

Doing Business 2011

Gambia, the

**Making
a Difference for
Entrepreneurs**

COMPARING BUSINESS REGULATION IN 183 ECONOMIES



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1818 H Street NW
Washington, DC 20433
Telephone 202-473-1000
Internet www.worldbank.org

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Business Reforms

Doing Business 2011: Making a Difference for Entrepreneurs is the eighth in a series of annual reports investigating regulations that enhance business activity and those that constrain it. *Doing Business* presents quantitative indicators on business regulations and the protection of property rights that can be compared across 183 economies, from Afghanistan to Zimbabwe, over time.

A set of regulations affecting 9 stages of a business's life are measured: starting a business, dealing with construction permits, registering property, getting credit, protecting investors, paying taxes, trading across borders, enforcing contracts and closing a business. Data in *Doing Business 2011* are current as of June 1, 2010*. The indicators are used to analyze economic outcomes and identify what reforms have worked, where, and why.

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), the security of property from theft and looting, the transparency of government procurement, macroeconomic conditions or the underlying strength of institutions, are not studied directly by Doing Business. To make the data comparable across economies, 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 policymakers in designing reform.

The data set covers 183 economies: 46 in Sub-Saharan Africa, 32 in Latin America and the Caribbean, 25 in Eastern Europe and Central Asia, 24 in East Asia and Pacific, 18 in the Middle East and North Africa and 8 in South Asia, as well as 30 OECD high-income economies.

The following pages present the summary Doing Business indicators for Gambia, the. The data used for this economy profile come from the Doing Business database and are summarized in graphs. These graphs allow a comparison of the economies in each region not only with one another but also with the "good practice" economy for each indicator.

The good-practice economies are identified by their position in each indicator as well as their overall ranking and by their capacity to provide good examples of business regulation to other countries. These good-practice economies do not necessarily rank number 1 in the topic or indicator, but they are in the top 10.

More information is available in the full report. *Doing Business 2011: Making a Difference for Entrepreneurs* presents the indicators, analyzes their relationship with economic outcomes and recommends reforms. The data, along with information on ordering the report, are available on the Doing Business website (www.doingbusiness.org).

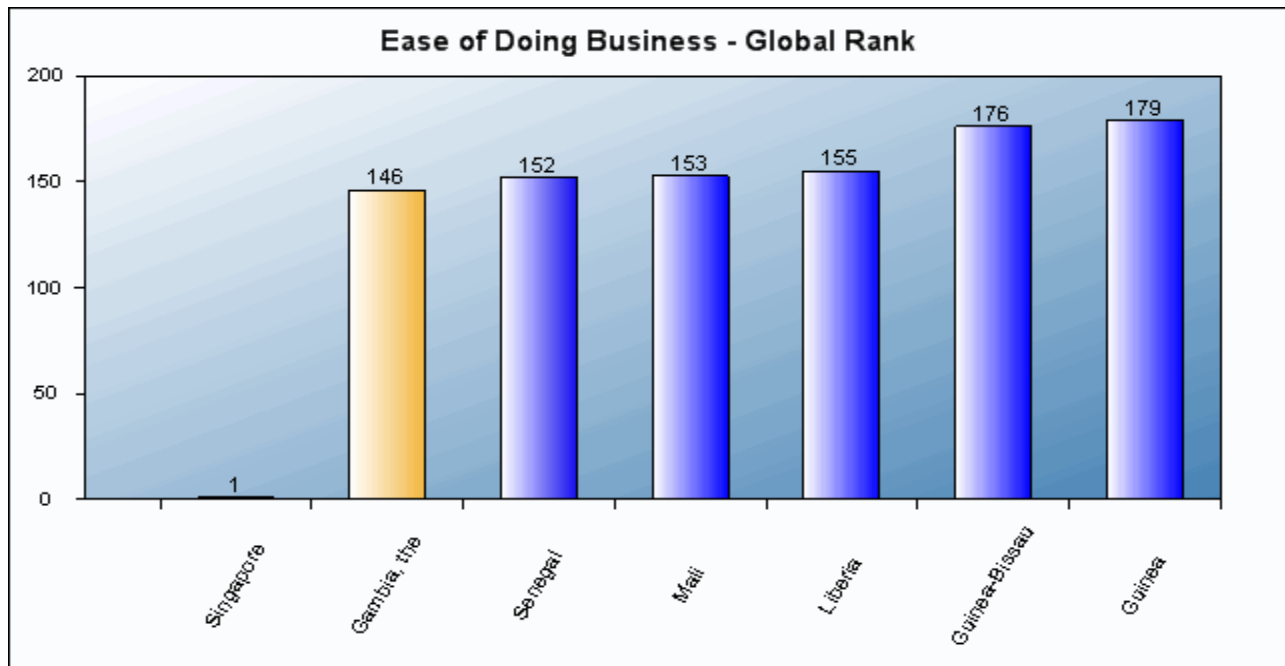
* Except for the Paying Taxes indicator that refers to the period January to December of 2009.

Note: 2008-2010 Doing Business data and rankings have been recalculated to reflect changes to the methodology and the addition of new economies (in the case of the rankings).

Economy Rankings - Ease of Doing Business

Gambia, the is ranked 146 out of 183 economies. Singapore is the top ranked economy in the Ease of Doing Business.

Gambia, the - Compared to global good practice economy as well as selected economies:



Gambia, the's ranking in Doing Business 2011

Rank	Doing Business 2011
Ease of Doing Business	146
Starting a Business	115
Dealing with Construction Permits	80
Registering Property	121
Getting Credit	138
Protecting Investors	173
Paying Taxes	176
Trading Across Borders	87
Enforcing Contracts	67
Closing a Business	121

Summary of Indicators - Gambia, the

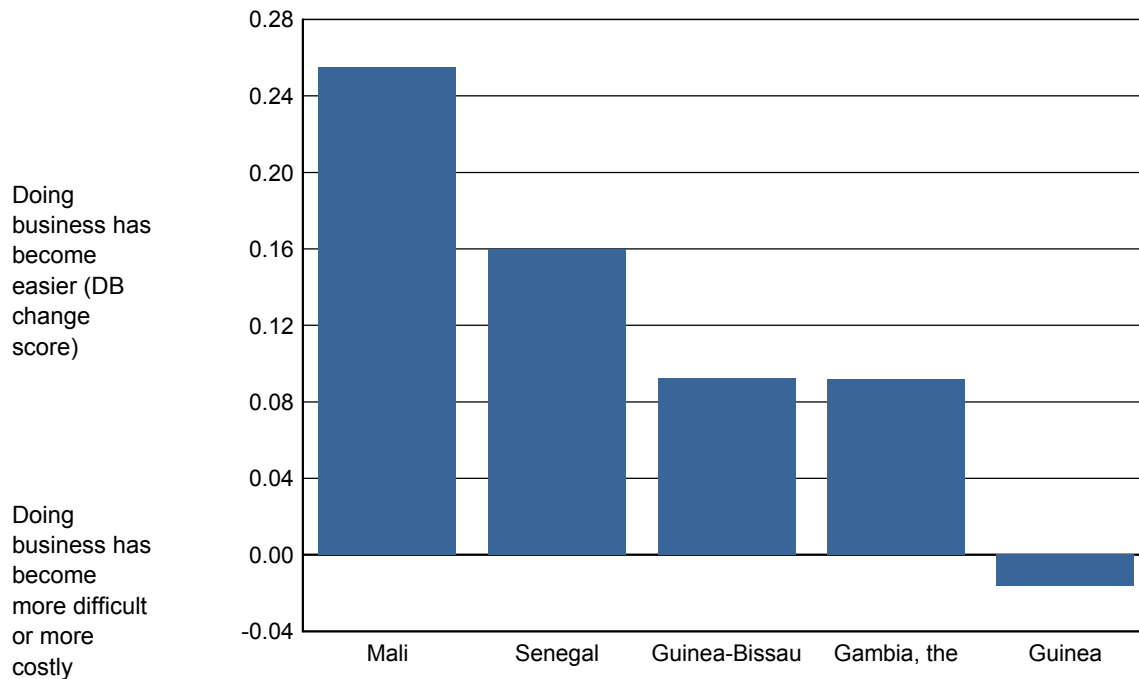
Starting a Business	Procedures (number)	8
	Time (days)	27
	Cost (% of income per capita)	199.6
	Min. capital (% of income per capita)	0.0
Dealing with Construction Permits	Procedures (number)	17
	Time (days)	146
	Cost (% of income per capita)	314.9
Registering Property	Procedures (number)	5
	Time (days)	66
	Cost (% of property value)	7.6
Getting Credit	Strength of legal rights index (0-10)	5
	Depth of credit information index (0-6)	0
	Public registry coverage (% of adults)	0.0
	Private bureau coverage (% of adults)	0.0
Protecting Investors	Extent of disclosure index (0-10)	2
	Extent of director liability index (0-10)	1
	Ease of shareholder suits index (0-10)	5
	Strength of investor protection index (0-10)	2.7
Paying Taxes	Payments (number per year)	50
	Time (hours per year)	376
	Profit tax (%)	41.4
	Labor tax and contributions (%)	12.9
	Other taxes (%)	238.0
	Total tax rate (% profit)	292.3
Trading Across Borders	Documents to export (number)	6
	Time to export (days)	23
	Cost to export (US\$ per container)	831
	Documents to import (number)	8
	Time to import (days)	23
	Cost to import (US\$ per container)	975

Enforcing Contracts	Procedures (number)	32
	Time (days)	434
	Cost (% of claim)	37.9
Closing a Business	Recovery rate (cents on the dollar)	19.8
	Time (years)	3.0
	Cost (% of estate)	15

The 5 year measure of cumulative change illustrates how the business regulatory environment has changed in 174 economies from *Doing Business 2006* to *Doing Business 2011*. Instead of highlighting which countries currently have the most business friendly environment, this new approach shows the extent to which an economy's regulatory environment for business has changed compared with 5 years ago.

This snapshot reflects all cumulative changes in an economy's business regulation as measured by the Doing Business indicators-such as a reduction in the time to start a business thanks to a one-stop shop or an increase in the strength of investor protection index thanks to new stock exchange rules that tighten disclosure requirements for related-party transactions.

This figure shows the distribution of cumulative change across the 9 indicators and time between *Doing Business 2006* and *Doing Business 2011*



Many economies have undertaken reforms to smooth the starting a business process in stages—and often as part of a larger regulatory reform program. A number of studies have shown that among the benefits of streamlining the process to start a business have been greater firm satisfaction and savings and more registered businesses, financial resources and job opportunities. Economies with higher entry costs are associated with a larger informal sector and a smaller number of legally registered firms.

Some reform outcomes

In Egypt reductions of the minimum capital requirement in 2007 and 2008 led to an increase of more than 30% in the number of limited liability companies.

In Portugal creation of One-Stop Shop in 2006 and 2007 resulted in a reduction of time to start a business from 54 days to 5. In 2007 and 2008 new business registrations were up by 60% compared with 2006.

In Malaysia reduction of registration fees in 2008 led to an increase in registrations by 16% in 2009.

What does Starting a Business measure?

Procedures to legally start and operate a company (number)

- Preregistration (for example, name verification or reservation, notarization)
- Registration
- Post registration (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 prior to registration begins

Starting a Business: getting a local limited liability company up and running
Rankings are based on 4 subindicators



Case Study Assumptions

- Doing Business records all procedures that are officially required for an entrepreneur to start up and formally operate an industrial or commercial business.
- Any required information is readily available and that all agencies involved in the start-up process function without corruption.

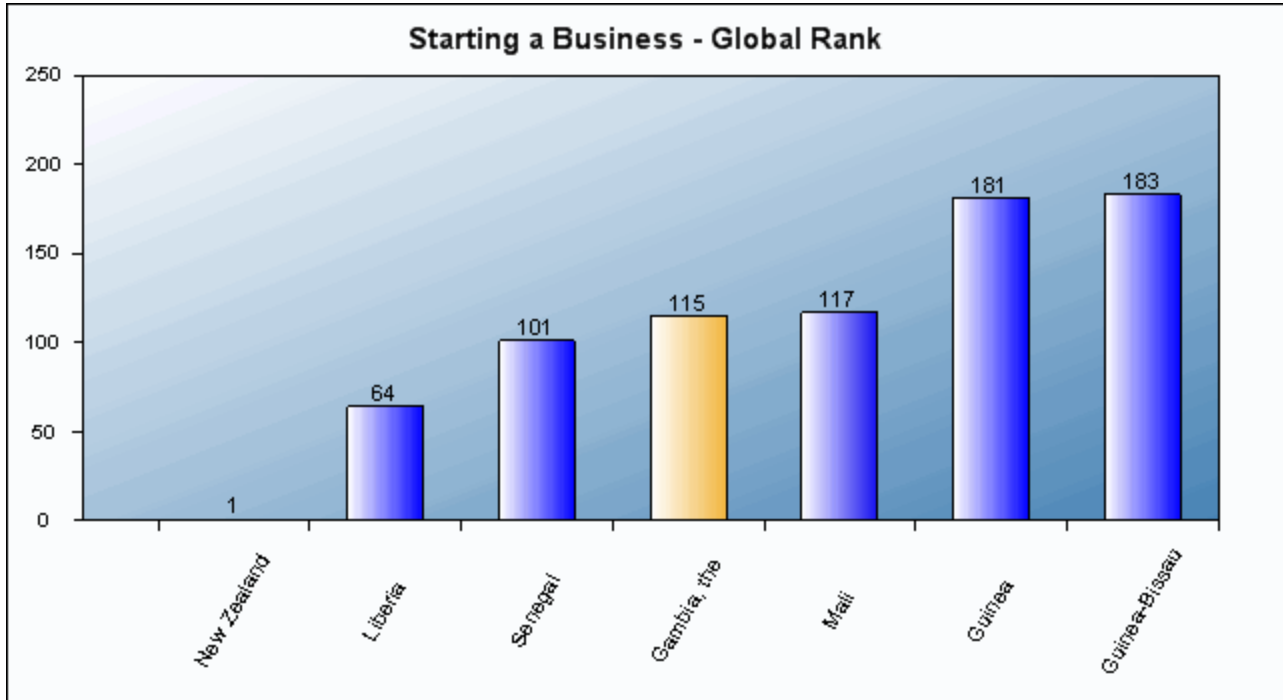
The business:

- is a limited liability company, located in the largest business city
- conducts general commercial activities
- is 100% domestically owned
- has a start-up capital of 10 times income per capita
- has a turnover of at least 100 times income per capita
- has at least 10 and up to 50 employees
- does not qualify for investment incentives or any special benefits
- leases the commercial plant and offices and is not a proprietor of real estate

1. Benchmarking Starting a Business Regulations:

Gambia, the is ranked 115 overall for Starting a Business.

