

Doing Business 2012 Fact Sheet:**Summary of Doing Business Reforms in Eastern Europe and Central Asia**

Albania made property registration easier by setting time limits for the land registry to register a title. On the other hand, dealing with construction permits in Albania became more difficult because the main authority in charge of issuing building permits has not met since April 2009.

Areas of business regulation reform: Registering property, Dealing with construction permits (making it more difficult)

Rank in Doing Business 2012: 82 **Rank in Doing Business 2011:** 77

Armenia made starting a business easier by establishing a one-stop shop that merged the procedures for name reservation, business registration, and obtaining a tax identification number and by allowing for online company registration. The country made dealing with construction permits easier by eliminating the requirement to obtain an environmental impact assessment for small projects. Armenia improved its credit information system by introducing a requirement to collect and distribute information from utility companies. It made tax compliance easier for firms by reducing the number of payments for corporate income tax, social security contributions, property, and land taxes. It also introduced mandatory electronic filing and payment for major taxes. Finally, Armenia amended its bankruptcy legislation. Amendments regulate the appointment of insolvency administrators, reduce the processing time for bankruptcy proceedings, and regulate sales by auction.

Areas of business regulation reform: Starting a business, Dealing with construction permits, Getting credit (credit information), Paying taxes, Resolving insolvency

Rank in Doing Business 2012: 55 **Rank in Doing Business 2011:** 61

Azerbaijan

Rank in Doing Business 2012: 66 **Rank in Doing Business 2011:** 69

Belarus simplified property transfers by doing away with the requirement to obtain the municipality's approval for transfers of most commercial buildings in Minsk. Belarus also abolished several taxes, including turnover and sales taxes, and simplified compliance with corporate income, value added, and other taxes by reducing the frequency of filings and payments and facilitating electronic filing and payment. In addition, Belarus strengthened investor protections by introducing requirements for greater corporate disclosure to the board of directors and to the public. It made enforcing contracts more difficult, however, by modifying its procedure code to lengthen the time frames for commercial dispute resolution.

Areas of business regulation reform: Registering property, Protecting investors, Paying taxes, Enforcing contracts (making it more difficult)

Rank in Doing Business 2012: 69 **Rank in Doing Business 2011:** 91

Bosnia and Herzegovina made dealing with construction permits easier by fully digitizing and revamping its land registry and cadastre. In addition, it made starting a business easier by replacing the required utilization permit with a simple notification of commencement of activities and by streamlining the process for obtaining a tax identification number.

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

Rank in Doing Business 2012: 125 **Rank in Doing Business 2011:** 127

Bulgaria made trading across borders faster by introducing online submission of customs declaration forms. And an amendment to its commerce act extended further rights to secured creditors and increased the transparency of insolvency proceedings.

Areas of business regulation reform: Trading across borders, Resolving insolvency

Rank in Doing Business 2012: 59 **Rank in Doing Business 2011:** 57

In **Croatia** the private credit bureau started to collect and distribute information on firms, improving the credit information system.

Areas of business regulation reform: Getting credit (credit information)

Rank in Doing Business 2012: 80 **Rank in Doing Business 2011:** 79

Cyprus strengthened investor protections by requiring greater corporate disclosure to the board of directors, to the public, and in the annual report.

Areas of business regulation reform: Protecting investors

Rank in Doing Business 2012: 40 **Rank in Doing Business 2011:** 49

Georgia made it easier to start a business by eliminating the requirement to visit a bank to pay the registration fees. In addition, the country expanded access to credit by amending its civil code to broaden the range of assets that can be used as collateral. Georgia strengthened investor protections by introducing requirements relating to the approval of transactions between interested parties. Finally, it made paying taxes easier for firms by simplifying the reporting for value added tax and introducing electronic filing and payment of taxes.

Areas of business regulation reform: Starting a business, Getting credit (legal rights), Protecting investors, Paying taxes

Rank in Doing Business 2012: 16 **Rank in Doing Business 2011:** 17

Kazakhstan strengthened investor protections by regulating the approval of transactions between interested parties and making it easier to sue directors in cases of prejudicial transactions between interested parties.

Areas of business regulation reform: Protecting investors

Rank in Doing Business 2012: 47 **Rank in Doing Business 2011:** 58

Kosovo

Rank in Doing Business 2012: 117 **Rank in Doing Business 2011:** 117

The **Kyrgyz Republic** made paying taxes costlier for firms by introducing a real estate tax, though it also reduced the sales tax rate.

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

Rank in Doing Business 2012: 70 **Rank in Doing Business 2011:** 67

Latvia made starting a business easier by reducing the minimum capital requirement and introducing a common application for value added tax and company registration. The country made transferring property easier by allowing electronic access to municipal tax databases that show the tax status of property, eliminating the requirement to obtain this information in paper format. And it adopted a new insolvency law that streamlines and expedites the insolvency process. The new law also introduced a reorganization option for companies. Finally, Latvia made getting electricity faster by introducing a simplified process for approval of external connection designs.

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

Rank in Doing Business 2012: 21 **Rank in Doing Business 2011:** 31

Lithuania strengthened investor protections by introducing greater requirements for corporate disclosure to the public and in the annual report. It made resolving insolvency easier through an amendment to its reorganization law that substantially simplifies reorganization proceedings, shortens the time frame for the proceedings, grants priority to secured creditors, and introduces professional requirements for insolvency

administrators. Lithuania made getting electricity more difficult by abolishing the one-stop shop for receiving technical conditions for utility services.

