Doing Business

THE WORLD BANK IFC

Regional Profile:
European Union (EU)

DOING BUSINESS 2013

Smarter Regulations for Small and Medium-Size Enterprises

COMPARING BUSINESS REGULATIONS FOR DOMESTIC FIRMS IN 185 ECONOMIES

10TH EDITION

1 2 3 4 15 14 13 12

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Additional copies of all 10 editions of *Doing Business* may be purchased at www.doingbusiness.org.

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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 10 areas in the life cycle of a business: starting a business, dealing with construction permits, getting electricity, registering property, getting credit, protecting investors, paying taxes, trading across borders, enforcing contracts and resolving insolvency.

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 185 economies, from Afghanistan to Zimbabwe, over time. The data set covers 46 economies in Sub-Saharan Africa, 33 in Latin America and the Caribbean, 24 in East Asia and the Pacific, 24 in Eastern Europe and Central Asia, 19 in the Middle East and North Africa and 8 in South Asia, as well as 31 OECD high-income economies. The indicators are used to analyze economic outcomes and identify what reforms have worked, where and why.

This regional profile presents the *Doing Business* indicators for economies in the European Union (EU). It also shows the regional average, the best performance globally for each indicator and data for the following comparator regions: East Asia and the Pacific (EAP), Eastern Europe and Central Asia (ECA), Middle East and North Africa (MENA), Latin America and OECD high income. The data in this report are current as of June 1, 2012 (except for the paying taxes indicators, which cover the period January–December 2011).

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 2013* presents the indicators, analyzes their relationship with economic outcomes and recommends regulatory reforms. The data, along with information on ordering the *Doing Business 2013* report, are available on the *Doing Business* website at http://www.doingbusiness.org.

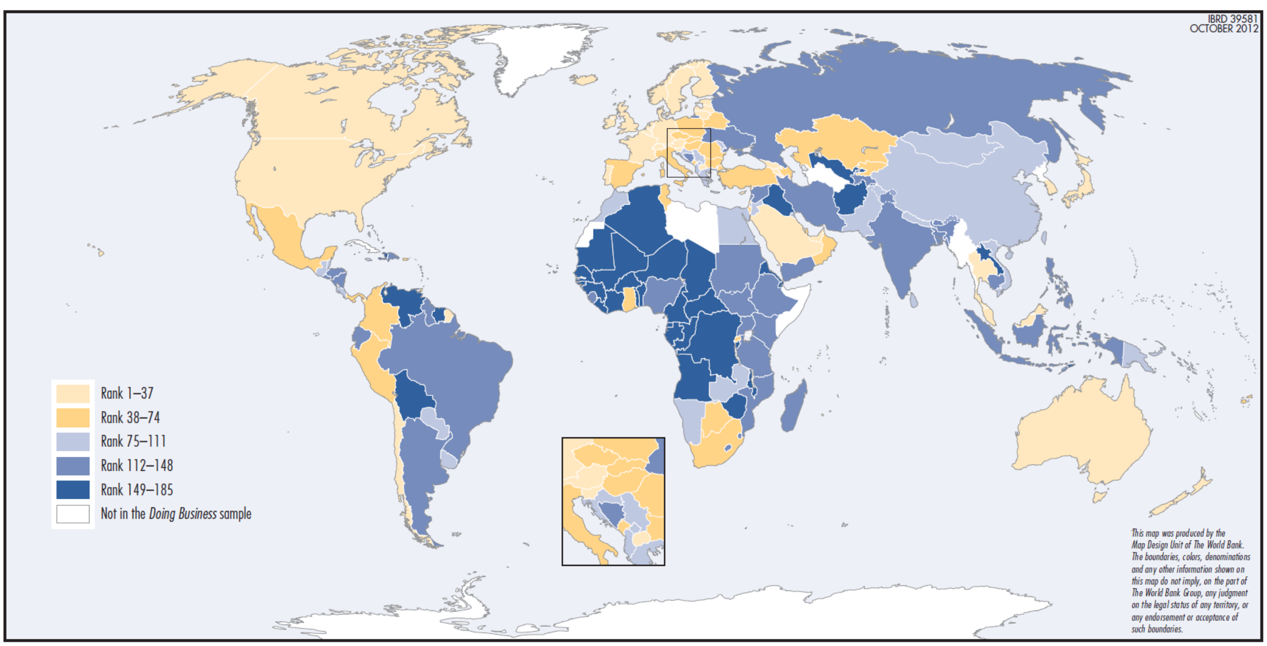
THE BUSINESS ENVIRONMENT

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 185 by the ease of doing business index. For each economy the index is calculated as the ranking on the simple average of its percentile rankings on each of the 10 topics included in the index in *Doing Business 2013*: starting a business, dealing with construction permits, getting electricity, registering property, getting credit, protecting investors, paying taxes, trading across borders, enforcing contracts and resolving insolvency.

The ranking on each topic is the simple average of the percentile rankings on its component indicators (see the data notes for more details).

The aggregate ranking on the ease of doing business benchmarks each economy's performance on the indicators against that of all other economies in the *Doing Business* sample (figure 1.1). While this ranking tells much about the business environment in an economy, it does not tell the whole story. The ranking on the ease of doing business, and the underlying indicators, do not measure all aspects of the business environment that matter to firms and investors or that affect the competitiveness of the economy. Still, a high ranking does mean that the government has created a regulatory environment conducive to operating a business.

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

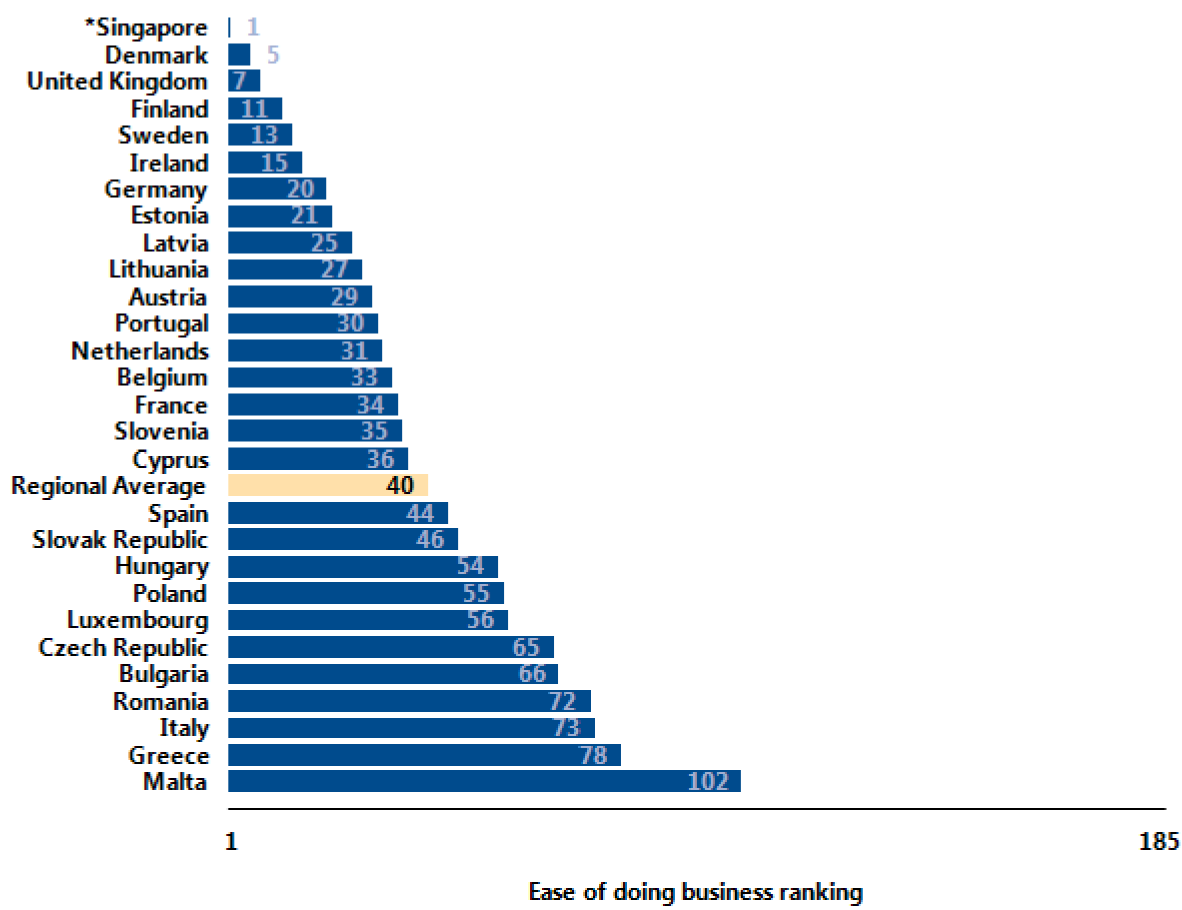


Source: Doing Business database.

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 index (figure 1.3).

Figure 1.2 How economies in the European Union (EU) rank on the ease of doing business



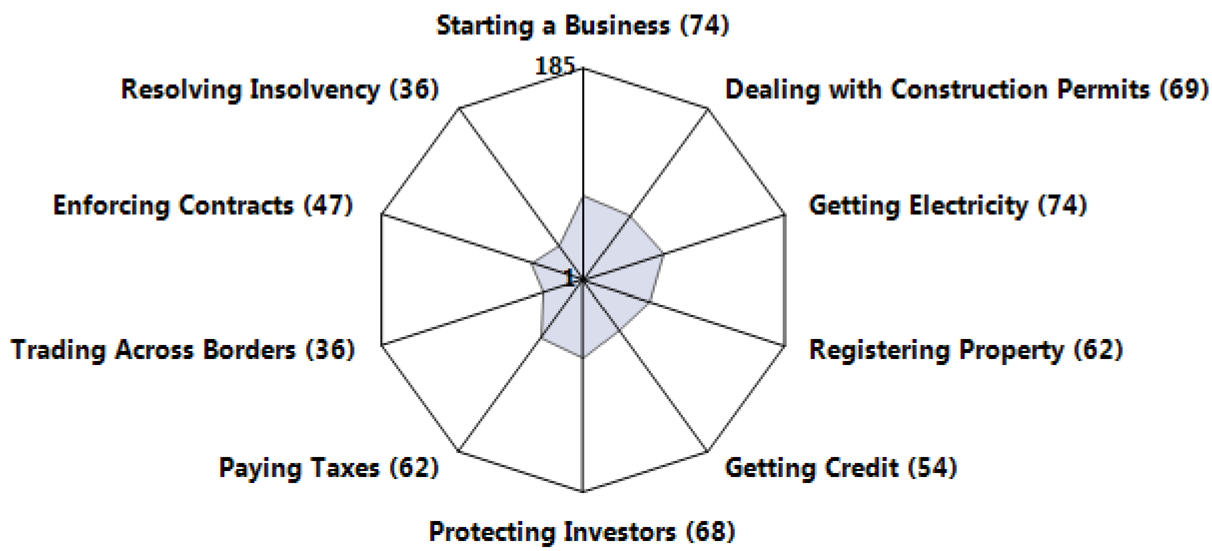
*The economy with the best performance globally is included as a benchmark.

Source: Doing Business database.

THE BUSINESS ENVIRONMENT

Figure 1.3 How the European Union (EU) ranks on *Doing Business* topics

Regional average ranking



Source: Doing Business database.

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 the European Union (EU)

Indicator	Lowest regional performance	Best regional performance	Regional average	Best global performance
Starting a Business (rank)	150 (Malta)	10 (Ireland)	74	1 (New Zealand)
Procedures (number)	11 (Malta)*	2 (Slovenia)	6	1 (New Zealand)*
Time (days)	40 (Malta)	4 (Belgium)	14	1 (New Zealand)
Cost (% of income per capita)	20.5 (Greece)	0.0 (Slovenia)*	4.9	0.0 (Slovenia)
Paid-in Min. Capital (% of income per capita)	49.4 (Netherlands)	0.0 (Ireland)*	14.9	0.0 (91 Economies*)
Dealing with Construction Permits (rank)	167 (Malta)	8 (Denmark)	69	1 (Hong Kong SAR, China)
Procedures (number)	33 (Czech Republic)	7 (Sweden)	14	6 (Hong Kong SAR, China)*
Time (days)	677 (Cyprus)	66 (Finland)	182	26 (Singapore)
Cost (% of income per capita)	626.1 (Ireland)	5.7 (Hungary)	99.6	1.1 (Qatar)
Getting Electricity (rank)	168 (Romania)	2 (Germany)	74	1 (Iceland)
Procedures (number)	7 (Romania)	3 (Germany)*	5	3 (Germany)*
Time (days)	279 (Czech Republic)	17 (Germany)	123	17 (Germany)
Cost (% of income per capita)	584.2 (Romania)	29.6 (Finland)	164.1	0.0 (Japan)

Indicator	Lowest regional performance	Best regional performance	Regional average	Best global performance
Registering Property (rank)	176 (Belgium)	5 (Lithuania)	62	1 (Georgia)
Procedures (number)	11 (Greece)	1 (Portugal)*	5	1 (Georgia)*
Time (days)	110 (Slovenia)	1 (Portugal)	27	1 (Portugal)
Cost (% of property value)	12.7 (Belgium)	0.0 (Slovak Republic)	4.6	0.0 (Belarus)*
Getting Credit (rank)	176 (Malta)	1 (United Kingdom)	54	1 (United Kingdom)*
Strength of legal rights index (0-10)	3 (Malta)*	10 (United Kingdom)*	7	10 (Malaysia)*
Depth of credit information index (0-6)	2 (Cyprus)	6 (United Kingdom)*	5	6 (United Kingdom)*
Public registry coverage (% of adults)	1.3 (Germany)	90.7 (Portugal)	33.8	90.7 (Portugal)
Private bureau coverage (% of adults)	6.5 (Cyprus)	100.0 (United Kingdom)*	61.7	100.0 (United Kingdom)*
Protecting Investors (rank)	128 (Luxembourg)*	6 (Ireland)	68	1 (New Zealand)
Extent of disclosure index (0-10)	2 (Hungary)*	10 (Ireland)*	6	10 (Hong Kong SAR, China)*
Extent of director liability index (0-10)	1 (France)*	9 (Slovenia)	4	9 (Singapore)*
Ease of shareholder suits index (0-10)	3 (Luxembourg)	9 (Ireland)*	7	10 (New Zealand)*
Strength of investor protection index (0-10)	4.3 (Luxembourg)*	8.3 (Ireland)	5.8	9.7 (New Zealand)
Paying Taxes (rank)	136 (Romania)	6 (Ireland)	62	1 (United Arab Emirates)
Payments (number per year)	41 (Romania)	4 (Sweden)	12	3 (Hong Kong SAR, China)*
Time (hours per year)	454 (Bulgaria)	59 (Luxembourg)	193	12 (United Arab Emirates)
Trading Across Borders (rank)	98 (Slovak Republic)	4 (Denmark)	36	1 (Singapore)
Documents to export (number)	6 (Slovak Republic)*	2 (France)	4	2 (France)
Time to export (days)	21 (Bulgaria)	5 (Denmark)*	11	5 (Singapore)*
Cost to export (US$ per	1,560 (Slovak Republic)	540 (Finland)	1,004	435 (Malaysia)

Indicator	Lowest regional performance	Best regional performance	Regional average	Best global performance
container)				
Documents to import (number)	8 (Slovenia)	2 (France)	5	2 (France)
Time to import (days)	19 (Hungary)	5 (Denmark)*	11	4 (Singapore)
Cost to import (US$ per container)	1,626 (Bulgaria)	620 (Finland)	1,072	420 (Malaysia)
Enforcing Contracts (rank)	160 (Italy)	1 (Luxembourg)	47	1 (Luxembourg)
Time (days)	1,290 (Slovenia)	275 (Lithuania)	547	150 (Singapore)
Cost (% of claim)	35.9 (Malta)	9.7 (Luxembourg)	21.5	0.1 (Bhutan)
Procedures (number)	43 (Cyprus)	21 (Ireland)	32	21 (Ireland)*
Resolving Insolvency (rank)	102 (Romania)	5 (Finland)	36	1 (Japan)
Time (years)	4.0 (Slovak Republic)	0.4 (Ireland)	2.0	0.4 (Ireland)
Cost (% of estate)	22 (Italy)	4 (Finland)*	10	1 (Singapore)*
Recovery rate (cents on the dollar)	29.2 (Romania)	89.7 (Finland)	62.6	92.8 (Japan)

Note: The ranking methodology for the paying taxes indicators changed in *Doing Business 2013*; see the data notes for details.
* 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).
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 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 this process 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. The ranking on the ease of starting a business is the simple average of the percentile rankings on the 4 component indicators: procedures, time, cost and paid-in minimum capital requirement.

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, located in the largest business city.
- Has between 10 and 50 employees.
- Conducts general commercial or industrial activities.
- Has a start-up capital of 10 times income per capita.
- Has a turnover of at least 100 times income per capita.
- Does not qualify for any special benefits.
- Does not own real estate.
- Is 100% domestically owned.

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

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

Time required to complete each procedure (calendar days)

Does not include time spent gathering information

Each procedure starts on a separate 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)

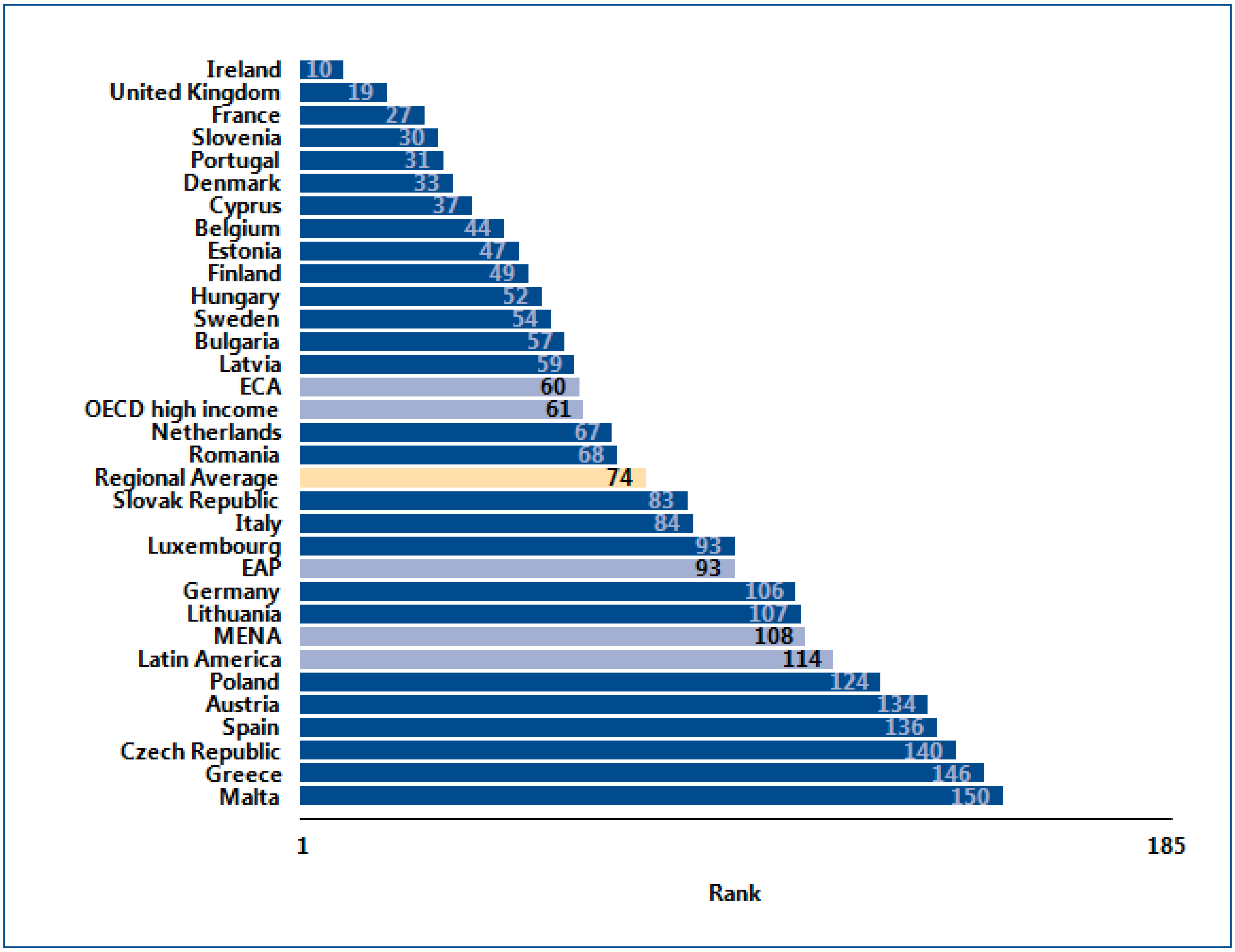
Deposited in a bank or with a notary before registration (or within 3 months)

STARTING A BUSINESS

Where do the region's economies stand today?

How easy is it for entrepreneurs in economies in the European Union (EU) 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 the European Union (EU) rank on the ease of starting a business



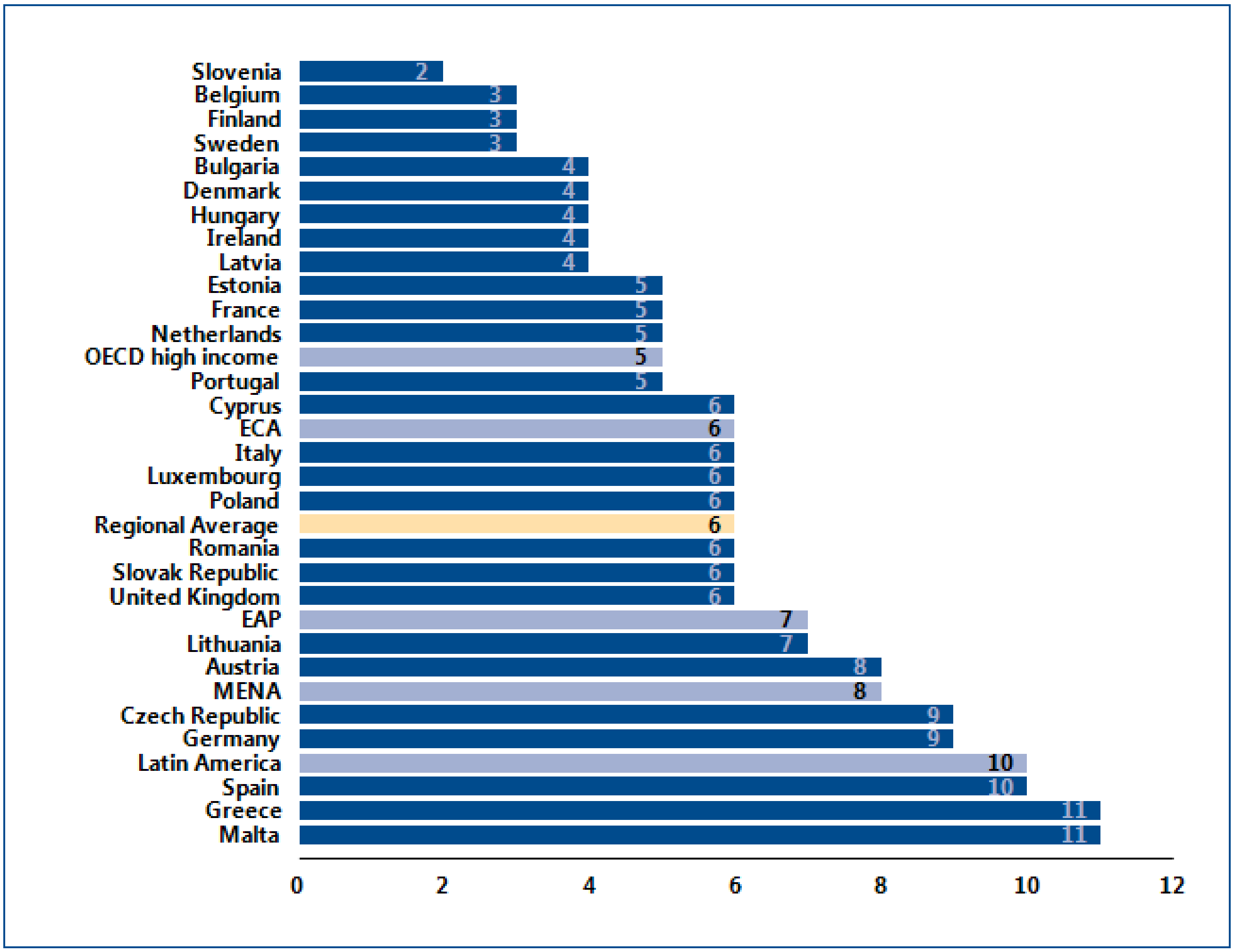
Source: Doing Business database.

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.

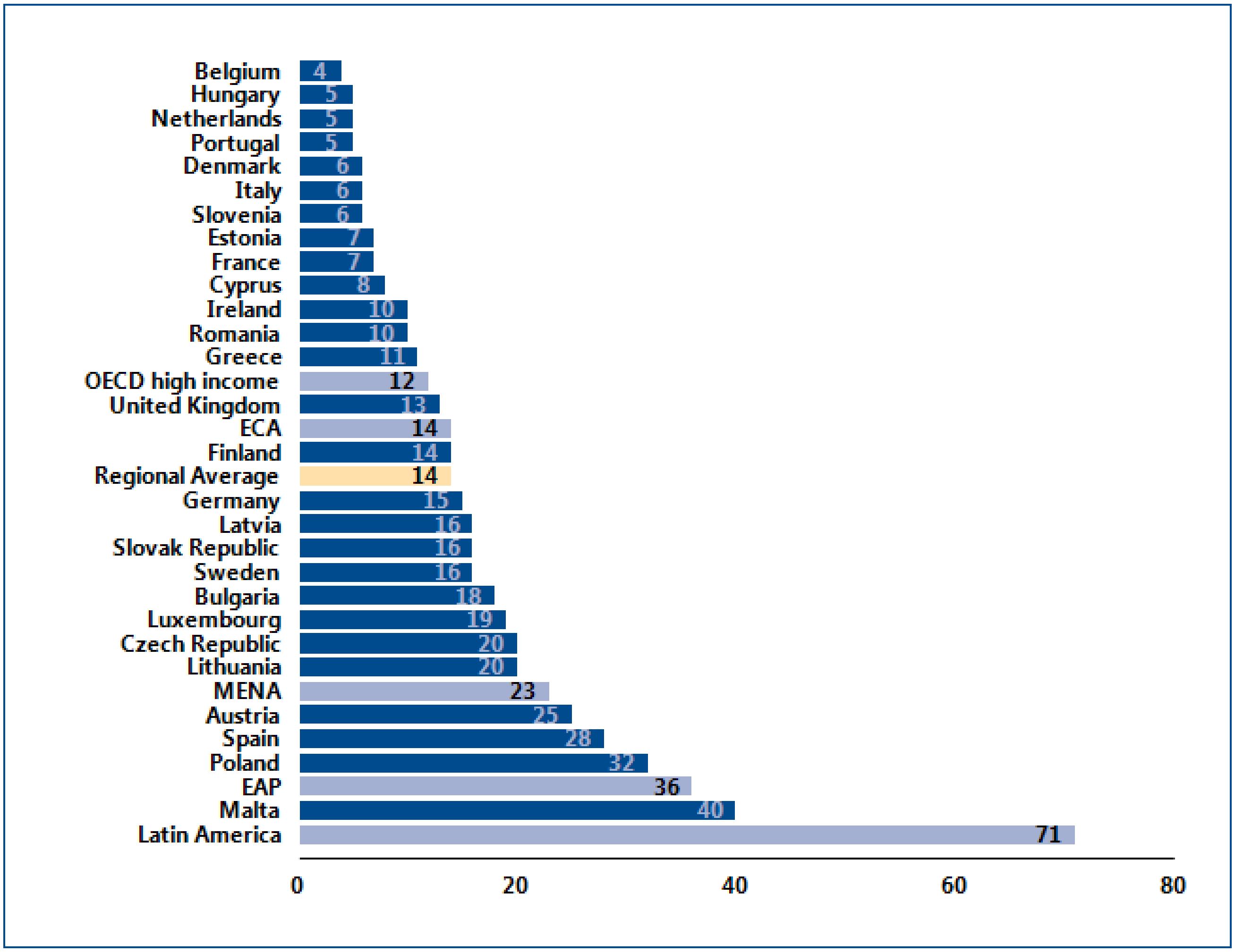
Figure 2.2 What it takes to start a business in economies in the European Union (EU)

Procedures (number)



