

GETTING CREDIT (LEGAL RIGHTS) 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 in 2004, Doing Business has inspired 113 reforms around the world. These reforms make it easier to do business in countries as diverse as Egypt and Estonia.

Doing Business 2008 finds that more businesses are being created thanks to reforms in business regulation. Your participation has been essential to this success.

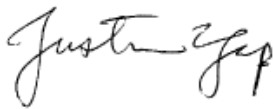
For Doing Business 2009, we are honored to be able to count on your expertise. We would be interested in understanding if any legal or administrative reforms affecting the legal rights of lenders and borrowers have been implemented in your country since June 2007.

Please return the completed questionnaire within the next 20 working days, the latest by February, 7th 2008 to sender's email. If you have any questions, do not hesitate to contact us.

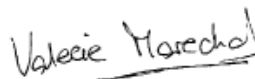
The World Bank has also recently launched a blog that offers you the possibility to read about experiences and insights of the Doing Business team, its local partners, private sector specialists and reformers. Please visit our blog at <http://blog.doingbusiness.org>, and exchange views or comments with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

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

Sincerely,



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Instructions

1. Please review the assumptions of the case study and the definitions of specific terms.
2. Update your contact information, the information you would like us to publish, and the information about others who contributed to the completion of this survey.
3. Please answer the following questions according to the current state of collateral and secured transactions law in your country. If practice differs from the law, please feel free to use the space provided in the survey for additional comments.
4. In the Reforms section, please describe any new administrative or legal changes that have taken place in your country's secured transactions or collateral laws between April 2007 and now.

Case studies

This survey relies on the following assumptions. Please read them carefully, as they are important to understand the context of the survey.

ABC (the company):

1. Is a **domestic limited liability company**, *i.e.*, a **Name of the equivalent legal entity in each country**
2. Has its headquarters and only base of operations in the country's largest business city: Sydney.
3. To fund its business expansion plans, ABC obtains a loan from BizBank for an amount up to 10 times income (GNI) per capita : USD 322 200 = LCU 436 807.76 in local currency. In countries that allow lines of credit, assume that this is the loan's maximum amount. In countries that do not allow lines of credit, assume that this is the fixed amount of the loan. Both ABC and BizBank are **100% domestically owned**.

Case A: Security Interest in One Category of Revolving Movable Assets

As collateral for the loan, ABC grants BizBank a **non-possessory security interest** in **one category** of **revolving movable assets**, for example its accounts receivable or inventory. ABC wants to keep **both possession and ownership** of the collateral. In countries where the law **does not allow** non-possessory security interests in movable property, ABC and BizBank use a fiduciary transfer-of-title arrangement (or other similar replacement for non-possessory security interests). For example, BizBank takes ownership of the collateral until the loan is paid, when it would transfer ownership back to ABC.

Case B: Security Interest a Company's Combined Assets

This time, ABC grants BizBank a **business charge, enterprise charge, floating charge**, or any charge or combination of charges that gives it a security interest over ABC's combined assets (or as much as possible). ABC keeps ownership and possession of the assets. If the law allows, BizBank may appoint a receiver when ABC defaults. Otherwise, enforcement takes place according to the usual law and business practice.

Definitions (for the purpose of this survey)

After-acquired property: any property that a borrower might acquire after an agreement granting a security interest in its existing property.

- **Fiduciary transfer of title:** a security interest, where the borrower keeps the secured asset in its possession but transfers legal ownership to the lender.
- **Floating charge:** a security interest over all or part, of the assets of a company. It does not fix to specific assets (*i.e.* it “floats”) until the borrower defaults, when it “crystallizes” on the collateral covered by the charge at the moment of default.
- **Future interest:** a property interest that entitles its holder to own, possession, or use the property at some time in the future (but not at the time the interest is created).
- **Legal person:** an individual or group that can take action under the law (for example sue another person). Legal persons include entities like companies and partnerships.
- **Line of credit:** a loan arrangement in which a lender specifies a maximum amount up to which a debtor can borrow. A debtor generally can draw against its line of credit periodically, and for an unspecified length of time.
- **Natural person:** an individual such as a man, woman, or child.
- **Non-possessory security interest:** a security interest where the borrower keeps both ownership and possession of the secured asset (collateral). The lender has the right to enforce its security if the borrower defaults.
- **Perfection:** the steps that need to be taken to make a security interest valid, both against third parties and if the borrower enters insolvency/bankruptcy.
- **Receiver:** an individual (or individuals) appointed by the lender to seize secured assets and account for and receive payments due.
- **Retention of title:** An arrangement in which the lender keeps the legal title (ownership) in the asset until the borrower repays the loan.
- **Revolving movable assets:** a group of movable property or assets whose contents are constantly changing, such as accounts receivable or inventory.
- **Secured asset:** the property (collateral) that is the object of a security interest.
- **Security interest:** a right or interest in movable property, granted by a borrower to a lender, that secures repayment (or other performance) of a loan from the lender to the borrower.

