Economy Profile
Netherlands

Training for Reform

Comparing Business Regulation for Domestic Firms in 190 Economies
## Economy Profile of Netherlands

### Doing Business 2019 Indicators
*(in order of appearance in the document)*

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Starting a business</td>
<td>Procedures, time, cost and paid-in minimum capital to start a limited liability company</td>
</tr>
<tr>
<td>Dealing with construction permits</td>
<td>Procedures, time and cost to complete all formalities to build a warehouse and the quality control and safety mechanisms in the construction permitting system</td>
</tr>
<tr>
<td>Getting electricity</td>
<td>Procedures, time and cost to get connected to the electrical grid, and the reliability of the electricity supply and the transparency of tariffs</td>
</tr>
<tr>
<td>Registering property</td>
<td>Procedures, time and cost to transfer a property and the quality of the land administration system</td>
</tr>
<tr>
<td>Getting credit</td>
<td>Movable collateral laws and credit information systems</td>
</tr>
<tr>
<td>Protecting minority investors</td>
<td>Minority shareholders’ rights in related-party transactions and in corporate governance</td>
</tr>
<tr>
<td>Paying taxes</td>
<td>Payments, time, total tax and contribution rate for a firm to comply with all tax regulations as well as post-filing processes</td>
</tr>
<tr>
<td>Trading across borders</td>
<td>Time and cost to export the product of comparative advantage and import auto parts</td>
</tr>
<tr>
<td>Enforcing contracts</td>
<td>Time and cost to resolve a commercial dispute and the quality of judicial processes</td>
</tr>
<tr>
<td>Resolving insolvency</td>
<td>Time, cost, outcome and recovery rate for a commercial insolvency and the strength of the legal framework for insolvency</td>
</tr>
<tr>
<td>Labor market regulation</td>
<td>Flexibility in employment regulation and aspects of job quality</td>
</tr>
</tbody>
</table>
About Doing Business

The Doing Business project provides objective measures of business regulations and their enforcement across 190 economies and selected cities at the subnational and regional level.

The Doing Business project, launched in 2002, looks at domestic small and medium-size companies and measures the regulations applying to them through their life cycle.

Doing Business captures several important dimensions of the regulatory environment as it applies to local firms. It provides quantitative indicators on regulation for starting a business, dealing with construction permits, getting electricity, registering property, getting credit, protecting minority investors, paying taxes, trading across borders, enforcing contracts and resolving insolvency. Doing Business also measures features of labor market regulation. Although Doing Business does not present rankings of economies on the labor market regulation indicators or include the topic in the aggregate ease of doing business score or ranking on the ease of doing business, it does present the data for these indicators.

By gathering and analyzing comprehensive quantitative data to compare business regulation environments across economies and over time, Doing Business encourages economies to compete towards more efficient regulation; offers measurable benchmarks for reform; and serves as a resource for academics, journalists, private sector researchers and others interested in the business climate of each economy.

In addition, Doing Business offers detailed subnational reports, which exhaustively cover business regulation and reform in different cities and regions within a nation. These reports provide data on the ease of doing business, rank each location, and recommend reforms to improve performance in each of the indicator areas. Selected cities can compare their business regulations with other cities in the economy or region and with the 190 economies that Doing Business has ranked.

The first Doing Business report, published in 2003, covered 5 indicator sets and 133 economies. This year’s report covers 11 indicator sets and 190 economies. Most indicator sets refer to a case scenario in the largest business city of each economy, except for 11 economies that have a population of more than 100 million as of 2013 (Bangladesh, Brazil, China, India, Indonesia, Japan, Mexico, Nigeria, Pakistan, the Russian Federation and the United States) where Doing Business also collected data for the second largest business city. The data for these 11 economies are a population-weighted average for the 2 largest business cities. The project has benefited from feedback from governments, academics, practitioners and reviewers. The initial goal remains: to provide an objective basis for understanding and improving the regulatory environment for business around the world.

More about Doing Business (PDF, 5MB)
Ease of Doing Business in Netherlands

Region: OECD high income
Income Category: High income
Population: 17,132,854
City Covered: Amsterdam

DB 2019 Rank: 190
DB 2019 Ease of doing business score: 76.04

Note: The ease of doing business score captures the gap of each economy from the best regulatory performance observed on each of the indicators across all economies in the Doing Business sample since 2005. An economy’s ease of doing business score is reflected on a scale from 0 to 100, where 0 represents the lowest and 100 represents the best performance. The ease of doing business ranking ranges from 1 to 190.

Rankings on Doing Business topics - Netherlands

Ease of Doing Business Score on Doing Business topics - Netherlands
Starting a Business

This topic measures the number of procedures, time, cost and paid-in minimum capital requirement for a small- to medium-sized limited liability company to start up and formally operate in each economy’s largest business city.

To make the data comparable across 190 economies, Doing Business uses a standardized business that is 100% domestically owned, has start-up capital equivalent to 10 times the income per capita, engages in general industrial or commercial activities and employs between 10 and 50 people one month after the commencement of operations, all of whom are domestic nationals. Starting a Business considers two types of local limited liability companies that are identical in all aspects, except that one company is owned by 5 married women and the other by 5 married men. The ranking of economies on the ease of starting a business is determined by sorting their scores for starting a business. These scores are the simple average of the scores for each of the component indicators.

The most recent round of data collection for the project was completed in May 2018. See the methodology for more information.

<table>
<thead>
<tr>
<th>What the indicators measure</th>
<th>Case study assumptions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Procedures to legally start and formally operate a company (number)</td>
<td>To make the data comparable across economies, several assumptions about the business and the procedures are used. It is assumed that any required information is readily available and that the entrepreneur will pay no bribes.</td>
</tr>
<tr>
<td>• Preregistration (for example, name verification or reservation, notarization)</td>
<td>The business:</td>
</tr>
<tr>
<td>• Registration in the economy’s largest business city</td>
<td>- Is a limited liability company (or its legal equivalent). If there is more than one type of limited liability company in the economy, the most common among domestic firms is chosen. Information on the most common form is obtained from incorporation lawyers or the statistical office.</td>
</tr>
<tr>
<td>• Postregistration (for example, social security registration, company seal)</td>
<td>- Operates in the economy’s largest business city. For 11 economies the data are also collected for the second largest business city.</td>
</tr>
<tr>
<td>• Obtaining approval from spouse to start a business or to leave the home to register the company</td>
<td>- The entire office space is approximately 929 square meters (10,000 square feet).</td>
</tr>
<tr>
<td>• Obtaining any gender specific document for company registration and operation or national identification card</td>
<td>- Is 100% domestically owned and has five owners, none of whom is a legal entity; has a start-up capital of 10 times income per capita and has a turnover of at least 100 times income per capita.</td>
</tr>
<tr>
<td>Time required to complete each procedure (calendar days)</td>
<td>- Performs general industrial or commercial activities, such as the production or sale of goods or services to the public. The business does not perform foreign trade activities and does not handle products subject to a special tax regime, for example, liquor or tobacco. It does not use heavily polluting production processes.</td>
</tr>
<tr>
<td>• Does not include time spent gathering information</td>
<td>- Leases the commercial plant or offices and is not a proprietor of real estate and the amount of the annual lease for the office space is equivalent to the income per capita.</td>
</tr>
<tr>
<td>• Each procedure starts on a separate day (2 procedures cannot start on the same day)</td>
<td>- Does not qualify for investment incentives or any special benefits.</td>
</tr>
<tr>
<td>• Procedures fully completed online are recorded as ½ day</td>
<td>- Has at least 10 and up to 50 employees one month after the commencement of operations, all of whom are domestic nationals.</td>
</tr>
<tr>
<td>• Procedure is considered completed once final document is received</td>
<td>- Has a company deed that is 10 pages long.</td>
</tr>
<tr>
<td>• No prior contact with officials</td>
<td>The owners:</td>
</tr>
<tr>
<td>Cost required to complete each procedure (% of income per capita)</td>
<td>- Have reached the legal age of majority. If there is no legal age of majority, they are assumed to be 30 years old.</td>
</tr>
<tr>
<td>• Official costs only, no bribes</td>
<td>- Are sane, competent, in good health and have no criminal record.</td>
</tr>
<tr>
<td>• No professional fees unless services required by law or commonly used in practice</td>
<td>- Are married and the marriage is monogamous and registered with the authorities.</td>
</tr>
<tr>
<td>Paid-in minimum capital (% of income per capita)</td>
<td>- Where the answer differs according to the legal system applicable to the woman or man in question (as may be the case in economies where there is legal plurality), the answer used will be the one that applies to the majority of the population.</td>
</tr>
<tr>
<td>• Funds deposited in a bank or with third party before registration or up to 3 months after incorporation</td>
<td></td>
</tr>
</tbody>
</table>
Starting a Business - Netherlands

Standardized Company

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Netherlands</th>
<th>OECD high income</th>
<th>Best Regulatory Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Legal form</td>
<td>Besloten Vennootschap (BV)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Paid-in minimum capital requirement</td>
<td>EUR 0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>City Covered</td>
<td>Amsterdam</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Netherlands</th>
<th>OECD high income</th>
<th>Best Regulatory Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Procedure - Men (number)</td>
<td>4</td>
<td>4.9</td>
<td>1 (New Zealand)</td>
</tr>
<tr>
<td>Time - Men (days)</td>
<td>3.5</td>
<td>9.3</td>
<td>0.5 (New Zealand)</td>
</tr>
<tr>
<td>Cost - Men (% of income per capita)</td>
<td>4.2</td>
<td>3.1</td>
<td>0.0 (Slovenia)</td>
</tr>
<tr>
<td>Procedure - Women (number)</td>
<td>4</td>
<td>4.9</td>
<td>1 (New Zealand)</td>
</tr>
<tr>
<td>Time - Women (days)</td>
<td>3.5</td>
<td>9.3</td>
<td>0.5 (New Zealand)</td>
</tr>
<tr>
<td>Cost - Women (% of income per capita)</td>
<td>4.2</td>
<td>3.1</td>
<td>0.0 (Slovenia)</td>
</tr>
<tr>
<td>Paid-in min. capital (% of income per capita)</td>
<td>0.0</td>
<td>8.6</td>
<td>0.0 (117 Economies)</td>
</tr>
</tbody>
</table>

Figure – Starting a Business in Netherlands and comparator economies - Ranking and Score

Note: The ranking of economies on the ease of starting a business is determined by sorting their scores for starting a business. These scores are the simple average of the scores for each of the component indicators.
*This symbol is shown beside procedure numbers that take place simultaneously with the previous procedure.

Note: Online procedures account for 0.5 days in the total time calculation. For economies that have a different procedure list for men and women, the graph shows the time for women. For more information on methodology, see the Doing Business website (http://doingbusiness.org/en/methodology). For details on the procedures reflected here, see the summary below.
<table>
<thead>
<tr>
<th>No.</th>
<th>Procedures</th>
<th>Time to Complete</th>
<th>Associated Costs</th>
</tr>
</thead>
</table>
| 1   | Check the company name for appropriateness and validity  
*Agency:* Chamber of Commerce  
As of July 2011, the Chamber of Commerce no longer carries out trade names searches. However, parties themselves can carry out a check on trade names online on the Chamber of Commerce website for free. | Less than one day (online procedure) | no charge           |
| 2   | Draft and sign the company’s deed of incorporation that is executed by a civil law notary  
*Agency:* Civil Notary  
Notary rates are negotiable and can be billed on the basis of an hourly rate, or a fixed fee. This varies between notaries. The deed can be signed in presence of the notary or by way of a written (private) power of attorney. | 1 day                             | EUR 1,750           |
| 3   | Register the company at the local Chamber of Commerce and obtain a registration number  
*Agency:* Chamber of Commerce  
The registration at the Chamber of Commerce can be done online or in person. If it is done online, it takes several hours to receive the registration number, and if the documents are filed in person, it takes 1 to 5 working days. Registration at the local Chamber of Commerce is mandatory. There is a registration fee of EUR 50. The payment of the fee can be done in cash, wire transfer and bank draft. Usually an invoice arrives by mail from the Chamber, and the preferred method of payment is by wire transfer.  
The registration process can be completed online if it is done through a notary; however, for registration applications completed through the Chamber of Commerce, the business owner will submit the required documents online and then physically go to the Chamber of Commerce in person for identification purposes.  
After incorporation of the company, the founders of the company are jointly and severally liable for each legal act performed during their management and which binds the company in the period between execution of the deed of incorporation and the registration at the Chamber of Commerce has been affected. Publication in the Netherlands Official Gazette (Staatscourant) of the first registration and certain subsequent registrations is required and will be made by the Chamber. Companies with more than 50 employees must have a properly constituted workers council. The workers council representatives are entitled to participate in discussions and give advice on important company matters.  
The government is in the process of implementing a UBO-register; a register containing the details of the individuals that are the ‘ultimate beneficial owners’ of legal entities in the Netherlands. | 1 day                             | EUR 50               |
| 4   | Register with the local tax authorities and social security authorities  
*Agency:* Local Tax Authority  
The registration form can be filed in a day but it will take 2 to 6 weeks for the tax office to provide the required tax numbers. For income tax, a separate registration form must be filed, which can also take 4 weeks. | 1 day                             | no charge           |

*Takes place simultaneously with previous procedure.*
Dealing with Construction Permits

This topic tracks the procedures, time and cost to build a warehouse—including obtaining necessary the licenses and permits, submitting all required notifications, requesting and receiving all necessary inspections and obtaining utility connections. In addition, the Dealing with Construction Permits indicator measures the building quality control index, evaluating the quality of building regulations, the strength of quality control and safety mechanisms, liability and insurance regimes, and professional certification requirements. The most recent round of data collection was completed in May 2018. See the methodology for more information.

<table>
<thead>
<tr>
<th>What the indicators measure</th>
<th>Case study assumptions</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Procedures to legally build a warehouse</strong> <em>(number)</em></td>
<td>To make the data comparable across economies, several assumptions about the construction company, the warehouse project and the utility connections are used.</td>
</tr>
<tr>
<td>• Submitting all relevant documents and obtaining all necessary clearances, licenses, permits and certificates</td>
<td><strong>The construction company (BuildCo):</strong></td>
</tr>
<tr>
<td>• Submitting all required notifications and receiving all necessary inspections</td>
<td>- Is a limited liability company (or its legal equivalent) and operates in the economy’s largest business city. For 11 economies the data are also collected for the second largest business city.</td>
</tr>
<tr>
<td>• Obtaining utility connections for water and sewerage</td>
<td>- Is 100% domestically and privately owned; has five owners, none of whom is a legal entity. Has a licensed architect and a licensed engineer, both registered with the local association of architects or engineers. BuildCo is not assumed to have any other employees who are technical or licensed experts, such as geological or topographical experts.</td>
</tr>
<tr>
<td>• Registering and selling the warehouse after its completion</td>
<td>- Owns the land on which the warehouse will be built and will sell the warehouse upon its completion.</td>
</tr>
<tr>
<td><strong>Time required to complete each procedure</strong> <em>(calendar days)</em></td>
<td><strong>The warehouse:</strong></td>
</tr>
<tr>
<td>• Does not include time spent gathering information</td>
<td>- Will be used for general storage activities, such as storage of books or stationery.</td>
</tr>
<tr>
<td>• Each procedure starts on a separate day—though procedures that can be fully completed online are an exception to this rule</td>
<td>- Will have two stories, both above ground, with a total constructed area of approximately 1,300.6 square meters (14,000 square feet). Each floor will be 3 meters (9 feet, 10 inches) high and will be located on a land plot of approximately 929 square meters (10,000 square feet) that is 100% owned by BuildCo, and the warehouse is valued at 50 times income per capita.</td>
</tr>
<tr>
<td>• Procedure is considered completed once final document is received</td>
<td>- Will have complete architectural and technical plans prepared by a licensed architect. If preparation of the plans requires such steps as obtaining further documentation or getting prior approvals from external agencies, these are counted as procedures.</td>
</tr>
<tr>
<td>• No prior contact with officials</td>
<td>- Will take 30 weeks to construct (excluding all delays due to administrative and regulatory requirements).</td>
</tr>
<tr>
<td><strong>Cost required to complete each procedure (% of income per capita)</strong></td>
<td><strong>The water and sewerage connections:</strong></td>
</tr>
<tr>
<td>• Official costs only, no bribes</td>
<td>- Will be 150 meters (492 feet) from the existing water source and sewer tap. If there is no water delivery infrastructure in the economy, a borehole will be dug. If there is no sewerage infrastructure, a septic tank in the smallest size available will be installed or built.</td>
</tr>
<tr>
<td><strong>Building quality control index</strong> <em>(0-15)</em></td>
<td>- Will have an average water use of 662 liters (175 gallons) a day and an average wastewater flow of 568 liters (150 gallons) a day. Will have a peak water use of 1,325 liters (350 gallons) a day and a peak wastewater flow of 1,136 liters (300 gallons) a day.</td>
</tr>
<tr>
<td>• Quality of building regulations <em>(0-2)</em></td>
<td>- Will have a constant level of water demand and wastewater flow throughout the year; will be 1 inch in diameter for the water connection and 4 inches in diameter for the sewerage connection.</td>
</tr>
</tbody>
</table>
Dealing with Construction Permits - Netherlands

Standardized Warehouse

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Netherlands</th>
<th>OECD high income</th>
<th>Best Regulatory Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Estimated value of warehouse</td>
<td>EUR 2,127,274.50</td>
<td></td>
<td></td>
</tr>
<tr>
<td>City Covered</td>
<td>Amsterdam</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Procedures (number)</td>
<td>13</td>
<td>12.7</td>
<td>None in 2017/18</td>
</tr>
<tr>
<td>Time (days)</td>
<td>161</td>
<td>153.1</td>
<td>None in 2017/18</td>
</tr>
<tr>
<td>Cost (% of warehouse value)</td>
<td>3.7</td>
<td>1.5</td>
<td>None in 2017/18</td>
</tr>
<tr>
<td>Building quality control index (0-15)</td>
<td>10.0</td>
<td>11.5</td>
<td>15.0 (3 Economies)</td>
</tr>
</tbody>
</table>

Figure - Dealing with Construction Permits in Netherlands and comparator economies - Ranking and Score

Note: The ranking of economies on the ease of dealing with construction permits is determined by sorting their scores for dealing with construction permits. These scores are the simple average of the scores for each of the component indicators.

