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Doing Business 2011

Brunei Darussalam

**Making
a Difference for
Entrepreneurs**

COMPARING BUSINESS REGULATION IN 183 ECONOMIES



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ISBN: 978-0-8213-7960-8
E-ISBN: 978-0-8213-8630-9
DOI: 10.1596/978-0-8213-7960-8
ISSN: 1729-2638

Library of Congress Cataloging-in-Publication data has been applied for.
Printed in the United States

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Introduction

Doing Business 2011: Making a Difference for Entrepreneurs is the eighth 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 9 stages of a business's life are measured: starting a business, dealing with construction permits, registering property, getting credit, protecting investors, paying taxes, trading across borders, enforcing contracts and closing a business. Data in *Doing Business 2011* are current as of June 1, 2010*. 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, 25 in Eastern Europe and Central Asia, 24 in East Asia and Pacific, 18 in the Middle East and North Africa and 8 in South Asia, as well as 30 OECD high-income economies.

The following pages present the summary Doing Business indicators for Brunei Darussalam. The data used for this economy 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 2011: Making a Difference for Entrepreneurs* 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).

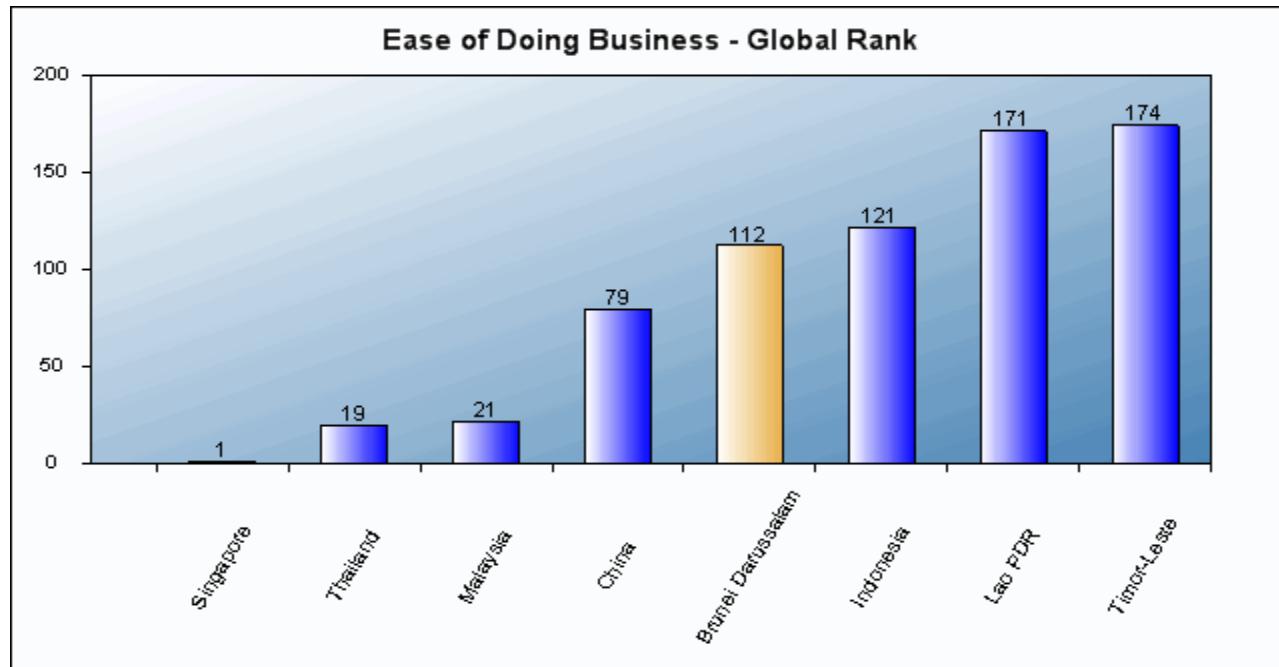
* Except for the Paying Taxes indicator that refers to the period January to December of 2009.

Note: 2008-2010 Doing Business data and rankings have been recalculated to reflect changes to the methodology and the addition of new economies (in the case of the rankings).

Economy Rankings - Ease of Doing Business

Brunei Darussalam is ranked 112 out of 183 economies. Singapore is the top ranked economy in the Ease of Doing Business.

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



Brunei Darussalam's ranking in Doing Business 2011

Rank	Doing Business 2011
Ease of Doing Business	112
Starting a Business	133
Dealing with Construction Permits	74
Registering Property	183
Getting Credit	116
Protecting Investors	120
Paying Taxes	22
Trading Across Borders	52
Enforcing Contracts	159
Closing a Business	42

Summary of Indicators - Brunei Darussalam

Starting a Business	Procedures (number)	15
	Time (days)	105
	Cost (% of income per capita)	13.5
	Min. capital (% of income per capita)	0.0
Dealing with Construction Permits	Procedures (number)	32
	Time (days)	163
	Cost (% of income per capita)	6.7
Registering Property	Procedures (number)	no practice*
	Time (days)	no practice*
	Cost (% of property value)	no practice*
Getting Credit	Strength of legal rights index (0-10)	7
	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)	3
	Extent of director liability index (0-10)	2
	Ease of shareholder suits index (0-10)	8
	Strength of investor protection index (0-10)	4.3
Paying Taxes	Payments (number per year)	15
	Time (hours per year)	144
	Profit tax (%)	24.2
	Labor tax and contributions (%)	5.6
	Other taxes (%)	0.0
	Total tax rate (% profit)	29.8
Trading Across Borders	Documents to export (number)	6
	Time to export (days)	25
	Cost to export (US\$ per container)	630
	Documents to import (number)	6
	Time to import (days)	20
	Cost to import (US\$ per container)	708

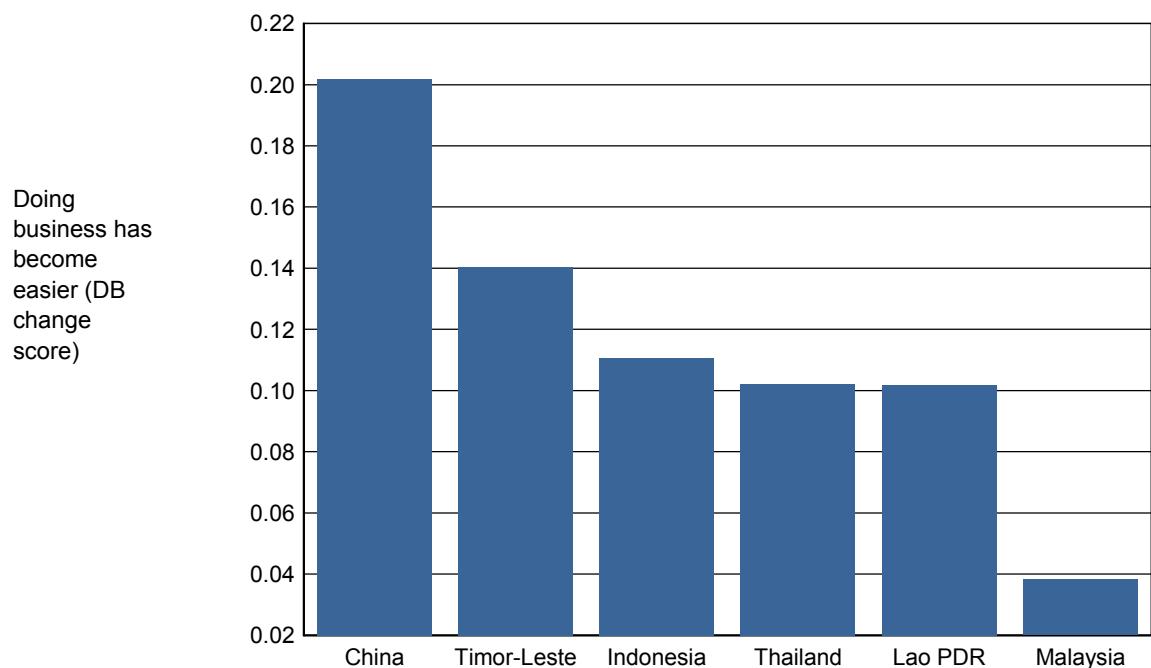
Enforcing Contracts	Procedures (number)	58
	Time (days)	540
	Cost (% of claim)	36.6
Closing a Business	Recovery rate (cents on the dollar)	47.2
	Time (years)	2.5
	Cost (% of estate)	4



The 5 year measure of cumulative change illustrates how the business regulatory environment has changed in 174 economies from *Doing Business 2006* to *Doing Business 2011*. Instead of highlighting which countries currently have the most business friendly environment, this new approach shows the extent to which an economy's regulatory environment for business has changed compared with 5 years ago.

This snapshot reflects all cumulative changes in an economy's business regulation as measured by the Doing Business indicators—such as a reduction in the time to start a business thanks to a one-stop shop or an increase in the strength of investor protection index thanks to new stock exchange rules that tighten disclosure requirements for related-party transactions.

This figure shows the distribution of cumulative change across the 9 indicators and time between *Doing Business 2006* and *Doing Business 2011*



Many economies have undertaken reforms to smooth the starting a business process in stages—and often as part of a larger regulatory reform program. A number of studies have shown that among the benefits of streamlining the process to start a business have been greater firm satisfaction and savings and more registered businesses, financial resources and job opportunities. Economies with higher entry costs are associated with a larger informal sector and a smaller number of legally registered firms.

Some reform outcomes

In Egypt reductions of the minimum capital requirement in 2007 and 2008 led to an increase of more than 30% in the number of limited liability companies.

In Portugal creation of One-Stop Shop in 2006 and 2007 resulted in a reduction of time to start a business from 54 days to 5. In 2007 and 2008 new business registrations were up by 60% compared with 2006.

In Malaysia reduction of registration fees in 2008 led to an increase in registrations by 16% in 2009.

What does Starting a Business measure?

Procedures to legally start and operate a company (number)

- Preregistration (for example, name verification or reservation, notarization)
- Registration
- Post registration (for example, social security registration, company seal)

Time required to complete each procedure (calendar days)

- Does not include time spent gathering information
- Each procedure starts on a separate day
- Procedure completed once final document is received
- No prior contact with officials

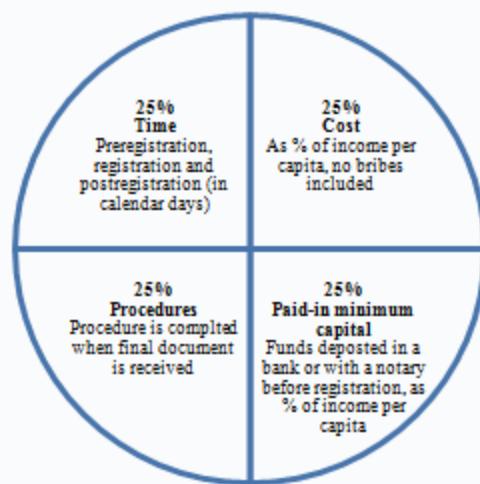
Cost required to complete each procedure (% of income per capita)

- Official costs only, no bribes
- No professional fees unless services required by law

Paid-in minimum capital (% of income per capita)

- Deposited in a bank or with a notary prior to registration begins

Starting a Business: getting a local limited liability company up and running
Rankings are based on 4 subindicators



Case Study Assumptions

- Doing Business records all procedures that are officially required for an entrepreneur to start up and formally operate an industrial or commercial business.
- Any required information is readily available and that all agencies involved in the start-up process function without corruption.

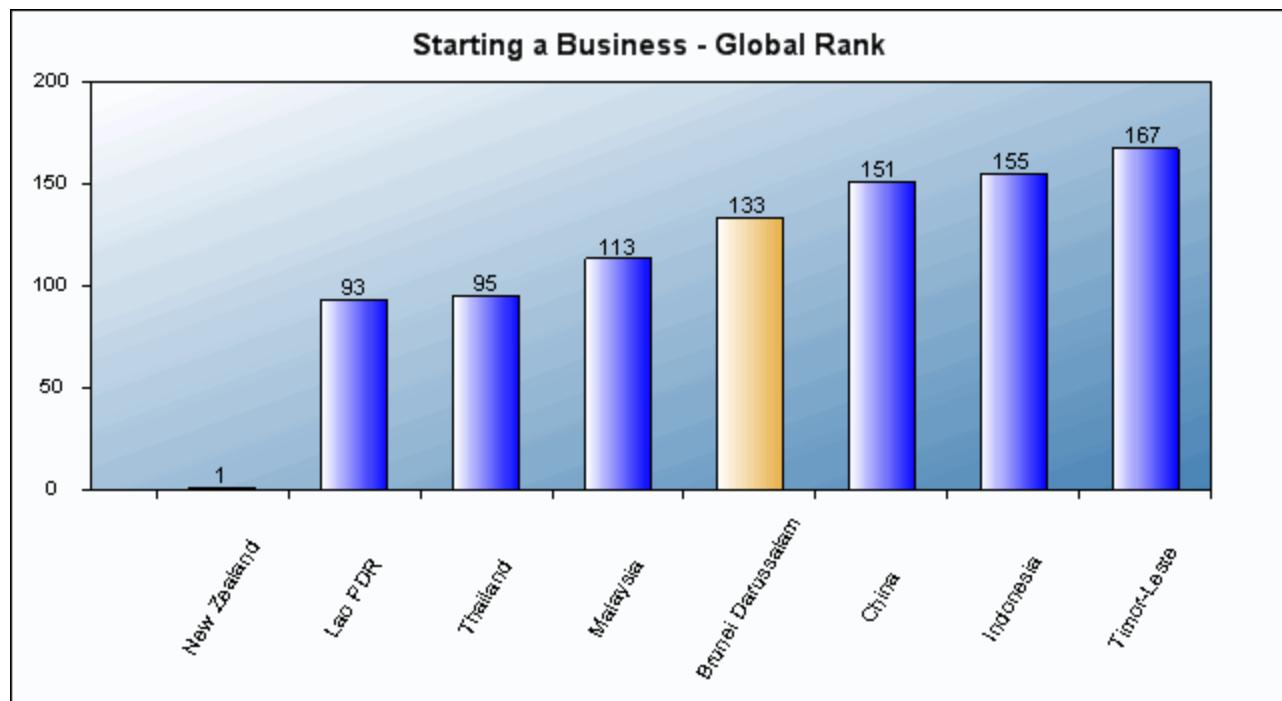
The business:

- is a limited liability company, located in the largest business city
- conducts general commercial activities
- 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 at least 10 and up to 50 employees
- does not qualify for investment incentives or any special benefits
- leases the commercial plant and offices and is not a proprietor of real estate

1. Benchmarking Starting a Business Regulations:

Brunei Darussalam is ranked 133 overall for Starting a Business.

