

Doing Business 2010

Iraq

COMPARING REGULATION IN 183 ECONOMIES



© 2009 The International Bank for Reconstruction and Development / The World Bank
1818 H Street NW
Washington, D.C. 20433
Telephone 202-473-1000
Internet www.worldbank.org
E-mail feedback@worldbank.org

All rights reserved.
1 2 3 4 08 07 06 05

A copublication of The World Bank and the International Finance Corporation.

This volume is a product of the staff of the World Bank Group. The findings, interpretations, and conclusions expressed in this volume do not necessarily reflect the views of the Executive Directors of the World Bank or the governments they represent. The World Bank does not guarantee the accuracy of the data included in this work.

Rights and Permissions

The material in this publication is copyrighted. Copying and/or transmitting portions or all of this work without permission may be a violation of applicable law. The World Bank encourages dissemination of its work and will normally grant permission to reproduce portions of the work promptly.

For permission to photocopy or reprint any part of this work, please send a request with complete information to the Copyright Clearance Center, Inc., 222 Rosewood Drive, Danvers, MA 01923, USA; telephone 978-750-8400; fax 978-750-4470; Internet: www.copyright.com.

All other queries on rights and licenses, including subsidiary rights, should be addressed to the Office of the Publisher, The World Bank, 1818 H Street NW, Washington, DC 20433, USA; fax: 202-522-2422; e-mail: pubrights@worldbank.org.

Additional copies of *Doing Business 2010: Reforming through Difficult Times*, *Doing Business 2009*, *Doing Business 2008*, *Doing Business 2007: How to Reform*, *Doing Business in 2006: Creating Jobs*, *Doing Business in 2005: Removing Obstacles to Growth* and *Doing Business in 2004: Understanding Regulations* may be purchased at www.doingbusiness.org

ISBN: 978-0-8213-7961-5
E-ISBN: 978-0-8213-7965-3
DOI: 10.1596/978-0-8213-7961-5
ISSN: 1729-2638

Library of Congress Cataloging-in-Publishing Data has been applied for.

Printed in the United States.

Current features

News on the *Doing Business* project

www.doingbusiness.org

Rankings

How economies rank—from 1 to 183

www.doingbusiness.org/economyrankings

Reformers

Short summaries of DB2010 reforms, lists of reformers since DB2004 and a ranking simulation tool

www.doingbusiness.org/reformers

Historical data

Customized data sets since DB2004

www.doingbusiness.org/customquery

Methodology and research

The methodologies and research papers underlying *Doing Business*

www.doingbusiness.org/MethodologySurveys

Download reports

Access to *Doing Business* reports as well as subnational and regional reports, reform case studies and customized country and regional profiles

www.doingbusiness.org/downloads

Subnational and regional projects

Differences in business regulations at the subnational and regional level

www.doingbusiness.org/subnational

Law Library

Online collection of business laws and regulations relating to business and gender issues

www.doingbusiness.org/lawlibrary

www.doingbusiness.org/genderlawlibrary

Local partners

More than 8,000 specialists in 183 economies who participate in *Doing Business*

www.doingbusiness.org/LocalPartners

Reformers' Club

Celebrating the top 10 *Doing Business* reformers

www.doingbusiness.org/Reformers/ReformersClub.aspx

Business Planet

Interactive map on the ease of doing business

<http://www.doingbusiness.org/map>

Contents

Introduction and Aggregate Rankings	1
Starting a Business	5
Dealing with Construction Permits	10
Employing Workers	15
Registering Property	19
Getting Credit	24
Protecting Investors	28
Paying Taxes	32
Trading Across Borders	36
Enforcing Contracts	40
Closing a Business	44
Doing Business 2010 Reforms	48

Introduction

Doing Business 2010: Reforming Through Difficult Times is the seventh in a series of annual reports investigating regulations that enhance business activity and those that constrain it. Doing Business presents quantitative indicators on business regulations and the protection of property rights that can be compared across 183 economies, from Afghanistan to Zimbabwe, over time.

A set of regulations affecting 10 stages of a business's life are measured: starting a business, dealing with construction permits, employing workers, registering property, getting credit, protecting investors, paying taxes, trading across borders, enforcing contracts and closing a business. Data in *Doing Business 2010: Reforming Through Difficult Times* are current as of June 1, 2009*. The indicators are used to analyze economic outcomes and identify what reforms have worked, where, and why.

The Doing Business methodology has limitations. Other areas important to business such as an economy's proximity to large markets, the quality of its infrastructure services (other than those related to trading across borders), the security of property from theft and looting, the transparency of government procurement, macroeconomic conditions or the underlying strength of institutions, are not studied directly by Doing Business. To make the data comparable across economies, the indicators refer to a specific type of business, generally a local limited liability company operating in the largest business city. Because standard assumptions are used in the data collection, comparisons and benchmarks are valid across economies. The data not only highlight the extent of obstacles to doing business; they also help identify the source of those obstacles, supporting policymakers in designing reform.

The data set covers 183 economies: 46 in Sub-Saharan Africa, 32 in Latin America and The Caribbean, 27 in Eastern Europe and Central Asia, 24 in East Asia and Pacific, 19 in the Middle East and North Africa and 8 in South Asia, as well as 27 OECD high-income economies as benchmarks.

The following pages present the summary Doing Business indicators for Iraq. The data used for this country profile come from the Doing Business database and are summarized in graphs. These graphs allow a comparison of the economies in each region not only with one another but also with the "good practice" economy for each indicator. The good-practice economies are identified by their position in each indicator as well as their overall ranking and by their capacity to provide good examples of business regulation to other countries. These good-practice economies do not necessarily rank number 1 in the topic or indicator, but they are in the top 10.

More information is available in the full report. *Doing Business 2010: Reforming Through Difficult Times* presents the indicators, analyzes their relationship with economic outcomes and recommends reforms. The data, along with information on ordering the report, are available on the Doing Business website (www.doingbusiness.org).

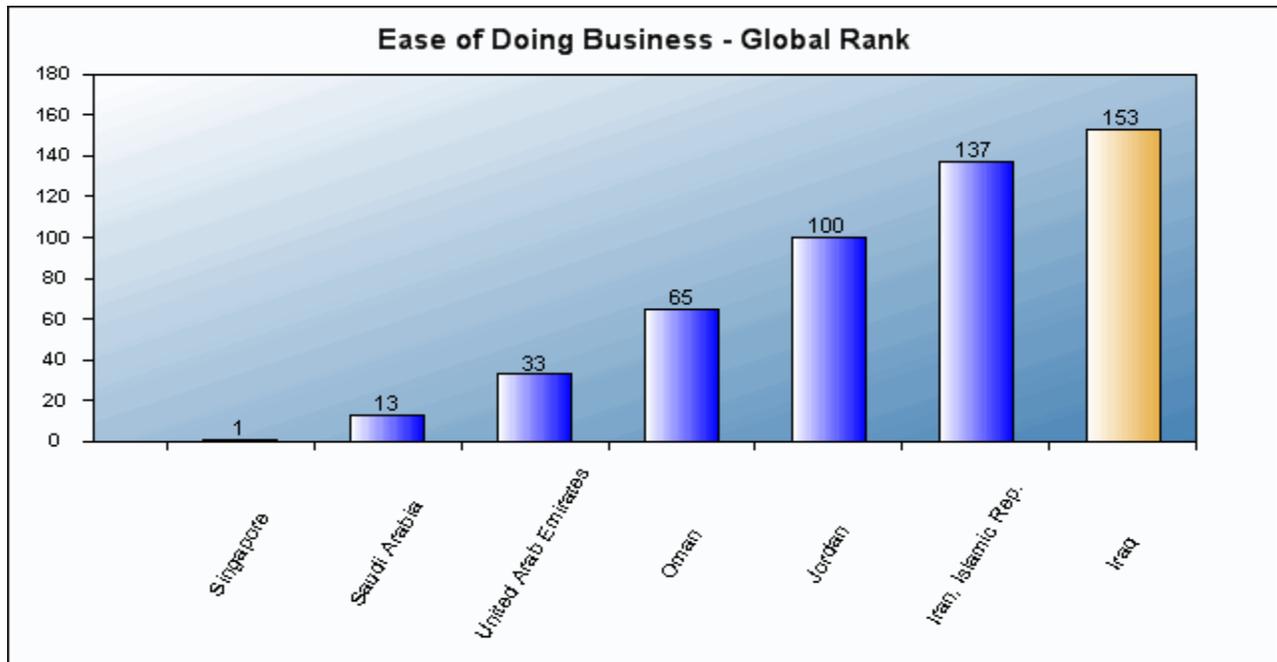
* Except for the Paying Taxes indicator that refers to the period January to December of 2008.

Note: Doing Business 2008 and Doing Business 2009 data and rankings have been recalculated to reflect changes to the methodology and the addition of new countries (in the case of the rankings).

Economy Rankings - Ease of Doing Business

Iraq is ranked 153 out of 183 economies. Singapore is the top ranked economy in the Ease of Doing Business.

Iraq - Compared to global good practice economy as well as selected economies:



Iraq's ranking in Doing Business 2010

Rank	Doing Business 2010
Ease of Doing Business	153
Starting a Business	175
Dealing with Construction Permits	94
Employing Workers	59
Registering Property	53
Getting Credit	167
Protecting Investors	119
Paying Taxes	53
Trading Across Borders	180
Enforcing Contracts	139
Closing a Business	183

Summary of Indicators - Iraq

Starting a Business	Procedures (number)	11
	Time (days)	77
	Cost (% of income per capita)	75.9
	Min. capital (% of income per capita)	30.3
Dealing with Construction Permits	Procedures (number)	14
	Time (days)	215
	Cost (% of income per capita)	397.9
Employing Workers	Difficulty of hiring index (0-100)	33
	Rigidity of hours index (0-100)	20
	Difficulty of redundancy index (0-10)	20
	Rigidity of employment index (0-100)	24
	Redundancy costs (weeks of salary)	0
Registering Property	Procedures (number)	5
	Time (days)	8
	Cost (% of property value)	7.7
Getting Credit	Strength of legal rights index (0-10)	3
	Depth of credit information index (0-6)	0
	Public registry coverage (% of adults)	0.0
	Private bureau coverage (% of adults)	0.0
Protecting Investors	Extent of disclosure index (0-10)	4
	Extent of director liability index (0-10)	5
	Ease of shareholder suits index (0-10)	4
	Strength of investor protection index (0-10)	4.3
Paying Taxes	Payments (number per year)	13
	Time (hours per year)	312
	Profit tax (%)	14.9
	Labor tax and contributions (%)	13.5
	Other taxes (%)	0.0
	Total tax rate (% profit)	28.4

Trading Across Borders	Documents to export (number)	10
	Time to export (days)	102
	Cost to export (US\$ per container)	3900
	Documents to import (number)	10
	Time to import (days)	101
	Cost to import (US\$ per container)	3900
Enforcing Contracts	Procedures (number)	51
	Time (days)	520
	Cost (% of claim)	27.3
Closing a Business	Recovery rate (cents on the dollar)	0.0
	Time (years)	no practice
	Cost (% of estate)	no practice

Starting a Business

When entrepreneurs draw up a business plan and try to get under way, the first hurdles they face are the procedures required to incorporate and register the new firm before they can legally operate. Economies differ greatly in how they regulate the entry of new businesses. In some the process is straightforward and affordable. In others the procedures are so burdensome that entrepreneurs may have to bribe officials to speed up the process or may decide to run their businesses informally.

Analysis shows that burdensome entry regulations do not increase the quality of products, make work safer or reduce pollution. Instead, they constrain private investment; push more people into the informal economy; increase consumer prices and fuel corruption.

Methodology

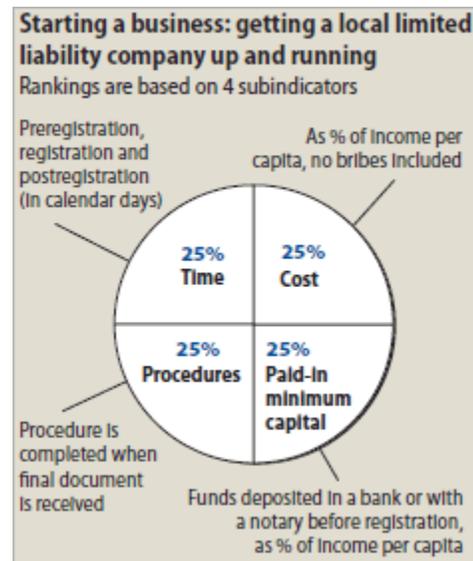
The data on starting a business is based on a survey and research investigating the procedures that a standard small to medium-size company needs to complete to start operations legally. This includes obtaining all necessary permits and licenses and completing all required inscriptions, verifications and notifications with authorities to enable the company to formally operate. Procedures are recorded only where interaction is required with an external party. It is assumed that the founders complete all procedures themselves unless professional services (such as by a notary or lawyer) are required by law. Voluntary procedures are not counted, nor are industry-specific requirements and utility hook-ups. Lawful shortcuts are counted.

It is assumed that all information is readily available to the entrepreneur, that there has been no prior contact with officials and that all government and nongovernment entities involved in the process function without corruption.

Survey Case Study

The business:

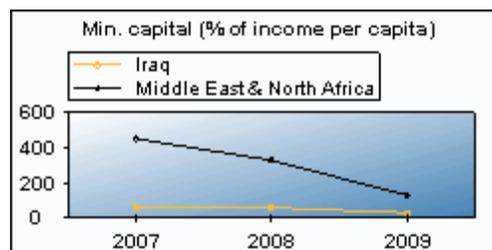
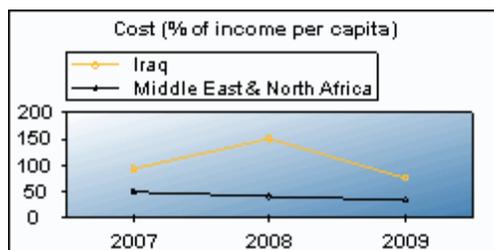
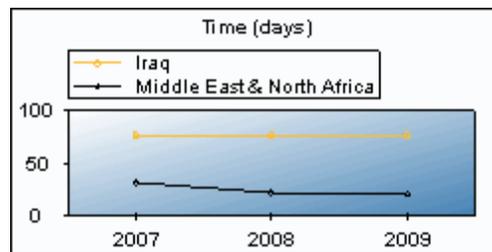
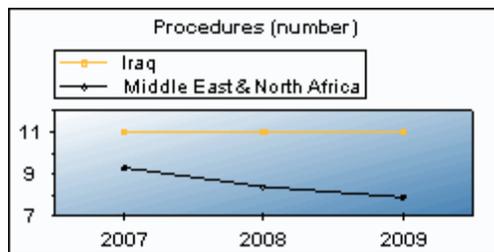
- is a limited liability company conducting general commercial activities
- is located in the largest business city
- is 100% domestically owned
- has a start-up capital of 10 times income per capita
- has a turnover of at least 100 times income per capita
- has between 10 and 50 employees
- does not qualify for any special benefits
- does not own real estate



1. Historical data: Starting a Business in Iraq

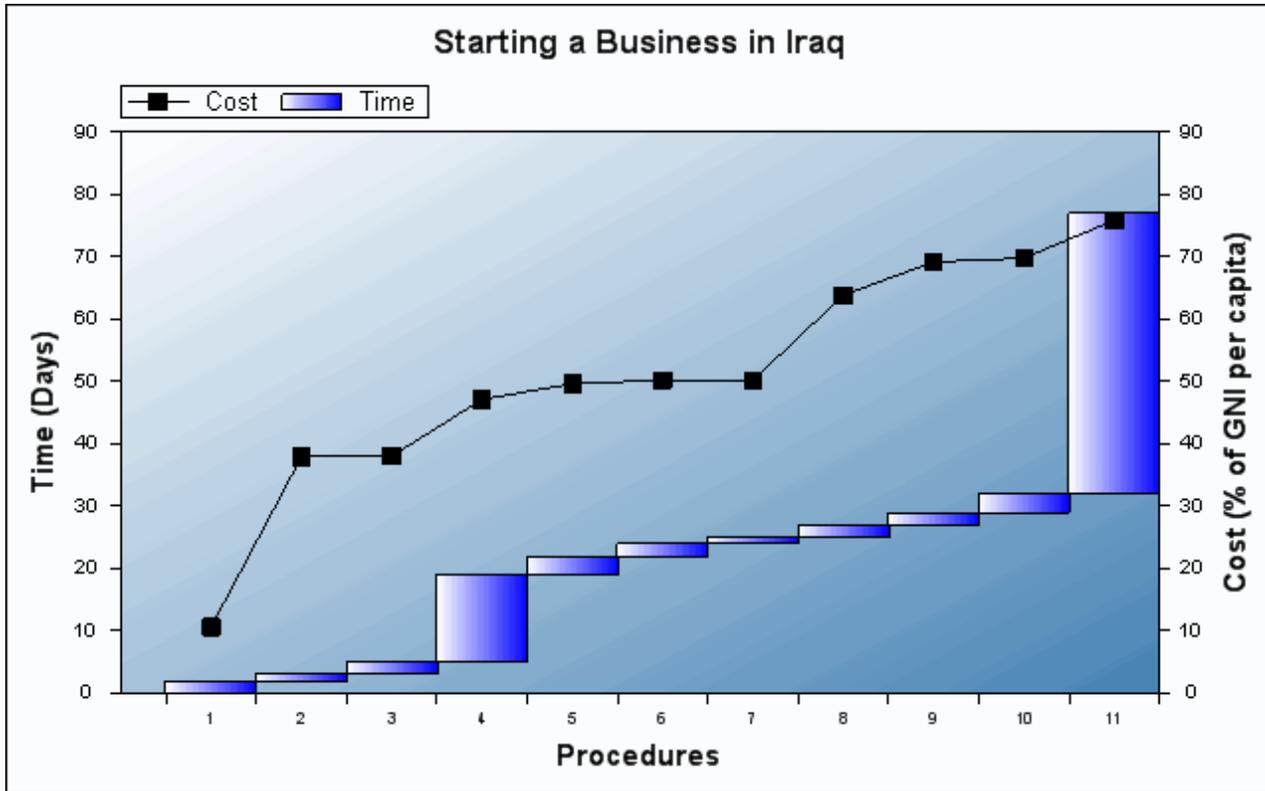
Starting a Business data	Doing Business 2008	Doing Business 2009	Doing Business 2010
Rank	..	177	175
Procedures (number)	11	11	11
Time (days)	77	77	77
Cost (% of income per capita)	93.5	150.7	75.9
Min. capital (% of income per capita)	65.4	59.1	30.3

2. The following graphs illustrates the Starting a Business indicators in Iraq over the past 3 years:



3. Steps to Starting a Business in Iraq

It requires 11 procedures, takes 77 days, and costs 75.86 % GNI per capita to start a business in Iraq.



