

# Doing Business 2011

Fiji

**Making  
a Difference for  
Entrepreneurs**

COMPARING BUSINESS REGULATION IN 183 ECONOMIES



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

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

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

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

The following pages present the summary Doing Business indicators for Fiji. 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)).

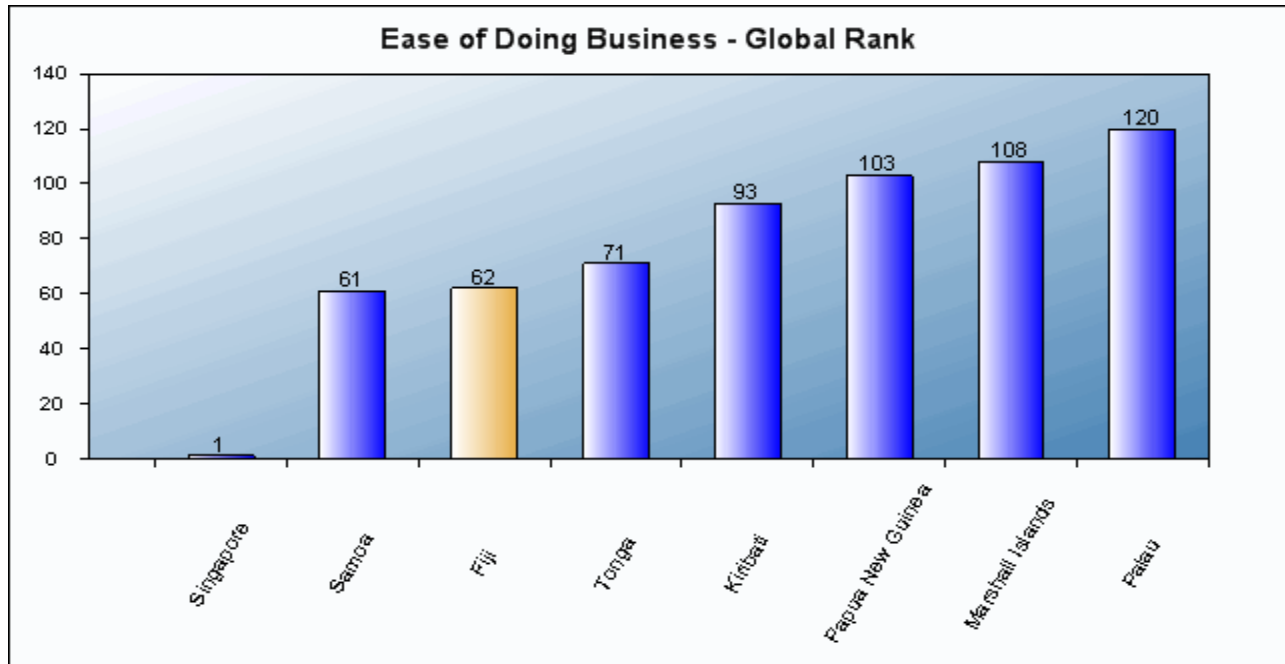
\* Except for the Paying Taxes indicator that refers to the period January to December of 2009.

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

Fiji is ranked 62 out of 183 economies. Singapore is the top ranked economy in the Ease of Doing Business.

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



**Fiji's ranking in Doing Business 2011**

Rank	Doing Business 2011
Ease of Doing Business	62
Starting a Business	104
Dealing with Construction Permits	58
Registering Property	50
Getting Credit	46
Protecting Investors	44
Paying Taxes	77
Trading Across Borders	103
Enforcing Contracts	63
Closing a Business	117

## Summary of Indicators - Fiji

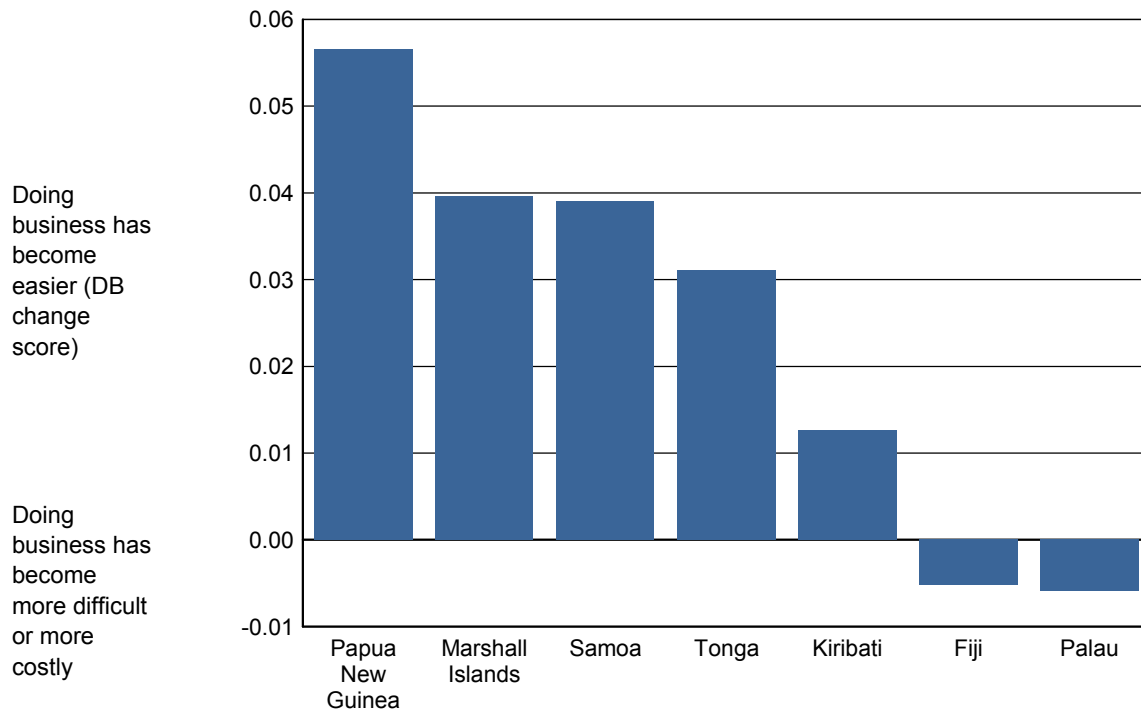
<b>Starting a Business</b>	Procedures (number)	8
	Time (days)	46
	Cost (% of income per capita)	23.8
	Min. capital (% of income per capita)	0.0
<b>Dealing with Construction Permits</b>	Procedures (number)	19
	Time (days)	135
	Cost (% of income per capita)	47.4
<b>Registering Property</b>	Procedures (number)	3
	Time (days)	68
	Cost (% of property value)	2.0
<b>Getting Credit</b>	Strength of legal rights index (0-10)	7
	Depth of credit information index (0-6)	4
	Public registry coverage (% of adults)	0.0
	Private bureau coverage (% of adults)	47.7
<b>Protecting Investors</b>	Extent of disclosure index (0-10)	3
	Extent of director liability index (0-10)	8
	Ease of shareholder suits index (0-10)	7
	Strength of investor protection index (0-10)	6.0
<b>Paying Taxes</b>	Payments (number per year)	33
	Time (hours per year)	163
	Profit tax (%)	28.9
	Labor tax and contributions (%)	10.2
	Other taxes (%)	0.2
	Total tax rate (% profit)	39.3
<b>Trading Across Borders</b>	Documents to export (number)	10
	Time to export (days)	22
	Cost to export (US\$ per container)	654
	Documents to import (number)	10
	Time to import (days)	23
	Cost to import (US\$ per container)	630

<b>Enforcing Contracts</b>	Procedures (number)	34
	Time (days)	397
	Cost (% of claim)	38.9
<b>Closing a Business</b>	Recovery rate (cents on the dollar)	20.5
	Time (years)	1.8
	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.

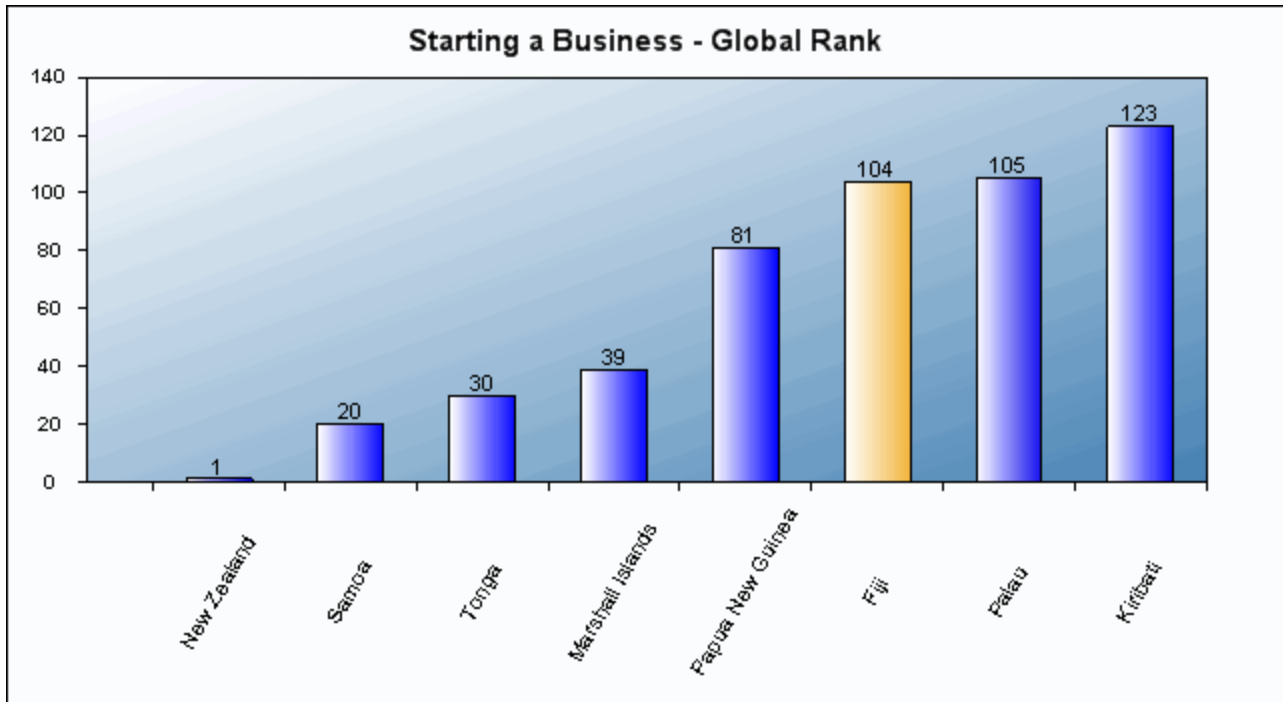
#### The business:

- 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:

Fiji is ranked 104 overall for Starting a Business.

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



The following table shows Starting a Business data for Fiji 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>Fiji</b>	<b>8</b>	<b>46</b>	<b>23.8</b>	<b>0.0</b>

<i>Comparator Economies</i>				
<b>Kiribati</b>	6	21	40.2	21.7
<b>Marshall Islands</b>	5	17	17.3	0.0
<b>Palau</b>	8	28	4.2	11.2
<b>Papua New Guinea</b>	6	51	17.7	0.0
<b>Samoa</b>	5	9	9.8	0.0
<b>Tonga</b>	4	25	7.0	0.0

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

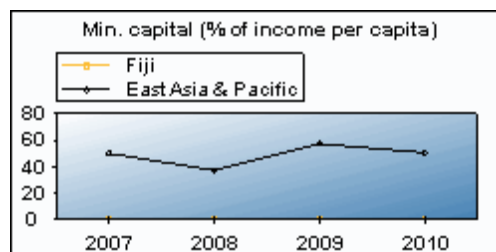
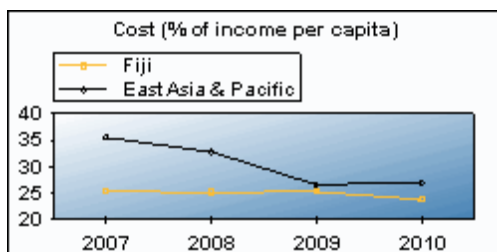
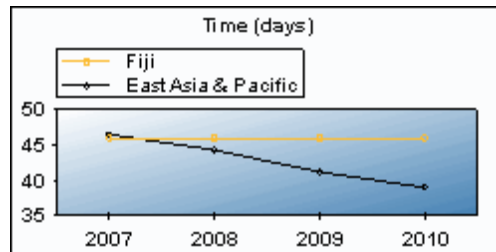
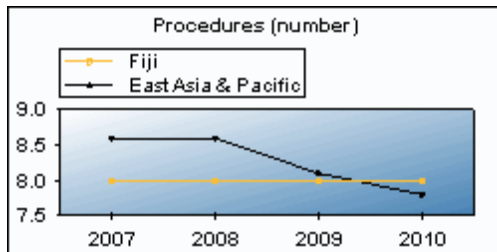
**Procedures (number): Canada**

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

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

Starting a Business data	Doing Business 2008	Doing Business 2009	Doing Business 2010	Doing Business 2011
Rank	..	..	107	104
Procedures (number)	8	8	8	8
Time (days)	46	46	46	46
Cost (% of income per capita)	25.3	25.2	25.3	23.8
Min. capital (% of income per capita)	0.0	0.0	0.0	0.0

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

### STANDARDIZED COMPANY

Legal Form: Private Limited Liability Company

City: Suva

### Registration Requirements:

No:	Procedure	Time to complete	Cost to complete
1	Check the uniqueness of the proposed company name and reserve name	8	FJD 7
2	Obtain declaration of due compliance sworn by lawyer	3	FJD 1,200
3	Register the company with the Companies Registrar	20	FJD 173
4	Register for income tax and VAT	11	no charge
5	* Receive inspection by FIRCA	1	no charge
6	* Register with Training and Productivity Authority of Fiji for statutory training tax	3	no charge
7	* Apply for a business license from the relevant licensing authority ( Suva City Council)	11	FJD 300
8	* Register as an employer with the Fiji National Provident Fund	11	no charge

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\* Takes place simultaneously with another procedure.