Ranking of Gambia, the in Starting a Business - Compared to good practice and selected economies:



The following table shows Starting a Business data for Gambia, the compared to good practice and comparator economies:

Good Practice Economies	Procedures (number)	Time (days)	Cost (% of income per capita)	Min. capital (% of income per capita)
Denmark*			0.0	
New Zealand*	1	1		0.0

<i>Selected Economy</i>				
Gambia, the	8	27	199.6	0.0

<i>Comparator Economies</i>				
Guinea	13	41	146.6	519.1
Guinea-Bissau	17	216	183.3	415.1
Liberia	5	20	54.6	0.0
Mali	6	8	79.7	306.8
Senegal	4	8	63.1	205.1

* The following economies are also good practice economies for :

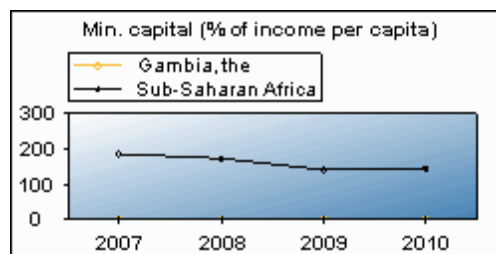
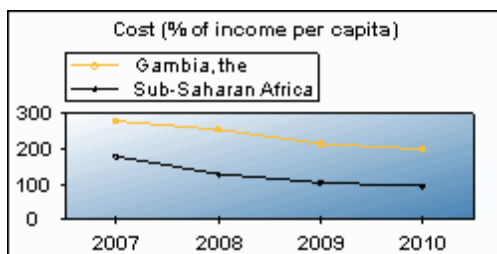
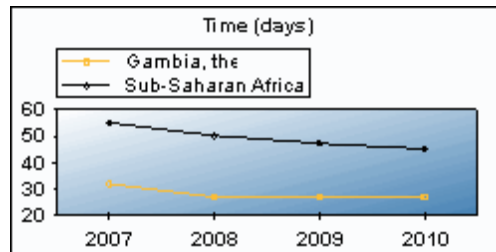
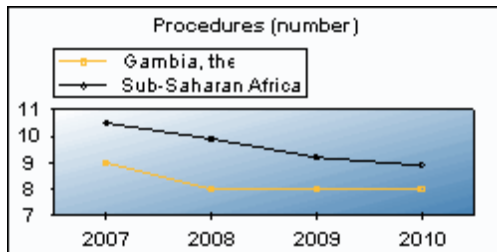
Procedures (number): **Canada**

Cost (% of income per capita): **Slovenia**

2. Historical data: Starting a Business in Gambia, the

Starting a Business data	Doing Business 2008	Doing Business 2009	Doing Business 2010	Doing Business 2011
Rank	..	..	113	115
Procedures (number)	9	8	8	8
Time (days)	32	27	27	27
Cost (% of income per capita)	279.0	254.9	215.1	199.6
Min. capital (% of income per capita)	0.0	0.0	0.0	0.0

3. The following graphs illustrate the Starting a Business sub indicators in Gambia, the over the past 4 years:



What are the time, cost, paid-in minimum capital and number of procedures to get a local, limited liability company up and running?



This table summarizes the procedures and costs associated with setting up a business in The Gambia.

STANDARDIZED COMPANY

Legal Form: Private Limited Liability Company

City: Banjul

Registration Requirements:

No:	Procedure	Time to complete	Cost to complete
1	Search for company name	1	GMD 100
2	Notarize company statutes	1	GMD 150
3	Obtain tax identification number (TIN) from the Gambia Revenue Authority	1	GMD 25
4	Payment of stamp duty and deposit of corporate tax with Commissioner of Income Tax	1	GMD 6,500
5	Register employees with the Social Security and Housing Finance Corporation	2	no charge
6	Register with the Commercial Registry	2	GMD 5,000
7	Obtain operational license	1	GMD 5,000
8	Make a company seal	18	USD 200

Starting a Business Details - Gambia, the

Procedure 1 Search for company name

Time to complete: 1

Cost to complete: GMD 100

Comment: The name search is conducted manually at the Commercial Registry.

Procedure 2 Notarize company statutes

Time to complete: 1

Cost to complete: GMD 150

Comment: Although there are no set notary fees, GMD 100-150 is commonly charged.

Procedure 3 Obtain tax identification number (TIN) from the Gambia Revenue Authority

Time to complete: 1

Cost to complete: GMD 25

Comment: All businesses must obtain a tax identification number (TIN) before paying company tax and stamp duty and registering with the Central Registry. To obtain the identification number, the company must submit a form, the notarized articles and memorandum of association, and the founders' proof of identification.

Procedure 4 Payment of stamp duty and deposit of corporate tax with Commissioner of Income Tax

Time to complete: 1

Cost to complete: GMD 6,500

Comment: The fee for the incorporation certificate is about GMD 500. Stamp duty is GMD 1000 for 3 copies of the company incorporation documents, one of which must be deposited with Companies Registry and one with the Commissioner of Income Tax. The deposit of corporate tax with Commissioner of Income Tax varies, starting from about GMD 5,000, payable before incorporation at the Companies Registry.

Procedure 5 Register employees with the Social Security and Housing Finance Corporation

Time to complete: 2

Cost to complete: no charge

Comment: Employees pay 5% of their monthly salary to the social security department. The employer contributes 10% of the employees' salary. Depending on the number of employees, this process takes at most 7 days.

Procedure 6 Register with the Commercial Registry

Time to complete: 2

Cost to complete: GMD 5,000

Comment: The registration fee varies depending on the company's share capital. It is based on a tariff published by the Finance Ministry. In 2005, the tariff (stated in the national currency, the Dalasis) was as follows:

- GMD 5,000 to GMD 1 million: GMD 5,000.
- GMD 1 million to GMD 10 million: GMD 25,000.
- GMD 10 million to GMD 20 million: GMD 35,000.
- GMD 20 million to GMD 40 million: GMD 65,000.
- GMD 40 million to GMD 59 million: GMD 85,000.
- GMD 60 million and up: D 100,000.

Procedure 7 Obtain operational license

Time to complete: 1

Cost to complete: GMD 5,000

Comment: The standard fee is GMD 5,000 for the Banjul City Council and the largest municipality (Kinifing Municipality). This license must be renewed annually.

Procedure 8 Make a company seal

Time to complete: 18

Cost to complete: USD 200

Comment: Although company seals are usually made in the United Kingdom, not locally in Gambia, certain accountancy firms in Gambia can make the arrangements. The cost depends on the quality and size of the seal.

In many economies, especially developing ones, complying with building regulations is so costly in time and money that many builders opt out. Builders may pay bribes to pass inspections or simply build illegally, leading to hazardous construction. Where the regulatory burden is large, entrepreneurs may tend to move their activity into the informal economy. There they operate with less concern for safety, leaving everyone worse off. In other economies compliance is simple, straightforward and inexpensive, yielding better results.

Some reform outcomes

In Burkina Faso, a one-stop shop for construction permits, "Centre de Facilitation des Actes de Construire", was opened in May 2008. The new regulation merged 32 procedures into 15, reduced the time required from 226 days to 122 and cut the cost by 40%. From May 2009 to May 2010 611 building permits were granted in Ouagadougou, up from an average of about 150 a year in 2002-06.

Toronto, Canada revamped its construction permitting process in 2005 by introducing time limits for different stages of the process and presenting a unique basic list of requirements for each project. Later it provided for electronic information and risk-based approvals with fast-track procedures. Between 2005 and 2008 the number of commercial building permits increased by 17%, the construction value of new commercial buildings by 84%.

What does the Dealing with Construction Permits indicator 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 electricity, water, sewerage and a land 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

Case Study Assumptions

The business:

- is a small to medium-size limited liability company in the construction industry, located in the economy's largest business city
- is 100% domestically and privately owned and operated
- has 60 builders and other employees
- has at least one employee who is a licensed architect and registered with the local association of architects

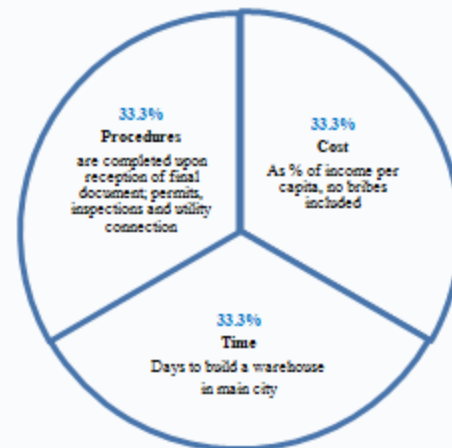
The warehouse:

- is a new construction (there was no previous construction on the land)
- has 2 stories, both above ground, with a total surface of approximately 1,300.6 sq. meters (14,000 sq. feet)
- has complete architectural and technical plans prepared by a licensed architect
- will be connected to electricity, water, sewerage (sewage system, septic tank or their equivalent) and a land telephone line
- will be used for general storage of non-hazardous goods, such as books
- will take 30 weeks to construct (excluding all delays due to administrative and regulatory requirements)

Dealing with Construction Permits:

Building a warehouse

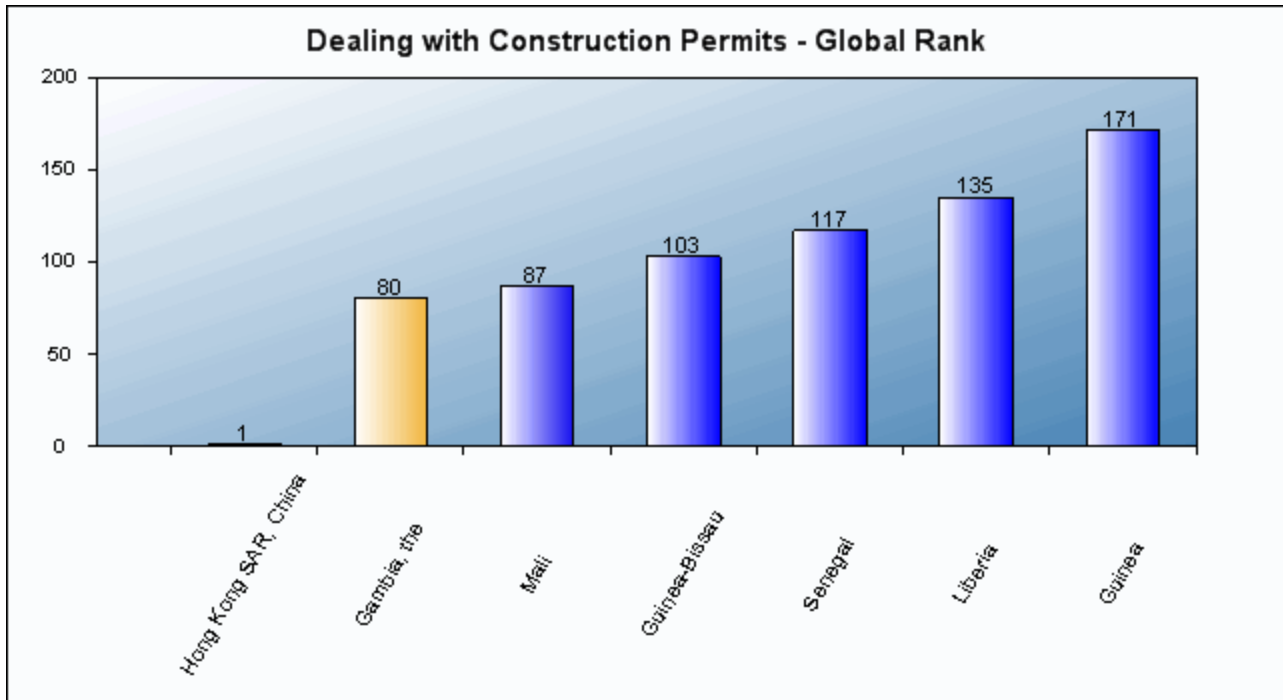
Rankings are based on 3 subindicators



1. Benchmarking Dealing with Construction Permits Regulations:

Gambia, the is ranked 80 overall for Dealing with Construction Permits.

Ranking of Gambia, the in Dealing with Construction Permits - Compared to good practice and selected economies:



The following table shows Dealing with Construction Permits data for Gambia, the compared to good practice and comparator economies:

Good Practice Economies	Procedures (number)	Time (days)	Cost (% of income per capita)
Denmark	6		
Qatar			0.8
Singapore		25	

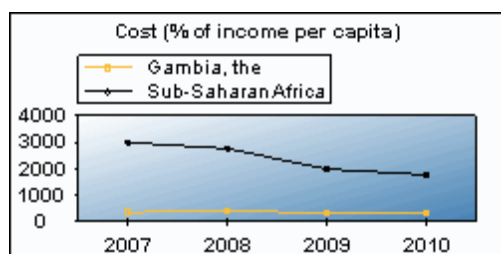
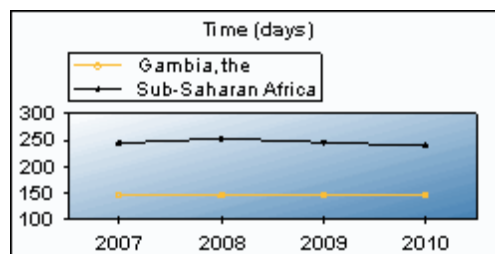
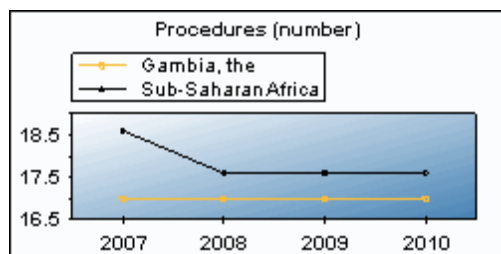
<i>Selected Economy</i>			
Gambia, the	17	146	314.9

<i>Comparator Economies</i>			
Guinea	32	255	419.0
Guinea-Bissau	15	167	1075.0
Liberia	24	77	29574.4
Mali	15	168	505.0
Senegal	16	210	459.0

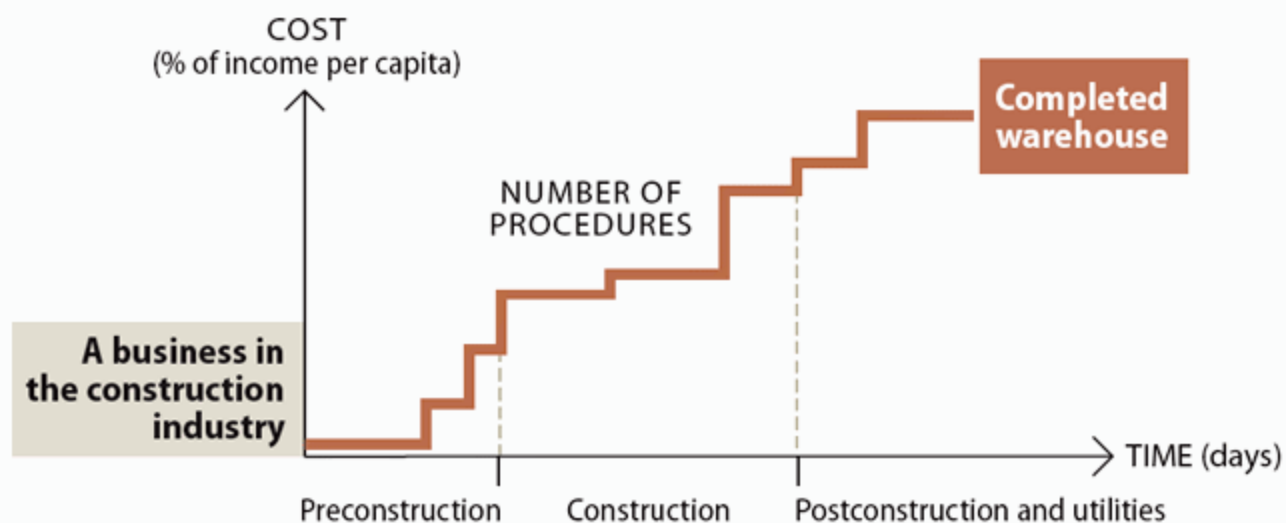
2. Historical data: Dealing with Construction Permits in Gambia, the

Dealing with Construction Permits data	Doing Business 2008	Doing Business 2009	Doing Business 2010	Doing Business 2011
Rank	..	..	79	80
Procedures (number)	17	17	17	17
Time (days)	146	146	146	146
Cost (% of income per capita)	363.7	394.0	336.4	314.9

3. The following graphs illustrate the Dealing with Construction Permits sub indicators in Gambia, the over the past 4 years:



What are the time, cost and number of procedures to comply with formalities to build a warehouse?



