minority investor protections by increasing the level of transparency expected from companies on managerial compensation.  |
| <b>DB2015</b> | <i>Korea, Rep.</i>          | The Republic of Korea made transferring property easier by reducing the time needed to buy housing bonds and to register the property transfer.   |
| <b>DB2015</b> | <i>Hong Kong SAR, China</i> | Hong Kong SAR, China, made starting a business more difficult by increasing the registration fee.   |
| <b>DB2015</b> | <i>Taiwan, China</i>        | Taiwan, China, made getting electricity easier by eliminating site inspections.   |
| <b>DB2015</b> | <i>Indonesia</i>            | In Indonesia the electricity company in Jakarta made getting electricity easier by eliminating the need for electrical contractors to obtain multiple certificates guaranteeing the safety of internal installations—though. The utility in Jakarta and Surabaya also increased the cost by introducing a security deposit for new connections. |
| <b>DB2015</b> | <i>Thailand</i>             | Thailand made dealing with construction permits less time-consuming by introducing a fast-track approval process for building permits for smaller buildings.  |
| <b>DB2015</b> | <i>Singapore</i>            | Singapore made enforcing contracts easier by introducing a new electronic litigation system that streamlines litigation proceedings.  |

| DB year | Economy                   | Reform  |
|---------|---------------------------|---|
| DB2015  | <i>Mexico</i>             | Mexico made resolving insolvency easier by clarifying several rules, shortening the time extensions allowed during reorganization, facilitating the electronic submission of documents and improving the legal rights of creditors and other parties involved in bankruptcy procedures. This reform applies to both Mexico City and Monterrey.                |
| DB2015  | <i>Taiwan, China</i>      | Taiwan, China, made paying taxes easier for companies by introducing an electronic system for paying the vehicle license tax.   |
| DB2015  | <i>Indonesia</i>          | Indonesia made paying taxes less costly for companies by reducing employers' health insurance contribution rate. This reform applies to both Jakarta and Surabaya.  |
| DB2015  | <i>China</i>              | China made paying taxes easier for companies by enhancing the electronic system for filing and paying taxes and adopting new communication channels within its taxpayer service, changes applying to both Beijing and Shanghai. In addition, China made paying taxes less costly for companies in Shanghai by reducing the social security contribution rate. |
| DB2015  | <i>Vietnam</i>            | Vietnam made paying taxes less costly for companies by reducing the corporate income tax rate.  |
| DB2015  | <i>Russian Federation</i> | The Russian Federation made transferring property easier by eliminating the requirement for notarization and introducing tighter time limits for completing the property registration. This reform applies to both Moscow and St. Petersburg.   |
| DB2015  | <i>Russian Federation</i> | The Russian Federation made starting a business easier by eliminating the requirement to deposit the charter capital before company registration as well as the requirement to notify tax authorities of the opening of a bank account. This reform applies to both Moscow and St. Petersburg.  |
| DB2015  | <i>United States</i>      | In the United States starting a business became easier in New York City thanks to faster online procedures.   |
| DB2015  | <i>China</i>              | China made starting a business easier by eliminating both the minimum capital requirement and the requirement to obtain a capital verification report from an auditing firm. This reform applies to both Beijing and Shanghai.  |

| DB year       | Economy                   | Reform   |
|---------------|---------------------------|--|
| <b>DB2015</b> | <i>Indonesia</i>          | Indonesia made starting a business easier by allowing the Ministry of Law and Human Rights to electronically issue the approval letter for the deed of establishment. This reform applies to both Jakarta and Surabaya.                            |
| <b>DB2015</b> | <i>Indonesia</i>          | In Indonesia trading across borders became more difficult because of insufficient infrastructure at the Tanjung Priok Port Jakarta. This change applies to both Jakarta and Surabaya.  |
| <b>DB2015</b> | <i>Brunei Darussalam</i>  | Brunei Darussalam made dealing with construction permits easier by consolidating final inspections.  |
| <b>DB2015</b> | <i>Brunei Darussalam</i>  | Brunei Darussalam made paying taxes easier for companies by allowing joint filing and payment of supplemental contributory pension and employee provident fund contributions and by introducing an online system for paying these 2 contributions. |
| <b>DB2015</b> | <i>Philippines</i>        | In the Philippines trading across borders became more difficult because of a new city ordinance restricting truck traffic in Manila.   |
| <b>DB2014</b> | <i>Brunei Darussalam</i>  | Brunei Darussalam improved access to credit information by establishing a public credit registry.  |
| <b>DB2014</b> | <i>Philippines</i>        | The Philippines improved access to credit information by beginning to distribute both positive and negative information and by enacting a data privacy act that guarantees borrowers' right to access their data.                                  |
| <b>DB2014</b> | <i>Philippines</i>        | The Philippines made dealing with construction permits easier by eliminating the requirement to obtain a health certificate.   |
| <b>DB2014</b> | <i>Philippines</i>        | The Philippines made paying taxes easier for companies by introducing an electronic filing and payment system for social security contributions.   |
| <b>DB2014</b> | <i>Mexico</i>             | Mexico made getting electricity easier by increasing the efficiency of the utility's internal processes and by enforcing a "silence is consent" rule for the approval of the feasibility study for a new connection.                               |
| <b>DB2014</b> | <i>Russian Federation</i> | Russia made getting electricity simpler and less costly by setting standard connection tariffs and eliminating many  |

| DB year       | Economy                   | Reform  |
|---------------|---------------------------|---|
|               |                           | procedures previously required.   |
| <b>DB2014</b> | <i>Russian Federation</i> | Russia made dealing with construction permits easier by eliminating several requirements for project approvals from government agencies and by reducing the time required to register a new building. |
| <b>DB2014</b> | <i>New Zealand</i>        | New Zealand made enforcing contracts easier by improving its case management system to ensure a speedier and less costly adjudication of cases.   |
| <b>DB2014</b> | <i>Mexico</i>             | Mexico made enforcing contracts easier by creating small claims courts, with oral proceedings, that can hear both civil and commercial cases.   |
| <b>DB2014</b> | <i>China</i>              | China made enforcing contracts easier by amending its civil procedure code to streamline and speed up all court proceedings.  |
| <b>DB2014</b> | <i>Thailand</i>           | Thailand made paying taxes less costly for companies by reducing employers' social security contribution rate.  |
| <b>DB2014</b> | <i>Vietnam</i>            | Vietnam made paying taxes more costly for companies by increasing employers' social security contribution rate.   |
| <b>DB2014</b> | <i>Vietnam</i>            | Vietnam strengthened investor protections by introducing greater disclosure requirements for publicly held companies in cases of related-party transactions.  |
| <b>DB2014</b> | <i>Singapore</i>          | Singapore made transferring property easier by introducing an online procedure for property transfers.  |
| <b>DB2014</b> | <i>Russian Federation</i> | Russia made transferring property easier by streamlining procedures and implementing effective time limits for processing transfer applications.  |
| <b>DB2014</b> | <i>Russian Federation</i> | Russia made starting a business easier by abolishing the requirement to have the bank signature card notarized before opening a company bank account.   |
| <b>DB2014</b> | <i>Vietnam</i>            | Vietnam abolished priority rules for redundancy dismissals or layoffs and increased the minimum wage.   |
| <b>DB2014</b> | <i>Russian Federation</i> | Russia made trading across borders easier by implementing an electronic system for submitting export and import   |

| DB year       | Economy                     | Reform  |
|---------------|-----------------------------|---|
|               |                             | documents and by reducing the number of physical inspections.   |
| <b>DB2014</b> | <i>Mexico</i>               | Mexico made trading across borders easier by implementing an electronic single-window system.   |
| <b>DB2014</b> | <i>Korea, Rep.</i>          | Korea revised its secured transactions framework by creating new types of security rights that can be publicized through registration.  |
| <b>DB2014</b> | <i>Chile</i>                | Chile made starting a business easier by creating a new online system for business registration.  |
| <b>DB2014</b> | <i>Malaysia</i>             | Malaysia made getting electricity easier by increasing the efficiency of internal processes at the utility and improving its communication and dialogue with contractors.   |
| <b>DB2014</b> | <i>Malaysia</i>             | Malaysia made dealing with construction permits easier by establishing a one-stop shop.   |
| <b>DB2014</b> | <i>Hong Kong SAR, China</i> | Hong Kong SAR, China, made transferring property more costly by increasing the stamp duty.  |
| <b>DB2014</b> | <i>Malaysia</i>             | Malaysia made starting a business less costly by reducing the company registration fees.  |
| <b>DB2014</b> | <i>Hong Kong SAR, China</i> | Hong Kong SAR, China, made starting a business less costly by abolishing the capital duty levied on local companies.  |
| <b>DB2014</b> | <i>Malaysia</i>             | Malaysia introduced a minimum wage.   |
| <b>DB2014</b> | <i>Australia</i>            | Australia improved its credit information system through the Privacy Amendment (Enhancing Privacy Protection) Act 2012, which permits credit bureaus to collect account payment history with improved privacy protection. |
| <b>DB2014</b> | <i>China</i>                | China improved its credit information system by introducing credit information industry regulations, which guarantee borrowers' right to inspect their data.  |
| <b>DB2014</b> | <i>Indonesia</i>            | Indonesia improved its credit information system through a new regulation setting up a legal framework for establishing credit bureaus.   |

| DB year       | Economy                   | Reform   |
|---------------|---------------------------|--|
| <b>DB2014</b> | <i>Vietnam</i>            | Vietnam improved its credit information system through a decree setting up a legal framework for the establishment of private credit bureaus.  |
| <b>DB2014</b> | <i>Singapore</i>          | Singapore improved its credit information system by guaranteeing by law borrowers' right to inspect their own data.  |
| <b>DB2013</b> | <i>Korea, Rep.</i>        | Korea expedited the insolvency process by implementing a fast track for company rehabilitation.  |
| <b>DB2013</b> | <i>Thailand</i>           | Thailand made starting a business easier by allowing the registrar at the Department of Business Development to receive the company's work regulations.  |
| <b>DB2013</b> | <i>Vietnam</i>            | Vietnam made starting a business easier by allowing companies to use self-printed value added tax invoices.  |
| <b>DB2013</b> | <i>China</i>              | China made starting a business less costly by exempting micro and small companies from paying several administrative fees from January 2012 to December 2014.  |
| <b>DB2013</b> | <i>Mexico</i>             | Mexico made starting a business easier by eliminating the minimum capital requirement for limited liability companies.   |
| <b>DB2013</b> | <i>Korea, Rep.</i>        | Korea made getting electricity less costly by introducing a new connection fee schedule and an installment payment system.   |
| <b>DB2013</b> | <i>Peru</i>               | Peru made obtaining a construction permit easier by eliminating requirements for several preconstruction approvals.  |
| <b>DB2013</b> | <i>Taiwan, China</i>      | Taiwan, China, made dealing with construction permits easier by introducing a risk-based and self-regulatory inspection system and improving operational features of the one-stop shop for building permits. |
| <b>DB2013</b> | <i>China</i>              | China simplified the process of obtaining a construction permit by streamlining and centralizing preconstruction approvals.  |
| <b>DB2013</b> | <i>Russian Federation</i> | Russia made obtaining a construction permit simpler by eliminating requirements for several preconstruction  |

| DB year       | Economy                  | Reform   |
|---------------|--------------------------|--|
|               |                          | approvals.   |
| <b>DB2013</b> | <i>Peru</i>              | Peru strengthened investor protections through a new law regulating the approval of related-party transactions and making it easier to sue directors when such transactions are prejudicial.                                 |
| <b>DB2013</b> | <i>Taiwan, China</i>     | Taiwan, China, strengthened investor protections by increasing disclosure requirements for related-party transactions and improving the liability regime for company directors in cases where such transactions are abusive. |
| <b>DB2013</b> | <i>Australia</i>         | Australia strengthened its secured transactions system by adopting a new national legal regime governing the enforceability of security interests in personal property and implementing a unified collateral registry.       |
| <b>DB2013</b> | <i>Canada</i>            | Canada made getting an electricity connection easier by reducing the time needed for external connection works.  |
| <b>DB2013</b> | <i>Malaysia</i>          | Malaysia made dealing with construction permits faster by improving the one-stop center for new buildings and by reducing the time to connect to telephone service.  |
| <b>DB2013</b> | <i>Malaysia</i>          | Malaysia substantially reduced the number of days it takes to register property transfers.   |
| <b>DB2013</b> | <i>Korea, Rep.</i>       | Korea strengthened investor protections by making it easier to sue directors in cases of prejudicial related-party transactions.   |
| <b>DB2013</b> | <i>Korea, Rep.</i>       | Korea made paying taxes less costly for companies by reducing the profit tax rate.   |
| <b>DB2013</b> | <i>Brunei Darussalam</i> | Brunei Darussalam made dealing with construction permits easier by creating a one-stop shop for preconstruction approvals.   |
| <b>DB2013</b> | <i>Brunei Darussalam</i> | Brunei Darussalam made paying taxes less costly for companies by reducing the profit tax rate.   |
| <b>DB2013</b> | <i>Indonesia</i>         | Indonesia made getting electricity easier by eliminating the requirement for new customers applying for an electricity connection to show a neighbor's electricity bill as a way to  |

| DB year       | Economy                   | Reform  |
|---------------|---------------------------|---|
|               |                           | help determine their address.   |
| <b>DB2013</b> | <i>Mexico</i>             | In Mexico the distribution utility made getting electricity easier by streamlining procedures, offering training opportunities to private contractors, using a geographic information system (GIS) to map the electricity distribution network and increasing the stock of materials. |
| <b>DB2013</b> | <i>Russian Federation</i> | Russia eased the administrative burden of taxes for firms by simplifying compliance procedures for value added tax and by promoting the use of tax accounting software and electronic services.   |
| <b>DB2013</b> | <i>Japan</i>              | Japan made paying taxes less costly for companies by reducing the corporate income tax rate—though it also introduced a restoration surtax for a 3-year period.   |
| <b>DB2013</b> | <i>Thailand</i>           | Thailand made paying taxes less costly for companies by reducing the profit tax rate.   |
| <b>DB2013</b> | <i>New Zealand</i>        | New Zealand improved access to credit information by allowing credit bureaus to collect positive information on individuals.  |
| <b>DB2012</b> | <i>Peru</i>               | Peru strengthened investor protections through a new law allowing minority shareholders to request access to nonconfidential corporate documents.   |
| <b>DB2012</b> | <i>Vietnam</i>            | Vietnam strengthened investor protections by requiring higher standards of accountability for company directors.  |
| <b>DB2012</b> | <i>Russian Federation</i> | Russia made trading across borders easier by reducing the number of documents needed for each export or import transaction and lowering the associated cost.  |
| <b>DB2012</b> | <i>Mexico</i>             | Mexico strengthened its secured transactions system by implementing a centralized collateral registry with an electronic database that is accessible online.  |
| <b>DB2012</b> | <i>Russian Federation</i> | Russia made filing a commercial case easier by introducing an electronic case filing system.  |
| <b>DB2012</b> | <i>Russian Federation</i> | Russian Federation made getting electricity less costly by revising the tariffs for connection.   |



| DB year | Economy                     | Reform   |
|---------|-----------------------------|--|
| DB2012  | <i>Indonesia</i>            | Indonesia made getting electricity more difficult by increasing connection fees.   |
| DB2012  | <i>Brunei Darussalam</i>    | Brunei Darussalam made getting electricity easier by establishing a one-stop shop and reducing the time required to obtain an excavation permit.   |
| DB2012  | <i>Philippines</i>          | The Philippines adopted a new insolvency law that provides a legal framework for liquidation and reorganization of financially distressed companies.   |
| DB2012  | <i>Korea, Rep.</i>          | Korea eased the administrative burden of paying taxes for firms by merging several taxes, allowing 4 labor taxes and contributions to be paid jointly and continuing to increase the use of the online tax payment system.   |
| DB2012  | <i>Malaysia</i>             | Malaysia made paying taxes costlier for firms by reintroducing the real estate capital gains tax—but also made tax compliance easier by improving electronic systems and the availability of software.   |
| DB2012  | <i>Hong Kong SAR, China</i> | Hong Kong, China introduced a Minimum Wage.  |
| DB2012  | <i>Hong Kong SAR, China</i> | Hong Kong SAR (China) made starting a business easier by introducing online electronic services for company and business registration.   |
| DB2012  | <i>Korea, Rep.</i>          | Korea made starting a business easier by introducing a new online one-stop shop, Start-Biz.  |
| DB2012  | <i>Malaysia</i>             | Malaysia made starting a business easier by merging company, tax, social security and employment fund registrations at the one-stop shop and providing same-day registration.  |
| DB2012  | <i>Australia</i>            | Australia clarified the priority of claims of unsecured creditors over all shareholders' claims and introduced further regulation of the profession of insolvency practitioners.   |
| DB2012  | <i>Chile</i>                | Chile made business start-up easier by starting to provide an immediate temporary operating license to new companies, eliminating the requirement for an inspection of premises by the tax authority before new companies can begin operations and allowing free online publication of the notice of a |

| DB year       | Economy                   | Reform   |
|---------------|---------------------------|--|
|               |                           | company's creation.  |
| <b>DB2012</b> | <i>Chile</i>              | Chile strengthened its secured transactions system by implementing a unified collateral registry and a new legal framework for nonpossessory security interests.                               |
| <b>DB2012</b> | <i>Canada</i>             | Canada made paying taxes easier and less costly for companies by reducing profit tax rates, eliminating the Ontario capital tax and harmonizing sales taxes.                                   |
| <b>DB2012</b> | <i>Chile</i>              | Chile made trading across borders faster by implementing an online electronic data interchange system for customs operations.  |
| <b>DB2012</b> | <i>Thailand</i>           | Thailand made registering property more expensive by increasing the registration fee.  |
| <b>DB2012</b> | <i>Russian Federation</i> | Russia made registering property transfers easier by eliminating the requirement to obtain cadastral passports on land plots.  |
| <b>DB2012</b> | <i>New Zealand</i>        | New Zealand reduced its corporate income tax rate and fringe benefit tax rate.   |
| <b>DB2012</b> | <i>Peru</i>               | Peru made paying taxes easier for companies by improving electronic filing and payment of the major taxes and promoting the use of the electronic option among the majority of taxpayers.      |
| <b>DB2012</b> | <i>Mexico</i>             | Mexico continued to ease the administrative burden of paying taxes for firms by ending the requirement to file a yearly value added tax return and reduced filing requirements for other taxes |
| <b>DB2012</b> | <i>Russian Federation</i> | Russia increased the social security contribution rate for employers.  |
| <b>DB2012</b> | <i>Malaysia</i>           | Malaysia established dedicated commercial courts to handle foreclosure proceedings.  |
| <b>DB2012</b> | <i>Mexico</i>             | Mexico made dealing with construction permits faster by consolidating internal administrative procedures.  |
| <b>DB2012</b> | <i>Japan</i>              | Japan made dealing with construction permits costlier by   |

| DB year       | Economy                     | Reform   |
|---------------|-----------------------------|--|
|               |                             | increasing inspection fees.  |
| <b>DB2012</b> | <i>Taiwan, China</i>        | Taiwan (China) made dealing with construction permits easier by creating a one-stop center.  |
| <b>DB2012</b> | <i>Indonesia</i>            | Indonesia made starting a business easier by introducing a simplified application process allowing an applicant to simultaneously obtain both a general trading license and a business registration certificate. |
| <b>DB2012</b> | <i>Taiwan, China</i>        | Taiwan (China) made starting a business easier by implementing an online one-stop shop for business registration.  |
| <b>DB2012</b> | <i>Thailand</i>             | Thailand made starting a business easier by introducing a one-stop shop.   |
| <b>DB2012</b> | <i>Peru</i>                 | Peru made starting a business easier by eliminating the requirement for micro and small enterprises to deposit start-up capital in a bank before registration.   |
| <b>DB2012</b> | <i>Hong Kong SAR, China</i> | Hong Kong SAR (China) made getting electricity easier by increasing the efficiency of public agencies and streamlining the utility's procedures with other government agencies.                                  |
| <b>DB2012</b> | <i>Malaysia</i>             | Malaysia continued to improve the computerization of its courts by introducing a system making it possible to file complaints electronically.  |
| <b>DB2012</b> | <i>Korea, Rep.</i>          | Korea made filing a commercial case easier by introducing an electronic case filing system.  |
| <b>DB2011</b> | <i>Korea, Rep.</i>          | Korea made it easier to deal with insolvency by introducing postfiling financing, granting superpriority to the repayment of loans given to companies undergoing reorganization.                                 |
| <b>DB2011</b> | <i>Peru</i>                 | Peru eased business start-up by simplifying the requirements for operating licenses and creating an online one-stop shop for business registration.  |
| <b>DB2011</b> | <i>Taiwan, China</i>        | Taiwan (China) eased business start-up by reducing the time required to check company names, register retirement plans and apply for health, pension and labor insurance.  |

| DB year       | Economy                   | Reform  |
|---------------|---------------------------|---|
| <b>DB2011</b> | <i>Vietnam</i>            | Vietnam eased company start-up by creating a one-stop shop that combines the processes for obtaining a business license and tax license and by eliminating the need for a seal for company licensing.   |
| <b>DB2011</b> | <i>Mexico</i>             | Mexico launched an online one-stop shop for initiating business registration.   |
| <b>DB2011</b> | <i>Indonesia</i>          | Indonesia eased business start-up by reducing the cost for company name clearance and reservation and the time required to reserve the name and approve the deed of incorporation.  |
| <b>DB2011</b> | <i>Peru</i>               | Peru streamlined construction permitting by implementing administrative reforms.  |
| <b>DB2011</b> | <i>Vietnam</i>            | Vietnam made dealing with construction permits easier by reducing the cost to register newly completed buildings by 50% and transferring the authority to register buildings from local authorities to the Department of National Resources and Environment.                        |
| <b>DB2011</b> | <i>Russian Federation</i> | Russia eased construction permitting by implementing a single window for all procedures related to land use.  |
| <b>DB2011</b> | <i>Thailand</i>           | Thailand made registering property more costly by repealing a 2-year temporary tax reduction for property transfers.  |
| <b>DB2011</b> | <i>Peru</i>               | Peru introduced fast-track procedures at the land registry, cutting by half the time needed to register property.   |
| <b>DB2011</b> | <i>Vietnam</i>            | Vietnam improved its credit information system by allowing borrowers to examine their own credit report and correct errors.   |
| <b>DB2011</b> | <i>Singapore</i>          | Singapore improved its credit information system by collecting and distributing information on firms.   |
| <b>DB2011</b> | <i>Mexico</i>             | Mexico increased taxes on companies by raising several tax rates, including the corporate income tax and the rate on cash deposits. At the same time, the administrative burden was reduced slightly with more options for online payment and increased use of accounting software. |

| DB year       | Economy              | Reform  |
|---------------|----------------------|---|
| <b>DB2011</b> | <i>United States</i> | In the United States the introduction of a new tax on payroll increased taxes on companies operating within the New York City metropolitan commuter transportation district.  |
| <b>DB2011</b> | <i>Indonesia</i>     | Indonesia reduced its corporate income tax rate.  |
| <b>DB2011</b> | <i>China</i>         | China's new corporate income tax law unified the tax regimes for domestic and foreign enterprises and clarified the calculation of taxable income for corporate income tax purposes.  |
| <b>DB2011</b> | <i>Vietnam</i>       | The government of Vietnam eased paying taxes by reducing corporate income tax rate.   |
| <b>DB2011</b> | <i>Taiwan, China</i> | Taiwan (China) reduced the corporate income tax rate and simplified tax return forms, rules for assessing corporate income tax and the calculation of interim tax payments.   |
| <b>DB2011</b> | <i>Thailand</i>      | Thailand temporarily lowered taxes on business by reducing its specific business tax for 12 months.   |
| <b>DB2011</b> | <i>Canada</i>        | Canada increased the efficiency of the courts by expanding electronic document submission and streamlining procedures.  |
| <b>DB2011</b> | <i>Chile</i>         | Chile made business start-up easier by introducing an online system for registration and for filing the request for publication.  |
| <b>DB2011</b> | <i>Chile</i>         | An amendment to Chile's securities law strengthened investor protections by requiring greater corporate disclosure and regulating the approval of transactions between interested parties.  |
| <b>DB2011</b> | <i>Canada</i>        | Canada harmonized the Ontario and federal tax returns and reduced the corporate and employee tax rates.   |
| <b>DB2011</b> | <i>Australia</i>     | Australia introduced the severance payment obligation and reemployment consideration applicable in cases of redundancy dismissals. Annual leave was increased and averaging of hours is now allowed in shorter periods of time. In addition, notice period applicable in case of redundancy dismissals was decreased. |

| DB year | Economy                     | Reform  |
|---------|-----------------------------|---|
| DB2011  | <i>Malaysia</i>             | Malaysia eliminated the requirements to notify third parties in cases of redundancy dismissals.   |
| DB2011  | <i>Malaysia</i>             | Malaysia eased business start-up by introducing more online services.   |
| DB2011  | <i>Malaysia</i>             | Malaysia's introduction of online stamping reduced the time and cost to transfer property.  |
| DB2011  | <i>Hong Kong SAR, China</i> | Hong Kong SAR (China) abolished the fuel tax on diesel.   |
| DB2011  | <i>Hong Kong SAR, China</i> | Reforms implemented in the civil justice system of Hong Kong SAR (China) will help increase the efficiency and cost-effectiveness of commercial dispute resolution.   |
| DB2011  | <i>Japan</i>                | Japan made it easier to deal with insolvency by establishing a new entity, the Enterprise Turnaround Initiative Corporation, to support the revitalization of companies suffering from excessive debt but professionally managed. |
| DB2011  | <i>Russian Federation</i>   | Russia introduced a series of legislative measures in 2009 to improve creditor rights and the insolvency system.  |
| DB2011  | <i>New Zealand</i>          | New Zealand enacted new district court rules that make the process for enforcing contracts user friendly.   |
| DB2011  | <i>Indonesia</i>            | Indonesia reduced the time to export by launching a single-window service.  |
| DB2011  | <i>Peru</i>                 | Peru made trading easier by implementing a new web-based electronic data interchange system, risk-based inspections and payment deferrals.  |
| DB2011  | <i>Brunei Darussalam</i>    | The introduction of an electronic customs system in Brunei Darussalam made trading easier.  |
| DB2011  | <i>Papua New Guinea</i>     | Operation of a new private credit bureau improved the credit information system in Papua New Guinea.  |
| DB2011  | <i>Philippines</i>          | The Philippines reduced the time and cost to trade by improving its electronic customs systems, adding such functions as electronic payments and online submission of declarations.   |

| DB year       | Economy                  | Reform  |
|---------------|--------------------------|---|
| <b>DB2011</b> | <i>Brunei Darussalam</i> | Brunei Darussalam instituted mandatory minimum annual leave and reduced notice periods applicable in case of redundancy dismissals.                               |
| <b>DB2011</b> | <i>Brunei Darussalam</i> | Brunei Darussalam reduced the corporate income tax rate from 23.5% to 22% while also introducing a lower tax rate for small businesses, ranging from 5.5% to 11%. |
| <b>DB2011</b> | <i>Philippines</i>       | The Philippines eased business startup by setting up a one-stop shop at the municipal level.  |
| <b>DB2011</b> | <i>Philippines</i>       | The Philippines made construction permitting more cumbersome through updated electricity connection costs.  |
| <b>DB2011</b> | <i>Brunei Darussalam</i> | Brunei Darussalam made starting a business easier by improving efficiency at the company registrar and implementing an electronic system for name searches.       |

*Note:* For information on reforms in earlier years (back to DB2005), see the *Doing Business* reports for these years, available at <http://www.doingbusiness.org>.

*Source:* *Doing Business* database.

## PAYING TAXES

Taxes are essential. The level of tax rates needs to be carefully chosen—and needless complexity in tax rules avoided. Firms in economies that rank better on the ease of paying taxes in the *Doing Business* study tend to perceive both tax rates and tax administration as less of an obstacle to business according to the World Bank Enterprise Survey research.

### What do the indicators cover?

Using a case scenario, *Doing Business* records the taxes and mandatory contributions that a medium-size company must pay in a given year as well as measures of the administrative burden of paying taxes and contributions and dealing with postfiling processes. This case scenario uses a set of financial statements and assumptions about transactions made over the year. Information is also compiled on the frequency of filing and payments, time taken to comply with tax laws, time taken to comply with the requirements of postfiling processes and time waiting for these processes to be completed. The ranking of economies on the ease of paying taxes is determined by sorting their distance to frontier scores on the ease of paying taxes. These scores are the simple average of the distance to frontier scores for each of the four component indicators – number of tax payments, time, total tax rate and postfiling index – with a threshold and a nonlinear transformation applied to one of the component indicators, the total tax rate<sup>2</sup>. If both VAT (or GST) and corporate income tax apply, the postfiling index is the simple average of the distance to frontier scores for each of the four components: the time to comply with a VAT or GST refund, the time to obtain a VAT or GST refund, the time to comply with a corporate income tax audit and the time to complete a corporate income tax audit. If only VAT (or GST) or corporate income applies, the postfiling index is the simple average of the scores for only the two components pertaining to the applicable tax. If neither VAT (or GST) nor corporate income tax applies, the postfiling index is not included in the ranking of the ease of paying taxes.

### WHAT THE PAYING TAXES INDICATORS MEASURE

#### Tax payments for a manufacturing company in 2014 (number per year adjusted for electronic and joint filing and payment)

Total number of taxes and contributions paid, including consumption taxes (value added tax, sales tax or goods and service tax)

Method and frequency of filing and payment

#### Time required to comply with 3 major taxes (hours per year)

Collecting information and computing the tax payable

Completing tax return forms, filing with proper agencies

Arranging payment or withholding

Preparing separate tax accounting books, if required

#### Total tax rate (% of profit before all taxes)

Profit or corporate income tax

Social contributions and labor taxes paid by the employer

Property and property transfer taxes

Dividend, capital gains and financial transactions taxes

Waste collection, vehicle, road and other taxes

#### Postfiling Index

The time to comply with a VAT or GST refund

The time to receive a VAT or GST refund

The time to comply with a corporate income tax audit

The time to complete a corporate income tax audit

<sup>2</sup> The nonlinear distance to frontier for the total tax rate is equal to the distance to frontier for the total tax rate to the power of 0.8. The threshold is defined as the total tax rate at the 15th percentile of the overall distribution for all years included in the analysis up to and including *Doing Business 2015*, which is 26.1%. All economies with a total tax rate below this threshold receive the same score as the economy at the threshold.



- Taxes and mandatory contributions include corporate income tax, turnover tax and all labor taxes and contributions paid by the company. A range of standard deductions and exemptions are also recorded.

All financial statement variables are proportional to 2012 income per capita. To make the data comparable across economies, several assumptions are used.

- TaxpayerCo is a medium-size business that started operations on January 1, 2014.
- The business starts from the same financial position in each economy. All the taxes and mandatory contributions paid during the second year of operation are recorded.
- Taxes and mandatory contributions are measured at all levels of government.

Assumptions about the VAT refund process:

- In June 2015, TaxpayerCo. makes a large capital purchase: one additional machine for manufacturing pots.
- The value of the machine is 65 times income per capita of the economy.
- Sales are equally spread per month (that is, 1,050 times income per capita divided by 12).
- Cost of goods sold are equally expensed per month (that is, 875 times income per capita divided by 12).
- The seller of the machinery is registered for VAT or general sales tax (GST).
- Excess input VAT incurred in June will be fully recovered after four consecutive months if the VAT or GST rate is the same for inputs, sales and the machine and the tax reporting period is every month.

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Assumptions about the corporate income tax audit process:

- An error in the calculation of the income tax liability (for example, use of incorrect tax depreciation rates, or incorrectly treating an expense as tax deductible) leads to an incorrect income tax return and consequently an underpayment of corporate income tax.
- TaxpayerCo. discovered the error and voluntarily notified the tax authority of the error in the corporate income tax return.

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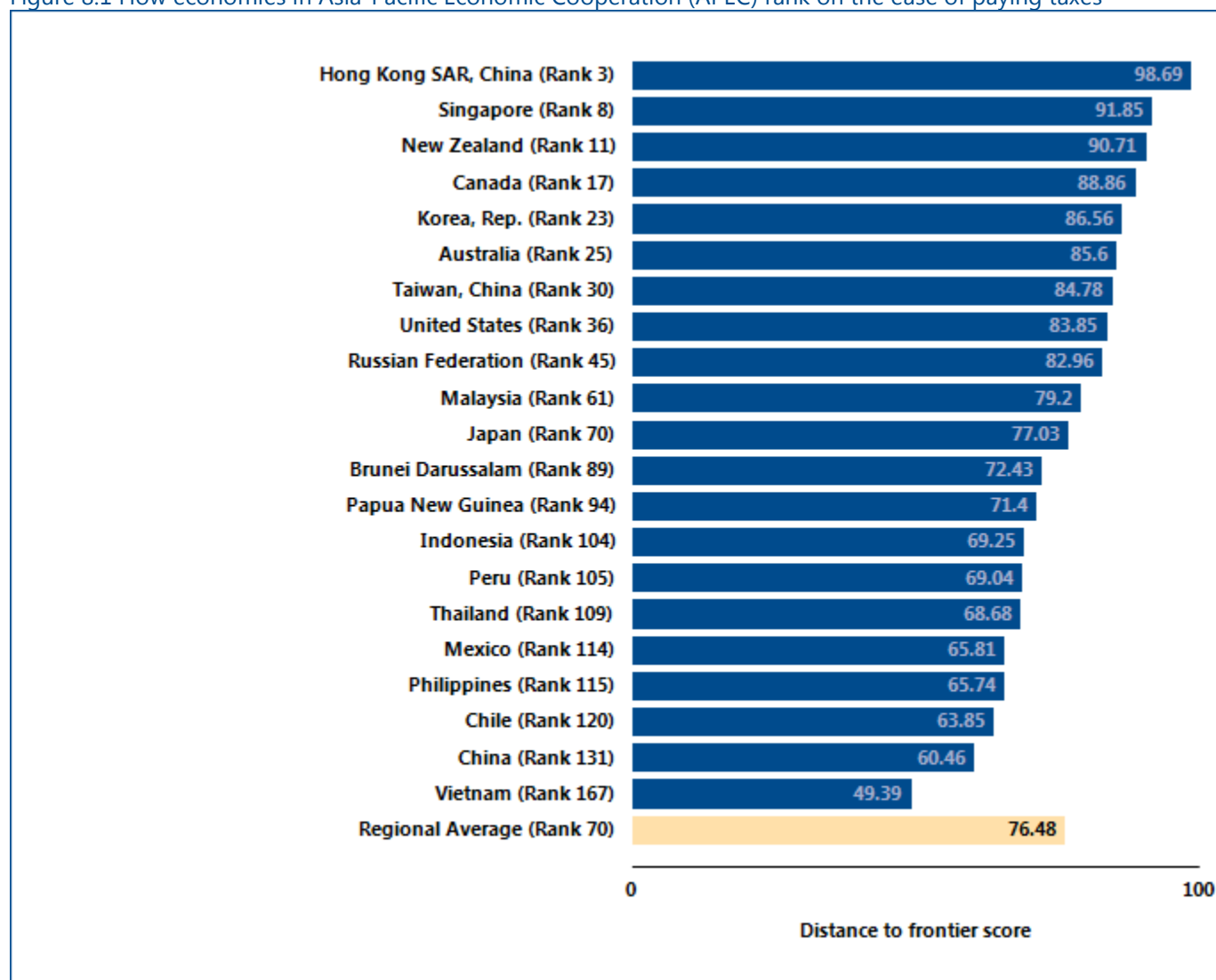
## PAYING TAXES

### Where do the region's economies stand today?

What is the administrative burden of complying with taxes in economies in Asia-Pacific Economic Cooperation (APEC)—and how much do firms pay in taxes? The global rankings of these economies on the ease of paying taxes

offer useful information for assessing the tax compliance burden for businesses (figure 8.1). The average ranking of the region provides a useful benchmark.

Figure 8.1 How economies in Asia-Pacific Economic Cooperation (APEC) rank on the ease of paying taxes



Note: All economies with a total tax rate below the threshold of 26.1% applied in DB2015, receive the same distance to frontier score for the total tax rate (a distance to frontier score of 100 for the total tax rate) for the purpose of calculating the ranking on the ease of paying taxes.

Source: *Doing Business* database.