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



The following table shows Starting a Business data for Brunei Darussalam 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

Selected Economy				
Brunei Darussalam	15	105	13.5	0.0

Comparator Economies				
China	14	38	4.5	118.3
Indonesia	9	47	22.3	53.1
Lao PDR	7	100	11.3	0.0
Malaysia	9	17	17.5	0.0
Thailand	7	32	5.6	0.0
Timor-Leste	10	83	18.4	921.3

* The following economies are also good practice economies for :

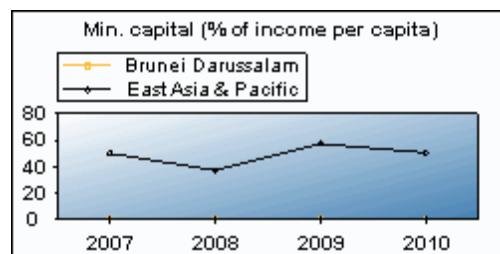
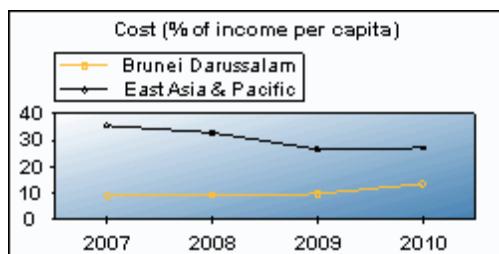
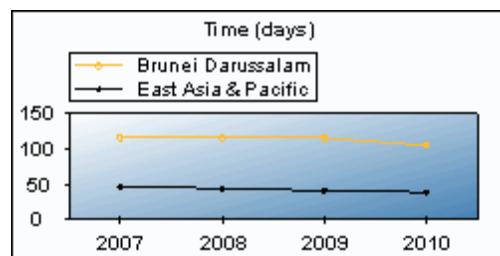
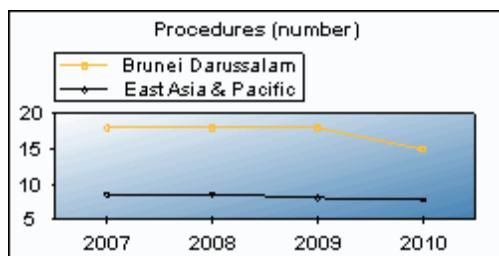
Procedures (number): Canada

Cost (% of income per capita): Slovenia

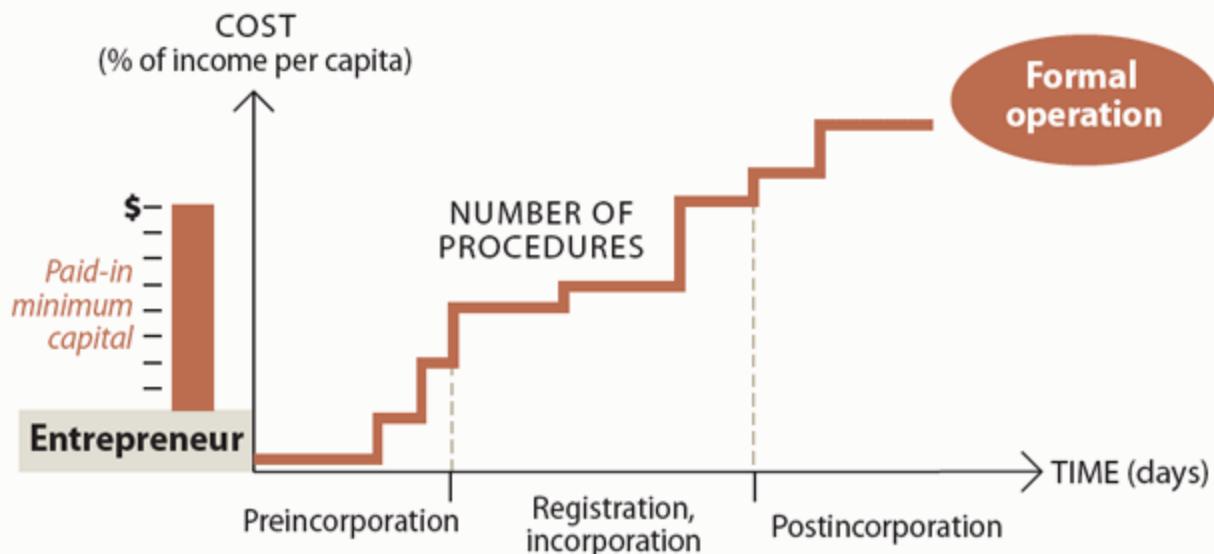
2. Historical data: Starting a Business in Brunei Darussalam

Starting a Business data	Doing Business 2008	Doing Business 2009	Doing Business 2010	Doing Business 2011
Rank	..	..	152	133
Procedures (number)	18	18	18	15
Time (days)	116	116	116	105
Cost (% of income per capita)	9.0	9.2	9.8	13.5
Min. capital (% of income per capita)	0.0	0.0	0.0	0.0

3. The following graphs illustrate the Starting a Business sub indicators in Brunei Darussalam over the past 4 years:



What are the time, cost, paid-in minimum capital and number of procedures to get a local, limited liability company up and running?



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

STANDARDIZED COMPANY

Legal Form: Private Limited Company

City: Bandar Seri Begawan

Registration Requirements:

No:	Procedure	Time to complete	Cost to complete
1	Accountant prepares Form A to verify company name	5	BND 1,505
2	Make statutory declaration at Magistrate's Court	1	BND 9
3	Submit required documents and registration fees for company registration at the Registry of Companies	14	BND 2,515
4	Make a company seal	3	BND 185
5 *	Register for Employees Provident Fund	1	no charge
6	Purchase application form for miscellaneous license (rampaian) at the Municipal Board of Bandar Seri Begawan	1	BND 2
7	Apply for miscellaneous license ("Rampaian") at Municipal Board	60	BND 100
8 *	Apply to Fire Services Department (FSD) for rampaian approval	1	no charge

9 * Apply to the Ministry of Health for rampaian approval	1	no charge
10 * Receive inspection from Fire Service Department	1	BND 750
11 * Receive inspection from Ministry of Health	1	no charge
12 * Pick up approval Fire Service Department	1	no charge
13 * Pick up approval from Ministry of Health	1	no charge
14 * Submit approval letters to licensing authorities	1	no charge
15 Pick up rampaian license	21	BND 100

* Takes place simultaneously with another procedure.

Starting a Business Details - Brunei Darussalam

Procedure 1	Accountant prepares Form A to verify company name
Time to complete:	5
Cost to complete:	BND 1,505
Comment:	In practice, the Registry of Companies has begun to require that only lawyers, accountants, or corporate secretaries submit applications. Accountants charge set fees prescribed by the Solicitors Remuneration Rules for company incorporation. Fees are at least BND 1,500.
Procedure 2	Make statutory declaration at Magistrate's Court
Time to complete:	1
Cost to complete:	BND 9
Comment:	Company directors must make a statutory declaration at the Magistrate's Court that the documents to be submitted to the Registry have been prepared according to the Companies Act.
Procedure 3	Submit required documents and registration fees for company registration at the Registry of Companies
Time to complete:	14
Cost to complete:	BND 2,515
Comment:	The Registry of Companies issues a certificate of incorporation, two certified copies of the memorandum and articles of association (each bearing a validated BND 5 postage stamp), and registration forms for the Employees Provident Fund and the Collector of Income Tax. The Registry automatically notifies the Collector of Income Tax of the company's registration.
Procedure 4	Make a company seal
Time to complete:	3
Cost to complete:	BND 185
Comment:	A company seal is not required for most transactions, but it must be attached to share certificates. Banks may also request company seals for certain transactions.
Procedure 5	Register for Employees Provident Fund
Time to complete:	1
Cost to complete:	no charge
Comment:	Companies must pay into the Employees Provident Fund for national employees.
Procedure 6	Purchase application form for miscellaneous license (rampaian) at the Municipal Board of Bandar Seri Begawan
Time to complete:	1

Cost to complete: BND 2

Comment: The application form for the miscellaneous license (or rampaian license) license must be purchased at the Finance Office of the Municipal Board.

Procedure 7 Apply for miscellaneous license (“Rampaian”) at Municipal Board

Time to complete: 60

Cost to complete: BND 100

Comment: The application form is submitted at the Licensing Office of the Municipal Board. The licensing authority informs the applicant which agencies must approve its rampaian application. The fee for a general industrial or commercial business is BND 50.

Procedure 8 Apply to Fire Services Department (FSD) for rampaian approval

Time to complete: 1

Cost to complete: no charge

Comment: The application form is submitted to the Fire Services Department for rampaian approval. The fee is BND 50.

Procedure 9 Apply to the Ministry of Health for rampaian approval

Time to complete: 1

Cost to complete: no charge

Comment:

Procedure 10 Receive inspection from Fire Service Department

Time to complete: 1

Cost to complete: BND 750

Comment: The inspection does not take place immediately after the application to the Fire Services Department, but it takes time before the department grants its approval. The Fire Services Department is the only department that charges an inspection fee.

Procedure 11 Receive inspection from Ministry of Health

Time to complete: 1

Cost to complete: no charge

Comment:

Procedure 12 Pick up approval Fire Service Department

Time to complete: 1

Cost to complete: no charge

Comment: Agencies will send approvals or notify applicants that the approvals have been issued. Most often, however, the general practice is to leave the approvals for applicants to pick up.

Procedure 13 Pick up approval from Ministry of Health

Time to complete: 1

Cost to complete: no charge

Comment:

Procedure 14 Submit approval letters to licensing authorities

Time to complete: 1

Cost to complete: no charge

Comment: Once the approval letters are obtained, they must be submitted to the Licensing Office of the Municipal Board.

Procedure 15 Pick up rampaian license

Time to complete: 21

Cost to complete: BND 100

Comment: The entire process of applying for a rampaian license typically takes 2 months but can last up to 6 months or more.

In many economies, especially developing 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.

Some reform outcomes

In Burkina Faso, a one-stop shop for construction permits, "Centre de Facilitation des Actes de Construire", was opened in May 2008. The new regulation merged 32 procedures into 15, reduced the time required from 226 days to 122 and cut the cost by 40%. From May 2009 to May 2010 611 building permits were granted in Ouagadougou, up from an average of about 150 a year in 2002-06.

Toronto, Canada revamped its construction permitting process in 2005 by introducing time limits for different stages of the process and presenting a unique basic list of requirements for each project. Later it provided for electronic information and risk-based approvals with fast-track procedures. Between 2005 and 2008 the number of commercial building permits increased by 17%, the construction value of new commercial buildings by 84%.

What does the Dealing with Construction Permits indicator measure?

Procedures to legally build a warehouse (number)

- Submitting all relevant documents and obtaining all necessary clearances, licenses, permits and certificates
- Completing all required notifications and receiving all necessary inspections
- Obtaining utility connections for electricity, water, sewerage and a land telephone line
- Registering the warehouse after its completion (if required for use as collateral or for transfer of warehouse)

Time required to complete each procedure (calendar days)

- Does not include time spent gathering information
- Each procedure starts on a separate day
- Procedure completed once final document is received
- No prior contact with officials

Cost required to complete each procedure (% of income per capita)

- Official costs only, no bribes

Case Study Assumptions

The business:

- is a small to medium-size limited liability company in the construction industry, located in the economy's largest business city
- is 100% domestically and privately owned and operated
- has 60 builders and other employees
- has at least one employee who is a licensed architect and registered with the local association of architects

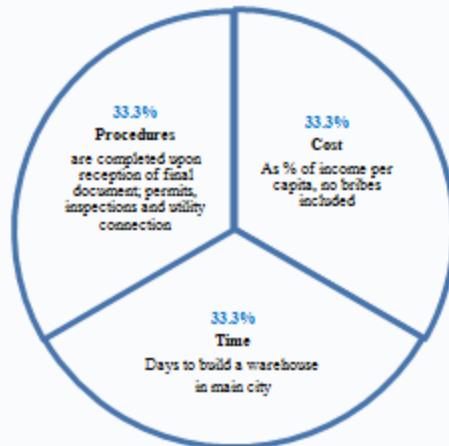
The warehouse:

- is a new construction (there was no previous construction on the land)
- has 2 stories, both above ground, with a total surface of approximately 1,300.6 sq. meters (14,000 sq. feet)
- 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 a land telephone line
- will be used for general storage of non-hazardous goods, such as books
- will take 30 weeks to construct (excluding all delays due to administrative and regulatory requirements)

Dealing with Construction Permits:

Building a warehouse

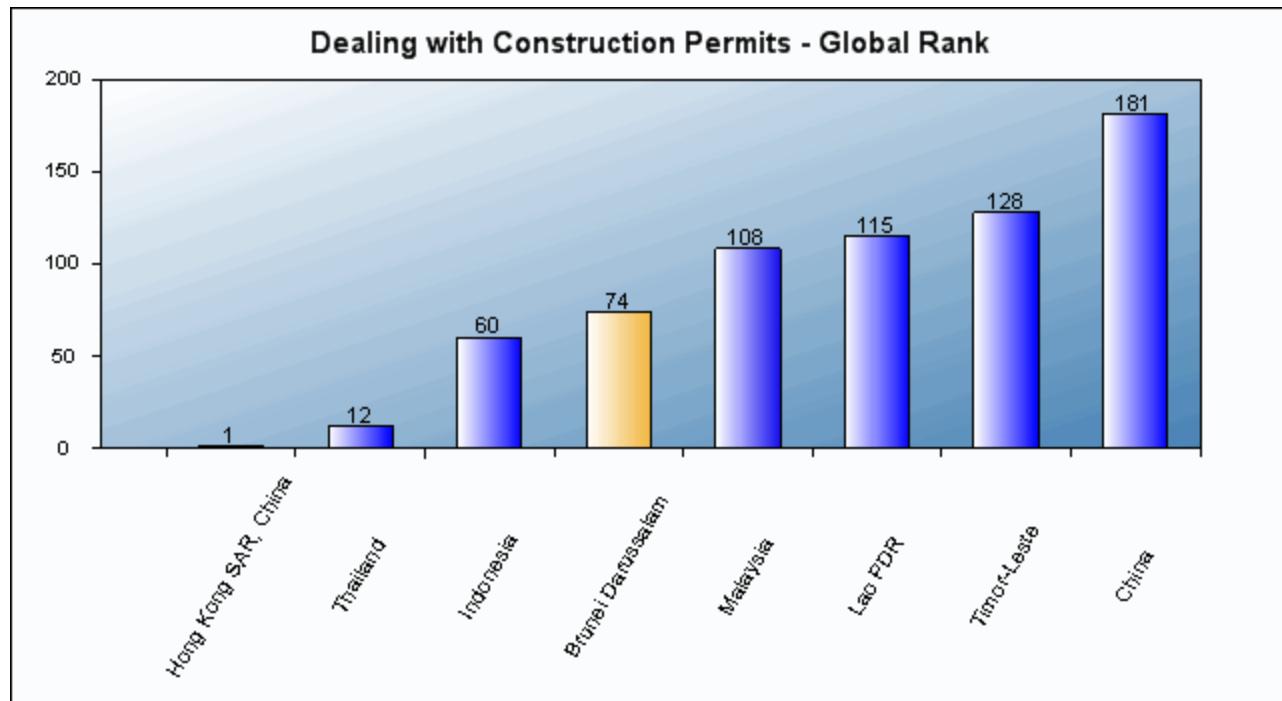
Rankings are based on 3 subindicators



1. Benchmarking Dealing with Construction Permits Regulations:

Brunei Darussalam is ranked 74 overall for Dealing with Construction Permits.

