

Doing Business 2011

Sudan

**Making
a Difference for
Entrepreneurs**

COMPARING BUSINESS REGULATION IN 183 ECONOMIES



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Doing Business 2011
Business Reforms

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

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

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

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

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

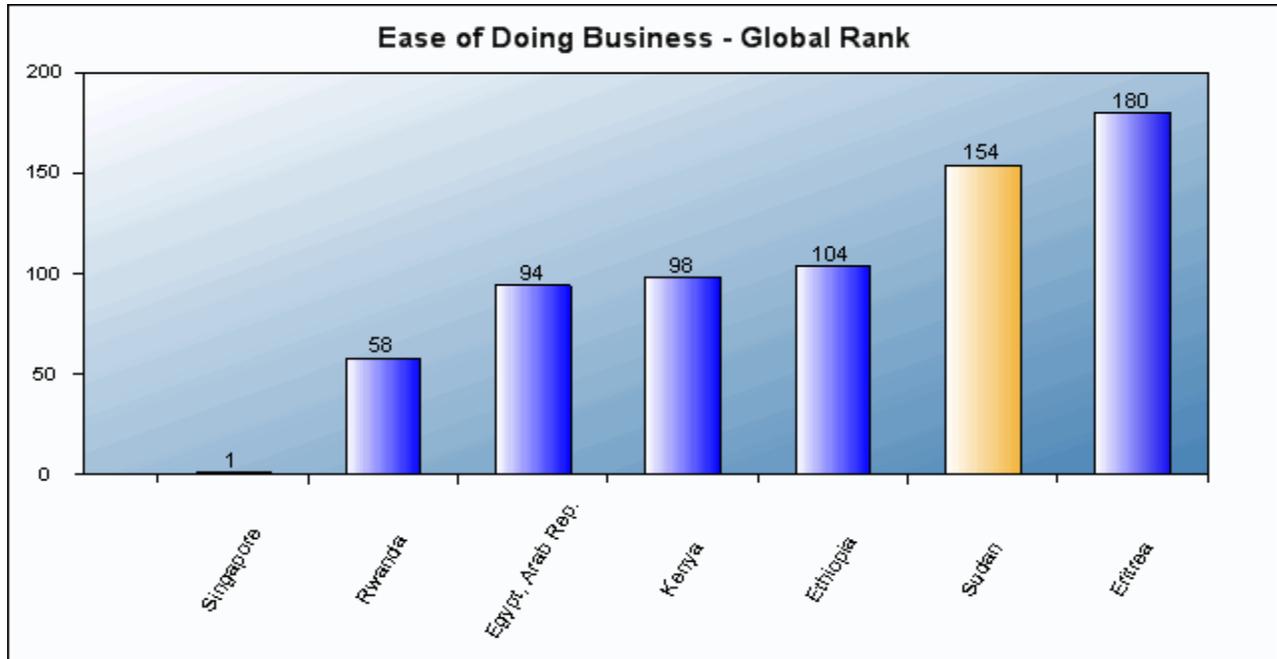
* Except for the Paying Taxes indicator that refers to the period January to December of 2009.

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

Sudan is ranked 154 out of 183 economies. Singapore is the top ranked economy in the Ease of Doing Business.

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



Sudan's ranking in Doing Business 2011

Rank	Doing Business 2011
Ease of Doing Business	154
Starting a Business	121
Dealing with Construction Permits	139
Registering Property	40
Getting Credit	138
Protecting Investors	154
Paying Taxes	94
Trading Across Borders	143
Enforcing Contracts	146
Closing a Business	183

Summary of Indicators - Sudan

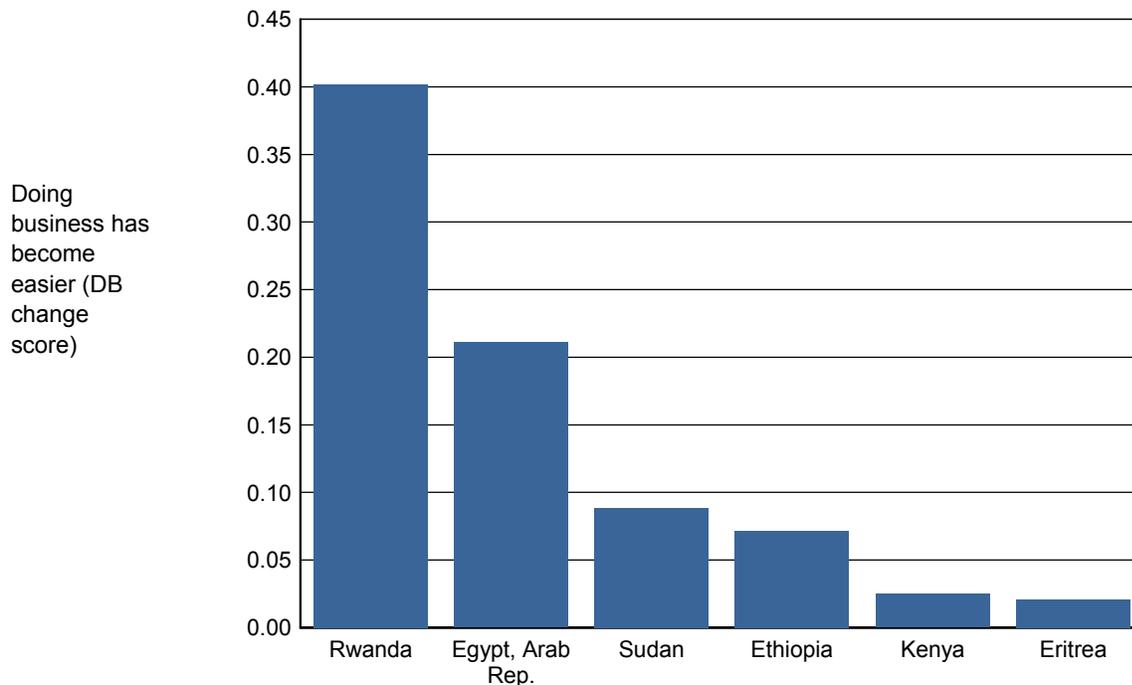
Starting a Business	Procedures (number)	10
	Time (days)	36
	Cost (% of income per capita)	33.6
	Min. capital (% of income per capita)	0.0
Dealing with Construction Permits	Procedures (number)	19
	Time (days)	271
	Cost (% of income per capita)	192.2
Registering Property	Procedures (number)	6
	Time (days)	9
	Cost (% of property value)	3.0
Getting Credit	Strength of legal rights index (0-10)	5
	Depth of credit information index (0-6)	0
	Public registry coverage (% of adults)	0.0
	Private bureau coverage (% of adults)	0.0
Protecting Investors	Extent of disclosure index (0-10)	0
	Extent of director liability index (0-10)	6
	Ease of shareholder suits index (0-10)	4
	Strength of investor protection index (0-10)	3.3
Paying Taxes	Payments (number per year)	42
	Time (hours per year)	180
	Profit tax (%)	13.8
	Labor tax and contributions (%)	19.2
	Other taxes (%)	3.1
	Total tax rate (% profit)	36.1
Trading Across Borders	Documents to export (number)	6
	Time to export (days)	32
	Cost to export (US\$ per container)	2050
	Documents to import (number)	6
	Time to import (days)	46
	Cost to import (US\$ per container)	2900

Enforcing Contracts	Procedures (number)	53
	Time (days)	810
	Cost (% of claim)	19.8
Closing a Business	Recovery rate (cents on the dollar)	0.0
	Time (years)	no practice
	Cost (% of estate)	no practice

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

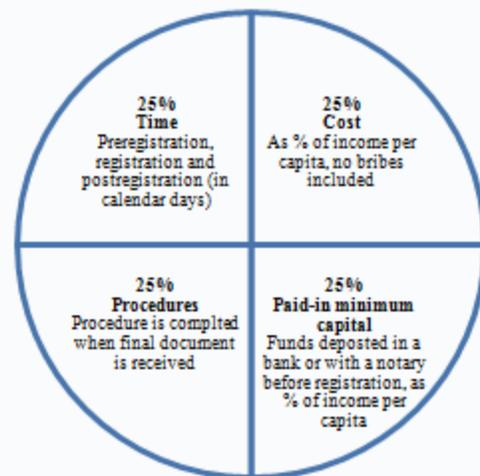
Cost required to complete each procedure (% of income per capita)

- 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.

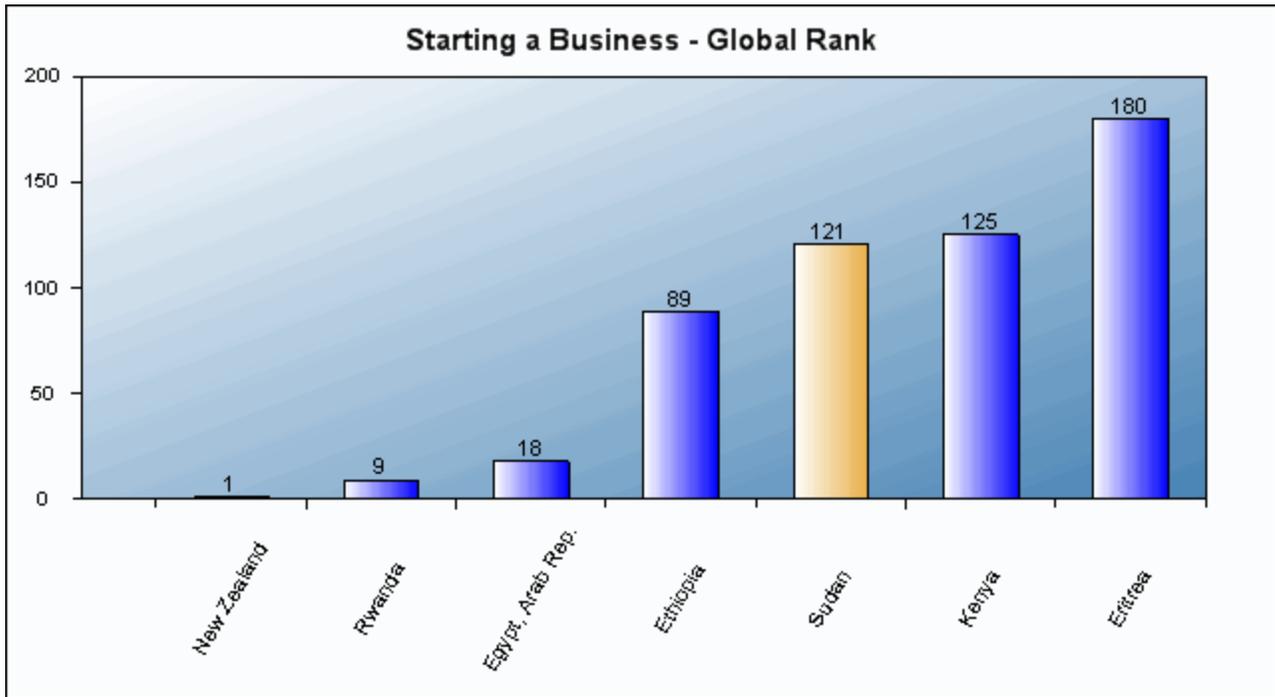
The business:

- 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:

Sudan is ranked 121 overall for Starting a Business.

