

Closing a Business – Economy

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Dear Contributor:

We would like to thank you for your cooperation with the *Doing Business* project. Your contribution and expertise are essential to the success of the *Doing Business* report, an annual publication of the World Bank and the International Finance Corporation that benchmarks business regulation in 183 economies worldwide.

Closing a Business is one of the 11 indicators of the *Doing Business* report. It studies the time, cost and outcome of insolvency and debt enforcement proceedings involving domestic entities. A well-functioning insolvency and debt enforcement system gives efficient businesses a chance at a fresh start, and can facilitate businesses' access to finance by reducing the risks for creditors and, subsequently, the costs for debtors.

In 2009/10, 16 economies improved their laws on insolvency. Serbia, for instance, passed a new bankruptcy law that introduced out-of-court workouts and a unified reorganization procedure. On the other hand, the new formalities added to prevent abuse of insolvency proceedings in the Kyrgyz Republic made such proceedings more difficult.

The positive feedback from governments around the world who are using the *Doing Business* reports as an input for policy debate about regulatory reform is only possible thanks to the generous contribution of over 8,000 experts like you, in 183 economies. Currently, *Doing Business* has informed over 300 reforms around the world since 2004. The last edition of the report, *Doing Business 2011: Making a Difference for Entrepreneurs* was launched on November 4, 2010. The 2011 report received a record number of 2,744 media citations within one month of publication, including coverage from all major global, regional and local media outlets including TV, print, broadcast and web.

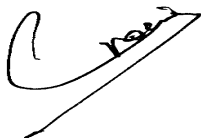
For *Doing Business 2012*, we are honored to be able to count on your expertise:

- Before completing the survey, please review the assumptions of the case study. We ask that you update last year's information, included in the survey.
- Please describe in detail any reform that affects the process of closing a business since June 2010.

We would appreciate it if you could return the completed survey by March 15, 2011 to DBCclosingBusiness@worldbank.org. Please make sure to complete your name and address, so we can mail you a complimentary copy of the report.

If you have any questions, do not hesitate to contact us. Thank you again for your invaluable contribution to the World Bank's work.

Sincerely,



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A. Primary Contributor Information

All information will be published. Please **check** the information you **do not** want us to **publish**. We do not publish mobile phone numbers.

<i>Do not publish</i>	Name		
	Title (Mr., Ms., Mrs., etc.)	[]	[]
<input type="checkbox"/>	First name	[]	[]
	Last name	[]	[]
<i>Not published</i>	Position (e.g. manager, associate, partner)	[]	[]
<i>Not published</i>	Profession (e.g. judge, lawyer, administrator)	[]	[]

<i>Do not publish</i>	Contact details		
<input type="checkbox"/>	Organization	[]	[]
<input type="checkbox"/>	E-mail	[]	[]
<input type="checkbox"/>	Phone	[]	[]
<input type="checkbox"/>	Fax	[]	[]
<input type="checkbox"/>	Website	[]	[]
<i>Not published</i>	Mobile phone	[]	[]

<input type="checkbox"/> <i>Do not publish</i>	Address		
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B. Additional Contributor Information

Name	Occupation	E-mail	Phone	Address, if different from the above
[title] [first name] [last name]	[organization] [position] [profession]	[]	[phone] [mobile]	[street] [state/province] [city/country]
[title] [first name] [last name]	[organization] [position] [profession]	[]	[phone] [mobile]	[street] [state/province] [city/country]
[title] [first name] [last name]	[organization] [position] [profession]	[]	[phone] [mobile]	[street] [state/province] [city/country]

C. Case Study Assumptions

The survey analyzes the time, cost and outcome of insolvency and debt enforcement proceedings involving a domestic business in an attempt to assess the recovery rate recouped by the creditors.

Mirage is a local company that runs a hotel in <city>. Mirage has 201 employees and its only asset and source of income is the hotel property. The value of the hotel is <LCU1 100 times the income per capita of the economy. On January 1, 2006, Mirage signed a 10-year loan agreement with BizBank, a bank. The loan was secured by the hotel property and/or a universal business charge (floating charge) in those countries where this type of collateral is allowed. BizBank's credit is <LCU2 bank claim, which represents 74% of Mirage's total outstanding debt. Unsecured creditors (e.g. suppliers, tax authorities and employees) hold the remaining 26%, which is equivalent to <LCU3 unsecured claim.

Mirage's founder, Mr. Douglas, owns 51% of the company and is chairman of its board of directors (or equivalent supervisory body). No other shareholder holds more than 5% of voting power. The company has a professional general manager. Mirage has 50 suppliers, all of whom Mirage owes payment for their last deliveries. Note that all parties in this scenario are domestic entities or citizens; no foreign parties are involved.

