

**Dealing with licenses Survey**

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Dear Contributor,

We would like to thank you for your cooperation with the *Doing Business* project. The information you provide is analyzed and presented in the *Doing Business* report, an annual publication of the World Bank and the International Finance Corporation that benchmarks business regulation in 178 economies worldwide.

Last year's report, *Doing Business 2008*, was a great success and inspired more than 3500 articles in the press, thanks to the generous contribution of 5000 experts like you in 178 economies. Since its inception, *Doing Business* has inspired or informed 113 reforms around the world. Thanks to reforms in licensing regulations, builders from Georgia to Kenya can now obtain permits and connect to utilities faster and cheaper. Your participation has been essential to this success.

For *Doing Business 2009*, we are honored to benefit once again from your expertise. Please answer the three part survey on the following pages. The first section asks you to review the summary of procedures to build a warehouse in country's largest business city. The second section asks if there were any legal or administrative changes affecting the procedures, time and cost to obtain a regulatory permit and receive inspections during the process of building a warehouse between June 2007 and the present. The third section asks about common practices available in your country.

Please return the completed questionnaire within the next 20 working days, the latest by February, 14<sup>th</sup> 2008 to (sender's email). If you have any questions, do not hesitate to contact us.

The World Bank has also recently launched a blog that offers you the possibility to read about experiences and insights of the *Doing Business* team, its local partners, private sector specialists and reformers. Please visit our blog at <http://blog.doingbusiness.org>, and exchange views or comments with specialists like you from around the world.

Thank you again for your invaluable contribution to the World Bank's work.

Sincerely,



Dana Omran  
Phone: (1-202) 473 6291  
Fax: (1-202) 473-5758  
E-mail: [domran@worldbank.org](mailto:domran@worldbank.org)



Umar Shavurov  
Phone: (1-202) 473 6789  
Fax: (1-202) 473-5758  
E-mail: [ushavurov@worldbank.org](mailto:ushavurov@worldbank.org)



Alejandro Espinosa-Wang  
Phone: (1-202) 458-4095  
Fax: (1-202) 473-5758  
E-mail: [aespinosa@worldbank.org](mailto:aespinosa@worldbank.org)

## How to proceed:

1. Please review the assumptions of the case study and the definitions to understand fully the context of the survey.
2. Update your contact information, the information you would like us to publish, and the information regarding others who contributed to the completion of this survey.
3. In the Doing Business 2008 information section you will find a summary of start-up procedures, time and cost to build a warehouse based on last year's responses. Please provide us, in the allocated spaces, with any reforms or administrative changes that have taken place.
4. In the Reforms section, please describe any new administrative or legal changes that have taken place between June 2007 and now, which affected a procedures, time and cost.
5. In the Common practices section, please indicate which best practices are available, legally and in practice.

## Assumptions

Please carefully read the following assumptions to understand the context of the survey.

### The company (BuildCo):

- Is a limited liability company.
- Operates in the country's largest business city: Berlin
- Is 100% domestically and privately-owned.
- Has 5 owners, none of whom is a legal entity.
- Is fully licensed and insured to carry out construction projects, such as building warehouses.
- Has 20 builders and other employees, all of them nationals with the technical expertise and professional experience necessary to obtain construction permits and approvals.
- Has at least one employee who is a licensed architect and registered with the local association of architects.
- Has already paid all taxes and taken out all necessary insurances that are applicable to its general business activity (accidental insurance for construction workers and third-person liability insurance).
- Owns the land that the warehouse is built on.

## Definitions

A **procedure** is any interaction of the company's employees or managers with external parties, including government agencies, notaries, the land registry, the cadastre, utility companies, public and private inspectors and technical experts apart from in-house architects and engineers. Interactions between company employees, such as development of the warehouse plans and inspections conducted by employees, are not counted as procedures. Procedures that the company undergoes to connect to electricity, water, sewerage, and phone services are included. All procedures that are legally or in practice required for building a warehouse are counted, even if they may be avoided in exceptional cases.

