

Doing Business 2011

Kuwait

**Making
a Difference for
Entrepreneurs**

COMPARING BUSINESS REGULATION IN 183 ECONOMIES



© 2010 The International Bank for Reconstruction and Development / The World Bank
1818 H Street NW
Washington, DC 20433
Telephone 202-473-1000
Internet www.worldbank.org

All rights reserved.
1 2 3 4 08 07 06 05

A copublication of The World Bank and the International Finance Corporation.

This volume is a product of the staff of the World Bank Group. The findings, interpretations and conclusions expressed in this volume do not necessarily reflect the views of the Executive Directors of the World Bank or the governments they represent. The World Bank does not guarantee the accuracy of the data included in this work.

Rights and Permissions

The material in this publication is copyrighted. Copying and/or transmitting portions or all of this work without permission may be a violation of applicable law. The World Bank encourages dissemination of its work and will normally grant permission to reproduce portions of the work promptly.

For permission to photocopy or reprint any part of this work, please send a request with complete information to the Copyright Clearance Center, Inc., 222 Rosewood Drive, Danvers, MA 01923, USA; telephone 978-750-8400; fax 978-750-4470; Internet www.copyright.com.

All other queries on rights and licenses, including subsidiary rights, should be addressed to the Office of the Publisher, The World Bank, 1818 H Street NW, Washington, DC 20433, USA; fax 202-522-2422; e-mail pubrights@worldbank.org.

Additional copies of *Doing Business 2011: Making a Difference for Entrepreneurs*, *Doing Business 2010: Reforming through Difficult Times*, *Doing Business 2009*, *Doing Business 2008*, *Doing Business 2007: How to Reform*, *Doing Business in 2006: Creating Jobs*, *Doing Business in 2005: Removing Obstacles to Growth* and *Doing Business in 2004: Understanding Regulations* may be purchased at www.doingbusiness.org.

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

Current features

News on the *Doing Business* project

<http://www.doingbusiness.org>

Rankings

How economies rank-from 1 to 183

<http://www.doingbusiness.org/rankings/>

Reformers

Short summaries of DB2011 reforms, lists of reformers since DB2004 and a ranking simulation tool

<http://www.doingbusiness.org/reforms/>

Historical data

Customized data sets since DB2004

<http://www.doingbusiness.org/custom-query/>

Methodology and research

The methodologies and research papers underlying *Doing Business*

<http://www.doingbusiness.org/Methodology/>

Download reports

Access to *Doing Business* reports as well as subnational and regional reports, reform case studies and customized country and regional profiles

<http://www.doingbusiness.org/reports/>

Subnational and regional projects

Differences in business regulations at the subnational and regional level

<http://www.doingbusiness.org/subnational-reports/>

Law Library

Online collection of business laws and regulations relating to business and gender issues

<http://www.doingbusiness.org/law-library/>

<http://wbl.worldbank.org/>

Local partners

More than 8,200 specialists in 183 economies who participate in *Doing Business*

<http://www.doingbusiness.org/Local-Partners/Doing-Business/>

Business Planet

Interactive map on the ease of doing business

<http://rru.worldbank.org/businessplanet>

Contents

Introduction
and Aggregate Rankings

5 - Year Measure of
Cumulative Change

Starting a Business

Dealing with
Construction Permits

Registering Property

Getting Credit

Protecting Investors

Paying Taxes

Trading Across Borders

Enforcing Contracts

Closing a Business

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 Kuwait. 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).

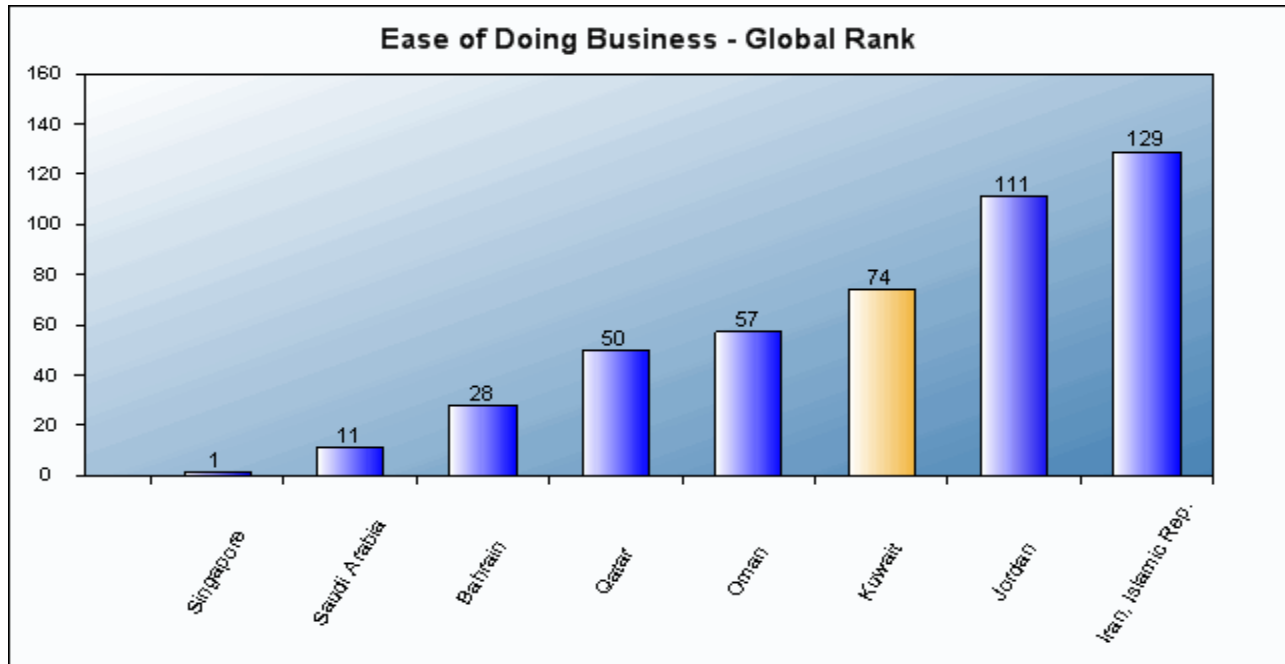
* Except for the Paying Taxes indicator that refers to the period January to December of 2009.

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

Kuwait is ranked 74 out of 183 economies. Singapore is the top ranked economy in the Ease of Doing Business.

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



Kuwait's ranking in Doing Business 2011

Rank	Doing Business 2011
Ease of Doing Business	74
Starting a Business	141
Dealing with Construction Permits	91
Registering Property	90
Getting Credit	89
Protecting Investors	28
Paying Taxes	9
Trading Across Borders	113
Enforcing Contracts	114
Closing a Business	61

Summary of Indicators - Kuwait

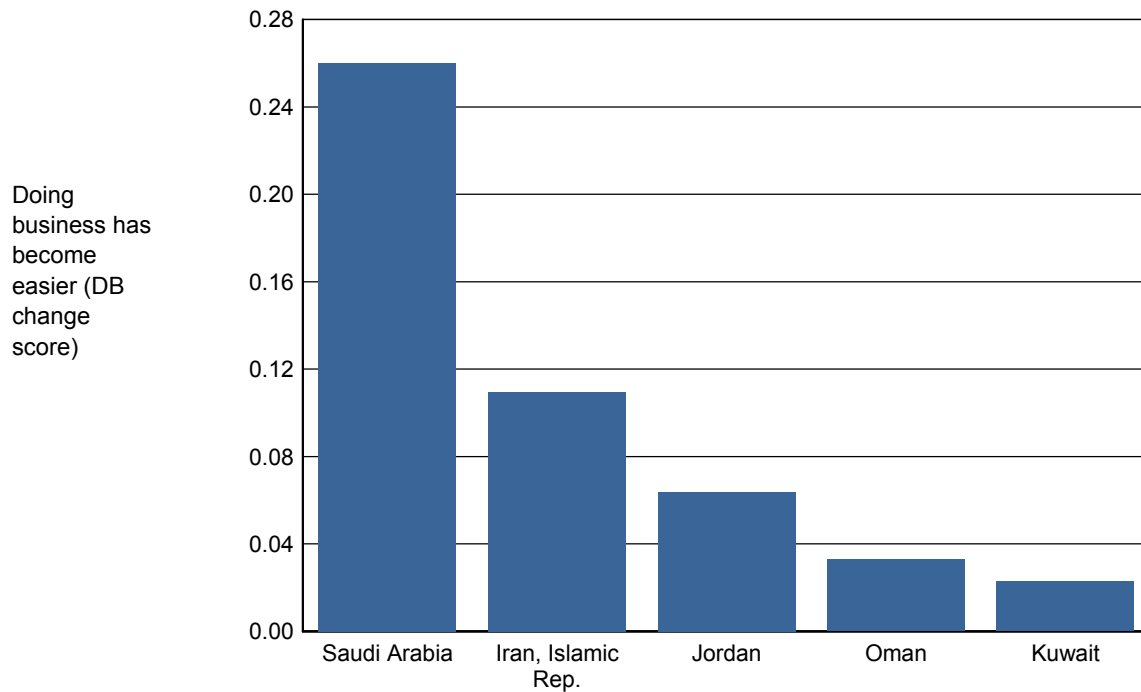
Starting a Business	Procedures (number)	13
	Time (days)	35
	Cost (% of income per capita)	1.3
	Min. capital (% of income per capita)	82.7
Dealing with Construction Permits	Procedures (number)	25
	Time (days)	104
	Cost (% of income per capita)	173.4
Registering Property	Procedures (number)	8
	Time (days)	55
	Cost (% of property value)	0.5
Getting Credit	Strength of legal rights index (0-10)	4
	Depth of credit information index (0-6)	4
	Public registry coverage (% of adults)	0.0
	Private bureau coverage (% of adults)	29.6
Protecting Investors	Extent of disclosure index (0-10)	7
	Extent of director liability index (0-10)	7
	Ease of shareholder suits index (0-10)	5
	Strength of investor protection index (0-10)	6.3
Paying Taxes	Payments (number per year)	15
	Time (hours per year)	118
	Profit tax (%)	4.7
	Labor tax and contributions (%)	10.7
	Other taxes (%)	0.0
	Total tax rate (% profit)	15.5
Trading Across Borders	Documents to export (number)	8
	Time to export (days)	17
	Cost to export (US\$ per container)	1060
	Documents to import (number)	10
	Time to import (days)	19
	Cost to import (US\$ per container)	1217

Enforcing Contracts	Procedures (number)	50
	Time (days)	566
	Cost (% of claim)	18.8
Closing a Business	Recovery rate (cents on the dollar)	37.9
	Time (years)	4.2
	Cost (% of estate)	1

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

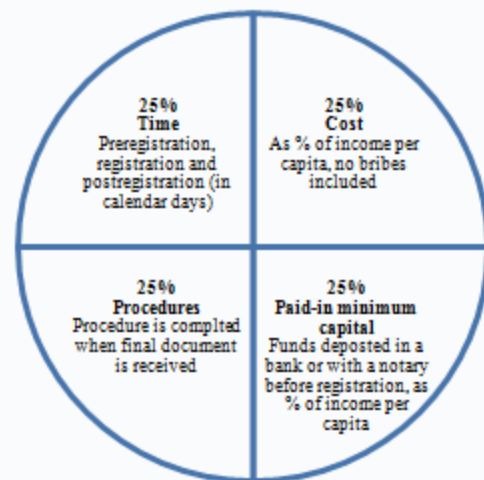
Cost required to complete each procedure (% of income per capita)

- 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.

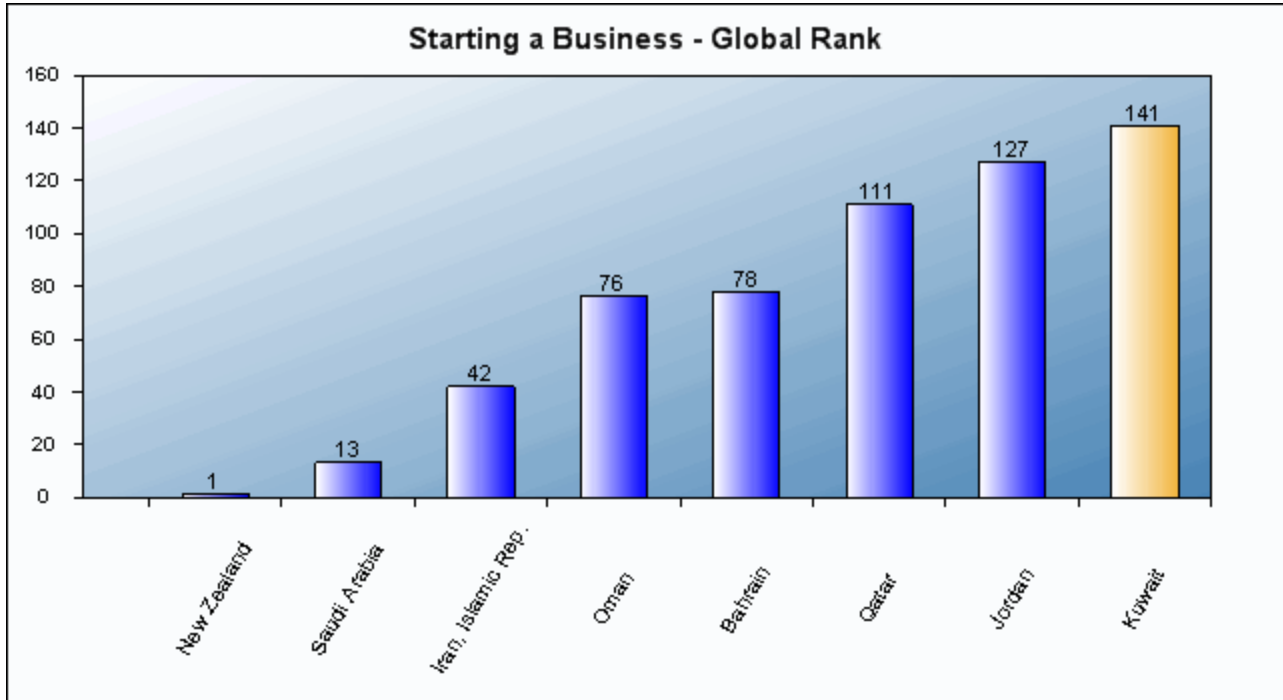
The business:

- 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:

Kuwait is ranked 141 overall for Starting a Business.

