

Doing Business 2011

Togo

**Making
a Difference for
Entrepreneurs**

COMPARING BUSINESS REGULATION IN 183 ECONOMIES



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Introduction

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 Togo. 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).

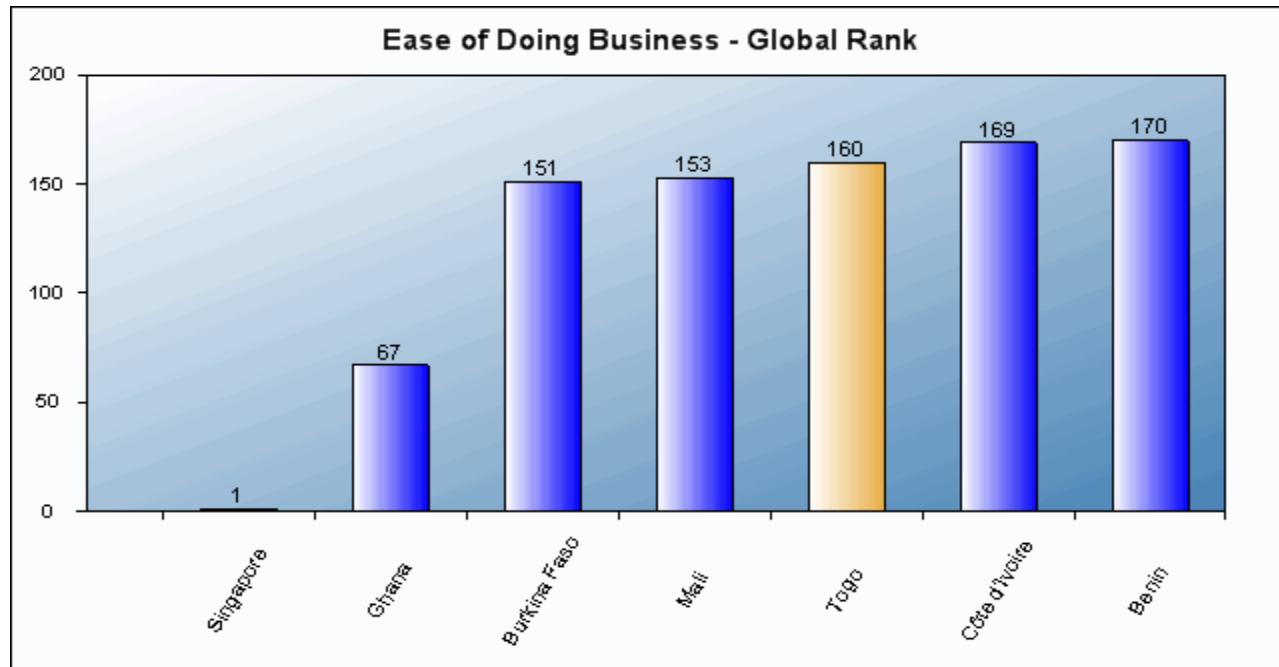
* Except for the Paying Taxes indicator that refers to the period January to December of 2009.

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

Togo is ranked 160 out of 183 economies. Singapore is the top ranked economy in the Ease of Doing Business.

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



Togo's ranking in Doing Business 2011

Rank	Doing Business 2011
Ease of Doing Business	160
Starting a Business	169
Dealing with Construction Permits	152
Registering Property	158
Getting Credit	152
Protecting Investors	147
Paying Taxes	157
Trading Across Borders	93
Enforcing Contracts	151
Closing a Business	84

Summary of Indicators - Togo

Starting a Business	Procedures (number)	7
	Time (days)	75
	Cost (% of income per capita)	178.1
	Min. capital (% of income per capita)	486.9
Dealing with Construction Permits	Procedures (number)	15
	Time (days)	277
	Cost (% of income per capita)	1241.9
Registering Property	Procedures (number)	5
	Time (days)	295
	Cost (% of property value)	13.0
Getting Credit	Strength of legal rights index (0-10)	3
	Depth of credit information index (0-6)	1
	Public registry coverage (% of adults)	0.2
	Private bureau coverage (% of adults)	0.0
Protecting Investors	Extent of disclosure index (0-10)	6
	Extent of director liability index (0-10)	1
	Ease of shareholder suits index (0-10)	4
	Strength of investor protection index (0-10)	3.7
Paying Taxes	Payments (number per year)	53
	Time (hours per year)	270
	Profit tax (%)	8.8
	Labor tax and contributions (%)	28.3
	Other taxes (%)	13.7
	Total tax rate (% profit)	50.8
Trading Across Borders	Documents to export (number)	6
	Time to export (days)	24
	Cost to export (US\$ per container)	940
	Documents to import (number)	8
	Time to import (days)	28
	Cost to import (US\$ per container)	963

Enforcing Contracts	Procedures (number)	41
	Time (days)	588
	Cost (% of claim)	47.5
Closing a Business	Recovery rate (cents on the dollar)	30.6
	Time (years)	3.0
	Cost (% of estate)	15

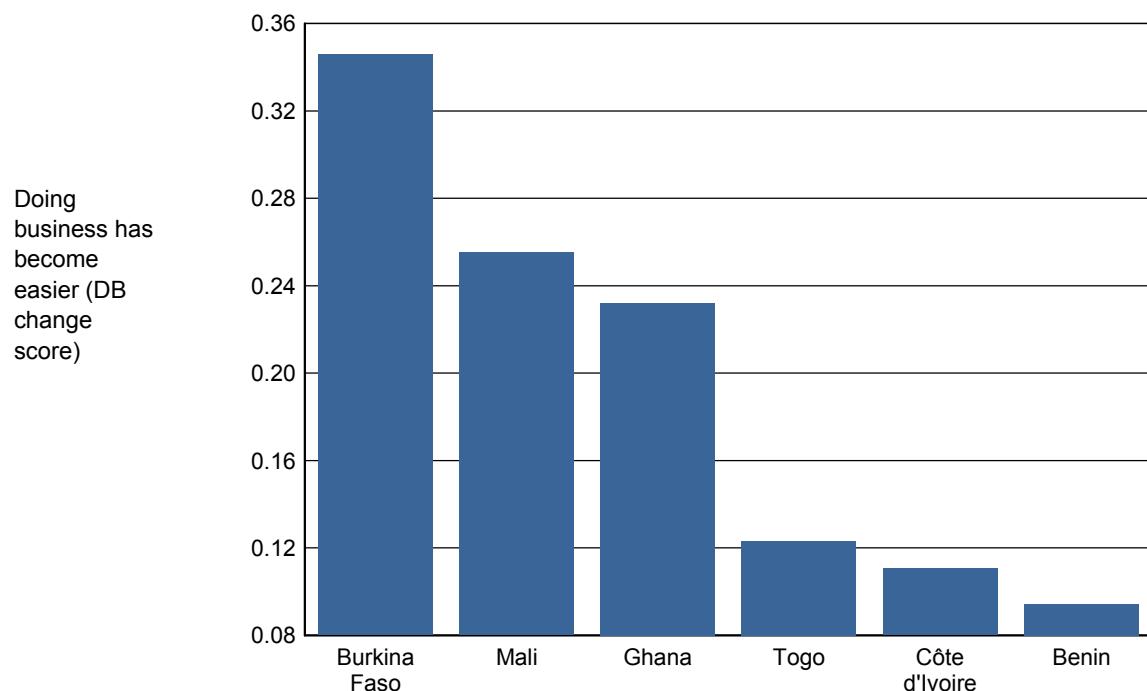
Doing Business 2011

5 - Year Measure of Cumulative Change

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

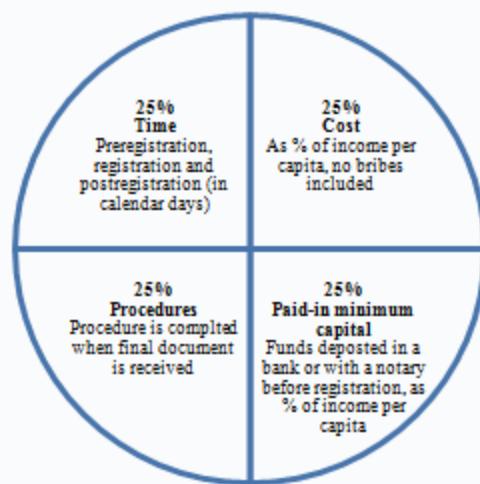
Cost required to complete each procedure (% of income per capita)

- 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.

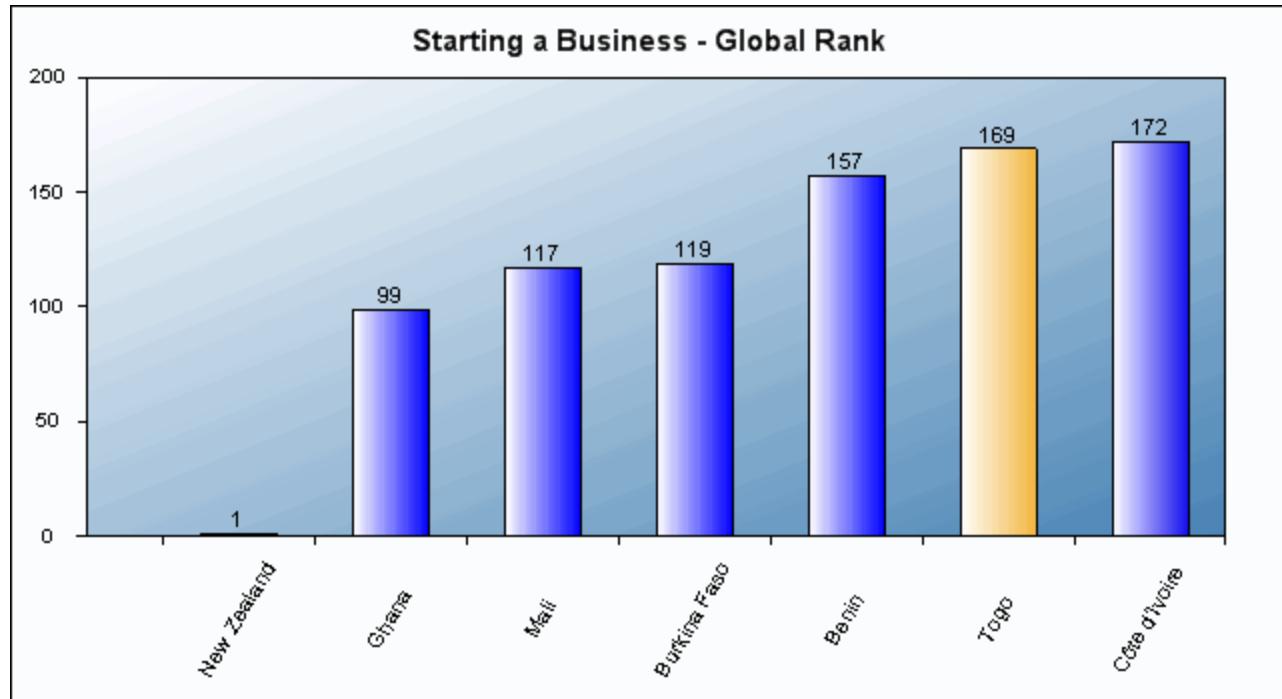
The business:

- 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:

Togo is ranked 169 overall for Starting a Business.

