

Doing Business 2011

Guinea-Bissau

**Making
a Difference for
Entrepreneurs**

COMPARING BUSINESS REGULATION IN 183 ECONOMIES



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1 2 3 4 08 07 06 05

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ISBN: 978-0-8213-7960-8
E-ISBN: 978-0-8213-8630-9
DOI: 10.1596/978-0-8213-7960-8
ISSN: 1729-2638

Library of Congress Cataloging-in-Publication data has been applied for.
Printed in the United States

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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 Guinea-Bissau. 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).

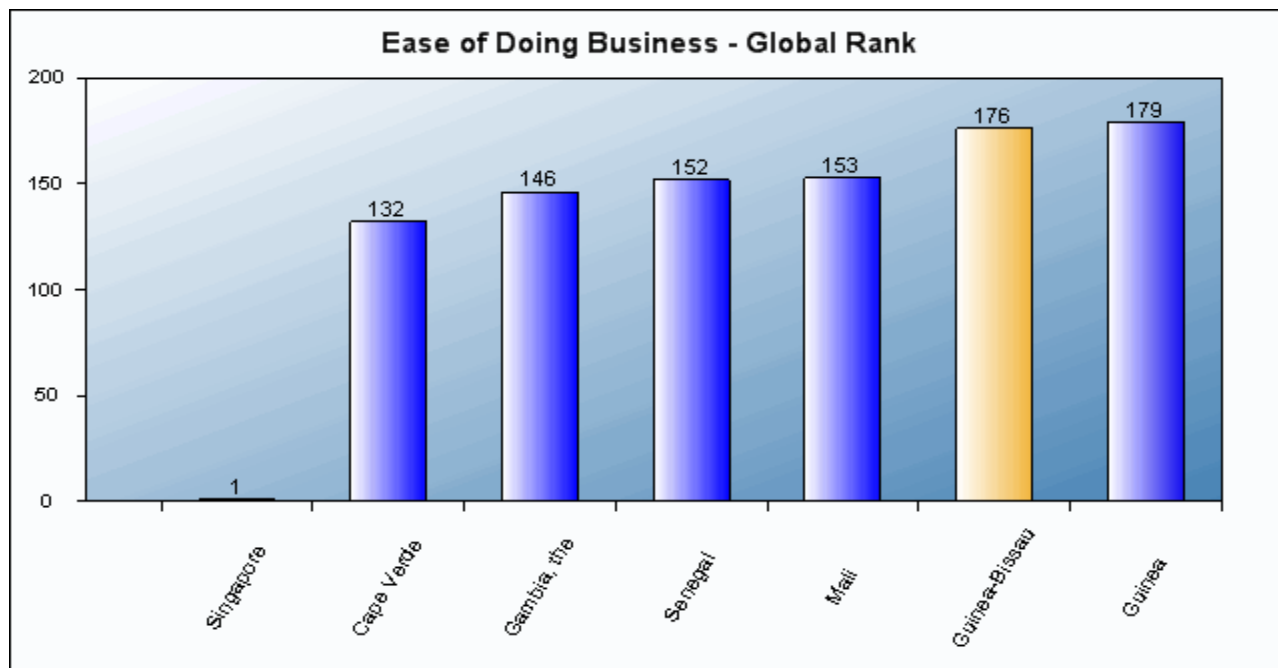
* Except for the Paying Taxes indicator that refers to the period January to December of 2009.

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

Guinea-Bissau is ranked 176 out of 183 economies. Singapore is the top ranked economy in the Ease of Doing Business.

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



Guinea-Bissau's ranking in Doing Business 2011

Rank	Doing Business 2011
Ease of Doing Business	176
Starting a Business	183
Dealing with Construction Permits	103
Registering Property	175
Getting Credit	152
Protecting Investors	132
Paying Taxes	133
Trading Across Borders	117
Enforcing Contracts	139
Closing a Business	183

Summary of Indicators - Guinea-Bissau

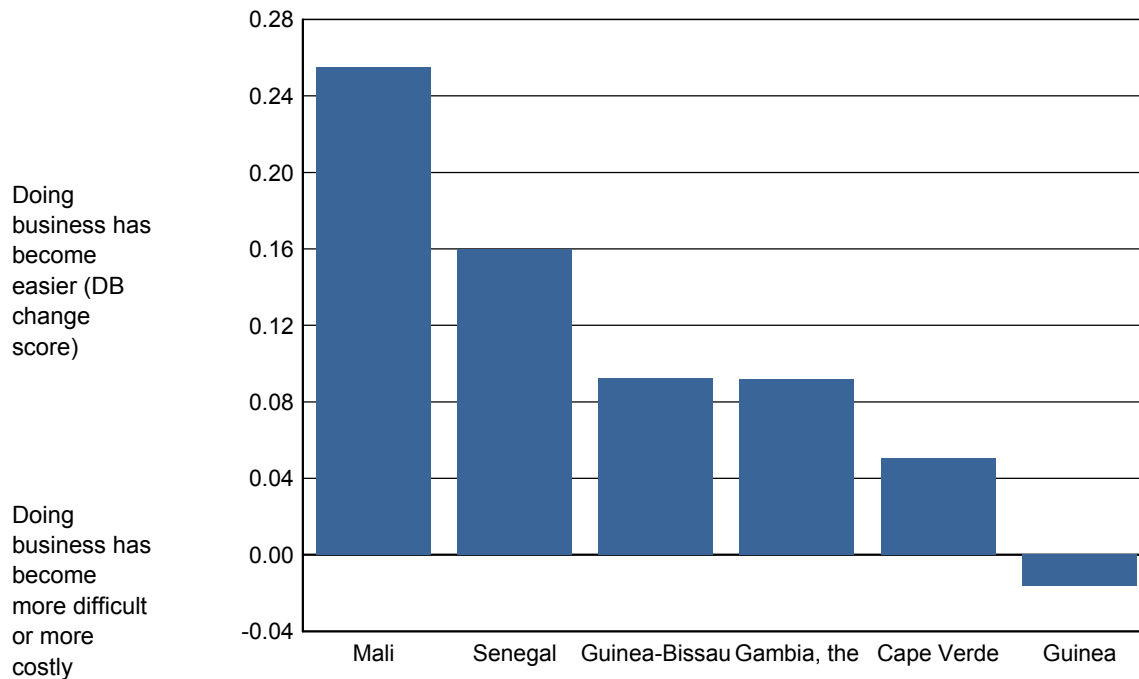
Starting a Business	Procedures (number)	17
	Time (days)	216
	Cost (% of income per capita)	183.3
	Min. capital (% of income per capita)	415.1
Dealing with Construction Permits	Procedures (number)	15
	Time (days)	167
	Cost (% of income per capita)	1075.0
Registering Property	Procedures (number)	9
	Time (days)	211
	Cost (% of property value)	6.1
Getting Credit	Strength of legal rights index (0-10)	3
	Depth of credit information index (0-6)	1
	Public registry coverage (% of adults)	0.3
	Private bureau coverage (% of adults)	0.0
Protecting Investors	Extent of disclosure index (0-10)	6
	Extent of director liability index (0-10)	1
	Ease of shareholder suits index (0-10)	5
	Strength of investor protection index (0-10)	4.0
Paying Taxes	Payments (number per year)	46
	Time (hours per year)	208
	Profit tax (%)	14.9
	Labor tax and contributions (%)	24.8
	Other taxes (%)	6.1
	Total tax rate (% profit)	45.9
Trading Across Borders	Documents to export (number)	6
	Time to export (days)	23
	Cost to export (US\$ per container)	1545
	Documents to import (number)	6
	Time to import (days)	22
	Cost to import (US\$ per container)	2349

Enforcing Contracts	Procedures (number)	40
	Time (days)	1140
	Cost (% of claim)	25.0
Closing a Business	Recovery rate (cents on the dollar)	0.0
	Time (years)	no practice
	Cost (% of estate)	no practice

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

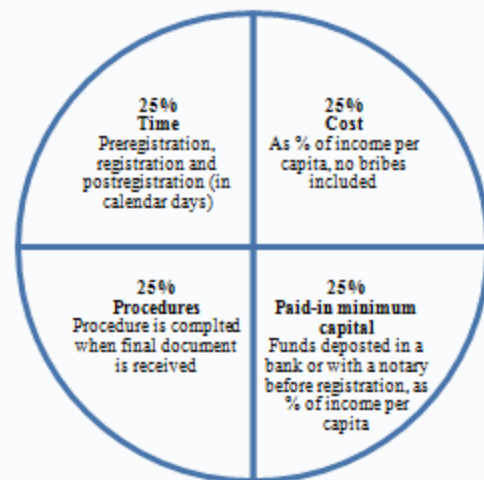
Cost required to complete each procedure (% of income per capita)

- 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:

Guinea-Bissau is ranked 183 overall for Starting a Business.

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



The following table shows Starting a Business data for Guinea-Bissau 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>				
Guinea-Bissau	17	216	183.3	415.1

<i>Comparator Economies</i>				
Cape Verde	8	11	18.5	42.4
Gambia, the	8	27	199.6	0.0
Guinea	13	41	146.6	519.1
Mali	6	8	79.7	306.8
Senegal	4	8	63.1	205.1

* The following economies are also good practice economies for :

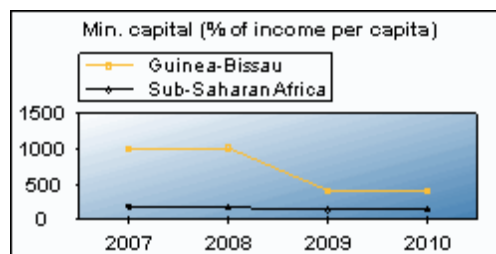
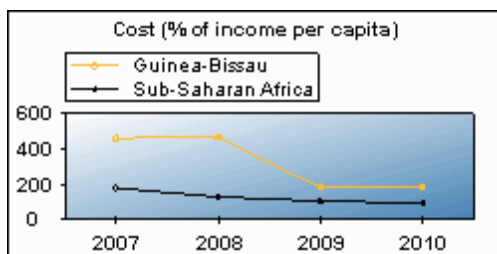
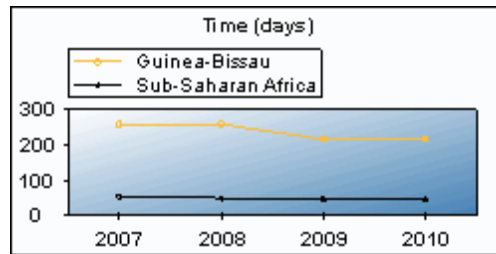
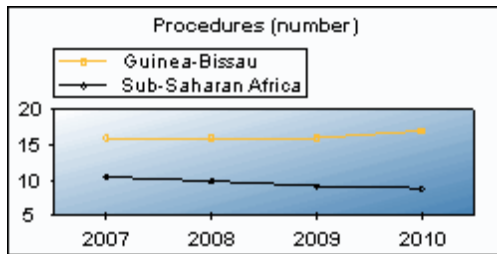
Procedures (number): **Canada**

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

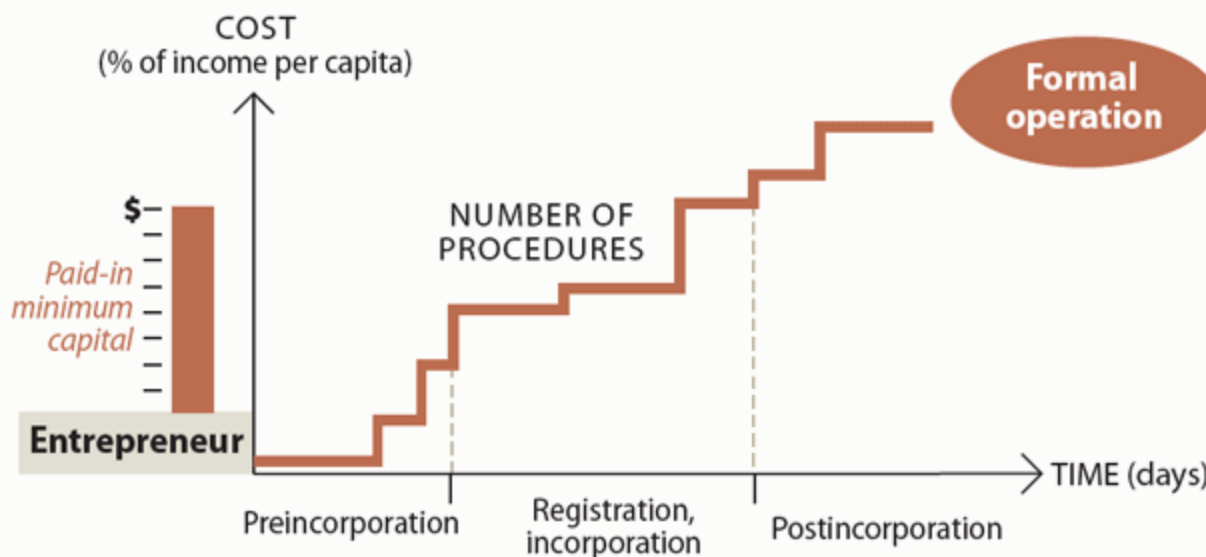
2. Historical data: Starting a Business in Guinea-Bissau

Starting a Business data	Doing Business 2008	Doing Business 2009	Doing Business 2010	Doing Business 2011
Rank	..	..	183	183
Procedures (number)	16	16	16	17
Time (days)	259	259	216	216
Cost (% of income per capita)	461.9	465.7	181.5	183.3
Min. capital (% of income per capita)	1006.6	1015.0	415.8	415.1

3. The following graphs illustrate the Starting a Business sub indicators in Guinea-Bissau 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 Guinea-Bissau.

