

Doing Business 2011

Serbia

**Making
a Difference for
Entrepreneurs**

COMPARING BUSINESS REGULATION IN 183 ECONOMIES



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1 2 3 4 08 07 06 05

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ISBN: 978-0-8213-7960-8
E-ISBN: 978-0-8213-8630-9
DOI: 10.1596/978-0-8213-7960-8
ISSN: 1729-2638

Library of Congress Cataloging-in-Publication data has been applied for.
Printed in the United States

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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 Serbia. 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).

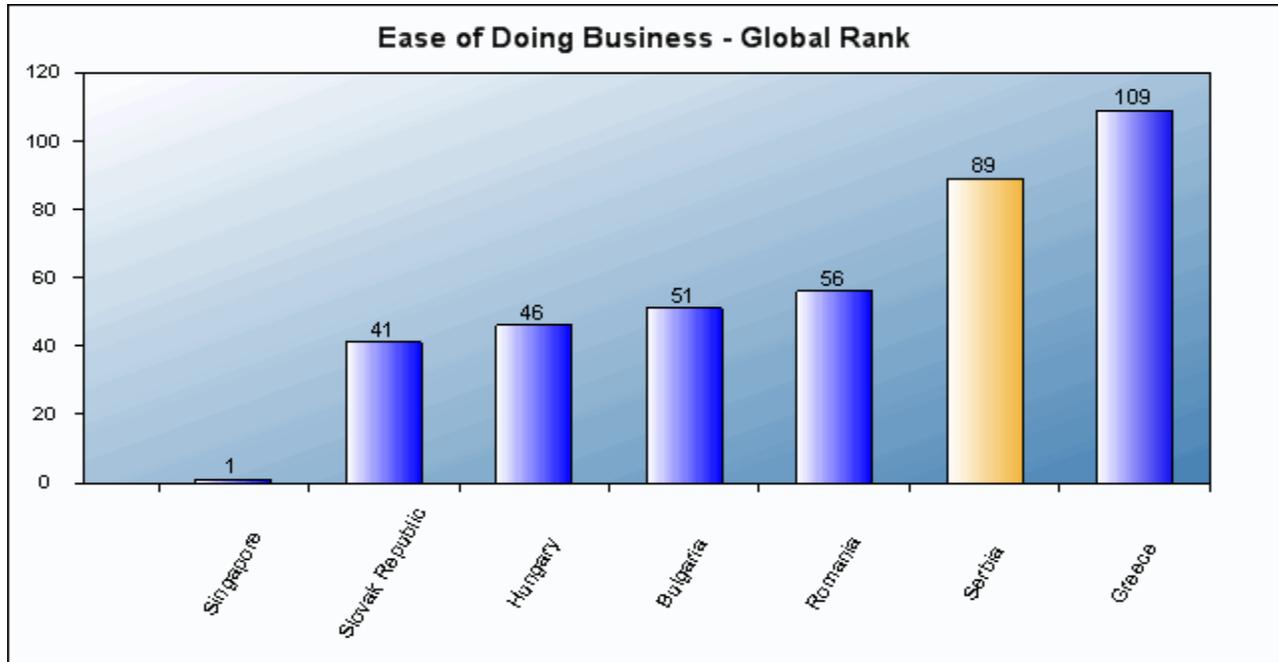
* Except for the Paying Taxes indicator that refers to the period January to December of 2009.

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

Serbia is ranked 89 out of 183 economies. Singapore is the top ranked economy in the Ease of Doing Business.

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



Serbia's ranking in Doing Business 2011

Rank	Doing Business 2011
Ease of Doing Business	89
Starting a Business	83
Dealing with Construction Permits	176
Registering Property	100
Getting Credit	15
Protecting Investors	74
Paying Taxes	138
Trading Across Borders	74
Enforcing Contracts	94
Closing a Business	86

Summary of Indicators - Serbia

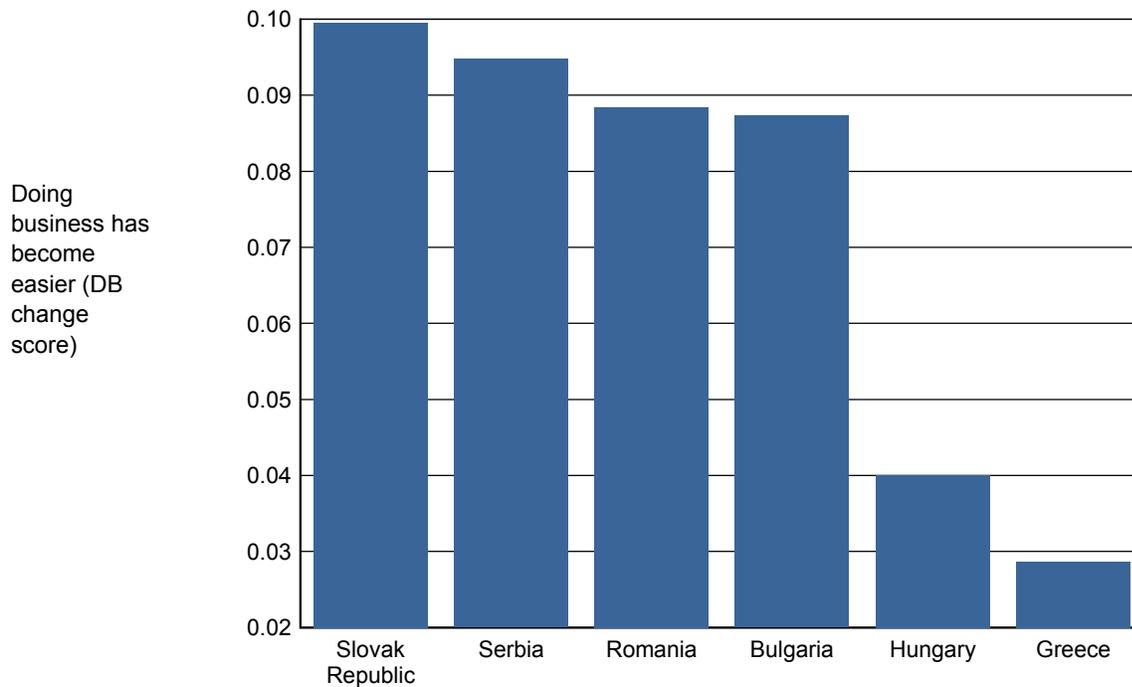
Starting a Business	Procedures (number)	7
	Time (days)	13
	Cost (% of income per capita)	7.9
	Min. capital (% of income per capita)	6.0
Dealing with Construction Permits	Procedures (number)	20
	Time (days)	279
	Cost (% of income per capita)	1821.4
Registering Property	Procedures (number)	6
	Time (days)	91
	Cost (% of property value)	2.7
Getting Credit	Strength of legal rights index (0-10)	8
	Depth of credit information index (0-6)	5
	Public registry coverage (% of adults)	0.0
	Private bureau coverage (% of adults)	100.0
Protecting Investors	Extent of disclosure index (0-10)	7
	Extent of director liability index (0-10)	6
	Ease of shareholder suits index (0-10)	3
	Strength of investor protection index (0-10)	5.3
Paying Taxes	Payments (number per year)	66
	Time (hours per year)	279
	Profit tax (%)	11.6
	Labor tax and contributions (%)	20.2
	Other taxes (%)	2.2
	Total tax rate (% profit)	34.0
Trading Across Borders	Documents to export (number)	6
	Time to export (days)	12
	Cost to export (US\$ per container)	1398
	Documents to import (number)	6
	Time to import (days)	14
	Cost to import (US\$ per container)	1559

Enforcing Contracts	Procedures (number)	36
	Time (days)	635
	Cost (% of claim)	28.9
Closing a Business	Recovery rate (cents on the dollar)	29.5
	Time (years)	2.7
	Cost (% of estate)	23

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.

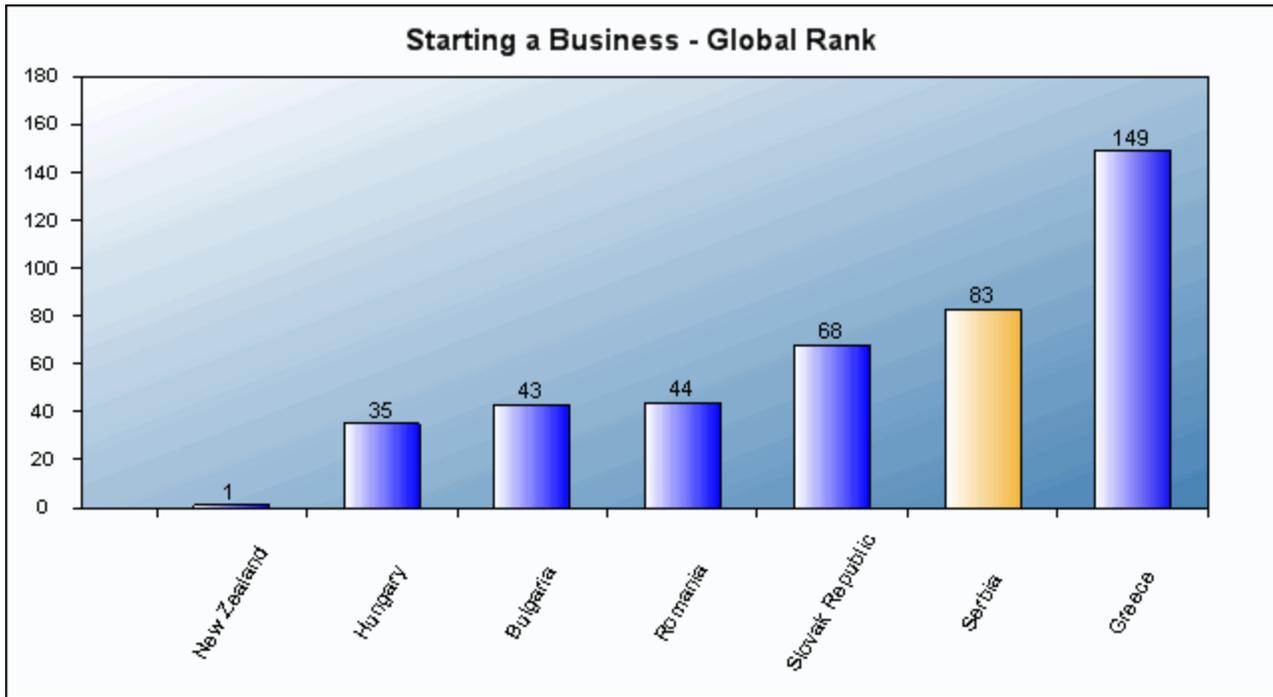
The business:

- 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:

Serbia is ranked 83 overall for Starting a Business.