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



The following table shows Starting a Business data for Togo 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>				
Togo	7	75	178.1	486.9

<i>Comparator Economies</i>				
Benin	7	31	152.6	285.3
Burkina Faso	4	14	49.8	416.2
Côte d'Ivoire	10	40	133.0	202.9
Ghana	7	12	20.3	11.0
Mali	6	8	79.7	306.8

* The following economies are also good practice economies for :

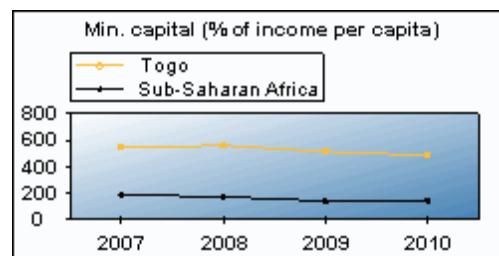
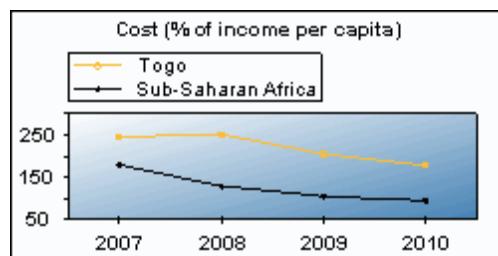
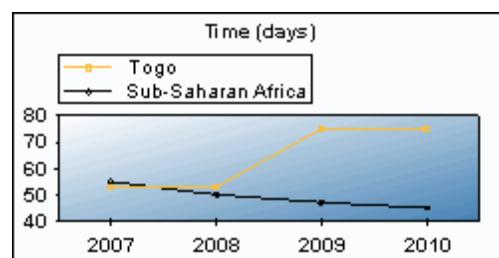
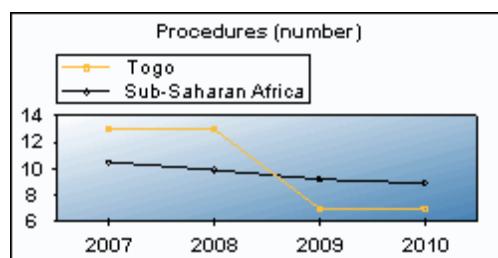
Procedures (number): Canada

Cost (% of income per capita): Slovenia

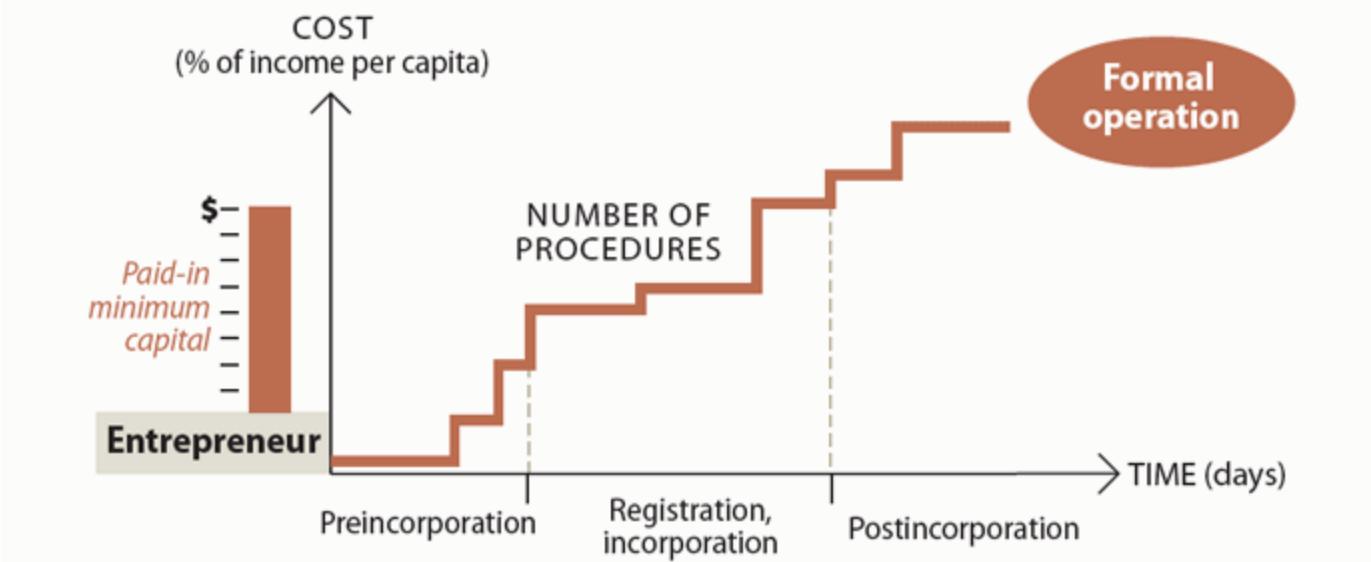
2. Historical data: Starting a Business in Togo

Starting a Business data	Doing Business 2008	Doing Business 2009	Doing Business 2010	Doing Business 2011
Rank	..	..	170	169
Procedures (number)	13	13	7	7
Time (days)	53	53	75	75
Cost (% of income per capita)	245.7	251.3	205.0	178.1
Min. capital (% of income per capita)	546.4	559.9	514.0	486.9

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

STANDARDIZED COMPANY

Legal Form: Société à Responsabilité Limitée (SARL) -
Limited Liability Company
City: Lomé

Registration Requirements:

No:	Procedure	Time to complete	Cost to complete
1	Check the company name	1	XOF 5,000
2	The notary legalizes documents and buys stamps	2	XOF 175,000
3	Deposit the company's initial capital	2	no charge
4	Obtain the extract of the criminal record of the directors	2	XOF 500
5	Apply with the Ministry of Commerce for an authorization of business establishment	5	XOF 9,000
6	Deposit all the documents for company registration and pay fees at the Guichet Unique : CFE	60	XOF 115,000
7	Publication in a national news dailies or the Official Gazette	3	XOF 61,360

Starting a Business Details - Togo

Procedure 1 Check the company name	
Time to complete:	1
Cost to complete:	XOF 5,000
Comment:	
Procedure 2 The notary legalizes documents and buys stamps	
Time to complete:	2
Cost to complete:	XOF 175,000
Comment:	Company statutes can be executed either by notary act or by private contract. The fiscal stamp fee is FCFA 1,500 if the statutes are printed in an A4 format (usually used by lawyers) and FCFA 1,000 if printed on a smaller format (usually used by notaries).
Procedure 3 Deposit the company's initial capital	
Time to complete:	2
Cost to complete:	no charge
Comment:	When depositing initial capital, company founders must consider that the minimum authorized capital for a limited liability company is FCFA 1,000,000, divided into shares whose face value cannot be lower than 5,000 FCFA. The entire authorized capital is paid up upon subscription. The founder must immediately deposit the share contribution in a bank account opened under the name of the company or the notary. The funds remain frozen until the date of company registration with the Registre de Commerce et de Crédit Mobilier (RCCM), at which time the funds are placed at the disposal of the managers.
Procedure 4 Obtain the extract of the criminal record of the directors	
Time to complete:	2
Cost to complete:	XOF 500
Comment:	To obtain an extract of the directors' criminal record, company founders file an application with the clerk of the court in the jurisdiction over the directors' place of birth. Founders must include a copy of the director's birth certificate, and for foreigner directors, also a certificate of no condemnation and either their residence permit or a valid passport. The record must be less than 3 months old.
Procedure 5 Apply with the Ministry of Commerce for an authorization of business establishment	
Time to complete:	5
Cost to complete:	XOF 9,000

Comment: Promoters must file with the Ministry of Commerce and Transport an application requesting authorization of business, along with the designated fee and the directors' criminal record. The estimated fee covers the total cost of documents to be produced for this formality. The authorization is valid for 5 years for nationals; for foreigners, the term is equivalent to that of the residence permit. Import-export companies must apply for an import card.

Procedure 6 Deposit all the documents for company registration and pay fees at the Guichet Unique : CFE

Time to complete: 60

Cost to complete: XOF 115,000

Comment: A one stop shop (CFE) created following the décret Présidentiel 2000-091/PR du 8 novembre 2000 et de l'arrêté n° 003/MCIT0ZFdu 13 avril 2005 stated implementation 2 years ago in parallel to the regular registration procedures is now fully operational and is the official agency in charge of incorporating a business including since the Ministry of Commerce is not part of the business registration process since the beginning of 2009.

Documents required at the "guichet unique" CFE :
 Application, fiscal stamps, application for "carte d'opérateur économique", national certificate, Birth Act, National ID, Criminal records extract, proof of firm's location (utility bill), Operational license administered by the relevant Ministry regulating the firm's activity, notarized proof of minimum capital deposited, 4 copies of the statutes, articles of incorporations, Proof of payment of the "taxes d'habitation".

All procedures previously managed by the entrepreneur itself are now operated by the CFE,
 Registration with the Directorate-General of Taxation
 Obtain the Economic Operator Card (Carte d'Operateur Economic) at DGI
 Registration at the RCCM
 Pay registration fees at the Service des Impôts (DGI)
 Payment of he professional tax (75.000) was replace by another tax : REDEVANCE 40 000 FCFA
 Registration with the Chamber of Commerce
 Registration at the Labor agency: Inspection du travail
 Registration with Social Security

Fees are paid at the CFE so it can disburse the revenues accordingly :
 Carte d'opérateur Economique 5000 FCFA+DGI 55000+ fiscal stamps : CFA 20 000 + Tax redevance 40 000 FCFA+ Chamber of Commerce 25000 FCFA + Labor 2000 FCFA

Procedure 7 Publication in a national news dailies or the Official Gazette

Time to complete: 3

Cost to complete: XOF 61,360

Comment: Within 15 days of commercial registration, founders must place a notice in the Official Gazette or in a daily newspaper entitled to publish legal announcements. Signed by a notary public or by the founders, the announcement must include the following information:
 - The company trade name and its initials.
 - The corporate (or legal) form.
 - The address of the headquarters.
 - A short description of the social objective.
 - The company duration.
 - The amount of the initial in-cash contribution to capital.
 - A brief description and valuation of in-kind capital.
 - The names and residential addresses of the first directors and first auditors.
 - The document(s) evidencing the authorization of business establishment by the Clerk of the Court (and, if necessary, the effective date of commencement of operations).
 - The document(s) evidencing commercial registration at the Register of Commerce and Credit Estate.

Fee schedule for notice of company formation:

- One-eighth page: FCFA 30,680.
- Half page: FCFA 111,510.
- Quarter page: FCFA 61,360.

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

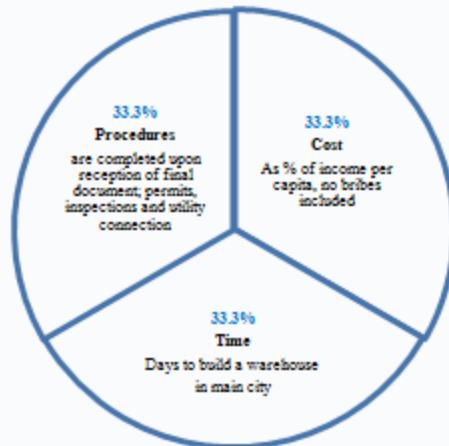
The warehouse:

- 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:

Togo is ranked 152 overall for Dealing with Construction Permits.

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



The following table shows Dealing with Construction Permits data for Togo 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	

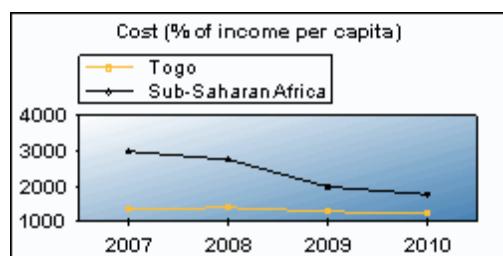
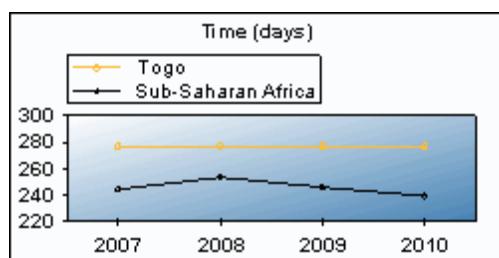
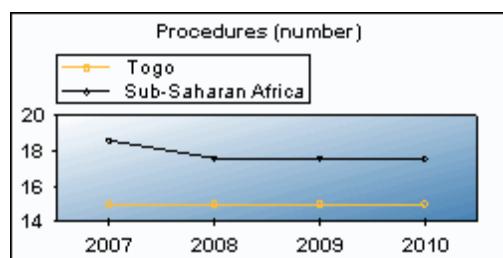
<i>Selected Economy</i>			
Togo	15	277	1241.9

<i>Comparator Economies</i>			
Benin	15	320	249.6
Burkina Faso	15	122	576.1
Côte d'Ivoire	21	592	227.6
Ghana	18	220	1017.7
Mali	15	168	505.0