Today is January 1, 2011. Since the execution of the loan agreement, Mirage has kept all of its loan conditions and made all payments on time. However, at the end of 2010, Mirage experienced an unexpected operating loss due to worsened market conditions. **As a result, Mirage will default on its next loan payment to BizBank, which is due tomorrow, January 2, 2011.**

Please assume the following:

The Hotel:

1. The remaining amount owed to BizBank exactly equals the hotel's market value.
2. The company expects to have negative net worth and operating losses in both 2011 and 2012.
3. The company's expected 2011 cash flow will cover all operating expenses, including supplier payments, salaries, maintenance costs and taxes. It will not cover principal or interest payments to BizBank.
4. **If Mirage is sold as a going concern, it would fetch 100% of its current market value. But if Mirage's assets were sold piecemeal, they would fetch only 70% of Mirage's current market value.**

What each party knows and wants:

1. **BizBank** will know there is a problem when Mirage defaults on its payment due January 2 and will want to recover as much of its loan as possible, as quickly and cheaply as possible. It also wants to make sure its claim has priority over other creditors.
2. The **unsecured creditors** will not know about the company's situation until the Annual Report's release on March 31, unless an official filing (e.g. for foreclosure or reorganization) is made earlier by any of the parties. Once the insolvency procedure has started, unsecured creditors will do everything within the limits of the law to avoid piecemeal sale.
3. **Mr. Douglas** wants to keep the firm operating and under his control, but does not care whether the current management stays or goes.
4. **Mirage's management** knows all the information described above and wants to keep the firm operating as well as their jobs, but all other parties are indifferent about management's fate.

D. Defined Terms

In this survey, the following terms have the following meanings:

“Foreclosure” means a process through which a secured creditor gains possession of an insolvent debtor’s assets upon default and sells them to collect on the loan extended to such debtor. For the avoidance of doubt, **“Foreclosure”** here (i) is NOT limited to the common law doctrine of extinguishment of mortgagor’s equity of redemption in full satisfaction of the secured liability, regardless of the value of the collateral, and (ii) includes enforcement of security interests other than mortgages.

“insolvency” means the inability to pay one’s debts as they fall due.

“Insolvency Process” means the proceedings to address insolvency, including, for the avoidance of doubt, Foreclosure, Liquidation, and/or Reorganization.

“Insolvency System” means rules, regulations and established practices addressing insolvency, including, for the avoidance of doubt, rules and regulations on, and established practices relating to, Foreclosure, Liquidation, and/or Reorganization, together with the institutions responsible for implementing such rules and regulations and maintaining the established practices.

“Liquidation” means a process of assembling and selling an insolvent debtor’s assets in order to dissolve it and distribute the proceeds to its creditors. For the avoidance of doubt, **“Liquidation”** may include a piecemeal sale of such debtor’s assets or a sale of all or most of such debtor’s assets as a going concern.

“Reorganization” means a process of restructuring an insolvent debtor’s financial and/or business relationships to restore its financial well-being and render it financially viable.

E. Reforms and Statistics

1. REFORMS OF THE INSOLVENCY SYSTEM
1.1. Have there been any reforms of the Insolvency System since June 1, 2010, including any developments in the laws on, and/or practices relating to, Foreclosure, Liquidation, and/or Reorganization? Please describe. <i>(please include titles and dates of the laws, regulations and opinions that were adopted, modified or affected, and if possible, please attach their texts or include links to web-based resources)</i>
<input type="checkbox"/> YES <input type="checkbox"/> NO
Description: []
1.2. If yes, are such reforms likely to affect any of the following (please select ALL that apply):
<input type="checkbox"/> Available solutions to address insolvency <input type="checkbox"/> Duration of the Insolvency Process <input type="checkbox"/> Cost of the Insolvency Process <input type="checkbox"/> Likelihood of a going-concern sale <input type="checkbox"/> Priority of claims within insolvency <input type="checkbox"/> Likelihood that management will be dismissed in reorganization proceedings <input type="checkbox"/> Qualification requirements to insolvency administrators <input type="checkbox"/> Other: []
Comments: []
1.3. Are there any reforms of the Insolvency System that will go into effect prior to June 1, 2011? Please describe.
<input type="checkbox"/> YES <input type="checkbox"/> NO
Description: []
1.4. Are there any reforms of the Insolvency System that will go into effect in the longer term? Please describe.
<input type="checkbox"/> YES <input type="checkbox"/> NO
Description: []

1.5. Please describe a single most important development, if any, in the laws on, and/or practices relating to, Foreclosure, Liquidation and/or Reorganization in your economy since 2005 or since you started practicing law.

Description: []

2. 2010 AT A GLANCE (PLEASE ANSWER TO THE BEST OF YOUR KNOWLEDGE)

2.1. How many insolvency cases involving commercial entities have you or your firm handled in 2010?
(please count all Foreclosure, Liquidation and Reorganization proceedings completed between January 1 and December 31, 2010 or pending as of December 31, 2010)

[]

2.2. How many Foreclosure cases against commercial entities were filed last year in your economy?

<i>your estimate</i>	<i>precise number (if available)</i>
<input type="checkbox"/> Less than 5 <input type="checkbox"/> Between 5 and 100 <input type="checkbox"/> More than 100	[]

2.3. How many Liquidation cases involving commercial entities were filed last year in your economy?

<i>your estimate</i>	<i>precise number (if available)</i>
<input type="checkbox"/> Less than 5 <input type="checkbox"/> Between 5 and 100 <input type="checkbox"/> More than 100	[]

2.4. How many Reorganization cases involving commercial entities were filed last year in your economy?

<i>your estimate</i>	<i>precise number (if available)</i>
<input type="checkbox"/> Less than 5 <input type="checkbox"/> Between 5 and 100 <input type="checkbox"/> More than 100	[]

2.5. If available, please provide examples from your economy of businesses that continued operating after the completion of their respective Insolvency Processes in 2010.