Figure - Dealing with Construction Permits in Netherlands - Procedure, Time and Cost

*This symbol is shown beside procedure numbers that take place simultaneously with the previous procedure.

Note: Online procedures account for 0.5 days in the total time calculation. For economies that have a different procedure list for men and women, the graph shows the time for women. For more information on methodology, see the Doing Business website (http://doingbusiness.org/en/methodology). For details on the procedures reflected here, see the summary below.
### Figure - Dealing with Construction Permits in Netherlands and comparator economies - Measure of Quality

<table>
<thead>
<tr>
<th>Index Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>10.0</td>
</tr>
<tr>
<td>12.0</td>
</tr>
<tr>
<td>11.0</td>
</tr>
<tr>
<td>10.0</td>
</tr>
<tr>
<td>14.0</td>
</tr>
<tr>
<td>11.5</td>
</tr>
</tbody>
</table>

### Details - Dealing with Construction Permits in Netherlands - Procedure, Time and Cost

<table>
<thead>
<tr>
<th>No.</th>
<th>Procedures</th>
<th>Time to Complete</th>
<th>Associated Costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Obtain report on the soil conditions from soil researching company</td>
<td>30 days</td>
<td>EUR 9,650</td>
</tr>
<tr>
<td></td>
<td><em>Agency:</em> Soil Researching Company</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>The soil on which a building is to be constructed should not be contaminated.</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>If a soil report is not available, soil testing must be conducted. The soil</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>testing should be performed before requesting a building permit.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Hold a consultation with the municipal authorities</td>
<td>15 days</td>
<td>no charge</td>
</tr>
<tr>
<td></td>
<td><em>Agency:</em> Municipality</td>
<td></td>
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</tr>
<tr>
<td></td>
<td>An appointment request is made online to meet with one of the building</td>
<td></td>
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</tr>
<tr>
<td></td>
<td>inspectors. The consultation is free of charge. While this appointment is not</td>
<td></td>
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</tr>
<tr>
<td></td>
<td>mandatory, it is advisable to check that all the requirements for the permit</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>are met. They will also check whether the zoning plan allows for the</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>construction of a warehouse in the proposed location.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Submit a request for a building permit to the Municipal Executive</td>
<td>98 days</td>
<td>EUR 67,860</td>
</tr>
<tr>
<td></td>
<td>(Mayor and Aldermen)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td><em>Agency:</em> Municipal Executive (Mayor and Aldermen)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>As of October 1, 2010 an online system <a href="http://www.eherkenning.nl/">www.eherkenning.nl/</a> was implemented</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>which allows uploading of all documents to request a building permit, as</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>well as following up on the request.</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>At the same time, several types of permits were combined into one General</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Environmental Law (Wet algemene bepalingen omgevingsrecht- Wabo). All</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>different types of building permits (e.g., building permit, demolition</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>permit, a permit to cut down trees, etc) are now combined into one</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>environmental permit.</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>The Municipality has 8 weeks to decide on the permit and another 6 weeks to</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>finalize the permit. If the building does not fit into the zoning scheme,</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>the procedure to obtain the permit will take 26 weeks.</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>There are exceptions in particular cases for which the procedure takes 26</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>weeks:</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Application for a specific fire-safe utilization of a building</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Application for a building in which an enterprise is going to start with</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>production processes that are harmful for the environment</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Application for a building that does not fit into the zoning scheme</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Application for a building permit concerning a renovation of a cultural</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>heritage building</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Notify Municipality if there is a heating installation</td>
<td>0.5 days</td>
<td>no charge</td>
</tr>
<tr>
<td></td>
<td><em>Agency:</em> Municipality</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>The notification is pursuant to the municipal heating regulations (Verorden-</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>ing Stockinstallaties). The regulations establish technical and environmental</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>rules with which the installation should comply.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Notify building inspector two days before construction work begins</td>
<td>0.5 days</td>
<td>no charge</td>
</tr>
<tr>
<td></td>
<td><em>Agency:</em> Building Inspection Department</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>For each of the following activities, an independent notification is</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>required:</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• The start of construction work, including excavations</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• The start of foundation activities</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• The start of soil consolidation activities</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Furthermore, the building inspection office should be notified at least</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>one day before the start of concrete pouring. This inspection can be</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>carried out on site.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Request and receive inspection at foundation stage</td>
<td>1 day</td>
<td>no charge</td>
</tr>
<tr>
<td></td>
<td><em>Agency:</em> Building Inspection Department</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>There are one or two inspections at the foundation stage.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>Request and receive inspection at roof stage</td>
<td>1 day</td>
<td>no charge</td>
</tr>
<tr>
<td></td>
<td><em>Agency:</em> Building Inspection Department</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>There are one or two inspections at the roofing stage.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Step</td>
<td>Description</td>
<td>Agency</td>
<td>Duration</td>
</tr>
<tr>
<td>------</td>
<td>-------------</td>
<td>--------</td>
<td>----------</td>
</tr>
<tr>
<td>8</td>
<td>Notify building inspector upon completion of work</td>
<td>Building Inspection Department</td>
<td>0.5 days</td>
</tr>
<tr>
<td></td>
<td>If a permit is required for the use the building, the building inspector must be notified when part of the construction has been completed, such as when the connection to the sewer system has been made, or when all work has been completed. Notification must be given upon completion of construction work in order to be granted a permit to use the property. If inspections show that the building has not been constructed in accordance with the building permit, an occupancy permit cannot be issued.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>Notify Fire Department upon completion of work</td>
<td>Fire Department</td>
<td>0.5 days</td>
</tr>
<tr>
<td></td>
<td>BuildCo must notify the Fire Department about the completion of construction works in order to receive the final inspection.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>Receive final inspection</td>
<td>Municipality</td>
<td>1 day</td>
</tr>
<tr>
<td>11</td>
<td>Request water connection</td>
<td>Vitens N.V.</td>
<td>6 days</td>
</tr>
<tr>
<td></td>
<td>In order to request a new water connection, an account needs to be set up on <a href="http://www.mijnaansluiting.nl">www.mijnaansluiting.nl</a>, with the following information:</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Address details and contact details</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Required connection and the required capacity of the connections.</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>- A map of the building showing the location of the meter(s). On the map, enter the distances in meters or the scale of the map.</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>- The week in which customer prefer to have the work carried out. The network operator determines the final schedule. This depends, among other things, on the type of work and the necessary preparations.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>12</td>
<td>Receive inspection for water services</td>
<td>Vitens N.V.</td>
<td>1 day</td>
</tr>
<tr>
<td>13</td>
<td>Pay and obtain water connection</td>
<td>Vitens N.V.</td>
<td>21 days</td>
</tr>
<tr>
<td>Category</td>
<td>Question</td>
<td>Answer</td>
<td>Score</td>
</tr>
<tr>
<td>-------------------------------------------------------------------------</td>
<td>--------------------------------------------------------------------------</td>
<td>------------------------------------------------------------------------</td>
<td>-------</td>
</tr>
<tr>
<td>Building quality control index (0-15)</td>
<td></td>
<td></td>
<td>10.0</td>
</tr>
<tr>
<td>Quality of building regulations index (0-2)</td>
<td>How accessible are building laws and regulations in your economy? (0-1)</td>
<td>Available online; Free of charge.</td>
<td>2.0</td>
</tr>
<tr>
<td></td>
<td>Which requirements for obtaining a building permit are clearly specified in the building regulations or on any accessible website, brochure or pamphlet? (0-1)</td>
<td>List of required documents; Fees to be paid; Required preapprovals.</td>
<td></td>
</tr>
<tr>
<td>Quality control before construction index (0-1)</td>
<td>Which third-party entities are required by law to verify that the building plans are in compliance with existing building regulations? (0-1)</td>
<td>Licensed architect; Licensed engineer.</td>
<td>1.0</td>
</tr>
<tr>
<td>Quality control during construction index (0-3)</td>
<td>What types of inspections (if any) are required by law to be carried out during construction? (0-2)</td>
<td>Inspections at various phases; Risk-based inspections.</td>
<td>3.0</td>
</tr>
<tr>
<td></td>
<td>Do legally mandated inspections occur in practice during construction? (0-1)</td>
<td>Mandatory inspections are always done in practice.</td>
<td></td>
</tr>
<tr>
<td>Quality control after construction index (0-3)</td>
<td>Is there a final inspection required by law to verify that the building was built in accordance with the approved plans and regulations? (0-2)</td>
<td>Yes, final inspection is done by government agency.</td>
<td>3.0</td>
</tr>
<tr>
<td></td>
<td>Do legally mandated final inspections occur in practice? (0-1)</td>
<td>Final inspection always occurs in practice.</td>
<td></td>
</tr>
<tr>
<td>Liability and insurance regimes index (0-2)</td>
<td>Which parties (if any) are held liable by law for structural flaws or problems in the building once it is in use (Latent Defect Liability or Decennial Liability)? (0-1)</td>
<td>Architect or engineer; Professional in charge of the supervision; Construction company.</td>
<td>1.0</td>
</tr>
<tr>
<td></td>
<td>Which parties (if any) are required by law to obtain an insurance policy to cover possible structural flaws or problems in the building once it is in use (Latent Defect Liability Insurance or Decennial Insurance)? (0-1)</td>
<td>No party is required by law to obtain insurance.</td>
<td>1.0</td>
</tr>
<tr>
<td>Professional certifications index (0-4)</td>
<td>What are the qualification requirements for the professional responsible for verifying that the architectural plans or drawings are in compliance with existing building regulations? (0-2)</td>
<td>There are no specific requirements.</td>
<td>0.0</td>
</tr>
<tr>
<td></td>
<td>What are the qualification requirements for the professional who supervises the construction on the ground? (0-2)</td>
<td>There are no specific requirements.</td>
<td>0.0</td>
</tr>
</tbody>
</table>
## Getting Electricity

This topic measures the procedures, time and cost required for a business to obtain a permanent electricity connection for a newly constructed warehouse. Additionally, the reliability of supply and transparency of tariffs index measures reliability of supply, transparency of tariffs and the price of electricity. The most recent round of data collection for the project was completed in May 2018. See the methodology for more information.

<table>
<thead>
<tr>
<th>What the indicators measure</th>
<th>Case study assumptions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Procedures to obtain an electricity connection (number)</td>
<td>To make the data comparable across economies, several assumptions about the warehouse, the electricity connection and the monthly consumption are used.</td>
</tr>
<tr>
<td>• Submitting all relevant documents and obtaining all necessary clearances and permits</td>
<td><strong>The warehouse:</strong></td>
</tr>
<tr>
<td>• Completing all required notifications and receiving all necessary inspections</td>
<td>- Is owned by a local entrepreneur and is used for storage of goods.</td>
</tr>
<tr>
<td>• Obtaining external installation works and possibly purchasing material for these works</td>
<td>- Is located in the economy’s largest business city. For 11 economies the data are also collected for the second largest business city.</td>
</tr>
<tr>
<td>• Concluding any necessary supply contract and obtaining final supply</td>
<td>- Is located in an area where similar warehouses are typically located and is in an area with no physical constraints. For example, the property is not near a railway.</td>
</tr>
<tr>
<td>Time required to complete each procedure (calendar days)</td>
<td>- Is a new construction and is being connected to electricity for the first time.</td>
</tr>
<tr>
<td>• Is at least 1 calendar day</td>
<td>- Has two stories with a total surface area of approximately 1,300.6 square meters (14,000 square feet). The plot of land on which it is built is 929 square meters (10,000 square feet).</td>
</tr>
<tr>
<td>• Each procedure starts on a separate day</td>
<td><strong>The electricity connection:</strong></td>
</tr>
<tr>
<td>• Does not include time spent gathering information</td>
<td>- Is a permanent one with a three-phase, four-wire Y connection with a subscribed capacity of 140-kilo-volt-ampere (kVA) with a power factor of 1, when 1 kVA = 1 kilowatt (kW).</td>
</tr>
<tr>
<td>• Reflects the time spent in practice, with little follow-up and no prior contact with officials</td>
<td>- Has a length of 150 meters. The connection is to either the low- or medium-voltage distribution network and is either overhead or underground, whichever is more common in the area where the warehouse is located and requires works that involve the crossing of a 10-meter road (such as by excavation or overhead lines) but are all carried out on public land. There is no crossing of other owners’ private property because the warehouse has access to a road.</td>
</tr>
<tr>
<td>Cost required to complete each procedure (% of income per capita)</td>
<td>- Does not require work to install the internal wiring of the warehouse. This has already been completed up to and including the customer’s service panel or switchboard and the meter base.</td>
</tr>
<tr>
<td>• Official costs only, no bribes</td>
<td><strong>The monthly consumption:</strong></td>
</tr>
<tr>
<td>• Value added tax excluded</td>
<td>- It is assumed that the warehouse operates 10 days a month from 9:00 a.m. to 5:00 p.m. (8 hours a day), with equipment utilized at 80% of capacity on average and that there are no electricity cuts (assumed for simplicity reasons) and the monthly energy consumption is 26,880 kilowatt-hours (kWh); hourly consumption is 112 kWh.</td>
</tr>
<tr>
<td><strong>The reliability of supply and transparency of tariffs index (0–8)</strong></td>
<td>- If multiple electricity suppliers exist, the warehouse is served by the cheapest supplier.</td>
</tr>
<tr>
<td>• Duration and frequency of power outages (0–3)</td>
<td>- Tariffs effective in January of the current year are used for calculation of the price of electricity for the warehouse. Although January has 31 days, for calculation purposes only 30 days are used.</td>
</tr>
<tr>
<td>• Tools to monitor power outages (0–1)</td>
<td><strong>Price of electricity (cents per kilowatt-hour)*:</strong></td>
</tr>
<tr>
<td>• Tools to restore power supply (0–1)</td>
<td>• Price based on monthly bill for commercial warehouse in case study</td>
</tr>
</tbody>
</table>
| • Regulatory monitoring of utilities’ performance (0–1) | *Note: Doing Business measures the price of electricity, but it is not included in the ease of doing business score nor the ranking on the ease of getting electricity.
Getting Electricity - Netherlands

Standardized Connection

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Netherlands</th>
<th>OECD high income</th>
<th>Best Regulatory Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Procedures (number)</td>
<td>5</td>
<td>4.5</td>
<td>3 (25 Economies)</td>
</tr>
<tr>
<td>Time (days)</td>
<td>110</td>
<td>77.2</td>
<td>18 (3 Economies)</td>
</tr>
<tr>
<td>Cost (% of income per capita)</td>
<td>28.1</td>
<td>64.2</td>
<td>0.0 (3 Economies)</td>
</tr>
<tr>
<td>Reliability of supply and transparency of tariff index (0-8)</td>
<td>8</td>
<td>7.5</td>
<td>8.0 (27 Economies)</td>
</tr>
</tbody>
</table>

Note: The ranking of economies on the ease of getting electricity is determined by sorting their scores for getting electricity. These scores are the simple average of the scores for all the component indicators except the price of electricity.
This symbol is shown beside procedure numbers that take place simultaneously with the previous procedure.

