

Doing Business 2011

Haiti

**Making
a Difference for
Entrepreneurs**

COMPARING BUSINESS REGULATION IN 183 ECONOMIES



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Doing Business 2011
Business Reforms

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

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

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

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

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

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

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

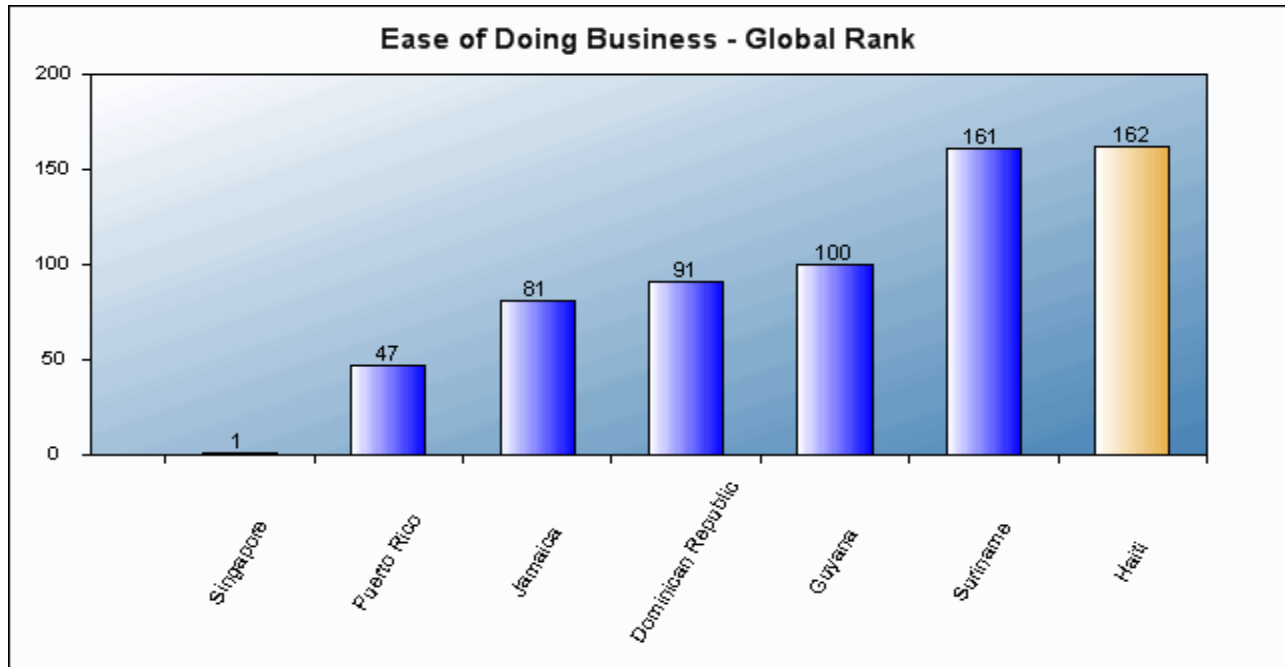
* Except for the Paying Taxes indicator that refers to the period January to December of 2009.

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

Economy Rankings - Ease of Doing Business

Haiti is ranked 162 out of 183 economies. Singapore is the top ranked economy in the Ease of Doing Business.

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



Haiti's ranking in Doing Business 2011

Rank	Doing Business 2011
Ease of Doing Business	162
Starting a Business	178
Dealing with Construction Permits	122
Registering Property	128
Getting Credit	138
Protecting Investors	167
Paying Taxes	97
Trading Across Borders	145
Enforcing Contracts	91
Closing a Business	151

Summary of Indicators - Haiti

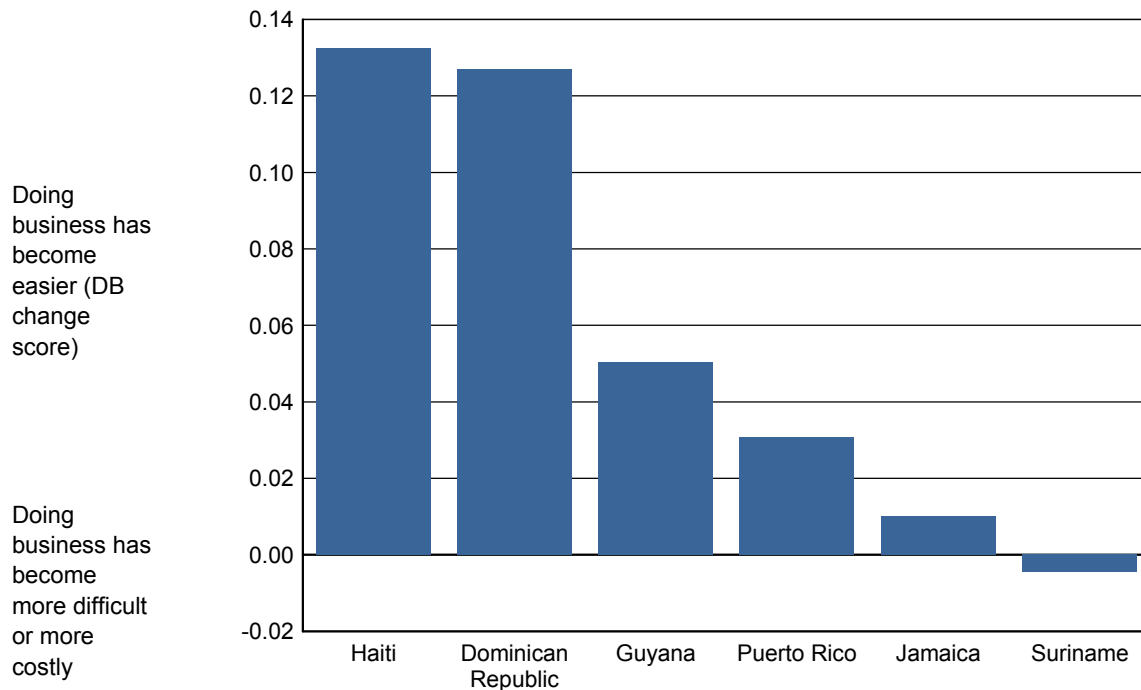
Starting a Business	Procedures (number)	13
	Time (days)	105
	Cost (% of income per capita)	212.0
	Min. capital (% of income per capita)	20.7
Dealing with Construction Permits	Procedures (number)	11
	Time (days)	1179
	Cost (% of income per capita)	525.3
Registering Property	Procedures (number)	5
	Time (days)	405
	Cost (% of property value)	6.3
Getting Credit	Strength of legal rights index (0-10)	3
	Depth of credit information index (0-6)	2
	Public registry coverage (% of adults)	0.7
	Private bureau coverage (% of adults)	0.0
Protecting Investors	Extent of disclosure index (0-10)	2
	Extent of director liability index (0-10)	3
	Ease of shareholder suits index (0-10)	4
	Strength of investor protection index (0-10)	3.0
Paying Taxes	Payments (number per year)	42
	Time (hours per year)	160
	Profit tax (%)	23.3
	Labor tax and contributions (%)	12.4
	Other taxes (%)	4.3
	Total tax rate (% profit)	40.1
Trading Across Borders	Documents to export (number)	8
	Time to export (days)	35
	Cost to export (US\$ per container)	1005
	Documents to import (number)	10
	Time to import (days)	33
	Cost to import (US\$ per container)	1545

Enforcing Contracts	Procedures (number)	35
	Time (days)	508
	Cost (% of claim)	42.6
Closing a Business	Recovery rate (cents on the dollar)	6.7
	Time (years)	5.7
	Cost (% of estate)	30

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.

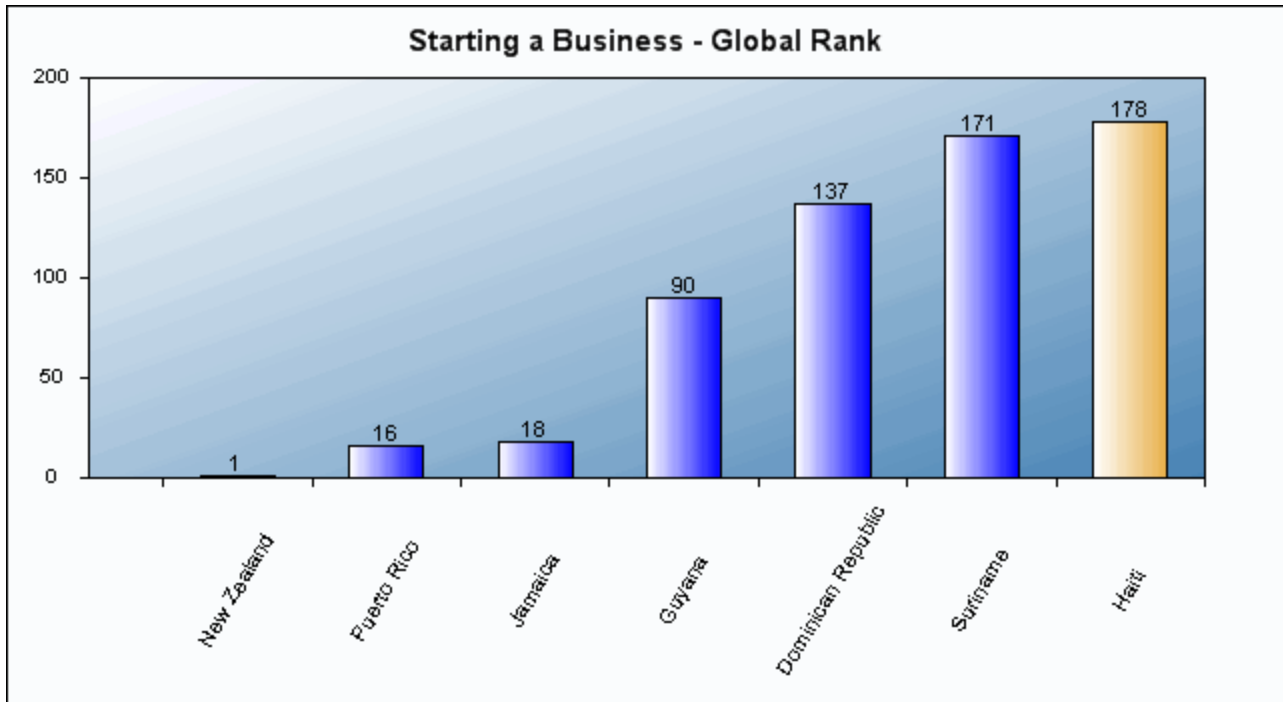
The business:

- 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:

Haiti is ranked 178 overall for Starting a Business.

