

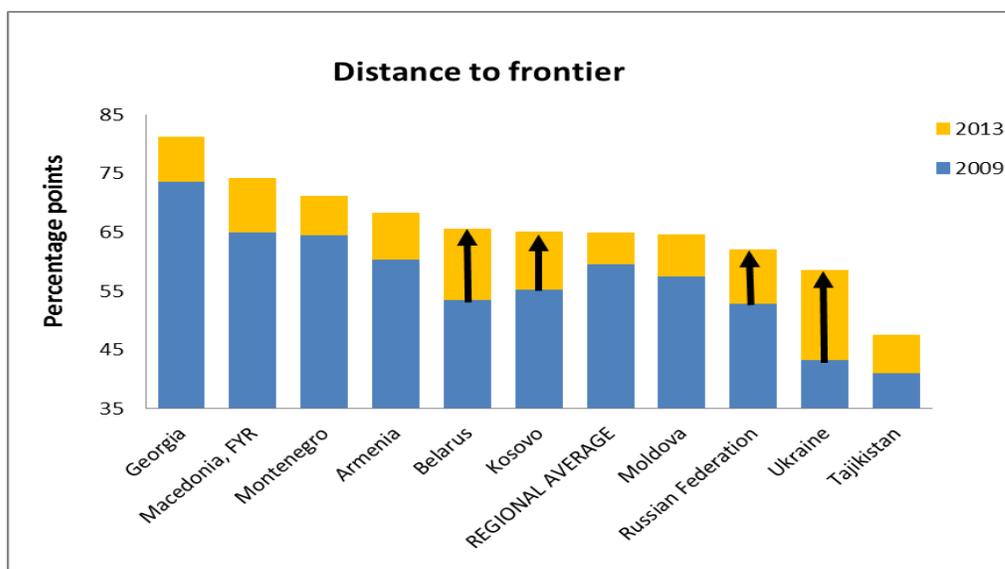
### ***Doing Business 2014* Fact Sheet: Europe and Central Asia**

- Nineteen of 26 economies in Europe and Central Asia implemented at least one regulatory reform making it easier to do business in the year from June 2, 2012, to June 1, 2013—65 reforms in total.<sup>1</sup>
- Since 2005, all economies in the region have implemented business regulatory reforms in the areas measured by *Doing Business*. Together, the 26 economies recorded 477 reforms making it easier to do business—an average of 18 reforms per economy, significantly more than in any other region.<sup>2</sup> **Georgia** implemented the most number of reforms in the region with 36 reforms during this period (the largest number globally), followed by the **former Yugoslav Republic of Macedonia** with 31.
- **Ukraine** is the global top improver this year, implementing regulatory reforms in eight areas. Yet challenges persist: Ukraine is still ranked at 112 out of 189 economies on the ease of doing business.
- The **Russian Federation** is among the global top 10 improvers this year—and made the most progress over the past year among the BRICs economies. The **former Yugoslav Republic of Macedonia** is also among the top 10 improvers this year.
- **Georgia** has the region's highest ranking on the ease of doing business, at 8. Georgia is second only to Rwanda among the economies that have narrowed the gap with global good practices the most since 2005.
- Data were collected for the first time this year for **San Marino**, along with Libya, Myanmar, and South Sudan.
- This year's report features a case study on the implementation of electronic trade single windows that highlights **Azerbaijan's** experience along with Singapore's and Colombia's. Azerbaijan's single window, the newest covered in the case study, provides a revealing contrast to Singapore's mature system. The government is leveraging its position as a latecomer by learning from other economies.

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<sup>1</sup> Excludes Poland, which is classified as an OECD high-income economy.

<sup>2</sup> Excludes Poland, which is classified as an OECD high-income economy, and San Marino, which was added to the database only this year.



*Note:* The distance to frontier measure shows how far on average an economy is at a point in time from the best performance achieved by any economy on each *Doing Business* indicator since 2003 or the first year in which data for the indicator were collected. The measure is normalized to range between 0 and 100, with 100 representing the best performance (the frontier). The regional averages exclude San Marino, which was added to the *Doing Business* sample after 2009. They also exclude Poland, which is classified as an OECD high-income economy. The figure shows individual scores only for the 10 economies with the biggest improvements in the region; the arrows indicate those making the largest advances toward the frontier.  
*Source:* *Doing Business* database.