**Time** is recorded in calendar days. The measure captures the median duration that local experts indicate is necessary to complete a procedure **in practice**. It is assumed that the minimum time required for each procedure is 1 day. The time span for each procedure starts with the first filing of the application or demand, and ends once the company has received the final document or service requested. If a procedure can be accelerated legally for an additional cost, the fastest procedure is chosen. It is assumed that BuildCo does not waste time and commits to completing each remaining procedure without delay. It is assumed that BuildCo is aware of all building requirements and their sequence from the beginning.

**Costs** only include official fees. Non-recurring taxes that are necessary for the completion of the specific project are recorded. Bribes are excluded. If possible, the relevant fee schedule or calculation formula should be indicated (for example, as a percentage of the warehouse value). Professional fees (engineers association, private testing companies, etc) are only included if the company is required to use such services.

Existing Contact information:

	Please provide us with your updated information, if any.	Please mark the information you would like published?
<b>Title (Mr., Ms., etc.)</b>	[    ]	<input type="checkbox"/>
<b>Name</b>	[    ] (first/given) [    ] (last/family)	<input type="checkbox"/>
<b>Position</b>	[    ]	<input type="checkbox"/>
<b>Firm</b>	[    ]	<input type="checkbox"/>
<b>Mailing Address</b>	[    ] (street) [    ] (city) [    ] (state/province) [    ] (country) [    ] (zip/postal)	<input type="checkbox"/>
<b>Phone</b>	[    ]	<input type="checkbox"/>
<b>Cell Phone</b>	[    ]	<input type="checkbox"/>
<b>Fax</b>	[    ]	<input type="checkbox"/>
<b>E-Mail</b>	[    ]	<input type="checkbox"/>
<b>Website</b>	[    ]	<input type="checkbox"/>

Additional Contributors:

	Name	Firm and Position	Email	Phone
<b>1<sup>st</sup> participant</b>	[    ] (first/given) [    ] (last/family)	[    ] (firm) [    ] (position)	[    ]	[    ]
<b>2<sup>nd</sup> participant</b>	[    ] (first/given) [    ] (last/family)	[    ] (firm) [    ] (position)	[    ]	[    ]
<b>3<sup>rd</sup> participant</b>	[    ] (first/given) [    ] (last/family)	[    ] (firm) [    ] (position)	[    ]	[    ]
<b>4<sup>th</sup> participant</b>	[    ] (first/given) [    ] (last/family)	[    ] (firm) [    ] (position)	[    ]	[    ]
<b>5<sup>th</sup> participant</b>	[    ] (first/given) [    ] (last/family)	[    ] (firm) [    ] (position)	[    ]	[    ]

## I. Doing Business 2008 data

In each of the four sub-sections below, you will find a table summarizing the regulatory procedures to build a warehouse, according to the construction phase (before, during, after and utilities). The fifth subsection provides you with space to add additional procedures in case you find any missing from the current list. Please review the information and indicate any changes that occurred between June 2007 and now.

**When amending the time, cost or procedures below, please keep in mind the following definitions and assumptions:**

### Definitions

- Correction: A correction results from an error in the data presented (i.e., a wrong cost calculation formula or fee schedule). Please keep in mind that the data is current as of June 2007.
- Reform: A reform results from a modification in practice or by law with either a negative or positive impact on the data, which occurred after June 2007.

### Assumptions about the warehouse being built:

- Is for the storage of non-hazardous goods such as books.
- Has two stories, both above ground, with a total surface of approximately 1,300.6 square meters (14,000 square feet). Each floor is 3 meters (9 feet, 10 inches) high.
- Has road-access and is located in the peri-urban area of the country's largest business city (i.e., is in the fringes of the city—but still within its official limits).
- Is not located in a special economic or industrial zone, but the zoning requirements for warehouses are met by building it in an area where other similar warehouses are to be found.
- Is located on a land plot of 929 square meters (10,000 square feet) that is 100% owned by BuilCo, and is registered in the cadastre and land registry.
- Is a new construction (there was no previous construction on the land).
- Has complete architectural and technical plans prepared by a licensed architect.

1. Based on these assumptions, please provide an estimate for the value of this warehouse. Please explain how you came up with this estimate.

