

Doing Business 2011

Mauritius

**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 Mauritius. 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).

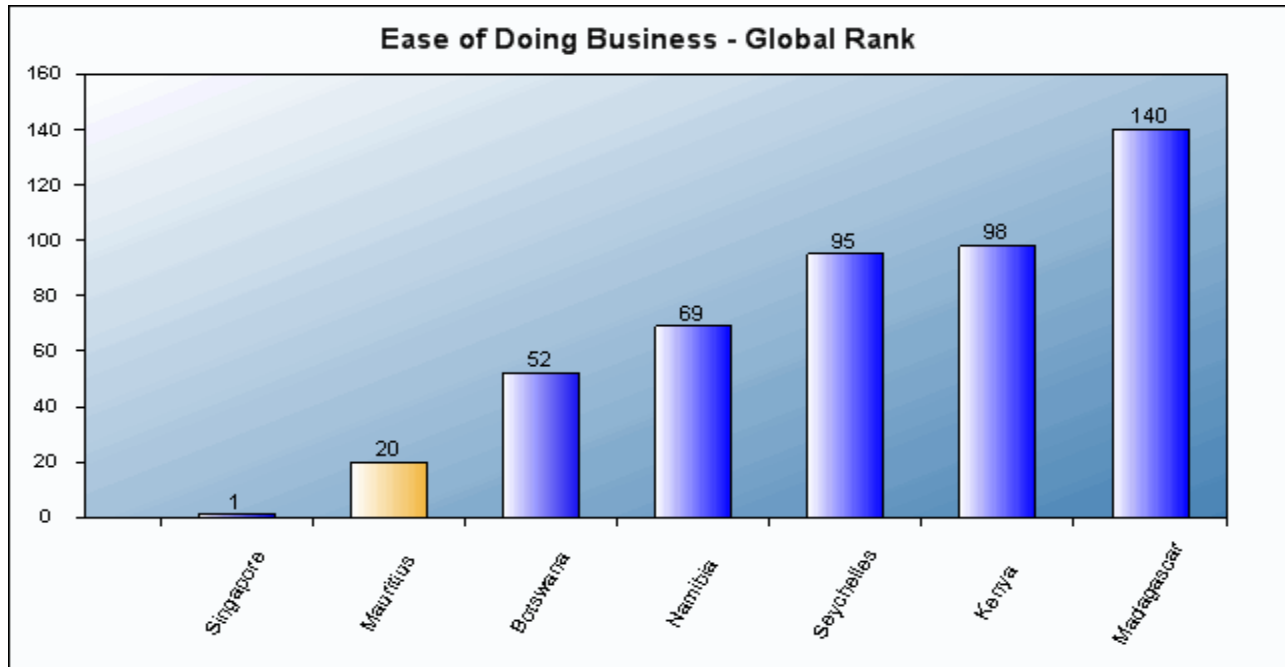
* Except for the Paying Taxes indicator that refers to the period January to December of 2009.

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

Mauritius is ranked 20 out of 183 economies. Singapore is the top ranked economy in the Ease of Doing Business.

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



Mauritius's ranking in Doing Business 2011

Rank	Doing Business 2011
Ease of Doing Business	20
Starting a Business	12
Dealing with Construction Permits	39
Registering Property	69
Getting Credit	89
Protecting Investors	12
Paying Taxes	12
Trading Across Borders	22
Enforcing Contracts	61
Closing a Business	71

Summary of Indicators - Mauritius

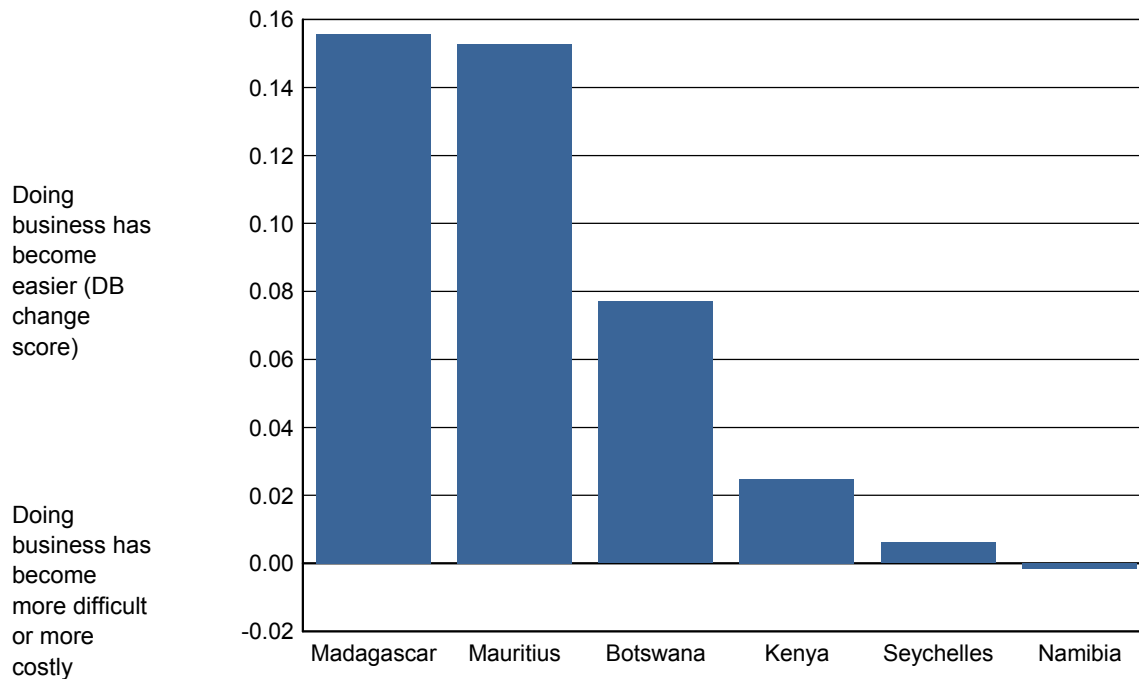
Starting a Business	Procedures (number)	5
	Time (days)	6
	Cost (% of income per capita)	3.8
	Min. capital (% of income per capita)	0.0
Dealing with Construction Permits	Procedures (number)	18
	Time (days)	107
	Cost (% of income per capita)	32.3
Registering Property	Procedures (number)	4
	Time (days)	26
	Cost (% of property value)	10.6
Getting Credit	Strength of legal rights index (0-10)	5
	Depth of credit information index (0-6)	3
	Public registry coverage (% of adults)	49.8
	Private bureau coverage (% of adults)	0.0
Protecting Investors	Extent of disclosure index (0-10)	6
	Extent of director liability index (0-10)	8
	Ease of shareholder suits index (0-10)	9
	Strength of investor protection index (0-10)	7.7
Paying Taxes	Payments (number per year)	7
	Time (hours per year)	161
	Profit tax (%)	11.8
	Labor tax and contributions (%)	5.0
	Other taxes (%)	7.3
	Total tax rate (% profit)	24.1
Trading Across Borders	Documents to export (number)	5
	Time to export (days)	13
	Cost to export (US\$ per container)	737
	Documents to import (number)	6
	Time to import (days)	13
	Cost to import (US\$ per container)	689

Enforcing Contracts	Procedures (number)	36
	Time (days)	645
	Cost (% of claim)	17.4
Closing a Business	Recovery rate (cents on the dollar)	35.1
	Time (years)	1.7
	Cost (% of estate)	15

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.

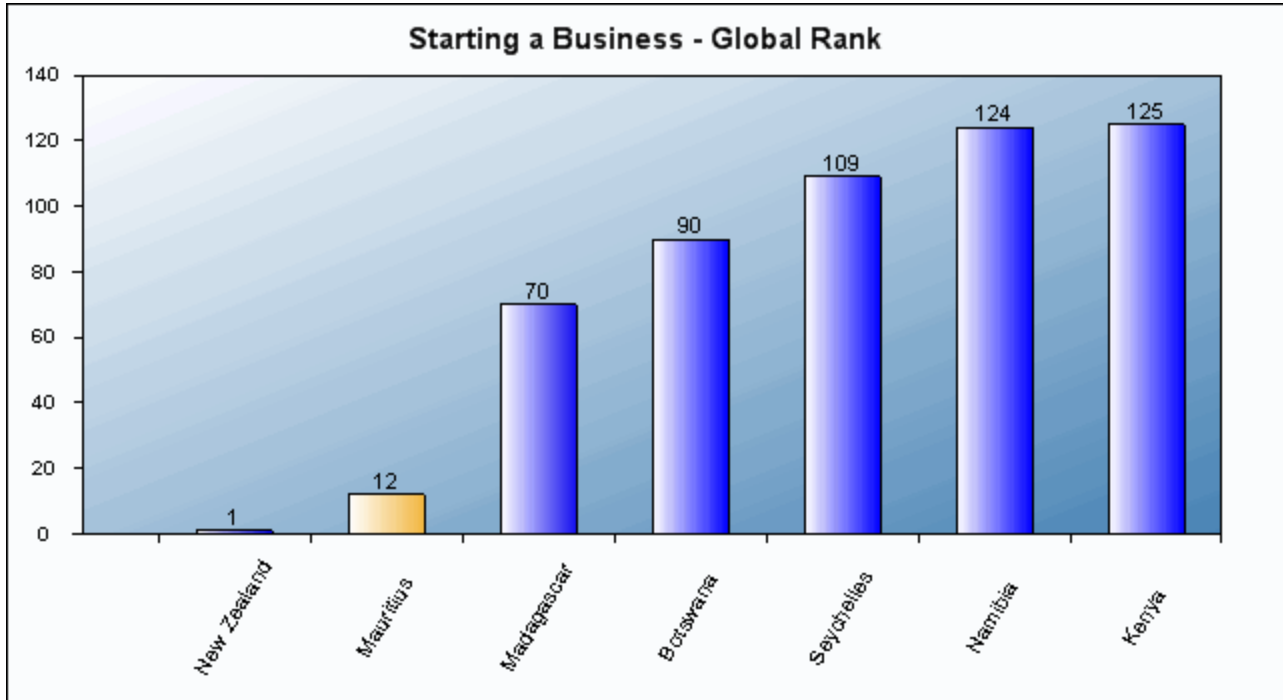
The business:

- 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:

Mauritius is ranked 12 overall for Starting a Business.

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



The following table shows Starting a Business data for Mauritius 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>				
Mauritius	5	6	3.8	0.0

<i>Comparator Economies</i>				
Botswana	10	61	2.2	0.0
Kenya	11	33	38.3	0.0
Madagascar	2	7	12.9	248.1
Namibia	10	66	18.5	0.0
Seychelles	10	39	17.5	0.0

* The following economies are also good practice economies for :

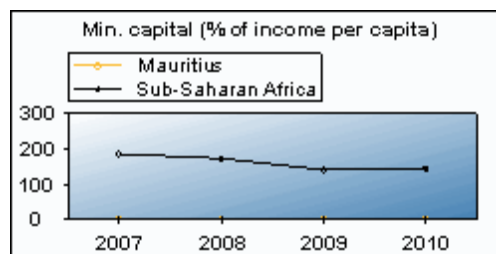
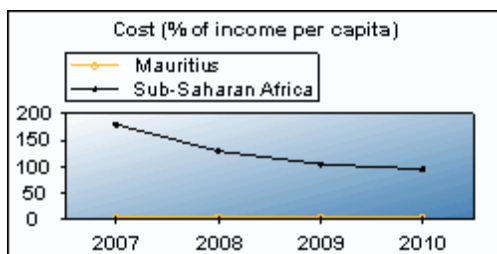
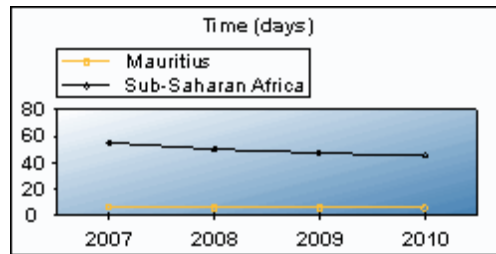
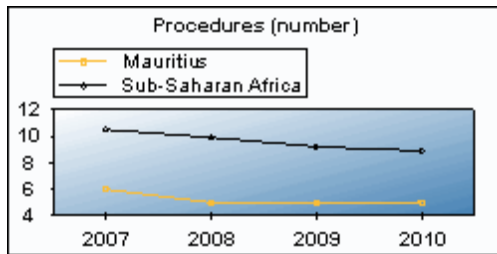
Procedures (number): **Canada**

