

# Doing Business 2011

United States

**Making  
a Difference for  
Entrepreneurs**

COMPARING BUSINESS REGULATION IN 183 ECONOMIES



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Doing Business 2011  
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*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 United States. 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](http://www.doingbusiness.org)).

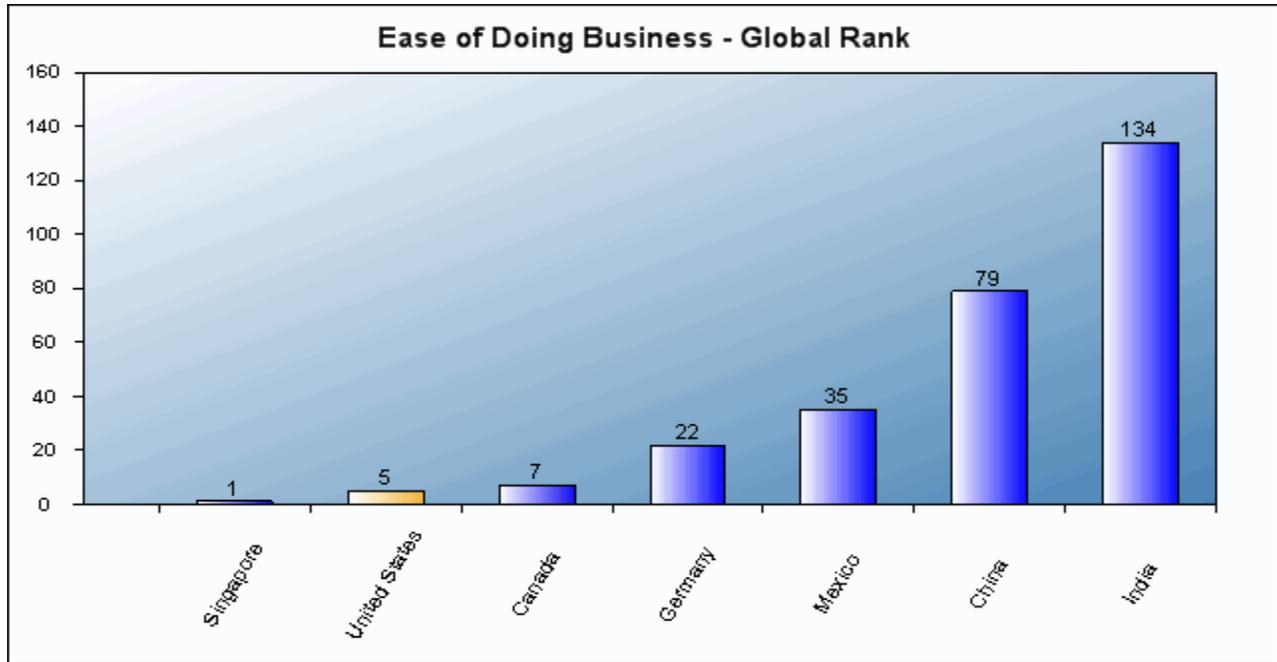
\* Except for the Paying Taxes indicator that refers to the period January to December of 2009.

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

United States is ranked 5 out of 183 economies. Singapore is the top ranked economy in the Ease of Doing Business.

### United States - Compared to global good practice economy as well as selected economies:



### United States's ranking in Doing Business 2011

Rank	Doing Business 2011
Ease of Doing Business	5
Starting a Business	9
Dealing with Construction Permits	27
Registering Property	12
Getting Credit	6
Protecting Investors	5
Paying Taxes	62
Trading Across Borders	20
Enforcing Contracts	8
Closing a Business	14

## Summary of Indicators - United States

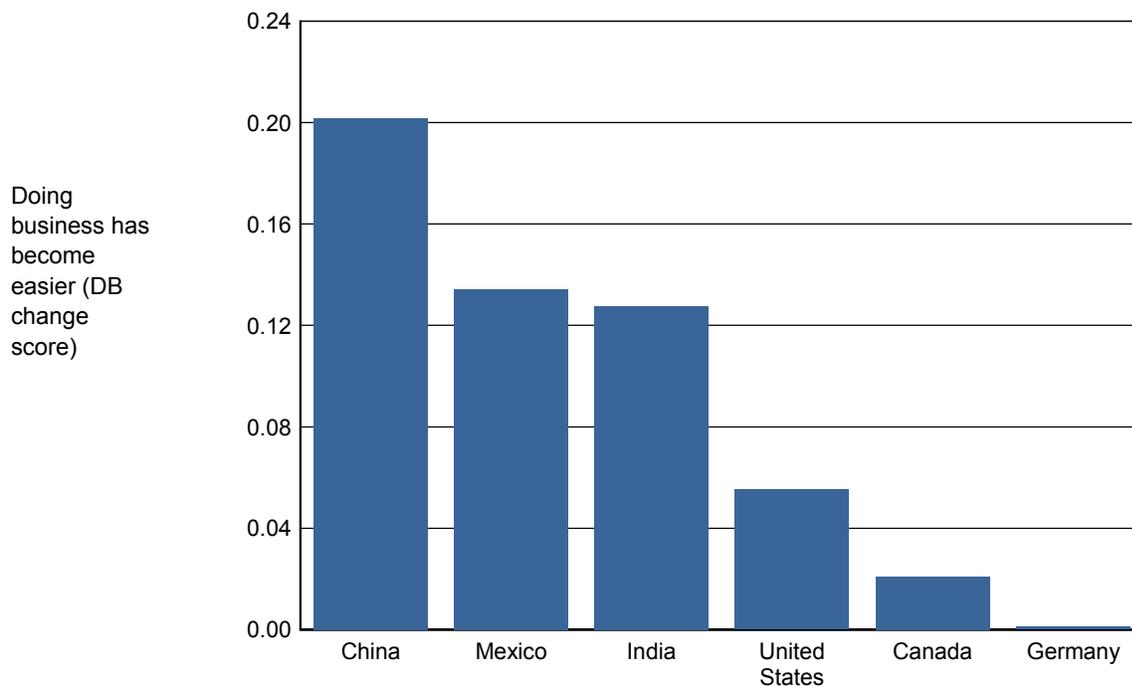
<b>Starting a Business</b>	Procedures (number)	6
	Time (days)	6
	Cost (% of income per capita)	1.4
	Min. capital (% of income per capita)	0.0
<b>Dealing with Construction Permits</b>	Procedures (number)	19
	Time (days)	40
	Cost (% of income per capita)	12.8
<b>Registering Property</b>	Procedures (number)	4
	Time (days)	12
	Cost (% of property value)	0.5
<b>Getting Credit</b>	Strength of legal rights index (0-10)	8
	Depth of credit information index (0-6)	6
	Public registry coverage (% of adults)	0.0
	Private bureau coverage (% of adults)	100.0
<b>Protecting Investors</b>	Extent of disclosure index (0-10)	7
	Extent of director liability index (0-10)	9
	Ease of shareholder suits index (0-10)	9
	Strength of investor protection index (0-10)	8.3
<b>Paying Taxes</b>	Payments (number per year)	11
	Time (hours per year)	187
	Profit tax (%)	27.6
	Labor tax and contributions (%)	10.0
	Other taxes (%)	9.2
	Total tax rate (% profit)	46.8
<b>Trading Across Borders</b>	Documents to export (number)	4
	Time to export (days)	6
	Cost to export (US\$ per container)	1050
	Documents to import (number)	5
	Time to import (days)	5
	Cost to import (US\$ per container)	1315

<b>Enforcing Contracts</b>	Procedures (number)	32
	Time (days)	300
	Cost (% of claim)	14.4
<b>Closing a Business</b>	Recovery rate (cents on the dollar)	81.5
	Time (years)	1.5
	Cost (% of estate)	7

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.

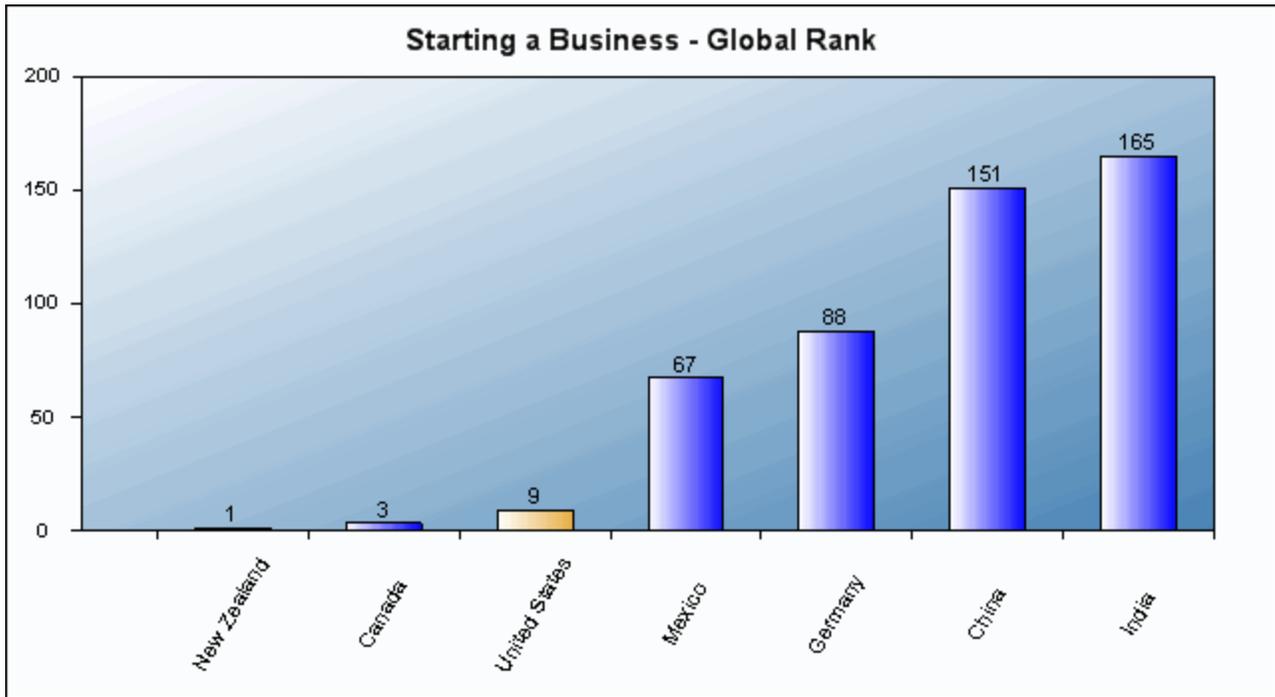
#### The business:

- 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:

United States is ranked 9 overall for Starting a Business.

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



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

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

<i>Selected Economy</i>				
<b>United States</b>	<b>6</b>	<b>6</b>	<b>1.4</b>	<b>0.0</b>

<i>Comparator Economies</i>				
<b>Canada</b>	1	5	0.4	0.0
<b>China</b>	14	38	4.5	118.3
<b>Germany</b>	9	15	4.8	0.0
<b>India</b>	12	29	56.5	188.8
<b>Mexico</b>	6	9	12.3	9.2

\* The following economies are also good practice economies for :

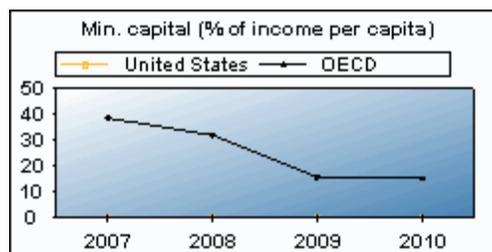
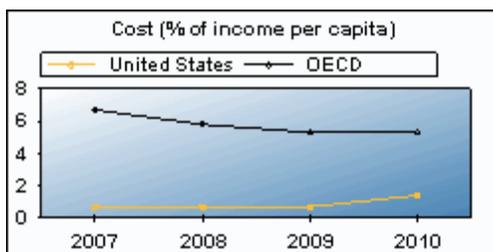
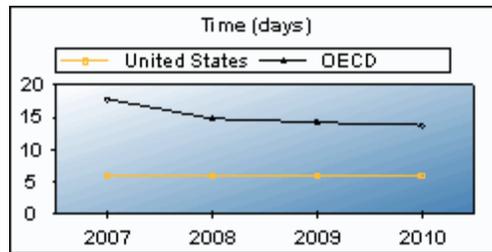
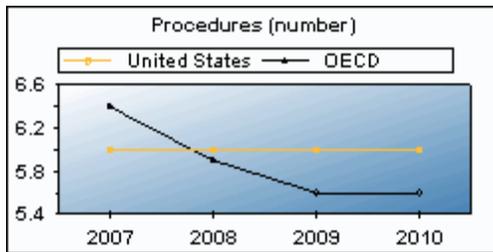
**Procedures (number):** **Canada**

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

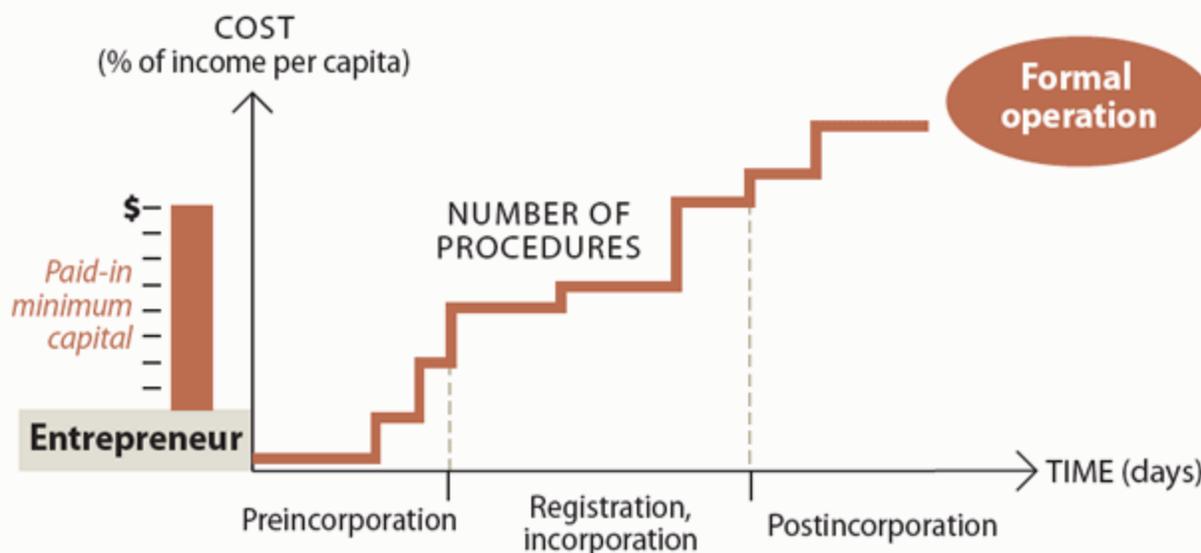
## 2. Historical data: Starting a Business in United States

Starting a Business data	Doing Business 2008	Doing Business 2009	Doing Business 2010	Doing Business 2011
Rank	..	..	9	9
Procedures (number)	6	6	6	6
Time (days)	6	6	6	6
Cost (% of income per capita)	0.7	0.7	0.7	1.4
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 United States 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 the United States.

