

Doing Business 2010

Slovenia

COMPARING REGULATION IN 183 ECONOMIES



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Introduction

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

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

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

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

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

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

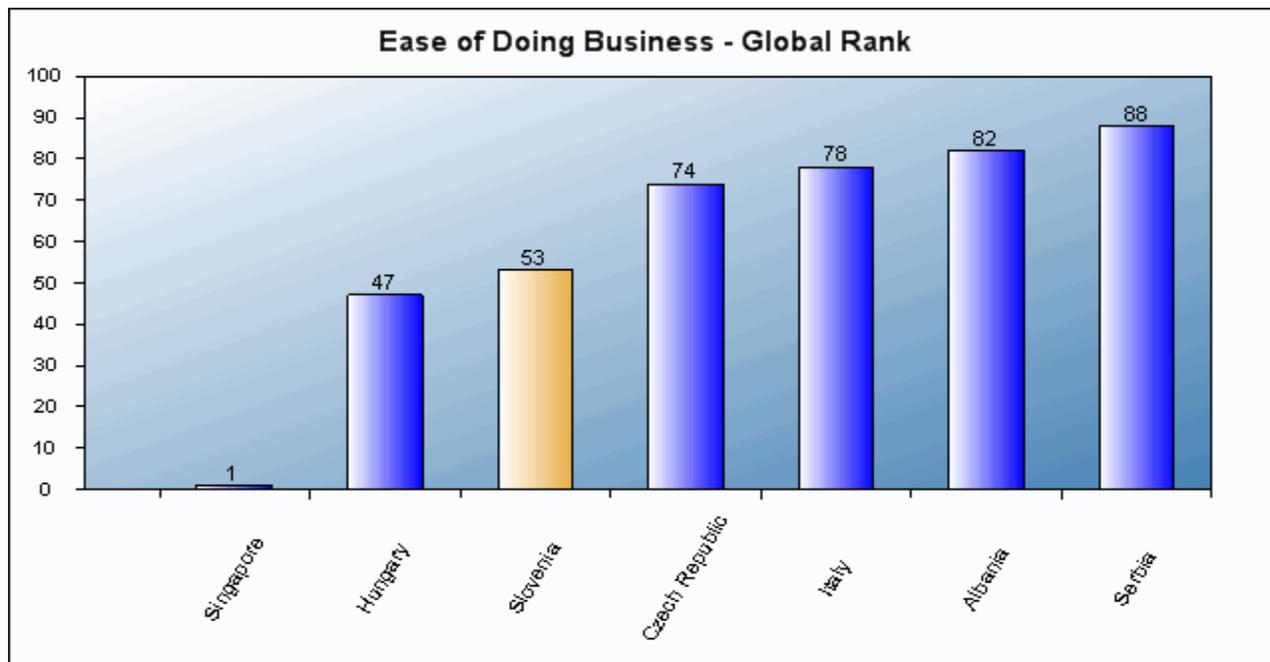
* Except for the Paying Taxes indicator that refers to the period January to December of 2008.

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

Economy Rankings - Ease of Doing Business

Slovenia is ranked 53 out of 183 economies. Singapore is the top ranked economy in the Ease of Doing Business.

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



Slovenia's ranking in Doing Business 2010

Rank	Doing Business 2010
Ease of Doing Business	53
Starting a Business	26
Dealing with Construction Permits	59
Employing Workers	162
Registering Property	108
Getting Credit	87
Protecting Investors	20
Paying Taxes	84
Trading Across Borders	84
Enforcing Contracts	60
Closing a Business	40

Summary of Indicators - Slovenia

Starting a Business	Procedures (number)	3
	Time (days)	6
	Cost (% of income per capita)	0.0
	Min. capital (% of income per capita)	43.3
Dealing with Construction Permits	Procedures (number)	14
	Time (days)	197
	Cost (% of income per capita)	79.9
Employing Workers	Difficulty of hiring index (0-100)	78
	Rigidity of hours index (0-100)	53
	Difficulty of redundancy index (0-10)	30
	Rigidity of employment index (0-100)	54
	Redundancy costs (weeks of salary)	37
Registering Property	Procedures (number)	6
	Time (days)	391
	Cost (% of property value)	2.0
Getting Credit	Strength of legal rights index (0-10)	6
	Depth of credit information index (0-6)	2
	Public registry coverage (% of adults)	2.7
	Private bureau coverage (% of adults)	0.0
Protecting Investors	Extent of disclosure index (0-10)	3
	Extent of director liability index (0-10)	9
	Ease of shareholder suits index (0-10)	8
	Strength of investor protection index (0-10)	6.7
Paying Taxes	Payments (number per year)	22
	Time (hours per year)	260
	Profit tax (%)	15.2
	Labor tax and contributions (%)	19.9
	Other taxes (%)	2.4
	Total tax rate (% profit)	37.5