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



The following table shows Starting a Business data for Sudan 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>				
Sudan	10	36	33.6	0.0

<i>Comparator Economies</i>				
Egypt, Arab Rep.	6	7	6.3	0.0
Eritrea	13	84	69.2	268.4
Ethiopia	5	9	14.1	367.7
Kenya	11	33	38.3	0.0
Rwanda	2	3	8.8	0.0

* The following economies are also good practice economies for :

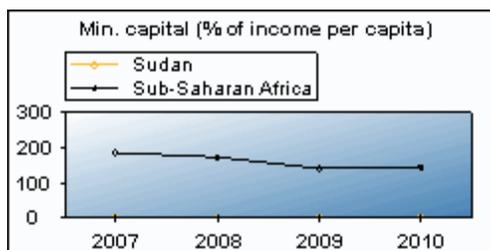
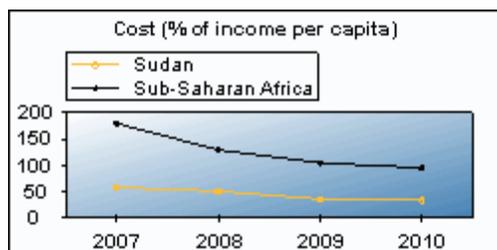
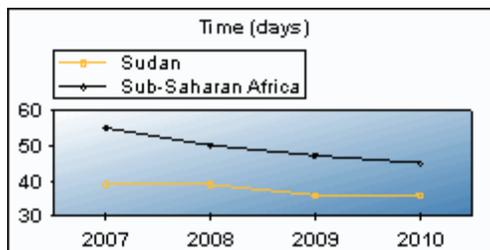
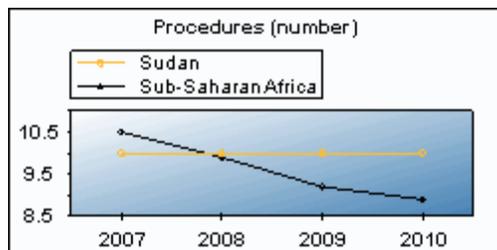
Procedures (number): **Canada**

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

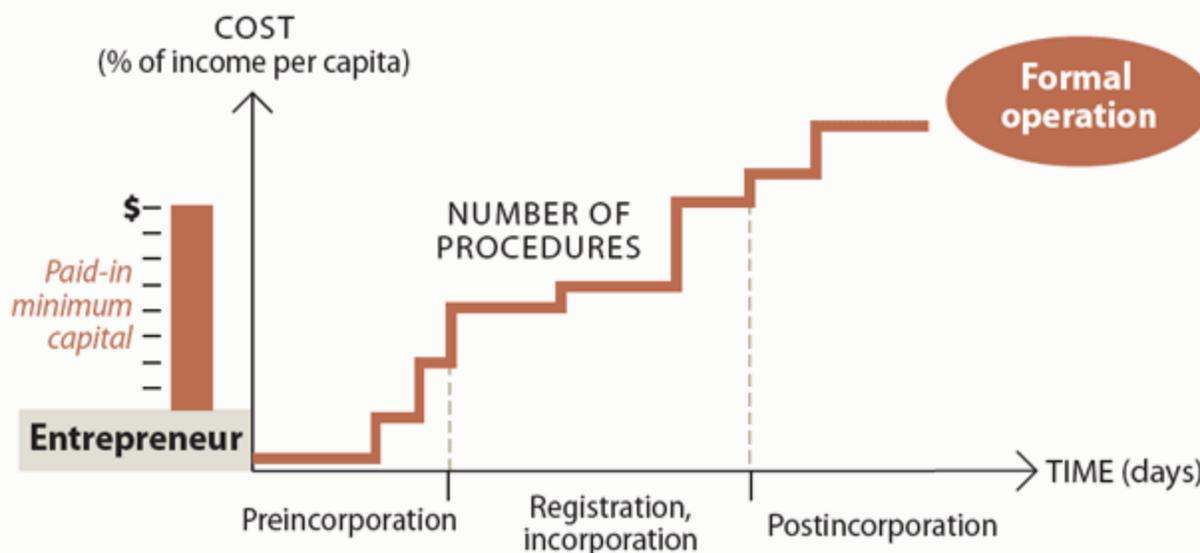
2. Historical data: Starting a Business in Sudan

Starting a Business data	Doing Business 2008	Doing Business 2009	Doing Business 2010	Doing Business 2011
Rank	..	..	118	121
Procedures (number)	10	10	10	10
Time (days)	39	39	36	36
Cost (% of income per capita)	57.9	50.8	36.0	33.6
Min. capital (% of income per capita)	0.0	0.0	0.0	0.0

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

STANDARDIZED COMPANY

Legal Form: Private Limited Liability Company

City: Khartoum

Registration Requirements:

No:	Procedure	Time to complete	Cost to complete
1	Submit application for preliminary approval to Registrar and reserve company name	3	SDG 120
2	Notarize memorandum and articles of association	2	SDG 350
3	Notify taxation chambers	1	SDG 55
4	Register with commercial registry	4	SDG 151
5	Conduct site inspection	2	no charge
6	Apply for tax identification number	1	SDG 5
7 *	Register for VAT	2	no charge
8	Register with labor authorities	14	SDG 192

9	Enroll employees for social security	5	SDG 0
10	Make a company seal	2	SDG 40

* Takes place simultaneously with another procedure.

Starting a Business Details - Sudan

Procedure 1 Submit application for preliminary approval to Registrar and reserve company name

Time to complete: 3

Cost to complete: SDG 120

Comment: an informal draft copy of the company memorandum and articles of association containing the company objectives, nominal capital, capital distribution, names of founding shareholders whether natural or legal personalities, and company Articles, are submitted before the companies registrar for its preliminary approval along with a request containing the required legal stamps, such request shall also contain optional additional suggested names for the company. Afterwards, and within 2 to 3 days a preliminary approval to register the Company is to be issued from the Companies Registrar containing additional rules and guidance to be prepared within the provided Articles and Memorandum of Association before its submittal in its final form, the Companies Registrar may also reject the grant of a Preliminary approval whenever there is a similar or identical name that is already registered.

Procedure 2 Notarize memorandum and articles of association

Time to complete: 2

Cost to complete: SDG 350

Comment: Three copies of the Memorandum and Articles of Association along with Forms C2 and C2a are to be prepared according to the rules contained under the preliminary approval, signed by all founding shareholders, and then authenticated by a lawyer having authentication authority.

Procedure 3 Notify taxation chambers

Time to complete: 1

Cost to complete: SDG 55

Comment: Before applying for final approval and registration, the company must submit a preliminary approval to the Taxation Chamber with the memorandum and articles of association, which should be stamped by the Chamber in acknowledgement of the notification. Forms C2 and C2a are also to be submitted before the Taxation Chamber for its approval, all documents shall then be submitted before the Zakat Chamber for its approval.

Procedure 4 Register with commercial registry

Time to complete: 4

Cost to complete: SDG 151

Comment: All stamps are to be placed on the Articles and Memorandum of Association, all documents including the two forms of c2 and c2a and an original copy of a lease agreement or property certificate to insure existence of the company office, are to be submitted before the commercial registrar for final registration.
Fee schedule for stamp duties according to internal Commercial Registrar Regulations :
SDG 50 for Workers Association Stamp Duty

Procedure 5 Conduct site inspection

Time to complete: 2

Cost to complete: no charge

Comment: As of 2005, a Companies' Registry representative must visit the proposed place of business to confirm its existence. therefore, before delivering the certificate of incorporation, a registry representative may visit the registered office to confirm its existence. It is now also mandatory for the company to obtain and post a signboard outside its place of business.

Procedure 6 Apply for tax identification number

Time to complete: 1

Cost to complete: SDG 5

Comment: The following documents are required to apply for a tax identification number:

- Shareholder information.
- Memorandum and articles of association (notarized).
- Certificate of incorporation (two copies).
- Completed registration forms.
- company resolution delegating a person to act on the company behalf.

Procedure 7 Register for VAT

Time to complete: 2

Cost to complete: no charge

Comment: The company registers for VAT in the same building but at a separate department. It is not mandatory to register at the same time.

Procedure 8 Register with labor authorities

Time to complete: 14

Cost to complete: SDG 192

Comment: The company must deposit the basic work and penalties regulations with the competent labor office.

Procedure 9 Enroll employees for social security

Time to complete: 5

Cost to complete: SDG 0

Comment: The company must register itself before the Social Insurance Fund. the required documents for this procedure are:

- Copy of Company Certificate of Incorporation and Memorandum and Articles of Association.
- Completed registration form.

At the same time, the company registers its employees for the social Insurance, registration procedure is free of charge, and the required documents for this procedure are:

- List with employees names and salaries
- Completed registration form.

Procedure 10 Make a company seal

Time to complete: 2

Cost to complete: SDG 40

Comment: The cost to make a company seal depends on the kind of material used. Costs vary and are as low as SDG 40.

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

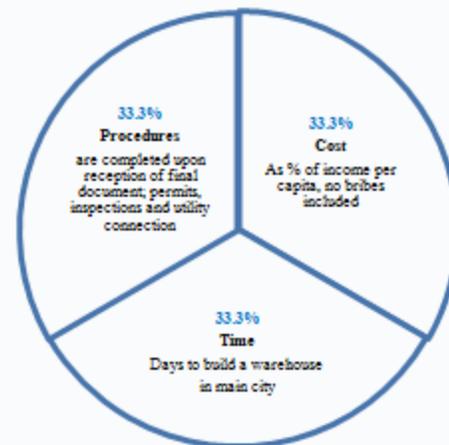
The warehouse:

- 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

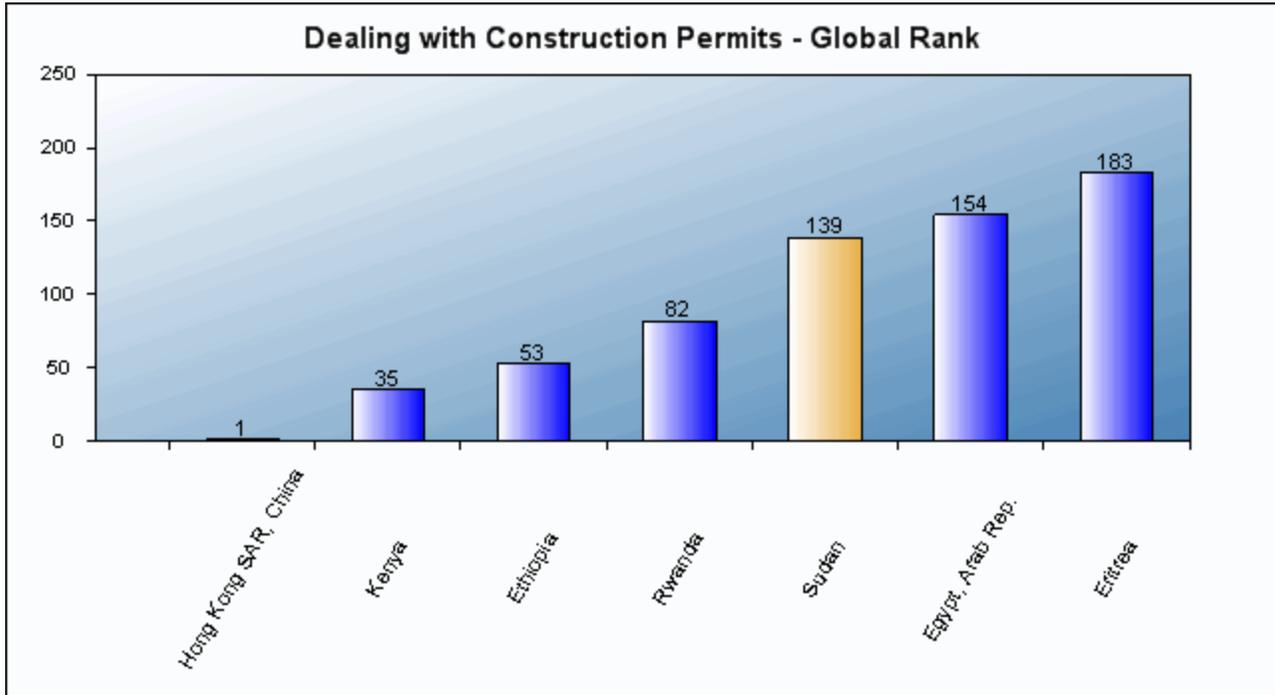
Rankings are based on 3 subindicators



1. Benchmarking Dealing with Construction Permits Regulations:

Sudan is ranked 139 overall for Dealing with Construction Permits.