STANDARDIZED COMPANY

Legal Form: Sociedade por Quotas de Responsabilidade

Limitada (LDA)

City: Bissau

Registration Requirements:

No:	Procedure	Time to complete	Cost to complete
1	Search for a company name and reserve the proposed name (certidão negativa de denominação social)	1	XOF 6,850
2	* Verify signature at notary	1	no charge
3	Obtain a copy of the criminal record	2	XOF 5,000
4	Open a bank account and deposit the minimum capital	1	no charge
5	Submit company statutes to obtain the public deed	90	XOF 66,187
6	Obtain copy of public deed (certidão de escritura notarial)	14	no charge
7	Register the company at Commercial Registry (matricula)	21	XOF 46,390
8	* Verify signature at notary	1	no charge

9	Obtain copy of commercial registration (certidão de registro)	5	no charge
10	Pay for publication in official gazette at the public service office	1	XOF 150,000
11	Publish statutes in the official gazette (Bolhetim Oficial)	80	XOF 15,000
12 *	Request the business license (alvará)	14	XOF 64,231
13 *	Obtain tax number for company at tax office (NIF)	2	XOF 38,000
14 *	Submit tax number to single window (Guiché Único)	1	no charge
15 *	Receive inspection from municipality	1	XOF 50,000
16 *	Unblock bank account	1	no charge
17 *	Send workers' contracts to social security and labor inspectorate agency	1	no charge

* Takes place simultaneously with another procedure.

Starting a Business Details - Guinea-Bissau

Procedure	1	Search for a company name and reserve the proposed name (certidão negativa de denominação social)
Time to complete:	1	
Cost to complete:	XOF 6,850	
Comment:	Company names must be searched manually because no electronic database yet exists. The notary public must verify the required signature on the name reservation request.	
Procedure	2	Verify signature at notary
Time to complete:	1	
Cost to complete:	no charge	
Comment:		
Procedure	3	Obtain a copy of the criminal record
Time to complete:	2	
Cost to complete:	XOF 5,000	
Comment:	According to OHADA law, a copy of criminal record is required for registration.	
Procedure	4	Open a bank account and deposit the minimum capital
Time to complete:	1	
Cost to complete:	no charge	
Comment:	For a limited liability company, the capital must be fully paid up front. The deposit receipt serves as proof of the minimum capital. In order to open the bank account you need to take a copy of notarized copy of the “certidao negative” with the signatures of the partners of the company. The entrepreneur must obtain the receipt of the deposit.	
Procedure	5	Submit company statutes to obtain the public deed
Time to complete:	90	
Cost to complete:	XOF 66,187	
Comment:	The entrepreneur must submit the company statutes, the proof of bank deposit and of name reservation, and copies of partners’ identity documents. The procedure does not take as long as its used to because part of the procedure are done electronically, for exemple, the documents are now submitted on flash drive in a typed-up form, which facilitates the process. The notary code (“codigo notarial” of 1968) says that the public deed has to be handwritten into the books. However, until last year, everything at the notary was done by hand as they did not have computers. Although the deeds are still written by hand, other processes are more done by computer. The fact that other certificates can be done on the computer removed an enormous	

burden from the notary, and now things move much faster. However, most of the computers aren't working which does not facilitate entirely the process.

Documents to be submitted are the following:

- 1- Copy of statutes
- 2- Processo-Verbal of the constituent assembly
- 3- proof of deposit of capital
- 4- negative certificate of the name ('certidao negativa')
- 5- copy of the partner's identity card (Bilhete de Identidade).

Procedure 6 Obtain copy of public deed (certidão de escritura notarial)

Time to complete: 14

Cost to complete: no charge

Comment: After the public deed is entered by hand into the books, another notary officer types the statutes and produces the public deed (certidão notarial).

Procedure 7 Register the company at Commercial Registry (matricula)

Time to complete: 21

Cost to complete: XOF 46,390

Comment: In principle, the investor must submit only the public deed and the signed form. However, the Registry might request all the documents submitted before. The signature must first be verified by the notary.

Procedure 8 Verify signature at notary

Time to complete: 1

Cost to complete: no charge

Comment:

Procedure 9 Obtain copy of commercial registration (certidão de registro)

Time to complete: 5

Cost to complete: no charge

Comment:

Procedure 10 Pay for publication in official gazette at the public service office

Time to complete: 1

Cost to complete: XOF 150,000

Comment:

Procedure 11 Publish statutes in the official gazette (Bolhetim Official)

Time to complete: 80

Cost to complete: XOF 15,000

Comment: To publish the statutes in the Official Gazette, the investor presents the public deed (obtained in Procedure 5) and the proof of payment (obtained in Procedure 9). Owing to a huge backlog,

publication can take a long time. (Some companies are still pending publication requested before the war in 1998.) In practice, the company starts operating before actual publication, as long as the business license is issued (see next procedure).

Procedure 12 Request the business license (alvará)

Time to complete: 14

Cost to complete: XOF 64,231

Comment: One needs to request a license to operate at the relevant ministry. If one wants to set up a manufacturing company, one will need to go to the 'Direccao Geral de Industria'. The point of this procedure is so that the government can vet your business plan. This means that you need to submit a 'feasibility study' that shows what line of business you will go into, how many people you plan to employ, after how long you will recoup your investment etc. At this stage, entrepreneurs also ask for exonerations from certain taxes if they believe they should be eligible for tax breaks.

You will need to submit all the previous documents to show that you set up the business and addition: a copy of the company deed, 2 pictures of the president or main partner of the company, a copy of his ID (Bolletim de Identidade), and notarized signature. Most of all, one needs to submit the 'feasibility study' here.

Procedure 13 Obtain tax number for company at tax office (NIF)

Time to complete: 2

Cost to complete: XOF 38,000

Comment:

Procedure 14 Submit tax number to single window (Guiché Único)

Time to complete: 1

Cost to complete: no charge

Comment:

Procedure 15 Receive inspection from municipality

Time to complete: 1

Cost to complete: XOF 50,000

Comment: The inspection does not happen in practice,.

Procedure 16 Unblock bank account

Time to complete: 1

Cost to complete: no charge

Comment: The company provides the bank with the tax identification number and the proof of registration to obtain access to capital deposited at the bank.

Procedure 17 Send workers' contracts to social security and labor inspectorate agency

Time to complete: 1

Cost to complete: no charge

Comment: The social security agency checks the contracts and inform the company of any problem. The company can start operations while awaiting the response.

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

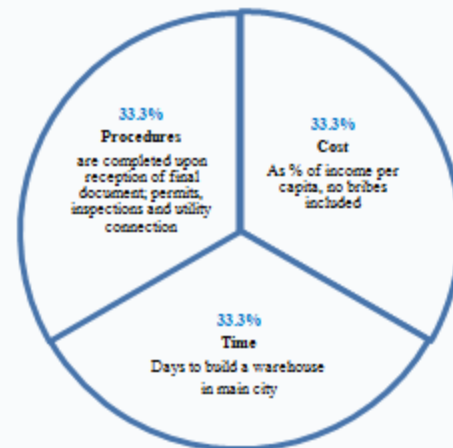
The warehouse:

- 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:

Guinea-Bissau is ranked 103 overall for Dealing with Construction Permits.

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



The following table shows Dealing with Construction Permits data for Guinea-Bissau 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	

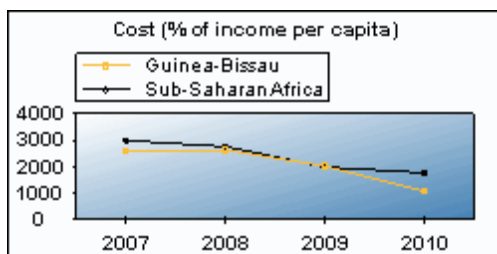
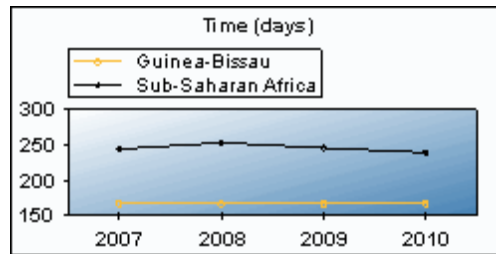
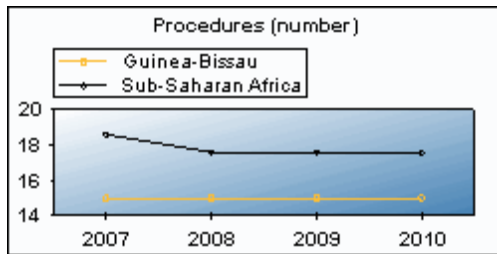
<i>Selected Economy</i>			
Guinea-Bissau	15	167	1075.0

<i>Comparator Economies</i>			
Cape Verde	18	120	570.7
Gambia, the	17	146	314.9
Guinea	32	255	419.0
Mali	15	168	505.0
Senegal	16	210	459.0

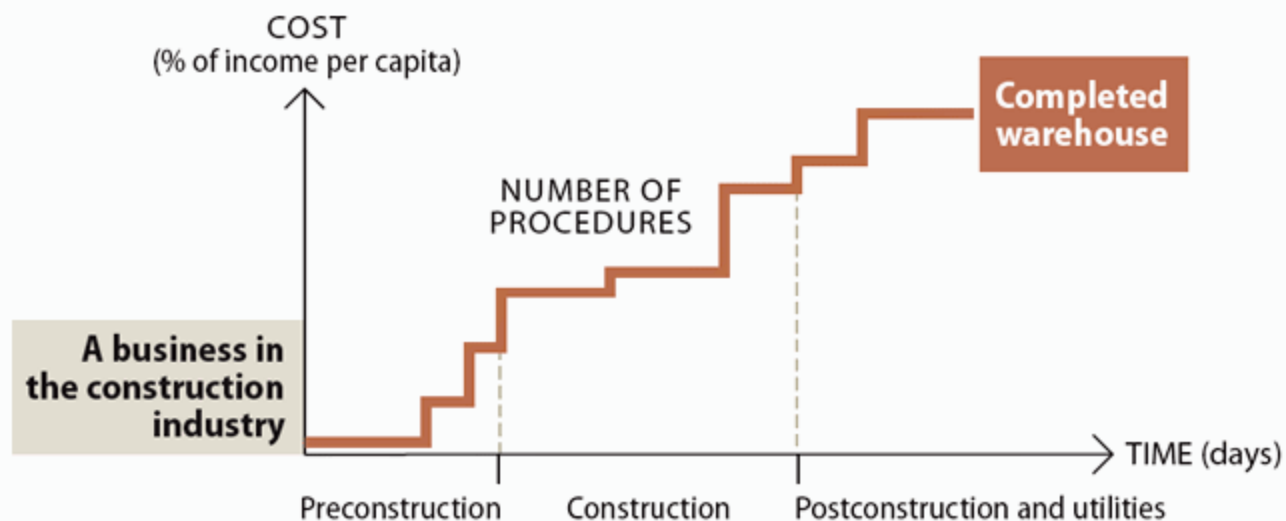
2. Historical data: Dealing with Construction Permits in Guinea-Bissau

Dealing with Construction Permits data	Doing Business 2008	Doing Business 2009	Doing Business 2010	Doing Business 2011
Rank	..	..	110	103
Procedures (number)	15	15	15	15
Time (days)	167	167	167	167
Cost (% of income per capita)	2607.0	2628.8	2020.0	1075.0

3. The following graphs illustrate the Dealing with Construction Permits sub indicators in Guinea-Bissau 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 Guinea-Bissau.