List of Procedures:

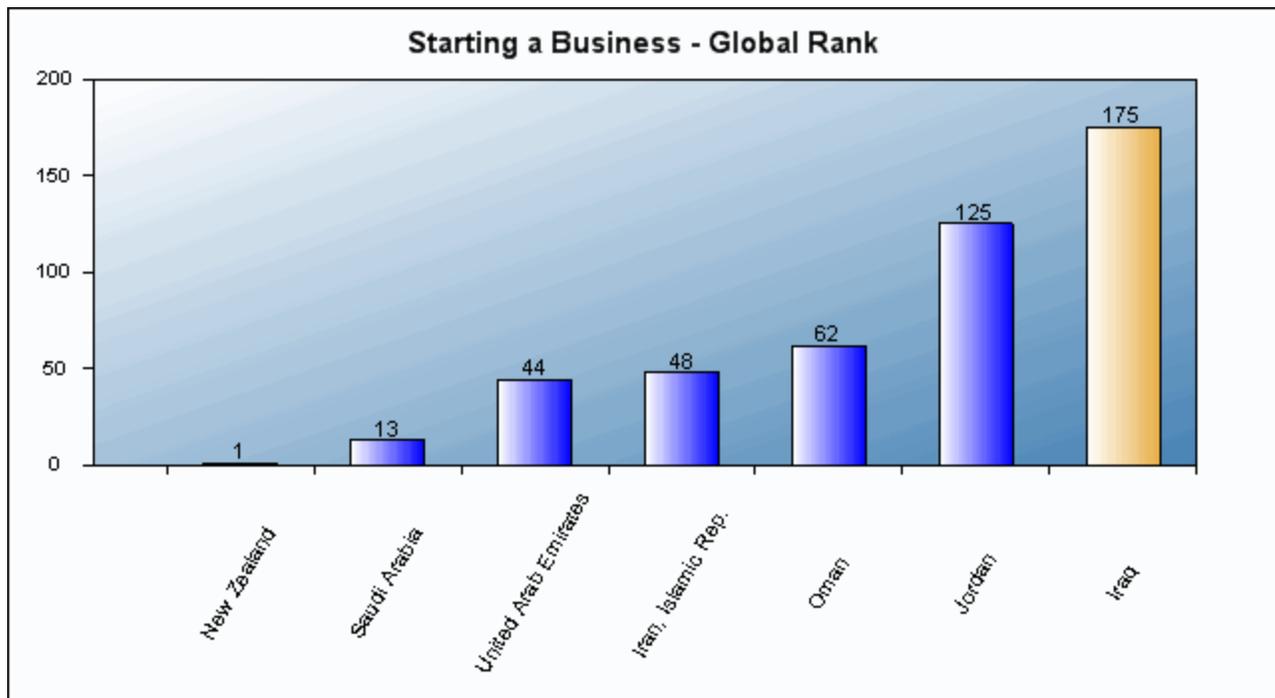
1. Search for a company name; obtain a name reservation letter from the Baghdad Chamber of Commerce
2. Hire a lawyer to draft articles of association
3. Deposit initial capital at commercial bank and obtain confirmation receipt
4. File for registration at the Commercial Registry
5. Advertise incorporation notice in the newspaper
6. Make company seal
7. Obtain registration certificate
8. Report to tax authority to establish tax registration
9. Legalize accounting books
10. Register employees for social security
11. Apply for a trade license

More detail is included in the appendix.

4. Benchmarking Starting a Business Regulations:

Iraq is ranked 175 overall for Starting a Business.

Ranking of Iraq in Starting a Business - Compared to good practice and selected economies:



The following table shows Starting a Business data for Iraq compared to good practice and comparator economies:

Good Practice Economies	Procedures (number)	Time (days)	Cost (% of income per capita)	Min. capital (% of income per capita)
Denmark*			0.0	
New Zealand*	1	1		0.0

<i>Selected Economy</i>				
Iraq	11	77	75.9	30.3

<i>Comparator Economies</i>				
Iran, Islamic Rep.	7	9	3.9	0.8
Jordan	8	13	49.5	19.9
Oman	5	12	2.2	273.6
Saudi Arabia	4	5	7.7	0.0
United Arab Emirates	8	15	6.2	0.0

* The following economies are also good practice economies for :

Procedures (number): **Canada**

Cost (% of income per capita): **Slovenia**

Dealing with Construction Permits

Once entrepreneurs have registered a business, what regulations do they face in operating it? To measure such regulation, Doing Business focuses on the construction sector. Construction companies are under constant pressure from government to comply with inspections, with licensing and safety regulations, from customers to be quick and cost-effective. These conflicting pressures point to the tradeoff in building regulation; the tradeoff between protecting people (construction workers, tenants, passersby) and keeping the cost of building affordable.

In many economies, especially poor ones, complying with building regulations is so costly in time and money that many builders opt out. Builders may pay bribes to pass inspections or simply build illegally, leading to hazardous construction. Where the regulatory burden is large, entrepreneurs may tend to move their activity into the informal economy. There they operate with less concern for safety, leaving everyone worse off. In other economies compliance is simple, straightforward and inexpensive, yielding better results.

Methodology

The indicators on dealing with construction permits record all procedures officially required for an entrepreneur in the construction industry to build a warehouse. These include submitting project documents (building plans, site maps) to the authorities, obtaining all necessary licenses and permits, completing all required notifications and receiving all necessary inspections. They also include procedures for obtaining utility connections, such as electricity, telephone, water and sewerage. The time and cost to complete each procedure under normal circumstances are calculated. All official fees associated with legally completing the procedures are included. Time is recorded in calendar days. The survey assumes that the entrepreneur is aware of all existing regulations and does not use an intermediary to complete the procedures unless required to do so by law.

Survey Case Study

The business:

- is a small to medium-size limited liability company
- is located in the largest business city
- is domestically owned and operated, in the construction business
- has 20 qualified employees

The warehouse to be built:

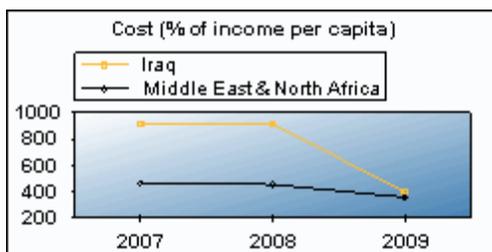
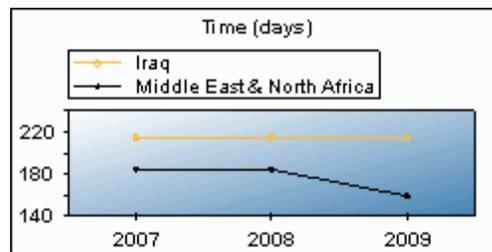
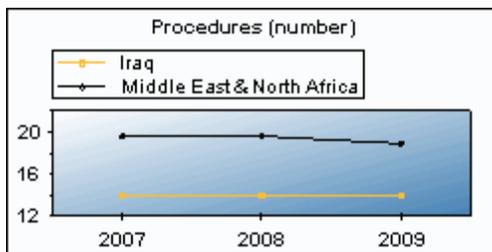
- is a new construction (there was no previous construction on the land)
- has complete architectural and technical plans prepared by a licensed architect
- will be connected to electricity, water, sewerage (sewage system, septic tank or their equivalent) and one land phone line. The connection to each utility network will be 32 feet, 10 inches (10 meters) long.
- will be used for general storage, such as of books or stationery. The warehouse will not be used for any goods requiring special conditions, such as food, chemicals or pharmaceuticals.
- will take 30 weeks to construct (excluding all delays due to administrative and regulatory requirements).



1. Historical data: Dealing with Construction Permits in Iraq

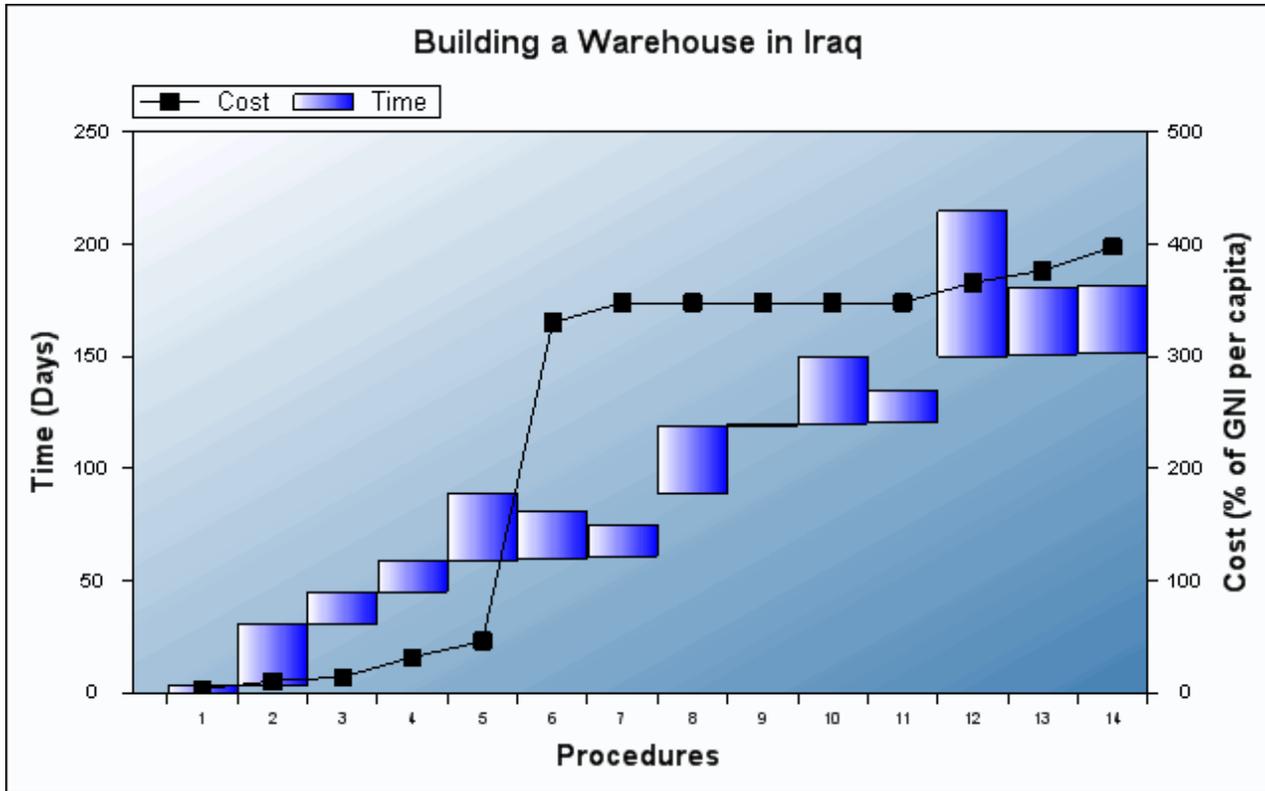
Dealing with Construction Permits data	Doing Business 2008	Doing Business 2009	Doing Business 2010
Rank	..	108	94
Procedures (number)	14	14	14
Time (days)	215	215	215
Cost (% of income per capita)	915.0	915.0	397.9

2. The following graphs illustrates the Dealing with Construction Permits indicators in Iraq over the past 3 years:



3. Steps to Building a Warehouse in Iraq

It requires 14 procedures, takes 215 days, and costs 397.88 % GNI per capita to build a warehouse in Iraq.



List of Procedures:

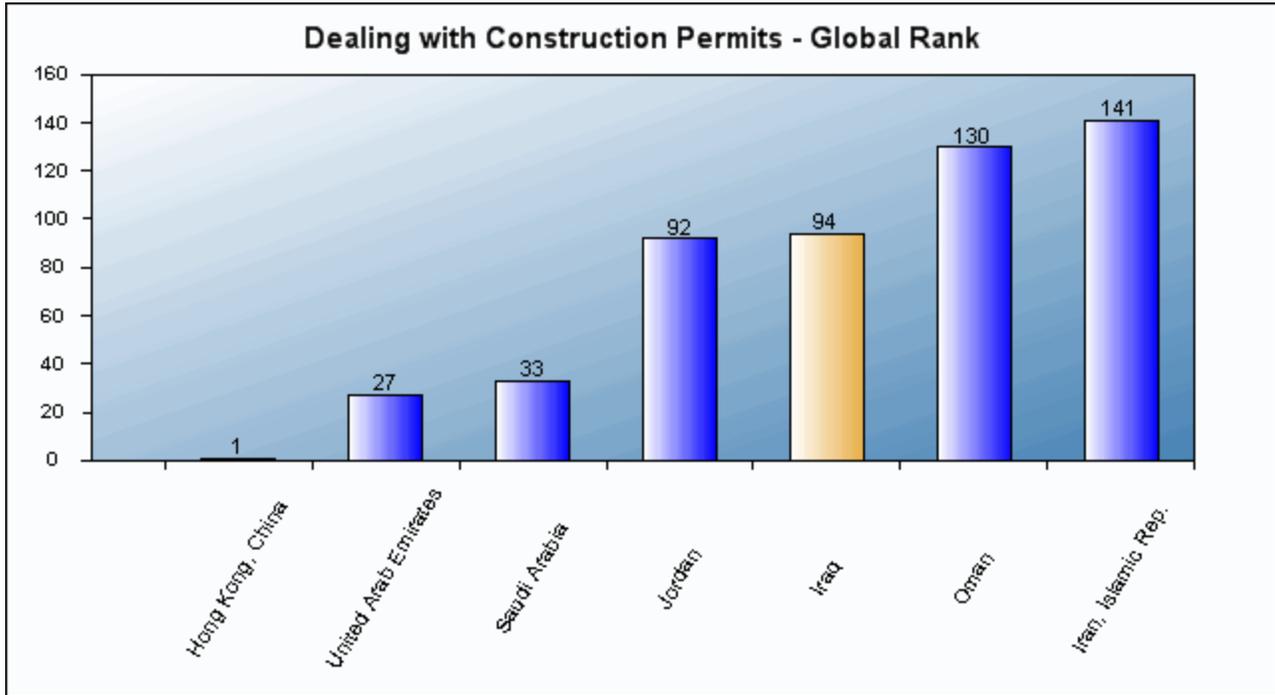
- | | |
|---|--|
| 1. Pay paving and inspection fees to municipality | 10. Obtain approval of completed project by national center of construction laboratory |
| 2. Obtain planning permission and location clearances from Municipal Authority | 11. Request and receive final inspection from national center of construction laboratory |
| 3. Obtain location clearances and guidelines for construction from Regional Authority | 12. Obtain water and sewage connection |
| 4. Obtain lot plan with site map from municipal authority | 13. Obtain power connection |
| 5. Obtain project clearance from ministry of communications | 14. Obtain telephone connection |
| 6. Obtain project approval from electric power company | |
| 7. Obtain project clearance from water and sewage directorate | |
| 8. Obtain building permit from Municipality | |
| 9. Obtain approval of completed project by municipal authority | |

More detail is included in the appendix.

