

A World Bank Group Flagship Report



Doing Business 2018

Reforming to Create Jobs

Economy Profile

Nigeria



Comparing Business Regulation
for Domestic Firms in **190** Economies

Economy Profile of Nigeria

Doing Business 2018 Indicators (in order of appearance in the document)

Starting a business	Procedures, time, cost and paid-in minimum capital to start a limited liability company
Dealing with construction permits	Procedures, time and cost to complete all formalities to build a warehouse and the quality control and safety mechanisms in the construction permitting system
Getting electricity	Procedures, time and cost to get connected to the electrical grid, the reliability of the electricity supply and the transparency of tariffs
Registering property	Procedures, time and cost to transfer a property and the quality of the land administration system
Getting credit	Movable collateral laws and credit information systems
Protecting minority investors	Minority shareholders' rights in related-party transactions and in corporate governance
Paying taxes	Payments, time and total tax rate for a firm to comply with all tax regulations as well as post-filing processes
Trading across borders	Time and cost to export the product of comparative advantage and import auto parts
Enforcing contracts	Time and cost to resolve a commercial dispute and the quality of judicial processes
Resolving insolvency	Time, cost, outcome and recovery rate for a commercial insolvency and the strength of the legal framework for insolvency
Labor market regulation	Flexibility in employment regulation and aspects of job quality

About Doing Business

The Doing Business project provides objective measures of business regulations and their enforcement across 190 economies and selected cities at the subnational and regional level.

The Doing Business project, launched in 2002, looks at domestic small and medium-size companies and measures the regulations applying to them through their life cycle.

Doing Business captures several important dimensions of the regulatory environment as it applies to local firms. It provides quantitative indicators on regulation for 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. Doing Business also measures features of labor market regulation. Although Doing Business does not present rankings of economies on the labor market regulation indicators or include the topic in the aggregate distance to frontier score or ranking on the ease of doing business, it does present the data for these indicators.

By gathering and analyzing comprehensive quantitative data to compare business regulation environments across economies and over time, Doing Business encourages economies to compete towards more efficient regulation; offers measurable benchmarks for reform; and serves as a resource for academics, journalists, private sector researchers and others interested in the business climate of each economy.

In addition, Doing Business offers detailed [subnational reports](#), which exhaustively cover business regulation and reform in different cities and regions within a nation. These reports provide data on the ease of doing business, rank each location, and recommend reforms to improve performance in each of the indicator areas. Selected cities can compare their business regulations with other cities in the economy or region and with the 190 economies that Doing Business has ranked.

The first Doing Business report, published in 2003, covered 5 indicator sets and 133 economies. This year's report covers 11 indicator sets and 190 economies. Most indicator sets refer to a case scenario in the largest business city of each economy, except for 11 economies that have a population of more than 100 million as of 2013 (Bangladesh, Brazil, China, India, Indonesia, Japan, Mexico, Nigeria, Pakistan, the Russian Federation and the United States) where Doing Business, also collected data for the second largest business city. The data for these 11 economies are a population-weighted average for the 2 largest business cities. The project has benefited from feedback from governments, academics, practitioners and reviewers. The initial goal remains: to provide an objective basis for understanding and improving the regulatory environment for business around the world.

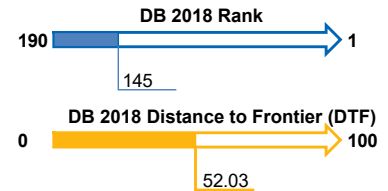
The distance to frontier (DTF) measure shows the distance of each economy to the "frontier," which represents the best performance observed on each of the indicators across all economies in the Doing Business sample since 2005. An economy's distance to frontier is reflected on a scale from 0 to 100, where 0 represents the lowest performance and 100 represents the frontier. The ease of doing business ranking ranges from 1 to 190. The ranking of 190 economies is determined by sorting the aggregate distance to frontier scores, rounded to two decimals.

More about [Doing Business](#) (PDF, 5MB)

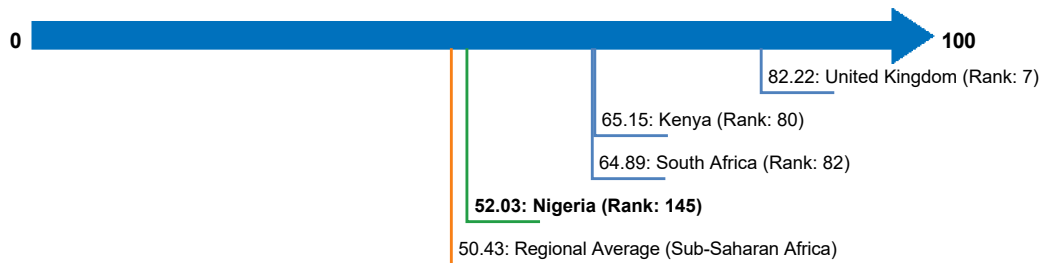
Ease of Doing Business in Nigeria



Region	Sub-Saharan Africa
Income Category	Lower middle income
Population	185,989,640
GNI Per Capita (US\$)	2,450
City Covered	Lagos

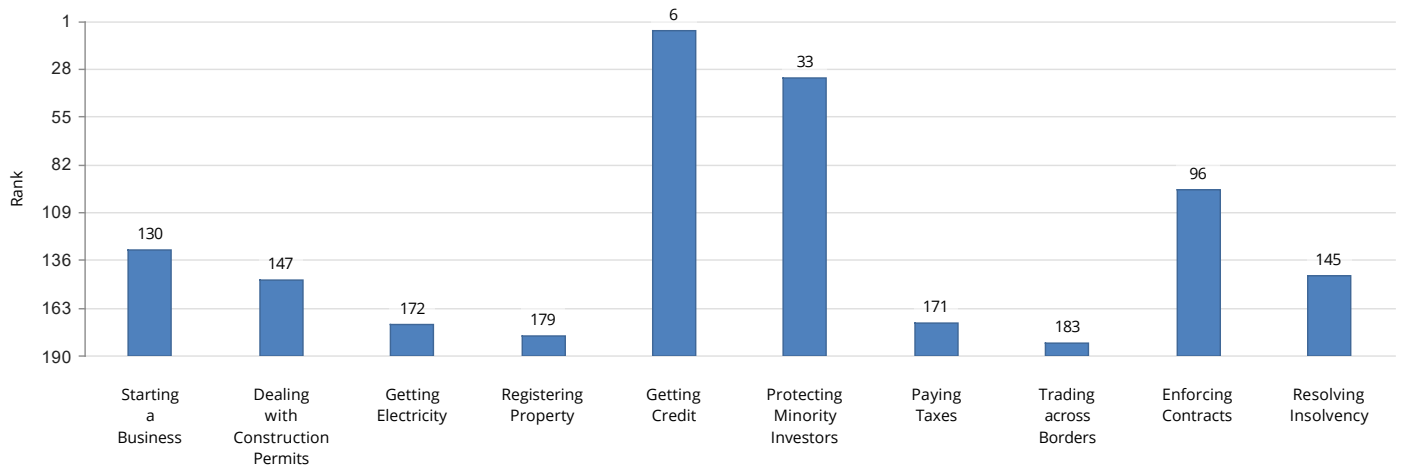


DB 2018 Distance to Frontier (DTF)

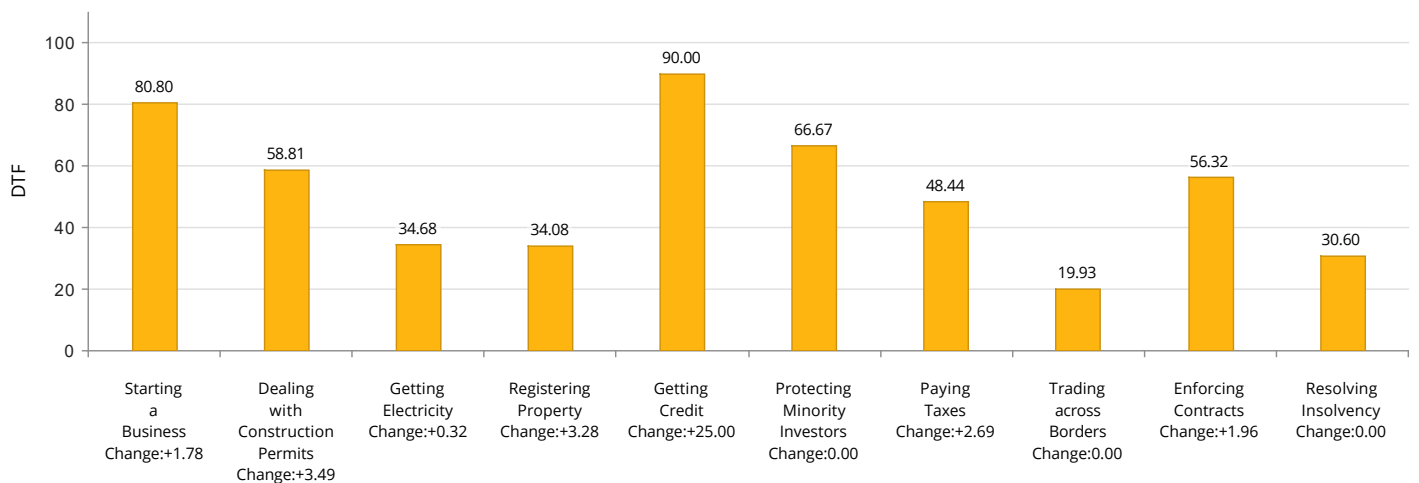


Note: The distance to frontier (DTF) measure shows the distance of each economy to the “frontier,” which represents the best performance observed on each of the indicators across all economies in the Doing Business sample since 2005. An economy’s distance to frontier is reflected on a scale from 0 to 100, where 0 represents the lowest performance and 100 represents the frontier. The ease of doing business ranking ranges from 1 to 190.

Rankings on Doing Business topics - Nigeria



Distance to Frontier (DTF) on Doing Business topics - Nigeria



Starting a Business

This topic measures the paid-in minimum capital requirement, number of procedures, time and cost for a small- to medium-sized limited liability company to start up and formally operate in economy's largest business city.

To make the data comparable across 190 economies, Doing Business uses a standardized business that is 100% domestically owned, has start-up capital equivalent to 10 times income per capita, engages in general industrial or commercial activities and employs between 10 and 50 people one month after the commencement of operations, all of whom are domestic nationals. Starting a Business considers two types of local limited liability companies that are identical in all aspects, except that one company is owned by 5 married women and the other by 5 married men. The distance to frontier score for each indicator is the average of the scores obtained for each of the component indicators.

The most recent round of data collection for the project was completed in June 2017. [See the methodology for more information.](#)

What the indicators measure

Procedures to legally start and operate a company (number)

- Pre-registration (for example, name verification or reservation, notarization)
- Registration in economy's largest business city
- Post-registration (for example, social security registration, company seal)
- Obtaining approval from spouse to start business or leave home to register company
- Obtaining any gender-specific permission that can impact company registration, company operations and process of getting national identity card

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 fully completed online are recorded as ½ day
- Procedure is considered 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 or commonly used in practice

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

- Funds deposited in a bank or with third party before registration or up to 3 months after incorporation

Case study assumptions

To make the data comparable across economies, several assumptions about the business and the procedures are used. It is assumed that any required information is readily available and that the entrepreneur will pay no bribes.

The business:

- Is a limited liability company (or its legal equivalent). If there is more than one type of limited liability company in the economy, the most common among domestic firms is chosen. Information on the most common form is obtained from incorporation lawyers or the statistical office.
- Operates in the economy's largest business city and the entire office space is approximately 929 square meters (10,000 square feet). For 11 economies the data are also collected for the second largest business city.
- Is 100% domestically owned and has five owners, none of whom is a legal entity; and has a start-up capital of 10 times income per capita and has a turnover of at least 100 times income per capita.
- Performs general industrial or commercial activities, such as the production or sale of goods or services to the public. The business does not perform foreign trade activities and does not handle products subject to a special tax regime, for example, liquor or tobacco. It does not use heavily polluting production processes.
- Leases the commercial plant or offices and is not a proprietor of real estate and the amount of the annual lease for the office space is equivalent to 1 times income per capita.
- Does not qualify for investment incentives or any special benefits.
- Has at least 10 and up to 50 employees one month after the commencement of operations, all of whom are domestic nationals.
- Has a company deed 10 pages long.

The owners:

- Have reached the legal age of majority. If there is no legal age of majority, they are assumed to be 30 years old.
- Are sane, competent, in good health and have no criminal record.
- Are married and the marriage is monogamous and registered with the authorities.
- Where the answer differs according to the legal system applicable to the woman or man in question (as may be the case in economies where there is legal plurality), the answer used will be the one that applies to the majority of the population.

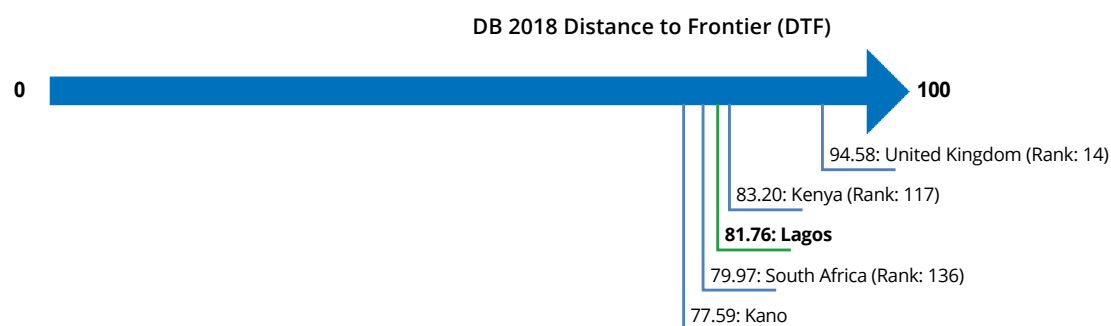
Starting a Business - Lagos

Standardized Company

Legal form	Private Limited Liability Company
Paid-in minimum capital requirement	NGN 0
City Covered	Lagos

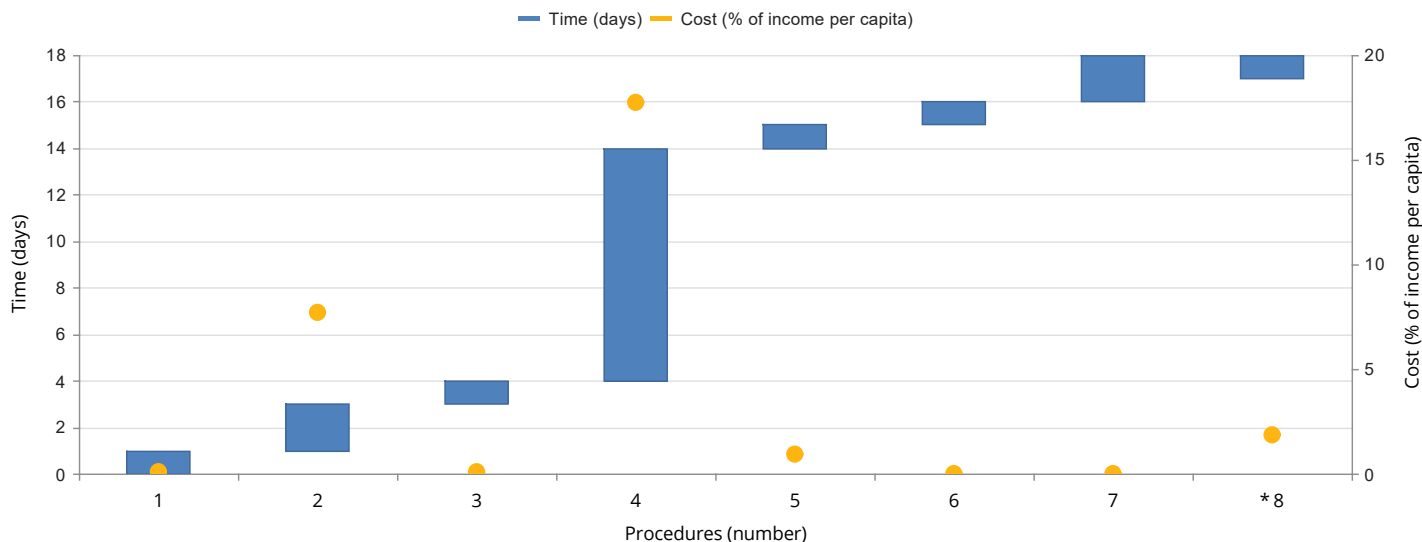
Indicator	Lagos	Sub-Saharan Africa	OECD high income	Overall Best Performer
Procedure – Men (number)	8	7.6	4.9	1.00 (New Zealand)
Time – Men (days)	18	24.0	8.5	0.50 (New Zealand)
Cost – Men (% of income per capita)	28.4	49.9	3.1	0.00 (United Kingdom)
Procedure – Women (number)	8	7.7	4.9	1.00 (New Zealand)
Time – Women (days)	18	24.1	8.5	0.50 (New Zealand)
Cost – Women (% of income per capita)	28.4	49.9	3.1	0.00 (United Kingdom)
Paid-in min. capital (% of income per capita)	0.0	25.6	8.7	0.00 (113 Economies)

Figure – Starting a Business in Nigeria and comparator economies – Ranking and DTF



Note: 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.

Figure – Starting a Business in Lagos – Procedure, Time and Cost



* This symbol is shown beside procedure numbers that take place simultaneously with the previous procedure.

Note: Online procedures account for 0.5 days in the total time calculation. For economies that have a different procedure list for men and women, the graph shows the time for women. For more information on methodology, see the Doing Business website (<http://www.doingbusiness.org/methodology>). For details on the procedures reflected here, see the summary below.

Details – Starting a Business in Lagos – Procedure, Time and Cost

No.	Procedures	Time to Complete	Associated Costs
1	<p>Reserve a unique company name</p> <p>Agency : Corporate Affairs Commission</p> <p>The Corporate Affairs Commission (CAC) online system was launched on February 2nd, 2015. This platform enables online unique name reservation as well as enabling filing the incorporation forms for the entire registration process. As of March 2017, the process of reserving the company name can only be made online at: http://services.cac.gov.ng/.</p>	1 day	NGN 500 application form
2	<p>Prepare the requisite incorporation documents and pay the stamp duty</p> <p>Agency : Federal Inland Revenue Service</p> <p>As of 2016, the possibility of e-stamping became available. As such, companies can complete the stamping online.</p> <p>To prepare the requisite incorporation documents, the business founders must complete the statutory forms, prepare and print the memorandum and articles of association, and have them stamped by the Federal Inland Revenue Service (FIRS) or online.</p> <p>The stamp duty payable on share capital (ad valorem) is 0.75% and NGN 500 for each additional copy of Memorandum and Articles of Association stamped.</p>	1-3 days	0.75% stamp duty paid on share capital + NGN 500 for each additional copy of Memorandum and Articles of Association stamped (2 copies)
3	<p>Sign the declaration of compliance (Form CAC 1.1) before a Commissioner for Oaths or a Notary Public</p> <p>Agency : 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>	1 day	NGN 500 at the court or NGN 4,000 - NGN 5,000 with a Notary Public

4 Register the company at the Corporate Affairs Commission and pay registration fees

10 days

see procedure details

Agency : Corporate Affairs Commission

As of May 2017, companies now apply for company incorporation using form CAC 1.1. This new form replaced form CAC 4: Declaration of compliance, form CAC 2: Statement of share capital and return of allotment of shares, form CAC 7: Particulars of directors, and form CAC 2.1: Particulars of the company secretary.

Entrepreneurs need to submit the following documentation to register the company:

- (a) two copies of the stamped consolidated form (CAC Form 1.1);
- (b) two copies of the stamped memorandum and articles of association of the company;
- (c) form of identification of the directors and shareholders (drivers license or national ID or data page of international passport);
- (d) Form of identification of the company secretary;
- (e) Copy of name reservation of the company.

Incorporation fees are:

- Registration of private company/Increase in Share Capital above NGN 1 million and up to NGN 500 million: NGN 5,000.00 for every NGN 1 million share capital or 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 form CAC 1.1

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.

The payment of registration fees can be made at the bank desk at the CAC. The payment of statutory filing fees can now be processed online through Remita, an electronic payment platform. Upon making relevant payments online, the applicant is still required to verify these payments at the CAC in person.

5 Make a company seal

1 day

NGN 4,000 - NGN 6,000

Agency : Sealmaker

Section 74 of the Companies and Allied Matters Act (CAMA) requires every company to have a common seal.

6 Register for income tax and VAT

1 day

no charge

Agency : Federal Inland Revenue Service

The Federal Inland Revenue Service (FIRS) requires the applicant to complete tax registration forms for corporate income tax registration as well as VAT.

The registration process requires submitting a completed tax office-issued application (taxpayer registration input form, TRIF/2006/001 COYS) and the following documents:

- 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;

To register, the company must submit the taxpayer registration input form in duplicate, 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.

7 Register for personal income tax PAYE at the State Tax Office

2 days

no charge

Agency : State Tax Office

All employers shall register with the relevant state tax authority for income tax withholding.

The PAYE Regulations of 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.

The registration requirements are as follows:

1. A copy of certificate of incorporation.
2. List of staff and their annual salaries.
3. Letter of application for registration.
4. Corporate income tax and VAT tax reference number.

Upon completion of registration, an Employer's Identification Number will be issued.

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.

⇒ 8 Register business premises with the Lagos State Government and pay the business premises levy

Agency : Bank

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.

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).

1 day
(simultaneous with
previous
procedure)

NGN 10,000

♀ Applies to women only.

⇒ Takes place simultaneously with previous procedure.

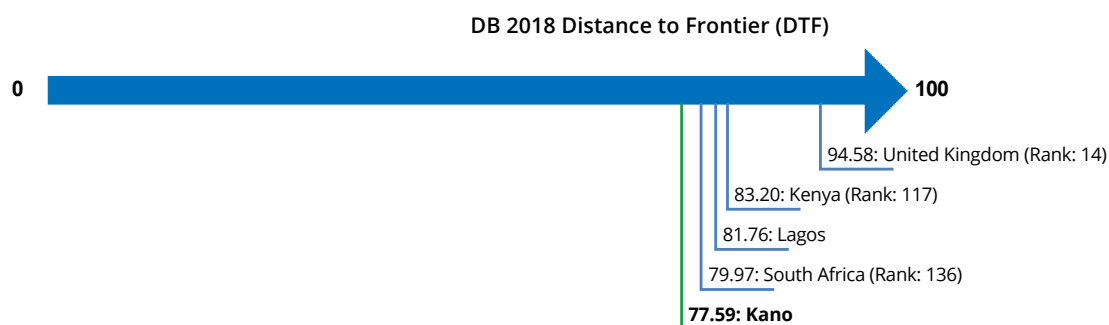
Starting a Business - Kano

Standardized Company

Legal form	Private Limited Liability Company
Paid-in minimum capital requirement	NGN 0
City Covered	Kano

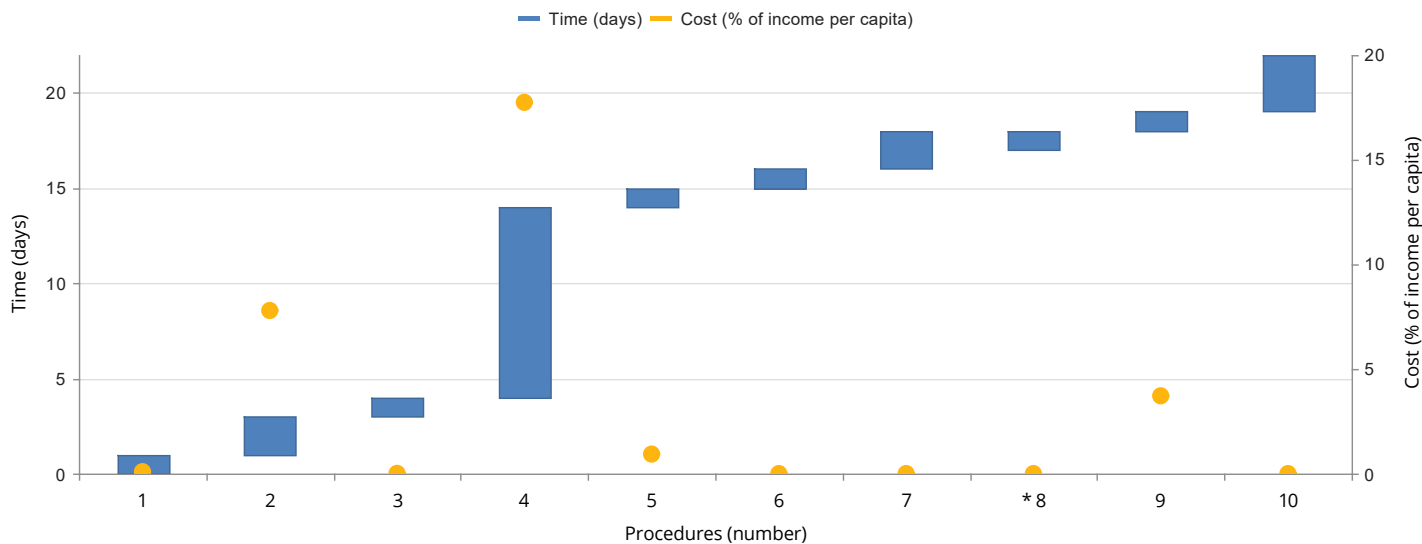
Indicator	Kano	Sub-Saharan Africa	OECD high income	Overall Best Performer
Procedure – Men (number)	10	7.6	4.9	1.00 (New Zealand)
Time – Men (days)	22	24.0	8.5	0.50 (New Zealand)
Cost – Men (% of income per capita)	30.2	49.9	3.1	0.00 (United Kingdom)
Procedure – Women (number)	10	7.7	4.9	1.00 (New Zealand)
Time – Women (days)	22	24.1	8.5	0.50 (New Zealand)
Cost – Women (% of income per capita)	30.2	49.9	3.1	0.00 (United Kingdom)
Paid-in min. capital (% of income per capita)	0.0	25.6	8.7	0.00 (113 Economies)

Figure – Starting a Business in Nigeria and comparator economies – Ranking and DTF



Note: 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.

Figure – Starting a Business in Kano – Procedure, Time and Cost



* This symbol is shown beside procedure numbers that take place simultaneously with the previous procedure.

Note: Online procedures account for 0.5 days in the total time calculation. For economies that have a different procedure list for men and women, the graph shows the time for women. For more information on methodology, see the Doing Business website (<http://www.doingbusiness.org/methodology>). For details on the procedures reflected here, see the summary below.

Details – Starting a Business in Kano – Procedure, Time and Cost

No.	Procedures	Time to Complete	Associated Costs
1	<p>Reserve a unique company name</p> <p>Agency : 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. As of March 2017, the process of reserving the company name can only be made online at: http://services.cac.gov.ng/.</p> <p>The company's name reservation lasts 60 days but can be renewed for a similar period.</p>	1 day	NGN 500
2	<p>Prepare the requisite incorporation documents and pay the stamp duty</p> <p>Agency : Stamp duty office</p> <p>As of 2016, the possibility of e-stamping became available. As such, companies can complete the stamping online.</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; Having the memorandum and articles of association stamped by the Federal Inland Revenue Service or online. <p>There is a stamp duty office on the same premises as the CAC.</p>	1-3 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 1.1) before a Commissioner for Oaths or notary public</p> <p>Agency : State High Court</p> <p>A declaration 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>	1 day	NGN 50

4 Register the company at the Corporate Affairs Commission

10 days

see procedure
details

Agency : Corporate Affairs Commission

As of May 2017, companies now apply for company incorporation using form CAC 1.1. This new form replaced form CAC 4: Declaration of compliance, form CAC 2: Statement of share capital and return of allotment of shares, form CAC 7: Particulars of directors, and form CAC 2.1: Particulars of the company secretary.

Entrepreneurs need to submit the following documentation to register the company:

- (a) two copies of the stamped consolidated form (CAC Form 1.1);
- (b) two copies of the stamped memorandum and articles of association of the company;
- (c) form of identification of the directors and shareholders (drivers license or national ID or data page of international passport);
- (d) Form of identification of the company secretary;
- (e) Copy of name reservation of the company.

Incorporation fees are:

- Registration of private company/Increase in Share Capital above NGN 1 million and up to NGN 500 million: NGN 5,000.00 for every NGN 1 million share capital or 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 form CAC 1.1

5 Make a company seal

1 day

NGN 5,000

Agency : Private company

Section 74 of the Companies and Allied Matters Act (CAMA) requires every company to have a common seal. It is also common in practice, especially because companies will generally have to register a deed or other official documents.

6 Register for income tax and VAT

1 day

no charge

Agency : Federal Inland Revenue Service

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 the nearest Federal Tax Office.

A form obtained from the tax office is filled and the following documents submitted with it:

- 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.

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.

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.

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.

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.

7 Register for personal income tax PAYE

2 days

no charge

Agency : State Tax Office

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>⇒ 8 Receive an inspection from the State Ministry of Commerce, Industry, Cooperatives and Tourism for business premises registration</p> <p>Agency : State Ministry of Commerce, Industry, Cooperatives and Tourism</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.</p>	<p>1 day (simultaneous with previous procedure)</p>	<p>no charge</p>
<p>9 Pay registration fees for business premises into a government account at a designated bank</p> <p>Agency : 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>1 day</p>	<p>NGN 20,000</p>
<p>10 Obtain a business premises permit</p> <p>Agency : 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>3 days</p>	<p>no charge</p>

♀ Applies to women only.

⇒ Takes place simultaneously with previous procedure.

Dealing with Construction Permits

This topic tracks the procedures, time and cost to build a warehouse—including obtaining necessary the licenses and permits, submitting all required notifications, requesting and receiving all necessary inspections and obtaining utility connections. In addition, the Dealing with Construction Permits indicator measures the building quality control index, evaluating the quality of building regulations, the strength of quality control and safety mechanisms, liability and insurance regimes, and professional certification requirements. The most recent round of data collection was completed in June 2017. [See the methodology for more information](#)

What the 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 and selling the warehouse after its completion

Time required to complete each procedure (calendar days)

- Does not include time spent gathering information
- Each procedure starts on a separate day—though procedures that can be fully completed online are an exception to this rule
- Procedure is 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

Building quality control index (0-15)

- Sum of the scores of six component indices:
- Quality of building regulations (0-2)
- Quality control before construction (0-1)
- Quality control during construction (0-3)
- Quality control after construction (0-3)
- Liability and insurance regimes (0-2)
- Professional certifications (0-4)

Case study assumptions

To make the data comparable across economies, several assumptions about the construction company, the warehouse project and the utility connections are used.