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



The following table shows Dealing with Construction Permits data for Sudan 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	

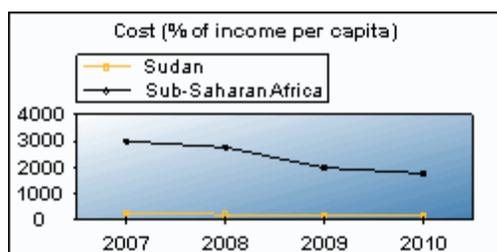
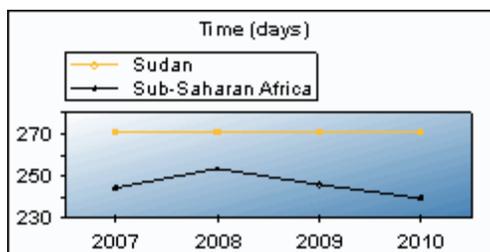
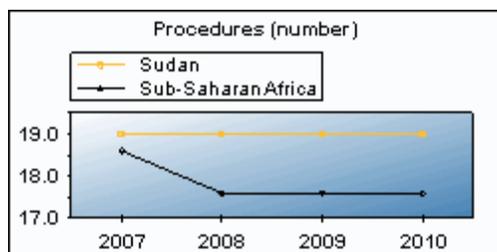
<i>Selected Economy</i>			
Sudan	19	271	192.2

<i>Comparator Economies</i>			
Egypt, Arab Rep.	25	218	293.7
Eritrea	no practice	no practice	no practice
Ethiopia	12	128	419.6
Kenya	11	120	167.8
Rwanda	14	195	353.6

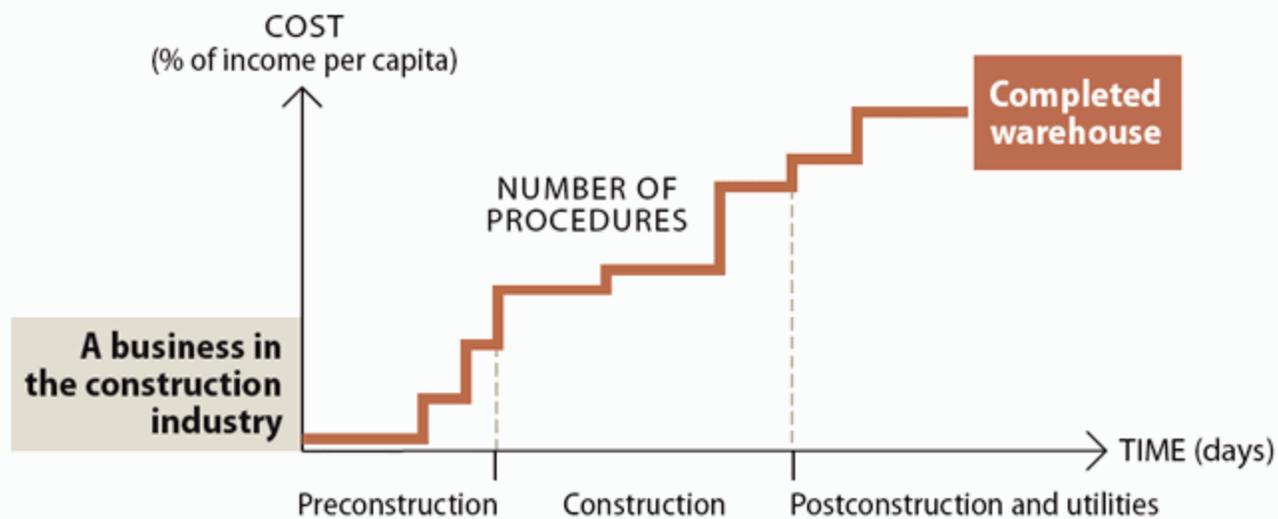
2. Historical data: Dealing with Construction Permits in Sudan

Dealing with Construction Permits data	Doing Business 2008	Doing Business 2009	Doing Business 2010	Doing Business 2011
Rank	..	..	141	139
Procedures (number)	19	19	19	19
Time (days)	271	271	271	271
Cost (% of income per capita)	258.1	208.3	206.4	192.2

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

BUILDING A WAREHOUSE
City: Khartoum

Registration Requirements:

No:	Procedure	Time to complete	Cost to complete
1	Obtain recent certificate of land ownership from the Land Authority	7 days	USD 10
2	Obtain planning permission from the Municipal Authority	7 days	USD 300
3	Obtain project clearance from the Environment and Health Department	35 days	SDG 22
4	Obtain project clearance from the Fire Department	14 days	no charge
5	Obtain temporary building permit from the Local Municipal Authority	25 days	no charge
6	Pay fee for the building permit application (issuance) at an authorized bank	2 days	SDG 101
7	Obtain building permit	40 days	no charge
8	Receive foundations work inspection	1 day	no charge

9	Receive random inspection	1 day	no charge
10	Request and receive final inspection	1 day	no charge
11	Obtain certificate of conformity	30 days	no charge
12 *	Request water and sewage connection	1 day	no charge
13	Receive water and sewage inspection	1 day	no charge
14	Obtain water and sewage connection	105 days	SDG 1,200
15 *	Request electricity connection	1 day	SDG 2,500
16	Receive inspection from the state energy company	1 day	no charge
17	Receive electricity connection	36 days	no charge
18 *	Request and receive telephone connection	14 days	SDG 500
19	Update land registry records	1 day	SDG 210

* Takes place simultaneously with another procedure.

Dealing with Construction Permits Details - Sudan

Procedure 1 Obtain recent certificate of land ownership from the Land Authority

Time to complete: 7 days

Cost to complete: USD 10

Agency: Land Authority

Comment:

Procedure 2 Obtain planning permission from the Municipal Authority

Time to complete: 7 days

Cost to complete: USD 300

Agency: Municipality

Comment: BuildCo must fill in a form at the municipality regarding details of the land location and provide the Urban Planning Department with drawings of the warehouse.

Procedure 3 Obtain project clearance from the Environment and Health Department

Time to complete: 35 days

Cost to complete: SDG 22

Agency: Environment and Health Department

Comment:

Procedure 4 Obtain project clearance from the Fire Department

Time to complete: 14 days

Cost to complete: no charge

Agency: Fire Department

Comment:

Procedure 5 Obtain temporary building permit from the Local Municipal Authority

Time to complete: 25 days

Cost to complete: no charge

Agency: Local Municipal Authority

Comment: Only after the Environment and Health Department's clearance has been granted may BuildCo file paperwork with the local authority for a temporary building permit.

Procedure 6 Pay fee for the building permit application (issuance) at an authorized bank

Time to complete: 2 days

Cost to complete: SDG 101

Agency: Commercial Bank

Comment:

Procedure 7 Obtain building permit

Time to complete: 40 days

Cost to complete: no charge

Agency: Building Department at the Ministry of Physical Planning and Public Utilities

Comment: Any applicant for a building permit related to a construction or alteration requiring this permit must file an application with the General Manager of the Building Department at the Ministry of Physical Planning and Public Utilities.

Construction activities are governed by the State of Khartoum Organization of Construction Act of 1997. Article 5 prescribes the process of obtaining a building permit. Article 6 stipulates that a response to an application should be made within 15 days from the date of receipt of that application. Article 8 states that the land must be owned by the applicant.

The documents to be submitted along with the application are the following:

- Specification of the full name and address of the owner.
- Specification of the number of the plot and the zone in which the plot is located.
- Specification of the area of the land and its class.
- A sketch of the site to be prepared by a surveyor from the surveying department, to determine the area available for proposed work.
- Title certificate to be issued by Land Registry Department. The certificate of title must show whether the land is freehold or leasehold. If it is leasehold, the latest renewal, if any, would be submitted.

The engineering documents required are indicated in the Khartoum State Building Organization Regulations of 1997. However, in practice the following documents are required:

- Architectural drawings.
- Structural drawings.
- Floor plans, elevations.
- Direction of surface water drainage flow on the property.
- Plumbing drawings.
- Electrical drawings.
- Fire protection drawings.

Procedure 8 Receive foundations work inspection

Time to complete: 1 day

Cost to complete: no charge

Agency: Building Authorities

Comment:

Procedure 9 Receive random inspection

Time to complete: 1 day

Cost to complete: no charge

Agency: Building Authorities

Comment: Article 12 of the State of Khartoum Organization of Construction Act of 1997 stipulates that the building authorities have the right to access the site at any time to ensure that construction is in compliance with the specifications and drawings.

Procedure 10 Request and receive final inspection

Time to complete: 1 day

Cost to complete: no charge

Agency: Building Authorities

Comment: Article 16 of the State of Khartoum Organization of Construction Act of 1997 stipulates that notification of the building authorities should be made when construction works have been completed (or any part thereof), so that the completion, or occupancy, certificate can be issued.

Procedure 11 Obtain certificate of conformity

Time to complete: 30 days

Cost to complete: no charge

Agency: Building Department at the Ministry of Physical Planning and Public Utilities

Comment: Work for which a building permit has been issued should be inspected for approval, prior to covering any portion of it, and upon completion of each stage of construction. It is the duty of the owner to notify the Building Department that the work is ready for inspection, and to schedule such inspection.

After the final inspection, if it is found that the work has been completed in conformity with the applicable law, orders, regulations, plans, and specifications, the Building Department issues a certificate of completion, or occupancy.

Procedure 12 Request water and sewage connection

Time to complete: 1 day

Cost to complete: no charge

Agency: Public Electricity and Water Corporation (PEWC)

Comment:

Procedure 13 Receive water and sewage inspection

Time to complete: 1 day
Cost to complete: no charge
Agency: Public Electricity and Water Corporation (PEWC)
Comment:

Procedure 14 Obtain water and sewage connection

Time to complete: 105 days
Cost to complete: SDG 1,200
Agency: Public Electricity and Water Corporation (PEWC)
Comment: This procedure is done simultaneously with the electricity connection.

Procedure 15 Request electricity connection

Time to complete: 1 day
Cost to complete: SDG 2,500
Agency: Public Electricity and Water Corporation (PEWC)
Comment: This may involve a site inspection and takes a week, with follow-up. Without follow-up, it might take 2–3 months.

