

Doing Business 2011

Ghana

**Making
a Difference for
Entrepreneurs**

COMPARING BUSINESS REGULATION IN 183 ECONOMIES



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Doing Business 2011
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 Ghana. 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).

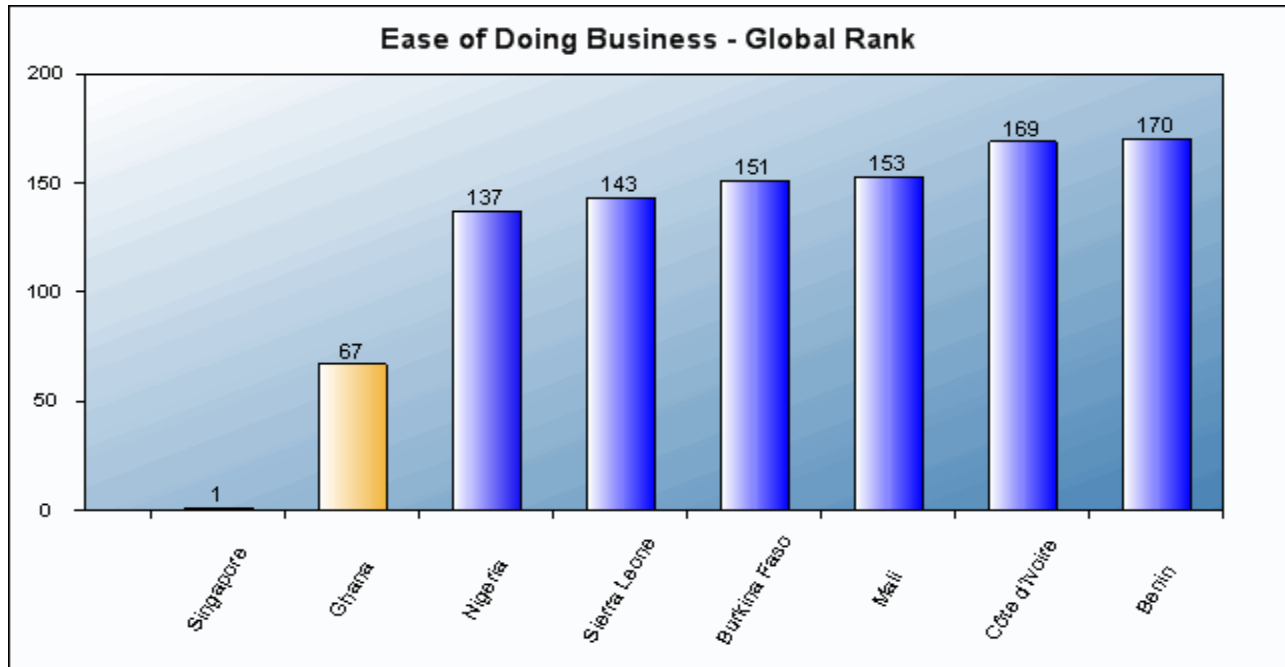
* Except for the Paying Taxes indicator that refers to the period January to December of 2009.

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

Ghana is ranked 67 out of 183 economies. Singapore is the top ranked economy in the Ease of Doing Business.

Ghana - Compared to global good practice economy as well as selected economies:



Ghana's ranking in Doing Business 2011

Rank	Doing Business 2011
Ease of Doing Business	67
Starting a Business	99
Dealing with Construction Permits	151
Registering Property	36
Getting Credit	46
Protecting Investors	44
Paying Taxes	78
Trading Across Borders	89
Enforcing Contracts	45
Closing a Business	109

Summary of Indicators - Ghana

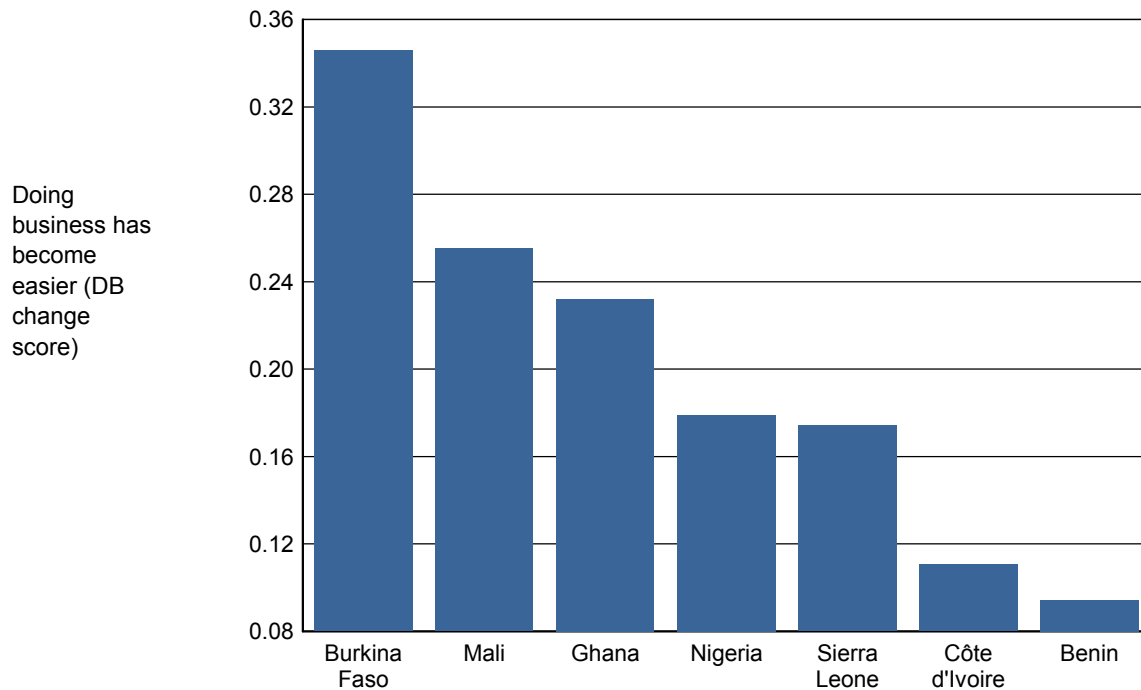
Starting a Business	Procedures (number)	7
	Time (days)	12
	Cost (% of income per capita)	20.3
	Min. capital (% of income per capita)	11.0
Dealing with Construction Permits	Procedures (number)	18
	Time (days)	220
	Cost (% of income per capita)	1017.7
Registering Property	Procedures (number)	5
	Time (days)	34
	Cost (% of property value)	1.0
Getting Credit	Strength of legal rights index (0-10)	8
	Depth of credit information index (0-6)	3
	Public registry coverage (% of adults)	0.0
	Private bureau coverage (% of adults)	10.3
Protecting Investors	Extent of disclosure index (0-10)	7
	Extent of director liability index (0-10)	5
	Ease of shareholder suits index (0-10)	6
	Strength of investor protection index (0-10)	6.0
Paying Taxes	Payments (number per year)	33
	Time (hours per year)	224
	Profit tax (%)	18.1
	Labor tax and contributions (%)	14.1
	Other taxes (%)	0.5
	Total tax rate (% profit)	32.7
Trading Across Borders	Documents to export (number)	6
	Time to export (days)	19
	Cost to export (US\$ per container)	1013
	Documents to import (number)	7
	Time to import (days)	29
	Cost to import (US\$ per container)	1203

Enforcing Contracts	Procedures (number)	36
	Time (days)	487
	Cost (% of claim)	23.0
Closing a Business	Recovery rate (cents on the dollar)	23.7
	Time (years)	1.9
	Cost (% of estate)	22

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.

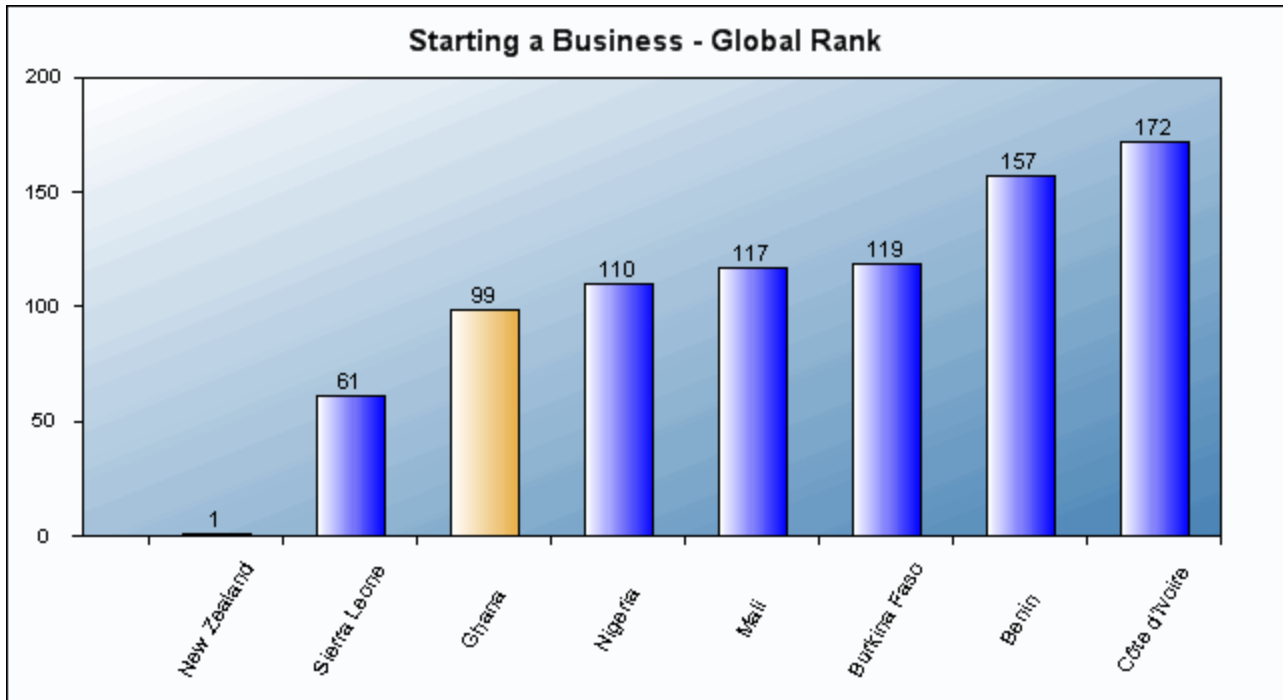
The business:

- 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:

Ghana is ranked 99 overall for Starting a Business.

Ranking of Ghana in Starting a Business - Compared to good practice and selected economies:



The following table shows Starting a Business data for Ghana 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>				
Ghana	7	12	20.3	11.0

<i>Comparator Economies</i>				
Benin	7	31	152.6	285.3
Burkina Faso	4	14	49.8	416.2
Côte d'Ivoire	10	40	133.0	202.9
Mali	6	8	79.7	306.8
Nigeria	8	31	78.9	0.0
Sierra Leone	6	12	110.7	0.0

* The following economies are also good practice economies for :

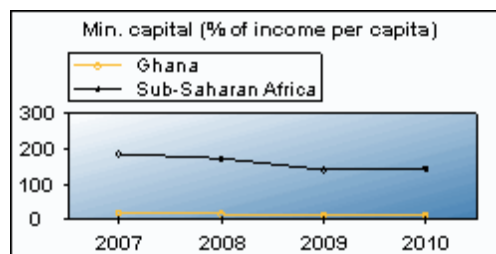
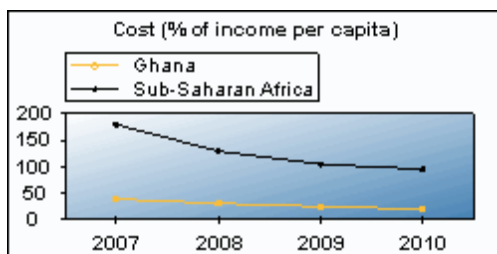
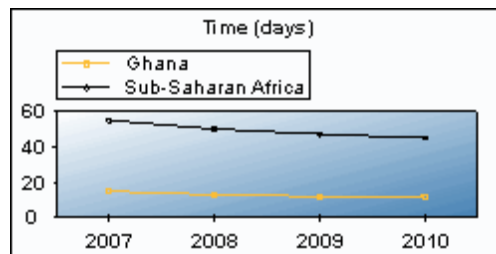
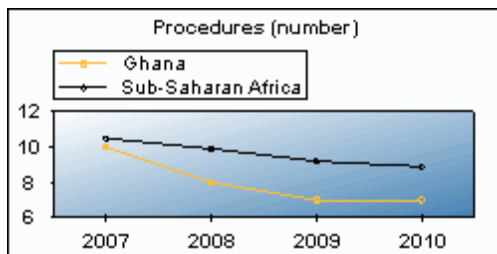
Procedures (number): Canada

Cost (% of income per capita): Slovenia

2. Historical data: Starting a Business in Ghana

Starting a Business data	Doing Business 2008	Doing Business 2009	Doing Business 2010	Doing Business 2011
Rank	..	..	101	99
Procedures (number)	10	8	7	7
Time (days)	15	13	12	12
Cost (% of income per capita)	38.9	30.7	24.8	20.3
Min. capital (% of income per capita)	20.9	16.6	13.4	11.0

3. The following graphs illustrate the Starting a Business sub indicators in Ghana 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 Ghana.