The construction company (BuildCo):

- Is a limited liability company (or its legal equivalent) and operates in the economy's largest business city. For 11 economies the data are also collected for the second largest business city.
- Is 100% domestically and privately owned; has five owners, none of whom is a legal entity. Has a licensed architect and a licensed engineer, both registered with the local association of architects or engineers. BuildCo is not assumed to have any other employees who are technical or licensed experts, such as geological or topographical experts.
- Owns the land on which the warehouse will be built and will sell the warehouse upon its completion.

The warehouse:

- Will be used for general storage activities, such as storage of books or stationery.
- Will have two stories, both above ground, with a total constructed area of approximately 1,300.6 square meters (14,000 square feet). Each floor will be 3 meters (9 feet, 10 inches) high and will be located on a land plot of approximately 929 square meters (10,000 square feet) that is 100% owned by BuildCo, and the warehouse is valued at 50 times income per capita.
- Will have complete architectural and technical plans prepared by a licensed architect. If preparation of the plans requires such steps as obtaining further documentation or getting prior approvals from external agencies, these are counted as procedures.
- Will take 30 weeks to construct (excluding all delays due to administrative and regulatory requirements).

The water and sewerage connections:

- Will be 150 meters (492 feet) from the existing water source and sewer tap. If there is no water delivery infrastructure in the economy, a borehole will be dug. If there is no sewerage infrastructure, a septic tank in the smallest size available will be installed or built.
- Will have an average water use of 662 liters (175 gallons) a day and an average wastewater flow of 568 liters (150 gallons) a day. Will have a peak water use of 1,325 liters (350 gallons) a day and a peak wastewater flow of 1,136 liters (300 gallons) a day.
- Will have a constant level of water demand and wastewater flow throughout the year; will be 1 inch in diameter for the water connection and 4 inches in diameter for the sewerage connection.

Dealing with Construction Permits - Lagos

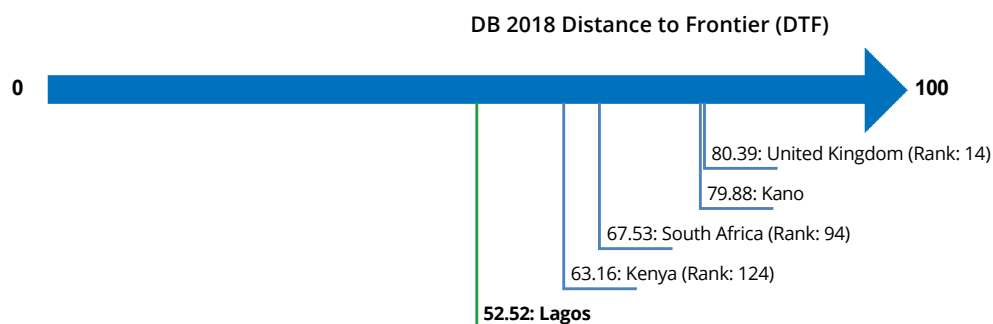
Standardized Warehouse

Estimated value of warehouse NGN 26,969,050.00

City Covered Lagos

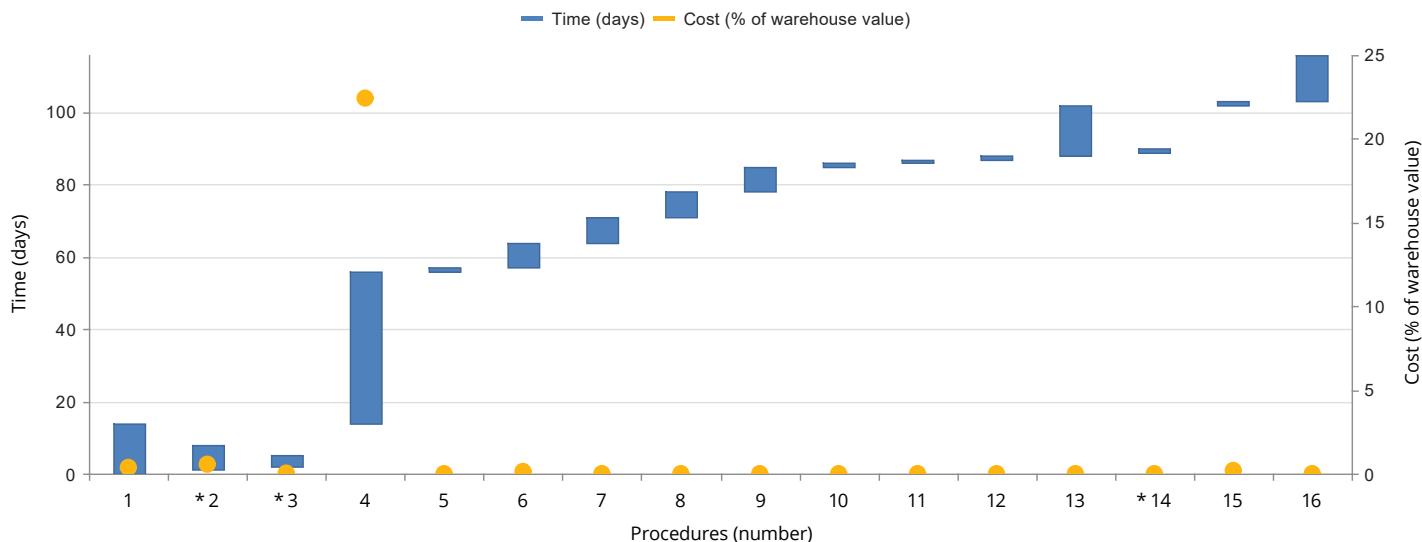
Indicator	Lagos	Sub-Saharan Africa	OECD high income	Overall Best Performer
Procedures (number)	16	14.8	12.5	7.00 (Denmark)
Time (days)	116	147.5	154.6	27.5 (Korea, Rep.)
Cost (% of warehouse value)	23.7	9.9	1.6	0.10 (5 Economies)
Building quality control index (0-15)	12.0	8.0	11.4	15.00 (3 Economies)

Figure – Dealing with Construction Permits in Nigeria and comparator economies – Ranking and DTF



Note: 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.

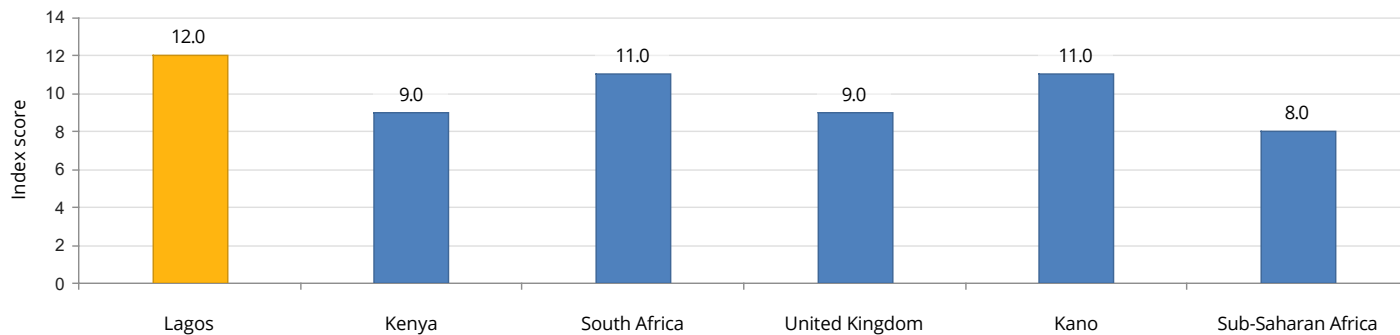
Figure – Dealing with Construction Permits in Lagos – Procedure, Time and Cost



* This symbol is shown beside procedure numbers that take place simultaneously with the previous procedure.

Note: Online procedures account for 0.5 days in the total time calculation. For economies that have a different procedure list for men and women, the graph shows the time for women. For more information on methodology, see the Doing Business website (<http://www.doingbusiness.org/methodology>). For details on the procedures reflected here, see the summary below.

Figure – Dealing with Construction Permits in Lagos and comparator economies – Measure of Quality



Details – Dealing with Construction Permits in Lagos – Procedure, Time and Cost

No.	Procedures	Time to Complete	Associated Costs
-----	------------	------------------	------------------

1	Obtain soil investigation report	14 days	NGN 100,000
---	---	---------	-------------

Agency : Private Company

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.

⇒ 2	Obtain an Environmental Technical Analysis Report	7 days	NGN 150,000
-----	--	--------	-------------

Agency : Town Planner Engineer

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.

⇒ 3	Obtain a certified true copy (CTC) of the survey plan and CTC of the land ownership title	3 days	NGN 7,500
-----	--	--------	-----------

Agency : Land Registry

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.

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.

4 Obtain development permit from the Lagos State Physical Planning Permit Authority (LASPPPA)	42 days	NGN 6,037,191
--	---------	---------------

Agency : State Physical Planning Permit Authority (LASPPPA)

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.

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.

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.

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.

The following documents must be presented:

- 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
- 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

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)

5 Obtain inspection of site by LASBCA for survey of set out

1 day

no charge

Agency : Lagos State Building Control Agency

Once the customer is ready for construction, he contacts the Lagos State Building Control Agency – sending them a letter providing details of the construction team professionals – licensed architect, construction engineer, and others. LASBCA then inspects the site to survey the set-out (which is a pre-construction inspection), to review the site plans and construction plan, and provides the engineer the Form C (Application for Certificate of Completion and Fitness for Habitation). Subsequently, there are phased inspections at critical phases of construction. The civil structural engineer on the client's team conducts inspections at Foundation and Decking stages and signs the form C at each stage. The supervising engineer also submits the concrete for testing to either the State Materials Laboratory or another private laboratory and maintains the certificate of the lab – these are given to the Inspection team when they do site visit.

The Form C is also completed by the qualified Builder Registered with CORBON and qualified architect registered with ARCON, who sign off on the materials and workmanship.

6 Obtain certificate of structural stability (first pouring of concrete)

7 days

NGN 35,000

Agency : Lagos State Material Testing Laboratory

The concrete crushing test is done as follows:

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. Normally the longer the concrete is kept, the harder it will become and therefore it will have a better resistance to the crushing test.

All payment for concrete testing is done once in this procedure.

7 Obtain certificate of structural stability (second pouring of concrete)

7 days

no charge

Agency : Lagos State Material Testing Laboratory

8 Obtain certificate of structural stability (third pouring of concrete)

7 days

no charge

Agency : Lagos State Material Testing Laboratory

9 Obtain certificate of structural stability of foundation

7 days

no charge

Agency : Lagos State Material Testing Laboratory

10 Receive joint inspection during construction from the Building Control Agency and the Zonal Agency

1 day

no charge

Agency : Building Control Agency and Zonal Agency

11	Receive inspections during construction from the Building Control Agency Agency : Lagos State Building Control Agency 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.	1 day	no charge
12	Request and receive inspection by the Fire Department Agency : Fire Department 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.	1 day	no charge
13	Submit completed Form C and request and receive final inspection and Certificate of Habitation Agency : Lagos State Building Control Agency	14 days	no charge
⇒ 14	Submit application for water connection to Lagos Water Company Agency : Zonal Office 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. • 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.	1 day	no charge
15	Pay the connection bill and submit evidence of payment to Zonal Office Agency : Zonal Office	1 day	NGN 50,000
16	Receive water connection Agency : Zonal Office Once payment has been made, the Zonal Office (ZO) procures the connection materials and carries out the connection works.	13 days	no charge

⇒ Takes place simultaneously with previous procedure.

Details – Dealing with Construction Permits in Lagos – Measure of Quality

	Answer	Score
Building quality control index (0-15)		12.0
Quality of building regulations index (0-2)		2.0
How accessible are building laws and regulations in your economy? (0-1)	Available online; Free of charge.	1.0
Which requirements for obtaining a building permit are clearly specified in the building regulations or on any accessible website, brochure or pamphlet? (0-1)	List of required documents; Fees to be paid; Required preapprovals.	1.0
Quality control before construction index (0-1)		1.0
Which third-party entities are required by law to verify that the building plans are in compliance with existing building regulations? (0-1)	Licensed architect; Licensed engineer.	1.0
Quality control during construction index (0-3)		2.0
What types of inspections (if any) are required by law to be carried out during construction? (0-2)	Inspections by in-house engineer; Inspections at various phases.	1.0
Do legally mandated inspections occur in practice during construction? (0-1)	Mandatory inspections are always done in practice.	1.0
Quality control after construction index (0-3)		3.0
Is there a final inspection required by law to verify that the building was built in accordance with the approved plans and regulations? (0-2)	Yes, final inspection is done by government agency.	2.0
Do legally mandated final inspections occur in practice? (0-1)	Final inspection always occurs in practice.	1.0
Liability and insurance regimes index (0-2)		0.0
Which parties (if any) are held liable by law for structural flaws or problems in the building once it is in use (Latent Defect Liability or Decennial Liability)? (0-1)	No party is held liable under the law.	0.0

Which parties (if any) are required by law to obtain an insurance policy to cover possible structural flaws or problems in the building once it is in use (Latent Defect Liability Insurance or Decennial Insurance)? (0-1)	No party is required by law to obtain insurance .	0.0
---	---	-----

Professional certifications index (0-4)**4.0**

What are the qualification requirements for the professional responsible for verifying that the architectural plans or drawings are in compliance with existing building regulations? (0-2)	Minimum number of years of experience; University degree in architecture or engineering; Being a registered architect or engineer; Passing a certification exam.	2.0
---	---	-----

What are the qualification requirements for the professional who supervises the construction on the ground? (0-2)	Minimum number of years of experience; University degree in engineering, construction or construction management; Being a registered architect or engineer; Passing a certification exam.	2.0
---	--	-----

Dealing with Construction Permits - Kano

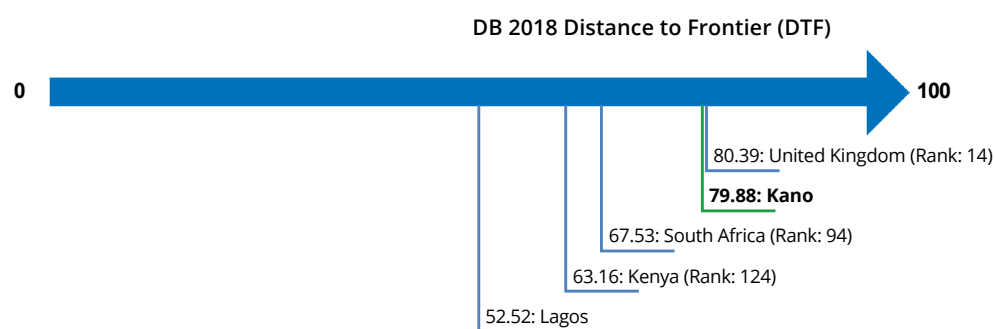
Standardized Warehouse

Estimated value of warehouse NGN 26,969,050.00

City Covered Kano

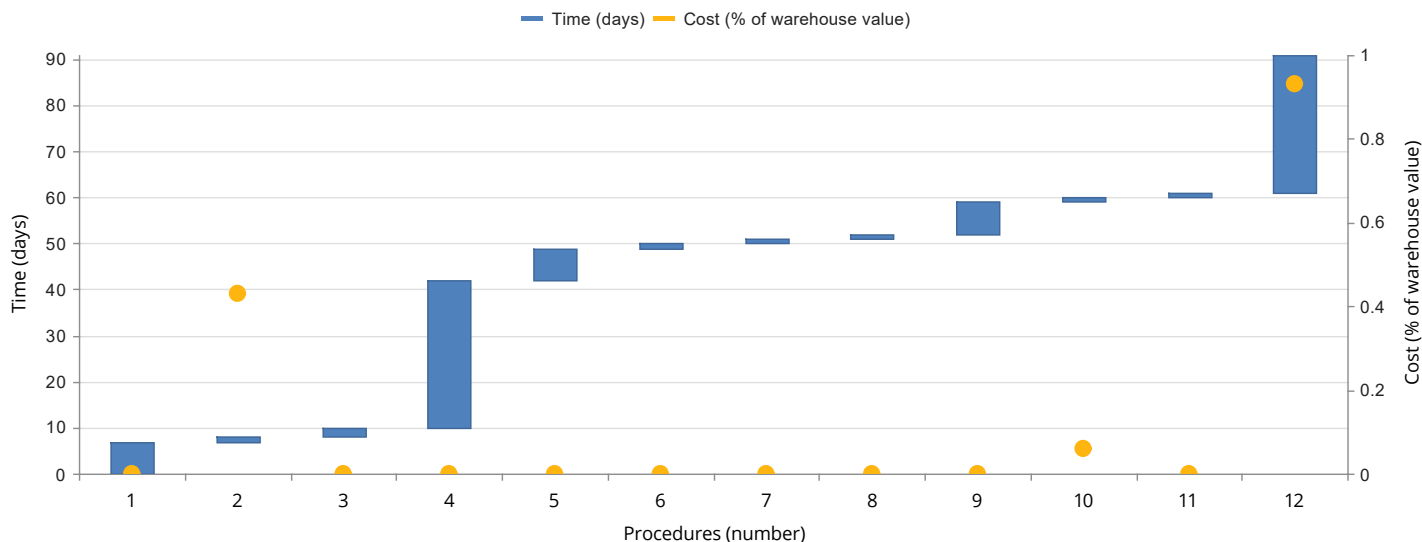
Indicator	Kano	Sub-Saharan Africa	OECD high income	Overall Best Performer
Procedures (number)	12	14.8	12.5	7.00 (Denmark)
Time (days)	91	147.5	154.6	27.5 (Korea, Rep.)
Cost (% of warehouse value)	1.4	9.9	1.6	0.10 (5 Economies)
Building quality control index (0-15)	11.0	8.0	11.4	15.00 (3 Economies)

Figure – Dealing with Construction Permits in Nigeria and comparator economies – Ranking and DTF



Note: 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.

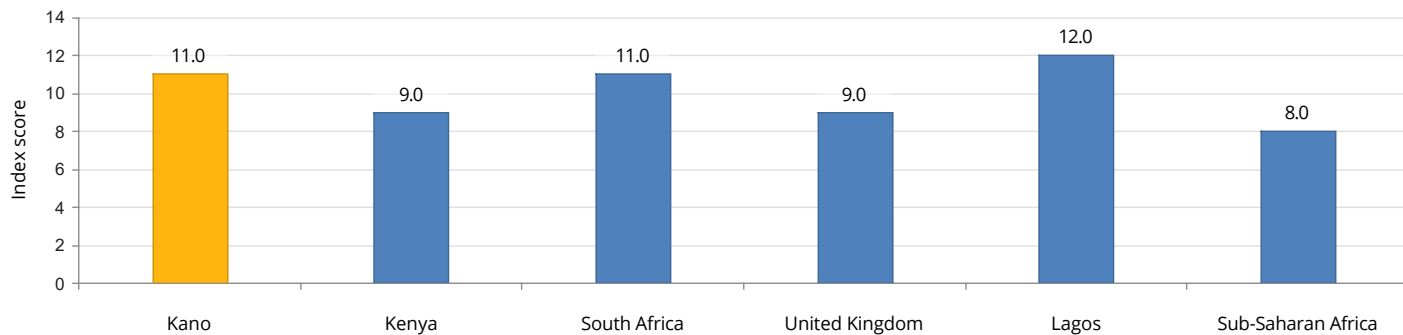
Figure – Dealing with Construction Permits in Kano – Procedure, Time and Cost



* This symbol is shown beside procedure numbers that take place simultaneously with the previous procedure.

Note: Online procedures account for 0.5 days in the total time calculation. For economies that have a different procedure list for men and women, the graph shows the time for women. For more information on methodology, see the Doing Business website (<http://www.doingbusiness.org/methodology>). For details on the procedures reflected here, see the summary below.

Figure – Dealing with Construction Permits in Kano and comparator economies – Measure of Quality



Details – Dealing with Construction Permits in Kano – Procedure, Time and Cost

No.	Procedures	Time to Complete	Associated Costs
1	<p>Apply for building plan approval at the Kano Urban Planning Development Authority and await assessment of fees</p> <p>Agency : 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> <ul style="list-style-type: none"> a. Proof of ownership (such as a certificate of occupancy); b. Survey plan (attached to the certificate of occupancy); c. Drawings, including: <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>	7 days	no charge
2	<p>Pay the building plan approval fees at a designated bank</p> <p>Agency : Commercial 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>	1 day	NGN 117,045
3	<p>Receive a pre-approval inspection from the Kano Urban Planning and Development Authority</p> <p>Agency : 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>	2 days	no charge

<p>4 Obtain a building plan approval from the Kano Urban Planning and Development Authority</p> <p>Agency : 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 and the 3 remaining copies of the plan – are deposited with the Personal Secretary of the Managing Director, who then sends the application file to the Department of Architecture. In the department, details of the application which includes title document, name, amount paid, type of building, building height and number of buildings on the site are recorded. All the documents are then passed to the charting officer to verify survey plans against the government approved survey plan included with the Certificate of Occupancy. The application is then passed to the record office and then subsequently to the Director of Architecture, who then minutes to the Deputy Director who sends the file to the sectional head for the status of the site based on the application. The site report is then sent back to the sectional officer who will vet the architectural drawings and pass it on to a structural engineer where applicable.</p> <p>If everything is in order, a recommendation form is filled and signed by the vetting Architect and passed to the Deputy Director for reassessment after which he passes it to the Director as recommended. The Director forwards the recommendation to the Managing Director for final approval. are given to the Kano Urban Planning and Development Authority (KNUPDA) for final approval.</p>	32 days	no charge
<p>5 Notify the Kano Urban Planning and Development Authority (KUPD) of commencement of work</p> <p>Agency : Kano Urban Planning and Development Authority</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>	7 days	no charge
<p>6 Receive set-out inspection prior to excavation</p> <p>Agency : Kano Urban Development Authority (KNUPDA)</p> <p>BuildCo invites KNUPDA engineers to inspection the construction after setting out before digging the foundation and poring of the concrete</p>	1 day	no charge
<p>7 Submit final report of completion of work and request the final inspection</p> <p>Agency : Kano Urban Planning and Development Authority</p> <p>The engineer will file a report notifying the Kano Urban Planning and Development Authority (KNUPD) of the completion of work and certifying that the warehouse was built according to the approved plans. The inspectors will then proceed with a final inspection to verify that the work has been completed according to the approved building plans.</p>	1 day	no charge
<p>8 Obtain final inspection from Kano Urban Planning and Development Authority</p> <p>Agency : Kano Urban Planning and Development Authority</p>	1 day	no charge

9	Obtain a certificate of habitation from the Kano Urban Planning and Development Authority	7 days	no charge
<p>Agency : 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>			
10	Apply for water connection at the Kano State Water Board and pay application form fee	1 day	NGN 15,000
<p>Agency : Kano State Water Board</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>			
11	Receive an inspection by the Kano State Water Board	1 day	no charge
<p>Agency : 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>			
12	Obtain water connection	30 days	NGN 250,000
<p>Agency : Kano State Water Board</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>			

⇒ Takes place simultaneously with previous procedure.

Details – Dealing with Construction Permits in Kano – Measure of Quality

	Answer	Score
Building quality control index (0-15)		11.0
Quality of building regulations index (0-2)		2.0
How accessible are building laws and regulations in your economy? (0-1)	Available online; Free of charge.	1.0
Which requirements for obtaining a building permit are clearly specified in the building regulations or on any accessible website, brochure or pamphlet? (0-1)	List of required documents; Fees to be paid; Required preapprovals; Available only on request.	1.0
Quality control before construction index (0-1)		1.0
Which third-party entities are required by law to verify that the building plans are in compliance with existing building regulations? (0-1)	Licensed architect.	1.0
Quality control during construction index (0-3)		2.0
What types of inspections (if any) are required by law to be carried out during construction? (0-2)	Inspections by in-house engineer; Inspections at various phases.	1.0
Do legally mandated inspections occur in practice during construction? (0-1)	Mandatory inspections are always done in practice.	1.0
Quality control after construction index (0-3)		2.0
Is there a final inspection required by law to verify that the building was built in accordance with the approved plans and regulations? (0-2)	Yes, final inspection is done by government agency.	2.0
Do legally mandated final inspections occur in practice? (0-1)	Final inspection does not always occur in practice.	0.0
Liability and insurance regimes index (0-2)		0.0
Which parties (if any) are held liable by law for structural flaws or problems in the building once it is in use (Latent Defect Liability or Decennial Liability)? (0-1)	No party is held liable under the law.	0.0

Which parties (if any) are required by law to obtain an insurance policy to cover possible structural flaws or problems in the building once it is in use (Latent Defect Liability Insurance or Decennial Insurance)? (0-1)	No party is required by law to obtain insurance .	0.0
---	---	-----

Professional certifications index (0-4)**4.0**

What are the qualification requirements for the professional responsible for verifying that the architectural plans or drawings are in compliance with existing building regulations? (0-2)	Minimum number of years of experience; University degree in architecture or engineering; Being a registered architect or engineer; Passing a certification exam.	2.0
---	---	-----

What are the qualification requirements for the professional who supervises the construction on the ground? (0-2)	Minimum number of years of experience; University degree in engineering, construction or construction management; Being a registered architect or engineer; Passing a certification exam.	2.0
---	--	-----

⚡ Getting Electricity

This topic measures the procedures, time and cost required for a business to obtain a permanent electricity connection for a newly constructed warehouse. Additionally, the reliability of supply and transparency of tariffs index measures reliability of supply, transparency of tariffs and the price of electricity. The most recent round of data collection for the project was completed in June 2017. [See the methodology for more information.](#)

What the 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
- Value added tax excluded

The reliability of supply and transparency of tariffs index (0-8)

- Duration and frequency of power outages (0-3)
- Tools to monitor power outages (0-1)
- Tools to restore power supply (0-1)
- Regulatory monitoring of utilities' performance (0-1)
- Financial deterrents limiting outages (0-1)
- Transparency and accessibility of tariffs (0-1)

Price of electricity (cents per kilowatt-hour)*

- Price based on monthly bill for commercial warehouse in case study

*Note: Doing Business measures the price of electricity, but it is not included in the distance to frontier score nor the ranking on the ease of getting electricity.

Case study assumptions

To make the data comparable across economies, several assumptions are used.

The warehouse:

- Is owned by a local entrepreneur and is used for storage of goods.
- Is located in the economy's largest business city. For 11 economies the data are also collected for the second largest business city.
- Is located in an area where similar warehouses are typically located and is in an area with no physical constraints. For example, the property is not near a railway.
- Is a new construction and is being connected to electricity for the first time.
- Has two stories with a total surface area of approximately 1,300.6 square meters (14,000 square feet). The plot of land on which it is built is 929 square meters (10,000 square feet).

The electricity connection:

- Is a permanent one with a three-phase, four-wire Y connection with a subscribed capacity of 140-kilo-volt-ampere (kVA) with a power factor of 1, when 1 kVA = 1 kilowatt (kW).
- Has a length of 150 meters. The connection is to either the low- or medium-voltage distribution network and is either overhead or underground, whichever is more common in the area where the warehouse is located and requires works that involve the crossing of a 10-meter road (such as by excavation or overhead lines) but are all carried out on public land. There is no crossing of other owners' private property because the warehouse has access to a road.
- Does not require work to install the internal wiring of the warehouse. This has already been completed up to and including the customer's service panel or switchboard and the meter base.

The monthly consumption:

- It is assumed that the warehouse operates 30 days a month from 9:00 a.m. to 5:00 p.m. (8 hours a day), with equipment utilized at 80% of capacity on average and that there are no electricity cuts (assumed for simplicity reasons) and the monthly energy consumption is 26,880 kilowatt-hours (kWh); hourly consumption is 112 kWh.
- If multiple electricity suppliers exist, the warehouse is served by the cheapest supplier.
- Tariffs effective in March of the current year are used for calculation of the price of electricity for the warehouse. Although March has 31 days, for calculation purposes only 30 days are used.

Getting Electricity - Lagos

Standardized Connection

Price of electricity (US cents per kWh)

16.4

Name of utility

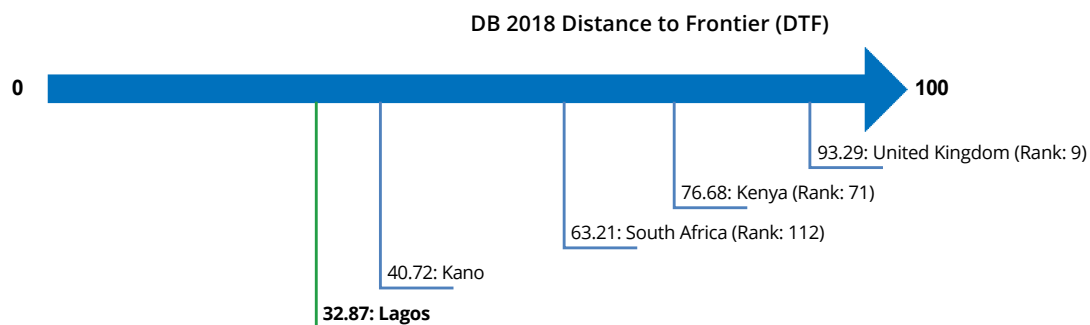
Eko Distribution Company

City Covered

Lagos

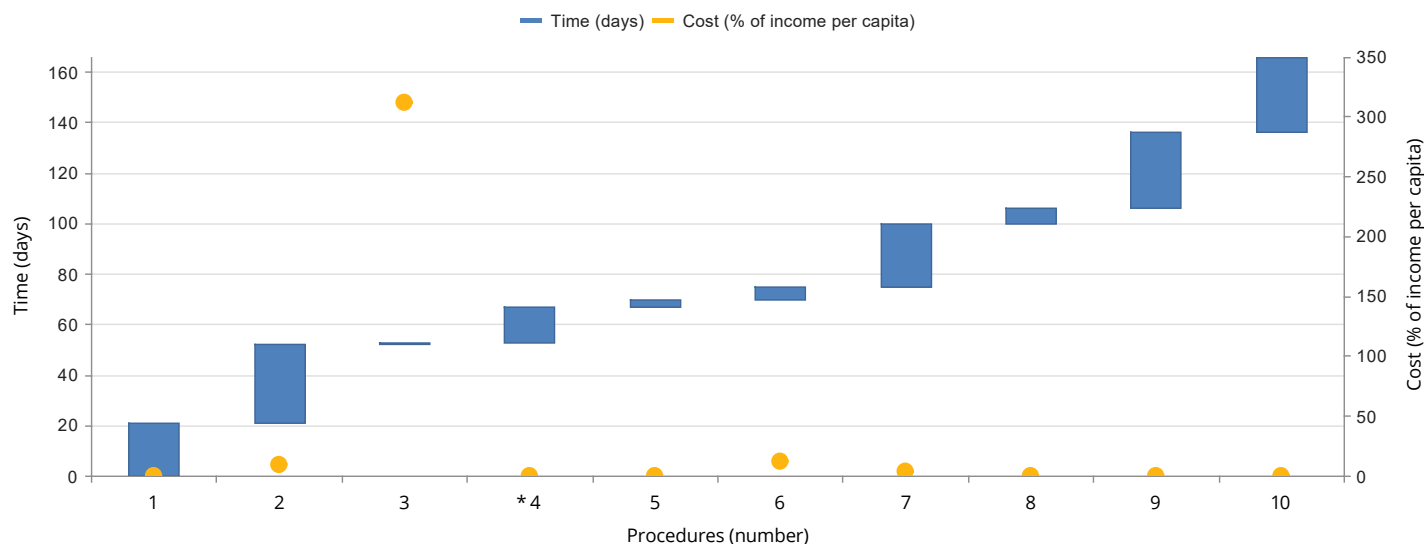
Indicator	Lagos	Sub-Saharan Africa	OECD high income	Overall Best Performer
Procedures (number)	10	5.3	4.7	2 (United Arab Emirates)
Time (days)	166	115.3	79.1	10 (United Arab Emirates)
Cost (% of income per capita)	336.7	3737.0	63.0	0.00 (Japan)
Reliability of supply and transparency of tariff index (0-8)	0	0.9	7.4	8.00 (28 Economies)

Figure – Getting Electricity in Nigeria and comparator economies – Ranking and DTF



Note: 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.

