

Doing Business 2011

Burundi

**Making
a Difference for
Entrepreneurs**

COMPARING BUSINESS REGULATION IN 183 ECONOMIES



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Business Reforms

Doing Business 2011: Making a Difference for Entrepreneurs is the eighth in a series of annual reports investigating regulations that enhance business activity and those that constrain it. *Doing Business* presents quantitative indicators on business regulations and the protection of property rights that can be compared across 183 economies, from Afghanistan to Zimbabwe, over time.

A set of regulations affecting 9 stages of a business's life are measured: starting a business, dealing with construction permits, registering property, getting credit, protecting investors, paying taxes, trading across borders, enforcing contracts and closing a business. Data in *Doing Business 2011* are current as of June 1, 2010*. The indicators are used to analyze economic outcomes and identify what reforms have worked, where, and why.

The Doing Business methodology has limitations. Other areas important to business such as an economy's proximity to large markets, the quality of its infrastructure services (other than those related to trading across borders), the security of property from theft and looting, the transparency of government procurement, macroeconomic conditions or the underlying strength of institutions, are not studied directly by Doing Business. To make the data comparable across economies, the indicators refer to a specific type of business, generally a local limited liability company operating in the largest business city. Because standard assumptions are used in the data collection, comparisons and benchmarks are valid across economies. The data not only highlight the extent of obstacles to doing business; they also help identify the source of those obstacles, supporting policymakers in designing reform.

The data set covers 183 economies: 46 in Sub-Saharan Africa, 32 in Latin America and the Caribbean, 25 in Eastern Europe and Central Asia, 24 in East Asia and Pacific, 18 in the Middle East and North Africa and 8 in South Asia, as well as 30 OECD high-income economies.

The following pages present the summary Doing Business indicators for Burundi. The data used for this economy profile come from the Doing Business database and are summarized in graphs. These graphs allow a comparison of the economies in each region not only with one another but also with the "good practice" economy for each indicator.

The good-practice economies are identified by their position in each indicator as well as their overall ranking and by their capacity to provide good examples of business regulation to other countries. These good-practice economies do not necessarily rank number 1 in the topic or indicator, but they are in the top 10.

More information is available in the full report. *Doing Business 2011: Making a Difference for Entrepreneurs* presents the indicators, analyzes their relationship with economic outcomes and recommends reforms. The data, along with information on ordering the report, are available on the Doing Business website (www.doingbusiness.org).

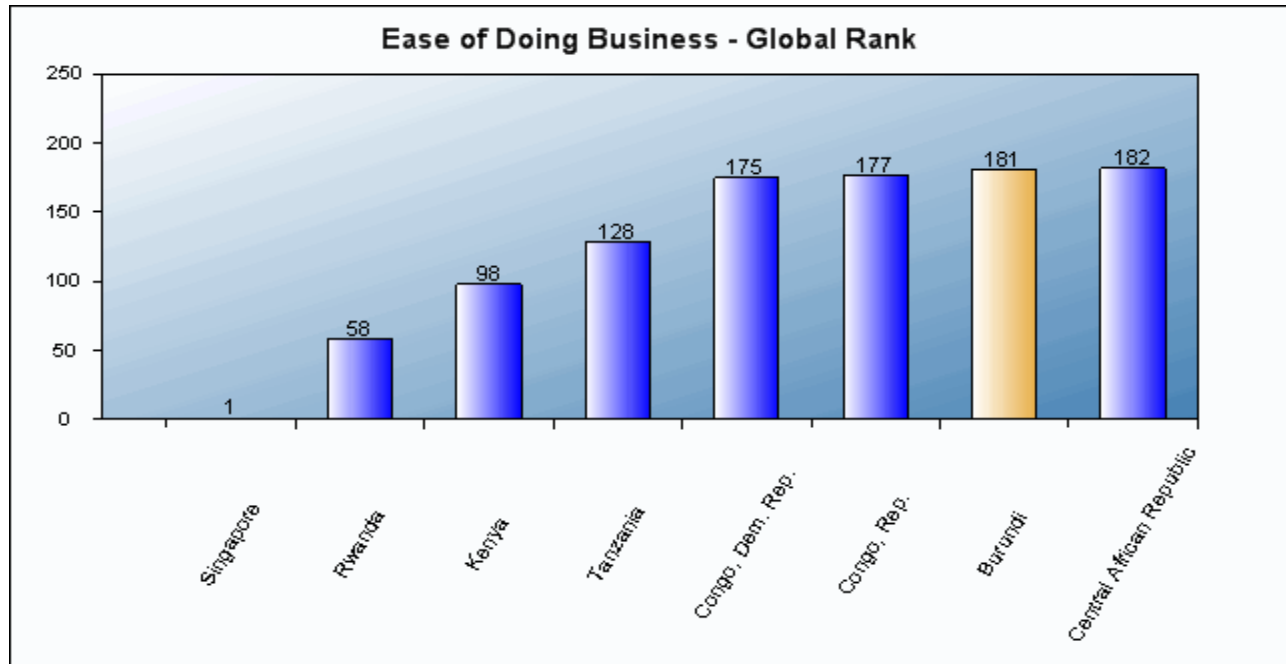
* Except for the Paying Taxes indicator that refers to the period January to December of 2009.

Note: 2008-2010 Doing Business data and rankings have been recalculated to reflect changes to the methodology and the addition of new economies (in the case of the rankings).

Economy Rankings - Ease of Doing Business

Burundi is ranked 181 out of 183 economies. Singapore is the top ranked economy in the Ease of Doing Business.

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



Burundi's ranking in Doing Business 2011

Rank	Doing Business 2011
Ease of Doing Business	181
Starting a Business	135
Dealing with Construction Permits	175
Registering Property	115
Getting Credit	168
Protecting Investors	154
Paying Taxes	141
Trading Across Borders	176
Enforcing Contracts	171
Closing a Business	183

Summary of Indicators - Burundi

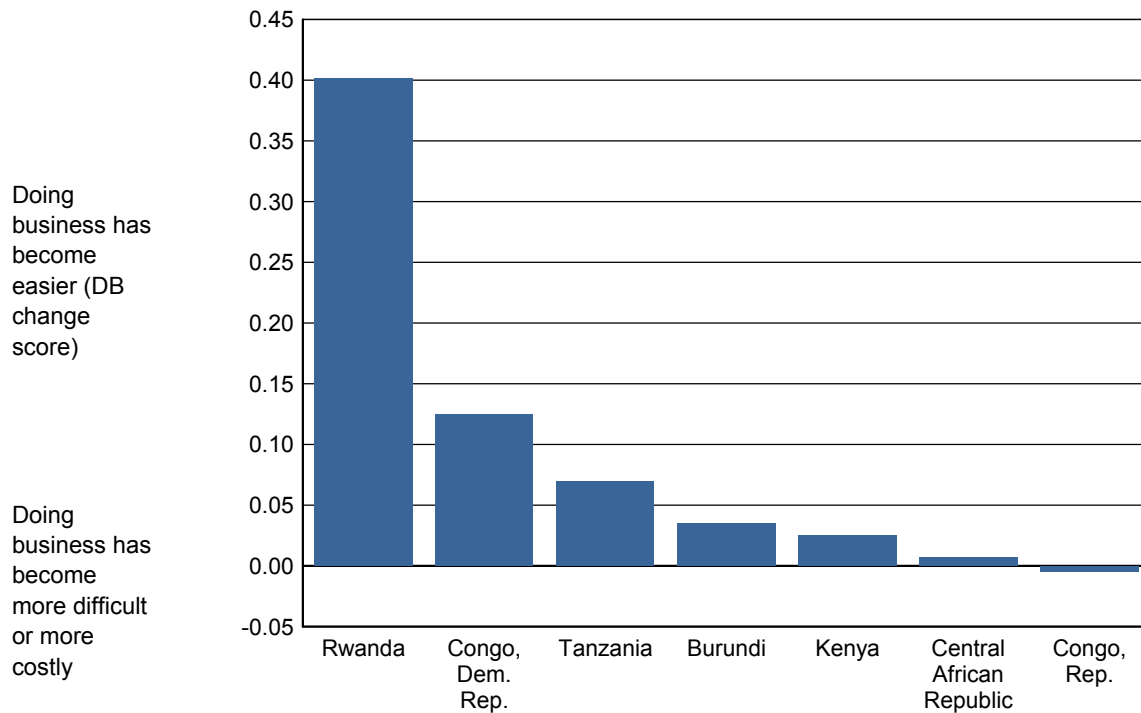
Starting a Business	Procedures (number)	11
	Time (days)	32
	Cost (% of income per capita)	129.3
	Min. capital (% of income per capita)	0.0
Dealing with Construction Permits	Procedures (number)	25
	Time (days)	212
	Cost (% of income per capita)	7047.6
Registering Property	Procedures (number)	5
	Time (days)	94
	Cost (% of property value)	5.8
Getting Credit	Strength of legal rights index (0-10)	2
	Depth of credit information index (0-6)	1
	Public registry coverage (% of adults)	0.2
	Private bureau coverage (% of adults)	0.0
Protecting Investors	Extent of disclosure index (0-10)	4
	Extent of director liability index (0-10)	1
	Ease of shareholder suits index (0-10)	5
	Strength of investor protection index (0-10)	3.3
Paying Taxes	Payments (number per year)	32
	Time (hours per year)	211
	Profit tax (%)	19.4
	Labor tax and contributions (%)	7.8
	Other taxes (%)	126.2
	Total tax rate (% profit)	153.4
Trading Across Borders	Documents to export (number)	9
	Time to export (days)	47
	Cost to export (US\$ per container)	2747
	Documents to import (number)	10
	Time to import (days)	71
	Cost to import (US\$ per container)	4285

Enforcing Contracts	Procedures (number)	44
	Time (days)	832
	Cost (% of claim)	38.6
Closing a Business	Recovery rate (cents on the dollar)	0.0
	Time (years)	no practice
	Cost (% of estate)	no practice

The 5 year measure of cumulative change illustrates how the business regulatory environment has changed in 174 economies from *Doing Business 2006* to *Doing Business 2011*. Instead of highlighting which countries currently have the most business friendly environment, this new approach shows the extent to which an economy's regulatory environment for business has changed compared with 5 years ago.

This snapshot reflects all cumulative changes in an economy's business regulation as measured by the Doing Business indicators—such as a reduction in the time to start a business thanks to a one-stop shop or an increase in the strength of investor protection index thanks to new stock exchange rules that tighten disclosure requirements for related-party transactions.

This figure shows the distribution of cumulative change across the 9 indicators and time between *Doing Business 2006* and *Doing Business 2011*



Many economies have undertaken reforms to smooth the starting a business process in stages—and often as part of a larger regulatory reform program. A number of studies have shown that among the benefits of streamlining the process to start a business have been greater firm satisfaction and savings and more registered businesses, financial resources and job opportunities. Economies with higher entry costs are associated with a larger informal sector and a smaller number of legally registered firms.

Some reform outcomes

In Egypt reductions of the minimum capital requirement in 2007 and 2008 led to an increase of more than 30% in the number of limited liability companies.

In Portugal creation of One-Stop Shop in 2006 and 2007 resulted in a reduction of time to start a business from 54 days to 5. In 2007 and 2008 new business registrations were up by 60% compared with 2006.

In Malaysia reduction of registration fees in 2008 led to an increase in registrations by 16% in 2009.

What does Starting a Business measure?

Procedures to legally start and operate a company (number)

- Preregistration (for example, name verification or reservation, notarization)
- Registration
- Post registration (for example, social security registration, company seal)

Time required to complete each procedure (calendar days)

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

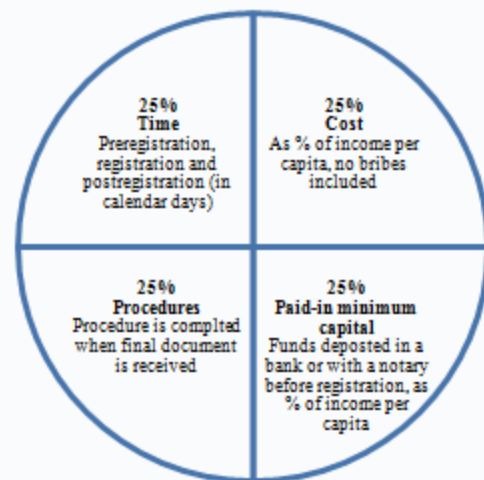
Cost required to complete each procedure (% of income per capita)

- Official costs only, no bribes
- No professional fees unless services required by law

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

- Deposited in a bank or with a notary prior to registration begins

Starting a Business: getting a local limited liability company up and running
Rankings are based on 4 subindicators



Case Study Assumptions

- Doing Business records all procedures that are officially required for an entrepreneur to start up and formally operate an industrial or commercial business.
- Any required information is readily available and that all agencies involved in the start-up process function without corruption.

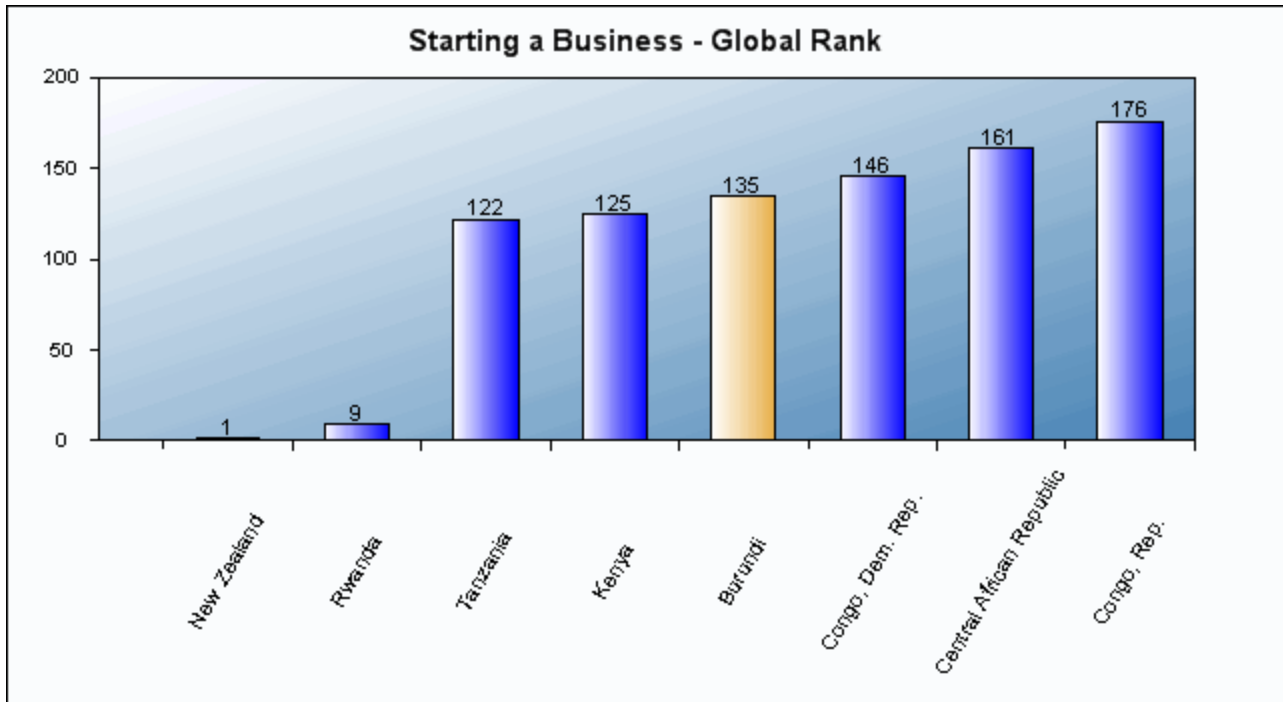
The business:

- is a limited liability company, located in the largest business city
- conducts general commercial activities
- is 100% domestically owned
- has a start-up capital of 10 times income per capita
- has a turnover of at least 100 times income per capita
- has at least 10 and up to 50 employees
- does not qualify for investment incentives or any special benefits
- leases the commercial plant and offices and is not a proprietor of real estate

1. Benchmarking Starting a Business Regulations:

Burundi is ranked 135 overall for Starting a Business.