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

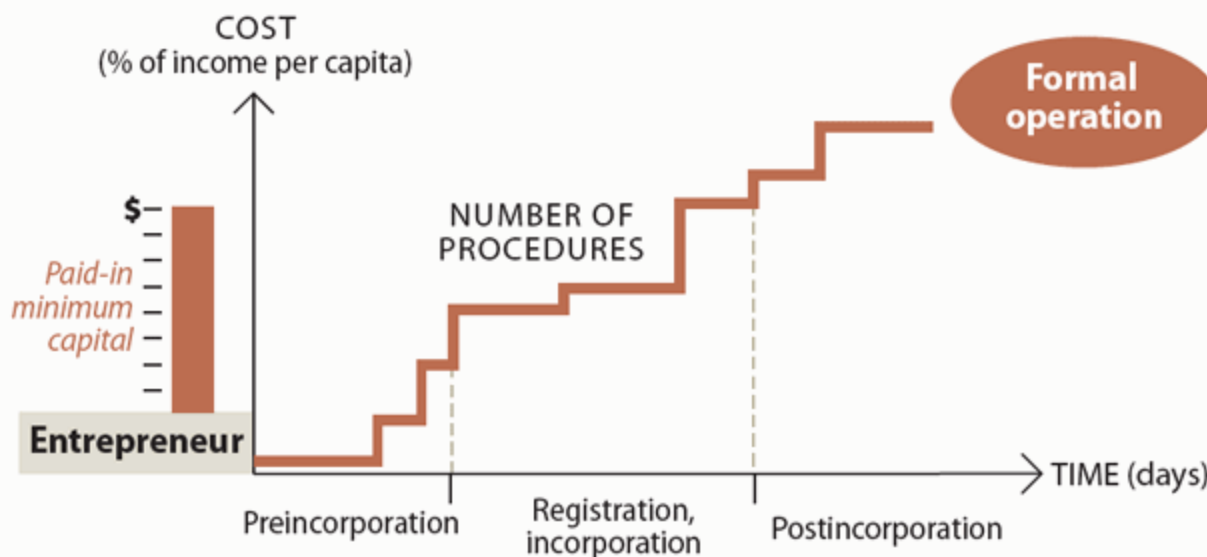
2. Historical data: Starting a Business in Mauritius

Starting a Business data	Doing Business 2008	Doing Business 2009	Doing Business 2010	Doing Business 2011
Rank	..	..	11	12
Procedures (number)	6	5	5	5
Time (days)	7	6	6	6
Cost (% of income per capita)	5.3	5.0	4.1	3.8
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 Mauritius 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 Mauritius.

STANDARDIZED COMPANY

Legal Form: Private Limited Liability Company

City: Port Louis

Registration Requirements:

No:	Procedure	Time to complete	Cost to complete
1	Incorporate and register the business and search for compagny name on line	2	MUR 2,000
2	Receive inspection by local authorities	4	no charge
3	* Pay license fees	1	MUR 6,000
4	* Register with the Social Security Office	1	no charge
5	* Make a company seal	1	USD 12

* Takes place simultaneously with another procedure.

Starting a Business Details - Mauritius

Procedure 1 Incorporate and register the business and search for company name on line

Time to complete: 2

Cost to complete: MUR 2,000

Comment: Since 2001, Entrepreneurs can form a company without having to go through notary services. An annual registration fee of MUR 2000 is payable to the Registrar of Companies by small private companies (companies with a turnover of less than MUR 30 Million). Under the Business Registration Act 2002, the company must also register with the Commercial Registry to get a business registration card. Therefore, the company must complete an application form (downloaded from the Internet : <http://www.boimauritius.com>). The Commercial Registry automatically informs the tax and local authorities, therefore, the company is not required to register separately with the Tax Office unless it intends to import equipment and thus needs a tax account number. Otherwise, registration at the Tax Office is automatic; the Registrar of Companies sends the list of registered companies to the Mauritius Revenue Authority, which then creates the tax account for these companies.

Since 2008, the entrepreneur must complete an application form and submit the employment contracts, the employer registration, and of the certificate of incorporation on the Central registration database (two copies). Data is downloaded from the Central Business Registration Database system located at the Registrar of Companies. Potential employers are contacted by the Social Security Office. Since November 2008, the social security is connected to the online business registry and obtains all the relevant information when a business is registered.

Procedure 2 Receive inspection by local authorities

Time to complete: 4

Cost to complete: no charge

Comment: A building and land use permit is required if the activities to be carried out represent a change in authorized activities. Under the Business Facilitation Act (see below), effective October 1, 2006, the business licensing process was simplified. Once the company is registered, the Commercial Registry provides relevant agencies with an electronic notice about the newly registered business and the expected start date of its business activities. These agencies including other relevant ministries and the local authorities (the sanitary authority, the police department, the fire services department, ministry of health, ministry of the environment, and so forth). Subsequently, local authorities will select those prospective businesses that intend to trade within its jurisdiction and will communicate fees, relevant guidelines, and any other provisions of the Local Government Act 2003 (as amended). The person or company concerned is informed by e-mail, letter, or onsite visit.

The relevant local authority will carry out ex-post control during company operation to ensure compliance with its guidelines. Note that business license application forms and guidelines can be found at the municipality's Web site (http://mpl.intnet.mu/application_forms.htm).

The Business Facilitation Act 2006 states that "commercial activities relate to the provision of goods and services within building premises, such as shops, cafés, showrooms, post offices, hair stylist salons, funeral homes, and travel agencies. A change of economic activity within the building premises in respect of which a building and land use permit has been granted for commercial development will not require a fresh building and land use permit if the change of economic activity does not result in:

- Direct or indirect dangerous or congested traffic conditions on any nearby street or road.
- Adverse external nuisance such as noise, dust, smell, fumes, soot, ash, vibration, or any other similar nuisance.
- Loading and unloading, causing disruption to amenities in surrounding neighborhoods.
- Inadequate onsite parking for staff and visitors.
- Unsafe storage of materials.”

Procedure 3 Pay license fees

Time to complete: 1

Cost to complete: MUR 6,000

Comment: In addition to satisfying guidelines issued by the local authority, the prospective company must pay license fees according to the trade classification published by the local authority. The fee for the current financial year must be paid in 15 days of the start of the business and not later than January 15th in subsequent financial years. The authority will levy a 50% surcharge on any unpaid amount within the prescribed period.

Procedure 4 Register with the Social Security Office

Time to complete: 1

Cost to complete: no charge

Comment: Since 2008, the entrepreneur must complete an application form and submit the employment contracts, the employer registration, and of the certificate of incorporation on the Central registration database (two copies). Data is downloaded from the Central Business Registration Database system located at the Registrar of Companies. Potential employers are contacted by the Social Security Office. Online registration for social security at the time of registration is possible, however the system is not completely operational.

Procedure 5 Make a company seal

Time to complete: 1

Cost to complete: USD 12

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

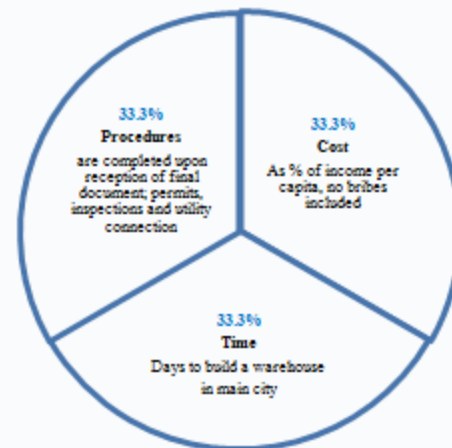
The warehouse:

- 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

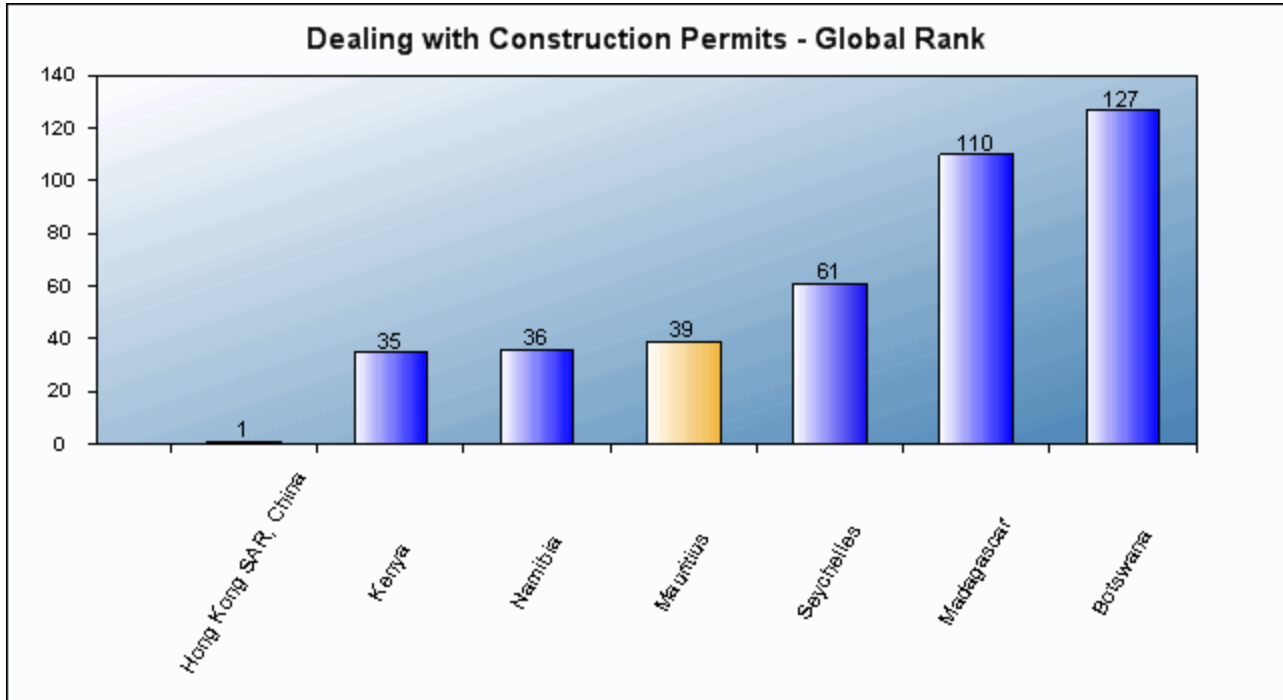
Rankings are based on 3 subindicators



1. Benchmarking Dealing with Construction Permits Regulations:

Mauritius is ranked 39 overall for Dealing with Construction Permits.

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



The following table shows Dealing with Construction Permits data for Mauritius 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	

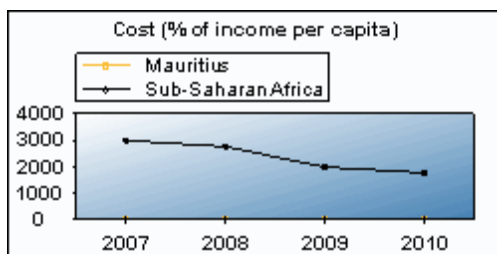
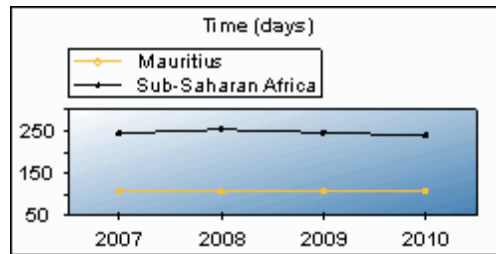
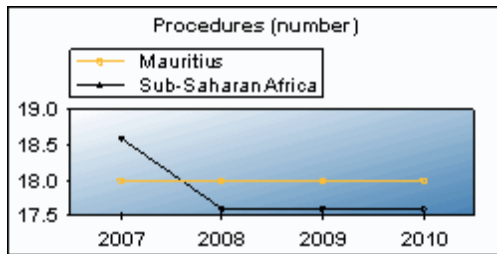
<i>Selected Economy</i>			
Mauritius	18	107	32.3

<i>Comparator Economies</i>			
Botswana	24	167	264.5
Kenya	11	120	167.8
Madagascar	16	178	654.9
Namibia	12	139	113.0
Seychelles	20	144	38.0