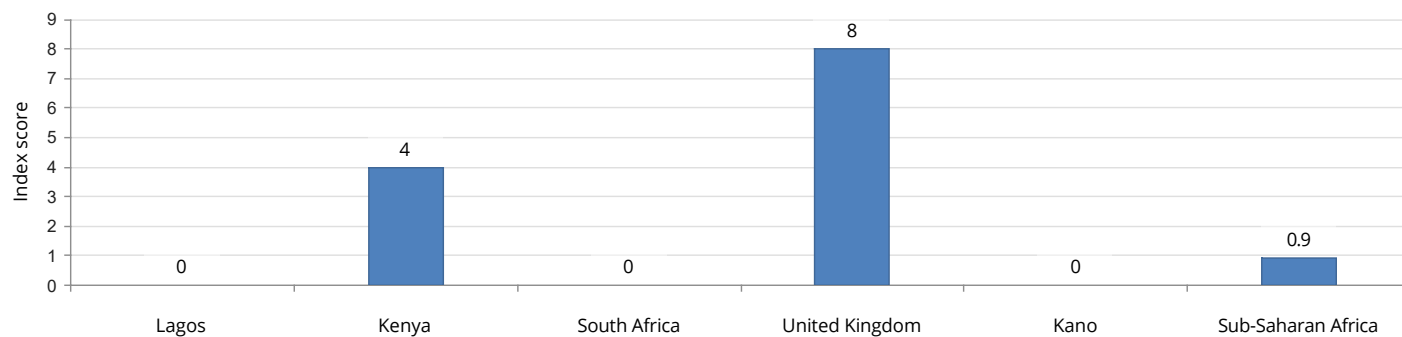
Figure – Getting Electricity in Lagos – Procedure, Time and Cost



* This symbol is shown beside procedure numbers that take place simultaneously with the previous procedure.

Note: Online procedures account for 0.5 days in the total time calculation. For economies that have a different procedure list for men and women, the graph shows the time for women. For more information on methodology, see the Doing Business website (<http://www.doingbusiness.org/methodology>). For details on the procedures reflected here, see the summary below.

Figure – Getting Electricity in Lagos and comparator economies – Measure of Quality



Details – Getting Electricity in Lagos – Procedure, Time and Cost

No.	Procedures	Time to Complete	Associated Costs
1	<p>Submit application to Eko Electricity Distribution Company and await site inspection</p> <p>Agency : Eko Electricity Distribution Company</p> <p>The client's electrician must collect an application form at Eko Electricity Distribution Company, complete it and submit it to the utility's office. The information requested includes the electrician's PIN (Personal Identification Number) and a letter stating that he will be in charge of the internal installation as well as the installation of the transformer. Since the required load is higher than 100 kVA, the request will be sent to EKO Headquarters for approval. This is part of an internal process. Upon approval, the clearance letter will be provided along with the list of materials to be bought by the customer.</p> <p>During the application process, a licensed electrical contractor acts on the customer's behalf. Contractors have to be licensed so that they can be responsible for the correspondence with the utility.</p>	21 calendar days	NGN 0
2	<p>Receive site inspection, approval letter, and submit payment</p> <p>Agency : Eko Electricity Distribution Company</p> <p>Upon receipt of the application, the utility conducts a site visit and provides a clearance letter that describes the materials to be purchased by the client. The materials include the transformer and all things required to make the external connection.</p> <p>The materials must be new, purchased from an accredited distributor, and must include a test certificate of the transformer from the manufacturer.</p> <p>The letter also stipulates that a competent and licensed contractor (either COREN or Nigerian Electricity Management Services Agency registered in category A) should engage to handle the construction of the project. Also, the letter instructs the applicant that the works must be done in accordance with the regulations of the Nigerian Electricity Management Services Agency.</p>	31 calendar days	NGN 50,000
3	<p>Purchase external connection equipment</p> <p>Agency : Electrical contractor</p> <p>The customer needs to purchase cables, a distribution transformer, and installation accessories from the local market.</p>	1 calendar day	NGN 1,681,000
⇒ 4	<p>Obtain right-of-way permit</p> <p>Agency : Lagos State Infrastructure management and regulatory agency</p> <p>The client's contractor obtains a right of way permit at the State Ministry of Works or State Roads Maintenance Agency. This permit can be obtained while the materials are acquired.</p>	14 calendar days	NGN 0

5	Request and receive inspection of purchased materials by Eko Electricity Distribution Company	3 calendar days	NGN 0
<p>Agency : Eko Electricity Distribution Company</p> <p>The utility performs an inspection of the purchased connection materials before the electrical contractor executes the installation</p>			
6	Conduct installation of transformer and cabling to the nearest utility pole	5 calendar days	NGN 65,000
<p>Agency : Eko Electricity Distribution Company</p> <p>Once the material inspection has been carried out, the client's electrical contractor installs the transformer and lays out the cabling to the nearest utility pole.</p>			
7	Request and receive inspection by inspecting engineer	25 calendar days	NGN 20,000
<p>Agency : Nigerian Electricity Management Services Agency</p> <p>The Nigerian Electricity Management Services Agency (NEMSA) will check if the installation has been properly done. If it is in compliance with all requirements, a Certificate of compliance will be issued.</p>			
8	Submit application for meter installation to Eko Electricity Distribution Company	6 calendar days	NGN 0
<p>Agency : Eko Electricity Distribution Company</p> <p>Customer submits application for meter installation to utility..</p>			
9	Receive visit from the Metering Department and await meter installation	30 calendar days	NGN 0
<p>Agency : Eko Electricity Distribution Company</p> <p>The utility conducts an assessment of the site in order to determine the type of the meter to be installed as well as the location of the metering box.</p>			
10	Obtain meter installation by utility and electricity flow	30 calendar days	NGN 0
<p>Agency : Eko Electricity Distribution Company</p> <p>Utility installs the meter and energizes the warehouse.</p>			

⇒ Takes place simultaneously with previous procedure.

Details – Getting Electricity in Lagos – Measure of Quality

	Answer
Reliability of supply and transparency of tariff index (0-8)	0
Total duration and frequency of outages per customer a year (0-3)	0
System average interruption duration index (SAIDI)	3100.0
System average interruption frequency index (SAIFI)	540.0
What is the minimum outage time (in minutes) that the utility considers for the calculation of SAIDI/SAIFI	5.0
Mechanisms for monitoring outages (0-1)	0
Does the distribution utility use automated tools to monitor outages?	No
Mechanisms for restoring service (0-1)	0
Does the distribution utility use automated tools to restore service?	No
Regulatory monitoring (0-1)	1
Does a regulator—that is, an entity separate from the utility—monitor the utility's performance on reliability of supply?	Yes
Financial deterrents aimed at limiting outages (0-1)	0
Does the utility either pay compensation to customers or face fines by the regulator (or both) if outages exceed a certain cap?	No
Communication of tariffs and tariff changes (0-1)	1
Are effective tariffs available online?	Yes
Link to the website, if available online	https://www.ekedp.com/commercial
Are customers notified of a change in tariff ahead of the billing cycle?	Yes

Note:

If the duration and frequency of outages is 100 or less, the economy is eligible to score on the Reliability of supply and transparency of tariff index.

If the duration and frequency of outages is not available, or is over 100, the economy is not eligible to score on the index.

If the minimum outage time considered for SAIDI/SAIFI is over 5 minutes, the economy is not eligible to score on the index.

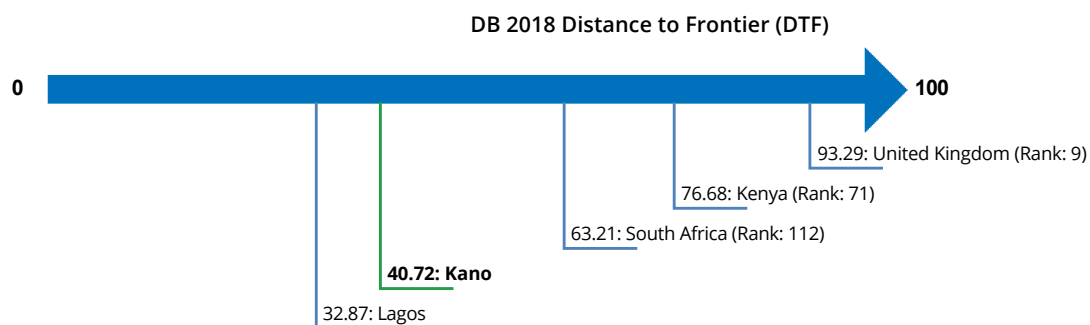
Getting Electricity - Kano

Standardized Connection

Price of electricity (US cents per kWh)	18.3
Name of utility	Kano Electricity Distribution Company
City Covered	Kano

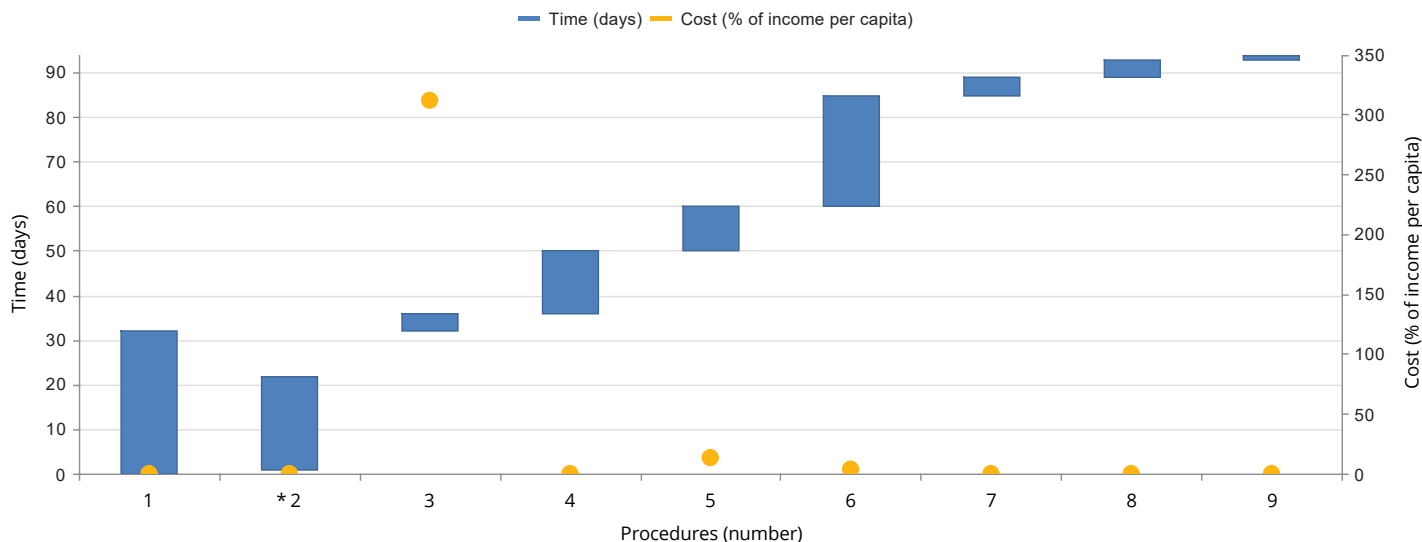
Indicator	Kano	Sub-Saharan Africa	OECD high income	Overall Best Performer
Procedures (number)	9	5.3	4.7	2 (United Arab Emirates)
Time (days)	94	115.3	79.1	10 (United Arab Emirates)
Cost (% of income per capita)	328.7	3737.0	63.0	0.00 (Japan)
Reliability of supply and transparency of tariff index (0-8)	0	0.9	7.4	8.00 (28 Economies)

Figure – Getting Electricity in Nigeria and comparator economies – Ranking and DTF



Note: 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.

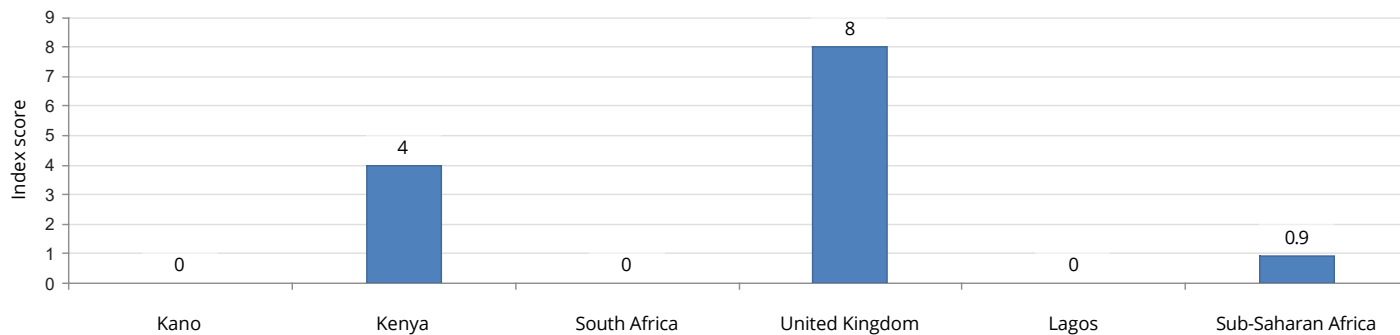
Figure – Getting Electricity in Kano – Procedure, Time and Cost



* This symbol is shown beside procedure numbers that take place simultaneously with the previous procedure.

Note: Online procedures account for 0.5 days in the total time calculation. For economies that have a different procedure list for men and women, the graph shows the time for women. For more information on methodology, see the Doing Business website (<http://www.doingbusiness.org/methodology>). For details on the procedures reflected here, see the summary below.

Figure – Getting Electricity in Kano and comparator economies – Measure of Quality



Details – Getting Electricity in Kano – Procedure, Time and Cost

No.	Procedures	Time to Complete	Associated Costs
1	<p>Submit application to Kano Electricity Distribution Company (KEDCO) and await clearance letter</p> <p>Agency : Kano Electricity Distribution Company</p> <p>The client's electrician must collect an application form at Kano Electricity Distribution Company, complete it and submit it to the utility's office. The information requested includes the electrician's PIN (Personal Identification Number) and a letter stating that he will be in charge of the internal installation as well as the installation of the transformer. Upon approval, the clearance letter will be provided along with the list of materials to be bought by the customer.</p> <p>During the application process, a licensed electrical contractor acts on the customer's behalf. Contractors have to be licensed so that they can be responsible for the correspondence with the utility.</p>	32 calendar days	NGN 0
⇒ 2	<p>Receive site visit and approval letter from KEDCO</p> <p>Agency : Kano Electricity Distribution Company</p> <p>Upon receipt of the application, the utility will visit the warehouse to determine the materials that will be needed for the external connection works.</p> <p>The letter describes the materials that must be acquired by the client. This letter lists the characteristics of the distribution transformer and other external connection materials. Particularly, the letter requests that the materials have to be new, purchased from an accredited distributor, and must include a test certificate of the transformer from the manufacturer.</p> <p>During this procedure, KEDCO obtains the right of way.</p> <p>The customer will receive the clearance letter and the right of way.</p>	21 calendar days	NGN 0
3	<p>Purchase external connection equipment</p> <p>Agency : Electrical contractor</p> <p>The customer needs to purchase cables, a distribution transformer, and installation accessories from local market vendors.</p>	4 calendar days	NGN 1,681,000
4	<p>Request and receive inspection of materials by KEDCO</p> <p>Agency : Kano Electricity Distribution Company</p> <p>KEDCO's inspecting engineer must check all materials to ascertain their quality. The engineer will ensure that all the materials comply with the requirements listed by the utility.</p>	14 calendar days	NGN 0
5	<p>Install external connection equipment</p> <p>Agency : Electrical contractor</p> <p>Once the inspection of the materials has been carried out, the client's electrical contractor may perform the external works, such as the installation of the external wiring and the transformer.</p>	10 calendar days	NGN 72,000

- | | | |
|--|------------------|------------|
| 6 Request and receive inspection of installation by NEMSA | 25 calendar days | NGN 20,000 |
|--|------------------|------------|

Agency : Nigerian Electricity Management Services Agency

The customer must contact an engineer from NEMSA, who will perform the inspection of the installation and confirm that the external works have been done in accordance with the national safety standards.

- | | | |
|---|-----------------|-------|
| 7 Request and receive pre-meter installation site visit by metering department | 4 calendar days | NGN 0 |
|---|-----------------|-------|

Agency : Kano Electricity Distribution Company

The metering department will conduct a site visit to assess the type of meter that must be installed.

- | | | |
|---|-----------------|-------|
| 8 Obtain meter installation by KEDCO | 4 calendar days | NGN 0 |
|---|-----------------|-------|

Agency : Kano Electricity Distribution Company

The metering department selects the appropriate meter and conducts an installation.

- | | | |
|---|----------------|-------|
| 9 Request and receive electricity supply | 1 calendar day | NGN 0 |
|---|----------------|-------|

Agency : Kano Electricity Distribution Company

Once the meter has been installed, the customer can request the electricity supply. The utility will interrupt the service for a couple of hours, in order to conduct the final hookup of the connection.

Finally, KEDCO will turn on the electricity supply.

⇒ Takes place simultaneously with previous procedure.

Details – Getting Electricity in Kano – Measure of Quality

	Answer
Reliability of supply and transparency of tariff index (0-8)	0
Total duration and frequency of outages per customer a year (0-3)	0
System average interruption duration index (SAIDI)	742.0
System average interruption frequency index (SAIFI)	304.0
What is the minimum outage time (in minutes) that the utility considers for the calculation of SAIDI/SAIFI	5.0
Mechanisms for monitoring outages (0-1)	0
Does the distribution utility use automated tools to monitor outages?	No
Mechanisms for restoring service (0-1)	0
Does the distribution utility use automated tools to restore service?	No
Regulatory monitoring (0-1)	1
Does a regulator—that is, an entity separate from the utility—monitor the utility's performance on reliability of supply?	Yes
Financial deterrents aimed at limiting outages (0-1)	0
Does the utility either pay compensation to customers or face fines by the regulator (or both) if outages exceed a certain cap?	No
Communication of tariffs and tariff changes (0-1)	1
Are effective tariffs available online?	Yes
Link to the website, if available online	http://www.nercng.org/index.php/home/consumers/how-much-do-i-pay-for-electricity
Are customers notified of a change in tariff ahead of the billing cycle?	Yes

Note:

If the duration and frequency of outages is 100 or less, the economy is eligible to score on the Reliability of supply and transparency of tariff index.

If the duration and frequency of outages is not available, or is over 100, the economy is not eligible to score on the index.

If the minimum outage time considered for SAIDI/SAIFI is over 5 minutes, the economy is not eligible to score on the index.

Registering Property

This topic examines the steps, time and cost involved in registering property, assuming a standardized case of an entrepreneur who wants to purchase land and a building that is already registered and free of title dispute. In addition, the topic also measures the quality of the land administration system in each economy. The quality of land administration index has five dimensions: reliability of infrastructure, transparency of information, geographic coverage, land dispute resolution, and equal access to property rights. The most recent round of data collection for the project was completed in June 2017. [See the methodology for more information.](#)

What the indicators measure

Procedures to legally transfer title on immovable property (number)

- Preregistration procedures (for example, checking for liens, notarizing sales agreement, paying property transfer taxes)
- Registration procedures in the economy's largest business city.
- Postregistration procedures (for example, filling title with municipality)

Time required to complete each procedure (calendar days)

- Does not include time spent gathering information
- Each procedure starts on a separate day - though procedures that can be fully completed online are an exception to this rule
- Procedure is considered completed once final document is received
- No prior contact with officials

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

- Official costs only (such as administrative fees, duties and taxes).
- Value Added Tax, Capital Gains Tax and illicit payments are excluded

Quality of land administration index (0-30)

- Reliability of infrastructure index (0-8)
- Transparency of information index (0-6)
- Geographic coverage index (0-8)
- Land dispute resolution index (0-8)
- Equal access to property rights index (-2-0)

Case study assumptions

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 (or the legal equivalent).
- Are located in the periurban area of the economy's largest business city. For 11 economies the data are also collected for the second largest business city.
- Are 100% domestically and privately owned.
- Have 50 employees each, all of whom are nationals.
- Perform general commercial activities.

The property (fully owned by the seller):

- Has a value of 50 times income per capita, which equals the sale price.
- Is fully owned by the seller.
- Has no mortgages attached and has been under the same ownership for the past 10 years.
- Is registered in the land registry or cadastre, or both, and is free of title disputes.
- Is located in a periurban commercial zone, and no rezoning is required.
- Consists of land and a building. The land area is 557.4 square meters (6,000 square feet). A two-story warehouse of 929 square meters (10,000 square feet) is located on the land. The warehouse is 10 years old, is in good condition, has no heating system and complies with all safety standards, building codes and legal requirements. The property, consisting of land and building, will be transferred in its entirety.
- Will not be subject to renovations or additional construction following the purchase.
- Has no trees, natural water sources, natural reserves or historical monuments of any kind.
- Will not be used for special purposes, and no special permits, such as for residential use, industrial plants, waste storage or certain types of agricultural activities, are required.
- Has no occupants, and no other party holds a legal interest in it.

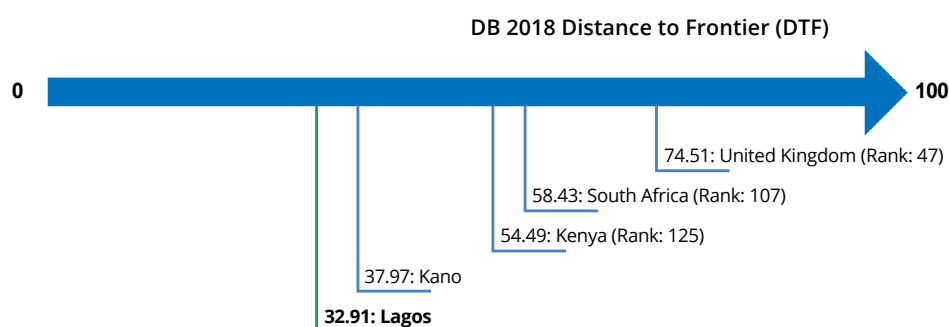
Registering Property - Lagos

Standard Property Transfer

Property value	NGN 26,969,050.00
City Covered	Lagos

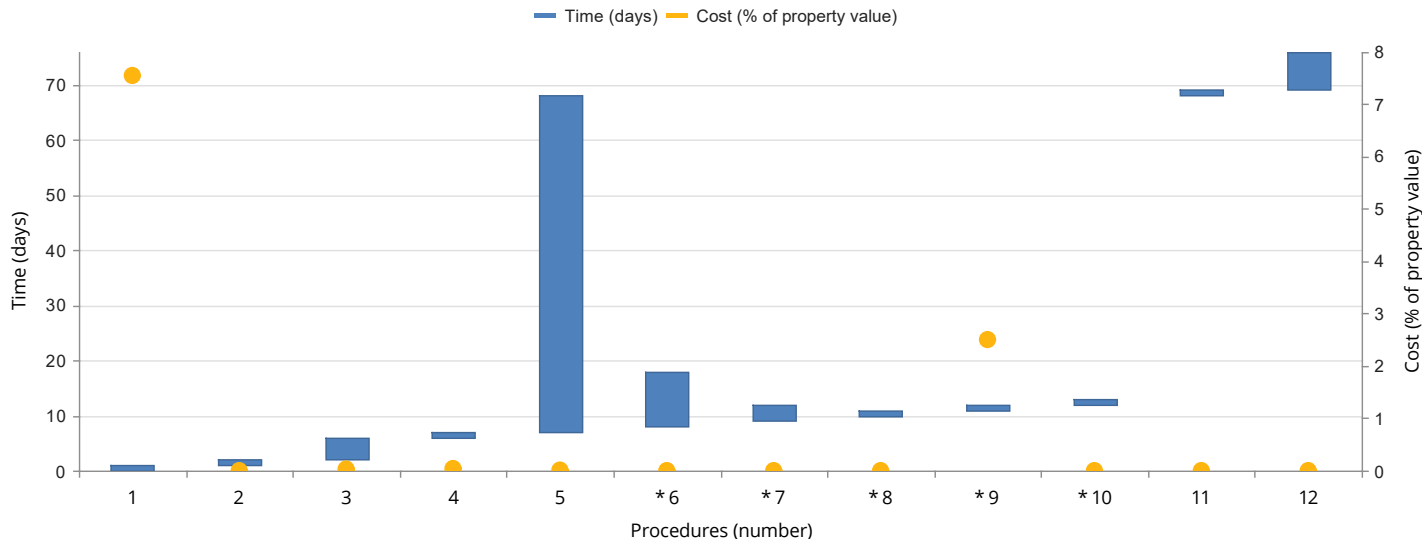
Indicator	Lagos	Sub-Saharan Africa	OECD high income	Overall Best Performer
Procedures (number)	12	6.2	4.6	1.00 (4 Economies)
Time (days)	76	59.3	22.3	1.00 (3 Economies)
Cost (% of property value)	10.1	7.8	4.2	0.00 (5 Economies)
Quality of the land administration index (0-30)	8.0	8.6	22.7	29.00 (Singapore)

Figure – Registering Property in Nigeria and comparator economies – Ranking and DTF



Note: 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.

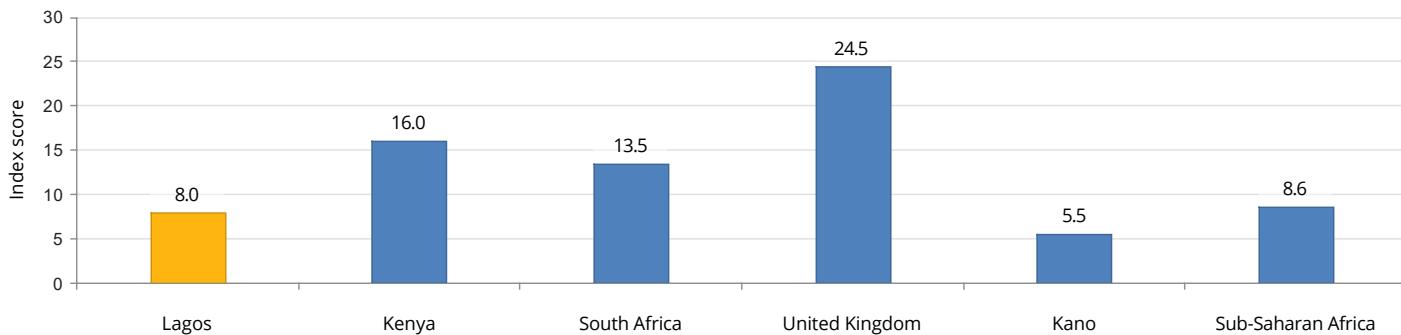
Figure – Registering Property in Lagos – Procedure, Time and Cost



* This symbol is shown beside procedure numbers that take place simultaneously with the previous procedure.

Note: Online procedures account for 0.5 days in the total time calculation. For economies that have a different procedure list for men and women, the graph shows the time for women. For more information on methodology, see the Doing Business website (<http://www.doingbusiness.org/methodology>). For details on the procedures reflected here, see the summary below.