[       ]

## A. Before Construction

**Procedure** \_\_\_\_\_

**Time** \_\_\_\_\_

**Cost** \_\_\_\_\_

**Agency** \_\_\_\_\_

**Comment** \_\_\_\_\_

Has this procedure, the time or cost associated with it changed since June 2007?

If yes, please indicate the new value(s):

If yes, please indicate whether it is a correction or reform and explain. Feel free to use this space to make any additional comments about this procedure or the information above:

## B. During Construction

<b>Procedure</b>	_____
<b>Time</b>	_____
<b>Cost</b>	_____
<b>Agency</b>	_____
<b>Comment</b>	_____

Has this procedure, the time or cost associated with it changed since June 2007?

If yes, please indicate the new value(s):

If yes, please indicate whether it is a correction or reform and explain. Feel free to use this space to make any additional comments about this procedure or the information above:

### C. After Construction

**Procedure** \_\_\_\_\_

**Time** \_\_\_\_\_

**Cost** \_\_\_\_\_

**Agency** \_\_\_\_\_

**Comment** \_\_\_\_\_

Has this procedure, the time or cost associated with it changed since June 2007?

If yes, please indicate the new value(s):

If yes, please indicate whether it is a correction or reform and explain. Feel free to use this space to make any additional comments about this procedure or the information above:

## D. Utilities

The warehouse being built must also be connected to electricity, water and sewage, and a telephone line. Please keep in mind that the connections would be new connections because the warehouse is a new construction. Please read the assumptions about the utility connections before reviewing the following procedure list.

### Electricity

- 3-phase, 4-wire Y, 140 kVA. 3-phase service is available in the construction area.
- Unless even in peri-urban areas, service is underground, we assume the service to be overhead.
- Connection is 10 meters long.
- Unless installation of a private substation (transformer) or extension of network is required, connection to the electricity network is a simple hook-up.
- Connection involves installation of only one electricity meter.
- BuildCo is assumed to have a licensed electrician on their team.

### Water and Sewage

- The warehouse is 10 meters away from the existing water source and sewer tap.
- A fire extinguishing system (dry system) is used. Hence, no water is needed for fire protection reasons.
- In case a wet fire protection system is required by the law, it is assumed that the water demand listed below also covers the water needed for fire protection.
- The **average** water need is 175 gallons/day (662 liters/day); the **average** wastewater flow is 150 gallons/day (568 liters/day).
- The **peak** water need is 350 gallons/day (1,325 liters/day); the **peak** wastewater flow is 300 gallons/day (1,136 liters/day).
- The water demand and wastewater flow are assumed constant throughout the year.
- The warehouse neither uses nor stores chemicals.

### Telephone line

- BuildCo must obtain a fixed telephone line.

#### Procedure

Time

Cost

Agency

Comment

Has this procedure, the time or cost associated with it changed since June 2007?

If yes, please indicate the new value(s):

If yes, please indicate whether it is a correction or reform and explain. Feel free to use this space to make any additional comments about this procedure or the information above:

1. In order, to understand the cost structure of connection prices for utilities better, we would like ask you to provide us with a more detailed breakdown of the costs applicable to our case. Please provide us with the **total cost, and a detailed breakdown** of the types of costs associated with obtaining electricity, water and sewage and telecommunications connections. Please, note that we do not record costs associated with the consumption of each respective service, but only costs related to the initial connection. Any costs resulting from the internal wiring or plumbing needed up to the connection point are also not recorded.

If the fee schedules are available online, please reference them here: [            ]

