- From June 2, 2016, to June 1, 2017, *Doing Business* recorded 264 regulatory reforms making it easier to do business—with 119 economies implementing at least one reform across the different areas measured by *Doing Business*.
- The economies that showed the most notable improvement in *Doing Business* 2018 are Brunei Darussalam, Thailand, Malawi, Kosovo, India, Uzbekistan, Zambia, Nigeria, Djibouti and El Salvador.
- Starting a business and getting credit were the areas with the highest incidence of reforms in 2016/17, with 38 reforms recorded in each area. Simplifying registration formalities was the most common feature of reforms making it easier to start a business. The most common feature of reforms making it easier to get credit was the introduction of new credit bureaus and registries.
- Europe and Central Asia continued to be the region with the highest share of economies (79%) implementing at least one business regulation reform, a trend that began over a decade ago. Sub-Saharan Africa, however, was the region with the highest total number of reforms in 2016/17, with 83 reforms recorded across all areas measured by *Doing Business*.
- East Asia and the Pacific had the highest number of economies recording the greatest overall number of reforms making it easier to do business in 2016/17. Brunei Darussalam and Thailand each implemented eight reforms while Indonesia implemented seven reforms.

Reforming the Business Environment in 2016/17

Starting a business in Thailand used to take 27.5 days. Today, thanks to a series of business regulation reforms, the process takes only 4.5 days. First, Thailand eliminated the requirement that companies obtain a company seal. Previously, every certificate of shares had to be signed by at least one director and bear the company seal. And second, Thailand repealed the requirement to obtain approval of the company's work regulations from the Labor Department. Before the reform, companies with more than 10 employees were required to submit their work regulations to the Labor Department for approval. The company's work regulations are now checked during regular labor inspections. Thailand's case is not unique. In all, 38 economies reduced the complexity and cost of business incorporation processes in 2016/17, making it easier and faster for entrepreneurs to start a business.

Reform pays off. Reducing administrative burdens, simplifying regulation, strengthening competition and cutting red tape are reforms that are positively associated with higher manufacturing productivity growth in low-income economies and aggregate productivity growth in middle-income economies.[1] There is ample evidence of the positive impact of reforming in the *Doing Business* areas with a historically higher number of reforms—namely starting a business, paying taxes and trading across borders. Regulatory reforms that make it easier to start a formal business, for example, are associated with an increase in the number of registered firms and with a higher level of employment and productivity.[2] The composition and quality of taxation can have a significant impact on productivity and economic growth.[3] Tax policies can negatively impact productivity by creating disincentives for firms to engage in innovative activities or distorting the capital-labor allocation when considering labor taxes, including mandatory social contributions. Research shows that eliminating such fiscal barriers would lift real GDP growth rates by about 1 percentage point per year on average over the next two decades.[4] Improving infrastructure efficiency and trade logistics bring documented benefits to an economy's external trade balance and individual traders but transit delays can reduce exports. A study analyzing the importance of trade logistics found that a 1-day increase in transit time reduces exports by an average of 7% in Sub-Saharan Africa.[5]

WHO REFORMED THE MOST IN 2016/17?

From June 2, 2016, to June 1, 2017, *Doing Business* recorded 264 regulatory reforms making it easier to do business—with 119 economies implementing at least one reform across the different areas measured by *Doing Business* (see table 3A.1 at the end of this chapter). However, starting a business, getting credit and trading across borders are the topics with the highest incidence of reforms in 2016/17 (table 3.1).

TABLE 3.1 Economies in Europe and Central Asia recorded the highest share of reforms making it easier to do business in 2016/17

Area of reform	Number of reforms in 2016/17	Region with the highest share of reformers in 2016/17
Starting a business	38	South Asia
Dealing with construction permits	22	Sub-Saharan Africa
Getting electricity	20	Europe & Central Asia
Registering property	29	Europe & Central Asia
Getting credit	38	South Asia
Protecting minority investors	21	South Asia
Paying taxes	30	East Asia & Pacific
Trading across borders	33	South Asia
Enforcing contracts	20	South Asia
Resolving insolvency	13	South Asia

Source: Doing Business database.
Note: The labor market regulation indicators also recorded 17 regulatory changes in the *Doing Business 2018* report. These changes are not included in the total reform count.

The region with the highest share of economies reforming across all topics is Europe and Central Asia, continuing a trend that began over a decade ago. Indeed, 79% of economies in the region implemented at least one business regulation reform recorded by *Doing Business 2018*. With five reforms, Uzbekistan is the regional leader on the total count of reforms, followed by Lithuania and Azerbaijan with four reforms each. However, Sub-Saharan Africa is the region with the highest total number of reforms in 2016/17 with 83 reforms recorded across all areas measured by *Doing Business*. Three-quarters of economies in the region implemented at least one business regulation reform in 2016/17. Similarly, 75% of economies in South Asia have implemented at least one business regulation reform captured in *Doing Business 2018*.

East Asia and the Pacific has the greatest number of economies recording the greatest overall number of reforms making it easier to do business in 2016/17; Brunei Darussalam and Thailand each implemented eight reforms while Indonesia implemented seven reforms. Latin America and the Caribbean and the OECD high-income group had the smallest shares of economies implementing business regulation reforms. The Middle East and North Africa was also among the regions with a relatively small share of economies reforming (65%). Nonetheless, Saudi Arabia implemented six reforms.

The 10 economies showing the most notable improvement in performance on the *Doing Business* indicators in 2016/17 were Brunei Darussalam, Thailand, Malawi, Kosovo, India, Uzbekistan, Zambia, Nigeria, Djibouti and El Salvador (table 3.2). These economies together implemented 53 business regulation reforms across 10 of the areas measured by *Doing Business*. Overall, the 10 top improvers implemented the most regulatory reforms in the area of getting credit (eight reforms), starting a business, dealing with construction permits and paying taxes (seven reforms in each area).

TABLE 3.2 The 10 economies improving the most across three or more areas measured by *Doing Business* in 2016/17

Economy	Ease of doing business rank	Change in DTF score	Reforms making it easier to do business									
			Starting a business	Dealing with construction permits	Getting electricity	Registering property	Getting credit	Protecting minority investors	Paying taxes	Trading across borders	Enforcing contracts	Resolving insolvency
Brunei Darussalam	56	5.77	✔	✔		✔	✔	✔	✔	✔	✔	
Thailand	26	5.65	✔		✔	✔	✔	✔	✔		✔	✔
Malawi	110	5.42		✔			✔			✔		✔
Kosovo	40	4.94	✔				✔					✔
India	100	4.66	✔	✔			✔	✔	✔	✔	✔	✔
Uzbekistan	74	4.50	✔	✔	✔			✔	✔			
Zambia	85	3.94					✔		✔	✔		
Nigeria	145	3.82	✔	✔		✔	✔		✔			
Djibouti	154	3.79	✔	✔		✔	✔	✔				
El Salvador	73	3.56		✔	✔				✔	✔		

Source: Doing Business database.
Note: Economies are selected on the basis of the number of reforms and ranked on how much their distance to frontier (DTF) score improved. First, *Doing Business* selects the economies that implemented reforms making it easier to do business in three or more of the 10 areas included in this year's aggregate distance to frontier score. Regulatory changes making it more difficult to do business are subtracted from the number of those making it easier. Second, *Doing Business* ranks these economies on the increase in their distance to frontier score due to reforms from the previous year (the impact due to changes in income per capita and the lending rate is excluded). The improvement in their score is calculated not by using the data published in 2016 but by using comparable data that capture data revisions and methodology changes. The choice of the most improved economies is determined by the largest improvements in the distance to frontier score among those with at least three reforms.

Among the 10 top improvers, Brunei Darussalam made the biggest advance toward the regulatory frontier for the second consecutive year by implementing eight reforms making it easier to do business. Brunei Darussalam removed post-incorporation procedures and implemented new building guidelines for construction, eliminating the requirement to obtain a hoarding permit and to submit both the commencement and completion notice to the one-stop shop. Additionally, Brunei Darussalam adopted a new secured transactions law that strengthened the rights of borrowers and creditors and strengthened minority investor protections by increasing shareholders' rights and role in major corporate decisions, clarifying ownership and control structures and requiring greater corporate transparency. The economy also introduced an electronic case management system for use by judges and lawyers and introduced an online system for filing and payment of the contributions to the employee provident fund. Finally, in 2016/17 Brunei Darussalam enhanced its National Single Window for goods clearance.

Thailand, the other economy in East Asia and the Pacific that made it to the list of the 10 top improvers, implemented changes in eight areas measured by *Doing Business*. Thailand streamlined the post-registration process to start a new business. Thailand also adopted a new secured transactions law that strengthened the rights of borrowers and creditors, introduced an automated risk-based system for selecting companies for tax audit and increased the automation and efficiency of enforcement processes in Bangkok. In addition, Thailand strengthened its land administration system by implementing a geographic information system and scanning the majority of maps in Bangkok.

Three Sub-Saharan African economies—Nigeria, Malawi and Zambia—made it to the list of 10 top improvers in 2016/17. Nigeria made starting a business faster by introducing the electronic approval of registration documents. Nigeria also increased the transparency of dealing with construction permits by publishing all relevant regulations, fee schedules and pre-application requirements online. In addition, Nigeria improved access to credit information by legally guaranteeing borrowers the right to inspect their own data and by starting to provide credit scores to banks, financial institutions and borrowers. Nigeria also introduced new centralized electronic payment channels for the payment of all federal taxes. Malawi halved the fees charged by the city council and reduced the time to process building plan approvals. It also improved access to credit information by establishing a new credit bureau. Zambia made exporting and importing easier by implementing the ASYCUDA World data management system and made tax compliance easier by introducing an online platform for filing and paying taxes. All three economies introduced or made amendments to their secured transactions laws.