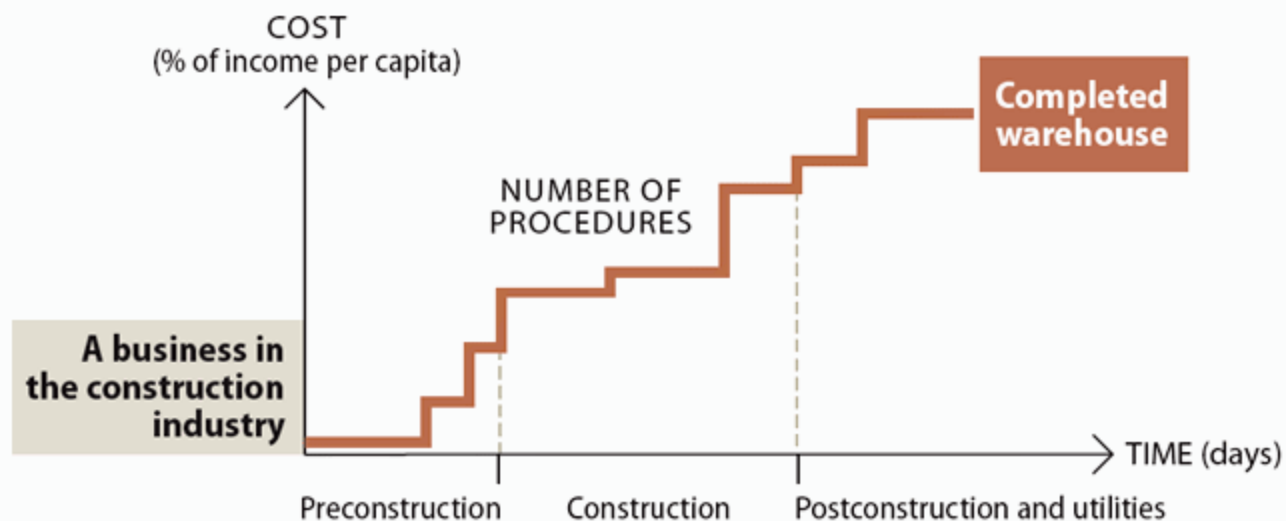
2. Historical data: Dealing with Construction Permits in Mauritius

Dealing with Construction Permits data	Doing Business 2008	Doing Business 2009	Doing Business 2010	Doing Business 2011
Rank	..	..	40	39
Procedures (number)	18	18	18	18
Time (days)	107	107	107	107
Cost (% of income per capita)	43.3	41.0	35.5	32.3

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

BUILDING A WAREHOUSE

City: Port Louis

Registration Requirements:

No:	Procedure	Time to complete	Cost to complete
1	Obtain plan approval from the Central Electricity Board (CEB)	15 days	MUR 250
2 *	Obtain plan approval from the Central Water Authority (CWA)	15 days	MUR 250
3 *	Obtain plan approval from the Waste Water Authority (WWWA)	15 days	MUR 250
4	Obtain building and land use permit simultaneously	14 days	MUR 65,530
5	Receive initial stage inspection	1 day	no charge
6	Receive foundation level inspection	1 day	no charge
7	Receive roof inspection	1 day	no charge
8 *	Receive fire inspection and obtain a fire certificate from the Government Fire Department	1 day	MUR 100

9	Receive sanitary inspection by the WWWA	1 day	no charge
10	Obtain sewage connection from the WWWA	60 days	MUR 1,750
11 *	Receive electrical inspection by the CEB	1 day	no charge
12	Obtain power connection from the CEB	14 days	no charge
13 *	Receive plumbing inspection by the CWA	1 day	no charge
14	Obtain water connection from the CWA	14 days	MUR 1,500
15	Obtain phone connection from Mauritius Telecom	10 days	MUR 2,000
16 *	Notify the municipality of the completion of construction and receive final inspection	1 day	no charge
17	Obtain an occupancy permit by the Ministry of Local Government	10 days	no charge
18 *	Obtain plan approval from the Fire Department	14 days	MUR 250

* Takes place simultaneously with another procedure.

Dealing with Construction Permits Details - Mauritius

Procedure 1 Obtain plan approval from the Central Electricity Board (CEB)

Time to complete: 15 days

Cost to complete: MUR 250

Agency: Central Electricity Board (CEB)

Comment: The procedure of obtaining plan approval consists of a notification and a check that all the requirements have been met, rather than an approval per se. Approvals from the utilities and the Fire Department are a prerequisite for the building and land-use permit.

Procedure 2 Obtain plan approval from the Central Water Authority (CWA)

Time to complete: 15 days

Cost to complete: MUR 250

Agency: Central Water Authority (CWA)

Comment: The procedure of obtaining plan approval is a notification and a check that all the requirements have been met, rather than an approval per se. Approvals from the utilities and the Fire Department are a prerequisite for the building and land-use permit.

Procedure 3 Obtain plan approval from the Waste Water Authority (WWWA)

Time to complete: 15 days

Cost to complete: MUR 250

Agency: Waste Water Authority (WWWA)

Comment: The procedure of obtaining plan approval is a notification and a check that all the requirements have been met, rather than an approval per se. Approvals from the utilities and the Fire Department are a prerequisite for the building and land-use permit.

Procedure 4 Obtain building and land use permit simultaneously

Time to complete: 14 days

Cost to complete: MUR 65,530

Agency: Local Authority (Municipality)

Comment: The Business Facilitation (Miscellaneous Provisions) Act of 2006 provides for a new legal framework that would allow businesses to start operations on the basis of self-adherence to comprehensive and clear guidelines. As of October 1, 2006, every person who intends to either start construction work or make extensive alterations, additions or repairs to an existing building or carry out land development activities must apply to the local authority for a building and land-use permit (BLP). This is a single permit that replaces both the development permit and the building permit. This effectively consolidates two procedures into one. The authority for execution and enforcement of the Building Act and of the Town and Country Planning Act is the local authority of the town or district where the relevant establishment is to be built or the land to be developed. Note that every application for a building and land-use permit must in accordance with provisions of the Building Act, the Town and Country Planning Act, and the Planning and

Development Act of 2004. The following documents are needed along with the application: - Copy of the title deed. - Copy of the lease and planning clearance from the Ministry of Housing and Lands (for state land). - Consent of owner and copy of the owner's national identity card. - Copy of the national identity card of the applicant. - Three sets of plans, comprising site and location plans, layout, elevations, and sections. - Public notification by way of plate display and notice in two daily newspapers (for development within residential zones). - Consent of neighbors (not required in this case because it is industrial). Consent is required if the distance between the new building and neighboring constructions is less than 1 meter for one-story buildings and 1.5 meters for two-story buildings. - PER/environmental impact assessment (EIA) LICENSE for SCHEDULED undertakings: the PER is for small projects, while the EIA is for bigger ones with a potential environmental impact. Neither applies to a warehouse, as considered here - All plans must be signed by the draughtsman for buildings of less than 250 sq. m. in floor area and must include the name and address. The total floor area is to be indicated on the site plan, while the floor area for each level is to be indicated on the corresponding floor plans. - For buildings of 250 sq. m. or more in floor area, all plans are to be signed by a registered professional architect, including the architect's name, address, VAT registration number, and registration number with the Professional Architects Council. The total floor area is to be indicated on the site plan, while the floor area for each level is to be indicated on the corresponding floor plans. The application form can be obtained from the Planning Department of any local authority, Small Enterprises and Handicraft Development Authority (SEHDA), the Board of Investment, or the Ministry of Local Government, or it can be downloaded from various Web sites, including the Web sites of the agencies mentioned above. When the application is in accordance with the act and guidelines, the development and building permits should, under the Chief Executive authority, be issued within 2 weeks of the effective date of receipt of the application. The 2-week timeframe is adhered to if all these requirements have been met. The costs associated with the application for the dual permit include an application fee of MUR 500 (USD 15) and additional charges computed based on land area as follows: - MUR 10 (USD 0.30) per sq. m. for areas of 250 sq. m. or less. - MUR 20 (USD 0.60) per sq. m. for areas ranging from 251 to 500 sq. m. - MUR 50 (USD 1.49) per sq. m. for areas of more than 500 sq. m.

Procedure 5 Receive initial stage inspection

Time to complete:	1 day
Cost to complete:	no charge
Agency:	Municipality
Comment:	By law, the company must notify the municipal authority in writing that it plans to begin construction activities. In reality, this does not happen, and inspections are rarely carried out.

Procedure 6 Receive foundation level inspection

Time to complete:	1 day
Cost to complete:	no charge
Agency:	Municipality
Comment:	Inspections rarely occur in practice.

Procedure 7 Receive roof inspection

Time to complete: 1 day
Cost to complete: no charge
Agency: Municipality
Comment: Inspections rarely occur in practice.

Procedure 8 Receive fire inspection and obtain a fire certificate from the Government Fire Department

Time to complete: 1 day
Cost to complete: MUR 100
Agency: Government Fire services
Comment: BuildCo needs a series of clearances in order to apply for a building permit, such as a fire clearance and clearances from the Central Electricity Board, Central Water Authority, and sewerage authorities. After completion of construction and before starting up business operations, BuildCo informs the Fire Department, which sends out inspectors and issues a fire certificate immediately after the inspection has been completed.

Procedure 9 Receive sanitary inspection by the WWA

Time to complete: 1 day
Cost to complete: no charge
Agency: Waste Water Authority (WWA)
Comment:

Procedure 10 Obtain sewage connection from the WWA

Time to complete: 60 days
Cost to complete: MUR 1,750
Agency: Waste Water Authority (WWA)
Comment:

Procedure 11 Receive electrical inspection by the CEB

Time to complete: 1 day
Cost to complete: no charge
Agency: Central Electricity Board (CEB)
Comment:

Procedure 12 Obtain power connection from the CEB

Time to complete: 14 days
Cost to complete: no charge
Agency: Central Electricity Board (CEB)
Comment: A transformer would cost about MUR 300,000.

Procedure 13 Receive plumbing inspection by the CWA

Time to complete: 1 day
Cost to complete: no charge
Agency: Central Water Authority (CWA)
Comment:

Procedure 14 Obtain water connection from the CWA

Time to complete: 14 days
Cost to complete: MUR 1,500
Agency: Central Water Authority (CWA)
Comment:

Procedure 15 Obtain phone connection from Mauritius Telecom

Time to complete: 10 days
Cost to complete: MUR 2,000
Agency: Mauritius Telecoms
Comment:

Procedure 16 Notify the municipality of the completion of construction and receive final inspection

Time to complete: 1 day
Cost to complete: no charge
Agency: Municipality
Comment: At the end of the construction, BuildCo contacts the municipality to apply for an occupancy permit. The municipality conducts the final inspection within 10 days. The findings of this inspection are then sent to the Evaluation Office of the Ministry of Local

Government. This office assesses the occupancy permit fee. This assessment takes another 10 days.

Procedure 17 Obtain an occupancy permit by the Ministry of Local Government

Time to complete: 10 days

Cost to complete: no charge

Agency: Ministry of Local Government

Comment: There is no need to register the building at the end of this process because the building is registered for tax purposes through the issuance of an occupancy permit.

Procedure 18 Obtain plan approval from the Fire Department

Time to complete: 14 days

Cost to complete: MUR 250

Agency: Fire Department

Comment: The procedure of obtaining plan approval is a notification and a check that all the requirements have been met, rather than an approval per se. Approvals from the utilities and the Fire Department are a prerequisite for the building and land-use permit.

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)

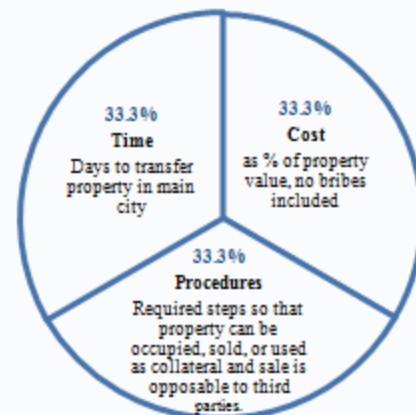
- Preregistration (for example, checking for liens, notarizing sales agreement, paying property transfer taxes)
- Registration in the economy's largest business city
- Post registration (for example, transactions with the local authority, tax authority or cadastre)

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.

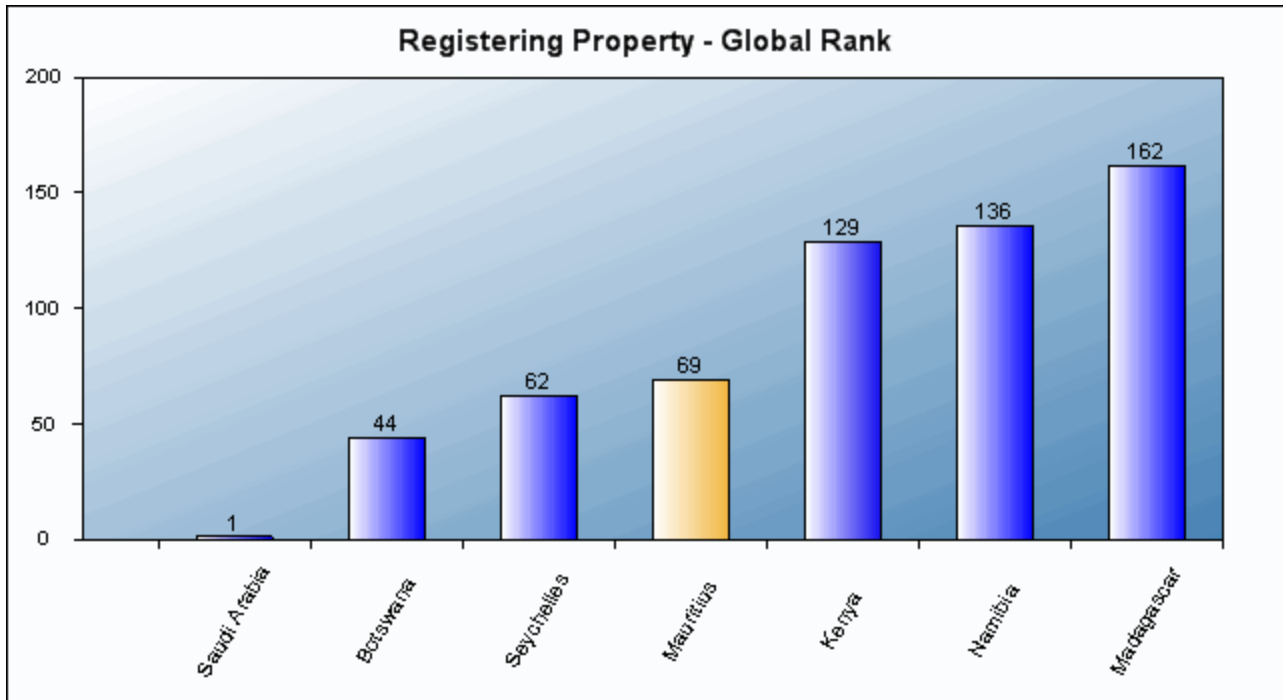
The property (fully owned by the seller):

- 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:

Mauritius is ranked 69 overall for Registering Property.

