

# Doing Business 2011

Dominican Republic

**Making  
a Difference for  
Entrepreneurs**

COMPARING BUSINESS REGULATION IN 183 ECONOMIES



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1818 H Street NW  
Washington, DC 20433  
Telephone 202-473-1000  
Internet [www.worldbank.org](http://www.worldbank.org)

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

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

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

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

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

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

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

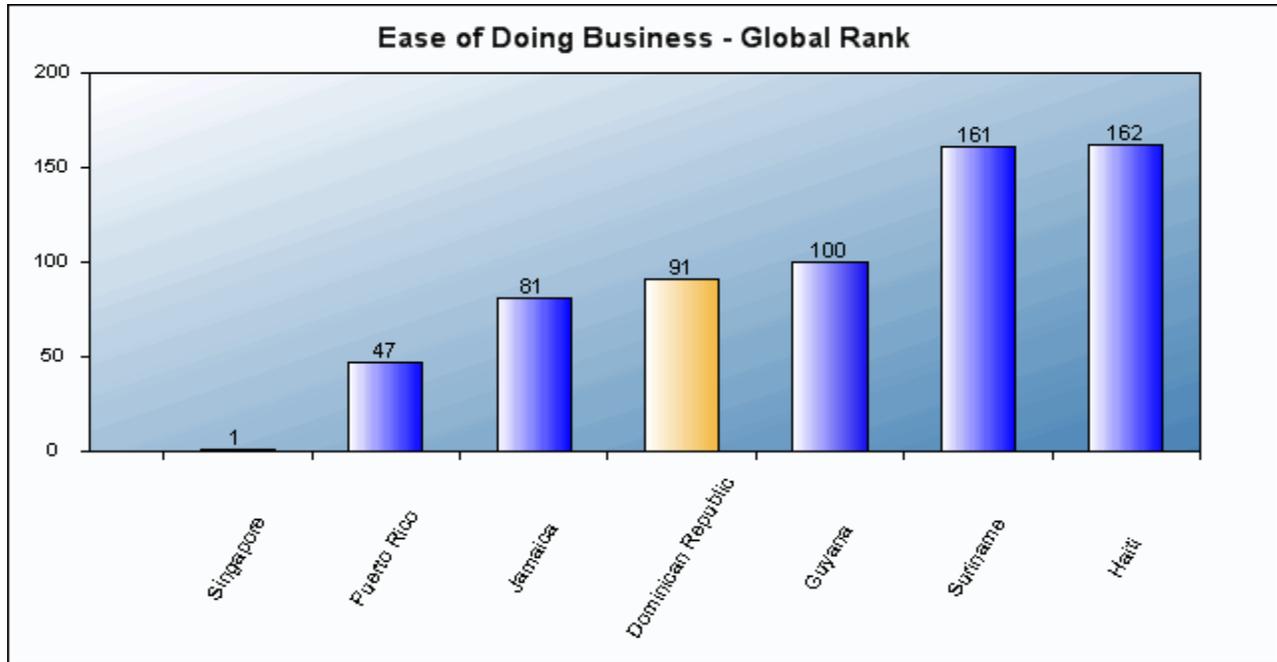
\* Except for the Paying Taxes indicator that refers to the period January to December of 2009.

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

## Economy Rankings - Ease of Doing Business

Dominican Republic is ranked 91 out of 183 economies. Singapore is the top ranked economy in the Ease of Doing Business.

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



### Dominican Republic's ranking in Doing Business 2011

Rank	Doing Business 2011
Ease of Doing Business	91
Starting a Business	137
Dealing with Construction Permits	89
Registering Property	114
Getting Credit	72
Protecting Investors	59
Paying Taxes	76
Trading Across Borders	40
Enforcing Contracts	84
Closing a Business	145

## Summary of Indicators - Dominican Republic

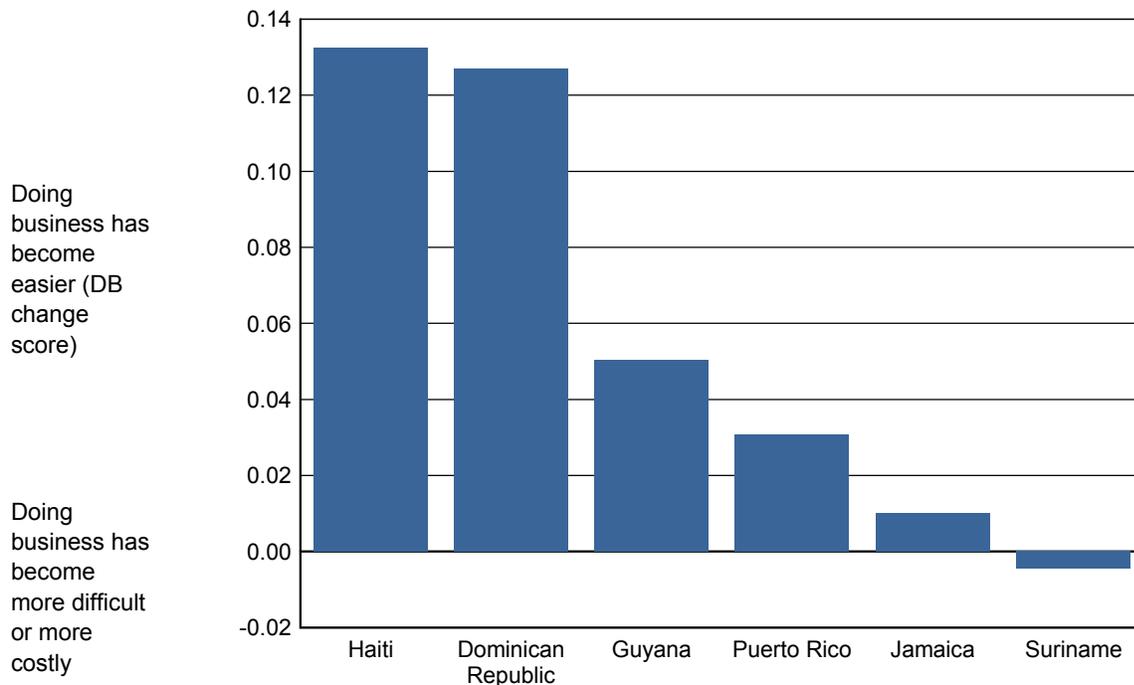
<b>Starting a Business</b>	Procedures (number)	8
	Time (days)	19
	Cost (% of income per capita)	19.2
	Min. capital (% of income per capita)	62.6
<b>Dealing with Construction Permits</b>	Procedures (number)	17
	Time (days)	214
	Cost (% of income per capita)	126.7
<b>Registering Property</b>	Procedures (number)	7
	Time (days)	60
	Cost (% of property value)	3.7
<b>Getting Credit</b>	Strength of legal rights index (0-10)	3
	Depth of credit information index (0-6)	6
	Public registry coverage (% of adults)	28.5
	Private bureau coverage (% of adults)	47.3
<b>Protecting Investors</b>	Extent of disclosure index (0-10)	5
	Extent of director liability index (0-10)	4
	Ease of shareholder suits index (0-10)	8
	Strength of investor protection index (0-10)	5.7
<b>Paying Taxes</b>	Payments (number per year)	9
	Time (hours per year)	324
	Profit tax (%)	20.5
	Labor tax and contributions (%)	18.3
	Other taxes (%)	1.8
	Total tax rate (% profit)	40.7
<b>Trading Across Borders</b>	Documents to export (number)	6
	Time to export (days)	9
	Cost to export (US\$ per container)	916
	Documents to import (number)	7
	Time to import (days)	10
	Cost to import (US\$ per container)	1150

<b>Enforcing Contracts</b>	Procedures (number)	34
	Time (days)	460
	Cost (% of claim)	40.9
<b>Closing a Business</b>	Recovery rate (cents on the dollar)	9.1
	Time (years)	3.5
	Cost (% of estate)	38

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.

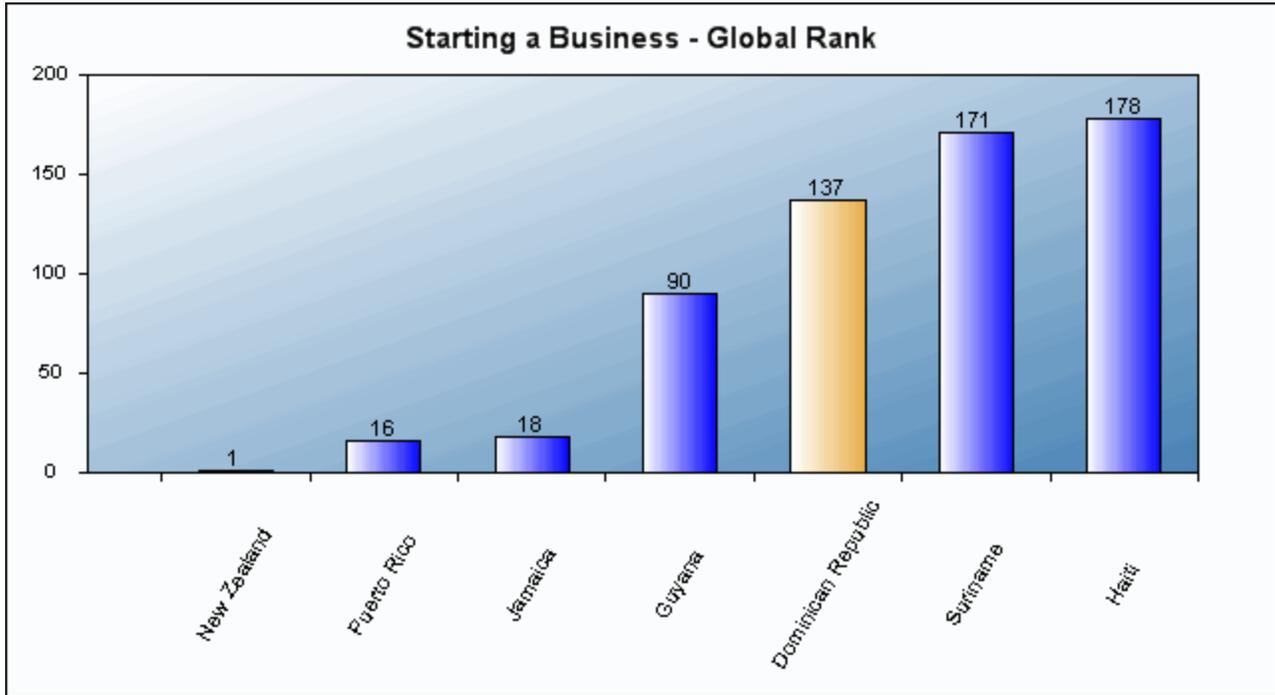
#### The business:

- 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:

Dominican Republic is ranked 137 overall for Starting a Business.

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



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

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

<i>Selected Economy</i>				
<b>Dominican Republic</b>	<b>8</b>	<b>19</b>	<b>19.2</b>	<b>62.6</b>

<i>Comparator Economies</i>				
<b>Guyana</b>	8	30	18.7	0.0
<b>Haiti</b>	13	105	212.0	20.7
<b>Jamaica</b>	6	8	5.2	0.0
<b>Puerto Rico</b>	7	7	0.7	0.0
<b>Suriname</b>	13	694	119.9	0.6

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

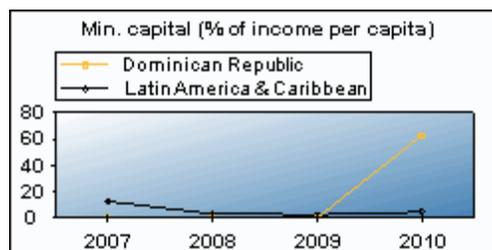
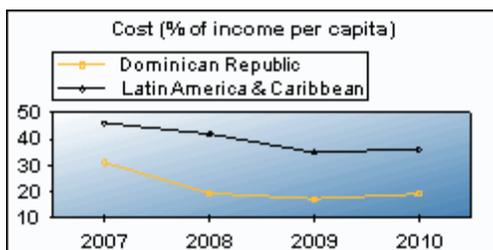
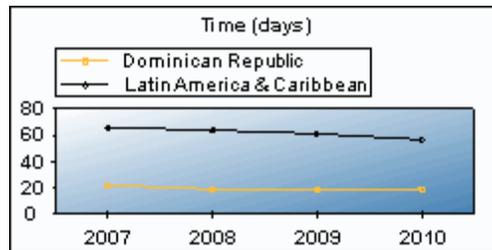
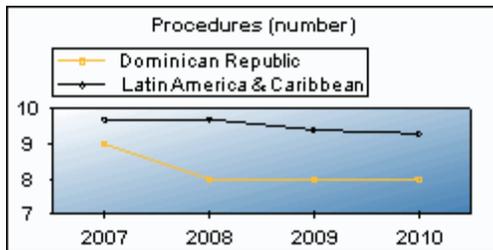
**Procedures (number):** **Canada**

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

## 2. Historical data: Starting a Business in Dominican Republic

Starting a Business data	Doing Business 2008	Doing Business 2009	Doing Business 2010	Doing Business 2011
Rank	..	..	105	137
Procedures (number)	9	8	8	8
Time (days)	22	19	19	19
Cost (% of income per capita)	31.1	19.4	17.3	19.2
Min. capital (% of income per capita)	0.0	0.0	0.0	62.6

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

### STANDARDIZED COMPANY

Legal Form: Sociedad de Responsabilidad Limitada (SRL)

City: Santo Domingo

### Registration Requirements:

No:	Procedure	Time to complete	Cost to complete
1	Check company name and purchase it on-line	1	DOP 4,747
2	Arrange for the publication of the company name in the monthly publication of the National Office of Industrial Property (Oficina Nacional de la Propiedad Industrial)	10	DOP 971
3 *	Open a bank account, deposit the minimum capital and obtain a certificate of deposit	1	no charge
4 *	Payment of Incorporation tax	1	DOP 15,981
5	Register the company in the Chamber of Commerce and obtain the identification number (RNC) on-line	5	DOP 8,800
6	File for the National Taxpayers Registry at the Internal Revenue Service (DGII) and apply for fiscal receipts.	2	no charge
7 *	Register local employees with the Department of Labor	2	DOP 250

8 \* Register employees at the main social security office (Consejo Nacional de Seguridad Social, CNSS)

1

no charge

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\* Takes place simultaneously with another procedure.

