

12TH EDITION

Doing Business 2015

Going Beyond Efficiency

Economy Profile 2015

Nigeria



COMPARING BUSINESS REGULATIONS FOR DOMESTIC FIRMS IN 189 ECONOMIES

A World Bank Group Flagship Report

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INTRODUCTION

Doing Business sheds light on how easy or difficult it is for a local entrepreneur to open and run a small to medium-size business when complying with relevant regulations. It measures and tracks changes in regulations affecting 11 areas in the life cycle of a business: starting a business, dealing with construction permits, getting electricity, registering property, getting credit, protecting minority investors, paying taxes, trading across borders, enforcing contracts, resolving insolvency and labor market regulation.

In a series of annual reports *Doing Business* presents quantitative indicators on business regulations and the protection of property rights that can be compared across 189 economies, from Afghanistan to Zimbabwe, over time. The data set covers 47 economies in Sub-Saharan Africa, 32 in Latin America and the Caribbean, 25 in East Asia and the Pacific, 26 in Eastern Europe and Central Asia, 20 in the Middle East and North Africa and 8 in South Asia, as well as 31 OECD high-income economies. The indicators are used to analyze economic outcomes and identify what reforms have worked, where and why.

This economy profile presents the *Doing Business* indicators for Nigeria. To allow useful comparison, it also provides data for other selected economies (comparator economies) for each indicator. The data in this report are current as of June

1, 2014 (except for the paying taxes indicators, which cover the period January–December 2013).

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 and getting electricity), the security of property from theft and looting, the transparency of government procurement, macroeconomic conditions or the underlying strength of institutions—are not directly studied by *Doing Business*. 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 policy makers in designing regulatory reform.

More information is available in the full report. *Doing Business 2015* presents the indicators, analyzes their relationship with economic outcomes and presents business regulatory reforms. The data, along with information on ordering *Doing Business 2015*, are available on the *Doing Business* website at <http://www.doingbusiness.org>.

CHANGES IN *DOING BUSINESS 2015*

As part of a 2-year update in methodology, *Doing Business 2015* incorporates 7 important changes. First, the ease of doing business ranking as well as all topic-level rankings are now computed on the basis of distance to frontier scores (see the chapter on the distance to frontier and ease of doing business ranking). Second, for the 11 economies with a population of more than 100 million, data for a second city have been added to the data set and the ranking calculation. These economies are Bangladesh, Brazil, China, India, Indonesia, Japan, Mexico, Nigeria, Pakistan, the Russian Federation and the United States. Third, for getting credit, the methodology has been revised for both the strength of legal rights index and the depth of credit information index. The number of points has been increased in both indices, from 10 to 12 for the strength of legal rights index and from 6 to 8 for the depth of credit information index. In addition, only credit bureaus and registries that cover at least 5% of the adult population can receive a score on the depth of credit information index.

Fourth, the name of the protecting investors indicator set has been changed to protecting minority investors to better reflect its scope—and the scope of the indicator set has been expanded to include shareholders' rights in corporate governance beyond related-party transactions. Fifth, the resolving insolvency indicator set has been expanded to include an index measuring the strength of the legal framework for insolvency. Sixth, the calculation of the distance to frontier score for paying taxes has been changed. The total tax rate component now enters the score in a nonlinear fashion, in an approach different from that used for all other indicators (see the chapter on the distance to frontier and ease of doing business ranking).

Finally, the name of the employing workers indicator set has been changed to labor market regulation, and the scope of this indicator set has also been changed. The indicators now focus on labor market regulation applying to the retail sector rather than the manufacturing sector, and their coverage has been expanded to include regulations on labor disputes and on benefits provided to workers. The labor market regulation indicators continue to be excluded from the aggregate distance to frontier score and ranking on the ease of doing business.

Beyond these changes there are 3 other updates in methodology. For paying taxes, the financial statement variables have been updated to be proportional to 2012 income per capita; previously they were proportional to 2005 income per capita. For enforcing contracts, the value of the claim is now set at twice the income per capita or \$5,000, whichever is greater. For dealing with construction permits, the cost of construction is now set at 50 times income per capita (before, the cost was assessed by the *Doing Business* respondents). In addition, this indicator set no longer includes the procedures for obtaining a landline telephone connection.

For more details on the changes, see the "What is changing in *Doing Business*?" chapter starting on page 24 of the *Doing Business 2015* report. For more details on the data and methodology, please see the "Data Notes" chapter starting on page 114 of the *Doing Business 2015* report. For more details on the distance to frontier metric, please see the "Distance to frontier and ease of doing business ranking" chapter in this profile.

THE BUSINESS ENVIRONMENT

For policy makers trying to improve their economy's regulatory environment for business, a good place to start is to find out how it compares with the regulatory environment in other economies. *Doing Business* provides an aggregate ranking on the ease of doing business based on indicator sets that measure and benchmark regulations applying to domestic small to medium-size businesses through their life cycle. Economies are ranked from 1 to 189 by the ease of doing business ranking. This year's report presents results for 2 aggregate measures: the distance to frontier score and the ease of doing business ranking. The ranking of economies is determined by sorting the aggregate distance to frontier (DTF) scores. The distance to frontier score benchmarks economies with respect to regulatory practice, showing the absolute distance to the best performance in each *Doing Business* indicator. An economy's distance to frontier score is indicated on a scale from 0 to 100, where 0 represents the worst performance and 100 the frontier. (See the chapter on the distance to frontier and ease of doing business). The 10 topics included in the ranking in *Doing Business 2015*: starting a business, dealing with construction permits, getting electricity, registering property, getting credit, protecting minority investors, paying taxes, trading across borders, enforcing contracts and resolving insolvency. The labor market regulation indicators (formerly employing workers) are not included in this year's aggregate ease of doing business ranking, but the data are presented in this year's economy profile.

The aggregate ranking on the ease of doing business benchmarks each economy's performance on the indicators against that of all other economies in the *Doing Business* sample (figure 1.1). While this ranking tells much about the business environment in an economy, it does not tell the whole story. The ranking on the ease of doing business, and the underlying indicators, do not measure all aspects of the business environment that matter to firms and investors or that affect the competitiveness of the economy. Still, a high ranking does mean that the government has created a regulatory environment conducive to operating a business.

ECONOMY OVERVIEW

Region: Sub-Saharan Africa

Income category: Lower middle income

Population: 173,615,345

GNI per capita (US\$): 2,760

DB2015 rank: 170

DB2014 rank: 175*

Change in rank: 5

DB 2015 DTF: 47.3

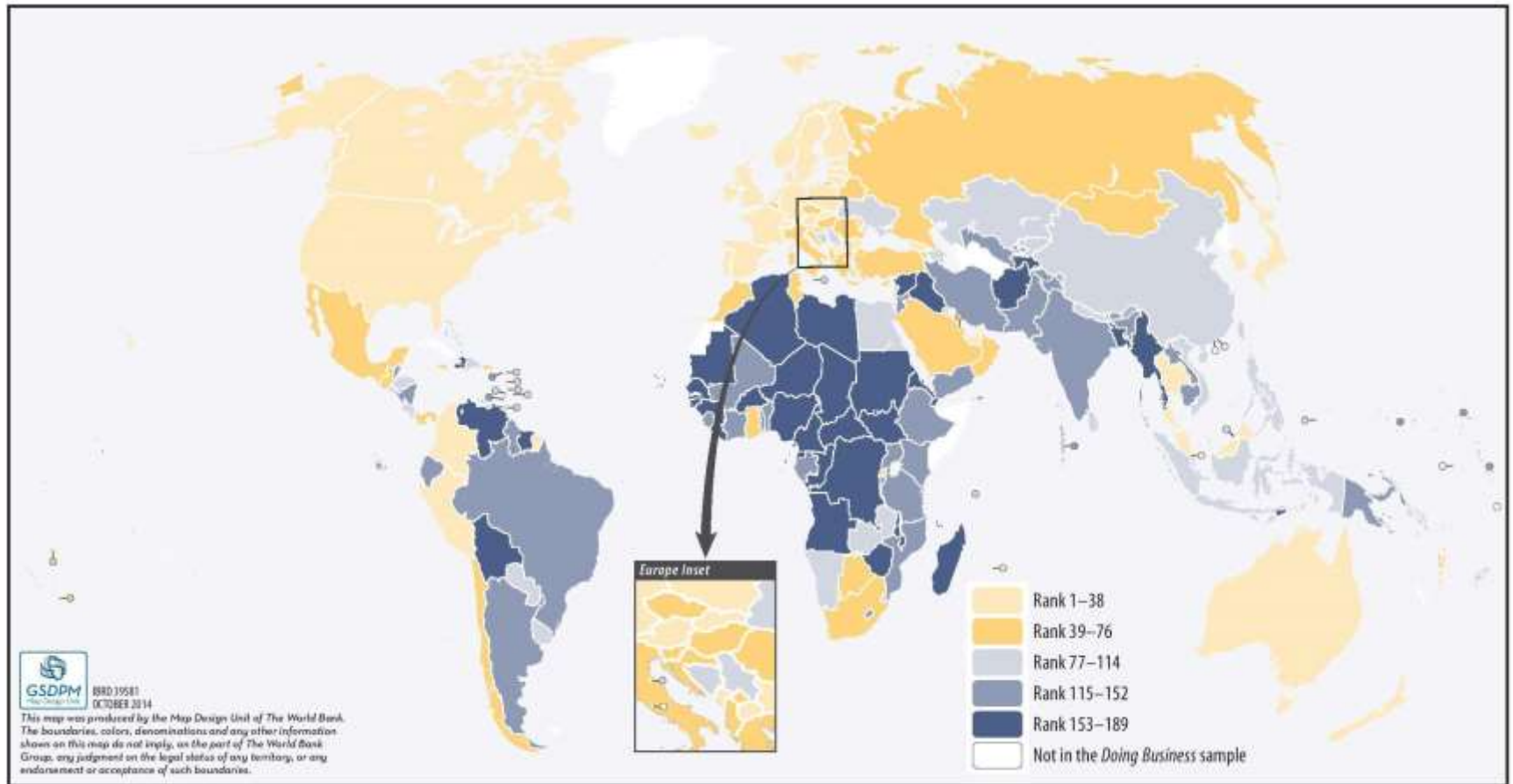
DB 2014 DTF: 43.7

Change in DTF: 3.6

* DB2014 ranking shown is not last year's published ranking but a comparable ranking for DB2014 that captures the effects of such factors as data corrections and the changes in methodology. See the data notes starting on page 114 of the *Doing Business 2015* report for sources and definitions.

THE BUSINESS ENVIRONMENT

Figure 1.1 Where economies stand in the global ranking on the ease of doing business



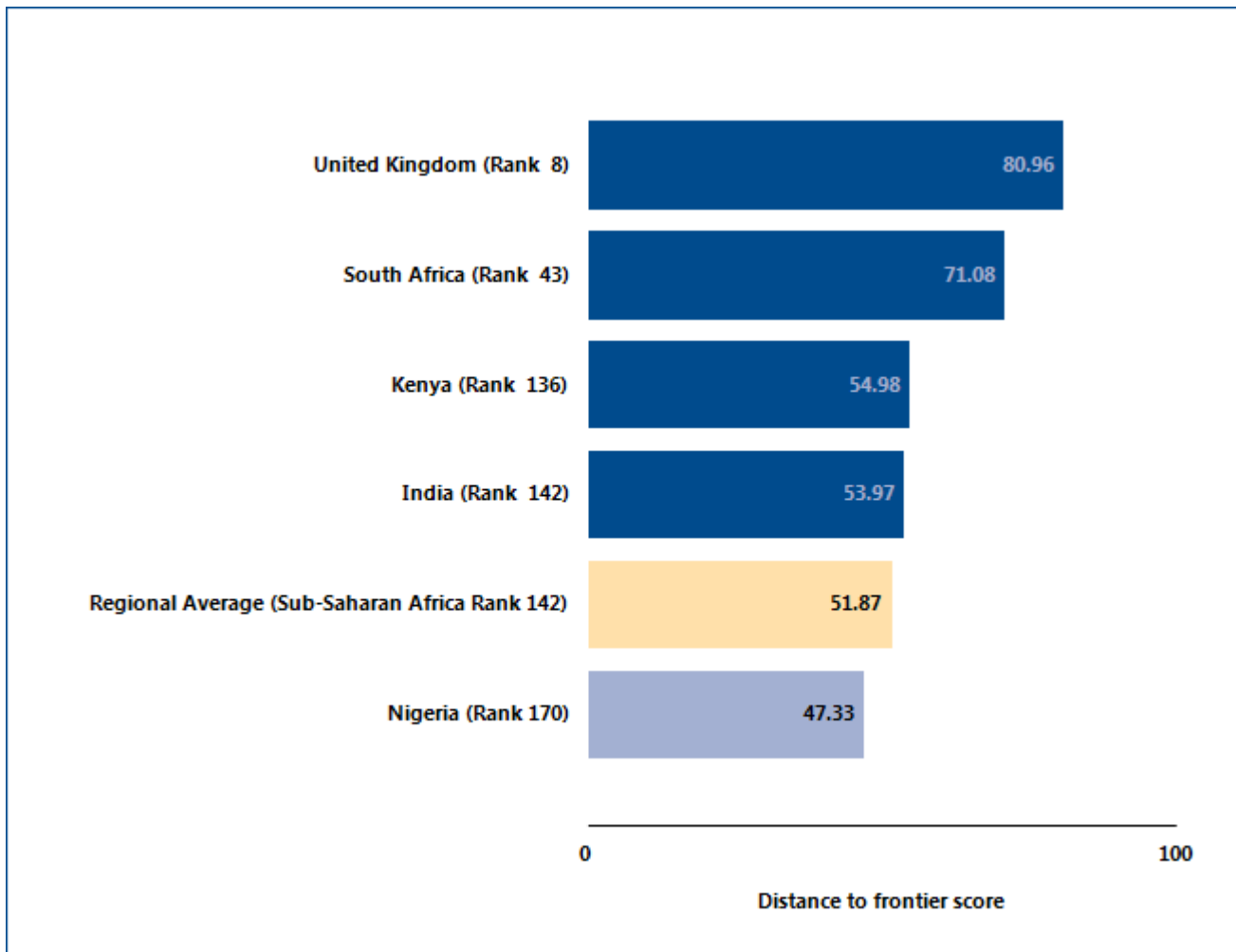
Source: *Doing Business* database.

THE BUSINESS ENVIRONMENT

For policy makers, knowing where their economy stands in the aggregate ranking on the ease of doing business is useful. Also useful is to know how it ranks relative to comparator economies and relative to the

regional average (figure 1.2). The economy's rankings (figure 1.3) and distance to frontier scores (figure 1.4) on the topics included in the ease of doing business ranking provide another perspective.

Figure 1.2 How Nigeria and comparator economies rank on the ease of doing business



Note: The rankings are benchmarked to June 2014 and based on the average of each economy's distance to frontier (DTF) scores for the 10 topics included in this year's aggregate ranking. The distance to frontier score benchmarks economies with respect to regulatory practice, showing the absolute distance to the best performance in each *Doing Business* indicator. An economy's distance to frontier score is indicated on a scale from 0 to 100, where 0 represents the worst performance and 100 the frontier. For the economies for which the data cover 2 cities, scores are a population-weighted average for the 2 cities.

Source: *Doing Business* database.

THE BUSINESS ENVIRONMENT

Figure 1.3 Rankings on *Doing Business* topics - Nigeria
 (Scale: Rank 189 center, Rank 1 outer edge)

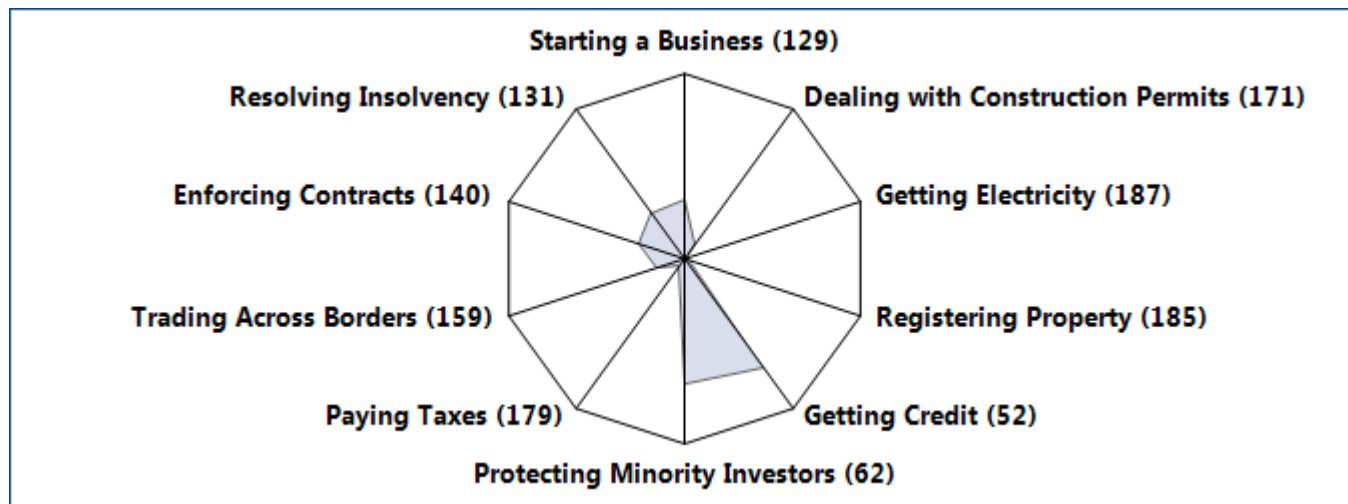
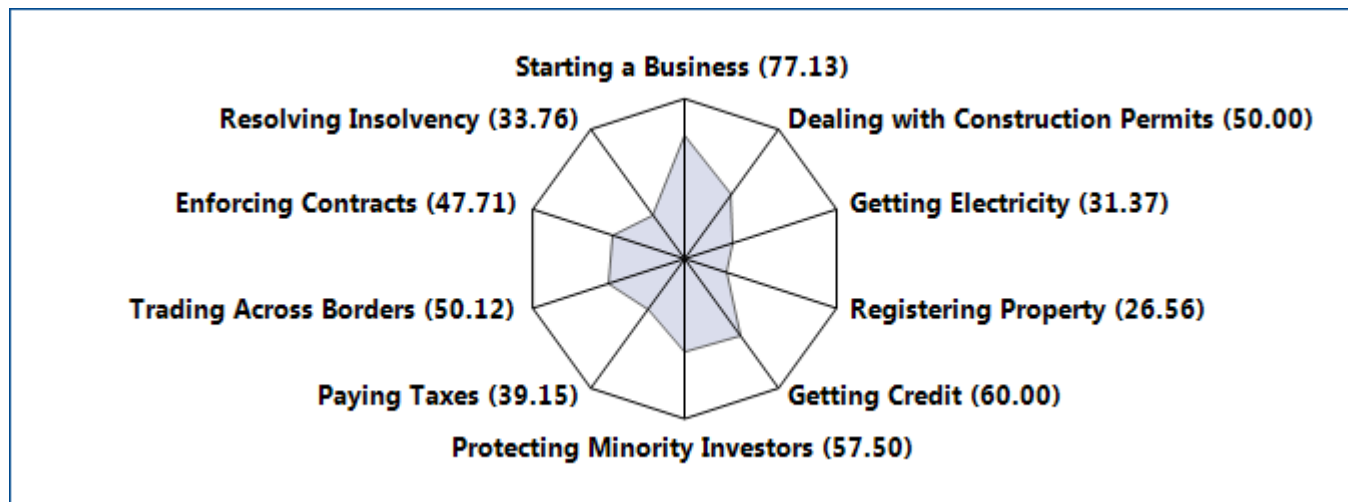


Figure 1.4 Distance to frontier scores on *Doing Business* topics - Nigeria
 (Scale: Score 0 center, Score 100 outer edge)



Note: The rankings are benchmarked to June 2014 and based on the average of each economy's distance to frontier (DTF) scores for the 10 topics included in this year's aggregate ranking. The distance to frontier score benchmarks economies with respect to regulatory practice, showing the absolute distance to the best performance in each *Doing Business* indicator. An economy's distance to frontier score is indicated on a scale from 0 to 100, where 0 represents the worst performance and 100 the frontier. For the economies for which the data cover 2 cities, scores are a population-weighted average for the 2 cities.
 Source: *Doing Business* database.

THE BUSINESS ENVIRONMENT

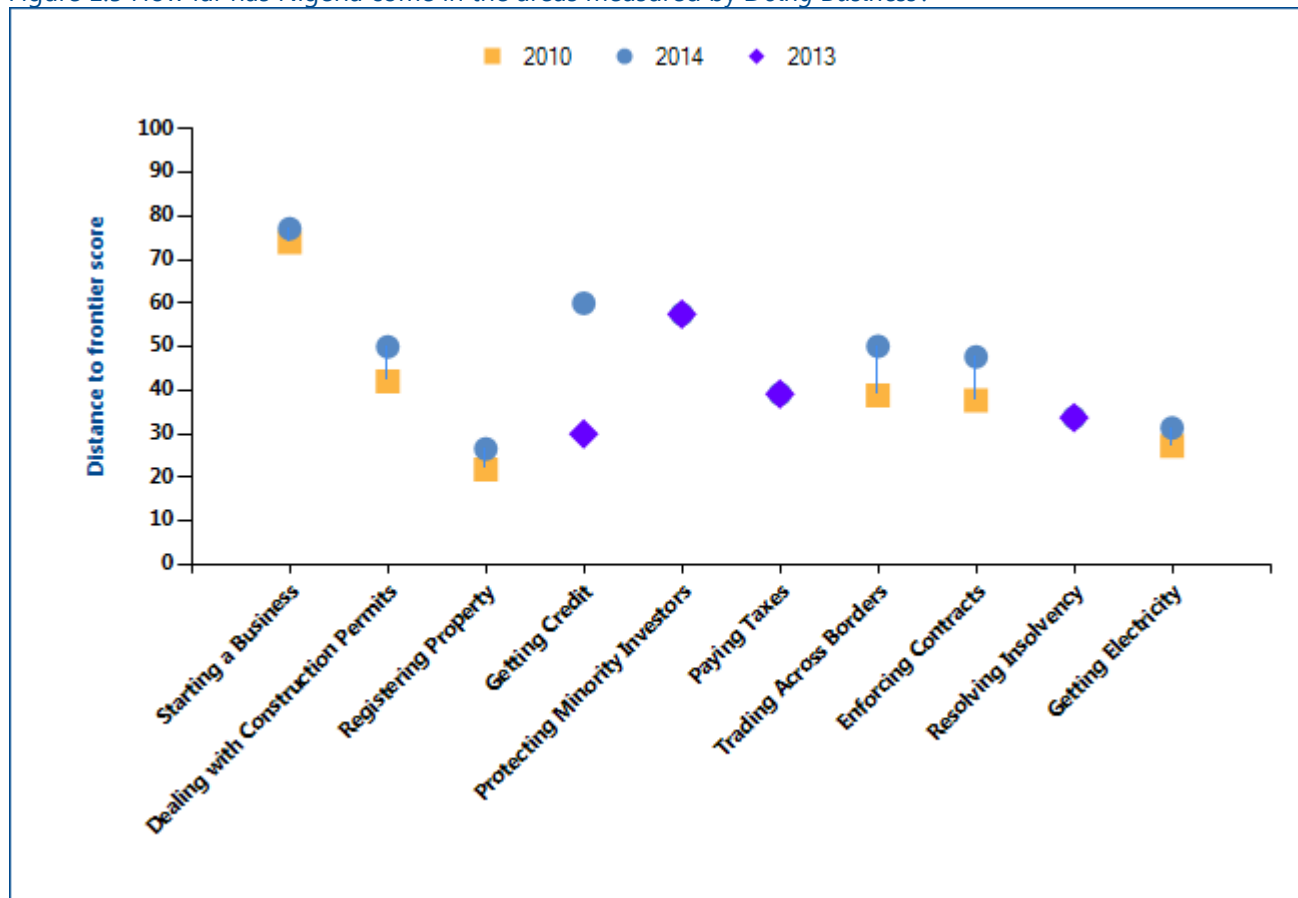
Just as the overall ranking on the ease of doing business tells only part of the story, so do changes in that ranking. Yearly movements in rankings can provide some indication of changes in an economy’s regulatory environment for firms, but they are always relative.

Moreover, year-to-year changes in the overall rankings do not reflect how the business regulatory environment in an economy has changed over time—or how it has changed in different areas. To aid in assessing such changes,

Doing Business introduced the distance to frontier score. This measure shows how far on average an economy is from the best performance achieved by any economy on each *Doing Business* indicator.

Comparing the measure for an economy at 2 points in time allows users to assess how much the economy’s regulatory environment as measured by *Doing Business* has changed over time—how far it has moved toward (or away from) the most efficient practices and strongest regulations in areas covered by *Doing Business* (figure 1.5).

Figure 1.5 How far has Nigeria come in the areas measured by *Doing Business*?



Note: The distance to frontier score shows how far on average an economy is from the best performance achieved by any economy on each *Doing Business* indicator since 2010, except for getting credit, paying taxes, protecting minority investors and resolving insolvency which had methodology changes in 2014 and thus are only comparable to 2013. The measure is normalized to range between 0 and 100, with 100 representing the best performance (the frontier). See the data notes starting on page 114 of the *Doing Business 2015* report for more details on the distance to frontier score.

Source: *Doing Business* database.

THE BUSINESS ENVIRONMENT

The absolute values of the indicators tell another part of the story (table 1.1). The indicators, on their own or in comparison with the indicators of a good practice economy or those of comparator economies in the region, may reveal bottlenecks reflected in large numbers of procedures, long delays or high costs. Or they may reveal unexpected strengths in an area of business

regulation—such as a regulatory process that can be completed with a small number of procedures in a few days and at a low cost. Comparison of the economy's indicators today with those in the previous year may show where substantial bottlenecks persist—and where they are diminishing.