Kosovo and Uzbekistan are the two economies in Europe and Central Asia that made the biggest advances toward the frontier in 2016/17. Kosovo recorded three reforms making it easier to do business, including adopting a new law that establishes clear priority rules inside bankruptcy for secured creditors and clear grounds for relief from a stay for secured creditors during reorganization procedures. Uzbekistan, which recorded five reforms, streamlined the process of obtaining an electricity connection by introducing a "turnkey" service at the utility that fulfills all connection-related services, including the design and construction completion of the external connection.

With eight reforms making it easier to do business in 2016/17, India was the only economy in South Asia to join the list of the 10 top improvers. India made obtaining a building permit faster by implementing an online Single Window System for the approval of building plans; the new system allows for the submission and approval of building plans prior to requesting the building permit. India also streamlined the business incorporation process by introducing the SPICe form (INC-32), which combined the application for the Permanent Account Number (PAN) and the Tax Account Number (TAN) into a single submission. Furthermore, following improvements to the online system in 2016, the time needed to complete the applications for Employee's Provident Fund Organization (EPFO) and the Employee's State Insurance Corporation (ESIC) decreased. The joint application for the Mumbai Value Added Tax (VAT) and the Profession Tax (PT) also was fully implemented in January 2017. India also strengthened access to credit by amending the rules on priority of secured creditors outside reorganization proceedings and adopting a new insolvency and bankruptcy code that introduced a reorganization procedure for corporate debtors. In trading across borders, India reduced border compliance time by improving infrastructure at the Nhava Sheva Port in Mumbai. Export and import border compliance costs were also reduced in both Delhi and Mumbai after merchant overtime fees were abolished. Thanks to the increased use of electronic and mobile platforms, since July 2016 importers under the Authorized Economic Operator (AEO) program have been able to clear cargo faster through simplified customs procedures.

With four reforms—captured in the indicators for dealing with construction permits, getting electricity, paying taxes and trading across borders—El Salvador is the only economy in Latin America and the Caribbean on this year's list of 10 top improvers. Similarly, Djibouti (with five reforms) is the only economy in the Middle East and North Africa region on the list.

REMOVING OBSTACLES TO STARTING A BUSINESS

Entrepreneurs in many economies continue to face significant barriers to entry when starting a business. Burdensome and costly regulation can prevent entrepreneurs from entering the formal economy, negatively impacting both the public and private sectors. Formalization allows entrepreneurs and employees to access the legal and financial services available to registered companies (such as obtaining loans and social security benefits). There is clear evidence that streamlining regulatory procedures can encourage business entry, business growth, job creation and rising national incomes.

Thirty-eight economies made starting a business easier in 2016/17 by reducing the procedures, time or cost associated with the process. Two-thirds of these economies simplified registration formalities by, for example, abolishing requirements to obtain various approvals or consolidating several registration processes into one. Others streamlined postregistration procedures by eliminating the need to obtain a general business license or company seal. And still others set up or improved one-stop shops, reduced or eliminated minimum capital requirements and set up online platforms for entrepreneurs. Of the 38 economies that reformed in this area, 12 implemented complex improvements associated with two or more types of reforms.

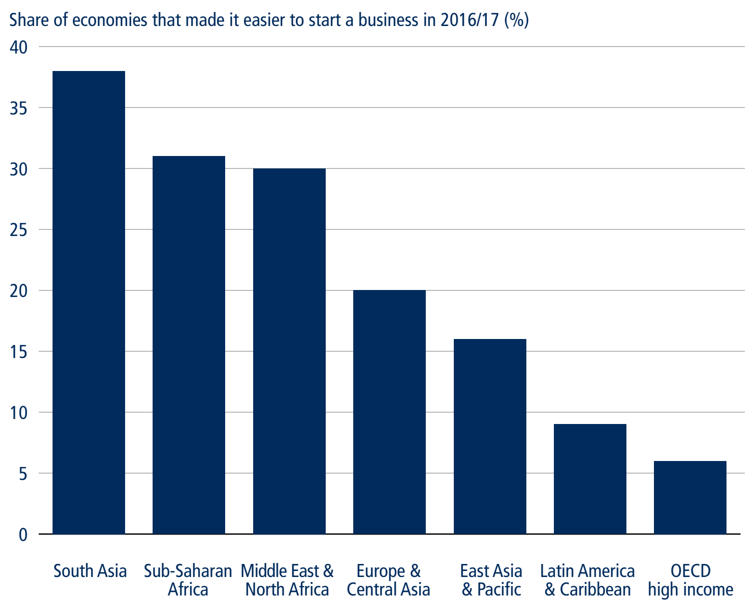
Equatorial Guinea advanced the most toward the frontier in starting a business in 2016/17. It did this by abolishing the requirement to obtain an authorization of establishment from the Office of the Prime Minister to start a business. Previously, it took four months on average for each new business to obtain this authorization.

Niger, another economy that notably improved the ease of starting a business, reduced its minimum capital requirement, allocated more personnel to its one-stop shop—resulting in a reduction in the time required to register a company—and allowed for the publication of the notice of company incorporation online free of charge.

Since its inception, *Doing Business* has captured at least one reform making it easier to start a business in almost 95% of economies. These reforms have made it faster and easier for firms to launch and formally operate. Fifteen years ago, it took entrepreneurs worldwide 52 days on average to start and formally operate a firm. Today, it takes 20 days.

Simplifying registration requirements can range from merging registration procedures to eliminating redundant processes. Several economies in Sub-Saharan Africa took steps to streamline these formalities in 2016/17 (figure 3.1). By eliminating the requirement that a woman must obtain her husband's permission to operate a business, the Democratic Republic of Congo made it easier for women to register firms. And by combining multiple business registration procedures, the Democratic Republic of Congo also reduced the time required to start a business by nearly a business week.

FIGURE 3.1 Economies in South Asia and Sub-Saharan Africa have the highest share of reforms making it easier to start a business in 2016/17



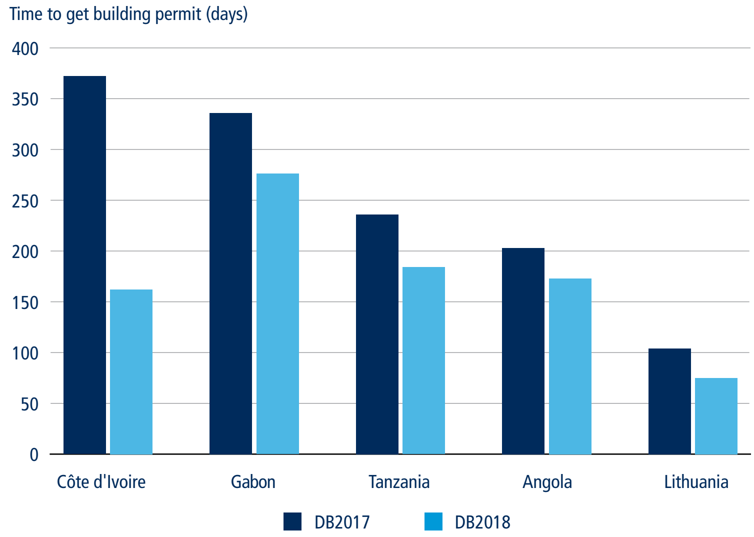
Source: Doing Business database.

STREAMLINING THE PROCESS OF OBTAINING A BUILDING PERMIT

The construction sector is a critical indicator of the health of an economy. An abundance of stalled construction projects is a visible sign of economic hardship, while a booming construction industry is indicative of economic growth. Although various obstacles remain—including the fragmented nature of the construction industry and its hesitancy to adapt to technological change—governments around the world are focused on implementing reforms that reduce the time and cost to obtain permission to build.[6] In 2016/17, five of the 22 economies that reformed their construction permitting processes focused their reforms on reducing the time to obtain the building permit itself (figure 3.2).

Côte d'Ivoire, which showed the most significant improvement in this area in

FIGURE 3.2 Many economies made getting construction permits faster in 2016/17



Source: Doing Business database.

2016/17, established a one-stop shop for building permits and published deadlines, costs and procedures related to obtaining the urban planning certificate. As a result, Côte d'Ivoire reduced the number of required procedures by four and the time to process applications by 210 days.

Notable progress was also made elsewhere in Sub-Saharan Africa, where 15 economies reformed multiple aspects of their construction permitting processes. Gabon streamlined procedures and reduced the time to obtain a building permit by setting up an internal pre-approval meeting of relevant technical experts who examine the application prior to a formal committee meeting. Gabon also made its building regulations, fee schedules and requirements to obtain a building permit available online. Similarly, Benin and Ghana improved transparency by making regulations concerning construction openly accessible online while Rwanda increased quality control during construction by introducing risk-based inspections. Kenya reduced construction fees by eliminating clearance fees from the National Environment Management Authority and the National Construction Authority. Malawi halved building permit fees. Tanzania streamlined its permitting process by improving the efficiency of its one-stop shop and increasing the frequency of building permit council meetings to once a month.