Figure – Registering Property in Lagos and comparator economies – Measure of Quality



Details – Registering Property in Lagos – Procedure, Time and Cost

No.	Procedures	Time to Complete	Associated Costs
1	<p>Conduct a Property title search at the Land Registry Agency : Lagos State Lands Registry</p> <p>The application letter to conduct the search is required to list purpose of the search. A lawyer is generally used to perform the registration of property. 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 , and averages out at about 7.5% of the consideration. The fees include all the steps required until the new title is registered under the buyer's name.</p> <p>The primary objective at this stage is to ascertain that the Vendor has a good root of title. A good root of title in this context means the following: that the Vendor is the rightful owner of the land. that the land is free from any encumbrance or pending litigation. that the land is not the subject of any Government acquisition. that the land is not subject to any of the overriding interests in land (e.g. short leases, easements, licenses, road or right of way).</p>	1 day	NGN 3,750 (search at Registry) + Legal fees as follows: NGN 7,500-10,000 + 7.5% of values above NGN 20,000 if acting for the buyer (5% of values above NGN 20,000 if acting for the seller)
2	<p>Draft and Execute the Deed of Assignment Agency : Lawyer's office (Deed of Assignment)</p> <p>Representatives of the firms (assignor and assignee) complete and affix their seals on the Land Form 1C and four (4) copies of the Deed of Assignment.</p> <p>The Land Form 1c is a document obtained at the Land Registry to be completed by the parties and duly notarized by a Notary Public or signed by a Commissioner for oaths. Lawyers often have the Form in their office. The Deed of Assignment on the other hand is as legal instrument conveying the interest/tile in a property to another. This is prepared by a lawyer and is to be executed by both parties in the presence of a witness.</p>	1 day	included in cost from procedure 1
3	<p>Obtain Certified True Copy (CTC) of title document and a Certified True Copy of the Survey plan Agency : Land Registry</p> <p>The application letter to obtain a Certified True Copy of the title of ownership and a CTC of the land survey plan are accompanied by a sworn affidavit of purpose to support an application. Without these two documents the application for the Governor's consent would not be admitted.</p> <p>Parties obtain a copy of the survey Plan, as approved by the Office of the Surveyor General, which is required for the Governor's Consent. Under Nigerian law, a clear proof of the identity of the land plot is needed. The survey plan gives the coordinates of the plot and must fit in the official map of Lagos. It identifies the boundary of the property. If using a private surveyor, he must be a registered one.</p>	3-5 days	NGN 5,625 + NGN 1,875

<p>4 Payment of the Charting Fee, Endorsement fee and Form 1C at a designated bank</p> <p>Agency : Government accredited bank</p> <p>Payment advice to be obtained from the Revenue Office for the purpose of PID Number generation after which is affected in the Bank. Payment for the above can be made to any Government accredited bank either by a bank draft, cheque or cash. The Bank then issues a Government Revenue receipt. The receipts is what is submitted together with the application for Governor's Consent.</p>	1 day	Charting Fees (NGN 7,500) + Endorsement Fees (NGN 1,500) + NGN 1,500 for Form 1C
<p>5 Submit application for processing Governor's Consent and obtain the Title</p> <p>Agency : Directorate of Land Services</p> <p>By virtue of the Land Use Act, promulgated in 1978, all land in each State in the Federation became vested in the Governor of that State, who's prior Consent is mandatory for the legal validity of any transfers or alienation of interest in landed property. In August 2005, the Governor's Consent procedure underwent major reform, with the aim that Consent should be granted within 30 working days following submission of a duly completed application. Incomplete applications are not accepted. New procedures and documentation requirements have been widely published. The Land Services will also conduct their own checking for encumbrances on the property and whether the land has no government dispute.</p> <p>Obtaining the Governor's consent require the following documentation:</p> <ul style="list-style-type: none"> • Covering letter with Address and Telephone Nos. • Completed Form 1C • Certified True Copy (CTC) of Title Document of Assignor • Current Tax Clearance Certificates of the Assignor and Assignee • For Limited Liability Companies, the Internal Revenue Certificate of PAYE Directors • Four (4) copies of the Deed of which Consent is sought should be attached. • Copy of the Survey Plan, as approved by the surveyor General office and a picture of the Building • Evidence of payment for Charting fee, Endorsement fee, Form 1C • Evidence of payment of Land Use Charge • Where the Property is covered by a State Leasehold or Certificate of Occupancy, evidence of payment of Ground Rent, up to date. • A photograph of the property • A copy of the applicant and/or his agent/legal representative's identification <p>"</p>	61 days (simultaneous with procedures 7, 8, 9, 10 and 11)	Administrative Fee of NGN 3,000
<p>⇒ 6 Charting of survey plans attached to the Deeds</p> <p>Agency : Surveyor General's office</p> <p>Upon submission of the application documents and payment of the administrative fee, the application is given a unique reference number, processes and delivered to the Surveyor General's office for charting to ensure that plans were prepared in accordance with survey rules and the property is free from the government acquisition. If there are no queries, the Deeds are returned to the Directorate of Lands service for issuance of the Assessment Notice. Where the survey plan is queried, a notice of the query is issued to the applicant.</p>	5 - 14 days (simultaneous with procedures 6, 8, 9, 10 and 11)	no cost

⇒ 7	Obtain Demand Notice for Registration fees, Consent fees, Neighborhood improvement charge at the Land Registry	3 days (simultaneous with procedures 6, 7, 9, 10 and 11)	no cost
	Agency : Directorate of Land Services		
	After investigation and assessment of the true value of the property, the applicant will be issued with an assessment letter. The Letter will contain the amount for the Registration fee, Consent fee, Neighborhood improvement charge and the Capital gains tax that should be paid to the Lagos State Government Account.		
⇒ 8	Obtain Demand Notice for Stamp Duty	1 day (simultaneous with procedures 6, 7, 8, 10 and 11)	no cost
	Agency : Lagos State Inland Revenue Service or Federal Internal Revenue service (FIRS)		
	After investigation and assessment of the true value of the property, the applicant will be issued with an assessment letter. The Letter will contain the amount for Stamp duty verified with Federal Internal Revenue Service. Payment of the Stamp duty should be paid to the Lagos State Government Account.		
⇒ 9	Payment of Stamp duty , Registration fees, Consent fees, Neighborhood improvement charge at a commercial bank	1 day (simultaneous with procedures 6, 7, 8, 9 and 11)	Consent Fee 1.5% + Registration fee 0.5% + Stamp duty 0.5% (Capital gains tax of 0.5% is also paid, but are not included in the calculation).
	Agency : Designated bank		
	The applicant pays the remaining fees at the designated bank by means of certified cheques: Consent Fee 1.5% + Registration fee 0.5% + Stamp duty 0.5% + capital gains tax of 0.5% is also paid. Receipts are provided to the applicant, who will make copies of those receipts before submitting the original receipts to the Land Registry for verification.		
	On January 5, 2015, the Government of the Lagos State of the Federal Republic of Nigeria adopted the Executive Bill No EO/BRF/001 of 2015. The Order, which takes immediate effect, reduces Consent Fees from 6 percent to 1.5 percent while Capital Gains tax, which was previously 2 percent, is reduced to 0.5 percent. Also cost of Stamp Duty has been reduced from 2 percent to 0.5 percent while Registration Fees has been reduced from 3 percent to 0.5 percent.		
	However, the Executive Order provides, among others, that "unless otherwise indicated, the valuation of landed property for the determination of tax and other charges payable shall be by reference to the Statement of Fair market Value produced by relevant professionals, adopted by the State Government and published from time to time in the Official Government Gazette".		

⇒	Submit the Receipts of the Registration fees, Consent fees,	1 day	no cost
10	Neighborhood improvement charge, Stamp duty	(simultaneous with	
	Agency : Directorate of Land Services	procedures 6, 7, 8,	
	Receipts obtained from the bank are submitted as proof of payment to the	9 and 10)	
	Land Registry. These receipts are internally forwarded to the Account		
	Department for reconciliation. The lawyer retains copies of the		
	deposit/payment slip is retained for his/her record. The Land Registry		
	manually confirms these payments to the relevant departments. Once		
	payment is confirmed by the Accounts Department, the Land Services		
	Department sends the file directly to one of the designated commissioners		
	to grant the Consent on behalf of the Governor.		
11	Stamping of the deed of assignment	1 day	Already paid in
	Agency : Stamping duties office		Procedure 10
	Deeds are presented by assignee's lawyer for stamping at the Stamp Duties		
	Registry (agency of Inland Revenue Services). Stamping takes place only after		
	Registry receives confirmation of receipt of payment. The documentation		
	shall include: receipts confirming payment of stamp duty.		
12	Registration of Certificate of Occupancy or Deed and Title conferred	7 days	Already paid in
	Agency : Land Registry		Procedure 10
	The lawyer will then follow up on the deed to be filed to the Lands Registry.		
	The receipt and paying-in slips evidencing payment are given to the cashier		
	at the Lands Registry. With proof of payment, a lands officer is assigned to		
	enter the Deed into the Registry records.		

⇒ Takes place simultaneously with previous procedure.

Details – Registering Property in Lagos – Measure of Quality

	Answer	Score
Quality of the land administration index (0-30)		8.0
Reliability of infrastructure index (0-8)		2.0
What is the institution in charge of immovable property registration?	Lagos State Land Registry	
In what format are the majority of title or deed records kept in the largest business city—in a paper format or in a computerized format (scanned or fully digital)?	Computer/Scanned	1.0
Is there an electronic database for checking for encumbrances (liens, mortgages, restrictions and the like)?	Yes	1.0
Institution in charge of the plans showing legal boundaries in the largest business city:	Office of the State Surveyor General	
In what format are the majority of maps of land plots kept in the largest business city—in a paper format or in a computerized format (scanned or fully digital)?	Paper	0.0
Is there an electronic database for recording boundaries, checking plans and providing cadastral information (geographic information system)?	No	0.0
Is the information recorded by the immovable property registration agency and the cadastral or mapping agency kept in a single database, in different but linked databases or in separate databases?	Separate databases	0.0
Do the immovable property registration agency and cadastral or mapping agency use the same identification number for properties?	No	0.0
Transparency of information index (0-6)		3.0
Who is able to obtain information on land ownership at the agency in charge of immovable property registration in the largest business city?	Only intermediaries and interested parties	0.0
Is the list of documents that are required to complete any type of property transaction made publicly available—and if so, how?	Yes, online	0.5
Link for online access:	http://landsbureau.lagosstate.gov.ng/2017/05/16/directorate-of-land-registry-2/	
Is the applicable fee schedule for any property transaction at the agency in charge of immovable property registration in the largest business city made publicly available—and if so, how?	Yes, online	0.5

Link for online access:	http://www.lagoslands.com/directorates/land-registry-directorate/scale-of-charges/	
Does the agency in charge of immovable property registration commit to delivering a legally binding document that proves property ownership within a specific time frame—and if so, how does it communicate the service standard?	Yes, in person	0.0
Link for online access:		
Is there a specific and separate mechanism for filing complaints about a problem that occurred at the agency in charge of immovable property registration?	Yes	1.0
Contact information:	https://citizensgate.lagosstate.gov.ng/#/complaint	
Are there publicly available official statistics tracking the number of transactions at the immovable property registration agency?	Yes	0.5
Number of property transfers in the largest business city in 2016:	1735.0	
Who is able to consult maps of land plots in the largest business city?	Only intermediaries and interested parties	0.0
Is the applicable fee schedule for accessing maps of land plots made publicly available—and if so, how?	No	0.0
Link for online access:		
Does the cadastral or mapping agency commit to delivering an updated map within a specific time frame—and if so, how does it communicate the service standard?	No	0.0
Link for online access:		
Is there a specific and separate mechanism for filing complaints about a problem that occurred at the cadastral or mapping agency?	Yes	0.5
Contact information:	https://citizensgate.lagosstate.gov.ng/#/complaint	
Geographic coverage index (0–8)	0.0	
Are all privately held land plots in the economy formally registered at the immovable property registry?	No	0.0
Are all privately held land plots in the largest business city formally registered at the immovable property registry?	No	0.0
Are all privately held land plots in the economy mapped?	No	0.0

Are all privately held land plots in the largest business city mapped?	No	0.0
Land dispute resolution index (0-8)		3.0
Does the law require that all property sale transactions be registered at the immovable property registry to make them opposable to third parties?	Yes	1.5
Is the system of immovable property registration subject to a state or private guarantee?	Yes	0.5
Is there a specific compensation mechanism to cover for losses incurred by parties who engaged in good faith in a property transaction based on erroneous information certified by the immovable property registry?	No	0.0
Does the legal system require a control of legality of the documents necessary for a property transaction (e.g., checking the compliance of contracts with requirements of the law)?	Yes	0.5
If yes, who is responsible for checking the legality of the documents?	Lawyer; Interested Parties.	
Does the legal system require verification of the identity of the parties to a property transaction?	Yes	0.5
If yes, who is responsible for verifying the identity of the parties?	Registrar; Lawyer.	
Is there a national database to verify the accuracy of identity documents?	No	0.0
For a standard land dispute between two local businesses over tenure rights of a property worth 50 times gross national income (GNI) per capita and located in the largest business city, what court would be in charge of the case in the first instance?	Lagos State High Court	
How long does it take on average to obtain a decision from the first-instance court for such a case (without appeal)?	More than 3 years	0.0
Are there any statistics on the number of land disputes in the first instance?	No	0.0
Number of land disputes in the largest business city in 2016:		
Equal access to property rights index (-2-0)		0.0
Do unmarried men and unmarried women have equal ownership rights to property?	Yes	0.0
Do married men and married women have equal ownership rights to property?	Yes	0.0

Registering Property - Kano

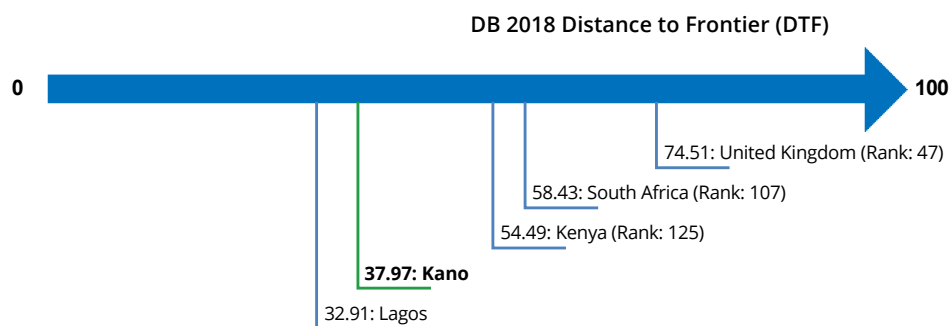
Standard Property Transfer

Property value NGN 26,969,050.00

City Covered Kano

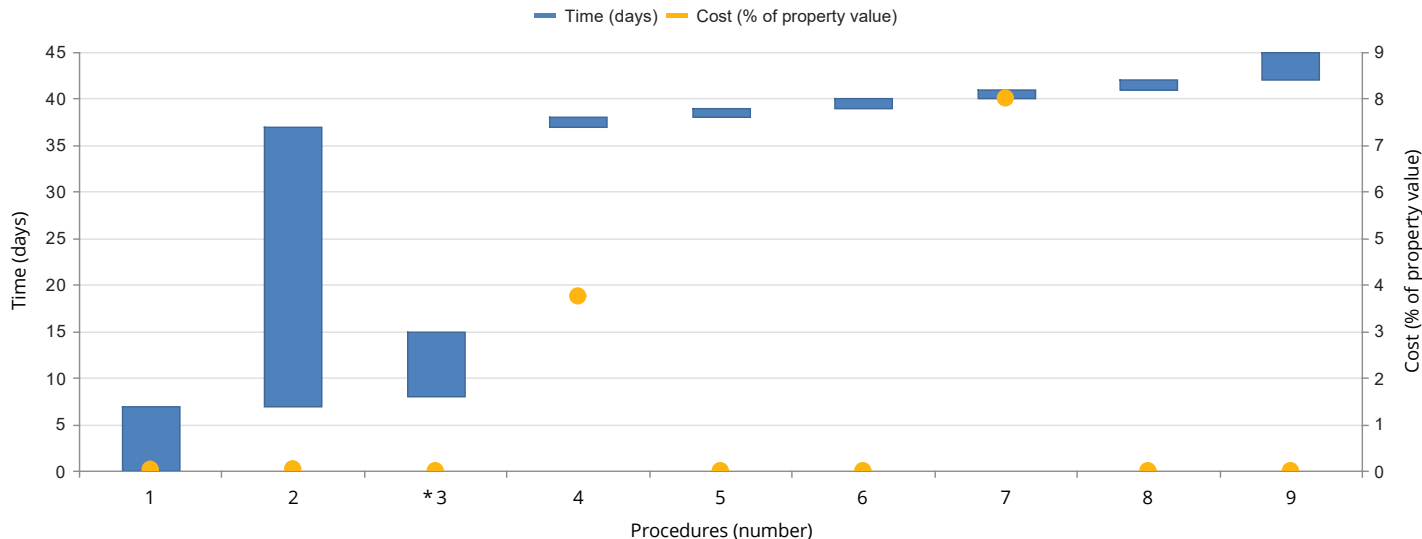
Indicator	Kano	Sub-Saharan Africa	OECD high income	Overall Best Performer
Procedures (number)	9	6.2	4.6	1.00 (4 Economies)
Time (days)	45	59.3	22.3	1.00 (3 Economies)
Cost (% of property value)	11.8	7.8	4.2	0.00 (5 Economies)
Quality of the land administration index (0-30)	5.5	8.6	22.7	29.00 (Singapore)

Figure – Registering Property in Nigeria and comparator economies – Ranking and DTF



Note: 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.

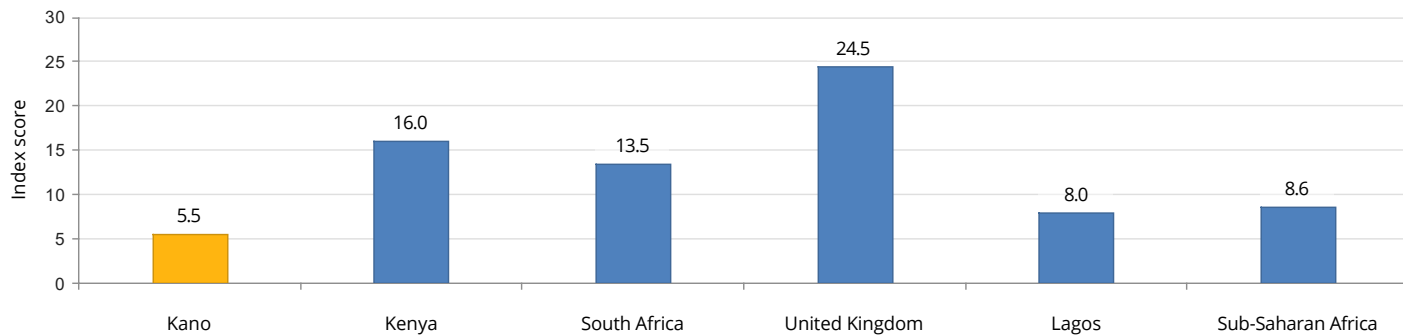
Figure – Registering Property in Kano – Procedure, Time and Cost



* This symbol is shown beside procedure numbers that take place simultaneously with the previous procedure.

Note: Online procedures account for 0.5 days in the total time calculation. For economies that have a different procedure list for men and women, the graph shows the time for women. For more information on methodology, see the Doing Business website (<http://www.doingbusiness.org/methodology>). For details on the procedures reflected here, see the summary below.

Figure – Registering Property in Kano and comparator economies – Measure of Quality



Details – Registering Property in Kano – Procedure, Time and Cost

No.	Procedures	Time to Complete	Associated Costs
1	<p>Conduct search of property title and obtain consent application form at Lands Registry</p> <p>Agency : Ministry of Lands and Physical Planning</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>	7 days	NGN 5,000 search fee + NGN 2,000 consent form fee
2	<p>Submit application for Governor's consent to the assignment at the Ministry of Lands and Physical Planning</p> <p>Agency : 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 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>	30 days (simultaneous with procedure 3)	processing fee of NGN 10,000
⇒ 3	<p>Receive inspection of the property from the Ministry of Lands and Physical Planning</p> <p>Agency : Private licensed valuator</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>	7 days (simultaneous with procedure 2)	Included in cost of procedure 3,
4	<p>Draft and execute deed of assignment and consent application form</p> <p>Agency : Lawyer's Office</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>	1 day	3.75% of property value legal fee

5	Payment of fees from the Ministry of Lands and Physical Planning after the collection of letter of consent and demand order	1 day	no cost
Agency : Ministry of Lands and Physical Planning			
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.			
6	Submit receipt of payment at the Stamp Duty Office and stamp the deed confirming payment (Federal Inland Revenue Services)	1 day	no cost
Agency : Stamp Duty Office, Federal Board of Inland Revenue			
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.			
7	Pay prescribed fees and stamp duty at the designated bank	1 day	5% of property value registration fee + 3% of property value stamp duty fee
Agency : Commercial bank			
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.			
8	Stamp the deed of assignment at the Stamp Duty Office (Federal Inland Revenue Services)	1 day	no cost
Agency : Stamp Duty Office, Federal Board of Inland Revenue			
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.			
9	Register the deed of assignment at Lands Registry	3 days	no cost
Agency : Ministry of Lands and Physical Planning			
Buyer's lawyer submits payment receipts to the Schedule Officer at Lands Registry, who in turn enters the deed into the Lands Registry records.			

⇒ Takes place simultaneously with previous procedure.

Details – Registering Property in Kano – Measure of Quality

	Answer	Score
Quality of the land administration index (0-30)		5.5
Reliability of infrastructure index (0-8)		1.0
What is the institution in charge of immovable property registration?	Kano State Bureau of Land Management	
In what format are the majority of title or deed records kept in the largest business city—in a paper format or in a computerized format (scanned or fully digital)?	Paper	0.0
Is there an electronic database for checking for encumbrances (liens, mortgages, restrictions and the like)?	No	0.0
Institution in charge of the plans showing legal boundaries in the largest business city:	Kano State Bureau of Land Management	
In what format are the majority of maps of land plots kept in the largest business city—in a paper format or in a computerized format (scanned or fully digital)?	Paper	0.0
Is there an electronic database for recording boundaries, checking plans and providing cadastral information (geographic information system)?	Yes	1.0
Is the information recorded by the immovable property registration agency and the cadastral or mapping agency kept in a single database, in different but linked databases or in separate databases?	Separate databases	0.0
Do the immovable property registration agency and cadastral or mapping agency use the same identification number for properties?	No	0.0
Transparency of information index (0-6)		1.5
Who is able to obtain information on land ownership at the agency in charge of immovable property registration in the largest business city?	Only intermediaries and interested parties	0.0
Is the list of documents that are required to complete any type of property transaction made publicly available—and if so, how?	Yes, online	0.5
Link for online access:	http://kangis.com.ng/kangis/KANGIS%20Validated%20SC.pdf	
Is the applicable fee schedule for any property transaction at the agency in charge of immovable property registration in the largest business city made publicly available—and if so, how?	Yes, online	0.5

Link for online access:	http://kangis.com.ng/kangis/KANGIS%20Validated%20SC.pdf	
Does the agency in charge of immovable property registration commit to delivering a legally binding document that proves property ownership within a specific time frame—and if so, how does it communicate the service standard?	Yes, online	0.5
Link for online access:	http://kangis.com.ng/kangis/KANGIS%20Validated%20SC.pdf	
Is there a specific and separate mechanism for filing complaints about a problem that occurred at the agency in charge of immovable property registration?	No	0.0
Contact information:		
Are there publicly available official statistics tracking the number of transactions at the immovable property registration agency?	No	0.0
Number of property transfers in the largest business city in 2016:		
Who is able to consult maps of land plots in the largest business city?	Only intermediaries and interested parties	0.0
Is the applicable fee schedule for accessing maps of land plots made publicly available—and if so, how?	Yes, in person	0.0
Link for online access:		
Does the cadastral or mapping agency commit to delivering an updated map within a specific time frame—and if so, how does it communicate the service standard?	No	0.0
Link for online access:		
Is there a specific and separate mechanism for filing complaints about a problem that occurred at the cadastral or mapping agency?	No	0.0
Contact information:		
Geographic coverage index (0–8)		0.0
Are all privately held land plots in the economy formally registered at the immovable property registry?	No	0.0
Are all privately held land plots in the largest business city formally registered at the immovable property registry?	No	0.0
Are all privately held land plots in the economy mapped?	No	0.0
Are all privately held land plots in the largest business city mapped?	No	0.0
Land dispute resolution index (0–8)		3.0

Does the law require that all property sale transactions be registered at the immovable property registry to make them opposable to third parties?	Yes	1.5
Is the system of immovable property registration subject to a state or private guarantee?	Yes	0.5
Is there a specific compensation mechanism to cover for losses incurred by parties who engaged in good faith in a property transaction based on erroneous information certified by the immovable property registry?	No	0.0
Does the legal system require a control of legality of the documents necessary for a property transaction (e.g., checking the compliance of contracts with requirements of the law)?	Yes	0.5
If yes, who is responsible for checking the legality of the documents?	Registrar; Lawyer; Interested Parties.	
Does the legal system require verification of the identity of the parties to a property transaction?	Yes	0.5
If yes, who is responsible for verifying the identity of the parties?	Registrar; Lawyer; Interested Parties.	
Is there a national database to verify the accuracy of identity documents?	No	0.0
For a standard land dispute between two local businesses over tenure rights of a property worth 50 times gross national income (GNI) per capita and located in the largest business city, what court would be in charge of the case in the first instance?	High Court of Kano State.	
How long does it take on average to obtain a decision from the first-instance court for such a case (without appeal)?	More than 3 years	0.0
Are there any statistics on the number of land disputes in the first instance?	No	0.0
Number of land disputes in the largest business city in 2016:		
Equal access to property rights index (-2-0)		0.0
Do unmarried men and unmarried women have equal ownership rights to property?	Yes	0.0
Do married men and married women have equal ownership rights to property?	Yes	0.0

Getting Credit

This topic explores two sets of issues—the strength of credit reporting systems and the effectiveness of collateral and bankruptcy laws in facilitating lending. The most recent round of data collection for the project was completed in June 2017. [See the methodology for more information.](#)

What the indicators measure

Strength of legal rights index (0–12)

- Rights of borrowers and lenders through collateral laws (0-10)
- Protection of secured creditors' rights through bankruptcy laws (0-2)

Depth of credit information index (0–8)

- Scope and accessibility of credit information distributed by credit bureaus and credit registries (0-8)

Credit bureau coverage (% of adults)

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

Credit registry coverage (% of adults)

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

Case study assumptions

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 the degree to which collateral and bankruptcy laws protect the rights of borrowers and lenders and thus facilitate lending. For each economy it is first determined whether a unitary secured transactions system exists. Then two case scenarios, case A and case B, are used to determine how a nonpossessory security interest is created, publicized and enforced according to the law. Special emphasis is given to how the collateral registry operates (if registration of security interests is possible). The case scenarios involve a secured borrower, company ABC, and a secured lender, BizBank.

In some economies the legal framework for secured transactions will allow only case A or case B (not both) to apply. Both cases examine the same set of legal provisions relating to the use of movable collateral.

Several assumptions about the secured borrower (ABC) and lender (BizBank) are used:

- ABC is a domestic limited liability company (or its legal equivalent).
- ABC has up to 50 employees.
- ABC has its headquarters and only base of operations in the economy's largest business city. For 11 economies the data are also collected for the second largest business city.
- Both ABC and BizBank are 100% domestically owned.

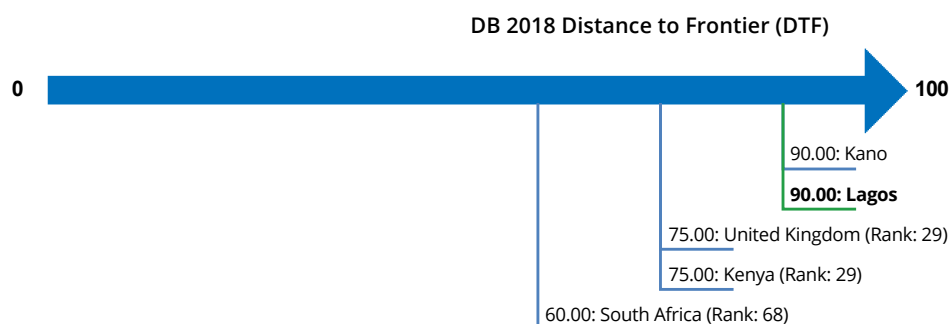
The case scenarios also involve assumptions. In case A, as collateral for the loan, ABC grants BizBank a nonpossessory security interest in one category of movable assets, for example, its machinery or its inventory. ABC wants to keep both possession and ownership of the collateral. In economies where the law does not allow nonpossessory security interests in movable property, ABC and BizBank use a fiduciary transfer-of-title arrangement (or a similar substitute for nonpossessory security interests).

In case B, ABC grants BizBank a business charge, enterprise charge, floating charge or any charge that gives BizBank a security interest over ABC's combined movable assets (or as much of ABC's movable assets as possible). ABC keeps ownership and possession of the assets.

Getting Credit - Lagos

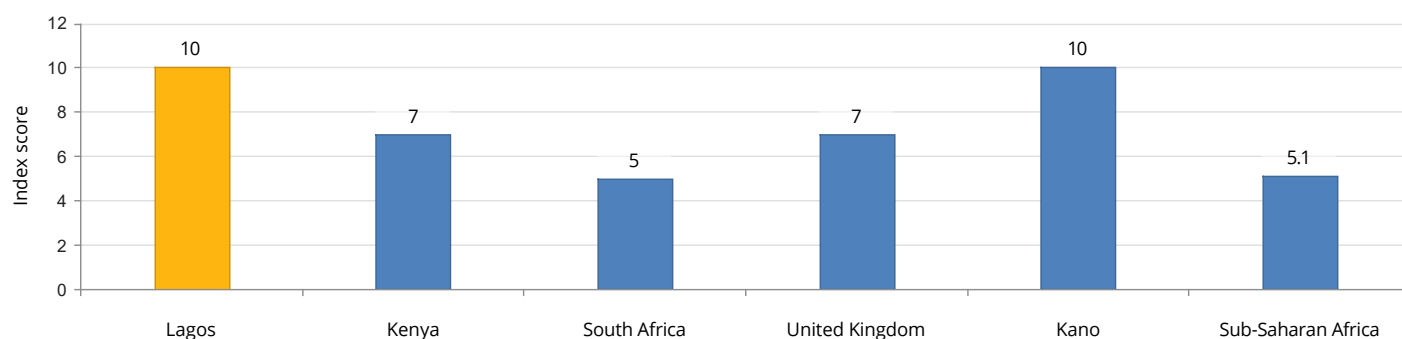
Indicator	Lagos	Sub-Saharan Africa	OECD high income	Overall Best Performer
Strength of legal rights index (0-12)	10	5.1	6.0	12.00 (4 Economies)
Depth of credit information index (0-8)	8	3.0	6.6	8.00 (34 Economies)
Credit registry coverage (% of adults)	0.1	6.3	18.3	100.00 (3 Economies)
Credit bureau coverage (% of adults)	7.8	8.2	63.7	100.00 (23 Economies)

Figure – Getting Credit in Nigeria and comparator economies – Ranking and DTF



Note: 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 sum of the strength of legal rights index and the depth of credit information index.