## Summary of 2012/13 *Doing Business* Reforms in Europe and Central Asia<sup>3</sup>

### Albania

Albania made paying taxes easier by allowing corporate income taxes to be paid quarterly.

*Areas of business regulatory reform:* Paying taxes

*DB2014 ease of doing business rank:* 90

*Distance to frontier in 2013 (percentage points):* 59.2 (in 2012: 59.1; improvement: 0.1)

### Armenia

Armenia made starting a business easier by eliminating the company registration fees. In addition, it made paying taxes easier by merging the employee and employer social contributions and individual income tax into one unified income tax.

*Areas of business regulatory reform:* Starting a business, Paying taxes

*DB2014 ease of doing business rank:* 37

*Distance to frontier in 2013 (percentage points):* 68.2 (in 2012: 67.7; improvement: 0.5)

### Azerbaijan

Azerbaijan made starting a business easier by introducing free online registration services and eliminating preregistration formalities. It made dealing with construction permits easier by adopting a new construction code that streamlined procedures relating to the issuance of building permits and established official time limits for some procedures. Finally, Azerbaijan made trading across borders easier by streamlining internal customs procedures.

*Areas of business regulatory reform:* Starting a business, Dealing with construction permits, Trading across borders

*DB2014 ease of doing business rank:* 70

*Distance to frontier in 2013 (percentage points):* 61.5 (in 2012: 60.6; improvement: 1.0)

<sup>3</sup> The difference between the distance to frontier scores shown for 2012 and 2013 may differ from the size of the improvement reported because of rounding.

## **Belarus**

Belarus made starting a business easier by reducing the registration fees and eliminating the requirement for an initial capital deposit at a bank before registration. It made getting electricity easier by speeding up the process of issuing technical specifications and excavation permits and by reducing the time needed to connect to the electricity network. In addition, Belarus made transferring property easier by introducing a fast-track procedure for property registration. Finally, Belarus improved its insolvency process through a new insolvency law that, among other things, changes the appointment process for insolvency administrators and encourages the sale of assets in insolvency. The law also regulates the liability of shareholders and directors of the insolvent company.

*Areas of business regulatory reform:* Starting a business, Getting electricity, Registering property, Resolving insolvency

*DB2014 ease of doing business rank:* 63

*Distance to frontier in 2013 (percentage points):* 65.6 (in 2012: 64.1; improvement: 1.5)

## **Bosnia and Herzegovina**

Bosnia and Herzegovina made paying taxes more difficult for companies by introducing a penalty for failure to employ the required minimum number of people in special categories—though it also temporarily abolished the forestry tax.

*Areas of business regulatory reform:* Paying taxes (making it more difficult)

*DB2014 ease of doing business rank:* 131

*Distance to frontier in 2013 (percentage points):* 57.8 (in 2012: 57.5; improvement: 0.3)

## **Bulgaria**

*DB2014 ease of doing business rank:* 58

*Distance to frontier in 2013 (percentage points):* 68.4 (in 2012: 68.2; improvement: 0.3)

## **Croatia**

Croatia made starting a business easier by introducing a new form of limited liability company with a lower minimum capital requirement and simplified incorporation procedures. It made paying taxes easier for companies by introducing an electronic system for social security contributions and by reducing the rates for the forest and Chamber of Commerce contributions. And Croatia made trading across borders easier by improving the physical and information system infrastructure at the port of Rijeka and by streamlining export customs procedures in preparation for accession to the Common Transit Convention of the European Union. In addition, the country made enforcing contracts easier by streamlining litigation proceedings and transferring certain enforcement procedures from the courts to state agencies. Finally, Croatia made resolving insolvency easier by introducing an expedited out-of-court restructuring procedure.

*Areas of business regulatory reform:* Starting a business, Paying taxes, Trading across borders, Enforcing contracts, Resolving insolvency

*DB2014 ease of doing business rank:* 89

*Distance to frontier in 2013 (percentage points):* 64.7 (in 2012: 63.7; improvement: 0.9)

## **Cyprus**

*DB2014 ease of doing business rank:* 39

*Distance to frontier in 2013 (percentage points):* 68.4 (in 2012: 68.4; improvement: 0.0)

## **Georgia**

Georgia improved its credit information system by implementing a new law on personal data protection.