The table below summarizes the procedures, time, and costs to build a warehouse in The Gambia.

BUILDING A WAREHOUSE

City: Banjul

Registration Requirements:

No:	Procedure	Time to complete	Cost to complete
1	Consult and purchase the application for development permit from Department of Physical Planning (Form 1)	1 day	no charge
2	Submit development permit application	1 day	GMD 13,006
3	Obtain development permit from Development Control Unit (Form 2)	28 days	no charge
4	Receive inspection	1 day	no charge
5	Receive inspection	1 day	no charge
6	Submit certificate of completion	1 day	no charge
7	Receive inspection	1 day	no charge
8	Obtain certificate of completion	35 days	no charge

9	Request electricity connection approval and inspection from NAWEC	1 day	GMD 200
10 *	Receive inspection from NAWEC	1 day	no charge
11 *	Receive connection to electricity services from NAWEC	55 days	GMD 11,500
12 *	Request water connection approval	1 day	GMD 200
13 *	Receive inspection from water authorities	1 day	no charge
14 *	Receive connection to water services	72 days	GMD 8,500
15 *	Request fixed telephone line approval and inspection	1 day	GMD 850
16 *	Receive on-site visit from GAMTEL	1 day	no charge
17 *	Receive connection to telephone	40 days	no charge

* Takes place simultaneously with another procedure.

Dealing with Construction Permits Details - Gambia, the

Procedure 1 Consult and purchase the application for development permit from Department of Physical Planning (Form 1)

Time to complete:	1 day
Cost to complete:	no charge
Agency:	Planning Authority
Comment:	The application is requested by the Department of Physical Planning. Companies often consult with the authorities about the project.

Procedure 2 Submit development permit application

Time to complete:	1 day
Cost to complete:	GMD 13,006
Agency:	Department for Physical Planning and Housing (DPPH)
Comment:	<p>The application for a development permit consists of:</p> <ul style="list-style-type: none">- Form 1.- Drawings (three sets).- Evidence of ownership. <p>The application must be submitted with three complete set of drawings. After the development permit is issued, one set of drawings will be returned to the owner, and this set of approved plans must be kept at the building site, open to inspection by the authorities. The owner must also show evidence of ownership (photocopy of the title deed lease document or certificate of occupancy).</p> <p>The cost since January 2008 is $GMD 10 \times 1,300.6 = 10,404.8 + GMD 15$ (fee for form) = GMD 13,021.</p>

Procedure 3 Obtain development permit from Development Control Unit (Form 2)

Time to complete:	28 days
Cost to complete:	no charge
Agency:	Development Control Unit (Department for Physical Planning and Housing)
Comment:	<p>Upon scrutinizing evidence of landownership, land use, and building plans, the Planning Authority approves the application, and the Development Control Unit issues a development permit, which consists of the following:</p> <ul style="list-style-type: none">- Form 2.- Approved plans, stamped and signed (one set).- Form 4, Commencement notice. The developer must complete and send Form 4 to the Department of Physical Planning before starting any construction work.- Form 9, Notice of completion. The authority does not have an official fee schedule. The Development Control Regulations were adopted in 1995 and have not been altered since then. Lack of time-limits for this procedure exacerbates the fact that applicants have to do a constant follow up. In principle, the Planning Authority should be notified of the commencement of the construction works, but this is not happening in practice.

Procedure 4 Receive inspection**Time to complete:** 1 day**Cost to complete:** no charge**Agency:** Development Control Unit (Department of State for Local Government)**Comment:** The Department of State for Local Government has the right to inspect during construction. Inspections as a matter of fact should be phased after each major stage of construction. But the inspections practically turned into random ones and take a few hours. If they find a building without a building permit they make you get one afterwards. Often the inspection will occur if there is a problem reported or if the department suspects that the developer did not pay all the required fees. BuildCo does not need to request the inspection.**Procedure 5 Receive inspection****Time to complete:** 1 day**Cost to complete:** no charge**Agency:** Development Control Unit (Department of State for Local Government)**Comment:** The Department of State for Local Government has the right to inspect during construction. Inspections as a matter of fact should be phased after each major stage of construction. But the inspections practically turned into random ones and take a few hours. If they find a building without a building permit they make you get one afterwards. Often the inspection will occur if there is a problem reported or if the department suspects that the developer did not pay all the required fees. BuildCo does not need to request the inspection.**Procedure 6 Submit certificate of completion****Time to complete:** 1 day**Cost to complete:** no charge**Agency:** Development Control Unit (DCU)**Comment:** At the end of the construction works, the Planning Authority should be notified. The developer must fill out Form 9 and send it to the Development Control Unit. The Authority would then come out to the construction site to issue a Certificate of Completion. This step is widely not practiced, however some companies and foreigners do follow this requirement.**Procedure 7 Receive inspection****Time to complete:** 1 day**Cost to complete:** no charge**Agency:** Development Control Unit (Department of State for Local Government)**Comment:****Procedure 8 Obtain certificate of completion**

Time to complete: 35 days

Cost to complete: no charge

Agency: Development Control Unit (DCU)

Comment: The certificate of completion is needed to obtain a water and electricity connection. There is no need to update the property title for the inclusion of the building.

Procedure 9 Request electricity connection approval and inspection from NAWEC

Time to complete: 1 day

Cost to complete: GMD 200

Agency: National Water and Electricity Company (NAWEC)

Comment: There is an inspection after BuildCo applies for electricity. Note that the application fee is deducted from the connection fee. The typical wait time, after request, is 4 weeks (28 days).

Procedure 10 Receive inspection from NAWEC

Time to complete: 1 day

Cost to complete: no charge

Agency: National Water and Electricity Company (NAWEC)

Comment:

Procedure 11 Receive connection to electricity services from NAWEC

Time to complete: 55 days

Cost to complete: GMD 11,500

Agency: National Water and Electricity Company (NAWEC)

Comment: The GMD 11,500 cost is for provision of electrical power and meter, provided that there is a main supply not more than 40 meters from the property. The developer will cover cost of any additional cost to extend existing main power supply; this could extend the completion time by 1–2 months.

Procedure 12 Request water connection approval

Time to complete: 1 day

Cost to complete: GMD 200

Agency: National Water and Electricity Company (NAWEC)

Comment: The developer must apply to the National Water and Electricity Company for the water and sewage connection. Moreover, the developer must complete the works down to, and including, a manhole within 3 meters of the plot boundary nearest to the sewer. After the application for the water and sewage connection, the water and electricity utility performs

an inspection. Note that the application fee is deducted from the connection fee.

Procedure 13 Receive inspection from water authorities

Time to complete: 1 day

Cost to complete: no charge

Agency: National Water and Electricity Company (NAWEC)

Comment:

Procedure 14 Receive connection to water services

Time to complete: 72 days

Cost to complete: GMD 8,500

Agency: National Water and Electricity Company (NAWEC)

Comment:

Procedure 15 Request fixed telephone line approval and inspection

Time to complete: 1 day

Cost to complete: GMD 850

Agency: Gambia Telecommunication Company (GAMTEL)

Comment: The application is submitted to Gambia Telecommunications (GAMTEL), which upon review, sends an inspector to the site.

Procedure 16 Receive on-site visit from GAMTEL

Time to complete: 1 day

Cost to complete: no charge

Agency: Gambia Telecommunication Company (GAMTEL)

Comment: Ten working days after an application is submitted, GAMTEL sends a site surveyor to inspect the property and determine any additional fees required for installation.

Procedure 17 Receive connection to telephone

Time to complete: 40 days

Cost to complete: no charge

Agency: Gambia Telecommunication Company (GAMTEL)

Comment:

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. *Doing Business* records the full sequence of procedures necessary for a business to purchase a property from another business and transfer the property title to the buyer's name. In the past 6 years 105 economies undertook 146 reforms making it easier to transfer property. Globally, the time to transfer property fell by 38% and the cost by 10% over this time. The most popular feature of property registration reform in these 6 years, implemented in 52 economies, was lowering transfer taxes and government fees.

Some reform outcomes

Georgia now allows property transfers to be completed through 500 authorized users, notably banks. This saves time for entrepreneurs. A third of people transferring property in 2009 chose authorized users, up from 7% in 2007. Also, Georgia's new electronic registry managed 68,000 sales in 2007, twice as many as in 2003.

Belarus's unified and computerized registry was able to cope with the addition of 1.2 million new units over 3 years. The registry issued 1 million electronic property certificates in 2009.

What does the Registering Property indicator measure?

Registering Property: transfer of property between 2 local companies

Rankings are based on 3 subindicators

Procedures to legally transfer title on immovable property (number)

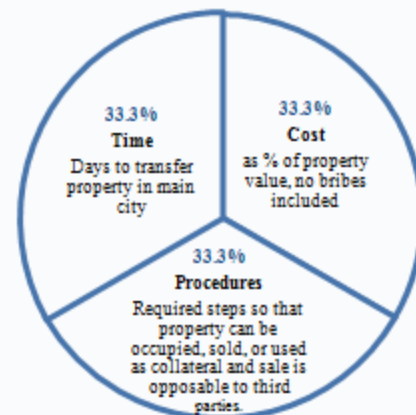
- Preregistration (for example, checking for liens, notarizing sales agreement, paying property transfer taxes)
- Registration in the economy's largest business city
- Post registration (for example, transactions with the local authority, tax authority or cadastre)

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 personal 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



Case Study Assumptions

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.

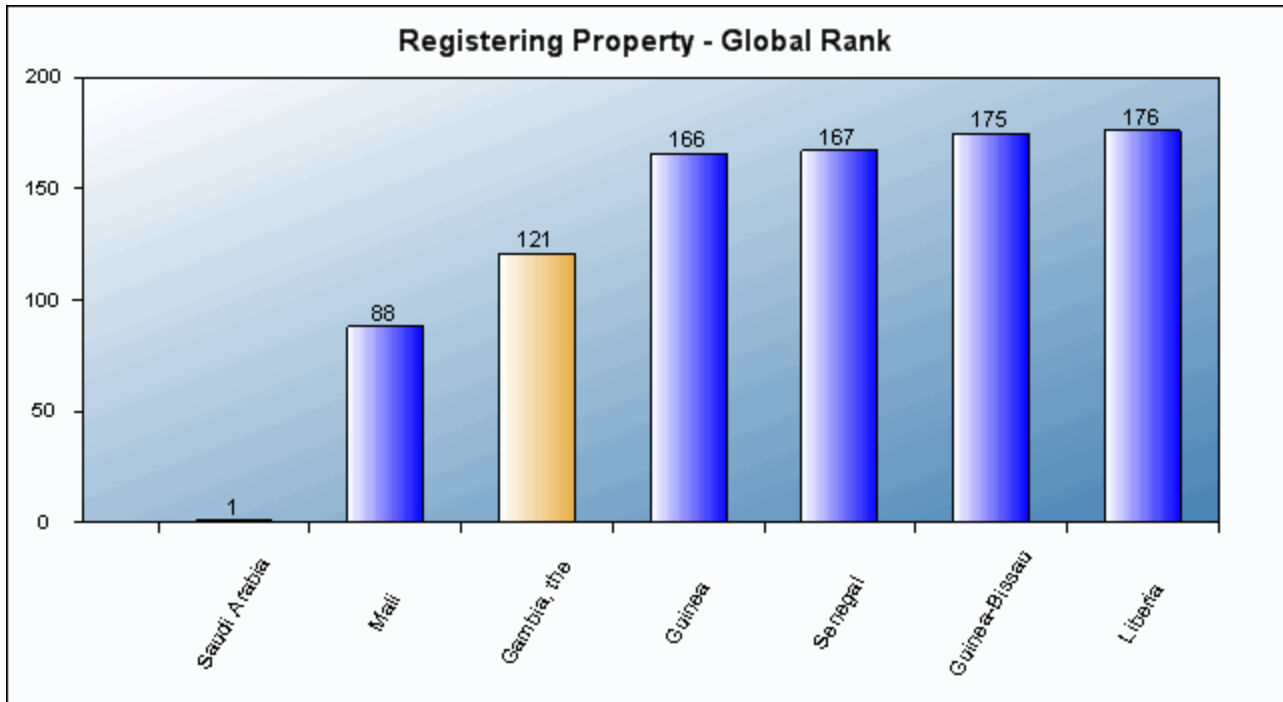
The property (fully owned by the seller):

- Has a value of 50 times income per capita. The sale price equals the value.
- Has no mortgages attached and has been under the same ownership for the past 10 years.
- 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.
- Consists of a 557.4 square meters (6,000 square feet) land and 10 years old 2-story warehouse of 929 square meters (10,000 square feet) located on the land. 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.

1. Benchmarking Registering Property Regulations:

Gambia, the is ranked 121 overall for Registering Property.