4. Benchmarking Dealing with Construction Permits Regulations:

Iraq is ranked 94 overall for Dealing with Construction Permits.

Ranking of Iraq in Dealing with Construction Permits - Compared to good practice and selected economies:



The following table shows Dealing with Construction Permits data for Iraq compared to good practice and comparator economies:

Good Practice Economies	Procedures (number)	Time (days)	Cost (% of income per capita)
Denmark	6		
Qatar			0.6
Singapore		25	

<i>Selected Economy</i>			
Iraq	14	215	397.9

<i>Comparator Economies</i>			
Iran, Islamic Rep.	17	322	365.9
Jordan	19	87	697.1
Oman	16	242	427.9
Saudi Arabia	17	94	32.8
United Arab Emirates	17	64	30.7

Employing Workers

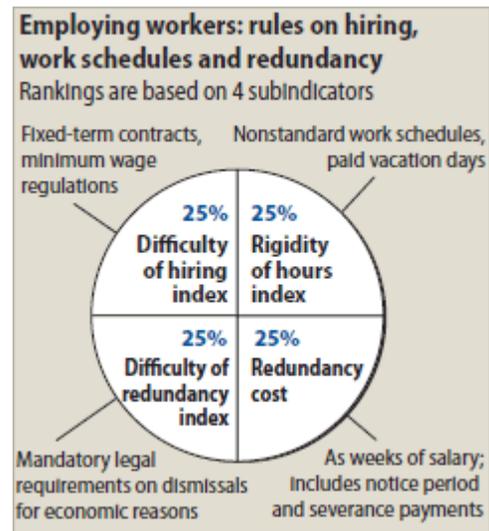
Economies worldwide have established a system of laws and institutions intended to protect workers and guarantee a minimum standard of living for its population. This system generally encompasses four bodies of law: employment, industrial relations, social security and occupational health and safety laws.

Employment regulations are needed to allow efficient contracting between employers and workers and to protect workers from discriminatory or unfair treatment by employers. Doing Business measures flexibility in the regulation of hiring, working hours and dismissal in a manner consistent with the conventions of the International Labour Organization (ILO). An economy can have the most flexible labor regulations as measured by Doing Business while ratifying and complying with all conventions directly relevant to the factors measured by Doing Business and with the ILO core labor standards. No economy can achieve a better score by failing to comply with these conventions.

Governments all over the world face the challenge of finding the right balance between worker protection and labor market flexibility. But in developing countries especially, regulators often err to one extreme, pushing employers and workers into the informal sector. Analysis across economies shows that while employment regulation generally increases the tenure and wages of incumbent workers, overly rigid regulations may have undesirable side effects. These include less job creation, smaller company size, less investment in research and development, and longer spells of unemployment and thus the obsolescence of skills, all of which may reduce productivity growth.

Methodology

Two measures are presented: a rigidity of employment index and a redundancy cost measure. The rigidity of employment index is the average of three sub-indices: difficulty of hiring, rigidity of hours and difficulty of redundancy. Each index takes values between 0 and 100, with higher values indicating more rigid regulation. The difficulty of hiring index measures the flexibility of contracts and the ratio of the minimum wage to the value added per worker. The rigidity of hours index covers restrictions on weekend and night work, requirements relating to working time and the workweek taking into account legal provisions that refer specifically to small to medium-size companies in the manufacturing industry in which continuous operation is economically necessary, as well as mandated days of annual leave with pay. The difficulty of redundancy index covers workers' legal protections against dismissal, including the grounds permitted for dismissal and procedures for dismissal (individual and collective): notification and approval requirements, retraining or reassignment obligations and priority rules for dismissals and reemployment.



The Redundancy cost indicator measures the cost of advance notice requirements, severance payments and penalties due when terminating a redundant worker, expressed in weeks of salary.

Survey Case Study

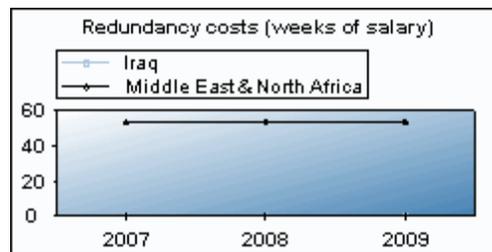
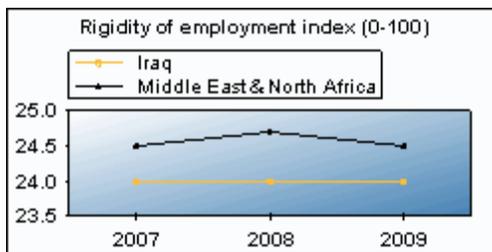
The business:

- is a limited liability company operating in the manufacturing sector
- is located in the largest business city
- is 100% domestically owned
- has 60 employees
- The company is also assumed to be subject to collective bargaining agreements in economies where such agreements cover more than half the manufacturing sector and apply even to firms not party to them.

1. Historical data: Employing Workers in Iraq

Employing Workers data	Doing Business 2008	Doing Business 2009	Doing Business 2010
Rank	..	51	59
Redundancy costs (weeks of salary)	0	0	0
Rigidity of employment index (0-100)	24	24	24

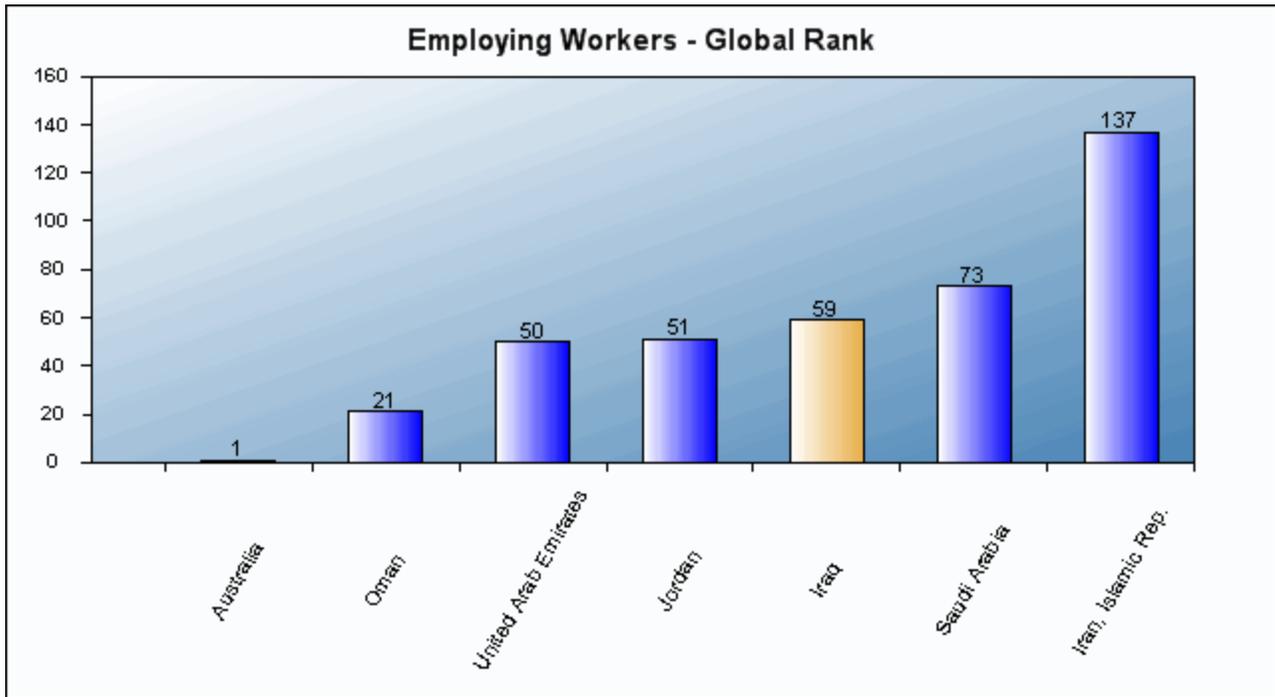
2. The following graphs illustrates the Employing Workers indicators in Iraq over the past 3 years:



3. Benchmarking Employing Workers Regulations:

Iraq is ranked 59 overall for Employing Workers.

Ranking of Iraq in Employing Workers - Compared to good practice and selected economies:



The following table shows Employing Workers data for Iraq compared to good practice and comparator economies:

Good Practice Economies	Rigidity of employment index (0-100)	Redundancy costs (weeks of salary)
Hong Kong, China*	0	
New Zealand*		0

<i>Selected Economy</i>		
Iraq	24	0

<i>Comparator Economies</i>		
Iran, Islamic Rep.	29	87
Jordan	24	4
Oman	13	4
Saudi Arabia	13	80
United Arab Emirates	7	84

* The following economies are also good practice economies for :

Rigidity of employment index (0-100): Australia, Brunei Darussalam, Kuwait, Marshall Islands, Singapore, St. Lucia, Uganda, United States

Redundancy costs (weeks of salary): Denmark, Iraq, Marshall Islands, Micronesia, Fed. Sts., Palau, Puerto Rico, Tonga, United States

Registering Property

Formal property titles help promote the transfer of land, encourage investment and give entrepreneurs access to formal credit markets. But a large share of property in developing economies is not formally registered. Informal titles cannot be used as security in obtaining loans, which limits financing opportunities for businesses. Many governments have recognized this and started extensive property titling programs. But bringing assets into the formal sector is only part of the story. The more difficult and costly it is to formally transfer property, the greater the chances that formalized titles will quickly become informal again. Eliminating unnecessary obstacles to registering and transferring property is therefore important for economic development.

Efficient property registration reduces transaction costs and helps to formalize property titles. Simple procedures to register property are also associated with greater perceived security of property rights and less corruption. That benefits all entrepreneurs, especially women, the young and the poor. The rich have few problems protecting their property rights. They can afford to invest in security systems and other measures to defend their property. But small entrepreneurs cannot. Reform can change this.

Methodology

Doing Business records the full sequence of procedures necessary for a business (buyer) to purchase a property from another business (seller) and to transfer the property title to the buyer's name. The property of land and building will be transferred in its entirety. The transaction is considered complete when the buyer can use the property as collateral for a bank loan.

Local property lawyers and officials in property registries provide information on required procedures as well as the time and cost to complete each one. For most economies the data are based on responses from both. Based on the responses, three indicators are constructed:

- number of procedures to register property
- time to register property (in calendar days)
- official costs to register property (as a percentage of the property value)

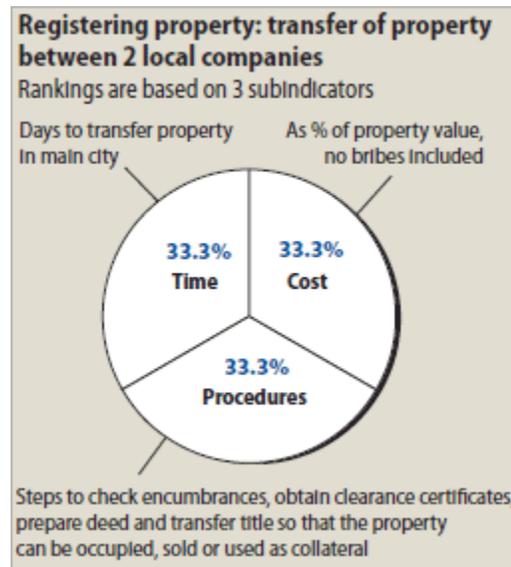
Survey Case Study

The buyer and seller:

- are limited liability companies
- are private nationals (no foreign ownership)
- are located in periurban area of the largest business city
- conduct general commercial activities

The property:

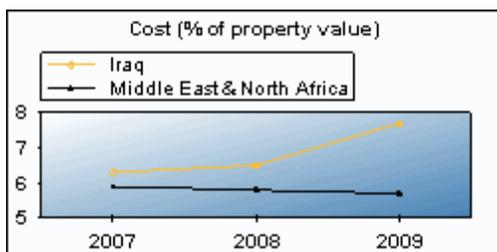
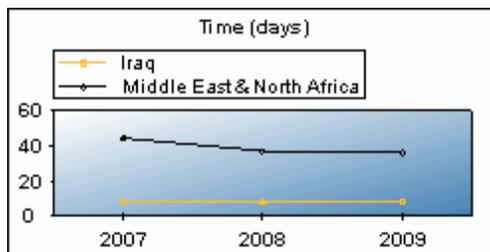
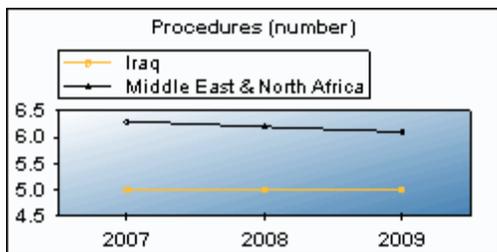
- consists of land and a 2-story building (warehouse)
- is located in the periurban commercial zone of the largest business city
- The land area is 557.4 m² (6,000 square feet).
- The warehouse has a total area of 929 m² (10,000 square feet).
- has a value equal to 50 times income per capita
- The seller company owned the property for the last 10 years.
- is registered in the land registry and/or cadastre and is free of all disputes.



1. Historical data: Registering Property in Iraq

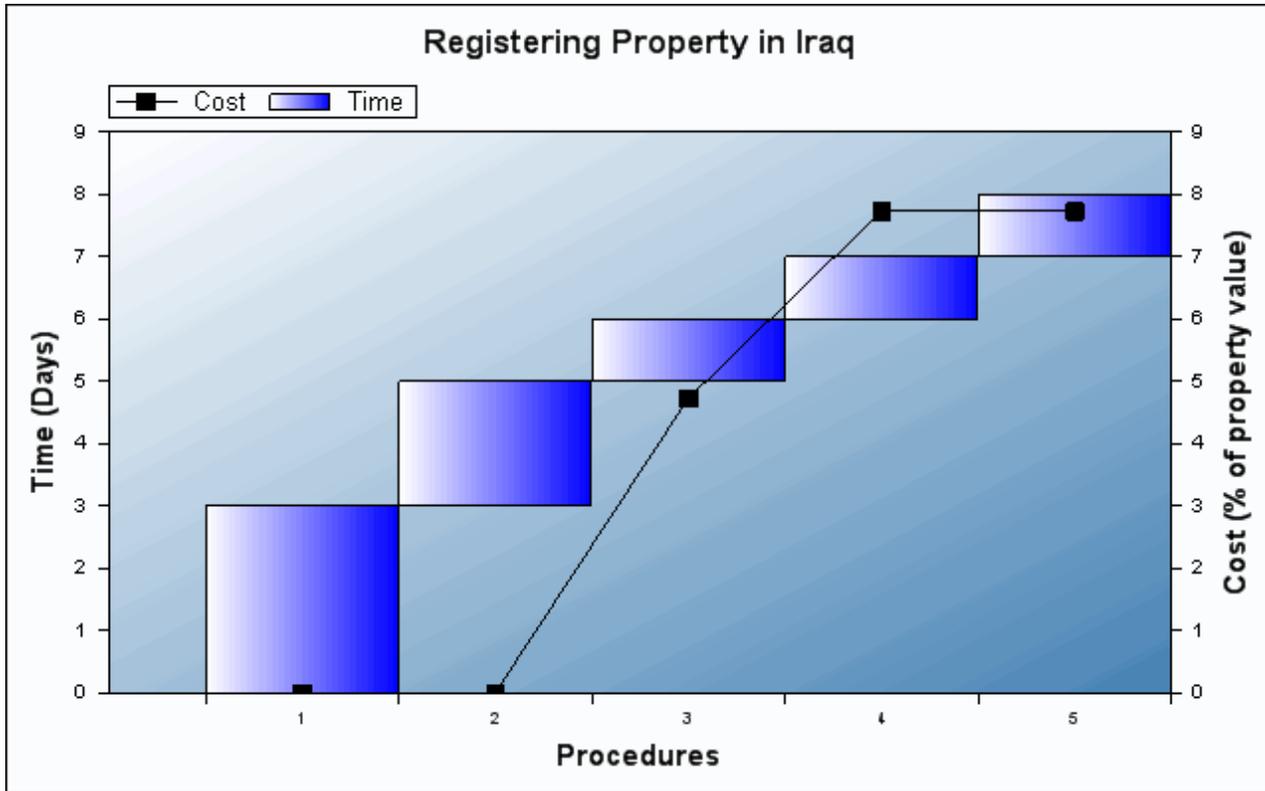
Registering Property data	Doing Business 2008	Doing Business 2009	Doing Business 2010
Rank	..	43	53
Procedures (number)	5	5	5
Time (days)	8	8	8
Cost (% of property value)	6.3	6.5	7.7

2. The following graphs illustrates the Registering Property indicators in Iraq over the past 3 years:



3. Steps to Registering Property in Iraq

It requires 5 procedures, takes 8 days, and costs 7.73 % of property value to register the property in Iraq.