Existing Contact information:

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

Additional Contributors:

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

Doing Business 2009 Questions

IMPORTANT REMINDERS

1. THIS SURVEY FOCUSES ON (NON-POSSESSORY) SECURITY INTERESTS IN MOVABLE PROPERTY
2. **CASE A:** A SECURITY INTEREST IN ONE CATEGORY OF REVOLVING MOVABLE ASSETS
3. **CASE B:** A SECURITY INTEREST IN A COMPANY'S COMBINED ASSETS
4. ABC IS A Name of the equivalent legal entity in each country.

Reforms

	Yes	No
Between April 2007 and now, have any reforms been adopted that affect the laws and procedures for creating and enforcing security? (e.g., amendments to secured transactions, collateral or bankruptcy laws, establishment of a collateral registry, etc.) If yes, please describe the reform, including the effective date and the laws/regulations affected : []	<input type="checkbox"/>	<input type="checkbox"/>
Are you aware of any planned reforms to the laws and procedures for creating and enforcing security that are likely to be adopted between now and June 1 st 2008? If yes, please describe the reform, including the effective date and the laws/regulations affected : []	<input type="checkbox"/>	<input type="checkbox"/>

I. General System of Security Interests in Movable Property

1. Please indicate which of the following (a, b, or c) characterizes the availability of security interests over movable property in Australia:	
a. A debtor may secure a loan with movable property and keep <i>both ownership and possession</i> of the collateral.	<input type="checkbox"/>
<ul style="list-style-type: none"> • Please name the legal mechanism (fixed charge, pledge, privilege, mortgage, etc.) that is most likely to be used in Case A: [] • Please name and describe the legal mechanism or combination of mechanisms (floating charge, business charge, etc.) that is most likely to be used in Case B (a security interest in the combined assets of an entire enterprise): [] • Please indicate if the arrangement described in Case B is not possible in your country. 	<input type="checkbox"/>
b. A debtor may not grant a non-possessory security interest in movable property, but a fiduciary transfer-of-title system substitutes for non-possessory security interests. Please do not count retention-of-title or trade credit systems (where the seller keeps ownership title until the buyer pays in full) as substitutes.	<input type="checkbox"/>
<ul style="list-style-type: none"> • If a debtor may not grant a non-possessory security interest in movable property, please indicate if the substitute system used in your country involves transferring the title document (rather than actual ownership) to the creditor. 	<input type="checkbox"/>
c. The law does not allow a debtor to secure a loan with movable property.	<input type="checkbox"/>
Any clarifications/comments: []	

IMPORTANT: If *both* non-possessory security interests and fiduciary transfer-of-title arrangements are used in your country, please answer the survey based on the *non-possessory security interest* system. Base your answers on fiduciary transfer-of-title arrangements *only if* the law *does not* allow non-possessory security interests in movable property.