BUILDING A WAREHOUSE

City: Bissau

Registration Requirements:

No:	Procedure	Time to complete	Cost to complete
1	Request and obtain a concession and location plan from the municipality	1 day	no charge
2	Receive inspection by the municipality to obtain concession and location plan	14 days	no charge
3	Obtain a concession and location plan from the municipality	30 days	XOF 2,340,000
4	Submit plans to the municipality and obtain approval	31 days	XOF 200,000
5	Receive an inspection by the municipality - I	1 day	no charge
6	Receive inspection from Municipality - II	1 day	no charge
7	Receive inspection from Municipality - III	1 day	no charge
8	Request and receive connection from Guinée Telecom	90 days	XOF 50,000

9 *	Request and obtain approval of electricity plans with the State Secretary of Energy	5 days	no charge
10 *	Receive an inspection from the State Secretary of Energy	1 day	no charge
11 *	Receive electricity connection from EGB	24 days	no charge
12 *	Request and obtain approval of water plans from EGB	5 days	no charge
13 *	Receive a water inspection by EGB	1 day	no charge
14 *	Connect to water services through EGB	24 days	no charge
15	Request and obtain an occupancy permit	1 day	no charge

* Takes place simultaneously with another procedure.

Dealing with Construction Permits Details - Guinea-Bissau

Procedure 1 Request and obtain a concession and location plan from the municipality

Time to complete: 1 day

Cost to complete: no charge

Agency: Municipality

Comment: All land is state owned. When BuildCo requests the land, it must define the purpose. This concession plan is valid for only 2 years. If the company has the land and changes the use or does not build within those 2 years, the document ceases to be valid. After this document is requested, the municipality visits the site to define the land borders. Then the municipality issues the location plan and the concession statement. The investor does not request the location plan itself; it is issued when the concession plan is requested. The location plan is valid only in conjunction with the concession statement. There are several location plans for the same land with different names (owners), so the concession statement is necessary. The investor must visit the municipality frequently to make sure that the document is issued in a timely manner. If the investor does not follow the process, it can take 1 year or even 5 years to get the land.

Procedure 2 Receive inspection by the municipality to obtain concession and location plan

Time to complete: 14 days

Cost to complete: no charge

Agency: Municipality

Comment: After documents have been requested from the municipality, inspectors visit the site to define the land borders.

Procedure 3 Obtain a concession and location plan from the municipality

Time to complete: 30 days

Cost to complete: XOF 2,340,000

Agency: Municipality

Comment: In 2006/07, the time increased to 1.5 months, on average, for the whole process, from requesting to obtaining the plans. The longer time line is the result of an increase in demand for these services and a backlog.

The rates depend on the location of the land (see rates table). In the case considered here, the cost should be around XOF 2,340,000 (assuming that the building is situated in a periurban area and is to be used for commerce or service activity)

Procedure 4 Submit plans to the municipality and obtain approval

Time to complete: 31 days

Cost to complete: XOF 200,000

Agency: Municipality

Comment: BuildCo must submit the architectural, structural, and sanitary plans, along with a statement from the architect, a liability statement from the architect who produced the plans, and a request from the landowner. The city council meets every week to approve the plans. However, due to a backlog it takes on average 30 days for approval. For the plans to be approved, BuildCo must continuously check the status of the process with the municipality. The plan approval commission meets every Friday. The commission may revise the plans (especially the structural plan), but the plans hardly ever need to be resubmitted.

In the pre-approval stage, there is no need to submit approved technical conditions from the water and sewerage, telephone, and electricity services to the municipality.

After the plans are approved, the company must pay for the issuance of the building permit. The approval is done in the previous procedure. Therefore it does not take more than a day.

The company can request a permit for 3 months, 6 months, or 1 year. It is cheaper to request a 3-month permit and request renewals. The cost of the license depends on construction duration, area, and perimeter. The cost of permit for a 300- to 400-sq.-m. building would be around XOF 200,000.

As soon BuildCo obtains the building permit, construction can start without any notification from the authorities.

Procedure 5 Receive an inspection by the municipality - I

Time to complete: 1 day

Cost to complete: no charge

Agency: Municipality

Comment: The municipality establishes the land boundaries at the beginning of construction. It is normal for the municipal inspector to visit the site to check whether there is a building permit and whether acceptable construction practices are being followed. On average, the company should expect three inspections during the whole cycle. No prior request is required.

Procedure 6 Receive inspection from Municipality - II

Time to complete: 1 day

Cost to complete: no charge

Agency: Municipality

Comment:

Procedure 7 Receive inspection from Municipality - III

Time to complete: 1 day

Cost to complete: no charge

Agency: Municipality

Comment:

Procedure 8 Request and receive connection from Guinée Telecom

Time to complete:

90 days

Cost to complete:

XOF 50,000

Agency:

Guinée Telecom

Comment:

It is difficult to obtain a telephone line. The actual connection is not time consuming, but getting a line can take 1.5 months or more (subject to availability).

Procedure 9 Request and obtain approval of electricity plans with the State Secretary of Energy

Time to complete:

5 days

Cost to complete:

no charge

Agency:

State Secretary of Energy

Comment:

To obtain approval for electrical plans, BuildCo submits electrical plans along with an application form and a liability statement from the designer of the plans.

Procedure 10 Receive an inspection from the State Secretary of Energy

Time to complete:

1 day

Cost to complete:

no charge

Agency:

State Secretary of Energy

Comment:

After the application is submitted, the authority sends inspection to appraise the situation.

Procedure 11 Receive electricity connection from EGB

Time to complete:

24 days

Cost to complete:

no charge

Agency:

EGB

Comment:

The full process, from getting approval of the plans (both for water and electricity) until the connection is completed, takes 2–3 weeks if BuildCo follows up consistently. Otherwise it takes 1–1.5 months. The approvals for water and electricity connection can be requested simultaneously, but they are processed by different institutions: the State Secretariat of Energy for electricity and the EGB for water. The applications for water and electricity are both submitted to the EGB. There are inspections both for water and for electricity.

Procedure 12 Request and obtain approval of water plans from EGB

Time to complete:

5 days

Cost to complete: no charge

Agency: EGB

Comment: The full process, from getting approval of the plans (both for water and electricity) until the connection is completed, takes 2–3 weeks if BuildCo follows up consistently. Otherwise it takes 1–1.5 months. The approvals for water and electricity connection can be requested simultaneously, but they are processed by different institutions: the State Secretariat of Energy for electricity and the EGB for water. The applications for water and electricity are both submitted to the EGB. There are inspections both for water and for electricity.

Procedure 13 Receive a water inspection by EGB

Time to complete: 1 day

Cost to complete: no charge

Agency: EGB

Comment: The inspection takes place after the application and before the actual connection.

Procedure 14 Connect to water services through EGB

Time to complete: 24 days

Cost to complete: no charge

Agency: EGB

Comment: The connection takes, on average, 20 days

Procedure 15 Request and obtain an occupancy permit

Time to complete: 1 day

Cost to complete: no charge

Agency: Municipality

Comment: For BuildCo to obtain an occupancy permit, the law requires the municipality to visit the building at the end of construction to check whether it was built according to plan. It will then issue an occupancy permit.

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)

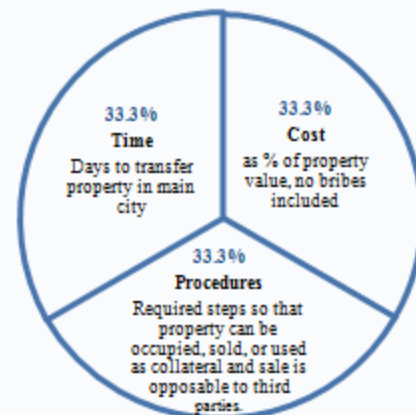
- Preregistration (for example, checking for liens, notarizing sales agreement, paying property transfer taxes)
- Registration in the economy's largest business city
- Post registration (for example, transactions with the local authority, tax authority or cadastre)

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.

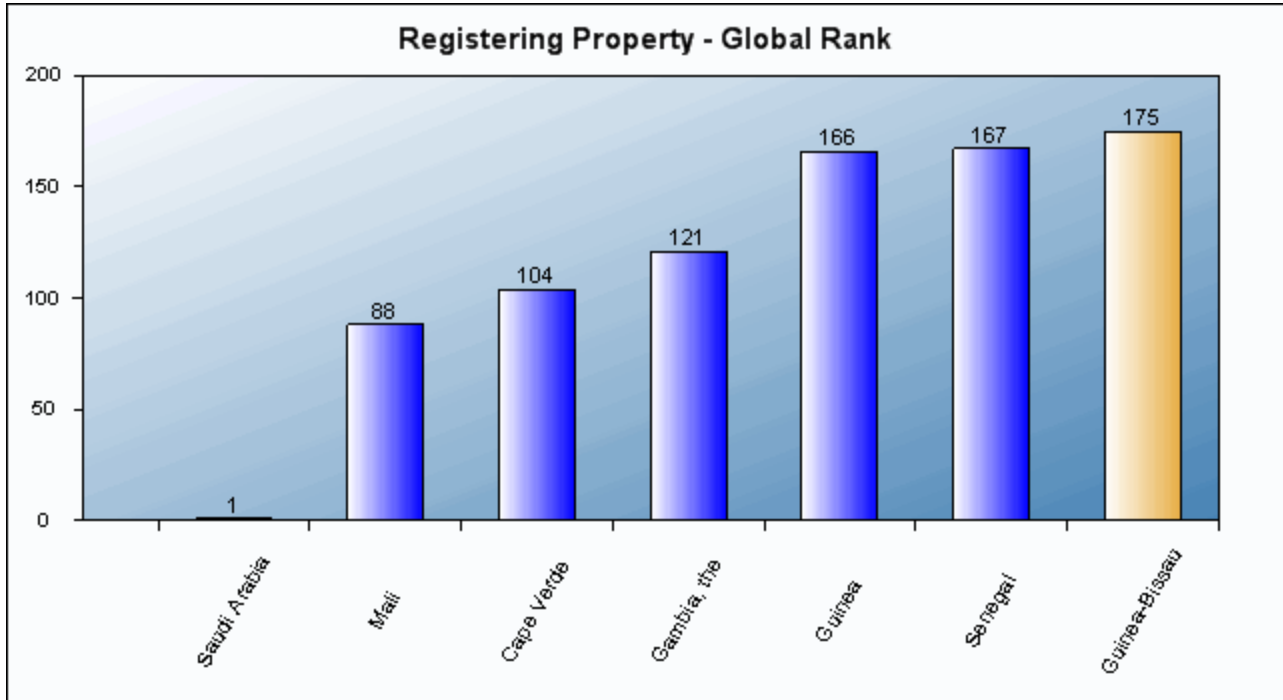
The property (fully owned by the seller):

- 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:

Guinea-Bissau is ranked 175 overall for Registering Property.