(please include links to web-based resources or attach brief descriptions of the cases)

[]

F. Choice of Procedure and General Estimates

Please help us verify the accuracy of the information and update the data by responding to all of the applicable questions in this Section F of the questionnaire, taking into account the assumptions of the case study. When answering the questions, please use your best judgment.

For your convenience, the previous responses to the questions are included below where available. They represent the prevailing responses from the *Doing Business* contributors in your economy, and therefore may not match the answers that you or your colleagues provided last year.

We shall also be grateful if you could specify whether you have introduced any changes because the data were erroneous ("correction"), or because there were changes in the applicable laws or practices in your economy ("reform").

<i>Your answer</i>	<i>Previous contributor response</i>
1. CHOICE OF PROCEDURE	
1.1. Please select the party who will most likely be the first to initiate legal action in Mirage's case, and the procedure that such party will most likely choose (please select ONLY ONE answer from EACH column):	
<input type="checkbox"/> Mirage's management <input type="checkbox"/> BizBank <input type="checkbox"/> Other: []	<input type="checkbox"/> will initiate Foreclosure <input type="checkbox"/> will initiate Liquidation <input type="checkbox"/> will initiate Reorganization party will initiate initial procedure

<i>Your answer</i>	<i>Previous contributor response</i>
1.2. Will a court or government agency be involved in such initial procedure in Mirage's case? <i>(e.g. management applies to the city court for Reorganization; BizBank commences Foreclosure out-of-court but this is challenged by the management in court – please also answer "YES" and name the court/agency in the latter case)</i>	
<input type="checkbox"/> YES, the following court/agency will be involved: [] <input type="checkbox"/> NO, no court or agency will be involved	court
1.3. Is it likely that such initial procedure will convert into another procedure as Mirage's case progresses? <i>(e.g. Foreclosure is stayed after management files for Reorganization; or Liquidation ensues when Reorganization fails)</i>	
<input type="checkbox"/> YES, into foreclosure <input type="checkbox"/> YES, into liquidation <input type="checkbox"/> YES, into reorganization <input type="checkbox"/> NO	subsequent procedure
1.4. Please briefly describe the reasons for such change in procedure in Mirage's case.	
[]	reasons for change
1.5. Will such change in procedure result in the transfer of Mirage's case to another court or government agency?	
<input type="checkbox"/> YES, to [] <input type="checkbox"/> NO <input type="checkbox"/> No court or agency will be involved as a result of the transfer	transfer
2. GENERAL ESTIMATES	
2.1. How long will the entire Insolvency Process take? Please provide estimates for EACH OF THE THREE options. <i>(please include the time from Mirage's default on January 2, 2011 until the date when BizBank is repaid all or some of the moneys owed to it under the loan agreement)</i>	
a) [] months, assuming all the parties cooperate b) [] months, assuming each party uses every opportunity provided by law to delay the process and pursue their agenda c) [] months, most likely (based on your experience and practice in similar cases)	<ul style="list-style-type: none"> • number months, assuming all the parties cooperate • number months, assuming each party uses every opportunity provided by law to delay the process and pursue their agenda • number months, most likely
2.2. Will the hotel be able to continue operating upon completion of the entire Insolvency Process?	
<input type="checkbox"/> NO, the hotel will stop operating and Mirage's assets will be sold piecemeal <input type="checkbox"/> YES, the hotel will continue operating as a going concern	outcome
2.3. How much will the entire Insolvency Process cost? Please provide estimates for EACH OF THE THREE options. <i>(estimates should be expressed in % of the value of Mirage's estate, and should include court fees, fees of lawyers and administrators, and all other applicable fees and costs)</i>	
a) []%, assuming all the parties cooperate b) []%, assuming each party uses every opportunity accorded by law to delay the process and pursue their agenda c) []%, most likely (based on your experience and practice in similar cases)	<ul style="list-style-type: none"> • number%, assuming all the parties cooperate • number%, assuming each party uses every opportunity accorded by law to delay the process and pursue their agenda • number%, most likely
3. APPLICABLE LAWS	
3.1. What laws, regulations and rules will apply in Mirage's case?	
<i>Your answer</i>	<i>Previous contributor response</i>
[]	laws
4. COMMENTS	
4.1. If you changed any of the previous contributor responses, please explain why the changes were necessary.	
<input type="checkbox"/> CORRECTION (the data were erroneous)	<input type="checkbox"/> REFORM (laws or practices changed)
Details: []	
4.2. Please provide any comments you may have: []	

G. Breakdown of the Time and Cost Estimates

Your answers to the questions below will help us gain a better understanding of the Insolvency Process in your economy. The questions focus on the specific steps that the parties (management of Mirage, BizBank, and the other creditors) will be making between the default of Mirage and the repayment to BizBank of some or all of the moneys that Mirage owes under the loan agreement.