In Europe and Central Asia, Ukraine reduced the cost of construction by significantly lowering mandatory investor contributions to Kyiv's social and engineering-transport infrastructure. Lithuania reduced the time needed to obtain technical conditions and the building permit. Uzbekistan streamlined the process for obtaining approvals of land plot allocations from various agencies.

MAKING ACCESS TO ELECTRICITY MORE EFFICIENT AND RELIABLE

World Bank Enterprise Surveys data show that business owners in developing economies identify access to reliable electrical services as the fourth largest obstacle to doing business.[7] However, electricity sector constraints vary. A difficult connection process is associated with utility corruption and may hamper firms,[8] while an unreliable electricity supply is linked to low firm productivity.[9]

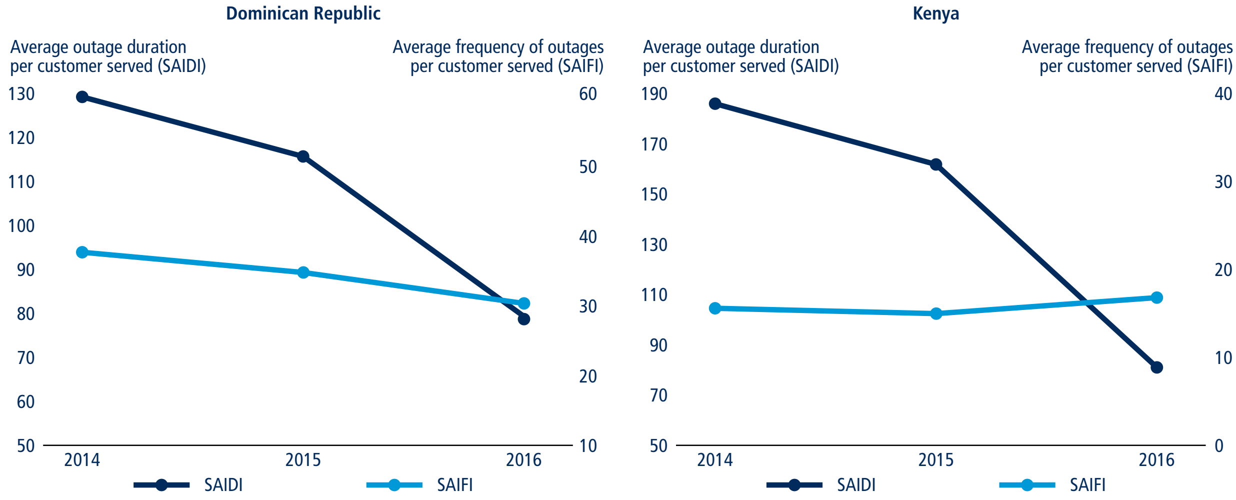
Both an efficient connection process and safeguards to mitigate outage risks are crucial to business owners. Effective customer protections and regulations also provide predictability for firms, enabling them to better forecast risks.

Given the importance of the electricity sector, many economies aim to improve access to electricity and the quality of supply to strengthen the operating environment for small and medium-size enterprises. *Doing Business* recorded reforms in 20 economies making it easier to get electricity in 2016/17. Of these, 12 economies focused on improving the connection process and eight on the reliability of electricity supply.

The most common feature of electricity reforms in the past year was improvement to the connection process. Regulatory changes that reduce the number of interactions required between the utility or other third parties and customers when they apply for an electricity connection are an effective way to improve the connection process. Armenia successfully reduced the number of interactions required in 2016/17 by installing a geographic information system, eliminating the need for a site inspection to issue the technical conditions. As a result, the total time to obtain a connection was reduced from 138 days in 2016 to 127 days in 2017.

In the Dominican Republic and Kenya changes were made to improve the reliability of power supply. Major upgrades were made to the network infrastructure in Santo Domingo and Nairobi, resulting in a notable reduction in the duration of outages (figure 3.3). In Kenya, the utility in Nairobi invested in its distribution lines and transformers and set up a squad specializing in restoring power when outages occur. In the Dominican Republic, the utility in Santo Domingo built new substations, redesigned the network zoning plan and established a response squad to quickly restore service after an outage. The initiatives implemented by

FIGURE 3.3 The duration of power outages has decreased in the Dominican Republic and Kenya



Source: Doing Business database.

Note: The figures show the average number of hours without electricity supply (as measured by SAIDI) and the average number of power outages (as measured by SAIFI) per customer served over the course of a year in the largest business city in each economy.

the utilities in both economies resulted in significant improvements in the reliability of electric supply. As a result, Kenya and the Dominican Republic became eligible to score on *Doing Business'* reliability of supply and transparency of tariff index as their System Average Interruption Duration Index (SAIDI) and System Average Interruption Frequency Index (SAIFI) scores are now below 100.

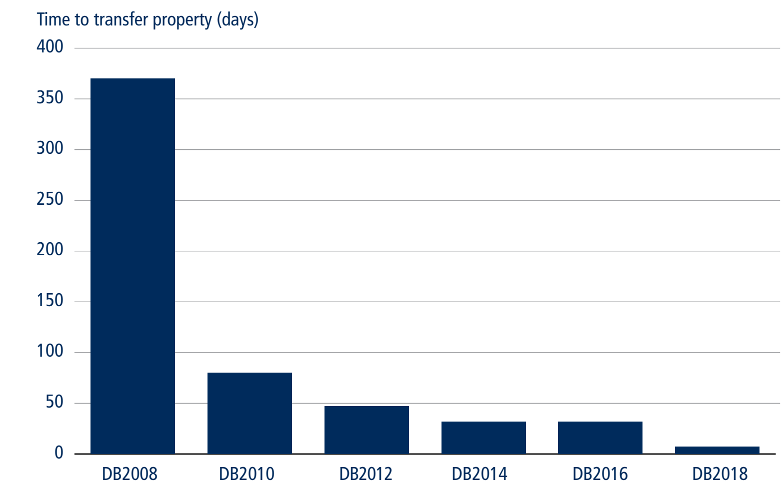
IMPROVING THE QUALITY OF LAND ADMINISTRATION

Valid property rights are necessary to support investment, productivity and economic growth. Evidence from economies around the world suggests that property owners with registered titles are more likely to invest. They also have a better chance of getting credit when using their property as collateral. Likewise, having reliable, up-to-date information in cadasters and land registries is essential for governments to correctly assess and collect property taxes.

Twenty-nine economies made registering a property easier by increasing the efficiency of property transfers and improving the quality of land administration in 2016/17. The most common improvements included increasing transparency of information and increasing administrative efficiency by reducing the time to transfer property.

Mauritius made the biggest improvement in the ease of registering property in 2016/17. It did this by eliminating the 10% transfer tax and registration duty, implementing a complaint mechanism and publishing service standards. Rwanda also made improvements to its property registration process in 2016/17. Rwanda reduced the time for a property transfer by introducing new online services such as user searches of property information and online property transfer filing and registration (figure 3.4). It is

FIGURE 3.4 Rwanda has consistently reduced the time it takes to transfer property



Source: Doing Business database.

now possible to search online for owners of specific properties, locations and the encumbrances affecting the property. In addition, the parties, or their notary, can file the property transfer deed for registration online. Niger significantly reduced registration costs by reducing notary fees from 4% of the property value to a regressive fee scheme based on the property value. The government also made changes to the General Tax Code to lower property transfer registration fees.

Among regions, Europe and Central Asia and Sub-Saharan Africa tie as the regions with the most reforms relating to the transfer of property in 2016/17. In Europe and Central Asia, Croatia passed the Real Estate Transfer Act, which decreased the real estate transfer tax from 5% to 4%, while Kazakhstan made cadastral plans in Almaty available to the public via the government's website and began publishing statistics on land disputes. The Russian Federation made property registration services available at its one-stop shop and passed legislation requiring that property registrations be completed within nine working days. In Sub-Saharan Africa, the land registry in Mauritania launched a website that provides relevant information to the public on land registry services, including property transfer regulations, procedures and fees. Senegal decreased property registration times by streamlining the interactions between different departments at the property registry, introducing internal mechanisms to identify bottlenecks and enacting internal time limits to speed up the registration process.

STRENGTHENING ACCESS TO CREDIT

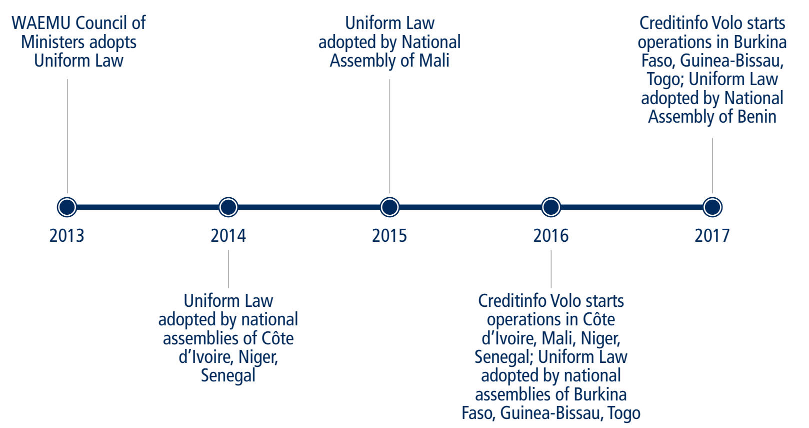
Twenty-four economies implemented reforms improving their credit information systems in 2016/17. The most common feature of reform was the introduction of new credit bureaus and registries to improve the sharing of credit information. Malawi made the most improvement in credit reporting by operationalizing a new credit bureau, Credit Data CRB, in July 2016. The credit bureau distributes positive and negative credit information on both firms and individuals and borrowers have a legally-guaranteed right to inspect their own data. Cameroon, Indonesia, Iraq, Jordan and Slovenia all established a new credit bureau or registry in 2016/17. Azerbaijan, Djibouti and Myanmar improved their regulatory framework for credit reporting, enabling the creation of new credit bureaus in the near future.