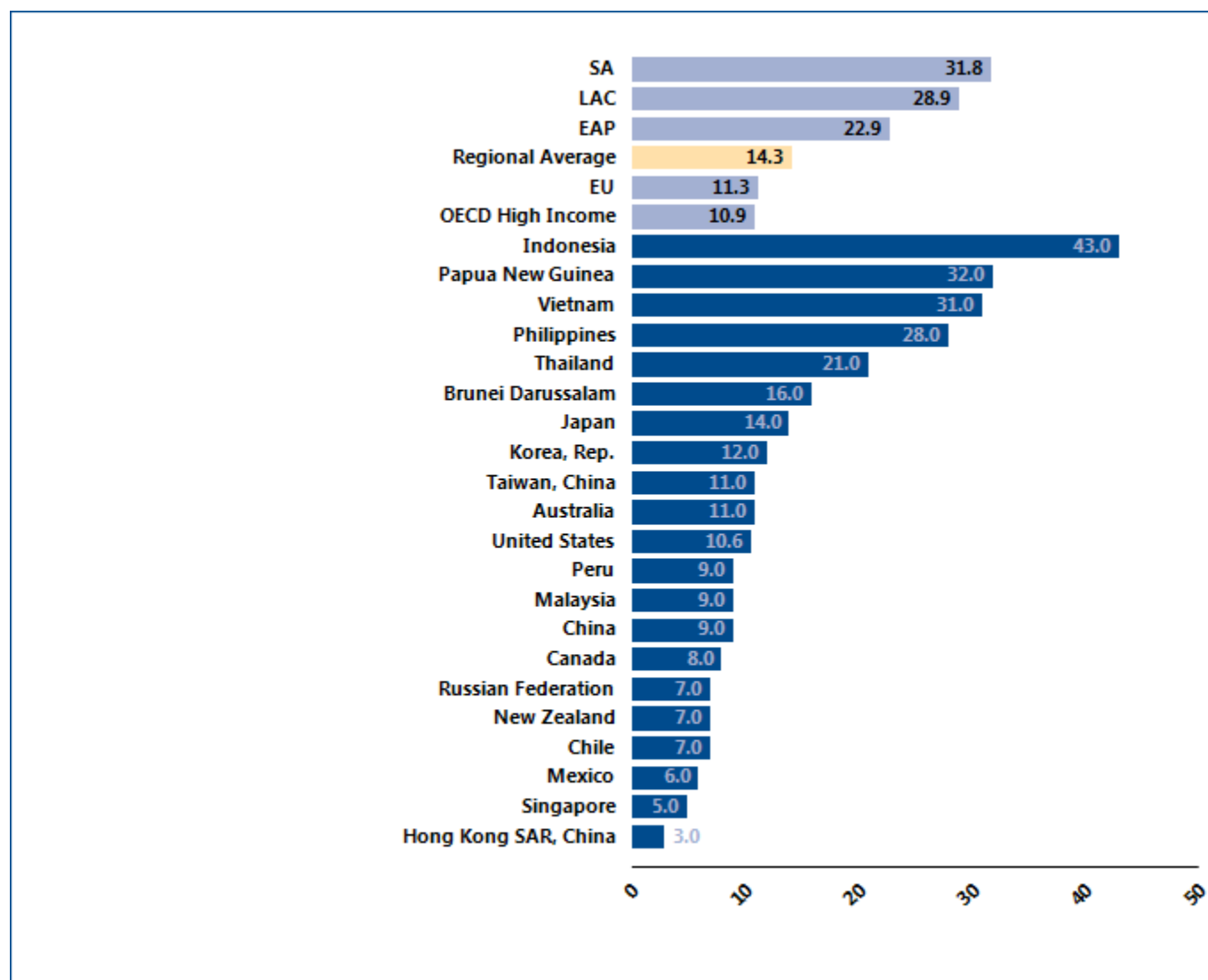
## PAYING TAXES

The indicators underlying the rankings may be more revealing. Data collected by *Doing Business* show what it takes to comply with tax regulations in each economy in the region—the number of payments per year and the time required to prepare, and file and pay taxes the 3

major taxes (corporate income tax, VAT or sales tax and labor taxes and mandatory contributions)—as well as the total tax rate (figure 8.2). Comparing these indicators across the region and with averages both for the region and for comparator regions can provide useful insights.

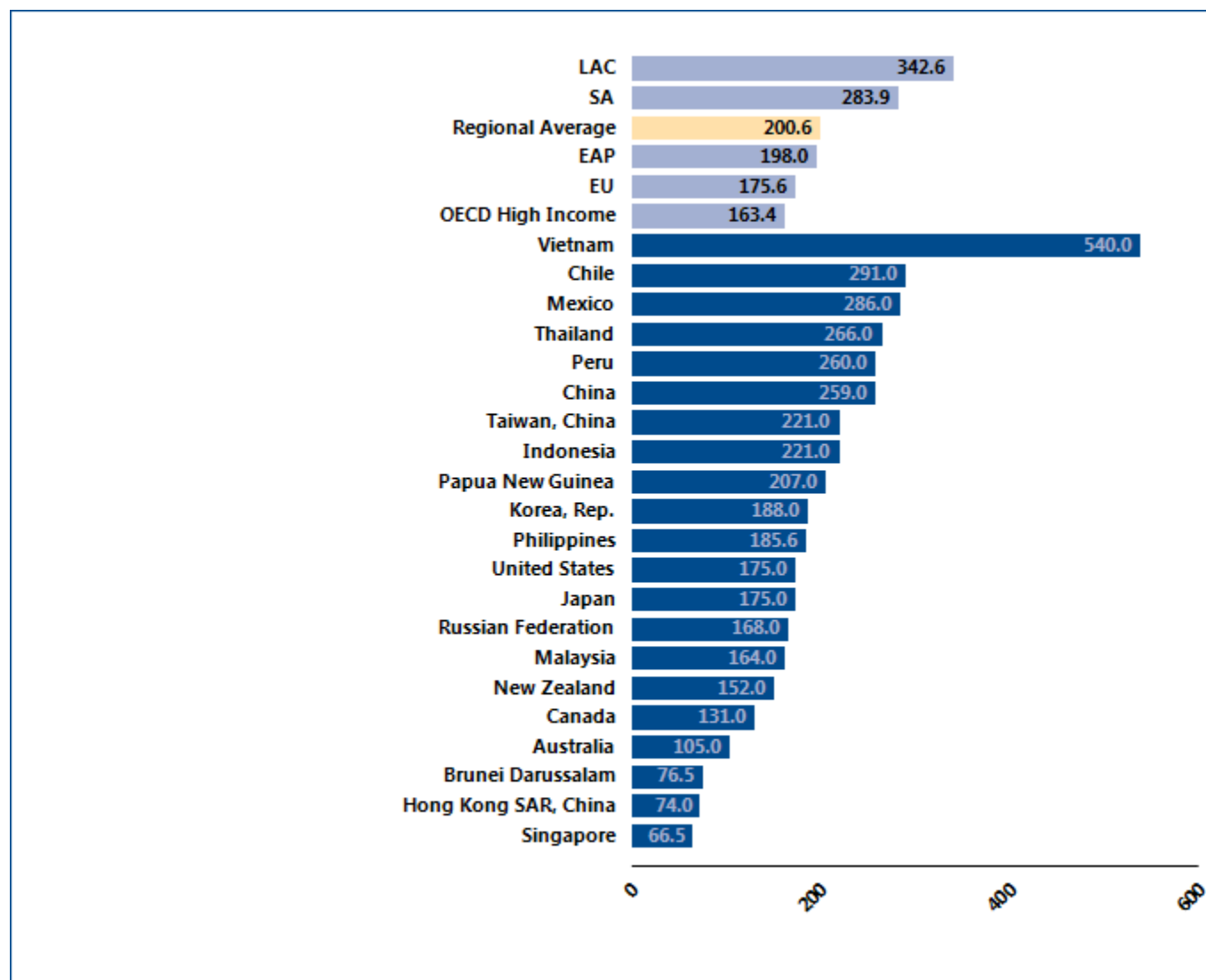
Figure 8.2 How easy is it to pay taxes in economies in Asia-Pacific Economic Cooperation (APEC)—and what are the total tax rates?

### Payments (number per year)



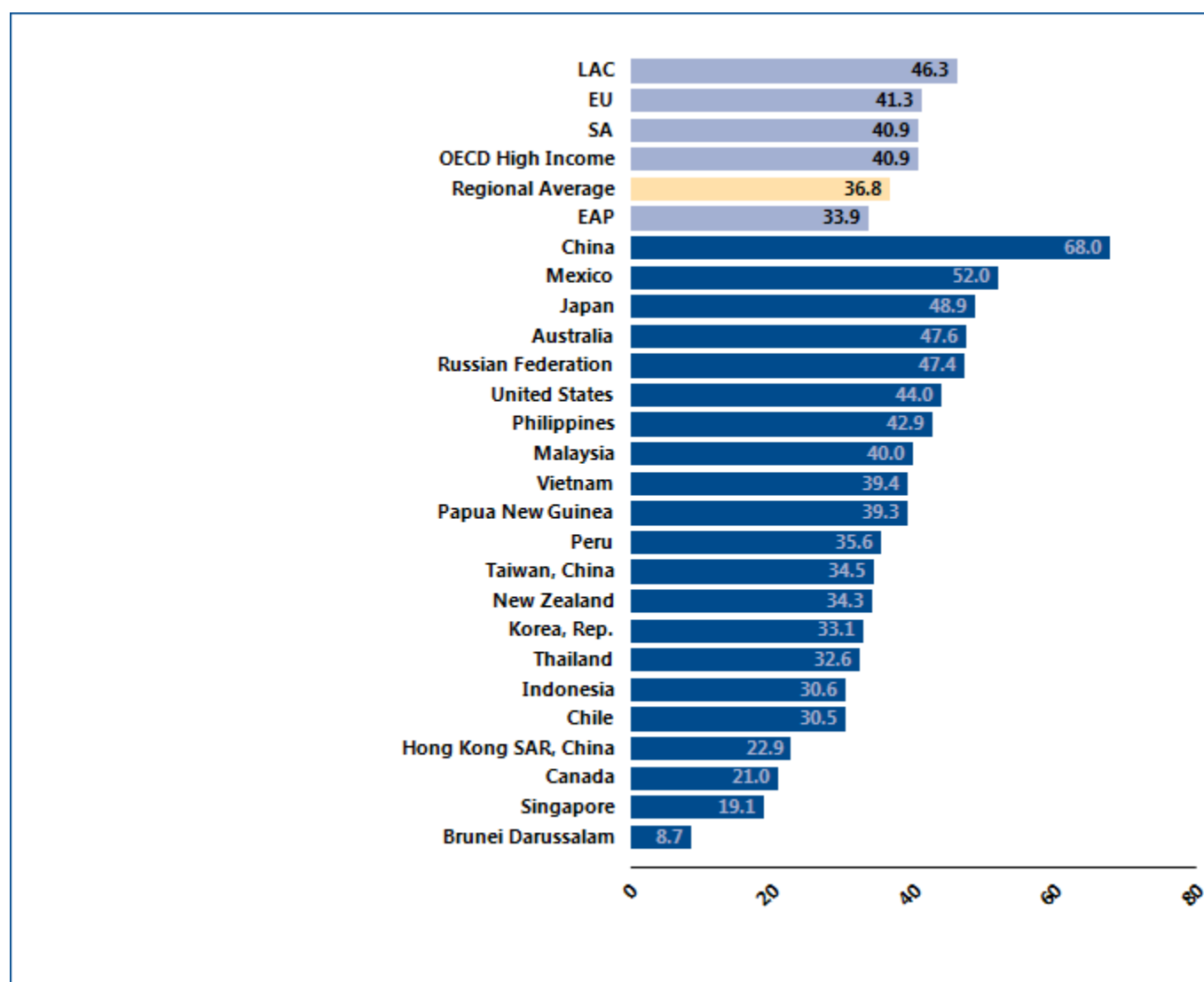
## PAYING TAXES

Time (hours per year)



## PAYING TAXES

## Total tax rate (% of profit)



Source: Doing Business database.

## PAYING TAXES

### Postfiling Index (DTF)

*Source: Doing Business database.*

## PAYING TAXES

### What are the changes over time?

Economies around the world have made paying taxes faster and easier for businesses—such as by consolidating filings, reducing the frequency of payments or offering electronic filing and payment. Many have lowered tax rates. Changes have brought

concrete results. Some economies simplifying compliance with tax obligations and reducing rates have seen tax revenue rise. What tax reforms has *Doing Business* recorded in Asia-Pacific Economic Cooperation (APEC) (table 8.1)?

Table 8.1 How have economies in Asia-Pacific Economic Cooperation (APEC) made paying taxes easier—or not?  
By *Doing Business* report year DB2011 to DB2017

| DB year | Economy              | Reform   |
|---------|----------------------|--|
| DB2017  | Malaysia             | In Malaysia the credit bureau began to provide consumer credit scores.   |
| DB2017  | Hong Kong SAR, China | Hong Kong SAR, China, streamlined the processes of reviewing applications for new electrical connections and also reduced the time needed to issue an excavation permit.                       |
| DB2017  | Hong Kong SAR, China | Hong Kong SAR, China, made starting a business less costly by reducing the business registration fee.  |
| DB2017  | Malaysia             | Malaysia made starting a business more difficult by requiring that companies with an annual revenue of more than MYR 500,000 register as a GST payer.  |
| DB2017  | Korea, Rep.          | The Republic of Korea made starting a business faster by eliminating post-registration procedures.   |
| DB2017  | Malaysia             | Malaysia made paying taxes easier by introducing an online system for filing and paying the Goods and Services Tax (GST) while also making it is more complex by replacing sales tax with GST. |
| DB2017  | Singapore            | Singapore made dealing with construction permits easier by streamlining procedures and improving the online one-stop shop.   |
| DB2017  | Russian Federation   | Russian Federation Saint Petersburg made dealing with construction permits easier by removing the requirement to   |

| DB year       | Economy                   | Reform  |
|---------------|---------------------------|---|
|               |                           | obtain permission to fence the construction site.   |
| <b>DB2017</b> | <i>Indonesia</i>          | Indonesia made enforcing contracts easier by introducing a dedicated procedure for small claims that allows for parties' self-representation. This reform applies to both Jakarta and Surabaya.   |
| <b>DB2017</b> | <i>Russian Federation</i> | The Russian Federation made enforcing contracts more difficult by mandating pre-trial resolution before filing a claim, thereby lengthening the initial phase of judicial proceedings. This reform applies to both Moscow and St. Petersburg.   |
| <b>DB2017</b> | <i>Mexico</i>             | Mexico adopted a resolution that eliminated geographic differences in national minimum wages. Prior to the reform Mexico was divided into two zones—zone A and zone B—with different applicable minimum wages. This reform applies to both Mexico City and Monterrey.   |
| <b>DB2017</b> | <i>China</i>              | China improved access to credit information by starting to report payment histories from utility companies and providing credit scores to banks and financial institutions. This reform applies to both Shanghai and Beijing.   |
| <b>DB2017</b> | <i>Indonesia</i>          | Indonesia strengthened access to credit by establishing a modern collateral registry.   |
| <b>DB2017</b> | <i>Thailand</i>           | Thailand improved access to credit information by starting to provide credit scores to banks and financial institutions.  |
| <b>DB2017</b> | <i>Indonesia</i>          | Indonesia made the process for getting an electricity connection faster by reducing the time for contractors to perform external work thanks to an increase in the stock of electrical material supplied by the utility. In Surabaya, getting electricity was also made easier after the utility streamlined the process for new connection requests. |
| <b>DB2017</b> | <i>Vietnam</i>            | Vietnam strengthened minority investor protections by making it easier to sue directors in cases of prejudicial transactions between interested parties, by increasing shareholder rights and role in major corporate decisions, by strengthening the ownership and control structures of   |



| DB year       | Economy          | Reform   |
|---------------|------------------|--|
|               |                  | companies and by increasing corporate transparency requirements.   |
| <b>DB2017</b> | <i>Thailand</i>  | Thailand made resolving insolvency easier by introducing new restructuring for small and medium-size companies and by streamlining provisions related to company liquidation.  |
| <b>DB2017</b> | <i>Indonesia</i> | Indonesia made it easier to register property by digitizing its cadastral records and setting up a geographic information system.  |
| <b>DB2017</b> | <i>Mexico</i>    | Mexico made registering property easier by digitizing its land records, improving the quality of the Land Registry infrastructure and making the registration process more efficient.  |
| <b>DB2017</b> | <i>Singapore</i> | Singapore made it easier to transfer a property by introducing an independent mechanism for reporting errors on titles and maps.   |
| <b>DB2017</b> | <i>Thailand</i>  | Thailand made starting a business easier by creating a single window for registration payment and reducing the time to obtain a company seal.  |
| <b>DB2017</b> | <i>Indonesia</i> | Indonesia made starting a business easier by creating a single form to apply for the company registration certificate and trading license. This reform applies to Jakarta. Indonesia also made starting a business easier by abolishing the minimum capital requirement for small and medium-size enterprises and by encouraging the use of an online system to reserve company names. This reform applies to both Jakarta and Surabaya. |
| <b>DB2017</b> | <i>China</i>     | China made starting a business easier by introducing a single form to obtain a business license, organization code and tax registration. This reform applies to both Shanghai and Beijing.   |
| <b>DB2017</b> | <i>Vietnam</i>   | Vietnam made starting a business more difficult by requiring entrepreneurs to receive approval of the seal sample before using it.   |
| <b>DB2017</b> | <i>Vietnam</i>   | Vietnam made exporting and importing easier by implementing electronic customs clearance system.   |

| DB year | Economy                  | Reform   |
|---------|--------------------------|--|
| DB2017  | <i>Indonesia</i>         | Indonesia made exporting and importing easier by improving the customs services and document submission functions of the Indonesia National Single Window.   |
| DB2017  | <i>Singapore</i>         | Singapore made paying taxes easier by introducing improvements to the online system for filing corporate income tax returns and VAT returns. At the same, the social security contribution rate paid by employers increased and the rebate of 30% on vehicle tax expired.  |
| DB2017  | <i>Peru</i>              | Peru made paying taxes less costly by decreasing the corporate income tax rate.  |
| DB2017  | <i>New Zealand</i>       | New Zealand made paying taxes easier by abolishing the cheque levy. New Zealand made paying less costly by decreasing the rate of accident compensation levy paid by employers. At the same time, New Zealand made paying taxes more costly by raising property tax and road user levy rates.  |
| DB2017  | <i>Indonesia</i>         | Indonesia made paying taxes easier by introducing an online system for filing and paying health contributions. Indonesia also made paying taxes more costly by levying a new pension contribution at a rate of 2% paid by employers. These reforms apply to both Jakarta and Surabaya.   |
| DB2017  | <i>Japan</i>             | Japan made paying taxes easier by disclosing the technical specifications of the eTax platform and allowing the upload of additional information in comma separated value (CSV) format. The restoration surtax was also abolished. However, a local corporation tax was introduced and the rates of special local corporation tax, inhabitants tax and enterprise tax were raised. Welfare pension premiums were also raised. These reforms apply to both Tokyo and Osaka. However, the rate for health insurance contributions paid by employers was reduced only in Osaka. |
| DB2017  | <i>Vietnam</i>           | Vietnam made paying taxes easier and less costly by streamlining the administrative process of complying with tax obligations and abolishing environmental protection fees.  |
| DB2017  | <i>Brunei Darussalam</i> | Brunei Darussalam strengthened access to credit by adopting a new insolvency law that contemplates protections for   |

| DB year       | Economy                  | Reform  |
|---------------|--------------------------|---|
|               |                          | secured creditors during an automatic stay in reorganization proceedings. Brunei also improved access to credit information by beginning to distribute data from two utility companies.   |
| <b>DB2017</b> | <i>Brunei Darussalam</i> | The utility in Brunei Darussalam streamlined the processes of reviewing applications, and the time to issue an excavation permit was reduced. In addition, Brunei Darussalam increased the reliability of power supply by rolling out a Supervisory Control and Data Acquisition (SCADA) automatic energy management system for the monitoring of outages and the restoration of service. |
| <b>DB2017</b> | <i>Brunei Darussalam</i> | Brunei Darussalam strengthened minority investor protections by clarifying ownership and control structures, making it easier to sue directors in case of prejudicial related-party transactions, and allowing the rescission of related-party transactions that harm the company.  |
| <b>DB2017</b> | <i>Brunei Darussalam</i> | Brunei Darussalam made resolving insolvency easier by adopting a new insolvency law that introduced a reorganization procedure and facilitated continuation of the debtor's business during insolvency proceedings. Brunei Darussalam also introduced regulations for insolvency practitioners.   |
| <b>DB2017</b> | <i>Brunei Darussalam</i> | Brunei Darussalam made paying taxes easier by fully implementing an electronic system for filing and paying corporate income tax.   |
| <b>DB2017</b> | <i>Philippines</i>       | The Philippines made dealing with construction permits easier by increasing the transparency of its building regulations.   |
| <b>DB2017</b> | <i>Papua New Guinea</i>  | Papua New Guinea strengthened access to credit by adopting a new law on secured transactions that implemented a functional secured transactions system and established a centralized, notice-based collateral registry. The new law broadens the scope of assets that can be used as collateral and allows out-of-court enforcement of collateral.  |
| <b>DB2017</b> | <i>Papua New Guinea</i>  | Papua New Guinea reduced the time required to start a business by streamlining business registration at the   |

| DB year       | Economy                     | Reform   |
|---------------|-----------------------------|--|
|               |                             | Investment Promotion Agency (IPA).   |
| <b>DB2017</b> | <i>Philippines</i>          | The Philippines made paying taxes easier by introducing an online system for filing and paying health contributions and by allowing for the online corporate income tax and VAT returns to be completed offline.   |
| <b>DB2017</b> | <i>Brunei Darussalam</i>    | Brunei Darussalam made enforcing contracts easier by introducing an electronic filing system as well as a platform that allows users to pay court fees electronically.   |
| <b>DB2016</b> | <i>Philippines</i>          | The Philippines made starting a business easier by streamlining communications between the Securities and Exchange Commission and the Social Security System and thereby expediting the process of issuing an employer registration number.  |
| <b>DB2016</b> | <i>Brunei Darussalam</i>    | Brunei Darussalam made paying taxes easier and less costly for companies by merging contributions for the Employee Provident Fund and the Supplemental Pension Fund and increasing the capital allowance for industrial buildings. In addition, it reduced the corporate income tax rate, though it also abolished the partial exemption of income and introduced a flat rate. |
| <b>DB2016</b> | <i>Brunei Darussalam</i>    | Brunei Darussalam made starting a business easier by improving online procedures and simplifying registration and post registration requirements.  |
| <b>DB2016</b> | <i>Chile</i>                | Chile made resolving insolvency easier by clarifying and simplifying provisions on liquidation and reorganization, introducing provisions to facilitate the continuation of the debtor's business during insolvency, establishing a public office responsible for the general administration of insolvency proceedings and creating specialized insolvency courts.             |
| <b>DB2016</b> | <i>Chile</i>                | Chile made paying taxes more costly for companies by increasing the corporate income tax rate.   |
| <b>DB2016</b> | <i>Hong Kong SAR, China</i> | The utility in Hong Kong SAR, China, made getting electricity easier by streamlining the process for reviewing connection applications and for completing the connection works and meter installation. In addition, the time needed to issue an  |

| DB year       | Economy                     | Reform  |
|---------------|-----------------------------|---|
|               |                             | excavation permit was reduced.  |
| <b>DB2016</b> | <i>Korea, Rep.</i>          | The Republic of Korea made paying taxes more complicated and costly for companies by requiring separate filing and payment of the local income tax and by increasing the rates for unemployment insurance and national health insurance paid by employers.  |
| <b>DB2016</b> | <i>Hong Kong SAR, China</i> | Hong Kong SAR, China, made paying taxes easier and less costly for companies by simplifying compliance with the mandatory provident fund obligations and increasing the allowance for profit tax. At the same time, it increased the maximum contribution to the mandatory provident fund and reduced the property tax waiver.  |
| <b>DB2016</b> | <i>Malaysia</i>             | Malaysia made paying taxes easier and less costly for companies by making electronic filing mandatory and reducing the property tax rate. At the same time, it also increased the capital gains tax.  |
| <b>DB2016</b> | <i>Hong Kong SAR, China</i> | Hong Kong SAR, China, made starting a business easier by eliminating the requirement for a company seal.  |
| <b>DB2016</b> | <i>Hong Kong SAR, China</i> | Hong Kong SAR, China, improved access to credit by implementing a modern collateral registry.   |
| <b>DB2016</b> | <i>Vietnam</i>              | The utility in Vietnam reduced the time required for getting an electricity connection by reducing delays and increasing efficiency in approving connection applications and designs for connection works. Getting electricity was also made easier by eliminating the need to obtain a substation certification from the Fire Fighters Prevention Department for connections to the medium-voltage grid. |
| <b>DB2016</b> | <i>Russian Federation</i>   | Russia made the process of obtaining an electricity connection simpler, faster and less costly by eliminating a meter inspection by electricity providers and revising connection tariffs. This reform applies to both Moscow and St. Petersburg.   |
| <b>DB2016</b> | <i>Taiwan, China</i>        | The utility in Taiwan, China, reduced the time required for   |

| DB year       | Economy                   | Reform   |
|---------------|---------------------------|--|
|               |                           | getting an electricity connection through a simplified procedure for obtaining excavation permits from the municipality.   |
| <b>DB2016</b> | <i>New Zealand</i>        | The utility in New Zealand reduced the time required for getting an electricity connection by improving its payment monitoring and confirmation process for the connection works.  |
| <b>DB2016</b> | <i>Vietnam</i>            | Vietnam made resolving insolvency easier by clarifying and simplifying provisions on liquidation and reorganization, modifying the standard for commencement of insolvency proceedings, changing provisions on voidable transactions, regulating the profession of insolvency trustees and establishing the rules for enterprise asset managers.   |
| <b>DB2016</b> | <i>Vietnam</i>            | Vietnam made paying taxes less costly for companies by reducing the corporate income tax rate—and made it easier by reducing the number of procedures and documents for filing VAT and social security contributions, reducing the number of filings for VAT and replacing quarterly filings of corporate income tax with quarterly advance payments. On the other hand, Vietnam increased the rate for social security contributions paid by employers. |
| <b>DB2016</b> | <i>Indonesia</i>          | Indonesia made paying taxes easier and less costly for companies by introducing an online system for paying social security contributions and by reducing both the rate paid by employers and the ceiling for the contributions. This reform applies to both Jakarta and Surabaya.   |
| <b>DB2016</b> | <i>China</i>              | China made paying taxes less costly for companies in Shanghai by reducing the social security contribution rate.   |
| <b>DB2016</b> | <i>Russian Federation</i> | Russia made paying taxes less costly for companies by excluding movable property from the corporate property tax base—though it also raised the wage ceiling used in calculating social contributions. These changes apply to both Moscow and St. Petersburg. In addition, the cadastral value of land in Moscow was updated.  |
| <b>DB2016</b> | <i>Mexico</i>             | Mexico made paying taxes easier for companies by abolishing the business flat tax—though it also made paying taxes more  |

| DB year       | Economy                   | Reform  |
|---------------|---------------------------|---|
|               |                           | costly by allowing only a portion of salaries to be deductible. These changes apply to both Mexico City and Monterrey. In addition, the payroll tax rate paid by employers was increased for Mexico City.   |
| <b>DB2016</b> | <i>Peru</i>               | Peru made paying taxes easier for companies by creating an advanced online registry with up-to-date information on employees.   |
| <b>DB2016</b> | <i>Russian Federation</i> | Russia made transferring property easier by reducing the time required for property registration. This reform applies to both Moscow and St. Petersburg.  |
| <b>DB2016</b> | <i>Indonesia</i>          | Indonesia made starting a business in Jakarta easier by reducing the time needed to register with the Ministry of Manpower.   |
| <b>DB2016</b> | <i>Russian Federation</i> | The Russian Federation made starting a business in Moscow easier by reducing the number of days required to open a corporate bank account.  |
| <b>DB2016</b> | <i>Vietnam</i>            | Vietnam made starting a business easier by reducing the time required to get the company seal engraved and registered.  |
| <b>DB2016</b> | <i>Indonesia</i>          | Indonesia improved access to credit by enabling searches of the collateral registry by the debtor's name. This reform applies to both Jakarta and Surabaya.   |
| <b>DB2016</b> | <i>Russian Federation</i> | Russia improved access to credit by adopting a new law on secured transactions that established a centralized collateral registry and allows a general description of a combined category of assets granted as collateral. This reform applies to both Moscow and St. Petersburg. |
| <b>DB2016</b> | <i>Mexico</i>             | Mexico improved access to credit by implementing a decree allowing a general description of assets granted as collateral. This reform applies to both Mexico City and Monterrey.  |
| <b>DB2016</b> | <i>Vietnam</i>            | Vietnam guaranteed borrowers' right to inspect their credit data while the new credit bureau expanded borrower coverage, improving the credit information system.   |
| <b>DB2016</b> | <i>Peru</i>               | Peru improved its credit information system by implementing   |

| DB year       | Economy                     | Reform  |
|---------------|-----------------------------|---|
|               |                             | a new law on personal data protection.  |
| <b>DB2015</b> | <i>New Zealand</i>          | New Zealand improved access to credit information by beginning to distribute both positive and negative credit information.   |
| <b>DB2015</b> | <i>Taiwan, China</i>        | Taiwan, China, improved access to credit information by beginning to include data from utility companies in credit reports.   |
| <b>DB2015</b> | <i>Vietnam</i>              | Vietnam improved its credit information system by establishing a new credit bureau.   |
| <b>DB2015</b> | <i>Mexico</i>               | Mexico improved access to credit by amending its insolvency proceedings law and establishing clear grounds for relief from a stay of enforcement actions by secured creditors during reorganization procedures. This reform applies to both Mexico City and Monterrey.                                    |
| <b>DB2015</b> | <i>Hong Kong SAR, China</i> | Hong Kong SAR, China, strengthened minority investor protections by introducing requirements for directors to provide more detailed disclosure of conflicts of interest to the other board members.   |
| <b>DB2015</b> | <i>Korea, Rep.</i>          | The Republic of Korea strengthened minority investor protections by increasing the level of transparency expected from companies on managerial compensation.  |
| <b>DB2015</b> | <i>Korea, Rep.</i>          | The Republic of Korea made transferring property easier by reducing the time needed to buy housing bonds and to register the property transfer.   |
| <b>DB2015</b> | <i>Hong Kong SAR, China</i> | Hong Kong SAR, China, made starting a business more difficult by increasing the registration fee.   |
| <b>DB2015</b> | <i>Taiwan, China</i>        | Taiwan, China, made getting electricity easier by eliminating site inspections.   |
| <b>DB2015</b> | <i>Indonesia</i>            | In Indonesia the electricity company in Jakarta made getting electricity easier by eliminating the need for electrical contractors to obtain multiple certificates guaranteeing the safety of internal installations—though. The utility in Jakarta and Surabaya also increased the cost by introducing a |



| DB year | Economy            | Reform  |
|---------|--------------------|---|
|         |                    | security deposit for new connections.   |
| DB2015  | Thailand           | Thailand made dealing with construction permits less time-consuming by introducing a fast-track approval process for building permits for smaller buildings.  |
| DB2015  | Singapore          | Singapore made enforcing contracts easier by introducing a new electronic litigation system that streamlines litigation proceedings.  |
| DB2015  | Mexico             | Mexico made resolving insolvency easier by clarifying several rules, shortening the time extensions allowed during reorganization, facilitating the electronic submission of documents and improving the legal rights of creditors and other parties involved in bankruptcy procedures. This reform applies to both Mexico City and Monterrey.                |
| DB2015  | Taiwan, China      | Taiwan, China, made paying taxes easier for companies by introducing an electronic system for paying the vehicle license tax.   |
| DB2015  | Indonesia          | Indonesia made paying taxes less costly for companies by reducing employers' health insurance contribution rate. This reform applies to both Jakarta and Surabaya.  |
| DB2015  | China              | China made paying taxes easier for companies by enhancing the electronic system for filing and paying taxes and adopting new communication channels within its taxpayer service, changes applying to both Beijing and Shanghai. In addition, China made paying taxes less costly for companies in Shanghai by reducing the social security contribution rate. |
| DB2015  | Vietnam            | Vietnam made paying taxes less costly for companies by reducing the corporate income tax rate.  |
| DB2015  | Russian Federation | The Russian Federation made transferring property easier by eliminating the requirement for notarization and introducing tighter time limits for completing the property registration. This reform applies to both Moscow and St. Petersburg.   |
| DB2015  | Russian Federation | The Russian Federation made starting a business easier by eliminating the requirement to deposit the charter capital  |

| DB year       | Economy                  | Reform   |
|---------------|--------------------------|--|
|               |                          | before company registration as well as the requirement to notify tax authorities of the opening of a bank account. This reform applies to both Moscow and St. Petersburg.  |
| <b>DB2015</b> | <i>United States</i>     | In the United States starting a business became easier in New York City thanks to faster online procedures.  |
| <b>DB2015</b> | <i>China</i>             | China made starting a business easier by eliminating both the minimum capital requirement and the requirement to obtain a capital verification report from an auditing firm. This reform applies to both Beijing and Shanghai.                     |
| <b>DB2015</b> | <i>Indonesia</i>         | Indonesia made starting a business easier by allowing the Ministry of Law and Human Rights to electronically issue the approval letter for the deed of establishment. This reform applies to both Jakarta and Surabaya.                            |
| <b>DB2015</b> | <i>Indonesia</i>         | In Indonesia trading across borders became more difficult because of insufficient infrastructure at the Tanjung Priok Port Jakarta. This change applies to both Jakarta and Surabaya.  |
| <b>DB2015</b> | <i>Brunei Darussalam</i> | Brunei Darussalam made dealing with construction permits easier by consolidating final inspections.  |
| <b>DB2015</b> | <i>Brunei Darussalam</i> | Brunei Darussalam made paying taxes easier for companies by allowing joint filing and payment of supplemental contributory pension and employee provident fund contributions and by introducing an online system for paying these 2 contributions. |
| <b>DB2015</b> | <i>Philippines</i>       | In the Philippines trading across borders became more difficult because of a new city ordinance restricting truck traffic in Manila.   |
| <b>DB2014</b> | <i>Philippines</i>       | The Philippines improved access to credit information by beginning to distribute both positive and negative information and by enacting a data privacy act that guarantees borrowers' right to access their data.                                  |
| <b>DB2014</b> | <i>Brunei Darussalam</i> | Brunei Darussalam improved access to credit information by establishing a public credit registry.  |

| DB year | Economy                   | Reform   |
|---------|---------------------------|--|
| DB2014  | <i>Philippines</i>        | The Philippines made dealing with construction permits easier by eliminating the requirement to obtain a health certificate.   |
| DB2014  | <i>Philippines</i>        | The Philippines made paying taxes easier for companies by introducing an electronic filing and payment system for social security contributions.   |
| DB2014  | <i>Mexico</i>             | Mexico made getting electricity easier by increasing the efficiency of the utility's internal processes and by enforcing a "silence is consent" rule for the approval of the feasibility study for a new connection. |
| DB2014  | <i>Russian Federation</i> | Russia made getting electricity simpler and less costly by setting standard connection tariffs and eliminating many procedures previously required.  |
| DB2014  | <i>Russian Federation</i> | Russia made dealing with construction permits easier by eliminating several requirements for project approvals from government agencies and by reducing the time required to register a new building.                |
| DB2014  | <i>New Zealand</i>        | New Zealand made enforcing contracts easier by improving its case management system to ensure a speedier and less costly adjudication of cases.  |
| DB2014  | <i>Mexico</i>             | Mexico made enforcing contracts easier by creating small claims courts, with oral proceedings, that can hear both civil and commercial cases.  |
| DB2014  | <i>China</i>              | China made enforcing contracts easier by amending its civil procedure code to streamline and speed up all court proceedings.   |
| DB2014  | <i>Thailand</i>           | Thailand made paying taxes less costly for companies by reducing employers' social security contribution rate.   |
| DB2014  | <i>Vietnam</i>            | Vietnam made paying taxes more costly for companies by increasing employers' social security contribution rate.  |
| DB2014  | <i>Vietnam</i>            | Vietnam strengthened investor protections by introducing greater disclosure requirements for publicly held companies in cases of related-party transactions.   |

| DB year | Economy                     | Reform  |
|---------|-----------------------------|---|
| DB2014  | <i>Singapore</i>            | Singapore made transferring property easier by introducing an online procedure for property transfers.  |
| DB2014  | <i>Russian Federation</i>   | Russia made transferring property easier by streamlining procedures and implementing effective time limits for processing transfer applications.                              |
| DB2014  | <i>Russian Federation</i>   | Russia made starting a business easier by abolishing the requirement to have the bank signature card notarized before opening a company bank account.                         |
| DB2014  | <i>Vietnam</i>              | Vietnam abolished priority rules for redundancy dismissals or layoffs and increased the minimum wage.   |
| DB2014  | <i>Russian Federation</i>   | Russia made trading across borders easier by implementing an electronic system for submitting export and import documents and by reducing the number of physical inspections. |
| DB2014  | <i>Mexico</i>               | Mexico made trading across borders easier by implementing an electronic single-window system.   |
| DB2014  | <i>Korea, Rep.</i>          | Korea revised its secured transactions framework by creating new types of security rights that can be publicized through registration.  |
| DB2014  | <i>Chile</i>                | Chile made starting a business easier by creating a new online system for business registration.  |
| DB2014  | <i>Malaysia</i>             | Malaysia made getting electricity easier by increasing the efficiency of internal processes at the utility and improving its communication and dialogue with contractors.     |
| DB2014  | <i>Malaysia</i>             | Malaysia made dealing with construction permits easier by establishing a one-stop shop.   |
| DB2014  | <i>Hong Kong SAR, China</i> | Hong Kong SAR, China, made transferring property more costly by increasing the stamp duty.  |
| DB2014  | <i>Malaysia</i>             | Malaysia made starting a business less costly by reducing the company registration fees.  |
| DB2014  | <i>Hong Kong SAR, China</i> | Hong Kong SAR, China, made starting a business less costly  |

| DB year       | Economy            | Reform  |
|---------------|--------------------|---|
|               |                    | by abolishing the capital duty levied on local companies.   |
| <b>DB2014</b> | <i>Malaysia</i>    | Malaysia introduced a minimum wage.   |
| <b>DB2014</b> | <i>Australia</i>   | Australia improved its credit information system through the Privacy Amendment (Enhancing Privacy Protection) Act 2012, which permits credit bureaus to collect account payment history with improved privacy protection. |
| <b>DB2014</b> | <i>China</i>       | China improved its credit information system by introducing credit information industry regulations, which guarantee borrowers' right to inspect their data.  |
| <b>DB2014</b> | <i>Indonesia</i>   | Indonesia improved its credit information system through a new regulation setting up a legal framework for establishing credit bureaus.   |
| <b>DB2014</b> | <i>Vietnam</i>     | Vietnam improved its credit information system through a decree setting up a legal framework for the establishment of private credit bureaus.   |
| <b>DB2014</b> | <i>Singapore</i>   | Singapore improved its credit information system by guaranteeing by law borrowers' right to inspect their own data.   |
| <b>DB2013</b> | <i>Korea, Rep.</i> | Korea expedited the insolvency process by implementing a fast track for company rehabilitation.   |
| <b>DB2013</b> | <i>Thailand</i>    | Thailand made starting a business easier by allowing the registrar at the Department of Business Development to receive the company's work regulations.   |
| <b>DB2013</b> | <i>Vietnam</i>     | Vietnam made starting a business easier by allowing companies to use self-printed value added tax invoices.   |
| <b>DB2013</b> | <i>China</i>       | China made starting a business less costly by exempting micro and small companies from paying several administrative fees from January 2012 to December 2014.   |
| <b>DB2013</b> | <i>Mexico</i>      | Mexico made starting a business easier by eliminating the minimum capital requirement for limited liability companies.  |
| <b>DB2013</b> | <i>Korea, Rep.</i> | Korea made getting electricity less costly by introducing a new connection fee schedule and an installment payment  |