II. Who may grant and who may take security interests?

	Yes	No
2. <i>N.B. PLEASE IGNORE THE CASE STUDIES FOR THIS SECTION II.</i> Which of the following may legally <i>grant</i> a security interest in movable property?		
a. Any legal person or adult natural person, regardless of gender (excepting persons lacking mental capacity, etc.)	<input type="checkbox"/>	<input type="checkbox"/>
b. The owner of the property	<input type="checkbox"/>	<input type="checkbox"/>
c. State-owned companies engaged in commercial activities	<input type="checkbox"/>	<input type="checkbox"/>
d. Private domestic companies/organizations	<input type="checkbox"/>	<input type="checkbox"/>
• Sole proprietorships	<input type="checkbox"/>	<input type="checkbox"/>
• Corporations	<input type="checkbox"/>	<input type="checkbox"/>
• Limited liability corporations or their legal equivalent (<i>i.e.</i> , Name of the equivalent legal entity in each country)	<input type="checkbox"/>	<input type="checkbox"/>
• Partnerships	<input type="checkbox"/>	<input type="checkbox"/>
e. Foreign companies/organizations	<input type="checkbox"/>	<input type="checkbox"/>
f. A person holding the property in trust or fiduciary trust	<input type="checkbox"/>	<input type="checkbox"/>
• If not, is there an alternative system by which this security arrangement can be achieved or approximated? If so, please explain: []	<input type="checkbox"/>	<input type="checkbox"/>
g. A person with user rights to the property, aside from the owner	<input type="checkbox"/>	<input type="checkbox"/>
h. A future owner of the property	<input type="checkbox"/>	<input type="checkbox"/>
i. A joint owner of the property, assuming the security interest is over the grantor's share of the property only, and the joint assets are not intermixed (commingled)	<input type="checkbox"/>	<input type="checkbox"/>
• <i>With</i> the written consent of all other joint owners	<input type="checkbox"/>	<input type="checkbox"/>
• <i>Without</i> the written consent of all other joint owners	<input type="checkbox"/>	<input type="checkbox"/>
3. Are there any <i>other</i> significant restrictions on who can <i>grant</i> a security interest in movable property? If so, please explain: []	<input type="checkbox"/>	<input type="checkbox"/>
Any clarifications/comments: []		
4. Which of the following may legally <i>hold</i> a security interest in movable property?		
a. Any legal person or adult natural person, regardless of gender (excepting persons lacking mental capacity, etc.)	<input type="checkbox"/>	<input type="checkbox"/>
b. State-owned companies engaged in commercial activities	<input type="checkbox"/>	<input type="checkbox"/>
c. Privately owned companies/organizations	<input type="checkbox"/>	<input type="checkbox"/>
• Sole proprietorships	<input type="checkbox"/>	<input type="checkbox"/>
• Corporations	<input type="checkbox"/>	<input type="checkbox"/>
• Limited liability corporations or their legal equivalent (<i>i.e.</i> , Name of the equivalent legal entity in each country)	<input type="checkbox"/>	<input type="checkbox"/>
• Partnerships	<input type="checkbox"/>	<input type="checkbox"/>
d. Domestic banks and financial institutions	<input type="checkbox"/>	<input type="checkbox"/>

e. Foreign banks and financial institutions	<input type="checkbox"/>	<input type="checkbox"/>
f. Trustees holding security for several creditors	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> If not, is there an alternative system by which this arrangement can be achieved or approximated? If so, please explain: [] 	<input type="checkbox"/>	<input type="checkbox"/>
5. Are there any other significant restrictions on who can hold a security interest in movable property? If so, please explain: []	<input type="checkbox"/>	<input type="checkbox"/>
Any clarifications/comments: []		

III. What can be used as security, and how must it be described?

6. In Case A , can the Name of the equivalent legal entity in each country ABC grant BizBank a security interest in the following movable assets?	Yes	No
a. Tangible movable property (e.g. vehicles, machinery, equipment)	<input type="checkbox"/>	<input type="checkbox"/>
i. Can this collateral be described in general terms (e.g., "all equipment") so that the parties do not have to provide a specific and detailed description of the collateral:		
<ul style="list-style-type: none"> In the security agreement? When the security interest is registered? 	<input type="checkbox"/>	<input type="checkbox"/>
b. Accounts receivable (i.e., amounts that ABC expects to receive from third-party buyers for goods or services that ABC sold to them)	<input type="checkbox"/>	<input type="checkbox"/>
i. If yes, must ABC notify the third party (owing money to ABC) for BizBank's interest to be valid?	<input type="checkbox"/>	<input type="checkbox"/>
ii. Must the third party consent to BizBank's interest?	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> Please describe any other requirements needed to make BizBank's interest valid: [] 		
iii. Can BizBank hold a security interest in ABC's accounts receivable alone , without taking a security interest in any other assets?	<input type="checkbox"/>	<input type="checkbox"/>
iv. Can this collateral be described in general terms (e.g., "all accounts receivable"):		
<ul style="list-style-type: none"> In the security agreement? When the security interest is registered? 	<input type="checkbox"/>	<input type="checkbox"/>
Any clarifications/additional comments []		
c. Inventory	<input type="checkbox"/>	<input type="checkbox"/>
i. Must the security agreement specify the location where inventory is stored?	<input type="checkbox"/>	<input type="checkbox"/>
ii. Must the registration document specify the location where inventory is stored?	<input type="checkbox"/>	<input type="checkbox"/>
iii. Must BizBank's security interest be updated from time to time to reflect changes in inventory, e.g., by drafting a new security agreement or sending a list of collateral? Please explain: []	<input type="checkbox"/>	<input type="checkbox"/>
iv. Must ABC store the collateral with a third party (e.g., a licensed warehouse)?	<input type="checkbox"/>	<input type="checkbox"/>
v. Must a notice of BizBank's security interest be displayed in any location?	<input type="checkbox"/>	<input type="checkbox"/>
vi. Can BizBank hold a security interest in ABC's inventory alone , without taking a security interest in any other assets?	<input type="checkbox"/>	<input type="checkbox"/>
vii. Please describe any other major restrictions on using inventory as security:		