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



The following table shows Registering Property data for Mauritius 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>			
Mauritius	4	26	10.6

<i>Comparator Economies</i>			
Botswana	5	16	5.0
Kenya	8	64	4.2
Madagascar	7	74	9.8
Namibia	9	23	9.6
Seychelles	4	33	7.0

* The following economies are also good practice economies for :

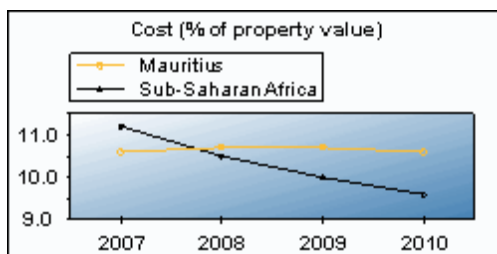
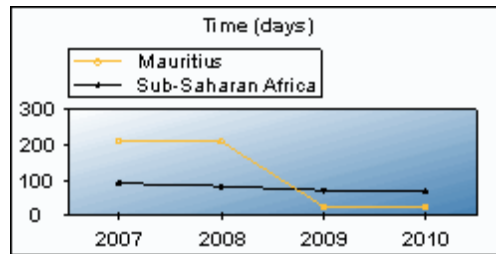
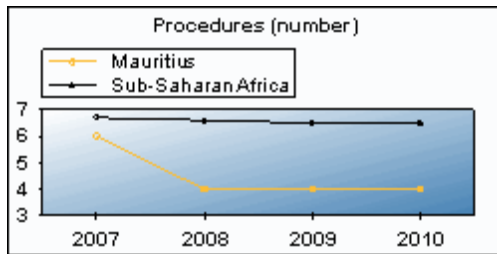
Procedures (number): United Arab Emirates

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

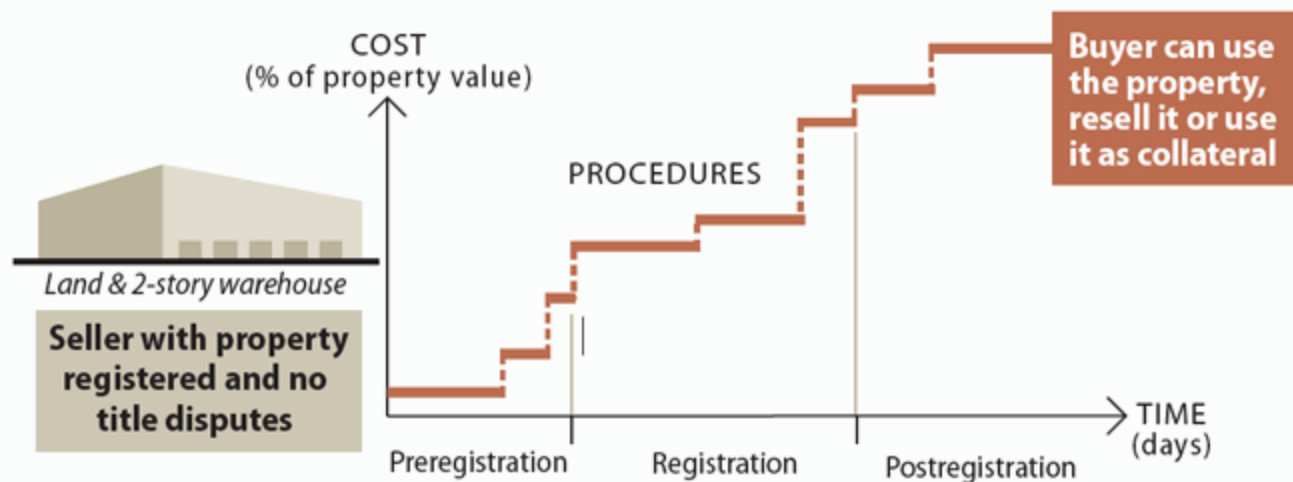
2. Historical data: Registering Property in Mauritius

Registering Property data	Doing Business 2008	Doing Business 2009	Doing Business 2010	Doing Business 2011
Rank	..	..	66	69
Procedures (number)	6	4	4	4
Time (days)	210	210	26	26
Cost (% of property value)	10.6	10.7	10.7	10.6

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

STANDARDIZED PROPERTY

Property Value: 11,115,926.90

City: Port Louis

Registration Requirements:

No:	Procedure	Time to complete	Cost to complete
1 *	Notary checks for encumbrances at the Registrar General	2 days (simultaneous with procedures 2)	no cost
2 *	A land surveyor prepares a new survey plan and a situation plan	4-8 days (simultaneous with procedures 1)	MUR 1,500
3	A notary prepares and notarizes the deed of sale	4 days	Notary's fees according to the following cumulative schedule: Value of property (in MUR) Notary Fees Up to MUR 250,000 2% From 250,000 to 750,000 1.5% From 750,000 to 1,750,000 1.0% Excess over MUR 1,750,000 0.5%

4	The notary deposits the signed deed for registration and transcription	15 days (transcription)	5% of property value (transfer tax) + 5% of property value (registration fee) + MUR 1,000 (stamp duty)
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* Takes place simultaneously with another procedure.

Registering Property Details - Mauritius

Procedure	1	Notary checks for encumbrances at the Registrar General
Time to complete:	2 days (simultaneous with procedures 2)	
Cost to complete:	no cost	
Agency:	Registrar General	
Comment:	The notary public consults the register of transcriptions and the list of deeds which are waiting for transcription in order to ascertain the title of the seller, the status of encumbrances, charges, liens, etc. The notary pays an annual subscription to the Registrar General, which enables him to check the registers free of charge. He may however pass the cost to the client as part of the fees charged for the whole transaction. (Note: The annual fee paid by the notary to the Registrar General is Rs12,000 since last budget).	
Procedure	2	A land surveyor prepares a new survey plan and a situation plan
Time to complete:	4-8 days (simultaneous with procedures 1)	
Cost to complete:	MUR 1,500	
Agency:	Land Surveyor	
Comment:	The seller must obtain a situation plan done by a Land Surveyor.	
Procedure	3	A notary prepares and notarizes the deed of sale
Time to complete:	4 days	
Cost to complete:	Notary's fees according to the following cumulative schedule: Value of property (in MUR)Notary Fees Up to MUR 250,0000.2% From 250,000 to 750,0001.5% From 750,000 to 1,750,0001.0% Excess over MUR 1,750,0000.5%	
Comment:	The notary prepares the sale deed. The seller is responsible for giving all the required documentation to the notary. The deed is signed by the parties and the notary. According to the law (Registration Duty act and Notaries Act), the notary has up to 7 days from date of deed to submit the deed at the Land Registry.	
Procedure	4	The notary deposits the signed deed for registration and transcription
Time to complete:	15 days (transcription)	
Cost to complete:	5% of property value (transfer tax) + 5% of property value (registration fee) + MUR 1,000 (stamp duty)	
Agency:	Registrar General	

Comment:

The notary will deliver the signed deed + one copy of the deed + one certified copy of the original to the Registrar-General for registration. The transfer tax is a single rate of 5%.

The notary will pay the registration fee, the stamp duty and the transfer tax on behalf of the seller when applying for registration at the Registrar General's office.

The transfer tax has been reduced to 5% regardless of the number of years that the property has been owned by the seller. Amendment of the Land (Duties & taxes) Act Second Schedule. The stamp duty amounts MUR 1000.

The registration fee is equal to 5% of the property value.

Once payment is made, the Land Registry will enter this transaction in the book and will give a Transcription Number (TN) to the notary. Once this TN number is available at the land registry, the property is opposable to third parties. The notary will then issue the "Copie authentique" to the buyer. The Finance Bill Act 2008 set up a statutory time of 15 days for the Registrar to complete the transcription and give a Transcription Number (TN) to the notary (Section 37 of transcription and Mortgage Act amended by the Finance Bill Act 2008). After the TN has been issued, the Land registry will verify and re-assess the transaction through internal processes. The original deed is available for pick-up by the notaries in 15 days. The notary will keep the document for 40 years and then transmit it to the Chief Archivist, National Archives Department for safe keeping. If this delay is not respected, there is a penalty of 50% to be paid.

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

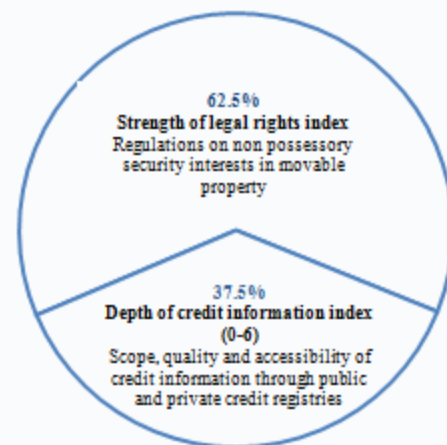
Public credit registry coverage (% of adults)

- 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)

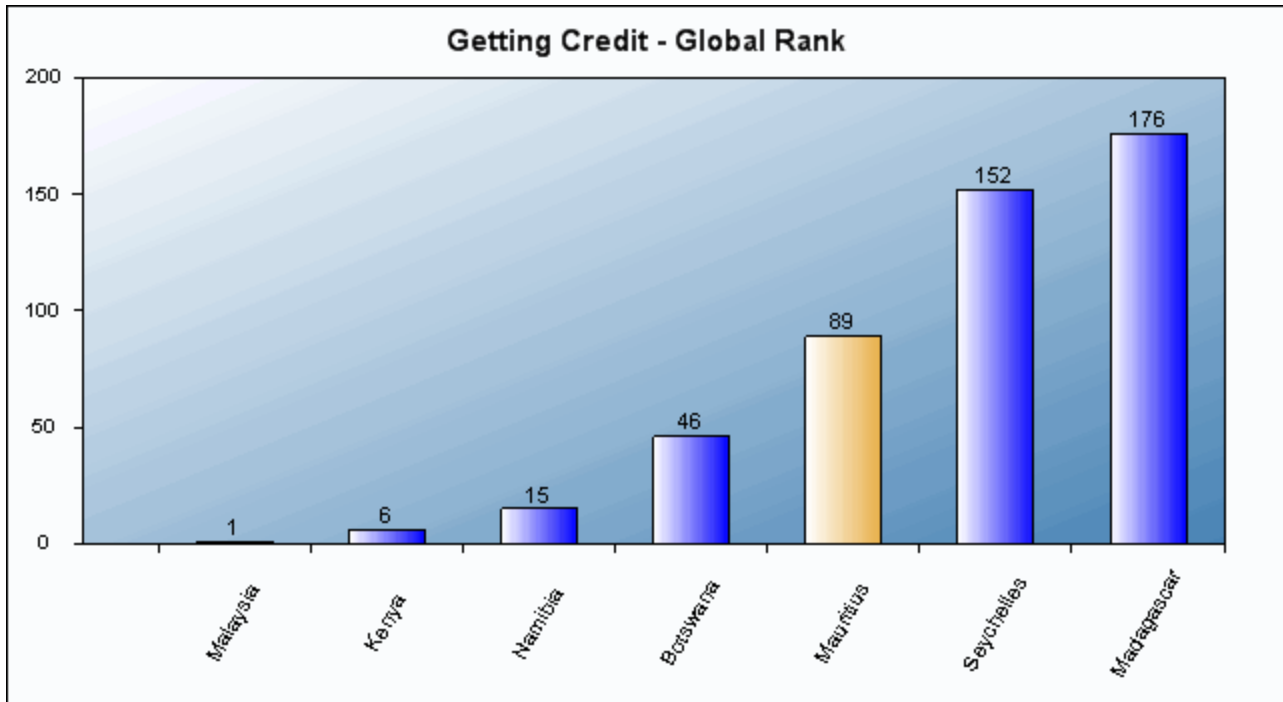
The Debtor

- 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:

Mauritius is ranked 89 overall for Getting Credit.