## Starting a Business Details - Fiji

### Procedure 1 Check the uniqueness of the proposed company name and reserve name

**Time to complete:** 8

**Cost to complete:** FJD 7

**Comment:** The entrepreneur must first conduct a search of the Companies, Business Names, and Trade Marks Register to ensure that the name applied for is not confusingly similar (1–2 days). Computerized (basic) and manual search systems are both available. The Government of Fiji has introduced a website ([www.egov.gov.fj](http://www.egov.gov.fj)) for all applications for name reservation to be made online. Hard copy applications are no longer accepted by the Registrar of Companies unless an online application is made first. The application is processed once the hard copy of the application together with supporting documents (and a copy of the email confirmation of receipt of online name reservation application) is submitted to the Companies office. The processing time of the application is approximately 5 working days.

Application fees for name reservation however still have to be paid in person at the Registrar of Companies' Office. The application will take a week to process, and if it is successful, the company name will be reserved for 30 days (with a one-time extension). Company incorporation documents must be lodged with the Registrar within this time.

It costs FJD 5.63 for reservation of the name and FJD 1.13 for company name search.

### Procedure 2 Obtain declaration of due compliance sworn by lawyer

**Time to complete:** 3

**Cost to complete:** FJD 1,200

**Comment:** Fees may vary from FJD 1,000 to FJD 2,000. The Declaration of Due Compliance can be sworn by a lawyer engaged in the formation of the company or by a director or secretary who is named in the Articles of Association of the company as a director or secretary. The Cost of FJD1200.00 outlined above for a lawyer is not limited to he or she swearing the Declaration of Due Compliance. The Cost includes searches of the various registers to check for similar names, submission of the name reservation application, preparation of the company's memorandum of association, articles of association, particulars of directors and secretary, notice of situation of registered office and declaration of due compliance

Where a company director or secretary swears the Declaration of Due Compliance, the Cost is not substantially (if at all) reduced because in practice and in most cases lawyers and/or accountants still prepare most of the documents necessary to register a company.

### Procedure 3 Register the company with the Companies Registrar

**Time to complete:** 20

**Cost to complete:** FJD 173

**Comment:** Under the Fiji Companies Act 1985, companies must submit the following company documents to the Companies Registrar along with the following company incorporation documents in order to register the company and obtain a certificate of incorporation:

- current reservation of company name
- Memorandum of Association and Articles of Association
- Form 201, Notice of situation of registered office.
- Form 203, Particulars of directors and secretary.
- Form 208, Declaration of compliance with the requirements of the Companies Act (sworn by a lawyer or a director or secretary named in the Articles of Association of the company as such who was engaged in the formation of the company).

The registration fees vary depending on the authorised capital of the company. For example, for a company with an authorised capital of FJD 65,470.00, the registraton fee would be approximately FJD163.13 and stamp duty of FJD10.00 for the stamping of the Memorandum of Association and Articles of Association

#### Procedure 4 Register for income tax and VAT

**Time to complete:** 11

**Cost to complete:** no charge

**Comment:** The company completes the registration forms available from the Fiji Islands Revenue and Customs Authority. A new, modern registration process provides taxpayers with a one-stop service. Taxpayers can register for all tax types in Suva and the district offices. Registration forms will be processed at one central point for Suva, Lautoka, and Labasa.

#### Procedure 5 Receive inspection by FIRCA

**Time to complete:** 1

**Cost to complete:** no charge

**Comment:** By law, since December 2004, if VAT registration is required, the Fiji Islands Revenue and Customs Authority (FIRCA) requires the inspection of the business premises. Since 2007, the inspection has been the practice as FIRCA inspects that there is a physical office during business hours.

#### Procedure 6 Register with Training and Productivity Authority of Fiji for statutory training tax

**Time to complete:** 3

**Cost to complete:** no charge

**Comment:** Statutory training tax is 1% of payroll. The submission of these documents is done by mail. The Training and Productivity Authority will send the form by mail to the office of the new business. Once completed, the form is mailed back to the agency.

#### Procedure 7 Apply for a business license from the relevant licensing authority ( Suva City Council)

**Time to complete:** 11

**Cost to complete:** FJD 300

**Comment:** The company must obtain a business license from the relevant licensing authority for each place it carries out business. This license is renewable annually. Depending on the activity, the fees range from FJD 100 to FJD 500. The list of industries is comprehensive.

#### Procedure 8 Register as an employer with the Fiji National Provident Fund

**Time to complete:** 11

**Cost to complete:** no charge



**Comment:**

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

### Some reform outcomes

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

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

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

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

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

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

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

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

- Official costs only, no bribes

### Case Study Assumptions

#### The business:

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

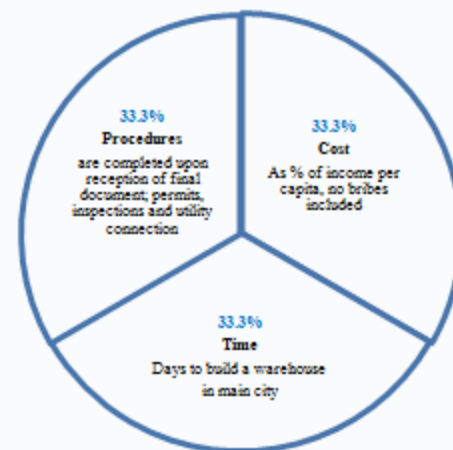
#### The warehouse:

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

### Dealing with Construction Permits:

#### Building a warehouse

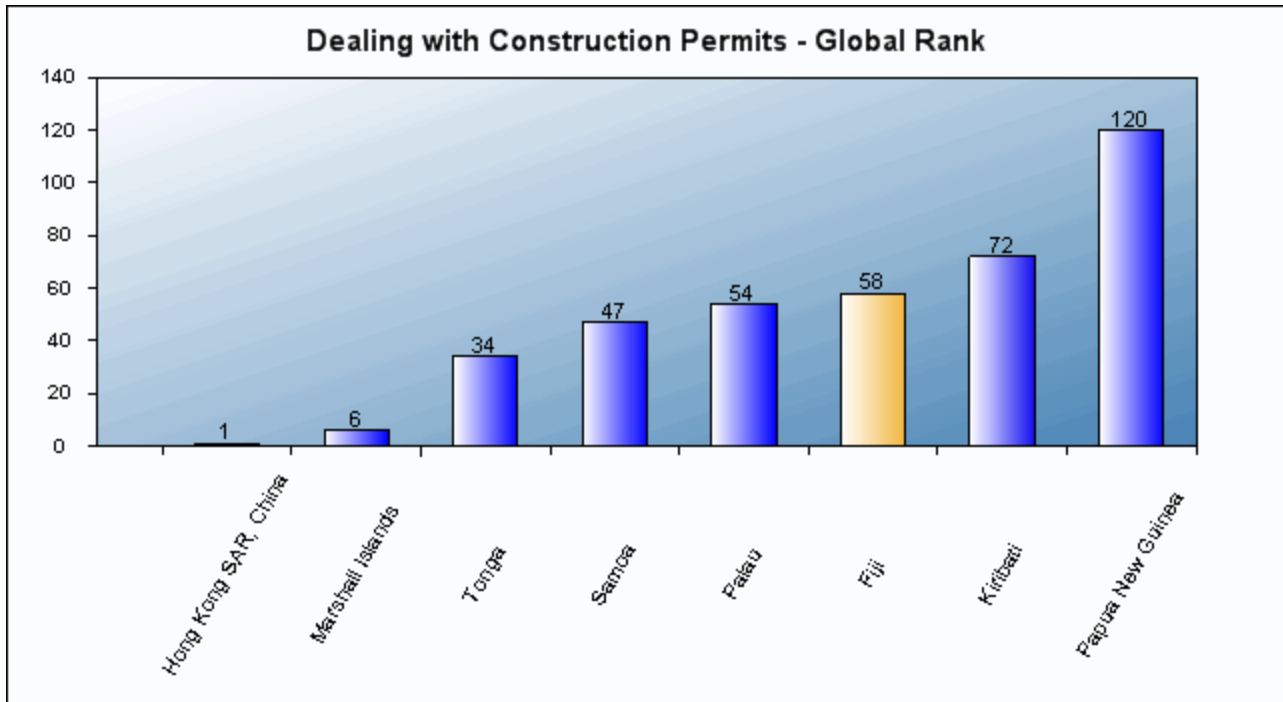
Rankings are based on 3 subindicators



## 1. Benchmarking Dealing with Construction Permits Regulations:

Fiji is ranked 58 overall for Dealing with Construction Permits.

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



The following table shows Dealing with Construction Permits data for Fiji 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	

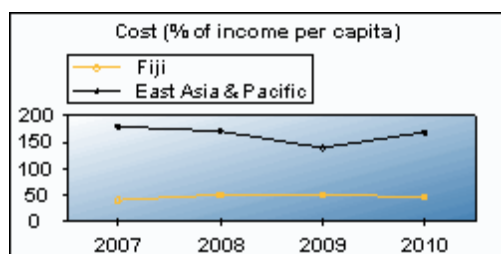
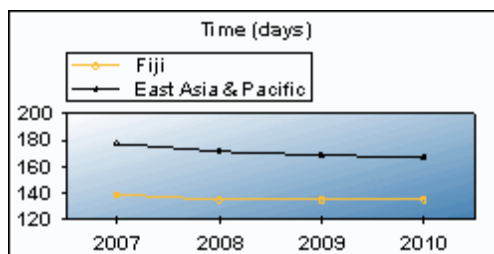
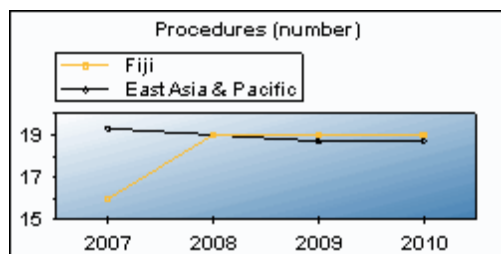
<i>Selected Economy</i>			
<b>Fiji</b>	<b>19</b>	<b>135</b>	<b>47.4</b>

<i>Comparator Economies</i>			
<b>Kiribati</b>	14	160	446.5
<b>Marshall Islands</b>	10	55	36.0
<b>Palau</b>	25	118	5.1
<b>Papua New Guinea</b>	24	217	77.5
<b>Samoa</b>	18	88	78.7
<b>Tonga</b>	11	76	269.6