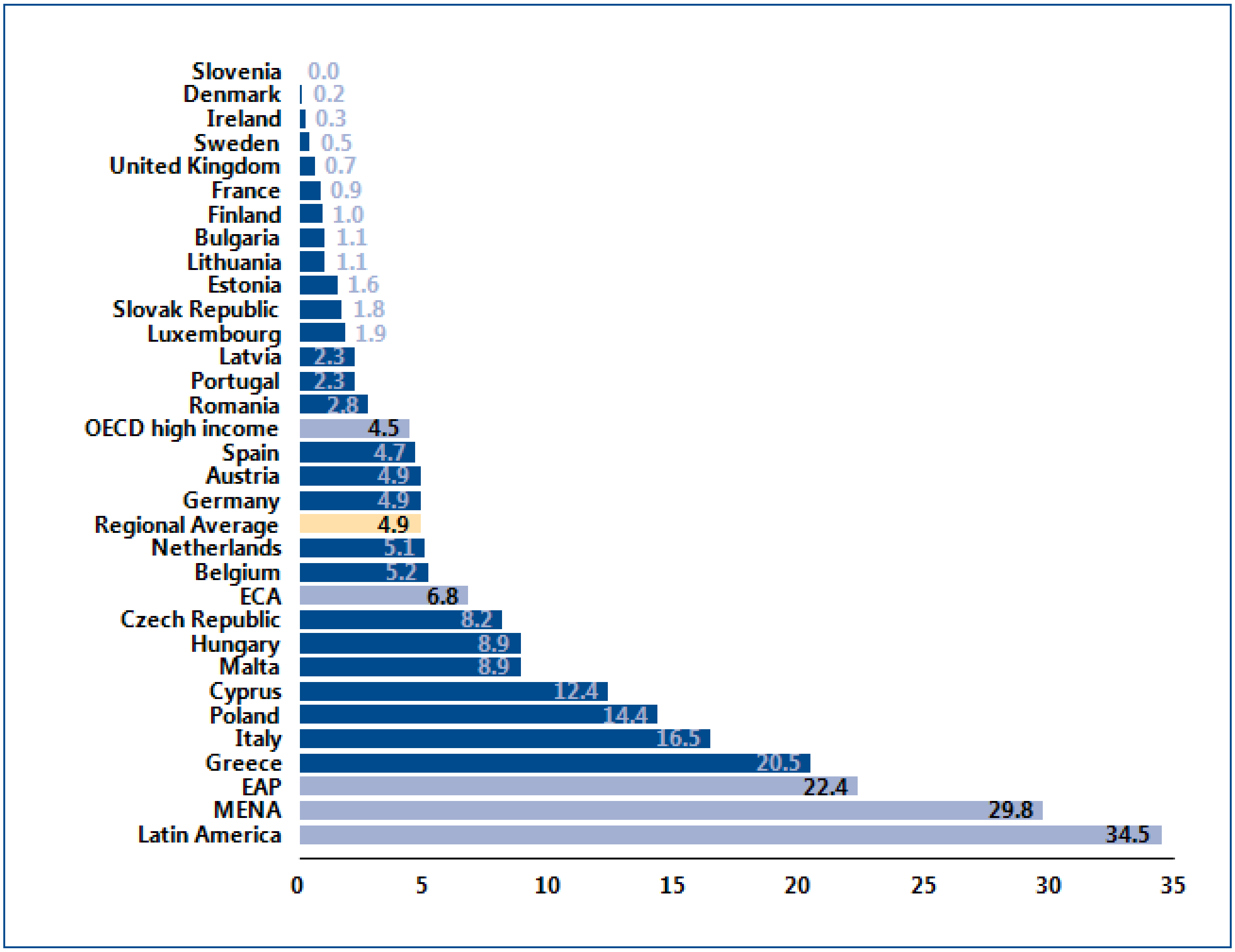
STARTING A BUSINESS

Time (days)



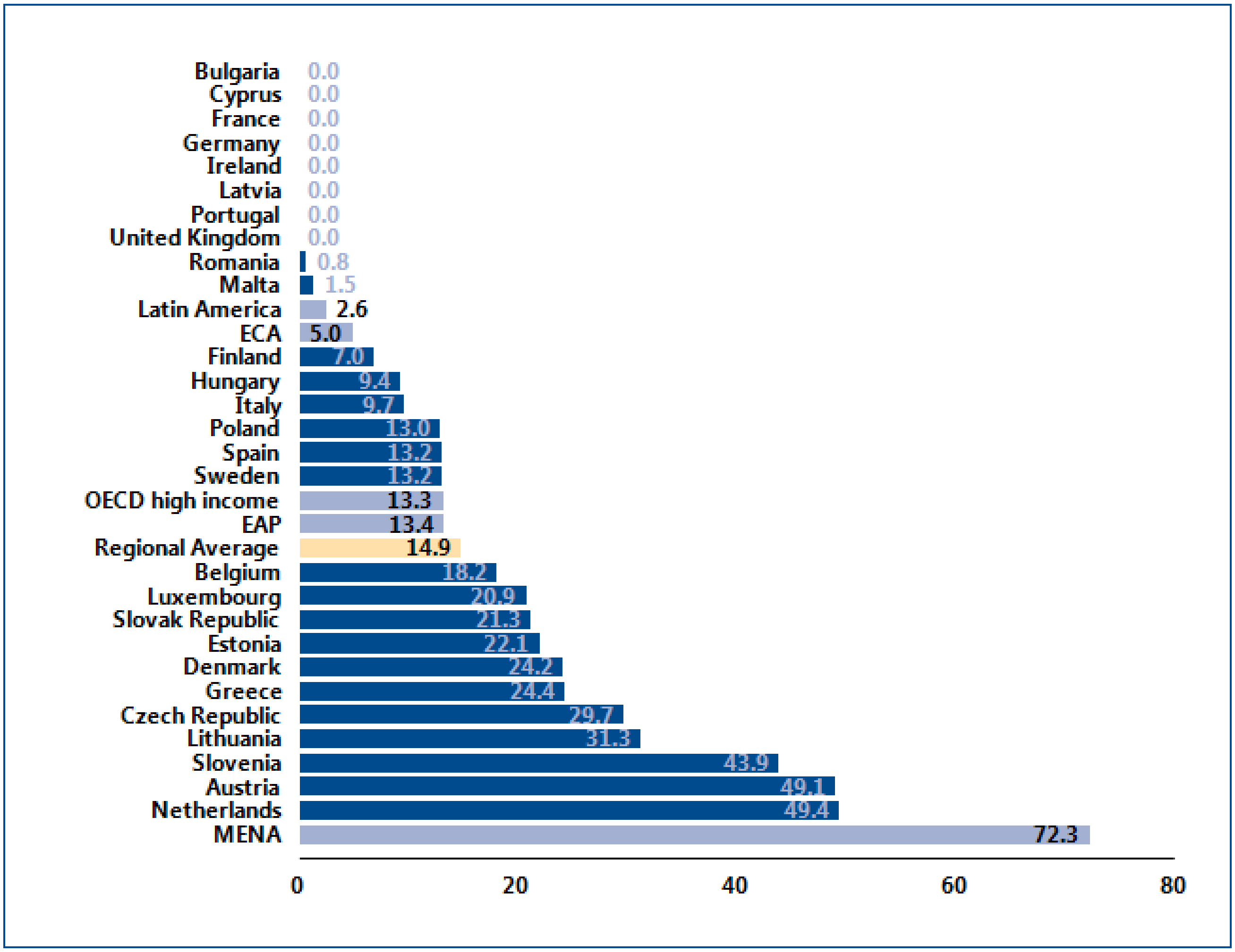
STARTING A BUSINESS

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 the European Union (EU) (table 2.1)?

Table 2.1 How have economies in the European Union (EU) made starting a business easier—or not?
By *Doing Business* report year

DB year	Economy	Reform
DB2008	*Belgium*	Belgium made starting a business easier by making an electronic registration and publication system available to all notaries. This system introduced a single registration number and made publication in the State Gazette automatic.
DB2008	*Czech Republic*	With the full implementation of the company registration reform, the time to register a new business decreased.
DB2008	*Estonia*	The commercial code was amended to introduce standard articles of association. If entrepreneurs use the model forms, company registration-done electronically and without notary involvement-can be completed in 1 day. A new, fixed fee schedule lowered registration costs.
DB2008	*Finland*	The new Finnish Companies Act reduced the minimum share capital from € 8.000 to €2.500, or from 27% of income per capita to about 8%. The reform also simplified documentation requirements, replacing the deed of incorporation and the minutes of the constitutive meeting by a new, simplified agreement of association.
DB2008	*Germany*	Germany made starting a business simpler by implementing an electronic registration and online publication instead of in the official gazette.
DB2008	*Hungary*	A new Company Act and a new Corporate Procedure Act introduced standardized forms, a "silent-is-consent" rule, and electronic registration.
DB2008	*Portugal*	Portugal made starting a business simpler by eliminating outdated start-up formalities and simplifying requirements for company registration and implementing an online incorporation system for use by lawyers.
DB2008	*Romania*	Romania made starting a business more cumbersome by implementing several laws resulting in more steps and more

DB year	Economy	Reform
		time for business start-up.
DB2009	*Bulgaria*	Commercial registration centralized electronic database was created consolidating and substantially reducing the number of registration procedures, and other registration formalities were cut.
DB2009	*Czech Republic*	A Project Czech Point where multiple registration-related documents could be obtained at one place was created reducing the number of procedures and days.
DB2009	*Greece*	The minimum capital requirement was reduced by about 80%, the cost of capital tax was reduced and the publication requirement time was reduced substantially.
DB2009	*Hungary*	The new laws reduced the minimum capital requirements by about 80% and introduced online filing and publication and made the use of notaries optional.
DB2009	*Italy*	Procedures to start a business can be carried out through a single notice, tremendously reducing the number of procedures.
DB2009	*Slovak Republic*	The one-stop shop merged 4 procedures into 1 and reduced costs.
DB2009	*Slovenia*	The single access point reforms reduced the number of procedures and day substantially.
DB2010	*Bulgaria*	Bulgaria eased the process of business start-up by reducing the paid-in minimum capital requirement to 23.9% of income per capita and enhancing the efficiency at the company registry.
DB2010	*Germany*	Germany eased the business start up process by reducing the minimum capital requirement to a symbolic value.
DB2010	*Hungary*	Hungary further simplified the start up process by implementing on-line registration with confirmation of registration requiring one hour from application.
DB2010	*Luxembourg*	Luxembourg eased business start-up process by making it possible to reserve a company name online and abolishing capital duties.
DB2010	*Poland*	Poland simplified business start up by reducing the required amount of minimum capital from PLN 50,000 to 5,000, and the National Court Register now consolidates the applications for registration, Tax, Social Security, and Statistics.
DB2010	*Slovenia*	Slovenia eased business start up by reducing the time for company registration, allowing for simultaneous tax registration during company registration through the e-Vem system, and abolishing the use of company seal.

DB year	Economy	Reform
DB2011	*Bulgaria*	Bulgaria eased business start-up by reducing the minimum capital requirement from 5,000 leva ($3,250) to 2 leva ($1.30).
DB2011	*Denmark*	Denmark eased business start-up by reducing the minimum capital requirement for limited liability companies from 125,000 Danish kroner ($22,850) to 80,000 Danish kroner ($14,620).
DB2011	*Germany*	Germany eased business start-up by increasing the efficiency of communications between the notary and the commercial registry and eliminating the need to publish an announcement in a newspaper.
DB2011	*Italy*	Italy made starting a business easier by enhancing an online registration system.
DB2011	*Lithuania*	Lithuania tightened the time limit for completing the registration of a company.
DB2011	*Luxembourg*	Luxembourg eased business start-up by speeding up the delivery of the business license.
DB2011	*Slovenia*	Slovenia made starting a business easier through improvements to its one-stop shop that allowed more online services.
DB2011	*Sweden*	Sweden cut the minimum capital requirement for limited liability companies by half, making it easier to start a business.
DB2012	*Greece*	Greece made starting a business easier by implementing an electronic platform that interconnects several government agencies.
DB2012	*Latvia*	Latvia made starting a business easier by reducing the minimum capital requirement and introducing a common application for value added tax and company registration.
DB2012	*Portugal*	Portugal made starting a business easier by allowing company founders to choose the amount of minimum capital and make their paid-in capital contribution up to 1 year after the company's creation, and by eliminating the stamp tax on company's share capital subscriptions.
DB2012	*Romania*	Romania made starting a business more difficult by requiring a tax clearance certificate for a new company's headquarters before company registration.
DB2012	*Spain*	Spain eased the process of starting a business by reducing the cost to start a business and decreasing the minimum capital requirement.
DB2013	*Bulgaria*	Bulgaria made starting a business easier by reducing the cost of registration.
DB2013	*Hungary*	Hungary made starting a business more complex by increasing the registration fees for limited liability companies

DB year	Economy	Reform
		and adding a new tax registration at the time of incorporation.
DB2013	*Ireland*	Ireland made starting a business easier by introducing a new online facility for business registration.
DB2013	*Lithuania*	Lithuania made starting a business easier by introducing online registration for limited liability companies and eliminating the notarization requirement for incorporation documents.
DB2013	*Netherlands*	The Netherlands made starting a business easier by eliminating the requirement for a declaration of nonobjection by the Ministry of Justice before incorporation.
DB2013	*Romania*	Romania made starting a business easier by reducing the time required to obtain a clearance certificate from the fiscal administration agency.
DB2013	*Slovak Republic*	The Slovak Republic made starting a business easier by speeding up the processing of applications at the one-stop shop for trading licenses, income tax registration and health insurance registration.

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 the procedures, time and cost for a business to obtain all the necessary approvals to build a simple commercial warehouse in the economy's main city, connect it to basic utilities and register the property so that it can be used as collateral or transferred to another entity.

The ranking on the ease of dealing with construction permits is the simple average of the percentile rankings on its component indicators: procedures, time and cost.

To make the data comparable across economies, *Doing Business* uses several assumptions about the business and the warehouse, including the utility connections.

The business:

- Is a limited liability company operating in the construction business and located in the largest business city.
- Is domestically owned and operated.
- Has 60 builders and other employees.

The warehouse:

- Is a new construction (there was no previous construction on the land).
- Has complete architectural and technical plans prepared by a licensed architect.
- Will be connected to water, sewerage (sewage system, septic tank or their equivalent) and a fixed telephone line.
- The connection to each utility network will be 10 meters (32 feet, 10 inches) long.
- Will be used for general storage, such as of books or stationery (not for goods requiring special conditions).
- Will take 30 weeks to construct (excluding all delays due to administrative and regulatory requirements).

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

Completing all required notifications and receiving all necessary inspections

Obtaining utility connections for water, sewerage and a fixed telephone line

Registering the warehouse after its completion (if required for use as collateral or for transfer of warehouse)

Time required to complete each procedure (calendar days)

Does not include time spent gathering information

Each procedure starts on a separate day

Procedure completed once final document is received

No prior contact with officials

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

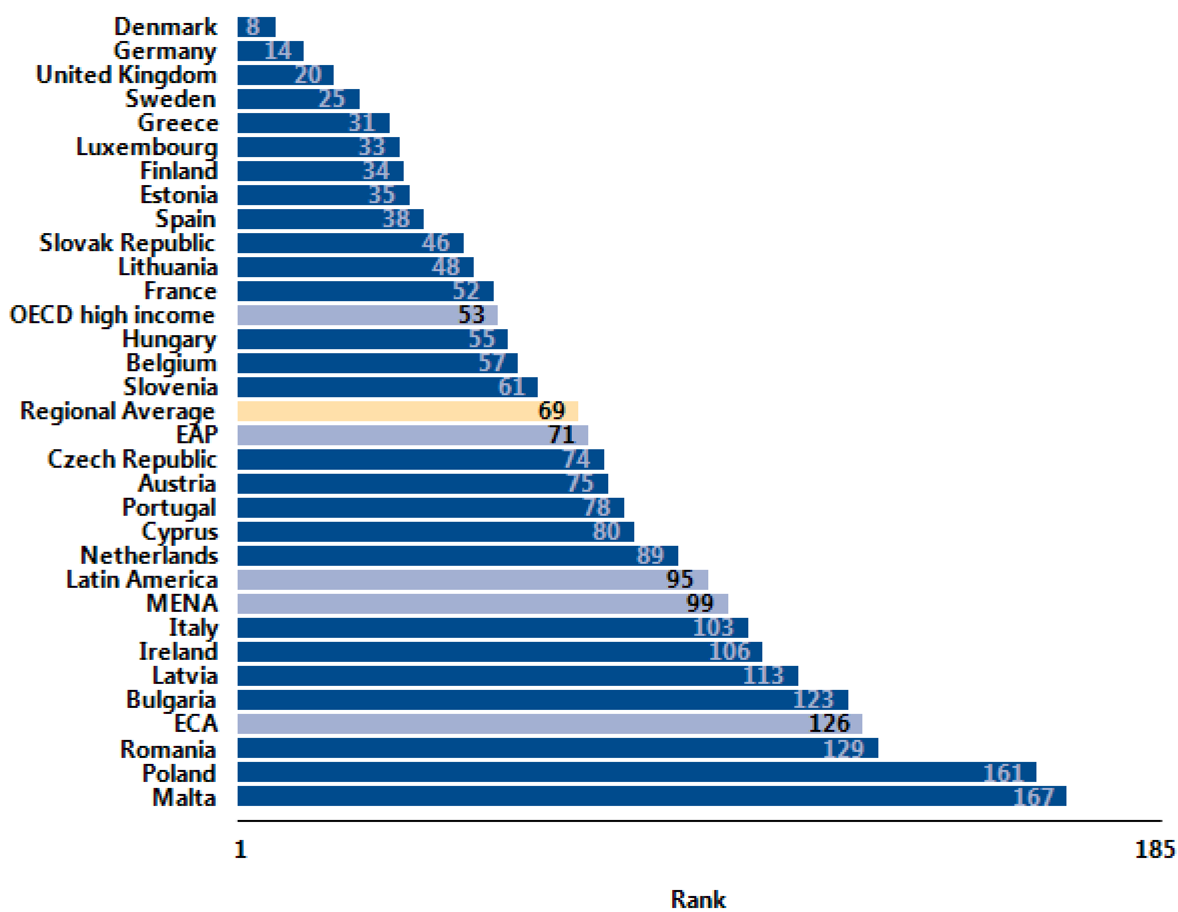
Official costs only, no bribes

DEALING WITH CONSTRUCTION PERMITS

Where do the region's economies stand today?

How easy it is for entrepreneurs in economies in the European Union (EU) 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 the European Union (EU) rank on the ease of dealing with construction permits



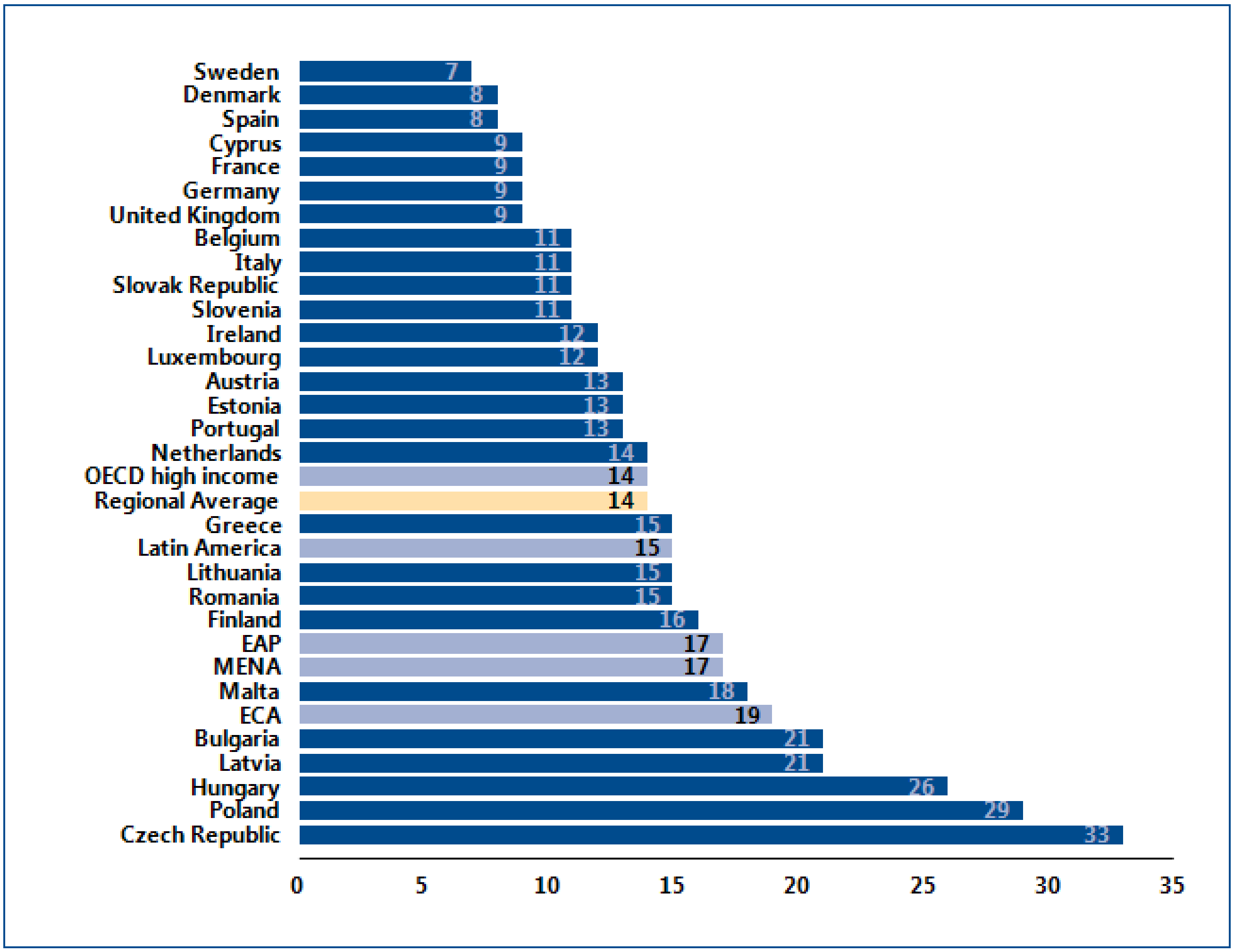
Source: Doing Business database.

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.

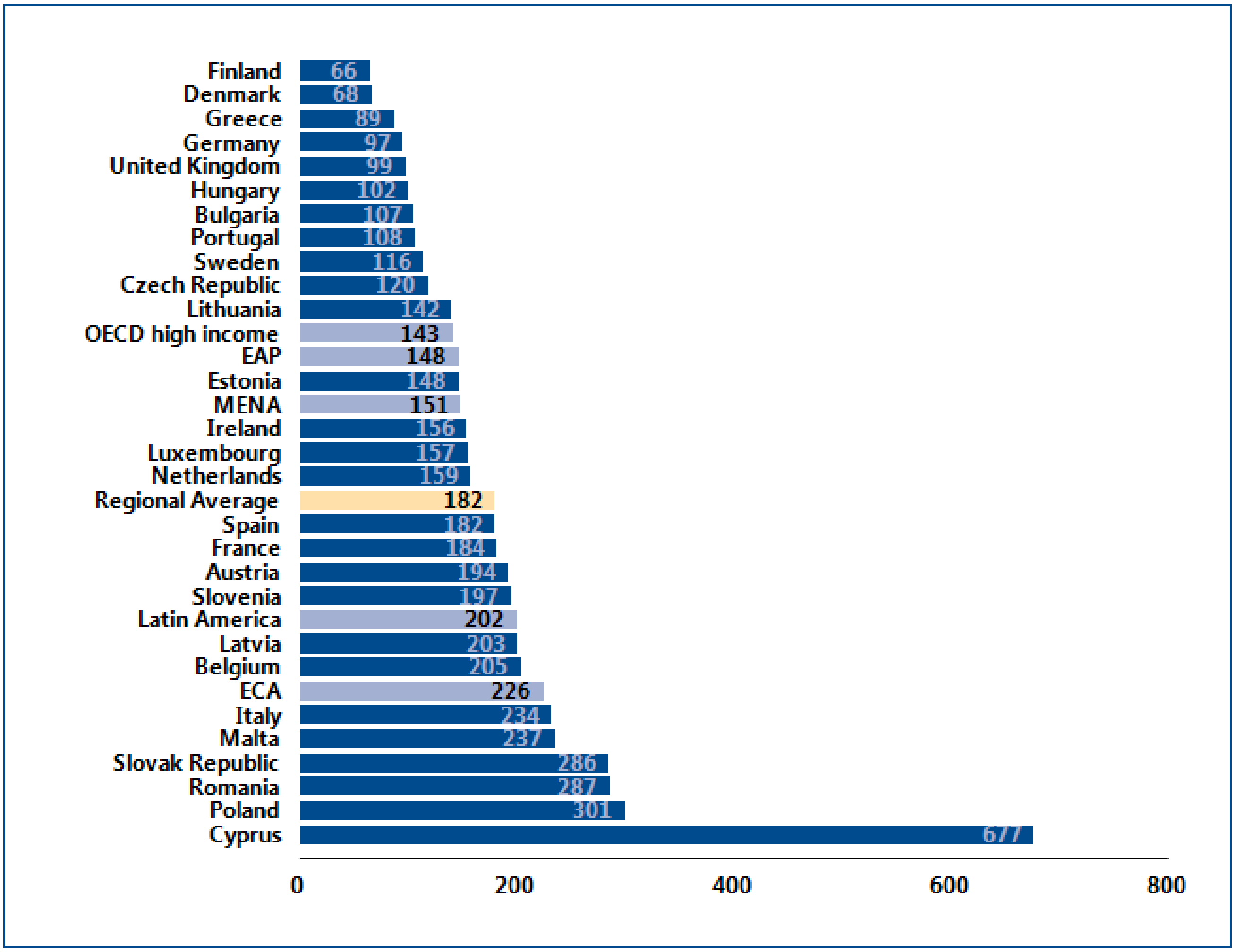
Figure 3.2 What it takes to comply with formalities to build a warehouse in economies in the European Union (EU)

Procedures (number)



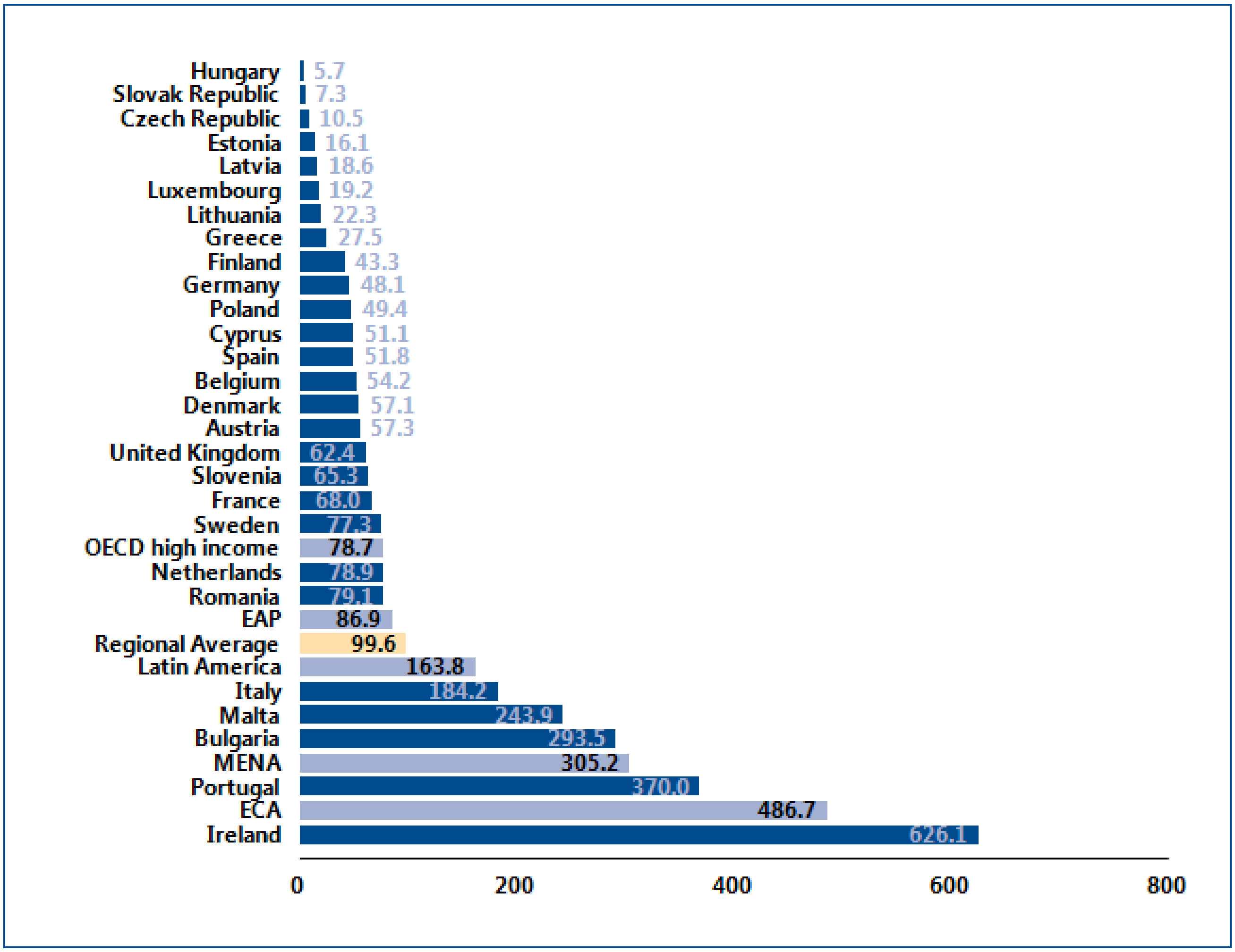
DEALING WITH CONSTRUCTION PERMITS

Time (days)



DEALING WITH CONSTRUCTION PERMITS

Cost (% of income per capita)



* Indicates a "no practice" mark. See the data notes for details.
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 the European Union (EU) (table 3.1)?