Economies in West Africa also implemented reforms in 2016/17 to improve their credit reporting systems. All West African Economic and Monetary Union (WAEMU) member states have now formally adopted the Uniform Law on the Regulation of Credit Information Bureaus. WAEMU's regional credit bureau, Creditinfo VoLo, began operations in Burkina Faso, Guinea-Bissau and Togo in early 2017. These economies joined Côte d'Ivoire, Mali, Niger and Senegal, where Creditinfo VoLo was launched in 2016 (figure 3.5).

Elsewhere, economies adopted global good practices in credit reporting. The credit bureaus in Nigeria, Qatar and the United Arab Emirates began offering credit scores to their data users as a value-added service. Improvements were also made in the distribution of data from sources other than financial institutions. In Bhutan, two utility companies began submitting positive and negative information on consumer accounts to the credit bureau. In Kenya, public utility companies and savings and credit cooperative organizations are now required to share credit information. In the Islamic Republic of Iran, a vehicle dealership began sharing information on credit-based transactions with the credit bureau.

In 2016/17, 18 economies made it easier for businesses to obtain credit by modifying legislation to encourage the use of moveable property as collateral. The most common feature of reform included improvements in the legislative framework for secured transactions encompassing functional equivalents to security interests and creating modern, searchable collateral registries which are accessible on-line for the registration, modification and cancelation of security interests. West Bank and Gaza

FIGURE 3.5 Timeline of West African Economic and Monetary Union regional credit bureau



Source: Doing Business database.

made the most noteworthy improvement in 2016/17 by adopting a secured transactions law in 2016 that establishes a modern collateral registry and allows a general description of present and future assets used as security interests. The new rules also establish priority for secured creditors outside insolvency and permit out-of-court enforcement.

Belarus created the Registry of Encumbrances on Movable Property in 2016 to record, store and provide information on security interests in movable assets. Mongolia's Law on Movable and Intangible Property Pledges, which entered into force in March 2017, regulates the assignment of receivables, financial leases and retention-of-title sales, requiring their registration with the collateral registry. Similarly, Brunei Darussalam, the Kyrgyz Republic, Mongolia, Malaysia, Nepal, Nigeria, Russia, Samoa, Turkey and Zambia introduced new laws establishing modern collateral registries.

PROTECTING THE RIGHTS OF MINORITY SHAREHOLDERS

Djibouti made the most noteworthy improvements to minority investor protections in 2016/17. A new law, Law No. 191/AN/17/7, which modified the Code of Commerce, takes significant steps to mitigate the risk of prejudicial conflicts of interest in companies. The law requires directors to inform their board in detail of any conflict of interest they may have on a proposed transaction. If they decide to proceed, they must also include the terms of the transaction and the extent of the conflict of interest in the annual report. Even after these precautions, shareholders can file in court to cancel the transaction and recover any profits made by the interested parties if the transaction was prejudicial to the company. Shareholders can also inspect transaction documents before filing a suit and seek reimbursement of their legal expenses. In addition, the law stipulates that transactions representing 51% of a company's assets must be authorized by its shareholders and that the notice of meeting should be sent 21 days in advance. As a result of these and other amendments, Djibouti improved its score on all six indices of the indicator set, resulting in a 21.67-percentage point increase in its distance to frontier score for minority investor protections (figure 3.6).

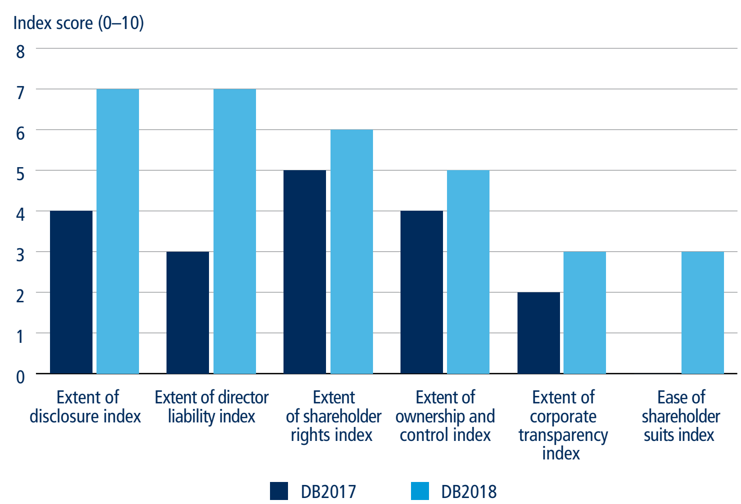
Twenty other economies also strengthened minority shareholder protections in 2016/17.[10] Costa Rica enacted Law No. 9392 in October 2016 which provides specific protections for minority investors and strengthens safeguards against conflicts of interest. The board of directors now must vote on transactions with interested parties and board members who have a personal interest must clearly disclose their interest and abstain from voting in this case. Should shareholders choose to file a claim against the transaction, the law also increases their access to evidence both before and during court proceedings. As a result, Costa Rica's score improved significantly on both the extent of disclosure index and the ease of shareholder suits index, resulting in a 10 percentage point increase in its distance to frontier score for minority investor protections.

Thirteen economies—Azerbaijan, Brunei Darussalam, Djibouti, Arab Republic of Egypt, France, Indonesia, Kazakhstan, Lithuania, Malaysia, Nepal, Rwanda, Saudi Arabia and Uzbekistan—passed legislation in 2016/17 that increased corporate transparency requirements. These laws give more agenda-setting power to shareholders and disclose board member activities in other companies, executive compensation and audit reports. As a result, all of these economies improved their scores on the extent of corporate transparency index.

Azerbaijan, Bhutan, Brunei Darussalam, Djibouti, Georgia, Kazakhstan, Rwanda, Saudi Arabia and Thailand took steps to clarify corporate governance, ownership and control structures by, for example, enacting legislation that requires companies to nominate independent board members and set up an audit committee. These changes resulted in improvements in the scores of these nine economies on the extent of ownership and control index.

Finally, 11 economies enacted regulation in 2016/17 enhancing approval and disclosure requirements for related-party transactions. Among them, Luxembourg

FIGURE 3.6 Djibouti strengthened minority investor protections the most in 2016/17



Source: Doing Business database.

made it easier for shareholders representing 10% of the share capital of their company to get access to corporate information and to sue directors in cases of prejudicial third-party transactions. These 11 economies—Costa Rica, Djibouti, Georgia, India, Kazakhstan, Luxembourg, Pakistan, Rwanda, Saudi Arabia, Thailand and Ukraine—improved on the extent of approval, extent of director liability and ease of shareholder suits indices.

ENHANCING TAX COMPLIANCE SYSTEMS

Properly developed, effective taxation systems are crucial for a well-functioning society. In most economies, taxes are the main source of revenue to fund public spending on education, health care, public transport, infrastructure and social programs, among others. Tax policy is one of the most contentious areas of public policy. A large body of theoretical and empirical work examines the effects of high tax rates and complex fiscal systems. Although determining the optimal tax system can be challenging because context matters when economies want to maximize their welfare, there is less uncertainty—from both theoretical and empirical perspectives—about the distortionary effects of high taxes and cumbersome tax systems. A good tax system should ensure that taxes are proportionate and certain (not arbitrary) and that the method of paying taxes is convenient to taxpayers. Lastly, taxes should be easy to administer and collect.

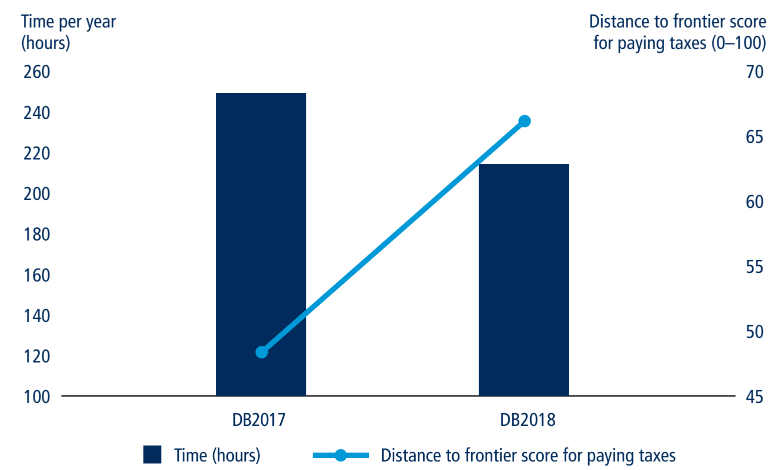
El Salvador made the greatest advances in tax payment systems in 2016/17. Following regulatory changes, all companies are now required to submit their tax returns electronically. Electronic payments are now used by a majority of companies in El Salvador for profit taxes, value added taxes and labor taxes, including mandatory contributions. The tax administration also moved to a different assessment criteria for selecting companies for a tax audit, with its focus now primarily on larger companies. Low-risk companies and small businesses would not be selected for a tax audit in the case of an underpayment or self-reporting an error in the corporate income tax return.