Table 1.1 Summary of *Doing Business* indicators for Nigeria

Indicator	Nigeria DB2015	Nigeria DB2014	Lagos DB2015	Kano DB2015	India DB2015	Kenya DB2015	South Africa DB2015	United Kingdom DB2015	Best performer globally DB2015
Starting a Business (rank)	129	138	--	--	158	143	61	45	New Zealand (1)
Starting a Business (DTF Score)	77.13	73.76	78.91	71.19	68.42	74.02	89.43	91.23	New Zealand (99.96)
Procedures (number)	8.7	8.7	8.0	11.0	11.9	10.0	5.0	6.0	New Zealand (1.0)*
Time (days)	30.8	30.8	28.0	40.0	28.4	30.0	19.0	6.0	New Zealand (0.5)
Cost (% of income per capita)	31.6	58.7	31.1	33.5	12.2	42.7	0.3	0.3	Slovenia (0.0)
Paid-in min. capital (% of income per capita)	0.0	0.0	0.0	0.0	111.2	0.0	0.0	0.0	112 Economies (0.0)*
Dealing with Construction Permits (rank)	171	168	--	--	184	95	32	17	Hong Kong SAR, China (1)
Dealing with Construction Permits (DTF Score)	50.00	49.34	42.02	76.73	30.89	71.02	81.65	85.06	Hong Kong SAR, China (95.53)

Indicator	Nigeria DB2015	Nigeria DB2014	Lagos DB2015	Kano DB2015	India DB2015	Kenya DB2015	South Africa DB2015	United Kingdom DB2015	Best performer globally DB2015
Procedures (number)	17.0	17.0	17.0	17.0	25.4	8.0	16.0	9.0	Hong Kong SAR, China (5.0)
Time (days)	105.9	105.9	116.0	72.0	185.9	125.0	48.0	105.0	Singapore (26.0)
Cost (% of warehouse value)	26.4	52.7	33.8	1.7	28.2	9.3	0.9	1.2	Qatar (0.0)*
Getting Electricity (rank)	187	186	--	--	137	151	158	70	Korea, Rep. (1)
Getting Electricity (DTF Score)	31.37	29.38	31.37	31.37	63.06	58.85	55.74	78.42	Korea, Rep. (99.83)
Procedures (number)	9.0	9.0	9.0	9.0	7.0	6.0	5.0	4.0	12 Economies (3.0)*
Time (days)	257.2	257.2	260.0	248.0	105.7	158.0	226.0	126.0	Korea, Rep. (18.0)*
Cost (% of income per capita)	478.0	960.5	478.0	478.0	487.7	1,020.2	729.5	90.1	Japan (0.0)
Registering Property (rank)	185	185	--	--	121	136	97	68	Georgia (1)
Registering Property (DTF Score)	26.56	26.52	21.21	44.48	60.40	56.88	66.02	72.55	Georgia (99.88)
Procedures (number)	12.1	12.1	13.0	9.0	7.0	9.0	7.0	6.0	4 Economies (1.0)*
Time (days)	69.6	69.6	77.0	45.0	47.0	72.0	23.0	21.5	3 Economies (1.0)*
Cost (% of property value)	18.6	18.8	20.6	11.8	7.0	4.3	6.2	4.6	4 Economies (0.0)*
Getting Credit (rank)	52	125	--	--	36	116	52	17	New Zealand (1)
Getting Credit (DTF Score)	60.00	30.00	60.00	60.00	65.00	35.00	60.00	75.00	New Zealand (100)
Strength of legal rights index (0-12)	6	6	6	6	6	7	5	7	3 Economies (12)*

Indicator	Nigeria DB2015	Nigeria DB2014	Lagos DB2015	Kano DB2015	India DB2015	Kenya DB2015	South Africa DB2015	United Kingdom DB2015	Best performer globally DB2015
Depth of credit information index (0-8)	6	0	6	6	7	0	7	8	23 Economies (8)*
Credit registry coverage (% of adults)	0.1	0.0	0.1	0.1	0.0	0.0	0.0	0.0	Portugal (100.0)
Credit bureau coverage (% of adults)	5.8	4.9	5.8	5.8	22.4	4.9	55.4	100.0	23 Economies (100.0)*
Protecting Minority Investors (rank)	62	61	--	--	7	122	17	4	New Zealand (1)
Protecting Minority Investors (DTF Score)	57.50	57.50	57.50	57.50	72.50	45.83	67.50	78.33	New Zealand (81.67)
Extent of conflict of interest regulation index (0-10)	6.0	6.0	6.0	6.0	6.7	4.7	8.0	8.3	Singapore (9.3)*
Extent of shareholder governance index (0-10)	5.5	5.5	5.5	5.5	7.8	4.5	5.5	7.3	France (7.8)*
Strength of minority investor protection index (0-10)	5.8	5.8	5.8	5.8	7.3	4.6	6.8	7.8	New Zealand (8.2)
Paying Taxes (rank)	179	177	--	--	156	102	19	16	United Arab Emirates (1)*
Paying Taxes (DTF Score)	39.15	39.15	39.15	39.15	55.53	71.49	88.73	90.52	United Arab Emirates (99.44)*
Payments (number per year)	47.0	47.0	47.0	47.0	33.0	30.0	7.0	8.0	Hong Kong SAR, China (3.0)*
Time (hours per year)	907.9	907.9	956.0	747.0	243.0	201.5	200.0	110.0	Luxembourg (55.0)
Trading Across Borders (rank)	159	159	--	--	126	153	100	15	Singapore (1)
Trading Across Borders	50.12	50.12	52.14	43.36	65.47	54.49	71.05	88.32	Singapore (96.47)

Indicator	Nigeria DB2015	Nigeria DB2014	Lagos DB2015	Kano DB2015	India DB2015	Kenya DB2015	South Africa DB2015	United Kingdom DB2015	Best performer globally DB2015
(DTF Score)									
Documents to export (number)	9	9	9	9	7	8	5	4	Ireland (2)*
Time to export (days)	22.9	22.9	22.0	26.0	17.1	26.0	16.0	8.0	5 Economies (6.0)*
Cost to export (US\$ per container)	1,564.0	1,564.0	1,380.0	2,180.0	1,332.0	2,255.0	1,830.0	1,005.0	Timor-Leste (410.0)
Cost to export (deflated US\$ per container)	1,564.0	1,564.0	1,380.0	2,180.0	1,332.0	2,255.0	1,830.0	1,005.0	
Documents to import (number)	13	13	13	13	10	9	6	4	Ireland (2)*
Time to import (days)	33.9	33.9	33.0	37.0	21.1	26.0	21.0	6.0	Singapore (4.0)
Cost to import (US\$ per container)	1,959.5	1,959.5	1,695.0	2,845.0	1,462.0	2,350.0	2,080.0	1,050.0	Singapore (440.0)
Cost to import (deflated US\$ per container)	1,959.5	1,959.5	1,695.0	2,845.0	1,462.0	2,350.0	2,080.0	1,050.0	
Enforcing Contracts (rank)	140	139	--	--	186	137	46	36	Singapore (1)
Enforcing Contracts (DTF Score)	47.71	47.71	48.06	46.54	25.81	48.96	66.14	68.08	Singapore (89.54)
Time (days)	509.8	509.8	447.0	720.0	1,420.0	465.0	600.0	437.0	Singapore (150.0)
Cost (% of claim)	57.7	57.7	62.0	43.4	39.6	47.2	33.2	39.9	Iceland (9.0)
Procedures (number)	40.2	40.2	40.0	41.0	46.0	44.0	29.0	29.0	Singapore (21.0)*
Resolving Insolvency (rank)	131	129	--	--	137	134	39	13	Finland (1)
Resolving Insolvency (DTF Score)	33.76	33.74	33.76	33.76	32.60	33.31	64.51	82.04	Finland (93.85)

Indicator	Nigeria DB2015	Nigeria DB2014	Lagos DB2015	Kano DB2015	India DB2015	Kenya DB2015	South Africa DB2015	United Kingdom DB2015	Best performer globally DB2015
Time (years)	2.0	2.0	2.0	2.0	4.3	4.5	2.0	1.0	Ireland (0.4)
Cost (% of estate)	22.0	22.0	22.0	22.0	9.0	22.0	18.0	6.0	Norway (1.0)
Outcome (0 as piecemeal sale and 1 as going concern)	0	0	0	0	0	1	0	1	
Recovery rate (cents on the dollar)	27.9	27.9	27.9	27.9	25.7	27.1	35.7	88.6	Japan (92.9)
Strength of insolvency framework index (0-16)	6.0	6.0	6.0	6.0	6.0	6.0	14.5	11.0	5 Economies (15.0)*

Note: DB2014 rankings shown are not last year's published rankings but comparable rankings for DB2014 that capture the effects of such factors as data corrections and changes to the methodology. Trading across borders deflated and non-deflated values are identical in DB2015 because it is defined as the base year for the deflator. The best performer on time for paying taxes is defined as the lowest time recorded among all economies in the DB2015 sample that levy the 3 major taxes: profit tax, labor taxes and mandatory contributions, and VAT or sales tax. If an economy has no laws or regulations covering a specific area—for example, insolvency—it receives a “no practice” mark. Similarly, an economy receives a “no practice” or “not possible” mark if regulation exists but is never used in practice or if a competing regulation prohibits such practice. Either way, a “no practice” mark puts the economy at the bottom of the ranking on the relevant indicator.

* Two or more economies share the top ranking on this indicator. A number shown in place of an economy's name indicates the number of economies that share the top ranking on the indicator. For a list of these economies, see the *Doing Business* website (<http://www.doingbusiness.org>).

Source: *Doing Business* database.

STARTING A BUSINESS

Formal registration of companies has many immediate benefits for the companies and for business owners and employees. Legal entities can outlive their founders. Resources are pooled as several shareholders join forces to start a company. Formally registered companies have access to services and institutions from courts to banks as well as to new markets. And their employees can benefit from protections provided by the law. An additional benefit comes with limited liability companies. These limit the financial liability of company owners to their investments, so personal assets of the owners are not put at risk. Where governments make registration easy, more entrepreneurs start businesses in the formal sector, creating more good jobs and generating more revenue for the government.

What do the indicators cover?

Doing Business measures the ease of starting a business in an economy by recording all procedures officially required or commonly done in practice by an entrepreneur to start up and formally operate an industrial or commercial business—as well as the time and cost required to complete these procedures. It also records the paid-in minimum capital that companies must deposit before registration (or within 3 months). The ranking of economies on the ease of starting a business is determined by sorting their distance to frontier scores for starting a business. These scores are the simple average of the distance to frontier scores for each of the component indicators.

To make the data comparable across economies, *Doing Business* uses several assumptions about the business and the procedures. It assumes that all information is readily available to the entrepreneur and that there has been no prior contact with officials. It also assumes that the entrepreneur will pay no bribes. And it assumes that the business:

- Is a limited liability company, located in the largest business city and is 100% domestically owned¹.
- Has between 10 and 50 employees.
- Conducts general commercial or industrial activities.
- Has a start-up capital of 10 times income per capita.
- Has a turnover of at least 100 times income per capita.
- Does not qualify for any special benefits.
- Does not own real estate.

WHAT THE STARTING A BUSINESS

INDICATORS MEASURE

Procedures to legally start and operate a company (number)

- Preregistration (for example, name verification or reservation, notarization)
- Registration in the economy's largest business city¹
- Postregistration (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 (2 procedures cannot start on the same day). Procedures that can be fully completed online are recorded as ½ 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 before registration (or within 3 months)

¹ For the 11 economies with a population of more than 100 million, data for a second city have been added.

STARTING A BUSINESS

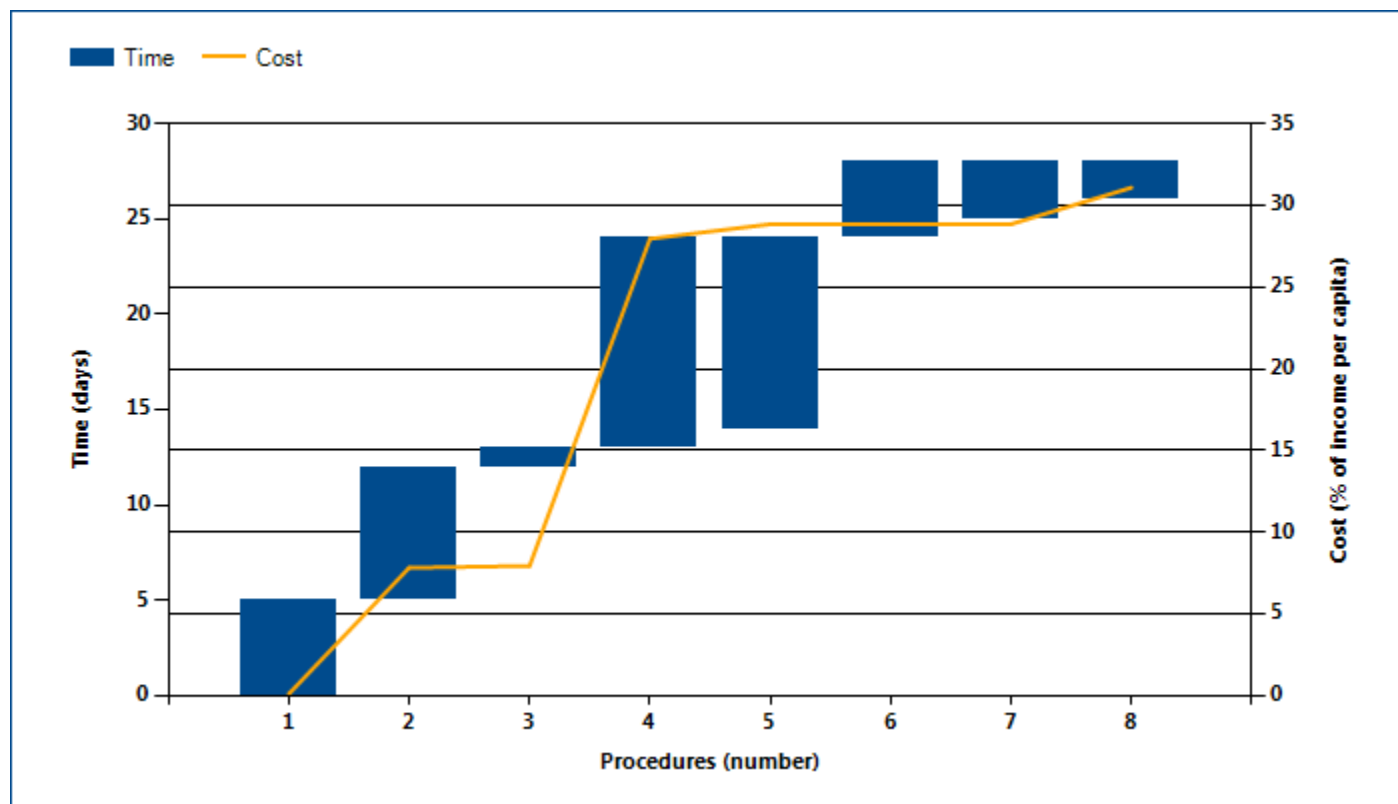
Where does the economy stand today?

What does it take to start a business in Nigeria? According to data collected by *Doing Business*, starting a business there requires 8.7 procedures, takes 30.8 days, costs 31.6% of income per capita and requires paid-in minimum capital of 0.0% of income per capita (figure 2.1). Most indicator sets refer to a case scenario in the

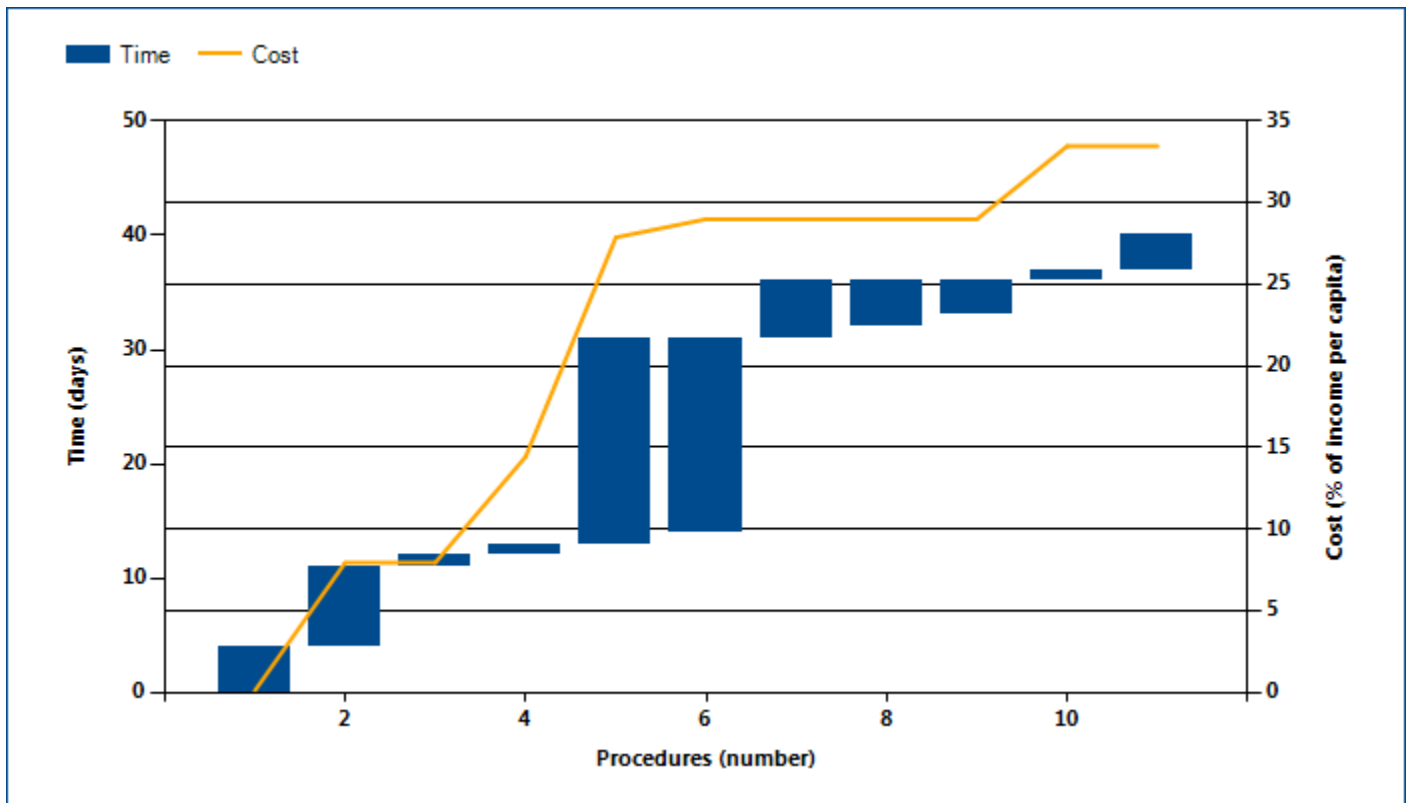
largest business city of an economy, except for 11 economies for which the data are a population-weighted average of the 2 largest business cities. See the chapter on distance to frontier and ease of doing business ranking at the end of this profile for more details.

Figure 2.1 What it takes to start a business in Nigeria - Lagos

Paid-in minimum capital (% of income per capita): 0.0



What it takes to start a business in Nigeria - Kano



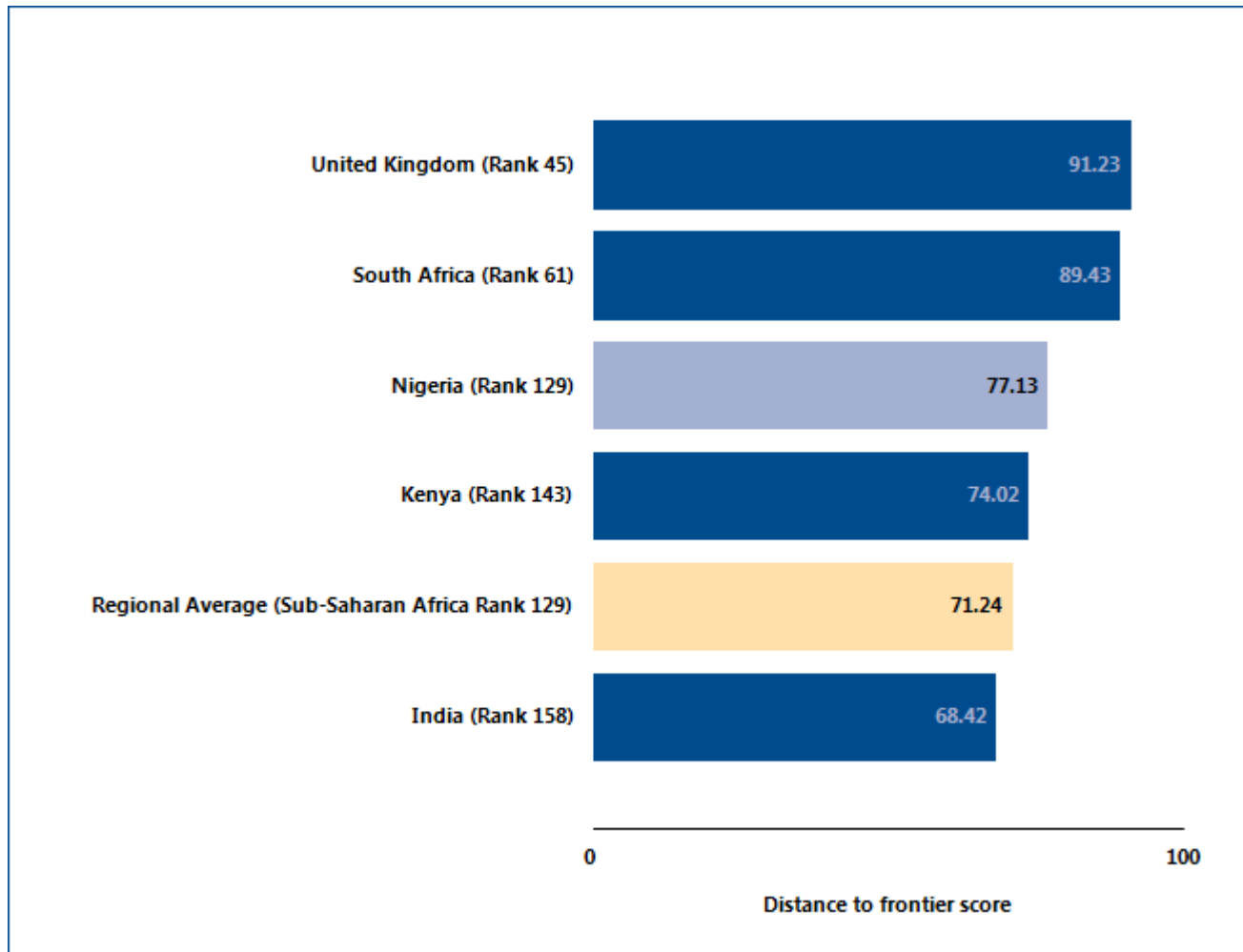
Note: Time shown in the figure above may not reflect simultaneity of procedures. Online procedures account for 0.5 days in the total time calculation. For more information on the methodology of the starting a business indicators, see the *Doing Business* website (<http://www.doingbusiness.org>). For details on the procedures reflected here, see the summary at the end of this chapter. Source: *Doing Business* database.

STARTING A BUSINESS

Globally, Nigeria stands at 129 in the ranking of 189 economies on the ease of starting a business (figure 2.2). The rankings for comparator economies and the regional

average ranking provide other useful information for assessing how easy it is for an entrepreneur in Nigeria to start a business.

Figure 2.2 How Nigeria and comparator economies rank on the ease of starting a business



Source: Doing Business database.

STARTING A BUSINESS

What are the details?

Underlying the indicators shown in this chapter for Nigeria is a set of specific procedures—the bureaucratic and legal steps that an entrepreneur must complete to incorporate and register a new firm. These are identified by *Doing Business* through collaboration with relevant local professionals and the study of laws, regulations and publicly available information on business entry in that economy. Following is a detailed summary of those procedures, along with the associated time and cost. These procedures are those that apply to a company matching the standard assumptions (the “standardized company”) used by *Doing Business* in collecting the data (see the section in this chapter on what the indicators measure).

STANDARDIZED COMPANY

Legal form: Private Limited Liability Company

Paid in minimum capital requirement: NGN 0

City: Lagos, Kano

Start-up Capital: 10 times GNI per capita

Table 2.2 Summary of time, cost and procedures for starting a business in Nigeria - Lagos

No.	Procedure	Time to complete	Cost to complete
1	<p>Reserve a unique company name at the Corporate Affairs Commission</p> <p>The Corporate Affairs Commission (CAC) Online System was commissioned in June 2005. The system envisaged an online search of unique company names immediately upon the purchase of an e-payment card from an accredited bank. Although this service is widely advertised by CAC, until now the system is not fully operational either because of power fluctuation or because of lack of availability of the pre-paid cards necessary to conduct the online transaction. In most cases, the applicants have to go to the CAC branch office in Lagos (either in Yaba or Alausa) to complete this procedure, where they submit Form CAC 1: Availability Check and Reservation of Name.</p> <p><i>Agency: Corporate Affairs Commission</i></p>	5 days on average	NGN 500 application form
2	<p>Prepare the requisite incorporation documents and pay the stamp duty</p> <p>To prepare the requisite incorporation documents, the incorporators must complete the requisite statutory forms, prepare and print the memorandum and articles of association, and have them stamped by the Federal Inland Revenue Service (FIRS). The Stamp Duty payable on share capital (Ad valorem) is 0.75% and on the (MEMART) NGN 500 for each additional copy of Memorandum and Articles of Association stamped (2 copies).</p> <p><i>Agency: Federal Inland Revenue Service</i></p>	7 days	0.75% stamp duty paid on share capital + NGN 500 for each additional copy of Memorandum and Articles of Association stamped (2 copies)

No.	Procedure	Time to complete	Cost to complete
3	<p>Sign the declaration of compliance (Form CAC 4) before a Commissioner for Oaths or notary public</p> <p>The declaration by the barrister or solicitor engaged in the formation of the company may be sworn to before a Notary Public for a fee of NGN 4,000 - NGN 5,000, or at any of the recognized courts in the country (Magistrate Court, the State High Court, or the Federal High Court) before a Commissioner For Oaths for a small fee of NGN 500 usually chargeable by the respective courts.</p> <p><i>Agency: Notary</i></p>	1 day	NGN 500 at the court or NGN 4,000 - NGN 5,000 with a Notary Public
4	<p>Register at the Corporate Affairs Commission and Pay the fees at the bank desk of CAC</p> <p>To register the company with the Corporate Affairs Commission (CAC), the following incorporation documents are submitted:</p> <ul style="list-style-type: none"> • Form CAC 1: Availability Check and Reservation of Name. • Memorandum and articles of association, stamped by the commissioner for stamp duties (2 copies). • Form CAC 3: Notice of registered address. • Form CAC 4: Declaration of compliance. • Form CAC 7: Particulars of directors. • Form CAC 2: Statement of share capital and return of allotment of shares. • Form CAC 2.1: Particulars of the company secretary. <p>Incorporation fees are:</p> <ul style="list-style-type: none"> • Incorporation fees for a company whose share capital exceeds N1,000,000.00 are N10,000.00 for the first NGN 1,000,000.00 and NGN 5,000.00 for every additional NGN 1,000,000.00 or any part thereof. • NGN 500 incorporation forms. • NGN 3,000 for certified true copy of memorandum and articles of association. • NGN 2,000 for certified true copy of particulars of directors. • NGN 2,000 for certified true copy of particulars of shareholders. • NGN 2,000 for certified true copy of particulars of the company secretary. Moreover, legal fees for company incorporation vary from one law firm to another. Professionals (lawyers, chartered accountants and chartered secretaries) should be accredited by CAC. The payment can be done at the bank desk at CAC. <p><i>Agency: Corporate Affairs Commission</i></p>	11 days on average	see procedure details.

No.	Procedure	Time to complete	Cost to complete
5	<p>* Make a company seal</p> <p>Section 74 of the Companies and Allied Matters Act (CAMA) requires every company to have a common seal. The company is thus mandated to have a company seal by the Companies and Allied Matters Act 1990 (2004) (CAMA) first schedule paragraph 15, which provides a standard memorandum of articles of companies and requires directors to provide a company seal. Such is also the common practice, especially because companies will generally have to register a deed and other official documents.</p> <p><i>Agency: Sealmaker</i></p>	<p>1 day (simultaneous with previous procedure)</p>	<p>NGN 4,000</p>
6	<p>Register for income tax and VAT at the Federal Inland Revenue Service</p> <p>The Federal Inland Revenue Service (FIRS) requires the applicant to complete tax registration forms for corporate income tax registration as well as VAT.</p> <p>The company submits an application letter to the tax authority for a tax clearance certificate and, for income tax purposes, registers at the integrated tax office.</p> <p>The registration process requires submitting a completed tax office-issued application (taxpayer registration input form, TRIF/2006/001 COYS) and the following documents:</p> <ul style="list-style-type: none"> • Completed FIRS questionnaire. • Memorandum and articles of association (copy). • Certificate of incorporation (copy). • Directors' names and addresses. • Tax advisor's name and address. • Letter of appointment of a tax adviser and corresponding letter of acceptance. • The date the company commenced business; • Names, addresses and mobile numbers of major promoters and the chairman of the company, including their email addresses; • Other sources of income of the chairman and the promoters of the company; • Name and addresses of the principal officers of the company including the chairman, managing director, legal adviser and accountant; <p>To register, the company must submit the taxpayer registration input form in triplicate, and the original certificate of incorporation must be presented for review by the controller. Upon the completed taxpayer registration input form and all other documents being received, a tax reference number is allocated. An application must be filed for the tax clearance certificate; its issuance is not automatic.</p> <p><i>Agency: Federal Inland Revenue Service</i></p>	<p>4 days</p>	<p>no charge</p>

No.	Procedure	Time to complete	Cost to complete
7	<p>* Register for personal income tax PAYE at the State Tax Office</p> <p>All employers shall register with the relevant state tax authority for income tax withholding. The PAYE Regulations, 2003 made pursuant to the Personal Income Tax Act provides that all employers are to register with the Lagos State Board of Internal Revenue Tax Office nearest to the registered company address for the purpose of remitting income tax deducted from their employees. The employer must within 6 months of commencing a business deduct tax from emoluments of employees and remit the amount deducted to any of the designated collecting banks.</p> <p>The registration requirements are as follows: 1. A copy of certificate of incorporation. 2. List of staff and their annual salaries. 3. The Directors' Tax Clearance Certificates (now Electronic Tax Clearance Certificate) 4. Letter of application for registration. Upon completion of registration, an Employer's Identification Number will be issued.</p> <p>An employer who fails or refuses to register commits an offence and is liable on conviction to pay a NGN 25,000 fine in addition to the payment of arrears of the tax due.</p> <p><i>Agency: State Tax Office</i></p>	<p>2 days (simultaneous with previous procedure)</p>	<p>no charge</p>
8	<p>* Register business premises with the Lagos State Government and Pay the business premises levy at a designated bank</p> <p>To register the company premises with the Lagos State Government, the entrepreneur heads to any nationalized commercial bank with some evidence of the business premises (utility bills, etc.) and pays the business premise levy to the account of the Lagos Inland Revenue Services (LIRS). The bank then issues a receipt bearing the Lagos State Government logo.</p> <p>Business premises in an urban area of Nigeria are required to be registered on the payment of a NGN 10,000 registration fee in the first year of registration (NGN 5,000 per annum as renewal registration fees in the subsequent years). For rural areas, the business premises registration fees is NGN 2,000 for the first year of registration (NGN 1,000 per annum as registration renewal fees for the subsequently years).</p> <p><i>Agency: Bank</i></p>	<p>1 day (simultaneous with previous procedure)</p>	<p>NGN 10,000 paid at the beginning of first year; NGN 5,000 in subsequent years</p>

* Takes place simultaneously with another procedure.

Note: Online procedures account for 0.5 days in the total time calculation.

Source: Doing Business database.