*Areas of business regulatory reform:* Getting credit (credit information)

*DB2014 ease of doing business rank:* 8

*Distance to frontier in 2013 (percentage points):* 81.1 (in 2012: 80.8; improvement: 0.2)

## **Hungary**

*DB2014 ease of doing business rank:* 54

*Distance to frontier in 2013 (percentage points): 66.1 (in 2012: 66.1; improvement: 0.0)*

### **Kazakhstan**

Kazakhstan made starting a business easier by reducing the time required to register a company at the Public Registration Center. In addition, Kazakhstan made transferring property easier by introducing a fast-track procedure for property registration.

*Areas of business regulatory reform: Starting a business, Registering property*

*DB2014 ease of doing business rank: 50*

*Distance to frontier in 2013 (percentage points): 62.6 (in 2012: 62.2; improvement: 0.4)*

### **Kosovo**

Kosovo made starting a business easier by creating a one-stop shop for incorporation. It made dealing with construction permits easier by eliminating the requirement for validation of the main construction project, eliminating fees for technical approvals from the municipality, and reducing the building permit fee. Finally, Kosovo made transferring property easier by introducing a new notary system and by combining procedures for drafting and legalizing sale and purchase agreements.

*Areas of business regulatory reform: Starting a business, Dealing with construction permits, Registering property*

*DB2014 ease of doing business rank: 86*

*Distance to frontier in 2013 (percentage points): 65.0 (in 2012: 60.6; improvement: 4.4)*

### **Kyrgyz Republic**

*DB2014 ease of doing business rank: 68*

*Distance to frontier in 2013 (percentage points): 61.9 (in 2012: 60.4; improvement: 1.5)*

### **Latvia**

Latvia made starting a business easier by making it possible to file the applications for company registration and value added tax registration simultaneously at the commercial registry. The country made dealing with construction permits easier by introducing new time limits for issuing a building permit and by eliminating the Public Health Agency's role in approving building permits and conducting inspections. In addition, Latvia improved its credit information system by adopting a new law regulating the public credit registry. Finally, it made trading across borders easier by reducing the number of documents required for importing.

*Areas of business regulatory reform: Starting a business, Dealing with construction permits, Getting credit (credit information), Trading across borders*

*DB2014 ease of doing business rank: 24*

*Distance to frontier in 2013 (percentage points): 75.8 (in 2012: 74.6; improvement: 1.2)*

### **Lithuania**

Lithuania made starting a business easier by creating a new form of limited liability company with no minimum capital requirement. In addition, Lithuania strengthened its secured transactions system by broadening the range of movable assets that can be used as collateral, allowing a general description in the security agreement of the assets pledged as collateral, and permitting out-of-court enforcement.

*Areas of business regulatory reform: Starting a business, Getting credit (legal rights)*

*DB2014 ease of doing business rank: 17*

*Distance to frontier in 2013 (percentage points): 75.8 (in 2012: 73.5; improvement: 2.3)*

### **Macedonia, FYR**

The former Yugoslav Republic of Macedonia made dealing with construction permits easier by reducing the time required to register a new building and by authorizing the municipality to register the building on behalf of the owner. The country made getting electricity easier by reducing the time required to obtain a new connection and by setting fixed connection fees per kilowatt (kW) for connections requiring a capacity below 400 kW. It made property registration faster and less costly by digitizing the real estate cadastre and eliminating the requirement for an encumbrance certificate. In addition, it strengthened its

secured transactions system by providing more flexibility on the description of assets in a collateral agreement and on the types of debts and obligations that can be secured. At the same time, it strengthened investor protections by allowing shareholders to request the rescission of unfair related-party transactions and the appointment of an auditor to investigate alleged irregularities in the company's activities. Finally, FYR Macedonia made paying taxes easier for companies by encouraging the use of electronic filing and payment systems for corporate income and value added taxes.

