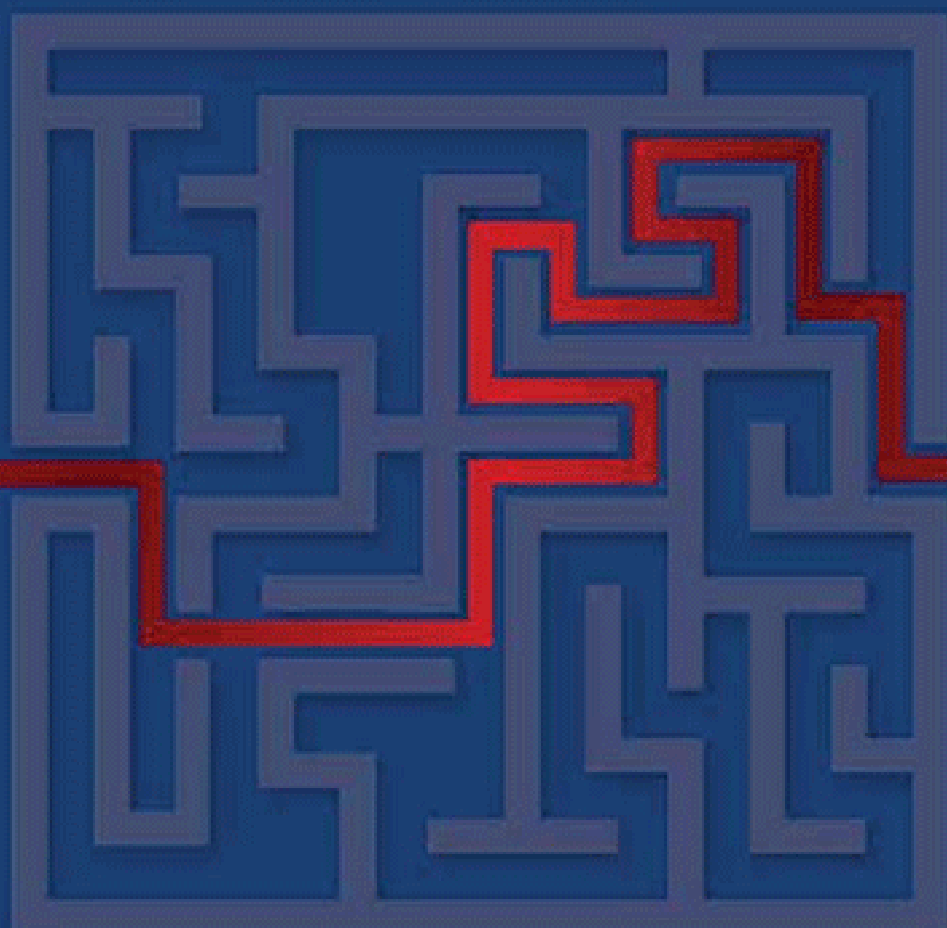
Doing Business 2014

Regional Profile:

Sub-Saharan Africa (SSA)



Comparing Business Regulations for Domestic Firms in 189 Economies

11TH EDITION

A World Bank Group Corporate Flagship

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INTRODUCTION

Doing Business sheds light on how easy or difficult it is for a local entrepreneur to open and run a small to medium-size business when complying with relevant regulations. It measures and tracks changes in regulations affecting 11 areas in the life cycle of a business: starting a business, dealing with construction permits, getting electricity, registering property, getting credit, protecting investors, paying taxes, trading across borders, enforcing contracts, resolving insolvency and employing workers.

In a series of annual reports *Doing Business* presents quantitative indicators on business regulations and the protection of property rights that can be compared across 189 economies, from Afghanistan to Zimbabwe, over time. The data set covers 47 economies in Sub-Saharan Africa, 33 in Latin America and the Caribbean, 25 in East Asia and the Pacific, 25 in Eastern Europe and Central Asia, 20 in the Middle East and North Africa and 8 in South Asia, as well as 31 OECD high-income economies. The indicators are used to analyze economic outcomes and identify what reforms have worked, where and why.

This regional profile presents the *Doing Business* indicators for economies in Sub-Saharan Africa (SSA). It also shows the regional average, the best performance globally for each indicator and data for the following comparator regions: Common Market for Eastern and Southern Africa (COMESA), Economic Community of Central African States (ECCAS), Middle East and North Africa (MENA) and OECD high income. The data in this report are current as of June 1, 2013 (except for the paying taxes indicators, which cover the period January–December 2012).

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 and getting electricity), the security of property from theft and looting, the transparency of government procurement, macroeconomic conditions or the underlying strength of institutions—are not directly studied by *Doing Business*. 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 policy makers in designing regulatory reform.

More information is available in the full report. *Doing Business 2014* presents the indicators, analyzes their relationship with economic outcomes and recommends regulatory reforms. The data, along with information on ordering the *Doing Business 2014* report, are available on the *Doing Business* website at http://www.doingbusiness.org.

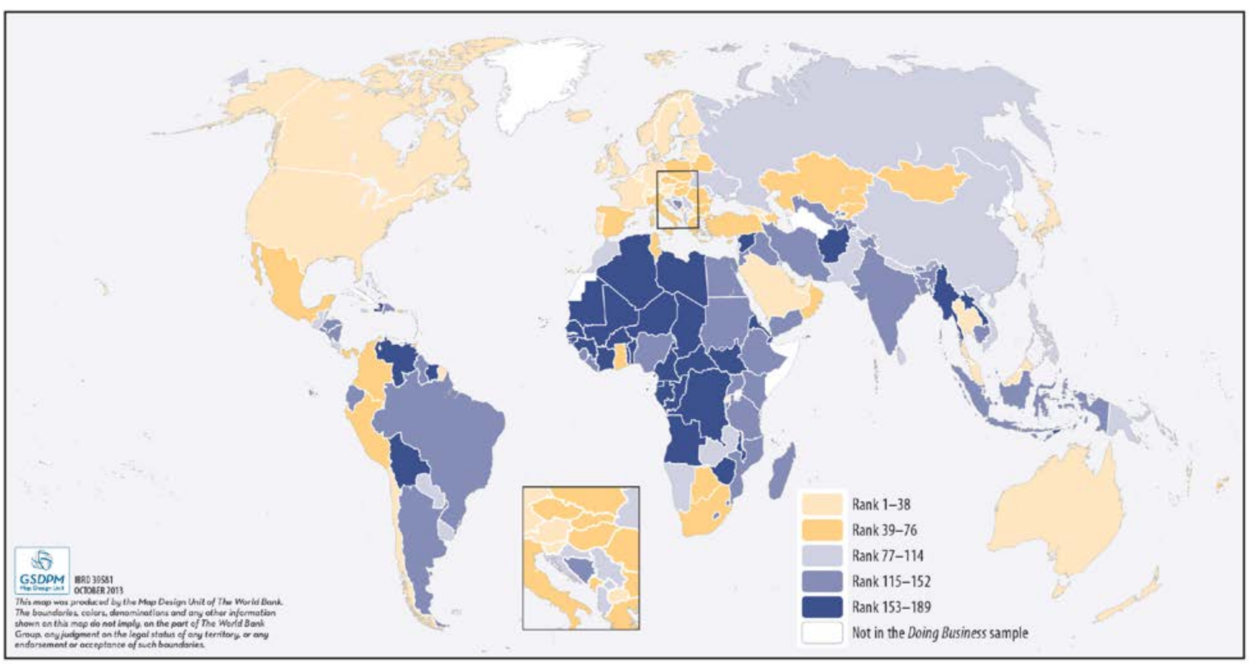
THE BUSINESS ENVIRONMENT

For policy makers trying to improve their economy's regulatory environment for business, a good place to start is to find out how it compares with the regulatory environment in other economies. *Doing Business* provides an aggregate ranking on the ease of doing business based on indicator sets that measure and benchmark regulations applying to domestic small to medium-size businesses through their life cycle. Economies are ranked from 1 to 189 by the ease of doing business index. For each economy the index is calculated as the ranking on the simple average of its percentile rankings on each of the 10 topics included in the index in *Doing Business 2014*: starting a business, dealing with construction permits, getting electricity, registering property, getting credit, protecting investors, paying taxes, trading across borders, enforcing contracts and resolving insolvency.

The ranking on each topic is the simple average of the percentile rankings on its component indicators (see the data notes for more details).

The aggregate ranking on the ease of doing business benchmarks each economy's performance on the indicators against that of all other economies in the *Doing Business* sample (figure 1.1). While this ranking tells much about the business environment in an economy, it does not tell the whole story. The ranking on the ease of doing business, and the underlying indicators, do not measure all aspects of the business environment that matter to firms and investors or that affect the competitiveness of the economy. Still, a high ranking does mean that the government has created a regulatory environment conducive to operating a business.

Figure 1.1 Where economies stand in the global ranking on the ease of doing business

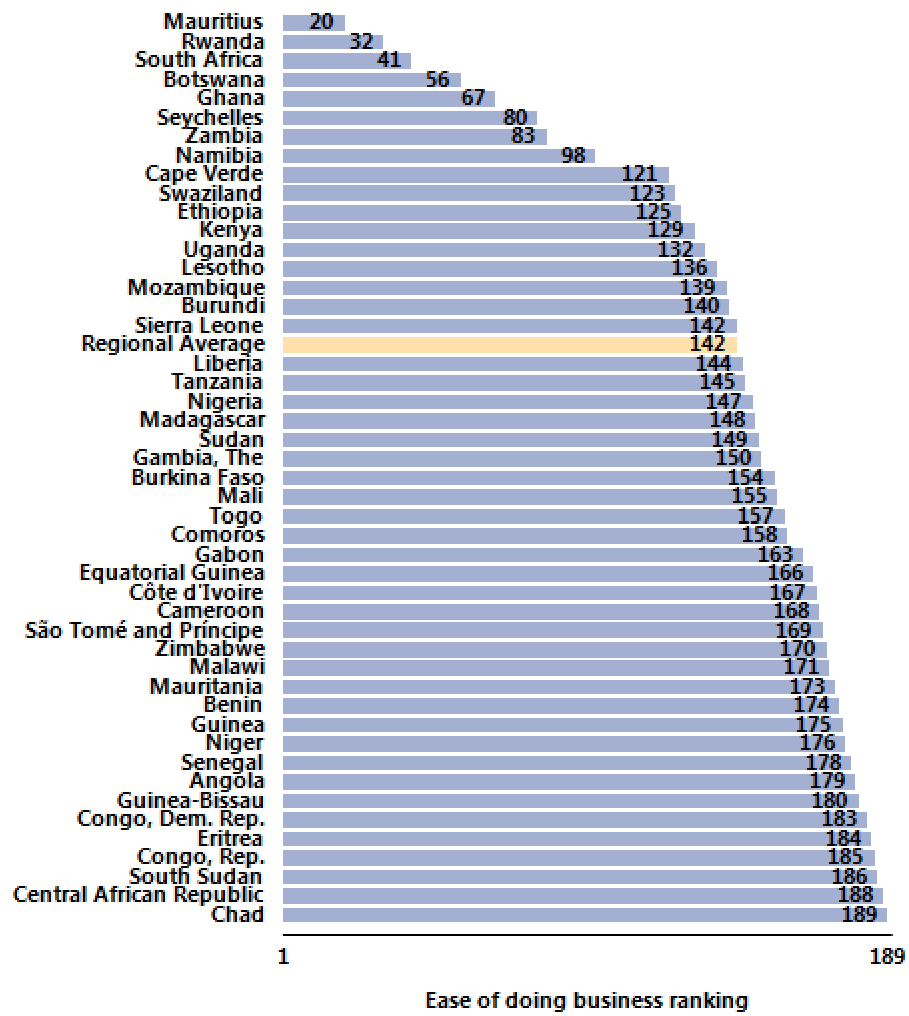


Source: Doing Business database.

THE BUSINESS ENVIRONMENT

For policy makers, knowing where their economy stands in the aggregate ranking on the ease of doing business is useful. Also useful is to know how it ranks compared with other economies in the region and compared with the regional average (figure 1.2). Another perspective is provided by the regional average rankings on the topics included in the ease of doing business index (figure 1.3).

Figure 1.2 How economies in Sub-Saharan Africa (SSA) rank on the ease of doing business



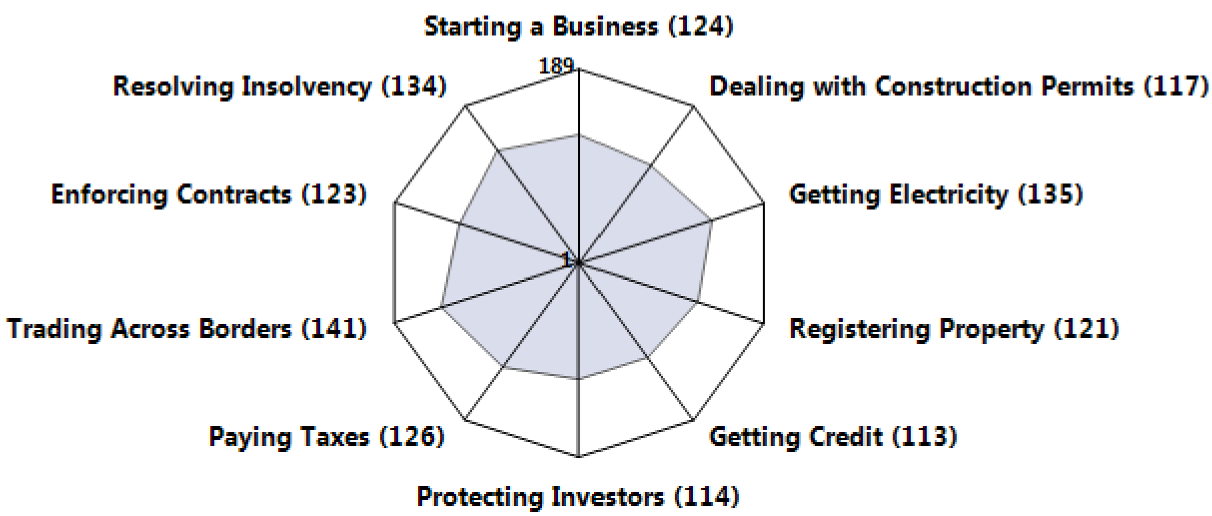
*The economy with the best performance globally is included as a benchmark.

Source: Doing Business database.

THE BUSINESS ENVIRONMENT

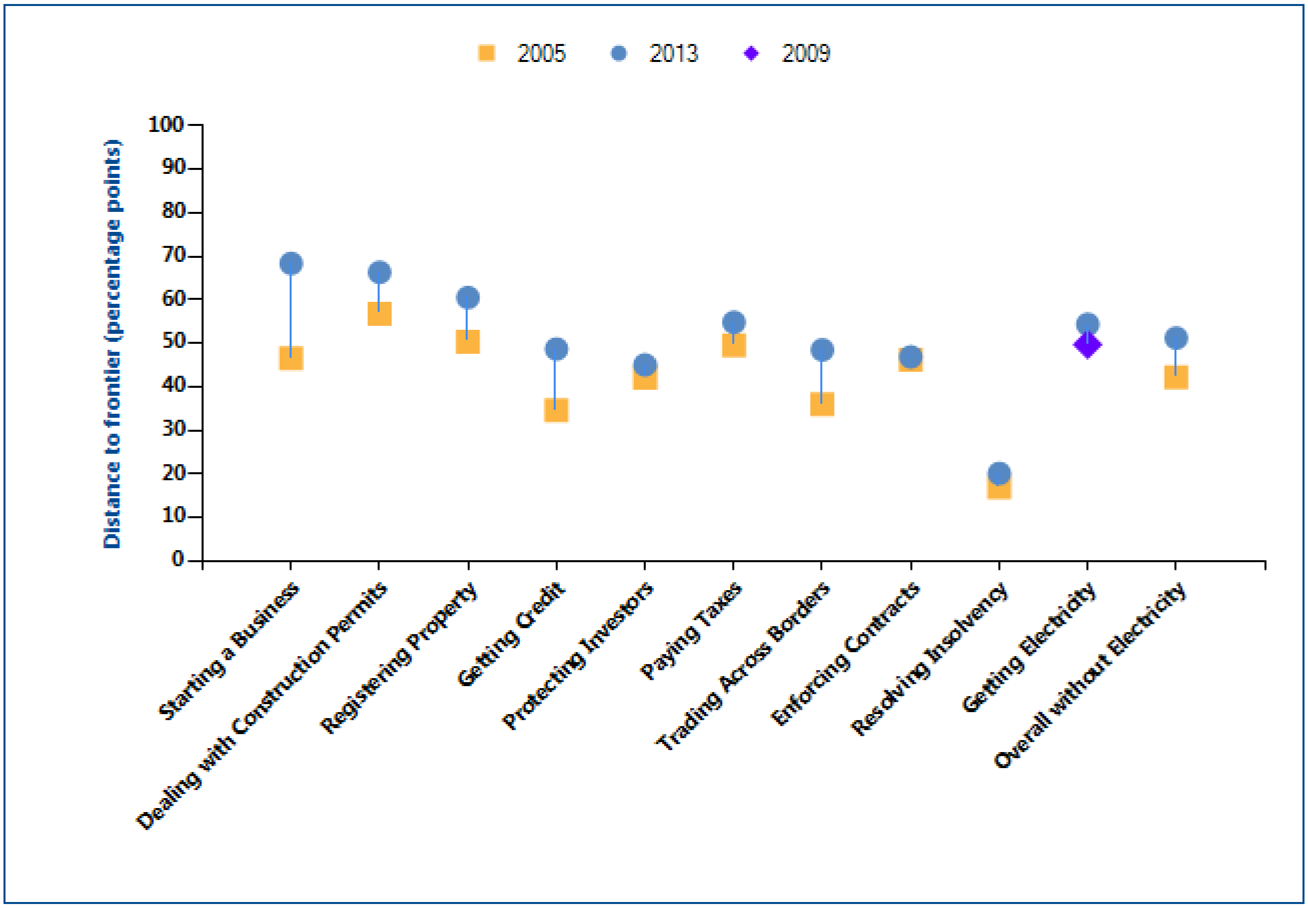
Figure 1.3 How Sub-Saharan Africa (SSA) ranks on *Doing Business* topics

Regional average ranking



Source: Doing Business database.

Figure 1.4 How far has Sub-Saharan Africa (SSA) come in the areas measured by Doing Business?



Note: The distance to frontier measure shows how far on average a region is from the best performance achieved by any region on each *Doing Business* indicator since 2005, except for the getting electricity indicators, which were introduced in 2009. The measure is normalized to range between 0 and 100, with 100 representing the best performance (the frontier). The overall distance to frontier is the average of the distance to frontier in the first 9 indicator sets shown in the figure and does not include getting electricity. Data on the overall distance to frontier including getting electricity is available at http://www.doingbusiness.org/data/distance-to-frontier. See the data notes for more details on the distance to frontier measure.
Source: Doing Business database.

THE BUSINESS ENVIRONMENT

Just as the overall ranking on the ease of doing business tells only part of the story, so do changes in that ranking. Yearly movements in rankings can provide some indication of changes in an economy's regulatory environment for firms, but they are always relative. An economy's ranking might change because of developments in other economies. An economy that implemented business regulation reforms may fail to rise in the rankings (or may even drop) if it is passed by others whose business regulation reforms had a more significant impact as measured by *Doing Business*.

The absolute values of the indicators tell another part of the story (table 1.1). Policy makers can learn much by comparing the indicators for their economy with those for the lowest- and highest-scoring economies in the region as well as those for the best performers globally. These comparisons may reveal unexpected strengths in an area of business regulation—such as a regulatory process that can be completed with a small number of procedures in a few days and at a low cost.

Table 1.1 Summary of *Doing Business* indicators for Sub-Saharan Africa (SSA)

Indicator	Lowest regional performance	Best regional performance	Regional average	Best global performance
Starting a Business (rank)	188 (Eritrea)	9 (Rwanda)	124	1 (New Zealand)
Procedures (number)	18 (Equatorial Guinea)	2 (Rwanda)*	8	1 (New Zealand)*
Time (days)	135.0 (Equatorial Guinea)	2.0 (Rwanda)	29.7	0.5 (New Zealand)
Cost (% of income per capita)	372.1 (South Sudan)	0.3 (South Africa)	67.4	0.0 (Slovenia)
Paid-in Min. Capital (% of income per capita)	909.1 (Congo, Dem. Rep.)	0.0 (23 Economies*)	125.7	0.0 (112 Economies*)
Dealing with Construction Permits (rank)	189 (Eritrea)	26 (South Africa)	117	1 (Hong Kong SAR, China)
Procedures (number)	29 (Guinea)	9 (Ethiopia)*	15	6 (Hong Kong SAR, China)
Time (days)	496.0 (Zimbabwe)	75.0 (Liberia)	171.1	26.0 (Singapore)
Cost (% of income per capita)	4,438.9 (Chad)	9.9 (South Africa)	736.8	1.1 (Qatar)
Getting Electricity (rank)	188 (Guinea-Bissau)	48 (Mauritius)	135	1 (Iceland)
Procedures (number)	8 (4 Economies*)	3 (Comoros)	5	3 (10 Economies*)
Time (days)	468 (South Sudan)	30 (Rwanda)	141	17 (Germany)
Cost (% of income per	23,025.1 (Congo, Dem.	281.1 (Mauritius)	4,819.9	0.0 (Japan)

Indicator	Lowest regional performance	Best regional performance	Regional average	Best global performance
capita)	Rep.)			
Registering Property (rank)	185 (Nigeria)	8 (Rwanda)	121	1 (Georgia)
Procedures (number)	13 (Nigeria)	3 (Rwanda)	6	1 (4 Economies*)
Time (days)	295.0 (Togo)	9.0 (Sudan)	58.9	1.0 (New Zealand)*
Cost (% of property value)	21.2 (Congo, Rep.)	0.2 (Rwanda)	9.0	0.0 (5 Economies*)
Getting Credit (rank)	186 (Eritrea)*	(4 Economies*)	113	1 (Malaysia)*
Strength of legal rights index (0-10)	2 (3 Economies*)	10 (Kenya)	6	10 (10 Economies*)
Depth of credit information index (0-6)	1 (13 Economies*)	6 (3 Economies*)	3	6 (31 Economies*)
Public registry coverage (% of adults)	0.1 (Nigeria)*	69.2 (Mauritius)	7.8	100.0 (Portugal)*
Private bureau coverage (% of adults)	3.7 (Zimbabwe)	66.2 (Namibia)	25.2	100.0 (22 Economies*)
Protecting Investors (rank)	182 (South Sudan)	10 (South Africa)	114	1 (New Zealand)
Extent of disclosure index (0-10)	0 (Sudan)	8 (3 Economies*)	5	10 (10 Economies*)
Extent of director liability index (0-10)	1 (23 Economies*)	9 (Rwanda)	4	10 (Cambodia)
Ease of shareholder suits index (0-10)	1 (Guinea)	10 (Kenya)	5	10 (3 Economies*)
Strength of investor protection index (0-10)	2.3 (South Sudan)	8.0 (South Africa)	4.5	9.7 (New Zealand)
Paying Taxes (rank)	189 (Chad)	13 (Mauritius)	126	1 (United Arab Emirates)
Payments (number per year)	62 (Côte d'Ivoire)	7 (South Africa)	38	3 (Hong Kong SAR, China)*
Time (hours per year)	956 (Nigeria)	76 (Seychelles)	314	12 (United Arab Emirates)
Trading Across Borders (rank)	187 (South Sudan)	12 (Mauritius)	141	1 (Singapore)
Documents to export (number)	11 (Congo, Rep.)*	4 (Mauritius)	8	2 (Ireland)*
Time to export (days)	73 (Chad)	10 (Mauritius)	31	6 (5 Economies*)

Indicator	Lowest regional performance	Best regional performance	Regional average	Best global performance
Cost to export (US$ per container)	6,615 (Chad)	675 (Mauritius)	2,108	450 (Malaysia)
Documents to import (number)	17 (Central African Republic)	5 (3 Economies*)	9	2 (Ireland)*
Time to import (days)	130 (South Sudan)	10 (Mauritius)	38	4 (Singapore)
Cost to import (US$ per container)	9,285 (South Sudan)	577 (São Tomé and Príncipe)	2,793	440 (Singapore)
Enforcing Contracts (rank)	187 (Angola)	35 (Cape Verde)	123	1 (Luxembourg)
Time (days)	1,715 (Guinea-Bissau)	228 (South Sudan)	652	150 (Singapore)
Cost (% of claim)	149.5 (Sierra Leone)	14.3 (Tanzania)	51.1	0.1 (Bhutan)
Procedures (number)	53 (Sudan)	23 (Rwanda)	39	21 (Singapore)*
Resolving Insolvency (rank)	189 (Chad)	34 (Botswana)	134	1 (Japan)
Time (years)	6.2 (São Tomé and Príncipe)	1.7 (Mauritius)*	3.1	0.4 (Ireland)
Cost (% of estate)	76 (Central African Republic)	8 (Guinea)	23	1 (Norway)
Recovery rate (cents on the dollar)	0.0 (Chad)*	61.9 (Botswana)	19.1	92.8 (Japan)

* Two or more economies share the top ranking on this indicator. A number shown in place of an economy's name indicates the number of economies that share the top ranking on the indicator. For a list of these economies, see the *Doing Business* website (http://www.doingbusiness.org).
Source: Doing Business database.

STARTING A BUSINESS

Formal registration of companies has many immediate benefits for the companies and for business owners and employees. Legal entities outlive their founders. Resources are pooled as several shareholders join forces to start a company. Formally registered companies have access to services and institutions from courts to banks as well as to new markets. And their employees can benefit from protections provided by the law. An additional benefit comes with limited liability companies. These limit the financial liability of company owners to their investments, so personal assets of the owners are not put at risk.

Where governments make this process easy, more entrepreneurs start businesses in the formal sector, creating more good jobs and generating more revenue for the government.

What do the indicators cover?

Doing Business measures the ease of starting a business in an economy by recording all procedures officially required or commonly done in practice by an entrepreneur to start up and formally operate an industrial or commercial business—as well as the time and cost required to complete these procedures. It also records the paid-in minimum capital that companies must deposit before registration. The ranking on the ease of starting a business is the simple average of the percentile rankings on the 4 component indicators: procedures, time, cost and paid-in minimum capital requirement.

To make the data comparable across economies, *Doing Business* uses several assumptions about the business and the procedures. It assumes that all information is readily available to the entrepreneur and that there has been no prior contact with officials. It also assumes that the entrepreneur will pay no bribes. And it assumes that the business:

- Is a 100% domestically owned limited liability company, located in the largest business city.
- Has between 10 and 50 employees.
- Conducts general commercial or industrial activities.
- Has a start-up capital of 10 times income per capita and has a turnover of at least 100 times income per capita.
- Does not qualify for any special benefits.
- Does not own real estate.

WHAT THE STARTING A BUSINESS INDICATORS MEASURE

Procedures to legally start and operate a company (number)

Preregistration (for example, name verification or reservation, notarization)

Registration in the economy's largest business city

Postregistration (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 (2 procedures cannot start on the same day). Procedures that can be fully completed online are an exception to this rule.

Procedure considered 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)

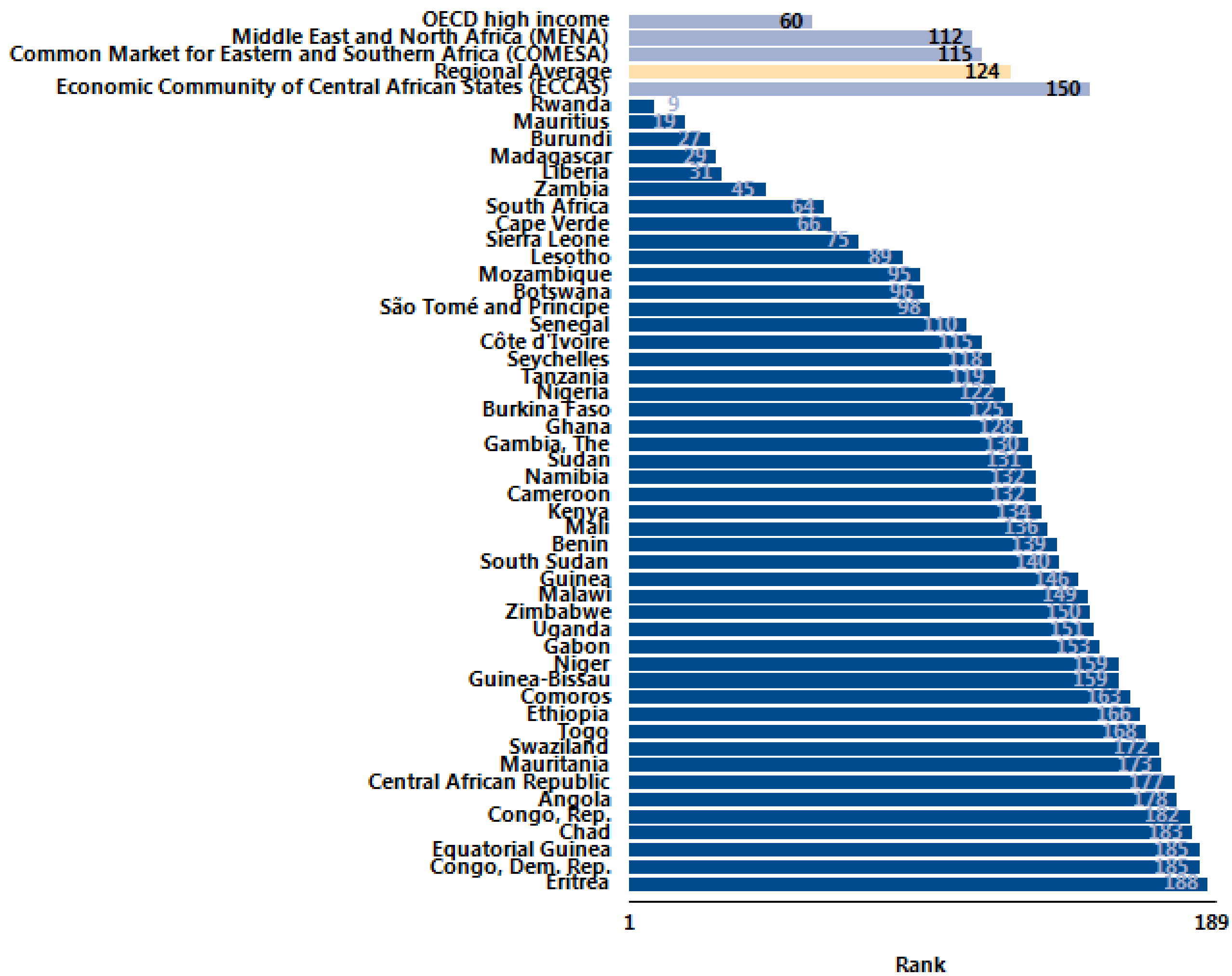
Funds deposited in a bank or with a notary before registration (or within 3 months)

STARTING A BUSINESS

Where do the region's economies stand today?

How easy is it for entrepreneurs in economies in Sub-Saharan Africa (SSA) to start a business? The global rankings of these economies on the ease of starting a business suggest an answer (figure 2.1). The average ranking of the region and comparator regions provide a useful benchmark.

Figure 2.1 How economies in Sub-Saharan Africa (SSA) rank on the ease of starting a business



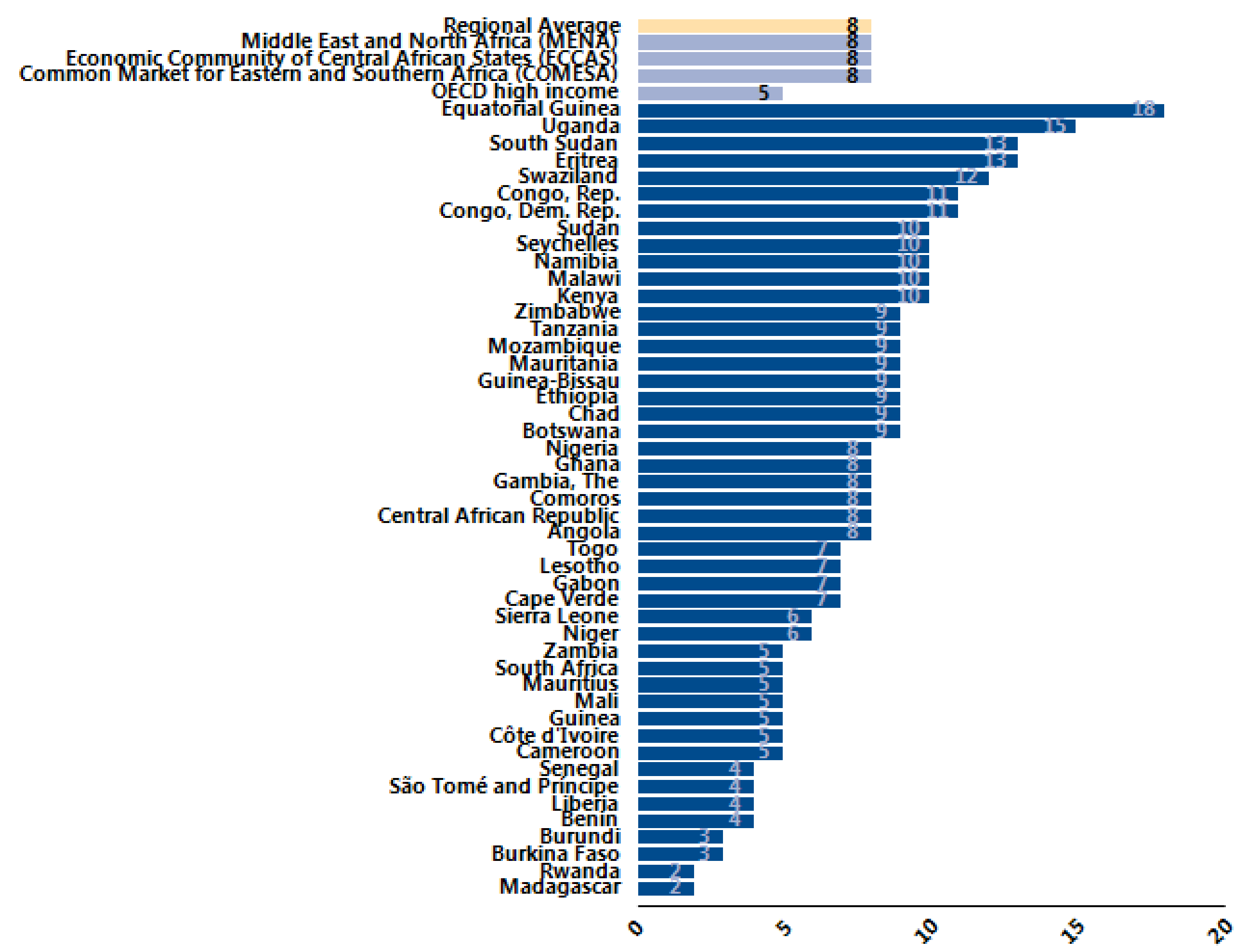
Source: Doing Business database.

STARTING A BUSINESS

The indicators underlying the rankings may be more revealing. Data collected by *Doing Business* show what it takes to start a business in each economy in the region: the number of procedures, the time, the cost and the paid-in minimum capital requirement (figure 2.2). Comparing these indicators across the region and with averages both for the region and for comparator regions can provide useful insights.