## Starting a Business Details - Dominican Republic

### Procedure 1 Check company name and purchase it on-line

**Time to complete:** 1

**Cost to complete:** DOP 4,747

**Comment:** With the introduction of the virtual portal : , the applicant can search and pay for a fee of DOP 3,607 for its company name. Currently, the interested party may enter [www.onapi.gov.do](http://www.onapi.gov.do) to check if the name has been registered or not. The [www.creatuempresa.gob.do](http://www.creatuempresa.gob.do) it is in an upgrade process, due to the new company law that brings new type of companies like the SRL and the EIRL its necessary to include this new companies option in the portfolios of offers that the portal provide, the new portal will be re launched in November 2010.

### Procedure 2 Arrange for the publication of the company name in the monthly publication of the National Office of Industrial Property (Oficina Nacional de la Propiedad Industrial)

**Time to complete:** 10

**Cost to complete:** DOP 971

**Comment:** The company name announcement is published in a national circulation newspaper in about 10 days. The company name announcement is published in a national circulation newspaper only the 15 or 30 of each month. The National Office of Industrial Property publishes the list of requested business/corporate names and their petitioners twice a month. After that publication, third parties may lodge protests within 45 days. The publication receipt suffices for the company to continue with subsequent simultaneous formalities.

The publication can also be in the virtual portal of [www.onapi.gov.do](http://www.onapi.gov.do) (oficina nacional de propiedad industrial-national office of the intelectual property)

The Decree 326-06 dated 8 August, 2006 modifies Article 66 of the Application Ruling of Law 20-00, establishing that after the petition or request of the registration of a commercial or trade name is made the National Office of Industrial Property (ONAPI) has a time limit of five (5) business days to issue the Formal Certificate. The actual value for the publication is DOP 971.

After requesting the registration of the commercial name, in a term of 5 labor days, ONAPI issues its response; if the registration is accepted, immediately the Certificate of Registry is handed over, for which an amount of DOP 971 has to be paid, to cover the costs of publication. If ONAPI rejects the registration of the commercial name, a term of 60 days is given to the solicitor to answer the rejection. When the publication is paid, ONAPI, publishes the registered name, with the information of the certificate, in the official bulletins that are published every two weeks (15 and 30 of each month) in a newspaper of national circulation (currently "El Nacional").

### Procedure 3 Open a bank account, deposit the minimum capital and obtain a certificate of deposit

**Time to complete:** 1

**Cost to complete:** no charge

**Comment:**

### Procedure 4 Payment of Incorporation tax

**Time to complete:** 1

**Cost to complete:** DOP 15,981

**Comment:** The relevant incorporation taxes are paid by certified check issued to the Collector of the Internal Revenue Department (Colector de Impuestos Internos), through online banking (BHD and Leon banks) or at the counter at Banco del Progreso. According to new Law of Eficiencia Recaudatoria (from April 1st 2007), the incorporation taxes have been unified and only one tax should be paid that accounts as 1% of the amount of the authorized capital. The incorporation tax can also be paid directly at the Internal Revenue Service offices (Dirección General de Impuestos Internos). Also, if the amount does not exceed DOP 5,000, it can be paid in cash. This tax is also payable at the counter of Banco de Reservas.

**Procedure 5 Register the company in the Chamber of Commerce and obtain the identification number (RNC) on-line**

**Time to complete:** 5

**Cost to complete:** DOP 8,800

**Comment:** The Dominican Republic has enacted a new law that represents a complete revision and overhaul of its company law. The Law on Business Associations and Individual Proprietorships with Limited Liability Law No. 479-08 was passed on December 11th, of the year 2008 and comes into effect on June 19th, of the year 2009.

The new law aims at a complete modernization of title III of the Dominican Code of Commerce, which it repeals and replaces. It is intended to regulate company processes that previously lacked regulation and to strengthen the protection of interested parties and stakeholders. The new law introduces two new types of companies: the limited liability companies (SRL) and individual proprietorships with limited liability (IPLLs), which allow individual business owners to keep their personal property from the reach of their business creditors by placing their business assets in a limited liability entity.

The company is registered online at [www.creatuempresa.gob.do](http://www.creatuempresa.gob.do). The identification (RNC) is also obtained through the same portal. However the virtual portal is currently in an upgrade process due to the new company law that brings new type of companies like the SRL and the EIRL. It is necessary to include these new companies in the portfolios of offers that the portal provide. The new portal will be re-launched in November 2010. Currently and until the portal is operational, the registration is being done physically by visiting the registry at the Chamber of Commerce and the tax number (RNC) is obtained from the tax office's virtual portal [www.dgii.gov.do](http://www.dgii.gov.do).

The following documents have to be filed at the Mercantile Registry at the Chamber of Commerce:

- By-Laws properly signed and sealed with the company's seal;
- General Constitutive Assembly with its corresponding list of presence of Associates;
- List of the distribution of each of the associates investment to the company and their corresponding amounts of corporate quotas;
- Application Form for registration of Limited Liability Company, duly completed and signed by the authorized manager or agent (must attach original power of attorney, if applicable) .
- Association Partnership Agreement
- Certificate of deposit of minimum capital in a bank
- Receipt of payment of incorporation taxes
- Photocopies of identity card
- Copy of Business Name Registration issued by the National Office of Industrial Property (ONAPI)

Within three (3) days, the Mercantile Registry Certificate will be issued. Incorporation fees are based on the company's authorized capital and are calculated according to the fee schedule established by each Chamber of Commerce and Production every two years. Fees do not vary significantly by location.

Fees for document registration:

- Originals: DOP 200 (each document).
- Copies: DOP 200 (each document).
- Usual cost: DOP 800 (one set of originals, copies are for free).

In this case DOP 8000 for the incorporation and DOP 800 for the registration of the documents.

#### **Procedure 6 File for the National Taxpayers Registry at the Internal Revenue Service (DGII) and apply for fiscal receipts.**

**Time to complete:** 2

**Cost to complete:** no charge

**Comment:** According to Decree 254–06, companies that render services or whose operations require the transfer of goods must issue receipts with a fiscal number (numero de comprobante fiscal). The application can be made online. Within 5 working days, the Internal Tax Directorate must analyze the information and notify the taxpayer (either physically or electronically) of the administrative resolution of the authorization to issue the fiscal receipts.

Even in the case that the application for the National Taxpayers Registry is made online, through the Internal Revenue Service’s webpage, physical documents still need to be filed at the Internal Revenue Service. Additionally, even if the incorporation is undertaken via the virtual portal [creatuempresa.gob.do](http://creatuempresa.gob.do), physical documents still need to be filed both at the Mercantile Registry and the Internal Revenue Service.

#### **Procedure 7 Register local employees with the Department of Labor**

**Time to complete:** 2

**Cost to complete:** DOP 250

**Comment:** Forms DGT-3, DGT-4, and the employer’s registration form (registro nacional laboral, RNL) must be completed within the first week of employment. The following forms, found at the local Department of Labor office, must be filed: a list of permanent personnel and employee work schedules and vacation periods.

Fees for registering local employees with the Department of Labor:

The book of visits costs DOP 250, whereas the Registration of personnel Form costs DOP 300 for each 50 employees

This procedure can be completed only once the taxpayer's identification number has been obtained.

#### **Procedure 8 Register employees at the main social security office (Consejo Nacional de Seguridad Social, CNSS)**

**Time to complete:** 1

**Cost to complete:** no charge

**Comment:** To control the contributions made by the company (the employer) and the employee, every company shall be registered and file the list of its employees at the Social Security National Treasury (Tesorería Nacional de la Seguridad Social, TNSS), a dependency of the main social security office (Consejo Nacional de Seguridad Social, CNSS). The TNSS distributes all the contributions to each plan’s corresponding administrator.

According to the Law 188-07 dated August 2007 the TNSS is under the obligation of updating the above mentioned percentages. Accordingly, the new percentages are as follows (these new provisions came into effect on August 2009 and will be effective until July 2010):

- Retirement Plan of 9.97 % of the employee's salary to the Administradora de Fondos de Pensiones (AFP) (7.10% by the employer and 2.87 % by the employee at a public or private organization)
- Health plan: Administradora de Riesgos de Salud (ARS), 10.13% of the employee’s salary as of August 1, 2009 (7.09% by the employer and 3.04% by the employee)
- Labor risk plan: Administradora de Riesgos Laborales (ARL)

Under Law 87-01, employers must register employees at the CNSS within 3 days of hiring them or upon the start of business. New ARS provisions came into effect on May 1, 2007. According to law, the contribution should be 9% of the employee's salary. That contribution is paid 70% by the employer and 30% by the employee.

This procedure can be done online : <http://www.tss.gov.do/> or at the Tesorería Nacional de la Seguridad Social.

The ARL contributions are set according to the risk index of the activities carried out.

The percentage of the employee's salary paid into the AFP is now 5%.

A taxpayer's identification number is required to proceed with TSS registration of an entity. This procedure may, however, be carried out simultaneously with registration with the Department of Labor.

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

### Some reform outcomes

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

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

### What does the Dealing with Construction Permits indicator measure?

#### Procedures to legally build a warehouse (number)

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

#### Time required to complete each procedure (calendar days)

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

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

- Official costs only, no bribes

### Case Study Assumptions

#### The business:

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

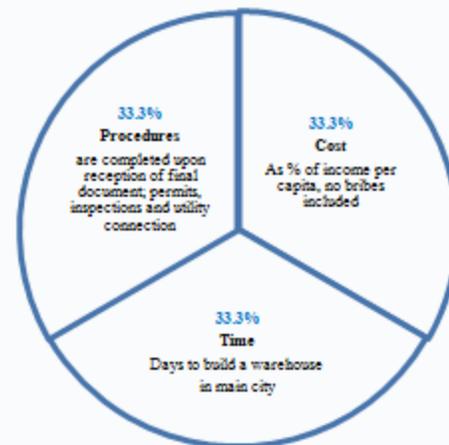
#### The warehouse:

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

### Dealing with Construction Permits:

#### Building a warehouse

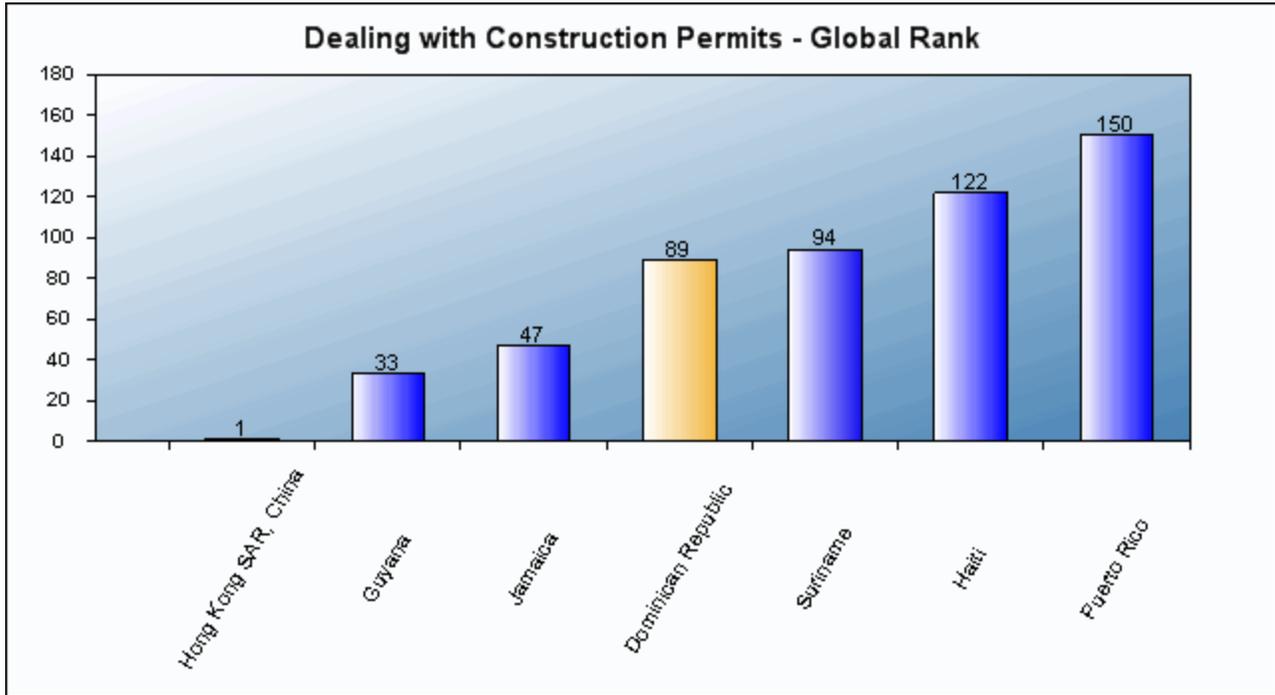
Rankings are based on 3 subindicators



## 1. Benchmarking Dealing with Construction Permits Regulations:

Dominican Republic is ranked 89 overall for Dealing with Construction Permits.