STANDARDIZED COMPANY

Legal Form: Private Limited Liability Company

City: Accra

Registration Requirements:

No:	Procedure	Time to complete	Cost to complete
1	Check for availability of company name and submit company documents to obtain an incorporation certificate	1	GHS 81
2	* A Commissioner of Oaths authenticates forms required for the certificate to commence business	1	GHS 2
3	* Obtain from the Registrar-General's Department the certificate to commence business	2	GHS 10
4	Deposit paid-in capital in an account	1	no charge
5	Apply for business licenses at the Metropolitan Authority	7	GHS 92
6	* Inspection of work premises by the Metropolitan Authority	1	no charge
7	* Apply for social security	1	no charge

* Takes place simultaneously with another procedure.

Starting a Business Details - Ghana

Procedure	1	Check for availability of company name and submit company documents to obtain a incorporation certificate
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Time to complete: 1

Cost to complete: GHS 81

Comment: The entrepreneur arrives at the customers service office to reserve the company name and submit the company documents for registration.

- A search is conducted for the proposed company name and, if it is available, a reservation is made.
- The entrepreneur files the proposed company regulations with the Registrar. The regulations must be legibly printed or typewritten (or in a similar form acceptable to the Registrar). After the incorporation documents are assessed, the payment is made in cash or by a bank-certified check payable to the Registrar General.

The incorporation documents consist of the following forms:

- Company regulations (four copies).
- Form 3, Statement of shareholding structure (five copies).
- Form 4, Stated capital (two copies).
- Tax identification number form (one copy).

The forms require the following information:

- Name of company.
- Nature of the business that subscribers intend to engage in.
- Full names of subscribers and shareholders, their addresses, percentage shareholdings, occupation, and any directorships in any other company.
- Full names of the first directors of the company. A company must have a minimum of 2 directors and at least one director must be a resident of Ghana at all times, of sound mind, and of legal age (not younger than 21).
- Full name and address of company secretary and auditors (a letter of consent to act as auditor is attached).
- The number of shares that the company is to be registered with and the stated capital.
- An attestation that the minimum nominal capital complies with the requirement that a company 100% Ghanaian-owned have minimum nominal capital of at least GHC 500.

The company regulations may be drawn up by the party proposing to incorporate the company, or the standard format that comes with the incorporation forms may be adopted.

- The tax identification number (certificate) is usually obtained by the Registrar General's Department on behalf of the incorporated company. Four or five copies of the company regulations and Forms 3 and 4 are required (auditors, banks, solicitors, company secretaries may each require a copy).

Procedure	2	A Commissioner of Oaths authenticates forms required for the certificate to commence business
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Time to complete: 1

Cost to complete: GHS 2

Comment: Form 4 must be completed for the issuance of the certificate to commence business, which requires authentication before a Commissioner of Oaths. The Commissioner for Oaths, located in the Registrar General's Department, usually swears the oath within 1 day so that the company can

obtain the certificate to commence business.

Procedure 3 Obtain from the Registrar-General's Department the certificate to commence business

Time to complete: 2

Cost to complete: GHS 10

Comment: After incorporating the company, the founder must complete Forms 3 and 4 within 28 days, indicating, among other information, the names, addresses, businesses, and occupations of the company's secretary and directors; name and address of the company's qualified auditor; the address of its registered office; its register of members; the amount of stated capital; and the number of issued and unissued company shares. Forms 3 and 4 must be signed by all company directors and the secretary. As the company's commencement tax, 0.5% of the stated capital is collected by the Registrar-General's Department on behalf of the Internal Revenue Service (IRS).

The Registrar of Companies now automatically registers new companies with the IRS. For companies engaged in general commercial or industrial activities, the minimum registration fee is GHC 1 and the maximum registration is GHC 10, as calculated on projected turnover. Obtaining a tax clearance certificate—if the company is otherwise entitled to a certificate and has a satisfactory tax position—will cost GHC 2. VAT is charged at 15% including a national health insurance levy (NHIL) of 2.5%.

Procedure 4 Deposit paid-in capital in an account

Time to complete: 1

Cost to complete: no charge

Comment: The following documents must be presented to deposit paid-in capital in a bank account: copies of company regulations; the certificate of incorporation and the certificate to commence business; and signatures of the authorized company representatives.

Procedure 5 Apply for business licenses at the Metropolitan Authority

Time to complete: 7

Cost to complete: GHS 92

Comment: The cost to apply for a business license at the Metropolitan Authority depends on the type of business and the category in which it falls. Documents to be submitted depend on the type of enterprise (for example, restaurants must have permits from the fire department and the Town and Country Planning Authority—and, among other documents, an inspection certificate from the Ghana Tourist Board).

Companies fall into five categories:

- A. GHC 500,000 in turnover: GHC 400
- B. GHC 210,000–500,000 in turnover: GHC 245.
- C. GHC 100,000 –200,000 in turnover: GHC 160.
- D. GHC 3,000–100,000 in turnover: GHC 91,5.
- E. GHC 0–300 in turnover: GHC 49,5

Fees are subject to charge by the Metropolitan Assembly, according to law.

Procedure 6 Inspection of work premises by the Metropolitan Authority

Time to complete: 1

Cost to complete: no charge

Comment: An officer visits the business premises and reports to the Revenue Accountant of the Metropolitan Assembly, who then submits a report to the Revenue Mobilization Subcommittee of the Metropolitan Assembly. The subcommittee meets to deliberate on the report and then recommend to the Executive Committee of the Metropolitan Authority, whether any adjustment is required.

Procedure 7 Apply for social security

Time to complete: 1

Cost to complete: no charge

Comment: To apply for social security, the company must attach the list of employees, their respective salaries and social security numbers, and the company's certificate of incorporation and certificate to commence business.

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

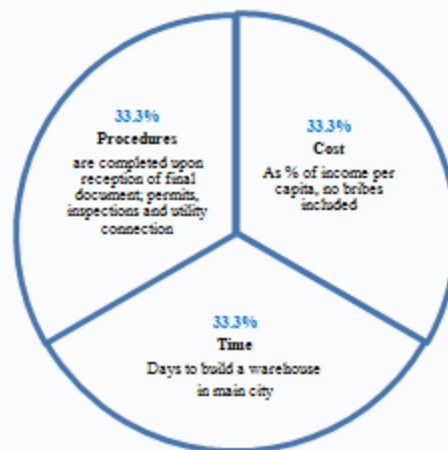
The warehouse:

- 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

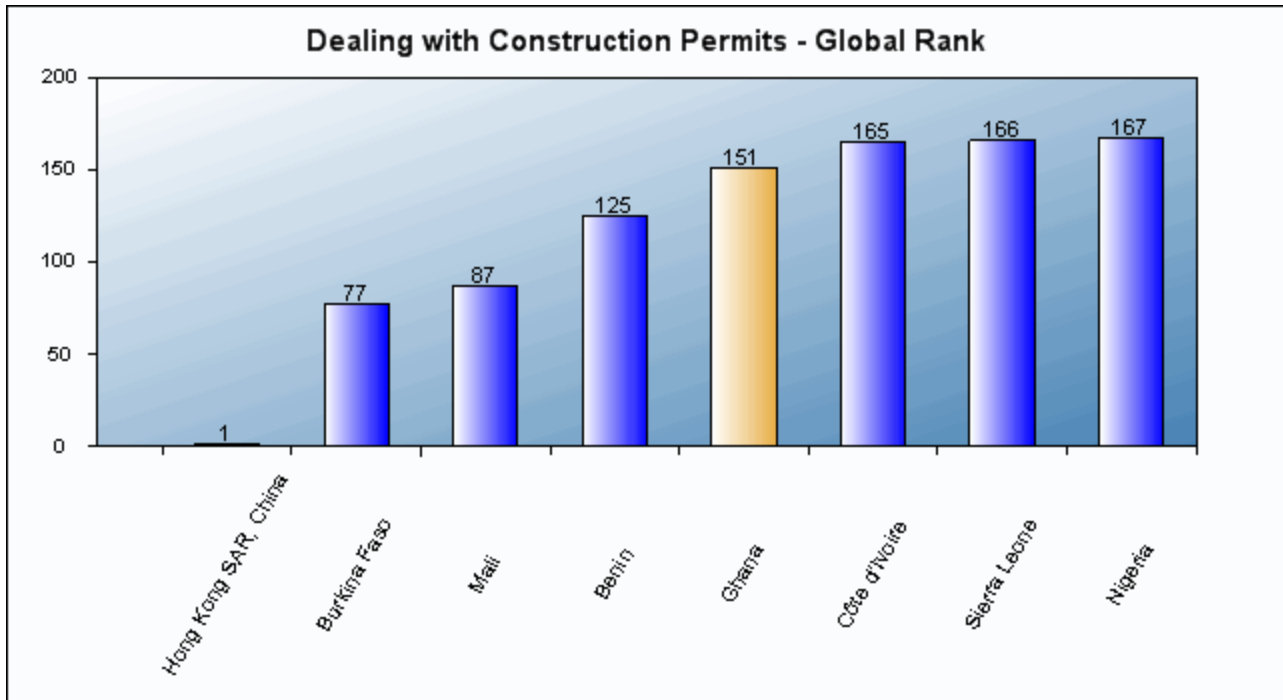
Rankings are based on 3 subindicators



1. Benchmarking Dealing with Construction Permits Regulations:

Ghana is ranked 151 overall for Dealing with Construction Permits.

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



The following table shows Dealing with Construction Permits data for Ghana 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	

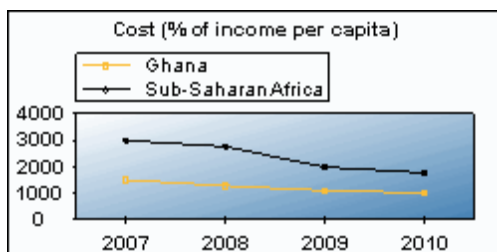
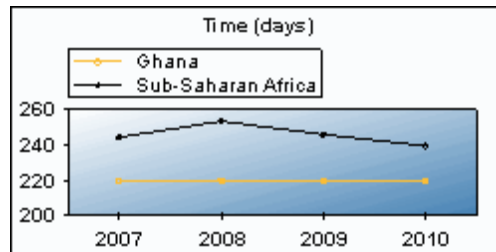
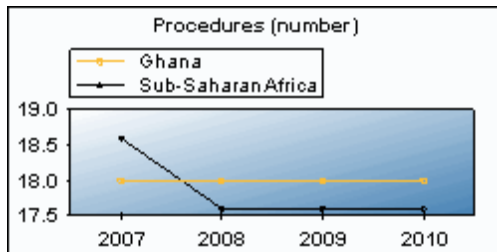
<i>Selected Economy</i>			
Ghana	18	220	1017.7

<i>Comparator Economies</i>			
Benin	15	320	249.6
Burkina Faso	15	122	576.1
Côte d'Ivoire	21	592	227.6
Mali	15	168	505.0
Nigeria	18	350	597.5
Sierra Leone	25	252	343.3

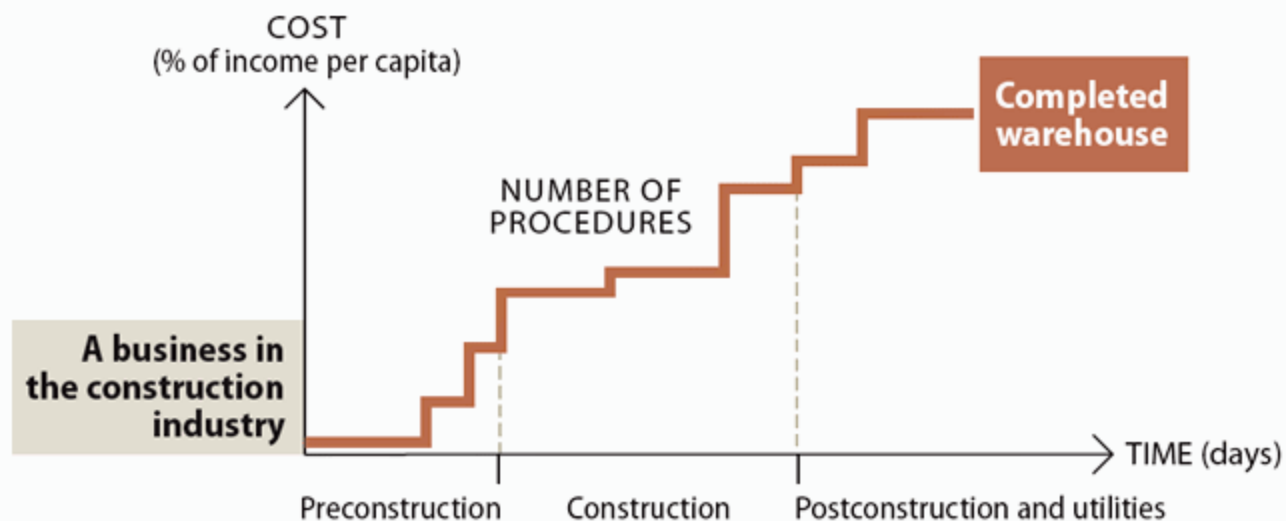
2. Historical data: Dealing with Construction Permits in Ghana

Dealing with Construction Permits data	Doing Business 2008	Doing Business 2009	Doing Business 2010	Doing Business 2011
Rank	..	..	149	151
Procedures (number)	18	18	18	18
Time (days)	220	220	220	220
Cost (% of income per capita)	1498.3	1281.6	1099.0	1017.7

3. The following graphs illustrate the Dealing with Construction Permits sub indicators in Ghana 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 Ghana.