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



The following table shows Getting Credit data for Mauritius 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>				
Mauritius	5	3	49.8	0.0

<i>Comparator Economies</i>				
Botswana	7	4	0.0	57.6
Kenya	10	4	0.0	3.3
Madagascar	2	0	0.0	0.0
Namibia	8	5	0.0	58.5
Seychelles	4	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

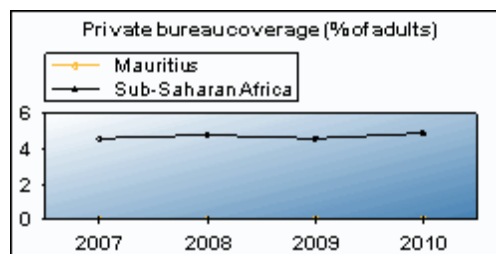
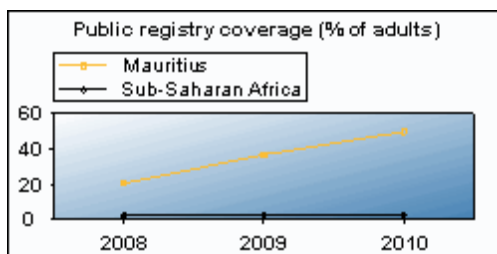
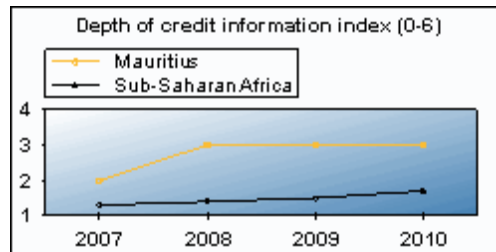
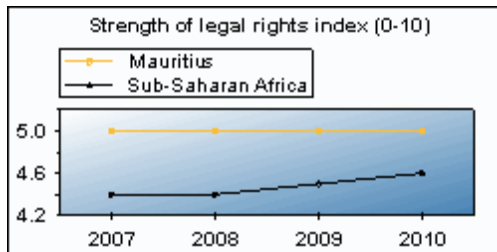
Private bureau coverage (% of adults): Argentina, Australia, Canada, Iceland, Ireland, Norway, Sweden, United Kingdom, United States

27 countries have the highest credit information index.

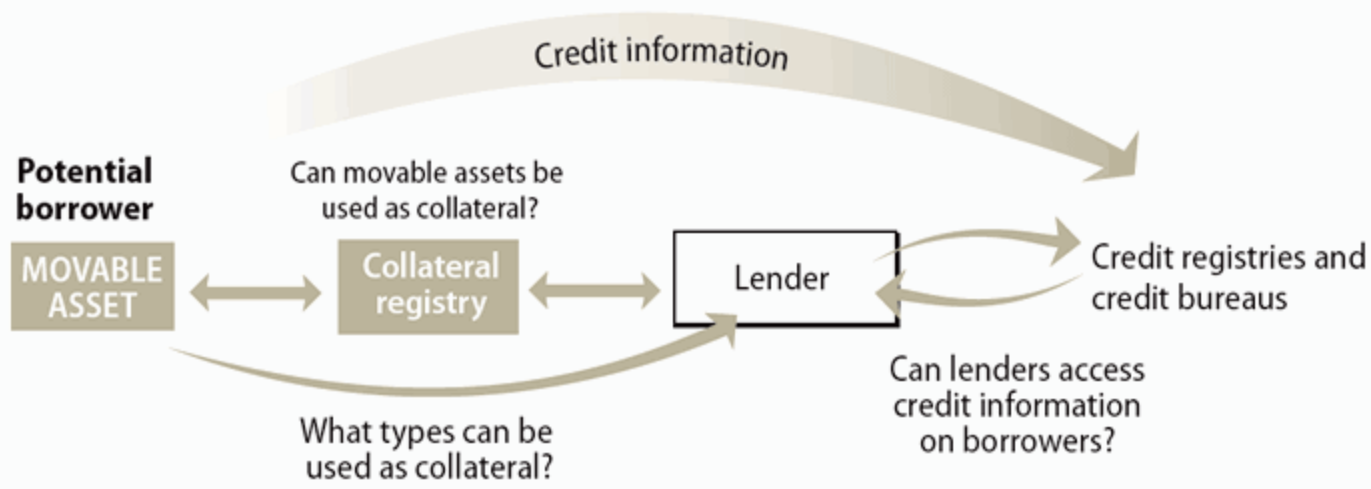
2. Historical data: Getting Credit in Mauritius

Getting Credit data	Doing Business 2008	Doing Business 2009	Doing Business 2010	Doing Business 2011
Rank	..	..	87	89
Strength of legal rights index (0-10)	5	5	5	5
Depth of credit information index (0-6)	2	3	3	3
Private bureau coverage (% of adults)	0.0	0.0	0.0	0.0
Public registry coverage (% of adults)	..	20.6	36.8	49.8

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

Getting Credit Indicators (2010)			Indicator
Private bureau coverage (% of adults)	Private credit bureau	Public credit registry	3
Are data on both firms and individuals distributed?	No	Yes	1
Are both positive and negative data distributed?	No	No	0
Does the registry distribute credit information from retailers, trade creditors or utility companies as well as financial institutions?	No	No	0
Are more than 2 years of historical credit information distributed?	No	No	0
Is data on all loans below 1% of income per capita distributed?	No	Yes	1
Is it guaranteed by law that borrowers can inspect their data in the largest credit registry?	No	Yes	1
Coverage	0.0	49.8	
Number of individuals		0	361,984
Number of firms		0	20,639

Strength of legal rights index (0-10)**5**

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

No

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 ?

No

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

Yes

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

Yes

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

No

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

No

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

Yes

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

No

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

Some reform outcomes

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

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

What do the Protecting Investors indicators measure?

Extent of disclosure index (0–10)

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

Extent of director liability index (0–10)

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

Ease of shareholder suits index (0–10)

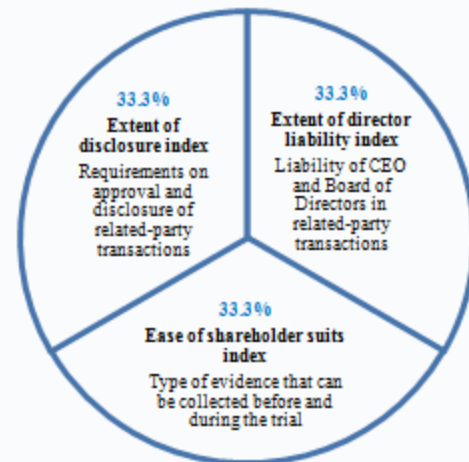
- Documents and information available during trial
- Access to internal corporate documents (directly or through a government inspector)

Strength of investor protection index (0–10)

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

Protecting Investors: minority shareholder rights in related-party transactions

Rankings are based on 3 subindicators



Case Study Assumptions

The business (Buyer):

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

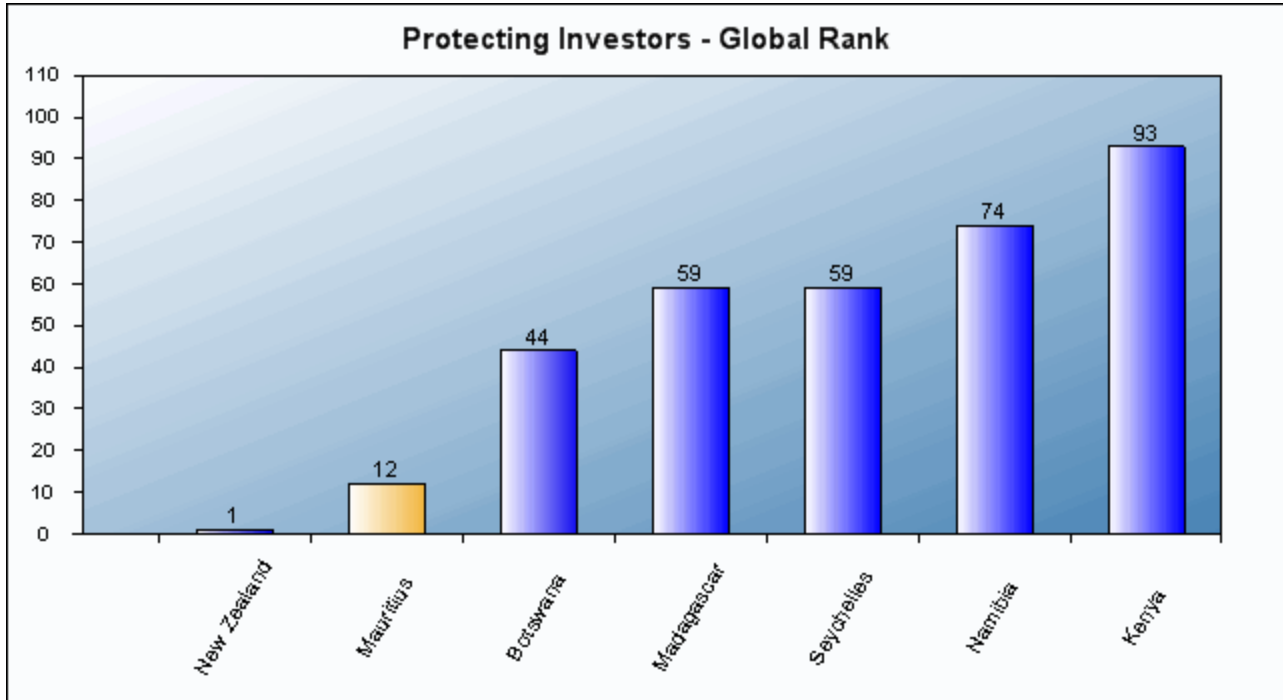
The transaction

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

1. Benchmarking Protecting Investors Regulations:

Mauritius is ranked 12 overall for Protecting Investors.

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



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

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

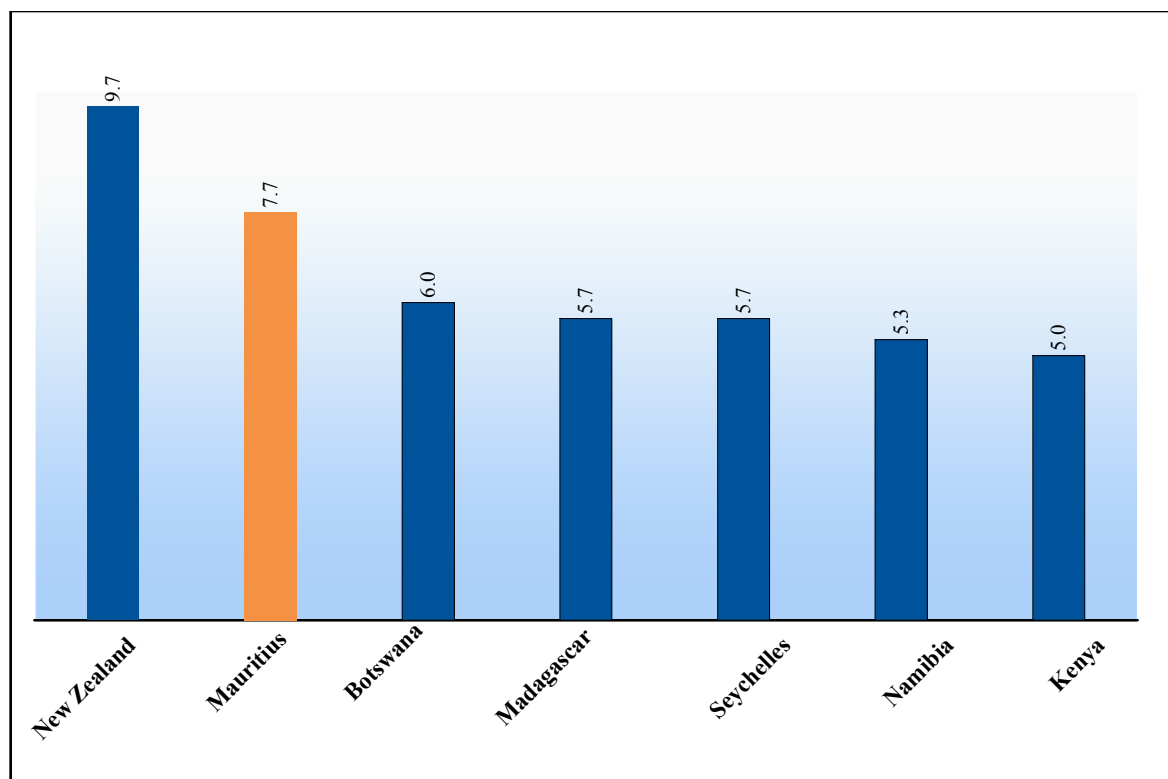
<i>Selected Economy</i>	
Mauritius	7.7

<i>Comparator Economies</i>	
Botswana	6.0
Kenya	5.0
Madagascar	5.7
Namibia	5.3
Seychelles	5.7