| DB year       | Economy                   | Reform   |
|---------------|---------------------------|--|
|               |                           | system.  |
| <b>DB2013</b> | <i>Peru</i>               | Peru made obtaining a construction permit easier by eliminating requirements for several preconstruction approvals.  |
| <b>DB2013</b> | <i>Taiwan, China</i>      | Taiwan, China, made dealing with construction permits easier by introducing a risk-based and self-regulatory inspection system and improving operational features of the one-stop shop for building permits.                 |
| <b>DB2013</b> | <i>China</i>              | China simplified the process of obtaining a construction permit by streamlining and centralizing preconstruction approvals.  |
| <b>DB2013</b> | <i>Russian Federation</i> | Russia made obtaining a construction permit simpler by eliminating requirements for several preconstruction approvals.   |
| <b>DB2013</b> | <i>Peru</i>               | Peru strengthened investor protections through a new law regulating the approval of related-party transactions and making it easier to sue directors when such transactions are prejudicial.                                 |
| <b>DB2013</b> | <i>Taiwan, China</i>      | Taiwan, China, strengthened investor protections by increasing disclosure requirements for related-party transactions and improving the liability regime for company directors in cases where such transactions are abusive. |
| <b>DB2013</b> | <i>Australia</i>          | Australia strengthened its secured transactions system by adopting a new national legal regime governing the enforceability of security interests in personal property and implementing a unified collateral registry.       |
| <b>DB2013</b> | <i>Canada</i>             | Canada made getting an electricity connection easier by reducing the time needed for external connection works.  |
| <b>DB2013</b> | <i>Malaysia</i>           | Malaysia made dealing with construction permits faster by improving the one-stop center for new buildings and by reducing the time to connect to telephone service.  |
| <b>DB2013</b> | <i>Malaysia</i>           | Malaysia substantially reduced the number of days it takes to register property transfers.   |

| DB year       | Economy                   | Reform  |
|---------------|---------------------------|---|
| <b>DB2013</b> | <i>Korea, Rep.</i>        | Korea strengthened investor protections by making it easier to sue directors in cases of prejudicial related-party transactions.  |
| <b>DB2013</b> | <i>Korea, Rep.</i>        | Korea made paying taxes less costly for companies by reducing the profit tax rate.  |
| <b>DB2013</b> | <i>Brunei Darussalam</i>  | Brunei Darussalam made dealing with construction permits easier by creating a one-stop shop for preconstruction approvals.  |
| <b>DB2013</b> | <i>Brunei Darussalam</i>  | Brunei Darussalam made paying taxes less costly for companies by reducing the profit tax rate.  |
| <b>DB2013</b> | <i>Indonesia</i>          | Indonesia made getting electricity easier by eliminating the requirement for new customers applying for an electricity connection to show a neighbor's electricity bill as a way to help determine their address.   |
| <b>DB2013</b> | <i>Mexico</i>             | In Mexico the distribution utility made getting electricity easier by streamlining procedures, offering training opportunities to private contractors, using a geographic information system (GIS) to map the electricity distribution network and increasing the stock of materials. |
| <b>DB2013</b> | <i>Russian Federation</i> | Russia eased the administrative burden of taxes for firms by simplifying compliance procedures for value added tax and by promoting the use of tax accounting software and electronic services.   |
| <b>DB2013</b> | <i>Japan</i>              | Japan made paying taxes less costly for companies by reducing the corporate income tax rate—though it also introduced a restoration surtax for a 3-year period.   |
| <b>DB2013</b> | <i>Thailand</i>           | Thailand made paying taxes less costly for companies by reducing the profit tax rate.   |
| <b>DB2013</b> | <i>New Zealand</i>        | New Zealand improved access to credit information by allowing credit bureaus to collect positive information on individuals.  |
| <b>DB2012</b> | <i>Peru</i>               | Peru strengthened investor protections through a new law allowing minority shareholders to request access to  |

| DB year       | Economy                     | Reform   |
|---------------|-----------------------------|--|
|               |                             | nonconfidential corporate documents.   |
| <b>DB2012</b> | <i>Vietnam</i>              | Vietnam strengthened investor protections by requiring higher standards of accountability for company directors.   |
| <b>DB2012</b> | <i>Russian Federation</i>   | Russia made trading across borders easier by reducing the number of documents needed for each export or import transaction and lowering the associated cost.   |
| <b>DB2012</b> | <i>Mexico</i>               | Mexico strengthened its secured transactions system by implementing a centralized collateral registry with an electronic database that is accessible online.   |
| <b>DB2012</b> | <i>Russian Federation</i>   | Russia made filing a commercial case easier by introducing an electronic case filing system.   |
| <b>DB2012</b> | <i>Russian Federation</i>   | Russian Federation made getting electricity less costly by revising the tariffs for connection.  |
| <b>DB2012</b> | <i>Indonesia</i>            | Indonesia made getting electricity more difficult by increasing connection fees.   |
| <b>DB2012</b> | <i>Philippines</i>          | The Philippines adopted a new insolvency law that provides a legal framework for liquidation and reorganization of financially distressed companies.   |
| <b>DB2012</b> | <i>Brunei Darussalam</i>    | Brunei Darussalam made getting electricity easier by establishing a one-stop shop and reducing the time required to obtain an excavation permit.   |
| <b>DB2012</b> | <i>Korea, Rep.</i>          | Korea eased the administrative burden of paying taxes for firms by merging several taxes, allowing 4 labor taxes and contributions to be paid jointly and continuing to increase the use of the online tax payment system. |
| <b>DB2012</b> | <i>Malaysia</i>             | Malaysia made paying taxes costlier for firms by reintroducing the real estate capital gains tax—but also made tax compliance easier by improving electronic systems and the availability of software.                     |
| <b>DB2012</b> | <i>Hong Kong SAR, China</i> | Hong Kong, China introduced a Minimum Wage.  |
| <b>DB2012</b> | <i>Hong Kong SAR, China</i> | Hong Kong SAR (China) made starting a business easier by introducing online electronic services for company and  |



| DB year       | Economy                   | Reform   |
|---------------|---------------------------|--|
|               |                           | business registration.   |
| <b>DB2012</b> | <i>Korea, Rep.</i>        | Korea made starting a business easier by introducing a new online one-stop shop, Start-Biz.  |
| <b>DB2012</b> | <i>Malaysia</i>           | Malaysia made starting a business easier by merging company, tax, social security and employment fund registrations at the one-stop shop and providing same-day registration.  |
| <b>DB2012</b> | <i>Australia</i>          | Australia clarified the priority of claims of unsecured creditors over all shareholders' claims and introduced further regulation of the profession of insolvency practitioners.   |
| <b>DB2012</b> | <i>Chile</i>              | Chile made business start-up easier by starting to provide an immediate temporary operating license to new companies, eliminating the requirement for an inspection of premises by the tax authority before new companies can begin operations and allowing free online publication of the notice of a company's creation. |
| <b>DB2012</b> | <i>Chile</i>              | Chile strengthened its secured transactions system by implementing a unified collateral registry and a new legal framework for nonpossessory security interests.   |
| <b>DB2012</b> | <i>Canada</i>             | Canada made paying taxes easier and less costly for companies by reducing profit tax rates, eliminating the Ontario capital tax and harmonizing sales taxes.   |
| <b>DB2012</b> | <i>Chile</i>              | Chile made trading across borders faster by implementing an online electronic data interchange system for customs operations.  |
| <b>DB2012</b> | <i>Thailand</i>           | Thailand made registering property more expensive by increasing the registration fee.  |
| <b>DB2012</b> | <i>Russian Federation</i> | Russia made registering property transfers easier by eliminating the requirement to obtain cadastral passports on land plots.  |
| <b>DB2012</b> | <i>New Zealand</i>        | New Zealand reduced its corporate income tax rate and fringe benefit tax rate.   |

| DB year | Economy                     | Reform   |
|---------|-----------------------------|--|
| DB2012  | <i>Peru</i>                 | Peru made paying taxes easier for companies by improving electronic filing and payment of the major taxes and promoting the use of the electronic option among the majority of taxpayers.                        |
| DB2012  | <i>Mexico</i>               | Mexico continued to ease the administrative burden of paying taxes for firms by ending the requirement to file a yearly value added tax return and reduced filing requirements for other taxes                   |
| DB2012  | <i>Russian Federation</i>   | Russia increased the social security contribution rate for employers.  |
| DB2012  | <i>Malaysia</i>             | Malaysia established dedicated commercial courts to handle foreclosure proceedings.  |
| DB2012  | <i>Mexico</i>               | Mexico made dealing with construction permits faster by consolidating internal administrative procedures.  |
| DB2012  | <i>Japan</i>                | Japan made dealing with construction permits costlier by increasing inspection fees.   |
| DB2012  | <i>Taiwan, China</i>        | Taiwan (China) made dealing with construction permits easier by creating a one-stop center.  |
| DB2012  | <i>Indonesia</i>            | Indonesia made starting a business easier by introducing a simplified application process allowing an applicant to simultaneously obtain both a general trading license and a business registration certificate. |
| DB2012  | <i>Taiwan, China</i>        | Taiwan (China) made starting a business easier by implementing an online one-stop shop for business registration.  |
| DB2012  | <i>Thailand</i>             | Thailand made starting a business easier by introducing a one-stop shop.   |
| DB2012  | <i>Peru</i>                 | Peru made starting a business easier by eliminating the requirement for micro and small enterprises to deposit start-up capital in a bank before registration.   |
| DB2012  | <i>Hong Kong SAR, China</i> | Hong Kong SAR (China) made getting electricity easier by increasing the efficiency of public agencies and streamlining   |

| DB year       | Economy              | Reform   |
|---------------|----------------------|--|
|               |                      | the utility's procedures with other government agencies.   |
| <b>DB2012</b> | <i>Malaysia</i>      | Malaysia continued to improve the computerization of its courts by introducing a system making it possible to file complaints electronically.  |
| <b>DB2012</b> | <i>Korea, Rep.</i>   | Korea made filing a commercial case easier by introducing an electronic case filing system.  |
| <b>DB2011</b> | <i>Korea, Rep.</i>   | Korea made it easier to deal with insolvency by introducing postfiling financing, granting superpriority to the repayment of loans given to companies undergoing reorganization.   |
| <b>DB2011</b> | <i>Peru</i>          | Peru eased business start-up by simplifying the requirements for operating licenses and creating an online one-stop shop for business registration.  |
| <b>DB2011</b> | <i>Taiwan, China</i> | Taiwan (China) eased business start-up by reducing the time required to check company names, register retirement plans and apply for health, pension and labor insurance.  |
| <b>DB2011</b> | <i>Vietnam</i>       | Vietnam eased company start-up by creating a one-stop shop that combines the processes for obtaining a business license and tax license and by eliminating the need for a seal for company licensing.  |
| <b>DB2011</b> | <i>Mexico</i>        | Mexico launched an online one-stop shop for initiating business registration.  |
| <b>DB2011</b> | <i>Indonesia</i>     | Indonesia eased business start-up by reducing the cost for company name clearance and reservation and the time required to reserve the name and approve the deed of incorporation.   |
| <b>DB2011</b> | <i>Peru</i>          | Peru streamlined construction permitting by implementing administrative reforms.   |
| <b>DB2011</b> | <i>Vietnam</i>       | Vietnam made dealing with construction permits easier by reducing the cost to register newly completed buildings by 50% and transferring the authority to register buildings from local authorities to the Department of National Resources and Environment. |

| DB year | Economy                   | Reform  |
|---------|---------------------------|---|
| DB2011  | <i>Russian Federation</i> | Russia eased construction permitting by implementing a single window for all procedures related to land use.  |
| DB2011  | <i>Thailand</i>           | Thailand made registering property more costly by repealing a 2-year temporary tax reduction for property transfers.  |
| DB2011  | <i>Peru</i>               | Peru introduced fast-track procedures at the land registry, cutting by half the time needed to register property.   |
| DB2011  | <i>Vietnam</i>            | Vietnam improved its credit information system by allowing borrowers to examine their own credit report and correct errors.   |
| DB2011  | <i>Singapore</i>          | Singapore improved its credit information system by collecting and distributing information on firms.   |
| DB2011  | <i>Mexico</i>             | Mexico increased taxes on companies by raising several tax rates, including the corporate income tax and the rate on cash deposits. At the same time, the administrative burden was reduced slightly with more options for online payment and increased use of accounting software. |
| DB2011  | <i>United States</i>      | In the United States the introduction of a new tax on payroll increased taxes on companies operating within the New York City metropolitan commuter transportation district.  |
| DB2011  | <i>Indonesia</i>          | Indonesia reduced its corporate income tax rate.  |
| DB2011  | <i>China</i>              | China's new corporate income tax law unified the tax regimes for domestic and foreign enterprises and clarified the calculation of taxable income for corporate income tax purposes.  |
| DB2011  | <i>Vietnam</i>            | The government of Vietnam eased paying taxes by reducing corporate income tax rate.   |
| DB2011  | <i>Taiwan, China</i>      | Taiwan (China) reduced the corporate income tax rate and simplified tax return forms, rules for assessing corporate income tax and the calculation of interim tax payments.   |
| DB2011  | <i>Thailand</i>           | Thailand temporarily lowered taxes on business by reducing its specific business tax for 12 months.   |

| DB year | Economy                     | Reform  |
|---------|-----------------------------|---|
| DB2011  | <i>Canada</i>               | Canada increased the efficiency of the courts by expanding electronic document submission and streamlining procedures.  |
| DB2011  | <i>Chile</i>                | Chile made business start-up easier by introducing an online system for registration and for filing the request for publication.  |
| DB2011  | <i>Chile</i>                | An amendment to Chile's securities law strengthened investor protections by requiring greater corporate disclosure and regulating the approval of transactions between interested parties.  |
| DB2011  | <i>Canada</i>               | Canada harmonized the Ontario and federal tax returns and reduced the corporate and employee tax rates.   |
| DB2011  | <i>Australia</i>            | Australia introduced the severance payment obligation and reemployment consideration applicable in cases of redundancy dismissals. Annual leave was increased and averaging of hours is now allowed in shorter periods of time. In addition, notice period applicable in case of redundancy dismissals was decreased. |
| DB2011  | <i>Malaysia</i>             | Malaysia eliminated the requirements to notify third parties in cases of redundancy dismissals.   |
| DB2011  | <i>Malaysia</i>             | Malaysia eased business start-up by introducing more online services.   |
| DB2011  | <i>Malaysia</i>             | Malaysia's introduction of online stamping reduced the time and cost to transfer property.  |
| DB2011  | <i>Hong Kong SAR, China</i> | Hong Kong SAR (China) abolished the fuel tax on diesel.   |
| DB2011  | <i>Hong Kong SAR, China</i> | Reforms implemented in the civil justice system of Hong Kong SAR (China) will help increase the efficiency and cost-effectiveness of commercial dispute resolution.   |
| DB2011  | <i>Japan</i>                | Japan made it easier to deal with insolvency by establishing a new entity, the Enterprise Turnaround Initiative Corporation, to support the revitalization of companies suffering from excessive debt but professionally managed.   |

| DB year | Economy                   | Reform  |
|---------|---------------------------|---|
| DB2011  | <i>Russian Federation</i> | Russia introduced a series of legislative measures in 2009 to improve creditor rights and the insolvency system.  |
| DB2011  | <i>New Zealand</i>        | New Zealand enacted new district court rules that make the process for enforcing contracts user friendly.   |
| DB2011  | <i>Indonesia</i>          | Indonesia reduced the time to export by launching a single-window service.  |
| DB2011  | <i>Peru</i>               | Peru made trading easier by implementing a new web-based electronic data interchange system, risk-based inspections and payment deferrals.  |
| DB2011  | <i>Brunei Darussalam</i>  | The introduction of an electronic customs system in Brunei Darussalam made trading easier.  |
| DB2011  | <i>Brunei Darussalam</i>  | Brunei Darussalam instituted mandatory minimum annual leave and reduced notice periods applicable in case of redundancy dismissals.   |
| DB2011  | <i>Brunei Darussalam</i>  | Brunei Darussalam reduced the corporate income tax rate from 23.5% to 22% while also introducing a lower tax rate for small businesses, ranging from 5.5% to 11%.                   |
| DB2011  | <i>Brunei Darussalam</i>  | Brunei Darussalam made starting a business easier by improving efficiency at the company registrar and implementing an electronic system for name searches.                         |
| DB2011  | <i>Philippines</i>        | The Philippines eased business startup by setting up a one-stop shop at the municipal level.  |
| DB2011  | <i>Philippines</i>        | The Philippines made construction permitting more cumbersome through updated electricity connection costs.  |
| DB2011  | <i>Papua New Guinea</i>   | Operation of a new private credit bureau improved the credit information system in Papua New Guinea.  |
| DB2011  | <i>Philippines</i>        | The Philippines reduced the time and cost to trade by improving its electronic customs systems, adding such functions as electronic payments and online submission of declarations. |

Note: For information on reforms in earlier years (back to DB2006), see the *Doing Business* reports for these years, available at <http://www.doingbusiness.org>.

Source: *Doing Business* database.

## TRADING ACROSS BORDERS

In today's globalized world, making trade between economies easier is increasingly important for business. Excessive document requirements, burdensome customs procedures, inefficient port operations and inadequate infrastructure all lead to extra costs and delays for exporters and importers, stifling trade potential.

### What do the indicators cover?

*Doing Business* records the time and cost associated with the logistical process of exporting and importing goods. Under the new methodology introduced this year, *Doing Business* measures the time and cost (excluding tariffs) associated with three sets of procedures—documentary compliance, border compliance and domestic transport—within the overall process of exporting or importing a shipment of goods. The ranking of economies on the ease of trading across borders is determined by sorting their distance to frontier scores for trading across borders. These scores are the simple average of the distance to frontier scores for the time and cost for documentary compliance and border compliance to export and import.

To make the data comparable across economies, a few assumptions are made about the traded goods and the transactions:

### Time

- Time is measured in hours, and 1 day is 24 hours (for example, 22 days are recorded as  $22 \times 24 = 528$  hours). If customs clearance takes 7.5 hours, the data are recorded as is. Alternatively, suppose that documents are submitted to a customs agency at 8:00 a.m., are processed overnight and can be picked up at 8:00 a.m. the next day. In this case the time for customs clearance would be recorded as 24 hours because the actual procedure took 24 hours.

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### WHAT THE TRADING ACROSS BORDERS

#### INDICATORS MEASURE FOR IMPORT & EXPORT

#### Documentary compliance – cost (US\$) & time (hours)

Obtain, prepare and submit documents:

- During transport, clearance, inspections and port or border handling in origin economy
- Required by origin, transit and destination economies

Covers all documents by law and in practice

#### Border compliance – cost (US\$) & time (hours)

Customs clearance and inspections

Inspections by other agencies

Port or border handling

Obtaining, preparing and submitting documents during clearance, inspections and port or border handling

#### Domestic transport\*

Loading and unloading of shipment

Transport between warehouse and terminal/port

Transport between terminal/port and border

Obtaining, preparing and submitting documents during domestic transport

Traffic delays and road police checks while shipment is en route

\* Although *Doing Business* collects and publishes data on the time and cost for domestic transport, it does not use these data in calculating the distance to frontier score for trading across borders or the ranking on the ease of trading across borders.

### Cost

- Insurance cost and informal payments for which no receipt is issued are excluded from the costs recorded. Costs are reported in U.S. dollars. Contributors are asked to convert local currency into U.S. dollars based on the exchange rate prevailing on the day they answer the questionnaire.

**Assumptions of the case study**

- For each of the 190 economies covered by *Doing Business*, it is assumed that a shipment travels from a warehouse in the largest business city of the exporting economy to a warehouse in the largest business city of the importing economy. For 11 economies the data are also collected, under the same case study assumptions, for the second largest business city.
- The import and export case studies assume different traded products. It is assumed that each economy imports a standardized shipment of 15 metric tons of containerized auto parts (HS 8708) from its natural import partner—the economy from which it imports the largest value (price times quantity) of auto parts. It is assumed that each economy exports the product of its comparative advantage (defined by the largest export value) to its natural export partner—the economy that is the largest purchaser of this product. Precious metal and gems, live animals and pharmaceuticals are excluded from the list of possible export products, however, and the second largest product category is considered as needed.
- A shipment is a unit of trade. Export shipments do not necessarily need to be containerized, while import shipments of auto parts are assumed to be containerized.
- Shipping cost based on weight is assumed to be greater than shipping cost based on volume.
- If government fees are determined by the value of the shipment, the value is assumed to be \$50,000.
- The product is new, not secondhand or used merchandise.
- The exporting firm is responsible for hiring and paying for a freight forwarder or customs broker (or both) and pays for all costs related to international shipping, domestic transport, clearance and mandatory inspections by customs and other government agencies, port or border handling, documentary compliance fees and the like for exports. The importing firm is responsible for the above costs for imports.
- The mode of transport is the one most widely used for the chosen export or import product and the trading partner, as is the seaport, airport or land border crossing.
- All electronic submissions of information requested by any government agency in connection with the shipment are considered to be documents obtained, prepared and submitted during the export or import process.
- A port or border is defined as a place (seaport, airport or land border crossing) where merchandise can enter or leave an economy.
- Government agencies considered relevant are agencies such as customs, port authorities, road police, border guards, standardization agencies, ministries or departments of agriculture or industry, national security agencies and any other government authorities.



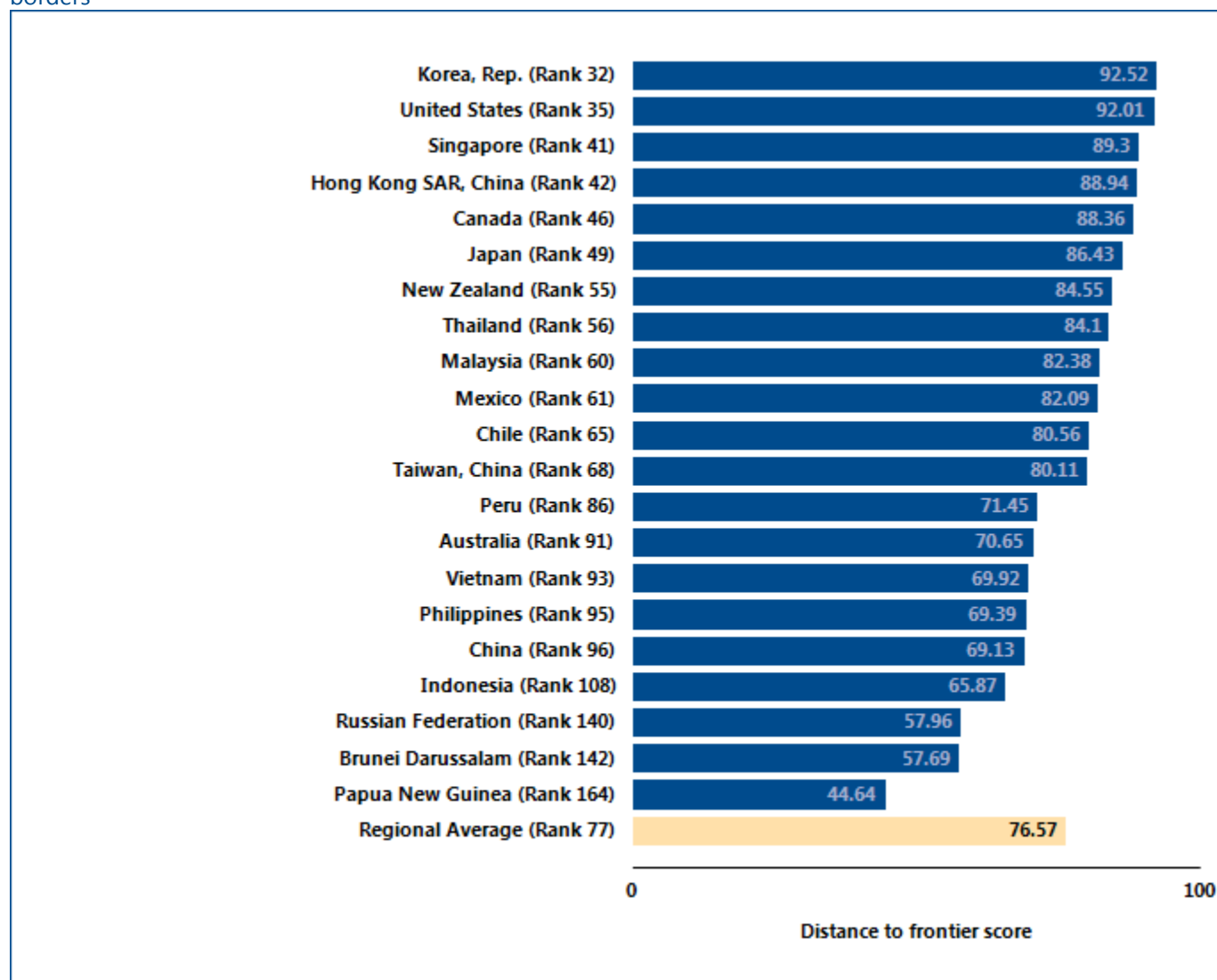
## TRADING ACROSS BORDERS

### Where do the region's economies stand today?

How easy it is for businesses in economies in Asia-Pacific Economic Cooperation (APEC) to export and import goods? The global rankings of these economies on the

ease of trading across borders suggest an answer (figure 9.1). The average ranking of the region and comparator regions provide a useful benchmark.

Figure 9.1 How economies in Asia-Pacific Economic Cooperation (APEC) rank on the ease of trading across borders



Source: Doing Business database.

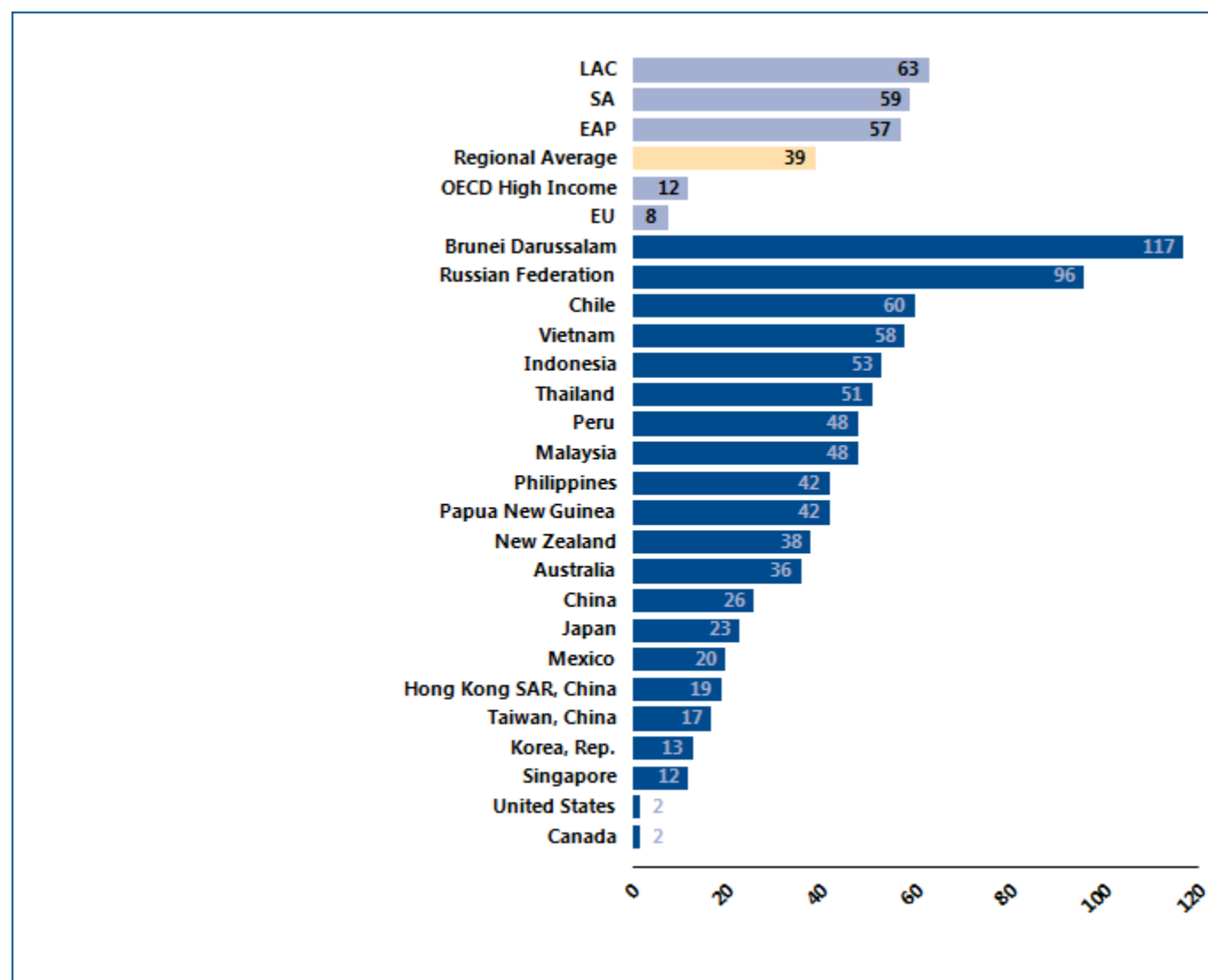
## TRADING ACROSS BORDERS

The indicators reported here are for trading a shipment of goods by the most widely used mode of transport (whether sea, land, air or some combination of these). The information on the time and cost to complete export

and import is collected from local freight forwarders, customs brokers and traders. Comparing these indicators across the region and with averages both for the region and for comparator regions can provide useful insights.

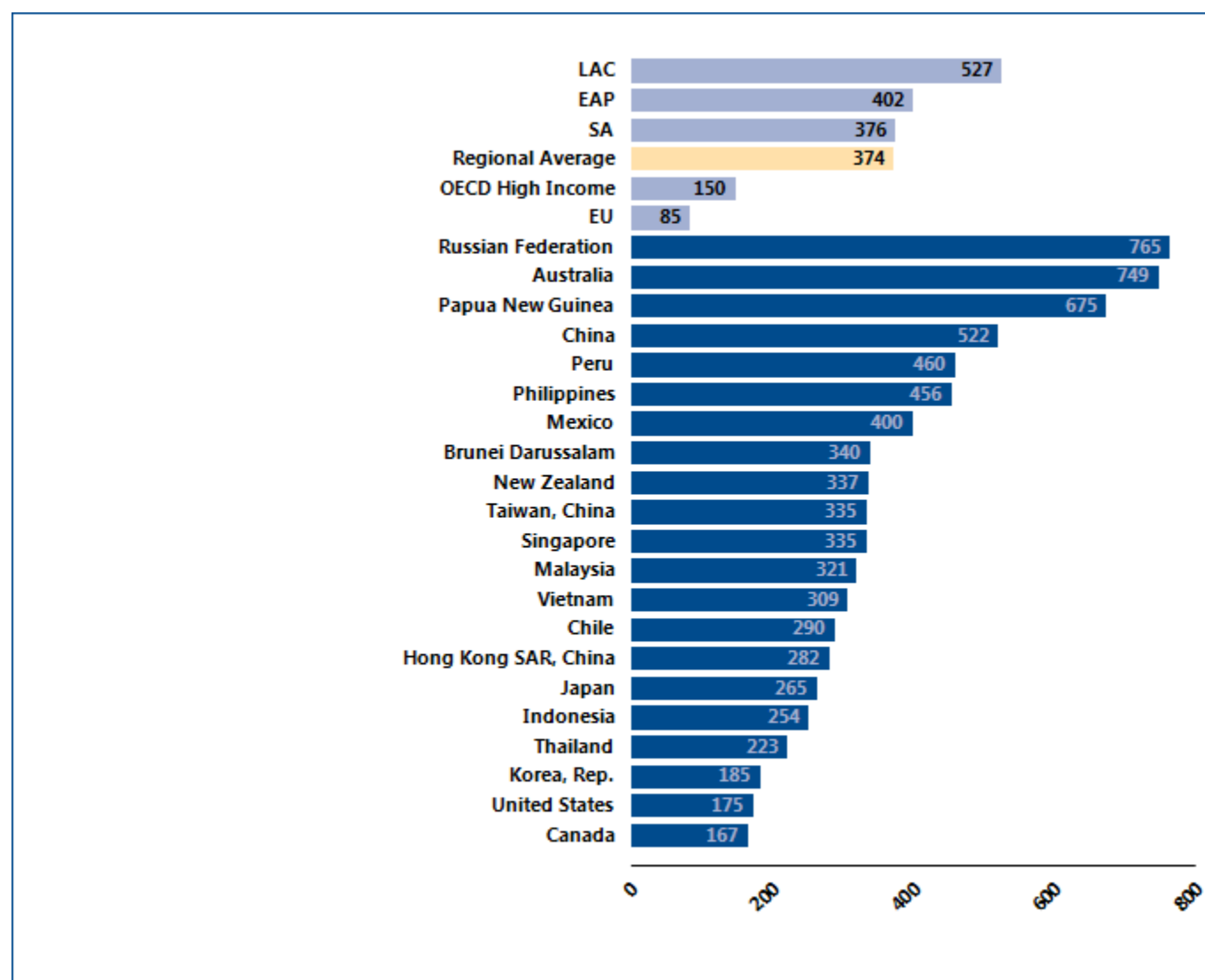
Figure 9.2 What it takes to trade across borders in economies in Asia-Pacific Economic Cooperation (APEC)