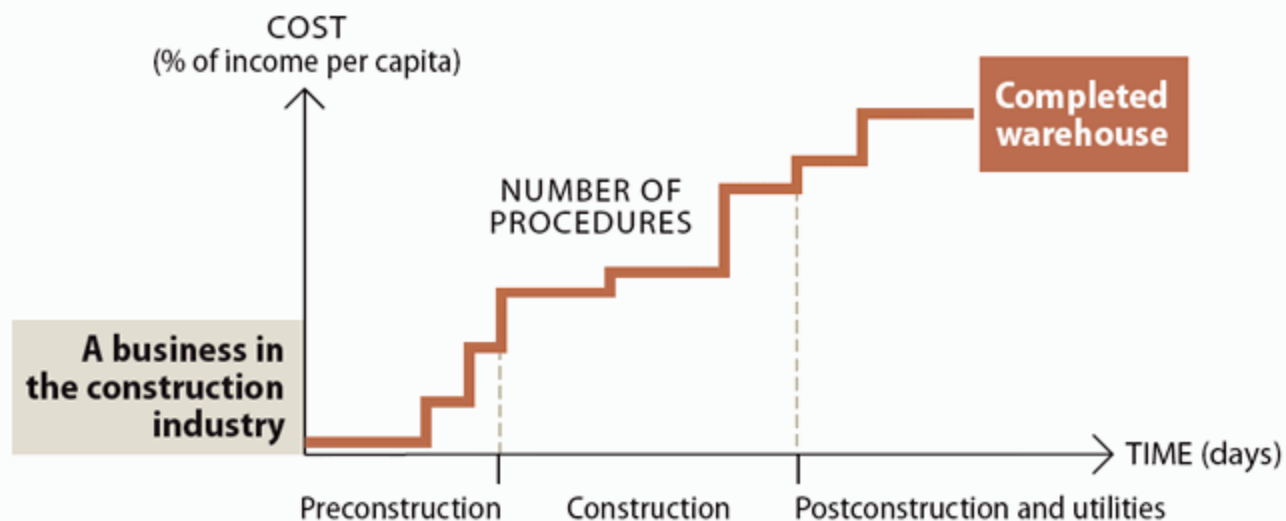
## 2. Historical data: Dealing with Construction Permits in Fiji

Dealing with Construction Permits data	Doing Business 2008	Doing Business 2009	Doing Business 2010	Doing Business 2011
Rank	..	..	58	58
Procedures (number)	16	19	19	19
Time (days)	139	135	135	135
Cost (% of income per capita)	40.8	51.2	50.4	47.4

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

### BUILDING A WAREHOUSE

City: Suva

#### Registration Requirements:

No:	Procedure	Time to complete	Cost to complete
1	Obtain a set of design requirements and conditions of development	1 day	no charge
2 *	Obtain project pre-approval from Occupation Department, Health Department and Safety Department	7 days	FJD 110
3 *	Obtain project pre-approval from National fire authority	21 days	no charge
4 *	Obtain project pre-approval from the Water and sewage authority	7 days	no charge
5	Request and obtain development permission from Suva City Council	20 days	no charge
6	Request and obtain building permit with Suva City Council and pay building permit fee	60 days	FJD 2,190
7 *	Submit plans for approval by the Ministry of Town and Country Planning	1 day	no charge
8 *	Obtain project clearance from Health Department	1 day	FJD 50

9 *	Obtain project clearance from Public Works Department at the Ministry of Works and Energy	1 day	no charge
10	Notify and receive inspection from the Engineering Department of Suva City Council about completion of foundation work	1 day	no charge
11	Notify and receive inspection from the Engineering Department about setup of the structure	1 day	no charge
12	Notify and receive inspection from the Engineering Department about completion of the roof	1 day	no charge
13	Notify and receive inspection from the Engineering Department about completion of the project	1 day	no charge
14	Obtain electrical power connection from Fiji Electricity Authority (FEA)	5 days	FJD 250
15 *	Receive electricity inspections and obtain inspection certificate	1 day	no charge
16 *	Obtain water and sewage connection from Public Works Department	30 days	FJD 400
17 *	Receive plumbing and sanitary inspection from Public Works Department	1 day	no charge
18	Receive final inspection from local authority and obtain occupancy permit	3 days	no charge
19	Request and receive connection to telephone from Telecom Fiji	8 days	FJD 350

\* Takes place simultaneously with another procedure.

## Dealing with Construction Permits Details - Fiji

### Procedure 1 Obtain a set of design requirements and conditions of development

**Time to complete:** 1 day

**Cost to complete:** no charge

**Comment:**

### Procedure 2 Obtain project pre-approval from Occupation Department, Health Department and Safety Department

**Time to complete:** 7 days

**Cost to complete:** FJD 110

**Comment:** The cost is FJD 110 per hour of work. One 1 hour of work is what the agency would charge for our case study.

### Procedure 3 Obtain project pre-approval from National fire authority

**Time to complete:** 21 days

**Cost to complete:** no charge

**Comment:**

### Procedure 4 Obtain project pre-approval from the Water and sewage authority

**Time to complete:** 7 days

**Cost to complete:** no charge

**Agency:** Public works department

**Comment:**

### Procedure 5 Request and obtain development permission from Suva City Council

**Time to complete:** 20 days

**Cost to complete:** no charge

**Agency:** Suva City Council

**Comment:** This application, also known as the Town Planning Form, must be accompanied by general building plans (three copies), specifications and detailed structural drawings (two copies), and the locality plan (three copies).

### Procedure 6 Request and obtain building permit with Suva City Council and pay building permit fee



**Time to complete:** 60 days

**Cost to complete:** FJD 2,190

**Agency:** Suva City Council

**Comment:** The application should be accompanied by the development permission (three copies), the locality plan (one copy), building plans (three copies), specifications (two copies), and copy of title plan. The plans are reviewed by the following Suva City Council staff: a structural engineer, civil engineer, health department, and city planner.

The fee is paid at the time of permit application and is calculated on the project value: FJD 88 for construction projects of up to FJD 20,000 plus FJD 2.20 for every FJD 1,000, or part of thereof, in excess of FJD20,000 (see the schedule in the attached building application form). For a building valued at FJD 975,450 (FJD 720 sq/m \* 1300.6 sq/m), the permit would cost FJD 88 plus FJD 1,195, for a total of FJD 2,190.

In theory, Suva City Council carries out Procedures 3–5, but in most cases, to expedite the process, the applicant visits the relevant authorities in person.

**Procedure 7 Submit plans for approval by the Ministry of Town and Country Planning**

**Time to complete:** 1 day

**Cost to complete:** no charge

**Agency:** Ministry of Town and Country Planning

**Comment:**

**Procedure 8 Obtain project clearance from Health Department**

**Time to complete:** 1 day

**Cost to complete:** FJD 50

**Agency:** Health Department

**Comment:**

**Procedure 9 Obtain project clearance from Public Works Department at the Ministry of Works and Energy**

**Time to complete:** 1 day

**Cost to complete:** no charge

**Agency:** Ministry of Works and Energy (Public Works Department)

**Comment:** Within the Public Works Department, the plans are reviewed by the Roadside Section and the Water or Sewage Section.

**Procedure 10 Notify and receive inspection from the Engineering Department of Suva City Council about completion of foundation work**

**Time to complete:** 1 day

**Cost to complete:** no charge

**Agency:** Suva City Council (Engineering Department)

**Comment:** The inspection needs to be requested 1 day in advance, but they reliably come. It does not delay the construction process

**Procedure 11** Notify and receive inspection from the Engineering Department about setup of the structure

**Time to complete:** 1 day

**Cost to complete:** no charge

**Agency:** Suva City Council (Engineering Department)

**Comment:** The inspection needs to be requested 1 day in advance, but they reliably come. It does not delay the construction process

**Procedure 12** Notify and receive inspection from the Engineering Department about completion of the roof

**Time to complete:** 1 day

**Cost to complete:** no charge

**Agency:** Suva City Council (Engineering Department)

**Comment:** The inspection needs to be requested 1 day in advance, but they reliably come. It does not delay the construction process

**Procedure 13** Notify and receive inspection from the Engineering Department about completion of the project

**Time to complete:** 1 day

**Cost to complete:** no charge

**Agency:** Suva City Council (Engineering Department)

**Comment:**

**Procedure 14** Obtain electrical power connection from Fiji Electricity Authority (FEA)

**Time to complete:** 5 days

**Cost to complete:** FJD 250

**Agency:** Fiji Electricity Authority (FEA)

**Comment:**

**Procedure 15 Receive electricity inspections and obtain inspection certificate**

**Time to complete:** 1 day

**Cost to complete:** no charge

**Agency:** Fiji Electricity Authority (FEA)

**Comment:**

**Procedure 16 Obtain water and sewage connection from Public Works Department**

**Time to complete:** 30 days

**Cost to complete:** FJD 400

**Agency:** Ministry of Works and Energy (Public Works Department)

**Comment:** The cost cited here is for commercial real estate.

**Procedure 17 Receive plumbing and sanitary inspection from Public Works Department**

**Time to complete:** 1 day

**Cost to complete:** no charge

**Agency:** Ministry of Works and Energy (Public Works Department)

**Comment:**

**Procedure 18 Receive final inspection from local authority and obtain occupancy permit**

**Time to complete:** 3 days

**Cost to complete:** no charge

**Agency:** Local Authority

**Comment:** The local authority coordinates the fire inspection, which includes the national fire authority, the Engineering Department, and the Environment Department.

**Procedure 19 Request and receive connection to telephone from Telecom Fiji**

**Time to complete:** 8 days

**Cost to complete:** FJD 350

**Agency:** Telecom Fiji

**Comment:**

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

### Some reform outcomes

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

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

### What does the Registering Property indicator measure?

**Registering Property:** transfer of property between 2 local companies

Rankings are based on 3 subindicators

### Procedures to legally transfer title on immovable property (number)

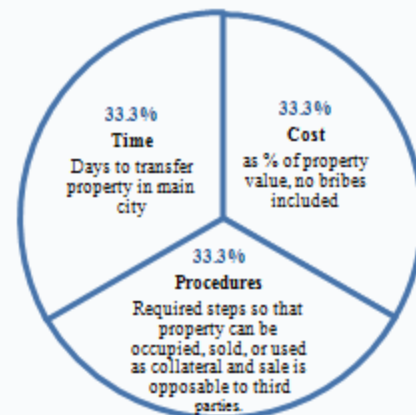
- Preregistration (for example, checking for liens, notarizing sales agreement, paying property transfer taxes)
- Registration in the economy's largest business city
- Post registration (for example, transactions with the local authority, tax authority or cadastre)

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

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

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

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



### Case Study Assumptions

#### The parties (buyer and seller):

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

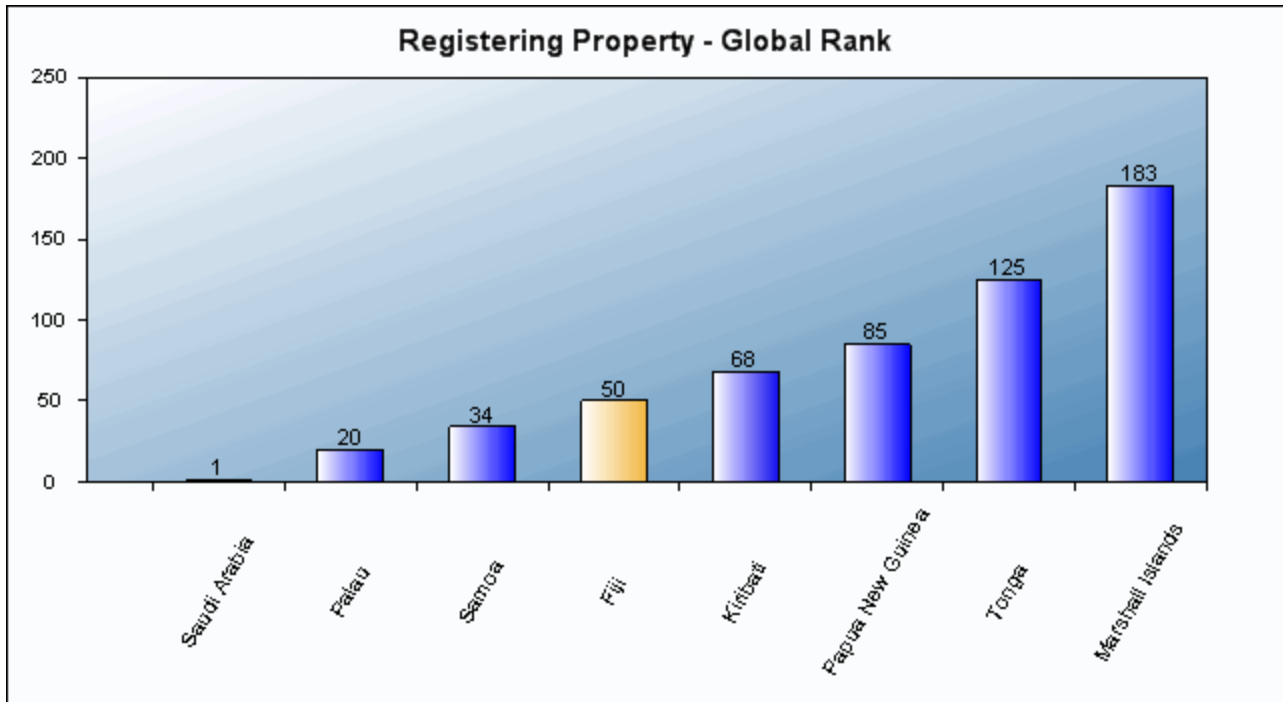
#### The property (fully owned by the seller):

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

## 1. Benchmarking Registering Property Regulations:

Fiji is ranked 50 overall for Registering Property.