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



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

Good Practice Economies	Procedures (number)	Time (days)	Cost (% of income per capita)
Denmark	6		
Qatar			0.8
Singapore		25	

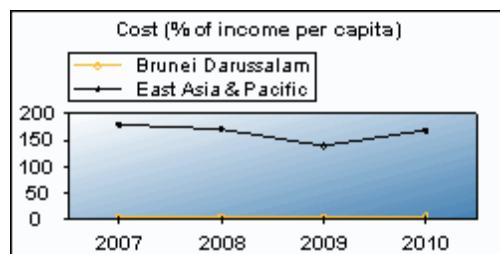
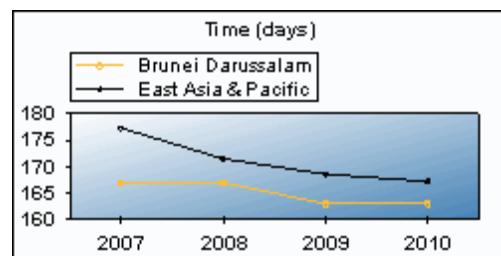
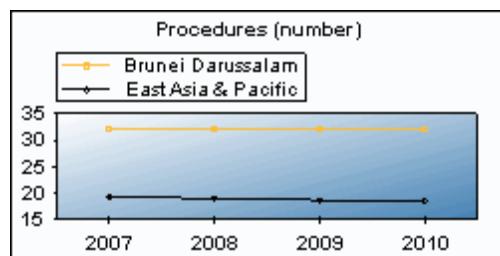
<i>Selected Economy</i>			
Brunei Darussalam	32	163	6.7

<i>Comparator Economies</i>			
China	37	336	523.4
Indonesia	14	160	173.3
Lao PDR	24	172	131.3
Malaysia	25	261	7.9
Thailand	11	156	9.5
Timor-Leste	22	208	138.2

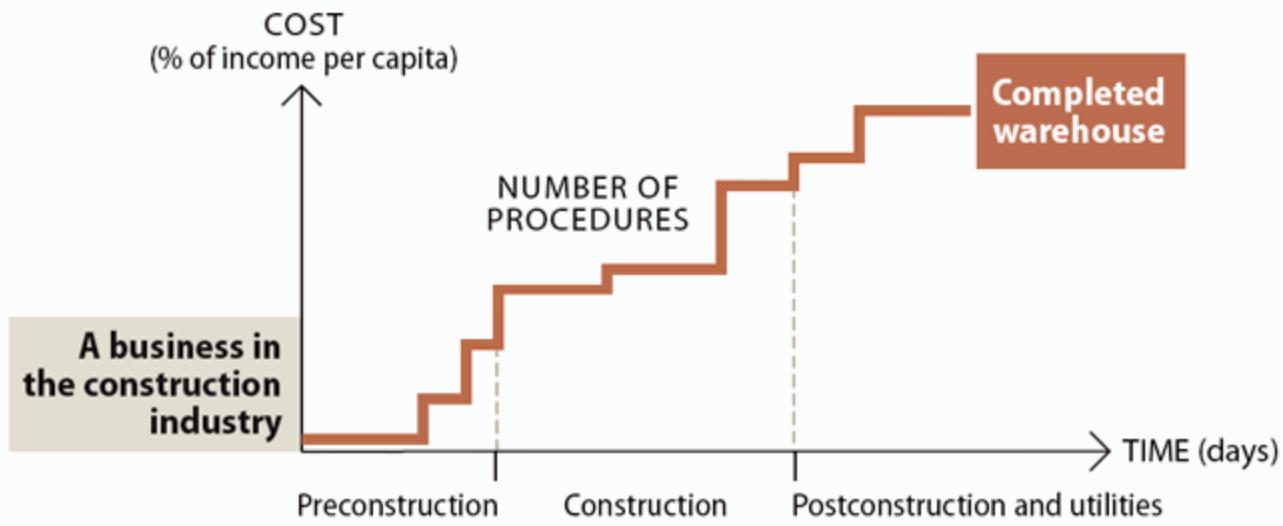
2. Historical data: Dealing with Construction Permits in Brunei Darussalam

Dealing with Construction Permits data	Doing Business 2008	Doing Business 2009	Doing Business 2010	Doing Business 2011
Rank	..	..	74	74
Procedures (number)	32	32	32	32
Time (days)	167	167	163	163
Cost (% of income per capita)	5.2	5.3	4.9	6.7

3. The following graphs illustrate the Dealing with Construction Permits sub indicators in Brunei Darussalam over the past 4 years:



What are the time, cost and number of procedures to comply with formalities to build a warehouse?



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

BUILDING A WAREHOUSE

City: Bandar Seri Begawan

Registration Requirements:

No:	Procedure	Time to complete	Cost to complete
1	Obtain lot plan from Survey Department or Land Department	1 day	BND 15
2	Obtain preliminary approval from the Brunei Industrial Development Authority	7 days	no charge
3	Obtain building approval from the Town and Country Planning Department	120 days	BND 436
4 *	Obtain project clearance from the Land Department	14 days	no charge
5 *	Obtain project clearance from the Public Health Department	14 days	no charge
6 *	Obtain project clearance from the Public Works Department (JKR)	14 days	no charge
7 *	Obtain project clearance from the Fire Services Department	14 days	BND 5
8 *	Obtain project clearance from the Department of Electrical Services (DES)	14 days	no charge

9 *	Obtain project clearance from TelBru (telecommunications)	14 days	no charge
10 *	Obtain project clearance from Brunei Mauara District Office	14 days	no charge
11	Request and receive final inspection from the Town and Country Planning Department	1 day	no charge
12 *	Request and receive final inspection from the Land Department	1 day	no charge
13 *	Request and receive final inspection from the Public Health Department	1 day	no charge
14 *	Request and receive final inspection from the Public Works Department (JKR)	1 day	no charge
15 *	Request inspection from the Fire Services Department and pay fees	1 day	BND 750
16 *	Receive final inspection from the Fire Services Department	1 day	no charge
17 *	Request and receive final inspection from the Department of Electrical Services (DES)	1 day	no charge
18 *	Request and receive final inspection from TelBru	1 day	no charge
19 *	Request and receive final inspection from the Brunei Mauara District Office	1 day	no charge
20 *	Obtain approval memorandum from the Town and Country Planning Department	1 day	no charge
21 *	Obtain approval memorandum from the Land Department	1 day	no charge
22 *	Obtain approval memorandum from the Public Health Departement	1 day	no charge
23 *	Obtain approval memorandum from the Public Works Department (JKR)	1 day	no charge
24 *	Obtain approval memorandum from the Fire Services Department	1 day	no charge
25 *	Obtain approval memorandum from the Department of Electrical Services (DES)	1 day	no charge
26 *	Obtain approval memorandum from TelBru (telecommunications)	1 day	no charge
27 *	Obtain approval memorandum from Brunei Mauara District Office	1 day	no charge
28	Submit all eight approval memoranda to the Town and Country Planning Department along with two sets of as-built drawings	1 day	no charge

29	Obtain occupancy permit	14 days	no charge
30	Obtain telephone connection from TelBru	3 days	BND 113
31 *	Obtain electrical connection form DES	1 day	BND 750
32 *	Obtain water connection from JKR	1 day	BND 500

* Takes place simultaneously with another procedure.

Dealing with Construction Permits Details - Brunei Darussalam

Procedure 1 Obtain lot plan from Survey Department or Land Department

Time to complete: 1 day

Cost to complete: BND 15

Agency: Survey and Land Departments

Comment: The lot plan for a particular property may be obtained from either the Survey Department or the Land Department, depending on the area where the property is located. Upon fee payment, the applicant receives a copy of the ordinance survey sheet. This over-the-counter procedure is completed in a few minutes; the clerk prints a copy, accepts payment, and issues a receipt.

Procedure 2 Obtain preliminary approval from the Brunei Industrial Development Authority

Time to complete: 7 days

Cost to complete: no charge

Agency: Brunei Industrial Development Authority

Comment: The project must receive preliminary approval from the Brunei Industrial Development Authority, a section of the Ministry of Industry and Primary Resources. This state authority approves the project as a whole and does not review the project's technical details. After it approves the project, the authority sends BuildCo a letter stating that it has no objections and that the company may apply for planning approval from the Town and Country Planning Department or the appropriate controlling authority.

After receiving the authority's approval, the applicant's architects prepare for the reviewing authorities the drawings and technical specifications of the project in sufficient detail (e.g., number of parking spaces, water drainage, natural daylight amounts, sprinkler systems, fire and safety systems).

Procedure 3 Obtain building approval from the Town and Country Planning Department

Time to complete: 120 days

Cost to complete: BND 436

Agency: Town and Country Planning Department

Comment: To obtain building approval, BuildCo submits the drawings, lot plan, title deed, and proof of land tax payment in person to the Town and Country Planning Department, the Municipal Board of Bandar Seri Begawan (for construction in the capital's central district), or the Land Department. (These three agencies have jurisdiction over land in different areas of the capital.) Up until July 2007, most applications fell under the jurisdiction of the Town and Country Planning Department. Beginning in August 2007, however, the jurisdiction of the Bandar Seri Begawan Municipal Board expanded from 12.87 sq. km. km² to over 100 sq. km.

On receipt of the submission, the controlling authority will give BuildCo a blank approval form to be used in the approval process. The fee for the new construction form is BND 16.

BuildCo also makes separate submissions with seven other agencies (see steps below),

tailoring the submission to each agency's requirements. Only after BuildCo has received an approval memorandum from each of the eight agencies, and has amended the submission according to the agencies' comments, can the developer submit the drawings and documents for final approval.

If the Department has comments on the plan, it will contact BuildCo by letter. BuildCo must then amend and resubmit the plan and drawings, also by mail.

The relevant government agencies must issue an approval memorandum within 14 days. In practice, it takes much longer—partly because eight different agencies are involved—and after 14 days, applicants begin to follow up with each agency separately. It takes 3 to 5 months for BuildCo to obtain the approval memoranda for all eight agencies—6 to 7 months if no follow-up is made.

Once the Town and Country Planning Department issues the final approval, construction may proceed. As a professional courtesy, companies often notify the relevant municipal authority (Town and Country Planning Department, Municipal Board, or Land Department) when construction begins, but this is not required. No public notice of construction is required.

Procedure 4 Obtain project clearance from the Land Department

Time to complete: 14 days

Cost to complete: no charge

Agency: Land Department

Comment: BuildCo must submit only drawings and documents relevant to the Lands Department. If this authority has any comments on the plan, it will send BuildCo a letter by postal mail. BuildCo must then amend and resubmit the plan and drawings, by mail.

Procedure 5 Obtain project clearance from the Public Health Department

Time to complete: 14 days

Cost to complete: no charge

Agency: Public Health Department, Ministry of Health

Comment: BuildCo must submit only drawings and documents relevant to the Public Health Department. If this authority has comments on the plan, it will send BuildCo a letter by postal mail. BuildCo must then amend and resubmit the plan and drawings, by mail.

Procedure 6 Obtain project clearance from the Public Works Department (JKR)

Time to complete: 14 days

Cost to complete: no charge

Agency: Public Works Department (JKR)

Comment: BuildCo must submit only drawings and documents relevant to the Public Works Department. If the authority has comments on the plan, it will send BuildCo a letter by postal mail. BuildCo must then amend and resubmit the plan and drawings, by mail.

The Public Works Department has four separate subdivisions with jurisdiction over roads, sewage, drains, and water. The department's Development Control Unit coordinates the transmittal of applications to these subdivisions and gathers separate approvals from each

subdivision before preparing a final approval memorandum.

Procedure 7 Obtain project clearance from the Fire Services Department

Time to complete: 14 days

Cost to complete: BND 5

Agency: Fire Services Department

Comment: BuildCo must submit only drawings and documents relevant to the Fire Department. If this authority has comments on the plan, it will send BuildCo a letter by postal mail. BuildCo must then amend and resubmit the plan and drawings, by mail.

The Fire Services Department is the only one of the eight agencies that charges a fee for either the plan submission or approval.

Procedure 8 Obtain project clearance from the Department of Electrical Services (DES)

Time to complete: 14 days

Cost to complete: no charge

Agency: Department of Electrical Services (DES)

Comment: BuildCo must submit only drawings and documents relevant to the Department of Electrical Services. If the authority has comments on the plan, it will send BuildCo a letter by postal mail. BuildCo must then amend and resubmit the plan and drawings, by mail

Procedure 9 Obtain project clearance from TelBru (telecommunications)

Time to complete: 14 days

Cost to complete: no charge

Agency: Telekom Brunei Berhad (TelBru)

Comment: BuildCo is required to submit only drawings and documents relevant to Telekom Brunei Berhad. If TelBru has comments on the plan, it will send BuildCo a letter and will request the plans to be picked up in person. BuildCo must then amend and resubmit the plan and drawings, by mail.

Procedure 10 Obtain project clearance from Brunei Mauara District Office

Time to complete: 14 days

Cost to complete: no charge

Agency: Brunei Mauara District Office

Comment: BuildCo must submit only drawings and documents relevant to the Brunei Mauara District Office. If the District Office has comments on the plan, it will contact send BuildCo a letter, by mail. BuildCo must then amend and resubmit the plan and drawings, by mail.

Procedure 11 Request and receive final inspection from the Town and Country Planning Department

Time to complete: 1 day

Cost to complete:	no charge
Agency:	Town and Country Planning Department
Comment:	In practice, to time the inspection with the end of construction, this step is often taken 2–3 weeks before construction is complete.

Procedure 12 Request and receive final inspection from the Land Department

Time to complete:	1 day
Cost to complete:	no charge
Agency:	Land Department

Comment:

Procedure 13 Request and receive final inspection from the Public Health Department

Time to complete:	1 day
Cost to complete:	no charge
Agency:	Public Health Department

Comment:

Procedure 14 Request and receive final inspection from the Public Works Department (JKR)

Time to complete:	1 day
Cost to complete:	no charge
Agency:	Public Works Department (JKR)

Comment:

Procedure 15 Request inspection from the Fire Services Department and pay fees

Time to complete:	1 day
Cost to complete:	BND 750
Agency:	Fire Services Department
Comment:	The Fire Services Department is the only agency that charges a fee for inspecting the completed warehouse.

Procedure 16 Receive final inspection from the Fire Services Department

Time to complete:	1 day
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Cost to complete: no charge

Agency: Fire Services Department

Comment:

Procedure 17 Request and receive final inspection from the Department of Electrical Services (DES)

Time to complete: 1 day

Cost to complete: no charge

Agency: Department of Electrical Services (DES)

Comment:

Procedure 18 Request and receive final inspection from TelBru

Time to complete: 1 day

Cost to complete: no charge

Agency: Telekom Brunei Berhad (TelBru)

Comment:

Procedure 19 Request and receive final inspection from the Brunei Mauara District Office

Time to complete: 1 day

Cost to complete: no charge

Agency: Brunei Mauara District Office

Comment:

Procedure 20 Obtain approval memorandum from the Town and Country Planning Department

Time to complete: 1 day

Cost to complete: no charge

Agency: Town and Country Planning Department

Comment:

Procedure 21 Obtain approval memorandum from the Land Department

Time to complete: 1 day

Cost to complete: no charge

Agency: Land Department

Comment:

Procedure 22 Obtain approval memorandum from the Public Health Department

Time to complete: 1 day

Cost to complete: no charge

Agency: Public Health Department

Comment:

Procedure 23 Obtain approval memorandum from the Public Works Department (JKR)

Time to complete: 1 day

Cost to complete: no charge

Agency: Public Works Department (JKR)

Comment:

Procedure 24 Obtain approval memorandum from the Fire Services Department

Time to complete: 1 day

Cost to complete: no charge

Agency: Fire Services Department

Comment:

Procedure 25 Obtain approval memorandum from the Department of Electrical Services (DES)

Time to complete: 1 day

Cost to complete: no charge

Agency: Department of Electrical Services (DES)

Comment:

Procedure 26 Obtain approval memorandum from TelBru (telecommunications)

Time to complete: 1 day

Cost to complete: no charge
Agency: Telekom Brunei Berhad (TelBru)
Comment:

Procedure 27 Obtain approval memorandum from Brunei Mauara District Office

Time to complete: 1 day
Cost to complete: no charge
Agency: Brunei Mauara District Office
Comment:

Procedure 28 Submit all eight approval memoranda to the Town and Country Planning Department along with two sets of as-built drawings

Time to complete: 1 day
Cost to complete: no charge
Agency: Town and Country Planning Department
Comment:

Procedure 29 Obtain occupancy permit

Time to complete: 14 days
Cost to complete: no charge
Agency: Town and Country Planning Department
Comment:

Procedure 30 Obtain telephone connection from TelBru

Time to complete: 3 days
Cost to complete: BND 113
Agency: Telekom Brunei Berhad (TelBru)
Comment: TelBru, as of January 2009, updated its fee schedule for connecting to fixed telephone line. The new installation fee is BND 50, Deposit BND 50, and Rental (1 month) –BND 13. Total is BDN 113.
New internal standards for customer satisfaction on new installation targets as follows:
- within 3 days -70%
- within 7 days- 90%

- within 14 days- 100%

In locations where existing infrastructure allows proper connection without increasing the capacity, fixed line installation may take 3 days.