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



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

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

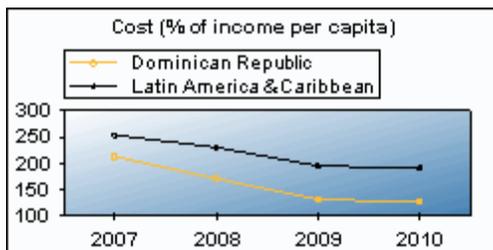
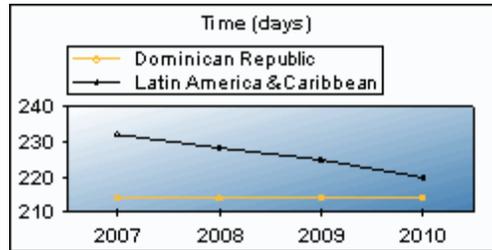
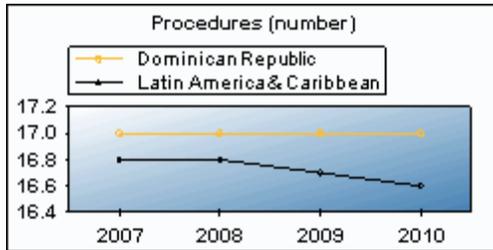
<i>Selected Economy</i>			
<b>Dominican Republic</b>	<b>17</b>	<b>214</b>	<b>126.7</b>

<i>Comparator Economies</i>			
<b>Guyana</b>	11	133	130.5
<b>Haiti</b>	11	1179	525.3
<b>Jamaica</b>	10	156	258.3
<b>Puerto Rico</b>	22	209	500.4
<b>Suriname</b>	14	431	88.9

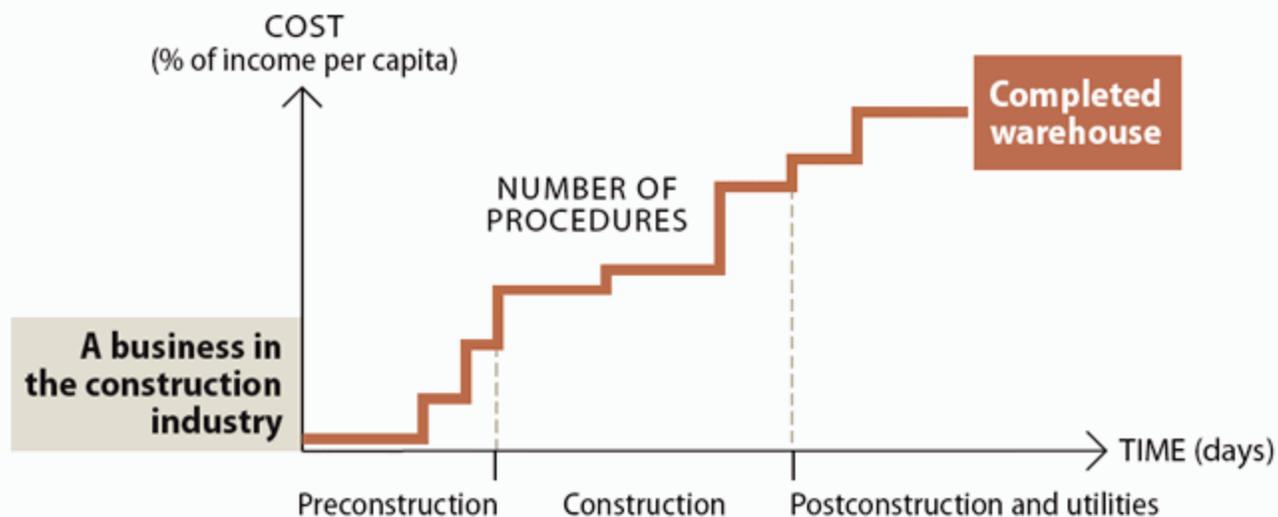
## 2. Historical data: Dealing with Construction Permits in Dominican Republic

Dealing with Construction Permits data	Doing Business 2008	Doing Business 2009	Doing Business 2010	Doing Business 2011
Rank	..	..	90	89
Procedures (number)	17	17	17	17
Time (days)	214	214	214	214
Cost (% of income per capita)	212.9	170.9	131.6	126.7

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

### BUILDING A WAREHOUSE

City: Santo Domingo

#### Registration Requirements:

No:	Procedure	Time to complete	Cost to complete
1	Obtain a certificate to use the land and possibly, one of no objection (certificación de no objeción, certificación de uso de suelo)	7 days	DOP 1,080
2	Obtain approval of project design drawings by the Municipal Council, and of the construction license by the Ministry of Public Works and Communications	141 days	DOP 97,545
3 *	Receive inspection by the Municipal Council (Departamento de Planeamiento Urbano)	1 day	DOP 500
4	Receive inspection by the Ministry of Public Works and Communications	1 day	no charge
5	Pay license fees and taxes associated with the construction license and obtain proof of payment	1 day	DOP 20,484
6	Obtain recibo de entrada from Ministry of Public Works and Communications	10 days	no charge
7	Receive an inspection before the lintel (zapata) of the project is made	1 day	DOP 232

8	Receive an inspection before the space between galleries (entrepiso) is completed	1 day	DOP 232
9	Receive an inspection before the roof of the project is completed	1 day	DOP 232
10	Request water and sewage connection	1 day	no charge
11	Receive on-site inspection for water and sewage connection	1 day	no charge
12	Receive water and sewage connection	45 days	DOP 22,000
13 *	Request electric power connection	1 day	no charge
14	Receive on-site inspection for electric power connection	1 day	no charge
15	Obtain electric power connection	30 days	DOP 55,000
16 *	Receive on-site inspection and connection to telephone	12 days	DOP 4,000
17	Notify the Ministry of Public Works and Communications of the building completion, and obtain final approval (inspection)	6 days	DOP 1,160

\* Takes place simultaneously with another procedure.

## Dealing with Construction Permits Details - Dominican Republic

### Procedure 1 Obtain a certificate to use the land and possibly, one of no objection (certificación de no objeción, certificación de uso de suelo)

**Time to complete:** 7 days

**Cost to complete:** DOP 1,080

**Agency:** Municipal Council (Departamento de Planeamiento Urbano)

**Comment:** The land-use certificate confers the right to build on the plot, but it does not authorize construction. The certificate ensures that the project conforms to zoning regulations. It is a prerequisite for other procedures. The request for this permit may include a request for the certification of "no objection." The request must be accompanied by several documents related to the land, including (a) a copy (simple, unnotarized) of the real property deed for the plot (does not have to be recently obtained); (b) a cadastral plan; (c) a map of the project's location; and (d) a first draft of the project design drawings.

Should the no-objection certification be requested along with the permit for use of land, the cost involved in such procedure is DOP 1,080. If the land-use permit is requested separately from the no-objection certification, the fee is DOP 530. If requested separately from the land-use permit, the no-objection certification fee is DOP 550. In both cases, the requests must be accompanied by the inspection request.

### Procedure 2 Obtain approval of project design drawings by the Municipal Council, and of the construction license by the Ministry of Public Works and Communications

**Time to complete:** 141 days

**Cost to complete:** DOP 97,545

**Agency:** Municipal Council (Departamento de Planeamiento Urbano del Ayuntamiento de la Jurisdicción correspondiente), Ministry of Public Works and Communications (Departamento de Tramitación de Planos de la Secretaría de Estado de Obras Públicas)

**Comment:** The request for approval of the project design drawings must be accompanied by several documents, including the property deed, the cadastral plan, and project design drawings, certified by an architect or engineer registered at the Dominican College of Engineers and Architects (CODIA) by the corresponding Municipal Council. BuildCo must request an inspection upon filing the project drawings. Doing so is a prerequisite for other procedures. If the certification of no objection to the project construction is not requested along with the land use permit, it must be requested along with this procedure.

Once the request is approved by the Municipal Council (usually after 14 days), the municipality forwards the request to the Ministry of Public Works and Communications. The ministry then grants a construction license for the project (usually in another 14 days). The license is granted to the project itself and not to BuildCo. During this process, BuildCo must follow up with both agencies to ensure license processing. The construction must be initiated within 6 months from the date of issuance of the license. The license expires if construction work has not begun within 6 months.

According to Resolution # 5, 2004 of the National District Office (Ayuntamiento del Distrito Nacional de Santo Domingo) the official cost for the construction of a warehouse is DOP 75 per square meter. For a warehouse of 1300.6 square meters the total cost will be DOP 97,545.

### Procedure 3 Receive inspection by the Municipal Council (Departamento de Planeamiento Urbano)

**Time to complete:** 1 day

**Cost to complete:** DOP 500

**Agency:** Municipal Council (Departamento de Planeamiento Urbano)

**Comment:** The inspection is a prerequisite for the Municipal Council's project design approval and is undertaken by the municipal authorities. According to Resolution # 5, 2004 of the National District Office (Ayuntamiento del Distrito Nacional de Santo Domingo) the official cost for this inspection is DOP 500.

**Procedure 4 Receive inspection by the Ministry of Public Works and Communications**

**Time to complete:** 1 day

**Cost to complete:** no charge

**Agency:** Ministry of Public Works and Communications (Inspectorate)

**Comment:** An inspector from the Inspection Department of the Ministry of Public Works (Departamento de Inspección de la Secretaría de Estado de Obras Públicas) inspects the site to determine the project's magnitude and taxes and license fees.

**Procedure 5 Pay license fees and taxes associated with the construction license and obtain proof of payment**

**Time to complete:** 1 day

**Cost to complete:** DOP 20,484

**Agency:** Ministry of Public Works and Communication (Dirección de Edificación de la Secretaría de Estado de Obras Públicas).

**Comment:** Fees are paid once the license has been approved and the inspector has valued the project. The formula used by the Ministry of Public Works and Communications to determine construction fees is DOP 2,800 per square meter (1,300 sq. m. x DOP 2,800 = DOP 3,640,000). Thus, the applicable administrative fees (based on a project value of DOP 3,640,000) for this procedure are as follows:

- Internal taxes: DOP 464.
- Construction permit, equivalent to 2.5 X 1,000 of the construction cost: DOP 9,100.
- Fee for the Dominican College of Engineers and Architects (CODIA), equivalent to 2 x 1,000 of the construction cost: DOP 7,280.

The total cost to complete this process is DOP 20,484.

**Procedure 6 Obtain recibo de entrada from Ministry of Public Works and Communications**

**Time to complete:** 10 days

**Cost to complete:** no charge

**Agency:** Ministry of Public Works and Communications

**Comment:** The following documents are filed before the Ministry of Public Works and Communications:

- Deed of real estate property.
- Cadastral plan.
- No objection certification, issued by the municipal authorities (see Procedure 1).
- Form F-3 DGPU, provided by the municipal authorities.

- Evidence of payment of the taxes for the construction permit.
- Plans, duly certified by the corresponding municipal authorities.
- Plans, duly approved by the Directorate of Terrestrial Transit (Direccion General de Transito Terrestre).
- Structural calculations.
- Permit for the use of land.

**Procedure 7 Receive an inspection before the lintel (zapata) of the project is made**

**Time to complete:** 1 day

**Cost to complete:** DOP 232

**Agency:** Ministry of Public Works and Communications

**Comment:** It is unnecessary to interrupt construction, either during construction inspections or between the inspection request date and the actual inspection.

**Procedure 8 Receive an inspection before the space between galleries (entrepiso) is completed**

**Time to complete:** 1 day

**Cost to complete:** DOP 232

**Agency:** Ministry of Public Works and Communications

**Comment:**

**Procedure 9 Receive an inspection before the roof of the project is completed**

**Time to complete:** 1 day

**Cost to complete:** DOP 232

**Agency:** Ministry of Public Works and Communications

**Comment:** The inspection is carried out by an inspector from the Inspection Department of the Ministry of Public Works and Communications (Departamento de Inspeccion de la Secretaria de Estado de Obras Publicas y Comunicaciones).

**Procedure 10 Request water and sewage connection**

**Time to complete:** 1 day

**Cost to complete:** no charge

**Agency:** Corporation of Aqueduct and Sewage System of Santo Domingo (CAASD)

**Comment:**

**Procedure 11 Receive on-site inspection for water and sewage connection**

**Time to complete:** 1 day

**Cost to complete:** no charge

**Agency:** Corporation of Aqueduct and Sewage System of Santo Domingo (CAASD)

**Comment:**

#### **Procedure 12 Receive water and sewage connection**

**Time to complete:** 45 days

**Cost to complete:** DOP 22,000

**Agency:** Corporation of Aqueduct and Sewage System of Santo Domingo (CAASD)

**Comment:** A contract must be executed with the Corporation of Aqueducts and Sewage System of Santo Domingo.

#### **Procedure 13 Request electric power connection**

**Time to complete:** 1 day

**Cost to complete:** no charge

**Agency:** Corporation of Governmental Electrical Entities (CDEEE)

**Comment:**

#### **Procedure 14 Receive on-site inspection for electric power connection**

**Time to complete:** 1 day

**Cost to complete:** no charge

**Agency:** Corporation of Governmental Electrical Entities (CDEEE)

**Comment:**

#### **Procedure 15 Obtain electric power connection**

**Time to complete:** 30 days

**Cost to complete:** DOP 55,000

**Agency:** Corporation of Aqueduct and Sewage System of Santo Domingo (CAASD)

**Comment:** To obtain an electric power connection, BuildCo must execute a contract with the Corporation of Governmental Electrical Entities. This procedure is carried out in the final phase of construction and may be undertaken simultaneously with the procedure for requesting a power connection, depending on the phase in which water connection is requested. The power connection does not require a license and constitutes a simple service to be retained. BuildCo must deposit DOP 50,000; this amount is almost never refunded. BuildCo must also pay a DOP 5,000 connection fee.

**Procedure 16 Receive on-site inspection and connection to telephone**

<b>Time to complete:</b>	12 days
<b>Cost to complete:</b>	DOP 4,000
<b>Agency:</b>	Compañía Dominicana de Telefonos (CODETEL)
<b>Comment:</b>	

**Procedure 17 Notify the Ministry of Public Works and Communications of the building completion, and obtain final approval (inspection)**

<b>Time to complete:</b>	6 days
<b>Cost to complete:</b>	DOP 1,160
<b>Agency:</b>	Ministry of Public Works and Communication (Dirección de Edificación de la Secretaría de Estado de Obras Públicas).
<b>Comment:</b>	Once notified of construction completion, the Ministry of Public Works undertakes a final on-site inspection. Usually, the inspectors visit the site in about a week or so. To obtain final inspection, BuildCo must pay internal taxes of DOP 1,160 (five times the tax of DOP 232). This inspection verifies if the transit regulations have been fulfilled and examines the roof's impermeability, the sanitary installations, the electrical installations, and the door, floor, and window installations.

