

# Doing Business 2011

Liberia

**Making  
a Difference for  
Entrepreneurs**

COMPARING BUSINESS REGULATION IN 183 ECONOMIES



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*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 Liberia. 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](http://www.doingbusiness.org)).

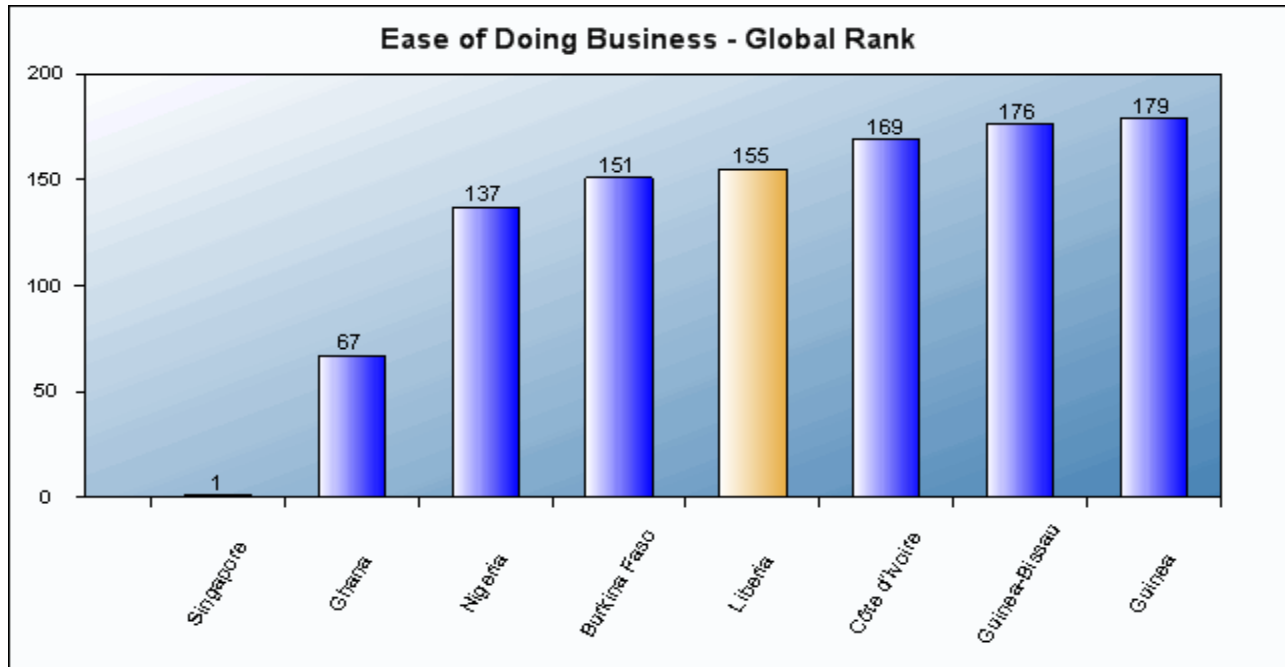
\* Except for the Paying Taxes indicator that refers to the period January to December of 2009.

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

Liberia is ranked 155 out of 183 economies. Singapore is the top ranked economy in the Ease of Doing Business.

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



### Liberia's ranking in Doing Business 2011

Rank	Doing Business 2011
Ease of Doing Business	155
Starting a Business	64
Dealing with Construction Permits	135
Registering Property	176
Getting Credit	138
Protecting Investors	147
Paying Taxes	84
Trading Across Borders	116
Enforcing Contracts	166
Closing a Business	148

## Summary of Indicators - Liberia

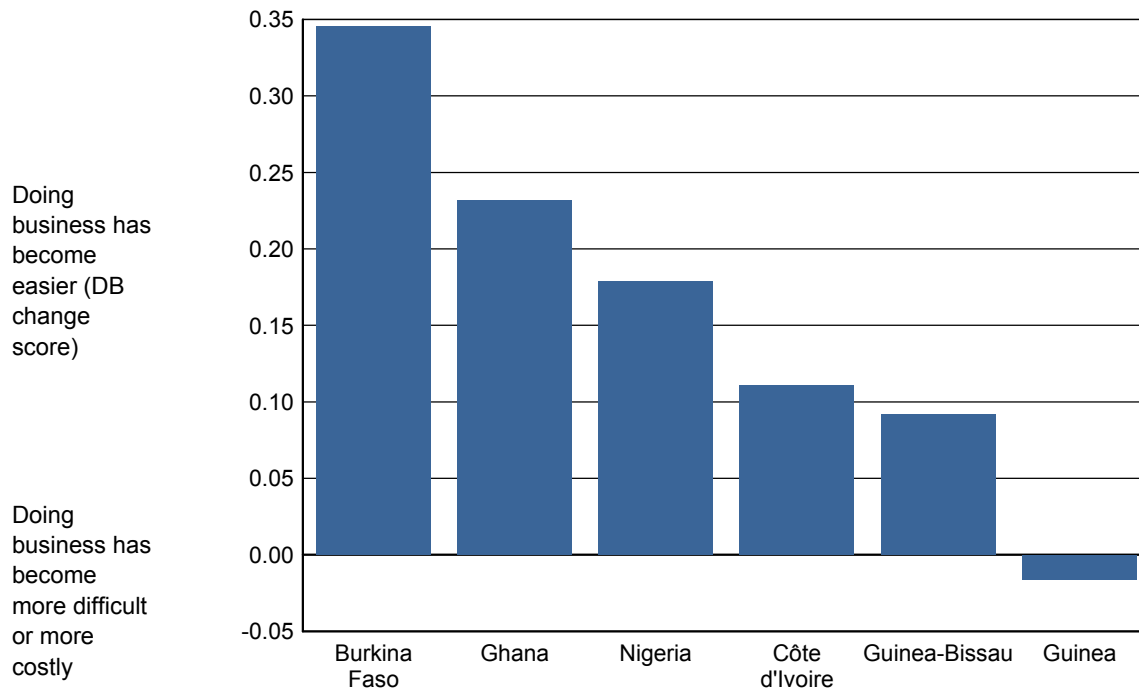
<b>Starting a Business</b>	Procedures (number)	5
	Time (days)	20
	Cost (% of income per capita)	54.6
	Min. capital (% of income per capita)	0.0
<b>Dealing with Construction Permits</b>	Procedures (number)	24
	Time (days)	77
	Cost (% of income per capita)	29574.4
<b>Registering Property</b>	Procedures (number)	10
	Time (days)	50
	Cost (% of property value)	13.2
<b>Getting Credit</b>	Strength of legal rights index (0-10)	4
	Depth of credit information index (0-6)	1
	Public registry coverage (% of adults)	0.2
	Private bureau coverage (% of adults)	0.0
<b>Protecting Investors</b>	Extent of disclosure index (0-10)	4
	Extent of director liability index (0-10)	1
	Ease of shareholder suits index (0-10)	6
	Strength of investor protection index (0-10)	3.7
<b>Paying Taxes</b>	Payments (number per year)	32
	Time (hours per year)	158
	Profit tax (%)	0.0
	Labor tax and contributions (%)	5.4
	Other taxes (%)	38.3
	Total tax rate (% profit)	43.7
<b>Trading Across Borders</b>	Documents to export (number)	10
	Time to export (days)	17
	Cost to export (US\$ per container)	1232
	Documents to import (number)	9
	Time to import (days)	15
	Cost to import (US\$ per container)	1212

<b>Enforcing Contracts</b>	Procedures (number)	41
	Time (days)	1280
	Cost (% of claim)	35.0
<b>Closing a Business</b>	Recovery rate (cents on the dollar)	8.4
	Time (years)	3.0
	Cost (% of estate)	43

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.

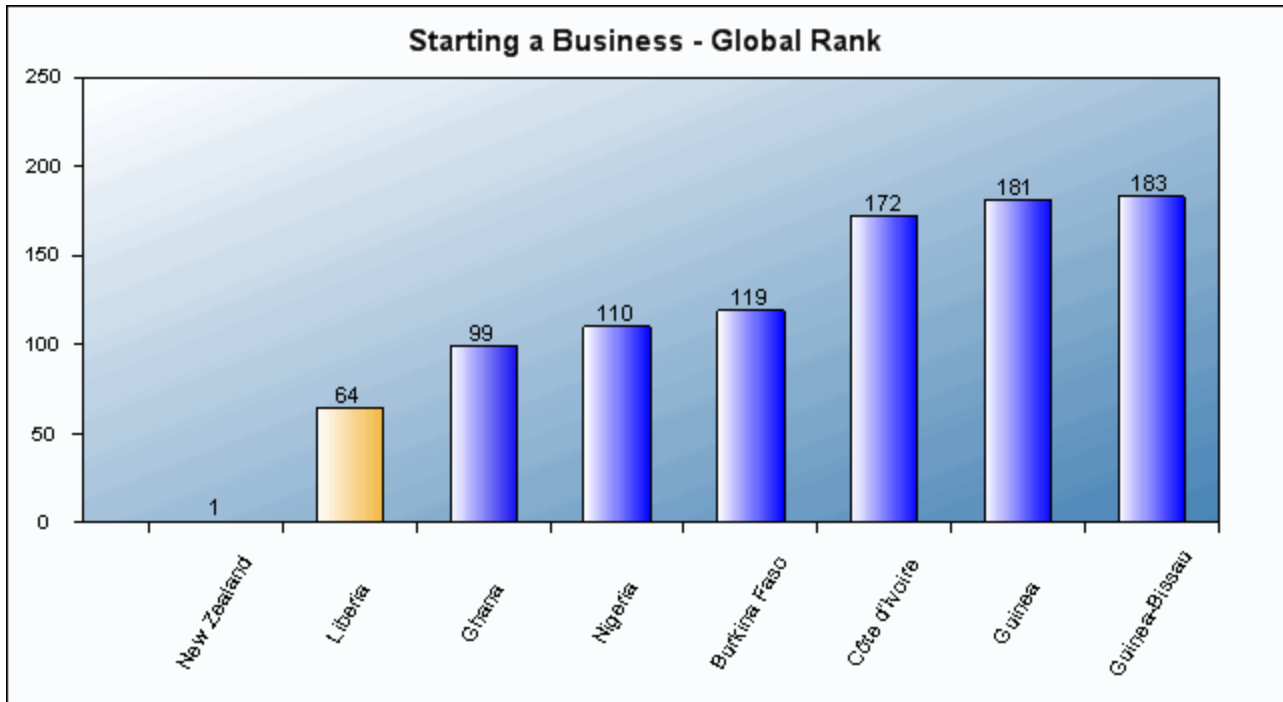
#### The business:

- 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:

Liberia is ranked 64 overall for Starting a Business.

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



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

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

<i>Selected Economy</i>				
<b>Liberia</b>	<b>5</b>	<b>20</b>	<b>54.6</b>	<b>0.0</b>

<i>Comparator Economies</i>				
<b>Burkina Faso</b>	4	14	49.8	416.2
<b>Côte d'Ivoire</b>	10	40	133.0	202.9
<b>Ghana</b>	7	12	20.3	11.0
<b>Guinea</b>	13	41	146.6	519.1
<b>Guinea-Bissau</b>	17	216	183.3	415.1
<b>Nigeria</b>	8	31	78.9	0.0

\* The following economies are also good practice economies for :

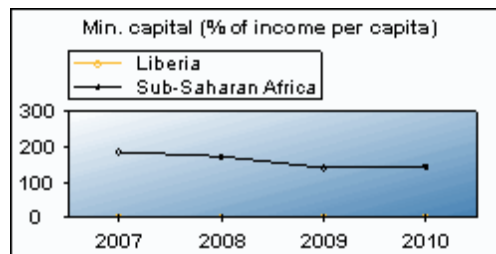
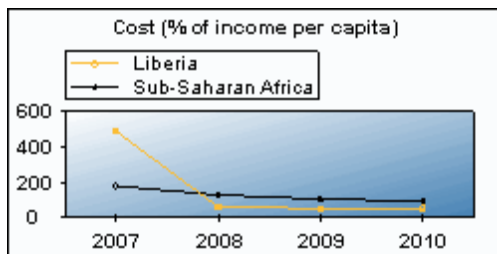
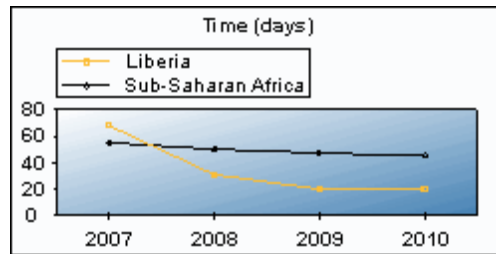
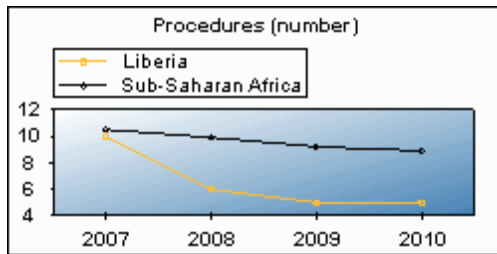
**Procedures (number): Canada**

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

## 2. Historical data: Starting a Business in Liberia

Starting a Business data	Doing Business 2008	Doing Business 2009	Doing Business 2010	Doing Business 2011
Rank	..	..	57	64
Procedures (number)	10	6	5	5
Time (days)	68	31	20	20
Cost (% of income per capita)	489.6	61.6	52.9	54.6
Min. capital (% of income per capita)	0.0	0.0	0.0	0.0

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

### STANDARDIZED COMPANY

Legal Form: Private Limited Company

City: Monrovia

### Registration Requirements:

No:	Procedure	Time to complete	Cost to complete
1	Reserve company name and file Articles of Incorporation at the Ministry of Foreign Affairs desk at the Ministry of Finance	7	USD 20
2	* pay fees at the Ministry of Finance annex of the central bank	1	no charge
3	Obtain TIN	1	no charge
4	Submit registration application to Ministry of Commerce (MOCI) and pick up payment slip	5	LRD 4,553
5	Register with Social Security	7	no charge

\* Takes place simultaneously with another procedure.