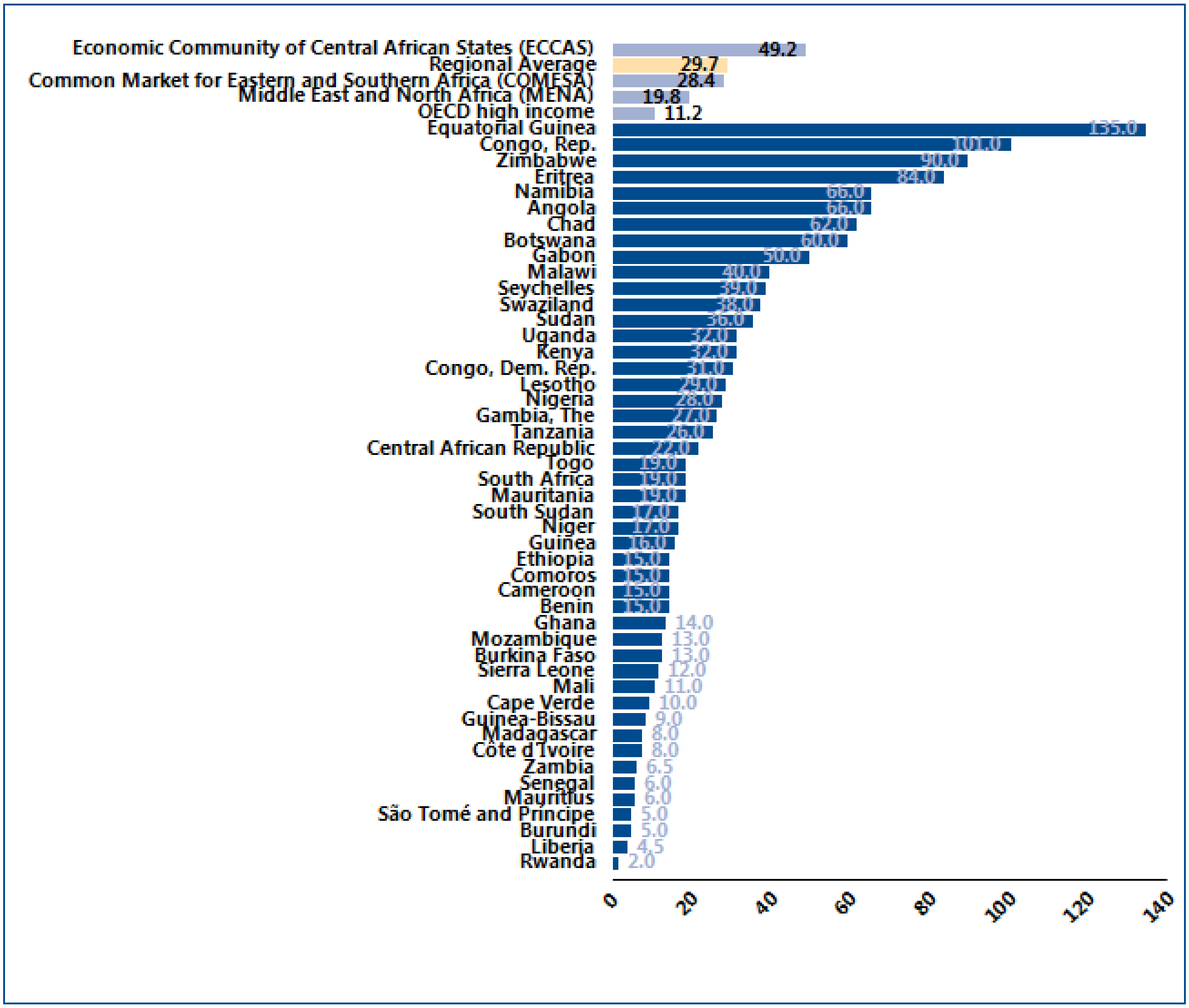
Figure 2.2 What it takes to start a business in economies in Sub-Saharan Africa (SSA)

Procedures (number)



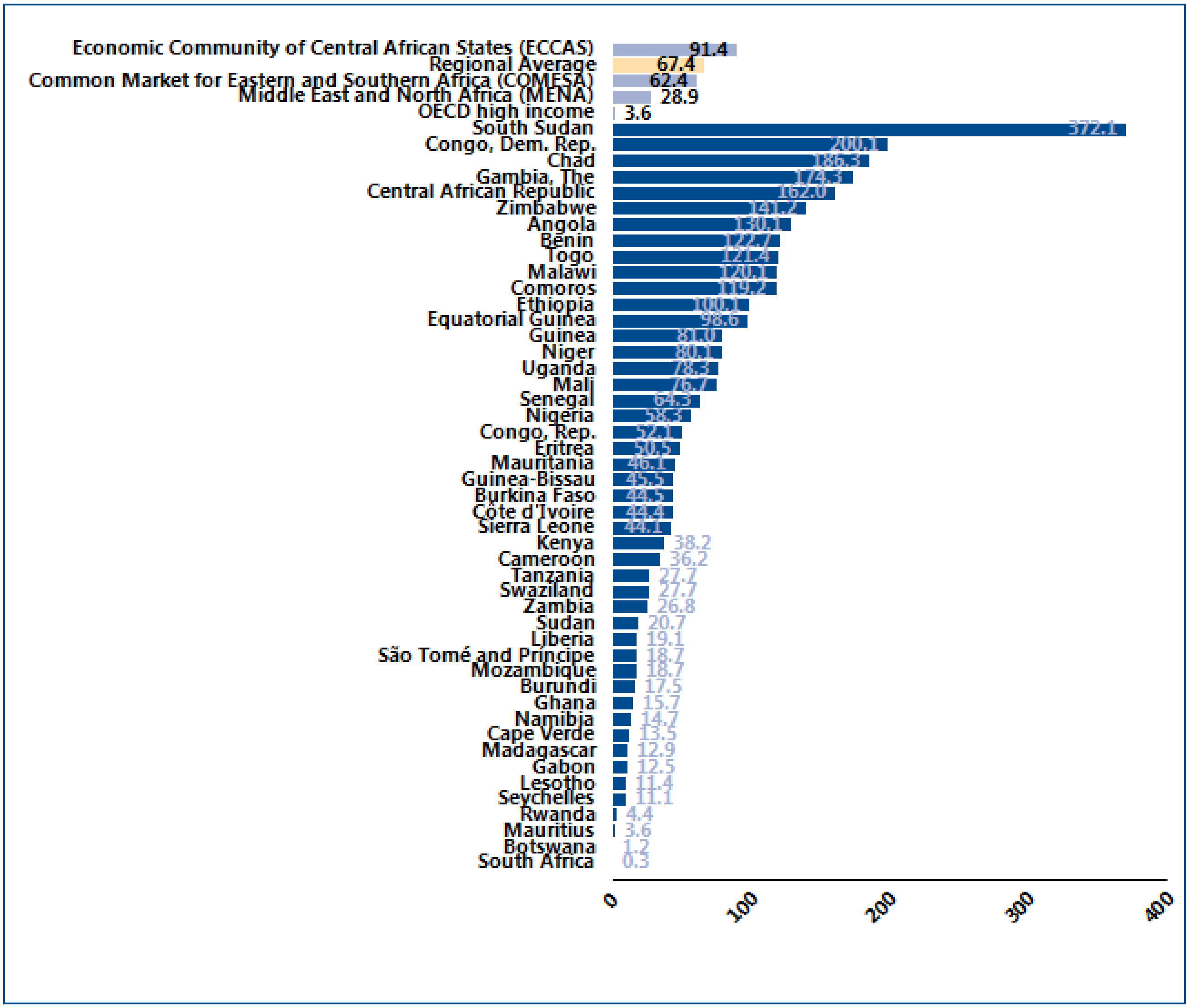
STARTING A BUSINESS

Time (days)



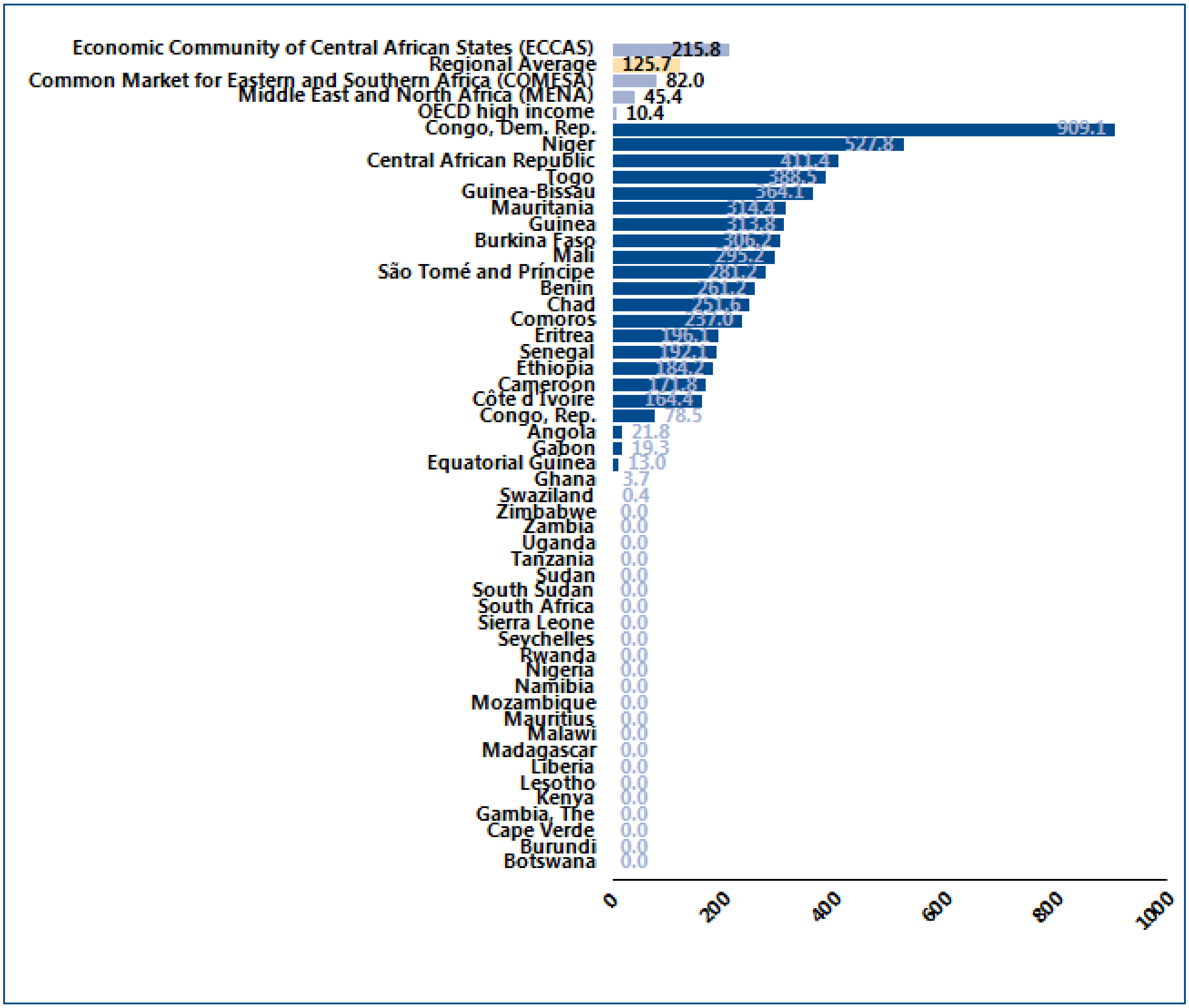
STARTING A BUSINESS

Cost (% of income per capita)



STARTING A BUSINESS

Paid-in minimum capital (% of income per capita)



Source: Doing Business database.

STARTING A BUSINESS

What are the changes over time?

Economies around the world have taken steps making it easier to start a business—streamlining procedures by setting up a one-stop shop, making procedures simpler or faster by introducing technology, and reducing or eliminating minimum capital requirements. Many have undertaken business registration reforms in stages—and often as part of a larger regulatory reform program. Among the benefits have been greater firm satisfaction and savings and more registered businesses, financial resources and job opportunities.

What business registration reforms has *Doing Business* recorded in Sub-Saharan Africa (SSA) (table 2.1)?

Table 2.1 How have economies in Sub-Saharan Africa (SSA) made starting a business easier—or not?
By *Doing Business* report year

DB year	Economy	Reform
DB2008	*Burkina Faso*	Through ministerial decree, Burkina Faso simplified notification and documentation requirements, reducing the time to register a company.
DB2008	*Côte d'Ivoire*	Côte d'Ivoire eased the process of starting a business by abolishing the requirement of notifiying the labor ministry.
DB2008	*Eritrea*	Eritrea made the process of starting a business more difficult by taking more time to process different procedures of establishing a new business.
DB2008	*Ghana*	The ongoing computerization at the company registry and improved operations at the Environmental Protection Agency reduced business registration time.
DB2008	*Kenya*	An ambitious licensing reform program was launched which has led to the elimination of 110 business licenses and the simplification of eight, reducing the time and cost of obtaining building licenses and registering a company.
DB2008	*Madagascar*	Business registration was reduced to just eight days, streamlining operations at the one stop shop (GUIDE).
DB2008	*Mali*	The business startup process was reformed -- a single company identification number reduced the registration time.
DB2008	*Mauritania*	Mauritania made starting a business cheaper by reducing the registration fees.
DB2008	*Mauritius*	Mauritius made starting a business faster by implementing a centralized database linking the company registry with tax, social security, and local authorities.
DB2008	*Mozambique*	Mozambique made starting a business faster by implementing electronic publication of the company start-up and eliminating the provisional registration. In addition, Mozambique made the use of notaries optional and

DB year	Economy	Reform
		computerized its registry and introduced flat registration fees.
DB2008	*Niger*	Niger made starting a business cheaper by eliminating the fees paid at the Chamber of Commerce at the time of business start-up.
DB2008	*Nigeria*	An electronic company name search was introduced, which made the company registry more efficient.
DB2008	*Tanzania*	Tanzania made starting a business easier by decentralizing business registration by creating a business activities registration system and business registration centers in all the local authorities. The company seal became optional.
DB2009	*Angola*	All registration formalities can be completed at once at the Guichet Unico considerably reducing the number of procedures as well as time.
DB2009	*Botswana*	Computerization of the registry resulted in more efficiency and substantial time reduction.
DB2009	*Congo, Rep.*	Congo, Rep. made the process of starting a business more difficult by making registering with the Centre des Formalités des Entreprises, with the Tax Authority, and with the Social Security Administration longer.
DB2009	*Ghana*	The requirement to register employment vacancies and the seal requirement were abolished reducing the number of procedures.
DB2009	*Kenya*	Improvement at the registry and better communication between relevant agencies resulted in substantial time reduction.
DB2009	*Lesotho*	One stop shop reforms consolidated and simplified business registration processes and greater efficiency at registry resulted in license reforms substantially reducing the number of days.
DB2009	*Liberia*	Simplification of the registration processes, time- limit reforms, business licenses reforms resulted in tremendous time and number of procedures'' reduction
DB2009	*Madagascar*	Professional tax was abolished reducing the cost and online publication cut time.
DB2009	*Mauritania*	Simplification of the registration process requirement has resulted in tremendous time, cost and number of procedures reduction.
DB2009	*Mauritius*	On-line reforms further simplified registration process and formalities were streamlined reducing the number of procedures.
DB2009	*Namibia*	The computerization of the registry reduced the registration time tremendously.

DB year	Economy	Reform
DB2009	*Senegal*	The one-stop shop became fully operational merging several start-up procedures into 1 and reducing the start- up time substantially.
DB2009	*Sierra Leone*	The use of lawyer was made optional and other registration formalities were abolished including the payment of taxes upfront and the exchange control permission for registration cutting the number of procedures, time and cost.
DB2009	*South Africa*	Amendments of the corporate law have simplified the start-up process including abolishing the need to have a lawyer, reducing cost and time.
DB2009	*Zambia*	The revamping of the company registry and the creation of a one-stop shop resulted in tremendous time reduction.
DB2010	*Botswana*	Botswana eased business start-up with more efficient tax registration and obtaining of business license.
DB2010	*Burkina Faso*	Burkina Faso eased the process of business start-up by allowing publication to be done directly on the website of the Maison de l'entreprise (one-stop shop), reducing the registration cost and streamlining the tax registration process.
DB2010	*Cameroon*	Cameroon has eased the business start-up process as newly formed companies are now exempt from paying the Patente for the first 2 years.
DB2010	*Cape Verde*	Cape Verde eased the business startup process by implementing an company online registration system.
DB2010	*Central African Republic*	Central African Republic simplified business start up by establishing a one-stop shop (Guichet Unique de formalité des Entreprises (GUFE)), which merged four procedures into one.
DB2010	*Ethiopia*	Ethiopia reforms at the registry and streamlining of procedures improved the registration process easing the process of new business start-up.
DB2010	*Ghana*	Ghana simplified business start- up process by further streamlining the registration procedures with the creation of a customer services desk at the one stop shop.
DB2010	*Guinea-Bissau*	Guinea-Bissau simplified the business start- up process through the electronization of the company name search, the introduction of some computers and flash drives, and the reduction of the registration fees.
DB2010	*Liberia*	Liberia eased the start up process by removing the need to obtain and environmental impact assessment when forming a general trading company.
DB2010	*Madagascar*	Madagascar simplified business start-up through the streamlining of procedures at the one stop shop, elimination of stamp duty and elimination of the minimum capital

DB year	Economy	Reform
		requirement.
DB2010	*Mali*	Mali simplified the business start-up process by creating a new one stop shop making it possible to register a company with the registrar and tax agency, apply for online publication and obtain a national identification number (NINA).
DB2010	*Mozambique*	Mozambique simplified business start up by eliminating the requirements of he minimum capital and bank deposit requirements .
DB2010	*Niger*	Niger simplified the process to start a business by eliminating the procedures to register with the Centre Nationale des Utilisateurs du Transports (CNUT) and with the Chamber of Commerce.
DB2010	*Rwanda*	Rwanda simplified the start-up process by eliminating the notarization requirement, introduction of standardized memoranda of association, making publication on-line, consolidation of name-checking, registration fee payment, tax registration and company registration procedures, and reducing the time required to process completed applications.
DB2010	*Sierra Leone*	Sierra Leone eased business start up processes with the establishment of a one-stop shop for business registration.
DB2010	*Togo*	Togo eased business start-up by setting up a one-stop shop (CFE) eliminating 6 procedures and reducing cost by a third
DB2011	*Cameroon*	Cameroon made starting a business easier by establishing a new one-stop shop and abolishing the requirement for verifying business premises and its corresponding fees.
DB2011	*Cape Verde*	Cape Verde made business 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.
DB2011	*Congo, Dem. Rep.*	The Democratic Republic of Congo eased business start-up by eliminating procedures, including the company seal.
DB2011	*Kenya*	Kenya eased business start-up by reducing the time it takes to get the memorandum and articles of association stamped, merging the tax and value added tax registration procedures and digitizing records at the registrar.
DB2011	*Mozambique*	Mozambique eased business start-up by introducing a simplified licensing process.
DB2011	*São Tomé and Príncipe*	São Tomé and Principe made starting a business more difficult by introducing a minimum capital requirement for limited liability companies.
DB2011	*Uganda*	Uganda made it more difficult to start a business by increasing the trade licensing fees.

DB year	Economy	Reform
DB2011	*Zambia*	Zambia eased business start-up by eliminating the minimum capital requirement.
DB2011	*Zimbabwe*	Zimbabwe eased business start-up by reducing registration fees and speeding up the name search process and company and tax registration.
DB2012	*Benin*	Benin made starting a business easier by replacing the requirement for a copy of the founders' criminal records with one for a sworn declaration at the time of the company's
DB2012	*Burkina Faso*	Burkina Faso made starting a business easier by replacing the requirement for a copy of the founders' criminal records with one for a sworn declaration at the time of the company's registration.
DB2012	*Cameroon*	Cameroon made starting a business easier by replacing the requirement for a copy of the founders' criminal records with one for a sworn declaration at the time of the company's registration, and by reducing publication fees.
DB2012	*Central African Republic*	The Central African Republic made starting a business easier by reducing business registration fees and by replacing the requirement for a copy of the founders' criminal records with one for a sworn declaration at the time of the company's registration.
DB2012	*Chad*	Chad made starting a business easier by eliminating the requirement for a medical certificate and by replacing the requirement for a copy of the founders' criminal records with one for a sworn declaration at the time of the company's registration.
DB2012	*Comoros*	Comoros made the process of starting a business more difficult by increasing the minimum capital requirement.
DB2012	*Congo, Dem. Rep.*	The Democratic Republic of Congo made business start-up faster by reducing the time required to complete company registration and obtain a national identification number.
DB2012	*Côte d'Ivoire*	Côte d'Ivoire made starting a business easier by reorganizing the court clerk's office where entrepreneurs file their company documents.
DB2012	*Ghana*	Ghana increased the cost to start a business by 70%.
DB2012	*Guinea-Bissau*	Guinea-Bissau made starting a business easier by establishing a one-stop shop, eliminating the requirement for an operating license and simplifying the method for providing criminal records and publishing the registration notice.
DB2012	*Liberia*	Liberia made starting a business easier by introducing a one-stop shop.
DB2012	*Madagascar*	Madagascar eased the process of starting a business by eliminating the minimum capital requirement, but also made

DB year	Economy	Reform
		it more difficult by introducing the requirement of obtaining a tax identification number.
DB2012	*Mali*	Mali made starting a business easier by adding to the services provided by the one-stop shop.
DB2012	*Rwanda*	Rwanda made starting a business easier by reducing the business registration fees.
DB2012	*São Tomé and Príncipe*	São Tomé and Príncipe made starting a business easier by establishing a one-stop shop, eliminating the requirement for an operating license for general commercial companies and simplifying publication requirements.
DB2012	*Senegal*	Senegal made starting a business easier by replacing the requirement for a copy of the founders' criminal records with one for a sworn declaration at the time of the company's registration.
DB2012	*South Africa*	South Africa made starting a business easier by implementing its new company law, which eliminated the requirement to reserve a company name and simplified the incorporation documents.
DB2012	*Uganda*	Uganda introduced changes that added time to the process of obtaining a business license, slowing business start-up. But it simplified registration for a tax identification number and for value added tax by introducing an online system.
DB2013	*Benin*	Benin made starting a business easier by appointing a representative of the commercial registry at the one-stop shop and reducing some fees.
DB2013	*Burundi*	Burundi made starting a business easier by eliminating the requirements to have company documents notarized, to publish information on new companies in a journal and to register new companies with the Ministry of Trade and Industry.
DB2013	*Chad*	Chad made starting a business easier by setting up a one-stop shop.
DB2013	*Comoros*	The Comoros made starting a business easier and less costly by replacing the requirement for a copy of the founders' criminal records with one for a sworn declaration at the time of the company's registration and by reducing the fees to incorporate a company.
DB2013	*Congo, Dem. Rep.*	The Democratic Republic of Congo made starting a business easier by appointing additional public notaries.
DB2013	*Congo, Rep.*	The Republic of Congo made starting a business easier by eliminating or reducing several administrative costs associated with incorporation.
DB2013	*Guinea*	Guinea made starting a business easier by setting up a one-

DB year	Economy	Reform
		stop shop for company incorporation and by replacing the requirement for a copy of the founders' criminal records with one for a sworn declaration at the time of the company's registration
DB2013	*Lesotho*	Lesotho made starting a business easier by creating a one-stop shop for company incorporation and by eliminating the requirements for paid-in minimum capital and for notarization of the articles of association.
DB2013	*Madagascar*	Madagascar made starting a business easier by allowing the one-stop shop to deal with the publication of the notice of incorporation.
DB2013	*Tanzania*	Tanzania made starting a business easier by eliminating the requirement for inspections by health, town and land officers as a prerequisite for a business license.
DB2013	*Togo*	Togo made starting a business easier and less costly by reducing incorporation fees, improving the work flow at the one-stop shop for company registration and replacing the requirement for a copy of the founders' criminal records with one for a sworn declaration at the time of the company's registration.
DB2014	*Benin*	Benin made starting a business easier by creating a one-stop shop.
DB2014	*Burundi*	Burundi made starting a business easier by allowing registration with the Ministry of Labor at the one-stop shop and by speeding up the process of obtaining the registration certificate.
DB2014	*Cape Verde*	Cape Verde made starting a business easier by abolishing the minimum capital requirement.
DB2014	*Comoros*	Comoros made starting a business easier by eliminating the requirement to deposit the minimum capital in a bank before incorporation.
DB2014	*Congo, Dem. Rep.*	The Democratic Republic of Congo made starting a business more complicated by increasing the minimum capital requirement. At the same time, it made the process easier by reducing the time and by eliminating the requirement to obtain a certificate confirming the location of the new company's headquarters.
DB2014	*Congo, Rep.*	The Republic of Congo made starting a business easier by reducing the registration costs and eliminating the merchant card.
DB2014	*Côte d'Ivoire*	Côte d'Ivoire made starting a business easier by creating a one-stop shop, reducing the notary fees and replacing the requirement for a copy of the founders' criminal records with one for a sworn declaration at the time of company registration.

DB year	Economy	Reform
DB2014	*Gabon*	Gabon made starting a business easier by replacing the requirement for a copy of the founders' criminal records with one for a sworn declaration.
DB2014	*Ghana*	Ghana made starting a business more difficult by requiring entrepreneurs to obtain a tax identification number prior to company incorporation.
DB2014	*Guinea*	Guinea made starting a business easier by enabling the one-stop shop to publish incorporation notices and by reducing the notary fees.
DB2014	*Liberia*	Liberia made starting a business easier by eliminating the business trade license fees and reducing the time to obtain the business registration certificate.
DB2014	*Madagascar*	Madagascar made starting a business more difficult by increasing the cost to register with the National Center for Statistics.
DB2014	*Mali*	Mali made starting a business more difficult by ceasing to regularly publish the incorporation notices of new companies on the official website of the one-stop shop.
DB2014	*Niger*	Niger made starting a business easier by replacing the requirement for a copy of the founders' criminal records with one for a sworn declaration at the time of company registration.
DB2014	*Rwanda*	Rwanda made starting a business easier by reducing the time required to obtain a registration certificate.
DB2014	*Swaziland*	Swaziland made starting a business easier by shortening the administrative processing times for registering a new business and obtaining a trading license.
DB2014	*Togo*	Togo made starting a business easier by reducing the time required to register at the one-stop shop and by reducing registration costs.
DB2014	*Zambia*	Zambia made starting a business easier by raising the threshold at which value added tax registration is required.

Note: For information on reforms in earlier years (back to DB2005), see the *Doing Business* reports for these years, available at http://www.doingbusiness.org.
Source: Doing Business database.

DEALING WITH CONSTRUCTION PERMITS

Regulation of construction is critical to protect the public. But it needs to be efficient, to avoid excessive constraints on a sector that plays an important part in every economy. Where complying with building regulations is excessively costly in time and money, many builders opt out. They may pay bribes to pass inspections or simply build illegally, leading to hazardous construction that puts public safety at risk. Where compliance is simple, straightforward and inexpensive, everyone is better off.

What do the indicators cover?

Doing Business records the procedures, time and cost for a business in the construction industry to obtain all the necessary approvals to build a simple commercial warehouse in the economy's main city, connect it to basic utilities and register the property so that it can be used as collateral or transferred to another entity.

The ranking on the ease of dealing with construction permits is the simple average of the percentile rankings on its component indicators: procedures, time and cost.

To make the data comparable across economies, *Doing Business* uses several assumptions about the business and the warehouse, including the utility connections.

The business:

- Is a limited liability company operating in the construction business and located in the largest business city.
- Is domestically owned and operated.
- Has 60 builders and other employees.

The warehouse:

- Is a new construction (there was no previous construction on the land).
- Has complete architectural and technical plans prepared by a licensed architect or engineer.

WHAT THE DEALING WITH CONSTRUCTION PERMITS INDICATORS MEASURE

Procedures to legally build a warehouse (number)

Submitting all relevant documents and obtaining all necessary clearances, licenses, permits and certificates

Submitting all required notifications and receiving all necessary inspections

Obtaining utility connections for 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. Procedures that can be fully completed online are an exception to this rule.

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

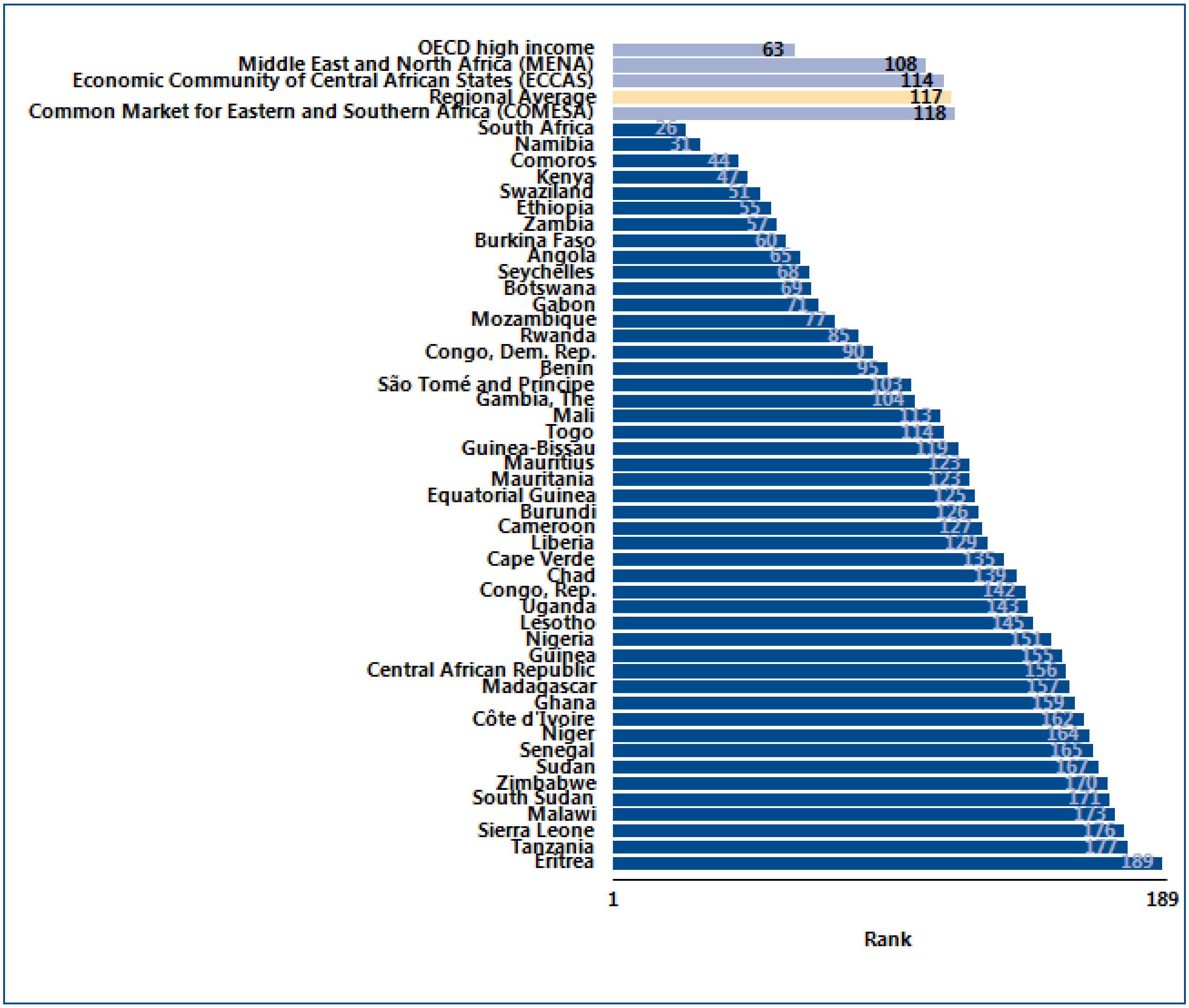
- Will be connected to water, sewerage (sewage system, septic tank or their equivalent) and a fixed telephone line.
- The connection to each utility network will be 10 meters (32 feet, 10 inches) long.
- Will be used for general storage, such as of books or stationery (not for goods requiring special conditions).
- Will take 30 weeks to construct (excluding all delays due to administrative and regulatory requirements).

DEALING WITH CONSTRUCTION PERMITS

Where do the region's economies stand today?

How easy it is for entrepreneurs in economies in Sub-Saharan Africa (SSA) to legally build a warehouse? The global rankings of these economies on the ease of dealing with construction permits suggest an answer (figure 3.1). The average ranking of the region and comparator regions provide a useful benchmark.

Figure 3.1 How economies in Sub-Saharan Africa (SSA) rank on the ease of dealing with construction permits



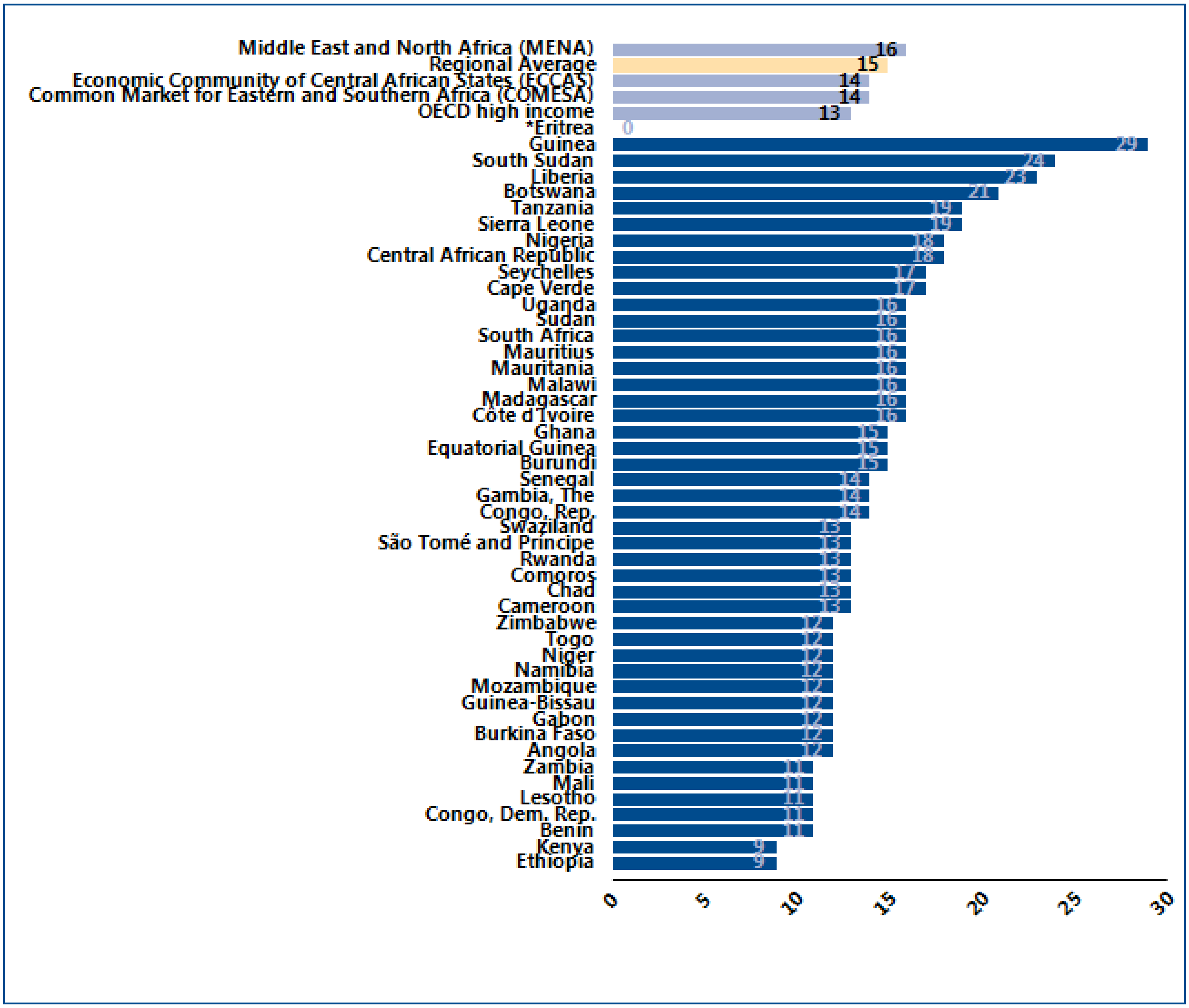
Source: Doing Business database.

DEALING WITH CONSTRUCTION PERMITS

The indicators underlying the rankings may be more revealing. Data collected by *Doing Business* show what it takes to comply with formalities to build a warehouse in each economy in the region: the number of procedures, the time and the cost (figure 3.2). Comparing these indicators across the region and with averages both for the region and for comparator regions can provide useful insights.

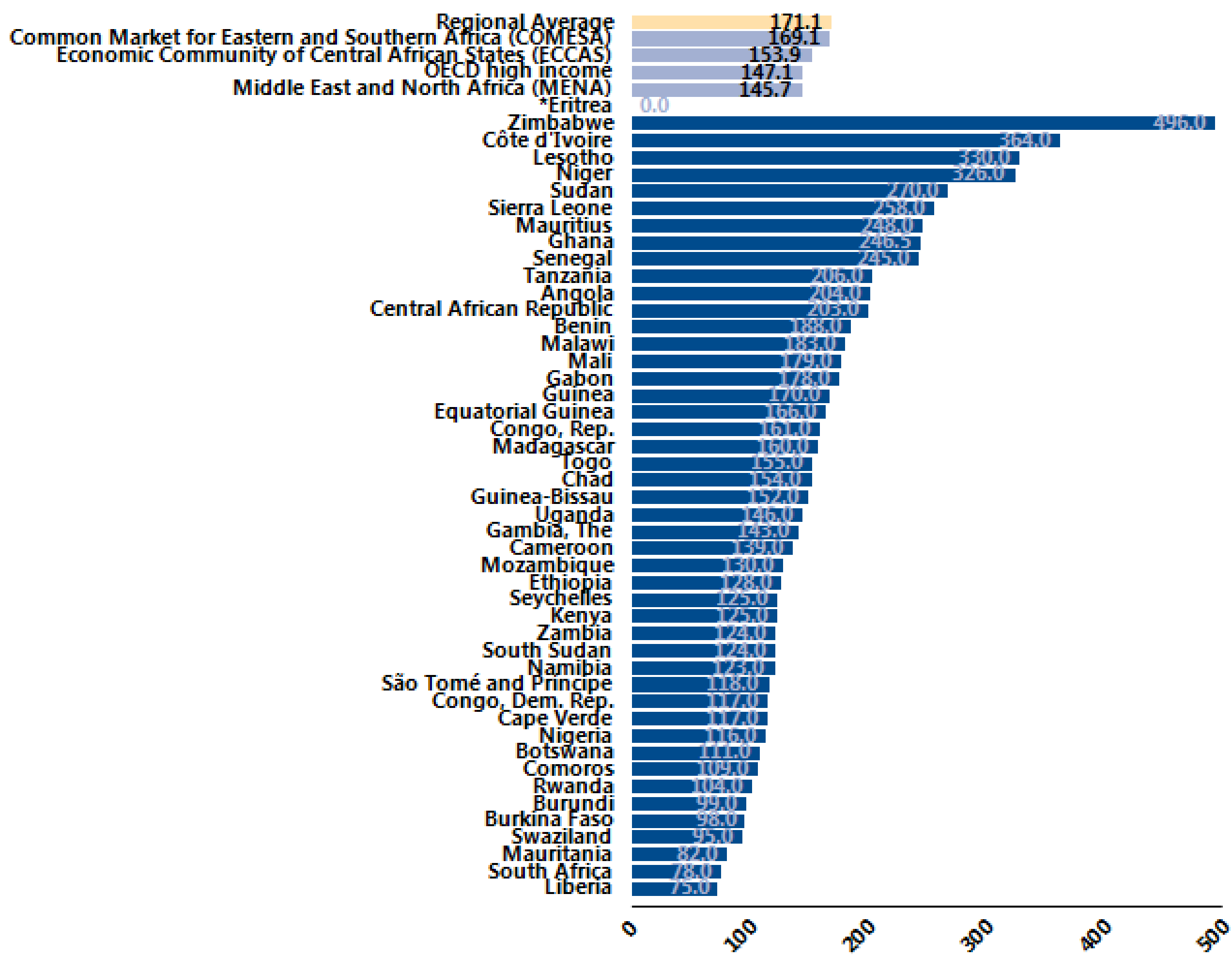
Figure 3.2 What it takes to comply with formalities to build a warehouse in economies in Sub-Saharan Africa (SSA)

Procedures (number)



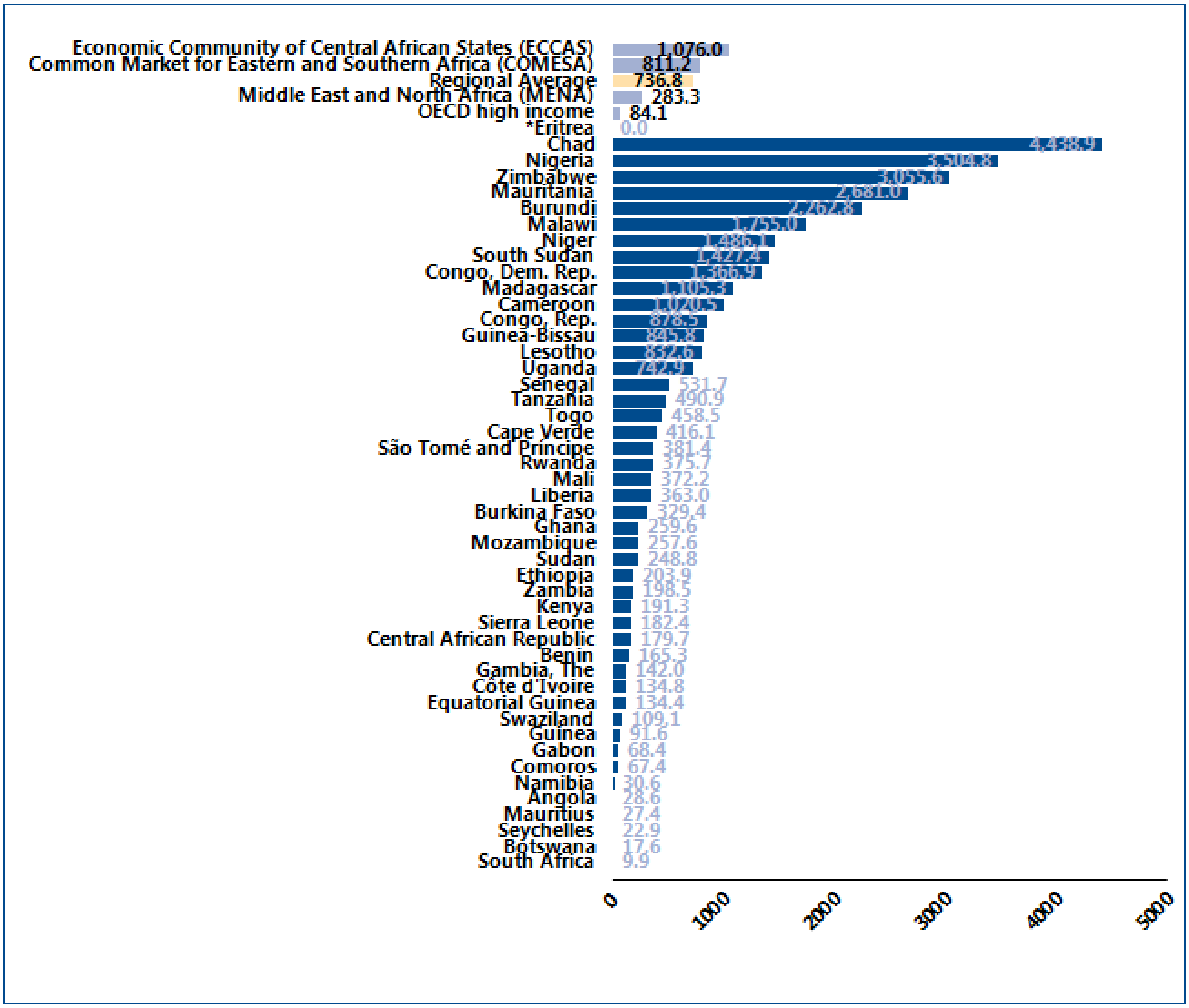
DEALING WITH CONSTRUCTION PERMITS

Time (days)



DEALING WITH CONSTRUCTION PERMITS

Cost (% of income per capita)



* Indicates a "no practice" mark. See the data notes for details.
Source: Doing Business database.