Trading Across Borders	Documents to export (number)	6
	Time to export (days)	20
	Cost to export (US\$ per container)	1075
	Documents to import (number)	8
	Time to import (days)	21
	Cost to import (US\$ per container)	1130
Enforcing Contracts	Procedures (number)	32
	Time (days)	1290
	Cost (% of claim)	12.7
Closing a Business	Recovery rate (cents on the dollar)	45.5
	Time (years)	2.0
	Cost (% of estate)	8

Starting a Business

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

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

Methodology

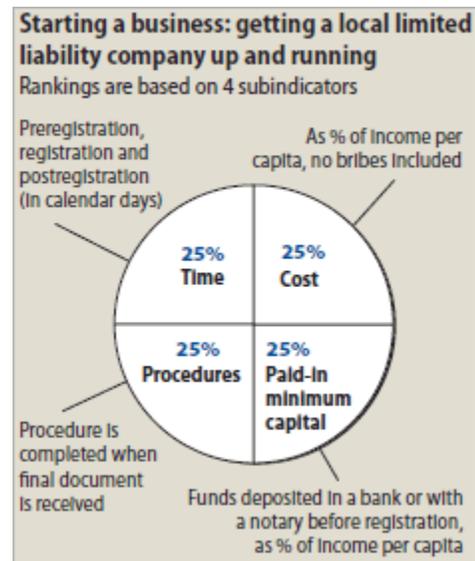
The data on starting a business is based on a survey and research investigating the procedures that a standard small to medium-size company needs to complete to start operations legally. This includes obtaining all necessary permits and licenses and completing all required inscriptions, verifications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

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

Survey Case Study

The business:

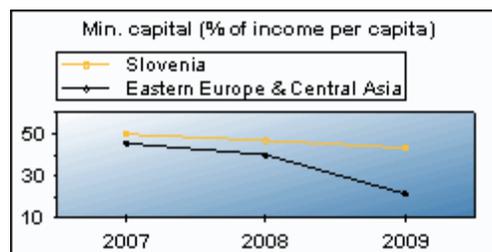
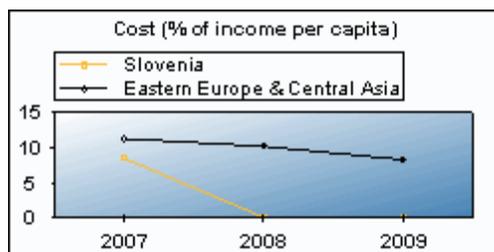
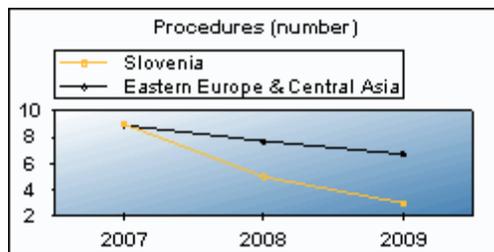
- is a limited liability company conducting general commercial activities
- is located in the largest business city
- is 100% domestically owned
- has a start-up capital of 10 times income per capita
- has a turnover of at least 100 times income per capita
- has between 10 and 50 employees
- does not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