As the solutions for addressing insolvency vary greatly among the economies targeted by the survey, the purpose of the questions below is to cover as many available options as possible. Depending on the Insolvency System in your economy, as well as your answers, some of the questions included in this questionnaire may not be applicable. In such case, please feel free to answer "NOT APPLICABLE" or leave the answers to the relevant questions blank. Please also feel free to use any of the text fields available for additional comments as you deem necessary.

Some of the questions ask you to supply the legal rules governing the relevant issues in addition to what happens in practice. We shall be grateful if you could provide a citation to the relevant provision of a law, regulation or opinion when answering the legal part of the question. When answering from practical perspective, please use your best judgment. Each of the subsections below contains questions in possible challenges and appeals. Please help us understand by how much such challenges and appeals can delay the process.

We provided previous responses to the questions that have been asked before. However, since most of the questions below are new, such previous responses are not available for many of the questions.

<i>Your answer</i>	<i>Previous contributor response</i>
1. AUTOMATIC STAY	
1.1. If BizBank initiates Foreclosure, will a filing for Liquidation/Reorganization suspend or terminate Foreclosure?	
<input type="checkbox"/> YES, for the duration of [] <input type="checkbox"/> YES, until the completion of the Liquidation or Reorganization proceedings <input type="checkbox"/> NO	stay
1.2. If Foreclosure is suspended or terminated, by how long will it likely delay Mirage's Insolvency Process? (please consider any potential challenges and appeals)	
[]	delay associated with the stay
1.3. If you changed either of the previous contributor responses, please explain why the changes were necessary.	
<input type="checkbox"/> CORRECTION (the data were erroneous)	<input type="checkbox"/> REFORM (laws or practices changed)
Details: []	
1.4. Please provide any comments you may have: []	
IF A FILING FOR LIQUIDATION/REORGANIZATION SUSPENDS FORECLOSURE UNTIL THE END OF THE INSOLVENCY PROCESS, PLEASE ANSWER THE REST OF THE QUESTIONS IN SECTION G IN RESPECT OF LIQUIDATION/REORGANIZATION (DEPENDING ON WHICH PROCEDURE IS THE MOST LIKELY). IF THERE IS NO SUSPENSION OR IT IS TEMPORARY, PLEASE ANSWER IN RESPECT OF FORECLOSURE.	
2. FILING AND NOTIFICATION	
2.1. Is there a period of time <u>before</u> the respective procedure can be commenced in Mirage's case? (e.g. Mirage must be in default for 30 days for BizBank to apply for Foreclosure; or a supplier must give Mirage a 30 day notice before it can file for Liquidation; or courts are in recess in January, so no filing is possible until February)	
<input type="checkbox"/> YES, at least [] <input type="checkbox"/> NO	pre-filing
2.2. Is there a deadline <u>by which</u> the respective procedure must be commenced in Mirage's case? (e.g. management must file for Reorganization within 15 days after discovering that Mirage's liabilities exceed its assets)	
<input type="checkbox"/> YES, [] <input type="checkbox"/> NO	deadline

Your answer		Previous contributor response	
2.3. How long will it take for the court or agency to review the materials and accept Mirage's case for consideration?			
<i>legal timeframe</i>	<i>in practice</i>	<i>legal timeframe</i>	<i>in practice</i>
[]	[]	consider_legal	consider_practice
<input type="checkbox"/> NOT APPLICABLE – please explain: []			
2.4. Will the hotel be able to continue operating during the Insolvency Process?			
<input type="checkbox"/> YES, throughout the entire process <input type="checkbox"/> YES, until [] <input type="checkbox"/> NO		operating after start	
2.5. How will the other parties in Mirage's case be informed, and how long will it take? <i>(e.g. by personal notices or through a publication in a bulletin)</i>			
<i>notification requirements</i>		<i>notification requirements</i>	
[]		way to inform	
<i>legal timeframe</i>	<i>in practice</i>	<i>legal timeframe</i>	<i>in practice</i>
[]	[]	inform_legal	inform_practice
2.6. What kind of challenges and appeals are likely to be made, and what is the timeframe for submitting them?			
[]		filing appeals	
2.7. Who will be reviewing such challenges and appeals? <i>(e.g. the same judge; or other judges of the same court; or another court or government agency)</i>			
[]		filing appeals reviewer	
2.8. By how long such challenges and appeals may delay the process?			
[]		filing delay	
2.9. Have any steps been missed? How long will they take? Please provide any comments you may have: []			
3. PRELIMINARY ISSUES AND ADMINISTRATION OF MIRAGE			
3.1. When will the court or government agency hold its first hearing in Mirage's case?			
<i>legal timeframe</i>	<i>in practice</i>	<i>legal timeframe</i>	<i>in practice</i>
[]	[]	hearing_legal	hearing_practice
<input type="checkbox"/> NOT APPLICABLE – please explain: []			
3.2. Please briefly describe the issues to be addressed at such first hearing:			
[]		first hearing	
3.3. Will an administrator or receiver be appointed for Mirage?			
<input type="checkbox"/> YES, administrator/receiver will replace Mirage's management <input type="checkbox"/> YES, administrator/receiver will co-administer Mirage with its management <input type="checkbox"/> NO, management will continue to run Mirage <input type="checkbox"/> Other – please explain: []		administrator	
3.4. When will the appointment be made?			
<i>legal timeframe</i>	<i>in practice</i>	<i>legal timeframe</i>	<i>in practice</i>
[]	[]	appoint_legal	appoint_practice
3.5. Please describe the major duties of Mirage's administrator/receiver or Mirage's management as debtor-in-possession, specifying where applicable how long it will take them to perform such duties: <i>(e.g. prepare a report on the financial viability of Mirage; pursue the assets that were tunneled out of Mirage etc.)</i>			
[]		administrator duties	
3.6. What kind of challenges and appeals are likely to be made, and what is the timeframe for submitting them?			
[]		prelim appeals	
3.7. Who will be reviewing such challenges and appeals? <i>(e.g. the same judge; or other judges of the same court; or another court or government agency)</i>			
[]		prelim appeals reviewer	