Electricity

Water

Sewage

Telecommunications

<b>Application Fee</b>	[ ]	[ ]	[ ]	[ ]
<b>Costs associated with obtaining documents for the application</b>	[ ]	[ ]	[ ]	[ ]
<b>Connection Fee</b> (Please indicate if it is fixed or otherwise the unit used to calculate the connection fee, for example, cost per kVA (electricity) or gallon per day (water/sewage))	[ ]	[ ]	[ ]	[ ]
<b>Labor cost if charged separately from connection fee</b> (such as for laying pipes or cables or excavation works) - Please state total estimate cost and unit cost (i.e. cost/hour or cost/square meter)	[ ]	[ ]	[ ]	[ ]
<b>Meter insurance (security deposit)</b> - Please also note if and when deposit is returned	[ ]	[ ]	[ ]	[ ]
<b>Stamp duty</b>	[ ]	[ ]	[ ]	[ ]
<b>Meter installation cost</b>	[ ]	[ ]	[ ]	[ ]
<b>Cost for materials</b> that the applicant is required to buy him/herself for the <u>external</u> part of the connection (such as for water or electricity meter, pipes, cables, circuit breakers etc.).	[ ]	[ ]	[ ]	[ ]
<b>Value added Tax (VAT)</b>	[ ]	[ ]	[ ]	[ ]
<b>Taxes other than VAT.</b> Please state what kind of taxes	[ ]	[ ]	[ ]	[ ]
<b>Other</b> , for example consent costs (please state type)	[ ]	[ ]	[ ]	[ ]
<b>Total Cost</b>	[ ]	[ ]	[ ]	[ ]

2. Can women open utility accounts in their own name? **If no** please explain. **If yes**, are women required to provide any additional or different information than men (e.g. the co-signature of their husband or third party)?

[ ]

## E. Additional procedures to build a warehouse or connect to utilities

Please specify any new or existing procedures that have not been included in the above lists. Please specify the sequencing of this procedure relative to the ones we currently record.

<b>Procedure</b>	[    ]
<b>Phase</b>	[    ]
<b>Time</b>	[    ]
<b>Cost</b>	[    ]
<b>Comment</b>	[    ]
Is this entry a <input type="checkbox"/> Correction or a <input type="checkbox"/> Reform?	
Please explain [    ]	
Please indicate the sequence of this new procedure (ex: between procedures 2 and 3) [    ]	
Can this procedure take place simultaneously with another procedure? If so, which one(s)? [    ]	

<b>Procedure</b>	[    ]
<b>Phase</b>	[    ]
<b>Time</b>	[    ]
<b>Cost</b>	[    ]
<b>Comment</b>	[    ]
Is this entry a <input type="checkbox"/> Correction or a <input type="checkbox"/> Reform?	
Please explain [    ]	
Please indicate the sequence of this new procedure (ex: between procedures 2 and 3) [    ]	
Can this procedure take place simultaneously with another procedure? If so, which one(s)? [    ]	

<b>Procedure</b>	[    ]
<b>Phase</b>	[    ]
<b>Time</b>	[    ]
<b>Cost</b>	[    ]
<b>Comment</b>	[    ]
Is this entry a <input type="checkbox"/> Correction or a <input type="checkbox"/> Reform?	
Please explain [    ]	
Please indicate the sequence of this new procedure (ex: between procedures 2 and 3) [    ]	
Can this procedure take place simultaneously with another procedure? If so, which one(s)? [    ]	

II. Reforms

1. Between June 2007 and now, have any administrative or legal changes affected the regulatory requirements or procedures, time and cost for building a warehouse?

Yes |  No

If No, please proceed to question 3.

2. Please describe any changes or reforms that occurred between June 2007 and now in the table below.

<b>Reform Type</b>	<b>Examples</b>
<b>Legal Form</b> <input type="checkbox"/> Yes <input type="checkbox"/> No	State or provincial law/decreed/act/provision on construction of commercial buildings was revised; building code was modified; new permits/authorizations on construction were enforced, new statutory time limits for the issuance of building permits were established
<b>Administrative reform</b> <input type="checkbox"/> Yes <input type="checkbox"/> No	Permit approval and application process is computerized and/or can be completed online; Authorization departments are re-organized; new expedited services available; new statutory time limits for issuing permits; 'silence-is-consent' rule was introduced (authorization automatically approved after certain time limit)
<b>Documentation</b> <input type="checkbox"/> Yes <input type="checkbox"/> No	Documentation requirements were simplified, reduced or standardized
<b>Inspections</b> <input type="checkbox"/> Yes <input type="checkbox"/> No	Inspection practice was reformed, e.g. inspection is delegated to private company or builder, number of inspections reduced, etc.
<b>Utility Connection</b> <input type="checkbox"/> Yes <input type="checkbox"/> No	Connection to utilities was approved faster, cost of utility connection was adjusted
<b>Fees</b> <input type="checkbox"/> Yes <input type="checkbox"/> No	Reduction of permit fees, registration of building fees lowered or eliminated.
<b>Privatization</b> <input type="checkbox"/> Yes <input type="checkbox"/> No	Privatization of inspections; utilities; technical surveyors; design approval or any other part of the permitting process.
<b>Other reforms or changes</b> <input type="checkbox"/> Yes <input type="checkbox"/> No	Please indicate any reforms or changes not covered in the sections above. [       ]
If you have answered yes to any of the above reforms, please provide details below:	
<b>Date of reform(s)</b>	[       ]
<b>Relevant Laws or regulations</b>	[       ]
<b>Reform(s) Content</b>	[       ]
<b>Other comments</b>	[       ]