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



The following table shows Starting a Business data for Kuwait 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>				
Kuwait	13	35	1.3	82.7

<i>Comparator Economies</i>				
Bahrain	7	9	0.8	273.4
Iran, Islamic Rep.	6	8	4.0	0.8
Jordan	8	13	44.6	17.9
Oman	5	12	3.3	288.4
Qatar	8	12	9.7	79.8
Saudi Arabia	4	5	7.0	0.0

* The following economies are also good practice economies for :

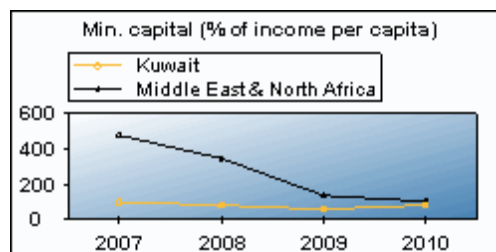
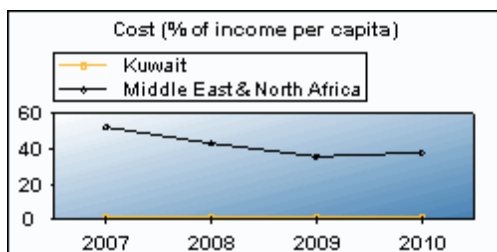
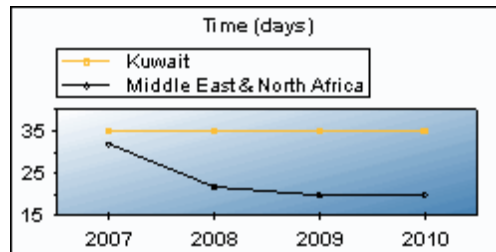
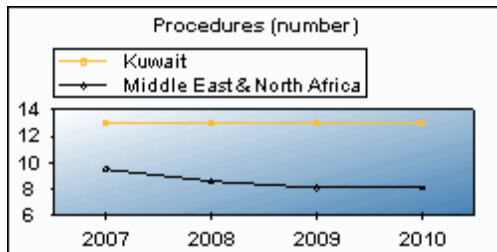
Procedures (number): Canada

Cost (% of income per capita): Slovenia

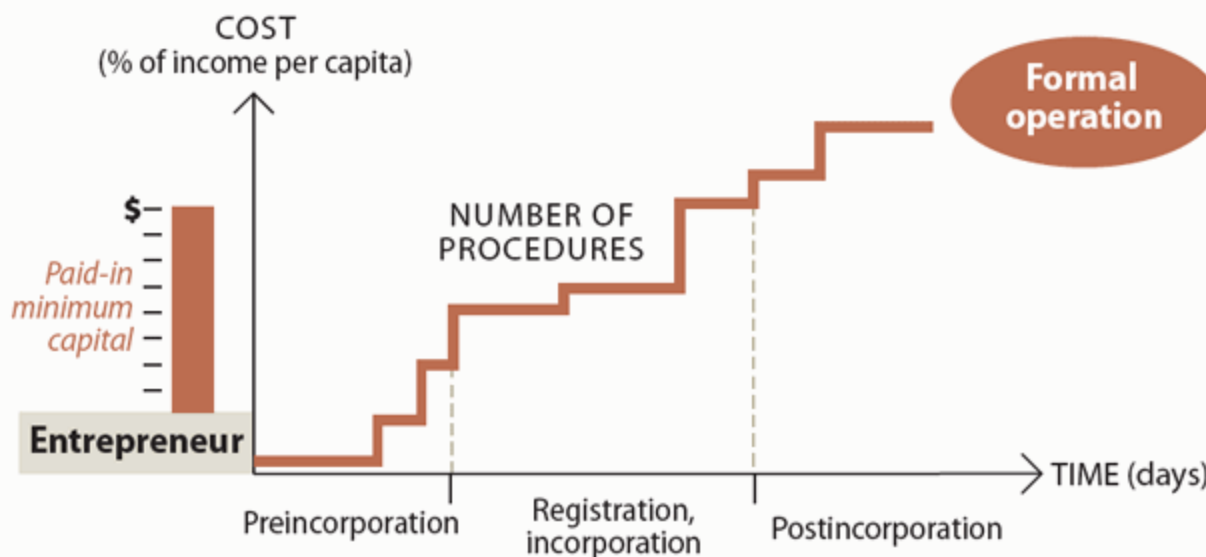
2. Historical data: Starting a Business in Kuwait

Starting a Business data	Doing Business 2008	Doing Business 2009	Doing Business 2010	Doing Business 2011
Rank	..	..	138	141
Procedures (number)	13	13	13	13
Time (days)	35	35	35	35
Cost (% of income per capita)	1.6	1.3	1.0	1.3
Min. capital (% of income per capita)	99.9	81.7	59.2	82.7

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

STANDARDIZED COMPANY

Legal Form: Limited Liability company (WLL)

City: Kuwait City

Registration Requirements:

No:	Procedure	Time to complete	Cost to complete
1	File with the Department of Partnerships (DOP) at the Ministry of Commerce (MOC) an application to set up the company	1	no charge
2	Pick a name for the company and file an application with the Commercial Register in this regard	1	no charge
3	Retrieve from the Department of Partnerships the notes addressed to the bank, the municipality, and the Criminal Investigation Department	1	no charge
4	Deposit the legally required initial capital in a bank and obtain deposit evidence	1	no charge
5	Procure extracts of the criminal record of the founding shareholders in preparation to the registration formalities with the Commercial Registry	2	no charge
6	The Municipality Inspects the company's premises and issues a certificate	7	no charge
7	Obtain a memorandum of association form from the Department of Partnership	1	no charge

8	Sign and notarize the memorandum of association before a public notary	1	KWD 15
9	Obtain from the Department of Partnerships a license to start activity	2	KWD 37
10	Register with the Commercial Registry	1	no charge
11	Register with the Kuwait Chamber of Commerce and Industry	1	KWD 65
12	Register with the Civil Data Department	15	KWD 5
13 *	Open a company's labor file at the Ministry of Labor and Social Affairs	15	no charge

* Takes place simultaneously with another procedure.

Starting a Business Details - Kuwait

Procedure	1	File with the Department of Partnerships (DOP) at the Ministry of Commerce (MOC) an application to set up the company
Time to complete:	1	
Cost to complete:	no charge	
Comment:		To set up the company, the founders must file an application with the Department of Partnerships (DOP) at the Ministry of Commerce and Industry (MOCI). The application form is obtained from the Companies' Department at the Ministry. This application must indicate the name of the founding partners, the company capital, the percentage of ownership by each partner, the company business, the identity of company management, the company's scope, duration and business objective. then MOCI stamps the application and give it a number then the director at DOP signs it. As for the submitted documents, these include the Company's Memorandum of Incorporation, certificate of incorporation, any required resolutions as per the company's Memorandum of Incorporation requested for the establishment of a new company and any additional documents that might be requested in light of the type and nationality of the Company. In addition, a certificate issued by the social security institution is requested from the Kuwaiti partners in order to verify that they are not civil servants.
Procedure	2	Pick a name for the company and file an application with the Commercial Register in this regard
Time to complete:	1	
Cost to complete:	no charge	
Comment:		The founding shareholders must select a company name and file an application with the Commercial Register. If the name already exists or resembles an existing company name, the Commercial Register will inform the applicant and request an alternative name.
Procedure	3	Retrieve from the Department of Partnerships the notes addressed to the bank, the municipality, and the Criminal Investigation Department
Time to complete:	1	
Cost to complete:	no charge	
Comment:		Upon successfully filing the application for company name with the Commercial Registrar and after having already filed the registration application with DOP, the applicant must go back to DOP to retrieve three notes issued by DOP and addressed to the bank, the Criminal Investigation Department, and the Kuwaiti municipality. Depending on the scope of the company's activities, the Companies' Department issues letters to the founders addressed to the relevant government agency: the municipality, Commercial Bank chosen by the founders for the deposit of the capital, and if the founders are individuals only, the Criminal Investigation Department. Depending on the scope of business, letters are issued in some cases to other governmental agencies or departments: for example, to the fire department for restaurants or cafes, to the Ministry of Health for food establishments, to the Ministry of Communication, to the Ministry of Oil and Energy for the oil industry, and so forth.
Procedure	4	Deposit the legally required initial capital in a bank and obtain deposit evidence

Time to complete: 1

Cost to complete: no charge

Comment: The note from DOP to the bank instructs it to accept the deposit of capital in an account opened in the company's name. Once the capital is deposited, the bank issues a detailed bank statement on the amount deposited by each partner against his/her share in the company.. When credited to the account, the capital stays frozen in the account opened with the bank in the company name, and the founders cannot withdraw from the money deposited in the account until they submit the commercial license to the bank.

Procedure 5 Procure extracts of the criminal record of the founding shareholders in preparation to the registration formalities with the Commercial Registry

Time to complete: 2

Cost to complete: no charge

Comment: The note addressed to the Criminal Investigation Department instructs it to check the criminal record of the partners, if individuals. The department issues a certificate attesting that the criminal record is clear of any crimes that would preclude an individual from becoming a company shareholder.

Procedure 6 The Municipality Inspects the company's premises and issues a certificate

Time to complete: 7

Cost to complete: no charge

Comment: The note from the DOP to the municipality instructs it to inspect the company premises to check whether they comply with health and safety regulations. The founders must submit a lease contract for the company's premises to the municipality and the Fire Department as well as a receipt for the payment of the rent and a certificate from the Public Authority for Civil Information stating that the premises are registered with the Authority are also requested. The Fire Department inspects the premises to check for fire regulation compliance and then issues a document which is a fire department license in the name of the company before the issuance of the certificate from the municipality. This process usually takes 7 to 10 days. Eventually, the municipality issues a certificate indicating that the offices conform to regulations.

Procedure 7 Obtain a memorandum of association form from the Department of Partnership

Time to complete: 1

Cost to complete: no charge

Comment:

Procedure 8 Sign and notarize the memorandum of association before a public notary

Time to complete: 1

Cost to complete: KWD 15

Comment: Upon receiving a standard memorandum of association from the DOP, the founding partners or their representatives must go to the Public Notary Department at the Ministry of Justice and sign and notarize the document before a notary public. The founders' lawyer must amend the memorandum of association if the partners wish to make changes to the standard document. This additional step can take more than a day, depending on the lawyer and the number of changes. When the memorandum of incorporation is signed and notarized, the Ministry of Justice issues three copies, one for the Ministry of Commerce and the other two for the founders (even if there are more than two).

Procedure 9 Obtain from the Department of Partnerships a license to start activity**Time to complete:** 2**Cost to complete:** KWD 37**Comment:** After a public notary at the Ministry of Justice notarizes the memorandum of association, the applicant gives the Department of Partnerships at Ministry of Commerce a signed and notarized copy of the document, a copy of the lease contract for the company premises, and a receipt showing that the initial rent was paid. DOP issues the company a license to start activity.**Procedure 10 Register with the Commercial Registry****Time to complete:** 1**Cost to complete:** no charge**Comment:** The applicant registers the company with the Commercial Registry in person. Once the company is registered, the Registry issues a certificate indicating the registration date and number.**Procedure 11 Register with the Kuwait Chamber of Commerce and Industry****Time to complete:** 1**Cost to complete:** KWD 65**Comment:** Once registered, the company must first certify a signature specimen for the company representative with the Kuwait Chamber of Commerce and Industry, which provides a special form for this purpose. The chamber will require this certified specimen in its dealings with other governmental bodies and entities such as the banks. To this end, the company must register as a Chamber of Industry and Commerce member.**Procedure 12 Register with the Civil Data Department****Time to complete:** 15**Cost to complete:** KWD 5**Comment:** The company must register with the Public Authority for Civil Information' ("PACI") to obtain a "civil number," which is required in dealings with other governmental bodies.**Procedure 13 Open a company's labor file at the Ministry of Labor and Social Affairs****Time to complete:** 15**Cost to complete:** no charge**Comment:** The Ministry of Labor may inspect the premises to determine whether the premise size and the business scope are commensurate with the number of employees registered with the Ministry and to identify the number of non-national employees.