### STANDARDIZED COMPANY

Legal Form: Limited Liability Company

City: New York City

### Registration Requirements:

No:	Procedure	Time to complete	Cost to complete
1	Reserve the company's business name (optional), file the company's articles of organization and adopt the company's operating agreement	1	USD 275
2	Apply for federal identification number (EIN) for tax and employer purposes	1	no charge
3	Register to collect State sales tax	1	no charge
4	Register as an employer with the Unemployment Insurance Division of the state Department of Labor	1	no charge
5	Arrange for workers' compensation insurance and disability insurance	1	no charge
6	Arrange for publication and submit certificate and affidavits of publication	1	USD 400

## Starting a Business Details - United States

### Procedure 1 Reserve the company's business name (optional), file the company's articles of organization and adopt the company's operating agreement

**Time to complete:** 1

**Cost to complete:** USD 275

**Comment:** The founders may, but are not required to, reserve the name of the company with the New York State Department of State, Division of Corporations, prior to filing the company's articles of organization. To reserve a name, the founders should file an Application for Reservation of Name. The fee for filing this application is USD 20. The application holds the name for 60 days and may be extended twice for additional periods of 60 days. The fee to extend the reservation of name is also USD 20.

The founders must file the company's articles of organization with the New York State Department of State, Division of Corporations. Forms can be purchased at a legal supply store or downloaded from the department's Web site. Application processing time is about 2 weeks. However, optional expedited processing is available according to the following fee schedule:

- 2-hour turnaround: USD 150 (additional fee).

- Same-day service: USD 75 (additional fee).

- 24-hour turnaround: USD 25 (additional fee).

### Procedure 2 Apply for federal identification number (EIN) for tax and employer purposes

**Time to complete:** 1

**Cost to complete:** no charge

**Comment:** To apply for the federal employer identification number ("EIN"), used for tax and employer purposes, founders must file IRS Form SS-4 (available from the US Internal Revenue Service). Applicants may apply online (processing time: immediate), by telephone (processing time: immediate), by fax (processing time: 4 business days) or by mail (processing time: 4 weeks)

### Procedure 3 Register to collect State sales tax

**Time to complete:** 1

**Cost to complete:** no charge

**Comment:** A company selling "tangible personal property (goods), as well as certain other goods and types of services" must register as a sales tax vendor at least 20 days prior to starting business in New York State. To register, the founders must file Form DTF-17 or register online at the Web site of the New York State Department of Taxation and Finance. After the company has registered, it generally must file quarterly sales and use tax returns regardless of whether it has started or done any business.

### Procedure 4 Register as an employer with the Unemployment Insurance Division of the state Department of Labor

**Time to complete:** 1

**Cost to complete:** no charge

**Comment:** Founders must register as an employer by completing Form NYS-100 so that the New York State Department of Labor may determine if the company is liable under the New York State Unemployment Insurance Law. If the company is determined liable, the Department of Labor will send the company quarterly combined withholding, wage reporting and unemployment insurance returns for reporting wages paid to the company's employees. General business employers may register online at the New York State Department of Labor Web site or by completing Form NYS-100 and submitting it by mail. Before an employer can register, it must obtain a federal employer identification number from the US Internal Revenue Service.

#### **Procedure 5 Arrange for workers' compensation insurance and disability insurance**

**Time to complete:** 1

**Cost to complete:** no charge

**Comment:** As an employer, founders must obtain and maintain workers' compensation insurance and disability insurance for their employees by purchasing a workers' compensation insurance policy and a disability benefits insurance policy from an authorized private insurance carrier or by another approved means. The company's federal employer identification number ("EIN") is the company's primary identification with respect to communications with the Workers' Compensation Board (the "Board"). The company must give its EIN to its insurance carrier when obtaining or maintaining its workers' compensation or disability coverage.

#### **Procedure 6 Arrange for publication and submit certificate and affidavits of publication**

**Time to complete:** 1

**Cost to complete:** USD 400

**Comment:** A new limited liability company must publish two notices within 120 days of the entity's formation. Entities must also file two affidavits and one certificate of publication with the New York State Department of State, Division of Corporations.

Chapter 767 of the Law of 2005 (effective June 1, 2006) includes amendments to the Limited Liability Company Law on the notice required upon the formation or the authorization of domestic and foreign limited liability companies. Chapter 44 of the Laws of 2006 (also effective June 1, 2006) provided further amendments to the Limited Liability Company Law and to the Partnership Law on notice requirements for limited liability entities. The amendments provided by both laws related to filing the proof of publication with the Department of State are outlined below:

- The Limited Liability Company Law and the Partnership Law now include additional provisions on the selection of the correct county in which to publish. Thus, the applicable statutory provisions should be consulted before publishing.
- Notices published by limited liability companies must now include information on the address, if any, of the "principal business location" of the entity.
- Notices must still be published in two newspapers, once each week, for 6 consecutive weeks.
- The requirement for the county clerk to designate selected newspapers for publication of the notice remains unchanged. However, one newspaper must be a daily and the other a weekly.
- For limited liability companies that were formed or authorized to do business in the state of New York after June 1, 2006, and that fail to comply with the publication requirements within 120 days of their formation or qualification, their authority to carry on, conduct, or transact any business will be suspended. Effective June 1, 2006, all affidavits of publication submitted to the Department of State for filing must include a certificate of publication. The two newspapers' affidavits of publication must be attached to the certificate of publication. (The Department of State has prepared sample forms for the filing of certificates of publication.)

For filing the certificate of publication there is a state fee of USD 50. Cost of LLC notice publication varies with county in which notice is published and ranges from approx \$350 to \$1500.

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

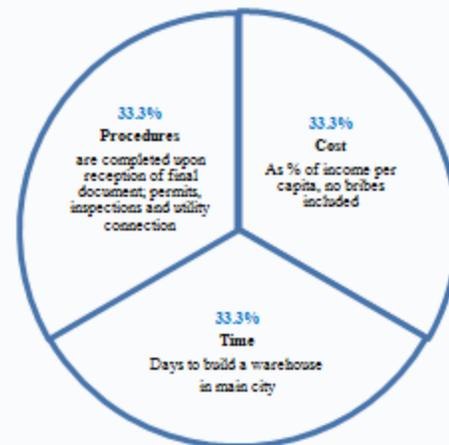
#### The warehouse:

- 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

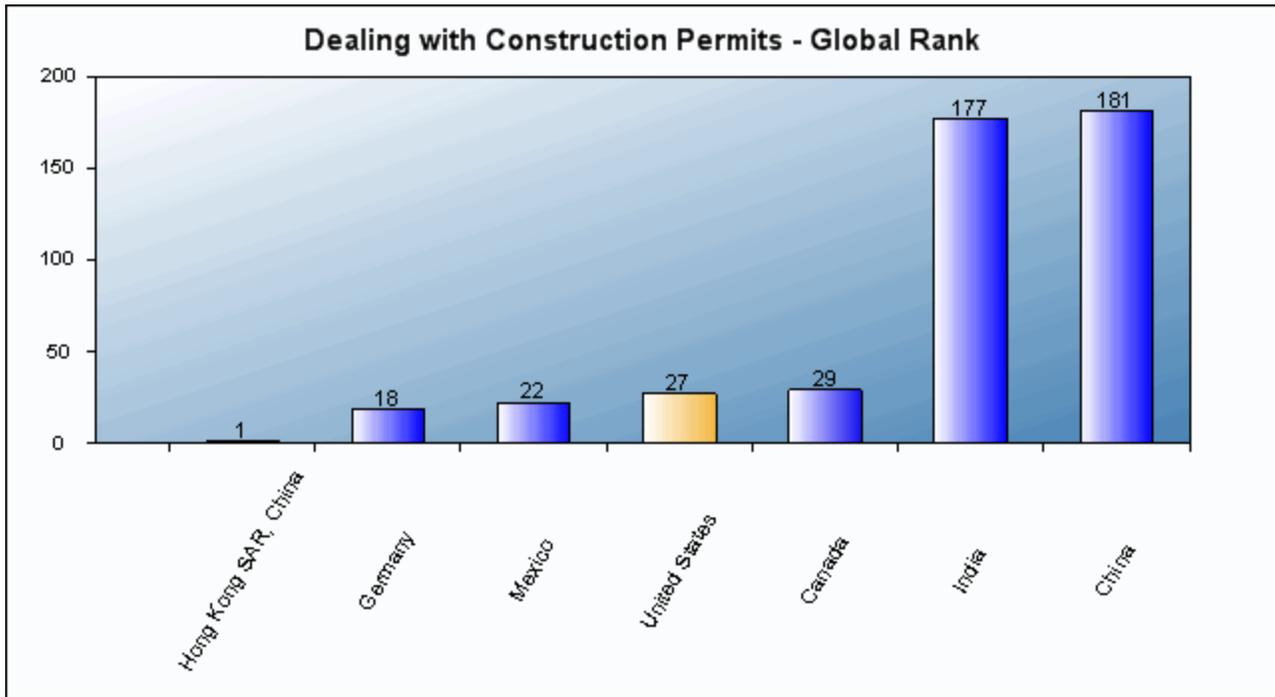
Rankings are based on 3 subindicators



## 1. Benchmarking Dealing with Construction Permits Regulations:

United States is ranked 27 overall for Dealing with Construction Permits.

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



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

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

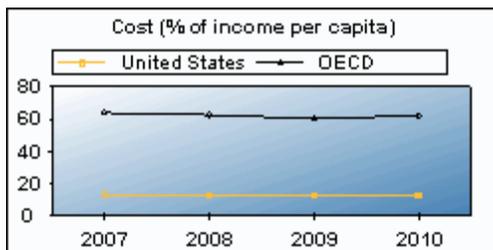
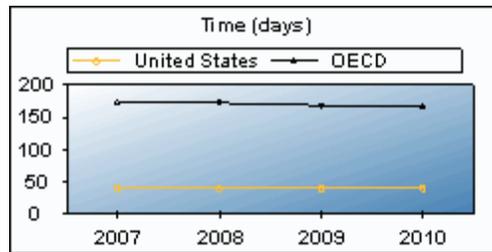
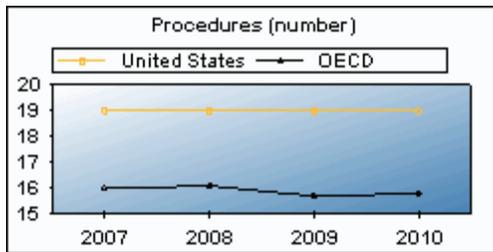
<i>Selected Economy</i>			
<b>United States</b>	<b>19</b>	<b>40</b>	<b>12.8</b>

<i>Comparator Economies</i>			
<b>Canada</b>	14	75	101.0
<b>China</b>	37	336	523.4
<b>Germany</b>	12	100	61.8
<b>India</b>	37	195	2143.7
<b>Mexico</b>	11	105	117.0