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



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

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

<i>Selected Economy</i>				
Haiti	13	105	212.0	20.7

<i>Comparator Economies</i>				
Dominican Republic	8	19	19.2	62.6
Guyana	8	30	18.7	0.0
Jamaica	6	8	5.2	0.0
Puerto Rico	7	7	0.7	0.0
Suriname	13	694	119.9	0.6

* The following economies are also good practice economies for :

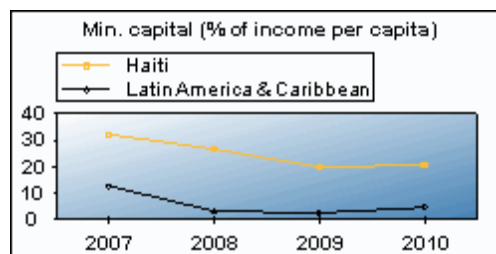
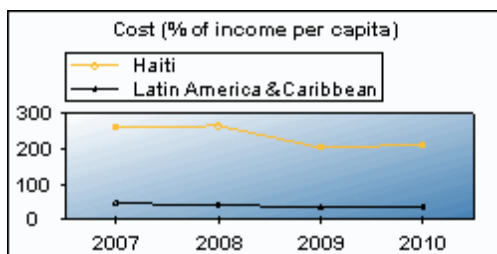
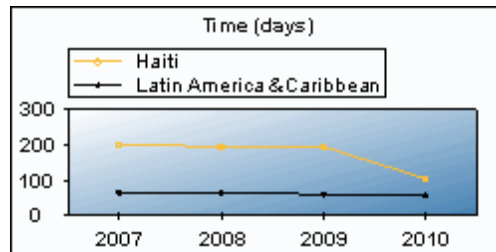
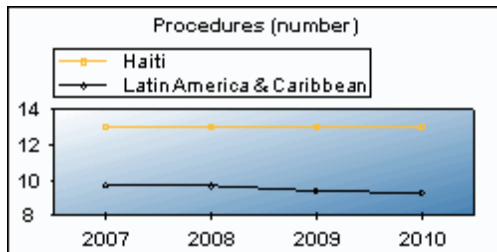
Procedures (number): **Canada**

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

2. Historical data: Starting a Business in Haiti

Starting a Business data	Doing Business 2008	Doing Business 2009	Doing Business 2010	Doing Business 2011
Rank	..	..	179	178
Procedures (number)	13	13	13	13
Time (days)	202	195	195	105
Cost (% of income per capita)	262.8	266.0	204.0	212.0
Min. capital (% of income per capita)	32.2	26.6	19.8	20.7

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

STANDARDIZED COMPANY

Legal Form: Société Anonyme

City: Port au Prince

Registration Requirements:

No:	Procedure	Time to complete	Cost to complete
1	Deposit the legally required initial capital in the National Bank and obtain deposit evidence	1	no charge
2	Prepare of company statutes (Articles and Memorandum of Association)	10	HTG 25,000
3	Notarize the company deeds and articles of association	15	HTG 16,250
4	Pay the registration fee at the Direction Générale des Impôts (DGI)	1	HTG 275
5	Registration with the Commercial Registry at the Ministry of Commerce and Industry and obtain the authorization of operations (Droit de fonctionnement)	18	no charge
6	Publish act of constitution in official legal journal (Le Moniteur)	60	HTG 9,000
7 *	Obtain the Tax ID number (numero d'identification fiscale -NIF) from the Tax authorities (DGI), pay fees, and obtain certificate of patente	15	HTG 7,103

8	Obtain the “Carte d’Identite Professionelle” from the Ministry of Commerce	17	HTG 400
9	Obtain special commercial books	2	HTG 5,000
10	Legalize the commercial books	7	HTG 1,000
11	Notification to the Labor Ministry about hiring	1	no charge
12	Register for social security (OFATMA)	1	no charge
13	Register for Retirement Insurance Office (ONA)	1	no charge

* Takes place simultaneously with another procedure.

Starting a Business Details - Haiti

Procedure	1	Deposit the legally required initial capital in the National Bank and obtain deposit evidence
Time to complete:	1	
Cost to complete:	no charge	
Comment:	The notary deposits the legally required initial capital in the National Bank (Banque Nationale de Credit) and obtain the proof of deposit. A certified check needs to be used to pay in the National Bank, where proof of payment is provided.	
Procedure	2	Prepare of company statutes (Articles and Memorandum of Association)
Time to complete:	10	
Cost to complete:	HTG 25,000	
Comment:	The lawyer charges approximately HTG 25,000 for the drafting of the company statutes	
Procedure	3	Notarize the company deeds and articles of association
Time to complete:	15	
Cost to complete:	HTG 16,250	
Comment:	The notary public must handwrite and notarize the documents at a fee of between 7,500 and 25,000 depending on the complexity of the service.	
Procedure	4	Pay the registration fee at the Direction Générale des Impôts (DGI)
Time to complete:	1	
Cost to complete:	HTG 275	
Comment:	The notary pays the registration fees at the Tax Office (DGI) and proof of payment is obtained.	
Procedure	5	Registration with the Commercial Registry at the Ministry of Commerce and Industry and obtain the authorization of operations (Droit de fonctionnement)
Time to complete:	18	
Cost to complete:	no charge	
Comment:	Lawyer submits the dossier for registration and a request for the 'droit de fonctionnement'	
Procedure	6	Publish act of constitution in official legal journal (Le Moniteur)
Time to complete:	60	
Cost to complete:	HTG 9,000	

Comment: The fee to announce the act of constitution in a legal journal is HTG 750 a page. Firms can begin operations before the publication, as soon as they receive authorization from the Ministry of Commerce. Since May 2009, the company's articles of incorporation do not need to be approved by the Prime Minister's office and the Presidency before they can be published in the Official Journal. This process takes now 60 days.

Procedure 7 Obtain the Tax ID number (numero d'identification fiscale -NIF) from the Tax authorities (DGI), pay fees, and obtain certificate of patente

Time to complete: 15

Cost to complete: HTG 7,103

Comment: The company must file a form at the Tax Bureau (DGI) and provide an opening balance sheet on which corporate taxes will be based. A 2% tax is levied on a corporation's initial capital, payable annually. A company must pay the "tax on share" (taxe sur action) of 0.3% per share, which will be assessed each year, and a "right of operating" tax (droit de fonctionnement) of HTG 102 payable annually, and a HTG 5 tax on the carte d'identite professionnelle. The cost for an accountant to prepare the opening balance sheet is approximately HTG 10,000.

Procedure 8 Obtain the "Carte d'Identite Professionnelle" from the Ministry of Commerce

Time to complete: 17

Cost to complete: HTG 400

Comment: According to Article 2 of the "Décret du 26 septembre 1960 réglementant l'exercice de la profession de commerçant", all commercial entities are required to hold a "carte d'identite professionnelle". After the payment of fees at the DGI and obtaining the certificate de patente, the entrepreneur should submit the request to obtain the "carte d'identite professionnelle" at the Ministry of Commerce.

Procedure 9 Obtain special commercial books

Time to complete: 2

Cost to complete: HTG 5,000

Comment: The special commercial books are purchased and prepared by an accountant.

Procedure 10 Legalize the commercial books

Time to complete: 7

Cost to complete: HTG 1,000

Comment: Books are legalized by the Dean of the first instance court (Doyen du Tribunal). Each page must be sealed by the Dean of the civil court.

Procedure 11 Notification to the Labor Ministry about hiring

Time to complete: 1

Cost to complete: no charge

Comment: Companies must submit a declaration on the hiring of personnel to the Labor Direction within 8 days of opening. In practice, this formality is rarely respected.

Procedure 12 Register for social security (OFATMA)

Time to complete: 1

Cost to complete: no charge

Comment: The company must register with the Insurance Office for Occupational Injury, Sickness, and Maternity (OFATMA) within 15 days of opening and provide the names of all its employees (up to 6% of monthly salary is contributed by the employer to social security).

Procedure 13 Register for Retirement Insurance Office (ONA)

Time to complete: 1

Cost to complete: no charge

Comment: The company must register with the Retirement Insurance Office (ONA) within 15 days of opening and provide the name of all its employees (up to 6% of monthly salary is contributed by the employer to retirement insurance).

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

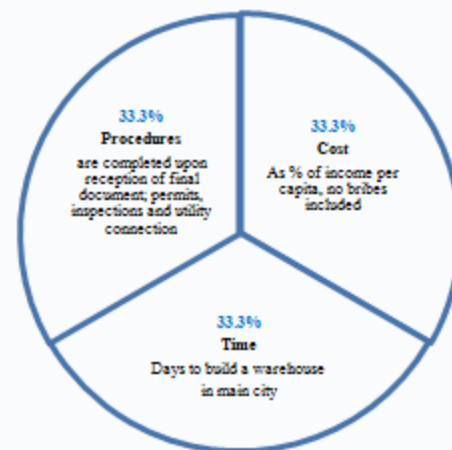
The warehouse:

- 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

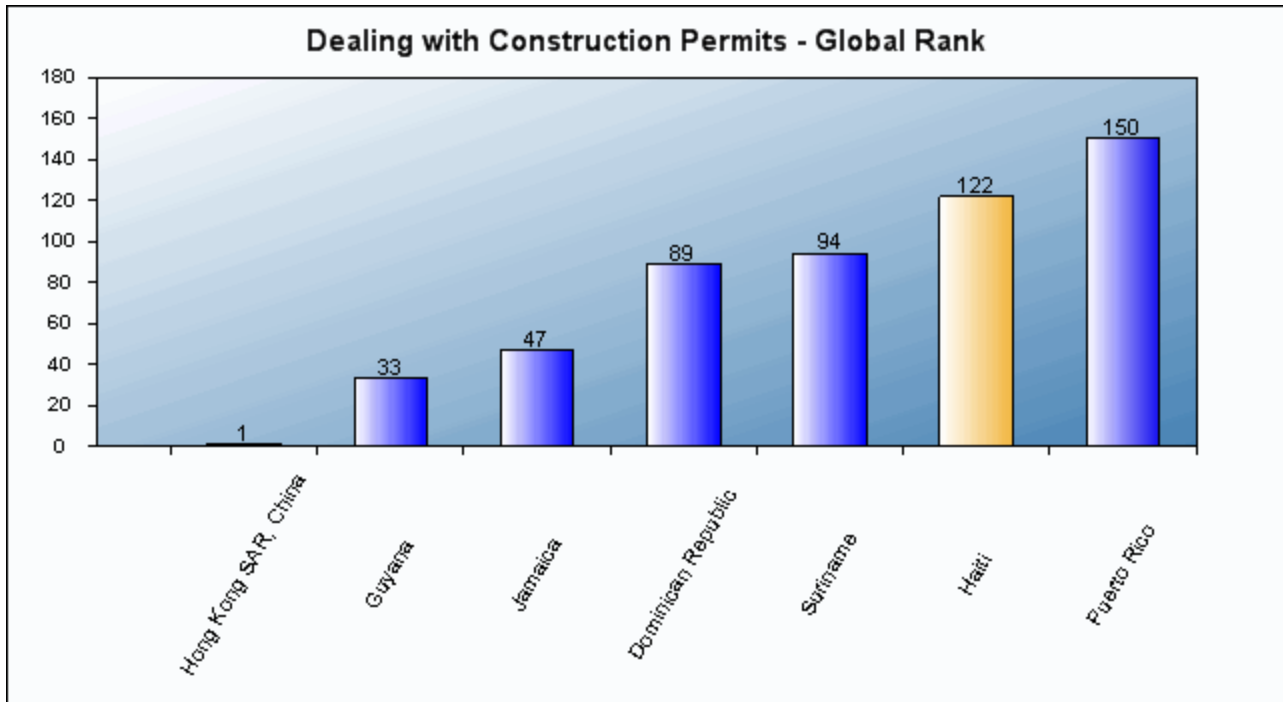
Rankings are based on 3 subindicators



1. Benchmarking Dealing with Construction Permits Regulations:

Haiti is ranked 122 overall for Dealing with Construction Permits.

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



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

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

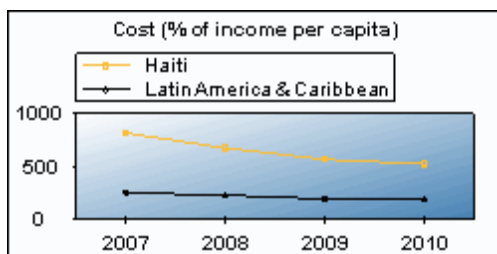
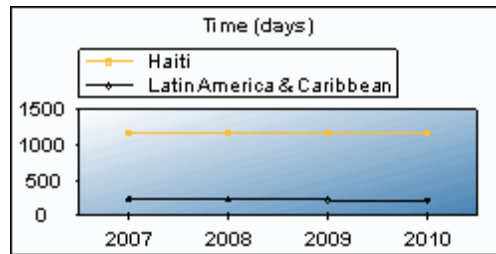
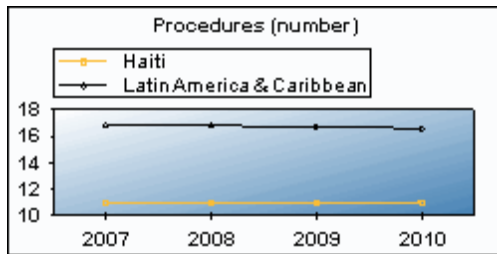
<i>Selected Economy</i>			
Haiti	11	1179	525.3

<i>Comparator Economies</i>			
Dominican Republic	17	214	126.7
Guyana	11	133	130.5
Jamaica	10	156	258.3
Puerto Rico	22	209	500.4
Suriname	14	431	88.9