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



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

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

<i>Selected Economy</i>				
Burundi	11	32	129.3	0.0

<i>Comparator Economies</i>				
Central African Republic	8	22	228.4	468.6
Congo, Dem. Rep.	10	84	735.1	0.0
Congo, Rep.	10	160	111.4	129.8
Kenya	11	33	38.3	0.0
Rwanda	2	3	8.8	0.0
Tanzania	12	29	30.9	0.0

* The following economies are also good practice economies for :

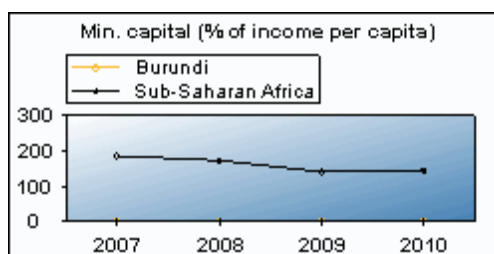
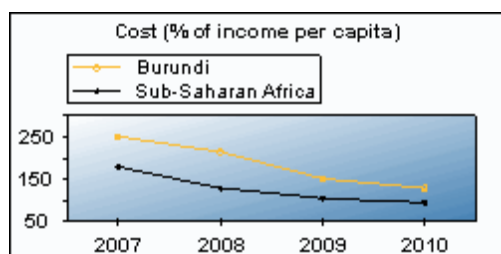
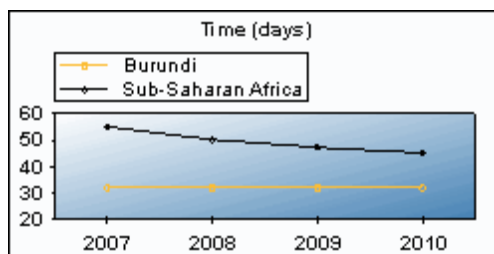
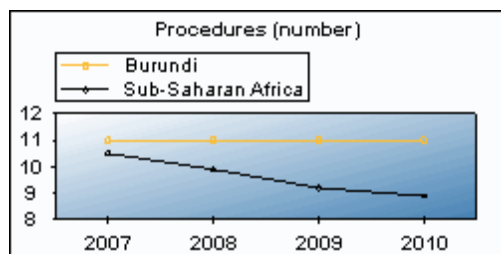
Procedures (number): Canada

Cost (% of income per capita): Slovenia

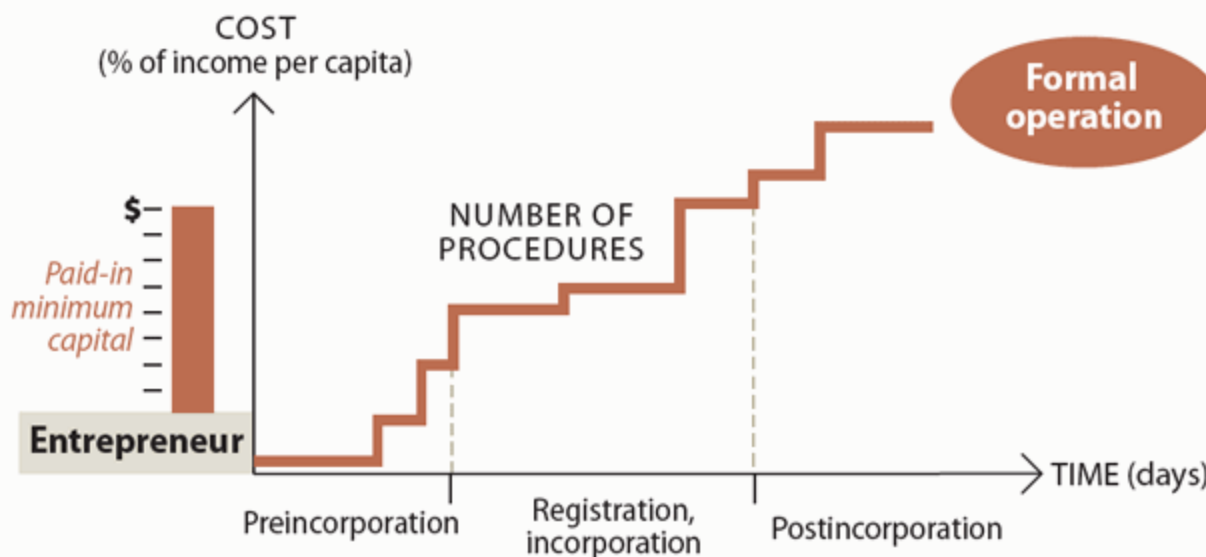
2. Historical data: Starting a Business in Burundi

Starting a Business data	Doing Business 2008	Doing Business 2009	Doing Business 2010	Doing Business 2011
Rank	..	..	131	135
Procedures (number)	11	11	11	11
Time (days)	32	32	32	32
Cost (% of income per capita)	251.0	215.0	151.6	129.3
Min. capital (% of income per capita)	0.0	0.0	0.0	0.0

3. The following graphs illustrate the Starting a Business sub indicators in Burundi over the past 4 years:



What are the time, cost, paid-in minimum capital and number of procedures to get a local, limited liability company up and running?



This table summarizes the procedures and costs associated with setting up a business in Burundi.

STANDARDIZED COMPANY

Legal Form: Société à Responsabilité Limitée (SARL) -

Limited Liability Company

City: Bujumbura

Registration Requirements:

No:	Procedure	Time to complete	Cost to complete
1	Draft and notarize the articles of association by a notary	4	BIF 53,000
2	Deposit the legally required initial capital in a bank and obtain deposit evidence.	1	no charge
3	Publication in legal journal	1	BIF 130,000
4	Procurement of two extracts from the criminal record of the first directors in preparation to the registration formalities with the Commercial Registry	2	BIF 10,000
5	Registration with the Commercial Registry	2	BIF 44,900
6	Registration of the Company with the Department of Taxation	1	no charge
7	Registration of the Company with the Municipality of Bujumbura	16	no charge

8	Registration of the Company with the Ministry of Trade and Industry	1	no charge
9	Registration of the Company with the Ministry of Labor, Department of Work Inspection	1	no charge
10	Registration of the Company with the National Institute for Social Security	1	no charge
11	Make a company seal	2	BIF 20,000

Starting a Business Details - Burundi

Procedure 1 Draft and notarize the articles of association by a notary

Time to complete: 4

Cost to complete: BIF 53,000

Comment: Cost is as follows :
- 3.000 BIF per page of statutes, 12 pages for standard company statutes
- 10.000 BIF for correction of statutes
- 7.000 BIF for preparing acts

Procedure 2 Deposit the legally required initial capital in a bank and obtain deposit evidence.

Time to complete: 1

Cost to complete: no charge

Comment: The initial capital is determined by the founders of the company (Law dated March 16 1996).

Procedure 3 Publication in legal journal

Time to complete: 1

Cost to complete: BIF 130,000

Comment: On average, standard statutes are 260 lines. The expense of recording with the B.O.B. is about BIF 130,000 (BIF 6,000 per 12 lines). The founder (or an agent) pays the expenses at the Central Bank and returns to the Legal Department with the deposit slip.

Procedure 4 Procurement of two extracts from the criminal record of the first directors in preparation to the registration formalities with the Commercial Registry

Time to complete: 2

Cost to complete: BIF 10,000

Comment:

Procedure 5 Registration with the Commercial Registry

Time to complete: 2

Cost to complete: BIF 44,900

Comment: Cost for registering with the Commercial Registry is as follows:
- BIF 20,000 for commercial registration.
- BIF 20,000 for deposit of statutes.
- BIF 500 for first page.
- Remaining pages: BIF 400.

On average, the standard statutes are 12 pages. Fees for commercial registration are about BIF

44,900. Proof of capital must be submitted at the court clerk's office.

Procedure 6 Registration of the Company with the Department of Taxation

Time to complete: 1

Cost to complete: no charge

Comment: All companies must be registered with the Tax Department and get a fiscal number. Founders must file a copy of the company's statutes and a certificate of registration with the Commercial Registry.

Procedure 7 Registration of the Company with the Municipality of Bujumbura

Time to complete: 16

Cost to complete: no charge

Comment: The registration takes 1–30 days.

Procedure 8 Registration of the Company with the Ministry of Trade and Industry

Time to complete: 1

Cost to complete: no charge

Comment:

Procedure 9 Registration of the Company with the Ministry of Labor, Department of Work Inspection

Time to complete: 1

Cost to complete: no charge

Comment:

Procedure 10 Registration of the Company with the National Institute for Social Security

Time to complete: 1

Cost to complete: no charge

Comment: Stock companies (S.A.) acquire their legal capacity and begin their existence upon being recorded in the National Institute for Social Security's registry.

Procedure 11 Make a company seal

Time to complete: 2

Cost to complete: BIF 20,000

Comment:

In many economies, especially developing ones, complying with building regulations is so costly in time and money that many builders opt out. Builders may pay bribes to pass inspections or simply build illegally, leading to hazardous construction. Where the regulatory burden is large, entrepreneurs may tend to move their activity into the informal economy. There they operate with less concern for safety, leaving everyone worse off. In other economies compliance is simple, straightforward and inexpensive, yielding better results.

Some reform outcomes

In Burkina Faso, a one-stop shop for construction permits, "Centre de Facilitation des Actes de Construire", was opened in May 2008. The new regulation merged 32 procedures into 15, reduced the time required from 226 days to 122 and cut the cost by 40%. From May 2009 to May 2010 611 building permits were granted in Ouagadougou, up from an average of about 150 a year in 2002-06.

Toronto, Canada revamped its construction permitting process in 2005 by introducing time limits for different stages of the process and presenting a unique basic list of requirements for each project. Later it provided for electronic information and risk-based approvals with fast-track procedures. Between 2005 and 2008 the number of commercial building permits increased by 17%, the construction value of new commercial buildings by 84%.

What does the Dealing with Construction Permits indicator measure?

Procedures to legally build a warehouse (number)

- Submitting all relevant documents and obtaining all necessary clearances, licenses, permits and certificates
- Completing all required notifications and receiving all necessary inspections
- Obtaining utility connections for electricity, water, sewerage and a land telephone line
- Registering the warehouse after its completion (if required for use as collateral or for transfer of warehouse)

Time required to complete each procedure (calendar days)

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

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

- Official costs only, no bribes

Case Study Assumptions

The business:

- is a small to medium-size limited liability company in the construction industry, located in the economy's largest business city
- is 100% domestically and privately owned and operated
- has 60 builders and other employees
- has at least one employee who is a licensed architect and registered with the local association of architects

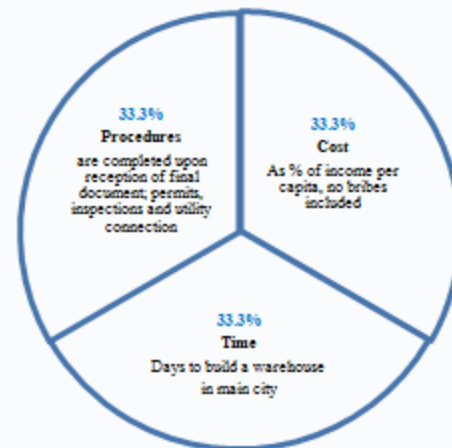
The warehouse:

- is a new construction (there was no previous construction on the land)
- has 2 stories, both above ground, with a total surface of approximately 1,300.6 sq. meters (14,000 sq. feet)
- has complete architectural and technical plans prepared by a licensed architect
- will be connected to electricity, water, sewerage (sewage system, septic tank or their equivalent) and a land telephone line
- will be used for general storage of non-hazardous goods, such as books
- will take 30 weeks to construct (excluding all delays due to administrative and regulatory requirements)

Dealing with Construction Permits:

Building a warehouse

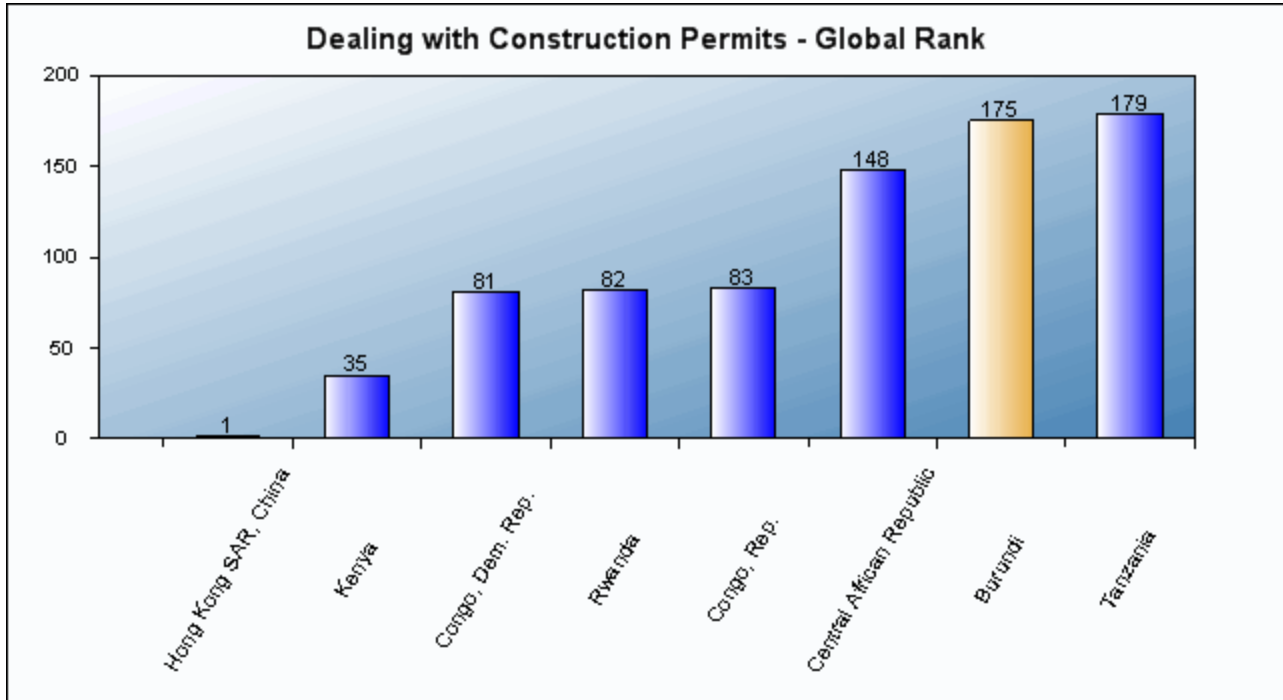
Rankings are based on 3 subindicators



1. Benchmarking Dealing with Construction Permits Regulations:

Burundi is ranked 175 overall for Dealing with Construction Permits.