List of Procedures:

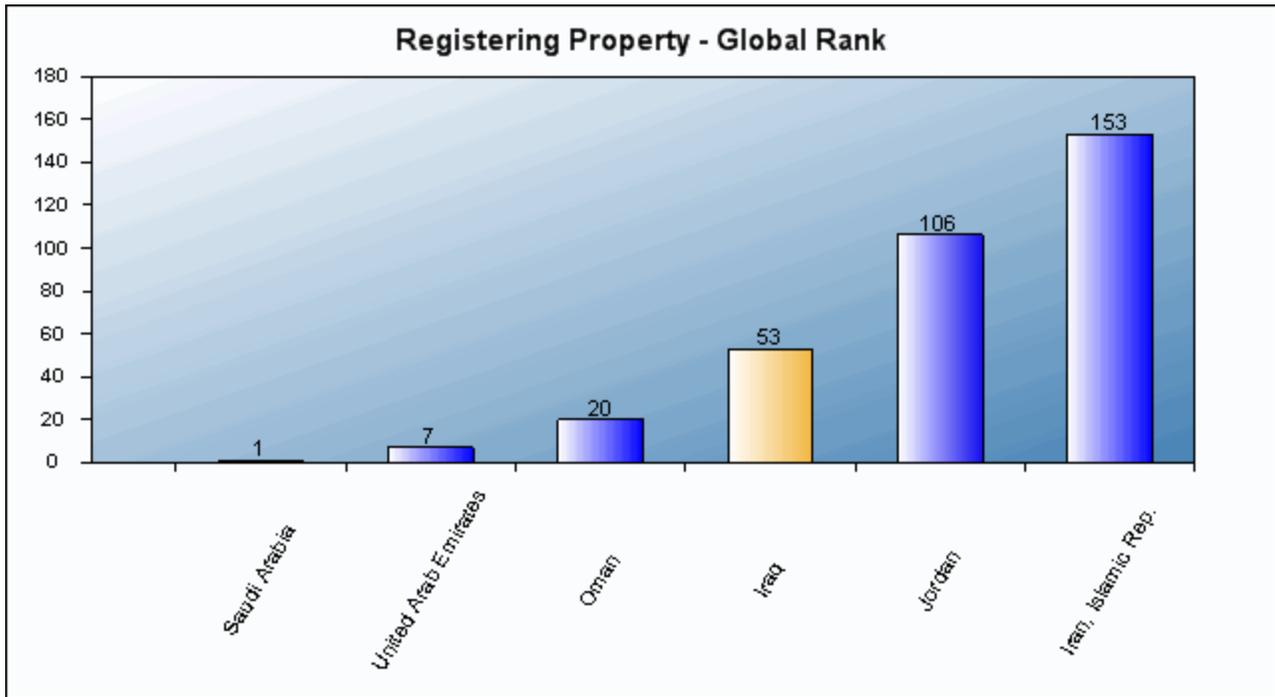
1. Obtain a new form for the property title and a cadastral map at the Real Property Registry
2. Obtain an approval determining the type of the real property and the way to occupy it
3. Pay the income tax at the Income Tax Authority
4. The registration fee is paid before applying for registration
5. Apply for registration at the Real Property Registry

More detail is included in the appendix.

4. Benchmarking Registering Property Regulations:

Iraq is ranked 53 overall for Registering Property.

Ranking of Iraq in Registering Property - Compared to good practice and selected economies:



The following table shows Registering Property data for Iraq compared to good practice and comparator economies:

Good Practice Economies	Procedures (number)	Time (days)	Cost (% of property value)
New Zealand*		2	
Norway*	1		
Saudi Arabia			0.0

<i>Selected Economy</i>			
Iraq	5	8	7.7

<i>Comparator Economies</i>			
Iran, Islamic Rep.	9	36	10.5
Jordan	7	21	7.5
Oman	2	16	3.0
Saudi Arabia	2	2	0.0
United Arab Emirates	1	2	2.0

* The following economies are also good practice economies for :

Procedures (number): United Arab Emirates

Time (days): Saudi Arabia, Thailand, United Arab Emirates

Getting Credit

Firms consistently rate access to credit as among the greatest barriers to their operation and growth. Doing Business constructs two sets of indicators of how well credit markets function: one on credit registries and the other on legal rights of borrowers and lenders. Credit registries, institutions that collect and distribute credit information on borrowers, can greatly expand access to credit. By sharing credit information, they help lenders assess risk and allocate credit more efficiently. They also free entrepreneurs from having to rely on personal connections alone when trying to obtain credit.

Methodology

Credit information: three indicators are constructed

- depth of credit information index, which measures the extent to which the rules of a credit information system facilitate lending based on the scope of information distributed, the ease of access to information and the quality of information
- public registry coverage, which reports the number of individuals and firms covered by a public credit registry as a percentage of the adult population
- private bureau coverage, which reports the number of individuals and firms, covered by a private credit bureau as a percentage of the adult population

Legal Rights: the strength of legal rights index measures the degree to which collateral and bankruptcy laws protect the rights of borrowers and lenders. Ten points are analyzed:

- Can a business use movable assets as collateral while keeping possession of the assets, and can any financial institution accept such assets as collateral?
- Does the law allow a business to grant a non-possessory security right in a single category of revolving movable assets, without requiring a specific description of the secured assets?
- Does the law allow a business to grant a non-possessory security right in substantially all of its assets, without requiring a specific description of the secured assets?
- Can a security right extend to future or after-acquired assets and extend automatically to the products, proceeds or replacements of the original assets?
- Is general description of debts and obligations permitted in collateral agreements and in registration documents, so that all types of obligations and debts can be secured by stating a maximum rather than a specific amount between the parties?
- Is a collateral registry in operation that is unified geographically and by asset type as well as being indexed by the name of the grantor of a security right?
- Are secured creditors paid first when a debtor defaults outside an insolvency procedure or when a business is liquidated?
- Are secured creditors subject to an automatic stay or moratorium on enforcement procedures when a debtor enters a court-supervised reorganization procedure?
- Are parties allowed to agree in a collateral agreement that the lender may enforce its security right out of court?

Legal Rights Survey Case Study

The Debtor:

- is a Private Limited Liability Company
- has its headquarters and only base of operations in the largest business city
- obtains a loan from a local bank (the Creditor) for an amount up to 10 times income (GNI) per capita
- Both debtor and creditor are 100% domestically owned.

Getting credit: collateral rules and credit information

Rankings are based on 2 subindicators

Regulations on nonpossessory security interests in movable property

62.5%
Strength of legal rights index
(0-10)

37.5%
Depth of credit information index
(0-6)

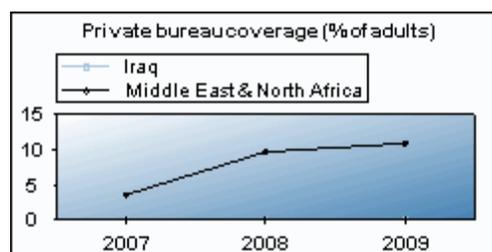
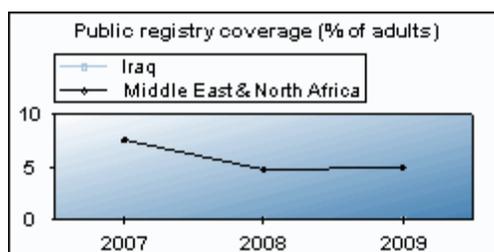
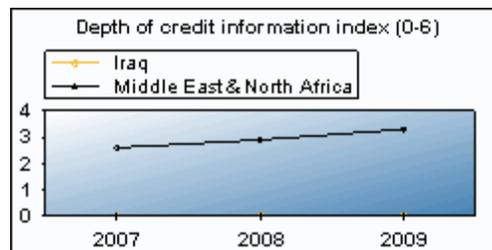
Scope, quality and accessibility of credit information through public and private credit registries

Note: Private bureau coverage and public registry coverage are measured but do not count for the rankings.

1. Historical data: Getting Credit in Iraq

Getting Credit data	Doing Business 2008	Doing Business 2009	Doing Business 2010
Rank	..	165	167
Strength of legal rights index (0-10)	3	3	3
Depth of credit information index (0-6)	0	0	0
Private bureau coverage (% of adults)	0.0	0.0	0.0
Public registry coverage (% of adults)	0.0	0.0	0.0

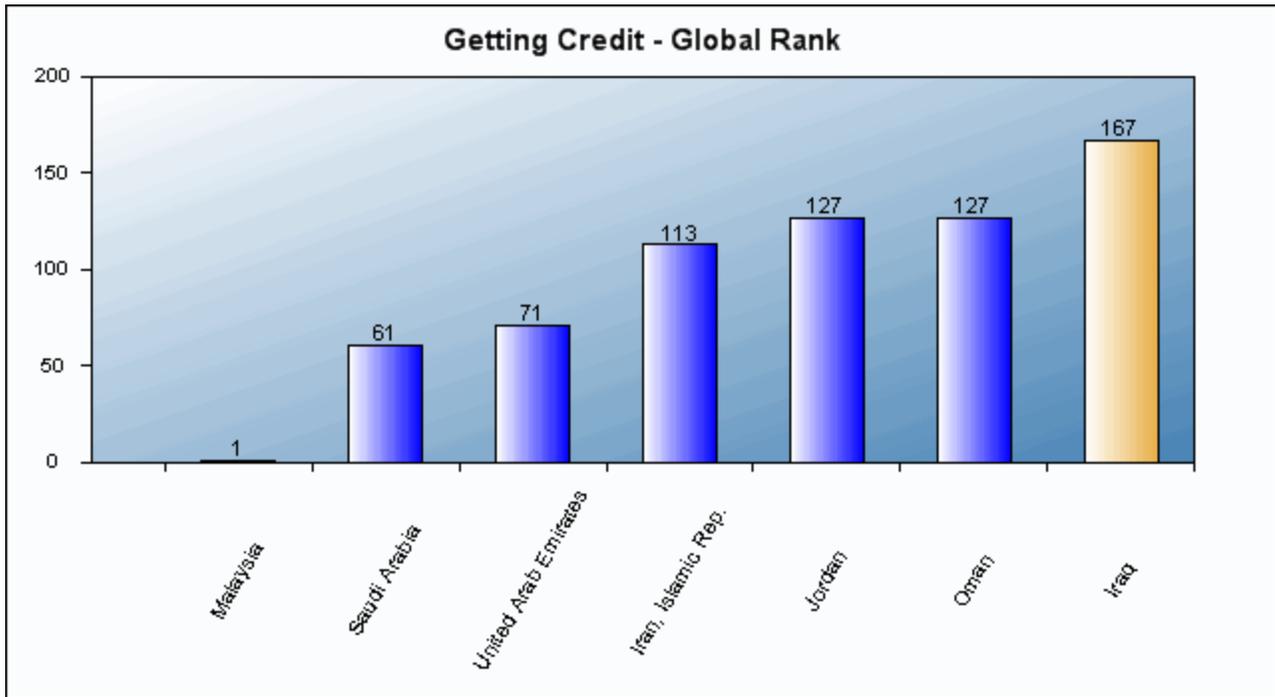
2. The following graphs illustrates the Getting Credit indicators in Iraq over the past 3 years:



3. Benchmarking Getting Credit Regulations:

Iraq is ranked 167 overall for Getting Credit.

Ranking of Iraq in Getting Credit - Compared to good practice and selected economies:



The following table shows Getting Credit data for Iraq compared to good practice and comparator economies:

Good Practice Economies	Strength of legal rights index (0-10)	Depth of credit information index (0-6)	Public registry coverage (% of adults)	Private bureau coverage (% of adults)
New Zealand*				100.0
Portugal			81.3	
Singapore*	10			
United Kingdom		6		

<i>Selected Economy</i>				
Iraq	3	0	0.0	0.0

<i>Comparator Economies</i>				
Iran, Islamic Rep.	4	3	31.3	0.0
Jordan	4	2	1.0	0.0
Oman	4	2	17.0	0.0
Saudi Arabia	4	6	0.0	17.9
United Arab Emirates	4	5	7.3	12.6

* The following economies are also good practice economies for :

Strength of legal rights index (0-10): Hong Kong, China, Kenya, Kyrgyz Republic, Malaysia

Private bureau coverage (% of adults): Argentina, Australia, Canada, Iceland, Ireland, Norway, Sweden, United Kingdom, United States

27 countries have the highest credit information index.

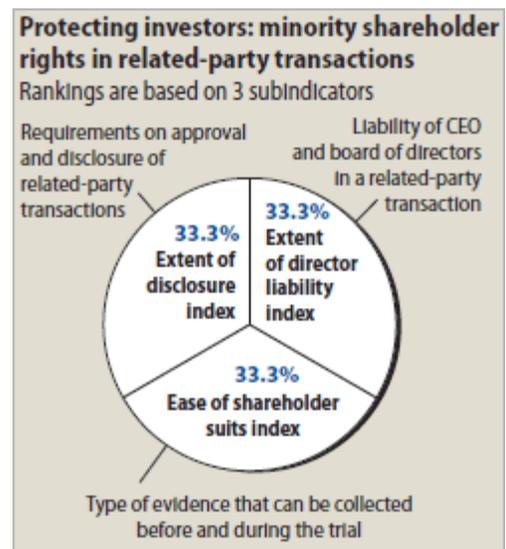
Protecting Investors

Companies grow by raising capital, either through a bank loan or by attracting equity investors. Selling shares allows companies to expand without the need to provide collateral and repay bank loans. However, investors worry about their money, and look for laws that protect them. A study finds that the presence of legal and regulatory protections for investors explains up to 73% of the decision to invest. In contrast, company characteristics explain only between 4% and 22%*. Good protections for minority shareholders are associated with larger and more active stock markets. Thus both governments and businesses have an interest in reforms strengthening investor protections.

Methodology

To document some of the protections investors have, Doing Business measures how economies regulate a standard case of self-dealing, use of corporate assets for personal gain. Three indices of investor protection are constructed based on the answers to these and other questions. All indices range from 0 to 10, with higher values indicating more protections or greater disclosure. The three indices are:

- The extent of disclosure index covers approval procedures, requirements for immediate disclosure to the public and shareholders of proposed transactions, requirements for disclosure in periodic filings and reports and the availability of external review of transactions before they take place.
- The extent of director liability index covers the ability of investors to hold Mr. James and the board of directors liable for damages, the ability to rescind the transaction, the availability of fines and jail time associated with self-dealing, the availability of direct or derivative suits and the ability to require Mr. James to pay back his personal profits from the transaction.
- The ease of shareholder suits index covers the availability of documents that can be used during trial, the ability of the investor to examine the defendant and other witnesses, shareholders' access to internal documents of the company, the appointment of an inspector to investigate the transaction and the standard of proof applicable to a civil suit against the directors.



These three indices are averaged to create the strength of investor protection index.

Survey case study

Mr. James, a director and the majority shareholder of a public company, proposes that the company purchase used trucks from another company he owns. The price is higher than the going price for used trucks. The transaction goes forward. All required approvals are obtained, and all required disclosures made, though the transaction is prejudicial to the purchasing company. Shareholders sue the interested parties and the members of the board of directors.