[]		
viii. Can this collateral be described in general terms (e.g., “all inventory”):		
• In the security agreement ?	<input type="checkbox"/>	<input type="checkbox"/>
• When the security interest is registered ?	<input type="checkbox"/>	<input type="checkbox"/>
d. User rights (e.g., a land lease, a land usufruct, or the right to exploit a natural resource)	<input type="checkbox"/>	<input type="checkbox"/>
e. A changing pool of assets , where assets change in character, nature and/or classification	<input type="checkbox"/>	<input type="checkbox"/>
i. Are there restrictions on the types or scope of assets that can be used? Please explain: []	<input type="checkbox"/>	<input type="checkbox"/>
Any clarifications/additional comments []		
f. Future or after-acquired property	<input type="checkbox"/>	<input type="checkbox"/>
i. Can ABC secure a loan with its future interest in a movable asset? For example, ABC knows that it will receive ownership of a plot of land in January 2009 and uses its future ownership as security.	<input type="checkbox"/>	<input type="checkbox"/>
ii. Can ABC grant a security interest to movable assets that it has not yet acquired (and that it may never acquire, e.g., “all present and future inventory”)?	<input type="checkbox"/>	<input type="checkbox"/>
iii. Are there other major restrictions on using future or after-acquired assets as security? If yes please explain: []	<input type="checkbox"/>	<input type="checkbox"/>
iv. Can this collateral be described in general terms (e.g., “all future or after-acquired property”):		
• In the security agreement ?	<input type="checkbox"/>	<input type="checkbox"/>
• When the security interest is registered ?	<input type="checkbox"/>	<input type="checkbox"/>
g. Property already subject to a security right (i.e. multiple security rights, second mortgages)	<input type="checkbox"/>	<input type="checkbox"/>
i. If yes, does ABC need the consent of the prior secured creditor?	<input type="checkbox"/>	<input type="checkbox"/>
Any clarifications/additional comments []		
h. The “products, proceeds, and replacements” of the original asset. For example, if the original asset is a plot of land containing trees, the products of this asset could be wooden furniture made from the trees; the proceeds could be money received from selling the trees; and the replacements could be another plot of land given in replacement after the original trees have been damaged. Is BizBank’s security interest enforceable against the:	<input type="checkbox"/>	<input type="checkbox"/>
• Products of the original asset?	<input type="checkbox"/>	<input type="checkbox"/>
• Proceeds of the original asset?	<input type="checkbox"/>	<input type="checkbox"/>
• Replacements of the original asset?	<input type="checkbox"/>	<input type="checkbox"/>
i. Does BizBank’s security interest in products, proceeds and replacements have the same priority against other creditors as its interest in the original assets? If no, please explain: []	<input type="checkbox"/>	<input type="checkbox"/>
ii. Can this collateral be described in general terms (e.g., “all products, proceeds and replacements”):		
• In the security agreement ?	<input type="checkbox"/>	<input type="checkbox"/>
• When the security interest is registered ?	<input type="checkbox"/>	<input type="checkbox"/>
Any clarifications/additional comments []		

7. In Case B , can ABC grant BizBank a security interest in its combined assets (e.g., an enterprise, floating or business charge)?	<input type="checkbox"/>	<input type="checkbox"/>
a. Are there any types of assets that may not be included? Please explain: []	<input type="checkbox"/>	<input type="checkbox"/>
b. Can this collateral be described in general terms (e.g. "all combined assets of the enterprise"):		
• In the security agreement ?	<input type="checkbox"/>	<input type="checkbox"/>
• When the security interest is registered ?	<input type="checkbox"/>	<input type="checkbox"/>
c. Is this security interest also enforceable against the "product, proceeds and replacements" of the original assets, as in 5(h) above? If not, please describe: []	<input type="checkbox"/>	<input type="checkbox"/>
Any clarifications/additional comments []		