Note: Online procedures account for 0.5 days in the total time calculation. For economies that have a different procedure list for men and women, the graph shows the time for women. For more information on methodology, see the Doing Business website (http://doingbusiness.org/en/methodology). For details on the procedures reflected here, see the summary below.
# Details - Getting Electricity in Netherlands - Procedure, Time and Cost

<table>
<thead>
<tr>
<th>No.</th>
<th>Procedures</th>
<th>Time to Complete</th>
<th>Associated Costs</th>
</tr>
</thead>
</table>
| 1   | Submit application to Liander and receive quote  
     Agency: Liander  
The customer can apply for an electricity connection with the utility, Liander, online at www.aansluitingen.nl, in person, by phone, mail or fax.  
The customer will need to attach the following documents to their application: location of building to public road and the exact location of the building.  
The utility then prepares and calculate the connection fees.  
No inspection of the entire internal wiring is carried out during the process, but the electrician/electrical contractor, in charge of the internal wiring, will need to submit a notification to Liander stating the installation has been carried out according to the regulations. | 20 calendar days | EUR 0 |
| 2   | Obtain external inspection by Liander  
     Agency: Liander  
If there are no maps for the area where the building is located and thus a site inspection is necessary, Liander will inspect the site to determine the specifics of the connection. The client does not need to be present during the inspection. | 1 calendar day | EUR 0 |
| 3   | Obtain external works from Liander's contractor  
     Agency: Liander  
Liander will sub-contract the works to a private firm. In this case, the works consist of laying out a cable from the warehouse to the closest supply source.  
A standard connection is a connection for a house or a small company with a length up to 25 meters. Connection fees are fixed and set by the ACM (Autoriteit Concument & Markt) and include the physical works for a connection up to 25 meters. Beyond the 25 meters additional costs apply, depending on the distance.  
Liander distinguishes between 3 categories of connections: households and small businesses (loads of up to 3 x 80 Ampere); large businesses and small industrial (between 3 x 80 Ampere and 2 MVA); large industrial (over 2 MVA). The assumed case fits into the second categor.  
Before the electricity can be turned on, the client will need to show the relevant agency (Liander) a copy of the supply contract. (Nowadays this is carried out by using electronic communication.) This is done during the execution of the works and therefore gives no additional delay of the process. | 90 calendar days | EUR 11,961 |
| 4   | Sign contract with electricity supplier  
     Agency: Supplier  
In the Netherlands, the electricity market is free. Liander is a distributor of electricity, but not a provider. Therefore, in order to obtain electricity, the client will need to choose and sign a contract with one of many suppliers. | 7 calendar days | EUR 0 |
| 5   | Obtain meter installation by meter company or Liander  
     Agency: Liander or meter company  
The customer can choose a meter company to install the meter for them, as for example Liander’s own meter department.  
Before the electricity can be turned on, the client will need to show the relevant agency (Liander) a copy of the supply contract. (Nowadays this is carried out by using electronic communication.) This is done during the execution of the works (procedure 3) and therefore gives no additional delay of the process | 7 calendar days | EUR 0 |
Details - Getting Electricity in Netherlands - Measure of Quality

<table>
<thead>
<tr>
<th>Topic</th>
<th>Answer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reliability of supply and transparency of tariff index (0-8)</td>
<td>8</td>
</tr>
<tr>
<td>Total duration and frequency of outages per customer a year (0-3)</td>
<td>3</td>
</tr>
<tr>
<td>System average interruption duration index (SAIDI)</td>
<td>0.6</td>
</tr>
<tr>
<td>System average interruption frequency index (SAIFI)</td>
<td>0.3</td>
</tr>
<tr>
<td>What is the minimum outage time (in minutes) that the utility considers for the calculation of SAIDI/SAIFI</td>
<td>0.3</td>
</tr>
<tr>
<td>Mechanisms for monitoring outages (0-1)</td>
<td>1</td>
</tr>
<tr>
<td>Does the distribution utility use automated tools to monitor outages?</td>
<td>Yes</td>
</tr>
<tr>
<td>Mechanisms for restoring service (0-1)</td>
<td>1</td>
</tr>
<tr>
<td>Does the distribution utility use automated tools to restore service?</td>
<td>Yes</td>
</tr>
<tr>
<td>Regulatory monitoring (0-1)</td>
<td>1</td>
</tr>
<tr>
<td>Does a regulator— that is, an entity separate from the utility—monitor the utility’s performance on reliability of supply?</td>
<td>Yes</td>
</tr>
<tr>
<td>Financial deterrents aimed at limiting outages (0-1)</td>
<td>1</td>
</tr>
<tr>
<td>Does the utility either pay compensation to customers or face fines by the regulator (or both) if outages exceed a certain cap?</td>
<td>Yes</td>
</tr>
<tr>
<td>Communication of tariffs and tariff changes (0-1)</td>
<td>1</td>
</tr>
<tr>
<td>Are effective tariffs available online?</td>
<td>Yes</td>
</tr>
<tr>
<td>Link to the website, if available online</td>
<td></td>
</tr>
<tr>
<td><a href="https://www.liander.nl/tarieven2018">https://www.liander.nl/tarieven2018</a> or mijnliander.nl</td>
<td></td>
</tr>
<tr>
<td><a href="https://www.consuwijzer.nl/energie">https://www.consuwijzer.nl/energie</a></td>
<td></td>
</tr>
<tr>
<td>Are customers notified of a change in tariff ahead of the billing cycle?</td>
<td>Yes</td>
</tr>
</tbody>
</table>

Note:

If the duration and frequency of outages is 100 or less, the economy is eligible to score on the Reliability of supply and transparency of tariff index.

If the duration and frequency of outages is not available, or is over 100, the economy is not eligible to score on the index.

If the minimum outage time considered for SAIDI/SAIFI is over 5 minutes, the economy is not eligible to score on the index.
Registering Property

This topic examines the steps, time and cost involved in registering property, assuming a standardized case of an entrepreneur who wants to purchase land and a building that is already registered and free of title dispute. In addition, the topic also measures the quality of the land administration system in each economy. The quality of land administration index has five dimensions: reliability of infrastructure, transparency of information, geographic coverage, land dispute resolution, and equal access to property rights. The most recent round of data collection for the project was completed in May 2018. See the methodology for more information.

<table>
<thead>
<tr>
<th>What the indicators measure</th>
<th>Case study assumptions</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Procedures to legally transfer title on immovable property (number)</strong></td>
<td>To make the data comparable across economies, several assumptions about the parties to the transaction, the property and the procedures are used.</td>
</tr>
<tr>
<td>- Preregistration procedures (for example, checking for liens, notarizing sales agreement, paying property transfer taxes)</td>
<td>The parties (buyer and seller):</td>
</tr>
<tr>
<td>- Registration procedures in the economy’s largest business city.</td>
<td>- Are limited liability companies (or the legal equivalent).</td>
</tr>
<tr>
<td>- Postregistration procedures (for example, filling title with municipality)</td>
<td>- Are located in the periurban area of the economy’s largest business city. For 11 economies the data are also collected for the second largest business city.</td>
</tr>
<tr>
<td>Time required to complete each procedure (calendar days)</td>
<td>- Are 100% domestically and privately owned.</td>
</tr>
<tr>
<td>- Does not include time spent gathering information</td>
<td>- Have 50 employees each, all of whom are nationals.</td>
</tr>
<tr>
<td>- Each procedure starts on a separate day - though procedures that can be fully completed online are an exception to this rule</td>
<td>- Perform general commercial activities.</td>
</tr>
<tr>
<td>- Procedure is considered completed once final document is received</td>
<td>The property (fully owned by the seller):</td>
</tr>
<tr>
<td>- No prior contact with officials</td>
<td>- Has a value of 50 times income per capita, which equals the sale price.</td>
</tr>
<tr>
<td>Cost required to complete each procedure (% of property value)</td>
<td>- Is fully owned by the seller.</td>
</tr>
<tr>
<td>- Official costs only (such as administrative fees, duties and taxes).</td>
<td>- Has no mortgages attached and has been under the same ownership for the past 10 years.</td>
</tr>
<tr>
<td>- Value Added Tax, Capital Gains Tax and illicit payments are excluded</td>
<td>- Is registered in the land registry or cadastre, or both, and is free of title disputes.</td>
</tr>
<tr>
<td>- Consists of land and a building. The land area is 557.4 square meters (6,000 square feet). A two-story warehouse of 929 square meters (10,000 square feet) is located on the land. The warehouse is 10 years old, is in good condition, has no heating system and complies with all safety standards, building codes and legal requirements. The property, consisting of land and building, will be transferred in its entirety.</td>
<td></td>
</tr>
<tr>
<td>Quality of land administration index (0-30)</td>
<td>- Will not be subject to renovations or additional construction following the purchase.</td>
</tr>
<tr>
<td>- Reliability of infrastructure index (0-8)</td>
<td>- Has no trees, natural water sources, natural reserves or historical monuments of any kind.</td>
</tr>
<tr>
<td>- Transparency of information index (0-6)</td>
<td>- Will not be used for special purposes, and no special permits, such as for residential use, industrial plants, waste storage or certain types of agricultural activities, are required.</td>
</tr>
<tr>
<td>- Geographic coverage index (0-8)</td>
<td>- Has no occupants, and no other party holds a legal interest in it.</td>
</tr>
<tr>
<td>- Land dispute resolution index (0-8)</td>
<td>- Will not be used for special purposes, and no special permits, such as for residential use, industrial plants, waste storage or certain types of agricultural activities, are required.</td>
</tr>
<tr>
<td>- Equal access to property rights index (-2-0)</td>
<td>- Has no occupants, and no other party holds a legal interest in it.</td>
</tr>
</tbody>
</table>
Registering Property - Netherlands

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Netherlands</th>
<th>OECD high income</th>
<th>Best Regulatory Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Procedures (number)</td>
<td>5</td>
<td>4.7</td>
<td>1 (4 Economies)</td>
</tr>
<tr>
<td>Time (days)</td>
<td>2.5</td>
<td>20.1</td>
<td>1 (New Zealand)</td>
</tr>
<tr>
<td>Cost (% of property value)</td>
<td>6.1</td>
<td>4.2</td>
<td>0.0 (Saudi Arabia)</td>
</tr>
<tr>
<td>Quality of the land administration index (0-30)</td>
<td>28.5</td>
<td>23.0</td>
<td>None in 2017/18</td>
</tr>
</tbody>
</table>

Figure - Registering Property in Netherlands and comparator economies - Ranking and Score

Note: The ranking of economies on the ease of registering property is determined by sorting their scores for registering property. These scores are the simple average of the scores for each of the component indicators.

Figure - Registering Property in Netherlands - Procedure, Time and Cost

*This symbol is shown beside procedure numbers that take place simultaneously with the previous procedure.

Note: Online procedures account for 0.5 days in the total time calculation. For economies that have a different procedure list for men and women, the graph shows the time for women. For more information on methodology, see the Doing Business website (http://doingbusiness.org/en/methodology). For details on the procedures reflected here, see the summary below.
Details - Registering Property in Netherlands - Procedure, Time and Cost

<table>
<thead>
<tr>
<th>No.</th>
<th>Procedures</th>
<th>Time to Complete</th>
<th>Associated Costs</th>
</tr>
</thead>
</table>
| 1   | Notary conducts a title search at the Land Registry  
Agency: Cadastre, Land Registry and Mapping Agency  
According to Dutch Civil Code it is mandatory to hire a civil law notary to perform the registration process of property in the Netherlands. The civil law notary will conduct a title search at the Land Registry to check for ownership and encumbrances before executing the deed. Art 84 Book 3 Civil Code states that for a legally valid transaction the seller should have the right to dispose, which is one of the major elements of a property right. For such transactions a notarial deed is compulsory ('authentic deed'); therefore, the notary checks whether the seller is indeed the owner. It is mandatory in the professional rules of the National Association of Notaries. Notaries can consult the land register by an online system, called the Automatic Cadastral Registration (AKR), but only regarding some aspects.  
The deeds and other registered documents from 1998 onward are online accessible. Since December 2009 all deeds are digitally available (first deeds 1832). Extracts from the cadastral map showing the relevant properties are also available online. To obtain all relevant information takes a few minutes. A notary can ask the Land Registry Office to find out the history and identifiers of a parcel. If a cadastral parcel has been changed (e.g. a parcel is divided into 2 new parcels), the parcel will be given a new, unique parcel number. The civil law notary then drafts the deed of transfer. Preemption rights ('Voorkeursrecht') only apply in exceptional cases, for properties located in the Municipalities Preferential Rights Act ('Wet voorkeursrecht gemeenter') or for ground leases (as opposed to freehold).  
The deeds and other registered documents from 1998 onward are online accessible. Since December 2009 all deeds are digitally available (first deeds 1832). Extracts from the cadastral map showing the relevant properties are also available online. To obtain all relevant information takes a few minutes. A notary can ask the Land Registry Office to find out the history and identifiers of a parcel. If a cadastral parcel has been changed (e.g. a parcel is divided into 2 new parcels), the parcel will be given a new, unique parcel number. The civil law notary then drafts the deed of transfer. Preemption rights ('Voorkeursrecht') only apply in exceptional cases, for properties located in the Municipalities Preferential Rights Act ('Wet voorkeursrecht gemeenter') or for ground leases (as opposed to freehold). | Less than one day, online | EUR 2,259.6; (1. Title search: (disbursements, charged by the Land Registry):  
- EUR 2.4 per registered title;  
- EUR 2.4 per cadastral map;  
- EUR 2.4 per cadastral extract (x2) (per cadastral parcel two extracts are required, one regarding the ownership and one regarding the mortgages and attachments - even if the property has no mortgages).  
2. Notarial fee (inter alia including the work mentioned above under procedure 1):  
EUR 1,000-3,500  
Final check: no cost) |
**2 Notary conducts a search on the representation of the parties**

**Agency:** Trade Register ('Kamer van Koophandel' - www.kvk.nl)

For companies the notary must conduct an on-line research with the Trade Register with respect to specific information of the company (such as address, managing directors). From July 1, 2012 all notaries are obliged to check addresses in the Dutch national online address database 'Basisadministratie Adressen en Gebouwen (BAG)'. The central database was designed to prevent individuals from using fake addresses.

The articles of association cannot be checked on-line. The civil law notary can keep a copy but give a statement that the deed involved is checked on a certain date. The deed itself is then returned with that statement to the civil law notary.

*Note: VAT is applicable. It is 21% regarding property. This depends, inter alia, on the market value, whichever is higher. Also, or instead of transfer tax, sometimes the seller has to pay transfer deed, this check can be done immediately.*

The notary will also check the Insolvency Registry, which is a public register held by the courts, in which everybody (including companies who has been declared bankrupt) can be found. He checks both buyer and seller at the time of signing the deed and the registration with the Land Registry. This is not mandatory but necessary to know whether seller or buyer do not have the right to dispose and to bind, because of registration in the register. It is described in the professional rules of the National Association of Notaries. This checking is done online at www.insolenties.rechtspraak.nl. Only subscribers can access this site and the annual membership fees are 175 Euro. Online checking of insolencies can be done as well on http://insolventies.rechtspraak.nl which is part of the website of the Dutch courts and checking this register is free of charge.

---

**3 Execution of the transfer deed**

**Agency:** Civil law notary

The notarial deed of transfer must be drawn up by a notary and signed by the latter and both parties. Before signing, a notary is required to investigate the title to the property and the seller’s power to dispose of it in the public registers. The notary must provide for a transfer free of mortgages and attachments, this requires the cooperation of third parties and the retrieval of information other than that provided by the Land Registry. The authorized persons will either have to appear before the notary or must have granted power of attorney. After the deed has been registered with the Land Registry Office, a civil law notary must carry out the post registration check in order to detect any potential change between the execution and the registration of the deed. As the evidence of the registration is sent by internet, just after the electronic submission following execution of the transfer deed, this check can be done immediately.