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



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

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

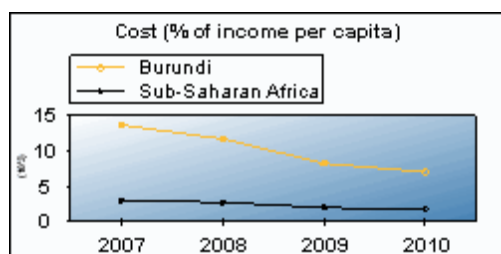
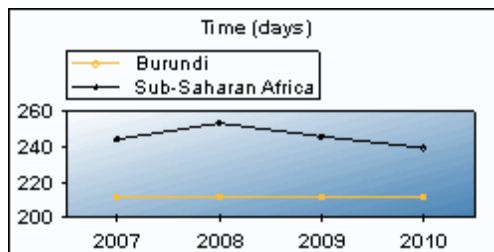
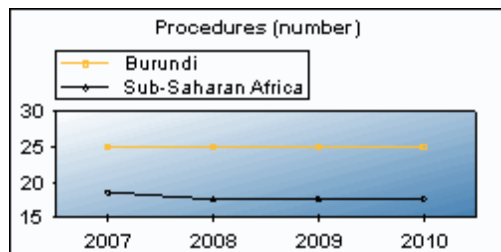
<i>Selected Economy</i>			
Burundi	25	212	7047.6

<i>Comparator Economies</i>			
Central African Republic	21	239	259.5
Congo, Dem. Rep.	14	128	2692.2
Congo, Rep.	17	169	241.1
Kenya	11	120	167.8
Rwanda	14	195	353.6
Tanzania	22	328	2756.3

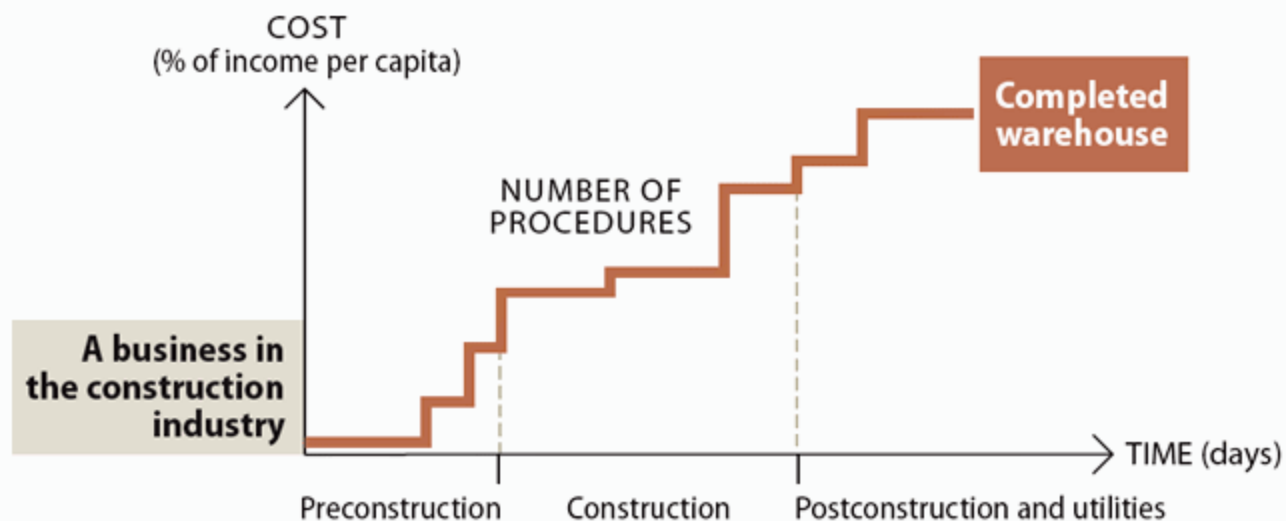
2. Historical data: Dealing with Construction Permits in Burundi

Dealing with Construction Permits data	Doing Business 2008	Doing Business 2009	Doing Business 2010	Doing Business 2011
Rank	..	..	173	175
Procedures (number)	25	25	25	25
Time (days)	212	212	212	212
Cost (% of income per capita)	13679.4	11720.7	8262.0	7047.6

3. The following graphs illustrate the Dealing with Construction Permits sub indicators in Burundi over the past 4 years:



What are the time, cost and number of procedures to comply with formalities to build a warehouse?



The table below summarizes the procedures, time, and costs to build a warehouse in Burundi.

BUILDING A WAREHOUSE

City: Bujumbura

Registration Requirements:

No:	Procedure	Time to complete	Cost to complete
1	Perform a geotechnical study	14 days	BIF 6,500,000
2	Obtain a file number at the Service des Conseillers , DGHU	1 day	no charge
3	Obtain project clearance from the Sanitation Department (Service d'Hygiene)	4 days	BIF 142,600
4	Submit application for the building permit at the DGHU	1 day	no charge
5	Pay permit fees and the construction tax at the Banque de la Republique du Burundi	1 day	BIF 4,812,220
6	Present proof of payment of the taxe de Batisse to the DGHU	1 day	no charge
7	Obtain building permit	14 days	no charge
8	Notify the Directorate of Urban planning and Habitat of the beginning of construction works	1 day	no charge

9	Receive inspection when walls are raised	1 day	no charge
10	Deposit request for the modification of the "Proeces Verbal de Bornage et d'arpentage" at the Cadastre	1 day	no charge
11	Receive site inspection from the Cadastre	1 day	no charge
12	Obtain updated "Proeces Verbal de Bornage et d'arpentage" from the Cadastre	3 days	no charge
13	Request and receive updated property title from the land registry	92 days	BIF 2,500
14 *	Apply for water connection	1 day	no charge
15 *	Receive inspection of the construction site by water company to get estimate of connection costs	14 days	no charge
16 *	Obtain water connection	60 days	BIF 500,000
17 *	Apply for electricity connection	1 day	no charge
18 *	Receive on-site inspection by electricity company to get estimate of connection costs	14 days	no charge
19 *	Obtain electricity connection	60 days	BIF 1,500,000
20 *	Apply for telephone line	1 day	no charge
21 *	Receive on-site inspection by telephone company	7 days	no charge
22 *	Obtain telephone connection	15 days	BIF 100,000
23 *	Apply for sewage connection	1 day	no charge
24 *	Receive on-site inspection by sewage company	7 days	no charge
25 *	Obtain sewage connection	15 days	BIF 500,000

* Takes place simultaneously with another procedure.

Dealing with Construction Permits Details - Burundi

Procedure 1 Perform a geotechnical study

Time to complete:	14 days
Cost to complete:	BIF 6,500,000
Agency:	National Laboratory for Building Construction and Public Works (Laboratoire National Du Bâtiment et des Travaux Publics)
Comment:	A minimum of 3 holes will be necessary for the study. The geotechnical engineer will visit the site and proceed with digging the holes. A sample of the soil will be brought back for analysis.

Procedure 2 Obtain a file number at the Service des Conseillers , DGHU

Time to complete:	1 day
Cost to complete:	no charge
Agency:	Directorate of Urban planning and Habitat (DGHU)
Comment:	<p>The owner (or the person/company representing the owner) will obtain a file number from the technical office of the DHGU (6th floor, office 610). With this number the person will bring the entire file to the “Service d’Hygiene” for approval</p> <p>To obtain an identification number, BuildCo’s file should include</p> <ul style="list-style-type: none">- Land registry entry (copy).- Proof of property right.- Geotechnical studies.- Structural design.- Plans for septic tanks. <p>BuildCo submits the file to the Directorate of Urban Affairs and then to the sanitation authority (Procedure 5). Later, the Directorate of Urban Planning and Habitat (Direction Générale de l’Urbanisme et de l’Habitat, DGHU) issues the authorization for payment of the construction tax. Following this payment to the Treasurer, the company must wait 7 to 14 days before obtaining the construction license.</p>

Procedure 3 Obtain project clearance from the Sanitation Department (Service d’Hygiene)

Time to complete:	4 days
Cost to complete:	BIF 142,600
Agency:	Sanitation service (Service D’Hygiène)
Comment:	The construction cost is estimated at BIF 550,000 per sq. m., which puts the total cost of the building at BIF 715,330,000 . The payment due is BIF 2,000 per 10 million or BIF 143,066 for the project.

Procedure 4 Submit application for the building permit at the DGHU

Time to complete:	1 day
Cost to complete:	no charge

Agency: Directorate of Urban planning and Habitat (DGHU)

Comment: Once the file is approved by the “Service d’Hygiene”, it can then be deposited at the Service des Conseillers technique. There are 2 experts in this service who will then check the request, the plans and give any comments if applicable. Once their task is completed, they will send the entire file (plans, approval from “Service d’Hygiene” and their comments directly to the central DGHU. It usually takes between 1 - 2 days for this to happen.

Document needed for the building permit:

1. Property Title + 1 copy
2. Original Payment receipt of the “Frais de viabilisation” + 1 copy
 - Payment is made at the Banque de la Republique du Burundi.
 - Cost is 400 BIF/M2 (for the “Quartier des Usines”). This varies according to the place where the warehouse is being built. Viabilisation costs are for roads, electricity, water and telephone.
3. Original “Proces Verbal de bornage et d’arpentage” (obtain when the property title is being processed on the bare land) + 1 copy
4. Construction plans: Vues en plan, facades, coupe, plan d’implantation (4 copies of each)
5. Estimated cost of construction: original + 3 copies
6. Septic tank plan: original + 3 copies
7. Structural plan since it is a G +1: original + 3 copies
8. Geotechnical study : Original + 3 copies (since it is a G +1)
G + 1 = Ground level + 1 floor

Procedure 5 Pay permit fees and the construction tax at the Banque de la Republique du Burundi

Time to complete: 1 day

Cost to complete: BIF 4,812,220

Agency: Banque de la Republique du Burundi

Comment: The cost is 0.6% of estimate (550,000 x 0.006 x 1,300.6). The construction cost per square meter is BIF 550,000.

Procedure 6 Present proof of payment of the taxe de Batisse to the DGHU

Time to complete: 1 day

Cost to complete: no charge

Comment: When the DGHU receives proof of payment, the internal process to have the building permit will start.

Procedure 7 Obtain building permit

Time to complete: 14 days

Cost to complete: no charge

Agency: Directorate of Urban planning and Habitat (DGHU)

Comment: There are two signatures on a building permit. The Director of DGHU signs on the file and then this file is transmitted to the Director General of DGHU for signature. There

are no systems to inform people that their construction permit has been processed. Again it is the responsibility of that person to do the follow up.

Procedure 8 Notify the Directorate of Urban planning and Habitat of the beginning of construction works

Time to complete: 1 day

Cost to complete: no charge

Agency: Directorate of Urban planning and Habitat (DGHU)

Comment: Should a (rare) case of litigation occur between BuildCo and its neighbors, the Directorate of Urban Planning and Habitat would verify the existence of the site. Otherwise, inspections occur randomly and infrequently owing to the directorate's lack of manpower. In practice (not mentioned in existing laws), there are three other inspections: (a) when the walls are raised (Directorate of Urban Planning and Habitat); (b) upon closing of the septic tanks (sanitation service); and (3c) to assess land value appreciation (Directorate of Urban Planning and Habitat).

Procedure 9 Receive inspection when walls are raised

Time to complete: 1 day

Cost to complete: no charge

Agency: Directorate of Urban planning and Habitat (DGHU)

Comment: In practice, (not mentioned in existing laws), there are three other inspections: (a) when the walls are raised (Directorate of Urban Planning and Habitat); (b) upon closing of the septic tanks (sanitation service); and (c) to assess land value appreciation (Directorate of Urban Planning and Habitat).

Procedure 10 Deposit request for the modification of the "Proces Verbal de Bornage et d'arpentage" at the Cadastre

Time to complete: 1 day

Cost to complete: no charge

Agency: Cadastre

Comment:

Procedure 11 Receive site inspection from the Cadastre

Time to complete: 1 day

Cost to complete: no charge

Agency: Cadastre

Comment:

Procedure 12 Obtain updated "Proces Verbal de Bornage et d'arpentage" from the Cadastre

Time to complete: 3 days
Cost to complete: no charge
Agency: Cadastre
Comment:

Procedure 13 Request and receive updated property title from the land registry

Time to complete: 92 days
Cost to complete: BIF 2,500
Agency: Department of Land Titles (in the Ministry of Justice) Service des Titres fonciers (au sein du Ministère de la Justice)
Comment:

Procedure 14 Apply for water connection

Time to complete: 1 day
Cost to complete: no charge
Agency: REGIDESO
Comment:

Procedure 15 Receive inspection of the construction site by water company to get estimate of connection costs

Time to complete: 14 days
Cost to complete: no charge
Agency: REGIDESO
Comment:

Procedure 16 Obtain water connection

Time to complete: 60 days
Cost to complete: BIF 500,000
Agency: REGIDESO
Comment:

Procedure 17 Apply for electricity connection

Time to complete: 1 day
Cost to complete: no charge
Agency: REGIDESO
Comment:

Procedure 18 Receive on-site inspection by electricity company to get estimate of connection costs

Time to complete: 14 days
Cost to complete: no charge
Agency: REGIDESO
Comment:

Procedure 19 Obtain electricity connection

Time to complete: 60 days
Cost to complete: BIF 1,500,000
Agency: REGIDESO
Comment: The estimate for the electrical connection is received 15 days after the site inspection, and the connection is made 15 days later. In principle, the time between application and connection is 60 days. If BuildCo follows up to accelerate the process, the connection can be carried out in 2 weeks. The maximum duration is set at 3 months to account for possible delays. In some cases, without follow-up action, the file is simply discarded.

Procedure 20 Apply for telephone line

Time to complete: 1 day
Cost to complete: no charge
Agency: ONATEL
Comment:

Procedure 21 Receive on-site inspection by telephone company

Time to complete: 7 days
Cost to complete: no charge
Agency: ONATEL
Comment:

Procedure 22 Obtain telephone connection

Time to complete: 15 days

Cost to complete: BIF 100,000

Agency: ONATEL

Comment:

Procedure 23 Apply for sewage connection

Time to complete: 1 day

Cost to complete: no charge

Agency: SETEMU

Comment:

Procedure 24 Receive on-site inspection by sewage company

Time to complete: 7 days

Cost to complete: no charge

Agency: SETEMU

Comment:

Procedure 25 Obtain sewage connection

Time to complete: 15 days

Cost to complete: BIF 500,000

Agency: SETEMU

Comment:

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

Some reform outcomes

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

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

What does the Registering Property indicator measure?