## Starting a Business Details - Liberia

<b>Procedure</b>	<b>1</b>	<b>Reserve company name and file Articles of Incorporation at the Ministry of Foreign Affairs desk at the Ministry of Finance</b>
<b>Time to complete:</b>	7	
<b>Cost to complete:</b>	USD 20	
<b>Comment:</b>	The Ministry of Foreign Affairs (MOFA) relocated an official to the Ministry of Finance to facilitate the business registration process. The applicant visits the Ministry of Finance, search and reserve the company name, and files Articles of Incorporation. The MOFA reviews Articles of Incorporation and provides applicant with payment assessment. Then the applicant pays associated calculated based on the company's shared capital (20%).	
<b>Procedure</b>	<b>2</b>	<b>pay fees at the Ministry of Finance annex of the central bank</b>
<b>Time to complete:</b>	1	
<b>Cost to complete:</b>	no charge	
<b>Comment:</b>		
<b>Procedure</b>	<b>3</b>	<b>Obtain TIN</b>
<b>Time to complete:</b>	1	
<b>Cost to complete:</b>	no charge	
<b>Comment:</b>	The applicant obtains Tax Identification Number (TIN) and bank payment slip from the Ministry of Finance and then makes payment at the central bank annex at the Ministry of Finance fees and obtain receipt.	
<b>Procedure</b>	<b>4</b>	<b>Submit registration application to Ministry of Commerce (MOCI) and pick up payment slip</b>
<b>Time to complete:</b>	5	
<b>Cost to complete:</b>	LRD 4,553	
<b>Comment:</b>	After approval from the MFA, the applicant also has to register his business with MOCI by submitting a copy of the official (signed) Articles of Incorporation as well as a completed Business Registration Application and receives payment assesment.The costs associated with the MOCI registration amount to LRD 8200. The break down of the fee is as follows: Business License fee: LRD 4200 Business Registration: LRD 353.45	
<b>Procedure</b>	<b>5</b>	<b>Register with Social Security</b>
<b>Time to complete:</b>	7	
<b>Cost to complete:</b>	no charge	
<b>Comment:</b>	Employees are enrolled in the Social Security program by paying the required contribution to the National Social Security and Welfare Corporation. Additionally, the employer must send a formal	

communication of recruitment and commencement to the Ministry of labor.

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

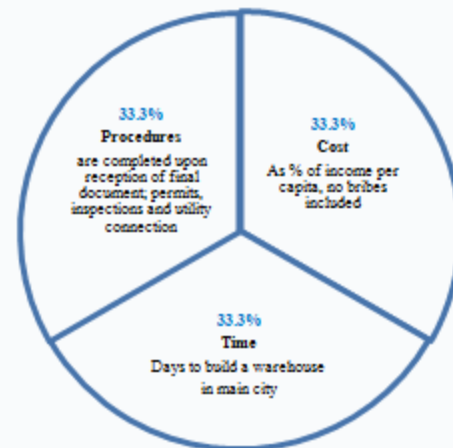
#### The warehouse:

- 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

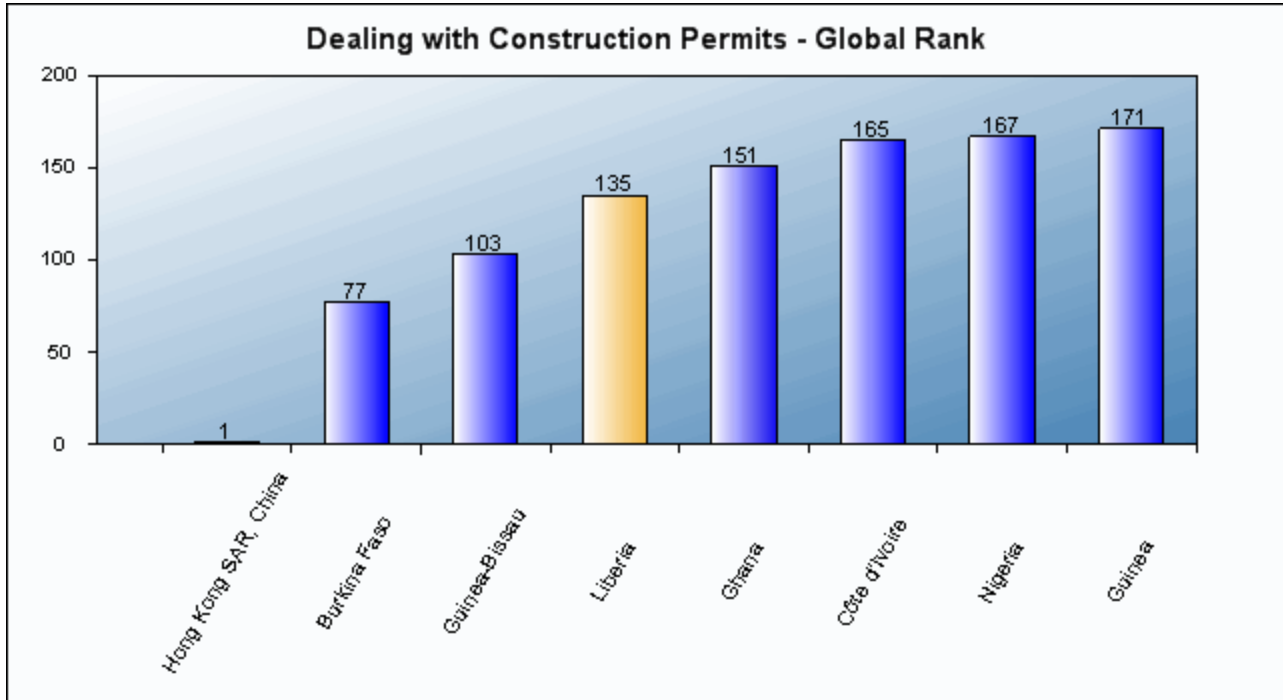




## 1. Benchmarking Dealing with Construction Permits Regulations:

Liberia is ranked 135 overall for Dealing with Construction Permits.

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



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

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

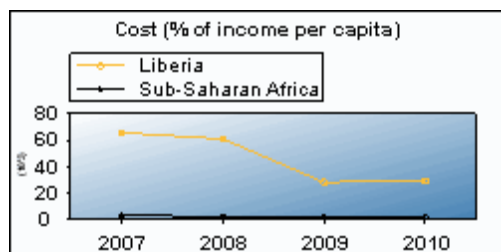
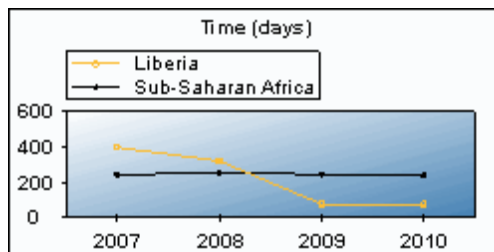
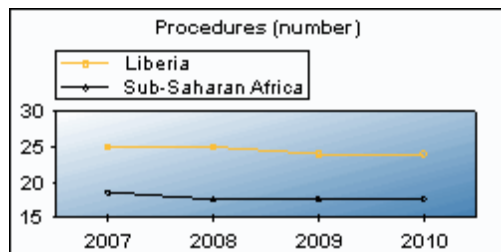
<i>Selected Economy</i>			
<b>Liberia</b>	<b>24</b>	<b>77</b>	<b>29574.4</b>

<i>Comparator Economies</i>			
<b>Burkina Faso</b>	15	122	576.1
<b>Côte d'Ivoire</b>	21	592	227.6
<b>Ghana</b>	18	220	1017.7
<b>Guinea</b>	32	255	419.0
<b>Guinea-Bissau</b>	15	167	1075.0
<b>Nigeria</b>	18	350	597.5

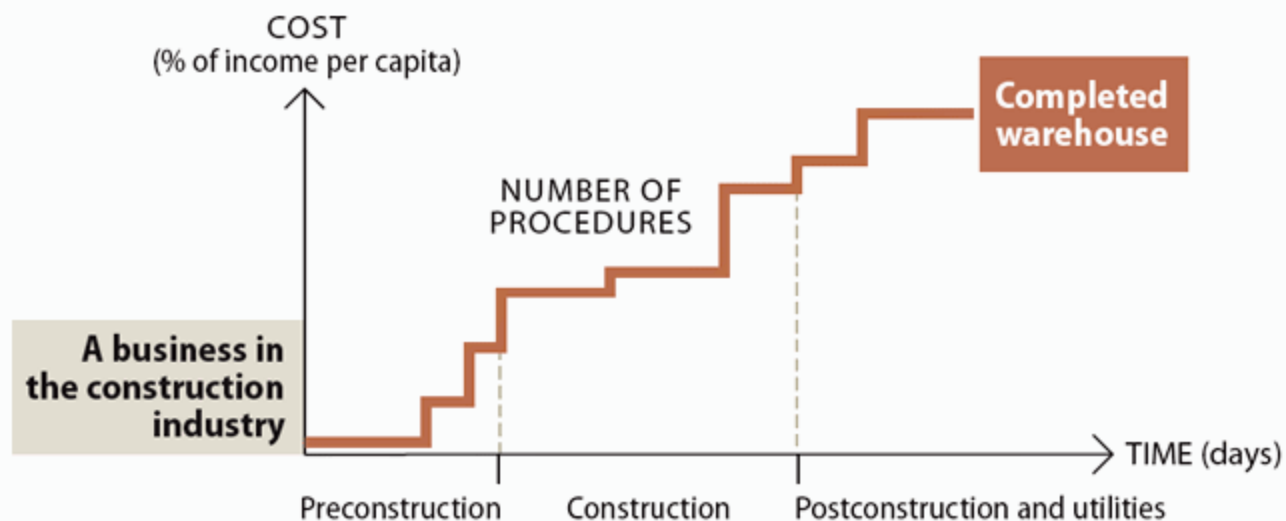
## 2. Historical data: Dealing with Construction Permits in Liberia

Dealing with Construction Permits data	Doing Business 2008	Doing Business 2009	Doing Business 2010	Doing Business 2011
Rank	..	..	135	135
Procedures (number)	25	25	24	24
Time (days)	398	321	77	77
Cost (% of income per capita)	65845.6	60988.7	28295.9	29574.4

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

### BUILDING A WAREHOUSE

City: Monrovia

#### Registration Requirements:

No:	Procedure	Time to complete	Cost to complete
1	Submit application letter and supporting documents to Ministry of Public Works	1 day	no charge
2	Receive inspection from Zoning Division, Ministry of public works	1 day	no charge
3	Obtain payment slip from the MPW and pay fees at the Central Bank	1 day	USD 700
4	Obtain design approval from MPW	28 days	no charge
5	Obtain construction permit from the City Corporation of Monrovia	2 days	USD 560
6	Receive inspection from MPW - I	1 day	no charge
7	Receive inspection from MPW - II	1 day	no charge
8	Receive inspection from MPW - III	1 day	no charge

9	Receive inspection from MPW - IV	1 day	no charge
10	Receive inspection from MPW - V	1 day	no charge
11	Receive inspection from MPW - VI	1 day	no charge
12	Receive inspection from MPW - VII	1 day	no charge
13	Receive inspection from MPW - VIII	1 day	no charge
14	Receive inspection from MPW - IX	1 day	no charge
15	Receive inspection from MPW - X	1 day	no charge
16	Receive inspection from MPW - XI	1 day	no charge
17	Receive inspection from MPW - XII	1 day	no charge
18	Buy and install a generator to obtain power connection	7 days	USD 46,000
19 *	Obtain fixed telephone line	7 days	LRD 25
20 *	Register with the water company	1 day	no charge
21 *	Receive inspection from Water and Sewer Corporation	1 day	no charge
22 *	Obtain water and sewerage connection	14 days	USD 54
23	Request and obtain occupancy permit	10 days	no charge
24	Register the building at Probate Court	3 days	LRD 300

\* Takes place simultaneously with another procedure.

## Dealing with Construction Permits Details - Liberia

### Procedure 1 Submit application letter and supporting documents to Ministry of Public Works

**Time to complete:** 1 day

**Cost to complete:** no charge

**Agency:** Ministry of Public Works (MPW)

**Comment:** The application file should include 2 copies of the site plan; letter of request addressed to the Deputy Minister; the land deed; and the architectural, structural, and mechanical drawings. These documents are passed from one official to another for approval at the Ministry of Public Works (MPW) before the building permit is issued. Physically all departments are located in different parts of the city which may delay the approval. It is relevant, given that there is an internal order of approval.