Figure – Legal Rights in Lagos and comparator economies



Details – Legal Rights in Lagos

Strength of legal rights index (0-12) **10**

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? Yes

Does the law allow businesses to grant a non possessory security right in a single category of movable assets, without requiring a specific description of collateral? 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

May a security right extend to future or after-acquired assets, and does it extend automatically to the products, proceeds and replacements of the original assets? 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

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? Yes

Does a notice-based collateral registry exist in which all functional equivalents can be registered? Yes

Does a modern collateral registry exist in which registrations, amendments, cancellations and searches can be performed online by any interested third party? Yes

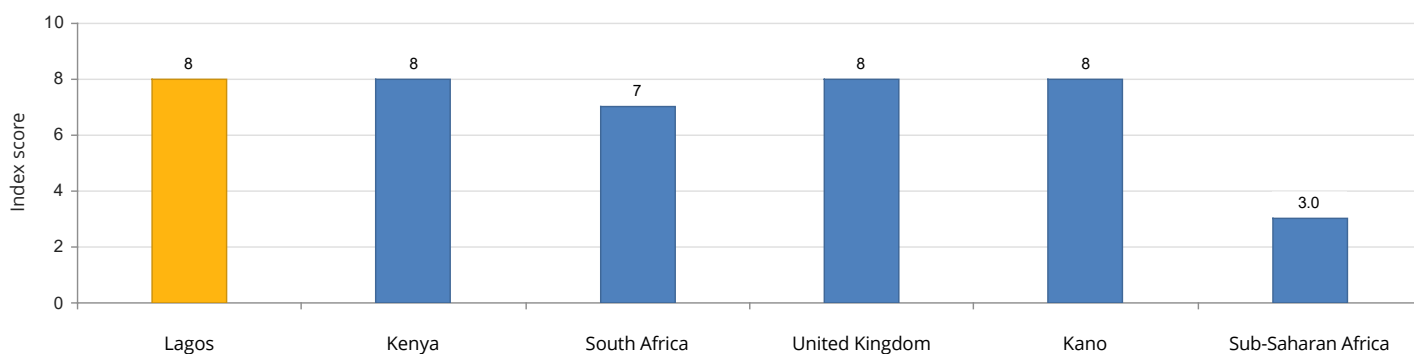
Are secured creditors paid first (i.e. before tax claims and employee claims) when a debtor defaults outside an insolvency procedure? Yes

Are secured creditors paid first (i.e. before tax claims and employee claims) when a business is liquidated? 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 sets a time limit for it? 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 or private tender, as well as, for the secured creditor to keep the asset in satisfaction of the debt? Yes

Figure – Credit Information in Lagos and comparator economies



Details – Credit Information in Lagos

Depth of credit information index (0-8)	Credit bureau	Credit registry	Score
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?	Yes	No	1
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?	Yes	No	1
Score ("yes" to either public bureau or private registry)			8

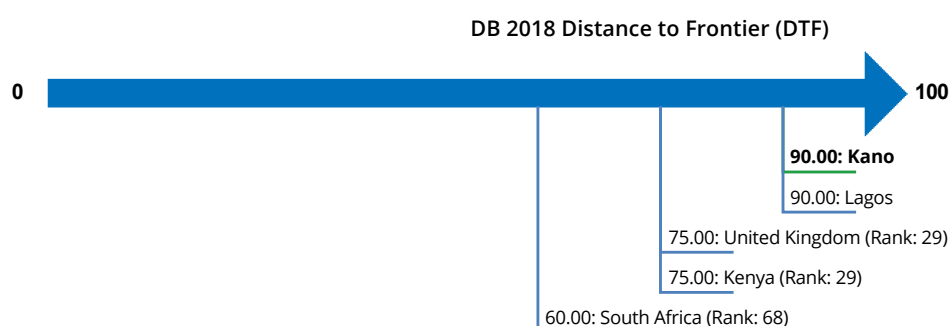
Note: An economy receives a score of 1 if there is a "yes" to either bureau or registry. If the credit bureau or registry is not operational or covers less than 5% of the adult population, the total score on the depth of credit information index is 0.

Coverage	Credit bureau	Credit registry
Number of individuals	6,622,402	0
Number of firms	1,102,067	0
Total	7,724,469	120,750
Percentage of adult population	7.8	0.1

Getting Credit - Kano

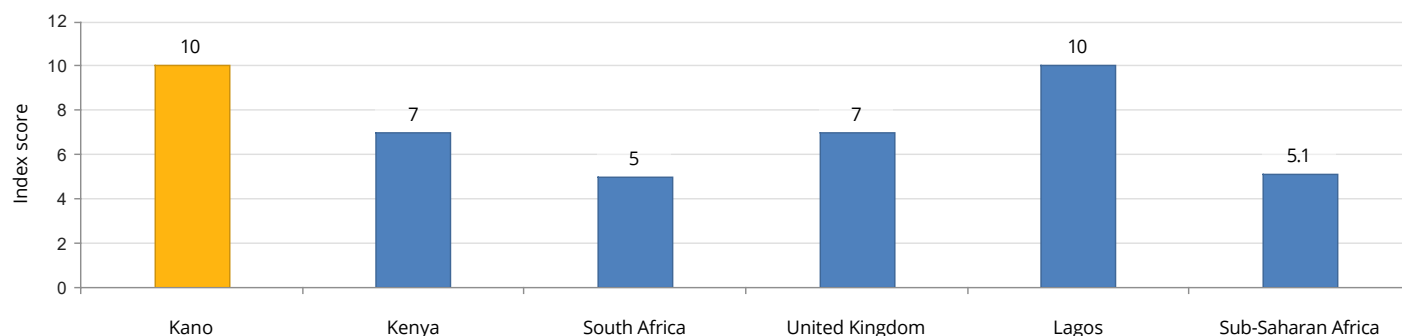
Indicator	Kano	Sub-Saharan Africa	OECD high income	Overall Best Performer
Strength of legal rights index (0-12)	10	5.1	6.0	12.00 (4 Economies)
Depth of credit information index (0-8)	8	3.0	6.6	8.00 (34 Economies)
Credit registry coverage (% of adults)	0.1	6.3	18.3	100.00 (3 Economies)
Credit bureau coverage (% of adults)	7.8	8.2	63.7	100.00 (23 Economies)

Figure – Getting Credit in Nigeria and comparator economies – Ranking and DTF



Note: 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 sum of the strength of legal rights index and the depth of credit information index.

Figure – Legal Rights in Kano and comparator economies



Details – Legal Rights in Kano

Strength of legal rights index (0-12) 10

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? Yes

Does the law allow businesses to grant a non possessory security right in a single category of movable assets, without requiring a specific description of collateral? 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

May a security right extend to future or after-acquired assets, and does it extend automatically to the products, proceeds and replacements of the original assets? 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

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? Yes

Does a notice-based collateral registry exist in which all functional equivalents can be registered? Yes

Does a modern collateral registry exist in which registrations, amendments, cancellations and searches can be performed online by any interested third party? Yes

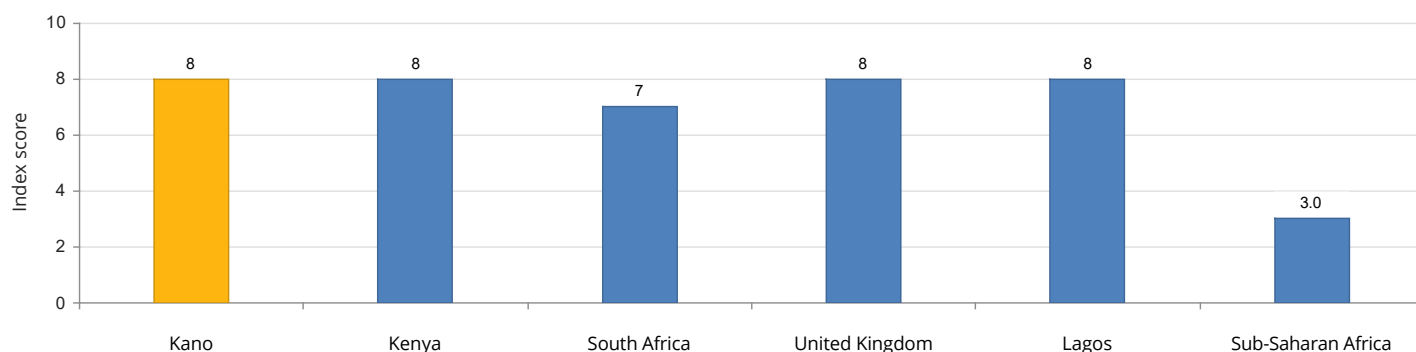
Are secured creditors paid first (i.e. before tax claims and employee claims) when a debtor defaults outside an insolvency procedure? Yes

Are secured creditors paid first (i.e. before tax claims and employee claims) when a business is liquidated? 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 sets a time limit for it? 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 or private tender, as well as, for the secured creditor to keep the asset in satisfaction of the debt? Yes

Figure – Credit Information in Kano and comparator economies



Details – Credit Information in Kano

Depth of credit information index (0-8)	Credit bureau	Credit registry	Score
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?	Yes	No	1
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?	Yes	No	1

Score ("yes" to either public bureau or private registry)

8

Note: 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	Credit registry
Number of individuals	6,622,402	0
Number of firms	1,102,067	0
Total	7,724,469	120,750
Percentage of adult population	7.8	0.1

↗ Protecting Minority Investors

This topic measures the strength of minority shareholder protections against misuse of corporate assets by directors for their personal gain as well as shareholder rights, governance safeguards and corporate transparency requirements that reduce the risk of abuse. The most recent round of data collection for the project was completed in June 2017. [See the methodology for more information.](#)

What the 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):** Simple average of the extent of disclosure, extent of director liability and ease of shareholder indices
- **Extent of shareholder rights index (0–10):** Shareholders' rights and role in major corporate decisions
- **Extent of ownership and control index (0–10):** Governance safeguards protecting shareholders from undue board control and entrenchment
- **Extent of corporate transparency index (0–10):** Corporate transparency on ownership stakes, compensation, audits and financial prospects
- **Extent of shareholder governance index (0–10):** Simple average of the extent of shareholders rights, extent of ownership and control and extent of corporate transparency indices
- **Strength of minority investor protection index (0–10):** Simple average of the extent of conflict of interest regulation and extent of shareholder governance indices

Case study assumptions

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. If the number of publicly traded companies listed on that exchange is less than 10, or if there is no stock exchange in the economy, it is assumed that Buyer is 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.
- Has a supervisory board (applicable to economies with a two-tier board system) on which 60% of the shareholder-elected members have been appointed by Mr. James, who is Buyer's controlling shareholder and a member of Buyer's board of directors.
- Has not adopted any bylaws or articles of association that differ from default minimum standards and does not follow any nonmandatory codes, principles, recommendations or guidelines relating to corporate governance.
- Is a manufacturing company with its own distribution network.

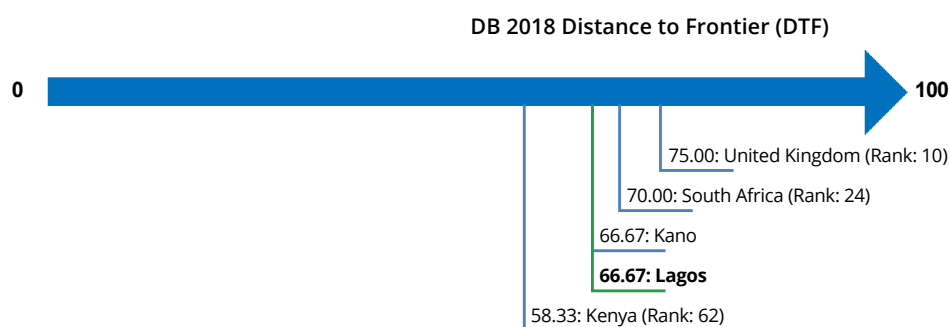
The transaction involves the following details:

- Mr. James owns 60% of Buyer and elected two directors to Buyer's five-member board.
- Mr. James also owns 90% of Seller, a company that operates a chain of retail hardware stores. Seller recently closed a large number of its stores.
- Mr. James proposes that Buyer purchase Seller's unused fleet of trucks to expand Buyer's distribution of its food products, a proposal to which Buyer agrees. The price is equal to 10% of Buyer's assets and is higher than the market value.
- The proposed transaction is part of the company's ordinary course of business and is not outside the authority of the company.
- Buyer enters into the transaction. All required approvals are obtained, and all required disclosures made (that is, the transaction is not fraudulent).
- The transaction causes damages to Buyer. Shareholders sue Mr. James and the other parties that approved the transaction.

Protecting Minority Investors - Lagos

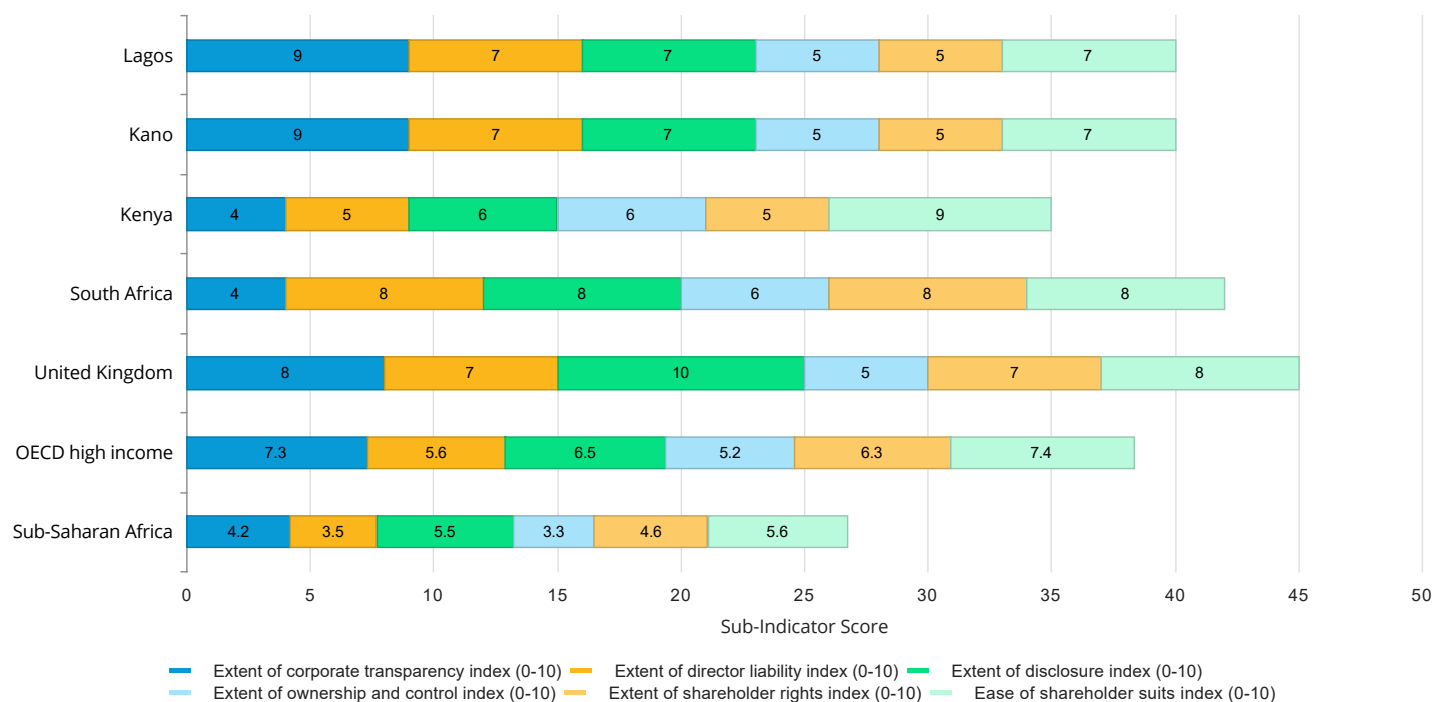
Indicator	Lagos	Sub-Saharan Africa	OECD high income	Overall Best Performer
Extent of conflict of interest regulation index (0-10)	7	4.8	6.4	9.3 (New Zealand)
Extent of shareholder governance index (0-10)	6.3	4.0	6.4	9.00 (Kazakhstan)

Figure – Protecting Minority Investors in Nigeria and comparator economies – Ranking and DTF



Note: 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.

Figure – Protecting Minority Investors in Lagos and comparator economies – Measure of Quality



Details – Protecting Minority Investors in Lagos – Measure of Quality

	Answer	Score
Extent of conflict of interest regulation index (0-10)		7
Extent of disclosure index (0-10)		7
Which corporate body is legally sufficient to approve the Buyer-Seller transaction? (0-3)	Shareholders excluding interested parties	3.0
Must an external body review the terms of the transaction before it takes place? (0-1)	Yes	1.0
Must Mr. James disclose his conflict of interest to the board of directors? (0-2)	Existence of a conflict without any specifics	1.0
Must Buyer disclose the transaction in published periodic filings (annual reports)? (0-2)	Disclosure on the transaction and on the conflict of interest	2.0
Must Buyer immediately disclose the transaction to the public and/or shareholders? (0-2)	No disclosure obligation	0.0
Extent of director liability index (0-10)		7
Can shareholders representing 10% of Buyer's share capital sue directly or derivatively for the damage the transaction caused to Buyer? (0-1)	Yes	1.0
Can shareholders hold the interested director liable for the damage the transaction caused to Buyer? (0-2)	Liable if unfair or prejudicial	2.0
Can shareholders hold the other directors liable for the damage the transaction caused to Buyer (0-2)	Liable if negligent	1.0
Must Mr. James pay damages for the harm caused to Buyer upon a successful claim by shareholders? (0-1)	Yes	1.0
Must Mr. James repay profits made from the transaction upon a successful claim by shareholders? (0-1)	Yes	1.0
Is Mr. James disqualified or fined and imprisoned upon a successful claim by shareholders? (0-1)	No	0.0
Can a court void the transaction upon a successful claim by shareholders? (0-2)	Voidable if negligently concluded	1.0
Ease of shareholder suits index (0-10)		7
Before suing can shareholders representing 10% of Buyer's share capital inspect the transaction documents? (0-1)	Yes	1.0

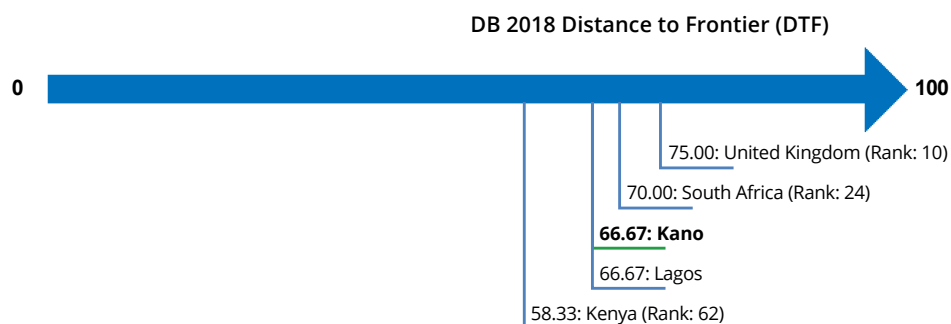
Can the plaintiff obtain any documents from the defendant and witnesses at trial? (0-3)	Documents that the defendant relied on	1.0
Can the plaintiff request categories of documents from the defendant without identifying specific ones? (0-1)	No	0.0
Can the plaintiff directly question the defendant and witnesses at trial? (0-2)	Yes	2.0
Is the level of proof required for civil suits lower than that of criminal cases? (0-1)	Yes	1.0
Can shareholder plaintiffs recover their legal expenses from the company? (0-2)	Yes regardless of outcome	2.0
Extent of shareholder governance index (0-10)		6.3
Extent of shareholder rights index (0-10)		5
Does the sale of 51% of Buyer's assets require shareholder approval?	No	0.0
Can shareholders representing 10% of Buyer's share capital call for a meeting of shareholders?	Yes	1.0
Must Buyer obtain its shareholders' approval every time it issues new shares?	Yes	1.0
Do shareholders automatically receive preemption rights every time Buyer issues new shares?	No	0.0
Must shareholders approve the election and dismissal of the external auditor?	Yes	1.0
Are changes to the rights of a class of shares only possible if the holders of the affected shares approve?	Yes	1.0
Assuming that Buyer is a limited company, does the sale of 51% of its assets require member approval?	No	0.0
Assuming that Buyer is a limited company, can members representing 10% call for a meeting of members?	Yes	1.0
Assuming that Buyer is a limited company, must all members consent to add a new member?	No	0.0
Assuming that Buyer is a limited company, must a member first offer to sell their interest to the existing members before they can sell to non-members?	No	0.0
Extent of ownership and control index (0-10)		5
Is it forbidden to appoint the same individual as CEO and chair of the board of directors?	No	0.0
Must the board of directors include independent and nonexecutive board members?	No	0.0
Can shareholders remove members of the board of directors without cause before the end of their term?	Yes	1.0
Must the board of directors include a separate audit committee exclusively comprising board members?	Yes	1.0

Must a potential acquirer make a tender offer to all shareholders upon acquiring 50% of Buyer?	Yes	1.0
Must Buyer pay declared dividends within a maximum period set by law?	Yes	1.0
Is a subsidiary prohibited from acquiring shares issued by its parent company?	Yes	1.0
Assuming that Buyer is a limited company, must Buyer have a mechanism to resolve disagreements among members?	No	0.0
Assuming that Buyer is a limited company, must a potential acquirer make a tender offer to all shareholders upon acquiring 50% of Buyer?	No	0.0
Assuming that Buyer is a limited company, must Buyer distribute profits within a maximum period set by law?	No	0.0
Extent of corporate transparency index (0-10)		9
Must Buyer disclose direct and indirect beneficial ownership stakes representing 5%?	Yes	1.0
Must Buyer disclose information about board members' primary employment and directorships in other companies?	Yes	1.0
Must Buyer disclose the compensation of individual managers?	No	0.0
Must a detailed notice of general meeting be sent 21 days before the meeting?	Yes	1.0
Can shareholders representing 5% of Buyer's share capital put items on the general meeting agenda?	Yes	1.0
Must Buyer's annual financial statements be audited by an external auditor?	Yes	1.0
Must Buyer disclose its audit reports to the public?	Yes	1.0
Assuming that Buyer is a limited company, must members meet at least once a year?	Yes	1.0
Assuming that Buyer is a limited company, can members representing 5% put items on the meeting agenda?	Yes	1.0
Assuming that Buyer is a limited company, must Buyer's annual financial statements be audited by an external auditor?	Yes	1.0

Protecting Minority Investors - Kano

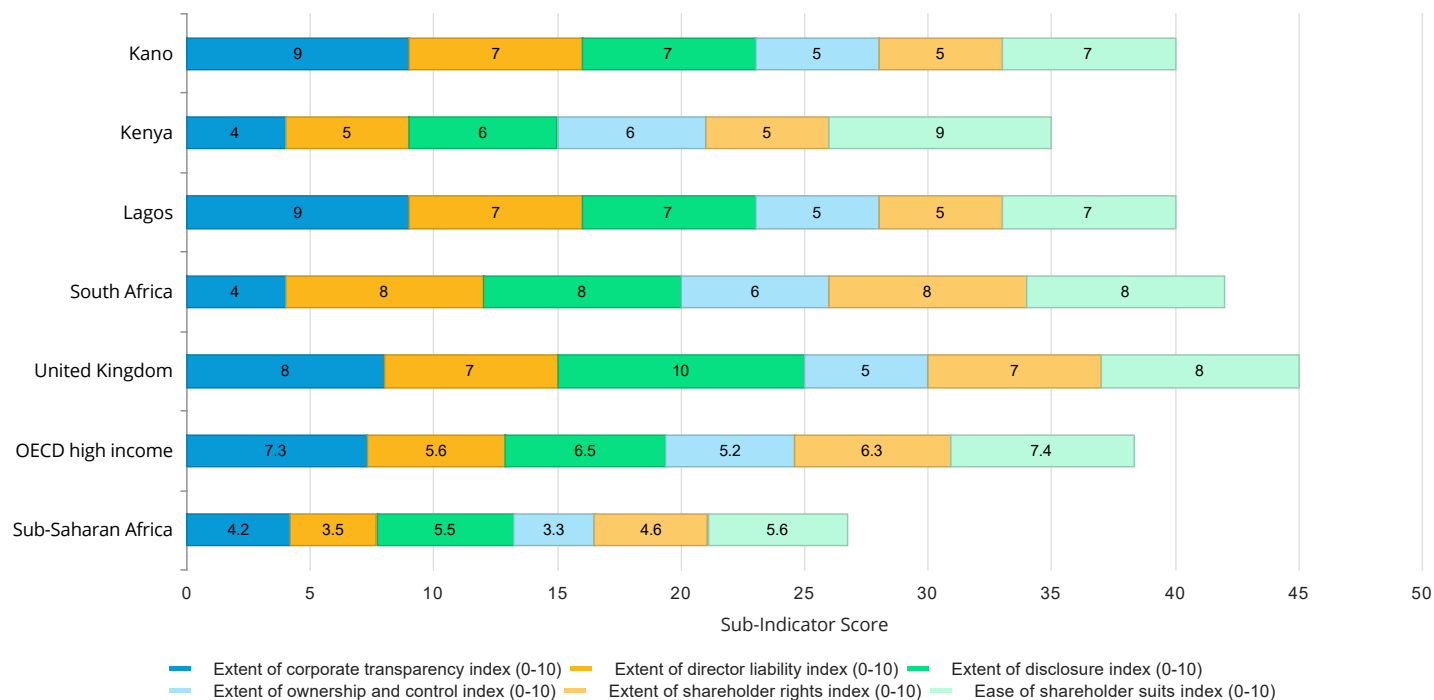
Indicator	Kano	Sub-Saharan Africa	OECD high income	Overall Best Performer	
Extent of conflict of interest regulation index (0-10)		7	4.8	6.4	9.3 (New Zealand)
Extent of shareholder governance index (0-10)	6.3	6.3	4.0	6.4	9.00 (Kazakhstan)

Figure – Protecting Minority Investors in Nigeria and comparator economies – Ranking and DTF



Note: 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.

Figure – Protecting Minority Investors in Kano and comparator economies – Measure of Quality



Details – Protecting Minority Investors in Kano – Measure of Quality

	Answer	Score
Extent of conflict of interest regulation index (0-10)		7
Extent of disclosure index (0-10)		7
Which corporate body is legally sufficient to approve the Buyer-Seller transaction? (0-3)	Shareholders excluding interested parties	3.0
Must an external body review the terms of the transaction before it takes place? (0-1)	Yes	1.0
Must Mr. James disclose his conflict of interest to the board of directors? (0-2)	Existence of a conflict without any specifics	1.0
Must Buyer disclose the transaction in published periodic filings (annual reports)? (0-2)	Disclosure on the transaction and on the conflict of interest	2.0
Must Buyer immediately disclose the transaction to the public and/or shareholders? (0-2)	No disclosure obligation	0.0
Extent of director liability index (0-10)		7
Can shareholders representing 10% of Buyer's share capital sue directly or derivatively for the damage the transaction caused to Buyer? (0-1)	Yes	1.0
Can shareholders hold the interested director liable for the damage the transaction caused to Buyer? (0-2)	Liable if unfair or prejudicial	2.0
Can shareholders hold the other directors liable for the damage the transaction caused to Buyer (0-2)	Liable if negligent	1.0
Must Mr. James pay damages for the harm caused to Buyer upon a successful claim by shareholders? (0-1)	Yes	1.0
Must Mr. James repay profits made from the transaction upon a successful claim by shareholders? (0-1)	Yes	1.0
Is Mr. James disqualified or fined and imprisoned upon a successful claim by shareholders? (0-1)	No	0.0
Can a court void the transaction upon a successful claim by shareholders? (0-2)	Voidable if negligently concluded	1.0
Ease of shareholder suits index (0-10)		7
Before suing can shareholders representing 10% of Buyer's share capital inspect the transaction documents? (0-1)	Yes	1.0

Can the plaintiff obtain any documents from the defendant and witnesses at trial? (0-3)	Documents that the defendant relied on	1.0
Can the plaintiff request categories of documents from the defendant without identifying specific ones? (0-1)	No	0.0
Can the plaintiff directly question the defendant and witnesses at trial? (0-2)	Yes	2.0
Is the level of proof required for civil suits lower than that of criminal cases? (0-1)	Yes	1.0
Can shareholder plaintiffs recover their legal expenses from the company? (0-2)	Yes regardless of outcome	2.0
Extent of shareholder governance index (0-10)		6.3
Extent of shareholder rights index (0-10)		5
Does the sale of 51% of Buyer's assets require shareholder approval?	No	0.0
Can shareholders representing 10% of Buyer's share capital call for a meeting of shareholders?	Yes	1.0
Must Buyer obtain its shareholders' approval every time it issues new shares?	Yes	1.0
Do shareholders automatically receive preemption rights every time Buyer issues new shares?	No	0.0
Must shareholders approve the election and dismissal of the external auditor?	Yes	1.0
Are changes to the rights of a class of shares only possible if the holders of the affected shares approve?	Yes	1.0
Assuming that Buyer is a limited company, does the sale of 51% of its assets require member approval?	No	0.0
Assuming that Buyer is a limited company, can members representing 10% call for a meeting of members?	Yes	1.0
Assuming that Buyer is a limited company, must all members consent to add a new member?	No	0.0
Assuming that Buyer is a limited company, must a member first offer to sell their interest to the existing members before they can sell to non-members?	No	0.0
Extent of ownership and control index (0-10)		5
Is it forbidden to appoint the same individual as CEO and chair of the board of directors?	No	0.0
Must the board of directors include independent and nonexecutive board members?	No	0.0
Can shareholders remove members of the board of directors without cause before the end of their term?	Yes	1.0
Must the board of directors include a separate audit committee exclusively comprising board members?	Yes	1.0

Must a potential acquirer make a tender offer to all shareholders upon acquiring 50% of Buyer?	Yes	1.0
Must Buyer pay declared dividends within a maximum period set by law?	Yes	1.0
Is a subsidiary prohibited from acquiring shares issued by its parent company?	Yes	1.0
Assuming that Buyer is a limited company, must Buyer have a mechanism to resolve disagreements among members?	No	0.0
Assuming that Buyer is a limited company, must a potential acquirer make a tender offer to all shareholders upon acquiring 50% of Buyer?	No	0.0
Assuming that Buyer is a limited company, must Buyer distribute profits within a maximum period set by law?	No	0.0
Extent of corporate transparency index (0-10)		9
Must Buyer disclose direct and indirect beneficial ownership stakes representing 5%?	Yes	1.0
Must Buyer disclose information about board members' primary employment and directorships in other companies?	Yes	1.0
Must Buyer disclose the compensation of individual managers?	No	0.0
Must a detailed notice of general meeting be sent 21 days before the meeting?	Yes	1.0
Can shareholders representing 5% of Buyer's share capital put items on the general meeting agenda?	Yes	1.0
Must Buyer's annual financial statements be audited by an external auditor?	Yes	1.0
Must Buyer disclose its audit reports to the public?	Yes	1.0
Assuming that Buyer is a limited company, must members meet at least once a year?	Yes	1.0
Assuming that Buyer is a limited company, can members representing 5% put items on the meeting agenda?	Yes	1.0
Assuming that Buyer is a limited company, must Buyer's annual financial statements be audited by an external auditor?	Yes	1.0

Paying Taxes

This topic records the taxes and mandatory contributions that a medium-size company must pay or withhold in a given year, as well as measures the administrative burden in paying taxes and contributions. The most recent round of data collection for the project was completed on June 30, 2017 covering for the Paying Taxes indicator calendar year 2016 (January 1, 2016 – December 31, 2016).