Several questions arise:

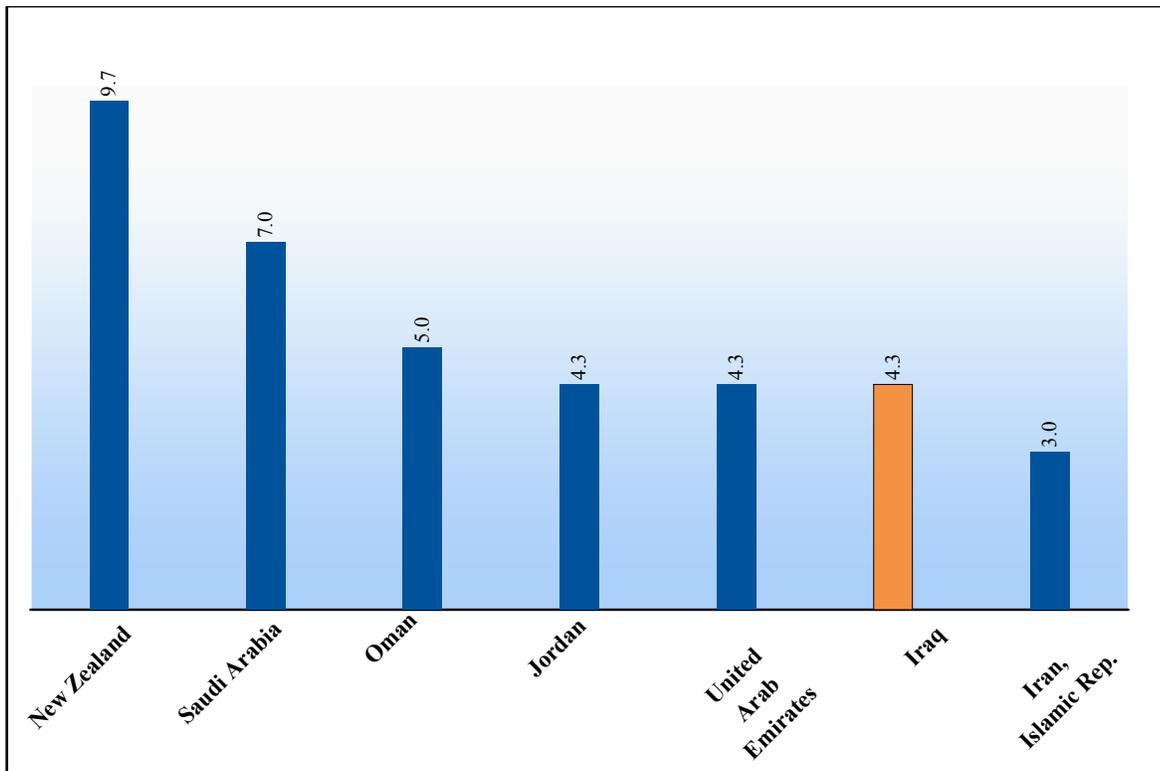
- Who approves the transaction?
- What information must be disclosed?
- What company documents can investors access?
- What do minority shareholders have to prove to get the transaction stopped or to receive compensation from Mr. James?

*Dojidge, Kardy and Stulz (2007)

1. Historical data: Protecting Investors in Iraq

Protecting Investors data	Doing Business 2008	Doing Business 2009	Doing Business 2010
Rank	..	114	119
Strength of investor protection index (0-10)	4.3	4.3	4.3

2. The following graph illustrates the Protecting Investors index in Iraq compared to best practice and selected Economies:

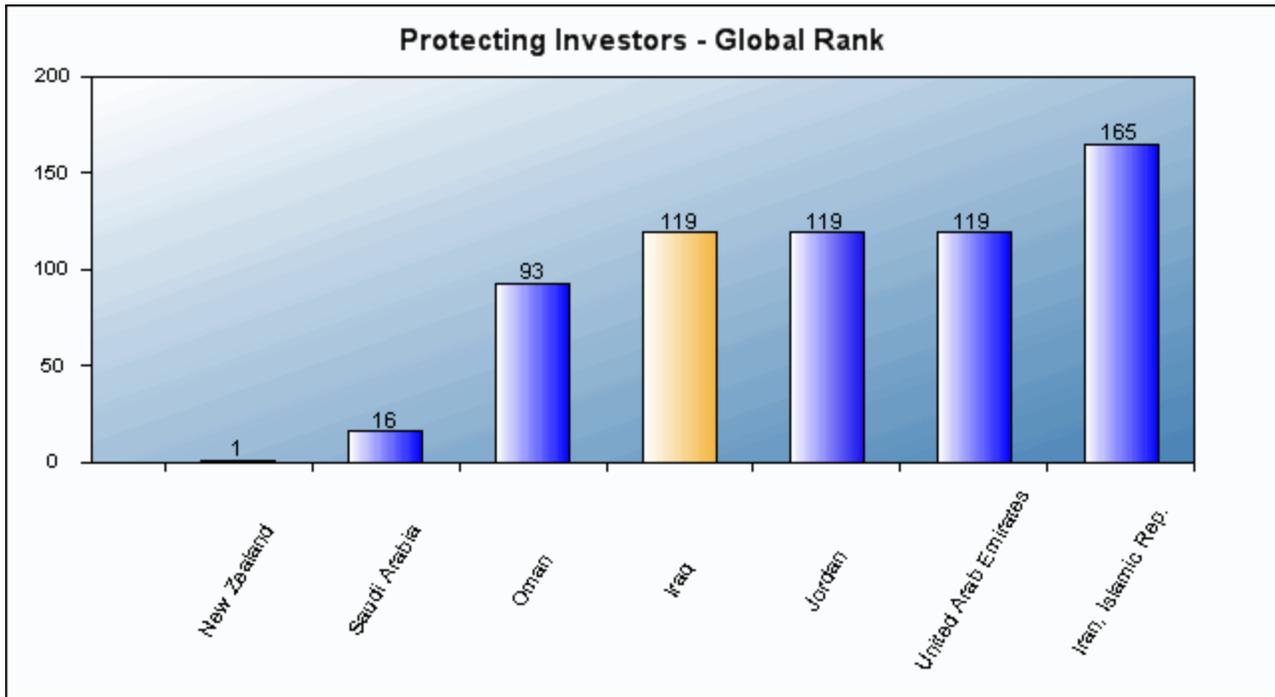


Note: The higher the score, the greater the investor protection.

3. Benchmarking Protecting Investors Regulations:

Iraq is ranked 119 overall for Protecting Investors.

Ranking of Iraq in Protecting Investors - Compared to good practice and selected economies:



The following table shows Protecting Investors data for Iraq compared to good practice and comparator economies:

Good Practice Economies	Strength of investor protection index (0-10)
New Zealand	9.7

<i>Selected Economy</i>	
Iraq	4.3

<i>Comparator Economies</i>	
Iran, Islamic Rep.	3.0
Jordan	4.3
Oman	5.0
Saudi Arabia	7.0
United Arab Emirates	4.3

Paying Taxes

Taxes are essential. Without them there would be no money to provide public amenities, infrastructure and services which are crucial for a properly functioning economy. But particularly for small and medium size companies, they may opt out and choose to operate in the informal sector. One way to enhance tax compliance is to ease and simplify the process of paying taxes for such businesses.

Methodology

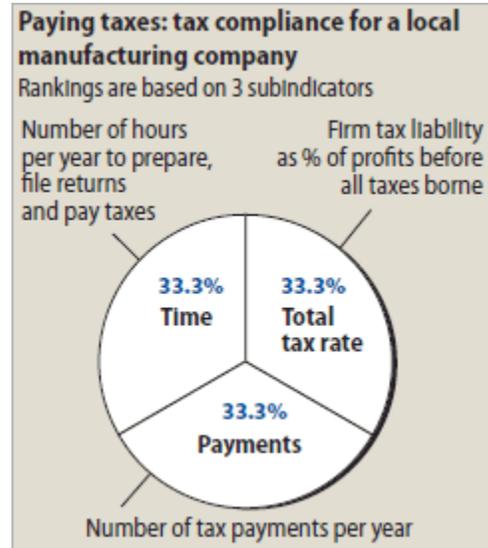
The Doing Business tax survey records the effective tax that a small and medium company must pay and the administrative costs of doing so.

Three indicators are constructed:

- number of tax payments, which takes in to account the method of payment, the frequency of payments and the number of agencies involved in our standardized case study.
- time, which measures the number of hours per year necessary to prepare and file tax returns and to pay the corporate income tax, value added tax, sales tax or goods and service tax and labor taxes and mandatory contributions.
- total tax rate, which measures the amount of taxes and mandatory contributions payable by the company during the second year of operation. This amount, expressed as a percentage of commercial profit, is the sum of all the different taxes payable after accounting for various deductions and exemptions.

Survey case study

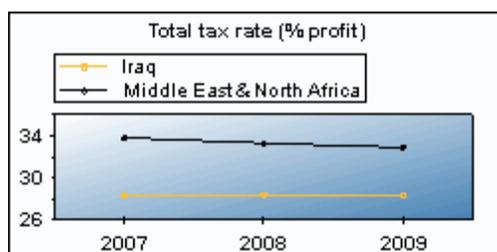
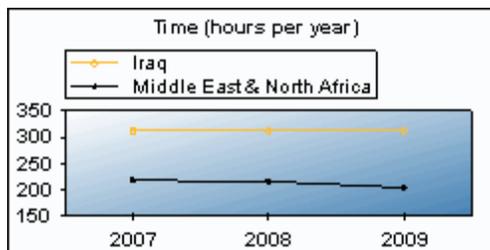
- TaxpayerCo is a medium-size business that started operations last year. Doing Business asks tax practitioners in 183 economies to review TaxpayerCo's financial statements and a standard list of transactions that the company completed during the year. Respondents are asked how much in taxes and mandatory contributions the business must pay and what the process is for doing so.
- The business starts from the same financial position in each economy. All the taxes and mandatory contributions paid during the second year of operation are recorded.
- Taxes and mandatory contributions are measured at all levels of government and include corporate income tax, turnover tax, all labor taxes and contributions paid by the company (including mandatory contributions paid to private pension or insurance funds), property tax, property transfer tax, dividend tax, capital gains tax, financial transactions tax, vehicle tax, sales tax and other small taxes (such as fuel tax, stamp duty and local taxes). A range of standard deductions and exemptions are also recorded.



1. Historical data: Paying Taxes in Iraq

Paying Taxes data	Doing Business 2008	Doing Business 2009	Doing Business 2010
Rank	..	50	53
Total tax rate (% profit)	28.4	28.4	28.4
Payments (number per year)	13	13	13
Time (hours per year)	312	312	312

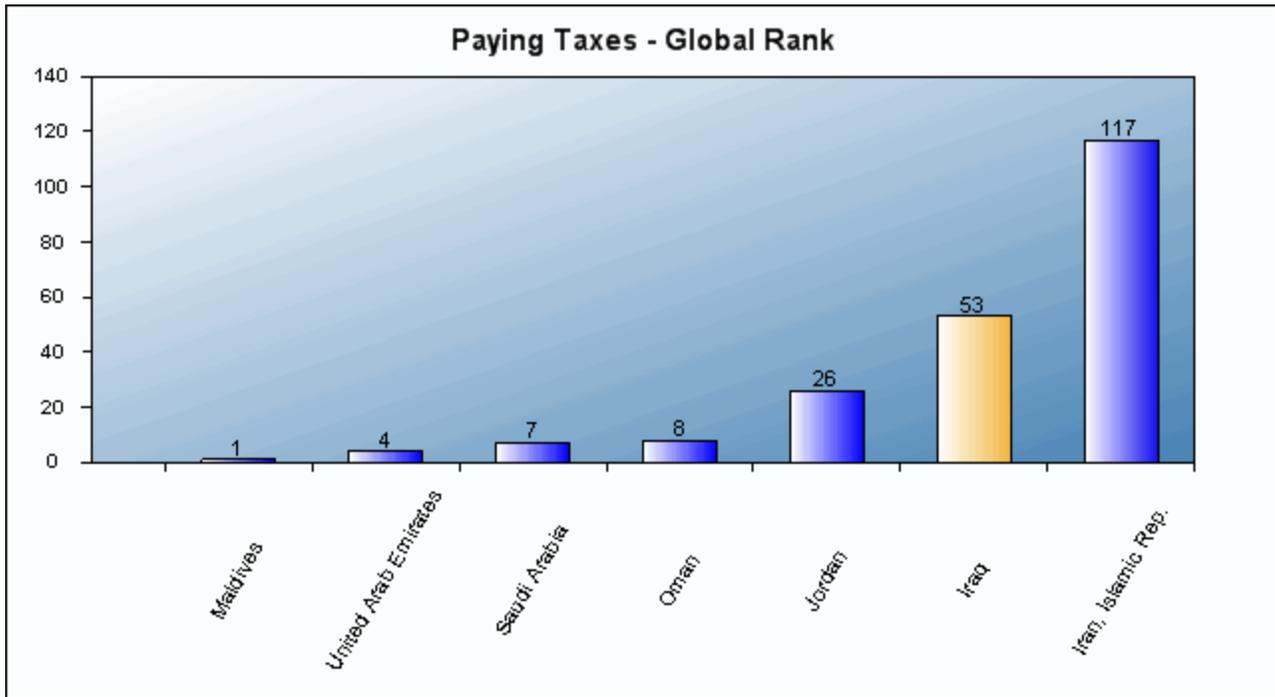
2. The following graphs illustrates the Paying Taxes indicators in Iraq over the past 3 years:



3. Benchmarking Paying Taxes Regulations:

Iraq is ranked 53 overall for Paying Taxes.

Ranking of Iraq in Paying Taxes - Compared to good practice and selected economies:



The following table shows Paying Taxes data for Iraq compared to good practice and comparator economies:

Good Practice Economies	Payments (number per year)	Time (hours per year)	Total tax rate (% profit)
Maldives*	1	0	
Timor-Leste			0.2

<i>Selected Economy</i>			
Iraq	13	312	28.4

<i>Comparator Economies</i>			
Iran, Islamic Rep.	22	344	44.2
Jordan	26	101	31.1
Oman	14	62	21.6
Saudi Arabia	14	79	14.5
United Arab Emirates	14	12	14.1

* The following economies are also good practice economies for :

Payments (number per year): Qatar

Trading Across Borders

The benefits of trade are well documented; as are the obstacles to trade. Tariffs, quotas and distance from large markets greatly increase the cost of goods or prevent trading altogether. But with bigger ships and faster planes, the world is shrinking. Global and regional trade agreements have reduced trade barriers. Yet Africa's share of global trade is smaller today than it was 25 years ago. So is the Middle East's, excluding oil exports. Many entrepreneurs face numerous hurdles to exporting or importing goods, including delays at the border. They often give up. Others never try. In fact, the potential gains from trade facilitation may be greater than those arising from only tariff reductions.

Methodology

Doing Business compiles procedural requirements for trading a standard shipment of goods by ocean transport. Every procedure and the associated documents, time and cost, for importing and exporting the goods is recorded, starting with the contractual agreement between the two parties and ending with delivery of the goods. For importing the goods, the procedures measured range from the vessel's arrival at the port of entry to the shipment's delivery at the importer's warehouse. For exporting the goods, the procedures measured range from the packing of the goods at the factory to their departure from the port of exit. Payment is by letter of credit and the time and cost for issuing or securing a letter of credit is taken into account.

Documents recorded include port filing documents, customs declaration and clearance documents, as well as official documents exchanged between the parties to the transaction. Time is recorded in calendar days, from the beginning to the end of each procedure. Cost includes the fees levied on a 20-foot container in U.S. dollars.

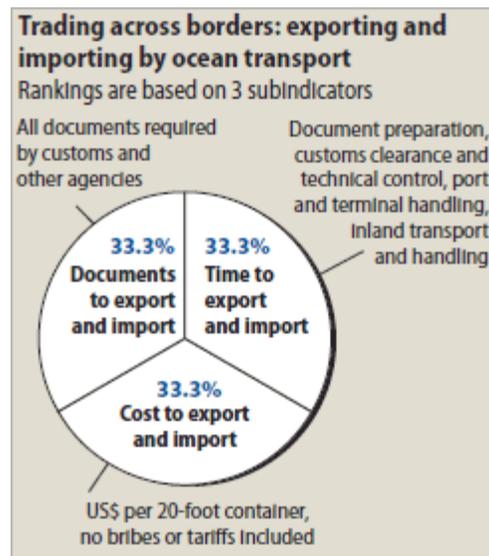
All the fees associated with completing the procedures to export or import the goods are included, such as costs for documents, administrative fees for customs clearance and technical control, terminal handling charges and inland transport. The cost measure does not include tariffs or duties.