Ranking of Gambia, the in Registering Property - Compared to good practice and selected economies:



The following table shows Registering Property data for Gambia, the compared to good practice and comparator economies:

Good Practice Economies	Procedures (number)	Time (days)	Cost (% of property value)
New Zealand*		2	
Norway*	1		
Saudi Arabia			0.0

<i>Selected Economy</i>			
Gambia, the	5	66	7.6

<i>Comparator Economies</i>			
Guinea	6	104	14.0
Guinea-Bissau	9	211	6.1
Liberia	10	50	13.2
Mali	5	29	11.9
Senegal	6	122	20.6

* The following economies are also good practice economies for :

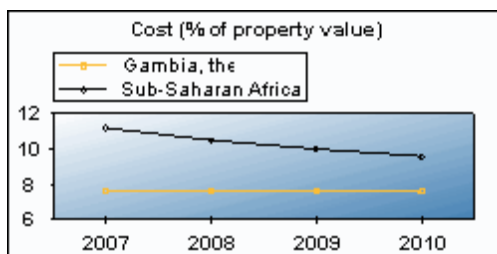
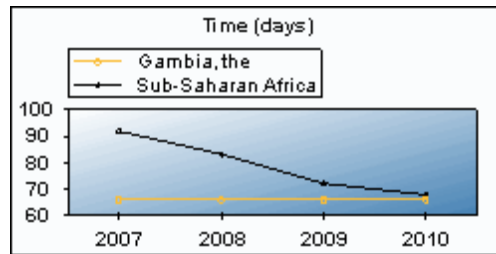
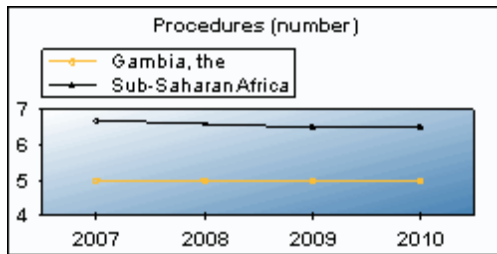
Procedures (number): United Arab Emirates

Time (days): Saudi Arabia, Thailand, United Arab Emirates

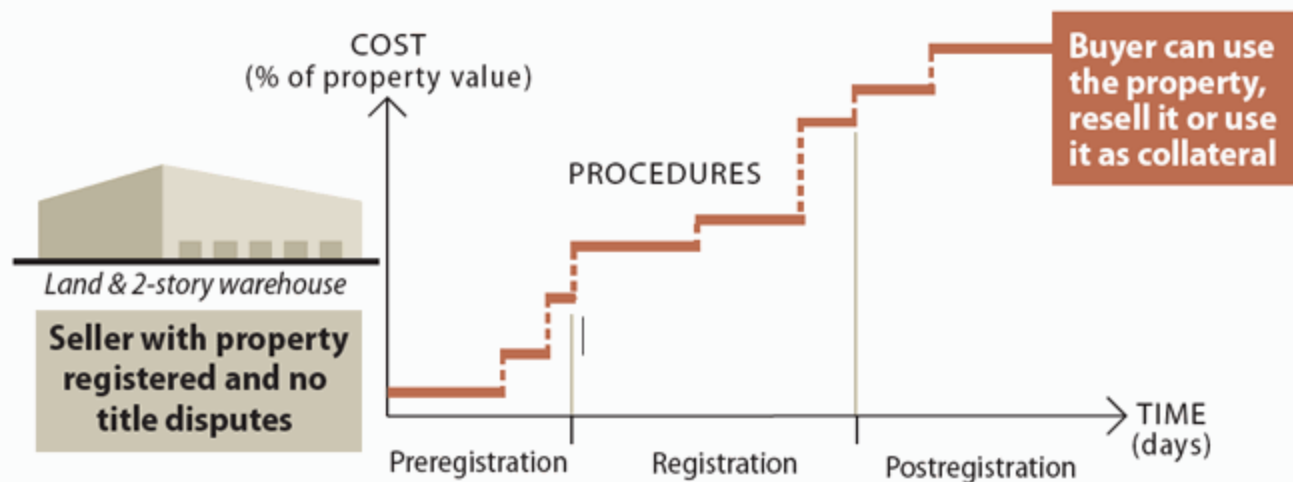
2. Historical data: Registering Property in Gambia, the

Registering Property data	Doing Business 2008	Doing Business 2009	Doing Business 2010	Doing Business 2011
Rank	..	..	114	121
Procedures (number)	5	5	5	5
Time (days)	66	66	66	66
Cost (% of property value)	7.6	7.6	7.6	7.6

3. The following graphs illustrate the Registering Property sub indicators in Gambia, the over the past 4 years:



What are the time, cost and number of procedures required to transfer a property between 2 local companies?



This topic examines the steps, time, and cost involved in registering property in The Gambia.

STANDARDIZED PROPERTY

Property Value: 543,953.88

City: Banjul

Registration Requirements:

No:	Procedure	Time to complete	Cost to complete
1 *	Application for Ministerial Consent to transfer leasehold property	1 to 3 months (simultaneous with procedures 2 and 3)	D 200 for the Application form
2 *	Preparation of Transfer Deed by a lawyer	2-7 days (simultaneous with procedures 1 and 3)	2-3% of purchase price (lawyer's fees)
3 *	Title search by lawyer at the Office of the Registrar of Deeds	1-2 days (simultaneous with procedures 1 and 2)	included in Procedure 2
4	Payment of Capital Gains tax and Stamp Duty at the Department of Income Tax	1 day	5% of purchase price (Stamp Duty)
5	Transfer deed is brought to the Registrar General's Office for registration	3-7 days	D 200 (Registration fee)

* Takes place simultaneously with another procedure.

Registering Property Details - Gambia, the

Procedure	1	Application for Ministerial Consent to transfer leasehold property
Time to complete:	1 to 3 months (simultaneous with procedures 2 and 3)	
Cost to complete:	D 200 for the Application form	
Agency:	Department of Lands and Surveys	
Comment:	<p>Because the State owns most of the land in Banjul, the property is technically leased (land in Banjul can be freehold or leasehold). The vendor buys and submits the Application form for Permission at the Department of Lands and Surveys. The Lands Department conducts an internal search for other files connected with the property. These files need to be attached to the application. The application then leaves the Lands Department and goes to a different office within the Department of State for Lands. The Secretary of State for Local Government and Land indicates approval and then the application is sent back to Lands Department. The Director of Lands issues the letter of consent for the transfer of the property. The lease is usually 99 years, with the option of another 99 years. The vendor also brings receipt showing that land rents have been paid up to date.</p> <p>The ministerial consent is required for leaseholds. With regular follow up it can be obtained in one to three months, but can take up to a year if there is no follow up and there are mortgages attached to the property.</p>	
Procedure	2	Preparation of Transfer Deed by a lawyer
Time to complete:	2-7 days (simultaneous with procedures 1 and 3)	
Cost to complete:	2-3% of purchase price (lawyer's fees)	
Comment:	The lawyer then prepares the transfer deed. Sometimes the lawyer prepares the sale-purchase agreement, if payment is by installment.	
Procedure	3	Title search by lawyer at the Office of the Registrar of Deeds
Time to complete:	1-2 days (simultaneous with procedures 1 and 2)	
Cost to complete:	included in Procedure 2	
Agency:	Office of the Registrar of Deeds	
Comment:	The purchaser's lawyer conducts a title search at the Office of the Registrar of Deeds within the Office of the Attorney General. The search costs about D 200-500, but this is usually included in the lawyer's fees. Sometimes, the lawyer may need to conduct an additional search at the Lands Department if files are missing at the Office of the Attorney General.	
Procedure	4	Payment of Capital Gains tax and Stamp Duty at the Department of Income Tax
Time to complete:	1 day	
Cost to complete:	5% of purchase price (Stamp Duty)	

Agency: Department of Income Tax

Comment: Once permission has been received, the vendor must pay capital gains tax and the purchaser pays stamp duty at the Department of Income Tax. Details of permission are inserted into the transfer documents. And, as of 2007, all those wishing to pay taxes must possess a tax identification number (TIN) issued by the Ministry of Finance, usually upon a company's registration/incorporation. Stamp Duty will not be accepted unless Capital Gains tax has been paid. Once they are paid, the purchaser will obtain receipts with proof of payment and the transfer deed will be stamped.

Capital Gains Tax = 10% of the purchase price or 25% of the sale profit (whichever is greater). Capital gains is not included in the calculation of cost for the case study.

The stamp fees as of the Stamp Act establish a 2% of sales price stamp duty. However this rate has been updated since after 2002 to 5% of the sales price, based on 2002 budget speech of the minister of finance.

Procedure 5 Transfer deed is brought to the Registrar General's Office for registration

Time to complete: 3-7 days

Cost to complete: D 200 (Registration fee)

Comment: The transfer deed is given a serial registration number, entered into the registers. One copy is retained with the Registrar General, and another one is returned to the purchaser. In theory, the document is signed by the Registrar General – but often it is done by one of the lawyers in the Registrar General's Office. Together with the original lease document, this document constitutes the new title. The registration fee is a fixed fee.

Through two sets of indicators, *Doing Business* assesses the legal rights of borrowers and lenders with respect to secured transactions and the sharing of credit information. The depth of credit information index measures rules and practices affecting the coverage, scope and accessibility of credit information available through either a public credit registry or a private credit bureau. Credit information systems mitigate the ‘information asymmetry’ in lending and enable lenders to view a borrower’s financial history (positive or negative), providing them with valuable information to consider when assessing risk. Credit information systems benefit borrowers as well, allowing good borrowers to establish a reputable credit history which will enable them to access credit more easily. The Legal Rights Index measures the degree to which collateral and bankruptcy laws protect the rights of borrowers and lenders and thus facilitate lending. Sound collateral laws will enable businesses to use their assets, especially movable property, as security to generate capital while having strong creditor’s rights has been associated with higher ratios of private sector credit to GDP.

Some reform outcomes

After Vietnam’s new Civil Code was enacted in 2005, a decree further clarified the provisions governing secured transactions. Since the inclusion of the new provisions, the number of registrations increased from 43,000 (2005) to 120,000 (end of 2008).

In 2008, when Zambia established a private credit bureau, its database initially covered about 25,000 borrowers. Thanks to a strong communication campaign and a central bank directive, coverage has grown 10-fold in the past 2 years, exceeding 200,000 by the beginning of 2010.

What do 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

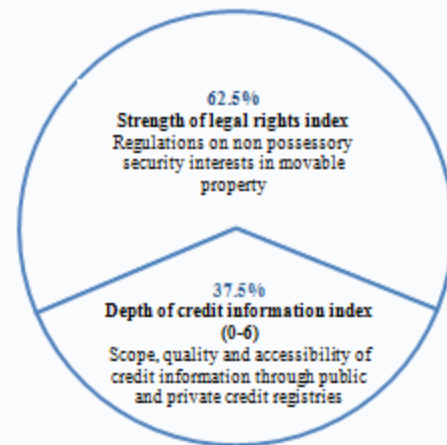
Public credit registry coverage (% of adults)

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

Private credit bureau coverage (% of adults)

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

Getting Credit: collateral rules and credit information



Note: Private bureau coverage and public credit registry coverage are measured but do not count for the rankings.

Case Study Assumptions (applying to the Legal Rights Index only)

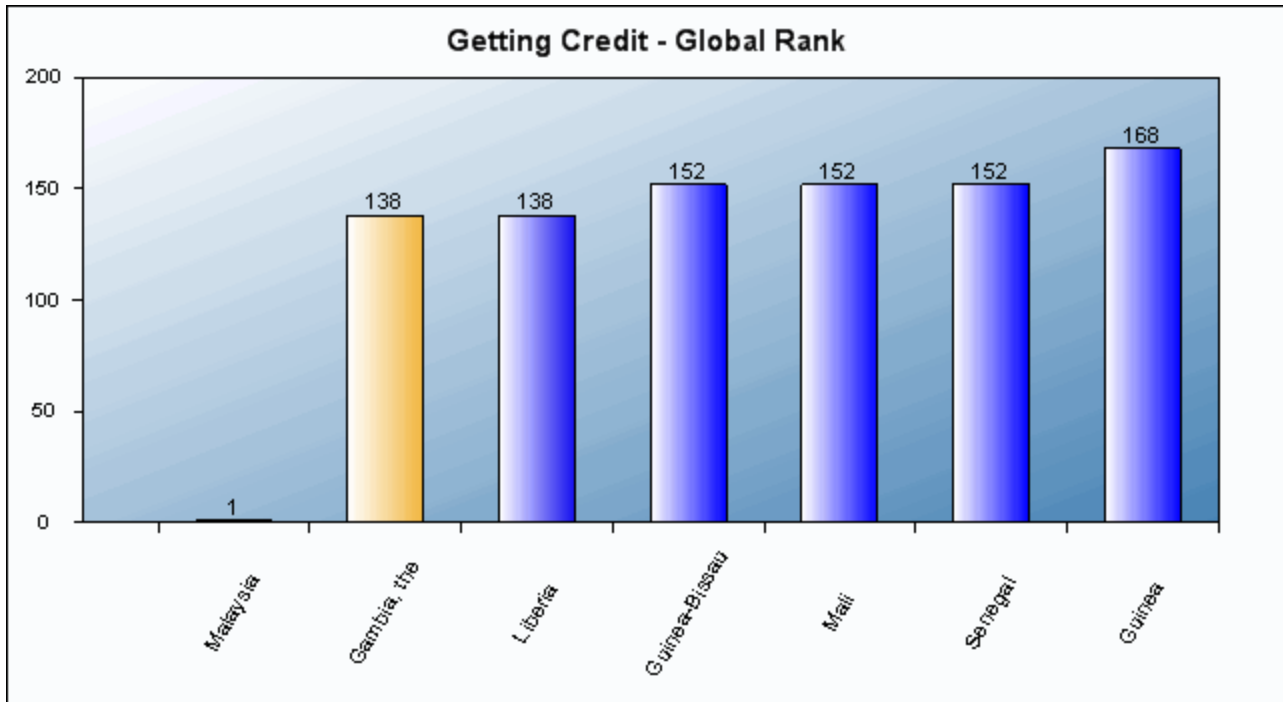
The Debtor

- is a Private Limited Liability Company
- has its Headquarters and only base of operations in the largest business city
- obtains a loan from a local bank (the Creditor) for an amount up to 10 times income (GNI) per capita
- Both creditor and debtor are 100% domestically owned.

1. Benchmarking Getting Credit Regulations:

Gambia, the is ranked 138 overall for Getting Credit.

Ranking of Gambia, the in Getting Credit - Compared to good practice and selected economies:



The following table shows Getting Credit data for Gambia, the compared to good practice and comparator economies:

Good Practice Economies	Strength of legal rights index (0-10)	Depth of credit information index (0-6)	Public registry coverage (% of adults)	Private bureau coverage (% of adults)
New Zealand*				100.0
Portugal			67.1	
Singapore*	10			
United Kingdom		6		

<i>Selected Economy</i>				
Gambia, the	5	0	0.0	0.0

<i>Comparator Economies</i>				
Guinea	3	0	0.0	0.0
Guinea-Bissau	3	1	0.3	0.0
Liberia	4	1	0.2	0.0
Mali	3	1	0.1	0.0
Senegal	3	1	0.4	0.0

* The following economies are also good practice economies for :

Strength of legal rights index (0-10): Hong Kong, China, Kenya, Kyrgyz Republic, Malaysia

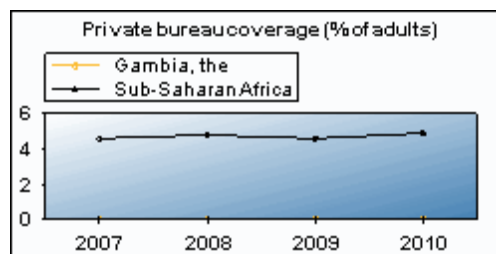
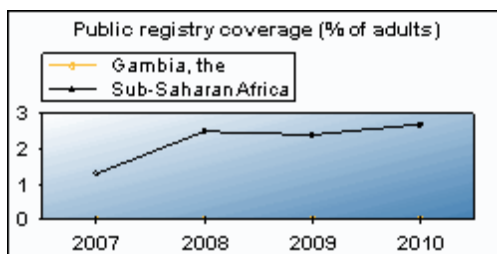
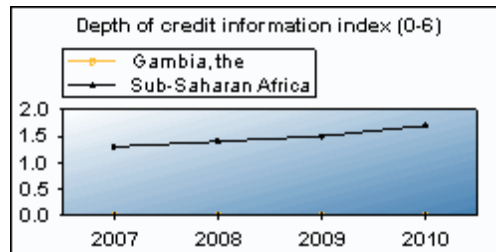
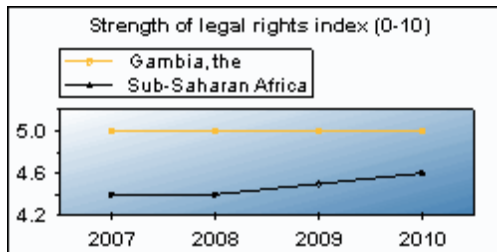
Private bureau coverage (% of adults): Argentina, Australia, Canada, Iceland, Ireland, Norway, Sweden, United Kingdom, United States

27 countries have the highest credit information index.

