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Fact Sheet

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Doing Business 2010: Reforming through Difficult Times

Fact Sheet—Summary of Reforms in the Middle East and North Africa

Algeria introduced regulations to better administer the construction permit process and ensure the safe, timely completion of construction projects. Contract enforcement was improved with a new code of civil procedures that reduces time and eliminates procedures. The courts are being fully computerized, including with an electronic case register and case management software. The corporate income tax rate was cut from 25 percent to 19 percent for tourism, construction and public works, and production of goods. Finally, property registration has been made easier and less costly by reducing the notary fee by 0.39 percent of the property's value and eliminating the capital gains tax.

Areas of Reform: Dealing with construction permits, Enforcing contracts, Paying taxes, Registering property

Rank in Doing Business 2010: 136

Bahrain consolidated preliminary approvals for building permits in a one-stop shop and reduced the time required to obtain a building permit.

Area of Reform: Dealing with construction permits

Rank in Doing Business 2010: 20

Djibouti eased the tax burden on businesses by introducing a 7 percent value added tax on the supply of goods and services, replacing the consumption tax.

Area of Reform: Paying taxes

Rank in Doing Business 2010: 163

The **Arab Republic of Egypt**, a former global leading reformer and a regional leading reformer in 2008/09, continued to make it easier to deal with construction permits by issuing executive articles for the 2008 construction law and eliminating most preapprovals for construction permits. Contract enforcement was expedited with the creation of commercial courts. Access to credit information has expanded with the addition of retailers to the database of the private credit bureau. Finally, company start-up was eased by the removal of the minimum capital requirement.

Areas of Reform: Starting a business, Dealing with construction permits, Getting credit (information), Enforcing contracts

Rank in Doing Business 2010: 106

In the **Islamic Republic of Iran** the process for dealing with construction permits was quickened with the introduction of e-service offices in Tehran, streamlining the process for obtaining location approvals, construction permits, and building completion certificates. In addition, the time needed to obtain water and electricity connections fell substantially. The tax burden on businesses was eased by converting the sales tax into a value added tax. Business start-up was simplified with the adoption of an electronic registration system. Trade times were shortened by the installation of scanners at the port of Shahid Rajaei and the reorganization of customs clearance offices to separate inspections of special goods (chemicals, petroleum) from those of general goods.

Areas of Reform: Starting a business, Dealing with construction permits, Paying taxes, Trading across borders

Rank in Doing Business 2010: 137

In **Iraq** no major reform was recorded.

Rank in Doing Business 2010: 153

Israel cut the corporate income tax rate from 29 percent to 27 percent.

Area of Reform: Paying taxes

Rank in Doing Business 2010: 29

Jordan eased the process for dealing with construction permits by extending the services of the one-stop shop in Greater Amman to medium-size commercial construction projects. Contract enforcement was improved by setting up special commercial courts and equipping them with computer-aided case management systems. In addition, a higher threshold for the lower conciliation court is expected to result in better distribution of cases. Taxpaying for businesses was eased with the introduction of an online filing and payment system and a simplification of form filing. Transfer fees for registering property were cut from 10 percent to 7.5 percent of a property's value. Business start-up was eased by offering a single reception service for company registration at the company registrar. Trade was made more efficient by implementing a risk-based inspection regime of post-destination clearance for preapproved traders as well as by reducing to 30 percent the share of containers subject to physical inspection. In addition, implementation of new software allowing online submissions of customs declarations has reduced customs clearance times by two days for exporters and three days for importers.

Areas of Reform: Starting a business, Dealing with construction permits, Registering property, Paying taxes, Enforcing contracts, Trading across borders

Rank in Doing Business 2010: 100

Kuwait established a law enabling restructuring of companies facing financial difficulty or insolvency. Improvements to customs administration procedures and staff training have helped shorten the time required to clear goods for import and export.

Areas of Reform: Closing a business, Trading across borders

Rank in Doing Business 2010: 61

Lebanon made it easier to pay taxes by removing the requirement that permission be obtained to use accelerated depreciation and by introducing electronic payments. Business start-up was simplified by improving the company book stamping process.

Areas of Reform: Starting a business, Paying taxes

Rank in Doing Business 2010: 108

Morocco strengthened access to credit with a new private credit bureau that began operating in March 2009.

Area of Reform: Getting credit (information)

Rank in Doing Business 2010: 128

Oman simplified business start-up by introducing an online name registry and enabling payment with a prepaid card. A new tax law will modernize the tax regime and simplify procedures.

Areas of Reform: Starting a business, Paying taxes

Rank in Doing Business 2010: 65

In **Qatar** no major reform was recorded.

Rank in Doing Business 2010: 39

Saudi Arabia expedited the process for dealing with construction permits by introducing a one-day permit procedure, enabling builders to obtain a temporary building permit allowing them to begin construction after one day and a final building permit after one week. Business start-up was eased with the creation of a one-stop office at the Ministry of Commerce that merged registration procedures and simplified publication requirements.

Areas of Reform: Starting a business, Dealing with construction permits

Rank in Doing Business 2010: 13

The **Syrian Arab Republic** eased business start-up by lowering the paid-in minimum capital requirement and allowing online access to standardized incorporation forms.

Area of Reform: Starting a business

Rank in Doing Business 2010: 143

Tunisia raised the total tax rate for businesses by 3.7 percentage points, through an increase in social security taxes of 0.6 percentage point and an increase of 3.1 percentage points for abandoning accelerated depreciation. Introduction of electronic filing may shorten tax payment compliance times and will affect payments. Expansion of the country's electronic single window will allow Tunisian traders to quickly file all documents required to clear their cargo online, and the system has reduced processing delays by two days. Furthermore, Tunisia strengthened investor protections by requiring greater corporate disclosure.

Areas of Reform: Protecting investors, Paying taxes (making it more difficult), Trading across borders

Rank in Doing Business 2010: 69

The **United Arab Emirates** shortened the time for delivering building permits by improving its online system for processing applications. Business start-up was eased by simplifying the documents needed for registration, abolishing the minimum capital requirement, and removing the requirement that proof of deposit of capital be shown for registration. Greater capacity at the container terminal, elimination of the terminal handling receipt as a required document, and an increase in trade finance products have improved trade processes.

Areas of Reform: Starting a business, Dealing with construction permits, Trading across borders
Rank in Doing Business 2010: 33

The **West Bank and Gaza's** contract enforcement has sped up as new judges have been recruited, appointed, and trained. Courts now have enforcement judges in charge of execution and possess computerized case management software. Property registration was expedited through a major project to computerize records at the land registry. Starting a business became more costly because of an increase in the minimum capital requirement.

Areas of Reform: Starting a business (making it more difficult), Registering property, Enforcing contracts

Rank in Doing Business 2010: 139

The **Republic of Yemen** improved access to credit information by removing the minimum threshold for loans included in the database of the public credit registry and guaranteeing the right of borrowers to view their own credit reports. Business start-up was simplified by eliminating the requirement to obtain a bank account certificate to register a company. Implementation of risk-based inspection and installation of an electronic data interchange (EDI) system have reduced the time required to clear goods at customs.

Areas of Reform: Starting a business, Getting credit (information), Trading across borders

Rank in Doing Business 2010: 99