IV. What types of debts and obligations, and how must they be described?

8. Can the following types of debt or obligations be the subject of ABC and BizBank's security agreement in Case A ?	Yes	No
a. Loans in local currency	<input type="checkbox"/>	<input type="checkbox"/>
b. Loans in foreign currency	<input type="checkbox"/>	<input type="checkbox"/>
c. A changing pool of debt (e.g., an overdraft facility, or changing amounts under a line of credit)	<input type="checkbox"/>	<input type="checkbox"/>
d. Future or conditional obligations	<input type="checkbox"/>	<input type="checkbox"/>
e. Contractual obligations owed to a third party	<input type="checkbox"/>	<input type="checkbox"/>
• Are there any other major restrictions on the type of debts or obligations that may be secured? Please explain: []	<input type="checkbox"/>	<input type="checkbox"/>
Would any of these answers change for Case B ? If so, please explain: []	<input type="checkbox"/>	<input type="checkbox"/>
Any clarifications/additional comments []		
9. General versus specific description of debt or obligation		
a. Must the security agreement identify:		
• The legal relationship that gives rise to the debt or obligation (e.g., the debt resulting from the sale of good X from Mr. A to Mr. B)	<input type="checkbox"/>	<input type="checkbox"/>
• The specific amount of the debt or obligation	<input type="checkbox"/>	<input type="checkbox"/>
• The maximum amount of the debt or obligation	<input type="checkbox"/>	<input type="checkbox"/>
b. Can the debt or obligation be described in general terms:		
• In the security agreement ?	<input type="checkbox"/>	<input type="checkbox"/>
• When the security interest is registered ?	<input type="checkbox"/>	<input type="checkbox"/>
Would any of these answers change for Case B ? If so, please explain: []	<input type="checkbox"/>	<input type="checkbox"/>
Any clarifications/additional comments []		

V. Perfection and Publicity of Security Rights

	Yes	No
10. If your country allows non-possessory security interests in movable property, must BizBank register its security interest for the interest to be valid and enforceable against third parties? Please name the registry (or registries) where BizBank's security interest would be registered in Cases A and B : []	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> If no, is any public disclosure of security interests (e.g., in financial statements) required? Please explain and then proceed to Section VI, below: [] 	<input type="checkbox"/>	<input type="checkbox"/>
a. Is the registry in operation?	<input type="checkbox"/>	<input type="checkbox"/>
b. Is it computerized?	<input type="checkbox"/>	<input type="checkbox"/>
c. Does it cover all types of assets (other than land, vehicles, ships, aircraft or intellectual property)? Please list any other assets (e.g., shares) that it does not cover: []	<input type="checkbox"/>	<input type="checkbox"/>
d. Is it limited to security interests granted by certain types of borrowers? If yes, please explain: []	<input type="checkbox"/>	<input type="checkbox"/>
e. Is it limited to security interests taken by certain types of creditors? If yes, please explain: []	<input type="checkbox"/>	<input type="checkbox"/>
f. Is it either centralized geographically or linked among geographical regions? If yes, please estimate how long it takes for a new registration to be accessible nationwide: [] days.	<input type="checkbox"/>	<input type="checkbox"/>
g. Is it searchable by debtor name?	<input type="checkbox"/>	<input type="checkbox"/>
h. Would BizBank have to record its security interest in more than one place for the interest to be valid and enforceable against other creditors? If yes, please explain: []	<input type="checkbox"/>	<input type="checkbox"/>
i. Are there separate registries for companies and individuals? If yes, please explain: []	<input type="checkbox"/>	<input type="checkbox"/>
Any clarifications/additional comments []		

VI. Priority Rules Outside of Insolvency/Bankruptcy

11. Priority of secured creditors outside of insolvency/bankruptcy . Assume that ABC has defaulted on its loan but has not entered any kind of formal insolvency or bankruptcy procedure. BizBank, the secured creditor, has a valid and enforceable security interest as described in Case A . BizBank now moves to enforce.	Yes	No
a. Does BizBank have absolute priority over all other creditor claims?	<input type="checkbox"/>	<input type="checkbox"/>
b. Assuming there are competing non-possessory security interests on ABC's non-movable assets in Case A , which secured claim has priority?		
<ul style="list-style-type: none"> First creditor to either register or take possession 	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> First creditor to notarize 	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> First creditor to provide finance 	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> First creditor pursuant to the date of agreement 	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> First creditor to register 	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> Other (please specify): [] 	<input type="checkbox"/>	<input type="checkbox"/>
Would any of these answers change for Case B ? If so, please explain: []	<input type="checkbox"/>	<input type="checkbox"/>
Any clarifications/additional comments []		