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



The following table shows Starting a Business data for Serbia 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>				
Serbia	7	13	7.9	6.0

<i>Comparator Economies</i>				
Bulgaria	4	18	1.6	0.0
Greece	15	19	20.7	22.3
Hungary	4	4	8.2	10.2
Romania	6	10	2.6	0.9
Slovak Republic	6	16	1.9	22.2

* The following economies are also good practice economies for :

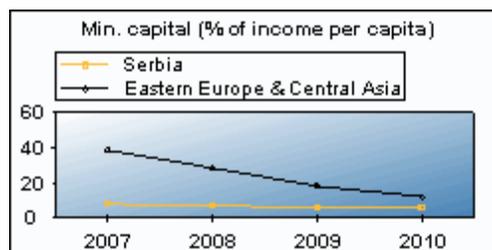
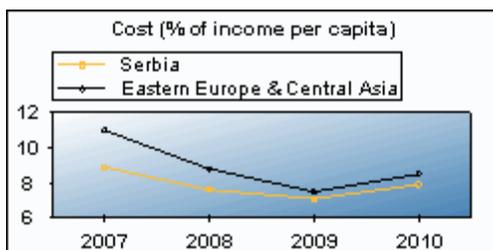
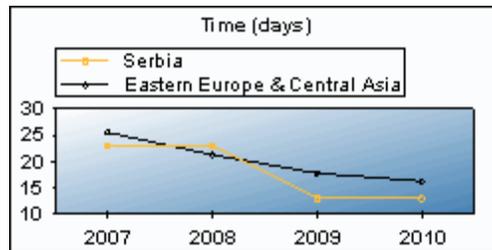
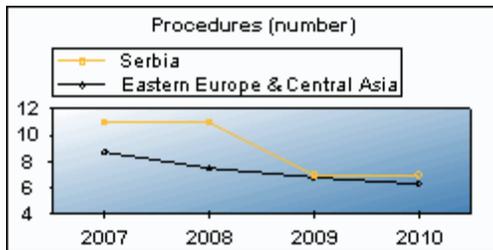
Procedures (number): **Canada**

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

2. Historical data: Starting a Business in Serbia

Starting a Business data	Doing Business 2008	Doing Business 2009	Doing Business 2010	Doing Business 2011
Rank	..	..	75	83
Procedures (number)	11	11	7	7
Time (days)	23	23	13	13
Cost (% of income per capita)	8.9	7.6	7.1	7.9
Min. capital (% of income per capita)	8.0	6.9	6.1	6.0

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

STANDARDIZED COMPANY

Legal Form: Društvo sa ograničenom odgovornošću (DOO)

- Limited Liability Company

City: Belgrade

Registration Requirements:

No:	Procedure	Time to complete	Cost to complete
1	Notarize the memorandum of association and lease contract at the Basic Court	1	RSD 22,503
2	Open a temporary bank account; pay founding deposit or its part and all other fees	1	no charge
3	Apply and obtain the registration certificate, tax identification number, pension fund (PIO Fund) and Health Fund certificates, certify the signatures (three copies) for opening bank account and register the employment contracts with the Employment Organi	3	RSD 5,350
4	Open a permanent business account with the commercial bank	1	RSD 400
5	Make Stamp and seal	1	RSD 2,500
6	Register with local tax authority	5	no charge
7	Register the employment contracts with the Employment Organization/Fund	1	no charge

Starting a Business Details - Serbia

Procedure	1	Notarize the memorandum of association and lease contract at the Basic Court
Time to complete:	1	
Cost to complete:	RSD 22,503	
Comment:	<p>The Notarization cost depends on the amount of capital and the value of the lease. The promoters must notarize at least four copies of the memorandum of association and the lease contract with the Serbian Business Registers Agency.</p> <p>The Law on Court Taxes of 11 May 2009 established the fee schedule, depending on the incorporation contract value:</p> <ul style="list-style-type: none">- Incorporation contract value up to RSD 10,000: fee is RSD 980.- From RSD 10,001 to RSD 100,000: RSD 980 plus 1% of contract value.- From RSD 100,001 to RSD 1,000,000: RSD 2,900 plus 0.5% of contract value.- Over RSD 1,000,000: RSD 12,600 plus 0.25% of contract value. <p>Note that the fee will not exceed RSD 39,000.</p> <p>In addition, the promoter will be assessed miscellaneous fees to notarize the lease contract and the memorandum of association:</p> <ul style="list-style-type: none">- Notarization request: RSD 70 (applies to one or several documents).- Notarization of signatures specimen with competent court: RSD 160 per signature.- Signature verification of proxy (power of attorney): RSD 560.	
Procedure	2	Open a temporary bank account; pay founding deposit or its part and all other fees
Time to complete:	1	
Cost to complete:	no charge	
Comment:	<p>The founding deposit is paid to a temporary account at one of the commercial banks. The decision or contract of incorporation must be submitted to the chosen bank to open a temporary bank account. At least half of the initial capital is payable in advance, and the rest is due within 2 years of registration. After registration is completed, the funds are transferred to a company Giro-account, which may be used for business transactions. The company must obtain a payment slip from the bank.</p>	
Procedure	3	Apply and obtain the registration certificate, tax identification number, pension fund (PIO Fund) and Health Fund certificates, certify the signatures (three copies) for opening bank account and register the employment contracts with the Employment Organi
Time to complete:	3	
Cost to complete:	RSD 5,350	
Comment:	<p>Under the Business Registration Law (effective July 2004), the company registration was transferred from the commercial courts to the Serbian Business Registers Agency (SBRA). Instead of two separate proceedings, the SBRA now issues the registration number and code of Republic Statistical Agency (RSA) simultaneously with the registration certificate. The Registry also administers the registration with the tax authority and issues the Tax Identification Number (TIN); the local authority will however require certain documentation from the company but only after the</p>	

company is validly registered. Moreover, registration for pension fund (PIO Fund) and Health Fund, certification of the signatures (three copies) for opening bank account and registering the employment contracts with the Employment Organization are done at the Business Registers Agency (SBRA).

The company can obtain all forms on line. The required Forms for the establishment of a company are:

1. Serbian Business Registries Agency - Request for registration of the company (Application can be downloaded from the official web site (www.apr.gov.rs). (The request is free of charge and form OP is free of charge);
2. Commercial bank - Request for opening an account and Request for transfer of money from a temporary bank account to the company permanent account (Requests can be taken in the commercial bank. They are free of charge);
3. To obtain a tax identification number (TIN) - Form JRPPS-2 (Form can be downloaded online from the registrar's website and it is free of charge); for registration of the lease - Questionnaire (Questionnaire can be taken in the Tax administration. It is free of charge); for VAT - Form ППДБ (Form can be downloaded from the official web site www.poreskauprava.sr.gov.yu and it is free of charge);
4. Employment Fund - Forms E1, E3 (Forms E1, E3 can not be downloaded from the site www.minrzs.go.yu. Form E1 costs RSD 15, Form E3 costs RSD 15)
5. Employees Pension and Disability Fund - to obtain ROD number - Form ROD 1. Form ROD 1 refers to the beginning, termination and changes in the business (Form ROD 1 costs RSD 15); for registration of employees - Form M1 (Form M1 costs RSD 15);
6. Health Fund - Form OPD (Form OPD costs RSD 15 and it can be taken only in the Post office), Form M - application, change, and notice of health insurance (insured and uninsured health family members) - Form M costs RSD 15 and can be taken only in the Post office.

To register, the applicant must also submit these additional documents:

- Set of registration forms.
- Contract of incorporation (deed on establishment) or decision on the company founding with authenticated signatures of founder(s) that are notarized by the Municipal Court.
- Decision of founders on appointment of the director.
- Information on the founder(s) (i.e., registration documents if the founder is a legal entity or identity number and proof of registered residence if the founder is a physical person). If the documents are in a foreign language, they must be translated into Serbian by an authorized court translator (fee is about RSD 800 per page).
- Certified signature on the OP form of the director (or deputy director or other authorized person).
- Evidence of payment of the administrative fee.
- Bank confirmation that the capital has been deposited into to the temporary bank account or certified statement from the founder that the financial capital has been secured.
- Optionally, power of attorney if an attorney-at-law files the registration.

The SBRA will examine the request to determine whether it complies with current legislation and whether these documents are attached. The Registry publishes the company registration on the Internet.

Procedure 4 Open a permanent business account with the commercial bank

Time to complete: 1

Cost to complete: RSD 400

Comment: The documentation for setting up a permanent business account with the commercial bank varies from bank to bank. The following documents are generally submitted:

- Original or certified copy of the company's registration with the SBRA (evidence of the company identification number and other relevant data).
- Application for opening the permanent account.
- Contract for depositing funds.
- Tax number for PIB (residents only).
- The bank-provided specimen card for legal entities (original).

- Identity card of the founders (copy).
- Incorporation deed (copy).

At this point, the founders convert the personal bank account into the company's bank account and deposit the minimum capital of EUR 500. Although the law allows for in-kind contributions (labor, machinery, or other assets), in practice, the founders are required to deposit the full amount in cash.

The new Law on the Prevention of Money Laundering and Financing of Terrorism ("Zakon o sprečavanju pranja novca i finansiranju terorizma" Official Gazette of the RS", Nos. 20/2009 and 72/2009) provides that, in order to open a temporary account and/or a bank account the relevant bank must verify the chain of ownership of a company, as well as all persons and entities holding 25% or more of the capital of the company's shareholders/members.

Procedure 5 Make Stamp and seal

Time to complete: 1

Cost to complete: RSD 2,500

Comment: Companies can obtain a company stamp and seal in 1–2 days for a fee of RSD 1,500 to RSD 4,000, depending on the number of words, design, and the like. Before making the stamp and seal, the stampmaker must receive a copy of the registration ruling.

Procedure 6 Register with local tax authority

Time to complete: 5

Cost to complete: no charge

Comment: Upon receiving the tax identification number, the company's representative must register with the local tax authority by submitting all or some of the following documents to the local tax authority (requirements vary by authority):

- Registration certificate of the Business Registration Agency (copy).
- Certificate of personal tax number (copy).
- Employment contract with the general manager or company founder.
- Completed registration form for VAT. Note that according to the amendment to the Law on Value Added Tax adopted 30 June 2007, the total (generated or projected) turnover which will cause an obligation for company to submit a completed VAT registration form is increased from RSD 2 million (approx. EUR 20,000) to RSD 4 million (approx. EUR 40,000).
- Certified OP form.
- Statement on employed workers.
- Certified lists of taxpayer real estate, motor vehicles, and aircrafts.
- List of all stores and numbers of fiscal cash registers.
- Agreement concluded with the bookkeeping agency.

-Since an amendment to the Law on Added Tax in June 2008 (Official Gazette RS No. 84/2004, 61/2005 61/2007), the company's representative must submit to the tax authorities, besides the mentioned documents, the copy of the agreement on opening of permanent bank account and a copy of specimen card

Depending on the local tax authority, some or all of the above documents must be submitted to the tax authority no later than 10–15 days after obtaining the personal tax number.

Procedure 7 Register the employment contracts with the Employment Organization/Fund

Time to complete: 1

Cost to complete: no charge

Comment: Upon registration of the memorandum of a company, the register shall certify under the hand of the Registrar that the company is incorporated and the date of the registration. The certificate issued by the Registrar shall be in the form as prescribed by the Companies Act.

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

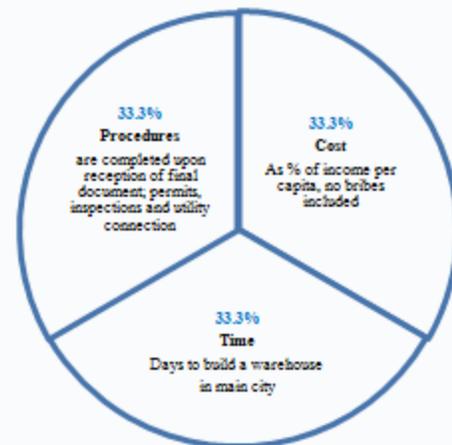
The warehouse:

- 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:

Serbia is ranked 176 overall for Dealing with Construction Permits.