Procedure 16 Receive inspection from the state energy company

Time to complete: 1 day
Cost to complete: no charge
Agency: Public Electricity and Water Corporation (PEWC)
Comment:

Procedure 17 Receive electricity connection

Time to complete: 36 days
Cost to complete: no charge
Agency: Public Electricity and Water Corporation (PEWC)
Comment:

Procedure 18 Request and receive telephone connection

Time to complete: 14 days

Cost to complete: SDG 500

Agency: Sudan Telecommunications (SUDATEL)

Comment: Telephone service is requested once the building has been completed, not before.

Procedure 19 Update land registry records

Time to complete: 1 day

Cost to complete: SDG 210

Agency: Land Registry

Comment:

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

Some reform outcomes

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

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

What does the Registering Property indicator measure?

Registering Property: transfer of property between 2 local companies

Rankings are based on 3 subindicators

Procedures to legally transfer title on immovable property (number)

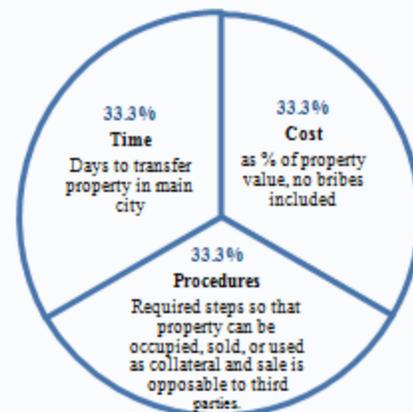
- Preregistration (for example, checking for liens, notarizing sales agreement, paying property transfer taxes)
- Registration in the economy's largest business city
- Post registration (for example, transactions with the local authority, tax authority or cadastre)

Time required to complete each procedure (calendar days)

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

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

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



Case Study Assumptions

The parties (buyer and seller):

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

The property (fully owned by the seller):

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

1. Benchmarking Registering Property Regulations:

Sudan is ranked 40 overall for Registering Property.

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



The following table shows Registering Property data for Sudan 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>			
Sudan	6	9	3.0

<i>Comparator Economies</i>			
Egypt, Arab Rep.	7	72	0.8
Eritrea	11	78	9.1
Ethiopia	10	41	2.1
Kenya	8	64	4.2
Rwanda	4	55	0.4

* The following economies are also good practice economies for :

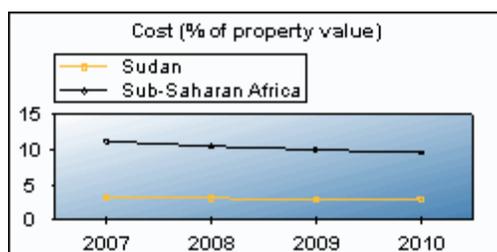
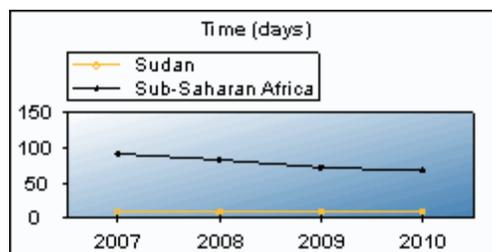
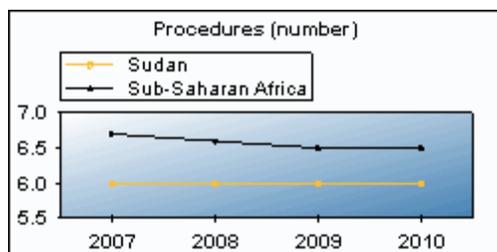
Procedures (number): United Arab Emirates

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

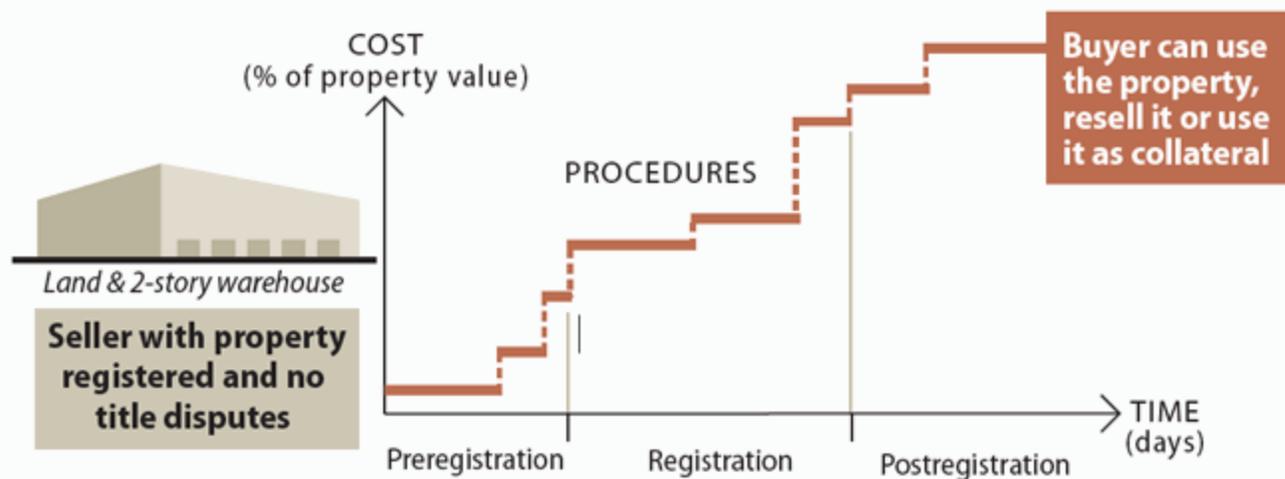
2. Historical data: Registering Property in Sudan

Registering Property data	Doing Business 2008	Doing Business 2009	Doing Business 2010	Doing Business 2011
Rank	..	..	36	40
Procedures (number)	6	6	6	6
Time (days)	9	9	9	9
Cost (% of property value)	3.2	3.1	3.0	3.0

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

STANDARDIZED PROPERTY

Property Value: 135,687.24

City: Khartoum

Registration Requirements:

No:	Procedure	Time to complete	Cost to complete
1	Obtain a Fresh Search Certificate for the purpose of "Sale"	2 days	SDG 10
2	Notary/lawyer drafts and authenticates the "Transfer instrument", application from the seller and Form 3A	1 day	SDG 500 (professional fees) + SP 5 (Stamp Duty for Bar Association)
3	Authenticate the Transfer instrument, application, search certificate and Form 3A and verify signatures	2 days	SDG 6 + SDG 20 Stamps duty + SDG 40 for verification of signature
4	Obtain a Location Certificate	1 day	SDG 91
5	Obtain approval of Land department	1 day	No cost
6	Final Registration	2 days	2.5% of property values (Registration fees)

Registering Property Details - Sudan

Procedure	1	Obtain a Fresh Search Certificate for the purpose of "Sale"
Time to complete:	2 days	
Cost to complete:	SDG 10	
Agency:	Land registry office	
Comment:	Most land in Sudan is State owned. This procedure is required to ensure that the sellers hold a clean and marketable title to the land in transaction, and that the land is held in freehold/leashold and that there are no encumbrances on that property.	
Procedure	2	Notary/lawyer drafts and authenticates the "Transfer instrument", application from the seller and Form 3A
Time to complete:	1 day	
Cost to complete:	SDG 500 (professional fees) + SP 5 (Stamp Duty for Bar Association)	
Comment:	<p>This is an easy process and usually only takes one day as a lawyer would generally have a standardized contract form on hand. The sale purchase agreement must be done by a lawyer, though the parties can complete the other steps themselves. In practice, the lawyer is hired to conduct the whole process.</p> <p>This process takes 2 days in Khartoum central and Omdurman districts because they use computers. More time is required elsewhere. Note that this is a special file prepared for one who is selling his title and includes the plot papers and the land tax certificates.</p> <p>The signatures of the parties must be verified at the Land Registrar General, as their identity must be authenticated.</p>	
Procedure	3	Authenticate the Transfer instrument, application, search certificate and Form 3A and verify signatures
Time to complete:	2 days	
Cost to complete:	SDG 6 + SDG 20 Stamps duty + SDG 40 for verification of signature	
Agency:	Land Registrar General	
Comment:	The Transfer instrument, application from seller, the search certificate, and the Form 3A. At the same time, before registering the sale documents, the identities of both parties need to be authenticated at the Land Registry.	
Procedure	4	Obtain a Location Certificate
Time to complete:	1 day	
Cost to complete:	SDG 91	
Agency:	Ministry of Urban Planning and Public Utilities	
Comment:	The Land Department verifies the location of the land and its area. This location certificate is issued by the Khartoum State Survey Department.	

Procedure 5 Obtain approval of Land department

Time to complete: 1 day

Cost to complete: No cost

Agency: Land Department

Comment: In order to obtain the approval of the Land Dept. the parties must file all the required documents
Survey Dept. Letter, sales documents and the first and second recommendation issued by the Land Dept.)
Payment of the differential price which consist of the following
(i) zakat, (ii) capital gains tax, (iii) administration fees, (iv) form 3A fees, and stamp duty.
After the payment of the above-mentioned amounts, the Land Dept may issue its approval and send form 3A and other formalities to the competent land registry office to effect the transfer.

Procedure 6 Final Registration

Time to complete: 2 days

Cost to complete: 2.5% of property values (Registration fees)

Agency: Land registry office

Comment: The Buying company will be required to pay "Registration Fees" payable to the land registry office at a rate of 2.5% if the transfer is done within 6 months from the date of purchase, or at a rate of 5% if the registration is done within one year, or at a rate of 6% if the registration is done after more than one year.