1. Historical data: Starting a Business in Slovenia

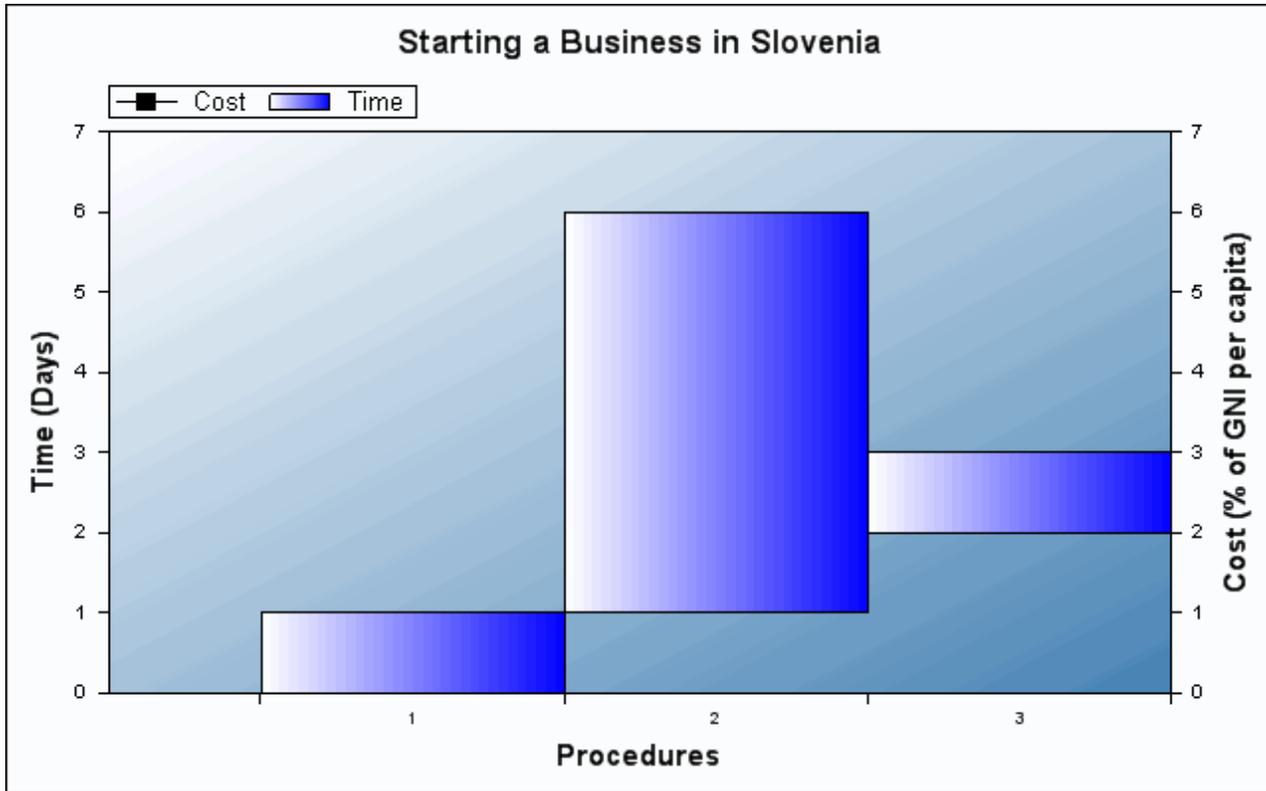
Starting a Business data	Doing Business 2008	Doing Business 2009	Doing Business 2010
Rank	..	42	26
Procedures (number)	9	5	3
Time (days)	60	19	6
Cost (% of income per capita)	8.5	0.1	0.0
Min. capital (% of income per capita)	49.8	46.8	43.3

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



3. Steps to Starting a Business in Slovenia

It requires 3 procedures, takes 6 days, and costs 0.00 % GNI per capita to start a business in Slovenia.



List of Procedures:

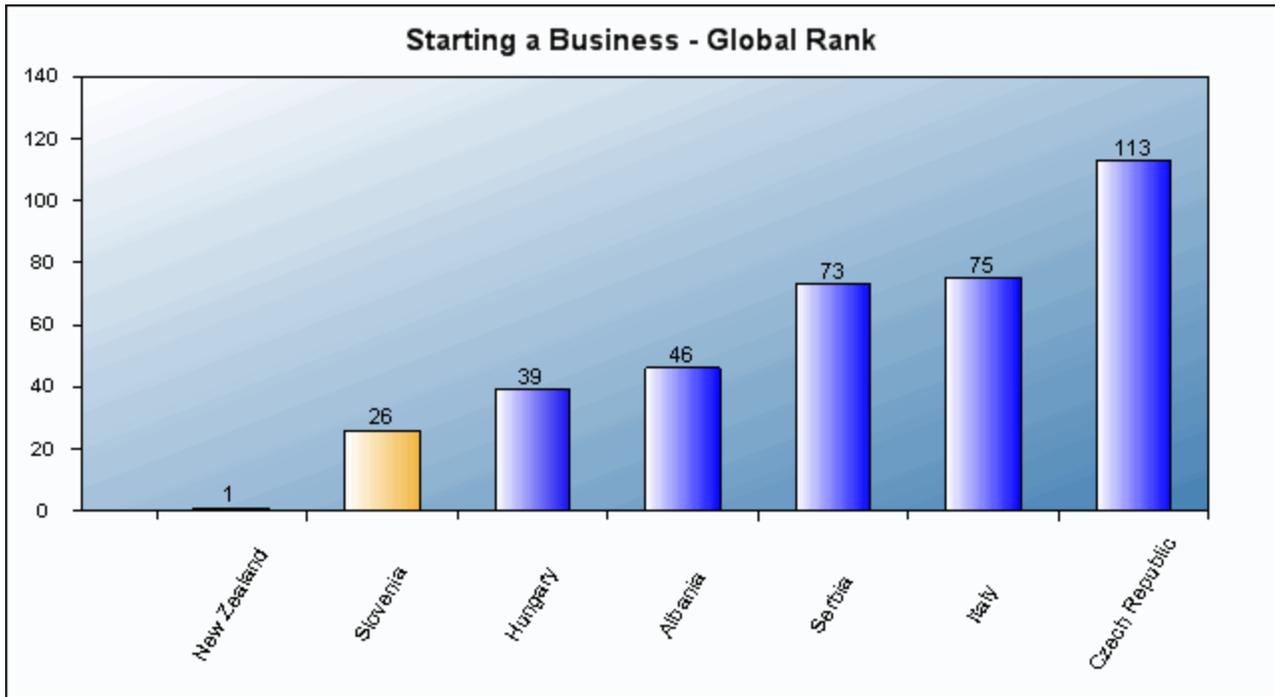
1. Deposit capital in a bank account and get a receipt from the bank
2. Register at the electronic One-stop shop: E-vem
3. Register at the Health Insurance Institute of Slovenia

More detail is included in the appendix.

4. Benchmarking Starting a Business Regulations:

Slovenia is ranked 26 overall for Starting a Business.

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



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

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

<i>Selected Economy</i>				
Slovenia	3	6	0.0	43.3

<i>Comparator Economies</i>				
Albania	5	5	17.0	0.0
Czech Republic	8	15	9.2	30.5
Hungary	4	4	8.0	10.2
Italy	6	10	17.9	9.7
Serbia	7	13	7.1	6.1

* The following economies are also good practice economies for :

Procedures (number): **Canada**

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

Dealing with Construction Permits

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

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

Methodology

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

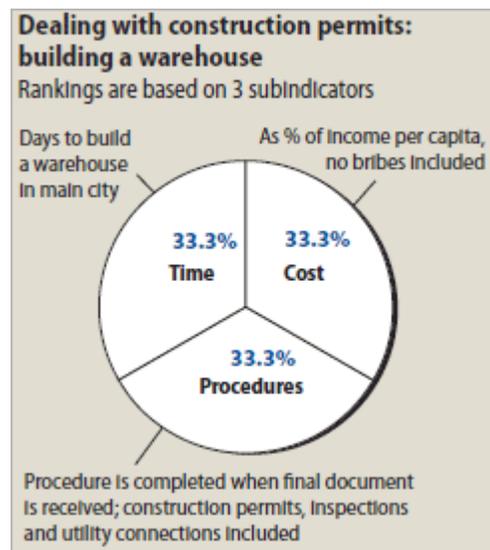
Survey Case Study

The business:

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

The warehouse to be built:

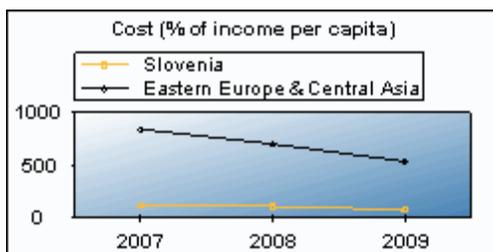
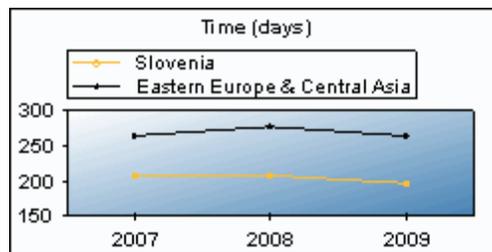
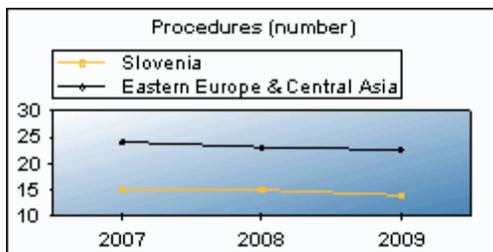
- is a new construction (there was no previous construction on the land)
- has complete architectural and technical plans prepared by a licensed architect
- will be connected to electricity, water, sewerage (sewage system, septic tank or their equivalent) and one land phone line. The connection to each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



1. Historical data: Dealing with Construction Permits in Slovenia

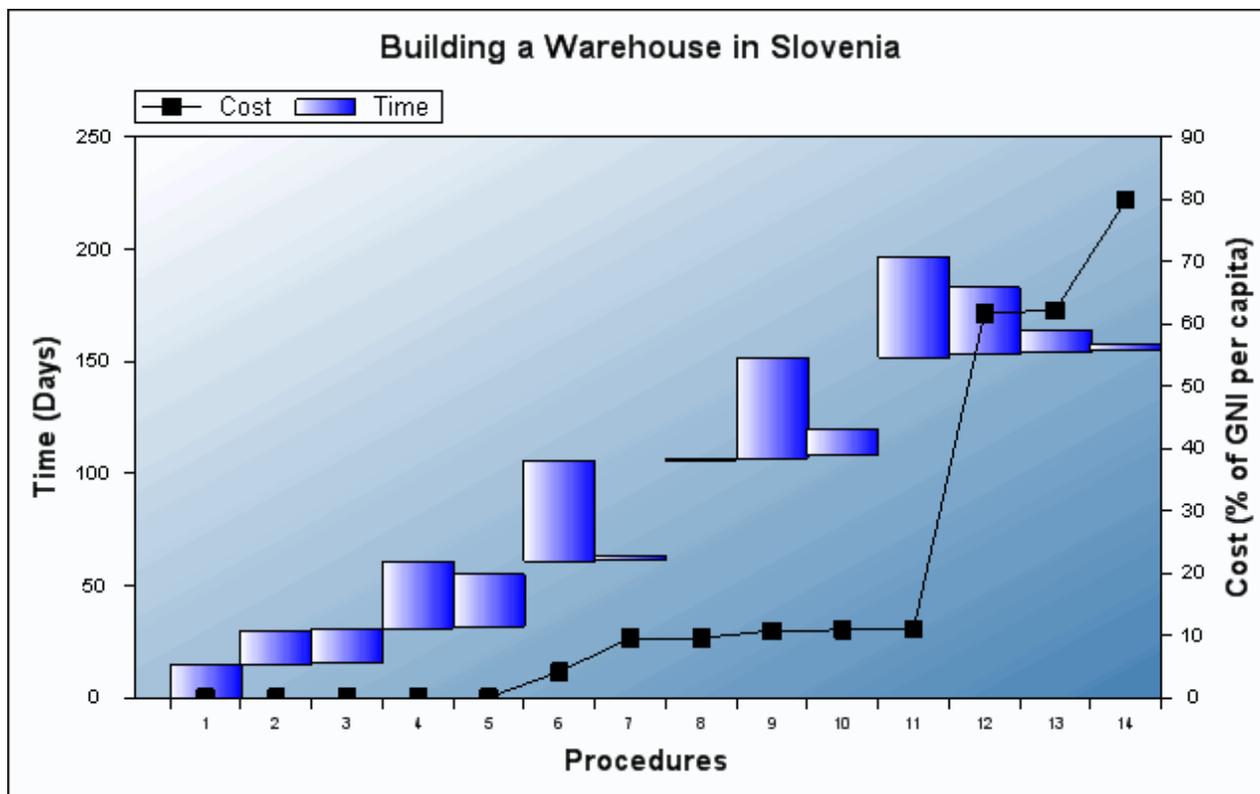
Dealing with Construction Permits data	Doing Business 2008	Doing Business 2009	Doing Business 2010
Rank	..	69	59
Procedures (number)	15	15	14
Time (days)	208	208	197
Cost (% of income per capita)	113.9	112.2	79.9