c. Which of the following hypothetical claims would have priority over BizBank's secured claim in Case A ?		
i. General claims for unpaid taxes:	<input type="checkbox"/>	<input type="checkbox"/>
• Registered or otherwise perfected before BizBank	<input type="checkbox"/>	<input type="checkbox"/>
• Registered or otherwise perfected after BizBank	<input type="checkbox"/>	<input type="checkbox"/>
• Even if they have never been registered or otherwise perfected.	<input type="checkbox"/>	<input type="checkbox"/>
ii. Claims for specific taxes payable on the secured asset (e.g. capital gains tax; vehicle tax on a vehicle; unpaid VAT etc.).	<input type="checkbox"/>	<input type="checkbox"/>
iii. Labor claims (e.g. claims for unpaid wages)	<input type="checkbox"/>	<input type="checkbox"/>
• Registered or otherwise perfected before BizBank	<input type="checkbox"/>	<input type="checkbox"/>
• Registered or otherwise perfected after BizBank	<input type="checkbox"/>	<input type="checkbox"/>
• Even if they have never been registered or otherwise perfected.	<input type="checkbox"/>	<input type="checkbox"/>
iv. Judgment claims (i.e., claims issuing from a court judgment against ABC)	<input type="checkbox"/>	<input type="checkbox"/>
• Registered or otherwise perfected before BizBank	<input type="checkbox"/>	<input type="checkbox"/>
• Registered or otherwise perfected after BizBank	<input type="checkbox"/>	<input type="checkbox"/>
• Even if they have never been registered or otherwise perfected.	<input type="checkbox"/>	<input type="checkbox"/>
v. Claims for loans made to ABC to buy the secured assets ("purchase-money security")	<input type="checkbox"/>	<input type="checkbox"/>
vi. The claim of a purchaser who bought the secured goods from ABC in good faith and without notice of BizBank's security interest (other than sales in the ordinary course of business, such as of inventory) (i.e., bona fide purchaser).	<input type="checkbox"/>	<input type="checkbox"/>
vii. Claims of creditors adding value to the collateral (e.g., mechanic's liens, artisan's liens, etc.).	<input type="checkbox"/>	<input type="checkbox"/>
viii. Claims of creditors storing the collateral (e.g., warehousemen's liens).	<input type="checkbox"/>	<input type="checkbox"/>
Would any of these answers change for Case B ? If so, please explain: []	<input type="checkbox"/>	<input type="checkbox"/>
Any clarifications/additional comments []		
d. Do interests in specific collateral (e.g., a fixed charge) have priority over interests in a general pool of assets (e.g., a floating charge)? Please explain []	<input type="checkbox"/>	<input type="checkbox"/>
e. If two secured creditors have a security interest in the same collateral, can the senior creditor enforce its security right without restriction by the junior?	<input type="checkbox"/>	<input type="checkbox"/>
Would any of these answers change for Case B ? If so, please explain: []	<input type="checkbox"/>	<input type="checkbox"/>
Any clarifications/additional comments []		

VII. Priority Rules within Insolvency/Bankruptcy

12. Now assume that ABC is in an insolvency/bankruptcy procedure and creditors have been invited to file claims. BizBank, the secured creditor, has a valid and enforceable security interest as described in Case A .	Yes	No
a. Does BizBank have absolute priority over all other creditor claims?	<input type="checkbox"/>	<input type="checkbox"/>
b. Do claims secured by title financing (e.g., fiduciary transfer-of-title arrangements) have priority over other secured creditors, regardless of when they registered?	<input type="checkbox"/>	<input type="checkbox"/>
c. Which of the following claims would have priority over BizBank's secured claim?		

i. Court fees	<input type="checkbox"/>	<input type="checkbox"/>
ii. Attorney's or other professional fees (e.g., liquidator's fees)	<input type="checkbox"/>	<input type="checkbox"/>
iii. Liquidation expenses, not including loans taken to finance an attempt to rehabilitate the company during a judicial reorganization attempt (or a rehabilitation attempt while the company is in receivership)	<input type="checkbox"/>	<input type="checkbox"/>
iv. Claims for loans taken to finance an attempt to rehabilitate the company during a judicial reorganization attempt (or a rehabilitation attempt while the company is in receivership)	<input type="checkbox"/>	<input type="checkbox"/>
v. Labor claims <ul style="list-style-type: none"> If so, are there limitations on the extent to which labor claims rank ahead of secured creditors? Please explain: [] 	<input type="checkbox"/>	<input type="checkbox"/>
vi. General tax claims <ul style="list-style-type: none"> If so, are there limitations on the extent to which tax claims rank ahead of secured creditors? Please explain: [] 	<input type="checkbox"/>	<input type="checkbox"/>
vii. Tax claims on the specific movable asset	<input type="checkbox"/>	<input type="checkbox"/>
viii. Other (please specify): []	<input type="checkbox"/>	<input type="checkbox"/>
d. Do any of the claims listed in Question 11(c) share the same priority ranking as BizBank's secured claim? If so, please explain: []	<input type="checkbox"/>	<input type="checkbox"/>
Would any of these answers change for Case B ? If so, please explain: []	<input type="checkbox"/>	<input type="checkbox"/>
Any clarifications/additional comments []		