BUILDING A WAREHOUSE

City: Accra

Registration Requirements:

No:	Procedure	Time to complete	Cost to complete
1	Submit an application for a permit from the Land Commission	90 days	no charge
2	Apply for a building permit with the Town and Country Planning Department	90 days	USD 1,909
3 *	Obtain approval of planning scheme	1 day	GHS 100
4 *	Obtain approval of architectural and engineering design	1 day	USD 3,600
5 *	Obtain opinion of the public health authority	1 day	GHS 100
6 *	Obtain fire protection opinion	1 day	GHS 100
7	Obtain feasibility study from Electricity Company of Ghana	1 day	no charge
8	Receive an inspection after foundation has been laid	1 day	no charge

9	Receive an inspection after floor level has been finished	1 day	no charge
10	Receive an inspection after lintel has been finished	1 day	no charge
11	Receive an inspection after roofing has been finished	1 day	no charge
12 *	Receive an inspection at the end of the construction	30 days	GHS 600
13 *	Obtain electricity connection	1 day	no charge
14 *	Obtain a feasibility study from water and sewage authority	30 days	GHS 1,000
15 *	Obtain water and sewerage connection	1 day	no charge
16 *	Obtain a feasibility study from telephone company	30 days	GHS 200
17 *	Obtain telephone connection	1 day	no charge
18	Submit as-built drawings to Accra Metropolitan Assembly	1 day	no charge

* Takes place simultaneously with another procedure.

Dealing with Construction Permits Details - Ghana

Procedure 1 Submit an application for a permit from the Land Commission

Time to complete: 90 days

Cost to complete: no charge

Agency: Land Commission

Comment: Before the approval process commences at the Town and Country Planning Department (TCPD), the department must confirm that the land where the warehouse is to be located belongs to the applicant. To do so, the TCPD will provide the applicant with a letter to be submitted to the Land Title Registry/Land Commission along with the applicant's site plan. The TCPD requires stamps from the Land Commission on its documents to prevent applicants from bringing in forged or outdated documents.

Procedure 2 Apply for a building permit with the Town and Country Planning Department

Time to complete: 90 days

Cost to complete: USD 1,909

Agency: Town and Country Planning Department

Comment: The TCPD has been decentralized, so the local level in Accra is part of the Accra Metropolitan Assembly (AMA). So, to start the approval process for the building permit, a technical committee is set up by the TCPD, including other officials within the AMA. After the technical examination, a recommendation is made to the Statutory Planning Committee (SPC). The SPC is an intergovernmental committee made up of officials from the TCPD, the Environmental Protection Agency, the Survey Department, the Fire Service, and utility companies who meet periodically to approve building permits. They are required by law to have reviewed the application within 3 months after it is submitted and to inform the applicant of their decision. Survey respondents note that, without following up on the application, hearing from the committee within 3 months is unlikely. However, applicants have the right to commence building if they have not heard anything from the committee after 3 months. In practice, many people go ahead and build without waiting for the permit.

Procedure 3 Obtain approval of planning scheme

Time to complete: 1 day

Cost to complete: GHS 100

Comment:

Procedure 4 Obtain approval of architectural and engineering design

Time to complete: 1 day

Cost to complete: USD 3,600

Agency: Accra Metropolitan Authority (Architectural/ Engineering Department)

Comment: The approval is issued by the Architectural/Engineering Department of the Accra Metropolitan Authority.

Procedure 5 Obtain opinion of the public health authority

Time to complete: 1 day

Cost to complete: GHS 100

Agency: Public Health Authority

Comment:

Procedure 6 Obtain fire protection opinion

Time to complete: 1 day

Cost to complete: GHS 100

Agency: Fire Department

Comment:

Procedure 7 Obtain feasibility study from Electricity Company of Ghana

Time to complete: 1 day

Cost to complete: no charge

Agency: Electricity Company of Ghana

Comment: After an application, the Electricity Company of Ghana will conduct a feasibility study to determine material requirements and points of access to the local substation and to attest that the system will be able to accommodate the request. This procedure happens after construction starts.

Procedure 8 Receive an inspection after foundation has been laid

Time to complete: 1 day

Cost to complete: no charge

Agency: Building Inspectorate

Comment: Inspections are to be carried out by the building inspectors at the end of each phase of the building: foundation, floor level, lintel, roofing, and finishing. Special coupons are provided when the building permit is granted, and the builder is supposed to send the appropriate coupon to the authorities informing them of the completion of that phase so that an inspection can be conducted. In practice this is rarely done.

Procedure 9 Receive an inspection after floor level has been finished

Time to complete: 1 day

Cost to complete: no charge

Agency: Building Inspectorate

Comment: Inspections are to be carried out by the building inspectors at the end of each phase of the building: foundation, floor level, lintel, roofing, and finishing. Special coupons are provided when the building permit is granted, and the builder is supposed to send the appropriate coupon to the authorities informing them of the completion of that phase so that an inspection can be conducted. In practice this is rarely done. However, building inspectors are regularly sent to inspect buildings under construction.

Procedure 10 Receive an inspection after lintel has been finished

Time to complete: 1 day

Cost to complete: no charge

Agency: Building Inspectorate

Comment: Inspections are to be carried out by the building inspectors at the end of each phase of the building: foundation, floor level, lintel, roofing, and finishing. Special coupons are provided when the building permit is granted, and the builder is supposed to send the appropriate coupon to the authorities informing them of the completion of that phase so that an inspection can be conducted. In practice this is rarely done. However, building inspectors are regularly sent out to inspect buildings under construction.

Procedure 11 Receive an inspection after roofing has been finished

Time to complete: 1 day

Cost to complete: no charge

Agency: Building Inspectorate

Comment: Inspections are to be carried out by the building inspectors at the end of each phase of the building: foundation, floor level, lintel, roofing, and finishing. Special coupons are provided when the building permit is granted, and the builder is supposed to send the appropriate coupon to the authorities informing them of the completion of that phase so that an inspection can be conducted. In practice this is rarely done. However, building inspectors are regularly sent out to inspect buildings under construction.

Procedure 12 Receive an inspection at the end of the construction

Time to complete: 30 days

Cost to complete: GHS 600

Agency: Building Inspectorate

Comment: Inspections are to be carried out by the building inspectors at the end of each phase of the building: foundation, floor level, lintel, roofing, and finishing. Special coupons are provided when the building permit is granted, and the builder is supposed to send the appropriate coupon to the authorities informing them of the completion of that phase so that an inspection can be conducted. In practice this is rarely done. However, building inspectors are regularly sent out to inspect buildings under construction.

Procedure 13 Obtain electricity connection

Time to complete: 1 day
Cost to complete: no charge
Agency: Electricity Company of Ghana
Comment:

Procedure 14 Obtain a feasibility study from water and sewage authority

Time to complete: 30 days
Cost to complete: GHS 1,000
Agency: Ghana Water Company Ltd.
Comment: Obtaining a feasibility study from water and sewage happens after construction starts.

Procedure 15 Obtain water and sewerage connection

Time to complete: 1 day
Cost to complete: no charge
Agency: Ghana Water Company Ltd.
Comment:

Procedure 16 Obtain a feasibility study from telephone company

Time to complete: 30 days
Cost to complete: GHS 200
Agency: Ghana Telecom
Comment: Obtaining a feasibility study from the telephone company happens after construction starts.

Procedure 17 Obtain telephone connection

Time to complete: 1 day
Cost to complete: no charge
Agency: Ghana Telecom
Comment:

Procedure 18 Submit as-built drawings to Accra Metropolitan Assembly

Time to complete: 1 day

Cost to complete: no charge

Agency: Accra Metropolitan Authority

Comment: The typical construction project in Ghana involves three entities: the owner, the contractor, and the consultant for the project (who provides supervision on behalf of the owner). Since the case considered here assumes that the owner and the contractor are the same entity, there is no reason for the consultant to be taken into account. The consultant performs all the inspections during construction. Therefore, those inspections are not included here. On completion of the project, the contractor prepares as-built drawings and forwards them to the AMA and the owner. The consultants for the project approve the project as meeting specifications and issue the completion certificate.

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)

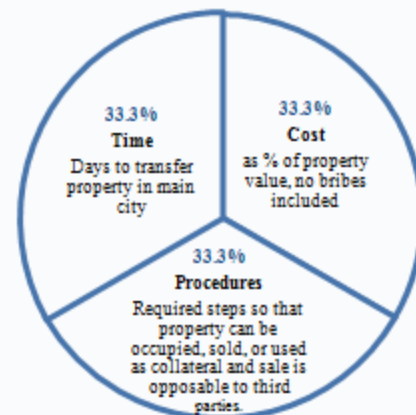
- Preregistration (for example, checking for liens, notarizing sales agreement, paying property transfer taxes)
- Registration in the economy's largest business city
- Post registration (for example, transactions with the local authority, tax authority or cadastre)

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.

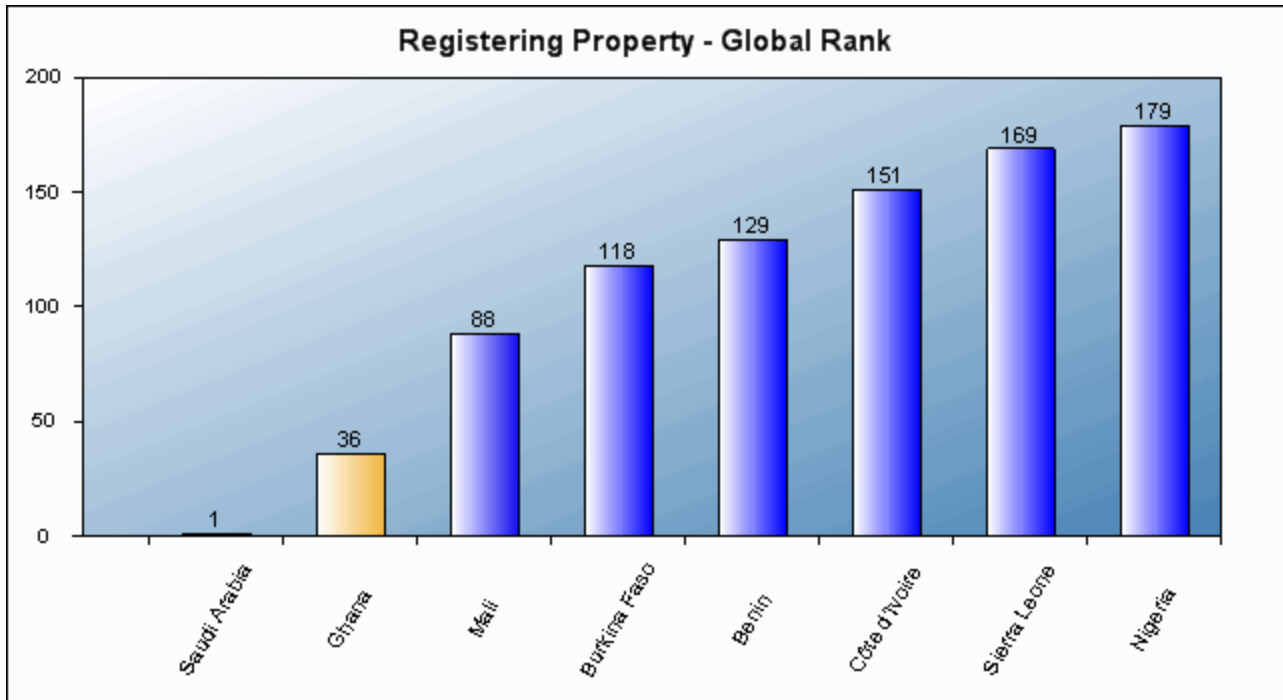
The property (fully owned by the seller):

- 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:

Ghana is ranked 36 overall for Registering Property.