Last year (Doing Business 2017) the scope of data collection was expanded to better understand the overall tax environment in an economy. The questionnaire was expanded to include new questions on post-filing processes: VAT refund and tax audit. The data shows where postfiling processes and practices work efficiently and what drives the differences in the overall tax compliance cost across economies.

The new section covers both the legal framework and the administrative burden on businesses to comply with postfiling processes.

[See the methodology for more information.](#)

What the indicators measure

Tax payments for a manufacturing company in 2016 (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, computing tax payable
- Completing tax return, filing with agencies
- Arranging payment or withholding
- Preparing separate tax accounting books, if required

Total tax and contribution rate (% of profit before all taxes)

- Profit or corporate income tax
- Social contributions, labor taxes paid by employer
- Property and property transfer taxes
- Dividend, capital gains, financial transactions taxes
- Waste collection, vehicle, road and other taxes

Postfiling Index

- Time to comply with a VAT refund
- Time to receive a VAT refund
- Time to comply with a corporate income tax audit
- Time to complete a corporate income tax audit

Case study assumptions

Using a case scenario, Doing Business records taxes and mandatory contributions a medium size company must pay in a year, and measures the administrative burden of paying taxes, contributions and dealing with postfiling processes. Information is also compiled on frequency of filing and payments, time taken to comply with tax laws, time taken to comply with the requirements of postfiling processes and time waiting.

To make data comparable across economies, several assumptions are used:

- TaxpayerCo is a medium-size business that started operations on January 1, 2015. It produces ceramic flowerpots and sells them at retail. All taxes and contributions recorded are paid in the second year of operation (calendar year 2016). Taxes and mandatory contributions are measured at all levels of government.

The VAT refund process:

- In June 2016, TaxpayerCo. makes a large capital purchase: the value of the machine is 65 times income per capita of the economy. Sales are equally spread per month (1,050 times income per capita divided by 12) and cost of goods sold are equally expensed per month (875 times income per capita divided by 12). The machinery seller is registered for VAT and excess input VAT incurred in June will be fully recovered after four consecutive months if the VAT rate is the same for inputs, sales and the machine and the tax reporting period is every month. Input VAT will exceed Output VAT in June 2016.

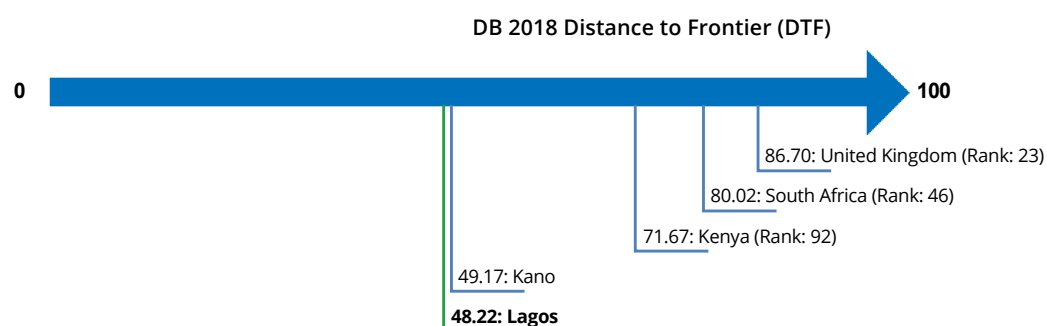
The corporate income tax audit process:

- An error in calculation of income tax liability (for example, use of incorrect tax depreciation rates, or incorrectly treating an expense as tax deductible) leads to an incorrect income tax return and a corporate income tax underpayment. TaxpayerCo. discovered the error and voluntarily notified the tax authority. The value of the underpaid income tax liability is 5% of the corporate income tax liability due. TaxpayerCo. submits corrected information after the deadline for submitting the annual tax return, but within the tax assessment period.

Paying Taxes - Lagos

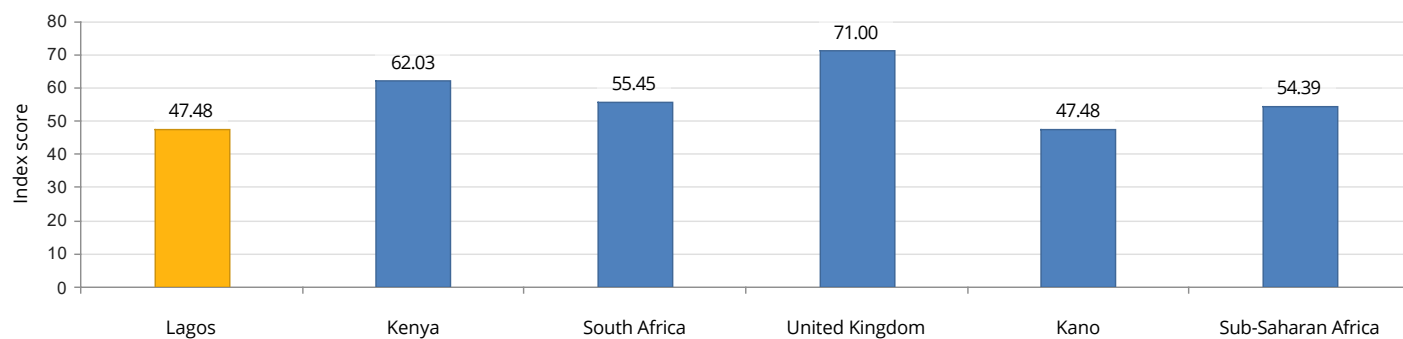
Indicator	Lagos	Sub-Saharan Africa	OECD high income	Overall Best Performer	
Payments (number per year)		59	37.2	10.9	3 (Hong Kong SAR, China)
Time (hours per year)		366	280.8	160.7	55 (Luxembourg)
Total tax and contribution rate (% of profit)		34.8	46.8	40.1	18.47 (32 Economies)
Postfiling index (0-100)		47.48	54.39	83.45	99.38 (Estonia)

Figure – Paying Taxes in Nigeria and comparator economies – Ranking and DTF



Note: 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 four component indicators – number of tax payments, time, total tax rate and postfiling index – with a threshold and a nonlinear transformation applied to one of the component indicators, the total tax rate. 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 up to and including Doing Business 2015, which is 26.1%. All economies with a total tax rate below this threshold receive the same score as the economy at the threshold.

Figure – Paying Taxes in Lagos and comparator economies – Measure of Quality



Details – Paying Taxes in Lagos

Tax or mandatory contribution	Payments (number)	Notes on Payments	Time (hours)	Statutory tax rate	Tax base	Total tax and contribution rate (% of profit)	Notes on TTR
Corporate income tax	1.0		78.0	30%	taxable profit	18.07	
Social Security Contributions	12.0		156.0	10%	gross salaries	11.28	
Tertiary education trust fund contribution	0.0	jointly		2%	taxable profit	2.41	
Training Tax	1.0			1%	gross salaries	1.13	
Employee Compensation Contribution paid by the employer	12.0			1%	gross salaries	1.13	
Capital gains tax	1.0			10%	capital gains	0.47	
Tax on money market interest	0.0	withheld		10%	interest income	0.26	not included
Land Use Charge	1.0			0.00132	property value	0.20	
Stamp duty on checks	1.0			0.2%	2/1000 of value of check	0.08	
Road license	1.0			NGN 5,000 per vehicle	fixed fee depending on type of vehicle	0.04	
State business levy	1.0			NGN 5,000	fixed fee	0.02	
Stamp duty on contracts	1.0			NGN 50	Deposit of NGN 1,000 or more	0.00	small amount
Value added tax (VAT)	12.0		132.0	5%	value added	0.00	not included

National Housing Fund	12.0		2.5%	gross salaries	0.00	withheld
Advertising tax	1.0		various rates		0.00	small amount
Employee labor tax	0.0	jointly			0.00	withheld
Fuel tax	1.0			included in fuel price	0.00	
Infrastructure Development Tax	1.0		NGN 100 per employee	fixed fee	0.00	withheld
Totals	59		366		34.8	

Details – Paying Taxes in Lagos – Tax by Type

Taxes by type	Answer
Profit tax (% of profit)	21.0
Labor tax and contributions (% of profit)	13.5
Other taxes (% of profit)	0.3

Details – Paying Taxes in Lagos – Measure of Quality

	Answer	Score
Postfiling index (0-100)		47.48
VAT refunds		
Does VAT exist?	Yes	
Does a VAT refund process exist per the case study?	No	
Restrictions on VAT refund process	Input tax on capital purchase is irrecoverable	
Percentage of cases exposed to a VAT audit (%)	Not applicable	
Is there a mandatory carry forward period?	No	
Time to comply with VAT refund (hours)	No VAT refund per case study scenario	0
Time to obtain a VAT refund (weeks)	No VAT refund per case study scenario	0

Corporate income tax audits

Does corporate income tax exist?	Yes	
Percentage of cases exposed to a corporate income tax audit (%)	0% - 24%	
Time to comply with a corporate income tax audit (hours)	7.0	89.91
Time to complete a corporate income tax audit (weeks)	No tax audit per case study scenario	100

Notes: Names of taxes have been standardized. For instance income tax, profit tax, tax on company's income are all named corporate income tax in this table.

The hours for VAT include all the VAT and sales taxes applicable.

The hours for Social Security include all the hours for labor taxes and mandatory contributions in general.

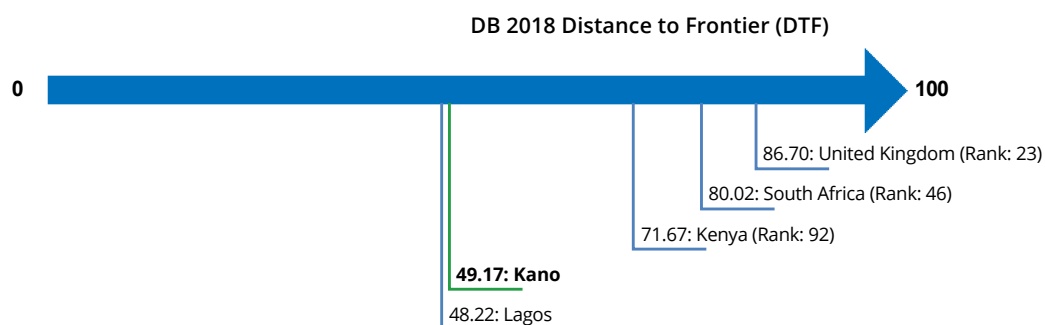
The postfiling index is the average of the scores on time to comply with VAT refund, time to obtain a VAT refund, time to comply with a corporate income tax audit and time to complete a corporate income tax audit.

N/A = Not applicable.

Paying Taxes - Kano

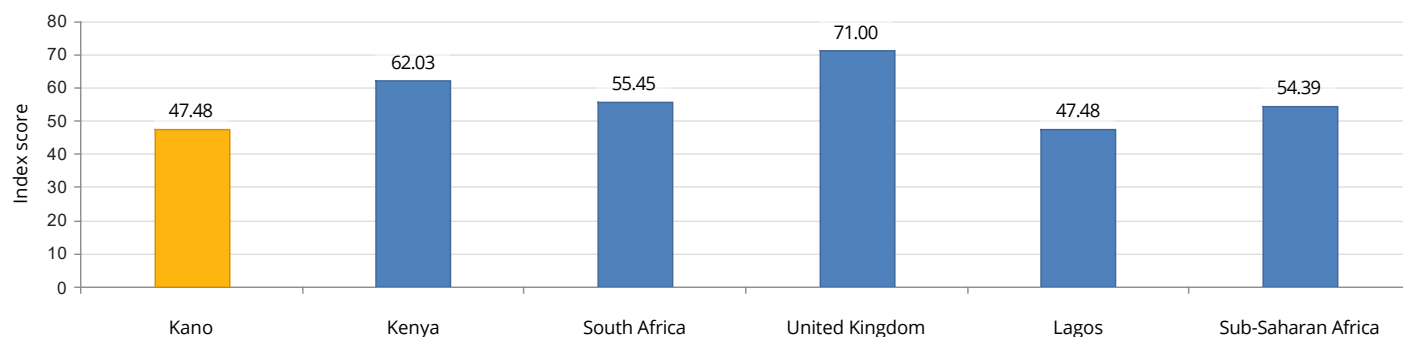
Indicator	Kano	Sub-Saharan Africa	OECD high income	Overall Best Performer
Payments (number per year)	59	37.2	10.9	3 (Hong Kong SAR, China)
Time (hours per year)	341.5	280.8	160.7	55 (Luxembourg)
Total tax and contribution rate (% of profit)	34.8	46.8	40.1	18.47 (32 Economies)
Postfiling index (0-100)	47.48	54.39	83.45	99.38 (Estonia)

Figure – Paying Taxes in Nigeria and comparator economies – Ranking and DTF



Note: 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 four component indicators – number of tax payments, time, total tax rate and postfiling index – with a threshold and a nonlinear transformation applied to one of the component indicators, the total tax rate. 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 up to and including Doing Business 2015, which is 26.1%. All economies with a total tax rate below this threshold receive the same score as the economy at the threshold.

Figure – Paying Taxes in Kano and comparator economies – Measure of Quality



Details – Paying Taxes in Kano

Tax or mandatory contribution	Payments (number)	Notes on Payments	Time (hours)	Statutory tax rate	Tax base	Total tax and contribution rate (% of profit)	Notes on TTR
Corporate income tax	1.0		77.5	30%	taxable profit	18.08	
Social Security Contributions	12.0		150.0	10%	gross salaries	11.28	
National Housing Fund	12.0			2.5%	gross salaries	2.82	withheld
Tertiary education trust fund contribution	0.0	jointly		2%	taxable profit	2.41	
Employee labor tax	0.0	jointly				2.34	withheld
Employee Compensation Contribution paid by the employer	12.0			1%	gross salaries	1.13	
Training Tax	1.0			1%	gross salaries	1.13	
Capital gains tax	1.0			10%	capital gains	0.47	
Tax on money market interest	0.0	withheld		10%	interest income	0.26	not included
Land Use Charge	1.0			0.125%	property value	0.19	
Stamp duty on checks	1.0			0.2%	2/1000 of value of check	0.08	
Road license	1.0			NGN 5,000 per vehicle	fixed fee depending on type of vehicle	0.04	
State business levy	1.0			NGN 5,000	fixed fee	0.02	
Stamp duty on contracts	1.0					0.00	small amount

Value added tax (VAT)	12.0	114.0	5%	value added	0.00	not included
Fuel tax	1.0			included in fuel price	0.00	
Infrastructure Development Tax	1.0		NGN 100 per employee	fixed fee	0.00	withheld
Advertising tax	1.0		various rates		0.00	small amount
Totals	59	341.5			34.8	

Details – Paying Taxes in Kano – Tax by Type

Taxes by type	Answer
Profit tax (% of profit)	21.0
Labor tax and contributions (% of profit)	13.5
Other taxes (% of profit)	0.3

Details – Paying Taxes in Kano – Measure of Quality

	Answer	Score
Postfiling index (0-100)		47.48
VAT refunds		
Does VAT exist?	Yes	
Does a VAT refund process exist per the case study?	No	
Restrictions on VAT refund process	Input tax on capital purchase is irrecoverable	
Percentage of cases exposed to a VAT audit (%)	Not applicable	
Is there a mandatory carry forward period?	No	
Time to comply with VAT refund (hours)	No VAT refund per case study scenario	0
Time to obtain a VAT refund (weeks)	No VAT refund per case study scenario	0

Corporate income tax audits

Does corporate income tax exist?	Yes	
Percentage of cases exposed to a corporate income tax audit (%)	0% - 24%	
Time to comply with a corporate income tax audit (hours)	7.0	89.91
Time to complete a corporate income tax audit (weeks)	No tax audit per case study scenario	100

Notes: Names of taxes have been standardized. For instance income tax, profit tax, tax on company's income are all named corporate income tax in this table.

The hours for VAT include all the VAT and sales taxes applicable.

The hours for Social Security include all the hours for labor taxes and mandatory contributions in general.

The postfiling index is the average of the scores on time to comply with VAT refund, time to obtain a VAT refund, time to comply with a corporate income tax audit and time to complete a corporate income tax audit.

N/A = Not applicable.

Trading across Borders

Doing Business records the time and cost associated with the logistical process of exporting and importing goods. Doing Business measures the time and cost (excluding tariffs) associated with three sets of procedures—documentary compliance, border compliance and domestic transport—within the overall process of exporting or importing a shipment of goods. The most recent round of data collection for the project was completed in June 2017. [See the methodology for more information.](#)

Given the importance of trade digitalization, in Doing Business 2018, the Trading across Borders questionnaire included research questions on the availability and status of implementation of Electronic Data Interchange (EDI) and Single Window (SW) systems. With this information, Doing Business built a comprehensive dataset on the adoption and level of sophistication of electronic platforms in 190 economies. These data are not used to compute the distance to frontier score or ranking of the ease of doing business. The new dataset on EDI and SW systems is available [here](#).

What the indicators measure

Documentary compliance

- Obtaining, preparing and submitting documents during transport, clearance, inspections and port or border handling in origin economy
- Obtaining, preparing and submitting documents required by destination economy and any transit economies
- Covers all documents required by law and in practice, including electronic submissions of information

Border compliance

- Customs clearance and inspections
- Inspections by other agencies (if applied to more than 20% of shipments)
- Handling and inspections that take place at the economy's port or border

Domestic transport

- Loading or unloading of the shipment at the warehouse or port/border
- Transport between warehouse and port/border
- Traffic delays and road police checks while shipment is en route

Case study assumptions

To make the data comparable across economies, a few assumptions are made about the traded goods and the transactions:

Time: Time is measured in hours, and 1 day is 24 hours (for example, 22 days are recorded as $22 \times 24 = 528$ hours). If customs clearance takes 7.5 hours, the data are recorded as is. Alternatively, suppose documents are submitted to a customs agency at 8:00a.m., are processed overnight and can be picked up at 8:00a.m. the next day. The time for customs clearance would be recorded as 24 hours because the actual procedure took 24 hours.

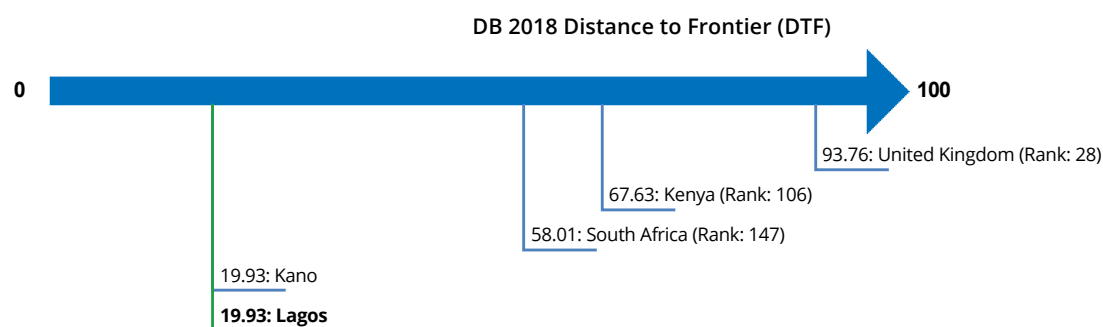
Cost: Insurance cost and informal payments for which no receipt is issued are excluded from the costs recorded. Costs are reported in U.S. dollars. Contributors are asked to convert local currency into U.S. dollars based on the exchange rate prevailing on the day they answer the questionnaire. Contributors are private sector experts in international trade logistics and are informed about exchange rates.

Assumptions of the case study: - For all 190 economies covered by Doing Business, it is assumed a shipment is in a warehouse in the largest business city of the exporting economy and travels to a warehouse in the largest business city of the importing economy. - It is assumed each economy imports 15 metric tons of containerized auto parts (HS 8708) from its natural import partner—the economy from which it imports the largest value (price times quantity) of auto parts. It is assumed each economy exports the product of its comparative advantage (defined by the largest export value) to its natural export partner—the economy that is the largest purchaser of this product. Shipment value is assumed to be \$50,000. - The mode of transport is the one most widely used for the chosen export or import product and the trading partner, as is the seaport, or land border crossing. - All electronic information submissions requested by any government agency in connection with the shipment are considered to be documents obtained, prepared and submitted during the export or import process. - A port or border is a place (seaport, airport or land border crossing) where merchandise can enter or leave an economy. - Relevant government agencies include customs, port authorities, road police, border guards, standardization agencies, ministries or departments of agriculture or industry, national security agencies and any other government authorities.

Trading across Borders - Lagos

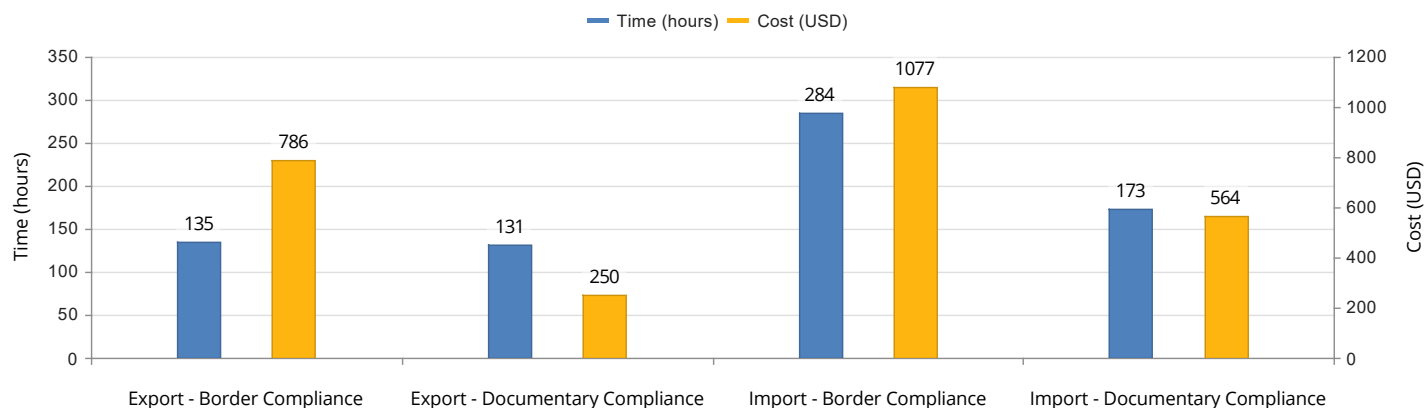
Indicator	Lagos	Sub-Saharan Africa	OECD high income	Overall Best Performer
Time to export: Border compliance (hours)	135	100.1	12.7	0 (17 Economies)
Cost to export: Border compliance (USD)	786	592.1	149.9	0.00 (19 Economies)
Time to export: Documentary compliance (hours)	131	87.8	2.4	1.0 (25 Economies)
Cost to export: Documentary compliance (USD)	250	215.1	35.4	0.00 (19 Economies)
Time to import: Border compliance (hours)	284	136.4	8.7	0.00 (21 Economies)
Cost to import: Border compliance (USD)	1077	686.8	111.6	0.00 (27 Economies)
Time to import: Documentary compliance (hours)	173	103.0	3.5	1.0 (30 Economies)
Cost to import: Documentary compliance (USD)	564	300.1	25.6	0.00 (30 Economies)

Figure – Trading across Borders in Nigeria and comparator economies – Ranking and DTF



Note: 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 the time and cost for documentary compliance and border compliance to export and import (domestic transport is not used for calculating the ranking).

Figure – Trading across Borders in Lagos – Time and Cost



Details – Trading across Borders in Lagos

Characteristics	Export	Import
Product	HS 40: Rubber and articles thereof	HS 8708: Parts and accessories of motor vehicles
Trade partner	United Kingdom	Japan
Border	Apapa port	Apapa port
Distance (km)	11	11
Domestic transport time (hours)	5	5
Domestic transport cost (USD)	436	436

Details – Trading across Borders in Lagos – Components of Border Compliance

	Time to Complete (hours)	Associated Costs (USD)
Export: Clearance and inspections required by customs authorities	107.0	382.1
Export: Clearance and inspections required by agencies other than customs	0.0	0.0
Export: Port or border handling	63.4	403.6
Import: Clearance and inspections required by customs authorities	178.0	400.0
Import: Clearance and inspections required by agencies other than customs	24.0	150.0
Import: Port or border handling	105.7	526.8

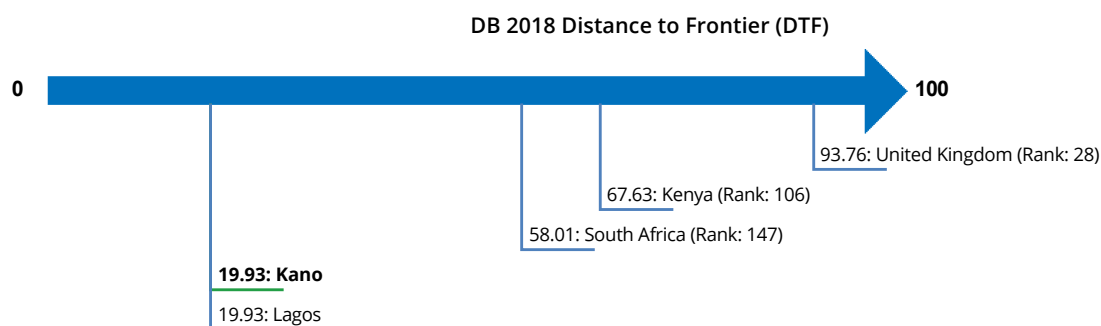
Details – Trading across Borders in Lagos – Trade Documents

Export	Import
Bill of lading	Bill of lading
Cargo Release order	Cargo Release Order
EUR 1 - Certificate of origin	Combined Certificate of Value and Origin (CCVO)
Commercial invoice	Commercial invoice
Single Goods Declaration (SGD) Form C 2010	Exit Gate
Nigerian Export Proceeds Form (NXP Form)	e-Form "M" (valid for foreign exchange)
Clean Certificate of Inspection (CCI)	Letter of Credit
Packing list	Manufacturer's certificate of production or SONCAP
Terminal handling receipt	Packing list
Request for information (RFI)	Payment receipt of customs fees and duties
SOLAS certificate	Pre-Arrival Assessment Report (PAAR)
	Single Goods Declaration (SGD)
	Terminal handling receipts
	Product Certificate 1 (Unregistered Status)
	SOLAS certificate

Trading across Borders - Kano

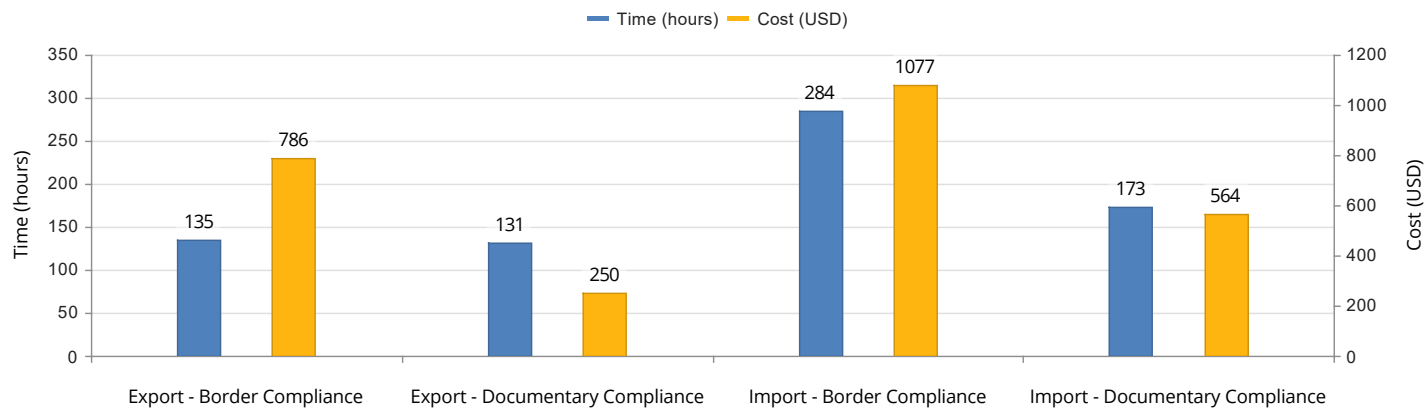
Indicator	Kano	Sub-Saharan Africa	OECD high income	Overall Best Performer
Time to export: Border compliance (hours)	135	100.1	12.7	0 (17 Economies)
Cost to export: Border compliance (USD)	786	592.1	149.9	0.00 (19 Economies)
Time to export: Documentary compliance (hours)	131	87.8	2.4	1.0 (25 Economies)
Cost to export: Documentary compliance (USD)	250	215.1	35.4	0.00 (19 Economies)
Time to import: Border compliance (hours)	284	136.4	8.7	0.00 (21 Economies)
Cost to import: Border compliance (USD)	1077	686.8	111.6	0.00 (27 Economies)
Time to import: Documentary compliance (hours)	173	103.0	3.5	1.0 (30 Economies)
Cost to import: Documentary compliance (USD)	564	300.1	25.6	0.00 (30 Economies)

Figure – Trading across Borders in Nigeria and comparator economies – Ranking and DTF



Note: 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 the time and cost for documentary compliance and border compliance to export and import (domestic transport is not used for calculating the ranking).