The documents are submitted internally at the MPW in the following order:

1. Office of the Deputy Minister/Technical Service
2. Office of the Assistant Minister, Technical (initial recipient).
3. Land-Use Planning and Zoning Division (initial site plan and document review). There are no thorough checks with the National Archives on the authenticity of the land documents. Ensuring that is the responsibility of the owner of the warehouse.
4. Chief of Zoning (physical site approval).
5. Chief of Architecture (design approval).
6. Chief of Electromechanical Engineering (electrical and mechanical approval).
7. Chief of Engineering (structural approval and billing).
8. Finance Section (payments).
9. Land-Use Planning and Programming (signature on permit).
10. Office of the Deputy Minister, Technical Services (permit attached).

A temporary building permit can be granted after the second step above, when the Land-Use Planning and Zoning Division conducts an initial site plan and document review. This temporary permit could be obtained within a week. It is granted for a maximum of 90 days, but this is an exception rather than the rule. In practice, a permit is accorded after all steps mentioned above have been completed. As a result of the weak enforcement of building regulations, partly a result of the post-conflict situation, many private construction projects take place without following the official guidelines.

### Procedure 2 Receive inspection from Zoning Division, Ministry of public works

**Time to complete:** 1 day

**Cost to complete:** no charge

**Agency:** Ministry of Public Works (MPW)

**Comment:** It takes about 3 days for the Zoning Division to process an application. The zoning division will contact the applicant to inform them that they will need an inspection. There are only 4 inspectors and resources are limited, so the applicant has to provide transportation for them.

### Procedure 3 Obtain payment slip from the MPW and pay fees at the Central Bank

**Time to complete:** 1 day

**Cost to complete:** USD 700

**Agency:** Ministry of Public Works (MPW)

**Comment:** Once all the technical departments have reviewed the application, the Finance Department creates a payment slip. The applicant must come pick up the payment slip and then go to the Central Bank to pay the fees. The fee for design approval for commercial buildings is 5 cents/sq.ft.

#### **Procedure 4 Obtain design approval from MPW**

**Time to complete:** 28 days

**Cost to complete:** no charge

**Agency:** Ministry of Public Works (MPW)

**Comment:** The applicant must return to MPW with payment receipt and the application is processed for final approval. The process at the Ministry of Public Works from submission of plans (procedure 1) to approval used to take 3 months, but reforms introduced in 2008 reduced the processing time for simple building permits to 1 month. The MPW established a 30 day statutory time limit for the issuance of building permits. The MPW also introduced a checklist to clearly define all of the documents required to complete the application. Now, all applications are scrutinized on submission to check for completeness and accuracy before being forwarded to processing. The reform eliminated the Minister's signature on building permits for simple construction projects. By rule, the Minister's consent is only required for projects with a value greater than USD 1 Million or that involve an international government. However, in practice the Minister or Deputy Minister still approve projects that are less than USD 1 Million in value.

#### **Procedure 5 Obtain construction permit from the City Corporation of Monrovia**

**Time to complete:** 2 days

**Cost to complete:** USD 560

**Agency:** City Corporation of Monrovia

**Comment:** After obtaining the design approval from MPW, BuildCo must obtain a separate construction permit from the Planning Department at City Hall. The Planning Department takes 1 day to review the plans and then prepares a payment slip which is usually paid the next day.

City Corporation of Monrovia as of May 1, 2009 abolished 3% fee charge, based on project value, for issuing a building permit and replaced it with a fixed fee of USD 0.04/sq.ft. for new commercial and industrial construction projects.

However, practitioners note that this fee is "negotiable." Applicants can pay less amount, which is official, but the permit is for less period of time. There are no fee schedules posted at City Hall and often, builders are asked to pay much higher fees.

#### **Procedure 6 Receive inspection from MPW - I**

**Time to complete:** 1 day

**Cost to complete:** no charge

**Agency:** Ministry of Public Works (MPW)

**Comment:** The construction of the warehouse can commence after the building permit is obtained. There is no requirement to request inspections at any stage of the construction process. However, building inspectors and engineers are often dispatched from the Ministry of Public Works to inspect construction sites to see to what extent the construction conforms with the originally submitted drawings. Over the course of 6–7 months, inspections occur randomly at a rate of every 3 weeks or as often as every week. The work stops only if there has been noncompliance with the plans.

**Procedure 7 Receive inspection from MPW - II**

**Time to complete:** 1 day

**Cost to complete:** no charge

**Agency:** Ministry of Public Works (MPW)

**Comment:**

**Procedure 8 Receive inspection from MPW - III**

**Time to complete:** 1 day

**Cost to complete:** no charge

**Agency:** Ministry of Public Works (MPW)

**Comment:**

**Procedure 9 Receive inspection from MPW - IV**

**Time to complete:** 1 day

**Cost to complete:** no charge

**Agency:** Ministry of Public Works (MPW)

**Comment:**

**Procedure 10 Receive inspection from MPW - V**

**Time to complete:** 1 day

**Cost to complete:** no charge

**Agency:** Ministry of Public Works (MPW)

**Comment:**

**Procedure 11 Receive inspection from MPW - VI**

**Time to complete:** 1 day



**Cost to complete:** no charge

**Agency:** Ministry of Public Works (MPW)

**Comment:**

**Procedure 12 Receive inspection from MPW - VII**

**Time to complete:** 1 day

**Cost to complete:** no charge

**Agency:** Ministry of Public Works (MPW)

**Comment:**

**Procedure 13 Receive inspection from MPW - VIII**

**Time to complete:** 1 day

**Cost to complete:** no charge

**Agency:** Ministry of Public Works (MPW)

**Comment:**

**Procedure 14 Receive inspection from MPW - IX**

**Time to complete:** 1 day

**Cost to complete:** no charge

**Agency:** Ministry of Public Works (MPW)

**Comment:**

**Procedure 15 Receive inspection from MPW - X**

**Time to complete:** 1 day

**Cost to complete:** no charge

**Agency:** Ministry of Public Works (MPW)

**Comment:**

**Procedure 16 Receive inspection from MPW - XI**

**Time to complete:** 1 day

**Cost to complete:** no charge

**Agency:** Ministry of Public Works (MPW)

**Comment:**

#### **Procedure 17 Receive inspection from MPW - XII**

**Time to complete:** 1 day

**Cost to complete:** no charge

**Agency:** Ministry of Public Works (MPW)

**Comment:**

#### **Procedure 18 Buy and install a generator to obtain power connection**

**Time to complete:** 7 days

**Cost to complete:** USD 46,000

**Agency:** Private Generator Vendors

**Comment:** Because of the war, much of Liberia's infrastructure was destroyed or dilapidated. Most of the electricity is still generated through private generators. The electricity corporation provides power for very limited public use such as street lights although an expansion project is planned for 2008. People buy their own generators.

In the early years the generator market was underdeveloped and with few vendors. This situation has changed in the recent years. A large number of companies started supplying generators at faster speed and lower cost. Today it takes on average 1 week to obtain a generator and a backup and finalize all installation works. Cost for one 150 kVA diesel generator is USD 30,000 and for a backup 70 kVA diesel generator- USD 16,000.

#### **Procedure 19 Obtain fixed telephone line**

**Time to complete:** 7 days

**Cost to complete:** LRD 25

**Agency:** Liberia Telecom

**Comment:** A complete renovation of the telecommunication system of Monrovia was undertaken. Deployment started in September 2007 and the installation was completed in January 2009. The new Liberia Telecommunications Corporation (LIBTELCO) had its grand opening in February 2009 and is the sole fixed line provider in Liberia. LIBTELCO offered a test pilot phase, from February 1, 2009 to April 30, 2009, during which the public was offered a two-month free service (March – April: 60 days). Services became commercially available as of May 1, 2009. The fixed lines are only available in Monrovia. There is a project to extend the services to other counties in the future.

LIBTELCO offers four services as follows:

1. Fixed lines

Voice only: 180 000 subscribers, and there is the capability to expand to 600 000.

Voicemail: there are 60 000 subscribers.  
SMS: 60 000 subscribers and expansion of this service is very easy

2. Faxes
  3. High Speed Internet (2 speed: 2 MEGA and 153.6 KB)
  4. Push to Talk (PTT), has 5000 subscribers and this service can be expanded by another 5000
- TELCO also support 4 GSM operators, LoneStar, Comium, LIBEGEL and CELCOM.  
The internal gateway for LIBTELCO is located in Norway.

As a result of this reform, time to obtain a land line in Monrovia is one week and there is no more need to register with LIBTELCO. Official cost for installation of fixed line is USD 25.

#### **Procedure 20 Register with the water company**

**Time to complete:** 1 day

**Cost to complete:** no charge

**Agency:** Liberia Water and Sewer Corporation (LWSC)

**Comment:**

#### **Procedure 21 Receive inspection from Water and Sewer Corporation**

**Time to complete:** 1 day

**Cost to complete:** no charge

**Agency:** Liberia Water and Sewer Corporation (LWSC)

**Comment:** The Water and Sewer Corporation inspects the site to prepare a cost estimate for the pipes and installation.

#### **Procedure 22 Obtain water and sewerage connection**

**Time to complete:** 14 days

**Cost to complete:** USD 54

**Agency:** Liberia Water and Sewer Corporation (LWSC)

**Comment:** Water connections can be made if existing pipelines pass through the construction site. If that is the case, then water connection should take 1– 2 weeks. The cost for water connection includes LRD 250 for the connection itself and USD 50 for the meter. If a water pipeline does not pass through the area, then BuildCo must buy all the necessary materials to extend an existing pipeline to the construction site before the connection is made. This will inevitably add cost and time to the utility connection process. In the case considered here, it is assumed that it is not necessary to purchase materials because the site is 10 meters from the water main.

#### **Procedure 23 Request and obtain occupancy permit**

**Time to complete:** 10 days

**Cost to complete:** no charge

**Agency:** Ministry of Public Works (MPW)

**Comment:** In the recent year the Ministry of Public Works started more rigorously enforcing the regulations of the Zoning Law. According to article 5. A of the Zoning Law all new building must obtain an occupancy permit before being used. Stricter enforcement has led to wider practice by companies to obtain the occupancy permit. This is issued within 10 days.

**Procedure 24 Register the building at Probate Court**

**Time to complete:** 3 days

**Cost to complete:** LRD 300

**Agency:** Probate Court

**Comment:** This registration of the completed building occurs in two stages. First BuildCo must register the building with the Probate Court, similar to a notarization procedure. Registration at the Probate Court takes 3 days and costs LRD 300. The case considered here assumes that BuildCo does not employ a lawyer (lawyer's fees would amount to USD 250). Registration is not required, but companies do so to increase the resale value.

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)

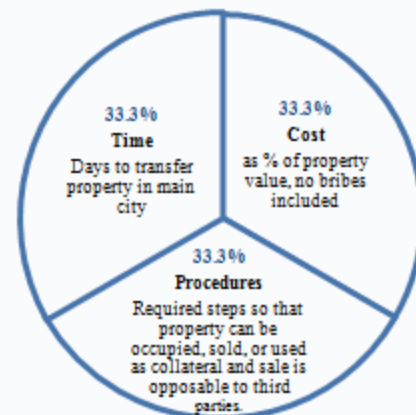
- Preregistration (for example, checking for liens, notarizing sales agreement, paying property transfer taxes)
- Registration in the economy's largest business city
- Post registration (for example, transactions with the local authority, tax authority or cadastre)

### 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:

Liberia is ranked 176 overall for Registering Property.