Your answer		Previous contributor response	
3.8. By how long such challenges and appeals may delay the process?			
[]		prelim delay	
3.9. If you changed any of the previous contributor responses, please explain why the changes were necessary.			
<input type="checkbox"/> CORRECTION (the data were erroneous)		<input type="checkbox"/> REFORM (laws or practices changed)	
Details: []			
3.10. Have any steps been missed? How long will they take? Please provide any comments you may have: []			
4. CREDITOR PARTICIPATION			
4.1. How much time will the creditors of Mirage have to file their claims? <i>(e.g. 30 days from receipt of a notice or publication on the commencement of the Insolvency Process in a bulletin)</i>			
<i>legal timeframe</i>	<i>in practice</i>	<i>legal timeframe</i>	<i>in practice</i>
[]	[]	crclaims_legal	crclaims_practice
<input type="checkbox"/> NOT APPLICABLE – please explain: []			
4.2. How much time will it take for the list of creditor claims against Mirage to be finalized?			
<i>legal timeframe</i>	<i>in practice</i>	<i>legal timeframe</i>	<i>in practice</i>
[]	[]	crfinal_legal	crfinal_practice
<input type="checkbox"/> NOT APPLICABLE – please explain: []			
4.3. When will the first meeting of Mirage’s creditors be held?			
<i>legal timeframe</i>	<i>in practice</i>	<i>legal timeframe</i>	<i>in practice</i>
[]	[]	crmeet_legal	crmeet_practice
<input type="checkbox"/> NOT APPLICABLE – please explain: []			
4.4. What are the quorum requirements at the first meeting of Mirage’s creditors?			
[]		quorum	
4.5. Assuming there is no quorum, what are the requirements to the subsequent attempts to convene a meeting?			
[]		other meetings	
4.6. Please briefly describe the major issues to be addressed at the meetings of Mirage’s creditors: <i>(e.g. establishment of a creditor committee, appointment of administrator etc.)</i>			
[]		issue meetings	
4.7. If no meetings are held, please briefly explain how Mirage’s creditors will participate in the Insolvency Process:			
[]		creditor participation	
4.8. What kind of challenges and appeals are likely to be made, and what is the timeframe for submitting them?			
[]		creditor appeals	
4.9. Who will be reviewing such challenges and appeals? <i>(e.g. the same judge; or other judges of the same court; or another court or government agency)</i>			
[]		creditor appeals reviewer	
4.10. By how long such challenges and appeals may delay the process?			
[]		creditor delay	
4.11. Have any steps been missed? How long will they take? Please provide any comments you may have: []			
5. FORECLOSURE <i>(PLEASE COMPLETE IF BIZBANK INITIATES FORECLOSURE AT ANY STAGE OF THE INSOLVENCY PROCESS)</i>			
5.1. What pleadings will be made in Mirage’s case, and how much time will the exchange of pleadings consume? <i>(e.g. Mirage may respond to BizBank’s claim within 30 days; BizBank may then submit objections within 10 days)</i>			
<i>pleadings</i>		<i>pleadings</i>	
[]		pleadings	
<i>legal timeframe</i>	<i>in practice</i>	<i>legal timeframe</i>	<i>in practice</i>
[]	[]	pleadings_legal	pleadings_practice