Procedure 31 Obtain electrical connection form DES

Time to complete: 1 day

Cost to complete: BND 750

Agency: Department of Electrical Services (DES)

Comment:

Procedure 32 Obtain water connection from JKR

Time to complete: 1 day

Cost to complete: BND 500

Agency: Public Works Department (JKR)

Comment:

Ensuring formal property rights is fundamental. Effective administration of land is part of that. If formal property transfer is too costly or complicated, formal titles might go informal again. *Doing Business* records the full sequence of procedures necessary for a business to purchase a property from another business and transfer the property title to the buyer's name. In the past 6 years 105 economies undertook 146 reforms making it easier to transfer property. Globally, the time to transfer property fell by 38% and the cost by 10% over this time. The most popular feature of property registration reform in these 6 years, implemented in 52 economies, was lowering transfer taxes and government fees.

Some reform outcomes

Georgia now allows property transfers to be completed through 500 authorized users, notably banks. This saves time for entrepreneurs. A third of people transferring property in 2009 chose authorized users, up from 7% in 2007. Also, Georgia's new electronic registry managed 68,000 sales in 2007, twice as many as in 2003. Belarus's unified and computerized registry was able to cope with the addition of 1.2 million new units over 3 years. The registry issued 1 million electronic property certificates in 2009.

What does the Registering Property indicator measure?

Procedures to legally transfer title on immovable property (number)

- Preregistration (for example, checking for liens, notarizing sales agreement, paying property transfer taxes)
- Registration in the economy's largest business city
- Post registration (for example, transactions with the local authority, tax authority or cadastre)

Time required to complete each procedure (calendar days)

- Does not include time spent gathering information
- Each procedure starts on a separate day
- Procedure completed once final document is received
- No prior personal contact with officials

Cost required to complete each procedure (% of property value)

- Official costs only, no bribes
- No value added or capital gains taxes included

Case Study Assumptions

The parties (buyer and seller):

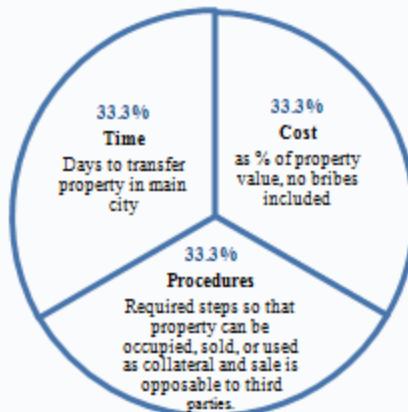
- Are limited liability companies, 100% domestically and privately owned.
- Are located in the periurban area of the economy's largest business city.
- Have 50 employees each, all of whom are nationals.
- Perform general commercial activities.

The property (fully owned by the seller):

- Has a value of 50 times income per capita. The sale price equals the value.
- Has no mortgages attached and has been under the same ownership for the past 10 years.
- Is registered in the land registry or cadastre, or both, and is free of title disputes.
- Is located in a periurban commercial zone, and no rezoning is required.
- Consists of a 557.4 square meters (6,000 square feet) land and 10 years old 2-story warehouse of 929 square meters (10,000 square feet) located on the land. The warehouse is in good condition and complies with all safety standards, building codes and legal requirements. The property will be transferred in its entirety.

Registering Property: transfer of property between 2 local companies

Rankings are based on 3 subindicators



1. Benchmarking Registering Property Regulations:

Brunei Darussalam is ranked 183 overall for Registering Property.

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



The following table shows Registering Property data for Brunei Darussalam 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

Selected Economy			
Brunei Darussalam	no practice*	no practice*	no practice*

Comparator Economies			
China	4	29	3.6
Indonesia	6	22	10.9
Lao PDR	9	135	4.1
Malaysia	5	56	2.5
Thailand	2	2	4.3
Timor-Leste	no practice	no practice	no practice

* The following economies are also good practice economies for :

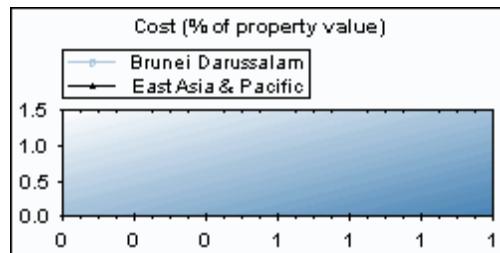
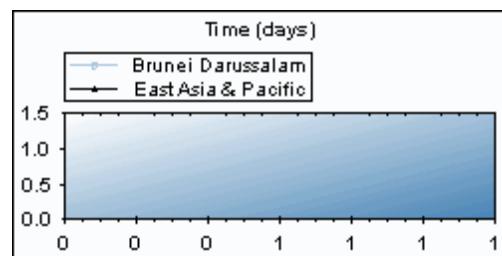
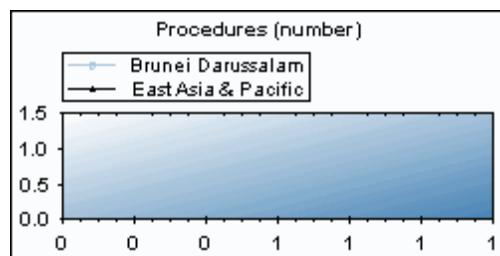
Procedures (number): United Arab Emirates

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

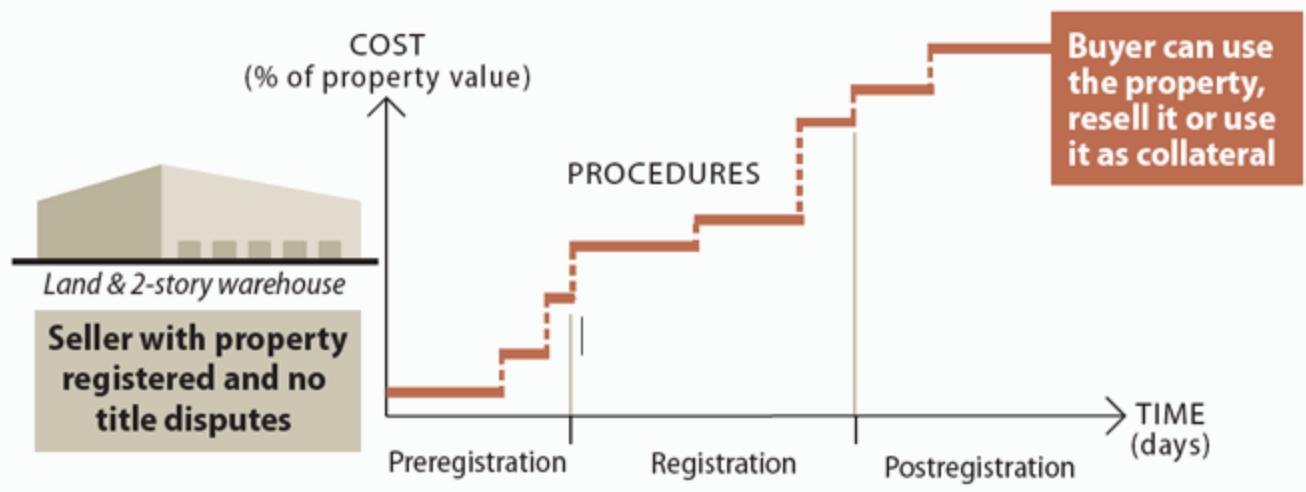
2. Historical data: Registering Property in Brunei Darussalam

Registering Property data	Doing Business 2008	Doing Business 2009	Doing Business 2010	Doing Business 2011
Rank	..	..	183	183
Procedures (number)	no practice	no practice	no practice	no practice*
Time (days)	no practice	no practice	no practice	no practice*
Cost (% of property value)	no practice	no practice	no practice	no practice*

3. The following graphs illustrate the Registering Property sub indicators in Brunei Darussalam over the past 4 years:



What are the time, cost and number of procedures required to transfer a property between 2 local companies?



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

STANDARDIZED PROPERTY

Property Value: 1,908,596.94

City: Bandar Seri Begawan

Registration Requirements:

No:	Procedure	Time to complete	Cost to complete
<hr/>			

Registering Property Details - Brunei Darussalam

Procedure

Time to complete:

Cost to complete:

Comment:

Through two sets of indicators, *Doing Business* assesses the legal rights of borrowers and lenders with respect to secured transactions and the sharing of credit information. The depth of credit information index measures rules and practices affecting the coverage, scope and accessibility of credit information available through either a public credit registry or a private credit bureau. Credit information systems mitigate the 'information asymmetry' in lending and enable lenders to view a borrower's financial history (positive or negative), providing them with valuable information to consider when assessing risk. Credit information systems benefit borrowers as well, allowing good borrowers to establish a reputable credit history which will enable them to access credit more easily. The Legal Rights Index measures the degree to which collateral and bankruptcy laws protect the rights of borrowers and lenders and thus facilitate lending. Sound collateral laws will enable businesses to use their assets, especially movable property, as security to generate capital while having strong creditor's rights has been associated with higher ratios of private sector credit to GDP.

Some reform outcomes

After Vietnam's new Civil Code was enacted in 2005, a decree further clarified the provisions governing secured transactions. Since the inclusion of the new provisions, the number of registrations increased from 43,000 (2005) to 120,000 (end of 2008).

In 2008, when Zambia established a private credit bureau, its database initially covered about 25,000 borrowers. Thanks to a strong communication campaign and a central bank directive, coverage has grown 10-fold in the past 2 years, exceeding 200,000 by the beginning of 2010.

What do the Getting Credit indicators measure?

Strength of legal rights index (0–10)

- Protection of rights of borrowers and lenders through collateral laws
- Protection of secured creditors' rights through bankruptcy laws

Depth of credit information index (0–6)

- Scope and accessibility of credit information distributed by public credit registries and private credit bureaus

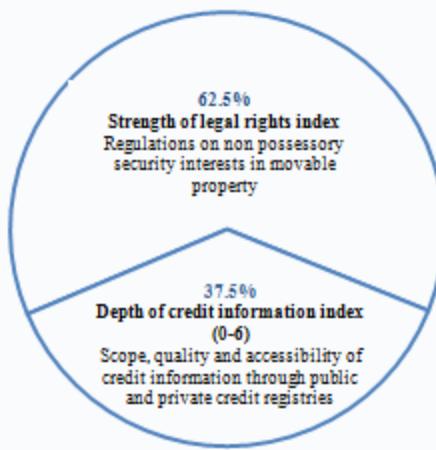
Public credit registry coverage (% of adults)

- Number of individuals and firms listed in public credit registry as percentage of adult population

Private credit bureau coverage (% of adults)

- Number of individuals and firms listed in largest private credit bureau as percentage of adult population

Getting Credit: collateral rules and credit information



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

Case Study Assumptions (applying to the Legal Rights Index only)

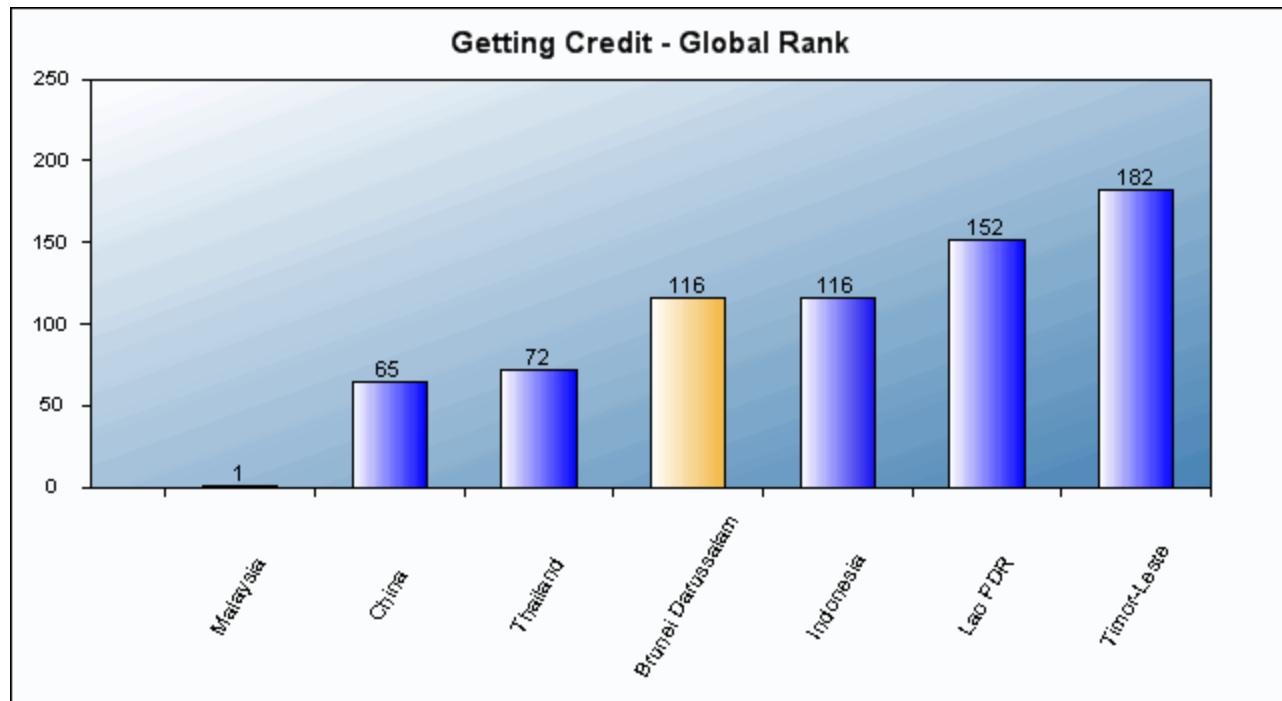
The Debtor

- 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 creditor and debtor are 100% domestically owned.

1. Benchmarking Getting Credit Regulations:

Brunei Darussalam is ranked 116 overall for Getting Credit.

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



The following table shows Getting Credit data for Brunei Darussalam 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			67.1	
Singapore*	10			
United Kingdom		6		

<i>Selected Economy</i>				
Brunei Darussalam	7	0	0.0	0.0

<i>Comparator Economies</i>				
China	6	4	63.9	0.0
Indonesia	3	4	25.2	0.0
Lao PDR	4	0	0.0	0.0
Malaysia	10	6	62.0	100.0
Thailand	4	5	0.0	35.7
Timor-Leste	1	0	0.0	0.0

* The following economies are also good practice economies for :

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

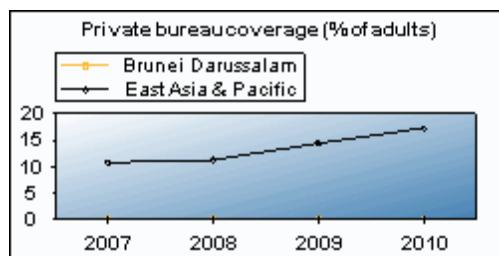
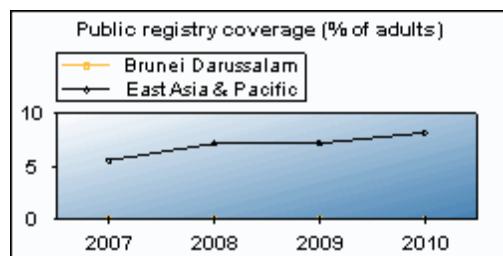
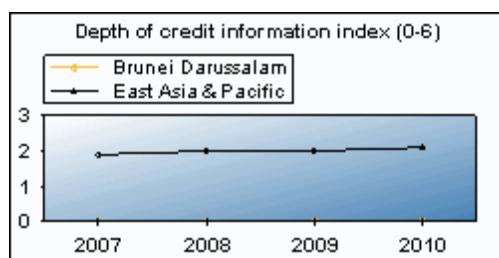
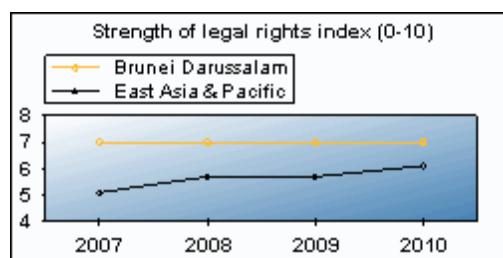
Private bureau coverage (% of adults): Argentina, Australia, Canada, Iceland, Ireland, Norway, Sweden, United Kingdom, United States

27 countries have the highest credit information index.