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

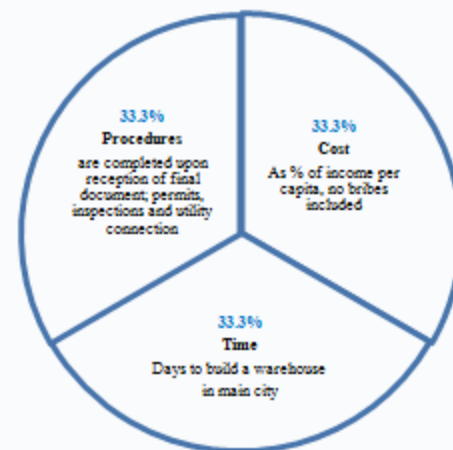
The warehouse:

- 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

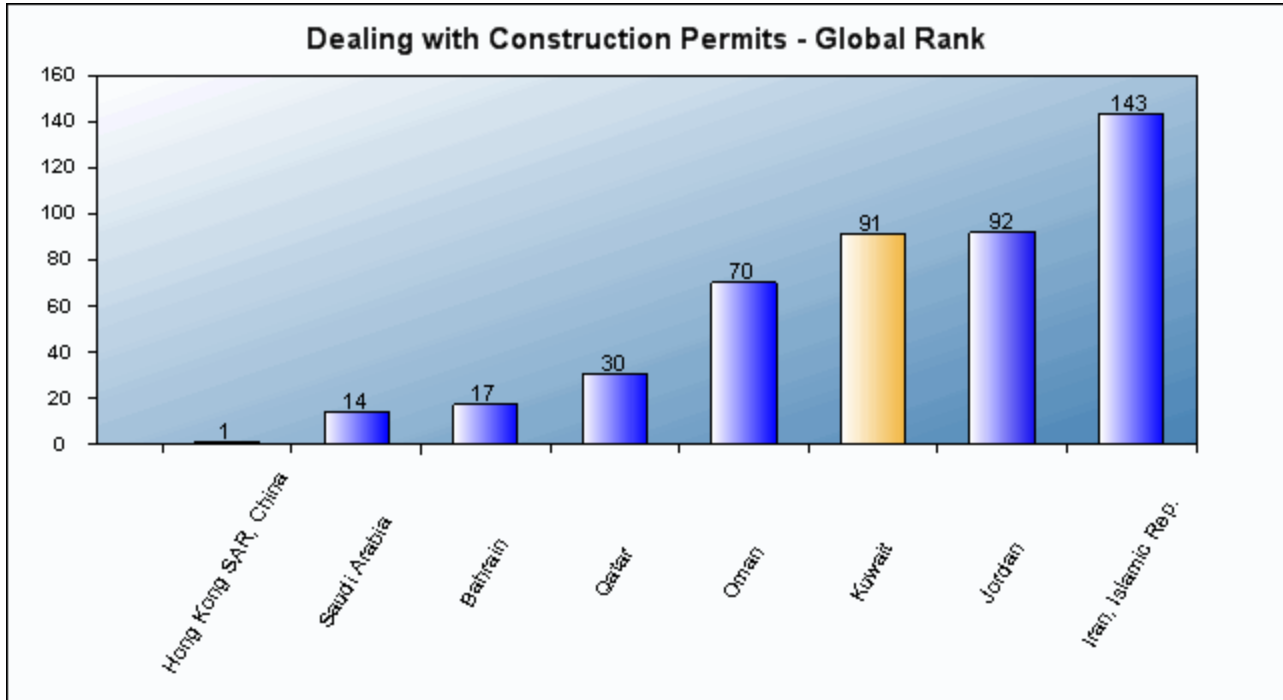
Rankings are based on 3 subindicators



1. Benchmarking Dealing with Construction Permits Regulations:

Kuwait is ranked 91 overall for Dealing with Construction Permits.

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



The following table shows Dealing with Construction Permits data for Kuwait 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	

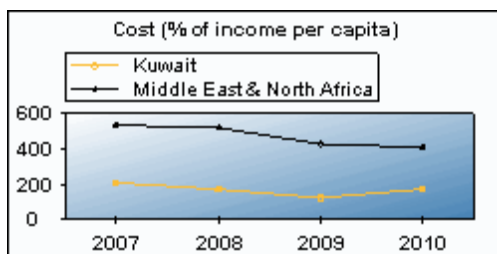
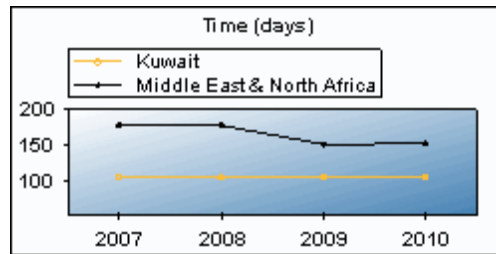
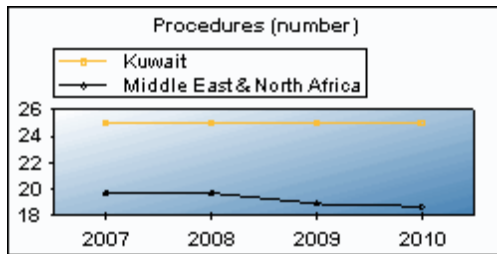
<i>Selected Economy</i>			
Kuwait	25	104	173.4

<i>Comparator Economies</i>			
Bahrain	13	43	78.3
Iran, Islamic Rep.	17	322	382.3
Jordan	19	87	634.1
Oman	15	186	106.2
Qatar	19	76	0.8
Saudi Arabia	12	89	43.8

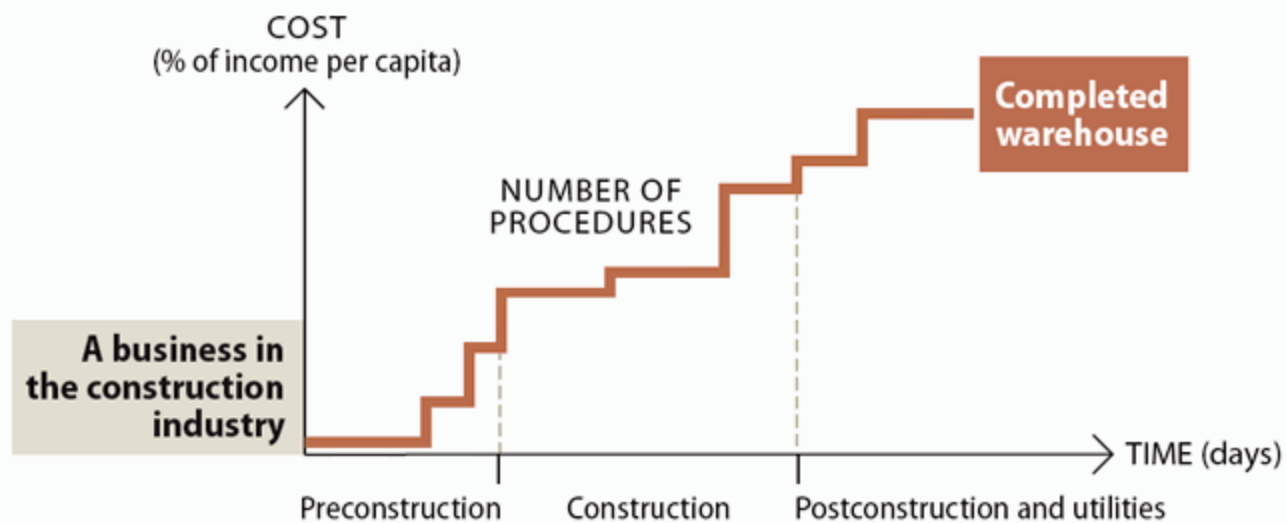
2. Historical data: Dealing with Construction Permits in Kuwait

Dealing with Construction Permits data	Doing Business 2008	Doing Business 2009	Doing Business 2010	Doing Business 2011
Rank	..	..	81	91
Procedures (number)	25	25	25	25
Time (days)	104	104	104	104
Cost (% of income per capita)	209.4	171.4	124.1	173.4

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

BUILDING A WAREHOUSE

City: Kuwait City

Registration Requirements:

No:	Procedure	Time to complete	Cost to complete
1	Obtain a lot plan with site map from the municipality of Kuwait	3 days	KWD 20
2	Obtain location clearances from the municipal authority	1 day	KWD 130
3	Obtain project clearance from the Ministry of Commerce and Industry	3 days	KWD 20
4	Obtain zoning approval from the municipal authority	8 days	KWD 20
5	Submit building permit application to the municipal authority	1 day	KWD 100
6	Obtain telephone plan approval from the Ministry of Communications	20 days	KWD 1,500
7 *	Receive electricity inspection by the Ministry of Energy, Electricity, and Water	1 day	no charge
8	Obtain approval of electricity plans from the Ministry of Energy, Electricity, and Water	7 days	KWD 4,000

9 *	Receive water inspection by the Ministry of Energy, Electricity, and Water	1 day	no charge
10	Obtain water plan approval from the Ministry of Energy, Electricity, and Water	5 days	KWD 3,000
11 *	Receive sewerage inspection by the Ministry of Energy, Electricity, and Water	1 day	no charge
12	Obtain approval of sewerage plans from the Ministry of Energy, Electricity, and Water	14 days	KWD 2,000
13	Obtain a building permit	14 days	KWD 150
14	Receive soil test inspection by the municipality	1 day	no charge
15	Receive an interim construction inspection by the municipality	1 day	no charge
16	Receive an on-site inspection by the municipality	1 day	no charge
17	Obtain site take-over letter	20 days	KWD 10
18	Obtain telephone connection	17 days	KWD 250
19 *	Obtain electricity connection	14 days	KWD 3,000
20 *	Obtain water connection	7 days	KWD 750
21 *	Obtain sewerage connection	7 days	KWD 750
22	Prepare the file of cadastral measure of the structure	7 days	KWD 10
23	Receive inspection by the Fire Department and obtain inspection certificate	1 day	KWD 5
24	Obtain certificate of fire and disaster safety from the Civil Defense Department	5 days	no charge
25	Register the building with the real estate registry	1 day	KWD 10

* Takes place simultaneously with another procedure.

Dealing with Construction Permits Details - Kuwait

Procedure 1 Obtain a lot plan with site map from the municipality of Kuwait

Time to complete: 3 days

Cost to complete: KWD 20

Agency: Municipality of Kuwait

Comment:

Procedure 2 Obtain location clearances from the municipal authority

Time to complete: 1 day

Cost to complete: KWD 130

Agency: Municipality of Kuwait

Comment:

Procedure 3 Obtain project clearance from the Ministry of Commerce and Industry

Time to complete: 3 days

Cost to complete: KWD 20

Agency: Ministry of Commerce and Industry

Comment:

Procedure 4 Obtain zoning approval from the municipal authority

Time to complete: 8 days

Cost to complete: KWD 20

Agency: Municipality of Kuwait

Comment:

Procedure 5 Submit building permit application to the municipal authority

Time to complete: 1 day

Cost to complete: KWD 100

Agency: Municipality of Kuwait

Comment:

Procedure 6 Obtain telephone plan approval from the Ministry of Communications

Time to complete: 20 days

Cost to complete: KWD 1,500

Agency: Ministry of Communications

Comment:

Procedure 7 Receive electricity inspection by the Ministry of Energy, Electricity, and Water

Time to complete: 1 day

Cost to complete: no charge

Agency: Ministry of Energy, Electricity, and Water

Comment:

Procedure 8 Obtain approval of electricity plans from the Ministry of Energy, Electricity, and Water

Time to complete: 7 days

Cost to complete: KWD 4,000

Agency: Ministry of Energy, Electricity, and Water

Comment:

Procedure 9 Receive water inspection by the Ministry of Energy, Electricity, and Water

Time to complete: 1 day

Cost to complete: no charge

Agency: Ministry of Energy, Electricity, and Water

Comment:

Procedure 10 Obtain water plan approval from the Ministry of Energy, Electricity, and Water

Time to complete: 5 days

Cost to complete: KWD 3,000

Agency: Ministry of Energy, Electricity, and Water

Comment:

Procedure 11 Receive sewerage inspection by the Ministry of Energy, Electricity, and Water

Time to complete: 1 day

Cost to complete: no charge

Agency: Ministry of Energy, Electricity, and Water

Comment:

Procedure 12 Obtain approval of sewerage plans from the Ministry of Energy, Electricity, and Water

Time to complete: 14 days

Cost to complete: KWD 2,000

Agency: Ministry of Energy, Electricity, and Water

Comment:

Procedure 13 Obtain a building permit

Time to complete: 14 days

Cost to complete: KWD 150

Agency: Municipality of Kuwait

Comment: BuildCo must submit Application Form 1 for a building license and attach the following documents (including the documents described in the procedures above): - A copy of the deed of title to the land, allocation decree, or lease agreement. In the case of an allocation decree or lease agreement, a recent rent receipt should be submitted. - A copy of the architectural contract between BuildCo and an accredited engineering firm responsible for the architecture of the building, - Original letter of zoning opinion. - Third-party liability insurance policy (covering 2 or 3 years, depending on the time required to complete the building). - Original copies of plans or blueprints of the building from the engineering firm, including all details of the external facade, internal design, internal and external diameters, calculation of building area and space area around the building. - Original soil test report. - Approval from the Safety Department. - Approval from the Roads Department, if underground parking is included (which does not apply to the warehouse project). - Form 2, Undertaking of compliance of the plans with the buildings codes and cadastres, which should be signed and submitted (by an engineering firm). - Form 3, Undertaking of compliance with the construction plans, which should be signed and submitted (by an engineering firm). - Undertaking to provide specific plans (done by an engineering firm) that meet the requirements of -- The Ministry of Electricity and Energy for the electric supply. -- The Ministry of Public Works for the sewerage system. -- The Public Authority for Civil Aviation for the height of the warehouse. -- The Ministry of Communications for the telephone lines.

Procedure 14 Receive soil test inspection by the municipality

Time to complete: 1 day

Cost to complete: no charge

Agency: Municipality of Kuwait

Comment: Several inspections may take place during construction. The following inspections are conducted by the municipality or by a local consulting engineer who submits the information to the municipality: soil inspection; excavation work inspection; foundation work inspection; steel work for slabs inspection; frame inspection; damp-proof course inspection; drainage inspection; timber scaffolding inspection; environmental inspection; inspection of the building's surroundings; final inspection. The concrete work inspection and inspection of the structure are conducted by the Construction Board. The labor inspection is conducted by the Labor Inspection Agency from the Ministry of Social Affairs and Labor. The fire inspection is conducted by the Fire Department. All these inspections may take place. However, on average, the warehouse would undergo 3 to 4 inspections per year. Therefore, only three inspections are included here as procedures.