Figure – Trading across Borders in Kano – Time and Cost



Details – Trading across Borders in Kano

Characteristics	Export	Import
Product	HS 40: Rubber and articles thereof	HS 8708: Parts and accessories of motor vehicles
Trade partner	United Kingdom	Japan
Border	Apapa port	Apapa port
Distance (km)	1002	1002
Domestic transport time (hours)	100	100
Domestic transport cost (USD)	1650	1650

Details – Trading across Borders in Kano – Components of Border Compliance

	Time to Complete (hours)	Associated Costs (USD)
Export: Clearance and inspections required by customs authorities	107.0	382.1
Export: Clearance and inspections required by agencies other than customs	0.0	0.0
Export: Port or border handling	63.4	403.6
Import: Clearance and inspections required by customs authorities	178.0	400.0
Import: Clearance and inspections required by agencies other than customs	24.0	150.0
Import: Port or border handling	105.7	526.8

Details – Trading across Borders in Kano – Trade Documents

Export	Import
Bill of lading	Bill of lading
Cargo Release order	Cargo Release Order
EUR 1 - Certificate of origin	Combined Certificate of Value and Origin (CCVO)
Commercial invoice	Commercial invoice
Single Goods Declaration (SGD) Form C 2010	Exit Gate
Nigerian Export Proceeds Form (NXP Form)	e-Form "M" (valid for foreign exchange)
Clean Certificate of Inspection (CCI)	Letter of Credit
Packing list	Manufacturer's certificate of production or SONCAP
Terminal handling receipt	Packing list
Request for information (RFI)	Payment receipt of customs fees and duties
SOLAS certificate	Pre-Arrival Assessment Report (PAAR)
	Single Goods Declaration (SGD)
	Terminal handling receipts
	Product Certificate 1 (Unregistered Status)
	SOLAS certificate

Enforcing Contracts

The enforcing contracts indicator measures the time and cost for resolving a commercial dispute through a local first-instance court, and the quality of judicial processes index, evaluating whether each economy has adopted a series of good practices that promote quality and efficiency in the court system. The most recent round of data collection was completed in June 2017. [See the methodology for more information.](#)

What the indicators measure

Time required to enforce a contract through the courts (calendar days)

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

Cost required to enforce a contract through the courts (% of claim)

- Attorney fees
- Court fees
- Enforcement fees

Quality of judicial processes index (0-18)

- Court structure and proceedings (-1-5)
- Case management (0-6)
- Court automation (0-4)
- Alternative dispute resolution (0-3)

Case study assumptions

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 dispute concerns a lawful transaction between two businesses (Seller and Buyer), both located in the economy's largest business city. For 11 economies the data are also collected for the second largest business city.
- The buyer orders custom-made goods, then fails to pay.
- The value of the dispute is 200% of the income per capita or the equivalent in local currency of USD 5,000, whichever is greater.
- The seller sues the buyer before the court with jurisdiction over commercial cases worth 200% of income per capita or \$5,000.
- 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.

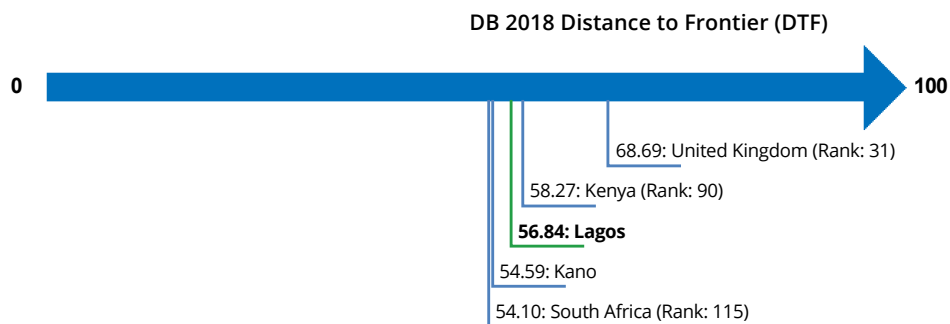
Enforcing Contracts - Lagos

Standardized Case

Claim value	NGN 1,010,472.00
Court name	Lagos Magistrates Court
City Covered	Lagos

Indicator	Lagos	Sub-Saharan Africa	OECD high income	Overall Best Performer
Time (days)	447	656.8	577.8	164.00 (Singapore)
Cost (% of claim value)	42.0	44.0	21.5	9.00 (Iceland)
Quality of judicial processes index (0-18)	8.0	6.5	11.0	15.50 (Australia)

Figure – Enforcing Contracts in Nigeria and comparator economies – Ranking and DTF



Note: The ranking of economies on the ease of enforcing contracts is determined by sorting their distance to frontier scores for enforcing contracts. These scores are the simple average of the distance to frontier scores for each of the component indicators.

Figure – Enforcing Contracts in Lagos – Time and Cost

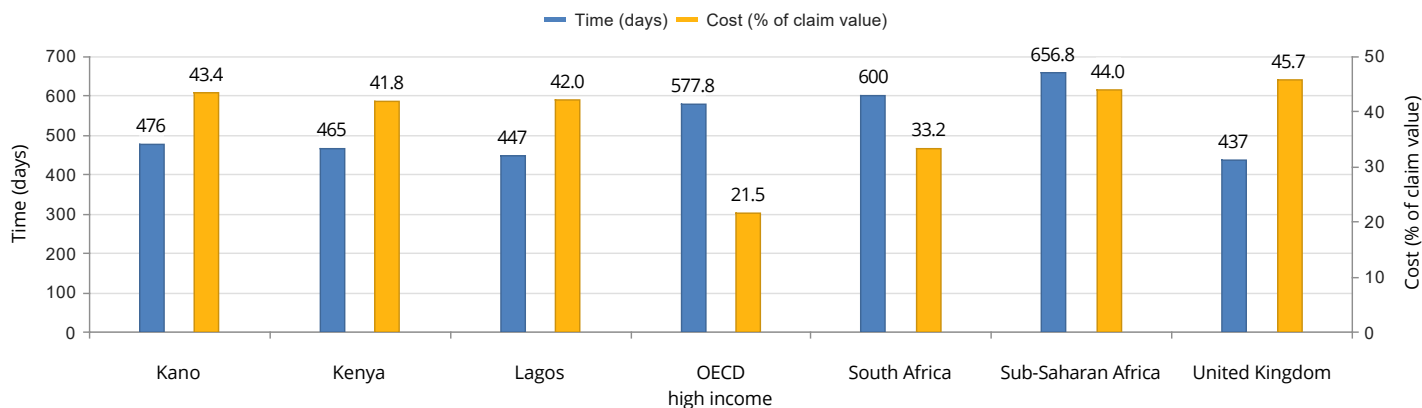
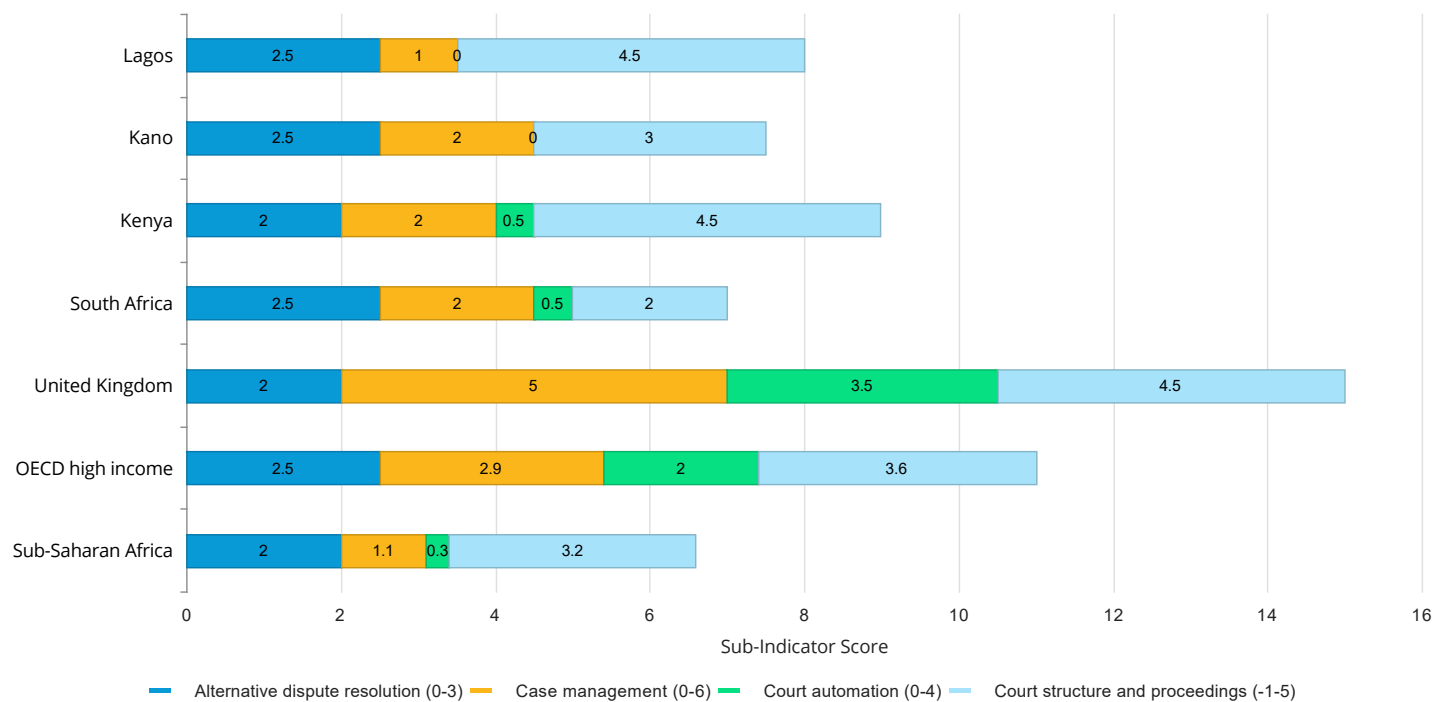


Figure – Enforcing Contracts in Lagos and comparator economies – Measure of Quality



Details – Enforcing Contracts in Lagos

	Indicator
Time (days)	447
Filing and service	40
Trial and judgment	265
Enforcement of judgment	142
Cost (% of claim value)	42.0
Attorney fees	25
Court fees	12
Enforcement fees	5
Quality of judicial processes index (0-18)	8.0
Court structure and proceedings (-1-5)	4.5
Case management (0-6)	1.0
Court automation (0-4)	0.0
Alternative dispute resolution (0-3)	2.5

Details – Enforcing Contracts in Lagos – Measure of Quality

	Answer	Score
Quality of judicial processes index (0-18)		8.0
Court structure and proceedings (-1-5)		4.5
1. Is there a court or division of a court dedicated solely to hearing commercial cases?	Yes	1.5
2. Small claims court		1.5
2.a. Is there a small claims court or a fast-track procedure for small claims?	Yes	
2.b. If yes, is self-representation allowed?	Yes	
3. Is pretrial attachment available?	Yes	1.0
4. Are new cases assigned randomly to judges?	Yes, but manual	0.5
5. Does a woman's testimony carry the same evidentiary weight in court as a man's?	Yes	0.0
Case management (0-6)		1.0
1. Time standards		1.0
1.a. Are there laws setting overall time standards for key court events in a civil case?	Yes	
1.b. If yes, are the time standards set for at least three court events?	Yes	
1.c. Are these time standards respected in more than 50% of cases?	Yes	
2. Adjournments		0.0
2.a. Does the law regulate the maximum number of adjournments that can be granted?	Yes	
2.b. Are adjournments limited to unforeseen and exceptional circumstances?	No	
2.c. If rules on adjournments exist, are they respected in more than 50% of cases?	No	
3. Can two of the following four reports be generated about the competent court: (i) time to disposition report; (ii) clearance rate report; (iii) age of pending cases report; and (iv) single case progress report?	No	0.0
4. Is a pretrial conference among the case management techniques used before the competent court?	No	0.0
5. Are there any electronic case management tools in place within the competent court for use by judges?	No	0.0
6. Are there any electronic case management tools in place within the competent court for use by lawyers?	No	0.0
Court automation (0-4)		0.0
1. Can the initial complaint be filed electronically through a dedicated platform within the competent court?	No	0.0

2. Is it possible to carry out service of process electronically for claims filed before the competent court?	No	0.0
3. Can court fees be paid electronically within the competent court?	No	0.0
4. Publication of judgments		0.0
4.a Are judgments rendered in commercial cases at all levels made available to the general public through publication in official gazettes, in newspapers or on the internet or court website?	No	
4.b. Are judgments rendered in commercial cases at the appellate and supreme court level made available to the general public through publication in official gazettes, in newspapers or on the internet or court website?	No	
Alternative dispute resolution (0-3)		2.5
1. Arbitration		1.5
1.a. Is domestic commercial arbitration governed by a consolidated law or consolidated chapter or section of the applicable code of civil procedure encompassing substantially all its aspects?	Yes	
1.b. Are there any commercial disputes—aside from those that deal with public order or public policy—that cannot be submitted to arbitration?	No	
1.c. Are valid arbitration clauses or agreements usually enforced by the courts?	Yes	
2. Mediation/Conciliation		1.0
2.a. Is voluntary mediation or conciliation available?	Yes	
2.b. Are mediation, conciliation or both governed by a consolidated law or consolidated chapter or section of the applicable code of civil procedure encompassing substantially all their aspects?	Yes	
2.c. Are there financial incentives for parties to attempt mediation or conciliation (i.e., if mediation or conciliation is successful, a refund of court filing fees, income tax credits or the like)?	No	

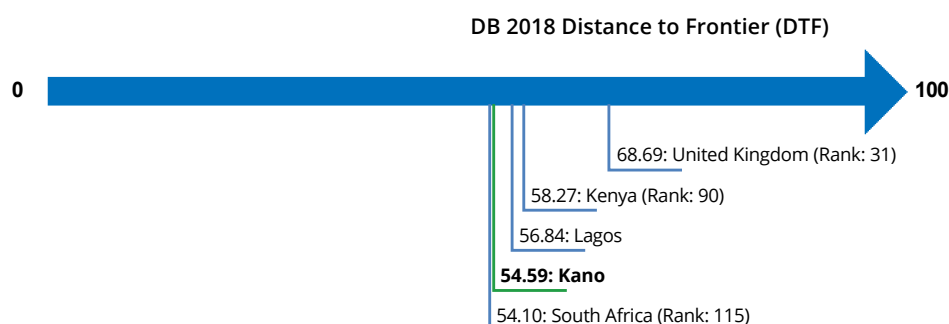
Enforcing Contracts - Kano

Standardized Case

Claim value	NGN 1,010,472.00
Court name	Kano High Court
City Covered	Kano

Indicator	Kano	Sub-Saharan Africa	OECD high income	Overall Best Performer
Time (days)	476	656.8	577.8	164.00 (Singapore)
Cost (% of claim value)	43.4	44.0	21.5	9.00 (Iceland)
Quality of judicial processes index (0-18)	7.5	6.5	11.0	15.50 (Australia)

Figure – Enforcing Contracts in Nigeria and comparator economies – Ranking and DTF



Note: The ranking of economies on the ease of enforcing contracts is determined by sorting their distance to frontier scores for enforcing contracts. These scores are the simple average of the distance to frontier scores for each of the component indicators.

Figure – Enforcing Contracts in Kano – Time and Cost

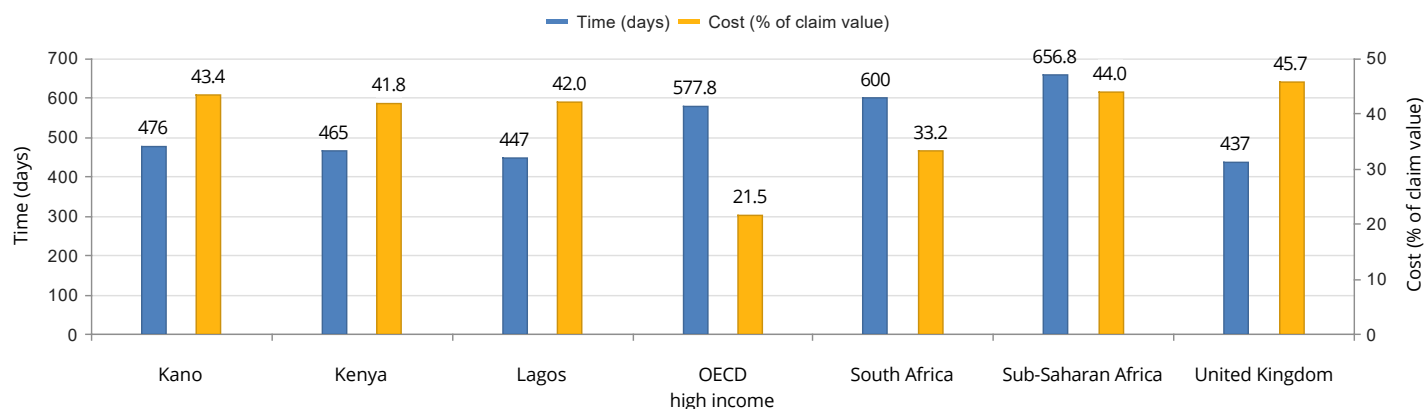
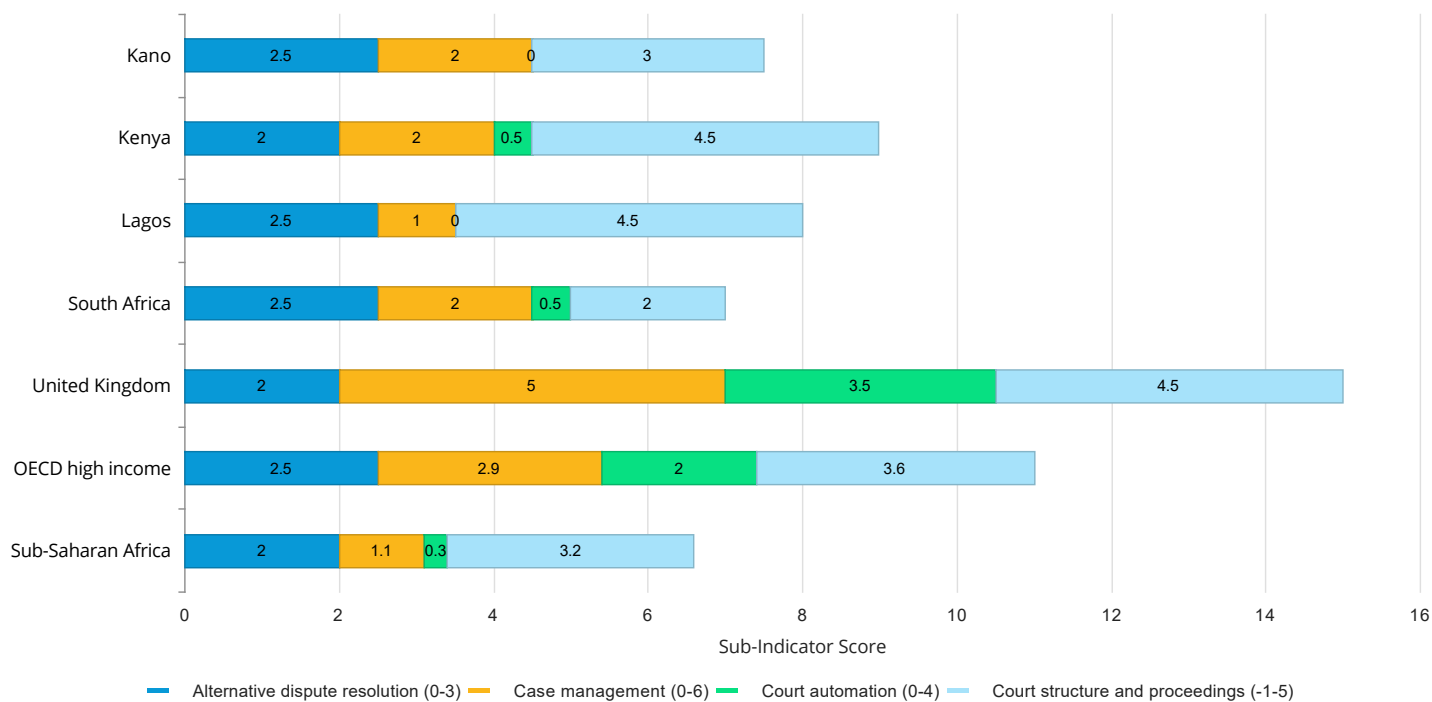


Figure – Enforcing Contracts in Kano and comparator economies – Measure of Quality



Details – Enforcing Contracts in Kano

	Indicator
Time (days)	476
Filing and service	21
Trial and judgment	365
Enforcement of judgment	90
Cost (% of claim value)	43.4
Attorney fees	25
Court fees	11.3
Enforcement fees	7.1
Quality of judicial processes index (0-18)	7.5
Court structure and proceedings (-1-5)	3.0
Case management (0-6)	2.0
Court automation (0-4)	0.0
Alternative dispute resolution (0-3)	2.5

Details – Enforcing Contracts in Kano – Measure of Quality

	Answer	Score
Quality of judicial processes index (0-18)		7.5
Court structure and proceedings (-1-5)		3.0
1. Is there a court or division of a court dedicated solely to hearing commercial cases?	No	0.0
2. Small claims court		1.5
2.a. Is there a small claims court or a fast-track procedure for small claims?	Yes	
2.b. If yes, is self-representation allowed?	Yes	
3. Is pretrial attachment available?	Yes	1.0
4. Are new cases assigned randomly to judges?	Yes, but manual	0.5
5. Does a woman's testimony carry the same evidentiary weight in court as a man's?	Yes	0.0
Case management (0-6)		2.0
1. Time standards		1.0
1.a. Are there laws setting overall time standards for key court events in a civil case?	Yes	
1.b. If yes, are the time standards set for at least three court events?	Yes	
1.c. Are these time standards respected in more than 50% of cases?	Yes	
2. Adjournments		0.0
2.a. Does the law regulate the maximum number of adjournments that can be granted?	No	
2.b. Are adjournments limited to unforeseen and exceptional circumstances?	No	
2.c. If rules on adjournments exist, are they respected in more than 50% of cases?	No	
3. Can two of the following four reports be generated about the competent court: (i) time to disposition report; (ii) clearance rate report; (iii) age of pending cases report; and (iv) single case progress report?	No	0.0
4. Is a pretrial conference among the case management techniques used before the competent court?	Yes	1.0
5. Are there any electronic case management tools in place within the competent court for use by judges?	No	0.0
6. Are there any electronic case management tools in place within the competent court for use by lawyers?	No	0.0
Court automation (0-4)		0.0
1. Can the initial complaint be filed electronically through a dedicated platform within the competent court?	No	0.0

2. Is it possible to carry out service of process electronically for claims filed before the competent court?	No	0.0
3. Can court fees be paid electronically within the competent court?	No	0.0
4. Publication of judgments		0.0
4.a Are judgments rendered in commercial cases at all levels made available to the general public through publication in official gazettes, in newspapers or on the internet or court website?	No	
4.b. Are judgments rendered in commercial cases at the appellate and supreme court level made available to the general public through publication in official gazettes, in newspapers or on the internet or court website?	No	
Alternative dispute resolution (0-3)		2.5
1. Arbitration		1.5
1.a. Is domestic commercial arbitration governed by a consolidated law or consolidated chapter or section of the applicable code of civil procedure encompassing substantially all its aspects?	Yes	
1.b. Are there any commercial disputes—aside from those that deal with public order or public policy—that cannot be submitted to arbitration?	No	
1.c. Are valid arbitration clauses or agreements usually enforced by the courts?	Yes	
2. Mediation/Conciliation		1.0
2.a. Is voluntary mediation or conciliation available?	Yes	
2.b. Are mediation, conciliation or both governed by a consolidated law or consolidated chapter or section of the applicable code of civil procedure encompassing substantially all their aspects?	Yes	
2.c. Are there financial incentives for parties to attempt mediation or conciliation (i.e., if mediation or conciliation is successful, a refund of court filing fees, income tax credits or the like)?	No	

Resolving Insolvency

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 recovered by secured creditors through reorganization, liquidation or debt enforcement (foreclosure or receivership) 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.

The most recent round of data collection for the project was completed in June 2017. [See the methodology for more information.](#)

What the 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)

Case study assumptions

To make the data on the time, cost and outcome comparable across economies, several assumptions about the business and the case are used:

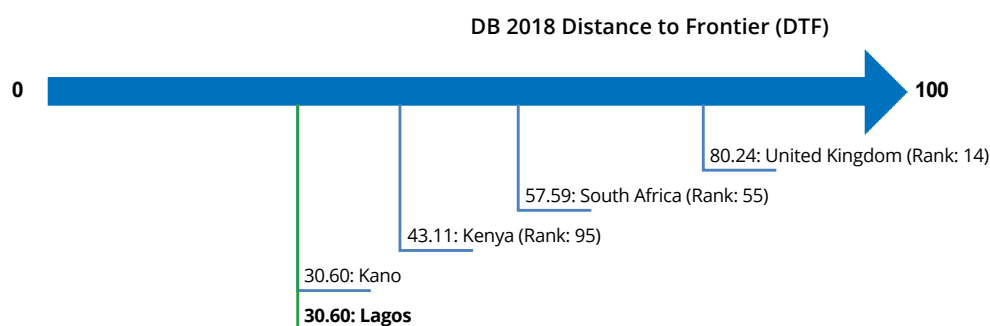
- A hotel located in the largest city (or cities) has 201 employees and 50 suppliers. The hotel experiences financial difficulties.
- The value of the hotel is 100% of the income per capita or the equivalent in local currency of USD 200,000, whichever is greater.
- The hotel has a loan from a domestic bank, secured by a mortgage over the hotel's real estate. The hotel cannot pay back the loan, but makes enough money to operate otherwise.

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.

Resolving Insolvency - Lagos

Indicator	Lagos	Sub-Saharan Africa	OECD high income	Overall Best Performer
Recovery rate (cents on the dollar)	27.8	20.3	71.2	93.1 (Norway)
Time (years)	2.0	2.9	1.7	0.4 (Ireland)
Cost (% of estate)	22.0	22.7	9.1	1.00 (Norway)
Outcome (0 as piecemeal sale and 1 as going concern)	0
Strength of insolvency framework index (0-16)	5.0	6.2	12.1	15.00 (6 Economies)

Figure – Resolving Insolvency in Nigeria and comparator economies – Ranking and DTF



Note: The ranking of economies on the ease of resolving insolvency is determined by sorting their distance to frontier scores for resolving insolvency. These scores are the simple average of the distance to frontier scores for the recovery rate and the strength of insolvency framework index.