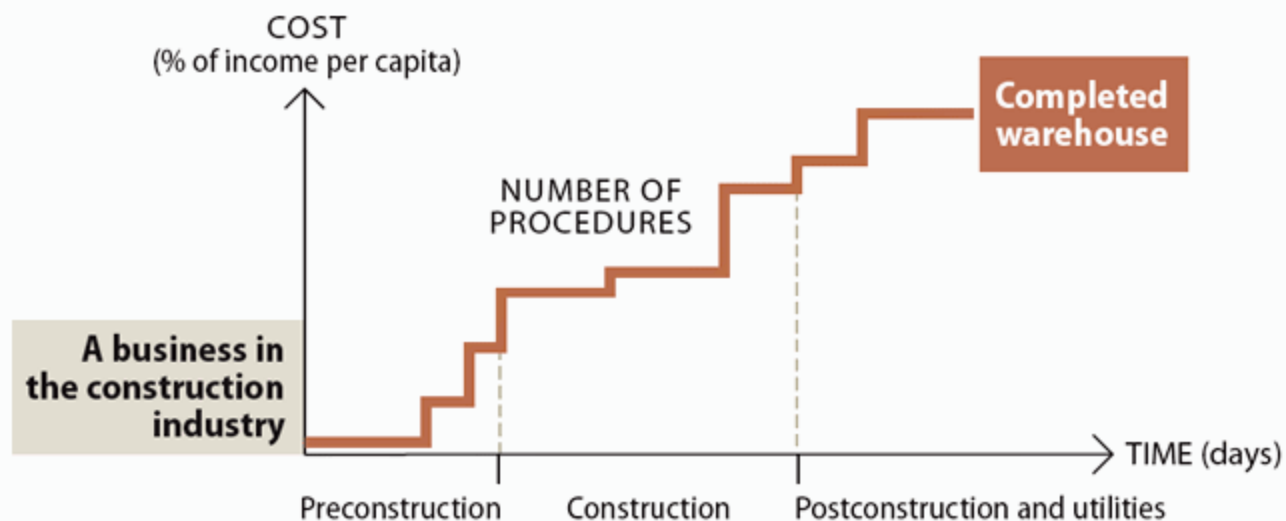
2. Historical data: Dealing with Construction Permits in Haiti

Dealing with Construction Permits data	Doing Business 2008	Doing Business 2009	Doing Business 2010	Doing Business 2011
Rank	..	..	128	122
Procedures (number)	11	11	11	11
Time (days)	1179	1179	1179	1179
Cost (% of income per capita)	817.8	675.2	569.5	525.3

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

BUILDING A WAREHOUSE

City: Port au Prince

Registration Requirements:

No:	Procedure	Time to complete	Cost to complete
1	Submit plans (by architect or engineer) to the municipality	60 days	HTG 130,060
2	Obtain approval by Ministry of Public Works (Ministère des Travaux Publics)	35 days	no charge
3	Receive a municipal inspection at the beginning of construction	1 day	no charge
4	Receive a random municipal inspection during construction	1 day	no charge
5	Receive a municipal inspection at the end of construction	1 day	no charge
6	Request a telephone connection from TELECO	1 day	no charge
7	Obtain a phone connection from TELECO	1080 days	HTG 5,000
8 *	Request electricity connection from l'Electricité d'Haiti (EDH)	29 days	no charge

9 *	Obtain electricity connection from l'Electricité d'Haiti (EDH)	1 day	HTG 18,000
10 *	Request water connection from the National Service of Potable Water (Service National d'Eau Potable, SNEP)	14 days	HTG 250
11 *	Obtain water connection from the National Service of Potable Water (Service National d'Eau Potable, SNEP)	1 day	HTG 5,320

* Takes place simultaneously with another procedure.

Dealing with Construction Permits Details - Haiti

Procedure 1 Submit plans (by architect or engineer) to the municipality

Time to complete:	60 days
Cost to complete:	HTG 130,060
Agency:	Municipality and the Ministry of Public Works, Transport, and Communications
Comment:	The building plans include a surveying plan indicating ownership of the building, architectural plans, plumbing and electricity plans, technical specifications, and cost estimates. If BuildCo already has the surveying plan, it will also have the property title. There is no official fee schedule. The cost for the building permit varies depending on the municipality (HTG 100 per square meter in Delmas in Croix des Bouquets, HTG 50 per square meter in Port au Prince; the cost calculation in this case is based on the amount charged by Croix des Bouquets). The permit has to be renewed every year. The tax administration is the institution in charge of collecting taxes, but in practice the city often does it.

Procedure 2 Obtain approval by Ministry of Public Works (Ministère des Travaux Publics)

Time to complete:	35 days
Cost to complete:	no charge
Agency:	Ministry of Public Works (Ministère des Travaux Publics)
Comment:	The study takes 5–6 days at the Urban Building Inspection Office (Service de Contrôle des Constructions Urbaines) under the authority of the Urban Planning Office (Service de Plannification Urbaine); however, the plans must also be submitted to the General Director of the Ministry of Public Works (Ministère des Travaux Publics) for approval. After this is completed, the mayor signs the authorization. Although the procedure is required by law, it is not common in practice.

Procedure 3 Receive a municipal inspection at the beginning of construction

Time to complete:	1 day
Cost to complete:	no charge
Agency:	Municipality
Comment:	Municipal inspections at the start of construction are rare, though they are authorized by law.

Procedure 4 Receive a random municipal inspection during construction

Time to complete:	1 day
Cost to complete:	no charge
Agency:	Municipality
Comment:	Random municipal inspections during construction are rare, though they are authorized by law.

Procedure 5 Receive a municipal inspection at the end of construction

Time to complete: 1 day

Cost to complete: no charge

Agency: Municipality

Comment: Municipal inspections at the completion of construction are rare, though they are authorized by law.

Procedure 6 Request a telephone connection from TELECO

Time to complete: 1 day

Cost to complete: no charge

Agency: TELECO

Comment: Telephone connections over the network of Haiti's public telephone company, TELECO, are poor. The application form can be filled out and submitted within a day, but it takes longer in practice to obtain the connection. A wireless telephone connection from a private company such as HAITEL can be obtained immediately upon presentation of personal identification documents by the user.

Procedure 7 Obtain a phone connection from TELECO

Time to complete: 1080 days

Cost to complete: HTG 5,000

Agency: TELECO

Comment: It may take 3–4 years to obtain a new telephone line; at present, none are available, and they do not function.

Procedure 8 Request electricity connection from l'Electricité d'Haiti (EDH)

Time to complete: 29 days

Cost to complete: no charge

Agency: L'Electricité d'Haiti (EDH)

Comment: The Electricity Company of Haiti (l'Electricité d'Haiti, EDH) requires copies of identification documents to authorize the electricity connection.

Procedure 9 Obtain electricity connection from l'Electricité d'Haiti (EDH)

Time to complete: 1 day

Cost to complete: HTG 18,000

Agency: L'Electricité d'Haiti (EDH)

Comment: The cost of obtaining an electrical power connection is equivalent to the cost of 3 months of consumption of electricity: on average, HTG 18,000. The deposit is not refundable.

Procedure 10 Request water connection from the National Service of Potable Water (Service National d'Eau Potable, SNEP)

Time to complete: 14 days

Cost to complete: HTG 250

Agency: National Service of Potable Water (Service National d'Eau Portable, SNEP)

Comment: The Metropolitan Potable Water Authority (Centrale Autonome Métropolitaine d'Eau Potable, CAMEP) is responsible for the water supply in downtown Port-au-Prince, but in semiurban areas, the National Service of Potable Water (Service National de l'Eau Potable, SNEP) would be the provider. The SNEP requires proof of property ownership to authorize the water connection.

Procedure 11 Obtain water connection from the National Service of Potable Water (Service National d'Eau Potable, SNEP)

Time to complete: 1 day

Cost to complete: HTG 5,320

Agency: Service National d'Eau Portable (SNEP)

Comment: The cost for the water connection through the SNEP depends on the width of the pipe used. For pipes measuring 0.5 feet, the cost is HTG 4,000; for pipes measuring HTG 6,640.

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)

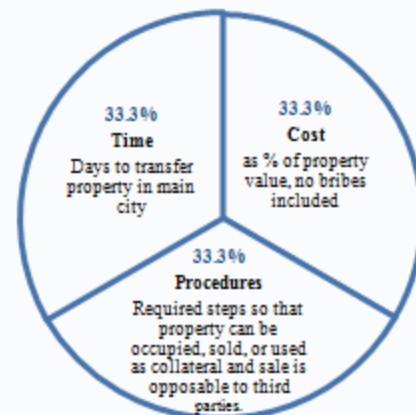
- Preregistration (for example, checking for liens, notarizing sales agreement, paying property transfer taxes)
- Registration in the economy's largest business city
- Post registration (for example, transactions with the local authority, tax authority or cadastre)

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.

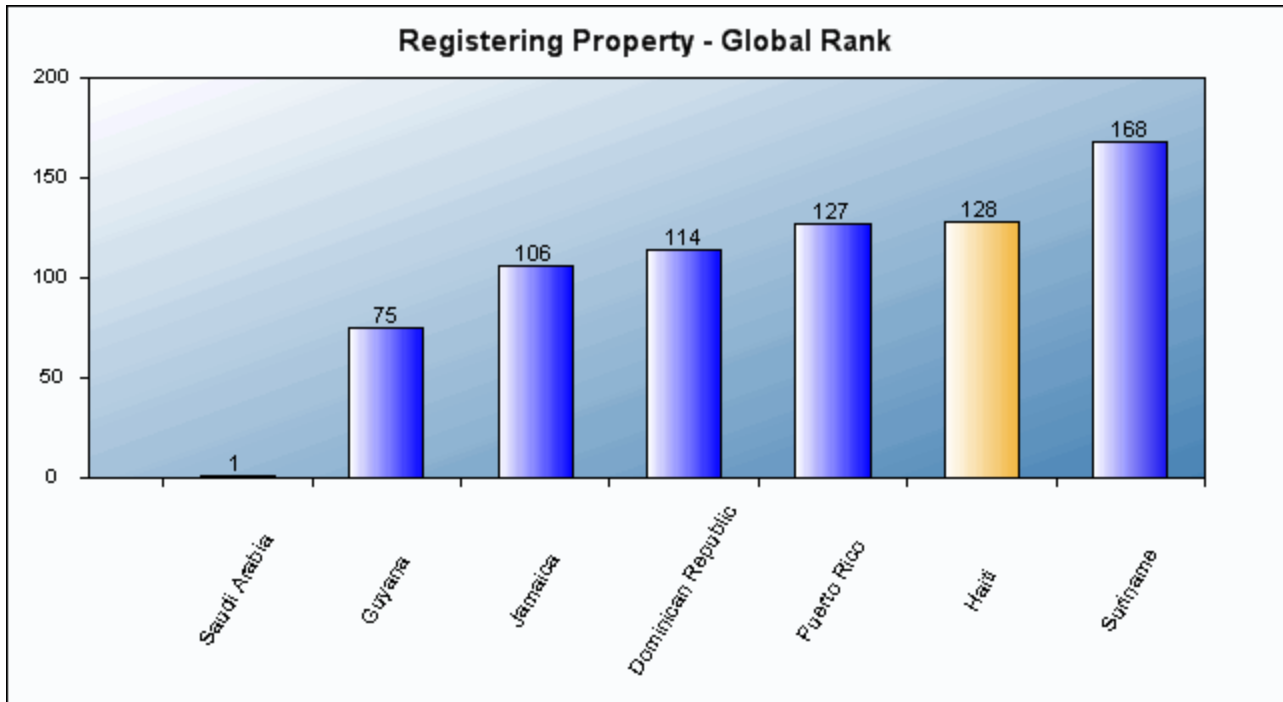
The property (fully owned by the seller):

- 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:

Haiti is ranked 128 overall for Registering Property.