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



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

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

<i>Selected Economy</i>			
<b>Liberia</b>	<b>10</b>	<b>50</b>	<b>13.2</b>

<i>Comparator Economies</i>			
<b>Burkina Faso</b>	4	59	13.1
<b>Côte d'Ivoire</b>	6	62	13.9
<b>Ghana</b>	5	34	1.0
<b>Guinea</b>	6	104	14.0
<b>Guinea-Bissau</b>	9	211	6.1
<b>Nigeria</b>	13	82	20.9

\* The following economies are also good practice economies for :

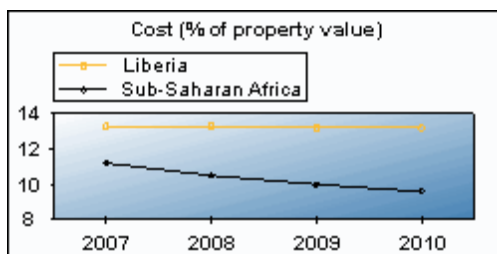
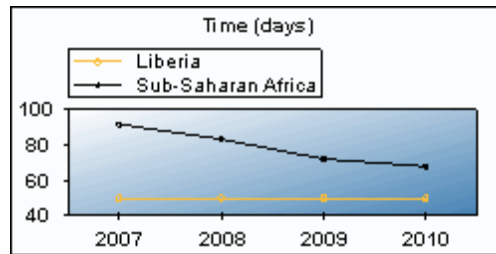
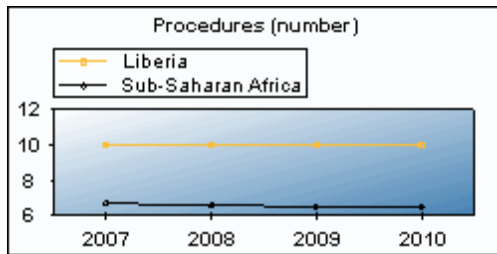
**Procedures (number): United Arab Emirates**

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

## 2. Historical data: Registering Property in Liberia

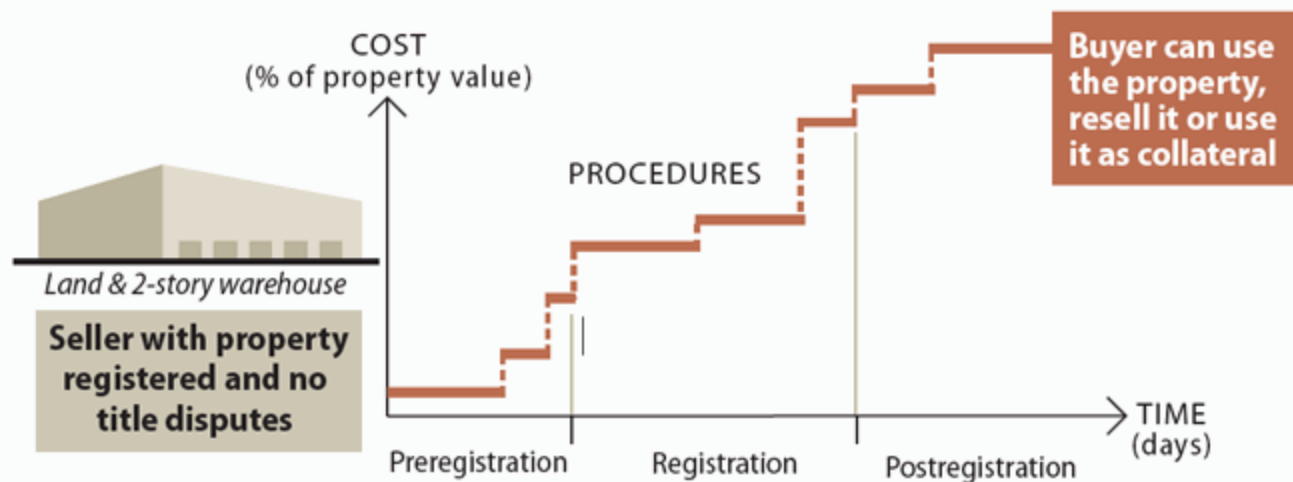
Registering Property data	Doing Business 2008	Doing Business 2009	Doing Business 2010	Doing Business 2011
Rank	..	..	173	176
Procedures (number)	10	10	10	10
Time (days)	50	50	50	50
Cost (% of property value)	13.3	13.3	13.2	13.2

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

### STANDARDIZED PROPERTY

Property Value: 540,791.85

City: Monrovia

#### Registration Requirements:

No:	Procedure	Time to complete	Cost to complete
1	Obtain a Transfer deed form	1 day	no cost
2 *	Buyer contacts a surveyor to conduct the survey of the property	21 days	USD 50
3 *	Publication of survey in newspaper and radio by surveyor	1 day (simultaneous with procedure 2)	included in procedure 2
4	Parties contract a lawyer to start official transfer process.	2 days	10 - 15% property value
5	Lawyer visits Registry to check the status and ownership of the property	7 days	USD 4 (250 LB\$)
6	Lawyer visits Bureau of Internal Revenue of the Ministry of Finance (Real Estate Division) to check for outstanding taxes on the property	3 days	no cost
7	Parties sign the deed form at the lawyer's office	1 day	no cost

8	Lawyer visits Probate Court to request the transfer	7 days	no cost
9	Parties register the deed at the Registry	7 days	5 USD (300 LD\$)
10	Seller goes to Bureau of Internal Revenues to change the owner's name on the property	1 day	no cost

\* Takes place simultaneously with another procedure.

## Registering Property Details - Liberia

<b>Procedure</b>	<b>1</b>	<b>Obtain a Transfer deed form</b>
<b>Time to complete:</b>	1 day	
<b>Cost to complete:</b>	no cost	
<b>Comment:</b>	The parties obtain a Transfer deed to provide to the surveyor who will be conducting the survey of that property. At that time, the seller will also provide a copy of his deed to the new owner. The transfer deed can be obtained in shops.	
<b>Procedure</b>	<b>2</b>	<b>Buyer contacts a surveyor to conduct the survey of the property</b>
<b>Time to complete:</b>	21 days	
<b>Cost to complete:</b>	USD 50	
<b>Agency:</b>	Private licensed surveyor	
<b>Comment:</b>	One of the requirements prior to transferring a property in Liberia is to conduct a survey of that property by a licensed surveyor. The potential buyer will contact a certified surveyor to conduct the survey of the property to be transferred. The property cannot be surveyed during the notice period. Any person wishing to introduce a claim of ownership on that property must come forward during the notice period. If there are no disputes recorded after the notice period, then the surveyor will conduct the survey of the property with the potential buyer as a witness, and anyone else who wishes to be present.	
<b>Procedure</b>	<b>3</b>	<b>Publication of survey in newspaper and radio by surveyor</b>
<b>Time to complete:</b>	1 day (simultaneous with procedure 2)	
<b>Cost to complete:</b>	included in procedure 2	
<b>Comment:</b>	By law, the surveyor must inform the public that the survey or re-survey of a particular property will be conducted on a set date. The notice will also provide the location of that property. The notice is published in local newspapers and is also aired for a period of 15 days. But the law is silent as to the length of this notice.	
<b>Procedure</b>	<b>4</b>	<b>Parties contract a lawyer to start official transfer process.</b>
<b>Time to complete:</b>	2 days	
<b>Cost to complete:</b>	10 - 15% property value	
<b>Comment:</b>	The parties give the lawyer the deed on which the sketch of the property has been done by the licensed surveyor. The transfer process will then start.	
<b>Procedure</b>	<b>5</b>	<b>Lawyer visits Registry to check the status and ownership of the property</b>
<b>Time to complete:</b>	7 days	

**Cost to complete:** USD 4 (250 LB\$)

**Agency:** Center for National Documents & Records / National Archives (CNDRA)

**Comment:** The records are kept in ledgers and the search for ownership is done manually by checking the ledgers. An application for search for Deeds/Titles document is completed. It takes a week for CNDRA to search for the deeds. CNDRA will contact MOFA in case they do not have the entire file.

**Procedure 6** Lawyer visits Bureau of Internal Revenue of the Ministry of Finance (Real Estate Division) to check for outstanding taxes on the property

**Time to complete:** 3 days

**Cost to complete:** no cost

**Agency:** Bureau of Internal Revenue at the Ministry of Finance

**Comment:** Bureau of Internal Revenue (Real Estate Tax Division) at the Ministry of Finance  
 Comments: The Real Estate Tax division will issue an official Tax Receipt evidencing that all delinquent real property taxes have been paid in full. This Tax Receipt is mandatory, as of June 1st, 2009 in order to have the deed probated at the Probate Court.

**Procedure 7** Parties sign the deed form at the lawyer's office

**Time to complete:** 1 day

**Cost to complete:** no cost

**Comment:** Once all verifications are done by the lawyer to ensure that the property is free of all encumbrances and established the rightful ownership of the property, both parties can now sign the deed, which will be probated at the Probate Court. The deed must have a vivid description of the building.

**Procedure 8** Lawyer visits Probate Court to request the transfer

**Time to complete:** 7 days

**Cost to complete:** no cost

**Agency:** Probate Court

**Comment:** The lawyer visits the Probate Court to request the transfer (1 business day). The Court will then publish a notice of the transaction for 4 business days. If there are no objections, on the fifth business day, the lawyer can pick up the deed with the seal of approval from the Court. The Probate court rules state that only lawyers are allowed to submit the deed for probate.

**Procedure 9** Parties register the deed at the Registry

**Time to complete:** 7 days

**Cost to complete:** 5 USD (300 LD\$)

**Agency:** Land Registry

**Comment:** The buyer will complete the Registration Form for Deeds and Titles Documents. A bill form will be provided at that time and payment is made at the MOF.  
Documents to be provided at time of registration:

1. A copy of the Real Estate Tax receipt (obtained in procedure 5)
2. Flag receipt from the Ministry of Finance as proof of payment
3. Original and Two copies of Bill form
4. Probated Deed

**Procedure 10** Seller goes to Bureau of Internal Revenues to change the owner's name on the property

**Time to complete:** 1 day

**Cost to complete:** no cost

**Agency:** Bureau of Internal Revenues

**Comment:** The parties will change the ownership name at the Bureau of Internal Revenues. It is in the interest of the seller to ensure that the name is changed so that the new owner is responsible for future taxes.

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

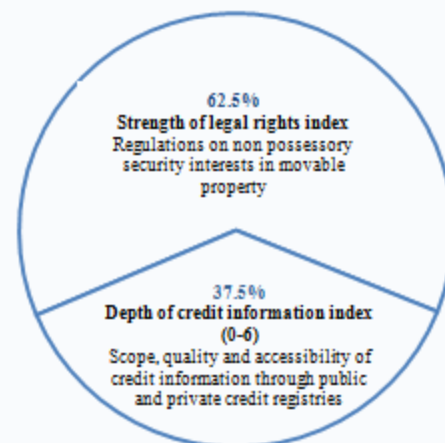
#### Public credit registry coverage (% of adults)

- 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)

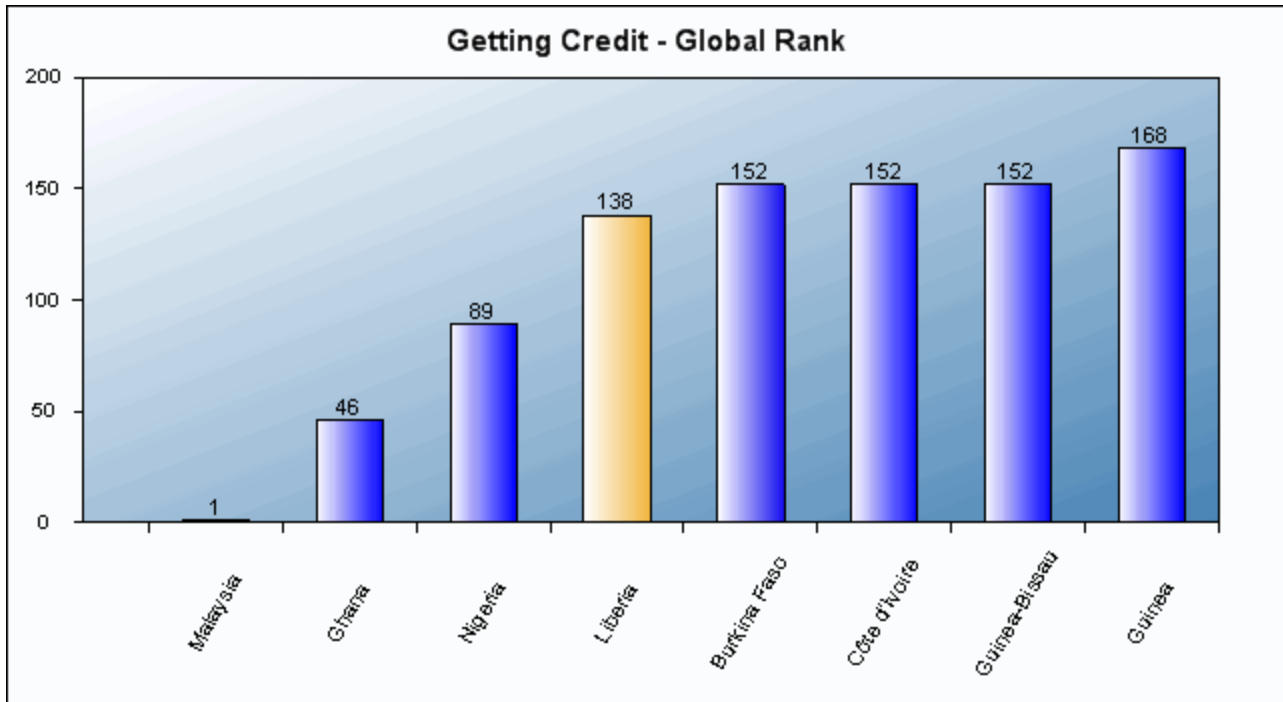
#### The Debtor

- 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:

Liberia is ranked 138 overall for Getting Credit.