DEALING WITH CONSTRUCTION PERMITS

What are the changes over time?

Smart regulation ensures that standards are met while making compliance easy and accessible to all. Coherent and transparent rules, efficient processes and adequate allocation of resources are especially important in sectors where safety is at stake. Construction is one of them. In an effort to ensure building safety while keeping compliance costs reasonable, governments around the world have worked on consolidating permitting requirements. What construction permitting reforms has *Doing Business* recorded in Sub-Saharan Africa (SSA) (table 3.1)?

Table 3.1 How have economies in Sub-Saharan Africa (SSA) made dealing with construction permits easier—or not? By *Doing Business* report year

DB year	Economy	Reform
DB2008	*Kenya*	Kenya made obtaining construction permits easier by implementing licensing reform, which simplified the procedures. Also, the government improved the efficiency of permit issuance. The cost of telephone connection has been reduced as well.
DB2008	*Mauritius*	Mauritius made obtaining construction permits easier by combining procedures of getting development permit and building permit, and it also set up an official time frame to process the permit application.
DB2008	*Nigeria*	Nigeria made obtaining construction permits easier by setting up an official time frame of permit issuance, and introducing risk-based inspections. Meanwhile, a new building code is going to be implemented.
DB2008	*Rwanda*	Rwanda made obtaining construction permits easier by decentralizing the permit system which reduced the total time of getting a building permit and an occupancy permit. Meanwhile, the total time to obtain electricity connection was decreased. The government also set up the requirement for waste management facilities and proper sewerage.
DB2008	*Zambia*	Zambia made dealing with construction permits easier by reducing the time to obtain utility connections
DB2008	*Zimbabwe*	Zimbabwe made obtaining construction permits more difficult by imposing inspections by Chief Building Inspector or Deputy Chief Inspecptor, which would take longer time. It also increased the fees due to inflation. Meanwhile, it is more time consuming to obtain water connections from local

DB year	Economy	Reform
		authorities.
DB2009	*Angola*	Angola made obtaining construction permits easier by reducing 2 procedures of getting approval from water and electricity companies, and reducing the time to deal with construction related approvals by 9 days.
DB2009	*Benin*	An administrative backlog in the Municipality of Cotonou resulted in an increase of 78 days to obtain a building permit. New building regulations were passed in 2007 but are not yet in force.
DB2009	*Burkina Faso*	Burkina Faso eliminated random inspections during construction. It also introduced a new one-stop shop for building permits, which reduced approval fees and combined 5 separate payments into a single one. The reforms overall eliminated 17 procedures, reduced 12 days and decreased 430,000 F CFA of cost.
DB2009	*Liberia*	Liberia reduced the time to obtain a building permit by 59 days, by introducing a 30 day statutory time limit and eliminating the Minister of Public Works' signature on small to medium sized construction projects. Liberia also cut the building permit fees in half.
DB2009	*Mauritania*	Mauritania introduced its first building code. This simplifies the requirements for small construction projects and lays the groundwork for a one-stop shop for building permits.
DB2009	*Rwanda*	Rwanda streamlined project clearances for the second year in a row by combining the processes for obtaining a location clearance and building permit in a single application form. Rwanda also introduced a single application form for water, sewerage and electricity connections
DB2009	*Sierra Leone*	Sierra Leone made obtaining construction permits easier by enforcing risk-based inspections during construction. Also, a schedule of inspections is now issued together with building permit.
DB2009	*Zimbabwe*	Instability and severe administrative backlog led to increase of costs for all construction permit related procedures by USD 14,851.7 and delays in approvals by 474 days.
DB2010	*Burkina Faso*	Burkina Faso eased the process of dealing with construction permits by establishing a one-stop shop for processing building permits in Ouagadougou.

DB year	Economy	Reform
DB2010	*Kenya*	Kenya has increased the cost of dealing with construction permit process.
DB2010	*Liberia*	Liberia eased the process of dealing with construction permits by reducing the permit fee and cost of obtaining power generator, abolishing the requirement to obtain a tax waiver certificate before submitting documents to obtain a building permit, and fixed telephone connections have become more readily available for public use with the re-opening of LIBTELCO.
DB2010	*Mali*	Mali made dealing with construction permits easier by speeding up the service delivery time for water connections by 30 days.
DB2010	*Tanzania*	Tanzania introduced changes that resulted in a more difficult construction permitting process with additional procedures and cost.
DB2011	*Benin*	Benin created a new municipal commission to streamline construction permitting and set up an ad hoc commission to deal with the backlog in permit applications.
DB2011	*Burkina Faso*	Burkina Faso made dealing with construction permits easier by cutting the cost of the soil survey in half and the time to process a building permit application by a third.
DB2011	*Congo, Dem. Rep.*	Dealing with construction permits became easier in the Democratic Republic of Congo thanks to a reduction in the cost of a building permit from 1% of the estimated construction cost to 0.6% and a time limit for issuing building permits.
DB2011	*Côte d'Ivoire*	Côte d'Ivoire eased construction permitting by eliminating the need to obtain a preliminary approval.
DB2011	*Guinea*	Guinea increased the cost of obtaining a building permit.
DB2011	*Mali*	Mali eased construction permitting by implementing a simplified environmental impact assessment for noncomplex commercial buildings.
DB2011	*Rwanda*	Rwanda made dealing with construction permits easier by passing new building regulations at the end of April 2010 and implementing new time limits for the issuance of various permits.

DB year	Economy	Reform
DB2011	*Sierra Leone*	Sierra Leone made dealing with construction permits easier by streamlining the issuance of location clearances and building permits.
DB2012	*Burkina Faso*	Burkina Faso made dealing with construction permits less costly by reducing the fees to obtain a fire safety study.
DB2012	*Burundi*	Burundi made dealing with construction permits easier by reducing the cost to obtain a geotechnical study.
DB2012	*Congo, Dem. Rep.*	The Democratic Republic of Congo reduced the administrative costs of obtaining a construction permit.
DB2012	*Mauritania*	Mauritania made dealing with construction permits easier by opening a one-stop shop.
DB2012	*São Tomé and Príncipe*	São Tomé and Príncipe made dealing with construction permits easier by reducing the time required to process building permit applications.
DB2012	*Senegal*	Senegal made obtaining a building permit more expensive by increasing the cost.
DB2013	*Benin*	Benin reduced the time required to obtain a construction permit by speeding up the processing of applications.
DB2013	*Burundi*	Burundi made obtaining a construction permit easier by eliminating the requirement for a clearance from the Ministry of Health and reducing the cost of the geotechnical study.
DB2013	*Central African Republic*	The Central African Republic made obtaining a construction permit more costly.
DB2013	*Congo, Rep.*	The Republic of Congo made dealing with construction permits less expensive by reducing the cost of registering a new building at the land registry.
DB2013	*Guinea*	Guinea made obtaining a building permit less expensive by clarifying the method for calculating the cost.
DB2013	*Malawi*	Malawi made dealing with construction permits more expensive by increasing the cost to obtain the plan approval and to register the property.
DB2013	*São Tomé and Príncipe*	São Tomé and Príncipe made obtaining a construction permit more expensive by increasing the fees.

DB year	Economy	Reform
DB2013	*Tanzania*	Tanzania made dealing with construction permits more expensive by increasing the cost to obtain a building permit.
DB2014	*Botswana*	Botswana made dealing with construction permits easier by eliminating the requirement for an environmental impact assessment for low-risk projects.
DB2014	*Burundi*	Burundi made dealing with construction permits easier by establishing a one-stop shop for obtaining building permits and utility connections.
DB2014	*Cameroon*	Cameroon made dealing with construction permits more complex by introducing notification and inspection requirements. At the same time, Cameroon made it easier by ecentralizing the process for obtaining a building permit and by introducing strict time limits for processing the application and issuing the certificate of conformity.
DB2014	*Côte d'Ivoire*	Côte d'Ivoire reduced the time required for obtaining a building permit by streamlining procedures at the one-stop shop (Service du Guichet Unique du Foncier et de l'Habitat).
DB2014	*Gabon*	Gabon made dealing with construction permits easier by reducing the time required to obtain a building permit and by eliminating the requirement for an on-site inspection before construction starts.
DB2014	*Mozambique*	Mozambique made dealing with construction permits easier by improving internal processes at the Department of Construction and Urbanization—though it also increased the fees for building permits and occupancy permits.
DB2014	*Rwanda*	Rwanda made dealing with construction permits easier and less costly by reducing the building permit fees, implementing an electronic platform for building permit applications and streamlining procedures.
DB2014	*Togo*	Togo made dealing with construction permits easier by improving internal operations at the City Hall of Lomé.

Note: For information on reforms in earlier years (back to DB2005), see the *Doing Business* reports for these years, available at http://www.doingbusiness.org.
Source: Doing Business database.

GETTING ELECTRICITY

Access to reliable and affordable electricity is vital for businesses. To counter weak electricity supply, many firms in developing economies have to rely on self-supply, often at a prohibitively high cost. Whether electricity is reliably available or not, the first step for a customer is always to gain access by obtaining a connection.

What do the indicators cover?

Doing Business records all procedures required for a local business to obtain a permanent electricity connection and supply for a standardized warehouse, as well as the time and cost to complete them. These procedures include applications and contracts with electricity utilities, clearances from other agencies and the external and final connection works. The ranking on the ease of getting electricity is the simple average of the percentile rankings on its component indicators: procedures, time and cost. To make the data comparable across economies, several assumptions are used.

The warehouse:

- Is located in the economy's largest business city, in an area where other warehouses are located.
- Is not in a special economic zone where the connection would be eligible for subsidization or faster service.
- Has road access. The connection works involve the crossing of a road or roads but are carried out on public land.
- Is a new construction being connected to electricity for the first time.
- Has 2 stories, both above ground, with a total surface of about 1,300.6 square meters (14,000 square feet), and is built on a plot of 929 square meters (10,000 square feet).

The electricity connection:

- Is a 3-phase, 4-wire Y, 140-kilovolt-ampere (kVA) (subscribed capacity) connection.
- Is 150 meters long.
- Is to either the low-voltage or the medium-voltage distribution network and either overhead or underground, whichever is more common in the economy and in the area where the warehouse is located. The length of any connection in the customer's private domain is negligible.
- Requires crossing of a 10-meter road but all the works are carried out in a public land, so there is no crossing into other people's private property.

WHAT THE GETTING ELECTRICITY INDICATORS MEASURE

Procedures to obtain an electricity connection (number)

Submitting all relevant documents and obtaining all necessary clearances and permits

Completing all required notifications and receiving all necessary inspections

Obtaining external installation works and possibly purchasing material for these works

Concluding any necessary supply contract and obtaining final supply

Time required to complete each procedure (calendar days)

Is at least 1 calendar day

Each procedure starts on a separate day

Does not include time spent gathering information

Reflects the time spent in practice, with little follow-up and no prior contact with officials

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

Official costs only, no bribes

Excludes value added tax

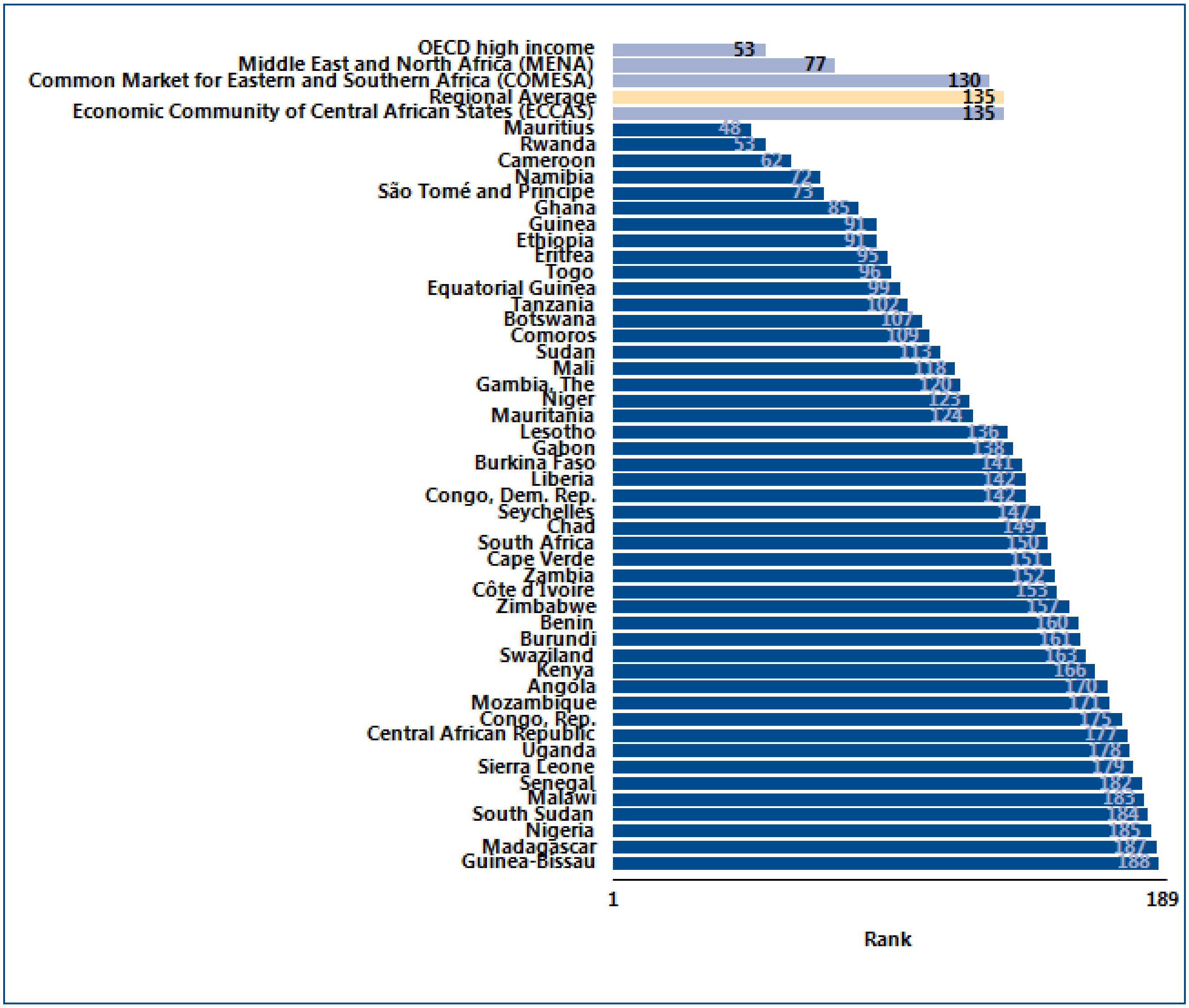
- Involves installing one electricity meter. The monthly electricity consumption will be 0.07 gigawatt-hour (GWh). The internal electrical wiring has been completed.

GETTING ELECTRICITY

Where do the region's economies stand today?

How easy is it for entrepreneurs in economies in Sub-Saharan Africa (SSA) to connect a warehouse to electricity? The global rankings of these economies on the ease of getting electricity suggest an answer (figure 4.1). The average ranking of the region and comparator regions provide a useful benchmark.

Figure 4.1 How economies in Sub-Saharan Africa (SSA) rank on the ease of getting electricity



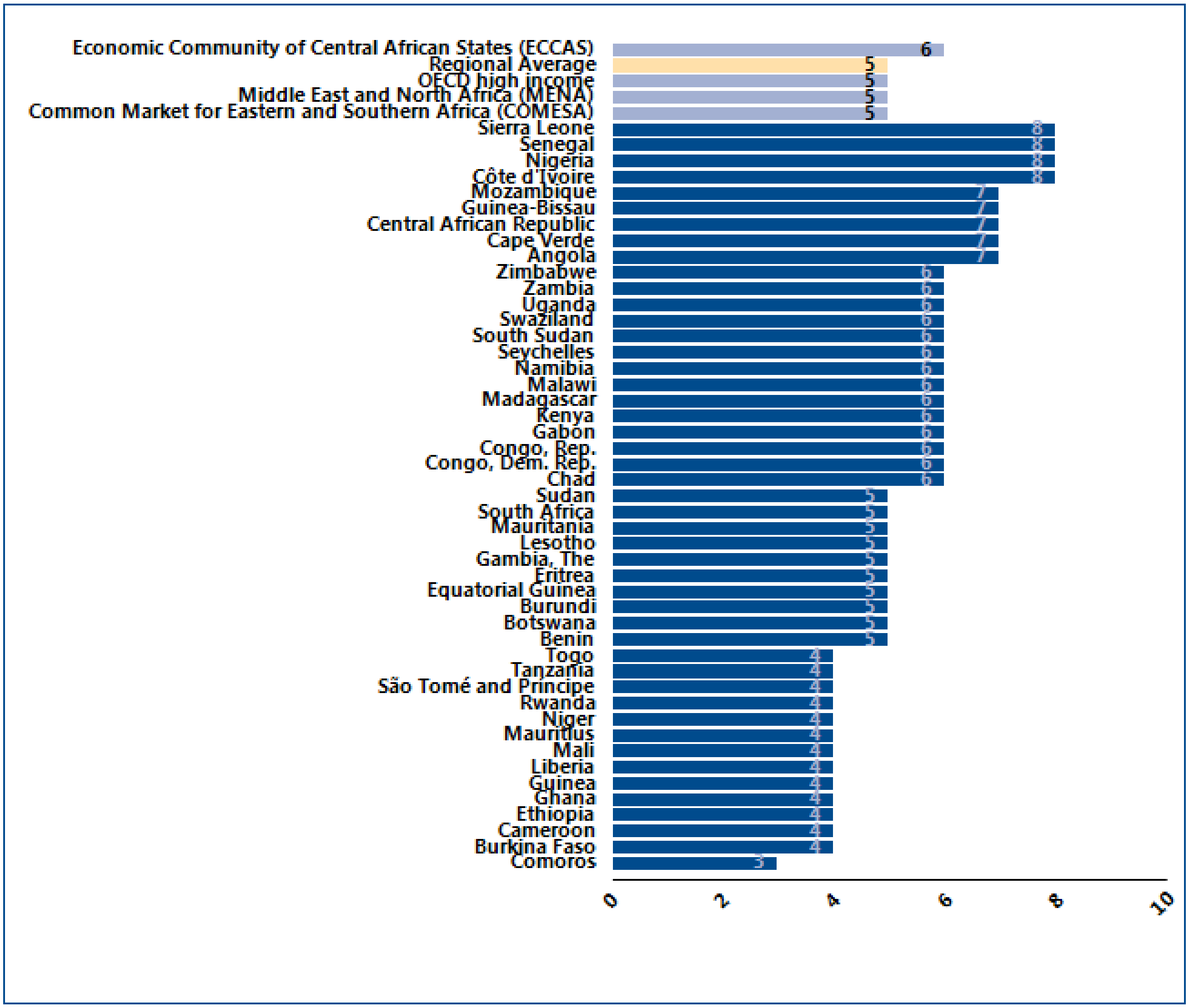
Source: Doing Business database.

GETTING ELECTRICITY

The indicators underlying the rankings may be more revealing. Data collected by *Doing Business* show what it takes to get a new electricity connection in each economy in the region: the number of procedures, the time and the cost (figure 4.2). Comparing these indicators across the region and with averages both for the region and for comparator regions can provide useful insights.

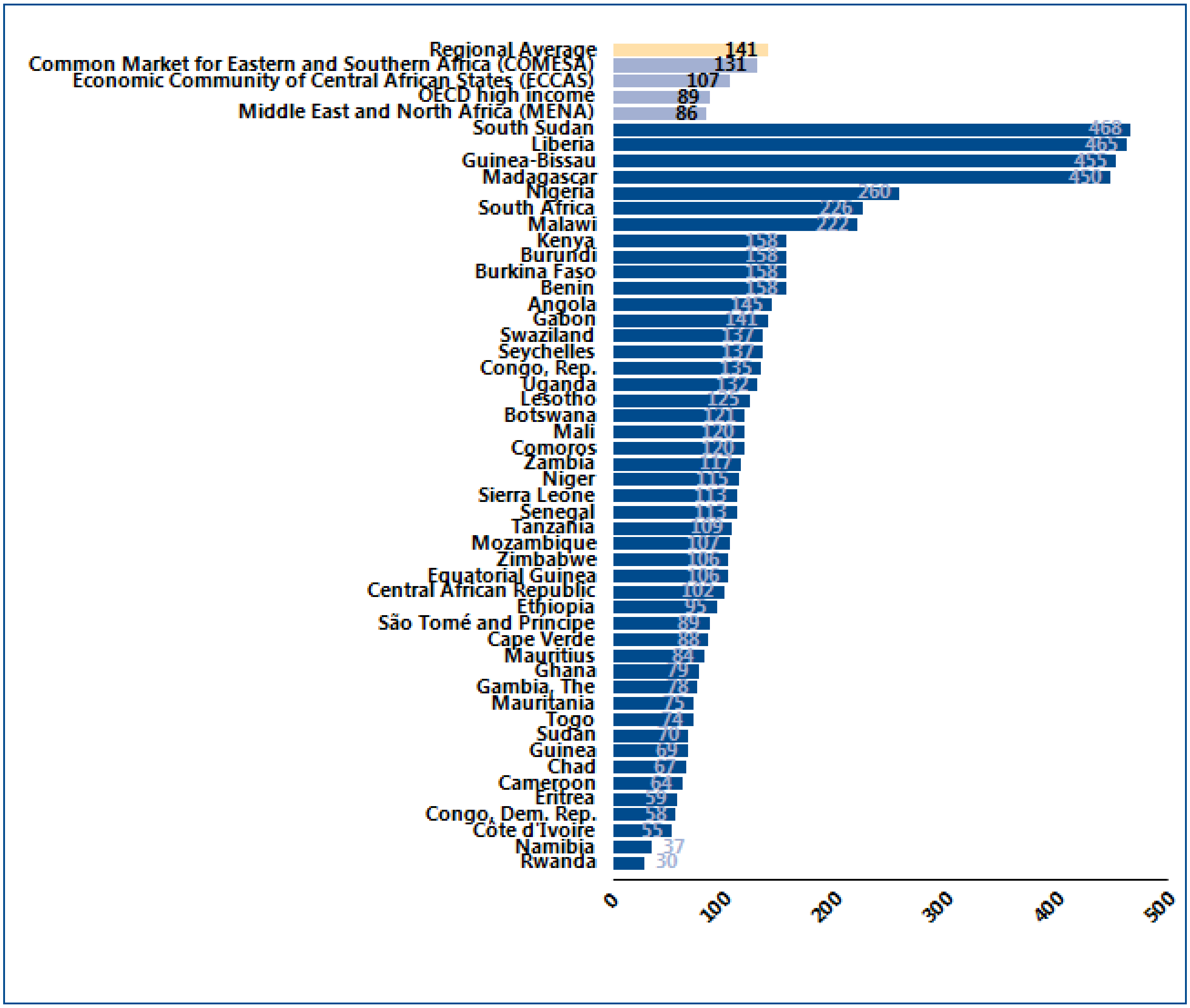
Figure 4.2 What it takes to get an electricity connection in economies in Sub-Saharan Africa (SSA)

Procedures (number)



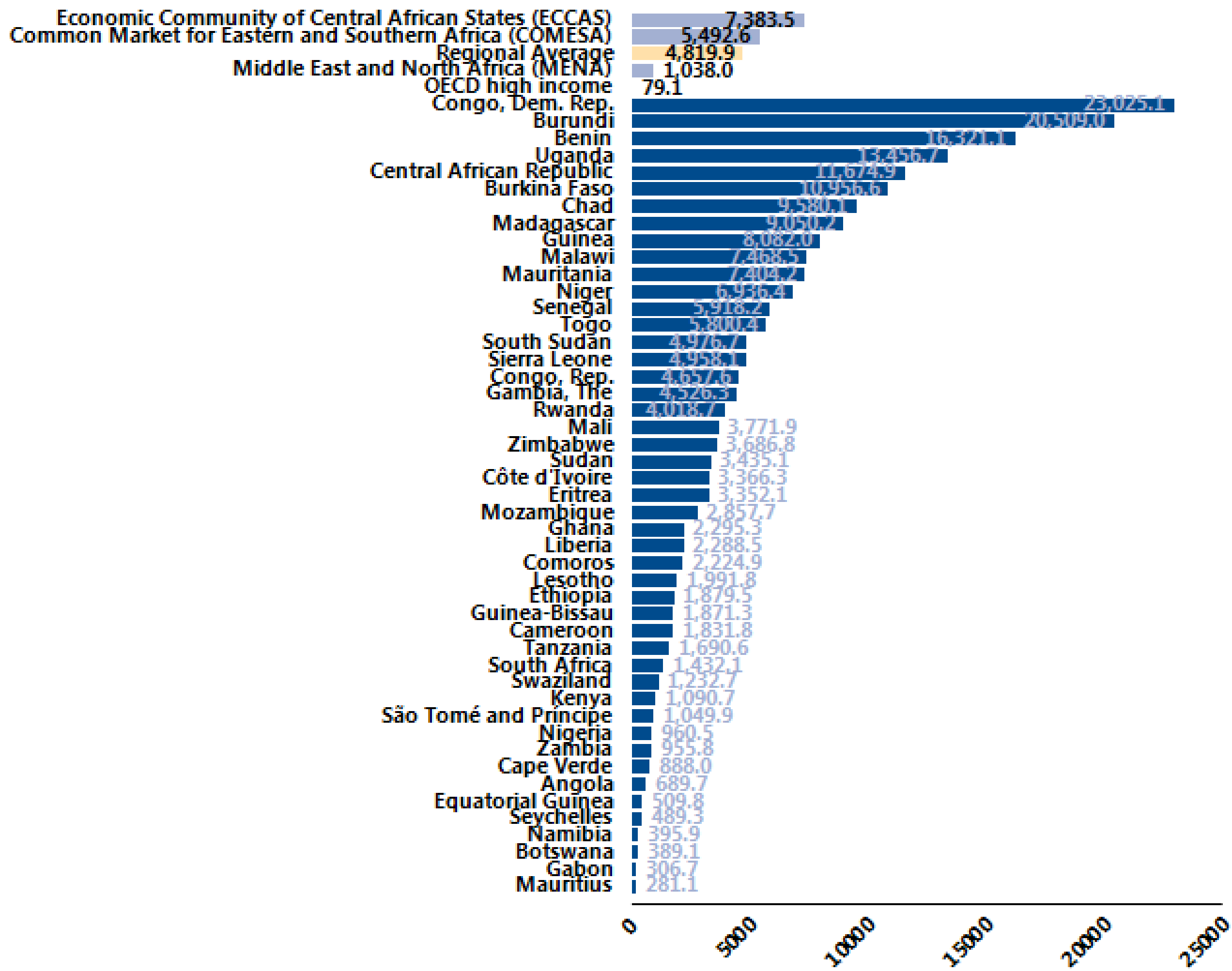
GETTING ELECTRICITY

Time (days)



GETTING ELECTRICITY

Cost (% of income per capita)



Source: Doing Business database.

GETTING ELECTRICITY

What are the changes over time?

Obtaining an electricity connection is essential to enable a business to conduct its most basic operations. In many economies the connection process is complicated by the multiple laws and regulations involved—covering service quality, general safety, technical standards, procurement practices and internal wiring installations. In an effort to ensure safety in the connection process while keeping connection costs reasonable, governments around the world have worked to consolidate requirements for obtaining an electricity connection. What reforms in getting electricity has *Doing Business* recorded in Sub-Saharan Africa (SSA) (table 4.1)?

Table 4.1 How have economies in Sub-Saharan Africa (SSA) made getting electricity easier—or not?
By *Doing Business* report year

DB year	Economy	Reform
DB2012	*Ethiopia*	In Ethiopia delays in providing new connections made getting electricity more difficult.
DB2012	*Gambia, The*	The Gambia made getting electricity faster by allowing customers to choose private contractors to carry out the external connection works.
DB2012	*Mozambique*	Mozambique made getting electricity more difficult by requiring authorization of a connection project by the Ministry of Energy and by adding an inspection of the completed external works.
DB2013	*Angola*	Angola made getting electricity easier by eliminating the requirement for customers applying for an electricity connection to obtain authorizations from the 2 utility companies.
DB2013	*Guinea*	Guinea made getting electricity easier by simplifying the process for connecting new customers to the distribution network.
DB2013	*Liberia*	In Liberia obtaining an electricity connection became easier thanks to the adoption of better procurement practices by the Liberia Electricity Corporation.
DB2013	*Namibia*	Namibia made getting electricity easier by reducing the time required to provide estimates and external connection works and by lowering the connection costs.
DB2013	*Rwanda*	Rwanda made getting electricity easier by reducing the cost of obtaining a new connection.
DB2014	*Burundi*	Burundi made getting electricity easier by eliminating the electricity utility’s monopoly on the sale of materials needed for new connections and by dropping the processing fee for new connections.

Source: Doing Business database.

REGISTERING PROPERTY

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. And where property is informal or poorly administered, it has little chance of being accepted as collateral for loans—limiting access to finance.

What do the indicators cover?

Doing Business records the full sequence of procedures necessary for a business to purchase property from another business and transfer the property title to the buyer's name. The transaction is considered complete when it is opposable to third parties and when the buyer can use the property, use it as collateral for a bank loan or resell it. The ranking on the ease of registering property is the simple average of the percentile rankings on its component indicators: procedures, time and cost.

To make the data comparable across economies, several assumptions about the parties to the transaction, the property and the procedures are used.

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.
- 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.
- Has no mortgages attached and has been under the same ownership for the past 10 years.
- Consists of 557.4 square meters (6,000 square feet) of land and a 10-year-old, 2-story warehouse of 929 square meters (10,000 square feet). The warehouse is in good condition and complies with all safety standards, building codes and legal requirements. There is no heating system. The property will be transferred in its entirety.

WHAT THE REGISTERING PROPERTY INDICATORS MEASURE

Procedures to legally transfer title on immovable property (number)

Preregistration procedures (for example, checking for liens, notarizing sales agreement, paying property transfer taxes)

Registration procedures in the economy's largest business city

Postregistration procedures (for example, filing title with the municipality)

Time required to complete each procedure (calendar days)

Does not include time spent gathering information

Each procedure starts on a separate day. Procedures that can be fully completed online are an exception to this rule.

Procedure considered completed once final document is received

No prior contact with officials

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

Official costs only, no bribes

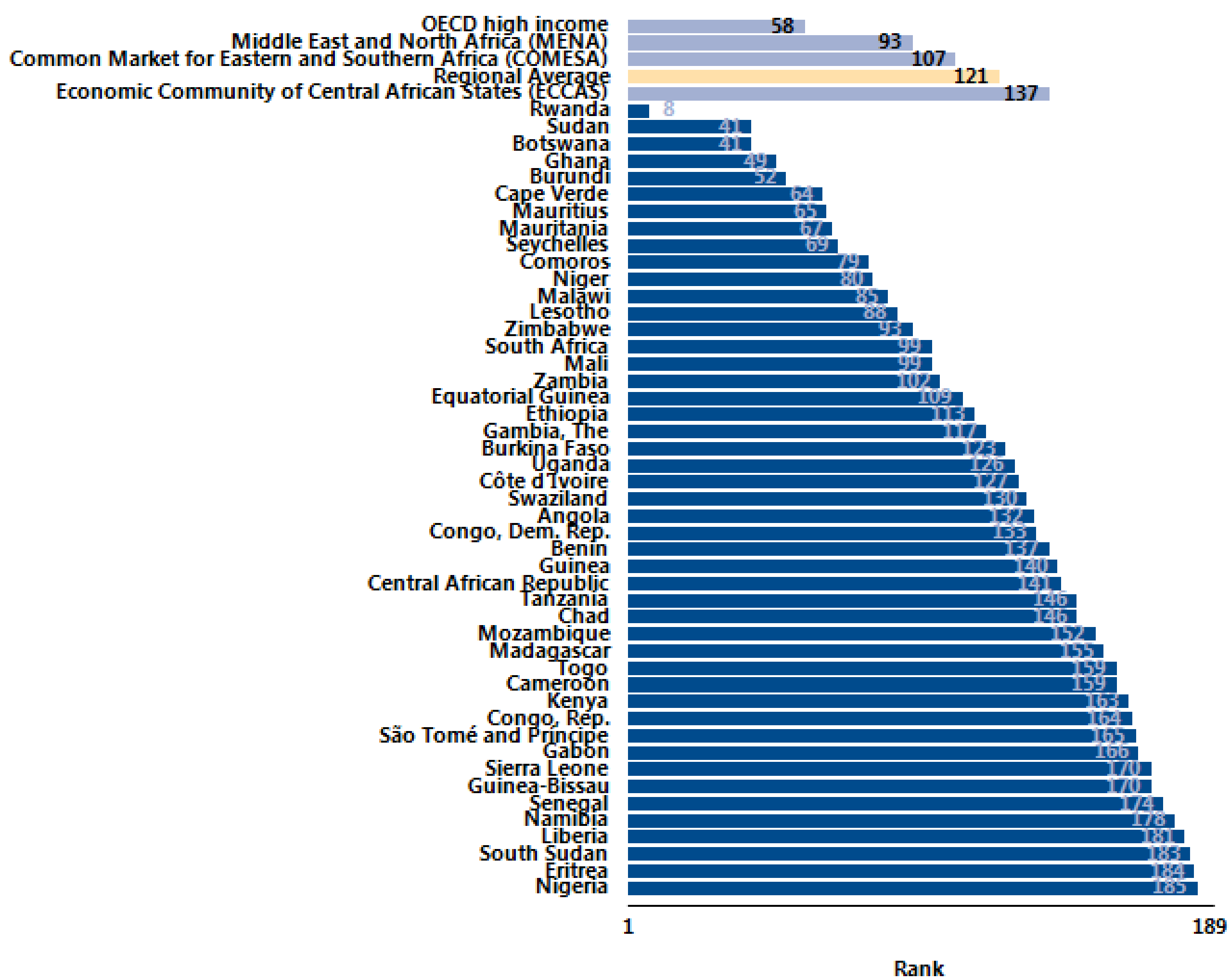
No value added or capital gains taxes included

REGISTERING PROPERTY

Where do the region's economies stand today?

How easy is it for entrepreneurs in economies in Sub-Saharan Africa (SSA) to transfer property? The global rankings of these economies on the ease of registering property suggest an answer (figure 5.1). The average ranking of the region and comparator regions provide a useful benchmark.