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



3. Steps to Building a Warehouse in Slovenia

It requires 14 procedures, takes 197 days, and costs 79.87 % GNI per capita to build a warehouse in Slovenia.



List of Procedures:

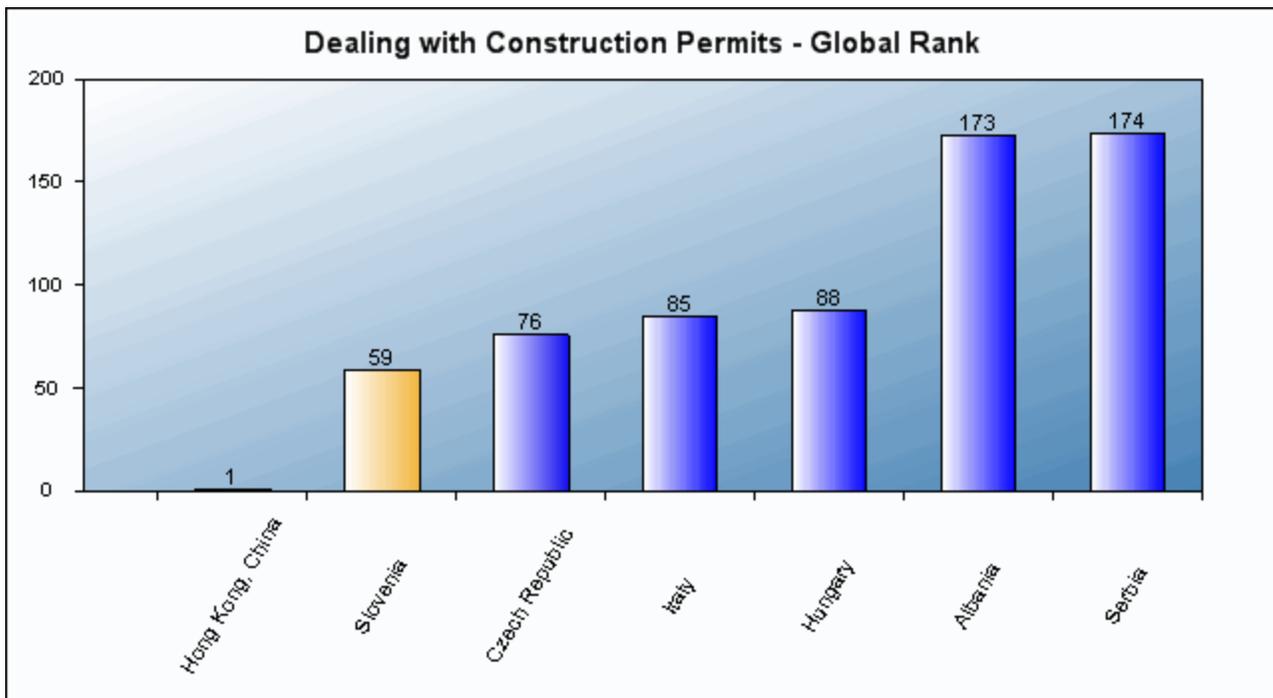
- | | |
|---|--|
| 1. Obtain the location information | 10. Obtain the license for use |
| 2. Obtain project conditions from water and sewage provider | 11. Project for registration in official records |
| 3. Obtain project conditions from electricity company | 12. Apply for water and sewerage connection |
| 4. Obtain project approval from electricity company | 13. Request and obtain telecommunications connection |
| 5. Obtain project approval from water and sewage provider | 14. Obtain electricity connection |
| 6. Apply for and obtain a building permit from the Administration Unit Ljubljana | |
| 7. Hire a geodesist company to conduct marking out before construction and after construction | |
| 8. File the report of the construction site with the Labor Inspection | |
| 9. Request license for use and receive technical examination by the Administration Unit Ljubljana | |

More detail is included in the appendix.