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

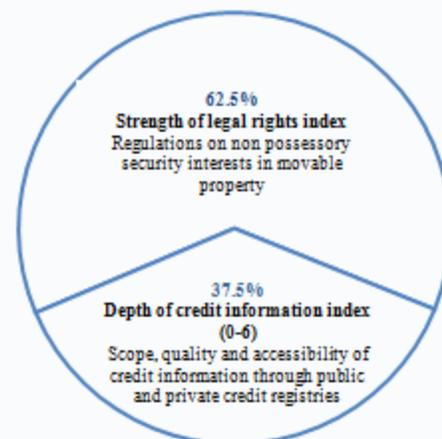
Public credit registry coverage (% of adults)

- 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)

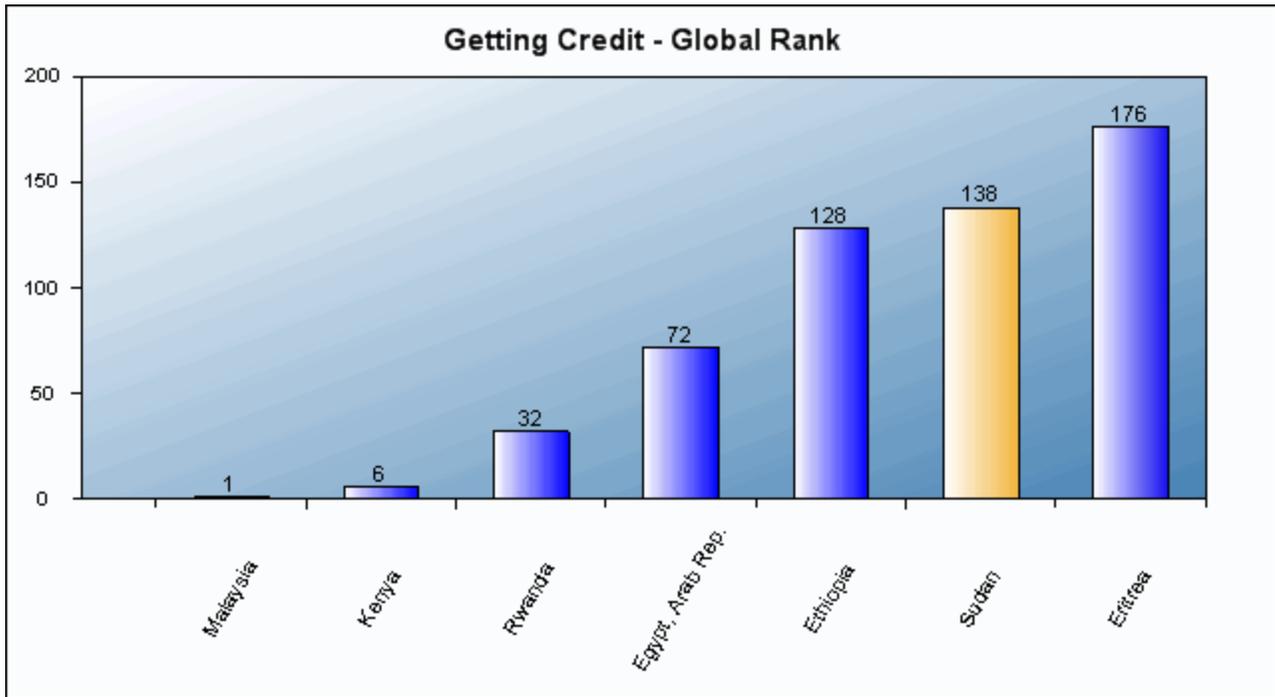
The Debtor

- 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:

Sudan is ranked 138 overall for Getting Credit.

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



The following table shows Getting Credit data for Sudan 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>				
Sudan	5	0	0.0	0.0

<i>Comparator Economies</i>				
Egypt, Arab Rep.	3	6	2.9	10.3
Eritrea	2	0	0.0	0.0
Ethiopia	4	2	0.1	0.0
Kenya	10	4	0.0	3.3
Rwanda	8	4	0.7	0.0

* The following economies are also good practice economies for :

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

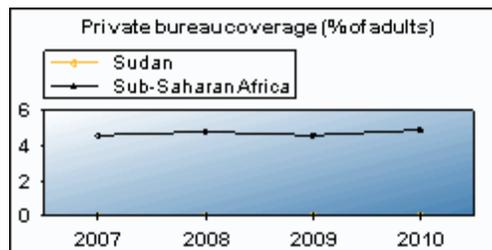
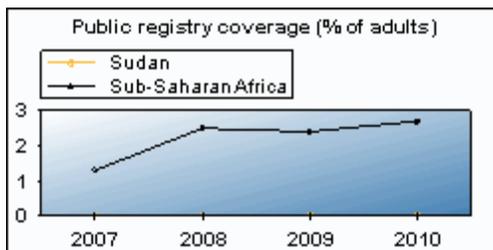
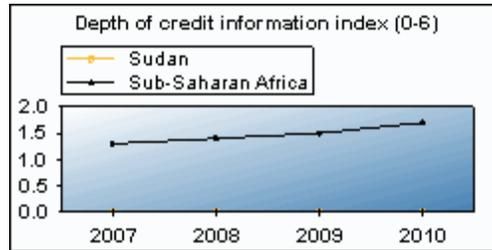
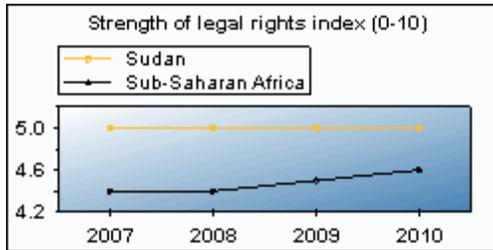
Private bureau coverage (% of adults): Argentina, Australia, Canada, Iceland, Ireland, Norway, Sweden, United Kingdom, United States

27 countries have the highest credit information index.

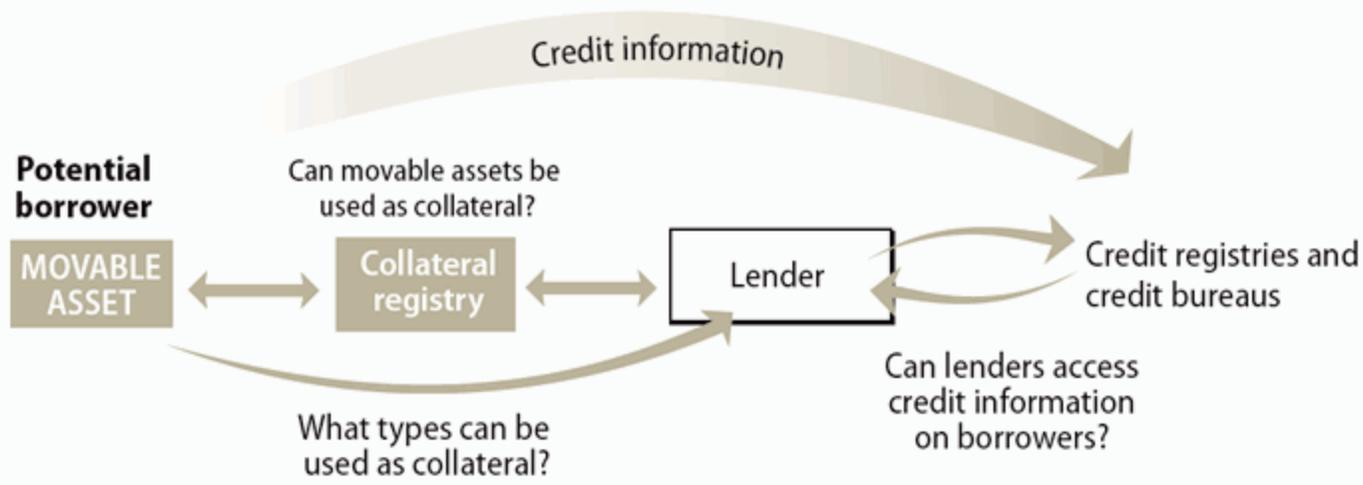
2. Historical data: Getting Credit in Sudan

Getting Credit data	Doing Business 2008	Doing Business 2009	Doing Business 2010	Doing Business 2011
Rank	..	..	135	138
Strength of legal rights index (0-10)	5	5	5	5
Depth of credit information index (0-6)	0	0	0	0
Private bureau coverage (% of adults)	0.0	0.0	0.0	0.0
Public registry coverage (% of adults)	0.0	0.0	0.0	0.0

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

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

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

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

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)

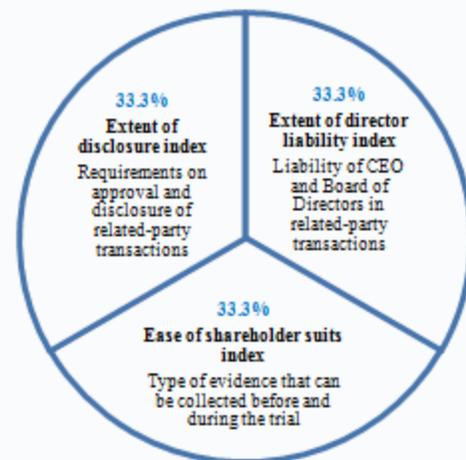
- Documents and information available during trial
- Access to internal corporate documents (directly or through a government inspector)

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.

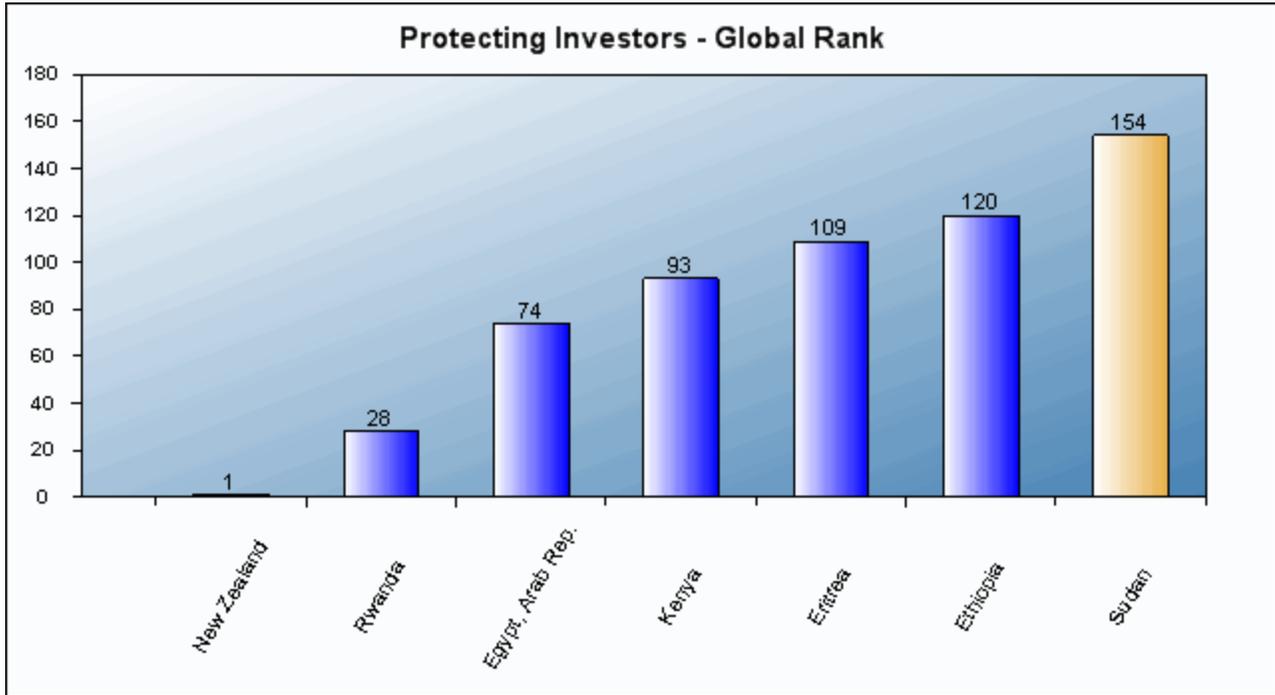
The transaction

- 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:

Sudan is ranked 154 overall for Protecting Investors.