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



The following table shows Registering Property data for Guinea-Bissau 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>			
Guinea-Bissau	9	211	6.1

<i>Comparator Economies</i>			
Cape Verde	6	73	3.9
Gambia, the	5	66	7.6
Guinea	6	104	14.0
Mali	5	29	11.9
Senegal	6	122	20.6

* The following economies are also good practice economies for :

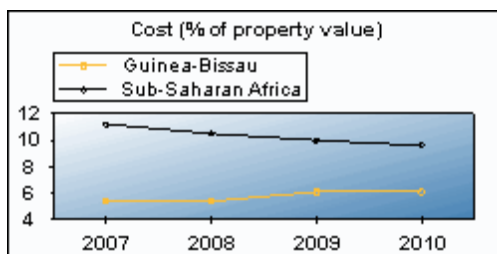
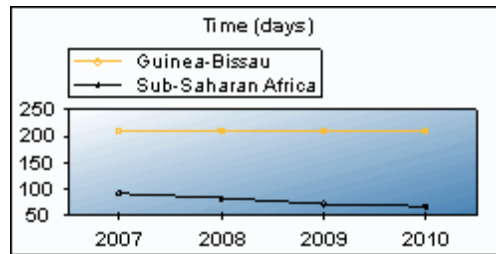
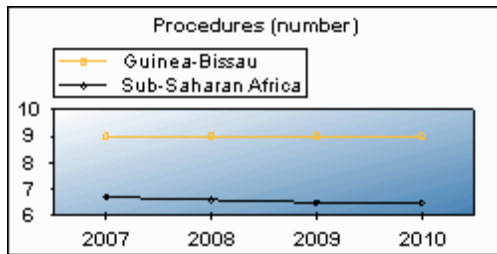
Procedures (number): United Arab Emirates

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

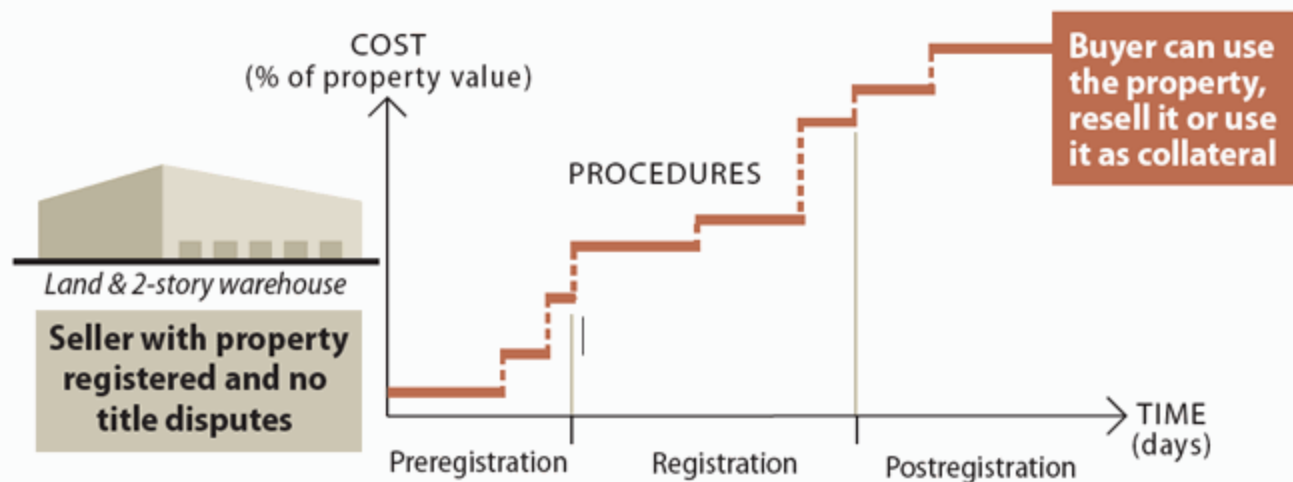
2. Historical data: Registering Property in Guinea-Bissau

Registering Property data	Doing Business 2008	Doing Business 2009	Doing Business 2010	Doing Business 2011
Rank	..	..	172	175
Procedures (number)	9	9	9	9
Time (days)	211	211	211	211
Cost (% of property value)	5.4	5.4	6.1	6.1

3. The following graphs illustrate the Registering Property sub indicators in Guinea-Bissau 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 Guinea-Bissau.

STANDARDIZED PROPERTY

Property Value: 12,046,672.24

City: Bissau

Registration Requirements:

No:	Procedure	Time to complete	Cost to complete
1	Verify the signature of the the seller at the notary	1 day	CFA 231 for one signature
2	Obtain property title from the property registry (certidão de registro predial)	12 days	CFA 2,000
3	Pay property transfer tax and obtain tax clearance from tax authority	1 - 2 days	2% of property value
4	Parties request the notary to prepare and execute the sale purchase agreement	180 days	CFA 150,000 for the public deed (according to scale) + stamp duty (CFA 2000 per page+ 0.5% of half of property value)
5	Obtain copy of the public deed (certidão de escritura) from the notary	1 day	included in previous procedure
6	Pick up Form at the property registry	1 day	250 CFA for the Form

7	Verify signatures at notary	1 day	CFA 231 for one signature
8	Obtain the new property title (certidão predial)	12 days	Description, Inscription and Certificate: 15 000 FCFA (=5000 FCFA x 3)Determined value: 8 900 FCFA for every 1 millionParticipation fees ("da participação emolumental"): 20 % of (15 000 FCFA+ 8 900 FCFA)"Construção prisional" : 1 % of (15 000 FCFA + 8 900 FCFA)Tax ("taxa de reembolso"): 822 FCFAPrint Cost: 250 FCFACertificate: 5 000 FCFA
9	Submit a copy of the property title to municipality	1 day	No cost

Registering Property Details - Guinea-Bissau

Procedure	1	Verify the signature of the the seller at the notary
Time to complete:	1 day	
Cost to complete:	CFA 231 for one signature	
Comment:	The seller must complete and sign a form to request a search of the property title. His signature must be verified at the notary. In practice this is done in the same day as the request given that both agencies are in the same building.	
Procedure	2	Obtain property title from the property registry (certidão de registro predial)
Time to complete:	12 days	
Cost to complete:	CFA 2,000	
Agency:	Property Registry	
Comment:	Once the signature of the seller has been verified by the notary, then this form is deposited at the Property Registry	
Procedure	3	Pay property transfer tax and obtain tax clearance from tax authority
Time to complete:	1 - 2 days	
Cost to complete:	2% of property value	
Agency:	Tax Authority	
Comment:	The tax clearance states that no taxes are owed on the property prior to its transfer (CISA). The transfer tax is paid at the same time.	
Procedure	4	Parties request the notary to prepare and execute the sale purchase agreement
Time to complete:	180 days	
Cost to complete:	CFA 150,000 for the public deed (according to scale) + stamp duty (CFA 2000 per page+ 0.5% of half of property value)	
Comment:	The public deed is handwritten and only the notary can write it in the notary books where all contracts are registered. There is only one notary in the whole country. The seller must present the property title and the proof of tax payment. Both the seller and the buyer must present their identification documents. Time may be reduced to 2 or 3 days if bribes are paid, but a reasonable time for a public deed with no bribes being paid is 6 months. CFA 150,000 for the public deed (according to scale) + stamp duty (CFA 2000 per page+ 0.5% of half of property value. It is assumed that the contract is approximately 4 pages.	
Procedure	5	Obtain copy of the public deed (certidão de escritura) from the notary
Time to complete:	1 day	

Cost to complete: included in previous procedure

Comment: After the public deed is handwritten in the books, the contract is typed and a copy is given to the parties.

Procedure 6 Pick up Form at the property registry

Time to complete: 1 day

Cost to complete: 250 CFA for the Form

Agency: Property Registry

Comment: In order to be registered as the new owner of the property, the buyer must first complete a form to request this registration. The request must be submitted along with the certidão de escritura. The registry makes a note of the new owner in their books.

Procedure 7 Verify signatures at notary

Time to complete: 1 day

Cost to complete: CFA 231 for one signature

Comment: The notary must once again verify that the signature of the buyer is authentic.

Procedure 8 Obtain the new property title (certidão predial)

Time to complete: 12 days

Cost to complete: Description, Inscription and Certificate: 15 000 FCFA (=5000 FCFA x 3)Determined value: 8 900 FCFA for every 1 millionParticipation fees ("da participação emolumental"): 20 % of (15 000 FCFA+ 8 900 FCFA)“Construção prisional” : 1 % of (15 000 FCFA + 8 900 FCFA)Tax ("taxa de reembolso"): 822 FCFAPrint Cost: 250 FCFACertificate: 5 000 FCFA

Agency: Property Registry (Conservatoria do Registo Predial, Comercial e Automóvel de Bissau)

Comment: The buyer obtains new property title. After the registration in the books is done, a copy of that registration is typed and given to the buyer.
The fee scale is as follows:
Description, Inscription and Certificate: 15 000 FCFA (5000 * 3)
Determined value: 8 900 FCFA for everyone 1 million
Participation fees (da participação emolumental): 20 % of (15000 + 8900)
“construção prisional” : 1 % of (15000 + 8900)
Reimbursement tax: 822 FCFA
Print Cost: 250 FCFA
Certificate: 5000 FCFA

Procedure 9 Submit a copy of the property title to municipality

Time to complete: 1 day

Cost to complete: No cost

Agency:

Municipality

Comment:

The buyer must submit a copy of the property title to the municipality to inform about the property transfer, for tax purposes. In Bissau, the municipality acts as the cadastre, but outside of the capital there are separate cadastres in which to perform this procedure. Note that land is leased and buildings are owned. At the first registration of land and building, the certificate is unified and contains both sets of details on lease and ownership of building. The procedures here describe the process of transferring that unified title.

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

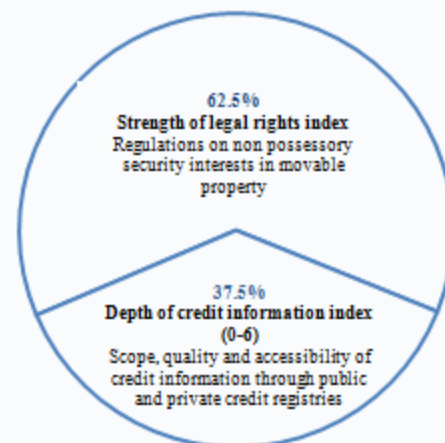
Public credit registry coverage (% of adults)

- 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)

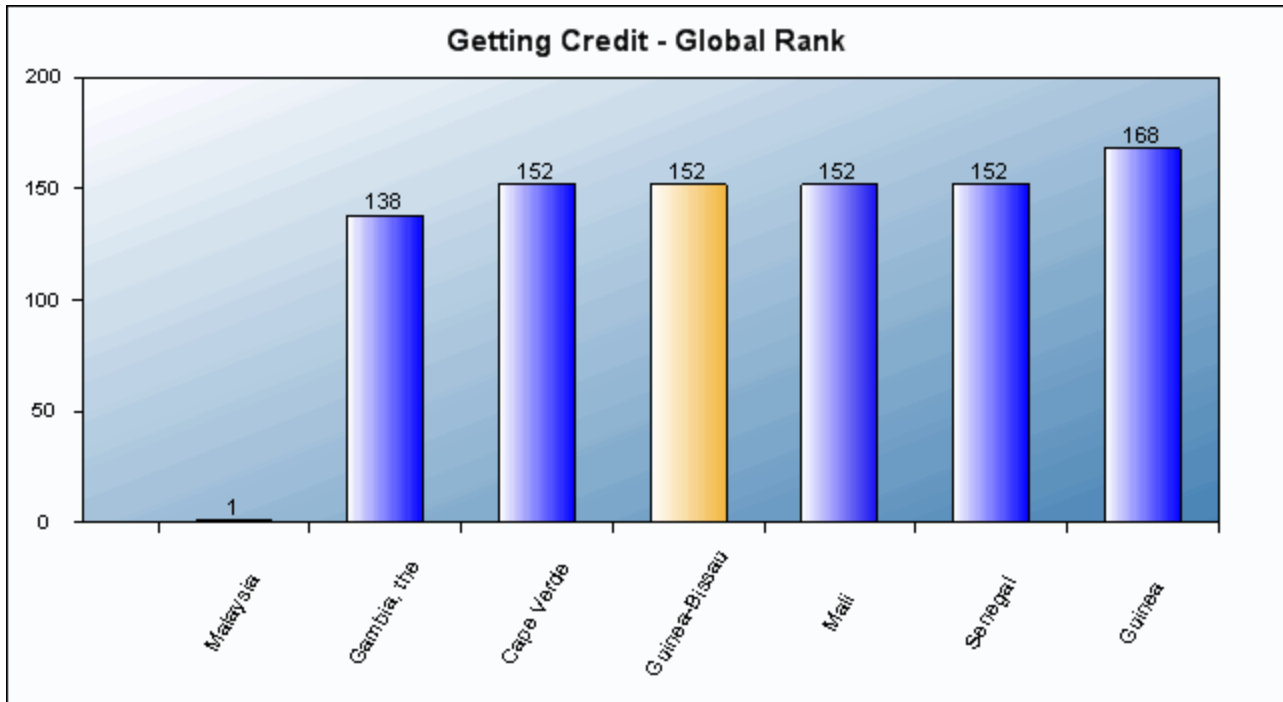
The Debtor

- 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:

Guinea-Bissau is ranked 152 overall for Getting Credit.