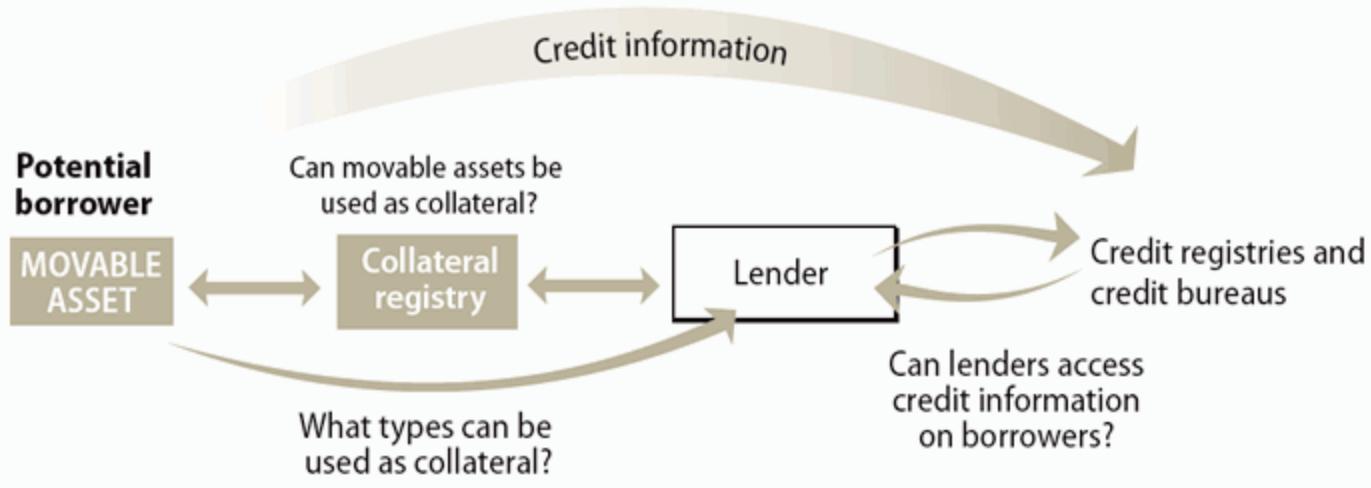
2. Historical data: Getting Credit in Brunei Darussalam

Getting Credit data	Doing Business 2008	Doing Business 2009	Doing Business 2010	Doing Business 2011
Rank	..	..	109	116
Strength of legal rights index (0-10)	7	7	7	7
Depth of credit information index (0-6)	0	0	0	0
Private bureau coverage (% of adults)	0.0	0.0	0.0	0.0
Public registry coverage (% of adults)	0.0	0.0	0.0	0.0

3. The following graphs illustrate the Getting Credit sub indicators in Brunei Darussalam over the past 4 years:



**Do lenders have credit information on entrepreneurs seeking credit?
Is the law favorable to borrowers and lenders using movable assets as collateral?**



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

Getting Credit Indicators (2010)	Indicator
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

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 movable assets, without requiring a specific description of collateral?	Yes
Does the law allow businesses to grant a non possessory security right in substantially all of its assets, without requiring a specific description of collateral?	Yes
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 ?	Yes
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 ?	Yes
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 ?	Yes
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?	No
During reorganization, are secured creditors' claims exempt from an automatic stay on enforcement?	No
Does the law authorize parties to agree on out of court enforcement?	Yes

Stronger investor protections matter for the ability of companies to raise the capital needed to grow, innovate, diversify and compete. This is all the more crucial in times of financial crisis when entrepreneurs must navigate through defiant environments to finance their activities. Using 3 indices of investor protection, *Doing Business* measures how economies regulate a standard case of self-dealing, use of corporate assets for personal gains. Since 2005, 51 economies have strengthened investor protections as measured by *Doing Business*.

Some reform outcomes

In Indonesia, an economy that consistently improved its laws regulating investor protections, the number of firms listed on the Indonesia Stock Exchange increased from 331 to 396 between 2004 and 2009. Meanwhile, market capitalization grew from 680 trillion rupiah (\$75 billion) to 1,077 trillion rupiah (\$119 billion).

After Thailand amended its laws in 2006 and 2008, more than 85 transactions that failed to comply with the disclosure standards were suspended. Thirteen were deemed prejudicial and were therefore canceled, thus preventing damage to the companies involved and preserving their value. Companies were not deterred either, as more than 30 new companies joined the stock exchange since 2005 bringing the number of listed companies to 523.

What do the Protecting Investors indicators measure?

Extent of disclosure index (0–10)

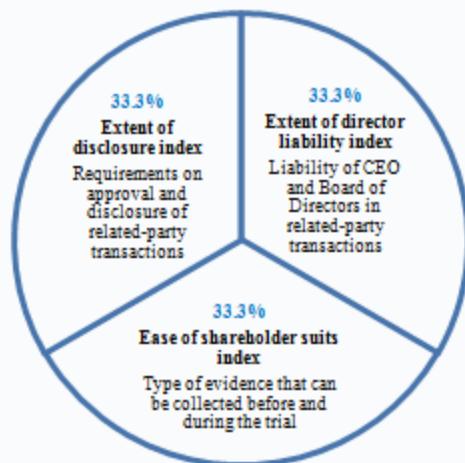
- Who can approve related-party transactions
- Requirements for external and internal disclosure in case of related-party transactions

Protecting Investors: minority shareholder rights in related-party transactions

Rankings are based on 3 subindicators

Extent of director liability index (0–10)

- Ability of shareholders to hold the interested party and the approving body liable in case of a prejudicial related-party transaction
- Available legal remedies (damages, repayment of profits, fines, imprisonment and rescission of the transaction)
- Ability of shareholders to sue directly or derivatively



Ease of shareholder suits index (0–10)

- Documents and information available during trial
- Access to internal corporate documents (directly or through a government inspector)

Strength of investor protection index (0–10)

- Simple average of the extent of disclosure, extent of director liability and ease of shareholder suits indices

Case Study Assumptions

The business (Buyer):

- Is a publicly traded corporation listed on the economy's most important stock exchange (or at least a large private company with multiple shareholders).
- Has a board of directors and a chief executive officer (CEO) who may legally act on behalf of Buyer where permitted, even if this is not specifically required by law.

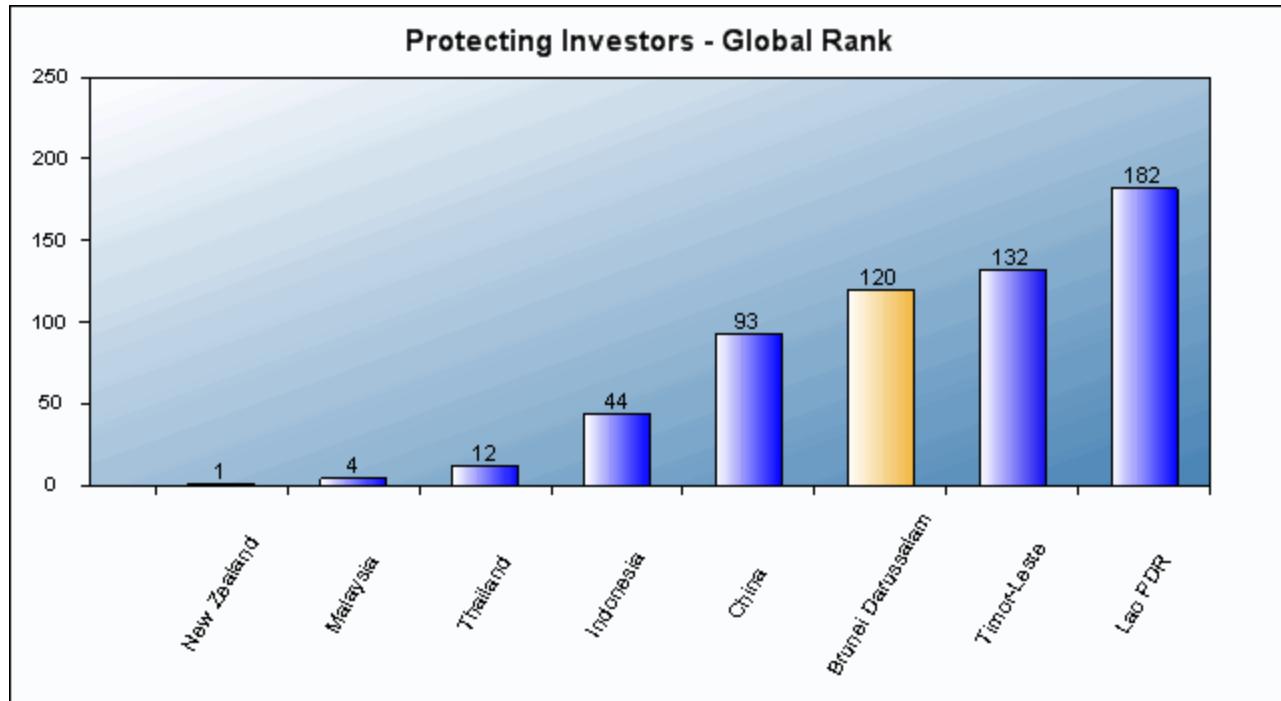
The transaction

- Mr. James, a director and the majority shareholder of the company, proposes that the company purchase used trucks from another company he owns.
- The price is higher than the going price for used trucks, but 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.

1. Benchmarking Protecting Investors Regulations:

Brunei Darussalam is ranked 120 overall for Protecting Investors.

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



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

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

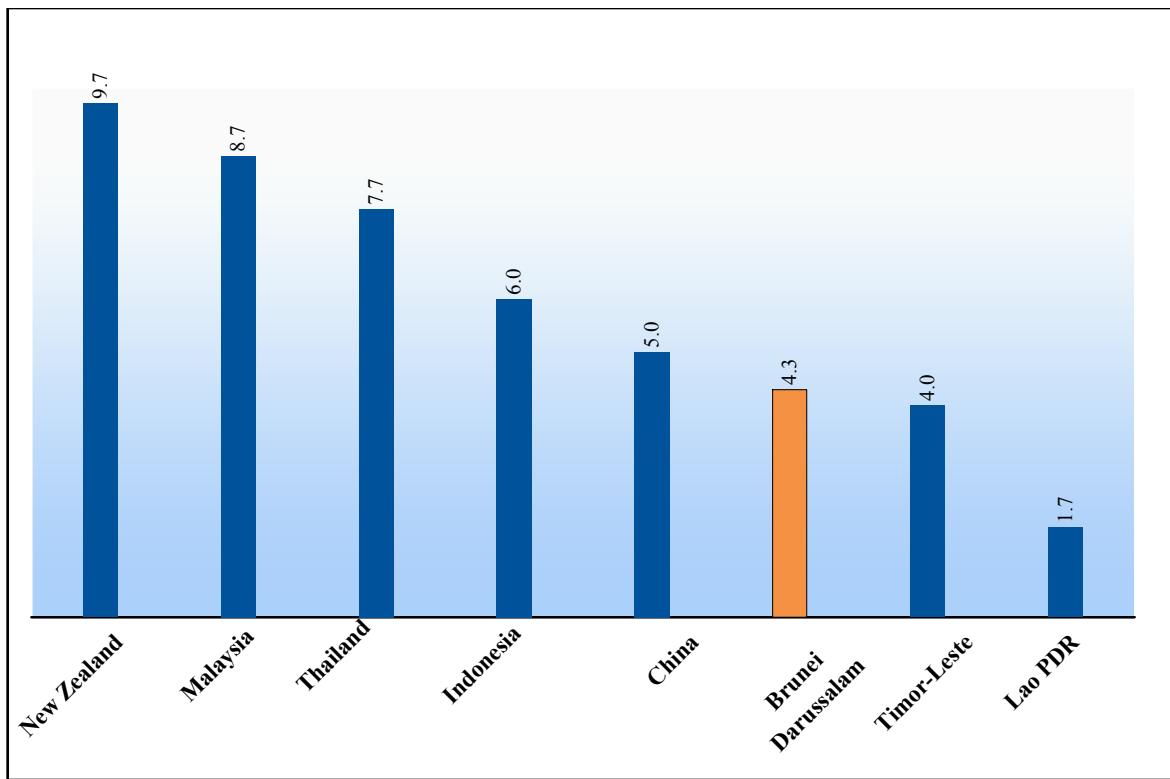
<i>Selected Economy</i>	
Brunei Darussalam	4.3

<i>Comparator Economies</i>	
China	5.0
Indonesia	6.0
Lao PDR	1.7
Malaysia	8.7
Thailand	7.7
Timor-Leste	4.0

2. Historical data: Protecting Investors in Brunei Darussalam

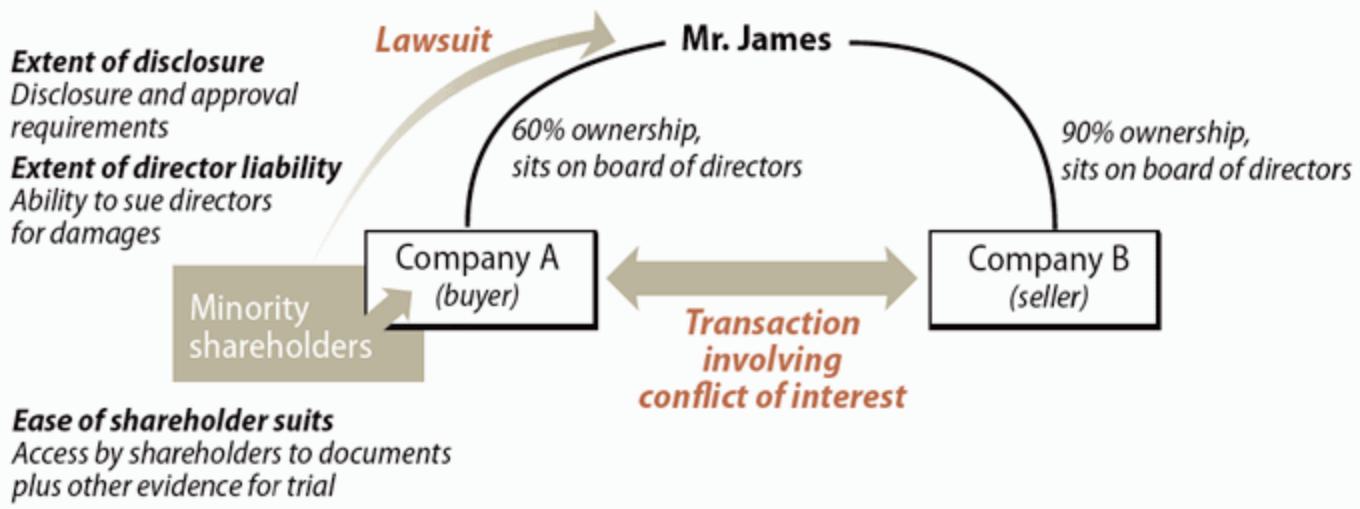
Protecting Investors data	Doing Business 2008	Doing Business 2009	Doing Business 2010	Doing Business 2011
Rank	..	..	119	120
Strength of investor protection index (0-10)	4.3	4.3	4.3	4.3

3. The following graph illustrates the Protecting Investors index in Brunei Darussalam compared to best practice and selected Economies:



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

How well are minority shareholders protected against self-dealing in related-party transactions?