VIII. Secured Creditors' Exemption from Automatic Stays in Reorganization

	Yes	No
13. Is a judicial reorganization procedure available, either within a general insolvency/bankruptcy procedure or as a separate process? (Please do not consider informal workouts.) If so, assume that ABC is entering such a procedure. <u>If not, please answer this Section VIII with regard to the general insolvency/bankruptcy procedure that is available.</u>	<input type="checkbox"/>	<input type="checkbox"/>
a. Are enforcement actions by secured creditors subject to an automatic stay (or automatic suspension, moratorium, asset freeze, etc.) in reorganization? If so, does this take place: <ul style="list-style-type: none"> When the application petition is filed When the court approves the application/petition When the actual procedure begins Other (please specify): [] 	<input type="checkbox"/>	<input type="checkbox"/>
b. Is it typical for secured creditors to obtain relief from an automatic stay? Please explain the circumstances under which this might occur: []	<input type="checkbox"/>	<input type="checkbox"/>
How long would it generally take a secured creditor to obtain such relief? []		

c. Please describe any major exceptions or limitations to the stay (e.g., the stay is limited to assets that are essential to continuing the business.) []		
d. For stayed assets, are there statutory time limits within which the secured creditor must be reimbursed or assets realized? If so, please explain: []	<input type="checkbox"/>	<input type="checkbox"/>
Would any of these answers change for Case B? If so, please explain: []	<input type="checkbox"/>	<input type="checkbox"/>
Any clarifications/additional comments []		

IX. Impact of Reorganization or Rehabilitation Procedures on Management

14. Management control during judicial reorganization	Yes	No
a. Does a company's management remain in place during a judicial reorganization or procedure?	<input type="checkbox"/>	<input type="checkbox"/>
b. Is a trustee/administrator appointed in order to oversee the company during the procedure?	<input type="checkbox"/>	<input type="checkbox"/>
c. If yes, who appoints the trustee/administrator? []		
d. Which of the following management decisions require trustee/administrator approval?		
• Obtaining new financing	<input type="checkbox"/>	<input type="checkbox"/>
• Using secured assets as collateral for new loans	<input type="checkbox"/>	<input type="checkbox"/>
• Spending the cash proceeds from the sale of secured assets	<input type="checkbox"/>	<input type="checkbox"/>
• Paying debt or wages	<input type="checkbox"/>	<input type="checkbox"/>
• Paying professional fees and costs	<input type="checkbox"/>	<input type="checkbox"/>
• Selling, leasing or otherwise disposing of company property	<input type="checkbox"/>	<input type="checkbox"/>
• Decisions or transactions in the ordinary course of business	<input type="checkbox"/>	<input type="checkbox"/>
Any clarifications/additional comments []		

X. Enforcement of Security Rights

	Yes	No
15. Does the law allow the parties to a security agreement, at the time a security interest is created , to agree to enforce the security interest outside of court in the event that the debtor defaults? An example of such a provision might read: "Upon default the secured party may: (i) take possession of the collateral; (ii) sell, exchange, convert into money or otherwise realize the collateral privately or by auction."	<input type="checkbox"/>	<input type="checkbox"/>
a. Please indicate if an agreement to enforce out of court can be made only after the security agreement is concluded (e.g., once default has occurred).	<input type="checkbox"/>	<input type="checkbox"/>
Would any of these answers change for Case B ? If so, please explain: []	<input type="checkbox"/>	<input type="checkbox"/>
Any clarifications/additional comments []		
16. Seizure of Collateral (if the debtor does not dispute). ABC defaults and BizBank tries to seize the collateral. ABC does not dispute the seizure. Assume that ABC is not in a court-supervised insolvency/bankruptcy procedure.		