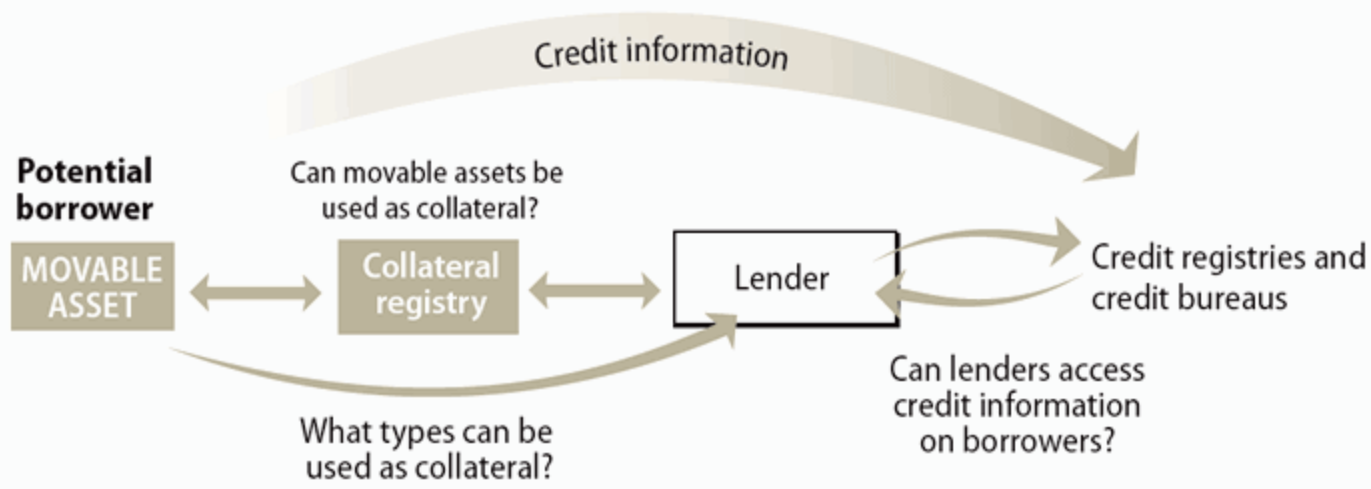
2. Historical data: Getting Credit in Gambia, the

Getting Credit data	Doing Business 2008	Doing Business 2009	Doing Business 2010	Doing Business 2011
Rank	..	..	135	138
Strength of legal rights index (0-10)	5	5	5	5
Depth of credit information index (0-6)	0	0	0	0
Private bureau coverage (% of adults)	0.0	0.0	0.0	0.0
Public registry coverage (% of adults)	0.0	0.0	0.0	0.0

3. The following graphs illustrate the Getting Credit sub indicators in Gambia, the over the past 4 years:



**Do lenders have credit information on entrepreneurs seeking credit?
Is the law favorable to borrowers and lenders using movable assets as collateral?**



The following table summarize legal rights of borrowers and lenders, and the availability and legal framework of credit registries in The Gambia.

Getting Credit Indicators (2010)			Indicator
Private bureau coverage (% of adults)	Private credit bureau	Public credit registry	0
Are data on both firms and individuals distributed?	No	No	0
Are both positive and negative data distributed?	No	No	0
Does the registry distribute credit information from retailers, trade creditors or utility companies as well as financial institutions?	No	No	0
Are more than 2 years of historical credit information distributed?	No	No	0
Is data on all loans below 1% of income per capita distributed?	No	No	0
Is it guaranteed by law that borrowers can inspect their data in the largest credit registry?	No	No	0
Coverage	0.0	0.0	
Number of individuals		0	0
Number of firms		0	0

Strength of legal rights index (0-10)**5**

Can any business use movable assets as collateral while keeping possession of the assets; and any financial institution accept such assets as collateral ?

Does the law allow businesses to grant a non possessory security right in a single category of movable assets, without requiring a specific description of collateral?

Does the law allow businesses to grant a non possessory security right in substantially all of its assets, without requiring a specific description of collateral?

May a security right extend to future or after-acquired assets, and may it extend automatically to the products, proceeds or replacements of the original assets ?

Is a general description of debts and obligations permitted in collateral agreements, so that all types of obligations and debts can be secured by stating a maximum amount rather than a specific amount between the parties ?

Is a collateral registry in operation, that is unified geographically and by asset type, as well as indexed by the grantor's name of a security right ?

Do secured creditors have absolute priority to their collateral outside bankruptcy procedures?

Do secured creditors have absolute priority to their collateral in bankruptcy procedures?

During reorganization, are secured creditors' claims exempt from an automatic stay on enforcement?

Does the law authorize parties to agree on out of court enforcement?

Stronger investor protections matter for the ability of companies to raise the capital needed to grow, innovate, diversify and compete. This is all the more crucial in times of financial crisis when entrepreneurs must navigate through defiant environments to finance their activities. Using 3 indices of investor protection, *Doing Business* measures how economies regulate a standard case of self-dealing, use of corporate assets for personal gains. Since 2005, 51 economies have strengthened investor protections as measured by *Doing Business*.

Some reform outcomes

In Indonesia, an economy that consistently improved its laws regulating investor protections, the number of firms listed on the Indonesia Stock Exchange increased from 331 to 396 between 2004 and 2009. Meanwhile, market capitalization grew from 680 trillion rupiah (\$75 billion) to 1,077 trillion rupiah (\$119 billion).

After Thailand amended its laws in 2006 and 2008, more than 85 transactions that failed to comply with the disclosure standards were suspended. Thirteen were deemed prejudicial and were therefore canceled, thus preventing damage to the companies involved and preserving their value. Companies were not deterred either, as more than 30 new companies joined the stock exchange since 2005 bringing the number of listed companies to 523.

What do 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 the interested party and the approving body liable in case of a prejudicial related-party transaction
- 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)

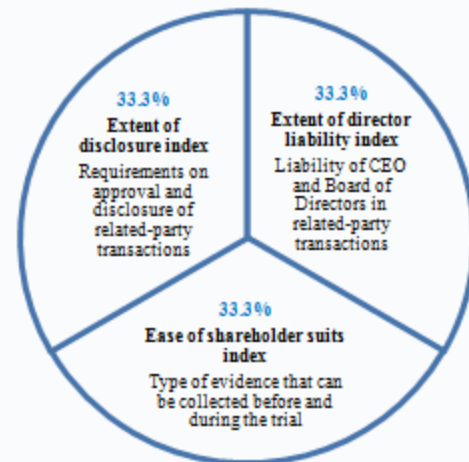
- Documents and information available during trial
- Access to internal corporate documents (directly or through a government inspector)

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: minority shareholder rights in related-party transactions

Rankings are based on 3 subindicators



Case Study Assumptions

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.

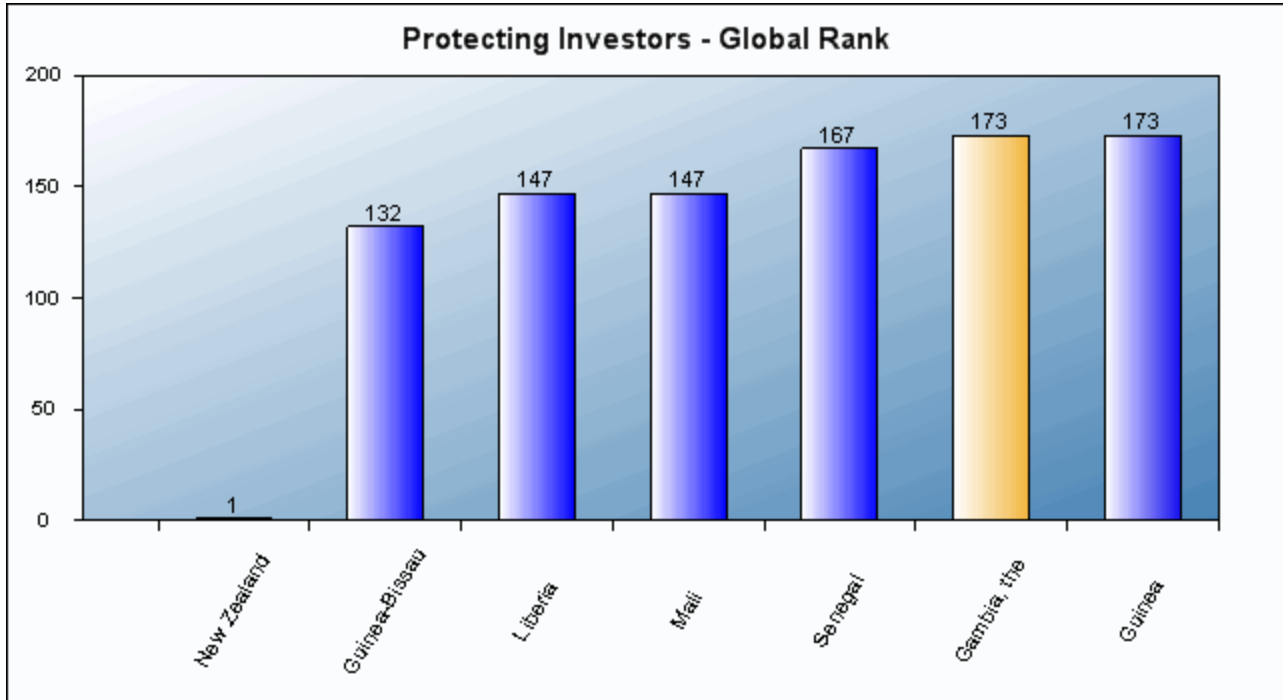
The transaction

- 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 the purchasing company.
- Shareholders sue the interested parties and the members of the board of directors.

1. Benchmarking Protecting Investors Regulations:

Gambia, the is ranked 173 overall for Protecting Investors.

Ranking of Gambia, the in Protecting Investors - Compared to good practice and selected economies:



The following table shows Protecting Investors data for Gambia, the compared to good practice and comparator economies:

Good Practice Economies	Strength of investor protection index (0-10)
New Zealand	9.7

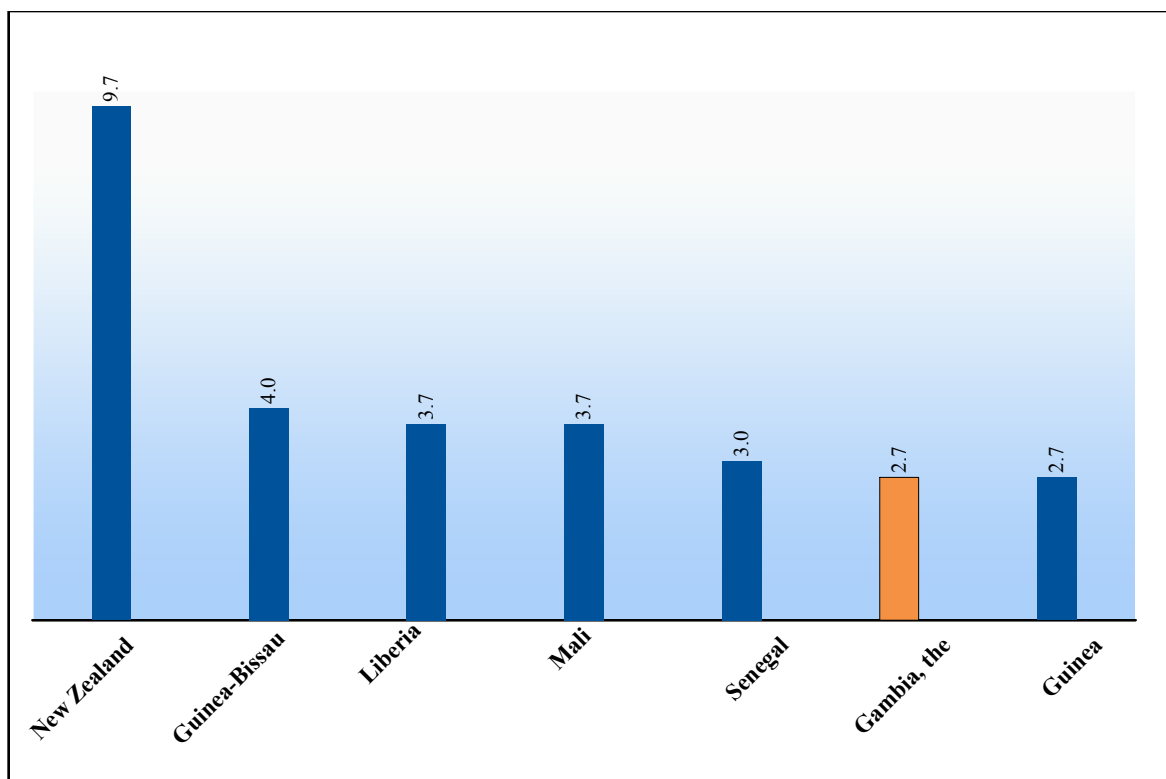
<i>Selected Economy</i>	
Gambia, the	2.7

<i>Comparator Economies</i>	
Guinea	2.7
Guinea-Bissau	4.0
Liberia	3.7
Mali	3.7
Senegal	3.0

2. Historical data: Protecting Investors in Gambia, the

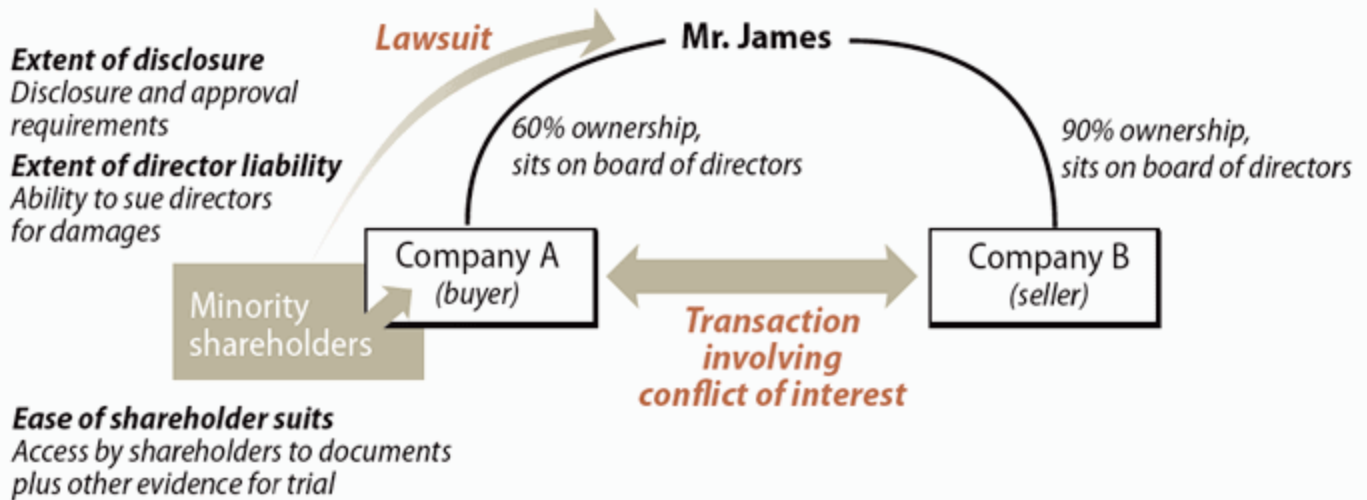
Protecting Investors data	Doing Business 2008	Doing Business 2009	Doing Business 2010	Doing Business 2011
Rank	..	..	172	173
Strength of investor protection index (0-10)	2.7	2.7	2.7	2.7

3. The following graph illustrates the Protecting Investors index in Gambia, the compared to best practice and selected Economies:



Note: The higher the score, the greater the investor protection.

How well are minority shareholders protected against self-dealing in related-party transactions?



The table below provides a full breakdown of how the disclosure, director liability, and shareholder suits indexes are calculated in The Gambia.