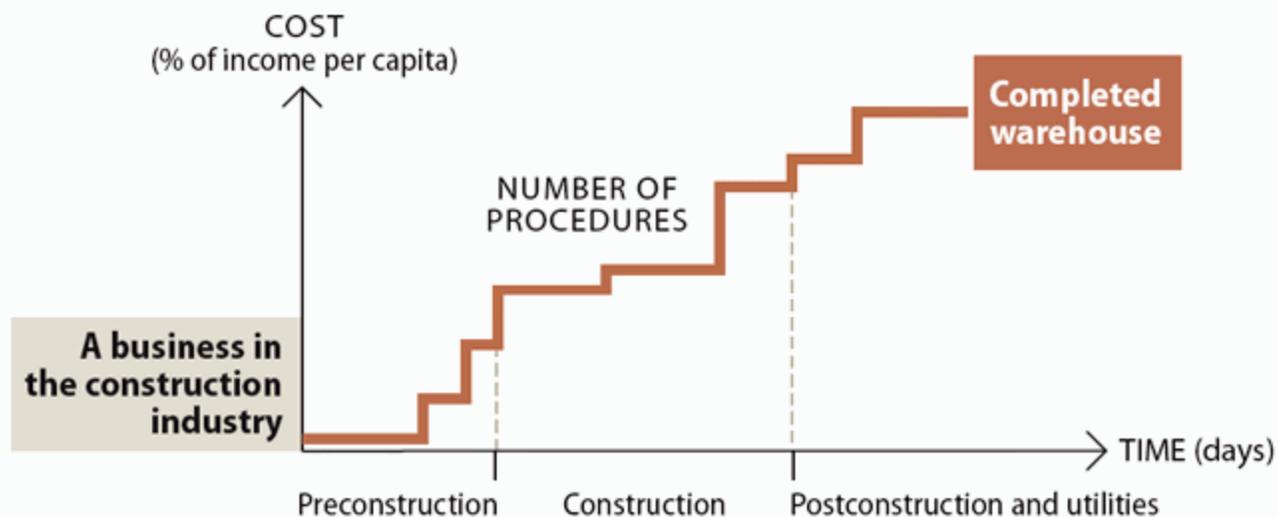
## 2. Historical data: Dealing with Construction Permits in United States

Dealing with Construction Permits data	Doing Business 2008	Doing Business 2009	Doing Business 2010	Doing Business 2011
Rank	..	..	26	27
Procedures (number)	19	19	19	19
Time (days)	40	40	40	40
Cost (% of income per capita)	13.4	13.1	12.7	12.8

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

### BUILDING A WAREHOUSE

City: New York City

#### Registration Requirements:

No:	Procedure	Time to complete	Cost to complete
1	Request plan approval and obtain approval from the New York City Department of Buildings (DOB)	5 days	USD 3,574
2	Notarize signatures of contractor and site safety manager on work permit application form, and notarize owner's and contractor's signature in cost affidavit	1 day	USD 2
3	Obtain work permit from the Department of Buildings (DOB)	1 day	USD 35
4	Notify all the owners of adjacent plots about the works	1 day	no charge
5	Request and obtain work permit from the Department of Buildings (DOB) Electrical Division	1 day	USD 40
6	Request and obtain work permit from the Department of Environmental Protection	1 day	USD 75
7	Request and obtain work permit from the Department of Transportation	2 days	USD 50

8	Receive inspection from the Bureau of Electrical Division after first floor is completed	1 day	no charge
9	Receive inspection from the Bureau of Electrical Division after second floor is completed	1 day	no charge
10	Request and obtain work permit from the Department of Transportation	2 days	USD 50
11	Request occupancy certificate from the Department of Buildings (DOB)	1 day	no charge
12 *	Receive on-site inspection by the Department of Buildings (DOB)	1 day	no charge
13 *	Obtain occupancy certificate from the Department of Buildings (DOB)	8 days	no charge
14 *	Receive on-site inspection by the Bureau of Electrical Control and obtain approval	1 day	no charge
15 *	Receive on-site inspection by the Department of Environmental Protection (DEP) and obtain approval	1 day	no charge
16 *	Receive on-site inspection by the Department of Transportation (DOT) and obtain approval	1 day	no charge
17	Request and connect to power services	14 days	no charge
18 *	Request and connect to telephone services	2 days	USD 55
19 *	Request and connect to water and sewage services	1 day	USD 2,155

\* Takes place simultaneously with another procedure.

## Dealing with Construction Permits Details - United States

### Procedure <sup>1</sup> Request plan approval and obtain approval from the New York City Department of Buildings (DOB)

**Time to complete:** 5 days

**Cost to complete:** USD 3,574

**Agency:** New York City Department of Buildings (DOB)

**Comment:** Simple projects, as in the case of BuildCo, can opt for a fast-track service offered by the New York City Department of Buildings (DOB), called the Professional Certification Program. The program, introduced in 1996, enables registered architects and professional engineers to certify, through an affidavit signed by the owner, contractor, and all responsible professionals (architects, engineers, plumbers, and the like) that the plans they file with the department are in compliance with all applicable laws. This reduces the amount of time a builder normally would wait for a DOB permit by eliminating the process of DOB examination and approval of the plans.

The professional certification must be submitted at the time of pre-filing and in advance. A professionally certified application goes through the same pre-filing, payment, and data entry process as normal applications:

- Information on the availability of a public sewer system.
- If a private sewage treatment plant is proposed, evidence of submission of plans for approval of such a plant to the department of environmental protection and the department of health as required by law.
- The lot diagram showing compliance with the zoning resolution.
- The foundation plans.
- The floor and roof plans showing compliance with exit requirements.
- The detailed architectural, structural, and mechanical drawings.
- General description of the proposed work.

After analyzing the plans (assuming that all required documents are present), the DOB approves the application at the end of data entry.

A professionally certified application does not go through plan examination. The applicant can check the application status by using the Buildings Information System and, upon approval, can retrieve the application folder from the DOB to apply for a permit. Twenty percent of all professionally certified applications are selected for audit within 10 days of first permit issuance. The audits for new projects may take place within 30 days after the application is issued.

The overall time of application clearance is 5 days on average.

According to Building Code No. 26-212, the fee for the new building permit is "twenty-five cents and fifty-three one hundredths of a cent (25.53¢) per square foot or fraction thereof, of the total floor area of the new building, but not less than one hundred dollars per structure." The plumbing permit and foundation fee are calculated inside the above flat rate. The total would be USD 3,574.20 (14, 000 sq. ft. x USD 0.2553).

The Building Code says that "fifty percent of the total fee for the work permit, but not less than one hundred dollars, or the total fee for the work permit where such fee is less than one hundred dollars, shall be paid by or on behalf of the owner or lessee of the building premises or property affected, and shall accompany the first application for the approval of plans or other statement describing the building work when submitted prior to submission of the permit application; and the whole or remainder of the total fee shall be paid before the work permit may be issued." Still, most companies of BuildCo's size would opt to pay the amount upfront, not in two separate transactions. Only for large

projects is dividing the amount widespread.

**Procedure 2 Notarize signatures of contractor and site safety manager on work permit application form, and notarize owner's and contractor's signature in cost affidavit**

**Time to complete:** 1 day

**Cost to complete:** USD 2

**Comment:** The site safety manager must be an employee of BuildCo and possess a valid site safety manager certificate. The cost affidavit must be filed to certify estimated and actual costs, in order to obtain a work permit.

**Procedure 3 Obtain work permit from the Department of Buildings (DOB)**

**Time to complete:** 1 day

**Cost to complete:** USD 35

**Agency:** Department of Buildings (DOB)

**Comment:** After obtaining the plan approval, the company must request a work permit. The request should be accompanied by a copy of the current insurance policy of workers' compensation insurance. This procedure must be done by the contractor even if they are not the owner of the land. Different types of work require separate licenses. However, in one application, more than one permit can be requested. For instance, plumbing and construction work permits can be requested in the same application. Nonetheless, for electrical work, the company must get a separate permit directly from the DOB's Bureau of Electrical Control.

For a warehouse, BuildCo must request a new building permit, a plumbing permit, and a foundation and earthwork permit. The request must include the detailed architectural, structural, and mechanical plans. One to two days prior to construction works, the company must notify the DOB by phone. There is no need to obtain any confirmation or approval from notification; the notification is only to register the data in DOB's system. The only cost associated at this stage would be USD 35 for microfilming fees.

**Procedure 4 Notify all the owners of adjacent plots about the works**

**Time to complete:** 1 day

**Cost to complete:** no charge

**Comment:** Notification of adjacent owners, done 5 days prior to excavations for new building foundations, is necessary for obtaining the foundation and earthwork permit.

**Procedure 5 Request and obtain work permit from the Department of Buildings (DOB) Electrical Division**

**Time to complete:** 1 day

**Cost to complete:** USD 40

**Agency:** DOB's Electrical Division

**Comment:** This work permit/approval can be requested after construction has started. Several inspections are need to obtain this approval, taking around 6 months. This process happens during construction. The company must have the work permit before it can obtain the final certificate of occupancy. Assuming that construction takes 30 weeks, the

company will be able to obtain this document before requesting the certificate of occupancy. The procedure is undertaken by a licensed engineer, who is part of staff of BuildCo and applies on behalf of the company. The application fee is USD 40.

**Procedure 6 Request and obtain work permit from the Department of Environmental Protection**

**Time to complete:** 1 day

**Cost to complete:** USD 75

**Agency:** Department of Environmental Protection

**Comment:** A licensed professional must apply on behalf of the company to the authority.

**Procedure 7 Request and obtain work permit from the Department of Transportation**

**Time to complete:** 2 days

**Cost to complete:** USD 50

**Agency:** Department of Transportation

**Comment:** A Construction Activity Permit fee costs USD 50, and is valid for 90 days unless otherwise stated. Once after the 90 days expire, the company buys another work permit for the remaining period of construction. On applying, the company gets an account number, and on the next day obtains the work permit.

Unless otherwise authorized, permits shall be kept at the work site or designated field headquarters at all times and shall be made available for inspection upon request of any police officer or any authorized employee of the Departments of Environmental Protection, Buildings, Police, and Transportation, or any other city employees specifically authorized by the Commissioner to enforce these rules.

**Procedure 8 Receive inspection from the Bureau of Electrical Division after first floor is completed**

**Time to complete:** 1 day

**Cost to complete:** no charge

**Agency:** Bureau of Electrical Division

**Comment:** The licensed engineer requests the inspection from the Electrical Division.

**Procedure 9 Receive inspection from the Bureau of Electrical Division after second floor is completed**

**Time to complete:** 1 day

**Cost to complete:** no charge

**Agency:** Bureau of Electrical Division

**Comment:** The licensed engineer requests the inspection from the Electrical Division.

**Procedure 10 Request and obtain work permit from the Department of Transportation**

<b>Time to complete:</b>	2 days
<b>Cost to complete:</b>	USD 50
<b>Agency:</b>	Department of Transportation
<b>Comment:</b>	<p>The construction activity permit fee is USD 50, and the permit is valid for 90 days unless otherwise stated. Once the 90 days expire, the company buys another work permit for the remaining period of construction. On applying, the company gets an account number and obtains the work permit the next day.</p> <p>Unless otherwise authorized, permits shall be kept at the work site or designated field headquarters at all times and shall be made available for inspection upon request of any police officer or any authorized employee of the Departments of Environmental Protection, Buildings, Police, and Transportation, or any other city employees specifically authorized by the Commissioner to enforce these rules.</p>

### Procedure 11 Request occupancy certificate from the Department of Buildings (DOB)

<b>Time to complete:</b>	1 day
<b>Cost to complete:</b>	no charge
<b>Agency:</b>	Department of Buildings (DOB)
<b>Comment:</b>	<p>Upon completion of construction, the company must arrange for DOB inspections. For construction and plumbing, the company should contact the borough office where property is located.</p> <p>After completion of satisfactory inspections and submission of the required fillings (including inspections reports), DOB issues a new certificate of occupancy that describes the legal use and occupancy of a property.</p> <p>Each application must be accompanied by an accurate and complete lot survey made by a licensed surveyor. If the certificate of occupancy application is not signed by a professional engineer or registered architect, the form must be notarized by an official notary public.</p> <p>To obtain the certificate of occupancy, the company must obtain the work permit/approval from the Bureau of Electrical Control, the Department of Environmental Protection, and the Department of Transportation. If these approvals have not yet been granted at the time of applying for the certificate of occupancy, a temporary certificate can be issued. The company then has a year to obtain all the necessary approvals.</p> <p>If the building does not comply with all the plans and the New York City building code, the company must make the necessary changes. Then the Department of Buildings inspects the warehouse again. This process is repeated until the building complies with all the rules. It is common to have 2–3 inspections of this sort. Once the building passes the inspection, the issuance of the certificate of occupancy is immediate.</p>

### Procedure 12 Receive on-site inspection by the Department of Buildings (DOB)

<b>Time to complete:</b>	1 day
<b>Cost to complete:</b>	no charge
<b>Agency:</b>	Department of Buildings (DOB)

**Comment:** The inspection takes place after all inspections (electricity, water and sewerage, and transport) have taken place.

**Procedure 13 Obtain occupancy certificate from the Department of Buildings (DOB)**

**Time to complete:** 8 days

**Cost to complete:** no charge

**Agency:** Department of Buildings (DOB)

**Comment:**

**Procedure 14 Receive on-site inspection by the Bureau of Electrical Control and obtain approval**

**Time to complete:** 1 day

**Cost to complete:** no charge

**Agency:** Bureau of Electrical Control

**Comment:** To schedule an inspection for elevators, boilers, and electrical work, the company must contact those divisions directly. Elevators and boilers inspections are not included in this case because they are assumed not to be part of the warehouse.

**Procedure 15 Receive on-site inspection by the Department of Environmental Protection (DEP) and obtain approval**

**Time to complete:** 1 day

**Cost to complete:** no charge

**Agency:** Department of Environmental Protection

**Comment:** Approval from the Department of Environmental Protection is granted after inspection.

**Procedure 16 Receive on-site inspection by the Department of Transportation (DOT) and obtain approval**

**Time to complete:** 1 day

**Cost to complete:** no charge

**Agency:** Department of Transportation

**Comment:** Approval from the Department of Transportation is granted after inspection.

**Procedure 17 Request and connect to power services**

**Time to complete:** 14 days

**Cost to complete:** no charge

**Agency:** Consolidated Edison Company of New York, Inc.

**Comment:** There are several utility providers in New York City. It is assumed that Consolidated Edison Company of New York, Inc., is the electricity provider in the case considered here. This company provides service within 10 business days after receipt of a complete application from a nonresidential applicant.