Economies that have efficient customs, good transport networks and fewer document requirements, making compliance with export and import procedures faster and cheaper, are more competitive globally. That can lead to more exports; and exports are associated with faster growth and more jobs. Conversely, a need to file many documents is associated with more corruption in customs. Faced with long delays and frequent demands for bribes, many traders may avoid customs altogether. Instead, they smuggle goods across the border. This defeats the very purpose in having border control of trade to levy taxes and ensure high quality of goods.

Survey case study

To make the data comparable across countries, several assumptions about the business and the traded goods are used:

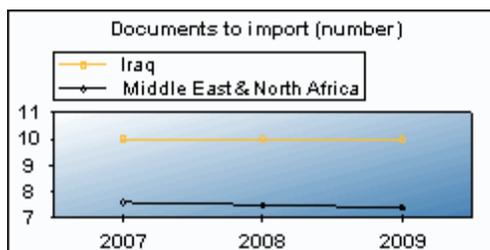
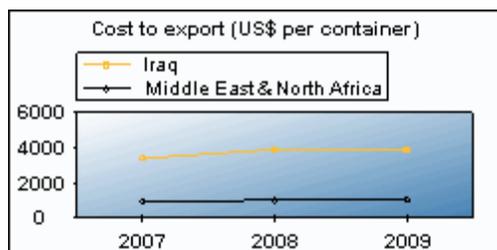
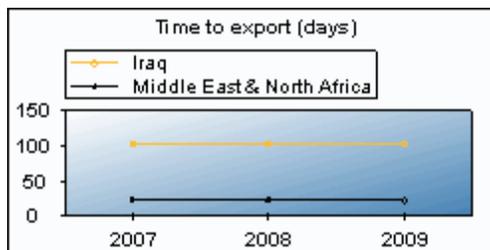
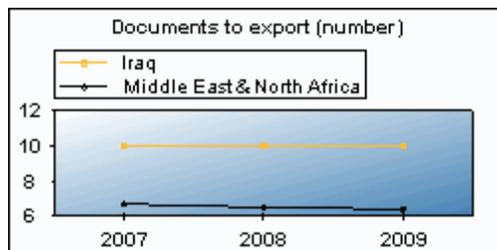
- The business is of medium size.
- The business employs 60 people.
- The business is located in the peri-urban area of the economy's largest business city.
- The business is a private, limited liability company, domestically owned, formally registered and operating under commercial laws and regulations of the economy.
- The traded goods are ordinary, legally manufactured products transported in a dry-cargo, 20-foot FCL (full container load) container.

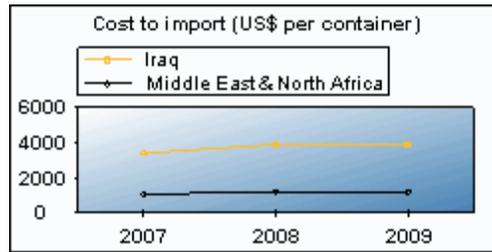
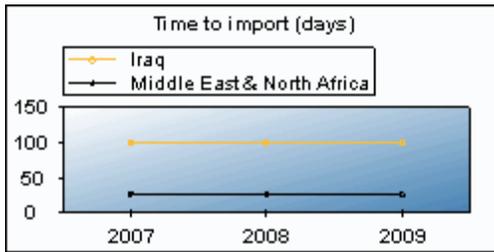


1. Historical data: Trading Across Borders in Iraq

Trading Across Borders data	Doing Business 2008	Doing Business 2009	Doing Business 2010
Rank	..	180	180
Cost to export (US\$ per container)	3400	3900	3900
Cost to import (US\$ per container)	3400	3900	3900
Documents to export (number)	10	10	10
Documents to import (number)	10	10	10
Time to export (days)	102	102	102
Time to import (days)	101	101	101

2. The following graphs illustrates the Trading Across Borders indicators in Iraq over the past 3 years:

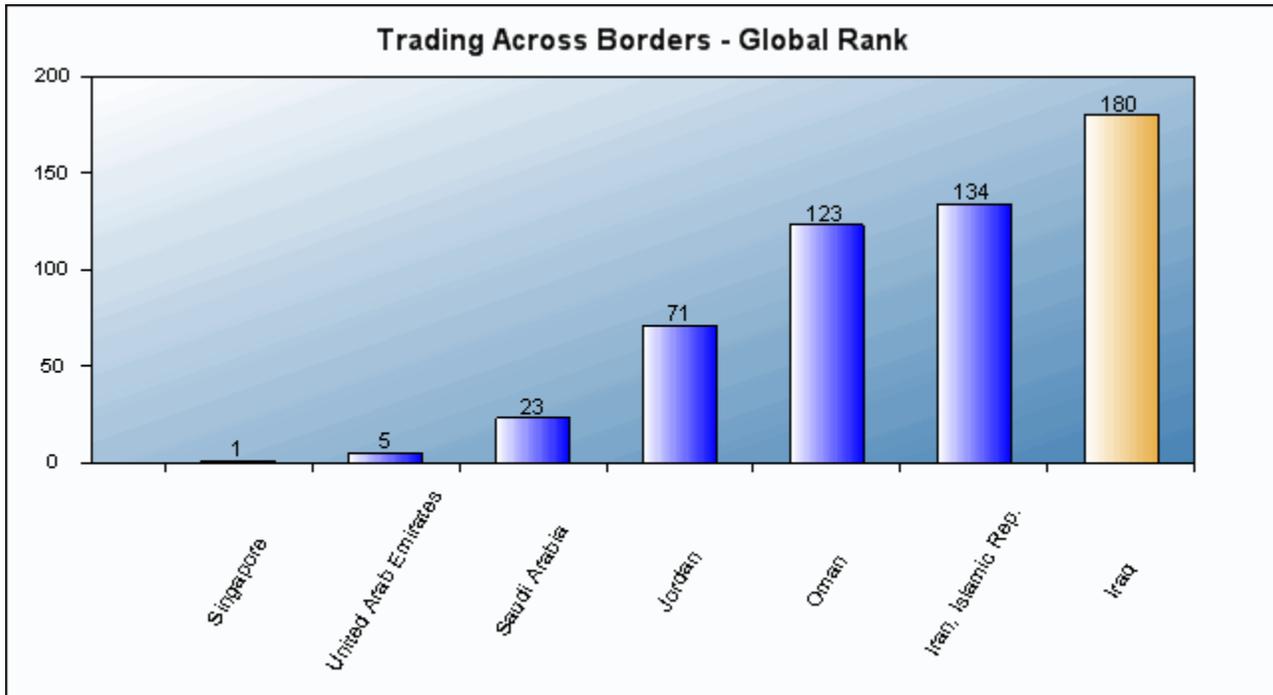




3. Benchmarking Trading Across Borders Regulations:

Iraq is ranked 180 overall for Trading Across Borders.

Ranking of Iraq in Trading Across Borders - Compared to good practice and selected economies:



The following table shows Trading Across Borders data for Iraq compared to good practice and comparator economies:

Good Practice Economies	Documents to export (number)	Time to export (days)	Cost to export (US\$ per container)	Documents to import (number)	Time to import (days)	Cost to import (US\$ per container)
Denmark*		5				
France	2			2		
Malaysia			450			
Singapore					3	439

<i>Selected Economy</i>						
Iraq	10	102	3900	10	101	3900

<i>Comparator Economies</i>						
Iran, Islamic Rep.	7	25	1061	8	38	1706
Jordan	7	17	730	7	19	1290
Oman	10	22	821	10	26	1037
Saudi Arabia	5	17	681	5	18	678
United Arab Emirates	4	8	593	5	9	579

* The following economies are also good practice economies for :

Time to export (days): Estonia

Enforcing Contracts

Where contract enforcement is efficient, businesses are more likely to engage with new borrowers or customers. Doing Business tracks the efficiency of the judicial system in resolving a commercial dispute, following the step-by-step evolution of a commercial sale dispute before local courts. The data is collected through study of the codes of civil procedure and other court regulations as well as through surveys completed by local litigation lawyers (and, in a quarter of the countries, by judges as well).

Justice delayed is often justice denied. And in many economies only the rich can afford to go to court. For the rest, justice is out of reach. In the absence of efficient courts, firms undertake fewer investments or business transactions. And they prefer to involve only a small group of people who know each other from previous dealings.

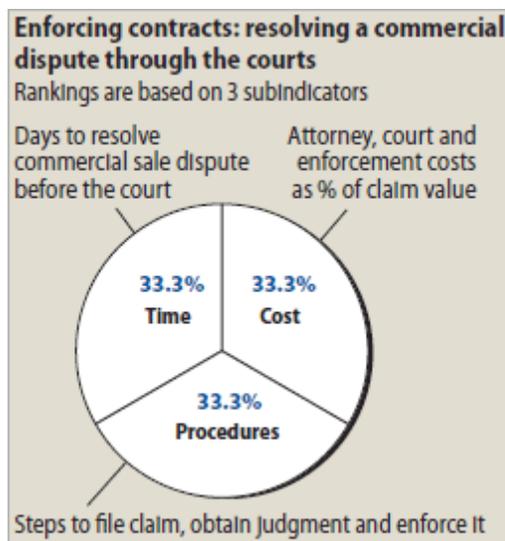
Methodology

Rankings on enforcing contracts are based on 3 sub-indicators:

- number of procedures, which are defined as any interaction between the parties or between them and the judge or court officer. This includes steps to file the case, steps for trial and judgment and steps necessary to enforce the judgment.
- time, which counts the number of calendar days from the moment the Seller files the lawsuit in court until payment is received. This includes both the days on which actions take place and the waiting periods in between.
- cost, which is recorded as a percentage of the claim (assumed to be equivalent to 200% of income per capita). Three types of costs are recorded: court costs (including expert fees), enforcement costs (including costs for a public sale of Buyer's assets) and attorney fees.

Survey case Study

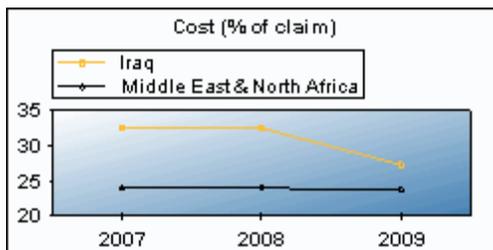
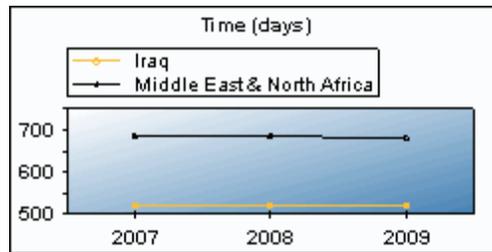
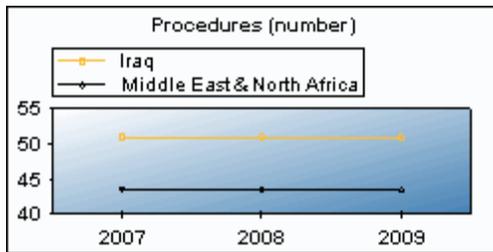
- The dispute concerns a contract for the sale of goods between two businesses (the Seller and the Buyer).
- Both are located in the economy's largest business city.
- The Seller sells and delivers goods, worth 200% of the economy's income per capita, to the Buyer. The Buyer refuses to pay on the grounds that they were not of adequate quality.
- The Seller sues the Buyer to recover the amount under the sales agreement (200% of the economy's income per capita).
- The claim is filed before a court in the economy's largest business city with jurisdiction over commercial cases worth 200% of the income per capita and is disputed on the merits.
- Judgment is 100% in favor of the Seller and is not appealed.
- The Seller enforces the judgment and the money is successfully collected through a public sale of Buyer's assets.



1. Historical data: Enforcing Contracts in Iraq

Enforcing Contracts data	Doing Business 2008	Doing Business 2009	Doing Business 2010
Rank	..	148	139
Procedures (number)	51	51	51
Time (days)	520	520	520
Cost (% of claim)	32.5	32.5	27.3

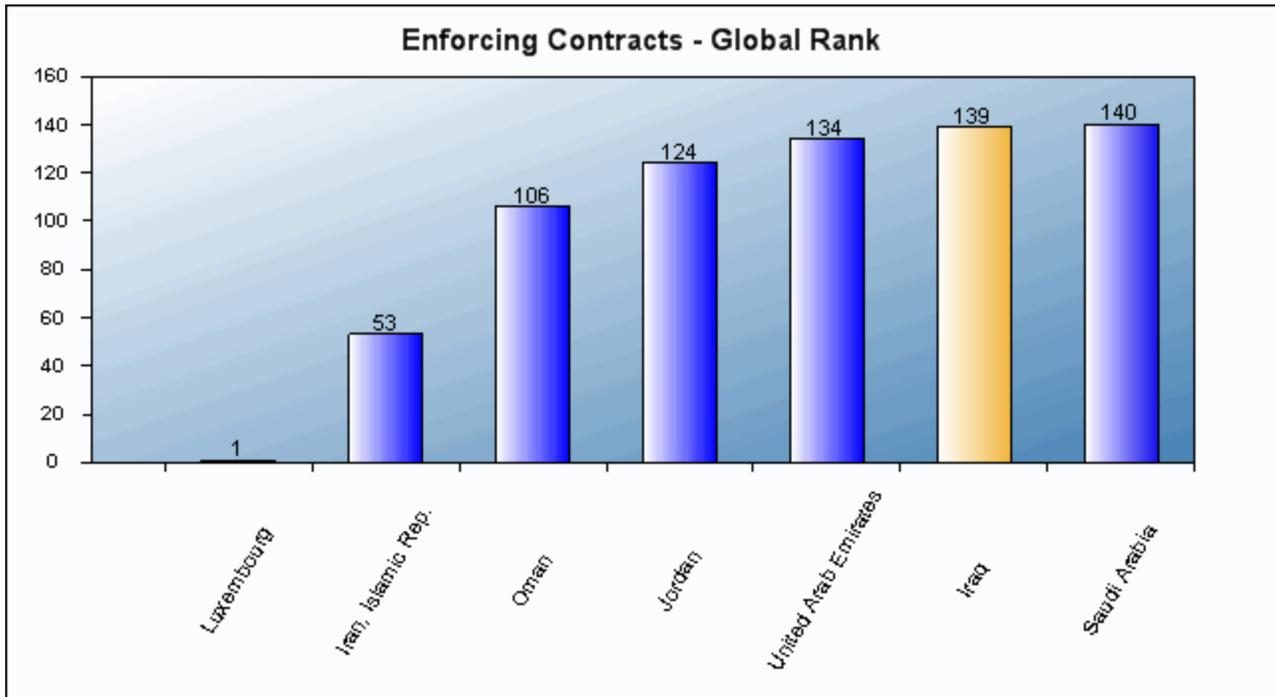
2. The following graphs illustrates the Enforcing Contracts indicators in Iraq over the past 3 years:



3. Benchmarking Enforcing Contracts Regulations:

Iraq is ranked 139 overall for Enforcing Contracts.

Ranking of Iraq in Enforcing Contracts - Compared to good practice and selected economies:



The following table shows Enforcing Contracts data for Iraq compared to good practice and comparator economies:

Good Practice Economies	Procedures (number)	Time (days)	Cost (% of claim)
Bhutan			0.1
Ireland	20		
Singapore		150	

<i>Selected Economy</i>			
Iraq	51	520	27.3

<i>Comparator Economies</i>			
Iran, Islamic Rep.	39	520	17.0
Jordan	38	689	31.2
Oman	51	598	13.5
Saudi Arabia	43	635	27.5
United Arab Emirates	49	537	26.2

Closing a Business

The economic crises of the 1990s in emerging markets, from East Asia to Latin America, from Russia to Mexico, raised concerns about the design of bankruptcy systems and the ability of such systems to help reorganize viable companies and close down unviable ones. In countries where bankruptcy is inefficient, unviable businesses linger for years, keeping assets and human capital from being reallocated to more productive uses.

Bottlenecks in bankruptcy cut into the amount claimants can recover. In countries where bankruptcy laws are inefficient, this is a strong deterrent to investment. Access to credit shrinks, and nonperforming loans and financial risk grow because creditors cannot recover overdue loans. Conversely, efficient bankruptcy laws can encourage entrepreneurs. The freedom to fail, and to do so through an efficient process, puts people and capital to their most effective use. The result is more productive businesses and more jobs.