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



The following table shows Registering Property data for Fiji 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>Fiji</b>	<b>3</b>	<b>68</b>	<b>2.0</b>

<i>Comparator Economies</i>			
<b>Kiribati</b>	5	513	0.0
<b>Marshall Islands</b>	no practice	no practice	no practice
<b>Palau</b>	5	14	0.3
<b>Papua New Guinea</b>	4	72	5.1
<b>Samoa</b>	5	27	1.6
<b>Tonga</b>	4	108	10.2

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

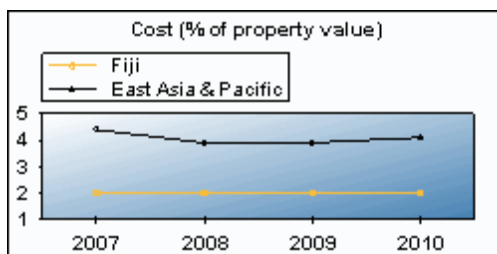
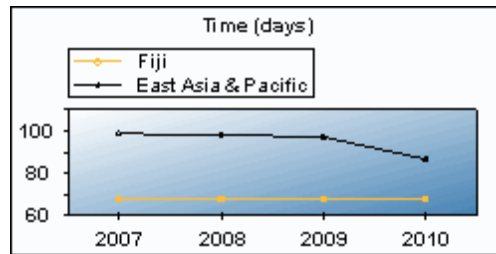
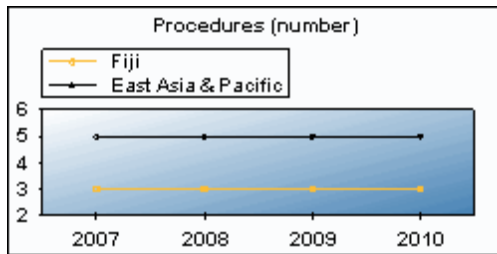
**Procedures (number): United Arab Emirates**

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

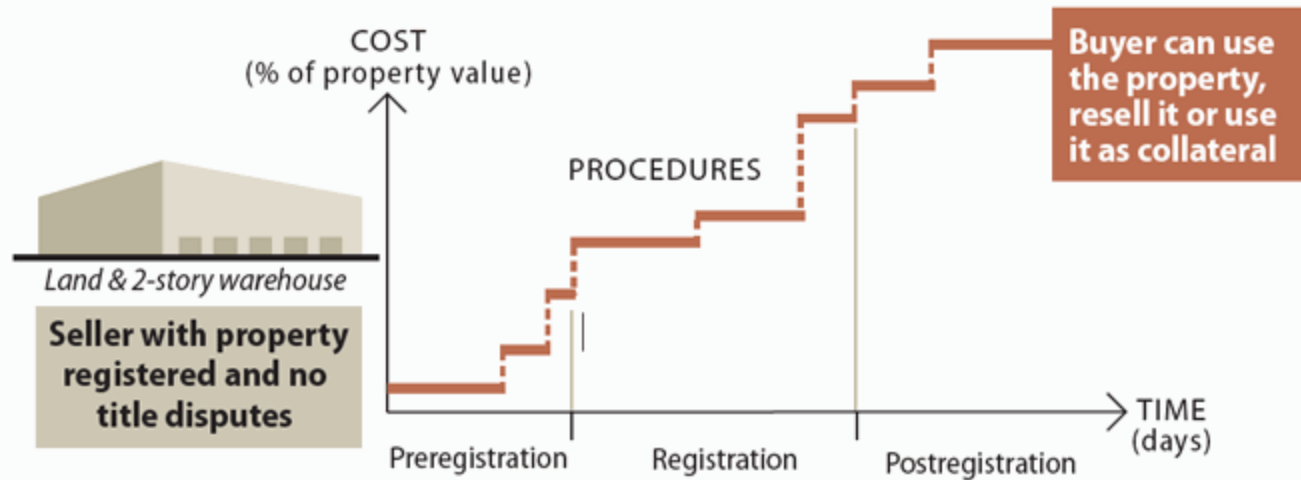
## 2. Historical data: Registering Property in Fiji

Registering Property data	Doing Business 2008	Doing Business 2009	Doing Business 2010	Doing Business 2011
Rank	..	..	44	50
Procedures (number)	3	3	3	3
Time (days)	68	68	68	68
Cost (% of property value)	2.0	2.0	2.0	2.0

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

*STANDARDIZED PROPERTY*

Property Value: 353,103.42

City: Suva

**Registration Requirements:**

No:	Procedure	Time to complete	Cost to complete
1	Present transfer documents for stamping at the Stamp Duty Office and pay stamp duty	7 days	2% of property value (Stamp duty)
2	Settlement takes place at the Registrar of Titles Office	1 day	FJD 10
3	Buyer receives the title with his name	60 days	Already paid



## Registering Property Details - Fiji

<b>Procedure</b>	<b>1</b>	<b>Present transfer documents for stamping at the Stamp Duty Office and pay stamp duty</b>
<b>Time to complete:</b>	7 days	
<b>Cost to complete:</b>	2% of property value (Stamp duty)	
<b>Agency:</b>	Stamp Duty Office	
<b>Comment:</b>	<p>The transfer documents can be prepared by the parties or by their solicitors. Once completed, they are submitted for stamping and payment of transfer tax at the Stamp Duties Office. The tax agency FIRCA has an officer working in the registry to verify that companies pay the appropriate land transfer taxes. The Stamp Duty is waived for first time residential house purchases.</p> <p>For properties held for less than 5 years, the Transfer Tax is paid at the same time and is between 5 and 15% of the property value.</p>	
<b>Procedure</b>	<b>2</b>	<b>Settlement takes place at the Registrar of Titles Office</b>
<b>Time to complete:</b>	1 day	
<b>Cost to complete:</b>	FJD 10	
<b>Agency:</b>	Registrar of Titles Office	
<b>Comment:</b>	<p>Parties meet at the Registrar of Titles Office for settlement. They first double check encumbrances on the property and then exchange the titles for the payment. Then, they submit the transfer documents for registration. The registration fee (FDJ 10 for properties over FDJ 100,000 + VAT of 12.5%) is paid. It is possible that some new mortgages might still be in "the pipeline" and are not yet recorded on the property at the settlement (the mortgage has been submitted in the registry, but it has not been inscribed yet). To avoid finding later about a mortgage on the property, it is possible to request a "guaranteed search" (under section 30, 31 and 32 of the Land Transfer act) where the registry checks and certifies that there are no other mortgages registered.</p>	
<b>Procedure</b>	<b>3</b>	<b>Buyer receives the title with his name</b>
<b>Time to complete:</b>	60 days	
<b>Cost to complete:</b>	Already paid	
<b>Agency:</b>	Registrar of Titles Office	
<b>Comment:</b>	<p>The Land registry is managed on paper and is based on a Torrens system of land registration. There is only one office in Suva for the whole country. After submitting the transfer documents for registration, the existing title is memorialized to record the Transfer on the Certificate of Title and the memorials signed by the Registrar of Titles. Once the memorials are signed, the duplicate certificate of title is released to the party who lodged the Transfer for registration at the Titles Office.</p> <p>The Native Land Trust Board is not consulted but must first approve any land transfer of a native lease. Without such prior approval, a transfer is null and void.</p>	

The NLTB office is not in the same building as the Land Registry (Registrar of Titles office).  
It is in the building across the road.

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

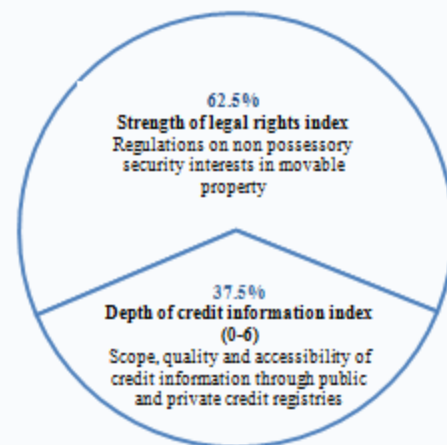
**Public credit registry coverage (% of adults)**

- 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)**

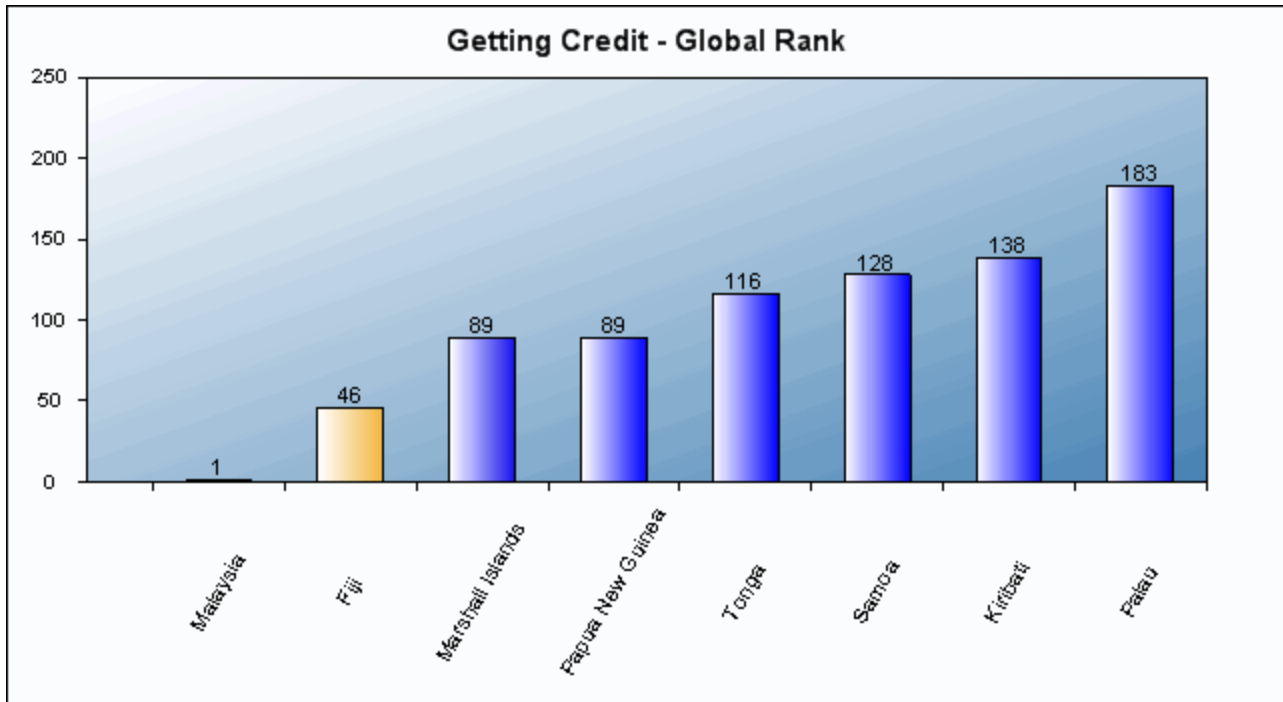
**The Debtor**

- 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:

Fiji is ranked 46 overall for Getting Credit.