**Procedure 18 Request and connect to telephone services**

**Time to complete:** 2 days

**Cost to complete:** USD 55

**Agency:** Verizon

**Comment:** Information can be obtained from [www.verizon.com](http://www.verizon.com).

**Procedure 19 Request and connect to water and sewage services**

**Time to complete:** 1 day

**Cost to complete:** USD 2,155

**Agency:** Department of Environmental Protection

**Comment:** The connection is established by the plumber. After obtaining the certificate of occupancy, the company must call the Department of Environmental Protection to request the service and provide billing. Part of this cost is paid upfront for the approval by the Department of Environmental Protection, and the remaining part is paid in the quarterly bill.

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)

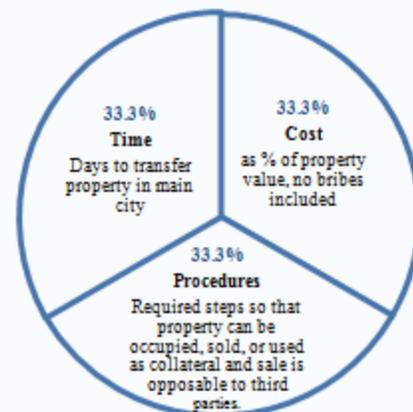
- Preregistration (for example, checking for liens, notarizing sales agreement, paying property transfer taxes)
- Registration in the economy's largest business city
- Post registration (for example, transactions with the local authority, tax authority or cadastre)

### 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.

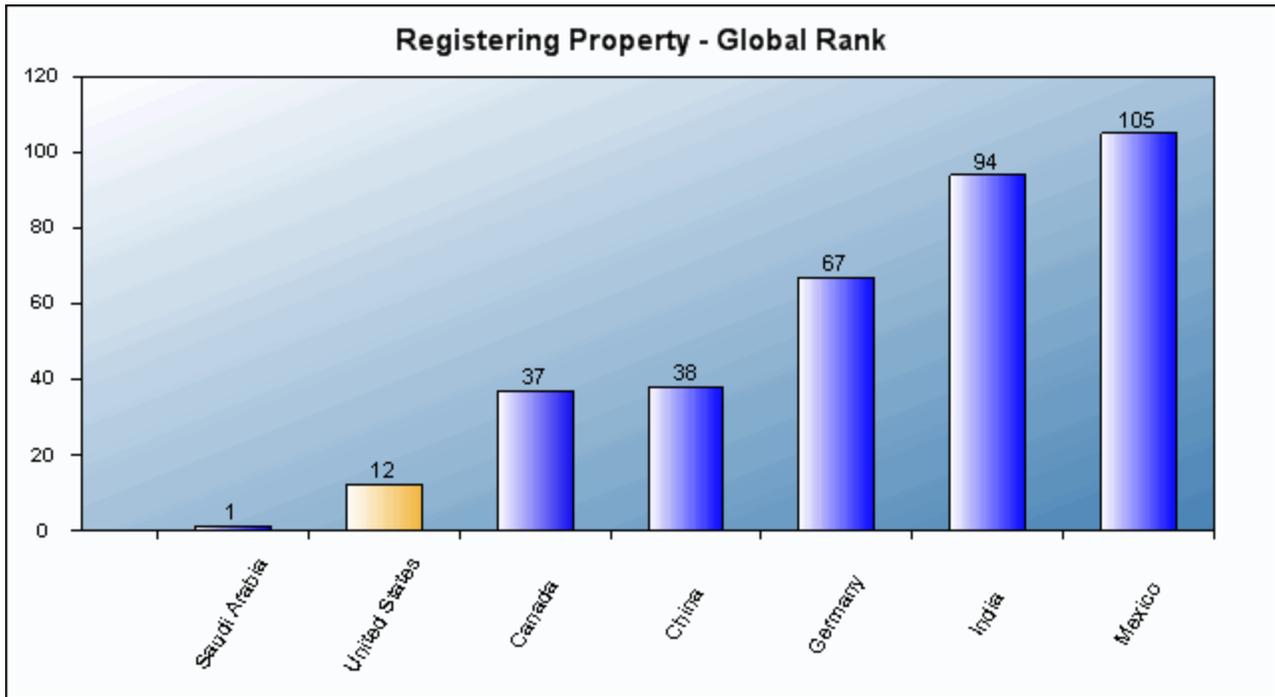
#### The property (fully owned by the seller):

- 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:

United States is ranked 12 overall for Registering Property.

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



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

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

<i>Selected Economy</i>			
<b>United States</b>	<b>4</b>	<b>12</b>	<b>0.5</b>

<i>Comparator Economies</i>			
<b>Canada</b>	6	17	1.8
<b>China</b>	4	29	3.6
<b>Germany</b>	5	40	5.1
<b>India</b>	5	44	7.4
<b>Mexico</b>	5	74	5.2

\* The following economies are also good practice economies for :

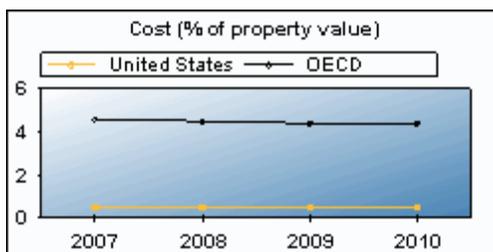
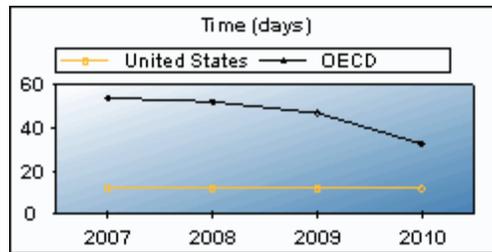
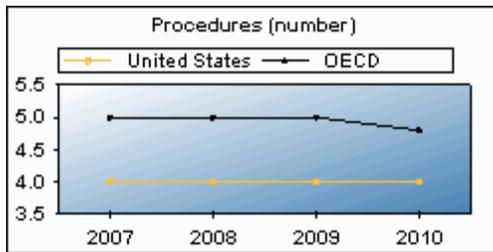
**Procedures (number): United Arab Emirates**

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

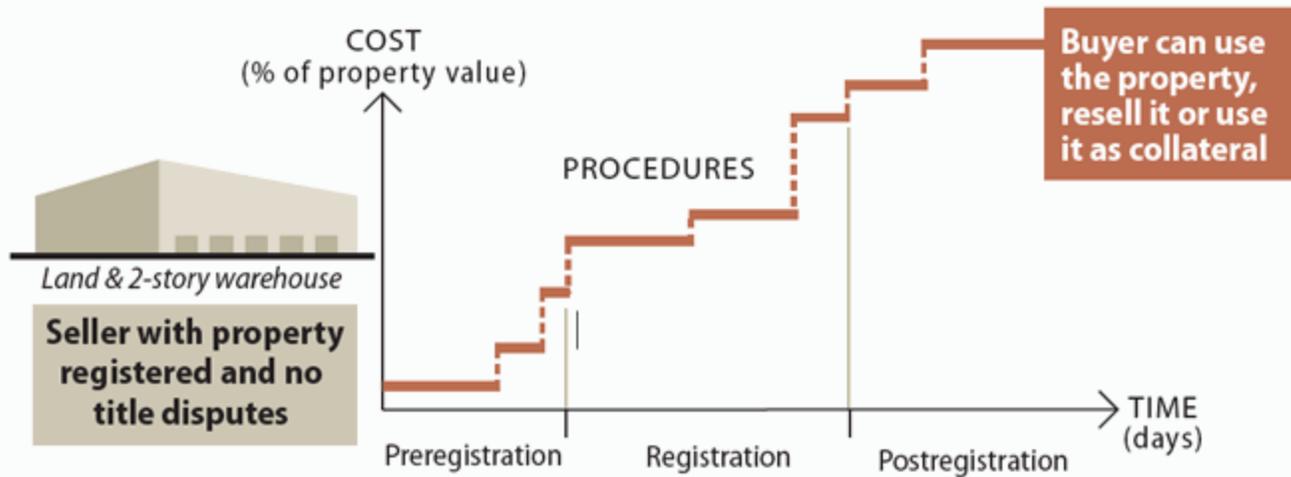
## 2. Historical data: Registering Property in United States

Registering Property data	Doing Business 2008	Doing Business 2009	Doing Business 2010	Doing Business 2011
Rank	..	..	12	12
Procedures (number)	4	4	4	4
Time (days)	12	12	12	12
Cost (% of property value)	0.5	0.5	0.5	0.5

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

### STANDARDIZED PROPERTY

Property Value: 2,336,377.21

City: New York City

#### Registration Requirements:

No:	Procedure	Time to complete	Cost to complete
1 *	Obtain a title report	About 10 days (simultaneous with procedure 2)	1200 (title report)
2 *	Conduct an environmental review	varies depending on factual circumstances (simultaneous with procedure 1)  (According to the assumptions of the case study, it is assumed that no violation nor problem is found in the first phase of the review, and that the whole procedure does not take more than the 10 days that it takes to obtain the title report in Procedure 1)	depends on nature and extent of contamination, if any

3	The buyer obtains and fills the forms needed for the transfer	1 day	Filing fee for State Form RP-5217 is \$250 + Filing fee for state form TP-584 is \$5 + 0.4% of property value (transfer tax)
4	The title is recorded with the County Clerk	1 day	\$28 + \$ 3 per page (assuming that the title consists of about 12 pages)

\* Takes place simultaneously with another procedure.

## Registering Property Details - United States

### Procedure 1 Obtain a title report

<b>Time to complete:</b>	About 10 days (simultaneous with procedure 2)
<b>Cost to complete:</b>	1200 (title report)
<b>Agency:</b>	Private Company
<b>Comment:</b>	A title report is obtained from one of many competing private companies, regulated by the state. Fees for title insurance are set by state regulators. Fees for services vary. A title report is not technically mandatory, but is routinely used to analyze the quality of title. A title report is an essential prerequisite to securing title insurance. No title company would offer title insurance without a title report tracing the deed history and clearly articulating the liens, covenants and other limitations on title. A title report and title insurance are typically required by lenders. Most buyers' buy a title insurance to assure the title is clear (i.e. no defects in the title). Companies that provide title reports also provide title insurance. One application for a title report and a title insurance is enough. Thus, no additional procedure or time is needed. Banks usually require title insurance for a property to be accepted as a loan. The cost of such title insurance is USD 9,500 given the assumptions of our case study, including the cost of the Title report.

### Procedure 2 Conduct an environmental review

<b>Time to complete:</b>	varies depending on factual circumstances (simultaneous with procedure 1)  (According to the assumptions of the case study, it is assumed that no violation nor problem is found in the first phase of the review, and that the whole procedure does not take more than the 10 days that it takes to obtain the title report in Procedure 1)
<b>Cost to complete:</b>	depends on nature and extent of contamination, if any
<b>Agency:</b>	Private Company
<b>Comment:</b>	The environmental review is typically conducted by a private firm specializing in the field. It is not technically mandatory, but a prudent investor will routinely require an environmental review and no bank would ever advance a commercial mortgage without conducting an environmental review. The environmental review may have up to 3 phases: 1. The history of the property in the public records is analyzed to check if there was any record of contamination or any violation. 2. If yes, an inspection of the property takes place, where some samples are taken 3. Clean-up phase if needed.

### Procedure 3 The buyer obtains and fills the forms needed for the transfer

<b>Time to complete:</b>	1 day
<b>Cost to complete:</b>	Filing fee for State Form RP-5217 is \$250 + Filing fee for state form TP-584 is \$5 + 0.4% of property value (transfer tax)
<b>Comment:</b>	The buyer must obtain and fill the NYS Transfer Tax Form TP-584 regarding real estate transfer tax, and the NYS Real Property Transfer Report (Equalization) Form RP-5217. The state forms RP-5217 and TP-584 are available in many local government offices and on the Internet. Additionally, the property disclosure form is typically drafted by the attorney for the

seller and given to the buyer prior to or at closing. The title deed is usually prepared by the seller. The fees for state forms RP-5217 (\$250) and TP-584 (\$5 + 0.4% of property value) are typically collected by the title company at closing, prior to recording, and must be paid to the state upon filing the deed for recording with the registry. It is common practice to obtain title insurance from one of the competing title insurance companies. (The cost of title insurance, according to New York State Title Insurance Rates for Zone 2, will cost an additional \$7,978.) The title insurance can only be acquired at closing, after the transaction has been completed between buyer and seller and the price has been paid.

Where financing is involved, the lender typically requires the purchaser to obtain insurance as a condition of the loan. There is a separate mortgage recording tax required to be paid, in addition to the real property transfer tax.

The title insurance company will take the responsibility of recording the title at the county clerk.

## Procedure 4 The title is recorded with the County Clerk

**Time to complete:** 1 day

**Cost to complete:** \$28 + \$ 3 per page (assuming that the title consists of about 12 pages)

**Agency:** County Clerk

**Comment:** The transfer deed (together with the applicable tax forms and payment) is then presented to the applicable public official, e.g. county clerk, for recordation in the public records of the jurisdiction. The date of acceptance of the deed by the clerk is the date which controls for transfer purposes. Nonetheless, it often can take many weeks (and even months) for the actual recordation to take place and become available on the public record. However, the transaction is valid and opposable to third parties on the date it is submitted.