Registering Property: transfer of property between 2 local companies

Rankings are based on 3 subindicators

Procedures to legally transfer title on immovable property (number)

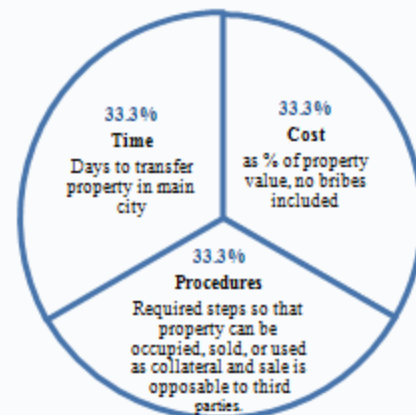
- Preregistration (for example, checking for liens, notarizing sales agreement, paying property transfer taxes)
- Registration in the economy's largest business city
- Post registration (for example, transactions with the local authority, tax authority or cadastre)

Time required to complete each procedure (calendar days)

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

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

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



Case Study Assumptions

The parties (buyer and seller):

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

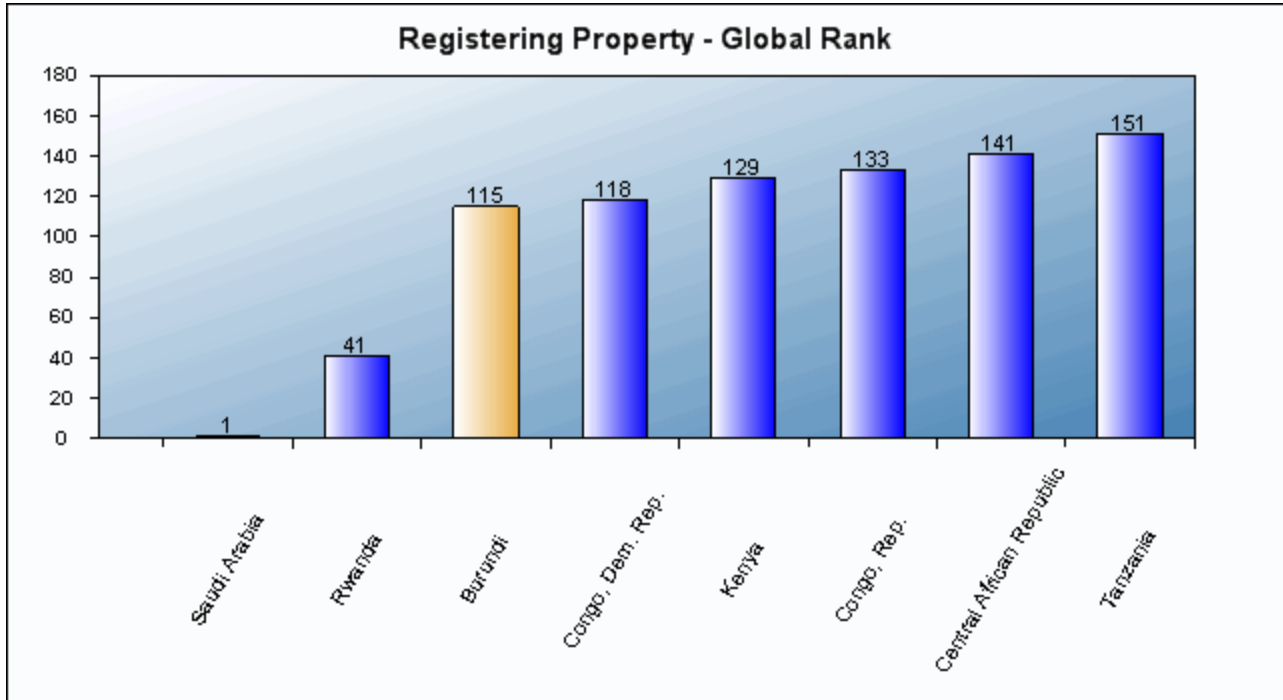
The property (fully owned by the seller):

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

1. Benchmarking Registering Property Regulations:

Burundi is ranked 115 overall for Registering Property.

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



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

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

<i>Selected Economy</i>			
Burundi	5	94	5.8

<i>Comparator Economies</i>			
Central African Republic	5	75	18.5
Congo, Dem. Rep.	6	54	7.0
Congo, Rep.	6	55	10.7
Kenya	8	64	4.2
Rwanda	4	55	0.4
Tanzania	9	73	4.4

* The following economies are also good practice economies for :

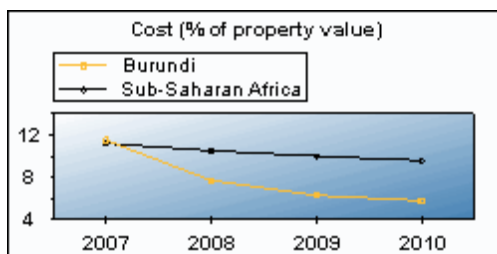
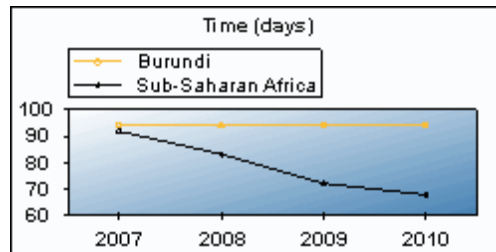
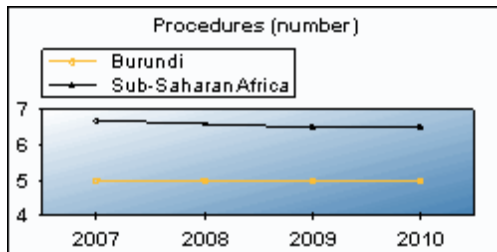
Procedures (number): United Arab Emirates

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

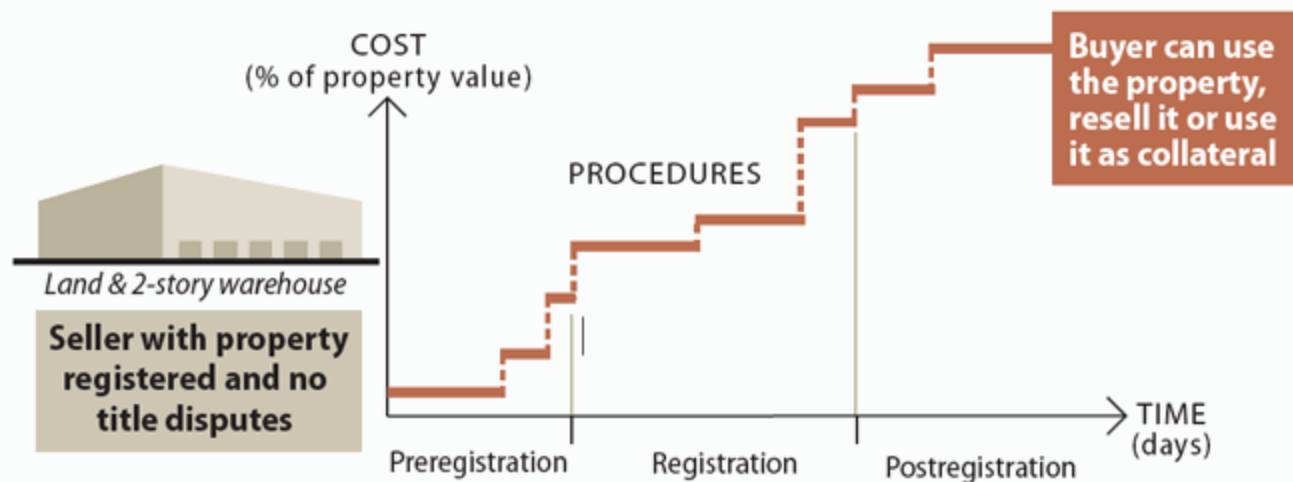
2. Historical data: Registering Property in Burundi

Registering Property data	Doing Business 2008	Doing Business 2009	Doing Business 2010	Doing Business 2011
Rank	..	..	118	115
Procedures (number)	5	5	5	5
Time (days)	94	94	94	94
Cost (% of property value)	11.5	7.7	6.3	5.8

3. The following graphs illustrate the Registering Property sub indicators in Burundi over the past 4 years:



What are the time, cost and number of procedures required to transfer a property between 2 local companies?



This topic examines the steps, time, and cost involved in registering property in Burundi.

STANDARDIZED PROPERTY

Property Value: 9,973,186.11

City: Bujumbura

Registration Requirements:

No:	Procedure	Time to complete	Cost to complete
1	Obtain a proof of title property at the Land Registry	5 days	No cost
2	The lawyer drafts the sale agreement and is signed by both parties	2 days	250.000 BIF
3	The buyer checks the price at the Land Registry	25 days	10 000 BIF
4	Notarize the Sale Contract at the Public Notary	2 days	21.000 BIF
5	File for Name Change with the Land Registry "Registre des Titres Fonciers"	60 days	3% property value (tax to change the Property Title to the buyer's name)

Registering Property Details - Burundi

Procedure	1	Obtain a proof of title property at the Land Registry
Time to complete:	5 days	
Cost to complete:	No cost	
Agency:	Land Registry (Registre des Titres Fonciers)	
Comment:	The seller must give the original property title to the buyer for the checking (or go with the buyer at the Departement des Titre Foncier). The buyer asks the "Conservateur" at the "Registre des Titres Foncier" to check if the property is indeed registered to the present owner. The buyer also requests proof that the property is not encumbered by mortgages, liens or other securities.	
Procedure	2	The lawyer drafts the sale agreement and is signed by both parties
Time to complete:	2 days	
Cost to complete:	250.000 BIF	
Comment:	Both parties sign a "compromis de vente" once it has been prepared by a lawyer.	
Procedure	3	The buyer checks the price at the Land Registry
Time to complete:	25 days	
Cost to complete:	10 000 BIF	
Agency:	Land Registry (Registre des Titres Fonciers)	
Comment:	The buyer goes to the Land Registry ("Departement des Titre Foncier") with the compromis de vente and the property title. The Land Registry will send the documents to the Ministry of Finance for price verification. An expert is designated by the Ministry of Finance to check whether the price is the correct one. This depends largely on the availability of the expert. The expert will produce a report which is transmitted to the Director for signature. If for instance the price on the "Compromis de vente" is lower, the transaction tax will be paid based on the appraisal value provided by the expert from the Titre Foncier and not on the agreed price between vendor and buyer. The Titre foncier also proceed to the verification that this property has no encumbrances.	
Procedure	4	Notarize the Sale Contract at the Public Notary
Time to complete:	2 days	
Cost to complete:	21.000 BIF	
Comment:	The parties should notarize their sale contract with an accredited public notary. Costs vary in each case. Notaries usually charge a fixed fee per page. Assuming a standard sale contract, an average estimation of the cost of this procedure is BIF 21,000.	

Procedure 5 File for Name Change with the Land Registry “Registre des Titres Fonciers”

Time to complete: 60 days

Cost to complete: 3% property value (tax to change the Property Title to the buyer's name)

Agency: Land Registry (Registre des Titres Fonciers)

Comment: The parties should file a request with the Land Registry “Registre des Titres Fonciers” for the transfer of property to the buyer’s name. The only documents the parties are required to present are the notarized sale contract and the property title. The Land Registry employees have to perform due diligence and might do a field inspection of the land. The Director of the Registry will also write to the Urbanism Department “Services de l’Urbanisme” asking it to confirm that the total surface and total sale price as stated in the sale contract are accurate and not understated. The due diligence process could take one or two months. The former 7% additional tax has been abolished by the Loi des Finances of 2007. The “Loi des Finances 2007” (article 35) adopted on December 30, 2007 and implemented in January 2008, has abolished the property transfer tax of 6%. Article 36 of the same law, authorizes the Land Registry “département des titres fonciers” to charge a 3% of the property value for all transactions.

Through two sets of indicators, *Doing Business* assesses the legal rights of borrowers and lenders with respect to secured transactions and the sharing of credit information. The depth of credit information index measures rules and practices affecting the coverage, scope and accessibility of credit information available through either a public credit registry or a private credit bureau. Credit information systems mitigate the ‘information asymmetry’ in lending and enable lenders to view a borrower’s financial history (positive or negative), providing them with valuable information to consider when assessing risk. Credit information systems benefit borrowers as well, allowing good borrowers to establish a reputable credit history which will enable them to access credit more easily. The Legal Rights Index measures the degree to which collateral and bankruptcy laws protect the rights of borrowers and lenders and thus facilitate lending. Sound collateral laws will enable businesses to use their assets, especially movable property, as security to generate capital while having strong creditor’s rights has been associated with higher ratios of private sector credit to GDP.

Some reform outcomes

After Vietnam’s new Civil Code was enacted in 2005, a decree further clarified the provisions governing secured transactions. Since the inclusion of the new provisions, the number of registrations increased from 43,000 (2005) to 120,000 (end of 2008).

In 2008, when Zambia established a private credit bureau, its database initially covered about 25,000 borrowers. Thanks to a strong communication campaign and a central bank directive, coverage has grown 10-fold in the past 2 years, exceeding 200,000 by the beginning of 2010.

What do the Getting Credit indicators measure?

Strength of legal rights index (0–10)

- Protection of rights of borrowers and lenders through collateral laws
- Protection of secured creditors’ rights through bankruptcy laws

Depth of credit information index (0–6)

- Scope and accessibility of credit information distributed by public credit registries and private credit bureaus

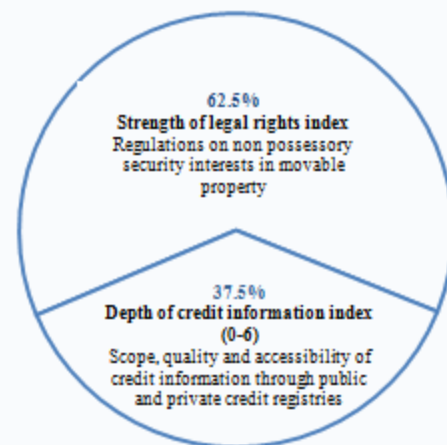
Public credit registry coverage (% of adults)

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

Private credit bureau coverage (% of adults)

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

Getting Credit: collateral rules and credit information



Note: Private bureau coverage and public credit registry coverage are measured but do not count for the rankings.

Case Study Assumptions (applying to the Legal Rights Index only)

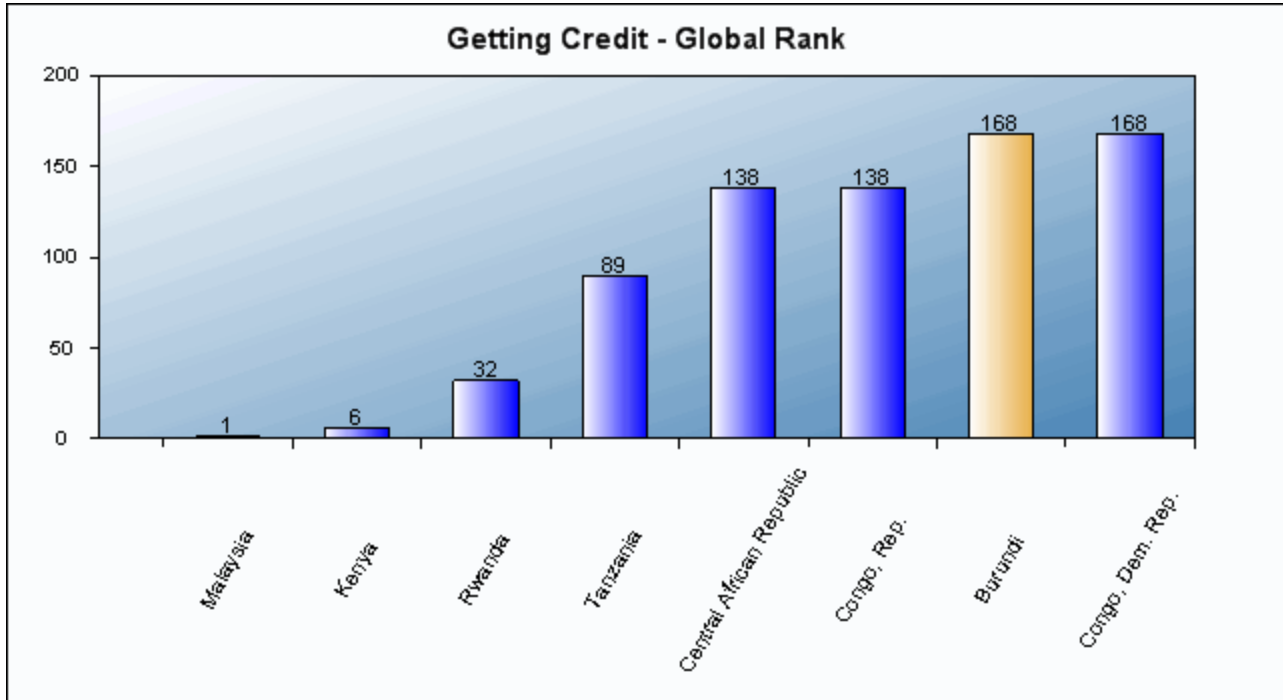
The Debtor

- is a Private Limited Liability Company
- has its Headquarters and only base of operations in the largest business city
- obtains a loan from a local bank (the Creditor) for an amount up to 10 times income (GNI) per capita
- Both creditor and debtor are 100% domestically owned.