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



The following table shows Getting Credit data for Fiji 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>Fiji</b>	<b>7</b>	<b>4</b>	<b>0.0</b>	<b>47.7</b>

<i>Comparator Economies</i>				
<b>Kiribati</b>	5	0	0.0	0.0
<b>Marshall Islands</b>	8	0	0.0	0.0
<b>Palau</b>	0	0	0.0	0.0
<b>Papua New Guinea</b>	5	3	0.0	0.6
<b>Samoa</b>	6	0	0.0	0.0
<b>Tonga</b>	7	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**

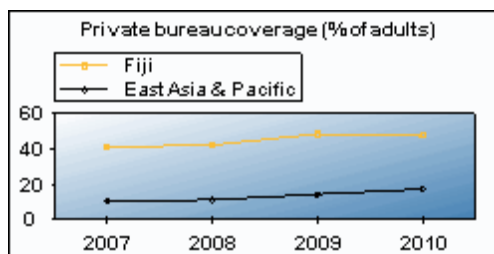
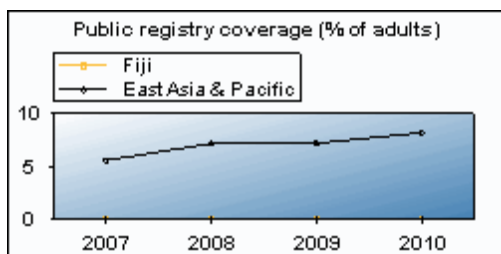
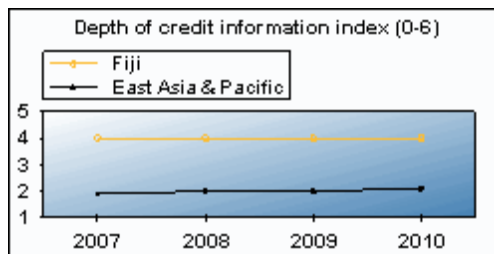
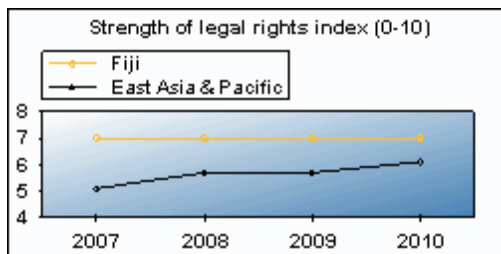
**Private bureau coverage (% of adults): Argentina, Australia, Canada, Iceland, Ireland, Norway, Sweden, United Kingdom, United States**

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

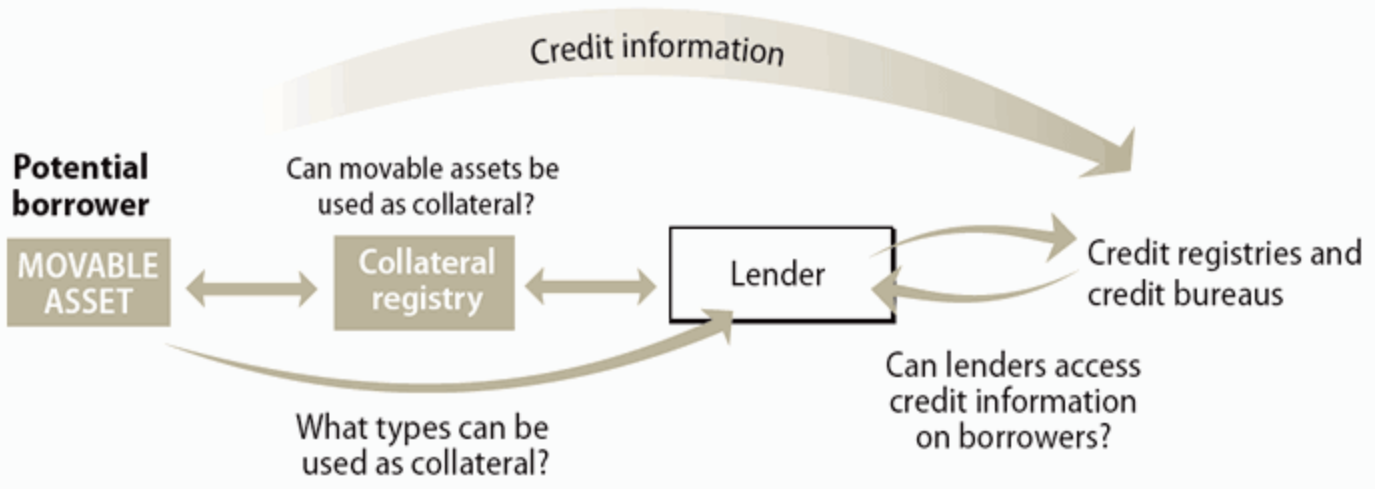
## 2. Historical data: Getting Credit in Fiji

Getting Credit data	Doing Business 2008	Doing Business 2009	Doing Business 2010	Doing Business 2011
Rank	..	..	44	46
Strength of legal rights index (0-10)	7	7	7	7
Depth of credit information index (0-6)	4	4	4	4
Private bureau coverage (% of adults)	41.2	42.3	48.6	47.7
Public registry coverage (% of adults)	0.0	0.0	0.0	0.0

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

Getting Credit Indicators (2010)			Indicator
<b>Private bureau coverage (% of adults)</b>	<b>Private credit bureau</b>	<b>Public credit registry</b>	<b>4</b>
Are data on both firms and individuals distributed?	Yes	No	1
Are both positive and negative data distributed?	No	No	0
Does the registry distribute credit information from retailers, trade creditors or utility companies as well as financial institutions?	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	No	1
Is it guaranteed by law that borrowers can inspect their data in the largest credit registry?	No	No	0
<b>Coverage</b>	<b>47.7</b>	<b>0.0</b>	
Number of individuals	201,557		0
Number of firms	75,000		0

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

7

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?	Yes
Does the law allow businesses to grant a non possessory security right in substantially all of its assets, without requiring a specific description of collateral?	Yes
May a security right extend to future or after-acquired assets, and may it extend automatically to the products, proceeds or replacements of the original assets ?	Yes
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?	Yes



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)

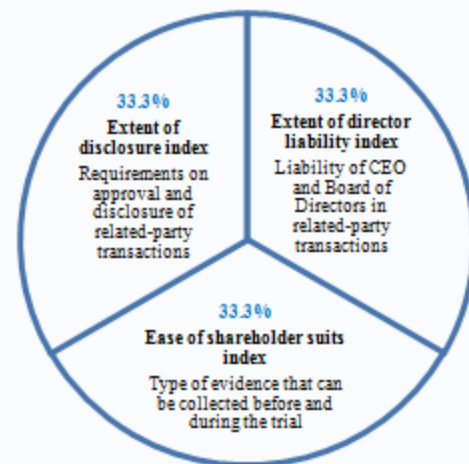
- Documents and information available during trial
- Access to internal corporate documents (directly or through a government inspector)

#### 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.

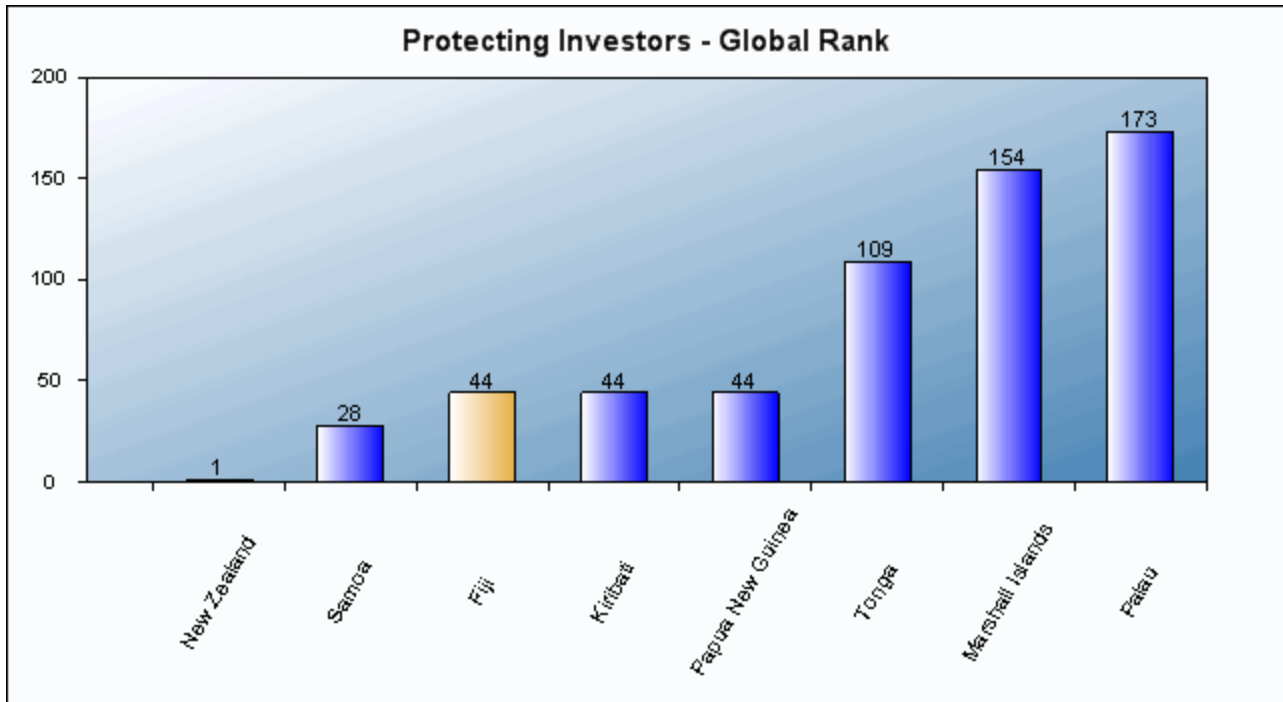
#### The transaction

- 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:

Fiji is ranked 44 overall for Protecting Investors.

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



The following table shows Protecting Investors data for Fiji 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

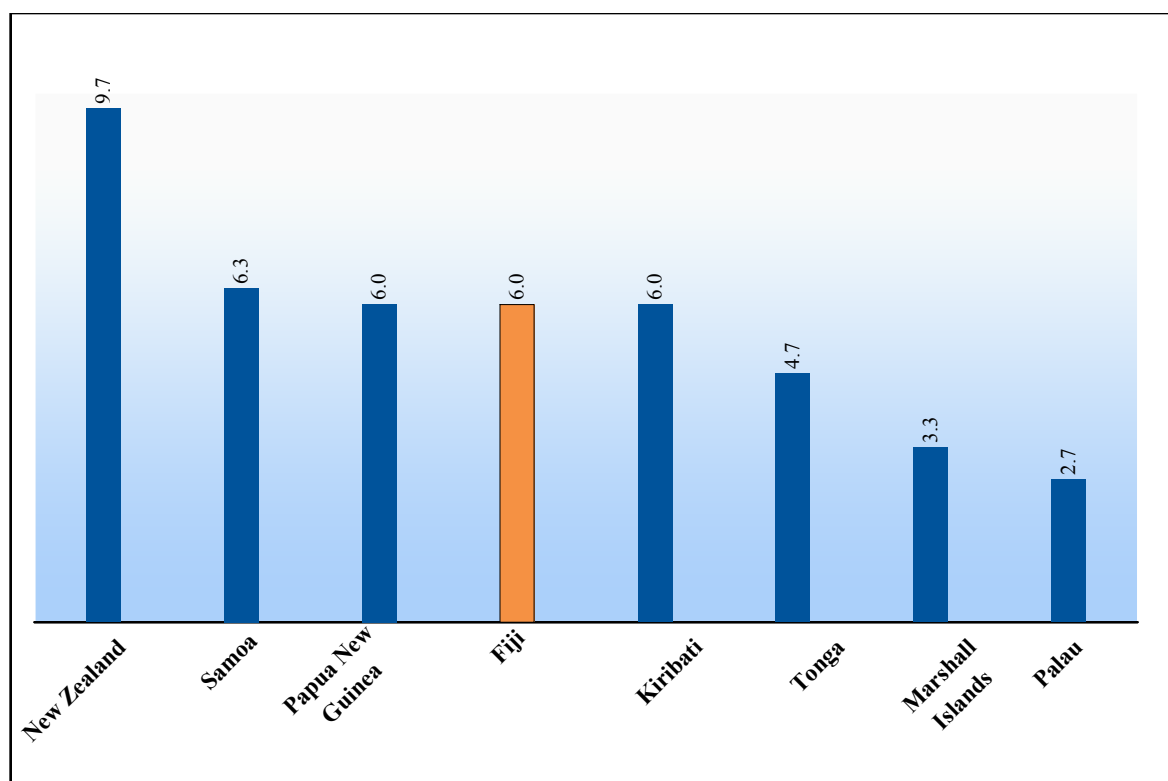
<i>Selected Economy</i>	
<b>Fiji</b>	<b>6.0</b>

<i>Comparator Economies</i>	
<b>Kiribati</b>	6.0
<b>Marshall Islands</b>	3.3
<b>Palau</b>	2.7
<b>Papua New Guinea</b>	6.0
<b>Samoa</b>	6.3
<b>Tonga</b>	4.7