Your answer		Previous contributor response	
5.2. When will a decision on BizBank's claim be made?			
<i>legal timeframe</i>	<i>in practice</i>	<i>legal timeframe</i>	<i>in practice</i>
[]	[]	decide_legal	decide_practice
<input type="checkbox"/> NOT APPLICABLE – please explain: []			
5.3. When will BizBank gain possession of Mirage's assets?			
[]		time to possess	
5.4. What kind of challenges and appeals are likely to be made, and what is the timeframe for submitting them?			
[]		foreclosure appeals	
5.5. Who will be reviewing such challenges and appeals? <i>(e.g. the same judge; or other judges of the same court; or another court or government agency)</i>			
[]		foreclosure appeals reviewer	
5.6. By how long such challenges and appeals may delay the process?			
[]		foreclosure delay	
5.7. Have any steps been missed? How long will they take? Please provide any comments you may have: []			
6. REORGANIZATION <i>(PLEASE COMPLETE IF A PARTY INITIATES REORGANIZATION, OR IT IS ORDERED BY THE COURT/AGENCY)</i>			
6.1. Who will be preparing a plan of Mirage's Reorganization, and how much time will it take? <i>(when answering from a practical perspective, please consider any extensions typical for cases like Mirage's)</i>			
<i>person(s) in charge</i>		<i>person(s) in charge</i>	
[]		plan preparation	
<i>legal timeframe</i>	<i>in practice</i>	<i>legal timeframe</i>	<i>in practice</i>
[]	[]	prepare_legal	prepare_practice
<input type="checkbox"/> NOT APPLICABLE – please explain: []			
6.2. Please briefly describe the requirements to having a plan of Mirage Reorganization approved. <i>(e.g. support of creditors holding 2/3 of the total credit; and/or validation by the judge)</i>			
[]		approval requirements	
6.3. When will the decision on the approval or rejection of the plan of Mirage's Reorganization be made? <i>(e.g. at the creditor meeting; or by the judge 20 days after the plan of Reorganization has been submitted to the court)</i>			
<i>legal timeframe</i>	<i>in practice</i>	<i>legal timeframe</i>	<i>in practice</i>
[]	[]	apptime_legal	apptime_practice
6.4. Will the plan of Mirage's Reorganization be approved or rejected? Please also briefly explain why:			
<input type="checkbox"/> APPROVED, for the following reasons: []		Mirage plan	
<input type="checkbox"/> REJECTED, for the following reasons: []			
6.5. If the plan is approved, will Mirage be able to reorganize or will it be liquidated? Please also explain the answer. <i>(please answer based on your experience and existing practice in similar cases)</i>			
<input type="checkbox"/> YES, Mirage will be able to reorganize, for the following reasons: []		Mirage reorganization	
<input type="checkbox"/> NO, Mirage will go into Liquidation, for the following reasons: []			
6.6. If Mirage's Reorganization is successful, when do you think the first payment to BizBank will be made? <i>(e.g. 2 years after the start of Reorganization – please answer based on your experience and practice in similar cases)</i>			
[]		Mirage payment	
6.7. What kind of challenges and appeals are likely to be made, and what is the timeframe for submitting them?			
[]		reorganization appeals	
6.8. Who will be reviewing such challenges and appeals? <i>(e.g. the same judge; or other judges of the same court; or another court or government agency)</i>			
[]		reorganization appeals reviewer	
6.9. By how long such challenges and appeals may delay the process?			
[]		reorganization delay	

Your answer		Previous contributor response	
6.10. Have any steps been missed? How long will they take? Please provide any comments you may have: []			
7. LIQUIDATION <i>(PLEASE COMPLETE IF A PARTY INITIATES LIQUIDATION, OR IT IS ORDERED BY THE COURT/AGENCY, E.G. IF MIRAGE'S REORGANIZATION IS NOT SUCCESSFUL)</i>			
7.1. When will the decision to have Mirage liquidated be made? <i>(e.g. 10 days after application by the tax authorities; or 5 days after the plan of Reorganization has been rejected; or 2 years after the start of Reorganization once it has been established that Mirage cannot be reorganized)</i>			
<i>legal timeframe</i>	<i>in practice</i>	<i>legal timeframe</i>	<i>in practice</i>
[]	[]	liqdec_legal	liqdec_practice
<input type="checkbox"/> NOT APPLICABLE – please explain: []			
7.2. If Liquidation is converted from Foreclosure or Reorganization, will a new administrator be appointed?			
<input type="checkbox"/> YES <input type="checkbox"/> NO <input type="checkbox"/> NOT APPLICABLE – please explain: []		liquidator	
7.3. When will the appointment of Mirage's liquidator be made?			
<i>legal timeframe</i>	<i>in practice</i>	<i>legal timeframe</i>	<i>in practice</i>
[]	[]	liqapp_legal	liqapp_practice
7.4. Please describe the major duties of the liquidator, and how long it will take to perform them (as applicable): <i>(e.g. arrange for the sale of Mirage's assets; apply to have Mirage removed from the companies register etc.)</i>			
[]		liquidator duties	
7.5. What kind of challenges and appeals are likely to be made, and what is the timeframe for submitting them?			
[]		liquidation appeals	
7.6. Who will be reviewing such challenges and appeals? <i>(e.g. the same judge; or other judges of the same court; or another court or government agency)</i>			
[]		liquidation reviewer	
7.7. By how long such challenges and appeals may delay the process?			
[]		liquidation delay	
7.8. Have any steps been missed? How long will they take? Please provide any comments you may have: []			
8. SALE OF ASSETS AND DISTRIBUTION OF PROCEEDS			
8.1. Who will handle the sale of Mirage's assets and distribution of proceeds? Please describe their roles/duties. <i>(e.g. administrator/receiver, and/or specially appointed auctioneer, and/or court official, and/or creditors' representative)</i>			
[]		sale administrator	
8.2. If an auctioneer is appointed, when will such appointment be made?			
<i>legal timeframe</i>	<i>in practice</i>	<i>legal timeframe</i>	<i>in practice</i>
[]	[]	auction_legal	auction_practice
<input type="checkbox"/> NOT APPLICABLE – please explain: []			
8.3. How much time will it take to gather information on Mirage's assets and prepare them for the sale? <i>(e.g. to put together a register of the assets)</i>			
<i>legal requirement</i>	<i>in practice</i>	<i>legal requirement</i>	<i>in practice</i>
[]	[]	salprep_legal	salprep_practice
<input type="checkbox"/> NOT APPLICABLE – please explain: []			
8.4. How will Mirage's assets be sold?			
<input type="checkbox"/> In a public auction <input type="checkbox"/> In a private sale <input type="checkbox"/> Other: [] <input type="checkbox"/> NOT APPLICABLE – please explain: []		sale method	

