A World Bank Group Flagship Report

16TH EDITION

DOING BUSINESS 2019

Training for Reform

Regional Profile

East African Community (EAC)

WORLD BANK GROUP

Comparing Business Regulation for Domestic Firms in 190 Economies

Region Profile of East African Community (EAC)

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

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

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.

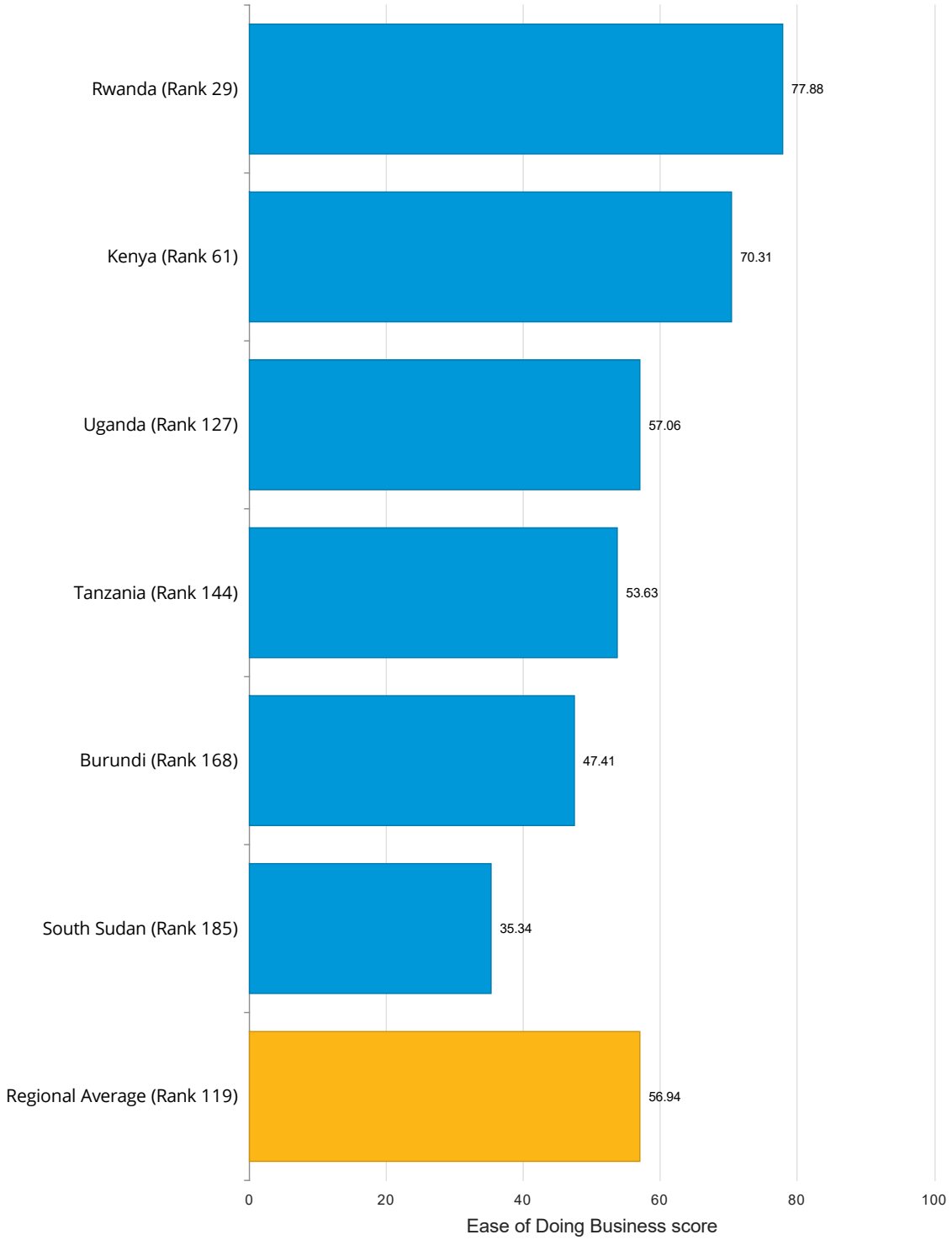
The first Doing Business report, published in 2003, covered 5 indicator sets and 133 economies. This year's report covers 11 indicator sets and 190 economies. Most indicator sets refer to a case scenario in the largest business city of each economy, except for 11 economies that have a population of more 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

The Business Environment

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

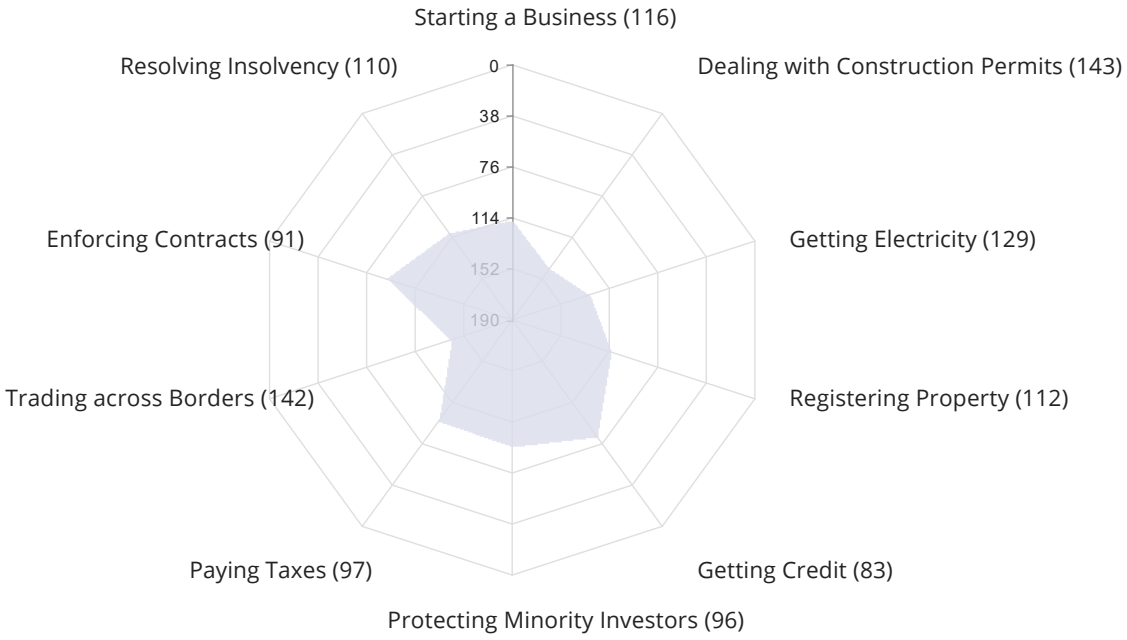
How economies in East African Community (EAC) rank on the ease of doing business



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.

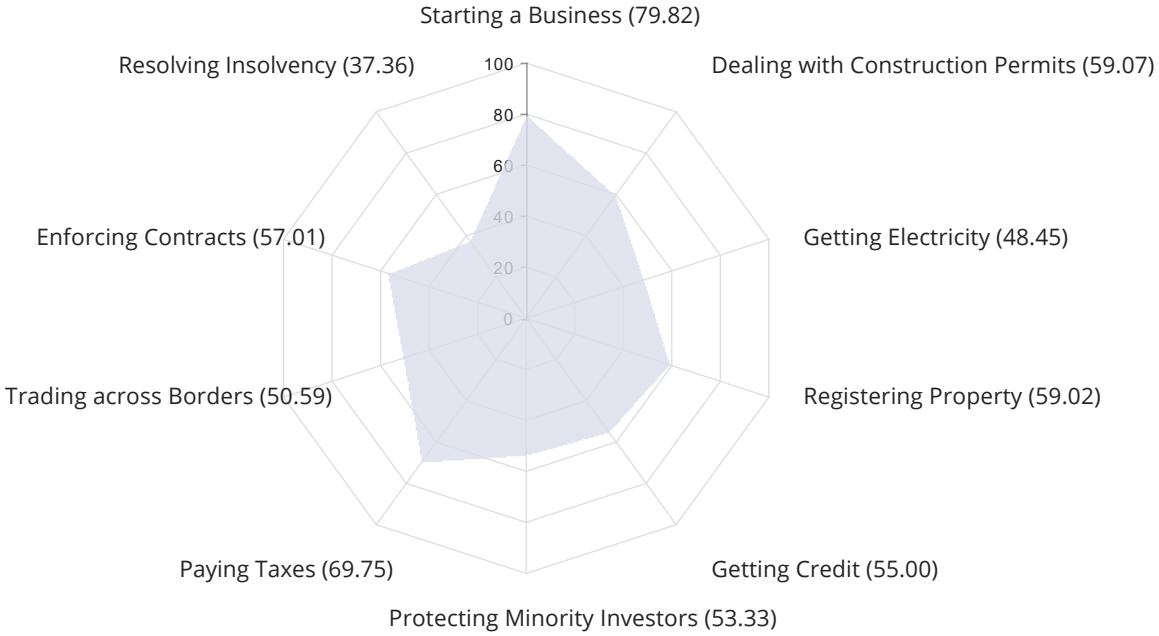
Source: Doing Business database

Rankings on Doing Business topics - East African Community (EAC)



Regional average ranking (Scale: Rank 190 center, Rank 1 outer edge)
Source: Doing Business database.

Ease of Doing Business scores on Doing Business topics - East African Community (EAC)



(Scale: Score 0 center, Score 100 outer edge)

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. Source: Doing Business database

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 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 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 doing business score for each indicator is the average of the scores obtained 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.

What the indicators measure

Procedures to legally start and formally operate a company (number)

• Preregistration (for example, name verification or reservation, notarization)
• Registration in the economy's largest business city
• Postregistration (for example, social security registration, company seal)
• Obtaining approval from spouse to start a business or to leave the home to register the company
• Obtaining any gender specific document for company registration and operation or national identification card

Time required to complete each procedure (calendar days)

• Does not include time spent gathering information
• Each procedure starts on a separate day (2 procedures cannot start on the same day)
• Procedures fully completed online are recorded as ½ day
• Procedure is considered completed once final document is received
• No prior contact with officials

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

• Official costs only, no bribes
• No professional fees unless services required by law or commonly used in practice

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

• Funds deposited in a bank or with third party before registration or up to 3 months after incorporation

Case study assumptions

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.

The business:

- 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.
- Operates in the economy's largest business city. For 11 economies the data are also collected for the second largest business city.
- The entire office space is approximately 929 square meters (10,000 square feet).
- 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.
- 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.
- 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.
- Does not qualify for investment incentives or any special benefits.
- Has at least 10 and up to 50 employees one month after the commencement of operations, all of whom are domestic nationals.
- Has a company deed that is 10 pages long.

The owners:

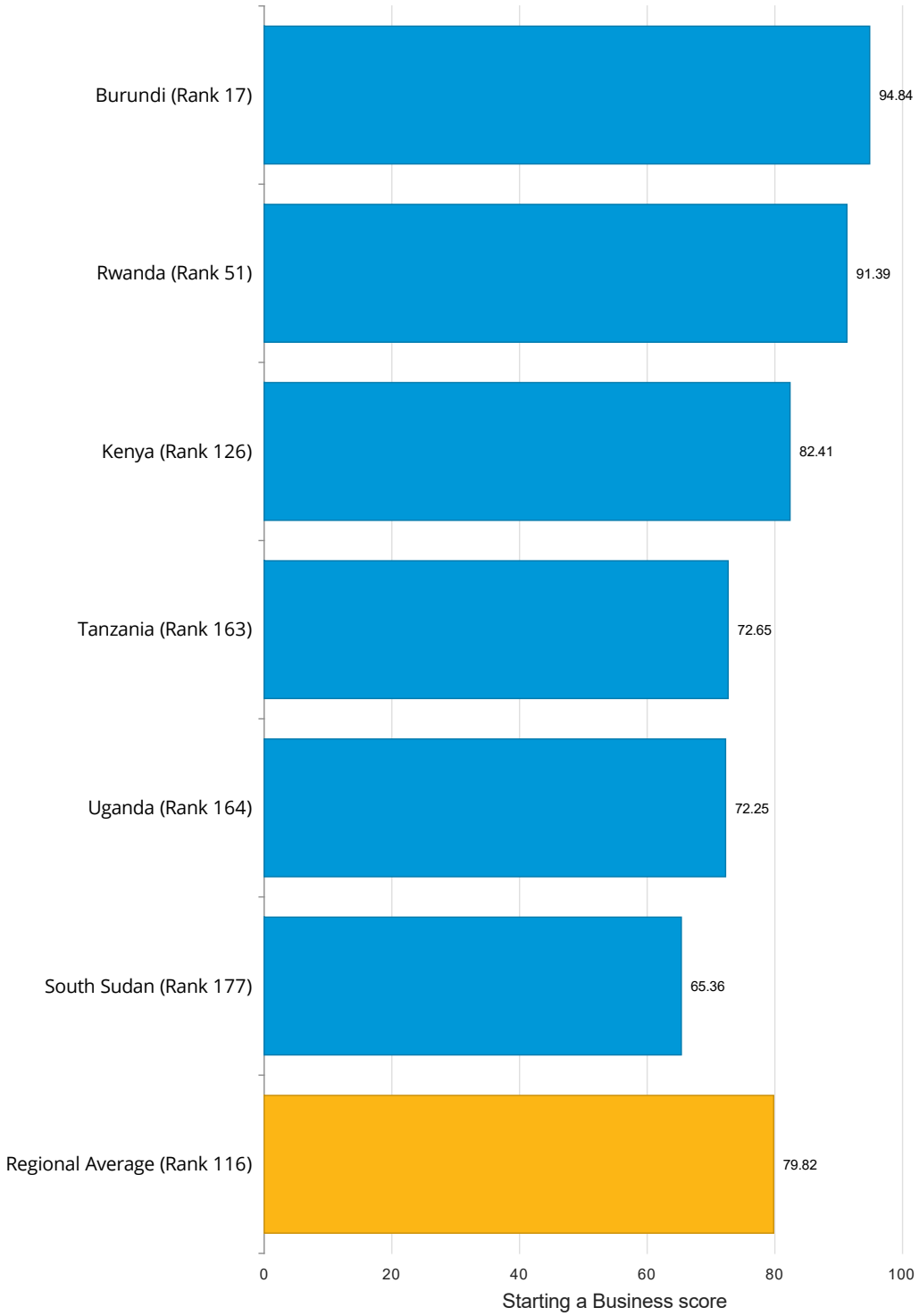
- Have reached the legal age of majority. If there is no legal age of majority, they are assumed to be 30 years old.
- Are sane, competent, in good health and have no criminal record.
- Are married and the marriage is monogamous and registered with the authorities.
- Where the answer differs according 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.

Starting a Business

Where do the region's economies stand today?

How easy is it for entrepreneurs in economies in East African Community (EAC) to start a business? The global rankings of these economies on the ease of starting a business suggest an answer. The average ranking of the region and comparator regions provide a useful benchmark.

How economies in East African Community (EAC) rank on the ease of starting a business



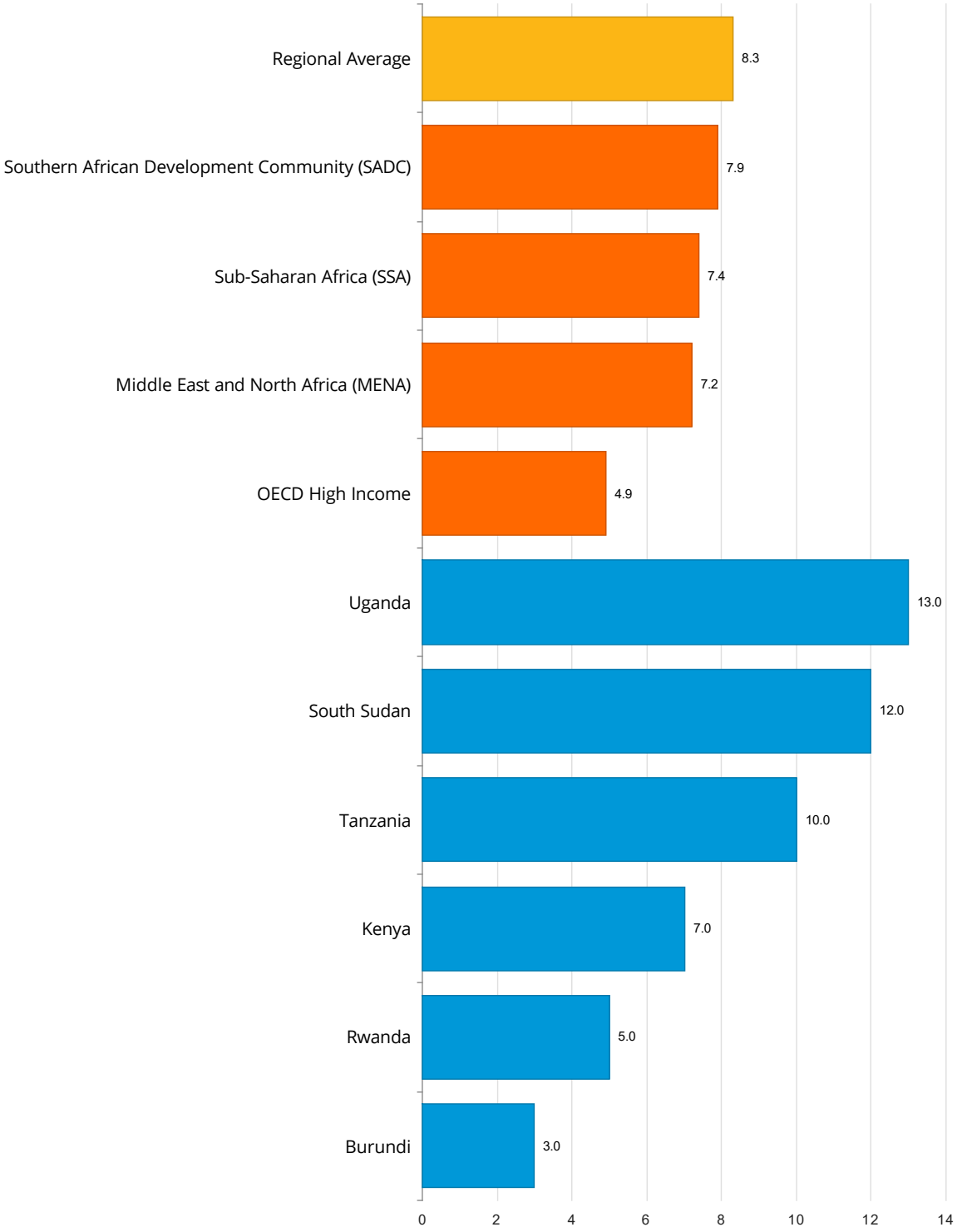
Source: Doing Business database.

Starting a Business

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

What it takes to start a business in economies in East African Community (EAC)

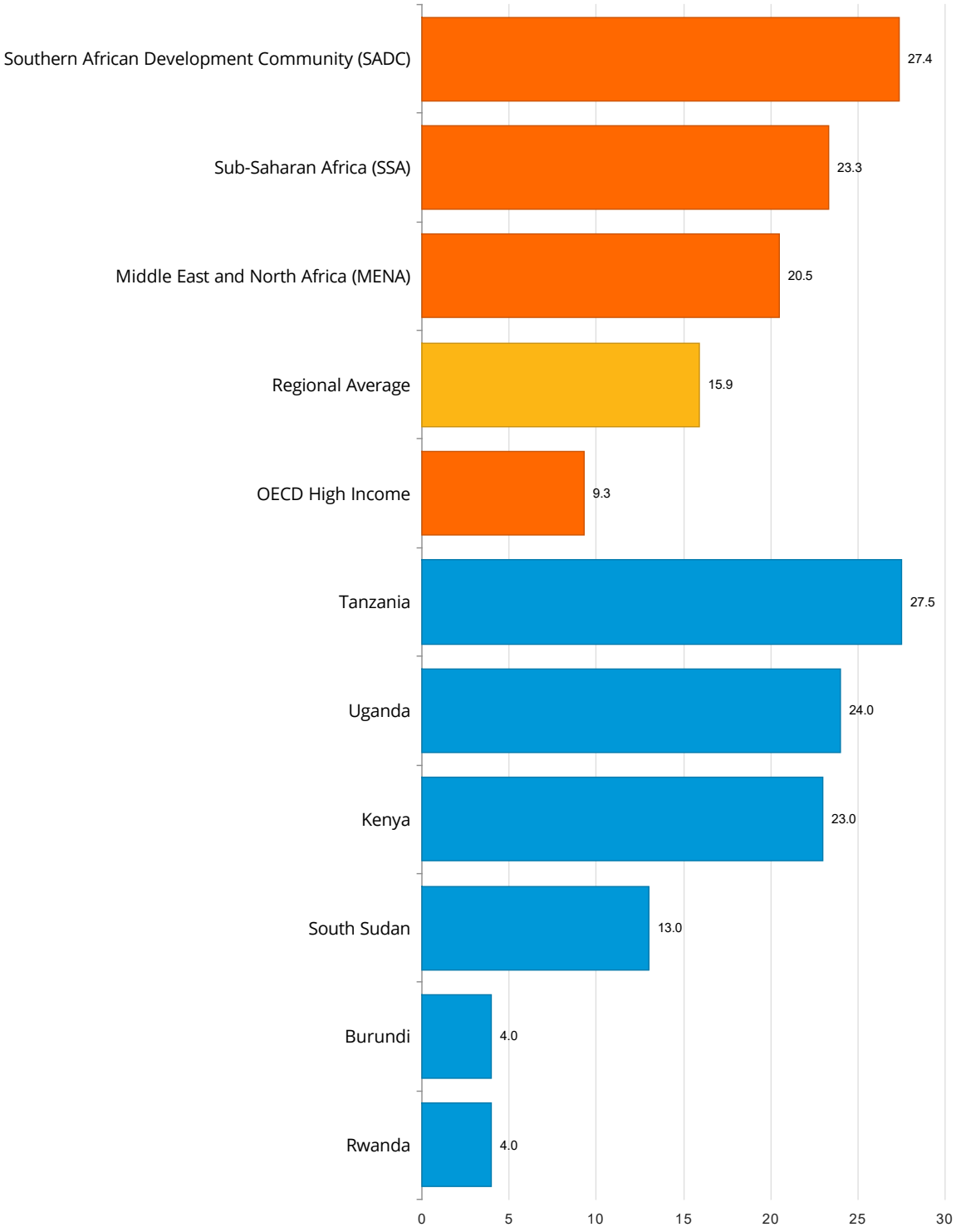
Procedure – Men (number)



Source: Doing Business database.

Starting a Business

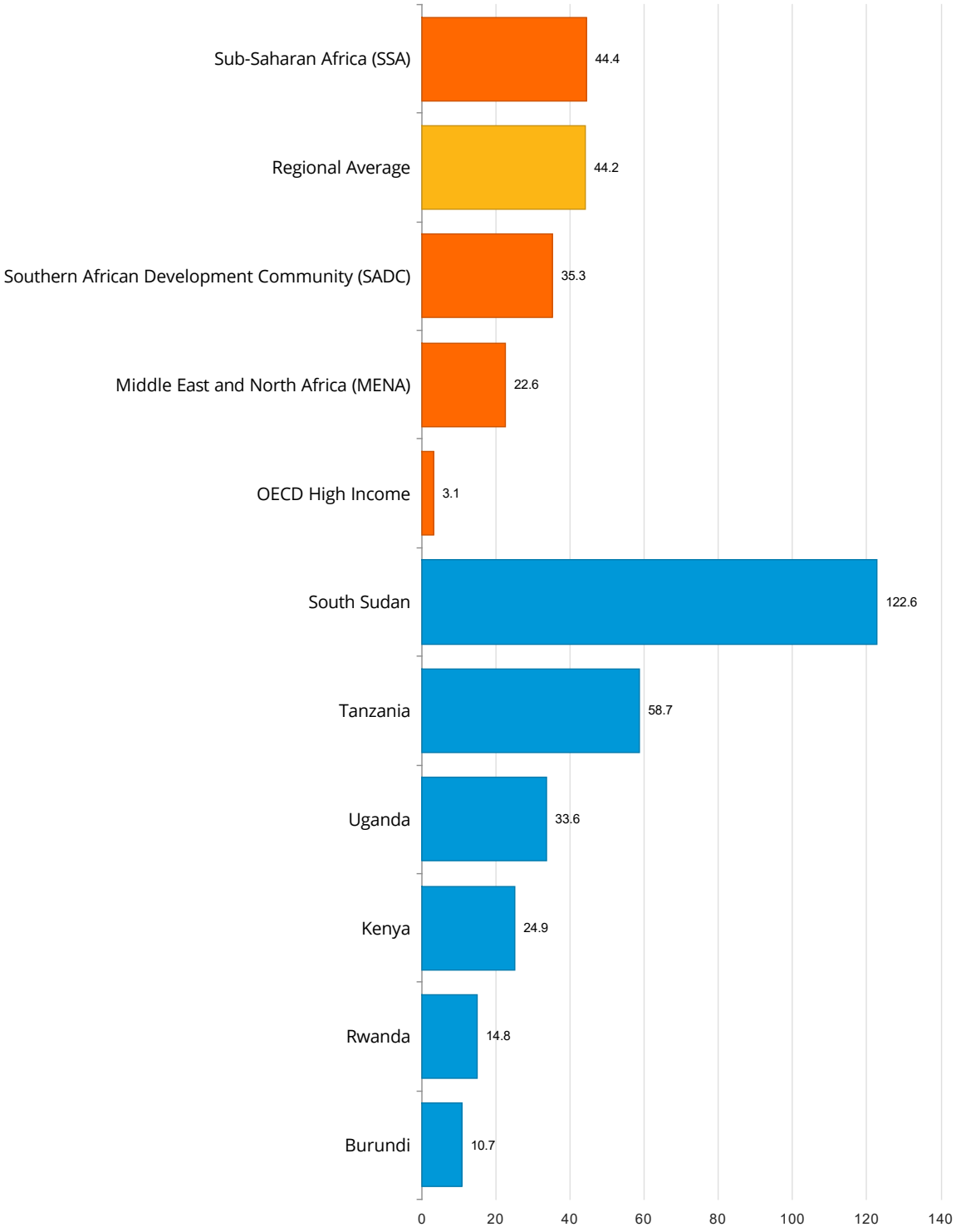
Time – Men (days)



Source: Doing Business database.