3. Please list the laws, regulations and decrees that regulate construction licenses and building permits and the dates these laws were adopted

Main Laws	On-line link
[ ]	[ ]
[ ]	[ ]
[ ]	[ ]
<b>Other Laws :</b>	
[ ]	[ ]
<b>Comments:</b>	
[ ]	

4. Are you aware of any future reforms planned to take place by June 1<sup>st</sup> of 2008 to the laws and regulations on construction in your country?

Yes or  No

5. If Yes, please briefly describe: 1) the expected date of the reform, 2) the goal of the reform, and 3) its major characteristics (solutions it provides to achieve the goal):

[ ]

6. If you were to advise the government on how to reform construction regulations and administration, what would be your main suggestion and why?

[ ]

### III. Common practices

1. In the table below, you will find a summary of common practices in construction licensing based on last year's responses from you and other contributors. Please review the information and indicate any changes that occurred **between June 2007 and now**.

<p><b>Single window/One-stop shop</b> (all project clearances and permit applications are centralized into a single office or "window" at the responsible agency) <b>cp_sw</b></p>	<p>1. Has this answer changed since June 2007? <input type="checkbox"/> Yes <input type="checkbox"/> No If <b>yes</b>, please explain. [      ]</p> <p>2. If this exists in the law but not in practice please explain below (i.e. a single window system is in place, but applicants still have to follow up with individual offices/agencies separately). [      ]</p>
<p><b>Statutory time limits</b> (time limit when all permit applications, utilities connections, and others procedures have a deadline which respective authorities must comply with) <b>cp_stl</b></p> <ul style="list-style-type: none"> <li>• Building permit: <b>cp_stl_bp</b></li> <li>• Environmental permit: <b>cp_stl_ep</b></li> <li>• Occupancy permit: <b>cp_stl_op</b></li> <li>• Building registration: <b>cp_stl_br</b></li> </ul>	<p>3. Has this answer changed since June 2007? <input type="checkbox"/> Yes <input type="checkbox"/> No • If <b>yes</b>, please explain. [      ]</p> <p>4. Please list all permits that have an established statutory time limit and note the legal limit for each (i.e. occupancy permit, 30 days): [      ]</p> <p>5. Do the authorities observe these statutory time limits? <input type="checkbox"/> Yes <input type="checkbox"/> No • Please explain. [      ]</p>
<p><b>"Silence-is-consent" rules</b> (authorization automatically approved if authority does not grant clearance after a certain time limit) <b>cp_sic</b></p> <ul style="list-style-type: none"> <li>• Building permit: <b>cp_sic_bp</b></li> <li>• Environmental permit: <b>cp_sic_ep</b></li> <li>• Occupancy permit : <b>cp_sic_op</b></li> </ul>	<p>6. Has this answer changed since June 2007? <input type="checkbox"/> Yes <input type="checkbox"/> No • If <b>yes</b>, please explain. [      ]</p> <p>7. Please list all permits where a silence-is-consent rule applies and note the legal limit for each (i.e. consent for building permit automatically given after 45 days): [      ]</p> <p>8. Do the authorities observe these silence-is consent rules? <input type="checkbox"/> Yes <input type="checkbox"/> No • Please explain. [      ]</p>
<p><b>Online applications and electronic processing of documents</b> (all files are submitted in electronic and no paper work is involved) <b>cp_ep</b></p>	<p>9. Has this answer changed since June 2007? <input type="checkbox"/> Yes <input type="checkbox"/> No • If <b>yes</b>, please explain. [      ]</p> <p>10. Which procedures and/or permits are processed electronically or online? Please explain. [      ]</p>

**Risk-based inspections** (inspections occur according to a schedule based on the completion of each set phase of construction, rather than on a random basis).

cp\_rbi

11. Do inspections occur on a risk-based system?

Yes  No

• Please explain.