**Time to export: Border compliance (hours)**



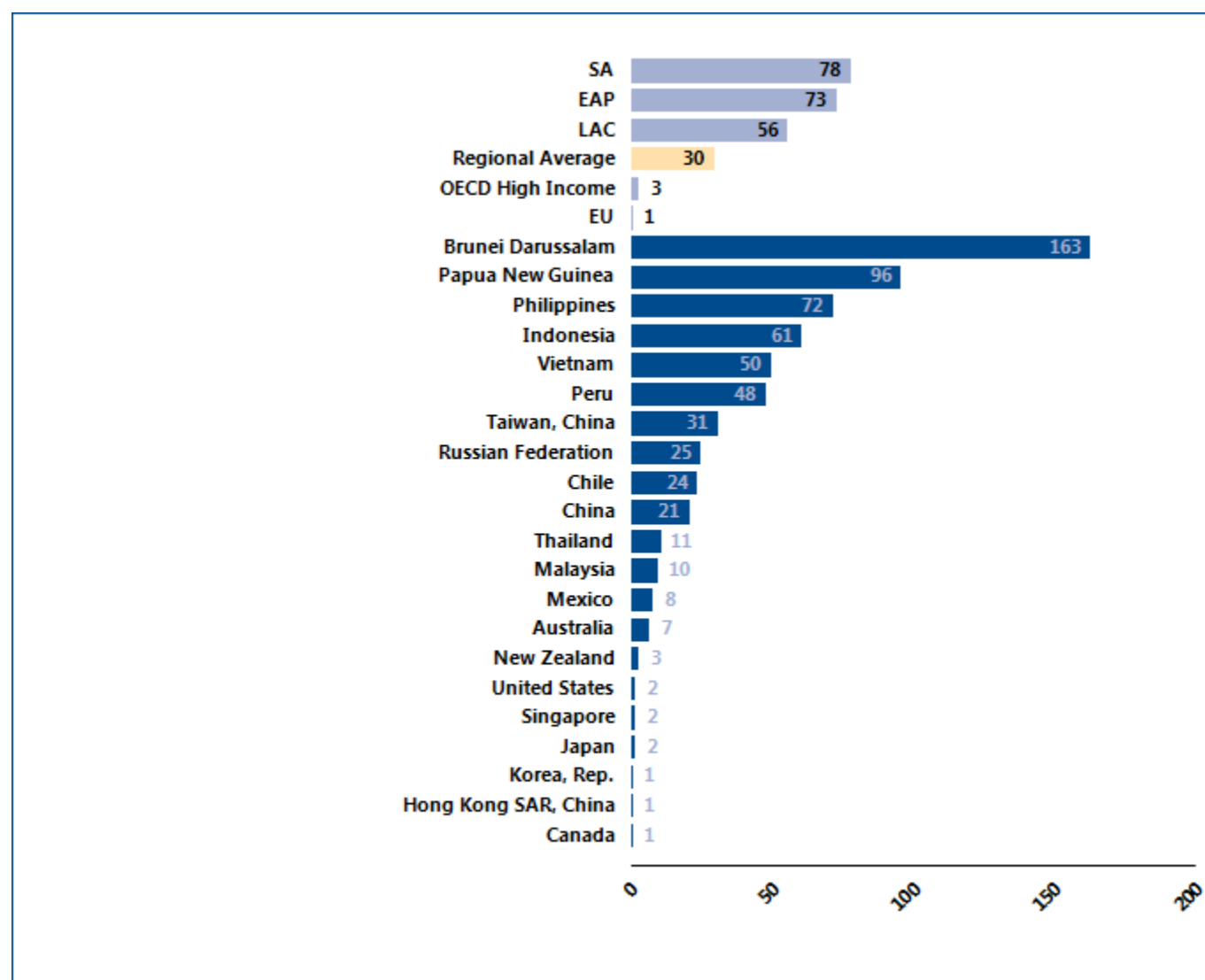
## TRADING ACROSS BORDERS

## Cost to export: Border compliance (USD)



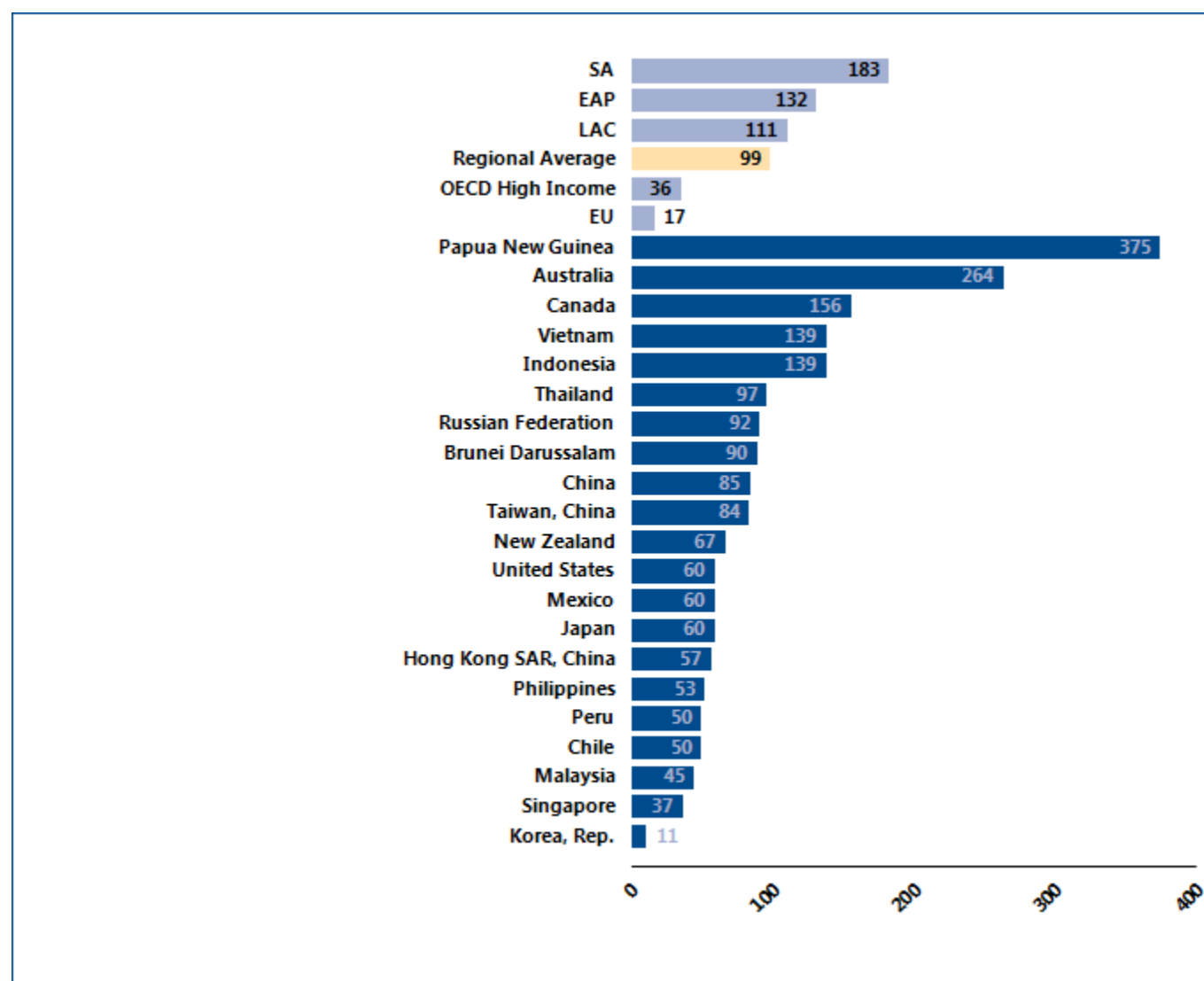
## TRADING ACROSS BORDERS

## Time to export: Documentary compliance (hours)



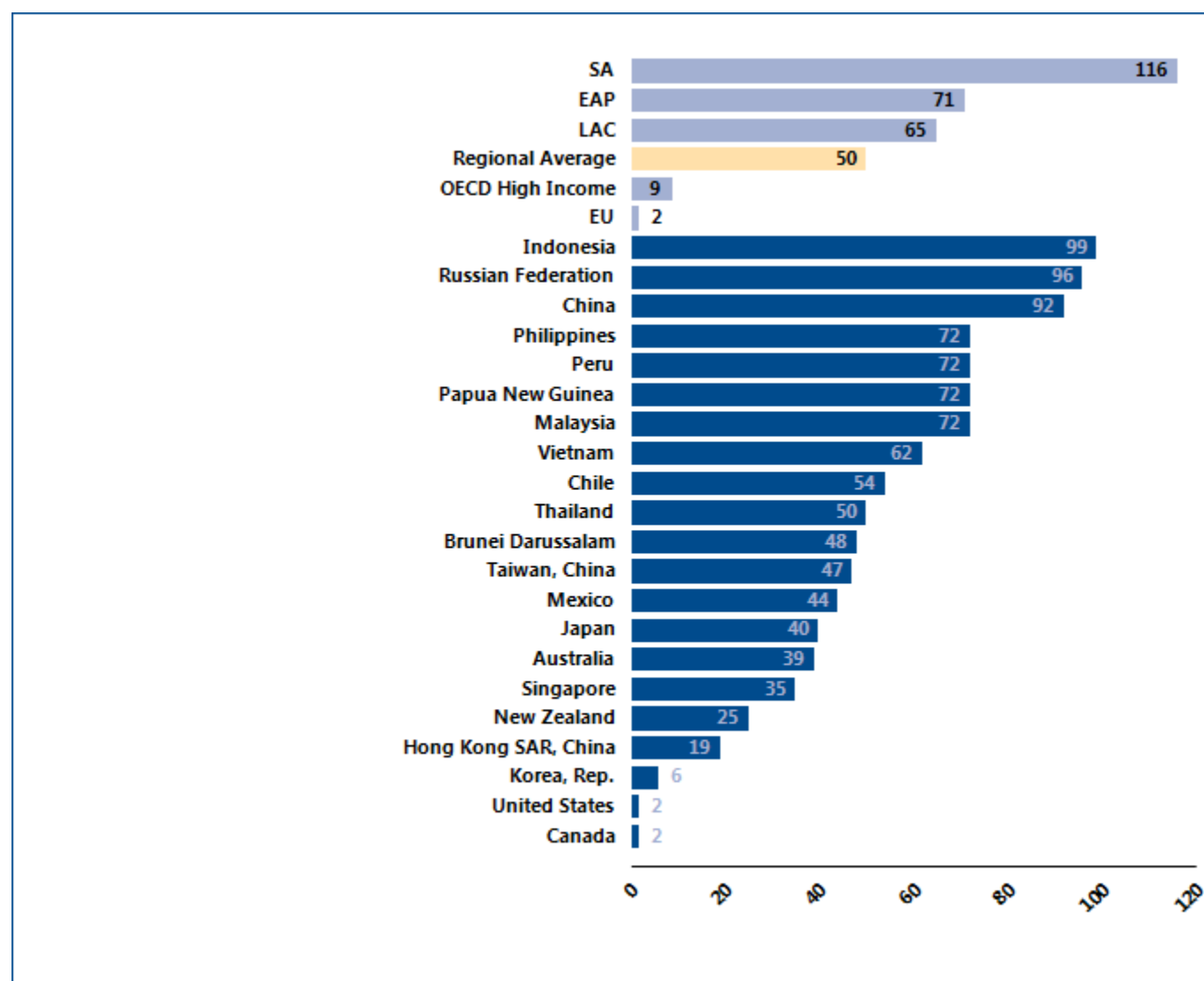
## TRADING ACROSS BORDERS

## Cost to export: Documentary compliance (USD)



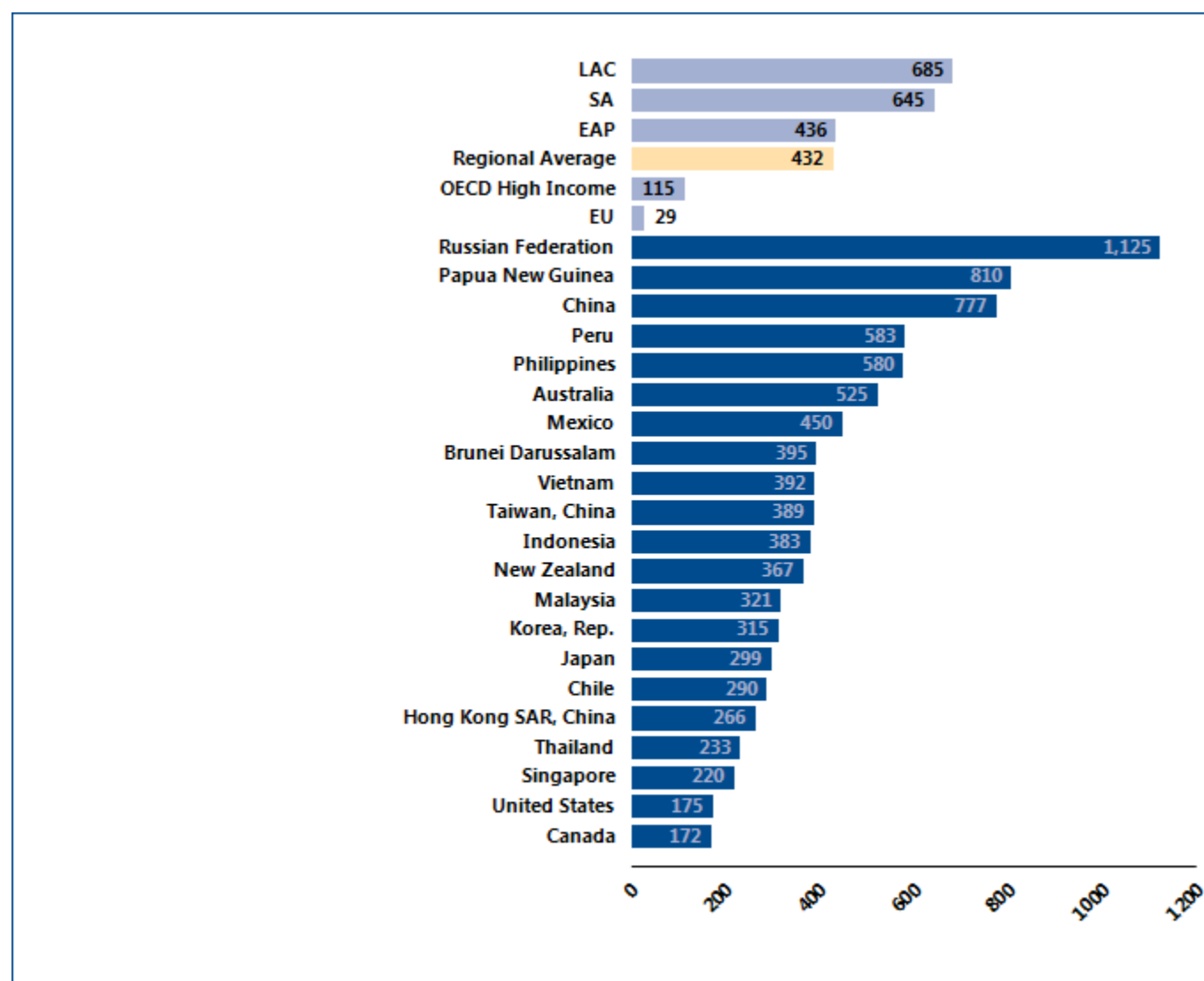
## TRADING ACROSS BORDERS

## Time to import: Border compliance (hours)



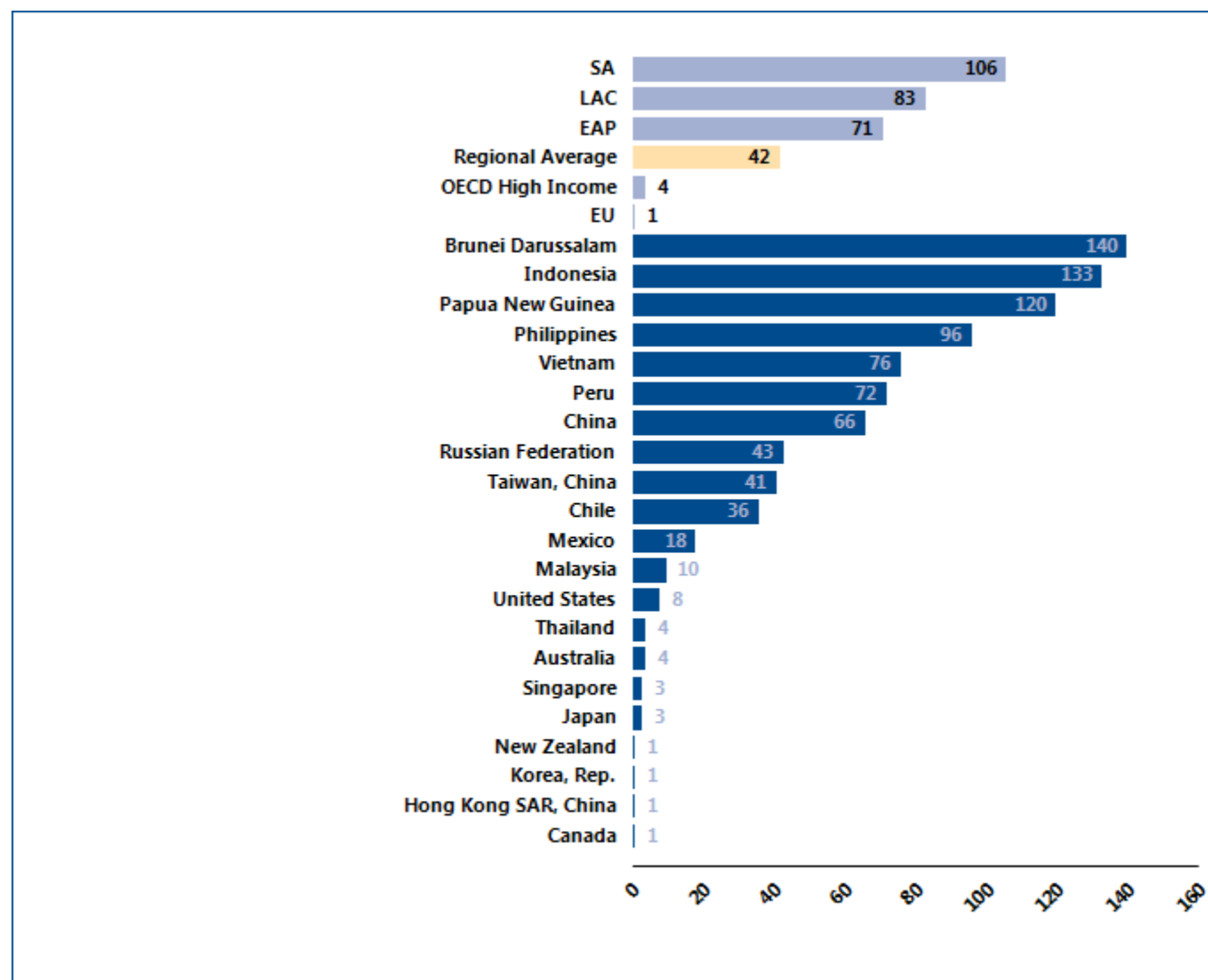
## TRADING ACROSS BORDERS

## Cost to import: Border compliance (USD)



## TRADING ACROSS BORDERS

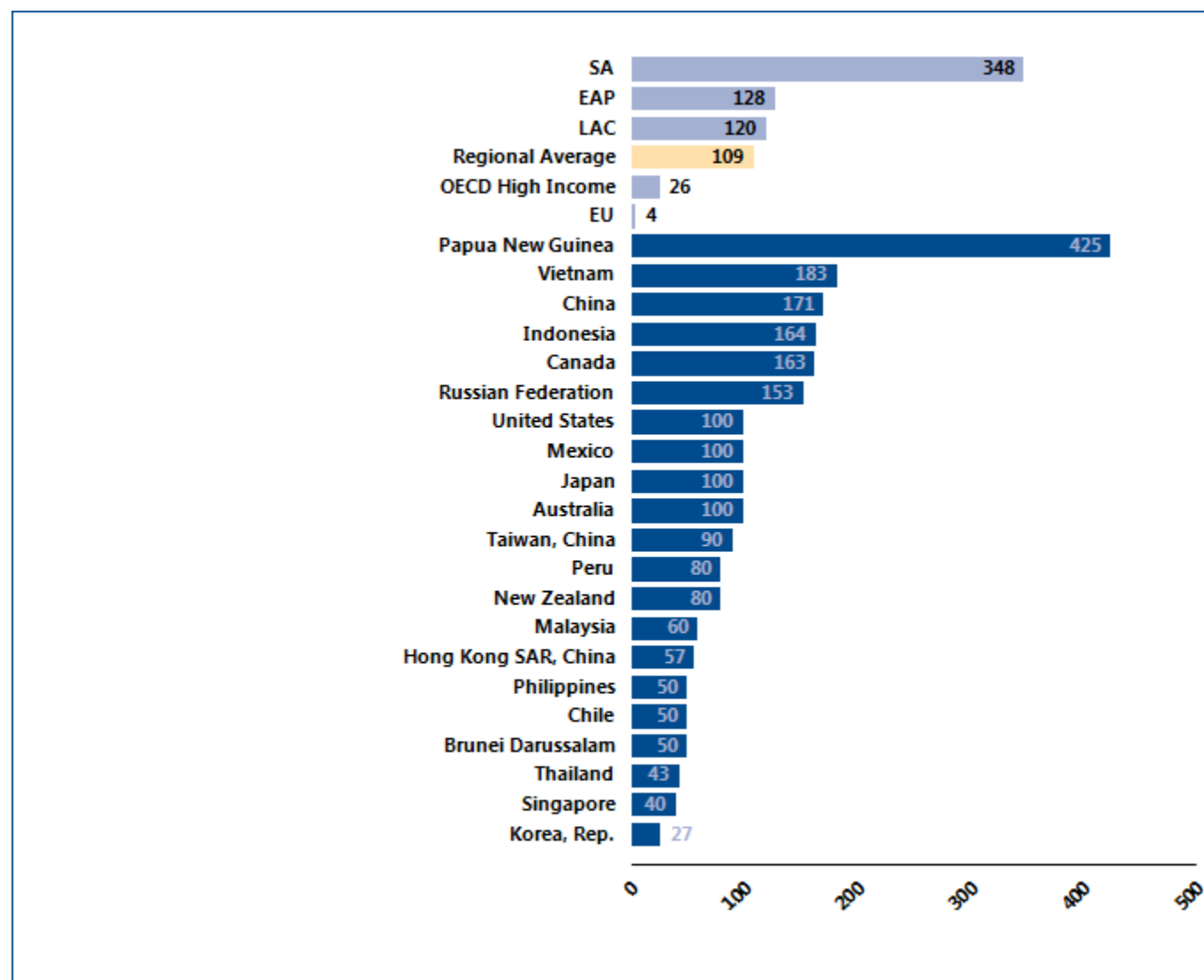
## Time to import: Documentary compliance (hours)





## TRADING ACROSS BORDERS

## Cost to import: Documentary compliance (USD)



Source: Doing Business database.

## TRADING ACROSS BORDERS

### What are the changes over time?

In economies around the world, trading across borders as measured by *Doing Business* has become faster and easier over the years. Governments have introduced tools to facilitate trade—including single windows, risk-based inspections and electronic data interchange

systems. These changes help improve their trading environment and boost firms' international competitiveness. What trade reforms has *Doing Business* recorded in Asia-Pacific Economic Cooperation (APEC) (table 9.1)?

Table 9.1 How have economies in Asia-Pacific Economic Cooperation (APEC) made trading across borders easier—or not?

By *Doing Business* report year DB2011 to DB2017

| DB year | Economy              | Reform   |
|---------|----------------------|--|
| DB2017  | Malaysia             | In Malaysia the credit bureau began to provide consumer credit scores.   |
| DB2017  | Hong Kong SAR, China | Hong Kong SAR, China, streamlined the processes of reviewing applications for new electrical connections and also reduced the time needed to issue an excavation permit.                       |
| DB2017  | Hong Kong SAR, China | Hong Kong SAR, China, made starting a business less costly by reducing the business registration fee.  |
| DB2017  | Malaysia             | Malaysia made starting a business more difficult by requiring that companies with an annual revenue of more than MYR 500,000 register as a GST payer.  |
| DB2017  | Korea, Rep.          | The Republic of Korea made starting a business faster by eliminating post-registration procedures.   |
| DB2017  | Malaysia             | Malaysia made paying taxes easier by introducing an online system for filing and paying the Goods and Services Tax (GST) while also making it is more complex by replacing sales tax with GST. |
| DB2017  | Singapore            | Singapore made dealing with construction permits easier by streamlining procedures and improving the online one-stop shop.   |
| DB2017  | Russian Federation   | Russian Federation Saint Petersburg made dealing with construction permits easier by removing the requirement to   |

| DB year       | Economy                   | Reform  |
|---------------|---------------------------|---|
|               |                           | obtain permission to fence the construction site.   |
| <b>DB2017</b> | <i>Indonesia</i>          | Indonesia made enforcing contracts easier by introducing a dedicated procedure for small claims that allows for parties' self-representation. This reform applies to both Jakarta and Surabaya.   |
| <b>DB2017</b> | <i>Russian Federation</i> | The Russian Federation made enforcing contracts more difficult by mandating pre-trial resolution before filing a claim, thereby lengthening the initial phase of judicial proceedings. This reform applies to both Moscow and St. Petersburg.   |
| <b>DB2017</b> | <i>Mexico</i>             | Mexico adopted a resolution that eliminated geographic differences in national minimum wages. Prior to the reform Mexico was divided into two zones—zone A and zone B—with different applicable minimum wages. This reform applies to both Mexico City and Monterrey.   |
| <b>DB2017</b> | <i>China</i>              | China improved access to credit information by starting to report payment histories from utility companies and providing credit scores to banks and financial institutions. This reform applies to both Shanghai and Beijing.   |
| <b>DB2017</b> | <i>Indonesia</i>          | Indonesia strengthened access to credit by establishing a modern collateral registry.   |
| <b>DB2017</b> | <i>Thailand</i>           | Thailand improved access to credit information by starting to provide credit scores to banks and financial institutions.  |
| <b>DB2017</b> | <i>Indonesia</i>          | Indonesia made the process for getting an electricity connection faster by reducing the time for contractors to perform external work thanks to an increase in the stock of electrical material supplied by the utility. In Surabaya, getting electricity was also made easier after the utility streamlined the process for new connection requests. |
| <b>DB2017</b> | <i>Vietnam</i>            | Vietnam strengthened minority investor protections by making it easier to sue directors in cases of prejudicial transactions between interested parties, by increasing shareholder rights and role in major corporate decisions, by   |

| DB year       | Economy          | Reform   |
|---------------|------------------|--|
|               |                  | strengthening the ownership and control structures of companies and by increasing corporate transparency requirements.   |
| <b>DB2017</b> | <i>Thailand</i>  | Thailand made resolving insolvency easier by introducing new restructuring for small and medium-size companies and by streamlining provisions related to company liquidation.  |
| <b>DB2017</b> | <i>Indonesia</i> | Indonesia made it easier to register property by digitizing its cadastral records and setting up a geographic information system.  |
| <b>DB2017</b> | <i>Mexico</i>    | Mexico made registering property easier by digitizing its land records, improving the quality of the Land Registry infrastructure and making the registration process more efficient.  |
| <b>DB2017</b> | <i>Singapore</i> | Singapore made it easier to transfer a property by introducing an independent mechanism for reporting errors on titles and maps.   |
| <b>DB2017</b> | <i>Thailand</i>  | Thailand made starting a business easier by creating a single window for registration payment and reducing the time to obtain a company seal.  |
| <b>DB2017</b> | <i>Indonesia</i> | Indonesia made starting a business easier by creating a single form to apply for the company registration certificate and trading license. This reform applies to Jakarta. Indonesia also made starting a business easier by abolishing the minimum capital requirement for small and medium-size enterprises and by encouraging the use of an online system to reserve company names. This reform applies to both Jakarta and Surabaya. |
| <b>DB2017</b> | <i>China</i>     | China made starting a business easier by introducing a single form to obtain a business license, organization code and tax registration. This reform applies to both Shanghai and Beijing.   |
| <b>DB2017</b> | <i>Vietnam</i>   | Vietnam made starting a business more difficult by requiring entrepreneurs to receive approval of the seal sample before using it.   |

| DB year       | Economy            | Reform   |
|---------------|--------------------|--|
| <b>DB2017</b> | <i>Vietnam</i>     | Vietnam made exporting and importing easier by implementing electronic customs clearance system.   |
| <b>DB2017</b> | <i>Indonesia</i>   | Indonesia made exporting and importing easier by improving the customs services and document submission functions of the Indonesia National Single Window.   |
| <b>DB2017</b> | <i>Singapore</i>   | Singapore made paying taxes easier by introducing improvements to the online system for filing corporate income tax returns and VAT returns. At the same, the social security contribution rate paid by employers increased and the rebate of 30% on vehicle tax expired.  |
| <b>DB2017</b> | <i>Peru</i>        | Peru made paying taxes less costly by decreasing the corporate income tax rate.  |
| <b>DB2017</b> | <i>New Zealand</i> | New Zealand made paying taxes easier by abolishing the cheque levy. New Zealand made paying less costly by decreasing the rate of accident compensation levy paid by employers. At the same time, New Zealand made paying taxes more costly by raising property tax and road user levy rates.  |
| <b>DB2017</b> | <i>Indonesia</i>   | Indonesia made paying taxes easier by introducing an online system for filing and paying health contributions. Indonesia also made paying taxes more costly by levying a new pension contribution at a rate of 2% paid by employers. These reforms apply to both Jakarta and Surabaya.   |
| <b>DB2017</b> | <i>Japan</i>       | Japan made paying taxes easier by disclosing the technical specifications of the eTax platform and allowing the upload of additional information in comma separated value (CSV) format. The restoration surtax was also abolished. However, a local corporation tax was introduced and the rates of special local corporation tax, inhabitants tax and enterprise tax were raised. Welfare pension premiums were also raised. These reforms apply to both Tokyo and Osaka. However, the rate for health insurance contributions paid by employers was reduced only in Osaka. |
| <b>DB2017</b> | <i>Vietnam</i>     | Vietnam made paying taxes easier and less costly by  |

| DB year       | Economy                  | Reform  |
|---------------|--------------------------|---|
|               |                          | streamlining the administrative process of complying with tax obligations and abolishing environmental protection fees.   |
| <b>DB2017</b> | <i>Brunei Darussalam</i> | Brunei Darussalam strengthened access to credit by adopting a new insolvency law that contemplates protections for secured creditors during an automatic stay in reorganization proceedings. Brunei also improved access to credit information by beginning to distribute data from two utility companies.  |
| <b>DB2017</b> | <i>Brunei Darussalam</i> | The utility in Brunei Darussalam streamlined the processes of reviewing applications, and the time to issue an excavation permit was reduced. In addition, Brunei Darussalam increased the reliability of power supply by rolling out a Supervisory Control and Data Acquisition (SCADA) automatic energy management system for the monitoring of outages and the restoration of service. |
| <b>DB2017</b> | <i>Brunei Darussalam</i> | Brunei Darussalam strengthened minority investor protections by clarifying ownership and control structures, making it easier to sue directors in case of prejudicial related-party transactions, and allowing the rescission of related-party transactions that harm the company.  |
| <b>DB2017</b> | <i>Brunei Darussalam</i> | Brunei Darussalam made resolving insolvency easier by adopting a new insolvency law that introduced a reorganization procedure and facilitated continuation of the debtor's business during insolvency proceedings. Brunei Darussalam also introduced regulations for insolvency practitioners.   |
| <b>DB2017</b> | <i>Brunei Darussalam</i> | Brunei Darussalam made paying taxes easier by fully implementing an electronic system for filing and paying corporate income tax.   |
| <b>DB2017</b> | <i>Philippines</i>       | The Philippines made dealing with construction permits easier by increasing the transparency of its building regulations.   |
| <b>DB2017</b> | <i>Papua New Guinea</i>  | Papua New Guinea strengthened access to credit by adopting a new law on secured transactions that implemented a   |

| DB year       | Economy                  | Reform   |
|---------------|--------------------------|--|
|               |                          | functional secured transactions system and established a centralized, notice-based collateral registry. The new law broadens the scope of assets that can be used as collateral and allows out-of-court enforcement of collateral.   |
| <b>DB2017</b> | <i>Papua New Guinea</i>  | Papua New Guinea reduced the time required to start a business by streamlining business registration at the Investment Promotion Agency (IPA).   |
| <b>DB2017</b> | <i>Philippines</i>       | The Philippines made paying taxes easier by introducing an online system for filing and paying health contributions and by allowing for the online corporate income tax and VAT returns to be completed offline.   |
| <b>DB2017</b> | <i>Brunei Darussalam</i> | Brunei Darussalam made enforcing contracts easier by introducing an electronic filing system as well as a platform that allows users to pay court fees electronically.   |
| <b>DB2016</b> | <i>Philippines</i>       | The Philippines made starting a business easier by streamlining communications between the Securities and Exchange Commission and the Social Security System and thereby expediting the process of issuing an employer registration number.  |
| <b>DB2016</b> | <i>Brunei Darussalam</i> | Brunei Darussalam made paying taxes easier and less costly for companies by merging contributions for the Employee Provident Fund and the Supplemental Pension Fund and increasing the capital allowance for industrial buildings. In addition, it reduced the corporate income tax rate, though it also abolished the partial exemption of income and introduced a flat rate. |
| <b>DB2016</b> | <i>Brunei Darussalam</i> | Brunei Darussalam made starting a business easier by improving online procedures and simplifying registration and post registration requirements.  |
| <b>DB2016</b> | <i>Chile</i>             | Chile made resolving insolvency easier by clarifying and simplifying provisions on liquidation and reorganization, introducing provisions to facilitate the continuation of the debtor's business during insolvency, establishing a public office responsible for the general administration of insolvency   |

| DB year       | Economy                     | Reform  |
|---------------|-----------------------------|---|
|               |                             | proceedings and creating specialized insolvency courts.   |
| <b>DB2016</b> | <i>Chile</i>                | Chile made paying taxes more costly for companies by increasing the corporate income tax rate.  |
| <b>DB2016</b> | <i>Hong Kong SAR, China</i> | The utility in Hong Kong SAR, China, made getting electricity easier by streamlining the process for reviewing connection applications and for completing the connection works and meter installation. In addition, the time needed to issue an excavation permit was reduced.  |
| <b>DB2016</b> | <i>Korea, Rep.</i>          | The Republic of Korea made paying taxes more complicated and costly for companies by requiring separate filing and payment of the local income tax and by increasing the rates for unemployment insurance and national health insurance paid by employers.  |
| <b>DB2016</b> | <i>Hong Kong SAR, China</i> | Hong Kong SAR, China, made paying taxes easier and less costly for companies by simplifying compliance with the mandatory provident fund obligations and increasing the allowance for profit tax. At the same time, it increased the maximum contribution to the mandatory provident fund and reduced the property tax waiver.  |
| <b>DB2016</b> | <i>Malaysia</i>             | Malaysia made paying taxes easier and less costly for companies by making electronic filing mandatory and reducing the property tax rate. At the same time, it also increased the capital gains tax.  |
| <b>DB2016</b> | <i>Hong Kong SAR, China</i> | Hong Kong SAR, China, made starting a business easier by eliminating the requirement for a company seal.  |
| <b>DB2016</b> | <i>Hong Kong SAR, China</i> | Hong Kong SAR, China, improved access to credit by implementing a modern collateral registry.   |
| <b>DB2016</b> | <i>Vietnam</i>              | The utility in Vietnam reduced the time required for getting an electricity connection by reducing delays and increasing efficiency in approving connection applications and designs for connection works. Getting electricity was also made easier by eliminating the need to obtain a substation certification from the Fire Fighters Prevention Department for connections to the medium-voltage grid. |



| DB year       | Economy                   | Reform   |
|---------------|---------------------------|--|
|               |                           |  |
| <b>DB2016</b> | <i>Russian Federation</i> | Russia made the process of obtaining an electricity connection simpler, faster and less costly by eliminating a meter inspection by electricity providers and revising connection tariffs. This reform applies to both Moscow and St. Petersburg.  |
| <b>DB2016</b> | <i>Taiwan, China</i>      | The utility in Taiwan, China, reduced the time required for getting an electricity connection through a simplified procedure for obtaining excavation permits from the municipality.   |
| <b>DB2016</b> | <i>New Zealand</i>        | The utility in New Zealand reduced the time required for getting an electricity connection by improving its payment monitoring and confirmation process for the connection works.  |
| <b>DB2016</b> | <i>Vietnam</i>            | Vietnam made resolving insolvency easier by clarifying and simplifying provisions on liquidation and reorganization, modifying the standard for commencement of insolvency proceedings, changing provisions on voidable transactions, regulating the profession of insolvency trustees and establishing the rules for enterprise asset managers.   |
| <b>DB2016</b> | <i>Vietnam</i>            | Vietnam made paying taxes less costly for companies by reducing the corporate income tax rate—and made it easier by reducing the number of procedures and documents for filing VAT and social security contributions, reducing the number of filings for VAT and replacing quarterly filings of corporate income tax with quarterly advance payments. On the other hand, Vietnam increased the rate for social security contributions paid by employers. |
| <b>DB2016</b> | <i>Indonesia</i>          | Indonesia made paying taxes easier and less costly for companies by introducing an online system for paying social security contributions and by reducing both the rate paid by employers and the ceiling for the contributions. This reform applies to both Jakarta and Surabaya.   |

| DB year | Economy                   | Reform  |
|---------|---------------------------|---|
| DB2016  | <i>China</i>              | China made paying taxes less costly for companies in Shanghai by reducing the social security contribution rate.  |
| DB2016  | <i>Russian Federation</i> | Russia made paying taxes less costly for companies by excluding movable property from the corporate property tax base—though it also raised the wage ceiling used in calculating social contributions. These changes apply to both Moscow and St. Petersburg. In addition, the cadastral value of land in Moscow was updated.     |
| DB2016  | <i>Mexico</i>             | Mexico made paying taxes easier for companies by abolishing the business flat tax—though it also made paying taxes more costly by allowing only a portion of salaries to be deductible. These changes apply to both Mexico City and Monterrey. In addition, the payroll tax rate paid by employers was increased for Mexico City. |
| DB2016  | <i>Peru</i>               | Peru made paying taxes easier for companies by creating an advanced online registry with up-to-date information on employees.   |
| DB2016  | <i>Russian Federation</i> | Russia made transferring property easier by reducing the time required for property registration. This reform applies to both Moscow and St. Petersburg.  |
| DB2016  | <i>Indonesia</i>          | Indonesia made starting a business in Jakarta easier by reducing the time needed to register with the Ministry of Manpower.   |
| DB2016  | <i>Russian Federation</i> | The Russian Federation made starting a business in Moscow easier by reducing the number of days required to open a corporate bank account.  |
| DB2016  | <i>Vietnam</i>            | Vietnam made starting a business easier by reducing the time required to get the company seal engraved and registered.  |
| DB2016  | <i>Indonesia</i>          | Indonesia improved access to credit by enabling searches of the collateral registry by the debtor's name. This reform applies to both Jakarta and Surabaya.   |
| DB2016  | <i>Russian Federation</i> | Russia improved access to credit by adopting a new law on secured transactions that established a centralized collateral  |

| DB year       | Economy                     | Reform   |
|---------------|-----------------------------|--|
|               |                             | registry and allows a general description of a combined category of assets granted as collateral. This reform applies to both Moscow and St. Petersburg.   |
| <b>DB2016</b> | <i>Mexico</i>               | Mexico improved access to credit by implementing a decree allowing a general description of assets granted as collateral. This reform applies to both Mexico City and Monterrey.   |
| <b>DB2016</b> | <i>Vietnam</i>              | Vietnam guaranteed borrowers' right to inspect their credit data while the new credit bureau expanded borrower coverage, improving the credit information system.  |
| <b>DB2016</b> | <i>Peru</i>                 | Peru improved its credit information system by implementing a new law on personal data protection.   |
| <b>DB2015</b> | <i>New Zealand</i>          | New Zealand improved access to credit information by beginning to distribute both positive and negative credit information.  |
| <b>DB2015</b> | <i>Taiwan, China</i>        | Taiwan, China, improved access to credit information by beginning to include data from utility companies in credit reports.  |
| <b>DB2015</b> | <i>Vietnam</i>              | Vietnam improved its credit information system by establishing a new credit bureau.  |
| <b>DB2015</b> | <i>Mexico</i>               | Mexico improved access to credit by amending its insolvency proceedings law and establishing clear grounds for relief from a stay of enforcement actions by secured creditors during reorganization procedures. This reform applies to both Mexico City and Monterrey. |
| <b>DB2015</b> | <i>Hong Kong SAR, China</i> | Hong Kong SAR, China, strengthened minority investor protections by introducing requirements for directors to provide more detailed disclosure of conflicts of interest to the other board members.  |
| <b>DB2015</b> | <i>Korea, Rep.</i>          | The Republic of Korea strengthened minority investor protections by increasing the level of transparency expected from companies on managerial compensation.   |
| <b>DB2015</b> | <i>Korea, Rep.</i>          | The Republic of Korea made transferring property easier by   |