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



The following table shows Dealing with Construction Permits data for Serbia 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	

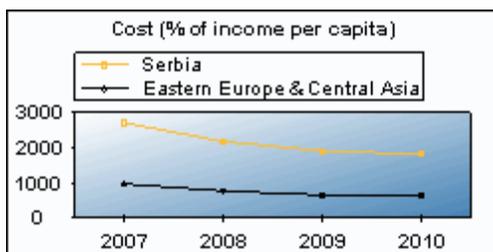
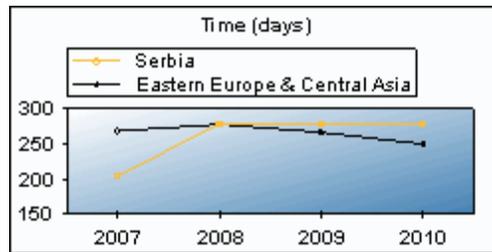
<i>Selected Economy</i>			
Serbia	20	279	1821.4

<i>Comparator Economies</i>			
Bulgaria	24	139	442.3
Greece	15	169	52.9
Hungary	31	189	9.8
Romania	17	228	73.9
Slovak Republic	13	287	12.7

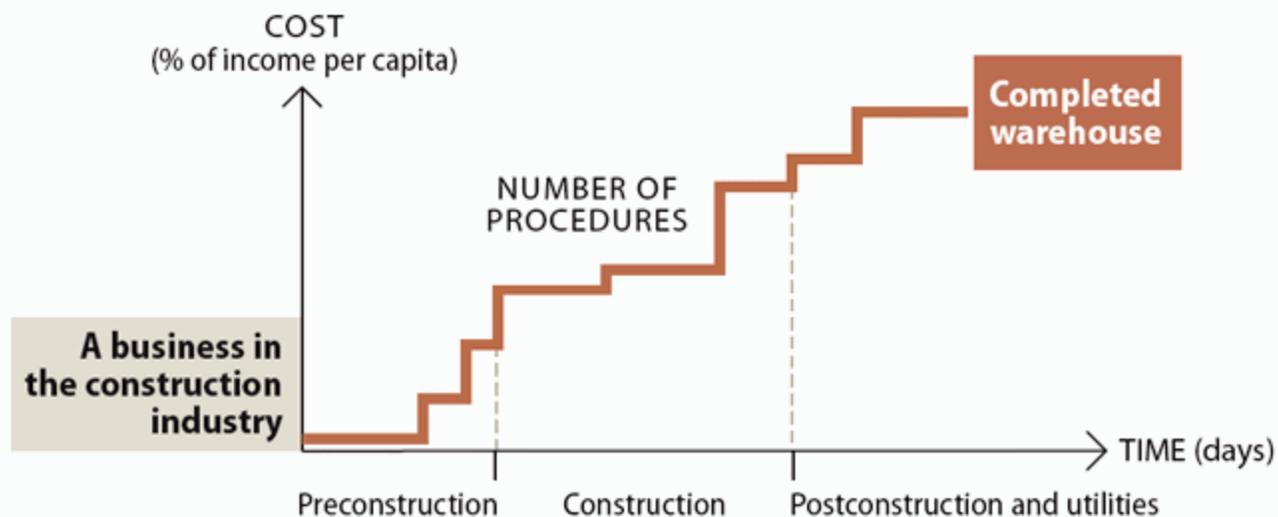
2. Historical data: Dealing with Construction Permits in Serbia

Dealing with Construction Permits data	Doing Business 2008	Doing Business 2009	Doing Business 2010	Doing Business 2011
Rank	..	..	174	176
Procedures (number)	20	20	20	20
Time (days)	204	279	279	279
Cost (% of income per capita)	2713.1	2177.7	1907.5	1821.4

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

BUILDING A WAREHOUSE

City: Belgrade

Registration Requirements:

No:	Procedure	Time to complete	Cost to complete
1	Request and obtain an extract from the urban plan or act on zoning conditions	30 days	RSD 60,000
2 *	Request and obtain proof of ownership of the construction site	6 days	RSD 130
3	Request and obtain main construction project-plan clearance from the electric energy authority	45 days	RSD 10,000
4 *	Request and obtain main construction project clearance from the water and sewerage authority	60 days	RSD 159,500
5 *	Request and obtain main construction project clearance from the labor inspection department for work safety	60 days	RSD 2,000
6 *	Request and obtain main construction project clearance from the heating authority	45 days	RSD 12,500
7 *	Request and obtain main construction project clearance from the telecommunications authority	45 days	RSD 20,000

8 *	Request and obtain main construction project clearance from the traffic authority	60 days	RSD 5,900
9	Request and obtain a building permit	90 days	RSD 450
10 *	Request and obtain technical review of the main project	10 days	RSD 92,071
11	Notify and obtain approval for the start of construction from the municipality and pay city building land tax	1 day	RSD 5,379,281
12	Hire expert supervisor of the construction work	1 day	RSD 455,000
13	Request and obtain consent regarding the connection of the plot of land to the nearest public road	30 days	RSD 61,000
14 *	Request and obtain consent regarding regulations on environmental protection	30 days	RSD 80,000
15 *	Request and obtain water and sewerage connection	10 days	RSD 159,500
16 *	Request and obtain electricity connection	7 days	RSD 508,200
17 *	Request and obtain telephone connection	7 days	RSD 12,000
18	Request technical examination of the building by the municipal commission	1 day	RSD 120
19	Receive technical examination of the building from the municipality commission and obtain use permit	15 days	RSD 25,686
20	Register the building	45 days	RSD 4,000

* Takes place simultaneously with another procedure.

Dealing with Construction Permits Details - Serbia

Procedure 1 Request and obtain an extract from the urban plan or act on zoning conditions

Time to complete: 30 days

Cost to complete: RSD 60,000

Agency: Belgrade City Municipality

Comment: A request for either of these documents should be submitted to the municipality in the area where the building plot is situated. The extract from the urban plan can be obtained only if an urban plan for the site exists. An excerpt from an urban plan contains all the conditions and data necessary for the development of a conceptual project design and, in particular, construction line and height restrictions, and conditions, in accordance with regulations.

If BuildCo is interested in building a structure in an area for which development of an urban plan is not envisioned, on the request of the interested party, the municipality issues an act on zoning conditions, in accordance with the space plan. However, if the construction site is located within an area for which an urban plan exists (adopted on the basis of old laws), the act on zoning conditions must be issued in conformity with this urban plan, until the new urban plan takes effect. The required plans and documents for connecting to roads and other communal infrastructure must be obtained, at the investor's expense, from the municipality that has jurisdiction for issuing a building permit for the warehouse.

Procedure 2 Request and obtain proof of ownership of the construction site

Time to complete: 6 days

Cost to complete: RSD 130

Agency: Municipal Court

Comment: Proof of ownership is provided either by the appropriate municipal court (with a land register extract) or the Republic Geodesy Institute (an extract from the newly established cadastre).

It takes on average upto 10 days for issuance of the land register extract by the appropriate municipal court; the cost is RSD 130. The cadastre extract can be obtained in a day from the Republic Geodesy Institute at a cost from RSD 1,300 to RSD 1,500 (the price depends on the number of pages). Some areas of Belgrade are now updated and incorporated in the cadastral system. However, in the case considered here, only proof of ownership from the municipal court is needed.

Procedure 3 Request and obtain main construction project-plan clearance from the electric energy authority

Time to complete: 45 days

Cost to complete: RSD 10,000

Agency: Electricity Energy Authority

Comment: The timelimit for issuing the technical project clearances from various authorities is 30 days, concurrently. However, in practice it takes much longer and requires various follow-ups from applicants.

Procedure 4 Request and obtain main construction project clearance from the water and sewerage authority

Time to complete: 60 days

Cost to complete: RSD 159,500

Agency: Water and Sewage Authority

Comment: Preparation of the conditions regarding water and sewerage service costs RSD 70,500; consent (clearance) costs RSD 44,000; and connection to the public network costs RSD 45,000. These figures cover the costs of connection.

The timelimit for issuing the technical project clearances from various authorities is 30 days, concurrently. However, in practice it takes much longer and requires various follow-ups from applicants.

Procedure 5 Request and obtain main construction project clearance from the labor inspection department for work safety

Time to complete: 60 days

Cost to complete: RSD 2,000

Agency: Department for Safety at Work

Comment: The timelimit for issuing the technical project clearances from various authorities is 30 days, concurrently. However, in practice it takes much longer and requires various follow-ups from applicants.

Procedure 6 Request and obtain main construction project clearance from the heating authority

Time to complete: 45 days

Cost to complete: RSD 12,500

Agency: Heating Authority

Comment: The building authority will not approve the project without a clearance from the heating authority.

The timelimit for issuing the technical project clearances from various authorities is 30 days, concurrently. However, in practice it takes much longer and requires various follow-ups from applicants.

Procedure 7 Request and obtain main construction project clearance from the telecommunications authority

Time to complete: 45 days

Cost to complete: RSD 20,000

Agency: Telekom Serbia

Comment: The telecommunications authority makes a list of conditions after 10 days from when the application was submitted. After that, the company (BuildCo) prepares the relevant drawings and designs according to the specified norms. The overall time has decreased from 60 days to 45 days because of more efficient internal document processing.

The timelimit for issuing the technical project clearances from various authorities is 30 days, concurrently. However, in practice it takes much longer and requires various follow-ups from applicants.

Procedure 8 Request and obtain main construction project clearance from the traffic authority

Time to complete: 60 days

Cost to complete: RSD 5,900

Agency: Traffic Authority

Comment: According to oral information provided by the traffic authority, this clearance can be obtained within 30 days at a cost of RSD 5,900.

The timelimit for issuing the technical project clearances from various authorities is 30 days, concurrently. However, in practice it takes much longer and requires various follow-ups from applicants.

Procedure 9 Request and obtain a building permit

Time to complete: 90 days

Cost to complete: RSD 450

Agency: Secretariat for Urbanism and Construction Affairs of Belgrade City Municipality

Comment: Since Dec 31, 2008, by the new Statute of City of Belgrade, municipalities only handle building permits for projects below 800 sqm. This particular reform made the different districts of Belgrade more equal and defined the types of activities that are handled by the City versus the municipal offices. Everything above 800 sqm is now handled by the the City of Belgrade Secretariat for urbanism and construction work (Sekretarijat za urbanizam i gradevinske poslove).

A request for a building permit should be submitted to the Secretariat for Urbanism and Construction Affairs of Belgrade City Municipality in charge of the territory on which the building plot is situated, along with the following documentation:

- Extracts from the urban plan issued within 6 months before the filing of the request for a building permit.
- Preliminary design project plan that conforms to the urban plan mentioned above.
- Evidence of the ownership status or rental status of the building plot.

Although, the law stipulates the time limit of 15 days, the Construction Department of Municipality of Belgrade takes on average anywhere between 2-6 months, and sometimes even more.

Procedure 10 Request and obtain technical review of the main project

Time to complete: 10 days

Cost to complete: RSD 92,071

Agency: Licensed Company

Comment: A duly licensed company other than the one that furnished the main construction project plan must verify whether the main construction project has been made in accordance with the law and with the technical standards, and whether it has all necessary clearances described in Procedures 3–9. The main construction project must be certified and stamped to that effect.

Procedure 11 Notify and obtain approval for the start of construction from the municipality and pay city building land tax

Time to complete:

1 day

Cost to complete:

RSD 5,379,281

Agency:

Belgrade City Municipality

Comment:

The start of construction activities must be reported to the municipality at least 8 days before commencement. The notification must be accompanied by all necessary documentation described in Procedures 1–10 above, including the main construction project design and description of the equipment to be used, to be certified by the municipality within eight days of submission. After this certification has been obtained, construction may commence.

The company must pay the land usage tax that is charged by the City Building Directorate and varies from EUR 50 to EUR 60 per sq. m. of the building plot. Construction activities cannot begin before this fee is paid. Proof of payment of this fee (if not agreed otherwise with the City Building Directorate) is submitted to the municipality along with the other documents mentioned above, which are submitted as attachments to the notification to the municipality.

The cost depends on the city suburb in which the facility is built. Prices of land tax differ from one suburb to the other. Assuming a cost of EUR 50 (RSD 4,136) per square meter, the total cost in this case would be RSD 4,136 x 1,300.6 sq. m. = RSD 5,379,281.

In practice it may take anywhere around 10 days to undertake all necessary steps to complete this procedure.

Procedure 12 Hire expert supervisor of the construction work

Time to complete:

1 day

Cost to complete:

RSD 455,000

Agency:

Licensed, independent engineer

Comment:

Expert supervision of the construction must be provided during the entire period of construction by a licensed independent engineer. This person cannot be affiliated with BuildCo. The expert supervisor visits the site once a week on average.