Procedure 15 Receive an interim construction inspection by the municipality

Time to complete: 1 day

Cost to complete: no charge

Agency: Municipality of Kuwait

Comment:

Procedure 16 Receive an on-site inspection by the municipality

Time to complete: 1 day

Cost to complete: no charge

Agency: Municipality of Kuwait

Comment: The municipality inspects the buildings to ensure compliance with the drawings.

Procedure 17 Obtain site take-over letter

Time to complete: 20 days

Cost to complete: KWD 10

Comment: BuildCo must submit an application for the site take-over letter and attach the following documents: - A copy of the construction license. - An undertaking from BuildCo that it shall carry out the construction work on the warehouse or, alternatively, that it has a construction contract with a contractor. In case of a construction contract with a contractor, a copy of the performance bond should be submitted. - An undertaking from an accredited supervising engineer to supervise the construction approved by the municipality. - Signature of the site take-over letter by BuildCo, the contractor (if any), and the municipality.

Procedure 18 Obtain telephone connection

Time to complete: 17 days
Cost to complete: KWD 250
Agency: Kuwait Telecom
Comment:

Procedure 19 Obtain electricity connection

Time to complete: 14 days
Cost to complete: KWD 3,000
Agency: Kuwait Electricity Company
Comment:

Procedure 20 Obtain water connection

Time to complete: 7 days
Cost to complete: KWD 750
Agency: Kuwait Water Company
Comment:

Procedure 21 Obtain sewerage connection

Time to complete: 7 days
Cost to complete: KWD 750
Agency: Kuwait Water Company
Comment:

Procedure 22 Prepare the file of cadastral measure of the structure

Time to complete: 7 days
Cost to complete: KWD 10
Comment:

Procedure 23 Receive inspection by the Fire Department and obtain inspection certificate

Time to complete: 1 day

Cost to complete: KWD 5

Agency: Fire Department

Comment:

Procedure 24 Obtain certificate of fire and disaster safety from the Civil Defense Department

Time to complete: 5 days

Cost to complete: no charge

Agency: Civil Defense Department

Comment:

Procedure 25 Register the building with the real estate registry

Time to complete: 1 day

Cost to complete: KWD 10

Agency: Real Estate Registry

Comment:

Ensuring formal property rights is fundamental. Effective administration of land is part of that. If formal property transfer is too costly or complicated, formal titles might go informal again. *Doing Business* records the full sequence of procedures necessary for a business to purchase a property from another business and transfer the property title to the buyer's name. In the past 6 years 105 economies undertook 146 reforms making it easier to transfer property. Globally, the time to transfer property fell by 38% and the cost by 10% over this time. The most popular feature of property registration reform in these 6 years, implemented in 52 economies, was lowering transfer taxes and government fees.

Some reform outcomes

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

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

What does the Registering Property indicator measure?

Registering Property: transfer of property between 2 local companies

Rankings are based on 3 subindicators

Procedures to legally transfer title on immovable property (number)

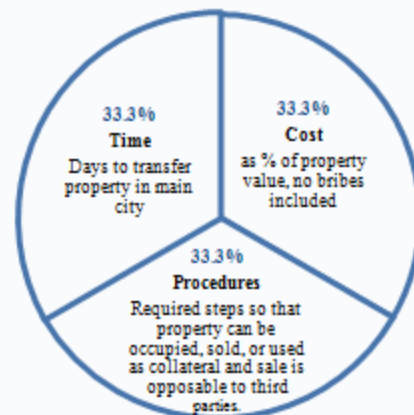
- Preregistration (for example, checking for liens, notarizing sales agreement, paying property transfer taxes)
- Registration in the economy's largest business city
- Post registration (for example, transactions with the local authority, tax authority or cadastre)

Time required to complete each procedure (calendar days)

- Does not include time spent gathering information
- Each procedure starts on a separate day
- Procedure completed once final document is received
- No prior personal contact with officials

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

- Official costs only, no bribes
- No value added or capital gains taxes included



Case Study Assumptions

The parties (buyer and seller):

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

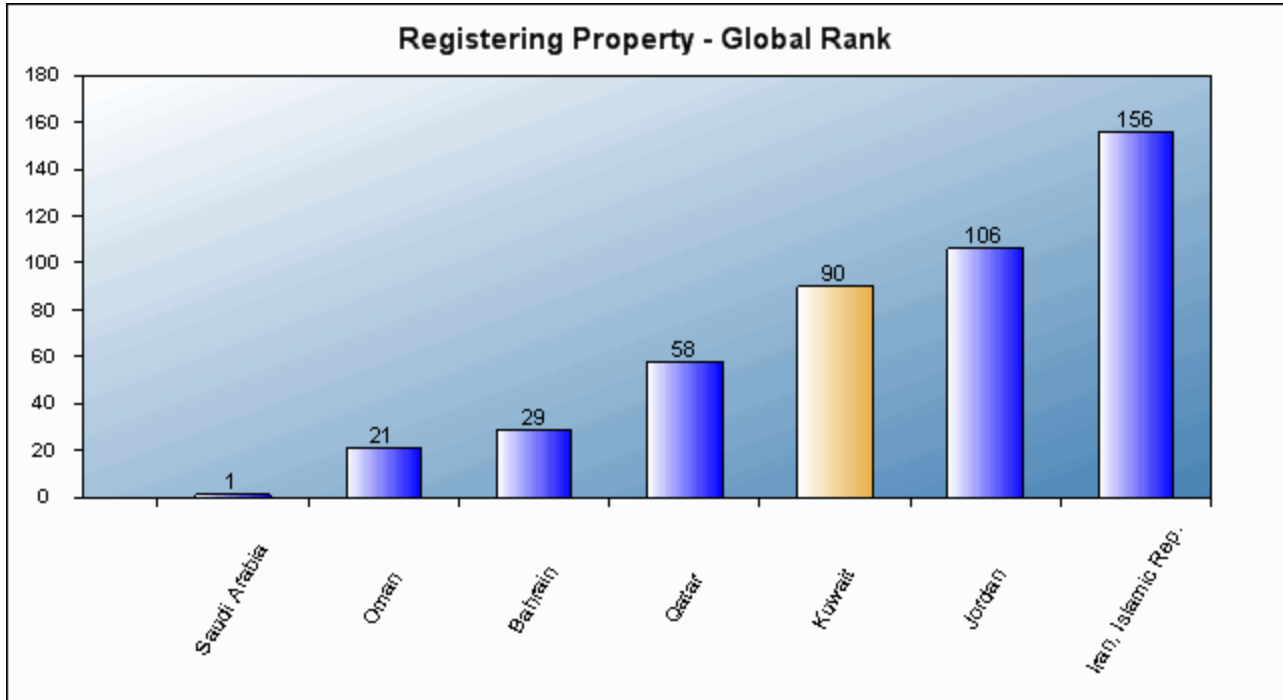
The property (fully owned by the seller):

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

1. Benchmarking Registering Property Regulations:

Kuwait is ranked 90 overall for Registering Property.

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



The following table shows Registering Property data for Kuwait 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>			
Kuwait	8	55	0.5

<i>Comparator Economies</i>			
Bahrain	2	31	2.7
Iran, Islamic Rep.	9	36	10.5
Jordan	7	21	7.5
Oman	2	16	3.0
Qatar	10	16	0.3
Saudi Arabia	2	2	0.0

* The following economies are also good practice economies for :

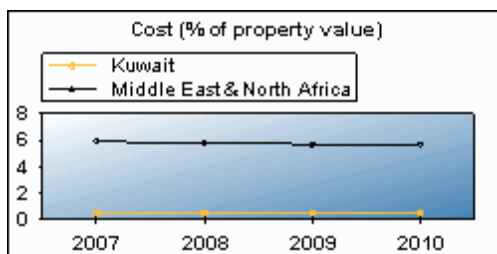
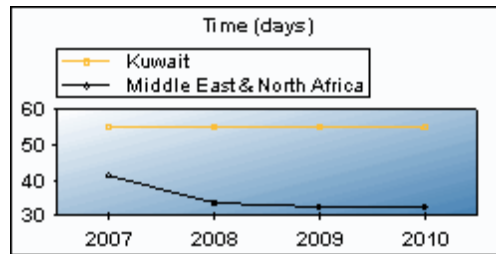
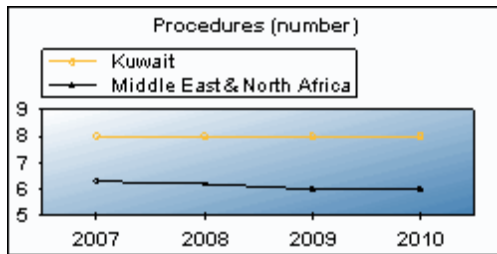
Procedures (number): United Arab Emirates

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

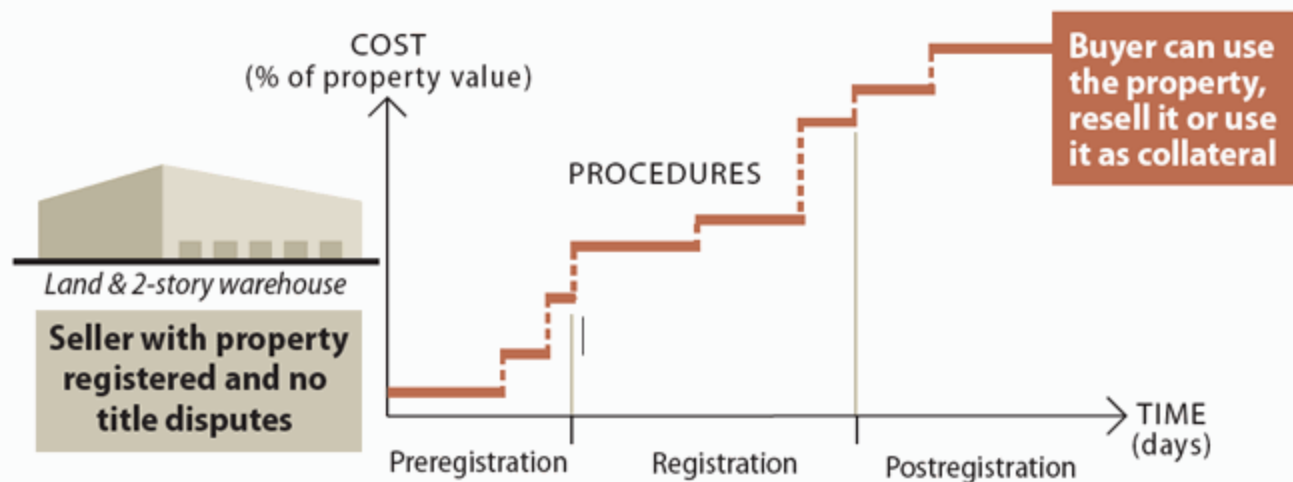
2. Historical data: Registering Property in Kuwait

Registering Property data	Doing Business 2008	Doing Business 2009	Doing Business 2010	Doing Business 2011
Rank	..	..	87	90
Procedures (number)	8	8	8	8
Time (days)	55	55	55	55
Cost (% of property value)	0.5	0.5	0.5	0.5

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

STANDARDIZED PROPERTY

Property Value: 453,341.20

City: Kuwait City

Registration Requirements:

No:	Procedure	Time to complete	Cost to complete
1	Apply for the Borders and Cadastral Sheet from the Municipality	1 day	KWD 5
2 *	Inspection of the property by an architect representing the Municipality	7-12 days (simultaneous with procedures 3, 4, and 5)	KWD 10
3 *	Obtain clearance from the Ministry of Communications	1 day (simultaneous with procedures 2, 4, and 5)	no charge
4 *	Obtain clearance from the Ministry of the Electricity regarding outstanding electricity bills	1 day (simultaneous with procedures 2, 3, and 5)	no charge
5 *	Obtain a certificate from the Minister of Commerce and Industry evidencing the signatory authority of the legal representative of the parties	1 day (simultaneous with procedures 2, 3, and 4)	KWD 10-14

6	File an application requesting a transfer of title with the Contracts Control Department of the Real Estate Registration Office of the Ministry of Justice	15-25 days	KWD 150 + 0.5% of property value (registration fee)
7	Legal representative of the parties must appear in person to sign the sale agreement before the notary public	3 days	no cost
8	The sale agreement is recorded under the name of the buyer by the Contracts Control Department	20 days	no cost

* Takes place simultaneously with another procedure.

Registering Property Details - Kuwait

Procedure	1	Apply for the Borders and Cadastral Sheet from the Municipality
Time to complete:	1 day	
Cost to complete:	KWD 5	
Agency:	Municipality	
Comment:	<p>The seller must request a Borders and Cadastral Sheet from the Municipality providing the details of the property in question (i.e. its size, the developments on it, the zoning, etc) and confirming that the property is in compliance with all the Municipality regulations. This document is prepared following an inspection of the property by an architect of the Municipality.</p> <p>The documentation shall include: Application from the seller on the selling company's letterhead Copy of the deed of title of the property provided by the seller Documents proving the authority of the person submitting the application on behalf of the seller</p>	
Procedure	2	Inspection of the property by an architect representing the Municipality
Time to complete:	7-12 days (simultaneous with procedures 3, 4, and 5)	
Cost to complete:	KWD 10	
Agency:	Municipality	
Comment:	<p>The Municipality will send out an inspector/architect to inspect the property in question and collect the relevant information; after which the Municipality will issue the Borders and Cadastral Sheet and transfer the same along with a letter of no objection to the transfer to the Ministry of Justice to continue the process of the property transfer.</p>	
Procedure	3	Obtain clearance from the Ministry of Communications
Time to complete:	1 day (simultaneous with procedures 2, 4, and 5)	
Cost to complete:	no charge	
Agency:	Ministry of Communications	
Comment:	<p>The Seller must obtain a clearance from the Ministry of Communications (necessary for all types of properties both commercial and residential). The clearance is to confirm that the previous owner/seller has settled all related utility bills.</p>	
Procedure	4	Obtain clearance from the Ministry of the Electricity regarding outstanding electricity bills
Time to complete:	1 day (simultaneous with procedures 2, 3, and 5)	

Cost to complete: no charge

Agency: Ministry of the Electricity

Comment: Parties obtain a certificate of the Ministry of the Electricity that there are no outstanding electricity bills or other dues to the Ministry.