| DB year       | Economy                     | Reform  |
|---------------|-----------------------------|---|
|               |                             | reducing the time needed to buy housing bonds and to register the property transfer.  |
| <b>DB2015</b> | <i>Hong Kong SAR, China</i> | Hong Kong SAR, China, made starting a business more difficult by increasing the registration fee.   |
| <b>DB2015</b> | <i>Taiwan, China</i>        | Taiwan, China, made getting electricity easier by eliminating site inspections.   |
| <b>DB2015</b> | <i>Indonesia</i>            | In Indonesia the electricity company in Jakarta made getting electricity easier by eliminating the need for electrical contractors to obtain multiple certificates guaranteeing the safety of internal installations—though. The utility in Jakarta and Surabaya also increased the cost by introducing a security deposit for new connections. |
| <b>DB2015</b> | <i>Thailand</i>             | Thailand made dealing with construction permits less time-consuming by introducing a fast-track approval process for building permits for smaller buildings.  |
| <b>DB2015</b> | <i>Singapore</i>            | Singapore made enforcing contracts easier by introducing a new electronic litigation system that streamlines litigation proceedings.  |
| <b>DB2015</b> | <i>Mexico</i>               | Mexico made resolving insolvency easier by clarifying several rules, shortening the time extensions allowed during reorganization, facilitating the electronic submission of documents and improving the legal rights of creditors and other parties involved in bankruptcy procedures. This reform applies to both Mexico City and Monterrey.  |
| <b>DB2015</b> | <i>Taiwan, China</i>        | Taiwan, China, made paying taxes easier for companies by introducing an electronic system for paying the vehicle license tax.   |
| <b>DB2015</b> | <i>Indonesia</i>            | Indonesia made paying taxes less costly for companies by reducing employers' health insurance contribution rate. This reform applies to both Jakarta and Surabaya.  |
| <b>DB2015</b> | <i>China</i>                | China made paying taxes easier for companies by enhancing the electronic system for filing and paying taxes and adopting new communication channels within its taxpayer service,  |

| DB year       | Economy                   | Reform   |
|---------------|---------------------------|--|
|               |                           | changes applying to both Beijing and Shanghai. In addition, China made paying taxes less costly for companies in Shanghai by reducing the social security contribution rate.   |
| <b>DB2015</b> | <i>Vietnam</i>            | Vietnam made paying taxes less costly for companies by reducing the corporate income tax rate.   |
| <b>DB2015</b> | <i>Russian Federation</i> | The Russian Federation made transferring property easier by eliminating the requirement for notarization and introducing tighter time limits for completing the property registration. This reform applies to both Moscow and St. Petersburg.  |
| <b>DB2015</b> | <i>Russian Federation</i> | The Russian Federation made starting a business easier by eliminating the requirement to deposit the charter capital before company registration as well as the requirement to notify tax authorities of the opening of a bank account. This reform applies to both Moscow and St. Petersburg. |
| <b>DB2015</b> | <i>United States</i>      | In the United States starting a business became easier in New York City thanks to faster online procedures.  |
| <b>DB2015</b> | <i>China</i>              | China made starting a business easier by eliminating both the minimum capital requirement and the requirement to obtain a capital verification report from an auditing firm. This reform applies to both Beijing and Shanghai.   |
| <b>DB2015</b> | <i>Indonesia</i>          | Indonesia made starting a business easier by allowing the Ministry of Law and Human Rights to electronically issue the approval letter for the deed of establishment. This reform applies to both Jakarta and Surabaya.  |
| <b>DB2015</b> | <i>Indonesia</i>          | In Indonesia trading across borders became more difficult because of insufficient infrastructure at the Tanjung Priok Port Jakarta. This change applies to both Jakarta and Surabaya.  |
| <b>DB2015</b> | <i>Brunei Darussalam</i>  | Brunei Darussalam made dealing with construction permits easier by consolidating final inspections.  |
| <b>DB2015</b> | <i>Brunei Darussalam</i>  | Brunei Darussalam made paying taxes easier for companies by allowing joint filing and payment of supplemental contributory pension and employee provident fund   |

| DB year       | Economy                   | Reform   |
|---------------|---------------------------|--|
|               |                           | contributions and by introducing an online system for paying these 2 contributions.  |
| <b>DB2015</b> | <i>Philippines</i>        | In the Philippines trading across borders became more difficult because of a new city ordinance restricting truck traffic in Manila.   |
| <b>DB2014</b> | <i>Philippines</i>        | The Philippines improved access to credit information by beginning to distribute both positive and negative information and by enacting a data privacy act that guarantees borrowers' right to access their data.    |
| <b>DB2014</b> | <i>Brunei Darussalam</i>  | Brunei Darussalam improved access to credit information by establishing a public credit registry.  |
| <b>DB2014</b> | <i>Philippines</i>        | The Philippines made dealing with construction permits easier by eliminating the requirement to obtain a health certificate.   |
| <b>DB2014</b> | <i>Philippines</i>        | The Philippines made paying taxes easier for companies by introducing an electronic filing and payment system for social security contributions.   |
| <b>DB2014</b> | <i>Mexico</i>             | Mexico made getting electricity easier by increasing the efficiency of the utility's internal processes and by enforcing a "silence is consent" rule for the approval of the feasibility study for a new connection. |
| <b>DB2014</b> | <i>Russian Federation</i> | Russia made getting electricity simpler and less costly by setting standard connection tariffs and eliminating many procedures previously required.  |
| <b>DB2014</b> | <i>Russian Federation</i> | Russia made dealing with construction permits easier by eliminating several requirements for project approvals from government agencies and by reducing the time required to register a new building.                |
| <b>DB2014</b> | <i>New Zealand</i>        | New Zealand made enforcing contracts easier by improving its case management system to ensure a speedier and less costly adjudication of cases.  |
| <b>DB2014</b> | <i>Mexico</i>             | Mexico made enforcing contracts easier by creating small   |

| DB year       | Economy                   | Reform  |
|---------------|---------------------------|---|
|               |                           | claims courts, with oral proceedings, that can hear both civil and commercial cases.  |
| <b>DB2014</b> | <i>China</i>              | China made enforcing contracts easier by amending its civil procedure code to streamline and speed up all court proceedings.  |
| <b>DB2014</b> | <i>Thailand</i>           | Thailand made paying taxes less costly for companies by reducing employers' social security contribution rate.  |
| <b>DB2014</b> | <i>Vietnam</i>            | Vietnam made paying taxes more costly for companies by increasing employers' social security contribution rate.   |
| <b>DB2014</b> | <i>Vietnam</i>            | Vietnam strengthened investor protections by introducing greater disclosure requirements for publicly held companies in cases of related-party transactions.                  |
| <b>DB2014</b> | <i>Singapore</i>          | Singapore made transferring property easier by introducing an online procedure for property transfers.  |
| <b>DB2014</b> | <i>Russian Federation</i> | Russia made transferring property easier by streamlining procedures and implementing effective time limits for processing transfer applications.                              |
| <b>DB2014</b> | <i>Russian Federation</i> | Russia made starting a business easier by abolishing the requirement to have the bank signature card notarized before opening a company bank account.                         |
| <b>DB2014</b> | <i>Vietnam</i>            | Vietnam abolished priority rules for redundancy dismissals or layoffs and increased the minimum wage.   |
| <b>DB2014</b> | <i>Russian Federation</i> | Russia made trading across borders easier by implementing an electronic system for submitting export and import documents and by reducing the number of physical inspections. |
| <b>DB2014</b> | <i>Mexico</i>             | Mexico made trading across borders easier by implementing an electronic single-window system.   |
| <b>DB2014</b> | <i>Korea, Rep.</i>        | Korea revised its secured transactions framework by creating new types of security rights that can be publicized through registration.  |

| DB year | Economy                     | Reform  |
|---------|-----------------------------|---|
| DB2014  | <i>Chile</i>                | Chile made starting a business easier by creating a new online system for business registration.  |
| DB2014  | <i>Malaysia</i>             | Malaysia made getting electricity easier by increasing the efficiency of internal processes at the utility and improving its communication and dialogue with contractors.   |
| DB2014  | <i>Malaysia</i>             | Malaysia made dealing with construction permits easier by establishing a one-stop shop.   |
| DB2014  | <i>Hong Kong SAR, China</i> | Hong Kong SAR, China, made transferring property more costly by increasing the stamp duty.  |
| DB2014  | <i>Malaysia</i>             | Malaysia made starting a business less costly by reducing the company registration fees.  |
| DB2014  | <i>Hong Kong SAR, China</i> | Hong Kong SAR, China, made starting a business less costly by abolishing the capital duty levied on local companies.  |
| DB2014  | <i>Malaysia</i>             | Malaysia introduced a minimum wage.   |
| DB2014  | <i>Australia</i>            | Australia improved its credit information system through the Privacy Amendment (Enhancing Privacy Protection) Act 2012, which permits credit bureaus to collect account payment history with improved privacy protection. |
| DB2014  | <i>China</i>                | China improved its credit information system by introducing credit information industry regulations, which guarantee borrowers' right to inspect their data.  |
| DB2014  | <i>Indonesia</i>            | Indonesia improved its credit information system through a new regulation setting up a legal framework for establishing credit bureaus.   |
| DB2014  | <i>Vietnam</i>              | Vietnam improved its credit information system through a decree setting up a legal framework for the establishment of private credit bureaus.   |
| DB2014  | <i>Singapore</i>            | Singapore improved its credit information system by guaranteeing by law borrowers' right to inspect their own data.   |



| DB year | Economy                   | Reform   |
|---------|---------------------------|--|
| DB2013  | <i>Korea, Rep.</i>        | Korea expedited the insolvency process by implementing a fast track for company rehabilitation.  |
| DB2013  | <i>Thailand</i>           | Thailand made starting a business easier by allowing the registrar at the Department of Business Development to receive the company's work regulations.  |
| DB2013  | <i>Vietnam</i>            | Vietnam made starting a business easier by allowing companies to use self-printed value added tax invoices.  |
| DB2013  | <i>China</i>              | China made starting a business less costly by exempting micro and small companies from paying several administrative fees from January 2012 to December 2014.  |
| DB2013  | <i>Mexico</i>             | Mexico made starting a business easier by eliminating the minimum capital requirement for limited liability companies.   |
| DB2013  | <i>Korea, Rep.</i>        | Korea made getting electricity less costly by introducing a new connection fee schedule and an installment payment system.   |
| DB2013  | <i>Peru</i>               | Peru made obtaining a construction permit easier by eliminating requirements for several preconstruction approvals.  |
| DB2013  | <i>Taiwan, China</i>      | Taiwan, China, made dealing with construction permits easier by introducing a risk-based and self-regulatory inspection system and improving operational features of the one-stop shop for building permits. |
| DB2013  | <i>China</i>              | China simplified the process of obtaining a construction permit by streamlining and centralizing preconstruction approvals.  |
| DB2013  | <i>Russian Federation</i> | Russia made obtaining a construction permit simpler by eliminating requirements for several preconstruction approvals.   |
| DB2013  | <i>Peru</i>               | Peru strengthened investor protections through a new law regulating the approval of related-party transactions and making it easier to sue directors when such transactions are prejudicial.                 |

| DB year       | Economy                  | Reform   |
|---------------|--------------------------|--|
| <b>DB2013</b> | <i>Taiwan, China</i>     | Taiwan, China, strengthened investor protections by increasing disclosure requirements for related-party transactions and improving the liability regime for company directors in cases where such transactions are abusive. |
| <b>DB2013</b> | <i>Australia</i>         | Australia strengthened its secured transactions system by adopting a new national legal regime governing the enforceability of security interests in personal property and implementing a unified collateral registry.       |
| <b>DB2013</b> | <i>Canada</i>            | Canada made getting an electricity connection easier by reducing the time needed for external connection works.  |
| <b>DB2013</b> | <i>Malaysia</i>          | Malaysia made dealing with construction permits faster by improving the one-stop center for new buildings and by reducing the time to connect to telephone service.  |
| <b>DB2013</b> | <i>Malaysia</i>          | Malaysia substantially reduced the number of days it takes to register property transfers.   |
| <b>DB2013</b> | <i>Korea, Rep.</i>       | Korea strengthened investor protections by making it easier to sue directors in cases of prejudicial related-party transactions.   |
| <b>DB2013</b> | <i>Korea, Rep.</i>       | Korea made paying taxes less costly for companies by reducing the profit tax rate.   |
| <b>DB2013</b> | <i>Brunei Darussalam</i> | Brunei Darussalam made dealing with construction permits easier by creating a one-stop shop for preconstruction approvals.   |
| <b>DB2013</b> | <i>Brunei Darussalam</i> | Brunei Darussalam made paying taxes less costly for companies by reducing the profit tax rate.   |
| <b>DB2013</b> | <i>Indonesia</i>         | Indonesia made getting electricity easier by eliminating the requirement for new customers applying for an electricity connection to show a neighbor's electricity bill as a way to help determine their address.            |
| <b>DB2013</b> | <i>Mexico</i>            | In Mexico the distribution utility made getting electricity easier by streamlining procedures, offering training opportunities to private contractors, using a geographic  |

| DB year       | Economy                   | Reform  |
|---------------|---------------------------|---|
|               |                           | information system (GIS) to map the electricity distribution network and increasing the stock of materials.   |
| <b>DB2013</b> | <i>Russian Federation</i> | Russia eased the administrative burden of taxes for firms by simplifying compliance procedures for value added tax and by promoting the use of tax accounting software and electronic services. |
| <b>DB2013</b> | <i>Japan</i>              | Japan made paying taxes less costly for companies by reducing the corporate income tax rate—though it also introduced a restoration surtax for a 3-year period.                                 |
| <b>DB2013</b> | <i>Thailand</i>           | Thailand made paying taxes less costly for companies by reducing the profit tax rate.   |
| <b>DB2013</b> | <i>New Zealand</i>        | New Zealand improved access to credit information by allowing credit bureaus to collect positive information on individuals.  |
| <b>DB2012</b> | <i>Peru</i>               | Peru strengthened investor protections through a new law allowing minority shareholders to request access to nonconfidential corporate documents.   |
| <b>DB2012</b> | <i>Vietnam</i>            | Vietnam strengthened investor protections by requiring higher standards of accountability for company directors.  |
| <b>DB2012</b> | <i>Russian Federation</i> | Russia made trading across borders easier by reducing the number of documents needed for each export or import transaction and lowering the associated cost.                                    |
| <b>DB2012</b> | <i>Mexico</i>             | Mexico strengthened its secured transactions system by implementing a centralized collateral registry with an electronic database that is accessible online.                                    |
| <b>DB2012</b> | <i>Russian Federation</i> | Russia made filing a commercial case easier by introducing an electronic case filing system.  |
| <b>DB2012</b> | <i>Russian Federation</i> | Russian Federation made getting electricity less costly by revising the tariffs for connection.   |
| <b>DB2012</b> | <i>Indonesia</i>          | Indonesia made getting electricity more difficult by increasing connection fees.  |

| DB year | Economy                     | Reform   |
|---------|-----------------------------|--|
| DB2012  | <i>Philippines</i>          | The Philippines adopted a new insolvency law that provides a legal framework for liquidation and reorganization of financially distressed companies.   |
| DB2012  | <i>Brunei Darussalam</i>    | Brunei Darussalam made getting electricity easier by establishing a one-stop shop and reducing the time required to obtain an excavation permit.   |
| DB2012  | <i>Korea, Rep.</i>          | Korea eased the administrative burden of paying taxes for firms by merging several taxes, allowing 4 labor taxes and contributions to be paid jointly and continuing to increase the use of the online tax payment system.   |
| DB2012  | <i>Malaysia</i>             | Malaysia made paying taxes costlier for firms by reintroducing the real estate capital gains tax—but also made tax compliance easier by improving electronic systems and the availability of software.   |
| DB2012  | <i>Hong Kong SAR, China</i> | Hong Kong, China introduced a Minimum Wage.  |
| DB2012  | <i>Hong Kong SAR, China</i> | Hong Kong SAR (China) made starting a business easier by introducing online electronic services for company and business registration.   |
| DB2012  | <i>Korea, Rep.</i>          | Korea made starting a business easier by introducing a new online one-stop shop, Start-Biz.  |
| DB2012  | <i>Malaysia</i>             | Malaysia made starting a business easier by merging company, tax, social security and employment fund registrations at the one-stop shop and providing same-day registration.  |
| DB2012  | <i>Australia</i>            | Australia clarified the priority of claims of unsecured creditors over all shareholders' claims and introduced further regulation of the profession of insolvency practitioners.   |
| DB2012  | <i>Chile</i>                | Chile made business start-up easier by starting to provide an immediate temporary operating license to new companies, eliminating the requirement for an inspection of premises by the tax authority before new companies can begin operations and allowing free online publication of the notice of a |

| DB year | Economy                   | Reform   |
|---------|---------------------------|--|
|         |                           | company's creation.  |
| DB2012  | <i>Chile</i>              | Chile strengthened its secured transactions system by implementing a unified collateral registry and a new legal framework for nonpossessory security interests.                               |
| DB2012  | <i>Canada</i>             | Canada made paying taxes easier and less costly for companies by reducing profit tax rates, eliminating the Ontario capital tax and harmonizing sales taxes.                                   |
| DB2012  | <i>Chile</i>              | Chile made trading across borders faster by implementing an online electronic data interchange system for customs operations.  |
| DB2012  | <i>Thailand</i>           | Thailand made registering property more expensive by increasing the registration fee.  |
| DB2012  | <i>Russian Federation</i> | Russia made registering property transfers easier by eliminating the requirement to obtain cadastral passports on land plots.  |
| DB2012  | <i>New Zealand</i>        | New Zealand reduced its corporate income tax rate and fringe benefit tax rate.   |
| DB2012  | <i>Peru</i>               | Peru made paying taxes easier for companies by improving electronic filing and payment of the major taxes and promoting the use of the electronic option among the majority of taxpayers.      |
| DB2012  | <i>Mexico</i>             | Mexico continued to ease the administrative burden of paying taxes for firms by ending the requirement to file a yearly value added tax return and reduced filing requirements for other taxes |
| DB2012  | <i>Russian Federation</i> | Russia increased the social security contribution rate for employers.  |
| DB2012  | <i>Malaysia</i>           | Malaysia established dedicated commercial courts to handle foreclosure proceedings.  |
| DB2012  | <i>Mexico</i>             | Mexico made dealing with construction permits faster by consolidating internal administrative procedures.  |

| DB year | Economy                     | Reform   |
|---------|-----------------------------|--|
| DB2012  | <i>Japan</i>                | Japan made dealing with construction permits costlier by increasing inspection fees.   |
| DB2012  | <i>Taiwan, China</i>        | Taiwan (China) made dealing with construction permits easier by creating a one-stop center.  |
| DB2012  | <i>Indonesia</i>            | Indonesia made starting a business easier by introducing a simplified application process allowing an applicant to simultaneously obtain both a general trading license and a business registration certificate. |
| DB2012  | <i>Taiwan, China</i>        | Taiwan (China) made starting a business easier by implementing an online one-stop shop for business registration.  |
| DB2012  | <i>Thailand</i>             | Thailand made starting a business easier by introducing a one-stop shop.   |
| DB2012  | <i>Peru</i>                 | Peru made starting a business easier by eliminating the requirement for micro and small enterprises to deposit start-up capital in a bank before registration.   |
| DB2012  | <i>Hong Kong SAR, China</i> | Hong Kong SAR (China) made getting electricity easier by increasing the efficiency of public agencies and streamlining the utility's procedures with other government agencies.                                  |
| DB2012  | <i>Malaysia</i>             | Malaysia continued to improve the computerization of its courts by introducing a system making it possible to file complaints electronically.  |
| DB2012  | <i>Korea, Rep.</i>          | Korea made filing a commercial case easier by introducing an electronic case filing system.  |
| DB2011  | <i>Korea, Rep.</i>          | Korea made it easier to deal with insolvency by introducing postfiling financing, granting superpriority to the repayment of loans given to companies undergoing reorganization.                                 |
| DB2011  | <i>Peru</i>                 | Peru eased business start-up by simplifying the requirements for operating licenses and creating an online one-stop shop for business registration.  |
| DB2011  | <i>Taiwan, China</i>        | Taiwan (China) eased business start-up by reducing the time  |

| DB year       | Economy                   | Reform   |
|---------------|---------------------------|--|
|               |                           | required to check company names, register retirement plans and apply for health, pension and labor insurance.  |
| <b>DB2011</b> | <i>Vietnam</i>            | Vietnam eased company start-up by creating a one-stop shop that combines the processes for obtaining a business license and tax license and by eliminating the need for a seal for company licensing.  |
| <b>DB2011</b> | <i>Mexico</i>             | Mexico launched an online one-stop shop for initiating business registration.  |
| <b>DB2011</b> | <i>Indonesia</i>          | Indonesia eased business start-up by reducing the cost for company name clearance and reservation and the time required to reserve the name and approve the deed of incorporation.   |
| <b>DB2011</b> | <i>Peru</i>               | Peru streamlined construction permitting by implementing administrative reforms.   |
| <b>DB2011</b> | <i>Vietnam</i>            | Vietnam made dealing with construction permits easier by reducing the cost to register newly completed buildings by 50% and transferring the authority to register buildings from local authorities to the Department of National Resources and Environment. |
| <b>DB2011</b> | <i>Russian Federation</i> | Russia eased construction permitting by implementing a single window for all procedures related to land use.   |
| <b>DB2011</b> | <i>Thailand</i>           | Thailand made registering property more costly by repealing a 2-year temporary tax reduction for property transfers.   |
| <b>DB2011</b> | <i>Peru</i>               | Peru introduced fast-track procedures at the land registry, cutting by half the time needed to register property.  |
| <b>DB2011</b> | <i>Vietnam</i>            | Vietnam improved its credit information system by allowing borrowers to examine their own credit report and correct errors.  |
| <b>DB2011</b> | <i>Singapore</i>          | Singapore improved its credit information system by collecting and distributing information on firms.  |
| <b>DB2011</b> | <i>Mexico</i>             | Mexico increased taxes on companies by raising several tax   |

| DB year       | Economy              | Reform   |
|---------------|----------------------|--|
|               |                      | rates, including the corporate income tax and the rate on cash deposits. At the same time, the administrative burden was reduced slightly with more options for online payment and increased use of accounting software. |
| <b>DB2011</b> | <i>United States</i> | In the United States the introduction of a new tax on payroll increased taxes on companies operating within the New York City metropolitan commuter transportation district.   |
| <b>DB2011</b> | <i>Indonesia</i>     | Indonesia reduced its corporate income tax rate.   |
| <b>DB2011</b> | <i>China</i>         | China's new corporate income tax law unified the tax regimes for domestic and foreign enterprises and clarified the calculation of taxable income for corporate income tax purposes.                                     |
| <b>DB2011</b> | <i>Vietnam</i>       | The government of Vietnam eased paying taxes by reducing corporate income tax rate.  |
| <b>DB2011</b> | <i>Taiwan, China</i> | Taiwan (China) reduced the corporate income tax rate and simplified tax return forms, rules for assessing corporate income tax and the calculation of interim tax payments.  |
| <b>DB2011</b> | <i>Thailand</i>      | Thailand temporarily lowered taxes on business by reducing its specific business tax for 12 months.  |
| <b>DB2011</b> | <i>Canada</i>        | Canada increased the efficiency of the courts by expanding electronic document submission and streamlining procedures.   |
| <b>DB2011</b> | <i>Chile</i>         | Chile made business start-up easier by introducing an online system for registration and for filing the request for publication.   |
| <b>DB2011</b> | <i>Chile</i>         | An amendment to Chile's securities law strengthened investor protections by requiring greater corporate disclosure and regulating the approval of transactions between interested parties.                               |
| <b>DB2011</b> | <i>Canada</i>        | Canada harmonized the Ontario and federal tax returns and reduced the corporate and employee tax rates.  |



| DB year | Economy                     | Reform  |
|---------|-----------------------------|---|
| DB2011  | <i>Australia</i>            | Australia introduced the severance payment obligation and reemployment consideration applicable in cases of redundancy dismissals. Annual leave was increased and averaging of hours is now allowed in shorter periods of time. In addition, notice period applicable in case of redundancy dismissals was decreased. |
| DB2011  | <i>Malaysia</i>             | Malaysia eliminated the requirements to notify third parties in cases of redundancy dismissals.   |
| DB2011  | <i>Malaysia</i>             | Malaysia eased business start-up by introducing more online services.   |
| DB2011  | <i>Malaysia</i>             | Malaysia's introduction of online stamping reduced the time and cost to transfer property.  |
| DB2011  | <i>Hong Kong SAR, China</i> | Hong Kong SAR (China) abolished the fuel tax on diesel.   |
| DB2011  | <i>Hong Kong SAR, China</i> | Reforms implemented in the civil justice system of Hong Kong SAR (China) will help increase the efficiency and cost-effectiveness of commercial dispute resolution.   |
| DB2011  | <i>Japan</i>                | Japan made it easier to deal with insolvency by establishing a new entity, the Enterprise Turnaround Initiative Corporation, to support the revitalization of companies suffering from excessive debt but professionally managed.   |
| DB2011  | <i>Russian Federation</i>   | Russia introduced a series of legislative measures in 2009 to improve creditor rights and the insolvency system.  |
| DB2011  | <i>New Zealand</i>          | New Zealand enacted new district court rules that make the process for enforcing contracts user friendly.   |
| DB2011  | <i>Indonesia</i>            | Indonesia reduced the time to export by launching a single-window service.  |
| DB2011  | <i>Peru</i>                 | Peru made trading easier by implementing a new web-based electronic data interchange system, risk-based inspections and payment deferrals.  |
| DB2011  | <i>Brunei Darussalam</i>    | The introduction of an electronic customs system in Brunei Darussalam made trading easier.  |

| DB year       | Economy                  | Reform  |
|---------------|--------------------------|---|
| <b>DB2011</b> | <i>Brunei Darussalam</i> | Brunei Darussalam instituted mandatory minimum annual leave and reduced notice periods applicable in case of redundancy dismissals.   |
| <b>DB2011</b> | <i>Brunei Darussalam</i> | Brunei Darussalam reduced the corporate income tax rate from 23.5% to 22% while also introducing a lower tax rate for small businesses, ranging from 5.5% to 11%.                   |
| <b>DB2011</b> | <i>Brunei Darussalam</i> | Brunei Darussalam made starting a business easier by improving efficiency at the company registrar and implementing an electronic system for name searches.                         |
| <b>DB2011</b> | <i>Philippines</i>       | The Philippines eased business startup by setting up a one-stop shop at the municipal level.  |
| <b>DB2011</b> | <i>Philippines</i>       | The Philippines made construction permitting more cumbersome through updated electricity connection costs.  |
| <b>DB2011</b> | <i>Papua New Guinea</i>  | Operation of a new private credit bureau improved the credit information system in Papua New Guinea.  |
| <b>DB2011</b> | <i>Philippines</i>       | The Philippines reduced the time and cost to trade by improving its electronic customs systems, adding such functions as electronic payments and online submission of declarations. |

*Note:* For information on reforms in earlier years (back to DB2005), see the *Doing Business* reports for these years, available at <http://www.doingbusiness.org>.

*Source:* *Doing Business* database.

## ENFORCING CONTRACTS

Effective commercial dispute resolution has many benefits. Courts are essential for entrepreneurs because they interpret the rules of the market and protect economic rights. Efficient and transparent courts encourage new business relationships because businesses know they can rely on the courts if a new customer fails to pay. Speedy trials are essential for small enterprises, which may lack the resources to stay in business while awaiting the outcome of a long court dispute.

### What do the indicators cover?

*Doing Business* measures the time and cost for resolving a standardized commercial dispute through a local first-instance court. In addition, this year it introduces a new measure, the quality of judicial processes index, evaluating whether each economy has adopted a series of good practices that promote quality and efficiency in the court system. This new index replaces the indicator on procedures, which was eliminated this year. The ranking of economies on the ease of enforcing contracts is determined by sorting their distance to frontier scores. These scores are the simple average of the distance to frontier scores for each of the component indicators

The dispute in the case study involves the breach of a sales contract between 2 domestic businesses. The case study assumes that the court hears an expert on the quality of the goods in dispute. This distinguishes the case from simple debt enforcement. To make the data comparable across economies, *Doing Business* uses several assumptions about the case:

- The value of the claim is equal to 200% of the economy's income per capita or \$5,000, whichever is greater.
- The dispute concerns a lawful transaction between two businesses (Seller and Buyer), both located in the economy's largest business city. For 11 economies the data are also collected for the second largest business city.
- Seller (the plaintiff) sues Buyer (the defendant) to recover the amount under the sales agreement. The dispute is brought before the court located in the economy's largest business city with jurisdiction over commercial cases worth 200%

## WHAT THE ENFORCING CONTRACTS

### INDICATORS MEASURE

#### Time required to enforce a contract through the courts (calendar days)

- Time to file and serve the case
- Time for trial and to obtain the judgment
- Time to enforce the judgment

#### Cost required to enforce a contract through the courts (% of claim)

- Attorney fees
- Court fees
- Enforcement fees

#### Quality of judicial processes index (0-18)

- Court structure and proceedings (0-5)
- Case management (0-6)
- Court automation (0-4)
- Alternative dispute resolution (0-3)

of income per capita or \$5,000, whichever is greater. As noted, for 11 economies the data are also collected for the second largest business city.

- At the outset of the dispute, Seller decides to attach Buyer's movable assets (for example, office equipment and vehicles) because Seller fears that Buyer may hide its assets or otherwise become insolvent.
- The claim is disputed on the merits because of Buyer's allegation that the quality of the goods was not adequate. Because the court cannot decide the case on the basis of documentary evidence or legal title alone, an expert opinion is given on the quality of the goods. If it is standard practice in the economy for each party to call its own expert witness, the parties each call one expert witness. If it is standard practice for the judge to appoint an independent expert, the judge does so. In this case the judge does not allow opposing expert testimony
- Following the expert opinion, the judge decides that the goods delivered by Seller were of adequate quality and that Buyer must pay the contract price. The judge thus renders a final judgment that is 100% in favor of Seller.
- Buyer does not appeal the judgment. Seller decides to start enforcing the judgment as soon as the time allocated by law for appeal lapses.
- Seller takes all required steps for prompt enforcement of the judgment. The money is successfully collected through a public sale of Buyer's movable assets (for example, office equipment and vehicles).

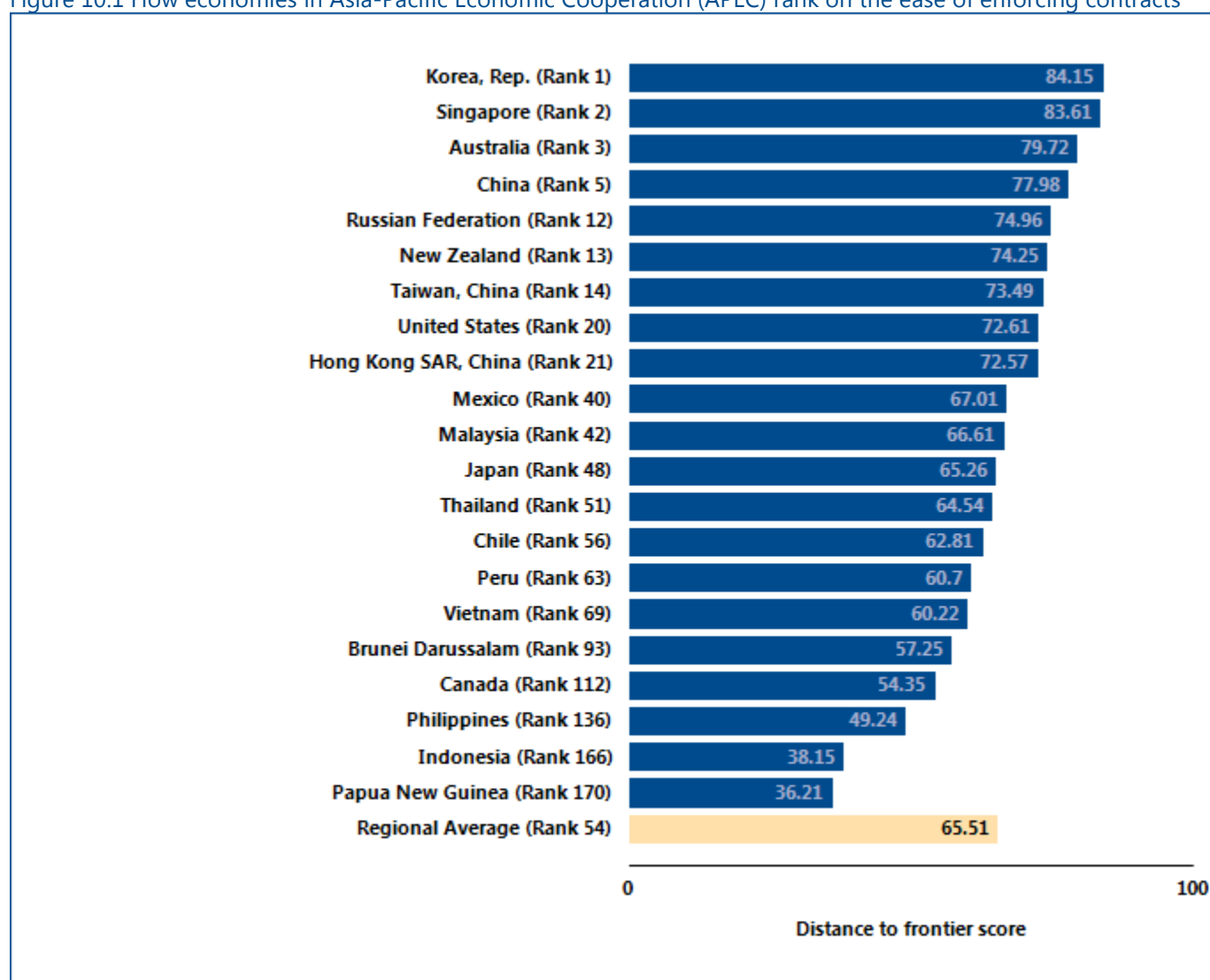
## ENFORCING CONTRACTS

### Where do the region's economies stand today?

How efficient is the process of resolving a commercial dispute through the courts in economies in Asia-Pacific Economic Cooperation (APEC)? The global rankings of these economies on the ease of enforcing contracts

suggest an answer (figure 10.1). The average ranking of the region and comparator regions provide a useful benchmark.

Figure 10.1 How economies in Asia-Pacific Economic Cooperation (APEC) rank on the ease of enforcing contracts



Source: Doing Business database.

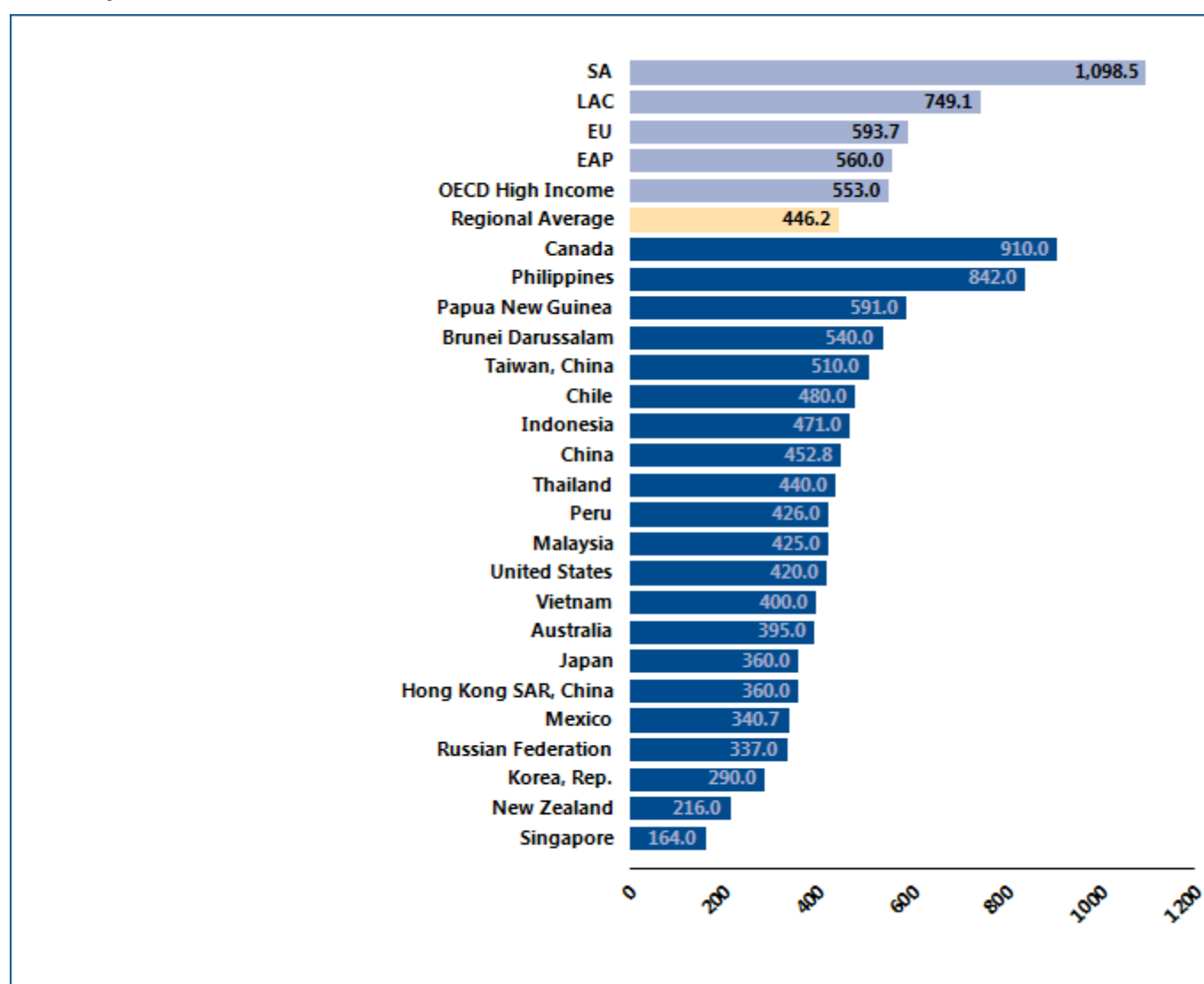
## ENFORCING CONTRACTS

The indicators underlying the rankings may also be revealing. Data collected by *Doing Business* show what it takes to enforce a contract through the courts in each economy in the region: the time, the cost and quality of

judicial processes index (figure 10.2). Comparing these indicators across the region and with averages both for the region and for comparator regions can provide useful insights.