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



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

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

<i>Selected Economy</i>				
<b>Liberia</b>	<b>4</b>	<b>1</b>	<b>0.2</b>	<b>0.0</b>

<i>Comparator Economies</i>				
<b>Burkina Faso</b>	3	1	0.2	0.0
<b>Côte d'Ivoire</b>	3	1	0.2	0.0
<b>Ghana</b>	8	3	0.0	10.3
<b>Guinea</b>	3	0	0.0	0.0
<b>Guinea-Bissau</b>	3	1	0.3	0.0
<b>Nigeria</b>	8	0	0.0	0.0

\* The following economies are also good practice economies for :

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

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

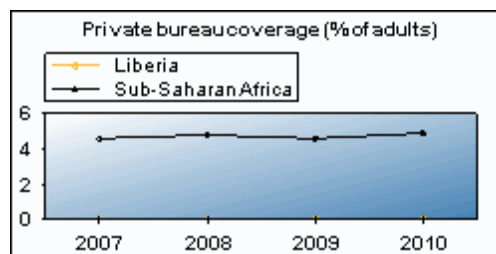
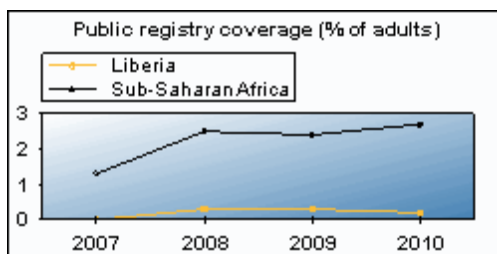
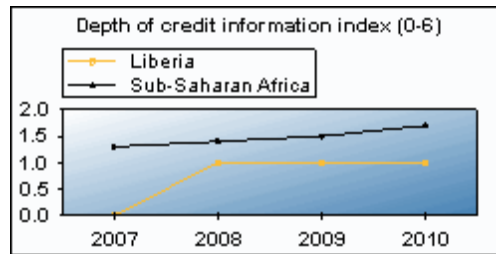
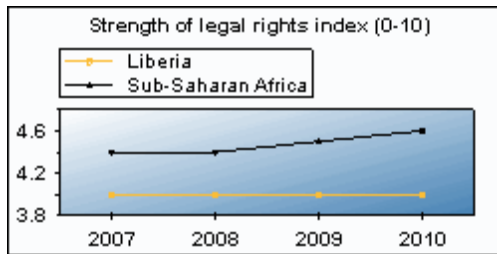
**27 countries have the highest credit information index.**



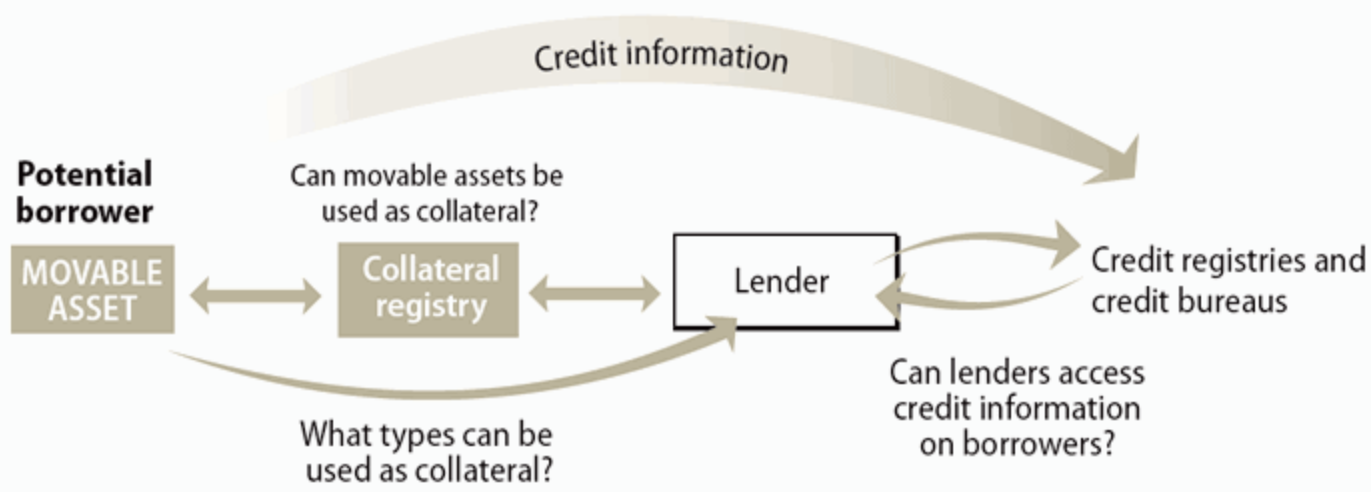
## 2. Historical data: Getting Credit in Liberia

Getting Credit data	Doing Business 2008	Doing Business 2009	Doing Business 2010	Doing Business 2011
Rank	..	..	135	138
Strength of legal rights index (0-10)	4	4	4	4
Depth of credit information index (0-6)	0	1	1	1
Private bureau coverage (% of adults)	0.0	0.0	0.0	0.0
Public registry coverage (% of adults)	0.0	0.3	0.3	0.2

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

Getting Credit Indicators (2010)			Indicator
<b>Private bureau coverage (% of adults)</b>	<b>Private credit bureau</b>	<b>Public credit registry</b>	<b>1</b>
Are data on both firms and individuals distributed?	No	Yes	1
Are both positive and negative data distributed?	No	No	0
Does the registry distribute credit information from retailers, trade creditors or utility companies as well as financial institutions?	No	No	0
Are more than 2 years of historical credit information distributed?	No	No	0
Is data on all loans below 1% of income per capita distributed?	No	No	0
Is it guaranteed by law that borrowers can inspect their data in the largest credit registry?	No	No	0
<b>Coverage</b>	0.0	0.2	
Number of individuals		0	..
Number of firms		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 ?

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

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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)

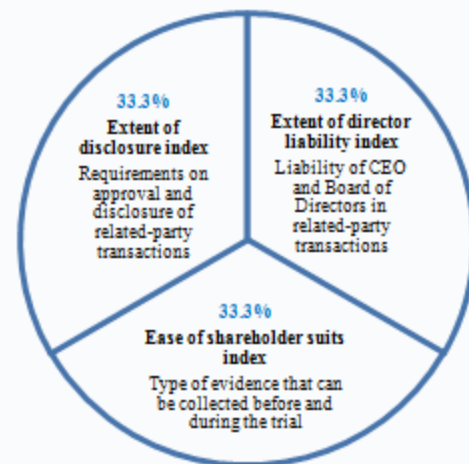
- Documents and information available during trial
- Access to internal corporate documents (directly or through a government inspector)

#### 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.

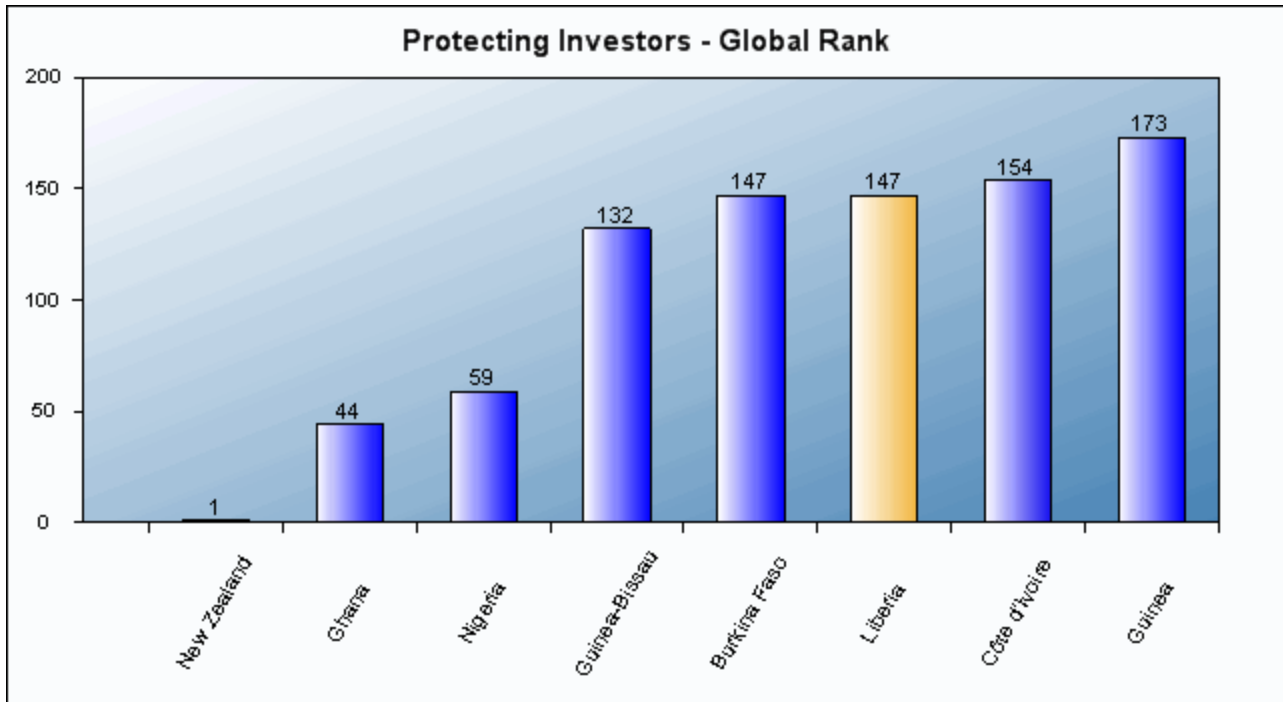
#### The transaction

- 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:

Liberia is ranked 147 overall for Protecting Investors.

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



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

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

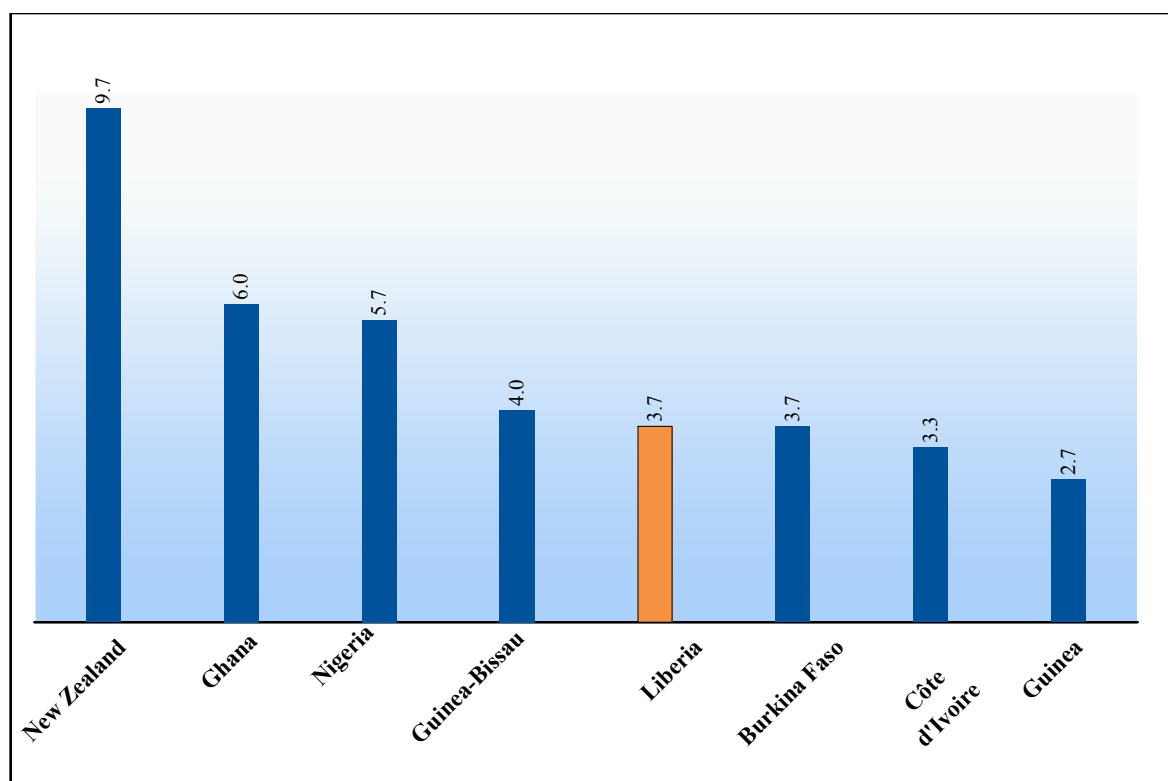
<i>Selected Economy</i>	
<b>Liberia</b>	<b>3.7</b>

<i>Comparator Economies</i>	
<b>Burkina Faso</b>	3.7
<b>Côte d'Ivoire</b>	3.3
<b>Ghana</b>	6.0
<b>Guinea</b>	2.7
<b>Guinea-Bissau</b>	4.0
<b>Nigeria</b>	5.7