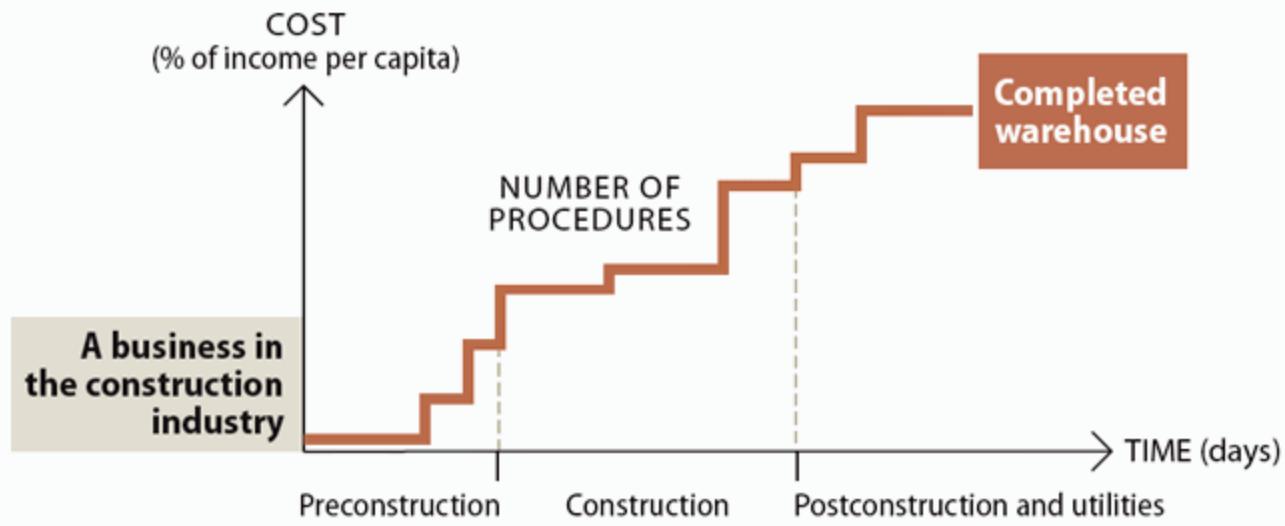
2. Historical data: Dealing with Construction Permits in Togo

Dealing with Construction Permits data	Doing Business 2008	Doing Business 2009	Doing Business 2010	Doing Business 2011
Rank	..	..	150	152
Procedures (number)	15	15	15	15
Time (days)	277	277	277	277
Cost (% of income per capita)	1366.3	1400.1	1285.3	1241.9

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

BUILDING A WAREHOUSE

City: Lomé

Registration Requirements:

No:	Procedure	Time to complete	Cost to complete
1	Obtain certified copy of the title deed	2 days	XOF 500
2	Obtain certification of architectural plans from the National Order of Architects (Ordre National des Architects)	3 days	XOF 150,000
3	Obtain construction license from the Communal Authorities (Mairie)	185 days	XOF 130,000
4	Receive inspection from the municipal authority	1 day	no charge
5	Apply for water connection	1 day	no charge
6	Togolese Water Supply Company (TDE) carries out a site visit and prepares an estimate for water connection	1 day	no charge
7	Obtain water connection	84 days	XOF 150,000
8 *	Apply for electricity connection	1 day	no charge

9	Togo Electricity carries out a site visit and prepares an estimate for electricity connection	1 day	no charge
10	Obtain electricity connection	28 days	XOF 500,000
11 *	Apply for sewage connection	1 day	no charge
12	Togolese Water Supply Company (TDE) carries out a site visit and prepares an estimate for sewage connection	1 day	no charge
13	Obtain sewage connection	28 days	XOF 1,500,000
14 *	Obtain fixed telephone line	30 days	XOF 120,000
15 *	Obtain occupancy permit	7 days	no charge

* Takes place simultaneously with another procedure.

Dealing with Construction Permits Details - Togo

Procedure	1	Obtain certified copy of the title deed
Time to complete:	2 days	
Cost to complete:	XOF 500	
Comment:		
Procedure	2	Obtain certification of architectural plans from the National Order of Architects (Ordre National des Architects)
Time to complete:	3 days	
Cost to complete:	XOF 150,000	
Agency:	National Order of Architects	
Comment:		Every construction project must employ an architect registered with the National Association of Architects (Ordre National des Architects, ONAT). The architect submits the construction application under his or her name to the municipality. Usually the architect is hired for each project, but if the construction company has a licensed architect as a regular employee, that architect can complete this task. In that case, however, the file with all the documentation must be submitted to the ONAT, which provides a certificate stating that the architect is licensed. This has been common practice for the last 6 years.
Procedure	3	Obtain construction license from the Communal Authorities (Mairie)
Time to complete:	185 days	
Cost to complete:	XOF 130,000	
Agency:	Urban Roads Administration (Voirie) - Lome City Hall	
Comment:		The following are the key parts of the construction license application (PC) (5–6 copies required): - An application signed by the project architect. - Land title or administrative certificate: copies of any document justifying property right or authorizing the company to do the construction work. - Plans for the property: situation plan, area plan, and warehouse plan. This application is submitted to provincial offices if construction is being done outside the capital, Lome. Internal procedures within the Communal Authorities are the following: 1. Transmission of the file to the Land Registry (Service du cadastre) for checking conformity of the plot plan with the general plans at the Land Registry. This first approval consists of a signature and the seal on all the documents of the Directorate General of Land Registry (Direction Générale du Cadastre). 2. Transmission of the file to the Directorate General of City Planning and Habitat (Direction générale de la planification urbaine et de l'habitat, DGUH) for checking conformity of the property plan with area plans and compliance with city planning regulations related to the zone. This second approval consists of a signature and seal on all the documents in the file of the Directorate General of City Planning and Habitat (DGUH). 3. Transmission of the file to the Department of Public Works (Direction Générale des Travaux publics, DGTP) for checking concrete and structural designs. In the case of a warehouse or other complex building, structural design plans are an integral part of the file. For simpler projects, like a house, such plans are not required. This third approval consists of a signature and the seal on all the documents of the Directorate General of Public Works (DGTP). 4. Transmission of the file to the Sanitation Administration (Service d'Hygiène) for an examination of the proposed sanitation system: septic tank and sumps or connection to the

city sewer network in certain areas. Here, some special plans may also be warranted. This fourth approval consists of a signature and the seal on all the documents in the file of the Sanitation Administration. 5. Return of the file to the Urban Roads Administration (Voirie) for calculation of the cost of construction and a license based on the total built surface. 6. Communication of the construction license cost to the customer and collection of fees (Voirie). 7. Transmission to City Hall for final signature on the construction license (or district office having submitted the file)—the Communal Services of Lome or district office. 8. Return to the Urban Roads Administration (Voirie) for handing over to the customer (Voirie). 9. For industrial projects, an intermediate stage may be required. The Urban Roads Administration (Voirie) could request the opinion of the Ministry of Industry or the Free Trade Zone Administration (SAZOF). Construction work must start within 6 months from the date of issuance of the license. Otherwise, it is void.

Procedure 4 Receive inspection from the municipal authority

Time to complete: 1 day

Cost to complete: no charge

Comment: This inspection is carried out to check whether the project has been granted a building permit.

Procedure 5 Apply for water connection

Time to complete: 1 day

Cost to complete: no charge

Agency: Togolese Water Supply Company (TDE)

Comment: The situation plan (plan de situation) must be submitted. It is necessary to physically go to the Togolese Water Supply Company (TDE) to request the water connection.

Procedure 6 Togolese Water Supply Company (TDE) carries out a site visit and prepares an estimate for water connection

Time to complete: 1 day

Cost to complete: no charge

Agency: Togolese Water Supply Company (TDE)

Comment: Work can continue before and after the inspection.

Procedure 7 Obtain water connection

Time to complete: 84 days

Cost to complete: XOF 150,000

Agency: Togolese Water Supply Company (TDE)

Comment:

Procedure 8 Apply for electricity connection**Time to complete:** 1 day**Cost to complete:** no charge**Agency:** Togo Electricity Company (Togo Electricité)**Comment:****Procedure 9 Togo Electricity carries out a site visit and prepares an estimate for electricity connection****Time to complete:** 1 day**Cost to complete:** no charge**Agency:** Togo Electricity Company (Togo Electricité)**Comment:****Procedure 10 Obtain electricity connection****Time to complete:** 28 days**Cost to complete:** XOF 500,000**Agency:** Togo Electricity Company (Togo Electricité)**Comment:****Procedure 11 Apply for sewage connection****Time to complete:** 1 day**Cost to complete:** no charge**Agency:** General Directorate of Hydraulics (Direction Générale de l'Hydraulique)**Comment:****Procedure 12 Togolese Water Supply Company (TDE) carries out a site visit and prepares an estimate for sewage connection****Time to complete:** 1 day**Cost to complete:** no charge**Agency:** General Directorate of Hydraulics (Direction Générale de l'Hydraulique)**Comment:**

Procedure 13 Obtain sewage connection

Time to complete: 28 days

Cost to complete: XOF 1,500,000

Agency: Togolese Water Supply Company (TDE)

Comment: Only a few streets in Lome have a sewerage system. For BuildCo, therefore, a septic tank would be installed. For one employee working in the warehouse, the septic tank would cost XOF 425,000. No additional authorizations are needed to build a septic tank.

Procedure 14 Obtain fixed telephone line

Time to complete: 30 days

Cost to complete: XOF 120,000

Agency: Togo Telecom (Togo Télécom)

Comment: A completed form and the company documentation must be submitted. It is necessary to go in person to Togo Telecom to request a telephone connection.

Procedure 15 Obtain occupancy permit

Time to complete: 7 days

Cost to complete: no charge

Agency: City Hall (Mairie)

Comment: A request for an occupancy permit (Demande de permis d'habitation) must be submitted to the municipality, along with the final building plans. This procedure is necessary for subsequent payment of taxes.

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?

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):

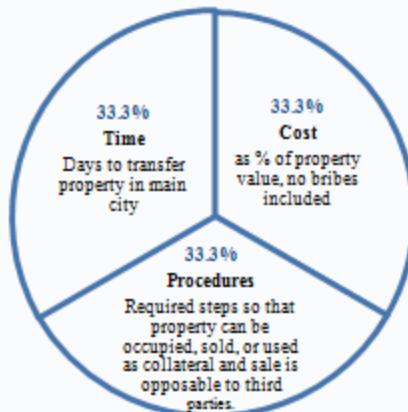
- Are limited liability companies, 100% domestically and privately owned.
- Are located in the periurban area of the economy's largest business city.
- Have 50 employees each, all of whom are nationals.
- Perform general commercial activities.

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.

Registering Property: transfer of property between 2 local companies

Rankings are based on 3 subindicators



1. Benchmarking Registering Property Regulations:

Togo is ranked 158 overall for Registering Property.

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



The following table shows Registering Property data for Togo 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

Selected Economy			
Togo	5	295	13.0

Comparator Economies			
Benin	4	120	11.8
Burkina Faso	4	59	13.1
Côte d'Ivoire	6	62	13.9
Ghana	5	34	1.0
Mali	5	29	11.9

* The following economies are also good practice economies for :

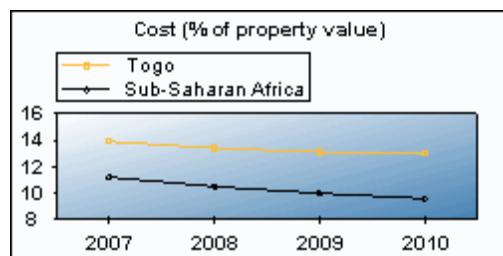
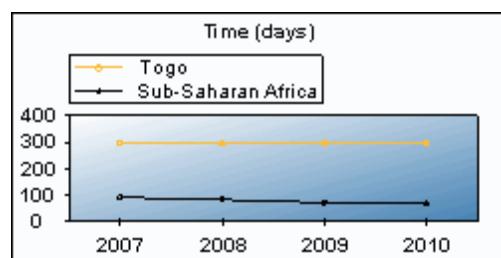
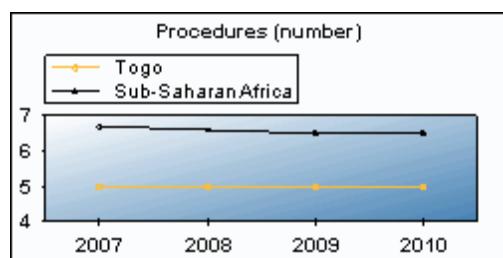
Procedures (number): United Arab Emirates