1. Benchmarking Getting Credit Regulations:

Burundi is ranked 168 overall for Getting Credit.

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



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

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

<i>Selected Economy</i>				
Burundi	2	1	0.2	0.0

<i>Comparator Economies</i>				
Central African Republic	3	2	2.0	0.0
Congo, Dem. Rep.	3	0	0.0	0.0
Congo, Rep.	3	2	2.9	0.0
Kenya	10	4	0.0	3.3
Rwanda	8	4	0.7	0.0
Tanzania	8	0	0.0	0.0

* The following economies are also good practice economies for :

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

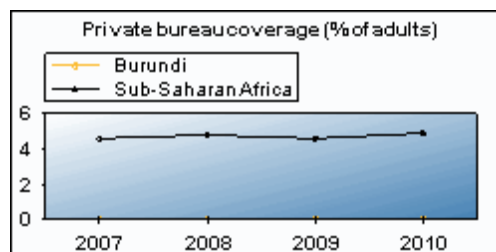
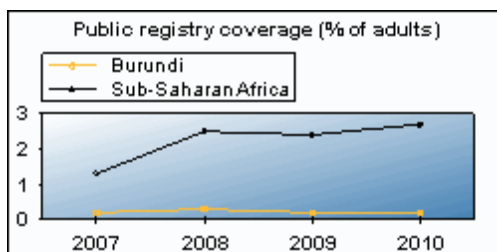
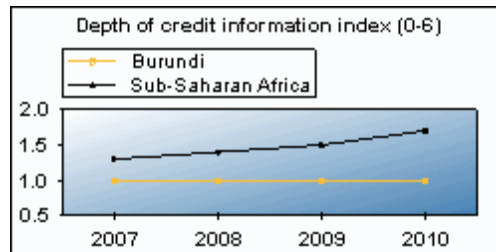
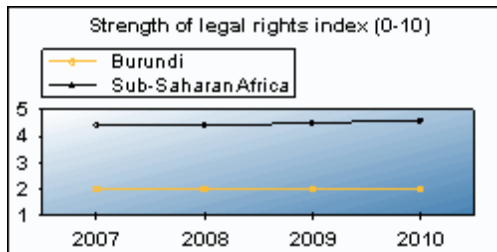
Private bureau coverage (% of adults): Argentina, Australia, Canada, Iceland, Ireland, Norway, Sweden, United Kingdom, United States

27 countries have the highest credit information index.

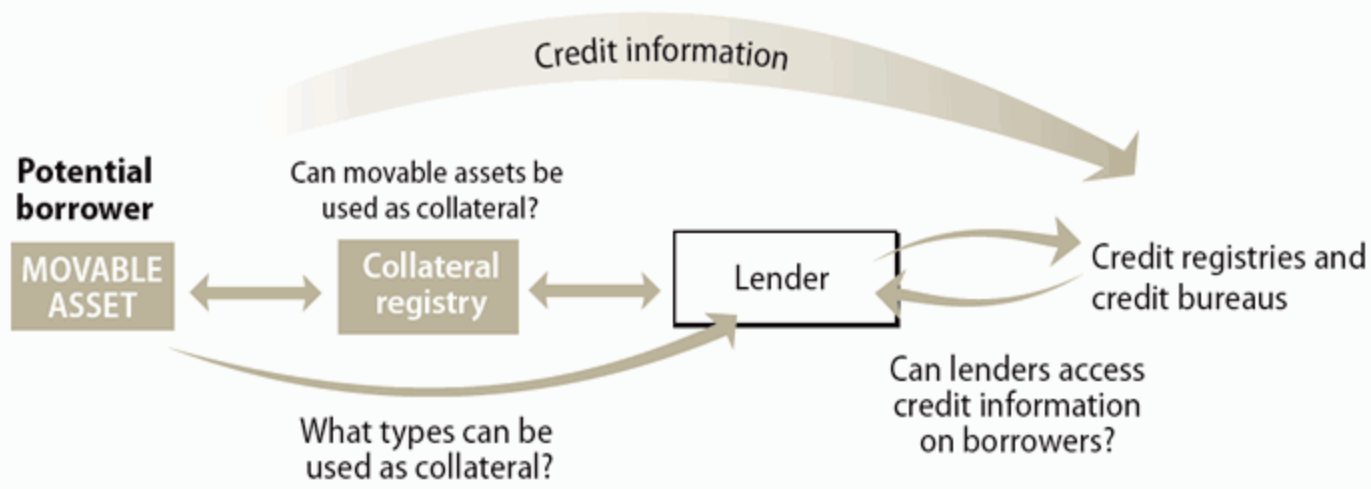
2. Historical data: Getting Credit in Burundi

Getting Credit data	Doing Business 2008	Doing Business 2009	Doing Business 2010	Doing Business 2011
Rank	..	..	167	168
Strength of legal rights index (0-10)	2	2	2	2
Depth of credit information index (0-6)	1	1	1	1
Private bureau coverage (% of adults)	0.0	0.0	0.0	0.0
Public registry coverage (% of adults)	0.2	0.3	0.2	0.2

3. The following graphs illustrate the Getting Credit sub indicators in Burundi over the past 4 years:



**Do lenders have credit information on entrepreneurs seeking credit?
Is the law favorable to borrowers and lenders using movable assets as collateral?**



The following table summarize legal rights of borrowers and lenders, and the availability and legal framework of credit registries in Burundi.

Getting Credit Indicators (2010)			Indicator
Private bureau coverage (% of adults)	Private credit bureau	Public credit registry	1
Are data on both firms and individuals distributed?	No	Yes	1
Are both positive and negative data distributed?	No	No	0
Does the registry distribute credit information from retailers, trade creditors or utility companies as well as financial institutions?	No	No	0
Are more than 2 years of historical credit information distributed?	No	No	0
Is data on all loans below 1% of income per capita distributed?	No	No	0
Is it guaranteed by law that borrowers can inspect their data in the largest credit registry?	No	No	0
Coverage	0.0	0.2	
Number of individuals		0	9,739
Number of firms		0	843

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

Yes

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

No

Does the law allow businesses to grant a non possessory security right in substantially all of its assets, without requiring a specific description of collateral?

Yes

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

No

Is a general description of debts and obligations permitted in collateral agreements, so that all types of obligations and debts can be secured by stating a maximum amount rather than a specific amount between the parties ?

No

Is a collateral registry in operation, that is unified geographically and by asset type, as well as indexed by the grantor's name of a security right ?

No

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

No

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

No

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

No

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

No

Stronger investor protections matter for the ability of companies to raise the capital needed to grow, innovate, diversify and compete. This is all the more crucial in times of financial crisis when entrepreneurs must navigate through defiant environments to finance their activities. Using 3 indices of investor protection, *Doing Business* measures how economies regulate a standard case of self-dealing, use of corporate assets for personal gains. Since 2005, 51 economies have strengthened investor protections as measured by *Doing Business*.

Some reform outcomes

In Indonesia, an economy that consistently improved its laws regulating investor protections, the number of firms listed on the Indonesia Stock Exchange increased from 331 to 396 between 2004 and 2009. Meanwhile, market capitalization grew from 680 trillion rupiah (\$75 billion) to 1,077 trillion rupiah (\$119 billion).

After Thailand amended its laws in 2006 and 2008, more than 85 transactions that failed to comply with the disclosure standards were suspended. Thirteen were deemed prejudicial and were therefore canceled, thus preventing damage to the companies involved and preserving their value. Companies were not deterred either, as more than 30 new companies joined the stock exchange since 2005 bringing the number of listed companies to 523.

What do the Protecting Investors indicators measure?

Extent of disclosure index (0–10)

- Who can approve related-party transactions
- Requirements for external and internal disclosure in case of related-party transactions

Extent of director liability index (0–10)

- Ability of shareholders to hold the interested party and the approving body liable in case of a prejudicial related-party transaction
- Available legal remedies (damages, repayment of profits, fines, imprisonment and rescission of the transaction)
- Ability of shareholders to sue directly or derivatively

Ease of shareholder suits index (0–10)

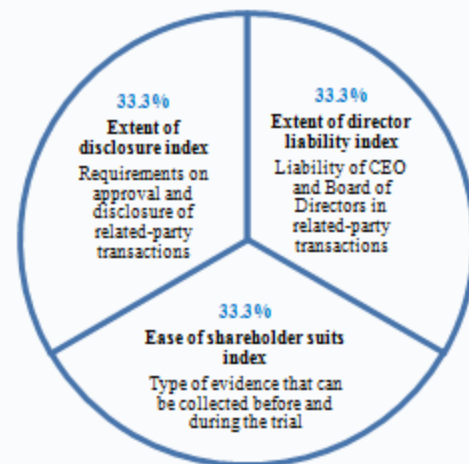
- Documents and information available during trial
- Access to internal corporate documents (directly or through a government inspector)

Strength of investor protection index (0–10)

- Simple average of the extent of disclosure, extent of director liability and ease of shareholder suits indices

Protecting Investors: minority shareholder rights in related-party transactions

Rankings are based on 3 subindicators



Case Study Assumptions

The business (Buyer):

- Is a publicly traded corporation listed on the economy's most important stock exchange (or at least a large private company with multiple shareholders).
- Has a board of directors and a chief executive officer (CEO) who may legally act on behalf of Buyer where permitted, even if this is not specifically required by law.

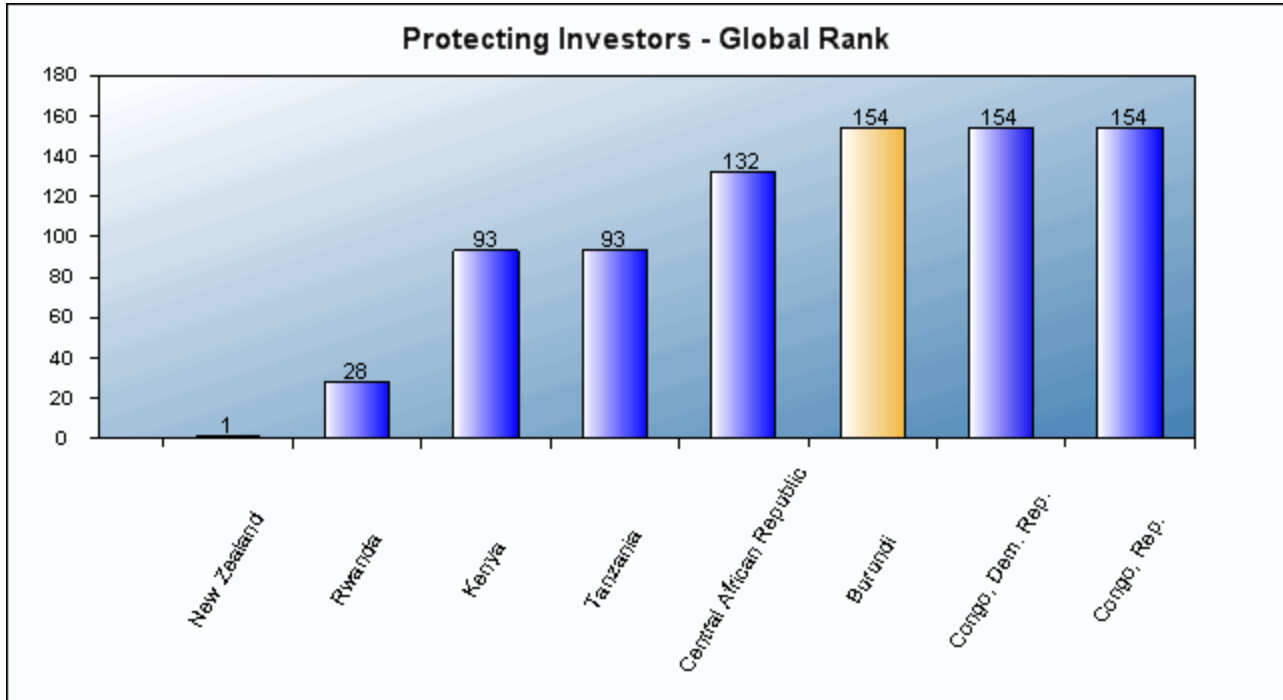
The transaction

- Mr. James, a director and the majority shareholder of the company, proposes that the company purchase used trucks from another company he owns.
- The price is higher than the going price for used trucks, but the transaction goes forward.
- All required approvals are obtained, and all required disclosures made, though the transaction is prejudicial to the purchasing company.
- Shareholders sue the interested parties and the members of the board of directors.

1. Benchmarking Protecting Investors Regulations:

Burundi is ranked 154 overall for Protecting Investors.

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



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

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

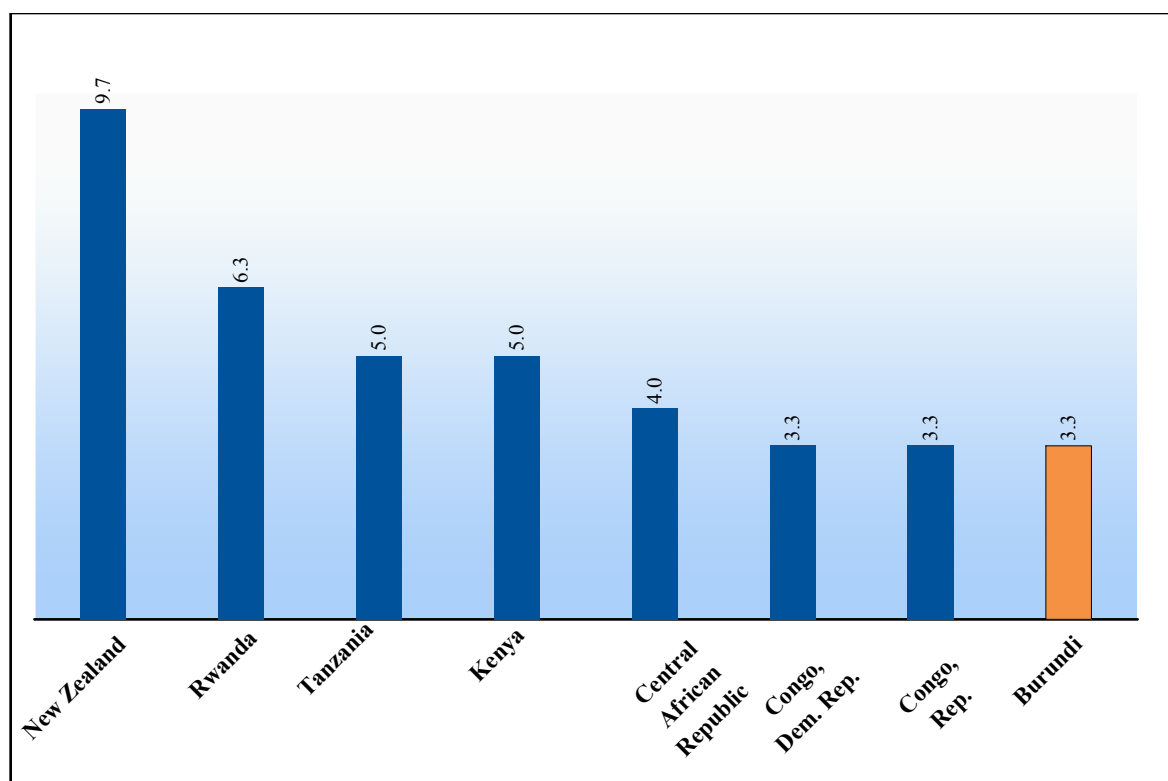
<i>Selected Economy</i>	
Burundi	3.3

<i>Comparator Economies</i>	
Central African Republic	4.0
Congo, Dem. Rep.	3.3
Congo, Rep.	3.3
Kenya	5.0
Rwanda	6.3
Tanzania	5.0