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



The following table shows Getting Credit data for Guinea-Bissau 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>				
Guinea-Bissau	3	1	0.3	0.0

<i>Comparator Economies</i>				
Cape Verde	2	2	22.1	0.0
Gambia, the	5	0	0.0	0.0
Guinea	3	0	0.0	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

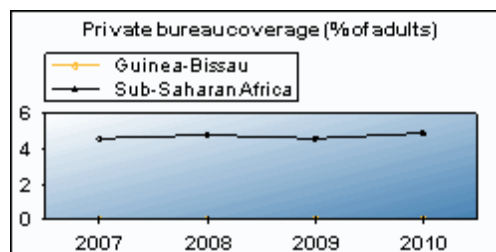
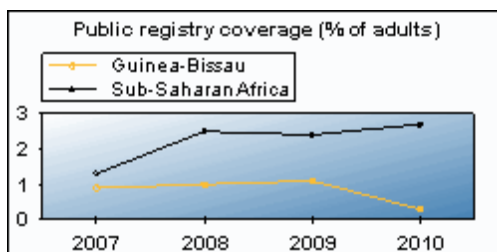
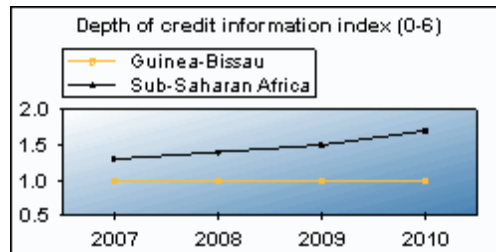
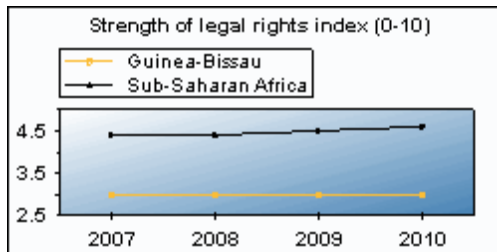
Private bureau coverage (% of adults): Argentina, Australia, Canada, Iceland, Ireland, Norway, Sweden, United Kingdom, United States

27 countries have the highest credit information index.

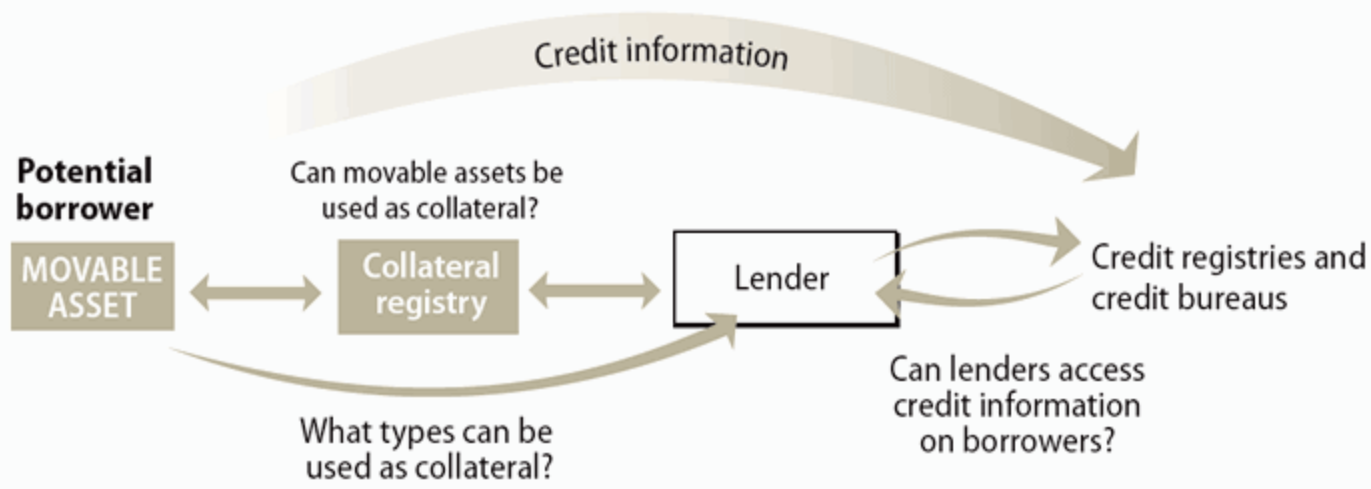
2. Historical data: Getting Credit in Guinea-Bissau

Getting Credit data	Doing Business 2008	Doing Business 2009	Doing Business 2010	Doing Business 2011
Rank	..	..	150	152
Strength of legal rights index (0-10)	3	3	3	3
Depth of credit information index (0-6)	1	1	1	1
Private bureau coverage (% of adults)	0.0	0.0	0.0	0.0
Public registry coverage (% of adults)	0.9	1.0	1.1	0.3

3. The following graphs illustrate the Getting Credit sub indicators in Guinea-Bissau 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 Guinea-Bissau.

Getting Credit Indicators (2010)			Indicator
Private bureau coverage (% of adults)	Private credit bureau	Public credit registry	1
Are data on both firms and individuals distributed?	No	Yes	1
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	0.3	
Number of individuals		0	..
Number of firms		0	..

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

Yes

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?

No

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?

Yes

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 ?

No

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 ?

Yes

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 ?

No

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

No

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

No

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

No

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

No

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)

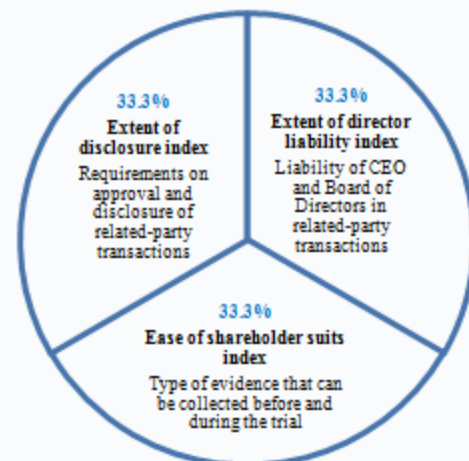
- Documents and information available during trial
- Access to internal corporate documents (directly or through a government inspector)

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.

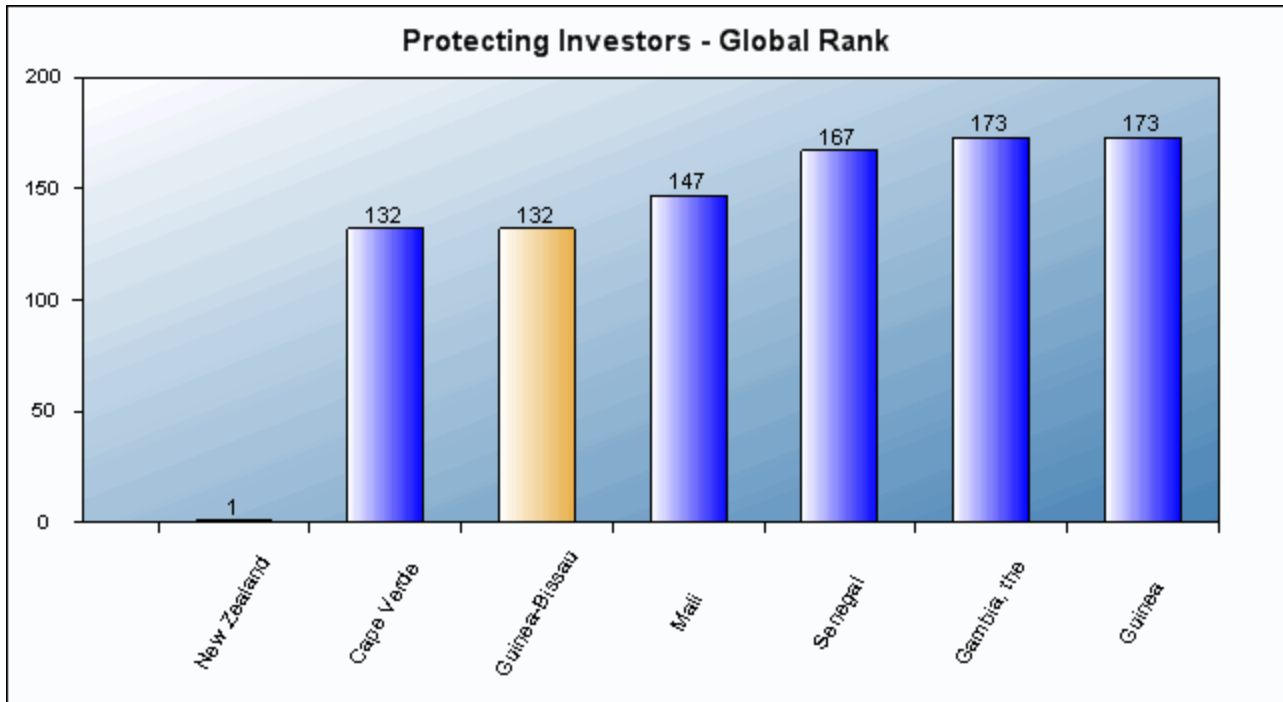
The transaction

- 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:

Guinea-Bissau is ranked 132 overall for Protecting Investors.