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

2. Historical data: Registering Property in Togo

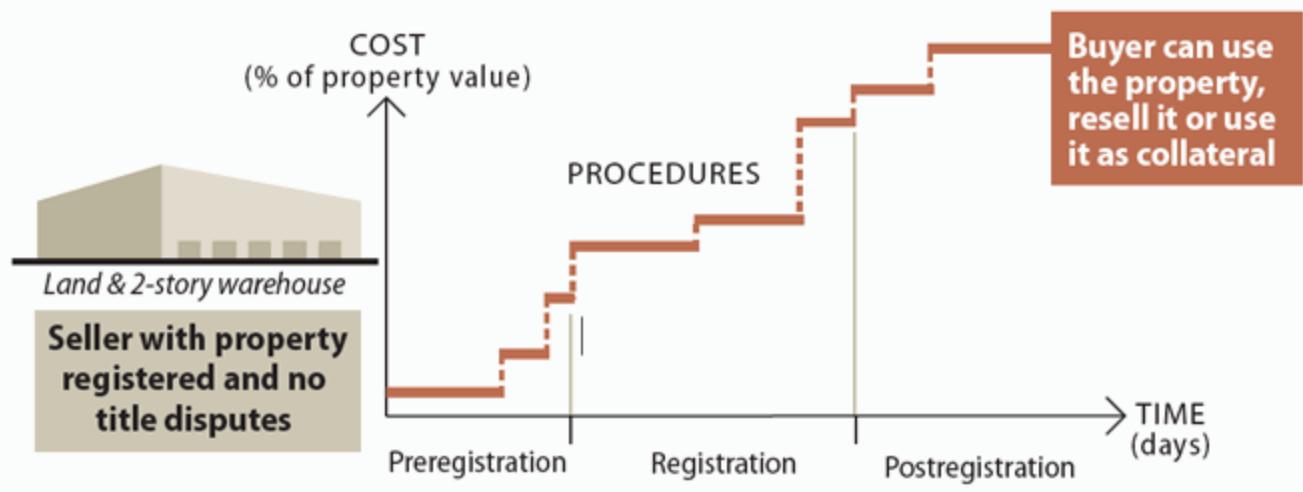
Registering Property data	Doing Business 2008	Doing Business 2009	Doing Business 2010	Doing Business 2011
Rank	..	..	155	158
Procedures (number)	5	5	5	5
Time (days)	295	295	295	295
Cost (% of property value)	13.9	13.4	13.1	13.0

3. The following graphs illustrate the Registering Property sub indicators in Togo over the past 4 years:



Registering Property in Togo

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 Togo.

STANDARDIZED PROPERTY

Property Value: 10,268,890.48

City: Lomé

Registration Requirements:

No:	Procedure	Time to complete	Cost to complete
1	Obtain a copy of the property deed at the Land Registry	7 days	XOF 10,000
2	A notary drafts the sale agreement	3 days	Notary fees 1 -2,500 000 = 4.5% 2 500 001 - 5, 000 000 = 3% 5 000 001 - 10 000 000 = 1.5% > 10. 000 000 = .75%
3	Register the sale agreement with the Tax Authorities	14 days	9% of the property value + XOF 5,000 (Stamp duties)
4	Notarize the registered sale agreement	1 day	Already paid in procedure 2 (notary fees)
5	Final transfer of the property title with the Land Registry	6-12 months	1.2% of the property value + XOF 5000 (fixed costs)

Registering Property Details - Togo

Procedure 1 Obtain a copy of the property deed at the Land Registry

Time to complete: 7 days

Cost to complete: XOF 10,000

Agency: Land Registry (Services de la Conservation et de la Propriété Foncière)

Comment: The buyer should perform due diligence before entering into a sale agreement with the owner of the property by requesting a copy of the property deed from the Land Registry. The copy will include all useful information regarding the property and its history since its registration with the Land Registry. The buyer will be able to know whether the seller is indeed the owner of the property and whether the property is encumbered with mortgages or liens.

Procedure 2 A notary drafts the sale agreement

Time to complete: 3 days

Cost to complete: Notary fees $1 - 2,500\ 000 = 4.5\% \times 2\ 500\ 001 - 5,000\ 000 = 3\% \times 5\ 000\ 001 - 10\ 000\ 000 = 1.5\% \times 10,000,000 = .75\%$

Comment: The law requires that the sale agreement be notarized. It is the practice that parties ask the notary to draft the sale agreement himself. The notary will draft a preliminary sale agreement and will take the parties final observations. The notary finally asks the parties to sign the agreement and to register it with the tax authorities.

Procedure 3 Register the sale agreement with the Tax Authorities

Time to complete: 14 days

Cost to complete: 9% of the property value + XOF 5,000 (Stamp duties)

Agency: Tax Authorities (Service des Impôts)

Comment: The sale agreement should be registered with the tax authorities. The sale agreement registration fees would amount to 9% of the sale value, plus stamp duties. The cost is XOF 1,000 per stamp. The typical sale agreement takes five pages, hence five stamps. The Tax Authorities have different criteria to value the property (zone, characteristic of the land, etc.) and can request higher registration amounts if they assess that the sale value is understated.

Procedure 4 Notarize the registered sale agreement

Time to complete: 1 day

Cost to complete: Already paid in procedure 2 (notary fees)

Comment: The parties return the sale agreement duly registered with the tax authorities, to the notary, who will notarize it and provide the "Expedition" which provides the full agreement with execution powers. The procedure is free of charge as the parties already paid the notary's fee in their first encounter.

Procedure 5 Final transfer of the property title with the Land Registry

Time to complete: 6-12 months

Cost to complete: 1.2% of the property value + XOF 5000 (fixed costs)

Agency: Land Registry (Services de la Conservation et de la Propriété Foncière)

Comment: The parties can now take the notarized sale agreement to the Land Registry and file a request of transfer of property. It is added to the request copy of the former "Titre Foncier". The law supposes that the Registry's authorities send employees to the property for a field inspection. However, this is never done in practice, especially when the sale covers 100% of the property. If the sale covers only part of the property, a field inspection is required and usually carried to assess the new boundaries of the Land and update the registry.

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

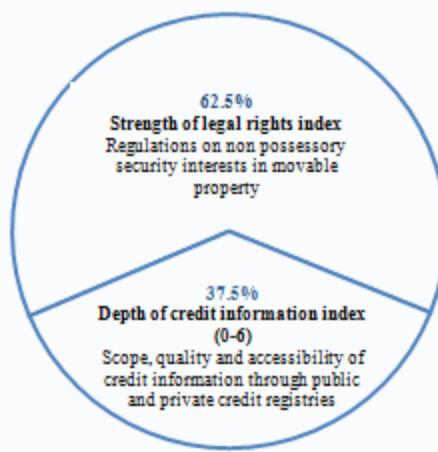
Public credit registry coverage (% of adults)

- Number of individuals and firms listed in public credit registry as percentage of adult population

Private credit bureau coverage (% of adults)

- Number of individuals and firms listed in largest private credit bureau as percentage of 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)

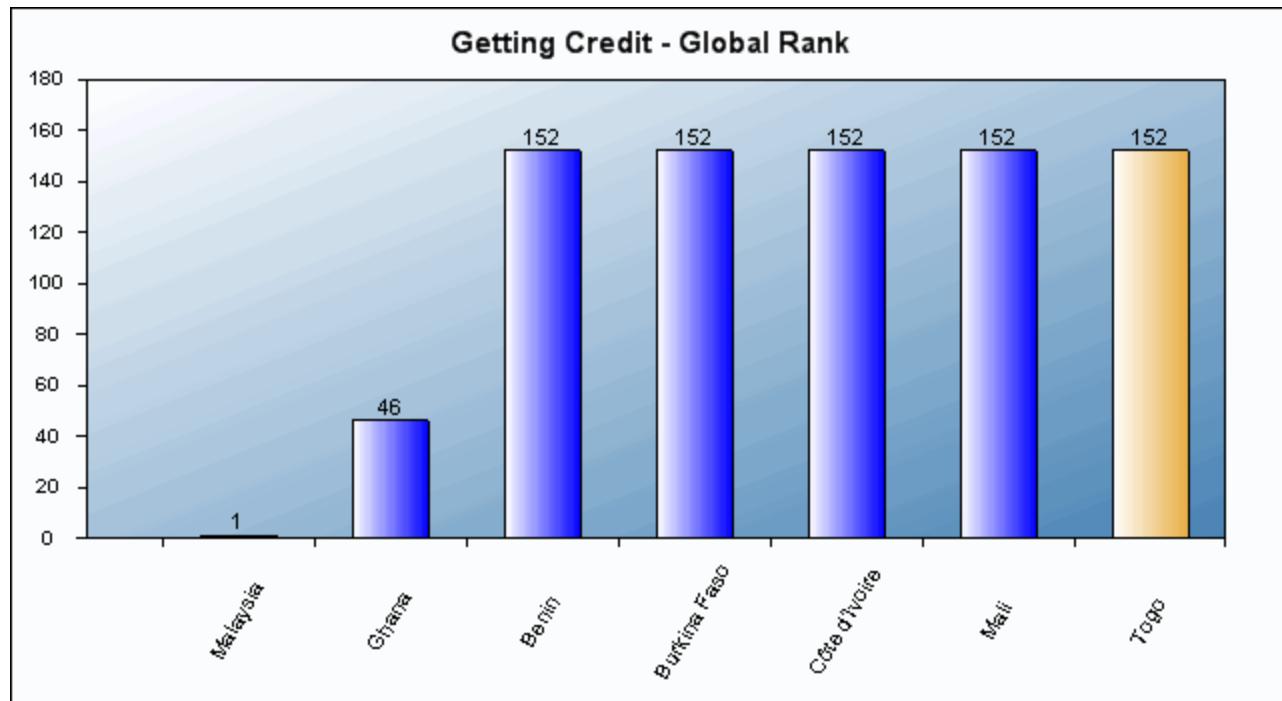
The Debtor

- 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:

Togo is ranked 152 overall for Getting Credit.

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



The following table shows Getting Credit data for Togo 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>				
Togo	3	1	0.2	0.0

<i>Comparator Economies</i>				
Benin	3	1	10.4	0.0
Burkina Faso	3	1	0.2	0.0
Côte d'Ivoire	3	1	0.2	0.0
Ghana	8	3	0.0	10.3
Mali	3	1	0.1	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](#)

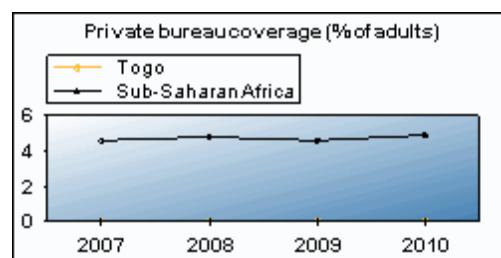
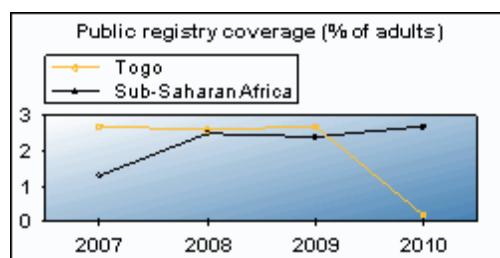
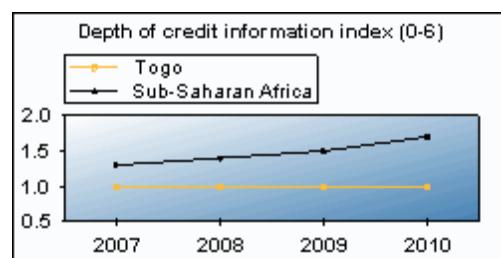
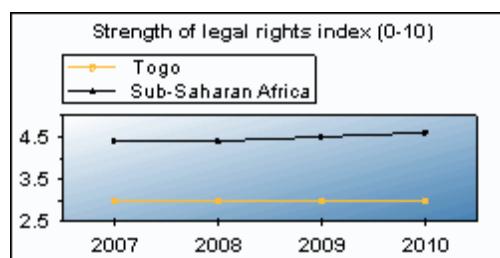
Private bureau coverage (% of adults): [Argentina](#), [Australia](#), [Canada](#), [Iceland](#), [Ireland](#), [Norway](#), [Sweden](#), [United Kingdom](#), [United States](#)

27 countries have the highest credit information index.