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



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

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

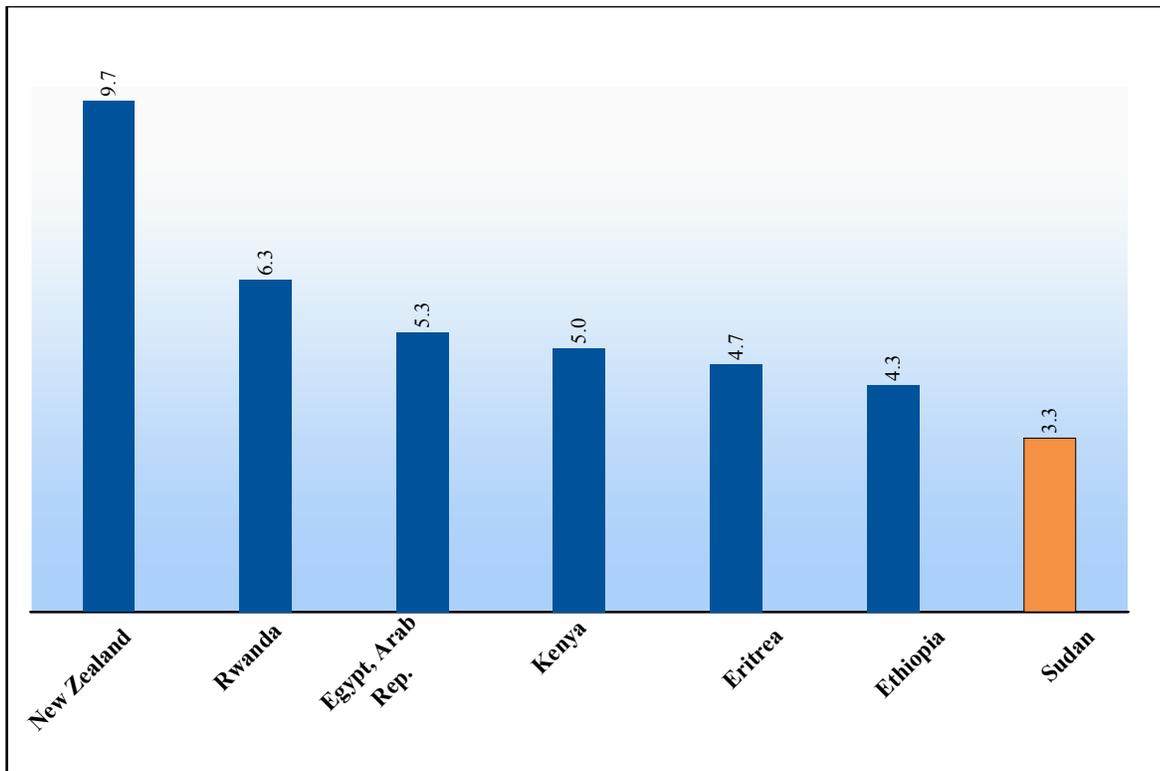
<i>Selected Economy</i>	
Sudan	3.3

<i>Comparator Economies</i>	
Egypt, Arab Rep.	5.3
Eritrea	4.7
Ethiopia	4.3
Kenya	5.0
Rwanda	6.3

2. Historical data: Protecting Investors in Sudan

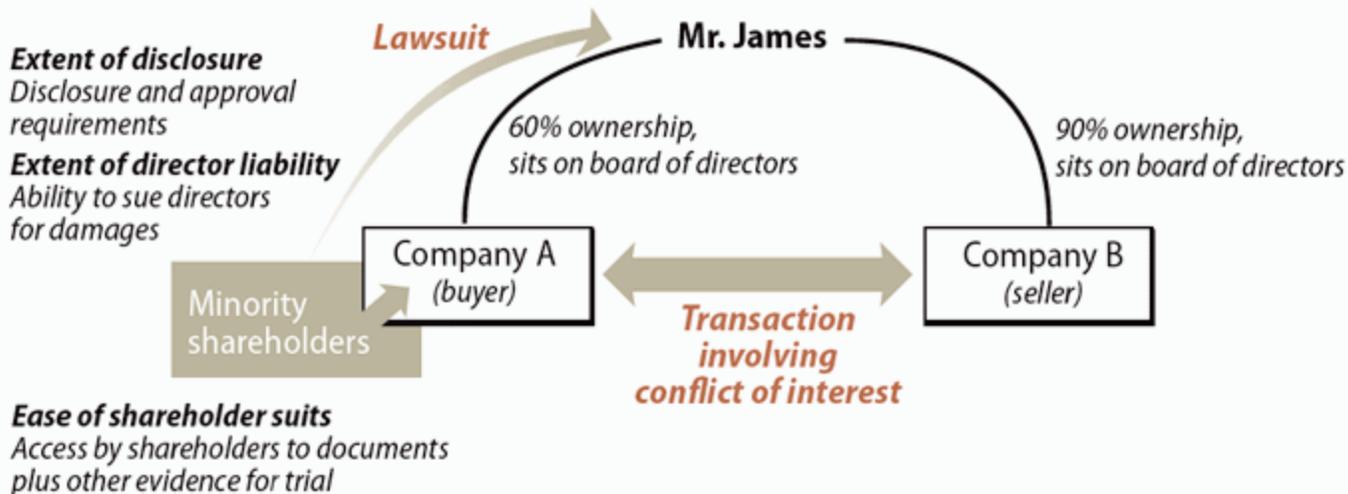
Protecting Investors data	Doing Business 2008	Doing Business 2009	Doing Business 2010	Doing Business 2011
Rank	..	..	153	154
Strength of investor protection index (0-10)	3.3	3.3	3.3	3.3

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

Protecting Investors Data (2010)	Indicator
Extent of disclosure index (0-10)	0
What corporate body provides legally sufficient approval for the transaction?	0
Whether immediate disclosure of the transaction to the public and/or shareholders is required?	0
Whether disclosure of the transaction in published periodic filings (annual reports) is required?	0
Whether disclosure of the conflict of interest by Mr. James to the board of directors is required?	0
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?	0
Whether fines and imprisonment can be applied against Mr. James?	1
Whether shareholders can sue directly or derivatively for the damage that the Buyer-Seller transaction causes to the company?	1
Ease of shareholder suits index (0-10)	4
Whether the plaintiff can obtain any documents from the defendant and witnesses during trial?	2
Whether the plaintiff can directly question the defendant and witnesses during trial?	0
Whether the plaintiff can request categories of documents from the defendant without identifying specific ones?	0
Whether shareholders owning 10% or less of Buyer's shares can request an inspector to investigate the transaction?	1
Whether the level of proof required for civil suits is lower than that of criminal cases?	1
Whether shareholders owning 10% or less of Buyer's shares can inspect transaction documents before filing suit?	0
Strength of investor protection index (0-10)	3.3

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)

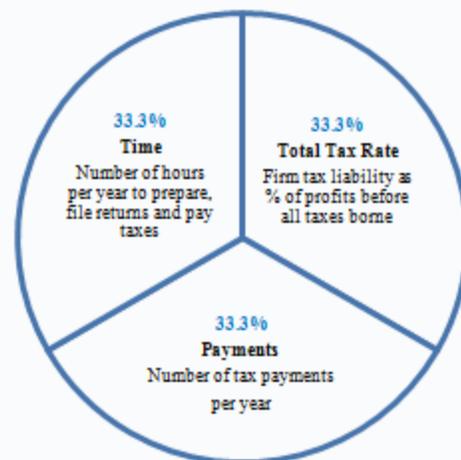
- Collecting information and computing the tax payable
- Completing tax return forms, filing with proper agencies
- Arranging payment or withholding
- Preparing separate tax accounting books, if required

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



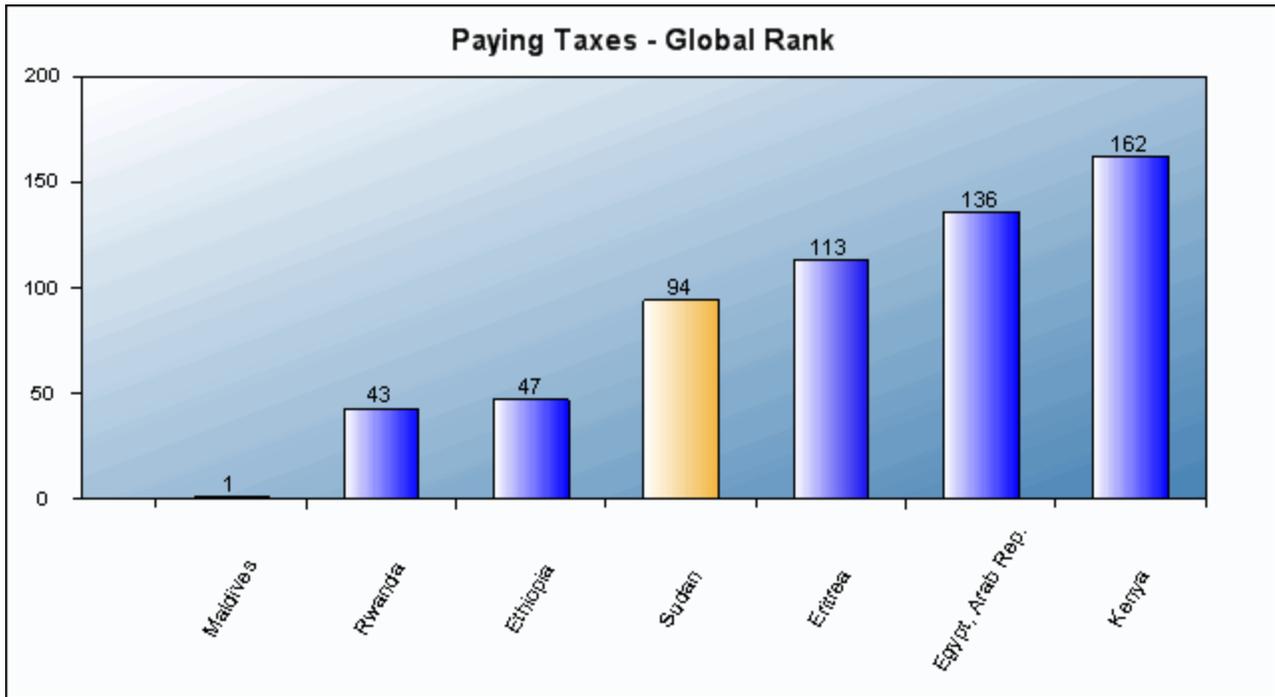
Case Study Assumptions

- 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:

Sudan is ranked 94 overall for Paying Taxes.