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)

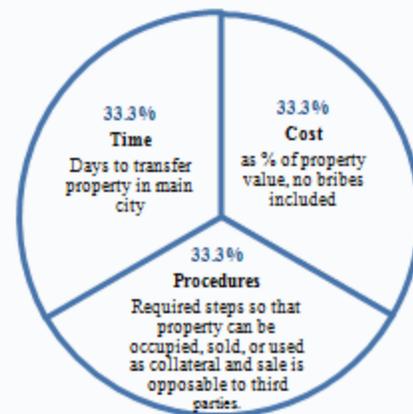
- Preregistration (for example, checking for liens, notarizing sales agreement, paying property transfer taxes)
- Registration in the economy's largest business city
- Post registration (for example, transactions with the local authority, tax authority or cadastre)

### 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.

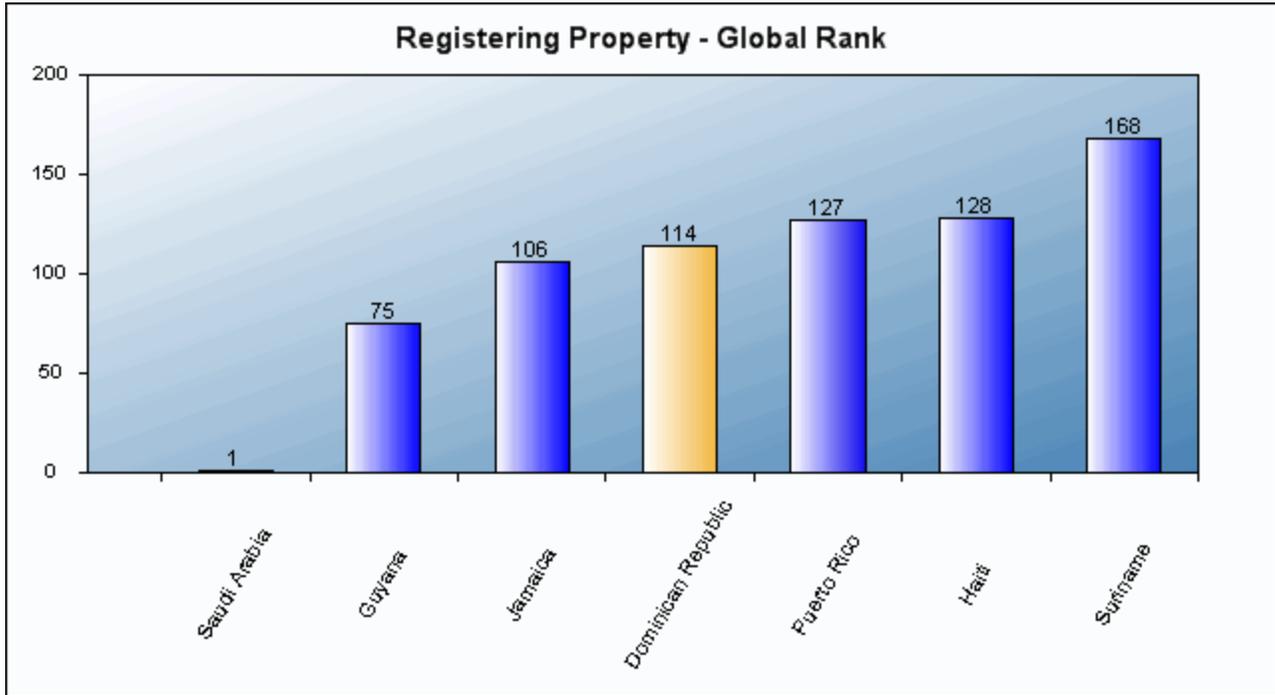
#### The property (fully owned by the seller):

- 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:

Dominican Republic is ranked 114 overall for Registering Property.

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



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

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

<i>Selected Economy</i>			
<b>Dominican Republic</b>	7	60	3.7

<i>Comparator Economies</i>			
<b>Guyana</b>	6	34	4.5
<b>Haiti</b>	5	405	6.3
<b>Jamaica</b>	6	37	7.5
<b>Puerto Rico</b>	8	194	0.9
<b>Suriname</b>	6	197	13.8

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

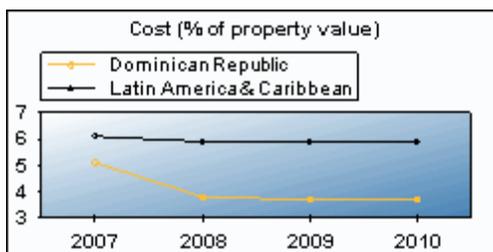
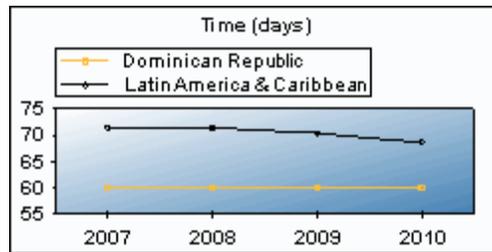
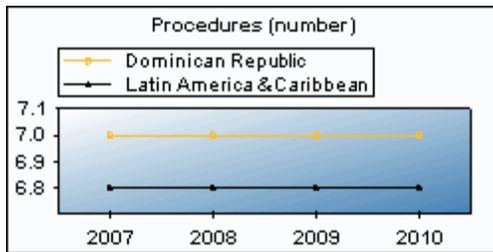
**Procedures (number): United Arab Emirates**

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

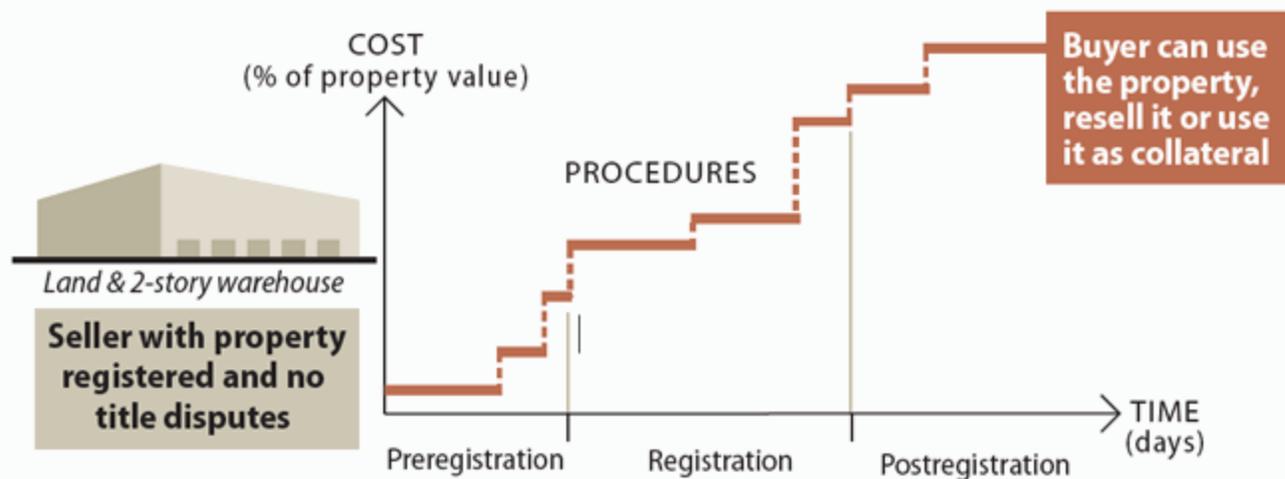
## 2. Historical data: Registering Property in Dominican Republic

Registering Property data	Doing Business 2008	Doing Business 2009	Doing Business 2010	Doing Business 2011
Rank	..	..	113	114
Procedures (number)	7	7	7	7
Time (days)	60	60	60	60
Cost (% of property value)	5.1	3.8	3.7	3.7

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

### STANDARDIZED PROPERTY

Property Value: 7,990,641.17

City: Santo Domingo

#### Registration Requirements:

No:	Procedure	Time to complete	Cost to complete
1 *	Obtain a non-encumbrance certificate from the Registry	15 - 20 days (simultaneous with procedure 2)	ROD 300
2 *	Site inspection to establish the exact location of the property	2 days (simultaneous with procedure 1)	ROD 5,000 – 12,000
3	Notarization of the sale purchase agreement	1 day	0.25 – 1% of the property price
4	Request the valuation of the property at the Dirección General de Impuestos (Tax Authority)	1 day	no cost
5	An inspector of the Tax Authority verifies the value of the property	14 days	no cost
6	Payment of taxes at the Dirección General de Impuestos (Tax Authority)	1 day	3% of property value (transfer tax)
7	Payment of taxes at the Dirección General de Impuestos (Tax Authority)	20 - 30 days	ROD 50 (Stamp duty)

\* Takes place simultaneously with another procedure.

## Registering Property Details - Dominican Republic

<b>Procedure</b>	<b>1</b>	<b>Obtain a non-encumbrance certificate from the Registry</b>
<b>Time to complete:</b>	15 - 20 days (simultaneous with procedure 2)	
<b>Cost to complete:</b>	ROD 300	
<b>Agency:</b>	Property Registry	
<b>Comment:</b>	<p>A non-encumbrance certificate ("Certificado del Estado de la Propiedad") must be obtained from the Property Registry in order to ensure that the property has no liens and there are no other conflicts related to it.</p> <p>The time varies in each district. In Santo Domingo it takes about 15-20 days, while in the interior of the country it is faster.</p> <p>Fees have been increased by the Resolución nr. 9-2009.</p>	
<b>Procedure</b>	<b>2</b>	<b>Site inspection to establish the exact location of the property</b>
<b>Time to complete:</b>	2 days (simultaneous with procedure 1)	
<b>Cost to complete:</b>	ROD 5,000 – 12,000	
<b>Agency:</b>	Surveyor (agrimensor)	
<b>Comment:</b>	<p>A surveyor ("agrimensor") inspects the site in order to establish the exact location of the property.</p> <p>This is not mandatory, but a way the buyer has to protect against potential problems.</p>	
<b>Procedure</b>	<b>3</b>	<b>Notarization of the sale purchase agreement</b>
<b>Time to complete:</b>	1 day	
<b>Cost to complete:</b>	0.25 – 1% of the property price	
<b>Comment:</b>	<p>After the agreement is reached and the documentation has been exchanged by the parties, the sale purchase agreement must be notarized by the public notary.</p> <p>The notary freely establishes its fees.</p>	
<b>Procedure</b>	<b>4</b>	<b>Request the valuation of the property at the Dirección General de Impuestos (Tax Authority)</b>
<b>Time to complete:</b>	1 day	
<b>Cost to complete:</b>	no cost	
<b>Agency:</b>	Tax Authority (Dirección General de Impuestos Internos)	
<b>Comment:</b>	<p>The parties must submit an application to the Tax Authority (Dirección General de Impuestos) for the valuation of the property.</p> <p>The tax authority decides which cases will need a valuation, and then an appointment for the inspection of the property is scheduled. The valuation will be used in the calculation of taxes.</p>	

**Procedure 5 An inspector of the Tax Authority verifies the value of the property**

**Time to complete:** 14 days

**Cost to complete:** no cost

**Comment:** An inspector of the Tax Authority visits the property in order to verify its value.

**Procedure 6 Payment of taxes at the Dirección General de Impuestos (Tax Authority)**

**Time to complete:** 1 day

**Cost to complete:** 3% of property value (transfer tax)

**Agency:** Tax Authority (Dirección General de Impuestos Internos)

**Comment:** After the inspection is over and the value of the property is calculated, stamps and taxes must be paid at the Dirección General de Impuestos (Tax Authority) before registering the transfer. The following obligations must be paid according to the fiscal reform introduced by the new Ley N° 173-07 de Eficiencia Recaudatoria:  
Transfer tax: 3% of property value (if there is a difference between the property value indicated in the purchase agreement and the one estimated by the Internal Revenue Department upon valuation, the higher value will be the one considered as valid for calculation of this transfer tax).

**Procedure 7 Payment of taxes at the Dirección General de Impuestos (Tax Authority)**

**Time to complete:** 20 - 30 days

**Cost to complete:** ROD 50 (Stamp duty)

**Agency:** Property Registry ("Oficina de Registro de Titulos")

**Comment:** After all payments have been made and all documents are ready, the buyer will apply for registration of the property under his name at the Property Registry. The registrar will analyze the documentation and, if everything is correct, will register the property under the name of the buyer, issue a new Certificate of Title in the name of the buyer, cancel the old Certificate and will set the date for giving the new title to the buyer. Because of the higher workload, this procedure takes longer in Santo Domingo and Santiago than in other provinces. The new Ley de Registro de la Propiedad Inmobiliaria, passed on March 2005 to replace the previous law from 1947, introduced changes into the system seen up to now. The registrar has no more than 15 days to qualify the transfer. The land registry operates with the Torrens title system and is being digitalized since 2005. All new transactions are completed digitally, but all titles created before 2005 are not computerized yet. The registry has consultation room units ("Departamento de sala de consultas") where the registry's electronic database is available.