2. Historical data: Getting Credit in Togo

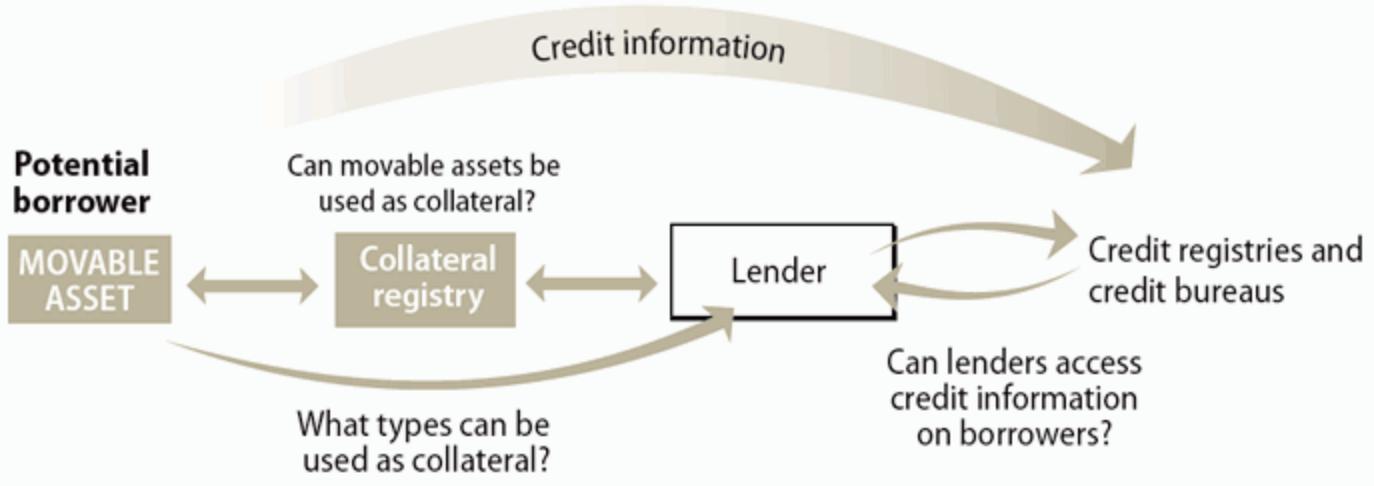
Getting Credit data	Doing Business 2008	Doing Business 2009	Doing Business 2010	Doing Business 2011
Rank	..	..	150	152
Strength of legal rights index (0-10)	3	3	3	3
Depth of credit information index (0-6)	1	1	1	1
Private bureau coverage (% of adults)	0.0	0.0	0.0	0.0
Public registry coverage (% of adults)	2.7	2.6	2.7	0.2

3. The following graphs illustrate the Getting Credit sub indicators in Togo over the past 4 years:



Getting Credit in Togo

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 Togo.

Getting Credit Indicators (2010)	Indicator		
Private bureau coverage (% of adults)	Private credit bureau	Public credit registry	1
Are data on both firms and individuals distributed?	No	Yes	1
Are both positive and negative data distributed?	No	No	0
Does the registry distribute credit information from retailers, trade creditors or utility companies as well as financial institutions?	No	No	0
Are more than 2 years of historical credit information distributed?	No	No	0
Is data on all loans below 1% of income per capita distributed?	No	No	0
Is it guaranteed by law that borrowers can inspect their data in the largest credit registry?	No	No	0
Coverage	0.0	0.2	
Number of individuals	0	..	
Number of firms	0	..	

Strength of legal rights index (0-10)

3

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

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

Some reform outcomes

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

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

What do the Protecting Investors indicators measure?

Extent of disclosure index (0–10)

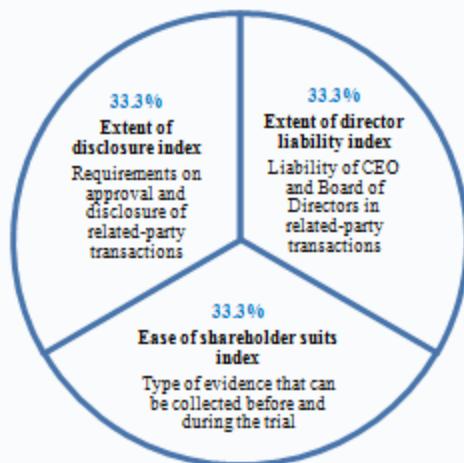
- Who can approve related-party transactions
- Requirements for external and internal disclosure in case of related-party transactions

Protecting Investors: minority shareholder rights in related-party transactions

Rankings are based on 3 subindicators

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

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.

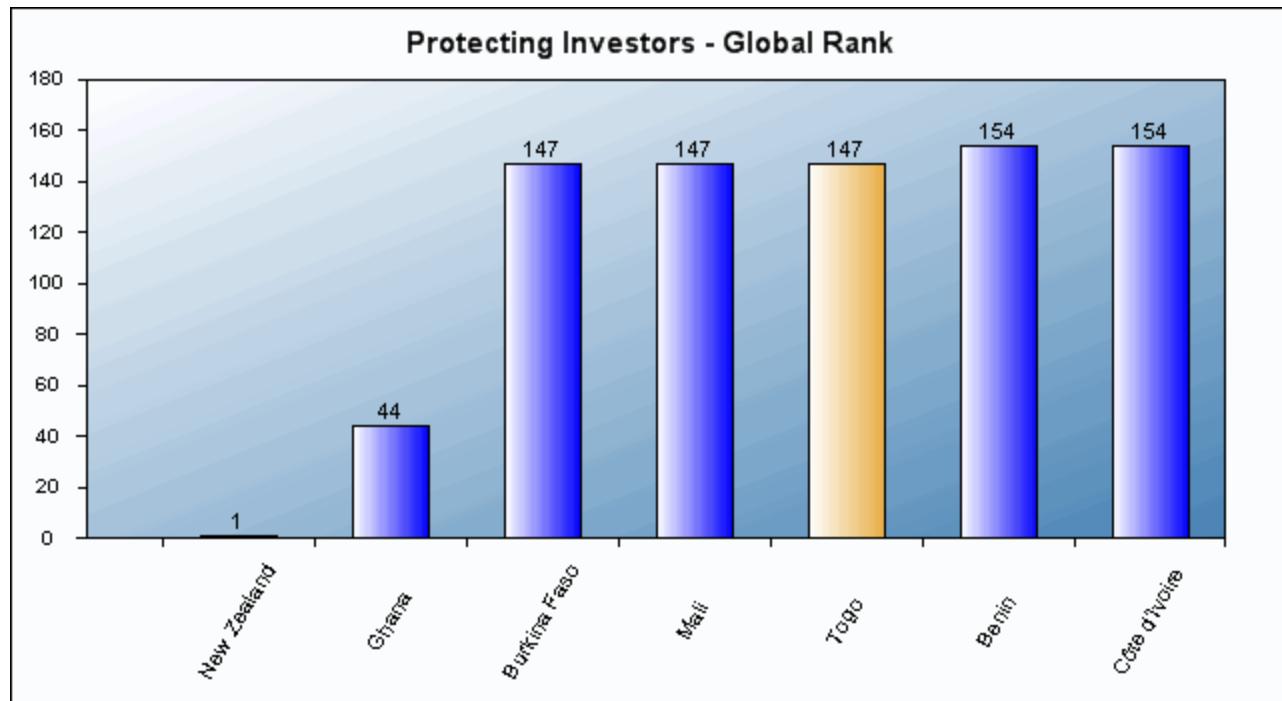
The transaction

- 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:

Togo is ranked 147 overall for Protecting Investors.

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



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

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

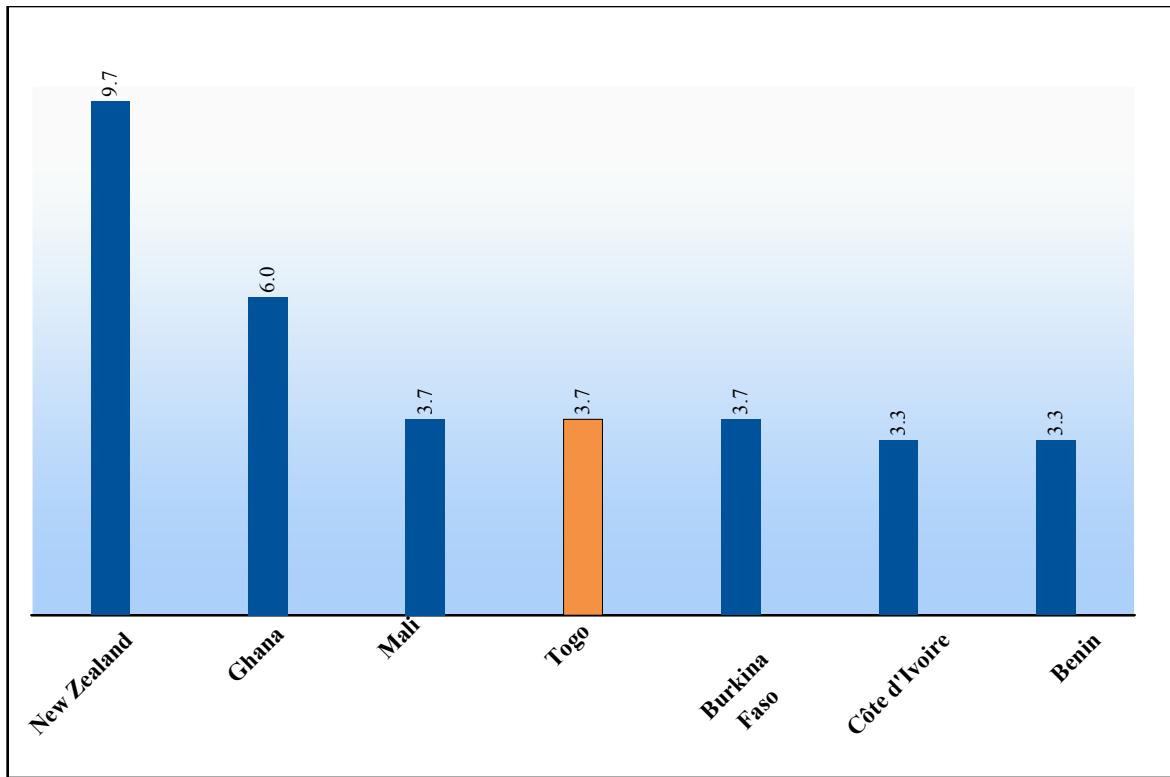
<i>Selected Economy</i>	
Togo	3.7

<i>Comparator Economies</i>	
Benin	3.3
Burkina Faso	3.7
Côte d'Ivoire	3.3
Ghana	6.0
Mali	3.7

2. Historical data: Protecting Investors in Togo

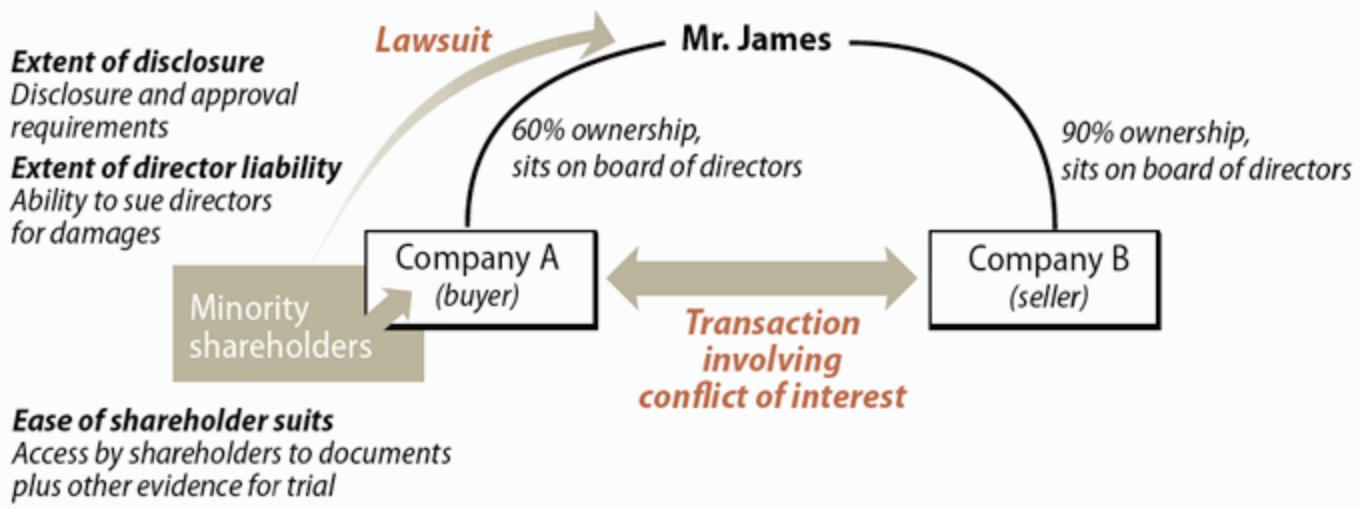
Protecting Investors data	Doing Business 2008	Doing Business 2009	Doing Business 2010	Doing Business 2011
Rank	..	..	146	147
Strength of investor protection index (0-10)	3.7	3.7	3.7	3.7

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

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

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?	0
Whether shareholders can sue directly or derivatively for the damage that the Buyer-Seller transaction causes to the company?	1
Ease of shareholder suits index (0-10)	4
Whether the plaintiff can obtain any documents from the defendant and witnesses during trial?	3
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?	0
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?	0
Strength of investor protection index (0-10)	3.7

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

Some reform outcomes

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

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

What do the Paying taxes indicators measure?