Although the law states that title passes upon delivery of the deed, where there are competing claims the law recognizes the 1st recorded deed.

The title insurance company usually takes the responsibility of recording the title at the County Clerk, paying the fees for state forms RP-5217 and TP-584 .

The documentation shall include:

Title deed

NYS Real Property form TP-584 on real estate transfer tax

Property Disclosure Form

Real Property form RP-5217

Title Insurance

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

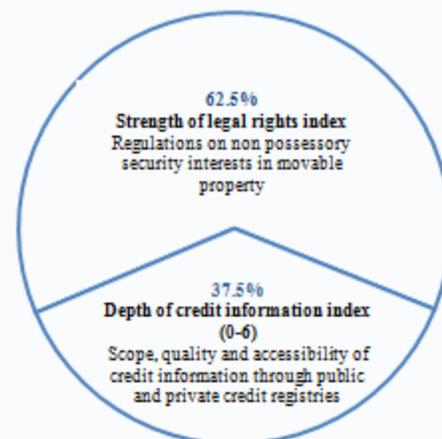
##### Public credit registry coverage (% of adults)

- 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)

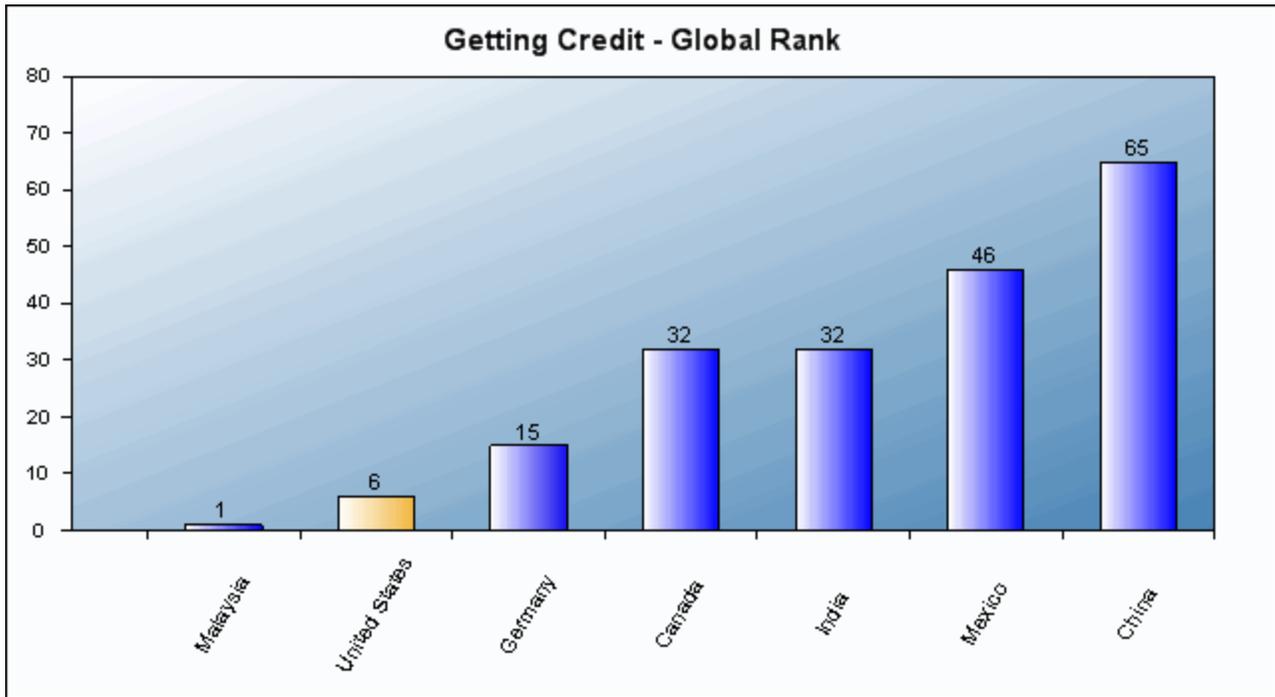
##### The Debtor

- 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:

United States is ranked 6 overall for Getting Credit.

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



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

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

<i>Selected Economy</i>				
<b>United States</b>	<b>8</b>	<b>6</b>	<b>0.0</b>	<b>100.0</b>

<i>Comparator Economies</i>				
<b>Canada</b>	6	6	0.0	100.0
<b>China</b>	6	4	63.9	0.0
<b>Germany</b>	7	6	1.0	98.4
<b>India</b>	8	4	0.0	10.0
<b>Mexico</b>	5	6	0.0	71.6

\* The following economies are also good practice economies for :

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

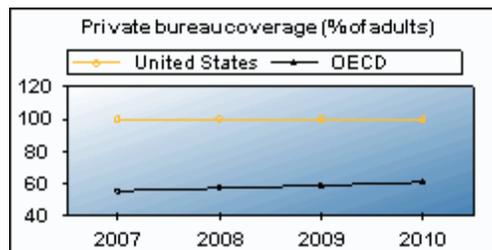
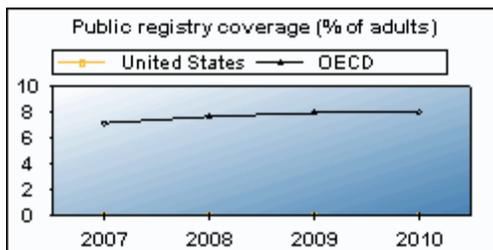
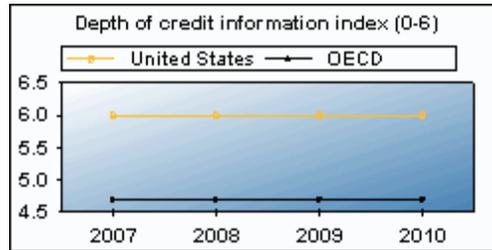
**Private bureau coverage (% of adults): Argentina, Australia, Canada, Iceland, Ireland, Norway, Sweden, United Kingdom, United States**

**27 countries have the highest credit information index.**

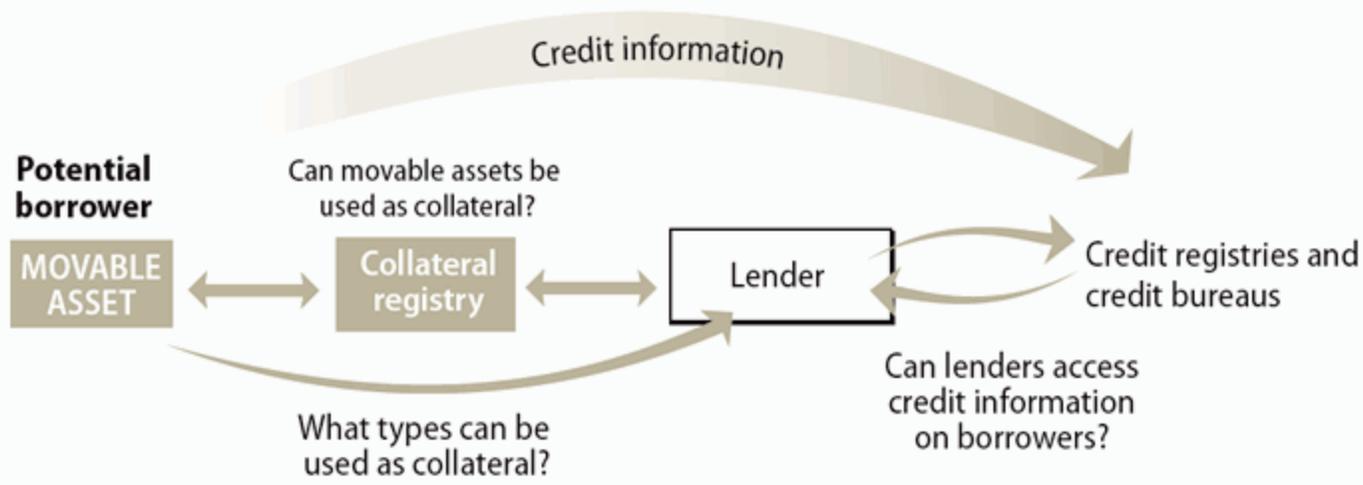
## 2. Historical data: Getting Credit in United States

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

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

Getting Credit Indicators (2010)			Indicator
<b>Private bureau coverage (% of adults)</b>	<b>Private credit bureau</b>	<b>Public credit registry</b>	<b>6</b>
Are data on both firms and individuals distributed?	Yes	No	1
Are both positive and negative data distributed?	Yes	No	1
Does the registry distribute credit information from retailers, trade creditors or utility companies as well as financial institutions?	Yes	No	1
Are more than 2 years of historical credit information distributed?	Yes	No	1
Is data on all loans below 1% of income per capita distributed?	Yes	No	1
Is it guaranteed by law that borrowers can inspect their data in the largest credit registry?	Yes	No	1
<b>Coverage</b>	100.0	0.0	
Number of individuals		..	0
Number of firms		..	0

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

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

---

Does the law allow businesses to grant a non possessory security right in a single category of movable assets, without requiring a specific description of collateral?

---

Does the law allow businesses to grant a non possessory security right in substantially all of its assets, without requiring a specific description of collateral?

---

May a security right extend to future or after-acquired assets, and may it extend automatically to the products, proceeds or replacements of the original assets ?

---

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

---

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

---

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

---

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

---

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

---

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

---

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

### Some reform outcomes

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

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

### What do the Protecting Investors indicators measure?

#### Extent of disclosure index (0–10)

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

#### Extent of director liability index (0–10)

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

#### Ease of shareholder suits index (0–10)

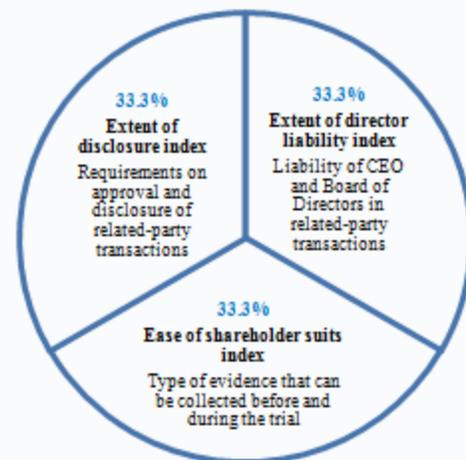
- Documents and information available during trial
- Access to internal corporate documents (directly or through a government inspector)

#### Strength of investor protection index (0–10)

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

**Protecting Investors:** minority shareholder rights in related-party transactions

Rankings are based on 3 subindicators



### Case Study Assumptions

#### The business (Buyer):

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

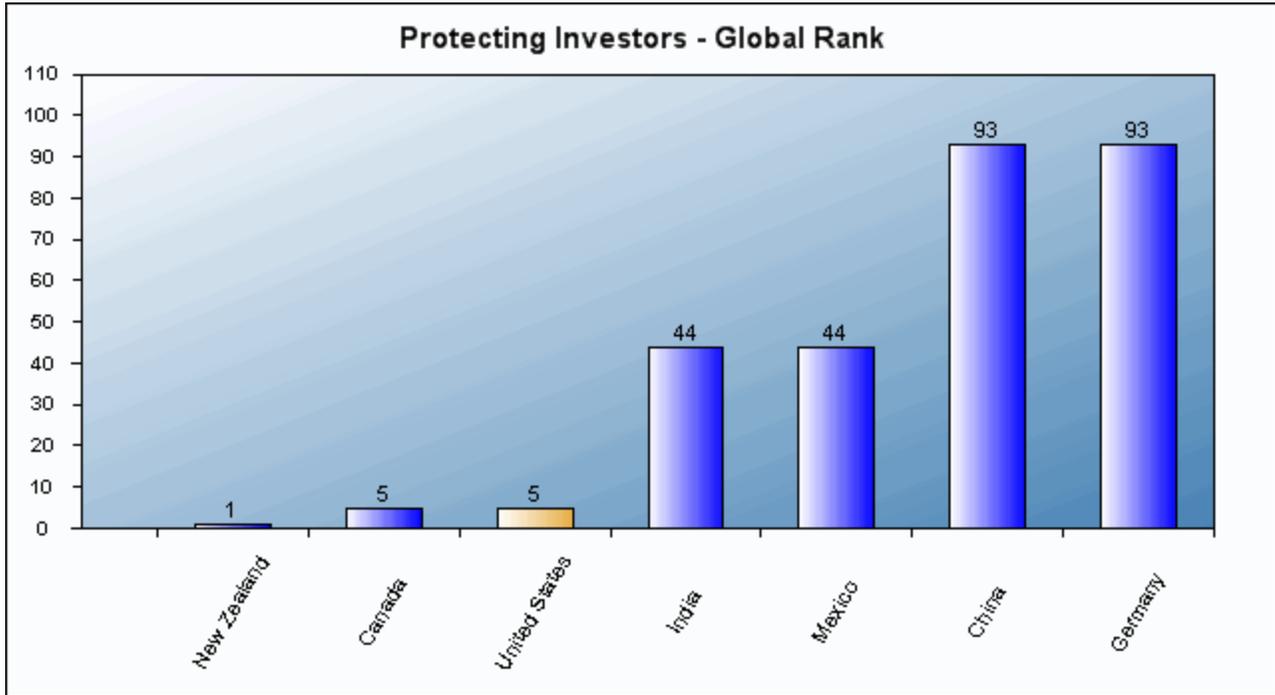
#### The transaction

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

## 1. Benchmarking Protecting Investors Regulations:

United States is ranked 5 overall for Protecting Investors.