## 2. Historical data: Protecting Investors in Liberia

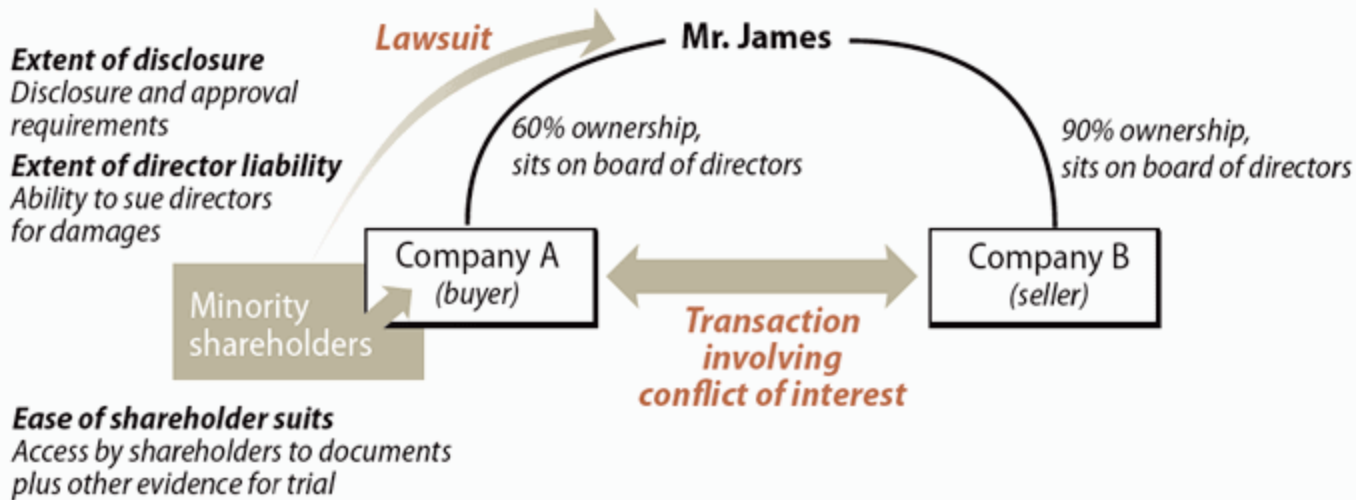
Protecting Investors data	Doing Business 2008	Doing Business 2009	Doing Business 2010	Doing Business 2011
Rank	..	..	146	147
Strength of investor protection index (0-10)	3.7	3.7	3.7	3.7

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

Protecting Investors Data (2010)	Indicator
<b>Extent of disclosure index (0-10)</b>	<b>4</b>
What corporate body provides legally sufficient approval for the transaction?	2
Whether immediate disclosure of the transaction to the public and/or shareholders is required?	0
Whether disclosure of the transaction in published periodic filings (annual reports) is required?	0
Whether disclosure of the conflict of interest by Mr. James to the board of directors is required?	2
Whether an external body must review the terms of the transaction before it takes place?	0
<b>Extent of director liability index (0-10)</b>	<b>1</b>
Whether shareholders can hold Mr. James liable for the damage that the Buyer-Seller transaction causes to the company?	0
Whether shareholders can hold the approving body (the CEO or board of directors) liable for the damage that the Buyer-Seller transaction causes to the company?	0
Whether a court can void the transaction upon a successful claim by a shareholder plaintiff?	0
Whether Mr. James pays damages for the harm caused to the company upon a successful claim by the shareholder plaintiff?	0



Whether Mr. James repays profits made from the transaction upon a successful claim by the shareholder plaintiff?	0
Whether fines and imprisonment can be applied against Mr. James?	0
Whether shareholders can sue directly or derivatively for the damage that the Buyer-Seller transaction causes to the company?	1
<b>Ease of shareholder suits index (0-10)</b>	<b>6</b>
Whether the plaintiff can obtain any documents from the defendant and witnesses during trial?	3
Whether the plaintiff can directly question the defendant and witnesses during trial?	2
Whether the plaintiff can request categories of documents from the defendant without identifying specific ones?	0
Whether shareholders owning 10% or less of Buyer's shares can request an inspector to investigate the transaction?	0
Whether the level of proof required for civil suits is lower than that of criminal cases?	1
Whether shareholders owning 10% or less of Buyer's shares can inspect transaction documents before filing suit?	0
<b>Strength of investor protection index (0-10)</b>	<b>3.7</b>

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)

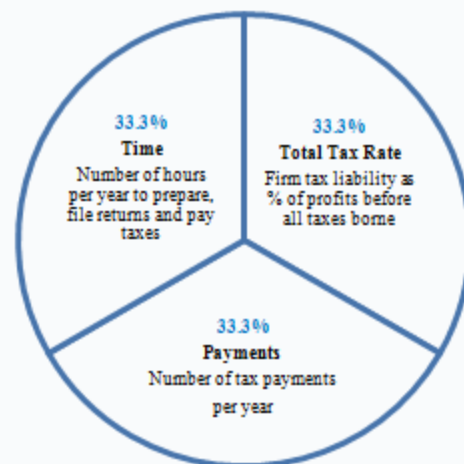
- Collecting information and computing the tax payable
- Completing tax return forms, filing with proper agencies
- Arranging payment or withholding
- Preparing separate tax accounting books, if required

**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



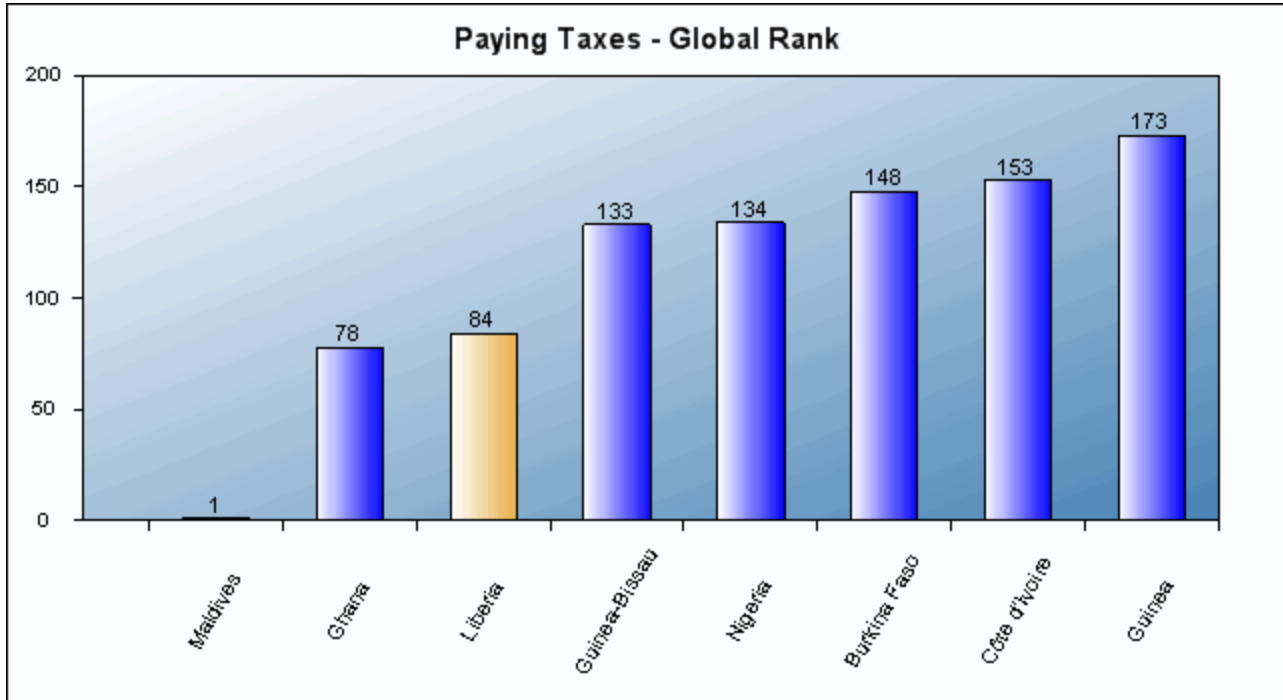
### Case Study Assumptions

- 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:

Liberia is ranked 84 overall for Paying Taxes.

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



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

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

<i>Selected Economy</i>			
<b>Liberia</b>	<b>32</b>	<b>158</b>	<b>43.7</b>

<i>Comparator Economies</i>			
<b>Burkina Faso</b>	46	270	44.9
<b>Côte d'Ivoire</b>	64	270	44.4
<b>Ghana</b>	33	224	32.7
<b>Guinea</b>	56	416	54.6
<b>Guinea-Bissau</b>	46	208	45.9
<b>Nigeria</b>	35	938	32.2

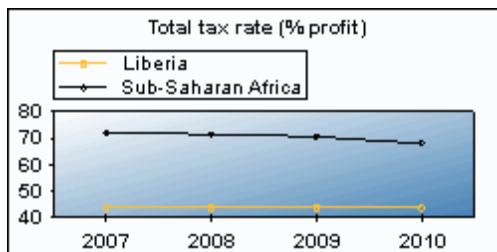
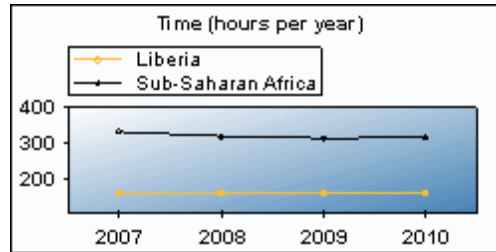
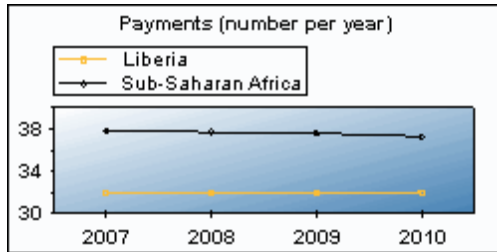
\* The following economies are also good practice economies for :

**Payments (number per year): Qatar**

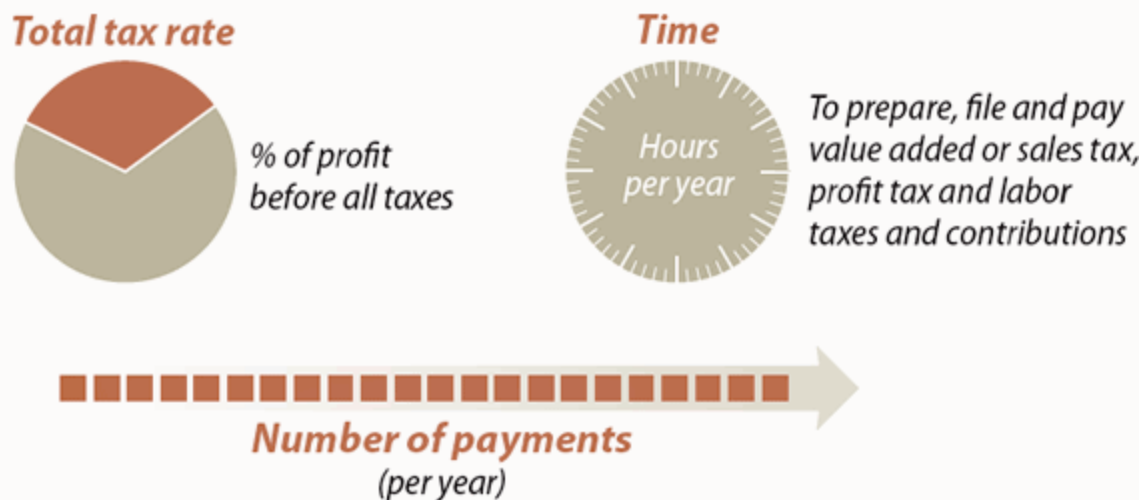
## 2. Historical data: Paying Taxes in Liberia

Paying Taxes data	Doing Business 2008	Doing Business 2009	Doing Business 2010	Doing Business 2011
Rank	..	..	84	84
Total tax rate (% profit)	43.7	43.7	43.7	43.7
Payments (number per year)	32	32	32	32
Time (hours per year)	158	158	158	158

## 3. The following graphs illustrate the Paying Taxes sub indicators in Liberia 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 Liberia, as well as measures of administrative burden in paying taxes.

Tax or mandatory contribution	Payments (number)	Notes on Payments	Time (hours)	Statutory tax rate	Tax base	Total tax rate (% profit)	Notes on TTR
Stamp duty	1						
VAT	12		42	7.0%	value added		
Corporate income tax	4		57	35.0%	taxable profit	0.00	
Tax on interest	0	withheld		10.0%	Money market account interest	0.30	
Municipal tax	1			fee scale	type of business	0.70	
Fuel tax	1				value of fuel consumption	0.80	
Property tax	1			1.0%	Assessed Value of building	1.50	
Social security	12		59	6% split 50:50 employer:employee	gross salaries	5.40	

Turnover tax	0	2.0%	last year's turnover	35.40
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<b>Totals</b>	<b>32</b>	<b>158</b>		<b>43.7</b>
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Making trade between countries easier is increasingly important for business in today's globalized world. Excessive document requirements, burdensome customs procedures, inefficient port operations and inadequate infrastructure all lead to extra costs and delays for exporters and importers, stifling trade potential. Trade facilitation tools such as electronic data interchange systems, risk-based inspections, and single windows help improve an economy's trading environment and boost firms' international competitiveness. *Doing Business* trade indicators take into account documents, cost and time associated with every procedure for trading a standard shipment of goods by ocean transport. Research indicates that exporters in developing countries have much more to gain by a 10% drop in their trading costs than from a similar decrease of the tariffs applied to their products in global markets.