The most common feature of reforms in the area of paying taxes over the past year was the implementation or enhancement of electronic filing and payment systems. Besides El Salvador, 16 other economies—Botswana, Brunei Darussalam, India, Indonesia, Kenya, Lithuania, Maldives, Morocco, New Zealand, the Philippines, Rwanda, Saudi Arabia, Uruguay, Uzbekistan, Vietnam and Zambia—introduced or enhanced systems for filing and paying taxes online. India eased tax compliance on businesses by implementing an online platform for the electronic payment of the Employee Provident Fund and introducing administrative measures to ease corporate income tax compliance (figure 3.7).

The use of electronic tax filing and payment systems has increased substantially since 2006, with the most notable progress in the economies of Europe and Central Asia. Sub-Saharan Africa remains the region with the smallest share of economies using electronic filing or payments. However, in 2016 the use of online systems for filing and payment of taxes resulted in efficiency gains in several economies in the region, including Botswana, Kenya, Rwanda and Zambia. Angola, Mauritania, Senegal and Togo are improving their systems to enable taxpayers to shift from manual to online filing of tax returns in the near future.

Other economies directed efforts at reducing the financial burden of taxes on businesses and keeping tax rates at a reasonable level to encourage private sector development. With the objective of promoting more stable employment conditions, Italy exempted employers from social security contributions for a maximum of 36 months for hires with open-ended contracts from January 1, 2015 to December 31, 2015. Japan reduced the corporate income tax rate at the national level from 25.5% to 23.9% for tax years beginning on or after April 1, 2015. The Bahamas reduced the rate of stamp duty on land sales from 10% in 2015 to 2.5% in 2016.

FIGURE 3.7 India made paying taxes faster by requiring the electronic payment of some taxes



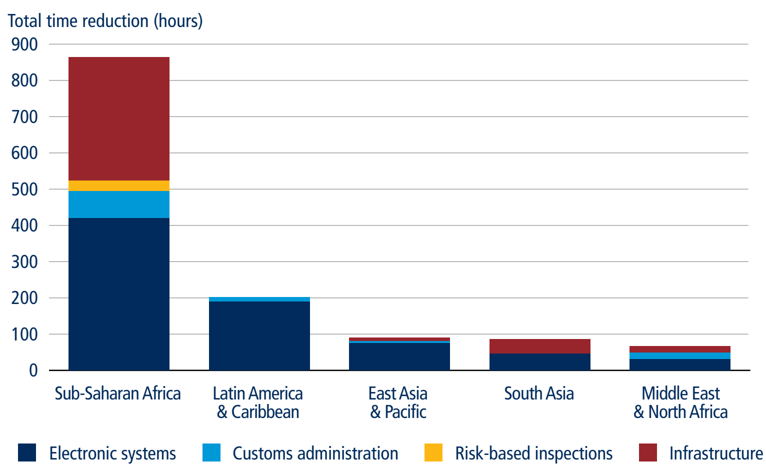
Source: Doing Business database.

FACILITATING INTERNATIONAL TRADE

International trade is a cornerstone of economic development, as access to international markets is strongly correlated with economic growth.[11] Although tariffs on exports and imports have fallen on average in recent decades, non-tariff measures have gained increasing prominence.[12] Optimizing time and costs in the trade sector is strongly associated with trade growth, diversification and economic expansion.[13] Accordingly, global trade policies have shifted their focus from tariffs to trade facilitation, including the elimination of trade-related transactions costs. *Doing Business* tracks global trade policies and reforms that facilitate trade by implementing cost-effective, time-efficient and transparent regulatory practices (figure 3.8).

Of the 33 economies that undertook reforms making it easier to trade across borders in 2016/17, 22 improved their existing electronic systems for exports or imports, reducing the time of documentary and border compliance by more than 760 hours overall. More than half of this time savings is associated with the enhancement of existing electronic systems. Zambia reduced the time to complete documentary and border compliance by about 30%, underscoring the impact of roll out of the ASYCUDA World system, an automated customs data management system, to multiple customs offices nationwide. In 2017 Zambia increased the functionality of the platform, enabling the electronic submission of declarations, supporting documents and the online payment of customs fees. Following its upgrade from ASYCUDA to the *Sistema Único de Modernización Aduanera* (Single Customs Modernization System; SUMA), Bolivia has enabled traders to clear their goods electronically, submitting customs declarations and supporting documents online and eliminating the need for visits to multiple government agencies to obtain clearance. As a result, Bolivia reduced the time required to prepare and submit all required documentation by 72 hours overall.

FIGURE 3.8 Reforms affecting customs, especially those regarding the implementation of electronic systems, produce the highest time savings across regions



Source: Doing Business database.

Note: The time reduction captures reforms that were implemented and had a positive impact on time for the trading across borders indicator set from 2016 to 2017. The reforms recorded during this period are aggregated in four wide-ranging categories: electronic systems, customs administration, risk-based inspections and infrastructure. Regions with no reforms on time are excluded from the figure.

Eleven economies significantly upgraded their trade logistics infrastructure in 2016/17. Inadequate infrastructure is one of the main burdens in international trade.[14] As part of its National Development Plan 2013-2017, Angola has significantly rehabilitated and upgraded the port of Luanda, expanding the terminals, adding new berths and acquiring equipment. This has resulted in improvements in handling processes and reduced border compliance time for both exports and imports.

The regions implementing the most reforms making it easier to trade across borders in 2016/17 were Sub-Saharan Africa (46% of reforms in this area) and East Asia and the Pacific (18%). Together, the economies in these two regions account for nearly 64% of reforms in this area as captured by *Doing Business 2018*. The remainder of reforms were made by economies in Latin America and the Caribbean (15%), the Middle East and North Africa (9%), South Asia (9%) and Europe and Central Asia (3%).

ENHANCING JUDICIAL EFFICIENCY

A judicial system that provides effective commercial dispute resolution is crucial to a healthy economy.[15] Case management systems supporting manual case flow through forms and files contribute to the overall timeliness and efficiency of the justice system, especially when combined with increased court automation and information communication technology solutions.[16] The introduction of new case management features, or the expansion of existing case management or court automation systems, was the most common reform feature recorded in 2016/17. Some economies—Guyana and Kazakhstan, for example—focused on strengthening regulatory case management principles by introducing tighter time standards for key court events. Others—such as Switzerland and Taiwan, China—focused on the implementation of a platform for the electronic submission of the initial complaint. Hungary strengthened its existing electronic-filing system by integrating it with a platform that allows litigants to pay court fees electronically.

Namibia, the economy that improved most notably in the area of enforcing contracts in 2016/17, is witnessing the results of a seven-year reform process in case management and information communication technology systems that began with a peer learning exercise with some of the top-performing economies on the enforcing contracts indicators. The reform process led to the approval of new court rules in 2014 that incorporated many case management principles such as time limits for key court events, early case management through pre-trial conferences, earlier intervention by the judge, tools to dispose of cases that have been "abandoned" by the parties and court-connected mediation. The court also upgraded its information communication technology systems and court users are now able to submit their initial complaint online, while judges and lawyers have access to a dedicated online case management system. Today the Windhoek High Court has a case clearance rate of above 110% (figure 3.9), higher than some of the most sophisticated economies in the world, including Finland and Sweden.[17]

Other economies have strengthened judicial efficiency through the introduction of a specialized commercial court. Bhutan introduced dedicated benches that only hear commercial cases. Guyana, Nicaragua, the Slovak Republic and Vietnam strengthened their regulatory environment by introducing a new Code of Civil Procedure.

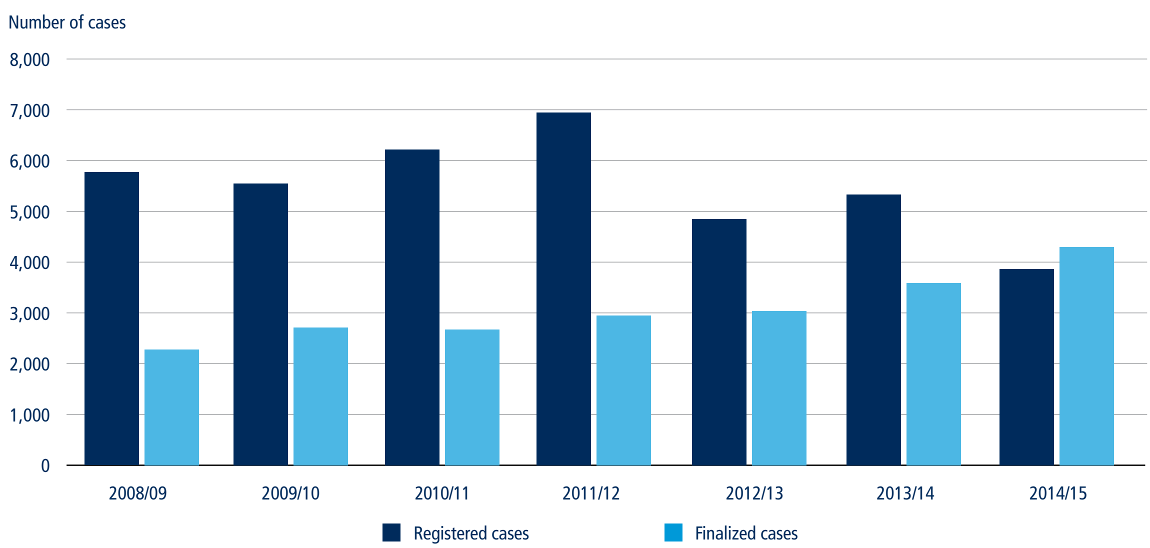
PROMOTING EFFICIENT BANKRUPTCY REGIMES

Efficient regulation of corporate insolvency is associated with increased access to credit for firms and on better terms.[18] Creditors are more willing to lend because they are more likely to recover their loans. Additionally, economies that reform their insolvency law to provide a mechanism for business rescue may reduce the failure rate among firms, help maintain a higher overall level of entrepreneurship in the economy and preserve jobs.[19] By facilitating the efficient business exit and liquidation of nonviable companies, an insolvency framework supports the efficient reallocation of resources across the economy.[20]

In 2016/17 *Doing Business* recorded 13 reforms making it easier to resolve insolvency. The most common feature of reform was the introduction of a reorganization procedure as an alternative to liquidation. Cabo Verde, the Dominican Republic, Grenada, India, Kosovo, Liberia, Malawi, Panama, Singapore and the United Arab Emirates adopted legal regulations enabling parties to make use of reorganization procedures for the purpose of saving viable businesses where there is a prospect of financial recovery.