Areas of business regulation reform: Protecting investors, Resolving insolvency, Getting electricity (making it more difficult)

Rank in Doing Business 2012: 27 **Rank in Doing Business 2011:** 25

The **former Yugoslav Republic of Macedonia** made dealing with construction permits easier by transferring oversight processes to the private sector and streamlining procedures. It made property registration easier by reducing notary fees and enforcing the time limits established in the Law on Real Estate Cadastre. The establishment of a private credit bureau improved the credit information system. And legislative amendments increased the transparency of the bankruptcy process.

Areas of business regulation reform: Dealing with construction permits, Registering property, Getting credit (credit information), Resolving insolvency

Rank in Doing Business 2012: 22 **Rank in Doing Business 2011:** 34

Moldova made starting a business easier by implementing a one-stop shop at the State Registration Chamber, and it made enforcement of judgments more efficient by introducing private bailiffs. An amendment to its insolvency law granted priority to secured creditors. And the establishment of the country's first private credit bureau improved its credit information system.

Areas of business regulation reform: Starting a business, **Getting credit (credit information)**, Enforcing contracts, Resolving insolvency,

Rank in Doing Business 2012: 81 **Rank in Doing Business 2011:** 99

Montenegro made starting a business easier by implementing a one-stop shop. It made paying taxes easier and less costly for firms by abolishing a tax, reducing social security contributions, and merging several forms into one unified return. Finally, Montenegro passed a new bankruptcy law that introduces reorganization and liquidation proceedings and sets time limits for these proceedings. The law provides for the possibility of recovery of secured creditors' claims and settlement before completion of the entire bankruptcy procedure.

Areas of business regulation reform: Starting a business, Paying taxes, Resolving insolvency

Rank in Doing Business 2012: 56 **Rank in Doing Business 2011:** 56

Poland made resolving insolvency easier by amending its bankruptcy and reorganization law to simplify court procedures and extend more rights to secured creditors. It made trading across borders faster by implementing electronic preparation and submission of customs documents.

Areas of business regulation reform: Resolving insolvency, Trading across borders

Rank in Doing Business 2012: 62 **Rank in Doing Business 2011:** 59

Romania made paying taxes easier for companies by introducing an electronic payment system and a unified return for social security contributions. It also abolished the annual minimum tax. Romania amended its insolvency law to shorten the duration of insolvency proceedings. The country made starting a business more difficult by requiring a tax clearance certificate for a new company's headquarters before company registration.

Areas of business regulation reform: Paying taxes, Resolving insolvency, Starting a business (making it more difficult)

Rank in Doing Business 2012: 72 **Rank in Doing Business 2011:** 65

The **Russian Federation** made registering property transfers easier by eliminating the requirement to obtain cadastral passports on land plots. Russia made trading across borders easier by reducing the number of documents needed for each export or import transaction and lowering the associated cost. The country made filing a commercial case easier by introducing an electronic case filing system. And it made

getting electricity less costly by revising the tariffs for connection. Russia made tax compliance more difficult, however, by increasing the social security contribution rate for employers.

Areas of business regulation reform: Getting electricity, Registering property, Trading across borders, Enforcing contracts, , Paying taxes (making it more difficult)

Rank in Doing Business 2012: 120 **Rank in Doing Business 2011:** 124

Serbia made transferring property quicker by offering an expedited option. Serbia also adopted legislation that introduced professional requirements for insolvency administrators and regulated their compensation.

Areas of business regulation reform: Registering property, Resolving insolvency

Rank in Doing Business 2012: 92 **Rank in Doing Business 2011:** 88

Tajikistan made starting a business easier by allowing entrepreneurs to pay in their capital up to one year after the start of operations, thereby eliminating the requirements related to opening a bank account. Getting access to credit using movable property in Tajikistan became more complicated because the movable collateral registry stopped its operations in January 2011.

Areas of business regulation reform: Starting a business, Getting credit (legal rights) (making it more difficult)

Rank in Doing Business 2012: 147 **Rank in Doing Business 2011:** 152

Turkey made starting a business less costly by eliminating notarization fees for the articles of association and other documents. It also made tax compliance easier, with an offer of a 5 percent rebate that lowered the social security contribution rate for companies.

Areas of business regulation reform: Starting a business, Paying taxes

Rank in Doing Business 2012: 71 **Rank in Doing Business 2011:** 73

Ukraine amended legislation to streamline commercial dispute resolution and increase the efficiency of enforcement procedures. The country made paying taxes easier and less costly for firms by revising and unifying tax legislation, reducing corporate income tax rates, and unifying social security contributions. Amendments to legislation on bankruptcy and enforcement introduced more guarantees for secured creditors. Ukraine made starting a business easier by eliminating the requirement to obtain approval for a new corporate seal. It made trading across borders more difficult, however, by introducing additional inspections for customs clearance of imports.

Areas of business regulation reform: Starting a business, Paying taxes, Enforcing contracts, Resolving insolvency, , Trading across borders (making it more difficult)

Rank in Doing Business 2012: 152 **Rank in Doing Business 2011:** 149

Uzbekistan made starting a business easier by reducing the minimum capital requirement, eliminating one procedure, and reducing the cost of registration.

Areas of business regulation reform: Starting a business

Rank in Doing Business 2012: 166 **Rank in Doing Business 2011:** 164

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