Ranking of Ghana in Registering Property - Compared to good practice and selected economies:



The following table shows Registering Property data for Ghana 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>			
Ghana	5	34	1.0

<i>Comparator Economies</i>			
Benin	4	120	11.8
Burkina Faso	4	59	13.1
Côte d'Ivoire	6	62	13.9
Mali	5	29	11.9
Nigeria	13	82	20.9
Sierra Leone	7	86	12.2

* The following economies are also good practice economies for :

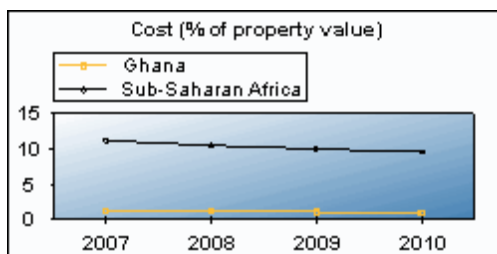
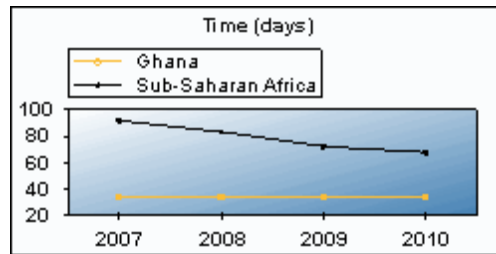
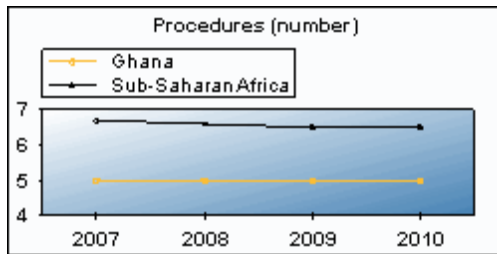
Procedures (number): United Arab Emirates

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

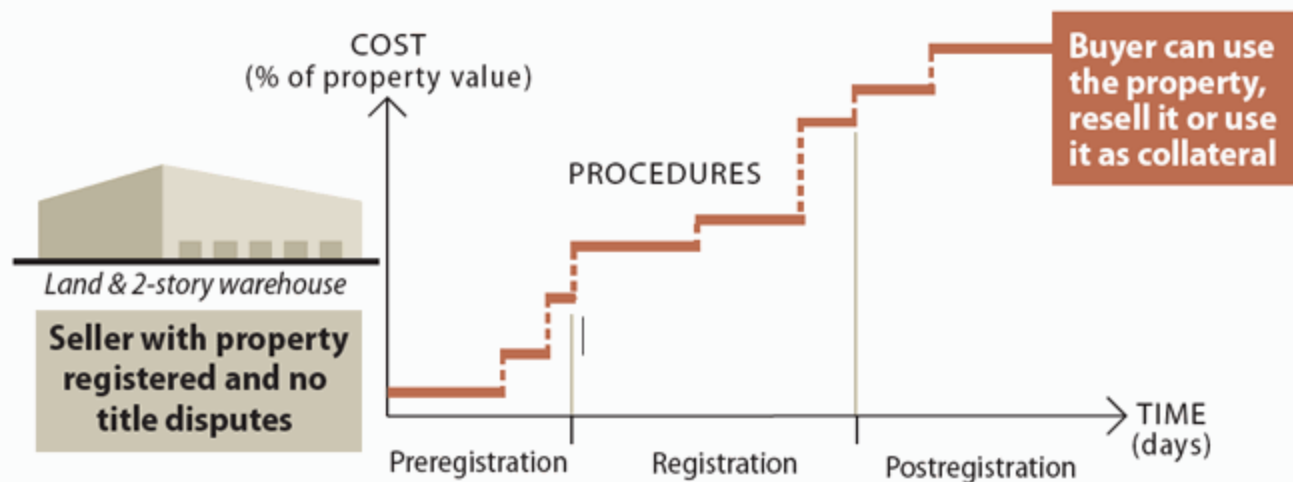
2. Historical data: Registering Property in Ghana

Registering Property data	Doing Business 2008	Doing Business 2009	Doing Business 2010	Doing Business 2011
Rank	..	..	31	36
Procedures (number)	5	5	5	5
Time (days)	34	34	34	34
Cost (% of property value)	1.3	1.2	1.1	1.0

3. The following graphs illustrate the Registering Property sub indicators in Ghana 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 Ghana.

STANDARDIZED PROPERTY

Property Value: 45,502.67

City: Accra

Registration Requirements:

No:	Procedure	Time to complete	Cost to complete
1	The Seller obtains a Title Transfer Form at the Land Title Registry	2-5 days	GHC 100 - 150
2	Assessment of the property value and payment of Stamp duty	3-14 days	GHC 55 (Processing fee) + 0.5% of property value (stamp duty)
3	Submit application for title certificate at Land Title Registry	1 day	GHC 2
4	Publication of transaction in national weekly newspaper	7-21 days	GHC 25
5	Issuance of title certificate	1-14 days	no cost

Registering Property Details - Ghana

Procedure	1	The Seller obtains a Title Transfer Form at the Land Title Registry
Time to complete:		2-5 days
Cost to complete:		GHC 100 - 150
Comment:		A search at the Land Registry is conducted to confirm rightful ownership. An attorney prepares the transfer document (transfer deed) which is signed by both the vendor and the purchaser and their witnesses. The Title Transfer form is duly executed and presented at the Land Registry
Procedure	2	Assessment of the property value and payment of Stamp duty
Time to complete:		3-14 days
Cost to complete:		GHC 55 (Processing fee) + 0.5% of property value (stamp duty)
Agency:		Land Valuation Board
Comment:		Stamp Duty is assessed and paid at the Land Valuation Board. The buyer presents the deed of assignment to the Land Valuation Board . The property is inspected to ascertain its current open market value. The buyer pays Stamp Duty to the Land Valuation Board The Stamp Duty Act of 2005 (Act 6S9) reduced the stamp duty from 2% to 0.5%. This Act states that for the conveyance or transfer on the sale of a property, the stamp duty is 0.25% where the property value is less than GHC 10000. For properties valued between GHC 10000 and 50000, stamp duty is 0.5%, and for properties valued above GHC 50000, stamp duty is 1%.
Procedure	3	Submit application for title certificate at Land Title Registry
Time to complete:		1 day
Cost to complete:		GHC 2
Agency:		Land Title Registry
Comment:		Submission of application form for Title Certificate and payment of processing fee at Land Title Registry. The documentation shall include: Application form Original and one copy of the deed of assignment, duly completed Land Certificate Company's certificate of incorporation.
Procedure	4	Publication of transaction in national weekly newspaper
Time to complete:		7-21 days

Cost to complete: GHC 25

Comment: The transaction must be published in the national weekly newspaper in order to issue Land Title Certificate.
The fee for publication is GHC 25 for land the size of 0.25 acres or less. Where the Land Certificate is urgently required, the applicant has the option to choose what is known as “special publication”. In that case, the amount payable is GHC 95. However, if the size of the land plot is above 1 acre (but less than 4 acres), the amount payable is GHC 125. If the size of the land plot is above 4 acres, the amount payable is 2% of GHC 25 on every 0.25 acre. The current position, however, is that where the size of the land is more than 4 acres, the amount payable is a flat rate of GHC 200.

Procedure 5 Issuance of title certificate

Time to complete: 1-14 days

Cost to complete: no cost

Agency: Land Title Registry

Comment: The title Certificate is issued by the Land Title Registry.
The transaction is recorded on the Land Certificate, which is returned to the owner. The original of the deed of assignment, having been stamped to show that it has been registered, is also returned to the applicant. The Registry keeps a duplicate. The folio of the Register is filed and the transaction document is placed in the land parcel file.
The owner will use the property after the title is issued by Land Title (in areas covered by Land Title Registration) or when the Deed has been registered under the Deeds Registration Act and Development Permit granted by the Assembly. Most often property owners do not wait to go through these processes before making use of the land.

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

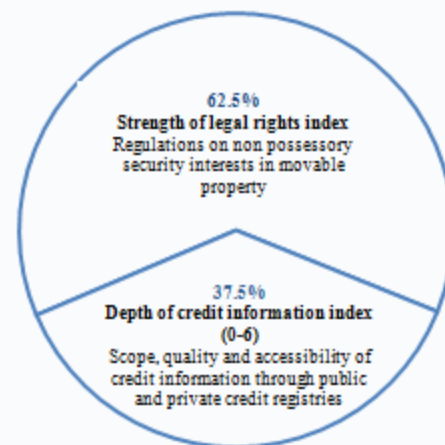
Public credit registry coverage (% of adults)

- 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)

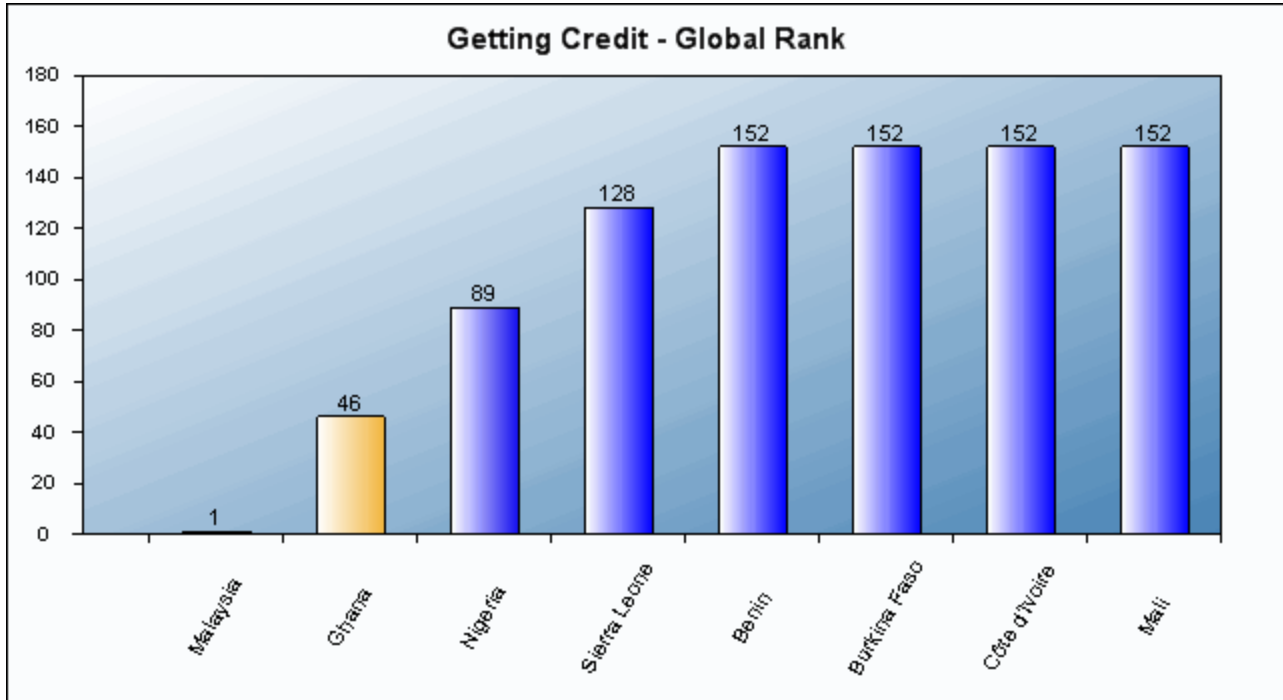
The Debtor

- 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:

Ghana is ranked 46 overall for Getting Credit.