The reform in Kosovo is particularly noteworthy. A comprehensive insolvency law, which was adopted in July 2016, introduced a number of modern features that are aligned with international good practices. In addition to establishing reorganization and liquidation procedures, the law provided the debtor with

FIGURE 3.9 Namibia has reduced its case backlog by implementing a case management system



Source: Namibia Superior Courts data (http://www.ejustice.moj.na).

the option to submit a pre-packaged rehabilitation plan before the commencement of reorganization proceedings and established expedited insolvency proceedings for small and medium-size enterprises. These new elements not only streamline liquidation and reorganization proceedings in Kosovo in general, but are also likely to shorten the timeframe for resolving insolvency. The law also allows the debtor to obtain new financing after the commencement of insolvency proceedings to facilitate continued operations, regulates the treatment of contracts and establishes a cross-border insolvency regime (table 3.3).

Upper-middle-income and high-income economies mainly focused their efforts on strengthening the rights of creditors in insolvency proceedings in 2016/17. Azerbaijan, the Dominican Republic, Grenada, and Panama made important amendments to their legal frameworks to provide creditors with additional safeguards and enable their participation in important decisions that affect their interests. The Dominican Republic and Grenada granted creditors the right to approve the sale of substantial assets of the debtor. Azerbaijan and Grenada provided creditors with the right to request information on the financial affairs of the debtor at any time. Additionally, Azerbaijan and Georgia granted creditors the right to object to the decision accepting or rejecting creditors' claims.

TABLE 3.3 Kosovo's previous and new insolvency frameworks

Previous framework	New framework
Can a debtor initiate liquidation or reorganization procedures?	
No liquidation or reorganization available.	Yes. Debtors can initiate both procedures.
Do creditors vote on the reorganization plan?	
No reorganization available.	Yes. Creditors whose rights are affected by the proposed plan vote on it.
Can a court invalidate preferential and undervalued transactions concluded before insolvency proceedings?	
No provisions.	Yes.
Can a debtor obtain credit after commencement of insolvency proceedings?	
No provisions.	Yes. The debtor or the administrator may obtain new financing after the commencement of insolvency proceedings and the priorities of the new financing are clearly established.
Can creditors participate in important decisions?	
No provisions.	Yes. Every creditor has the right to request information on the debtor's financial situation from the insolvency representative and may object to the decision regarding its own claims as well as claims of other creditors.

Source: Doing Business database.

CHANGING LABOR MARKET REGULATION

Regulation of labor markets is essential for the achievement of primary economic goals, such as the efficient allocation of resources—that is, the distribution of resources to their most productive uses.[21] Labor regulation is also indispensable in protecting vulnerable groups from market failures, such as forced labor and discrimination.[22] In addition to these fundamental functions, smart labor regulation can help advance a myriad of economic and social goals, ranging from better responses to economic shocks to the promotion of equal opportunities and social cohesion. The challenge in developing labor policies is to prevent both over- and under-regulation by balancing labor flexibility with worker protection.[23]

In 2016/17, *Doing Business* recorded 17 reforms in the areas covered by the indicators for labor market regulation, including the hiring of workers, working hours, redundancy rules and job quality. Some economies made their labor regulation more rigid while others made it more flexible; in some economies, the changes were in both directions. Puerto Rico (U.S.), for example, undertook a substantial regulatory reform effort by adopting the Transformation and Labor Flexibility Act (TLFA), which introduced comprehensive changes to regulation in all areas measured by the indicator for labor market regulation (table 3.4). The TLFA increased the length of the maximum probationary period for permanent employees, decreased the premium for daily overtime work and the wage premium for weekly holiday, decreased the mandatory paid annual leave and established severance payments for all employees wrongfully made redundant.

TABLE 3.4 Puerto Rico (U.S.)'s Transformation and Labor Flexibility Act (TLFA)

Old framework	Labor reform
Length of the maximum probationary period for permanent employees	
3 months	9 months
Wage premium for daily overtime work and weekly holiday work	
100% premium rate	50% premium rate
Mandatory paid annual leave, workers with 1 year tenure	
15 days	9 days
Mandatory paid annual leave, workers with 5-10 years tenure	
15 days	12 days

Source: Doing Business database.

Kiribati also implemented significant changes to labor regulation by approving the Employment and Industrial Relation Code (EIRC) which regulates the number of work hours per day, establishes paid annual leave and paid sick-leave and clarifies rules governing redundancies.

Changes to the regulation of working hours was a common feature of reform in 2016/17. Albania reduced the number of work hours to 48 per week. Similarly, the Democratic Republic of Congo established a standard workday of eight hours per day and designated Sunday as a weekly rest day. Taiwan, China, increased the number of weekly rest days from one to two and also extended the length of mandatory paid annual leave. Bosnia and Herzegovina decreased wage premiums for overtime work, night work and weekly holiday work. Tajikistan abolished restrictions on night work by non-pregnant women and non-nursing mothers.

In addition, some economies made changes to legislation regulating redundancy rules and costs. Tajikistan increased the amount of severance pay that an employer must provide when making an employee redundant. The Bahamas amended its legislation to introduce priority rules that apply to reemployment and Singapore adopted legislation requiring employers to notify the Ministry of Manpower when terminating a group of nine redundant workers.

Economies also implemented legislation in the area of job quality in 2016/17. The United States (Los Angeles) established a maximum of six working days of paid sick leave a year. Colombia, the Dominican Republic, India and Paraguay increased the duration of paid maternity leave.

NOTES

1. Dabla-Norris and others 2013.
2. Klapper and Love 2011.
3. IMF 2015.
4. IMF 2017.
5. Freund and Rocha 2011.
6. World Economic Forum 2017.
7. Enterprise Surveys database (http://www.enterprisesurveys.org/), World Bank.
8. Geginat and Ramalho 2015.
9. Grimm, Hartwig and Lay 2012.
10. The economies that strengthened minority shareholder rights in 2016/17 are Azerbaijan, Bhutan, Brunei Darussalam, Costa Rica, Djibouti, Egypt, France, Georgia, India, Indonesia, Kazakhstan, Lithuania, Luxembourg, Malaysia, Nepal, Pakistan, Rwanda, Saudi Arabia, Thailand, Ukraine and Uzbekistan.
11. World Bank Group and WTO 2015.
12. Hoekman and Nicita 2011.
13. Arvis and others 2016.
14. Lanz, Roberts and Taal 2016.
15. Ramello and Voigt 2012.
16. Gramckow and others 2016.
17. CEPEJ 2016.
18. Cirmizi, Klapper and Uttamchandani 2010.
19. Klapper and Love 2011.
20. For more on how insolvency frameworks support the efficient reallocation of resources across the economy, see Djankov 2009, Funchal 2008, Klapper 2011 and Visaria 2009.
21. World Bank 2012.
22. Agell 1999.
23. Kuddo and others 2015.

TABLE 3A.1 Who reduced regulatory complexity and cost and/or strengthened legal institutions in 2016/17—and what did they do?