Procedure 5 Obtain a certificate from the Minister of Commerce and Industry evidencing the signatory authority of the legal representative of the parties

Time to complete: 1 day (simultaneous with procedures 2, 3, and 4)

Cost to complete: KWD 10-14

Agency: Minister of Commerce and Industry

Comment: Parties obtain a certificate from the Minister of Commerce and Industry evidencing the signatory authority of the legal representative of the parties who will sign the sale agreement, together with copies of their civil identification cards. They obtain Form I "Undertaking & Acknowledgement" and Form IX "Acknowledgement of the Representative" from the Department of Commercial Companies at the Ministry of Commerce and Industry, that must be submitted for registration in Procedure 6. Form I shows that the parties exist and have the power to conclude the sale/purchase transaction in accordance with their own Article of Association. Form IX confirms the authority of their representatives who follow up the procedures with the Department.

Procedure 6 File an application requesting a transfer of title with the Contracts Control Department of the Real Estate Registration Office of the Ministry of Justice

Time to complete: 15-25 days

Cost to complete: KWD 150 + 0.5% of property value (registration fee)

Agency: Real Estate Registration Office of the Ministry of Justice

Comment: The seller must prepare an application requesting a transfer of title to be filed with the Contracts Control Department of the Real Estate Registration Office of the Ministry of Justice. The Contracts Control Department reviews the application and the attached documents internally (3-7 days). After reviewing the application, the Contracts Control Department will take an extra 17-28 days to check all the documentation and approve the transfer. If approved, the form of the sale agreement is transferred to the notarization department for review. Once approved, the same is printed on the official green papers used by the Ministry and becomes ready for signature.

The 0.5% registration fee is paid to the Department of Real Estate Registration & Authentication (Ministry of Justice) upon the completion of the registration procedures, who approves the submitted documents before parties sign the notarized sale contract.

The documentation shall include:

- a) Form of the sale agreement (available at the Real Estate Registration Office)
- b) Form I "Undertaking & Acknowledgement" signed by parties (obtained in Procedure 5)
- c) Form II "Immediate Sale Form" signed by parties (available at the Real Estate Registration Office)
- d) Form IX "Acknowledgement of the Representative" signed by parties (obtained in Procedure 5)
- e) Original deed of title of the property;
- f) A recent certificate from the Minister of Commerce and Industry evidencing the signatory power of the legal representative of the parties (obtained in Procedure 5).

- g) Copies of the articles of association of both companies.
- h) If powers of attorneys are used, copies thereof must be attached
- i) Municipal certificate of no objection (obtained in Procedure 3)

Procedure 7 Legal representative of the parties must appear in person to sign the sale agreement before the notary public

Time to complete: 3 days

Cost to complete: no cost

Agency: Notary public of Ministry of justice

Comment: The parties must appear in person or through their attorneys to sign the sale agreement before the notary public. The notary public verifies the contents of the written agreement (a form commonly prescribed by the Ministry of Justice), authenticates the required signatures, and satisfies all other related matters. The notary public is a governmental body in Kuwait providing public service and is part of the Ministry of Justice.

Procedure 8 The sale agreement is recorded under the name of the buyer by the Contracts Control Department

Time to complete: 20 days

Cost to complete: no cost

Agency: Contracts Control Department

Comment: The notary public delivers the notarized sale agreement to the Contracts Control Department for it to be recorded under the name of the purchasing company. The sale agreement is used as the deed of title. An original of the sale agreement, proving title, is delivered to the buyer thereafter.

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

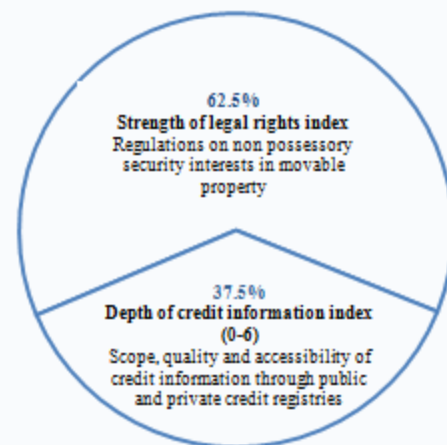
Public credit registry coverage (% of adults)

- 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)

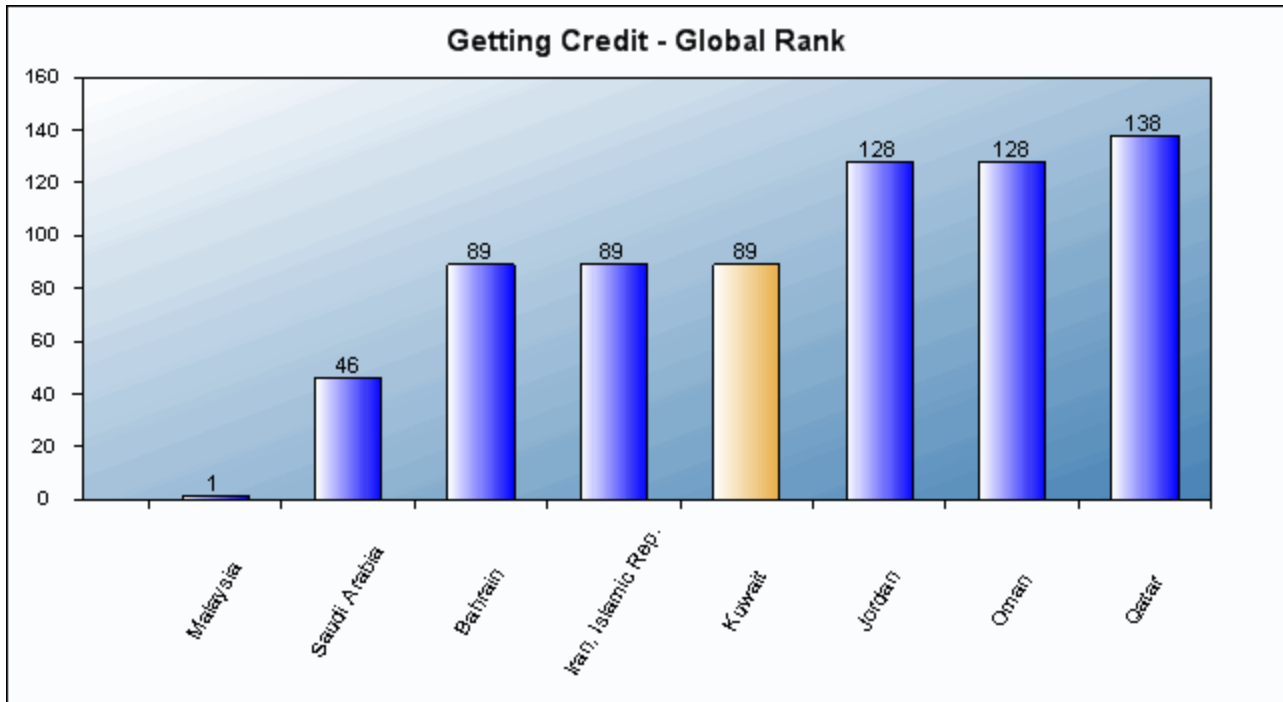
The Debtor

- 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:

Kuwait is ranked 89 overall for Getting Credit.

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



The following table shows Getting Credit data for Kuwait 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>				
Kuwait	4	4	0.0	29.6

<i>Comparator Economies</i>				
Bahrain	4	4	0.0	35.9
Iran, Islamic Rep.	4	4	22.7	4.5
Jordan	4	2	1.5	0.0
Oman	4	2	19.6	0.0
Qatar	3	2	0.1	0.0
Saudi Arabia	5	6	0.0	18.0

* The following economies are also good practice economies for :

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

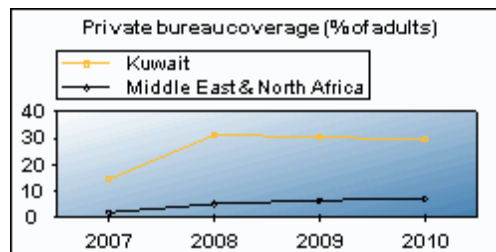
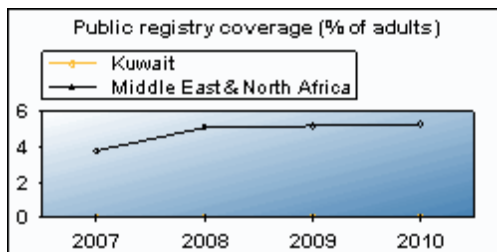
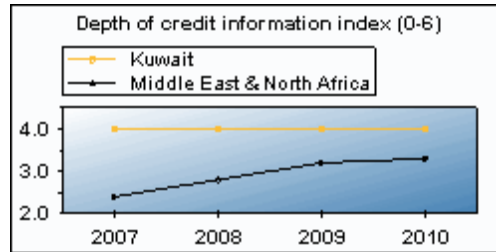
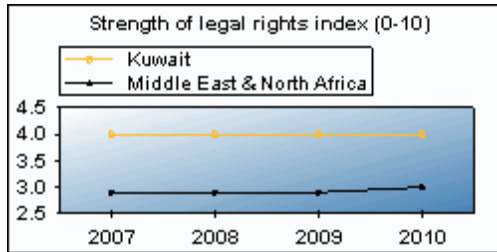
Private bureau coverage (% of adults): Argentina, Australia, Canada, Iceland, Ireland, Norway, Sweden, United Kingdom, United States

27 countries have the highest credit information index.

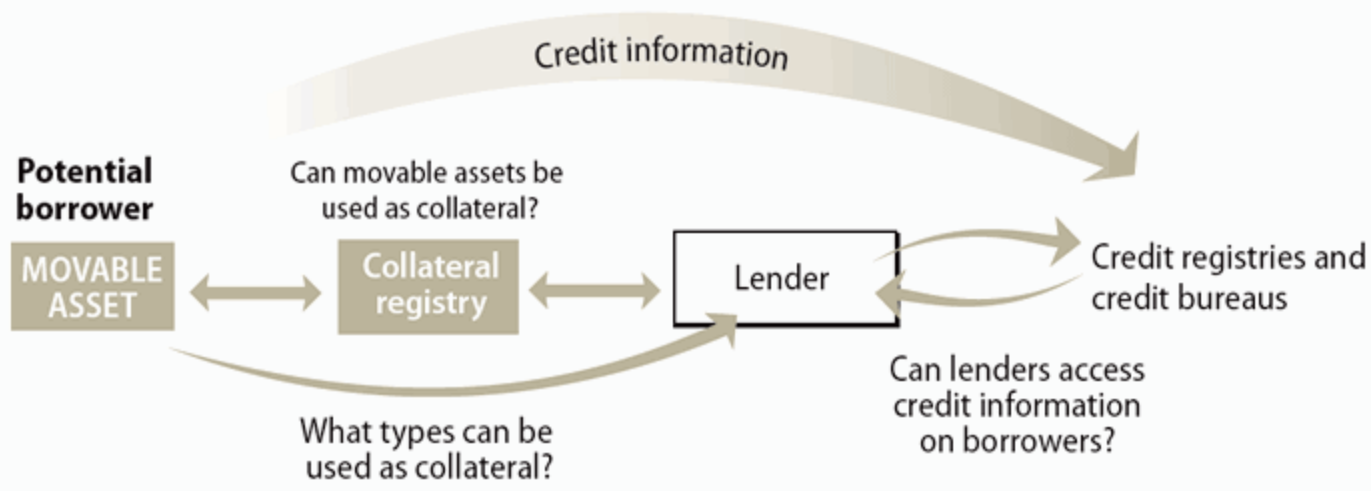
2. Historical data: Getting Credit in Kuwait

Getting Credit data	Doing Business 2008	Doing Business 2009	Doing Business 2010	Doing Business 2011
Rank	..	..	87	89
Strength of legal rights index (0-10)	4	4	4	4
Depth of credit information index (0-6)	4	4	4	4
Private bureau coverage (% of adults)	14.5	31.2	30.4	29.6
Public registry coverage (% of adults)	0.0	0.0	0.0	0.0

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

Getting Credit Indicators (2010)			Indicator
Private bureau coverage (% of adults)	Private credit bureau	Public credit registry	4
Are data on both firms and individuals distributed?	No	No	0
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?	Yes	No	1
Are more than 2 years of historical credit information distributed?	Yes	No	1
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	29.6	0.0	
Number of individuals	634,474		0
Number of firms	0		0

Strength of legal rights index (0-10)**4**

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)

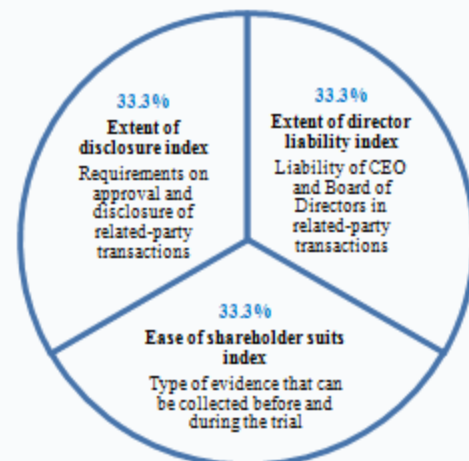
- Documents and information available during trial
- Access to internal corporate documents (directly or through a government inspector)

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.