The documentation shall include:  
Notarized sale purchase agreement (obtained in Procedure 3)  
Receipts of property tax and stamp duty payments (obtained in Procedure 6 & 7)  
Copy of identity documents for seller and buyer companies

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

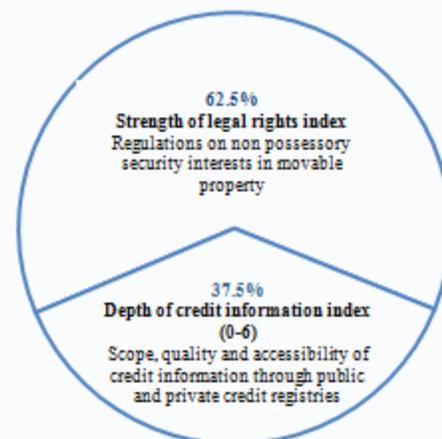
#### Public credit registry coverage (% of adults)

- 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)

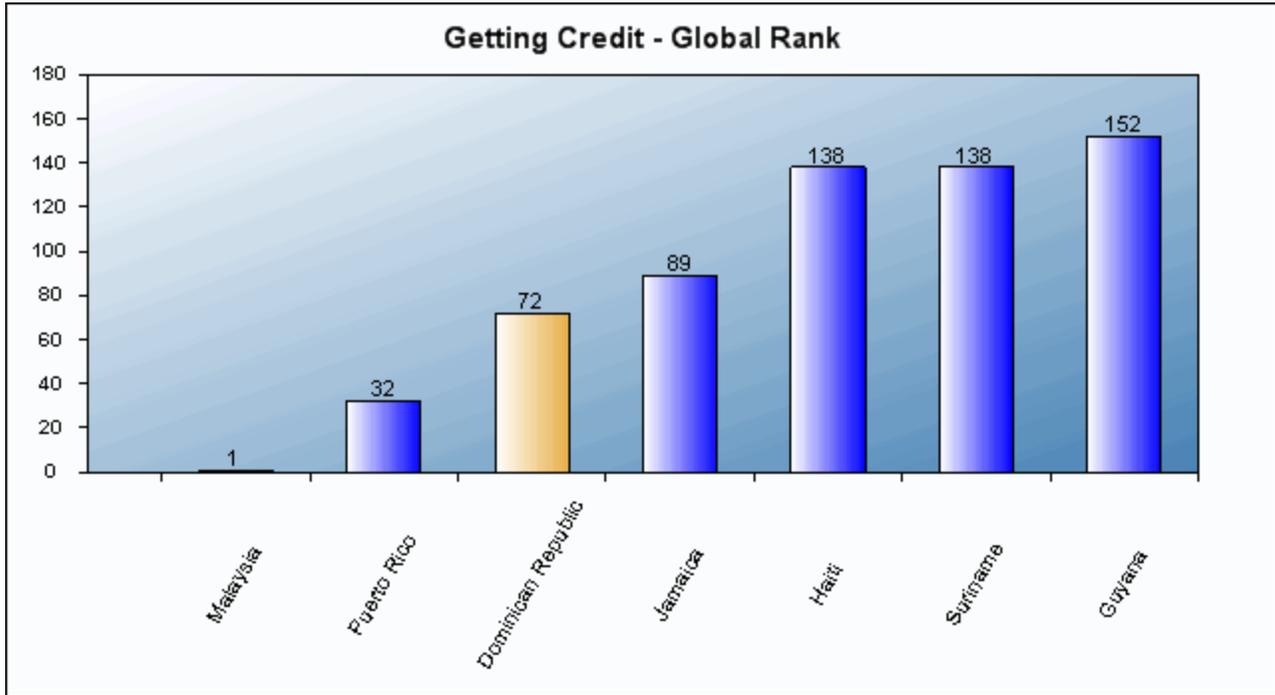
#### The Debtor

- 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:

Dominican Republic is ranked 72 overall for Getting Credit.

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



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

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

<i>Selected Economy</i>				
<b>Dominican Republic</b>	<b>3</b>	<b>6</b>	<b>28.5</b>	<b>47.3</b>

<i>Comparator Economies</i>				
<b>Guyana</b>	4	0	0.0	0.0
<b>Haiti</b>	3	2	0.7	0.0
<b>Jamaica</b>	8	0	0.0	0.0
<b>Puerto Rico</b>	7	5	0.0	71.5
<b>Suriname</b>	5	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**

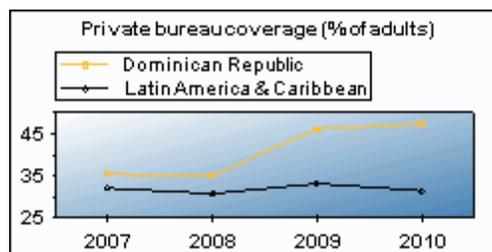
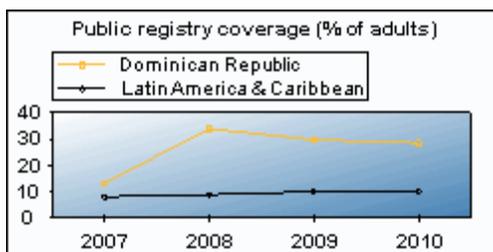
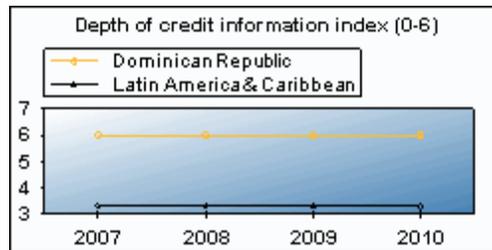
**Private bureau coverage (% of adults): Argentina, Australia, Canada, Iceland, Ireland, Norway, Sweden, United Kingdom, United States**

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

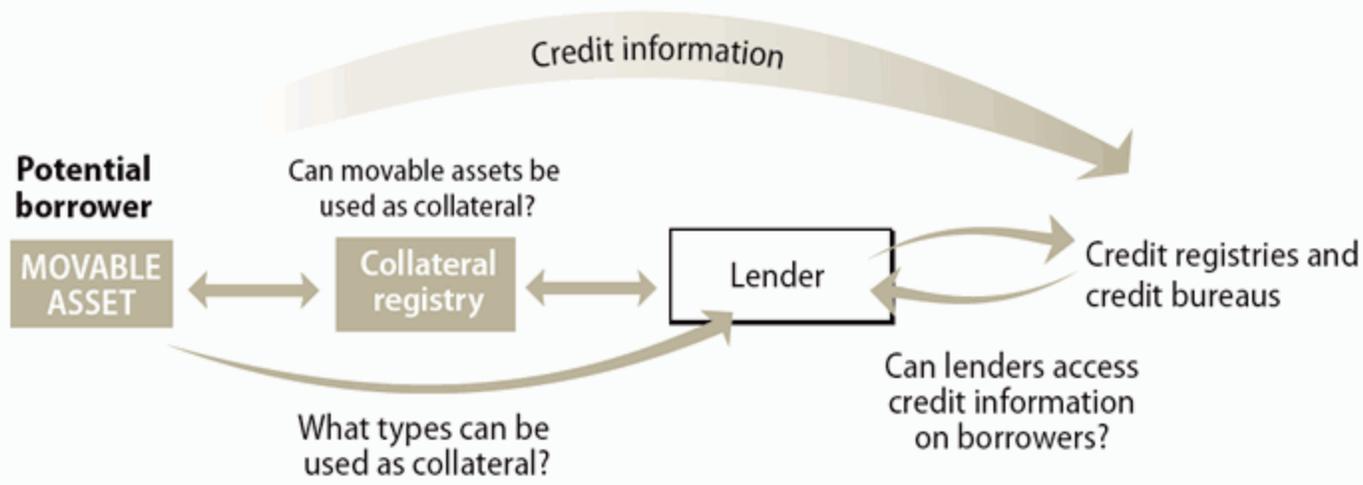
## 2. Historical data: Getting Credit in Dominican Republic

Getting Credit data	Doing Business 2008	Doing Business 2009	Doing Business 2010	Doing Business 2011
Rank	..	..	69	72
Strength of legal rights index (0-10)	3	3	3	3
Depth of credit information index (0-6)	6	6	6	6
Private bureau coverage (% of adults)	35.4	35.0	46.1	47.3
Public registry coverage (% of adults)	13.3	33.9	29.7	28.5

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

Getting Credit Indicators (2010)			Indicator
<b>Private bureau coverage (% of adults)</b>	<b>Private credit bureau</b>	<b>Public credit registry</b>	<b>6</b>
Are data on both firms and individuals distributed?	Yes	Yes	1
Are both positive and negative data distributed?	Yes	Yes	1
Does the registry distribute credit information from retailers, trade creditors or utility companies as well as financial institutions?	Yes	No	1
Are more than 2 years of historical credit information distributed?	Yes	No	1
Is data on all loans below 1% of income per capita distributed?	Yes	Yes	1
Is it guaranteed by law that borrowers can inspect their data in the largest credit registry?	Yes	No	1
<b>Coverage</b>	47.3	28.5	
Number of individuals	3,202,900	1,932,630	
Number of firms	53,616	26,829	

**Strength of legal rights index (0-10)****3**

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?	No
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 ?	Yes
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?	Yes
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)

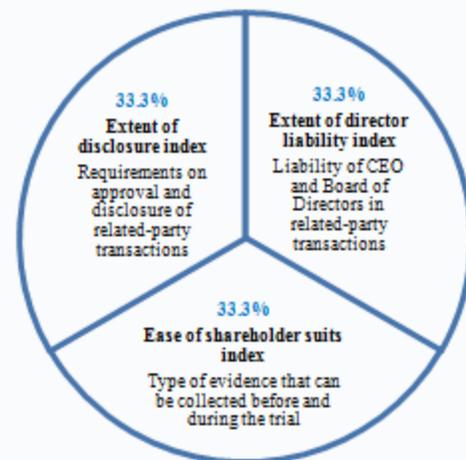
- Documents and information available during trial
- Access to internal corporate documents (directly or through a government inspector)

#### 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.

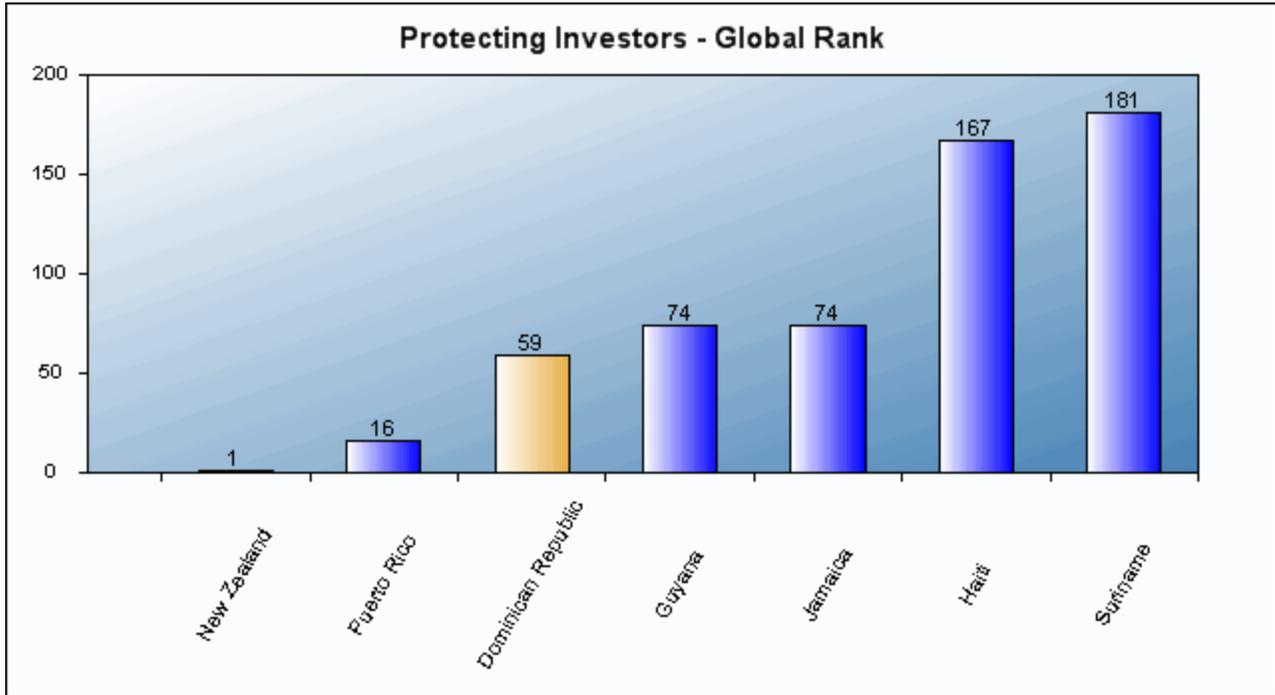
#### The transaction

- 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:

Dominican Republic is ranked 59 overall for Protecting Investors.

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



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

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

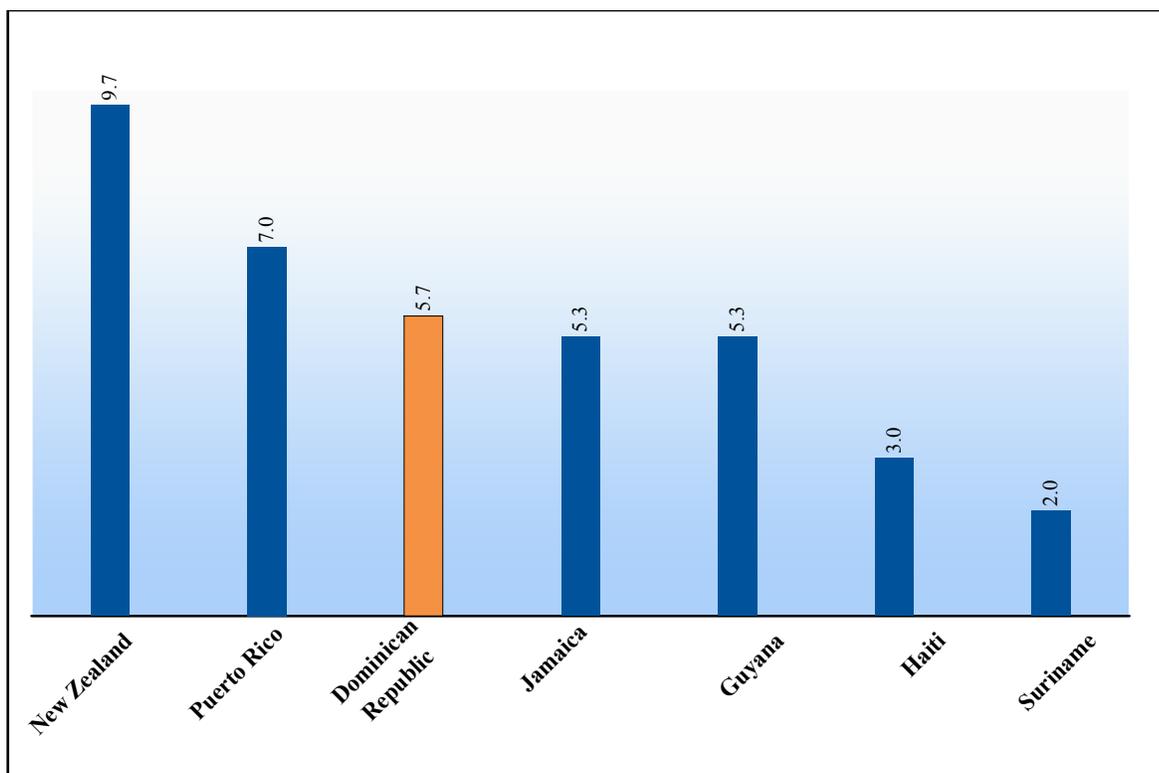
<i>Selected Economy</i>	
<b>Dominican Republic</b>	5.7