Summary of time, cost and procedures for starting a business in Nigeria - Kano

No.	Procedure	Time to complete	Cost to complete
1	<p>Reserve a unique company name at the Corporate Affairs Commission</p> <p>The Corporate Affairs Commission online system allows for online search of unique company names upon the purchase of an e-payment card for a flat fee of NGN 500 from an accredited bank. Until now the system is not fully operational either because of power fluctuation or network failures, applicants may have to go to the CAC office to complete this procedure. The time to conduct the availability of name search, receive confirmation and reserve the company name is usually 4 days. The company's name reservation lasts 60 days but can be renewed for a similar period.</p> <p><i>Agency: Corporate Affairs Commission</i></p>	4 days	NGN 500
2	<p>Prepare the requisite incorporation documents and pay the stamp duty</p> <p>This procedure involves the following tasks:</p> <ol style="list-style-type: none"> Preparing and printing the memorandum and articles of association; Completing the requisite statutory forms, and; Having the memorandum and articles of association stamped by the Federal Inland Revenue Service. <p>There is a stamp duty office located in the state capital in Kano and housed in the same premises with the CAC.</p> <p><i>Agency: Stamp duty office</i></p>	7 days	Stamp duty at 0.75% of share capital + NGN 1,000 for stamping of two extra copies of memorandum and articles of association (NGN 500 each) + NGN 500 for incorporation forms
3	<p>Sign the declaration of compliance (Form CAC 4) before a Commissioner for Oaths or notary public</p> <p>A declaration that the requirements of the Companies and Allied Matters Act have been met must be sworn by: (i) a barrister or solicitor engaged in the formation of the company or (ii) a person named in the memorandum and articles of association as a director or secretary of the company. This procedure can be done before a notary public or filed at the State or Federal High Court. The common practice is for this declaration to be sworn before a Commissioner of Oaths at the State High Court.</p> <p><i>Agency: State High Court</i></p>	1 day	NGN 50
4	<p>Obtain bank draft from a bank for payment of the registration fees</p> <p>Payment is made to a bank designated by the Corporate Affairs Commission.</p>	1 day	NGN 20,000 incorporation fees [NGN 10,000 for nominal share capital of NGN

No.	Procedure	Time to complete	Cost to complete
	<p>Agency: Designated bank</p>		<p>1,000,000 or less + NGN 5,000 for all subsequent million] + NGN 3,000 for certified true copy of memorandum and articles of association + NGN 2,000 for certified true copy of particulars of directors + NGN 2,000 for certified true copy of particulars of shareholders + NGN 2,000 for certified true copy of particulars of the company secretary</p>
<p>5</p>	<p>Register the company at the Corporate Affairs Commission</p> <p>The applicant must file with the Corporate Affairs Commission the required incorporation documents and forms, which include:</p> <ul style="list-style-type: none"> a. Stamped memorandum and articles of association (2 copies); b. Form CAC 3, Notice of registered address; c. Form CAC 7, Particulars of directors; d. Form CAC 4, Declaration of compliance and the prescribed registration fees; e. Copy of the reservation of company name approval; f. Form CAC 2, Statement of share capital and return of allotment of shares; g. Form CAC 2.1, Particulars of Person who is the company secretary of a company or any changes therein; h. Photocopy of information page of international passport or national identity card for each director and subscriber. <p>The fee schedule for registration is the following: for the first NGN 1,000,000 of nominal capital: NGN 10,000; for every NGN 1,000,000 or less thereof of nominal capital after the first NGN 1,000,000: NGN 5,000; fees for certified true copies of some forms are paid as follows: NGN 3,000 for C.T.C of Memorandum and Articles of Association, NGN 2,000 for C.T.C of Particulars of Directors (CAC 7), NGN 2,000 for C.T.C of Allotment of Share Capital (CAC 2) and NGN 2,000 for C.T.C of particulars of the company secretary.</p> <p>Lawyers are usually hired to undertake the administrative incorporation procedures. On average, a lawyer will charge NGN 60,000 to handle the entire incorporation process in this state.</p>	<p>18 days</p>	<p>NGN 60,000 for legal fees</p>

No.	Procedure	Time to complete	Cost to complete
	<p><i>Agency: Corporate Affairs Commission</i></p>		
<p>6</p>	<p>* Make a company seal</p> <p>Section 74 of the Companies and Allied Matters Act (CAMA) requires every company to have a common seal. The company is thus mandated to have a company seal by the Companies and Allied Matters Act 1990 (2004) first schedule paragraph 15, which provides a standard memorandum of articles of companies and requires directors to provide a company seal. It is also the common practice, especially because companies will generally have to register a deed or other official documents.</p> <p><i>Agency: Private company</i></p>	<p>1 day (simultaneous with previous procedure)</p>	<p>NGN 5,000</p>
<p>7</p>	<p>Register for income tax and VAT at the Federal Inland Revenue Service</p> <p>Entrepreneurs can register for both corporate income tax and VAT at the new Integrated Tax Office. For corporate income tax, the Federal Inland Revenue Service (FIRS) will require the applicant to complete tax registration forms. The new company registers at a Federal Tax Office nearest to its place of business or registered office. A letter is written to the tax authority applying for a tax clearance certificate. A form obtained from the tax office is filled and the following documents submitted with it:</p> <ul style="list-style-type: none"> a. Taxpayer registration input form (TRIF/2006/001 COYS); b. Completed FIRS questionnaire; c. Copy of memorandum and articles of association; d. Names and addresses of directors; e. Copy of the certificate of incorporation; f. Name, address of tax adviser; g. Letter of appointment of tax adviser and a letter of acceptance; h. The date the company commenced business; i. Names, addresses and mobile numbers of major promoters and the chairman of the company, including their email addresses; j. Other sources of income of the chairman and the promoters of the company; k. Name and addresses of the principal officers of the company including the chairman, managing director, legal adviser and accountant. <p>The application forms must be in triplicate and the original certificate of incorporation must be presented for 'sighting' by the controller before registration can be completed. Upon receipt of the completed taxpayer registration input form and all documents, a tax reference number is allocated. An application must be filed for the tax clearance certificate. Its issuance is not automatic.</p>	<p>5 days</p>	<p>no charge</p>

No.	Procedure	Time to complete	Cost to complete
	<p>The fees for the tax clearance issuance are as follows: (i) for newly registered companies within 6 months of incorporation: no fee; (ii) for companies that are yet to commence business and show up for registration after 6 months of incorporation, if they request for tax clearance certificate a pre-operation levy of NGN 25,000 is payable for the first time and NGN 20,000 is payable for subsequent years until it files a notice of commencement of business.</p> <p>Companies required to register for VAT complete the VAT registration form (VAT Form 001, obtainable free of charge from all FIRS offices) and return it to the integrated tax office, which will issue a taxpayer identification number (TIN). Companies required to register for VAT must do so within 6 months from the date of company incorporation.</p> <p>Since the registration for corporate income tax and VAT are done in the same place; one Tax Identification Number (TIN) is issued to companies for all federal taxes.</p> <p><i>Agency: Federal Inland Revenue Service</i></p>		
8	<p>* Register for personal income tax PAYE at the State Tax Office</p> <p>The employers in the newly incorporated company are required to register with the relevant state tax authority for the purposes of deducting income tax from employees. Once an application is filed with a copy of the certificate of incorporation attached, a reference file is then opened for the company. There is no cost related to this registration.</p> <p><i>Agency: State Tax Office</i></p>	2 days (simultaneous with previous procedure)	no charge
9	<p>* Receive an inspection from the State Ministry of Commerce, Industry, Cooperatives and Tourism for business premises registration</p> <p>After the submission of all application documents, an inspection of the business premises is carried out by an officer from the State Ministry of Commerce, Industry, Cooperatives and Tourism. The Ministry may conduct an inspection of the premises to confirm the location of the business and determine the type of business activity.</p> <p><i>Agency: State Ministry of Commerce, Industry, Cooperatives and Tourism</i></p>	1 day (simultaneous with previous procedure)	no charge

No.	Procedure	Time to complete	Cost to complete
10	<p>Pay registration fees for business premises into a government account at a designated bank</p> <p>Fees for the business premises permit are paid into a government account at a designated bank. The fees depend on the type of activity, category of business (limited liability company, partnership or sole proprietorship), size of the business, and its location, and range from NGN 600 to NGN 100,000. For a medium manufacturing company located in Kano metropolis the business premises permit costs NGN 20,000. The annual renewal fee is the same as initial registration.</p> <p><i>Agency: Designated bank</i></p>	1 day	NGN 20,000
11	<p>Obtain a business premises permit from the State Ministry of Commerce, Industry, Cooperatives and Tourism</p> <p>Following payment of the assessed registration fees for business premises permit into a designated government account, the State Ministry of Commerce, Industry, Cooperatives and Tourism issues a business premises permit to the new business.</p> <p><i>Agency: State Ministry of Commerce, Industry, Cooperatives and Tourism</i></p>	3 days	no charge

* Takes place simultaneously with another procedure.

Note: Online procedures account for 0.5 days in the total time calculation.

Source: Doing Business database.

DEALING WITH CONSTRUCTION PERMITS

Regulation of construction is critical to protect the public. But it needs to be efficient, to avoid excessive constraints on a sector that plays an important part in every economy. Where complying with building regulations is excessively costly in time and money, many builders opt out. They may pay bribes to pass inspections or simply build illegally, leading to hazardous construction that puts public safety at risk. Where compliance is simple, straightforward and inexpensive, everyone is better off.

What do the indicators cover?

Doing Business records the procedures, time and cost for a business in the construction industry to obtain all the necessary approvals to build a warehouse in the economy's largest business city, connect it to basic utilities and register the warehouse so that it can be used as collateral or transferred to another entity.

The ranking of economies on the ease of dealing with construction permits is determined by sorting their distance to frontier scores for dealing with construction permits. These scores are the simple average of the distance to frontier scores for each of the component indicators.

To make the data comparable across economies, *Doing Business* uses several assumptions about the business and the warehouse, including the utility connections.

The business:

- Is a limited liability company operating in the construction business and located in the largest business city. For the 11 economies with a population of more than 100 million, data for a second city have been added. Is domestically owned and operated.
- Has 60 builders and other employees.

The warehouse:

- Is valued at 50 times income per capita.
- Is a new construction (there was no previous construction on the land).

WHAT THE DEALING WITH CONSTRUCTION PERMITS INDICATORS MEASURE

Procedures to legally build a warehouse (number)

Submitting all relevant documents and obtaining all necessary clearances, licenses, permits and certificates

Submitting all required notifications and receiving all necessary inspections

Obtaining utility connections for water and sewerage

Registering the warehouse after its completion (if required for use as collateral or for transfer of the warehouse)

Time required to complete each procedure (calendar days)

Does not include time spent gathering information

Each procedure starts on a separate day. Procedures that can be fully completed online are recorded as ½ day.

Procedure considered completed once final document is received

No prior contact with officials

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

Official costs only, no bribes

- Will have complete architectural and technical plans prepared by a licensed architect or engineer.
- Will be connected to water and sewerage (sewage system, septic tank or their equivalent). The connection to each utility network will be 150 meters (492 feet) long.
- Will be used for general storage, such as of books or stationery (not for goods requiring special conditions).
- Will take 30 weeks to construct (excluding all delays due to administrative and regulatory requirements).

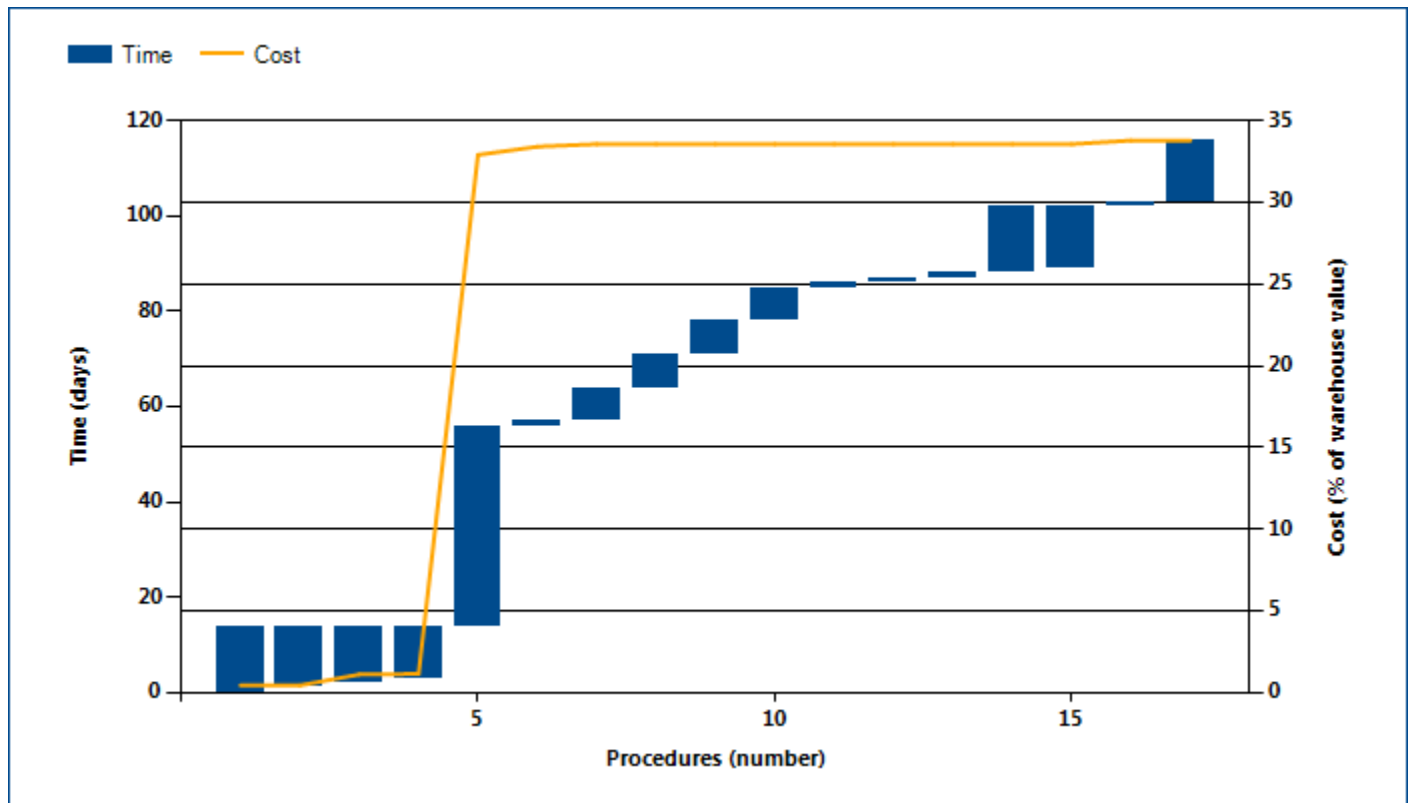
DEALING WITH CONSTRUCTION PERMITS

Where does the economy stand today?

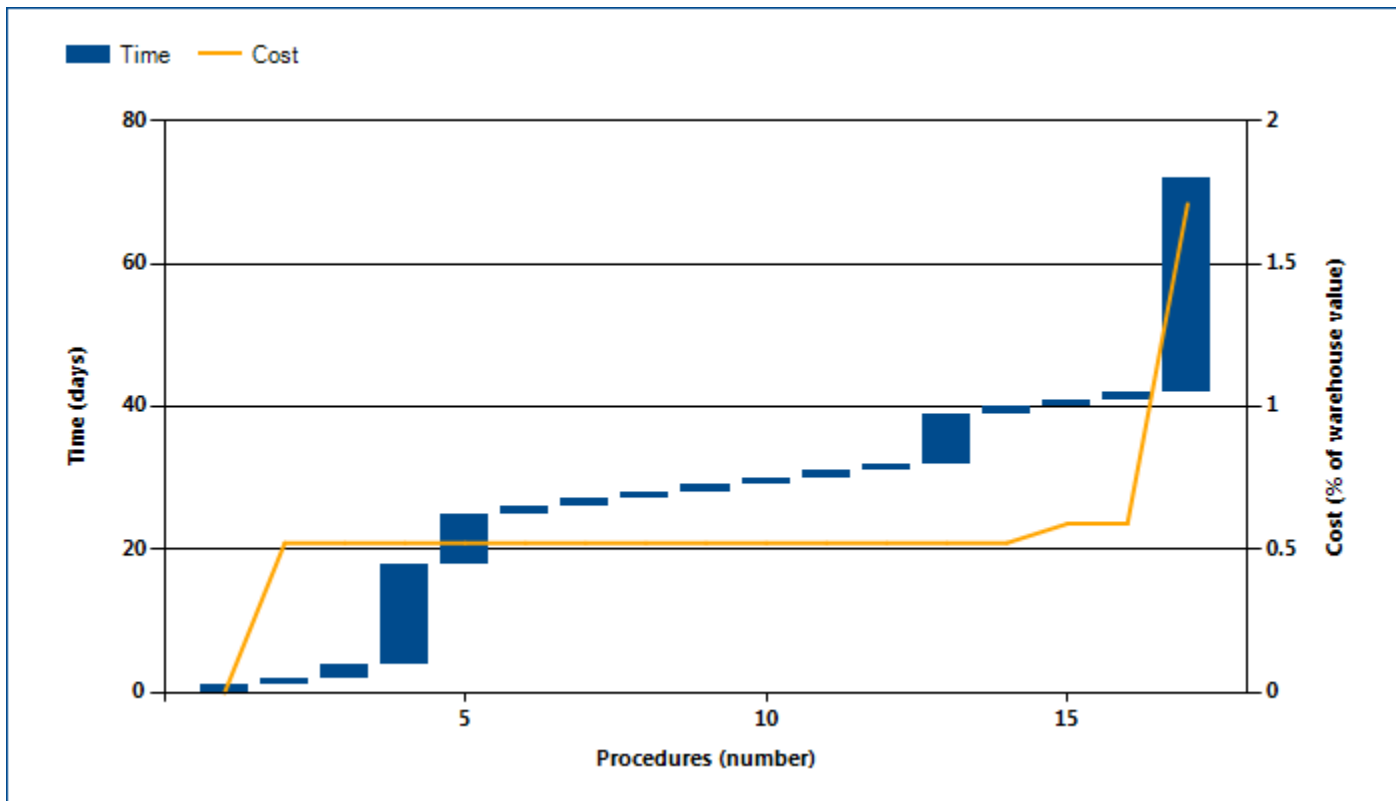
What does it take to comply with the formalities to build a warehouse in Nigeria? According to data collected by *Doing Business*, dealing with construction permits there requires 17.0 procedures, takes 105.9 days and costs 26.4% of the warehouse value (figure 3.1). Most indicator sets refer to a case scenario in the largest

business city of an economy, except for 11 economies for which the data are a population-weighted average of the 2 largest business cities. See the chapter on distance to frontier and ease of doing business ranking at the end of this profile for more details.

Figure 3.1 What it takes to comply with formalities to build a warehouse in Nigeria - Lagos



What it takes to comply with formalities to build a warehouse in Nigeria - Kano



Note: Time shown in the figure above may not reflect simultaneity of procedures. Online procedures account for 0.5 days in the total time calculation. For more information on the methodology of the dealing with construction permits indicators, see the *Doing Business* website (<http://www.doingbusiness.org>). For details on the procedures reflected here, see the summary at the end of this chapter.

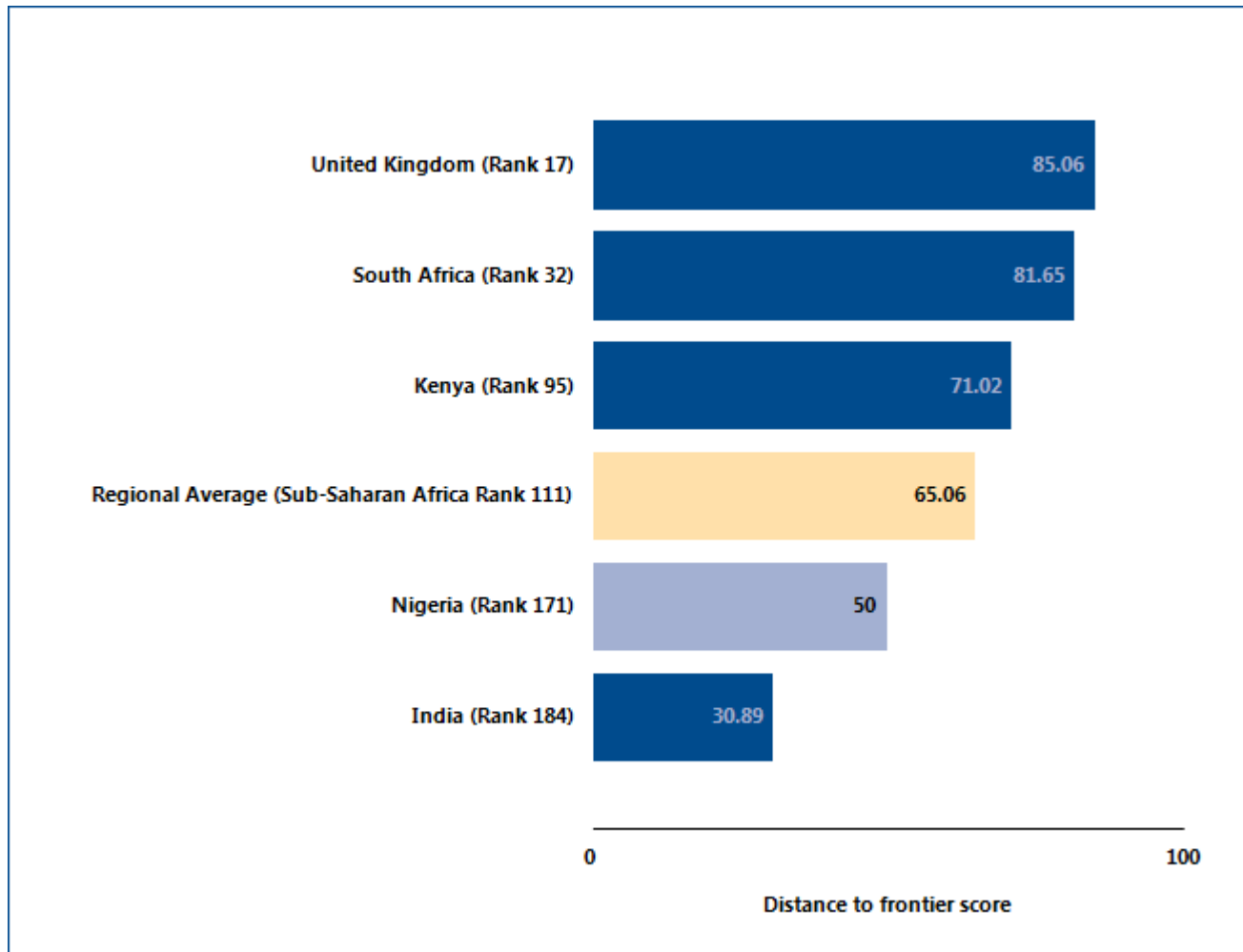
Source: *Doing Business* database.

DEALING WITH CONSTRUCTION PERMITS

Globally, Nigeria stands at 171 in the ranking of 189 economies on the ease of dealing with construction permits (figure 3.2). The rankings for comparator

economies and the regional average ranking provide other useful information for assessing how easy it is for an entrepreneur in Nigeria to legally build a warehouse.

Figure 3.2 How Nigeria and comparator economies rank on the ease of dealing with construction permits



Source: Doing Business database.

DEALING WITH CONSTRUCTION PERMITS

What are the details?

The indicators reported here for Nigeria are based on a set of specific procedures—the steps that a company must complete to legally build a warehouse—identified by *Doing Business* through information collected from experts in construction licensing, including architects, civil engineers, construction lawyers, construction firms, utility service providers and public officials who deal with building regulations. These procedures are those that apply to a company and structure matching the standard assumptions used by *Doing Business* in collecting the data (see the section in this chapter on what the indicators cover).

BUILDING A WAREHOUSE

Estimated cost of construction : **NGN 22,345,084**

City : **Lagos, Kano**

The procedures, along with the associated time and cost, are summarized below.

Table 3.2 Summary of time, cost and procedures for dealing with construction permits in Nigeria - Lagos

No.	Procedure	Time to complete	Cost to complete
1	<p>Obtain soil investigation report</p> <p>A soil investigation report is done by an expert for the stability of the foundation. While according to Law No 3 (implemented in August 2012), only 3-storey (or more) residential or office buildings would need such a report, it would also be needed for a commercial warehouse. Furthermore, depending on the location, sometimes a 2-storey building might require a soil analysis report.</p> <p><i>Agency: Private Company</i></p>	14 days	NGN 100,000
2	<p>* Obtain sworn affidavit for search at the Commissioner of Oaths</p> <p>Before someone can carry out a search at the Land Registry, an affidavit must be first sworn and filed at the High Court. If the affidavit is registered before noon, then the lawyer will be able to proceed with the search. Otherwise, it will be done on the following day.</p> <p><i>Agency: High Court of Justice</i></p>	1 day	NGN 250
3	<p>* Obtain an Environmental Technical Analysis Report</p> <p>The Ministry of Environment reviews the environmental impact assessment report. This report is needed to check whether this project is viable and the impact it will have on the immediate environment. All projects require this report, regardless of usage or height.</p> <p><i>Agency: Town Planner Engineer</i></p>	7 days	NGN 150,000

No.	Procedure	Time to complete	Cost to complete
4	<p>* Obtain a certified true copy (CTC) of the survey plan and CTC of the land ownership title</p> <p>A certified true copy of the survey plan must be obtained from the Land Registry to show the plot and its coordinates. Proof of ownership must also be obtained; otherwise the permit application will not be accepted. The sworn affidavit obtained previously must be presented to obtain the documents.</p> <p>But if the land has not been surveyed, then a private surveyor would have to conduct the survey of the plot of land and this survey would have to be registered with the Surveyor’s General Office. In that case, the survey would be verified against the master plan of Lagos. The black copy will be for BuildCo, the red copy will be registered with the Land Registry and a third copy will be kept at the Surveyor General Office. The cost of survey by a private surveyor can range from NGN 50,000 to NGN 100,000.</p> <p><i>Agency: Land Registry</i></p>	3 days	NGN 7,500
5	<p>Obtain development permit from the Lagos State Physical Planning Permit Authority (LASPPPA)</p> <p>The development permit authorizes construction and is valid for 2 years. To obtain this permit, a building development plan portraying the intended uses and the proposed development on the site and the effect on adjacent developments and neighborhood must be prepared by a professional.</p> <p>Legally, a pre-approval inspection is required to verify that the land is located where the owner has stated it is and to verify that construction has not already started. BuildCo does not have to be present during the visit. An assessment of the amount to be paid will be written after that visit. All the necessary banking accounts where each payment for each tax must be made must be listed on this letter of assessment.</p> <p>For construction involving a structure of more than two floors, the developer or owner must submit a general contractors all-risk insurance policy certificate to the Building Control Agency along with the application to commence building work.</p> <p>The Lagos State Physical Planning Authority charges a contribution levy (10% of the building permit cost) for the preparation and production of development plans, such as local, district, subject, and action plans; development guides; office maintenance; procurement and maintenance of vehicles; office equipment; and similar issues.</p> <p>The following documents must be presented:</p> <ul style="list-style-type: none"> • Proof of ownership • Survey Plan – on Sun Print paper • 5 sets of architectural drawings • 5 sets of structural drawings (calculation sheets and supervision letter from a registered engineer) • 5 sets of mechanical and electrical drawings 	42 days	NGN 7,100,616

No.	Procedure	Time to complete	Cost to complete
	<ul style="list-style-type: none"> • 5 sets of sanitary and plumbing drawings • Current Income tax Clearance Certificate (CIT) • Photocopy of payment of assessment fee • Certificate of incorporation of the company • Environmental Technical Analysis Report <p>The following is a breakdown of the costs to be paid: Assessment fees (formula is Volume of the building X NGN 120) = 3901.6 m³ x NGN 120 Local Planning Office Levy: 10% of assessment fees Spatial Enhancement Contribution: 12% of the Local Planning Office Levy Application form of NGN 5000 Cost of Certificate of Fitness for Habitation: NGN 60,000 Fencing NGN 12 000 Infrastructure Development Charge (IDC) : 1300.6 X NGN 5000</p> <p><i>Agency: State Physical Planning Permit Authority (LASPPPA)</i></p>		
6	<p>Hire a private engineer to conduct inspections</p> <p>A private engineer must be hired to conduct the inspections during construction phase. According to the Doing Business methodology, BuildCo has an engineer that prepares all the plans. However, this engineer cannot conduct the inspections as well, so an external engineer must be hired.</p> <p><i>Agency: Private Company</i></p>	1 day	NGN 111,725
7	<p>Obtain certificate of structural stability (first pouring of concrete)</p> <p>The concrete crushing test is done as follows:</p> <ol style="list-style-type: none"> 1. A sample from a block of concrete is taken and brought back to the laboratory for testing. At this stage BuildCo pays for the entire testing. The testing is done at several stages: 2. 7 days after the sample is taken, the first result is obtained. 3. 14 days after the sample is taken, the second result is obtained (7 days after the first result). 4. 21 days after the sample is taken, the third result is obtained (7 days after the second result is delivered). 5. 28 days later the last and final result is obtained, as well as the final report. <p>Normally the longer the concrete is kept, the harder it will become and therefore it will have a better resistance to the crushing test.</p> <p>All payment for concrete testing is done once in this procedure.</p> <p><i>Agency: Lagos State Material Testing Laboratory</i></p>	7 days	NGN 35,000

No.	Procedure	Time to complete	Cost to complete
8	<p>Obtain certificate of structural stability (second pouring of concrete)</p> <p><i>Agency: Lagos State Material Testing Laboratory</i></p>	7 days	no charge
9	<p>Obtain certificate of structural stability (third pouring of concrete)</p> <p><i>Agency: Lagos State Material Testing Laboratory</i></p>	7 days	no charge
10	<p>Obtain certificate of structural stability of foundation</p> <p><i>Agency: Lagos State Material Testing Laboratory</i></p>	7 days	no charge
11	<p>Receive joint inspection during construction from the Building Control Agency and the Zonal Agency</p> <p><i>Agency: Building Control Agency and Zonal Agency</i></p>	1 day	no charge
12	<p>Receive inspections during construction from the Building Control Agency</p> <p>The Lagos State Urban and Regional Planning and Development Law from July 2010 gives the Building Control Agency the power to carry out inspection(s) of building construction, when necessary.</p> <p><i>Agency: Lagos State Building Control Agency</i></p>	1 day	no charge
13	<p>Request and receive inspection by the Fire Department</p> <p>This certificate must be obtained at the local planning authority before the building can be used. It is within the discretion of the authority to conduct an on-site inspection before issuing the certificate. However, such an inspection, which normally takes about 45 minutes, is rarely performed.</p> <p><i>Agency: Fire Department</i></p>	1 day	no charge

No.	Procedure	Time to complete	Cost to complete
14	<p>Obtain certificate of completion and fitness for habitation</p> <p>Agency: Lagos State Building Control Agency</p>	14 days	no charge
15	<p>* Submit application for water connection to Lagos Water Company</p> <p>BuildCo collects the LWC Water Connection Form ("WCF") from the nearest Zonal Office ("ZO"). There are 31 zones in Lagos. The Completed WCF is submitted to ZO and ZO sends a Site Inspection Officer ("SIO") to the customer's property.</p> <ul style="list-style-type: none"> • SIO confirms address and locational details of BuildCo's property. SIO also establishes an optimal size and length of connection pipes, and optimal connection materials. • SIO prepares comprehensive Site Report ("SR") including estimates of total connection costs, and submits SR to the ZO. • ZO prepares connection bill to customer. <p>Agency: Zonal Office</p>	1 day	no charge
16	<p>Pay the connection bill and submit evidence of payment to Zonal Office</p> <p>Agency: Zonal Office</p>	1 day	NGN 50,000
17	<p>Receive water connection</p> <p>Once payment has been made, the Zonal Office (ZO) procures the connection materials and carries out the connection works.</p> <p>Agency: Zonal Office</p>	13 days	no charge

* Takes place simultaneously with another procedure.