<i>Your answer</i>		<i>Previous contributor response</i>	
8.5. Is an advance notice of the sale of Mirage's assets required?			
<input type="checkbox"/> YES, at least [] <input type="checkbox"/> NO <input type="checkbox"/> NOT APPLICABLE – please explain: []		sale notice	
8.6. When will the sale of Mirage's assets take place?			
<i>legal timeframe</i>	<i>in practice</i>	<i>legal timeframe</i>	<i>in practice</i>
[]	[]	saltime_legal	saltime_practice
<i>other requirements</i>		<i>other requirements</i>	
[]		saltime requirements	
8.7. When will the purchase price for Mirage's assets be paid?			
<i>legal timeframe</i>	<i>in practice</i>	<i>legal timeframe</i>	<i>in practice</i>
[]	[]	price_legal	price_practice
8.8. When will some or all of the proceeds of the sale be paid to BizBank?			
<i>legal timeframe</i>	<i>in practice</i>	<i>legal timeframe</i>	<i>in practice</i>
[]	[]	distrib_legal	distrib_practice
8.9. What kind of challenges and appeals are likely to be made, and what is the timeframe for submitting them?			
[]		sale appeals	
8.10. Who will be reviewing such challenges and appeals? <i>(e.g. the same judge; or other judges of the same court; or another court or government agency)</i>			
[]		sale appeals reviewer	
8.11. By how long such challenges and appeals may delay the process?			
[]		sale delay	
8.12. Have any steps been missed? How long will they take? Please provide any comments you may have: []			
9. COST			
9.1. Please describe the costs that the parties will likely incur during the Insolvency Process:			
<i>Type</i>	<i>Legal basis</i>	<i>Amount (in local currency or USD)</i>	
a) Court or government agency fees	<i>Your answer</i>		
	[]	[]	
	<input type="checkbox"/> NOT APPLICABLE – please explain: []		
	<i>Previous contributor response</i>		
	govfees_legal	govfees_amount	
b) Attorney fees	<i>Your answer</i>		
	[]	[]	
	<input type="checkbox"/> NOT APPLICABLE – please explain: []		
	<i>Previous contributor response</i>		
	attfees_legal	attfees_amount	
c) Costs of notification and publication	<i>Your answer</i>		
	[]	[]	
	<input type="checkbox"/> NOT APPLICABLE – please explain: []		
	<i>Previous contributor response</i>		
	noticfees_legal	noticfees_amount	
d) Administrator or receiver fees	<i>Your answer</i>		
	[]	[]	
	<input type="checkbox"/> NOT APPLICABLE – please explain: []		
	<i>Previous contributor response</i>		

<i>Type</i>	<i>Legal basis</i>	<i>Amount (in local currency or USD)</i>
	adminfees_legal	adminfees_amount
e) Fees of accountants, assessors, inspectors and other professionals	Your answer	
	[]	[]
	<input type="checkbox"/> NOT APPLICABLE – please explain: []	
	Previous contributor response	
	proffees_legal	proffees_amount
f) Fees of auctioneers	Your answer	
	[]	[]
	<input type="checkbox"/> NOT APPLICABLE – please explain: []	
	Previous contributor response	
	auctionfees_legal	auctionfees_amount
g) Other costs, fees of service providers and/or government levies – please describe: []	Your answer	
	[]	[]
	<input type="checkbox"/> NOT APPLICABLE – please explain: []	
	Previous contributor response	
	otherfees_legal	otherfees_amount
9.2. Please provide any comments you may have: []		

H. Research

The following questions are part of the research that *Doing Business* conducts. Please disregard the case study assumptions when completing this section of the survey.