Ranking of Ghana in Getting Credit - Compared to good practice and selected economies:



The following table shows Getting Credit data for Ghana 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>				
Ghana	8	3	0.0	10.3

<i>Comparator Economies</i>				
Benin	3	1	10.4	0.0
Burkina Faso	3	1	0.2	0.0
Côte d'Ivoire	3	1	0.2	0.0
Mali	3	1	0.1	0.0
Nigeria	8	0	0.0	0.0
Sierra Leone	6	0	0.0	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

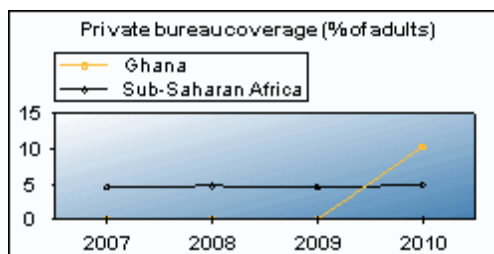
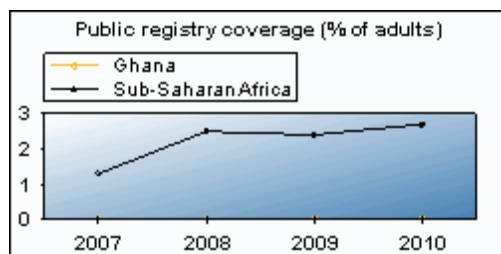
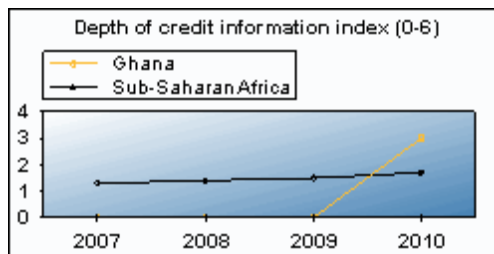
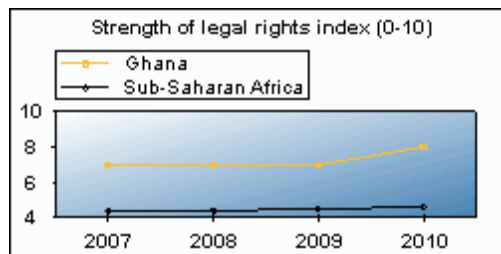
Private bureau coverage (% of adults): Argentina, Australia, Canada, Iceland, Ireland, Norway, Sweden, United Kingdom, United States

27 countries have the highest credit information index.

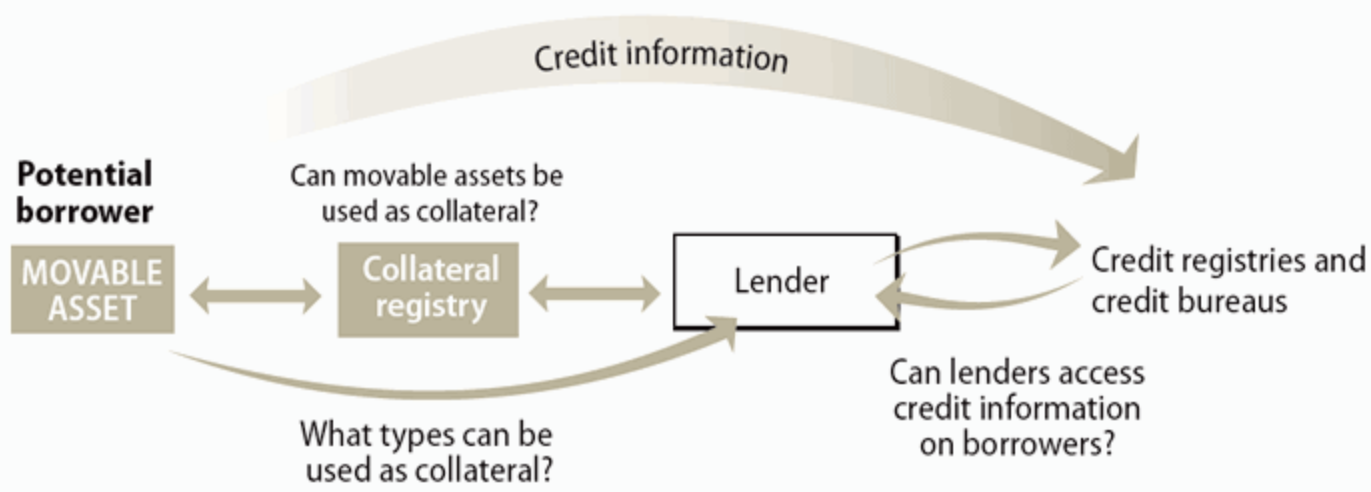
2. Historical data: Getting Credit in Ghana

Getting Credit data	Doing Business 2008	Doing Business 2009	Doing Business 2010	Doing Business 2011
Rank	..	..	109	46
Strength of legal rights index (0-10)	7	7	7	8
Depth of credit information index (0-6)	0	0	0	3
Private bureau coverage (% of adults)	0.0	0.0	0.0	10.3
Public registry coverage (% of adults)	0.0	0.0	0.0	0.0

3. The following graphs illustrate the Getting Credit sub indicators in Ghana 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 Ghana.

Getting Credit Indicators (2010)			Indicator
Private bureau coverage (% of adults)	Private credit bureau	Public credit registry	3
Are data on both firms and individuals distributed?	Yes	No	1
Are both positive and negative data distributed?	Yes	No	1
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?	Yes	No	1
Is it guaranteed by law that borrowers can inspect their data in the largest credit registry?	No	No	0
Coverage	10.3	0.0	
Number of individuals	1,000,000		0
Number of firms	500,000		0

Strength of legal rights index (0-10)**8**

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)

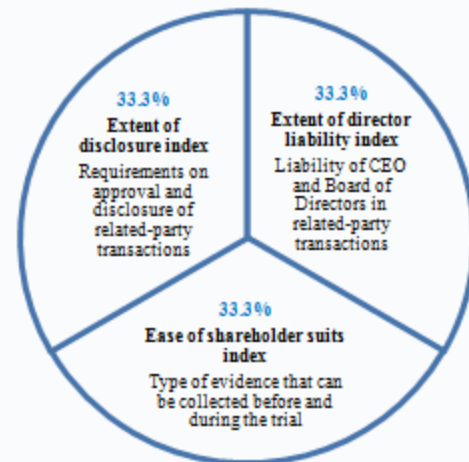
- Documents and information available during trial
- Access to internal corporate documents (directly or through a government inspector)

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.

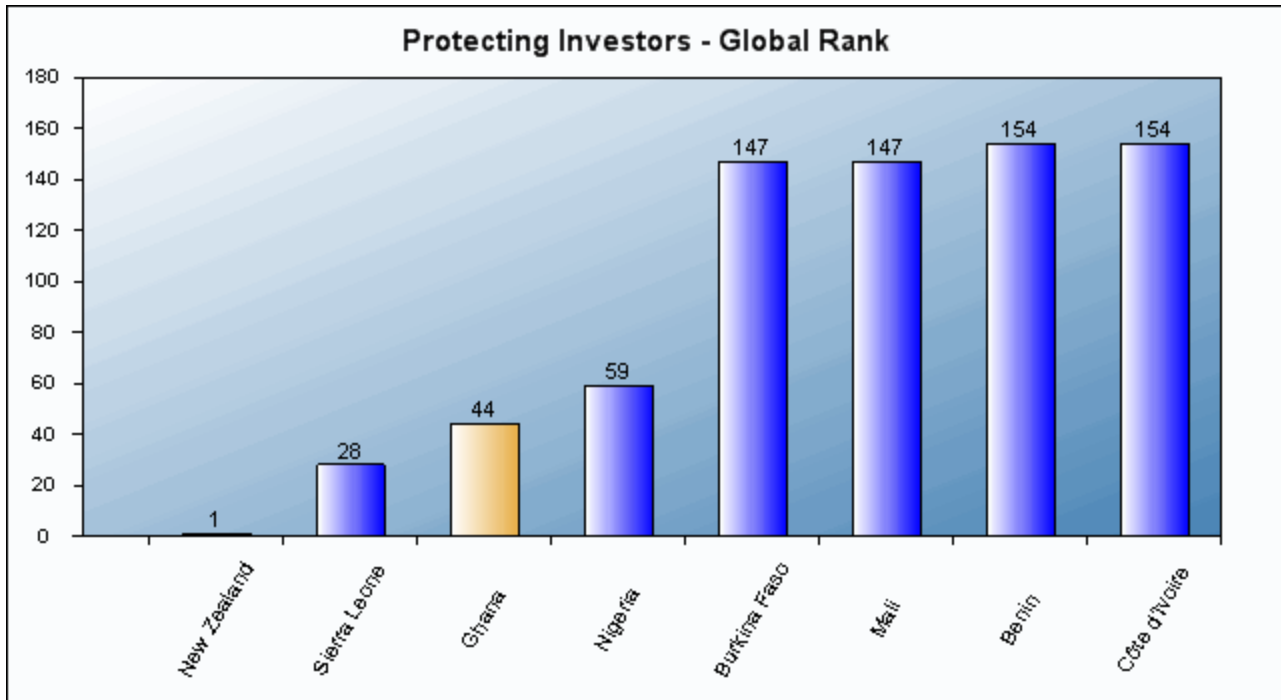
The transaction

- 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:

Ghana is ranked 44 overall for Protecting Investors.

Ranking of Ghana in Protecting Investors - Compared to good practice and selected economies:



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

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

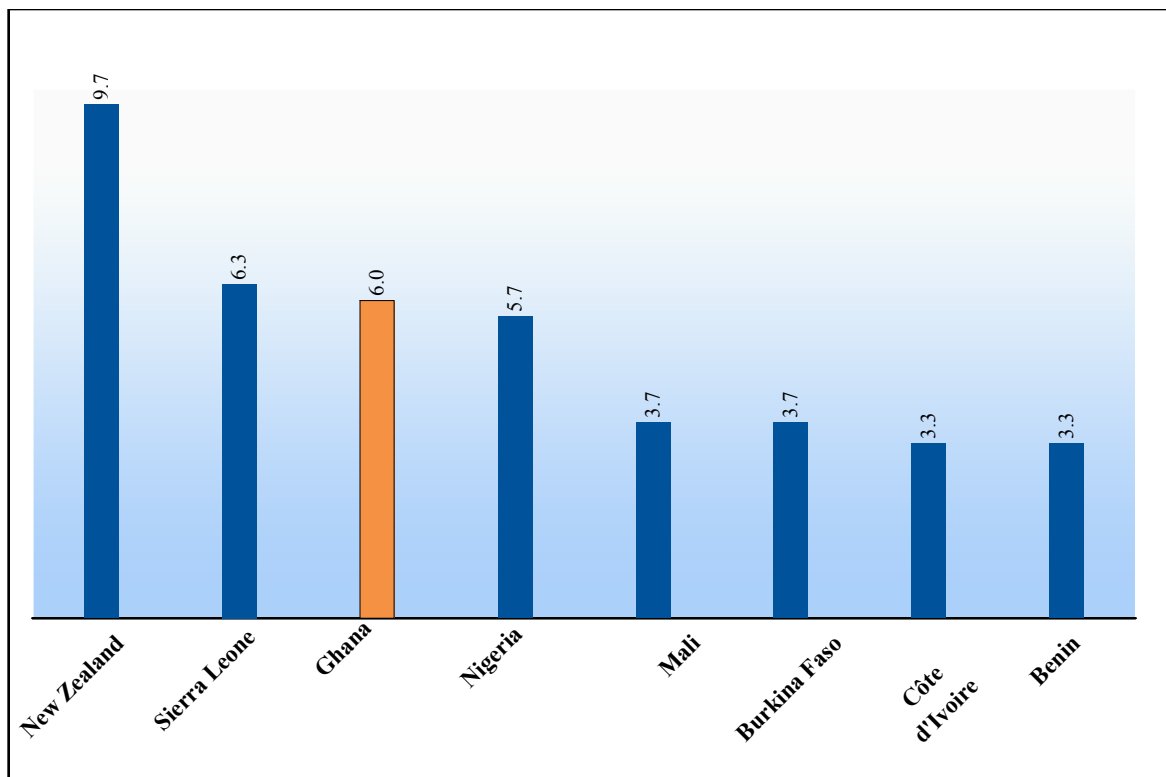
<i>Selected Economy</i>	
Ghana	6.0

<i>Comparator Economies</i>	
Benin	3.3
Burkina Faso	3.7
Côte d'Ivoire	3.3
Mali	3.7
Nigeria	5.7
Sierra Leone	6.3

2. Historical data: Protecting Investors in Ghana

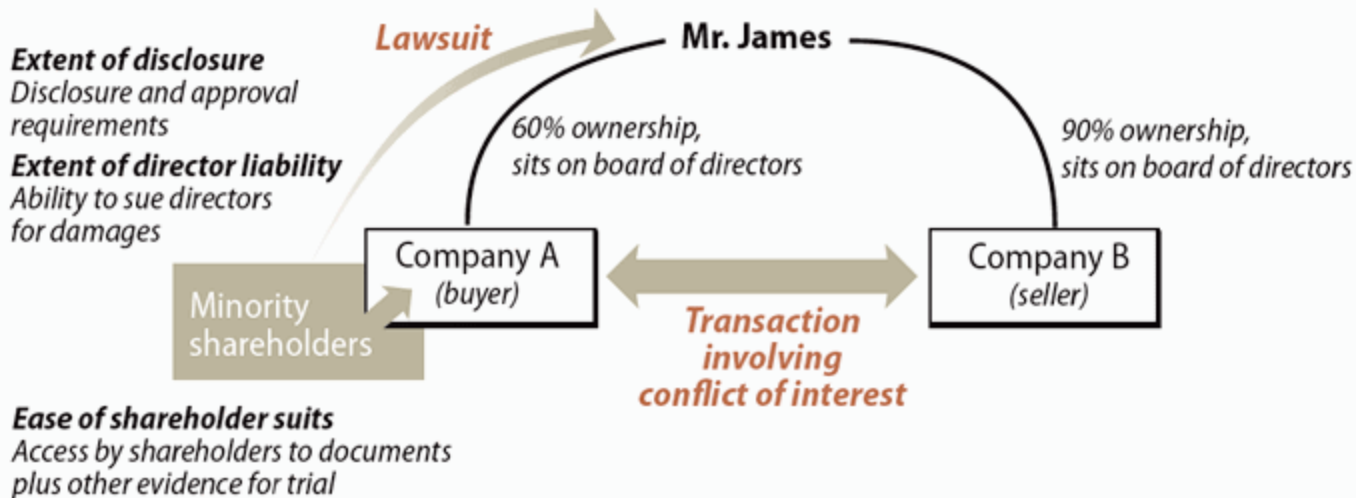
Protecting Investors data	Doing Business 2008	Doing Business 2009	Doing Business 2010	Doing Business 2011
Rank	..	..	41	44
Strength of investor protection index (0-10)	6.0	6.0	6.0	6.0

3. The following graph illustrates the Protecting Investors index in Ghana 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 Ghana.