Figure 5.1 How economies in Sub-Saharan Africa (SSA) rank on the ease of registering property



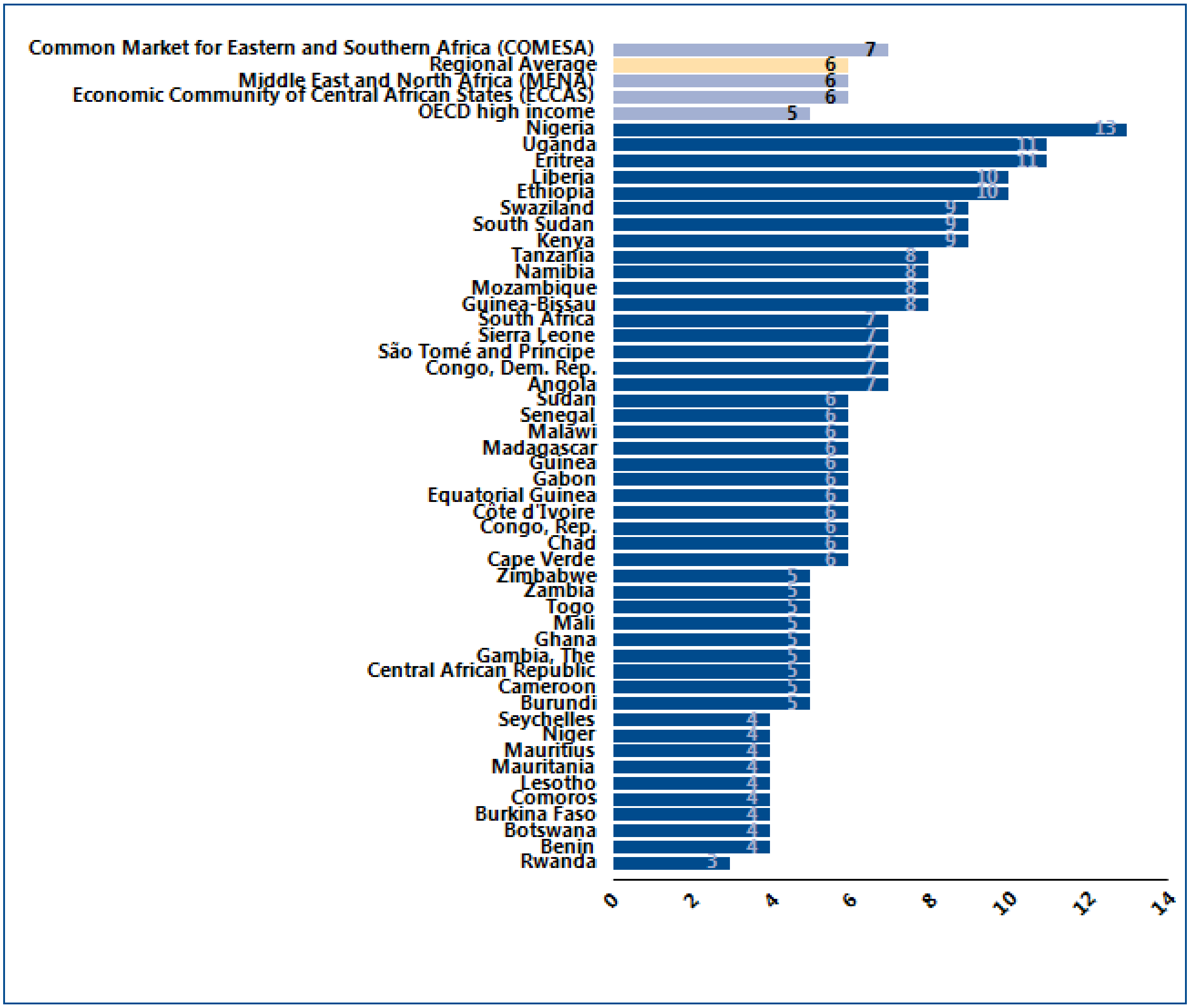
Source: Doing Business database.

REGISTERING PROPERTY

The indicators underlying the rankings may be more revealing. Data collected by *Doing Business* show what it takes to complete a property transfer in each economy in the region: the number of procedures, the time and the cost (figure 5.2). Comparing these indicators across the region and with averages both for the region and for comparator regions can provide useful insights.

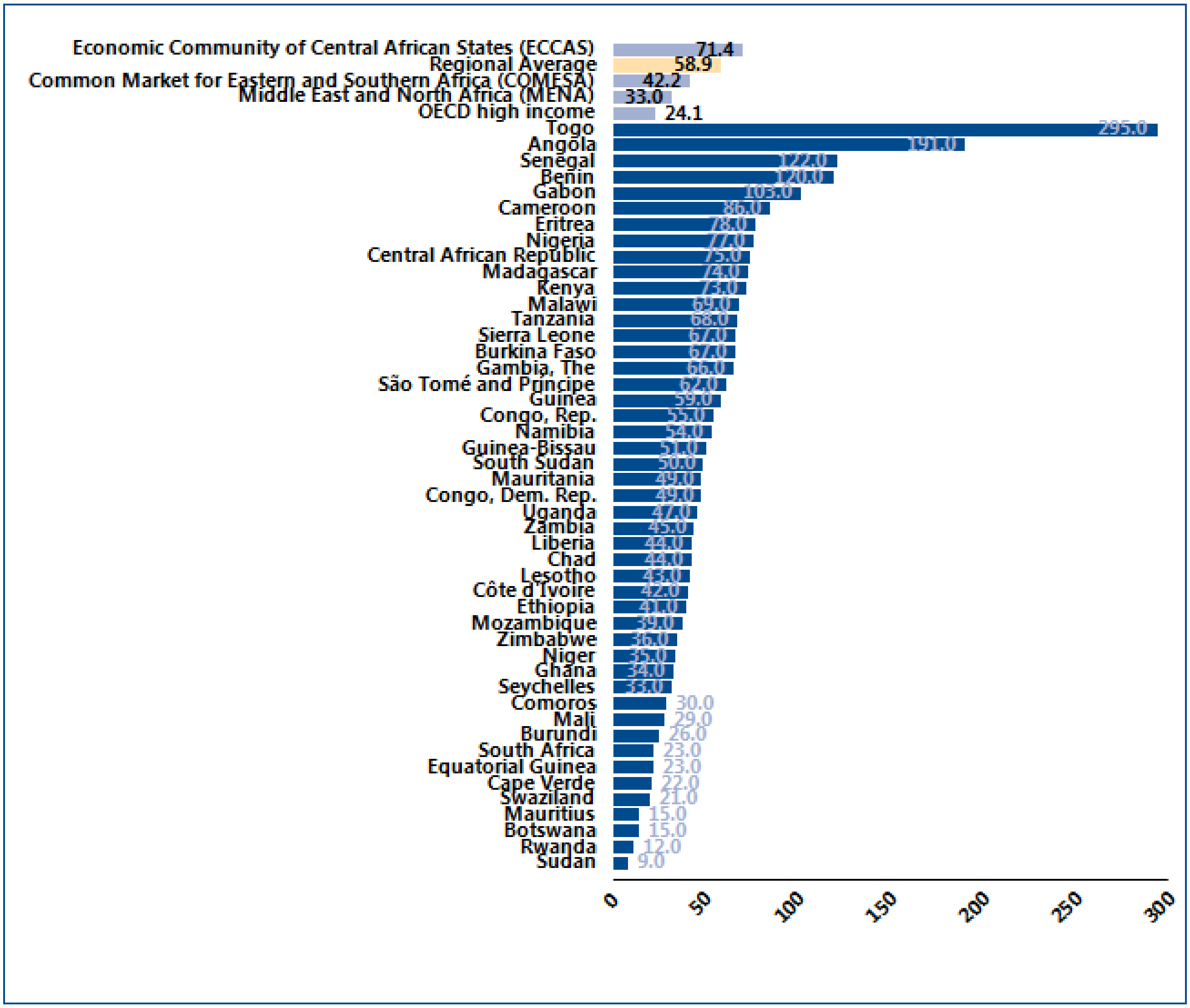
Figure 5.2 What it takes to register property in economies in Sub-Saharan Africa (SSA)

Procedures (number)



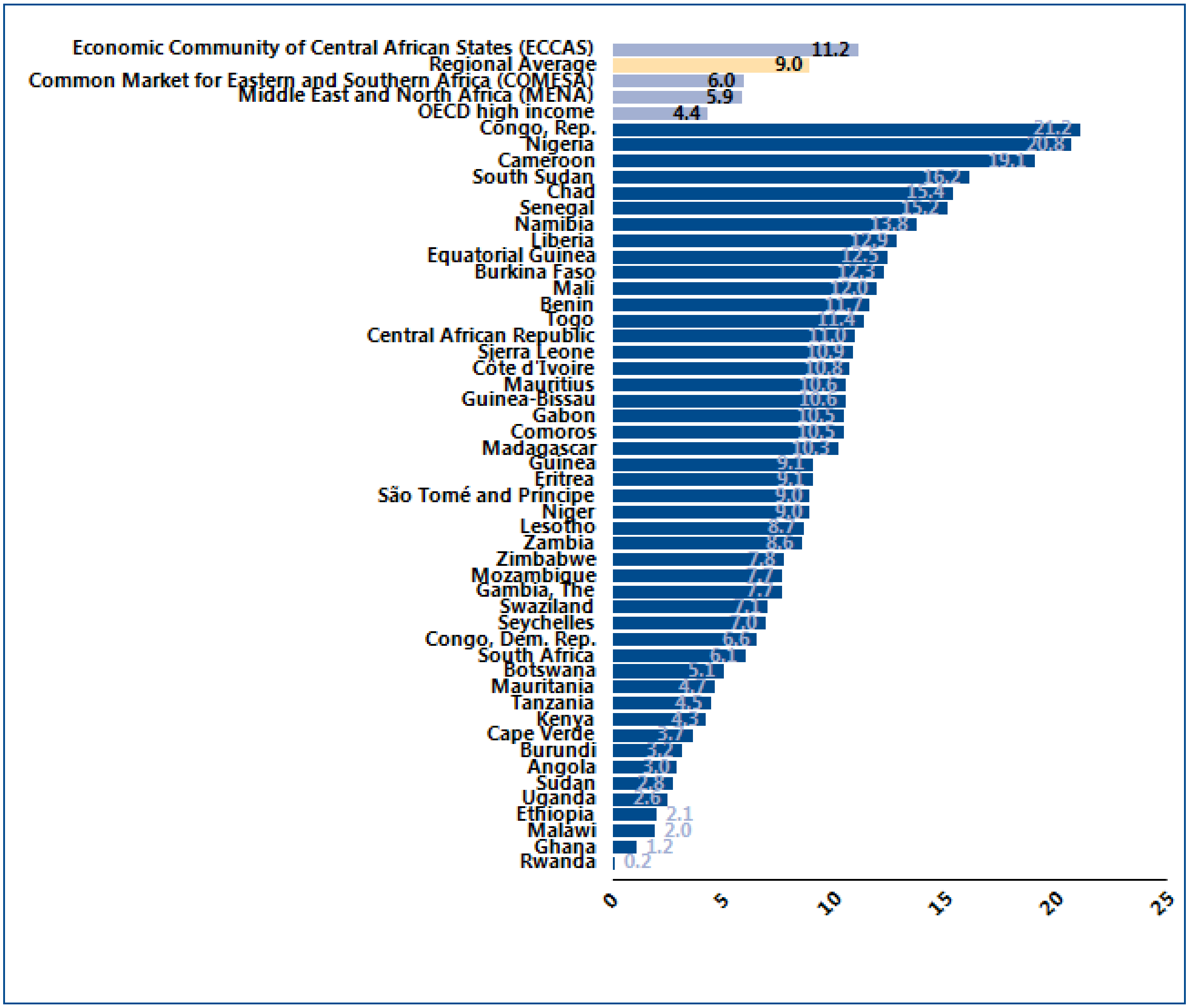
REGISTERING PROPERTY

Time (days)



REGISTERING PROPERTY

Cost (% of property value)



* Indicates a "no practice" mark. See the data notes for details.
Source: Doing Business database.

REGISTERING PROPERTY

What are the changes over time?

Economies worldwide have been making it easier for entrepreneurs to register and transfer property—such as by computerizing land registries, introducing time limits for procedures and setting low fixed fees. Many have cut the time required substantially—enabling buyers to use or mortgage their property earlier. What property registration reforms has *Doing Business* recorded in Sub-Saharan Africa (SSA) (table 5.1)?

Table 5.1 How have economies in Sub-Saharan Africa (SSA) made registering property easier—or not?
By *Doing Business* report year

DB year	Economy	Reform
DB2008	*Benin*	Benin made transferring property cheaper by reducing the registration fee. These measures were in part motivated by the desire of these countries to pass the Millennium Challenge Corporation eligibility threshold.
DB2008	*Burkina Faso*	Burkina Faso made registering property cheaper by reducing the registration tax.
DB2008	*Burundi*	Burundi made registering property cheaper by reducing the registration fee. These measures were in part motivated by the desire of these countries to pass the Millennium Challenge Corporation eligibility threshold.
DB2008	*Ghana*	Ghana made registering property faster by eliminating the requirement to register the deed of sale at the Lands Commission
DB2008	*Guinea-Bissau*	The cost of registering property was decreased by reducing the registration or transfer tax. These measures were in part motivated by the desire of these countries to pass the Millennium Challenge Corporation eligibility threshold.
DB2008	*Kenya*	The introduction of competition among land valuers (allowing private practitioners) led to a faster turnaround of one week instead of one month for a land valuation.
DB2008	*Lesotho*	Property registration was made easier for women by allowing married women to transfer land without their husband's signature.

DB year	Economy	Reform
DB2008	*Mali*	The time to register a property was reduced by decentralizing and reorganizing registries' operations and reassigning staff.
DB2008	*Mauritius*	Mauritius made registering property cheaper by reducing the property registration fee.
DB2008	*Niger*	Niger made registering property cheaper and faster by reducing the registration tax and by streamlining the process at the Direction des Domaines.
DB2008	*Zimbabwe*	Zimbabwe made registering property more expensive by increasing the conveyancers fees.
DB2009	*Burkina Faso*	Burkina Faso eliminated the requirement to obtain the authorization from the Municipality to transfer a property, merged the payment of two taxes at the Land Registry (Conservation Fonciere) and reduced the transfer tax. As a result, the number of procedures to register a property goes down from 8 to 6, time is reduced by 45 days and cost by 2%.
DB2009	*Burundi*	Burundi made registering property cheaper by reducing the registration fee. These measures were in part motivated by the desire of these countries to pass the Millennium Challenge Corporation eligibility threshold.
DB2009	*Congo, Rep.*	The Republic of Congo reduced the registration fee from 15% to 5% of the property value and allowed private appraisers to evaluate properties. As a result, the time to register a property is reduced by 21 days and the cost by 10.82% of property value.
DB2009	*Madagascar*	Madagascar reformed its Land Registry, more staff was hired, more computers were added and the number of offices increased. In addition, Madagascar abolished two taxes and removed the mandatory stamps duty on documents. As a result, the number of procedures to register a property went down from 8 to 7, time was reduced by 60 days and cost by 4.04%.
DB2009	*Mauritius*	Mauritius abolished two procedures, the requirement to obtain clearance certificate from the Waste Water Authority and to obtain a tax clearance certificate for municipal taxes.

DB year	Economy	Reform
		This reform has reduced the number of procedures required to transfer property in Mauritius from 6 to 4.
DB2009	*Rwanda*	Rwanda abolished the 6% registration fee and replaced it with a flat rate of RWF 20,000 (about $34), regardless of the property value. Rwanda also created a new centralized service in the tax authority to speed up the process of issuing the certificate of good standing. As a result, the cost to transfer a property was reduced by 8.81% and the number of days by 56, from 371 days to 315.
DB2009	*Senegal*	Senegal introduced time-limits at the Land Registry and at the Directorate of Taxes and Property to improve the process of transferring property in Senegal. Time-limits reduced the time required to obtain registry certificates and to register a property at the Land Registry
DB2009	*Sierra Leone*	Sierra Leone had imposed a ban on the Director of Survey's signature of the cadastral map to avoid a popular scam consisting in selling the same property twice or three times to different people. On April 1st 2008, the government of Sierra Leone lifted the ban. As a result of this reform, the number of days necessary to transfer a property in the country has decreased by 149, from 235 to 86 days.
DB2009	*Zambia*	Zambia computerized its land registry and set up a customer service center to eliminate the backlog of registration requests. As a result, the time required to register a property in Zambia is reduced from 70 to 39 days.
DB2010	*Angola*	The land registry in Angola was digitized and split into two units covering half of the land, accelerating procedures necessary to transfer property in Luanda.
DB2010	*Botswana*	Botwana made it more difficult to register property with the addition of a procedure where the tax agency must be notified of the VAT payment
DB2010	*Burkina Faso*	The process of property registration in Burkina Faso was streamlined by allowing the payment of transfer taxes at a special desk of the tax agency at the Land registry. Also, new

DB year	Economy	Reform
		regulations reorganized the land registry and established statutory time limits for procedures. Property valuation by government officials after the inspections was simplified by using tables of values for properties according to materials used.
DB2010	*Ethiopia*	Ethiopia decentralized administrative tasks to sub cities, merging procedures done at the Land registry and municipality thus easing property transfers procedures.
DB2010	*Madagascar*	Madagascar made it more costly to transfer a property by introducing the mandatory use of notary for property transactions.
DB2010	*Mauritius*	Mauritius has made it easier to register property by setting a statutory time limit of 15 days to obtain the final property title from the Land Registry
DB2010	*Rwanda*	Rwanda continued to ease the registration of property by decreasing the number of days required to transfer a property.
DB2010	*Sierra Leone*	Sierra Leone re-instated a moratorium on the authorization of property transfers by the Director of Surveys and Lands thus delaying property transfers.
DB2010	*Zimbabwe*	Zimbabwe has reduced the cost to transfer a property by 15% of the value of the property.
DB2011	*Cape Verde*	Cape Verde eased property registration by switching from fees based on a percentage of the property value to lower fixed rates.
DB2011	*Congo, Dem. Rep.*	The Democratic Republic of Congo reduced by half the property transfer tax to 3% of the property value.
DB2011	*Malawi*	Malawi eased property transfers by cutting the wait for consents and registration of legal instruments by half.
DB2011	*Mali*	Mali eased property transfers by reducing the property transfer tax for firms from 15% of the property value to 7%.

DB year	Economy	Reform
DB2011	*Sierra Leone*	Sierra Leone lifted a moratorium on sales of privately owned properties.
DB2012	*Angola*	Angola made transferring property less costly by reducing transfer taxes.
DB2012	*Cape Verde*	Cape Verde made registering property faster by implementing time limits for the notaries and the land registry.
DB2012	*Central African Republic*	The Central African Republic halved the cost of registering property.
DB2012	*Congo, Rep.*	The Republic of Congo made registering property more expensive by reversing a previous law that reduced the registration fee.
DB2012	*Malawi*	Malawi made property registration slower by no longer sustaining last year's time improvement in Compliance Certificate processing times at the Ministry of Lands.
DB2012	*Namibia*	Namibia made transferring property more expensive for companies.
DB2012	*Rwanda*	Rwanda made transferring property more expensive by enforcing the checking of the capital gains tax.
DB2012	*São Tomé and Príncipe*	São Tomé and Príncipe made registering property less costly by lowering property transfer taxes.
DB2012	*South Africa*	South Africa made transferring property less costly and more efficient by reducing the transfer duty and introducing electronic filing.
DB2012	*Swaziland*	Swaziland made transferring property quicker by streamlining the process at the land registry.
DB2012	*Uganda*	Uganda increased the efficiency of property transfers by establishing performance standards and recruiting more officials at the land office.
DB2012	*Zambia*	Zambia made registering property more costly by increasing

DB year	Economy	Reform
		the property transfer tax rate.
DB2013	*Burundi*	Burundi made property transfers faster by establishing a statutory time limit for processing property transfer requests at the land registry.
DB2013	*Comoros*	The Comoros made it easier to transfer property by reducing the property transfer tax.
DB2013	*Gabon*	In Gabon registering property became more difficult because of longer administrative delays at the land registry.
DB2013	*Mauritius*	Mauritius made property transfers faster by implementing an electronic information management system at the Registrar-General's Department.
DB2013	*Namibia*	Namibia made transferring property more difficult by requiring conveyancers to obtain a building compliance certificate beforehand.
DB2013	*Sierra Leone*	Sierra Leone made registering property easier by computerizing the Ministry of Lands, Country Planning and the Environment.
DB2013	*Uganda*	Uganda made transferring property more difficult by introducing a requirement for property purchasers to obtain an income tax certificate before registration, resulting in delays at the Uganda Revenue Authority and the Ministry of Finance. At the same time, Uganda made it easier by digitizing records at the title registry, increasing efficiency at the assessor's office and making it possible for more banks to accept the stamp duty payment.
DB2014	*Burundi*	Burundi made transferring property easier by creating a one-stop shop for property registration.
DB2014	*Cape Verde*	Cape Verde made property transfers faster by digitizing its land registry.
DB2014	*Chad*	Chad made transferring property easier by lowering the property transfer tax.

DB year	Economy	Reform
DB2014	*Côte d'Ivoire*	Côte d'Ivoire made transferring property easier by streamlining procedures and reducing the property transfer tax.
DB2014	*Guinea*	Guinea made transferring property easier by reducing the property transfer tax.
DB2014	*Guinea-Bissau*	Guinea-Bissau made transferring property easier by increasing the number of notaries dealing with property transactions.
DB2014	*Lesotho*	Lesotho made transferring property easier by streamlining procedures and increasing administrative efficiency.
DB2014	*Liberia*	Liberia made transferring property easier by digitizing the records at the land registry.
DB2014	*Malawi*	Malawi made transferring property easier by reducing the stamp duty.
DB2014	*Namibia*	Namibia made transferring property more expensive by increasing the transfer and stamp duties.
DB2014	*Niger*	Niger made transferring property easier by reducing the registration fees.
DB2014	*Rwanda*	Rwanda made transferring property easier by eliminating the requirement to obtain a tax clearance certificate and by implementing the web-based Land Administration Information System for processing land transactions.
DB2014	*Senegal*	Senegal made transferring property easier by reducing the property transfer tax.
DB2014	*Uganda*	Uganda made transferring property easier by eliminating the need to have instruments of land transfer physically embossed to certify payment of the stamp duty.

Note: For information on reforms in earlier years (back to DB2005), see the *Doing Business* reports for these years, available at http://www.doingbusiness.org.
Source: Doing Business database.

GETTING CREDIT

Two types of frameworks can facilitate access to credit and improve its allocation: credit information systems and the borrowers and lenders' rights in collateral and bankruptcy laws. Credit information systems enable lenders to view a potential borrower's financial history (positive or negative)—valuable information to consider when assessing risk. And they permit borrowers to establish a good credit history that will allow easier access to credit. Sound collateral laws enable businesses to use their assets, especially movable property, as security to generate capital—while strong creditors' rights have been associated with higher ratios of private sector credit to GDP.

What do the indicators cover?

Doing Business assesses the sharing of credit information and the legal rights of borrowers and lenders with respect to secured transactions through 2 sets of indicators. The depth of credit information index measures rules and practices affecting the coverage, scope and accessibility of credit information available through a public credit registry or a private credit bureau. The strength of legal rights index measures whether certain features that facilitate lending exist within the applicable collateral and bankruptcy laws. *Doing Business* uses case scenarios to determine the scope of the secured transactions system, involving a secured borrower and a secured lender and examining legal restrictions on the use of movable collateral. These scenarios assume that the borrower:

- Is a private, incorporated, limited liability company.
- Has its headquarters and only base of operations in the largest business city.
- Has up to 100 employees.
- Is 100% domestically owned, as is the lender.

The ranking on the ease of getting credit is based on the percentile rankings on the sum of its component indicators: the depth of credit information index and the strength of legal rights index.

WHAT THE GETTING CREDIT INDICATORS MEASURE

Strength of legal rights index (0–10)

Protection of rights of borrowers and lenders through collateral laws

Protection of secured creditors' rights through bankruptcy laws

Depth of credit information index (0–6)

Scope and accessibility of credit information distributed by public credit registries and private credit bureaus

Public credit registry coverage (% of adults)

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

Private credit bureau coverage (% of adults)

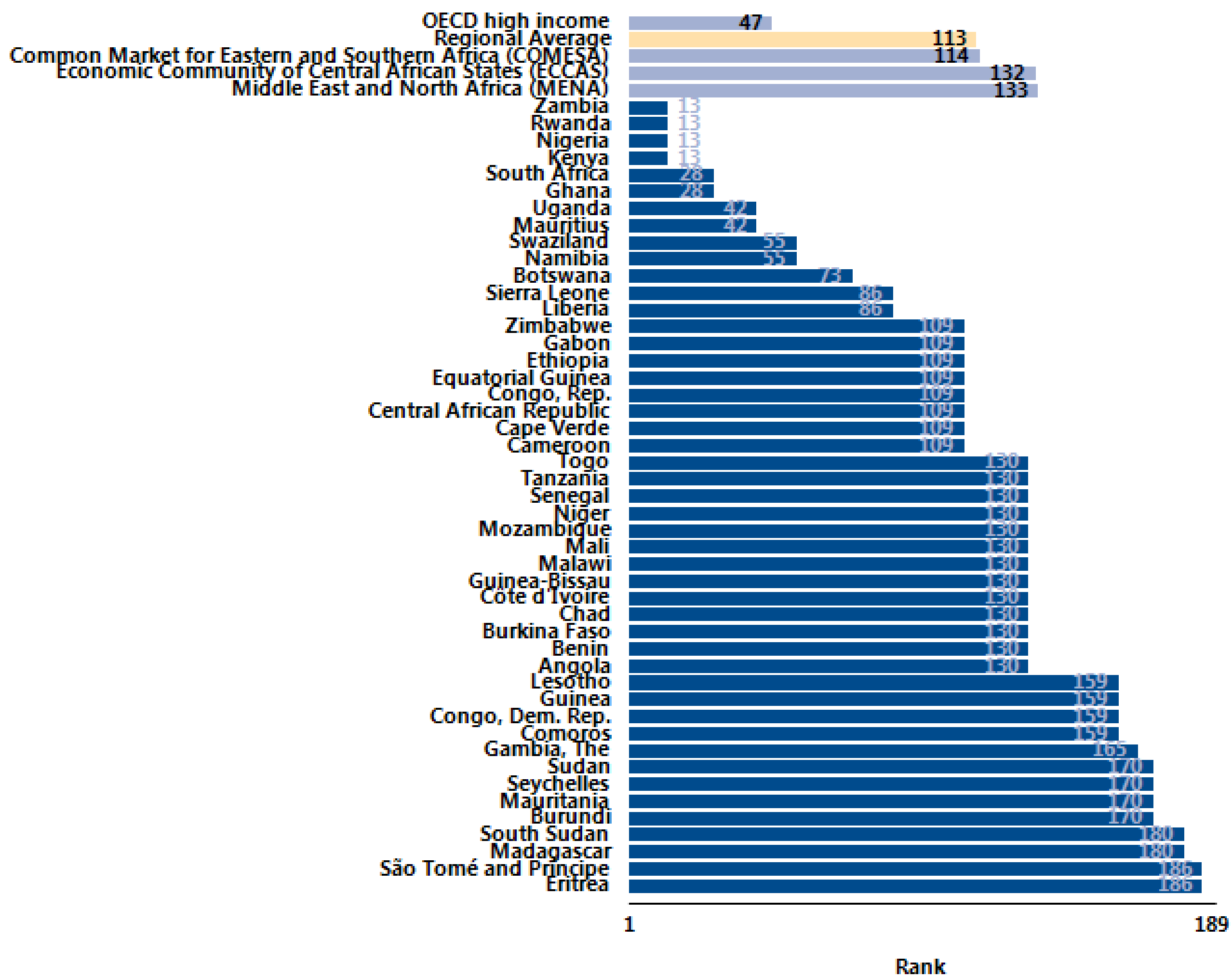
Number of individuals and firms listed in largest private credit bureau as percentage of adult population

GETTING CREDIT

Where do the region's economies stand today?

How well do the credit information systems and collateral and bankruptcy laws in economies in Sub-Saharan Africa (SSA) facilitate access to credit? The global rankings of these economies on the ease of getting credit suggest an answer (figure 6.1). The average ranking of the region and comparator regions provide a useful benchmark.

Figure 6.1 How economies in Sub-Saharan Africa (SSA) rank on the ease of getting credit



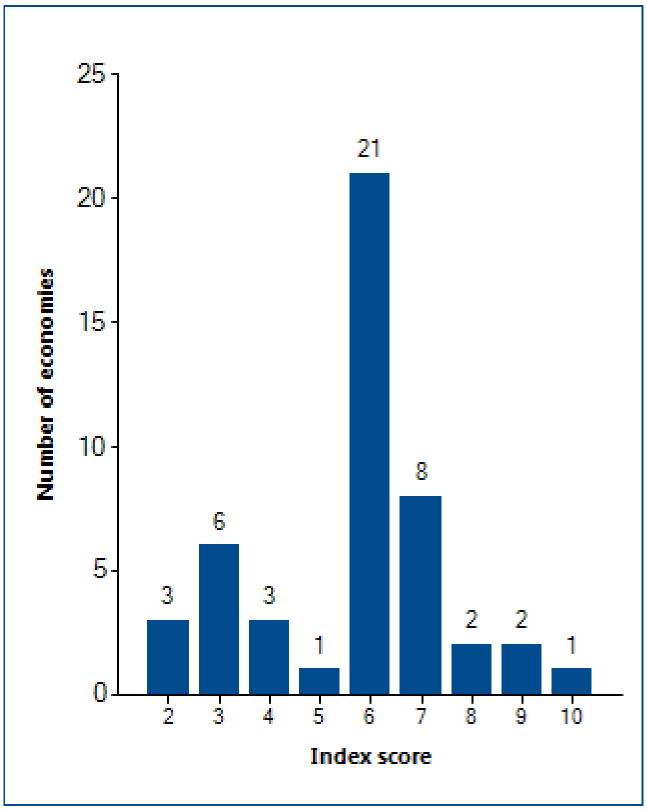
Source: Doing Business database.

GETTING CREDIT

Another way to assess how well regulations and institutions support lending and borrowing in the region is to look at the distribution of its economies by their scores on the getting credit indicators. Figure 6.2 shows how many economies in the region received a particular score on the strength of legal rights index. Figure 6.3 shows the same thing for the depth of credit information index. Higher scores indicate stronger legal rights for borrowers and lenders and more credit information.

Figure 6.2 How strong are legal rights for borrowers and lenders in economies in Sub-Saharan Africa (SSA)?

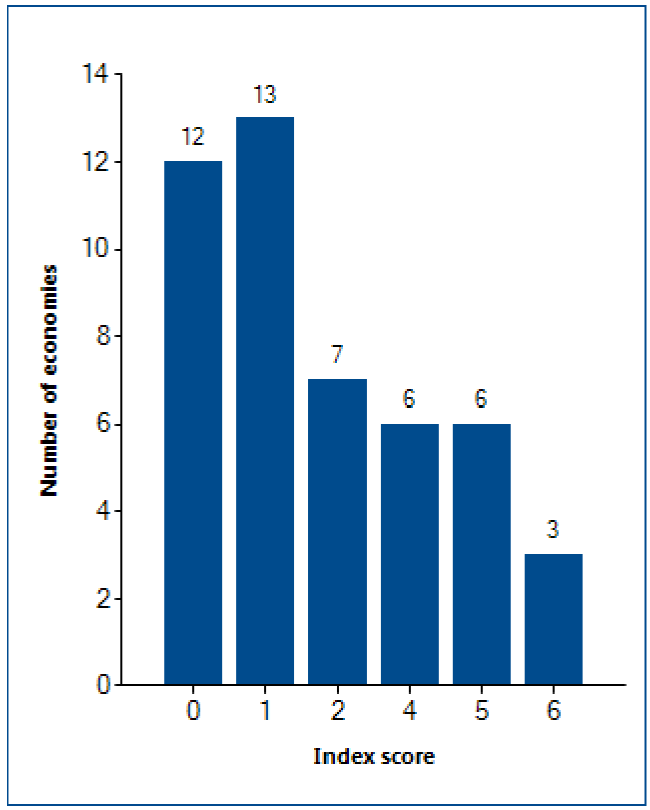
Number of economies in region with each score on strength of legal rights index (0–10)



Note: Higher scores indicate that collateral and bankruptcy laws are better designed to facilitate access to credit.
Source: Doing Business database.

Figure 6.3 How extensive—and how accessible—is credit information in economies in Sub-Saharan Africa (SSA)?

Number of economies in region with each score on depth of credit information index (0–6)



Note: Higher scores indicate the availability of more credit information, from either a credit registry or a credit bureau, to facilitate lending decisions.
Source: Doing Business database.

GETTING CREDIT

What are the changes over time?

When economies strengthen the legal rights of lenders and borrowers under collateral and bankruptcy laws, and increase the scope, coverage and accessibility of credit information, they can increase entrepreneurs' access to credit. What credit reforms has *Doing Business* recorded in Sub-Saharan Africa (SSA) (table 6.1)?

Table 6.1 How have economies in Sub-Saharan Africa (SSA) made getting credit easier—or not?
By *Doing Business* report year

DB year	Economy	Reform
DB2008	*Ghana*	Ghana passed a new Insolvency Act in 2006. There is no automatic stay of enforcement during re-organization.
DB2008	*Kenya*	The private credit bureau also deepened its database coverage by adding retailers and utility companies as providers of information.
DB2008	*South Africa*	Lenders are now required to check their overall debt levels before granting loans and guarantees borrowers the right to access and challenge their credit records.
DB2009	*Cameroon*	The regional public credit registry of the Central Bank of the Central African Monetary Union made information accessible on-line for banks. The on-line system simplifies the work of banks in declaring and retrieving information from the public registry and allowed coverage of the population with a credit history to grow significantly in Cameroon, Congo Rep., Chad and Gabon.
DB2009	*Central African Republic*	The regional public credit registry of the Central Bank of the Central African Monetary Union made information accessible on-line for banks. The on-line system simplifies the work of banks in declaring and retrieving information from the public registry.
DB2009	*Chad*	The regional public credit registry of the Central Bank of the Central African Monetary Union made information accessible on-line for banks. The on-line system simplifies the work of banks in declaring and retrieving information from the public registry and allowed coverage of the population with a credit history to grow significantly in Cameroon, Congo Rep., Chad and Gabon.
DB2009	*Congo, Rep.*	The regional public credit registry of the Central Bank of the

DB year	Economy	Reform
		Central African Monetary Union made information accessible on-line for banks. The on-line system simplifies the work of banks in declaring and retrieving information from the public registry and allowed coverage of the population with a credit history to grow significantly in Cameroon, Congo Rep., Chad and Gabon.
DB2009	*Equatorial Guinea*	The regional public credit registry of the Central Bank of the Central African Monetary Union made information accessible on-line for banks. The on-line system simplifies the work of banks in declaring and retrieving information from the public registry.
DB2009	*Gabon*	The regional public credit registry of the Central Bank of the Central African Monetary Union made information accessible on-line for banks. The on-line system simplifies the work of banks in declaring and retrieving information from the public registry and allowed coverage of the population with a credit history to grow significantly in Cameroon, Congo Rep., Chad and Gabon.
DB2009	*Liberia*	Liberia has created a nascent public credit registry in the Central Bank of Liberia. The registry provides banks with credit information on potential borrowers and helps them improve their risk management tools
DB2009	*Mauritius*	The public credit registry in Mauritius eliminated the minimum loan requirement threshold to report credits in March 2007. The credit registry now captures information on all credits extended by the financial system.
DB2010	*Cape Verde*	Cape Verde improved its access to credit information by introducing on-line capacities for providers and retrievers of information. At the same time, Cape Verde raised the minimum loan threshold for individuals from 1000 CVE to 5000 CVE.
DB2010	*Kenya*	Kenya improved its access to credit by passing and implementing a law on credit bureaus that will provide a framework for a regulated and reliable system of credit information sharing.
DB2010	*Mauritius*	Mauritius has strengthened access to credit information by allowing the licensing of private credit information bureaus, and by expanding the coverge of the bureau to all credit facilities.