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



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

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

<i>Selected Economy</i>			
Haiti	5	405	6.3

<i>Comparator Economies</i>			
Dominican Republic	7	60	3.7
Guyana	6	34	4.5
Jamaica	6	37	7.5
Puerto Rico	8	194	0.9
Suriname	6	197	13.8

* The following economies are also good practice economies for :

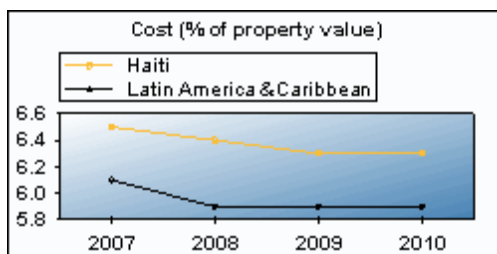
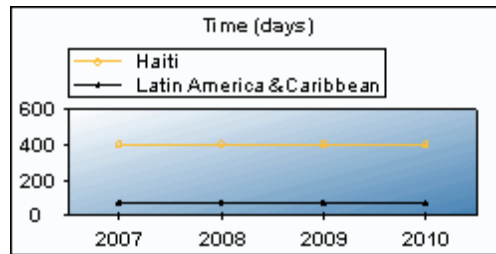
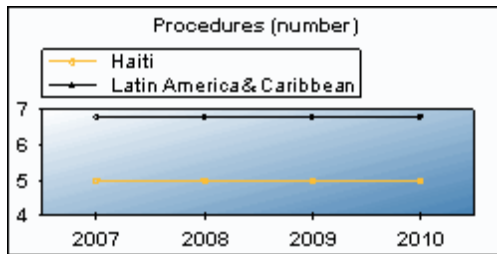
Procedures (number): United Arab Emirates

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

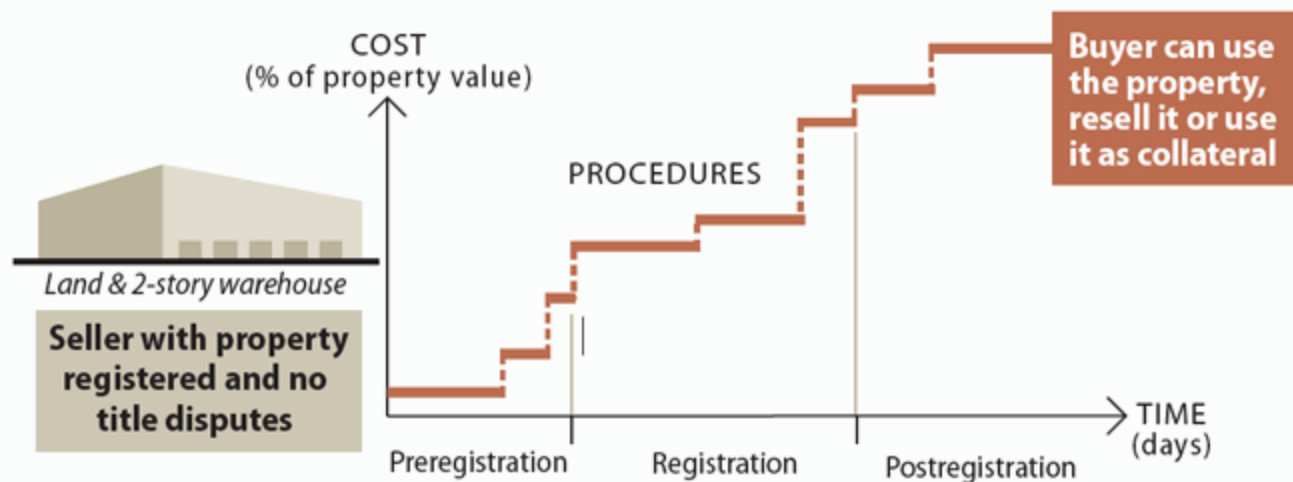
2. Historical data: Registering Property in Haiti

Registering Property data	Doing Business 2008	Doing Business 2009	Doing Business 2010	Doing Business 2011
Rank	..	..	128	128
Procedures (number)	5	5	5	5
Time (days)	405	405	405	405
Cost (% of property value)	6.5	6.4	6.3	6.3

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

STANDARDIZED PROPERTY

Property Value: 1,509,986.27

City: Port au Prince

Registration Requirements:

No:	Procedure	Time to complete	Cost to complete
1	Obtain authorization to conduct a property survey	10-20 days	no cost
2 *	Survey of property	50-70 days (simultaneous with procedure 3)	HTG 5,250
3 *	Notary public prepares the sale agreement	10-90 days (simultaneous with procedure 2)	2% of notary fees
4	Obtain avis de cotisation and pay for registration	1 day	3% of property price (enregistrement) + 1% of property price (transcription)
5	The sale agreement is recorded and transcribed at the Tax Authority (DGI)	60 days + 9 months	already paid in previous procedure

* Takes place simultaneously with another procedure.

Registering Property Details - Haiti

Procedure	1	Obtain authorization to conduct a property survey
Time to complete:	10-20 days	
Cost to complete:	no cost	
Agency:	Local Civil Tribunal	
Comment:	To conduct the property survey required in Procedure 2, it is necessary to obtain an authorization from the dean of the civil tribunal of the commune where the property is located, and the authorization of the "Commissaire du gouvernement". This is obtained after presenting a complete file that will include the bill of sale of the property as well as the previous survey.	
Procedure	2	Survey of property
Time to complete:	50-70 days (simultaneous with procedure 3)	
Cost to complete:	HTG 5,250	
Comment:	A survey of the property is required if the last survey dates from 5 years or more. The survey in question is done by a public surveyor for a specific commune. Because of the issues related to possession and ownership of real estate in Haiti, most buyers choose to have a survey of the property they are purchasing. All persons whose property shares a common border with the property will be invited to witness the survey. Any person present can request a "Referé" which is a quick procedure before a special judge of the civil tribunal who decides on all matters considered urgent. If such a request is made then the survey is suspended.	
Procedure	3	Notary public prepares the sale agreement
Time to complete:	10-90 days (simultaneous with procedure 2)	
Cost to complete:	2% of notary fees	
Comment:	<p>The titles are deposited with the notary public, who will prepare the bill of sale. By law, notary fees are set to 1%. However, the ASNOP (Notary Association of Port-au-Prince) normally charges 2% of sale price. The notary collects the fees and taxes and directly pays the different State Agencies. The added value tax (VAT) is paid by the seller, but it is held by the notary public until the notary decides to transfer the amount to the "Direction Générale des Impôts" (DGI).</p> <p>VAT is according to the following categories:</p> <ul style="list-style-type: none">-For the sale of property by a limited liability corporation (Societe Anonyme), the rate is 15% of the sale price-For the sale of land without building or house, the rate is 10%, after applying a discount of 25 % on sale price.-For the sale of any property were construction was built after the land was bought the rate is 2.5% of the sale price.-For the sale of land from an allotment the rate is 4 %.-For the sale of any property including land and building were improvements or transformations have been made, the rate is 10% after applying a discount of 50 % on the sale price.-For the sale of building or house built on state land when sailing according to the laws, the	

rates is 2.5% of the sale price.

Procedure 4 Obtain avis de cotisation and pay for registration

Time to complete: 1 day

Cost to complete: 3% of property price (enregistrement) + 1% of property price (transcription)

Agency: Tax Authority

Comment: In order to submit the sale agreement for registration, an “avis de cotisation” is prepared by the DGI, calculating and writing manually on the side of the sale Act the amount to be paid. The sale act should be handwritten, but the DGI accepts copies written with a PC with the “handwritten” style (for transfers between individuals or firms).
The avis de cotisation is typed with a typewriter on an official form (3 copies). The top of the form is kept by the notary, and the bottom is left to the DGI. The fees are the following:
- Montant principal: Droit fixe: 2 gourdes; droit d’enregistrement: 3% of sale price; droit de transcription: 1% of sale price; droit d’écriture: 6 gourdes per each group of 25 lines (or fraction)
- droit de certificat: 2.5 gourdes
- taxe supplémentaire: 1% of the amount paid in droit d’enregistrement and droit de transcription + 1 gourde
- droit special ad-valorem: 0.2% of the montant principal

Once the avis is prepared, the notary pays the amount at the BRH (Banque de la Republique d’Haiti) in the DGI, and the Avis de cotisation is signed by the bank.

Procedure 5 The sale agreement is recorded and transcribed at the Tax Authority (DGI)

Time to complete: 60 days + 9 months

Cost to complete: already paid in previous procedure

Agency: Direction Generale des Impots

Comment: The 3% + 1% fee is set in article 142 of the « loi du 28 septembre 1977 sur l’enregistrement et la conservation fonciere ». The notary has received the funds for the procedure before and does the follow up. A one-month frame is established by law for the notary to transfer said funds collected on behalf of the state to the Direction Generale des Impots.

With the avis de cotisation signed by the bank, the notary can submit the dossier to be recorded at the records office of the Direction Generale des Impots. The registrar will write with a pen on the Acte de vente: the Number of the avis de cotisation and the date of payment. The notary keeps the original of the avis de cotisation.
The transfer is then registered by hand in a book (“Repertoire d’entrée”). The sale act is later sent to the Bureau de Transcription, where employees copy by hand the sale act into books. Once the sale act has been copied, it is returned to the notary.

Local branches of the DGI in the country (“bureaux deconcentres”) send the information to the central office for registration.

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

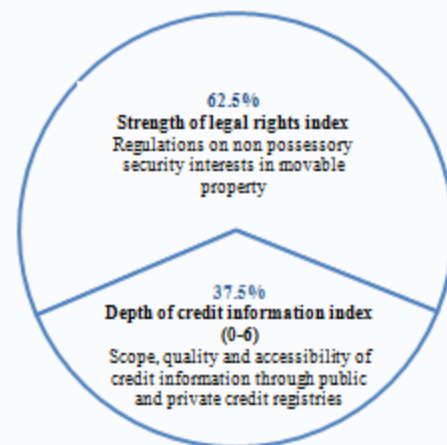
Public credit registry coverage (% of adults)

- 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)

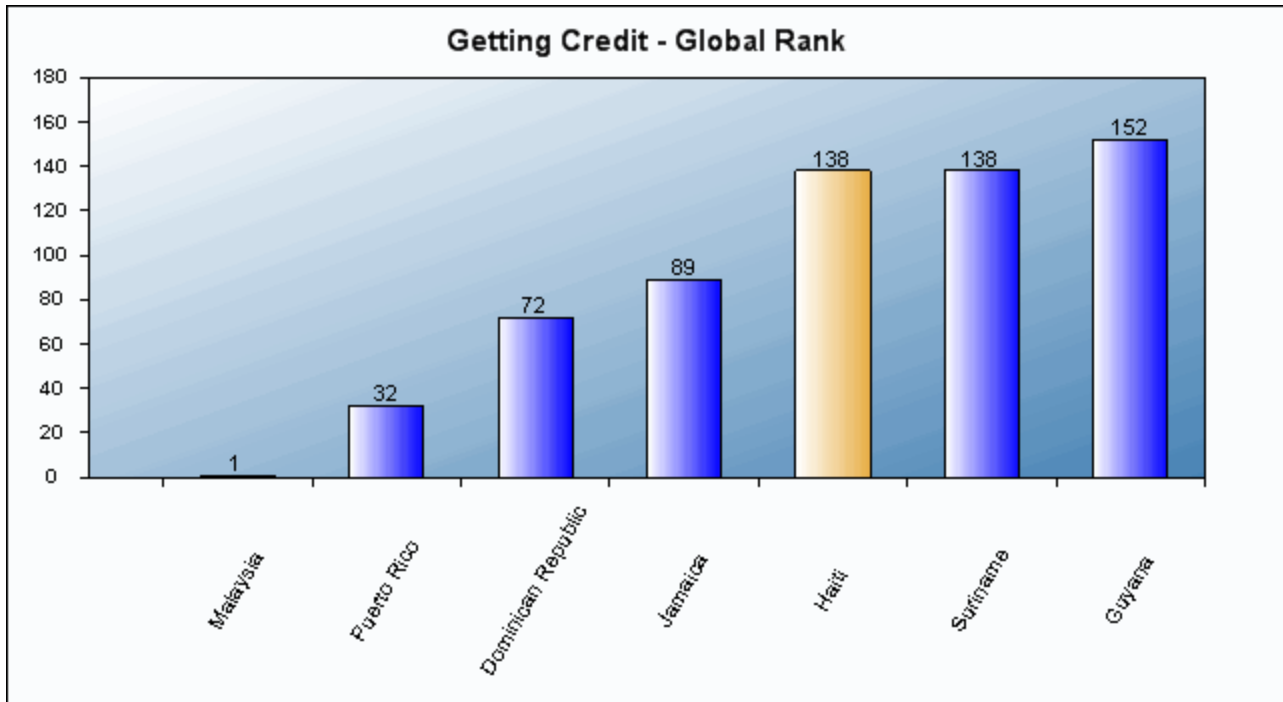
The Debtor

- 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:

Haiti is ranked 138 overall for Getting Credit.