Protecting Investors Data (2010)	Indicator
Extent of disclosure index (0-10)	7
What corporate body provides legally sufficient approval for the transaction?	3
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?	2
Whether disclosure of the conflict of interest by Mr. James to the board of directors is required?	2
Whether an external body must review the terms of the transaction before it takes place?	0
Extent of director liability index (0-10)	5
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?	1
Whether a court can void the transaction upon a successful claim by a shareholder plaintiff?	1
Whether Mr. James pays damages for the harm caused to the company upon a successful claim by the shareholder plaintiff?	1

Whether Mr. James repays profits made from the transaction upon a successful claim by the shareholder plaintiff?	1
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)	6
Whether the plaintiff can obtain any documents from the defendant and witnesses during trial?	3
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?	0
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)	6.0

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)

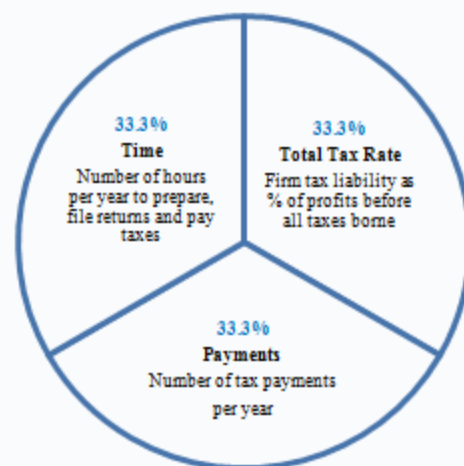
- Collecting information and computing the tax payable
- Completing tax return forms, filing with proper agencies
- Arranging payment or withholding
- Preparing separate tax accounting books, if required

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



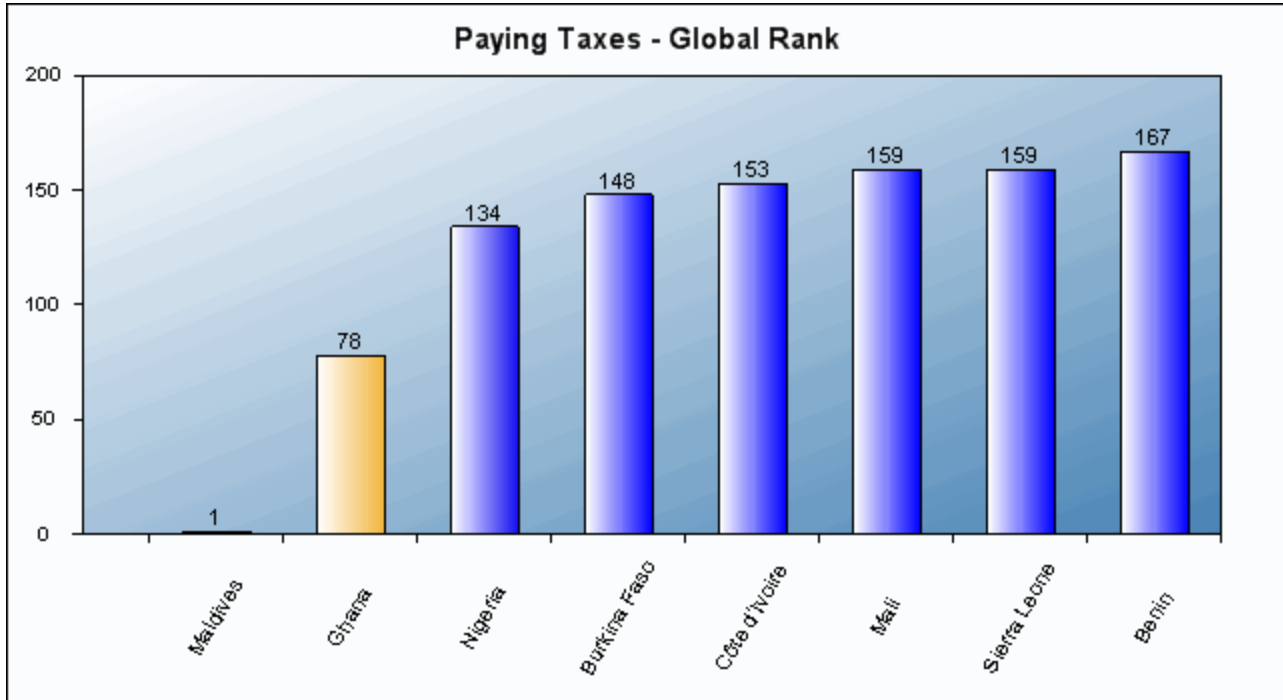
Case Study Assumptions

- 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:

Ghana is ranked 78 overall for Paying Taxes.

Ranking of Ghana in Paying Taxes - Compared to good practice and selected economies:



The following table shows Paying Taxes data for Ghana 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>			
Ghana	33	224	32.7

<i>Comparator Economies</i>			
Benin	55	270	66.0
Burkina Faso	46	270	44.9
Côte d'Ivoire	64	270	44.4
Mali	59	270	52.2
Nigeria	35	938	32.2
Sierra Leone	29	357	235.6

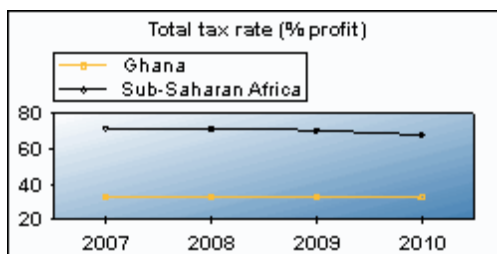
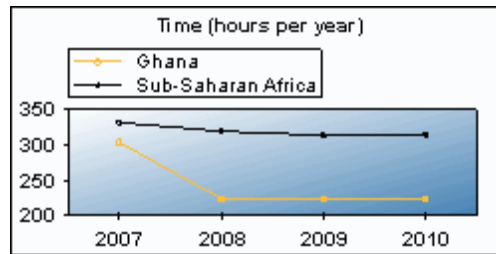
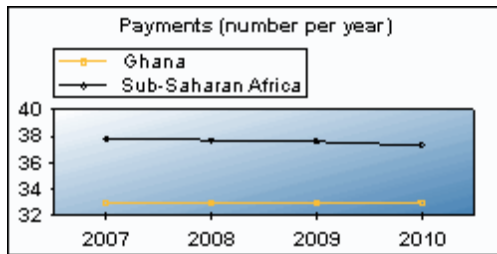
* The following economies are also good practice economies for :

Payments (number per year): Qatar

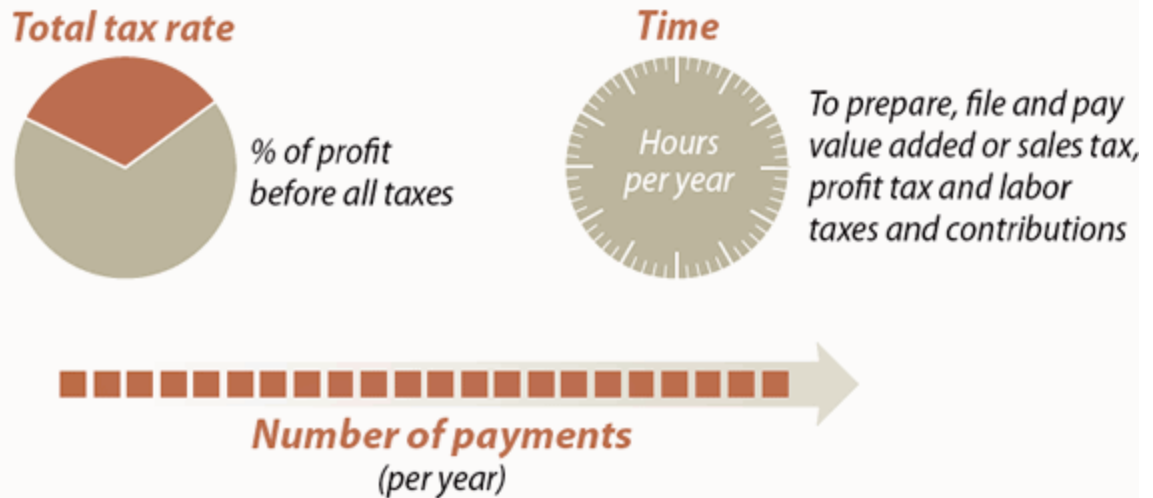
2. Historical data: Paying Taxes in Ghana

Paying Taxes data	Doing Business 2008	Doing Business 2009	Doing Business 2010	Doing Business 2011
Rank	..	..	80	78
Total tax rate (% profit)	32.9	32.7	32.7	32.7
Payments (number per year)	33	33	33	33
Time (hours per year)	304	224	224	224

3. The following graphs illustrate the Paying Taxes sub indicators in Ghana 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 Ghana, 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
Value added tax (VAT) and National Health Insurance Levy	12		96	15.0%	value added		
Vehicle tax	1			fixed fee (GHC 90,000)		0.00	
Property tax	1			various rates	property value	0.00	
Tax on interest	0	withheld		8.0%	taxable interest	0.20	
Municipal tax	0	paid jointly		various rates	property value	0.20	
fuel tax	1				excise duty part of fuel pump price	0.30	
Capital gains tax	1			5.0%	capital gain	0.30	
Social security contributions	12		88	12.5%	gross salaries	14.10	

Corporate income tax	5	40	25.0%	taxable profit	17.80
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Totals	33	224			32.7
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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)

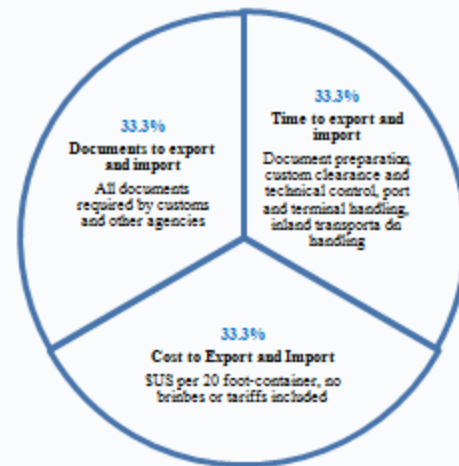
- Bank documents
- Customs clearance documents
- Port and terminal handling documents
- Transport documents