### Some reform outcomes

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

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

### What do the Trading Across Borders indicators measure?

**Trading Across Borders:** exporting and importing by ocean transport

Rankings are based on 3 subindicators

#### Documents required to export and import (number)

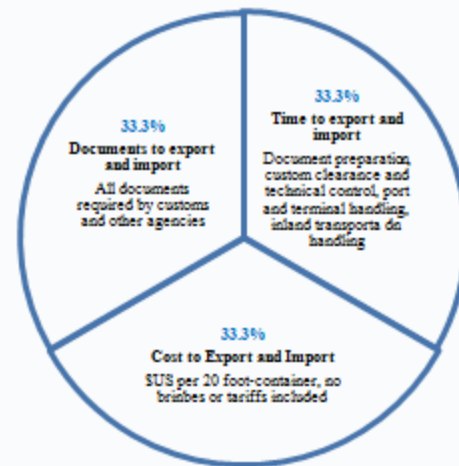
- Bank documents
- Customs clearance documents
- Port and terminal handling documents
- Transport documents

#### Time required to export and import (days)

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

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

- All documentation
- Inland transport and handling
- Customs clearance and inspections
- Port and terminal handling
- Official costs only, no bribes



### Case Study Assumptions

#### The Business

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

#### The traded product

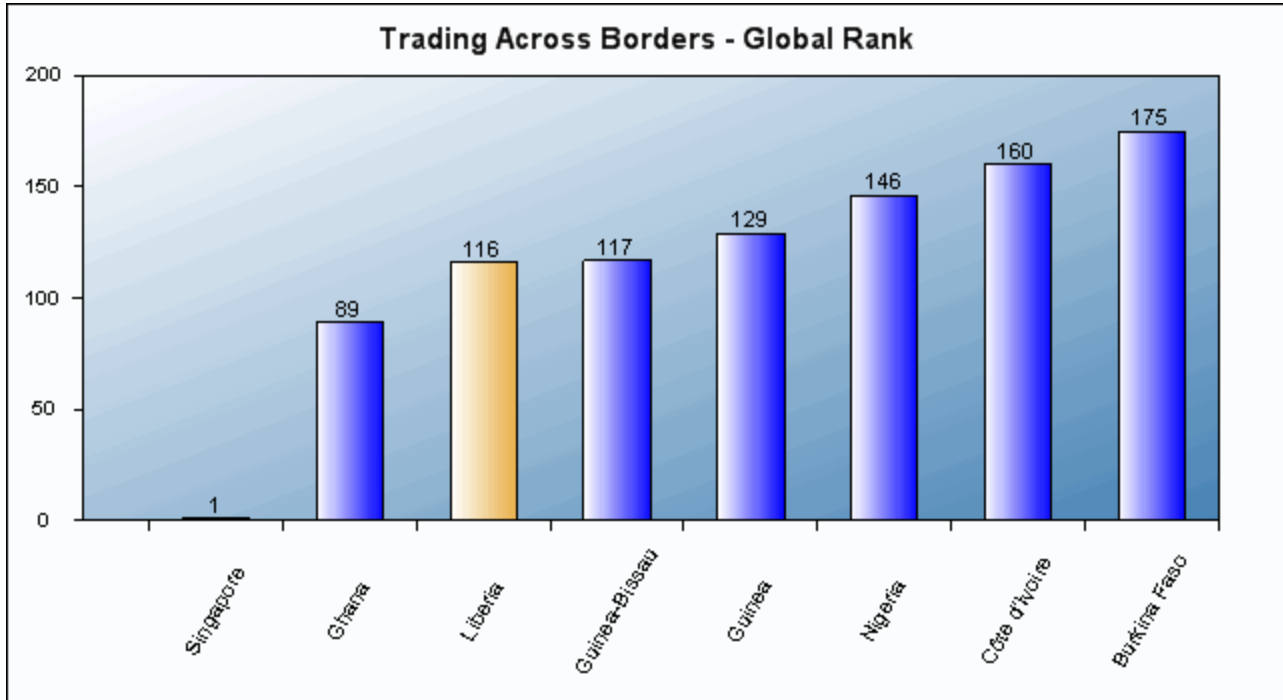
- Is transported in a dry-cargo, 20-foot full container load; weighs 10 tons and is valued at \$20,000
- Is not hazardous or include military items; it does not require special phytosanitary or environmental safety standards, refrigeration or any other special environment
- Is one of the economy's leading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



## 1. Benchmarking Trading Across Borders Regulations:

Liberia is ranked 116 overall for Trading Across Borders.

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



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

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

<i>Selected Economy</i>						
<b>Liberia</b>	<b>10</b>	<b>17</b>	<b>1232</b>	<b>9</b>	<b>15</b>	<b>1212</b>

<i>Comparator Economies</i>						
<b>Burkina Faso</b>	10	41	2412	10	49	4030
<b>Côte d'Ivoire</b>	10	25	1969	9	36	2577
<b>Ghana</b>	6	19	1013	7	29	1203
<b>Guinea</b>	7	35	855	9	32	1391
<b>Guinea-Bissau</b>	6	23	1545	6	22	2349
<b>Nigeria</b>	10	24	1263	9	39	1440

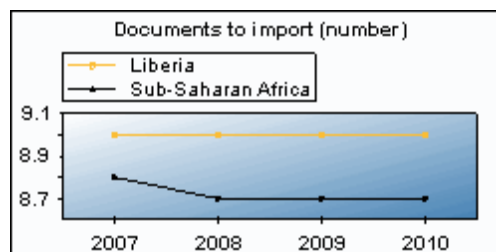
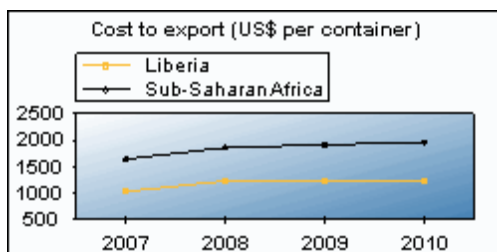
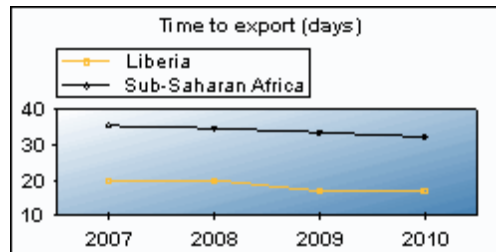
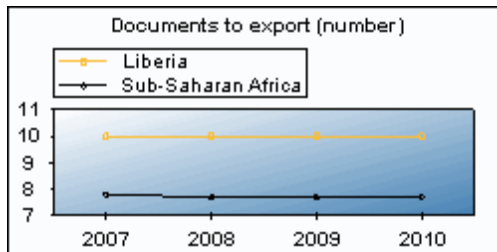
\* The following economies are also good practice economies for :

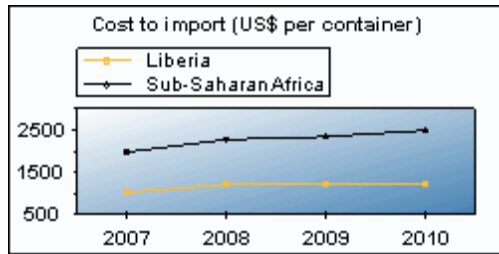
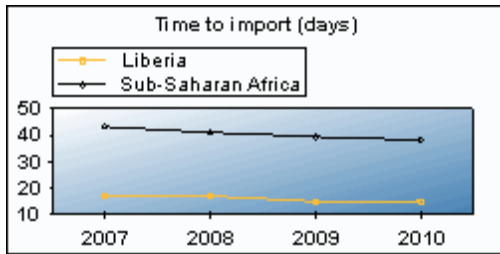
**Time to export (days): Estonia**

## 2. Historical data: Trading Across Borders in Liberia

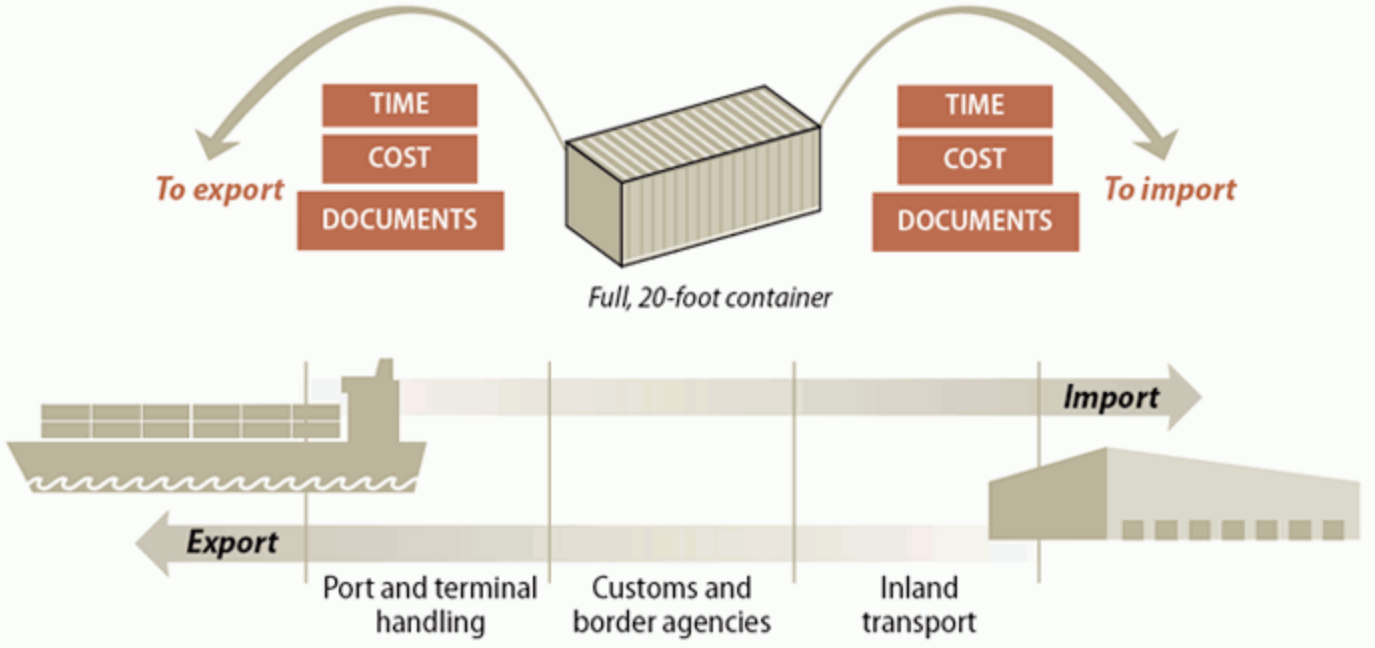
Trading Across Borders data	Doing Business 2008	Doing Business 2009	Doing Business 2010	Doing Business 2011
Rank	..	..	115	116
Cost to export (US\$ per container)	1032	1232	1232	1232
Cost to import (US\$ per container)	1032	1212	1212	1212
Documents to export (number)	10	10	10	10
Documents to import (number)	9	9	9	9
Time to export (days)	20	20	17	17
Time to import (days)	17	17	15	15

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

Nature of Export Procedures (2010)	Duration (days)	US\$ Cost
Documents preparation	9	225
Customs clearance and technical control	3	355
Ports and terminal handling	2	252
Inland transportation and handling	3	400
Totals	17	1232

Nature of Import Procedures (2010)	Duration (days)	US\$ Cost
Documents preparation	9	480
Customs clearance and technical control	1	355
Ports and terminal handling	3	127
Inland transportation and handling	2	250
Totals	15	1212

**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
Tax certificate
Terminal handling receipts

**Import**

Bill of lading
Cargo release order
Certificate of origin
Commercial invoice
Customs import declaration
Import license
Inspection report
Packing list
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?