---

**4 Registration of deed**

**Agency:** Cadastre, Land Registry and Mapping Agency

Every notary deed must be registered with the Land Registry ('ingeschreven'). This can be done through the internet (the notary does not need to go to the land registry or ‘kadaster’).

The registration fee of the Land Registry depends on the way the deed is submitted to the Land Registry: Land Registry EUR 150.- for regular registration (= sending paper version of deed by mail), EUR 126 for semi automatic registration (= sending pdf-file of deed by email) and EUR 77.- for fully automatic registration (= sending data file with essentials of transfer only).

---

**5 Registration with Tax authority, Department Registration**

**Agency:** The Ministry of Finance, Tax authority, Department Registration (www.belastingdienst.nl)

Registration with the Ministry of Finance, Tax Authority, Department Registration is done online: www.belastingdienst.nl This is the official register of the Department Registration. Each notarial deed has to be registered within 10 days with the Tax Authority who checks the deed for taxable aspects. The transfer tax is paid to the civil law notary. who will pay this tax to the Tax Authorities after registration. The transfer tax is 6% or 2% of the total purchase price or the market value, whichever is higher. Also, or instead of transfer tax, sometimes VAT is applicable. It is 21% regarding property. This depends, inter alia, on the status of the property and the fact if the seller is a VAT-entrepreneur. They do not keep a copy but give a statement that the deed involved is checked on a certain date. The deed itself is then returned with that statement to the civil law notary.

---

Takes place simultaneously with previous procedure.
## Details - Registering Property in Netherlands - Measure of Quality

<table>
<thead>
<tr>
<th>Reliability of infrastructure index (0-8)</th>
<th>Answer</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>What is the institution in charge of immovable property registration?</td>
<td>Kadaster</td>
<td>7.0</td>
</tr>
<tr>
<td>In what format are the majority of title or deed records kept in the largest business city—in a paper format or in a computerized format (scanned or fully digital)?</td>
<td>Computer/Scanned</td>
<td>1.0</td>
</tr>
<tr>
<td>Is there an electronic database for checking for encumbrances (liens, mortgages, restrictions and the like)?</td>
<td>Yes</td>
<td>1.0</td>
</tr>
<tr>
<td>Institution in charge of the plans showing legal boundaries in the largest business city:</td>
<td>Kadaster</td>
<td></td>
</tr>
<tr>
<td>In what format are the majority of maps of land plots kept in the largest business city—in a paper format or in a computerized format (scanned or fully digital)?</td>
<td>Computer/Fully digital</td>
<td>2.0</td>
</tr>
<tr>
<td>Is there an electronic database for recording boundaries, checking plans and providing cadastral information (geographic information system)?</td>
<td>Yes</td>
<td>1.0</td>
</tr>
<tr>
<td>Is the information recorded by the immovable property registration agency and the cadastral or mapping agency kept in a single database, in different but linked databases or in separate databases?</td>
<td>Single database</td>
<td>1.0</td>
</tr>
<tr>
<td>Do the immovable property registration agency and cadastral or mapping agency use the same identification number for properties?</td>
<td>Yes</td>
<td>1.0</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Transparency of information index (0-6)</th>
<th>Answer</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Who is able to obtain information on land ownership at the agency in charge of immovable property registration in the largest business city?</td>
<td>Anyone who pays the official fee</td>
<td>1.0</td>
</tr>
<tr>
<td>Is the list of documents that are required to complete any type of property transaction made publicly available—and if so, how?</td>
<td>Yes, online</td>
<td>0.5</td>
</tr>
<tr>
<td>Link for online access:</td>
<td><a href="http://www.kadaster.nl">www.kadaster.nl</a></td>
<td></td>
</tr>
<tr>
<td>Is the applicable fee schedule for any property transaction at the agency in charge of immovable property registration in the largest business city made publicly available—and if so, how?</td>
<td>Yes, online</td>
<td>0.5</td>
</tr>
<tr>
<td>Link for online access:</td>
<td><a href="https://www.kadaster.nl/tarieven">https://www.kadaster.nl/tarieven</a></td>
<td></td>
</tr>
<tr>
<td>Does the agency in charge of immovable property registration commit to delivering a legally binding document that proves property ownership within a specific time frame—and if so, how does it communicate the service standard?</td>
<td>Yes, online</td>
<td>0.5</td>
</tr>
<tr>
<td>Link for online access:</td>
<td><a href="https://www.kadaster.nl/kwaliteitshandvest">https://www.kadaster.nl/kwaliteitshandvest</a></td>
<td></td>
</tr>
<tr>
<td>Is there a specific and separate mechanism for filing complaints about a problem that occurred at the agency in charge of immovable property registration?</td>
<td>Yes</td>
<td>1.0</td>
</tr>
<tr>
<td>Contact information:</td>
<td><a href="https://www.kadaster.nl/klachten-en-bezwaren">https://www.kadaster.nl/klachten-en-bezwaren</a></td>
<td></td>
</tr>
<tr>
<td>Are there publicly available official statistics tracking the number of transactions at the immovable property registration agency?</td>
<td>Yes</td>
<td>0.5</td>
</tr>
<tr>
<td>Number of property transfers in the largest business city in 2017:</td>
<td>For the Noord-Holland province (of which Amsterdam is the largest city) the total number of property transfers in 2017 was 39849</td>
<td></td>
</tr>
<tr>
<td>Who is able to consult maps of land plots in the largest business city?</td>
<td>Anyone who pays the official fee</td>
<td>0.5</td>
</tr>
<tr>
<td>Question</td>
<td>Answer</td>
<td>Score</td>
</tr>
<tr>
<td>-------------------------------------------------------------------------</td>
<td>--------</td>
<td>-------</td>
</tr>
<tr>
<td>Is the applicable fee schedule for accessing maps of land plots made publicly available—and if so, how?</td>
<td>Yes, online</td>
<td>0.5</td>
</tr>
<tr>
<td>Link for online access:</td>
<td><a href="https://www.kadaster.nl/tarieven">https://www.kadaster.nl/tarieven</a></td>
<td></td>
</tr>
<tr>
<td>Does the cadastral or mapping agency commit to delivering an updated map within a specific time frame—and if so, how does it communicate the service standard?</td>
<td>Yes, online</td>
<td>0.5</td>
</tr>
<tr>
<td>Link for online access:</td>
<td><a href="https://www.kadaster.nl/-/voorlopende-kadastrale-grenzen">https://www.kadaster.nl/-/voorlopende-kadastrale-grenzen</a></td>
<td></td>
</tr>
<tr>
<td>Is there a specific and separate mechanism for filing complaints about a problem that occurred at the cadastral or mapping agency?</td>
<td>Yes</td>
<td>0.5</td>
</tr>
<tr>
<td>Contact information:</td>
<td><a href="https://www.kadaster.nl/klachten-en-bezwaren">https://www.kadaster.nl/klachten-en-bezwaren</a></td>
<td></td>
</tr>
<tr>
<td><strong>Geographic coverage index (0-8)</strong></td>
<td></td>
<td>8.0</td>
</tr>
<tr>
<td>Are all privately held land plots in the economy formally registered at the immovable property registry?</td>
<td>Yes</td>
<td>2.0</td>
</tr>
<tr>
<td>Are all privately held land plots in the largest business city formally registered at the immovable property registry?</td>
<td>Yes</td>
<td>2.0</td>
</tr>
<tr>
<td>Are all privately held land plots in the economy mapped?</td>
<td>Yes</td>
<td>2.0</td>
</tr>
<tr>
<td>Are all privately held land plots in the largest business city mapped?</td>
<td>Yes</td>
<td>2.0</td>
</tr>
<tr>
<td><strong>Land dispute resolution index (0-8)</strong></td>
<td></td>
<td>7.5</td>
</tr>
<tr>
<td>Does the law require that all property sale transactions be registered at the immovable property registry to make them opposable to third parties?</td>
<td>Yes</td>
<td>1.5</td>
</tr>
<tr>
<td>Is the system of immovable property registration subject to a state or private guarantee?</td>
<td>Yes</td>
<td>0.5</td>
</tr>
<tr>
<td>Is there a specific compensation mechanism to cover for losses incurred by parties who engaged in good faith in a property transaction based on erroneous information certified by the immovable property registry?</td>
<td>Yes</td>
<td>0.5</td>
</tr>
<tr>
<td>Does the legal system require a control of legality of the documents necessary for a property transaction (e.g., checking the compliance of contracts with requirements of the law)?</td>
<td>Yes</td>
<td>0.5</td>
</tr>
<tr>
<td>If yes, who is responsible for checking the legality of the documents?</td>
<td>Registrar; Notary;</td>
<td></td>
</tr>
<tr>
<td>Does the legal system require verification of the identity of the parties to a property transaction?</td>
<td>Yes</td>
<td>0.5</td>
</tr>
<tr>
<td>If yes, who is responsible for verifying the identity of the parties?</td>
<td>Notary;</td>
<td></td>
</tr>
<tr>
<td>Is there a national database to verify the accuracy of identity documents?</td>
<td>Yes</td>
<td>1.0</td>
</tr>
<tr>
<td>For a standard land dispute between two local businesses over tenure rights of a property worth 50 times gross national income (GNI) per capita and located in the largest business city, what court would be in charge of the case in the first instance?</td>
<td>Arrondissementsrechtbank Amsterdam</td>
<td></td>
</tr>
<tr>
<td>How long does it take on average to obtain a decision from the first-instance court for such a case (without appeal)?</td>
<td>Less than a year</td>
<td>3.0</td>
</tr>
<tr>
<td>Are there any statistics on the number of land disputes in the first instance?</td>
<td>No</td>
<td>0.0</td>
</tr>
<tr>
<td><strong>Equal access to property rights index (-2-0)</strong></td>
<td></td>
<td>0.0</td>
</tr>
<tr>
<td>Do unmarried men and unmarried women have equal ownership rights to property?</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>Do married men and married women have equal ownership rights to property?</td>
<td>Yes</td>
<td>0.0</td>
</tr>
</tbody>
</table>
Getting Credit

This topic explores two sets of issues—the strength of credit reporting systems and the effectiveness of collateral and bankruptcy laws in facilitating lending. The most recent round of data collection for the project was completed in May 2018. See the methodology for more information.

<table>
<thead>
<tr>
<th>What the indicators measure</th>
<th>Case study assumptions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strength of legal rights index (0-12)</td>
<td>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 credit registry or a credit bureau. The strength of legal rights index measures the degree to which collateral and bankruptcy laws protect the rights of borrowers and lenders and thus facilitate lending. For each economy it is first determined whether a unitary secured transactions system exists. Then two case scenarios, case A and case B, are used to determine how a nonpossessory security interest is created, publicized and enforced according to the law. Special emphasis is given to how the collateral registry operates (if registration of security interests is possible). The case scenarios involve a secured borrower, company ABC, and a secured lender, BizBank.</td>
</tr>
<tr>
<td>• Rights of borrowers and lenders through collateral laws (0-10)</td>
<td>In some economies the legal framework for secured transactions will allow only case A or case B (not both) to apply. Both cases examine the same set of legal provisions relating to the use of movable collateral.</td>
</tr>
<tr>
<td>• Protection of secured creditors’ rights through bankruptcy laws (0-2)</td>
<td>Several assumptions about the secured borrower (ABC) and lender (BizBank) are used:</td>
</tr>
<tr>
<td>Depth of credit information index (0-8)</td>
<td>- ABC is a domestic limited liability company (or its legal equivalent).</td>
</tr>
<tr>
<td>• Scope and accessibility of credit information distributed by credit bureaus and credit registries (0-8)</td>
<td>- ABC has up to 50 employees.</td>
</tr>
<tr>
<td>Credit bureau coverage (% of adults)</td>
<td>- ABC has its headquarters and only base of operations in the economy’s largest business city. For 11 economies the data are also collected for the second largest business city.</td>
</tr>
<tr>
<td>• Number of individuals and firms listed in largest credit bureau as a percentage of adult population</td>
<td>- Both ABC and BizBank are 100% domestically owned.</td>
</tr>
<tr>
<td>Credit registry coverage (% of adults)</td>
<td>The case scenarios also involve assumptions. In case A, as collateral for the loan, ABC grants BizBank a nonpossessory security interest in one category of movable assets, for example, its machinery or its inventory. ABC wants to keep both possession and ownership of the collateral. In economies where the law does not allow nonpossessory security interests in movable property, ABC and BizBank use a fiduciary transfer-of-title arrangement (or a similar substitute for nonpossessory security interests).</td>
</tr>
<tr>
<td>• Number of individuals and firms listed in credit registry as a percentage of adult population</td>
<td>In case B, ABC grants BizBank a business charge, enterprise charge, floating charge or any charge that gives BizBank a security interest over ABC’s combined movable assets (or as much of ABC’s movable assets as possible). ABC keeps ownership and possession of the assets.</td>
</tr>
</tbody>
</table>
Getting Credit - Netherlands

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Netherlands</th>
<th>OECD high income</th>
<th>Best Regulatory Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strength of legal rights index (0-12)</td>
<td>2</td>
<td>6.1</td>
<td>12 (5 Economies)</td>
</tr>
<tr>
<td>Depth of credit information index (0-8)</td>
<td>7</td>
<td>6.7</td>
<td>8 (42 Economies)</td>
</tr>
<tr>
<td>Credit registry coverage (% of adults)</td>
<td>0</td>
<td>21.8</td>
<td>100.0 (4 Economies)</td>
</tr>
<tr>
<td>Credit bureau coverage (% of adults)</td>
<td>95.8</td>
<td>65.3</td>
<td>100.0 (25 Economies)</td>
</tr>
</tbody>
</table>

Note: The ranking of economies on the ease of getting credit is determined by sorting their scores for getting credit. These scores are the sum of the scores for the strength of legal rights index and the depth of credit information index.