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

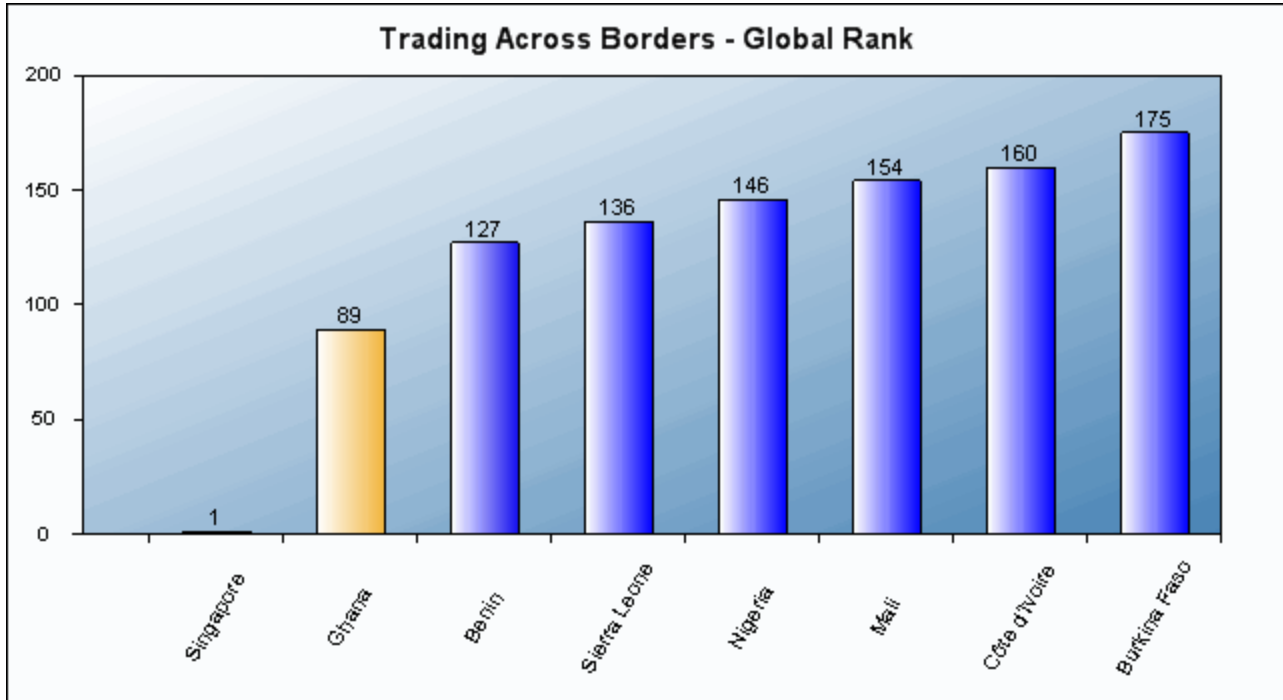
The traded product

- 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:

Ghana is ranked 89 overall for Trading Across Borders.

Ranking of Ghana in Trading Across Borders - Compared to good practice and selected economies:



The following table shows Trading Across Borders data for Ghana 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>						
Ghana	6	19	1013	7	29	1203

<i>Comparator Economies</i>						
Benin	7	30	1251	7	32	1400
Burkina Faso	10	41	2412	10	49	4030
Côte d'Ivoire	10	25	1969	9	36	2577
Mali	7	26	2202	10	31	3067
Nigeria	10	24	1263	9	39	1440
Sierra Leone	7	26	1573	7	31	1639

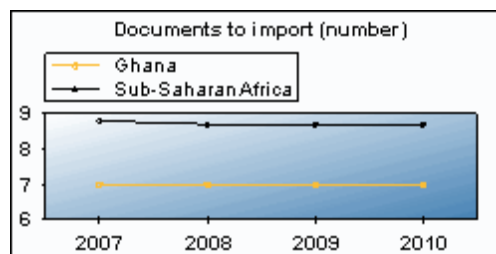
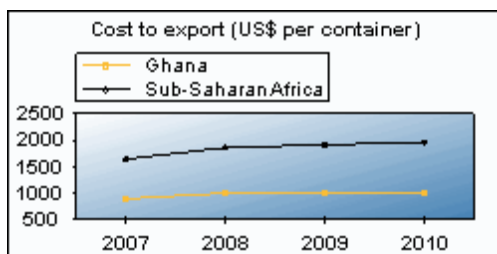
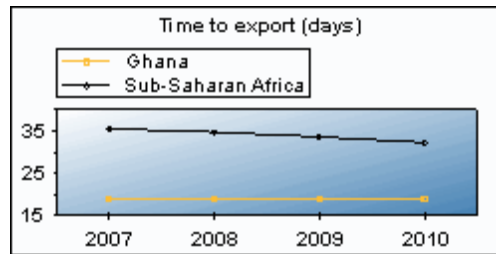
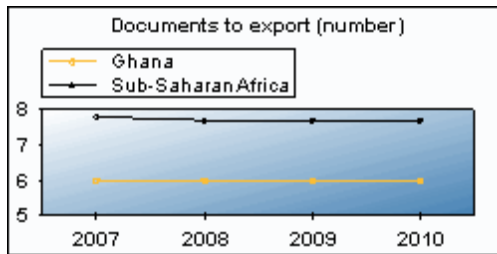
* The following economies are also good practice economies for :

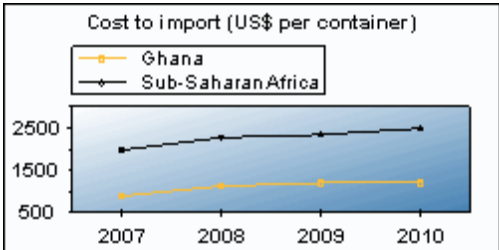
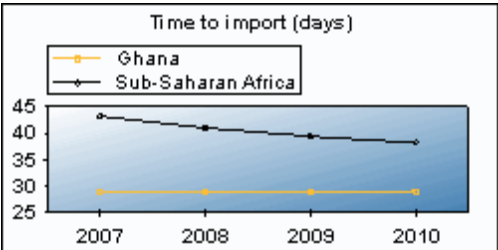
Time to export (days): Estonia

2. Historical data: Trading Across Borders in Ghana

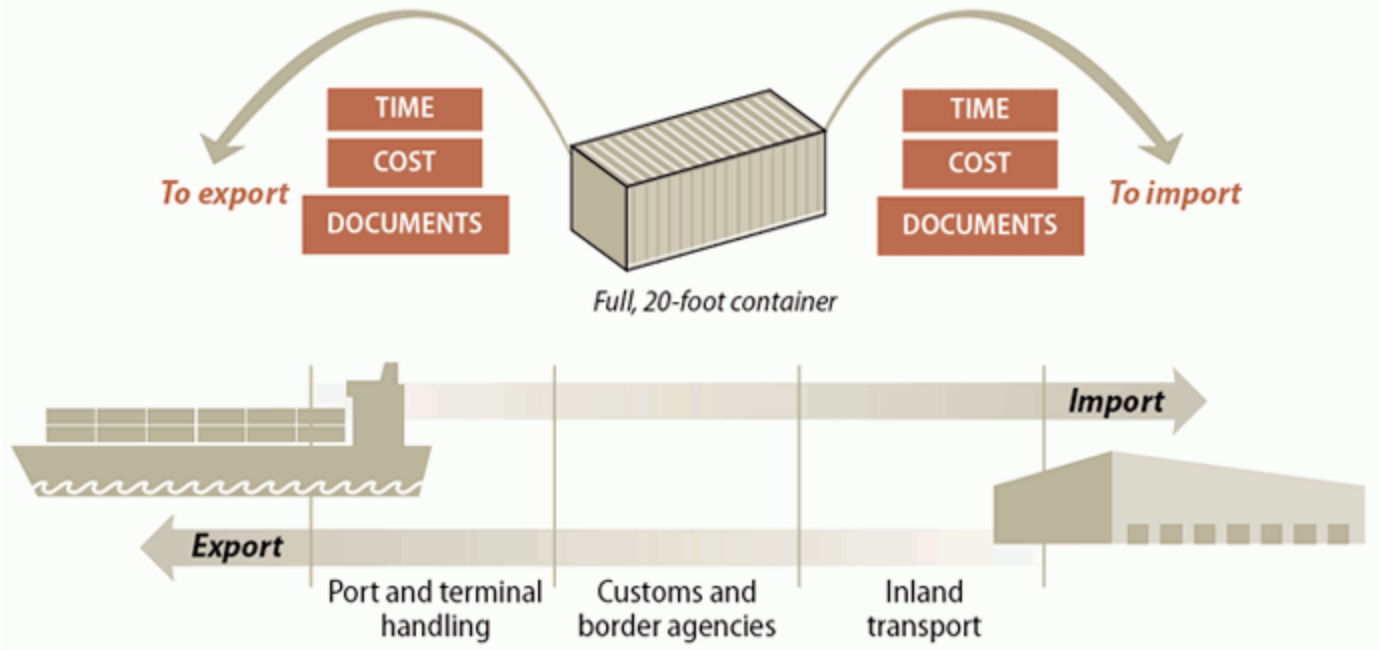
Trading Across Borders data	Doing Business 2008	Doing Business 2009	Doing Business 2010	Doing Business 2011
Rank	..	..	85	89
Cost to export (US\$ per container)	895	1003	1013	1013
Cost to import (US\$ per container)	895	1130	1203	1203
Documents to export (number)	6	6	6	6
Documents to import (number)	7	7	7	7
Time to export (days)	19	19	19	19
Time to import (days)	29	29	29	29

3. The following graphs illustrate the Trading Across Borders sub indicators in Ghana 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 Ghana. The documents required to export and import the goods are also shown.

Nature of Export Procedures (2010)	Duration (days)	US\$ Cost
Documents preparation	10	115
Customs clearance and technical control	4	20
Ports and terminal handling	3	423
Inland transportation and handling	2	455
Totals	19	1013

Nature of Import Procedures (2010)	Duration (days)	US\$ Cost
Documents preparation	17	250
Customs clearance and technical control	5	250
Ports and terminal handling	4	248
Inland transportation and handling	3	455
Totals	29	1203

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
- Certificate of origin
- Commercial invoice
- Customs import declaration
- Insurance bond
- Packing list
- 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)

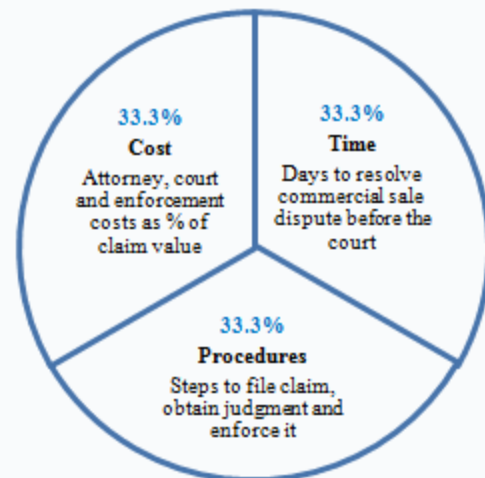
- Any interaction between the parties in a commercial dispute, or between them and the judge or court officer
- Steps to file the case
- Steps for trial and judgment
- Steps to enforce the judgment

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



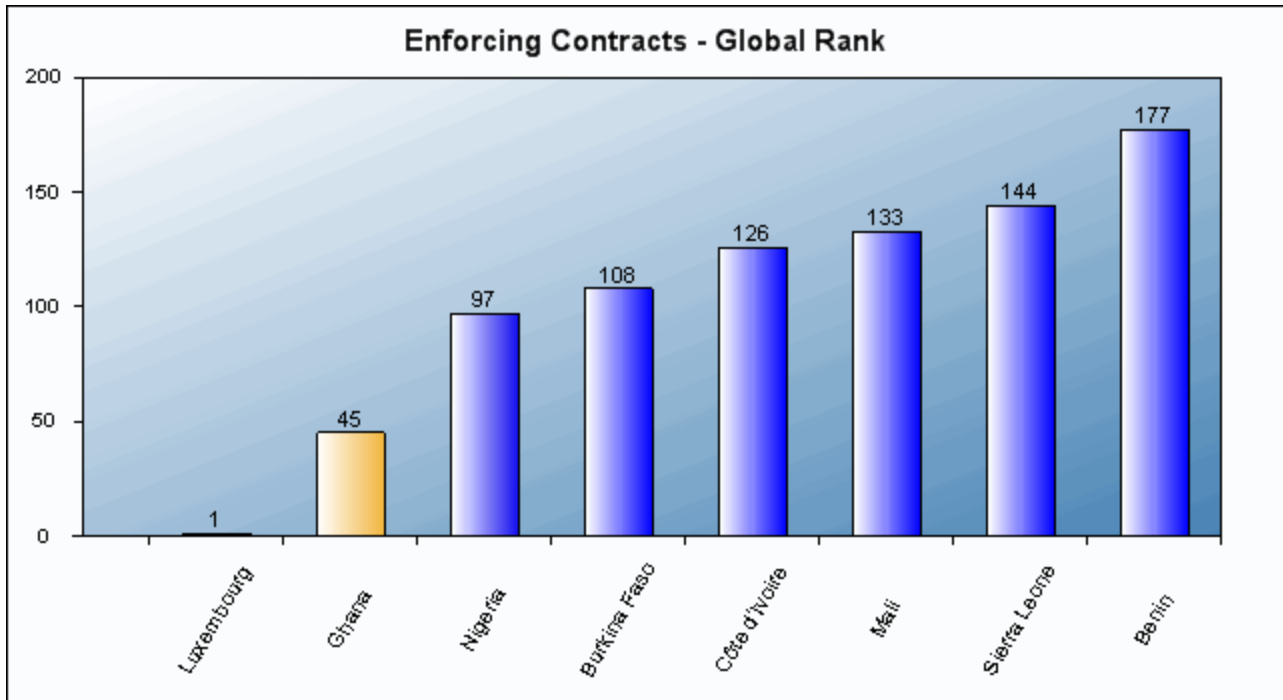
Case Study Assumptions

- 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:

Ghana is ranked 45 overall for Enforcing Contracts.