DB year	Economy	Reform
DB2010	*Nigeria*	The Central Bank of Nigeria (CBN) issued a guideline in October 2008 that defines the licensing, operational and regulatory requirements for a privately owned credit bureau.
DB2010	*Rwanda*	Rwanda made it easier to get credit with a new Secured Transactions Act and a new Insolvency Act to make secured lending more flexible, allowing a wider range of assets to be used as collateral and a general description of debts and obligations. Furthermore, out of court enforcement of collateral is now available to secured creditors who also now have absolute priority within bankruptcy. A new collateral registry has been created.
DB2010	*Sierra Leone*	Sierra Leone enacted a new Companies Act that provides companies with fixed and floating charges that can be used to secure collateral, including future assets and automatic extension of the security interest to the proceeds, replacements and productions of the collateral.
DB2010	*Zambia*	Zambia strengthened access to credit information by making it mandatory for banks and non-bank financial instituitions registered with Bank of Zambia to use credit reference reports and provide data to the Bureau.
DB2011	*Ghana*	Ghana enhanced access to credit by granting an operating license to a private credit bureau that began operations in April 2010. In addition, Ghana strengthened access to credit by establishing a centralized collateral registry.
DB2011	*Rwanda*	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.
DB2011	*Uganda*	Uganda enhanced access to credit by establishing a new private credit bureau.
DB2012	*Angola*	Angola strengthened its credit information system by adopting new rules for credit bureaus and guaranteeing the right of borrowers to inspect their data.
DB2012	*Benin*	Access to credit in Benin was improved through amendments to the OHADA (Organization for the Harmonization of Business Law in Africa) Uniform Act on Secured Transactions that broaden the range of assets that can be used as collateral (including future assets), extend the security interest to the proceeds of the original asset and introduce the

DB year	Economy	Reform
		possibility of out-of-court enforcement.
DB2012	*Burkina Faso*	Access to credit in Burkina Faso was improved through amendments to the OHADA Uniform Act on Secured Transactions that broaden the range of assets that can be used as collateral (including future assets), extend the security interest to the proceeds of the original asset and introduce the possibility of out-of-court enforcement.
DB2012	*Cameroon*	Access to credit in Cameroon was improved through amendments to the OHADA Uniform Act on Secured Transactions that broaden the range of assets that can be used as collateral (including future assets), extend the security interest to the proceeds of the original asset and introduce the possibility of out-of-court enforcement.
DB2012	*Cape Verde*	Cape Verde improved its credit information system by introducing a new online platform and by starting to provide 5 years of historical data.
DB2012	*Central African Republic*	Access to credit in the Central African Republic was improved through amendments to the OHADA Uniform Act on Secured Transactions that broaden the range of assets that can be used as collateral (including future assets), extend the security interest to the proceeds of the original asset and introduce the possibility of out-of-court enforcement.
DB2012	*Chad*	Access to credit in Chad was improved through amendments to the OHADA Uniform Act on Secured Transactions that broaden the range of assets that can be used as collateral (including future assets), extend the security interest to the proceeds of the original asset and introduce the possibility of out-of-court enforcement.
DB2012	*Comoros*	Access to credit in Comoros was improved through amendments to the OHADA Uniform Act on Secured Transactions that broaden the range of assets that can be used as collateral (including future assets), extend the security interest to the proceeds of the original asset and introduce the possibility of out-of-court enforcement.
DB2012	*Congo, Rep.*	Access to credit in the Republic of Congo was improved through amendments to the OHADA Uniform Act on Secured Transactions that broaden the range of assets that can be used as collateral (including future assets), extend the security interest to the proceeds of the original asset and introduce

DB year	Economy	Reform
		the possibility of out-of-court enforcement.
DB2012	*Côte d'Ivoire*	Access to credit in Côte d'Ivoire was improved through amendments to the OHADA Uniform Act on Secured Transactions that broaden the range of assets that can be used as collateral (including future assets), extend the security interest to the proceeds of the original asset and introduce the possibility of out-of-court enforcement.
DB2012	*Equatorial Guinea*	Access to credit in Equatorial Guinea was improved through amendments to the OHADA Uniform Act on Secured Transactions that broaden the range of assets that can be used as collateral (including future assets), extend the security interest to the proceeds of the original asset and introduce the possibility of out-of-court enforcement.
DB2012	*Gabon*	Access to credit in Gabon was improved through amendments to the OHADA Uniform Act on Secured Transactions that broaden the range of assets that can be used as collateral (including future assets), extend the security interest to the proceeds of the original asset and introduce the possibility of out-of-court enforcement.
DB2012	*Guinea*	Access to credit in Guinea was improved through amendments to the OHADA Uniform Act on Secured Transactions that broaden the range of assets that can be used as collateral (including future assets), extend the security interest to the proceeds of the original asset and introduce the possibility of out-of-court enforcement.
DB2012	*Guinea-Bissau*	Access to credit in Guinea-Bissau was improved through amendments to the OHADA Uniform Act on Secured Transactions that broaden the range of assets that can be used as collateral (including future assets), extend the security interest to the proceeds of the original asset and introduce the possibility of out-of-court enforcement.
DB2012	*Liberia*	Liberia strengthened its legal framework for secured transactions by adopting a new commercial code that broadens the range of assets that can be used as collateral (including future assets) and extends the security interest to the proceeds of the original asset.
DB2012	*Madagascar*	Madagascar improved its credit information system by eliminating the minimum threshold for loans included in the database and making it mandatory for banks to share credit

DB year	Economy	Reform
		information with the credit bureau.
DB2012	*Malawi*	Malawi improved its credit information system by passing a new law allowing the creation of a private credit bureau.
DB2012	*Mali*	Access to credit in Mali was improved through amendments to the OHADA Uniform Act on Secured Transactions that broaden the range of assets that can be used as collateral (including future assets), extend the security interest to the proceeds of the original asset and introduce the possibility of out-of-court enforcement.
DB2012	*Niger*	Access to credit in Niger was improved through amendments to the OHADA Uniform Act on Secured Transactions that broaden the range of assets that can be used as collateral (including future assets), extend the security interest to the proceeds of the original asset and introduce the possibility of out-of-court enforcement.
DB2012	*Rwanda*	In Rwanda the private credit bureau started to collect and distribute information from utility companies and also started to distribute more than 2 years of historical information, improving the credit information system.
DB2012	*Senegal*	Access to credit in Senegal was improved through amendments to the OHADA Uniform Act on Secured Transactions that broaden the range of assets that can be used as collateral (including future assets), extend the security interest to the proceeds of the original asset and introduce the possibility of out-of-court enforcement.
DB2012	*Sierra Leone*	Sierra Leone improved its credit information system by enacting a new law providing for the creation of a public credit registry.
DB2012	*Togo*	Access to credit in Togo was improved through amendments to the OHADA Uniform Act on Secured Transactions that broaden the range of assets that can be used as collateral (including future assets), extend the security interest to the proceeds of the original asset and introduce the possibility of out-of-court enforcement.
DB2013	*Ethiopia*	Ethiopia improved access to credit information by establishing an online platform for sharing such information and by guaranteeing borrowers' right to inspect their personal data.

DB year	Economy	Reform
DB2013	*Mauritius*	Mauritius improved access to credit information by starting to collect payment information from retailers and beginning to distribute both positive and negative information.
DB2013	*Sierra Leone*	Sierra Leone improved access to credit information by establishing a public credit registry at its central bank and guaranteeing borrowers' right to inspect their personal data.
DB2014	*Congo, Dem. Rep.*	The Democratic Republic of Congo strengthened its secured transactions system by adopting the OHADA (Organization for the Harmonization of Business Law in Africa) Uniform Act on Secured Transactions. The new law broadens the range of assets that can be used as collateral (including future assets) and the range of obligations that can be secured, extends security interests to the proceeds of the original asset and introduces the possibility of out-of-court enforcement.
DB2014	*Mauritius*	Mauritius improved access to credit information by expanding the scope of credit information and increasing the coverage of the historical data distributed from 2 years to 3.
DB2014	*Rwanda*	Rwanda strengthened its secured transactions system by providing more flexibility on the types of debts and obligations that can be secured through a collateral agreement.
DB2014	*Tanzania*	Tanzania improved its credit information system through new regulations that provide for the licensing of credit reference bureaus and outline the functions of the credit reference data bank.

Note: For information on reforms in earlier years (back to DB2005), see the *Doing Business* reports for these years, available at http://www.doingbusiness.org.
Source: Doing Business database.

PROTECTING INVESTORS

Protecting investors matters for the ability of companies to raise the capital they need to grow, innovate, diversify and compete. If the laws do not protect minority shareholders, investors may be reluctant to provide funding to companies through the purchase of shares unless they become the controlling shareholders. Effective regulations define related-party transactions precisely, promote clear and efficient disclosure requirements, require shareholder participation in major decisions of the company and set detailed standards of accountability for company insiders.

What do the indicators cover?

Doing Business measures the strength of minority shareholder protections against directors' use of corporate assets for personal gain—or self-dealing. The indicators distinguish 3 dimensions of investor protections: transparency of related-party transactions (extent of disclosure index), liability for self-dealing (extent of director liability index) and minority shareholders' access to evidence before and during (ease of shareholder suits index). The ranking on the strength of investor protection index is the simple average of the percentile rankings on these 3 indices. To make the data comparable across economies, a case study uses several assumptions about the business and the transaction.

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 involves the following details:

- 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 Buyer.
- Shareholders sue the interested parties and the members of the board of directors.

WHAT THE PROTECTING INVESTORS INDICATORS MEASURE

Extent of disclosure index (0–10)

Approval process for related-party transactions

Disclosure requirements in case of related-party transactions

Extent of director liability index (0–10)

Ability of minority shareholders to file a direct or derivative lawsuit

Ability of minority shareholders to hold interested parties and members of the approving body liable for prejudicial related-party transactions

Available legal remedies (damages, disgorgement of profits, fines, imprisonment and rescission of the transaction)

Ease of shareholder suits index (0–10)

Access to internal corporate documents (directly or through a government inspector)

Documents and information available during trial

Strength of investor protection index (0–10)

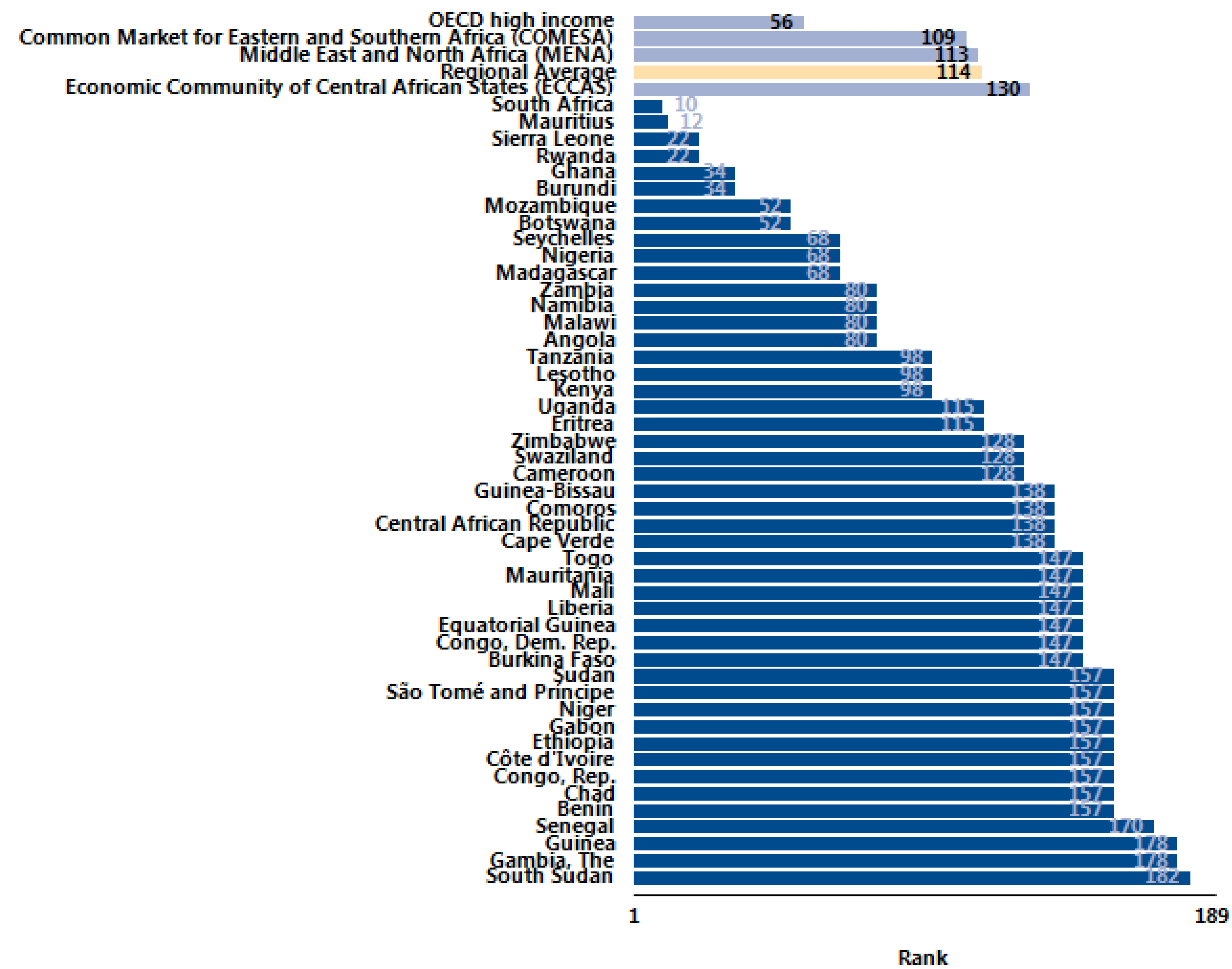
Simple average of the extent of disclosure, extent of director liability and ease of shareholder suits indices

PROTECTING INVESTORS

Where do the region's economies stand today?

How strong are investor protections against self-dealing in economies in Sub-Saharan Africa (SSA)? The global rankings of these economies on the strength of investor protection index suggest an answer (figure 7.1). While the indicator does not measure all aspects related to the protection of minority investors, a higher ranking does indicate that an economy's regulations offer stronger investor protections against self-dealing in the areas measured.

Figure 7.1 How economies in Sub-Saharan Africa (SSA) rank on the strength of investor protection index



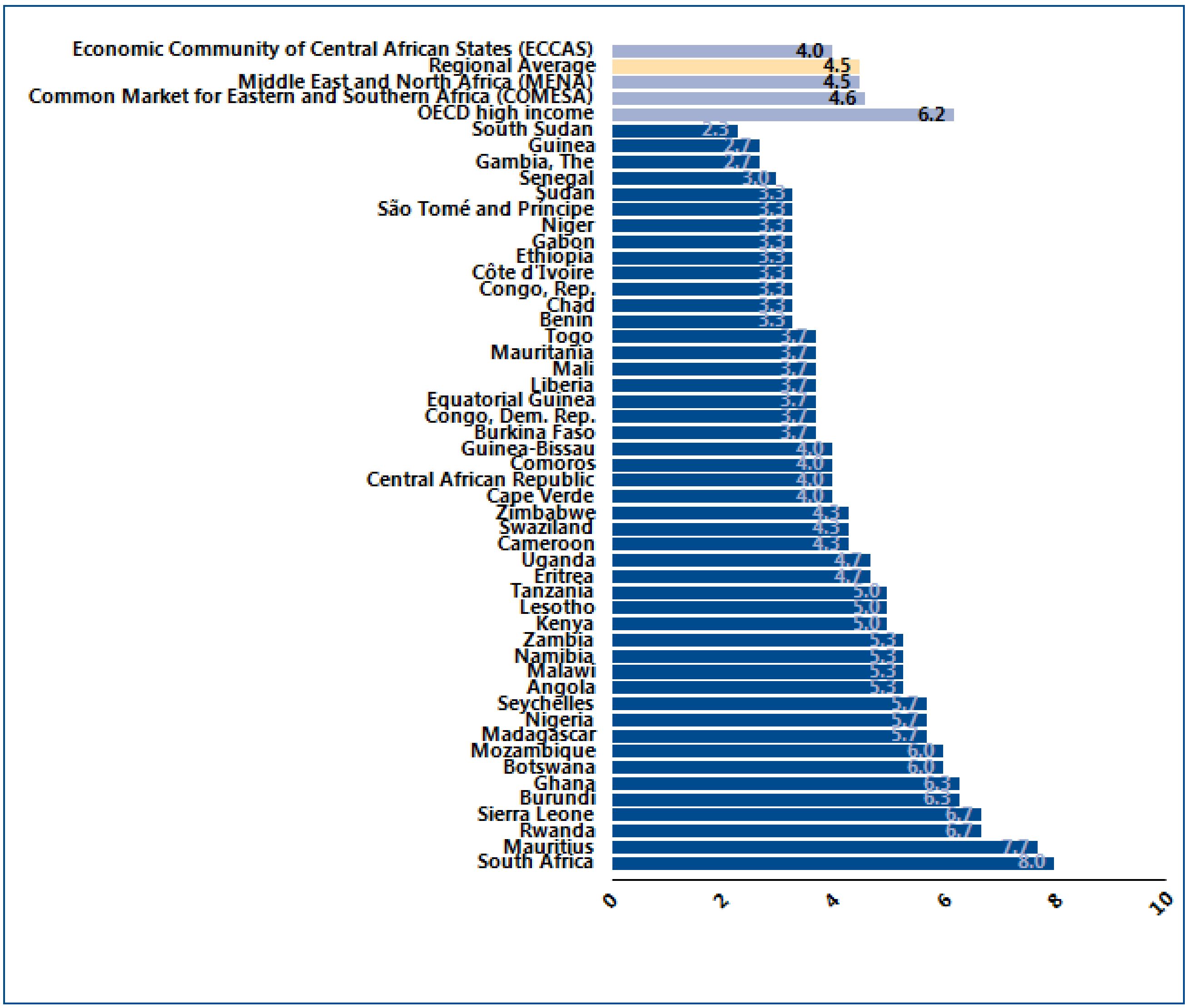
Source: *Doing Business* database.

PROTECTING INVESTORS

But the overall ranking on the strength of investor protection index tells only part of the story. Economies may offer strong protections in some areas but not others. So the number of economies in Sub-Saharan Africa (SSA) that have a certain score recorded on the extent of disclosure, extent of director liability and ease of shareholder suits indices may also be revealing (figure 7.2). Higher scores indicate stronger investor protections. Comparing the scores across the region on the strength of investor protection index and with averages both for the region and for comparator regions can provide useful insights.

Figure 7.2 How strong are investor protections in economies in Sub-Saharan Africa (SSA)?

Strength of investor protection index (0–10)

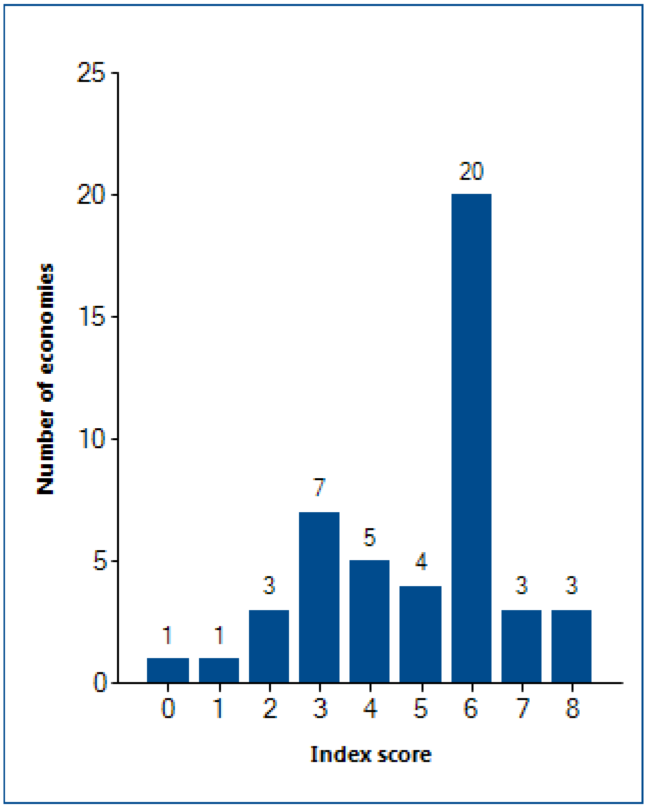


Source: Doing Business database.

PROTECTING INVESTORS

Extent of disclosure index (0–10)

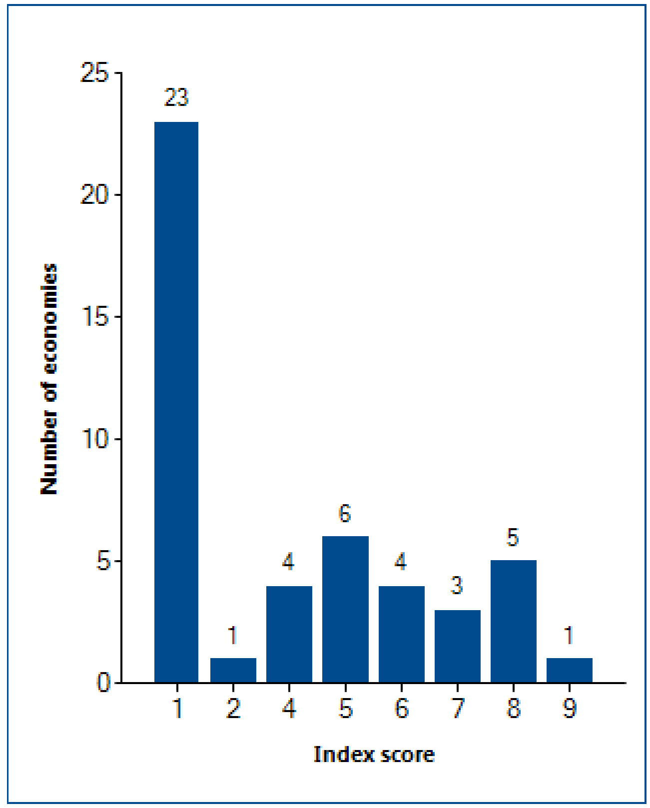
Number of economies in region with each score on extent of disclosure index (0–10)



Note: Higher scores indicate greater disclosure.
Source: Doing Business database.

Extent of director liability index (0–10)

Number of economies in region with each score on extent of director liability index (0–10)

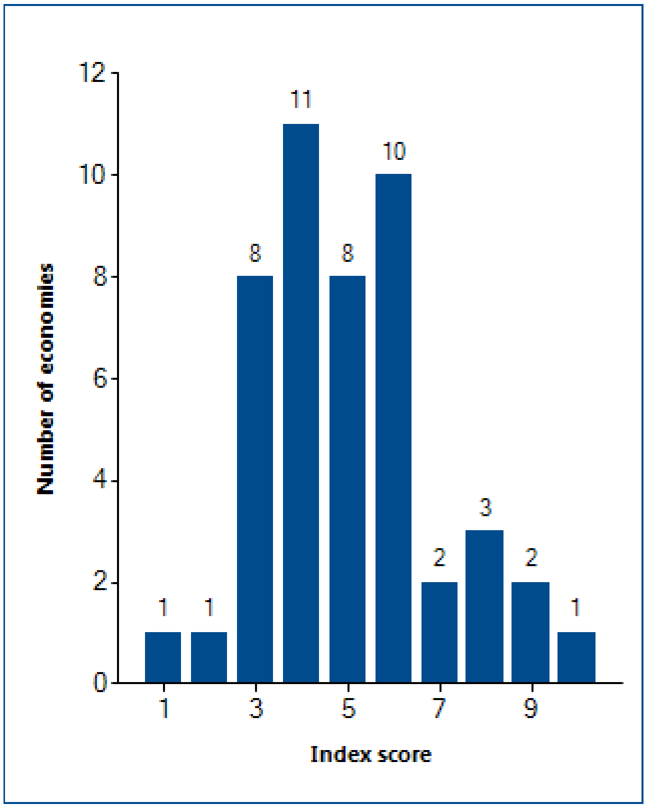


Note: Higher scores indicate greater liability of directors.
Source: Doing Business database.

PROTECTING INVESTORS

Ease of shareholder suits index (0–10)

Number of economies in region with each score on ease of shareholder suits index (0–10)



Note: Higher scores indicate greater powers of shareholders to challenge the transaction.
Source: Doing Business database.

PROTECTING INVESTORS

What are the changes over time?

Economies with the strongest protections of minority investors from self-dealing require detailed disclosure and define clear duties for directors. They also have well-functioning courts and up-to-date procedural rules that give minority shareholders the means to prove their case and obtain a judgment within a reasonable time. So reforms to strengthen investor protections may move ahead on different fronts—such as through new or amended company laws, securities regulations or revisions to court procedures. What investor protection reforms has *Doing Business* recorded in Sub-Saharan Africa (SSA) (table 7.1)?

Table 7.1 How have economies in Sub-Saharan Africa (SSA) strengthened investor protections—or not?
By *Doing Business* report year

DB year	Economy	Reform
DB2008	*Mozambique*	Mozambique strengthened investor protections by enacting a new Commercial Code, which allows shareholders to bring derivative suits against members of the board of directors, and which introduces detailed duties and liability for major shareholders and directors. It also expands the scope of accessible company information and the right to request the appointment of an expert to investigate the activities of the company.
DB2009	*Botswana*	Botswana strengthened investor protections by requiring that related-party transactions be approved by the shareholders meeting, and by allowing shareholders to sue directors and obtain the payment of damages if successful.
DB2010	*Mali*	Mali strengthened investor protections with an amendment to the Civil Procedure Code that increased shareholder access to corporate information during trial.
DB2010	*Rwanda*	Rwanda adopted a new company law that strengthened investor protections by requiring greater corporate disclosure, director liability and shareholder access to information.
DB2010	*Sierra Leone*	Sierra Leone strengthened investor protections with a new company law that enhanced director liability and improved disclosure requirements.
DB2011	*Swaziland*	Swaziland strengthened investor protections by requiring greater corporate disclosure, higher standards of

DB year	Economy	Reform
		accountability for company directors and greater access to corporate information for minority investors. Swaziland reduced the time to import by implementing an electronic data interchange system for customs at its border posts.
DB2012	*Burundi*	Burundi strengthened investor protections by introducing new requirements for the approval of transactions between interested parties, by requiring greater corporate disclosure to the board of directors and in the annual report and by making it easier to sue directors in cases of prejudicial transactions between interested parties.
DB2013	*Lesotho*	Lesotho strengthened investor protections by increasing the disclosure requirements for related-party transactions and improving the liability regime for company directors in cases of abusive related-party transactions.
DB2014	*Congo, Dem. Rep.*	The Democratic Republic of Congo strengthened investor protections by adopting the OHADA Uniform Act on Commercial Companies and Economic Interest Groups, which introduces additional approval and disclosure requirements for related-party transactions and makes it possible to sue directors when such transactions harm the company.
DB2014	*Rwanda*	Rwanda strengthened investor protections through a new law allowing plaintiffs to cross-examine defendants and witnesses with prior approval of the questions by the court.

Note: For information on reforms in earlier years (back to DB2005), see the *Doing Business* reports for these years, available at http://www.doingbusiness.org.
Source: Doing Business database.

PAYING TAXES

Taxes are essential. They fund the public amenities, infrastructure and services that are crucial for a properly functioning economy. But the level of tax rates needs to be carefully chosen—and needless complexity in tax rules avoided. According to *Doing Business* data, in economies where it is more difficult and costly to pay taxes, larger shares of economic activity end up in the informal sector—where businesses pay no taxes at all.

What do the indicators cover?

Using a case scenario, *Doing Business* measures the taxes and mandatory contributions that a medium-size company must pay in a given year as well as the administrative burden of paying taxes and contributions. This case scenario uses a set of financial statements and assumptions about transactions made over the year. Information is also compiled on the frequency of filing and payments as well as time taken to comply with tax laws. The ranking on the ease of paying taxes is the simple average of the percentile rankings on its component indicators: number of annual payments, time and total tax rate, with a threshold being applied to the total tax rate.[1] To make the data comparable across economies, several assumptions about the business and the taxes and contributions are used.

- TaxpayerCo is a medium-size business that started operations on January 1, 2011.
- 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 and all labor taxes and contributions paid by the company.
- A range of standard deductions and exemptions are also recorded.

WHAT THE PAYING TAXES INDICATORS MEASURE

Tax payments for a manufacturing company in 2012 (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

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

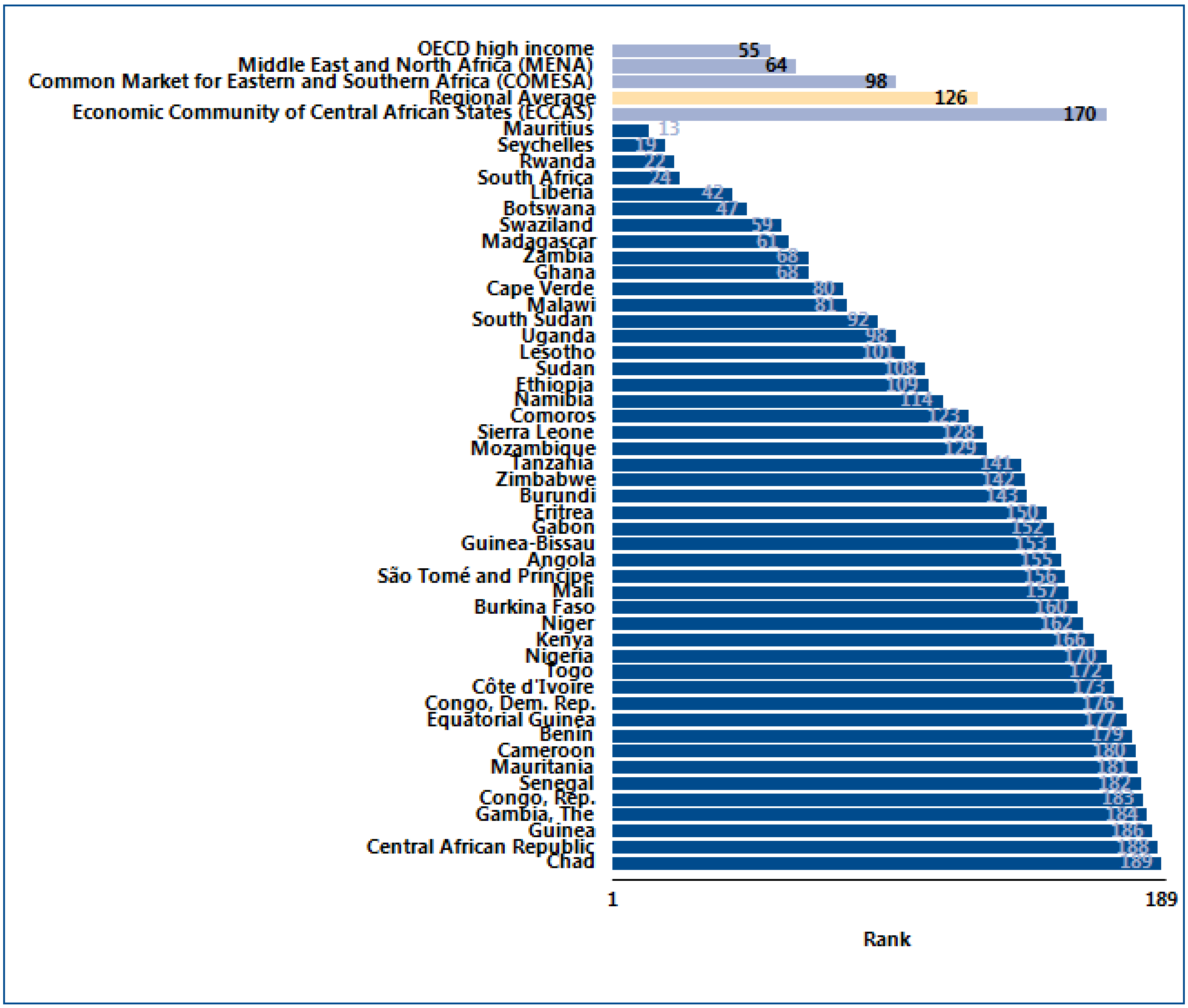
[1] The threshold is defined as the highest total tax rate among the top 15% of economies in the ranking on the total tax rate. It is calculated and adjusted on a yearly basis. The threshold is not based on any economic theory of an "optimal tax rate" that minimizes distortions or maximizes efficiency in the tax system of an economy overall. Instead, it is mainly empirical in nature, set at the lower end of the distribution of tax rates levied on medium-size enterprises in the manufacturing sector as observed through the paying taxes indicators. This reduces the bias in the indicators toward economies that do not need to levy significant taxes on companies like the *Doing Business* standardized case study company because they raise public revenue in other ways—for example, through taxes on foreign companies, through taxes on sectors other than manufacturing or from natural resources (all of which are outside the scope of the methodology). This year's threshold is 25.5%.

PAYING TAXES

Where do the region's economies stand today?

What is the administrative burden of complying with taxes in economies in Sub-Saharan Africa (SSA)—and how much do firms pay in taxes? The global rankings of these economies on the ease of paying taxes offer useful information for assessing the tax compliance burden for businesses (figure 8.1). The average ranking of the region and comparator regions provide a useful benchmark.

Figure 8.1 How economies in Sub-Saharan Africa (SSA) rank on the ease of paying taxes



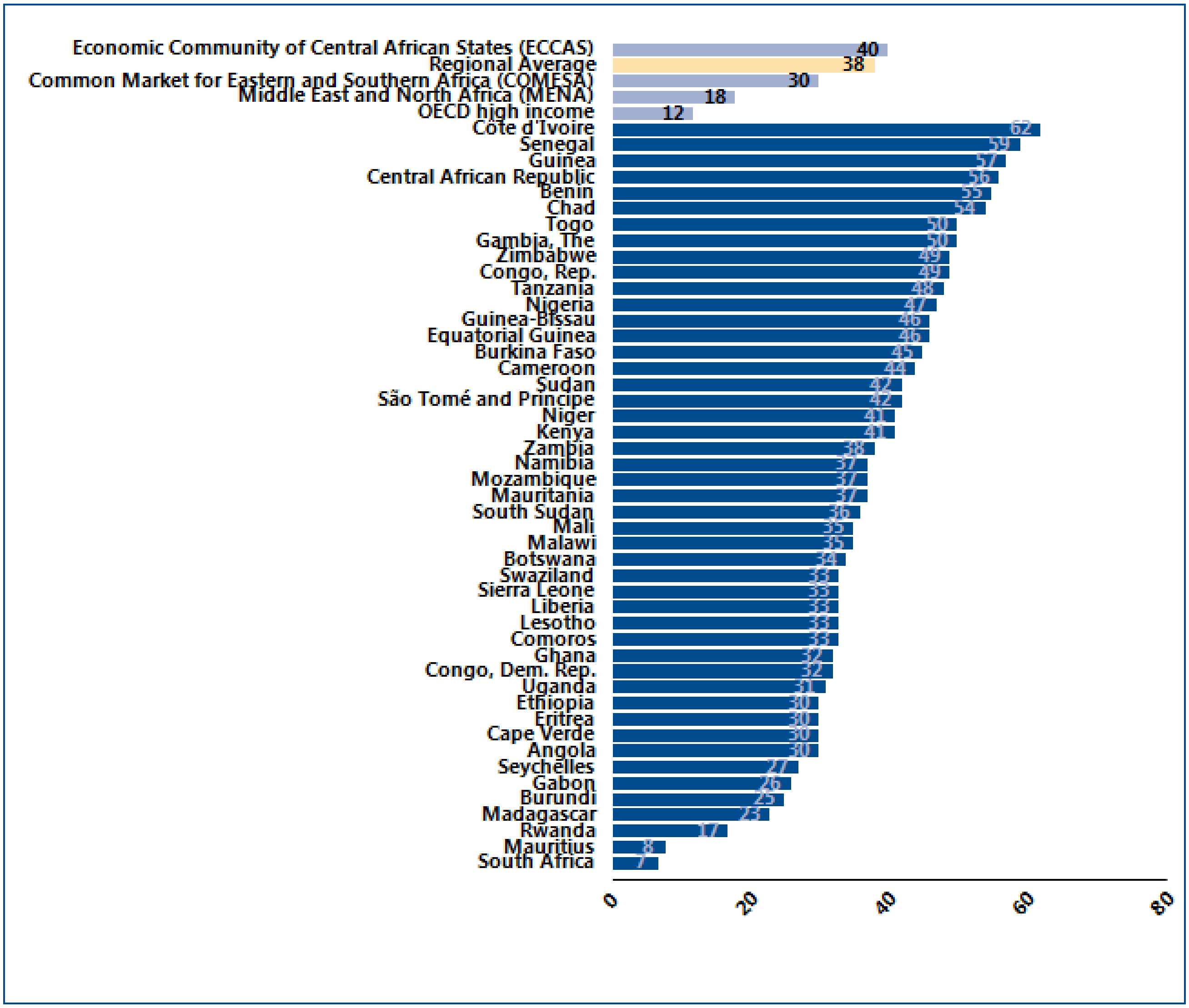
Note: For all economies with a total tax rate below the threshold of 25.5% applied in DB2014, the total tax rate is set at 25.5% for the purpose of calculating the ranking on the ease of paying taxes.
Source: Doing Business database.

PAYING TAXES

The indicators underlying the rankings may be more revealing. Data collected by *Doing Business* show what it takes to comply with tax regulations in each economy in the region—the number of payments per year and the time required to prepare and file taxes—as well as the total tax rate (figure 8.2). Comparing these indicators across the region and with averages both for the region and for comparator regions can provide useful insights.

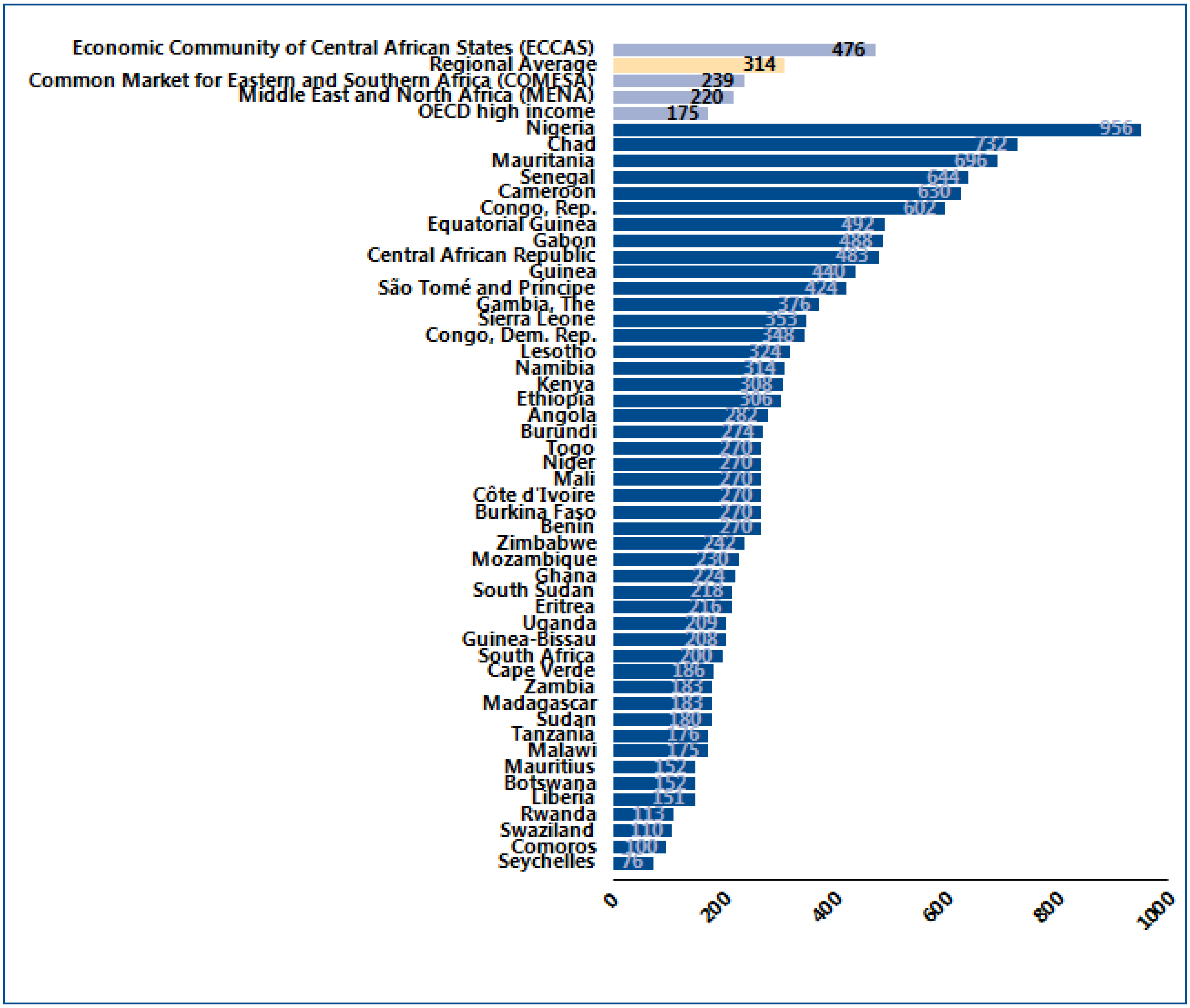
Figure 8.2 How easy is it to pay taxes in economies in Sub-Saharan Africa (SSA)—and what are the total tax rates?