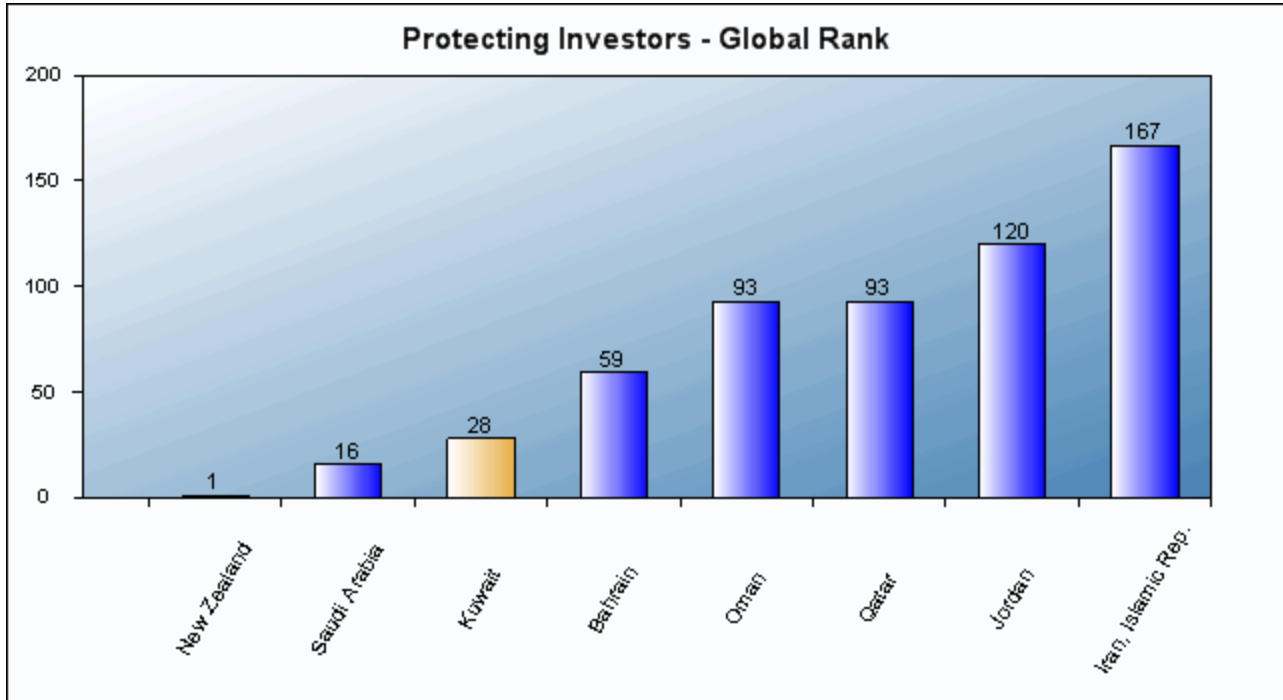
The transaction

- 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:

Kuwait is ranked 28 overall for Protecting Investors.

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



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

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

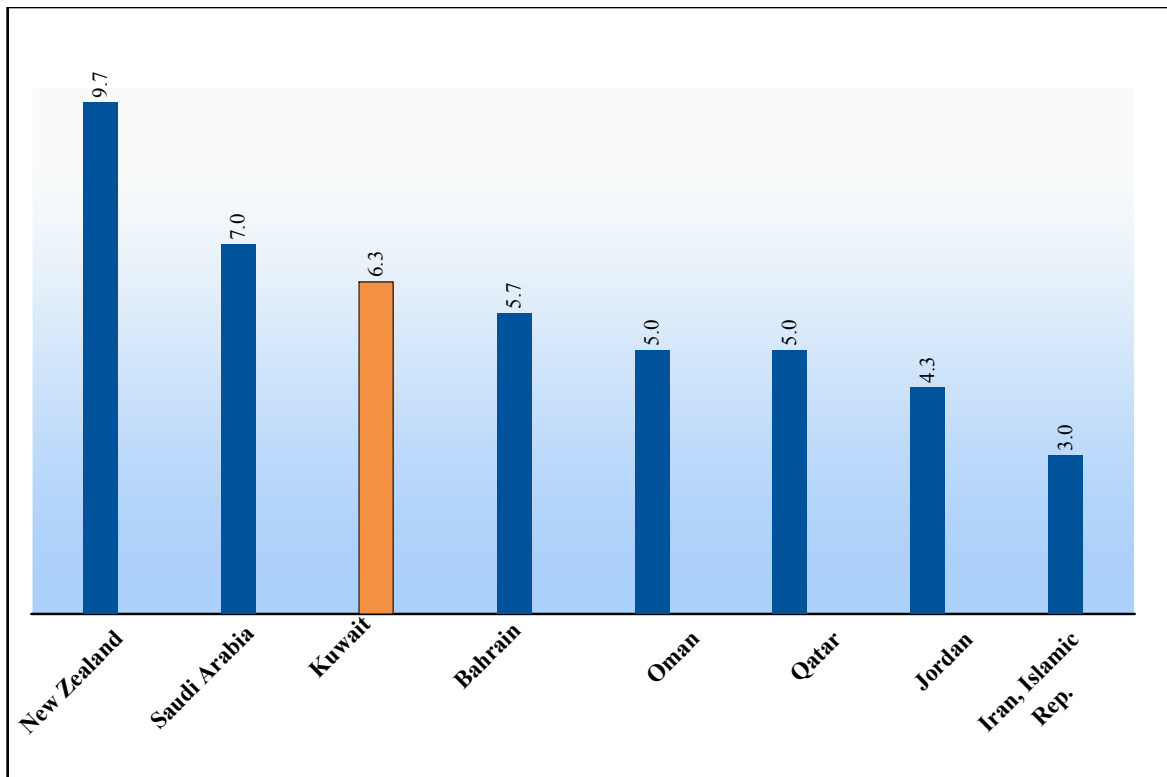
<i>Selected Economy</i>	
Kuwait	6.3

<i>Comparator Economies</i>	
Bahrain	5.7
Iran, Islamic Rep.	3.0
Jordan	4.3
Oman	5.0
Qatar	5.0
Saudi Arabia	7.0

2. Historical data: Protecting Investors in Kuwait

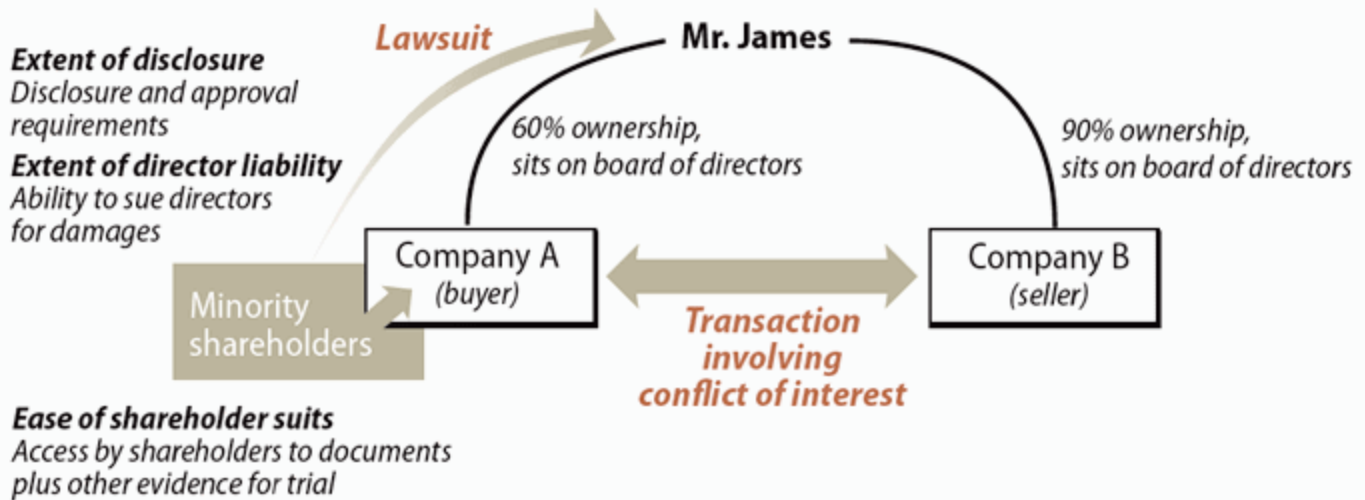
Protecting Investors data	Doing Business 2008	Doing Business 2009	Doing Business 2010	Doing Business 2011
Rank	..	..	27	28
Strength of investor protection index (0-10)	6.3	6.3	6.3	6.3

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

Protecting Investors Data (2010)	Indicator
Extent of disclosure index (0-10)	7
What corporate body provides legally sufficient approval for the transaction?	1
Whether immediate disclosure of the transaction to the public and/or shareholders is required?	2
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)	7
Whether shareholders can hold Mr. James liable for the damage that the Buyer-Seller transaction causes to the company?	2
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?	2
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?	0
Whether fines and imprisonment can be applied against Mr. James?	1
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?	0
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)	6.3

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)

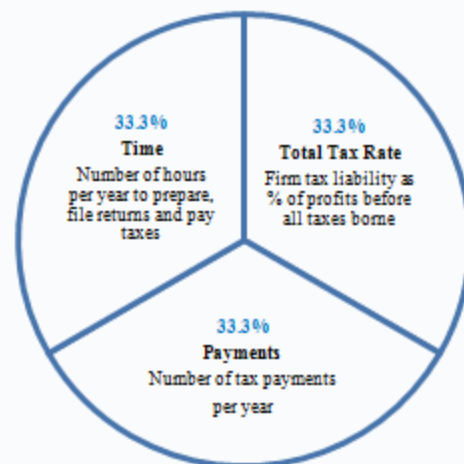
- Collecting information and computing the tax payable
- Completing tax return forms, filing with proper agencies
- Arranging payment or withholding
- Preparing separate tax accounting books, if required

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



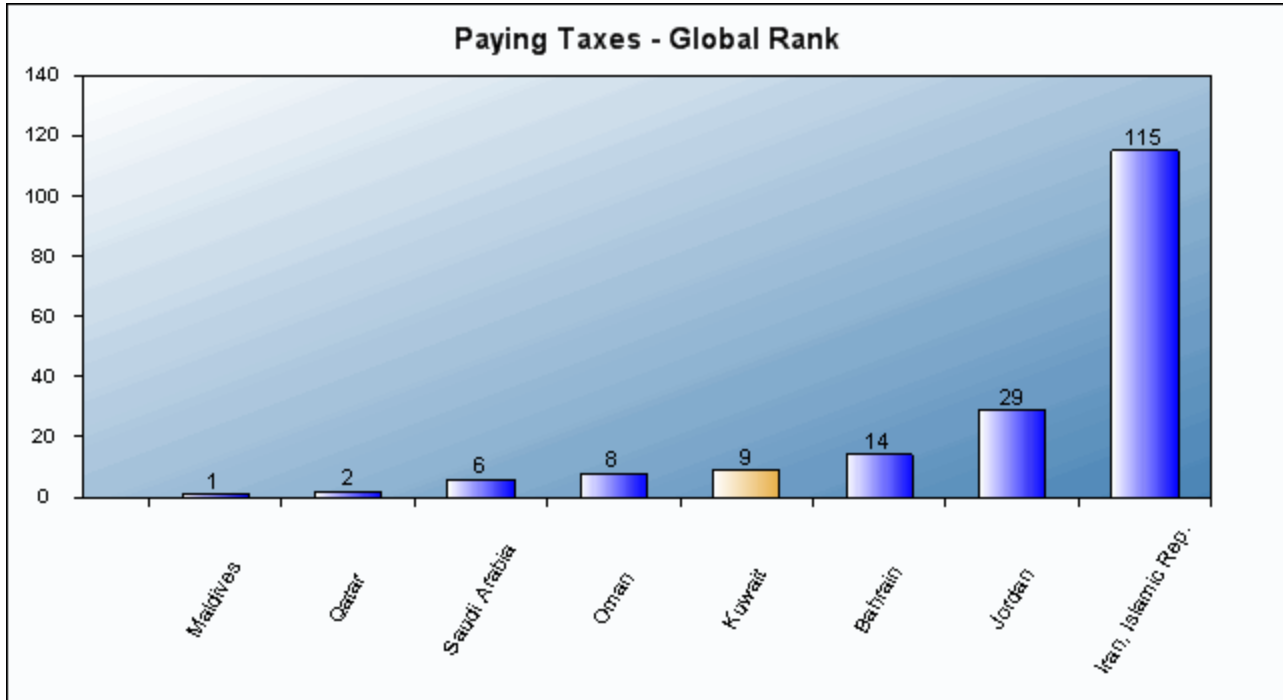
Case Study Assumptions

- 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:

Kuwait is ranked 9 overall for Paying Taxes.