Starting a Business

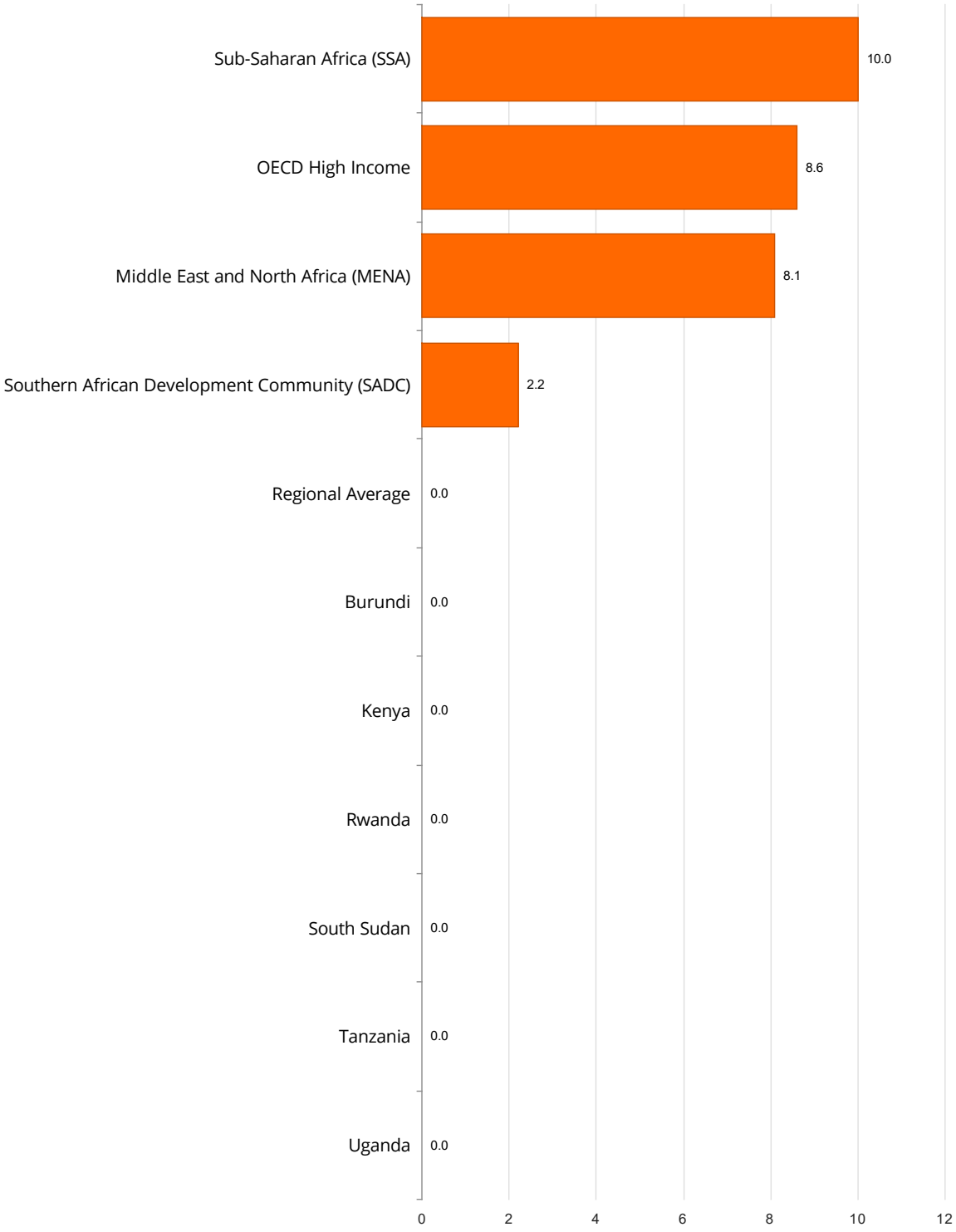
Cost – Men (% of income per capita)



Source: Doing Business database.

Starting a Business

Paid-in min. capital (% of income per capita)



Source: Doing Business database.

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

What the indicators measure

Procedures to legally build a warehouse (number)
• Submitting all relevant documents and obtaining all necessary clearances, licenses, permits and certificates
• Submitting all required notifications and receiving all necessary inspections
• Obtaining utility connections for water and sewerage
• Registering and selling the warehouse after its completion
Time required to complete each procedure (calendar days)
• Does not include time spent gathering information
• Each procedure starts on a separate day—though procedures that can be fully completed online are an exception to this rule
• Procedure is considered completed once final document is received
• No prior contact with officials
Cost required to complete each procedure (% of income per capita)
• Official costs only, no bribes
Building quality control index (0-15)
• Quality of building regulations (0-2)
• Quality control before construction (0-1)
• Quality control during construction (0-3)
• Quality control after construction (0-3)
• Liability and insurance regimes (0-2)
• Professional certifications (0-4)

Case study assumptions

To make the data comparable across economies, several assumptions about the construction company, the warehouse project and the utility connections are used.

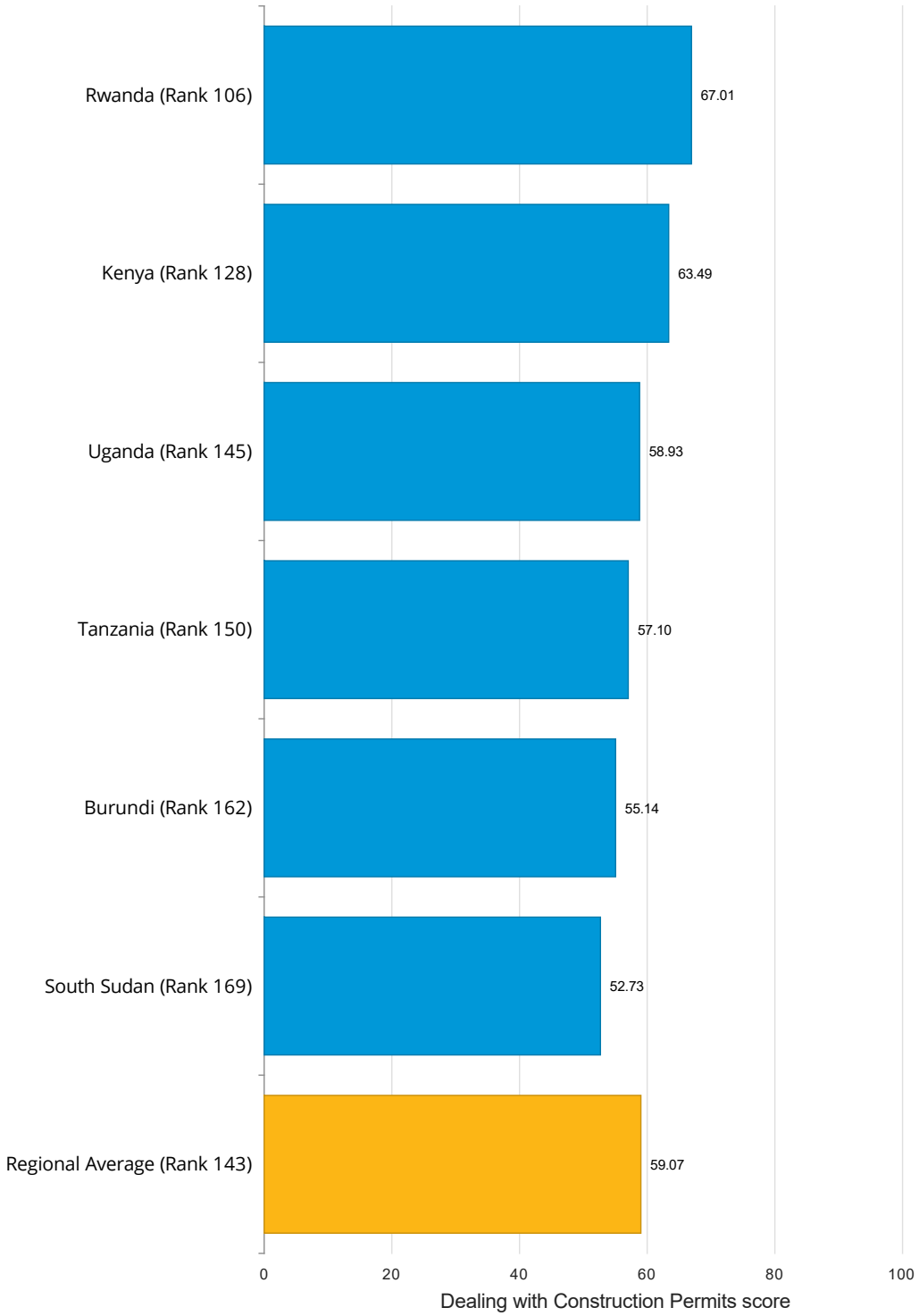
The construction company (BuildCo):
- Is a limited liability company (or its legal equivalent) and operates in the economy's largest business city. For 11 economies the data are also collected for the second largest business city.
- Is 100% domestically and privately owned; has five owners, none of whom 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.
- Owns the land on which the warehouse will be built and will sell the warehouse upon its completion.
The warehouse:
- Will be used for general storage activities, such as storage of books or stationery.
- 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.
- 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.
- Will take 30 weeks to construct (excluding all delays due to administrative and regulatory requirements).
The water and sewerage connections:
- 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.
- 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.
- 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.

Dealing with Construction Permits

Where do the region's economies stand today?

How easy it is for entrepreneurs in economies in East African Community (EAC) to legally build a warehouse? The global rankings of these economies on the ease of dealing with construction permits suggest an answer. The average ranking of the region and comparator regions provide a useful benchmark.

How economies in East African Community (EAC) rank on the ease of dealing with construction permits



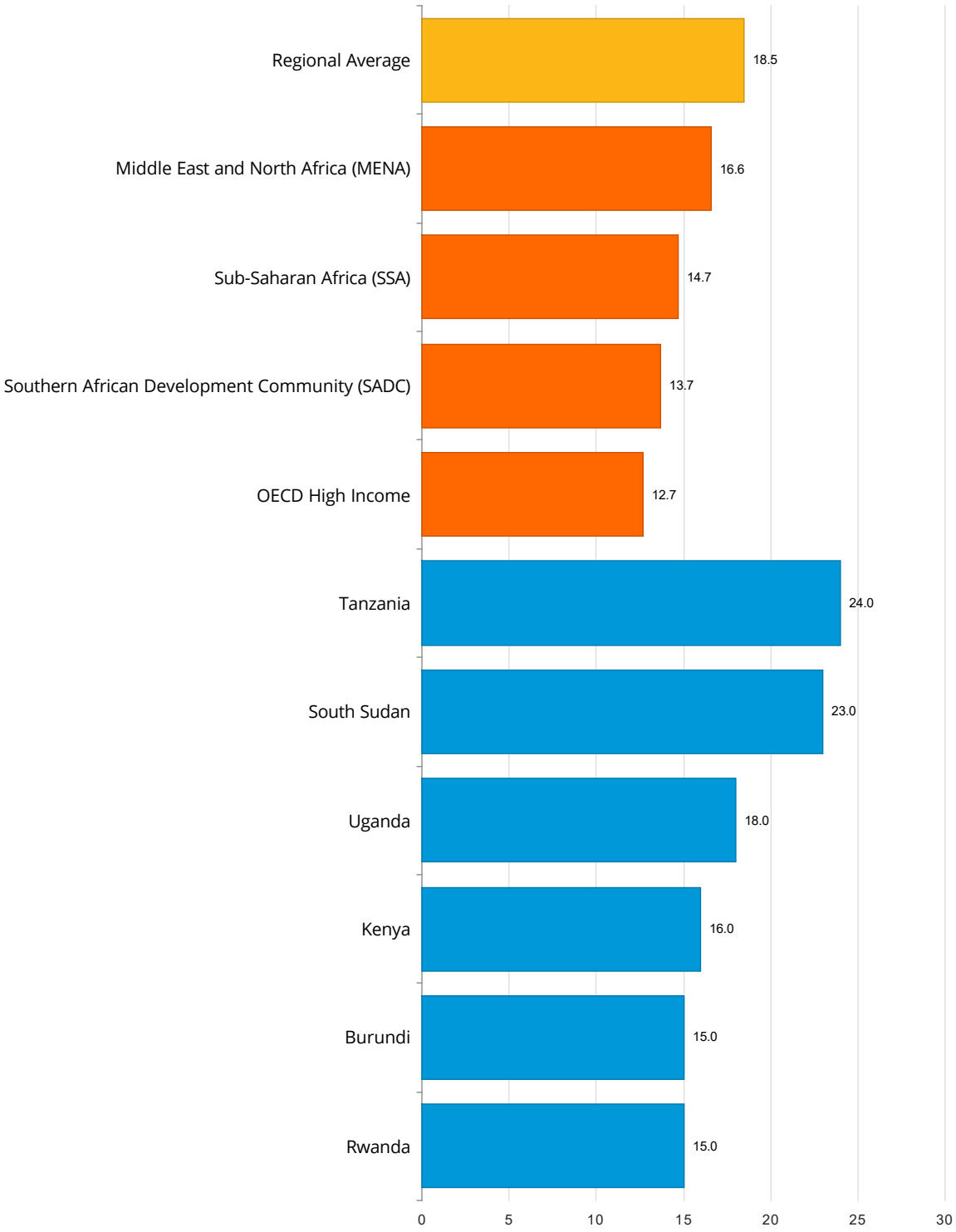
Source: Doing Business database.

Dealing with Construction Permits

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

What it takes to comply with formalities to build a warehouse in economies in East African Community (EAC)

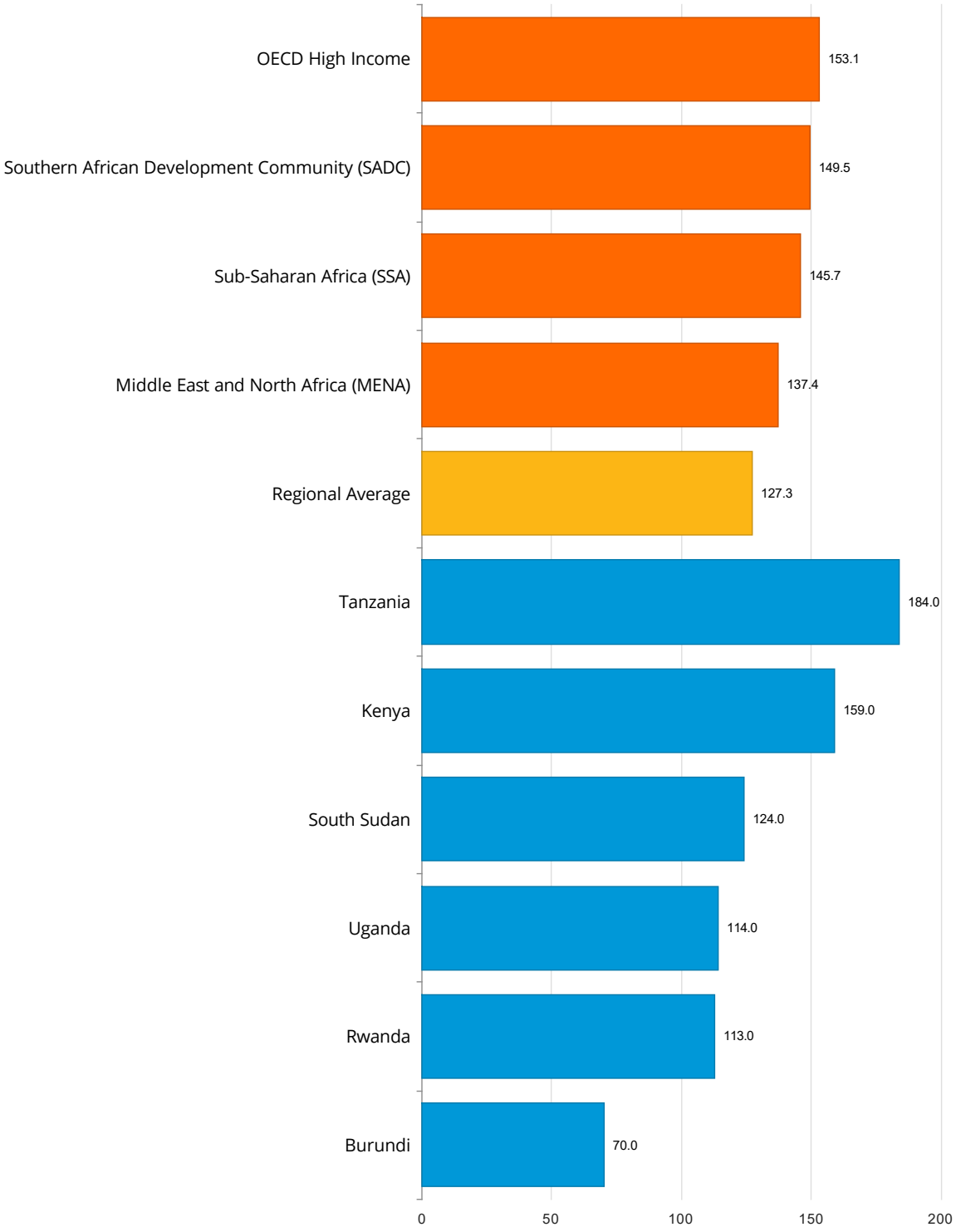
Procedures (number)



Source: Doing Business database.

Dealing with Construction Permits

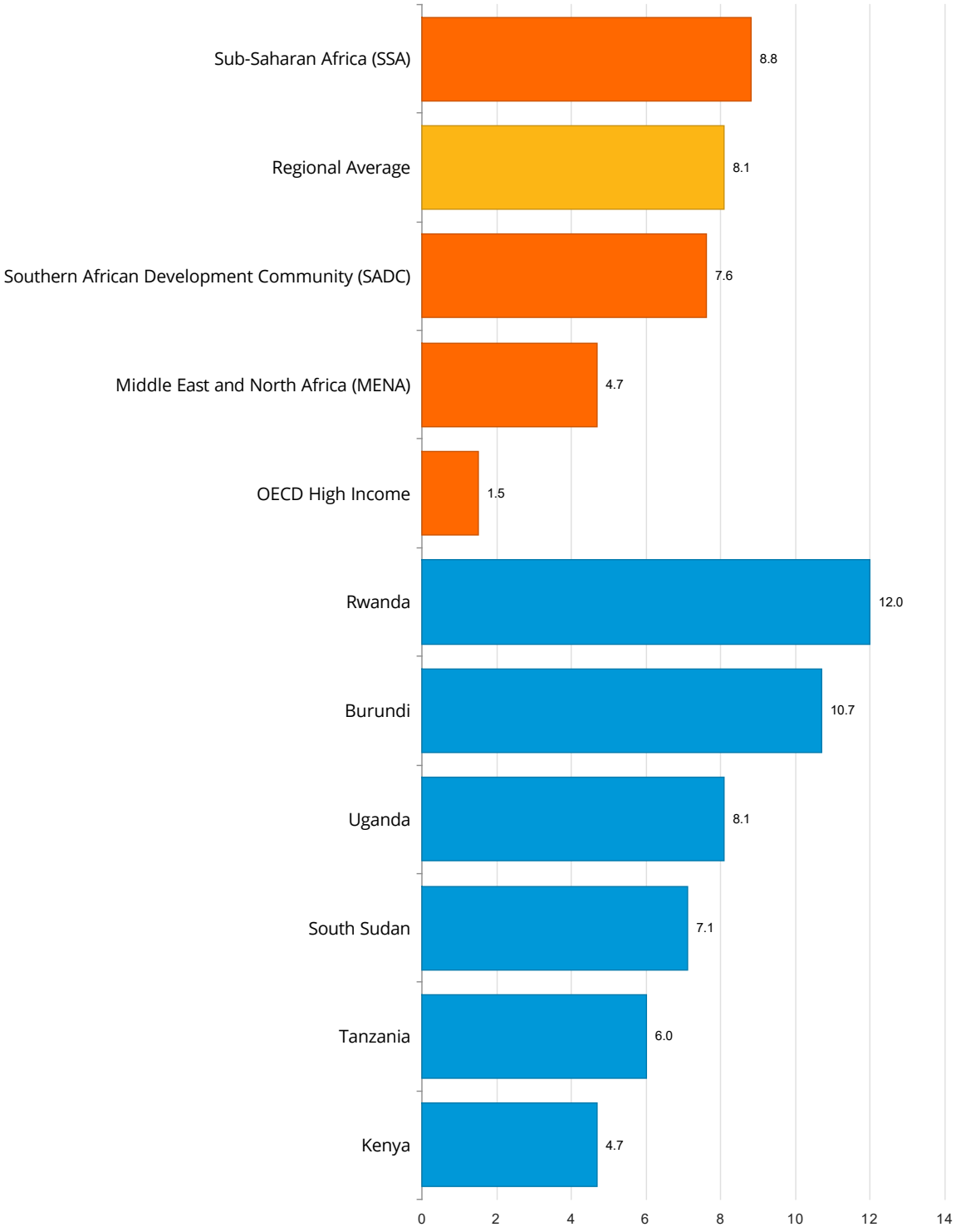
Time (days)



Source: Doing Business database.

Dealing with Construction Permits

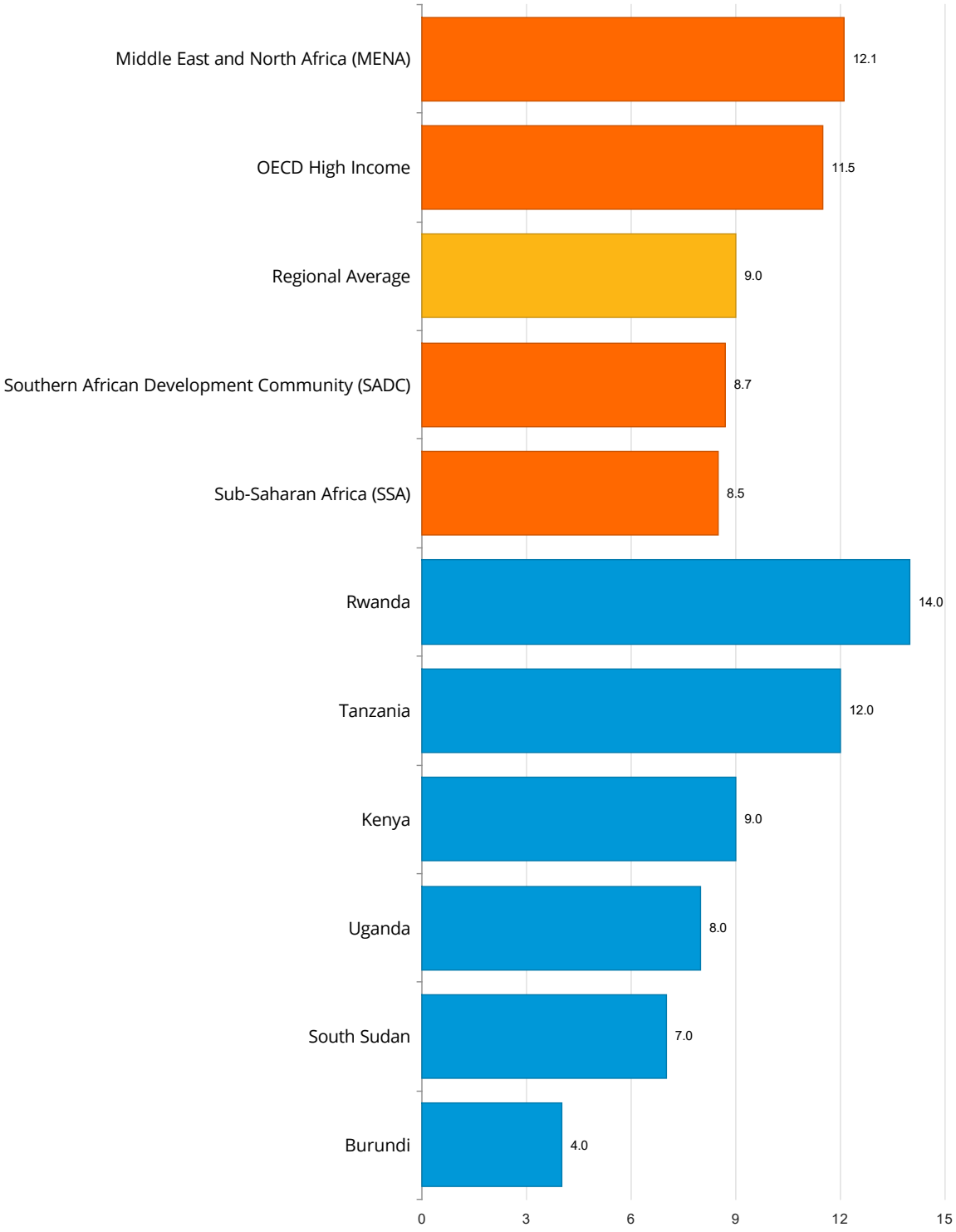
Cost (% of warehouse value)



Source: Doing Business database.

Dealing with Construction Permits

Building quality control index (0-15)



Source: Doing Business database.

Getting Electricity

This topic tracks the procedures, time and cost required for a business to obtain a permanent electricity connection for a newly constructed warehouse. In addition to assessing efficiency of connection process, Reliability of supply and transparency of tariff index measures reliability of power supply and 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.

What the indicators measure

Procedures to obtain an electricity connection (number)
• Submitting all relevant documents and obtaining all necessary clearances and permits
• Completing all required notifications and receiving all necessary inspections
• Obtaining external installation works and possibly purchasing material for these works
• Concluding any necessary supply contract and obtaining final supply
Time required to complete each procedure (calendar days)
• Is at least 1 calendar day
• Each procedure starts on a separate day
• Does not include time spent gathering information
• Reflects the time spent in practice, with little follow-up and no prior contact with officials
Cost required to complete each procedure (% of income per capita)
• Official costs only, no bribes
• Value added tax excluded
The reliability of supply and transparency of tariffs index (0-8)
• Duration and frequency of power outages (0–3)
• Tools to monitor power outages (0–1)
• Tools to restore power supply (0–1)
• Regulatory monitoring of utilities' performance (0–1)
• Financial deterrents limiting outages (0–1)
• Transparency and accessibility of tariffs (0–1)
Price of electricity (cents per kilowatt-hour)*
• Price based on monthly bill for commercial warehouse in case study
*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.

Case study assumptions

To make the data comparable across economies, several assumptions about the warehouse, the electricity connection and the monthly consumption are used.