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



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

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

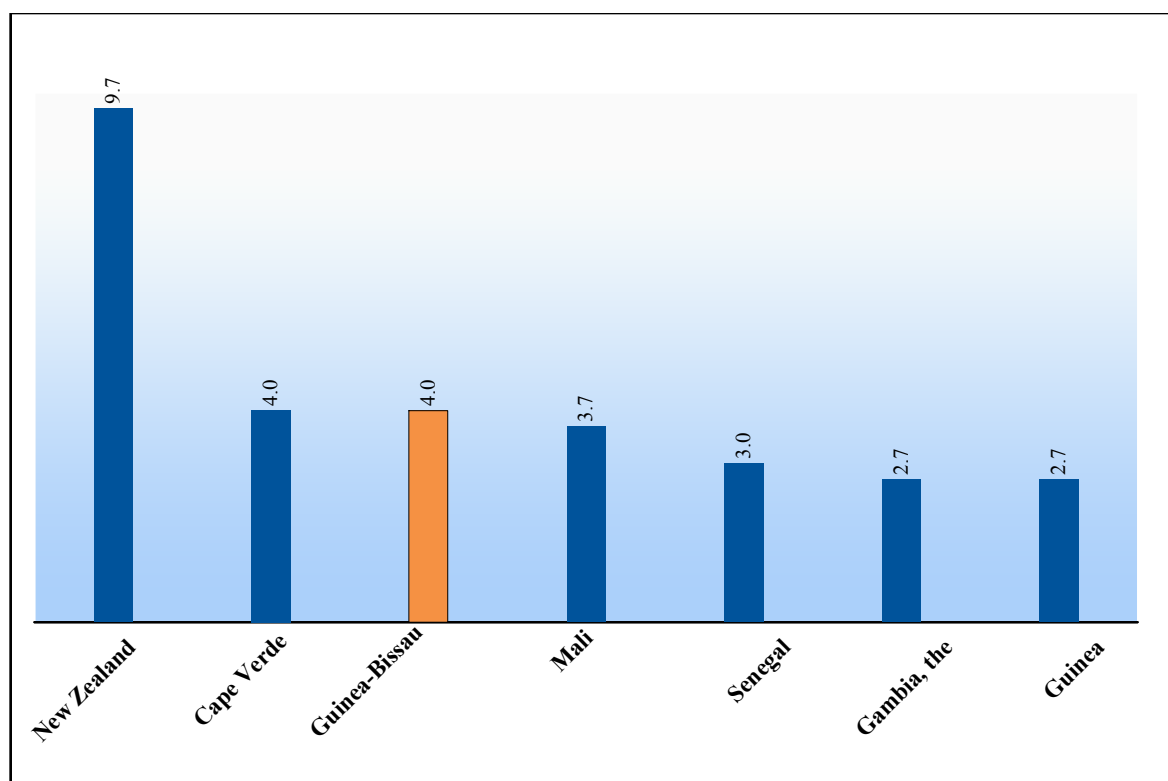
<i>Selected Economy</i>	
Guinea-Bissau	4.0

<i>Comparator Economies</i>	
Cape Verde	4.0
Gambia, the	2.7
Guinea	2.7
Mali	3.7
Senegal	3.0

2. Historical data: Protecting Investors in Guinea-Bissau

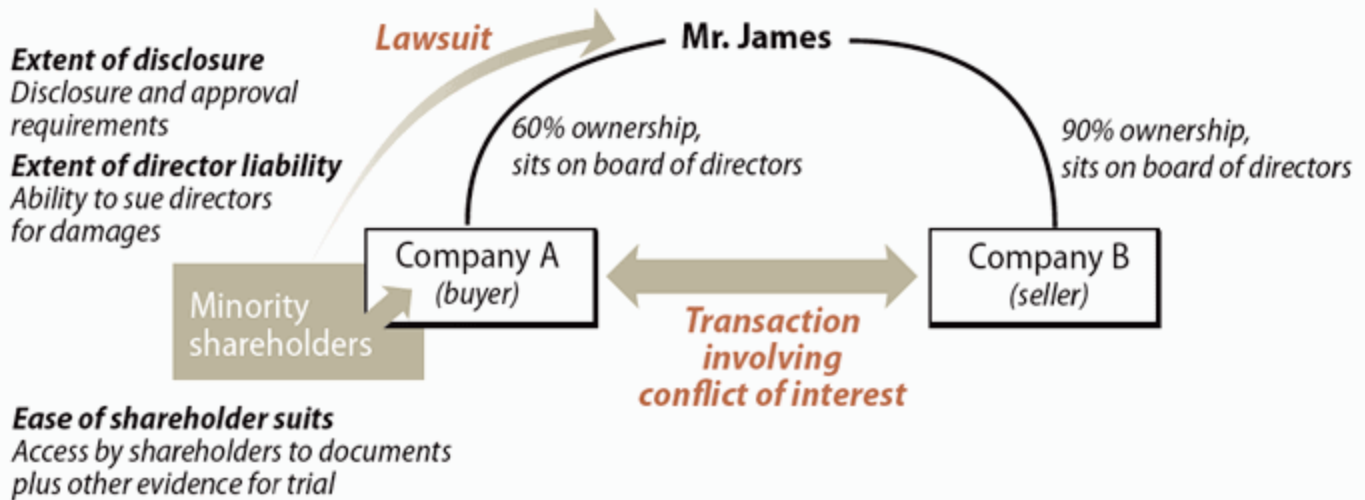
Protecting Investors data	Doing Business 2008	Doing Business 2009	Doing Business 2010	Doing Business 2011
Rank	..	..	131	132
Strength of investor protection index (0-10)	4.0	4.0	4.0	4.0

3. The following graph illustrates the Protecting Investors index in Guinea-Bissau 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 Guinea-Bissau.

Protecting Investors Data (2010)	Indicator
Extent of disclosure index (0-10)	6
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?	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?	4
Whether the plaintiff can directly question the defendant and witnesses during trial?	1
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?	0
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)	4.0

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)

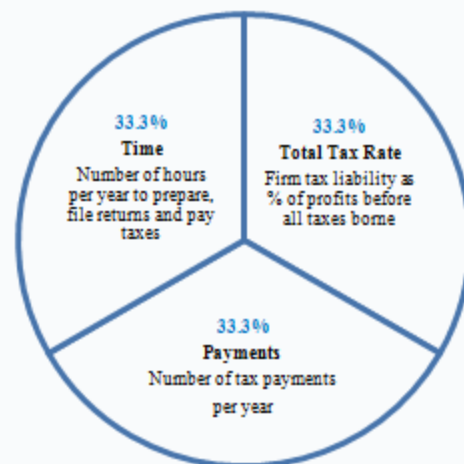
- Collecting information and computing the tax payable
- Completing tax return forms, filing with proper agencies
- Arranging payment or withholding
- Preparing separate tax accounting books, if required

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



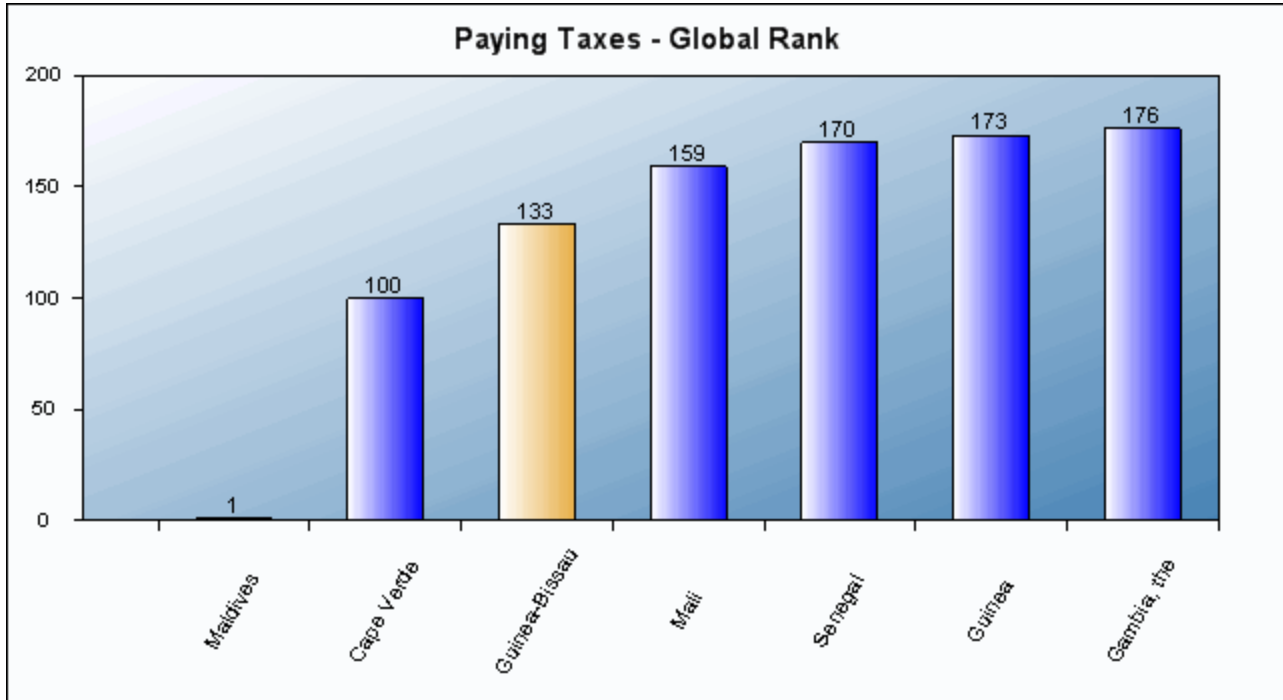
Case Study Assumptions

- 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:

Guinea-Bissau is ranked 133 overall for Paying Taxes.

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



The following table shows Paying Taxes data for Guinea-Bissau 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>			
Guinea-Bissau	46	208	45.9

<i>Comparator Economies</i>			
Cape Verde	43	186	37.1
Gambia, the	50	376	292.3
Guinea	56	416	54.6
Mali	59	270	52.2
Senegal	59	666	46.0

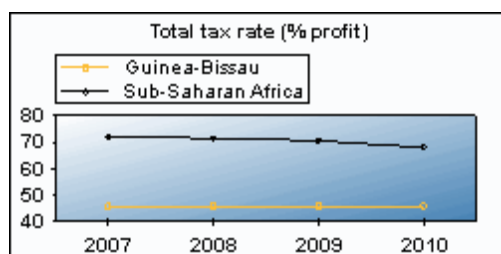
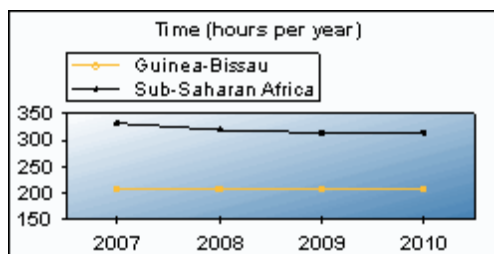
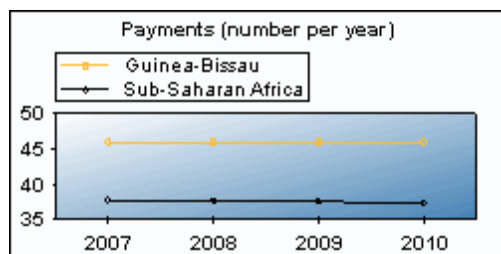
* The following economies are also good practice economies for :

Payments (number per year): Qatar

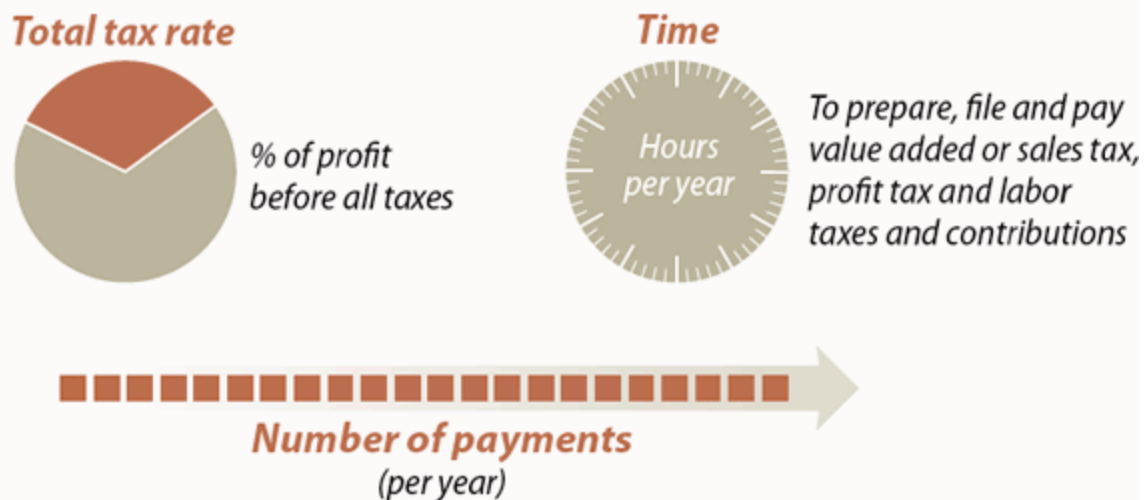
2. Historical data: Paying Taxes in Guinea-Bissau