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



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

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

<i>Selected Economy</i>				
Haiti	3	2	0.7	0.0

<i>Comparator Economies</i>				
Dominican Republic	3	6	28.5	47.3
Guyana	4	0	0.0	0.0
Jamaica	8	0	0.0	0.0
Puerto Rico	7	5	0.0	71.5
Suriname	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

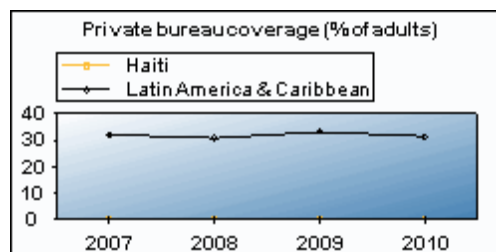
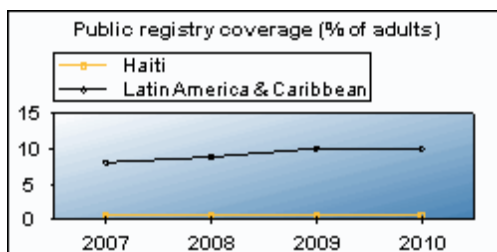
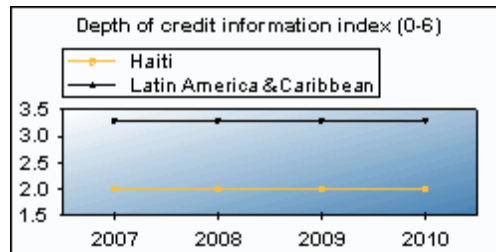
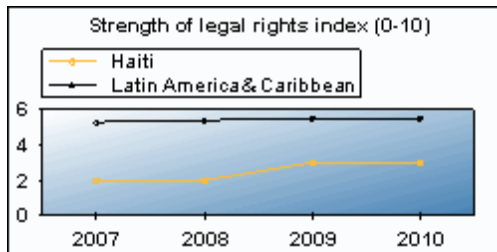
Private bureau coverage (% of adults): Argentina, Australia, Canada, Iceland, Ireland, Norway, Sweden, United Kingdom, United States

27 countries have the highest credit information index.

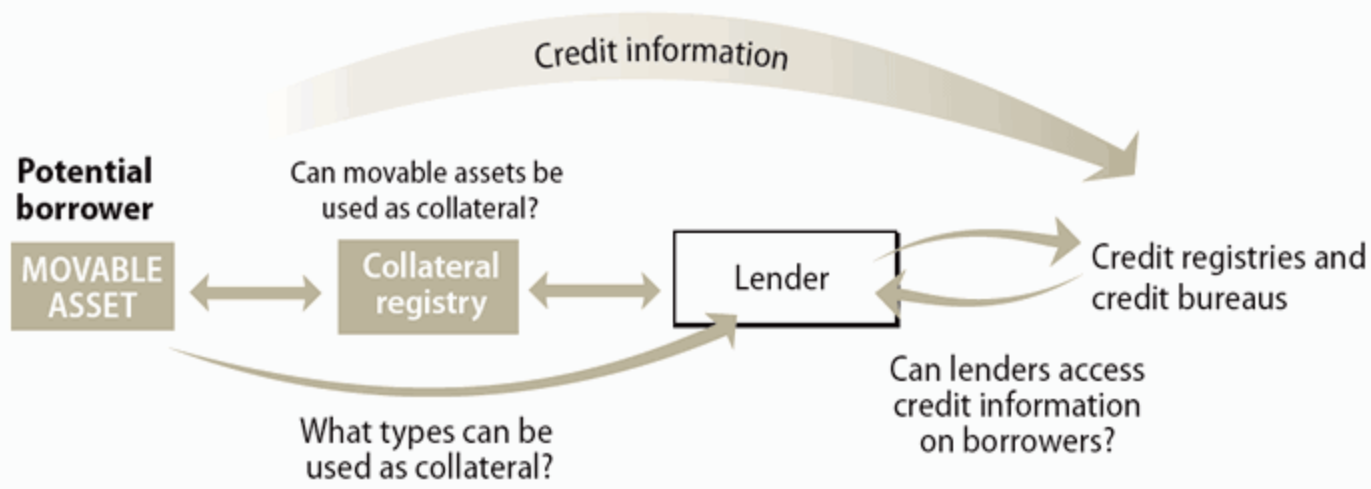
2. Historical data: Getting Credit in Haiti

Getting Credit data	Doing Business 2008	Doing Business 2009	Doing Business 2010	Doing Business 2011
Rank	..	..	135	138
Strength of legal rights index (0-10)	2	2	3	3
Depth of credit information index (0-6)	2	2	2	2
Private bureau coverage (% of adults)	0.0	0.0	0.0	0.0
Public registry coverage (% of adults)	0.7	0.7	0.7	0.7

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

Getting Credit Indicators (2010)			Indicator
Private bureau coverage (% of adults)	Private credit bureau	Public credit registry	2
Are data on both firms and individuals distributed?	No	Yes	1
Are both positive and negative data distributed?	No	Yes	1
Does the registry distribute credit information from retailers, trade creditors or utility companies as well as financial institutions?	No	No	0
Are more than 2 years of historical credit information distributed?	No	No	0
Is data on all loans below 1% of income per capita distributed?	No	No	0
Is it guaranteed by law that borrowers can inspect their data in the largest credit registry?	No	No	0
Coverage	0.0	0.7	
Number of individuals		0	36,139
Number of firms		0	6,711

Can any business use movable assets as collateral while keeping possession of the assets; and any financial institution accept such assets as collateral ?	Yes
Does the law allow businesses to grant a non possessory security right in a single category of movable assets, without requiring a specific description of collateral?	No
Does the law allow businesses to grant a non possessory security right in substantially all of its assets, without requiring a specific description of collateral?	Yes
May a security right extend to future or after-acquired assets, and may it extend automatically to the products, proceeds or replacements of the original assets ?	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 ?	No
Is a collateral registry in operation, that is unified geographically and by asset type, as well as indexed by the grantor's name of a security right ?	No
Do secured creditors have absolute priority to their collateral outside bankruptcy procedures?	No
Do secured creditors have absolute priority to their collateral in bankruptcy procedures?	No
During reorganization, are secured creditors' claims exempt from an automatic stay on enforcement?	No
Does the law authorize parties to agree on out of court enforcement?	No

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

Some reform outcomes

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

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

What do the Protecting Investors indicators measure?

Extent of disclosure index (0–10)

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

Extent of director liability index (0–10)

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

Ease of shareholder suits index (0–10)

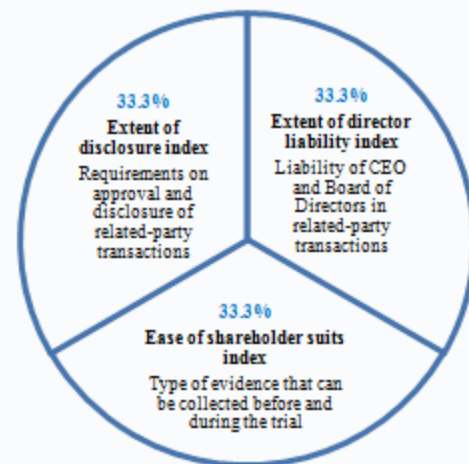
- Documents and information available during trial
- Access to internal corporate documents (directly or through a government inspector)

Strength of investor protection index (0–10)

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

Protecting Investors: minority shareholder rights in related-party transactions

Rankings are based on 3 subindicators



Case Study Assumptions

The business (Buyer):

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

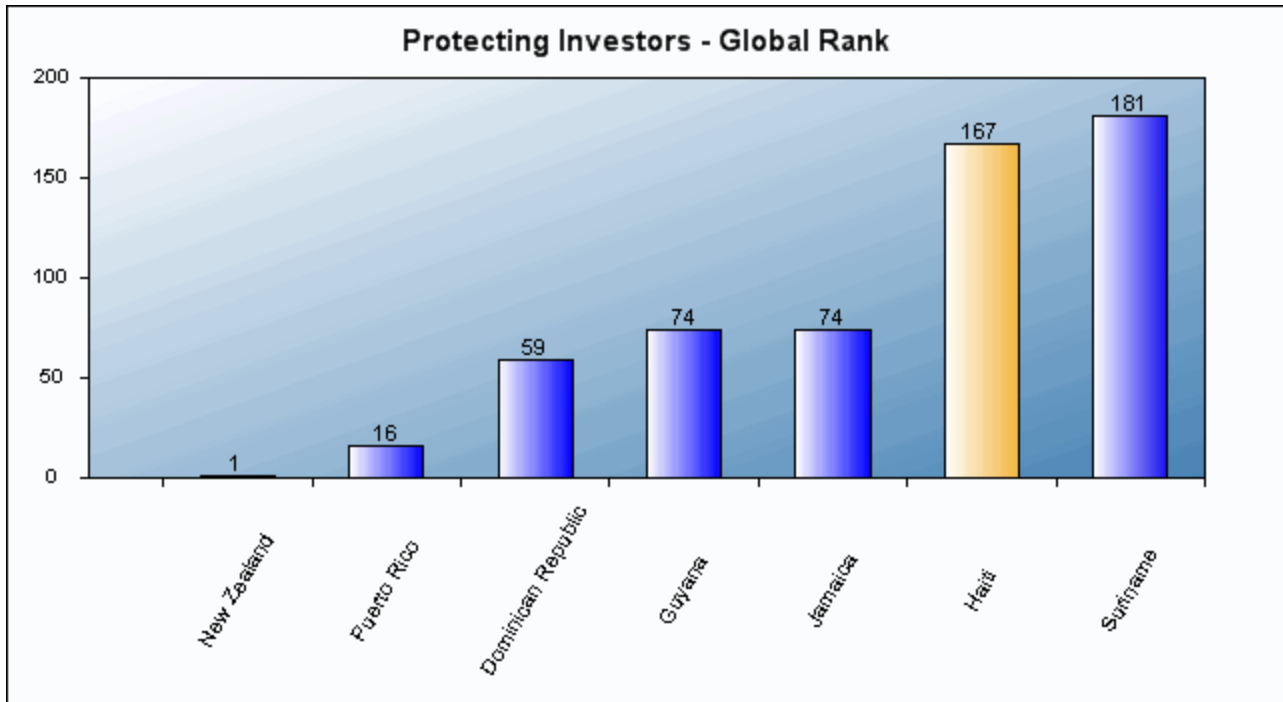
The transaction

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

1. Benchmarking Protecting Investors Regulations:

Haiti is ranked 167 overall for Protecting Investors.