Feature	Economies	Some highlights
Making it easier to start a business		
Simplified preregistration and registration formalities (publication, notarization, inspection, and other requirements)	Bhutan; China; Democratic Republic of Congo; Republic of Congo; Czech Republic; Djibouti; Dominican Republic; Equatorial Guinea; Ethiopia; Gabon; Indonesia; Iraq; Jamaica; Kenya; Madagascar; Mauritius; Morocco; Nigeria; Pakistan; Saudi Arabia; Senegal; Serbia; Thailand; Uzbekistan	Djibouti made starting a business more affordable by reducing the fees to register and publish the notice of commencement of activity.
Cut or simplified postregistration procedures (tax registration, social security registration, licensing)	The Bahamas; Brunei Darussalam; Greece; India; Iraq; Kenya; Kosovo; Madagascar; Malta; Niger; Tajikistan; Thailand; Zimbabwe	The Bahamas made starting a business easier by merging the process of registering for the business license and value added tax. Greece made starting a business easier by creating a unified social security institution.
Introduced or improved online procedures	India; Kuwait; Saudi Arabia	Saudi Arabia made starting a business easier through the use of an online system, which merges the name reservation and submission of the articles of association into one procedure. Saudi Arabia also improved the online payment system, removing the need to pay fees in person.
Created or improved one-stop shop	Democratic Republic of Congo; Kuwait; Mauritania; Moldova; Niger; Sierra Leone	Mauritania made starting a business easier by combining multiple registration procedures.
Abolished or reduced minimum capital requirement	Cameroon; Republic of Congo; Ethiopia; Gabon; Niger	Cameroon made starting a business easier by reducing the minimum capital requirement. Gabon made starting a business easier by reducing the minimum capital requirement and by making the notarization of incorporation documents optional.
Making it easier to deal with construction permits		
Reduced time for processing permit applications	Angola; Brunei Darussalam; Côte d'Ivoire; El Salvador; Gabon; India; Kenya; Lithuania; Mauritius; Niger; Nigeria; Tanzania; United Arab Emirates; Uzbekistan	Lithuania reduced the time it takes to obtain technical conditions and the building permit. Niger introduced new rules to obtain a water connection as well as service delivery objectives, resulting in a reduction in the time to obtain a water connection. The Waste Water Management Authority (WMA) in Mauritius outsourced the design and construction of sewage connection works to five private companies, thereby reducing the time to provide sewage connection.
Improved transparency	Benin; Cabo Verde; Gabon; Ghana; Niger; Nigeria; Seychelles	Gabon improved the transparency of information by publishing legislation related to the construction industry online. Nigeria (Kano and Lagos) increased transparency by publishing all relevant regulations, fee schedules and pre-application requirements online.
Streamlined procedures	Brunei Darussalam; Gabon; Niger; Nigeria; Uzbekistan	Brunei Darussalam eliminated the requirement to obtain a hoarding permit and to submit both the commencement and completion notice to the one-stop shop. Niger streamlined its internal processes and set up a building permit commission which meets every Thursday to rule on permit applications.
Adopted new building regulations	Djibouti; El Salvador; Niger; Rwanda; United Arab Emirates; Uzbekistan	Djibouti implemented a decree clearly establishing decennial liability for all professionals engaged in construction projects. Uzbekistan introduced a new system of allocating land through a competitive selection process for land plots of up to a hectare.
Reduced fees	Djibouti; Kenya; Malawi; Niger; Ukraine; United Arab Emirates	Kenya eliminated fees to obtain clearance from the National Environment Management Authority and the National Construction Authority. Malawi halved the fees to obtain a building permit. The National Laboratory of Djibouti published new official fees for its services, reducing the cost of concrete inspections.
Improved or introduced electronic platforms or online services	Angola; El Salvador; India	El Salvador introduced a single window system, making preliminary construction fees payable online. The Municipality of Greater Mumbai introduced an online single window system that allows for the submission and approval of building plans prior to requesting the building permit along with various other services.
Introduced or improved one-stop shop	Côte d'Ivoire; Tanzania	Côte d'Ivoire created a one-stop shop for processing building permits. Tanzania increased the efficiency of its one-stop shop by improving coordination among agencies.
Making it easier to get electricity		
Facilitated more reliable power supply and transparency of tariff information	Dominican Republic; El Salvador; Jamaica; Kenya; Mexico; Montenegro; Senegal; Vietnam	Jamaica improved the reliability of supply in Kingston by investing in the distribution network through several initiatives, including the installation of smart meters and distribution automation switches.
Improved process efficiency	Angola; Armenia; Indonesia; Italy; Niger; Philippines	Armenia made getting electricity easier by imposing new deadlines for connection procedures and introducing a new geographic information system at the utility.
Streamlined approval process	Indonesia; Lithuania; Mozambique; Thailand; United Arab Emirates; Uzbekistan	Mozambique reduced the time to get an electricity connection by streamlining procedures through the utility instead of various agencies. Mozambique also reduced costs by eliminating the security deposit for large commercial clients.
Improved regulation of connection processes and costs	Georgia; Indonesia; Mozambique; United Arab Emirates	Georgia made getting electricity more affordable by reducing connection costs for new customers.

TABLE 3A.1 Who reduced regulatory complexity and cost and/or strengthened legal institutions in 2016/17—and what did they do?

Feature	Economies	Some highlights
Making it easier to register property		
Increased transparency of information	Benin; Brunei Darussalam; Djibouti; Hong Kong SAR, China; Kazakhstan; Kuwait; Mauritania; Mauritius; Nigeria; Pakistan; Seychelles; Suriname	Mauritania created a new section on the government website containing information on the services provided by the land registry. Kazakhstan made cadastral plans in Almaty available to the public and began publishing statistics on the number of land disputes.
Increased administrative efficiency	Antigua and Barbuda; Costa Rica; Guyana; Kuwait; Nigeria; Russian Federation; Rwanda; Saudi Arabia; Senegal; Tajikistan	Saudi Arabia implemented an online system to check for property ownership and encumbrances. Rwanda reduced the time to complete a property transfer from 12 to seven days, by reducing the time needed to conduct a title search and registration.
Reduced taxes or fees	Benin; Croatia; Indonesia; Mauritius; Myanmar; Niger; Senegal; Turkey	Niger decreased registration fees, effectively lowering the cost to register a property by 15%. Turkey made registering property easier by reducing mortar dues (property transfer registration fees) from 4% to 3%.
Increased reliability of infrastructure	Hong Kong SAR, China; Romania; Serbia; Seychelles; Thailand	Serbia and Thailand improved the reliability of their land administration systems by implementing a geographic information system. Hong Kong SAR, China, linked information recorded by the Lands Department with that of the Land Registry. Romania digitized its land book system in Bucharest.
Improved the accessibility of the land dispute resolution mechanism	Armenia; Brunei Darussalam; Kazakhstan; Saudi Arabia	Armenia, Brunei Darussalam, Kazakhstan and Saudi Arabia made their land dispute mechanism more accessible by publishing statistics on land-related cases filed at the court of first instance.
Strengthening legal rights of borrowers and lenders		
Created a unified and/or modern collateral registry for movable property	Belarus; Brunei Darussalam; Kyrgyz Republic; Malaysia; Mongolia; Nepal; Nigeria; Russian Federation; Samoa; Turkey; West Bank and Gaza; Zambia	Zambia strengthened access to credit by adopting a new law on secured transactions that establishes a modern and centralized collateral registry.
Introduced a functional and secured transactions system	Brunei Darussalam; Mongolia; Nepal; Nigeria; Samoa; West Bank and Gaza; Zambia	West Bank and Gaza strengthened access to credit by adopting the Security Interests in Moveable Property Act. The new law on secured transactions implements a functional secured transactions system. The law regulates functional equivalents to loans secured with movable property, such as financial leases and retention-of-title sales.
Allowed for general description of assets that can be used as collateral	Albania; Thailand; West Bank and Gaza	Albania implemented new laws allowing for the general description of assets that can be used as collateral.
Expanded range of movable assets that can be used as collateral	Thailand; Vietnam	Thailand introduced a law that broadens the scope of assets which can be used as collateral to secure a loan.
Granted absolute priority to secured creditors or allowed out-of-court enforcement	Albania; Brunei Darussalam; India; Kosovo; Malawi; Thailand; Turkey; West Bank and Gaza	Turkey introduced a law that allows out-of-court enforcement.
Granted exemptions to secured creditors from automatic stay in insolvency proceedings	India; Kosovo; Thailand	Kosovo adopted a new bankruptcy law that includes protections for secured creditors during an automatic stay in reorganization proceedings.
Improving the sharing of credit information		
Established a new credit bureau or registry	Burkina Faso; Cameroon; Guinea-Bissau; Indonesia; Iraq; Jordan; Malawi; Slovenia; Togo	Indonesia improved access to credit information by launching a new credit bureau.
Improved regulatory framework for credit reporting	Azerbaijan; Benin; Djibouti; Guinea-Bissau; Kyrgyz Republic; Myanmar; Turkey	Djibouti improved access to credit information by adopting a law that creates a new credit information system.
Expanded scope of information collected and reported by credit bureau or registry	Bhutan; Islamic Republic of Iran; Kenya; Netherlands	In Bhutan, two utility companies began submitting positive and negative information on consumer accounts to the credit bureau.
Introduced bureau or registry credit scores as a value-added service	Nigeria; Qatar; United Arab Emirates	In the United Arab Emirates, the credit bureau began offering consumer credit scores to banks and financial institutions as a value-added service to help them assess the creditworthiness of borrowers.
Guaranteed by law borrowers' right to inspect data	Nigeria; Swaziland	Swaziland adopted the Consumer Credit Act 2016 guaranteeing borrowers' right to inspect their own data.
Expanded borrower coverage by credit bureau or registry	Madagascar	In Madagascar, the credit registry for microfinance institutions was consolidated with the registry for banks, expanding the number of borrowers listed in the registry's database with information on their borrowing history from the past five years to more than 5% of the adult population.

TABLE 3A.1 Who reduced regulatory complexity and cost and/or strengthened legal institutions in 2016/17—and what did they do?