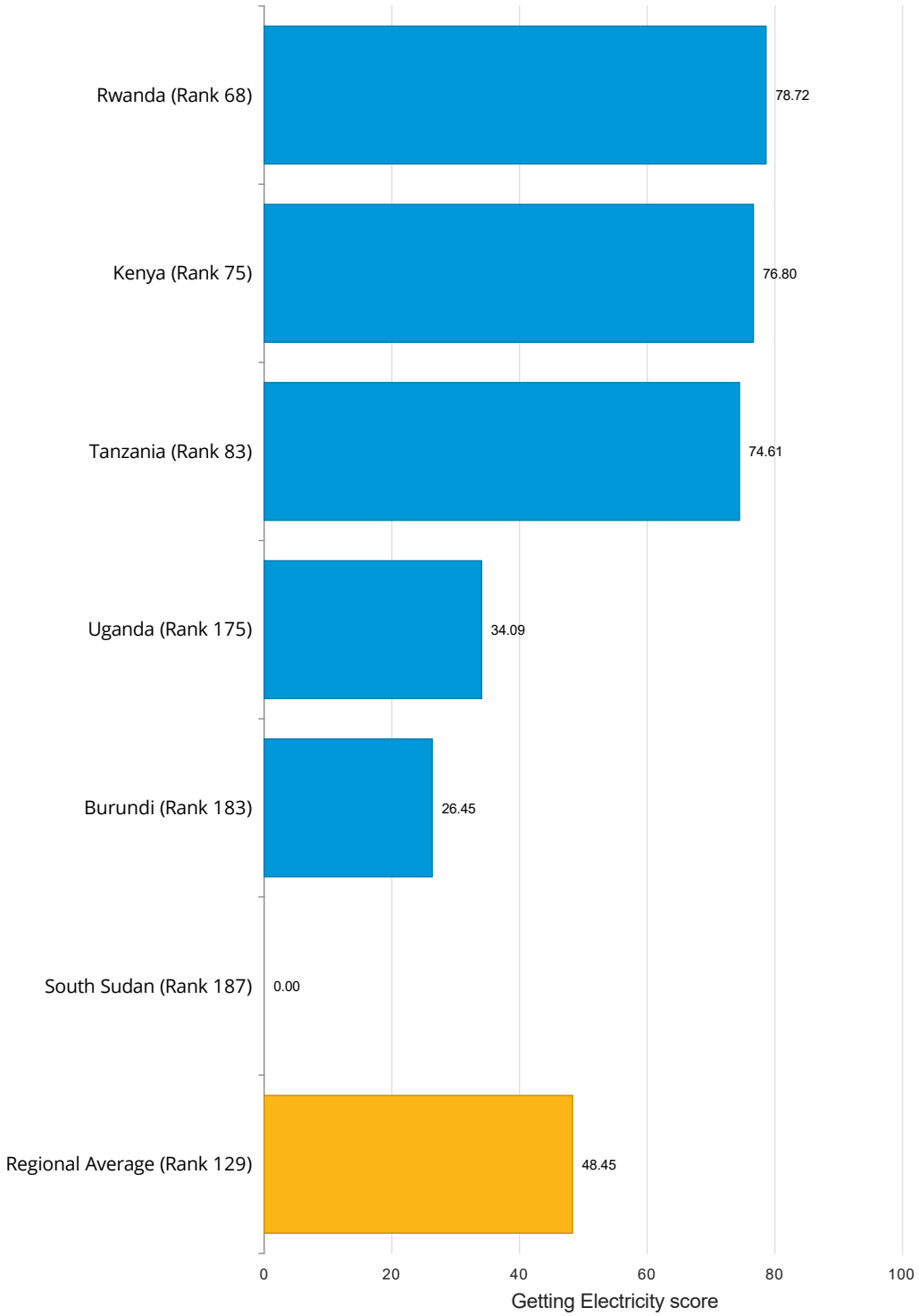
The warehouse:
- Is owned by a local entrepreneur and is used for storage of goods.
- Is located in the economy's largest business city. For 11 economies the data are also collected for the second largest business city.
- Is located in an area where similar warehouses are typically located and is in an area with no physical constraints. For example, the property is not near a railway.
- Is a new construction and is being connected to electricity for the first time.
- 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).
The electricity connection:
- 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).
- 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.
- 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.
The monthly consumption:
- It is assumed that the warehouse operates 30 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.
- If multiple electricity suppliers exist, the warehouse is served by the cheapest supplier.
- 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.

Getting Electricity

Where do the region's economies stand today?

How easy it is for entrepreneurs in economies in East African Community (EAC) to connect a warehouse to electricity? The global rankings of these economies on the ease of getting electricity suggest an answer. The average ranking of the region and comparator regions provide a useful benchmark.

How economies in East African Community (EAC) rank on the ease of getting electricity



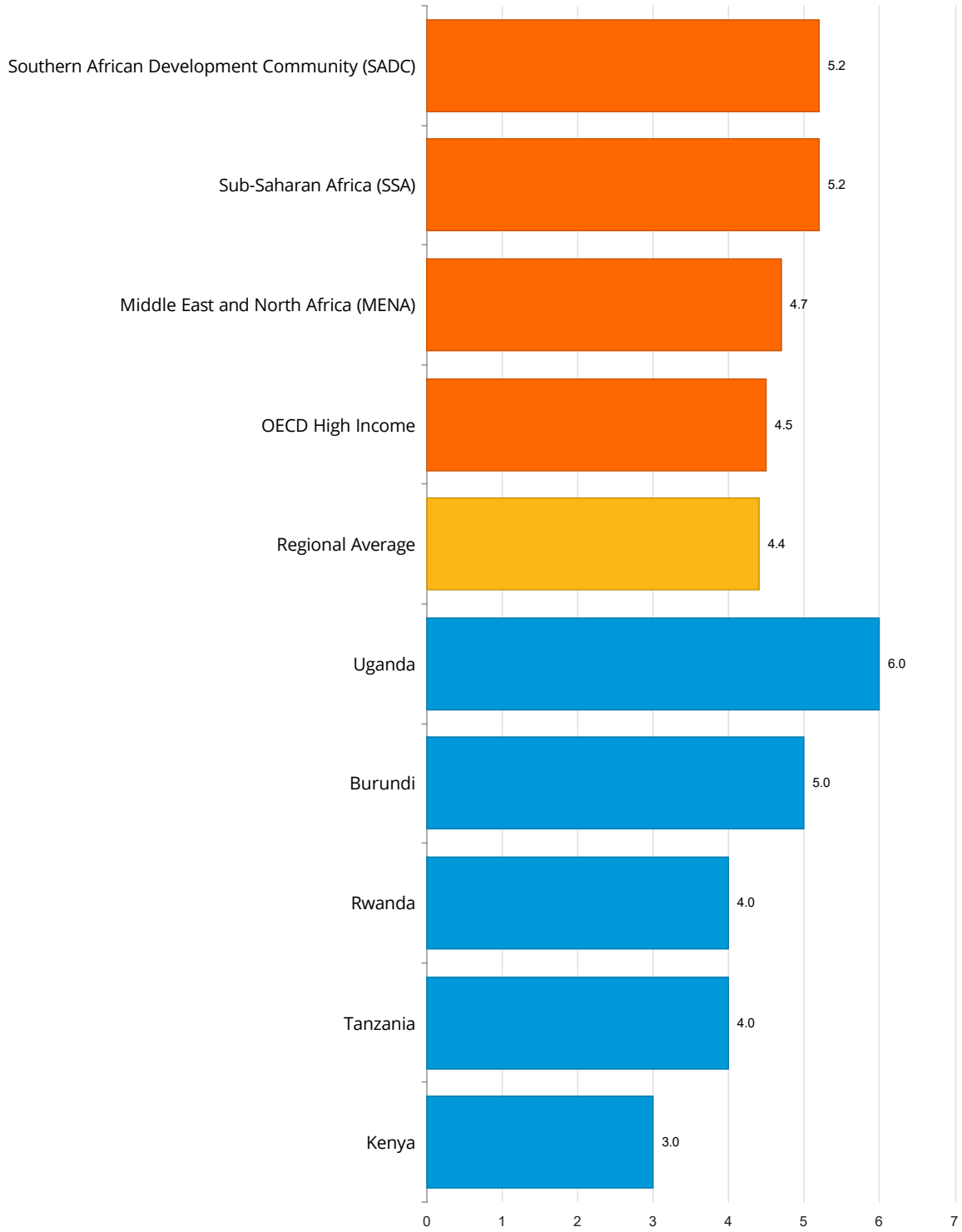
Source: Doing Business database.

Getting Electricity

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

What it takes to get an electricity connection in economies in East African Community (EAC)

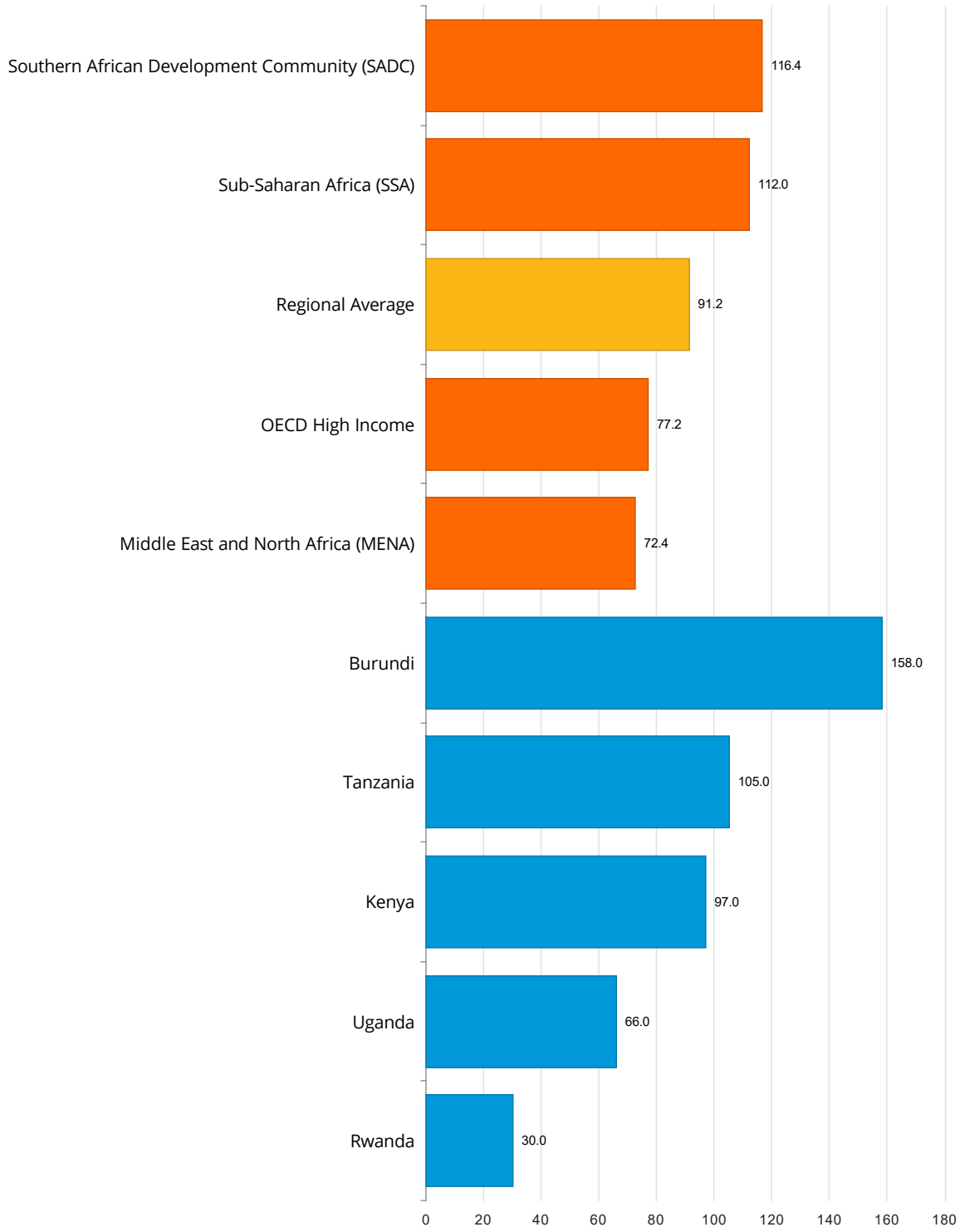
Procedures (number)



Source: Doing Business database.

Getting Electricity

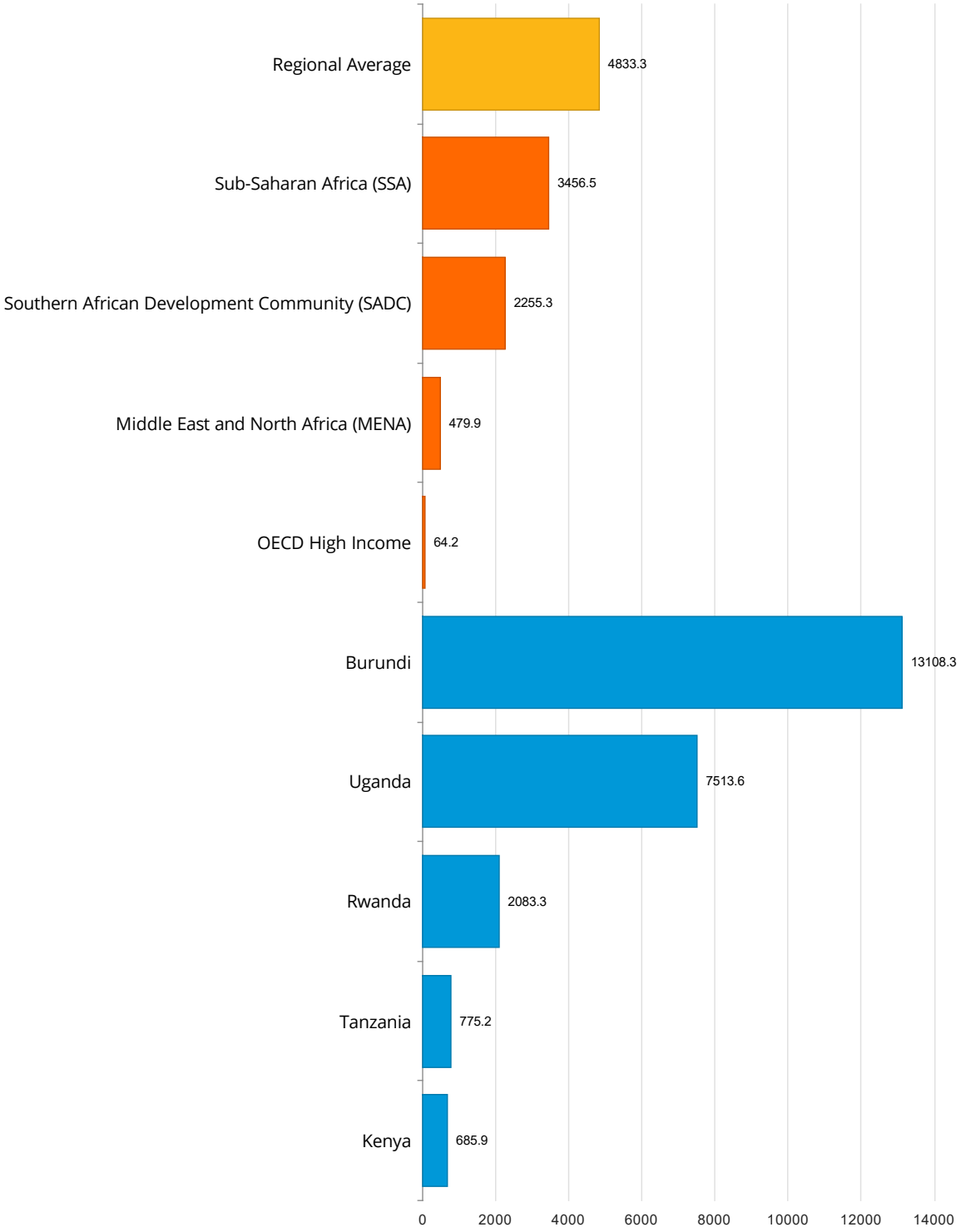
Time (days)



Source: Doing Business database.

Getting Electricity

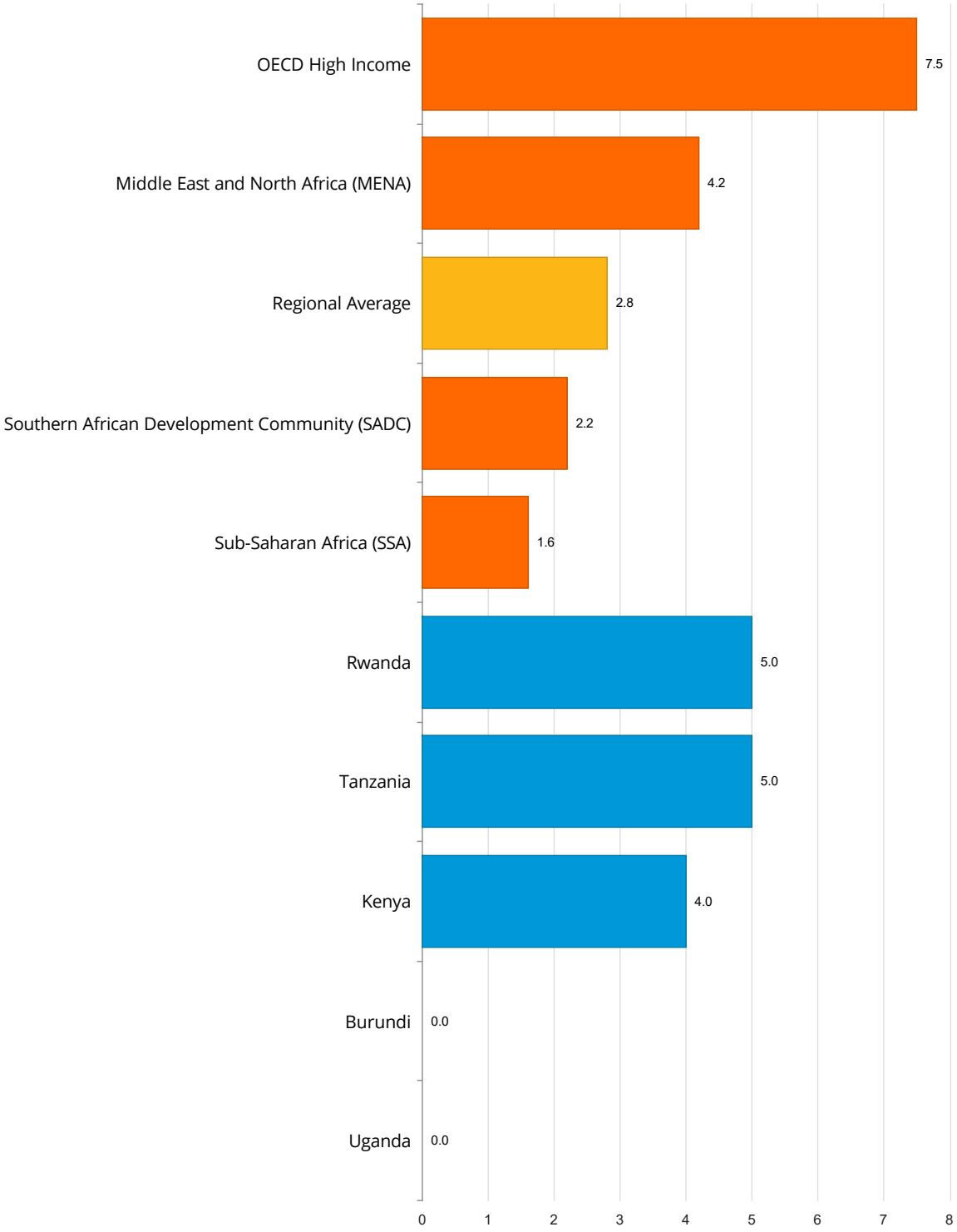
Cost (% of income per capita)



Source: Doing Business database.

Getting Electricity

Reliability of supply and transparency of tariff index (0-8)



Source: Doing Business database.

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.

What the indicators measure

Procedures to legally transfer title on immovable property (number)
• Preregistration procedures (for example, checking for liens, notarizing sales agreement, paying property transfer taxes)
• Registration procedures in the economy's largest business city.
• Postregistration procedures (for example, filling title with municipality)
Time required to complete each procedure (calendar days)
• Does not include time spent gathering information
• Each procedure starts on a separate day - though procedures that can be fully completed online are an exception to this rule
• Procedure is considered completed once final document is received
• No prior contact with officials
Cost required to complete each procedure (% of property value)
• Official costs only (such as administrative fees, duties and taxes).
• Value Added Tax, Capital Gains Tax and illicit payments are excluded
Quality of land administration index (0-30)
• Reliability of infrastructure index (0-8)
• Transparency of information index (0–6)
• Geographic coverage index (0–8)
• Land dispute resolution index (0–8)
• Equal access to property rights index (-2–0)

Case study assumptions

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

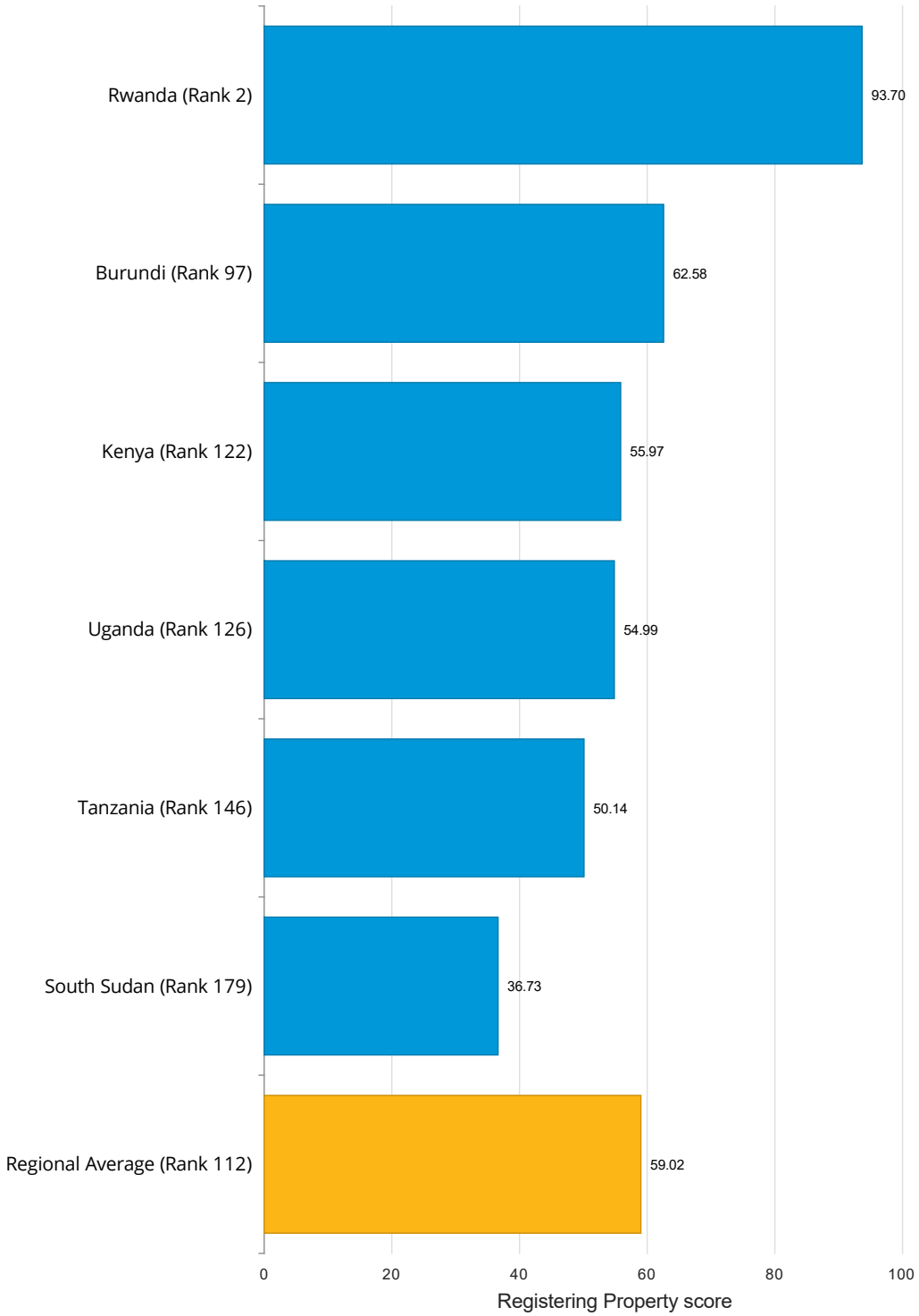
The parties (buyer and seller):
- Are limited liability companies (or the legal equivalent).
- Are located in the periurban area of the economy's largest business city. For 11 economies the data are also collected for the second largest business city.
- Are 100% domestically and privately owned.
- Have 50 employees each, all of whom are nationals.
- Perform general commercial activities.
The property (fully owned by the seller):
- Has a value of 50 times income per capita, which equals the sale price.
- Is fully owned by the seller.
- Has no mortgages attached and has been under the same ownership for the past 10 years.
- Is registered in the land registry or cadastre, or both, and is free of title disputes.
- Is located in a periurban commercial zone, and no rezoning is required.
- Consists of 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.
- Will not be subject to renovations or additional construction following the purchase.
- Has no trees, natural water sources, natural reserves or historical monuments of any kind.
- 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.
- Has no occupants, and no other party holds a legal interest in it.

Registering Property

Where do the region's economies stand today?

How easy it is for entrepreneurs in economies in East African Community (EAC) to transfer property? The global rankings of these economies on the ease of registering property suggest an answer. The average ranking of the region and comparator regions provide a useful benchmark.