Table 3.1 How have economies in the European Union (EU) made dealing with construction permits easier—or not?
By *Doing Business* report year

DB year	Economy	Reform
DB2008	*Bulgaria*	Bulgaria made obtaining a construction permit clearer by adopting new legislations.
DB2008	*Czech Republic*	The time to obtain licenses was reduced by passing a new Building Act and implementing several regulations aimed at simplifying the building process.
DB2009	*Bulgaria*	Bulgaria made obtaining a construction permit more complicated by increasing the fees, time and procedures for obtaining approvals of construction related procedures.
DB2009	*Portugal*	A new law implemented in 2008 provides for on-line application, assigns officers for each application and simplifies approval for building permits. However, not all provisions are fully enforced and operational yet. Stricter control of labor regulations adds one procedure for inspection during construction.
DB2010	*Czech Republic*	The Czech Republic streamlined the construction permitting process by reducing internal processing time for registering new plots.
DB2010	*Netherlands*	In the Netherlands, a new Spatial Planning Law was enacted to improve the construction regulation process.
DB2010	*Portugal*	Portugal introduced an improved fire safety appraisal system for new construction projects, as well as faster registration of new buildings.
DB2010	*Romania*	Cost of construction in Romania was increased because of a

DB year	Economy	Reform
		new fee equal to 0.05% of project value.
DB2010	*United Kingdom*	The United Kingdom eased the process of dealing with construction permits with the wider use of Approved Inspectors, resulting in a reduction of time and number of steps.
DB2011	*Estonia*	Estonia made dealing with construction permits more complex by increasing the time for obtaining design criteria from the municipality.
DB2011	*Hungary*	Hungary implemented a time limit for the issuance of building permits.
DB2011	*Portugal*	Portugal made it easier dealing with construction permits by implementing the 95 day time limit for the approval of project designs.
DB2011	*Romania*	Romania amended regulations related to construction permitting to reduce fees and expedite the process.
DB2012	*Portugal*	Portugal made dealing with construction permits easier by streamlining its inspection system.
DB2012	*United Kingdom*	The United Kingdom made dealing with construction permits easier by increasing efficiency in the issuance of planning permits.
DB2013	*Greece*	Greece reduced the time required to obtain a construction permit by introducing strict time limits for processing permit applications at the municipality.
DB2013	*Netherlands*	The Netherlands made dealing with construction permits simpler by merging several approvals and implementing an online application system.
DB2013	*Portugal*	Portugal made obtaining construction permits easier by implementing strict time limits to process urban projects and simplifying the associated procedures.

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. The ranking on the ease of getting electricity is the simple average of the percentile rankings on its component indicators: procedures, time and cost. To make the data comparable across economies, several assumptions are used.

The warehouse:

- Is located in the economy's largest business city, in an area where other warehouses are located.
- Is not in a special economic zone where the connection would be eligible for subsidization or faster service.
- Has road access. The connection works involve the crossing of a road or roads but are carried out on public land.
- Is a new construction being connected to electricity for the first time.
- Has 2 stories, both above ground, with a total surface of about 1,300.6 square meters (14,000 square feet), and is built on a plot of 929 square meters (10,000 square feet).

The electricity connection:

- Is a 3-phase, 4-wire Y, 140-kilovolt-ampere (kVA) (subscribed capacity) connection.
- Is 150 meters long.
- Is to either the low-voltage or the medium-voltage distribution network and either overhead or underground, whichever is more common in the economy and in the area where the warehouse is located. The length of any connection in the customer's private domain is negligible.
- Involves installing one electricity meter. The monthly electricity consumption will be 0.07 gigawatt-hour (GWh). The internal electrical wiring has been completed.

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

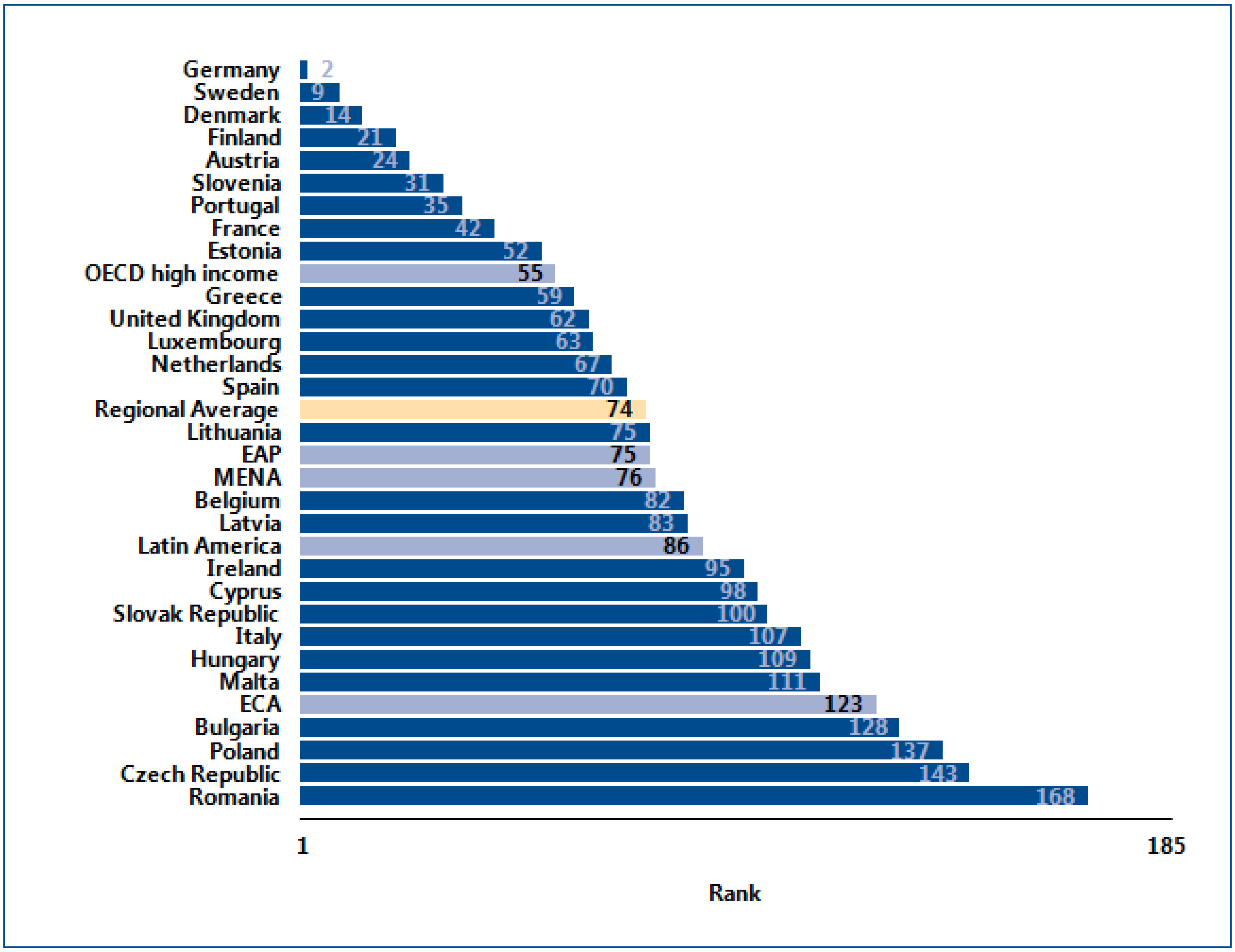
Excludes value added tax

GETTING ELECTRICITY

Where do the region's economies stand today?

How easy is it for entrepreneurs in economies in the European Union (EU) 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 the European Union (EU) rank on the ease of getting electricity



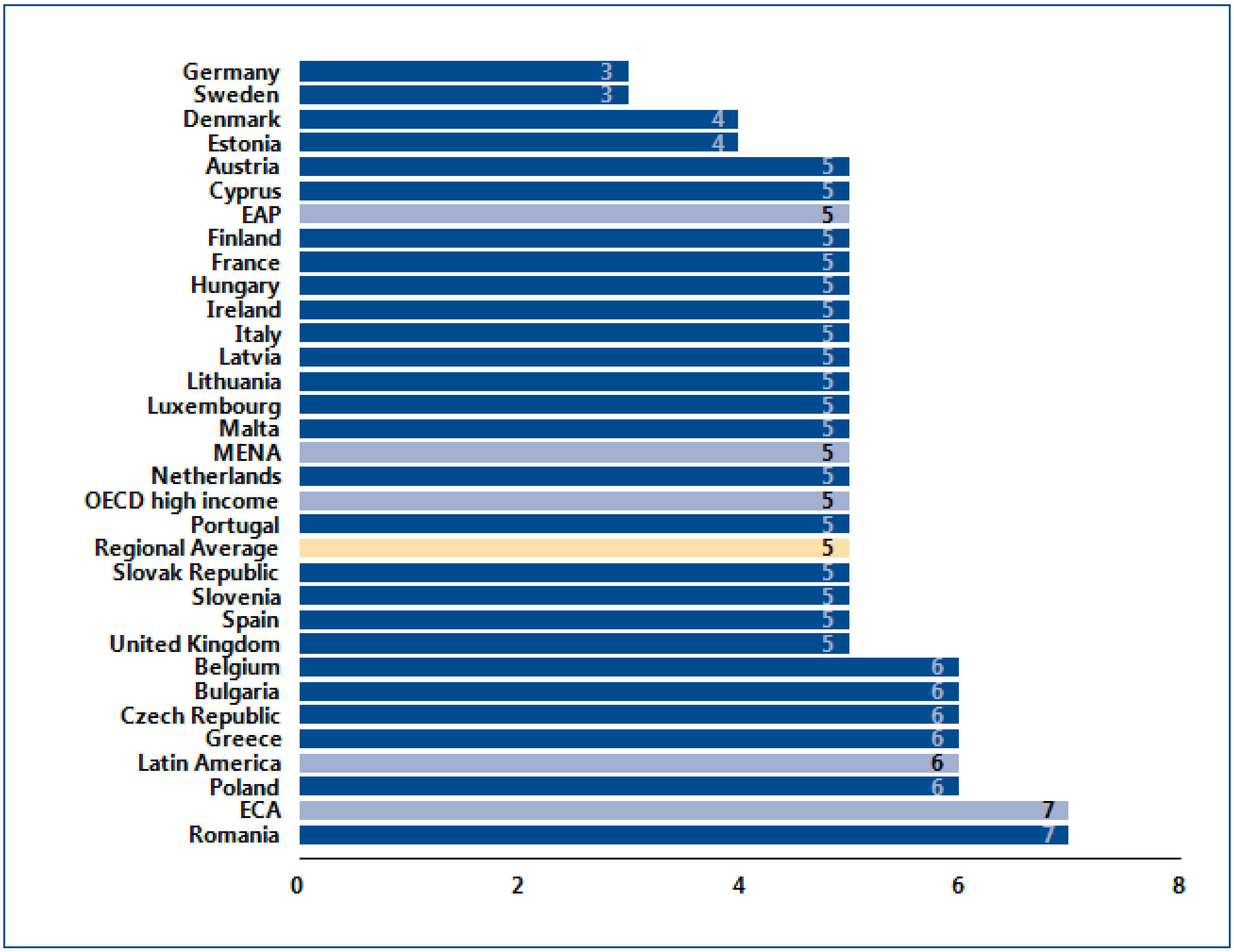
Source: Doing Business database.

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.

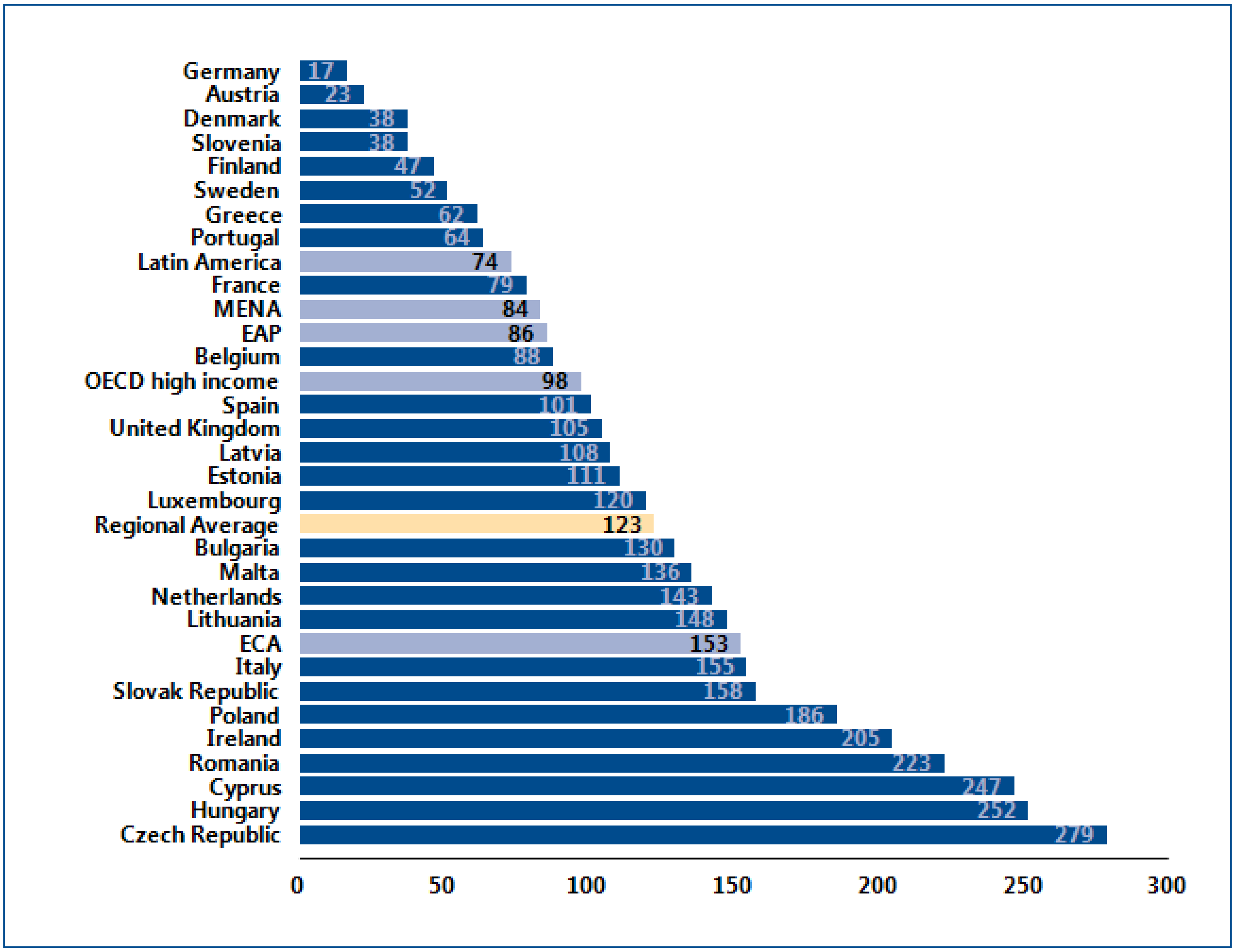
Figure 4.2 What it takes to get an electricity connection in economies in the European Union (EU)

Procedures (number)



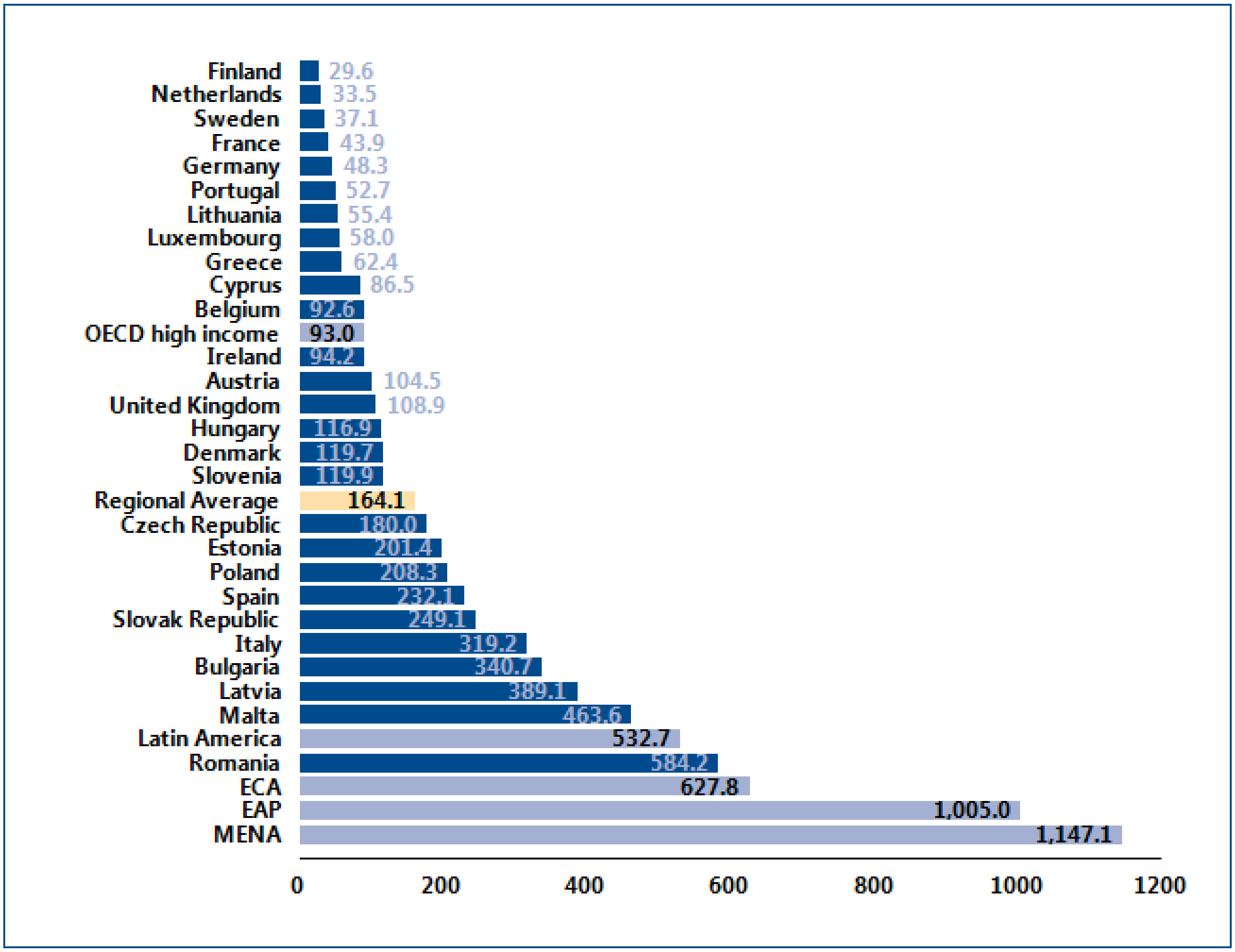
GETTING ELECTRICITY

Time (days)



GETTING ELECTRICITY

Cost (% of income per capita)



Source: Doing Business database.

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 the European Union (EU) (table 4.1)?

Table 4.1 How have economies in the European Union (EU) made getting electricity easier—or not?
By *Doing Business* report year

DB year	Economy	Reform
DB2012	*Latvia*	Latvia made getting electricity faster by introducing a simplified process for approval of external connection designs.
DB2012	*Lithuania*	Lithuania made getting electricity more difficult by abolishing the one-stop shop for obtaining technical conditions for utility services.
DB2013	*Italy*	Italy made getting electricity easier and less costly by improving the efficiency of the utility Acea Distribuzione and reducing connection fees.

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. The ranking on the ease of registering property is the simple average of the percentile rankings on its component indicators: procedures, time and cost.

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, 100% domestically and privately owned.
- Are located in the periurban area of the economy's largest business city.
- Have 50 employees each, all of whom are nationals.
- Perform general commercial activities.

The property (fully owned by the seller):

- Has a value of 50 times income per capita. The sale price equals the value.
- Is registered in the land registry or cadastre, or both, and is free of title disputes.
- Is located in a periurban commercial zone, and no rezoning is required.
- Has no mortgages attached and has been under the same ownership for the past 10 years.
- Consists of 557.4 square meters (6,000 square feet) of land and a 10-year-old, 2-story warehouse of 929 square meters (10,000 square feet). The warehouse is in good condition and complies with all safety standards, building codes and legal requirements. The property will be transferred in its entirety.

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

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

Procedure 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

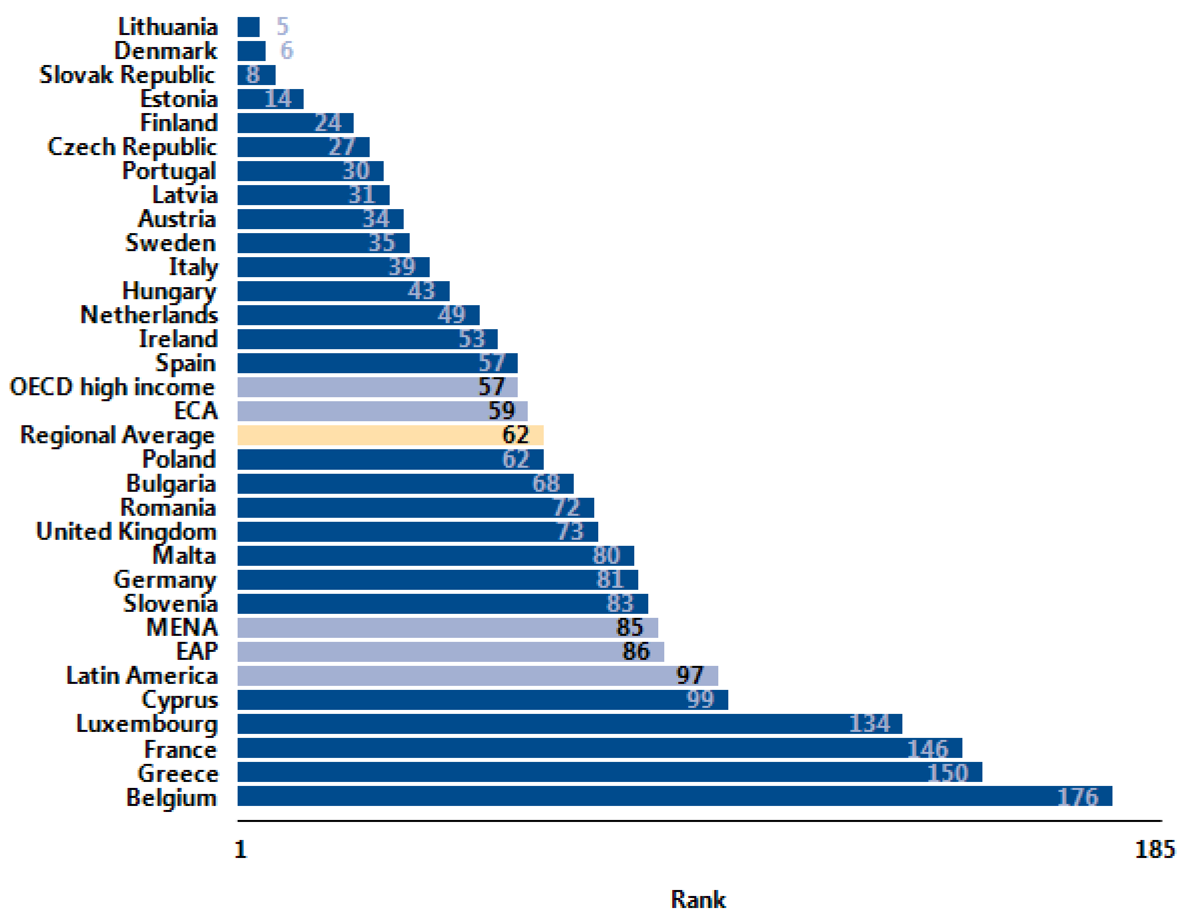
No value added or capital gains taxes included

REGISTERING PROPERTY

Where do the region's economies stand today?

How easy is it for entrepreneurs in economies in the European Union (EU) 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 the European Union (EU) rank on the ease of registering property



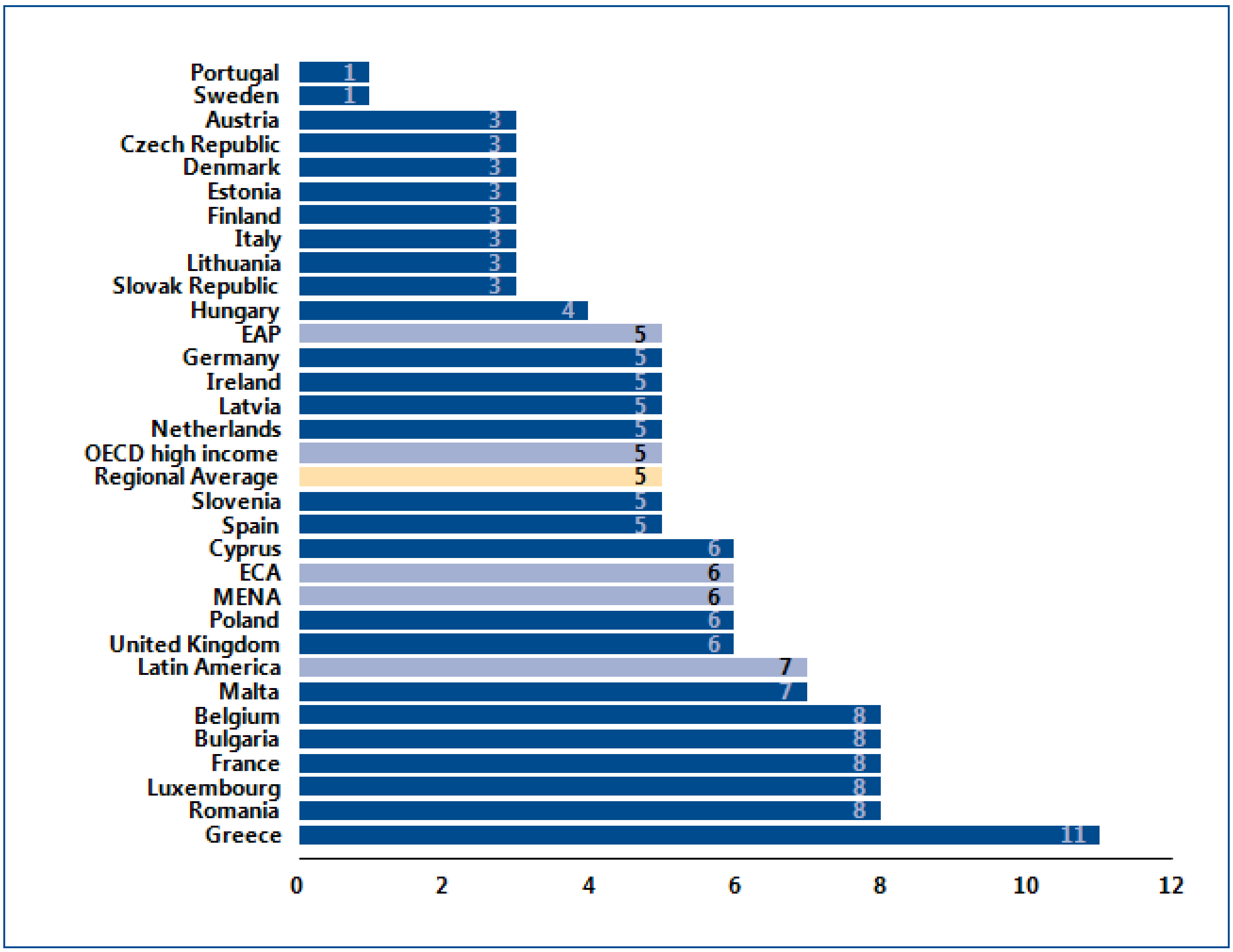
Source: Doing Business database.

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.