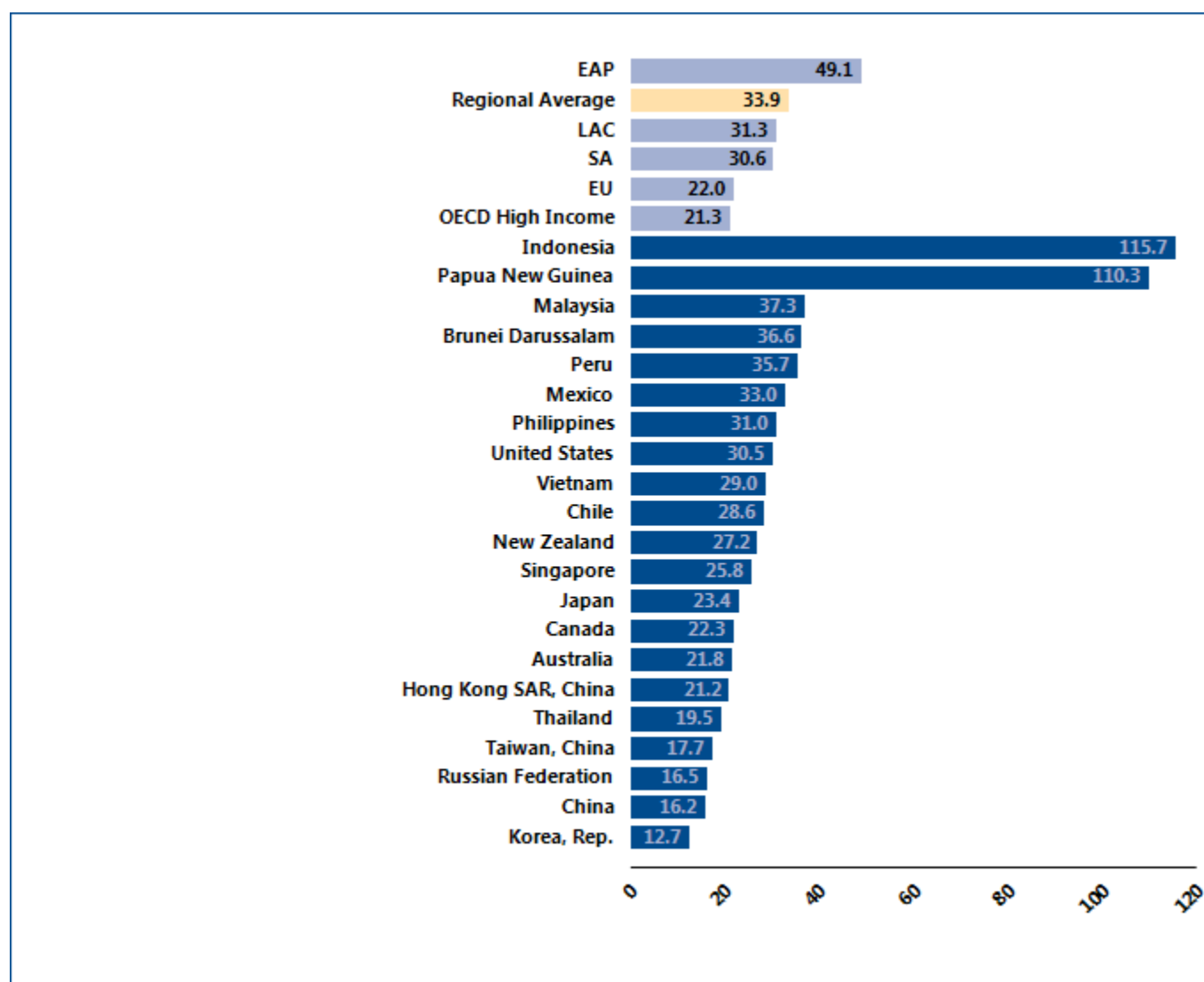
Figure 10.2 What it takes to enforce a contract through the courts in economies in Asia-Pacific Economic Cooperation (APEC)

**Time (days)**



## ENFORCING CONTRACTS

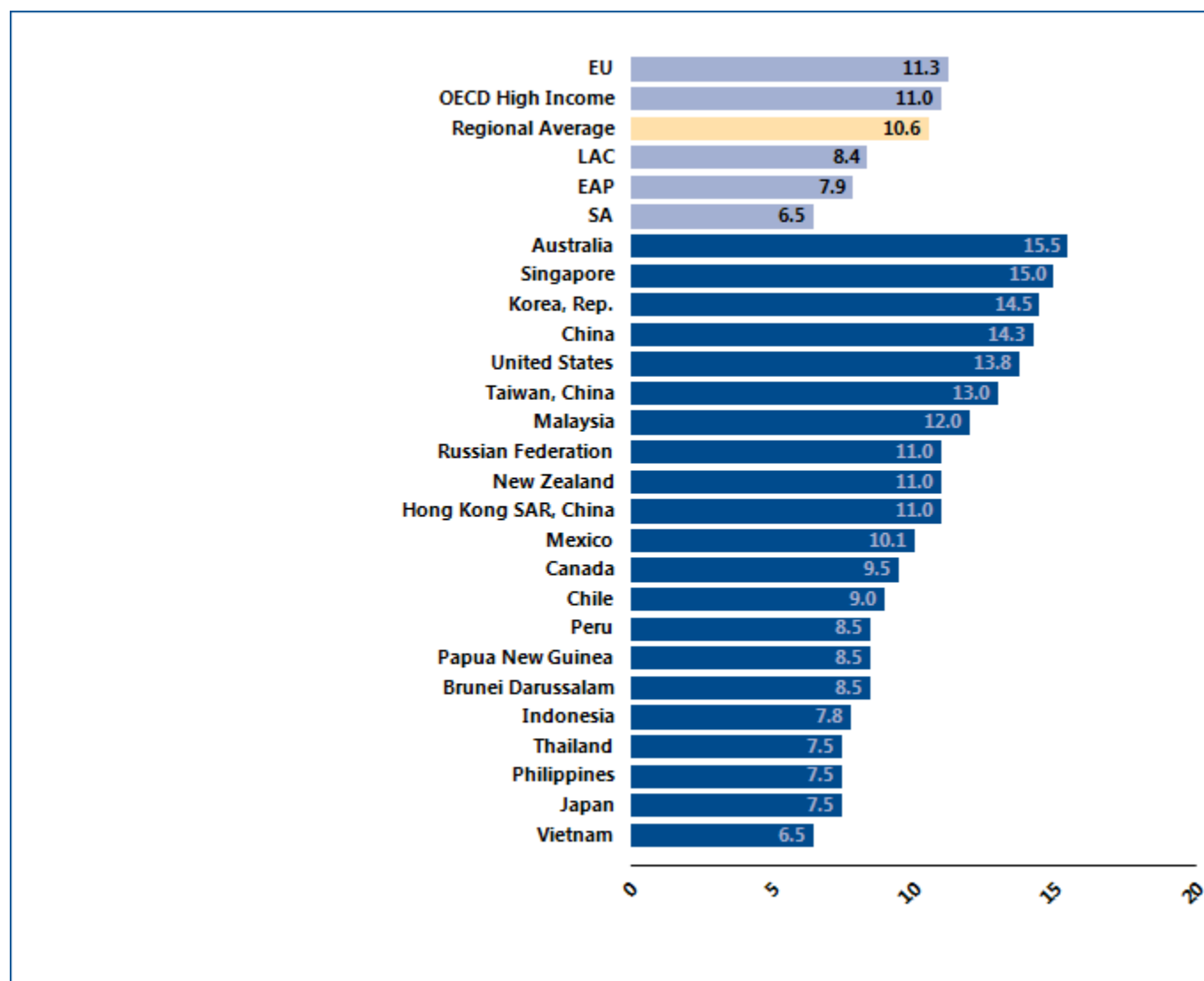
Cost (% of claim)



Source: Doing Business database.

## ENFORCING CONTRACTS

## Quality of Judicial Processes Index (0-18)



Source: *Doing Business* database.

Note: Higher values indicate more efficient judicial processes.



## ENFORCING CONTRACTS

### What are the changes over time?

Economies in all regions have improved contract enforcement in recent years. A judiciary can be improved in different ways. Higher-income economies tend to look for ways to enhance efficiency by introducing new technology. Lower-income economies often work on reducing backlogs by introducing periodic reviews to

clear inactive cases from the docket and by making procedures faster. What reforms making it easier (or more difficult) to enforce contracts has *Doing Business* recorded in Asia-Pacific Economic Cooperation (APEC) (table 10.1)?

Table 10.1 How have economies in Asia-Pacific Economic Cooperation (APEC) made enforcing contracts easier—or not?

By *Doing Business* report year DB2011 to DB2017

| DB year | Economy              | Reform   |
|---------|----------------------|--|
| DB2017  | Malaysia             | In Malaysia the credit bureau began to provide consumer credit scores.   |
| DB2017  | Hong Kong SAR, China | Hong Kong SAR, China, streamlined the processes of reviewing applications for new electrical connections and also reduced the time needed to issue an excavation permit.                       |
| DB2017  | Hong Kong SAR, China | Hong Kong SAR, China, made starting a business less costly by reducing the business registration fee.  |
| DB2017  | Malaysia             | Malaysia made starting a business more difficult by requiring that companies with an annual revenue of more than MYR 500,000 register as a GST payer.  |
| DB2017  | Korea, Rep.          | The Republic of Korea made starting a business faster by eliminating post-registration procedures.   |
| DB2017  | Malaysia             | Malaysia made paying taxes easier by introducing an online system for filing and paying the Goods and Services Tax (GST) while also making it is more complex by replacing sales tax with GST. |
| DB2017  | Singapore            | Singapore made dealing with construction permits easier by streamlining procedures and improving the online one-stop shop.   |
| DB2017  | Russian Federation   | Russian Federation Saint Petersburg made dealing with construction permits easier by removing the requirement to obtain permission to fence the construction site.                             |
| DB2017  | Indonesia            | Indonesia made enforcing contracts easier by introducing a dedicated procedure for small claims that allows for parties' self-representation. This reform applies to both Jakarta and          |

| DB year | Economy                   | Reform   |
|---------|---------------------------|--|
|         |                           | Surabaya.  |
| DB2017  | <i>Russian Federation</i> | The Russian Federation made enforcing contracts more difficult by mandating pre-trial resolution before filing a claim, thereby lengthening the initial phase of judicial proceedings. This reform applies to both Moscow and St. Petersburg.  |
| DB2017  | <i>Mexico</i>             | Mexico adopted a resolution that eliminated geographic differences in national minimum wages. Prior to the reform Mexico was divided into two zones—zone A and zone B—with different applicable minimum wages. This reform applies to both Mexico City and Monterrey.  |
| DB2017  | <i>China</i>              | China improved access to credit information by starting to report payment histories from utility companies and providing credit scores to banks and financial institutions. This reform applies to both Shanghai and Beijing.  |
| DB2017  | <i>Indonesia</i>          | Indonesia strengthened access to credit by establishing a modern collateral registry.  |
| DB2017  | <i>Thailand</i>           | Thailand improved access to credit information by starting to provide credit scores to banks and financial institutions.   |
| DB2017  | <i>Indonesia</i>          | Indonesia made the process for getting an electricity connection faster by reducing the time for contractors to perform external work thanks to an increase in the stock of electrical material supplied by the utility. In Surabaya, getting electricity was also made easier after the utility streamlined the process for new connection requests.      |
| DB2017  | <i>Vietnam</i>            | Vietnam strengthened minority investor protections by making it easier to sue directors in cases of prejudicial transactions between interested parties, by increasing shareholder rights and role in major corporate decisions, by strengthening the ownership and control structures of companies and by increasing corporate transparency requirements. |
| DB2017  | <i>Thailand</i>           | Thailand made resolving insolvency easier by introducing new restructuring for small and medium-size companies and by streamlining provisions related to company liquidation.  |
| DB2017  | <i>Indonesia</i>          | Indonesia made it easier to register property by digitizing its cadastral records and setting up a geographic information system.  |

| DB year | Economy     | Reform   |
|---------|-------------|--|
| DB2017  | Mexico      | Mexico made registering property easier by digitizing its land records, improving the quality of the Land Registry infrastructure and making the registration process more efficient.  |
| DB2017  | Singapore   | Singapore made it easier to transfer a property by introducing an independent mechanism for reporting errors on titles and maps.   |
| DB2017  | Thailand    | Thailand made starting a business easier by creating a single window for registration payment and reducing the time to obtain a company seal.  |
| DB2017  | Indonesia   | Indonesia made starting a business easier by creating a single form to apply for the company registration certificate and trading license. This reform applies to Jakarta. Indonesia also made starting a business easier by abolishing the minimum capital requirement for small and medium-size enterprises and by encouraging the use of an online system to reserve company names. This reform applies to both Jakarta and Surabaya. |
| DB2017  | China       | China made starting a business easier by introducing a single form to obtain a business license, organization code and tax registration. This reform applies to both Shanghai and Beijing.   |
| DB2017  | Vietnam     | Vietnam made starting a business more difficult by requiring entrepreneurs to receive approval of the seal sample before using it.   |
| DB2017  | Vietnam     | Vietnam made exporting and importing easier by implementing electronic customs clearance system.   |
| DB2017  | Indonesia   | Indonesia made exporting and importing easier by improving the customs services and document submission functions of the Indonesia National Single Window.   |
| DB2017  | Singapore   | Singapore made paying taxes easier by introducing improvements to the online system for filing corporate income tax returns and VAT returns. At the same, the social security contribution rate paid by employers increased and the rebate of 30% on vehicle tax expired.  |
| DB2017  | Peru        | Peru made paying taxes less costly by decreasing the corporate income tax rate.  |
| DB2017  | New Zealand | New Zealand made paying taxes easier by abolishing the cheque levy. New Zealand made paying less costly by decreasing the rate of accident compensation levy paid by employers. At the same time, New Zealand made paying taxes more costly by raising property tax and road user levy   |

| DB year       | Economy                  | Reform   |
|---------------|--------------------------|--|
|               |                          | rates.   |
| <b>DB2017</b> | <i>Indonesia</i>         | Indonesia made paying taxes easier by introducing an online system for filing and paying health contributions. Indonesia also made paying taxes more costly by levying a new pension contribution at a rate of 2% paid by employers. These reforms apply to both Jakarta and Surabaya.   |
| <b>DB2017</b> | <i>Japan</i>             | Japan made paying taxes easier by disclosing the technical specifications of the eTax platform and allowing the upload of additional information in comma separated value (CSV) format. The restoration surtax was also abolished. However, a local corporation tax was introduced and the rates of special local corporation tax, inhabitants tax and enterprise tax were raised. Welfare pension premiums were also raised. These reforms apply to both Tokyo and Osaka. However, the rate for health insurance contributions paid by employers was reduced only in Osaka. |
| <b>DB2017</b> | <i>Vietnam</i>           | Vietnam made paying taxes easier and less costly by streamlining the administrative process of complying with tax obligations and abolishing environmental protection fees.  |
| <b>DB2017</b> | <i>Brunei Darussalam</i> | Brunei Darussalam strengthened access to credit by adopting a new insolvency law that contemplates protections for secured creditors during an automatic stay in reorganization proceedings. Brunei also improved access to credit information by beginning to distribute data from two utility companies.   |
| <b>DB2017</b> | <i>Brunei Darussalam</i> | The utility in Brunei Darussalam streamlined the processes of reviewing applications, and the time to issue an excavation permit was reduced. In addition, Brunei Darussalam increased the reliability of power supply by rolling out a Supervisory Control and Data Acquisition (SCADA) automatic energy management system for the monitoring of outages and the restoration of service.  |
| <b>DB2017</b> | <i>Brunei Darussalam</i> | Brunei Darussalam strengthened minority investor protections by clarifying ownership and control structures, making it easier to sue directors in case of prejudicial related-party transactions, and allowing the rescission of related-party transactions that harm the company.   |
| <b>DB2017</b> | <i>Brunei Darussalam</i> | Brunei Darussalam made resolving insolvency easier by adopting a new insolvency law that introduced a reorganization procedure and facilitated continuation of the   |

| DB year       | Economy                  | Reform   |
|---------------|--------------------------|--|
|               |                          | debtor's business during insolvency proceedings. Brunei Darussalam also introduced regulations for insolvency practitioners.   |
| <b>DB2017</b> | <i>Brunei Darussalam</i> | Brunei Darussalam made paying taxes easier by fully implementing an electronic system for filing and paying corporate income tax.  |
| <b>DB2017</b> | <i>Philippines</i>       | The Philippines made dealing with construction permits easier by increasing the transparency of its building regulations.  |
| <b>DB2017</b> | <i>Papua New Guinea</i>  | Papua New Guinea strengthened access to credit by adopting a new law on secured transactions that implemented a functional secured transactions system and established a centralized, notice-based collateral registry. The new law broadens the scope of assets that can be used as collateral and allows out-of-court enforcement of collateral.                             |
| <b>DB2017</b> | <i>Papua New Guinea</i>  | Papua New Guinea reduced the time required to start a business by streamlining business registration at the Investment Promotion Agency (IPA).   |
| <b>DB2017</b> | <i>Philippines</i>       | The Philippines made paying taxes easier by introducing an online system for filing and paying health contributions and by allowing for the online corporate income tax and VAT returns to be completed offline.   |
| <b>DB2017</b> | <i>Brunei Darussalam</i> | Brunei Darussalam made enforcing contracts easier by introducing an electronic filing system as well as a platform that allows users to pay court fees electronically.   |
| <b>DB2016</b> | <i>Philippines</i>       | The Philippines made starting a business easier by streamlining communications between the Securities and Exchange Commission and the Social Security System and thereby expediting the process of issuing an employer registration number.  |
| <b>DB2016</b> | <i>Brunei Darussalam</i> | Brunei Darussalam made paying taxes easier and less costly for companies by merging contributions for the Employee Provident Fund and the Supplemental Pension Fund and increasing the capital allowance for industrial buildings. In addition, it reduced the corporate income tax rate, though it also abolished the partial exemption of income and introduced a flat rate. |
| <b>DB2016</b> | <i>Brunei Darussalam</i> | Brunei Darussalam made starting a business easier by improving online procedures and simplifying registration and post registration requirements.  |
| <b>DB2016</b> | <i>Chile</i>             | Chile made resolving insolvency easier by clarifying and simplifying provisions on liquidation and reorganization,   |

| DB year       | Economy                     | Reform  |
|---------------|-----------------------------|---|
|               |                             | introducing provisions to facilitate the continuation of the debtor's business during insolvency, establishing a public office responsible for the general administration of insolvency proceedings and creating specialized insolvency courts.   |
| <b>DB2016</b> | <i>Chile</i>                | Chile made paying taxes more costly for companies by increasing the corporate income tax rate.  |
| <b>DB2016</b> | <i>Hong Kong SAR, China</i> | The utility in Hong Kong SAR, China, made getting electricity easier by streamlining the process for reviewing connection applications and for completing the connection works and meter installation. In addition, the time needed to issue an excavation permit was reduced.  |
| <b>DB2016</b> | <i>Korea, Rep.</i>          | The Republic of Korea made paying taxes more complicated and costly for companies by requiring separate filing and payment of the local income tax and by increasing the rates for unemployment insurance and national health insurance paid by employers.  |
| <b>DB2016</b> | <i>Hong Kong SAR, China</i> | Hong Kong SAR, China, made paying taxes easier and less costly for companies by simplifying compliance with the mandatory provident fund obligations and increasing the allowance for profit tax. At the same time, it increased the maximum contribution to the mandatory provident fund and reduced the property tax waiver.  |
| <b>DB2016</b> | <i>Malaysia</i>             | Malaysia made paying taxes easier and less costly for companies by making electronic filing mandatory and reducing the property tax rate. At the same time, it also increased the capital gains tax.  |
| <b>DB2016</b> | <i>Hong Kong SAR, China</i> | Hong Kong SAR, China, made starting a business easier by eliminating the requirement for a company seal.  |
| <b>DB2016</b> | <i>Hong Kong SAR, China</i> | Hong Kong SAR, China, improved access to credit by implementing a modern collateral registry.   |
| <b>DB2016</b> | <i>Vietnam</i>              | The utility in Vietnam reduced the time required for getting an electricity connection by reducing delays and increasing efficiency in approving connection applications and designs for connection works. Getting electricity was also made easier by eliminating the need to obtain a substation certification from the Fire Fighters Prevention Department for connections to the medium-voltage grid. |
| <b>DB2016</b> | <i>Russian Federation</i>   | Russia made the process of obtaining an electricity connection simpler, faster and less costly by eliminating a   |

| DB year       | Economy                   | Reform   |
|---------------|---------------------------|--|
|               |                           | meter inspection by electricity providers and revising connection tariffs. This reform applies to both Moscow and St. Petersburg.  |
| <b>DB2016</b> | <i>Taiwan, China</i>      | The utility in Taiwan, China, reduced the time required for getting an electricity connection through a simplified procedure for obtaining excavation permits from the municipality.   |
| <b>DB2016</b> | <i>New Zealand</i>        | The utility in New Zealand reduced the time required for getting an electricity connection by improving its payment monitoring and confirmation process for the connection works.  |
| <b>DB2016</b> | <i>Vietnam</i>            | Vietnam made resolving insolvency easier by clarifying and simplifying provisions on liquidation and reorganization, modifying the standard for commencement of insolvency proceedings, changing provisions on voidable transactions, regulating the profession of insolvency trustees and establishing the rules for enterprise asset managers.   |
| <b>DB2016</b> | <i>Vietnam</i>            | Vietnam made paying taxes less costly for companies by reducing the corporate income tax rate—and made it easier by reducing the number of procedures and documents for filing VAT and social security contributions, reducing the number of filings for VAT and replacing quarterly filings of corporate income tax with quarterly advance payments. On the other hand, Vietnam increased the rate for social security contributions paid by employers. |
| <b>DB2016</b> | <i>Indonesia</i>          | Indonesia made paying taxes easier and less costly for companies by introducing an online system for paying social security contributions and by reducing both the rate paid by employers and the ceiling for the contributions. This reform applies to both Jakarta and Surabaya.   |
| <b>DB2016</b> | <i>China</i>              | China made paying taxes less costly for companies in Shanghai by reducing the social security contribution rate.   |
| <b>DB2016</b> | <i>Russian Federation</i> | Russia made paying taxes less costly for companies by excluding movable property from the corporate property tax base—though it also raised the wage ceiling used in calculating social contributions. These changes apply to both Moscow and St. Petersburg. In addition, the cadastral value of land in Moscow was updated.  |
| <b>DB2016</b> | <i>Mexico</i>             | Mexico made paying taxes easier for companies by abolishing the business flat tax—though it also made paying taxes more costly by allowing only a portion of salaries to be deductible. These changes apply to both Mexico City and Monterrey. In  |

| DB year       | Economy                   | Reform  |
|---------------|---------------------------|---|
|               |                           | addition, the payroll tax rate paid by employers was increased for Mexico City.   |
| <b>DB2016</b> | <i>Peru</i>               | Peru made paying taxes easier for companies by creating an advanced online registry with up-to-date information on employees.   |
| <b>DB2016</b> | <i>Russian Federation</i> | Russia made transferring property easier by reducing the time required for property registration. This reform applies to both Moscow and St. Petersburg.  |
| <b>DB2016</b> | <i>Indonesia</i>          | Indonesia made starting a business in Jakarta easier by reducing the time needed to register with the Ministry of Manpower.   |
| <b>DB2016</b> | <i>Russian Federation</i> | The Russian Federation made starting a business in Moscow easier by reducing the number of days required to open a corporate bank account.  |
| <b>DB2016</b> | <i>Vietnam</i>            | Vietnam made starting a business easier by reducing the time required to get the company seal engraved and registered.  |
| <b>DB2016</b> | <i>Indonesia</i>          | Indonesia improved access to credit by enabling searches of the collateral registry by the debtor's name. This reform applies to both Jakarta and Surabaya.   |
| <b>DB2016</b> | <i>Russian Federation</i> | Russia improved access to credit by adopting a new law on secured transactions that established a centralized collateral registry and allows a general description of a combined category of assets granted as collateral. This reform applies to both Moscow and St. Petersburg. |
| <b>DB2016</b> | <i>Mexico</i>             | Mexico improved access to credit by implementing a decree allowing a general description of assets granted as collateral. This reform applies to both Mexico City and Monterrey.  |
| <b>DB2016</b> | <i>Vietnam</i>            | Vietnam guaranteed borrowers' right to inspect their credit data while the new credit bureau expanded borrower coverage, improving the credit information system.   |
| <b>DB2016</b> | <i>Peru</i>               | Peru improved its credit information system by implementing a new law on personal data protection.  |
| <b>DB2015</b> | <i>New Zealand</i>        | New Zealand improved access to credit information by beginning to distribute both positive and negative credit information.   |
| <b>DB2015</b> | <i>Taiwan, China</i>      | Taiwan, China, improved access to credit information by beginning to include data from utility companies in credit reports.   |
| <b>DB2015</b> | <i>Vietnam</i>            | Vietnam improved its credit information system by   |



| DB year | Economy              | Reform  |
|---------|----------------------|---|
|         |                      | establishing a new credit bureau.   |
| DB2015  | Mexico               | Mexico improved access to credit by amending its insolvency proceedings law and establishing clear grounds for relief from a stay of enforcement actions by secured creditors during reorganization procedures. This reform applies to both Mexico City and Monterrey.  |
| DB2015  | Hong Kong SAR, China | Hong Kong SAR, China, strengthened minority investor protections by introducing requirements for directors to provide more detailed disclosure of conflicts of interest to the other board members.   |
| DB2015  | Korea, Rep.          | The Republic of Korea strengthened minority investor protections by increasing the level of transparency expected from companies on managerial compensation.  |
| DB2015  | Korea, Rep.          | The Republic of Korea made transferring property easier by reducing the time needed to buy housing bonds and to register the property transfer.   |
| DB2015  | Hong Kong SAR, China | Hong Kong SAR, China, made starting a business more difficult by increasing the registration fee.   |
| DB2015  | Taiwan, China        | Taiwan, China, made getting electricity easier by eliminating site inspections.   |
| DB2015  | Indonesia            | In Indonesia the electricity company in Jakarta made getting electricity easier by eliminating the need for electrical contractors to obtain multiple certificates guaranteeing the safety of internal installations—though. The utility in Jakarta and Surabaya also increased the cost by introducing a security deposit for new connections. |
| DB2015  | Thailand             | Thailand made dealing with construction permits less time-consuming by introducing a fast-track approval process for building permits for smaller buildings.  |
| DB2015  | Singapore            | Singapore made enforcing contracts easier by introducing a new electronic litigation system that streamlines litigation proceedings.  |
| DB2015  | Mexico               | Mexico made resolving insolvency easier by clarifying several rules, shortening the time extensions allowed during reorganization, facilitating the electronic submission of documents and improving the legal rights of creditors and other parties involved in bankruptcy procedures. This reform applies to both Mexico City and Monterrey.  |
| DB2015  | Taiwan, China        | Taiwan, China, made paying taxes easier for companies by introducing an electronic system for paying the vehicle  |

| DB year | Economy                   | Reform  |
|---------|---------------------------|---|
|         |                           | license tax.  |
| DB2015  | <i>Indonesia</i>          | Indonesia made paying taxes less costly for companies by reducing employers' health insurance contribution rate. This reform applies to both Jakarta and Surabaya.  |
| DB2015  | <i>China</i>              | China made paying taxes easier for companies by enhancing the electronic system for filing and paying taxes and adopting new communication channels within its taxpayer service, changes applying to both Beijing and Shanghai. In addition, China made paying taxes less costly for companies in Shanghai by reducing the social security contribution rate. |
| DB2015  | <i>Vietnam</i>            | Vietnam made paying taxes less costly for companies by reducing the corporate income tax rate.  |
| DB2015  | <i>Russian Federation</i> | The Russian Federation made transferring property easier by eliminating the requirement for notarization and introducing tighter time limits for completing the property registration. This reform applies to both Moscow and St. Petersburg.   |
| DB2015  | <i>Russian Federation</i> | The Russian Federation made starting a business easier by eliminating the requirement to deposit the charter capital before company registration as well as the requirement to notify tax authorities of the opening of a bank account. This reform applies to both Moscow and St. Petersburg.  |
| DB2015  | <i>United States</i>      | In the United States starting a business became easier in New York City thanks to faster online procedures.   |
| DB2015  | <i>China</i>              | China made starting a business easier by eliminating both the minimum capital requirement and the requirement to obtain a capital verification report from an auditing firm. This reform applies to both Beijing and Shanghai.  |
| DB2015  | <i>Indonesia</i>          | Indonesia made starting a business easier by allowing the Ministry of Law and Human Rights to electronically issue the approval letter for the deed of establishment. This reform applies to both Jakarta and Surabaya.   |
| DB2015  | <i>Indonesia</i>          | In Indonesia trading across borders became more difficult because of insufficient infrastructure at the Tanjung Priok Port Jakarta. This change applies to both Jakarta and Surabaya.   |
| DB2015  | <i>Brunei Darussalam</i>  | Brunei Darussalam made dealing with construction permits easier by consolidating final inspections.   |
| DB2015  | <i>Brunei Darussalam</i>  | Brunei Darussalam made paying taxes easier for companies by allowing joint filing and payment of supplemental contributory pension and employee provident fund  |

| DB year       | Economy                   | Reform   |
|---------------|---------------------------|--|
|               |                           | contributions and by introducing an online system for paying these 2 contributions.  |
| <b>DB2015</b> | <i>Philippines</i>        | In the Philippines trading across borders became more difficult because of a new city ordinance restricting truck traffic in Manila.   |
| <b>DB2014</b> | <i>Philippines</i>        | The Philippines improved access to credit information by beginning to distribute both positive and negative information and by enacting a data privacy act that guarantees borrowers' right to access their data.    |
| <b>DB2014</b> | <i>Brunei Darussalam</i>  | Brunei Darussalam improved access to credit information by establishing a public credit registry.  |
| <b>DB2014</b> | <i>Philippines</i>        | The Philippines made dealing with construction permits easier by eliminating the requirement to obtain a health certificate.   |
| <b>DB2014</b> | <i>Philippines</i>        | The Philippines made paying taxes easier for companies by introducing an electronic filing and payment system for social security contributions.   |
| <b>DB2014</b> | <i>Mexico</i>             | Mexico made getting electricity easier by increasing the efficiency of the utility's internal processes and by enforcing a "silence is consent" rule for the approval of the feasibility study for a new connection. |
| <b>DB2014</b> | <i>Russian Federation</i> | Russia made getting electricity simpler and less costly by setting standard connection tariffs and eliminating many procedures previously required.  |
| <b>DB2014</b> | <i>Russian Federation</i> | Russia made dealing with construction permits easier by eliminating several requirements for project approvals from government agencies and by reducing the time required to register a new building.                |
| <b>DB2014</b> | <i>New Zealand</i>        | New Zealand made enforcing contracts easier by improving its case management system to ensure a speedier and less costly adjudication of cases.  |
| <b>DB2014</b> | <i>Mexico</i>             | Mexico made enforcing contracts easier by creating small claims courts, with oral proceedings, that can hear both civil and commercial cases.  |
| <b>DB2014</b> | <i>China</i>              | China made enforcing contracts easier by amending its civil procedure code to streamline and speed up all court proceedings.   |
| <b>DB2014</b> | <i>Thailand</i>           | Thailand made paying taxes less costly for companies by reducing employers' social security contribution rate.   |

| DB year | Economy                     | Reform  |
|---------|-----------------------------|---|
| DB2014  | <i>Vietnam</i>              | Vietnam made paying taxes more costly for companies by increasing employers' social security contribution rate.   |
| DB2014  | <i>Vietnam</i>              | Vietnam strengthened investor protections by introducing greater disclosure requirements for publicly held companies in cases of related-party transactions.                  |
| DB2014  | <i>Singapore</i>            | Singapore made transferring property easier by introducing an online procedure for property transfers.  |
| DB2014  | <i>Russian Federation</i>   | Russia made transferring property easier by streamlining procedures and implementing effective time limits for processing transfer applications.                              |
| DB2014  | <i>Russian Federation</i>   | Russia made starting a business easier by abolishing the requirement to have the bank signature card notarized before opening a company bank account.                         |
| DB2014  | <i>Vietnam</i>              | Vietnam abolished priority rules for redundancy dismissals or layoffs and increased the minimum wage.   |
| DB2014  | <i>Russian Federation</i>   | Russia made trading across borders easier by implementing an electronic system for submitting export and import documents and by reducing the number of physical inspections. |
| DB2014  | <i>Mexico</i>               | Mexico made trading across borders easier by implementing an electronic single-window system.   |
| DB2014  | <i>Korea, Rep.</i>          | Korea revised its secured transactions framework by creating new types of security rights that can be publicized through registration.  |
| DB2014  | <i>Chile</i>                | Chile made starting a business easier by creating a new online system for business registration.  |
| DB2014  | <i>Malaysia</i>             | Malaysia made getting electricity easier by increasing the efficiency of internal processes at the utility and improving its communication and dialogue with contractors.     |
| DB2014  | <i>Malaysia</i>             | Malaysia made dealing with construction permits easier by establishing a one-stop shop.   |
| DB2014  | <i>Hong Kong SAR, China</i> | Hong Kong SAR, China, made transferring property more costly by increasing the stamp duty.  |
| DB2014  | <i>Malaysia</i>             | Malaysia made starting a business less costly by reducing the company registration fees.  |
| DB2014  | <i>Hong Kong SAR, China</i> | Hong Kong SAR, China, made starting a business less costly by abolishing the capital duty levied on local companies.  |
| DB2014  | <i>Malaysia</i>             | Malaysia introduced a minimum wage.   |

| DB year | Economy              | Reform  |
|---------|----------------------|---|
| DB2014  | <i>Australia</i>     | Australia improved its credit information system through the Privacy Amendment (Enhancing Privacy Protection) Act 2012, which permits credit bureaus to collect account payment history with improved privacy protection. |
| DB2014  | <i>China</i>         | China improved its credit information system by introducing credit information industry regulations, which guarantee borrowers' right to inspect their data.  |
| DB2014  | <i>Indonesia</i>     | Indonesia improved its credit information system through a new regulation setting up a legal framework for establishing credit bureaus.   |
| DB2014  | <i>Vietnam</i>       | Vietnam improved its credit information system through a decree setting up a legal framework for the establishment of private credit bureaus.   |
| DB2014  | <i>Singapore</i>     | Singapore improved its credit information system by guaranteeing by law borrowers' right to inspect their own data.   |
| DB2013  | <i>Korea, Rep.</i>   | Korea expedited the insolvency process by implementing a fast track for company rehabilitation.   |
| DB2013  | <i>Thailand</i>      | Thailand made starting a business easier by allowing the registrar at the Department of Business Development to receive the company's work regulations.   |
| DB2013  | <i>Vietnam</i>       | Vietnam made starting a business easier by allowing companies to use self-printed value added tax invoices.   |
| DB2013  | <i>China</i>         | China made starting a business less costly by exempting micro and small companies from paying several administrative fees from January 2012 to December 2014.   |
| DB2013  | <i>Mexico</i>        | Mexico made starting a business easier by eliminating the minimum capital requirement for limited liability companies.  |
| DB2013  | <i>Korea, Rep.</i>   | Korea made getting electricity less costly by introducing a new connection fee schedule and an installment payment system.  |
| DB2013  | <i>Peru</i>          | Peru made obtaining a construction permit easier by eliminating requirements for several preconstruction approvals.   |
| DB2013  | <i>Taiwan, China</i> | Taiwan, China, made dealing with construction permits easier by introducing a risk-based and self-regulatory inspection system and improving operational features of the one-stop shop for building permits.              |
| DB2013  | <i>China</i>         | China simplified the process of obtaining a construction  |

| DB year       | Economy                   | Reform   |
|---------------|---------------------------|--|
|               |                           | permit by streamlining and centralizing preconstruction approvals.   |
| <b>DB2013</b> | <i>Russian Federation</i> | Russia made obtaining a construction permit simpler by eliminating requirements for several preconstruction approvals.   |
| <b>DB2013</b> | <i>Peru</i>               | Peru strengthened investor protections through a new law regulating the approval of related-party transactions and making it easier to sue directors when such transactions are prejudicial.                                 |
| <b>DB2013</b> | <i>Taiwan, China</i>      | Taiwan, China, strengthened investor protections by increasing disclosure requirements for related-party transactions and improving the liability regime for company directors in cases where such transactions are abusive. |
| <b>DB2013</b> | <i>Australia</i>          | Australia strengthened its secured transactions system by adopting a new national legal regime governing the enforceability of security interests in personal property and implementing a unified collateral registry.       |
| <b>DB2013</b> | <i>Canada</i>             | Canada made getting an electricity connection easier by reducing the time needed for external connection works.  |
| <b>DB2013</b> | <i>Malaysia</i>           | Malaysia made dealing with construction permits faster by improving the one-stop center for new buildings and by reducing the time to connect to telephone service.  |
| <b>DB2013</b> | <i>Malaysia</i>           | Malaysia substantially reduced the number of days it takes to register property transfers.   |
| <b>DB2013</b> | <i>Korea, Rep.</i>        | Korea strengthened investor protections by making it easier to sue directors in cases of prejudicial related-party transactions.   |
| <b>DB2013</b> | <i>Korea, Rep.</i>        | Korea made paying taxes less costly for companies by reducing the profit tax rate.   |
| <b>DB2013</b> | <i>Brunei Darussalam</i>  | Brunei Darussalam made dealing with construction permits easier by creating a one-stop shop for preconstruction approvals.   |
| <b>DB2013</b> | <i>Brunei Darussalam</i>  | Brunei Darussalam made paying taxes less costly for companies by reducing the profit tax rate.   |
| <b>DB2013</b> | <i>Indonesia</i>          | Indonesia made getting electricity easier by eliminating the requirement for new customers applying for an electricity connection to show a neighbor's electricity bill as a way to help determine their address.            |
| <b>DB2013</b> | <i>Mexico</i>             | In Mexico the distribution utility made getting electricity  |