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

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

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

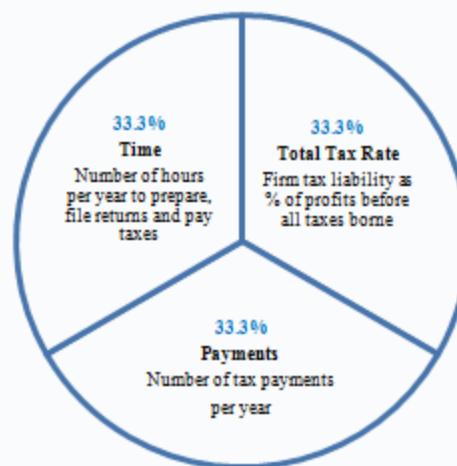
- Collecting information and computing the tax payable
- Completing tax return forms, filing with proper agencies
- Arranging payment or withholding
- Preparing separate tax accounting books, if required

Total tax rate (% of profit)

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

Paying Taxes: tax compliance for a local manufacturing company

Rankings are based on 3 subindicators



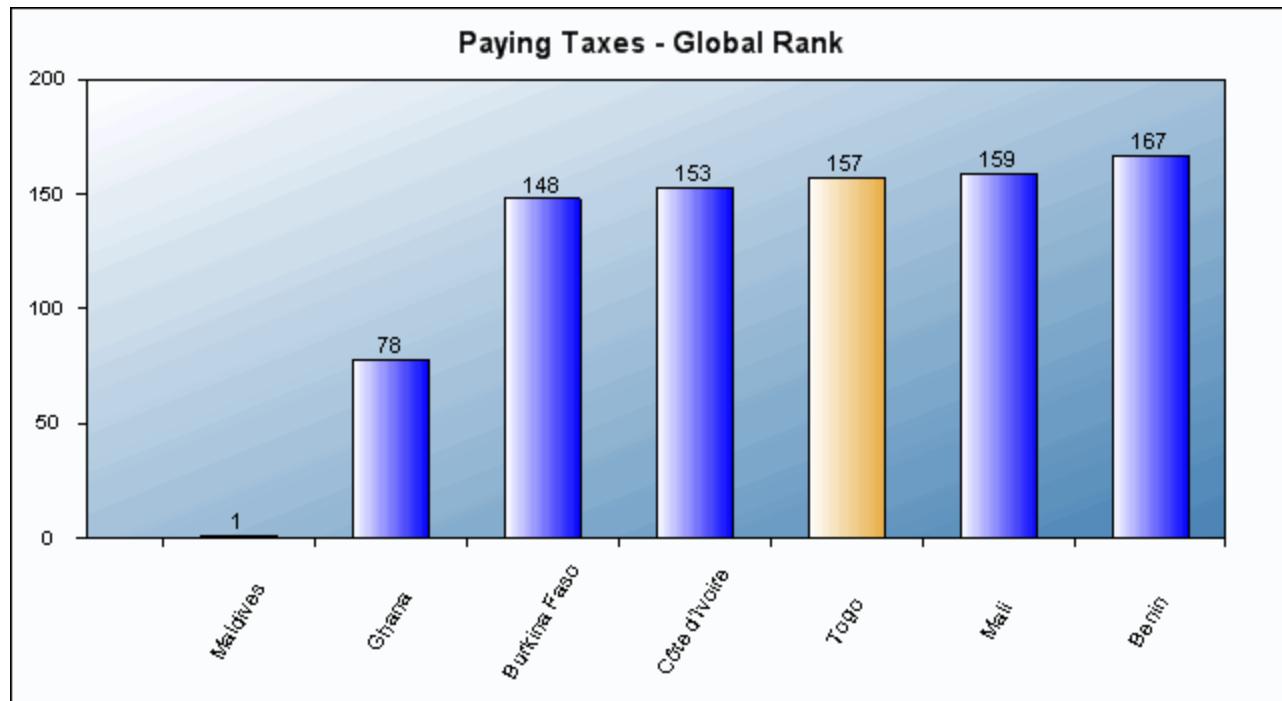
Case Study Assumptions

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

1. Benchmarking Paying Taxes Regulations:

Togo is ranked 157 overall for Paying Taxes.

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



The following table shows Paying Taxes data for Togo 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>			
Togo	53	270	50.8

<i>Comparator Economies</i>			
Benin	55	270	66.0
Burkina Faso	46	270	44.9
Côte d'Ivoire	64	270	44.4
Ghana	33	224	32.7
Mali	59	270	52.2

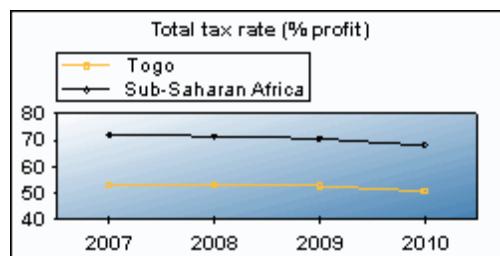
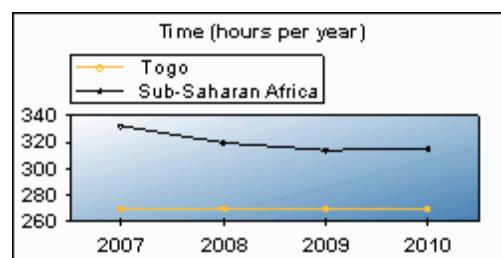
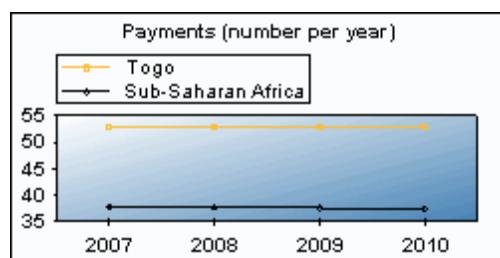
* The following economies are also good practice economies for :

Payments (number per year): Qatar

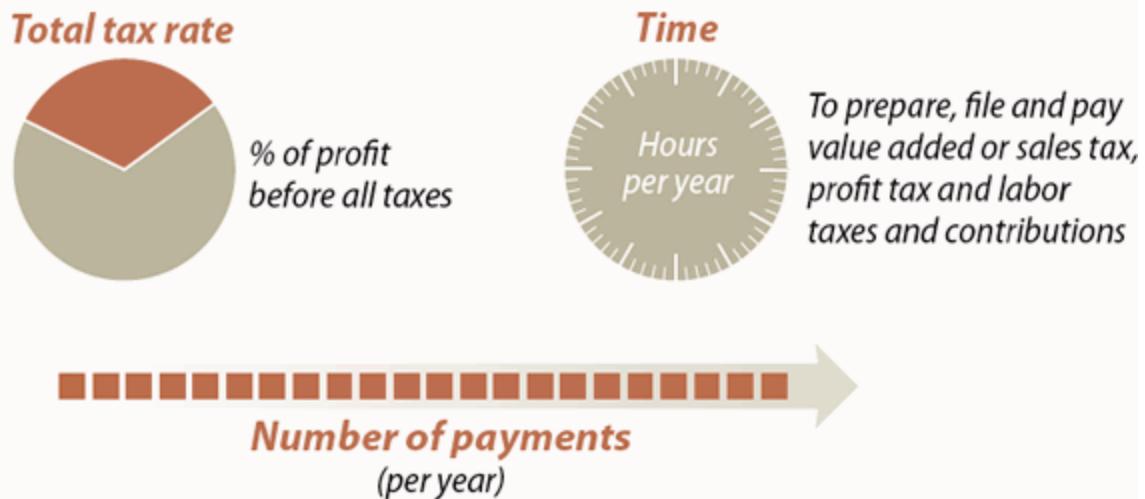
2. Historical data: Paying Taxes in Togo

Paying Taxes data	Doing Business 2008	Doing Business 2009	Doing Business 2010	Doing Business 2011
Rank	..	..	155	157
Total tax rate (% profit)	52.9	52.9	52.7	50.8
Payments (number per year)	53	53	53	53
Time (hours per year)	270	270	270	270

3. The following graphs illustrate the Paying Taxes sub indicators in Togo 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 Togo, 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
Training tax	1			various rates			
Stamp duty on contracts	1			XOF 1500	per page		
Value added tax (VAT)	12		120	18.0%	value added		
Vehicle tax	1			various rates			
Property surtax	1			1.0%	assessed rental value of land	0.00	
Tax on garbage collection	1			2% and 0.2%	assessed rental value of building and land	0.10	
Property tax on undeveloped land	1			2.0%	assessed rental value of land	0.10	
Tax on insurance contracts	1			25.0%	insurance premium	0.20	

Fuel tax	1		48.06 francs	per liter of diesel	0.30
Tax on interest	1	0	20.0%	interest income	0.40
Property tax on developed land	1		15.0%	assessed rental value of building	1.00
Payroll tax	12		7.0%	gross salaries	7.90
Corporate income tax	5	30	30.0%	taxable profit	8.80
Business Tax	2	0	0.2%	turnover	11.60
Social security contributions	12	120	18.0%	gross salaries	20.40
Totals	53	270			50.8

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)

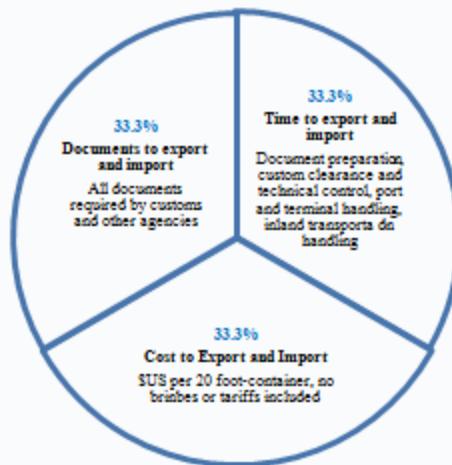
- Bank documents
- Customs clearance documents
- Port and terminal handling documents
- Transport documents

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

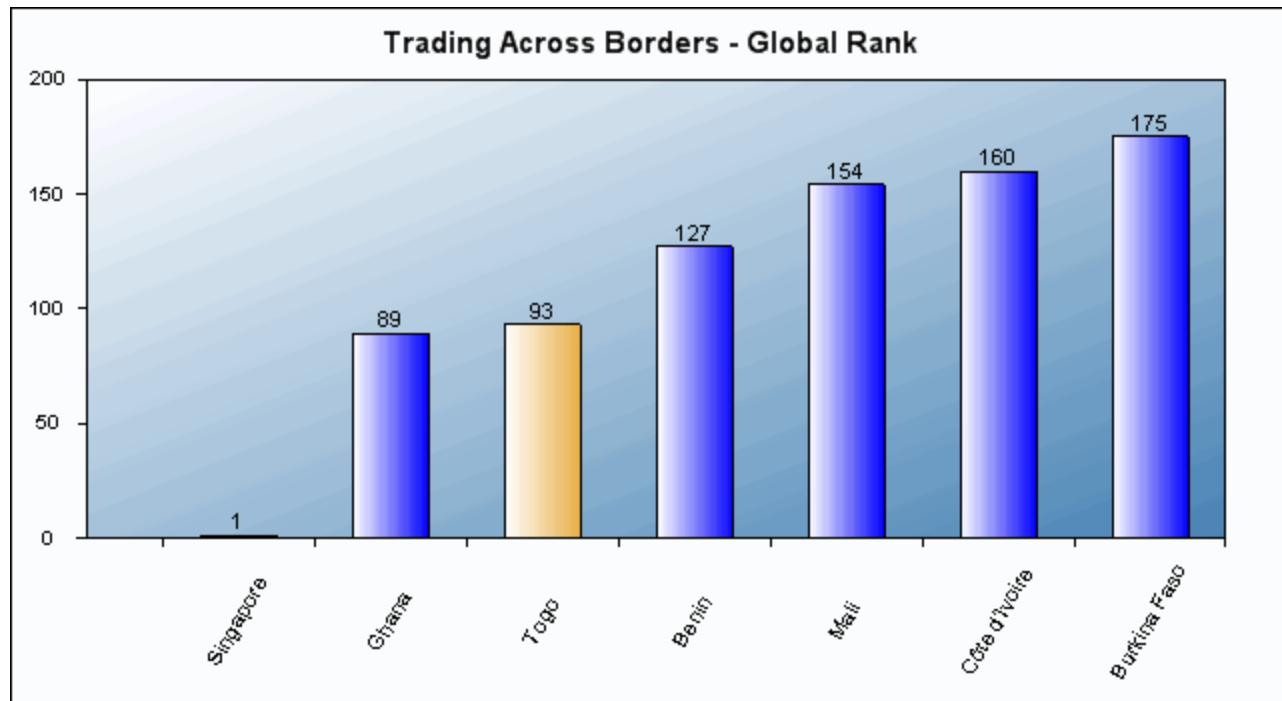
The traded product

- 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:

Togo is ranked 93 overall for Trading Across Borders.

