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**Paying Taxes is Getting Easier Despite Economic Downturn**

**London, 18 November 2010—**Nearly 60 percent of the world’s economies have made significant business regulatory changes to ease paying taxes, despite the impact of the downturn and the sluggish global recovery, according to *Paying Taxes 2011,* a new report launched today by PwC, the World Bank, and IFC.

The report, which looks at 183 economies, finds that in the past year, 40 economies have made it easier to pay taxes, with Tunisia improving the most. For economies that are included in both the 2006 and 2011 *Paying Taxes* studies, the time needed to comply has declined by a week, the tax cost has fallen on average by 5 percent, and the number of payments has dropped by almost four. In all, 90 economies have reduced taxes on corporate profits since 2006.

“Governments have continued to improve and simplify their tax systems for local firms, and are seeing positive results,” said Neil Gregory, Director of the Global Indicators and Analysis department at the World Bank Group. “Best practices such as having one tax per tax base and the use of technology can simplify the compliance burden faced by firms.”

The *Paying Taxes 2011* report measures the ease of paying taxes by assessing the administrative burden for companies to comply with tax regulations, and by calculating companies’ total tax liability as a percentage of pre-tax profits. According to the study, the typical company measured pays nearly half of its commercial profit in taxes, spends seven weeks dealing with its tax affairs and makes a tax payment every 12 days.

"Taxes on company profits have fallen each year as governments around the world have reduced their corporate tax rates in an effort to encourage business investment and stimulate growth," said Susan Symons, Total Tax Contribution Leader, PwC UK. “However, easing the compliance burden is also important for business and there is potential for more focus on this area”.

The study shows that paying taxes is easiest for business in high-income economies that have the lowest tax cost and the lowest administrative burden. These economies tend to have more mature tax systems, a lighter administrative touch, and greater use of the electronic interface with tax authorities.

**About PwC**

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The World Bank Group is one of the world’s largest sources of funding and knowledge for developing countries. It comprises five closely associated institutions: the International Bank for Reconstruction and Development (IBRD) and the International Development Association (IDA), the International Finance Corporation (IFC); the Multilateral Investment Guarantee Agency (MIGA); and the International Centre for Settlement of Investment Disputes (ICSID). Each institution plays a distinct role in the mission to fight poverty and improve living standards for people in the developing world. For more information, please visit www.worldbank.org, www.miga.org, and www.ifc.org.

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For more information about *Paying Taxes*, visit www.pwc.com/payingtaxes