2. Historical data: Protecting Investors in Burundi

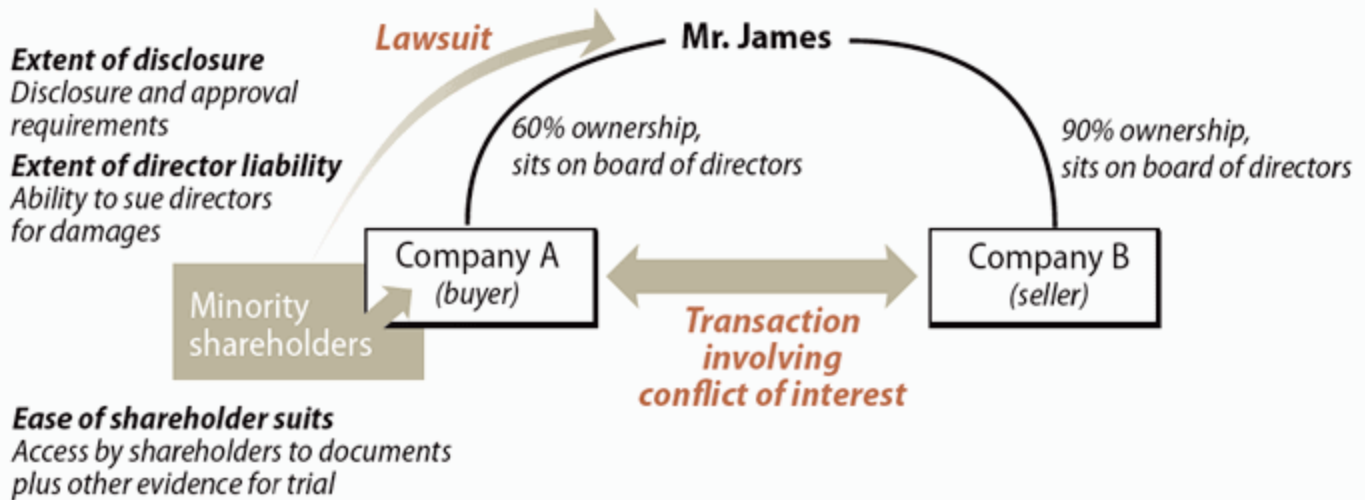
Protecting Investors data	Doing Business 2008	Doing Business 2009	Doing Business 2010	Doing Business 2011
Rank	..	..	153	154
Strength of investor protection index (0-10)	3.3	3.3	3.3	3.3

3. The following graph illustrates the Protecting Investors index in Burundi compared to best practice and selected Economies:



Note: The higher the score, the greater the investor protection.

How well are minority shareholders protected against self-dealing in related-party transactions?



The table below provides a full breakdown of how the disclosure, director liability, and shareholder suits indexes are calculated in Burundi.

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

Whether Mr. James repays profits made from the transaction upon a successful claim by the shareholder plaintiff?	0
Whether fines and imprisonment can be applied against Mr. James?	0
Whether shareholders can sue directly or derivatively for the damage that the Buyer-Seller transaction causes to the company?	1
Ease of shareholder suits index (0-10)	5
Whether the plaintiff can obtain any documents from the defendant and witnesses during trial?	3
Whether the plaintiff can directly question the defendant and witnesses during trial?	0
Whether the plaintiff can request categories of documents from the defendant without identifying specific ones?	0
Whether shareholders owning 10% or less of Buyer's shares can request an inspector to investigate the transaction?	0
Whether the level of proof required for civil suits is lower than that of criminal cases?	1
Whether shareholders owning 10% or less of Buyer's shares can inspect transaction documents before filing suit?	1
Strength of investor protection index (0-10)	3.3

Taxes are essential to provide public amenities, infrastructure and services which are crucial for a properly functioning economy. *Doing Business* data show that economies where it is more difficult and costly to pay taxes have larger shares of informal sector activity. More than 60% of economies have reformed in the last 6 years and are starting to see concrete results.

Some reform outcomes

Colombia introduced a new electronic system for social security and labor taxes in 2006 and by 2008 the social security contributions collected from small and medium-size companies rose by 42%, to 550 billion pesos.

Mauritius reduced the corporate income tax rate from 25% to 15% and removed exemptions and industry-specific allowances in 2006 and saw their corporate income tax revenue grow by 27% in the following year, and in 2008/09 it increased by 65%.

What do the Paying taxes indicators measure?

Tax payments for a manufacturing company in 2009
(number per year adjusted for electronic or joint filing and payment)

- Total number of taxes and contributions paid, including consumption taxes (value added tax, sales tax or goods and service tax)
- Method and frequency of filing and payment

Time required to comply with 3 major taxes (hours per year)

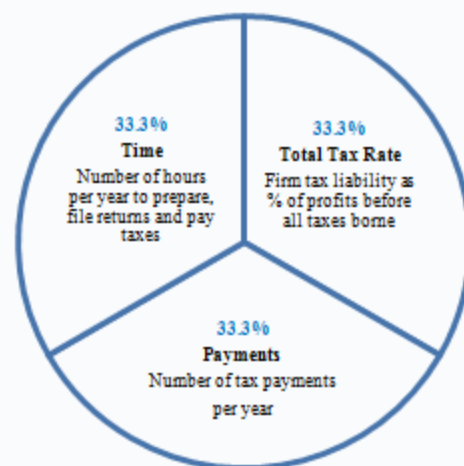
- Collecting information and computing the tax payable
- Completing tax return forms, filing with proper agencies
- Arranging payment or withholding
- Preparing separate tax accounting books, if required

Total tax rate (% of profit)

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

Paying Taxes: tax compliance for a local manufacturing company

Rankings are based on 3 subindicators



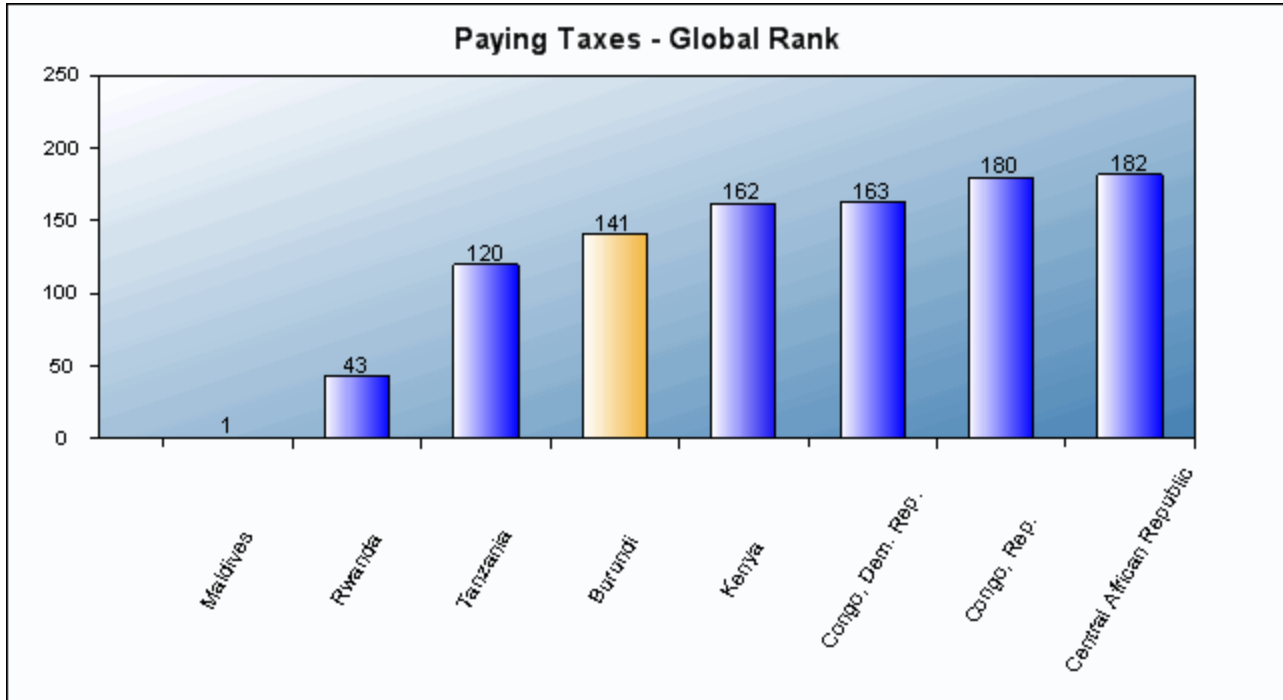
Case Study Assumptions

- TaxpayerCo is a medium-size business that started operations 2 years ago.
- Tax practitioners are asked to review its financial statements, as well as a standard list of transactions that the company completed during the year.
- Respondents are asked how much in taxes and mandatory contributions the business must pay and what the process is for doing so.
- The business starts from the same financial position in each economy. All the taxes and mandatory contributions paid during the second year of operation are recorded.
- Taxes and mandatory contributions are measured at all levels of government
- Taxes and mandatory contributions include corporate income tax, turnover tax, all labor taxes and contributions paid by the company.
- A range of standard deductions and exemptions are also recorded.

1. Benchmarking Paying Taxes Regulations:

Burundi is ranked 141 overall for Paying Taxes.

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



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

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

<i>Selected Economy</i>			
Burundi	32	211	153.4

<i>Comparator Economies</i>			
Central African Republic	54	504	203.8
Congo, Dem. Rep.	32	336	339.7
Congo, Rep.	61	606	65.5
Kenya	41	393	49.7
Rwanda	26	148	31.3
Tanzania	48	172	45.2

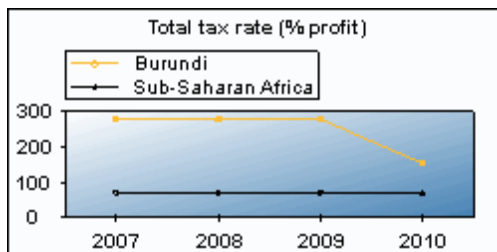
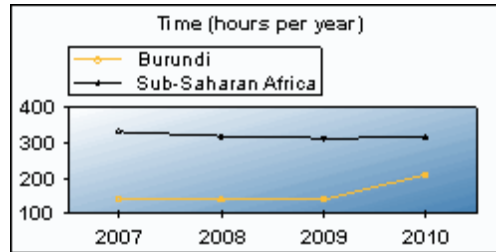
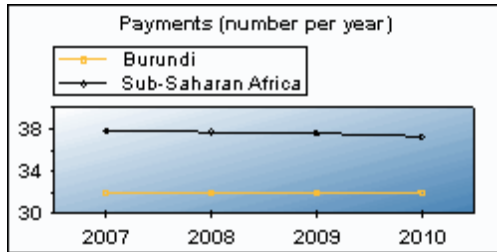
* The following economies are also good practice economies for :

Payments (number per year): Qatar

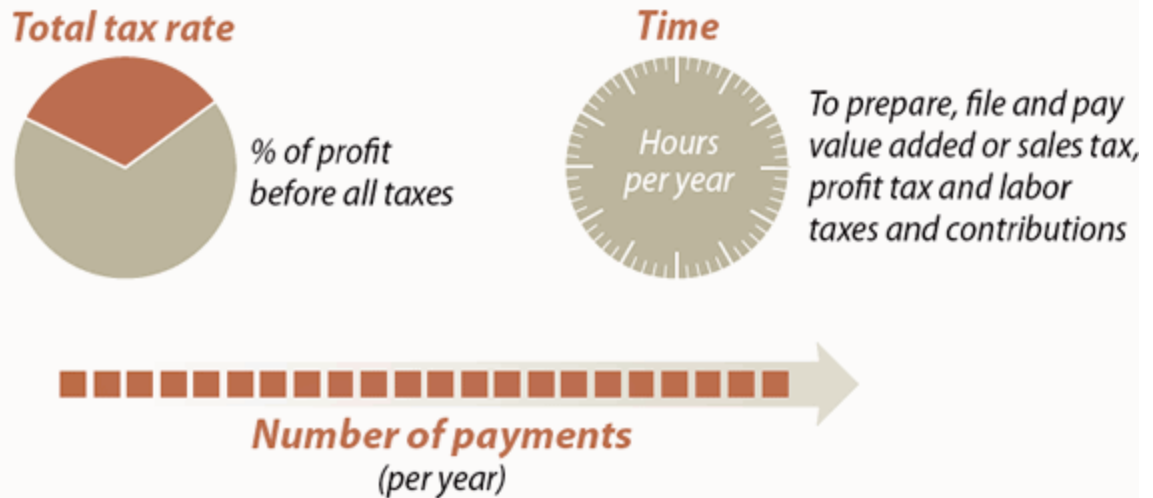
2. Historical data: Paying Taxes in Burundi

Paying Taxes data	Doing Business 2008	Doing Business 2009	Doing Business 2010	Doing Business 2011
Rank	..	..	113	141
Total tax rate (% profit)	278.7	278.7	278.6	153.4
Payments (number per year)	32	32	32	32
Time (hours per year)	140	140	140	211

3. The following graphs illustrate the Paying Taxes sub indicators in Burundi over the past 4 years:



What are the time, total tax rate and number of payments necessary for a local medium-sized company to pay all taxes?



The table below addresses the taxes and mandatory contributions that a medium-size company must pay or withhold in a given year in Burundi, as well as measures of administrative burden in paying taxes.

Tax or mandatory contribution	Payments (number)	Notes on Payments	Time (hours)	Statutory tax rate	Tax base	Total tax rate (% profit)	Notes on TTR
Land tax	1			BIF 3	per square meter of undeveloped land	0.00	
Building tax	1			BIF 36	per square meter of developed land	0.50	
Vehicle tax	1			3900 BIF per trimester	per truck operated	0.50	
Capital gains tax	0	paid jointly		35.0%	capital gains	1.80	
Health insurance contribution	4			3.0%	gross salaries	3.40	
Social security contributions	12		48	3.9%	gross salaries	4.40	
Corporate income tax	1		80	35% (1%)	taxable profit (turnover)	17.70	

Sales Tax/VAT	12	83	17% Sales Tax and 18% VAT (July - Dec 2009)	purchases	125.20
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Totals	32	211			153.4
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Making trade between countries easier is increasingly important for business in today's globalized world. Excessive document requirements, burdensome customs procedures, inefficient port operations and inadequate infrastructure all lead to extra costs and delays for exporters and importers, stifling trade potential. Trade facilitation tools such as electronic data interchange systems, risk-based inspections, and single windows help improve an economy's trading environment and boost firms' international competitiveness. *Doing Business* trade indicators take into account documents, cost and time associated with every procedure for trading a standard shipment of goods by ocean transport. Research indicates that exporters in developing countries have much more to gain by a 10% drop in their trading costs than from a similar decrease of the tariffs applied to their products in global markets.

Some reform outcomes

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

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

What do the Trading Across Borders indicators measure?