<i>Comparator Economies</i>	
<b>Guyana</b>	5.3
<b>Haiti</b>	3.0
<b>Jamaica</b>	5.3
<b>Puerto Rico</b>	7.0
<b>Suriname</b>	2.0

## 2. Historical data: Protecting Investors in Dominican Republic

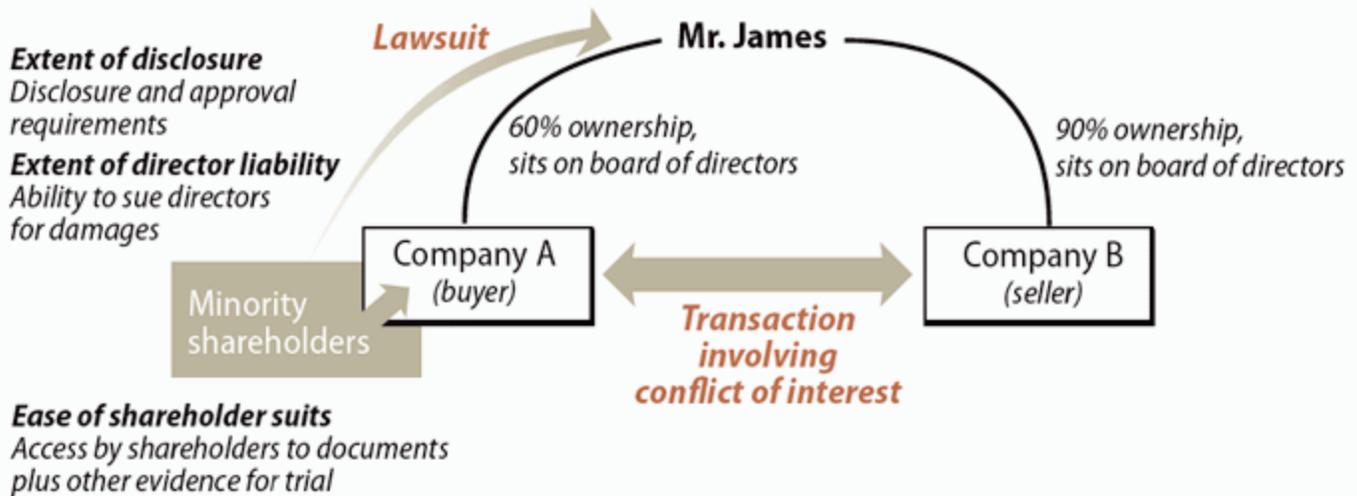
Protecting Investors data	Doing Business 2008	Doing Business 2009	Doing Business 2010	Doing Business 2011
Rank	..	..	57	59
Strength of investor protection index (0-10)	4.0	4.0	5.7	5.7

3. The following graph illustrates the Protecting Investors index in Dominican Republic 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 Dominican Republic.

Protecting Investors Data (2010)	Indicator
<b>Extent of disclosure index (0-10)</b>	<b>5</b>
What corporate body provides legally sufficient approval for the transaction?	2
Whether immediate disclosure of the transaction to the public and/or shareholders is required?	0
Whether disclosure of the transaction in published periodic filings (annual reports) is required?	2
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
<b>Extent of director liability index (0-10)</b>	<b>4</b>
Whether shareholders can hold Mr. James liable for the damage that the Buyer-Seller transaction causes to the company?	1
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?	1
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?	1
Whether shareholders can sue directly or derivatively for the damage that the Buyer-Seller transaction causes to the company?	1
<b>Ease of shareholder suits index (0-10)</b>	<b>8</b>
Whether the plaintiff can obtain any documents from the defendant and witnesses during trial?	3
Whether the plaintiff can directly question the defendant and witnesses during trial?	2
Whether the plaintiff can request categories of documents from the defendant without identifying specific ones?	0
Whether shareholders owning 10% or less of Buyer's shares can request an inspector to investigate the transaction?	1
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
<b>Strength of investor protection index (0-10)</b>	<b>5.7</b>

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

### Some reform outcomes

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

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

### What do the Paying taxes indicators measure?

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

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

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

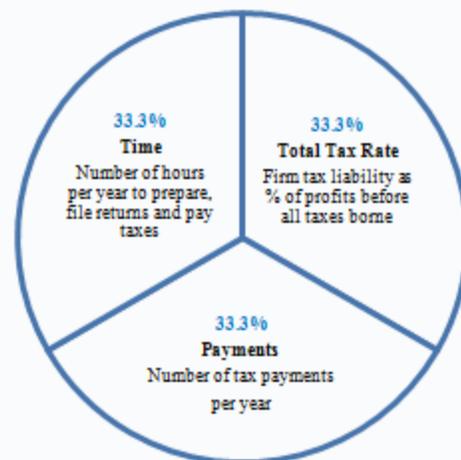
- Collecting information and computing the tax payable
- Completing tax return forms, filing with proper agencies
- Arranging payment or withholding
- Preparing separate tax accounting books, if required

**Total tax rate** (% of profit)

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

**Paying Taxes:** tax compliance for a local manufacturing company

Rankings are based on 3 subindicators



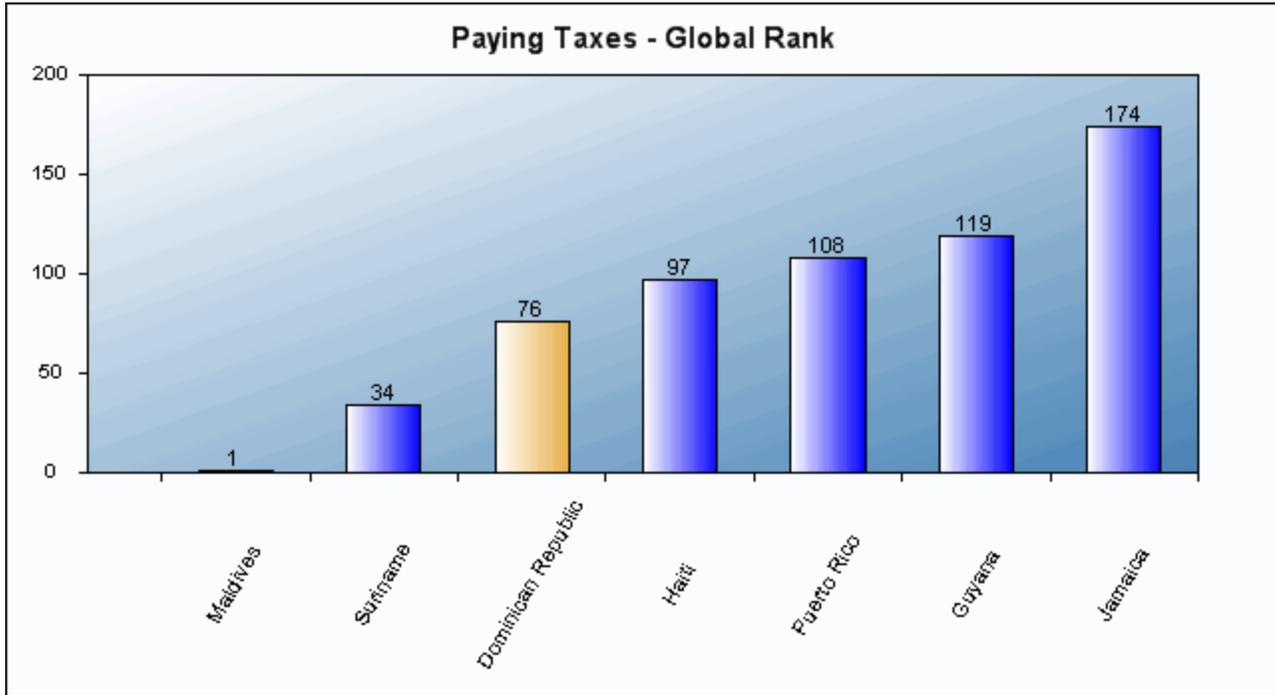
### Case Study Assumptions

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

## 1. Benchmarking Paying Taxes Regulations:

Dominican Republic is ranked 76 overall for Paying Taxes.

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



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

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

<i>Selected Economy</i>			
<b>Dominican Republic</b>	<b>9</b>	<b>324</b>	<b>40.7</b>

<i>Comparator Economies</i>			
<b>Guyana</b>	34	288	38.9
<b>Haiti</b>	42	160	40.1
<b>Jamaica</b>	72	414	50.1
<b>Puerto Rico</b>	16	218	67.7
<b>Suriname</b>	17	199	27.9

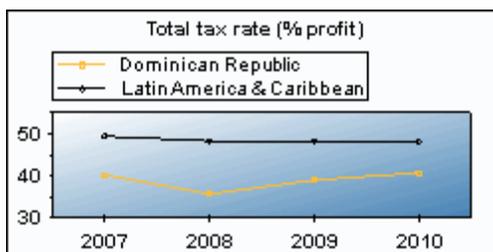
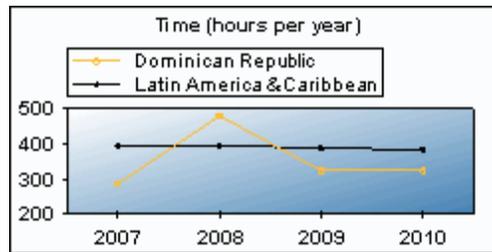
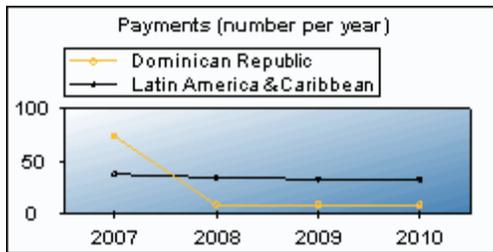
\* The following economies are also good practice economies for :

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

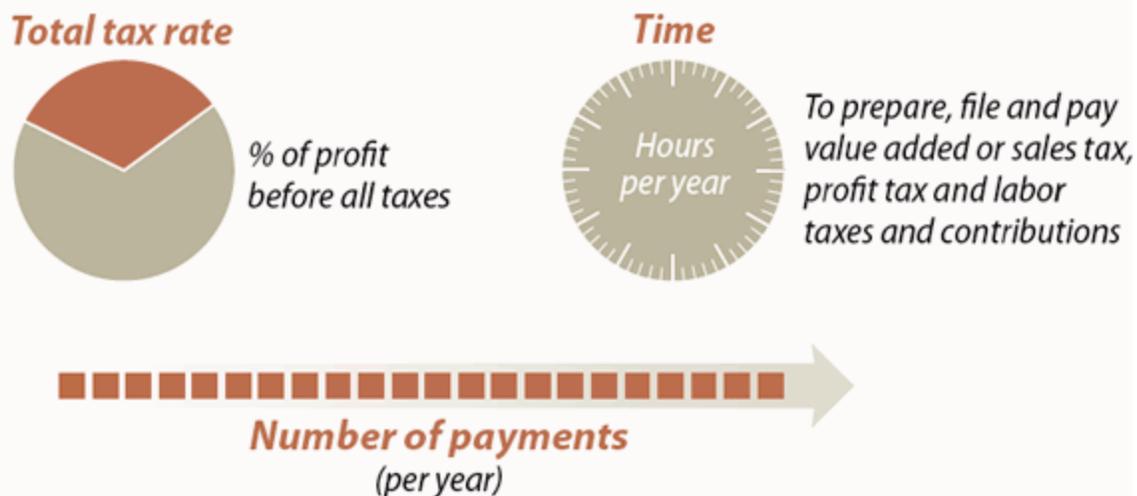
## 2. Historical data: Paying Taxes in Dominican Republic

Paying Taxes data	Doing Business 2008	Doing Business 2009	Doing Business 2010	Doing Business 2011
Rank	..	..	68	76
Total tax rate (% profit)	40.2	35.7	39.0	40.7
Payments (number per year)	74	9	9	9
Time (hours per year)	286	480	324	324

3. The following graphs illustrate the Paying Taxes sub indicators in Dominican Republic 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 Dominican Republic, 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
Value added tax (VAT)	1	online filing	162	16.0%	value added		
Vehicle tax	1			DOP \$2200	fixed fee	0.00	
Health insurance contributions	1	online filing		7.1%	gross salaries	0.40	
Fuel tax	1			DOP \$6.3 per gallon	fuel consumption	0.70	
Training tax (INFOTEP)	1	online filing		1.0%	gross salaries	1.10	
Tax on electronic transfers	1	online filing		0.2%	payments via check or electronic means	1.10	
Labor risk insurance contributions	1	online filing		1.3%	gross salaries	1.50	
Pension contributions	1	online filing	80	7.1%	gross salaries	15.30	

Corporate income tax	1	online filing	82	25.0%	taxable profit	20.50
<b>Totals</b>	<b>9</b>		<b>324</b>			<b>40.7</b>

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)

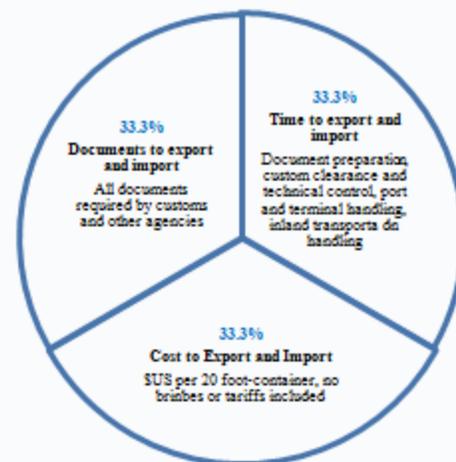
- Bank documents
- Customs clearance documents
- Port and terminal handling documents
- Transport documents