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



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

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

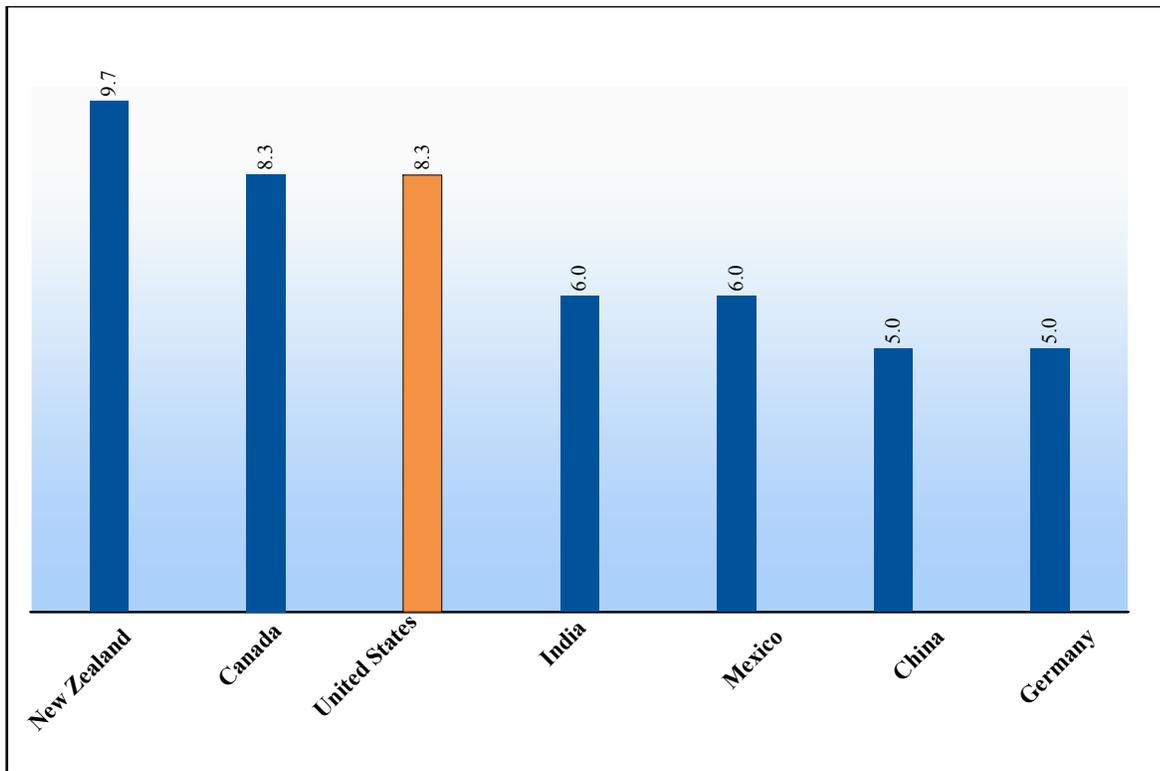
<i>Selected Economy</i>	
<b>United States</b>	<b>8.3</b>

<i>Comparator Economies</i>	
<b>Canada</b>	8.3
<b>China</b>	5.0
<b>Germany</b>	5.0
<b>India</b>	6.0
<b>Mexico</b>	6.0

**2. Historical data: Protecting Investors in United States**

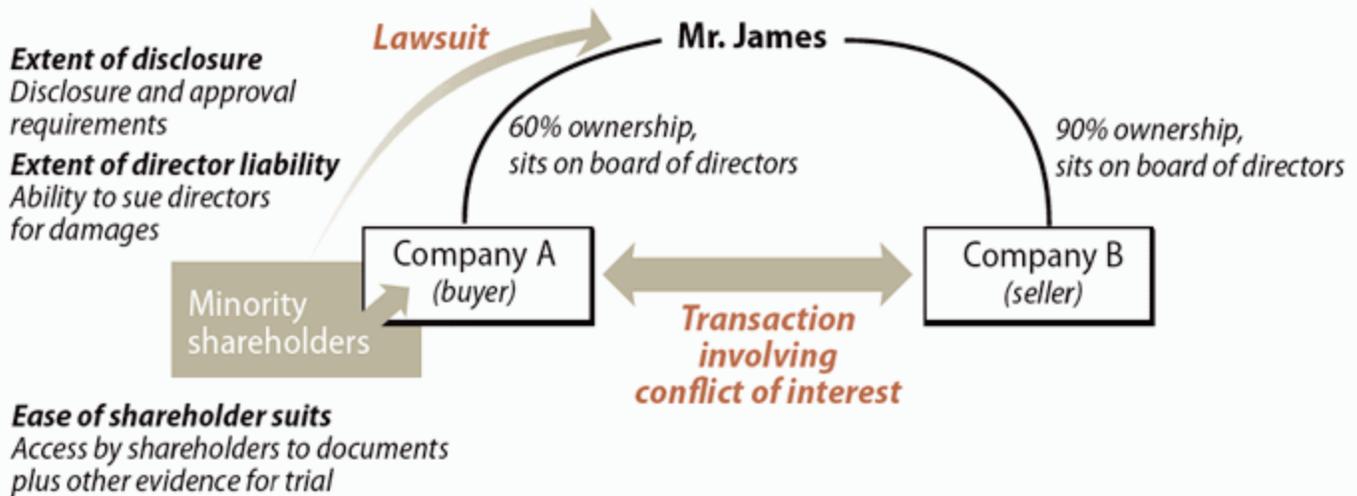
Protecting Investors data	Doing Business 2008	Doing Business 2009	Doing Business 2010	Doing Business 2011
Rank	..	..	5	5
Strength of investor protection index (0-10)	8.3	8.3	8.3	8.3

**3. The following graph illustrates the Protecting Investors index in United States 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 the United States.

Protecting Investors Data (2010)	Indicator
<b>Extent of disclosure index (0-10)</b>	<b>7</b>
What corporate body provides legally sufficient approval for the transaction?	1
Whether immediate disclosure of the transaction to the public and/or shareholders is required?	2
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?	2
Whether an external body must review the terms of the transaction before it takes place?	0
<b>Extent of director liability index (0-10)</b>	<b>9</b>
Whether shareholders can hold Mr. James liable for the damage that the Buyer-Seller transaction causes to the company?	2
Whether shareholders can hold the approving body (the CEO or board of directors) liable for the damage that the Buyer-Seller transaction causes to the company?	2
Whether a court can void the transaction upon a successful claim by a shareholder plaintiff?	2
Whether Mr. James pays damages for the harm caused to the company upon a successful claim by the shareholder plaintiff?	1

Whether Mr. James repays profits made from the transaction upon a successful claim by the shareholder plaintiff?	1
Whether fines and imprisonment can be applied against Mr. James?	0
Whether shareholders can sue directly or derivatively for the damage that the Buyer-Seller transaction causes to the company?	1
<b>Ease of shareholder suits index (0-10)</b>	<b>9</b>
Whether the plaintiff can obtain any documents from the defendant and witnesses during trial?	4
Whether the plaintiff can directly question the defendant and witnesses during trial?	2
Whether the plaintiff can request categories of documents from the defendant without identifying specific ones?	1
Whether shareholders owning 10% or less of Buyer's shares can request an inspector to investigate the transaction?	0
Whether the level of proof required for civil suits is lower than that of criminal cases?	1
Whether shareholders owning 10% or less of Buyer's shares can inspect transaction documents before filing suit?	1
<b>Strength of investor protection index (0-10)</b>	<b>8.3</b>

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)

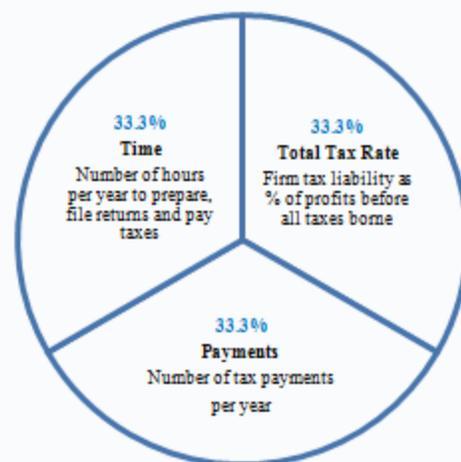
- Collecting information and computing the tax payable
- Completing tax return forms, filing with proper agencies
- Arranging payment or withholding
- Preparing separate tax accounting books, if required

**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*



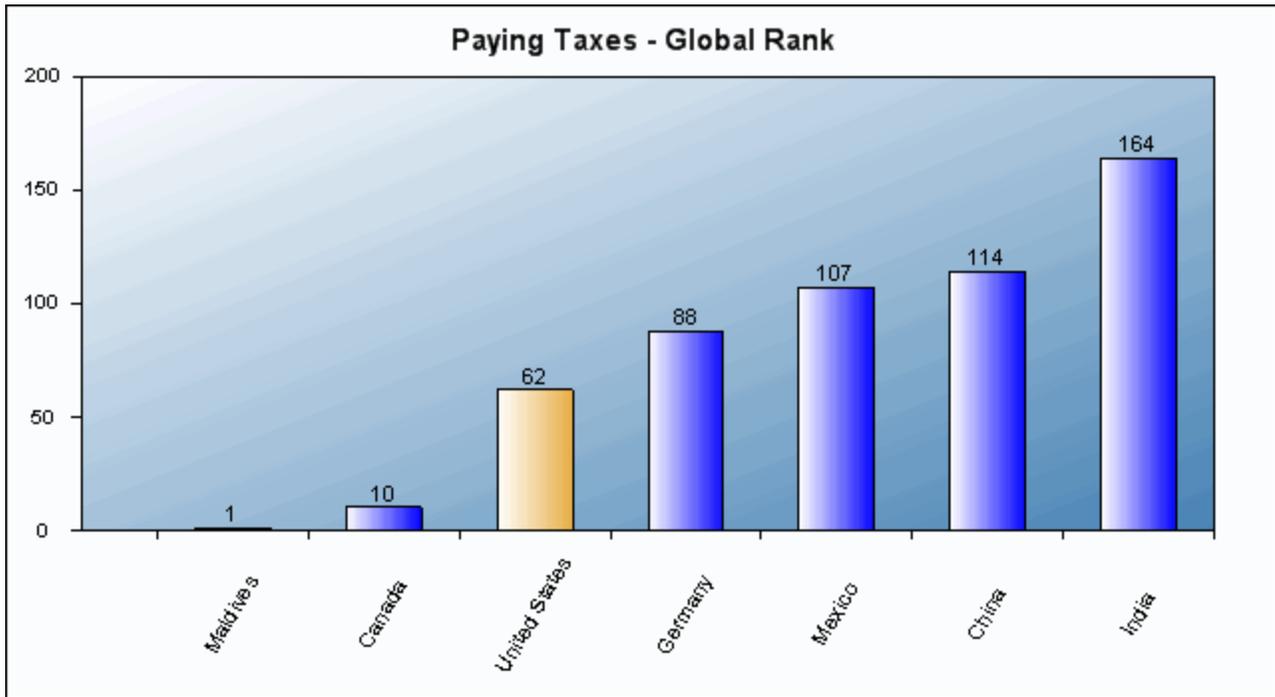
### Case Study Assumptions

- 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:

United States is ranked 62 overall for Paying Taxes.

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



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

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

<i>Selected Economy</i>			
<b>United States</b>	<b>11</b>	<b>187</b>	<b>46.8</b>

<i>Comparator Economies</i>			
<b>Canada</b>	8	131	29.2
<b>China</b>	7	398	63.5
<b>Germany</b>	16	215	48.2
<b>India</b>	56	258	63.3
<b>Mexico</b>	6	404	50.5

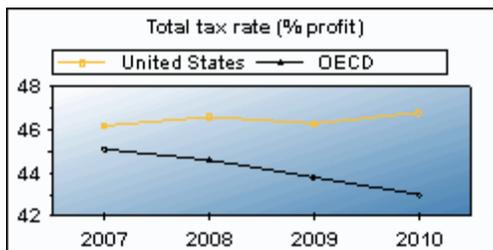
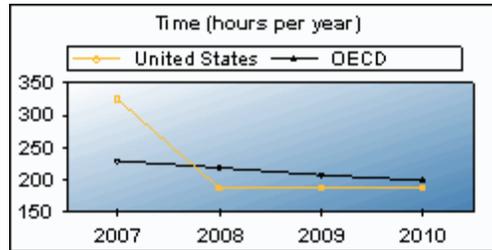
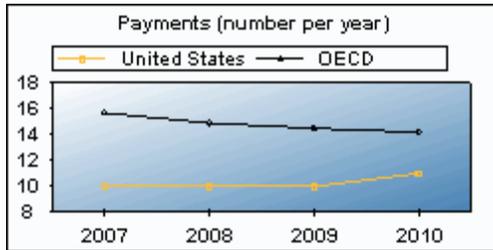
\* The following economies are also good practice economies for :