**Enforcing Contracts:** resolving a commercial dispute through the courts

Rankings are based on 3 subindicators

#### Procedures to enforce a contract (number)

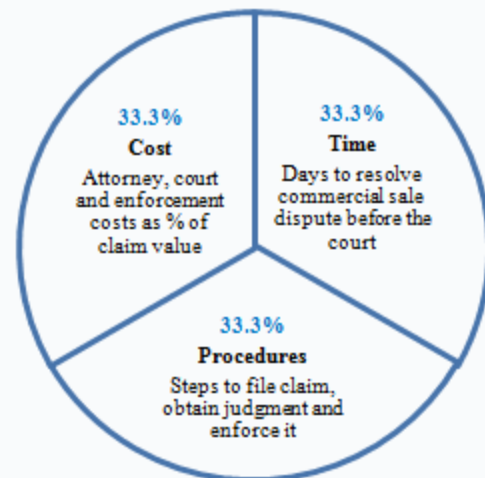
- Any interaction between the parties in a commercial dispute, or between them and the judge or court officer
- Steps to file the case
- Steps for trial and judgment
- Steps to enforce the judgment

#### Time required to complete procedures (calendar days)

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

#### Cost required to complete procedures (% of claim)

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



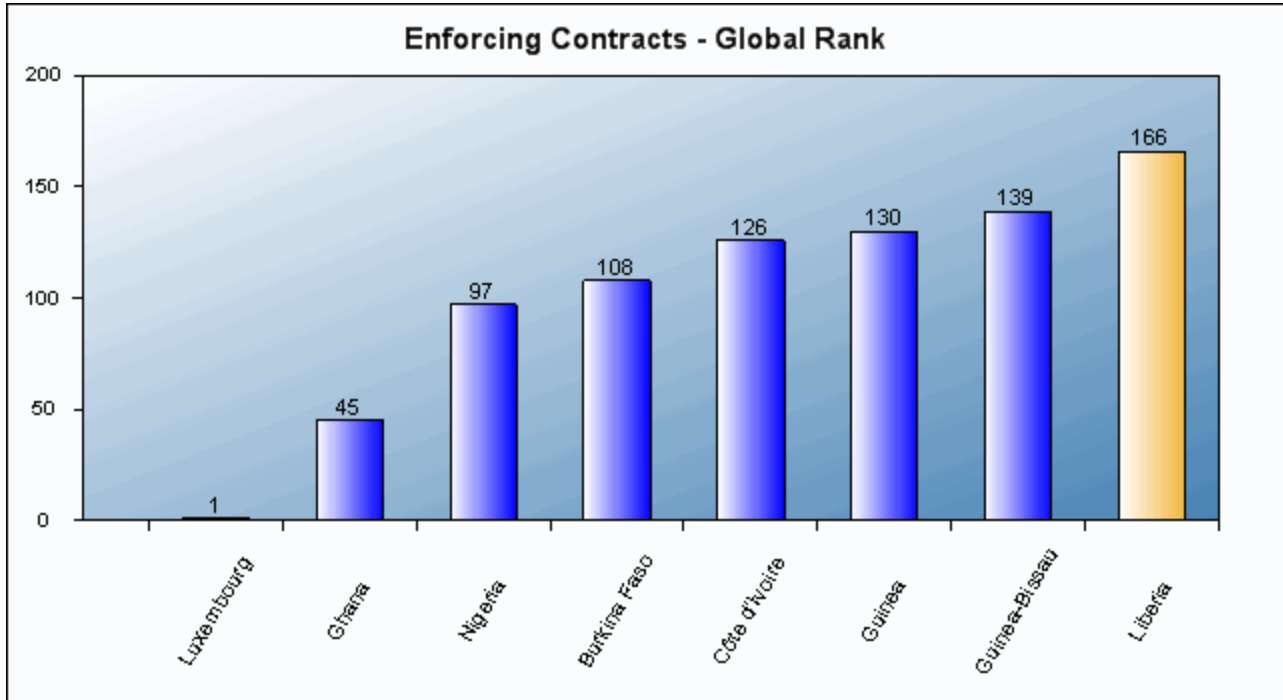
#### Case Study Assumptions

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

## 1. Benchmarking Enforcing Contracts Regulations:

Liberia is ranked 166 overall for Enforcing Contracts.

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





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

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

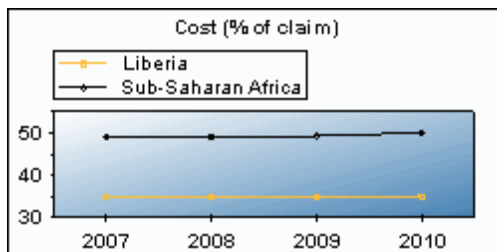
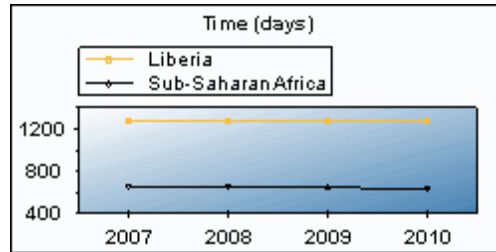
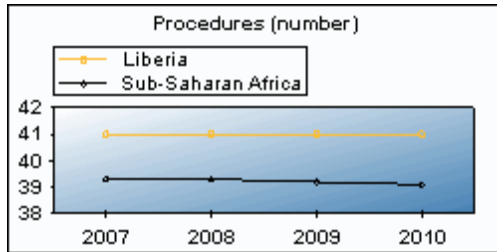
<i>Selected Economy</i>			
<b>Liberia</b>	<b>41</b>	<b>1280</b>	<b>35.0</b>

<i>Comparator Economies</i>			
<b>Burkina Faso</b>	37	446	81.7
<b>Côte d'Ivoire</b>	33	770	41.7
<b>Ghana</b>	36	487	23.0
<b>Guinea</b>	50	276	45.0
<b>Guinea-Bissau</b>	40	1140	25.0
<b>Nigeria</b>	40	457	32.0

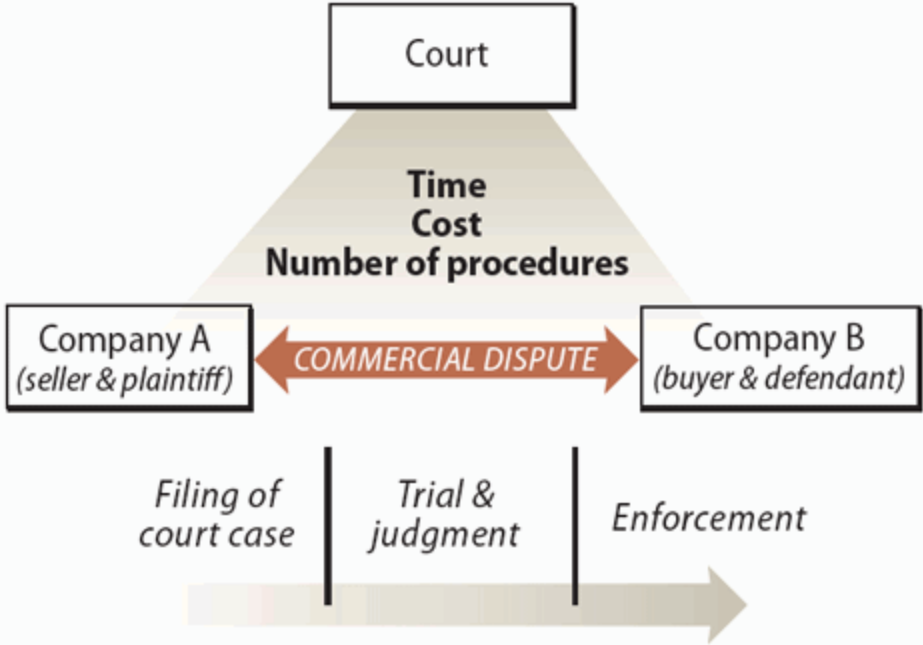
## 2. Historical data: Enforcing Contracts in Liberia

Enforcing Contracts data	Doing Business 2008	Doing Business 2009	Doing Business 2010	Doing Business 2011
Rank	..	..	166	166
Procedures (number)	41	41	41	41
Time (days)	1280	1280	1280	1280
Cost (% of claim)	35.0	35.0	35.0	35.0

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

Nature of Procedure (2010)	Indicator
Procedures (number)	41
Time (days)	1280
Filing and service	10.0
Trial and judgment	730.0
Enforcement of judgment	540.0
<b>Cost (% of claim)*</b>	<b>35.00</b>
Attorney cost (% of claim)	25.1
Court cost (% of claim)	6.9
Enforcement Cost (% of claim)	3.0

**Court information:** Monrovia Magisterial Court

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

A robust bankruptcy system functions as a filter, ensuring the survival of economically efficient companies and reallocating the resources of inefficient ones. Fast and cheap insolvency proceedings result in businesses' speedy return to normal operation and increase returns to creditors. By improving the expectations of creditors and debtors about the outcome of insolvency proceedings, well-functioning insolvency systems can facilitate access to finance, save more viable businesses, and thereby improve growth and sustainability in the economy overall.

### Some reform outcomes

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

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

### What does the Closing a Business indicator measure?

**Closing a Business:** insolvency proceedings against local company

#### Time required to recover debt (years)

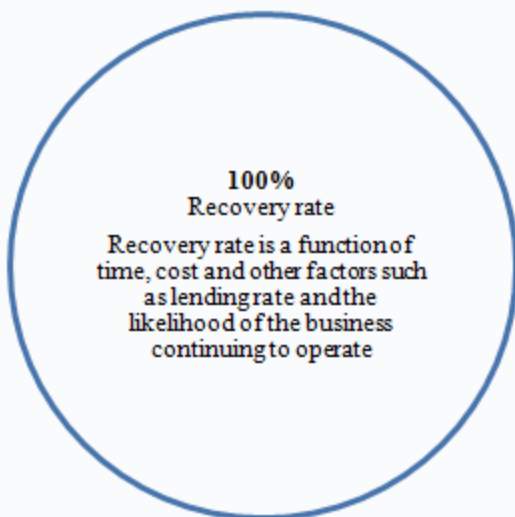
- Measured in calendar years
- Appeals and requests for extension are included

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

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

#### Recovery rate for creditors (cents on the dollar)

- Measures the cents on the dollar recovered by creditors
- Present value of debt recovered
- Costs of the insolvency proceedings are deducted
- Depreciation of furniture is taken into account
- Outcome for the business (survival or not) affects the maximum value that can be recovered



### Case Study Assumptions

#### The Company

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

## 1. Benchmarking Closing Business Regulations:

Liberia is ranked 148 overall for Closing a Business.

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



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

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

<i>Selected Economy</i>			
<b>Liberia</b>	<b>8.4</b>	<b>3.0</b>	<b>43</b>

<i>Comparator Economies</i>			
<b>Burkina Faso</b>	26.8	4.0	9
<b>Côte d'Ivoire</b>	32.8	2.2	18
<b>Ghana</b>	23.7	1.9	22
<b>Guinea</b>	19.4	3.8	8
<b>Guinea-Bissau</b>	0.0	no practice	no practice
<b>Nigeria</b>	26.8	2.0	22

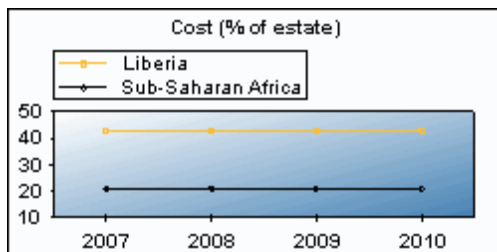
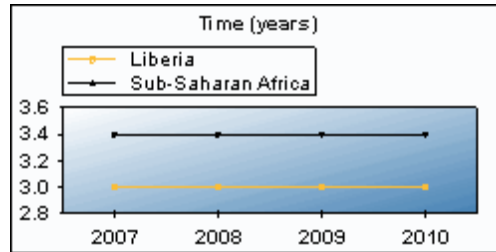
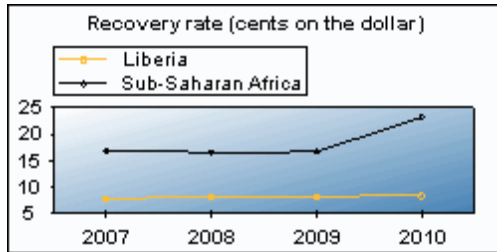
\* The following economies are also good practice economies for :

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

## 2. Historical data: Closing Business in Liberia

Closing a Business data	Doing Business 2008	Doing Business 2009	Doing Business 2010	Doing Business 2011
Rank	..	..	148	148
Time (years)	3.0	3.0	3.0	3.0
Cost (% of estate)	43	43	43	43
Recovery rate (cents on the dollar)	7.8	8.3	8.3	8.4

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

<b>Brunei Darussalam</b>	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.
<b>Burkina Faso</b>	Burkina Faso made dealing with construction permits easier by cutting the cost of the soil survey in half and the time to process a building permit application by a third. Burkina Faso reduced the statutory tax rate and the number of taxes for business and introduced simpler, uniform compliance procedures. Burkina Faso reduced documentation requirements for importers and exporters, making it easier to trade. Burkina Faso made enforcing contracts easier by setting up a specialized commercial court and abolishing the fee to register judicial decisions.
<b>Cape Verde</b>	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.
<b>Côte d'Ivoire</b>	Côte d'Ivoire eased construction permitting by eliminating the need to obtain a preliminary approval.
<b>Ghana</b>	Ghana enhanced access to credit by establishing a centralized collateral registry and by granting an operating license to a private credit bureau that began operations in April 2010.
<b>Grenada</b>	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.
<b>Guinea</b>	Guinea increased the cost of obtaining a building permit.
<b>Guinea-Bissau</b>	Guinea-Bissau established a specialized commercial court, speeding up the enforcement of contracts.
<b>Hungary</b>	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.
<b>Kazakhstan</b>	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.
<b>Peru</b>	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.
<b>Rwanda</b>	Rwanda made dealing with construction permits easier by passing new building regulations at the end of April 2010 and implementing new time limits for the issuance of various permits. Rwanda enhanced access to credit by allowing borrowers the right to inspect their own credit report and mandating that loans of all sizes be reported to the central bank's public credit registry. Rwanda reduced the number of trade documents required and enhanced its joint border management procedures with Uganda and other neighbors, leading to an improvement in the trade logistics environment.

**Tajikistan**

Tajikistan made starting a business easier by creating a one-stop shop that consolidates registration with the state and the tax authority. Tajikistan strengthened investor protections by requiring greater corporate disclosure in the annual report and greater access to corporate information for minority investors. Tajikistan lowered its corporate income tax rate.

**Vietnam**

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

**Zambia**

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



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