Ranking of Ghana in Enforcing Contracts - Compared to good practice and selected economies:



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

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

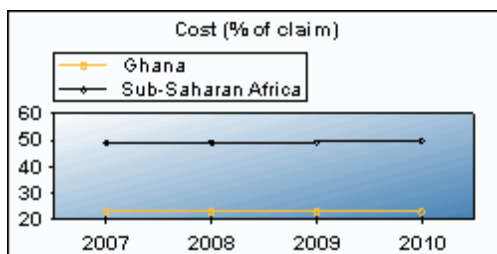
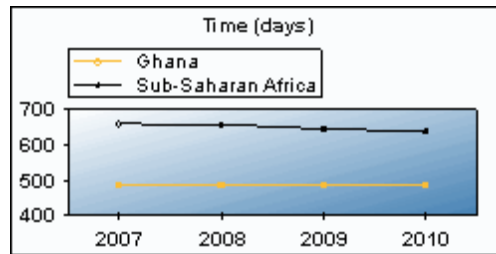
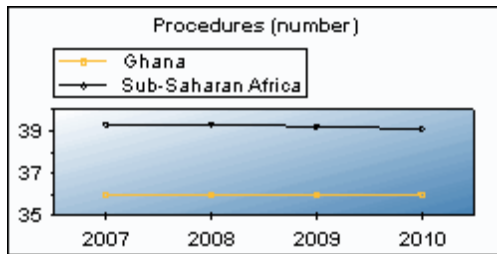
<i>Selected Economy</i>			
Ghana	36	487	23.0

<i>Comparator Economies</i>			
Benin	42	825	64.7
Burkina Faso	37	446	81.7
Côte d'Ivoire	33	770	41.7
Mali	36	620	52.0
Nigeria	40	457	32.0
Sierra Leone	40	515	149.5

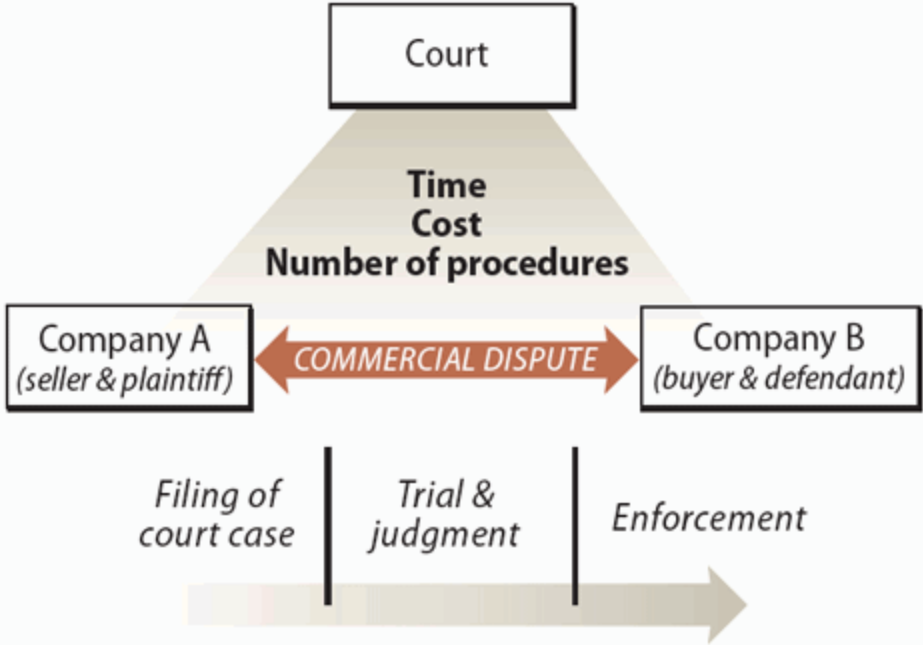
2. Historical data: Enforcing Contracts in Ghana

Enforcing Contracts data	Doing Business 2008	Doing Business 2009	Doing Business 2010	Doing Business 2011
Rank	..	..	46	45
Procedures (number)	36	36	36	36
Time (days)	487	487	487	487
Cost (% of claim)	23.0	23.0	23.0	23.0

3. The following graphs illustrate the Enforcing Contracts sub indicators in Ghana 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 Ghana.

Nature of Procedure (2010)	Indicator
Procedures (number)	36
Time (days)	487
Filing and service	7.0
Trial and judgment	150.0
Enforcement of judgment	330.0
Cost (% of claim)*	23.00
Attorney cost (% of claim)	10.0
Court cost (% of claim)	3.0
Enforcement Cost (% of claim)	10.0

Court information: Accra High Court, Commercial
Division

* 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)

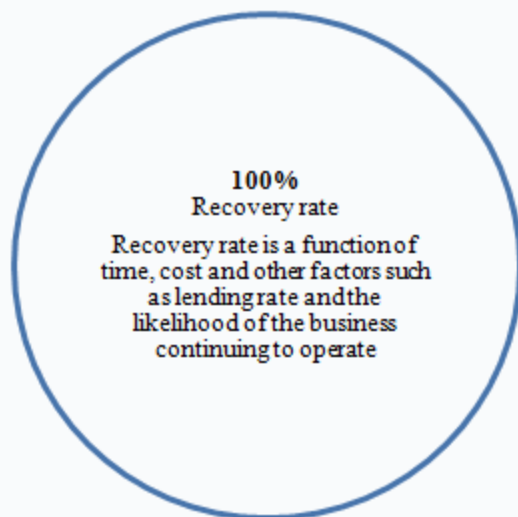
- Measured in calendar years
- Appeals and requests for extension are included

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

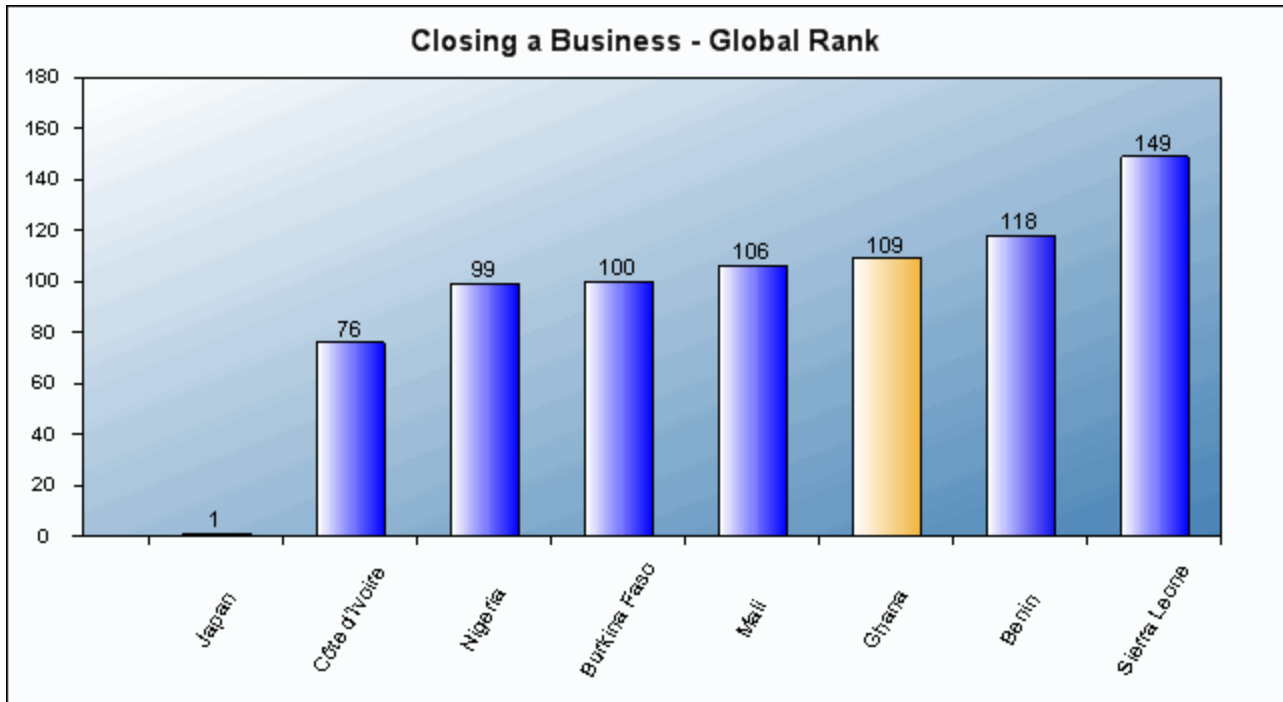
The Company

- 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:

Ghana is ranked 109 overall for Closing a Business.

Ranking of Ghana in Closing Business - Compared to good practice and selected economies:



The following table shows Closing Business data for Ghana 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>			
Ghana	23.7	1.9	22

<i>Comparator Economies</i>			
Benin	20.2	4.0	22
Burkina Faso	26.8	4.0	9
Côte d'Ivoire	32.8	2.2	18
Mali	24.6	3.6	18
Nigeria	26.8	2.0	22
Sierra Leone	8.4	2.6	42

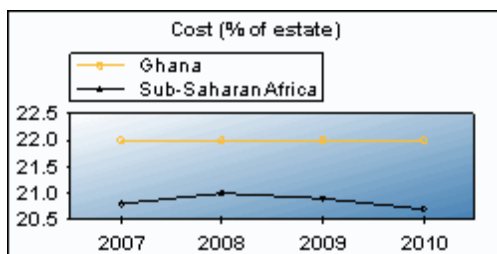
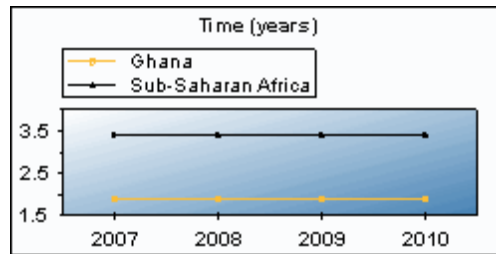
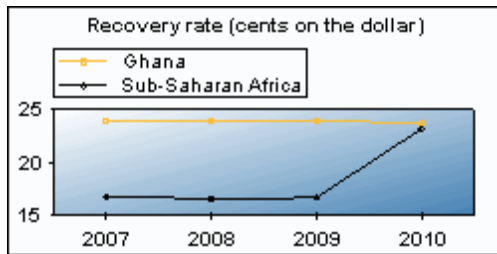
* The following economies are also good practice economies for :

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

2. Historical data: Closing Business in Ghana

Closing a Business data	Doing Business 2008	Doing Business 2009	Doing Business 2010	Doing Business 2011
Rank	..	..	105	109
Time (years)	1.9	1.9	1.9	1.9
Cost (% of estate)	22	22	22	22
Recovery rate (cents on the dollar)	24.0	24.0	24.0	23.7

3. The following graphs illustrate the Closing Business sub indicators in Ghana 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.

Benin	Benin created a new municipal commission to streamline construction permitting and set up an ad hoc commission to deal with the backlog in permit applications.
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.
Burkina Faso	Burkina Faso made dealing with construction permits easier by cutting the cost of the soil survey in half and the time to process a building permit application by a third. Burkina Faso reduced the statutory tax rate and the number of taxes for business and introduced simpler, uniform compliance procedures. Burkina Faso reduced documentation requirements for importers and exporters, making it easier to trade. Burkina Faso made enforcing contracts easier by setting up a specialized commercial court and abolishing the fee to register judicial decisions.
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.
Côte d'Ivoire	Côte d'Ivoire eased construction permitting by eliminating the need to obtain a preliminary approval.
Ghana	Ghana enhanced access to credit by establishing a centralized collateral registry and by granting an operating license to a private credit bureau that began operations in April 2010.
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.
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.
Sierra Leone	Sierra Leone made dealing with construction permits easier by streamlining the issuance of location clearances and building permits. Sierra Leone lifted a moratorium on sales of privately owned properties. Sierra Leone replaced sales and service taxes with a goods and service tax.
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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