**Payments (number per year): Qatar**

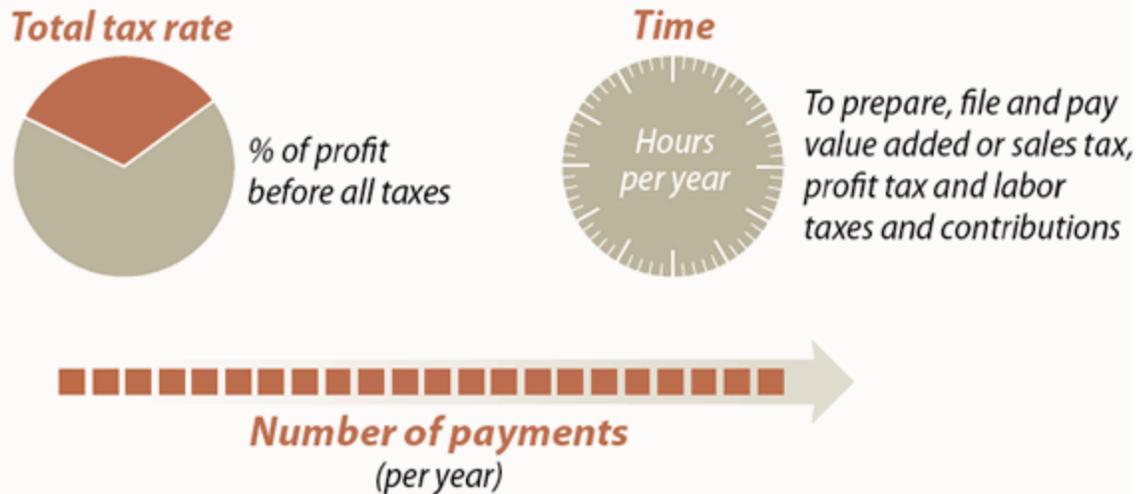
## 2. Historical data: Paying Taxes in United States

Paying Taxes data	Doing Business 2008	Doing Business 2009	Doing Business 2010	Doing Business 2011
Rank	..	..	59	62
Total tax rate (% profit)	46.2	46.6	46.3	46.8
Payments (number per year)	10	10	10	11
Time (hours per year)	325	187	187	187

## 3. The following graphs illustrate the Paying Taxes sub indicators in United States 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 United States, 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	1	online filing	33	8.9%	sales		
NY City and State sales and use tax of lease truck	1			8.9%	leasing expenses	0.10	
Federal unemployment tax (FUTA)	1	online filing		6.2%	gross salaries	0.20	
Fuel tax	1			18.4 cents + 8 cents per gallon	fuel consumption	0.40	
Metropolitan commuter transportation mobility tax (MCTMT)	1	online filing		0.3%	gross salaries	0.40	
NYS unemployment tax	1	online filing		4.1%	gross salaries	0.80	
Hospital insurance contributions	0	paid jointly		1.5%	gross salaries	1.60	
NYC Real estate transfer tax	1			2.6%	sale price	1.60	

NYC corporation tax	1	online filing		8.9%	taxable profit	4.00
NYS corporation tax	0	paid jointly		7.1%	taxable profit	5.50
Federal Old-age, survivors and disability insurance tax (OASDI)	1	online filing	55	6.2%	gross salaries	7.00
Property tax (NY City and State)	1			9.870% per \$100 valuation	45% of FMV	7.10
Federal corporate income tax	1		99	34% (progressive schedule)	taxable profit	18.00
<b>Totals</b>	<b>11</b>		<b>187</b>			<b>46.8</b>

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)

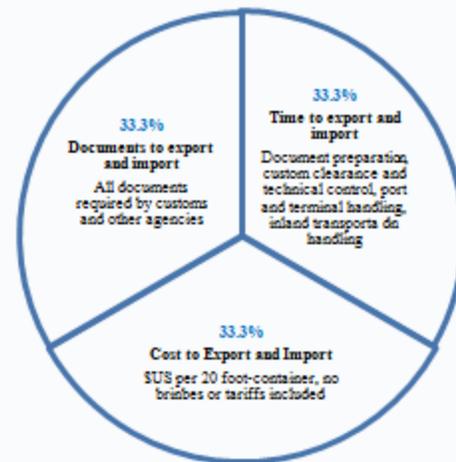
- Bank documents
- Customs clearance documents
- Port and terminal handling documents
- Transport documents

#### 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

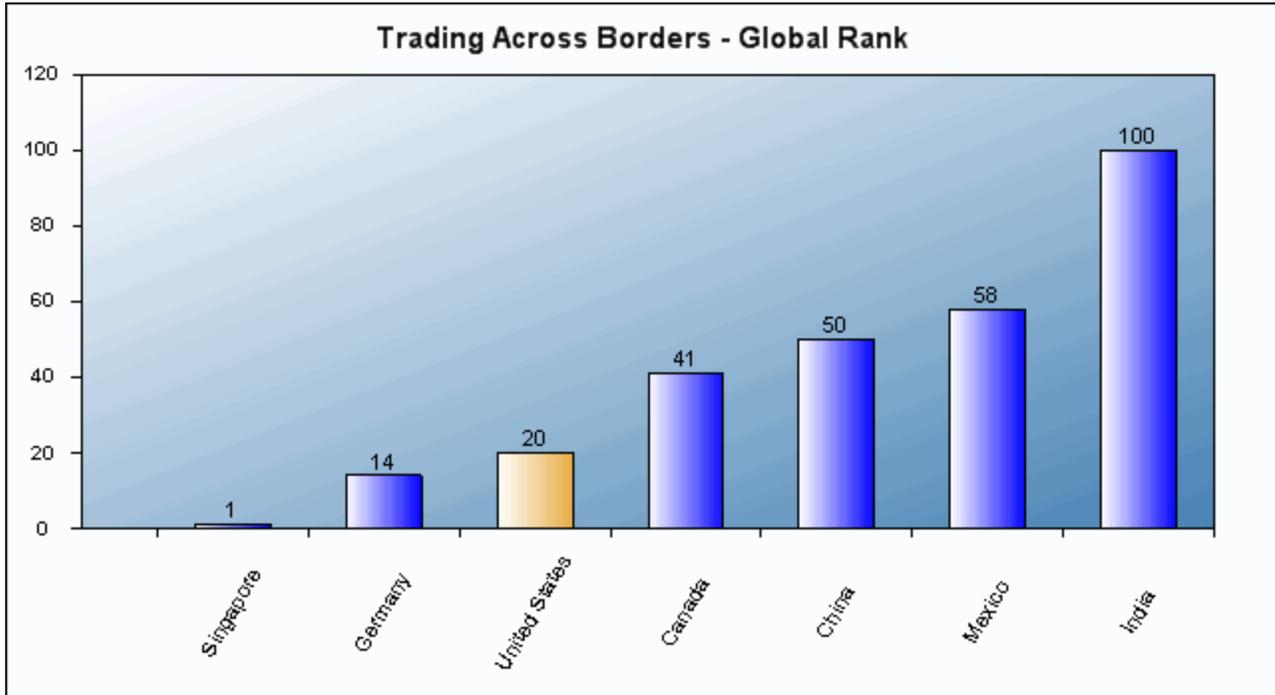
##### The traded product

- 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:

United States is ranked 20 overall for Trading Across Borders.

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



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

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

<i>Selected Economy</i>						
<b>United States</b>	<b>4</b>	<b>6</b>	<b>1050</b>	<b>5</b>	<b>5</b>	<b>1315</b>

<i>Comparator Economies</i>						
<b>Canada</b>	3	7	1610	4	11	1660
<b>China</b>	7	21	500	5	24	545
<b>Germany</b>	4	7	872	5	7	937
<b>India</b>	8	17	1055	9	20	1025
<b>Mexico</b>	5	12	1420	4	12	1880

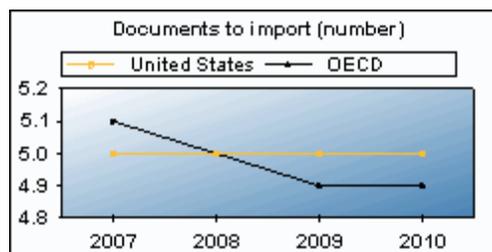
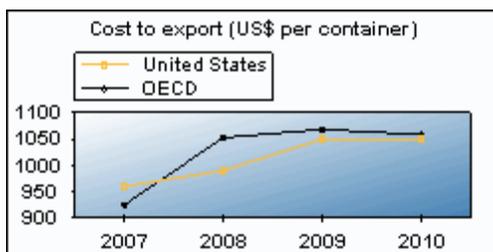
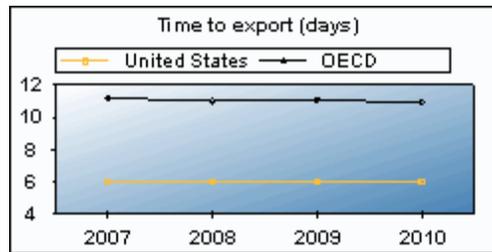
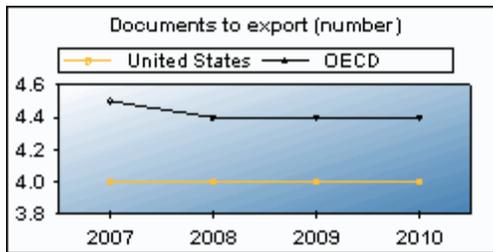
\* The following economies are also good practice economies for :

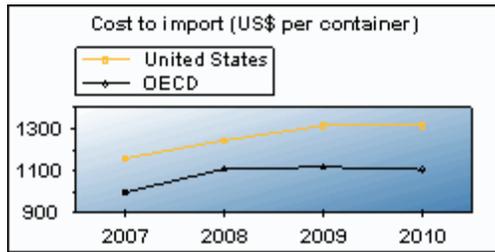
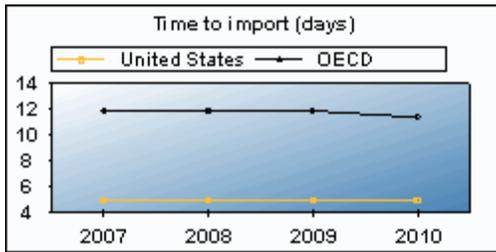
**Time to export (days): Estonia**

## 2. Historical data: Trading Across Borders in United States

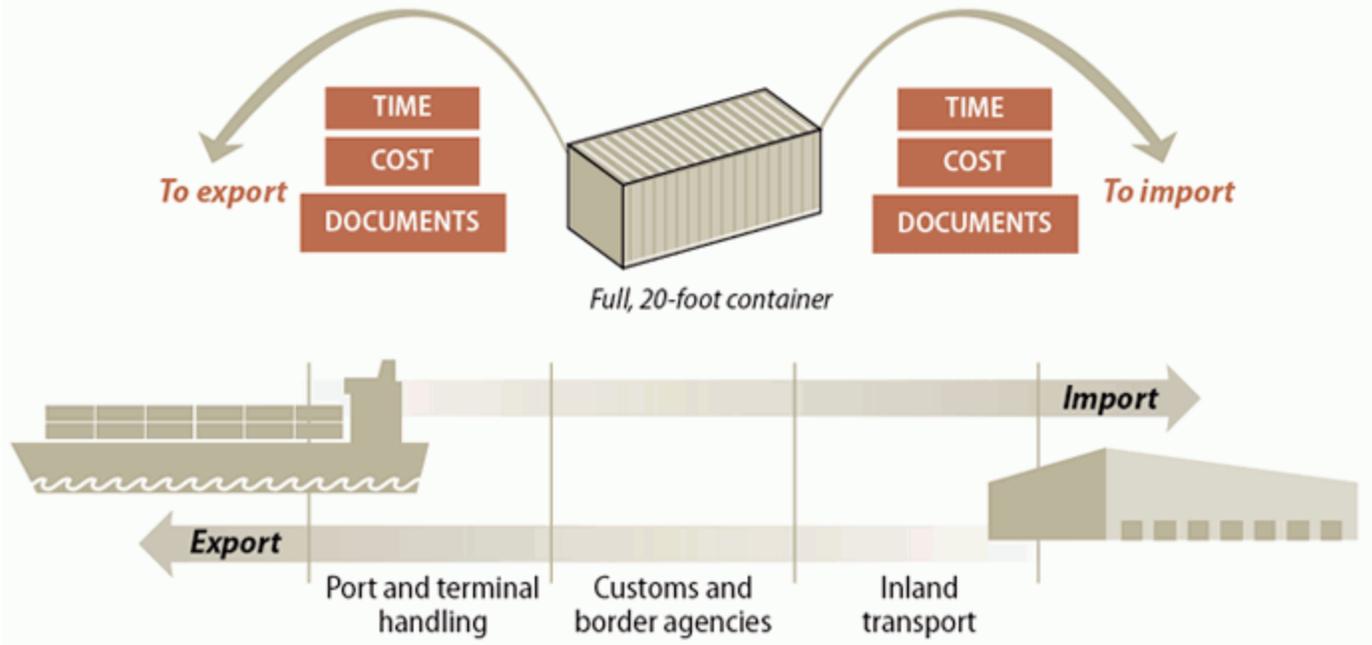
Trading Across Borders data	Doing Business 2008	Doing Business 2009	Doing Business 2010	Doing Business 2011
Rank	..	..	20	20
Cost to export (US\$ per container)	960	990	1050	1050
Cost to import (US\$ per container)	1160	1245	1315	1315
Documents to export (number)	4	4	4	4
Documents to import (number)	5	5	5	5
Time to export (days)	6	6	6	6
Time to import (days)	5	5	5	5

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

Nature of Export Procedures (2010)	Duration (days)	US\$ Cost
Documents preparation	2	190
Customs clearance and technical control	1	60
Ports and terminal handling	2	400
Inland transportation and handling	1	400
Totals	6	1050