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



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

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

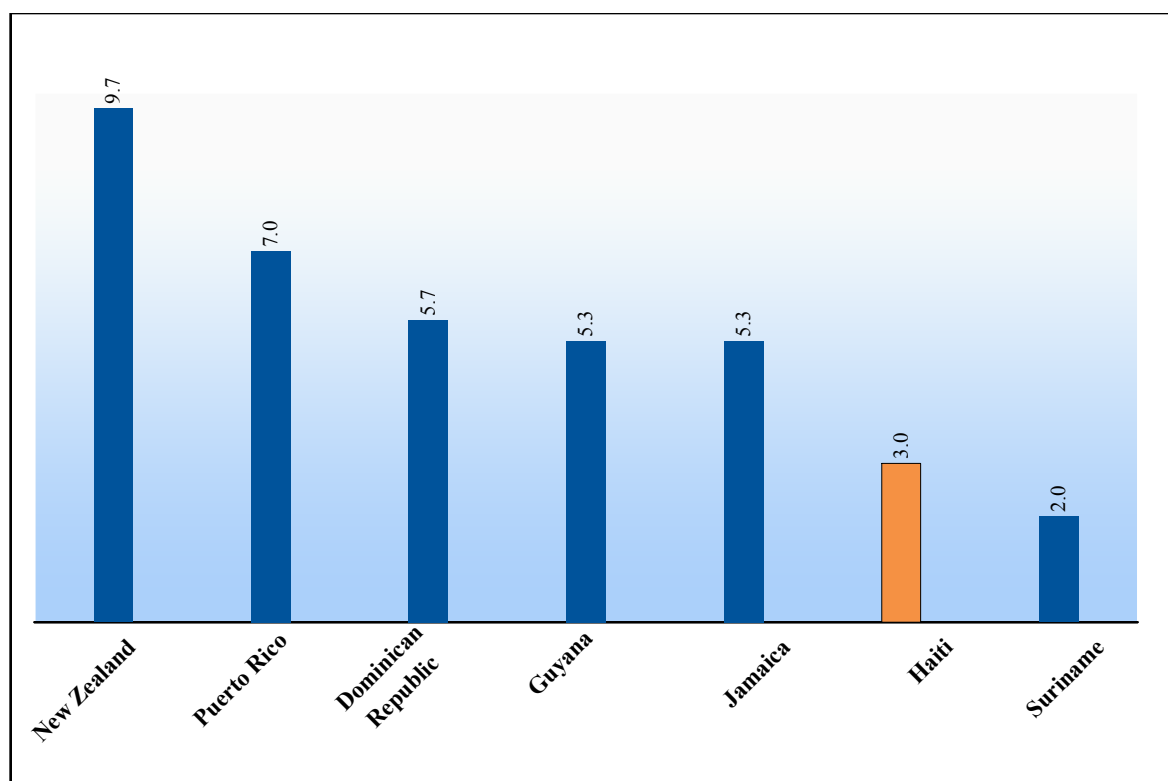
<i>Selected Economy</i>	
Haiti	3.0

<i>Comparator Economies</i>	
Dominican Republic	5.7
Guyana	5.3
Jamaica	5.3
Puerto Rico	7.0
Suriname	2.0

2. Historical data: Protecting Investors in Haiti

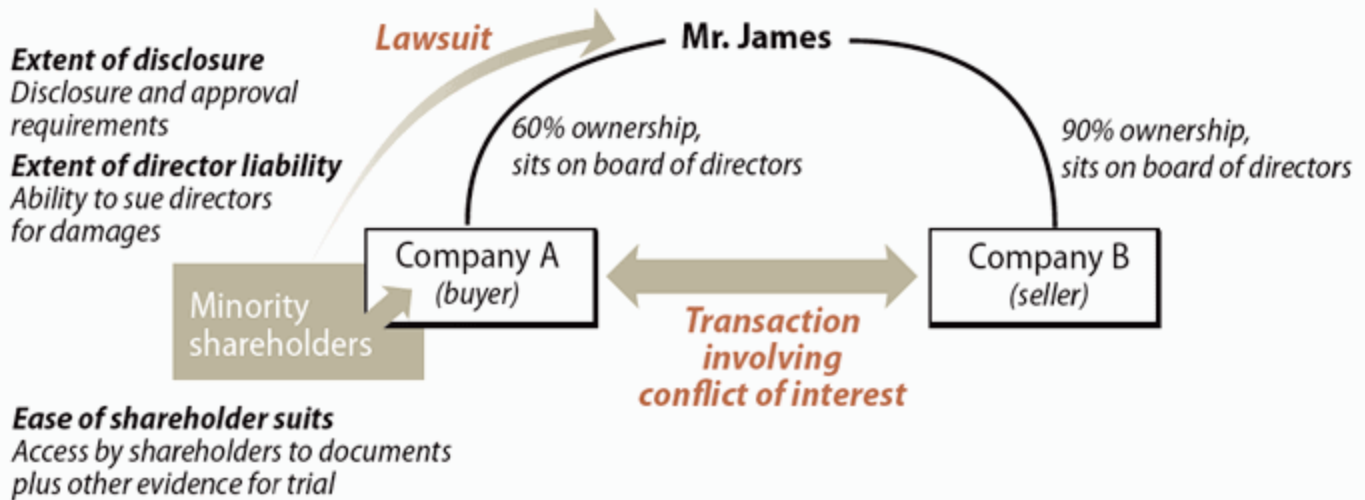
Protecting Investors data	Doing Business 2008	Doing Business 2009	Doing Business 2010	Doing Business 2011
Rank	..	..	165	167
Strength of investor protection index (0-10)	3.0	3.0	3.0	3.0

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

Protecting Investors Data (2010)	Indicator
Extent of disclosure index (0-10)	2
What corporate body provides legally sufficient approval for the transaction?	1
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?	0
Whether disclosure of the conflict of interest by Mr. James to the board of directors is required?	1
Whether an external body must review the terms of the transaction before it takes place?	0
Extent of director liability index (0-10)	3
Whether shareholders can hold Mr. James liable for the damage that the Buyer-Seller transaction causes to the company?	0
Whether shareholders can hold the approving body (the CEO or board of directors) liable for the damage that the Buyer-Seller transaction causes to the company?	0
Whether a court can void the transaction upon a successful claim by a shareholder plaintiff?	0
Whether Mr. James pays damages for the harm caused to the company upon a successful claim by the shareholder plaintiff?	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
Ease of shareholder suits index (0-10)	4
Whether the plaintiff can obtain any documents from the defendant and witnesses during trial?	2
Whether the plaintiff can directly question the defendant and witnesses during trial?	0
Whether the plaintiff can request categories of documents from the defendant without identifying specific ones?	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
Strength of investor protection index (0-10)	3.0

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)

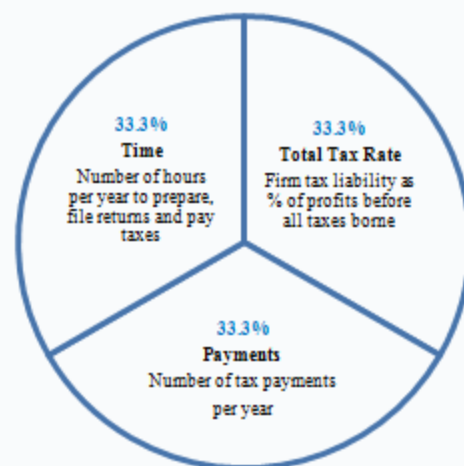
- Collecting information and computing the tax payable
- Completing tax return forms, filing with proper agencies
- Arranging payment or withholding
- Preparing separate tax accounting books, if required

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



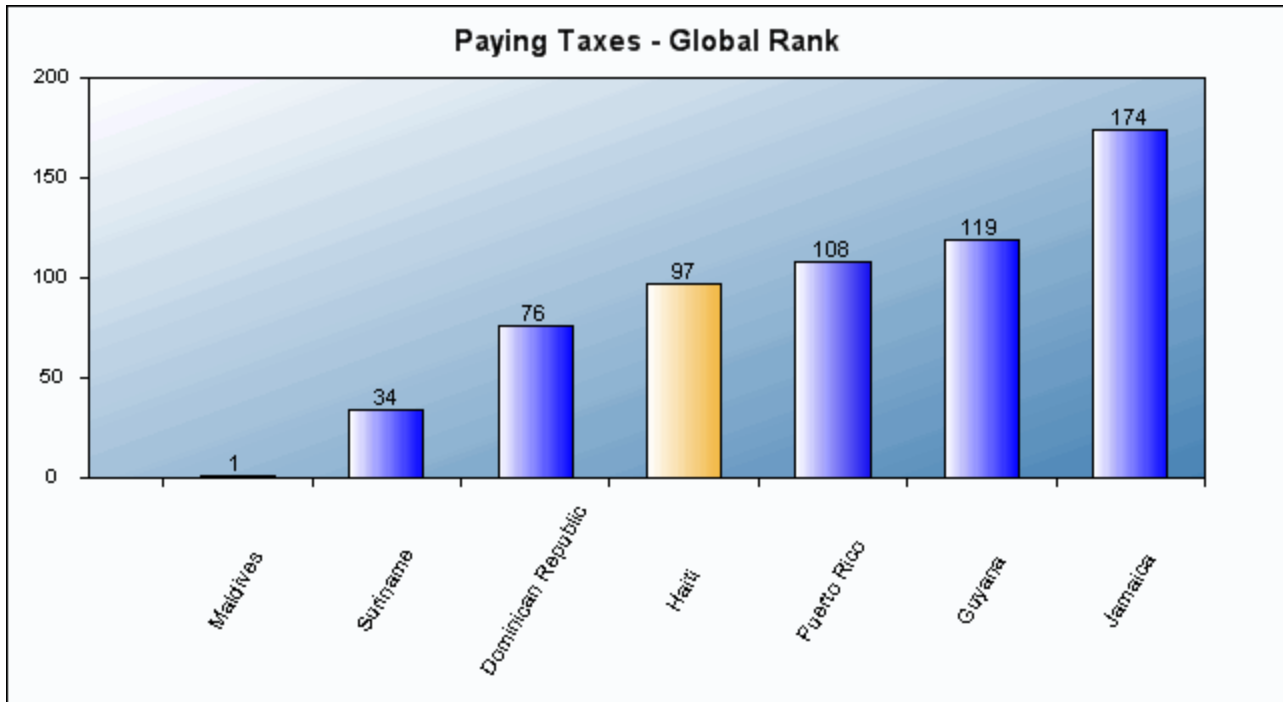
Case Study Assumptions

- 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:

Haiti is ranked 97 overall for Paying Taxes.

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



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

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

<i>Selected Economy</i>			
Haiti	42	160	40.1

<i>Comparator Economies</i>			
Dominican Republic	9	324	40.7
Guyana	34	288	38.9
Jamaica	72	414	50.1
Puerto Rico	16	218	67.7
Suriname	17	199	27.9

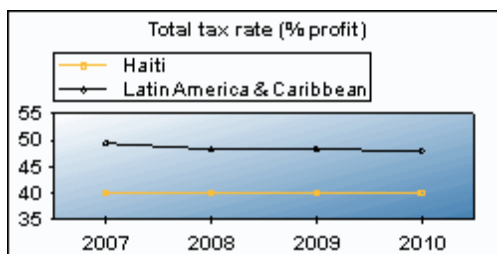
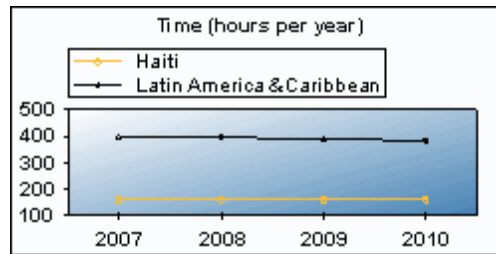
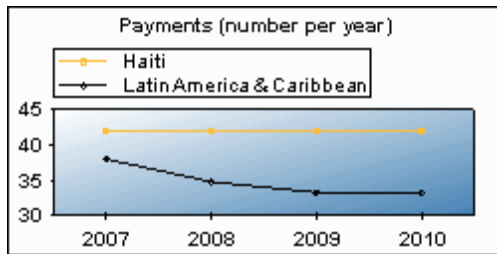
* The following economies are also good practice economies for :

Payments (number per year): Qatar

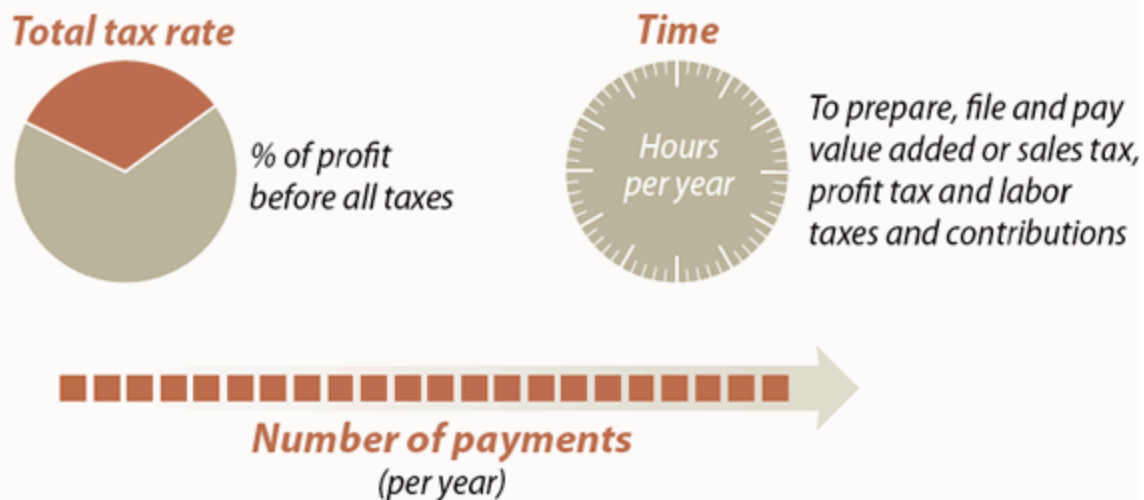
2. Historical data: Paying Taxes in Haiti