The Doing Business indicators identify weaknesses in the bankruptcy law as well as the main procedural and administrative bottlenecks in the bankruptcy process. In many developing countries bankruptcy is so inefficient that creditors hardly ever use it. In countries such as these, reform would best focus on improving contract enforcement outside bankruptcy.

Methodology

Three measures are constructed from the survey responses: the time to go through the insolvency process, the cost to go through the process and the recovery rate, how much of the insolvency estate is recovered by stakeholders, taking into account the time, cost, depreciation of assets and the outcome of the insolvency proceeding.

Survey case study

The data on closing a business are developed using a standard set of case assumptions to track a company going through the step-by-step procedures of the bankruptcy process. It is assumed that:

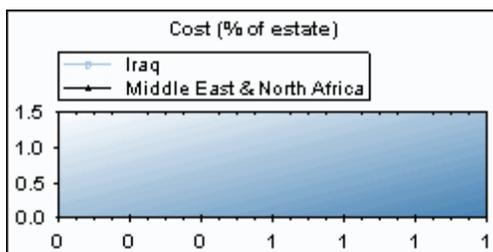
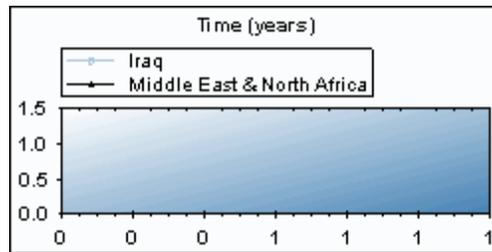
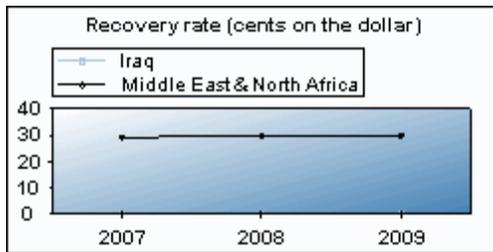
- the company is a domestically owned
- the company is a limited liability corporation operating a hotel in the country's largest business city
- the company has 201 employees, 1 main secured creditor and 50 unsecured creditors
- Assumptions are also made about the future cash flows.
- The case is designed so that the company has a higher value as a going concern, that is, the efficient outcome is either reorganization or sale as a going concern, not piecemeal liquidation.
- The data are derived from questionnaires answered by attorneys at private law firms.



1. Historical data: Closing Business in Iraq

Closing a Business data	Doing Business 2008	Doing Business 2009	Doing Business 2010
Rank	..	183	183
Time (years)	no practice	no practice	no practice
Cost (% of estate)	no practice	no practice	no practice
Recovery rate (cents on the dollar)	0.0	0.0	0.0

2. The following graphs illustrates the Closing Business indicators in Iraq over the past 3 years:



3. Benchmarking Closing Business Regulations:

Iraq is ranked 183 overall for Closing a Business.

Ranking of Iraq in Closing Business - Compared to good practice and selected economies:



The following table shows Closing Business data for Iraq compared to good practice and comparator economies:

Good Practice Economies	Recovery rate (cents on the dollar)	Time (years)	Cost (% of estate)
Ireland		0.4	
Japan	92.5		
Singapore*			1

<i>Selected Economy</i>			
Iraq	0.0	no practice	no practice

<i>Comparator Economies</i>			
Iran, Islamic Rep.	23.1	4.5	9
Jordan	27.3	4.3	9
Oman	35.1	4.0	4
Saudi Arabia	37.5	1.5	22
United Arab Emirates	10.2	5.1	30

* The following economies are also good practice economies for :

Cost (% of estate): Colombia, Kuwait, Norway

Doing Business 2010 Reforms

Number of reforms in Doing Business 2010

Rank	Economy	 Positive Reform  Negative Reform									Total number of reforms
		Starting a Business	Dealing with Construction Permits	Employing Workers	Registering Property	Getting Credit	Protecting Investors	Paying Taxes	Trading Across Borders	Enforcing Contracts	
1	Rwanda	✓		✓	✓	✓	✓		✓	✓	7
2	Kyrgyz Republic	✓	✓	✓	✓	✓		✓	✓		7
3	Macedonia, FYR	✓	✓	✓	✓	✓	✓	✓			7
4	Belarus	✓	✓	✓	✓			✓	✓		6
5	United Arab Emirates	✓	✓					✓			3
6	Moldova	✓			✓			✓			3
7	Colombia	✓	✓		✓	✓	✓	✓	✓	✓	8
8	Tajikistan	✓	✓		✗	✓	✓			✓	5
9	Egypt, Arab Rep.	✓	✓			✓			✓		4
10	Liberia	✓	✓					✓			3
	Iraq										
	Oman	✓						✓			2
	Saudi Arabia	✓	✓								2
	Iran, Islamic Rep.	✓	✓					✓	✓		4
	Jordan	✓	✓		✓			✓	✓	✓	6

Note: Economies are ranked on the number and impact of reforms, Doing Business selects the economies that reformed in 3 or more of the Doing Business topics. Second, it ranks these economies on the increase in rank in Ease of Doing Business from the previous year. The larger the improvement, the higher the ranking as a reformer.

Belarus

Belarus eased the process for getting construction permits by simplifying approval processes. Restrictions relating to redundancy dismissals were eased by raising the threshold for prior notification requirements. Tax payments were made more convenient through increased use of electronic systems—reducing tax compliance times—while lower ecological and turnover tax rates and a reduction in the number of payments for property tax reduced the tax burden on businesses. Property registration continues to improve, with faster processing and elimination of the requirement for notarization. Business start-up was eased by simplifying registration formalities, abolishing the minimum capital requirement, limiting the role of notaries, and removing the need for a company seal approval. Implementation of a risk-based management system and improvement of border crossing operations reduced transit times for trade.

Colombia

Colombia passed several decrees continuing its efforts to regulate the profession of insolvency administrators. The government eased the construction permit process with a new construction decree that categorizes building projects based on risk and allows electronic verification for certain documents. Access to credit improved thanks to a new credit information law that guarantees the right of borrowers to inspect their own data and new rules that make it mandatory for credit providers to consult and share information with credit bureaus. The tax burden on businesses was eased with the introduction of electronic tax filing and payment, and some payments were reduced. An amendment to the Company Law strengthened investor protections by making it easier to sue directors in cases of prejudicial transactions between interested parties. Property registration was made easier by making it possible to obtain required certificates online and by making standard preliminary sale agreements available free of charge. Business start-up was made easier by creating a public-private health provider that enables faster affiliation of employees and through a tool that allows online pre-enrollment with the social security office. Implementation of an electronic declaration system has expedited customs clearance.

Egypt, Arab Rep.

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.

Iran, Islamic Rep.

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.

Iraq

In Iraq no major reform was recorded.

Jordan

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.

Kyrgyz Republic	The Kyrgyz Republic eased the process for getting construction permits by streamlining the fee structure, introducing a risk-based system of approval and building control, allowing low-risk projects to conduct an internal building control process, and simplifying the process for obtaining utility connections. Requirements relating to redundancy dismissals and worker reassignment were eased. Access to credit was enhanced by making secured lending more flexible and allowing general descriptions of encumbered assets and of debts and obligations. In addition, amendments to the Civil Code provide for automatic extension of security rights to proceeds of the original assets. The tax burden on businesses was eased by reducing the rates for several taxes and the number of payments for several. Surveying and notarization requirements were made optional for property registration, and business start-up was eased by eliminating the minimum capital requirement, reducing the registration time, and abolishing various post-registration fees and the need to open a bank account before registration. The elimination of six previously required documents and the simplification of inspection procedures has sped up trading across borders.
Liberia	Liberia eased the process for getting construction permits by lowering the permit fee and cost of obtaining a power generator, abolishing the requirement to obtain a tax waiver certificate before submitting documents to obtain a building permit, and making fixed telephone connections more readily available for public use with the reopening of the national phone company. Business start-up was eased by removing the need to obtain an environmental impact assessment when forming a general trading company. The trade process was expedited by creating a one-stop shop bringing together various ministries and agencies, and streamlining the inspection regime.
Macedonia, FYR	The Former Yugoslav Republic of Macedonia has been reforming the construction permit process, shortening waiting times but raising fees. Worker hiring was made more flexible by allowing greater use of fixed-term contracts, easing restrictions on working hours, and making redundancy dismissals more flexible. The public credit bureau increased its coverage by introducing a better database that includes more information and by lowering the minimum loan threshold. Social security payments were classified in five groups, and social security contribution rates reduced. Investor protections were increased by regulating the approval of transactions between interested parties, increasing disclosure requirements in annual reports, and making it easier to sue directors in cases of prejudicial transactions between interested parties. Property registration was eased with the introduction of new time limits at the real estate cadastre—reducing the average time to register a title deed by eight days—and a non-encumbrance certificate can now be obtained from the real estate registry instead of through the court. Business start-up was simplified by integrating procedures at a one-stop shop.
Moldova	Moldova lowered the rates for social security contributions paid by employers. Property registration was simplified by eliminating the requirement for a cadastral sketch, reducing procedures from six to five and days from 48 to 5. Business start-up was eased by implementing an expedited company registration service.
Oman	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.
Rwanda	Rwanda improved the process for dealing with distressed companies with a new law aimed at streamlining reorganization. Employing workers was made easier by abolishing the maximum duration for fixed-term contracts and allowing unlimited renewals of such contracts, as well as by allowing redundancy procedures to be more flexible, with consultation and notification of third parties no longer required. Getting credit was made easier with a new secured transactions act and insolvency act to make secured lending more flexible, allowing a wider range of assets to be used as collateral and a general description of debts and obligations. In addition, out of court enforcement of collateral has become available to secured creditors, who also now have top priority within bankruptcy. A new company law has strengthened investor protections by requiring greater corporate disclosure, director liability, and shareholder access to information. Property registration was simplified by decreasing the number of days required to transfer a property. Business start-up was eased by eliminating a notarization requirement; introducing standardized memorandums of association; enabling online publication; consolidating name checking, registration fee payment, tax registration, and company registration procedures; and shortening the time required to process completed applications. By implementing administrative changes—such as increased operating hours and enhanced cooperation at the border, along with the removal of some documentation requirements for importers and exporters—Rwanda has improved trading times.

Saudi Arabia

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.

Tajikistan

Tajikistan amended its insolvency law, aiming to reduce statutory time limits and the costs of proceedings. Changes were introduced that simplified the construction permit process, reducing procedures and time. A new law on credit histories improves access to credit information by creating a private credit bureau. Investor protections were strengthened with amendments to the joint stock company law, increasing disclosure requirements for transactions involving conflicts of interest, allowing for greater director liability, and giving shareholders the chance to request that harmful related-party transactions be rescinded. The state duty for property transfer has quadrupled, raising the cost of registering property by 2.8 percent of a property's value. Business start-up was eased by reducing the minimum capital requirement and shortening the time to obtain a tax identification number.

United Arab Emirates

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.

APPENDICES

Starting a Business in Iraq

This table summarizes the procedures and costs associated with setting up a business in Iraq.

STANDARDIZED COMPANY

Legal Form: Private Limited Liability Company

Minimum Capital Requirement:

City: Baghdad

Registration Requirements:

No:	Procedure	Time to complete	Cost to complete
1	Search for a company name; obtain a name reservation letter from the Baghdad Chamber of Commerce	2	350000
2	Hire a lawyer to draft articles of association	1	900000
3	Deposit initial capital at commercial bank and obtain confirmation receipt	2	5000
4	File for registration at the Commercial Registry	14	300000
5	Advertise incorporation notice in the newspaper	3	70
6	Make company seal	2	20000
7	Obtain registration certificate	1	0
8	Report to tax authority to establish tax registration	2	450000
9	Legalize accounting books	2	150
10	Register employees for social security	3	20000
11	Apply for a trade license	45	200000

Procedure 1 Search for a company name; obtain a name reservation letter from the Baghdad Chamber of Commerce

Time to complete: 2

Cost to complete: 350000

Comment: The company name should be an Arabic name. A special department at the Chamber of Commerce, Trade Names, starts by searching the suggested name through their system to see if the name is already taken or reserved by another company. Once a name is agreed upon and available, the name is reserved upon payment of a nominal fee. The Federation of the Chambers of Commerce is informed in order to ensure that the chosen name is not taken through other Iraqi chambers of commerce. This procedure likely requires more than one visit to both chambers and client coordination, ending with filing the name with the Registrar.

Procedure 2 Hire a lawyer to draft articles of association

Time to complete: 1

Cost to complete: 900000

Comment: Because lawyers are required to draft the articles of association, lawyers are usually also in charge of completing the registration process. The cost varies with the law firm.

Procedure 3 Deposit initial capital at commercial bank and obtain confirmation receipt

Time to complete: 2

Cost to complete: 5000

Comment: After the company deposits the initial capital and obtains a confirmation receipt, the receipt must be filed with the Companies Register. The capital will be unblocked following registration.

Procedure 4 File for registration at the Commercial Registry

Time to complete: 14

Cost to complete: 300000

Comment: Fees are paid directly to the Commercial Registrar. The fee schedule adopted by the Companies Registrar at the Ministry combines different fees (Registrar's fee, stamp duty, filing fees, certain checking process, etc.), which are cumulative, according to company capital.

The Company Registrar circulates the registration certificate to the bank, the tax authority, and other relevant agencies, including labor and so forth.

The following documents and information must be presented to the Registrar:

- Baghdad Chamber of Commerce letter (to reserve company or trade name).
- Chambers of Commerce Union letter (to ensure the consistency of the company or trade name with other registrations).
- Certified letter from the company's bank.
- Iraqi identity cards.
- Iraqi certificate of citizenship.
- Ration card (food distribution form).
- Address certificate letter from the mayor's office

- Phone number(s), email address(es), and P.O. box number(s) of the company's founder(s).

The registration fees are calculated as follows:

- Baghdad Chamber of Commerce fees: IQD 45,000.
- Chambers of Commerce Union fees: IQD 15,000.
- Bank fees: IQD 25,000.
- Company registration fees: based on company capital.

Procedure 5 Advertise incorporation notice in the newspaper

Time to complete: 3

Cost to complete: 70

Comment: Once the registration has been approved, the Companies Registrar issues a letter to request the two required publications, but the process must be followed up by the registration agent (lawyer), who must submit a copy of each publication to the registry.

Procedure 6 Make company seal

Time to complete: 2

Cost to complete: 20000

Comment:

Procedure 7 Obtain registration certificate

Time to complete: 1

Cost to complete: 0

Comment: Once all related procedures, including both publications, are complete, the Companies Registrar issues the certification of registration. On the date of issuance, the company acquires its legal personality. A registration circular will be sent to all entities concerned.

Procedure 8 Report to tax authority to establish tax registration

Time to complete: 2

Cost to complete: 450000

Comment: The initial tax registration is important to commence company operations. On a date set by the tax authority, the company must submit its first balance sheet to the tax authority, which will then provide the company its tax identification number on the same day.

Procedure 9 Legalize accounting books

Time to complete: 2

Cost to complete: 150

Comment: The General Body of Taxes must notarize or register the company accounting books and any new accounting books.

Procedure 10 Register employees for social security

Time to complete: 3

Cost to complete: 20000

Comment: The cost for social security registration depends on the number of employees. Any company employing more than three employees is bound, under the Social Security Law, to enroll their employees into the social security insurance program. The employer will deduct 5% from the employee's salary and add to it an amount equal to 12% of the employee's salary, resulting in a total payment of 17% to the Social Security Authority.

Procedure 11 Apply for a trade license

Time to complete: 45

Cost to complete: 200000

Comment:

Dealing with Construction Permits in Iraq

The table below summarizes the procedures, time, and costs to build a warehouse in Iraq.

BUILDING A WAREHOUSE

Date as of: January 2009

Estimated Warehouse Value:

City: Baghdad

Registration Requirements:

No:	Procedure	Time to complete	Cost to complete
1	Pay paving and inspection fees to municipality	3 days	USD 100
2	Obtain planning permission and location clearances from Municipal Authority	28 days	USD 200
3	Obtain location clearances and guidelines for construction from Regional Authority	14 days	USD 100
4	Obtain lot plan with site map from municipal authority	14 days	USD 500
5	Obtain project clearance from ministry of communications	30 days	USD 400
6 *	Obtain project approval from electric power company	21 days	USD 8,000
7 *	Obtain project clearance from water and sewage directorate	14 days	USD 500
8	Obtain building permit from Municipality	30 days	no charge
9	Obtain approval of completed project by municipal authority	1 day	no charge
10	Obtain approval of completed project by national center of construction laboratory	30 days	no charge
11 *	Request and receive final inspection from national center of construction laboratory	14 days	no charge
12 *	Obtain water and sewage connection	65 days	USD 500
13 *	Obtain power connection	30 days	USD 300
14 *	Obtain telephone connection	30 days	USD 600

* Takes place simultaneously with another procedure.