*Areas of business regulatory reform:* Dealing with construction permits, Getting electricity, Registering property, Getting credit (legal rights), Protecting investors, Paying taxes

*DB2014 ease of doing business rank:* 25

*Distance to frontier in 2013 (percentage points):* 74.1 (in 2012: 71.0; improvement: 3.2)

## **Moldova**

Moldova strengthened its secured transactions system by introducing new grounds for relief from an automatic stay during insolvency and restructuring proceedings. In addition, it made paying taxes easier for companies by introducing an electronic filing and payment system for the value added tax, corporate income tax, land improvement tax, and tax on immovable property. Finally, Moldova made resolving insolvency easier by introducing new restructuring mechanisms, reducing opportunities for appeals, adding moratorium provisions, and establishing strict statutory periods for several stages of the insolvency proceeding.

*Areas of business regulatory reform:* Getting credit (legal rights), Paying taxes, Resolving insolvency

*DB2014 ease of doing business rank:* 78

*Distance to frontier in 2013 (percentage points):* 64.5 (in 2012: 62.3; improvement: 2.2)

## **Montenegro**

Montenegro made dealing with construction permits easier by introducing a one-stop shop and imposing strict time limits for the issuance of approvals. In addition, it made registering property easier by introducing a notary system.

*Areas of business regulatory reform:* Dealing with construction permits, Registering property

*DB2014 ease of doing business rank:* 44

*Distance to frontier in 2013 (percentage points):* 71.1 (in 2012: 69.2; improvement: 1.9)

## **Poland**

Poland made starting a business easier by eliminating the requirement to register the new company at the National Labor Inspectorate and the National Sanitary Inspectorate. In addition, it made dealing with construction permits easier by eliminating the requirement to obtain a description of the geotechnical documentation of the land.

*Areas of business regulatory reform:* Starting a business, Dealing with construction permits

*DB2014 ease of doing business rank:* 45

*Distance to frontier in 2013 (percentage points):* 72.0 (in 2012: 71.0; improvement: 0.9)

## **Romania**

Romania made starting a business easier by transferring responsibility for issuing the headquarters clearance certificate from the Fiscal Administration Office to the Trade Registry. It made paying taxes easier and less costly for companies by reducing the payment frequency for the firm tax from quarterly to twice a year and by reducing the vehicle tax rate. And Romania made enforcing contracts easier by adopting a new civil procedure code that streamlines and speeds up all court proceedings.

*Areas of business regulatory reform:* Starting a business, Paying taxes, Enforcing contracts

*DB2014 ease of doing business rank:* 73

*Distance to frontier in 2013 (percentage points):* 65.1 (in 2012: 64.6; improvement: 0.5)

## **Russian Federation**

The Russian Federation made starting a business easier by abolishing the requirement to have the bank signature card notarized before opening a company bank account. It made dealing with construction permits easier by eliminating several requirements for project approvals from government agencies and by reducing the time required to register a new building. And it made getting electricity simpler and less

costly by setting standard connection tariffs and eliminating many procedures previously required. In addition, Russia made transferring property easier by streamlining procedures and implementing effective time limits for processing transfer applications. Finally, it made trading across borders easier by implementing an electronic system for submitting export and import documents and by reducing the number of physical inspections.

*Areas of business regulatory reform:* Starting a business, Dealing with construction permits, Getting electricity, Registering property, Trading across borders

*DB2014 ease of doing business rank:* 92

*Distance to frontier in 2013 (percentage points):* 61.9 (in 2012: 56.6; improvement: 5.4)

## **San Marino**

*DB2014 ease of doing business rank:* 81

*Distance to frontier in 2013 (percentage points):* 65.1 (in 2012: 65.2; improvement: -0.1)

## **Serbia**

Serbia made paying taxes more costly for companies by increasing the corporate income tax rate.

*Areas of business regulatory reform:* Paying taxes (making it more difficult)

*DB2014 ease of doing business rank:* 93

*Distance to frontier in 2013 (percentage points):* 62.0 (in 2012: 62.2; improvement: -0.1)

## **Tajikistan**

Tajikistan improved access to credit information by establishing a private credit bureau. In addition, it made paying taxes easier and less costly for companies by reducing the corporate income tax rate, merging the minimal income tax with the corporate income tax, and abolishing the retail sales tax—though it also increased the land and vehicle tax rates. On the other hand, Tajikistan made starting a business more difficult by requiring preliminary approval from the tax authority and the submission of additional documents at registration.