a. Please indicate which of the following statements apply to BizBank's seizure of collateral in Case A . BizBank's seizure requires:		
i. Court involvement (of any kind).	<input type="checkbox"/>	<input type="checkbox"/>
ii. Minor court involvement with the appointment of a third party (e.g., a receiver) to seize the collateral. If so, please describe the extent of the court involvement: []	<input type="checkbox"/>	<input type="checkbox"/>
iii. Participation of a third party appointed by BizBank (e.g., a receiver), but no court involvement.	<input type="checkbox"/>	<input type="checkbox"/>
iv. Participation of a third party not appointed by BizBank (e.g., a notary or bailiff), but no court involvement. If so, please describe: []	<input type="checkbox"/>	<input type="checkbox"/>
v. Prior agreement of the parties.	<input type="checkbox"/>	<input type="checkbox"/>
• The parties may agree to out-of-court seizure at the time the security interest is created.	<input type="checkbox"/>	<input type="checkbox"/>
• The parties may agree to out-of-court seizure only after the debtor has defaulted.	<input type="checkbox"/>	<input type="checkbox"/>
vi. Prior notice to the debtor (or a grace period). If yes, how much notice is required? []	<input type="checkbox"/>	<input type="checkbox"/>
vii. Public notice of default or seizure.	<input type="checkbox"/>	<input type="checkbox"/>
viii. Notice of default or seizure to other parties. If so, please explain: []	<input type="checkbox"/>	<input type="checkbox"/>
Would any of these answers change for Case B ? If so, please explain: []	<input type="checkbox"/>	<input type="checkbox"/>
Any clarifications/additional comments []		
17. Seizure of collateral (if the debtor disputes). ABC defaults and BizBank tries to seize the collateral. This time, ABC disputes the seizure. ABC is not in a court-supervised insolvency or bankruptcy procedure.		
a. In Case A , would the requirements for third-party or court involvement in BizBank's seizure be different from the answers you gave in 16(a)? If so, please describe: []	<input type="checkbox"/>	<input type="checkbox"/>
b. In Case B ? If so, please describe: []	<input type="checkbox"/>	<input type="checkbox"/>
Are there any other restrictions on the availability of out-of-court seizure of collateral (e.g., it is only available for certain types of debtors; the value of the collateral must be specified in the security agreement, etc.)? If so, please explain: []	<input type="checkbox"/>	<input type="checkbox"/>
18. Sale of Collateral (if the debtor does not dispute). BizBank has successfully seized the collateral and now wants to sell it. ABC does not dispute the sale.		
a. In Case A , would the requirements for third-party or court involvement in BizBank's sale be different from the answers you gave in 16(a)? If so, please describe: []	<input type="checkbox"/>	<input type="checkbox"/>
b. In Case B ? If so, please describe: []	<input type="checkbox"/>	<input type="checkbox"/>
19. Sale of collateral (if the debtor disputes). Assume this time that ABC is not the subject of a formal court-supervised insolvency or bankruptcy procedure.		
a. In Case A , would the requirements for third-party or court involvement in BizBank's sale be different from the answers you gave in 16(a)? If so, please describe: []	<input type="checkbox"/>	<input type="checkbox"/>
b. In Case B ? If so, please describe: []	<input type="checkbox"/>	<input type="checkbox"/>

Are there any other restrictions on the availability of out-of-court sale of collateral (e.g., it is only available for certain types of debtors; the value of the collateral must be specified in the security agreement, etc.)? If so, please describe: []	<input type="checkbox"/>	<input type="checkbox"/>
Any clarifications/additional comments []		

Research

Access to Credit and Women	Doing Business is conducting a unique research effort focused on opportunities for women in business. The following section will help inform that research effort, and is separate from the rest of this survey. Please disregard the standardized case study and its assumptions you used in the rest of this survey to complete this section. The information being gathered here will not impact the regular Doing Business indicators . We would appreciate you taking the time to answer this section relating to credit laws, regulations and procedures as they relate to women.		
	Question	Explanation	Answer
1.	Do the secured transactions and collateral laws in your country include any provisions that apply specifically to women?	If yes, please explain, citing if possible the relevant laws and regulation (including case law, decrees, etc.).	[]
2.	Can an adult woman open a bank account in her own name without the consent of a third party (for example, husband, father, etc.)?	If no, please explain, citing if possible the relevant laws and regulation (including case law, decrees, etc.).	[]
3.	Can a woman obtain a bank loan without a male co-signor?	If no, please explain, citing if possible the relevant laws and regulation (including case law, decrees, etc.).	[]
4.	Can a woman use, as collateral, property of which she is the sole owner?	If no, please explain, citing if possible the relevant laws and regulation (including case law, decrees, etc.).	[]
5.	Are female loan applicants obliged to provide more collateral or fulfill more requirements compared to male applicants?	If yes, please explain, citing if possible the relevant laws and regulation (including case law, decrees, etc.).	[]
6.	Does your country have leasing legislation, and if so, for which kinds of assets?	If yes, please explain, citing if possible the relevant laws and regulation (including case law, decrees, etc.).	[]

Referrals

The Doing Business project covers several 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)
<input type="checkbox"/> Infrastructure/ Electricity (including Architects, Engineers, Electrical utility personnel)	[] (first name) [] (last name)	[] (firm) [] (position)	[] (phone) [] (e-mail)

Other comments: []

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.