Procedure 13 Request and obtain consent regarding the connection of the plot of land to the nearest public road

Time to complete:

30 days

Cost to complete:

RSD 61,000

Comment:

BuildCo must undertake this procedure should it require access to or use of the nearest public road.

Procedure 14 Request and obtain consent regarding regulations on environmental protection

Time to complete:

30 days

Cost to complete:

RSD 80,000

Comment:

Procedure 15 Request and obtain water and sewerage connection

Time to complete: 10 days

Cost to complete: RSD 159,500

Agency: Srbijavode

Comment:

Procedure 16 Request and obtain electricity connection

Time to complete: 7 days

Cost to complete: RSD 508,200

Agency: Elektroprivreda Srbije (EPS)

Comment: The cost is RSD 3,630 per kilowatt.

Procedure 17 Request and obtain telephone connection

Time to complete: 7 days

Cost to complete: RSD 12,000

Agency: Telekom Srbija a.d.

Comment:

Procedure 18 Request technical examination of the building by the municipal commission

Time to complete: 1 day

Cost to complete: RSD 120

Agency: Belgrade City Municipality

Comment: After all construction work has been completed, a municipal commission examines whether the constructed building complies with the issued building permit, all applicable laws and regulations, and technical standards. The municipality issues the use permit within 7 days after the commission responsible for the technical examination reports that the building is suitable for use.

The municipal commission does not issue the use permit if the building is not in compliance with technical standards and technical documentation. Instead, it orders BuildCo to correct all irregularities and, after re-examining the building, it issues the use permit. If the irregularities cannot be fixed and use of the building is dangerous, the commission orders the demolition of the building.

The City of Belgrade's administrative tax (the cost to complete this procedure) is now RSD 120.

Procedure 19 Receive technical examination of the building from the municipality commission and obtain use permit

Time to complete: 15 days

Cost to complete: RSD 25,686

Agency: Belgrade City Municipality

Comment: BuildCo must submit a formal request along with the building and the use permits. If there is a cadastral register in the area where the warehouse is constructed, the company should register the building at the cadastral registry. Otherwise, the building should be registered in the land books. Article 125 of the Law on Planning and Construction provides for a time limit of 7 days for this permit to be issued following the issuance of technical examination. However, there is no time-limit for the commission to perform technical examination. In practice, therefore it may take upto 6 months for the commission to convene and issue its decision.

Procedure 20 Register the building

Time to complete: 45 days

Cost to complete: RSD 4,000

Agency: Cadastral Registry or Land Books

Comment: BuildCo must submit a formal request along with the building permit and the use permit. If there is a cadastral register in the area where the warehouse was constructed, the company should register the building in the cadastral registry. Otherwise, the building should be registered in the land books.

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)

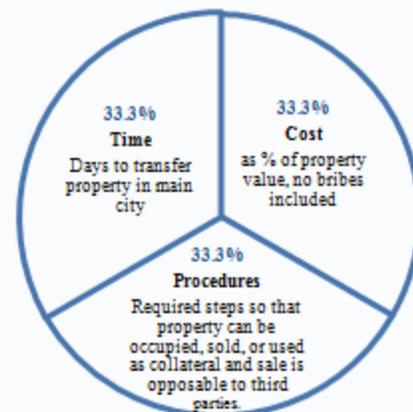
- Preregistration (for example, checking for liens, notarizing sales agreement, paying property transfer taxes)
- Registration in the economy's largest business city
- Post registration (for example, transactions with the local authority, tax authority or cadastre)

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:

Serbia is ranked 100 overall for Registering Property.

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



The following table shows Registering Property data for Serbia 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>			
Serbia	6	91	2.7

<i>Comparator Economies</i>			
Bulgaria	8	15	3.0
Greece	11	22	12.7
Hungary	4	17	5.0
Romania	8	48	1.3
Slovak Republic	3	17	0.0

* The following economies are also good practice economies for :

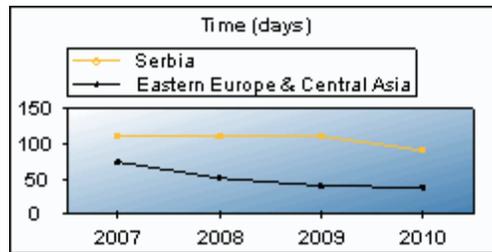
Procedures (number): United Arab Emirates

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

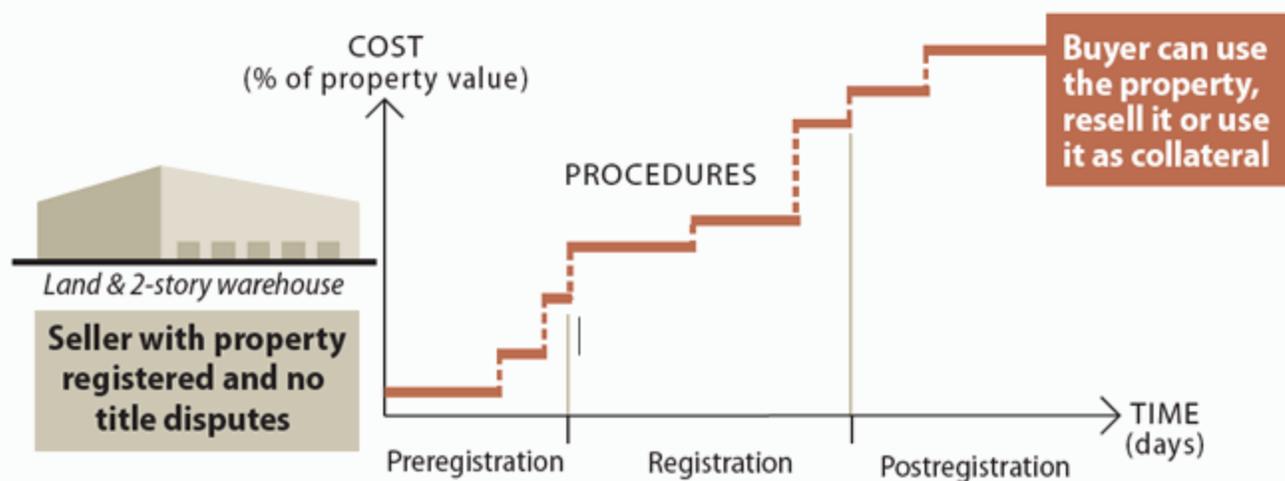
2. Historical data: Registering Property in Serbia

Registering Property data	Doing Business 2008	Doing Business 2009	Doing Business 2010	Doing Business 2011
Rank	..	..	105	100
Procedures (number)	6	6	6	6
Time (days)	111	111	111	91
Cost (% of property value)	5.4	2.9	2.8	2.7

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

STANDARDIZED PROPERTY

Property Value: 19,346,070.47

City: Belgrade

Registration Requirements:

No:	Procedure	Time to complete	Cost to complete
1	Obtain an extract from the register of companies	1 day	RSD 3,120
2	Verify the sale purchase agreement before the court	1 day	Court fees, depending on the property value and according to the following schedule (with a maximum of RSD 39,000): Property Value (in RSD) Court Fees (in RSD) Up to 10,000 980 From 10,000 to 100,000 650 + 1% of property value From 100,000 to 1,000,000 1,950 + 0.5% of property value Over 1,000,000 16,600 + 0.25% of property value
3	Submit request for registration to the Municipal Court Land Register or to the Cadastre	1 day	RSD 3,900 (Land Registry) or 6,163 (Cadastre)

4	Submit an application to Tax Authorities to approve transaction value and authorize payment of transfer tax	1 - 3 days	no cost
5	Pay the transfer tax	1 day	2.5% of the property value estimated by the Tax Authority
6	The Cadastre/Land Registry makes a decision on the title	15 - 45 days (Land Registry) or 30-140 days (Cadastre)	RSD 650 (Land Registry) or no cost for the Cadastre (already paid in Procedure 3)

Registering Property Details - Serbia

Procedure	1	Obtain an extract from the register of companies
Time to complete:	1 day	
Cost to complete:	RSD 3,120	
Agency:	Register of Companies	
Comment:	The cost consists of RSD 1,560 per extract. Considering the transaction involves two companies, they each must obtain the extract from the register of companies confirming that the persons signing the contract are authorized to sign on behalf of the companies.	
Procedure	2	Verify the sale purchase agreement before the court
Time to complete:	1 day	
Cost to complete:	Court fees, depending on the property value and according to the following schedule (with a maximum of RSD 39,000): Property Value (in RSD) Court Fees (in RSD) Up to 10,000 980 From 10,000 to 100,000 650 + 1% of property value From 100,000 to 1,000,000 1,950 + 0.5% of property value Over 1,000,000 16,600 + 0.25% of property value	
Agency:	Court	
Comment:	The sale purchase agreement is verified before the court. The court verifies the documentation, as the notaries do in other countries. In Serbia, the procedure of establishing the notary instead of the court verifications is under way. According to the Law on the Transfer of the Immovable, it is obligatory for the sale purchase agreement on real estate to be verified before the court. Effective as of the January 6th 2010, the Sale and Purchase Agreement can be certified only before the Basic Court competent for the territory where the purchased property is located. Prior to this legal reform, Sale and Purchase Agreements could be certified before any Basic Court, regardless of the fact where the property is located. A lawyer may prepare the sale purchase agreement (charging an additional RSD 15,000).	
Procedure	3	Submit request for registration to the Municipal Court Land Register or to the Cadastre
Time to complete:	1 day	
Cost to complete:	RSD 3,900 (Land Registry) or 6,163 (Cadastre)	
Agency:	Municipal Court Land Registry or Cadastre	
Comment:	There is a transition from a system where the registration is performed by the Land Register (a court) to a system where it is all handled by the Cadastre (administrative procedure). The new concept is to join legal record keeping (land register) with factual record keeping (old cadastre) providing a unified system for registration of real property. The new real property cadastre is maintained by an administrative body: Republic Geodesy Institute ("RGZ", through its operational units organized on the territorial principle). So far, approximately 78% of the municipalities have been covered by the new Cadastre. The urban regions are still mostly covered by the court-led registry. The Real Estate Cadastre and	

Registration Project, which is currently under way, aims to complete entire process until 2010, when all the process should be administered by the Cadastre (see www.rgz.sr.gov.yu).

Procedure 4 Submit an application to Tax Authorities to approve transaction value and authorize payment of transfer tax

Time to complete: 1 - 3 days

Cost to complete: no cost

Agency: Tax Authorities

Comment: The parties submit an application to the local Tax Authorities in order to get approval of the sale price that will be used to calculate the transfer tax. The parties have 10 days after the sale contract has been verified by the court to submit this application. The request will be approved in a few days and then the parties have 15 days to pay the transfer tax.

Procedure 5 Pay the transfer tax

Time to complete: 1 day

Cost to complete: 2.5% of the property value estimated by the Tax Authority

Agency: Commercial Bank

Comment: The tax is paid on a commercial bank into the account of the local Tax authority.