## 2. Historical data: Protecting Investors in Fiji

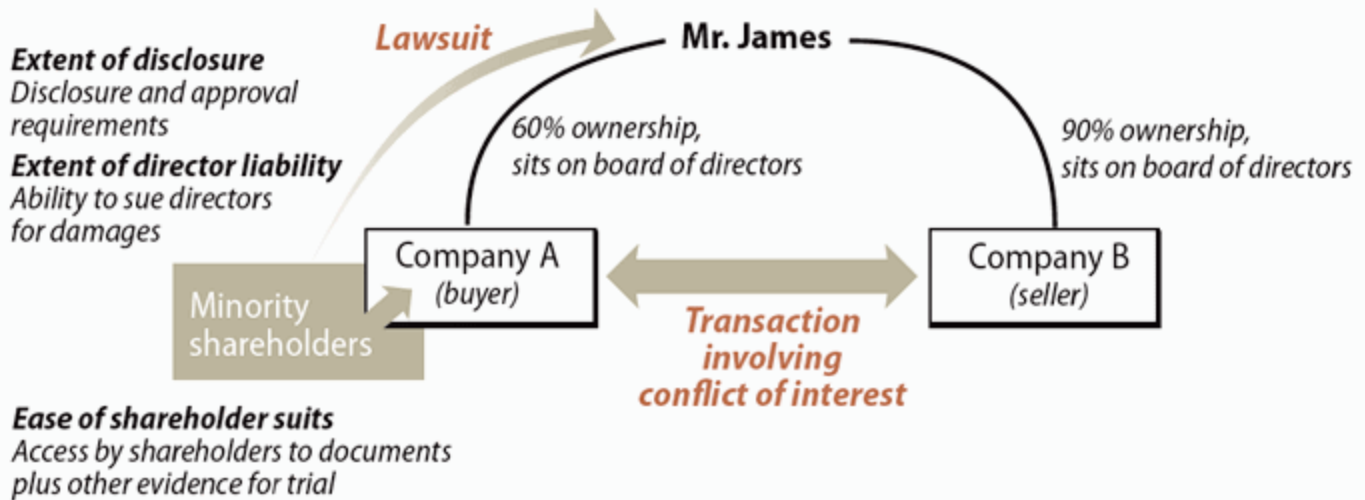
Protecting Investors data	Doing Business 2008	Doing Business 2009	Doing Business 2010	Doing Business 2011
Rank	..	..	41	44
Strength of investor protection index (0-10)	6.0	6.0	6.0	6.0

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

Protecting Investors Data (2010)	Indicator
<b>Extent of disclosure index (0-10)</b>	<b>3</b>
What corporate body provides legally sufficient approval for the transaction?	0
Whether immediate disclosure of the transaction to the public and/or shareholders is required?	0
Whether disclosure of the transaction in published periodic filings (annual reports) is required?	1
Whether disclosure of the conflict of interest by Mr. James to the board of directors is required?	2
Whether an external body must review the terms of the transaction before it takes place?	0
<b>Extent of director liability index (0-10)</b>	<b>8</b>
Whether shareholders can hold Mr. James liable for the damage that the Buyer-Seller transaction causes to the company?	2
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?	2
Whether a court can void the transaction upon a successful claim by a shareholder plaintiff?	1
Whether Mr. James pays damages for the harm caused to the company upon a successful claim by the shareholder plaintiff?	1

Whether Mr. James repays profits made from the transaction upon a successful claim by the shareholder plaintiff?	1
Whether fines and imprisonment can be applied against Mr. James?	0
Whether shareholders can sue directly or derivatively for the damage that the Buyer-Seller transaction causes to the company?	1
<b>Ease of shareholder suits index (0-10)</b>	<b>7</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?	1
Whether shareholders owning 10% or less of Buyer's shares can request an inspector to investigate the transaction?	0
Whether the level of proof required for civil suits is lower than that of criminal cases?	1
Whether shareholders owning 10% or less of Buyer's shares can inspect transaction documents before filing suit?	0
<b>Strength of investor protection index (0-10)</b>	<b>6.0</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)

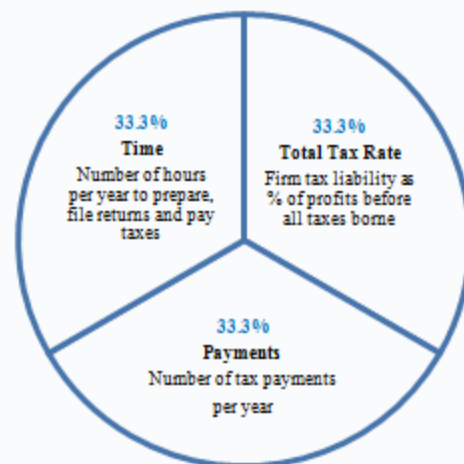
- Collecting information and computing the tax payable
- Completing tax return forms, filing with proper agencies
- Arranging payment or withholding
- Preparing separate tax accounting books, if required

**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



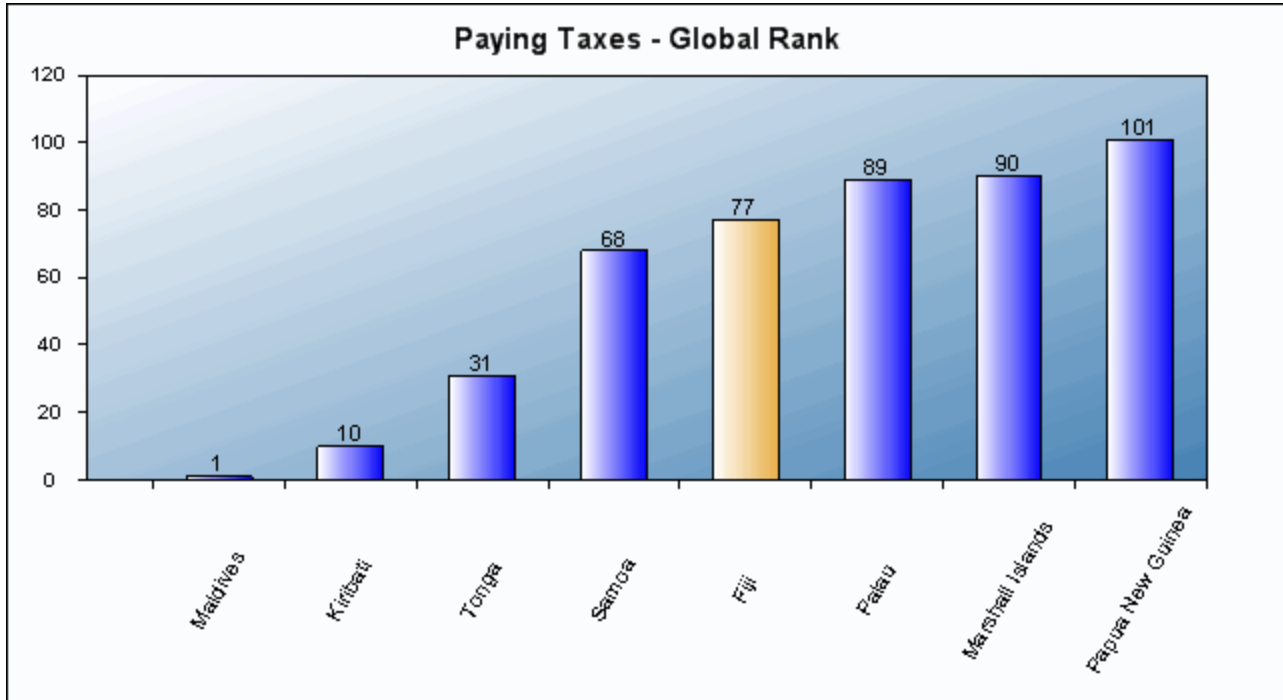
### Case Study Assumptions

- 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:

Fiji is ranked 77 overall for Paying Taxes.

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





The following table shows Paying Taxes data for Fiji 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>Fiji</b>	<b>33</b>	<b>163</b>	<b>39.3</b>

<i>Comparator Economies</i>			
<b>Kiribati</b>	7	120	31.8
<b>Marshall Islands</b>	21	128	64.9
<b>Palau</b>	19	128	73.0
<b>Papua New Guinea</b>	33	194	42.3
<b>Samoa</b>	37	224	18.9
<b>Tonga</b>	20	164	25.5

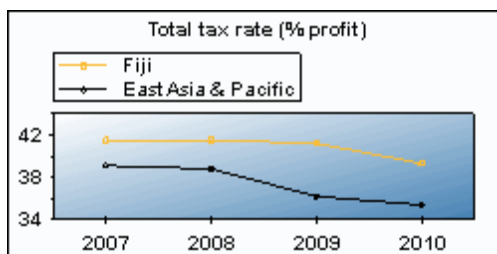
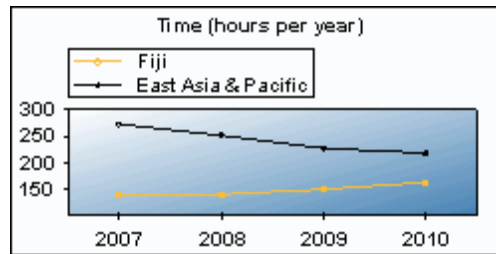
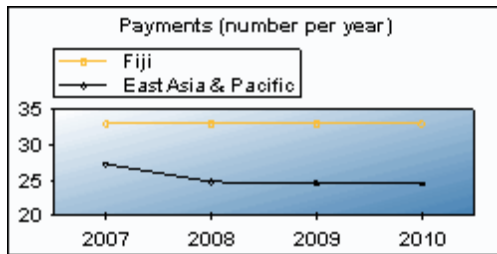
\* The following economies are also good practice economies for :

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

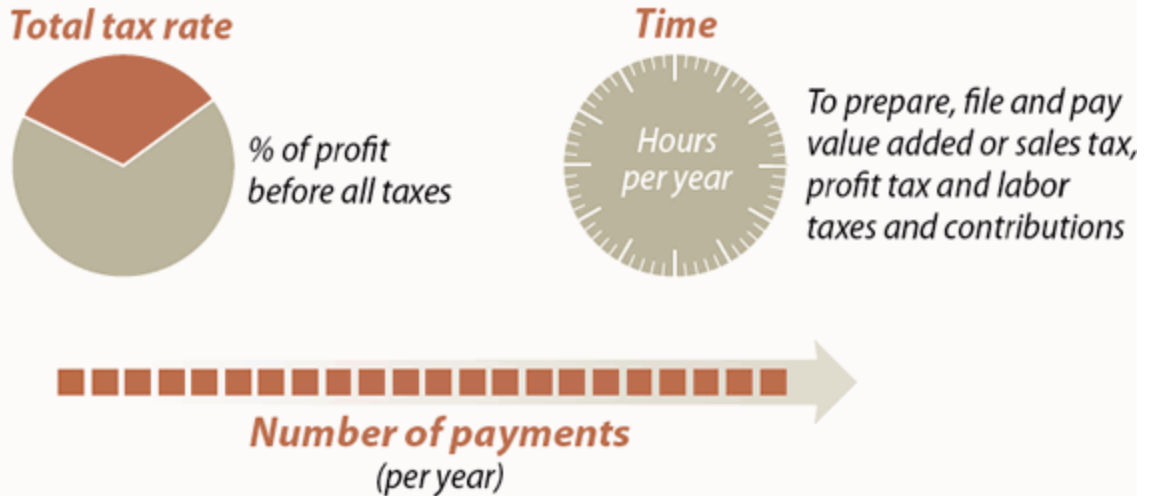
## 2. Historical data: Paying Taxes in Fiji

Paying Taxes data	Doing Business 2008	Doing Business 2009	Doing Business 2010	Doing Business 2011
Rank	..	..	76	77
Total tax rate (% profit)	41.5	41.5	41.2	39.3
Payments (number per year)	33	33	33	33
Time (hours per year)	140	140	150	163

## 3. The following graphs illustrate the Paying Taxes sub indicators in Fiji 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 Fiji, 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)	12		60	12.5%	value added		
Municipal business license	1			fixed fee			
Vehicle tax	1			fixed fee	type and use of vehicle		
Property tax	1			2.0%	assessed property value	0.20	
Training levy	2			1.0%	gross salaries	1.10	
Capital gains tax	0	paid jointly		6.25c increasing by 2.5c/1000 on every dollar of such profit up to USD 9,500 and 30% on any profits exceeding USD 9,500	capital gains	1.20	

Superannuation fund (Social security contributions)	12	61	8.0%	gross salaries	9.00
Corporate income tax	4	42	29.0%	taxable profit	27.70
<b>Totals</b>	<b>33</b>	<b>163</b>			<b>39.3</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)

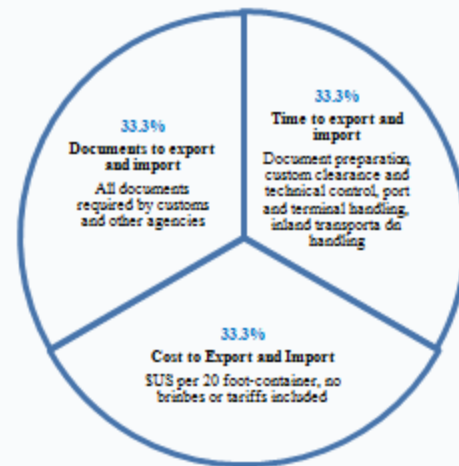
- Bank documents
- Customs clearance documents
- Port and terminal handling documents
- Transport documents