Note: Online procedures account for 0.5 days in the total time calculation.

Source: Doing Business database.

Summary of time, cost and procedures for dealing with construction permits in Nigeria - Kano

No.	Procedure	Time to complete	Cost to complete
1	<p>Apply for a building plan approval at the Kano Urban Planning and Development Authority</p> <p>In order to obtain a building plan approval, BuildCo must submit a duly completed application form to the Kano Urban Planning and Development Authority, along with the following documents:</p>	1 day	no charge

No.	Procedure	Time to complete	Cost to complete
	<p>a. Proof of ownership (such as a certificate of occupancy);</p> <p>b. Survey plan (attached to the certificate of occupancy);</p> <p>c. Drawings, including:</p> <ul style="list-style-type: none"> - Architectural designs (site plan, floor plans, elevations, sections, storm drainage system, construction details, doors and windows schedules), duly signed by a registered architect; - Structural designs (design calculations, foundation layout, structural details on beams, columns, staircases, etc.), duly signed by a registered structural engineer; - Electrical designs (lighting and power load calculation, power point layout, lighting point layout, schedule of fittings and fixtures), duly signed by a registered electrical engineer; - Mechanical engineering designs (load calculations, waste disposal layout, soil disposal layout, schedule of sanitary fittings), duly signed by a registered mechanical engineer. <p>The documents are reviewed by the Kano Urban Planning and Development Authority. An assessment of the fees is given to BuildCo, to be paid at a designated bank. An on-site inspection will follow.</p> <p><i>Agency: Kano Urban Planning and Development Authority</i></p>		
2	<p>Pay the building plan approval fees at a designated bank</p> <p>BuildCo is given a payment order to be submitted to and paid at a designated bank. After payment, BuildCo is given a teller, or a bank receipt, which must be submitted back to the Kano Urban and Planning Development Authority. The authority opens a file for BuildCo, and the documents are submitted to the deputy director, then forwarded to the inspection officers who conduct an on-site inspection.</p> <p><i>Agency: Commercial Bank</i></p>	1 day	NGN 117,045
3	<p>Receive a pre-approval inspection from the Kano Urban Planning and Development Authority</p> <p>After BuildCo's application has been reviewed, the Kano Urban Planning and Development Authority conducts an on-site inspection to verify that the plot reflects the details provided in the drawings and that the land is suitable for the proposed project. The inspectors draft a report in which the plot, roads, setback details, adjoining land and power and water connections are described. The report is then attached to the documents and drawings that BuildCo submitted for approval, and forwarded to the Kano Urban Planning and Development Authority for final review and approval.</p> <p><i>Agency: Kano Urban Planning and Development Authority</i></p>	2 days	no charge
4	<p>Obtain a building plan approval from the Kano Urban Planning and Development Authority</p> <p>After the inspection and the payments have been completed, the documents submitted for approval – along with the inspection report</p>	14 days	no charge

No.	Procedure	Time to complete	Cost to complete
	<p>and the 3 remaining copies of the plan – are given to the Kano Urban Planning and Development Authority (KUPD) for final approval. The documents and plans are scrutinized and countersigned by a government architect, structural engineer and electrical engineer, before being submitted to the director. The director attaches a letter to the file before sending it to the managing director, who endorses the application, while the director signs the drawings and issue the approval letter. If granted, KUPD issues BuildCo a building plan approval authorizing the construction of the warehouse to proceed, as well as a plaque showing the file number and expiration date of the approval (3 years). A statutory limit reduced the time taken to complete this procedure to 14 days (10 working days).</p> <p><i>Agency: Kano Urban Planning and Development Authority</i></p>		
5	<p>Notify the Kano Urban Planning and Development Authority (KUPD) of commencement of work</p> <p>A letter notifying the Kano Urban Planning and Development Authority (KUPD) of the commencement of work must be sent one week prior to any construction work.</p> <p><i>Agency: Kano Urban Planning and Development Authority</i></p>	7 days	no charge
6	<p>Receive an inspection at setting out level by the Kano Urban Planning and Development Authority</p> <p>KUPD sends a team of inspectors to check the construction site at the setting-out level. Construction work does not stop during the inspection. If a problem is identified, the inspection teams issues a stop order requesting the issue to be resolved before construction proceeds further.</p> <p><i>Agency: Kano Urban Planning and Development Authority</i></p>	1 day	no charge
7	<p>Receive an inspection at foundation level by the Kano Urban Planning and Development Authority</p> <p>A team of inspectors from KUPD visits the construction site to ensure that the project is duly supervised and that the construction follows the specifications mentioned in the building plan previously provided by BuildCo. Construction work does not stop during the inspection. If a problem is identified, the inspection teams issues a stop order requesting the issue to be resolved before construction proceeds further.</p> <p><i>Agency: Kano Urban Planning and Development Authority</i></p>	1 day	no charge

No.	Procedure	Time to complete	Cost to complete
8	<p>Receive an inspection at first floor level by the Kano Urban Planning and Development Authority</p> <p>A team of inspectors from KUPD visits the construction site to ensure that the project is duly supervised and that the construction follows the specifications mentioned in the building plan previously provided by BuildCo. Construction work does not stop during the inspection. If a problem is identified, the inspection teams issues a stop order requesting the issue to be resolved before construction proceeds further</p> <p><i>Agency: Kano Urban Planning and Development Authority</i></p>	1 day	no charge
9	<p>Receive an inspection at second floor level by the Kano Urban Planning and Development Authority</p> <p>A team of inspectors from KUPD visits the construction site to ensure that the project is duly supervised and that the construction follows the specifications mentioned in the building plan previously provided by BuildCo. Construction work does not stop during the inspection. If a problem is identified, the inspection teams issues a stop order requesting the issue to be resolved before construction proceeds further.</p> <p><i>Agency: Kano Urban Planning and Development Authority</i></p>	1 day	no charge
10	<p>Receive an inspection at roof level by the Kano Urban Planning and Development Authority</p> <p>A team of inspectors from KUPD visits the construction site to ensure that the project is duly supervised and that the construction follows the specifications mentioned in the building plan previously provided by BuildCo. Construction work does not stop during the inspection. If a problem is identified, the inspection teams issues a stop order requesting the issue to be resolved before construction proceeds further.</p> <p><i>Agency: Kano Urban Planning and Development Authority</i></p>	1 day	no charge
11	<p>Notify the Kano Urban Planning and Development Authority (KUPD) of completion of works</p> <p>A letter notifying the Kano Urban Planning and Development Authority (KUPD) of the completion of work is sent. The inspectors will then proceed with a final inspection to verify that the work has been completed according to the approved building plans.</p> <p><i>Agency: Kano Urban Planning and Development Authority</i></p>	1 day	no charge

No.	Procedure	Time to complete	Cost to complete
12	<p>Obtain final inspection from Kano Urban Planning and Development Authority</p> <p><i>Agency: Kano Urban Planning and Development Authority</i></p>	1 day	no charge
13	<p>Obtain a certificate of habitation from the Kano Urban Planning and Development Authority</p> <p>BuildCo's supervising architect/engineer fills out a Building Certification Form stating that the construction works have been completed according to the approved plan and submits it to KUPD. Within 7 days from the receipt of the Building Certification Form (at no cost), KUPD will issue a Certificate of Habitation. In practice, however, this procedure is neither adhered to nor enforced.</p> <p><i>Agency: Kano Urban Planning and Development Authority</i></p>	7 days	no charge
14	<p>Obtain inspection from the Board of Internal Revenue for registration of building</p> <p>The Board of Internal Revenue service will visit the new warehouse and register it for tax purposes.</p> <p><i>Agency: Internal Revenue Authority</i></p>	1 day	no charge
15	<p>Apply for water connection at the Kano State Water Board and pay application form fee</p> <p>In order to obtain a water connection, BuildCo must submit a commercial application form to the Kano State Water Board, which has offices throughout the city.</p> <p><i>Agency: Kano State Water Board</i></p>	1 day	NGN 15,000
16	<p>Receive an inspection by the Kano State Water Board</p> <p>After the application has been submitted, a team of inspectors from the water board office visits the site to ascertain what needs to be done.</p> <p><i>Agency: Kano State Water Board</i></p>	1 day	no charge
17	<p>Obtain water connection</p> <p>Usually, the building is connected to water supply within one month. A BuildCo employee will also install a septic tank. This usually costs about NGN 200,000.</p> <p><i>Agency: Kano State Water Board</i></p>	30 days	NGN 250,000

No.	Procedure	Time to complete	Cost to complete

* Takes place simultaneously with another procedure.

Note: Online procedures account for 0.5 days in the total time calculation.

Source: *Doing Business* database.

GETTING ELECTRICITY

Access to reliable and affordable electricity is vital for businesses. To counter weak electricity supply, many firms in developing economies have to rely on self-supply, often at a prohibitively high cost. Whether electricity is reliably available or not, the first step for a customer is always to gain access by obtaining a connection.

What do the indicators cover?

Doing Business records all procedures required for a local business to obtain a permanent electricity connection and supply for a standardized warehouse, as well as the time and cost to complete them. These procedures include applications and contracts with electricity utilities, clearances from other agencies and the external and final connection works. The ranking of economies on the ease of getting electricity is determined by sorting their distance to frontier scores for getting electricity. These scores are the simple average of the distance to frontier scores for each of the component indicators. To make the data comparable across economies, several assumptions are used.

The warehouse:

- Is owned by a local entrepreneur, located in the economy's largest business city, in an area where other warehouses are located. For the 11 economies with a population of more than 100 million, data for a second city have been added.
- Is not in a special economic zone where the connection would be eligible for subsidization or faster service.
- Is located in an area with no physical constraints (ie. property not near a railway).
- Is a new construction being connected to electricity for the first time.
- Is 2 stories, both above ground, with a total surface of about 1,300.6 square meters (14,000 square feet), is built on a plot of 929 square meters (10,000 square feet), is used for storage of refrigerated goods

The electricity connection:

- Is 150 meters long and is a 3-phase, 4-wire Y, 140-kilovolt-ampere (kVA) (subscribed capacity) connection.

WHAT THE GETTING ELECTRICITY INDICATORS MEASURE

Procedures to obtain an electricity connection (number)

- Submitting all relevant documents and obtaining all necessary clearances and permits
- Completing all required notifications and receiving all necessary inspections
- Obtaining external installation works and possibly purchasing material for these works
- Concluding any necessary supply contract and obtaining final supply

Time required to complete each procedure (calendar days)

- Is at least 1 calendar day
- Each procedure starts on a separate day
- Does not include time spent gathering information
- Reflects the time spent in practice, with little follow-up and no prior contact with officials

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

- Official costs only, no bribes
- Excludes value added tax
- Is to either the low-voltage or the medium-voltage distribution network and either overhead or underground, whichever is more common in the area where the warehouse is located. Included only negligible length in the customer's private domain.
- Requires crossing of a 10-meter road but all the works are carried out in a public land, so there is no crossing into other people's private property.
- Involves installing one electricity meter. The monthly electricity consumption will be 26880 kilowatt hour (kWh). The internal electrical wiring has been completed.

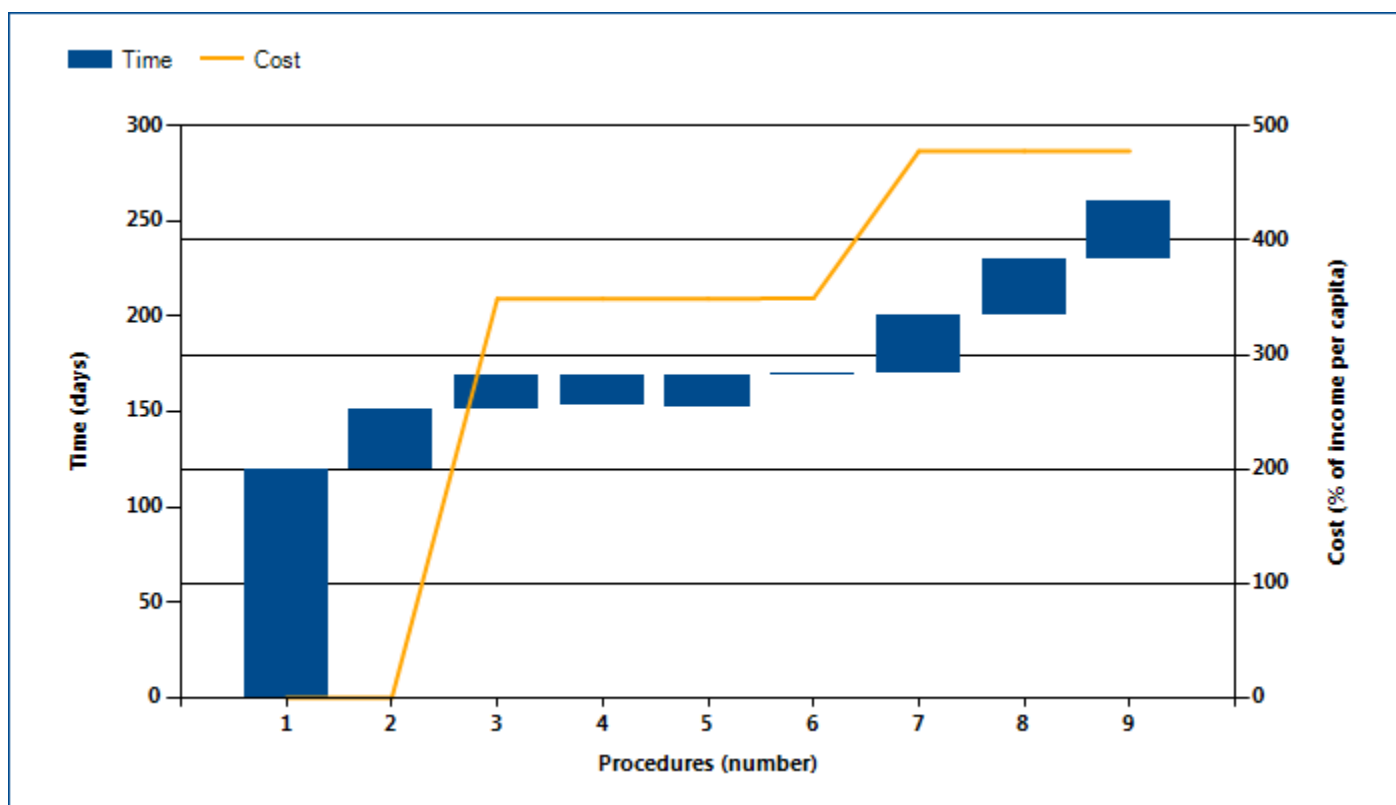
GETTING ELECTRICITY

Where does the economy stand today?

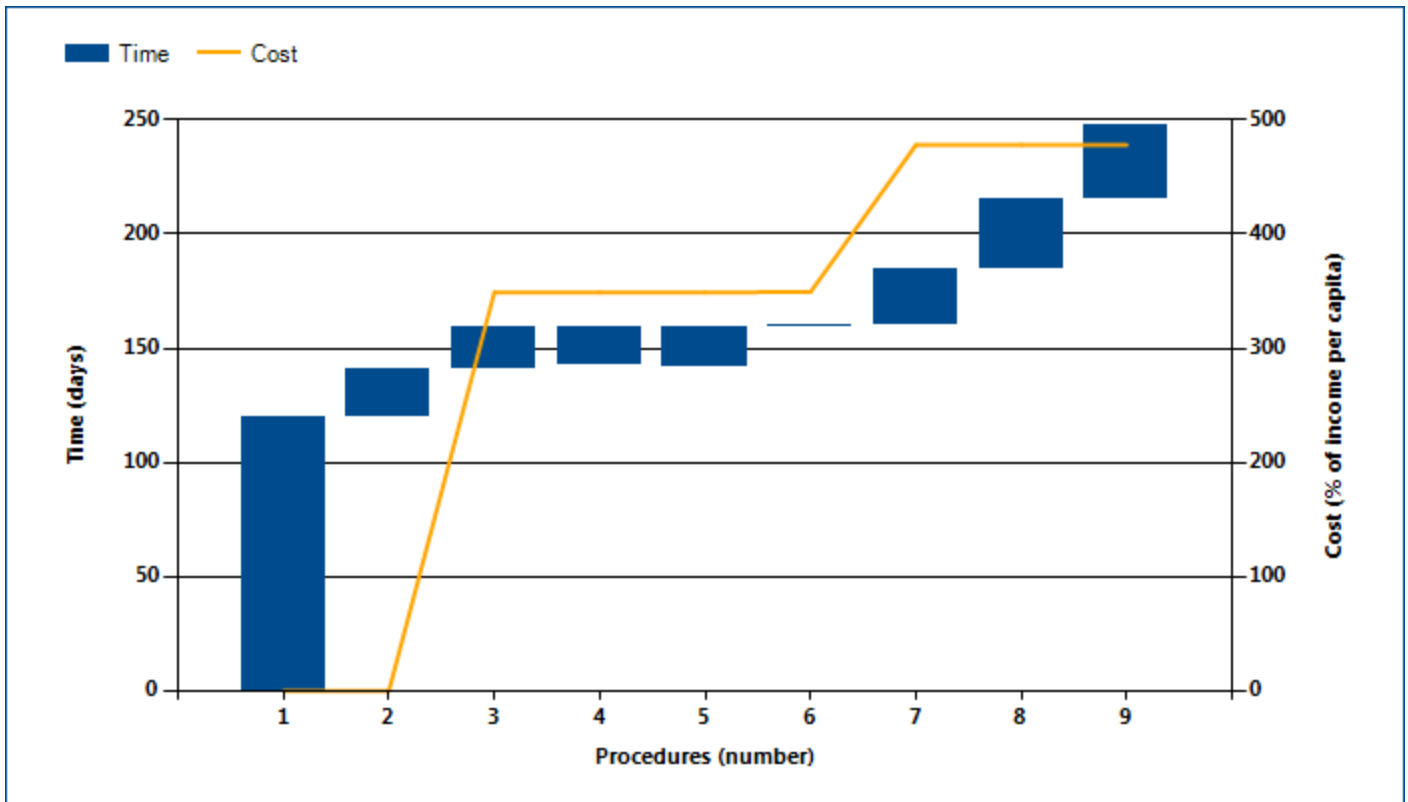
What does it take to obtain a new electricity connection in Nigeria? According to data collected by *Doing Business*, getting electricity there requires 9.0 procedures, takes 257.2 days and costs 478.0% of income per capita (figure 4.1).

Most indicator sets refer to a case scenario in the largest business city of an economy, except for 11 economies for which the data are a population-weighted average of the 2 largest business cities. See the chapter on distance to frontier and ease of doing business ranking at the end of this profile for more details.

Figure 4.1 What it takes to obtain an electricity connection in Nigeria - Lagos



What it takes to obtain an electricity connection in Nigeria - Kano



Note: Time shown in the figure above may not reflect simultaneity of procedures. For more information on the methodology of the getting electricity indicators, see the *Doing Business* website (<http://www.doingbusiness.org>). For details on the procedures reflected here, see the summary at the end of this chapter.

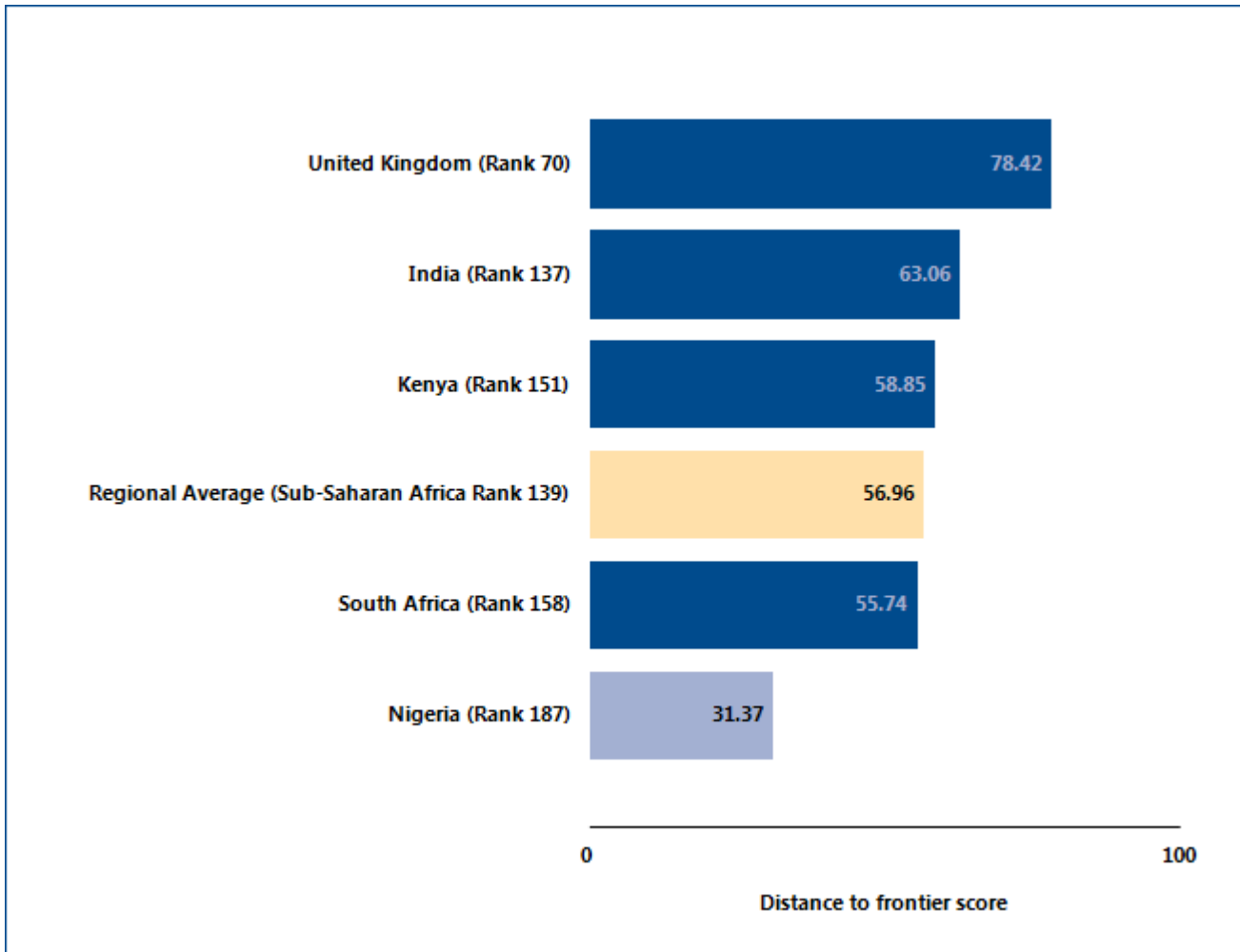
Source: *Doing Business* database.

GETTING ELECTRICITY

Globally, Nigeria stands at 187 in the ranking of 189 economies on the ease of getting electricity (figure 4.2). The rankings for comparator economies and the regional

average ranking provide another perspective in assessing how easy it is for an entrepreneur in Nigeria to connect a warehouse to electricity.

Figure 4.2 How Nigeria and comparator economies rank on the ease of getting electricity



Source: Doing Business database.

GETTING ELECTRICITY

What are the details?

The indicators reported here for Nigeria are based on a set of specific procedures—the steps that an entrepreneur must complete to get a warehouse connected to electricity by the local distribution utility—identified by *Doing Business*. Data are collected from the distribution utility, then completed and verified by electricity regulatory agencies and independent professionals such as electrical engineers, electrical contractors and construction companies. The electricity distribution utility surveyed is the one serving the area (or areas) in which warehouses are located. If there is a choice of distribution utilities, the one serving the largest number of customers is selected.

OBTAINING AN ELECTRICITY CONNECTION

Name of utility - Kano:	Kano Electricity Distribution Company
Name of utility - Lagos:	Eko Distribution Company
City:	Lagos, Kano

The procedures are those that apply to a warehouse and electricity connection matching the standard assumptions used by *Doing Business* in collecting the data (see the section in this chapter on what the indicators cover). The procedures, along with the associated time and cost, are summarized below.

Table 4.2 Summary of time, cost and procedures for getting electricity in Nigeria - Lagos

No.	Procedure	Time to complete	Cost to complete
1	<p>Submit application to Eko Electricity Distribution Company and await clearance letter</p> <p>The licensed electrical contractor acts on customer’s behalf. All electrical contractors have to be licensed with the Federal Ministry for Power and Steel. Correspondence takes place between contractor and utility. Payments are made to utility by contractor who then bills the customer. The electrician must pick up application form at Eko Electricity Distribution Company, completes and submits it to the Eko Electricity Distribution Company office. This form must provide the PIN (Personal Identification Number) of the licensed electrician and a letter stating that he will be in charge of the internal installation as well as the installation of the transformer. Since the load is more than 100 kVA, the request will be sent to EKO Headquarters for approval. This is an internal process. The approval letter will be given along with the list of materials to be bought by the customer (must be new, purchased from accredited distributor and receipt produced, test certificate of transformer from manufacturer produced).</p> <p><i>Agency: Eko Electricity Distribution Company</i></p>	120 calendar days	NGN 0

No.	Procedure	Time to complete	Cost to complete
2	<p>Receive tentative approval letter from Eko Electricity Distribution Company, submit payment and request and receive site visit from utility engineer</p> <p>Upon receipt of application, the utility sends letter of clearance for purchase of distribution transformer and other external connection materials. It mentions in the letter the description of the materials (must be new, purchased from accredited distributor and receipt produced, test certificate of transformer from manufacturer produced). The survey fee is for the site visit which the utility engineer will do. The payment is for scheme and sanction preparation. The request for site visit is made over the phone to the utility. The engineer verifies that the materials purchased are of good quality.</p> <p><i>Agency: Eko Electricity Distribution Company</i></p>	31 calendar days	NGN 0
3	<p>Purchase and install external connection equipment</p> <p>Customer needs to purchase cables, distribution transformer, and installation accessories from market</p> <p><i>Agency: Eko Electricity Distribution Company</i></p>	18 calendar days	NGN 1,559,250
4	<p>* Client's contractor obtains a right-of-way permit</p> <p>Client's contractor obtains right of way permit at the State Ministry of Works or State Roads Maintenance Agency</p> <p><i>Agency: The State Ministry of Works or State Roads Maintenance Agency</i></p>	14 calendar days	NGN 0
5	<p>* Request and receive inspection from Inspecting Engineer, Nigerian Electrical Power Authority (NEPA)</p> <p>The Inspecting Engineer from NEPA will check all materials to ascertain whether they were of correct quality. The electrical contractor will show the letter of approval. The NEPA engineer will check if the installation has been properly done, and if it is in compliance, a Certificate of compliance will be issued.</p> <p><i>Agency: Nigerian Electrical Power Authority</i></p>	14 calendar days	NGN 0
6	<p>Submit payment to Federal Ministry of Power and Steel and pick up the Inspection Certificate</p> <p>The fee charged is for the certificate of compliance.</p>	1 calendar day	NGN 2,000

No.	Procedure	Time to complete	Cost to complete
	<i>Agency: Ministry of Mines and Power</i>		
7	<p>Submit inspection certificate to Eko Electricity Distribution Company, request and receive estimate letter from utility and make payment</p> <p>The customer can go to the utility to pick up the estimate letter. The estimate letter is usually prepared on the spot when the contractor requests it. The contractor then makes the payment mentioned in the letter, and also submits the inspection certificate from the Ministry to the utility.</p> <p><i>Agency: Eko Electricity Distribution Company</i></p>	30 calendar days	NGN 575,000
8	<p>Eko Electricity Distribution Company conducts internal wiring inspection and tests complete installation</p> <p>The utility engineer conducts the internal wiring inspection within a week after the estimate is paid.</p> <p><i>Agency: Eko Electricity Distribution Company</i></p>	30 calendar days	NGN 0
9	<p>Eko Electricity Distribution Company conducts meter installation and electricity starts flowing</p> <p>Once the internal wiring inspection is complete, the utility sends over the connection team to do the meter installation and then turns on electricity flow.</p> <p><i>Agency: Eko Electricity Distribution Company</i></p>	30 calendar days	NGN 0

* Takes place simultaneously with another procedure.

Source: Doing Business database.