2. Historical data: Protecting Investors in Mauritius

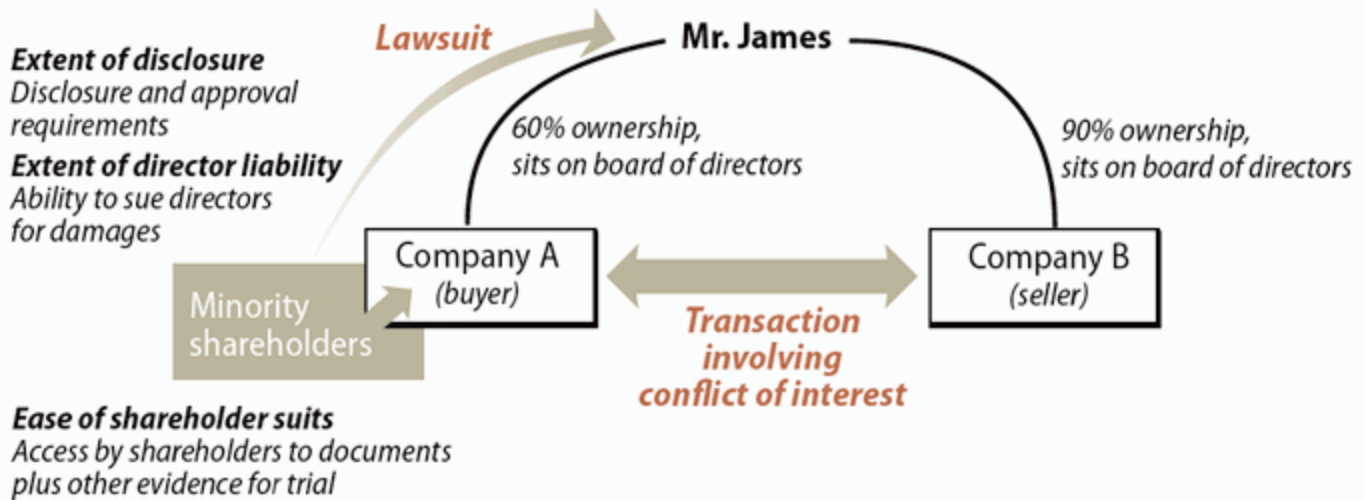
Protecting Investors data	Doing Business 2008	Doing Business 2009	Doing Business 2010	Doing Business 2011
Rank	..	..	12	12
Strength of investor protection index (0-10)	7.7	7.7	7.7	7.7

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

Protecting Investors Data (2010)	Indicator
Extent of disclosure index (0-10)	6
What corporate body provides legally sufficient approval for the transaction?	2
Whether immediate disclosure of the transaction to the public and/or shareholders is required?	0
Whether disclosure of the transaction in published periodic filings (annual reports) is required?	2
Whether disclosure of the conflict of interest by Mr. James to the board of directors is required?	1
Whether an external body must review the terms of the transaction before it takes place?	1
Extent of director liability index (0-10)	8
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?	1
Whether a court can void the transaction upon a successful claim by a shareholder plaintiff?	2
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)	9
Whether the plaintiff can obtain any documents from the defendant and witnesses during trial?	4
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?	1
Whether the level of proof required for civil suits is lower than that of criminal cases?	1
Whether shareholders owning 10% or less of Buyer's shares can inspect transaction documents before filing suit?	0
Strength of investor protection index (0-10)	7.7

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)

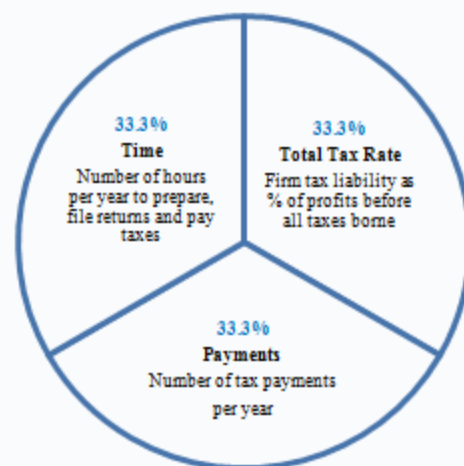
- Collecting information and computing the tax payable
- Completing tax return forms, filing with proper agencies
- Arranging payment or withholding
- Preparing separate tax accounting books, if required

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



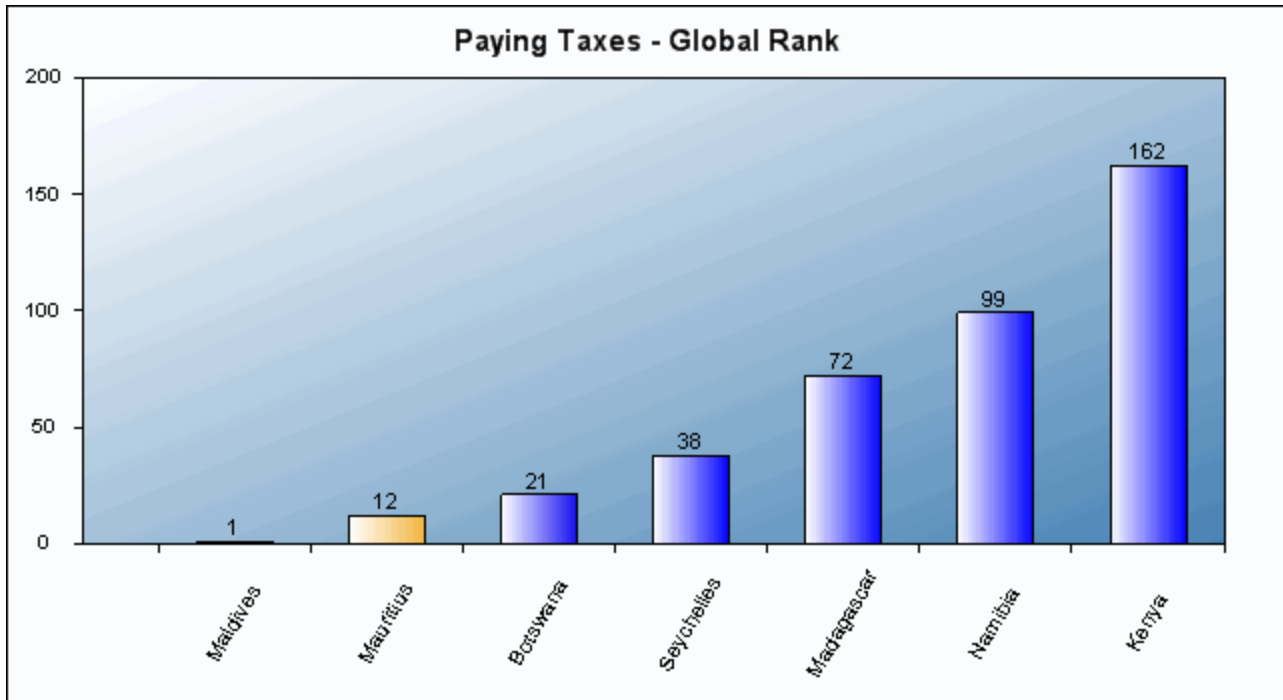
Case Study Assumptions

- 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:

Mauritius is ranked 12 overall for Paying Taxes.

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



The following table shows Paying Taxes data for Mauritius 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>			
Mauritius	7	161	24.1

<i>Comparator Economies</i>			
Botswana	19	152	19.5
Kenya	41	393	49.7
Madagascar	23	201	37.7
Namibia	37	375	9.6
Seychelles	16	76	44.1

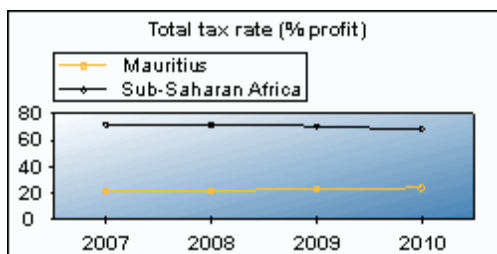
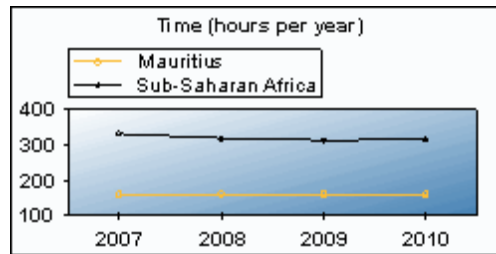
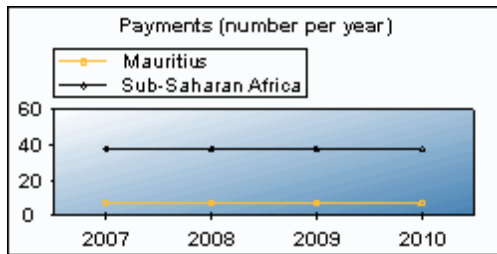
* The following economies are also good practice economies for :

Payments (number per year): Qatar

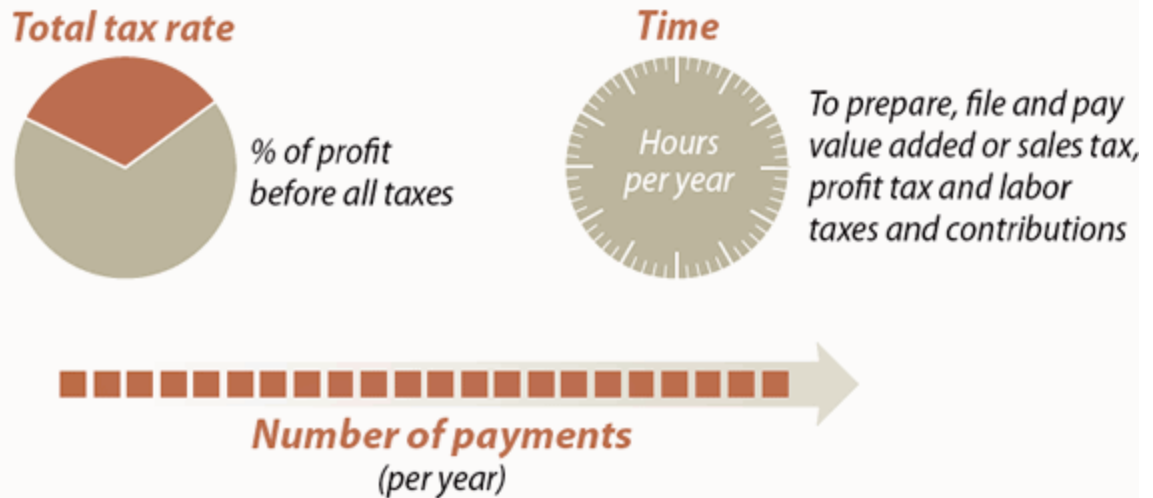
2. Historical data: Paying Taxes in Mauritius

Paying Taxes data	Doing Business 2008	Doing Business 2009	Doing Business 2010	Doing Business 2011
Rank	..	..	11	12
Total tax rate (% profit)	21.7	22.2	22.9	24.1
Payments (number per year)	7	7	7	7
Time (hours per year)	161	161	161	161

3. The following graphs illustrate the Paying Taxes sub indicators in Mauritius 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 Mauritius, 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
Stamp duty	1			MUR 15 per page	number of pages of contract		
Value added tax (VAT)	1	online filing	66	15.0%	value added		
Road tax	1			various rates		0.10	
Corporate Social Responsibility Tax	0	May be spent on recognised CSR project or paid jointly with CIT		2.0%	net income after tax	1.20	
Council tax	1			fixed fee (MUR 100,000)		1.20	
Social security contributions	1	online filing	82	6.0%	gross salaries	5.00	
Property Transfer tax	1			10.0%	sale price	6.10	

Corporate income tax	1	online filing	13	15.0%	taxable profit	10.60
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Totals	7		161			24.1
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Making trade between countries easier is increasingly important for business in today's globalized world. Excessive document requirements, burdensome customs procedures, inefficient port operations and inadequate infrastructure all lead to extra costs and delays for exporters and importers, stifling trade potential. Trade facilitation tools such as electronic data interchange systems, risk-based inspections, and single windows help improve an economy's trading environment and boost firms' international competitiveness. *Doing Business* trade indicators take into account documents, cost and time associated with every procedure for trading a standard shipment of goods by ocean transport. Research indicates that exporters in developing countries have much more to gain by a 10% drop in their trading costs than from a similar decrease of the tariffs applied to their products in global markets.