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



The following table shows Trading Across Borders data for Togo 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>						
Togo	6	24	940	8	28	963

<i>Comparator Economies</i>						
Benin	7	30	1251	7	32	1400
Burkina Faso	10	41	2412	10	49	4030
Côte d'Ivoire	10	25	1969	9	36	2577
Ghana	6	19	1013	7	29	1203
Mali	7	26	2202	10	31	3067

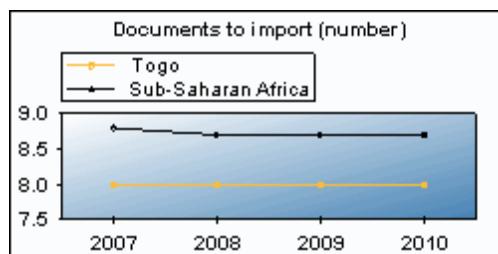
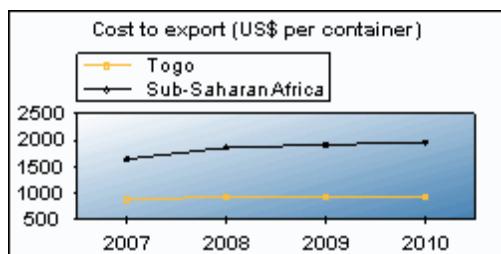
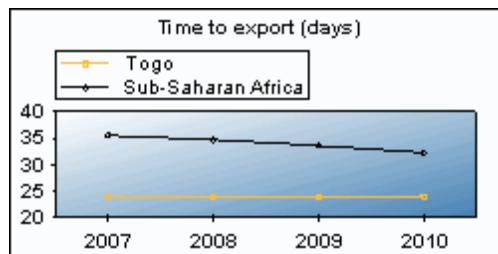
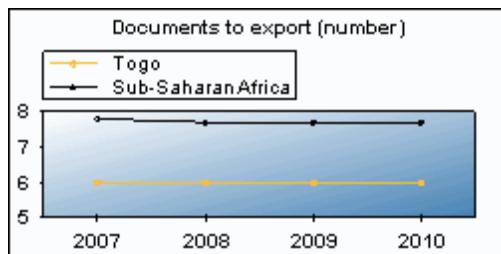
* The following economies are also good practice economies for :

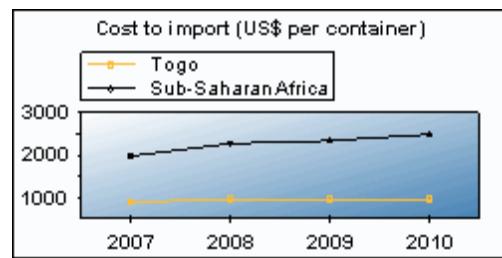
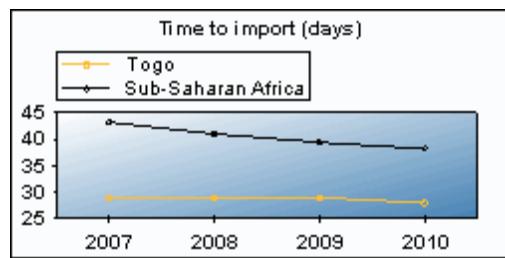
Time to export (days): **Estonia**

2. Historical data: Trading Across Borders in Togo

Trading Across Borders data	Doing Business 2008	Doing Business 2009	Doing Business 2010	Doing Business 2011
Rank	..	..	91	93
Cost to export (US\$ per container)	872	940	940	940
Cost to import (US\$ per container)	894	963	963	963
Documents to export (number)	6	6	6	6
Documents to import (number)	8	8	8	8
Time to export (days)	24	24	24	24
Time to import (days)	29	29	29	28

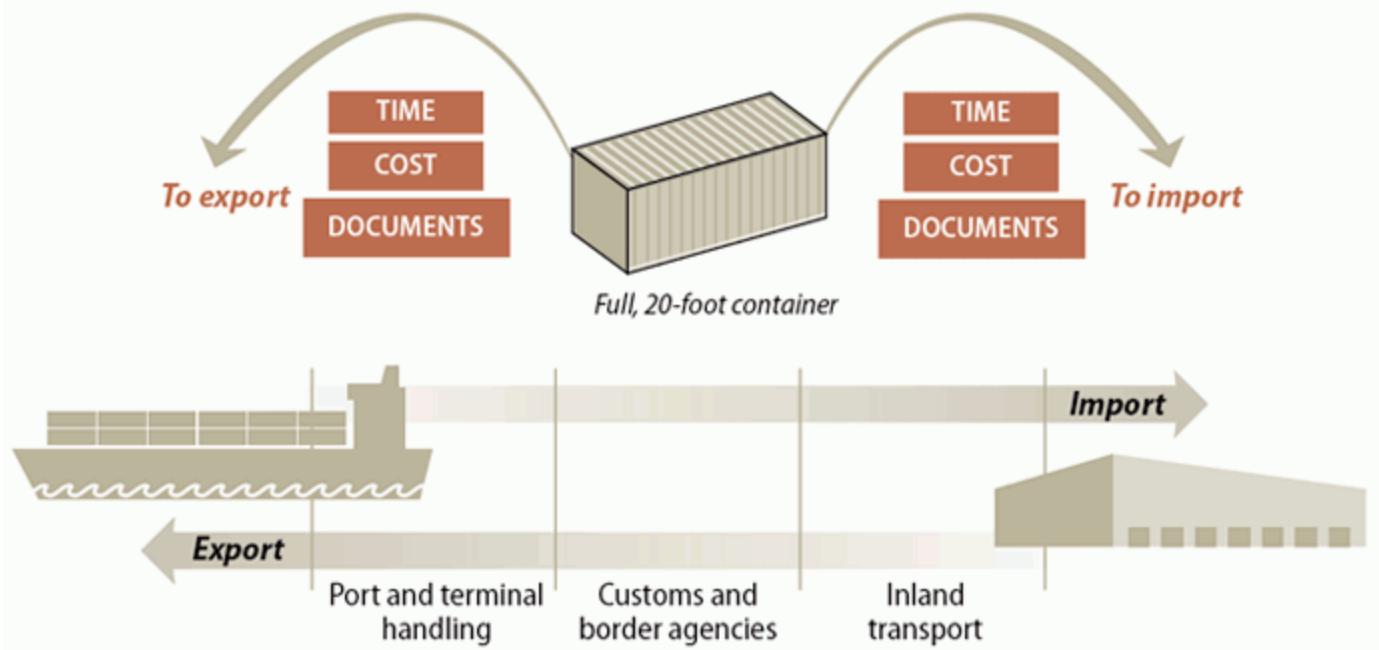
3. The following graphs illustrate the Trading Across Borders sub indicators in Togo over the past 4 years:





Trading Across Borders in Togo

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

Nature of Export Procedures (2010)	Duration (days)	US\$ Cost
Documents preparation	17	294
Customs clearance and technical control	1	189
Ports and terminal handling	4	200
Inland transportation and handling	2	257
Totals	24	940

Nature of Import Procedures (2010)	Duration (days)	US\$ Cost
Documents preparation	19	294
Customs clearance and technical control	3	189
Ports and terminal handling	3	223
Inland transportation and handling	3	257
Totals	28	963

Documents for Export and Import

Export

Bill of lading

Certificate of origin

Commercial invoice

Customs export declaration

Packing list

Technical standard/health certificate

Import

Bill of lading

Cargo release order

Certificate of origin

Commercial invoice

Customs import declaration

Insurance certificate

Packing list

Pre-shipment inspection clean report of findings

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

Some reform outcomes

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

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

What do the Enforcing Contracts indicators measure?

Procedures to enforce a contract (number)

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

Time required to complete procedures (calendar days)

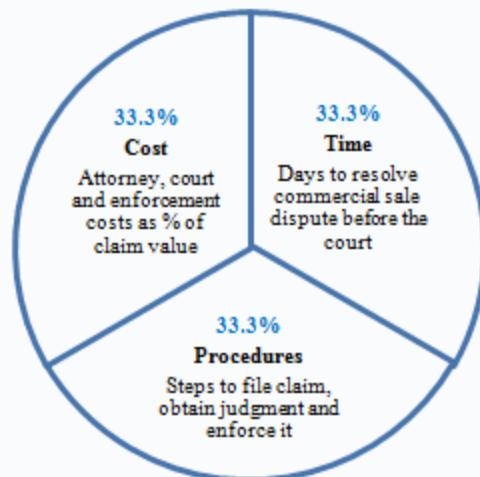
- Time to file and serve the case
- Time for trial and obtaining judgment
- Time to enforce the judgment

Cost required to complete procedures (% of claim)

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

Enforcing Contracts: resolving a commercial dispute through the courts

Rankings are based on 3 subindicators



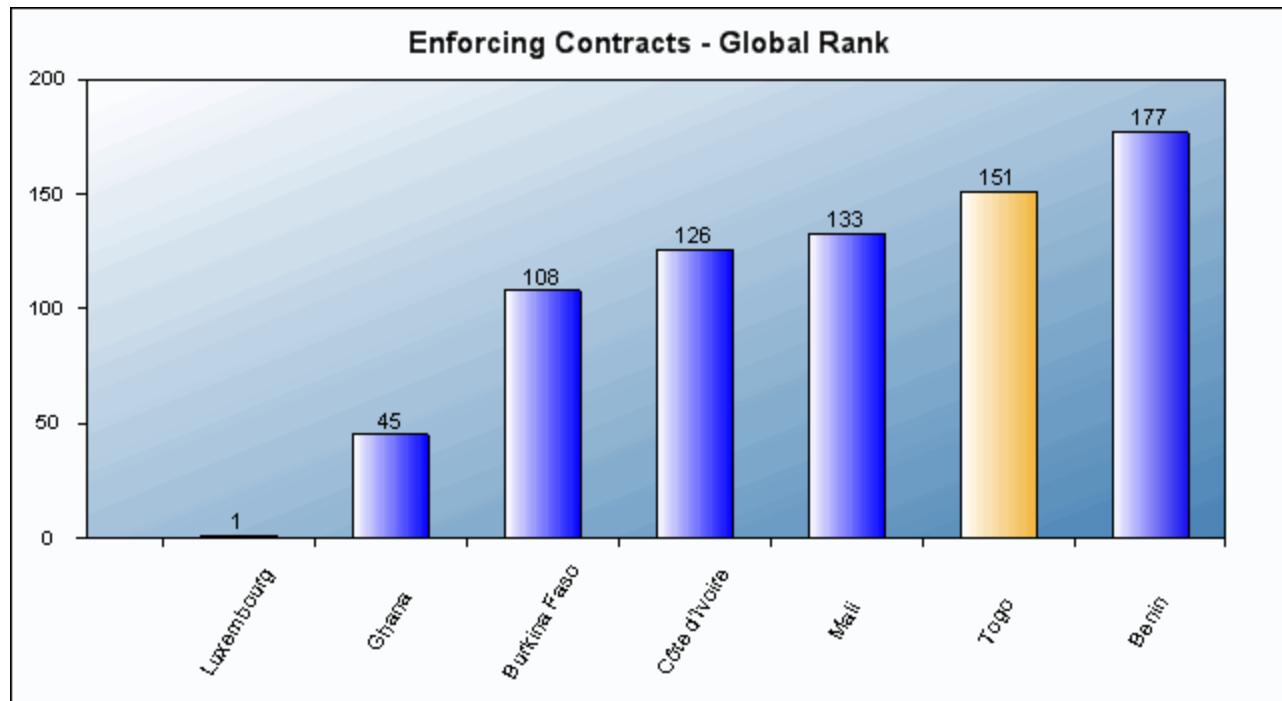
Case Study Assumptions

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

1. Benchmarking Enforcing Contracts Regulations:

Togo is ranked 151 overall for Enforcing Contracts.