Figure – Getting Credit in Netherlands and comparator economies – Ranking and Score

Figure – Legal Rights in Netherlands and comparator economies
## Details - Legal Rights in Netherlands

### Strength of legal rights index (0-12)

<table>
<thead>
<tr>
<th>Question</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Does an integrated or unified legal framework for secured transactions that extends to the creation, publicity and enforcement of functional equivalents to security interests in movable assets exist in the economy?</td>
<td>No</td>
</tr>
<tr>
<td>Does the law allow businesses to grant a non possessory security right in a single category of movable assets, without requiring a specific description of collateral?</td>
<td>Yes</td>
</tr>
<tr>
<td>Does the law allow businesses to grant a non possessory security right in substantially all of its assets, without requiring a specific description of collateral?</td>
<td>No</td>
</tr>
<tr>
<td>May a security right extend to future or after-acquired assets, and does it extend automatically to the products, proceeds and replacements of the original assets?</td>
<td>No</td>
</tr>
<tr>
<td>Is a general description of debts and obligations permitted in collateral agreements; can all types of debts and obligations be secured between parties; and can the collateral agreement include a maximum amount for which the assets are encumbered?</td>
<td>No</td>
</tr>
<tr>
<td>Is a collateral registry in operation for both incorporated and non-incorporated entities, that is unified geographically and by asset type, with an electronic database indexed by debtor’s name?</td>
<td>No</td>
</tr>
<tr>
<td>Does a notice-based collateral registry exist in which all functional equivalents can be registered?</td>
<td>No</td>
</tr>
<tr>
<td>Does a modern collateral registry exist in which registrations, amendments, cancellations and searches can be performed online by any interested third party?</td>
<td>No</td>
</tr>
<tr>
<td>Are secured creditors paid first (i.e. before tax claims and employee claims) when a debtor defaults outside an insolvency procedure?</td>
<td>No</td>
</tr>
<tr>
<td>Are secured creditors paid first (i.e. before tax claims and employee claims) when a business is liquidated?</td>
<td>Yes</td>
</tr>
<tr>
<td>Are secured creditors subject to an automatic stay on enforcement when a debtor enters a court-supervised reorganization procedure? Does the law protect secured creditors’ rights by providing clear grounds for relief from the stay and sets a time limit for it?</td>
<td>No</td>
</tr>
</tbody>
</table>

### Figure - Credit Information in Netherlands and comparator economies

<table>
<thead>
<tr>
<th>Country</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Netherlands</td>
<td>7</td>
</tr>
<tr>
<td>Belgium</td>
<td>5</td>
</tr>
<tr>
<td>Denmark</td>
<td>6</td>
</tr>
<tr>
<td>Finland</td>
<td>6</td>
</tr>
<tr>
<td>France</td>
<td>6</td>
</tr>
<tr>
<td>OECD high income</td>
<td>6.7</td>
</tr>
</tbody>
</table>
Details – Credit Information in Netherlands

<table>
<thead>
<tr>
<th>Depth of credit information index (0-8)</th>
<th>Credit bureau</th>
<th>Credit registry</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Are data on both firms and individuals distributed?</td>
<td>No</td>
<td>No</td>
<td>0</td>
</tr>
<tr>
<td>Are both positive and negative credit data distributed?</td>
<td>Yes</td>
<td>No</td>
<td>1</td>
</tr>
<tr>
<td>Are data from retailers or utility companies - in addition to data from banks and financial institutions - distributed?</td>
<td>Yes</td>
<td>No</td>
<td>1</td>
</tr>
<tr>
<td>Are at least 2 years of historical data distributed? (Credit bureaus and registries that distribute more than 10 years of negative data or erase data on defaults as soon as they are repaid obtain a score of 0 for this component.)</td>
<td>Yes</td>
<td>No</td>
<td>1</td>
</tr>
<tr>
<td>Are data on loan amounts below 1% of income per capita distributed?</td>
<td>Yes</td>
<td>No</td>
<td>1</td>
</tr>
<tr>
<td>By law, do borrowers have the right to access their data in the credit bureau or credit registry?</td>
<td>Yes</td>
<td>No</td>
<td>1</td>
</tr>
<tr>
<td>Can banks and financial institutions access borrowers' credit information online (for example, through an online platform, a system-to-system connection or both)?</td>
<td>Yes</td>
<td>No</td>
<td>1</td>
</tr>
<tr>
<td>Are bureau or registry credit scores offered as a value-added service to help banks and financial institutions assess the creditworthiness of borrowers?</td>
<td>Yes</td>
<td>No</td>
<td>1</td>
</tr>
<tr>
<td><strong>Total Score (&quot;yes&quot; to either public bureau or private registry)</strong></td>
<td></td>
<td></td>
<td><strong>7</strong></td>
</tr>
</tbody>
</table>

Note: An economy receives a score of 1 if there is a “yes” to either bureau or registry. If the credit bureau or registry is not operational or covers less than 5% of the adult population, the total score on the depth of credit information index is 0.

<table>
<thead>
<tr>
<th>Coverage</th>
<th>Credit bureau</th>
<th>Credit registry</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of individuals</td>
<td>10,637,000</td>
<td>0</td>
</tr>
<tr>
<td>Number of firms</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>10,637,000</td>
<td>0</td>
</tr>
<tr>
<td>Percentage of adult population</td>
<td>95.8</td>
<td>0</td>
</tr>
</tbody>
</table>
Protecting Minority Investors

This topic measures the strength of minority shareholder protections against misuse of corporate assets by directors for their personal gain as well as shareholder rights, governance safeguards and corporate transparency requirements that reduce the risk of abuse. The most recent round of data collection for the project was completed in May 2018. See the methodology for more information.

What the indicators measure

- **Extent of disclosure index (0-10):** Review and approval requirements for related-party transactions; Disclosure requirements for related-party transactions
- **Extent of director liability index (0-10):** Ability of minority shareholders to sue and hold interested directors liable for prejudicial related-party transactions; Available legal remedies (damages, disgorgement of profits, fines, imprisonment, rescission of the transaction)
- **Ease of shareholder suits index (0-10):** Access to internal corporate documents; Evidence obtainable during trial and allocation of legal expenses
- **Extent of conflict of interest regulation index (0-10):** Shareholders’ rights and role in major corporate decisions
- **Extent of shareholder rights index (0-10):** Shareholders’ rights to sue and hold directors liable for prejudicial related-party transactions; Available legal remedies (damages, disgorgement of profits, fines, imprisonment, rescission of the transaction)
- **Extent of ownership and control index (0-10):** Governance safeguards protecting shareholders from undue board control and entrenchment
- **Extent of corporate transparency index (0-10):** Corporate transparency on ownership stakes, compensation, audits and financial prospects
- **Extent of shareholder governance index (0-10):** Simple average of the extent of shareholders rights, extent of ownership and control and extent of corporate transparency indices
- **Strength of minority investor protection index (0-10):** Simple average of the extent of conflict of interest regulation and extent of shareholder governance indices

Case study assumptions

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. If there are fewer than ten listed companies or if there is no stock exchange in the economy, it is assumed that Buyer is 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.
- Has a supervisory board in economies with a two-tier board system on which Mr. James appointed 60% of the shareholder-elected members.
- Has not adopted bylaws or articles of association that go beyond the minimum requirements. Does not follow codes, principles, recommendations or guidelines that are not mandatory.
- Is a manufacturing company with its own distribution network.

The transaction involves the following details:
- Mr. James owns 60% of Buyer, sits on Buyer’s board of directors and elected two directors to Buyer’s five-member board.
- Mr. James also owns 90% of Seller, a company that operates a chain of retail hardware stores. Seller recently closed a large number of its stores.
- Mr. James proposes that Buyer purchase Seller’s unused fleet of trucks to expand Buyer’s distribution of its food products, a proposal to which Buyer agrees. The price is equal to 10% of Buyer’s assets and is higher than the market value.
- The proposed transaction is part of the company’s principal activity and is not outside the authority of the company.
- Buyer enters into the transaction. All required approvals are obtained, and all required disclosures made—that is, the transaction was not entered into fraudulently.
- The transaction causes damages to Buyer. Shareholders sue Mr. James and the executives and directors that approved the transaction.
Protecting Minority Investors - Netherlands

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Netherlands</th>
<th>OECD high income</th>
<th>Best Regulatory Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Extent of disclosure index (0-10)</td>
<td>4.0</td>
<td>6.5</td>
<td>10 (13 Economies)</td>
</tr>
<tr>
<td>Extent of director liability index (0-10)</td>
<td>4.0</td>
<td>5.3</td>
<td>10 (Cambodia)</td>
</tr>
<tr>
<td>Ease of shareholder suits index (0-10)</td>
<td>6.0</td>
<td>7.3</td>
<td>10 (Djibouti)</td>
</tr>
<tr>
<td>Extent of shareholder rights index (0-10)</td>
<td>6.0</td>
<td>6.4</td>
<td>10 (Kazakhstan)</td>
</tr>
<tr>
<td>Extent of ownership and control index (0-10)</td>
<td>7.0</td>
<td>5.4</td>
<td>None in 2017/18</td>
</tr>
<tr>
<td>Extent of corporate transparency index (0-10)</td>
<td>8.0</td>
<td>7.6</td>
<td>10 (6 Economies)</td>
</tr>
</tbody>
</table>

Figure - Protecting Minority Investors in Netherlands and comparator economies - Ranking and Score

Note: The ranking of economies on the strength of minority investor protections is determined by sorting their scores for protecting minority investors. These scores are the simple average of the scores for the extent of conflict of interest regulation index and the extent of shareholder governance index.

Figure - Protecting Minority Investors in Netherlands and comparator economies - Measure of Quality
### Details – Protecting Minority Investors in Netherlands – Measure of Quality

<table>
<thead>
<tr>
<th>Extent of conflict of interest regulation index (0-10)</th>
<th>Answer</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Extent of disclosure index (0-10)</td>
<td>4.0</td>
<td></td>
</tr>
<tr>
<td>Whose decision is sufficient to approve the Buyer-Seller transaction? (0-3)</td>
<td>Board of directors excluding interested members</td>
<td>2.0</td>
</tr>
<tr>
<td>Must an external body review the terms of the transaction before it takes place? (0-1)</td>
<td>No</td>
<td>0.0</td>
</tr>
<tr>
<td>Must Mr. James disclose his conflict of interest to the board of directors? (0-2)</td>
<td>No disclosure obligation</td>
<td>0.0</td>
</tr>
<tr>
<td>Must Buyer disclose the transaction in periodic filings (e.g. annual reports)? (0-2)</td>
<td>Disclosure on the transaction only</td>
<td>1.0</td>
</tr>
<tr>
<td>Must Buyer immediately disclose the transaction to the public? (0-2)</td>
<td>Disclosure on the transaction only</td>
<td>1.0</td>
</tr>
<tr>
<td>Extent of director liability index (0-10)</td>
<td>4.0</td>
<td></td>
</tr>
<tr>
<td>Can shareholders representing 10% of Buyer's share capital sue for the damage the transaction caused to Buyer? (0-1)</td>
<td>No</td>
<td>0.0</td>
</tr>
<tr>
<td>Can shareholders hold Mr. James liable for the damage the transaction caused to Buyer? (0-2)</td>
<td>Not liable</td>
<td>0.0</td>
</tr>
<tr>
<td>Can shareholders hold the other directors liable for the damage the transaction caused to Buyer (0-2)</td>
<td>Liable if negligent</td>
<td>1.0</td>
</tr>
<tr>
<td>Must Mr. James pay damages for the harm caused to Buyer upon a successful claim by shareholders? (0-1)</td>
<td>Yes</td>
<td>1.0</td>
</tr>
<tr>
<td>Must Mr. James repay profits made from the transaction upon a successful claim by shareholders? (0-1)</td>
<td>Yes</td>
<td>1.0</td>
</tr>
<tr>
<td>Is Mr. James disqualified upon a successful claim by shareholders? (0-1)</td>
<td>No</td>
<td>0.0</td>
</tr>
<tr>
<td>Can a court void the transaction upon a successful claim by shareholders? (0-2)</td>
<td>Voidable if negligently concluded</td>
<td>1.0</td>
</tr>
<tr>
<td>Ease of shareholder suits index (0-10)</td>
<td>6.0</td>
<td></td>
</tr>
<tr>
<td>Before suing, can shareholders representing 10% of Buyer's share capital inspect the transaction documents? (0-1)</td>
<td>Yes</td>
<td>1.0</td>
</tr>
<tr>
<td>Can the plaintiff obtain any documents from the defendant and witnesses at trial? (0-3)</td>
<td>Any relevant document</td>
<td>3.0</td>
</tr>
<tr>
<td>Can the plaintiff request categories of documents from the defendant without identifying specific ones? (0-1)</td>
<td>No</td>
<td>0.0</td>
</tr>
<tr>
<td>Can the plaintiff directly question the defendant and witnesses at trial? (0-2)</td>
<td>Preapproved questions only</td>
<td>1.0</td>
</tr>
<tr>
<td>Is the level of proof required for civil suits lower than that of criminal cases? (0-1)</td>
<td>No</td>
<td>0.0</td>
</tr>
<tr>
<td>Can shareholder plaintiffs recover their legal expenses from the company? (0-2)</td>
<td>Yes if successful</td>
<td>1.0</td>
</tr>
<tr>
<td>Extent of shareholder governance index (0-10)</td>
<td>7.0</td>
<td></td>
</tr>
<tr>
<td>Extent of shareholder rights index (0-10)</td>
<td>6.0</td>
<td></td>
</tr>
<tr>
<td>Does the sale of 51% of Buyer's assets require shareholder approval?</td>
<td>Yes</td>
<td>1.0</td>
</tr>
<tr>
<td>Can shareholders representing 10% of Buyer's share capital call for a meeting of shareholders?</td>
<td>Yes</td>
<td>1.0</td>
</tr>
<tr>
<td>Must Buyer obtain its shareholders' approval every time it issues new shares?</td>
<td>Yes</td>
<td>1.0</td>
</tr>
</tbody>
</table>
Do shareholders automatically receive preemption rights every time Buyer issues new shares? | Yes | 1.0

Must shareholders approve the election and dismissal of the external auditor? | Yes | 1.0

Are changes to the rights of a class of shares only possible if the holders of the affected shares approve? | No | 0.0

Assuming that Buyer is a limited company, does the sale of 51% of its assets require member approval? | No | 0.0

Assuming that Buyer is a limited company, can members representing 10% call for a meeting of members? | Yes | 1.0

Assuming that Buyer is a limited company, must all or almost all members consent to add a new member? | No | 0.0

Assuming that Buyer is a limited company, must a member first offer to sell their interest to the existing members before they can sell to non-members? | No | 0.0

**Extent of ownership and control index (0-10)** | 7.0

Is it forbidden to appoint the same individual as CEO and chairperson of the board of directors? | Yes | 1.0

Must the board of directors include independent and nonexecutive board members? | No | 0.0

Can shareholders remove members of the board of directors without cause before the end of their term? | Yes | 1.0

Must the board of directors include a separate audit committee exclusively comprising board members? | No | 0.0

Must a potential acquirer make a tender offer to all shareholders upon acquiring 50% of Buyer? | Yes | 1.0

Must Buyer pay declared dividends within a maximum period set by law? | Yes | 1.0

Is a subsidiary prohibited from acquiring shares issued by its parent company? | Yes | 1.0

Assuming that Buyer is a limited company, must Buyer have a mechanism to resolve disagreements among members? | Yes | 1.0

Assuming that Buyer is a limited company, must a potential acquirer make a tender offer to all shareholders upon acquiring 50% of Buyer? | No | 0.0

Assuming that Buyer is a limited company, must Buyer distribute profits within a maximum period set by law? | Yes | 1.0

**Extent of corporate transparency index (0-10)** | 8.0

Must Buyer disclose direct and indirect beneficial ownership stakes representing 5%? | Yes | 1.0

Must Buyer disclose information about board members’ primary employment and directorships in other companies? | No | 0.0

Must Buyer disclose the compensation of individual managers? | Yes | 1.0

Must a detailed notice of general meeting be sent 21 days before the meeting? | No | 0.0

Can shareholders representing 5% of Buyer’s share capital put items on the general meeting agenda? | Yes | 1.0

Must Buyer’s annual financial statements be audited by an external auditor? | Yes | 1.0

Must Buyer disclose its audit reports to the public? | Yes | 1.0

Assuming that Buyer is a limited company, must members meet at least once a year? | Yes | 1.0

Assuming that Buyer is a limited company, can members representing 5% put items on the meeting agenda? | Yes | 1.0

Assuming that Buyer is a limited company, must Buyer’s annual financial statements be audited by an external auditor? | Yes | 1.0
Paying Taxes

This topic records the taxes and mandatory contributions that a medium-size company must pay or withhold in a given year, as well as the administrative burden of paying taxes and contributions and complying with postfiling procedures (VAT refund and tax audit). The most recent round of data collection for the project was completed in May 2018 covering for the Paying Taxes indicator calendar year 2017 (January 1, 2017 - December 31, 2017). See the methodology for more information.