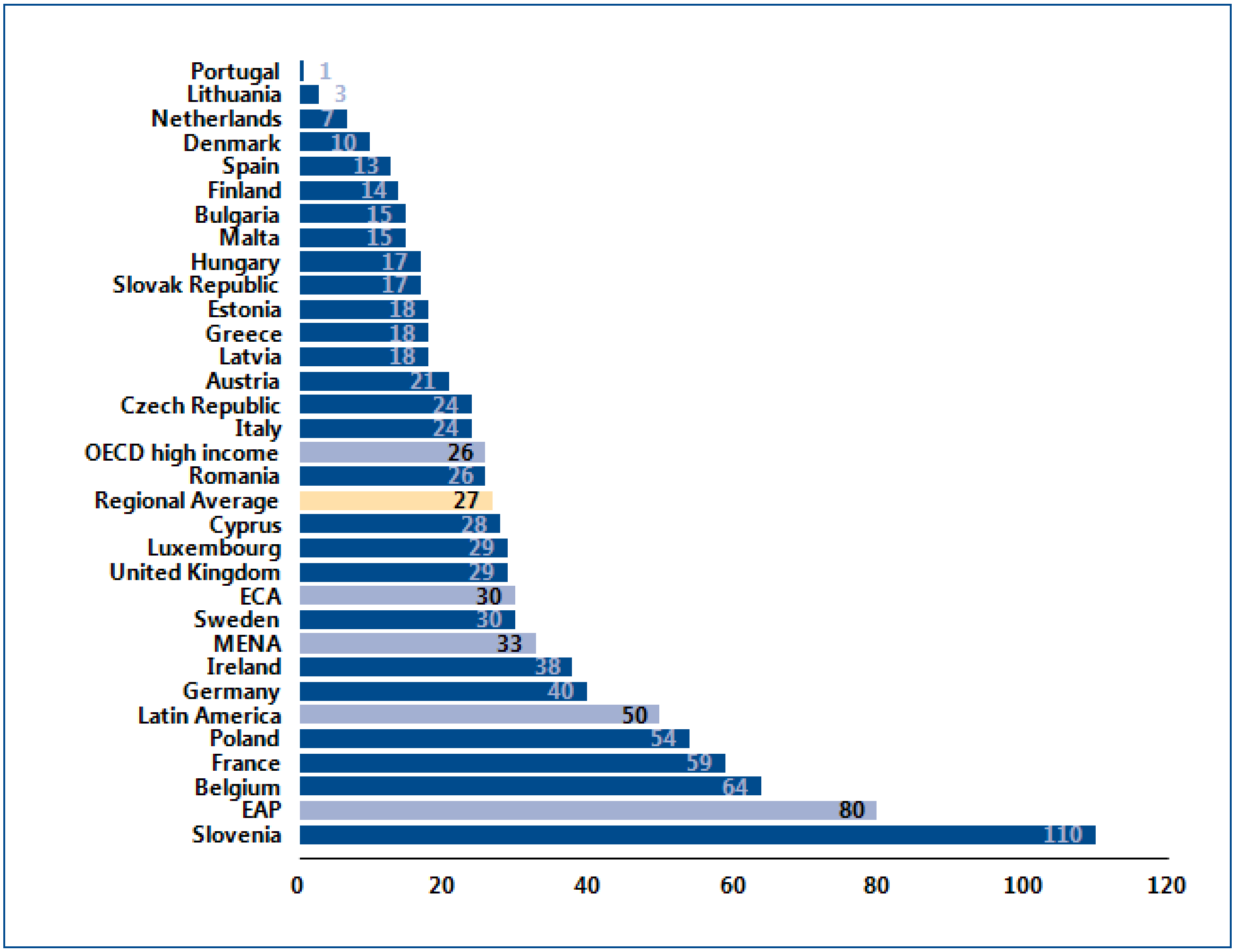
Figure 5.2 What it takes to register property in economies in the European Union (EU)

Procedures (number)



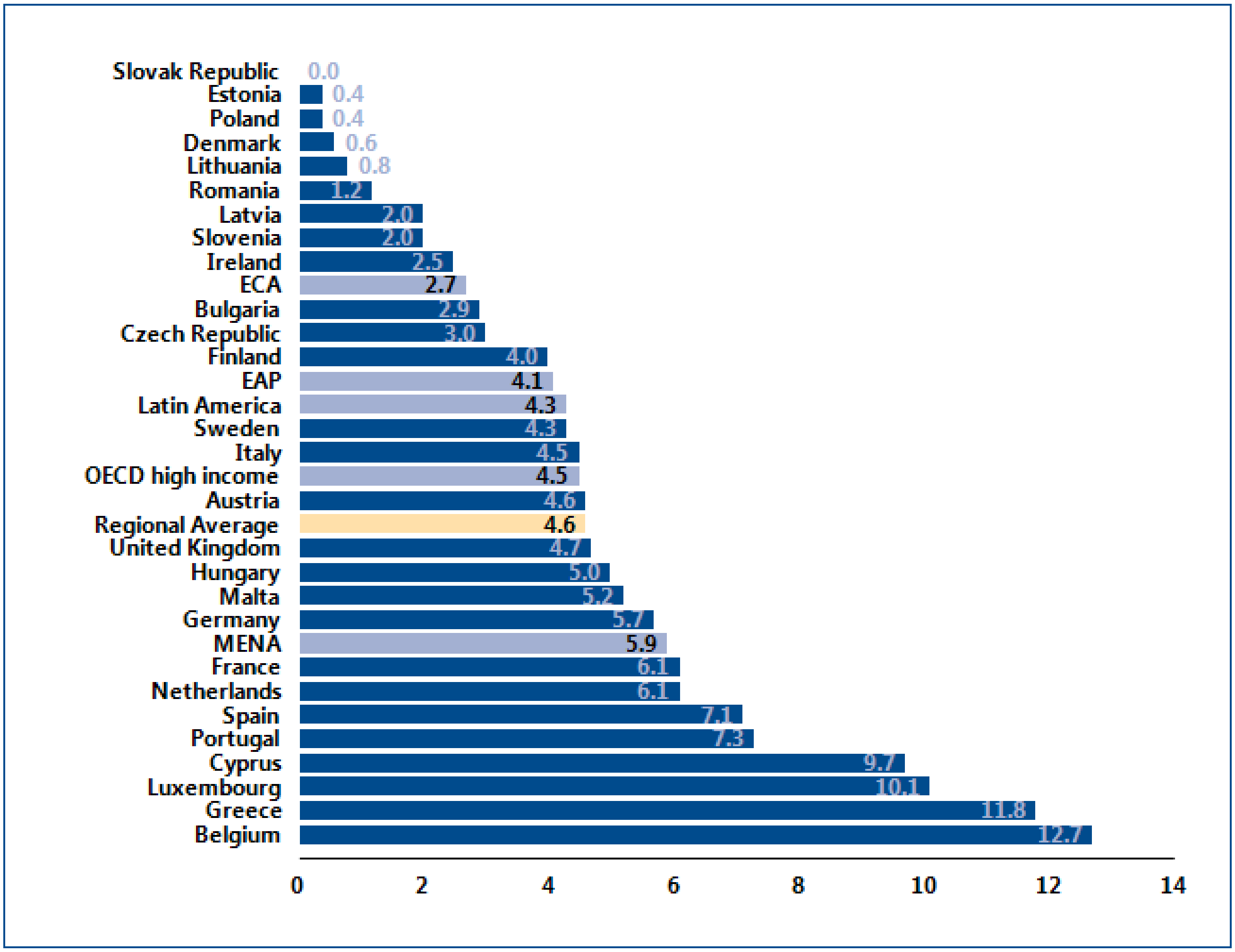
REGISTERING PROPERTY

Time (days)



REGISTERING PROPERTY

Cost (% of property value)



* Indicates a "no practice" mark. See the data notes for details.
Source: Doing Business database.

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 the European Union (EU) (table 5.1)?

Table 5.1 How have economies in the European Union (EU) made registering property easier—or not?
By *Doing Business* report year

DB year	Economy	Reform
DB2008	*France*	The new Tele@ctes system allows notaries to access the land registry electronically, reducing delays.
DB2008	*Germany*	Germany made transferring property more costly by increasing the transfer tax in Berlin.
DB2008	*Hungary*	The process for registering property was sped up by opening a second registry office in Budapest. The time needed to submit an application to the Land Registry Office and register the title decreased.
DB2008	*Poland*	Poland made registering property cheaper by changing the fee scheme from a variable rate to a fixed fee schedule.
DB2008	*Portugal*	As part of a modernization initiative by the Portuguese government, real estate registries in Lisbon continue to be computerized for better efficiency. This digitalization has cut the time to register property significantly.
DB2009	*Hungary*	A new registry office operating in Budapest has reduced the total time to register a title in Budapest. Increased internal cooperation among these agencies reduced the total time to register property from 63 to 17 days.
DB2009	*Latvia*	The State Land Service introduced an online database allowing the employees of the registry to check the cadastral value of the real estate, which decreased number of procedures and time.
DB2009	*Lithuania*	Lithuania merged the procedure of obtaining the certificate

DB year	Economy	Reform
		for transaction with the notarization procedure, reducing the number of procedures.
DB2010	*Belgium*	Belgium has eased the process of property transfer by setting statutory time limits.
DB2010	*Bulgaria*	An integrated web-based property register providing online access to the ownership and cadastre status of the properties decreased the total time to register property in Bulgaria.
DB2010	*Czech Republic*	The Czech Republic eased the process of property registration with an ongoing effort at re-organization at the Registry combined with computerization.
DB2010	*Estonia*	Estonia has eased the process of property registration with the computerization of property records at the Land Registry that has introduced the option of registering a property online for notaries.
DB2010	*France*	A fuller electronic connection between notaries and land registry decreased time to transfer property in France and made it easier to obtain encumbrance and ownership documents from the registry.
DB2010	*Ireland*	Ireland eased property registration by reducing the maximum chargeable stamp duty for property transactions from 9% to 6% of the property value.
DB2010	*Portugal*	Portugal sped up the process of registering property with the implementation of a computerization process at the Registry backed by an amendment to the Registry Code making the use of notaries optional.
DB2010	*Romania*	Romania sped the process of registering property by introducing expedited procedures at the Land Registry and the Cadastre.
DB2010	*United Kingdom*	The lodging of a land transaction return is now processed automatically and electronically by the HM Revenue & Customs in the United Kingdom, reducing time to register property.

DB year	Economy	Reform
DB2011	*Austria*	Austria made it easier to transfer property by requiring online submission of all applications to register property transfers.
DB2011	*Belgium*	Belgium made it more difficult to transfer property by requiring a clean-soil certificate.
DB2011	*Denmark*	Computerization of Denmark's land registry cut the number of procedures required to register property by half.
DB2011	*Greece*	Greece made transferring property more costly by increasing the transfer tax from 1% of the property value to 10%.
DB2011	*Hungary*	Hungary reduced the property registration fee by 6% of the property value.
DB2011	*Poland*	Poland eased property registration by computerizing its land registry.
DB2011	*Portugal*	Portugal established a one-stop shop for property registration.
DB2011	*Slovenia*	Greater computerization in Slovenia's land registry reduced delays in property registration by 75%.
DB2011	*Sweden*	Sweden made registering property easier by eliminating the requirement to obtain a preemption waiver from the municipality
DB2012	*Belgium*	Belgium made property registration quicker for entrepreneurs by setting time limits and implementing its "e-notariat" system.
DB2012	*Czech Republic*	The Czech Republic speeded up property registration by computerizing its cadastral office, digitizing all its data and introducing electronic communications with notaries.
DB2012	*Latvia*	Latvia made transferring property easier by allowing electronic access to municipal tax databases that show the tax status of property, eliminating the requirement to obtain this information in paper format.
DB2012	*Slovenia*	Slovenia made transferring property easier and less costly by

DB year	Economy	Reform
		introducing online procedures and reducing fees.
DB2012	*Sweden*	Sweden increased the cost of transferring property between companies.
DB2013	*Cyprus*	Cyprus made property transfers faster by computerizing its land registry.
DB2013	*Czech Republic*	The Czech Republic made registering property easier by allowing the cadastral office online access to the commercial registry's database and thus eliminating the need to obtain a paper certificate from the registry before applying for registration at the cadastre.
DB2013	*Denmark*	Denmark made registering property easier by introducing electronic submission of property transfer applications at the land registry.
DB2013	*Ireland*	Ireland made property transfers less costly by introducing a single stamp duty rate for transfers of nonresidential property. It also extended compulsory registration to all property in Ireland.
DB2013	*Italy*	Italy made transferring property easier by digitizing cadastral maps of properties and making the maps available to notaries online.
DB2013	*Poland*	Poland made property registration faster by introducing a new caseload management system for the land and mortgage registries and by continuing to digitize the records of the registries.
DB2013	*Sweden*	In Sweden property transfers became more time consuming during implementation of a new information technology system at the land registry.

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 the legal rights of borrowers and lenders in collateral and bankruptcy laws. Credit information systems enable lenders 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 public credit registry or a private 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 case scenarios 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. 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.
- Has 100 employees.
- Is 100% domestically owned, as is the lender.

The ranking on the ease of getting credit is based on the percentile rankings on the sum of its component indicators: the depth of credit information index and the strength of legal rights index.

WHAT THE GETTING CREDIT INDICATORS MEASURE

Strength of legal rights index (0–10)

Protection of rights of borrowers and lenders through collateral laws

Protection of secured creditors' rights through bankruptcy laws

Depth of credit information index (0–6)

Scope and accessibility of credit information distributed by public credit registries and private credit bureaus

Public credit registry coverage (% of adults)

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

Private credit bureau coverage (% of adults)

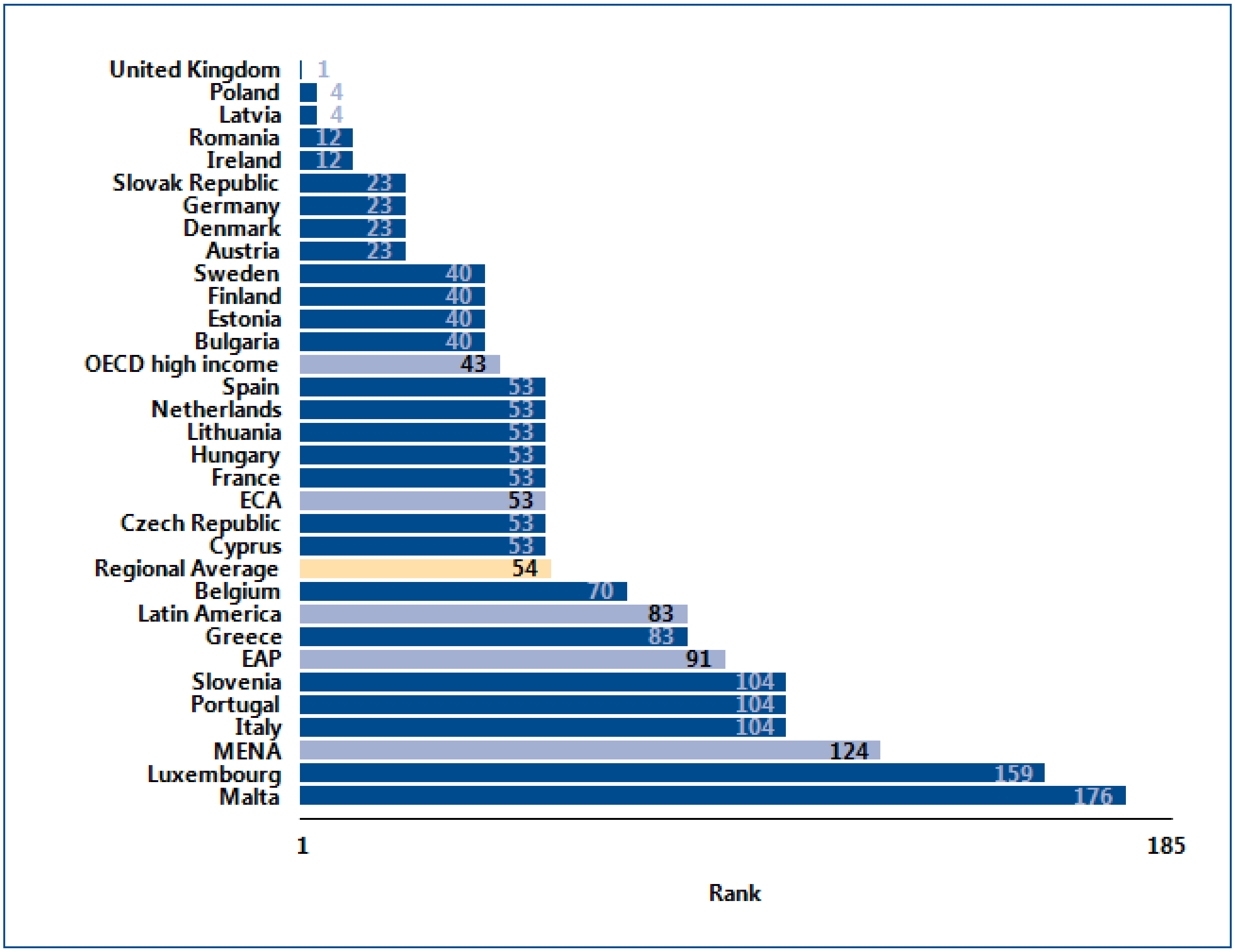
Number of individuals and firms listed in largest private credit bureau as percentage of adult population

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 the European Union (EU) 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 the European Union (EU) rank on the ease of getting credit



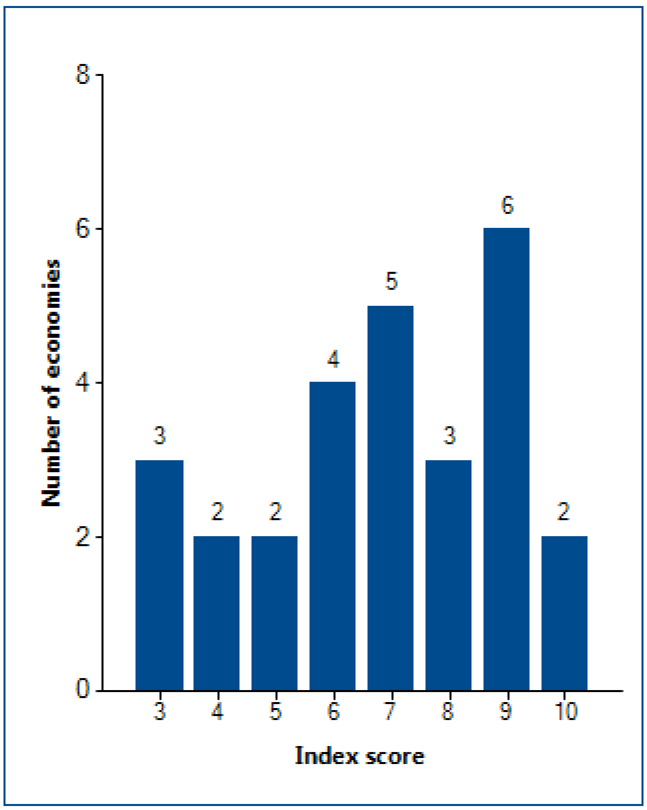
Source: Doing Business database.

GETTING CREDIT

Another way to assess how well regulations and institutions support lending and borrowing in the region is to look at the distribution of its economies by their scores on the getting credit indicators. Figure 6.2 shows how many economies in the region received a particular score on the strength of legal rights index. Figure 6.3 shows the same thing for the depth of credit information index. Higher scores indicate stronger legal rights for borrowers and lenders and more credit information.

Figure 6.2 How strong are legal rights for borrowers and lenders in economies in the European Union (EU)?

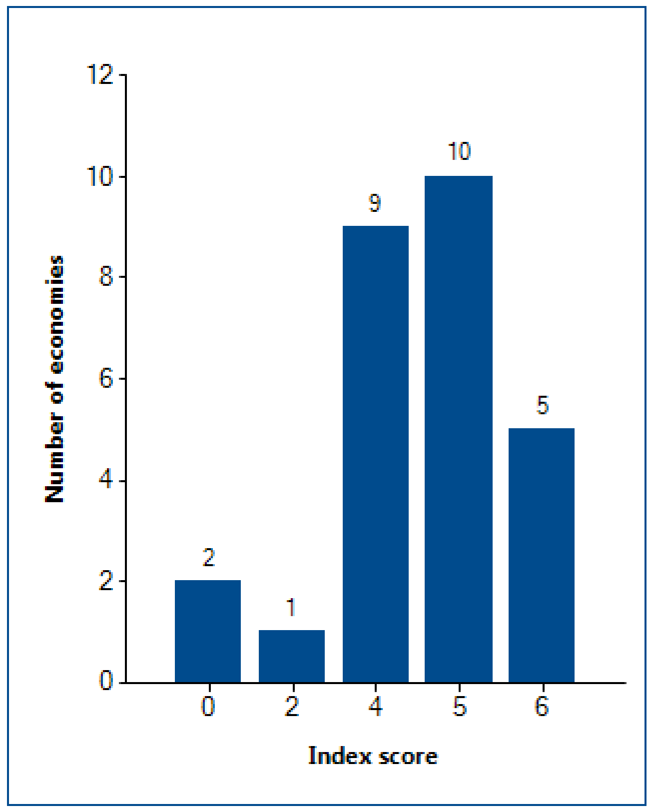
Number of economies in region with each score on strength of legal rights index (0–10)



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 extensive—and how accessible—is credit information in economies in the European Union (EU)?

Number of economies in region with each score on depth of credit information index (0–6)



Note: Higher scores indicate the availability of more credit information, from either a public credit registry or a private credit bureau, to facilitate lending decisions.
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 the European Union (EU) (table 6.1)?

Table 6.1 How have economies in the European Union (EU) made getting credit easier—or not?
By *Doing Business* report year

DB year	Economy	Reform
DB2008	*France*	A unified collateral registry which is centralized geographically became operational in France.
DB2008	*Romania*	Parties may agree to out-of court-enforcement of the security right when the security agreement is signed.
DB2008	*Slovenia*	The public credit registry increased the minimum loan requirement from 0 to 500 Euros, as a result of the implementation of Euro.
DB2009	*Czech Republic*	The Czech Republic made access to finance more difficult by decreasing secured creditors' rights during reorganization procedure.
DB2009	*Finland*	The regulations regarding the credit information of private persons and companies in Finland have now been assembled into one act. The new credit information act, governing the production, storage, disclosure and use of credit data, concerns private persons, companies as well as entrepreneurs and traders. There is a one-year transition period for the implementation of the act.
DB2009	*Germany*	Germany made access to finance more difficult by decreasing secured creditors' rights during reorganization procedure.
DB2009	*Slovenia*	A new private bureau started operation - SISBON. Slovenia made access to finance more difficult by decreasing secured creditors' rights during reorganization procedure.
DB2010	*Greece*	Greece's private credit bureau, Tiresias, expanded the amount of information it distributes in its credit reports enhancing access to credit information.
DB2010	*Latvia*	Latvia's new public credit registry started sharing data on

DB year	Economy	Reform
		loans thus improving access to credit information.
DB2010	*Poland*	Poland improved access to credit with an amendment to the 1996 Act on Registered Pledges and the Pledges Register to allow all legal persons including foreign entities to have capacity as a pledgee. Poland improved its credit information system by collecting and distributing information on firms.
DB2010	*Sweden*	2009 changes to the Rights of Priority Act give priority for secured creditor claims in case of default outside bankruptcy.
DB2011	*Cyprus*	Cyprus improved access to credit information by establishing its first private credit bureau.
DB2011	*Estonia*	Estonia improved access to credit by amending the Code of Enforcement Procedure and allowing out-of-court enforcement of collateral by secured creditors.
DB2011	*Lithuania*	Lithuania's private credit bureau now collects and distributes positive information on borrowers.
DB2012	*Bulgaria*	Bulgaria made access to credit information more difficult by stopping the distribution of credit reports to financial institutions by the private credit bureau (Experian).
DB2012	*Hungary*	Hungary reduced the amount of credit information available from private credit bureaus by shortening the period for retaining data on defaults and late payments (if repaid) from 5 years to 1 year.
DB2012	*Slovak Republic*	The Slovak Republic improved its credit information system by guaranteeing by law the right of borrowers to inspect their own data.
DB2013	*Hungary*	Hungary improved access to credit information by passing its first Credit Bureau Law mandating the creation of a positive database on individuals.
DB2013	*Romania*	Romania strengthened its legal framework for secured transactions by allowing the automatic extension of security interests to the products, proceeds and replacement of collateral.

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 INVESTORS

Investor protections matter for the ability of companies to raise the capital they need to grow, innovate, diversify and compete. If the laws do not provide such protections, investors may be reluctant to invest unless they become the controlling shareholders. Strong regulations clearly define related-party transactions, promote clear and efficient disclosure requirements, require shareholder participation in major decisions of the company and set clear standards of accountability for company insiders.

What do the indicators cover?

Doing Business measures the strength of minority shareholder protections against directors' use of corporate assets for personal gain—or self-dealing. The indicators distinguish 3 dimensions of investor protections: transparency of related-party transactions (extent of disclosure index), liability for self-dealing (extent of director liability index) and shareholders' ability to sue officers and directors for misconduct (ease of shareholder suits index). The ranking on the strength of investor protection index is the simple average of the percentile rankings on these 3 indices. 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 (or at least 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.

The transaction involves the following details:

- Mr. James, a director and the majority shareholder of the company, proposes that the company purchase used trucks from another company he owns.
- The price is higher than the going price for used trucks, but the transaction goes forward.
- All required approvals are obtained, and all required disclosures made, though the transaction is prejudicial to Buyer.
- Shareholders sue the interested parties and the members of the board of directors.

WHAT THE PROTECTING INVESTORS INDICATORS MEASURE

Extent of disclosure index (0–10)

Who can approve related-party transactions

Requirements for external and internal disclosure in case of related-party transactions

Extent of director liability index (0–10)

Ability of shareholders to hold interested parties and members of the approving body liable in case of related-party transactions

Available legal remedies (damages, repayment of profits, fines, imprisonment and rescission of the transaction)

Ability of shareholders to sue directly or derivatively

Ease of shareholder suits index (0–10)

Documents and information available during trial

Access to internal corporate documents (directly or through a government inspector)

Strength of investor protection index (0–10)

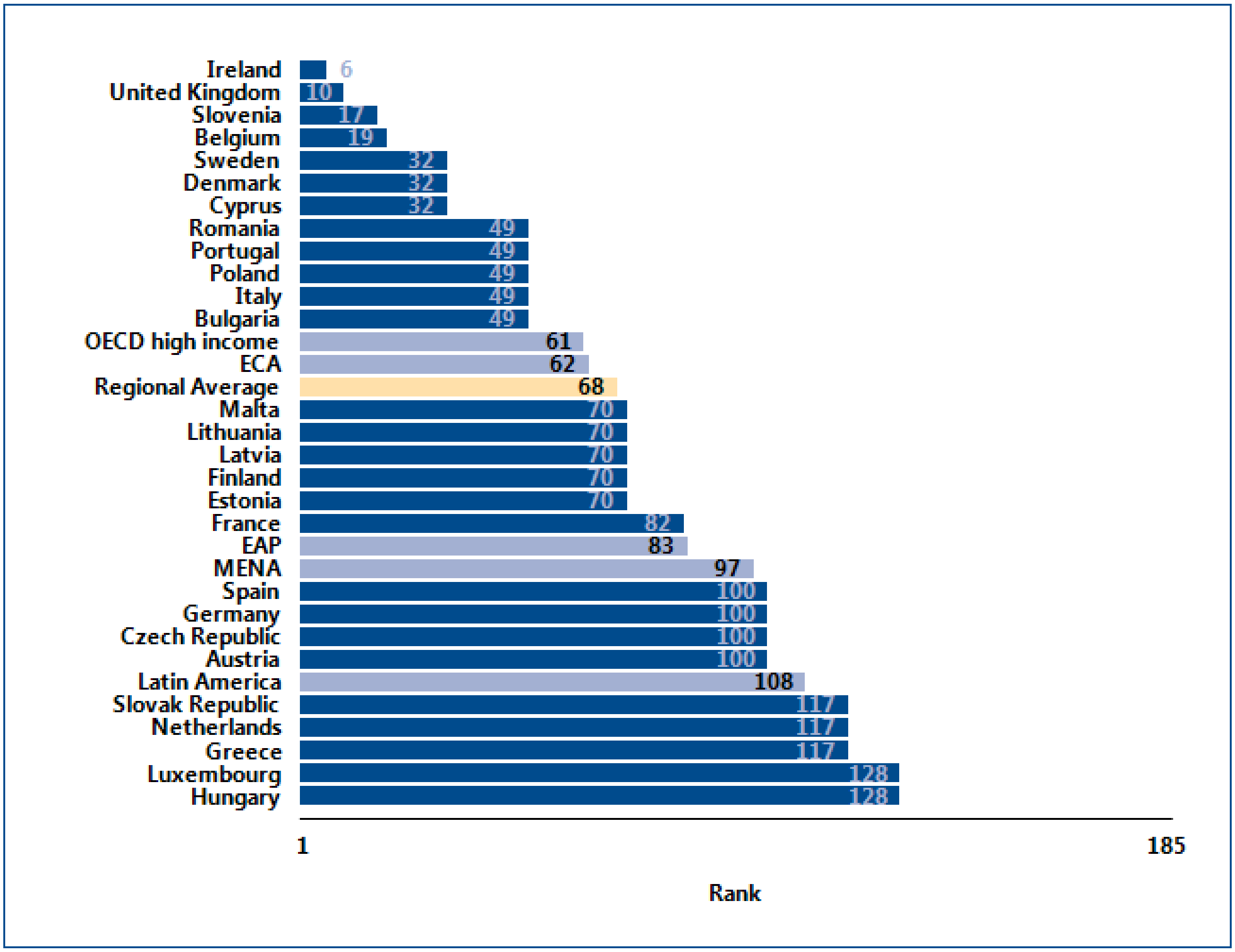
Simple average of the extent of disclosure, extent of director liability and ease of shareholder suits indices

PROTECTING INVESTORS

Where do the region's economies stand today?

How strong are investor protections in economies in the European Union (EU)? 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 the European Union (EU) rank on the strength of investor protection index



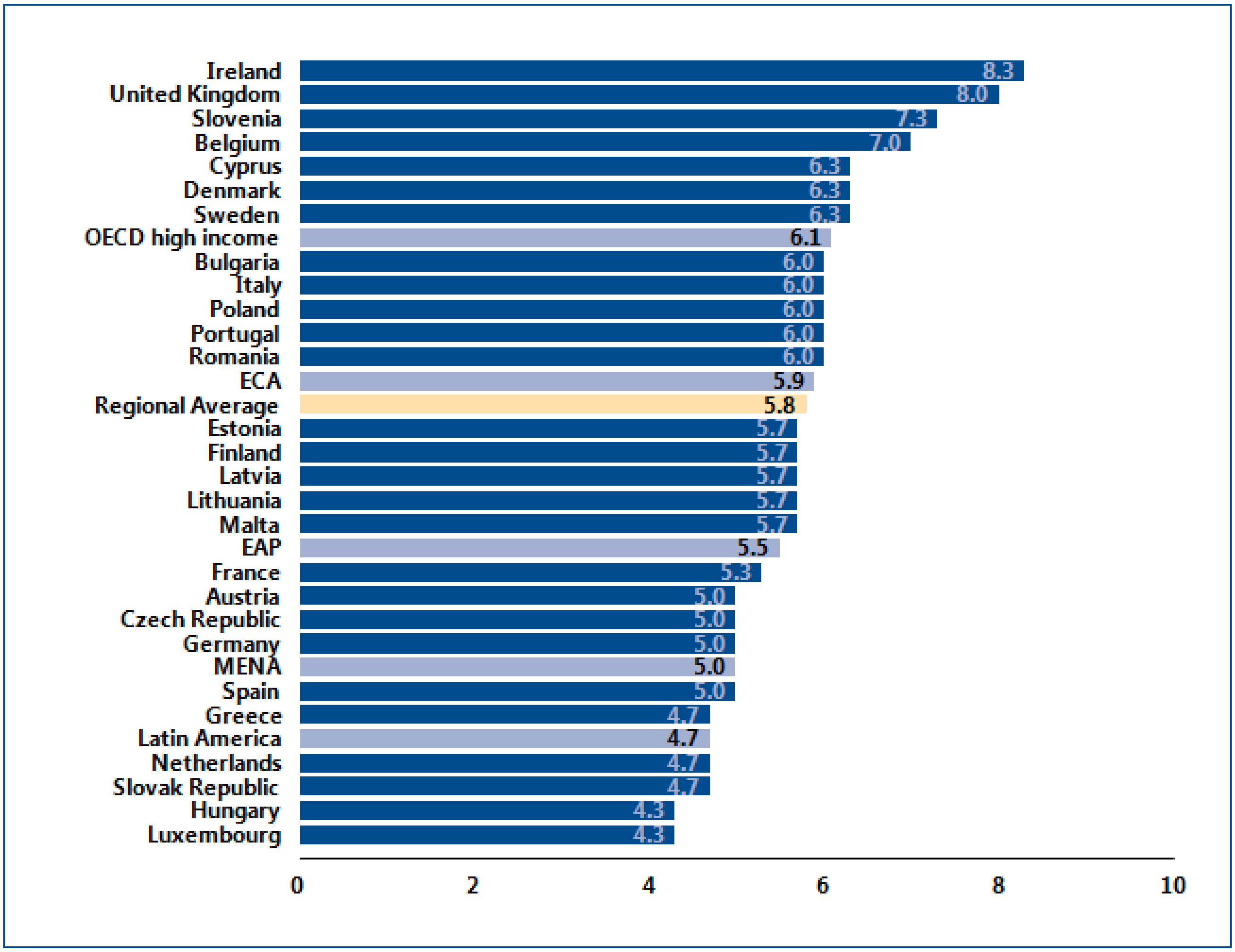
Source: Doing Business database.