*Areas of business regulatory reform:* Getting credit (credit information), Paying taxes, Starting a business (making it more difficult)

*DB2014 ease of doing business rank:* 143

*Distance to frontier in 2013 (percentage points):* 47.5 (in 2012: 45.1; improvement: 2.4)

## **Turkey**

Turkey reduced the time required for dealing with construction permits by setting strict time limits for granting a lot plan and by reducing the documentation requirements for an occupancy permit. And it made getting electricity easier by eliminating external inspections and reducing some administrative costs. In addition, Turkey strengthened investor protections through a new commercial code that requires directors found liable in abusive related-party transactions to disgorge their profits and that allows shareholders to request the appointment of an auditor to investigate alleged prejudicial conflicts of interest. On the other hand, Turkey made starting a business more difficult by increasing the minimum capital requirement. And it made transferring property more costly by increasing the registration and several other fees.

*Areas of business regulatory reform:* Dealing with construction permits, Getting electricity, Protecting investors, Starting a business (making it more difficult), Registering property (making it more difficult)

*DB2014 ease of doing business rank:* 69

*Distance to frontier in 2013 (percentage points):* 66.9 (in 2012: 65.7; improvement: 1.3)

## **Ukraine**

First, Ukraine made starting a business easier by eliminating the requirement for registration with the statistics authority and by eliminating the cost for value added tax registration. Second, it made dealing with construction permits easier by introducing a risk-based approval system, eliminating requirements for certain approvals and technical conditions, and simplifying the process for registering real estate ownership rights. Third, Ukraine made getting electricity easier by streamlining the process for obtaining a new connection. Fourth, it made transferring property easier by streamlining procedures and revamping

the property registration system. Fifth, Ukraine improved access to credit information by beginning to collect data on firms from financial institutions. Sixth, it made paying taxes easier for companies by simplifying tax returns and further improving its electronic filing system. Seventh, Ukraine made trading across borders easier by releasing customs declarations more quickly and reducing the number of physical inspections. Finally, it made resolving insolvency easier by strengthening the rights of secured creditors, introducing new rehabilitation procedures and mechanisms, making it easier to invalidate suspect transactions, and shortening the statutory periods for several steps of the insolvency process.

*Areas of business regulatory reform:* Starting a business, Dealing with construction permits, Getting electricity, Registering property, Getting credit (credit information), Paying taxes, Trading across borders, Resolving insolvency

*DB2014 ease of doing business rank:* 112

*Distance to frontier in 2013 (percentage points):* 58.4 (in 2012: 51.0; improvement: 7.5)

## **Uzbekistan**

Uzbekistan made starting a business easier by abolishing the paid-in minimum capital requirement and by eliminating the requirement to have signature samples notarized before opening a bank account. It made transferring property easier by reducing the notary fees. And Uzbekistan improved access to credit information by expanding the scope of credit information and requiring that more than two years of historical data be collected and distributed. In addition, it made paying taxes easier for companies by eliminating some small taxes. Moreover, the country made trading across borders easier by eliminating the need to register import contracts with customs, tightening the time limits for banks to register export or import contracts, and reducing the number of export documents required. Finally, Uzbekistan made enforcing contracts easier by introducing an electronic filing system for court users.

*Areas of business regulatory reform:* Starting a business, Registering property, Getting credit (credit information), Paying taxes, Trading across borders, Enforcing contracts

*DB2014 ease of doing business rank:* 146

*Distance to frontier in 2013 (percentage points):* 48.4 (in 2012: 46.6; improvement: 1.8)

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## **About the *Doing Business* report series**

The joint World Bank and IFC flagship *Doing Business* report analyzes regulations that apply to an economy's businesses during their life cycle, including start-up and operations, trading across borders, paying taxes, and resolving insolvency. The aggregate ease of doing business rankings are based on 10 indicators and cover 189 economies. *Doing Business* does not measure all aspects of the business environment that matter to firms and investors. For example, it does not measure the quality of fiscal management, other aspects of macroeconomic stability, the level of skills in the labor force, or the resilience of financial systems. Its findings have stimulated policy debates worldwide and enabled a growing body of research on how firm-level regulation relates to economic outcomes across economies. This year's report marks the 11<sup>th</sup> edition of the global *Doing Business* report series and covers 189 economies. For more information about the *Doing Business* reports, please visit [doingbusiness.org](http://doingbusiness.org) and join us on [doingbusiness.org/Facebook](https://www.facebook.com/doingbusiness.org).

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