Payments (number per year)



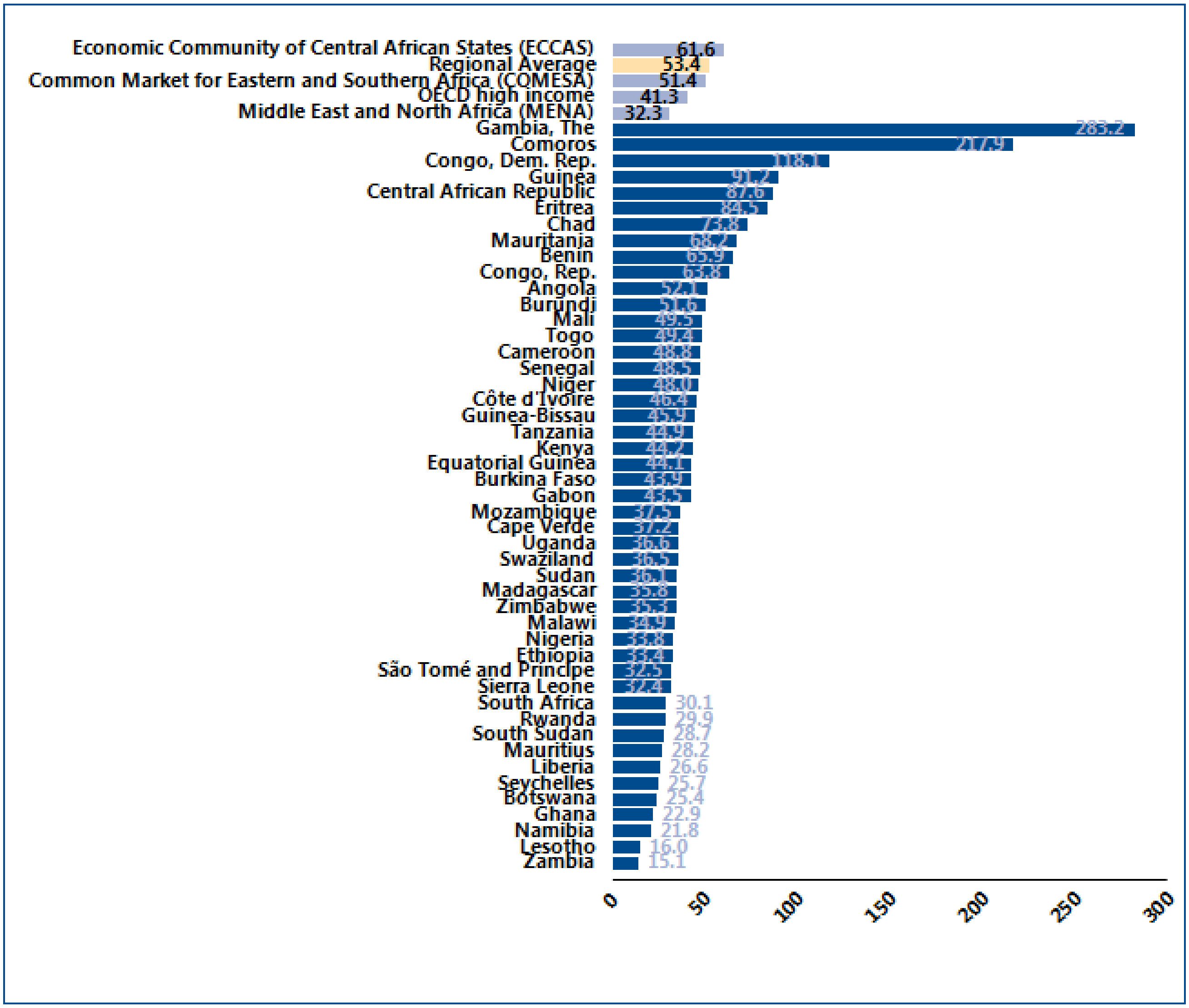
PAYING TAXES

Time (hours per year)



PAYING TAXES

Total tax rate (% of profit)



Source: Doing Business database.

PAYING TAXES

What are the changes over time?

Economies around the world have made paying taxes faster and easier for businesses—such as by consolidating filings, reducing the frequency of payments or offering electronic filing and payment. Many have lowered tax rates. Changes have brought concrete results. Some economies simplifying tax payment and reducing rates have seen tax revenue rise. What tax reforms has *Doing Business* recorded in Sub-Saharan Africa (SSA) (table 8.1)?

Table 8.1 How have economies in Sub-Saharan Africa (SSA) made paying taxes easier—or not?
By *Doing Business* report year

DB year	Economy	Reform
DB2008	*Côte d'Ivoire*	Côte d'Ivoire reduced the tax burden for companies by reducing the corporate income tax rate and the tax on insurance contract
DB2008	*Lesotho*	Lesotho reduced the tax burden for companies by reducing CIT and made it easier to pay taxes for companies by spreading the use of e-filing and e-payment
DB2008	*Mauritius*	Mauritius reduced the tax burden for companies by reducing CIT
DB2008	*Seychelles*	No impact on Doing Business 2008 indicators.
DB2008	*Sierra Leone*	Sierra Leone reduced the tax burden for companies by reducing the sales tax rate
DB2008	*South Africa*	South Africa eased the tax burden on business by abolishing the stamp duty.
DB2008	*Zimbabwe*	Zimbabwe increased the tax on check transaction and introduced a new, more burdensome form for the payment of CIT
DB2009	*Botswana*	Training levy of 0.2% introduced effective 1 January 2008.
DB2009	*Burkina Faso*	Effective 1 January 2008, corporate income tax rate reduced from 35% to 30%. Tax on dividends reduced from 155 to 10% in 2007, and property transfer taxes lowered from 15% to 10%, and will further be lowered from 10% to 8%.

DB year	Economy	Reform
DB2009	*Côte d'Ivoire*	Effective 1 January 2008, real estate tax on developed land reformed, and corporate income tax rate reduced from 27% to 25%.
DB2009	*Madagascar*	Capital gains tax was abolished effective 1 January 2008. Effective 1 January 2008, corporate income tax is reduced from 30% to 25%, and several taxes, for example proessional tax and stamp duty, have been abolished. VAT rate has been increased from 18% to 20%
DB2009	*Mozambique*	New Corporate Inceome Tax Code introduced, which has a simplified scheme for companies with annual revenues of up to MZM 2.5 million in the previous year (previously MZM 1.5 million). A new VAT Act effective January 2008. Its new simplified regime for smaller companies applies to taxable persons with revenues between MZM 750,000 (previously MZM 100,000) and MZM 2,500,000 (no change). Electronic tax forms introduced for social security taxes.
DB2009	*South Africa*	Regional Establishment Levy and Regional Services Levy were abolished.
DB2009	*Zambia*	Effective 2008, amendments will be made to the Income Tax Act in order to update, strengthen, and remove ambiguities in these laws and to enhance the effectiveness of tax administration. The depreciation allowance for capital equipment will be reduced from 100% to 25% per annum. Ring-fencing introduced for capital expenditure on new projects, and only deductible sfter production starts. The VAT Act will be substantively amended and the rate of VAT will be reduced to between 16.5% and 15%.
DB2010	*Angola*	Angola made it easier to pay taxes by introducing mandatory electronic filing of social security for businesses with more than 20 employees.
DB2010	*Benin*	Benin has lowered the tax burden on business by cutting corporate income tax from 38% to 30% and has reduced the cost of employment by cutting payroll tax from 8% to 4%.
DB2010	*Cameroon*	Cameroon has encouraged new businesses by exempting

DB year	Economy	Reform
		them from the business licence tax for the initial two years.
DB2010	*Cape Verde*	Cape Verde reduced tax burden on businesses by reducing the corporate income tax rates from 30% to 25%.
DB2010	*Congo, Dem. Rep.*	Congo, Dem. Rep. has sought to increase its tax revenue by raising sales tax from 13% to 15%.
DB2010	*Sierra Leone*	Sierra Leone has made it easier to pay taxes by improving training and equipment at the Tax Authority, and by publishing a consolidated Income Tax Act, and has introduced a VAT system that replaces four different sales taxes.
DB2010	*South Africa*	South Africa eased the tax burden on buisness by abolishing the stamp duty.
DB2010	*Sudan*	The new tax law in Sudan has reduced the tax burden on business by reducing the corporate tax rate by an average of 15% and the capital gains tax by 5% on average, while the tax on labor has been abolished.
DB2010	*Togo*	Togo reduced tax burden on businesses by reducing the corporate income tax rates from 37% to 30%.
DB2011	*Burkina Faso*	Burkina Faso reduced the statutory tax rate and the number of taxes for business and introduced simpler, uniform compliance procedures.
DB2011	*Burundi*	Burundi made paying taxes simpler by replacing the transactions tax with a value added tax.
DB2011	*Cape Verde*	Cape Verde abolished the stamp duties on sales and checks.
DB2011	*Chad*	Chad increased taxes on business through changes to its social security contribution rates.
DB2011	*Congo, Rep.*	The Republic of Congo reduced its corporate income tax rate from 38% to 36% in 2010.
DB2011	*Kenya*	Kenya increased the administrative burden of paying taxes by requiring quarterly filing of payroll taxes.

DB year	Economy	Reform
DB2011	*Madagascar*	Madagascar continued to reduce corporate tax rates.
DB2011	*Mauritius*	Mauritius introduced a new corporate social responsibility tax.
DB2011	*Niger*	Niger reduced its corporate income tax rate.
DB2011	*São Tomé and Príncipe*	São Tomé and Principe reduced the corporate income tax rate to a standard 25%.
DB2011	*Seychelles*	The Seychelles removed the tax-free threshold limit and lowered corporate income tax rates.
DB2011	*Sierra Leone*	Sierra Leone replaced sales and service taxes with a goods and service tax.
DB2011	*Zimbabwe*	Zimbabwe reduced the corporate income tax rate from 30% to 25%, lowered the capital gains tax from 20% to 5% and simplified the payment of corporate income tax by allowing quarterly payment through commercial banks.
DB2012	*Burundi*	Burundi made paying taxes easier for companies by reducing the payment frequency for social security contributions from monthly to quarterly.
DB2012	*Congo, Dem. Rep.*	The Democratic Republic of Congo made paying taxes easier for firms by replacing the sales tax with a value added tax.
DB2012	*Côte d'Ivoire*	Côte d'Ivoire eliminated a tax on firms, the contribution for national reconstruction (contribution pour la reconstruction nationale).
DB2012	*Gambia, The*	The Gambia reduced the minimum turnover tax and corporate income tax rates.
DB2012	*Rwanda*	Rwanda reduced the frequency of value added tax filings by companies from monthly to quarterly.
DB2012	*Seychelles*	The Seychelles made paying taxes less costly for firms by eliminating the social security tax.
DB2012	*Togo*	Togo reduced its corporate income tax rate.

DB year	Economy	Reform
DB2013	*Botswana*	Botswana made paying taxes more costly for companies by increasing the profit tax rate.
DB2013	*Ethiopia*	Ethiopia introduced a social insurance contribution.
DB2013	*Kenya*	Kenya made paying taxes faster for companies by enhancing electronic filing systems.
DB2013	*Liberia*	Liberia made paying taxes easier for companies by reducing the profit tax rate and abolishing the turnover tax.
DB2013	*Malawi*	Malawi introduced a mandatory pension contribution for companies.
DB2013	*Mali*	Mali made paying taxes less costly for companies by reducing the corporate income tax rate—though it also introduced a new tax on land. At the same time, Mali simplified the processes of paying taxes by introducing a single form for joint filing and payment of several taxes.
DB2013	*Nigeria*	Nigeria introduced a new compulsory labor contribution paid by the employer.
DB2013	*Swaziland*	Swaziland introduced value added tax.
DB2014	*Burkina Faso*	Burkina Faso made paying taxes easier for companies by abolishing the separate capital gains tax on real estate properties.
DB2014	*Burundi*	Burundi made paying taxes less costly for companies by reducing corporate income tax rate.
DB2014	*Congo, Dem. Rep.*	The Democratic Republic of Congo made paying taxes more costly for companies by increasing the employers' social security contribution rate—though it also reduced the corporate income tax rate.
DB2014	*Congo, Rep.*	The Republic of Congo made paying taxes easier and less costly for companies by merging several employment taxes into a single tax, reducing the corporate income tax rate and lowering the tax rate on rental value.

DB year	Economy	Reform
DB2014	*Côte d'Ivoire*	Côte d'Ivoire made paying taxes more costly for companies by increasing the employers'contribution rate for social security related to retirement and by increasing the rate for the special tax on equipment.
DB2014	*Gabon*	Gabon made paying taxes less costly for companies by reducing the corporate income tax rate.
DB2014	*Gambia, The*	The Gambia made paying taxes easier for companies by replacing the sales tax with a value added tax.
DB2014	*Madagascar*	Madagascar made paying taxes easier and less costly for companies by training taxpayers in the use of the online system for value added tax declarations and by reducing the corporate income tax rate.
DB2014	*Mauritania*	Mauritania made paying taxes more costly for companies by introducing a new health insurance contribution for employers that is levied on gross salaries.
DB2014	*Rwanda*	Rwanda made paying taxes easier and less costly for companies by fully rolling out its electronic filing system to the majority of businesses and by reducing the property tax rate and business trading license fee.
DB2014	*Senegal*	Senegal made paying taxes more costly by increasing the corporate income tax rate. At the same time, Senegal facilitated tax payments by making tax forms available online and creating the Center for Medium Enterprises.
DB2014	*Seychelles*	The Seychelles made paying taxes more complicated for companies by introducing a value added tax.
DB2014	*South Africa*	South Africa made paying taxes easier for companies by replacing the secondary tax on companies with a dividend tax borne by shareholders.
DB2014	*Togo*	Togo made paying taxes more costly for companies by increasing the corporate income tax rate and employers' social security contribution rate and by introducing a new tax on corporate cars. At the same time, Togo reduced the

DB year	Economy	Reform
		payroll tax rate.
DB2014	*South Sudan*	South Sudan made paying taxes more costly for companies by increasing the corporate income tax rate.

Note: For information on reforms in earlier years (back to DB2005), see the *Doing Business* reports for these years, available at http://www.doingbusiness.org.
Source: Doing Business database.

TRADING ACROSS BORDERS

In today's globalized world, making trade between economies easier is increasingly important for business. 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. Research shows that exporters in developing countries gain more from a 10% drop in their trading costs than from a similar reduction in the tariffs applied to their products in global markets.

What do the indicators cover?

Doing Business measures the time and cost (excluding tariffs and the time and cost for sea transport) associated with exporting and importing a standard shipment of goods by sea transport, and the number of documents necessary to complete the transaction. The indicators cover procedural requirements such as documentation requirements and procedures at customs and other regulatory agencies as well as at the port. They also cover trade logistics, including the time and cost of inland transport to the largest business city. The ranking on the ease of trading across borders is the simple average of the percentile rankings on its component indicators: documents, time and cost to export and import.

To make the data comparable across economies, *Doing Business* uses several assumptions about the business and the traded goods.

The business:

- Is of medium size and employs 60 people.
- Is located in the periurban area of the economy's largest business city.
- Is a private, limited liability company, domestically owned, formally registered and operating under commercial laws and regulations of the economy.

The traded goods:

- Are not hazardous nor do they include military items.
- Do not require refrigeration or any other special environment.
- Do not require any special phytosanitary or environmental safety standards other than accepted international standards.
- Are one of the economy's leading export or import products.
- Are transported in a dry-cargo, 20-foot full container load.

WHAT THE TRADING ACROSS BORDERS INDICATORS MEASURE

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, filling out and submitting all the documents

Inland transport and handling

Customs clearance and inspections

Port and terminal handling

Does not include sea 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

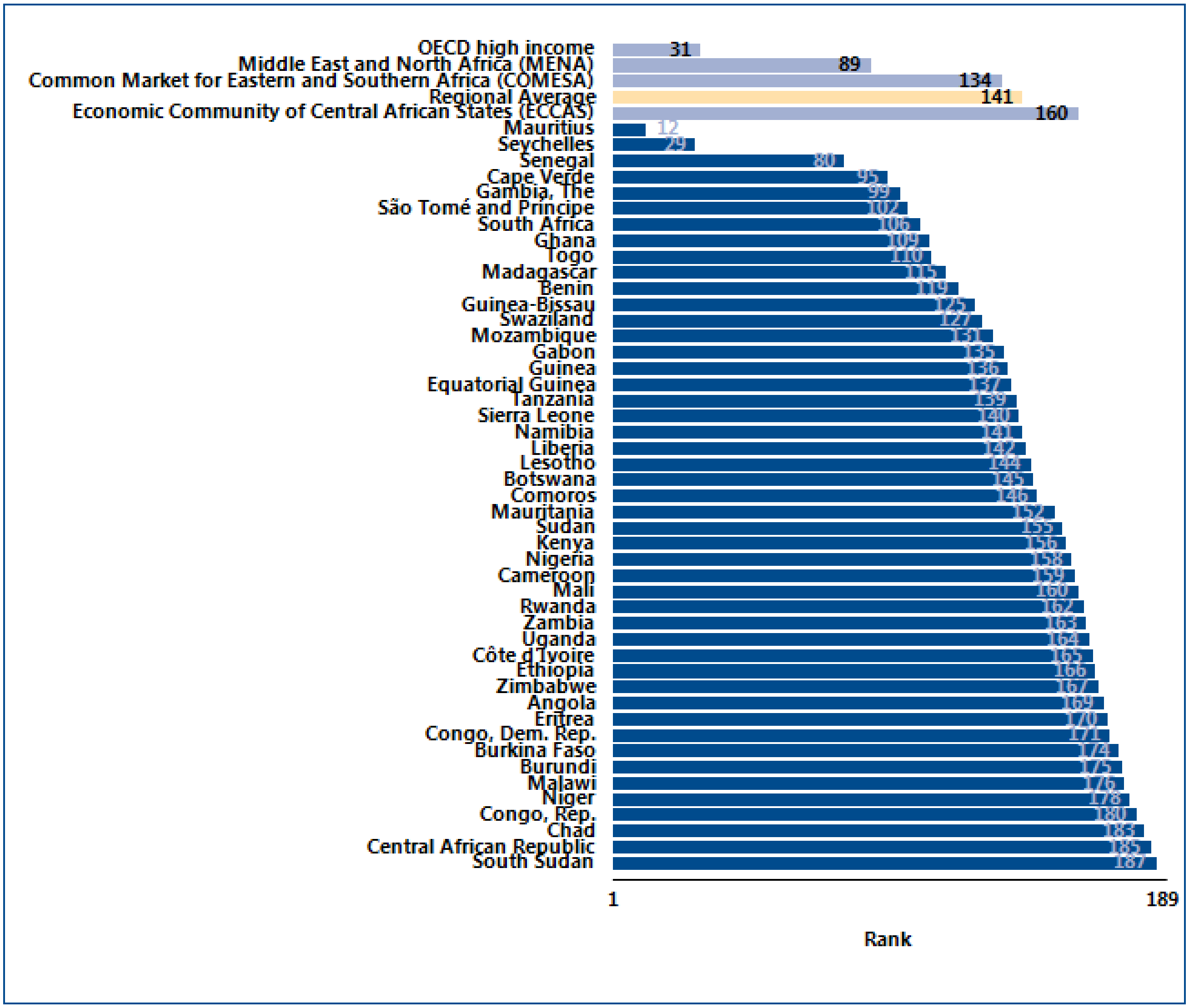
Official costs only, no bribes

TRADING ACROSS BORDERS

Where do the region's economies stand today?

How easy it is for businesses in economies in Sub-Saharan Africa (SSA) to export and import goods? The global rankings of these economies on the ease of trading across borders suggest an answer (figure 9.1). The average ranking of the region and comparator regions provide a useful benchmark.

Figure 9.1 How economies in Sub-Saharan Africa (SSA) rank on the ease of trading across borders



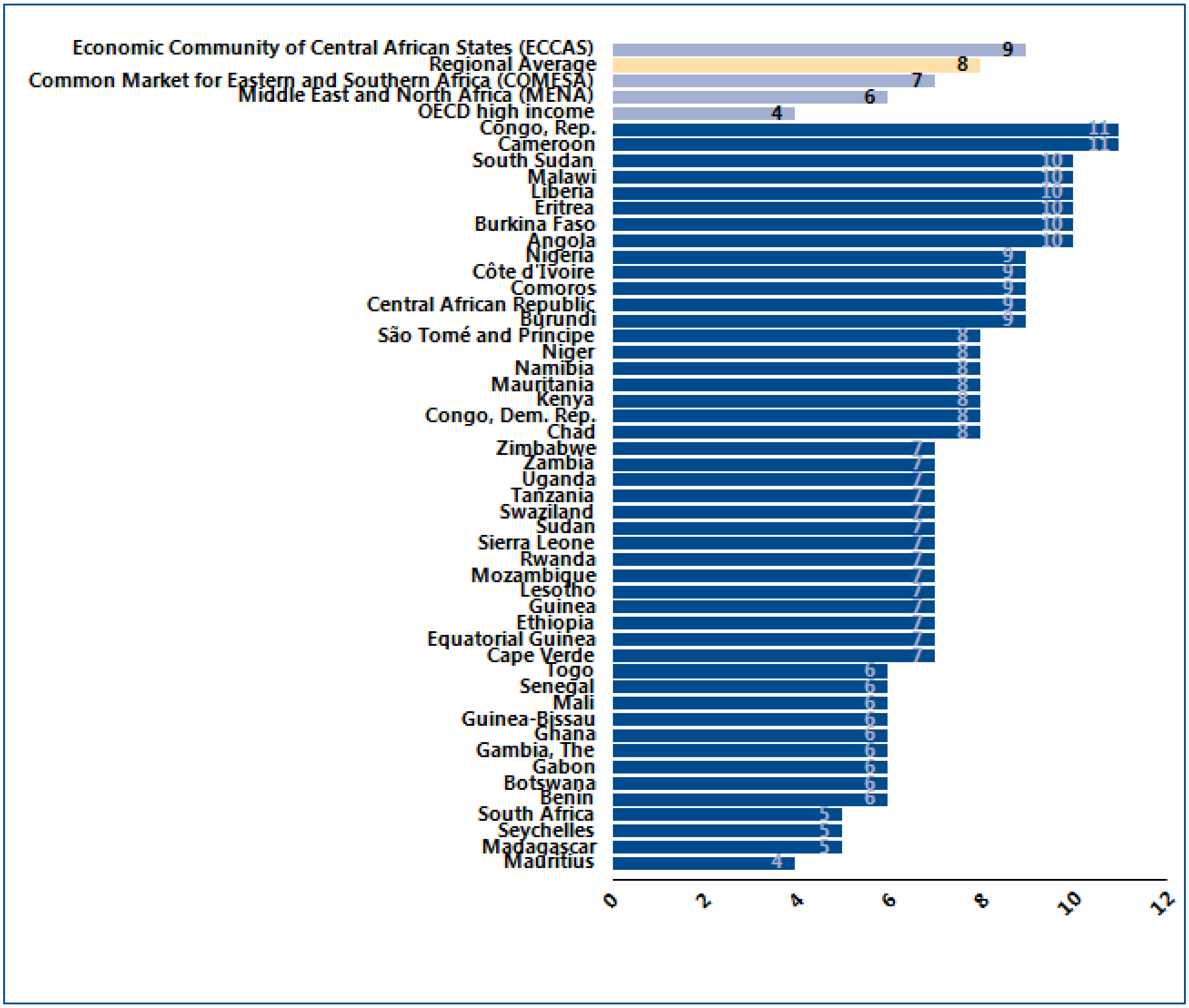
Source: Doing Business database.

TRADING ACROSS BORDERS

The indicators underlying the rankings may be more revealing. Data collected by *Doing Business* show what it takes to export or import a standard container of goods in each economy in the region: the number of documents, the time and the cost (figure 9.2). Comparing these indicators across the region and with averages both for the region and for comparator regions can provide useful insights.

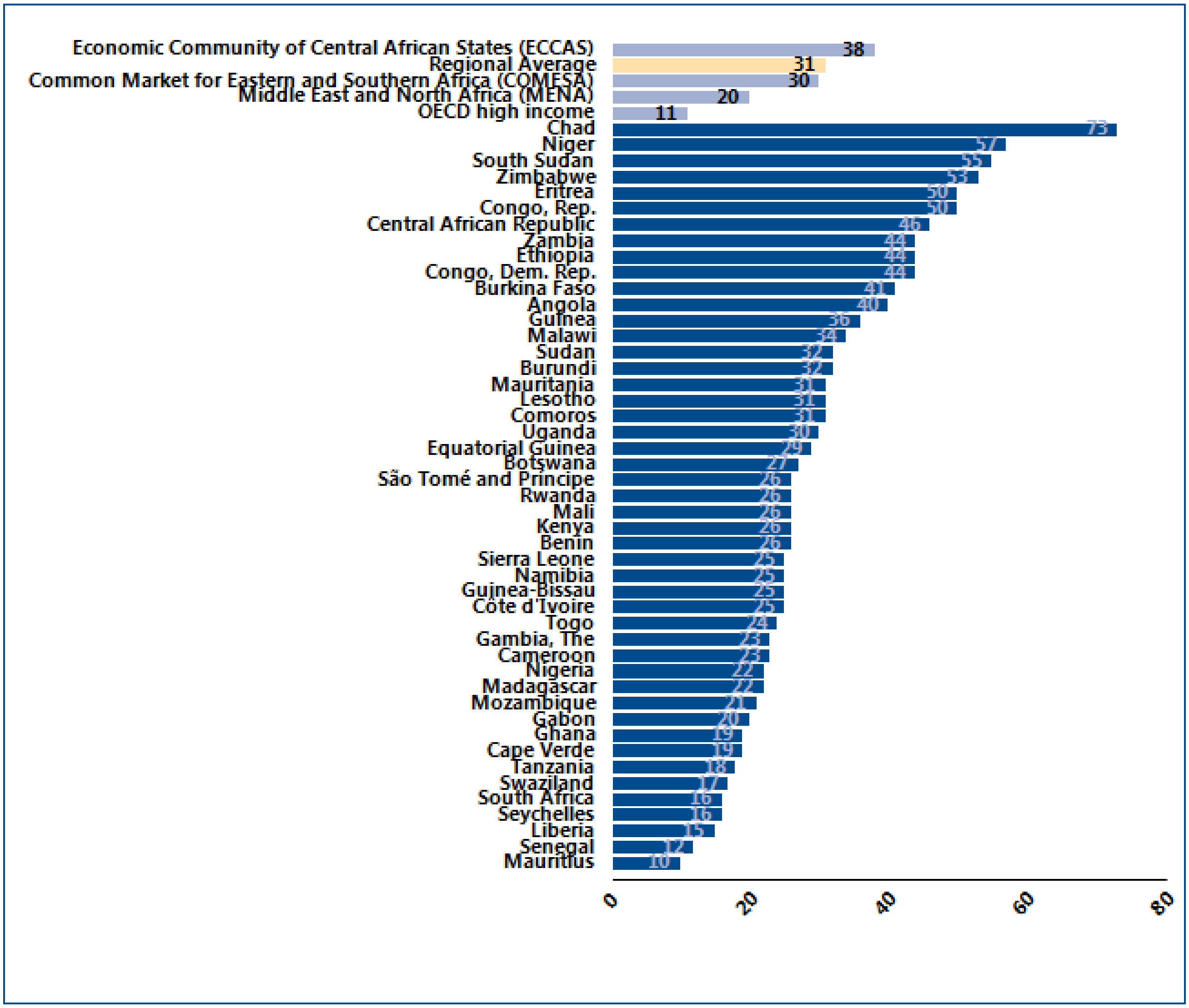
Figure 9.2 What it takes to trade across borders in economies in Sub-Saharan Africa (SSA)

Documents to export (number)



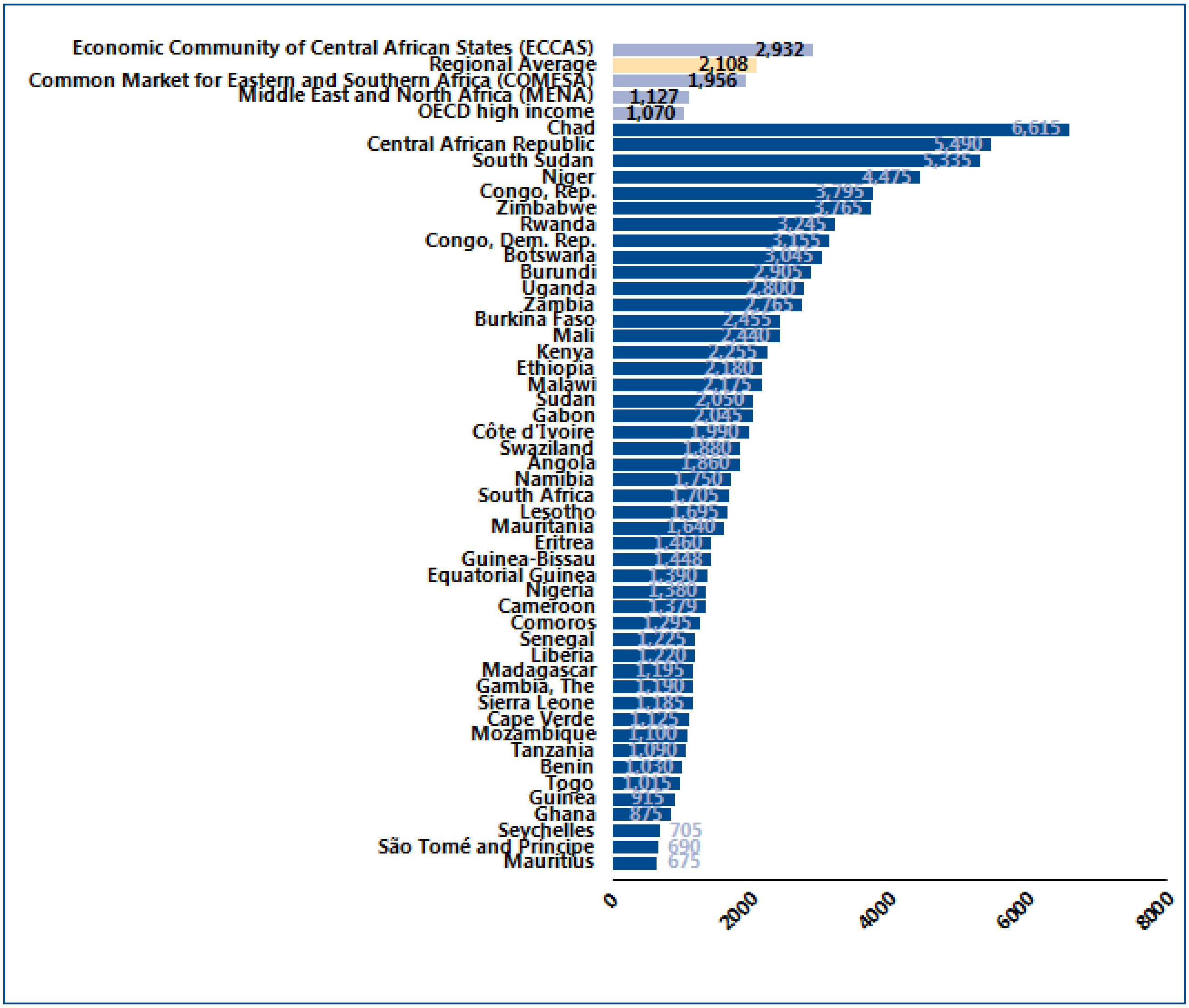
TRADING ACROSS BORDERS

Time to export (days)



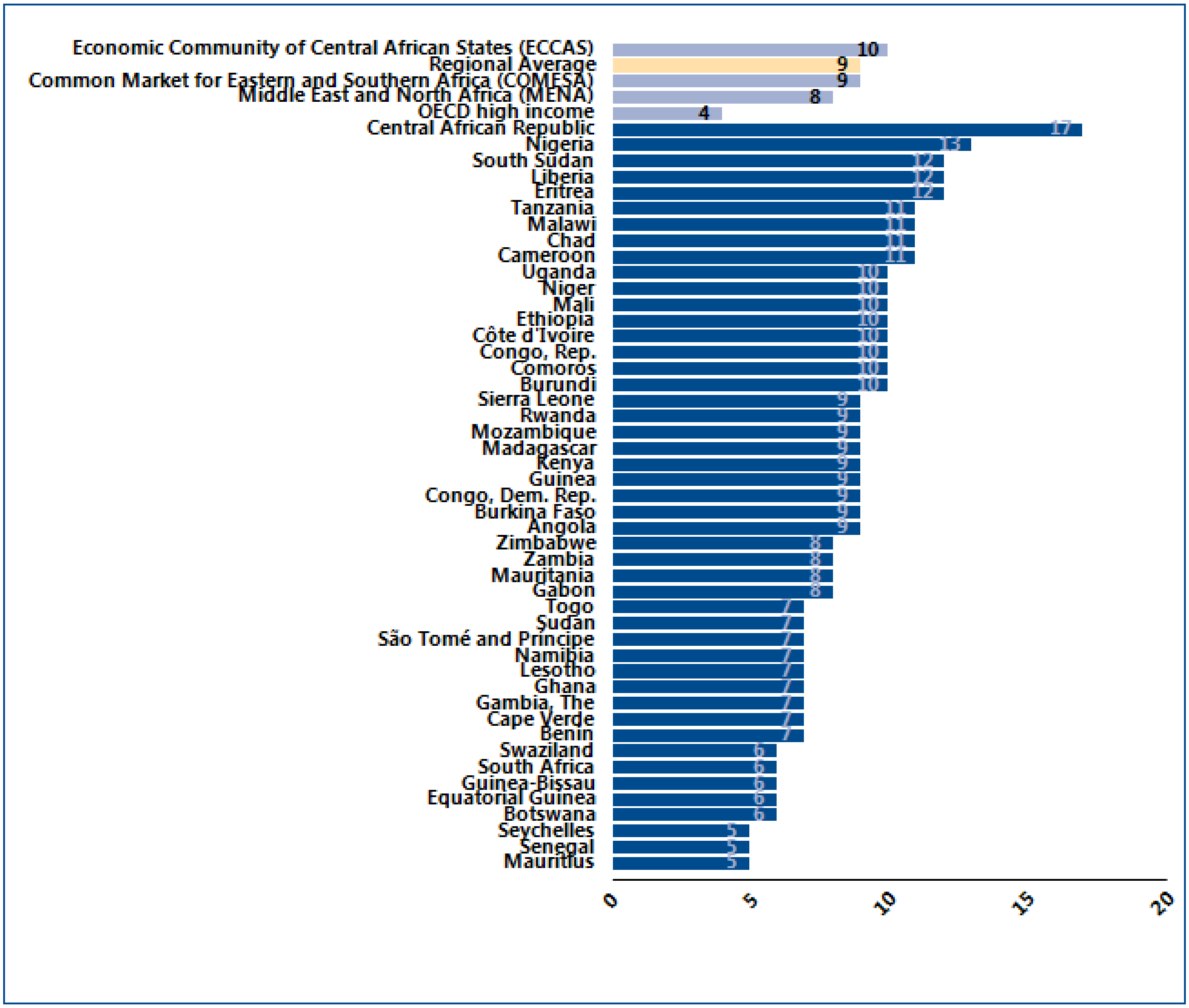
TRADING ACROSS BORDERS

Cost to export (US$ per container)



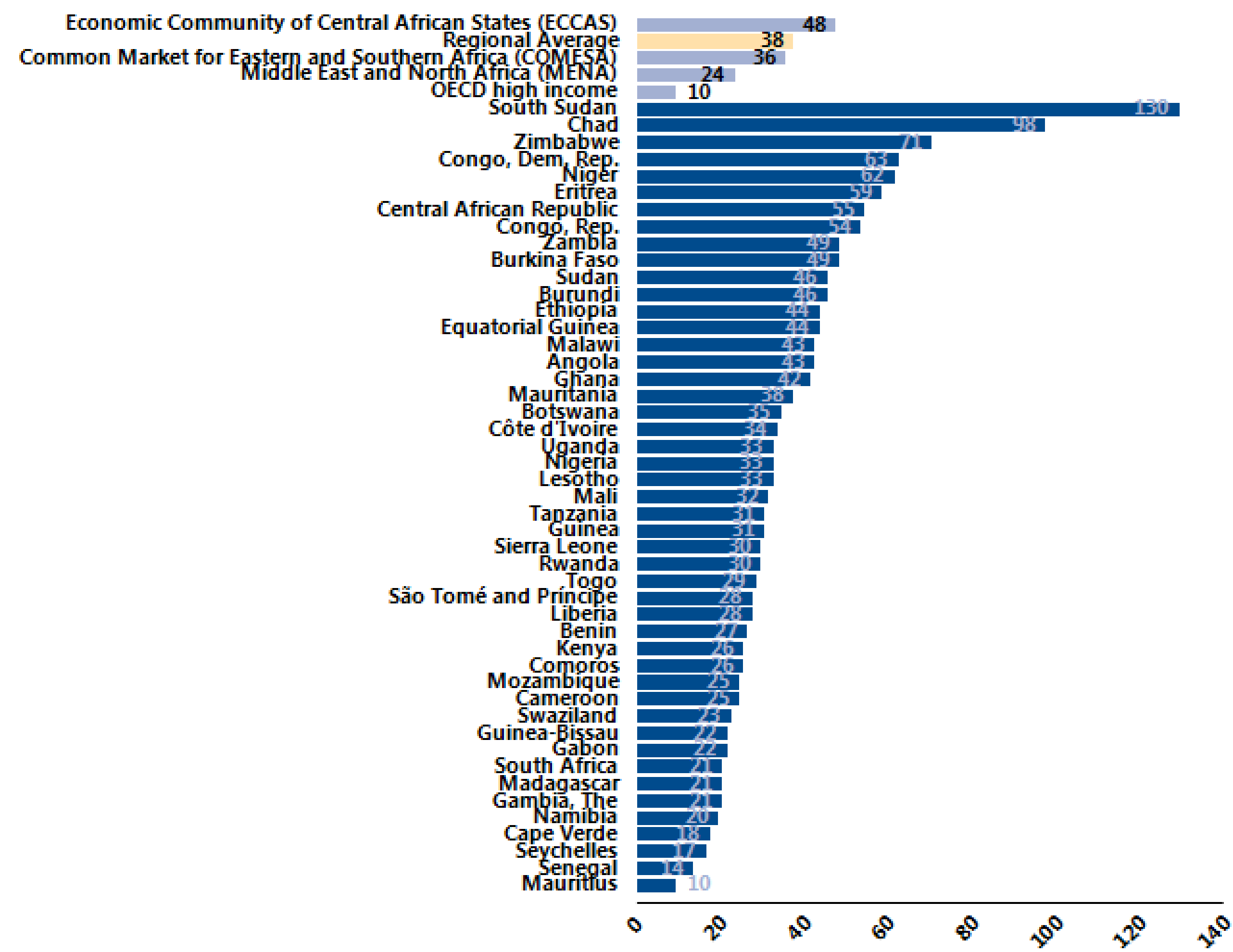
TRADING ACROSS BORDERS

Documents to import (number)



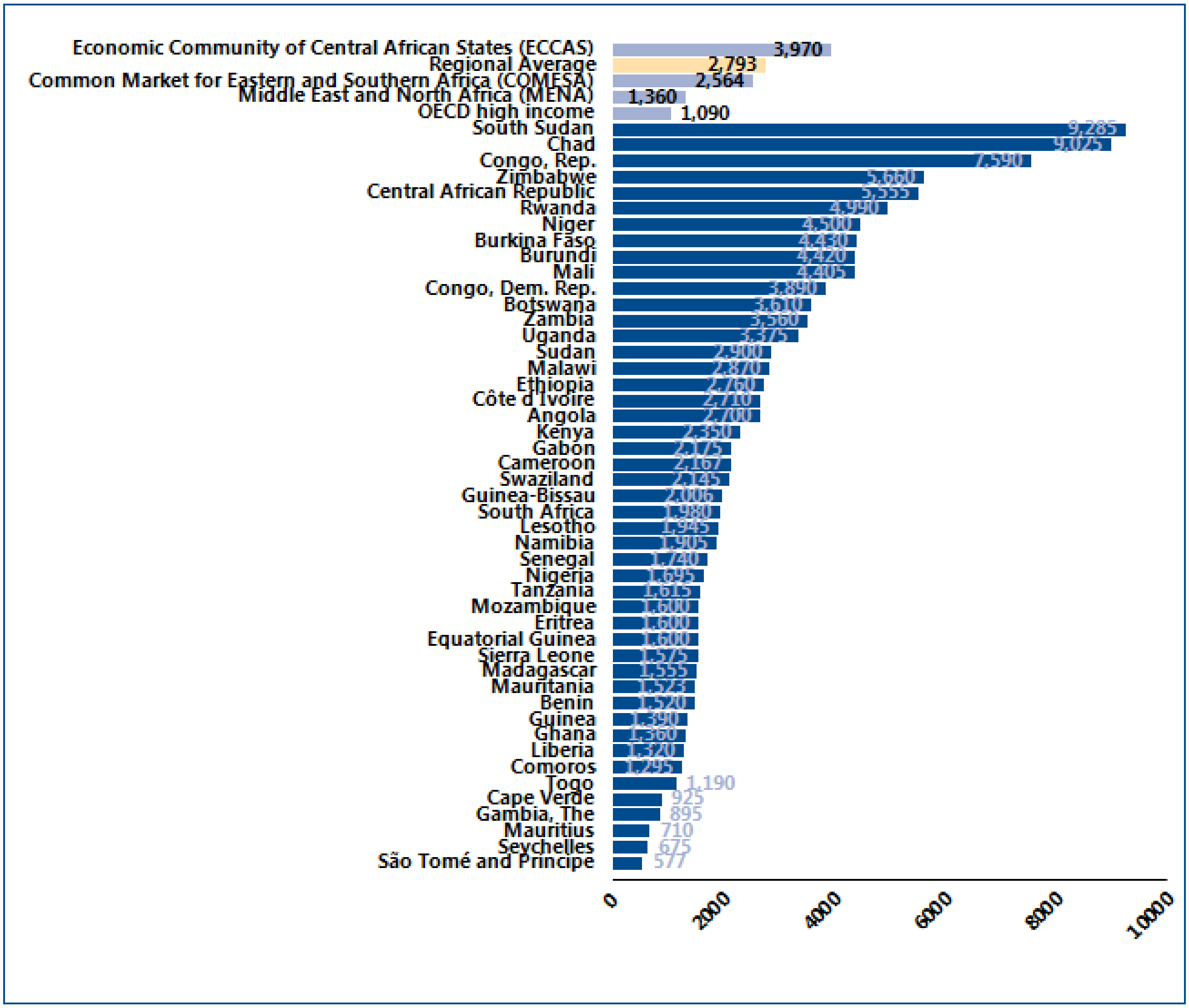
TRADING ACROSS BORDERS

Time to import (days)



TRADING ACROSS BORDERS

Cost to import (US$ per container)



Source: Doing Business database.