Trading Across Borders: exporting and importing by ocean transport

Rankings are based on 3 subindicators

Documents required to export and import (number)

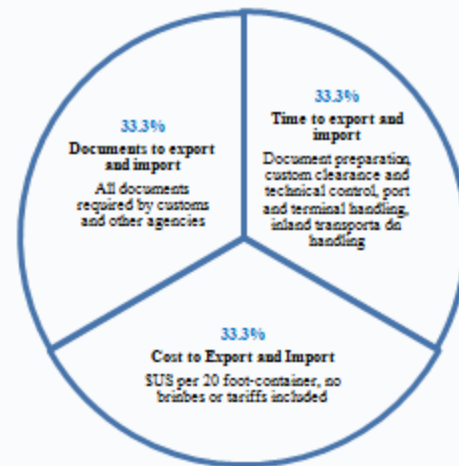
- Bank documents
- Customs clearance documents
- Port and terminal handling documents
- Transport documents

Time required to export and import (days)

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

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

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



Case Study Assumptions

The Business

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

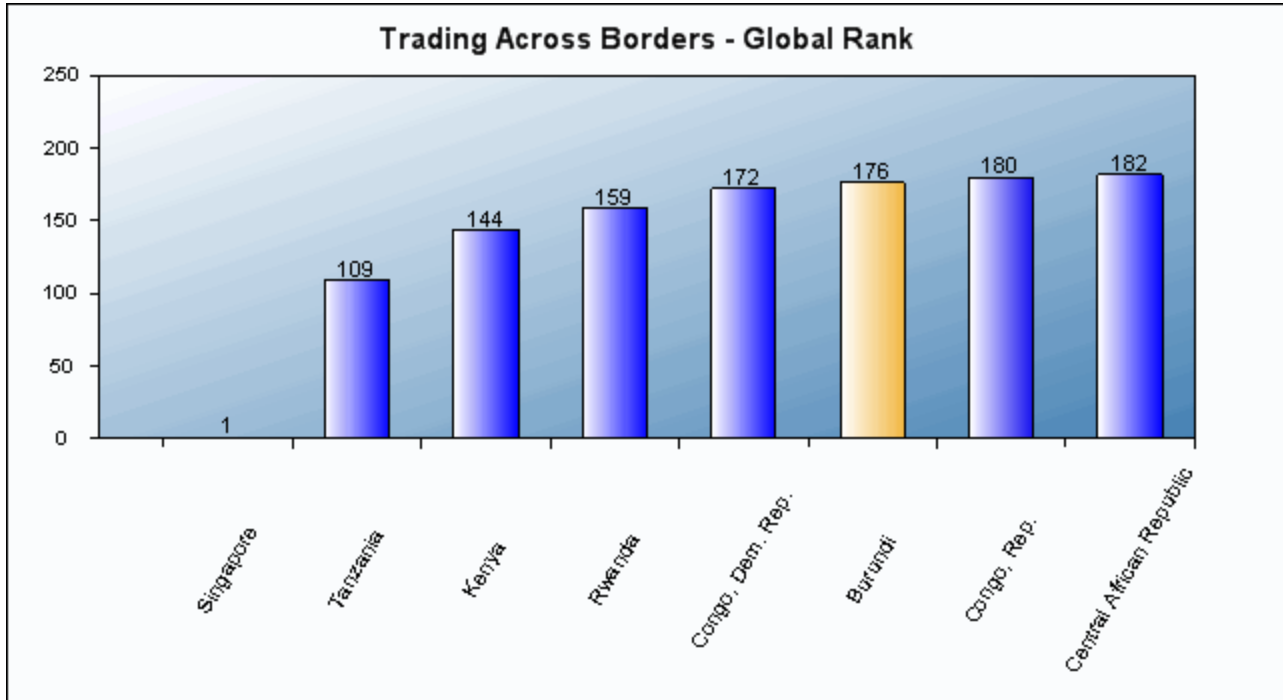
The traded product

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

1. Benchmarking Trading Across Borders Regulations:

Burundi is ranked 176 overall for Trading Across Borders.

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



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

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

<i>Selected Economy</i>						
Burundi	9	47	2747	10	71	4285

<i>Comparator Economies</i>						
Central African Republic	9	54	5491	17	62	5554
Congo, Dem. Rep.	8	44	3505	9	63	3735
Congo, Rep.	11	50	3818	10	62	7709
Kenya	8	26	2055	7	24	2190
Rwanda	8	35	3275	8	34	4990
Tanzania	5	24	1262	7	31	1475

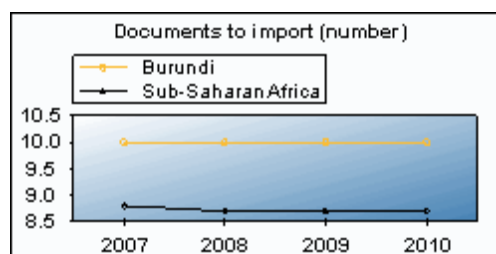
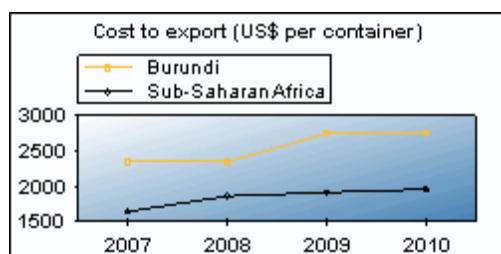
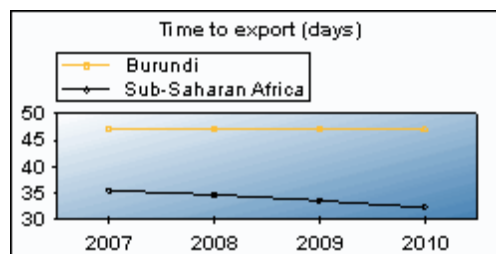
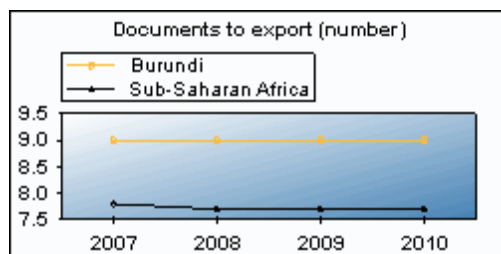
* The following economies are also good practice economies for :

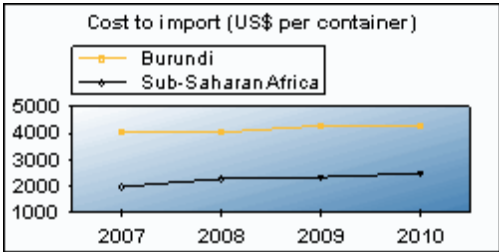
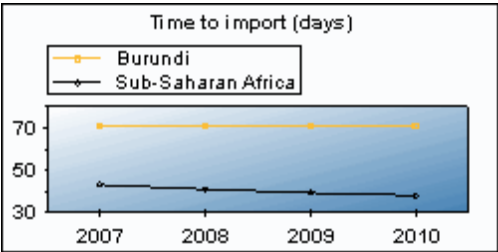
Time to export (days): Estonia

2. Historical data: Trading Across Borders in Burundi

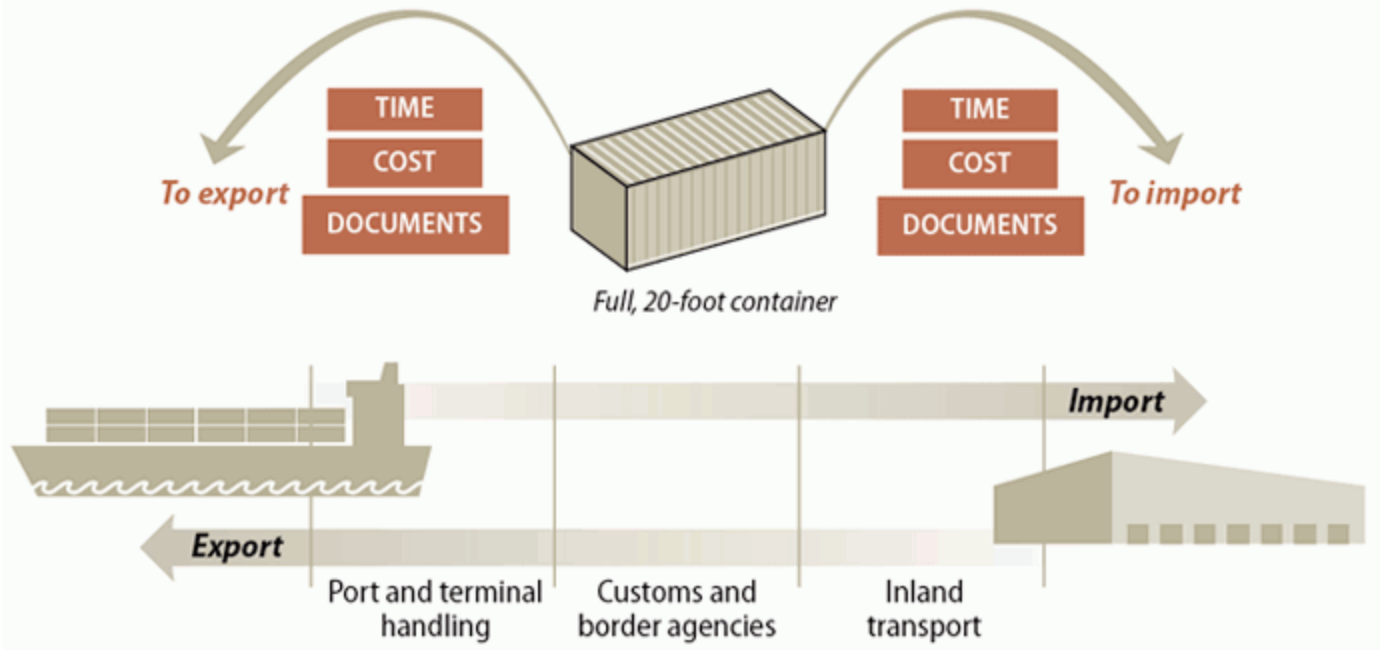
Trading Across Borders data	Doing Business 2008	Doing Business 2009	Doing Business 2010	Doing Business 2011
Rank	..	..	175	176
Cost to export (US\$ per container)	2347	2347	2747	2747
Cost to import (US\$ per container)	4035	4035	4285	4285
Documents to export (number)	9	9	9	9
Documents to import (number)	10	10	10	10
Time to export (days)	47	47	47	47
Time to import (days)	71	71	71	71

3. The following graphs illustrate the Trading Across Borders sub indicators in Burundi over the past 4 years:





How much time, how many documents and what cost to export and import across borders by ocean transport?



These tables list the procedures necessary to import and export a standardized cargo of goods in Burundi. The documents required to export and import the goods are also shown.

Nature of Export Procedures (2010)	Duration (days)	US\$ Cost
Documents preparation	14	360
Customs clearance and technical control	4	85
Ports and terminal handling	4	302
Inland transportation and handling	25	2000
Totals	47	2747

Nature of Import Procedures (2010)	Duration (days)	US\$ Cost
Documents preparation	14	530
Customs clearance and technical control	5	125
Ports and terminal handling	15	180
Inland transportation and handling	37	3450
Totals	71	4285

Documents for Export and Import

Export

Bill of lading
Certificate of origin
Commercial invoice
Customs export declaration
Equipment interchange receipt
Export license
Packing list
Technical standard/health certificate
Terminal handling receipts

Import

Bill of lading
Certificate of origin
Collection order
Commercial invoice
Customs import declaration
Import license
Packing list
Technical standard/health certificate
Terminal handling receipts
Transit document

Well functioning courts help businesses expand their network and markets. Where contract enforcement is efficient, firms have greater access to credit and are more likely to engage with new borrowers or customers. *Doing Business* measures the efficiency of the judicial system in resolving a commercial sale dispute before local courts. Following the step-by-step evolution of a standardized case study, data relating to the time, cost and procedural complexity of resolving a commercial lawsuit are collected through study of the codes of civil procedure and other court regulations, as well as through surveys completed by local litigation lawyers (and, in a quarter of the countries, by judges as well).

Some reform outcomes

In Rwanda the implementation of specialized commercial courts in May 2008 resulted in a significant decrease of the case backlog, and contributed to reduce the time to resolve a commercial dispute by nearly 3 months.

In Austria a "data highway" for the courts that allows attachments to be sent electronically has produced savings of €4.4 million in postage alone.

What do the Enforcing Contracts indicators measure?

Enforcing Contracts: resolving a commercial dispute through the courts

Rankings are based on 3 subindicators

Procedures to enforce a contract (number)

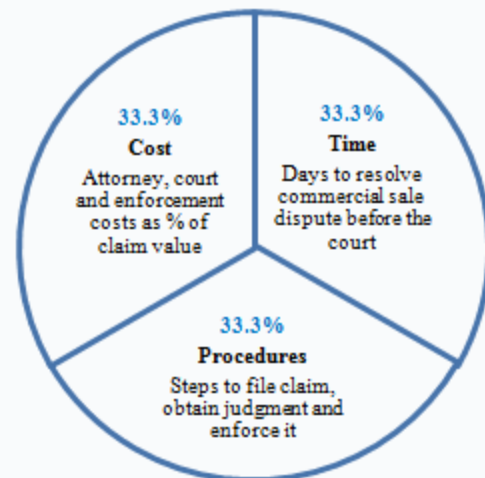
- Any interaction between the parties in a commercial dispute, or between them and the judge or court officer
- Steps to file the case
- Steps for trial and judgment
- Steps to enforce the judgment

Time required to complete procedures (calendar days)

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

Cost required to complete procedures (% of claim)

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



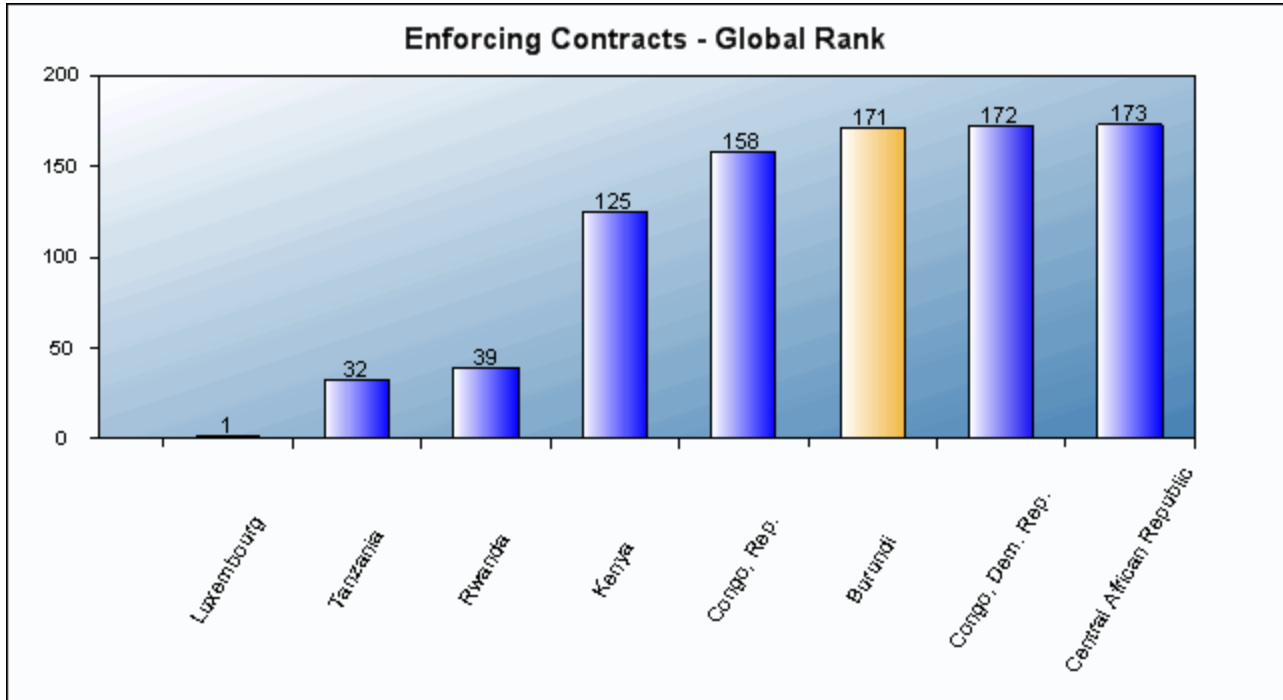
Case Study Assumptions

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

1. Benchmarking Enforcing Contracts Regulations:

Burundi is ranked 171 overall for Enforcing Contracts.