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



The following table shows Paying Taxes data for Sudan 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>			
Sudan	42	180	36.1

<i>Comparator Economies</i>			
Egypt, Arab Rep.	29	433	42.6
Eritrea	18	216	84.5
Ethiopia	19	198	31.1
Kenya	41	393	49.7
Rwanda	26	148	31.3

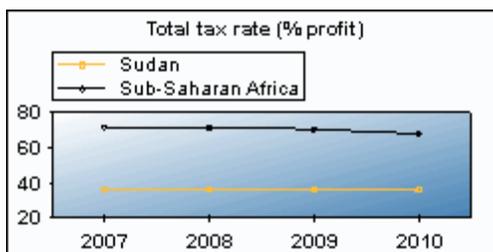
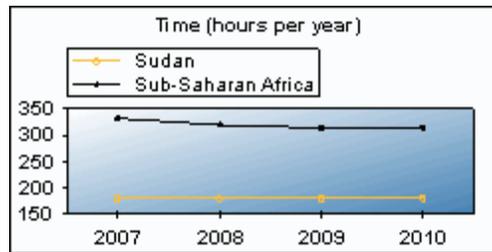
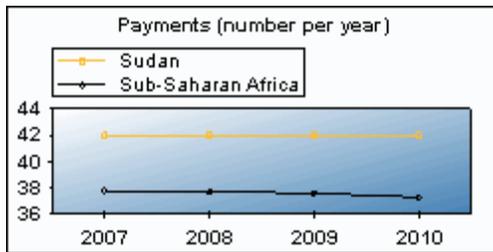
* The following economies are also good practice economies for :

Payments (number per year): Qatar

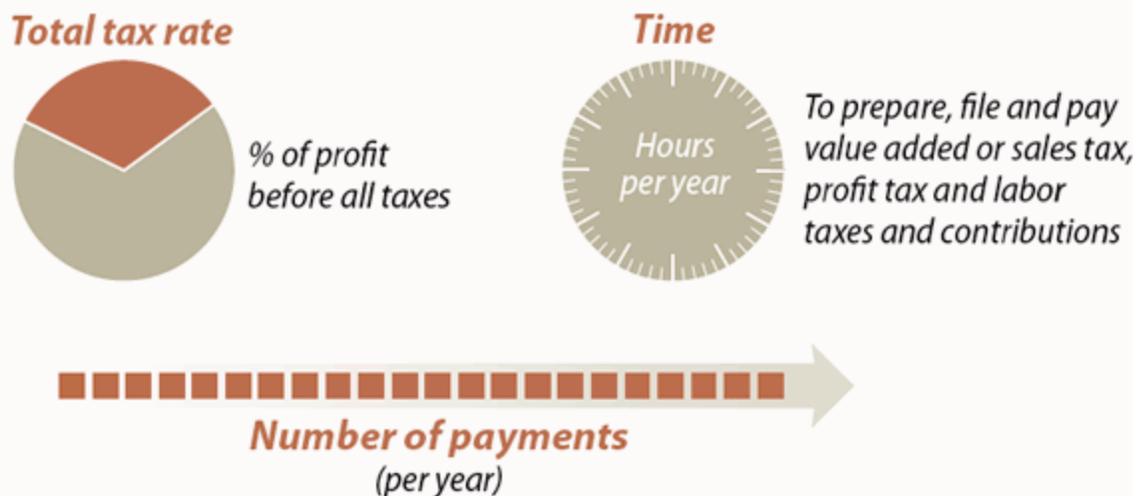
2. Historical data: Paying Taxes in Sudan

Paying Taxes data	Doing Business 2008	Doing Business 2009	Doing Business 2010	Doing Business 2011
Rank	..	..	90	94
Total tax rate (% profit)	36.1	36.1	36.1	36.1
Payments (number per year)	42	42	42	42
Time (hours per year)	180	180	180	180

3. The following graphs illustrate the Paying Taxes sub indicators in Sudan 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 Sudan, 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
Sales Tax	12		40	15.0%	value added		
Municipal business tax	1			various rates			
Stamp duty	12			10 SDG per month		0.00	
State business tax	1			SDG 20,000		0.20	
Vehicle tax	1			SDG 17000		0.20	
Capital Gains Tax	1			5.0%	capital gains	0.30	
Capital tax	1			5.0%	land and vehicle value	2.70	
Corporate income tax	1		70	15.0%	taxable profit	13.60	
Social security fund	12		70	17.0%	gross salaries	19.20	
Totals	42		180			36.1	

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

Some reform outcomes

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

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

What do the Trading Across Borders indicators measure?

Trading Across Borders: exporting and importing by ocean transport

Rankings are based on 3 subindicators

Documents required to export and import (number)

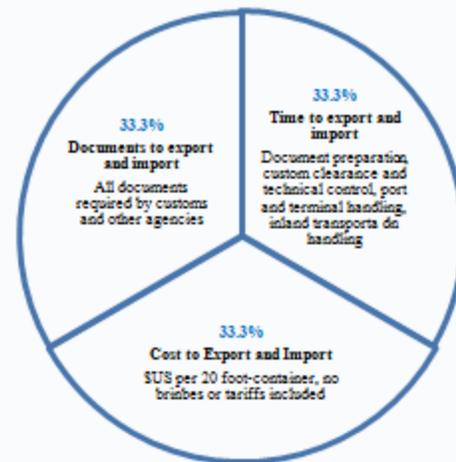
- Bank documents
- Customs clearance documents
- Port and terminal handling documents
- Transport documents

Time required to export and import (days)

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

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

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



Case Study Assumptions

The Business

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

The traded product

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

1. Benchmarking Trading Across Borders Regulations:

Sudan is ranked 143 overall for Trading Across Borders.

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



The following table shows Trading Across Borders data for Sudan 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>						
Sudan	6	32	2050	6	46	2900

<i>Comparator Economies</i>						
Egypt, Arab Rep.	6	12	613	6	12	698
Eritrea	9	50	1431	13	59	1581
Ethiopia	8	44	1890	8	45	2993
Kenya	8	26	2055	7	24	2190
Rwanda	8	35	3275	8	34	4990

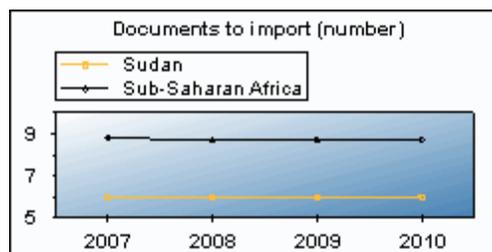
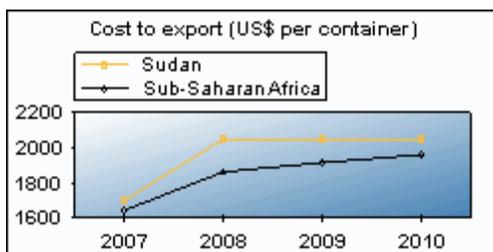
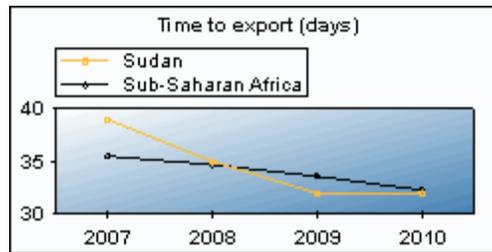
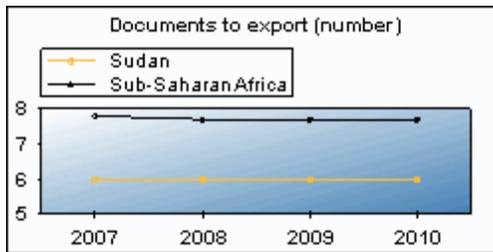
* The following economies are also good practice economies for :

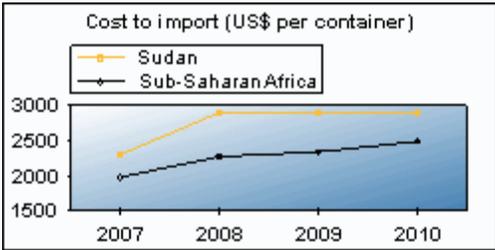
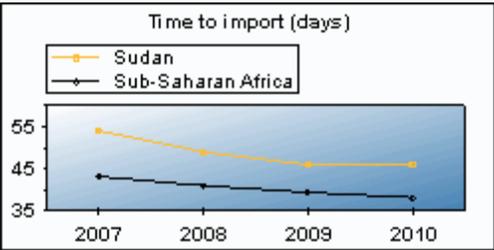
Time to export (days): Estonia

2. Historical data: Trading Across Borders in Sudan

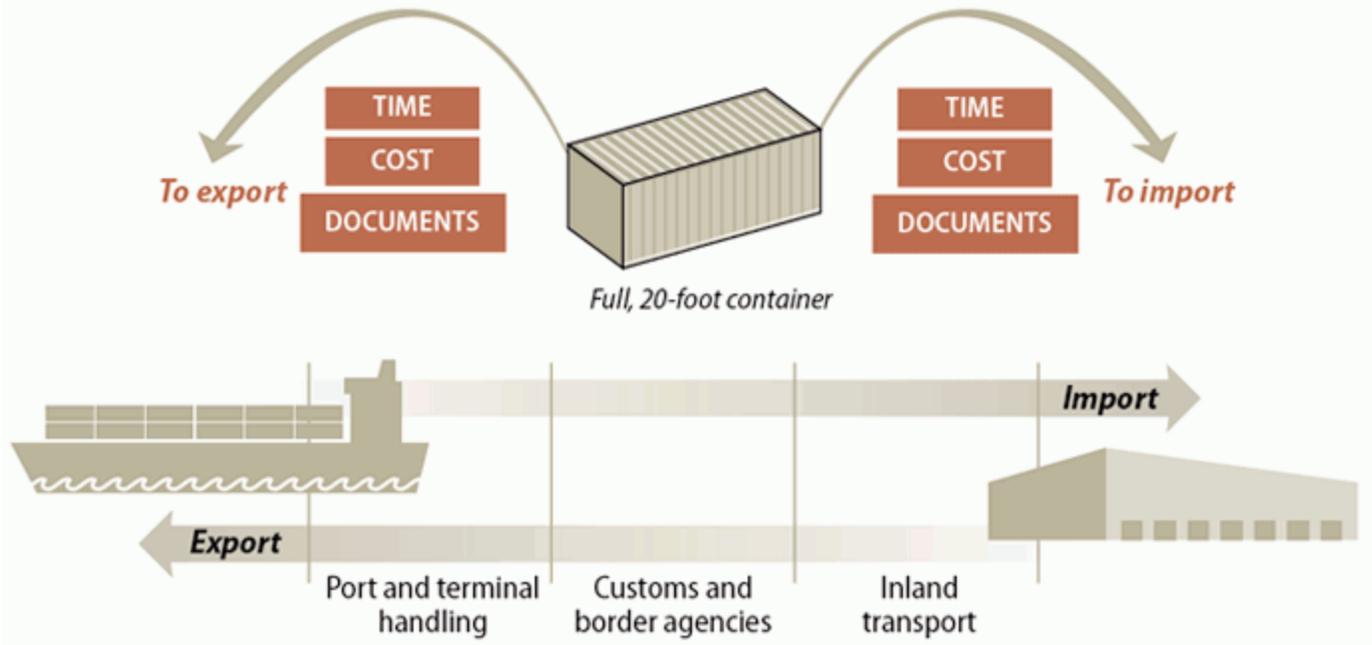
Trading Across Borders data	Doing Business 2008	Doing Business 2009	Doing Business 2010	Doing Business 2011
Rank	..	..	142	143
Cost to export (US\$ per container)	1700	2050	2050	2050
Cost to import (US\$ per container)	2300	2900	2900	2900
Documents to export (number)	6	6	6	6
Documents to import (number)	6	6	6	6
Time to export (days)	39	35	32	32
Time to import (days)	54	49	46	46

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

Nature of Export Procedures (2010)	Duration (days)	US\$ Cost
Documents preparation	18	500
Customs clearance and technical control	3	500
Ports and terminal handling	6	300
Inland transportation and handling	5	750
Totals	32	2050

Nature of Import Procedures (2010)	Duration (days)	US\$ Cost
Documents preparation	24	750
Customs clearance and technical control	11	350
Ports and terminal handling	7	300
Inland transportation and handling	4	1500
Totals	46	2900

Documents for Export and Import

Export

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

Import

- Bill of lading
- Certificate of origin
- Commercial invoice
- Customs import declaration
- Import license
- Packing list

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

Some reform outcomes

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

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

What do the Enforcing Contracts indicators measure?