<table>
<thead>
<tr>
<th>What the indicators measure</th>
<th>Case study assumptions</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Tax payments for a manufacturing company in 2017 (number per year adjusted for electronic and joint filing and payment)</strong></td>
<td>Using a case scenario, Doing Business records taxes and mandatory contributions a medium size company must pay in a year, and measures the administrative burden of paying taxes, contributions and dealing with postfiling processes. Information is also compiled on frequency of filing and payments, time taken to comply with tax laws, time taken to comply with the requirements of postfiling processes and time waiting.</td>
</tr>
<tr>
<td>• Total number of taxes and contributions paid or withheld, including consumption taxes (value added tax, sales tax or goods and service tax)</td>
<td>To make data comparable across economies, several assumptions are used:</td>
</tr>
<tr>
<td>• Method and frequency of filing and payment</td>
<td>- TaxpayerCo is a medium-size business that started operations on January 1, 2016. It produces ceramic flowerpots and sells them at retail. All taxes and contributions recorded are paid in the second year of operation (calendar year 2017). Taxes and mandatory contributions are measured at all levels of government.</td>
</tr>
<tr>
<td><strong>Time required to comply with 3 major taxes (hours per year)</strong></td>
<td>The VAT refund process:</td>
</tr>
<tr>
<td>• Collecting information, computing tax payable</td>
<td>- In June 2017, TaxpayerCo makes a large capital purchase: the value of the machine is 65 times income per capita of the economy. Sales are equally spread per month (1,050 times income per capita divided by 12) and cost of goods sold are equally expensed per month (875 times income per capita divided by 12). The machinery seller is registered for VAT and excess input VAT incurred in June will be fully recovered after four consecutive months if the VAT rate is the same for inputs, sales and the machine and the tax reporting period is every month. Input VAT will exceed Output VAT in June 2017.</td>
</tr>
<tr>
<td>• Preparing separate tax accounting books, if required</td>
<td>The corporate income tax audit process:</td>
</tr>
<tr>
<td>• Completing tax return, filing with agencies</td>
<td>- An error in calculation of income tax liability (for example, use of incorrect tax depreciation rates, or incorrectly treating an expense as tax deductible) leads to an incorrect income tax return and a corporate income tax underpayment. TaxpayerCo discovered the error and voluntarily notified the tax authority. The value of the underpaid income tax liability is 5% of the corporate income tax liability due. TaxpayerCo submits corrected information after the deadline for submitting the annual tax return, but within the tax assessment period.</td>
</tr>
<tr>
<td>• Arranging payment or withholding</td>
<td></td>
</tr>
<tr>
<td><strong>Total tax and contribution rate (% of commercial profits)</strong></td>
<td></td>
</tr>
<tr>
<td>• Profit or corporate income tax</td>
<td></td>
</tr>
<tr>
<td>• Social contributions, labor taxes paid by employer</td>
<td></td>
</tr>
<tr>
<td>• Property and property transfer taxes</td>
<td></td>
</tr>
<tr>
<td>• Dividend, capital gains, financial transactions taxes</td>
<td></td>
</tr>
<tr>
<td>• Waste collection, vehicle, road and other taxes</td>
<td></td>
</tr>
<tr>
<td><strong>Postfiling Index</strong></td>
<td></td>
</tr>
<tr>
<td>• Time to comply with a VAT refund (hours)</td>
<td></td>
</tr>
<tr>
<td>• Time to obtain a VAT refund (weeks)</td>
<td></td>
</tr>
<tr>
<td>• Time to comply with a corporate income tax correction (hours)</td>
<td></td>
</tr>
<tr>
<td>• Time to complete a corporate income tax correction (weeks)</td>
<td></td>
</tr>
</tbody>
</table>
## Paying Taxes - Netherlands

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Netherlands</th>
<th>OECD high income</th>
<th>Best Regulatory Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payments (number per year)</td>
<td>9</td>
<td>11.2</td>
<td>3 (Hong Kong SAR, China)</td>
</tr>
<tr>
<td>Time (hours per year)</td>
<td>119</td>
<td>159.4</td>
<td>49 (Singapore)</td>
</tr>
<tr>
<td>Total tax and contribution rate (% of profit)</td>
<td>40.8</td>
<td>39.8</td>
<td>26.1% (32 Economies)</td>
</tr>
<tr>
<td>Postfiling index (0-100)</td>
<td>91.95</td>
<td>84.41</td>
<td>None in 2017/18</td>
</tr>
</tbody>
</table>

**Figure - Paying Taxes in Netherlands and comparator economies - Ranking and Score**

<table>
<thead>
<tr>
<th>DB 2019 Paying Taxes Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
</tr>
<tr>
<td>100</td>
</tr>
</tbody>
</table>

- 91.14: Denmark (Rank: 9)
- 90.64: Finland (Rank: 11)
- **87.58: Netherlands (Rank: 21)**
- 83.32: Regional Average (OECD high income)
- 79.31: France (Rank: 55)
- 77.48: Belgium (Rank: 60)

Note: The ranking of economies on the ease of paying taxes is determined by sorting their scores for paying taxes. These scores are the simple average of the scores for each of the component indicators, with a threshold and a nonlinear transformation applied to one of the component indicators, the total tax and contribution rate. The threshold is defined as the total tax and contribution rate at the 15th percentile of the overall distribution for all years included in the analysis up to and including Doing Business 2015, which is 26.1%. All economies with a total tax and contribution rate below this threshold receive the same score as the economy at the threshold.

**Figure - Paying Taxes in Netherlands and comparator economies - Measure of Quality**

<table>
<thead>
<tr>
<th>Index score</th>
<th>Netherlands</th>
<th>Belgium</th>
<th>Denmark</th>
<th>Finland</th>
<th>France</th>
<th>OECD high income</th>
</tr>
</thead>
<tbody>
<tr>
<td>91.95</td>
<td>83.45</td>
<td>89.06</td>
<td>93.09</td>
<td>92.40</td>
<td>84.41</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Netherlands</th>
<th>Belgium</th>
<th>Denmark</th>
<th>Finland</th>
<th>France</th>
<th>OECD high income</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payments (number per year)</td>
<td>9</td>
<td>3</td>
<td>3</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Time (hours per year)</td>
<td>119</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total tax and contribution rate (% of profit)</td>
<td>40.8</td>
<td>39.8</td>
<td>26.1%</td>
<td>32 Economies</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Postfiling index (0-100)</td>
<td>91.95</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### Details - Paying Taxes in Netherlands

<table>
<thead>
<tr>
<th>Tax or mandatory contribution</th>
<th>Payments (number)</th>
<th>Notes on Payments</th>
<th>Time (hours)</th>
<th>Statutory tax rate</th>
<th>Tax base</th>
<th>Total tax and contribution rate (% of profit)</th>
<th>Notes on TTCR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corporate income tax</td>
<td>1.0</td>
<td>online</td>
<td>21.0</td>
<td>25% (EUR 0 - 200,000 at 20%)</td>
<td>taxable profit</td>
<td>20.52</td>
<td></td>
</tr>
<tr>
<td>Disablement act contribution</td>
<td>0.0</td>
<td>jointly</td>
<td>7.82%</td>
<td></td>
<td>wages for contribution for Disability Insurance Act (maximized)</td>
<td>8.42</td>
<td></td>
</tr>
<tr>
<td>Health insurance contribution</td>
<td>1.0</td>
<td>online</td>
<td>64.0</td>
<td>6.65%</td>
<td>income for Health Insurance Act (maximized)</td>
<td>7.16</td>
<td></td>
</tr>
<tr>
<td>Unemployment insurance</td>
<td>0.0</td>
<td>jointly</td>
<td>2.64%</td>
<td></td>
<td>wages for contribution for Unemployment Insurance Act (maximized) - Exemption</td>
<td>2.84</td>
<td></td>
</tr>
<tr>
<td>Special unemployment insurance</td>
<td>0.0</td>
<td>jointly</td>
<td>1.36%</td>
<td></td>
<td>wages for contribution for Unemployment Insurance Act (maximized)</td>
<td>1.46</td>
<td></td>
</tr>
<tr>
<td>Tax on insurance contracts</td>
<td>1.0</td>
<td></td>
<td>21%</td>
<td></td>
<td>insurance premium</td>
<td>0.21</td>
<td></td>
</tr>
<tr>
<td>Real estate tax</td>
<td>1.0</td>
<td></td>
<td>0.17265%</td>
<td>assessed property value</td>
<td>0.12</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Road tax</td>
<td>1.0</td>
<td></td>
<td>EUR 306.36</td>
<td>vehicle weight</td>
<td>0.01</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sewage charges</td>
<td>1.0</td>
<td></td>
<td>EUR 128.40</td>
<td>fixed fee</td>
<td>0.01</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Polder Board Taxes</td>
<td>1.0</td>
<td></td>
<td>0.015967%</td>
<td>assessed property value</td>
<td>0.01</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fuel tax</td>
<td>1.0</td>
<td></td>
<td>EUR 0.48592 per liter</td>
<td>fuel consumption</td>
<td>0.00</td>
<td>small amount</td>
<td></td>
</tr>
<tr>
<td>Social security contribution on employee</td>
<td>0.0</td>
<td></td>
<td>various rates</td>
<td>gross salaries</td>
<td>0.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Value added tax (VAT)</td>
<td>1.0</td>
<td>online</td>
<td>34.0</td>
<td>21%</td>
<td>value added</td>
<td>0.00</td>
<td>not included</td>
</tr>
<tr>
<td>Totals</td>
<td>9</td>
<td>119</td>
<td>40.8</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### Details - Paying Taxes in Netherlands - Tax by Type

<table>
<thead>
<tr>
<th>Taxes by type</th>
<th>Answer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit tax (% of profit)</td>
<td>20.5</td>
</tr>
<tr>
<td>Labor tax and contributions (% of profit)</td>
<td>19.9</td>
</tr>
<tr>
<td>Other taxes (% of profit)</td>
<td>0.4</td>
</tr>
</tbody>
</table>
**Details - Paying Taxes in Netherlands - Measure of Quality**

<table>
<thead>
<tr>
<th></th>
<th>Answer</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Postfiling index (0-100)</td>
<td></td>
<td>91.95</td>
</tr>
<tr>
<td><strong>VAT refunds</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Does VAT exist?</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>Does a VAT refund process exist per the case study?</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>Restrictions on VAT refund process</td>
<td>None</td>
<td></td>
</tr>
<tr>
<td>Percentage of cases exposed to a VAT audit (%)</td>
<td>0% - 24%</td>
<td></td>
</tr>
<tr>
<td><strong>Corporate income tax audits</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Does corporate income tax exist?</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>Percentage of cases exposed to a corporate income tax audit (%)</td>
<td>0% - 24%</td>
<td></td>
</tr>
<tr>
<td>Time to comply with a corporate income tax correction (hours)</td>
<td>3.5</td>
<td>96.33</td>
</tr>
<tr>
<td>Time to complete a corporate income tax correction (weeks)</td>
<td>2.1</td>
<td>93.3</td>
</tr>
</tbody>
</table>

**Notes:**
Names of taxes have been standardized. For instance income tax, profit tax, tax on company’s income are all named corporate income tax in this table.
The hours for VAT include all the VAT and sales taxes applicable.
The hours for Social Security include all the hours for labor taxes and mandatory contributions in general.
The postfiling index is the average of the scores on time to comply with VAT refund, time to obtain a VAT refund, time to comply with a corporate income tax correction and time to complete a corporate income tax correction.
N/A = Not applicable.
Trading across Borders

Doing Business records the time and cost associated with the logistical process of exporting and importing goods. Doing Business measures the time and cost (excluding tariffs) associated with three sets of procedures—documentary compliance, border compliance and domestic transport—within the overall process of exporting or importing a shipment of goods. The most recent round of data collection for the project was completed in May 2018. See the methodology for more information.

### What the indicators measure

**Documentary compliance**
- Obtaining, preparing and submitting documents during transport, clearance, inspections and port or border handling in origin economy
- Obtaining, preparing and submitting documents required by destination economy and any transit economies
- Covers all documents required by law and in practice, including electronic submissions of information

**Border compliance**
- Customs clearance and inspections
- Inspections by other agencies (if applied to more than 20% of shipments)
- Handling and inspections that take place at the economy’s port or border

**Domestic transport**
- Loading or unloading of the shipment at the warehouse or port/border
- Transport between warehouse and port/border
- Traffic delays and road police checks while shipment is en route

### Case study assumptions

To make the data comparable across economies, a few assumptions are made about the traded goods and the transactions:

**Time:** Time is measured in hours, and 1 day is 24 hours (for example, 22 days are recorded as 22×24=528 hours). If customs clearance takes 7.5 hours, the data are recorded as is. Alternatively, suppose documents are submitted to a customs agency at 8:00 a.m., are processed overnight and can be picked up at 8:00 a.m. the next day. The time for customs clearance would be recorded as 24 hours because the actual procedure took 24 hours.

**Cost:** Insurance cost and informal payments for which no receipt is issued are excluded from the costs recorded. Costs are reported in U.S. dollars. Contributors are asked to convert local currency into U.S. dollars based on the exchange rate prevailing on the day they answer the questionnaire. Contributors are private sector experts in international trade logistics and are informed about exchange rates.

**Assumptions of the case study:**
- For all 190 economies covered by Doing Business, It is assumed a shipment is in a warehouse in the largest business city of the exporting economy and travels to a warehouse in the largest business city of the importing economy.
- It is assumed each economy imports 15 metric tons of containerized auto parts (HS 8708) from its natural import partner—the economy from which it imports the largest value (price times quantity) of auto parts. It is assumed each economy exports the product of its comparative advantage (defined by the largest export value) to its natural export partner—the economy that is the largest purchaser of this product. Shipment value is assumed to be $50,000.
- The mode of transport is the one most widely used for the chosen export or import product and the trading partner, as is the seaport or land border crossing.
- All electronic information submissions requested by any government agency in connection with the shipment are considered to be documents obtained, prepared and submitted during the export or import process.
- A port or border is a place (seaport or land border crossing) where merchandise can enter or leave an economy.
- Relevant government agencies include customs, port authorities, road police, border guards, standardization agencies, ministries or departments of agriculture or industry, national security agencies and any other government authorities.
Trading across Borders - Netherlands

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Netherlands</th>
<th>OECD high income</th>
<th>Best Regulatory Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Time to export: Border compliance (hours)</td>
<td>0</td>
<td>12.5</td>
<td>1 (19 Economies)</td>
</tr>
<tr>
<td>Cost to export: Border compliance (USD)</td>
<td>0</td>
<td>139.1</td>
<td>0 (19 Economies)</td>
</tr>
<tr>
<td>Time to export: Documentary compliance (hours)</td>
<td>1</td>
<td>2.4</td>
<td>1 (26 Economies)</td>
</tr>
<tr>
<td>Cost to export: Documentary compliance (USD)</td>
<td>0</td>
<td>35.2</td>
<td>0 (20 Economies)</td>
</tr>
<tr>
<td>Time to import: Border compliance (hours)</td>
<td>0</td>
<td>8.5</td>
<td>0 (25 Economies)</td>
</tr>
<tr>
<td>Cost to import: Border compliance (USD)</td>
<td>0</td>
<td>100.2</td>
<td>0 (28 Economies)</td>
</tr>
<tr>
<td>Time to import: Documentary compliance (hours)</td>
<td>1</td>
<td>3.4</td>
<td>1 (30 Economies)</td>
</tr>
<tr>
<td>Cost to import: Documentary compliance (USD)</td>
<td>0</td>
<td>24.9</td>
<td>0 (30 Economies)</td>
</tr>
</tbody>
</table>

Note: The ranking of economies on the ease of trading across borders is determined by sorting their scores for trading across borders. These scores are the simple average of the scores for the time and cost for documentary compliance and border compliance to export and import.

Figure - Trading across Borders in Netherlands and comparator economies - Ranking and Score

Figure - Trading across Borders in Netherlands - Time and Cost
## Details - Trading across Borders in Netherlands

<table>
<thead>
<tr>
<th>Characteristics</th>
<th>Export</th>
<th>Import</th>
</tr>
</thead>
<tbody>
<tr>
<td>Product</td>
<td>HS 84 : Nuclear reactors, boilers, machinery and mechanical appliances; parts thereof</td>
<td>HS 8708: Parts and accessories of motor vehicles</td>
</tr>
<tr>
<td>Trade partner</td>
<td>Germany</td>
<td>Germany</td>
</tr>
<tr>
<td>Border</td>
<td>Netherlands - Germany border crossing</td>
<td>Netherlands - Germany border crossing</td>
</tr>
<tr>
<td>Distance (km)</td>
<td>170</td>
<td>170</td>
</tr>
<tr>
<td>Domestic transport time (hours)</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Domestic transport cost (USD)</td>
<td>315</td>
<td>315</td>
</tr>
</tbody>
</table>

## Details - Trading across Borders in Netherlands - Components of Border Compliance

<table>
<thead>
<tr>
<th>Time to Complete (hours)</th>
<th>Associated Costs (USD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Export: Clearance and inspections required by customs authorities</td>
<td>0.0</td>
</tr>
<tr>
<td>Export: Clearance and inspections required by agencies other than customs</td>
<td>0.0</td>
</tr>
<tr>
<td>Export: Port or border handling</td>
<td>0.0</td>
</tr>
<tr>
<td>Import: Clearance and inspections required by customs authorities</td>
<td>0.0</td>
</tr>
<tr>
<td>Import: Clearance and inspections required by agencies other than customs</td>
<td>0.0</td>
</tr>
<tr>
<td>Import: Port or border handling</td>
<td>0.0</td>
</tr>
</tbody>
</table>
### Details - Trading across Borders in Netherlands - Trade Documents

<table>
<thead>
<tr>
<th>Export</th>
<th>Import</th>
</tr>
</thead>
<tbody>
<tr>
<td>CMR waybill</td>
<td>CMR waybill</td>
</tr>
<tr>
<td>Commercial invoice</td>
<td>Commercial invoice</td>
</tr>
<tr>
<td>Packing list</td>
<td>Packing list</td>
</tr>
<tr>
<td>Intrastat</td>
<td>Intrastat</td>
</tr>
</tbody>
</table>
Enforcing Contracts

The enforcing contracts indicator measures the time and cost for resolving a commercial dispute through a local first-instance court, and the quality of judicial processes index, evaluating whether each economy has adopted a series of good practices that promote quality and efficiency in the court system. The most recent round of data collection was completed in May 2018. See the methodology for more information.