Paying Taxes data	Doing Business 2008	Doing Business 2009	Doing Business 2010	Doing Business 2011
Rank	..	..	94	97
Total tax rate (% profit)	40.1	40.1	40.1	40.1
Payments (number per year)	42	42	42	42
Time (hours per year)	160	160	160	160

3. The following graphs illustrate the Paying Taxes sub indicators in Haiti 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 Haiti, 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		48	10.0%	value added		
Vehicle tax	1			fixed fee (HTG 1,250)		0.30	
Capital gains tax	1			10.0%	capital gain	0.50	
Property tax	1			15.0%	annual rental value	0.50	
Health insurance contributions	1			3.0%	gross salaries	2.30	
Payroll tax	12			2.0%	gross salaries	3.40	
Business license	1			0.2%	turnover	3.50	
Social security contributions	12		72	6.0%	gross salaries	6.80	
Corporate income tax	1		40	30.0%	taxable profit	22.80	
Totals	42		160			40.1	

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)

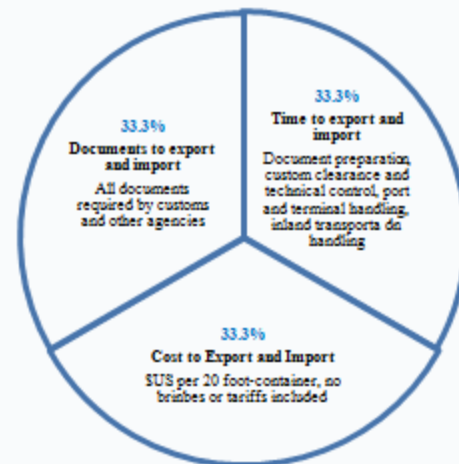
- Bank documents
- Customs clearance documents
- Port and terminal handling documents
- Transport documents

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

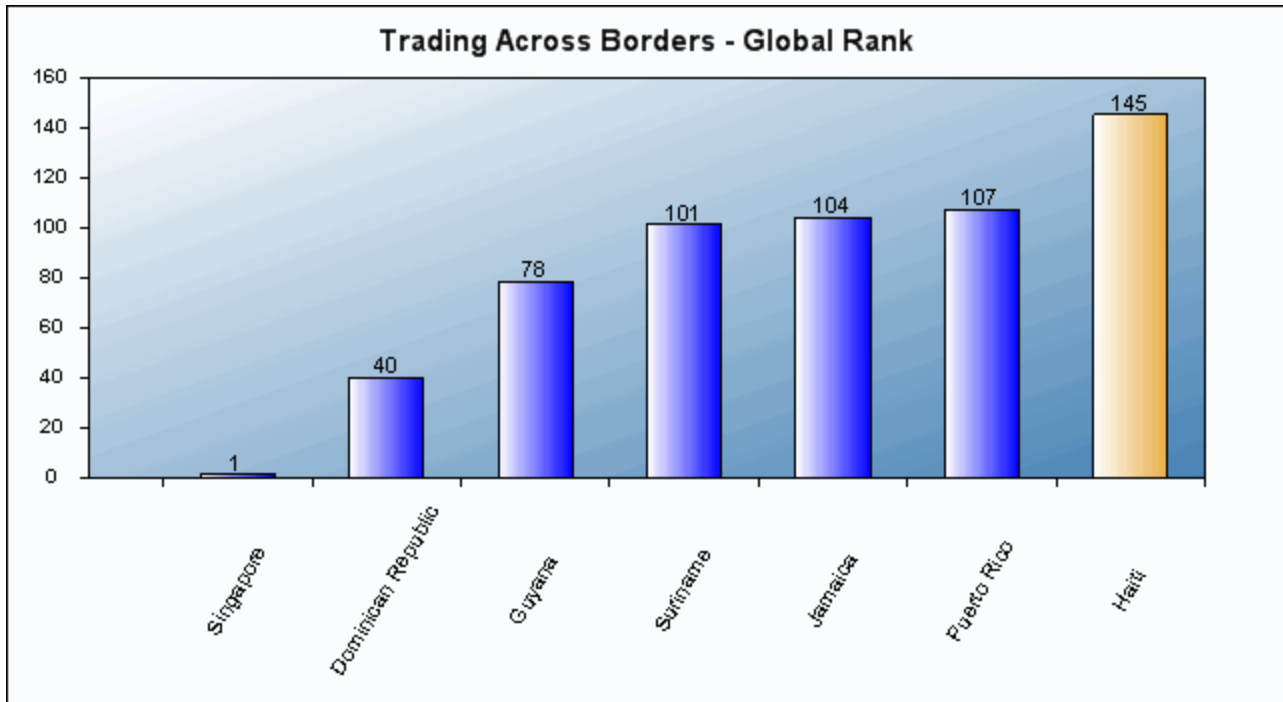
The traded product

- 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:

Haiti is ranked 145 overall for Trading Across Borders.

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



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

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

<i>Selected Economy</i>						
Haiti	8	35	1005	10	33	1545

<i>Comparator Economies</i>						
Dominican Republic	6	9	916	7	10	1150
Guyana	7	19	730	8	22	745
Jamaica	6	21	1750	6	22	1420
Puerto Rico	7	15	1250	10	16	1250
Suriname	8	25	995	7	25	945

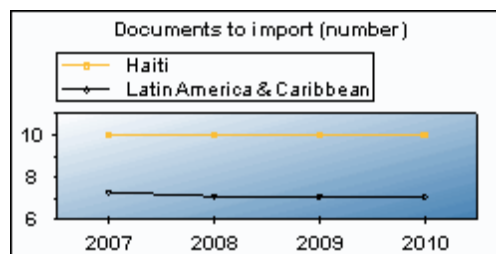
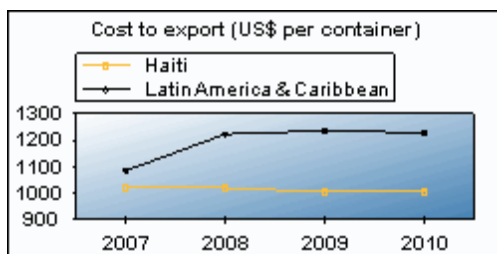
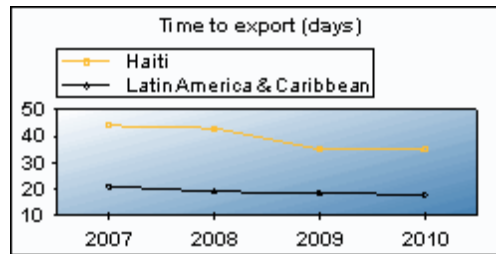
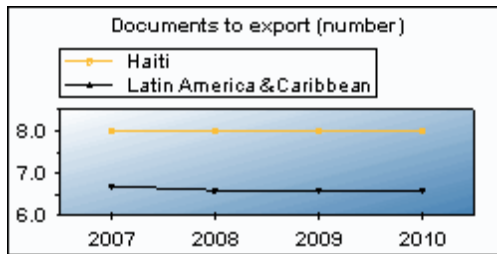
* The following economies are also good practice economies for :

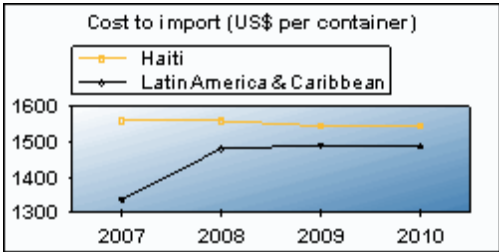
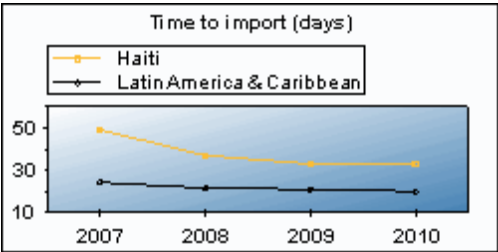
Time to export (days): Estonia

2. Historical data: Trading Across Borders in Haiti

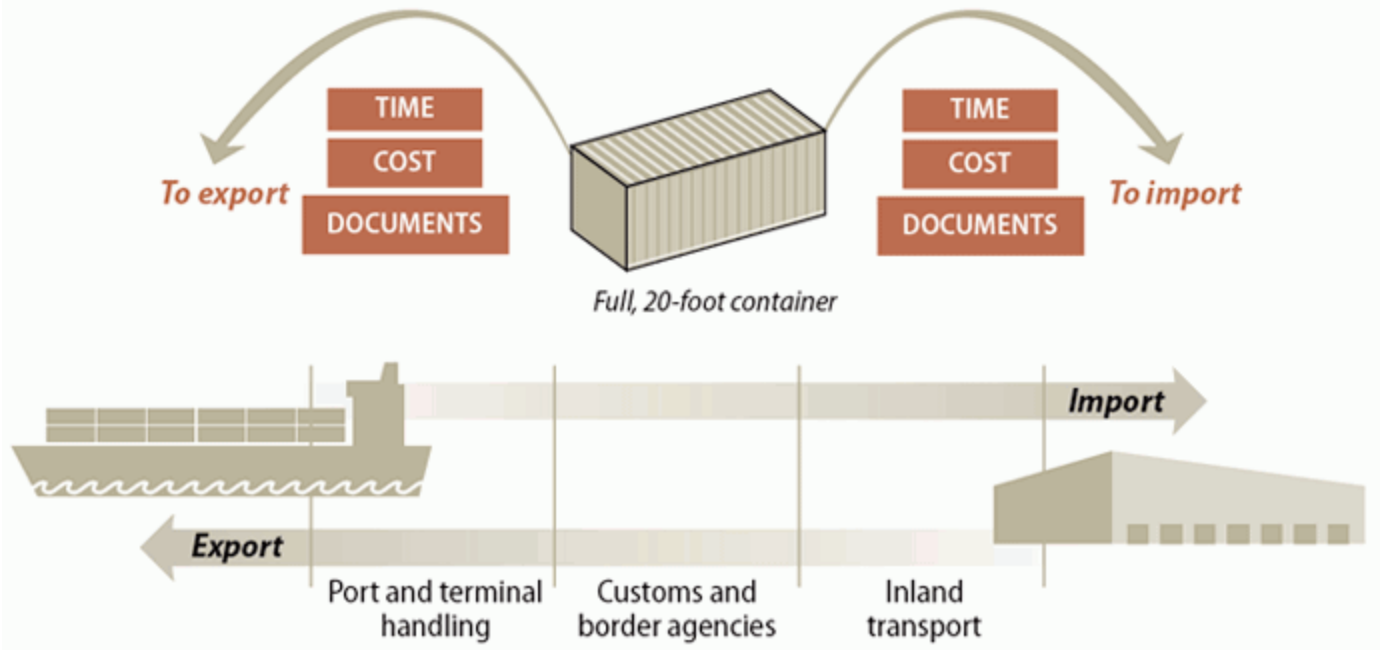
Trading Across Borders data	Doing Business 2008	Doing Business 2009	Doing Business 2010	Doing Business 2011
Rank	..	..	145	145
Cost to export (US\$ per container)	1020	1020	1005	1005
Cost to import (US\$ per container)	1560	1560	1545	1545
Documents to export (number)	8	8	8	8
Documents to import (number)	10	10	10	10
Time to export (days)	44	43	35	35
Time to import (days)	49	37	33	33

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

Nature of Export Procedures (2010)	Duration (days)	US\$ Cost
Documents preparation	21	350
Customs clearance and technical control	6	185
Ports and terminal handling	5	220
Inland transportation and handling	3	250
Totals	35	1005

Nature of Import Procedures (2010)	Duration (days)	US\$ Cost
Documents preparation	18	350
Customs clearance and technical control	5	285
Ports and terminal handling	7	700
Inland transportation and handling	3	210
Totals	33	1545

Documents for Export and Import

Export
Bill of Lading
Cargo release order
Certificate of origin
Commercial invoice
Customs export declaration
Export license
Tax certificate - Quittus
Technical standard/health certificate

Import
Bill of lading
Cargo release order
Certificate of origin
Commercial invoice
Customs import declaration
Import license
Inspection report
Tax certificate
Technical standard/health certificate
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?