#### 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

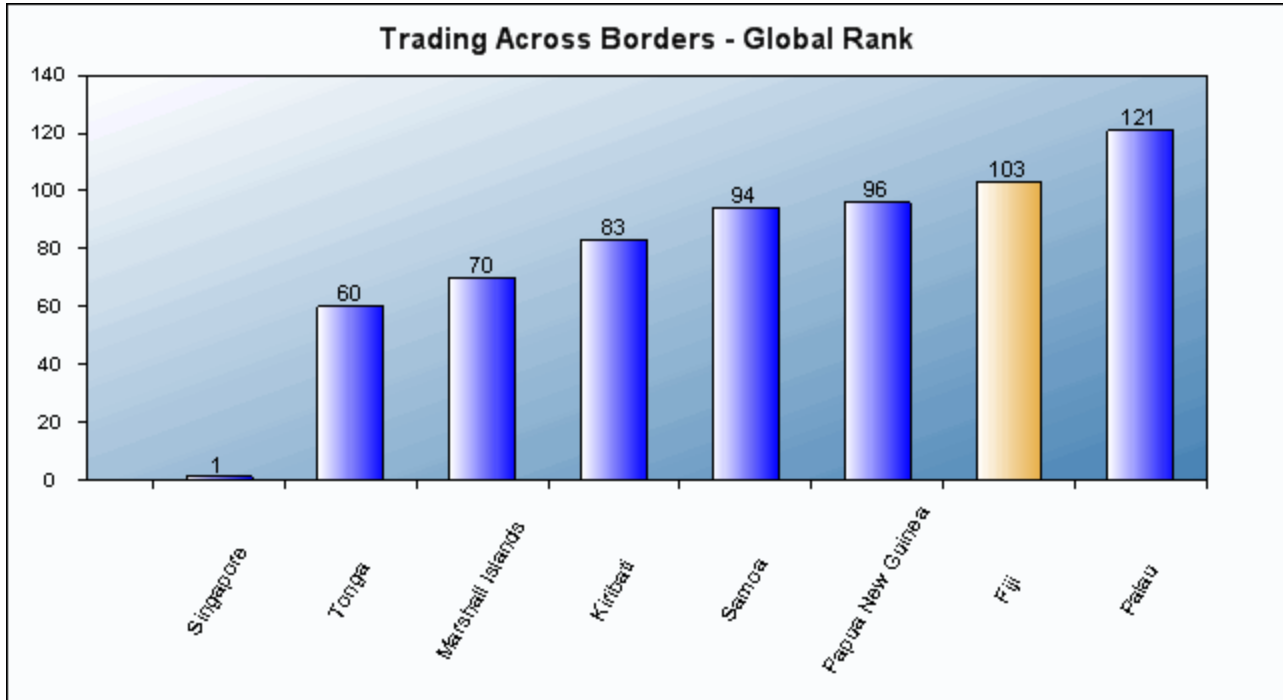
#### The traded product

- 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:

Fiji is ranked 103 overall for Trading Across Borders.

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



The following table shows Trading Across Borders data for Fiji 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>Fiji</b>	<b>10</b>	<b>22</b>	<b>654</b>	<b>10</b>	<b>23</b>	<b>630</b>

<i>Comparator Economies</i>						
<b>Kiribati</b>	6	21	1070	7	21	1070
<b>Marshall Islands</b>	5	21	945	5	33	945
<b>Palau</b>	6	29	1070	10	33	1022
<b>Papua New Guinea</b>	7	26	664	9	29	722
<b>Samoa</b>	7	27	820	7	31	848
<b>Tonga</b>	7	19	650	6	24	725

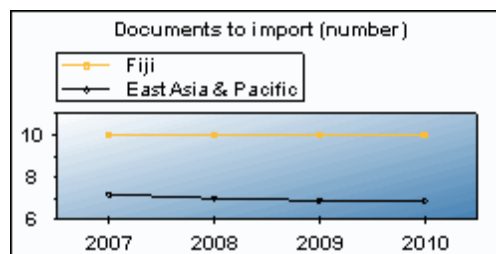
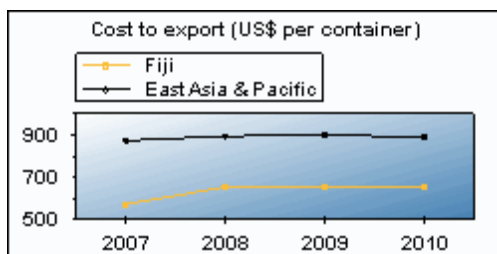
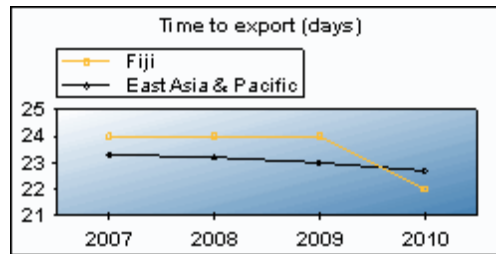
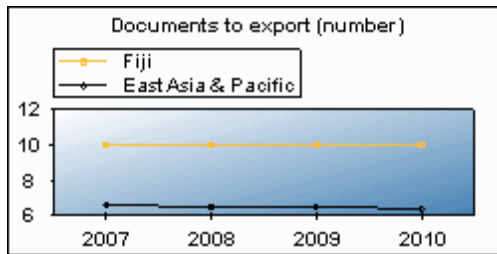
\* The following economies are also good practice economies for :

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

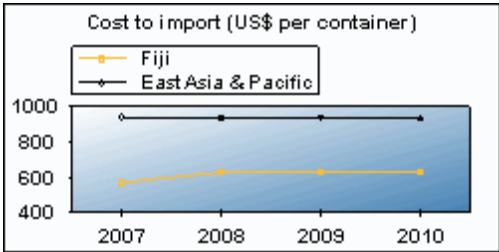
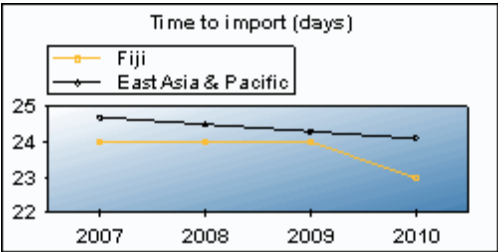
## 2. Historical data: Trading Across Borders in Fiji

Trading Across Borders data	Doing Business 2008	Doing Business 2009	Doing Business 2010	Doing Business 2011
Rank	..	..	108	103
Cost to export (US\$ per container)	573	654	654	654
Cost to import (US\$ per container)	570	630	630	630
Documents to export (number)	10	10	10	10
Documents to import (number)	10	10	10	10
Time to export (days)	24	24	24	22
Time to import (days)	24	24	24	23

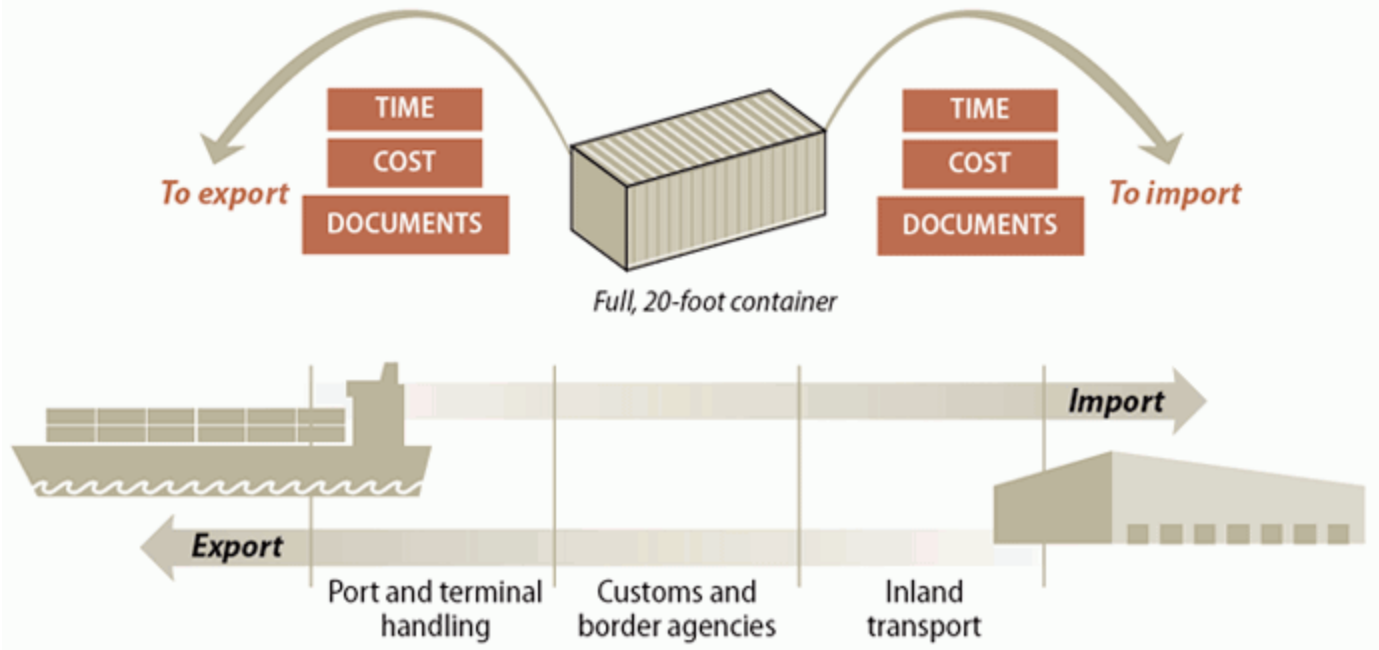
3. The following graphs illustrate the Trading Across Borders sub indicators in Fiji over the past 4 years:







## 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 Fiji. The documents required to export and import the goods are also shown.

Nature of Export Procedures (2010)	Duration (days)	US\$ Cost
Documents preparation	10	214
Customs clearance and technical control	2	40
Ports and terminal handling	7	190
Inland transportation and handling	3	210
Totals	22	654

Nature of Import Procedures (2010)	Duration (days)	US\$ Cost
Documents preparation	10	190
Customs clearance and technical control	2	40
Ports and terminal handling	9	190
Inland transportation and handling	2	210
Totals	23	630

**Documents for Export and Import**

**Export**

- Bill of lading
- Certificate of origin
- Commercial invoice
- Customs export declaration
- Export license
- Foreign exchange authorization
- Inspection report and health certificate
- Packing list
- Cargo release order
- Terminal handling receipts

**Import**

- Bill of lading
- Cargo release order
- Certificate of origin
- Commercial invoice
- Customs import declaration
- Foreign exchange authorization
- Import license
- Inspection report and Technical standard/health certificate
- 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)

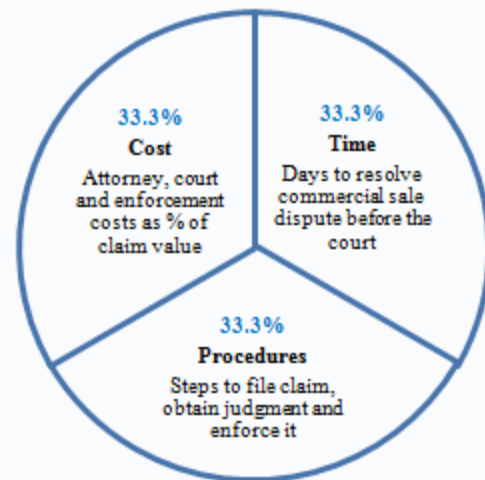
- Any interaction between the parties in a commercial dispute, or between them and the judge or court officer
- Steps to file the case
- Steps for trial and judgment
- Steps to enforce the judgment