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



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

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

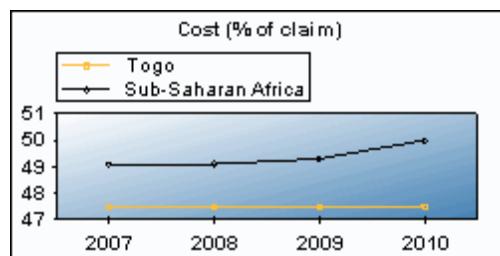
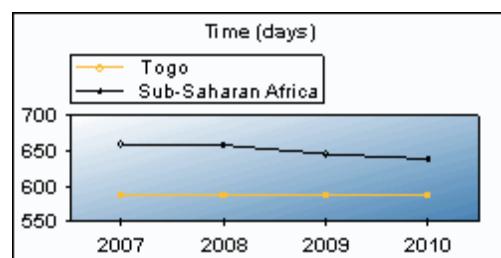
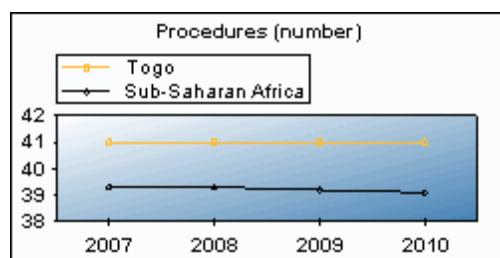
<i>Selected Economy</i>			
Togo	41	588	47.5

<i>Comparator Economies</i>			
Benin	42	825	64.7
Burkina Faso	37	446	81.7
Côte d'Ivoire	33	770	41.7
Ghana	36	487	23.0
Mali	36	620	52.0

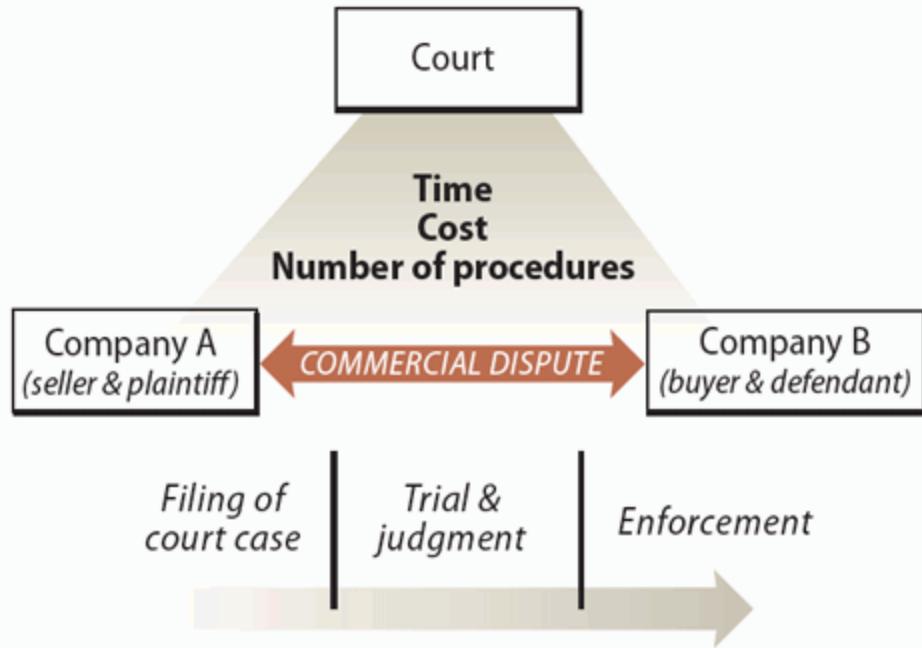
2. Historical data: Enforcing Contracts in Togo

Enforcing Contracts data	Doing Business 2008	Doing Business 2009	Doing Business 2010	Doing Business 2011
Rank	..	..	151	151
Procedures (number)	41	41	41	41
Time (days)	588	588	588	588
Cost (% of claim)	47.5	47.5	47.5	47.5

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

Nature of Procedure (2010)	Indicator
Procedures (number)	41
Time (days)	588
Filing and service	23.0
Trial and judgment	385.0
Enforcement of judgment	180.0
Cost (% of claim)*	47.50
Attorney cost (% of claim)	19.0
Court cost (% of claim)	11.1
Enforcement Cost (% of claim)	17.4

Court information: Lomé First Instance Court ("Tribunal de Première Instance de Première Classe de Lomé")

* 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)

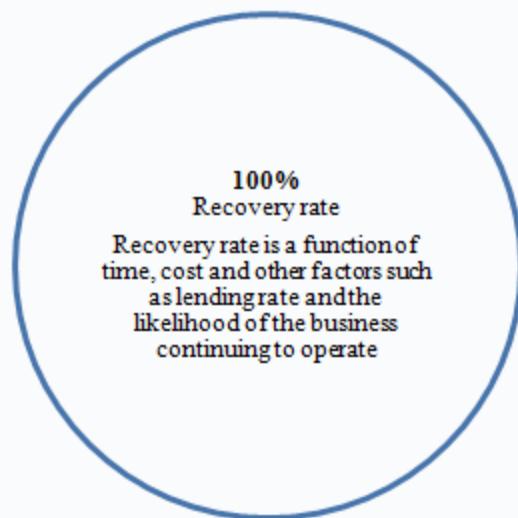
- Measured in calendar years
- Appeals and requests for extension are included

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

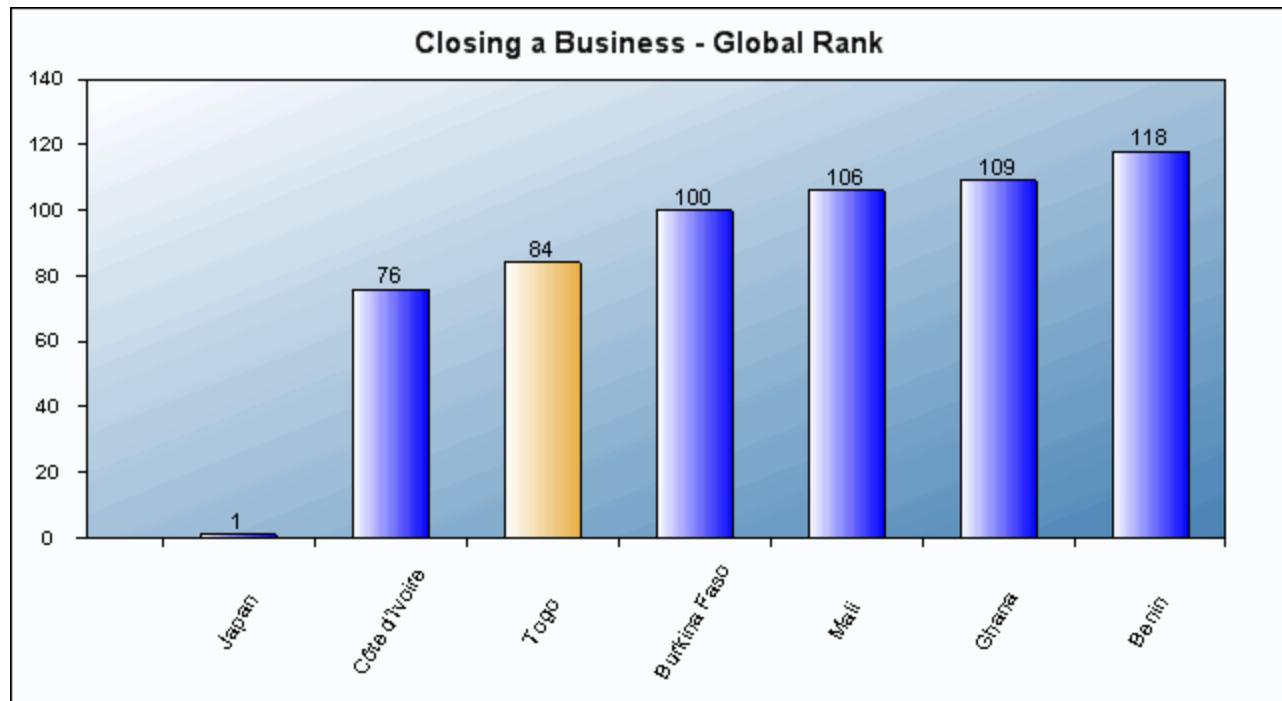
The Company

- 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:

Togo is ranked 84 overall for Closing a Business.

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



The following table shows Closing Business data for Togo 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>			
Togo	30.6	3.0	15

<i>Comparator Economies</i>			
Benin	20.2	4.0	22
Burkina Faso	26.8	4.0	9
Côte d'Ivoire	32.8	2.2	18
Ghana	23.7	1.9	22
Mali	24.6	3.6	18

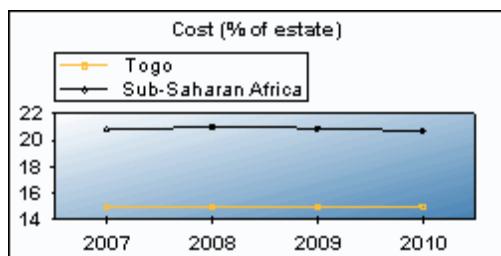
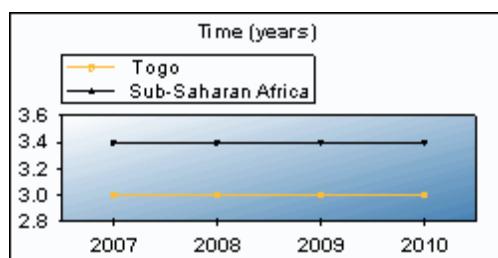
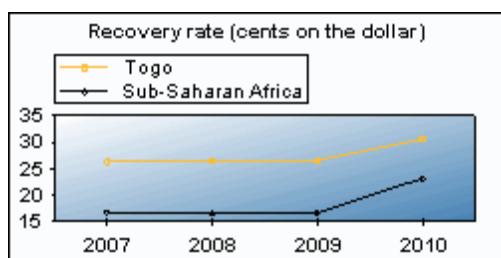
* The following economies are also good practice economies for :

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

2. Historical data: Closing Business in Togo

Closing a Business data	Doing Business 2008	Doing Business 2009	Doing Business 2010	Doing Business 2011
Rank	..	..	98	84
Time (years)	3.0	3.0	3.0	3.0
Cost (% of estate)	15	15	15	15
Recovery rate (cents on the dollar)	26.3	26.6	26.6	30.6

3. The following graphs illustrate the Closing Business sub indicators in Togo 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



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

Benin	Benin created a new municipal commission to streamline construction permitting and set up an ad hoc commission to deal with the backlog in permit applications.
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.
Burkina Faso	Burkina Faso made dealing with construction permits easier by cutting the cost of the soil survey in half and the time to process a building permit application by a third. Burkina Faso reduced the statutory tax rate and the number of taxes for business and introduced simpler, uniform compliance procedures. Burkina Faso reduced documentation requirements for importers and exporters, making it easier to trade. Burkina Faso made enforcing contracts easier by setting up a specialized commercial court and abolishing the fee to register judicial decisions.
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.
Côte d'Ivoire	Côte d'Ivoire eased construction permitting by eliminating the need to obtain a preliminary approval.
Ghana	Ghana enhanced access to credit by establishing a centralized collateral registry and by granting an operating license to a private credit bureau that began operations in April 2010.
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.
Mali	Mali eased construction permitting by implementing a simplified environmental impact assessment for noncomplex commercial buildings. Mali eased property transfers by reducing the property transfer tax for firms from 15% of the property value to 7%. Mali eliminated redundant inspections of imported goods, reducing the time for trading across borders.
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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