Procedure 6 The Cadastre/Land Registry makes a decision on the title

Time to complete: 15 - 45 days (Land Registry) or 30-140 days (Cadastre)

Cost to complete: RSD 650 (Land Registry) or no cost for the Cadastre (already paid in Procedure 3)

Agency: Cadastre or Land Registry

Comment: The time will depend on which agency takes charge of the registration. Registration in the Cadastre takes so long due to the back log in updating records for previous years. Once this transition is complete, the system should work more efficiently than the old system. This procedure may last between 30 and 180 days depending on the respective cadastre municipality within the territory of the City of Belgrade.
When the new Cadastre is established in a certain area, the Land Registry ceases to exist in the same area.
(footnote: This case is assuming the registration takes place in the Cadastre, the new system being implemented)

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

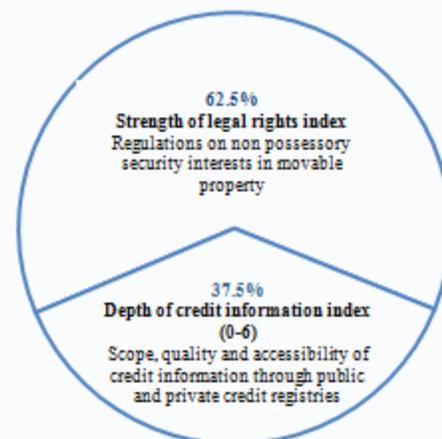
Public credit registry coverage (% of adults)

- 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)

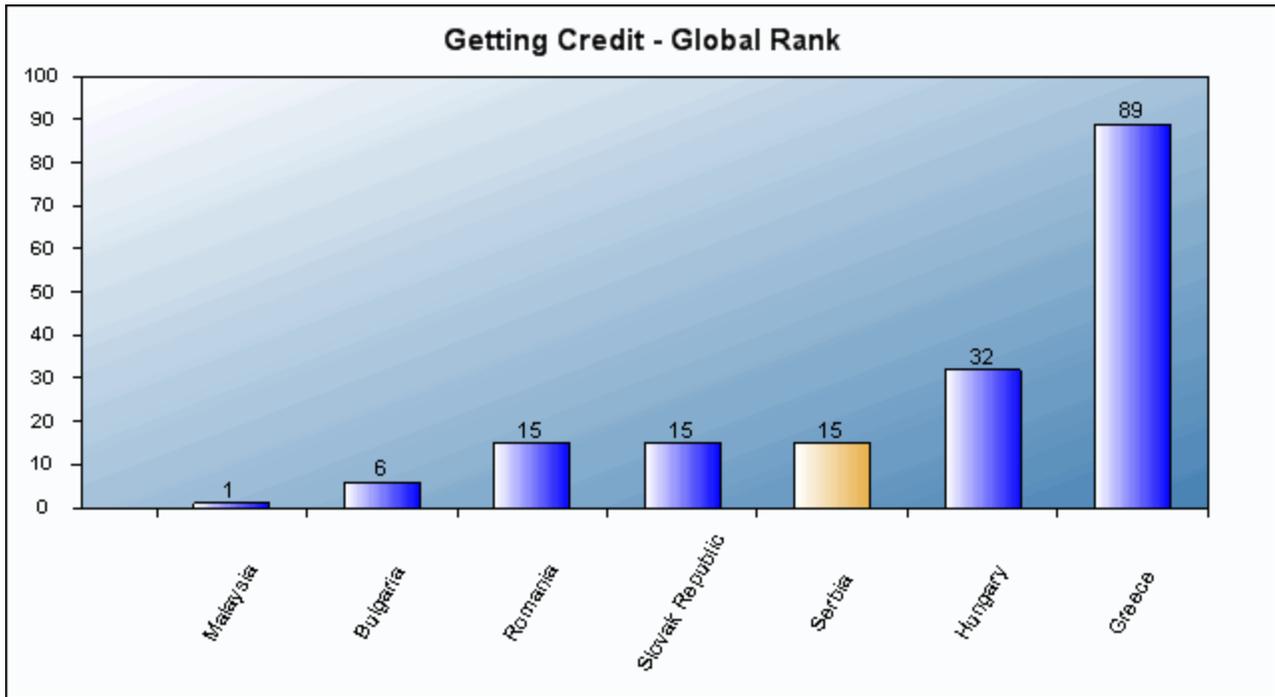
The Debtor

- 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:

Serbia is ranked 15 overall for Getting Credit.

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



The following table shows Getting Credit data for Serbia 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>				
Serbia	8	5	0.0	100.0

<i>Comparator Economies</i>				
Bulgaria	8	6	37.0	13.1
Greece	3	5	0.0	61.5
Hungary	7	5	0.0	11.4
Romania	8	5	13.0	33.3
Slovak Republic	9	4	2.2	44.5

* The following economies are also good practice economies for :

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

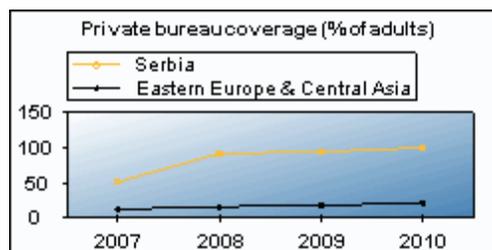
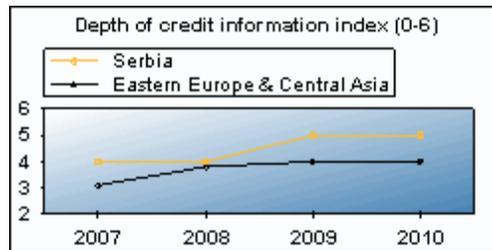
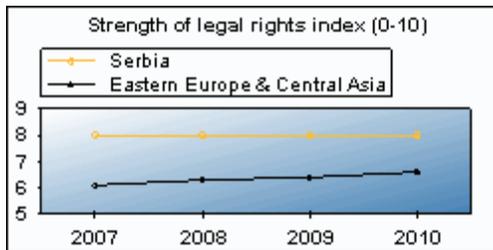
Private bureau coverage (% of adults): Argentina, Australia, Canada, Iceland, Ireland, Norway, Sweden, United Kingdom, United States

27 countries have the highest credit information index.

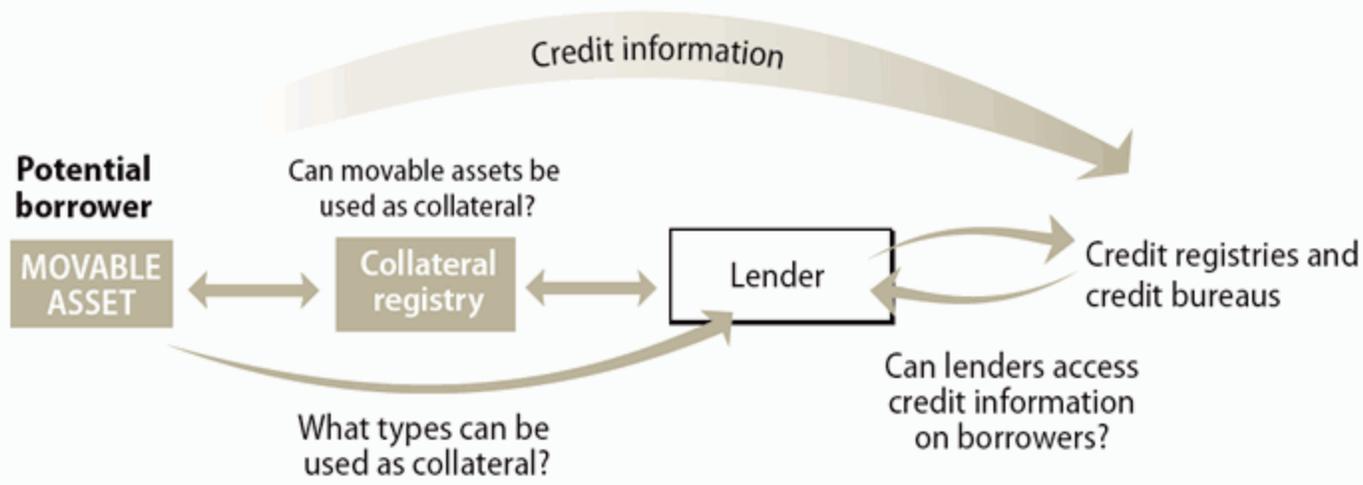
2. Historical data: Getting Credit in Serbia

Getting Credit data	Doing Business 2008	Doing Business 2009	Doing Business 2010	Doing Business 2011
Rank	..	..	14	15
Strength of legal rights index (0-10)	8	8	8	8
Depth of credit information index (0-6)	4	4	5	5
Private bureau coverage (% of adults)	51.3	91.9	94.2	100.0
Public registry coverage (% of adults)	0.1	0.0	0.0	0.0

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

Getting Credit Indicators (2010)			Indicator
Private bureau coverage (% of adults)	Private credit bureau	Public credit registry	5
Are data on both firms and individuals distributed?	Yes	No	1
Are both positive and negative data distributed?	Yes	No	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?	Yes	No	1
Is data on all loans below 1% of income per capita distributed?	Yes	No	1
Is it guaranteed by law that borrowers can inspect their data in the largest credit registry?	Yes	No	1
Coverage	100.0	0.0	
Number of individuals	5,078,660		0
Number of firms	439,523		0

Strength of legal rights index (0-10)**8**

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

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?

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?

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 ?

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 ?

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 ?

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

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

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

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

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)

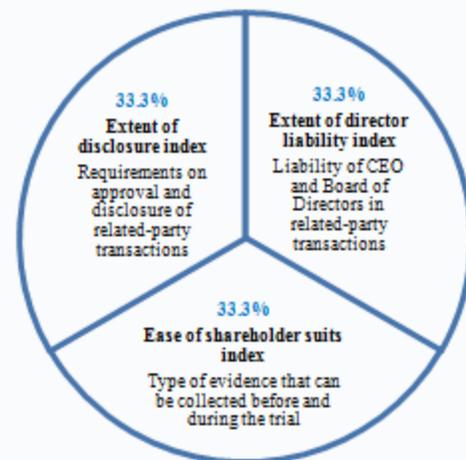
- Documents and information available during trial
- Access to internal corporate documents (directly or through a government inspector)

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.

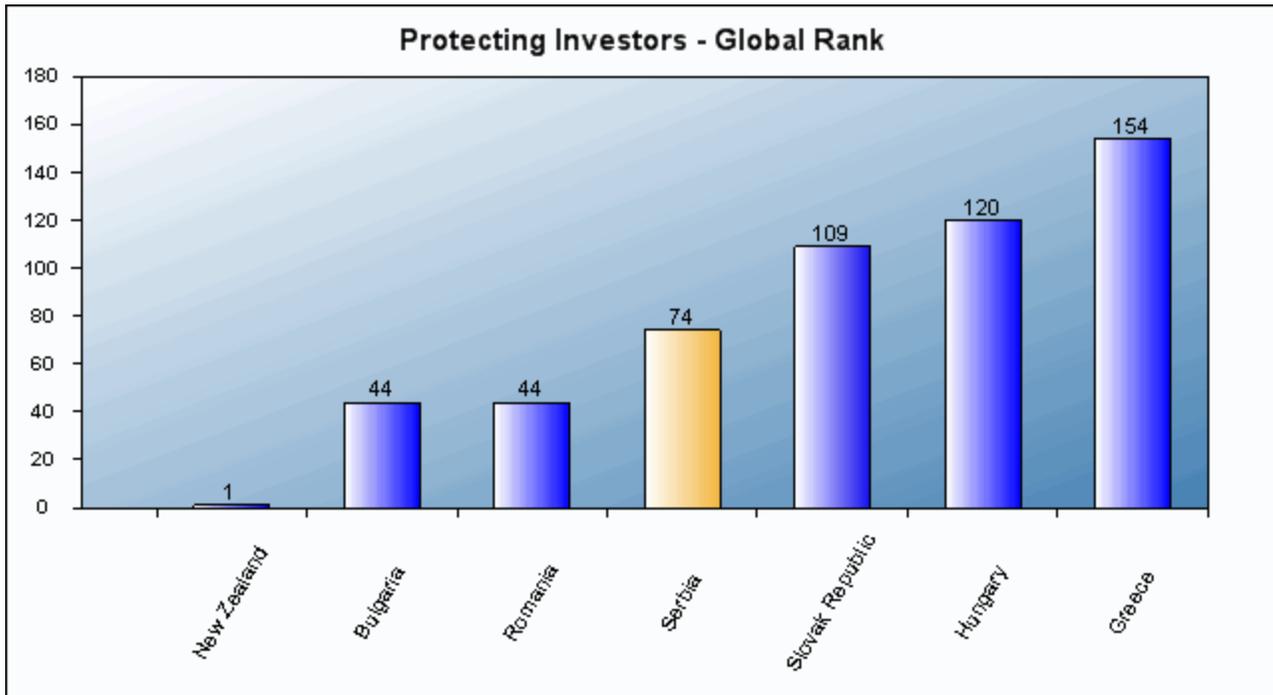
The transaction

- 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:

Serbia is ranked 74 overall for Protecting Investors.