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

Protecting Investors Data (2010)	Indicator
Extent of disclosure index (0-10)	3
What corporate body provides legally sufficient approval for the transaction?	2
Whether immediate disclosure of the transaction to the public and/or shareholders is required?	0
Whether disclosure of the transaction in published periodic filings (annual reports) is required?	1
Whether disclosure of the conflict of interest by Mr. James to the board of directors is required?	0
Whether an external body must review the terms of the transaction before it takes place?	0
Extent of director liability index (0-10)	2
Whether shareholders can hold Mr. James liable for the damage that the Buyer-Seller transaction causes to the company?	0
Whether shareholders can hold the approving body (the CEO or board of directors) liable for the damage that the Buyer-Seller transaction causes to the company?	1
Whether a court can void the transaction upon a successful claim by a shareholder plaintiff?	0
Whether Mr. James pays damages for the harm caused to the company upon a successful claim by the shareholder plaintiff?	0

Whether Mr. James repays profits made from the transaction upon a successful claim by the shareholder plaintiff?	0
Whether fines and imprisonment can be applied against Mr. James?	0
Whether shareholders can sue directly or derivatively for the damage that the Buyer-Seller transaction causes to the company?	1
Ease of shareholder suits index (0-10)	8
Whether the plaintiff can obtain any documents from the defendant and witnesses during trial?	3
Whether the plaintiff can directly question the defendant and witnesses during trial?	2
Whether the plaintiff can request categories of documents from the defendant without identifying specific ones?	1
Whether shareholders owning 10% or less of Buyer's shares can request an inspector to investigate the transaction?	0
Whether the level of proof required for civil suits is lower than that of criminal cases?	1
Whether shareholders owning 10% or less of Buyer's shares can inspect transaction documents before filing suit?	1
Strength of investor protection index (0-10)	4.3

Taxes are essential to provide public amenities, infrastructure and services which are crucial for a properly functioning economy. *Doing Business* data show that economies where it is more difficult and costly to pay taxes have larger shares of informal sector activity. More than 60% of economies have reformed in the last 6 years and are starting to see concrete results.

Some reform outcomes

Colombia introduced a new electronic system for social security and labor taxes in 2006 and by 2008 the social security contributions collected from small and medium-size companies rose by 42%, to 550 billion pesos.

Mauritius reduced the corporate income tax rate from 25% to 15% and removed exemptions and industry-specific allowances in 2006 and saw their corporate income tax revenue grow by 27% in the following year, and in 2008/09 it increased by 65%.

What do the Paying taxes indicators measure?

Tax payments for a manufacturing company in 2009
(number per year adjusted for electronic or joint filing and payment)

- Total number of taxes and contributions paid, including consumption taxes (value added tax, sales tax or goods and service tax)
- Method and frequency of filing and payment

Time required to comply with 3 major taxes (hours per year)

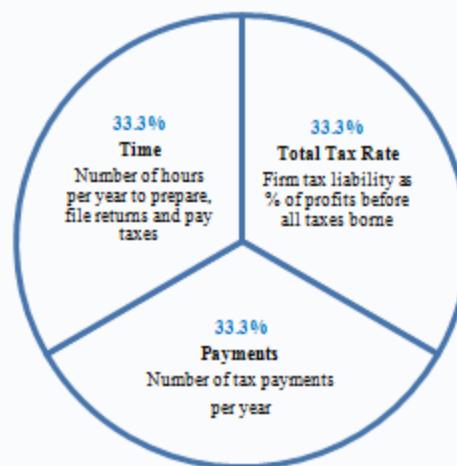
- Collecting information and computing the tax payable
- Completing tax return forms, filing with proper agencies
- Arranging payment or withholding
- Preparing separate tax accounting books, if required

Total tax rate (% of profit)

- Profit or corporate income tax
- Mandatory social contributions and labor taxes paid by the employer
- Property and property transfer taxes
- Dividend, capital gains and financial transactions taxes
- Waste collection, vehicle, road and other taxes

Paying Taxes: tax compliance for a local manufacturing company

Rankings are based on 3 subindicators



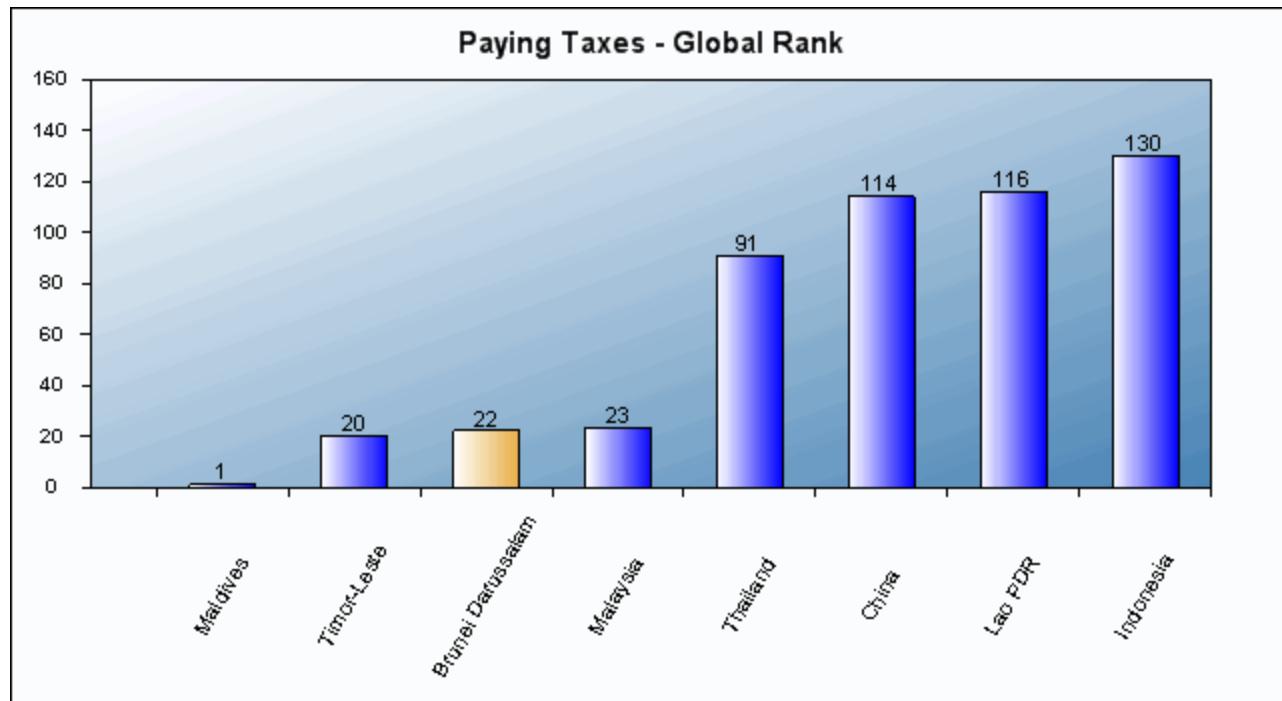
Case Study Assumptions

- TaxpayerCo is a medium-size business that started operations 2 years ago.
- Tax practitioners are asked to review its financial statements, as well as 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
- Taxes and mandatory contributions include corporate income tax, turnover tax, all labor taxes and contributions paid by the company.
- A range of standard deductions and exemptions are also recorded.

1. Benchmarking Paying Taxes Regulations:

Brunei Darussalam is ranked 22 overall for Paying Taxes.

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



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

Good Practice Economies	Payments (number per year)	Time (hours per year)	Total tax rate (% profit)
Maldives*	3	0	
Timor-Leste			0.2

<i>Selected Economy</i>			
Brunei Darussalam	15	144	29.8

<i>Comparator Economies</i>			
China	7	398	63.5
Indonesia	51	266	37.3
Lao PDR	34	362	33.7
Malaysia	12	145	33.7
Thailand	23	264	37.4
Timor-Leste	6	276	0.2

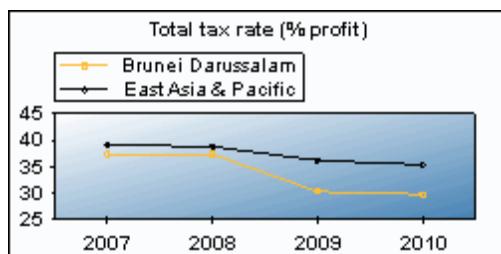
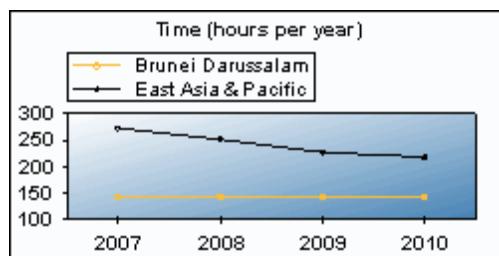
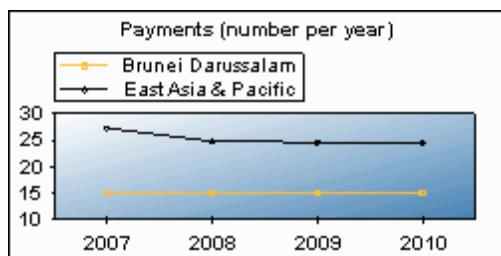
* The following economies are also good practice economies for :

Payments (number per year): Qatar

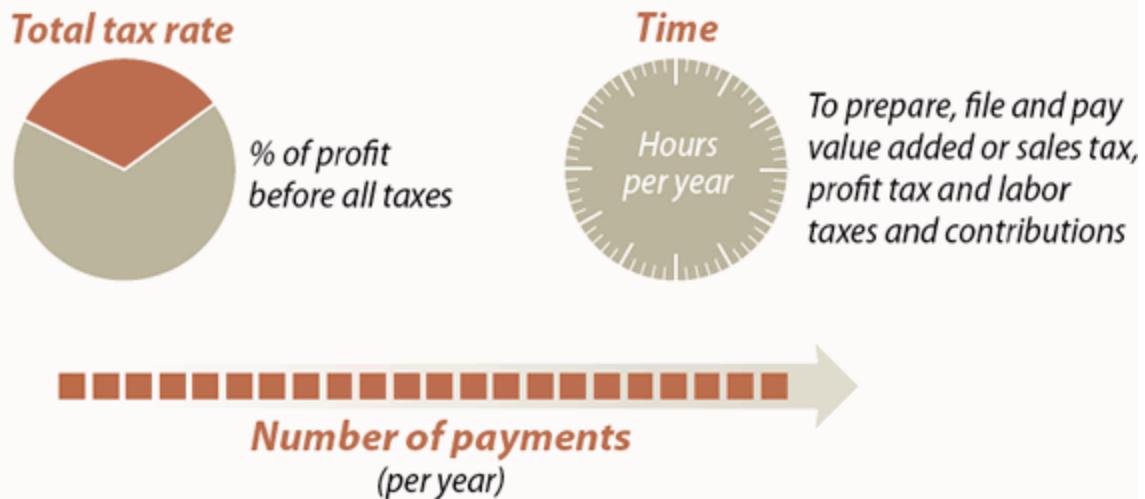
2. Historical data: Paying Taxes in Brunei Darussalam

Paying Taxes data	Doing Business 2008	Doing Business 2009	Doing Business 2010	Doing Business 2011
Rank	..	..	21	22
Total tax rate (% profit)	37.4	37.4	30.3	29.8
Payments (number per year)	15	15	15	15
Time (hours per year)	144	144	144	144

3. The following graphs illustrate the Paying Taxes sub indicators in Brunei Darussalam over the past 4 years:



What are the time, total tax rate and number of payments necessary for a local medium-sized company to pay all taxes?



The table below addresses the taxes and mandatory contributions that a medium-size company must pay or withhold in a given year in Brunei Darussalam, 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
Property tax	1				Assessed property value		
Vehicle tax	1			Road Tax at B\$4.50 per 100c.c	Depending on engine size	0.00	
Social security	12		78	5.0%	gross salaries	5.60	
Corporate income tax	1		66	23.5%	taxable profit	24.20	
Totals	15		144			29.8	

Making trade between countries easier is increasingly important for business in today's globalized world. Excessive document requirements, burdensome customs procedures, inefficient port operations and inadequate infrastructure all lead to extra costs and delays for exporters and importers, stifling trade potential. Trade facilitation tools such as electronic data interchange systems, risk-based inspections, and single windows help improve an economy's trading environment and boost firms' international competitiveness. *Doing Business* trade indicators take into account documents, cost and time associated with every procedure for trading a standard shipment of goods by ocean transport. Research indicates that exporters in developing countries have much more to gain by a 10% drop in their trading costs than from a similar decrease of the tariffs applied to their products in global markets.

Some reform outcomes

In Georgia, reducing customs clearance time by a day has led to operational savings of an estimated \$288 per truck, or an annual \$133 million for the country's whole trading community given the growing amount of cross-border trade in recent years.

In Korea, predictable cargo processing times and rapid turnover by ports and warehouses provide a benefit to the Korean economy of some \$2 billion annually.

What do the Trading Across Borders indicators measure?

Trading Across Borders: exporting and importing by ocean transport

Rankings are based on 3 subindicators

Documents required to export and import (number)

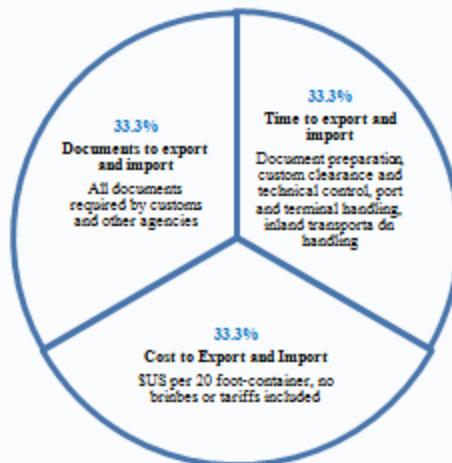
- Bank documents
- Customs clearance documents
- Port and terminal handling documents
- Transport documents

Time required to export and import (days)

- Obtaining all the documents
- Inland transport and handling
- Customs clearance and inspections
- Port and terminal handling
- Does not include ocean transport time

Cost required to export and import (US\$ per container)

- All documentation
- Inland transport and handling
- Customs clearance and inspections
- Port and terminal handling
- Official costs only, no bribes



Case Study Assumptions

The Business

- Has at least 60 employees and is located in the economy's largest business city
- Is a private, limited liability company, which exports more than 10% of its sales. It is fully domestically owned and does not operate in an export processing zone or an industrial estate with special export or import privileges

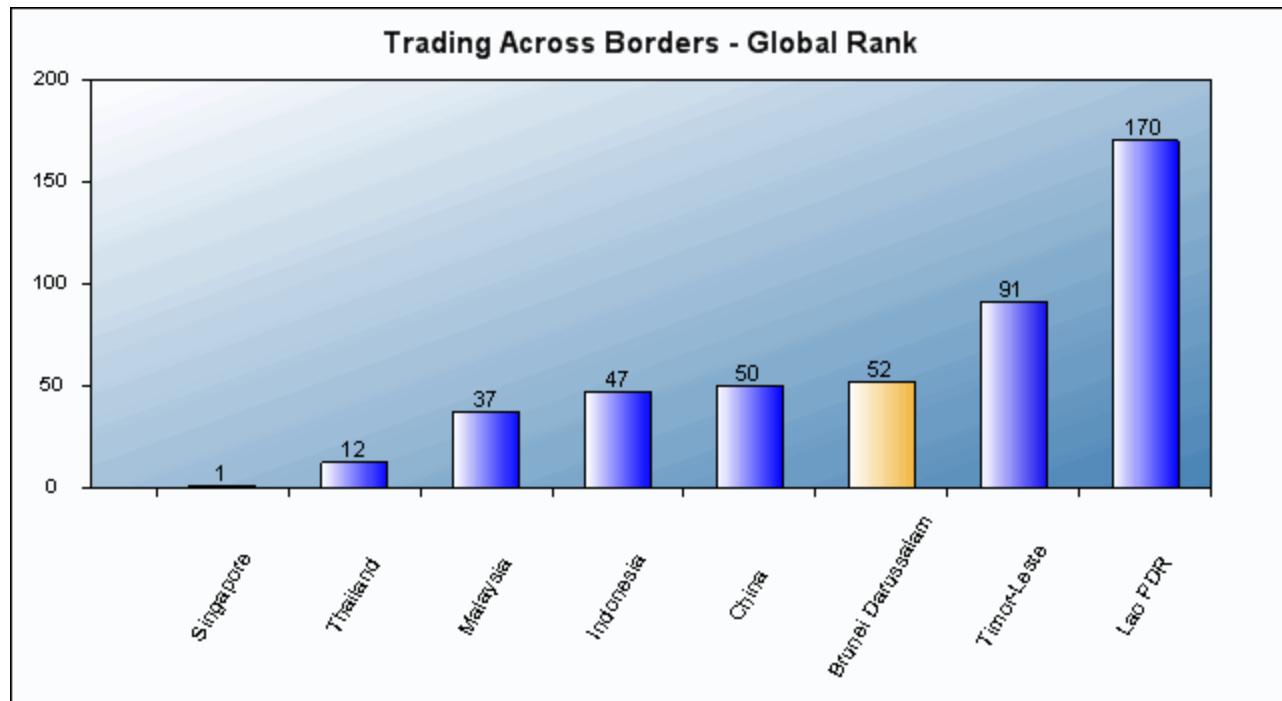
The traded product

- Is transported in a dry-cargo, 20-foot full container load; weighs 10 tons and is valued at \$20,000
- Is not hazardous or include military items; it does not require special phytosanitary or environmental safety standards, refrigeration or any other special environment
- Is one of the economy's leading export or import products

1. Benchmarking Trading Across Borders Regulations:

Brunei Darussalam is ranked 52 overall for Trading Across Borders.