Some reform outcomes

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

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

What do the Trading Across Borders indicators measure?

Trading Across Borders: exporting and importing by ocean transport

Rankings are based on 3 subindicators

Documents required to export and import (number)

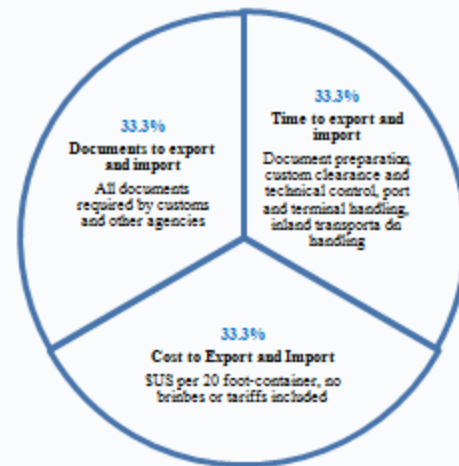
- Bank documents
- Customs clearance documents
- Port and terminal handling documents
- Transport documents

Time required to export and import (days)

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

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

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



Case Study Assumptions

The Business

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

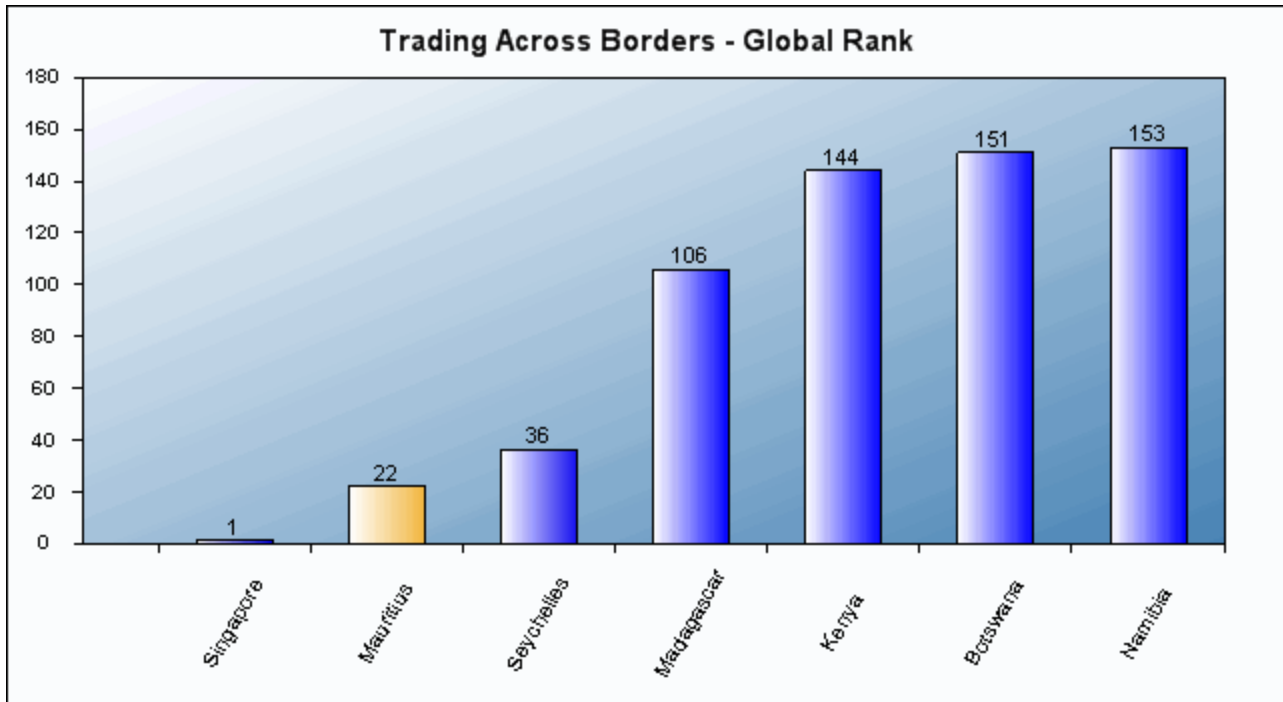
The traded product

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

1. Benchmarking Trading Across Borders Regulations:

Mauritius is ranked 22 overall for Trading Across Borders.

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



The following table shows Trading Across Borders data for Mauritius 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>						
Mauritius	5	13	737	6	13	689

<i>Comparator Economies</i>						
Botswana	6	28	3010	9	41	3390
Kenya	8	26	2055	7	24	2190
Madagascar	4	21	1197	9	24	1555
Namibia	11	29	1686	9	24	1813
Seychelles	5	17	876	5	18	876

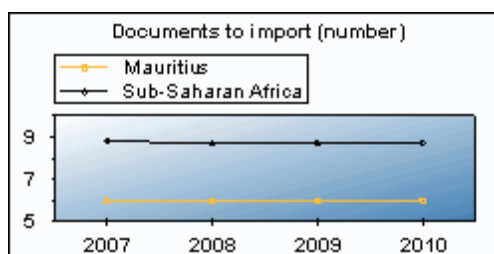
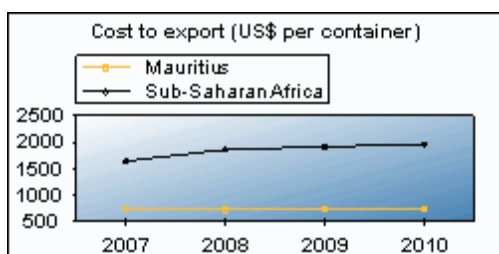
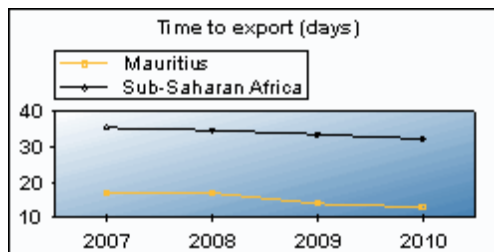
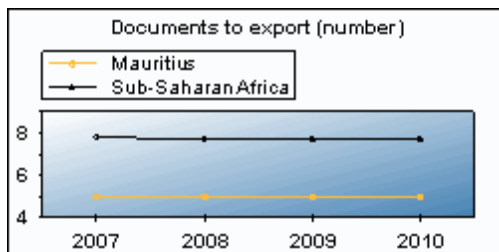
* The following economies are also good practice economies for :

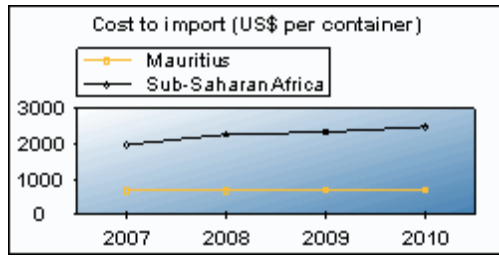
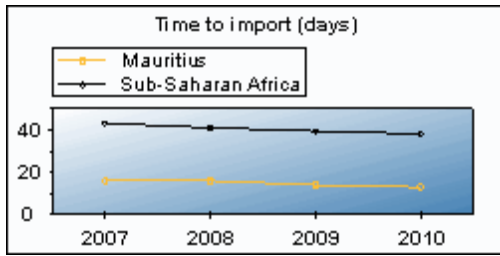
Time to export (days): Estonia

2. Historical data: Trading Across Borders in Mauritius

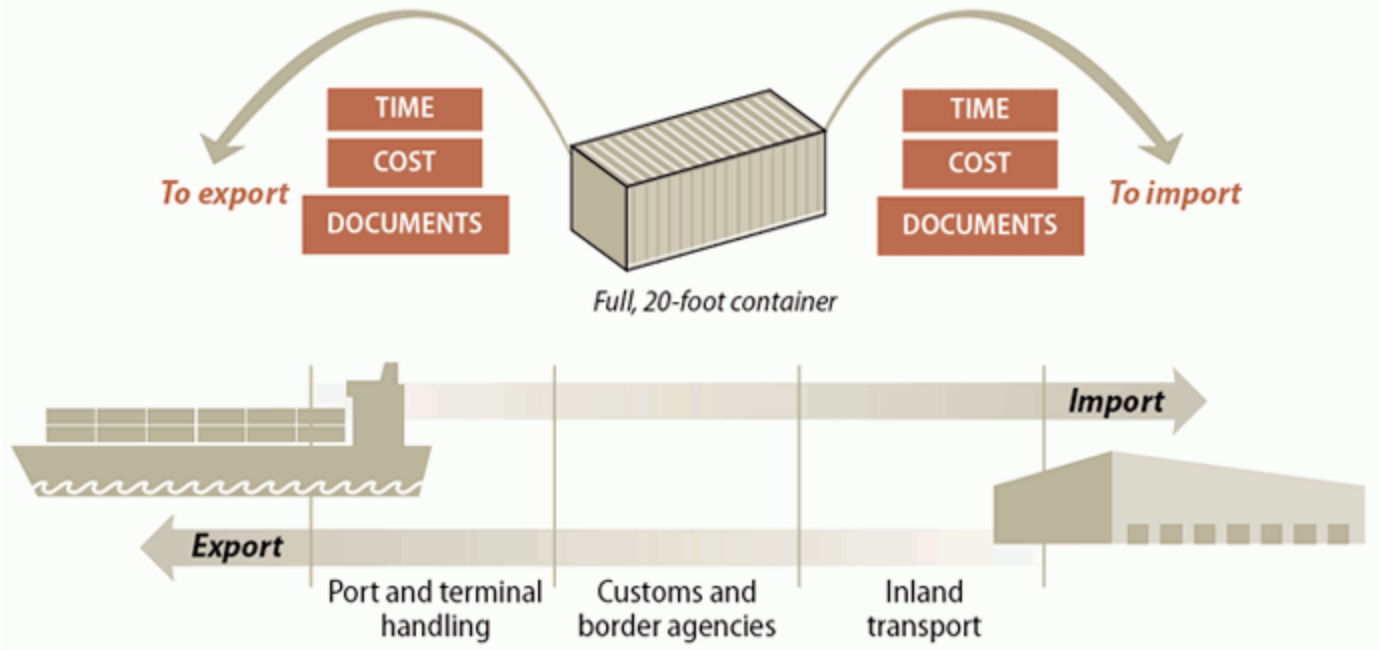
Trading Across Borders data	Doing Business 2008	Doing Business 2009	Doing Business 2010	Doing Business 2011
Rank	..	..	24	22
Cost to export (US\$ per container)	728	725	737	737
Cost to import (US\$ per container)	673	677	689	689
Documents to export (number)	5	5	5	5
Documents to import (number)	6	6	6	6
Time to export (days)	17	17	14	13
Time to import (days)	16	16	14	13

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

Nature of Export Procedures (2010)	Duration (days)	US\$ Cost
Documents preparation	8	387
Customs clearance and technical control	1	75
Ports and terminal handling	2	175
Inland transportation and handling	2	100
Totals	13	737

Nature of Import Procedures (2010)	Duration (days)	US\$ Cost
Documents preparation	8	394
Customs clearance and technical control	2	50
Ports and terminal handling	2	145
Inland transportation and handling	1	100
Totals	13	689

Documents for Export and Import

Export

- Bill of lading
- Certificate of origin
- Commercial invoice
- Customs export declaration
- Packing list

Import

- Bill of lading
- Cargo release order
- Certificate of origin
- Commercial invoice
- Customs import declaration
- Packing list

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)

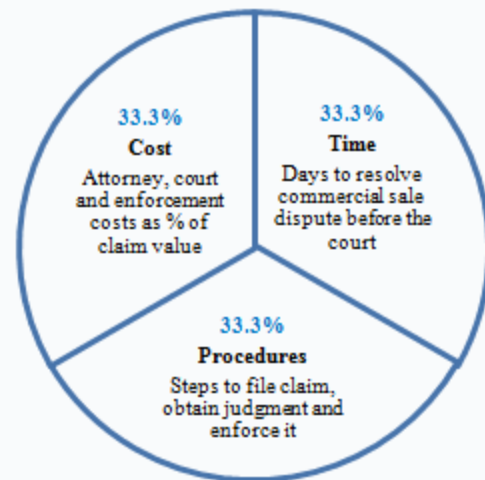
- Any interaction between the parties in a commercial dispute, or between them and the judge or court officer
- Steps to file the case
- Steps for trial and judgment
- Steps to enforce the judgment