Paying Taxes data	Doing Business 2008	Doing Business 2009	Doing Business 2010	Doing Business 2011
Rank	..	..	129	133
Total tax rate (% profit)	45.9	45.9	45.9	45.9
Payments (number per year)	46	46	46	46
Time (hours per year)	208	208	208	208

3. The following graphs illustrate the Paying Taxes sub indicators in Guinea-Bissau 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 Guinea-Bissau, 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
fuel tax	1						
VAT	12		24	15.0%	Value added		
advertising tax	1			XOF 100	per letter in ad	0.10	
vehicle tax	2			various rates		0.40	
property tax	1			Different rates depending on activity and location		0.40	
tax on interest	0	withheld		15.0%	interest	0.40	
stamp duty on sales	12			0.3%	sales	5.30	
accident insurance	0			8.0%	gross salaries	9.00	
Corporate income tax	5		160	25.0%	taxable profit	14.90	

Social security contributions	12	24	14.0%	gross salaries	15.80
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Totals	46	208			45.9
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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)

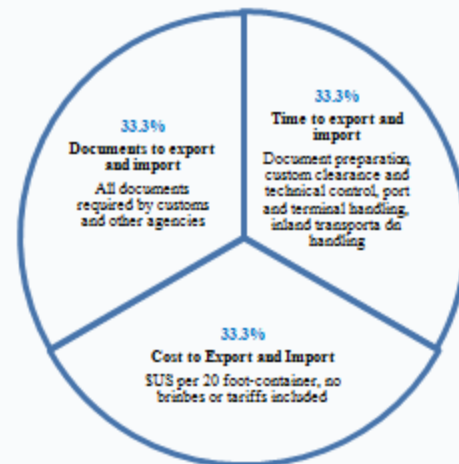
- Bank documents
- Customs clearance documents
- Port and terminal handling documents
- Transport documents

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

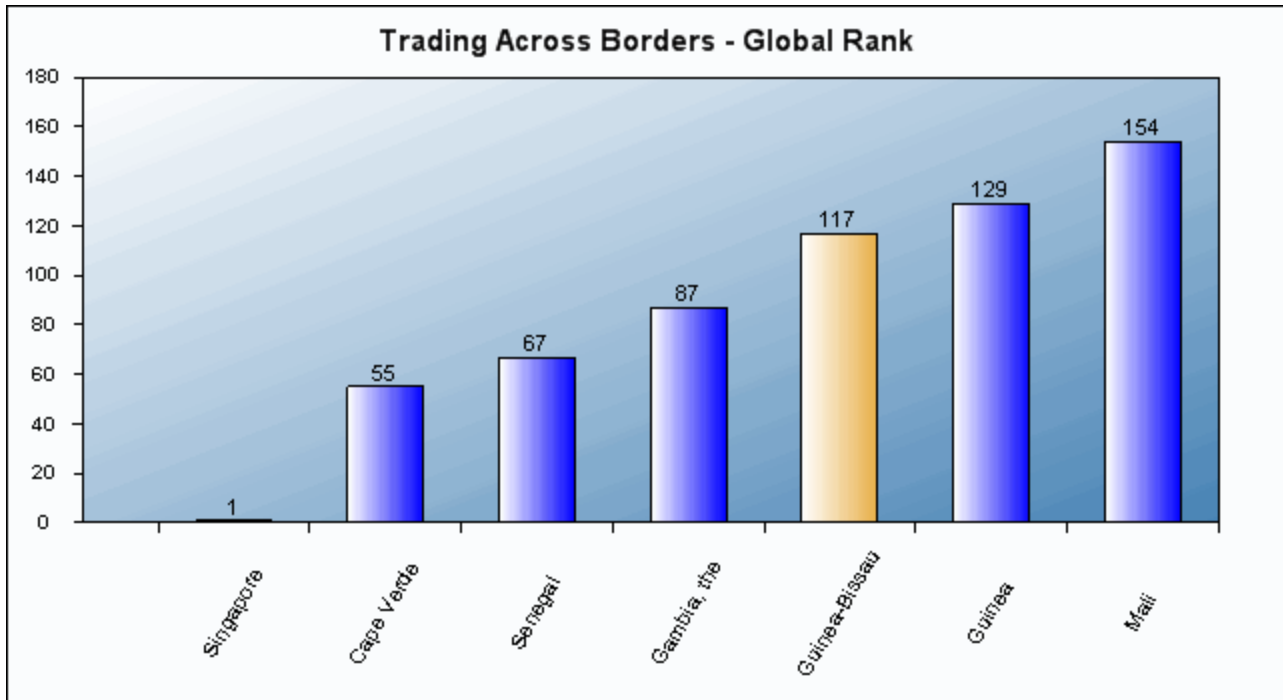
The traded product

- 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:

Guinea-Bissau is ranked 117 overall for Trading Across Borders.

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



The following table shows Trading Across Borders data for Guinea-Bissau 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>						
Guinea-Bissau	6	23	1545	6	22	2349

<i>Comparator Economies</i>						
Cape Verde	5	19	1200	5	18	1000
Gambia, the	6	23	831	8	23	975
Guinea	7	35	855	9	32	1391
Mali	7	26	2202	10	31	3067
Senegal	6	11	1098	5	14	1940

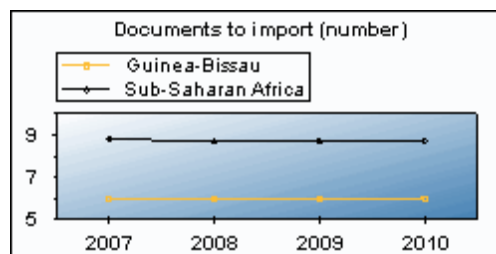
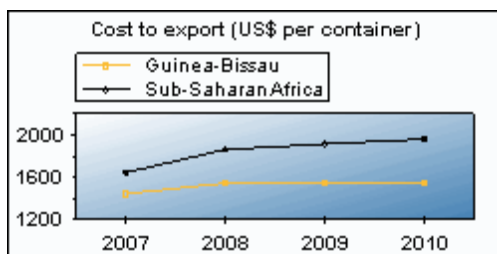
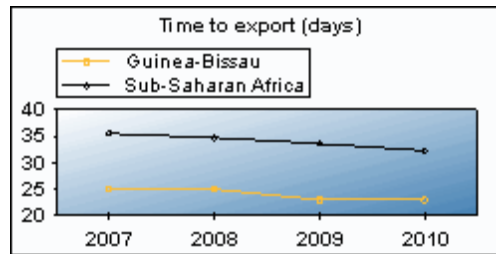
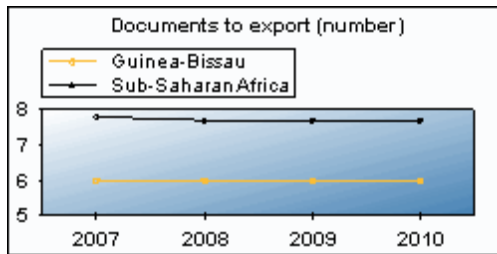
* The following economies are also good practice economies for :

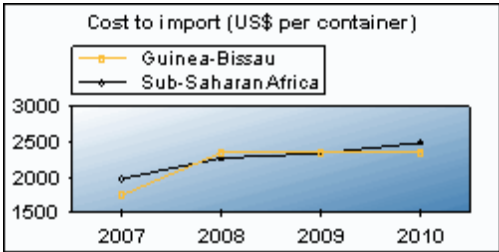
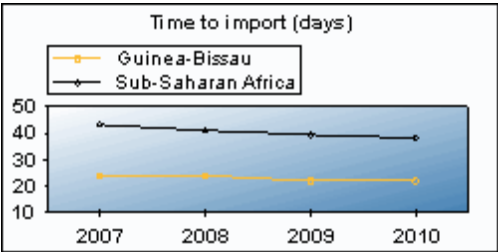
Time to export (days): Estonia

2. Historical data: Trading Across Borders in Guinea-Bissau

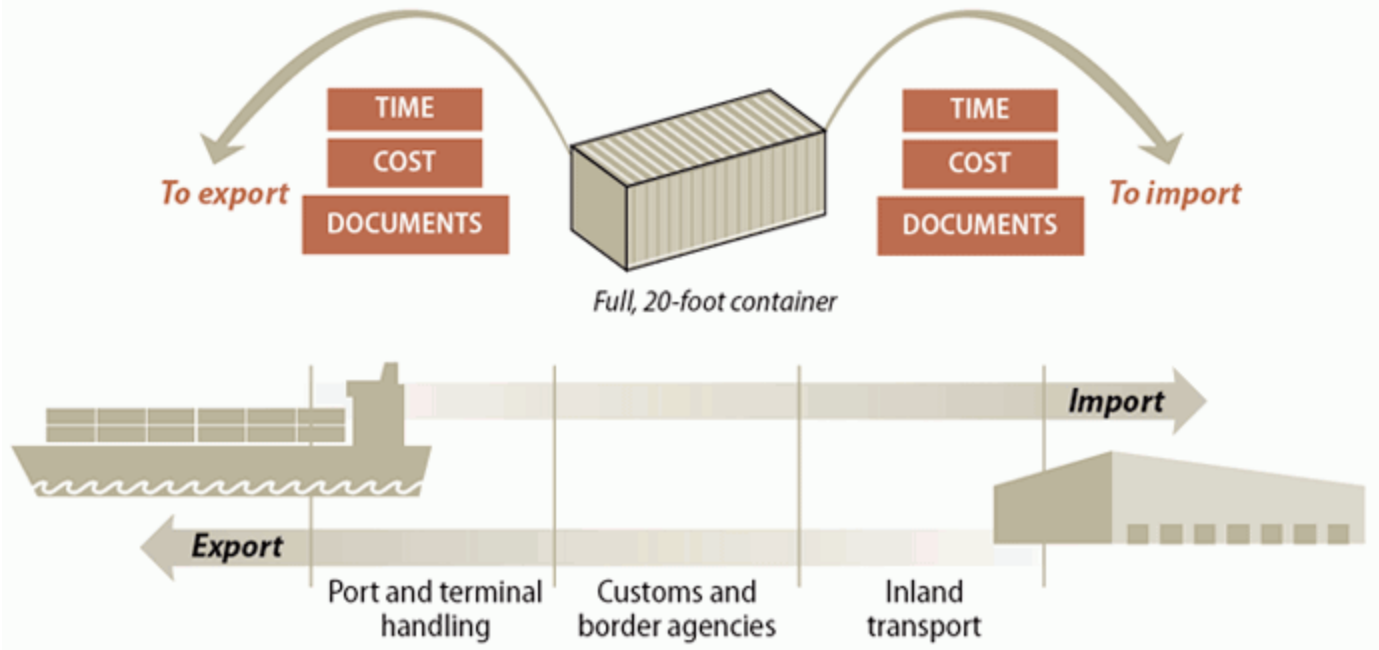
Trading Across Borders data	Doing Business 2008	Doing Business 2009	Doing Business 2010	Doing Business 2011
Rank	..	..	117	117
Cost to export (US\$ per container)	1445	1545	1545	1545
Cost to import (US\$ per container)	1749	2349	2349	2349
Documents to export (number)	6	6	6	6
Documents to import (number)	6	6	6	6
Time to export (days)	25	25	23	23
Time to import (days)	24	24	22	22

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

Nature of Export Procedures (2010)	Duration (days)	US\$ Cost
Documents preparation	12	387
Customs clearance and technical control	2	556
Ports and terminal handling	6	370
Inland transportation and handling	3	232
Totals	23	1545

Nature of Import Procedures (2010)	Duration (days)	US\$ Cost
Documents preparation	12	887
Customs clearance and technical control	3	556
Ports and terminal handling	5	463
Inland transportation and handling	2	443
Totals	22	2349

Documents for Export and Import

Export

- Bill of lading
- Certificate of origin
- Commercial invoice
- Customs export declaration
- Export license
- Packing list

Import

- Bill of lading
- Cargo release order
- Commercial invoice
- Customs import declaration
- Import license
- Packing list

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?