Summary of time, cost and procedures for getting electricity in Nigeria - Kano

No.	Procedure	Time to complete	Cost to complete
1	<p>Submit application to Kano Electricity Distribution Company and await clearance letter</p> <p>The licensed electrical contractor acts on customer's behalf. All electrical contractors have to be licensed. Correspondence takes place between contractor and utility. Payments are made to utility by contractor who</p>	120 calendar days	NGN 0

No.	Procedure	Time to complete	Cost to complete
	<p>then bills the customer. The electrician must pick up application form at Kano Electricity Distribution Company, completes and submits it back. This form must provide the PIN (Personal Identification Number) of the licensed electrician and a letter stating that he will be in charge of the internal installation as well as the installation of the transformer.</p> <p><i>Agency: Kano Electricity Distribution Company</i></p>		
2	<p>Receive tentative approval letter from Kano Electricity Distribution Company, submit payment and request and receive site visit from utility engineer</p> <p>Upon receipt of application, the utility sends letter of clearance for purchase of distribution transformer and other external connection materials. It mentions in the letter the description of the materials (must be new, purchased from accredited distributor and receipt produced, test certificate of transformer from manufacturer produced). The survey fee is for the site visit which the utility engineer will do. The payment is for scheme and sanction preparation. The request for site visit is made over the phone to the utility. The engineer verifies that the materials purchased are of good quality.</p> <p><i>Agency: Kano Electricity Distribution Company</i></p>	21 calendar days	NGN 0
3	<p>Purchase and install external connection equipment</p> <p>Customer needs to purchase cables, distribution transformer, and installation accessories from market</p> <p><i>Agency: Customer</i></p>	18 calendar days	NGN 1,559,250
4	<p>* Obtain a right of way clearance</p> <p>Client's contractor obtains right of way permit at the State Ministry of Works or State Roads Maintenance Agency</p> <p><i>Agency: State Roads Maintenance Agency</i></p>	10 calendar days	NGN 0
5	<p>* Request and receive inspection from Inspecting Engineer</p> <p>The Inspecting Engineer from an outside agency will check all materials to ascertain whether they were of correct quality. The electrical contractor will show the letter of approval. The engineer will check if the installation has been properly done, and if it is in compliance, a Certificate of compliance will be issued.</p>	14 calendar days	NGN 0

No.	Procedure	Time to complete	Cost to complete
	<i>Agency: Electrical Power Authority</i>		
6	<p>Submit payment to Federal Ministry of Power and Steel and pick up the Inspection</p> <p>The fee charged is for the certificate of compliance.</p> <p><i>Agency: Ministry of Mines and Power</i></p>	1 calendar day	NGN 2,000
7	<p>Submit inspection certificate to Kano Electricity Distribution Company, request and receive estimate</p> <p>The customer can go to the utility to pick up the estimate letter. The estimate letter is usually prepared on the spot when the contractor requests it. The contractor then makes the payment mentioned in the letter, and also submits the inspection certificate from the Ministry to the utility.</p> <p><i>Agency: Kano Electricity Distribution Company</i></p>	25 calendar days	NGN 575,000
8	<p>Kano Electricity Distribution Company conducts internal wiring inspection and tests complete installation</p> <p>The utility engineer conducts the internal wiring inspection within a week after the estimate is paid.</p> <p><i>Agency: Kano Electricity Distribution Company</i></p>	30 calendar days	NGN 0
9	<p>Kano Electricity Distribution Company conducts meter installation and electricity starts flowing</p> <p>Once the internal wiring inspection is complete, the utility sends over the connection team to do the meter installation and then turns on electricity flow.</p> <p><i>Agency: Kano Electricity Distribution Company</i></p>	33 calendar days	NGN 0

* Takes place simultaneously with another procedure.

Source: Doing Business database.

REGISTERING PROPERTY

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. And where property is informal or poorly administered, it has little chance of being accepted as collateral for loans—limiting access to finance.

What do the indicators cover?

Doing Business records the full sequence of procedures necessary for a business to purchase property from another business and transfer the property title to the buyer's name. The transaction is considered complete when it is opposable to third parties and when the buyer can use the property, use it as collateral for a bank loan or resell it. The ranking of economies on the ease of registering property is determined by sorting their distance to frontier scores for registering property. These scores are the simple average of the distance to frontier scores for each of the component indicators. To make the data comparable across economies, several assumptions about the parties to the transaction, the property and the procedures are used.

The parties (buyer and seller):

- Are limited liability companies, 100% domestically and privately owned and perform general commercial activities.
- Are located in the economy's largest business city².
- Have 50 employees each, all of whom are nationals.

The property (fully owned by the seller):

- Has a value of 50 times income per capita. The sale price equals the value.
- Is registered in the land registry or cadastre, or both, and is free of title disputes.
- Property will be transferred in its entirety.

WHAT THE REGISTERING PROPERTY INDICATORS MEASURE

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 city²

Postregistration (for example, filing title with the municipality)

Time required to complete each procedure (calendar days)

Does not include time spent gathering information

Each procedure starts on a separate day. Procedures that can be fully completed online are recorded as ½ day.

Procedure considered completed once final document is received

No prior 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

- Is located in a periurban commercial zone, and no rezoning is required.
- Has no mortgages attached, has been under the same ownership for the past 10 years.
- Consists of 557.4 square meters (6,000 square feet) of land and a 10-year-old, 2-story warehouse of 929 square meters (10,000 square feet). The warehouse is in good condition and complies with all safety standards, building codes and legal requirements. There is no heating system.

² For the 11 economies with a population of more than 100 million, data for a second city have been added.

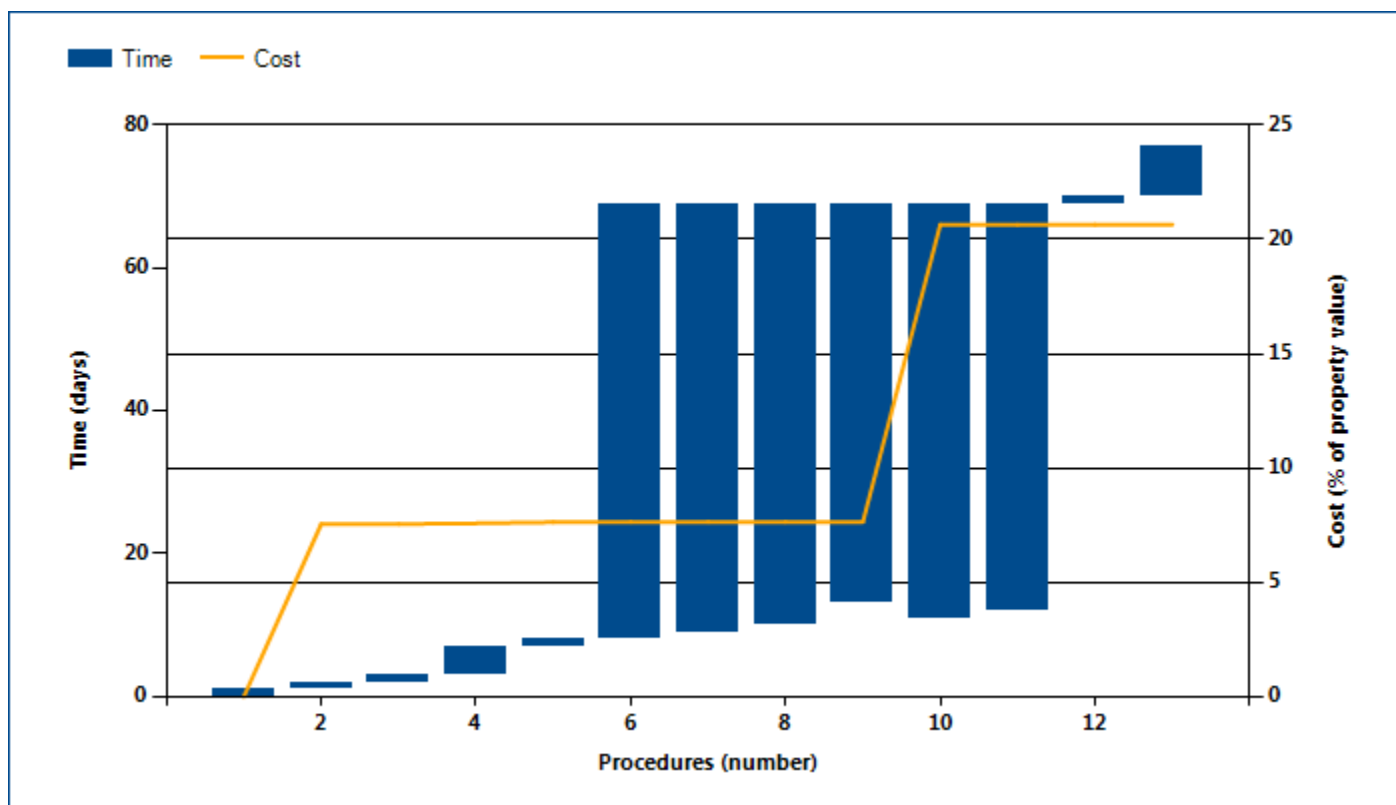
REGISTERING PROPERTY

Where does the economy stand today?

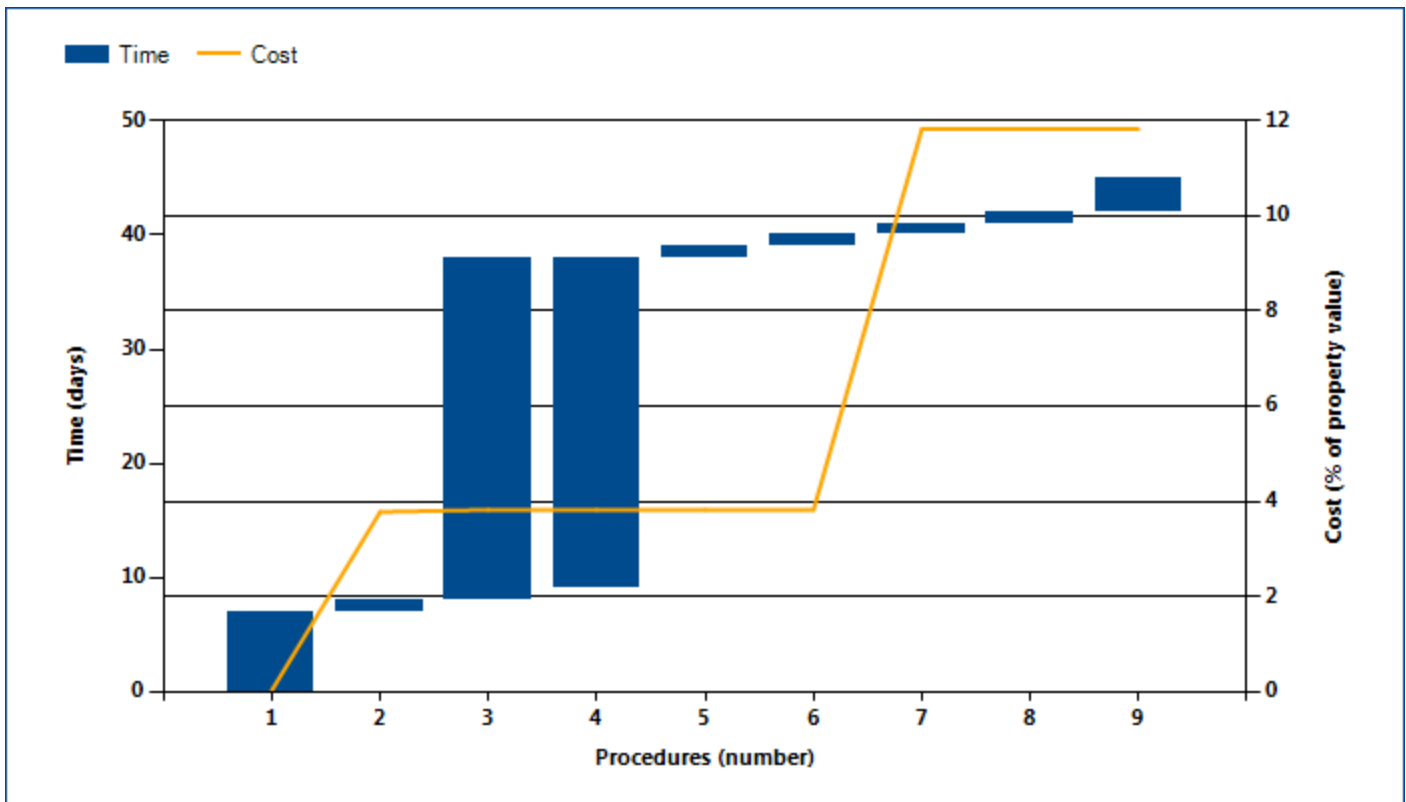
What does it take to complete a property transfer in Nigeria? According to data collected by *Doing Business*, registering property there requires 12.1 procedures, takes 69.6 days and costs 18.6% of the property value (figure 5.1).

Most indicator sets refer to a case scenario in the largest business city of an economy, except for 11 economies for which the data are a population-weighted average of the 2 largest business cities. See the chapter on distance to frontier and ease of doing business ranking at the end of this profile for more details.

Figure 5.1 What it takes to register property in Nigeria - Lagos



What it takes to register property in Nigeria - Kano



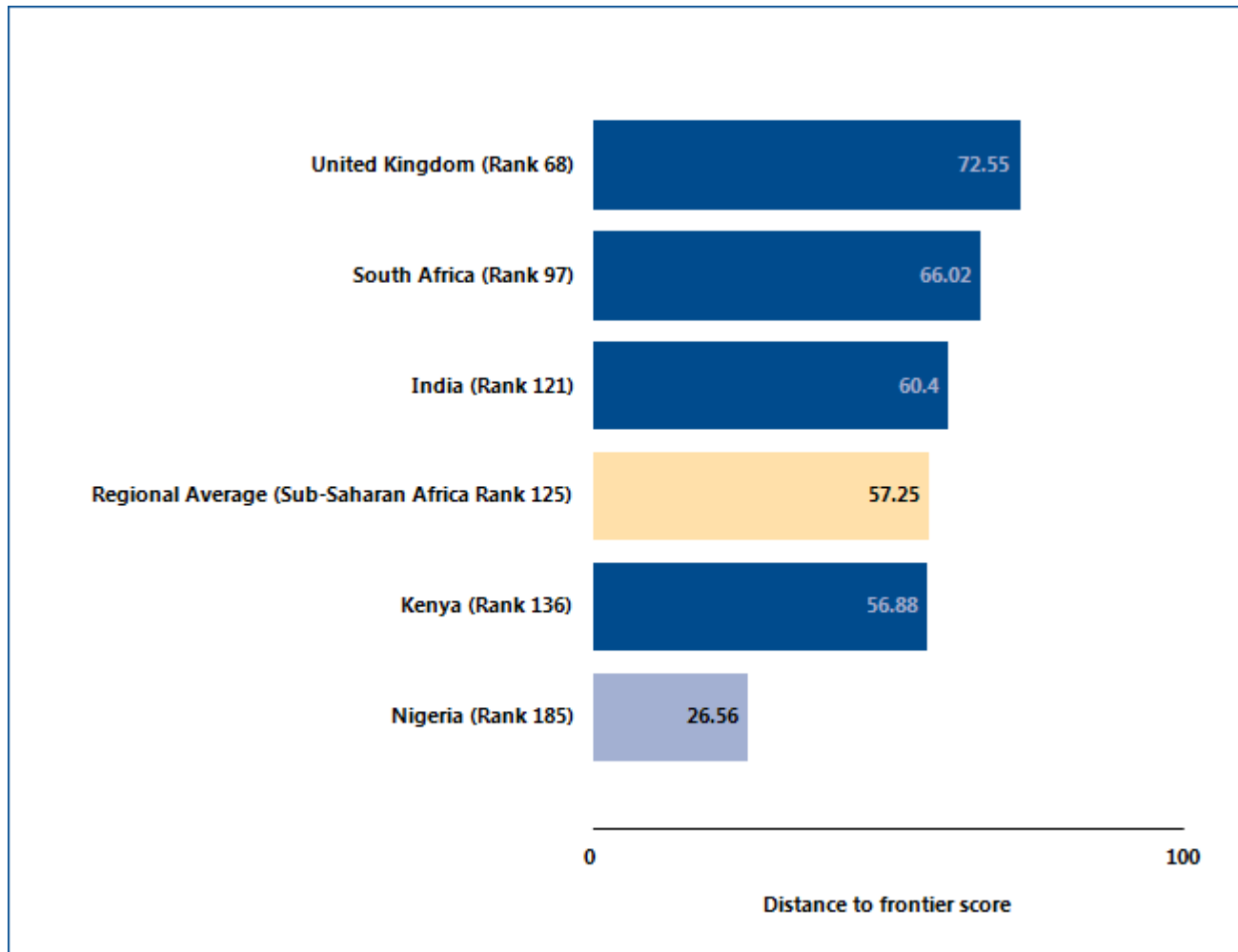
Note: Time shown in the figure above may not reflect simultaneity of procedures. Online procedures account for 0.5 days in the total time calculation. For more information on the methodology of the registering property indicators, see the *Doing Business* website (<http://www.doingbusiness.org>). For details on the procedures reflected here, see the summary at the end of this chapter. Source: *Doing Business* database.

REGISTERING PROPERTY

Globally, Nigeria stands at 185 in the ranking of 189 economies on the ease of registering property (figure 5.2). The rankings for comparator economies and the

regional average ranking provide other useful information for assessing how easy it is for an entrepreneur in Nigeria to transfer property.

Figure 5.2 How Nigeria and comparator economies rank on the ease of registering property



Source: Doing Business database.

REGISTERING PROPERTY

What are the details?

The indicators reported here are based on a set of specific procedures—the steps that a buyer and seller must complete to transfer the property to the buyer’s name—identified by *Doing Business* through information collected from local property lawyers, notaries and property registries. These procedures are those that apply to a transaction matching the standard assumptions used by *Doing Business* in collecting the data (see the section in this chapter on what the indicators cover).

STANDARD PROPERTY TRANSFER	
Property value:	NGN 22,345,084
City:	Lagos, Kano

The procedures, along with the associated time and cost, are summarized below.

Table 5.2 Summary of time, cost and procedures for registering property in Nigeria

No.	Procedure	Time to complete	Cost to complete
1	<p>Conduct search of property title and obtain consent application form at Lands Registry</p> <p>The lawyer representing the parties fills out and submits a letter, which states the purpose of the search. The search fee is paid in cash at the Lands Registry.</p> <p><i>Agency: Ministry of Lands and Physical Planning</i></p>	7 days	NGN 5,000 search fee + NGN 2,000 consent form fee
2	<p>Execute deed of assignment and consent application form</p> <p>Seller and buyer sign four (4) copies of the deed of assignment and the application for consent form. Legal fees are charged based on the Scale of Fees for Conveyancing Matters [Legal Practitioners (Remuneration for Legal Documentation and Other Land Matters) Order 1991]. This is a sliding scale based on slices of the consideration involved, and averages out at about 7.5% of the consideration. In practice, due to competition amongst lawyers, the fees charged for property assignment in Kano are lower than those prescribed and amount to approximately 3.75% of property value. The fees will include all the steps required until the new title is registered under the buyer's name</p> <p><i>Agency: Lawyer's Office</i></p>	1 day	3.75% of property value legal fee
3	<p>Submit application for Governor's consent to the assignment at the Ministry of Lands and Physical Planning</p> <p>By virtue of the Land Use Act, promulgated in 1978, all land comprised in territory of each state in the federation became vested in the Governor of that state, whose prior consent is mandatory for the legal validity of any transfers or alienation of interest in landed property. In Kano, the</p>	30 days (simultaneous with procedure 4)	processing fee of NGN 10,000

No.	Procedure	Time to complete	Cost to complete
	<p>authority to grant the consent has been delegated by the Governor to the Commissioner for Lands, who delegated it further to the Permanent Secretary for Lands. In order to obtain such consent, the following documents must be submitted: a. Copy of the deed for which consent is sought; b. Proof of settlement of outstanding ground rates; c. Letter of clearance of the title holder and board's resolution in case of a corporate body; d. Three years tax clearance certificates of the seller and buyer; e. Registration particulars and articles of association of the company.</p> <p><i>Agency: Ministry of Lands and Physical Planning</i></p>		
4	<p>* Receive inspection of the property from the Ministry of Lands and Physical Planning</p> <p>The valuation includes a physical inspection of the property to assess its market value. Upon completion of valuation, a valuation report is issued, based on which registration fees are assessed.</p> <p><i>Agency: Ministry of Lands and Physical Planning</i></p>	7 days (simultaneous with procedure 3)	no cost
5	<p>Collect letter of consent and demand order for payment of fees from the Ministry of Lands and Physical Planning</p> <p>The applicant receives a letter of consent, which is conditional on payment of the prescribed fees. Registration must be done within 4 months; failure to do so attracts a penalty of NGN 100 payable on each defaulting day including weekends.</p> <p><i>Agency: Ministry of Lands and Physical Planning</i></p>	1 day	no cost
6	<p>Assess the deed of assignment at the Stamp Duty Office (Federal Inland Revenue Services)</p> <p>The deed is presented by buyer's lawyer for assessment of stamp duty at the FIRS. The FIRS typically uses the figure as indicated by the Lands Registry in their assessment of the fees.</p> <p><i>Agency: Stamp Duty Office, Federal Board of Inland Revenue</i></p>	1 day	no cost
7	<p>Pay prescribed fees and stamp duty at the designated bank</p> <p>The buyer or his/her agent pays the prescribed fees and stamp duty at the designated bank. Payment of stamp duty is by bank draft payable to any of the designated receiving banks. Stamp duty for property assignment between companies is assessed at 3% of the property value.</p>	1 day	5% of property value registration fee + 3% of property value stamp duty fee

No.	Procedure	Time to complete	Cost to complete
	<i>Agency: Commercial bank</i>		
8	<p>Stamp the deed of assignment at the Stamp Duty Office (Federal Inland Revenue Services)</p> <p>The deed is presented by buyer's lawyer for stamping at the FIRS. Stamping takes place only after the FIRS receives confirmation of receipt of payment.</p> <p><i>Agency: Stamp Duty Office, Federal Board of Inland Revenue</i></p>	1 day	no cost
9	<p>Register the deed of assignment at Lands Registry</p> <p>Buyer's lawyer submits payment receipts to the Schedule Officer at Lands Registry, who in turn enters the deed into the Lands Registry records.</p> <p><i>Agency: Ministry of Lands and Physical Planning</i></p>	3 days	no cost

* Takes place simultaneously with another procedure.

Note: Online procedures account for 0.5 days in the total time calculation.

Source: *Doing Business* database.

GETTING CREDIT

Two types of frameworks can facilitate access to credit and improve its allocation: credit information systems and borrowers and lenders in collateral and bankruptcy laws. Credit information systems enable lenders' rights to view a potential borrower's financial history (positive or negative)—valuable information to consider when assessing risk. And they permit borrowers to establish a good credit history that will allow easier access to credit. Sound collateral laws enable businesses to use their assets, especially movable property, as security to generate capital—while strong creditors' rights have been associated with higher ratios of private sector credit to GDP.

What do the indicators cover?

Doing Business assesses the sharing of credit information and the legal rights of borrowers and lenders with respect to secured transactions through 2 sets of indicators. The depth of credit information index measures rules and practices affecting the coverage, scope and accessibility of credit information available through a credit registry or a credit bureau. The strength of legal rights index measures whether certain features that facilitate lending exist within the applicable collateral and bankruptcy laws. *Doing Business* uses two case scenarios, Case A and Case B, to determine the scope of the secured transactions system, involving a secured borrower and a secured lender and examining legal restrictions on the use of movable collateral (for more details on each case, see the Data Notes section of the *Doing Business 2015* report). These scenarios assume that the borrower:

- Is a private limited liability company.
- Has its headquarters and only base of operations in the largest business city. For the 11 economies with a population of more than 100 million, data for a second city have been added.

WHAT THE GETTING CREDIT INDICATORS MEASURE

Strength of legal rights index (0–12)³

Rights of borrowers and lenders through collateral laws

Protection of secured creditors' rights through bankruptcy laws

Depth of credit information index (0–8)⁴

Scope and accessibility of credit information distributed by credit bureaus and credit registries

Credit bureau coverage (% of adults)

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

Credit registry coverage (% of adults)

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

- Has up to 50 employees.
- Is 100% domestically owned, as is the lender.

The ranking of economies on the ease of getting credit is determined by sorting their distance to frontier scores for getting credit. These scores are the distance to frontier score for the strength of legal rights index and the depth of credit information index.

³ For the legal rights index, 2 new points are added in *Doing Business 2015* for new data collected to assess the overall legal framework for secured transactions and the functioning of the collateral registry.

⁴ For the credit information index, 2 new points are added in *Doing Business 2015* for new data collected on accessing borrowers' credit information online and availability of credit scores.

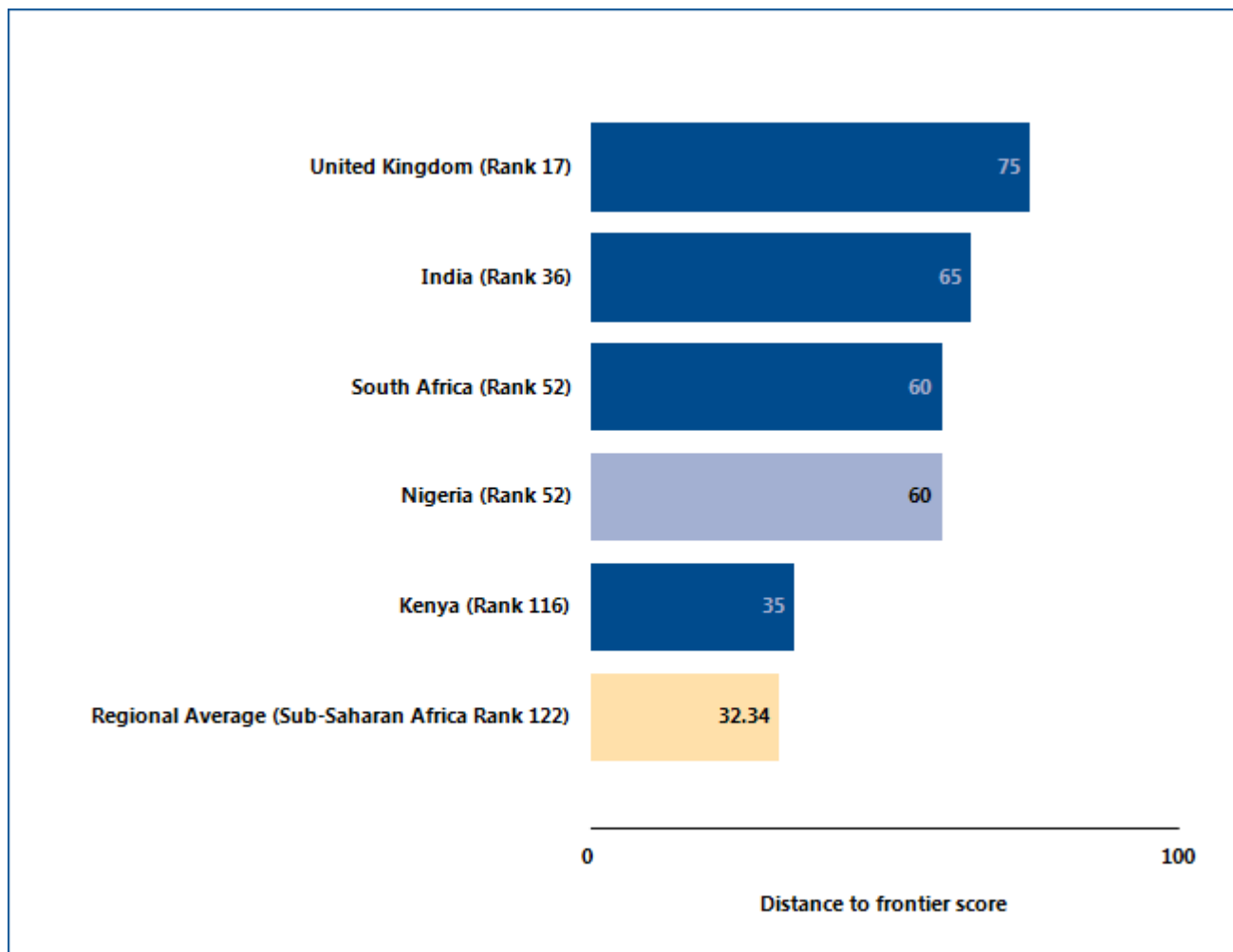
GETTING CREDIT

Where does the economy stand today?

How well do the credit information system and collateral and bankruptcy laws in Nigeria facilitate access to credit? The economy has a score of 6 on the depth of credit information index and a score of 6 on the strength of legal rights index (see the summary of scoring at the end of this chapter for details). Higher scores indicate more credit information and stronger legal rights for borrowers and lenders.

Globally, Nigeria stands at 52 in the ranking of 189 economies on the ease of getting credit (figure 6.1). The rankings for comparator economies and the regional average ranking provide other useful information for assessing how well regulations and institutions in Nigeria support lending and borrowing.

Figure 6.1 How Nigeria and comparator economies rank on the ease of getting credit



Source: Doing Business database.

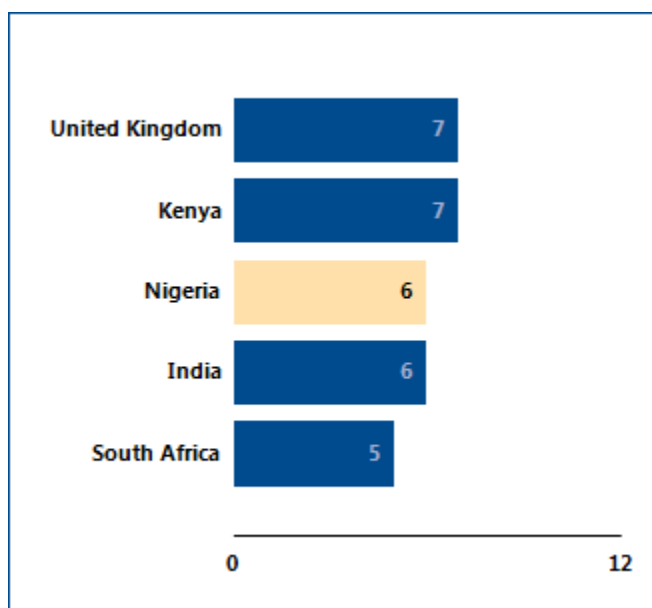
GETTING CREDIT

One way to put an economy’s score on the getting credit indicators into context is to see where the economy stands in the distribution of scores across economies. Figure 6.2 highlights the score on the strength of legal

rights index for Nigeria and shows the scores for comparator economies as well as the regional average score. Figure 6.3 shows the same for the depth of credit information index.