Protecting Investors Data (2010)	Indicator
Extent of disclosure index (0-10)	2
What corporate body provides legally sufficient approval for the transaction?	1
Whether immediate disclosure of the transaction to the public and/or shareholders is required?	0
Whether disclosure of the transaction in published periodic filings (annual reports) is required?	0
Whether disclosure of the conflict of interest by Mr. James to the board of directors is required?	1
Whether an external body must review the terms of the transaction before it takes place?	0
Extent of director liability index (0-10)	1
Whether shareholders can hold Mr. James liable for the damage that the Buyer-Seller transaction causes to the company?	0
Whether shareholders can hold the approving body (the CEO or board of directors) liable for the damage that the Buyer-Seller transaction causes to the company?	0
Whether a court can void the transaction upon a successful claim by a shareholder plaintiff?	0
Whether Mr. James pays damages for the harm caused to the company upon a successful claim by the shareholder plaintiff?	0

Whether Mr. James repays profits made from the transaction upon a successful claim by the shareholder plaintiff?	0
Whether fines and imprisonment can be applied against Mr. James?	0
Whether shareholders can sue directly or derivatively for the damage that the Buyer-Seller transaction causes to the company?	1
Ease of shareholder suits index (0-10)	5
Whether the plaintiff can obtain any documents from the defendant and witnesses during trial?	1
Whether the plaintiff can directly question the defendant and witnesses during trial?	2
Whether the plaintiff can request categories of documents from the defendant without identifying specific ones?	0
Whether shareholders owning 10% or less of Buyer's shares can request an inspector to investigate the transaction?	1
Whether the level of proof required for civil suits is lower than that of criminal cases?	1
Whether shareholders owning 10% or less of Buyer's shares can inspect transaction documents before filing suit?	0
Strength of investor protection index (0-10)	2.7

Taxes are essential to provide public amenities, infrastructure and services which are crucial for a properly functioning economy. *Doing Business* data show that economies where it is more difficult and costly to pay taxes have larger shares of informal sector activity. More than 60% of economies have reformed in the last 6 years and are starting to see concrete results.

Some reform outcomes

Colombia introduced a new electronic system for social security and labor taxes in 2006 and by 2008 the social security contributions collected from small and medium-size companies rose by 42%, to 550 billion pesos.

Mauritius reduced the corporate income tax rate from 25% to 15% and removed exemptions and industry-specific allowances in 2006 and saw their corporate income tax revenue grow by 27% in the following year, and in 2008/09 it increased by 65%.

What do the Paying taxes indicators measure?

Tax payments for a manufacturing company in 2009
(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)

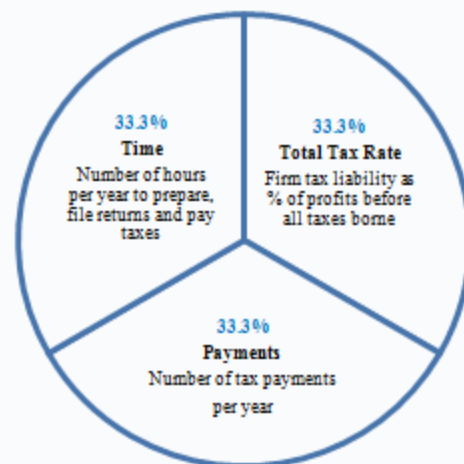
- Collecting information and computing the tax payable
- Completing tax return forms, filing with proper agencies
- Arranging payment or withholding
- Preparing separate tax accounting books, if required

Total tax rate (% of profit)

- Profit or corporate income tax
- Mandatory 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

Paying Taxes: tax compliance for a local manufacturing company

Rankings are based on 3 subindicators



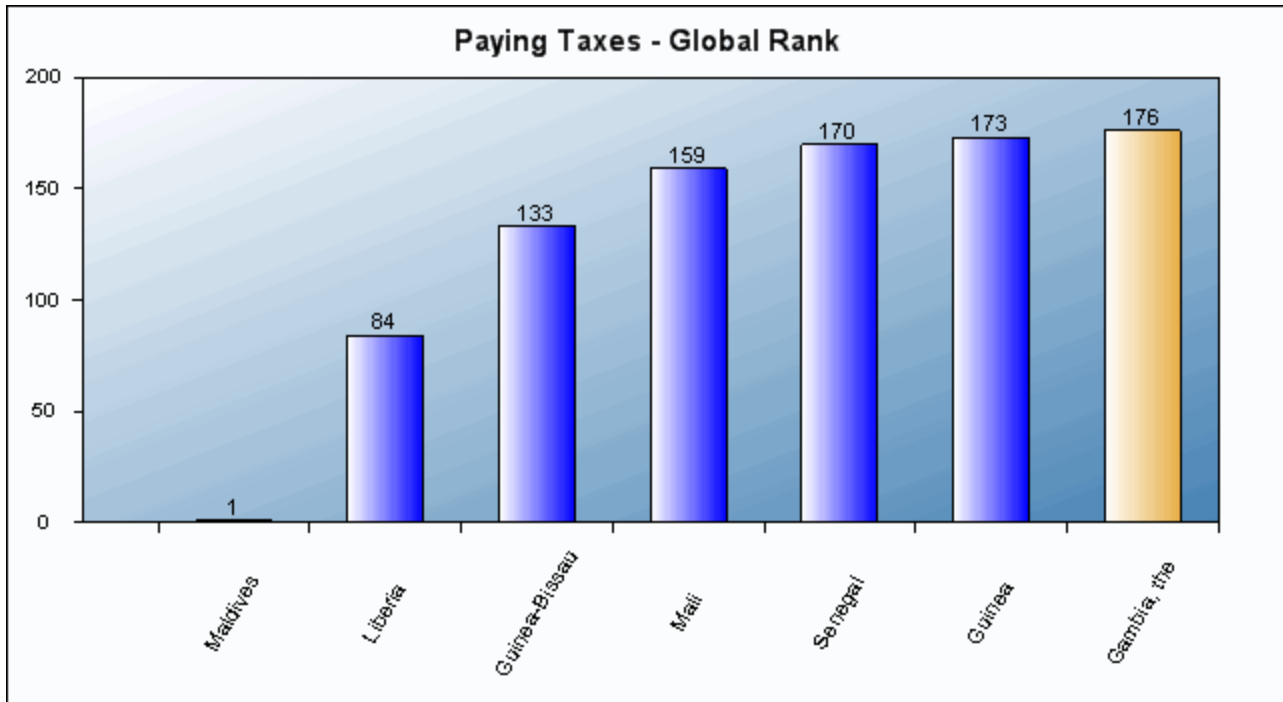
Case Study Assumptions

- TaxpayerCo is a medium-size business that started operations 2 years ago.
- Tax practitioners are asked to review its financial statements, as well as a standard list of transactions that the company completed during the year.
- Respondents are asked how much in taxes and mandatory contributions the business must pay and what the process is for doing so.
- 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
- Taxes and mandatory contributions include corporate income tax, turnover tax, all labor taxes and contributions paid by the company.
- A range of standard deductions and exemptions are also recorded.

1. Benchmarking Paying Taxes Regulations:

Gambia, the is ranked 176 overall for Paying Taxes.

Ranking of Gambia, the in Paying Taxes - Compared to good practice and selected economies:



The following table shows Paying Taxes data for Gambia, the compared to good practice and comparator economies:

Good Practice Economies	Payments (number per year)	Time (hours per year)	Total tax rate (% profit)
Maldives*	3	0	
Timor-Leste			0.2

<i>Selected Economy</i>			
Gambia, the	50	376	292.3

<i>Comparator Economies</i>			
Guinea	56	416	54.6
Guinea-Bissau	46	208	45.9
Liberia	32	158	43.7
Mali	59	270	52.2
Senegal	59	666	46.0

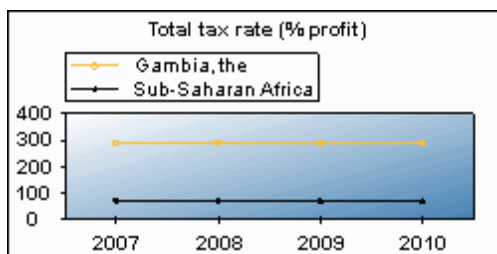
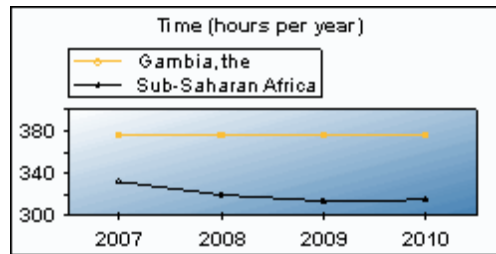
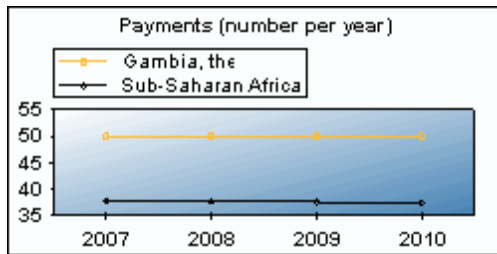
* The following economies are also good practice economies for :

Payments (number per year): Qatar

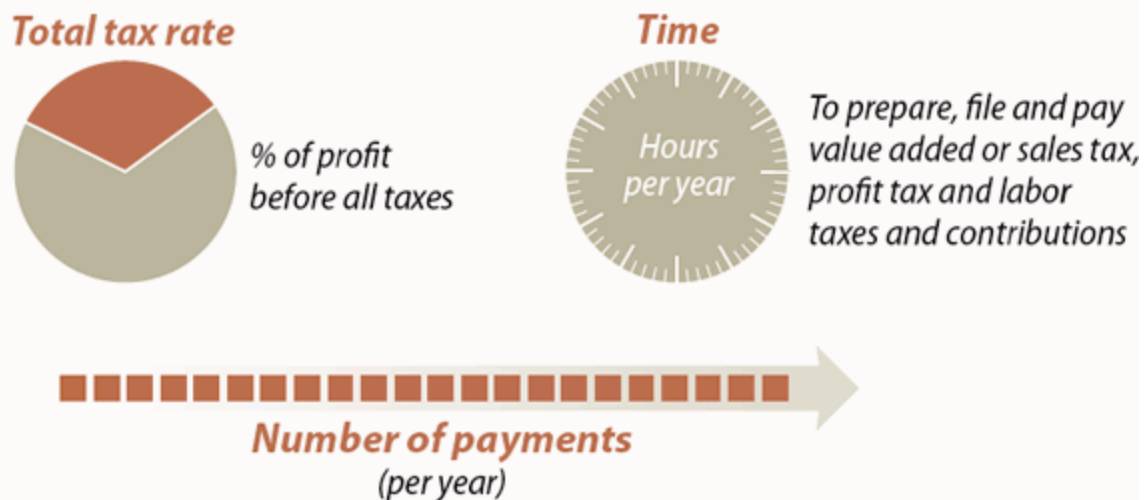
2. Historical data: Paying Taxes in Gambia, the

Paying Taxes data	Doing Business 2008	Doing Business 2009	Doing Business 2010	Doing Business 2011
Rank	..	..	176	176
Total tax rate (% profit)	292.4	292.4	292.4	292.3
Payments (number per year)	50	50	50	50
Time (hours per year)	376	376	376	376

3. The following graphs illustrate the Paying Taxes sub indicators in Gambia, the over the past 4 years:



What are the time, total tax rate and number of payments necessary for a local medium-sized company to pay all taxes?



The table below addresses the taxes and mandatory contributions that a medium-size company must pay or withhold in a given year in Gambia, the, as well as measures of administrative burden in paying taxes.

Tax or mandatory contribution	Payments (number)	Notes on Payments	Time (hours)	Statutory tax rate	Tax base	Total tax rate (% profit)	Notes on TTR
stamp duty on contracts	1			2.5%-10%	contract value		
environmental tax	12			D1 per employee per month		0.10	
Business registration	1			fixed fee		0.10	
vehicle tax	1			fixed fee	tonnage of vehicle	0.20	
property tax	1			0.3%	assessed property value	0.30	
fuel tax	1				included in fuel price	0.30	
Fringe benefits tax provided to employees	1			35.0%	benefit	0.40	
Contribution to injuries compensation fund	0	paid jointly		1% (with a max of D15 per month per employee)	gross salaries	1.10	

Municipal business license	1			varies by industry	6.00
Capital gains tax	1			higher of 10% of sale price of 25% of gain	6.10
National Education Levy	1			between 30,000 and 50,000 depends on turnover (in excess of 5 million)	10.10
social security contributions	12	96	10.0%	gross salaries	11.30
Corporate Income Tax	5	40	35% or 2%	taxable profit or turnover	35.40
Sales tax	12	240	15.0%	domestic purchases	221.00
Totals	50	376			292.3

Making trade between countries easier is increasingly important for business in today's globalized world. 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. Trade facilitation tools such as electronic data interchange systems, risk-based inspections, and single windows help improve an economy's trading environment and boost firms' international competitiveness. *Doing Business* trade indicators take into account documents, cost and time associated with every procedure for trading a standard shipment of goods by ocean transport. Research indicates that exporters in developing countries have much more to gain by a 10% drop in their trading costs than from a similar decrease of the tariffs applied to their products in global markets.

Some reform outcomes

In Georgia, reducing customs clearance time by a day has led to operational savings of an estimated \$288 per truck, or an annual \$133 million for the country's whole trading community given the growing amount of cross-border trade in recent years.

In Korea, predictable cargo processing times and rapid turnover by ports and warehouses provide a benefit to the Korean economy of some \$2 billion annually.

What do the Trading Across Borders indicators measure?