#### 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

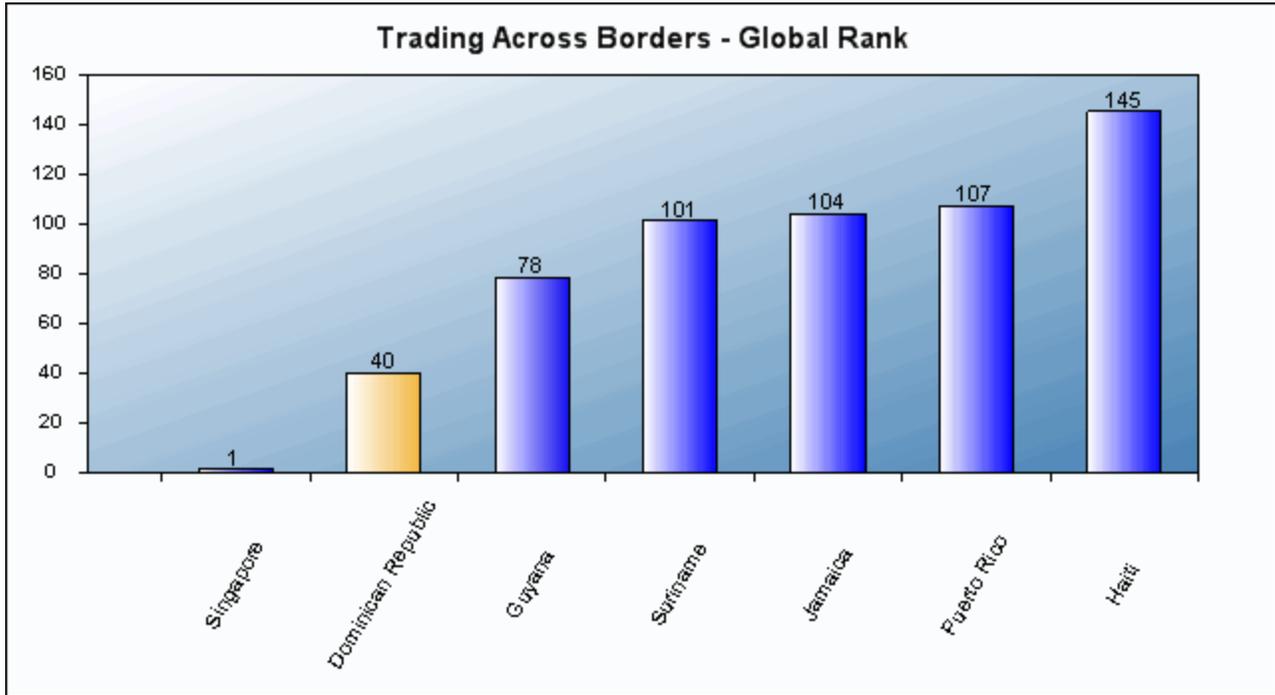
#### The traded product

- 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:

Dominican Republic is ranked 40 overall for Trading Across Borders.

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



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

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

<i>Selected Economy</i>						
<b>Dominican Republic</b>	<b>6</b>	<b>9</b>	<b>916</b>	<b>7</b>	<b>10</b>	<b>1150</b>

<i>Comparator Economies</i>						
<b>Guyana</b>	7	19	730	8	22	745
<b>Haiti</b>	8	35	1005	10	33	1545
<b>Jamaica</b>	6	21	1750	6	22	1420
<b>Puerto Rico</b>	7	15	1250	10	16	1250
<b>Suriname</b>	8	25	995	7	25	945

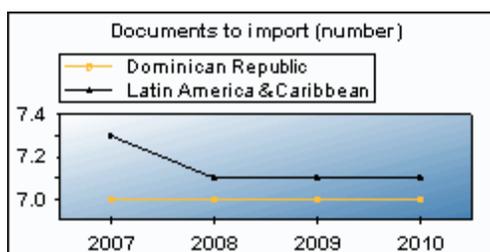
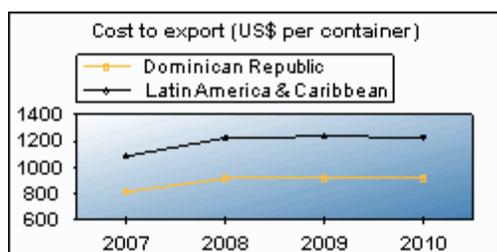
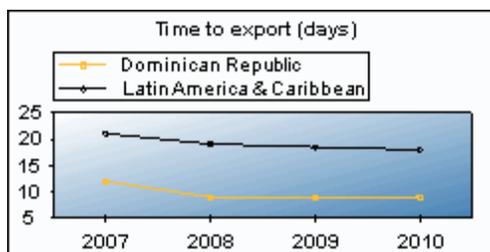
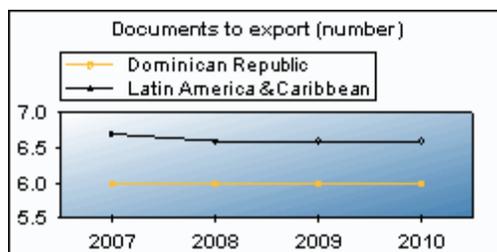
\* The following economies are also good practice economies for :

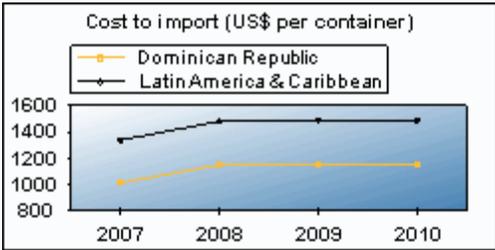
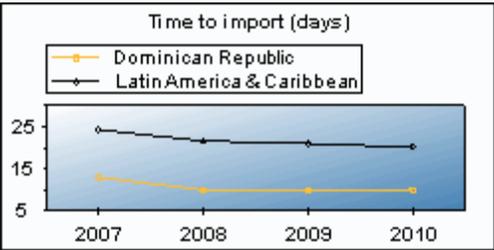
**Time to export (days): Estonia**

## 2. Historical data: Trading Across Borders in Dominican Republic

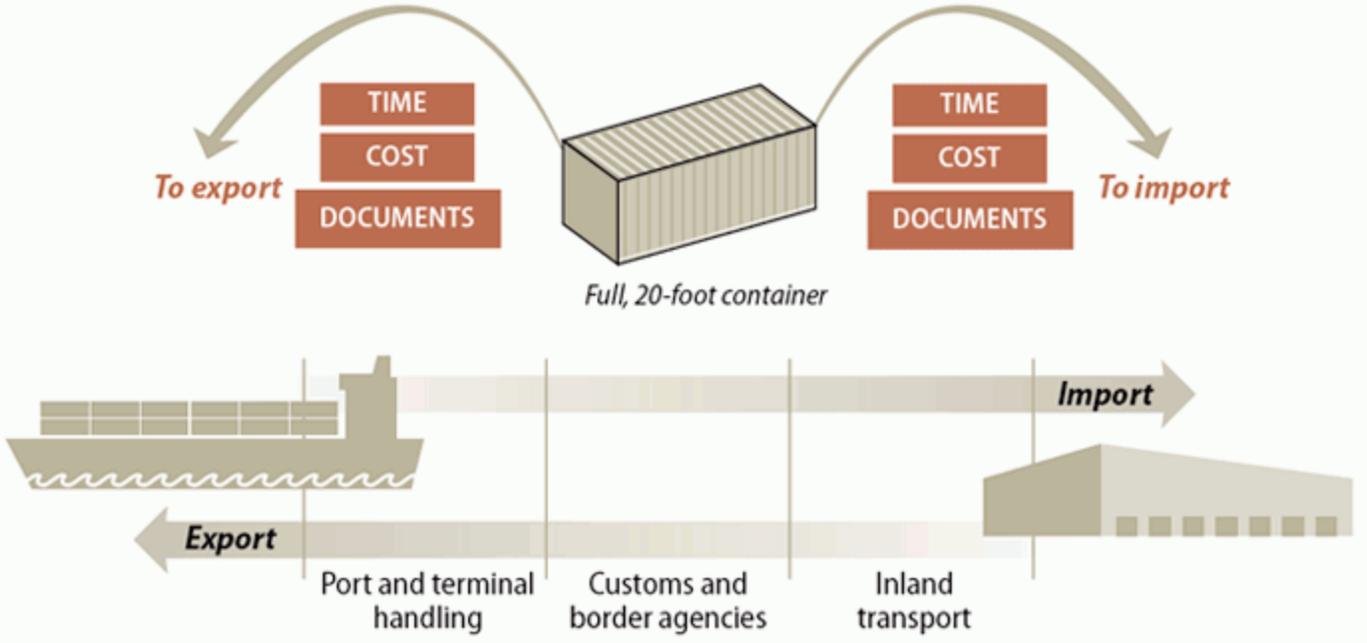
Trading Across Borders data	Doing Business 2008	Doing Business 2009	Doing Business 2010	Doing Business 2011
Rank	..	..	40	40
Cost to export (US\$ per container)	815	916	916	916
Cost to import (US\$ per container)	1015	1150	1150	1150
Documents to export (number)	6	6	6	6
Documents to import (number)	7	7	7	7
Time to export (days)	12	9	9	9
Time to import (days)	13	10	10	10

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

Nature of Export Procedures (2010)	Duration (days)	US\$ Cost
Documents preparation	3	215
Customs clearance and technical control	2	95
Ports and terminal handling	1	306
Inland transportation and handling	3	300
Totals	9	916

Nature of Import Procedures (2010)	Duration (days)	US\$ Cost
Documents preparation	5	240
Customs clearance and technical control	2	150
Ports and terminal handling	2	460
Inland transportation and handling	1	300
Totals	10	1150

**Documents for Export and Import**

**Export**

- Bill of Lading
- Certificate of origin
- Commercial invoice
- Formulario Declaración Única Aduanera
- Packing list
- Pre-shipment inspection clean report of findings

**Import**

- Bill of lading
- Cargo release order
- Certificate of origin
- Commercial invoice
- Formulario Declaración Única Aduanera
- Packing list
- Terminal handling receipts

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

#### Some reform outcomes

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

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

#### What do the Enforcing Contracts indicators measure?

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

Rankings are based on 3 subindicators

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

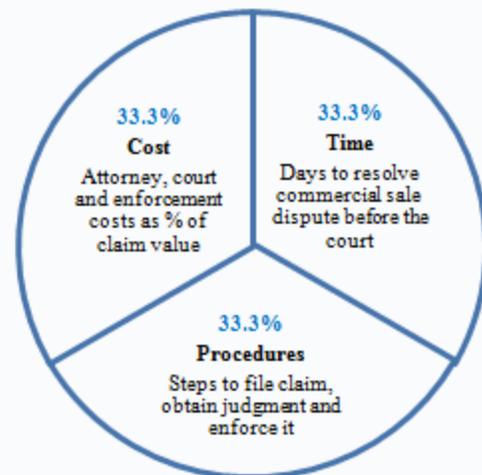
- Any interaction between the parties in a commercial dispute, or between them and the judge or court officer
- Steps to file the case
- Steps for trial and judgment
- Steps to enforce the judgment

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

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

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

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



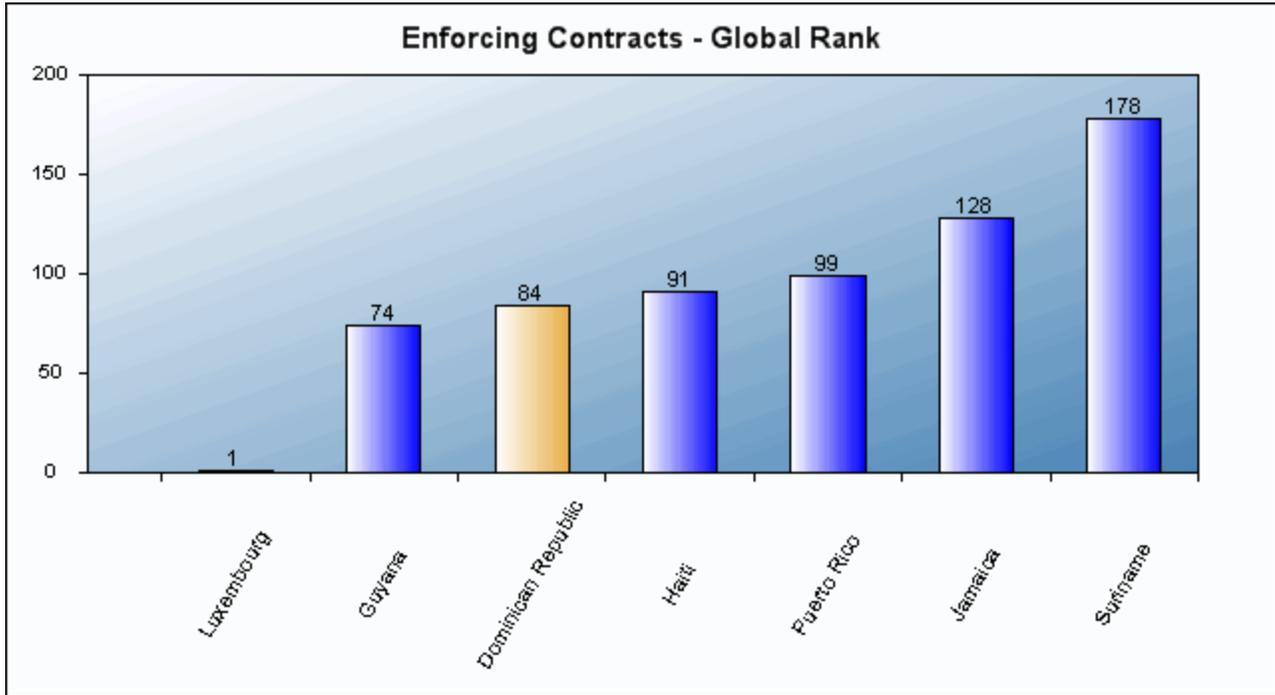
#### Case Study Assumptions

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

## 1. Benchmarking Enforcing Contracts Regulations:

Dominican Republic is ranked 84 overall for Enforcing Contracts.