Figure 6.2 How strong are legal rights for borrowers and lenders?

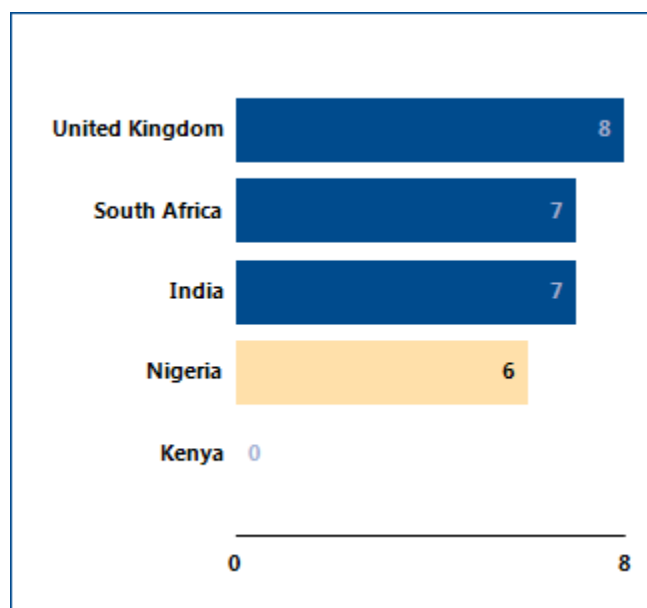
Economy scores on strength of legal rights index



Note: Higher scores indicate that collateral and bankruptcy laws are better designed to facilitate access to credit.
Source: Doing Business database.

Figure 6.3 How much credit information is shared—and how widely?

Economy scores on depth of credit information index



Note: Higher scores indicate the availability of more credit information, from either a credit registry or a credit bureau, to facilitate lending decisions. If the credit bureau or registry is not operational or covers less than 5% of the adult population, the total score on the depth of credit information index is 0.
Source: Doing Business database.

GETTING CREDIT

When economies strengthen the legal rights of lenders and borrowers under collateral and bankruptcy laws, and increase the scope, coverage and accessibility of credit

information, they can increase entrepreneurs' access to credit. What credit reforms has *Doing Business* recorded in Nigeria (table 6.1)?

Table 6.1 How has Nigeria made getting credit easier—or not?
By *Doing Business* report year from DB2010 to DB2015

DB year	Reform
DB2010	Nigeria improved its credit information system through a central bank guideline defining the licensing, operational and regulatory requirements for a privately owned credit bureau.
DB2013	Nigeria improved access to credit information by distributing credit information from retail companies.

Note: For information on reforms in earlier years (back to DB2005), see the *Doing Business* reports for these years, available at <http://www.doingbusiness.org>.

Source: *Doing Business* database.

GETTING CREDIT

What are the details?

The getting credit indicators reported here for Nigeria are based on detailed information collected in that economy. The data on credit information sharing are collected through a survey of a credit registry and/or credit bureau (if one exists). To construct the depth of credit information index, a score of 1 is assigned for each of 8 features of the credit registry or credit bureau (see summary of scoring below).

The data on the legal rights of borrowers and lenders are gathered through a survey of financial lawyers and verified through analysis of laws and regulations as well as public sources of information on collateral and bankruptcy laws. For the strength of legal rights index, a score of 1 is assigned for each of 10 aspects related to legal rights in collateral law and 2 aspects in bankruptcy law.

Strength of legal rights index (0–12)	Lagos Index score: 6	Kano Index score: 6
Does an integrated or unified legal framework for secured transactions that extends to the creation, publicity and enforcement of functional equivalents to security interests in movable assets exist in the economy?	No	No
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?	Yes	Yes
Does the law allow businesses to grant a non possessory security right in substantially all of its assets, without requiring a specific description of collateral?	Yes	Yes
May a security right extend to future or after-acquired assets, and may it extend automatically to the products, proceeds or replacements of the original assets?	Yes	Yes
Is a general description of debts and obligations permitted in collateral agreements; can all types of debts and obligations be secured between parties; and can the collateral agreement include a maximum amount for which the assets are encumbered?	Yes	Yes
Is a collateral registry in operation for both incorporated and non-incorporated entities, that is unified geographically and by asset type, with an electronic database indexed by debtor's name?	No	No
Does a notice-based collateral registry exist in which all functional equivalents can be registered?	No	No
Does a modern collateral registry exist in which registrations, amendments, cancellations and searches can be performed online by any interested third party?	No	No

Strength of legal rights index (0–12)	Lagos Index score: 6	Kano Index score: 6
Are secured creditors paid first (i.e. before tax claims and employee claims) when a debtor defaults outside an insolvency procedure?	Yes	Yes
Are secured creditors paid first (i.e. before tax claims and employee claims) when a business is liquidated?	No	No
Are secured creditors subject to an automatic stay on enforcement when a debtor enters a court-supervised reorganization procedure? Does the law protect secured creditors' rights by providing clear grounds for relief from the stay and/or sets a time limit for it?	No	No
Does the law allow parties to agree on out of court enforcement at the time a security interest is created? Does the law allow the secured creditor to sell the collateral through public auction and private tender, as well as, for the secured creditor to keep the asset in satisfaction of the debt?	Yes	Yes

Depth of credit information index (0–8)	Credit bureau	Credit registry	Index score: 6
Are data on both firms and individuals distributed?	Yes	No	1
Are both positive and negative credit data distributed?	Yes	No	1
Are data from retailers or utility companies - in addition to data from banks and financial institutions - distributed?	Yes	No	1
Are at least 2 years of historical data distributed? (Credit bureaus and registries that distribute more than 10 years of negative data or erase data on defaults as soon as they are repaid obtain a score of 0 for this component.)	Yes	No	1
Are data on loan amounts below 1% of income per capita distributed?	Yes	No	1
By law, do borrowers have the right to access their data in the credit bureau or credit registry?	No	No	0
Can banks and financial institutions access borrowers' credit information online (for example, through an online platform, a system-to-system connection or both)?	Yes	No	1
Are bureau or registry credit scores offered as a value-added service to help banks and financial institutions assess the creditworthiness of borrowers?	No	No	0

Note: Prior to *Doing Business 2015*, the depth of credit information index covered only the first 6 features listed above. An economy receives a score of 1 if there is a "yes" to either bureau or registry. If the credit bureau or registry is not operational or

covers less than 5% of the adult population, the total score on the depth of credit information index is 0.

Coverage	Credit bureau (% of adults)	Credit registry (% of adults)
Number of firms	621,895	0
Number of individuals	4,747,797	0
Percent of total	5.8	0.1

Source: *Doing Business* database.

PROTECTING MINORITY INVESTORS

Protecting minority investors matters for the ability of companies to raise the capital they need to grow, innovate, diversify and compete. Effective regulations define related-party transactions precisely, promote clear and efficient disclosure requirements, require shareholder participation in major decisions of the company and set detailed standards of accountability for company insiders.

What do the indicators cover?

Doing Business measures the protection of minority investors from conflicts of interest through one set of indicators and shareholders' rights in corporate governance through another. The ranking of economies on the strength of minority investor protections is determined by sorting their distance to frontier scores for protecting minority investors. These scores are the simple average of the distance to frontier scores for the extent of conflict of interest regulation index and the extent of shareholder governance index. To make the data comparable across economies, a case study uses several assumptions about the business and the transaction.

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 involves the following details:

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

WHAT THE PROTECTING MINORITY INVESTORS INDICATORS MEASURE

Extent of disclosure index (0–10)

Review and approval requirements for related-party transactions ; Disclosure requirements for related-party transactions

Extent of director liability index (0–10)

Ability of minority shareholders to sue and hold interested directors liable for prejudicial related-party transactions; Available legal remedies (damages, disgorgement of profits, fines, imprisonment, rescission of the transaction)

Ease of shareholder suits index (0–10)

Access to internal corporate documents; Evidence obtainable during trial and allocation of legal expenses

Extent of conflict of interest regulation index (0–10)

Sum of the extent of disclosure, extent of director liability and ease of shareholder indices, divided by 3

Extent of shareholder rights index (0-10.5)

Shareholders' rights and role in major corporate decisions

Strength of governance structure index (0-10.5)

Governance safeguards protecting shareholders from undue board control and entrenchment

Extent of corporate transparency index (0-9)

Corporate transparency on ownership stakes, compensation, audits and financial prospects

Extent of shareholder governance index (0–10)

Sum of the extent of shareholders rights, strength of governance structure and extent of corporate transparency indices, divided by 3

Strength of investor protection index (0–10)

Simple average of the extent of conflict of interest regulation and extent of shareholder governance indices

PROTECTING MINORITY INVESTORS

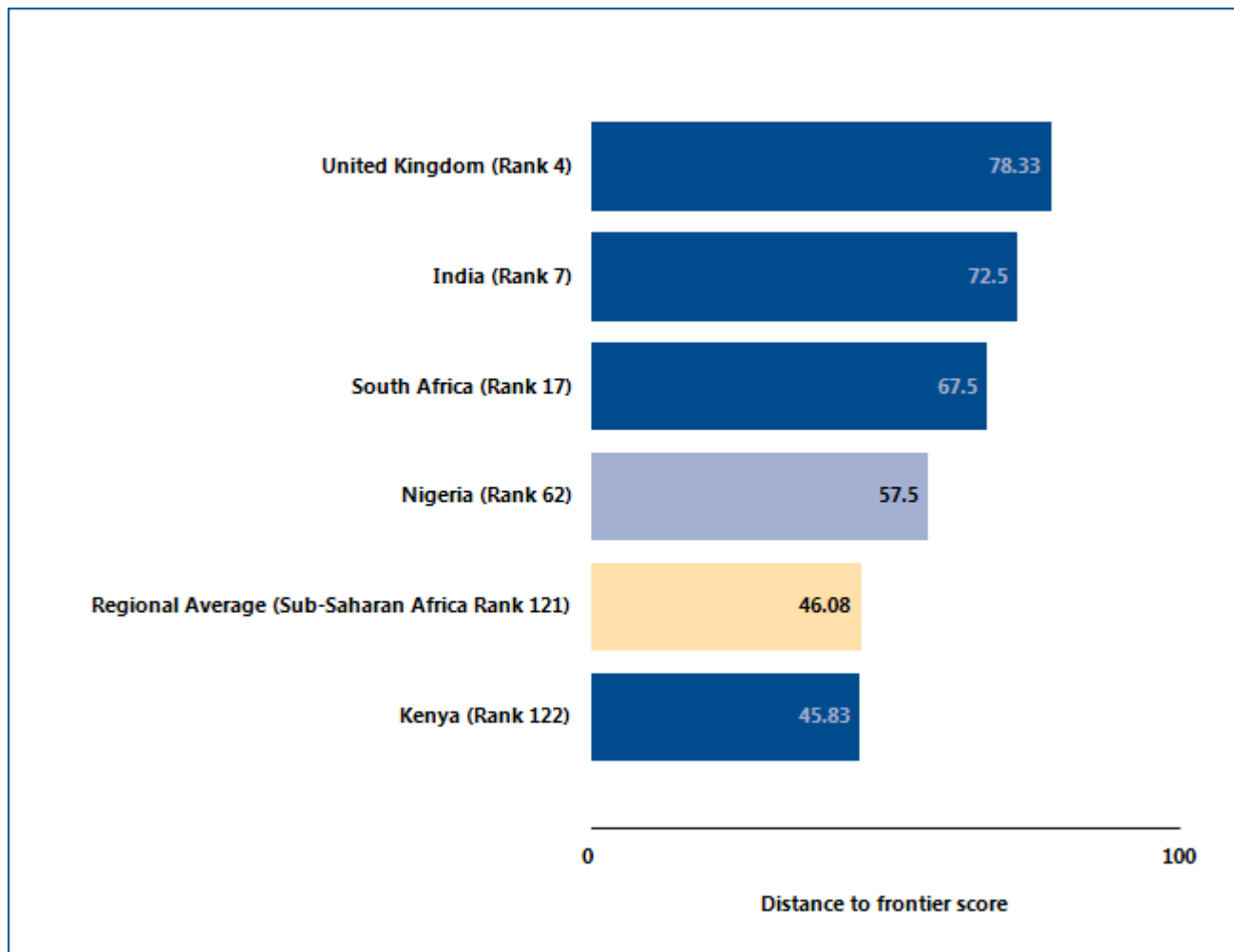
Where does the economy stand today?

How strong are minority investor protections against self-dealing in Nigeria? The economy has a score of 5.8 on the strength of minority investor protection index, with a higher score indicating stronger protections.

Globally, Nigeria stands at 62 in the ranking of 189 economies on the strength of minority investor

protection index (figure 7.1). While the indicator does not measure all aspects related to the protection of minority investors, a higher ranking does indicate that an economy’s regulations offer stronger minority investor protections against self-dealing in the areas measured.

Figure 7.1 How Nigeria and comparator economies perform on the strength of minority investor protection index



Source: Doing Business database.

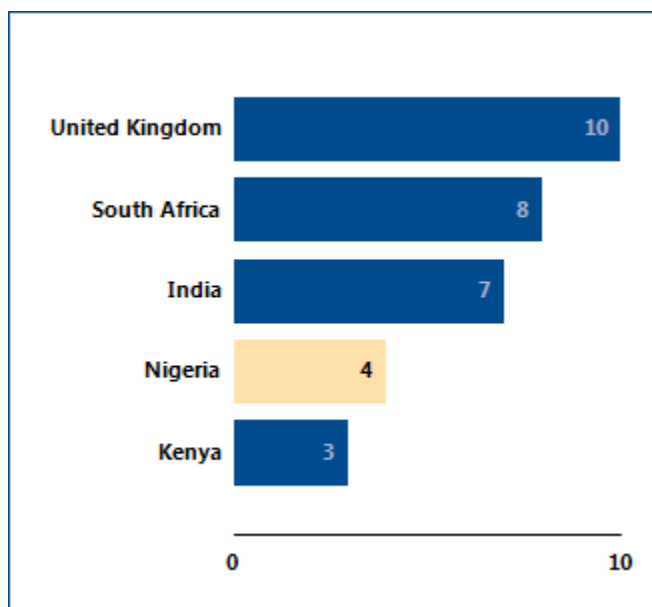
PROTECTING MINORITY INVESTORS

One way to put an economy's scores on the protecting minority investors indicators into context is to see where the economy stands in the distribution of scores across comparator economies. Figures 7.2 through 7.7 highlight the scores on the various minority investor protection

indices for Nigeria in 2014. A summary of scoring for the protecting minority investors indicators at the end of this chapter provides details on how the indices were calculated.

Figure 7.2 How extensive are disclosure requirements?

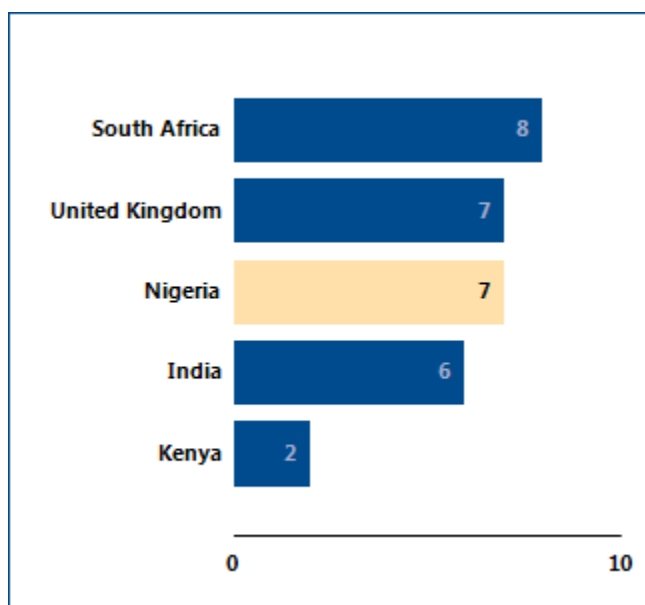
Extent of disclosure index (0-10)



Note: Higher scores indicate greater disclosure.
Source: Doing Business database.

Figure 7.3 How extensive is the liability regime for directors?

Extent of director liability index (0-10)

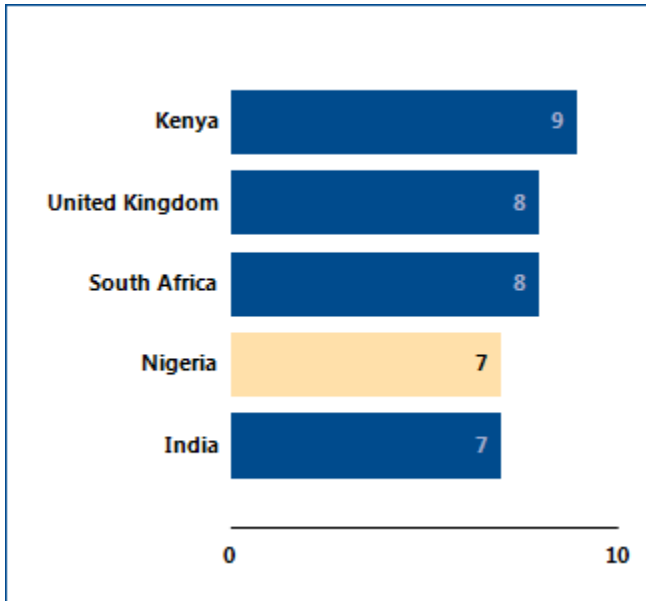


Note: Higher scores indicate greater liability of directors.
Source: Doing Business database.

PROTECTING MINORITY INVESTORS

Figure 7.4 How easy is accessing internal corporate documents?

Ease of shareholder suits index (0-10)



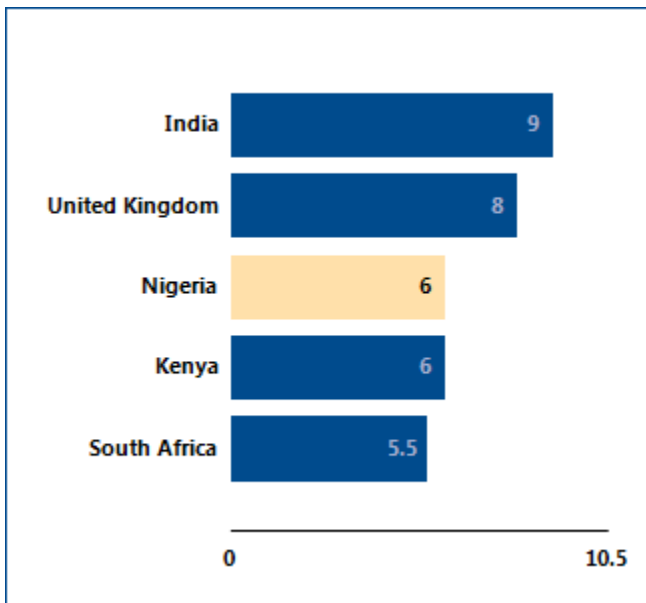
Note: Higher scores indicate greater minority shareholder access to evidence before and during trial.

Source: Doing Business database.

PROTECTING MINORITY INVESTORS

Figure 7.5 How extensive are shareholder rights?

Extent of shareholder rights index (0-10.5)

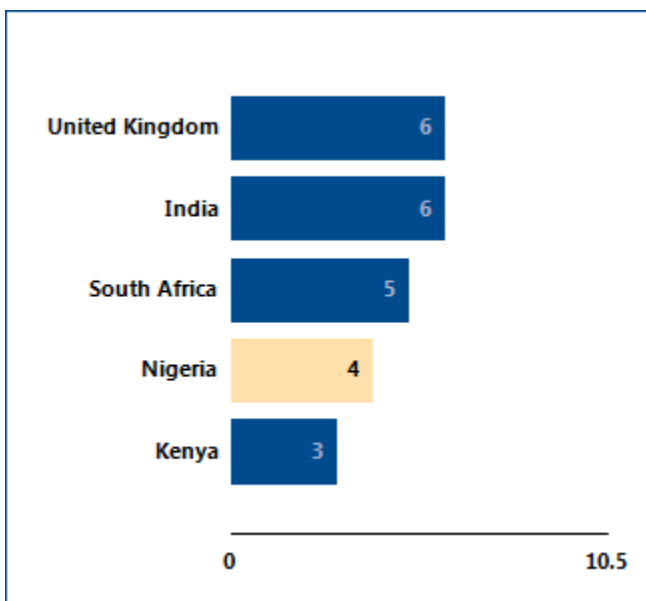


Note: The higher the score, the stronger the protections.

Source: Doing Business database.

Figure 7.6 How strong is the governance structure?

Strength of governance structure index (0-10.5)

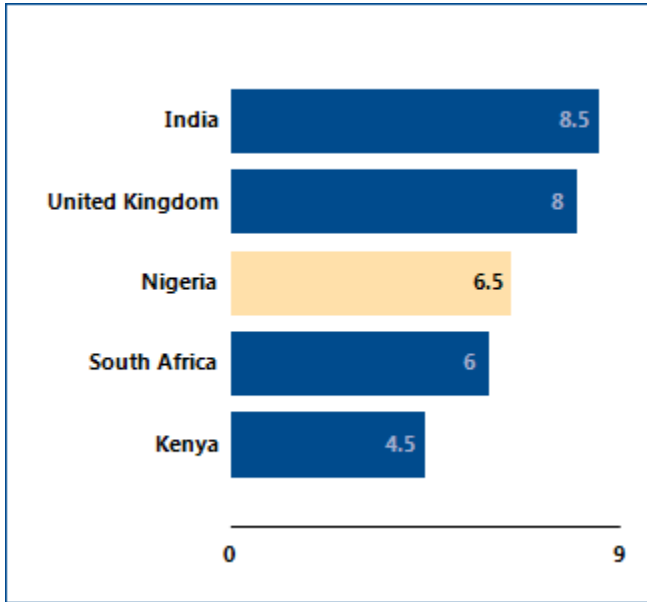


Note: Higher scores indicate more stringent governance structure requirements.

Source: Doing Business database.

Figure 7.7 How extensive is corporate transparency?

Extent of corporate transparency index (0-9)



Note: Higher scores indicate greater transparency.
 Source: Doing Business database.

PROTECTING MINORITY INVESTORS

What are the details?

The protecting minority investors indicators reported here for Nigeria are based on detailed information collected through a survey of corporate and securities lawyers about securities regulations, company laws and court rules of evidence and procedure. To construct the six indicators on minority investor protection, scores are assigned to each based on a range of conditions relating

to disclosure, director liability, shareholder suits, shareholder rights, governance structure and corporate transparency in a standard case study (for more details, see the Data Notes section of the *Doing Business 2015* report). The summary below shows the details underlying the scores for Nigeria.

Table 7.2 Summary of scoring for the protecting minority investors indicators in Nigeria

	Answer (Lagos)	Score (Lagos)	Answer (Kano)	Score (Kano)
Extent of disclosure index (0-10)		4.0		4.0
Which corporate body can provide legally sufficient approval for the Buyer-Seller transaction? (0-3)	Shareholders or board of directors including interested parties	1	Shareholders or board of directors including interested parties	1
Is disclosure by the interested director to the board of directors required? (0-2)	Existence of a conflict without any specifics	1	Existence of a conflict without any specifics	1
Is disclosure of the transaction in published periodic filings (annual reports) required? (0-2)	Disclosure on the transaction and on the conflict of interest	2	Disclosure on the transaction and on the conflict of interest	2
Is immediate disclosure of the transaction to the public and/or shareholders required? (0-2)	No disclosure obligation	0	No disclosure obligation	0
Must an external body review the terms of the transaction before it takes place? (0-1)	No	0	No	0
Extent of director liability index (0-10)		7.0		7.0
Can shareholders sue directly or derivatively for the damage caused by the Buyer-Seller transaction to the company? (0-1)	Yes	1	Yes	1
Can shareholders hold the interested director liable for the damage caused by the transaction to the company? (0-2)	Liable if unfair or prejudicial	2	Liable if unfair or prejudicial	2
Can shareholders hold members of the approving body liable for the damage caused by the transaction to the company? (0-2)	Liable if negligent	1	Liable if negligent	1
Must the interested director pay damages for the harm caused to the company upon a successful claim by a shareholder plaintiff? (0-1)	Yes	1	Yes	1
Must the interested director repay profits made from the transaction upon a successful claim by a shareholder plaintiff? (0-1)	Yes	1	Yes	1
Can both fines and imprisonment be applied against the interested director? (0-1)	No	0	No	0

Can a court void the transaction upon a successful claim by a shareholder plaintiff? (0-2)	Voidable if negligently concluded	1	Voidable if negligently concluded	1
Ease of shareholder suits index (0-10)		7.0		7.0
Before filing suit, can shareholders owning 10% of the company's share capital inspect the transaction documents? (0-1)	Yes	1	Yes	1
Can the plaintiff obtain any documents from the defendant and witnesses during trial? (0-3)	Documents that the defendant relied on	1	Documents that the defendant relied on	1
Can the plaintiff request categories of documents from the defendant without identifying specific ones? (0-1)	No	0	No	0
Can the plaintiff directly question the defendant and witnesses during trial? (0-2)	Yes	2	Yes	2
Is the level of proof required for civil suits lower than that of criminal cases? (0-1)	Yes	1	Yes	1
Can shareholder plaintiffs recover their legal expenses from the company? (0-2)	Yes regardless of outcome	2	Yes regardless of outcome	2
Strength of minority investor protection index (0-10)		5.8		5.8
Extent of conflict of interest regulation index (0-10)		6.0		6.0
Extent of shareholder rights index (0-10.5)		6.0		6.0
Can shareholders amend company bylaws or statutes with a simple majority?	No	0	No	0
Can shareholders owning 10% of the company's share capital call for an extraordinary meeting of shareholders?	Yes	1.5	Yes	1.5
Can shareholders remove members of the board of directors before the end of their term.	Yes	1.5	Yes	1.5
Must a company obtain its shareholders' approval every time it issues new shares?	Yes	1.5	Yes	1.5
Are shareholders automatically granted subscription rights on new shares?	No	0	No	0
Must shareholders approve the election and dismissal of the external auditor?	Yes	1.5	Yes	1.5
Can shareholders freely trade shares prior to a major corporate action or meeting of shareholders?	No	0	No	0
Strength of governance structure index (0-10.5)		4.0		4.0
Is the CEO barred from also serving as chair of the board of directors?	Yes	1.5	Yes	1.5
Must the board of directors include independent board members?	No	0	No	0
Must a company have a separate audit committee?	Yes	1.5	Yes	1.5
Must changes to the voting rights of a series or class of shares be approved only by the holders of the affected shares?	Yes	1.5	Yes	1.5
Must a potential acquirer make a tender offer to all shareholders upon acquiring 50% of a company?	Yes for listed companies	1	Yes for listed companies	1
Is cross-shareholding between 2 independent companies limited to 10% of outstanding shares?	No	0	No	0
Is a subsidiary barred from acquiring shares issued by its parent company?	Yes	1.5	Yes	1.5
Extent of corporate transparency index (0-9)		6.5		6.5

Must ownership stakes representing 10% be disclosed?	Yes for listed companies	1	Yes for listed companies	1
Must information about board members' other directorships as well as basic information on their primary employment be disclosed?	Yes	1.5	Yes	1.5
Must the compensation of individual managers be disclosed?	No	0	No	0
Must financial statements contain explanatory notes on significant accounting policies, trends, risks, uncertainties and other factors influencing the reporting?	Yes	1.5	Yes	1.5
Must annual financial statements be audited by an external auditor?	Yes	1.5	Yes	1.5
Must audit reports be disclosed to the public?	Yes for listed companies	1	Yes for listed companies	1
Extent of shareholder governance index (0-10)		5.5		5.5

Source: Doing Business database.

PAYING TAXES

Taxes are essential. The level of tax rates needs to be carefully chosen—and needless complexity in tax rules avoided. Firms in economies that rank better on the ease of paying taxes in the *Doing Business* study tend to perceive both tax rates and tax administration as less of an obstacle to business according to the World Bank Enterprise Survey research.

What do the indicators cover?

Using a case scenario, *Doing Business* measures the taxes and mandatory contributions that a medium-size company must pay in a given year as well as the administrative burden of paying taxes and contributions. This case scenario uses a set of financial statements and assumptions about transactions made over the year. Information is also compiled on the frequency of filing and payments as well as time taken to comply with tax laws. The ranking of economies on the ease of paying taxes is determined by sorting their distance to frontier scores on the ease of paying taxes. These scores are the simple average of the distance to frontier scores for each of the component indicators, with a threshold and a nonlinear transformation applied to one of the component indicators, the total tax rate⁵. The financial statement variables have been updated to be proportional to 2012 income per capita; previously they were proportional to 2005 income per capita. To make the data comparable across economies, several assumptions are used.

- TaxpayerCo is a medium-size business that started operations on January 1, 2012.
- 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.

⁵ The nonlinear distance to frontier for the total tax rate is equal to the distance to frontier for the total tax rate to the power of 0.8. The threshold is defined as the total tax rate at the 15th percentile of the overall distribution for all years included in the analysis. It is calculated and adjusted on a yearly basis. The threshold is not based on any economic theory of an “optimal tax rate” that minimizes distortions or maximizes efficiency in the tax system of an economy overall. Instead, it is mainly empirical in nature, set at the lower end of the distribution of tax rates levied on medium-size enterprises in the manufacturing sector as observed through the paying taxes indicators. This reduces the bias in the indicators toward economies that do not need to levy significant taxes on companies like the *Doing Business* standardized case study company because they raise public revenue in other ways—for example, through taxes on foreign companies, through taxes on sectors other than manufacturing or from natural resources (all of which are outside the scope of the methodology). This year’s threshold is 26.1%.

WHAT THE PAYING TAXES INDICATORS MEASURE

Tax payments for a manufacturing company in 2013 (number per year adjusted for electronic and 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 before all taxes)

Profit or corporate income tax

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

- Taxes and mandatory contributions include corporate income tax, turnover tax and all labor taxes and contributions paid by the company.
- A range of standard deductions and exemptions are also recorded.