<table>
<thead>
<tr>
<th>What the indicators measure</th>
<th>Case study assumptions</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Time required to enforce a contract through the courts (calendar days)</strong></td>
<td>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.</td>
</tr>
<tr>
<td>• Time to file and serve the case</td>
<td>To make the data comparable across economies, Doing Business uses several assumptions about the case:</td>
</tr>
<tr>
<td>• Time for trial and to obtain the judgment</td>
<td>- The dispute concerns a lawful transaction between two businesses (Seller and Buyer), both located in the economy’s largest business city. For 11 economies the data are also collected for the second largest business city.</td>
</tr>
<tr>
<td>• Time to enforce the judgment</td>
<td>- The buyer orders custom-made goods, then fails to pay alleging that the goods are not of adequate quality.</td>
</tr>
<tr>
<td><strong>Cost required to enforce a contract through the courts (% of claim)</strong></td>
<td>- The seller sues the buyer before the court with jurisdiction over commercial cases worth 200% of income per capita or $5,000.</td>
</tr>
<tr>
<td>• Attorney fees</td>
<td>- The seller requests the pretrial attachment of the defendant’s movable assets to secure the claim.</td>
</tr>
<tr>
<td>• Court fees</td>
<td>- The dispute on the quality of the goods requires an expert opinion.</td>
</tr>
<tr>
<td>• Enforcement fees</td>
<td>- The judge decides in favor of the seller; there is no appeal.</td>
</tr>
<tr>
<td><strong>Quality of judicial processes index (0-18)</strong></td>
<td>- The seller enforces the judgment through a public sale of the buyer’s movable assets.</td>
</tr>
<tr>
<td>• Court structure and proceedings (-1-5)</td>
<td></td>
</tr>
<tr>
<td>• Case management (0-6)</td>
<td></td>
</tr>
<tr>
<td>• Court automation (0-4)</td>
<td></td>
</tr>
<tr>
<td>• Alternative dispute resolution (0-3)</td>
<td></td>
</tr>
</tbody>
</table>

Case study assumptions

- The buyer orders custom-made goods, then fails to pay alleging that the goods are not of adequate quality.
- The seller sues the buyer before the court with jurisdiction over commercial cases worth 200% of income per capita or $5,000.
- The seller requests the pretrial attachment of the defendant’s movable assets 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.
Enforcing Contracts - Netherlands

Standardized Case

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Netherlands</th>
<th>OECD high income</th>
<th>Best Regulatory Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Time (days)</td>
<td>514</td>
<td>582.4</td>
<td>None in 2017/18</td>
</tr>
<tr>
<td>Cost (% of claim value)</td>
<td>23.9</td>
<td>21.2</td>
<td>None in 2017/18</td>
</tr>
<tr>
<td>Quality of judicial processes index (0-18)</td>
<td>7.0</td>
<td>11.5</td>
<td>None in 2017/18</td>
</tr>
</tbody>
</table>

Note: The ranking of economies on the ease of enforcing contracts is determined by sorting their scores for enforcing contracts. These scores are the simple average of the scores for each of the component indicators.

Figure - Enforcing Contracts in Netherlands and comparator economies - Ranking and Score

Figure - Enforcing Contracts in Netherlands - Time and Cost
Figure - Enforcing Contracts in Netherlands and comparator economies - Measure of Quality

Details - Enforcing Contracts in Netherlands

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Indicator</th>
</tr>
</thead>
<tbody>
<tr>
<td>Time (days)</td>
<td>514</td>
</tr>
<tr>
<td>Filing and service</td>
<td>1.0</td>
</tr>
<tr>
<td>Trial and judgment</td>
<td>442</td>
</tr>
<tr>
<td>Enforcement of judgment</td>
<td>62</td>
</tr>
<tr>
<td>Cost (% of claim value)</td>
<td>23.9</td>
</tr>
<tr>
<td>Attorney fees</td>
<td>13.7</td>
</tr>
<tr>
<td>Court fees</td>
<td>5</td>
</tr>
<tr>
<td>Enforcement fees</td>
<td>5.2</td>
</tr>
<tr>
<td>Quality of judicial processes index (0-18)</td>
<td>7.0</td>
</tr>
<tr>
<td>Court structure and proceedings (-1-5)</td>
<td>3.0</td>
</tr>
<tr>
<td>Case management (0-6)</td>
<td>0.5</td>
</tr>
<tr>
<td>Court automation (0-4)</td>
<td>2.0</td>
</tr>
<tr>
<td>Alternative dispute resolution (0-3)</td>
<td>1.5</td>
</tr>
</tbody>
</table>
## Details - Enforcing Contracts in Netherlands - Measure of Quality

<table>
<thead>
<tr>
<th>Quality of judicial processes index (0-18)</th>
<th>Answer</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>7.0</td>
</tr>
</tbody>
</table>

### Court structure and proceedings (-1-5)

<table>
<thead>
<tr>
<th>Answer</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>No</td>
<td>0.0</td>
</tr>
</tbody>
</table>

| 1. Is there a court or division of a court dedicated solely to hearing commercial cases? | No | 0.0 |
| 2. Small claims court | | |
| 2.a. Is there a small claims court or a fast-track procedure for small claims? | Yes | 1.5 |
| 2.b. If yes, is self-representation allowed? | Yes | |
| 3. Is pretrial attachment available? | Yes | 1.0 |
| 4. Are new cases assigned randomly to judges? | Yes, but manual | 0.5 |
| 5. Does a woman’s testimony carry the same evidentiary weight in court as a man’s? | Yes | 0.0 |

### Case management (0-6)

<table>
<thead>
<tr>
<th>Answer</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>No</td>
<td>0.0</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>1. Time standards</th>
<th>0.0</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.a. Are there laws setting overall time standards for key court events in a civil case?</td>
<td>Yes</td>
</tr>
<tr>
<td>1.b. If yes, are the time standards set for at least three court events?</td>
<td>No</td>
</tr>
<tr>
<td>1.c. Are these time standards respected in more than 50% of cases?</td>
<td>Yes</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2. Adjournments</th>
<th>0.5</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.a. Does the law regulate the maximum number of adjournments that can be granted?</td>
<td>No</td>
</tr>
<tr>
<td>2.b. Are adjournments limited to unforeseen and exceptional circumstances?</td>
<td>Yes</td>
</tr>
<tr>
<td>2.c. If rules on adjournments exist, are they respected in more than 50% of cases?</td>
<td>Yes</td>
</tr>
</tbody>
</table>

| 3. Can two of the following four reports be generated about the competent court: (i) time to disposition report; (ii) clearance rate report; (iii) age of pending cases report; and (iv) single case progress report? | No | 0.0 |

| 4. Is a pretrial conference among the case management techniques used before the competent court? | No | 0.0 |

### Court automation (0-4)

<table>
<thead>
<tr>
<th>Answer</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>No</td>
<td>0.0</td>
</tr>
</tbody>
</table>

| 1. Can the initial complaint be filed electronically through a dedicated platform within the competent court? | No | 0.0 |
| 2. Is it possible to carry out service of process electronically for claims filed before the competent court? | No | 0.0 |
| 3. Can court fees be paid electronically within the competent court? | Yes | 1.0 |

### Alternative dispute resolution (0-3)

<table>
<thead>
<tr>
<th>Answer</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>No</td>
<td>0.0</td>
</tr>
</tbody>
</table>

| 1. Arbitration | 1.0 |

| 4. Are judgments rendered in commercial cases at all levels made available to the general public through publication in official gazettes, in newspapers or on the internet or court website? | Yes |

<p>| 4.b. Are judgments rendered in commercial cases at the appellate and supreme court level made available to the general public through publication in official gazettes, in newspapers or on the internet or court website? | Yes |</p>
<table>
<thead>
<tr>
<th>Question</th>
<th>Answer</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.a. Is domestic commercial arbitration governed by a consolidated law or consolidated chapter or section of the applicable code of civil procedure encompassing substantially all its aspects?</td>
<td>Yes</td>
</tr>
<tr>
<td>1.b. Are there any commercial disputes—aside from those that deal with public order or public policy—that cannot be submitted to arbitration?</td>
<td>Yes</td>
</tr>
<tr>
<td>1.c. Are valid arbitration clauses or agreements usually enforced by the courts?</td>
<td>Yes</td>
</tr>
<tr>
<td>2. Mediation/Conciliation</td>
<td>0.5</td>
</tr>
<tr>
<td>2.a. Is voluntary mediation or conciliation available?</td>
<td>Yes</td>
</tr>
<tr>
<td>2.b. Are mediation, conciliation or both governed by a consolidated law or consolidated chapter or section of the applicable code of civil procedure encompassing substantially all their aspects?</td>
<td>No</td>
</tr>
<tr>
<td>2.c. Are there financial incentives for parties to attempt mediation or conciliation (i.e., if mediation or conciliation is successful, a refund of court filing fees, income tax credits or the like)?</td>
<td>No</td>
</tr>
</tbody>
</table>
Resolving Insolvency

Doing Business studies the time, cost and outcome of insolvency proceedings involving domestic legal entities. These variables are used to calculate the recovery rate, which is recorded as cents on the dollar recovered by secured creditors through reorganization, liquidation or debt enforcement (foreclosure or receivership) proceedings. To determine the present value of the amount recovered by creditors, Doing Business uses the lending rates from the International Monetary Fund, supplemented with data from central banks and the Economist Intelligence Unit. The most recent round of data collection was completed in May 2018. See the methodology for more information.

<table>
<thead>
<tr>
<th>What the indicators measure</th>
<th>Case study assumptions</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Time required to recover debt (years)</strong></td>
<td>To make the data on the time, cost and outcome comparable across economies, several assumptions about the business and the case are used:</td>
</tr>
<tr>
<td>• Measured in calendar years</td>
<td>- A hotel located in the largest city (or cities) has 201 employees and 50 suppliers. The hotel experiences financial difficulties.</td>
</tr>
<tr>
<td>• Appeals and requests for extension are included</td>
<td>- The value of the hotel is 100% of the income per capita or the equivalent in local currency of USD 200,000, whichever is greater.</td>
</tr>
<tr>
<td><strong>Cost required to recover debt (% of debtor’s estate)</strong></td>
<td>- The hotel has a loan from a domestic bank, secured by a mortgage over the hotel’s real estate. The hotel cannot pay back the loan, but makes enough money to operate otherwise.</td>
</tr>
<tr>
<td>• Measured as percentage of estate value</td>
<td>In addition, Doing Business evaluates the quality of legal framework applicable to judicial liquidation and reorganization proceedings and the extent to which best insolvency practices have been implemented in each economy covered.</td>
</tr>
<tr>
<td>• Court fees</td>
<td></td>
</tr>
<tr>
<td>• Fees of insolvency administrators</td>
<td></td>
</tr>
<tr>
<td>• Lawyers’ fees</td>
<td></td>
</tr>
<tr>
<td>• Assessors’ and auctioneers’ fees</td>
<td></td>
</tr>
<tr>
<td>• Other related fees</td>
<td></td>
</tr>
<tr>
<td><strong>Outcome</strong></td>
<td></td>
</tr>
<tr>
<td>• Whether business continues operating as a going concern or business assets are sold piecemeal</td>
<td></td>
</tr>
<tr>
<td><strong>Recovery rate for creditors</strong></td>
<td></td>
</tr>
<tr>
<td>• Measures the cents on the dollar recovered by secured creditors</td>
<td></td>
</tr>
<tr>
<td>• Outcome for the business (survival or not) determines the maximum value that can be recovered</td>
<td></td>
</tr>
<tr>
<td>• Official costs of the insolvency proceedings are deducted</td>
<td></td>
</tr>
<tr>
<td>• Depreciation of furniture is taken into account</td>
<td></td>
</tr>
<tr>
<td>• Present value of debt recovered</td>
<td></td>
</tr>
<tr>
<td><strong>Strength of insolvency framework index (0-16)</strong></td>
<td></td>
</tr>
<tr>
<td>• Sum of the scores of four component indices:</td>
<td></td>
</tr>
<tr>
<td>• Commencement of proceedings index (0-3)</td>
<td></td>
</tr>
<tr>
<td>• Management of debtor’s assets index (0-6)</td>
<td></td>
</tr>
<tr>
<td>• Reorganization proceedings index (0-3)</td>
<td></td>
</tr>
<tr>
<td>• Creditor participation index (0-4)</td>
<td></td>
</tr>
</tbody>
</table>
Resolving Insolvency - Netherlands

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Netherlands</th>
<th>OECD high income</th>
<th>Best Regulatory Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recovery rate (cents on the dollar)</td>
<td>89.8</td>
<td>70.5</td>
<td>None in 2017/18</td>
</tr>
<tr>
<td>Time (years)</td>
<td>1.1</td>
<td>1.7</td>
<td>0.4 (Ireland)</td>
</tr>
<tr>
<td>Cost (% of estate)</td>
<td>3.5</td>
<td>9.3</td>
<td>1.0 (Norway)</td>
</tr>
<tr>
<td>Outcome (0 as piecemeal sale and 1 as going concern)</td>
<td>1</td>
<td>..</td>
<td>..</td>
</tr>
<tr>
<td>Strength of insolvency framework index (0-16)</td>
<td>11.5</td>
<td>11.9</td>
<td>None in 2017/18</td>
</tr>
</tbody>
</table>

Note: The ranking of economies on the ease of resolving insolvency is determined by sorting their scores for resolving insolvency. These scores are the simple average of the scores for the recovery rate and the strength of insolvency framework index.

Figure - Resolving Insolvency in Netherlands - Time and Cost

Table showing indicators and corresponding values for Netherlands and OECD high income.

Figure - Resolving Insolvency in Netherlands and comparator economies - Ranking and Score

Graph displaying DB 2019 Resolving Insolvency Score with data points for Finland, Denmark, Netherlands, and OECD high income.
Figure – Resolving Insolvency in Netherlands and comparator economies – Measure of Quality

Note: Even if the economy’s legal framework includes provisions related to insolvency proceedings (liquidation or reorganization), the economy receives 0 points for the strength of insolvency framework index, if time, cost and outcome indicators are recorded as “no practice.”