How economies in East African Community (EAC) rank on the ease of registering property



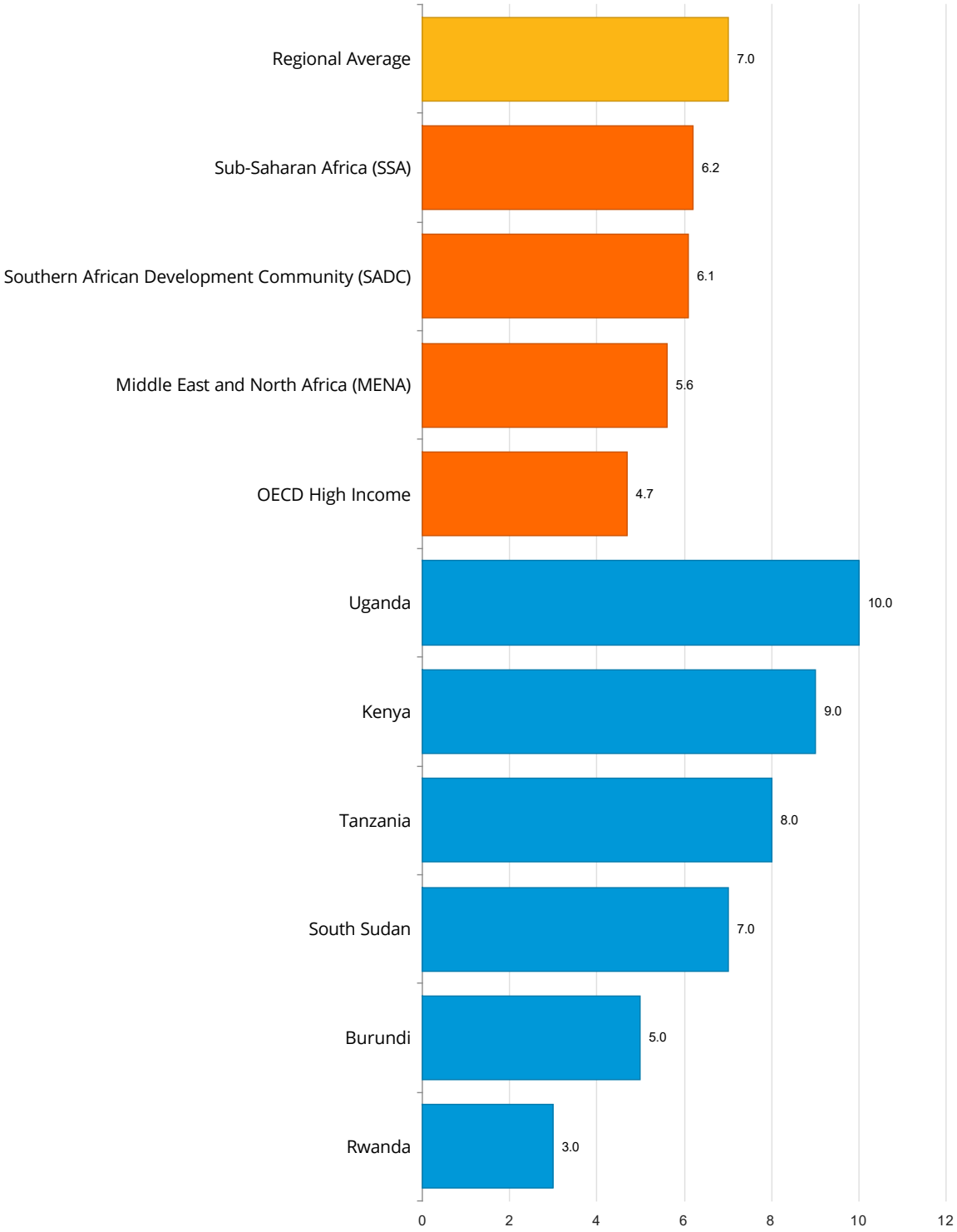
Source: Doing Business database.

Registering Property

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

What it takes to register property in economies in East African Community (EAC)

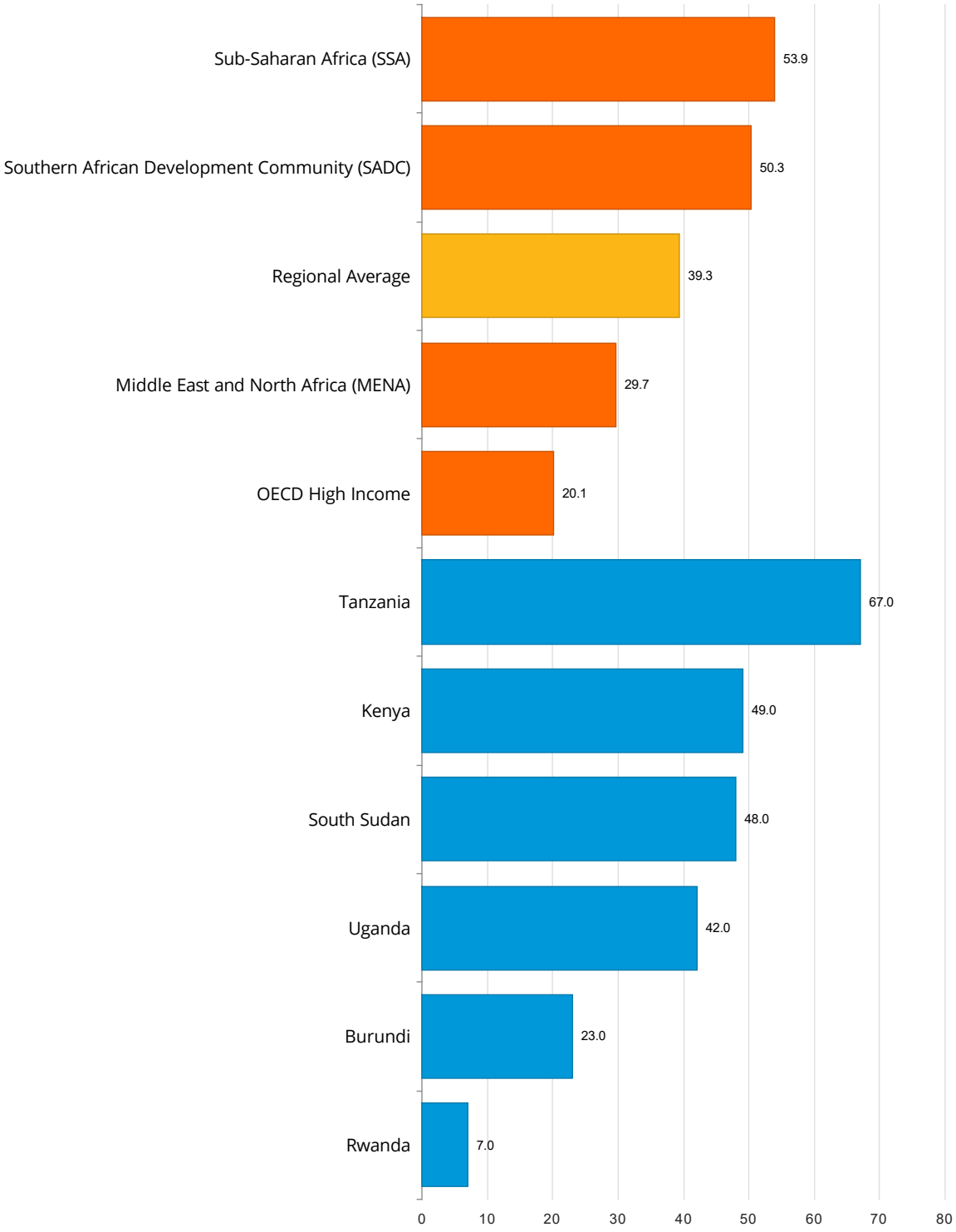
Procedures (number)



Source: Doing Business database.

Registering Property

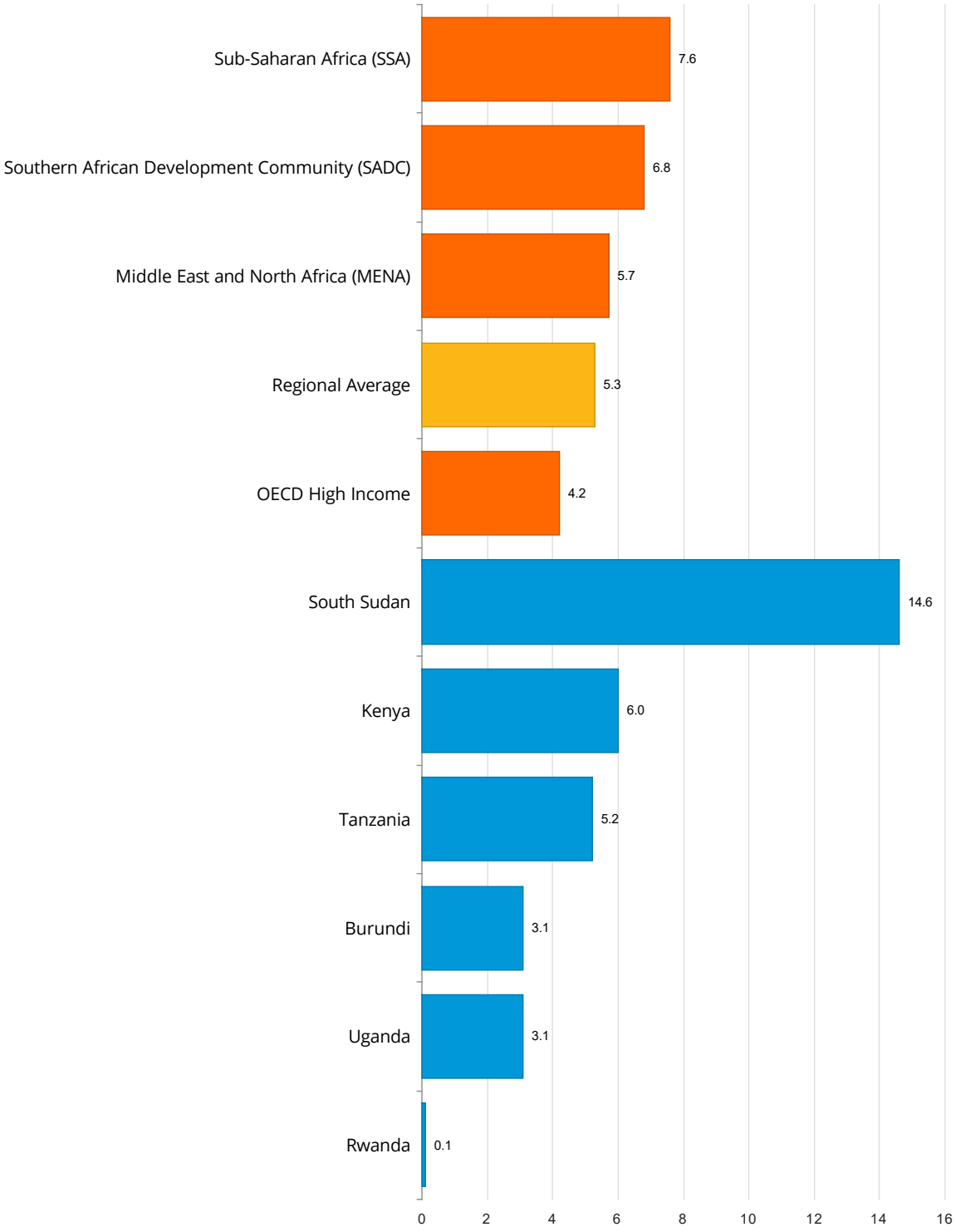
Time (days)



Source: Doing Business database.

Registering Property

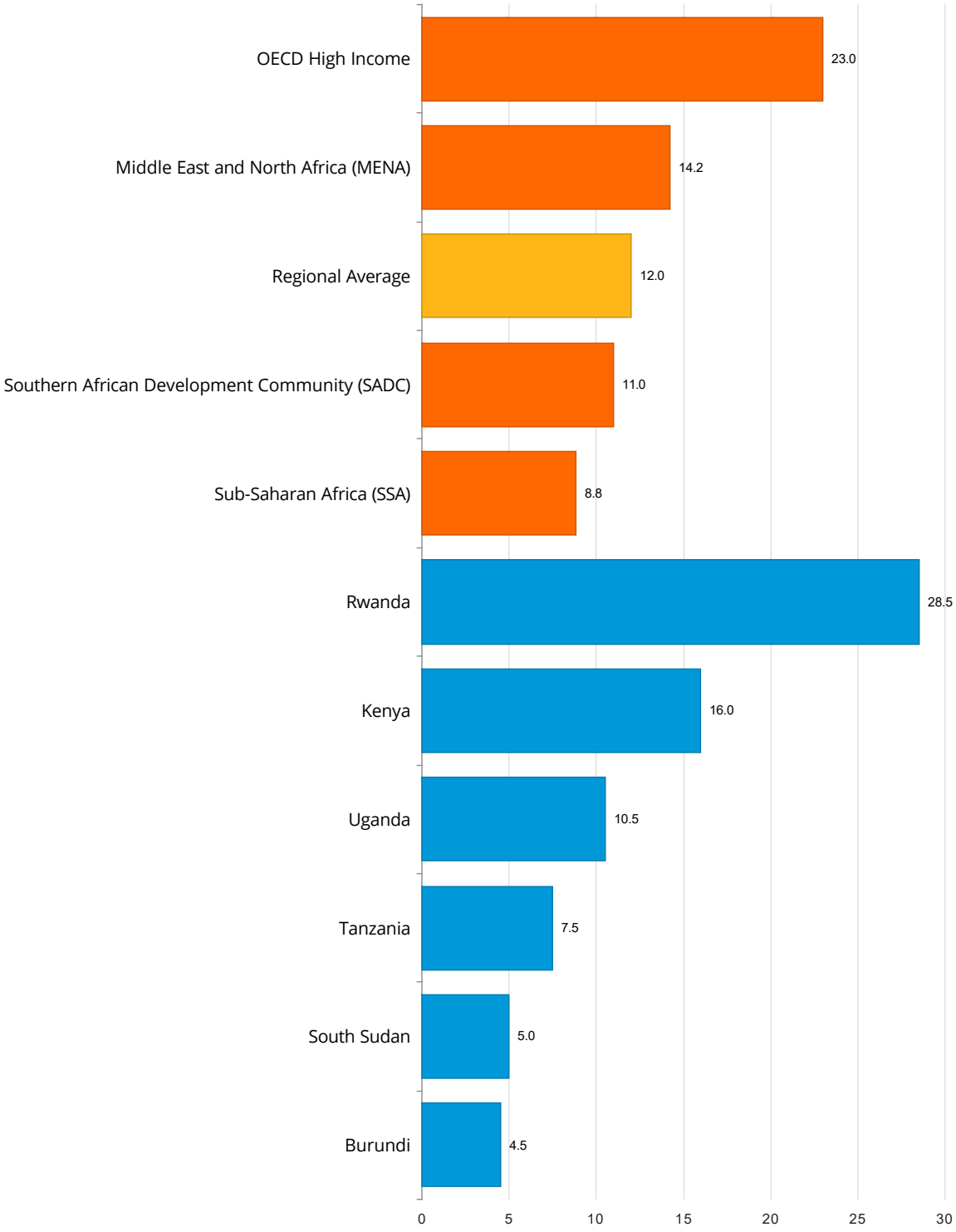
Cost (% of property value)



Source: Doing Business database.

Registering Property

Quality of the land administration index (0-30)



Source: Doing Business database.

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.

What the indicators measure

Strength of legal rights index (0–12)
• Rights of borrowers and lenders through collateral laws (0-10)
• Protection of secured creditors' rights through bankruptcy laws (0-2)
Depth of credit information index (0–8)
• Scope and accessibility of credit information distributed by credit bureaus and credit registries (0-8)
Credit bureau coverage (% of adults)
• Number of individuals and firms listed in largest credit bureau as a percentage of adult population
Credit registry coverage (% of adults)
• Number of individuals and firms listed in credit registry as a percentage of adult population

Case study assumptions

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.
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.

Several assumptions about the secured borrower (ABC) and lender (BizBank) are used:
- ABC is a domestic limited liability company (or its legal equivalent).
- ABC has up to 50 employees.
- 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.
- Both ABC and BizBank are 100% domestically owned.

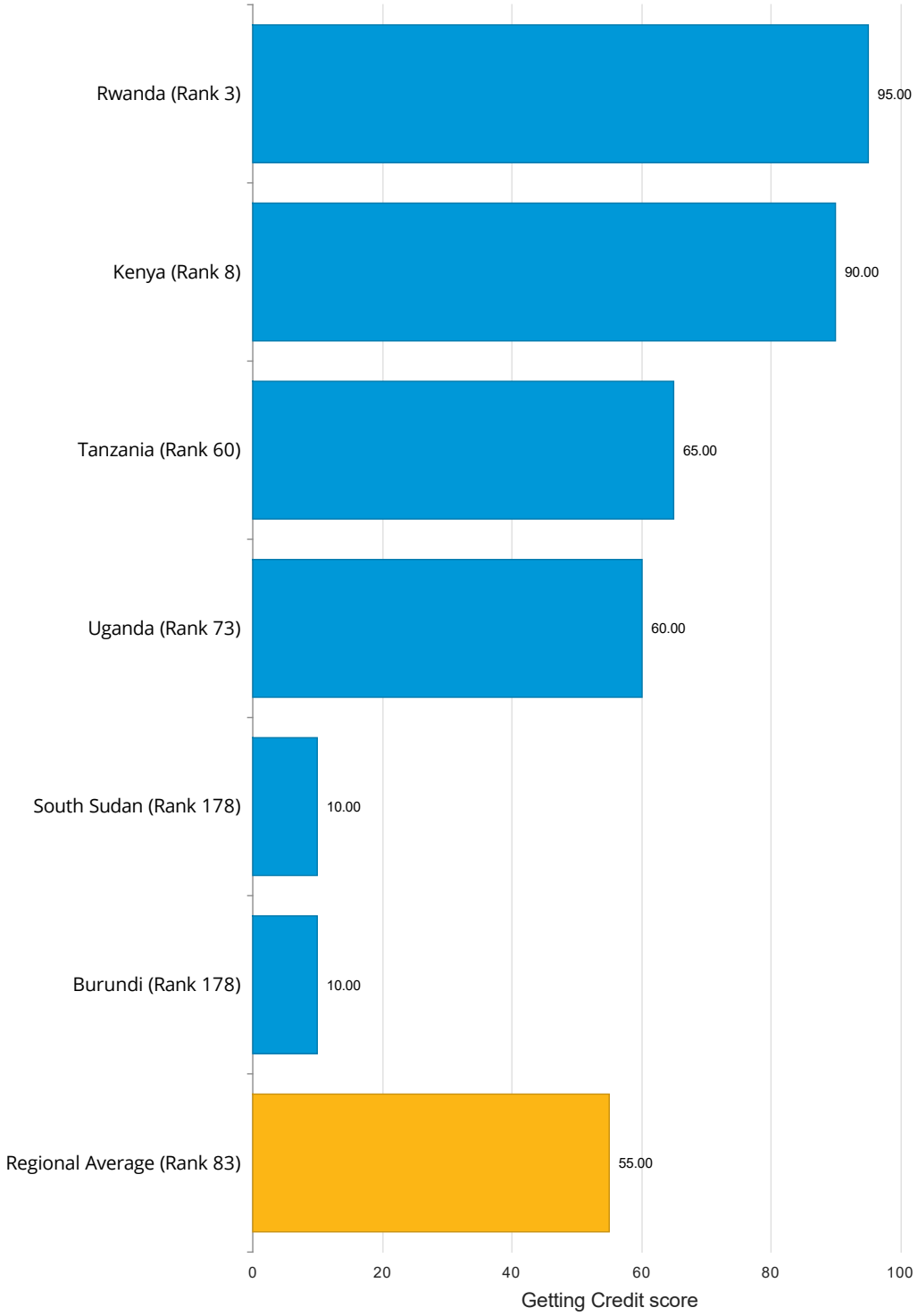
The case scenarios also involve assumptions. In case A, as collateral for the loan, ABC grants BizBank a nonpossessory security interest in one category of movable assets, for example, its machinery or its inventory. ABC wants to keep both possession and ownership of the collateral. In economies where 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).
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.

Getting Credit

Where do the region's economies stand today?

How well do the credit information systems and collateral and bankruptcy laws in economies in East African Community (EAC) facilitate access to credit? The global rankings of these economies on the ease of getting credit suggest an answer. The average ranking of the region and comparator regions provide a useful benchmark.

How economies in East African Community (EAC) rank on the ease of getting credit



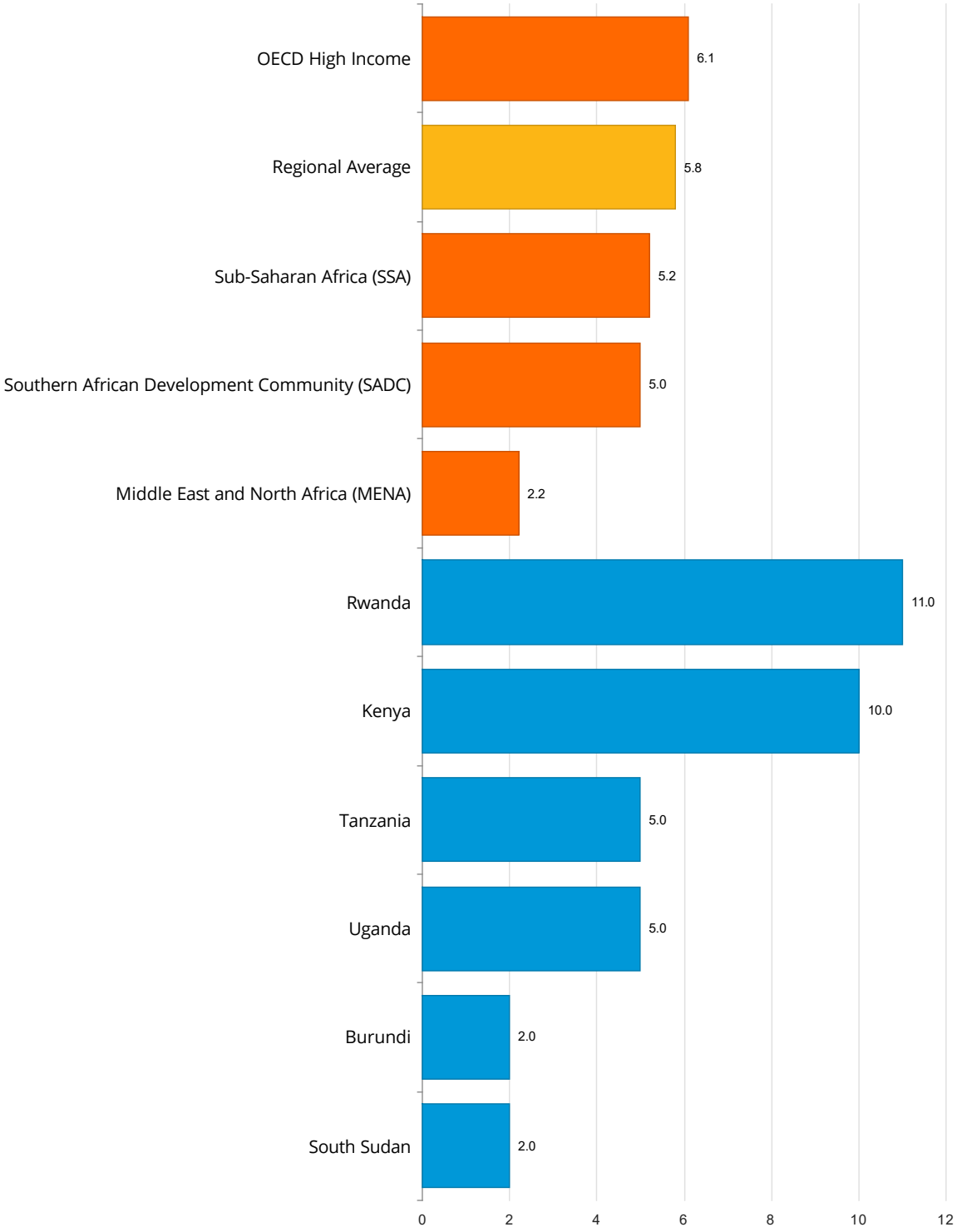
Source: Doing Business database.

Getting Credit

Another way to assess how well regulations and institutions support lending and borrowing in the region is to see where the region stands in the distribution of scores across regions. The first figure highlights the score on the strength of legal rights index in East African Community (EAC) and comparator regions. The second figure shows the same thing for the depth of credit information index.

How strong are legal rights for borrowers and lenders

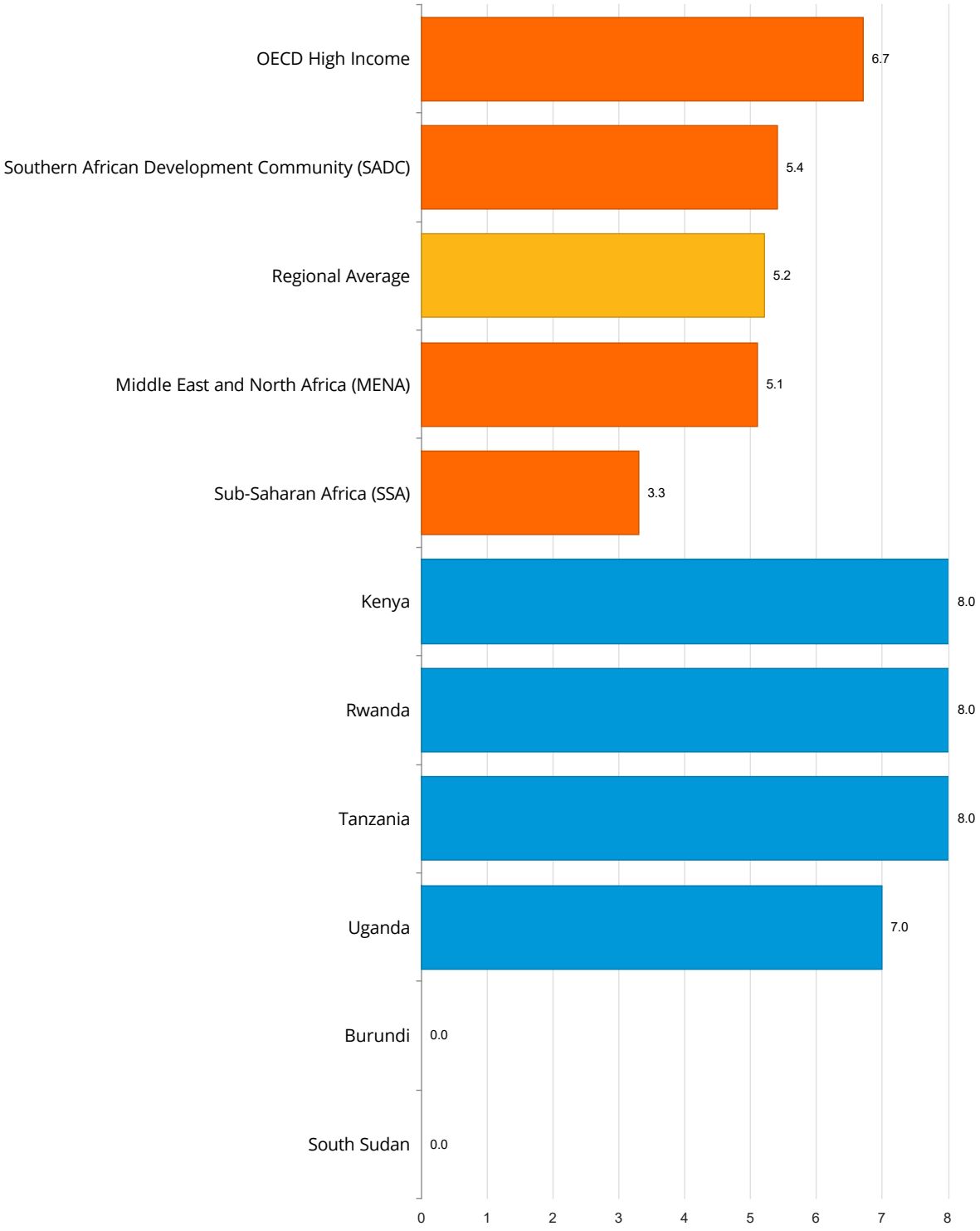
Strength of legal rights index (0-12)



Source: Doing Business database.