PROTECTING INVESTORS

But the overall ranking on the strength of investor protection index tells only part of the story. Economies may offer strong protections in some areas but not others. So the number of economies in the European Union (EU) that have a certain score recorded on the extent of disclosure, extent of director liability and ease of shareholder suits indices may also be revealing (figure 7.2). Higher scores indicate stronger investor protections. Comparing the scores across the region on the strength of investor protection index and with averages both for the region and for comparator regions can provide useful insights.

Figure 7.2 How strong are investor protections in economies in the European Union (EU)?

Strength of investor protection index (0–10)

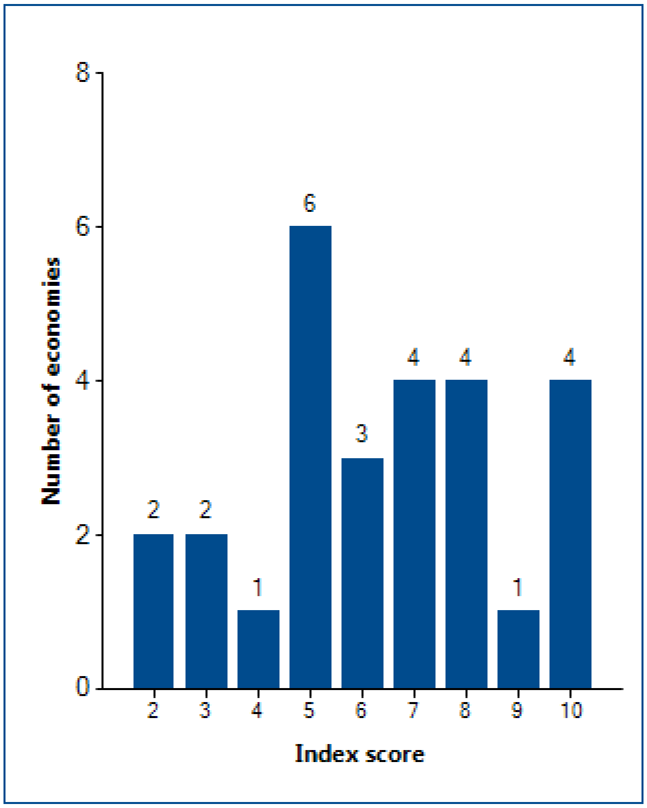


Source: Doing Business database.

PROTECTING INVESTORS

Extent of disclosure index (0–10)

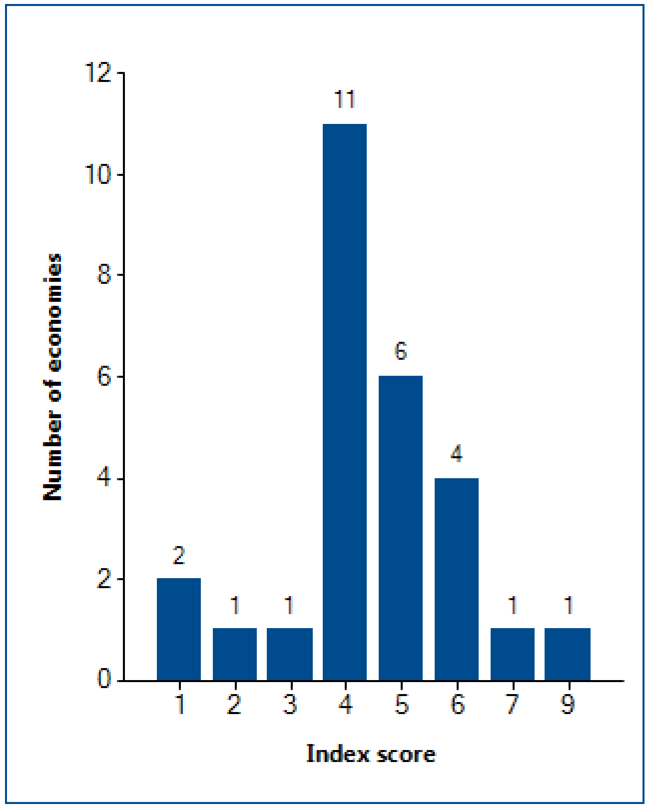
Number of economies in region with each score on extent of disclosure index (0–10)



Note: Higher scores indicate greater disclosure.
Source: Doing Business database.

Extent of director liability index (0–10)

Number of economies in region with each score on extent of director liability index (0–10)

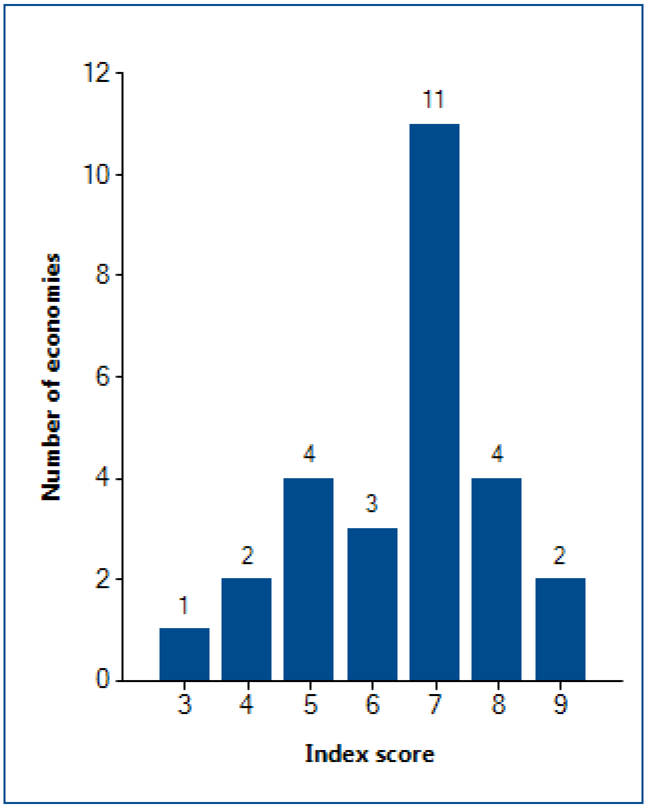


Note: Higher scores indicate greater liability of directors. No economy receives a score of 10 on the extent of director liability index.
Source: Doing Business database.

PROTECTING INVESTORS

Ease of shareholder suits index (0–10)

Number of economies in region with each score on ease of shareholder suits index (0–10)



Note: Higher scores indicate greater powers of shareholders to challenge the transaction.
Source: Doing Business database.

PROTECTING INVESTORS

What are the changes over time?

Economies with the strongest protections of minority investors from self-dealing require more disclosure and define clear duties for directors. They also have well-functioning courts and up-to-date procedural rules that give minority investors the means to prove their case and obtain a judgment within a reasonable time. So reforms to strengthen investor protections may move ahead on different fronts—such as through new or amended company laws or revisions to court procedures. What investor protection reforms has *Doing Business* recorded in the European Union (EU) (table 7.1)?

Table 7.1 How have economies in the European Union (EU) strengthened investor protections—or not?
By *Doing Business* report year

DB year	Economy	Reform
DB2008	*Portugal*	Portugal strengthened investor protections by clarifying the statutory provisions regarding director's duties, by reducing the shareholding threshold in relation to the right of action against directors on behalf of listed companies, and by introducing a business judgment rule statutory provision.
DB2008	*Slovenia*	Slovenia strengthened investor protections by requiring that boards of directors obtain a prior approval from the shareholders before entering into transactions representing 25% or more of the company's assets.
DB2009	*Greece*	Greece strengthened investor protections by reducing the threshold necessary to initiate a derivative suit against directors.
DB2009	*Slovenia*	Slovenia strengthened investor protections by allowing minority investors to initiate suits against directors on behalf of the company in order to defend their rights as shareholders.
DB2011	*Sweden*	Sweden strengthened investor protections by requiring greater corporate disclosure and regulating the approval of transactions between interested parties.
DB2012	*Cyprus*	Cyprus strengthened investor protections by requiring greater corporate disclosure to the board of directors, to the public and in the annual report.
DB2012	*Lithuania*	Lithuania strengthened investor protections by introducing

DB year	Economy	Reform
		greater requirements for corporate disclosure to the public and in the annual report.
DB2013	*Greece*	Greece strengthened investor protections by requiring greater immediate and annual disclosure of material related-party transactions.
DB2013	*Netherlands*	The Netherlands strengthened investor protections through a new law regulating the approval of related-party transactions.
DB2013	*Slovenia*	Slovenia strengthened investor protections through a new law regulating the approval of related-party transactions.

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. They fund the public amenities, infrastructure and services that are crucial for a properly functioning economy. But the level of tax rates needs to be carefully chosen—and needless complexity in tax rules avoided. According to *Doing Business* data, in economies where it is more difficult and costly to pay taxes, larger shares of economic activity end up in the informal sector—where businesses pay no taxes at all.

What do the indicators cover?

Using a case scenario, *Doing Business* measures the taxes and mandatory contributions that a medium-size company must pay in a given year as well as the administrative burden of paying taxes and contributions. 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 as well as time taken to comply with tax laws. The ranking on the ease of paying taxes is the simple average of the percentile rankings on its component indicators: number of annual payments, time and total tax rate, with a threshold being applied to the total tax rate.[1] To make the data comparable across economies, several assumptions about the business and the taxes and contributions are used.

- TaxpayerCo is a medium-size business that started operations on January 1, 2010.
- 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.

WHAT THE PAYING TAXES INDICATORS MEASURE

Tax payments for a manufacturing company in 2011 (number per year adjusted for electronic or 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)

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

- 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.

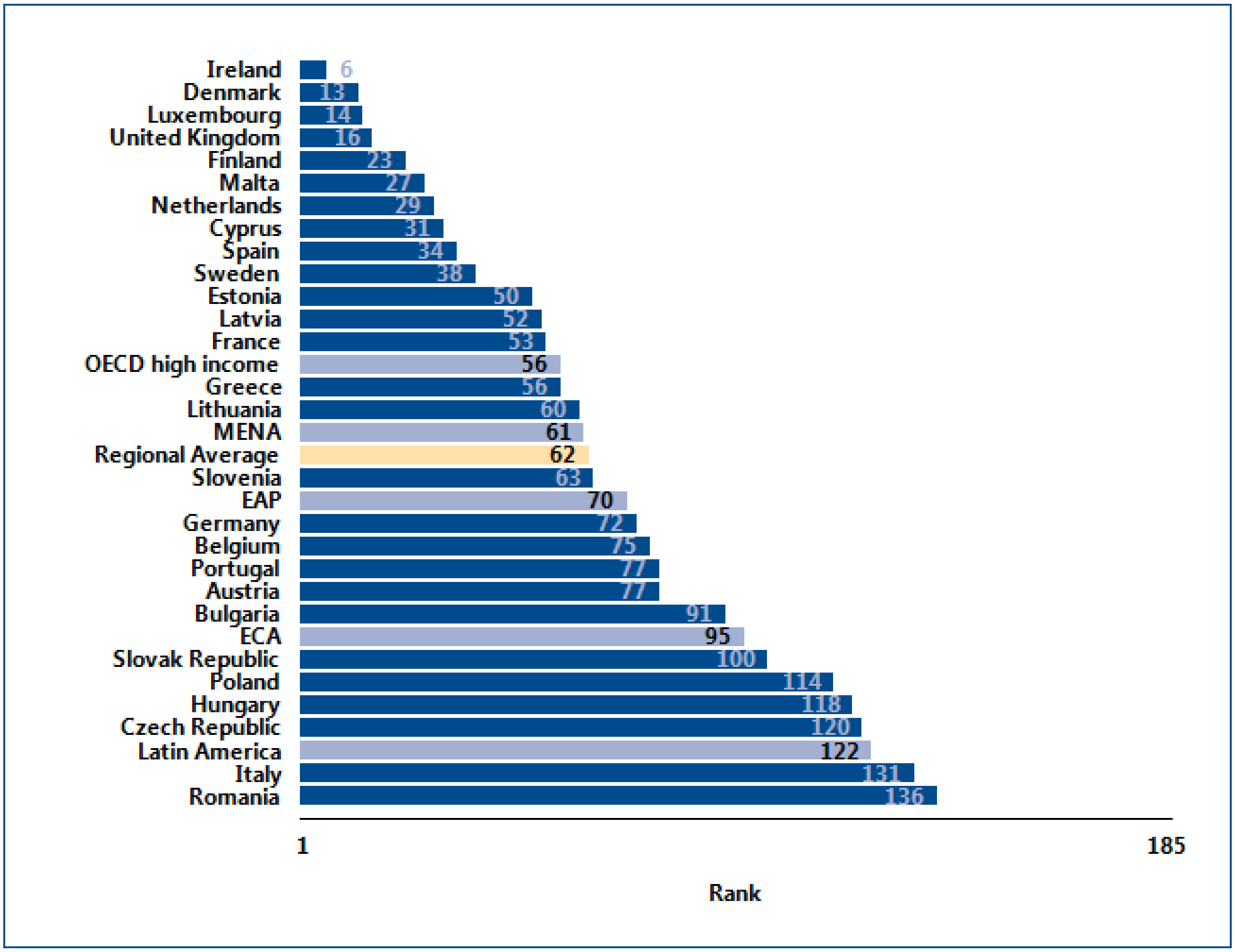
[1] The threshold is defined as the highest total tax rate among the top 15% of economies in the ranking on the total tax rate. It is calculated and adjusted on a yearly basis. The threshold is not based on any economic theory of an "optimal tax rate" that minimizes distortions or maximizes efficiency in the tax system of an economy overall. Instead, it is mainly empirical in nature, set at the lower end of the distribution of tax rates levied on medium-size enterprises in the manufacturing sector as observed through the paying taxes indicators. This reduces the bias in the indicators 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). This year's threshold is 25.7%.

PAYING TAXES

Where do the region's economies stand today?

What is the administrative burden of complying with taxes in economies in the European Union (EU)—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 and comparator regions provide a useful benchmark.

Figure 8.1 How economies in the European Union (EU) rank on the ease of paying taxes



Note: DB2013 rankings reflect changes to the methodology. For all economies with a total tax rate below the threshold of 25.7% applied in DB2013, the total tax rate is set at 25.7% for the purpose of calculating the ranking on the ease of paying taxes.

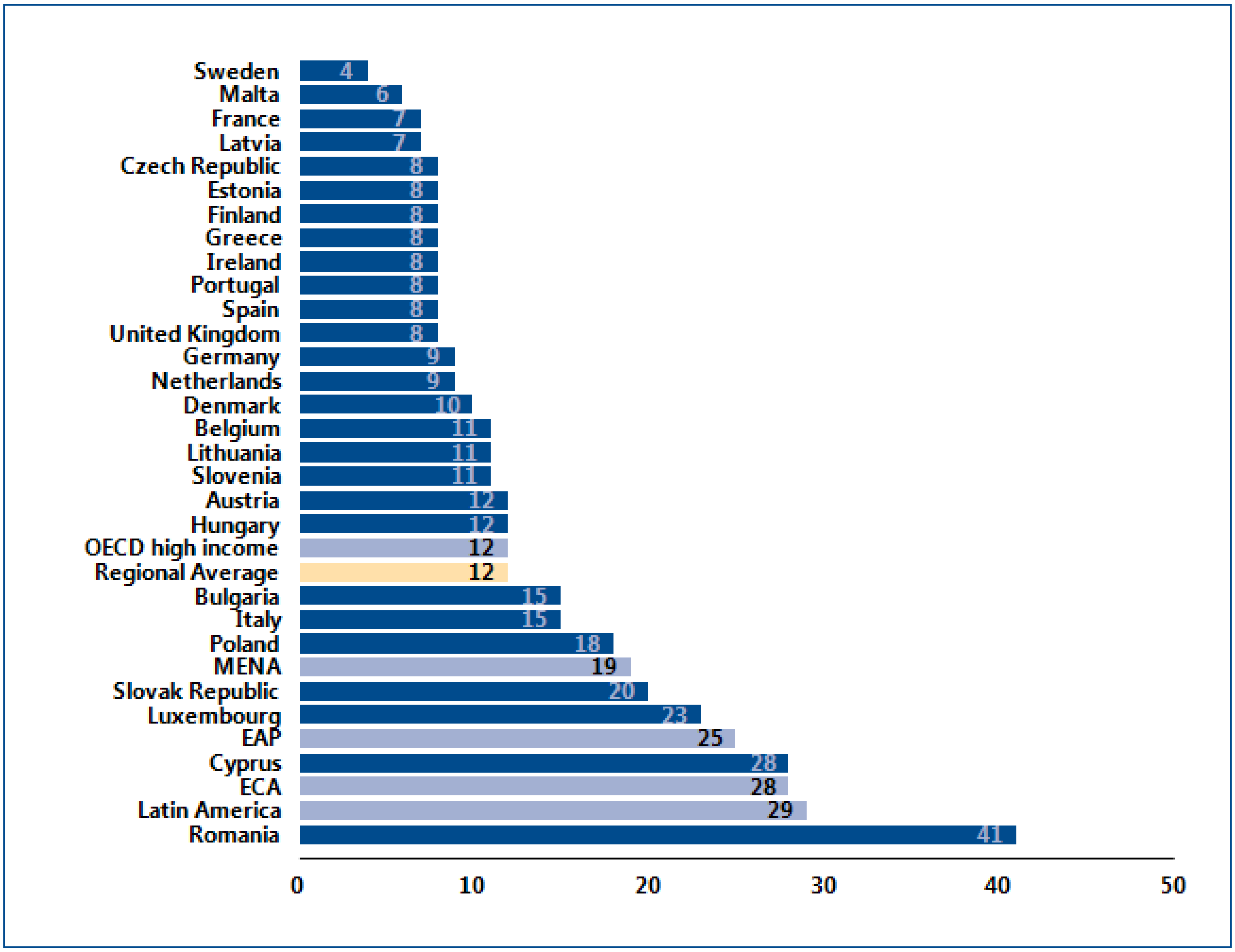
Source: Doing Business database.

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 taxes—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.

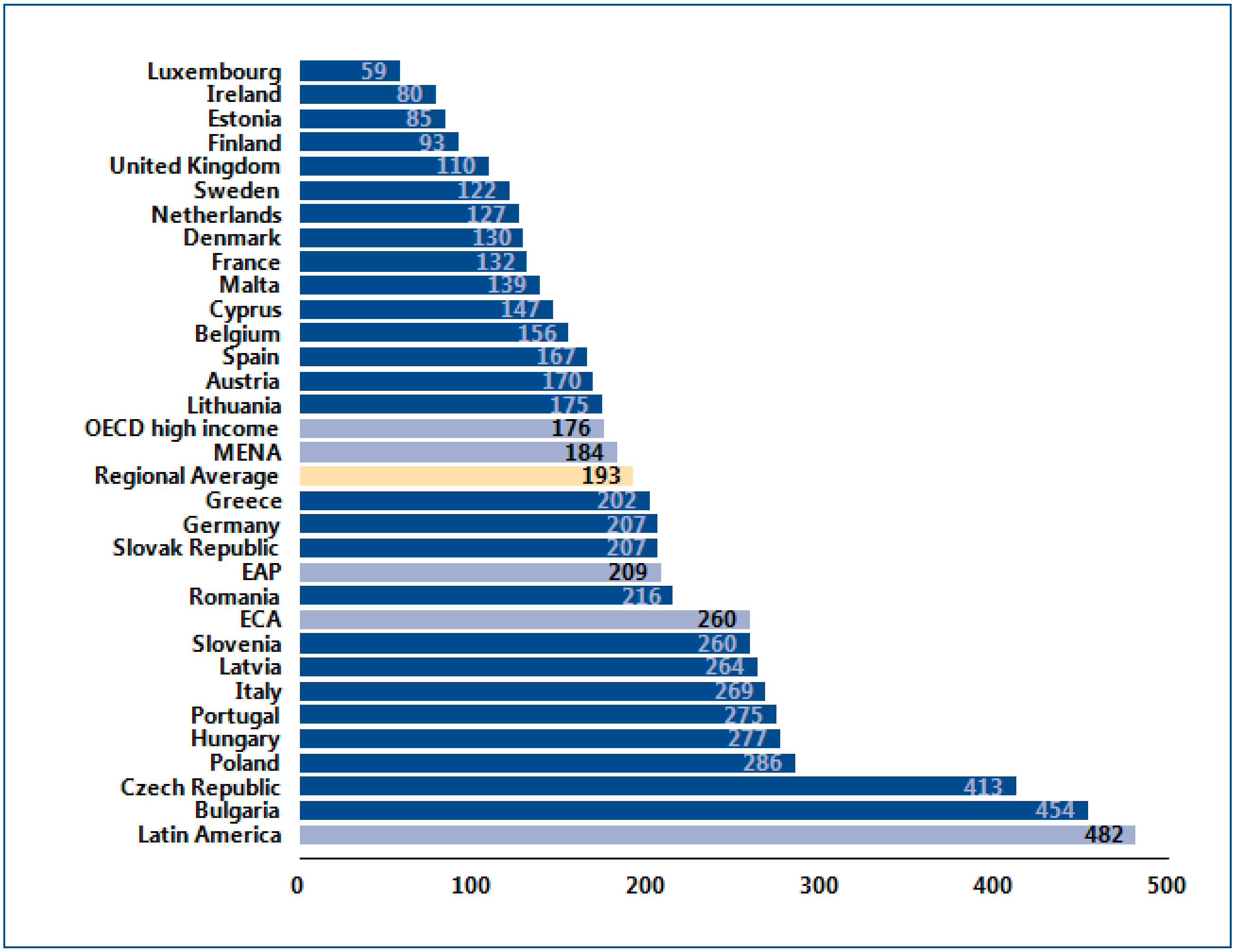
Figure 8.2 How easy is it to pay taxes in economies in the European Union (EU)—and what are the total tax rates?

Payments (number per year)



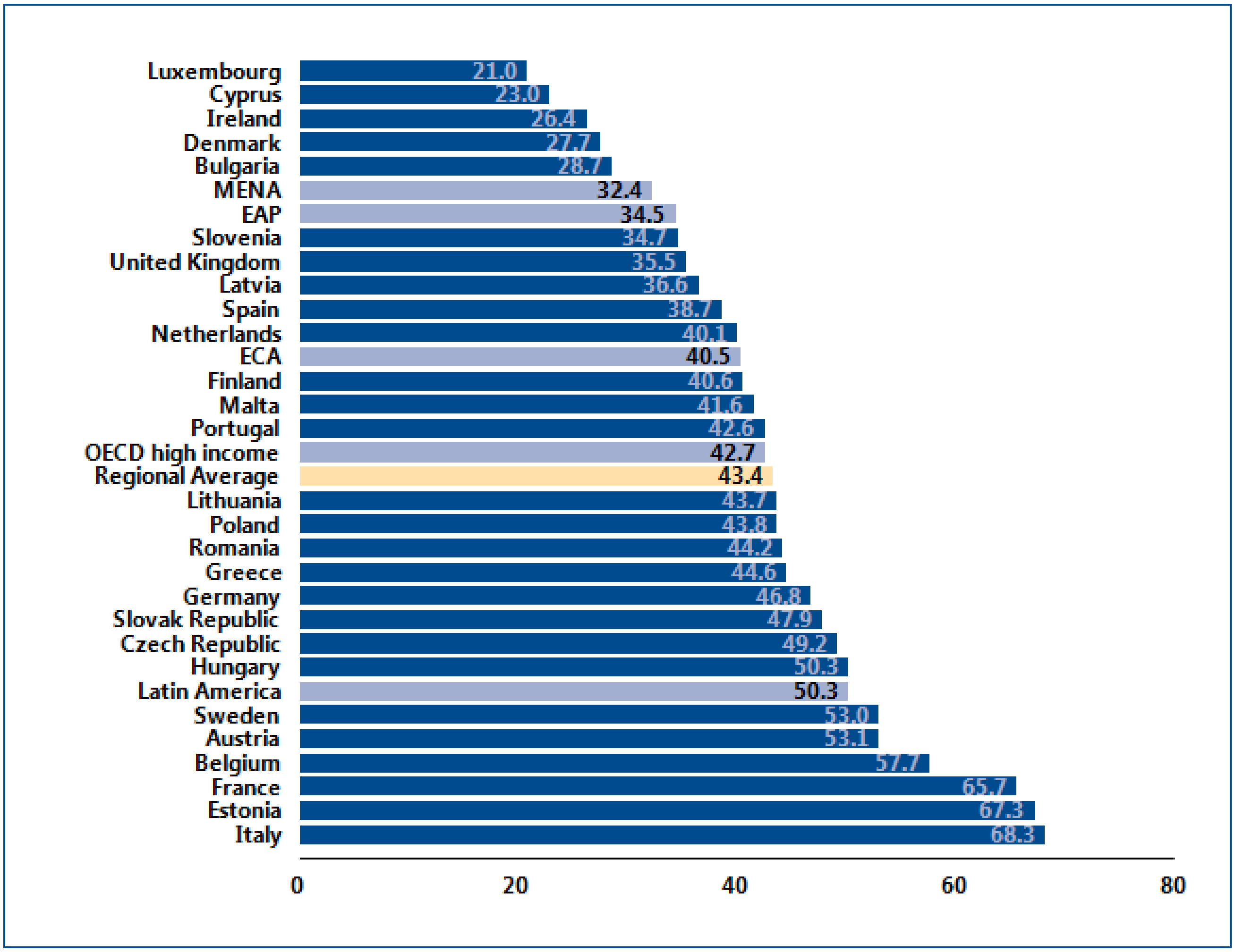
PAYING TAXES

Time (hours per year)



PAYING TAXES

Total tax rate (% of profit)



Source: Doing Business database.

PAYING TAXES

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 tax payment and reducing rates have seen tax revenue rise. What tax reforms has *Doing Business* recorded in the European Union (EU) (table 8.1)?

Table 8.1 How have economies in the European Union (EU) made paying taxes easier—or not?
By *Doing Business* report year

DB year	Economy	Reform
DB2008	*Bulgaria*	Bulgaria reduced the tax burden for companies by reducing the corporate income tax rate and the social security contribution and eased the system of tax payment through the diffusion of e-filing and e-payment
DB2008	*Greece*	Greece reduced the tax burden for companies by reducing the corporate income tax rate
DB2008	*Hungary*	Hungary made it more costly for company to pay taxes by increasing the health insurance contribution rate.
DB2008	*Netherlands*	Netherlands reduced the tax burden for companies by reducing the corporate income tax rate, social security contribution rates and the rates of several other taxes.
DB2008	*Portugal*	Portugal reduced the tax burden for companies by reducing the corporate income tax rate.
DB2008	*Romania*	Romania reduced the tax burden for companies by reducing social security contributions rate.
DB2008	*Slovenia*	Slovenia reduced the tax burden for companies by reducing payroll rate.
DB2008	*Spain*	Spain made it less costlier to pay taxes for companies, by reducing CIT rates.
DB2009	*Bulgaria*	New Corporate Income Tax and Value Added Tax Acts were introduced. Additional annual VAT return abolished. Employer share of social security reduced by 5%.

DB year	Economy	Reform
DB2009	*Czech Republic*	Corporate income tax rate was reduced from 24% to 21% in 2008 (and 20% in 2009 and 19% in 2010).
DB2009	*Denmark*	Corporate income tax was reduced from 28 % to 25 % effective January 1, 2007.
DB2009	*France*	Update in salary ceilings changed the effective rates for social security and payroll taxes. Electronic filing became mandatory for social security contributions, effective January 1, 2007 for companies which are liable for more than 800,000 EUR in social security contributions
DB2009	*Germany*	Effective January 1, 2008, the rate of corporate income tax will decrease from 25% to 15%. Trade tax will reduce to between 11% and 17%, the exact tax rate depending on the corresponding municipality. Straight-line depreciation introduced for fixed assets and low-value asset write-offs introduced (€410 threshold).
DB2009	*Greece*	Electronic systems were introduced for social security tax.
DB2009	*Italy*	Effective 2008, the IRES rate has been reduced from 33% to 27.5%, and the IRAP rate has been reduced from 4.25% percent to 3.9%.
DB2009	*Romania*	Romania reduced the corporate income tax rate from 25% to a flat rate of 16%. At the same time, mandatory accounting books were introduced leading to an increase in the time to comply with taxes.
DB2010	*Belgium*	Belgium is improving the tax payment process and administration by mandating electronic filing for medium sized businesses.
DB2010	*Czech Republic*	The Czech Republic has made paying taxes easier with mandatory electronic filing for all taxes, a single tax institution and unified filing.
DB2010	*Finland*	Finland has made it easier to pay taxes with electronic filing and has reduced the burden on business and the cost of employment by cutting labor taxes.