PAYING TAXES

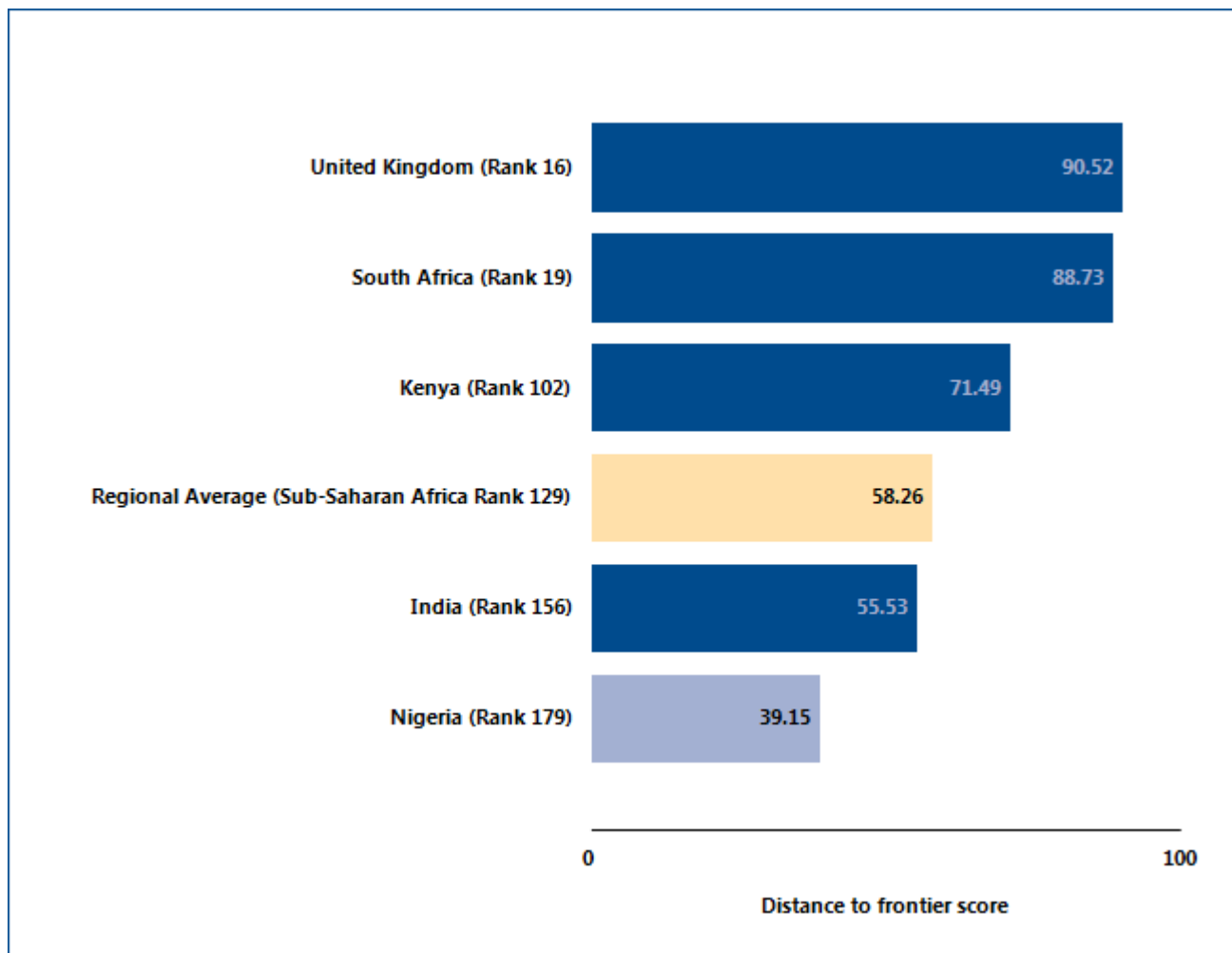
Where does the economy stand today?

What is the administrative burden of complying with taxes in Nigeria—and how much do firms pay in taxes? On average, firms make 47.0 tax payments a year, spend 907.9 hours a year filing, preparing and paying taxes and pay total taxes amounting to 32.7% of profit (see the summary at the end of this chapter for details). Most indicator sets refer to a case scenario in the largest business city of an economy, except for 11 economies for which the data are a population-weighted average of the

2 largest business cities. See the chapter on distance to frontier and ease of doing business ranking at the end of this profile for more details.

Globally, Nigeria stands at 179 in the ranking of 189 economies on the ease of paying taxes (figure 8.1). The rankings for comparator economies and the regional average ranking provide other useful information for assessing the tax compliance burden for businesses in Nigeria.

Figure 8.1 How Nigeria and comparator economies rank on the ease of paying taxes



Source: Doing Business database.

PAYING TAXES

Economies around the world have made paying taxes faster and easier for businesses—such as by consolidating filings, reducing the frequency of payments or offering electronic filing and payment. Many have lowered tax rates. Changes have brought

concrete results. Some economies simplifying tax payment and reducing rates have seen tax revenue rise. What tax reforms has *Doing Business* recorded in Nigeria (table 8.1)?

Table 8.1 How has Nigeria made paying taxes easier—or not?
By *Doing Business* report year from DB2010 to DB2015

DB year	Reform
DB2013	Nigeria introduced a new compulsory labor contribution paid by the employer.

Note: For information on reforms in earlier years (back to DB2006), see the *Doing Business* reports for these years, available at <http://www.doingbusiness.org>.

Source: *Doing Business* database.

PAYING TAXES

What are the details?

The indicators reported here for Nigeria are based on the taxes and contributions that would be paid by a standardized case study company used by *Doing Business* in collecting the data (see the section in this chapter on what the indicators cover). Tax practitioners are asked to review a set of financial statements as well as a standardized list of assumptions and transactions that the company completed during its 2nd year of operation. Respondents are asked how much taxes and mandatory contributions the business must pay and how these taxes are filed and paid.

LOCATION OF STANDARDIZED COMPANY

City: Lagos, Kano

The taxes and contributions paid are listed in the summary below, along with the associated number of payments, time and tax rate.

Table 8.2 Summary of tax rates and administration

Lagos: Tax or mandatory contribution	Payments (number)	Notes on payments	Time (hours)	Statutory tax rate	Tax base	Total tax rate (% of profit)	Notes on total tax rate
Corporate income tax	1		398	30%	taxable profit	18.6	
Social Security Contributions	12		396	7.5%	gross salaries	8.5	
Tertiary education trust fund contribution	0	paid jointly	0	2%	taxable profit	2.5	
Training Tax	1		0	1%	gross salaries	1.1	
Employee Compensation Contribution paid by the employer	12		0	1%	gross salaries	1.1	
Capital gains tax	1		0	10%	capital gains	0.5	
Tax on money market interest	0	withheld	0	10%	interest income	0.3	not included
Tenement Tax	1		0	0.125%	property value	0.2	

Lagos: Tax or mandatory contribution	Payments (number)	Notes on payments	Time (hours)	Statutory tax rate	Tax base	Total tax rate (% of profit)	Notes on total tax rate
Stamp duty on checks	1		0	5%	5/1000 of value of check	0.2	
Road license	1		0	NGN 5,000 per vehicle	fixed fee depending on type of vehicle	0	
State business levy	1		0	NGN 5,000	fixed fee	0	
Infrastructure Development Tax	1		0	NGN 100 per employee	fixed fee	0	withheld
Value added tax (VAT)	12		162	5%	value added	0	not included
Fuel tax	1		0		included in fuel price	0	
Employee labor tax	0	paid jointly	0	10%		0	withheld
Advertising tax	1		0	various rates		0	small amount
Stamp duty on contracts	1		0			0	small amount
Totals	47.0		956.0			32.7	

Kano: Tax or mandatory contribution	Payments (number)	Notes on payments	Time (hours)	Statutory tax rate	Tax base	Total tax rate (% of profit)	Notes on total tax rate
Corporate income tax	1		310	30%	taxable profit	18.6	
Social Security Contributions	12		320	7.5%	gross salaries	8.5	
Tertiary education trust fund contribution	0	paid jointly	0	2%	taxable profit	2.5	
Training Tax	1		0	1%	gross salaries	1.1	
Employee Compensation Contribution paid by the employer	12		0	1%	gross salaries	1.1	

Kano: Tax or mandatory contribution	Payments (number)	Notes on payments	Time (hours)	Statutory tax rate	Tax base	Total tax rate (% of profit)	Notes on total tax rate
Capital gains tax	1		0	10%	capital gains	0.5	
Tax on money market interest	0	withheld	0	10%	interest income	0.3	not included
Tenement Tax	1		0	0.125%	property value	0.2	
Stamp duty on checks	1		0	5%	5/1000 of value of check	0.2	
Road license	1		0	NGN 5,000 per vehicle	fixed fee depending on type of vehicle	0	
State business levy	1		0	NGN 5,000	fixed fee	0	
Infrastructure Development Tax	1		0	NGN 100 per employee	fixed fee	0	withheld
Value added tax (VAT)	12		117	5%	value added	0	not included
Fuel tax	1		0		included in fuel price	0	
Employee labor tax	0	paid jointly	0	10%		0	withheld
Advertising tax	1		0	various rates		0	small amount
Stamp duty on contracts	1		0			0	small amount
Totals	47.0		747.0			32.7	

Source: Doing Business database.

TRADING ACROSS BORDERS

In today's globalized world, making trade between economies easier is increasingly important for business. 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. Research shows that exporters in developing countries gain more from a 10% drop in their trading costs than from a similar reduction in the tariffs applied to their products in global markets.

What do the indicators cover?

Doing Business measures the time and cost (excluding tariffs and the time and cost for sea transport) associated with exporting and importing a standard shipment of goods by sea transport, and the number of documents necessary to complete the transaction. The indicators cover predefined stages such as documentation requirements and procedures at customs and other regulatory agencies as well as at the port. They also cover trade logistics, including the time and cost of inland transport to the largest business city. The ranking of economies on the ease of trading across borders is determined by sorting their distance to frontier scores for trading across borders. These scores are the simple average of the distance to frontier scores for each of the component indicators. To make the data comparable across economies, *Doing Business* uses several assumptions about the business and the traded goods.

The business:

- Is located in the economy's largest business city. For the 11 economies with a population of more than 100 million, data for a second city have been added.
- Is a private, limited liability company, domestically owned and does not operate with special export or import privileges.
- Conducts export and import activities, but does not have any special accreditation such as an authorized economic operator status.

WHAT THE TRADING ACROSS BORDERS INDICATORS MEASURE

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, filling out and submitting all the documents
- Inland transport and handling
- Customs clearance and inspections
- Port and terminal handling
- Does not include sea 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

The traded product:

- Is not hazardous nor includes military items.
- Does not require refrigeration or any other special environment.
- Do not require any special phytosanitary or environmental safety standards other than accepted international standards.
- Is one of the economy's leading export or import products.
- Is transported in a dry-cargo, 20-foot full container load.

TRADING ACROSS BORDERS

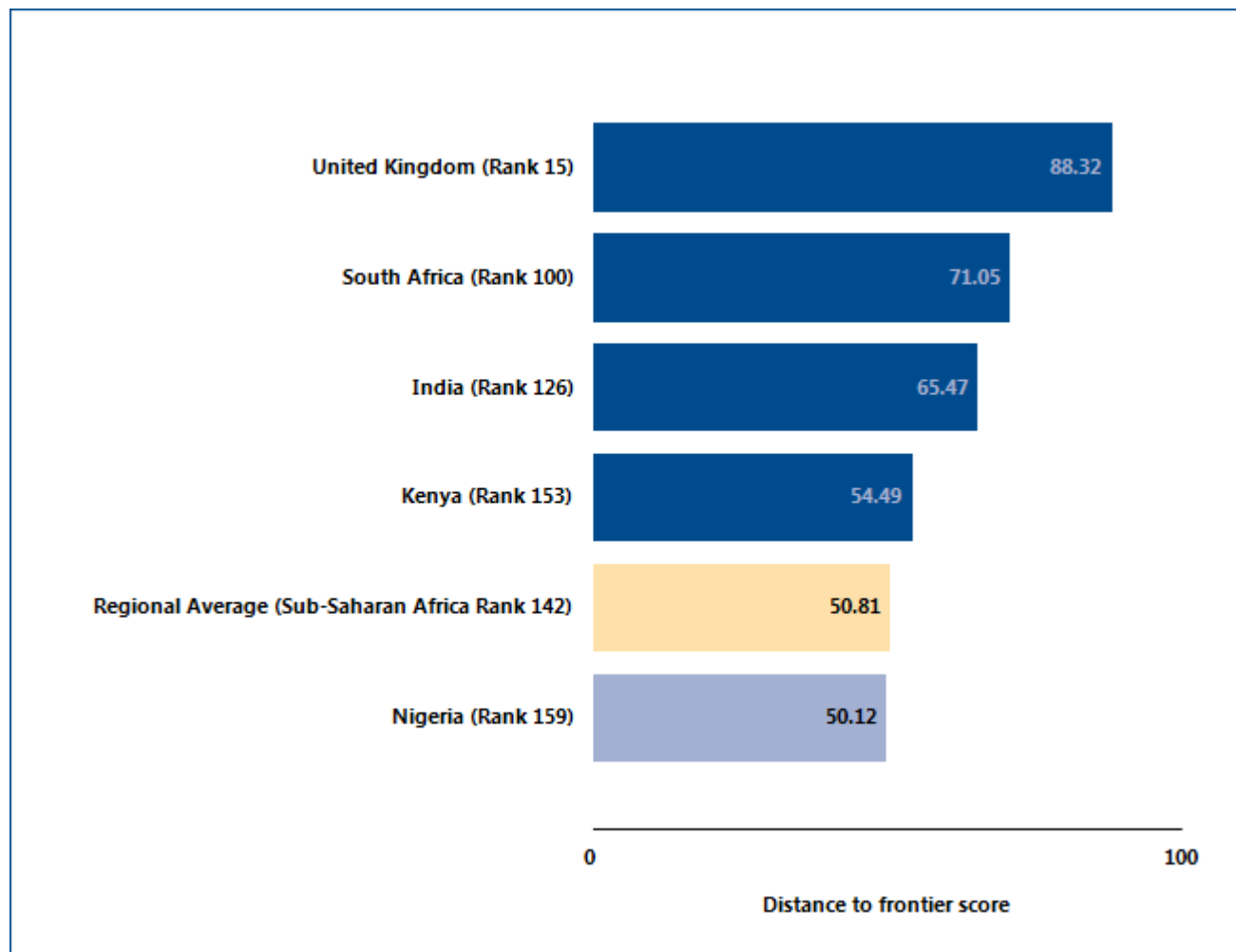
Where does the economy stand today?

What does it take to export or import in Nigeria? According to data collected by *Doing Business*, exporting a standard container of goods requires 9 documents, takes 22.9 days and costs \$1564.0. Importing the same container of goods requires 13 documents, takes 33.9 days and costs \$1959.5 (see the summary of four predefined stages and documents at the end of this chapter for details). Most indicator sets refer to a case scenario in the largest business city of an economy, except for 11 economies for which the data are a

population-weighted average of the 2 largest business cities. See the chapter on distance to frontier and ease of doing business ranking at the end of this profile for more details.

Globally, Nigeria stands at 159 in the ranking of 189 economies on the ease of trading across borders (figure 9.1). The rankings for comparator economies and the regional average ranking provide other useful information for assessing how easy it is for a business in Nigeria to export and import goods.

Figure 9.1 How Nigeria and comparator economies rank on the ease of trading across borders



Source: *Doing Business* database.

TRADING ACROSS BORDERS

What are the details?

The indicators reported here for Nigeria are based on a set of specific predefined stages for trading a standard shipment of goods by ocean transport (see the section in this chapter on what the indicators cover). Information on the required documents and the time and cost to complete export and import is collected from local freight forwarders, shipping lines, customs brokers, port officials and banks.

LOCATION OF STANDARDIZED COMPANY

Port Name - Kano: Apapa Port

Port Name - Lagos: Apapa Port

City: Lagos, Kano

The predefined stages, and the associated time and cost, for exporting and importing a standard shipment of goods are listed in the summary below, along with the required documents.

Stages to export	Lagos		Kano	
	Time (days)	Cost (US\$)	Time (days)	Cost (US\$)
Customs clearance and inspections	3	350	3	350
Documents preparation	12	280	12	280
Inland transportation and handling	3	300	7	1,100
Ports and terminal handling	4	450	4	450
Totals	22	1,380	26	2,180

Stages to import	Lagos		Kano	
	Time (days)	Cost (US\$)	Time (days)	Cost (US\$)
Customs clearance and inspections	12	360	12	360
Documents preparation	14	330	14	330
Inland transportation and handling	2	400	6	1,550
Ports and terminal handling	5	605	5	605
Totals	33	1,695	37	2,845

Documents to export
Bill of lading
Cargo release order
Commercial Invoice
Customs export declaration
Form NXP
Inspection report
Packing List
Technical standard/health certificate
Terminal handling receipts

Documents to import
Bill of lading
Cargo release order
Combined Certificate of Value and Origin (CCVO)
Commercial invoice
Exit gate
Form M (valid for foreign exchange)
Letter of Credit
Manufacturer's certificate of production or SONCAP
Packing list
Payment receipt of customs fees and duties
Pre-Arrival Assessment Report (PAAR)
Single Goods Declaration (SGD) Form
Terminal handling receipts

Source: Doing Business database.

ENFORCING CONTRACTS

Effective commercial dispute resolution has many benefits. Courts are essential for entrepreneurs because they interpret the rules of the market and protect economic rights. Efficient and transparent courts encourage new business relationships because businesses know they can rely on the courts if a new customer fails to pay. Speedy trials are essential for small enterprises, which may lack the resources to stay in business while awaiting the outcome of a long court dispute.

What do the indicators cover?

Doing Business measures the efficiency of the judicial system in resolving a commercial dispute before local courts. Following the step-by-step evolution of a standardized case study, it collects data relating to the time, cost and procedural complexity of resolving a commercial lawsuit. The ranking on the ease of enforcing contracts is the simple average of the percentile rankings on its component indicators: procedures, time and cost.

The dispute in the case study involves the breach of a sales contract between 2 domestic businesses. The case study assumes that the court hears an expert on the quality of the goods in dispute. This distinguishes the case from simple debt enforcement. To make the data comparable across economies, *Doing Business* uses several assumptions about the case:

- The seller and buyer are located in the economy's largest business city. For the 11 economies with a population of more than 100 million, data for a second city have been added.
- The buyer orders custom-made goods, then fails to pay.
- The seller sues the buyer before a competent court.
- The value of the claim is 200% of the income per capita or the equivalent in local currency of USD 5,000, whichever is greater.

WHAT THE ENFORCING CONTRACTS

INDICATORS MEASURE

Procedures to enforce a contract through the courts (number)

- Steps to file and serve 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)

- Average attorney fees
- Court costs
- Enforcement costs

- The seller requests a pretrial attachment to secure the claim.
- The dispute on the quality of the goods requires an expert opinion.
- The judge decides in favor of the seller; there is no appeal.
- The seller enforces the judgment through a public sale of the buyer's movable assets.

ENFORCING CONTRACTS

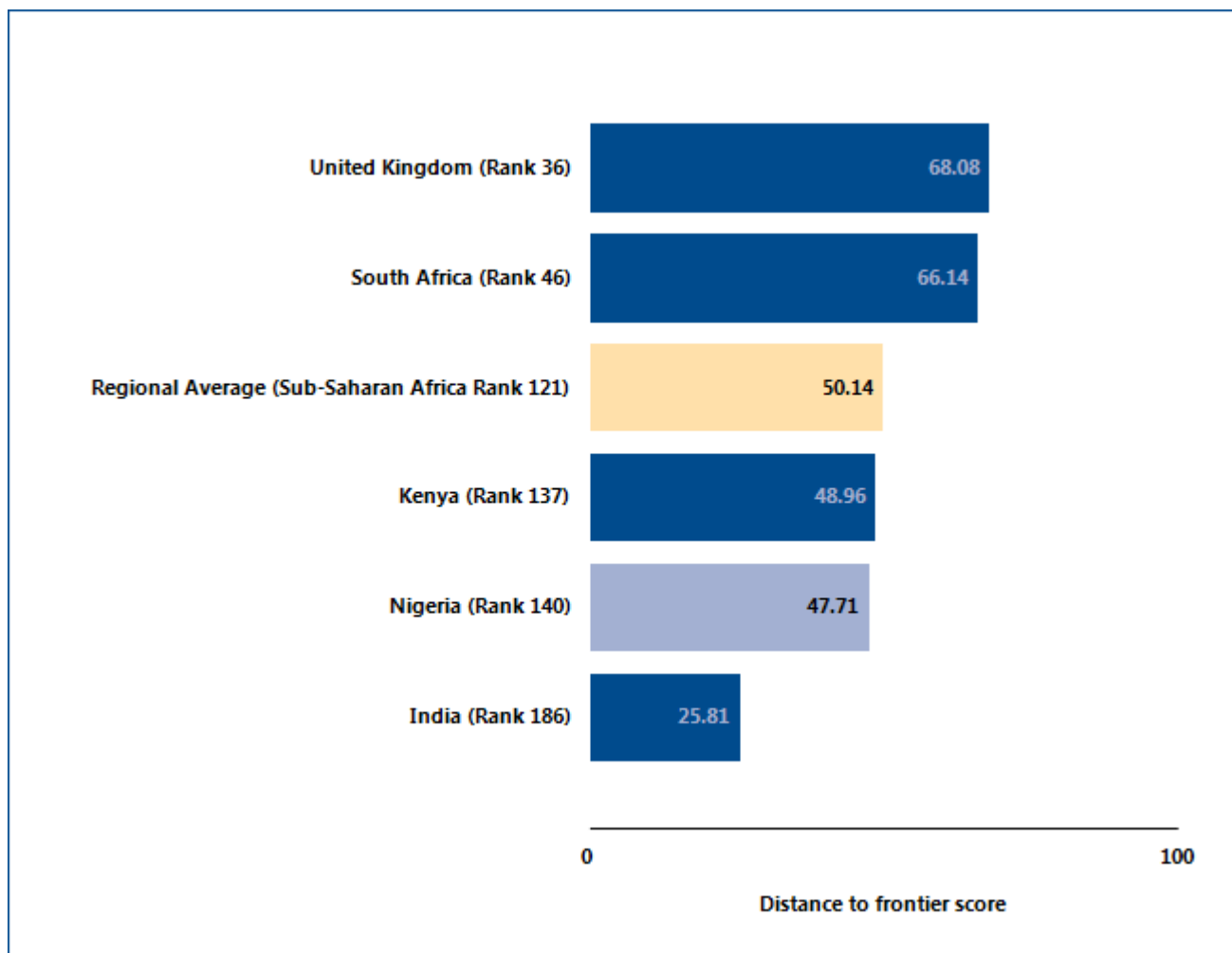
Where does the economy stand today?

How efficient is the process of resolving a commercial dispute through the courts in Nigeria? According to data collected by *Doing Business*, contract enforcement takes 509.8 days, costs 57.7% of the value of the claim and requires 40.2 procedures (see the summary at the end of this chapter for details). Most indicator sets refer to a case scenario in the largest business city of an economy, except for 11 economies for which the data are a population-weighted average of the 2 largest business

cities. See the chapter on distance to frontier and ease of doing business ranking at the end of this profile for more details.

Globally, Nigeria stands at 140 in the ranking of 189 economies on the ease of enforcing contracts (figure 10.1). The rankings for comparator economies and the regional average ranking provide other useful benchmarks for assessing the efficiency of contract enforcement in Nigeria.

Figure 10.1 How Nigeria and comparator economies rank on the ease of enforcing contracts



Source: *Doing Business* database.

ENFORCING CONTRACTS

What are the details?

The indicators reported here for Nigeria are based on a set of specific procedural steps required to resolve a standardized commercial dispute through the courts (see the section in this chapter on what the indicators cover). These procedures, and the time and cost of completing them, are identified through study of the codes of civil procedure and other court regulations, as well as through questionnaires completed by local litigation lawyers (and, in a quarter of the economies covered by *Doing Business*, by judges as well).

COURT NAME	
Claim value - Kano:	NGN 777,684
Claim value - Lagos:	NGN 777,684
Court name - Kano:	Kano Magistrates Court
Court name - Lagos:	Lagos Magistrates Court
City:	Lagos, Kano

Table 10.2 Summary of time, cost and procedures for enforcing a contract in Nigeria

Indicator	Lagos	Kano	Sub-Saharan Africa average
Time (days)	447	720	650
Filing and service	40	21	
Trial and judgment	265	661	
Enforcement of judgment	142	38	
Cost (% of claim)	62	43.4	45.1
Attorney cost (% of claim)	45	25	
Court cost (% of claim)	12	11.3	
Enforcement Cost (% of claim)	5	7.1	
Procedures (number)	40	41	39
Number of procedures (without bonus points)	41	41	
Specialized commercial courts	-1	-1	
Total number of procedures (including bonus points)	40	40	

No.	Lagos Procedures
	Filing and service:
1	Plaintiff requests payment: Plaintiff or his lawyer asks Defendant orally or in writing to comply with the contract.
2	Plaintiff hires a lawyer: Plaintiff hires a lawyer.
*	Plaintiff files a summons and complaint: Plaintiff files a summons and complaint with the court (orally or in writing).
*	Plaintiff pays court fees: Plaintiff pays court fees (e.g. court duties, stamp duties, or any other type of court fees). Answer 'yes' even if Plaintiff recovers these costs.
3	Registration of court case: Registration of court case by the court administration (this can include assigning a reference number to the case).
*	Assignment of court case to a judge: Assignment of court case to a judge (through a random procedure, automated system, ruling of an administrative judge, court officer, etc).
4	Judicial scrutiny of summons and complaint: Judge examines Plaintiff's summons and complaint for formal requirements as a matter of law or standard practice.
*	Judge admits summons and complaint: Judge admits summons and complaint (after verifying the formal requirements).
5	Delivery of summons and complaint to person authorized to perform service of process on Defendant: The judge or a court officer delivers the summons to a summoning office, officer, or authorized person (including Plaintiff), for service of process on Defendant.
6	Attempt at physical delivery: An attempt to physically deliver summons and complaint to Defendant is made.
7	Second attempt at physical delivery: If a first attempt is not ordinarily successful, a second attempt to physically deliver the summons and complaint to Defendant is required by law or standard practice. (Check 'yes' only if a first attempt at physical delivery is not ordinarily successful)
*	Application for pre-judgment attachment: Plaintiff submits an application in writing for the attachment of Defendant's property prior to judgment.
*	Decision on pre-judgment attachment: Judge decides whether to grant Plaintiff's request for pre-judgment attachment of Defendant's property and notifies Plaintiff and Defendant of the decision.
8	Guarantees securing attached property: Plaintiff submits guarantees or bonds to secure Defendant against possible damages to attached property.
9	Pre-judgment attachment order: Defendant's property is attached prior to judgment. Attachment order either involves physical attachment, or is achieved by freezing, registering, marking, or otherwise separating and restricting Defendant's movement of specific moveable assets.
10	Custody of assets attached prior to judgment: If physical attachment is ordered, Defendant's attached assets are placed in the custody or control of an enforcement officer or private bailiff.

No.	Lagos Procedures
11	Report on pre-judgment attachment: Court enforcement officer or private bailiff issues and delivers a report on the attachment of Defendant's property to the judge.
	Trial and judgment:
12	Defendant files an answer to Plaintiff's claim: Defendant files a written pleading which includes his answer or defense on the merits of the case (see assumption 4).
13	Deadline for Plaintiff to reply to Defendant's defense or answer: Judge sets a deadline for Plaintiff's submission of a reply to the Defendant's defense or answer.
14	Plaintiff's written reply to Defendant's answer: Plaintiff responds to Defendant's answer with a written pleading, which may or may not include witness statements or expert (witness) statements.
15	Filing of written submissions: Plaintiff and Defendant file written pleadings and submissions with the court and transmit copies of the written pleadings or submissions to one another. The pleadings may or may not include witness statements or expert (witness) statements.
16	Adjournments: Court procedure is delayed because one or both parties request and obtain an adjournment to submit written pleadings. Check as 'yes' if this commonly happens.
17	Framing of issues: Plaintiff and Defendant assist the court in framing issues on which evidence is to be presented.
*	Delivery of expert report by court-appointed expert: The independent expert, appointed by the court, delivers his or her expert report to the court (see assumption 5-b).
18	Mediation hearing: The judge, during this informal meeting with the parties, encourages them to settle the case (acting as mediator). The case cannot be settled, the judge may draft a pre-trial conference report, after which the case may be allocated to another judge for tr
*	Request for interlocutory order: Defendant raises preliminary issues, such as jurisdiction, statute of limitation, etc. Checked as 'yes' if commonly raised by the Defendant as a matter of practice, regardless of justification.
*	Court's issuance of interlocutory order: Court decides the preliminary issues the Defendant raised by issuing an interlocutory order. Check as 'yes' if this is commonly the case in commercial cases.
19	Plaintiff's appeal of court's interlocutory order: Plaintiff appeals the court's interlocutory order, which suspends the court proceedings. Check as 'yes' if an appeal by Plaintiff is common in this case.
*	Setting of date(s) for oral hearing or trial: Judge sets the date(s) for the oral hearing or trial.
20	Pre-trial conference aimed at preparing for trial: The judge meets with parties to make practical arrangements for the trial (for example, the number of witnesses parties intend to call on during trial, how much time each party is given to present oral arguments etc.).
*	List of (expert) witnesses: The parties file a list of (expert) witnesses with the court (see assumption 5-a).
21	Adjournments: Court proceedings are delayed because one or both parties request and obtain an adjournment to prepare for the oral hearing or trial as a matter of common practice.
22	Adjournments: Court proceedings are delayed because one or both parties request and obtain an adjournment during the oral hearing or trial, resulting in an additional or later trial or hearing date.