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)

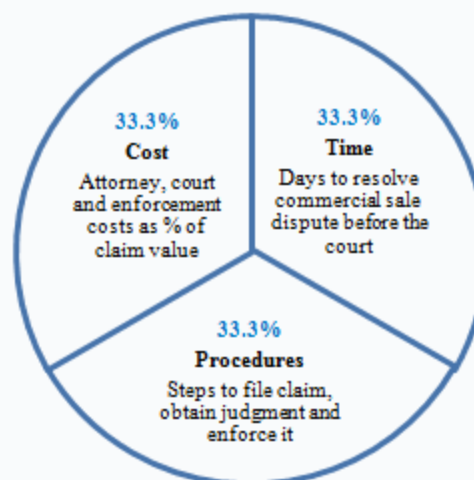
- Time to file and serve the case
- Time for trial and obtaining judgment
- Time to enforce the judgment

Cost required to complete procedures (% of claim)

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

Enforcing Contracts: resolving a commercial dispute through the courts

Rankings are based on 3 subindicators



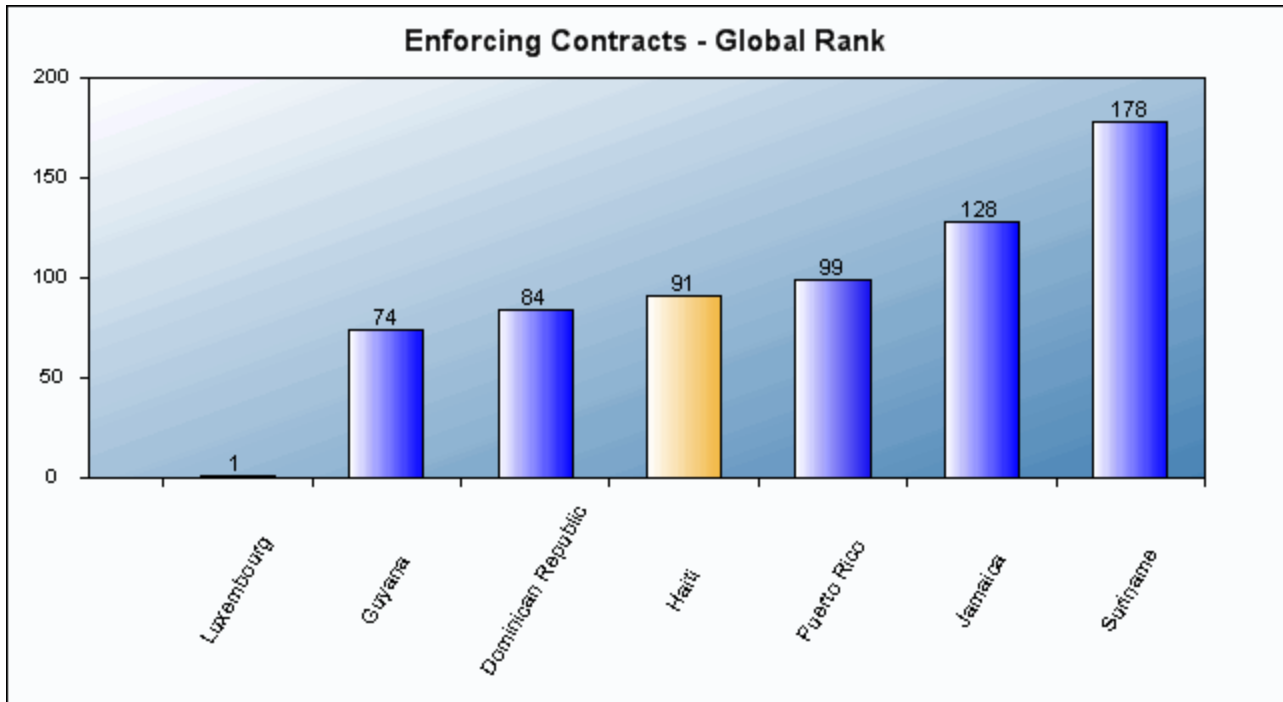
Case Study Assumptions

- 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:

Haiti is ranked 91 overall for Enforcing Contracts.

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



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

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

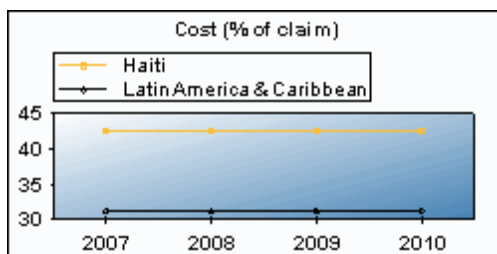
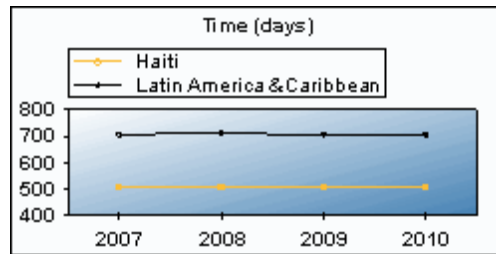
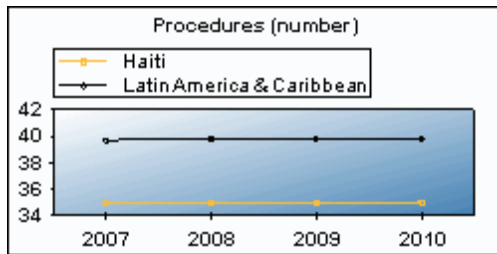
<i>Selected Economy</i>			
Haiti	35	508	42.6

<i>Comparator Economies</i>			
Dominican Republic	34	460	40.9
Guyana	36	581	25.2
Jamaica	35	655	45.6
Puerto Rico	39	620	25.6
Suriname	44	1715	37.1

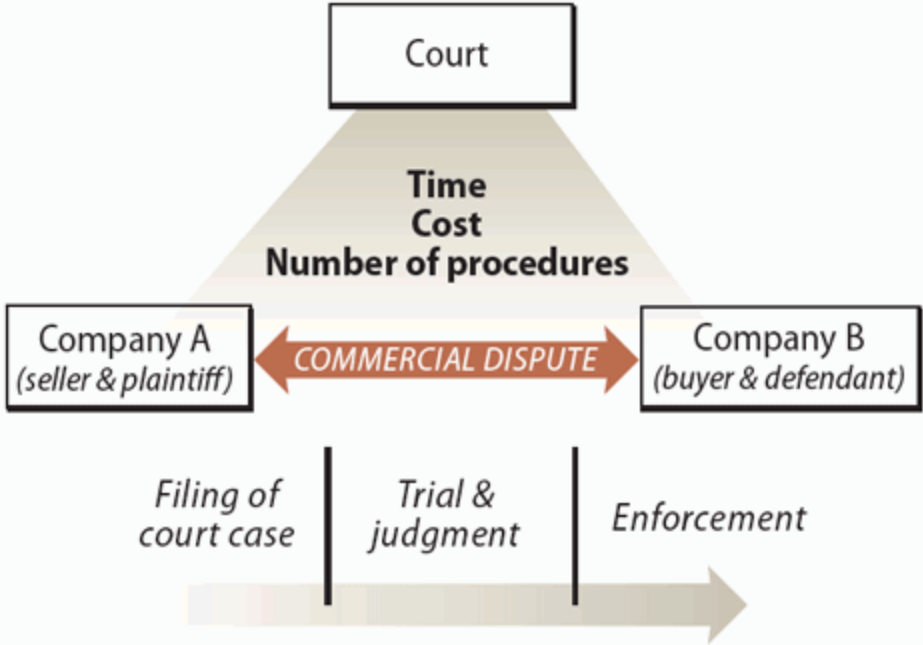
2. Historical data: Enforcing Contracts in Haiti

Enforcing Contracts data	Doing Business 2008	Doing Business 2009	Doing Business 2010	Doing Business 2011
Rank	..	..	92	91
Procedures (number)	35	35	35	35
Time (days)	508	508	508	508
Cost (% of claim)	42.6	42.6	42.6	42.6

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

Nature of Procedure (2010)	Indicator
Procedures (number)	35
Time (days)	508
Filing and service	8.0
Trial and judgment	320.0
Enforcement of judgment	180.0
Cost (% of claim)*	42.60
Attorney cost (% of claim)	20.0
Court cost (% of claim)	12.6
Enforcement Cost (% of claim)	10.0

Court information: Port-au-Prince District Court, ("Tribunal civil jugeant en ses attributions commerciales de
Commercial Section Port au Prince (Tribunal Commercial)")

* 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)

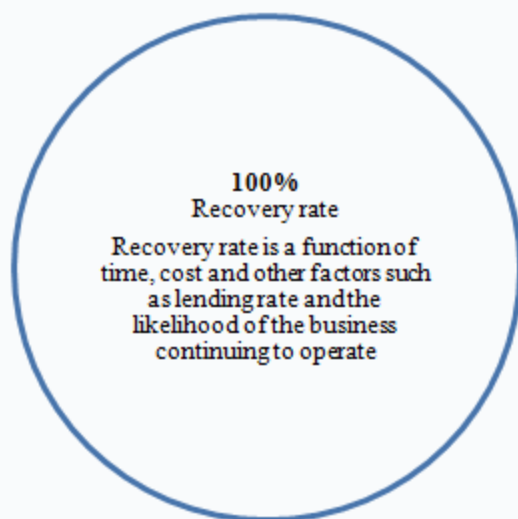
- Measured in calendar years
- Appeals and requests for extension are included

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:

Haiti is ranked 151 overall for Closing a Business.

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



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

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

<i>Selected Economy</i>			
Haiti	6.7	5.7	30

<i>Comparator Economies</i>			
Dominican Republic	9.1	3.5	38
Guyana	17.6	3.0	29
Jamaica	65.1	1.1	18
Puerto Rico	64.7	3.8	8
Suriname	8.7	5.0	30

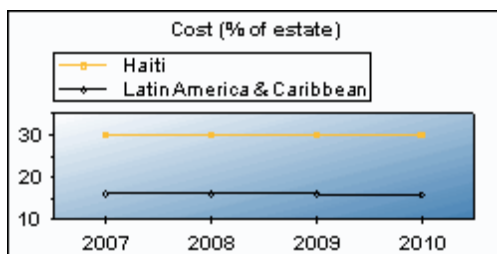
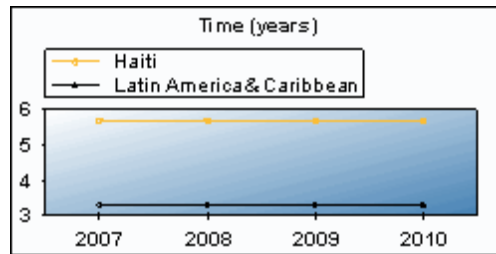
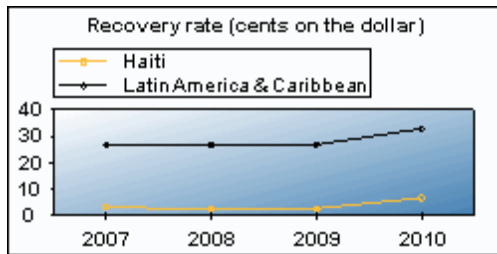
* The following economies are also good practice economies for :

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

2. Historical data: Closing Business in Haiti

Closing a Business data	Doing Business 2008	Doing Business 2009	Doing Business 2010	Doing Business 2011
Rank	..	..	155	151
Time (years)	5.7	5.7	5.7	5.7
Cost (% of estate)	30	30	30	30
Recovery rate (cents on the dollar)	3.1	2.7	2.7	6.7

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



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

The top 10 most-improved in Doing Business 2011

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

✓ Positive Change
 ✗ Negative Change

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

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

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

Tajikistan

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

Vietnam

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

Zambia

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



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