Trading Across Borders: exporting and importing by ocean transport

Rankings are based on 3 subindicators

Documents required to export and import (number)

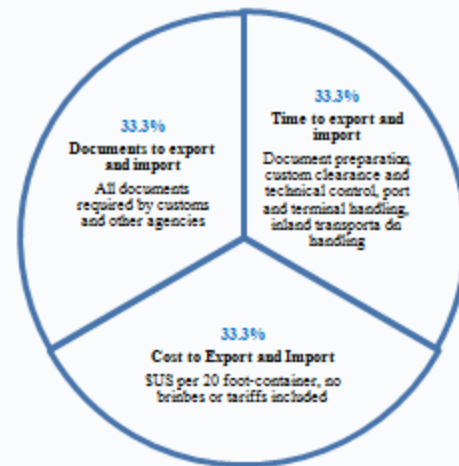
- Bank documents
- Customs clearance documents
- Port and terminal handling documents
- Transport documents

Time required to export and import (days)

- Obtaining all the documents
- Inland transport and handling
- Customs clearance and inspections
- Port and terminal handling
- Does not include ocean 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



Case Study Assumptions

The Business

- Has at least 60 employees and is located in the economy's largest business city
- Is a private, limited liability company, which exports more than 10% of its sales. It is fully domestically owned and does not operate in an export processing zone or an industrial estate with special export or import privileges

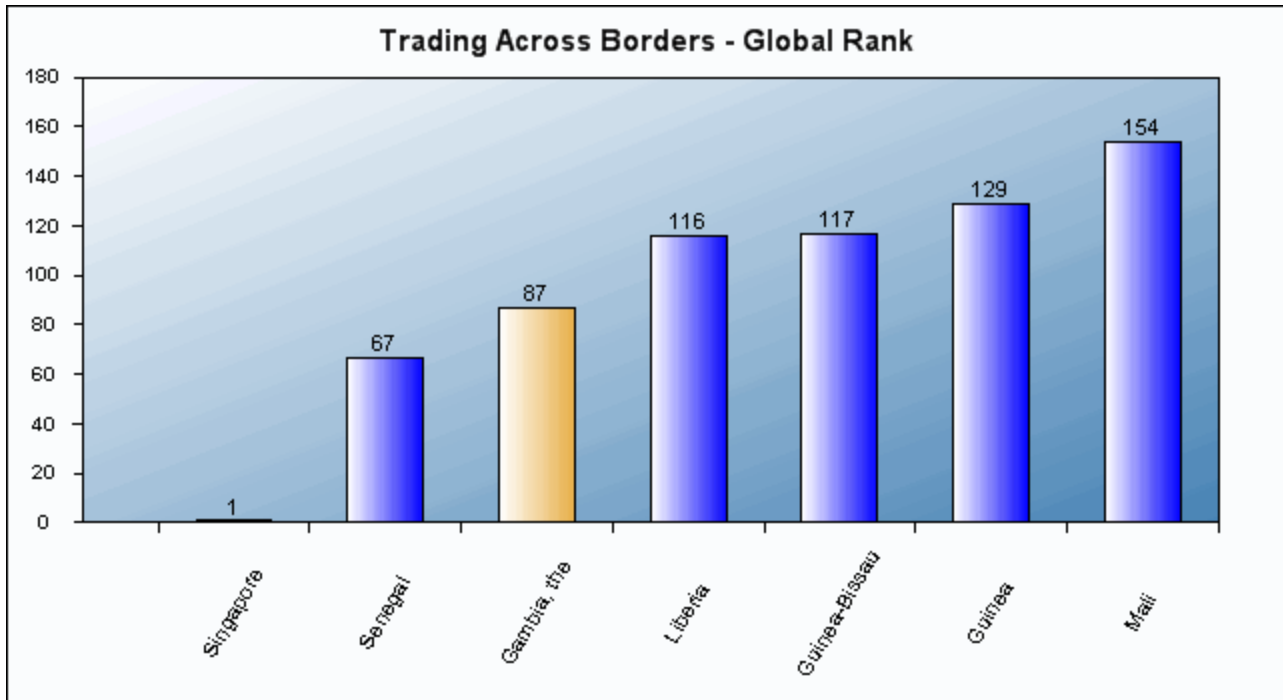
The traded product

- Is transported in a dry-cargo, 20-foot full container load; weighs 10 tons and is valued at \$20,000
- Is not hazardous or include military items; it does not require special phytosanitary or environmental safety standards, refrigeration or any other special environment
- Is one of the economy's leading export or import products

1. Benchmarking Trading Across Borders Regulations:

Gambia, the is ranked 87 overall for Trading Across Borders.

Ranking of Gambia, the in Trading Across Borders - Compared to good practice and selected economies:



The following table shows Trading Across Borders data for Gambia, the compared to good practice and comparator economies:

Good Practice Economies	Documents to export (number)	Time to export (days)	Cost to export (US\$ per container)	Documents to import (number)	Time to import (days)	Cost to import (US\$ per container)
Denmark*		5				
France	2			2		
Malaysia			450			
Singapore					4	439

<i>Selected Economy</i>						
Gambia, the	6	23	831	8	23	975

<i>Comparator Economies</i>						
Guinea	7	35	855	9	32	1391
Guinea-Bissau	6	23	1545	6	22	2349
Liberia	10	17	1232	9	15	1212
Mali	7	26	2202	10	31	3067
Senegal	6	11	1098	5	14	1940

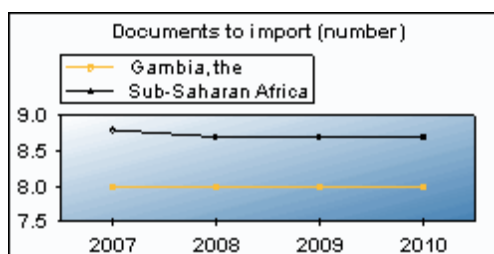
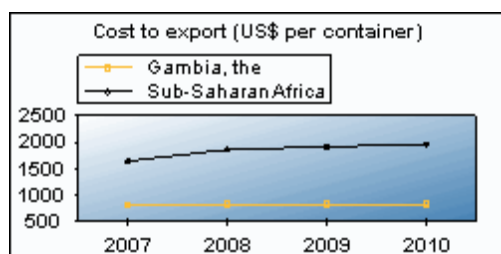
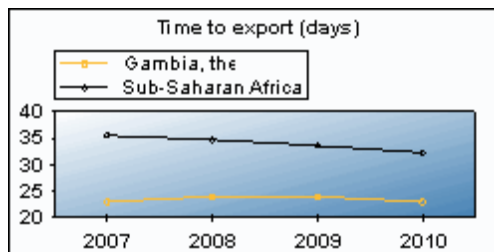
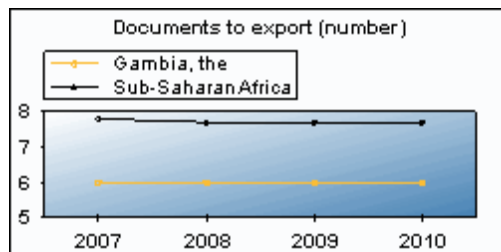
* The following economies are also good practice economies for :

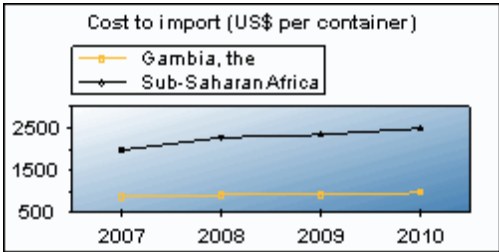
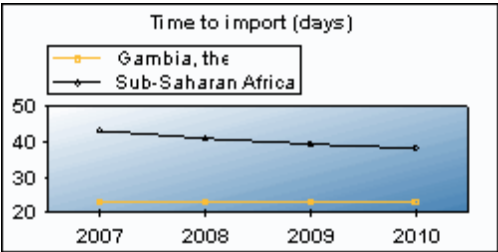
Time to export (days): Estonia

2. Historical data: Trading Across Borders in Gambia, the

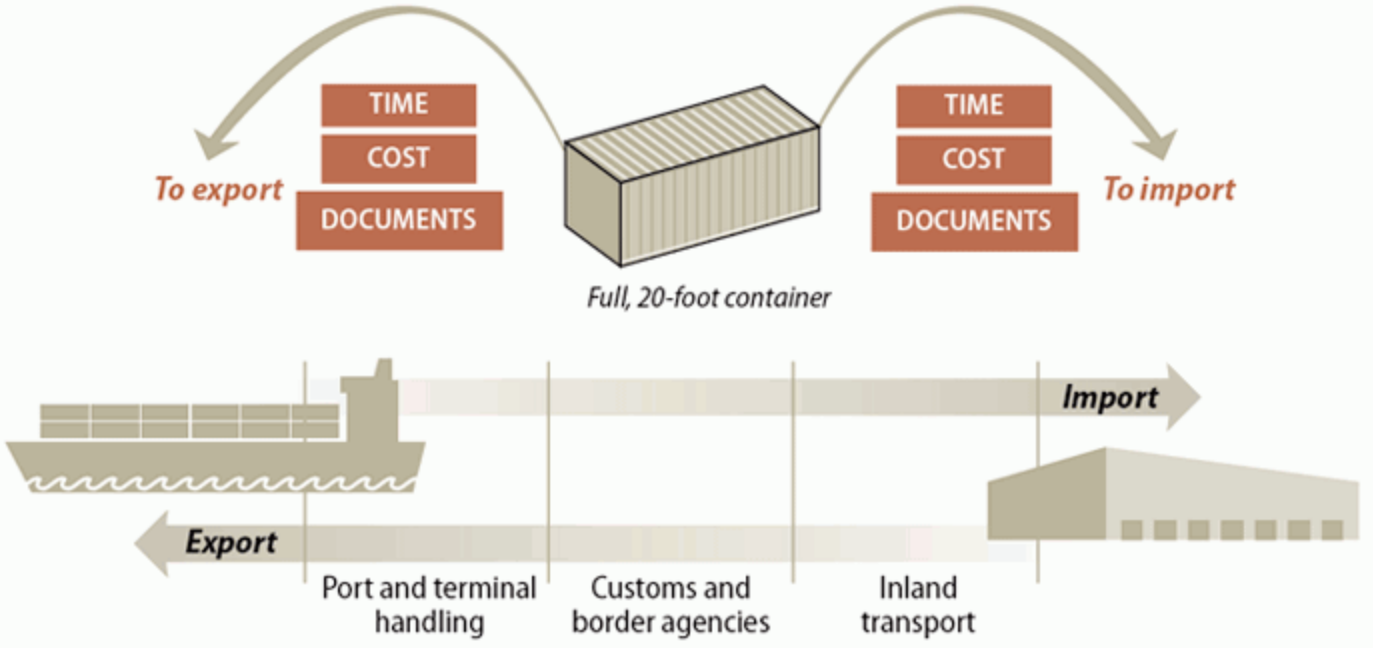
Trading Across Borders data	Doing Business 2008	Doing Business 2009	Doing Business 2010	Doing Business 2011
Rank	..	..	84	87
Cost to export (US\$ per container)	809	831	831	831
Cost to import (US\$ per container)	869	922	922	975
Documents to export (number)	6	6	6	6
Documents to import (number)	8	8	8	8
Time to export (days)	23	24	24	23
Time to import (days)	23	23	23	23

3. The following graphs illustrate the Trading Across Borders sub indicators in Gambia, the over the past 4 years:





How much time, how many documents and what cost to export and import across borders by ocean transport?



These tables list the procedures necessary to import and export a standardized cargo of goods in Gambia, the. The documents required to export and import the goods are also shown.

Nature of Export Procedures (2010)	Duration (days)	US\$ Cost
Documents preparation	9	341
Customs clearance and technical control	2	55
Ports and terminal handling	10	140
Inland transportation and handling	2	295
Totals	23	831

Nature of Import Procedures (2010)	Duration (days)	US\$ Cost
Documents preparation	10	340
Customs clearance and technical control	3	135
Ports and terminal handling	8	190
Inland transportation and handling	2	310
Totals	23	975

Documents for Export and Import

Export

- Bill of lading
- Certificate of origin
- Commercial invoice
- Customs export declaration
- Packing list
- Technical standard/health certificate

Import

- Bill of lading
- Cargo release order
- Certificate of origin
- Commercial invoice
- Customs import declaration
- Packing list
- Tax certificate
- Technical standard/health certificate

Well functioning courts help businesses expand their network and markets. Where contract enforcement is efficient, firms have greater access to credit and are more likely to engage with new borrowers or customers. *Doing Business* measures the efficiency of the judicial system in resolving a commercial sale dispute before local courts. Following the step-by-step evolution of a standardized case study, data relating to the time, cost and procedural complexity of resolving a commercial lawsuit are collected through study of the codes of civil procedure and other court regulations, as well as through surveys completed by local litigation lawyers (and, in a quarter of the countries, by judges as well).

Some reform outcomes

In Rwanda the implementation of specialized commercial courts in May 2008 resulted in a significant decrease of the case backlog, and contributed to reduce the time to resolve a commercial dispute by nearly 3 months.

In Austria a "data highway" for the courts that allows attachments to be sent electronically has produced savings of €4.4 million in postage alone.

What do the Enforcing Contracts indicators measure?

Enforcing Contracts: resolving a commercial dispute through the courts

Rankings are based on 3 subindicators

Procedures to enforce a contract (number)

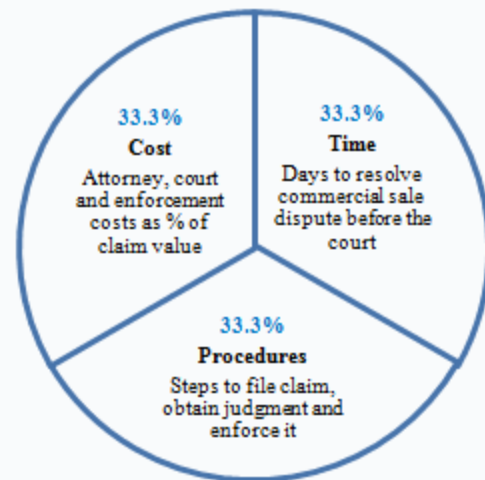
- Any interaction between the parties in a commercial dispute, or between them and the judge or court officer
- Steps to file the case
- Steps for trial and judgment
- Steps to enforce the judgment

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, including expert fees
- Enforcement costs



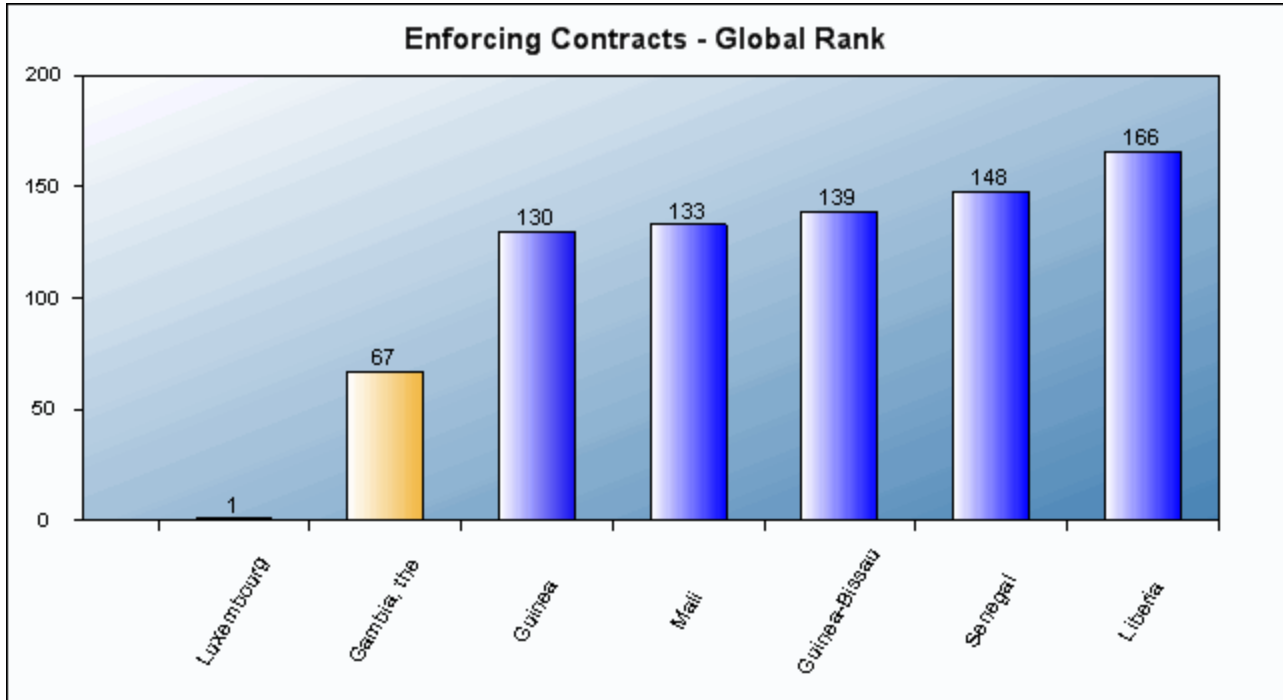
Case Study Assumptions

- Seller and Buyer are domestic companies
- Buyer orders custom-made goods, then does not pay
- Seller sues Buyer before competent court
- Value of claim is 200% of GNI per capita
- Seller requests pre-trial attachment to secure claim
- Dispute on quality of the goods requires expert opinion
- Judge decides in favor of Seller, no appeal
- Seller enforces judgment through a public sale of Buyer's movable assets.