Getting Credit

Depth of credit information index (0-8)



Source: Doing Business database.

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

Extent of shareholder rights index (0-10): Shareholders' rights and role in major corporate decisions

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:

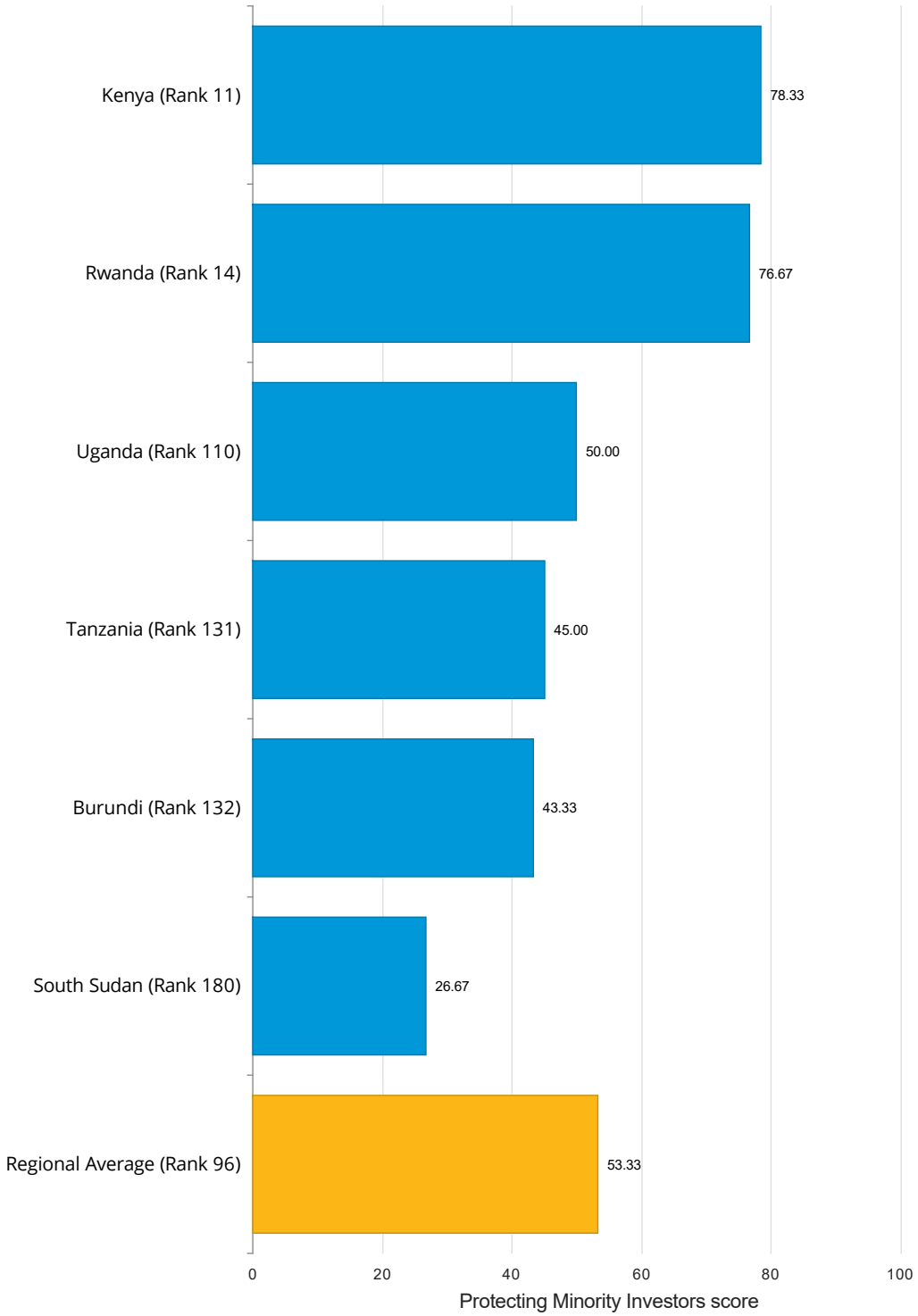
- Mr. James owns 60% of Buyer, sits on Buyer's board of directors and elected two directors to Buyer's five-member board.
- Mr. James also owns 90% of Seller, a company that operates a chain of retail hardware stores. Seller recently closed a large number of its stores.
- Mr. James proposes that Buyer 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

Where do the region's economies stand today?

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

How economies in East African Community (EAC) rank on the ease of protecting minority investors



Source: Doing Business database.

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 measures the administrative burden in paying taxes and contributions. 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.

What the indicators measure

Tax payments for a manufacturing company in 2017 (number per year adjusted for electronic and joint filing and payment)

Total number of taxes and contributions paid, including consumption taxes (value added tax, sales tax or goods and service tax)
Method and frequency of filing and payment

Time required to comply with 3 major taxes (hours per year)

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

Total tax and contribution rate (% of profit before all taxes)

Profit or corporate income tax
Social contributions, labor taxes paid by employer
Property and property transfer taxes
Dividend, capital gains, financial transactions taxes
Waste collection, vehicle, road and other taxes

Postfiling Index

Time to comply with a VAT refund
Time to receive a VAT refund
Time to comply with a corporate income tax audit
Time to complete a corporate income tax audit

Case study assumptions

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.

To make data comparable across economies, several assumptions are used:
- 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.

The VAT refund process:
- 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.

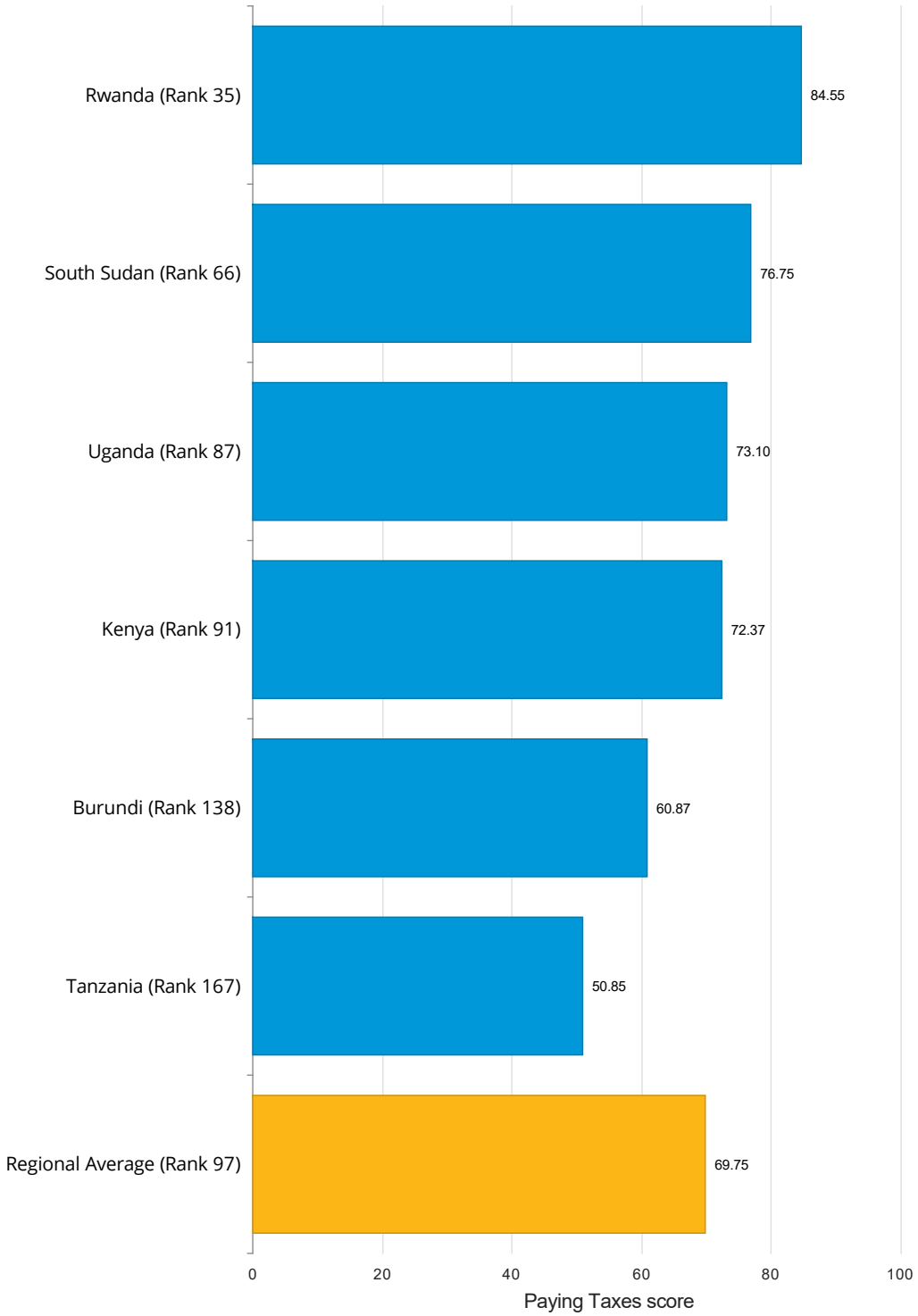
The corporate income tax audit process:
- An error in calculation of income tax liability (for example, use of incorrect tax depreciation rates, or incorrectly treating an expense as tax deductible) leads to an incorrect income tax return and a corporate income tax underpayment. TaxpayerCo. discovered 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.

Paying Taxes

Where do the region's economies stand today?

What is the administrative burden of complying with taxes in economies in East African Community (EAC) —and how much do firms pay in taxes? The global rankings of these economies on the ease of paying taxes offer useful information for assessing the tax compliance burden for businesses. The average ranking of the region provides a useful benchmark.

How economies in East African Community (EAC) rank on the ease of paying taxes



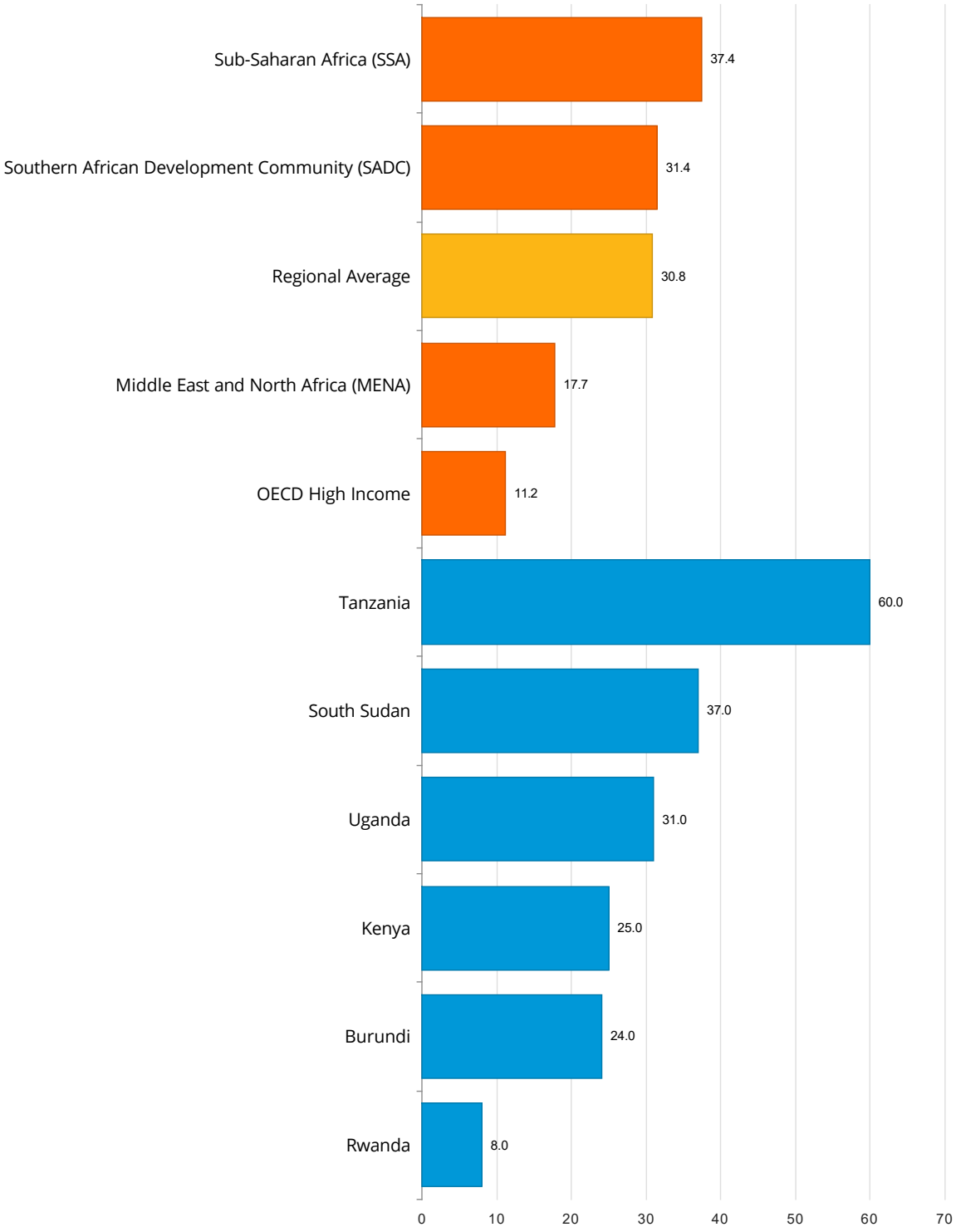
Source: Doing Business database.

Paying Taxes

The indicators underlying the rankings may be more revealing. Data collected by Doing Business show what it takes to comply with tax regulations in each economy in the region—the number of payments per year, the time required to prepare, and file and pay taxes the 3 major taxes (corporate income tax, VAT or sales tax and labor taxes and mandatory contributions), the total tax and contribution rate—as well as a postfiling index that measures the compliance with and efficiency of completing two processes: VAT cash refund and tax audit. Comparing these indicators across the region and with averages both for the region and for comparator regions can provide useful insights.

How easy is it to pay taxes in economies in East African Community (EAC) - and what are the total tax rates

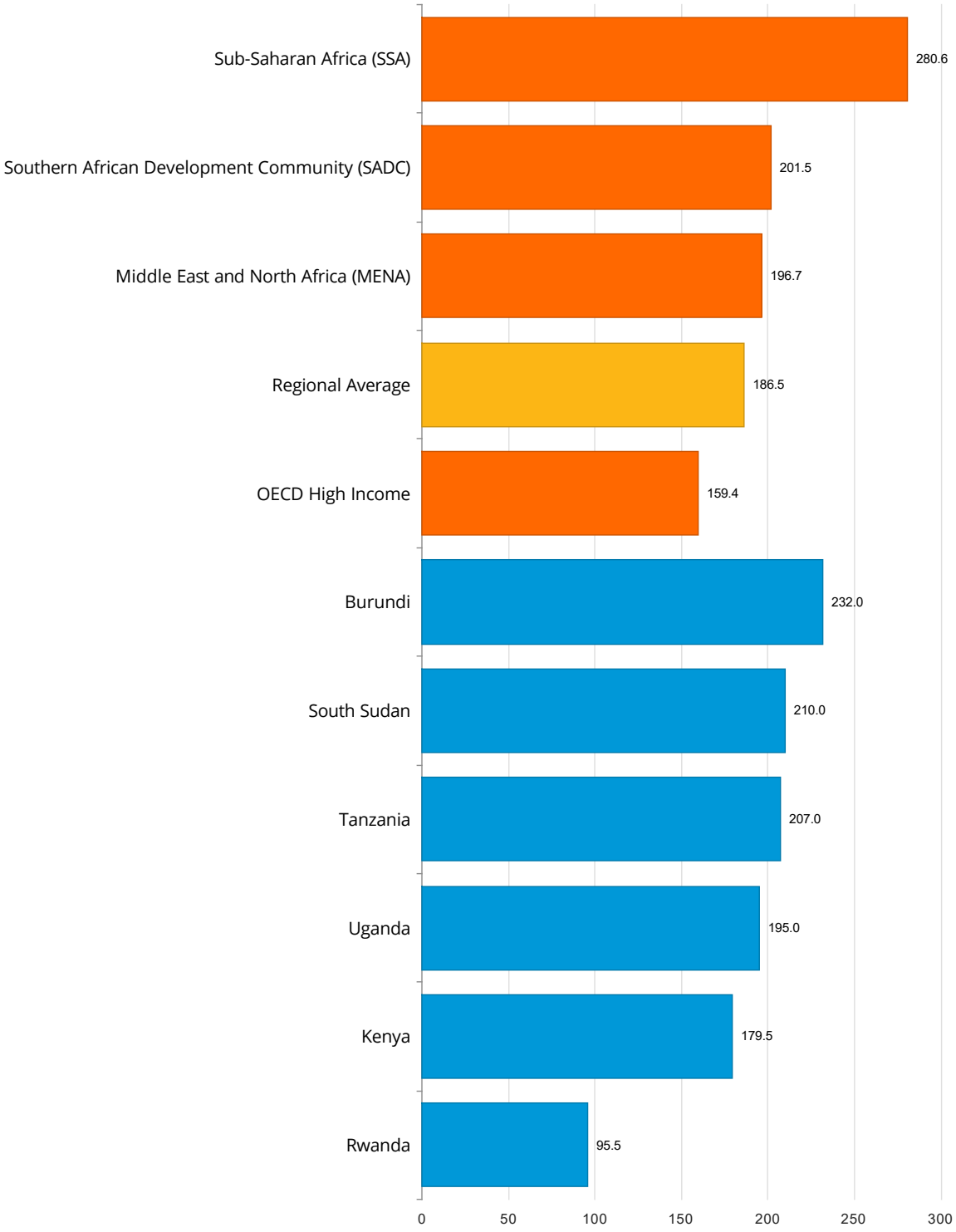
Payments (number per year)



Source: Doing Business database.

Paying Taxes

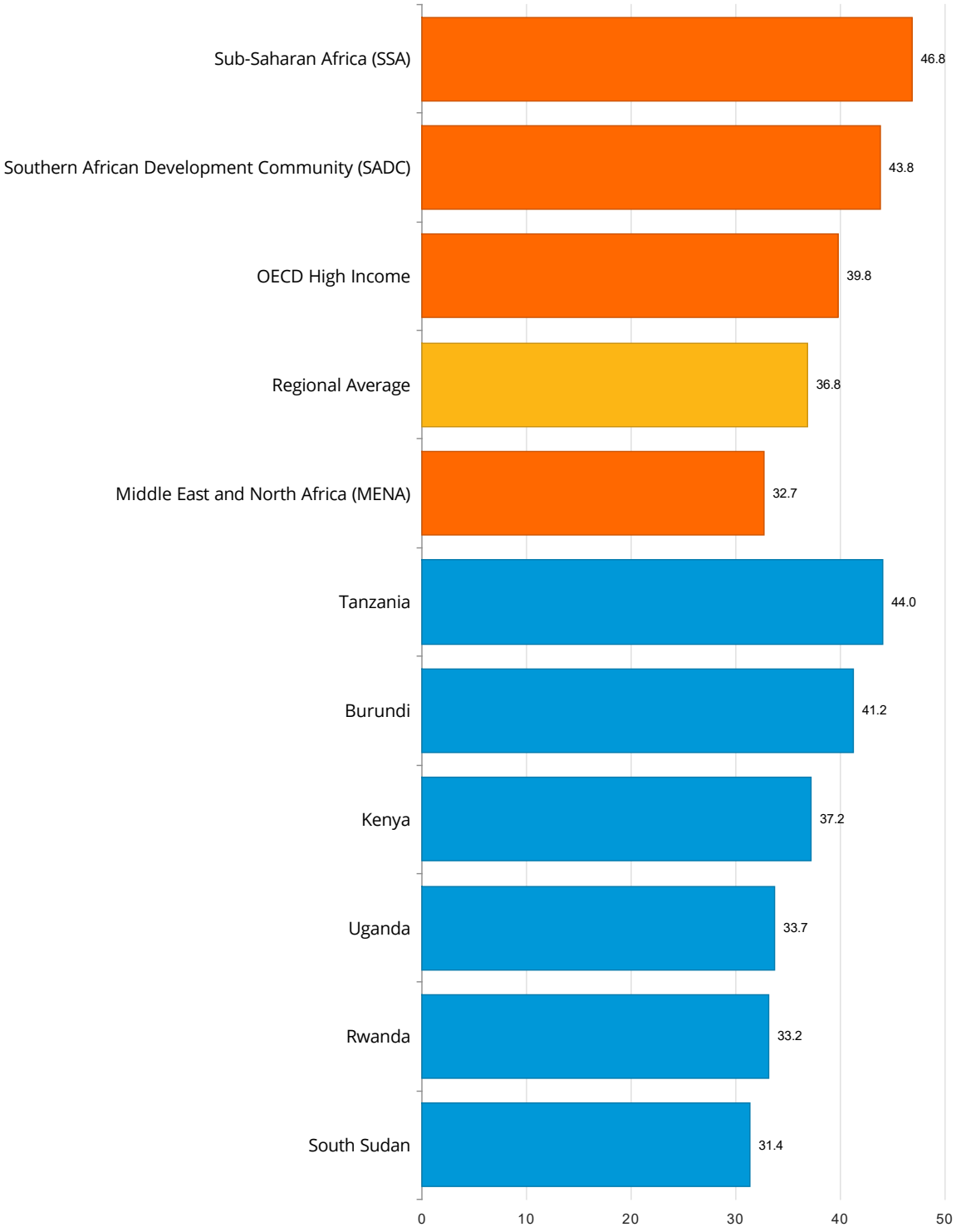
Time (hours per year)



Source: Doing Business database.

Paying Taxes

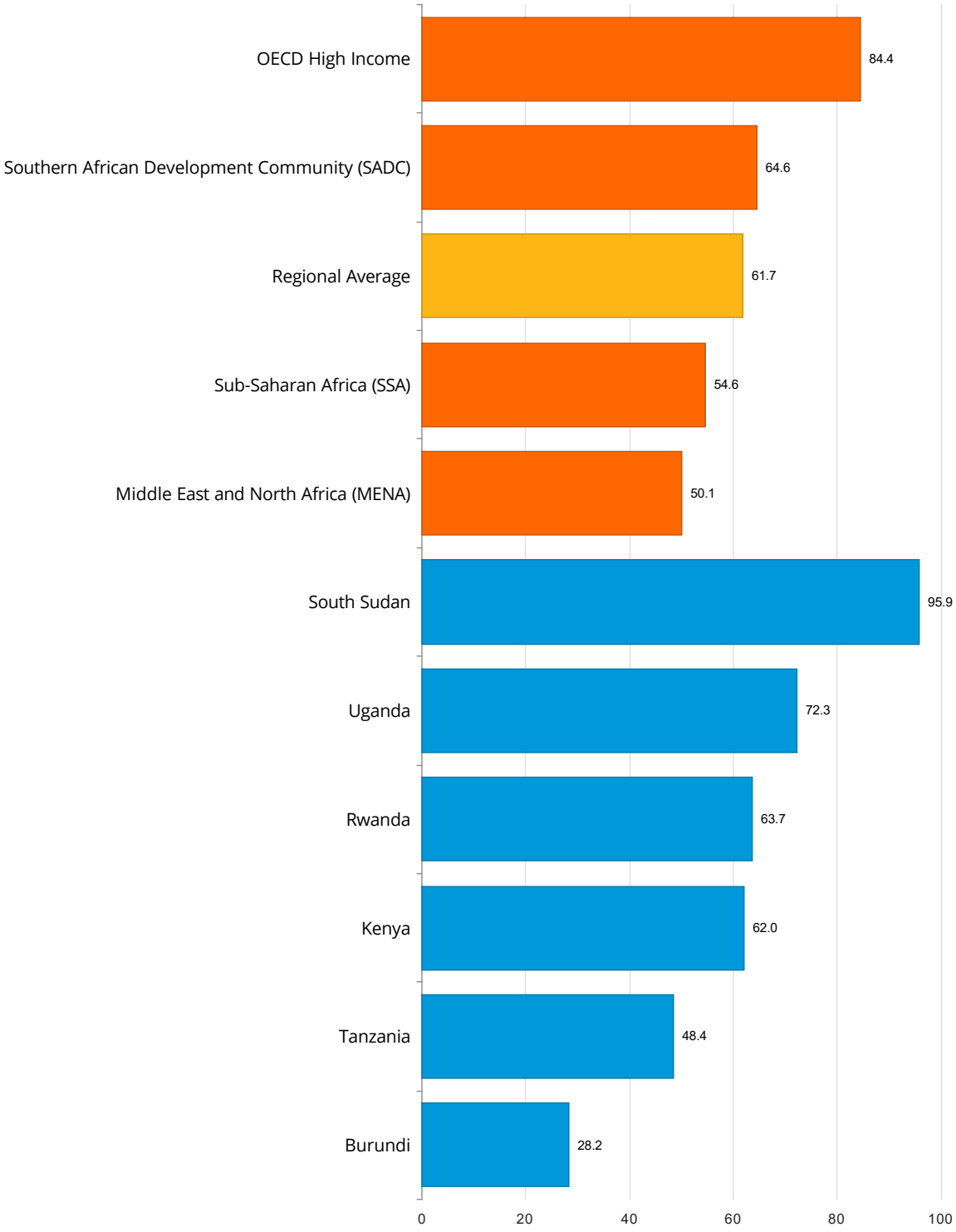
Total tax and contribution rate (% of profit)



Source: Doing Business database.

Paying Taxes

Postfiling index (0-100)



Source: Doing Business database.