#### 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



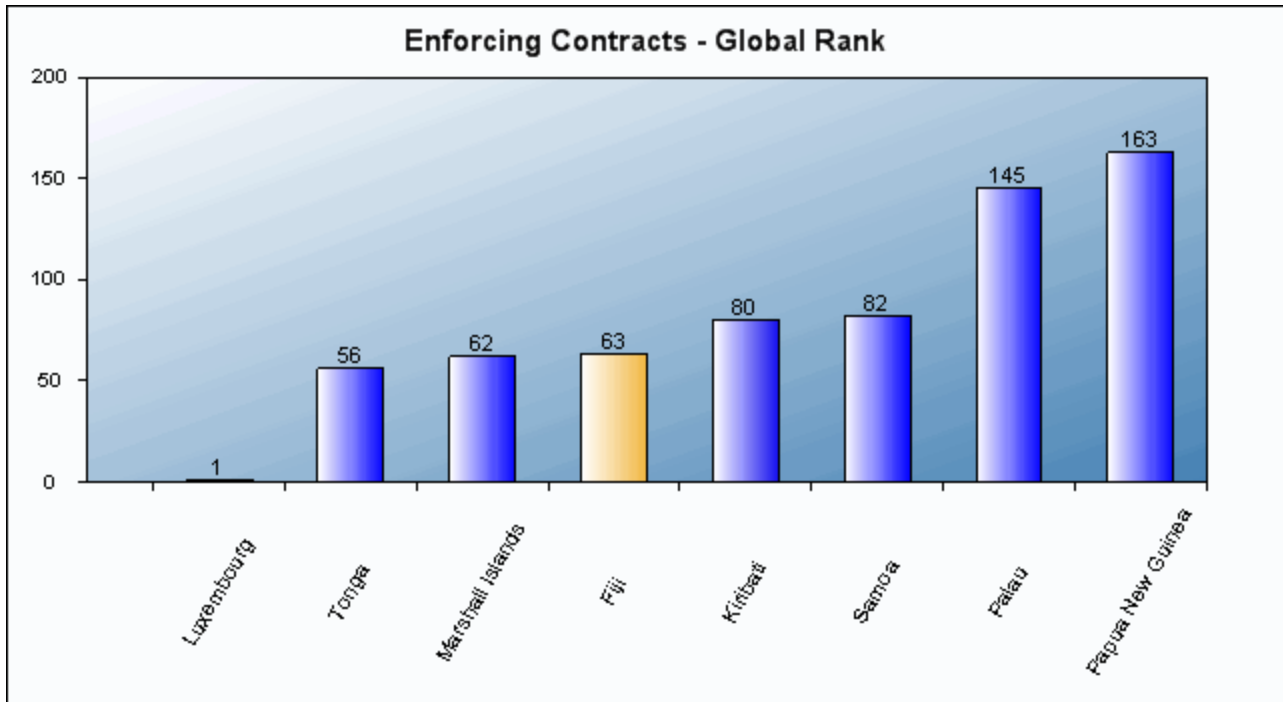
#### Case Study Assumptions

- 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:

Fiji is ranked 63 overall for Enforcing Contracts.

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



The following table shows Enforcing Contracts data for Fiji 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	

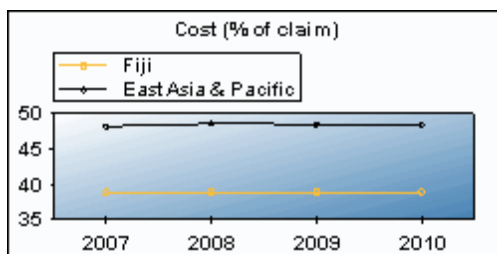
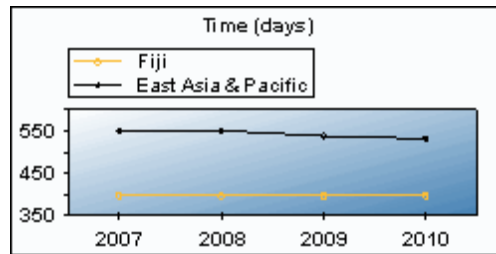
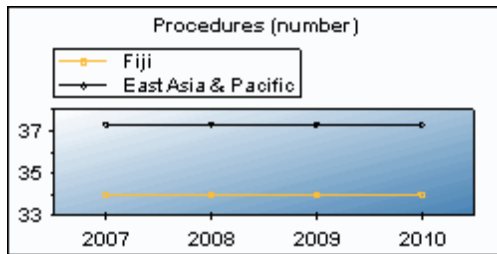
<i>Selected Economy</i>			
<b>Fiji</b>	<b>34</b>	<b>397</b>	<b>38.9</b>

<i>Comparator Economies</i>			
<b>Kiribati</b>	32	660	25.8
<b>Marshall Islands</b>	36	476	27.4
<b>Palau</b>	38	885	35.3
<b>Papua New Guinea</b>	42	591	110.3
<b>Samoa</b>	44	455	19.7
<b>Tonga</b>	37	350	30.5

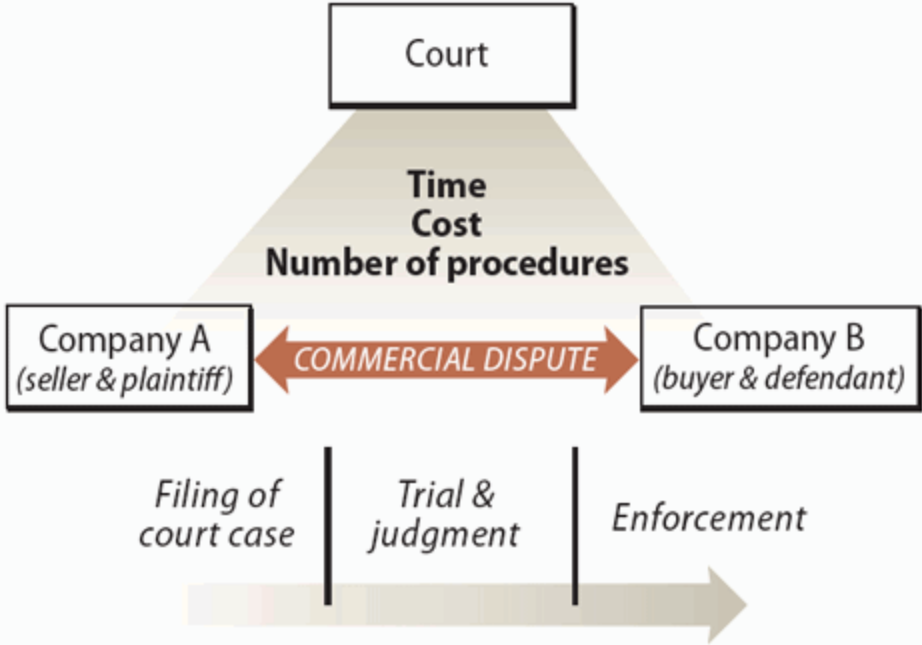
## 2. Historical data: Enforcing Contracts in Fiji

Enforcing Contracts data	Doing Business 2008	Doing Business 2009	Doing Business 2010	Doing Business 2011
Rank	..	..	65	63
Procedures (number)	34	34	34	34
Time (days)	397	397	397	397
Cost (% of claim)	38.9	38.9	38.9	38.9

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

Nature of Procedure (2010)	Indicator
Procedures (number)	34
Time (days)	397
Filing and service	36.0
Trial and judgment	206.0
Enforcement of judgment	155.0
<b>Cost (% of claim)*</b>	<b>38.90</b>
Attorney cost (% of claim)	28.6
Court cost (% of claim)	0.3
Enforcement Cost (% of claim)	10.0



**Court information:** Suva Magistrates Court

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

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

### Some reform outcomes

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

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

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

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

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

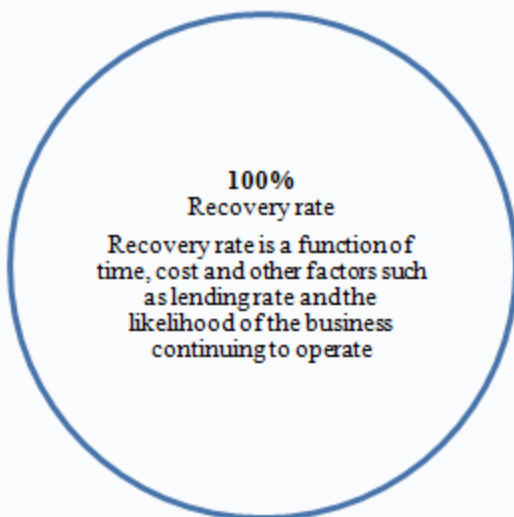
- Measured in calendar years
- Appeals and requests for extension are included

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

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

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

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



### *Case Study Assumptions*

#### The Company

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

## 1. Benchmarking Closing Business Regulations:

Fiji is ranked 117 overall for Closing a Business.

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



The following table shows Closing Business data for Fiji 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>Fiji</b>	<b>20.5</b>	<b>1.8</b>	<b>38</b>

<i>Comparator Economies</i>			
<b>Kiribati</b>	0.0	no practice	no practice
<b>Marshall Islands</b>	17.9	2.0	38
<b>Palau</b>	37.9	1.0	23
<b>Papua New Guinea</b>	23.9	3.0	23
<b>Samoa</b>	14.6	2.5	38
<b>Tonga</b>	25.3	2.7	22

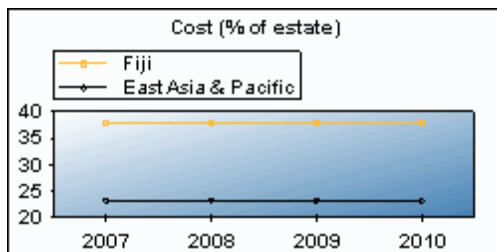
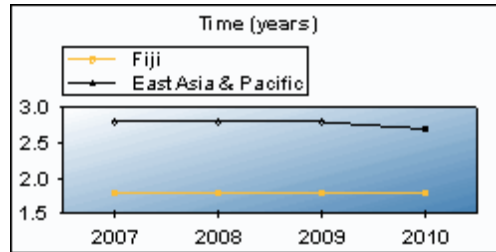
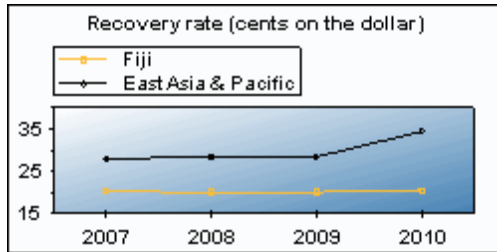
\* The following economies are also good practice economies for :

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

## 2. Historical data: Closing Business in Fiji

Closing a Business data	Doing Business 2008	Doing Business 2009	Doing Business 2010	Doing Business 2011
Rank	..	..	120	117
Time (years)	1.8	1.8	1.8	1.8
Cost (% of estate)	38	38	38	38
Recovery rate (cents on the dollar)	20.2	20.1	20.1	20.5

## 3. The following graphs illustrate the Closing Business sub indicators in Fiji 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>Fiji</b>	Fiji made trading easier by opening customer care service centers and improving customs operations.
<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>Hungary</b>	Hungary implemented a time limit for the issuance of building permits. Hungary reduced the property registration fee by 6% of the property value. Hungary simplified taxes and tax bases. Amendments to Hungary's bankruptcy law encourage insolvent companies to consider reaching agreements with creditors out of court so as to avoid bankruptcy.
<b>Kazakhstan</b>	Kazakhstan eased business start-up by reducing the minimum capital requirement to 100 tenge (\$0.70) and eliminating the need to have the memorandum of association and company charter notarized. Kazakhstan made dealing with construction permits easier by implementing a one-stop shop related to technical conditions for utilities. Kazakhstan strengthened investor protections by requiring greater corporate disclosure in company annual reports. Kazakhstan speeded up trade through efforts to modernize customs, including implementation of a risk management system and improvements in customs automation.
<b>Marshall Islands</b>	The Marshall Islands improved access to credit through a new law on secured transactions that establishes a central collateral registry, broadens the range of assets that can be used as collateral, allows a general description of debts and obligations and assets granted as collateral and establishes clear priority rules outside bankruptcy for secured creditors.
<b>Papua New Guinea</b>	Operation of a new private credit bureau improved the credit information system in Papua New Guinea.
<b>Peru</b>	Peru eased business start-up by simplifying the requirements for operating licenses and creating an online one-stop shop for business registration. Peru streamlined construction permitting by implementing administrative reforms. Peru introduced fast-track procedures at the land registry, cutting by half the time needed to register property. Peru made trading easier by implementing a new web-based electronic data interchange system, risk-based inspections and payment deferrals.
<b>Rwanda</b>	Rwanda made dealing with construction permits easier by passing new building regulations at the end of April 2010 and implementing new time limits for the issuance of various permits. Rwanda enhanced access to credit by allowing borrowers the right to inspect their own credit report and mandating that loans of all sizes be reported to the central bank's public credit registry. Rwanda reduced the number of trade documents required and enhanced its joint border management procedures with Uganda and other neighbors, leading to an improvement in the trade logistics environment.
<b>Samoa</b>	Samoa shifted from a deed system to a title system and fully computerized its land registry, which reduced the time required to register property by 4 months.

<b>Tajikistan</b>	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.
<b>Tonga</b>	Tonga simplified the payment of taxes by replacing a 2-tier system with a 25% corporate income tax rate for both domestic and foreign companies and introducing tax incentives with a broad-based capital allowance system to replace tax holidays and other tax concessions.
<b>Vietnam</b>	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.
<b>Zambia</b>	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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