Figure – Resolving Insolvency in Lagos – Time and Cost

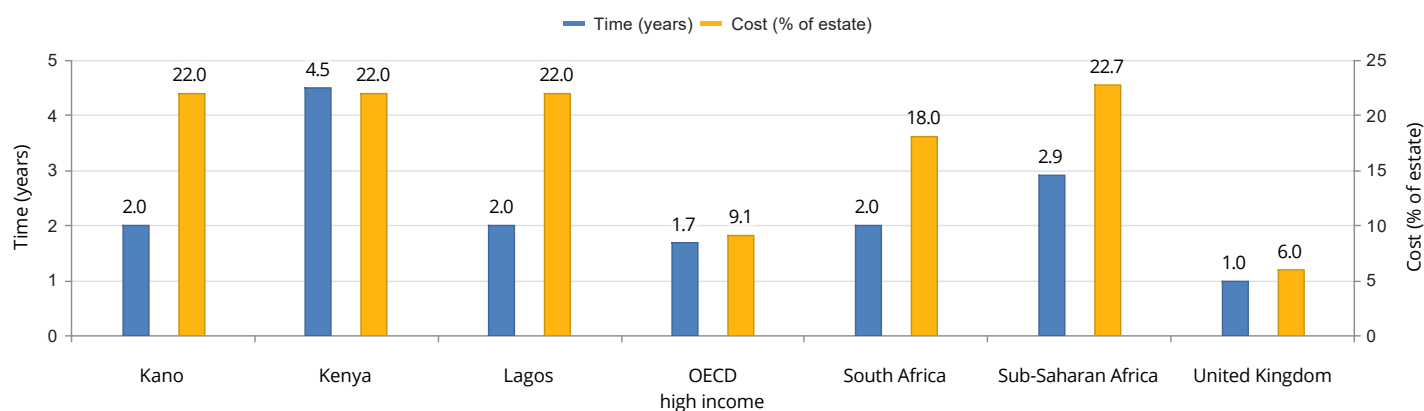


Figure – Resolving Insolvency in Lagos and comparator economies – Measure of Quality

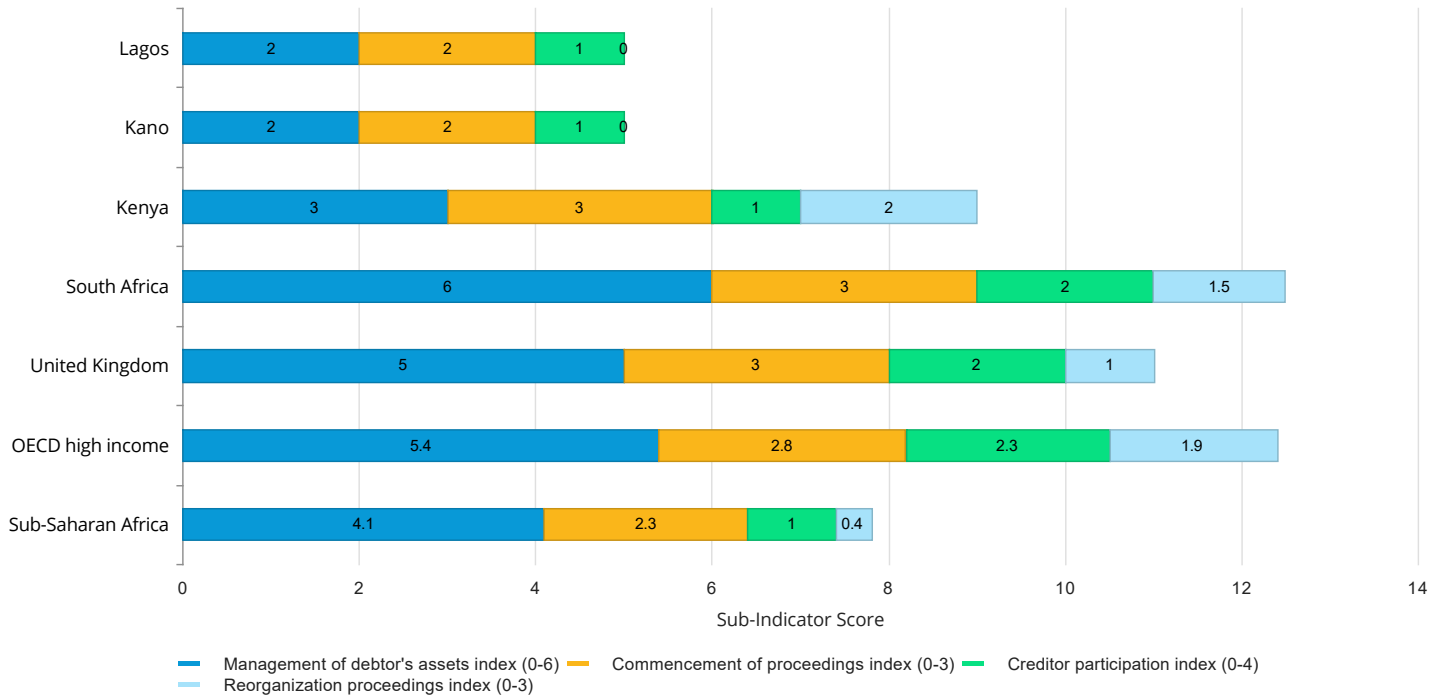
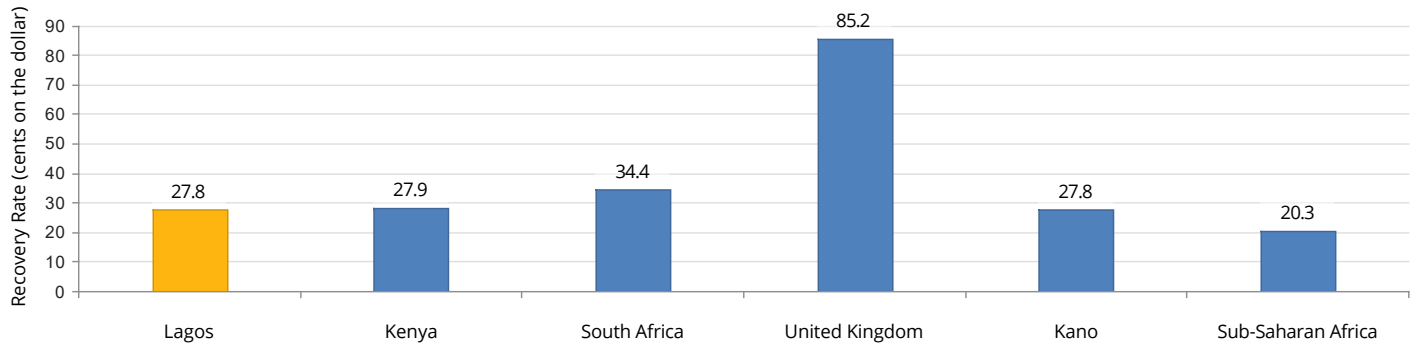


Figure – Resolving Insolvency in Lagos and comparator economies – Recovery Rate



Details – Resolving Insolvency in Lagos

Indicator	Answer	Explanation
Proceeding	receivership	Based on the case study assumptions, receivership is the most likely procedure to apply. The Bank will appoint a Receiver to sell the business and attempt to recover some of the debt's value. The appointment of a Receiver needs to be validated by the court. There are two types of Receiver that can be nominated in a receivership proceeding (i) the regular Receiver, (ii) the Receiver manager. The regular Receiver will try to sell as many assets as he can to pay back the Bank, which could mean the end of the business in a majority of cases. A Receiver manager would keep the business alive and well but it is used for important cases and larger businesses. For such a small claim, the bank would go for a regular Receiver.
Outcome	piecemeal sale	Upon completion of the receivership of Mirage, if the principal and the interest of the loan have been successfully repaid to BizBank, the hotel may be able to continue operating as a going concern. However, it is unlikely that the Receiver would manage it or try to save it: the business would be sold piecemeal.
Time (in years)	2.0	A Receiver would be proposed by the Bank, then validated by the court, and the management of the company would be off, then the receiver would identify the assets and organize a sale. Two years would be a reasonable estimate. If the debtor resists (including the delays and appeals) during the process it could go up to 5 years.
Cost (% of estate)	22.0	The costs associated with the case would amount to approximately 22% of the value of the debtor's estate. Cost incurred during the entire insolvency process mainly include attorney fees (8%), receiver fees(7%), fees of accountants, assessors, inspectors and other professionals (1-3%), fees of auctioneers (2-3%), and cost of notification and publication (2-4%).
Recovery rate (cents on the dollar)		27.8

Details – Resolving Insolvency in Lagos – Measure of Quality

	Answer	Score
Strength of insolvency framework index (0-16)		5.0
Commencement of proceedings index (0-3)		2.0
What procedures are available to a DEBTOR when commencing insolvency proceedings?	(b) Debtor may file for liquidation only	0.5
Does the insolvency framework allow a CREDITOR to file for insolvency of the debtor?	(b) Yes, but a creditor may file for liquidation only	0.5
What basis for commencement of the insolvency proceedings is allowed under the insolvency framework?	(a) Debtor is generally unable to pay its debts as they mature	1.0
Management of debtor's assets index (0-6)		2.0
Does the insolvency framework allow the continuation of contracts supplying essential goods and services to the debtor?	No	0.0
Does the insolvency framework allow the rejection by the debtor of overly burdensome contracts?	Yes	1.0
Does the insolvency framework allow avoidance of preferential transactions?	Yes	1.0
Does the insolvency framework allow avoidance of undervalued transactions?	No	0.0
Does the insolvency framework provide for the possibility of the debtor obtaining credit after commencement of insolvency proceedings?	No	0.0
Does the insolvency framework assign priority to post-commencement credit?	(c) No priority is assigned to post-commencement creditors	0.0
Reorganization proceedings index (0-3)		0.0
Which creditors vote on the proposed reorganization plan?	N/A	0.0
Does the insolvency framework require that dissenting creditors in reorganization receive at least as much as what they would obtain in a liquidation?	No	0.0
Are the creditors divided into classes for the purposes of voting on the reorganization plan, does each class vote separately and are creditors in the same class treated equally?	No	0.0
Creditor participation index (0-4)		1.0
Does the insolvency framework require approval by the creditors for selection or appointment of the insolvency representative?	Yes	1.0

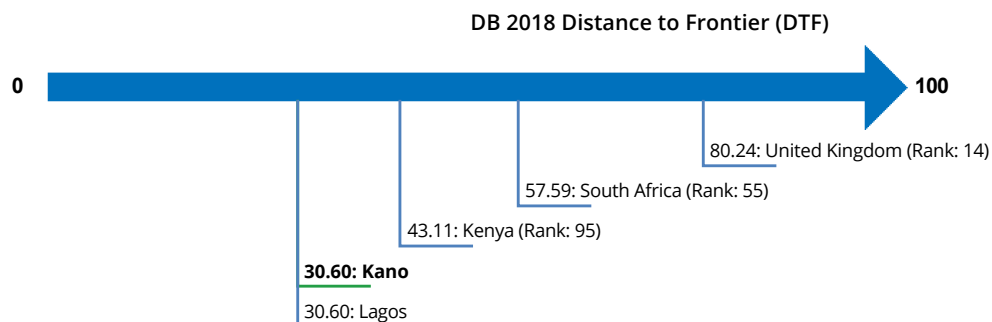
Does the insolvency framework require approval by the creditors for sale of substantial assets of the debtor?	No	0.0
Does the insolvency framework provide that a creditor has the right to request information from the insolvency representative?	No	0.0
Does the insolvency framework provide that a creditor has the right to object to decisions accepting or rejecting creditors' claims?	No	0.0

Note: Even if the economy's legal framework includes provisions related to insolvency proceedings (liquidation or reorganization), the economy receives 0 points for the strength of insolvency framework index, if time, cost and outcome indicators are recorded as "no practice".

Resolving Insolvency - Kano

Indicator	Kano	Sub-Saharan Africa	OECD high income	Overall Best Performer
Recovery rate (cents on the dollar)	27.8	20.3	71.2	93.1 (Norway)
Time (years)	2.0	2.9	1.7	0.4 (Ireland)
Cost (% of estate)	22.0	22.7	9.1	1.00 (Norway)
Outcome (0 as piecemeal sale and 1 as going concern)	0
Strength of insolvency framework index (0-16)	5.0	6.2	12.1	15.00 (6 Economies)

Figure – Resolving Insolvency in Nigeria and comparator economies – Ranking and DTF



Note: The ranking of economies on the ease of resolving insolvency is determined by sorting their distance to frontier scores for resolving insolvency. These scores are the simple average of the distance to frontier scores for the recovery rate and the strength of insolvency framework index.

Figure – Resolving Insolvency in Kano – Time and Cost

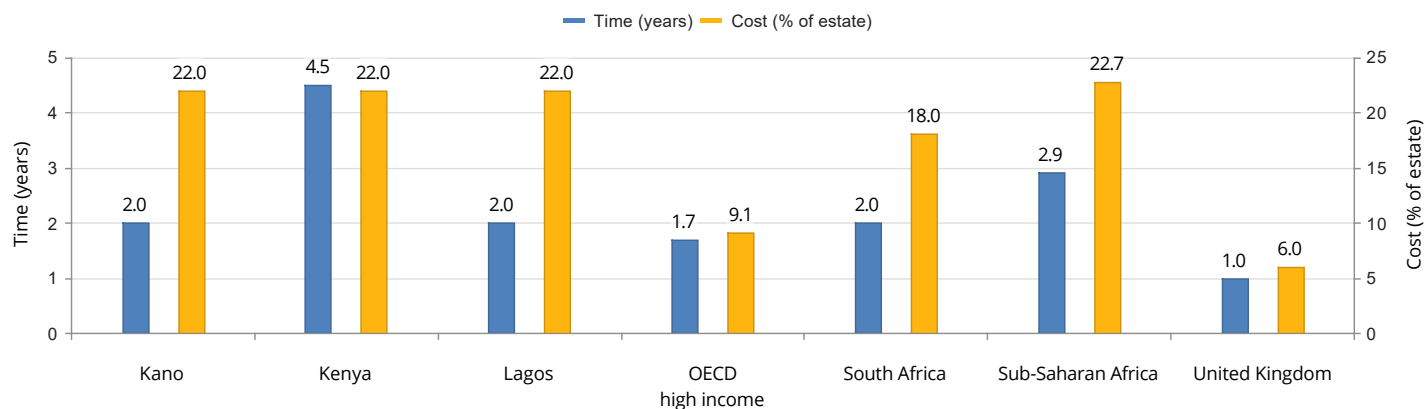


Figure – Resolving Insolvency in Kano and comparator economies – Measure of Quality

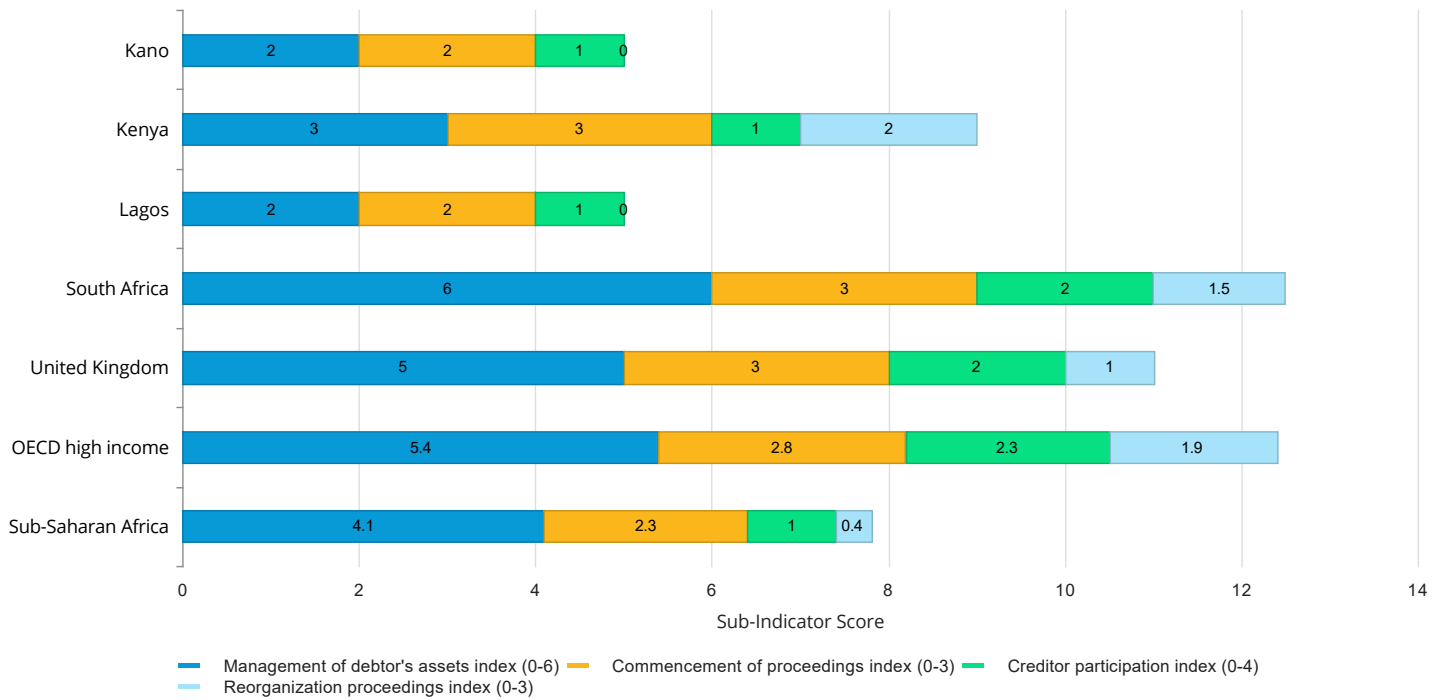
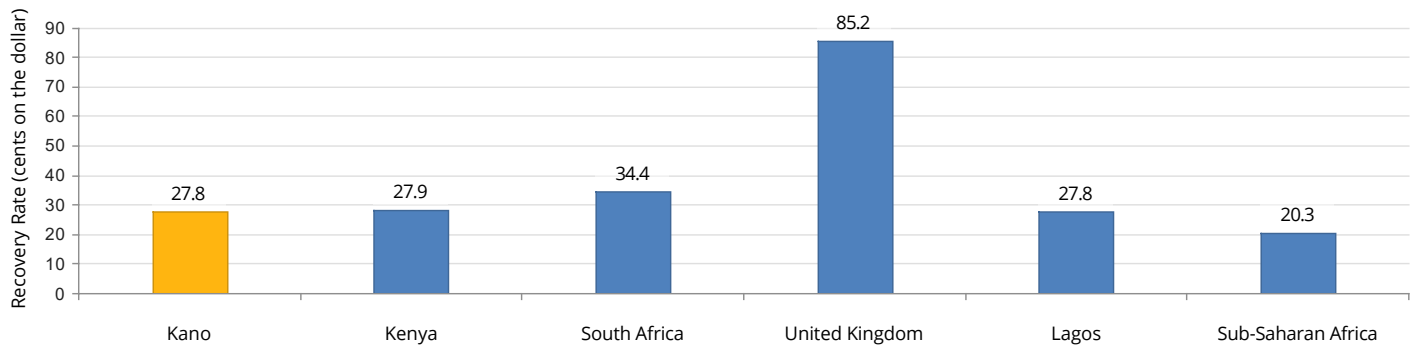


Figure – Resolving Insolvency in Kano and comparator economies – Recovery Rate



Details – Resolving Insolvency in Kano

Indicator	Answer	Explanation
Proceeding	receivership	Based on the case study assumptions, receivership is the most likely procedure to apply. The Bank will appoint a Receiver to sell the business and attempt to recover some of the debt's value. The appointment of a Receiver needs to be validated by the court. There are two types of Receiver that can be nominated in a receivership proceeding (i) the regular Receiver, (ii) the Receiver manager. The regular Receiver will try to sell as many assets as he can to pay back the Bank, which could mean the end of the business in a majority of cases. A Receiver manager would keep the business alive and well but it is used for important cases and larger businesses. For such a small claim, the bank would go for a regular Receiver.
Outcome	piecemeal sale	Upon completion of the receivership of Mirage, if the principal and the interest of the loan have been successfully repaid to BizBank, the hotel may be able to continue operating as a going concern. However, it is unlikely that the Receiver would manage it or try to save it: the business would be sold piecemeal.
Time (in years)	2.0	A Receiver would be proposed by the Bank, then validated by the court, and the management of the company would be off, then the receiver would identify the assets and organize a sale by using his network. In fact, it would not take more than a year if the receiver has a good network to find a buyer, and if the debtor does not fight the process. If the debtor resists (including the delays and appeals) during the process it could go indefinitely up to 5 years. Thus, on average 2 years would be a reasonable estimate.
Cost (% of estate)	22.0	The costs associated with the case would amount to approximately 22% of the value of the debtor's estate. Cost incurred during the entire insolvency process mainly include attorney fees (8%), insolvency representative or receiver fees(7%), fees of accountants, assessors, inspectors and other professionals (1-3%), fees of auctioneers (2-3%), and cost of notification and publication (2-4%).
Recovery rate (cents on the dollar)		27.8

Details – Resolving Insolvency in Kano – Measure of Quality

	Answer	Score
Strength of insolvency framework index (0-16)		5.0
Commencement of proceedings index (0-3)		2.0
What procedures are available to a DEBTOR when commencing insolvency proceedings?	(b) Debtor may file for liquidation only	0.5
Does the insolvency framework allow a CREDITOR to file for insolvency of the debtor?	(b) Yes, but a creditor may file for liquidation only	0.5
What basis for commencement of the insolvency proceedings is allowed under the insolvency framework?	(a) Debtor is generally unable to pay its debts as they mature	1.0
Management of debtor's assets index (0-6)		2.0
Does the insolvency framework allow the continuation of contracts supplying essential goods and services to the debtor?	No	0.0
Does the insolvency framework allow the rejection by the debtor of overly burdensome contracts?	Yes	1.0
Does the insolvency framework allow avoidance of preferential transactions?	Yes	1.0
Does the insolvency framework allow avoidance of undervalued transactions?	No	0.0
Does the insolvency framework provide for the possibility of the debtor obtaining credit after commencement of insolvency proceedings?	No	0.0
Does the insolvency framework assign priority to post-commencement credit?	(c) No priority is assigned to post-commencement creditors	0.0
Reorganization proceedings index (0-3)		0.0
Which creditors vote on the proposed reorganization plan?	N/A	0.0
Does the insolvency framework require that dissenting creditors in reorganization receive at least as much as what they would obtain in a liquidation?	No	0.0
Are the creditors divided into classes for the purposes of voting on the reorganization plan, does each class vote separately and are creditors in the same class treated equally?	No	0.0
Creditor participation index (0-4)		1.0
Does the insolvency framework require approval by the creditors for selection or appointment of the insolvency representative?	Yes	1.0

Does the insolvency framework require approval by the creditors for sale of substantial assets of the debtor?	No	0.0
Does the insolvency framework provide that a creditor has the right to request information from the insolvency representative?	No	0.0
Does the insolvency framework provide that a creditor has the right to object to decisions accepting or rejecting creditors' claims?	No	0.0

Note: Even if the economy's legal framework includes provisions related to insolvency proceedings (liquidation or reorganization), the economy receives 0 points for the strength of insolvency framework index, if time, cost and outcome indicators are recorded as "no practice".

Labor Market Regulation

Doing Business presents the data for the labor market regulation indicators in an annex. The report does not present rankings of economies on these indicators or include the topic in the aggregate distance to frontier score or ranking on the ease of doing business. Detailed data collected on labor market regulation are available on the Doing Business website (<http://www.doingbusiness.org/data/exploretopics/labor-market-regulation>).

The most recent round of data collection was completed in June 2017. [See the methodology for more information.](#)

What the indicators measure

Hiring

(i) whether fixed-term contracts are prohibited for permanent tasks; (ii) maximum cumulative duration of fixed-term contracts; (iii) length of the probationary period; (iv) minimum wage.

Working hours

(i) maximum number of working days allowed per week; (ii) premiums for work: at night, on a weekly rest day and overtime; (iii) whether there are restrictions on work at night, work on a weekly rest day and for overtime work; (iv) whether nonpregnant and nonnursing women can work same night hours as men; (v) length of paid annual leave.

Redundancy rules

(i) whether redundancy can be basis for terminating workers; (ii) whether employer needs to notify and/or get approval from third party to terminate 1 redundant worker and a group of 9 redundant workers; (iii) whether law requires employer to reassign or retrain a worker before making worker redundant; (iv) whether priority rules apply for redundancies and reemployment.

Redundancy cost

(i) notice period for redundancy dismissal; (ii) severance payments due when terminating a redundant worker.

Job quality

(i) whether law mandates equal remuneration for work of equal value and nondiscrimination based on gender in hiring; (ii) whether law mandates paid or unpaid maternity leave; (iii) length of paid maternity leave; (iv) whether employees on maternity leave receive 100% of wages; (v) availability of five fully paid days of sick leave a year; (vi) eligibility requirements for unemployment protection.

Case study assumptions

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 grocery store, age 19, with one year of work experience.
- 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).
- 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.
- Has 60 employees.
- 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 - Lagos

Details – Labor Market Regulation in Lagos

	Answer
Hiring	
Fixed-term contracts prohibited for permanent tasks?	No
Maximum length of a single fixed-term contract (months)	No limit
Maximum length of fixed-term contracts, including renewals (months)	No limit
Minimum wage applicable to the worker assumed in the case study (US\$/month)	81.8
Ratio of minimum wage to value added per worker	0.2
Maximum length of probationary period (months)	n.a.
Working hours	
Standard workday	8.0
Maximum number of working days per week	6.0
Premium for night work (% of hourly pay)	0.0
Premium for work on weekly rest day (% of hourly pay)	0.0
Premium for overtime work (% of hourly pay)	0.0
Restrictions on night work?	No
Whether nonpregnant and nonnursing women can work the same night hours as men	Yes
Restrictions on weekly holiday?	No
Restrictions on overtime work?	No
Paid annual leave for a worker with 1 year of tenure (working days)	6.0
Paid annual leave for a worker with 5 years of tenure (working days)	6.0
Paid annual leave for a worker with 10 years of tenure (working days)	6.0
Paid annual leave (average for workers with 1, 5 and 10 years of tenure, in working days)	6.0
Redundancy rules	
Dismissal due to redundancy allowed by law?	Yes
Third-party notification if one worker is dismissed?	No
Third-party approval if one worker is dismissed?	No
Third-party notification if nine workers are dismissed?	Yes

Third-party approval if nine workers are dismissed?	No
Retraining or reassignment obligation before redundancy?	No
Priority rules for redundancies?	Yes
Priority rules for reemployment?	No
Redundancy cost	
Notice period for redundancy dismissal for a worker with 1 year of tenure	1.0
Notice period for redundancy dismissal for a worker with 5 years of tenure	4.3
Notice period for redundancy dismissal for a worker with 10 years of tenure	4.3
Notice period for redundancy dismissal (average for workers with 1, 5 and 10 years of tenure)	3.2
Severance pay for redundancy dismissal for a worker with 1 year of tenure	0.0
Severance pay for redundancy dismissal for a worker with 5 years of tenure	0.0
Severance pay for redundancy dismissal for a worker with 10 years of tenure	0.0
Severance pay for redundancy dismissal (average for workers with 1, 5 and 10 years of tenure)	0.0
Job quality	
Equal remuneration for work of equal value?	No
Gender nondiscrimination in hiring?	No
Paid or unpaid maternity leave mandated by law?	Yes
Minimum length of maternity leave (calendar days)?	84.0
Receive 100% of wages on maternity leave?	No
Five fully paid days of sick leave a year?	Yes
Unemployment protection after one year of employment?	No
Minimum contribution period for unemployment protection (months)?	n.a.

Labor Market Regulation - Kano

Details – Labor Market Regulation in Kano

	Answer
Hiring	
Fixed-term contracts prohibited for permanent tasks?	No
Maximum length of a single fixed-term contract (months)	No limit
Maximum length of fixed-term contracts, including renewals (months)	No limit
Minimum wage applicable to the worker assumed in the case study (US\$/month)	81.8
Ratio of minimum wage to value added per worker	0.2
Maximum length of probationary period (months)	n.a.
Working hours	
Standard workday	8.0
Maximum number of working days per week	6.0
Premium for night work (% of hourly pay)	0.0
Premium for work on weekly rest day (% of hourly pay)	0.0
Premium for overtime work (% of hourly pay)	0.0
Restrictions on night work?	No
Whether nonpregnant and nonnursing women can work the same night hours as men	Yes
Restrictions on weekly holiday?	No
Restrictions on overtime work?	No
Paid annual leave for a worker with 1 year of tenure (working days)	6.0
Paid annual leave for a worker with 5 years of tenure (working days)	6.0
Paid annual leave for a worker with 10 years of tenure (working days)	6.0
Paid annual leave (average for workers with 1, 5 and 10 years of tenure, in working days)	6.0
Redundancy rules	
Dismissal due to redundancy allowed by law?	Yes
Third-party notification if one worker is dismissed?	No
Third-party approval if one worker is dismissed?	No
Third-party notification if nine workers are dismissed?	Yes

Third-party approval if nine workers are dismissed?	No
Retraining or reassignment obligation before redundancy?	No
Priority rules for redundancies?	Yes
Priority rules for reemployment?	No
Redundancy cost	
Notice period for redundancy dismissal for a worker with 1 year of tenure	1.0
Notice period for redundancy dismissal for a worker with 5 years of tenure	4.3
Notice period for redundancy dismissal for a worker with 10 years of tenure	4.3
Notice period for redundancy dismissal (average for workers with 1, 5 and 10 years of tenure)	3.2
Severance pay for redundancy dismissal for a worker with 1 year of tenure	0.0
Severance pay for redundancy dismissal for a worker with 5 years of tenure	0.0
Severance pay for redundancy dismissal for a worker with 10 years of tenure	0.0
Severance pay for redundancy dismissal (average for workers with 1, 5 and 10 years of tenure)	0.0
Job quality	
Equal remuneration for work of equal value?	No
Gender nondiscrimination in hiring?	No
Paid or unpaid maternity leave mandated by law?	Yes
Minimum length of maternity leave (calendar days)?	84.0
Receive 100% of wages on maternity leave?	No
Five fully paid days of sick leave a year?	Yes
Unemployment protection after one year of employment?	No
Minimum contribution period for unemployment protection (months)?	n.a.

Business Reforms in Nigeria

In the year ending June 1, 2017, 119 economies implemented 264 total reforms across the different areas measured by Doing Business. Doing Business has recorded more than 2,900 regulatory reforms making it easier to do business since 2004. Reforms inspired by Doing Business have been implemented by economies in all regions. The following are the reforms for Nigeria implemented since Doing Business 2008.

✓ = Doing Business reform making it easier to do business. ✗ = Change making it more difficult to do business.

DB2018

- ✓ **Starting a Business:** Nigeria made starting a business faster by allowing electronic stamping of registration documents. This reform applies to both Kano and Lagos.
- ✓ **Dealing with Construction Permits:** Nigeria (Kano) increased transparency by publishing all relevant regulations, fee schedules and pre-application requirements online. Nigeria (Lagos) made it easier to obtain construction permits by streamlining the process to obtain construction permits and increased transparency by publishing all relevant regulations, fee schedules and pre-application requirements online.
- ✓ **Registering Property:** Nigeria, Lagos made transferring property easier and more transparent by removing the sworn affidavit for certified copies of the land ownership records, introducing a specific and independent complaint mechanism, and by publishing statistics on land transfers. Nigeria, Kano made transferring property more transparent by publishing the list documents, fee schedule and service standards for property transactions.
- ✓ **Getting Credit:** Nigeria improved access to credit information by guaranteeing borrowers the legal right to inspect their credit data from the credit bureau and by starting to provide credit scores to banks, financial institutions and borrowers. Nigeria also strengthened access to credit by adopting a new law on secured transactions and establishing a modern collateral registry. These changes apply to both Kano and Lagos.
- ✓ **Paying Taxes:** Nigeria made paying taxes easier by introducing new channels for payment of taxes and mandating taxpayers to file tax returns at the nearest "Federal Inland Revenue Service (FIRS)" office. This reform applies to both Kano and Lagos.

DB2017

- ✓ **Starting a Business:** Nigeria made starting a business easier by improving online government portals. This reform applies to both Kano and Lagos.
- ✓ **Getting Credit:** Nigeria strengthened access to credit by creating a centralized collateral registry. This reform applies to both Kano and Lagos.

DB2016

- ✓ **Registering Property:** Nigeria made transferring property in Lagos less costly by reducing fees for property transactions.
- ✓ **Protecting Minority Investors:** Nigeria strengthened minority investor protections by requiring that related-party transactions be subject to external review and to approval by disinterested shareholders. This reform applies to both Kano and Lagos.

DB2013

- ✓ **Getting Credit:** Nigeria improved access to credit information by distributing credit information from retail companies.
- ✗ **Paying Taxes:** Nigeria introduced a new compulsory labor contribution paid by the employer.

DB2010

- ✓ **Getting Credit:** Nigeria improved its credit information system through a central bank guideline defining the licensing, operational and regulatory requirements for a privately owned credit bureau.

DB2009

- ✓ **Trading across Borders:** Nigeria speeded up exporting and importing by upgrading facilities at Apapa port in Lagos.
-

DB2008

- ✓ **Starting a Business:** Nigeria made starting a business easier by introducing an online system for company name search and increasing efficiency at the company registry.
- ✓ **Dealing with Construction Permits:** Nigeria made dealing with construction permits easier by setting an official time limit for issuing permits

Doing Business 2018 is the 15th in a series of annual reports investigating the regulations that enhance business activity and those that constrain it. The report provides quantitative indicators covering 11 areas of the business environment in 190 economies. The goal of the *Doing Business* series is to provide objective data for use by governments in designing sound business regulatory policies and to encourage research on the important dimensions of the regulatory environment for firms.



ISBN 978-1-4648-1146-3



9 781464 811463

SKU 211146



WORLD BANK GROUP

www.doingbusiness.org