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 8:00a.m., are processed overnight and can be picked up at 8:00a.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:

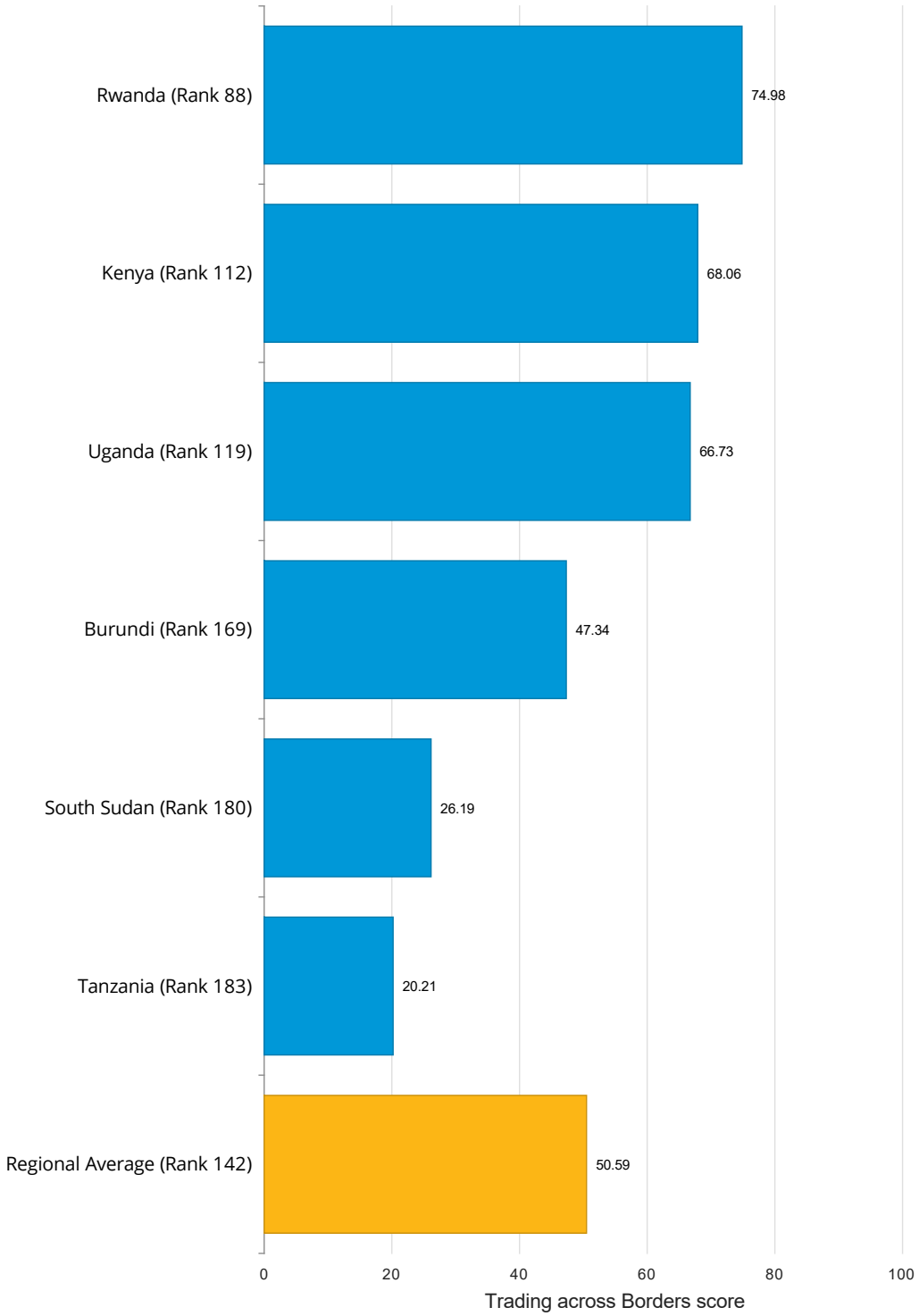
- For all 190 economies covered by Doing Business, it is assumed a shipment is in a warehouse in the largest business city of the exporting economy and travels to a warehouse in the largest business city of the importing economy.
- It is assumed each economy imports 15 metric tons of containerized auto 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

Where do the region's economies stand today?

How easy it is for businesses in economies in East African Community (EAC) to export and import goods? The global rankings of these economies on the ease of trading across borders suggest an answer. The average ranking of the region and comparator regions provide a useful benchmark.

How economies in East African Community (EAC) rank on the ease of trading across borders



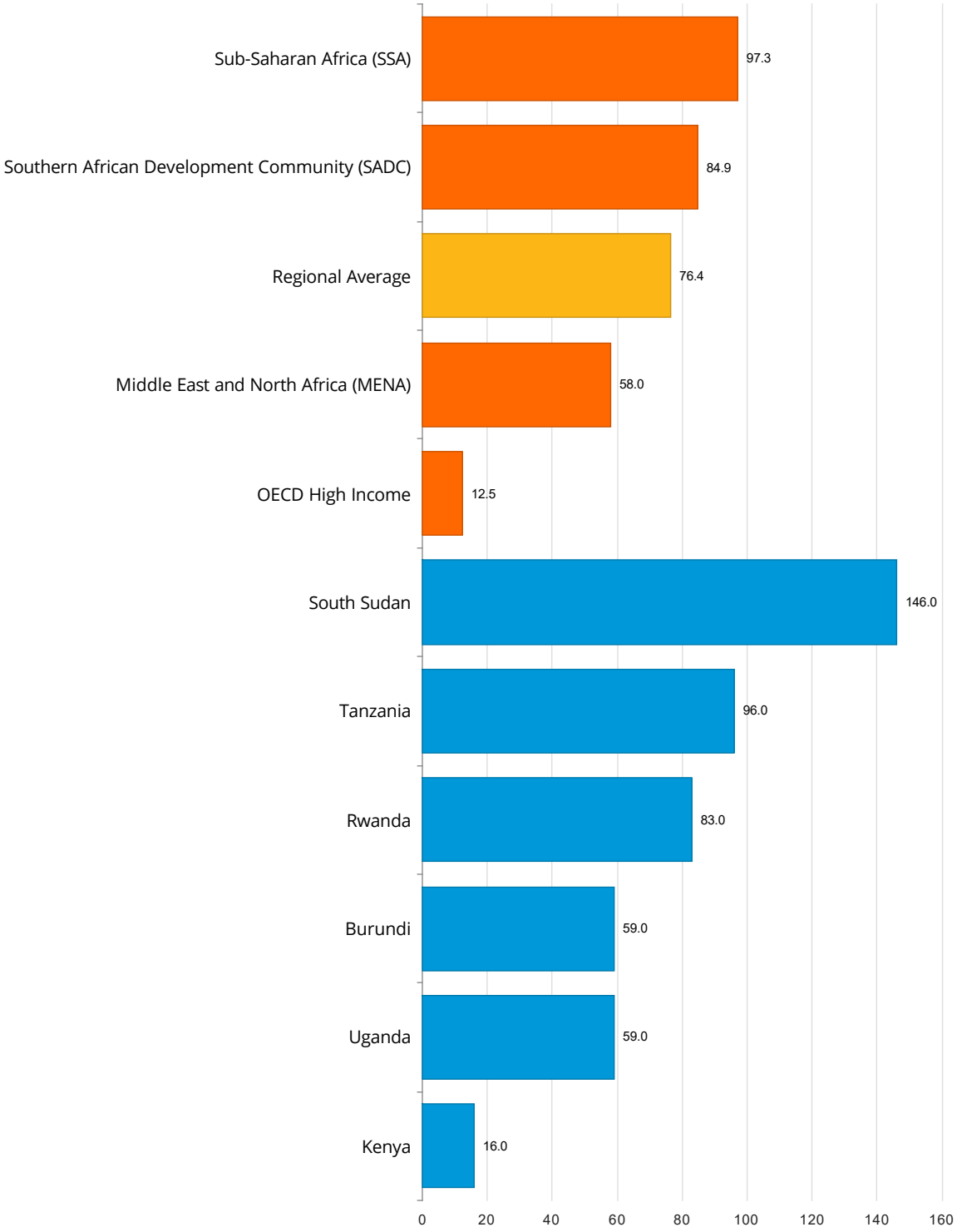
Source: Doing Business database.

Trading across Borders

The indicators reported here are for trading a shipment of goods by the most widely used mode of transport (whether sea or land or some combination of these). The information on the time and cost to complete export and import is collected from local freight forwarders, customs brokers and traders. Comparing these indicators across the region and with averages both for the region and for comparator regions can provide useful insights.

What it takes to trade across borders in economies in East African Community (EAC)

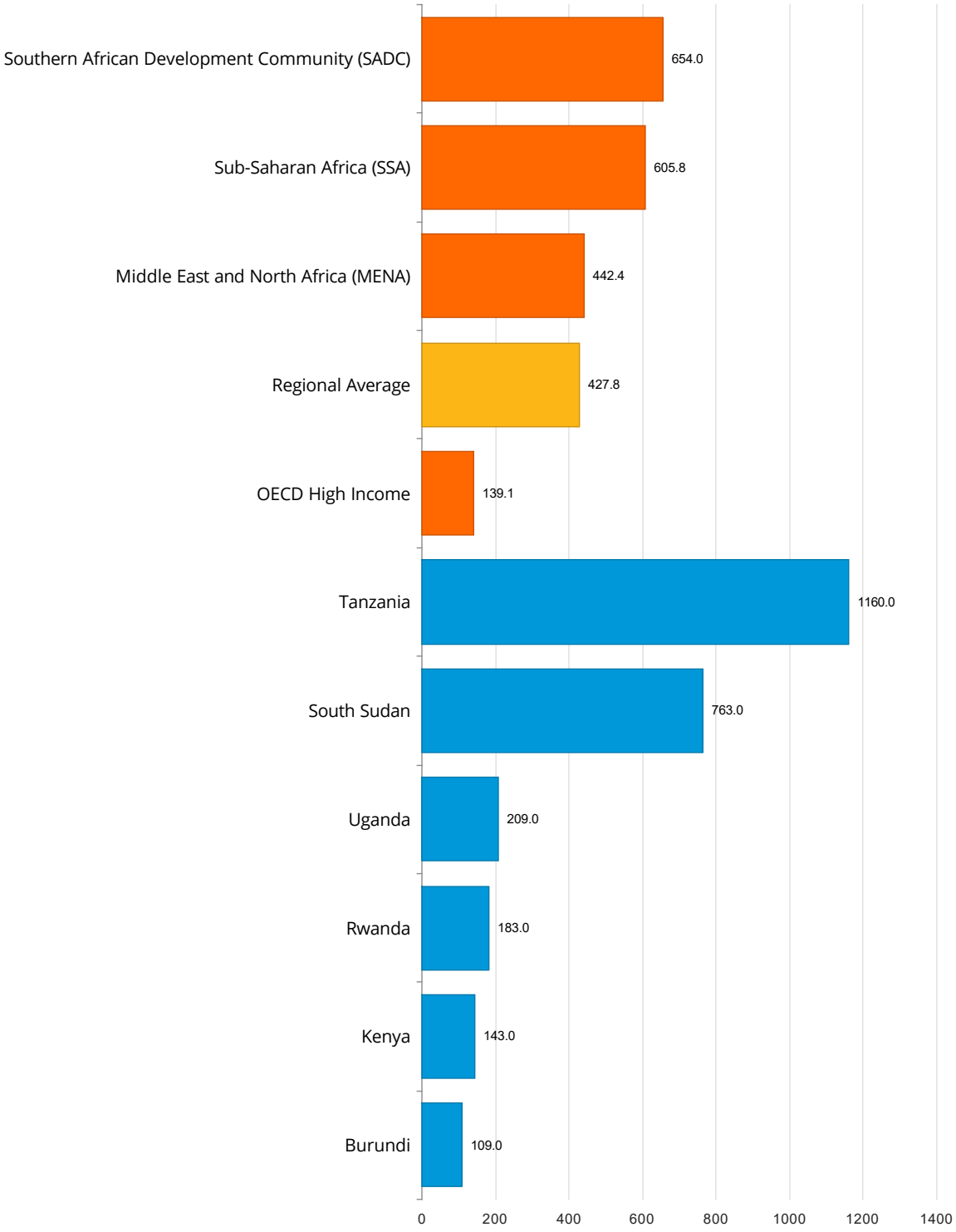
Time to export: Border compliance (hours)



Source: Doing Business database.

Trading across Borders

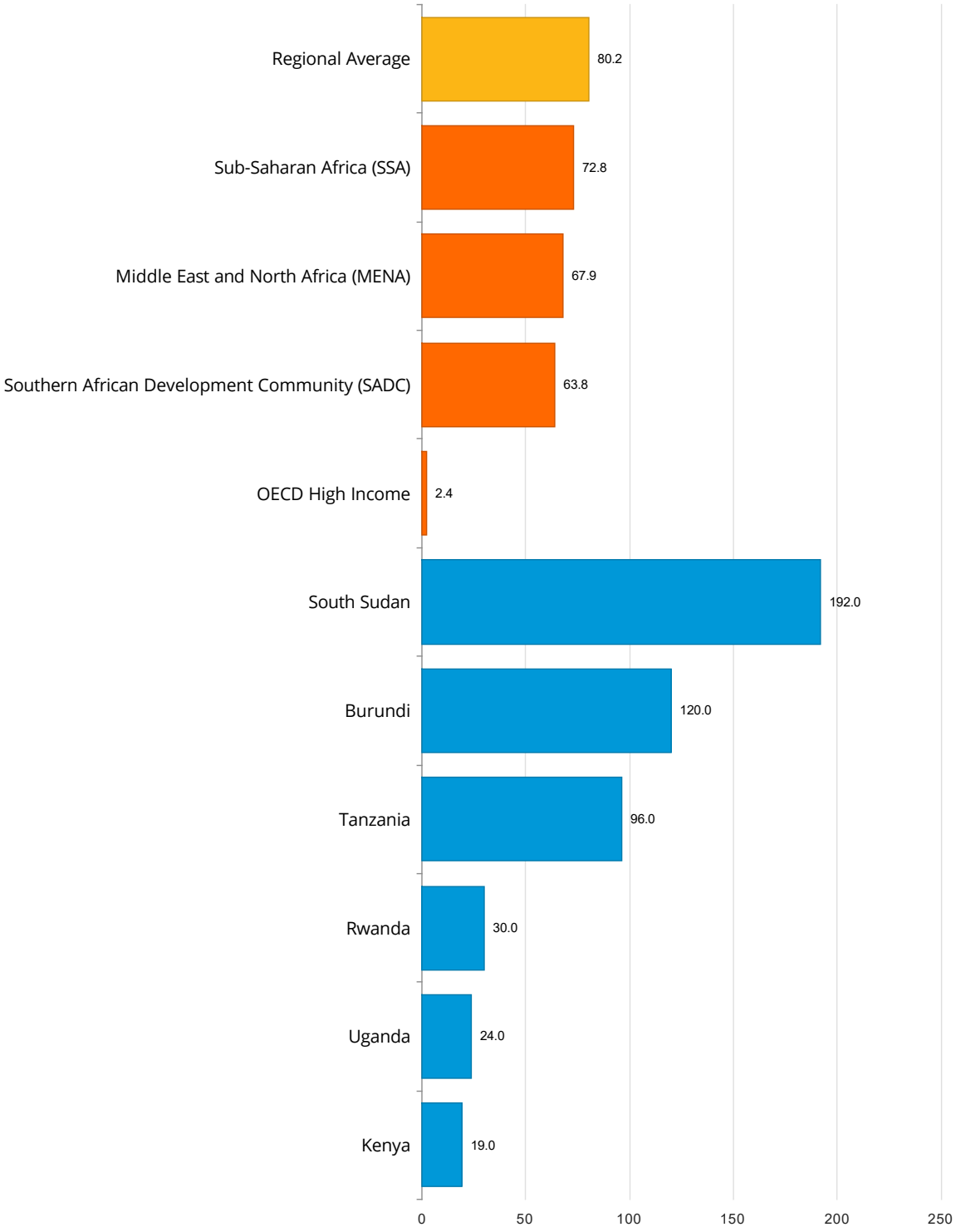
Cost to export: Border compliance (USD)



Source: Doing Business database.

Trading across Borders

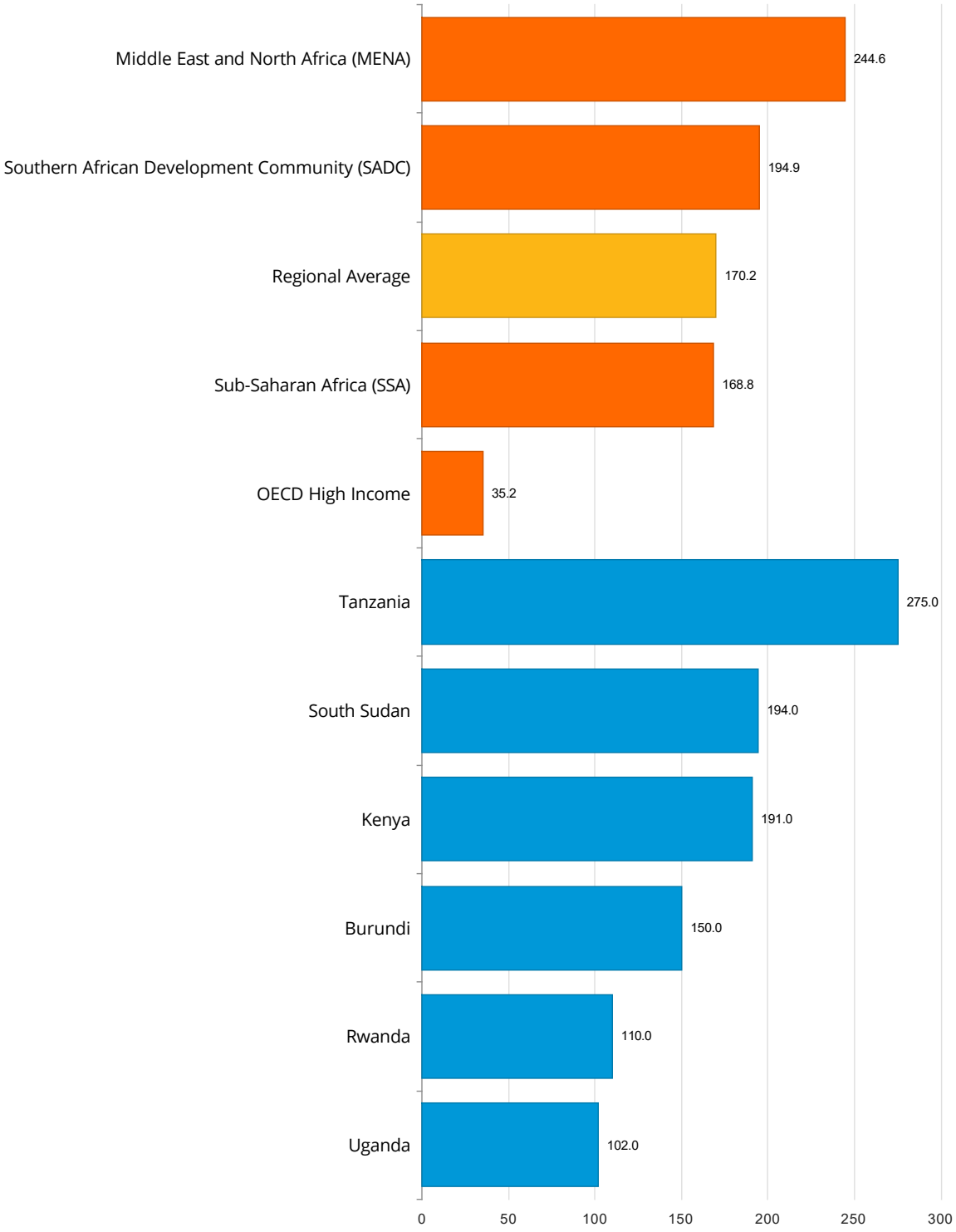
Time to export: Documentary compliance (hours)



Source: Doing Business database.

Trading across Borders

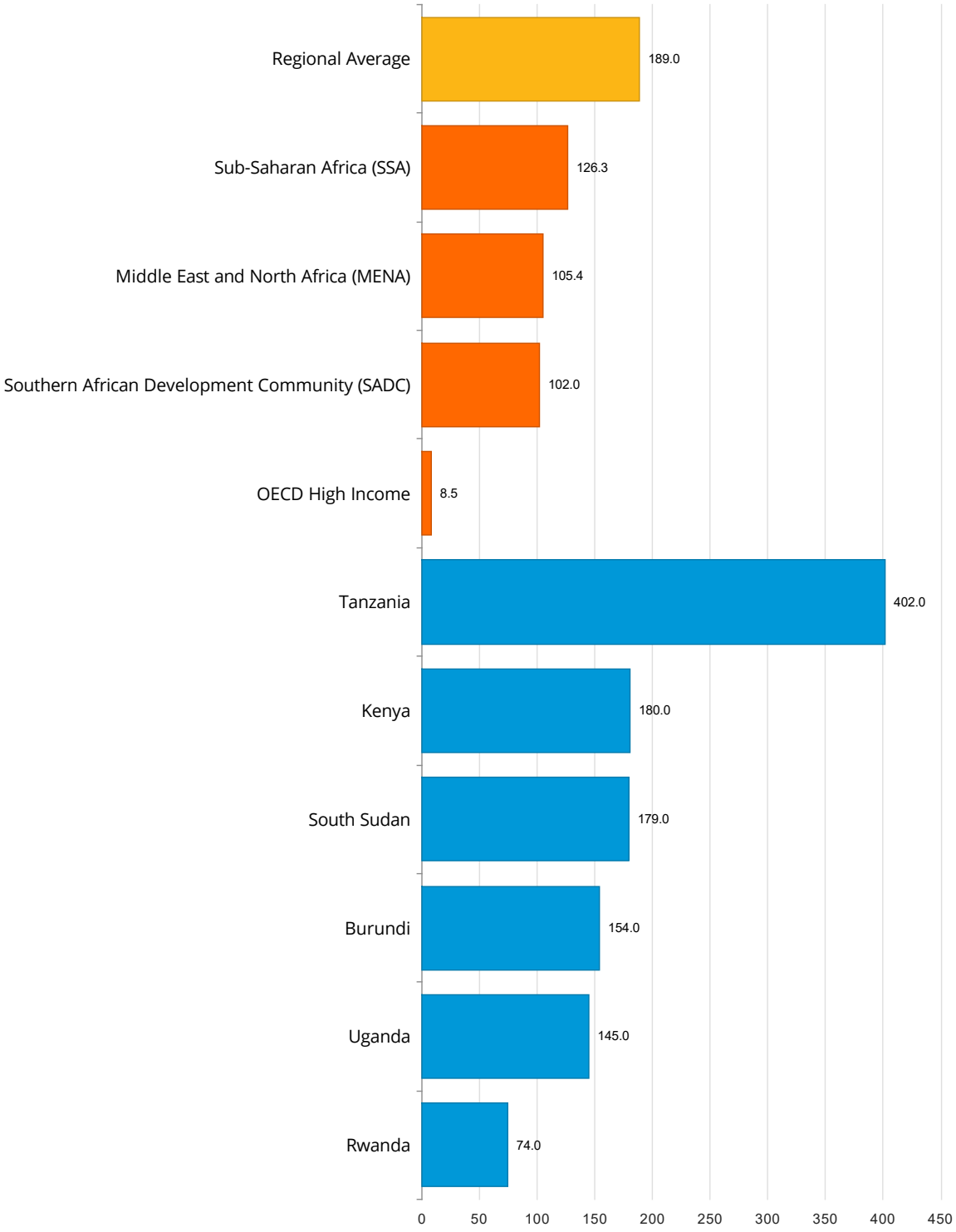
Cost to export: Documentary compliance (USD)



Source: Doing Business database.

Trading across Borders

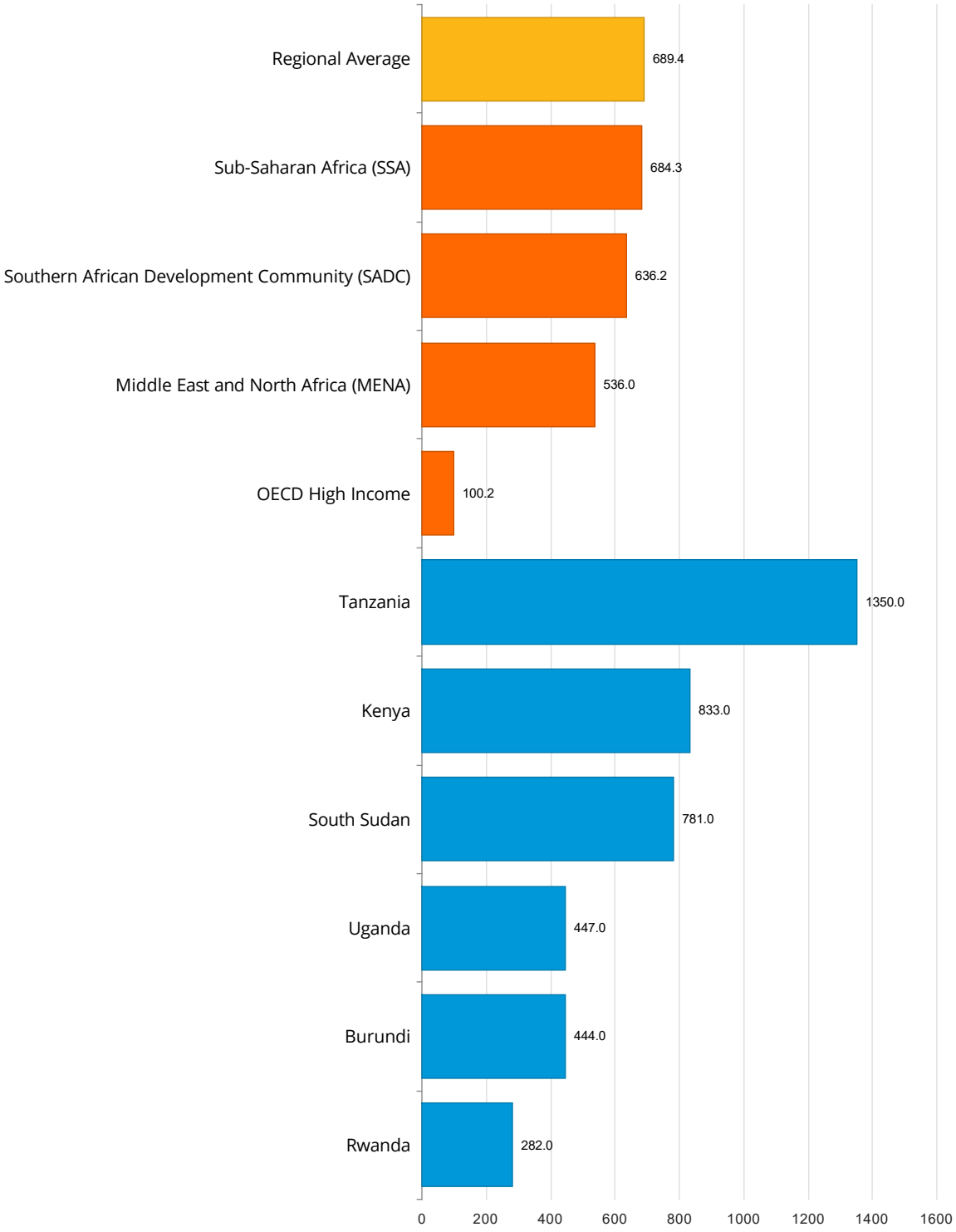
Time to import: Border compliance (hours)



Source: Doing Business database.