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



The following table shows Paying Taxes data for Kuwait 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>			
Kuwait	15	118	15.5

<i>Comparator Economies</i>			
Bahrain	25	36	15.0
Iran, Islamic Rep.	20	344	44.1
Jordan	26	101	31.2
Oman	14	62	21.6
Qatar	3	36	11.3
Saudi Arabia	14	79	14.5

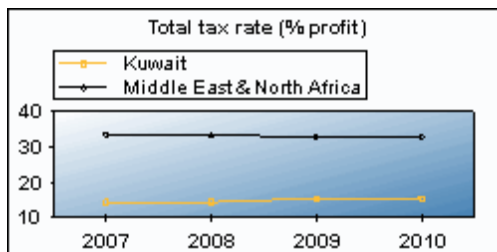
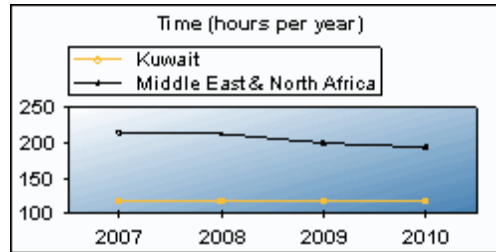
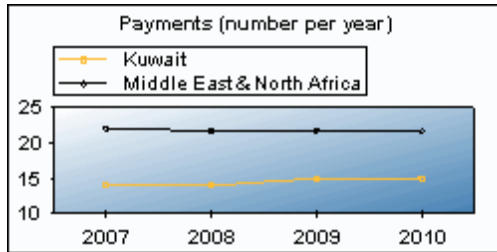
* The following economies are also good practice economies for :

Payments (number per year): Qatar

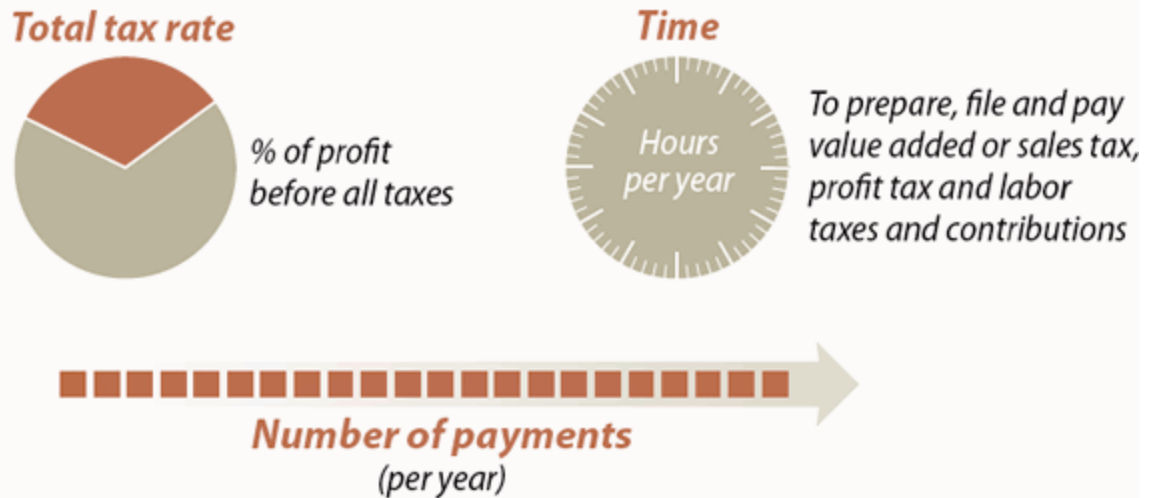
2. Historical data: Paying Taxes in Kuwait

Paying Taxes data	Doing Business 2008	Doing Business 2009	Doing Business 2010	Doing Business 2011
Rank	..	..	10	9
Total tax rate (% profit)	14.4	14.4	15.5	15.5
Payments (number per year)	14	14	15	15
Time (hours per year)	118	118	118	118

3. The following graphs illustrate the Paying Taxes sub indicators in Kuwait 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 Kuwait, 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
Zakat	1			1.0%	taxable profit	1.00	
Contribution to the Kuwait foundation for the advancement of sciences (KFAS)	1		48	1.0%	taxable profit	1.00	
National Labor Support tax	1			2.5%	taxable profit	2.60	
Social security contributions	12		70	11.0%	gross salaries	10.70	
Totals	15		118			15.5	

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)

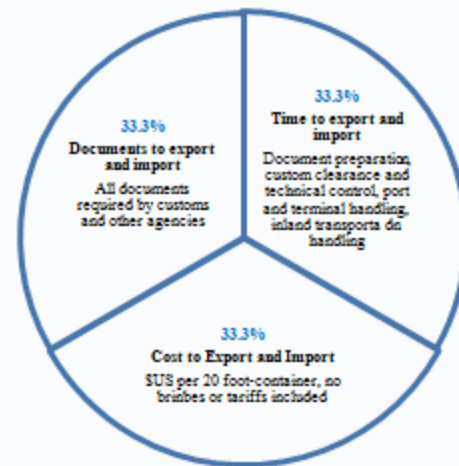
- Bank documents
- Customs clearance documents
- Port and terminal handling documents
- Transport documents

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

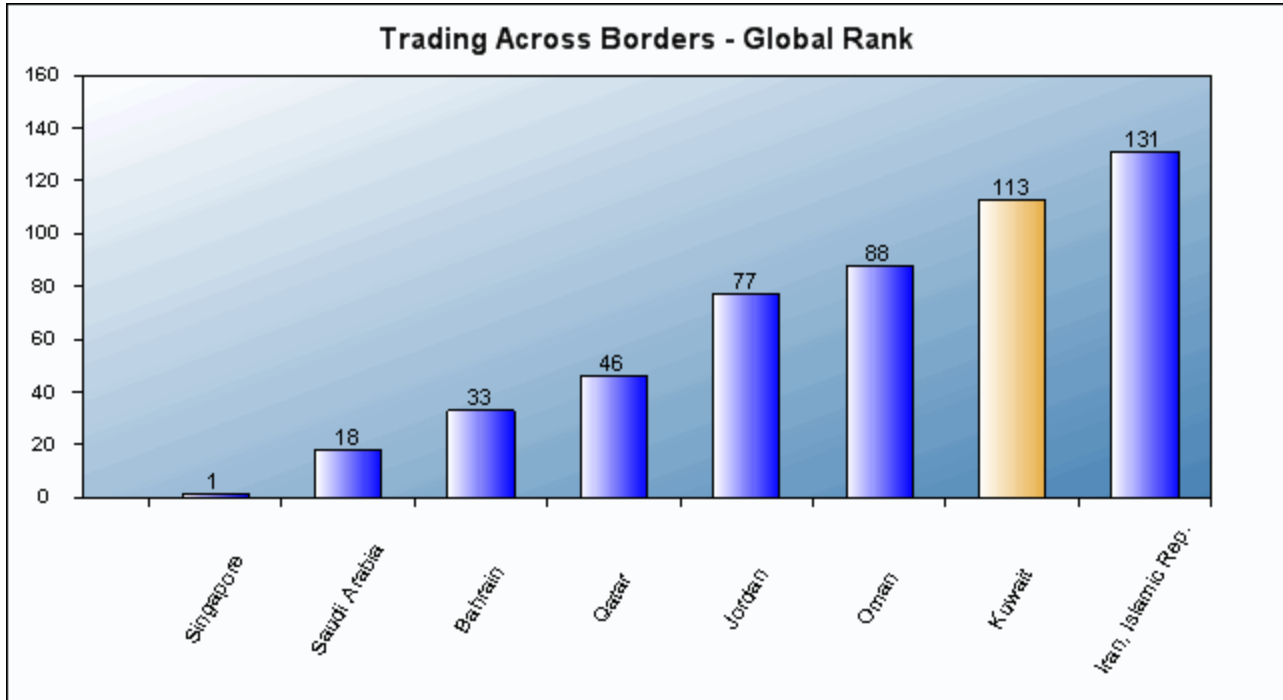
The traded product

- 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:

Kuwait is ranked 113 overall for Trading Across Borders.

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



The following table shows Trading Across Borders data for Kuwait 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>						
Kuwait	8	17	1060	10	19	1217

<i>Comparator Economies</i>						
Bahrain	5	11	955	6	15	995
Iran, Islamic Rep.	7	25	1090	8	32	1735
Jordan	7	14	825	7	18	1335
Oman	9	14	766	9	17	890
Qatar	5	21	735	7	20	657
Saudi Arabia	5	13	580	5	17	686

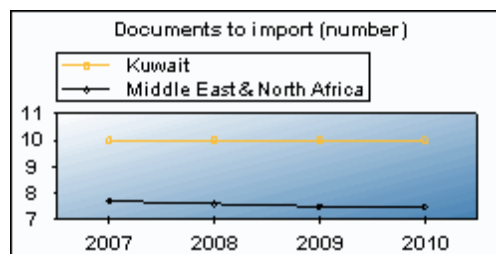
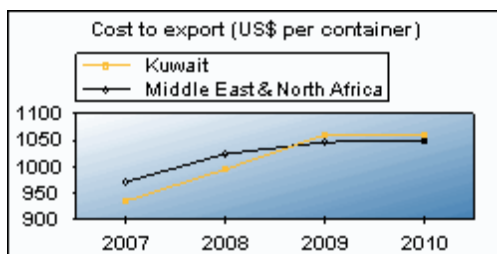
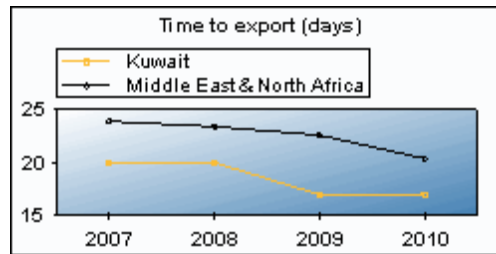
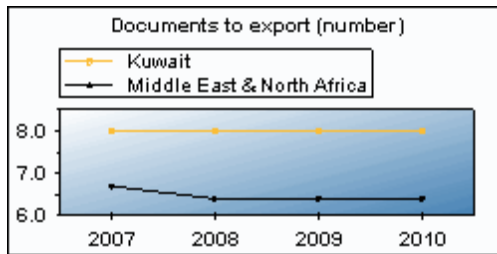
* The following economies are also good practice economies for :

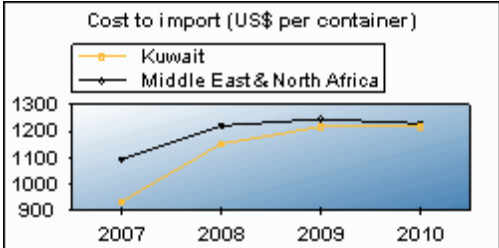
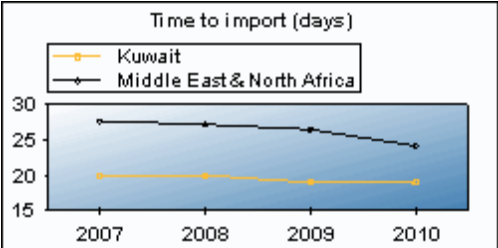
Time to export (days): Estonia

2. Historical data: Trading Across Borders in Kuwait

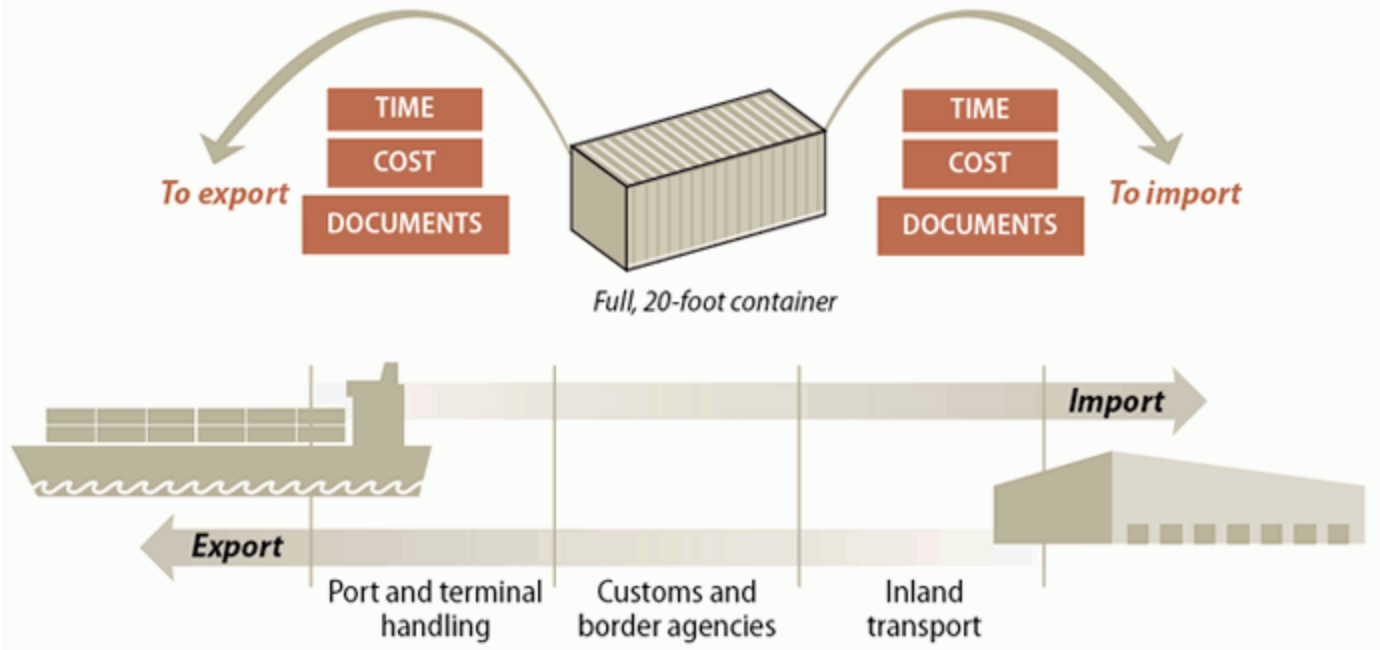
Trading Across Borders data	Doing Business 2008	Doing Business 2009	Doing Business 2010	Doing Business 2011
Rank	..	..	112	113
Cost to export (US\$ per container)	935	995	1060	1060
Cost to import (US\$ per container)	935	1152	1217	1217
Documents to export (number)	8	8	8	8
Documents to import (number)	10	10	10	10
Time to export (days)	20	20	17	17
Time to import (days)	20	20	19	19