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



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

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

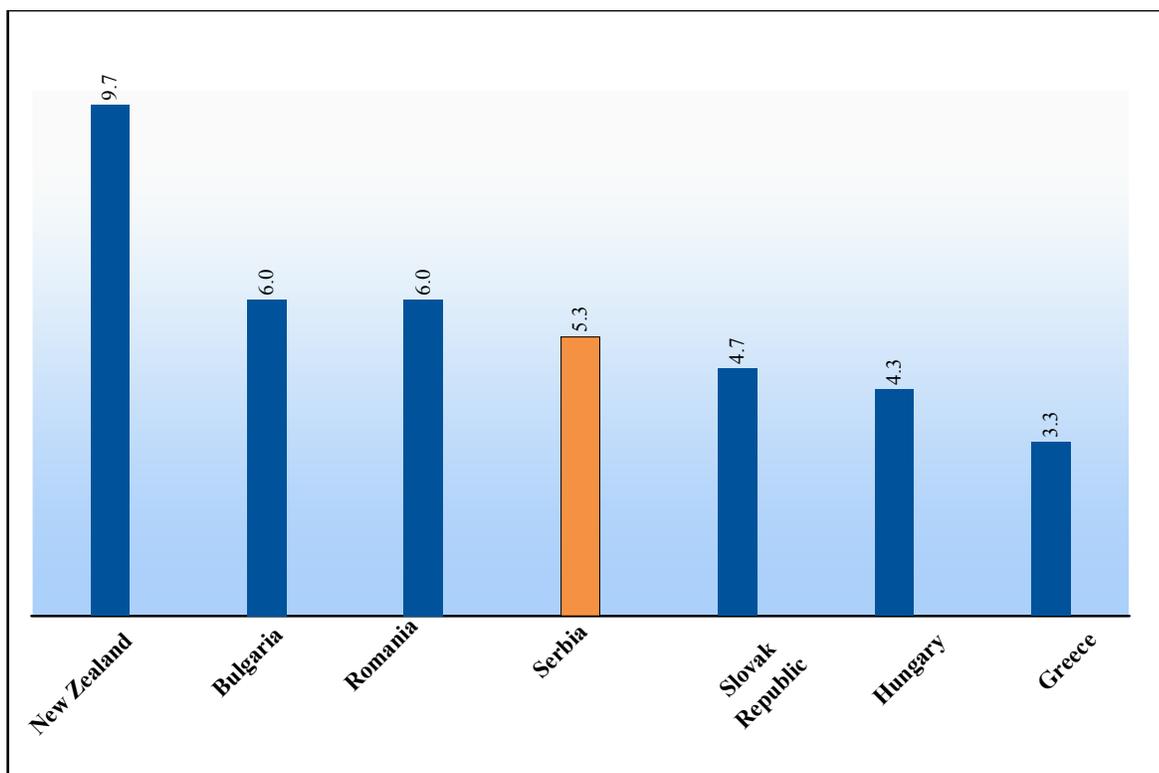
<i>Selected Economy</i>	
Serbia	5.3

<i>Comparator Economies</i>	
Bulgaria	6.0
Greece	3.3
Hungary	4.3
Romania	6.0
Slovak Republic	4.7

2. Historical data: Protecting Investors in Serbia

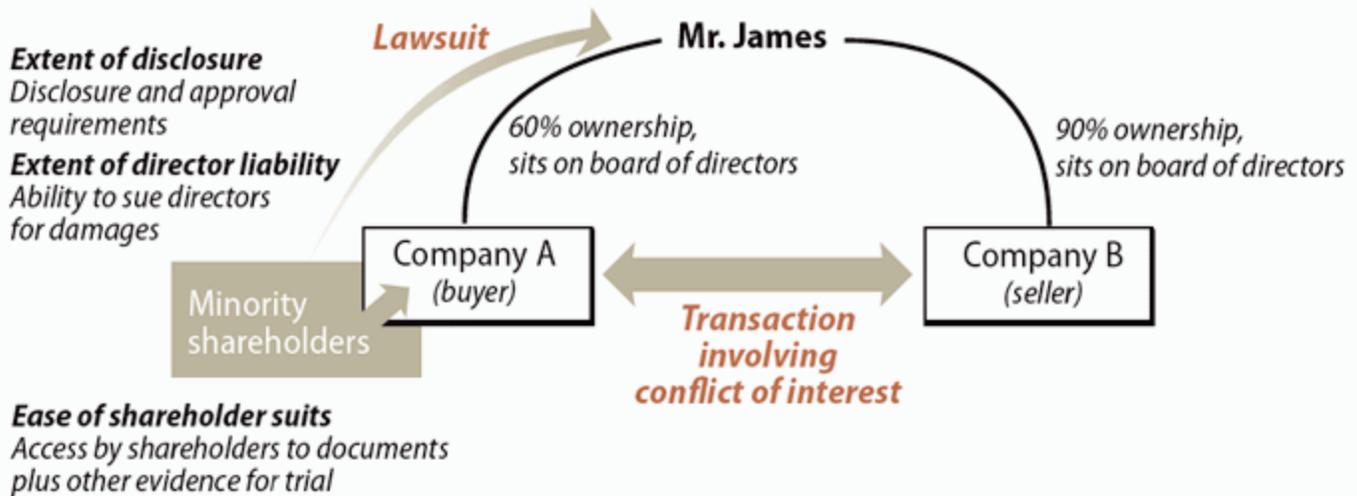
Protecting Investors data	Doing Business 2008	Doing Business 2009	Doing Business 2010	Doing Business 2011
Rank	..	..	73	74
Strength of investor protection index (0-10)	5.3	5.3	5.3	5.3

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

Protecting Investors Data (2010)	Indicator
Extent of disclosure index (0-10)	7
What corporate body provides legally sufficient approval for the transaction?	3
Whether immediate disclosure of the transaction to the public and/or shareholders is required?	1
Whether disclosure of the transaction in published periodic filings (annual reports) is required?	1
Whether disclosure of the conflict of interest by Mr. James to the board of directors is required?	2
Whether an external body must review the terms of the transaction before it takes place?	0
Extent of director liability index (0-10)	6
Whether shareholders can hold Mr. James liable for the damage that the Buyer-Seller transaction causes to the company?	1
Whether shareholders can hold the approving body (the CEO or board of directors) liable for the damage that the Buyer-Seller transaction causes to the company?	1
Whether a court can void the transaction upon a successful claim by a shareholder plaintiff?	1
Whether Mr. James pays damages for the harm caused to the company upon a successful claim by the shareholder plaintiff?	1

Whether Mr. James repays profits made from the transaction upon a successful claim by the shareholder plaintiff?	1
Whether fines and imprisonment can be applied against Mr. James?	0
Whether shareholders can sue directly or derivatively for the damage that the Buyer-Seller transaction causes to the company?	1
Ease of shareholder suits index (0-10)	3
Whether the plaintiff can obtain any documents from the defendant and witnesses during trial?	0
Whether the plaintiff can directly question the defendant and witnesses during trial?	1
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?	0
Whether shareholders owning 10% or less of Buyer's shares can inspect transaction documents before filing suit?	1
Strength of investor protection index (0-10)	5.3

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

Some reform outcomes

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

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

What do the Paying taxes indicators measure?

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

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

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

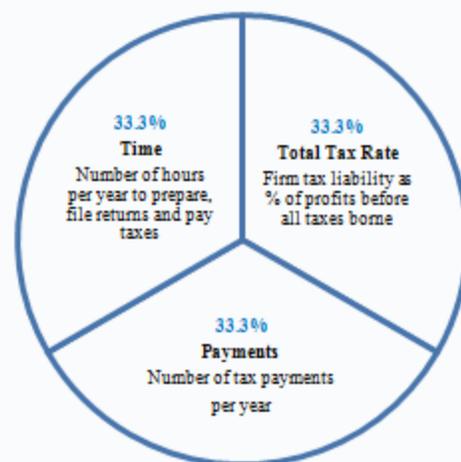
- Collecting information and computing the tax payable
- Completing tax return forms, filing with proper agencies
- Arranging payment or withholding
- Preparing separate tax accounting books, if required

Total tax rate (% of profit)

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

Paying Taxes: tax compliance for a local manufacturing company

Rankings are based on 3 subindicators



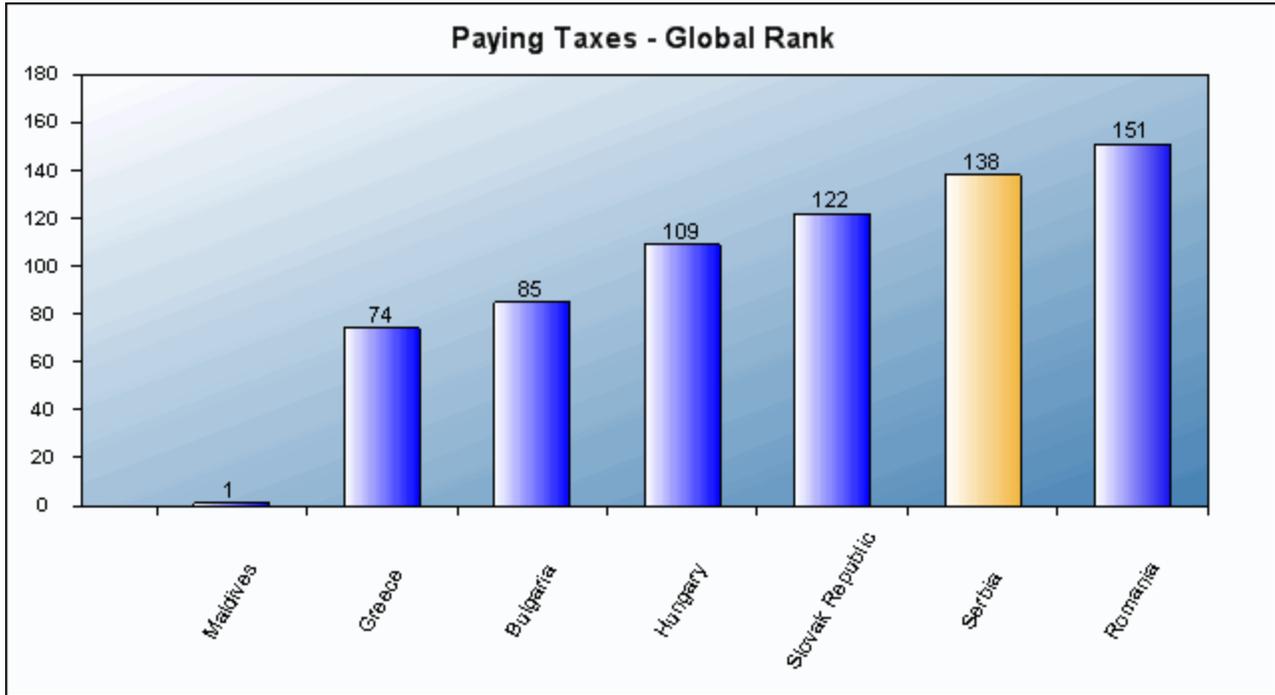
Case Study Assumptions

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

1. Benchmarking Paying Taxes Regulations:

Serbia is ranked 138 overall for Paying Taxes.