Trading across Borders

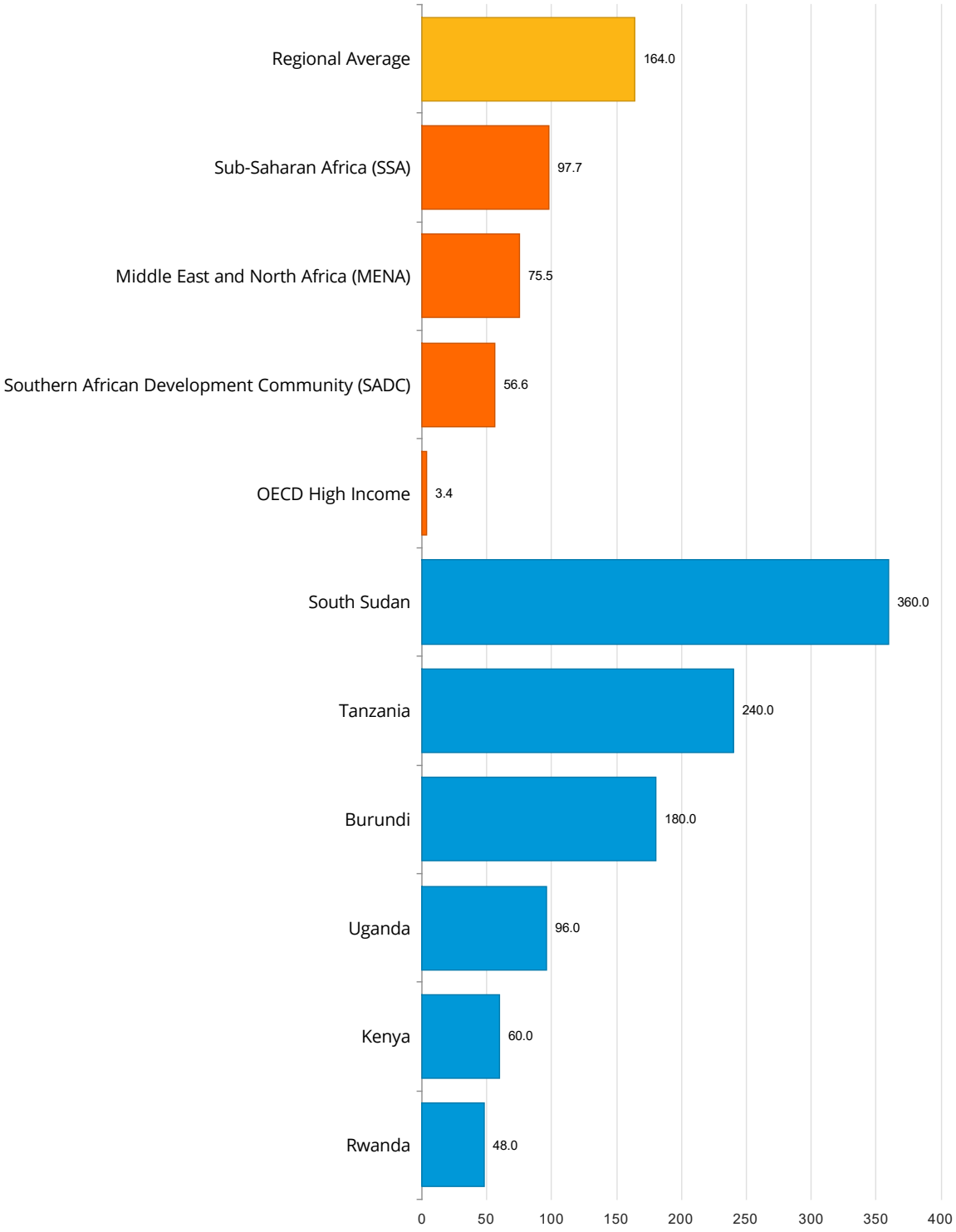
Cost to import: Border compliance (USD)



Source: Doing Business database.

Trading across Borders

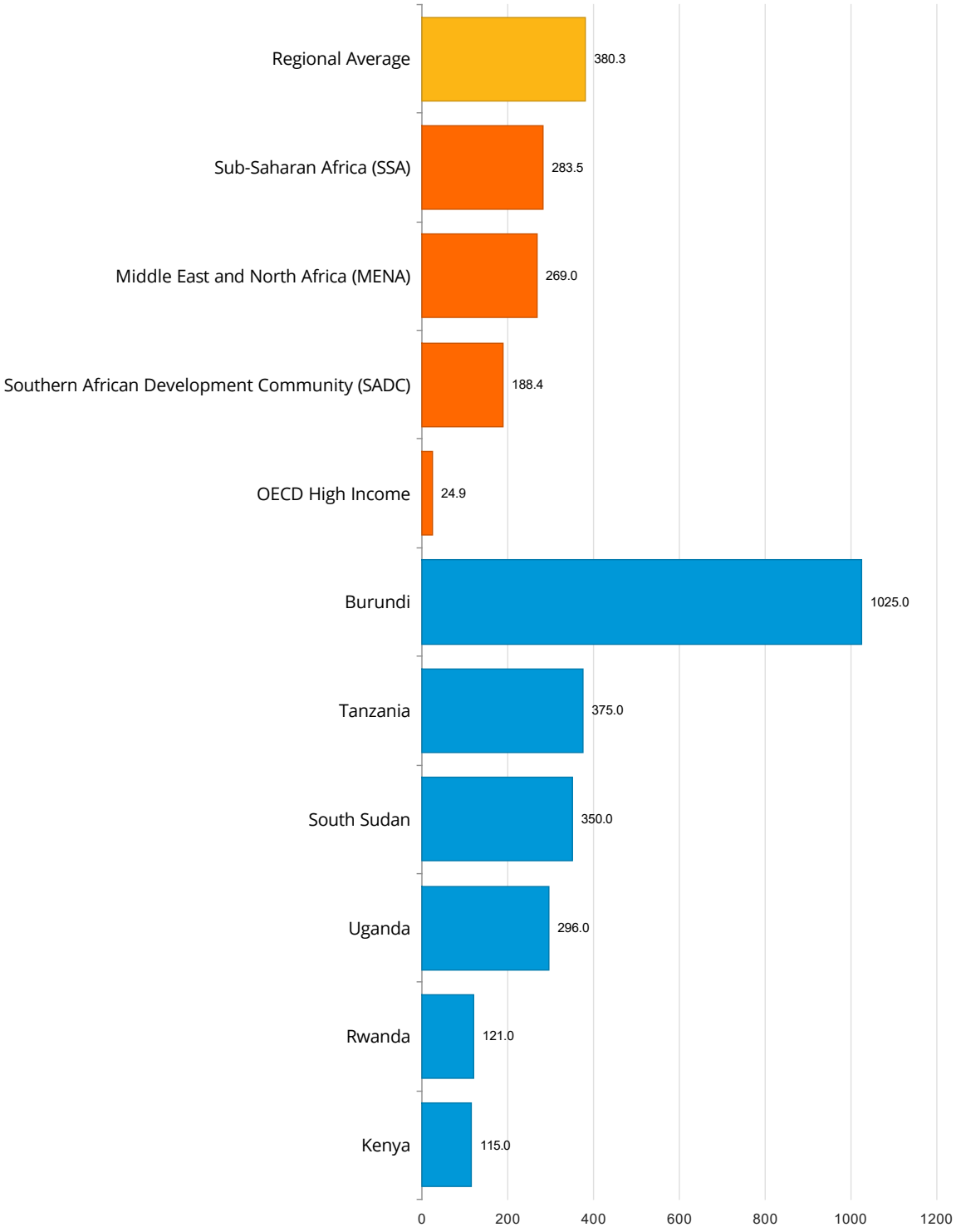
Time to import: Documentary compliance (hours)



Source: Doing Business database.

Trading across Borders

Cost to import: Documentary compliance (USD)



Source: Doing Business database.

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.

What the indicators measure

Time required to enforce a contract through the courts (calendar days)
- Time to file and serve the case
- Time for trial and to obtain the judgment
- Time to enforce the judgment

Cost required to enforce a contract through the courts (% of claim)
- Attorney fees
- Court fees
- Enforcement fees

Quality of judicial processes index (0-18)
- Court structure and proceedings (-1-5)
- Case management (0-6)
- Court automation (0-4)
- Alternative dispute resolution (0-3)

Case study assumptions

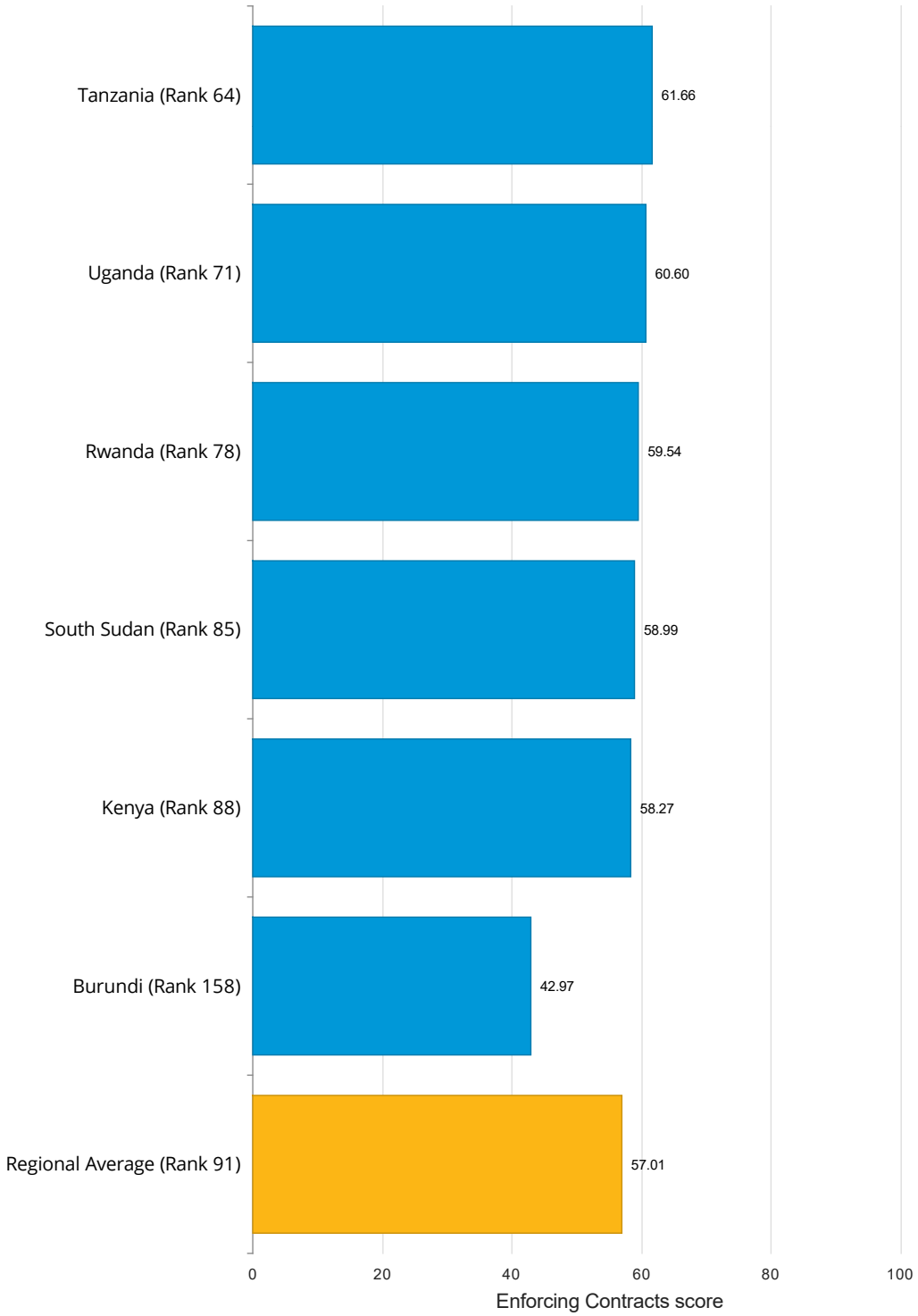
The dispute in the case study involves the breach of a sales contract between 2 domestic businesses. The case study assumes that the court hears an expert on the quality of the goods in dispute. This distinguishes the case from simple debt enforcement.
To make the data comparable across economies, Doing Business uses several assumptions about the case:
- The 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.
- The buyer orders custom-made goods, then fails to pay alleging that the goods are not of adequate quality.
- The value of the dispute is 200% of the income per capita or the equivalent in local currency of USD 5,000, whichever is greater.
- 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

Where do the region's economies stand today?

How efficient is the process of resolving a commercial dispute through the courts in economies in East African Community (EAC)? The global rankings of these economies on the ease of enforcing contracts suggest an answer. The average ranking of the region and comparator regions provide a useful benchmark.

How economies in East African Community (EAC) rank on the ease of enforcing contracts



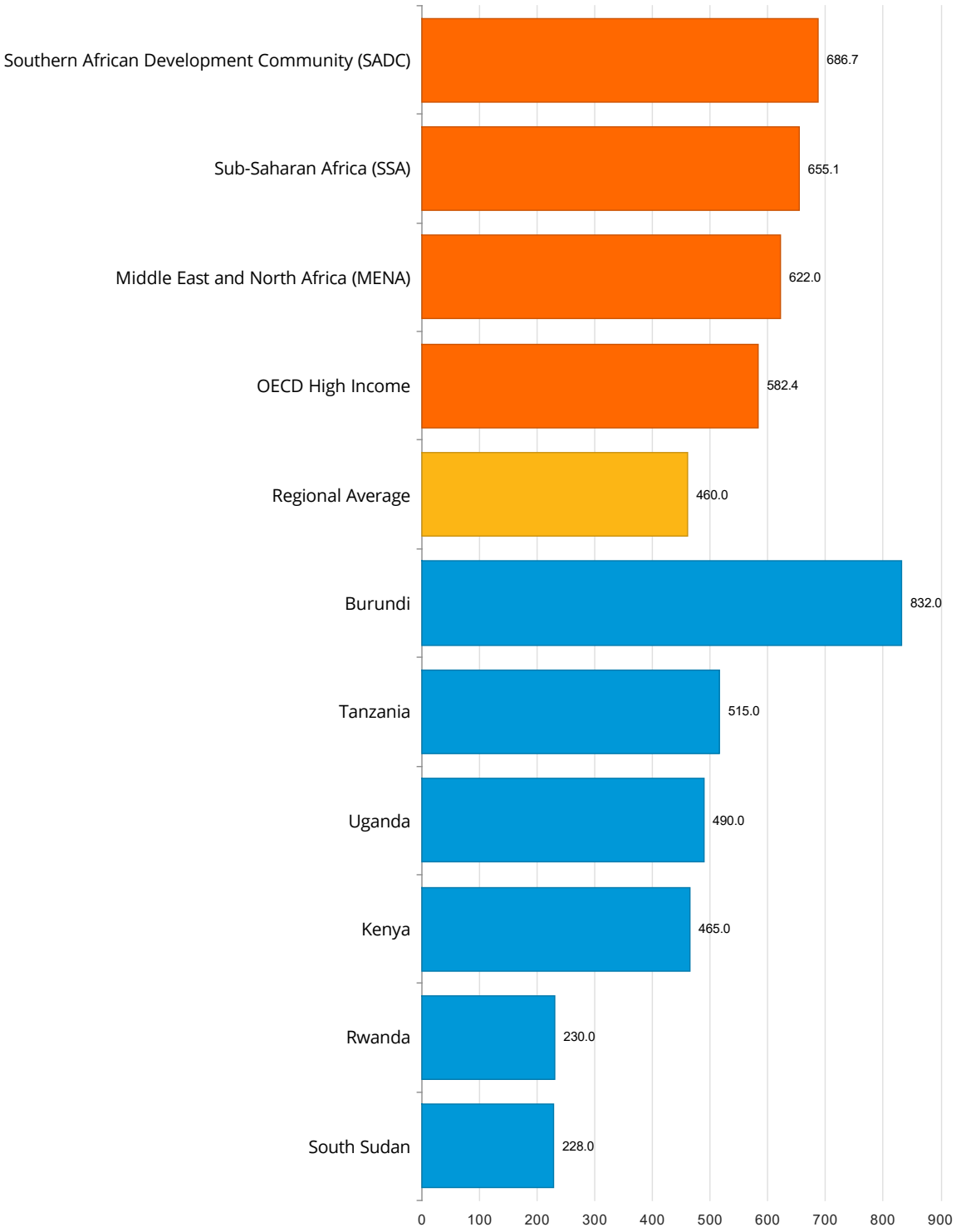
Source: Doing Business database.

Enforcing Contracts

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

What it takes to enforce a contract through the courts in economies in East African Community (EAC)

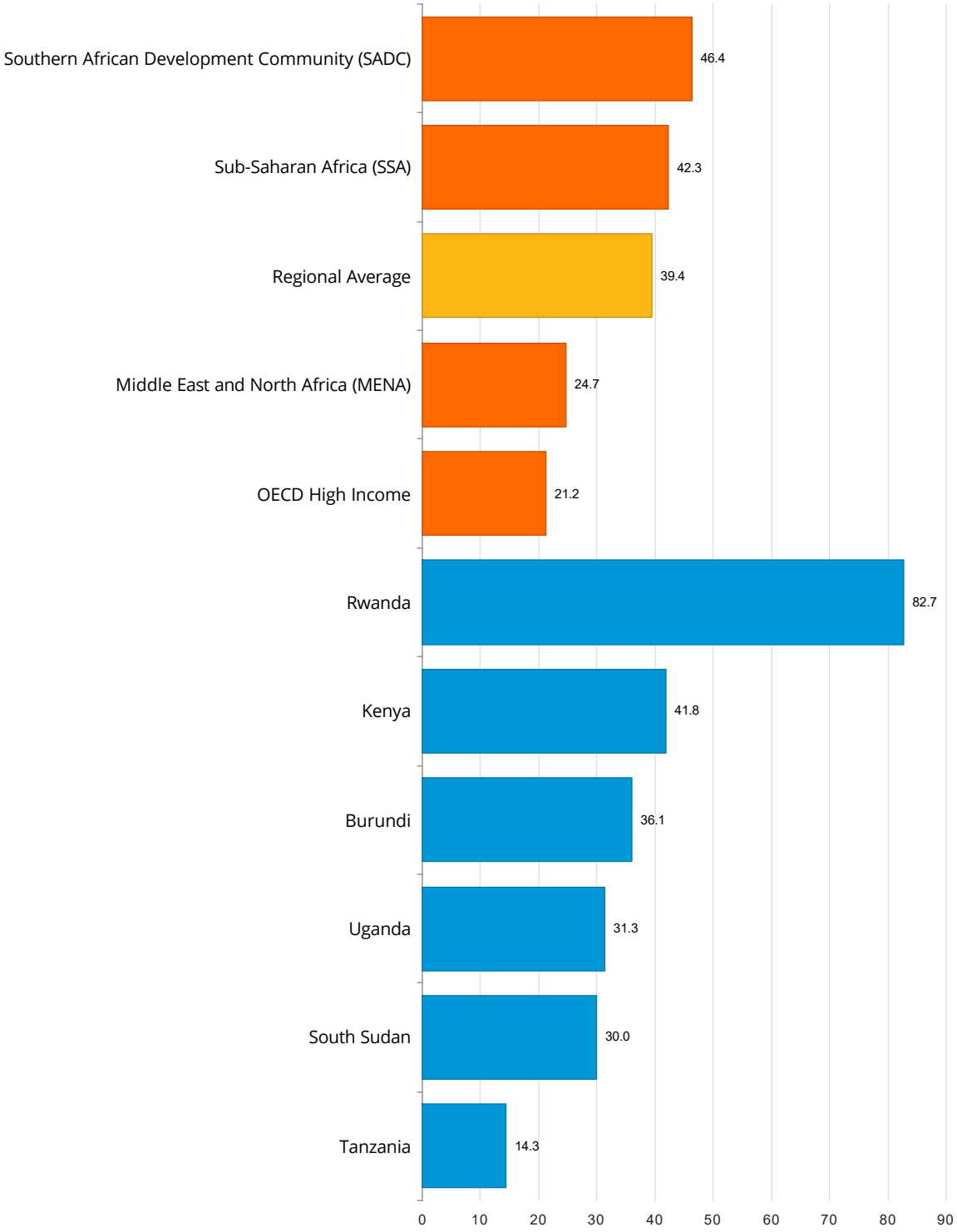
Time (days)



Source: Doing Business database.

Enforcing Contracts

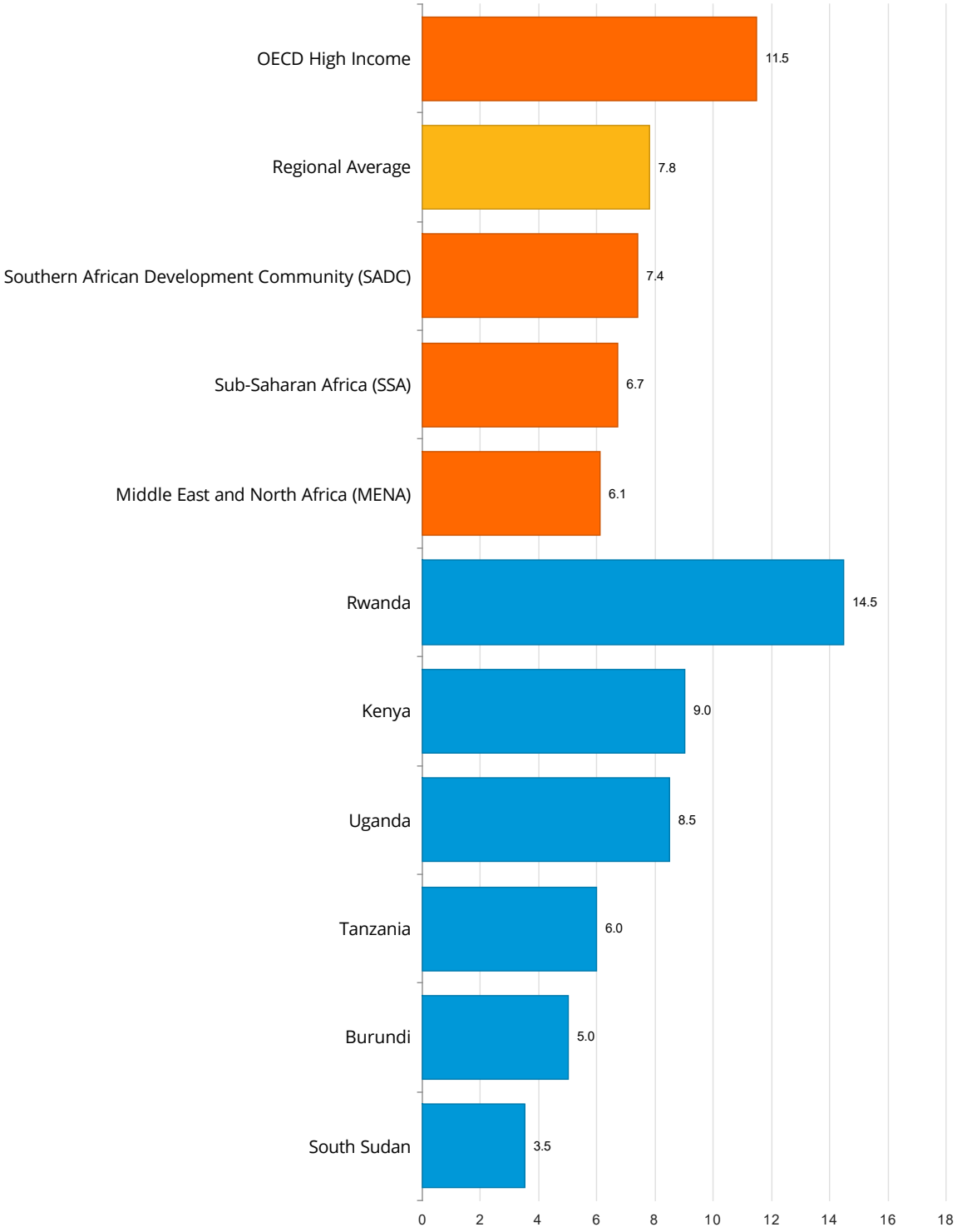
Cost (% of claim value)



Source: Doing Business database.

Enforcing Contracts

Quality of judicial processes index (0-18)



Source: Doing Business database.

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 for the project was completed in May 2018. See the methodology for more information.