TRADING ACROSS BORDERS

What are the changes over time?

In economies around the world, trading across borders as measured by Doing Business has become faster and easier over the years. Governments have introduced tools to facilitate trade—including single windows, risk-based inspections and electronic data interchange systems. These changes help improve their trading environment and boost firms' international competitiveness. What trade reforms has Doing Business recorded in Sub-Saharan Africa (SSA) (table 9.1)?

Table 9.1 How have economies in Sub-Saharan Africa (SSA) made trading across borders easier—or not?
By *Doing Business* report year

DB year	Economy	Reform
DB2008	*Gambia, The*	The Gambia has eased trading across borders by abolishing the compulsory scanning of all containers, replacing it with a random inspection system.
DB2008	*Ghana*	Ghana eased trading across borders by reducing congestion at the port area.
DB2008	*Madagascar*	Madagascar made trading across borders easier by implementing an EDI system, improving port infrastructure, and streamlining document requirements.
DB2008	*Mauritius*	Mauritius eased trading across borders by implementing a new computerized risk management system for inspections.
DB2008	*Rwanda*	Rwanda has eased trading across borders by expediting the acceptance of customs declarations and by liberalizing the warehouse services market.
DB2008	*Uganda*	Uganda eased trading across borders by extending the application of the Asycuda++ EDI system to 4 additional Customs stations, introducing a system linking banks to customs (for payment of duties), and enhancing border cooperation along the Kenya–Uganda Border at Malaba through joint inspections.
DB2009	*Benin*	Due to port infrastructure improvements export time decreased.
DB2009	*Botswana*	Botswana sped up customs clearance on its border with

DB year	Economy	Reform
		South Africa and trained its customs officers in the use of the EDI system, resulting in quicker processing of trade documents.
DB2009	*Equatorial Guinea*	Equatorial Guinea cancelled the 'conditional release' facility, increasing time to export by 1 day.
DB2009	*Eritrea*	Eritrea upgraded infrastructure at Massawa port as well as the roads between Massawa and Asmara, which greatly facilitated trade. The time required to open a Letter of Credit also fell.
DB2009	*Gabon*	The introduction of an additional document led to an increase of documentation for import and export.
DB2009	*Kenya*	Kenya extended the opening hours of customs and port authorities and reduced the number of inspection points between Nairobi and Mombasa. It also introduced an electronic system allowing traders to submit their documents online.
DB2009	*Liberia*	Liberia cut fees for customs clearance and port and terminal handling
DB2009	*Madagascar*	Implementation of EDI, a single window, risk-based inspections, and improvement of port infrastructure led to a decrease in export and import time.
DB2009	*Mali*	Mali eased trading across borders by introducing a new electronic data interchange system and by reaching a border cooperation agreement with Senegal.
DB2009	*Nigeria*	Port facilities at Apapa port in Lagos were upgraded thereby speeding up the import and export process.
DB2009	*Rwanda*	Due to extended opening hours, implementation or improvement of EDI, risk-based inspections, transportation sector led to a decrease in export and import time.
DB2009	*Senegal*	Introduction of a single window, EDI and risk-based inspections, extension of customs operating hours, improvements of port and road infrastructure, and reducing checkpoints led to a decrease in time for export and import

DB year	Economy	Reform
		as well as documentation.
DB2009	*Sierra Leone*	Sierra Leone eliminated the Export license for coffee.
DB2010	*Angola*	Angola sped the process of trading across borders with a customs improvement program that streamlined procedures and decreased the time and cost of trade.
DB2010	*Benin*	Benin implemented an electronic document (EDI) system that is improving the time needed to clear goods at customs.
DB2010	*Burkina Faso*	Burkina Faso sped up trading across borders with the creation of a one stop shop for commercial trade documents at the Maison de l'Entreprise.
DB2010	*Cameroon*	Improvements at the Guichet Unique du Commerce Exterieur of Douala port and implementation of a cargo GPS tracking system as well as scanners reduced the time to import and export, and improved the security of goods transiting within Cameroon.
DB2010	*Congo, Dem. Rep.*	In Congo Dem. Rep., the participation of private companies in the terminal handling process at the port of Matadi has improved the quality of service reducing the needed time to handle cargos.
DB2010	*Liberia*	Liberia has sped up the trading process with a one stop shop facility bringing together government ministries and agencies, and by streamlining the inspection regime.
DB2010	*Malawi*	The implementation of a risk-based inspection regime and a post-destination clearance program for pre-approved traders has reduced the delays for clearing goods in Malawi.
DB2010	*Mali*	With the implementation of an EDI system, improvements in the terminals used by Malian traders and the streamlining of the documentation required the time to trade has been reduced.
DB2010	*Mauritius*	Mauritius introduced the electronic submission of the customs declaration and bill of lading without requirement of

DB year	Economy	Reform
		physical copies, thus speeding up trade process.
DB2010	*Mozambique*	Administrative improvements at customs has helped reduced the time required to clear goods traded in Mozambique.
DB2010	*Rwanda*	Rwanda has improved trading times with administrative changes such as increased operating hours and enhanced cooperation at the border along with the removal of some documentation requirements for importers and exporters.
DB2010	*Senegal*	Improvements at the container terminal have decreased the time to move containers from the Port of Dakar. Additionnaly, further improvements of the GAINDE system with the expansion of the number of agencies included in the network are facilitating trade.
DB2010	*Sierra Leone*	Despite successful efforts to reduce the time to trade in Sierra Leone, some fees were increased making trading across borders more costly.
DB2010	*Sudan*	Sudan has sped up trading across borders with improved customs clearance and the electronic connection of 10 customs offices with facilitation for traders to file their declaration remotely, and with the addition 2 new scanners at the Port of Sudan .nal.
DB2010	*Uganda*	Uganda has sped up trading times with improved customs processes, benefits from increased operating hours at the Port of Mombasa, and improved cooperation at the border.
DB2011	*Angola*	Angola reduced the time for trading across borders by making investments in port infrastructure and administration.
DB2011	*Burkina Faso*	Burkina Faso reduced documentation requirements for importers and exporters, making it easier to trade.
DB2011	*Ethiopia*	Ethiopia made trading easier by addressing internal bureaucratic inefficiencies.
DB2011	*Kenya*	Kenya speeded up trade by implementing an electronic cargo tracking system and linking this system to the Kenya Revenue Authority's electronic data interchange system for customs

DB year	Economy	Reform
		clearance.
DB2011	*Madagascar*	Madagascar improved communication and coordination between customs and the terminal port operators through its single-window system (GASYNET), reducing both the time and the cost to export and import.
DB2011	*Mali*	Mali eliminated redundant inspections of imported goods, reducing the time for trading across borders.
DB2011	*Rwanda*	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.
DB2011	*Swaziland*	Swaziland reduced the import time of trading across borders by implementing an electronic data interchange system for customs at its border posts.
DB2011	*Zambia*	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.
DB2012	*Gambia, The*	The Gambia made trading across borders faster by implementing the Automated System for Customs Data (ASYCUDA).
DB2012	*Liberia*	Liberia made trading across borders faster by implementing online submission of customs forms and enhancing risk-based inspections.
DB2012	*São Tomé and Príncipe*	São Tomé and Príncipe made trading across borders faster by adopting legislative, administrative and technological improvements.
DB2012	*Senegal*	Senegal made trading across borders less costly by opening the market for transport, which increased competition.
DB2012	*Seychelles*	The Seychelles made trading across borders faster by introducing electronic submission of customs documents.

DB year	Economy	Reform
DB2012	*Sierra Leone*	Sierra Leone made trading across borders faster by implementing the Automated System for Customs Data (ASYCUDA).
DB2012	*Tanzania*	Tanzania made trading across borders faster by implementing the Pre-Arrival Declaration (PAD) system and electronic submission of customs declaration.
DB2013	*Benin*	Benin reduced the time required to trade across borders by implementing an electronic single-window system integrating customs, control agencies, port authorities and other service providers at the Cotonou port.
DB2013	*Botswana*	In Botswana exporting and importing became faster thanks to the introduction of a scanner by the country's customs authority and an upgrade of South Africa's customs declaration system, both at the Kopfontein–Tlokweng border post.
DB2013	*Burundi*	Burundi reduced the time to trade across borders by enhancing its use of electronic data interchange systems, introducing a more efficient system for monitoring goods going through transit countries and improving border coordination with neighboring transit countries.
DB2013	*Ghana*	Ghana added to the time required to import by increasing its scanning of imports and changing its customs clearance system.
DB2013	*Malawi*	Trading across borders in Malawi became easier thanks to improvements in customs clearance procedures and transport links between the port of Beira in Mozambique and Blantyre.
DB2013	*Niger*	Niger reduced the time to import by expanding and optimizing the use of an electronic data interchange system for customs clearance.
DB2013	*South Africa*	South Africa reduced the time and documents required to export and import through its ongoing customs modernization program.

DB year	Economy	Reform
DB2013	*Tanzania*	Tanzania made importing more difficult by introducing a requirement to obtain a certificate of conformity before the imported goods are shipped.
DB2014	*Angola*	Angola increased documentation requirements for cross-border trade by introducing a mandatory registration for all traders and a new license for export and import transactions.
DB2014	*Benin*	Benin made trading across borders easier by improving port management systems, enhancing the infrastructure around the port and putting in place new rules for the transit of trucks.
DB2014	*Burundi*	Burundi made trading across borders easier by eliminating the requirement for a preshipment inspection clean report of findings.
DB2014	*Central African Republic*	The Central African Republic made trading across borders easier by rehabilitating the key transit road at the border with Cameroon.
DB2014	*Chad*	Chad made trading across borders more difficult by introducing a new export and import document.
DB2014	*Congo, Rep.*	The Republic of Congo made trading across borders easier by implementing prearrival processing of ship manifests and making improvements in customs administration.
DB2014	*Guinea*	Guinea made trading across borders easier by improving port management systems.
DB2014	*Madagascar*	Madagascar made trading across borders easier by rolling out an online platform linking trade operators with government agencies involved in the trade process and customs clearance.
DB2014	*Mauritania*	Mauritania made trading across borders easier by introducing a new riskbased inspection system with scanners.
DB2014	*Mozambique*	Mozambique made trading across borders easier by implementing an electronic single-window system.
DB2014	*Rwanda*	Rwanda made trading across borders easier by introducing an

DB year	Economy	Reform
		electronic single-window system at the border.
DB2014	*Swaziland*	Swaziland made trading across borders easier by streamlining the process for obtaining a certificate of origin.
DB2014	*Togo*	Togo made trading across borders more difficult by granting monopoly control of all port activities at the port of Lomé to a private company.

Note: For information on reforms in earlier years (back to DB2005), see the *Doing Business* reports for these years, available at http://www.doingbusiness.org.
Source: Doing Business database.

ENFORCING CONTRACTS

Effective commercial dispute resolution has many benefits. Courts are essential for entrepreneurs because they interpret the rules of the market and protect economic rights. Efficient and transparent courts encourage new business relationships because businesses know they can rely on the courts if a new customer fails to pay. Speedy trials are essential for small enterprises, which may lack the resources to stay in business while awaiting the outcome of a long court dispute.

What do the indicators cover?

Doing Business measures the efficiency of the judicial system in resolving a commercial dispute before local courts. Following the step-by-step evolution of a standardized case study, it collects data relating to the time, cost and procedural complexity of resolving a commercial lawsuit. The ranking on the ease of enforcing contracts is the simple average of the percentile rankings on its component indicators: procedures, time and cost.

The dispute in the case study involves the breach of a sales contract between 2 domestic businesses. The case study assumes that the court hears an expert on the quality of the goods in dispute. This distinguishes the case from simple debt enforcement. To make the data comparable across economies, *Doing Business* uses several assumptions about the case:

- The seller and buyer are located in the economy's largest business city.
- The buyer orders custom-made goods, then fails to pay.
- The seller sues the buyer before a competent court.
- The value of the claim is 200% of income per capita.
- The seller requests a pretrial attachment to secure the claim.
- The dispute on the quality of the goods requires an expert opinion.
- The judge decides in favor of the seller; there is no appeal.
- The seller enforces the judgment through a public sale of the buyer's movable assets.

WHAT THE ENFORCING CONTRACTS INDICATORS MEASURE

Procedures to enforce a contract through the courts (number)

Steps to file and serve 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)

Average attorney fees

Court costs

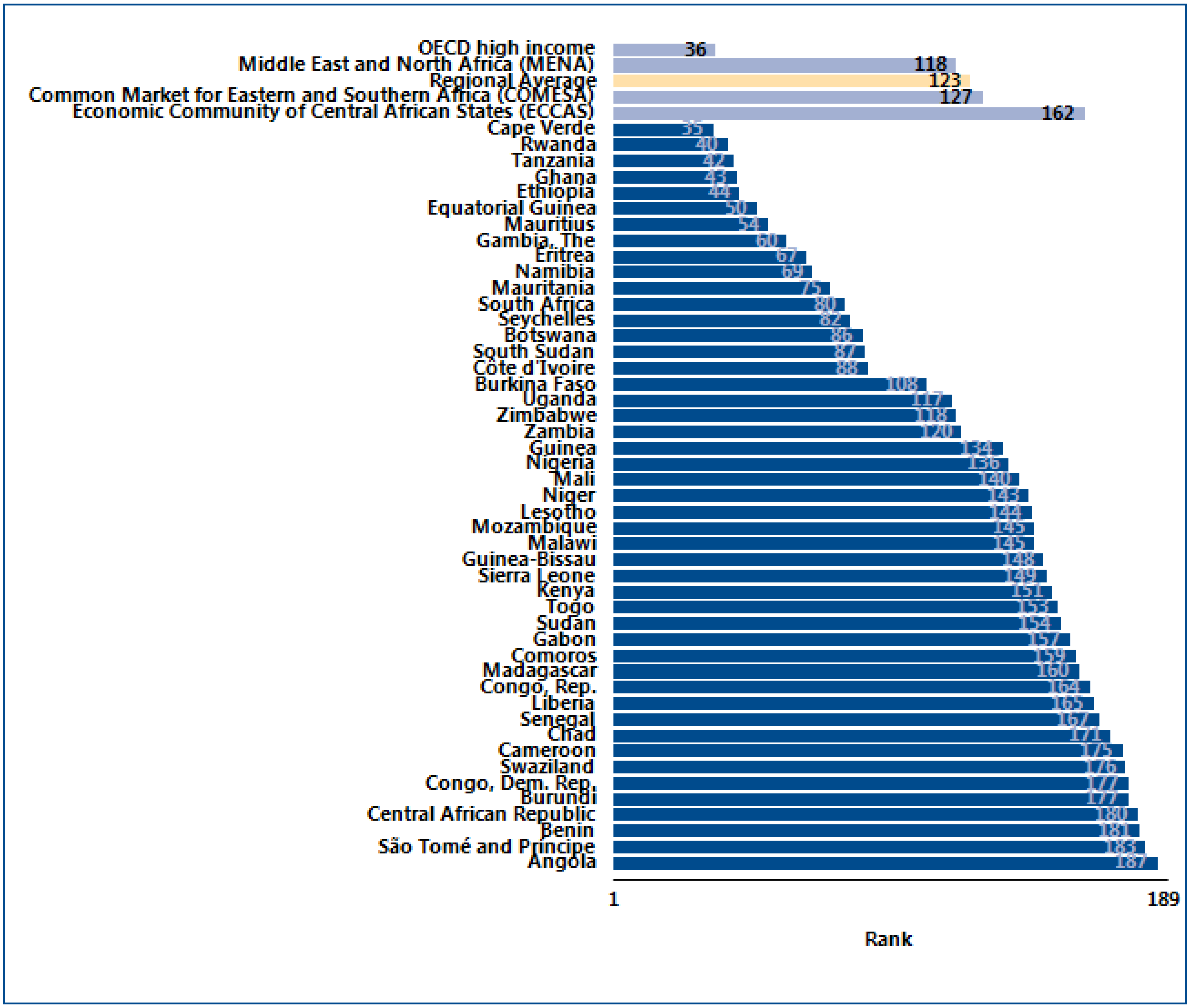
Enforcement costs

ENFORCING CONTRACTS

Where do the region's economies stand today?

How efficient is the process of resolving a commercial dispute through the courts in economies in Sub-Saharan Africa (SSA)? The global rankings of these economies on the ease of enforcing contracts suggest an answer (figure 10.1). The average ranking of the region and comparator regions provide a useful benchmark.

Figure 10.1 How economies in Sub-Saharan Africa (SSA) rank on the ease of enforcing contracts



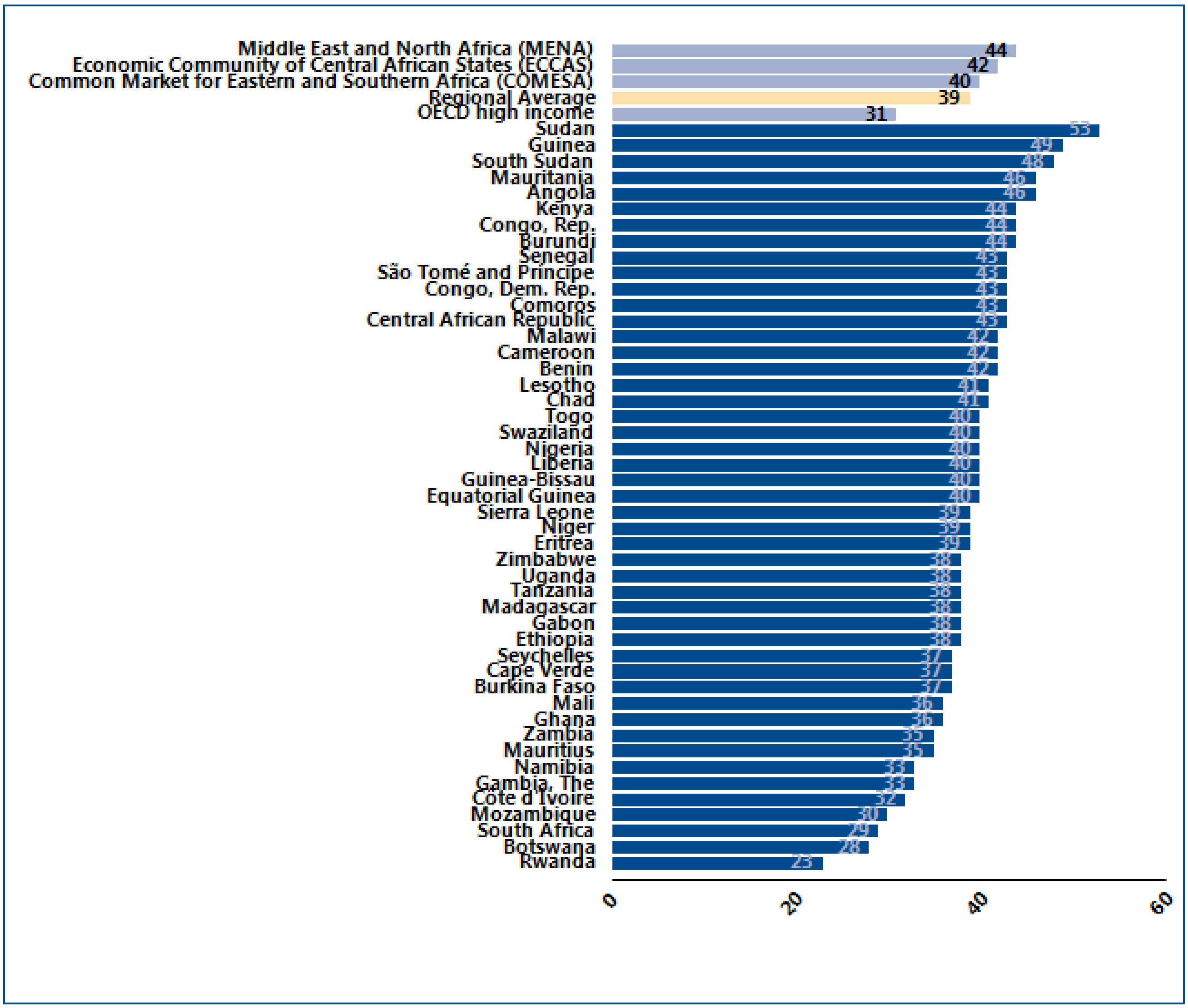
Source: Doing Business database.

ENFORCING CONTRACTS

The indicators underlying the rankings may also be revealing. Data collected by *Doing Business* show what it takes to enforce a contract through the courts in each economy in the region: the number of procedures, the time and the cost (figure 10.2). Comparing these indicators across the region and with averages both for the region and for comparator regions can provide useful insights.

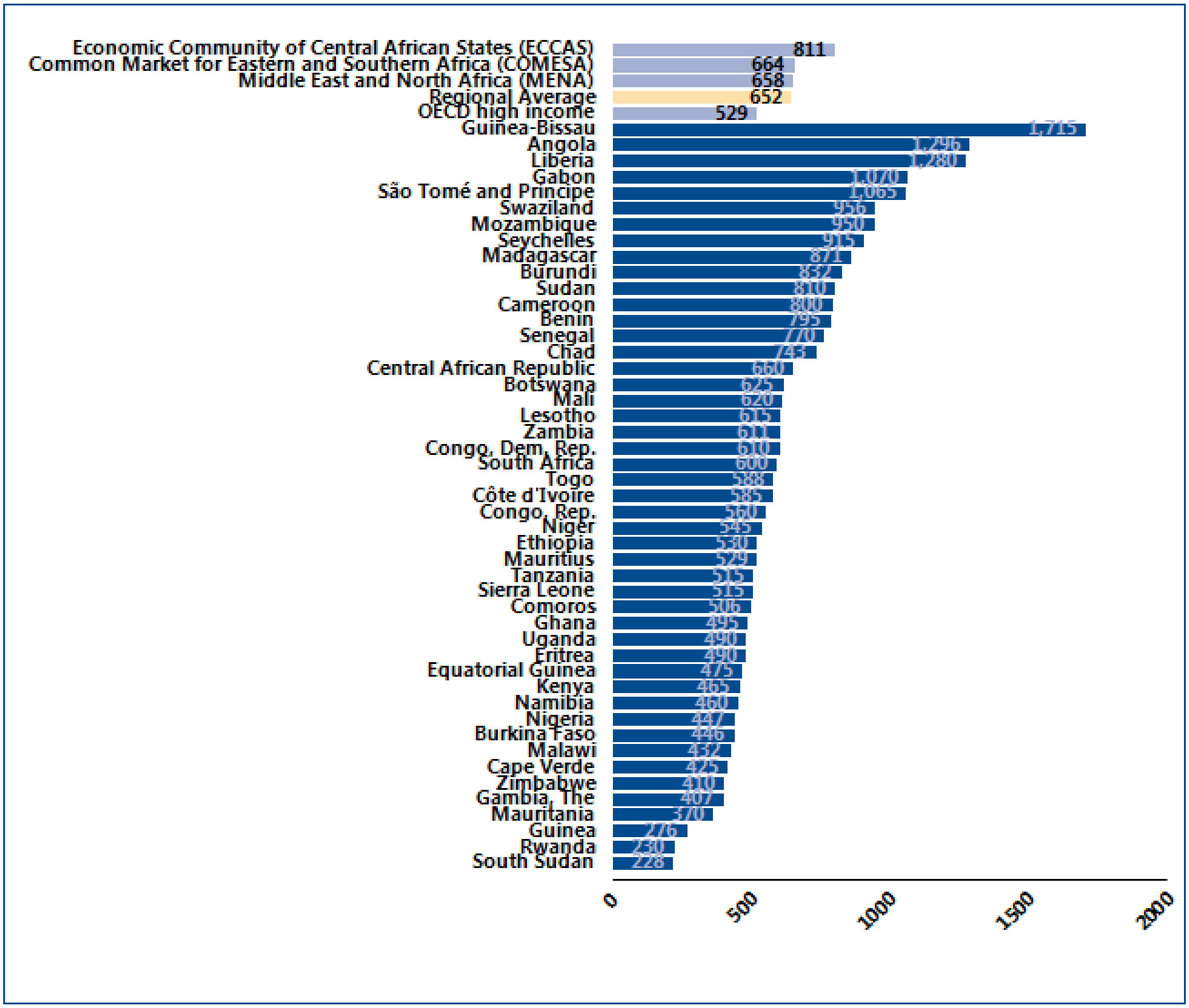
Figure 10.2 What it takes to enforce a contract through the courts in economies in Sub-Saharan Africa (SSA)

Procedures (number)



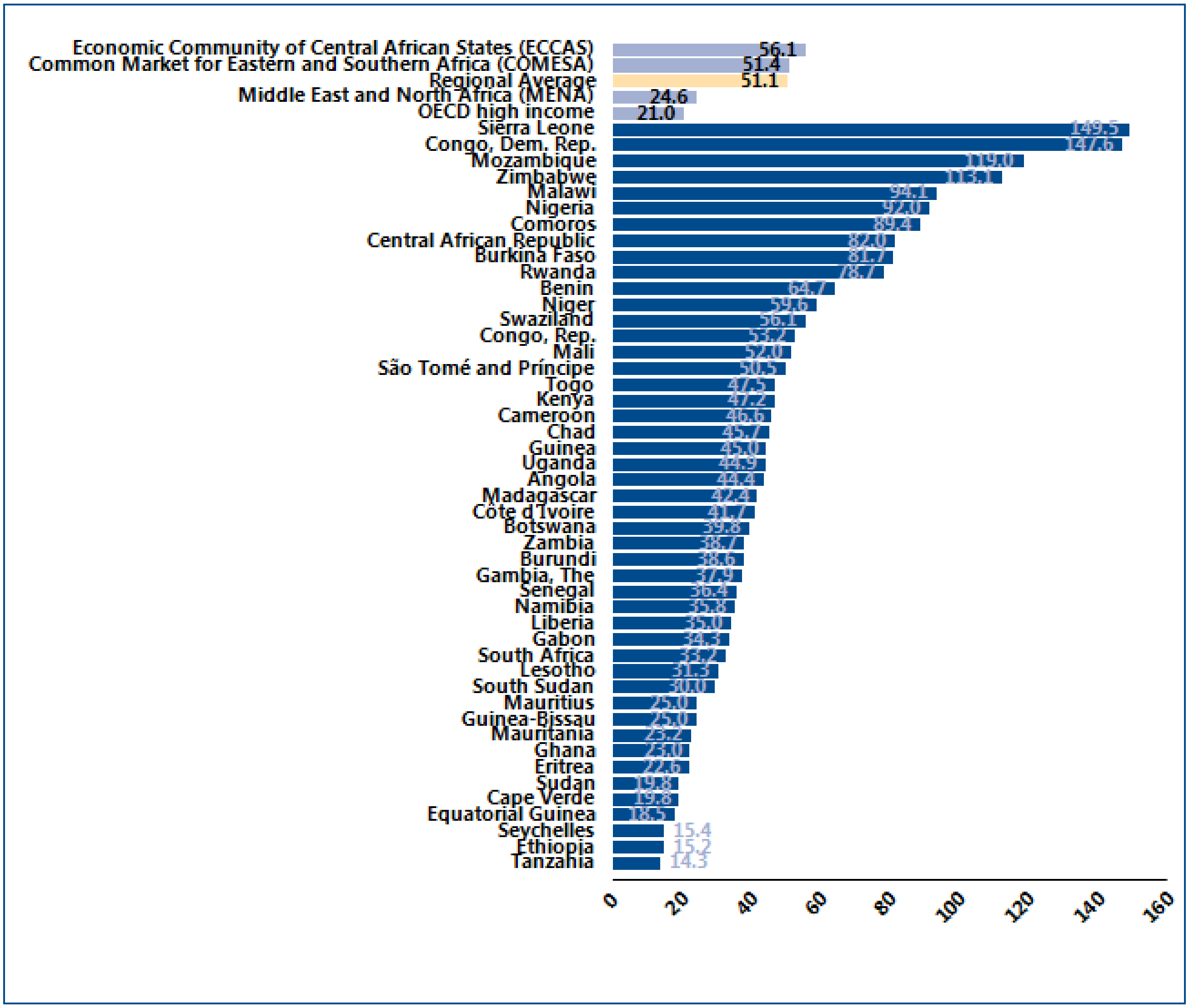
ENFORCING CONTRACTS

Time (days)



ENFORCING CONTRACTS

Cost (% of claim)



Source: Doing Business database.

ENFORCING CONTRACTS

What are the changes over time?

Economies in all regions have improved contract enforcement in recent years. A judiciary can be improved in different ways. Higher-income economies tend to look for ways to enhance efficiency by introducing new technology. Lower-income economies often work on reducing backlogs by introducing periodic reviews to clear inactive cases from the docket and by making procedures faster. What reforms making it easier (or more difficult) to enforce contracts has *Doing Business* recorded in Sub-Saharan Africa (SSA) (table 10.1)?

Table 10.1 How have economies in Sub-Saharan Africa (SSA) made enforcing contracts easier—or not?
By *Doing Business* report year

DB year	Economy	Reform
DB2008	*Burkina Faso*	In the Democratic Republic of Congo, the operation of the commercial court made commercial dispute resolution more efficient.
DB2008	*Congo, Dem. Rep.*	In the Democratic Republic of Congo, the operation of the commercial court made commercial dispute resolution more efficient.
DB2008	*Ghana*	Ghana introduced commercial courts in the capital, makin commercial dispute resolution more efficient.
DB2008	*Malawi*	Malawi has made enforcing contracts easier by opening a commercial court and hiring new judges.
DB2008	*Mauritania*	Mauritania increased the capacity of the courts by hiring new judges and updated the way that commercial courts function.
DB2008	*Mozambique*	Mozambique improved commercial dispute resolution in Maputo by hiring more specialised judges and reducing the time limits in enforcement procedures.
DB2009	*Mozambique*	In Mozambique more than 20 judges were added to the judiciary, all of them receiving formal training. Court administrators were introduced, alleviating the administrative burdens on the judges. At the same time the country introduced performance measurement for judges.
DB2009	*Rwanda*	Commercial courts began operating in three locations, in Kigali, and Rwanda's Northern and Southern province.
DB2010	*Botswana*	The introduction of case management and improved use of information technology has contributed to more efficient resolution of commercial disputes in Botswana.
DB2010	*Burkina Faso*	Burkina Faso has improved contract enforcement by reducing fees, and introducing alternative dispute mechanisms.

DB year	Economy	Reform
DB2010	*Ethiopia*	A combination of backlog reduction, improved case management and internal training, as well as the expanded role of the enforcement judge has been successful in reducing delays in the Ethiopian courts
DB2010	*Mali*	Mali's amendments to its Civil Procedure Code improve the contract enforcement procedures by allowing summons to be served upon filing the plaint at the competent court without intervention of the judge, and introducing case time limits.
DB2010	*Mauritius*	Mauritius set up a specialized commercial division of its Supreme Court, thus improving contract enforcement.
DB2011	*Burkina Faso*	Burkina Faso made enforcing contracts easier by setting up a specialized commercial court and abolishing the fee to register judicial decisions.
DB2011	*Guinea-Bissau*	Guinea-Bissau established a specialized commercial court, speeding up the enforcement of contracts.
DB2011	*Malawi*	Malawi simplified the enforcement of contracts by raising the ceiling for commercial claims that can be brought to the magistrates court.
DB2011	*Mauritius*	Mauritius speeded up the resolution of commercial disputes by recruiting more judges and adding more courtrooms.
DB2011	*Uganda*	Uganda continues to improve the efficiency of its court system, greatly reducing the time to file and serve a claim.
DB2011	*Zambia*	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.
DB2012	*Kenya*	Kenya introduced a case management system that will help increase the efficiency and cost-effectiveness of commercial dispute resolution.
DB2012	*Lesotho*	Lesotho made enforcing contracts easier by launching a specialized commercial court.
DB2012	*Senegal*	Senegal made enforcing contracts easier by launching specialized commercial chambers in the court.
DB2012	*Seychelles*	The Seychelles expanded the jurisdiction of the lower court, increasing the time required to enforce contracts.
DB2012	*Sierra Leone*	Sierra Leone made enforcing contracts easier by launching a fast-track commercial court.

DB year	Economy	Reform
DB2013	*Benin*	Benin made enforcing contracts easier by introducing a new code of civil, administrative and social procedures.
DB2013	*Cameroon*	Cameroon made enforcing contracts easier by creating specialized commercial divisions within its courts of first instance.
DB2013	*Liberia*	Liberia made enforcing contracts easier by creating a specialized commercial court.
DB2013	*Rwanda*	Rwanda made enforcing contracts easier by implementing an electronic filing system for initial complaints.
DB2014	*Côte d'Ivoire*	Côte d'Ivoire made enforcing contracts easier by creating a specialized commercial court.
DB2014	*Mauritius*	Mauritius made enforcing contracts easier by liberalizing the profession of ushers, providing competitive options for litigants to enforce binding decisions.
DB2014	*Togo*	Togo made enforcing contracts easier by creating specialized commercial divisions within the court of first instance.