No.	Lagos Procedures
23	Closing of the evidence period: The court makes the formal decision to close the evidence period.
*	Final arguments: The parties present their final factual and legal arguments to the court either by oral presentation or by a written submission.
24	Writing of judgment: The judge produces a written copy of the judgment.
25	Registration of judgment: The court office registers the judgment after receiving a written copy of the judgment.
26	Plaintiff receives a copy of the judgment: Plaintiff receives a copy of the written judgment which is 100% in favor of Plaintiff (see assumption 6).
27	Defendant is formally notified of the judgment: Plaintiff or court formally notifies the Defendant of the judgment. The appeal period starts to run from the day the Defendant is formally notified of the judgment.
28	Appeal period: By law Defendant has the opportunity to appeal the judgment during a specified period. Defendant decides not to appeal. Seller decides to start enforcing the judgment when the appeal period ends (see assumption 8).
29	Order for reimbursement by Defendant of Plaintiff's court fees: The judgment orders Defendant to reimburse Plaintiff for the court fees Plaintiff has advanced, because Defendant has lost the case.
	Enforcement of judgment:
*	Plaintiff hires a lawyer: Plaintiff hires a lawyer to enforce the judgment or continues to be represented by a lawyer during the enforcement of judgment phase.
30	Plaintiff retains an enforcement agent to enforce the judgment.: Plaintiff retains the services of a court enforcement officer such as a court bailiff or sheriff, or a private bailiff.
*	Plaintiff requests an enforcement order: Plaintiff applies to the court to obtain the enforcement order ('seal' on judgment).
31	Attachment of enforcement order to judgment: The judge attaches the enforcement order ('seal') to the judgment.
*	Delivery of enforcement order: The court's enforcement order is delivered to a court enforcement officer or a private bailiff.
32	Request to Defendant to comply voluntarily with judgment: Plaintiff, a court enforcement officer or a private bailiff requests Defendant to voluntarily comply with the judgment.
33	Identification of Defendant's assets by court official or Defendant for purposes of enforcement: The judge, a court enforcement officer, a private bailiff or the Defendant himself identifies Defendant's movable assets for the purposes of enforcing the judgment through a sale of Defendant's assets.
34	Contestation of selection of assets identified for sale: A party, Plaintiff or Defendant, which was not involved in the designation of the assets for attachment, contests the selection of assets for enforcement of judgment through a sale.
35	Plaintiff identifies Defendant's assets for attachment: Plaintiff identifies Defendant's assets for attachment.

No.	Lagos Procedures
36	Creditor notification of intent to attach: A court enforcement officer or private bailiff notifies other creditors of the intent to attach Defendant's goods.
37	Attachment: Defendant's movable goods are attached (physically or by registering, marking or separating assets).
38	Sale through public auction: The Defendant's movable property is sold at public auction.
*	Direct sale: Defendant's property is sold but not through a public auction. Checked as 'yes' if the direct sale is common as an alternative to a public auction (assumption 9 is disregarded here).
39	Distribution of proceeds: The proceeds of the public auction are distributed to Plaintiff (and, where applicable, to other creditors, according to the rules of priority).
40	Reimbursement of Plaintiff's enforcement fees: Defendant reimburses Plaintiff's enforcement fees which Plaintiff had advanced previously.
41	Payment: Court orders that the proceeds of the public auction or the direct sale be delivered to Plaintiff.

No.	Kano Procedures
	Filing and service:

* Not counted in the total number of procedures.

Source: *Doing Business* database.

RESOLVING INSOLVENCY

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 the speedy return of businesses 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.

What do the indicators cover?

Doing Business studies the time, cost and outcome of insolvency proceedings involving domestic legal entities. These variables are used to calculate the recovery rate, which is recorded as cents on the dollar recouped by secured creditors through reorganization, liquidation or debt enforcement (foreclosure) proceedings. To determine the present value of the amount recovered by creditors, *Doing Business* uses the lending rates from the International Monetary Fund, supplemented with data from central banks and the Economist Intelligence Unit.

In addition, *Doing Business* evaluates the adequacy and integrity of the existing legal framework applicable to liquidation and reorganization proceedings through the strength of insolvency framework index. The index tests whether economies adopted internationally accepted good practices in four areas: commencement of proceedings, management of debtor's assets, reorganization proceedings and creditor participation.

The ranking of the Resolving Insolvency indicator is based on the recovery rate and the total score of the strength of insolvency framework index. The Resolving Insolvency indicator does not measure insolvency proceedings of individuals and financial institutions. The data are derived from survey responses by local insolvency practitioners and verified through a study of laws and regulations as well as public information on bankruptcy systems.

WHAT THE RESOLVING INSOLVENCY INDICATORS MEASURE

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)

Measured as percentage of estate value

Court fees

Fees of insolvency administrators

Lawyers' fees

Assessors' and auctioneers' fees

Other related fees

Outcome

Whether business continues operating as a going concern or business assets are sold piecemeal

Recovery rate for creditors

Measures the cents on the dollar recovered by secured creditors

Outcome for the business (survival or not) determines the maximum value that can be recovered

Official costs of the insolvency proceedings are deducted

Depreciation of furniture is taken into account

Present value of debt recovered

Strength of insolvency framework index (0-16)

Sum of the scores of four component indices:

Commencement of proceedings index (0-3)

Management of debtor's assets index (0-6)

Reorganization proceedings index (0-3)

Creditor participation index (0-4)

RESOLVING INSOLVENCY

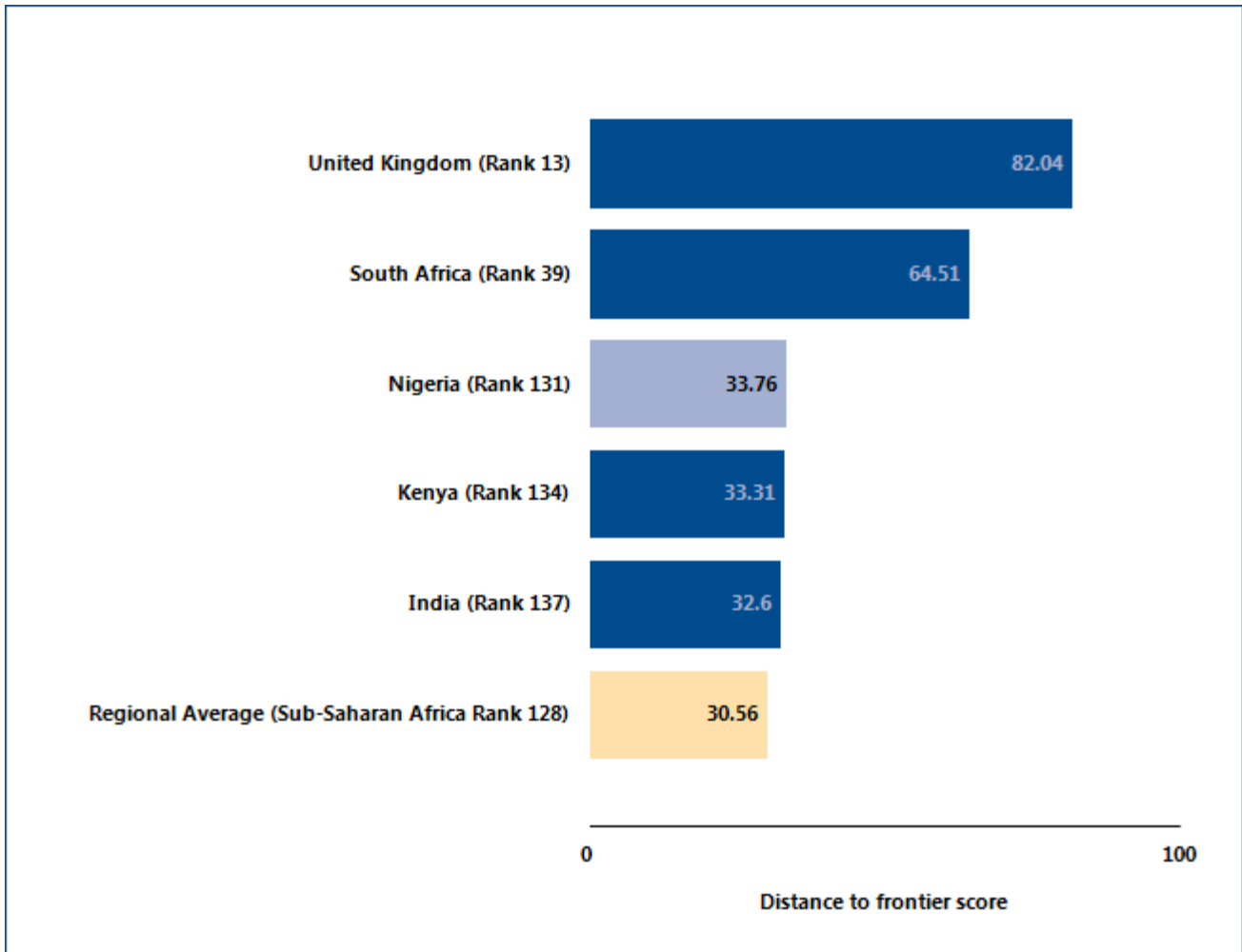
Where does the economy stand today?

Combination of quality regulations and efficient practice characterize the top-performing economies. How efficient are insolvency proceedings in Nigeria? According to data collected by *Doing Business*, resolving insolvency takes 2.0 years on average and costs 22.0% of the debtor's estate, with the most likely outcome being that the company will be sold as piecemeal sale. The average recovery rate is 27.9 cents on the dollar. Most indicator sets refer to a case scenario in the largest business city of an economy, except for 11 economies for which the data are a population-weighted average of the 2 largest business cities. See the chapter on distance to frontier and ease of doing business ranking at the end of this profile for more details.

According to data collected by *Doing Business*, Nigeria scores 2.0 out of 3 points on the commencement of proceedings index, 2.0 out of 6 points on the management of debtor's assets index, 0.0 out of 3 points on the reorganization proceedings index, and 2.0 out of 4 points on the creditor participation index. Nigeria's total score on the strength of insolvency framework index is 6.0 out of 16.

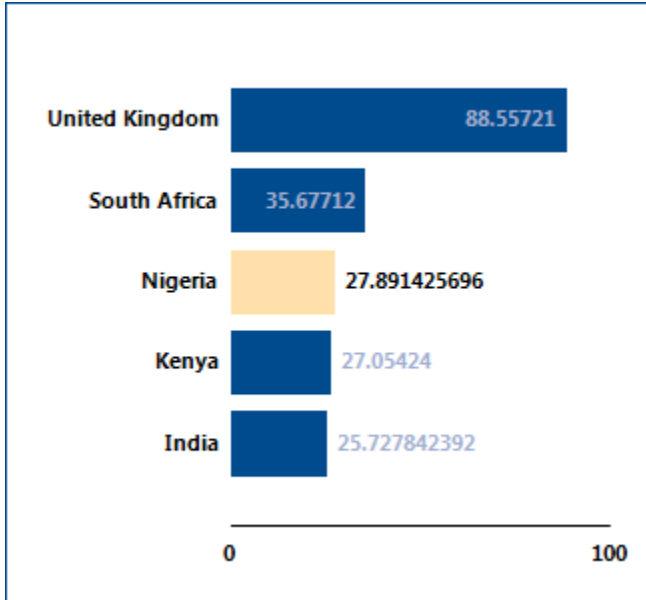
Globally, Nigeria stands at 131 in the ranking of 189 economies on the ease of resolving insolvency (figure 11.1). The rankings for comparator economies and the regional average ranking provide other useful benchmarks for assessing the efficiency of insolvency proceedings in Nigeria.

Figure 11.1 How Nigeria and comparator economies rank on the ease of resolving insolvency



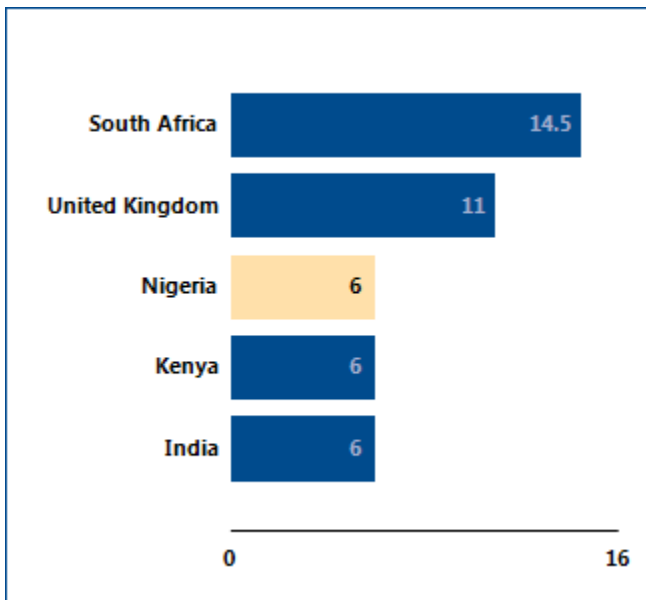
Source: Doing Business database.

Figure 11.2 Recovery Rate (0-100) - Nigeria



Source: Doing Business database.

Figure 11.3 Strength of insolvency framework index (0-16) - Nigeria



Source: Doing Business database.

LABOR MARKET REGULATION

Doing Business measures flexibility in the regulation of employment, specifically as it affects the hiring and redundancy of workers and the rigidity of working hours. This year, for the first time, the indicators measuring flexibility in labor market regulations focus on those affecting the food retail industry, using a standardized case study of a cashier in a supermarket. Also new is that *Doing Business* collects data on regulations applying to employees hired through temporary-work agencies as well as on those applying to permanent employees or employees hired on fixed-term contracts. The indicators also cover additional areas of labor market regulation, including social protection schemes and benefits as well as labor disputes.

Over the period from 2007 to 2011 improvements were made to align the methodology for the labor market regulation indicators (formerly the employing workers indicators) with the letter and spirit of the International Labour Organization (ILO) conventions. Only 6 of the 188 ILO conventions cover areas measured by *Doing Business*: employee termination, weekend work, holiday with pay, night work, protection against unemployment and medical care and sickness benefits. The *Doing Business* methodology is fully consistent with these 6 conventions. The ILO conventions covering areas related to the labor market regulation indicators do not include the ILO core labor standards—8 conventions covering the right to collective bargaining, the elimination of forced labor, the abolition of child labor and equitable treatment in employment practices.

Between 2009 and 2011 the World Bank Group worked with a consultative group—including labor lawyers, employer and employee representatives, and experts from the ILO, the Organisation for Economic Co-operation and Development (OECD), civil society and the private sector—to review the methodology for the labor market regulation indicators and explore future areas of research.

A full report with the conclusions of the consultative group is available at:
<http://www.doingbusiness.org/methodology/employing-workers>.

Doing Business 2015 presents the data for the labor market regulation indicators in an annex. The report does not present rankings of economies on these indicators nor include the topic in the aggregate distance to frontier score or ranking on the ease of doing business. Detailed data collected on labor market regulations are available on the *Doing Business* website (<http://www.doingbusiness.org>). The data on labor market regulations are based on a detailed survey of employment regulations that is completed by local lawyers and public officials. Employment laws and regulations as well as secondary sources are reviewed to ensure accuracy. To make the data comparable across economies, several assumptions about the worker and the business are used.

The worker:

- Is a cashier in a supermarket or a grocery store
- Is a full-time employee
- Is not a member of the labor union, unless membership is mandatory

The business:

- Is a limited liability company (or the equivalent in the economy) with 60 employees.
- Operates a supermarket or grocery store in the economy's largest business city. For 11 economies the data are also collected for the second largest business city.
- Is subject to collective bargaining agreements if such agreements cover more than 50% of the food retail sector and they apply even to firms that are not party to them.
- Abides by every law and regulation but does not grant workers more benefits than those mandated by law, regulation or (if applicable) collective bargaining agreements.

LABOR MARKET REGULATION

What are the details?

The data reported here for Nigeria are based on a detailed survey of labor market regulation that is completed by local lawyers and public officials.

Employment laws and regulations as well as secondary sources are reviewed to ensure accuracy.

Difficulty of hiring index

Difficulty of hiring covers 4 areas: (i) whether fixed-term contracts are prohibited for permanent tasks; (ii) the maximum cumulative duration of fixed-term contracts; (iii) the minimum wage for a cashier, age 19, with 1 year of work experience; and (iv) the ratio of the minimum

wage to the average value added per worker. The average value added per worker is the ratio of an economy's GNI per capita to the working-age population as a percentage of the total population.

Difficulty of hiring index	Lagos Data	Kano Data
Fixed-term contracts prohibited for permanent tasks?	No	No
Maximum length of a single fixed-term contract (months)	No limit	No limit
Maximum length of fixed-term contracts, including renewals (months)	No limit	No limit
Minimum wage applicable to the worker assumed in the case study (US\$/month)	111.17	111.17
Ratio of minimum wage to value added per worker	0.26	0.26

Source: *Doing Business* database.

LABOR MARKET REGULATION

Rigidity of hours index

Rigidity of hours covers 7 areas: (i) whether the workweek can extend to 50 hours or more (including overtime) for 2 months in a year to respond to a seasonal increase in workload; (ii) the maximum number of days allowed in the workweek; (iii) the premium for night work (as a percentage of hourly pay); (iv) the premium for work on a weekly rest day (as a percentage of hourly pay); (v) whether there are restrictions on night work; (vi) whether there are restrictions on weekly holiday work; and (vii) the average paid annual leave for workers with 1 year of tenure, 5 years of tenure and 10 years of tenure.

Rigidity of hours index	Lagos Data	Kano Data
50-hour workweek allowed for 2 months a year in case of a seasonal increase in workload?	Yes	Yes
Maximum working days per week	6.0	6.0
Premium for night work (% of hourly pay)	0%	0%
Premium for work on weekly rest day (% of hourly pay)	0%	0%
Major restrictions on night work?	No	No
Major restrictions on weekly holiday?	No	No
Paid annual leave for a worker with 1 year of tenure (in working days)	6.0	6.0
Paid annual leave for a worker with 5 years of tenure (in working days)	6.0	6.0
Paid annual leave for a worker with 10 years of tenure (in working days)	6.0	6.0
Paid annual leave (average for workers with 1, 5 and 10 years of tenure, in working days)	6.0	6.0

Source: Doing Business database.

LABOR MARKET REGULATION

Difficulty of redundancy index

Difficulty of redundancy index looks at 9 questions: (i) what the length is in months of the maximum probationary period; (ii) whether redundancy is disallowed as a basis for terminating workers; (iii) whether the employer needs to notify a third party (such as a government agency) to terminate 1 redundant worker; (iv) whether the employer needs to notify a third party to terminate a group of 9 redundant workers; (v)

whether the employer needs approval from a third party to terminate 1 redundant worker; (vi) whether the employer needs approval from a third party to terminate a group of 9 redundant workers; (vii) whether the law requires the employer to reassign or retrain a worker before making the worker redundant; (viii) whether priority rules apply for redundancies; and (ix) whether priority rules apply for reemployment.

Difficulty of redundancy index	Lagos Data	Kano Data
Maximum length of probationary period (months)	3.0	3.0
Dismissal due to redundancy allowed by law?	Yes	Yes
Third-party notification if 1 worker is dismissed?	No	No
Third-party approval if 1 worker is dismissed?	No	No
Third-party notification if 9 workers are dismissed?	Yes	Yes
Third-party approval if 9 workers are dismissed?	No	No
Retraining or reassignment obligation before redundancy?	No	No
Priority rules for redundancies?	Yes	Yes
Priority rules for reemployment?	No	No

Source: Doing Business database.

LABOR MARKET REGULATION

Redundancy cost

Redundancy cost measures the cost of advance notice requirements, severance payments and penalties due when terminating a redundant worker, expressed in weeks of salary. The average value of notice

requirements and severance payments applicable to a worker with 1 year of tenure, a worker with 5 years and a worker with 10 years is considered. One month is recorded as 4 and 1/3 weeks.

Redundancy cost indicator (in salary weeks)	Lagos Data	Kano Data
Notice period for redundancy dismissal for a worker with 1 year of tenure	1.0	1.0
Notice period for redundancy dismissal for a worker with 5 years of tenure	4.3	4.3
Notice period for redundancy dismissal for a worker with 10 years of tenure	4.3	4.3
Notice period for redundancy dismissal (average for workers with 1, 5 and 10 years of tenure)	3.2	3.2
Severance pay for redundancy dismissal for a worker with 1 year of tenure	2.3	2.3
Severance pay for redundancy dismissal for a worker with 5 years of tenure	11.4	11.4
Severance pay for redundancy dismissal for a worker with 10 years of tenure	22.9	22.9
Severance pay for redundancy dismissal (average for workers with 1, 5 and 10 years of tenure)	12.2	12.2

Source: *Doing Business* database.

Social protection schemes and benefits & Labor disputes

Doing Business collects data on the existence of unemployment protection schemes as well as data on whether employers are legally required to provide health insurance for employees with permanent contracts.

Doing Business also assesses the mechanisms available to resolve labor disputes. More specifically, it collects data on what courts would be competent to hear labor disputes and whether the competent court is specialized in resolving labor disputes.

Social protection schemes and benefits & Labor disputes indicator	Lagos Data	Kano Data
Availability of unemployment protection scheme?	No	No
Health insurance existing for permanent employees?	No	Yes
Availability of courts or court sections specializing in labor disputes?	Yes	Yes

Source: *Doing Business* database.

DISTANCE TO FRONTIER AND EASE OF DOING BUSINESS RANKING

This year's report presents results for 2 aggregate measures: the distance to frontier score and the ease of doing business ranking, which for the first time this year is based on the distance to frontier score. The ease of doing business ranking compares economies with one another; the distance to frontier score benchmarks economies with respect to regulatory best practice, showing the absolute distance to the best performance on each *Doing Business* indicator. When compared across years, the distance to frontier score shows how much the regulatory environment for local entrepreneurs in an economy has changed over time in absolute terms, while the ease of doing business ranking can show only how much the regulatory environment has changed relative to that in other economies.

Distance to Frontier

The distance to frontier score captures the gap between an economy's performance and a measure of best practice across the entire sample of 31 indicators for 10 *Doing Business* topics (the labor market regulation indicators are excluded). For starting a business, for example, Canada and New Zealand have the smallest number of procedures required (1), and New Zealand the shortest time to fulfill them (0.5 days). Slovenia has the lowest cost (0.0), and Australia, Colombia and 110 other economies have no paid-in minimum capital requirement (table 15.1 in the *Doing Business 2015* report).

Calculation of the distance to frontier score

Calculating the distance to frontier score for each economy involves 2 main steps. First, individual component indicators are normalized to a common unit where each of the 31 component indicators y (except for the total tax rate) is rescaled using the linear transformation $(\text{worst} - y)/(\text{worst} - \text{frontier})$. In this formulation the frontier represents the best performance on the indicator across all economies since 2005 or the third year after data for the indicator were collected for the first time. For legal indicators such as those on getting credit or protecting minority investors, the frontier is set at the highest possible value. For the total tax rate, consistent with the use of a threshold in calculating the rankings on this indicator, the frontier is

defined as the total tax rate at the 15th percentile of the overall distribution for all years included in the analysis. For the time to pay taxes the frontier is defined as the lowest time recorded among all economies that levy the 3 major taxes: profit tax, labor taxes and mandatory contributions, and value added tax (VAT) or sales tax. In addition, the cost to export and cost to import for each year are divided by the GDP deflator, to take the general price level into account when benchmarking these absolute-cost indicators across economies with different inflation trends. The base year for the deflator is 2013 for all economies.

In the same formulation, to mitigate the effects of extreme outliers in the distributions of the rescaled data for most component indicators (very few economies need 700 days to complete the procedures to start a business, but many need 9 days), the worst performance is calculated after the removal of outliers. The definition of outliers is based on the distribution for each component indicator. To simplify the process, 2 rules were defined: the 95th percentile is used for the indicators with the most dispersed distributions (including time, cost, minimum capital and number of payments to pay taxes), and the 99th percentile is used for number of procedures and number of documents to trade. No outlier was removed for component indicators bound by definition or construction, including legal index scores (such as the depth of credit information index, extent of conflict of interest regulation index and strength of insolvency framework index) and the recovery rate (figure 15.1 in the *Doing Business 2015* report).

Second, for each economy the scores obtained for individual indicators are aggregated through simple averaging into one distance to frontier score, first for each topic and then across all 10 topics: starting a business, dealing with construction permits, getting electricity, registering property, getting credit, protecting minority investors, paying taxes, trading across borders, enforcing contracts and resolving insolvency. More complex aggregation methods—such as principal components and unobserved components—yield a ranking nearly identical to the simple average used by *Doing Business*⁶. Thus *Doing Business* uses the simplest

⁶ See Djankov, Manraj and others (2005). Principal components and unobserved components methods yield a ranking nearly identical to

method: weighting all topics equally and, within each topic, giving equal weight to each of the topic components⁷.

An economy's distance to frontier score is indicated on a scale from 0 to 100, where 0 represents the worst performance and 100 the frontier. All distance to frontier calculations are based on a maximum of 5 decimals. However, indicator ranking calculations and the ease of doing business ranking calculations are based on 2 decimals. The difference between an economy's distance to frontier score in any previous year and its score in 2014 illustrates the extent to which the economy has closed the gap to the regulatory frontier over time. And in any given year the score measures how far an economy is from the best performance at that time.

Treatment of the total tax rate

This year, for the first time, the total tax rate component of the paying taxes indicator set enters the distance to frontier calculation in a different way than any other indicator. The distance to frontier score obtained for the total tax rate is transformed in a nonlinear fashion before it enters the distance to frontier score for paying taxes. As a result of the nonlinear transformation, an increase in the total tax rate has a smaller impact on the distance to frontier score for the total tax rate—and therefore on the distance to frontier score for paying taxes—for economies with a below-average total tax rate than it would have in the calculation done in previous years (line B is smaller than line A in figure 15.2 of the *Doing Business 2015* report). And for economies with an extreme total tax rate (a rate that is very high relative to the average), an increase has a greater impact on both these distance to frontier scores than before (line D is bigger than line C in figure 15.2 of the *Doing Business 2015* report).

The nonlinear transformation is not based on any economic theory of an "optimal tax rate" that minimizes distortions or maximizes efficiency in an economy's

that from the simple average method because both these methods assign roughly equal weights to the topics, since the pairwise correlations among indicators do not differ much. An alternative to the simple average method is to give different weights to the topics, depending on which are considered of more or less importance in the context of a specific economy.

⁷ For getting credit, indicators are weighted proportionally, according to their contribution to the total score, with a weight of 60% assigned to the strength of legal rights index and 40% to the depth of credit information index. Indicators for all other topics are assigned equal weights

overall tax system. Instead, it is mainly empirical in nature. The nonlinear transformation along with the threshold reduces the bias in the indicator toward economies that do not need to levy significant taxes on companies like the *Doing Business* standardized case study company because they raise public revenue in other ways—for example, through taxes on foreign companies, through taxes on sectors other than manufacturing or from natural resources (all of which are outside the scope of the methodology). In addition, it acknowledges the need of economies to collect taxes from firms.

Calculation of scores for economies with 2 cities covered

For each of the 11 economies for which a second city was added in this year's report, the distance to frontier score is calculated as the population-weighted average of the distance to frontier scores for the 2 cities covered (table 12.1). This is done for the aggregate score, the scores for each topic and the scores for all the component indicators for each topic.

Table 12.1 Weights used in calculating the distance to frontier scores for economies with 2 cities covered

Economy	City	Weight (%)
Bangladesh	Dhaka	78
	Chittagong	22
Brazil	São Paulo	61
	Rio de Janeiro	39
China	Shanghai	55
	Beijing	45
India	Mumbai	47
	Delhi	53
Indonesia	Jakarta	78
	Surabaya	22
Japan	Tokyo	65
	Osaka	35
Mexico	Mexico City	83
	Monterrey	17
Nigeria	Lagos	77
	Kano	23
Pakistan	Karachi	65
	Lahore	35
Russian Federation	Moscow	70
	St. Petersburg	30
United States	New York	60
	Los Angeles	40

Source: United Nations, Department of Economic and Social Affairs, Population Division, World Urbanization Prospects, 2014 Revision. <http://esa.un.org/unpd/wup/CD-ROM/Default.aspx>.

Economies that improved the most across 3 or more *Doing Business* topics in 2013/14

Doing Business 2015 uses a simple method to calculate which economies improved the ease of doing business the most. First, it selects the economies that in 2013/14 implemented regulatory reforms making it easier to do business in 3 or more of the 10 topics included in this year's aggregate distance to frontier score. Twenty-one economies meet this criterion: Azerbaijan; Benin; the Democratic Republic of Congo; Côte d'Ivoire; the Czech Republic; Greece; India; Ireland; Kazakhstan; Lithuania; the former Yugoslav Republic of Macedonia; Poland; Senegal; the Seychelles; Spain; Switzerland; Taiwan, China; Tajikistan; Togo; Trinidad and Tobago; and the United Arab Emirates. Second, *Doing Business* sorts these economies on the increase in their distance to frontier score from the previous year using comparable data.

Selecting the economies that implemented regulatory reforms in at least 3 topics and had the biggest improvements in their distance to frontier scores is intended to highlight economies with ongoing, broad-based reform programs. The improvement in the distance to frontier score is used to identify the top improvers because this allows a focus on the absolute improvement—in contrast with the relative improvement shown by a change in rankings—that economies have made in their regulatory environment for business.

Ease of *Doing Business* ranking

The ease of doing business ranking ranges from 1 to 189. The ranking of economies is determined by sorting the aggregate distance to frontier scores, rounded to 2 decimals.

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