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



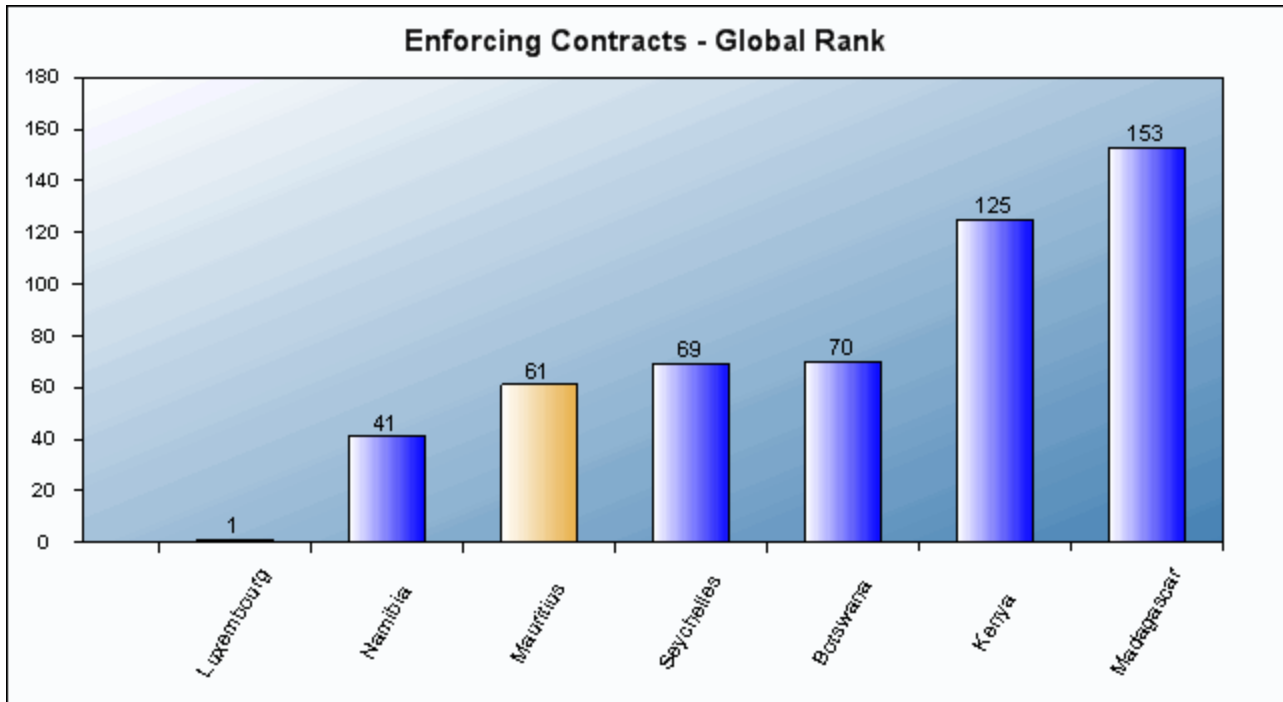
Case Study Assumptions

- 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:

Mauritius is ranked 61 overall for Enforcing Contracts.

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



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

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

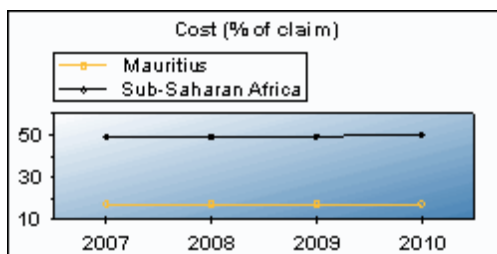
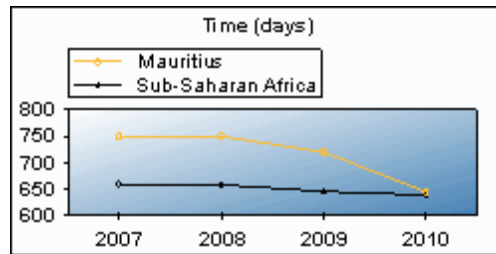
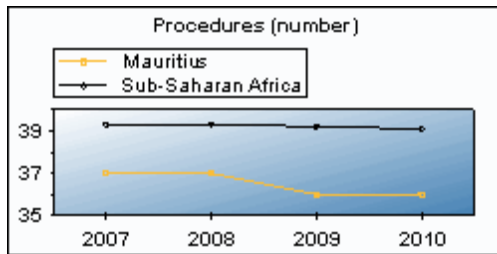
<i>Selected Economy</i>			
Mauritius	36	645	17.4

<i>Comparator Economies</i>			
Botswana	29	625	28.1
Kenya	40	465	47.2
Madagascar	38	871	42.4
Namibia	33	270	35.8
Seychelles	37	720	15.4

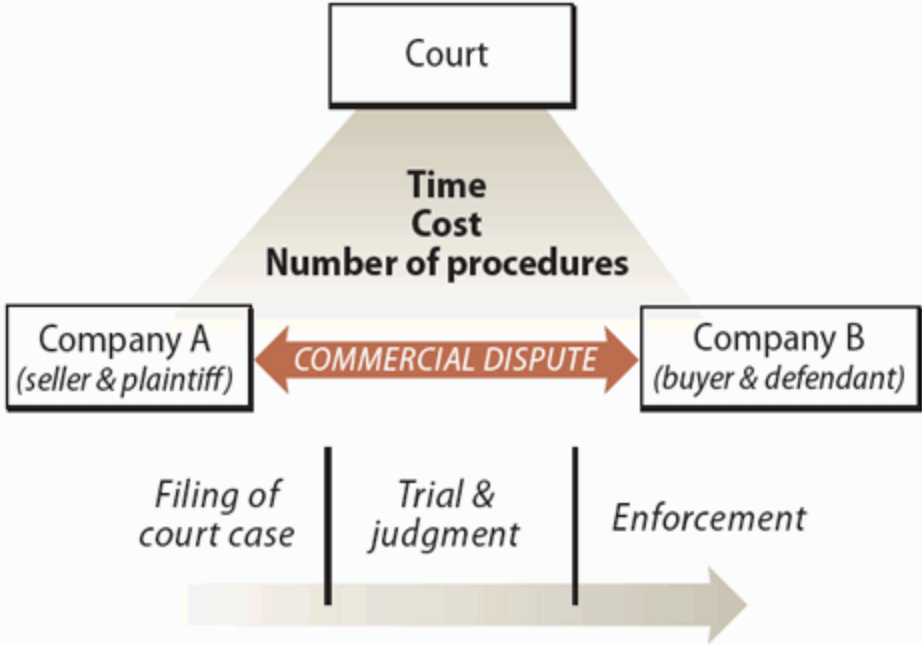
2. Historical data: Enforcing Contracts in Mauritius

Enforcing Contracts data	Doing Business 2008	Doing Business 2009	Doing Business 2010	Doing Business 2011
Rank	..	..	66	61
Procedures (number)	37	37	36	36
Time (days)	750	750	720	645
Cost (% of claim)	17.4	17.4	17.4	17.4

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

Nature of Procedure (2010)	Indicator
Procedures (number)	36
Time (days)	645
Filing and service	25.0
Trial and judgment	440.0
Enforcement of judgment	180.0
Cost (% of claim)*	17.40
Attorney cost (% of claim)	14.0
Court cost (% of claim)	1.7
Enforcement Cost (% of claim)	1.7

Court information: Port Louis Intermediate Court,
Civil Section

* 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)

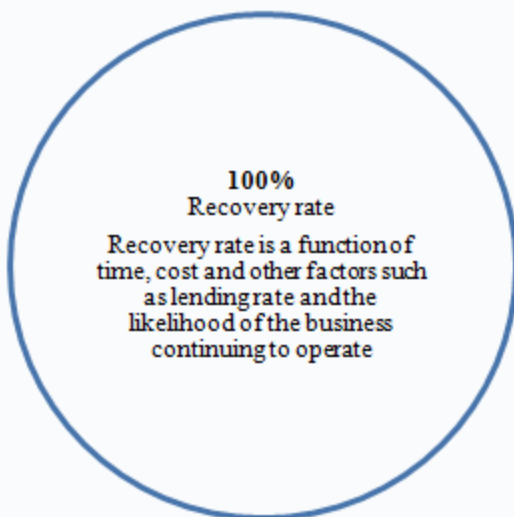
- Measured in calendar years
- Appeals and requests for extension are included

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:

Mauritius is ranked 71 overall for Closing a Business.

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



The following table shows Closing Business data for Mauritius 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>			
Mauritius	35.1	1.7	15

<i>Comparator Economies</i>			
Botswana	63.7	1.7	15
Kenya	29.8	4.5	22
Madagascar	0.0	no practice	no practice
Namibia	41.5	1.5	15
Seychelles	0.0	no practice	no practice

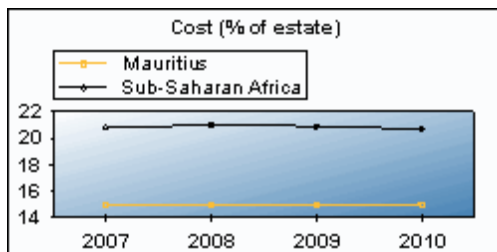
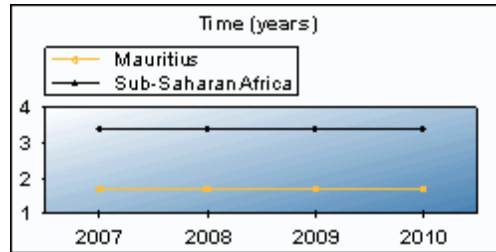
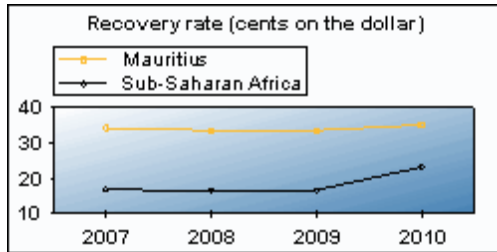
* The following economies are also good practice economies for :

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

2. Historical data: Closing Business in Mauritius

Closing a Business data	Doing Business 2008	Doing Business 2009	Doing Business 2010	Doing Business 2011
Rank	..	..	74	71
Time (years)	1.7	1.7	1.7	1.7
Cost (% of estate)	15	15	15	15
Recovery rate (cents on the dollar)	34.3	33.6	33.6	35.1

3. The following graphs illustrate the Closing Business sub indicators in Mauritius 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.
Grenada	Grenada eased business start-up by transferring responsibility for the commercial registry from the courts to the civil administration. The appointment of a registrar focusing only on property cut the time needed to transfer property in Grenada by almost half. Grenada's customs administration made trading faster by simplifying procedures, reducing inspections, improving staff training and enhancing communication with users.
Hungary	Hungary implemented a time limit for the issuance of building permits. Hungary reduced the property registration fee by 6% of the property value. Hungary simplified taxes and tax bases. Amendments to Hungary's bankruptcy law encourage insolvent companies to consider reaching agreements with creditors out of court so as to avoid bankruptcy.
Kazakhstan	Kazakhstan eased business start-up by reducing the minimum capital requirement to 100 tenge (\$0.70) and eliminating the need to have the memorandum of association and company charter notarized. Kazakhstan made dealing with construction permits easier by implementing a one-stop shop related to technical conditions for utilities. Kazakhstan strengthened investor protections by requiring greater corporate disclosure in company annual reports. Kazakhstan speeded up trade through efforts to modernize customs, including implementation of a risk management system and improvements in customs automation.
Kenya	Kenya eased business start-up by reducing the time it takes to get the memorandum and articles of association stamped, merging the tax and value added tax registration procedures and digitizing records at the registrar. Kenya increased the administrative burden of paying taxes by requiring quarterly filing of payroll taxes. Kenya speeded up trade by implementing an electronic cargo tracking system and linking this system to the Kenya Revenue Authority's electronic data interchange system for customs clearance.
Madagascar	Madagascar continued to reduce corporate tax rates. Madagascar improved communication and coordination between customs and the terminal port operators through its single-window system (GASYNET), reducing both the time and the cost to export and import.
Mauritius	Mauritius introduced a new corporate social responsibility tax. Mauritius speeded up the resolution of commercial disputes by recruiting more judges and adding more courtrooms.
Peru	Peru eased business start-up by simplifying the requirements for operating licenses and creating an online one-stop shop for business registration. Peru streamlined construction permitting by implementing administrative reforms. Peru introduced fast-track procedures at the land registry, cutting by half the time needed to register property. Peru made trading easier by implementing a new web-based electronic data interchange system, risk-based inspections and payment deferrals.
Rwanda	Rwanda made dealing with construction permits easier by passing new building regulations at the end of April 2010 and implementing new time limits for the issuance of various permits. Rwanda enhanced access to credit by allowing borrowers the right to inspect their own credit report and mandating that loans of all sizes be reported to the central bank's public credit registry. Rwanda reduced the number of trade documents required and enhanced its joint border management procedures with Uganda and other neighbors, leading to an improvement in the trade logistics environment.
Seychelles	The Seychelles removed the tax-free threshold limit and lowered corporate income tax rates.

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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