Procedure 1 Pay paving and inspection fees to municipality

Time to complete: 3 days

Cost to complete: USD 100

Comment:

Procedure 2 Obtain planning permission and location clearances from Municipal Authority

Time to complete: 28 days

Cost to complete: USD 200

Comment:

Procedure 3 Obtain location clearances and guidelines for construction from Regional Authority

Time to complete: 14 days

Cost to complete: USD 100

Comment:

Procedure 4 Obtain lot plan with site map from municipal authority

Time to complete: 14 days

Cost to complete: USD 500

Comment: This document is valid for a year.

Procedure 5 Obtain project clearance from ministry of communications

Time to complete: 30 days

Cost to complete: USD 400

Comment:

Procedure 6 Obtain project approval from electric power company

Time to complete: 21 days

Cost to complete: USD 8,000

Comment: The project approval cost is for purchase, supply, transport, and installation of the transformer.

Procedure 7 Obtain project clearance from water and sewage directorate

Time to complete: 14 days

Cost to complete: USD 500

Comment:

Procedure 8 Obtain building permit from Municipality

Time to complete: 30 days

Cost to complete: no charge

Comment:

Procedure 9 Obtain approval of completed project by municipal authority

Time to complete: 1 day

Cost to complete: no charge

Comment:

Procedure 10 Obtain approval of completed project by national center of construction laboratory

Time to complete: 30 days

Cost to complete: no charge

Comment:

Procedure 11 Request and receive final inspection from national center of construction laboratory

Time to complete: 14 days

Cost to complete: no charge

Comment:

Procedure 12 Obtain water and sewage connection

Time to complete: 65 days

Cost to complete: USD 500

Comment:

Procedure 13 Obtain power connection

Time to complete: 30 days

Cost to complete: USD 300

Comment:

Procedure 14 Obtain telephone connection

Time to complete: 30 days

Cost to complete: USD 600

Comment:

Employing Workers in Iraq

Employing workers indices are based on responses to survey questions. The table below shows these responses in Iraq.

Employing Workers Indicators (2009)	Answer	Score
Difficulty of hiring index (0-100)		33.3
Are fixed-term contracts prohibited for permanent tasks?	Yes	1
What is the maximum duration of fixed-term contracts (including renewals)? (in months)	No limit	0.0
What is the ratio of mandated minimum wage to the average value added per worker?	0.00	0.00
Difficulty of redundancy index (0-10)		20.0
Is the termination of workers due to redundancy legally authorized?	Yes	0
Must the employer notify a third party before terminating one redundant worker?	Yes	1
Does the employer need the approval of a third party to terminate one redundant worker?	No	0
Must the employer notify a third party before terminating a group of 9 redundant workers?	Yes	1
Does the employer need the approval of a third party to terminate a group of 9 redundant workers?	No	0
Is there a retraining or reassignment obligation before an employer can make a worker redundant?	No	0
Are there priority rules applying to redundancies?	No	0
Are there priority rules applying to re-employment?	No	0
Redundancy costs (weeks of salary)		0.0
What is the notice period for redundancy dismissal after 20 years of continuous employment? (weeks of salary)		0.0
What is the severance pay for redundancy dismissal after 20 years of employment? (weeks of salary)		0.0
What is the legally mandated penalty for redundancy dismissal? (weeks of salary)		0.0
Rigidity of employment index (0-100)		24.4
Rigidity of hours index (0-100)		20.0
Can the workweek extend to 50 hours (including overtime) for 2 months per year to respond to a seasonal increase in production?	Yes	0

What is the maximum number of working days per week?	6	0
Are there restrictions on night work and do these apply when continuous operations are economically necessary?	No	0.00
Are there restrictions on "weekly holiday" work and do these apply when continuous operations are economically necessary?	No	0.00
What is the paid annual vacation (in working days) for an employee with 20 years of service?	28	1

Note: The first three indices measure how difficult it is to hire a new worker, how rigid the regulations are on working hours, and how difficult it is to dismiss a redundant worker. Each index assigns values between 0 and 100, with higher values representing more rigid regulations. The overall Rigidity of Employment Index is an average of the three indices.

Registering Property in Iraq

This topic examines the steps, time, and cost involved in registering property in Iraq.

STANDARDIZED PROPERTY

Property Value: 164,955,204.39

City: Baghdad

Registration Requirements:

No:	Procedure	Time to complete	Cost to complete
1	Obtain a new form for the property title and a cadastral map at the Real Property Registry	3 days	IQD 5,000 (cadastral map)
2	Obtain an approval determining the type of the real property and the way to occupy it	2 days	no cost
3	Pay the income tax at the Income Tax Authority	1 day	Income Tax is paid according to the following cumulative values: / (in IQD) Income Tax no cost From 20,000,000 to 100,000,000 4% of the excess over 20,000,000 From 50,000,000 to 100,000,000 5% of the excess over 50,000,000 10,000 6% of the excess over 80,000,000
4	The registration fee is paid before applying for registration	1 day	3% of property value (Registration fee)
5	Apply for registration at the Real Property Registry	1 day	Already paid in Procedure 4

Procedure 1 Obtain a new form for the property title and a cadastral map at the Real Property Registry

Time to complete: 3 days

Cost to complete: IQD 5,000 (cadastral map)

Comment: A new title elucidation (statement of data relevant to the property under registration) is drafted. This is free of charge.
A competent team is formed to estimate the value of the property. This does not involve an inspection of the property. The team consists of the following persons:

- The Director General of the Real Property Registry of his representative
- The representative of the State Commission of Income Tax
- The applicant for survey or his representative.

Procedure 2 Obtain an approval determining the type of the real property and the way to occupy it

Time to complete: 2 days

Cost to complete: no cost

Comment: An approval to the transfer should be obtained from the Municipality Office, determining the type of the real property and the way to occupy it (zoning restrictions). It is quite easy to obtain this approval because it will not alter the way to use the property but only confirm that the way to occupy the property will be as per the purpose being set by the Municipality.

Procedure 3 Pay the income tax at the Income Tax Authority

Time to complete: 1 day

Cost to complete: Income Tax is paid according to the following cumulative values:

Value of Property (in IQD)	Income Tax
Up to 20,000,000	no cost
From 20,000,000 to 50,000,000	4% of the excess over 20,000,000
From 50,000,000 to 80,000,000	5% of the excess over 50,000,000
Above 80,000,000	6% of the excess over 80,000,000

Comment:

Procedure 4 The registration fee is paid before applying for registration

Time to complete: 1 day

Cost to complete: 3% of property value (Registration fee)

Comment: The registration fee, equal to 3% of the value of the property, is paid by means of an endorsed cheque to the account of the Real Property Registry before applying for registration.

Procedure 5 Apply for registration at the Real Property Registry

Time to complete: 1 day

Cost to complete: Already paid in Procedure 4

Comment: The buyer applies for registration and a new title at the Real Property Registry. Afterwards, the transaction process will be recorded in the official registers and the buyer will then be granted a new title of property on the same day.

Getting Credit in Iraq

The following table summarize legal rights of borrowers and lenders, and the availability and legal framework of credit registries in Iraq.

Getting Credit Indicators (2009)			Indicator
			score
Private bureau coverage (% of adults)	Private credit bureau	Public credit registry	0
Are data on both firms and individuals distributed?	No	No	0
Are both positive and negative data distributed?	No	No	0
Does the registry distribute credit information from retailers, trade creditors or utility companies as well as financial institutions?	No	No	0
Are more than 2 years of historical credit information distributed?	No	No	0
Is data on all loans below 1% of income per capita distributed?	No	No	0
Is it guaranteed by law that borrowers can inspect their data in the largest credit registry?	No	No	0
Coverage		0.0	0.0
Number of individuals		0	0
Number of firms		0	0
Strength of legal rights index (0-10)			3
Can any business use movable assets as collateral while keeping possession of the assets; and any financial institution accept such assets as collateral ?			Yes
Does the law allow businesses to grant a non possessory security right in a single category of revolving movable assets, without requiring a specific description of the secured assets ?			No
Does the law allow businesses to grant a non possessory security right in substantially all of its assets, without requiring a specific description of the secured assets ?			No
May a security right extend to future or after-acquired assets, and may it extend automatically to the products, proceeds or replacements of the original assets ?			No
Is a general description of debts and obligations permitted in collateral agreements, so that all types of obligations and debts can be secured by stating a maximum amount rather than a specific amount between the parties ?			No
Is a collateral registry in operation, that is unified geographically and by asset type, as well as indexed by the grantor's name of a security right ?			No
Do secured creditors have absolute priority to their collateral outside bankruptcy procedures?			No
Do secured creditors have absolute priority to their collateral in bankruptcy procedures?			Yes

During reorganization, are secured creditors' claims exempt from an automatic stay on enforcement?

Yes

Does the law authorize parties to agree on out of court enforcement?

No

Protecting Investors in Iraq

The table below provides a full breakdown of how the disclosure, director liability, and shareholder suits indexes are calculated in Iraq.

Protecting Investors Data (2009)	Indicator
Extent of disclosure index (0-10)	4
What corporate body provides legally sufficient approval for the transaction? (0-3; see notes)	1
Immediate disclosure to the public and/or shareholders (0-2; see notes)	0
Disclosures in published periodic filings (0-2; see notes)	1
Disclosures by Mr. James to board of directors (0-2; see notes)	2
Requirement that an external body review the transaction before it takes place (0=no, 1=yes)	0
Extent of director liability index (0-10)	5
Shareholder plaintiff's ability to hold Mr. James liable for damage the Buyer-Seller transaction causes to the company. (0-2; see notes)	1
Shareholder plaintiff's ability to hold the approving body (the CEO or board of directors) liable for damage to the company. (0-2; see notes)	1
Whether a court can void the transaction upon a successful claim by a shareholder plaintiff (0-2; see notes)	2
Whether Mr. James pays damages for the harm caused to the company upon a successful claim by the shareholder plaintiff (0=no, 1=yes)	0
Whether Mr. James repays profits made from the transaction upon a successful claim by the shareholder plaintiff (0=no, 1=yes)	0
Whether fines and imprisonment can be applied against Mr. James (0=no, 1=yes)	0
Shareholder plaintiff's ability to sue directly or derivatively for damage the transaction causes to the company (0-1; see notes)	1
Ease of shareholder suits index (0-10)	4
Documents available to the plaintiff from the defendant and witnesses during trial (0-4; see notes)	3
Ability of plaintiffs to directly question the defendant and witnesses during trial (0-2; see notes)	1
Plaintiff can request categories of documents from the defendant without identifying specific ones (0=no, 1=yes)	0
Shareholders owning 10% or less of Buyer's shares can request an inspector investigate the transaction (0=no, 1=yes)	0

Level of proof required for civil suits is lower than that for criminal cases (0=no, 1=yes)	0
Shareholders owning 10% or less of Buyer's shares can inspect transaction documents before filing suit (0=no, 1=yes)	0

Strength of investor protection index (0-10)	4.3
---	------------

Notes:

Extent of Disclosure Index

What corporate body provides legally sufficient approval for the transaction?

0=CEO or managing director alone; 1=shareholders or board of directors vote and Mr. James can vote; 2=board of directors votes and Mr. James cannot vote; 3 = shareholders vote and Mr. James cannot vote

Immediate disclosure to the public and/or shareholders

0=none; 1=disclosure on the transaction only; 2=disclosure on the transaction and Mr. James' conflict of interest

Disclosures in published periodic filings

0=none; 1=disclosure on the transaction only; 2=disclosure on the transaction and Mr. James' conflict of interest

Disclosures by Mr. James to board of directors

0=none; 1=existence of a conflict without any specifics; 2= full disclosure of all material facts

Director Liability Index

Shareholder plaintiff's ability to hold Mr. James liable for damage the Buyer-Seller transaction causes to the company

0= Mr. James is not liable or liable only if he acted fraudulently or in bad faith; 1= Mr. James is liable if he influenced the approval or was negligent; 2= Mr. James is liable if the transaction was unfair, oppressive or prejudicial to minority shareholders

Shareholder plaintiff's ability to hold the approving body (the CEO or board of directors) liable for damage to the company

0=members of the approving body are either not liable or liable only if they acted fraudulently or in bad faith; 1=liable for negligence in the approval of the transaction; 2=liable if the transaction is unfair, oppressive, or prejudicial to minority shareholders

Whether a court can void the transaction upon a successful claim by a shareholder plaintiff

0=rescission is unavailable or available only in case of Seller's fraud or bad faith; 1=available when the transaction is oppressive or prejudicial to minority shareholders; 2=available when the transaction is unfair or entails a conflict of interest

Shareholder plaintiffs' ability to sue directly or derivatively for damage the transaction causes to the company

0=not available; 1=direct or derivative suit available for shareholders holding 10% of share capital or less

Shareholder Suits Index

Documents available to the plaintiff from the defendant and witnesses during trial

Score 1 each for (1) information that the defendant has indicated he intends to rely on for his defense; (2) information that directly proves specific facts in the plaintiff's claim; (3) any information that is relevant to the subject matter of the claim; and (4) any information that may lead to the discovery of relevant information.

Ability of plaintiffs to directly question the defendant and witnesses during trial

0=no; 1=yes, with prior approval by the court of the questions posed; 2=yes, without prior approval

Paying Taxes in Iraq

The table below addresses the taxes and mandatory contributions that a medium-size company must pay or withhold in a given year in Iraq, as well as measures of administrative burden in paying taxes.

Tax or mandatory contribution	Payments (number)	Notes on Payments	Time (hours)	Statutory tax rate	Tax base	Total tax rate (% profit)	Notes on TTR
Social security	12		288	12%	gross salaries	13.54	
CIT	1		24	15%	taxable profit	14.86	
Totals	13		312			28.4	

Notes:

- a) data not collected
- b) VAT is not included in the total tax rate because it is a tax levied on consumers
- c) very small amount
- d) included in other taxes
- e) Withheld tax
- f) electronic filling available
- g) paid jointly with another tax

Name of taxes have been standardized. For instance income tax, profit tax, tax on company's income are all named corporate income tax in this table.

When there is more than one statutory tax rate, the one applicable to TaxpayerCo is reported.

The hours for VAT include all the VAT and sales taxes applicable.

The hours for Social Security include all the hours for labor taxes and mandatory contributions in general.

Trading Across Borders in Iraq

These tables list the procedures necessary to import and exports a standardized cargo of goods in Iraq. The documents required to export and import the goods are also shown.

Nature of Export Procedures (2009)	Duration (days)	US\$ Cost
Documents preparation	60	1050
Customs clearance and technical control	13	50
Ports and terminal handling	7	300
Inland transportation and handling	22	2500
Totals	102	3900

Nature of Import Procedures (2009)	Duration (days)	US\$ Cost
Documents preparation	60	1050
Customs clearance and technical control	7	50
Ports and terminal handling	16	300
Inland transportation and handling	18	2500
Totals	101	3900

Export

Bill of lading

Certificate of origin

Commercial invoice

Customs export declaration

Export license

Inspection report

Packing list

Pre-shipment inspection clean report of findings

Technical standard/health certificate

Terminal handling receipts

Import

Bill of lading

Certificate of origin
Commercial invoice
Customs import declaration
Import license
Inspection report
Packing list
Pre-shipment inspection clean report of findings
Technical standard/health certificate
Terminal handling receipts

Enforcing Contracts in Iraq

This topic looks at the efficiency of contract enforcement in Iraq.

Nature of Procedure (2009)	Indicator
Procedures (number)	51
Time (days)	520
Filing and service	60.0
Trial and judgment	360.0
Enforcement of judgment	100.0
Cost (% of claim)*	27.30
Attorney cost (% of claim)	22.5
Court cost (% of claim)	1.5
Enforcement Cost (% of claim)	3.3

Court information: Bagdad First Instance Court ("محكمة البداءة في بغداد")

* Claim assumed to be equivalent to 200% of income per capita.



DOING BUSINESS
2010

WWW.DOINGBUSINESS.ORG



THE
WORLD
BANK



International
Finance
Corporation
World Bank Group

ISBN: 978-0-8213-7961-5



Printed in the
United States