Note: For information on reforms in earlier years (back to DB2005), see the *Doing Business* reports for these years, available at http://www.doingbusiness.org.
Source: Doing Business database.

RESOLVING INSOLVENCY

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 the speedy return of businesses 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.

What do the indicators cover?

Doing Business studies the time, cost and outcome of insolvency proceedings involving domestic entities. It does not measure insolvency proceedings of individuals and financial institutions. The data are derived from survey responses by local insolvency practitioners and verified through a study of laws and regulations as well as public information on bankruptcy systems.

The ranking on the ease of resolving insolvency is based on the recovery rate, which is recorded as cents on the dollar recouped by creditors through reorganization, liquidation or debt enforcement (foreclosure) proceedings. The recovery rate is a function of time, cost and other factors, such as lending rate and the likelihood of the company continuing to operate.

To make the data comparable across economies, *Doing Business* uses several assumptions about the business and the case. It assumes that the company:

- Is a domestically owned, limited liability company operating a hotel.
- Operates in the economy's largest business city.
- Has 201 employees, 1 main secured creditor and 50 unsecured creditors.
- Has a higher value as a going concern—and that the efficient outcome is either reorganization or sale as a going concern, not piecemeal liquidation.

WHAT THE RESOLVING INSOLVENCY INDICATORS MEASURE

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)

Measured as percentage of estate value

Court fees

Fees of insolvency administrators

Lawyers' fees

Assessors' and auctioneers' fees

Other related fees

Outcome

Whether business continues operating as a going concern or business assets are sold piecemeal

Recovery rate for creditors (cents on the dollar)

Measures the cents on the dollar recovered by creditors

Present value of debt recovered

Official costs of the insolvency proceedings are deducted

Depreciation of furniture is taken into account

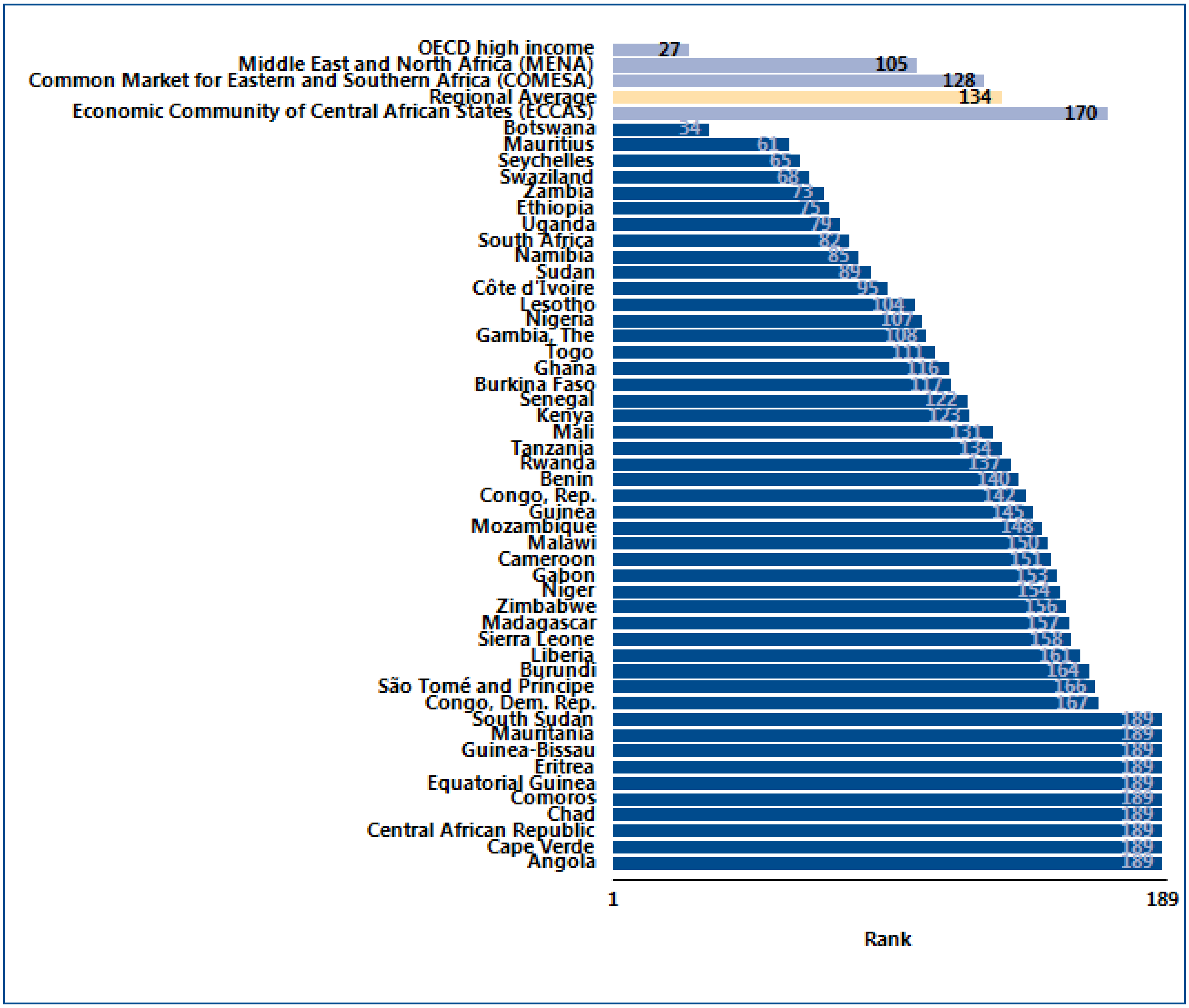
Outcome for the business (survival or not) affects the maximum value that can be recovered

RESOLVING INSOLVENCY

Where do the region's economies stand today?

How efficient are insolvency proceedings in economies in Sub-Saharan Africa (SSA)? The global rankings of these economies on the ease of resolving insolvency suggest an answer (figure 11.1). The average ranking of the region and comparator regions provide a useful benchmark for assessing the efficiency of insolvency proceedings. Speed, low costs and continuation of viable businesses characterize the top-performing economies.

Figure 11.1 How economies in Sub-Saharan Africa (SSA) rank on the ease of resolving insolvency



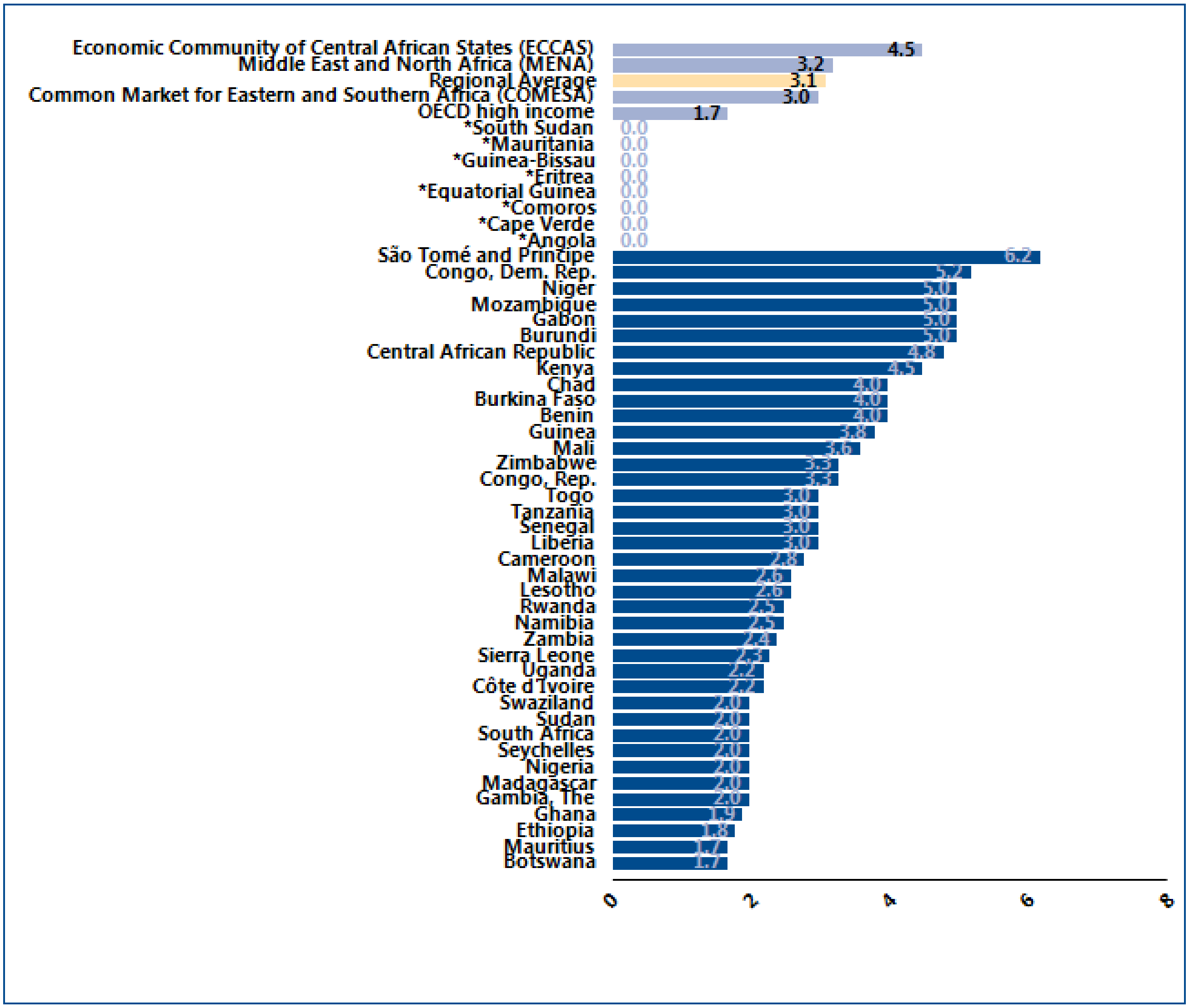
Source: Doing Business database.

RESOLVING INSOLVENCY

The indicators underlying the rankings may be more revealing. Data collected by *Doing Business* show the average time and cost required to resolve insolvency as well as the average recovery rate (figure 11.2). Comparing these indicators across the region and with averages both for the region and for comparator regions can provide useful insights.

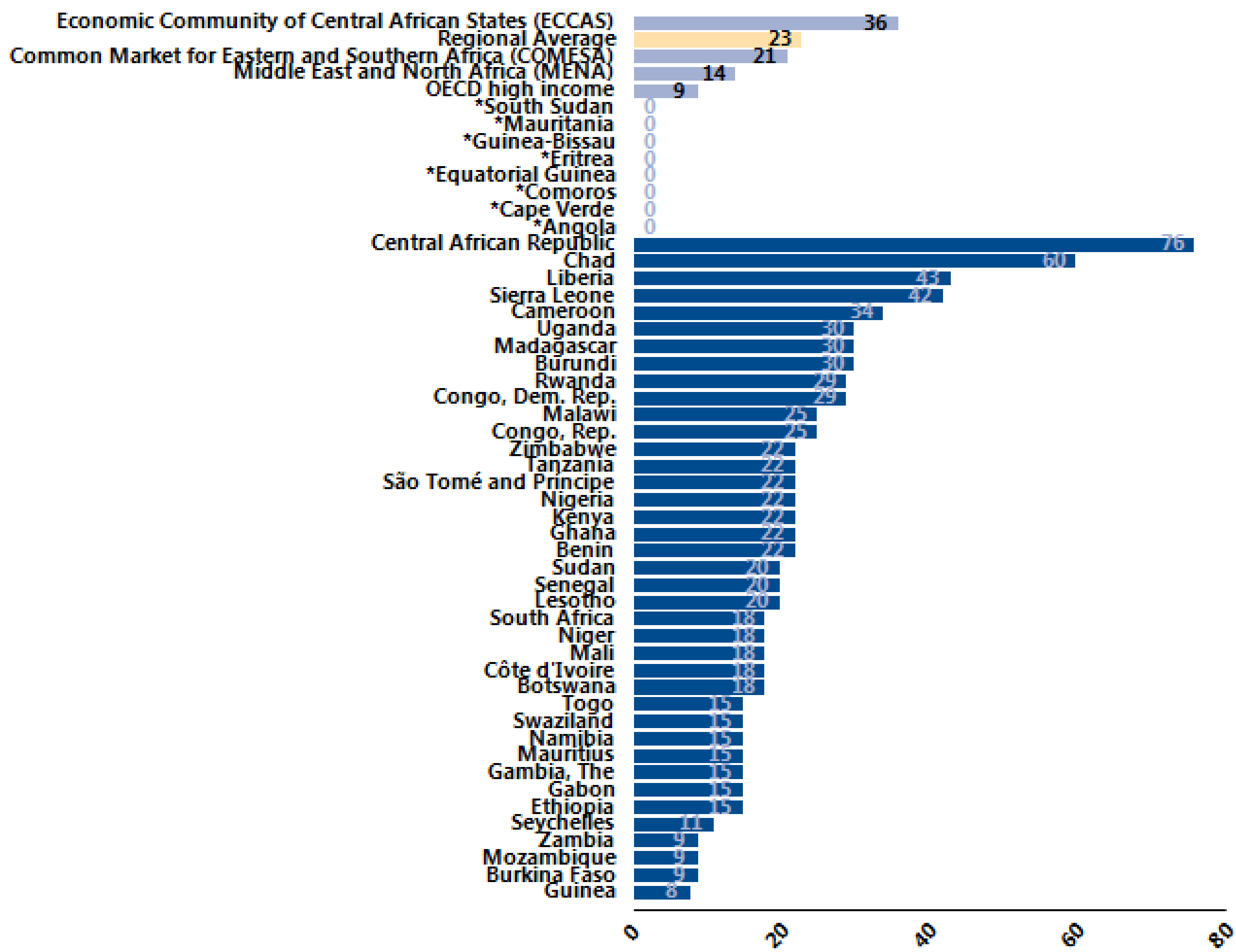
Figure 11.2 How efficient is the insolvency process in economies in Sub-Saharan Africa (SSA)

Time (years)



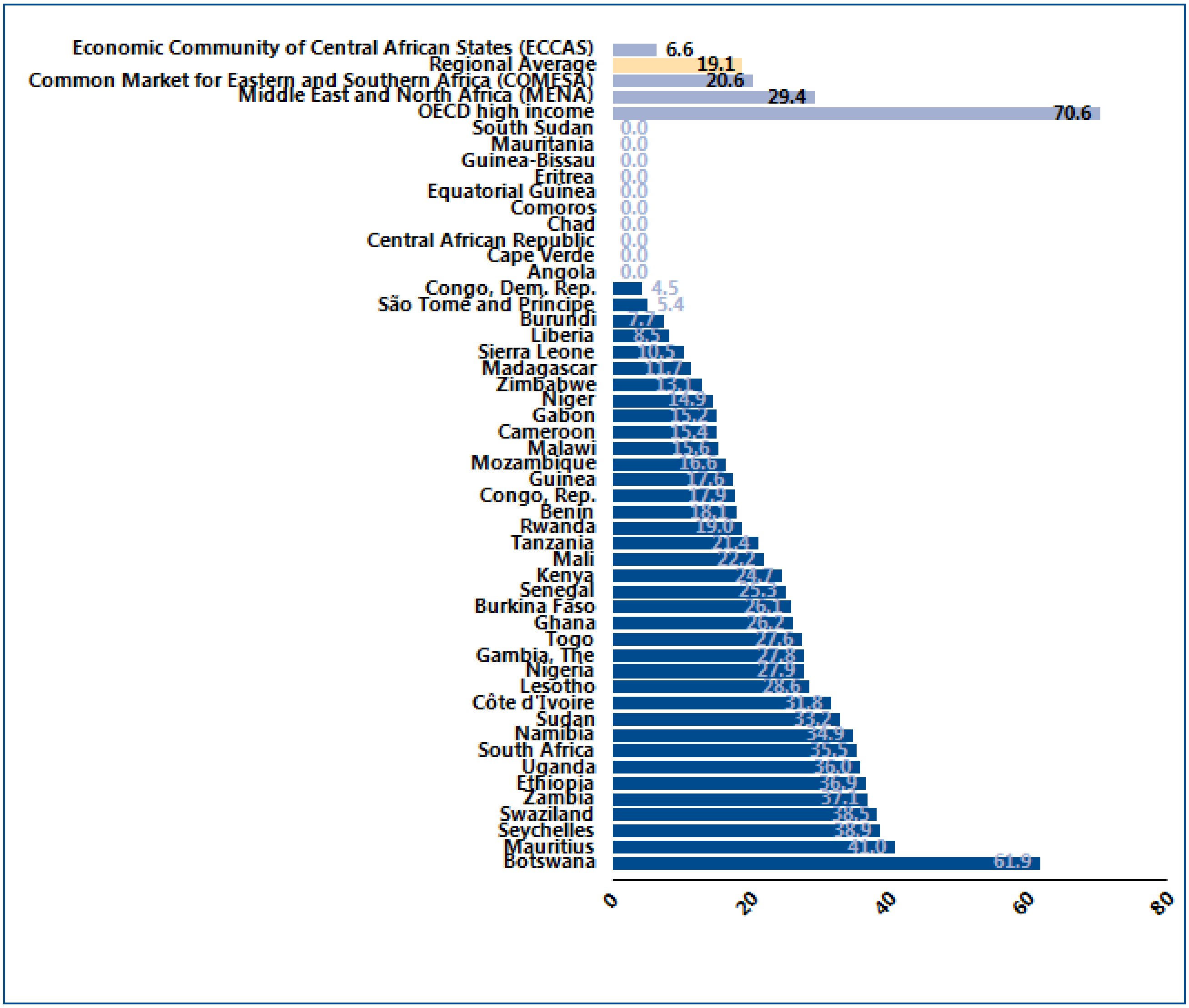
RESOLVING INSOLVENCY

Cost (% of estate)



RESOLVING INSOLVENCY

Recovery rate (cents on the dollar)



* Indicates a "no practice" mark. See the data notes for details.
Source: Doing Business database.

RESOLVING INSOLVENCY

What are the changes over time?

A well-balanced bankruptcy system distinguishes companies that are financially distressed but economically viable from inefficient companies that should be liquidated. But in some insolvency systems even viable businesses are liquidated. This is starting to change. Many recent reforms of bankruptcy laws have been aimed at helping more of the viable businesses survive. What insolvency reforms has *Doing Business* recorded in Sub-Saharan Africa (SSA) (table 11.1)?

Table 11.1 How have economies in Sub-Saharan Africa (SSA) made resolving insolvency easier—or not?
By *Doing Business* report year

DB year	Economy	Reform
DB2008	*Botswana*	Botswana amended its Employment Act to increase the priority ranking of employee benefits to preferred status. Botswana also amended the Insolvency Act to criminalize false statements by the insolvent company which may affect a prospective buyer's decision whether or not to purchase the company as a going concern.
DB2008	*Mauritius*	Mauritius adopted legislation that made the process of sale of immovable property after default on a credit agreement more efficient and less susceptible to abuse by creditors.
DB2010	*Malawi*	Malawi introduced a new law limiting the liquidator's fees during insolvency procedures.
DB2010	*Mauritius*	A new insolvency law in Mauritius introduces a rehabilitation procedure for companies as an alternative to winding up, and defines the rights and obligations of creditors and debtors and sanctions for those who abuse the system.
DB2010	*Rwanda*	Rwanda improved the process of dealing with distressed companies with a new law that aims at streamlining reorganization procedures.
DB2010	*Sierra Leone*	Sierra Leone eased the process of insolvency with a new Companies Act that new provides provisions on re-organization and administration that are new encouraging an ailing business to first try to re-organize rather than going straight into liquidation.
DB2012	*Burundi*	Burundi amended its commercial code to establish foreclosure procedures.
DB2012	*Cape Verde*	Cape Verde introduced qualification requirements for insolvency administrators and a shorter time frame for liquidation proceedings.

DB year	Economy	Reform
DB2012	*Malawi*	Malawi adopted new rules providing clear procedural requirements and time frames for winding up a company.
DB2012	*Namibia*	Namibia adopted a new company law that established clear procedures for liquidation.
DB2012	*Sierra Leone*	Sierra Leone established a fast-track commercial court in an effort to expedite commercial cases, including insolvency proceedings.
DB2012	*South Africa*	South Africa introduced a new reorganization process to facilitate the rehabilitation of financially distressed companies.
DB2013	*Uganda*	Uganda strengthened its insolvency process by clarifying rules on the creation of mortgages, establishing the duties of mortgagors and mortgagees, defining priority rules, providing remedies for mortgagors and mortgagees and establishing the powers of receivers.
DB2013	*Zambia*	Zambia strengthened its insolvency process by introducing further qualification requirements for receivers and liquidators and by establishing specific duties and remuneration rules for them.
DB2014	*Congo, Dem. Rep.*	The Democratic Republic of Congo made resolving insolvency easier by adopting the OHADA Uniform Act Organizing Collective Proceedings for Wiping Off Debts. The law allows an insolvent debtor to file for preventive settlement, legal redress or liquidation and sets out clear rules on the steps and procedures for each of the options available.
DB2014	*Mauritius*	Mauritius made resolving insolvency easier by introducing guidelines for out-of-court restructuring and standardizing the process of registration, suspension and removal of insolvency practitioners.
DB2014	*Rwanda*	Rwanda made resolving insolvency easier through a new law clarifying the standards for beginning insolvency proceedings; preventing the separation of the debtor's assets during reorganization proceedings; setting clear time limits for the submission of a reorganization plan; and implementing an automatic stay of creditors' enforcement actions.
DB2014	*Tanzania*	Tanzania made resolving insolvency easier through new rules clearly specifying the professional requirements and remuneration for insolvency practitioners, promoting reorganization proceedings and streamlining insolvency proceedings.

Note: For information on reforms in earlier years (back to DB2005), see the *Doing Business* reports for these years, available at http://www.doingbusiness.org.

Source: Doing Business database.

DATA NOTES

The indicators presented and analyzed in Doing Business measure business regulation and the protection of property rights—and their effect on businesses, especially small and medium-size domestic firms. First, the indicators document the complexity of regulation, such as the number of procedures to start a business or to register and transfer commercial property. Second, they gauge the time and cost to achieve a regulatory goal or comply with regulation, such as the time and cost to enforce a contract, go through bankruptcy or trade across borders. Third, they measure the extent of legal protections of property, for example, the protections of investors against looting by company directors or the range of assets that can be used as collateral according to secured transactions laws. Fourth, a set of indicators documents the tax burden on businesses. Finally, a set of data covers different aspects of employment regulation. The 11 sets of indicators measured in Doing Business were added over time, and the sample of economies expanded.

The data for all sets of indicators in *Doing Business 2014* are for June 2013.[2]

Methodology

The *Doing Business* data are collected in a standardized way. To start, the *Doing Business* team, with academic advisers, designs a questionnaire. The questionnaire uses a simple business case to ensure comparability across economies and over time—with assumptions about the legal form of the business, its size, its location and the nature of its operations. Questionnaires are administered to more than 10,200 local experts, including lawyers, business consultants, accountants, freight forwarders, government officials and other professionals routinely administering or advising on legal and regulatory requirements (table 21.2). These experts have several rounds of interaction with the *Doing Business* team, involving conference calls, written correspondence and visits by the team. For *Doing Business 2014* team members visited 33 economies to verify data and recruit respondents. The data from questionnaires are subjected to numerous rounds of verification, leading to revisions or expansions of the information collected.

ECONOMY CHARACTERISTICS

Gross national income per capita

Doing Business 2014 reports 2012 income per capita as published in the World Bank's *World Development Indicators 2013*. Income is calculated using the Atlas method (current U.S. dollars). For cost indicators expressed as a percentage of income per capita, 2012 gross national income (GNI) in U.S. dollars is used as the denominator. GNI data were not available from the World Bank for Afghanistan, The Bahamas, Bahrain, Barbados, Brunei Darussalam, Djibouti, the Islamic Republic of Iran, Kuwait, Libya, Myanmar, New Zealand, Oman, San Marino, the Syrian Arab Republic, West Bank and Gaza, and the Republic of Yemen. In these cases GDP or GNP per capita data and growth rates from other sources, such as the International Monetary Fund's World Economic Outlook database and the Economist Intelligence Unit, were used.

Region and income group

Doing Business uses the World Bank regional and income group classifications, available at http://data.worldbank.org/about/country-classifications. The World Bank does not assign regional classifications to high-income economies. For the purpose of the *Doing Business* report, high-income OECD economies are assigned the "regional" classification *OECD high income*. Figures and tables presenting regional averages include economies from all income groups (low, lower middle, upper middle and high income).

Population

Doing Business 2014 reports midyear 2012 population statistics as published in *World Development Indicators 2013*.

The *Doing Business* methodology offers several advantages. It is transparent, using factual information

[2] The data for paying taxes refer to January – December 2012.

about what laws and regulations say and allowing multiple interactions with local respondents to clarify potential misinterpretations of questions. Having representative samples of respondents is not an issue; *Doing Business* is not a statistical survey, and the texts of the relevant laws and regulations are collected and answers checked for accuracy. The methodology is inexpensive and easily replicable, so data can be collected in a large sample of economies. Because standard assumptions are used in the data collection, comparisons and benchmarks are valid across economies. Finally, the data not only highlight the extent of specific regulatory obstacles to business but also identify their source and point to what might be reformed. Information on the methodology for each *Doing Business* topic can be found on the *Doing Business* website at http://www.doingbusiness.org/methodology.

Limits to what is measured

The Doing Business methodology has 5 limitations that should be considered when interpreting the data. First, the collected data refer to businesses in the economy's largest business city (which in some economies differs from the capital) and may not be representative of regulation in other parts of the economy. To address this limitation, subnational *Doing Business* indicators were created (box 21.1). Second, the data often focus on a specific business form—generally a limited liability company (or its legal equivalent) of a specified size—and may not be representative of the regulation on other businesses, for example, sole proprietorships. Third, transactions described in a standardized case scenario refer to a specific set of issues and may not represent the full set of issues a business encounters. Fourth, the measures of time involve an element of judgment by the expert respondents. When sources indicate different estimates, the time indicators reported in *Doing Business* represent the median values of several responses given under the assumptions of the standardized case.

Finally, the methodology assumes that a business has full information on what is required and does not waste time when completing procedures. In practice, completing a procedure may take longer if the business lacks information or is unable to follow up promptly. Alternatively, the business may choose to disregard some burdensome procedures. For both reasons the time delays reported in *Doing Business 2014* would differ from the recollection of entrepreneurs reported in the World Bank Enterprise Surveys or other perception surveys.

This year *Doing Business* completed subnational studies in Colombia, Italy and the city of Hargeisa (Somaliland) and is currently updating indicators in Egypt, Mexico and Nigeria. *Doing Business* also published regional studies for the g7+ and the East African Community. The g7+ group is a country-owned and country-led global mechanism established in April 2010 to monitor, report and draw attention to the unique challenges faced by fragile states. The member countries included in the report are Afghanistan, Burundi, the Central African Republic, Chad, the Comoros, the Democratic Republic of Congo, Côte d'Ivoire, Guinea, Guinea-Bissau, Haiti, Liberia, Papua New Guinea, Sierra Leone, the Solomon Islands, South Sudan, Timor-Leste and Togo.

The subnational studies point to differences in business regulation and its implementation—as well as in the pace of regulatory reform—across cities in the same economy. For several economies subnational studies are now periodically updated to measure change over time or to expand geographic coverage to additional cities. This year that is the case for all the subnational studies published.

Changes in what is measured

The methodology for 2 indicator sets—trading across borders and paying taxes—was updated this year. For trading across borders, documents that are required purely for purposes of preferential treatment are no longer included in the list of documents (for example, a certificate of origin if the use is only to qualify for a preferential tariff rate under trade agreements). For paying taxes, the value of fuel taxes is no longer included in the total tax rate because of the difficulty of computing these taxes in a consistent way across all economies covered. The fuel tax amounts are in most cases very small, and measuring these amounts is often complicated because they depend on fuel consumption. Fuel taxes continue to be counted in the number of payments.

In a change involving several indicator sets, the rule establishing that each procedure must take at least 1 day was removed for procedures that can be fully completed online in just a few hours. This change affects the time indicator for starting a business, dealing with construction permits and registering property.[3] For procedures that can be fully completed online, the duration is now set at half a day rather than a full day.

The threshold for the total tax rate introduced in 2011 for the purpose of calculating the ranking on the ease of paying taxes was updated. All economies with a total tax rate below the threshold (which is calculated and adjusted on a yearly basis) receive the same ranking on the total tax rate indicator. The threshold is not based on any economic theory of an "optimal tax rate" that minimizes distortions or maximizes efficiency in the tax system of an economy overall. Instead, it is mainly empirical in nature, set at the lower end of the distribution of tax rates levied on medium-size enterprises in the manufacturing sector as observed through the paying taxes indicators. This reduces the bias in the indicators toward economies that do not need to levy significant taxes on companies like the *Doing Business* standardized case study company because they raise public revenue in other ways—for example, through taxes on foreign companies, through taxes on sectors other than manufacturing or from natural resources (all of which are outside the scope of the methodology). This year the threshold is 25,5%.

Data challenges and revisions

Most laws and regulations underlying the *Doing Business* data are available on the *Doing Business* website at http://www.doingbusiness.org. All the sample questionnaires and the details underlying the indicators are also published on the website. Questions on the methodology and challenges to data can be submitted through the website's "Ask a Question" function at http://www.doingbusiness.org.

Ease of doing business and distance to frontier

Doing Business 2014 presents results for 2 aggregate measures: the aggregate ranking on the ease of doing business and the distance to frontier measure. The ease of doing business ranking compares economies with one another, while the distance to frontier measure benchmarks economies to the frontier in regulatory practice, measuring the absolute distance to the best performance on each indicator. Both measures can be used for comparisons over time. When compared across years, the distance to frontier measure shows how much the regulatory environment for local entrepreneurs in each economy has changed over time in absolute terms, while the ease of doing business ranking can show only relative change.

Ease of doing business

The ease of doing business index ranks economies from 1 to 189. For each economy the ranking is calculated as the simple average of the percentile rankings on each of the 10 topics included in the index in *Doing Business 2014*: starting a business, dealing with construction permits, getting electricity, registering property, getting credit, protecting investors, paying taxes, trading across borders, enforcing contracts, and resolving insolvency. The employing workers indicators are not included in this year's aggregate ease of doing business ranking.

Construction of the ease of doing business index

Here is one example of how the ease of doing business index is constructed. In Denmark it takes 4 procedures, 5.5 days and 0.2% of annual income per capita in fees to open a business. The minimum capital requirement is 24% of annual income per capita. On these 4 indicators Denmark ranks in the 12th, 11th, 1st and 79th percentiles. So on average Denmark ranks in the 25th percentile on the ease of starting a business. It ranks in the 21st percentile on getting credit, 19th percentile on paying taxes, 27th percentile on enforcing contracts, 5th percentile on resolving insolvency and so on. Higher rankings indicate simpler regulation and stronger protection of property rights. The simple average of Denmark's percentile rankings on all topics is 17th. When all economies are ordered by their average percentile rankings, Denmark stands at 5 in the aggregate ranking on the ease of doing business.

More complex aggregation methods—such as principal components and unobserved components—yield a ranking nearly identical to the simple average

[3] For getting electricity the rule that each procedure must take a minimum of 1 day still applies because in practice there are no cases in which procedures can be fully completed online in less than a day. For example, even though in some cases it is possible to apply for an electricity connection online, additional requirements mean that the process cannot be completed in less than 1 day.

used by *Doing Business*.[4] Thus, *Doing Business* uses the simplest method: weighting all topics equally and, within each topic, giving equal weight to each of the topic components.

If an economy has no laws or regulations covering a specific area—for example, insolvency—it receives a "no practice" mark. Similarly, an economy receives a "no practice" or "not possible" mark if regulation exists but is never used in practice or if a competing regulation prohibits such practice. Either way, a "no practice" mark puts the economy at the bottom of the ranking on the relevant indicator.

The ease of doing business index is limited in scope. It does not account for an economy's proximity to large markets, the quality of its infrastructure services (other than services related to trading across borders and getting electricity), the strength of its financial system, the security of property from theft and looting, macroeconomic conditions or the strength of underlying institutions.

Variability of economies' rankings across topics

Each indicator set measures a different aspect of the business regulatory environment. The rankings of an economy can vary, sometimes significantly, across indicator sets. The average correlation coefficient between the 10 indicator sets included in the aggregate ranking is 0.38, and the coefficients between any 2 sets of indicators range from 0.18 (between getting electricity and getting credit) to 0.58 (between trading across borders and resolving insolvency and between trading across borders and getting electricity). These correlations suggest that economies rarely score universally well or universally badly on the indicators.

Consider the example of Canada. It stands at 19 in the aggregate ranking on the ease of doing business. Its ranking is 2 on starting a business, 4 on protecting investors, and 8 on paying taxes. But its ranking is only 58 on enforcing contracts, 116 on dealing with construction permits and 145 on getting electricity.

Variation in performance across the indicator sets is not at all unusual. It reflects differences in the degree of priority that government authorities give to particular areas of business regulation reform and the ability of different government agencies to deliver tangible results in their area of responsibility.

Distance to frontier measure

A drawback of the ease of doing business ranking is that it can measure the regulatory performance of economies only relative to the performance of others. It does not provide information on how the absolute quality of the regulatory environment is improving over time. Nor does it provide information on how large the gaps are between economies at a single point in time.

The distance to frontier measure is designed to address both shortcomings, complementing the ease of doing business ranking. This measure illustrates the distance of an economy to the "frontier," and the change in the measure over time shows the extent to which the economy has closed this gap. The frontier is a score derived from the most efficient practice or highest score achieved on each of the component indicators in 10 *Doing Business* indicator sets (excluding the employing workers indicators) by any economy. In starting a business, for example, Canada and New Zealand have achieved the highest performance on the number of procedures required (1) and on the time (0.5 days), Denmark and Slovenia on the cost (0% of income per capita) and Chile, Zambia and 99 other economies on the paid-in minimum capital requirement (0% of income per capita) (table 22.2).

Calculating the distance to frontier for each economy involves 2 main steps. First, individual indicator scores are normalized to a common unit: except for the total tax rate, each of the 31 component indicators y is rescaled to (max − y)/(max − min), with the minimum value (min) representing the frontier—the highest performance on that indicator across all economies since 2003 or the first year the indicator was collected.[5] For the total tax rate, consistent with the calculation of

[4] See Simeon Djankov, Darshini Manraj, Caralee McLiesh and Rita Ramalho, "*Doing Business* Indicators: Why Aggregate, and How to Do It" (World Bank, Washington, DC, 2005). Principal components and unobserved components methods yield a ranking nearly identical to that from the simple average method because both these methods assign roughly equal weights to the topics, since the pairwise correlations among indicators do not differ much. An alternative to the simple average method is to give different weights to the topics, depending on which are considered of more or less importance in the context of a specific economy.

[5] Even though scores for the distance to frontier are calculated from 2005, data from as early as 2003 are used to define the frontier

the rankings, the frontier is defined as the total tax rate at the 15th percentile of the overall distribution of total tax rates for all years. Second, for each economy the scores obtained for individual indicators are aggregated through simple averaging into one distance to frontier score, first for each topic and then across all topics. An economy's distance to frontier is indicated on a scale from 0 to 100, where 0 represents the lowest performance and 100 the frontier.

The maximum (max) and minimum (min) observed values are computed for all economies included in the *Doing Business* sample since 2003 and for all years (from 2003 to 2013). To mitigate the effects of extreme outliers in the distributions of the rescaled data (very few economies need 694 days to complete the procedures to start a business, but many need 9 days), the maximum (max) is defined as the 95th percentile of the pooled data for all economies and all years for each indicator. The exceptions are the getting credit, protecting investors and resolving insolvency indicators, whose construction precludes outliers. In addition, the cost to export and cost to import for each year are divided by the GDP deflator, so as to take the general price level into account when benchmarking these absolute-cost indicators across economies with different inflation trends. The base year for the deflator is 2013 for all economies.

The difference between an economy's distance to frontier score in any previous year and its score in 2013 illustrates the extent to which the economy has closed the gap to the frontier over time. And in any given year the score measures how far an economy is from the highest performance at that time.

Take Colombia, which has a score of 70.5 on the distance to frontier measure for 2014. This score indicates that the economy is 29.5 percentage points away from the frontier constructed from the best performances across all economies and all years. Colombia was further from the frontier in 2009, with a score of 66.2. The difference between the scores shows an improvement over time.

The distance to frontier measure can also be used for comparisons across economies in the same year, complementing the ease of doing business ranking. For example, Colombia stands at 63 this year in the ease of doing business ranking, while Peru, which is 29.3 percentage points from the frontier, stands at 42.

Economies that improved the most across 3 or more Doing Business topics in 2012/13

Doing Business 2014 uses a simple method to calculate which economies improved the most in the ease of doing business. First, it selects the economies that in 2012/13 implemented regulatory reforms making it easier to do business in 3 or more of the 10 topics included in this year's ease of doing business ranking.[6] Twenty-nine economies meet this criterion: Azerbaijan, Belarus, Burundi, Côte d'Ivoire, Croatia, Djibouti, Gabon, Guatemala, Guinea, Italy, Kosovo, Latvia, the former Yugoslav Republic of Macedonia, Malaysia, Mauritius, Mexico, Moldova, Mongolia, Morocco, Panama, the Philippines, the Republic of Congo, Romania, the Russian Federation, Rwanda, Sri Lanka, Ukraine, Uzbekistan and the United Arab Emirates. Second, Doing Business sorts these economies on the increase in their distance to frontier measure from the previous year using comparable data.

Selecting the economies that implemented regulatory reforms in at least 3 topics and improved the most in the distance to frontier measure is intended to highlight economies with ongoing, broadbased reform programs. The criterion for identifying the top improvers was changed from last year. The improvement in ease of doing business ranking is no longer used. The improvement in the distance to frontier measure is used instead because under this measure economies are sorted according to their absolute improvement instead of relative improvement.

[6] *Doing Business* reforms making it more difficult to do business are subtracted from the total number of those making it easier to do business.

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