| DB year       | Economy                   | Reform  |
|---------------|---------------------------|---|
|               |                           | easier by streamlining procedures, offering training opportunities to private contractors, using a geographic information system (GIS) to map the electricity distribution network and increasing the stock of materials. |
| <b>DB2013</b> | <i>Russian Federation</i> | Russia eased the administrative burden of taxes for firms by simplifying compliance procedures for value added tax and by promoting the use of tax accounting software and electronic services.                           |
| <b>DB2013</b> | <i>Japan</i>              | Japan made paying taxes less costly for companies by reducing the corporate income tax rate—though it also introduced a restoration surtax for a 3-year period.   |
| <b>DB2013</b> | <i>Thailand</i>           | Thailand made paying taxes less costly for companies by reducing the profit tax rate.   |
| <b>DB2013</b> | <i>New Zealand</i>        | New Zealand improved access to credit information by allowing credit bureaus to collect positive information on individuals.  |
| <b>DB2012</b> | <i>Peru</i>               | Peru strengthened investor protections through a new law allowing minority shareholders to request access to nonconfidential corporate documents.   |
| <b>DB2012</b> | <i>Vietnam</i>            | Vietnam strengthened investor protections by requiring higher standards of accountability for company directors.  |
| <b>DB2012</b> | <i>Russian Federation</i> | Russia made trading across borders easier by reducing the number of documents needed for each export or import transaction and lowering the associated cost.  |
| <b>DB2012</b> | <i>Mexico</i>             | Mexico strengthened its secured transactions system by implementing a centralized collateral registry with an electronic database that is accessible online.  |
| <b>DB2012</b> | <i>Russian Federation</i> | Russia made filing a commercial case easier by introducing an electronic case filing system.  |
| <b>DB2012</b> | <i>Russian Federation</i> | Russian Federation made getting electricity less costly by revising the tariffs for connection.   |
| <b>DB2012</b> | <i>Indonesia</i>          | Indonesia made getting electricity more difficult by increasing connection fees.  |
| <b>DB2012</b> | <i>Philippines</i>        | The Philippines adopted a new insolvency law that provides a legal framework for liquidation and reorganization of financially distressed companies.  |
| <b>DB2012</b> | <i>Brunei Darussalam</i>  | Brunei Darussalam made getting electricity easier by establishing a one-stop shop and reducing the time required to obtain an excavation permit.  |

| DB year | Economy                     | Reform   |
|---------|-----------------------------|--|
| DB2012  | <i>Korea, Rep.</i>          | Korea eased the administrative burden of paying taxes for firms by merging several taxes, allowing 4 labor taxes and contributions to be paid jointly and continuing to increase the use of the online tax payment system.   |
| DB2012  | <i>Malaysia</i>             | Malaysia made paying taxes costlier for firms by reintroducing the real estate capital gains tax—but also made tax compliance easier by improving electronic systems and the availability of software.   |
| DB2012  | <i>Hong Kong SAR, China</i> | Hong Kong, China introduced a Minimum Wage.  |
| DB2012  | <i>Hong Kong SAR, China</i> | Hong Kong SAR (China) made starting a business easier by introducing online electronic services for company and business registration.   |
| DB2012  | <i>Korea, Rep.</i>          | Korea made starting a business easier by introducing a new online one-stop shop, Start-Biz.  |
| DB2012  | <i>Malaysia</i>             | Malaysia made starting a business easier by merging company, tax, social security and employment fund registrations at the one-stop shop and providing same-day registration.  |
| DB2012  | <i>Australia</i>            | Australia clarified the priority of claims of unsecured creditors over all shareholders' claims and introduced further regulation of the profession of insolvency practitioners.   |
| DB2012  | <i>Chile</i>                | Chile made business start-up easier by starting to provide an immediate temporary operating license to new companies, eliminating the requirement for an inspection of premises by the tax authority before new companies can begin operations and allowing free online publication of the notice of a company's creation. |
| DB2012  | <i>Chile</i>                | Chile strengthened its secured transactions system by implementing a unified collateral registry and a new legal framework for nonpossessory security interests.   |
| DB2012  | <i>Canada</i>               | Canada made paying taxes easier and less costly for companies by reducing profit tax rates, eliminating the Ontario capital tax and harmonizing sales taxes.   |
| DB2012  | <i>Chile</i>                | Chile made trading across borders faster by implementing an online electronic data interchange system for customs operations.  |
| DB2012  | <i>Thailand</i>             | Thailand made registering property more expensive by increasing the registration fee.  |



| DB year | Economy                     | Reform   |
|---------|-----------------------------|--|
| DB2012  | <i>Russian Federation</i>   | Russia made registering property transfers easier by eliminating the requirement to obtain cadastral passports on land plots.  |
| DB2012  | <i>New Zealand</i>          | New Zealand reduced its corporate income tax rate and fringe benefit tax rate.   |
| DB2012  | <i>Peru</i>                 | Peru made paying taxes easier for companies by improving electronic filing and payment of the major taxes and promoting the use of the electronic option among the majority of taxpayers.                        |
| DB2012  | <i>Mexico</i>               | Mexico continued to ease the administrative burden of paying taxes for firms by ending the requirement to file a yearly value added tax return and reduced filing requirements for other taxes                   |
| DB2012  | <i>Russian Federation</i>   | Russia increased the social security contribution rate for employers.  |
| DB2012  | <i>Malaysia</i>             | Malaysia established dedicated commercial courts to handle foreclosure proceedings.  |
| DB2012  | <i>Mexico</i>               | Mexico made dealing with construction permits faster by consolidating internal administrative procedures.  |
| DB2012  | <i>Japan</i>                | Japan made dealing with construction permits costlier by increasing inspection fees.   |
| DB2012  | <i>Taiwan, China</i>        | Taiwan (China) made dealing with construction permits easier by creating a one-stop center.  |
| DB2012  | <i>Indonesia</i>            | Indonesia made starting a business easier by introducing a simplified application process allowing an applicant to simultaneously obtain both a general trading license and a business registration certificate. |
| DB2012  | <i>Taiwan, China</i>        | Taiwan (China) made starting a business easier by implementing an online one-stop shop for business registration.  |
| DB2012  | <i>Thailand</i>             | Thailand made starting a business easier by introducing a one-stop shop.   |
| DB2012  | <i>Peru</i>                 | Peru made starting a business easier by eliminating the requirement for micro and small enterprises to deposit start-up capital in a bank before registration.   |
| DB2012  | <i>Hong Kong SAR, China</i> | Hong Kong SAR (China) made getting electricity easier by increasing the efficiency of public agencies and streamlining the utility's procedures with other government agencies.                                  |

| DB year | Economy                   | Reform   |
|---------|---------------------------|--|
| DB2012  | <i>Malaysia</i>           | Malaysia continued to improve the computerization of its courts by introducing a system making it possible to file complaints electronically.  |
| DB2012  | <i>Korea, Rep.</i>        | Korea made filing a commercial case easier by introducing an electronic case filing system.  |
| DB2011  | <i>Korea, Rep.</i>        | Korea made it easier to deal with insolvency by introducing postfiling financing, granting superpriority to the repayment of loans given to companies undergoing reorganization.   |
| DB2011  | <i>Peru</i>               | Peru eased business start-up by simplifying the requirements for operating licenses and creating an online one-stop shop for business registration.  |
| DB2011  | <i>Taiwan, China</i>      | Taiwan (China) eased business start-up by reducing the time required to check company names, register retirement plans and apply for health, pension and labor insurance.  |
| DB2011  | <i>Vietnam</i>            | Vietnam eased company start-up by creating a one-stop shop that combines the processes for obtaining a business license and tax license and by eliminating the need for a seal for company licensing.  |
| DB2011  | <i>Mexico</i>             | Mexico launched an online one-stop shop for initiating business registration.  |
| DB2011  | <i>Indonesia</i>          | Indonesia eased business start-up by reducing the cost for company name clearance and reservation and the time required to reserve the name and approve the deed of incorporation.   |
| DB2011  | <i>Peru</i>               | Peru streamlined construction permitting by implementing administrative reforms.   |
| DB2011  | <i>Vietnam</i>            | Vietnam made dealing with construction permits easier by reducing the cost to register newly completed buildings by 50% and transferring the authority to register buildings from local authorities to the Department of National Resources and Environment. |
| DB2011  | <i>Russian Federation</i> | Russia eased construction permitting by implementing a single window for all procedures related to land use.   |
| DB2011  | <i>Thailand</i>           | Thailand made registering property more costly by repealing a 2-year temporary tax reduction for property transfers.   |
| DB2011  | <i>Peru</i>               | Peru introduced fast-track procedures at the land registry, cutting by half the time needed to register property.  |
| DB2011  | <i>Vietnam</i>            | Vietnam improved its credit information system by allowing borrowers to examine their own credit report and correct  |

| DB year       | Economy              | Reform  |
|---------------|----------------------|---|
|               |                      | errors.   |
| <b>DB2011</b> | <i>Singapore</i>     | Singapore improved its credit information system by collecting and distributing information on firms.   |
| <b>DB2011</b> | <i>Mexico</i>        | Mexico increased taxes on companies by raising several tax rates, including the corporate income tax and the rate on cash deposits. At the same time, the administrative burden was reduced slightly with more options for online payment and increased use of accounting software. |
| <b>DB2011</b> | <i>United States</i> | In the United States the introduction of a new tax on payroll increased taxes on companies operating within the New York City metropolitan commuter transportation district.  |
| <b>DB2011</b> | <i>Indonesia</i>     | Indonesia reduced its corporate income tax rate.  |
| <b>DB2011</b> | <i>China</i>         | China's new corporate income tax law unified the tax regimes for domestic and foreign enterprises and clarified the calculation of taxable income for corporate income tax purposes.  |
| <b>DB2011</b> | <i>Vietnam</i>       | The government of Vietnam eased paying taxes by reducing corporate income tax rate.   |
| <b>DB2011</b> | <i>Taiwan, China</i> | Taiwan (China) reduced the corporate income tax rate and simplified tax return forms, rules for assessing corporate income tax and the calculation of interim tax payments.   |
| <b>DB2011</b> | <i>Thailand</i>      | Thailand temporarily lowered taxes on business by reducing its specific business tax for 12 months.   |
| <b>DB2011</b> | <i>Canada</i>        | Canada increased the efficiency of the courts by expanding electronic document submission and streamlining procedures.  |
| <b>DB2011</b> | <i>Chile</i>         | Chile made business start-up easier by introducing an online system for registration and for filing the request for publication.  |
| <b>DB2011</b> | <i>Chile</i>         | An amendment to Chile's securities law strengthened investor protections by requiring greater corporate disclosure and regulating the approval of transactions between interested parties.  |
| <b>DB2011</b> | <i>Canada</i>        | Canada harmonized the Ontario and federal tax returns and reduced the corporate and employee tax rates.   |
| <b>DB2011</b> | <i>Australia</i>     | Australia introduced the severance payment obligation and reemployment consideration applicable in cases of redundancy dismissals. Annual leave was increased and   |

| DB year       | Economy                     | Reform  |
|---------------|-----------------------------|---|
|               |                             | averaging of hours is now allowed in shorter periods of time. In addition, notice period applicable in case of redundancy dismissals was decreased.   |
| <b>DB2011</b> | <i>Malaysia</i>             | Malaysia eliminated the requirements to notify third parties in cases of redundancy dismissals.   |
| <b>DB2011</b> | <i>Malaysia</i>             | Malaysia eased business start-up by introducing more online services.   |
| <b>DB2011</b> | <i>Malaysia</i>             | Malaysia's introduction of online stamping reduced the time and cost to transfer property.  |
| <b>DB2011</b> | <i>Hong Kong SAR, China</i> | Hong Kong SAR (China) abolished the fuel tax on diesel.   |
| <b>DB2011</b> | <i>Hong Kong SAR, China</i> | Reforms implemented in the civil justice system of Hong Kong SAR (China) will help increase the efficiency and cost-effectiveness of commercial dispute resolution.   |
| <b>DB2011</b> | <i>Japan</i>                | Japan made it easier to deal with insolvency by establishing a new entity, the Enterprise Turnaround Initiative Corporation, to support the revitalization of companies suffering from excessive debt but professionally managed. |
| <b>DB2011</b> | <i>Russian Federation</i>   | Russia introduced a series of legislative measures in 2009 to improve creditor rights and the insolvency system.  |
| <b>DB2011</b> | <i>New Zealand</i>          | New Zealand enacted new district court rules that make the process for enforcing contracts user friendly.   |
| <b>DB2011</b> | <i>Indonesia</i>            | Indonesia reduced the time to export by launching a single-window service.  |
| <b>DB2011</b> | <i>Peru</i>                 | Peru made trading easier by implementing a new web-based electronic data interchange system, risk-based inspections and payment deferrals.  |
| <b>DB2011</b> | <i>Brunei Darussalam</i>    | The introduction of an electronic customs system in Brunei Darussalam made trading easier.  |
| <b>DB2011</b> | <i>Brunei Darussalam</i>    | Brunei Darussalam instituted mandatory minimum annual leave and reduced notice periods applicable in case of redundancy dismissals.   |
| <b>DB2011</b> | <i>Brunei Darussalam</i>    | Brunei Darussalam reduced the corporate income tax rate from 23.5% to 22% while also introducing a lower tax rate for small businesses, ranging from 5.5% to 11%.   |
| <b>DB2011</b> | <i>Brunei Darussalam</i>    | Brunei Darussalam made starting a business easier by improving efficiency at the company registrar and implementing an electronic system for name searches.   |

| DB year       | Economy                 | Reform  |
|---------------|-------------------------|---|
| <b>DB2011</b> | <i>Philippines</i>      | The Philippines eased business startup by setting up a one-stop shop at the municipal level.  |
| <b>DB2011</b> | <i>Philippines</i>      | The Philippines made construction permitting more cumbersome through updated electricity connection costs.  |
| <b>DB2011</b> | <i>Papua New Guinea</i> | Operation of a new private credit bureau improved the credit information system in Papua New Guinea.  |
| <b>DB2011</b> | <i>Philippines</i>      | The Philippines reduced the time and cost to trade by improving its electronic customs systems, adding such functions as electronic payments and online submission of declarations. |

*Note:* For information on reforms in earlier years (back to DB2005), see the *Doing Business* reports for these years, available at <http://www.doingbusiness.org>.

*Source:* *Doing Business* database.

## RESOLVING INSOLVENCY

A robust bankruptcy system functions as a filter, ensuring the survival of economically efficient companies and reallocating the resources of inefficient ones. Fast and cheap insolvency proceedings result in the speedy return of businesses to normal operation and increase returns to creditors. By clarifying the expectations of creditors and debtors about the outcome of insolvency proceedings, well-functioning insolvency systems can facilitate access to finance, save more viable businesses and sustainably grow the economy.

### What do the indicators cover?

*Doing Business* studies the time, cost and outcome of insolvency proceedings involving domestic legal entities. These variables are used to calculate the recovery rate, which is recorded as cents on the dollar recovered by secured creditors through reorganization, liquidation or debt enforcement (foreclosure or receivership) proceedings. To determine the present value of the amount recovered by creditors, *Doing Business* uses the lending rates from the International Monetary Fund, supplemented with data from central banks and the Economist Intelligence Unit.

In addition, *Doing Business* evaluates the adequacy and integrity of the existing legal framework applicable to liquidation and reorganization proceedings through the strength of insolvency framework index. The index tests whether economies adopted internationally accepted good practices in four areas: commencement of proceedings, management of debtor's assets, reorganization proceedings and creditor participation.

The ranking of economies on the ease of resolving insolvency is determined by sorting their distance to frontier scores for resolving insolvency. These scores are the simple average of the distance to frontier scores for the recovery rate and the strength of insolvency framework index. The Resolving Insolvency indicator does not measure insolvency proceedings of individuals and financial institutions. The data are derived from questionnaire responses by local insolvency practitioners and verified through a study of laws and regulations as well as public information on bankruptcy systems

## WHAT THE RESOLVING INSOLVENCY INDICATORS MEASURE

### Time required to recover debt (years)

Measured in calendar years

Appeals and requests for extension are included

### Cost required to recover debt (% of debtor's estate)

Measured as percentage of estate value

Court fees

Fees of insolvency administrators

Lawyers' fees

Assessors' and auctioneers' fees

Other related fees

### Outcome

Whether business continues operating as a going concern or business assets are sold piecemeal

### Recovery rate for creditors

Measures the cents on the dollar recovered by secured creditors

Outcome for the business (survival or not) determines the maximum value that can be recovered

Official costs of the insolvency proceedings are deducted

Depreciation of furniture is taken into account

Present value of debt recovered

### Strength of insolvency framework index (0-16)

Sum of the scores of four component indices:

Commencement of proceedings index (0-3)

Management of debtor's assets index (0-6)

Reorganization proceedings index (0-3)

Creditor participation index (0-4)

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To make the data on the time, cost and outcome comparable across economies, several assumptions about the business and the case are used:

- A hotel located in the largest city (or cities) has 201 employees and 50 suppliers. The hotel experiences financial difficulties.
- The value of the hotel is 100% of the income per capita or the equivalent in local currency of USD 200,000, whichever is greater.
- The hotel has a loan from a domestic bank, secured by a mortgage over the hotel's real estate. The hotel cannot pay back the loan, but makes enough money to operate otherwise.

In addition, *Doing Business* evaluates the adequacy and integrity of the existing legal framework applicable to liquidation and reorganization proceedings through the strength of insolvency framework index. The index tests whether economies adopted internationally accepted good practices in four areas: commencement of proceedings, management of debtor's assets, reorganization proceedings and creditor participation.

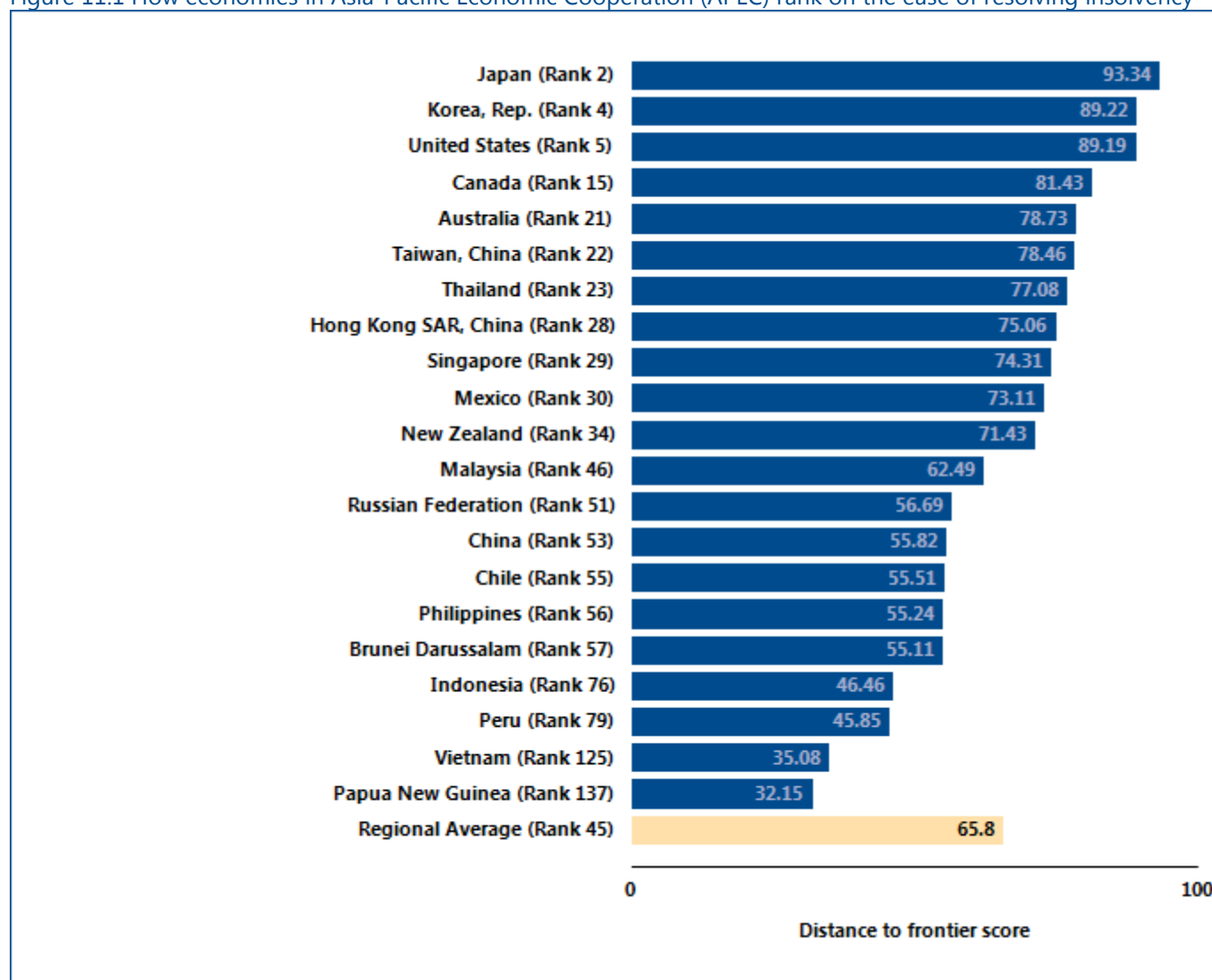
## RESOLVING INSOLVENCY

### Where do the region's economies stand today?

How efficient are insolvency proceedings in economies in Asia-Pacific Economic Cooperation (APEC)? The global rankings of these economies on the ease of resolving insolvency suggest an answer (figure 11.1). The average ranking of the region and comparator regions provide a

useful benchmark for assessing the efficiency of insolvency proceedings. Speed, low costs and continuation of viable businesses characterize the top-performing economies.

Figure 11.1 How economies in Asia-Pacific Economic Cooperation (APEC) rank on the ease of resolving insolvency



Source: Doing Business database.



## RESOLVING INSOLVENCY

The indicators underlying the rankings may be more revealing. Data collected by *Doing Business* show the average recovery rate and the average strength of insolvency framework index (figure 11.2). Comparing

these indicators across the region and with averages both for the region and for comparator regions can provide useful insights.

Figure 11.2 How efficient is the insolvency process in economies in Asia-Pacific Economic Cooperation (APEC)  
Recovery Rate (0–100)

Source: *Doing Business* database.

### Total Strength of Insolvency Framework index (0–16)

Source: *Doing Business* database.

\* Indicates a “no practice” mark. See the data notes for details. If an economy has no laws or regulations covering a specific area—for example, insolvency—it receives a “no practice” mark. Similarly, an economy receives a “no practice” or “not possible” mark if regulation exists but is never used in practice or if a competing regulation prohibits such practice. Either way, a “no practice” mark puts the economy at the bottom of the ranking on the relevant indicator.

Source: *Doing Business* database.

Note: Higher values indicate insolvency legislation that is better designed for rehabilitating viable firms and liquidating nonviable ones.

## RESOLVING INSOLVENCY

### What are the changes over time?

A well-balanced bankruptcy system distinguishes companies that are financially distressed but economically viable from inefficient companies that should be liquidated. But in some insolvency systems even viable businesses are liquidated. This is starting to

change. Many recent reforms of bankruptcy laws have been aimed at helping more of the viable businesses survive. What insolvency reforms has *Doing Business* recorded in Asia-Pacific Economic Cooperation (APEC) (table 11.1)?

Table 11.1 How have economies in Asia-Pacific Economic Cooperation (APEC) made resolving insolvency easier—or not?

By *Doing Business* report year DB2011 to DB2017

| DB year | Economy              | Reform  |
|---------|----------------------|---|
| DB2017  | Malaysia             | In Malaysia the credit bureau began to provide consumer credit scores.  |
| DB2017  | Hong Kong SAR, China | Hong Kong SAR, China, streamlined the processes of reviewing applications for new electrical connections and also reduced the time needed to issue an excavation permit.                        |
| DB2017  | Hong Kong SAR, China | Hong Kong SAR, China, made starting a business less costly by reducing the business registration fee.   |
| DB2017  | Malaysia             | Malaysia made starting a business more difficult by requiring that companies with an annual revenue of more than MYR 500,000 register as a GST payer.   |
| DB2017  | Korea, Rep.          | The Republic of Korea made starting a business faster by eliminating post-registration procedures.  |
| DB2017  | Malaysia             | Malaysia made paying taxes easier by introducing an online system for filing and paying the Goods and Services Tax (GST) while also making it is more complex by replacing sales tax with GST.  |
| DB2017  | Singapore            | Singapore made dealing with construction permits easier by streamlining procedures and improving the online one-stop shop.  |
| DB2017  | Russian Federation   | Russian Federation Saint Petersburg made dealing with construction permits easier by removing the requirement to obtain permission to fence the construction site.                              |
| DB2017  | Indonesia            | Indonesia made enforcing contracts easier by introducing a dedicated procedure for small claims that allows for parties' self-representation. This reform applies to both Jakarta and Surabaya. |

| DB year | Economy                   | Reform   |
|---------|---------------------------|--|
| DB2017  | <i>Russian Federation</i> | The Russian Federation made enforcing contracts more difficult by mandating pre-trial resolution before filing a claim, thereby lengthening the initial phase of judicial proceedings. This reform applies to both Moscow and St. Petersburg.  |
| DB2017  | <i>Mexico</i>             | Mexico adopted a resolution that eliminated geographic differences in national minimum wages. Prior to the reform Mexico was divided into two zones—zone A and zone B—with different applicable minimum wages. This reform applies to both Mexico City and Monterrey.  |
| DB2017  | <i>China</i>              | China improved access to credit information by starting to report payment histories from utility companies and providing credit scores to banks and financial institutions. This reform applies to both Shanghai and Beijing.  |
| DB2017  | <i>Indonesia</i>          | Indonesia strengthened access to credit by establishing a modern collateral registry.  |
| DB2017  | <i>Thailand</i>           | Thailand improved access to credit information by starting to provide credit scores to banks and financial institutions.   |
| DB2017  | <i>Indonesia</i>          | Indonesia made the process for getting an electricity connection faster by reducing the time for contractors to perform external work thanks to an increase in the stock of electrical material supplied by the utility. In Surabaya, getting electricity was also made easier after the utility streamlined the process for new connection requests.      |
| DB2017  | <i>Vietnam</i>            | Vietnam strengthened minority investor protections by making it easier to sue directors in cases of prejudicial transactions between interested parties, by increasing shareholder rights and role in major corporate decisions, by strengthening the ownership and control structures of companies and by increasing corporate transparency requirements. |
| DB2017  | <i>Thailand</i>           | Thailand made resolving insolvency easier by introducing new restructuring for small and medium-size companies and by streamlining provisions related to company liquidation.  |
| DB2017  | <i>Indonesia</i>          | Indonesia made it easier to register property by digitizing its cadastral records and setting up a geographic information system.  |
| DB2017  | <i>Mexico</i>             | Mexico made registering property easier by digitizing its land records, improving the quality of the Land Registry infrastructure and making the registration process more   |

| DB year       | Economy            | Reform   |
|---------------|--------------------|--|
|               |                    | efficient.   |
| <b>DB2017</b> | <i>Singapore</i>   | Singapore made it easier to transfer a property by introducing an independent mechanism for reporting errors on titles and maps.   |
| <b>DB2017</b> | <i>Thailand</i>    | Thailand made starting a business easier by creating a single window for registration payment and reducing the time to obtain a company seal.  |
| <b>DB2017</b> | <i>Indonesia</i>   | Indonesia made starting a business easier by creating a single form to apply for the company registration certificate and trading license. This reform applies to Jakarta. Indonesia also made starting a business easier by abolishing the minimum capital requirement for small and medium-size enterprises and by encouraging the use of an online system to reserve company names. This reform applies to both Jakarta and Surabaya. |
| <b>DB2017</b> | <i>China</i>       | China made starting a business easier by introducing a single form to obtain a business license, organization code and tax registration. This reform applies to both Shanghai and Beijing.   |
| <b>DB2017</b> | <i>Vietnam</i>     | Vietnam made starting a business more difficult by requiring entrepreneurs to receive approval of the seal sample before using it.   |
| <b>DB2017</b> | <i>Vietnam</i>     | Vietnam made exporting and importing easier by implementing electronic customs clearance system.   |
| <b>DB2017</b> | <i>Indonesia</i>   | Indonesia made exporting and importing easier by improving the customs services and document submission functions of the Indonesia National Single Window.   |
| <b>DB2017</b> | <i>Singapore</i>   | Singapore made paying taxes easier by introducing improvements to the online system for filing corporate income tax returns and VAT returns. At the same, the social security contribution rate paid by employers increased and the rebate of 30% on vehicle tax expired.  |
| <b>DB2017</b> | <i>Peru</i>        | Peru made paying taxes less costly by decreasing the corporate income tax rate.  |
| <b>DB2017</b> | <i>New Zealand</i> | New Zealand made paying taxes easier by abolishing the cheque levy. New Zealand made paying less costly by decreasing the rate of accident compensation levy paid by employers. At the same time, New Zealand made paying taxes more costly by raising property tax and road user levy rates.  |

| DB year | Economy                  | Reform   |
|---------|--------------------------|--|
| DB2017  | <i>Indonesia</i>         | Indonesia made paying taxes easier by introducing an online system for filing and paying health contributions. Indonesia also made paying taxes more costly by levying a new pension contribution at a rate of 2% paid by employers. These reforms apply to both Jakarta and Surabaya.   |
| DB2017  | <i>Japan</i>             | Japan made paying taxes easier by disclosing the technical specifications of the eTax platform and allowing the upload of additional information in comma separated value (CSV) format. The restoration surtax was also abolished. However, a local corporation tax was introduced and the rates of special local corporation tax, inhabitants tax and enterprise tax were raised. Welfare pension premiums were also raised. These reforms apply to both Tokyo and Osaka. However, the rate for health insurance contributions paid by employers was reduced only in Osaka. |
| DB2017  | <i>Vietnam</i>           | Vietnam made paying taxes easier and less costly by streamlining the administrative process of complying with tax obligations and abolishing environmental protection fees.  |
| DB2017  | <i>Brunei Darussalam</i> | Brunei Darussalam strengthened access to credit by adopting a new insolvency law that contemplates protections for secured creditors during an automatic stay in reorganization proceedings. Brunei also improved access to credit information by beginning to distribute data from two utility companies.   |
| DB2017  | <i>Brunei Darussalam</i> | The utility in Brunei Darussalam streamlined the processes of reviewing applications, and the time to issue an excavation permit was reduced. In addition, Brunei Darussalam increased the reliability of power supply by rolling out a Supervisory Control and Data Acquisition (SCADA) automatic energy management system for the monitoring of outages and the restoration of service.  |
| DB2017  | <i>Brunei Darussalam</i> | Brunei Darussalam strengthened minority investor protections by clarifying ownership and control structures, making it easier to sue directors in case of prejudicial related-party transactions, and allowing the rescission of related-party transactions that harm the company.   |
| DB2017  | <i>Brunei Darussalam</i> | Brunei Darussalam made resolving insolvency easier by adopting a new insolvency law that introduced a reorganization procedure and facilitated continuation of the debtor's business during insolvency proceedings. Brunei Darussalam also introduced regulations for insolvency practitioners.  |

| DB year       | Economy                  | Reform   |
|---------------|--------------------------|--|
| <b>DB2017</b> | <i>Brunei Darussalam</i> | Brunei Darussalam made paying taxes easier by fully implementing an electronic system for filing and paying corporate income tax.  |
| <b>DB2017</b> | <i>Philippines</i>       | The Philippines made dealing with construction permits easier by increasing the transparency of its building regulations.  |
| <b>DB2017</b> | <i>Papua New Guinea</i>  | Papua New Guinea strengthened access to credit by adopting a new law on secured transactions that implemented a functional secured transactions system and established a centralized, notice-based collateral registry. The new law broadens the scope of assets that can be used as collateral and allows out-of-court enforcement of collateral.                             |
| <b>DB2017</b> | <i>Papua New Guinea</i>  | Papua New Guinea reduced the time required to start a business by streamlining business registration at the Investment Promotion Agency (IPA).   |
| <b>DB2017</b> | <i>Philippines</i>       | The Philippines made paying taxes easier by introducing an online system for filing and paying health contributions and by allowing for the online corporate income tax and VAT returns to be completed offline.   |
| <b>DB2017</b> | <i>Brunei Darussalam</i> | Brunei Darussalam made enforcing contracts easier by introducing an electronic filing system as well as a platform that allows users to pay court fees electronically.   |
| <b>DB2016</b> | <i>Philippines</i>       | The Philippines made starting a business easier by streamlining communications between the Securities and Exchange Commission and the Social Security System and thereby expediting the process of issuing an employer registration number.  |
| <b>DB2016</b> | <i>Brunei Darussalam</i> | Brunei Darussalam made paying taxes easier and less costly for companies by merging contributions for the Employee Provident Fund and the Supplemental Pension Fund and increasing the capital allowance for industrial buildings. In addition, it reduced the corporate income tax rate, though it also abolished the partial exemption of income and introduced a flat rate. |
| <b>DB2016</b> | <i>Brunei Darussalam</i> | Brunei Darussalam made starting a business easier by improving online procedures and simplifying registration and post registration requirements.  |
| <b>DB2016</b> | <i>Chile</i>             | Chile made resolving insolvency easier by clarifying and simplifying provisions on liquidation and reorganization, introducing provisions to facilitate the continuation of the debtor's business during insolvency, establishing a public office responsible for the general administration of insolvency   |

| DB year       | Economy                     | Reform  |
|---------------|-----------------------------|---|
|               |                             | proceedings and creating specialized insolvency courts.   |
| <b>DB2016</b> | <i>Chile</i>                | Chile made paying taxes more costly for companies by increasing the corporate income tax rate.  |
| <b>DB2016</b> | <i>Hong Kong SAR, China</i> | The utility in Hong Kong SAR, China, made getting electricity easier by streamlining the process for reviewing connection applications and for completing the connection works and meter installation. In addition, the time needed to issue an excavation permit was reduced.  |
| <b>DB2016</b> | <i>Korea, Rep.</i>          | The Republic of Korea made paying taxes more complicated and costly for companies by requiring separate filing and payment of the local income tax and by increasing the rates for unemployment insurance and national health insurance paid by employers.  |
| <b>DB2016</b> | <i>Hong Kong SAR, China</i> | Hong Kong SAR, China, made paying taxes easier and less costly for companies by simplifying compliance with the mandatory provident fund obligations and increasing the allowance for profit tax. At the same time, it increased the maximum contribution to the mandatory provident fund and reduced the property tax waiver.  |
| <b>DB2016</b> | <i>Malaysia</i>             | Malaysia made paying taxes easier and less costly for companies by making electronic filing mandatory and reducing the property tax rate. At the same time, it also increased the capital gains tax.  |
| <b>DB2016</b> | <i>Hong Kong SAR, China</i> | Hong Kong SAR, China, made starting a business easier by eliminating the requirement for a company seal.  |
| <b>DB2016</b> | <i>Hong Kong SAR, China</i> | Hong Kong SAR, China, improved access to credit by implementing a modern collateral registry.   |
| <b>DB2016</b> | <i>Vietnam</i>              | The utility in Vietnam reduced the time required for getting an electricity connection by reducing delays and increasing efficiency in approving connection applications and designs for connection works. Getting electricity was also made easier by eliminating the need to obtain a substation certification from the Fire Fighters Prevention Department for connections to the medium-voltage grid. |
| <b>DB2016</b> | <i>Russian Federation</i>   | Russia made the process of obtaining an electricity connection simpler, faster and less costly by eliminating a meter inspection by electricity providers and revising connection tariffs. This reform applies to both Moscow and   |

| DB year | Economy                   | Reform   |
|---------|---------------------------|--|
|         |                           | St. Petersburg.  |
| DB2016  | <i>Taiwan, China</i>      | The utility in Taiwan, China, reduced the time required for getting an electricity connection through a simplified procedure for obtaining excavation permits from the municipality.   |
| DB2016  | <i>New Zealand</i>        | The utility in New Zealand reduced the time required for getting an electricity connection by improving its payment monitoring and confirmation process for the connection works.  |
| DB2016  | <i>Vietnam</i>            | Vietnam made resolving insolvency easier by clarifying and simplifying provisions on liquidation and reorganization, modifying the standard for commencement of insolvency proceedings, changing provisions on voidable transactions, regulating the profession of insolvency trustees and establishing the rules for enterprise asset managers.   |
| DB2016  | <i>Vietnam</i>            | Vietnam made paying taxes less costly for companies by reducing the corporate income tax rate—and made it easier by reducing the number of procedures and documents for filing VAT and social security contributions, reducing the number of filings for VAT and replacing quarterly filings of corporate income tax with quarterly advance payments. On the other hand, Vietnam increased the rate for social security contributions paid by employers. |
| DB2016  | <i>Indonesia</i>          | Indonesia made paying taxes easier and less costly for companies by introducing an online system for paying social security contributions and by reducing both the rate paid by employers and the ceiling for the contributions. This reform applies to both Jakarta and Surabaya.   |
| DB2016  | <i>China</i>              | China made paying taxes less costly for companies in Shanghai by reducing the social security contribution rate.   |
| DB2016  | <i>Russian Federation</i> | Russia made paying taxes less costly for companies by excluding movable property from the corporate property tax base—though it also raised the wage ceiling used in calculating social contributions. These changes apply to both Moscow and St. Petersburg. In addition, the cadastral value of land in Moscow was updated.  |
| DB2016  | <i>Mexico</i>             | Mexico made paying taxes easier for companies by abolishing the business flat tax—though it also made paying taxes more costly by allowing only a portion of salaries to be deductible. These changes apply to both Mexico City and Monterrey. In addition, the payroll tax rate paid by employers was increased   |