DB year	Economy	Reform
DB2010	*Lithuania*	Lithuania has increased the tax burden on business by raising corporate income tax from 15% to 20%.
DB2010	*Poland*	Poland eased the tax burden on business by decreasing its social security rates, as well as simplifying its VAT law.
DB2010	*Romania*	Romania has added to the tax burden on businesses by increasing labor taxes.
DB2010	*Spain*	Spain relieved the tax burden on business by reducing the corporate income tax rate from 32.5% to 30% and with efficiency gains due to the electronic filing and payment system.
DB2011	*Bulgaria*	Bulgaria reduced employer contribution rates for social security.
DB2011	*Czech Republic*	The Czech Republic simplified its labor tax processes and reduced employer contribution rates for social security.
DB2011	*Estonia*	Estonia increased the unemployment insurance contribution rate.
DB2011	*Hungary*	Hungary simplified taxes and tax bases.
DB2011	*Lithuania*	Lithuania reduced corporate tax rates.
DB2011	*Netherlands*	The Netherlands reduced the frequency of filing and paying value added taxes from monthly to quarterly and allowed small entities to use their annual accounts as the basis for computing their corporate income tax.
DB2011	*Portugal*	Portugal introduced a new social security code and lowered corporate tax rates.
DB2011	*Romania*	Romania introduced tax changes, including a new minimum tax on profit, that made paying taxes more costly for companies.
DB2011	*Slovenia*	Slovenia abolished its payroll tax and reduced its corporate income tax rate.

DB year	Economy	Reform
DB2011	*Sweden*	Sweden reduced profit and payroll tax rates
DB2012	*Czech Republic*	The Czech Republic revised its tax legislation to simplify provisions relating to administrative procedures and relationships between tax authorities and taxpayers.
DB2012	*Estonia*	In Estonia a municipal sales tax introduced in Tallinn made paying taxes costlier for firms, though a later parliamentary measure abolished local sales taxes effective January 1, 2012.
DB2012	*Finland*	Finland simplified reporting and payment for the value added tax and labor tax.
DB2012	*Greece*	Greece reduced its corporate income tax rate.
DB2012	*Hungary*	Hungary made paying taxes costlier for firms by introducing a sector-specific surtax
DB2012	*Romania*	Romania made paying taxes easier for companies by introducing an electronic payment system and a unified return for social security contributions. It also abolished the annual minimum tax.
DB2013	*Cyprus*	Cyprus made paying taxes more costly for companies by increasing the special defense contribution rate on interest income and introducing a private sector special contribution and a fixed annual fee for companies registered in Cyprus. At the same time, it simplified tax compliance by introducing electronic filing for corporate income tax.
DB2013	*Czech Republic*	The Czech Republic made paying taxes faster for companies by promoting the use of electronic facilities.
DB2013	*Germany*	Germany made paying taxes more convenient for companies by canceling ELENA procedures and implementing electronic filing and payment system for most taxes.
DB2013	*Hungary*	Hungary made paying taxes easier for companies by abolishing the community tax.
DB2013	*Poland*	Poland made paying taxes easier for companies by promoting the use of electronic filing and payment systems—though it

DB year	**Economy**	**Reform**
		also made paying taxes more costly by increasing social security contributions.
DB2013	*Slovak Republic*	The Slovak Republic made paying taxes easier for companies by implementing electronic filing and payment of social security and health insurance contributions.
DB2013	*Slovenia*	Slovenia made paying taxes easier and less costly for companies by implementing electronic filing and payment of social security contributions and by reducing the corporate income tax rate.
DB2013	*United Kingdom*	The United Kingdom made paying taxes less costly for companies by reducing the corporate income tax rate.

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.

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. Research shows that exporters in developing countries gain more from a 10% drop in their trading costs than from a similar reduction in the tariffs applied to their products in global markets.

What do the indicators cover?

Doing Business measures the time and cost (excluding tariffs and the time and cost for sea transport) associated with exporting and importing a standard shipment of goods by sea transport, and the number of documents necessary to complete the transaction. The indicators cover procedural requirements such as documentation requirements and procedures at customs and other regulatory agencies as well as at the port. They also cover trade logistics, including the time and cost of inland transport to the largest business city. The ranking on the ease of trading across borders is the simple average of the percentile rankings on its component indicators: documents, time and cost to export and import.

To make the data comparable across economies, *Doing Business* uses several assumptions about the business and the traded goods.

The business:

- Is of medium size and employs 60 people.
- Is located in the periurban area of the economy's largest business city.
- Is a private, limited liability company, domestically owned, formally registered and operating under commercial laws and regulations of the economy.

The traded goods:

- Are not hazardous nor do they include military items.
- Do not require refrigeration or any other special environment.
- Do not require any special phytosanitary or environmental safety standards other than accepted international standards.
- Are one of the economy's leading export or import products.
- Are transported in a dry-cargo, 20-foot full container load.

WHAT THE TRADING ACROSS BORDERS INDICATORS MEASURE

Documents required to export and import (number)

Bank documents

Customs clearance documents

Port and terminal handling documents

Transport documents

Time required to export and import (days)

Obtaining, filling out and submitting all the documents

Inland transport and handling

Customs clearance and inspections

Port and terminal handling

Does not include sea transport time

Cost required to export and import (US$ per container)

All documentation

Inland transport and handling

Customs clearance and inspections

Port and terminal handling

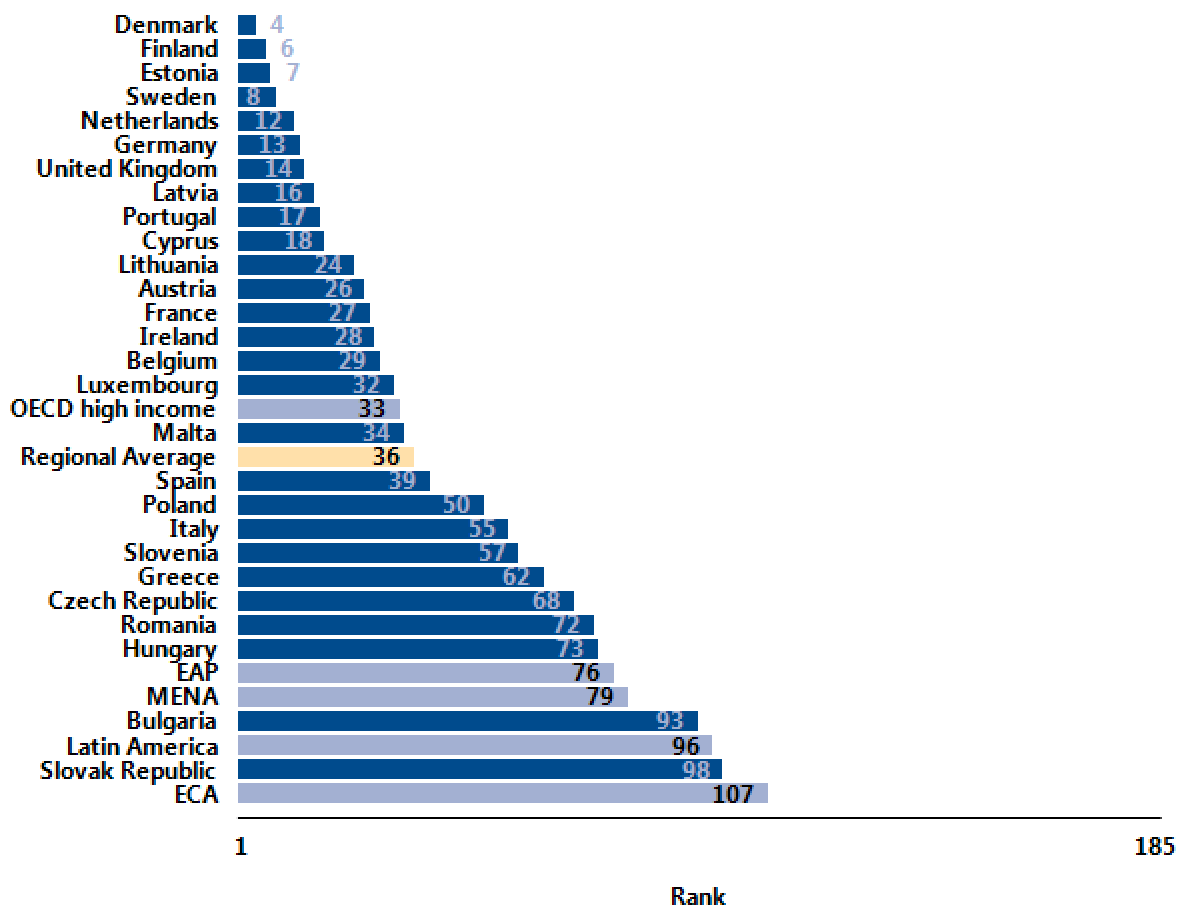
Official costs only, no bribes

TRADING ACROSS BORDERS

Where do the region's economies stand today?

How easy it is for businesses in economies in the European Union (EU) 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 the European Union (EU) rank on the ease of trading across borders



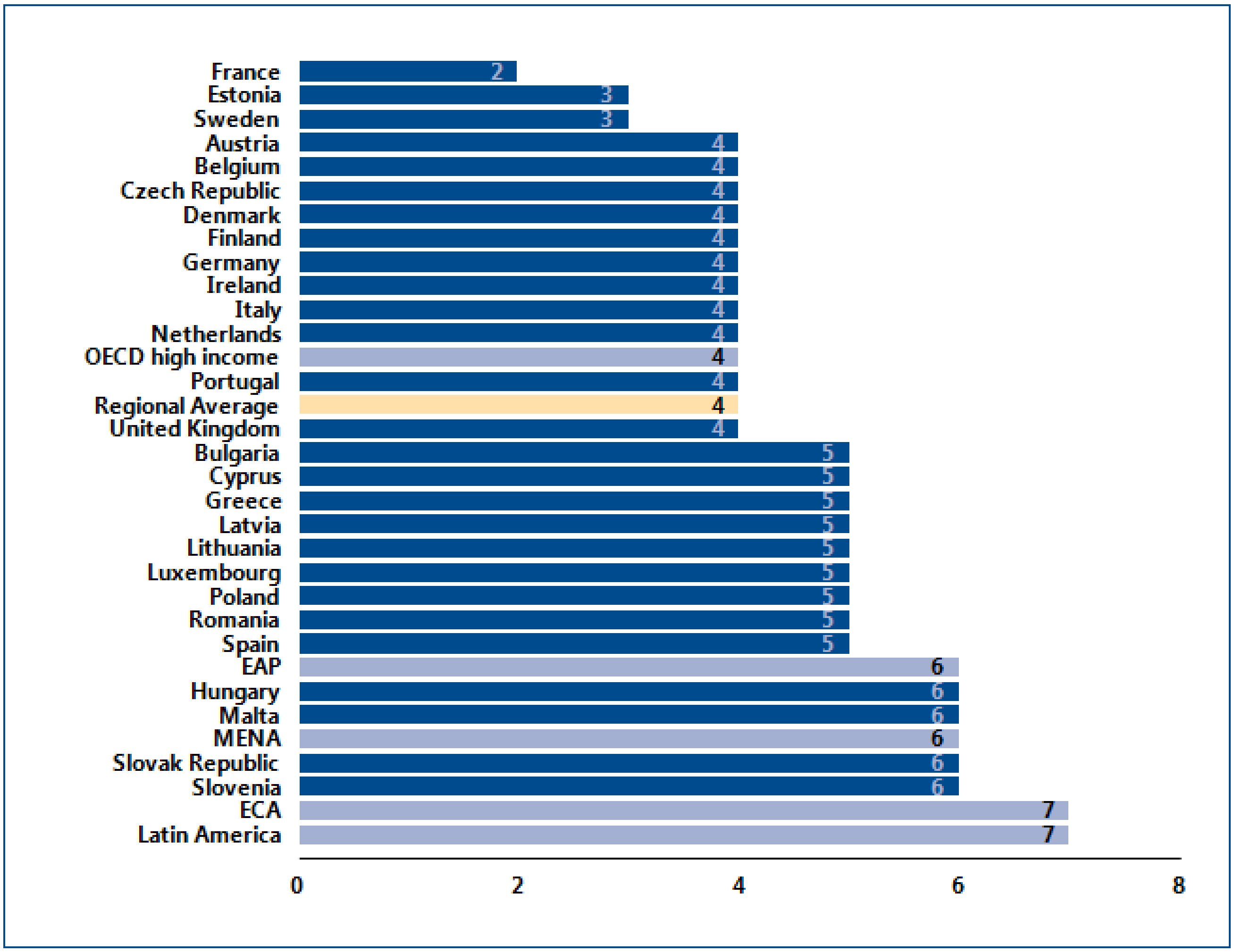
Source: Doing Business database.

TRADING ACROSS BORDERS

The indicators underlying the rankings may be more revealing. Data collected by *Doing Business* show what it takes to export or import a standard container of goods in each economy in the region: the number of documents, the time and the cost (figure 9.2). Comparing these indicators across the region and with averages both for the region and for comparator regions can provide useful insights.

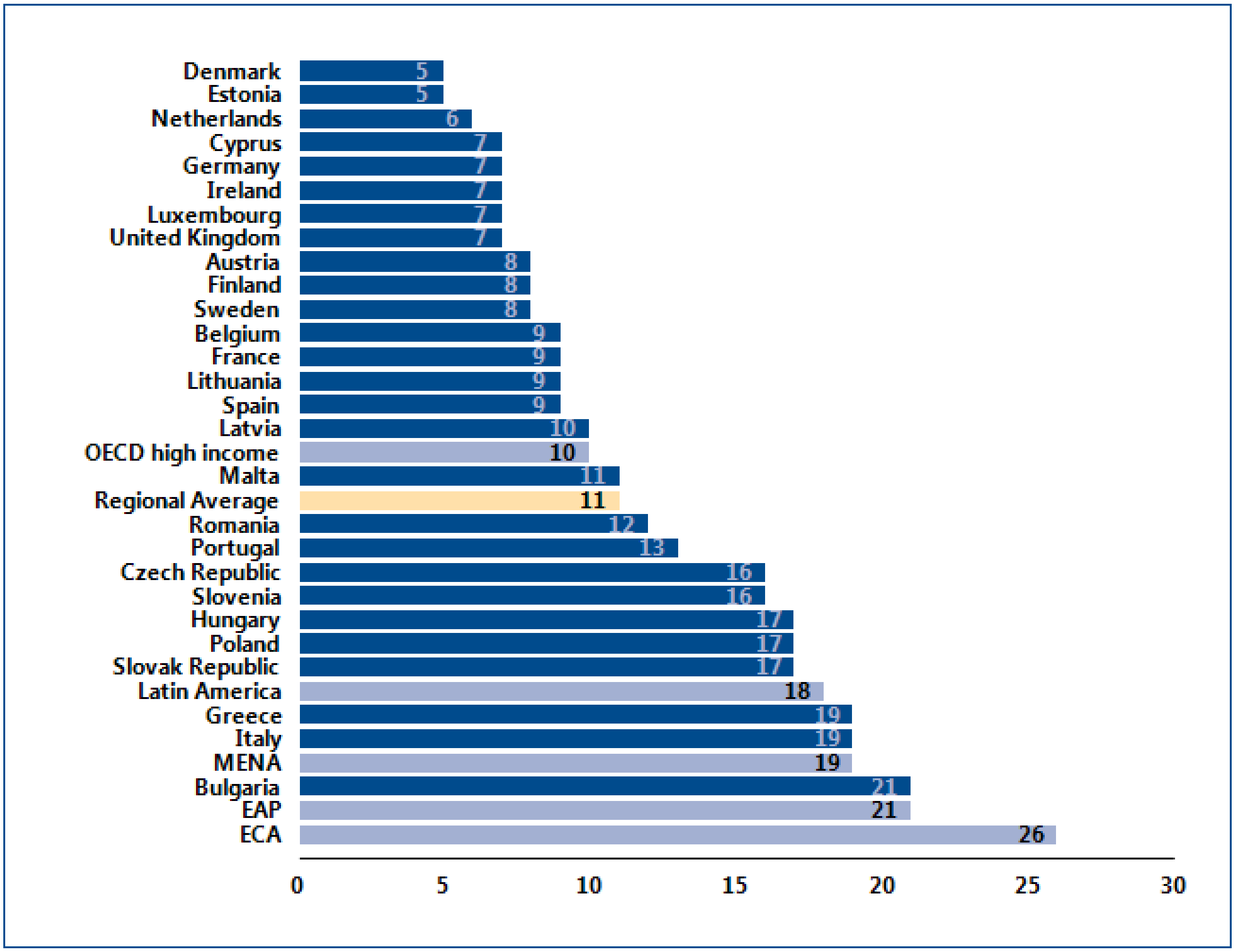
Figure 9.2 What it takes to trade across borders in economies in the European Union (EU)

Documents to export (number)



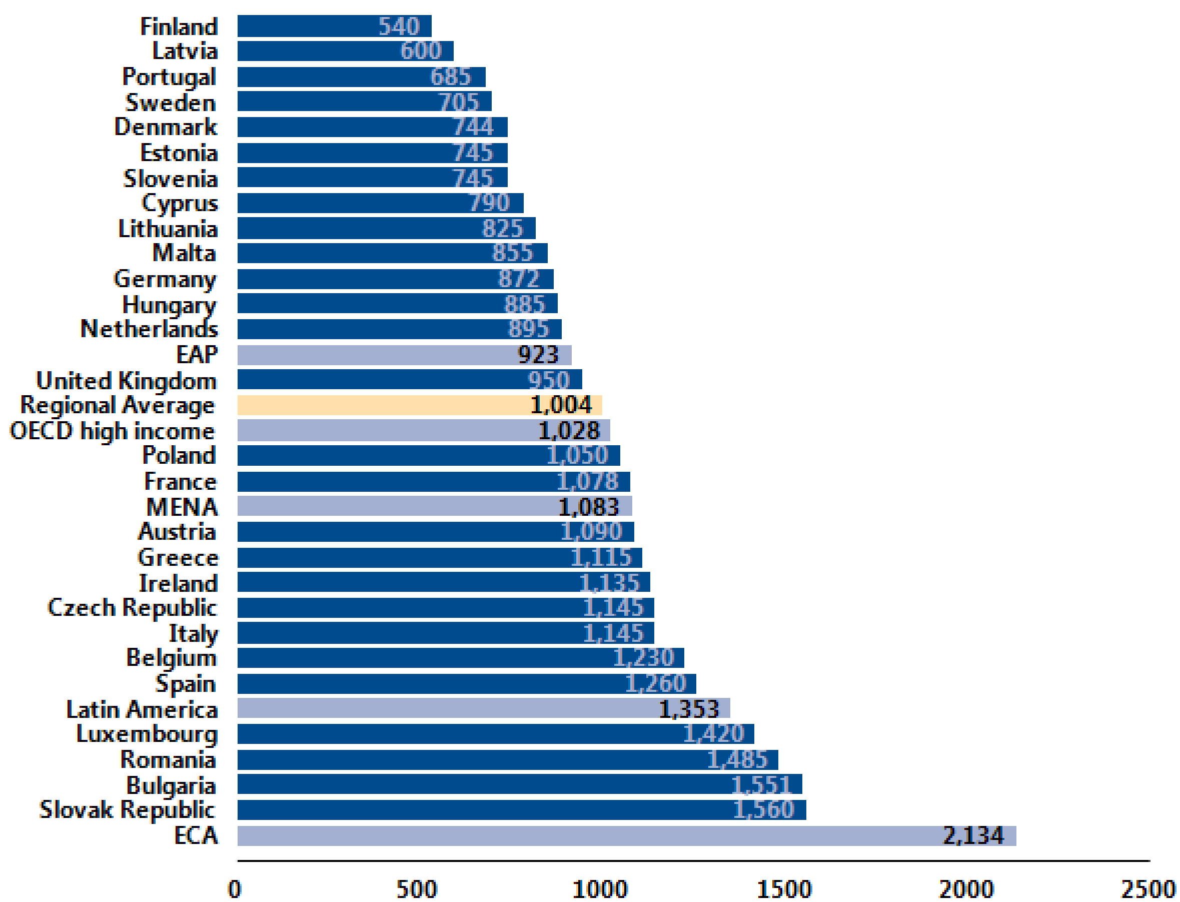
TRADING ACROSS BORDERS

Time to export (days)



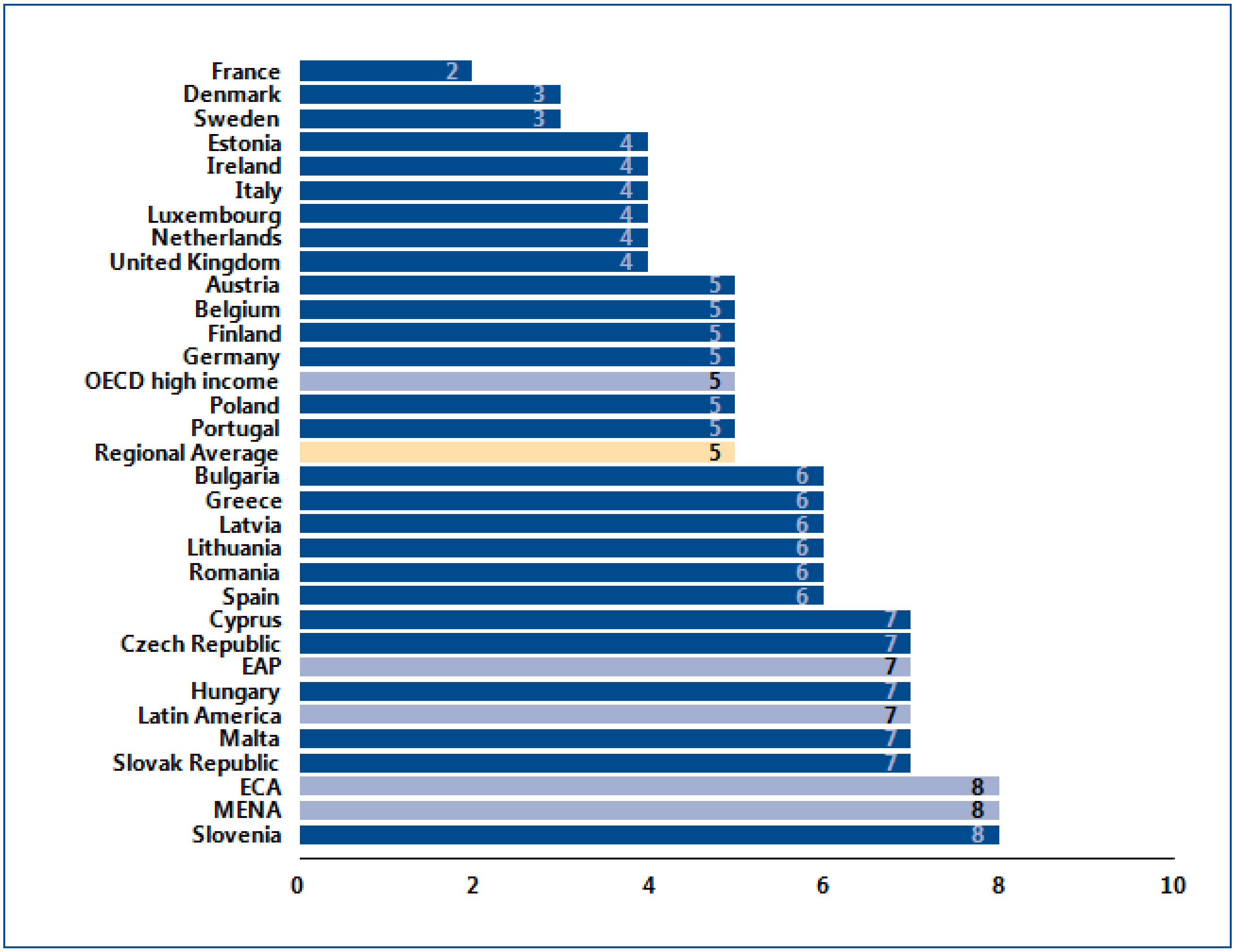
TRADING ACROSS BORDERS

Cost to export (US$ per container)



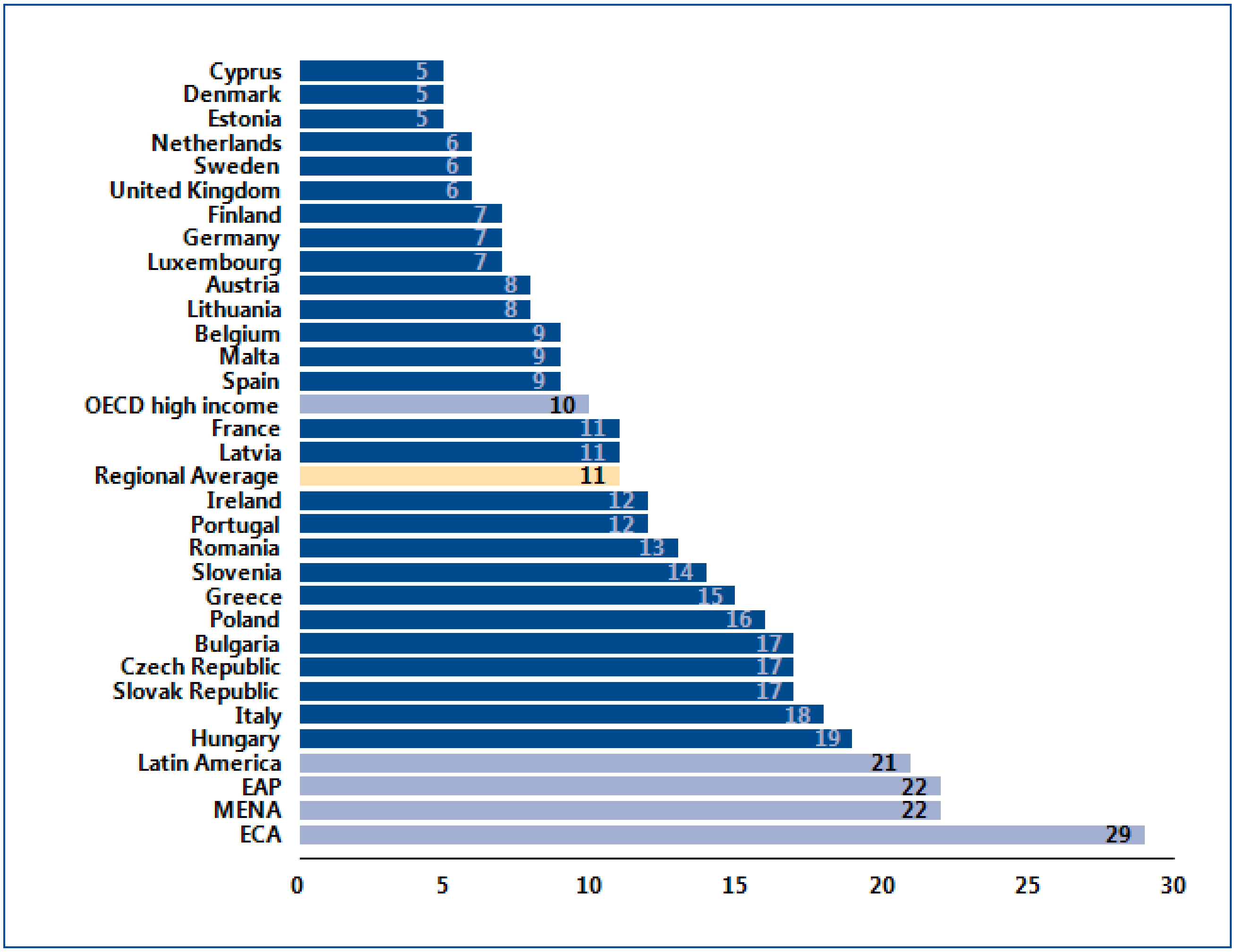
TRADING ACROSS BORDERS

Documents to import (number)



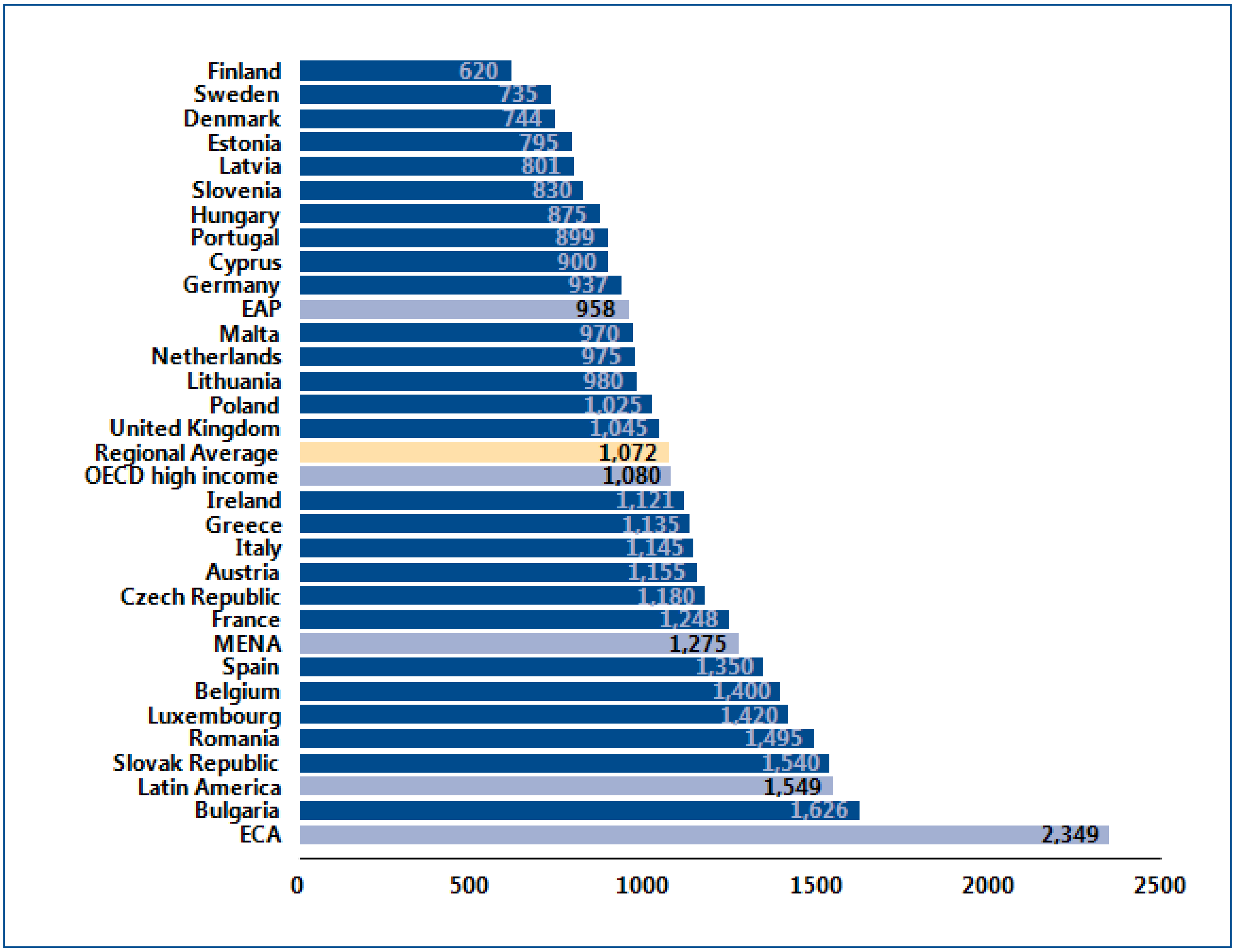
TRADING ACROSS BORDERS

Time to import (days)



TRADING ACROSS BORDERS

Cost to import (US$ per container)



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 the European Union (EU) (table 9.1)?