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



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

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

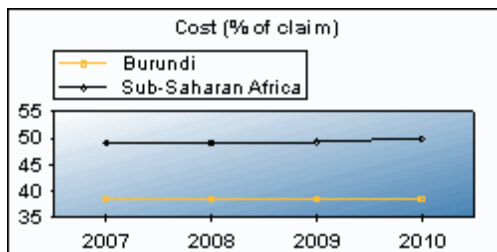
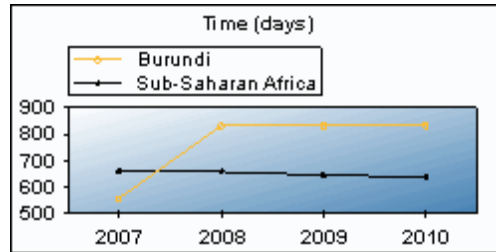
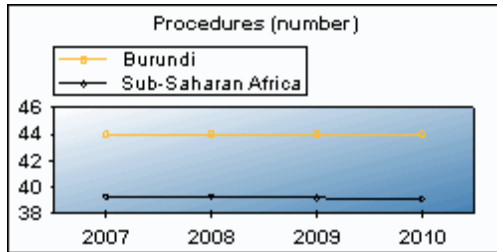
<i>Selected Economy</i>			
Burundi	44	832	38.6

<i>Comparator Economies</i>			
Central African Republic	43	660	82.0
Congo, Dem. Rep.	43	625	151.8
Congo, Rep.	44	560	53.2
Kenya	40	465	47.2
Rwanda	24	230	78.7
Tanzania	38	462	14.3

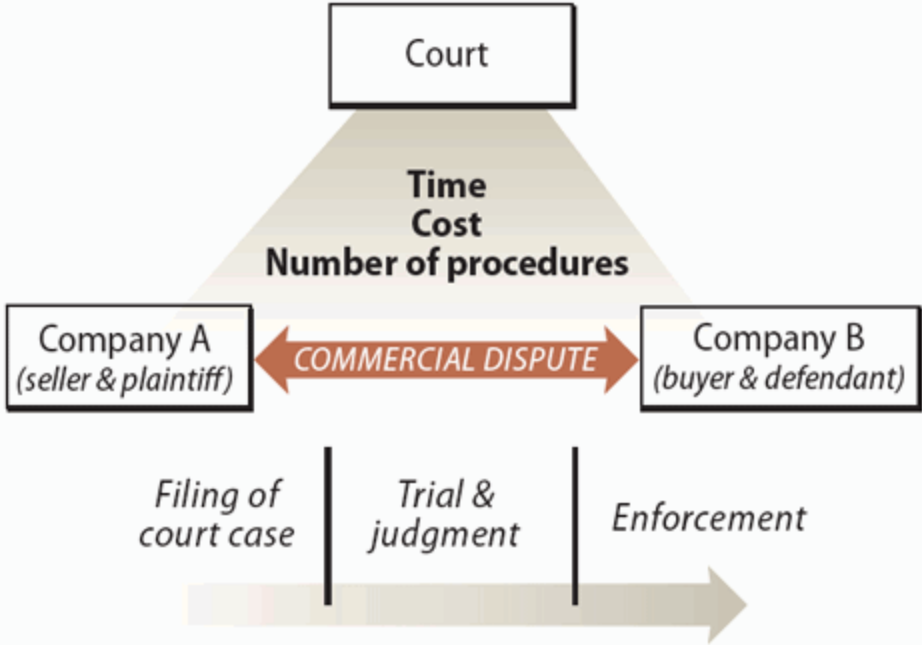
2. Historical data: Enforcing Contracts in Burundi

Enforcing Contracts data	Doing Business 2008	Doing Business 2009	Doing Business 2010	Doing Business 2011
Rank	..	..	171	171
Procedures (number)	44	44	44	44
Time (days)	558	832	832	832
Cost (% of claim)	38.6	38.6	38.6	38.6

3. The following graphs illustrate the Enforcing Contracts sub indicators in Burundi over the past 4 years:



What are the time, cost and number of procedures to resolve a commercial dispute through the courts?



This topic looks at the efficiency of contract enforcement in Burundi.

Nature of Procedure (2010)	Indicator
Procedures (number)	44
Time (days)	832
Filing and service	22.0
Trial and judgment	395.0
Enforcement of judgment	415.0
Cost (% of claim)*	38.60
Attorney cost (% of claim)	22.5
Court cost (% of claim)	10.0
Enforcement Cost (% of claim)	6.1

Court information: Bujumbura Commercial Court

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

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

Some reform outcomes

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

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

What does the Closing a Business indicator measure?

Closing a Business: insolvency proceedings against local company

Time required to recover debt (years)

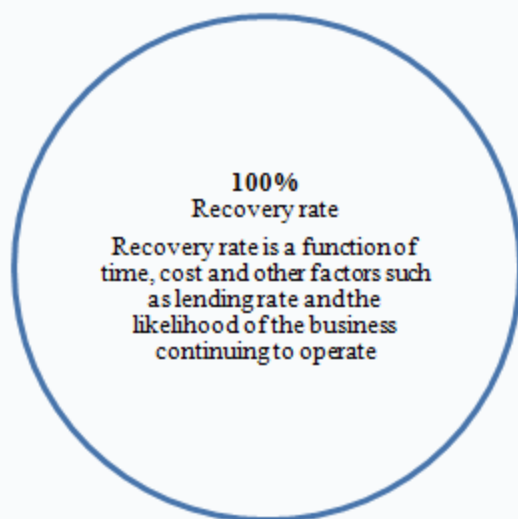
- Measured in calendar years
- Appeals and requests for extension are included

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

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

Recovery rate for creditors (cents on the dollar)

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



Case Study Assumptions

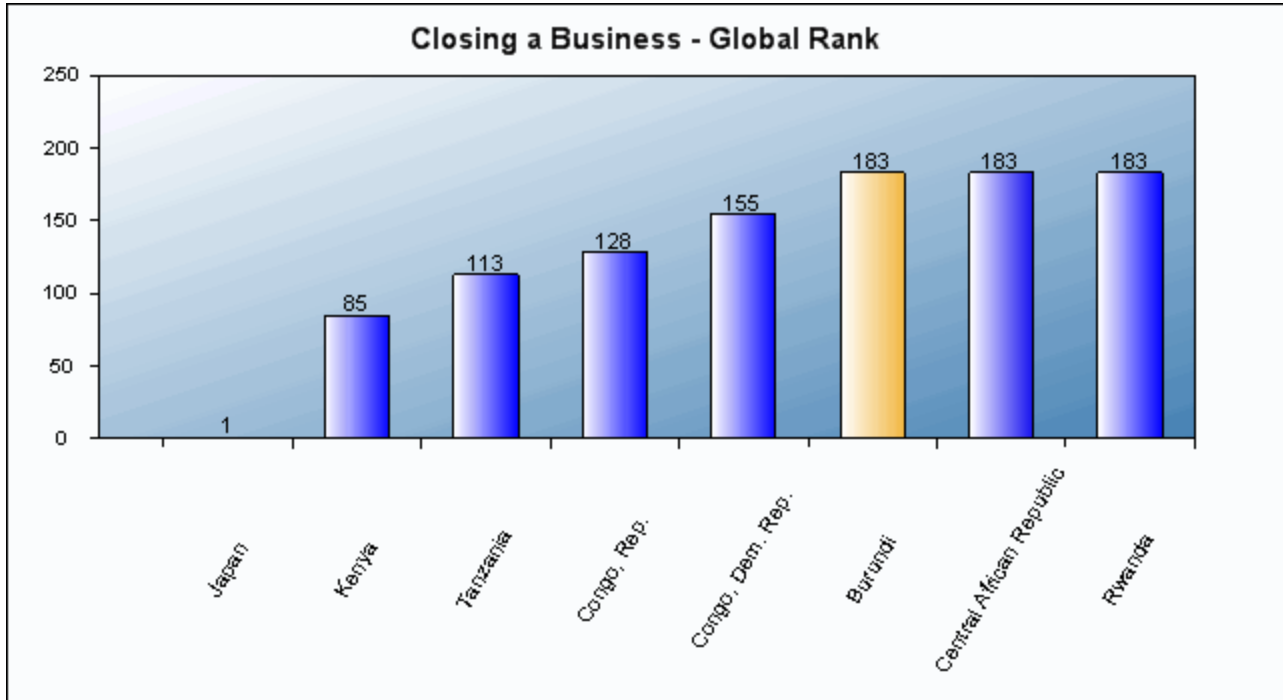
The Company

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

1. Benchmarking Closing Business Regulations:

Burundi is ranked 183 overall for Closing a Business.

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



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

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

<i>Selected Economy</i>			
Burundi	0.0	no practice	no practice

<i>Comparator Economies</i>			
Central African Republic	0.0	4.8	76
Congo, Dem. Rep.	1.1	5.2	29
Congo, Rep.	17.8	3.3	25
Kenya	29.8	4.5	22
Rwanda	0.0	no practice	no practice
Tanzania	21.9	3.0	22

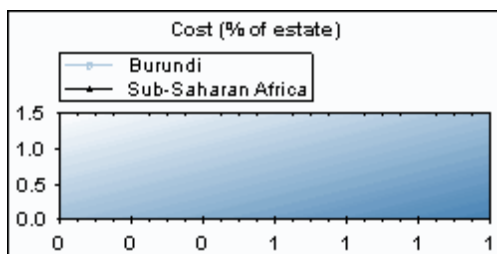
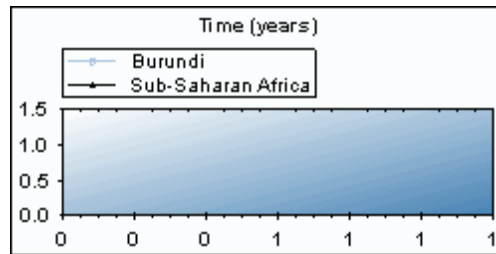
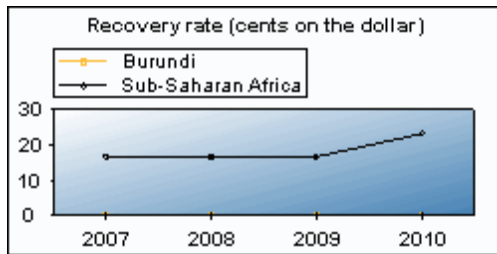
* The following economies are also good practice economies for :

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

2. Historical data: Closing Business in Burundi

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

3. The following graphs illustrate the Closing Business sub indicators in Burundi over the past 4 years:



Since 2004 Doing Business has been tracking reforms aimed at simplifying business regulations, strengthening property rights, opening access to credit and enforcing contracts by measuring their impact on 10 indicator sets . * Nearly 1,000 reforms have had an impact on these indicators. *Doing Business 2011*, covering June 2009 to June 2010, reports that 117 economies implemented 216 reforms to make it easier to start a business. 64% of economies measured by Doing Business have reformed this year, focusing on easing business start-up, lightening the tax burden, simplifying import and export regulations and improving credit information systems.

The top 10 most-improved in Doing Business 2011

Economy	Indicator									
	Starting a Business	Dealing with Construction Permits	Registering Property	Getting Credit	Protecting Investors	Paying Taxes	Trading Across Borders	Enforcing Contracts	Closing a Business	Employing Workers
Kazakhstan	✓	✓			✓		✓			
Rwanda		✓		✓			✓			
Peru	✓	✓	✓				✓			
Vietnam	✓	✓		✓						
Cape Verde	✓		✓				✓			
Tajikistan	✓				✓		✓			
Zambia	✓						✓	✓		
Hungary		✓	✓				✓			✓
Grenada	✓		✓				✓			
Brunei Darussalam	✓						✓	✓		

 Positive Change
 Negative Change

* For *Doing Business 2011* the Employing Workers indicator is not included in the aggregate ease of doing business ranking.

Summary of changes to business regulation in top 10 most improved economies in *Doing Business 2011* and selected comparator economies.

Brunei Darussalam	Brunei Darussalam made starting a business easier by improving efficiency at the company registrar and implementing an electronic system for name searches. Brunei Darussalam reduced the corporate income tax rate from 23.5% to 22% while also introducing a lower tax rate for small businesses, ranging from 5.5% to 11%. The introduction of an electronic customs system in Brunei Darussalam made trading easier.
Burundi	Burundi made paying taxes simpler by replacing the transactions tax with a value added tax.
Cape Verde	Cape Verde made start-up easier by eliminating the need for a municipal inspection before a business begins operations and computerizing the system for delivering the municipal license. Cape Verde eased property registration by switching from fees based on a percentage of the property value to lower fixed rates. Cape Verde abolished the stamp duties on sales and checks.
Congo, Dem. Rep.	The Democratic Republic of Congo eased business start-up by eliminating procedures, including the company seal. Dealing with construction permits became easier in the Democratic Republic of Congo thanks to a reduction in the cost of a building permit from 1% of the estimated construction cost to 0.6% and a time limit for issuing building permits. The Democratic Republic of Congo reduced by half the property transfer tax to 3% of the property value.
Congo, Rep.	The Republic of Congo reduced its corporate income tax rate from 38% to 36% in 2010.
Grenada	Grenada eased business start-up by transferring responsibility for the commercial registry from the courts to the civil administration. The appointment of a registrar focusing only on property cut the time needed to transfer property in Grenada by almost half. Grenada's customs administration made trading faster by simplifying procedures, reducing inspections, improving staff training and enhancing communication with users.
Hungary	Hungary implemented a time limit for the issuance of building permits. Hungary reduced the property registration fee by 6% of the property value. Hungary simplified taxes and tax bases. Amendments to Hungary's bankruptcy law encourage insolvent companies to consider reaching agreements with creditors out of court so as to avoid bankruptcy.
Kazakhstan	Kazakhstan eased business start-up by reducing the minimum capital requirement to 100 tenge (\$0.70) and eliminating the need to have the memorandum of association and company charter notarized. Kazakhstan made dealing with construction permits easier by implementing a one-stop shop related to technical conditions for utilities. Kazakhstan strengthened investor protections by requiring greater corporate disclosure in company annual reports. Kazakhstan speeded up trade through efforts to modernize customs, including implementation of a risk management system and improvements in customs automation.
Kenya	Kenya eased business start-up by reducing the time it takes to get the memorandum and articles of association stamped, merging the tax and value added tax registration procedures and digitizing records at the registrar. Kenya increased the administrative burden of paying taxes by requiring quarterly filing of payroll taxes. Kenya speeded up trade by implementing an electronic cargo tracking system and linking this system to the Kenya Revenue Authority's electronic data interchange system for customs clearance.
Peru	Peru eased business start-up by simplifying the requirements for operating licenses and creating an online one-stop shop for business registration. Peru streamlined construction permitting by implementing administrative reforms. Peru introduced fast-track procedures at the land registry, cutting by half the time needed to register property. Peru made trading easier by implementing a new web-based electronic data interchange system, risk-based inspections and payment deferrals.
Rwanda	Rwanda made dealing with construction permits easier by passing new building regulations at the end of April 2010 and implementing new time limits for the issuance of various permits. Rwanda enhanced access to credit by allowing borrowers the right to inspect their own credit report and mandating that loans of all sizes be reported to the central bank's public credit registry. Rwanda reduced the number of trade documents required and enhanced its joint border management procedures with Uganda and other neighbors, leading to an improvement in the trade logistics environment.

Tajikistan

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

Vietnam

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

Zambia

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



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