1. TRANSPARENCY OF THE INSOLVENCY PROCESS				
1.1. How accessible are materials in insolvency cases (you may check MORE THAN ONE answer for each column)?				
Level of accessibility	Information on the start of Insolvency Process	Final decisions of the court of first instance and appellate courts	Other court decisions in a case (e.g. resolutions on procedural issues)	Party submissions
Must be published* under the law	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Always published* in practice	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Published* only if relates to an important issue of law or procedure	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Not published,* but is accessible to anyone	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is accessible, but only for research purposes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Not accessible, except by the parties to a case	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
* "Publication" means posting on the web or including in any generally available print materials (e.g. bulletins, collections).				
1.2. Please provide names of, and/or links to, the resources where such materials are published: []				
1.3. How quickly are the materials published following their issuance by, or filing with, a court? (e.g. notices of bankruptcies are published in a monthly bulletin; or court decisions are posted online within 48 hours)				
[]				
1.4. Are court hearings in an Insolvency Process accessible to members of the general public?				
<input type="checkbox"/> YES, all of the court hearings are accessible to everyone <input type="checkbox"/> YES, some of the court hearings are accessible to everyone – please describe the accessible hearings: [] <input type="checkbox"/> YES, some or all of the court hearings are accessible, but only subject to the following requirements: [] <input type="checkbox"/> NO, only the parties to the case may attend <input type="checkbox"/> Other – please explain: []				
1.5. How are the fees of insolvency administrators and receivers usually determined (please select ALL that apply)?				
<input type="checkbox"/> The fees are charged according to an official fee schedule <input type="checkbox"/> Courts determine or approve the fees <input type="checkbox"/> Parties negotiate the fees with administrators and receivers <input type="checkbox"/> Administrators and receivers determine their fees on their own <input type="checkbox"/> Other – please explain: []				
1.6. Please provide any comments you may have: []				

2. RESCUE VS. CESSATION OF INSOLVENT BUSINESSES
2.1. Are there any specific criteria in the laws to determine if insolvent businesses are viable (and should be allowed to continue) or unviable (and should be sold piecemeal)?
<input type="checkbox"/> YES, the following criteria are specified in the laws: [] <input type="checkbox"/> NO, there are no specific criteria <input type="checkbox"/> Other – please explain: []
2.2. Are there any official statistics on the outcomes of Insolvency Processes in your economy and/or the ability of the Insolvency System to distinguish viable businesses from unviable? <i>(e.g. number of reorganized and liquidated companies; number of businesses sold as going concerns and of those sold piecemeal; data on how many companies continue operating a certain period after emerging from reorganization etc.)</i>
[]
2.3. Is there any research on the ability of the Insolvency System in your economy to distinguish viable businesses from unviable? Please provide citations and/or links to web resources, or attach copies of studies if available.
[]
2.4. Do you believe that the Insolvency System in your economy can distinguish viable businesses from unviable?
<input type="checkbox"/> YES, viable businesses are generally rescued, and the assets of unviable businesses are sold piecemeal <input type="checkbox"/> NO, many unviable businesses continue to operate despite having poor financial prospects <input type="checkbox"/> NO, the Insolvency System does not ensure the survival of viable businesses <input type="checkbox"/> Other – please explain: []
2.5. Under the law, are creditors of an insolvent company able to (directly or via a creditor meeting or committee):
a) secure the appointment of an insolvency administrator or receiver that they have chosen or nominated?
<input type="checkbox"/> YES <input type="checkbox"/> NO <input type="checkbox"/> Other – please explain: []
b) have a decisive influence on whether the company will be reorganized or if it will go directly into Liquidation?
<input type="checkbox"/> YES <input type="checkbox"/> NO <input type="checkbox"/> Other – please explain: []
c) secure the conversion of procedure into Liquidation (e.g. if the success of Reorganization is unlikely)?
<input type="checkbox"/> YES, only before a plan of Reorganization is approved <input type="checkbox"/> YES, both before and after a plan of Reorganization is approved <input type="checkbox"/> NO <input type="checkbox"/> Other – please explain: []
d) determine how assets will be sold (e.g. if the sale is private or public, or the auction step in a public sale)?
<input type="checkbox"/> YES <input type="checkbox"/> NO <input type="checkbox"/> Other – please explain: []
2.6. Is there an expedited procedure for liquidating insolvent companies?
<input type="checkbox"/> NO, there are only generic procedures applicable to all the insolvent companies <input type="checkbox"/> NO, certain companies (e.g. banks or those of high importance) are subject to special procedures, but not “expedited” <input type="checkbox"/> YES, a case may qualify for an expedited procedure if it meets the following requirements: [] <input type="checkbox"/> Other – please explain: []
2.7. Please provide any comments you may have: []

I. Referrals

If you know a lawyer, judge, insolvency administrator or receiver, or other practitioner who you consider qualified to complete this survey and who might be interested in participating in the *Doing Business* project, please include her/his name and contact information below.

First name	Last name	Organization	Position	Phone	E-mail

Thank you very much for completing the survey!

We sincerely appreciate your contribution to the *Doing Business* project.
The results will appear in *Doing Business 2012* and on our website: <http://www.doingbusiness.org>.
Your work will be gratefully acknowledged in both.