[       ]

12. Do the number and type of inspections vary based on the size or type of construction? If yes, please provide examples.

[       ]

## Referrals

1. **Reformer referral.** If there were any reforms or changes undertaken in the past year, please provide the name and affiliation of an expert or official who was involved in improving construction related regulations in your country

Name	Organization and Position	Email	Phone
[ ] (first/given)	[ ]	[ ]	[ ]
[ ] (last/family)			

2. As part of a **new research project on infrastructure**, Doing Business is collecting more detailed information on the procedures, time and cost associated with obtaining electricity connections as part of a separate project this year. We would be grateful for your support by providing us with referrals to specialized contractors or electricians who would be interested in becoming contributors for Doing Business for the new project:

Name	Organization and Position	Email	Phone
[ ] (first/given)	[ ]	[ ]	[ ]
[ ] (last/family)			

3. **Doing Business referral.** The Doing Business project covers 12 topics of business regulation from start-up to closing. Please let us know whether you would like to contribute to any of the following topics in addition to this survey or whether you would like to recommend one of your colleagues.

I would like to contribute to the following topic	I would like to recommend :		
	Name	Firm and Position	Contact Information
<input type="checkbox"/> Starting a business	[ ] (first name) [ ] (last name)	[ ] (firm) [ ] (position)	[ ] (phone) [ ] (e-mail)
<input type="checkbox"/> Construction licenses/ building regulation (including Architects and Engineers)	[ ] (first name) [ ] (last name)	[ ] (firm) [ ] (position)	[ ] (phone) [ ] (e-mail)
<input type="checkbox"/> Labor and social security regulation	[ ] (first name) [ ] (last name)	[ ] (firm) [ ] (position)	[ ] (phone) [ ] (e-mail)
<input type="checkbox"/> Registering property	[ ] (first name) [ ] (last name)	[ ] (firm) [ ] (position)	[ ] (phone) [ ] (e-mail)
<input type="checkbox"/> Collateral laws/secured transactions	[ ] (first name) [ ] (last name)	[ ] (firm) [ ] (position)	[ ] (phone) [ ] (e-mail)
<input type="checkbox"/> Protecting investors, (Corporate and Securities law)	[ ] (first name) [ ] (last name)	[ ] (firm) [ ] (position)	[ ] (phone) [ ] (e-mail)
<input type="checkbox"/> Enforcing contracts/ commercial disputes	[ ] (first name) [ ] (last name)	[ ] (firm) [ ] (position)	[ ] (phone) [ ] (e-mail)
<input type="checkbox"/> Closing a business/ bankruptcy law	[ ] (first name) [ ] (last name)	[ ] (firm) [ ] (position)	[ ] (phone) [ ] (e-mail)
<input type="checkbox"/> Transparency/ Public interest law (including NGO's, Academics and Practitioners)	[ ] (first name) [ ] (last name)	[ ] (firm) [ ] (position)	[ ] (phone) [ ] (e-mail)
<input type="checkbox"/> Trade ( including Freight forwarders, Importers and Exporters)	[ ] (first name) [ ] (last name)	[ ] (firm) [ ] (position)	[ ] (phone) [ ] (e-mail)

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Infrastructure/ Electricity [     ] (first name) [     ] (firm) [     ] (phone)  
(including Architects, [     ] (last name) [     ] (position) [     ] (e-mail)  
Engineers, Electrical utility  
personnel)

Other comments:  
[     ]

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**Thank you for completing the survey!**

We appreciate your contribution to the Doing Business project.  
The results will appear in *Doing Business 2009* and on our website: <http://www.doingbusiness.org>.  
Your work will be gratefully acknowledged in both.