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



The following table shows Trading Across Borders data for Brunei Darussalam 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					4	439

<i>Selected Economy</i>						
Brunei Darussalam	6	25	630	6	20	708

<i>Comparator Economies</i>						
China	7	21	500	5	24	545
Indonesia	5	20	704	6	27	660
Lao PDR	9	48	1860	10	50	2040
Malaysia	7	18	450	7	14	450
Thailand	4	14	625	3	13	795
Timor-Leste	6	25	1010	7	26	1015

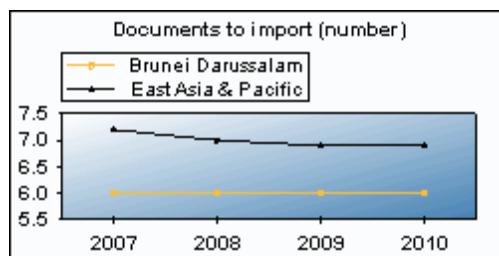
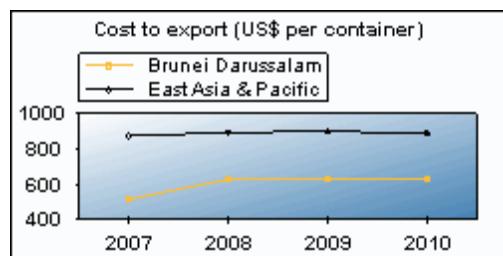
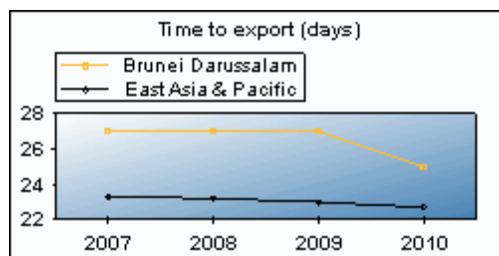
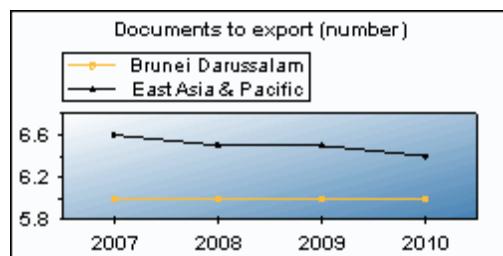
* The following economies are also good practice economies for :

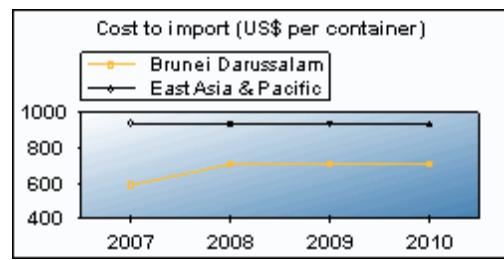
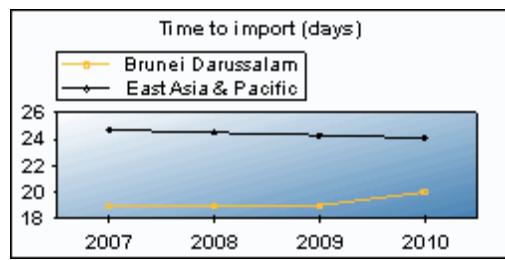
Time to export (days): Estonia

2. Historical data: Trading Across Borders in Brunei Darussalam

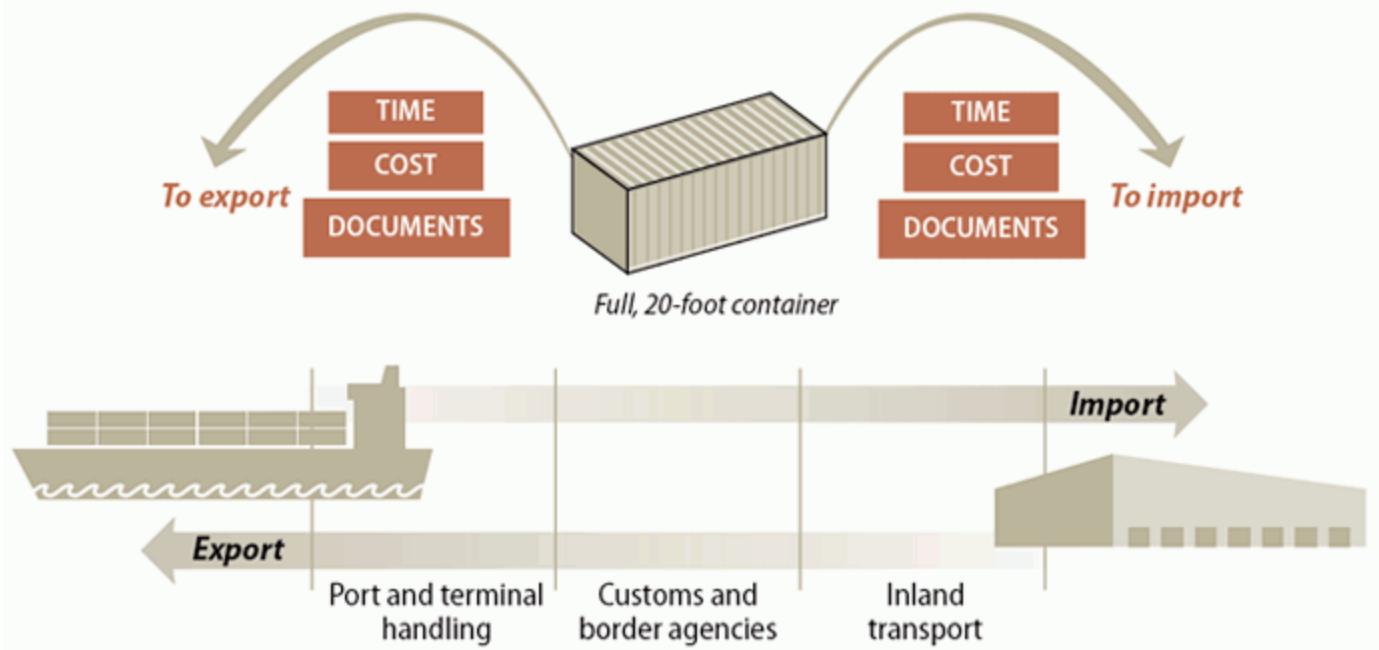
Trading Across Borders data	Doing Business 2008	Doing Business 2009	Doing Business 2010	Doing Business 2011
Rank	..	..	51	52
Cost to export (US\$ per container)	515	630	630	630
Cost to import (US\$ per container)	590	708	708	708
Documents to export (number)	6	6	6	6
Documents to import (number)	6	6	6	6
Time to export (days)	27	27	27	25
Time to import (days)	19	19	19	20

3. The following graphs illustrate the Trading Across Borders sub indicators in Brunei Darussalam over the past 4 years:





How much time, how many documents and what cost to export and import across borders by ocean transport?



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

Nature of Export Procedures (2010)	Duration (days)	US\$ Cost
Documents preparation	17	190
Customs clearance and technical control	2	50
Ports and terminal handling	3	240
Inland transportation and handling	3	150
Totals	25	630

Nature of Import Procedures (2010)	Duration (days)	US\$ Cost
Documents preparation	16	142
Customs clearance and technical control	1	80
Ports and terminal handling	2	315
Inland transportation and handling	1	171
Totals	20	708

Documents for Export and Import

Export

Bill of lading

Certificate of origin

Commercial invoice

Customs export declaration

Packing list

Technical standard/health certificate

Import

Bill of lading

Certificate of origin

Commercial invoice

Customs import declaration

Packing list

Technical standard/health certificate

Well functioning courts help businesses expand their network and markets. Where contract enforcement is efficient, firms have greater access to credit and are more likely to engage with new borrowers or customers. *Doing Business* measures the efficiency of the judicial system in resolving a commercial sale dispute before local courts. Following the step-by-step evolution of a standardized case study, data relating to the time, cost and procedural complexity of resolving a commercial lawsuit are 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).

Some reform outcomes

In Rwanda the implementation of specialized commercial courts in May 2008 resulted in a significant decrease of the case backlog, and contributed to reduce the time to resolve a commercial dispute by nearly 3 months.

In Austria a “data highway” for the courts that allows attachments to be sent electronically has produced savings of €4.4 million in postage alone.

What do the Enforcing Contracts indicators measure?

Procedures to enforce a contract (number)

- Any interaction between the parties in a commercial dispute, or between them and the judge or court officer
- Steps to file the case
- Steps for trial and judgment
- Steps to enforce the judgment

Time required to complete procedures (calendar days)

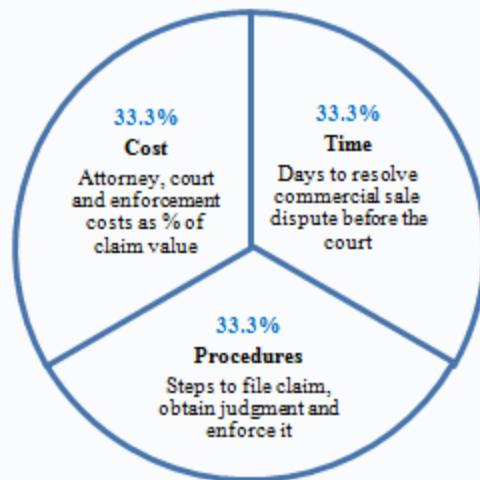
- Time to file and serve the case
- Time for trial and obtaining judgment
- Time to enforce the judgment

Cost required to complete procedures (% of claim)

- No bribes
- Average attorney fees
- Court costs, including expert fees
- Enforcement costs

Enforcing Contracts: resolving a commercial dispute through the courts

Rankings are based on 3 subindicators



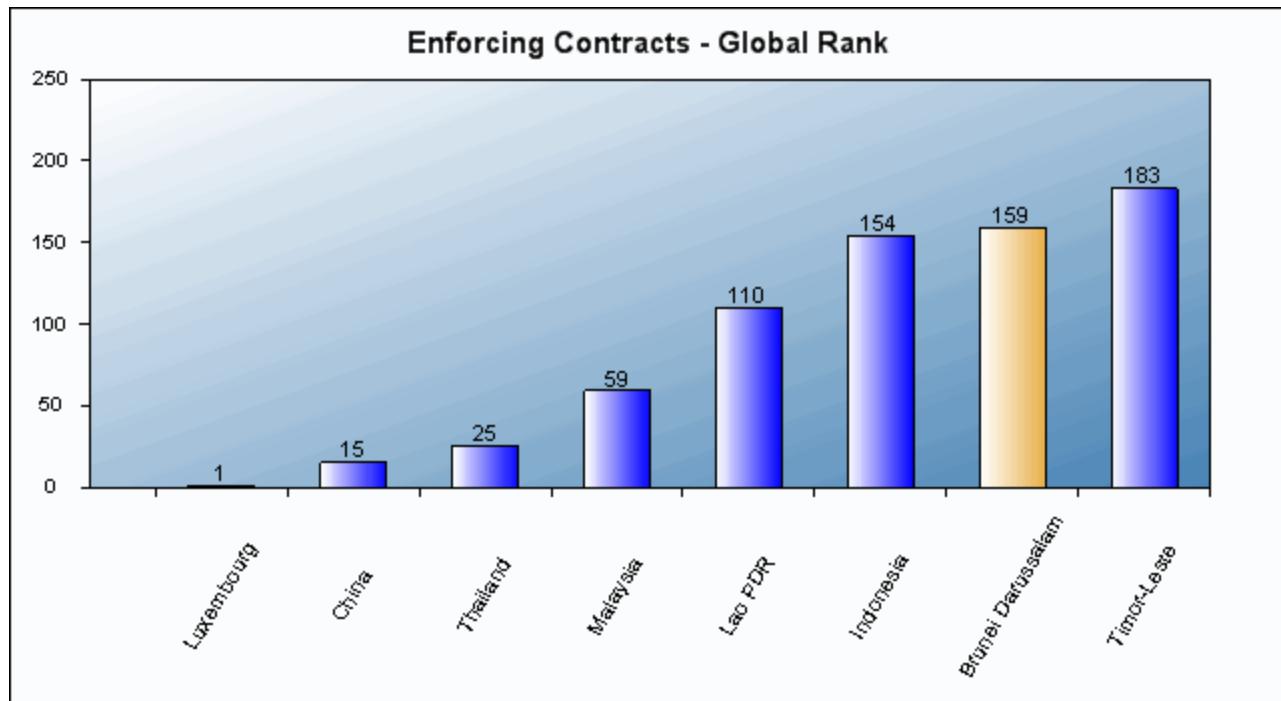
Case Study Assumptions

- Seller and Buyer are domestic companies
- Buyer orders custom-made goods, then does not pay
- Seller sues Buyer before competent court
- Value of claim is 200% of GNI per capita
- Seller requests pre-trial attachment to secure claim
- Dispute on quality of the goods requires expert opinion
- Judge decides in favor of Seller, no appeal
- Seller enforces judgment through a public sale of Buyer's movable assets.

1. Benchmarking Enforcing Contracts Regulations:

Brunei Darussalam is ranked 159 overall for Enforcing Contracts.