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



The following table shows Paying Taxes data for Serbia 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>			
Serbia	66	279	34.0

<i>Comparator Economies</i>			
Bulgaria	17	616	29.0
Greece	10	224	47.2
Hungary	14	277	53.3
Romania	113	222	44.9
Slovak Republic	31	257	48.7

* The following economies are also good practice economies for :

Payments (number per year): Qatar

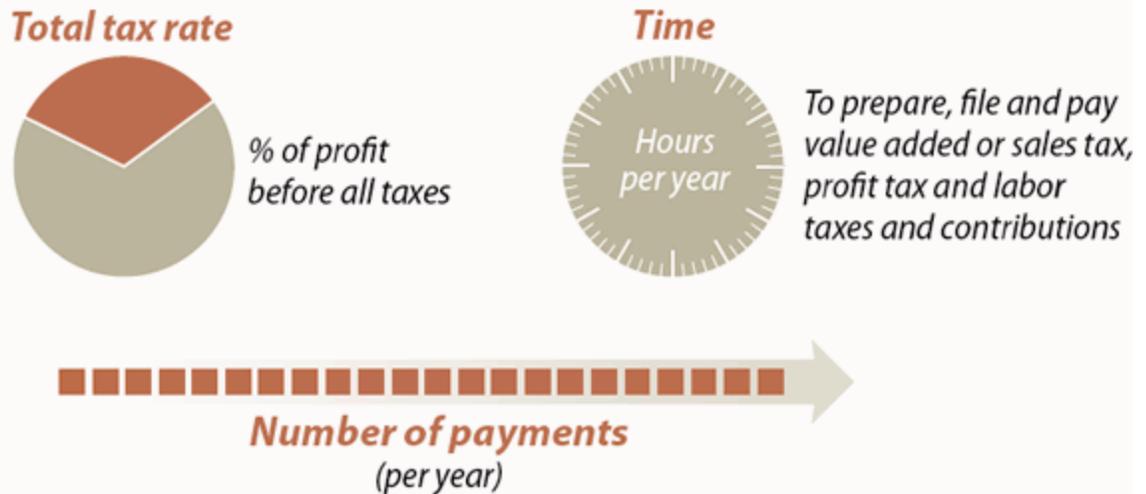
2. Historical data: Paying Taxes in Serbia

Paying Taxes data	Doing Business 2008	Doing Business 2009	Doing Business 2010	Doing Business 2011
Rank	..	..	134	138
Total tax rate (% profit)	35.8	34.0	34.0	34.0
Payments (number per year)	66	66	66	66
Time (hours per year)	279	279	279	279

3. The following graphs illustrate the Paying Taxes sub indicators in Serbia 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 Serbia, 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
Urban land usage fee	12			variable	per square meter		
Value added tax (VAT)	12		105	18.0%	value added		
Construction Land Development fee	1			variable	square meter of useful land for construction		
Other municipality charges	12			variable	various		
Property tax	4		0	0.4%	property value	0.70	
Property transfer tax	1			2.5%	sale price	1.50	
Corporate income tax	12		48	10.0%	taxable profit	11.60	
Social security	12		126	17.9%	gross salaries	20.20	
Totals	66		279			34.0	

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)

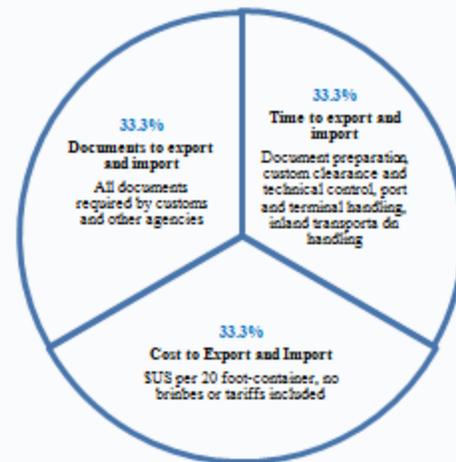
- Bank documents
- Customs clearance documents
- Port and terminal handling documents
- Transport documents

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

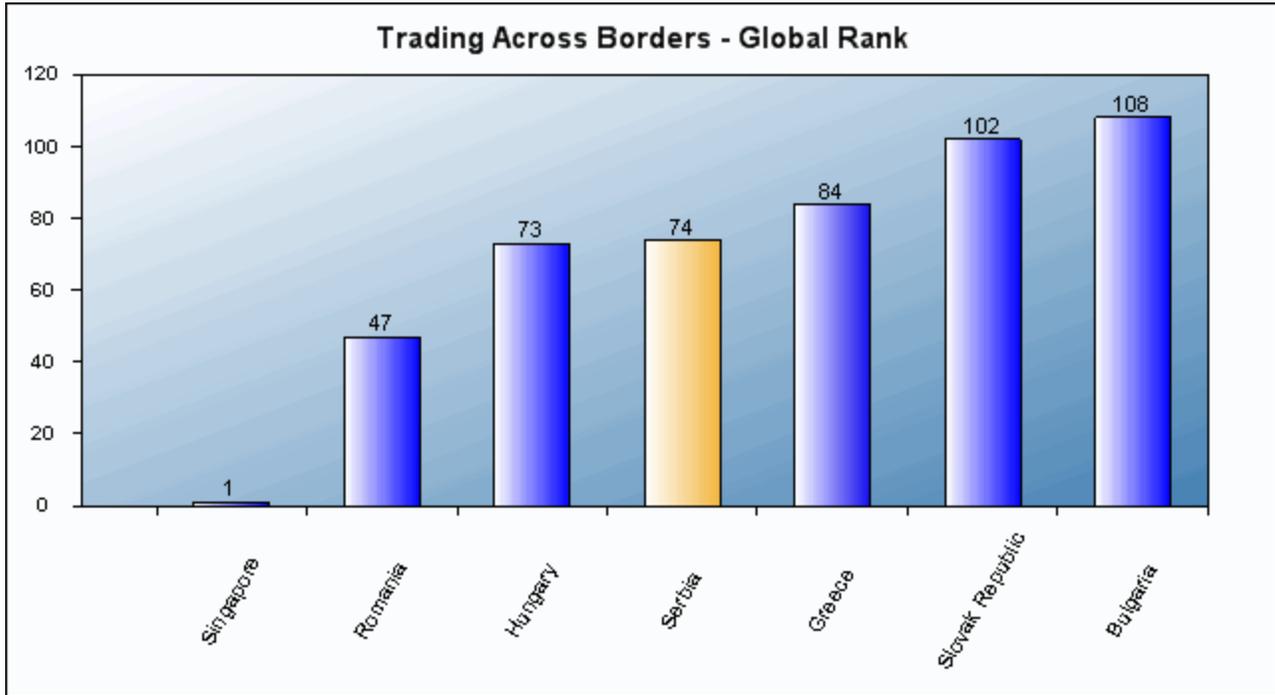
The traded product

- 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:

Serbia is ranked 74 overall for Trading Across Borders.

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



The following table shows Trading Across Borders data for Serbia 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>						
Serbia	6	12	1398	6	14	1559

<i>Comparator Economies</i>						
Bulgaria	5	23	1551	7	21	1666
Greece	5	20	1153	6	25	1265
Hungary	5	18	1225	7	17	1215
Romania	5	12	1275	6	13	1175
Slovak Republic	6	17	1530	8	19	1505

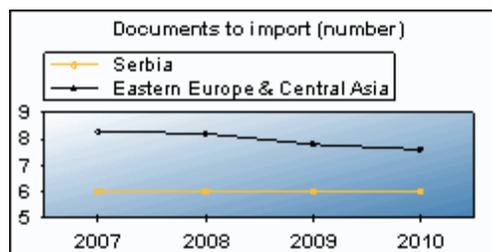
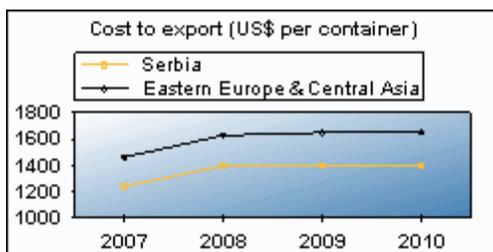
* The following economies are also good practice economies for :

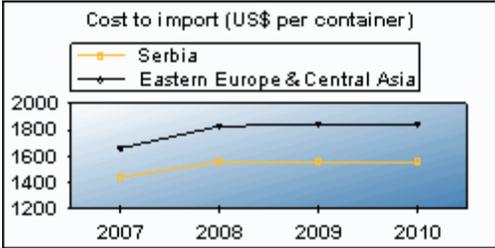
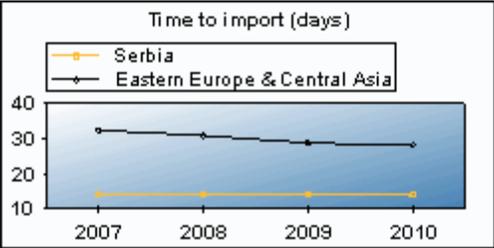
Time to export (days): Estonia

2. Historical data: Trading Across Borders in Serbia

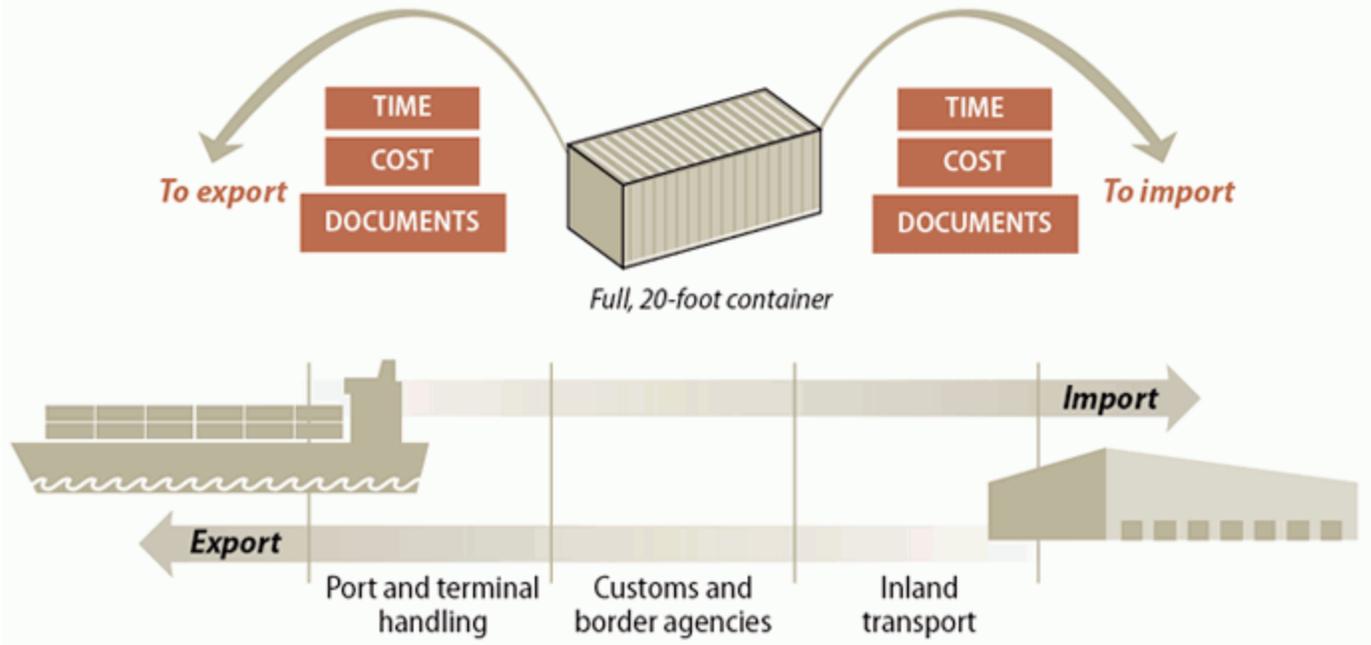
Trading Across Borders data	Doing Business 2008	Doing Business 2009	Doing Business 2010	Doing Business 2011
Rank	..	..	71	74
Cost to export (US\$ per container)	1240	1398	1398	1398
Cost to import (US\$ per container)	1440	1559	1559	1559
Documents to export (number)	6	6	6	6
Documents to import (number)	6	6	6	6
Time to export (days)	12	12	12	12
Time to import (days)	14	14	14	14