| DB year       | Economy                   | Reform  |
|---------------|---------------------------|---|
|               |                           | for Mexico City.  |
| <b>DB2016</b> | <i>Peru</i>               | Peru made paying taxes easier for companies by creating an advanced online registry with up-to-date information on employees.   |
| <b>DB2016</b> | <i>Russian Federation</i> | Russia made transferring property easier by reducing the time required for property registration. This reform applies to both Moscow and St. Petersburg.  |
| <b>DB2016</b> | <i>Indonesia</i>          | Indonesia made starting a business in Jakarta easier by reducing the time needed to register with the Ministry of Manpower.   |
| <b>DB2016</b> | <i>Russian Federation</i> | The Russian Federation made starting a business in Moscow easier by reducing the number of days required to open a corporate bank account.  |
| <b>DB2016</b> | <i>Vietnam</i>            | Vietnam made starting a business easier by reducing the time required to get the company seal engraved and registered.  |
| <b>DB2016</b> | <i>Indonesia</i>          | Indonesia improved access to credit by enabling searches of the collateral registry by the debtor's name. This reform applies to both Jakarta and Surabaya.   |
| <b>DB2016</b> | <i>Russian Federation</i> | Russia improved access to credit by adopting a new law on secured transactions that established a centralized collateral registry and allows a general description of a combined category of assets granted as collateral. This reform applies to both Moscow and St. Petersburg. |
| <b>DB2016</b> | <i>Mexico</i>             | Mexico improved access to credit by implementing a decree allowing a general description of assets granted as collateral. This reform applies to both Mexico City and Monterrey.  |
| <b>DB2016</b> | <i>Vietnam</i>            | Vietnam guaranteed borrowers' right to inspect their credit data while the new credit bureau expanded borrower coverage, improving the credit information system.   |
| <b>DB2016</b> | <i>Peru</i>               | Peru improved its credit information system by implementing a new law on personal data protection.  |
| <b>DB2015</b> | <i>New Zealand</i>        | New Zealand improved access to credit information by beginning to distribute both positive and negative credit information.   |
| <b>DB2015</b> | <i>Taiwan, China</i>      | Taiwan, China, improved access to credit information by beginning to include data from utility companies in credit reports.   |
| <b>DB2015</b> | <i>Vietnam</i>            | Vietnam improved its credit information system by establishing a new credit bureau.   |

| DB year | Economy                     | Reform  |
|---------|-----------------------------|---|
| DB2015  | <i>Mexico</i>               | Mexico improved access to credit by amending its insolvency proceedings law and establishing clear grounds for relief from a stay of enforcement actions by secured creditors during reorganization procedures. This reform applies to both Mexico City and Monterrey.  |
| DB2015  | <i>Hong Kong SAR, China</i> | Hong Kong SAR, China, strengthened minority investor protections by introducing requirements for directors to provide more detailed disclosure of conflicts of interest to the other board members.   |
| DB2015  | <i>Korea, Rep.</i>          | The Republic of Korea strengthened minority investor protections by increasing the level of transparency expected from companies on managerial compensation.  |
| DB2015  | <i>Korea, Rep.</i>          | The Republic of Korea made transferring property easier by reducing the time needed to buy housing bonds and to register the property transfer.   |
| DB2015  | <i>Hong Kong SAR, China</i> | Hong Kong SAR, China, made starting a business more difficult by increasing the registration fee.   |
| DB2015  | <i>Taiwan, China</i>        | Taiwan, China, made getting electricity easier by eliminating site inspections.   |
| DB2015  | <i>Indonesia</i>            | In Indonesia the electricity company in Jakarta made getting electricity easier by eliminating the need for electrical contractors to obtain multiple certificates guaranteeing the safety of internal installations—though. The utility in Jakarta and Surabaya also increased the cost by introducing a security deposit for new connections. |
| DB2015  | <i>Thailand</i>             | Thailand made dealing with construction permits less time-consuming by introducing a fast-track approval process for building permits for smaller buildings.  |
| DB2015  | <i>Singapore</i>            | Singapore made enforcing contracts easier by introducing a new electronic litigation system that streamlines litigation proceedings.  |
| DB2015  | <i>Mexico</i>               | Mexico made resolving insolvency easier by clarifying several rules, shortening the time extensions allowed during reorganization, facilitating the electronic submission of documents and improving the legal rights of creditors and other parties involved in bankruptcy procedures. This reform applies to both Mexico City and Monterrey.  |
| DB2015  | <i>Taiwan, China</i>        | Taiwan, China, made paying taxes easier for companies by introducing an electronic system for paying the vehicle license tax.   |

| DB year | Economy                   | Reform  |
|---------|---------------------------|---|
| DB2015  | <i>Indonesia</i>          | Indonesia made paying taxes less costly for companies by reducing employers' health insurance contribution rate. This reform applies to both Jakarta and Surabaya.  |
| DB2015  | <i>China</i>              | China made paying taxes easier for companies by enhancing the electronic system for filing and paying taxes and adopting new communication channels within its taxpayer service, changes applying to both Beijing and Shanghai. In addition, China made paying taxes less costly for companies in Shanghai by reducing the social security contribution rate. |
| DB2015  | <i>Vietnam</i>            | Vietnam made paying taxes less costly for companies by reducing the corporate income tax rate.  |
| DB2015  | <i>Russian Federation</i> | The Russian Federation made transferring property easier by eliminating the requirement for notarization and introducing tighter time limits for completing the property registration. This reform applies to both Moscow and St. Petersburg.   |
| DB2015  | <i>Russian Federation</i> | The Russian Federation made starting a business easier by eliminating the requirement to deposit the charter capital before company registration as well as the requirement to notify tax authorities of the opening of a bank account. This reform applies to both Moscow and St. Petersburg.  |
| DB2015  | <i>United States</i>      | In the United States starting a business became easier in New York City thanks to faster online procedures.   |
| DB2015  | <i>China</i>              | China made starting a business easier by eliminating both the minimum capital requirement and the requirement to obtain a capital verification report from an auditing firm. This reform applies to both Beijing and Shanghai.  |
| DB2015  | <i>Indonesia</i>          | Indonesia made starting a business easier by allowing the Ministry of Law and Human Rights to electronically issue the approval letter for the deed of establishment. This reform applies to both Jakarta and Surabaya.   |
| DB2015  | <i>Indonesia</i>          | In Indonesia trading across borders became more difficult because of insufficient infrastructure at the Tanjung Priok Port Jakarta. This change applies to both Jakarta and Surabaya.   |
| DB2015  | <i>Brunei Darussalam</i>  | Brunei Darussalam made dealing with construction permits easier by consolidating final inspections.   |
| DB2015  | <i>Brunei Darussalam</i>  | Brunei Darussalam made paying taxes easier for companies by allowing joint filing and payment of supplemental contributory pension and employee provident fund contributions and by introducing an online system for paying these 2 contributions.  |

| DB year | Economy                   | Reform   |
|---------|---------------------------|--|
| DB2015  | <i>Philippines</i>        | In the Philippines trading across borders became more difficult because of a new city ordinance restricting truck traffic in Manila.   |
| DB2014  | <i>Philippines</i>        | The Philippines improved access to credit information by beginning to distribute both positive and negative information and by enacting a data privacy act that guarantees borrowers' right to access their data.    |
| DB2014  | <i>Brunei Darussalam</i>  | Brunei Darussalam improved access to credit information by establishing a public credit registry.  |
| DB2014  | <i>Philippines</i>        | The Philippines made dealing with construction permits easier by eliminating the requirement to obtain a health certificate.   |
| DB2014  | <i>Philippines</i>        | The Philippines made paying taxes easier for companies by introducing an electronic filing and payment system for social security contributions.   |
| DB2014  | <i>Mexico</i>             | Mexico made getting electricity easier by increasing the efficiency of the utility's internal processes and by enforcing a "silence is consent" rule for the approval of the feasibility study for a new connection. |
| DB2014  | <i>Russian Federation</i> | Russia made getting electricity simpler and less costly by setting standard connection tariffs and eliminating many procedures previously required.  |
| DB2014  | <i>Russian Federation</i> | Russia made dealing with construction permits easier by eliminating several requirements for project approvals from government agencies and by reducing the time required to register a new building.                |
| DB2014  | <i>New Zealand</i>        | New Zealand made enforcing contracts easier by improving its case management system to ensure a speedier and less costly adjudication of cases.  |
| DB2014  | <i>Mexico</i>             | Mexico made enforcing contracts easier by creating small claims courts, with oral proceedings, that can hear both civil and commercial cases.  |
| DB2014  | <i>China</i>              | China made enforcing contracts easier by amending its civil procedure code to streamline and speed up all court proceedings.   |
| DB2014  | <i>Thailand</i>           | Thailand made paying taxes less costly for companies by reducing employers' social security contribution rate.   |
| DB2014  | <i>Vietnam</i>            | Vietnam made paying taxes more costly for companies by increasing employers' social security contribution rate.  |

| DB year | Economy                     | Reform  |
|---------|-----------------------------|---|
| DB2014  | <i>Vietnam</i>              | Vietnam strengthened investor protections by introducing greater disclosure requirements for publicly held companies in cases of related-party transactions.                  |
| DB2014  | <i>Singapore</i>            | Singapore made transferring property easier by introducing an online procedure for property transfers.  |
| DB2014  | <i>Russian Federation</i>   | Russia made transferring property easier by streamlining procedures and implementing effective time limits for processing transfer applications.                              |
| DB2014  | <i>Russian Federation</i>   | Russia made starting a business easier by abolishing the requirement to have the bank signature card notarized before opening a company bank account.                         |
| DB2014  | <i>Vietnam</i>              | Vietnam abolished priority rules for redundancy dismissals or layoffs and increased the minimum wage.   |
| DB2014  | <i>Russian Federation</i>   | Russia made trading across borders easier by implementing an electronic system for submitting export and import documents and by reducing the number of physical inspections. |
| DB2014  | <i>Mexico</i>               | Mexico made trading across borders easier by implementing an electronic single-window system.   |
| DB2014  | <i>Korea, Rep.</i>          | Korea revised its secured transactions framework by creating new types of security rights that can be publicized through registration.  |
| DB2014  | <i>Chile</i>                | Chile made starting a business easier by creating a new online system for business registration.  |
| DB2014  | <i>Malaysia</i>             | Malaysia made getting electricity easier by increasing the efficiency of internal processes at the utility and improving its communication and dialogue with contractors.     |
| DB2014  | <i>Malaysia</i>             | Malaysia made dealing with construction permits easier by establishing a one-stop shop.   |
| DB2014  | <i>Hong Kong SAR, China</i> | Hong Kong SAR, China, made transferring property more costly by increasing the stamp duty.  |
| DB2014  | <i>Malaysia</i>             | Malaysia made starting a business less costly by reducing the company registration fees.  |
| DB2014  | <i>Hong Kong SAR, China</i> | Hong Kong SAR, China, made starting a business less costly by abolishing the capital duty levied on local companies.  |
| DB2014  | <i>Malaysia</i>             | Malaysia introduced a minimum wage.   |
| DB2014  | <i>Australia</i>            | Australia improved its credit information system through the Privacy Amendment (Enhancing Privacy Protection)   |

| DB year       | Economy              | Reform   |
|---------------|----------------------|--|
|               |                      | Act 2012, which permits credit bureaus to collect account payment history with improved privacy protection.  |
| <b>DB2014</b> | <i>China</i>         | China improved its credit information system by introducing credit information industry regulations, which guarantee borrowers' right to inspect their data.   |
| <b>DB2014</b> | <i>Indonesia</i>     | Indonesia improved its credit information system through a new regulation setting up a legal framework for establishing credit bureaus.  |
| <b>DB2014</b> | <i>Vietnam</i>       | Vietnam improved its credit information system through a decree setting up a legal framework for the establishment of private credit bureaus.  |
| <b>DB2014</b> | <i>Singapore</i>     | Singapore improved its credit information system by guaranteeing by law borrowers' right to inspect their own data.  |
| <b>DB2013</b> | <i>Korea, Rep.</i>   | Korea expedited the insolvency process by implementing a fast track for company rehabilitation.  |
| <b>DB2013</b> | <i>Thailand</i>      | Thailand made starting a business easier by allowing the registrar at the Department of Business Development to receive the company's work regulations.  |
| <b>DB2013</b> | <i>Vietnam</i>       | Vietnam made starting a business easier by allowing companies to use self-printed value added tax invoices.  |
| <b>DB2013</b> | <i>China</i>         | China made starting a business less costly by exempting micro and small companies from paying several administrative fees from January 2012 to December 2014.  |
| <b>DB2013</b> | <i>Mexico</i>        | Mexico made starting a business easier by eliminating the minimum capital requirement for limited liability companies.   |
| <b>DB2013</b> | <i>Korea, Rep.</i>   | Korea made getting electricity less costly by introducing a new connection fee schedule and an installment payment system.   |
| <b>DB2013</b> | <i>Peru</i>          | Peru made obtaining a construction permit easier by eliminating requirements for several preconstruction approvals.  |
| <b>DB2013</b> | <i>Taiwan, China</i> | Taiwan, China, made dealing with construction permits easier by introducing a risk-based and self-regulatory inspection system and improving operational features of the one-stop shop for building permits. |
| <b>DB2013</b> | <i>China</i>         | China simplified the process of obtaining a construction permit by streamlining and centralizing preconstruction approvals.  |

| DB year | Economy                   | Reform   |
|---------|---------------------------|--|
| DB2013  | <i>Russian Federation</i> | Russia made obtaining a construction permit simpler by eliminating requirements for several preconstruction approvals.   |
| DB2013  | <i>Peru</i>               | Peru strengthened investor protections through a new law regulating the approval of related-party transactions and making it easier to sue directors when such transactions are prejudicial.   |
| DB2013  | <i>Taiwan, China</i>      | Taiwan, China, strengthened investor protections by increasing disclosure requirements for related-party transactions and improving the liability regime for company directors in cases where such transactions are abusive.           |
| DB2013  | <i>Australia</i>          | Australia strengthened its secured transactions system by adopting a new national legal regime governing the enforceability of security interests in personal property and implementing a unified collateral registry.                 |
| DB2013  | <i>Canada</i>             | Canada made getting an electricity connection easier by reducing the time needed for external connection works.  |
| DB2013  | <i>Malaysia</i>           | Malaysia made dealing with construction permits faster by improving the one-stop center for new buildings and by reducing the time to connect to telephone service.  |
| DB2013  | <i>Malaysia</i>           | Malaysia substantially reduced the number of days it takes to register property transfers.   |
| DB2013  | <i>Korea, Rep.</i>        | Korea strengthened investor protections by making it easier to sue directors in cases of prejudicial related-party transactions.   |
| DB2013  | <i>Korea, Rep.</i>        | Korea made paying taxes less costly for companies by reducing the profit tax rate.   |
| DB2013  | <i>Brunei Darussalam</i>  | Brunei Darussalam made dealing with construction permits easier by creating a one-stop shop for preconstruction approvals.   |
| DB2013  | <i>Brunei Darussalam</i>  | Brunei Darussalam made paying taxes less costly for companies by reducing the profit tax rate.   |
| DB2013  | <i>Indonesia</i>          | Indonesia made getting electricity easier by eliminating the requirement for new customers applying for an electricity connection to show a neighbor's electricity bill as a way to help determine their address.                      |
| DB2013  | <i>Mexico</i>             | In Mexico the distribution utility made getting electricity easier by streamlining procedures, offering training opportunities to private contractors, using a geographic information system (GIS) to map the electricity distribution |

| DB year       | Economy                   | Reform  |
|---------------|---------------------------|---|
|               |                           | network and increasing the stock of materials.  |
| <b>DB2013</b> | <i>Russian Federation</i> | Russia eased the administrative burden of taxes for firms by simplifying compliance procedures for value added tax and by promoting the use of tax accounting software and electronic services. |
| <b>DB2013</b> | <i>Japan</i>              | Japan made paying taxes less costly for companies by reducing the corporate income tax rate—though it also introduced a restoration surtax for a 3-year period.                                 |
| <b>DB2013</b> | <i>Thailand</i>           | Thailand made paying taxes less costly for companies by reducing the profit tax rate.   |
| <b>DB2013</b> | <i>New Zealand</i>        | New Zealand improved access to credit information by allowing credit bureaus to collect positive information on individuals.  |
| <b>DB2012</b> | <i>Peru</i>               | Peru strengthened investor protections through a new law allowing minority shareholders to request access to nonconfidential corporate documents.   |
| <b>DB2012</b> | <i>Vietnam</i>            | Vietnam strengthened investor protections by requiring higher standards of accountability for company directors.  |
| <b>DB2012</b> | <i>Russian Federation</i> | Russia made trading across borders easier by reducing the number of documents needed for each export or import transaction and lowering the associated cost.                                    |
| <b>DB2012</b> | <i>Mexico</i>             | Mexico strengthened its secured transactions system by implementing a centralized collateral registry with an electronic database that is accessible online.                                    |
| <b>DB2012</b> | <i>Russian Federation</i> | Russia made filing a commercial case easier by introducing an electronic case filing system.  |
| <b>DB2012</b> | <i>Russian Federation</i> | Russian Federation made getting electricity less costly by revising the tariffs for connection.   |
| <b>DB2012</b> | <i>Indonesia</i>          | Indonesia made getting electricity more difficult by increasing connection fees.  |
| <b>DB2012</b> | <i>Philippines</i>        | The Philippines adopted a new insolvency law that provides a legal framework for liquidation and reorganization of financially distressed companies.  |
| <b>DB2012</b> | <i>Brunei Darussalam</i>  | Brunei Darussalam made getting electricity easier by establishing a one-stop shop and reducing the time required to obtain an excavation permit.  |
| <b>DB2012</b> | <i>Korea, Rep.</i>        | Korea eased the administrative burden of paying taxes for firms by merging several taxes, allowing 4 labor taxes and  |



| DB year       | Economy                     | Reform   |
|---------------|-----------------------------|--|
|               |                             | contributions to be paid jointly and continuing to increase the use of the online tax payment system.  |
| <b>DB2012</b> | <i>Malaysia</i>             | Malaysia made paying taxes costlier for firms by reintroducing the real estate capital gains tax—but also made tax compliance easier by improving electronic systems and the availability of software.   |
| <b>DB2012</b> | <i>Hong Kong SAR, China</i> | Hong Kong, China introduced a Minimum Wage.  |
| <b>DB2012</b> | <i>Hong Kong SAR, China</i> | Hong Kong SAR (China) made starting a business easier by introducing online electronic services for company and business registration.   |
| <b>DB2012</b> | <i>Korea, Rep.</i>          | Korea made starting a business easier by introducing a new online one-stop shop, Start-Biz.  |
| <b>DB2012</b> | <i>Malaysia</i>             | Malaysia made starting a business easier by merging company, tax, social security and employment fund registrations at the one-stop shop and providing same-day registration.  |
| <b>DB2012</b> | <i>Australia</i>            | Australia clarified the priority of claims of unsecured creditors over all shareholders' claims and introduced further regulation of the profession of insolvency practitioners.   |
| <b>DB2012</b> | <i>Chile</i>                | Chile made business start-up easier by starting to provide an immediate temporary operating license to new companies, eliminating the requirement for an inspection of premises by the tax authority before new companies can begin operations and allowing free online publication of the notice of a company's creation. |
| <b>DB2012</b> | <i>Chile</i>                | Chile strengthened its secured transactions system by implementing a unified collateral registry and a new legal framework for nonpossessory security interests.   |
| <b>DB2012</b> | <i>Canada</i>               | Canada made paying taxes easier and less costly for companies by reducing profit tax rates, eliminating the Ontario capital tax and harmonizing sales taxes.   |
| <b>DB2012</b> | <i>Chile</i>                | Chile made trading across borders faster by implementing an online electronic data interchange system for customs operations.  |
| <b>DB2012</b> | <i>Thailand</i>             | Thailand made registering property more expensive by increasing the registration fee.  |
| <b>DB2012</b> | <i>Russian Federation</i>   | Russia made registering property transfers easier by eliminating the requirement to obtain cadastral passports on land plots.  |

| DB year | Economy                     | Reform   |
|---------|-----------------------------|--|
| DB2012  | <i>New Zealand</i>          | New Zealand reduced its corporate income tax rate and fringe benefit tax rate.   |
| DB2012  | <i>Peru</i>                 | Peru made paying taxes easier for companies by improving electronic filing and payment of the major taxes and promoting the use of the electronic option among the majority of taxpayers.                        |
| DB2012  | <i>Mexico</i>               | Mexico continued to ease the administrative burden of paying taxes for firms by ending the requirement to file a yearly value added tax return and reduced filing requirements for other taxes                   |
| DB2012  | <i>Russian Federation</i>   | Russia increased the social security contribution rate for employers.  |
| DB2012  | <i>Malaysia</i>             | Malaysia established dedicated commercial courts to handle foreclosure proceedings.  |
| DB2012  | <i>Mexico</i>               | Mexico made dealing with construction permits faster by consolidating internal administrative procedures.  |
| DB2012  | <i>Japan</i>                | Japan made dealing with construction permits costlier by increasing inspection fees.   |
| DB2012  | <i>Taiwan, China</i>        | Taiwan (China) made dealing with construction permits easier by creating a one-stop center.  |
| DB2012  | <i>Indonesia</i>            | Indonesia made starting a business easier by introducing a simplified application process allowing an applicant to simultaneously obtain both a general trading license and a business registration certificate. |
| DB2012  | <i>Taiwan, China</i>        | Taiwan (China) made starting a business easier by implementing an online one-stop shop for business registration.  |
| DB2012  | <i>Thailand</i>             | Thailand made starting a business easier by introducing a one-stop shop.   |
| DB2012  | <i>Peru</i>                 | Peru made starting a business easier by eliminating the requirement for micro and small enterprises to deposit start-up capital in a bank before registration.   |
| DB2012  | <i>Hong Kong SAR, China</i> | Hong Kong SAR (China) made getting electricity easier by increasing the efficiency of public agencies and streamlining the utility's procedures with other government agencies.                                  |
| DB2012  | <i>Malaysia</i>             | Malaysia continued to improve the computerization of its courts by introducing a system making it possible to file complaints electronically.  |

| DB year       | Economy                   | Reform   |
|---------------|---------------------------|--|
| <b>DB2012</b> | <i>Korea, Rep.</i>        | Korea made filing a commercial case easier by introducing an electronic case filing system.  |
| <b>DB2011</b> | <i>Korea, Rep.</i>        | Korea made it easier to deal with insolvency by introducing postfiling financing, granting superpriority to the repayment of loans given to companies undergoing reorganization.   |
| <b>DB2011</b> | <i>Peru</i>               | Peru eased business start-up by simplifying the requirements for operating licenses and creating an online one-stop shop for business registration.  |
| <b>DB2011</b> | <i>Taiwan, China</i>      | Taiwan (China) eased business start-up by reducing the time required to check company names, register retirement plans and apply for health, pension and labor insurance.  |
| <b>DB2011</b> | <i>Vietnam</i>            | Vietnam eased company start-up by creating a one-stop shop that combines the processes for obtaining a business license and tax license and by eliminating the need for a seal for company licensing.  |
| <b>DB2011</b> | <i>Mexico</i>             | Mexico launched an online one-stop shop for initiating business registration.  |
| <b>DB2011</b> | <i>Indonesia</i>          | Indonesia eased business start-up by reducing the cost for company name clearance and reservation and the time required to reserve the name and approve the deed of incorporation.   |
| <b>DB2011</b> | <i>Peru</i>               | Peru streamlined construction permitting by implementing administrative reforms.   |
| <b>DB2011</b> | <i>Vietnam</i>            | Vietnam made dealing with construction permits easier by reducing the cost to register newly completed buildings by 50% and transferring the authority to register buildings from local authorities to the Department of National Resources and Environment. |
| <b>DB2011</b> | <i>Russian Federation</i> | Russia eased construction permitting by implementing a single window for all procedures related to land use.   |
| <b>DB2011</b> | <i>Thailand</i>           | Thailand made registering property more costly by repealing a 2-year temporary tax reduction for property transfers.   |
| <b>DB2011</b> | <i>Peru</i>               | Peru introduced fast-track procedures at the land registry, cutting by half the time needed to register property.  |
| <b>DB2011</b> | <i>Vietnam</i>            | Vietnam improved its credit information system by allowing borrowers to examine their own credit report and correct errors.  |
| <b>DB2011</b> | <i>Singapore</i>          | Singapore improved its credit information system by collecting and distributing information on firms.  |

| DB year | Economy              | Reform  |
|---------|----------------------|---|
| DB2011  | <i>Mexico</i>        | Mexico increased taxes on companies by raising several tax rates, including the corporate income tax and the rate on cash deposits. At the same time, the administrative burden was reduced slightly with more options for online payment and increased use of accounting software.                                   |
| DB2011  | <i>United States</i> | In the United States the introduction of a new tax on payroll increased taxes on companies operating within the New York City metropolitan commuter transportation district.  |
| DB2011  | <i>Indonesia</i>     | Indonesia reduced its corporate income tax rate.  |
| DB2011  | <i>China</i>         | China's new corporate income tax law unified the tax regimes for domestic and foreign enterprises and clarified the calculation of taxable income for corporate income tax purposes.  |
| DB2011  | <i>Vietnam</i>       | The government of Vietnam eased paying taxes by reducing corporate income tax rate.   |
| DB2011  | <i>Taiwan, China</i> | Taiwan (China) reduced the corporate income tax rate and simplified tax return forms, rules for assessing corporate income tax and the calculation of interim tax payments.   |
| DB2011  | <i>Thailand</i>      | Thailand temporarily lowered taxes on business by reducing its specific business tax for 12 months.   |
| DB2011  | <i>Canada</i>        | Canada increased the efficiency of the courts by expanding electronic document submission and streamlining procedures.  |
| DB2011  | <i>Chile</i>         | Chile made business start-up easier by introducing an online system for registration and for filing the request for publication.  |
| DB2011  | <i>Chile</i>         | An amendment to Chile's securities law strengthened investor protections by requiring greater corporate disclosure and regulating the approval of transactions between interested parties.  |
| DB2011  | <i>Canada</i>        | Canada harmonized the Ontario and federal tax returns and reduced the corporate and employee tax rates.   |
| DB2011  | <i>Australia</i>     | Australia introduced the severance payment obligation and reemployment consideration applicable in cases of redundancy dismissals. Annual leave was increased and averaging of hours is now allowed in shorter periods of time. In addition, notice period applicable in case of redundancy dismissals was decreased. |

| DB year | Economy              | Reform  |
|---------|----------------------|---|
| DB2011  | Malaysia             | Malaysia eliminated the requirements to notify third parties in cases of redundancy dismissals.   |
| DB2011  | Malaysia             | Malaysia eased business start-up by introducing more online services.   |
| DB2011  | Malaysia             | Malaysia's introduction of online stamping reduced the time and cost to transfer property.  |
| DB2011  | Hong Kong SAR, China | Hong Kong SAR (China) abolished the fuel tax on diesel.   |
| DB2011  | Hong Kong SAR, China | Reforms implemented in the civil justice system of Hong Kong SAR (China) will help increase the efficiency and cost-effectiveness of commercial dispute resolution.   |
| DB2011  | Japan                | Japan made it easier to deal with insolvency by establishing a new entity, the Enterprise Turnaround Initiative Corporation, to support the revitalization of companies suffering from excessive debt but professionally managed. |
| DB2011  | Russian Federation   | Russia introduced a series of legislative measures in 2009 to improve creditor rights and the insolvency system.  |
| DB2011  | New Zealand          | New Zealand enacted new district court rules that make the process for enforcing contracts user friendly.   |
| DB2011  | Indonesia            | Indonesia reduced the time to export by launching a single-window service.  |
| DB2011  | Peru                 | Peru made trading easier by implementing a new web-based electronic data interchange system, risk-based inspections and payment deferrals.  |
| DB2011  | Brunei Darussalam    | The introduction of an electronic customs system in Brunei Darussalam made trading easier.  |
| DB2011  | Brunei Darussalam    | Brunei Darussalam instituted mandatory minimum annual leave and reduced notice periods applicable in case of redundancy dismissals.   |
| DB2011  | Brunei Darussalam    | Brunei Darussalam reduced the corporate income tax rate from 23.5% to 22% while also introducing a lower tax rate for small businesses, ranging from 5.5% to 11%.   |
| DB2011  | Brunei Darussalam    | Brunei Darussalam made starting a business easier by improving efficiency at the company registrar and implementing an electronic system for name searches.   |
| DB2011  | Philippines          | The Philippines eased business startup by setting up a one-stop shop at the municipal level.  |
| DB2011  | Philippines          | The Philippines made construction permitting more cumbersome through updated electricity connection costs.  |

| DB year | Economy                 | Reform  |
|---------|-------------------------|---|
| DB2011  | <i>Papua New Guinea</i> | Operation of a new private credit bureau improved the credit information system in Papua New Guinea.  |
| DB2011  | <i>Philippines</i>      | The Philippines reduced the time and cost to trade by improving its electronic customs systems, adding such functions as electronic payments and online submission of declarations. |

*Note:* For information on reforms in earlier years (back to DB2005), see the *Doing Business* reports for these years, available at <http://www.doingbusiness.org>.

*Source:* *Doing Business* database.

## DISTANCE TO FRONTIER AND EASE OF DOING BUSINESS RANKING

*Doing Business* presents results for two aggregate measures: the distance to frontier score and the ease of doing business ranking, which is based on the distance to frontier score. The ease of doing business ranking compares economies with one another; the distance to frontier score benchmarks economies with respect to regulatory best practice, showing the absolute distance to the best performance on each *Doing Business* indicator. When compared across years, the distance to frontier score shows how much the regulatory environment for local entrepreneurs in an economy has changed over time in absolute terms, while the ease of doing business ranking can show only how much the regulatory environment has changed relative to that in other economies.

### Distance to Frontier

The distance to frontier score captures the gap between an economy's performance and a measure of best practice across the entire sample of 36 indicators for 10 *Doing Business* topics (the labor market regulation indicators are excluded). For starting a business, for example, the former Yugoslav Republic of Macedonia and New Zealand have the smallest number of procedures required (1), and New Zealand the shortest time to fulfill them (0.5 days). Slovenia has the lowest cost (0.0), and Australia, Colombia and 103 other economies have no paid-in minimum capital requirement (table 14.1 in the *Doing Business 2017* report).

#### Calculation of the distance to frontier score

Calculating the distance to frontier score for each economy involves two main steps. In the first step individual component indicators are normalized to a common unit where each of the 36 component indicators  $y$  (except for the total tax rate) is rescaled using the linear transformation  $(\text{worst} - y)/(\text{worst} - \text{frontier})$ . In this formulation the frontier represents the best performance on the indicator across all economies since 2005 or the third year in which data for the indicator were collected. Both the best performance and the worst performance are established every five years based on the *Doing Business* data for the year in which they are established, and remain at that level for the five years regardless of any changes in data in interim years. Thus an economy may set the frontier for an indicator

even though it is no longer at the frontier in a subsequent year.

For scores such as those on the strength of legal rights index or the quality of land administration index, the frontier is set at the highest possible value. For the total tax rate, consistent with the use of a threshold in calculating the rankings on this indicator, the frontier is defined as the total tax rate at the 15th percentile of the overall distribution for all years included in the analysis up to and including *Doing Business 2015*. For the time to pay taxes the frontier is defined as the lowest time recorded among all economies that levy the three major taxes: profit tax, labor taxes and mandatory contributions, and value added tax (VAT) or sales tax. For the different times to trade across borders, the frontier is defined as 1 hour even though in many economies the time is less than that.

In the same formulation, to mitigate the effects of extreme outliers in the distributions of the rescaled data for most component indicators (very few economies need 700 days to complete the procedures to start a business, but many need 9 days), the worst performance is calculated after the removal of outliers. The definition of outliers is based on the distribution for each component indicator. To simplify the process two rules were defined: the 95th percentile is used for the indicators with the most dispersed distributions (including minimum capital, number of payments to pay taxes, and the time and cost indicators), and the 99th percentile is used for number of procedures. No outlier is removed for component indicators bound by definition or construction, including legal index scores (such as the depth of credit information index, extent of conflict of interest regulation index and strength of insolvency framework index) and the recovery rate (figure 14.1).

In the second step for calculating the distance to frontier score, the scores obtained for individual indicators for each economy are aggregated through simple averaging into one distance to frontier score, first for each topic and then across all 10 topics: starting a business, dealing with construction permits, getting electricity, registering property, getting credit, protecting minority investors, paying taxes, trading across borders, enforcing contracts and resolving insolvency. More complex aggregation methods—such as principal components and unobserved components—yield a ranking nearly

identical to the simple average used by *Doing Business*<sup>3</sup>. Thus *Doing Business* uses the simplest method: weighting all topics equally and, within each topic, giving equal weight to each of the topic components<sup>4</sup>.

An economy's distance to frontier score is indicated on a scale from 0 to 100, where 0 represents the worst performance and 100 the frontier. All distance to frontier calculations are based on a maximum of five decimals. However, indicator ranking calculations and the ease of doing business ranking calculations are based on two decimals.

The difference between an economy's distance to frontier score in any previous year and its score in 2015 illustrates the extent to which the economy has closed the gap to the regulatory frontier over time. And in any given year the score measures how far an economy is from the best performance at that time.

#### Treatment of the total tax rate

The total tax rate component of the paying taxes indicator set enters the distance to frontier calculation in a different way than any other indicator. The distance to frontier score obtained for the total tax rate is transformed in a nonlinear fashion before it enters the distance to frontier score for paying taxes. As a result of the nonlinear transformation, an increase in the total tax rate has a smaller impact on the distance to frontier score for the total tax rate—and therefore on the distance to frontier score for paying taxes—for economies with a below-average total tax rate than it would have had before this approach was adopted in *Doing Business 2015* (line B is smaller than line A in figure 14.2 of the *Doing Business 2017* report). And for economies with an extreme total tax rate (a rate that is very high relative to the average), an increase has a greater impact on both these distance to frontier scores

than it would have had before (line D is bigger than line C in figure 14.2 of the *Doing Business 2017* report).

The nonlinear transformation is not based on any economic theory of an "optimal tax rate" that minimizes distortions or maximizes efficiency in an economy's overall tax system. Instead, it is mainly empirical in nature. The nonlinear transformation along with the threshold reduces the bias in the indicator toward economies that do not need to levy significant taxes on companies like the *Doing Business* standardized case study company because they raise public revenue in other ways—for example, through taxes on foreign companies, through taxes on sectors other than manufacturing or from natural resources (all of which are outside the scope of the methodology). In addition, it acknowledges the need of economies to collect taxes from firms.

#### Calculation of scores for economies with 2 cities covered

For each of the 11 economies in which *Doing Business* collects data for the second largest business city as well as the largest one, the distance to frontier score is calculated as the population-weighted average of the distance to frontier scores for these two cities (table 13.1). This is done for the aggregate score, the scores for each topic and the scores for all the component indicators for each topic.

<sup>3</sup> See Djankov, Manraj and others (2005). Principal components and unobserved components methods yield a ranking nearly identical to that from the simple average method because both these methods assign roughly equal weights to the topics, since the pairwise correlations among indicators do not differ much. An alternative to the simple average method is to give different weights to the topics, depending on which are considered of more or less importance in the context of a specific economy.

<sup>4</sup> For getting credit, indicators are weighted proportionally, according to their contribution to the total score, with a weight of 60% assigned to the strength of legal rights index and 40% to the depth of credit information index. Indicators for all other topics are assigned equal weights



Table 13.1 Weights used in calculating the distance to frontier scores for economies with 2 cities covered

| Economy            | City           | Weight (%) |
|--------------------|----------------|------------|
| Bangladesh         | Dhaka          | 78         |
|                    | Chittagong     | 22         |
| Brazil             | São Paulo      | 61         |
|                    | Rio de Janeiro | 39         |
| China              | Shanghai       | 55         |
|                    | Beijing        | 45         |
| India              | Mumbai         | 47         |
|                    | Delhi          | 53         |
| Indonesia          | Jakarta        | 78         |
|                    | Surabaya       | 22         |
| Japan              | Tokyo          | 65         |
|                    | Osaka          | 35         |
| Mexico             | Mexico City    | 83         |
|                    | Monterrey      | 17         |
| Nigeria            | Lagos          | 77         |
|                    | Kano           | 23         |
| Pakistan           | Karachi        | 65         |
|                    | Lahore         | 35         |
| Russian Federation | Moscow         | 70         |
|                    | St. Petersburg | 30         |
| United States      | New York       | 60         |
|                    | Los Angeles    | 40         |

Source: United Nations, Department of Economic and Social Affairs, Population Division, World Urbanization Prospects, 2014 Revision. <http://esa.un.org/unpd/wup/CD-ROM/Default.aspx>.

#### Economies that improved the most across 3 or more *Doing Business* topics in 2014/15

*Doing Business 2017* uses a simple method to calculate which economies improved the ease of doing business the most. First, it selects the economies that in 2014/15

implemented regulatory reforms making it easier to do business in 3 or more of the 10 topics included in this year's aggregate distance to frontier score. Changes making it more difficult to do business are subtracted from the total number of those making it easier to do business. Twenty-four economies meet this criterion: Armenia; Azerbaijan; Benin; Costa Rica; Côte d'Ivoire; Cyprus; Hong Kong SAR, China; Indonesia; Jamaica; Kazakhstan; Kenya; Lithuania; Madagascar; Mauritania; Morocco; Romania; the Russian Federation; Rwanda; Senegal; Togo; Uganda; the United Arab Emirates; Uzbekistan; and Vietnam. Second, *Doing Business* sorts these economies on the increase in their distance to frontier score from the previous year using comparable data.

Selecting the economies that implemented regulatory reforms in at least three topics and had the biggest improvements in their distance to frontier scores is intended to highlight economies with ongoing, broad-based reform programs. The improvement in the distance to frontier score is used to identify the top improvers because this allows a focus on the absolute improvement—in contrast with the relative improvement shown by a change in rankings—that economies have made in their regulatory environment for business.

#### Ease of *Doing Business* ranking

The ease of doing business ranking ranges from 1 to 190. The ranking of economies is determined by sorting the aggregate distance to frontier scores, rounded to 2 decimals.

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*Doing Business 2017* is the 14th in a series of annual reports investigating the regulations that enhance business activity and those that constrain it. The report provides quantitative indicators covering 11 areas of the business environment in 190 economies. The goal of the *Doing Business* series is to provide objective data for use by governments in designing sound business regulatory policies and to encourage research on the important dimensions of the regulatory environment for firms.



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