Enforcing Contracts: resolving a commercial dispute through the courts

Rankings are based on 3 subindicators

Procedures to enforce a contract (number)

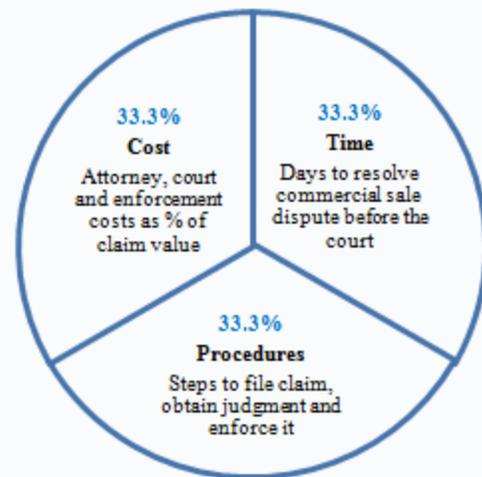
- Any interaction between the parties in a commercial dispute, or between them and the judge or court officer
- Steps to file the case
- Steps for trial and judgment
- Steps to enforce the judgment

Time required to complete procedures (calendar days)

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

Cost required to complete procedures (% of claim)

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



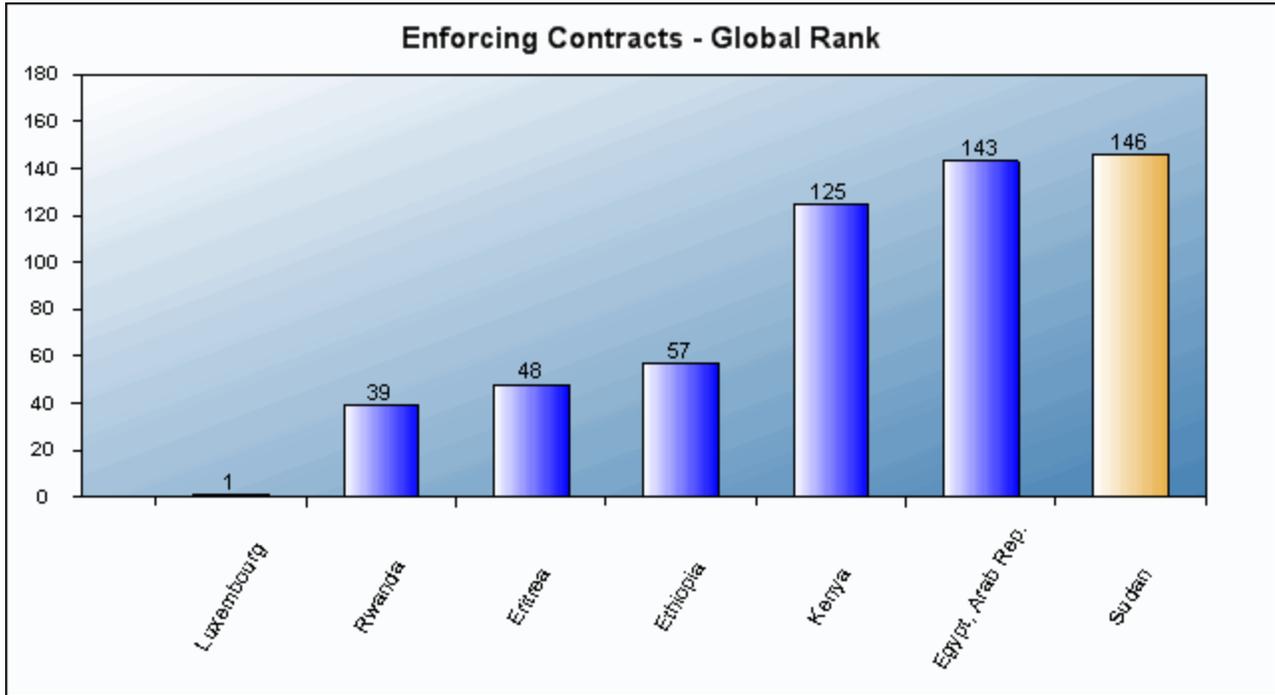
Case Study Assumptions

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

1. Benchmarking Enforcing Contracts Regulations:

Sudan is ranked 146 overall for Enforcing Contracts.

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



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

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

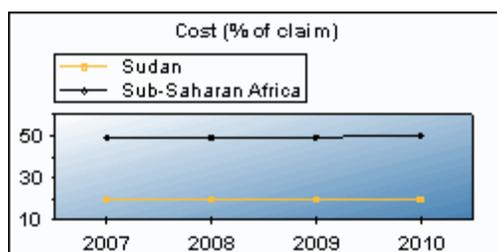
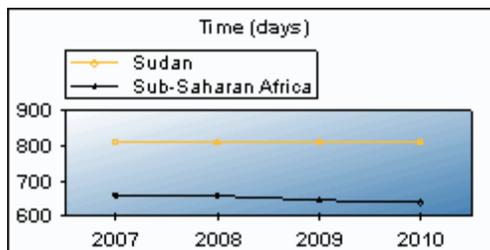
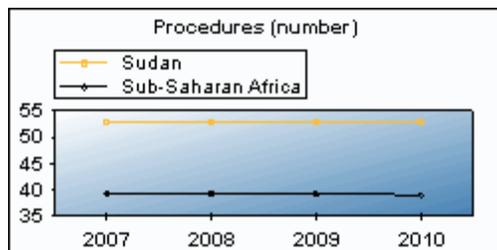
<i>Selected Economy</i>			
Sudan	53	810	19.8

<i>Comparator Economies</i>			
Egypt, Arab Rep.	41	1010	26.2
Eritrea	39	405	22.6
Ethiopia	37	620	15.2
Kenya	40	465	47.2
Rwanda	24	230	78.7

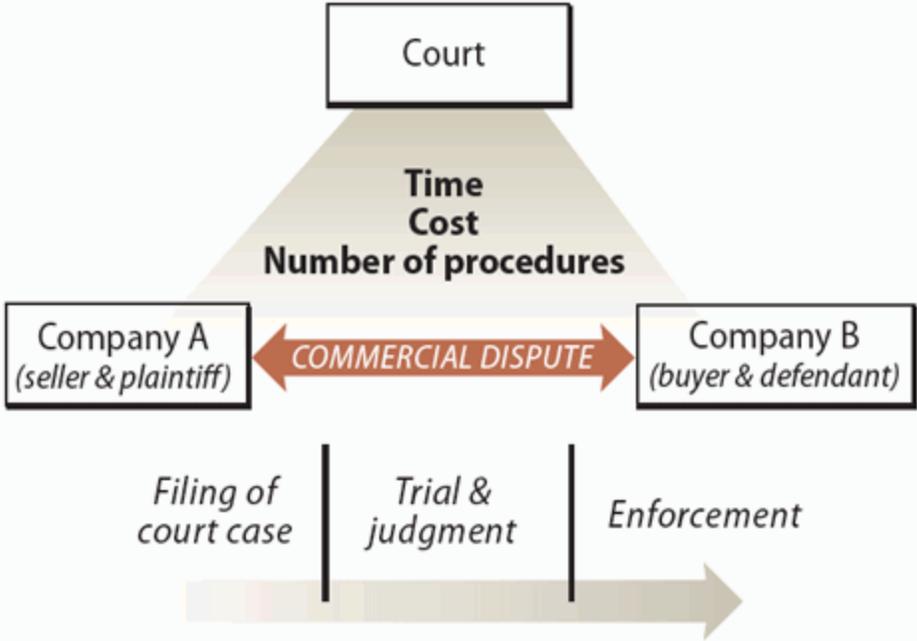
2. Historical data: Enforcing Contracts in Sudan

Enforcing Contracts data	Doing Business 2008	Doing Business 2009	Doing Business 2010	Doing Business 2011
Rank	..	..	145	146
Procedures (number)	53	53	53	53
Time (days)	810	810	810	810
Cost (% of claim)	19.8	19.8	19.8	19.8

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

Nature of Procedure (2010)	Indicator
Procedures (number)	53
Time (days)	810
Filing and service	90.0
Trial and judgment	310.0
Enforcement of judgment	410.0
Cost (% of claim)*	19.80
Attorney cost (% of claim)	12.3
Court cost (% of claim)	5.0
Enforcement Cost (% of claim)	2.5

Court information: Khartoum Court of First
Instance

* 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)

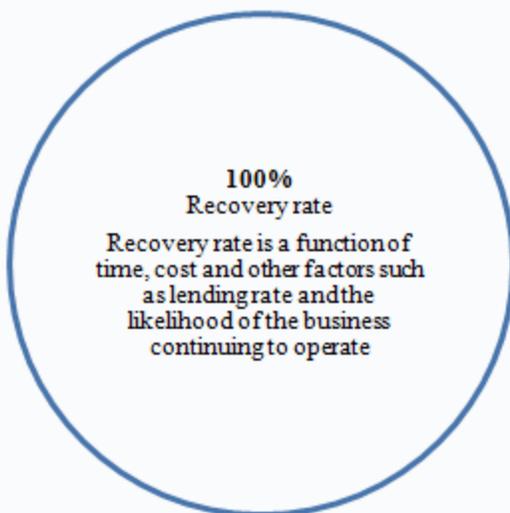
- Measured in calendar years
- Appeals and requests for extension are included

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:

Sudan is ranked 183 overall for Closing a Business.

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



The following table shows Closing Business data for Sudan 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>			
Sudan	0.0	no practice	no practice

<i>Comparator Economies</i>			
Egypt, Arab Rep.	17.4	4.2	22
Eritrea	0.0	no practice	no practice
Ethiopia	31.3	3.0	15
Kenya	29.8	4.5	22
Rwanda	0.0	no practice	no practice

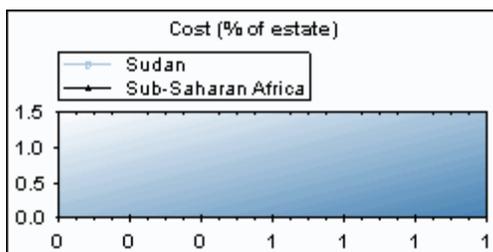
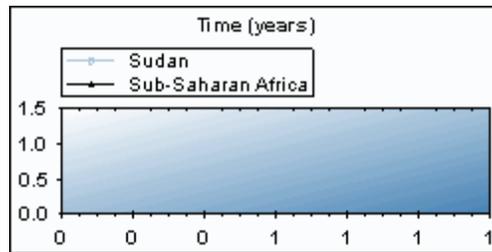
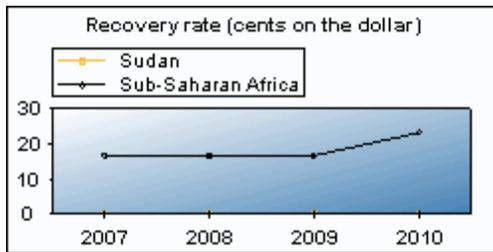
* The following economies are also good practice economies for :

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

2. Historical data: Closing Business in Sudan

Closing a Business data	Doing Business 2008	Doing Business 2009	Doing Business 2010	Doing Business 2011
Rank	..	..	183	183
Time (years)	no practice	no practice	no practice	no practice
Cost (% of estate)	no practice	no practice	no practice	no practice
Recovery rate (cents on the dollar)	0.0	0.0	0.0	0.0

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



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

The top 10 most-improved in Doing Business 2011

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

✓ Positive Change
 ✗ Negative Change

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

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

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