Figure – Resolving Insolvency in Netherlands and comparator economies – Recovery Rate

Note: Even if the economy’s legal framework includes provisions related to insolvency proceedings (liquidation or reorganization), the economy receives 0 points for the strength of insolvency framework index, if time, cost and outcome indicators are recorded as “no practice.”
## Details - Resolving Insolvency in Netherlands

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Answer</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proceeding</td>
<td>liquidation</td>
<td></td>
</tr>
<tr>
<td></td>
<td>BizBank can enforce its security through foreclosure. In order to prevent this, Mirage management will initiate bankruptcy proceedings, the court will appoint a trustee who will then request a stay of enforcement proceedings for a maximum of four months (2 months, which can be extended by 2 more months), while he attempts to sell the business as a going concern. After the stay of enforcement period, BizBank can again enforce its security through foreclosure.</td>
<td></td>
</tr>
<tr>
<td>Outcome</td>
<td>going concern</td>
<td></td>
</tr>
<tr>
<td></td>
<td>The trustee appointed in bankruptcy proceedings will attempt to sell the company as a going concern to maximize the value of the assets for the creditors.</td>
<td></td>
</tr>
<tr>
<td>Time (in years)</td>
<td>1.1</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Mirage management will initiate bankruptcy proceedings to prevent BizBank's foreclosure on the hotel's property. The court will declare Mirage bankrupt and appoint a bankruptcy trustee and a supervisory judge. The trustee will take over the management of the company and will be responsible for administration and liquidation of the estate. The trustee will investigate the value of the assets. In the meantime, the trustee can ask the court to impose a temporary stay on enforcement proceedings (2 months, which can be extended by 2 more months) while he attempts to sell the business as a going concern. The sale can be made through public auction or private sale. Property secured by a mortgage or a pledge will be sold for the benefit of the secured creditor.</td>
<td></td>
</tr>
<tr>
<td>Cost (% of estate)</td>
<td>3.5</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Main expenses will include attorneys' fees (2% of the value of the estate) and fees of the trustee (1%). The remaining expenses will include the cost of filing for bankruptcy, remuneration of the bankruptcy trustee, the fees of experts the trustee hires (such as assessors, accountants and auctioneers).</td>
<td></td>
</tr>
<tr>
<td>Recovery rate (cents on the dollar)</td>
<td>89.8</td>
<td></td>
</tr>
</tbody>
</table>
### Strength of insolvency framework index (0-16)

<table>
<thead>
<tr>
<th>Question</th>
<th>Answer</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>What procedures are available to a DEBTOR when commencing insolvency proceedings?</td>
<td>(a) Debtor may file for both liquidation and reorganization</td>
<td>1.0</td>
</tr>
<tr>
<td>Does the insolvency framework allow a CREDITOR to file for insolvency of the debtor?</td>
<td>(b) Yes, but a creditor may file for liquidation only</td>
<td>0.5</td>
</tr>
<tr>
<td>What basis for commencement of the insolvency proceedings is allowed under the insolvency framework?</td>
<td>(a) Debtor is generally unable to pay its debts as they mature</td>
<td>1.0</td>
</tr>
<tr>
<td>Management of debtor's assets index (0-6)</td>
<td></td>
<td>6.0</td>
</tr>
<tr>
<td>Does the insolvency framework allow the continuation of contracts supplying essential goods and services to the debtor?</td>
<td>Yes</td>
<td>1.0</td>
</tr>
<tr>
<td>Does the insolvency framework allow the rejection by the debtor of overly burdensome contracts?</td>
<td>Yes</td>
<td>1.0</td>
</tr>
<tr>
<td>Does the insolvency framework allow avoidance of preferential transactions?</td>
<td>Yes</td>
<td>1.0</td>
</tr>
<tr>
<td>Does the insolvency framework allow avoidance of undervalued transactions?</td>
<td>Yes</td>
<td>1.0</td>
</tr>
<tr>
<td>Does the insolvency framework provide for the possibility of the debtor obtaining credit after commencement of insolvency proceedings?</td>
<td>Yes</td>
<td>1.0</td>
</tr>
<tr>
<td>Does the insolvency framework assign priority to post-commencement credit?</td>
<td>(b) Yes over ordinary unsecured creditors but not over secured creditors</td>
<td>1.0</td>
</tr>
<tr>
<td>Reorganization proceedings index (0-3)</td>
<td></td>
<td>1.0</td>
</tr>
<tr>
<td>Which creditors vote on the proposed reorganization plan?</td>
<td>(b) Only creditors whose rights are affected by the proposed plan</td>
<td>1.0</td>
</tr>
<tr>
<td>Does the insolvency framework require that dissenting creditors in reorganization receive at least as much as what they would obtain in a liquidation?</td>
<td>No</td>
<td>0.0</td>
</tr>
<tr>
<td>Are the creditors divided into classes for the purposes of voting on the reorganization plan, does each class vote separately and are creditors in the same class treated equally?</td>
<td>No</td>
<td>0.0</td>
</tr>
<tr>
<td>Creditor participation index (0-4)</td>
<td></td>
<td>2.0</td>
</tr>
<tr>
<td>Does the insolvency framework require approval by the creditors for selection or appointment of the insolvency representative?</td>
<td>No</td>
<td>0.0</td>
</tr>
<tr>
<td>Does the insolvency framework require approval by the creditors for sale of substantial assets of the debtor?</td>
<td>No</td>
<td>0.0</td>
</tr>
<tr>
<td>Does the insolvency framework provide that a creditor has the right to request information from the insolvency representative?</td>
<td>Yes</td>
<td>1.0</td>
</tr>
<tr>
<td>Does the insolvency framework provide that a creditor has the right to object to decisions accepting or rejecting creditors' claims?</td>
<td>Yes</td>
<td>1.0</td>
</tr>
</tbody>
</table>

**Note:** Even if the economy's legal framework includes provisions related to insolvency proceedings (liquidation or reorganization), the economy receives 0 points for the strength of insolvency framework index, if time, cost and outcome indicators are recorded as “no practice.”
Labor Market Regulation

Doing Business presents detailed data for the labor market regulation indicators on the Doing Business website (http://www.doingbusiness.org). The report does not present rankings of economies on these indicators or include the topic in the aggregate ease of doing business score or ranking on the ease of doing business.

The most recent round of data collection was completed in May 2018. See the methodology for more information.

<table>
<thead>
<tr>
<th>What the indicators measure</th>
<th>Case study assumptions</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Hiring</strong></td>
<td>To make the data comparable across economies, several assumptions about the worker and the business are used.</td>
</tr>
<tr>
<td>(i) whether fixed-term contracts are prohibited for permanent tasks; (ii) maximum cumulative duration of fixed-term contracts; (iii) length of the probationary period; (iv) minimum wage.</td>
<td>The worker:</td>
</tr>
<tr>
<td></td>
<td>- Is a cashier in a supermarket or grocery store, age 19, with one year of work experience.</td>
</tr>
<tr>
<td></td>
<td>- Is a full-time employee.</td>
</tr>
<tr>
<td></td>
<td>- Is not a member of the labor union, unless membership is mandatory.</td>
</tr>
<tr>
<td><strong>Working hours</strong></td>
<td>The business:</td>
</tr>
<tr>
<td>(i) maximum number of working days allowed per week; (ii) premiums for work: at night, on a weekly rest day and overtime; (iii) whether there are restrictions on work at night, work on a weekly rest day and for overtime work; (iv) whether nonpregnant and nonnursing women can work same night hours as men; (v) length of paid annual leave.</td>
<td>- Is a limited liability company (or the equivalent in the economy).</td>
</tr>
<tr>
<td></td>
<td>- Operates a supermarket or grocery store in the economy’s largest business city.</td>
</tr>
<tr>
<td></td>
<td>For 11 economies the data are also collected for the second largest business city.</td>
</tr>
<tr>
<td></td>
<td>- Has 60 employees.</td>
</tr>
<tr>
<td></td>
<td>- Is subject to collective bargaining agreements if such agreements cover more than 50% of the food retail sector and they apply even to firms that are not party to them.</td>
</tr>
<tr>
<td></td>
<td>- Abides by every law and regulation but does not grant workers more benefits than those mandated by law, regulation or (if applicable) collective bargaining agreements.</td>
</tr>
<tr>
<td><strong>Redundancy rules</strong></td>
<td>The business:</td>
</tr>
<tr>
<td>(i) whether redundancy can be basis for terminating workers; (ii) whether employer needs to notify and/or get approval from third party to terminate 1 redundant worker and a group of 9 redundant workers; (iii) whether law requires employer to reassign or retrain a worker before making worker redundant; (iv) whether priority rules apply for redundancies and reemployment.</td>
<td>To make the data comparable across economies, several assumptions about the worker and the business are used.</td>
</tr>
<tr>
<td><strong>Redundancy cost</strong></td>
<td>The worker:</td>
</tr>
<tr>
<td>(i) notice period for redundancy dismissal; (ii) severance payments due when terminating a redundant worker.</td>
<td>- Is a cashier in a supermarket or grocery store, age 19, with one year of work experience.</td>
</tr>
<tr>
<td></td>
<td>- Is a full-time employee.</td>
</tr>
<tr>
<td></td>
<td>- Is not a member of the labor union, unless membership is mandatory.</td>
</tr>
<tr>
<td><strong>Job quality</strong></td>
<td>The business:</td>
</tr>
<tr>
<td>(i) whether law mandates equal remuneration for work of equal value and nondiscrimination based on gender in hiring; (ii) whether law mandates paid or unpaid maternity leave; (iii) length of paid maternity leave; (iv) whether employees on maternity leave receive 100% of wages; (v) availability of five fully paid days of sick leave a year; (vi) eligibility requirements for unemployment protection.</td>
<td>- Is a limited liability company (or the equivalent in the economy).</td>
</tr>
<tr>
<td></td>
<td>- Operates a supermarket or grocery store in the economy’s largest business city.</td>
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</tr>
<tr>
<td></td>
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</tr>
</tbody>
</table>
### Labor Market Regulation - Netherlands

#### Details - Labor Market Regulation in Netherlands

<table>
<thead>
<tr>
<th><strong>Hiring</strong></th>
<th><strong>Answer</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Fixed-term contracts prohibited for permanent tasks?</td>
<td>No</td>
</tr>
<tr>
<td>Maximum length of a single fixed-term contract (months)</td>
<td>24.0</td>
</tr>
<tr>
<td>Maximum length of fixed-term contracts, including renewals (months)</td>
<td>24.0</td>
</tr>
<tr>
<td>Minimum wage applicable to the worker assumed in the case study (US$/month)</td>
<td>942.0</td>
</tr>
<tr>
<td>Ratio of minimum wage to value added per worker</td>
<td>0.2</td>
</tr>
<tr>
<td>Maximum length of probationary period (months)</td>
<td>2.0</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Working hours</strong></th>
<th><strong>Answer</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Standard workday</td>
<td>8.0</td>
</tr>
<tr>
<td>Maximum number of working days per week</td>
<td>5.5</td>
</tr>
<tr>
<td>Premium for night work (% of hourly pay)</td>
<td>0.0</td>
</tr>
<tr>
<td>Premium for work on weekly rest day (% of hourly pay)</td>
<td>0.0</td>
</tr>
<tr>
<td>Premium for overtime work (% of hourly pay)</td>
<td>0.0</td>
</tr>
<tr>
<td>Restrictions on night work?</td>
<td>No</td>
</tr>
<tr>
<td>Whether nonpregnant and nonnursing women can work the same night hours as men</td>
<td>Yes</td>
</tr>
<tr>
<td>Restrictions on weekly holiday?</td>
<td>No</td>
</tr>
<tr>
<td>Restrictions on overtime work?</td>
<td>No</td>
</tr>
<tr>
<td>Paid annual leave for a worker with 1 year of tenure (working days)</td>
<td>20.0</td>
</tr>
<tr>
<td>Paid annual leave for a worker with 5 years of tenure (working days)</td>
<td>20.0</td>
</tr>
<tr>
<td>Paid annual leave for a worker with 10 years of tenure (working days)</td>
<td>20.0</td>
</tr>
<tr>
<td>Paid annual leave (average for workers with 1, 5 and 10 years of tenure, in working days)</td>
<td>20.0</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Redundancy rules</strong></th>
<th><strong>Answer</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Dismissal due to redundancy allowed by law?</td>
<td>Yes</td>
</tr>
<tr>
<td>Third-party notification if one worker is dismissed?</td>
<td>Yes</td>
</tr>
<tr>
<td>Third-party approval if one worker is dismissed?</td>
<td>Yes</td>
</tr>
<tr>
<td>Third-party notification if nine workers are dismissed?</td>
<td>Yes</td>
</tr>
<tr>
<td>Third-party approval if nine workers are dismissed?</td>
<td>Yes</td>
</tr>
<tr>
<td>Retraining or reassignment obligation before redundancy?</td>
<td>Yes</td>
</tr>
<tr>
<td>Priority rules for redundancies?</td>
<td>Yes</td>
</tr>
<tr>
<td>Priority rules for reemployment?</td>
<td>No</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Redundancy cost</strong></th>
<th><strong>Answer</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Notice period for redundancy dismissal for a worker with 1 year of tenure</td>
<td>4.3</td>
</tr>
<tr>
<td>Notice period for redundancy dismissal for a worker with 5 years of tenure</td>
<td>8.7</td>
</tr>
<tr>
<td>Notice period for redundancy dismissal for a worker with 10 years of tenure</td>
<td>13.0</td>
</tr>
<tr>
<td>Notice period for redundancy dismissal (average for workers with 1, 5 and 10 years of tenure)</td>
<td>8.7</td>
</tr>
<tr>
<td>Severance pay for redundancy dismissal for a worker with 1 year of tenure</td>
<td>0.0</td>
</tr>
<tr>
<td>Job quality</td>
<td></td>
</tr>
<tr>
<td>----------------------------------------------------------------------------</td>
<td>----------</td>
</tr>
<tr>
<td>Equal remuneration for work of equal value?</td>
<td>Yes</td>
</tr>
<tr>
<td>Gender nondiscrimination in hiring?</td>
<td>Yes</td>
</tr>
<tr>
<td>Paid or unpaid maternity leave mandated by law?</td>
<td>Yes</td>
</tr>
<tr>
<td>Minimum length of maternity leave (calendar days)?</td>
<td>112.0</td>
</tr>
<tr>
<td>Receive 100% of wages on maternity leave?</td>
<td>Yes</td>
</tr>
<tr>
<td>Five fully paid days of sick leave a year?</td>
<td>No</td>
</tr>
<tr>
<td>Unemployment protection after one year of employment?</td>
<td>Yes</td>
</tr>
<tr>
<td>Minimum contribution period for unemployment protection (months)?</td>
<td>6.0</td>
</tr>
</tbody>
</table>
Business Reforms in Netherlands

In the past year, Doing Business observed a peaking of reform activity worldwide. From June 2, 2017, to May 1, 2018, 128 economies implemented a record 314 regulatory reforms improving the business climate. Reforms inspired by Doing Business have been implemented by economies in all regions. The following are reforms implemented since Doing Business 2008.

✓ = Doing Business reform making it easier to do business. × = Change making it more difficult to do business.

DB2018

✓ Getting Credit: The Netherlands improved access to credit information by lowering the minimum loan amount to be included in the credit bureau’s database.

DB2017

✓ Paying Taxes: The Netherlands made paying taxes less costly by lowering the rates paid by employers for health insurance contributions, special unemployment insurance, unemployment insurance and real estate taxes. The Netherlands also made paying taxes easier by improving the online system for paying corporate income tax. However, the Netherlands made paying taxes more costly by increasing the rates for disablement insurance contribution paid by employers, polder board tax and motor tax.

Labor Market Regulation: The Netherlands reduced the maximum duration of fixed-term contracts from 36 to 24 months. Severance pay was introduced for redundancy dismissals for employees with at least 2 years of continuous employment.

DB2016

× Paying Taxes: The Netherlands made paying taxes more costly for companies by increasing employer-paid labor contributions as well as road taxes, property taxes and polder board taxes.

DB2014

✓ Starting a Business: The Netherlands made starting a business easier by abolishing the minimum capital requirement.

✓ Registering Property: The Netherlands made transferring property easier by increasing the efficiency of the title search process.

× Getting Credit: The Netherlands weakened its secured transactions system through an amendment to the Collection of State Taxes Act that grants priority outside bankruptcy to tax claims over secured creditors’ claims.

DB2013

✓ Starting a Business: The Netherlands made starting a business easier by eliminating the requirement for a declaration of nonobjection by the Ministry of Justice before incorporation.

✓ Dealing with Construction Permits: The Netherlands made dealing with construction permits simpler by merging several approvals and implementing an online application system.

✓ Protecting Minority Investors: The Netherlands strengthened investor protections through a new law regulating the approval of related-party transactions.

✓ Trading across Borders: The Netherlands made importing easier by introducing a new web-based system for cargo release at the port terminals in Rotterdam.

DB2011

✓ Paying Taxes: The Netherlands reduced the frequency of filing and paying value added taxes from monthly to quarterly and allowed small entities to use their annual accounts as the basis for computing their corporate income tax.

DB2010

✓ Dealing with Construction Permits: The Netherlands improved its construction regulation process through a new spatial planning law.

DB2008

✓ Paying Taxes: The Netherlands made paying taxes less costly for companies by reducing the corporate income tax rate, social security contribution rates and the rates of several other taxes.
Doing Business 2019 is the 16th in a series of annual reports investigating the regulations that enhance business activity and those that constrain it. The report provides quantitative indicators covering 11 areas of the business environment in 190 economies. The goal of the Doing Business series is to provide objective data for use by governments in designing sound business regulatory policies and to encourage research on the important dimensions of the regulatory environment for firms.