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



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

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

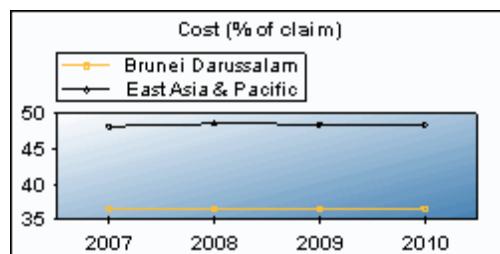
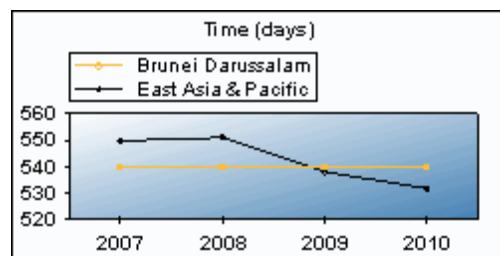
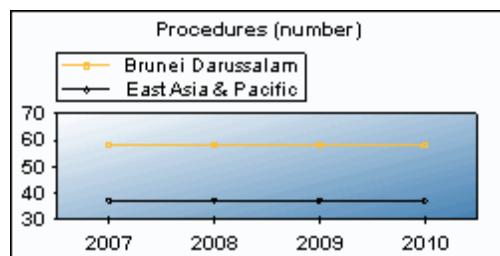
<i>Selected Economy</i>			
Brunei Darussalam	58	540	36.6

<i>Comparator Economies</i>			
China	34	406	11.1
Indonesia	40	570	122.7
Lao PDR	42	443	31.6
Malaysia	30	585	27.5
Thailand	36	479	12.3
Timor-Leste	51	1285	163.2

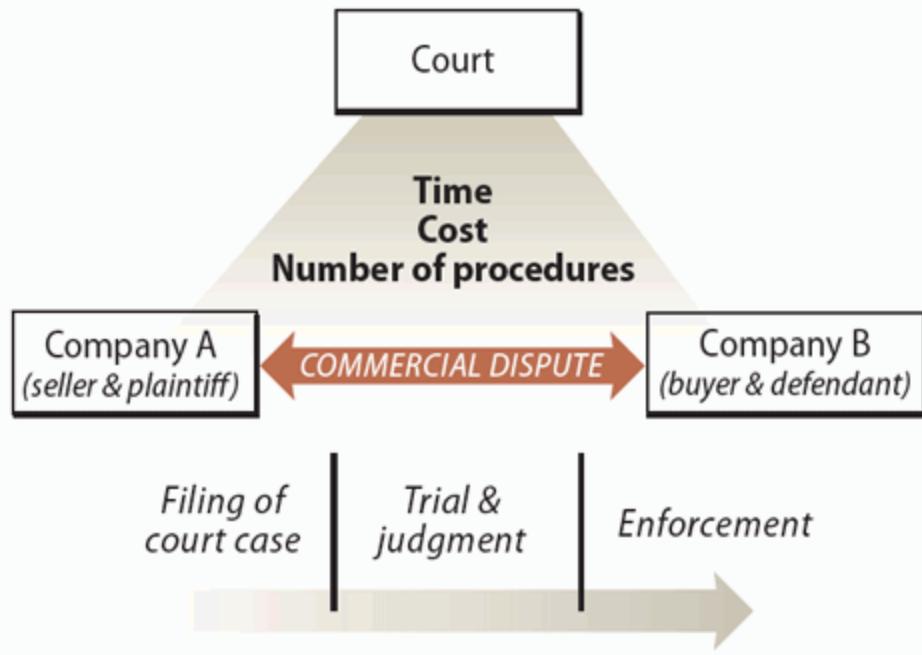
2. Historical data: Enforcing Contracts in Brunei Darussalam

Enforcing Contracts data	Doing Business 2008	Doing Business 2009	Doing Business 2010	Doing Business 2011
Rank	..	..	159	159
Procedures (number)	58	58	58	58
Time (days)	540	540	540	540
Cost (% of claim)	36.6	36.6	36.6	36.6

3. The following graphs illustrate the Enforcing Contracts sub indicators in Brunei Darussalam over the past 4 years:



What are the time, cost and number of procedures to resolve a commercial dispute through the courts?



This topic looks at the efficiency of contract enforcement in Brunei Darussalam.

Nature of Procedure (2010)	Indicator
Procedures (number)	58
Time (days)	540
Filing and service	50.0
Trial and judgment	400.0
Enforcement of judgment	90.0
Cost (% of claim)*	36.60
Attorney cost (% of claim)	30.0
Court cost (% of claim)	3.6
Enforcement Cost (% of claim)	3.0

Court information: Bandar Seri Begawan High ("Mahkamah Perantaraan") Court

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

A robust bankruptcy system functions as a filter, ensuring the survival of economically efficient companies and reallocating the resources of inefficient ones. Fast and cheap insolvency proceedings result in businesses' speedy return to normal operation and increase returns to creditors. By improving the expectations of creditors and debtors about the outcome of insolvency proceedings, well-functioning insolvency systems can facilitate access to finance, save more viable businesses, and thereby improve growth and sustainability in the economy overall.

Some reform outcomes

A study of the 2005 bankruptcy reform in Brazil found that it had led to an average reduction of 22% in the cost of credit for Brazilian companies, a 39% increase in overall credit and a 79% increase in long-term credit in the economy. The purpose of the reform was to improve creditor protection in insolvency proceedings.

Following the introduction of debtor-in-possession reorganizations in Korea in 2006, the number of reorganization filings increased from 76 in 2006 to 670 in 2009.

What does the Closing a Business indicator measure?

Closing a Business: insolvency proceedings against local company

Time required to recover debt (years)

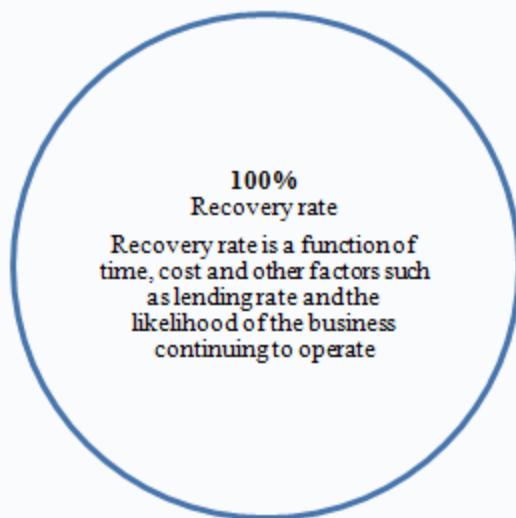
- Measured in calendar years
- Appeals and requests for extension are included

Cost required to recover debt (% of debtor's estate value)

- Measured as percentage of estate value
- Court fees
- Fees of insolvency administrators
- Lawyers' fees
- Assessors' and auctioneers' fees
- All other fees and costs

Recovery rate for creditors (cents on the dollar)

- Measures the cents on the dollar recovered by creditors
- Present value of debt recovered
- Costs of the insolvency proceedings are deducted
- Depreciation of furniture is taken into account
- Outcome for the business (survival or not) affects the maximum value that can be recovered



Case Study Assumptions

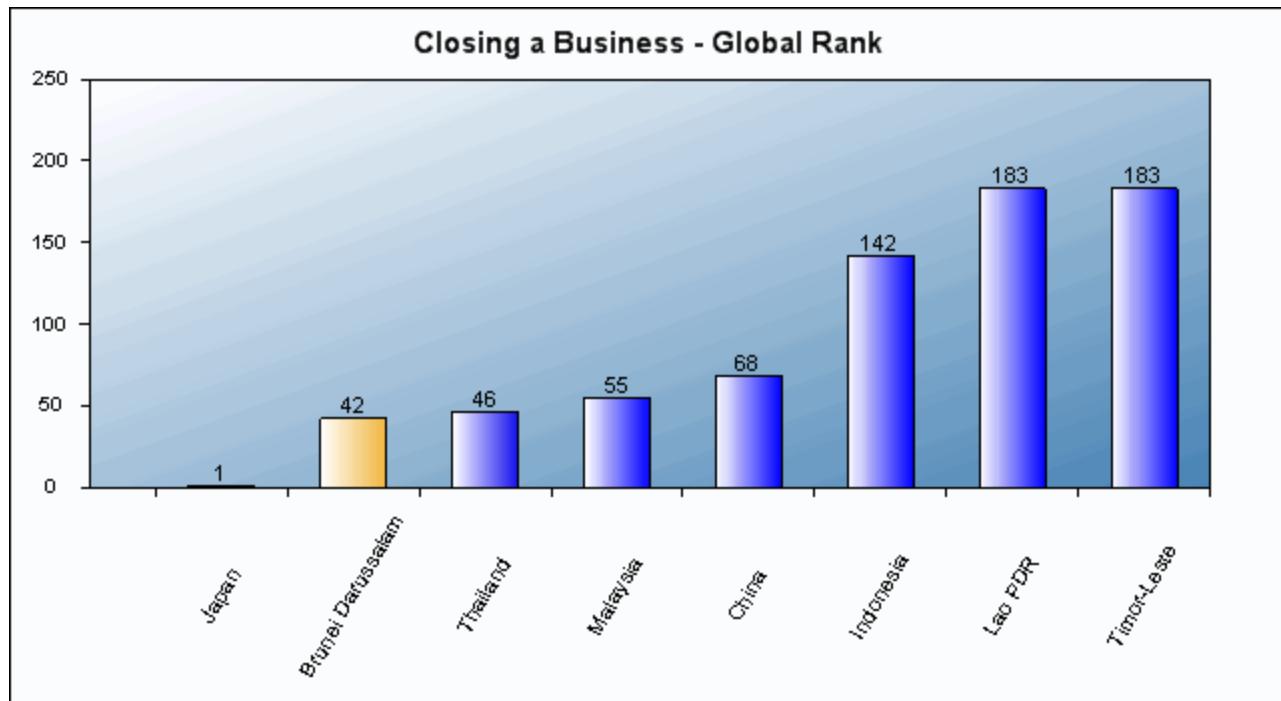
The Company

- is domestically owned
- is a limited liability company operating a hotel
- operates in the economy's largest business city
- has 201 employees, 1 secured creditor and 50 unsecured creditors
- has a higher value as a going concern and a lower value in a piecemeal sale of assets

1. Benchmarking Closing Business Regulations:

Brunei Darussalam is ranked 42 overall for Closing a Business.

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



The following table shows Closing Business data for Brunei Darussalam 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	92.7		
Singapore*			1

<i>Selected Economy</i>			
Brunei Darussalam	47.2	2.5	4

<i>Comparator Economies</i>			
China	36.4	1.7	22
Indonesia	13.2	5.5	18
Lao PDR	0.0	no practice	no practice
Malaysia	39.8	2.3	15
Thailand	43.5	2.7	36
Timor-Leste	0.0	no practice	no practice

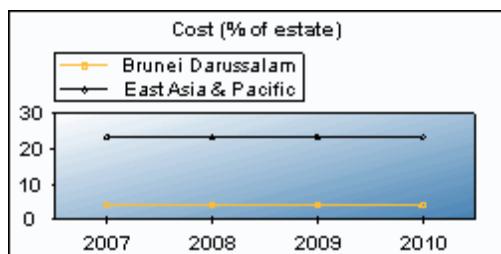
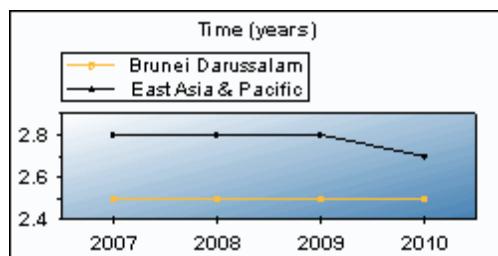
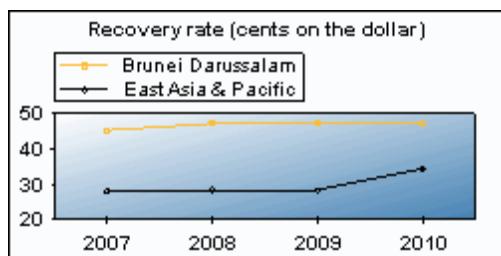
* The following economies are also good practice economies for :

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

2. Historical data: Closing Business in Brunei Darussalam

Closing a Business data	Doing Business 2008	Doing Business 2009	Doing Business 2010	Doing Business 2011
Rank	..	..	37	42
Time (years)	2.5	2.5	2.5	2.5
Cost (% of estate)	4	4	4	4
Recovery rate (cents on the dollar)	45.3	47.2	47.2	47.2

3. The following graphs illustrate the Closing Business sub indicators in Brunei Darussalam over the past 4 years:



Since 2004 Doing Business has been tracking reforms aimed at simplifying business regulations, strengthening property rights, opening access to credit and enforcing contracts by measuring their impact on 10 indicator sets.* Nearly 1,000 reforms have had an impact on these indicators. *Doing Business 2011*, covering June 2009 to June 2010, reports that 117 economies implemented 216 reforms to make it easier to start a business. 64% of economies measured by Doing Business have reformed this year, focusing on easing business start-up, lightening the tax burden, simplifying import and export regulations and improving credit information systems.

The top 10 most-improved in Doing Business 2011



Summary of changes to business regulation in top 10 most improved economies in *Doing Business 2011* and selected comparator economies.

Brunei Darussalam	Brunei Darussalam made starting a business easier by improving efficiency at the company registrar and implementing an electronic system for name searches. Brunei Darussalam reduced the corporate income tax rate from 23.5% to 22% while also introducing a lower tax rate for small businesses, ranging from 5.5% to 11%. The introduction of an electronic customs system in Brunei Darussalam made trading easier.
Cape Verde	Cape Verde made start-up easier by eliminating the need for a municipal inspection before a business begins operations and computerizing the system for delivering the municipal license. Cape Verde eased property registration by switching from fees based on a percentage of the property value to lower fixed rates. Cape Verde abolished the stamp duties on sales and checks.
China	China's new corporate income tax law unified the tax regimes for domestic and foreign enterprises and clarified the calculation of taxable income for corporate income tax purposes.
Grenada	Grenada eased business start-up by transferring responsibility for the commercial registry from the courts to the civil administration. The appointment of a registrar focusing only on property cut the time needed to transfer property in Grenada by almost half. Grenada's customs administration made trading faster by simplifying procedures, reducing inspections, improving staff training and enhancing communication with users.
Hungary	Hungary implemented a time limit for the issuance of building permits. Hungary reduced the property registration fee by 6% of the property value. Hungary simplified taxes and tax bases. Amendments to Hungary's bankruptcy law encourage insolvent companies to consider reaching agreements with creditors out of court so as to avoid bankruptcy.
Indonesia	Indonesia eased business start-up by reducing the cost for company name clearance and reservation and the time required to reserve the name and approve the deed of incorporation. Indonesia reduced its corporate income tax rate. Indonesia reduced the time to export by launching a single-window service.
Kazakhstan	Kazakhstan eased business start-up by reducing the minimum capital requirement to 100 tenge (\$0.70) and eliminating the need to have the memorandum of association and company charter notarized. Kazakhstan made dealing with construction permits easier by implementing a one-stop shop related to technical conditions for utilities. Kazakhstan strengthened investor protections by requiring greater corporate disclosure in company annual reports. Kazakhstan speeded up trade through efforts to modernize customs, including implementation of a risk management system and improvements in customs automation.
Lao PDR	Lao PDR replaced the business turnover tax with a new value added tax.
Malaysia	Malaysia eased business start-up by introducing more online services. Malaysia's introduction of online stamping reduced the time and cost to transfer property.
Peru	Peru eased business start-up by simplifying the requirements for operating licenses and creating an online one-stop shop for business registration. Peru streamlined construction permitting by implementing administrative reforms. Peru introduced fast-track procedures at the land registry, cutting by half the time needed to register property. Peru made trading easier by implementing a new web-based electronic data interchange system, risk-based inspections and payment deferrals.
Rwanda	Rwanda made dealing with construction permits easier by passing new building regulations at the end of April 2010 and implementing new time limits for the issuance of various permits. Rwanda enhanced access to credit by allowing borrowers the right to inspect their own credit report and mandating that loans of all sizes be reported to the central bank's public credit registry. Rwanda reduced the number of trade documents required and enhanced its joint border management procedures with Uganda and other neighbors, leading to an improvement in the trade logistics environment.
Tajikistan	Tajikistan made starting a business easier by creating a one-stop shop that consolidates registration with the state and the tax authority. Tajikistan strengthened investor protections by requiring greater corporate disclosure in the annual report and greater access to corporate information for minority investors. Tajikistan lowered its corporate income tax rate.

Thailand	Thailand made registering property more costly by repealing a 2-year temporary tax reduction for property transfers. Thailand temporarily lowered taxes on business by reducing its specific business tax for 12 months.
Timor-Leste	Timor-Leste increased court efficiency by training and appointing new judges and passing a new civil procedure code.
Vietnam	Vietnam eased company start-up by creating a one-stop shop that combines the processes for obtaining a business license and tax license and by eliminating the need for a seal for company licensing. Vietnam made dealing with construction permits easier by reducing the cost to register newly completed buildings by 50% and transferring the authority to register buildings from local authorities to the Department of National Resources and Environment. Vietnam improved its credit information system by allowing borrowers to examine their own credit report and correct errors.
Zambia	Zambia eased business start-up by eliminating the minimum capital requirement. Zambia eased trade by implementing a one-stop border post with Zimbabwe, launching web-based submission of customs declarations and introducing scanning machines at border posts. Zambia improved contract enforcement by introducing an electronic case management system in the courts that provides electronic referencing of cases, a database of laws, real-time court reporting and public access to court records.



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