Nature of Import Procedures (2010)	Duration (days)	US\$ Cost
Documents preparation	2	205
Customs clearance and technical control	1	90
Ports and terminal handling	1	420
Inland transportation and handling	1	600
Totals	5	1315

**Documents for Export and Import**

**Export**

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

**Import**

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

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

#### Some reform outcomes

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

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

#### What do the Enforcing Contracts indicators measure?

**Enforcing Contracts:** resolving a commercial dispute through the courts

Rankings are based on 3 subindicators

#### Procedures to enforce a contract (number)

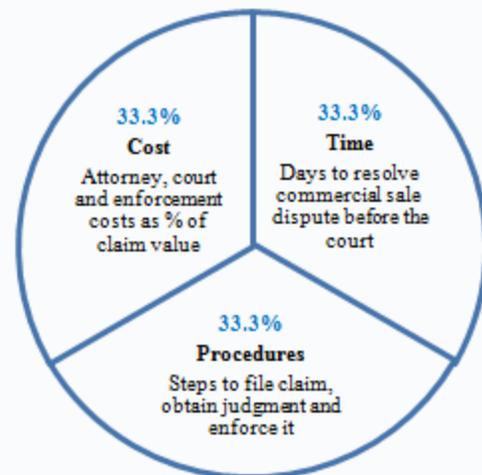
- Any interaction between the parties in a commercial dispute, or between them and the judge or court officer
- Steps to file the case
- Steps for trial and judgment
- Steps to enforce the judgment

#### Time required to complete procedures (calendar days)

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

#### Cost required to complete procedures (% of claim)

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



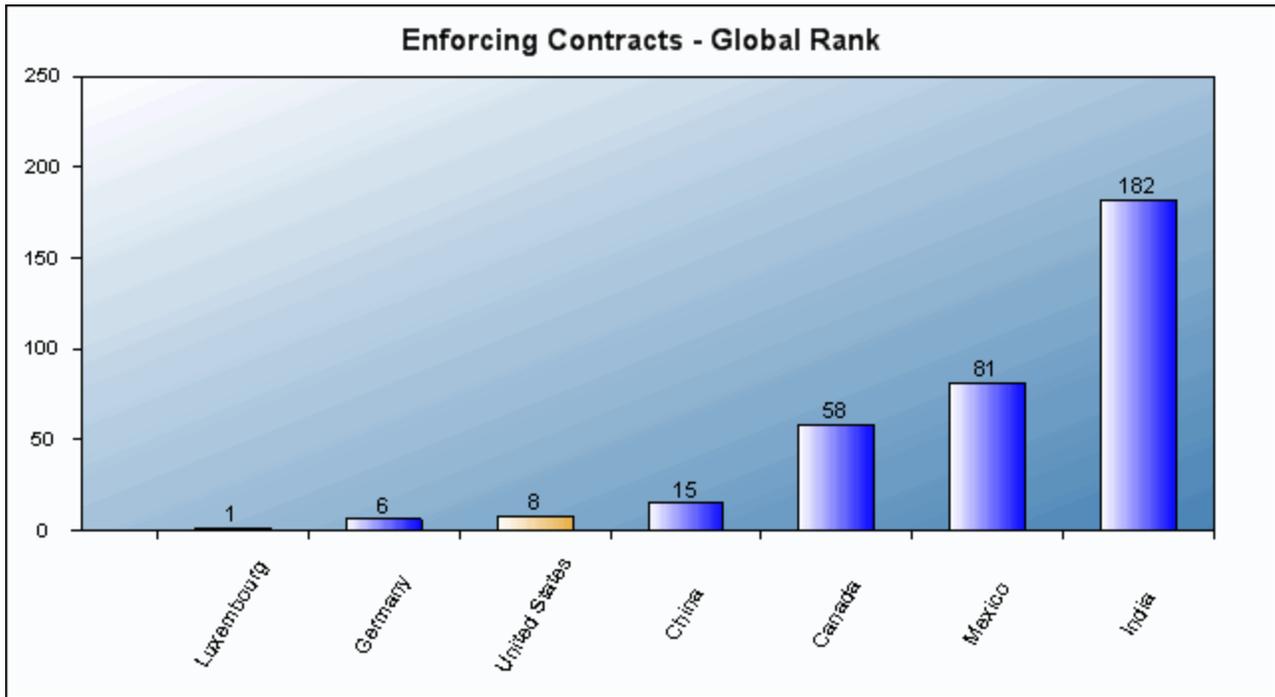
#### Case Study Assumptions

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

## 1. Benchmarking Enforcing Contracts Regulations:

United States is ranked 8 overall for Enforcing Contracts.

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



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

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

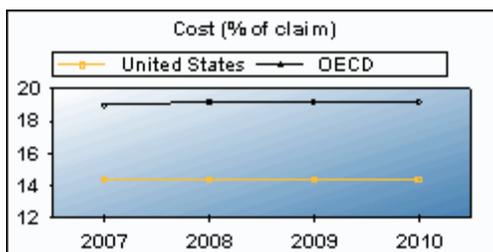
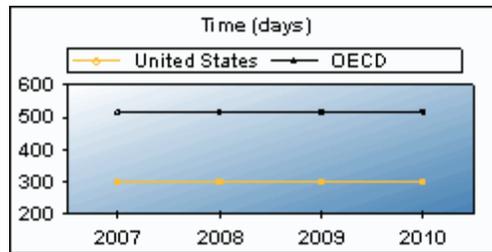
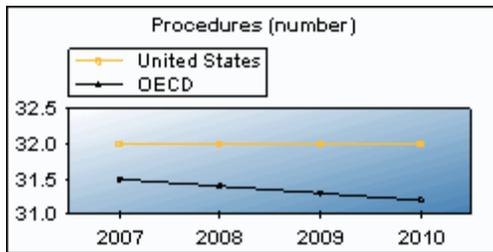
<i>Selected Economy</i>			
<b>United States</b>	<b>32</b>	<b>300</b>	<b>14.4</b>

<i>Comparator Economies</i>			
<b>Canada</b>	36	570	22.3
<b>China</b>	34	406	11.1
<b>Germany</b>	30	394	14.4
<b>India</b>	46	1420	39.6
<b>Mexico</b>	38	415	32.0

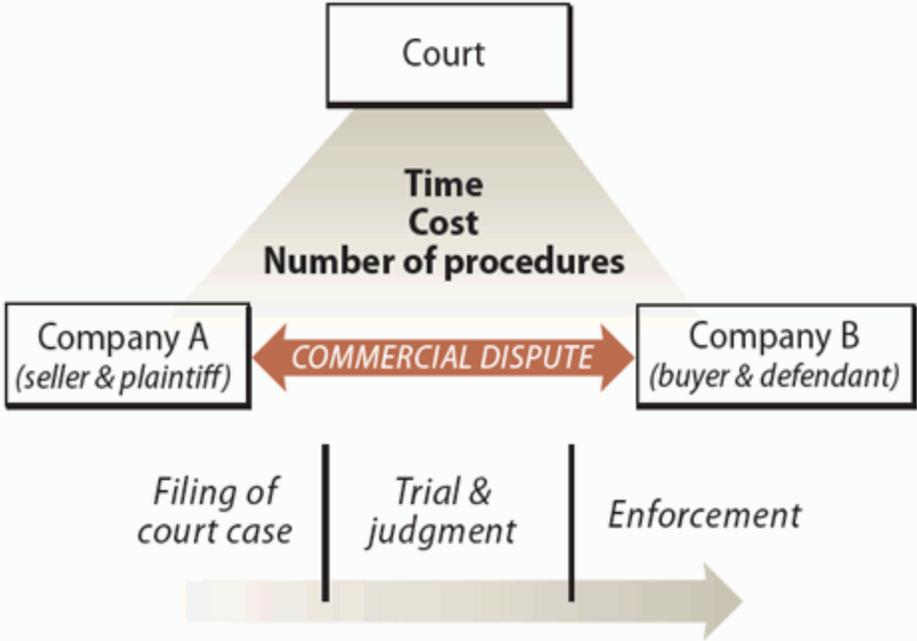
## 2. Historical data: Enforcing Contracts in United States

Enforcing Contracts data	Doing Business 2008	Doing Business 2009	Doing Business 2010	Doing Business 2011
Rank	..	..	8	8
Procedures (number)	32	32	32	32
Time (days)	300	300	300	300
Cost (% of claim)	14.4	14.4	14.4	14.4

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

Nature of Procedure (2010)	Indicator
Procedures (number)	32
Time (days)	300
Filing and service	30.0
Trial and judgment	180.0
Enforcement of judgment	90.0
<b>Cost (% of claim)*</b>	<b>14.40</b>
Attorney cost (% of claim)	8.0
Court cost (% of claim)	5.4
Enforcement Cost (% of claim)	1.0

**Court information:** Supreme Court of the State of  
New York, Civil Branch

\* 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)

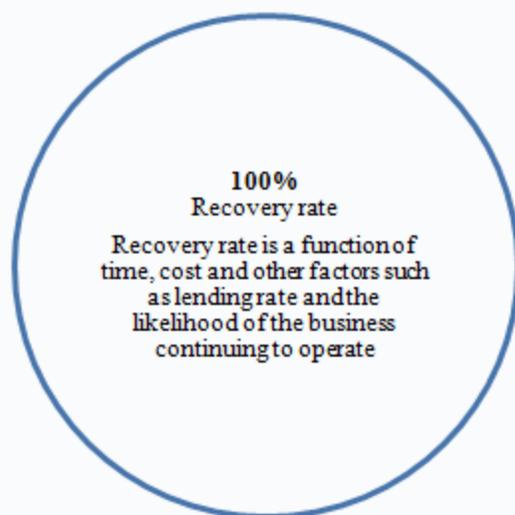
- Measured in calendar years
- Appeals and requests for extension are included

#### 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:

United States is ranked 14 overall for Closing a Business.

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



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

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

<i>Selected Economy</i>			
<b>United States</b>	<b>81.5</b>	<b>1.5</b>	<b>7</b>

<i>Comparator Economies</i>			
<b>Canada</b>	91.2	0.8	4
<b>China</b>	36.4	1.7	22
<b>Germany</b>	53.1	1.2	8
<b>India</b>	16.3	7.0	9
<b>Mexico</b>	66.7	1.8	18

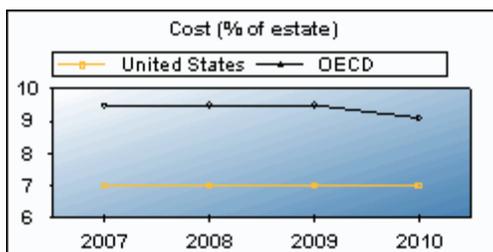
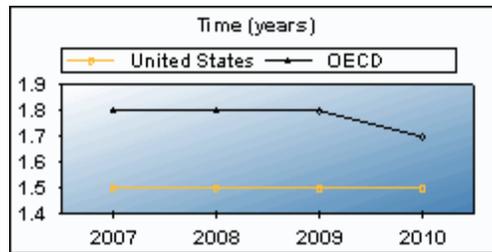
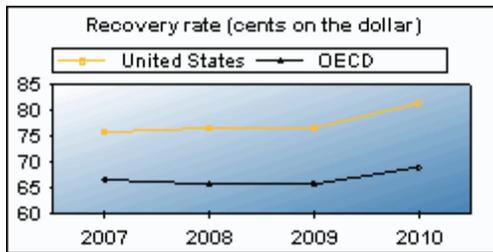
\* The following economies are also good practice economies for :

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

## 2. Historical data: Closing Business in United States

Closing a Business data	Doing Business 2008	Doing Business 2009	Doing Business 2010	Doing Business 2011
Rank	..	..	15	14
Time (years)	1.5	1.5	1.5	1.5
Cost (% of estate)	7	7	7	7
Recovery rate (cents on the dollar)	75.9	76.7	76.7	81.5

3. The following graphs illustrate the Closing Business sub indicators in United States 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.**

<b>Brunei Darussalam</b>	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.
<b>Canada</b>	Canada harmonized the Ontario and federal tax returns and reduced the corporate and employee tax rates. Canada increased the efficiency of the courts by expanding electronic document submission and streamlining procedures.
<b>Cape Verde</b>	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.
<b>China</b>	China's new corporate income tax law unified the tax regimes for domestic and foreign enterprises and clarified the calculation of taxable income for corporate income tax purposes.
<b>Germany</b>	Germany eased business start-up by increasing the efficiency of communications between the notary and the commercial registry and eliminating the need to publish an announcement in a newspaper.
<b>Grenada</b>	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.
<b>Hungary</b>	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.
<b>India</b>	India eased business start-up by establishing an online VAT registration system and replacing the physical stamp previously required with an online version. India reduced the administrative burden of paying taxes by abolishing the fringe benefit tax and improving electronic payment.
<b>Kazakhstan</b>	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.
<b>Mexico</b>	Mexico launched an online one-stop shop for initiating business registration. Mexico improved construction permitting by merging and streamlining procedures related to zoning and utilities. Mexico increased taxes on companies by raising several tax rates, including the corporate income tax and the rate on cash deposits. At the same time, the administrative burden was reduced slightly with more options for online payment and increased use of accounting software.
<b>Peru</b>	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.

<b>Rwanda</b>	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.
<b>Tajikistan</b>	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.
<b>United States</b>	In the United States the introduction of a new tax on payroll increased taxes on companies operating within the New York City metropolitan commuter transportation district.
<b>Vietnam</b>	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.
<b>Zambia</b>	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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