Table 9.1 How have economies in the European Union (EU) made trading across borders easier—or not?
By *Doing Business* report year

DB year	Economy	Reform
DB2008	*Austria*	Austria eased trade by introducing an electronic customs clearance system on January 1, 2007 and application of a risk management system.
DB2009	*France*	France speeded up and simplified its customs clearance procedures by introducing an electronic customs declaration and eliminating the need to submit certain documents.
DB2010	*Portugal*	Customs continuous staff training and improvement of its procedures has reduced their clearance time.
DB2010	*Slovak Republic*	The Slovak Republic has sped trading times with an electronic system for customs administration.
DB2011	*Latvia*	Latvia reduced the time to export and import by introducing electronic submission of customs declarations.
DB2011	*Lithuania*	Lithuania reduced the time to import by introducing, in compliance with EU law, an electronic system for submitting customs declarations.
DB2011	*Spain*	Spain streamlined the documentation for imports by including tax-related information on its single administrative document.
DB2012	*Belgium*	Belgium made trading across borders faster by improving its risk-based profiling system for imports.
DB2012	*Bulgaria*	Bulgaria made trading across borders faster by introducing

DB year	Economy	Reform
		online submission of customs declaration forms.
DB2012	*Poland*	Poland made trading across borders faster by implementing electronic preparation and submission of customs documents.
DB2012	*Slovenia*	Slovenia made trading across borders faster by introducing online submission of customs declaration forms.
DB2013	*Czech Republic*	The Czech Republic reduced the time to export and import by allowing electronic submission of customs declarations and other documents.
DB2013	*Hungary*	Hungary reduced the time to export and import by allowing electronic submission of customs declarations and other documents.
DB2013	*Netherlands*	The Netherlands made importing easier by introducing a new web-based system for cargo release at the port terminals in Rotterdam.
DB2013	*Portugal*	Portugal made trading across borders easier by implementing an electronic single window for port procedures.
DB2013	*Spain*	Spain reduced the time to import by further expanding the use of electronic submission of customs declarations and improving the sharing of information among customs and other agencies.

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

Well-functioning courts help businesses expand their network and markets. Without effective contract enforcement, people might well do business only with family, friends and others with whom they have established relationships. Where contract enforcement is efficient, firms are more likely to engage with new borrowers or customers, and they have greater access to credit.

What do the indicators cover?

Doing Business measures the efficiency of the judicial system in resolving a commercial dispute before local courts. Following the step-by-step evolution of a standardized case study, it collects data relating to the time, cost and procedural complexity of resolving a commercial lawsuit. The ranking on the ease of enforcing contracts is the simple average of the percentile rankings on its component indicators: procedures, time and cost.

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 seller and buyer are located in the economy's largest business city.
- The buyer orders custom-made goods, then fails to pay.
- The seller sues the buyer before a competent court.
- The value of the claim is 200% of income per capita.
- The seller requests a pretrial attachment to secure the claim.
- The dispute on the quality of the goods requires an expert opinion.
- The judge decides in favor of the seller; there is no appeal.
- The seller enforces the judgment through a public sale of the buyer's movable assets.

WHAT THE ENFORCING CONTRACTS INDICATORS MEASURE

Procedures to enforce a contract through the courts (number)

Any interaction between the parties in a commercial dispute, or between them and the judge or court officer

Steps to file and serve the case

Steps for trial and judgment

Steps to enforce the judgment

Time required to complete procedures (calendar days)

Time to file and serve the case

Time for trial and obtaining judgment

Time to enforce the judgment

Cost required to complete procedures (% of claim)

No bribes

Average attorney fees

Court costs

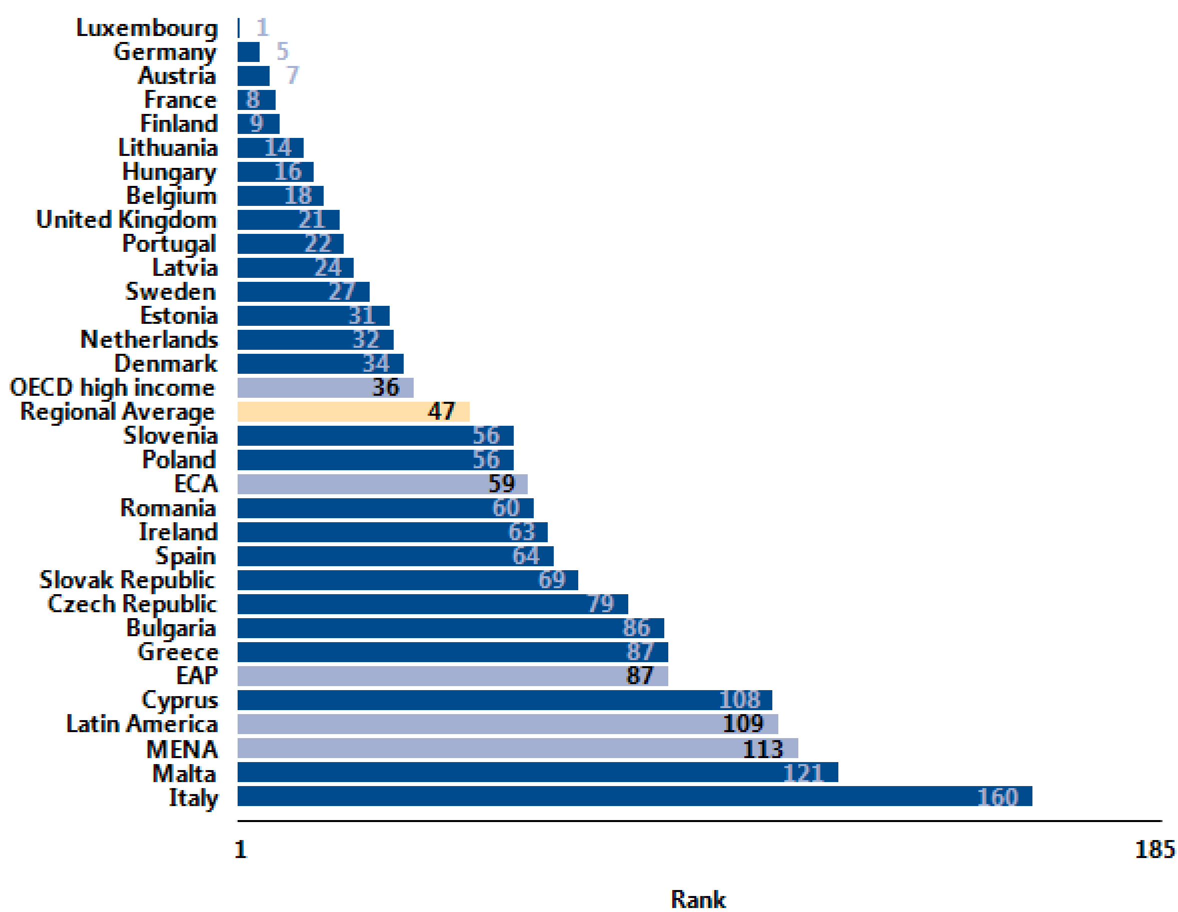
Enforcement costs

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 the European Union (EU)? 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 the European Union (EU) rank on the ease of enforcing contracts



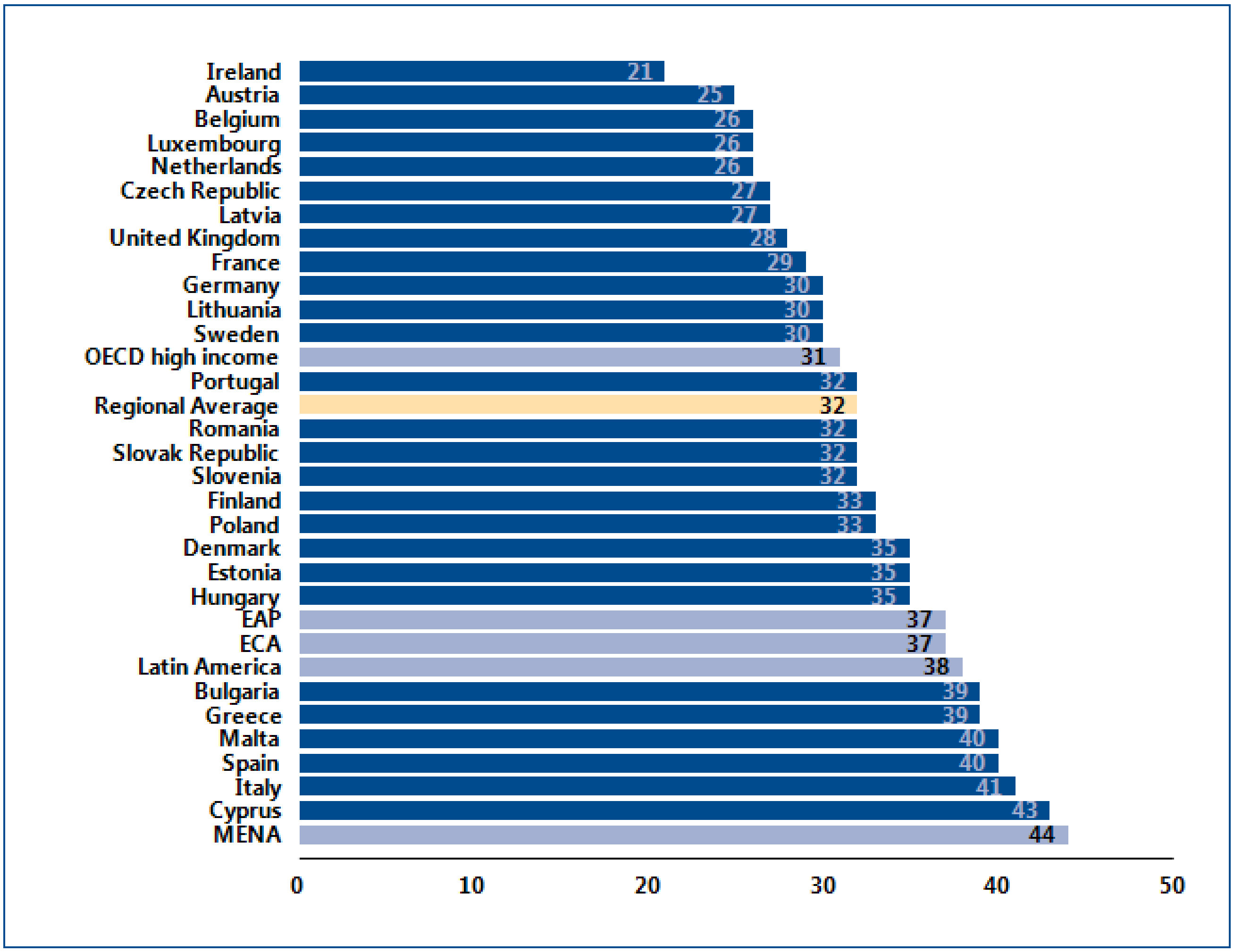
Source: Doing Business database.

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 number of procedures, the time and the cost (figure 10.2). Comparing these indicators across the region and with averages both for the region and for comparator regions can provide useful insights.

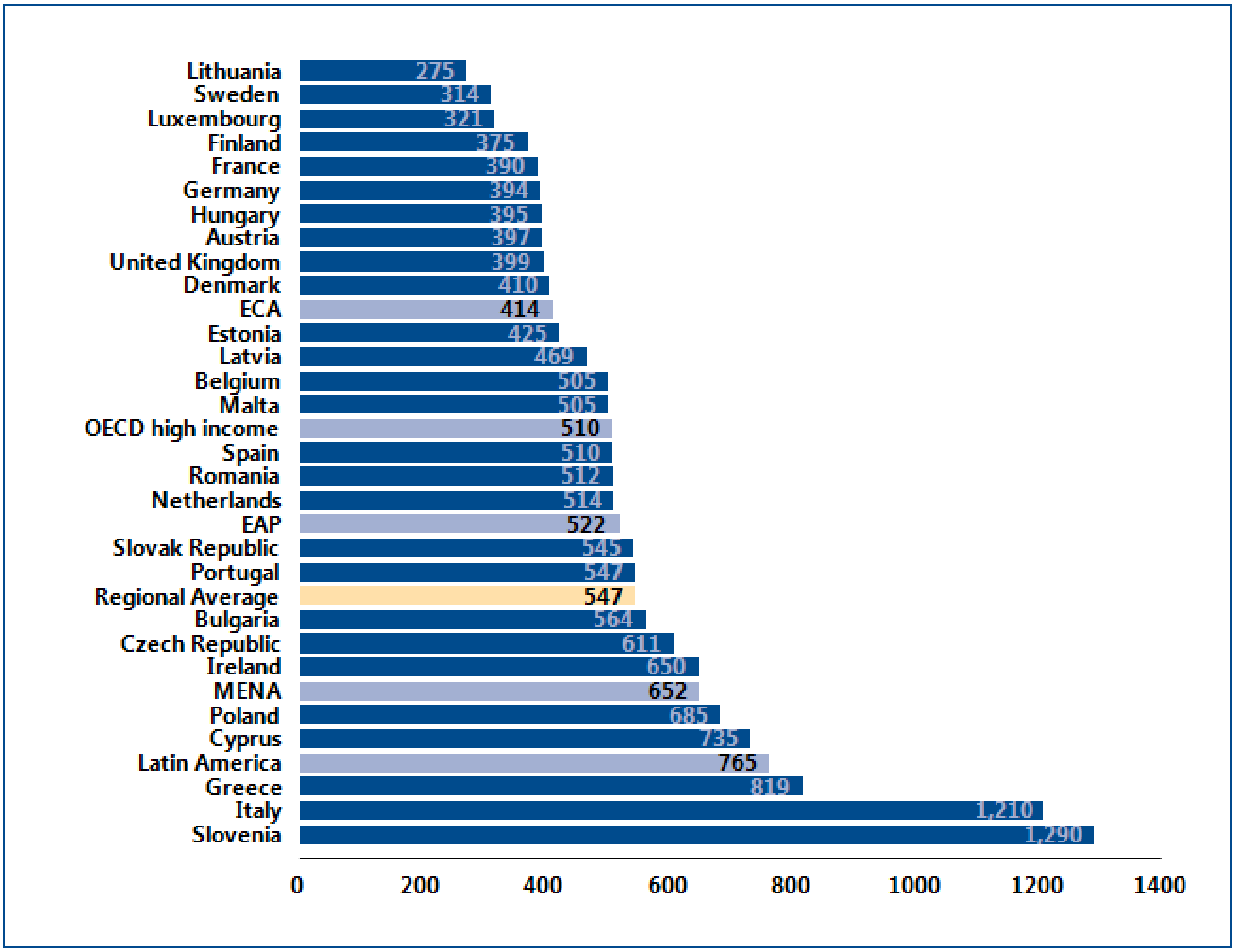
Figure 10.2 What it takes to enforce a contract through the courts in economies in the European Union (EU)

Procedures (number)



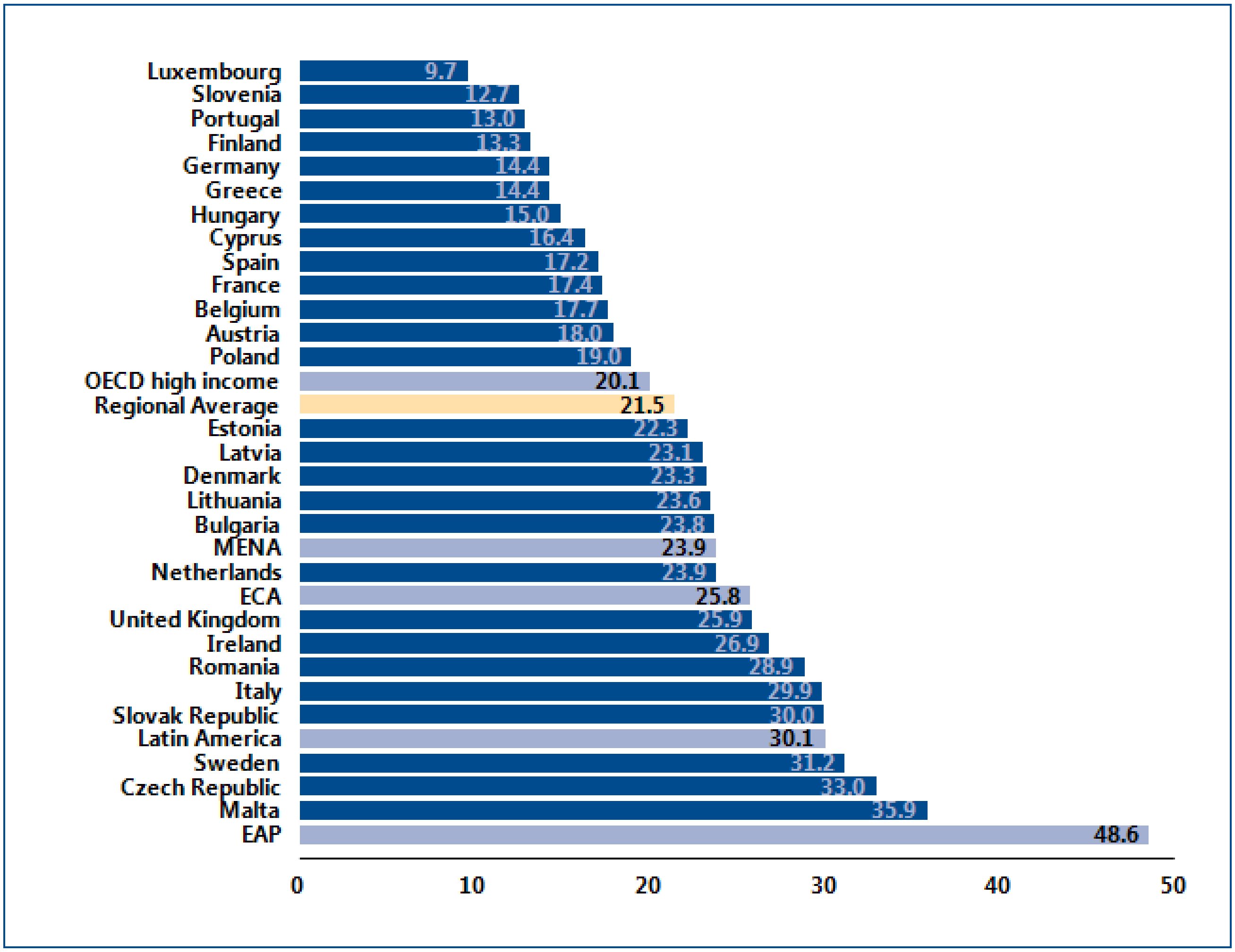
ENFORCING CONTRACTS

Time (days)



ENFORCING CONTRACTS

Cost (% of claim)



Source: Doing Business database.

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 the European Union (EU) (table 10.1)?

Table 10.1 How have economies in the European Union (EU) made enforcing contracts easier—or not?
By *Doing Business* report year

DB year	Economy	Reform
DB2008	*Bulgaria*	Bulgaria introduced changes to the judicial system, increasing transparency and appointing private bailiffs.
DB2008	*Poland*	Poland made enforcing contacts easier by making rules of procedure stricter.
DB2008	*Portugal*	Portugal simplified the rules for small claims and is improving their case management system.
DB2009	*Austria*	Austria mainstreamed electronic filing by making use of an electronic data channel comprehensive for all correspondence between lawyers and the court in civil matters. This cut out manual procedures and made proceedings more efficient.
DB2009	*Belgium*	Belgium established as a standard procedure to fix a procedural calendar for written pleading, and introduced tighter deadlines for the delivery of expert opinions. The amendments also have sanctions if the deadlines are not respected.
DB2009	*Bulgaria*	Bulgaria amended many provisions of its civil code, reforming rules for evidence and default judgment. The minimum threshold for the lower jurisdiction was revised upward and powers given to the last instance civil court to select which cases to hear, limiting abuse of the appeals process.
DB2009	*Portugal*	A reform of the procedural code increased the scope for summary proceedings by raising the monetary threshold. This reduced procedural complexity.
DB2009	*Romania*	Romania simplified the enforcement of judgments by abolishing the need of an enforcement order. It also made the attachment of credit balances and accounts receivable

DB year	Economy	Reform
		available, diminishing enforcement time by one month.
DB2010	*Portugal*	Portugal decreased the time and improved procedures for contract enforcement by enabling e-filing for the initiation of suit and by reducing the need for judge intervention in the execution of judgment.
DB2010	*Sweden*	Sweden adopted new legislation that introduced stringent time limits, thereby reducing the time to resolve a commercial dispute.
DB2011	*United Kingdom*	The United Kingdom improved the process for enforcing contracts by modernizing civil procedures in the commercial court.
DB2013	*Poland*	Poland made enforcing contracts easier by amending the civil procedure code and appointing more judges to commercial courts.
DB2013	*Slovak Republic*	The Slovak Republic made enforcing contracts easier by adopting several amendments to the code of civil procedure intended to simplify and speed up proceedings as well as to limit obstructive tactics by the parties to a case.

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 improving 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 thereby improve growth and sustainability in the economy overall.

What do the indicators cover?

Doing Business studies the time, cost and outcome of insolvency proceedings involving domestic entities. It does not measure insolvency proceedings of individuals and financial institutions. The data are derived from survey responses by local insolvency practitioners and verified through a study of laws and regulations as well as public information on bankruptcy systems.

The ranking on the ease of resolving insolvency is based on the recovery rate, which is recorded as cents on the dollar recouped by creditors through reorganization, liquidation or debt enforcement (foreclosure) proceedings. The recovery rate is a function of time, cost and other factors, such as lending rate and the likelihood of the company continuing to operate.

To make the data comparable across economies, *Doing Business* uses several assumptions about the business and the case. It assumes that the company:

- Is a domestically owned, limited liability company operating a hotel.
- Operates in the economy's largest business city.
- Has 201 employees, 1 main secured creditor and 50 unsecured creditors.
- Has a higher value as a going concern—and that the efficient outcome is either reorganization or sale as a going concern, not piecemeal liquidation.

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

Recovery rate for creditors (cents on the dollar)

Measures the cents on the dollar recovered by creditors

Present value of debt recovered

Official costs of the insolvency proceedings are deducted

Depreciation of furniture is taken into account

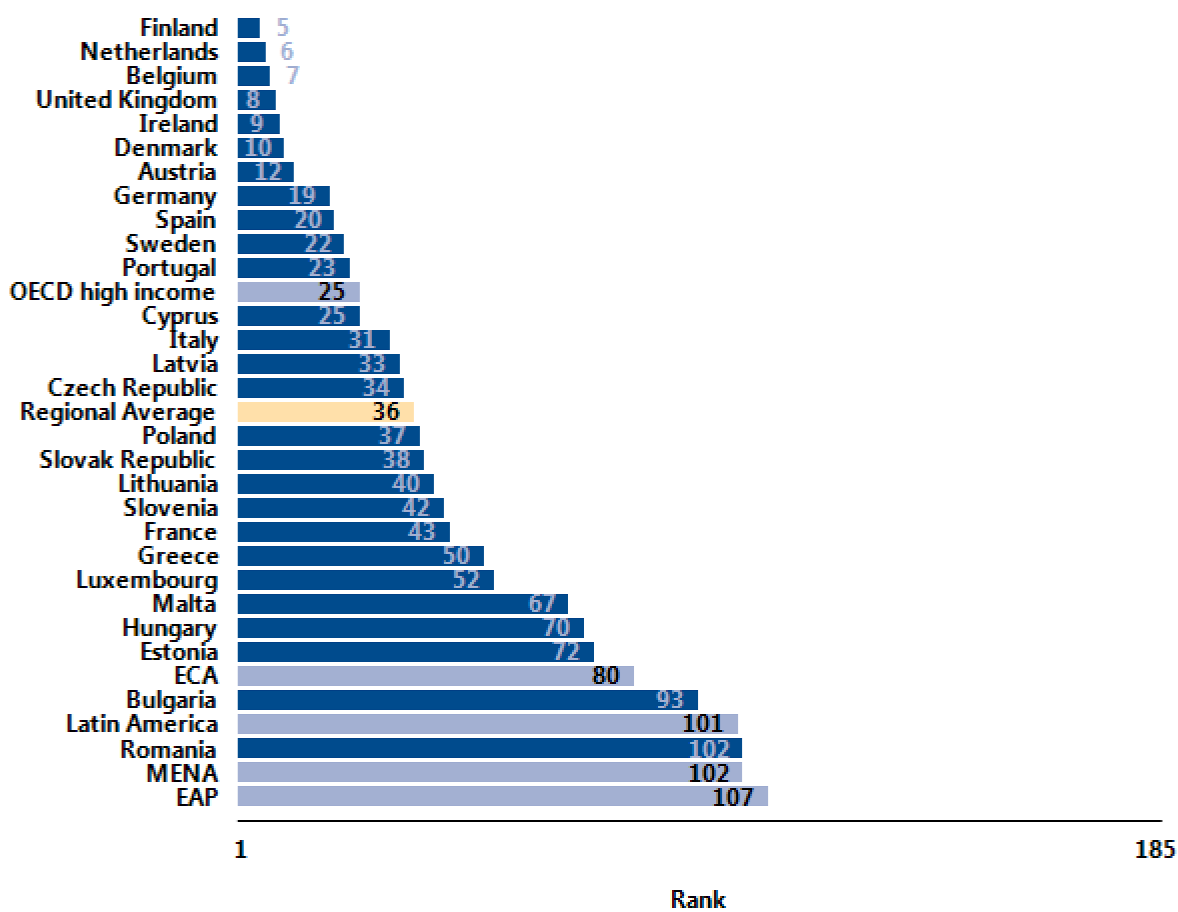
Outcome for the business (survival or not) affects the maximum value that can be recovered

RESOLVING INSOLVENCY

Where do the region's economies stand today?

How efficient are insolvency proceedings in economies in the European Union (EU)? 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 the European Union (EU) rank on the ease of resolving insolvency



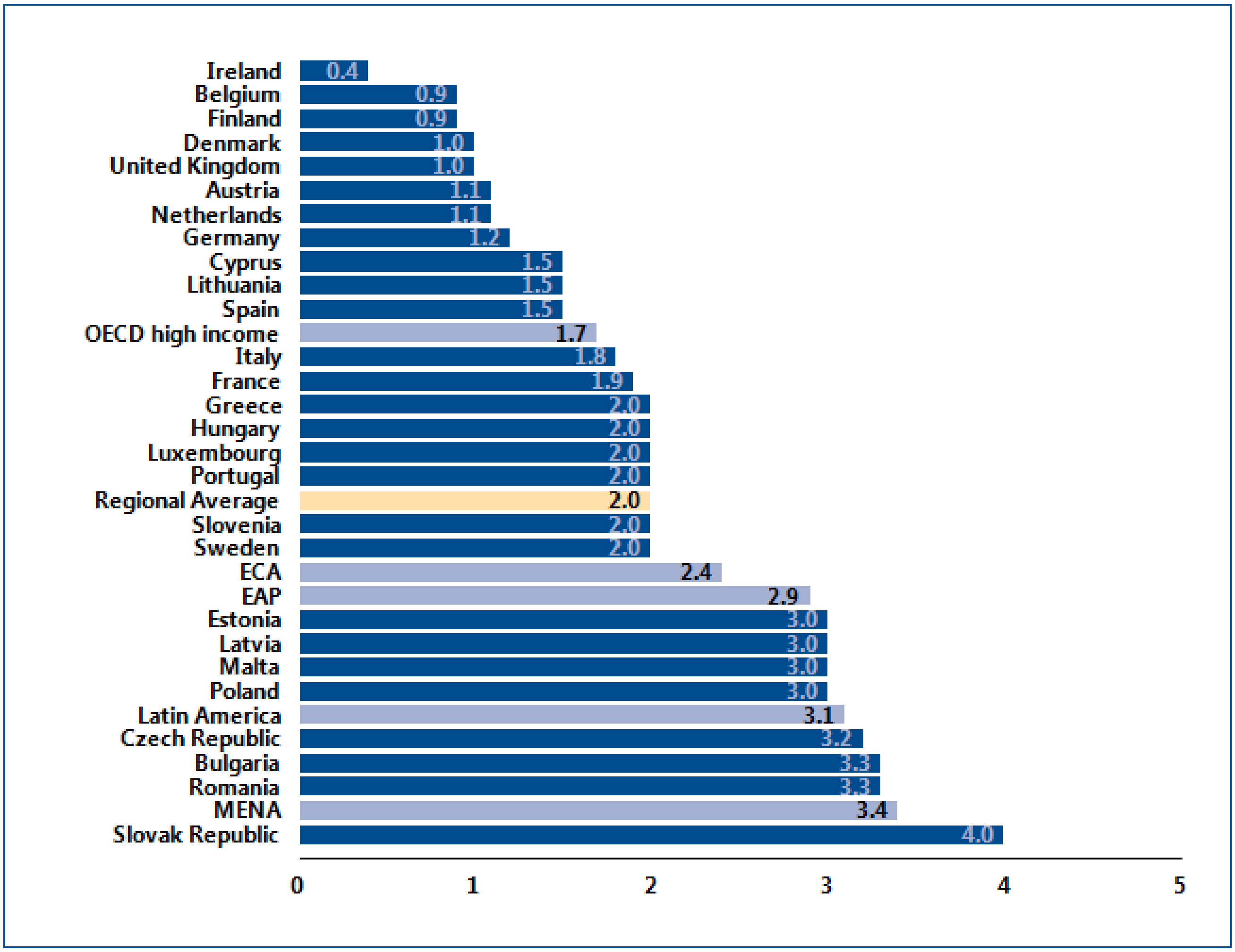
Source: Doing Business database.