1. Benchmarking Enforcing Contracts Regulations:

Gambia, the is ranked 67 overall for Enforcing Contracts.

Ranking of Gambia, the in Enforcing Contracts - Compared to good practice and selected economies:



The following table shows Enforcing Contracts data for Gambia, the compared to good practice and comparator economies:

Good Practice Economies	Procedures (number)	Time (days)	Cost (% of claim)
Bhutan			0.1
Ireland	20		
Singapore		150	

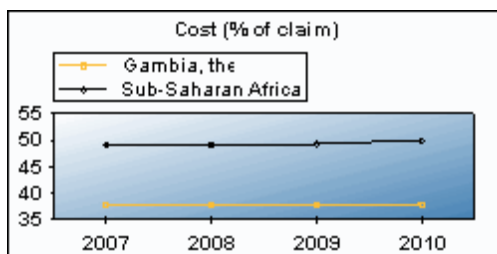
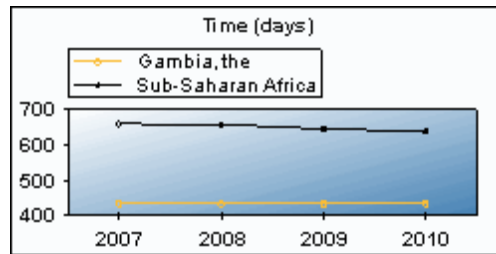
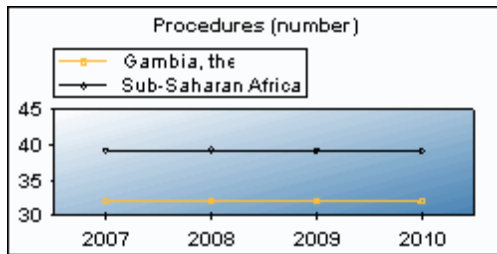
<i>Selected Economy</i>			
Gambia, the	32	434	37.9

<i>Comparator Economies</i>			
Guinea	50	276	45.0
Guinea-Bissau	40	1140	25.0
Liberia	41	1280	35.0
Mali	36	620	52.0
Senegal	44	780	26.5

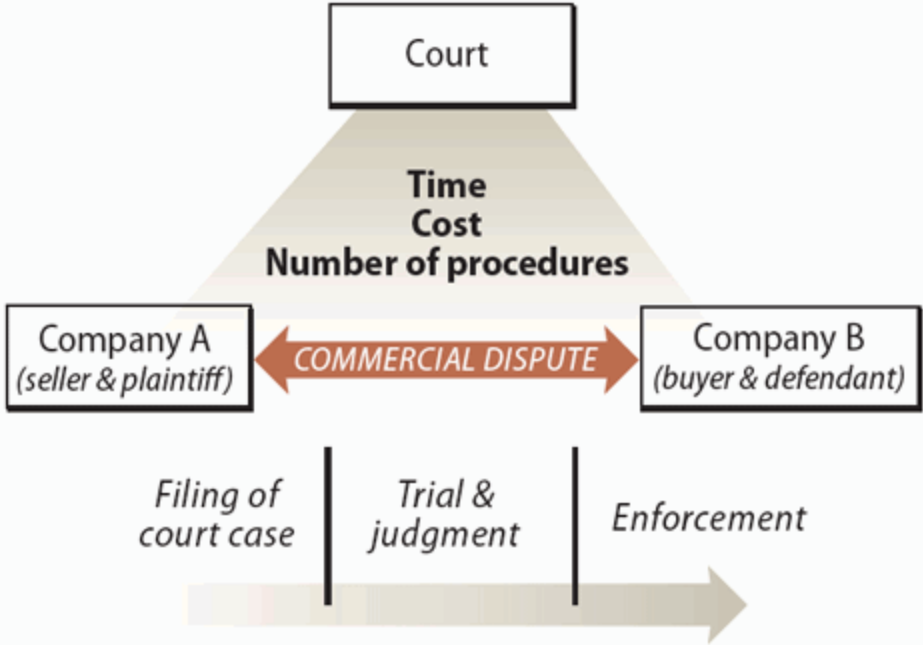
2. Historical data: Enforcing Contracts in Gambia, the

Enforcing Contracts data	Doing Business 2008	Doing Business 2009	Doing Business 2010	Doing Business 2011
Rank	..	..	68	67
Procedures (number)	32	32	32	32
Time (days)	434	434	434	434
Cost (% of claim)	37.9	37.9	37.9	37.9

3. The following graphs illustrate the Enforcing Contracts sub indicators in Gambia, the over the past 4 years:



What are the time, cost and number of procedures to resolve a commercial dispute through the courts?



This topic looks at the efficiency of contract enforcement in Gambia, the.

Nature of Procedure (2010)	Indicator
Procedures (number)	32
Time (days)	434
Filing and service	43.0
Trial and judgment	302.0
Enforcement of judgment	89.0
Cost (% of claim)*	37.90
Attorney cost (% of claim)	34.5
Court cost (% of claim)	1.4
Enforcement Cost (% of claim)	2.0

Court information: Banjul Magistrates Court ("Banjul Magistrates Court")

* Claim assumed to be equivalent to 200% of income per capita.

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 businesses' speedy return 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.

Some reform outcomes

A study of the 2005 bankruptcy reform in Brazil found that it had led to an average reduction of 22% in the cost of credit for Brazilian companies, a 39% increase in overall credit and a 79% increase in long-term credit in the economy. The purpose of the reform was to improve creditor protection in insolvency proceedings.

Following the introduction of debtor-in-possession reorganizations in Korea in 2006, the number of reorganization filings increased from 76 in 2006 to 670 in 2009.

What does the Closing a Business indicator measure?

Closing a Business: insolvency proceedings against local company

Time required to recover debt (years)

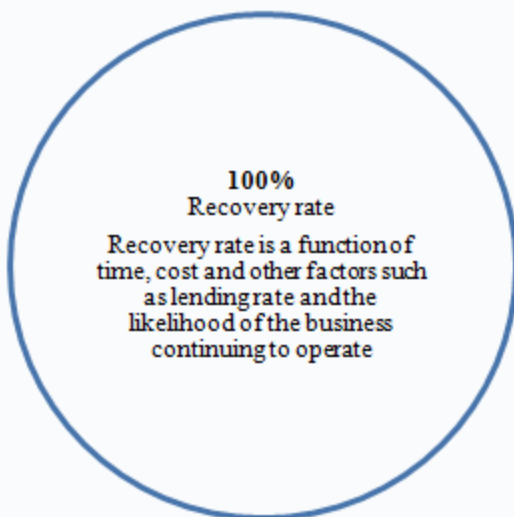
- Measured in calendar years
- Appeals and requests for extension are included

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

- Measured as percentage of estate value
- Court fees
- Fees of insolvency administrators
- Lawyers' fees
- Assessors' and auctioneers' fees
- All other fees and costs

Recovery rate for creditors (cents on the dollar)

- Measures the cents on the dollar recovered by creditors
- Present value of debt recovered
- 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



Case Study Assumptions

The Company

- is domestically owned
- is a limited liability company operating a hotel
- operates in the economy's largest business city
- has 201 employees, 1 secured creditor and 50 unsecured creditors
- has a higher value as a going concern and a lower value in a piecemeal sale of assets

1. Benchmarking Closing Business Regulations:

Gambia, the is ranked 121 overall for Closing a Business.

Ranking of Gambia, the in Closing Business - Compared to good practice and selected economies:



The following table shows Closing Business data for Gambia, the compared to good practice and comparator economies:

Good Practice Economies	Recovery rate (cents on the dollar)	Time (years)	Cost (% of estate)
Ireland		0.4	
Japan	92.7		
Singapore*			1

<i>Selected Economy</i>			
Gambia, the	19.8	3.0	15

<i>Comparator Economies</i>			
Guinea	19.4	3.8	8
Guinea-Bissau	0.0	no practice	no practice
Liberia	8.4	3.0	43
Mali	24.6	3.6	18
Senegal	32.0	3.0	7

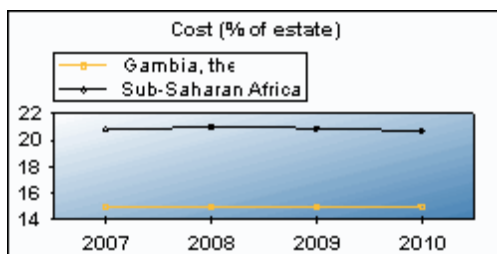
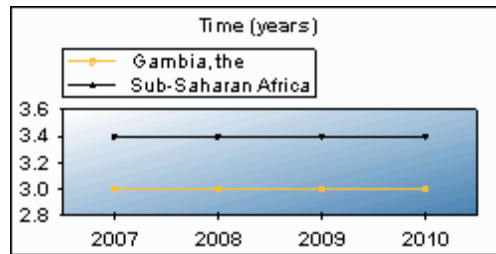
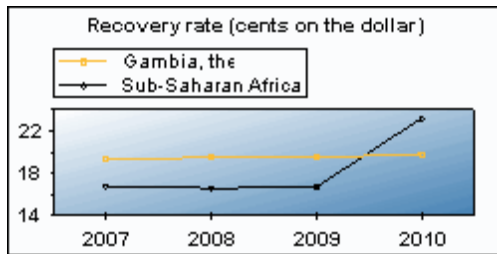
* The following economies are also good practice economies for :

Cost (% of estate): Colombia, Kuwait, Norway

2. Historical data: Closing Business in Gambia, the

Closing a Business data	Doing Business 2008	Doing Business 2009	Doing Business 2010	Doing Business 2011
Rank	..	..	121	121
Time (years)	3.0	3.0	3.0	3.0
Cost (% of estate)	15	15	15	15
Recovery rate (cents on the dollar)	19.3	19.5	19.5	19.8

3. The following graphs illustrate the Closing Business sub indicators in Gambia, the over the past 4 years:



Since 2004 Doing Business has been tracking reforms aimed at simplifying business regulations, strengthening property rights, opening access to credit and enforcing contracts by measuring their impact on 10 indicator sets . * Nearly 1,000 reforms have had an impact on these indicators. *Doing Business 2011*, covering June 2009 to June 2010, reports that 117 economies implemented 216 reforms to make it easier to start a business. 64% of economies measured by Doing Business have reformed this year, focusing on easing business start-up, lightening the tax burden, simplifying import and export regulations and improving credit information systems.

The top 10 most-improved in Doing Business 2011

Economy	Indicator									
	Starting a Business	Dealing with Construction Permits	Registering Property	Getting Credit	Protecting Investors	Paying Taxes	Trading Across Borders	Enforcing Contracts	Closing a Business	Employing Workers
Kazakhstan	✓	✓				✓	✓			
Rwanda		✓		✓			✓			
Peru	✓	✓	✓				✓			
Vietnam	✓	✓		✓						
Cape Verde	✓		✓				✓			
Tajikistan	✓				✓	✓				
Zambia	✓						✓	✓		
Hungary		✓	✓				✓			✓
Grenada	✓		✓				✓			
Brunei Darussalam	✓						✓	✓		

 Positive Change
 Negative Change

* For *Doing Business 2011* the Employing Workers indicator is not included in the aggregate ease of doing business ranking.

Summary of changes to business regulation in top 10 most improved economies in *Doing Business 2011* and selected comparator economies.

Brunei Darussalam	Brunei Darussalam made starting a business easier by improving efficiency at the company registrar and implementing an electronic system for name searches. Brunei Darussalam reduced the corporate income tax rate from 23.5% to 22% while also introducing a lower tax rate for small businesses, ranging from 5.5% to 11%. The introduction of an electronic customs system in Brunei Darussalam made trading easier.
Cape Verde	Cape Verde made start-up easier by eliminating the need for a municipal inspection before a business begins operations and computerizing the system for delivering the municipal license. Cape Verde eased property registration by switching from fees based on a percentage of the property value to lower fixed rates. Cape Verde abolished the stamp duties on sales and checks.
Grenada	Grenada eased business start-up by transferring responsibility for the commercial registry from the courts to the civil administration. The appointment of a registrar focusing only on property cut the time needed to transfer property in Grenada by almost half. Grenada's customs administration made trading faster by simplifying procedures, reducing inspections, improving staff training and enhancing communication with users.
Guinea	Guinea increased the cost of obtaining a building permit.
Guinea-Bissau	Guinea-Bissau established a specialized commercial court, speeding up the enforcement of contracts.
Hungary	Hungary implemented a time limit for the issuance of building permits. Hungary reduced the property registration fee by 6% of the property value. Hungary simplified taxes and tax bases. Amendments to Hungary's bankruptcy law encourage insolvent companies to consider reaching agreements with creditors out of court so as to avoid bankruptcy.
Kazakhstan	Kazakhstan eased business start-up by reducing the minimum capital requirement to 100 tenge (\$0.70) and eliminating the need to have the memorandum of association and company charter notarized. Kazakhstan made dealing with construction permits easier by implementing a one-stop shop related to technical conditions for utilities. Kazakhstan strengthened investor protections by requiring greater corporate disclosure in company annual reports. Kazakhstan speeded up trade through efforts to modernize customs, including implementation of a risk management system and improvements in customs automation.
Mali	Mali eased construction permitting by implementing a simplified environmental impact assessment for noncomplex commercial buildings. Mali eased property transfers by reducing the property transfer tax for firms from 15% of the property value to 7%. Mali eliminated redundant inspections of imported goods, reducing the time for trading across borders.
Peru	Peru eased business start-up by simplifying the requirements for operating licenses and creating an online one-stop shop for business registration. Peru streamlined construction permitting by implementing administrative reforms. Peru introduced fast-track procedures at the land registry, cutting by half the time needed to register property. Peru made trading easier by implementing a new web-based electronic data interchange system, risk-based inspections and payment deferrals.
Rwanda	Rwanda made dealing with construction permits easier by passing new building regulations at the end of April 2010 and implementing new time limits for the issuance of various permits. Rwanda enhanced access to credit by allowing borrowers the right to inspect their own credit report and mandating that loans of all sizes be reported to the central bank's public credit registry. Rwanda reduced the number of trade documents required and enhanced its joint border management procedures with Uganda and other neighbors, leading to an improvement in the trade logistics environment.
Tajikistan	Tajikistan made starting a business easier by creating a one-stop shop that consolidates registration with the state and the tax authority. Tajikistan strengthened investor protections by requiring greater corporate disclosure in the annual report and greater access to corporate information for minority investors. Tajikistan lowered its corporate income tax rate.

Vietnam

Vietnam eased company start-up by creating a one-stop shop that combines the processes for obtaining a business license and tax license and by eliminating the need for a seal for company licensing. Vietnam made dealing with construction permits easier by reducing the cost to register newly completed buildings by 50% and transferring the authority to register buildings from local authorities to the Department of National Resources and Environment. Vietnam improved its credit information system by allowing borrowers to examine their own credit report and correct errors.

Zambia

Zambia eased business start-up by eliminating the minimum capital requirement. Zambia eased trade by implementing a one-stop border post with Zimbabwe, launching web-based submission of customs declarations and introducing scanning machines at border posts. Zambia improved contract enforcement by introducing an electronic case management system in the courts that provides electronic referencing of cases, a database of laws, real-time court reporting and public access to court records.



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