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

Nature of Export Procedures (2010)	Duration (days)	US\$ Cost
Documents preparation	8	520
Customs clearance and technical control	2	100
Ports and terminal handling	2	200
Inland transportation and handling	5	240
Totals	17	1060

Nature of Import Procedures (2010)	Duration (days)	US\$ Cost
Documents preparation	13	632
Customs clearance and technical control	2	145
Ports and terminal handling	3	200
Inland transportation and handling	1	240
Totals	19	1217

Documents for Export and Import

Export

- Bill of lading
- Cargo release order
- Certificate of origin
- Commercial invoice
- Customs export declaration
- Export license
- Inspection report
- Packing list

Import

- Bill of lading
- Cargo release order
- Certificate of origin
- Commercial invoice
- Consular invoice
- Customs import declaration
- Inspection report
- Packing list
- Technical standard/health certificate
- Terminal handling receipts

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)

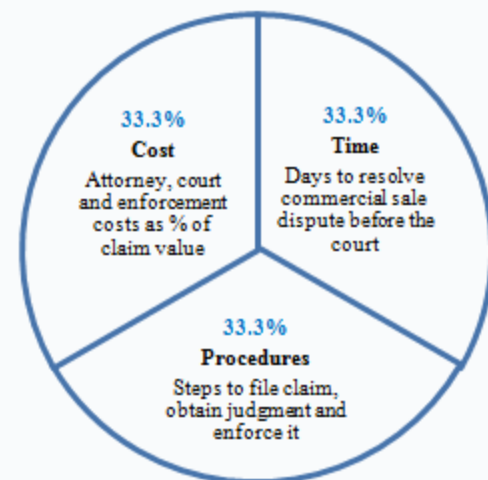
- Time to file and serve the case
- Time for trial and obtaining judgment
- Time to enforce the judgment

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



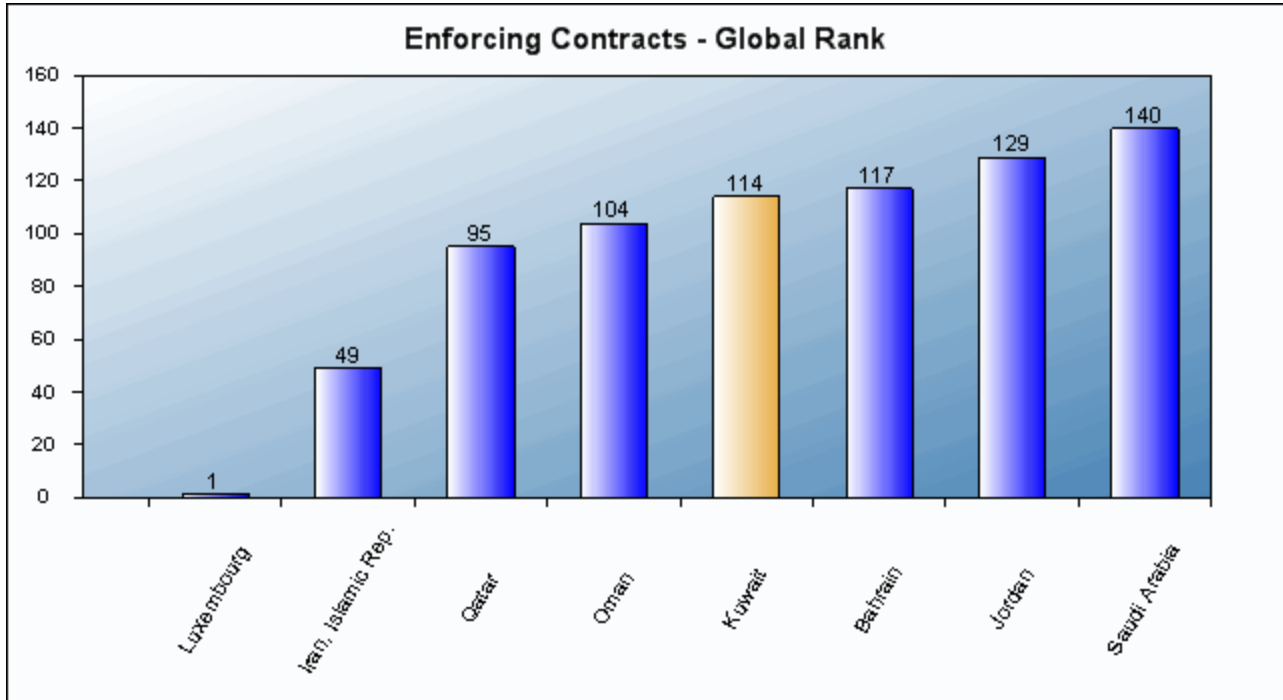
Case Study Assumptions

- 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:

Kuwait is ranked 114 overall for Enforcing Contracts.

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



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

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

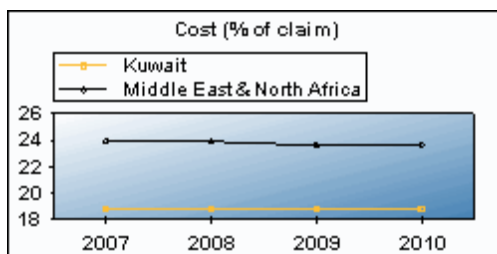
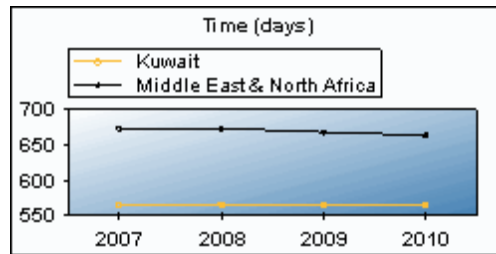
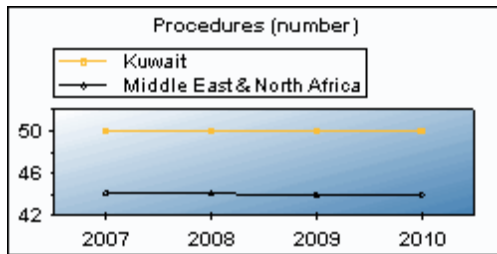
<i>Selected Economy</i>			
Kuwait	50	566	18.8

<i>Comparator Economies</i>			
Bahrain	48	635	14.7
Iran, Islamic Rep.	39	505	17.0
Jordan	38	689	31.2
Oman	51	598	13.5
Qatar	43	570	21.6
Saudi Arabia	43	635	27.5

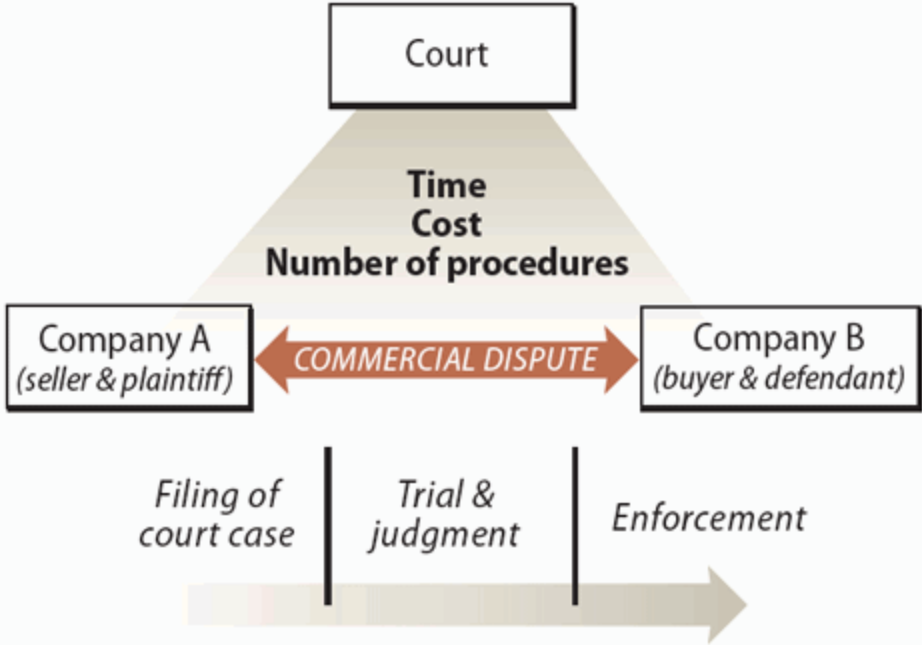
2. Historical data: Enforcing Contracts in Kuwait

Enforcing Contracts data	Doing Business 2008	Doing Business 2009	Doing Business 2010	Doing Business 2011
Rank	..	..	113	114
Procedures (number)	50	50	50	50
Time (days)	566	566	566	566
Cost (% of claim)	18.8	18.8	18.8	18.8

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

Nature of Procedure (2010)	Indicator
Procedures (number)	50
Time (days)	566
Filing and service	26.0
Trial and judgment	420.0
Enforcement of judgment	120.0
Cost (% of claim)*	18.80
Attorney cost (% of claim)	10.7
Court cost (% of claim)	2.6
Enforcement Cost (% of claim)	5.5

Court information: Kuwait City Court of First Instance, Commercial Circuit (المحكمة الكلية - الدائرة التجارية)

* 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)

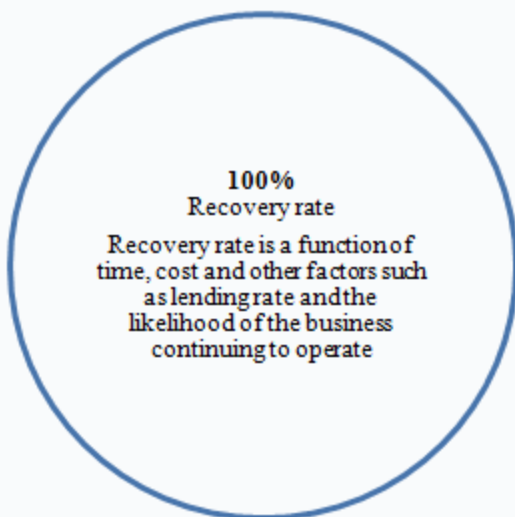
- Measured in calendar years
- Appeals and requests for extension are included

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:

Kuwait is ranked 61 overall for Closing a Business.

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



The following table shows Closing Business data for Kuwait 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>			
Kuwait	37.9	4.2	1

<i>Comparator Economies</i>			
Bahrain	64.2	2.5	10
Iran, Islamic Rep.	23.1	4.5	9
Jordan	26.9	4.3	9
Oman	34.9	4.0	4
Qatar	53.0	2.8	22
Saudi Arabia	36.8	1.5	22

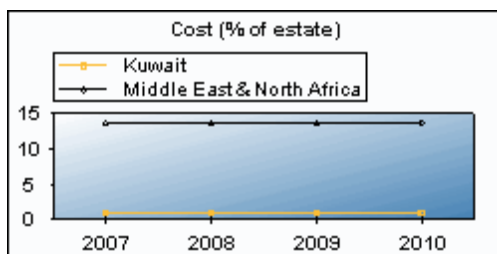
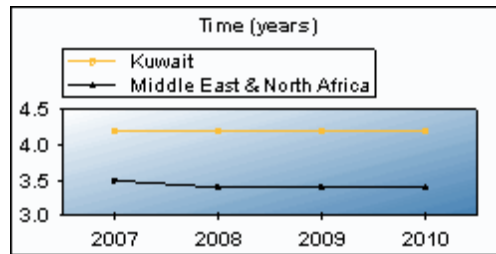
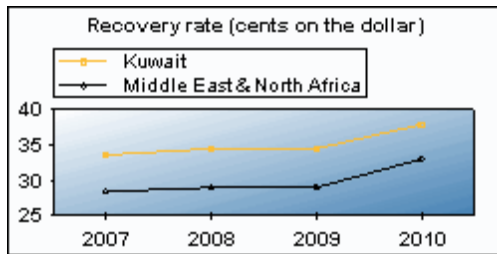
* The following economies are also good practice economies for :

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

2. Historical data: Closing Business in Kuwait

Closing a Business data	Doing Business 2008	Doing Business 2009	Doing Business 2010	Doing Business 2011
Rank	..	..	70	61
Time (years)	4.2	4.2	4.2	4.2
Cost (% of estate)	1	1	1	1
Recovery rate (cents on the dollar)	33.6	34.5	34.5	37.9

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

Bahrain	Bahrain made registering property more burdensome by increasing the fees at the Survey and Land Registration Bureau. Bahrain made it easier to trade by building a modern new port, improving the electronic data interchange system and introducing risk-based inspections.
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.
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.
Iran, Islamic Rep.	The Islamic Republic of Iran eased business start-up by installing a web portal allowing entrepreneurs to search for and reserve a unique company name. The establishment of a new private credit bureau improved access to credit information. The Islamic Republic of Iran made enforcing contracts easier and faster by introducing electronic filing of some documents, text message notification and an electronic case management system.
Jordan	Jordan improved its credit information system by setting up a regulatory framework for establishing a private credit bureau as well as lowering the threshold for loans to be reported to the public credit registry. Jordan abolished certain taxes and made it possible to file income and sales tax returns electronically.
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.
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.
Qatar	Qatar made starting a business more difficult by adding a procedure to register for taxes and obtain a company seal.
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.

Saudi Arabia	Saudi Arabia made dealing with construction permits easier for the second year in a row by introducing a new, streamlined process. An amendment to Saudi Arabia's commercial lien law enhanced access to credit by making secured lending more flexible and allowing out-of-court enforcement in case of default. Saudi Arabia reduced the time to import by launching a new container terminal at the Jeddah Islamic Port. Saudi Arabia speeded up the insolvency process by providing earlier access to amicable settlements and putting time limits on the settlements to encourage creditors to participate.
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.



WWW.DOINGBUSINESS.ORG