Feature	Economies	Some highlights
Strengthening minority investor protections		
Expanded shareholders' role in company management	Azerbaijan; Bhutan; Brunei Darussalam; Djibouti; Arab Republic of Egypt; France; Georgia; Indonesia; Kazakhstan; Lithuania; Malaysia; Nepal; Rwanda; Saudi Arabia; Thailand; Uzbekistan	Lithuania enacted a law requiring the disclosure of information about board members' other directorships as well as basic information on their primary employment.
Enhanced access to information in shareholder actions	Costa Rica; Djibouti; Georgia; Kazakhstan; Luxembourg; Rwanda; Thailand	Luxembourg adopted legislation allowing shareholders that represent at least 10% of the share capital to inspect transactions documents before filing a suit.
Increased disclosure requirements for related-party transactions	Costa Rica; Djibouti; India; Saudi Arabia; Ukraine	Costa Rica adopted a law requiring board members who have a personal interest in a proposed transaction to clearly disclose it and not participate in the decision.
Increased director liability	Djibouti; India; Luxembourg; Pakistan	Djibouti adopted a law allowing shareholders to hold interested directors (as well as other board members) liable when a transaction with interested parties is unfair or prejudicial to the company and to have them repay profits made from the transaction upon a successful claim.
Making it easier to pay taxes		
Introduced or enhanced electronic systems	Botswana; Brunei Darussalam; El Salvador; India; Indonesia; Kenya; Lithuania; Maldives; Morocco; New Zealand; Philippines; Rwanda; Saudi Arabia; Uruguay; Uzbekistan; Vietnam; Zambia	El Salvador mandated all business taxpayers to file their annual income tax return through one of the available electronic methods (DET software or online processing). The general online tax processing and payment system was also consolidated.
Reduced profit tax rate	Japan; Norway	Japan adopted the 2016 Tax Reform Bill on February 5, 2016, which reduced the corporate income tax rate at the national level from 25.5% to 23.9% for tax years beginning on or after April 1, 2015.
Reduced labor taxes and mandatory contributions	Belgium; France; Italy; Japan; Ukraine	Ukraine introduced in 2016 a flat rate of 22% for the Unified Social Contribution tax paid by employers, which replaced the previous differentiated rates ranging from 36.76% to 49.7%.
Reduce taxes other than profit and labor	The Bahamas; Indonesia; Thailand; Zambia	Indonesia reduced the statutory rate for capital gains tax from 5% to 2.5% in 2016.
Simplified tax compliance processes or decreased number of tax filings or payments	China; India; Italy; Nigeria; Mauritania; Palau; Ukraine	India introduced the Income Computation and Disclosure Standards (ICDS) in 2016 to standardize the methods of computing taxable income and other tax accounting standards. Data gathering became more automated in India due to the use of modern enterprise resource planning (ERP) software.
Introduced a risk-based tax audit selection system	El Salvador; Thailand	Thailand implemented a new automatic risk-based system for selecting companies for a tax audit in 2016. The system does not flag for a tax audit in cases of self-reporting an error or an underpayment of tax liability due.
Introduced time limits for processing VAT cash refunds	Senegal	Senegal mandated by law that value added tax refunds be paid within 90 days from the moment the tax authority receives the documents from the taxpayer and the request for value added tax credit refund must be taken into account by the administration within 30 days from the time the request has been submitted. These changes were applied in practice.
Making it easier to trade across borders		
Introduced or improved electronic submission and processing of documents for exports	Bolivia; Botswana; Brazil; Brunei Darussalam; Cabo Verde; Comoros; Malawi; Mauritius; Oman; Pakistan; Sierra Leone; Sri Lanka; St. Kitts and Nevis; Swaziland; Taiwan, China; Uganda; Vietnam; Zambia	Bolivia upgraded its automated customs system (SUMA) and reduced documentary compliance time to export. Zambia expanded its customs management system nationwide, allowing electronic payments.
Introduced or improved electronic submission and processing of documents for imports	Bolivia; Brazil; Brunei Darussalam; Cabo Verde; Comoros; Indonesia; Jamaica; Kenya; Malawi; Mauritius; Oman; Pakistan; Sri Lanka; Swaziland; Vietnam; Zambia	Due to improvements made to their respective electronic customs platforms, Cabo Verde and Kenya both reduced import documentary compliance time by 24 hours. Brazil made trading across borders faster by enhancing its electronic system—integrating customs, tax and administrative agencies—reducing import documentary compliance time by 72 hours.
Strengthened transport or port infrastructure for exports	Angola; India; Malaysia; Mauritania; Mauritius; Mozambique; Pakistan; Qatar; Russian Federation; Singapore; Uganda	Angola rehabilitated the Port of Luanda, improving handling processes and reducing border compliance time. The Russian Federation opened a deep water port on the coast of the Gulf of Finland, increasing competition and reducing the cost of border compliance at the Port of St. Petersburg.
Strengthened transport or port infrastructure for imports	Angola; India; Malaysia; Mauritania; Mauritius; Pakistan; Qatar; Russian Federation; Singapore	Qatar made trading across borders easier by inaugurating the Hamad Port. Expansion of existing ports in Singapore and Malaysia improved the terminal handling process.
Facilitated customs administration for exports and imports	Botswana; Brunei Darussalam; El Salvador; Ethiopia; India; Mauritania; Mauritius; São Tomé e Príncipe; Saudi Arabia; Sierra Leone; Vietnam	El Salvador increased the number of customs officers for clearance and inspections, reducing border compliance time. Mauritius decreased the number of intrusive inspections, which reduced border compliance time for both exports and imports by 10 hours.

TABLE 3A.1 Who reduced regulatory complexity and cost and/or strengthened legal institutions in 2016/17—and what did they do?

Feature	Economies	Some highlights
Making it easier to enforce contracts		
Introduced significant changes to the applicable civil procedure or enforcement rules	Guyana; Kazakhstan; Nicaragua; Senegal; Serbia; Slovak Republic; Spain; Vietnam	Nicaragua and the Slovak Republic each introduced a new Code of Civil Procedure. Serbia adopted a new enforcement law that broadens and clarifies the responsibilities of enforcement agents. Spain reduced the fees to file new cases.
Expanded court automation by introducing electronic payment or by publishing judgments	Azerbaijan; Hungary; Mauritania; Rwanda; Thailand	Azerbaijan, Hungary and Thailand implemented platforms to pay fees electronically. Mauritania and Rwanda made decisions rendered at all levels in commercial cases publicly available.
Introduced or expanded the electronic case management system	Brunei Darussalam; India; Namibia; Saudi Arabia	India introduced the possibility of generating performance measurement reports. Brunei Darussalam, Namibia and Saudi Arabia introduced electronic case management systems.
Introduced electronic filing	Namibia; Switzerland; Taiwan, China	Namibia, Switzerland and Taiwan, China, introduced electronic filing systems for commercial cases, allowing attorneys to submit the initial summons online.
Introduced or expanded specialized commercial court	Bhutan	Bhutan introduced a dedicated bench to resolve commercial disputes.
Expanded the alternative dispute resolution framework	Vietnam	Vietnam introduced a new law regulating voluntary mediation.
Making it easier to resolve insolvency		
Improved the likelihood of successful reorganization	Azerbaijan; Cabo Verde; Dominican Republic; Georgia; Grenada; India; Kosovo; Liberia; Malawi; Panama; Thailand; United Arab Emirates	Cabo Verde established the possibility for the debtor to receive new financing after the commencement of insolvency proceedings and introduced corresponding priority rules.
Introduced a new restructuring procedure	Cabo Verde; Dominican Republic; Grenada; India; Kosovo; Liberia; Malawi; Panama; Singapore; United Arab Emirates	The United Arab Emirates introduced the option of reorganization for commercial entities as an alternative to liquidation.
Strengthened creditors' rights	Azerbaijan; Cabo Verde; Dominican Republic; Georgia; Grenada; Kosovo; Liberia; Panama	The Dominican Republic granted creditors the right to object to decisions of special importance made by the insolvency representative, such as the sale of substantial assets of the debtor in the course of insolvency proceedings.
Improved provisions on treatment of contracts during insolvency	Azerbaijan; Cabo Verde; Dominican Republic; Georgia; Kosovo; Liberia; Malawi; Panama; United Arab Emirates	Liberia allowed avoidance of preferential and undervalued transactions concluded prior to commencement of insolvency proceedings.
Regulated the profession of insolvency administrators	India; Liberia; Malawi; Panama	Malawi regulated the profession of insolvency administrator, including its duties, powers and liabilities.
Changing labor legislation		
Altered hiring rules and probationary period	Finland; Mongolia; Puerto Rico (U.S.)	Puerto Rico (U.S.) increased the length of the maximum probationary period for permanent employees, hired after the effective date of the Transformation and Labor Flexibility Act (TLFA).
Amended regulation of working hours	Albania; Bosnia and Herzegovina; Democratic Republic of Congo; Kiribati; Taiwan, China; Tajikistan	Kiribati established rules for the number of work hours per day and the maximum number of working days per week.
Changed redundancy rules and cost	The Bahamas; Kiribati; Puerto Rico (U.S.); Singapore; Tajikistan	Singapore adopted legislation requiring employers to notify the Ministry of Manpower when terminating a group of nine redundant workers.
Reformed legislation regulating worker protection and social benefits	Albania; Colombia; Dominican Republic; India; Kiribati; Latvia; Paraguay; Puerto Rico (U.S.); United States	The United States (Los Angeles) adopted the Paid Sick Leave Ordinance, allowing for a maximum of six working days of paid sick leave a year upon the oral or written request of an employee.

Source: Doing Business database.

Note: Reforms affecting the labor market regulation indicators are included here but do not affect the ranking on the ease of doing business.