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



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

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

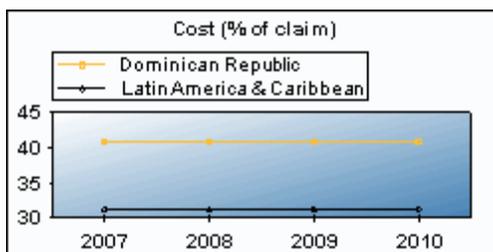
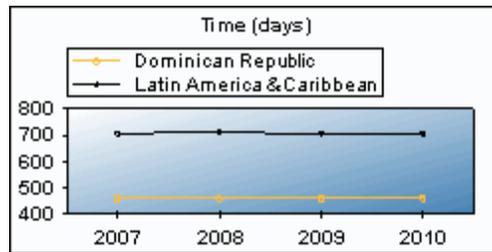
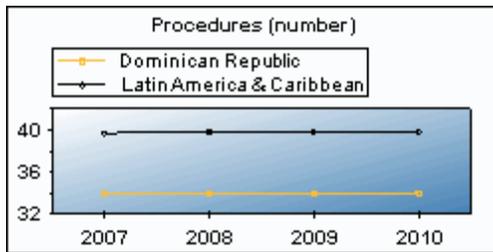
<i>Selected Economy</i>			
<b>Dominican Republic</b>	<b>34</b>	<b>460</b>	<b>40.9</b>

<i>Comparator Economies</i>			
<b>Guyana</b>	36	581	25.2
<b>Haiti</b>	35	508	42.6
<b>Jamaica</b>	35	655	45.6
<b>Puerto Rico</b>	39	620	25.6
<b>Suriname</b>	44	1715	37.1

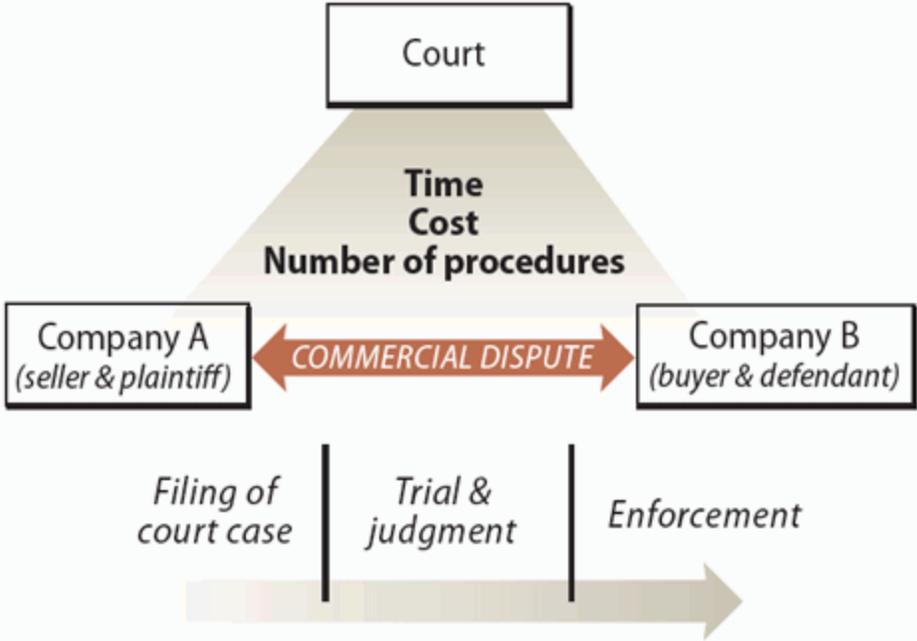
## 2. Historical data: Enforcing Contracts in Dominican Republic

Enforcing Contracts data	Doing Business 2008	Doing Business 2009	Doing Business 2010	Doing Business 2011
Rank	..	..	85	84
Procedures (number)	34	34	34	34
Time (days)	460	460	460	460
Cost (% of claim)	40.9	40.9	40.9	40.9

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

Nature of Procedure (2010)	Indicator
Procedures (number)	34
Time (days)	460
Filing and service	30.0
Trial and judgment	310.0
Enforcement of judgment	120.0
<b>Cost (% of claim)*</b>	<b>40.90</b>
Attorney cost (% of claim)	30.0
Court cost (% of claim)	5.0
Enforcement Cost (% of claim)	5.9

**Court information:** Santo Domingo Court of First Instance ("Cámara Civil y Comercial del Juzgado de Primera Instancia Instance of the National District del Distrito Nacional")  
Civil and Commercial Chamber

\* 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)

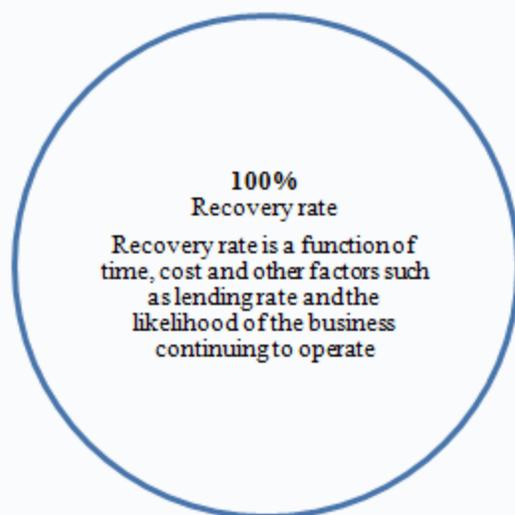
- Measured in calendar years
- Appeals and requests for extension are included

#### 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*

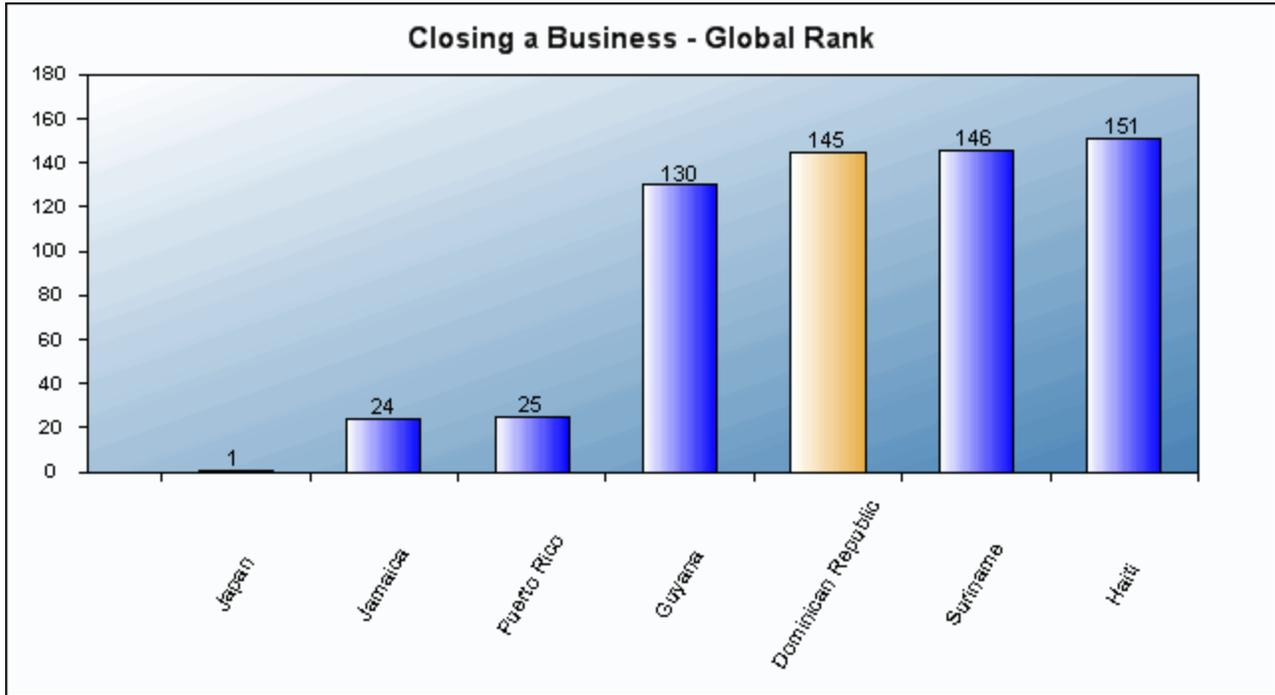
#### The Company

- 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:

Dominican Republic is ranked 145 overall for Closing a Business.

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



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

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

<i>Selected Economy</i>			
<b>Dominican Republic</b>	<b>9.1</b>	<b>3.5</b>	<b>38</b>

<i>Comparator Economies</i>			
<b>Guyana</b>	17.6	3.0	29
<b>Haiti</b>	6.7	5.7	30
<b>Jamaica</b>	65.1	1.1	18
<b>Puerto Rico</b>	64.7	3.8	8
<b>Suriname</b>	8.7	5.0	30

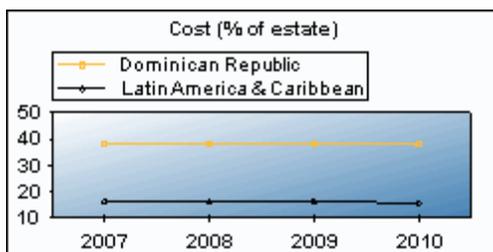
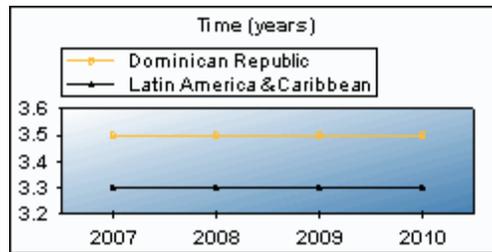
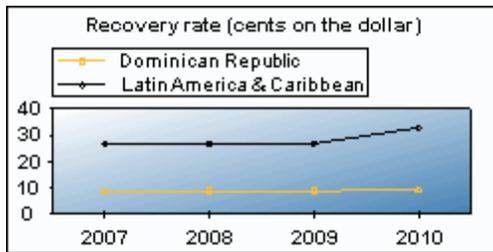
\* The following economies are also good practice economies for :

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

## 2. Historical data: Closing Business in Dominican Republic

Closing a Business data	Doing Business 2008	Doing Business 2009	Doing Business 2010	Doing Business 2011
Rank	..	..	146	145
Time (years)	3.5	3.5	3.5	3.5
Cost (% of estate)	38	38	38	38
Recovery rate (cents on the dollar)	8.4	8.9	8.9	9.1

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



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

## The top 10 most-improved in Doing Business 2011

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

 Positive Change  
 Negative Change

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

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

<b>Brunei Darussalam</b>	Brunei Darussalam made starting a business easier by improving efficiency at the company registrar and implementing an electronic system for name searches. Brunei Darussalam reduced the corporate income tax rate from 23.5% to 22% while also introducing a lower tax rate for small businesses, ranging from 5.5% to 11%. The introduction of an electronic customs system in Brunei Darussalam made trading easier.
<b>Cape Verde</b>	Cape Verde made start-up easier by eliminating the need for a municipal inspection before a business begins operations and computerizing the system for delivering the municipal license. Cape Verde eased property registration by switching from fees based on a percentage of the property value to lower fixed rates. Cape Verde abolished the stamp duties on sales and checks.
<b>Dominican Republic</b>	The Dominican Republic made it more difficult to start a business by setting a minimum capital requirement of 100,000 Dominican pesos (\$2,855) for its new type of company, sociedad de responsabilidad limitada (limited liability company).
<b>Grenada</b>	Grenada eased business start-up by transferring responsibility for the commercial registry from the courts to the civil administration. The appointment of a registrar focusing only on property cut the time needed to transfer property in Grenada by almost half. Grenada's customs administration made trading faster by simplifying procedures, reducing inspections, improving staff training and enhancing communication with users.
<b>Guyana</b>	Guyana eased business start-up by digitizing company records, which speeded up the process of company name search and reservation. Guyana enhanced access to credit by establishing a regulatory framework that allows the licensing of private credit bureaus and gives borrowers the right to inspect their data. Guyana improved its risk profiling system for customs inspection, reducing physical inspections of shipments and the time to trade.
<b>Haiti</b>	Haiti eased business start-up by eliminating the review by the president's or the prime minister's office of the incorporation act submitted for publication.
<b>Hungary</b>	Hungary implemented a time limit for the issuance of building permits. Hungary reduced the property registration fee by 6% of the property value. Hungary simplified taxes and tax bases. Amendments to Hungary's bankruptcy law encourage insolvent companies to consider reaching agreements with creditors out of court so as to avoid bankruptcy.
<b>Jamaica</b>	Jamaica eased the transfer of property by lowering transfer taxes and fees, offering expedited registration procedures and making information from the company registrar available online.
<b>Kazakhstan</b>	Kazakhstan eased business start-up by reducing the minimum capital requirement to 100 tenge (\$0.70) and eliminating the need to have the memorandum of association and company charter notarized. Kazakhstan made dealing with construction permits easier by implementing a one-stop shop related to technical conditions for utilities. Kazakhstan strengthened investor protections by requiring greater corporate disclosure in company annual reports. Kazakhstan speeded up trade through efforts to modernize customs, including implementation of a risk management system and improvements in customs automation.
<b>Peru</b>	Peru eased business start-up by simplifying the requirements for operating licenses and creating an online one-stop shop for business registration. Peru streamlined construction permitting by implementing administrative reforms. Peru introduced fast-track procedures at the land registry, cutting by half the time needed to register property. Peru made trading easier by implementing a new web-based electronic data interchange system, risk-based inspections and payment deferrals.
<b>Puerto Rico</b>	Puerto Rico made paying taxes more costly for business by introducing a special surtax of 5% on the tax liability in addition to the normal corporate income tax.
<b>Rwanda</b>	Rwanda made dealing with construction permits easier by passing new building regulations at the end of April 2010 and implementing new time limits for the issuance of various permits. Rwanda enhanced access to credit by allowing borrowers the right to inspect their own credit report and mandating that loans of all sizes be reported to the central bank's public credit registry. Rwanda reduced the number of trade documents required and enhanced its joint border management procedures with Uganda and other neighbors, leading to an improvement in the trade logistics environment.

**Tajikistan**

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

**Vietnam**

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

**Zambia**

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



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