RESOLVING INSOLVENCY

The indicators underlying the rankings may be more revealing. Data collected by *Doing Business* show the average time and cost required to resolve insolvency as well as the average recovery rate (figure 11.2). Comparing these indicators across the region and with averages both for the region and for comparator regions can provide useful insights.

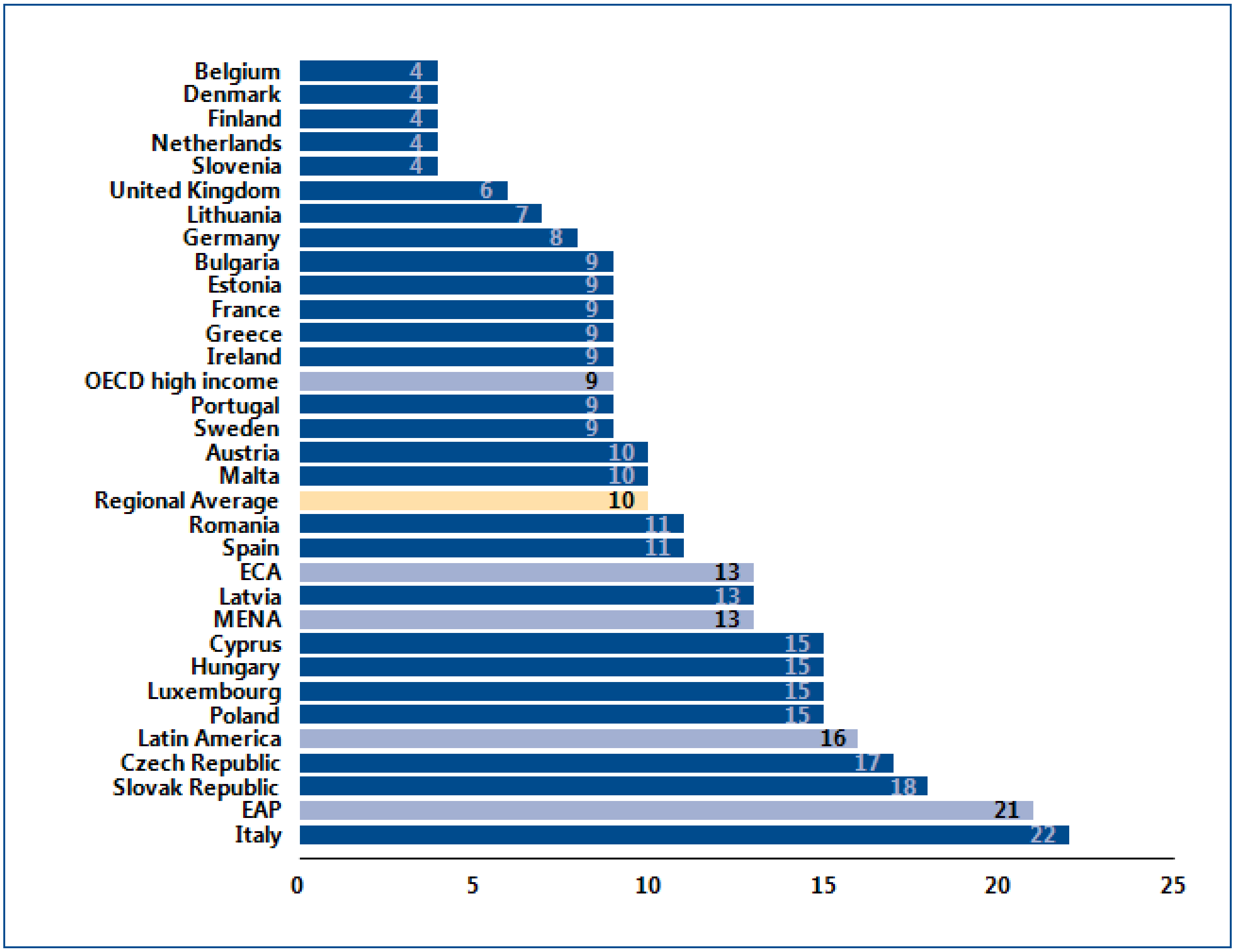
Figure 11.2 How efficient is the insolvency process in economies in the European Union (EU)

Time (years)



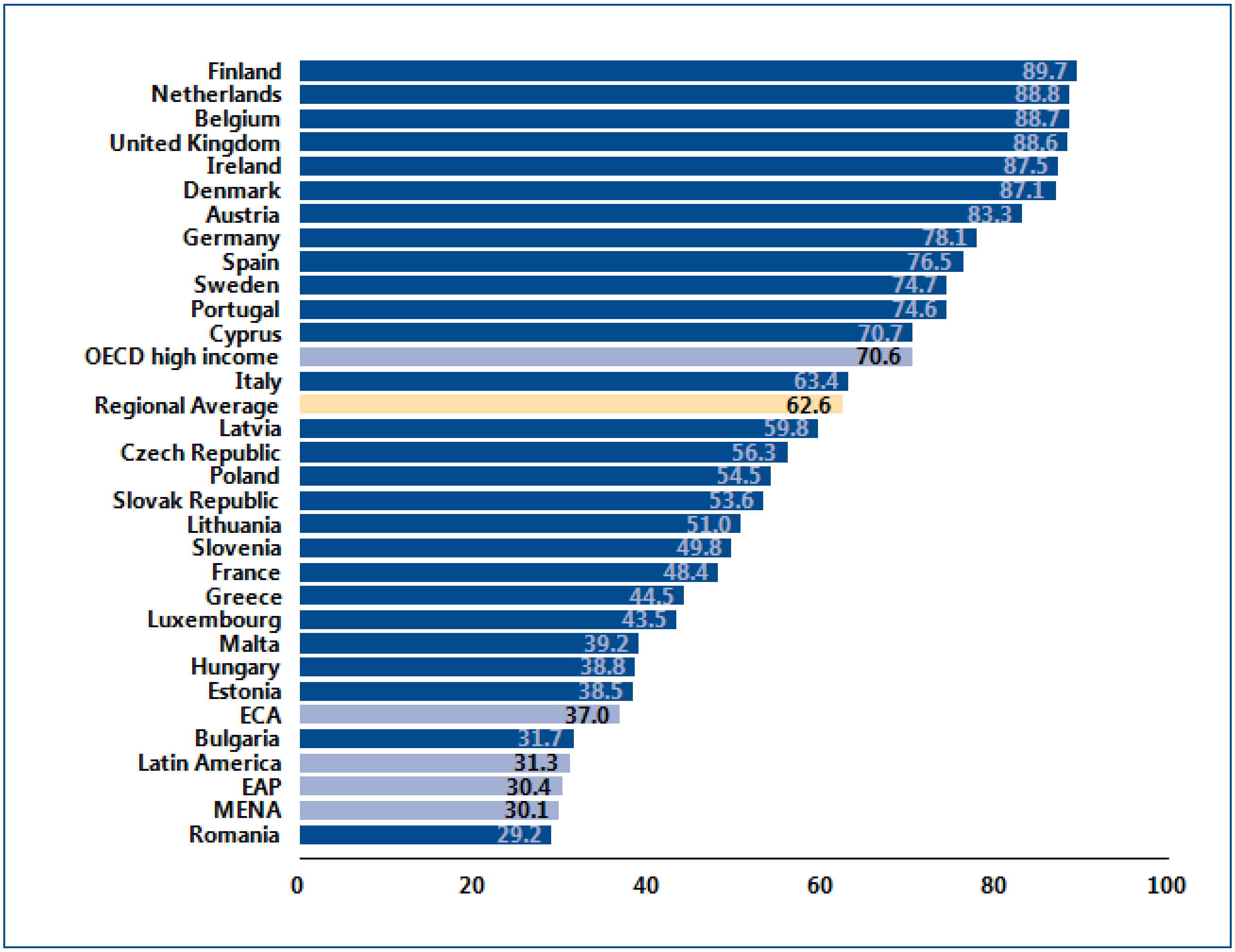
RESOLVING INSOLVENCY

Cost (% of estate)



RESOLVING INSOLVENCY

Recovery rate (cents on the dollar)



* Indicates a "no practice" mark. See the data notes for details.
Source: Doing Business database.

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 the European Union (EU) (table 11.1)?

Table 11.1 How have economies in the European Union (EU) made resolving insolvency easier—or not?
By *Doing Business* report year

DB year	Economy	Reform
DB2008	*Denmark*	Denmark adopted legislation that transferred some powers over bankruptcy proceedings from trustees to judges and granted more rights to creditors.
DB2008	*Hungary*	Hungary amended its bankruptcy legislation to grant secured creditors priority over their pledged security.
DB2008	*Italy*	Italy adopted legislation that empowers trustees and grants creditors the right to propose an "insolvent composition" which may shorten the liquidation procedure.
DB2008	*Portugal*	Portugal adopted legislation that creates fast-track procedures for the voluntary liquidation of commercial enterprises.
DB2009	*Bulgaria*	Bulgaria passed 2 laws: the Civil Procedure Code and the Law for the Commercial Registry. The Civil Procedure Code specifies that the Supreme Cassation Court has the discretion to decide whether or not to hear a case. The Law for Commercial Registry specifies that major decisions and rulings of the bankruptcy court are posted on the commercial registry's website. These changes are expected to reduce delays and allows for faster resolution of bankruptcy.
DB2009	*Czech Republic*	The Czech Republic passed an Insolvency Act. The law introduces reorganization as the preferred method for resolving insolvency, mandates stricter deadlines, establishes an electronic insolvency register and sets new qualification standards for trustees.
DB2009	*Finland*	Finland revised its Restructuring of Enterprises Act, accelerating hearings and making the entire process more flexible. The reform makes it easier for companies to enter a reorganization process.
DB2009	*Germany*	Germany amended its Insolvency Code to facilitate

DB year	Economy	Reform
		maintaining the debtor's business as a going concern. The new law allows the court to suspend enforcement actions against assets that are essential to the continuation of the business.
DB2009	*Greece*	Greece passed a new bankruptcy law which aims at reorganizing financially distressed companies, preserving the business assets, treating creditors equally and preventing piecemeal sale. The law is expected to lead to more restructurings and allow more companies to continue as going concerns.
DB2009	*Latvia*	Latvia passed a new insolvency law which allows for the first time financially distressed companies to continue operating by pursuing reorganization. The reform also strengthened the qualification standards for bankruptcy administrators.
DB2009	*Poland*	Poland introduced the Law on Trustee Licensing tightening professional requirements for administrators. A trustee's license now requires an examination in economics, law, finance and management. The reform also limits trustees' pay to 3% of the bankrupt estate's value, down from 5%.
DB2009	*Portugal*	Portugal eliminated the formality of publishing insolvency notices in newspapers. It also introduced a fast-track procedure for debtors with less than €5,000 in assets and new procedures to accelerate payments to insolvency administrators. Portugal also limited appeals.
DB2010	*Estonia*	Estonia adopted a new Reorganization Act establishes a new legal procedure enabling distressed companies on the verge of insolvency to reorganize themselves, restructure their debt, and apply other measures to regain financial health and restore profitability.
DB2010	*France*	France enhanced the process of insolvency by encouraging pre-insolvency work-outs while also no longer requiring the estimation of the assets by a public auctioneer.
DB2010	*Germany*	Germany's Act on the Implementation of Measures to Stabilize the Financial Market (Finanzmarktstabilisierungsgesetz) removed the requirement for potentially viable companies to file for immediate insolvency in cases of over-indebtedness.
DB2010	*Lithuania*	Lithuania eased the process of closing a business with the introduction of amendments to the Enterprise Bankruptcy Law.

DB year	Economy	Reform
DB2010	*Poland*	Poland eased the process of dealing with distressed companies with an amendment to its bankruptcy law introducing an option of opening a pre-bankruptcy reorganization procedure that applies to companies that are facing financial difficulties instead of bankruptcy proceedings.
DB2010	*Romania*	Romania amended its insolvency law with the immediate impact of increasing costs of insolvency procedures by 1.5%, which are to be transferred to a fund that reimburses the expenses of insolvency administrators in cases where the debtor has no assets.
DB2011	*Belgium*	Belgium introduced a new law that will promote and facilitate the survival of viable businesses experiencing financial difficulties.
DB2011	*Czech Republic*	The Czech Republic made it easier to deal with insolvency by introducing further legal amendments to restrict setoffs in insolvency cases and suspending for some insolvent debtors the obligation to file for bankruptcy.
DB2011	*Estonia*	Amendments to Estonia's recent insolvency law increased the chances that viable businesses will survive insolvency by improving procedures and changing the qualification requirements for insolvency administrators.
DB2011	*Hungary*	Amendments to Hungary's bankruptcy law encourage insolvent companies to consider reaching agreements with creditors out of court so as to avoid bankruptcy.
DB2011	*Latvia*	Latvia introduced a mechanism for out-of-court settlement of insolvencies to alleviate pressure on courts and tightened some procedural deadlines.
DB2011	*Lithuania*	Lithuania introduced regulations relating to insolvency administrators that set out clear rules of liability for violations of law.
DB2011	*Romania*	Substantial amendments to Romania's bankruptcy laws—introducing, among other things, a procedure for out-of-court workouts—made dealing with insolvency easier.
DB2011	*Spain*	Spain amended its regulations governing insolvency proceedings with the aim of reducing the cost and time. The new regulations also introduced out-of-court workouts.
DB2011	*United Kingdom*	Amendments to the United Kingdom's insolvency rules streamline bankruptcy procedures, favor the sale of the firm as a whole and improve the calculation of administrators' fees.

DB year	Economy	Reform
DB2012	*Austria*	Austria passed a new law that simplifies restructuring proceedings and gives preferential consideration to the interests of the debtors.
DB2012	*Bulgaria*	Bulgaria amended its commerce act to extend further rights to secured creditors and increase the transparency of insolvency proceedings.
DB2012	*Denmark*	Denmark introduced new rules on company reorganization, which led to the elimination of the suspension-of-payments regime.
DB2012	*France*	France passed a law that enables debtors to implement a restructuring plan with financial creditors only, without affecting trade creditors.
DB2012	*Italy*	Italy introduced debt restructuring and reorganization procedures as alternatives to bankruptcy proceedings and extended further rights to secured creditors during insolvency proceedings.
DB2012	*Latvia*	Latvia adopted a new insolvency law that streamlines and expedites the insolvency process and introduces a reorganization option for companies.
DB2012	*Lithuania*	Lithuania amended its reorganization law to simplify and shorten reorganization proceedings, grant priority to secured creditors and introduce professional requirements for insolvency administrators.
DB2012	*Poland*	Poland amended its bankruptcy and reorganization law to simplify court procedures and extend more rights to secured creditors.
DB2012	*Romania*	Romania amended its insolvency law to shorten the duration of insolvency proceedings.
DB2012	*Slovenia*	Slovenia simplified and streamlined the insolvency process and strengthened professional requirements for insolvency administrators.
DB2013	*Germany*	Germany strengthened its insolvency process by adopting a new insolvency law that facilitates in-court restructurings of distressed companies and increases participation by creditors.
DB2013	*Greece*	Greece enhanced its insolvency process by abolishing the conciliation procedure and introducing a new rehabilitation proceeding.
DB2013	*Lithuania*	Lithuania made resolving insolvency easier by establishing which cases against the company's property shall be taken to the bankruptcy court, tightening the time frame for decisions

DB year	Economy	Reform
		on appeals, abolishing the court's obligation to individually notify creditors and other stakeholders about restructuring proceedings and setting new time limits for creditors to file claims.
DB2013	*Poland*	Poland strengthened its insolvency process by updating guidelines on the information and documents that need to be included in the bankruptcy petition and by granting secured creditors the right to take over claims encumbered with the right to take over pledged assets in case of liquidation.
DB2013	*Portugal*	Portugal made resolving insolvency easier by introducing a new insolvency law that expedites liquidation procedures and creates fast-track mechanisms both in and out of court.
DB2013	*Slovak Republic*	The Slovak Republic improved its insolvency process by redefining the roles and powers of creditors and trustees, strengthening the rights of secured creditors and redefining rules for the conversion of restructuring into a bankruptcy proceeding.
DB2013	*Slovenia*	Slovenia strengthened its insolvency process by requiring that the debtor offer creditors payment of at least 50% of the claims within 4 years; giving greater power to the creditors' committee in a bankruptcy proceeding; prohibiting insolvency administrators from allowing relatives to render services associated with the bankruptcy proceeding; and establishing fines for members of management that violate certain obligations or prohibitions.
DB2013	*Spain*	Spain strengthened its insolvency process by making workouts easier, offering more protections for refinancing agreements, allowing conversion from reorganization into liquidation at any time, allowing reliefs of the stay under certain circumstances and permitting the judge to determine whether an asset of the insolvent company is necessary for its continued operation.

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.

DATA NOTES

The indicators presented and analyzed in *Doing Business* measure business regulation and the protection of property rights—and their effect on businesses, especially small and medium-size domestic firms. First, the indicators document the complexity of regulation, such as the number of procedures to start a business or to register and transfer commercial property. Second, they gauge the time and cost of achieving a regulatory goal or complying with regulation, such as the time and cost to enforce a contract, go through bankruptcy or trade across borders. Third, they measure the extent of legal protections of property, for example, the protections of investors against looting by company directors or the range of assets that can be used as collateral according to secured transactions laws. Fourth, a set of indicators documents the tax burden on businesses. Finally, a set of data covers different aspects of employment regulation.

The data for all sets of indicators in *Doing Business 2013* are for June 2012.[2]

Methodology

The *Doing Business* data are collected in a standardized way. To start, the *Doing Business* team, with academic advisers, designs a questionnaire. The questionnaire uses a simple business case to ensure comparability across economies and over time—with assumptions about the legal form of the business, its size, its location and the nature of its operations. Questionnaires are administered through more than 9,600 local experts, including lawyers, business consultants, accountants, freight forwarders, government officials and other professionals routinely administering or advising on legal and regulatory requirements. These experts have several rounds of interaction with the *Doing Business* team, involving conference calls, written correspondence and visits by the team. For *Doing Business 2013* team members visited 24 economies to verify data and recruit respondents. The data from questionnaires are subjected to numerous rounds of verification, leading to revisions or expansions of the information collected.

ECONOMY CHARACTERISTICS

Gross national income per capita

Doing Business 2013 reports 2011 income per capita as published in the World Bank's *World Development Indicators 2012*. Income is calculated using the Atlas method (current US$). For cost indicators expressed as a percentage of income per capita, 2011 gross national income (GNI) in U.S. dollars is used as the denominator. GNI data were not available from the World Bank for Afghanistan; Australia; The Bahamas; Bahrain; Barbados; Brunei Darussalam; Cyprus; Djibouti; Guyana; the Islamic Republic of Iran; Kuwait; Malta; New Zealand; Oman; Puerto Rico (territory of the United States); Sudan; Suriname; the Syrian Arab Republic; Timor-Leste; West Bank and Gaza; and the Republic of Yemen. In these cases GDP or GNP per capita data and growth rates from the International Monetary Fund's World Economic Outlook database and the Economist Intelligence Unit were used.

Region and income group

Doing Business uses the World Bank regional and income group classifications, available at http://data.worldbank.org/about/country-classifications. The World Bank does not assign regional classifications to high-income economies. For the purpose of the *Doing Business* report, high-income OECD economies are assigned the "regional" classification *OECD high income*. Figures and tables presenting regional averages include economies from all income groups (low, lower middle, upper middle and high income).

Population

Doing Business 2013 reports midyear 2011 population statistics as published in *World Development Indicators 2012*.

The *Doing Business* methodology offers several advantages. It is transparent, using factual information about what laws and regulations say and allowing multiple interactions with local respondents to clarify potential misinterpretations of questions. Having

[2] The data for paying taxes refer to January – December 2011.

representative samples of respondents is not an issue; *Doing Business* is not a statistical survey, and the texts of the relevant laws and regulations are collected and answers checked for accuracy. The methodology is inexpensive and easily replicable, so data can be collected in a large sample of economies. Because standard assumptions are used in the data collection, comparisons and benchmarks are valid across economies. Finally, the data not only highlight the extent of specific regulatory obstacles to business but also identify their source and point to what might be reformed.

Information on the methodology for each *Doing Business* topic can be found on the *Doing Business* website at http://www.doingbusiness.org/methodology/.

Limits to what is measured

The *Doing Business* methodology has 5 limitations that should be considered when interpreting the data. First, the collected data refer to businesses in the economy's largest business city (which in some economies differs from the capital) and may not be representative of regulation in other parts of the economy. To address this limitation, subnational *Doing Business* indicators were created (see the section on subnational *Doing Business* indicators). Second, the data often focus on a specific business form—generally a limited liability company (or its legal equivalent) of a specified size—and may not be representative of the regulation on other businesses, for example, sole proprietorships. Third, transactions described in a standardized case scenario refer to a specific set of issues and may not represent the full set of issues a business encounters. Fourth, the measures of time involve an element of judgment by the expert respondents. When sources indicate different estimates, the time indicators reported in *Doing Business* represent the median values of several responses given under the assumptions of the standardized case.

Finally, the methodology assumes that a business has full information on what is required and does not waste time when completing procedures. In practice, completing a procedure may take longer if the business lacks information or is unable to follow up promptly. Alternatively, the business may choose to disregard some burdensome procedures. For both reasons the time delays reported in *Doing Business 2013* would differ from the recollection of entrepreneurs reported in the World Bank Enterprise Surveys or other perception surveys.

Subnational *Doing Business* indicators

This year *Doing Business* completed subnational studies for Indonesia, Kenya, Mexico, the Russian Federation and the United Arab Emirates. Each of these countries had already asked to have subnational data in the past, and this year *Doing Business* updated the indicators, measured improvements over time and expanded geographic coverage to additional cities or added additional indicators. *Doing Business* also published regional studies for the Arab world, the East African Community and member states of the Organization for the Harmonization of Business Law in Africa (OHADA).

The subnational studies point to differences in business regulation and its implementation—as well as in the pace of regulatory reform—across cities in the same economy. For several economies subnational studies are now periodically updated to measure change over time or to expand geographic coverage to additional cities. This year that is the case for all the subnational studies published.

Changes in what is measured

The ranking methodology for paying taxes was updated this year. The threshold for the total tax rate introduced last year for the purpose of calculating the ranking on the ease of paying taxes was updated. All economies with a total tax rate below the threshold (which is calculated and adjusted on a yearly basis) receive the same ranking on the total tax rate indicator. The threshold is not based on any economic theory of an "optimal tax rate" that minimizes distortions or maximizes efficiency in the tax system of an economy overall. Instead, it is mainly empirical in nature, set at the lower end of the distribution of tax rates levied on medium-size enterprises in the manufacturing sector as observed through the paying taxes indicators. This reduces the bias in the indicators 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).

Giving the same ranking to all economies whose total tax rate is below the threshold avoids awarding economies in the scoring for having an unusually low total tax rate, often for reasons unrelated to government policies toward enterprises. For example, economies that are very small or that are rich in natural resources do not need to levy broad-based taxes.

Data challenges and revisions

Most laws and regulations underlying the *Doing Business* data are available on the *Doing Business* website at http://www.doingbusiness.org. All the sample questionnaires and the details underlying the indicators are also published on the website. Questions on the methodology and challenges to data can be submitted through the website's "Ask a Question" function at http://www.doingbusiness.org.

Ease of doing business

The ease of doing business index ranks economies from 1 to 185. For each economy the ranking is calculated as the simple average of the percentile rankings on each of the 10 topics included in the index in *Doing Business 2013*: starting a business, dealing with construction permits, getting electricity, registering property, getting credit, protecting investors, paying taxes, trading across borders, enforcing contracts, and resolving insolvency. The employing workers indicators are not included in this year's aggregate ease of doing business ranking. In addition to this year's ranking, *Doing Business* presents a comparable ranking for the previous year, adjusted for any changes in methodology as well as additions of economies or topics.[3]

Construction of the ease of doing business index

Here is one example of how the ease of doing business index is constructed. In Finland it takes 3 procedures, 14 days and 4% of annual income per capita in fees to register a property. On these 3 indicators Finland ranks in the 6th, 16th and 39th percentiles. So on average Finland ranks in the 20th percentile on the ease of registering property. It ranks in the 30th percentile on starting a business, 28th percentile on getting credit, 24th percentile on paying taxes, 13th percentile on enforcing contracts, 5th percentile on trading across borders and so on. Higher rankings indicate simpler regulation and stronger protection of property rights. The simple average of Finland's percentile rankings on all topics is 21st. When all economies are ordered by their average percentile rankings, Finland stands at 11 in the aggregate ranking on the ease of doing business.

More complex aggregation methods—such as principal components and unobserved components—yield a ranking nearly identical to the simple average used by *Doing Business*.[4] Thus, *Doing Business* uses the simplest method: weighting all topics equally and, within each topic, giving equal weight to each of the topic components.[5]

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.

[3] In case of revisions to the methodology or corrections to the underlying data, the data are back-calculated to provide a comparable time series since the year the relevant economy or topic was first included in the data set. The time series is available on the *Doing Business* website (http://www.doingbusiness.org). Six topics and more than 50 economies have been added since the inception of the project. Earlier rankings on the ease of doing business are therefore not comparable.

[4] See Simeon Djankov, Darshini Manraj, Caralee McLiesh and Rita Ramalho, "*Doing Business* Indicators: Why Aggregate, and How to Do It" (World Bank, Washington, DC, 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.

[5] A technical note on the different aggregation and weighting methods is available on the *Doing Business* website (http://www.doingbusiness.org).

The ease of doing business index is limited in scope. It does not account for an economy's proximity to large markets, the quality of its infrastructure services (other than services related to trading across borders and getting electricity), the strength of its financial system, the security of property from theft and looting, macroeconomic conditions or the strength of underlying institutions.

Variability of economies' rankings across topics

Each indicator set measures a different aspect of the business regulatory environment. The rankings of an economy can vary, sometimes significantly, across indicator sets. The average correlation coefficient between the 10 indicator sets included in the aggregate ranking is 0.37, and the coefficients between any 2 sets of indicators range from 0.19 (between dealing with construction permits and getting credit) to 0.60 (between starting a business and protecting investors). These correlations suggest that economies rarely score universally well or universally badly on the indicators.

Consider the example of Canada. It stands at 17 in the aggregate ranking on the ease of doing business. Its ranking is 3 on starting a business, and 4 on both resolving insolvency and protecting investors. But its ranking is only 62 on enforcing contracts, 69 on dealing with construction permits and 152 on getting electricity.

Variation in performance across the indicator sets is not at all unusual. It reflects differences in the degree of priority that government authorities give to particular areas of business regulation reform and the ability of different government agencies to deliver tangible results in their area of responsibility.

Economies that improved the most across 3 or more Doing Business topics in 2011/12

Doing Business 2013 uses a simple method to calculate which economies improved the most in the ease of doing business. First, it selects the economies that in 2011/12 implemented regulatory reforms making it easier to do business in 3 or more of the 10 topics included in this year's ease of doing business ranking.[6] Twenty-three economies meet this criterion: Benin, Burundi, Costa Rica, the Czech Republic, Georgia, Greece, Guinea, Kazakhstan, Korea, the Lao People's Democratic Republic, Liberia, Mongolia, the Netherlands, Panama, Poland, Portugal, Serbia, the Slovak Republic, Slovenia, Sri Lanka, Ukraine, the United Arab Emirates and Uzbekistan. Second, *Doing Business* ranks these economies on the increase in their ranking on the ease of doing business from the previous year using comparable rankings.

Selecting the economies that implemented regulatory reforms in at least 3 topics and improved the most in the aggregate ranking is intended to highlight economies with ongoing, broad-based reform programs.

[6] *Doing Business* reforms making it more difficult to do business are subtracted from the total number of those making it easier to do business.

RESOURCES ON THE *DOING BUSINESS* WEBSITE

Current features
News on the *Doing Business* project
http://www.doingbusiness.org

Rankings
How economies rank—from 1 to 185
http://www.doingbusiness.org/rankings/

Data
All the data for 185 economies—topic rankings, indicator values, lists of regulatory procedures and details underlying indicators
http://www.doingbusiness.org/data/

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Access to *Doing Business* reports as well as subnational and regional reports, reform case studies and customized economy and regional profiles
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Abstracts of papers on *Doing Business* topics and related policy issues
http://www.doingbusiness.org/research/

Business reforms
Short summaries of DB2013 business reforms, lists of reforms since DB2008 and a ranking simulation tool
http://www.doingbusiness.org/reforms/

Historical data
Customized data sets since DB2004
http://www.doingbusiness.org/custom-query/

Law library
Online collection of business laws and regulations relating to business and gender issues
http://www.doingbusiness.org/law-library/
http://wbl.worldbank.org/

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