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

Nature of Export Procedures (2010)	Duration (days)	US\$ Cost
Documents preparation	2	178
Customs clearance and technical control	2	70
Ports and terminal handling	5	250
Inland transportation and handling	3	900
Totals	12	1398

Nature of Import Procedures (2010)	Duration (days)	US\$ Cost
Documents preparation	6	139
Customs clearance and technical control	2	70
Ports and terminal handling	3	250
Inland transportation and handling	3	1100
Totals	14	1559

Documents for Export and Import

Export

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

Import

- Bill of lading
- Certificate of origin
- Commercial invoice
- Customs import declaration
- Packing list
- Tax certificate

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)

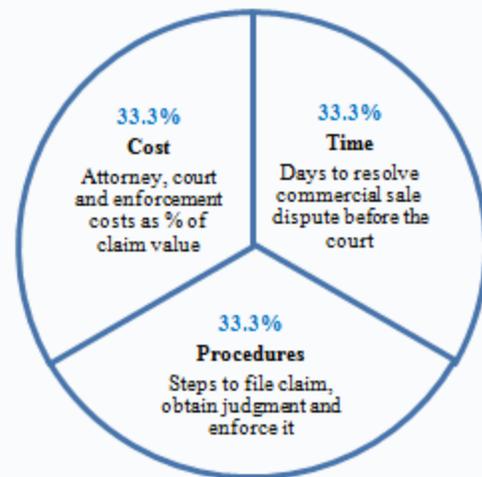
- Any interaction between the parties in a commercial dispute, or between them and the judge or court officer
- Steps to file the case
- Steps for trial and judgment
- Steps to enforce the judgment

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



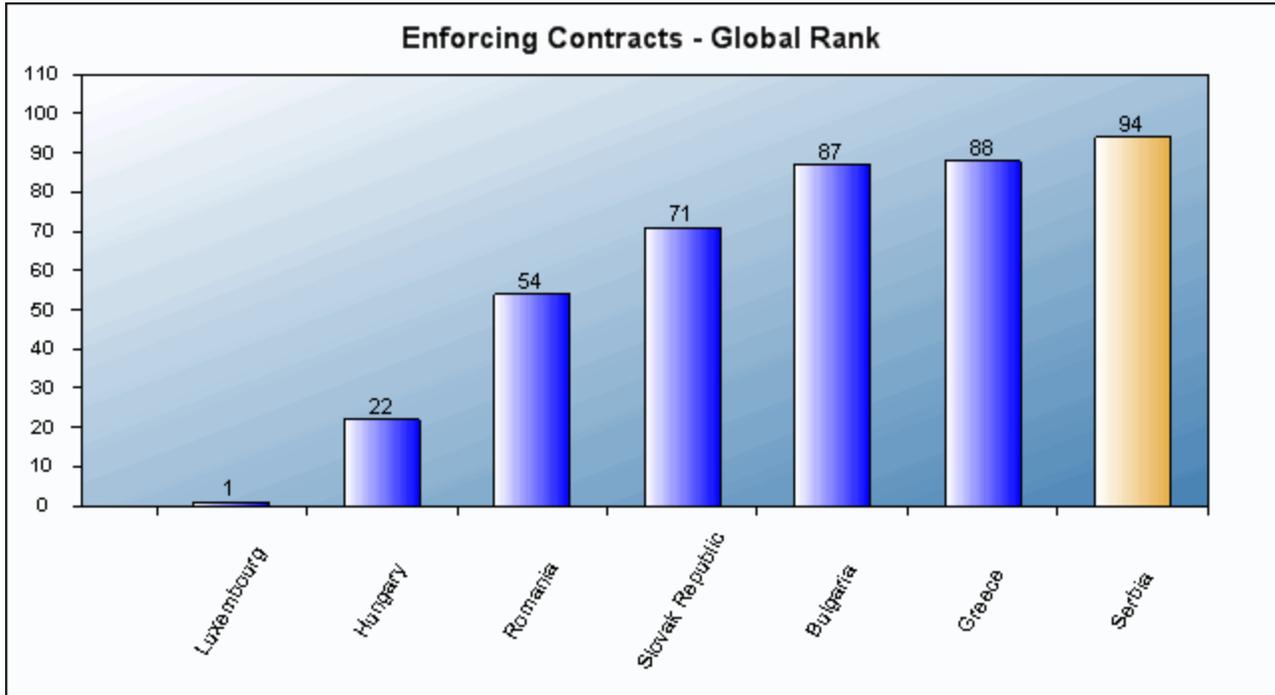
Case Study Assumptions

- 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:

Serbia is ranked 94 overall for Enforcing Contracts.

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



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

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

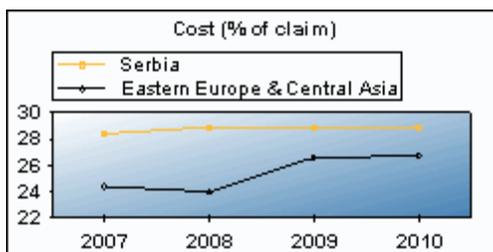
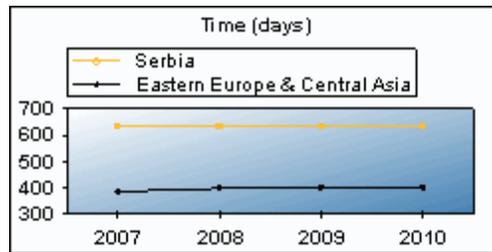
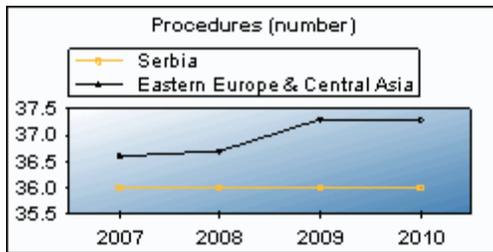
<i>Selected Economy</i>			
Serbia	36	635	28.9

<i>Comparator Economies</i>			
Bulgaria	39	564	23.8
Greece	39	819	14.4
Hungary	35	395	15.0
Romania	31	512	28.9
Slovak Republic	31	565	30.0

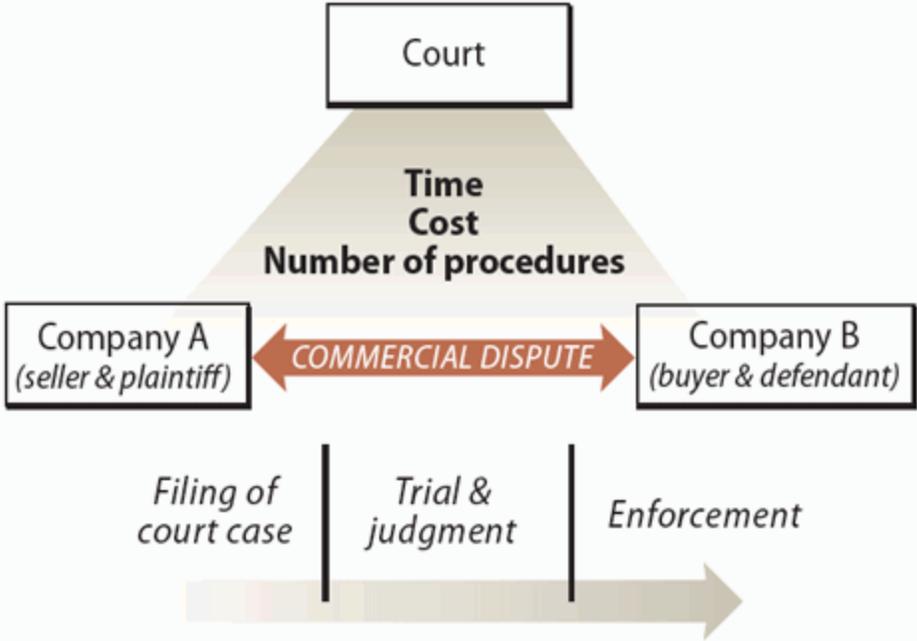
2. Historical data: Enforcing Contracts in Serbia

Enforcing Contracts data	Doing Business 2008	Doing Business 2009	Doing Business 2010	Doing Business 2011
Rank	..	..	94	94
Procedures (number)	36	36	36	36
Time (days)	635	635	635	635
Cost (% of claim)	28.4	28.9	28.9	28.9

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

Nature of Procedure (2010)	Indicator
Procedures (number)	36
Time (days)	635
Filing and service	30.0
Trial and judgment	495.0
Enforcement of judgment	110.0
Cost (% of claim)*	28.90
Attorney cost (% of claim)	9.4
Court cost (% of claim)	7.1
Enforcement Cost (% of claim)	12.4

Court information: Belgrade Commercial Court ("Privredni sud u Beogradu")

* 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)

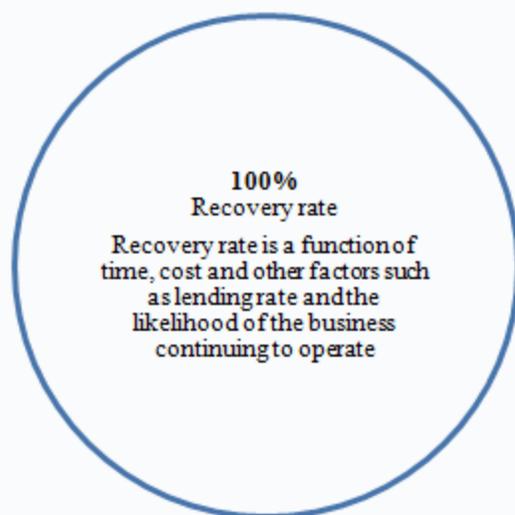
- Measured in calendar years
- Appeals and requests for extension are included

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:

Serbia is ranked 86 overall for Closing a Business.

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



The following table shows Closing Business data for Serbia 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>			
Serbia	29.5	2.7	23

<i>Comparator Economies</i>			
Bulgaria	31.0	3.3	9
Greece	43.2	2.0	9
Hungary	37.9	2.0	15
Romania	25.7	3.3	11
Slovak Republic	55.3	4.0	18

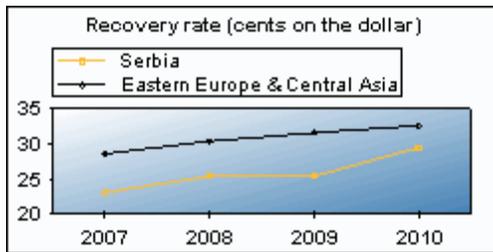
* The following economies are also good practice economies for :

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

2. Historical data: Closing Business in Serbia

Closing a Business data	Doing Business 2008	Doing Business 2009	Doing Business 2010	Doing Business 2011
Rank	..	..	101	86
Time (years)	2.7	2.7	2.7	2.7
Cost (% of estate)	23	23	23	23
Recovery rate (cents on the dollar)	23.1	25.4	25.4	29.5

3. The following graphs illustrate the Closing Business sub indicators in Serbia 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.
Bulgaria	Bulgaria eased business start-up by reducing the minimum capital requirement from 5,000 leva (\$3,250) to 2 leva (\$1.30). Bulgaria reduced employer contribution rates for social security.
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.
Greece	Greece made transferring property more costly by increasing the transfer tax from 1% of the property value to 10%.
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.
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.
Romania	Romania amended regulations related to construction permitting to reduce fees and expedite the process. Romania introduced tax changes, including a new minimum tax on profit, that made paying taxes more costly for companies. Substantial amendments to Romania's bankruptcy laws—introducing, among other things, a procedure for out-of-court workouts—made dealing with insolvency easier.
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.
Serbia	Serbia passed a new bankruptcy law that introduced out-of-court workouts and a unified reorganization procedure.

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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