What the indicators measure

Time required to recover debt (years)
• Measured in calendar years
• Appeals and requests for extension are included
Cost required to recover debt (% of debtor's estate)
• Measured as percentage of estate value
• Court fees
• Fees of insolvency administrators
• Lawyers' fees
• Assessors' and auctioneers' fees
• Other related fees
Outcome
• Whether business continues operating as a going concern or business assets are sold piecemeal
Recovery rate for creditors
• Measures the cents on the dollar recovered by secured creditors
• Outcome for the business (survival or not) determines the maximum value that can be recovered
• Official costs of the insolvency proceedings are deducted
• Depreciation of furniture is taken into account
• Present value of debt recovered
Strength of insolvency framework index (0- 16)
• Sum of the scores of four component indices:
• Commencement of proceedings index (0-3)
• Management of debtor's assets index (0-6)
• Reorganization proceedings index (0-3)
• Creditor participation index (0-4)

Case study assumptions

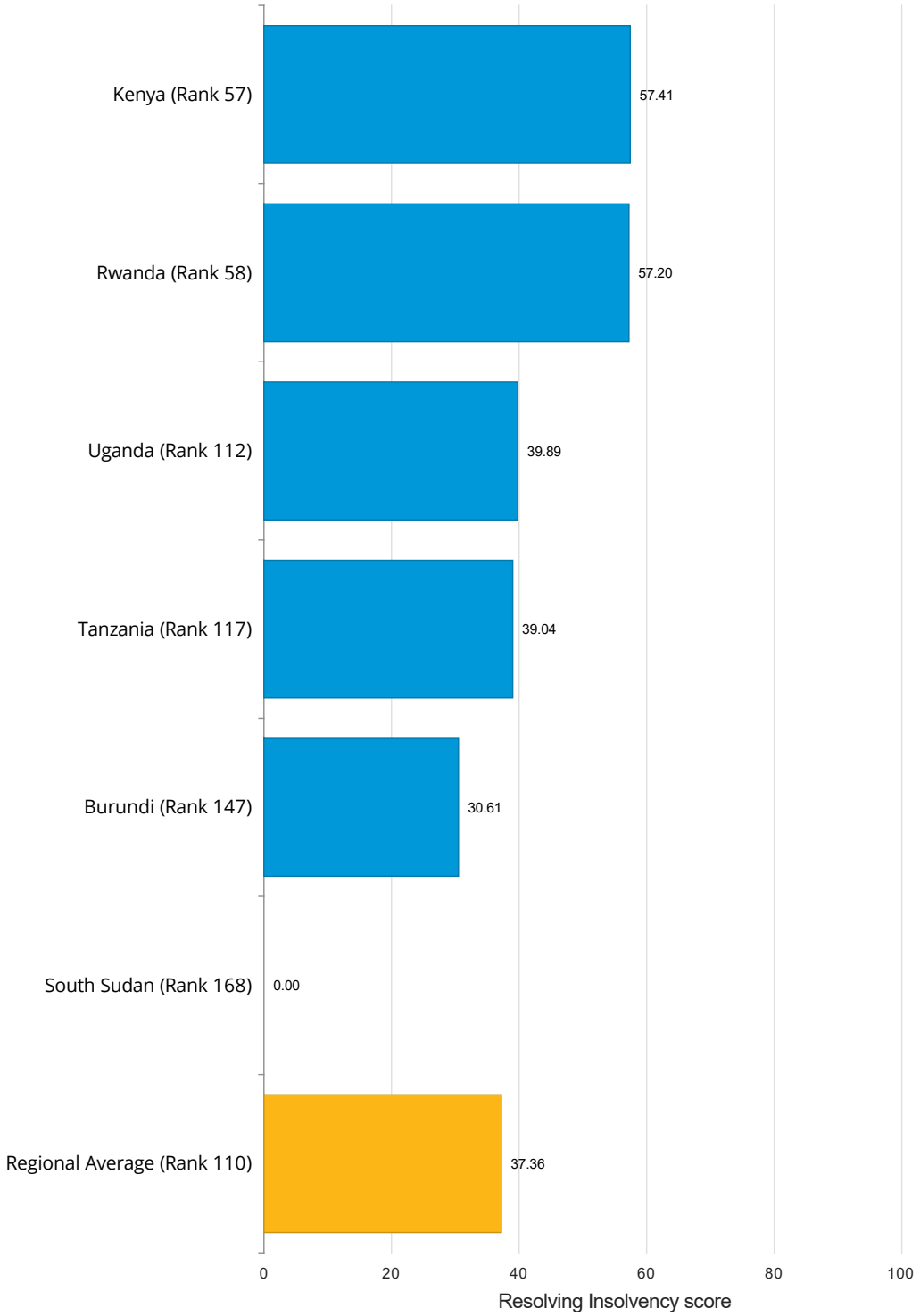
To make the data on the time, cost and outcome comparable across economies, several assumptions about the business and the case are used:
- A hotel located in the largest city (or cities) has 201 employees and 50 suppliers. The hotel experiences financial difficulties.
- The value of the hotel is 100% of the income per capita or the equivalent in local currency of USD 200,000, whichever is greater.
- 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.
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.

Resolving Insolvency

Where do the region's economies stand today?

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

How economies in East African Community (EAC) rank on the ease of resolving insolvency



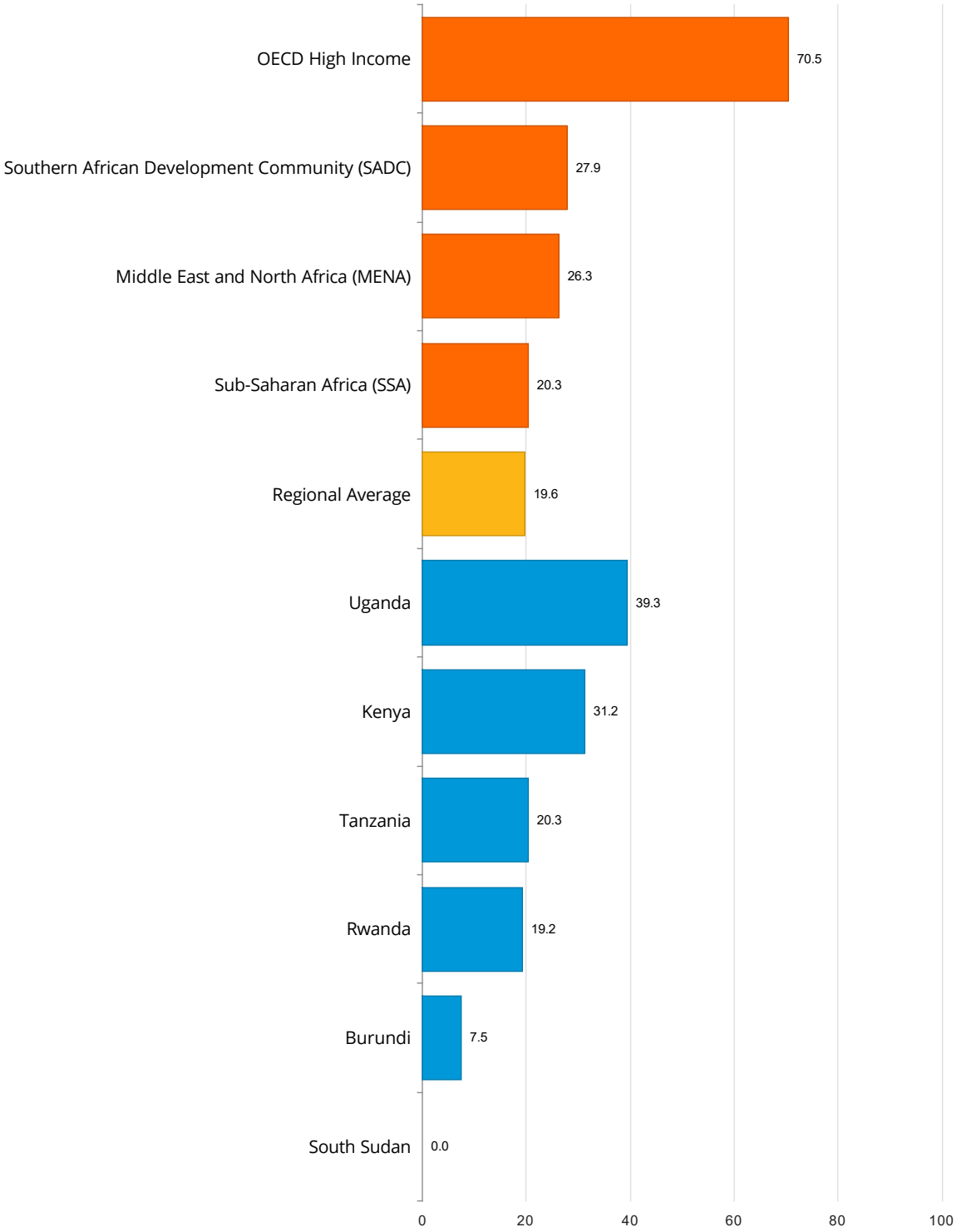
Source: Doing Business database.

Resolving Insolvency

The indicators underlying the rankings may be more revealing. Data collected by Doing Business show the average recovery rate and the average strength of insolvency framework index. Comparing these indicators across the region and with averages both for the region and for comparator regions can provide useful insights.

How efficient is the insolvency process in economies in East African Community (EAC)

Recovery rate (cents on the dollar)



Source: Doing Business database.

Business Reforms

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 the reforms implemented in East African Community (EAC) since Doing Business 2011.

Starting a Business

DB Year	Economy	Reform
DB2019	Burundi	Burundi made starting a business less expensive by reducing the cost of registering a business.
DB2019	Rwanda	Rwanda made starting a business less costly by replacing electronic billing machines with free software for value added tax invoices.
DB2019	Tanzania	Tanzania made starting a business easier by launching online company registrations.
DB2018	South Sudan	South Sudan made starting a business more expensive by increasing business registration fees.
DB2018	Kenya	Kenya made starting a business easier by merging procedures required to start-up and formally operate a business.
DB2018	Burundi	Burundi made starting a business more expensive by increasing the cost of registering a business.
DB2017	Kenya	Kenya made starting a business easier by removing stamp duty fees required for the nominal capital, memorandum and articles of association . Kenya also eliminated requirements to sign compliance declarations before a commissioner of oaths. However, Kenya also made starting a business more expensive by introducing a flat fee for company incorporation.
DB2017	Rwanda	Rwanda made starting a business easier by improving the online registration one-stop shop and streamlining post-registration procedures.
DB2017	Uganda	Uganda made starting a business easier by eliminating the requirement that a commissioner of oaths must sign compliance declarations.
DB2016	Uganda	Uganda made starting a business easier by introducing an online system for obtaining a trading license and by reducing business incorporation fees.
DB2016	Rwanda	Rwanda made starting a business easier by eliminating the need for new companies to open a bank account in order to register for VAT.
DB2016	Kenya	Kenya made starting a business easier by reducing the time it takes to assess and pay stamp duty.
DB2015	Rwanda	Rwanda made starting a business more difficult by requiring companies to buy an electronic billing machine from a certified supplier.
DB2015	Tanzania	Tanzania made starting a business more difficult by increasing registration fees.
DB2014	Rwanda	Rwanda made starting a business easier by reducing the time required to obtain a registration certificate.

DB2014	Burundi	Burundi made starting a business easier by allowing registration with the Ministry of Labor at the one-stop shop and by speeding up the process of obtaining the registration certificate.
DB2013	Burundi	Burundi made starting a business easier by eliminating the requirements to have company documents notarized, to publish information on new companies in a journal and to register new companies with the Ministry of Trade and Industry.
DB2013	Tanzania	Tanzania made starting a business easier by eliminating the requirement for inspections by health, town and land officers as a prerequisite for a business license.
DB2012	Uganda	Uganda introduced changes that added time to the process of obtaining a business license, slowing business start-up. But it simplified registration for a tax identification number and for value added tax by introducing an online system.
DB2012	Rwanda	Rwanda made starting a business easier by reducing the business registration fees.
DB2011	Kenya	Kenya eased business start-up by reducing the time it takes to get the memorandum and articles of association stamped, merging the tax and value added tax registration procedures and digitizing records at the registrar.
DB2011	Uganda	Uganda made it more difficult to start a business by increasing the trade licensing fees.

Dealing with Construction Permits

DB Year	Economy	Reform
DB2019	Burundi	Burundi increased the transparency of dealing with construction permits by publishing regulations related to construction online, free of charge.
DB2018	Tanzania	Tanzania made dealing with construction permits easier by implementing a one-stop shop and streamlining the building permit process.
DB2018	Rwanda	Rwanda increased quality control during construction by introducing risk-based inspections.
DB2018	Kenya	Kenya made dealing with construction permits less expensive by eliminating fees for clearances from the National Environment Management Authority (NEMA) and the National Construction Authority.
DB2017	Rwanda	Rwanda made dealing with construction permits more cumbersome and expensive by introducing new requirements to obtain a building permit. It also strengthen the quality control index by implementing the qualifications required for architects and engineers.
DB2016	Rwanda	Rwanda made dealing with construction permits easier by adopting a new building code and new urban planning regulations.
DB2016	Kenya	Kenya made dealing with construction permits more difficult by requiring an additional approval before issuance of the building permit and by increasing the costs for both water and sewerage connections

DB2015	Kenya	Kenya made dealing with construction permits more costly by increasing the building permit fees.
DB2015	Rwanda	Rwanda made dealing with construction permits easier by eliminating the fee for obtaining a freehold title and by streamlining the process for obtaining an occupancy permit.
DB2014	Rwanda	Rwanda made dealing with construction permits easier and less costly by reducing the building permit fees, implementing an electronic platform for building permit applications and streamlining procedures.
DB2014	Burundi	Burundi made dealing with construction permits easier by establishing a one-stop shop for obtaining building permits and utility connections.
DB2013	Burundi	Burundi made obtaining a construction permit easier by eliminating the requirement for a clearance from the Ministry of Health and reducing the cost of the geotechnical study.
DB2013	Tanzania	Tanzania made dealing with construction permits more expensive by increasing the cost to obtain a building permit.
DB2012	Burundi	Burundi made dealing with construction permits easier by reducing the cost to obtain a geotechnical study.
DB2011	Rwanda	Rwanda made dealing with construction permits easier by passing new building regulations at the end of April 2010 and implementing new time limits for the issuance of various permits.

Getting Electricity

DB Year	Economy	Reform
DB2019	Rwanda	Rwanda improved the monitoring and regulation of power outages by beginning to record data for the annual system average interruption duration index (SAIDI) and system average interruption frequency index (SAIFI). Rwanda also made getting electricity more time and cost efficient by having the utility supply all connection material.
DB2018	Kenya	Kenya improved the reliability of electricity by investing in its distribution lines and transformers and by setting up a specialized squad to restore power when outages occur.
DB2017	Kenya	Kenya streamlined the process of getting electricity by introducing the use of a geographic information system which eliminates the need to conduct a site visit, thereby reducing the time and interactions needed to obtain an electricity connection.
DB2016	Uganda	The utility in Uganda reduced delays for new electricity connections by deploying more customer service engineers and reducing the time needed for the inspection and meter installation.
DB2016	Kenya	The utility in Kenya reduced delays for new connections by enforcing service delivery timelines and hiring contractors for meter installation.

DB2015	Rwanda	In Rwanda the electricity company made getting electricity less costly by eliminating several fees.
DB2014	Burundi	Burundi made getting electricity easier by eliminating the electricity utility's monopoly on the sale of materials needed for new connections and by dropping the processing fee for new connections.
DB2013	Rwanda	Rwanda made getting electricity easier by reducing the cost of obtaining a new connection.

Registering Property

DB Year	Economy	Reform
DB2019	Kenya	Kenya made registering property easier by introducing an online system to clear land rent rates.
DB2019	Rwanda	Rwanda made registering property easier by improving the land dispute resolution mechanisms of the land administration system.
DB2018	Tanzania	Tanzania made registering property more expensive by increasing the land and property registration fee.
DB2018	Rwanda	Rwanda made registering property easier by implementing online services to facilitate the registration of property transfers.
DB2017	Kenya	Kenya made Registering property easier by increasing the transparency at its land registry and cadastre.
DB2017	Rwanda	Rwanda made it easier to register property by introducing effective time limits and increasing the transparency of the land administration system.
DB2016	Kenya	Kenya made property transfers faster by improving electronic document management at the land registry and introducing a unified form for registration.
DB2014	Uganda	Uganda made transferring property easier by eliminating the need to have instruments of land transfer physically embossed to certify payment of the stamp duty.
DB2014	Rwanda	Rwanda made transferring property easier by eliminating the requirement to obtain a tax clearance certificate and by implementing the web-based Land Administration Information System for processing land transactions.
DB2014	Burundi	Burundi made transferring property easier by creating a one-stop shop for property registration.
DB2013	Burundi	Burundi made property transfers faster by establishing a statutory time limit for processing property transfer requests at the land registry.
DB2013	Uganda	Uganda made transferring property more difficult by introducing a requirement for property purchasers to obtain an income tax certificate before registration, resulting in delays at the Uganda Revenue Authority and the Ministry of Finance. At the same time, Uganda made it easier by digitizing records at the title registry, increasing efficiency at the assessor's office and making it possible for more banks to accept the stamp duty payment.

DB2012	Uganda	Uganda increased the efficiency of property transfers by establishing performance standards and recruiting more officials at the land office.
DB2012	Rwanda	Rwanda made transferring property more expensive by enforcing the checking of the capital gains tax.

Getting Credit

DB Year	Economy	Reform
DB2019	Kenya	Kenya strengthened access to credit by introducing a new Secured Transactions Law creating a unified secured transactions legal framework, and establishing a new unified and notice-based collateral registry.
DB2019	Rwanda	Rwanda strengthened access to credit by enacting a new insolvency law. An automatic stay is now imposed on secured creditors for a period of 6 months and the law provides for reliefs from such stay when the assets are perishable or are not needed for the reorganization of the company.
DB2018	Kenya	Kenya improved access to credit information by starting to distribute data from two utility companies.
DB2017	Tanzania	The credit bureau in Tanzania expanded credit bureau borrower coverage and began to distribute credit data from retailers.
DB2016	Uganda	In Uganda the credit bureau expanded borrower coverage, improving access to credit information.
DB2016	Rwanda	In Rwanda the credit bureau started to provide credit scores to banks and other financial institutions while the credit registry expanded borrower coverage, strengthening the credit reporting system.
DB2016	Kenya	Kenya improved access to credit information by passing legislation that allows the sharing of positive information and by expanding borrower coverage.
DB2015	Kenya	Kenya improved its credit information system by passing legislation that allows the sharing of both positive and negative credit information and establishes guidelines for the treatment of historical data.
DB2015	Rwanda	Rwanda improved access to credit by establishing clear priority rules outside bankruptcy for secured creditors and establishing clear grounds for relief from a stay of enforcement actions by secured creditors during reorganization procedures.
DB2015	Tanzania	Tanzania improved access to credit information by creating credit bureaus.
DB2014	Tanzania	Tanzania improved its credit information system through new regulations that provide for the licensing of credit reference bureaus and outline the functions of the credit reference data bank.
DB2014	Rwanda	Rwanda strengthened its secured transactions system by providing more flexibility on the types of debts and obligations that can be secured through a collateral agreement.

DB2012	Rwanda	In Rwanda the private credit bureau started to collect and distribute information from utility companies and also started to distribute more than 2 years of historical information, improving the credit information system.
DB2011	Rwanda	Rwanda enhanced access to credit by allowing borrowers the right to inspect their own credit report and mandating that loans of all sizes be reported to the central bank's public credit registry.
DB2011	Uganda	Uganda enhanced access to credit by establishing a new private credit bureau.

Protecting Minority Investors

DB Year	Economy	Reform
DB2019	Kenya	Kenya strengthened minority investor protections by increasing disclosure requirements, regulating the approval of transactions with interested parties and increasing available remedies if said transactions are prejudicial, increasing shareholders' rights and role in major corporate decisions and requiring greater corporate transparency.
DB2018	Rwanda	Rwanda strengthened minority investor protections by making it easier to sue directors, clarifying ownership and control structures and requiring greater corporate transparency.
DB2017	Kenya	Kenya strengthened minority investor protections by clarifying ownership and control structures, by introducing greater requirements for disclosure of related-party transactions to the board of directors, by making it easier to sue directors in cases of prejudicial related-party transactions and by allowing the rescission of related-party transactions that are shown to harm the company.
DB2016	Rwanda	Rwanda strengthened minority investor protections by introducing provisions allowing holders of 10% of a company's shares to call for an extraordinary meeting of shareholders, requiring holders of special classes of shares to vote on decisions affecting their shares, requiring board members to disclose information about their directorships and primary employment and requiring that audit reports for listed companies be published in a newspaper.
DB2014	Rwanda	Rwanda strengthened investor protections through a new law allowing plaintiffs to cross-examine defendants and witnesses with prior approval of the questions by the court.
DB2012	Burundi	Burundi strengthened investor protections by introducing new requirements for the approval of transactions between interested parties, by requiring greater corporate disclosure to the board of directors and in the annual report and by making it easier to sue directors in cases of prejudicial transactions between interested parties.

Paying Taxes

DB Year	Economy	Reform
DB2019	Kenya	Kenya made paying taxes easier by merging all permits into a single unified business permit and by simplifying the value added tax schedule on its iTax platform.

DB2018	Rwanda	Rwanda made paying taxes easier by establishing an online system for filing and paying taxes.
DB2018	Kenya	Kenya made paying taxes easier by implementing an online platform, iTax, for filing and paying corporate income tax and the standards levy.
DB2017	Burundi	Burundi made paying taxes easier by introducing a new tax return and eliminating the personalized VAT declaration form.
DB2017	Rwanda	Rwanda made paying taxes more complicated by introducing a requirement that companies file and pay social security contributions monthly instead of quarterly.
DB2017	Tanzania	Tanzania made paying taxes more complicated by increasing the frequency of filing of the skills Development Levy and more costly by introducing a workers' compensation tariff paid by employers.
DB2017	Uganda	Uganda made paying taxes easier by eliminating a requirement for tax returns to be submitted in paper copy following online submission. At the same time, Uganda increased the stamp duty for insurance contracts.
DB2016	Rwanda	Rwanda made paying taxes easier for companies by introducing electronic filing and making its use compulsory.
DB2015	Kenya	Kenya made paying taxes more costly for companies by increasing employers' social security contribution rate.
DB2015	Tanzania	Tanzania made paying taxes more complicated for companies by introducing an excise tax on money transfers. On the other hand, it made paying taxes less costly by reducing the rate of the skill and development levy.
DB2014	South Sudan	South Sudan made paying taxes more costly for companies by increasing the corporate income tax rate.
DB2014	Rwanda	Rwanda made paying taxes easier and less costly for companies by rolling out its electronic filing system to the majority of businesses and by reducing the property tax rate and business trading license fee.
DB2014	Burundi	Burundi made paying taxes less costly for companies by reducing corporate income tax rate.
DB2013	Kenya	Kenya made paying taxes faster for companies by enhancing electronic filing systems.
DB2012	Rwanda	Rwanda reduced the frequency of value added tax filings by companies from monthly to quarterly.
DB2012	Burundi	Burundi made paying taxes easier for companies by reducing the payment frequency for social security contributions from monthly to quarterly.
DB2011	Burundi	Burundi made paying taxes simpler by replacing the transactions tax with a value added tax.
DB2011	Kenya	Kenya increased the administrative burden of paying taxes by requiring quarterly filing of payroll taxes.

Trading across Borders

DB Year	Economy	Reform
DB2019	Rwanda	Rwanda reduced the time required to export and import by implementing the Single Customs Territory, risk-based inspections and online certificates.
DB2019	Uganda	Uganda reduced the time needed to export and import by further implementing the Single Customs Territory, as well as by developing the Uganda Electronic Single Window and the Centralized Document Processing Centre.
DB2018	Uganda	Uganda reduced the time for export documentary compliance and border compliance by allowing for electronic document submission and processing of certificates of origin and by further developing the Malaba One-Stop Border Post.
DB2018	Kenya	Kenya reduced the time for import documentary compliance by utilizing its single window system, which allows for electronic submission of customs entries.
DB2017	Rwanda	Rwanda made trading across borders easier by removing the mandatory pre-shipment inspection for imported products.
DB2017	Uganda	Uganda made trading across borders easier by constructing the Malaba One-Stop Border Post which reduced border compliance time for exports.
DB2016	Tanzania	Tanzania reduced the time for both exporting and importing by implementing the Tanzania Customs Integrated System (TANCIS), an online system for downloading and processing customs documents.
DB2016	Rwanda	Rwanda increased the time and cost for documentary and border compliance for importing by making preshipment inspection mandatory for all imported products.
DB2015	Tanzania	Tanzania made trading across borders easier by upgrading infrastructure at the port of Dar es Salaam.
DB2015	Uganda	Uganda made trading across borders easier by implementing the ASYCUDA World electronic system for the submission of export and import documents.
DB2014	Rwanda	Rwanda made trading across borders easier by introducing an electronic single-window system at the border.
DB2014	Burundi	Burundi made trading across borders easier by eliminating the requirement for a preshipment inspection clean report of findings.
DB2013	Burundi	Burundi reduced the time to trade across borders by enhancing its use of electronic data interchange systems, introducing a more efficient system for monitoring goods going through transit countries and improving border coordination with neighboring transit countries.
DB2013	Tanzania	Tanzania made importing more difficult by introducing a requirement to obtain a certificate of conformity before the imported goods are shipped.
DB2012	Tanzania	Tanzania made trading across borders faster by implementing the Pre-Arrival Declaration (PAD) system and electronic submission of customs declaration.
DB2011	Kenya	Kenya speeded up trade by implementing an electronic cargo tracking system and linking this system to the Kenya Revenue Authority's electronic data interchange system for customs clearance.

DB2011	Rwanda	Rwanda reduced the number of trade documents required and enhanced its joint border management procedures with Uganda and other neighbors, leading to an improvement in the trade logistics environment.

Enforcing Contracts

DB Year	Economy	Reform
DB2019	Rwanda	Rwanda made enforcing contracts easier by issuing new rules of civil procedure which limit adjournments to unforeseen and exceptional circumstances.
DB2018	Rwanda	Rwanda made enforcing contracts easier by making judgements rendered at all levels in commercial cases available to the general public through publication on the judiciary's website.
DB2017	Rwanda	Rwanda made enforcing contracts easier by introducing an electronic case management system for judges and lawyers.
DB2013	Rwanda	Rwanda made enforcing contracts easier by implementing an electronic filing system for initial complaints.
DB2012	Kenya	Kenya introduced a case management system that will help increase the efficiency and cost-effectiveness of commercial dispute resolution.
DB2011	Uganda	Uganda continues to improve the efficiency of its court system, greatly reducing the time to file and serve a claim.

Resolving Insolvency

DB Year	Economy	Reform
DB2019	Burundi	Burundi made resolving insolvency easier by streamlining the insolvency framework, expanding the scope of the insolvency law and introducing new preventive measures.
DB2019	Kenya	Kenya made resolving insolvency easier by facilitating the continuation of the debtor's business during insolvency proceedings, providing for equal treatment of creditors in reorganization proceedings and granting creditors greater participation in the insolvency proceedings.
DB2019	Rwanda	Rwanda made resolving insolvency easier by making insolvency proceedings more accessible for creditors and granting them greater participation in the proceedings. Rwanda also made resolving insolvency more difficult by hindering the continuation of the debtor's business during insolvency proceedings.
DB2017	Kenya	Kenya made resolving insolvency easier by introducing a reorganization procedure, facilitating continuation of the debtor's business during insolvency proceedings and by introducing regulations for insolvency practitioners.
DB2016	Rwanda	Rwanda improved its insolvency system by introducing provisions on voidable transactions and the approval of reorganization plans and by establishing additional safeguards for creditors in reorganization proceedings.

DB2015	Uganda	Uganda made resolving insolvency easier by consolidating all provisions related to corporate insolvency in one law, establishing provisions on the administration of companies (reorganization), clarifying standards on the professional qualifications of insolvency practitioners and introducing provisions allowing the avoidance of undervalued transactions.
DB2014	Tanzania	Tanzania made resolving insolvency easier through new rules clearly specifying the professional requirements and remuneration for insolvency practitioners, promoting reorganization proceedings and streamlining insolvency proceedings.
DB2014	Rwanda	Rwanda made resolving insolvency easier through a new law clarifying the standards for beginning insolvency proceedings; preventing the separation of the debtor's assets during reorganization proceedings; setting clear time limits for the submission of a reorganization plan; and implementing an automatic stay of creditors' enforcement actions.
DB2013	Uganda	Uganda strengthened its insolvency process by clarifying rules on the creation of mortgages, establishing the duties of mortgagors and mortgagees, defining priority rules, providing remedies for mortgagors and mortgagees and establishing the powers of receivers.
DB2012	Burundi	Burundi amended its commercial code to establish foreclosure procedures.

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.

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