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)

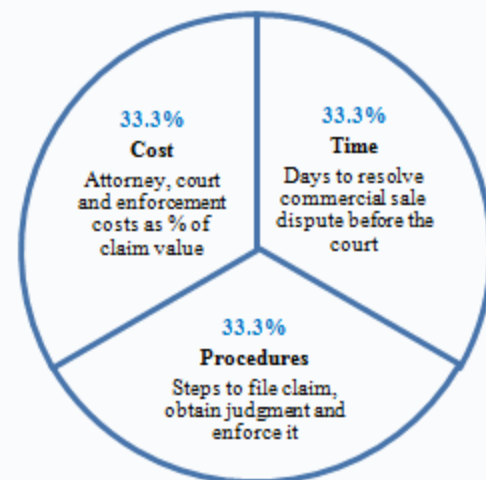
- Time to file and serve the case
- Time for trial and obtaining judgment
- Time to enforce the judgment

Cost required to complete procedures (% of claim)

- No bribes
- Average attorney fees
- Court costs, including expert fees
- Enforcement costs

Enforcing Contracts: resolving a commercial dispute through the courts

Rankings are based on 3 subindicators



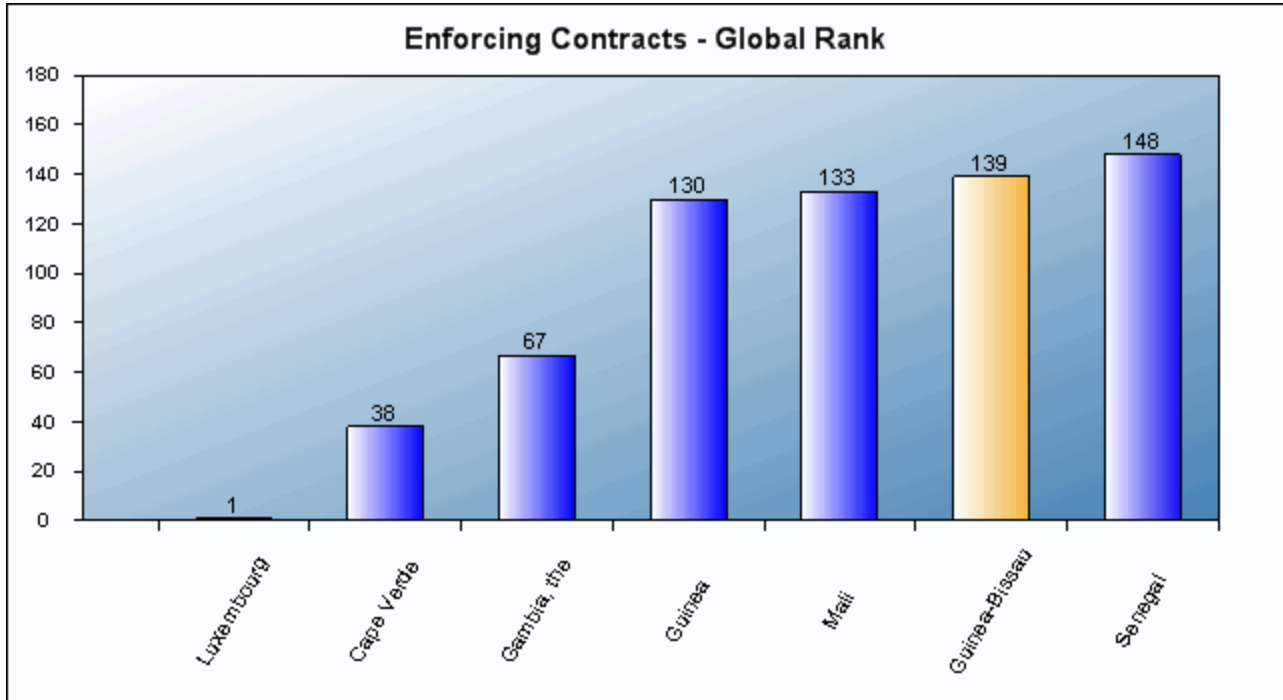
Case Study Assumptions

- 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:

Guinea-Bissau is ranked 139 overall for Enforcing Contracts.

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



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

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

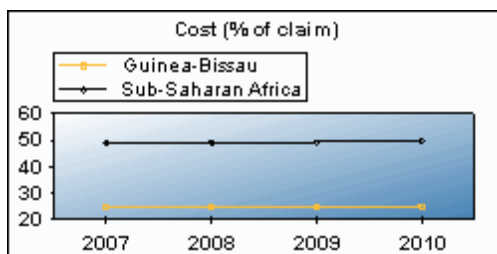
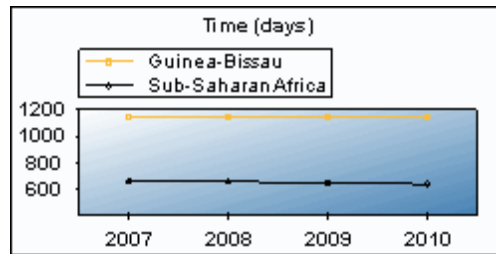
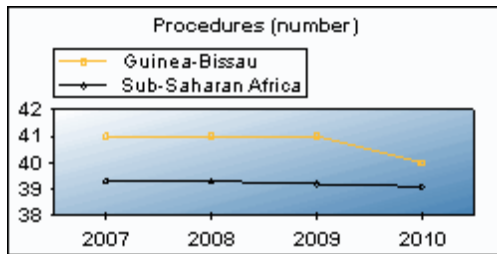
<i>Selected Economy</i>			
Guinea-Bissau	40	1140	25.0

<i>Comparator Economies</i>			
Cape Verde	37	425	21.8
Gambia, the	32	434	37.9
Guinea	50	276	45.0
Mali	36	620	52.0
Senegal	44	780	26.5

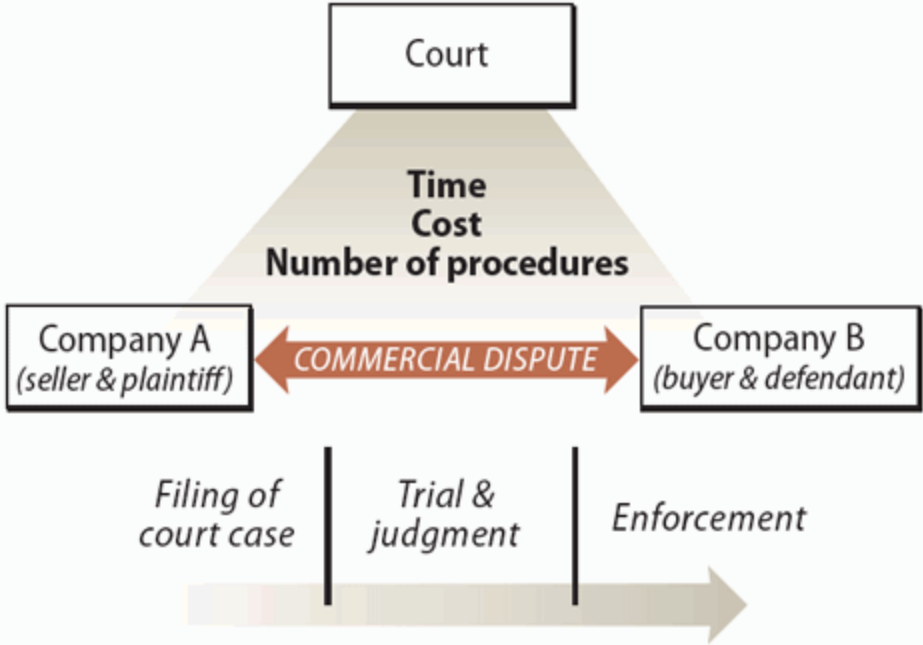
2. Historical data: Enforcing Contracts in Guinea-Bissau

Enforcing Contracts data	Doing Business 2008	Doing Business 2009	Doing Business 2010	Doing Business 2011
Rank	..	..	141	139
Procedures (number)	41	41	41	40
Time (days)	1140	1140	1140	1140
Cost (% of claim)	25.0	25.0	25.0	25.0

3. The following graphs illustrate the Enforcing Contracts sub indicators in Guinea-Bissau 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 Guinea-Bissau.

Nature of Procedure (2010)	Indicator
Procedures (number)	40
Time (days)	1140
Filing and service	20.0
Trial and judgment	750.0
Enforcement of judgment	370.0
Cost (% of claim)*	25.00
Attorney cost (% of claim)	15.0
Court cost (% of claim)	9.0
Enforcement Cost (% of claim)	1.0

Court information: Bissau First Instance Court ("Tribunal de Sector")

* 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)

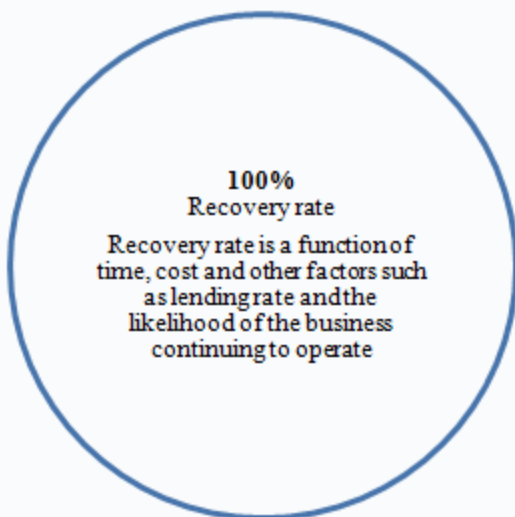
- Measured in calendar years
- Appeals and requests for extension are included

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:

Guinea-Bissau is ranked 183 overall for Closing a Business.

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



The following table shows Closing Business data for Guinea-Bissau 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>			
Guinea-Bissau	0.0	no practice	no practice

<i>Comparator Economies</i>			
Cape Verde	0.0	no practice	no practice
Gambia, the	19.8	3.0	15
Guinea	19.4	3.8	8
Mali	24.6	3.6	18
Senegal	32.0	3.0	7

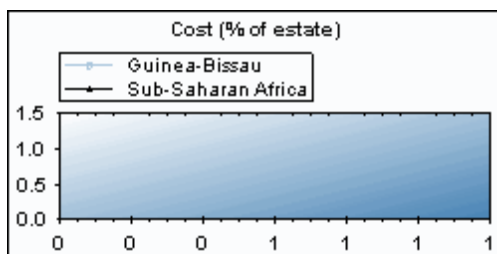
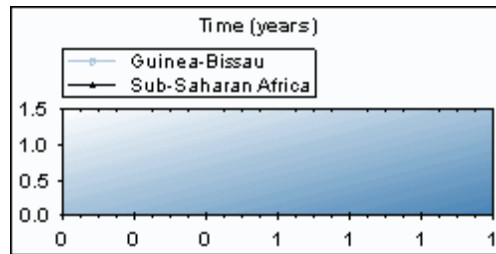
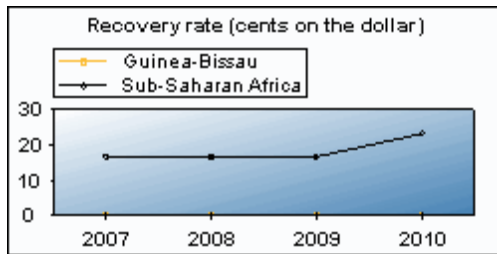
* The following economies are also good practice economies for :

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

2. Historical data: Closing Business in Guinea-Bissau

Closing a Business data	Doing Business 2008	Doing Business 2009	Doing Business 2010	Doing Business 2011
Rank	..	..	183	183
Time (years)	no practice	no practice	no practice	no practice
Cost (% of estate)	no practice	no practice	no practice	no practice
Recovery rate (cents on the dollar)	0.0	0.0	0.0	0.0

3. The following graphs illustrate the Closing Business sub indicators in Guinea-Bissau 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	Starting a Business	Dealing with Construction Permits	Registering Property	Getting Credit	Protecting Investors	Paying Taxes	Trading Across Borders	Enforcing Contracts	Closing a Business
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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