4. Benchmarking Dealing with Construction Permits Regulations:

Slovenia is ranked 59 overall for Dealing with Construction Permits.

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



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

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

<i>Selected Economy</i>			
Slovenia	14	197	79.9

<i>Comparator Economies</i>			
Albania	24	331	386.1
Czech Republic	36	150	16.2
Hungary	31	204	9.8
Italy	14	257	137.2
Serbia	20	279	1907.5

Employing Workers

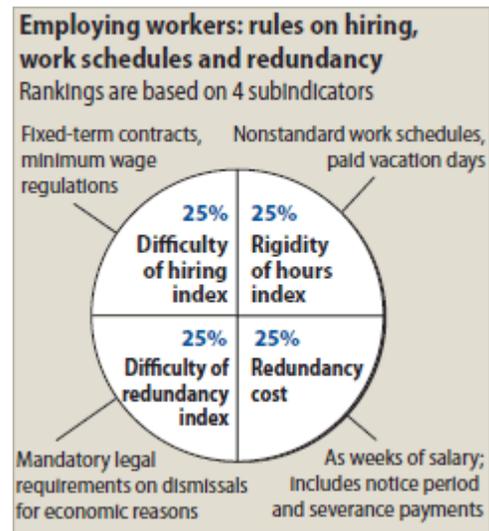
Economies worldwide have established a system of laws and institutions intended to protect workers and guarantee a minimum standard of living for its population. This system generally encompasses four bodies of law: employment, industrial relations, social security and occupational health and safety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

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

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

Methodology

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



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

Survey Case Study

The business:

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

1. Historical data: Employing Workers in Slovenia

Employing Workers data	Doing Business 2008	Doing Business 2009	Doing Business 2010
Rank	..	159	162
Redundancy costs (weeks of salary)	40	37	37
Rigidity of employment index (0-100)	54	54	54

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



3. Benchmarking Employing Workers Regulations:

Slovenia is ranked 162 overall for Employing Workers.

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



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

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

<i>Selected Economy</i>		
Slovenia	54	37

<i>Comparator Economies</i>		
Albania	25	56
Czech Republic	11	22
Hungary	22	35
Italy	38	11
Serbia	35	25

* The following economies are also good practice economies for :

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

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

Registering Property

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

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

Methodology

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

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

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

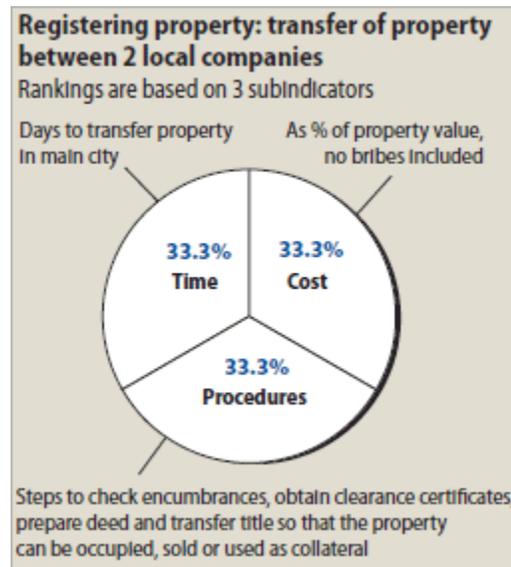
Survey Case Study

The buyer and seller:

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

The property:

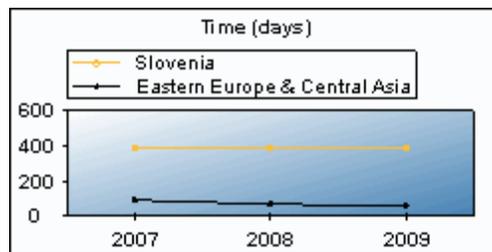
- consists of land and a 2-story building (warehouse)
- is located in the periurban commercial zone of the largest business city
- The land area is 557.4 m² (6,000 square feet).
- The warehouse has a total area of 929 m² (10,000 square feet).
- has a value equal to 50 times income per capita
- The seller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



1. Historical data: Registering Property in Slovenia

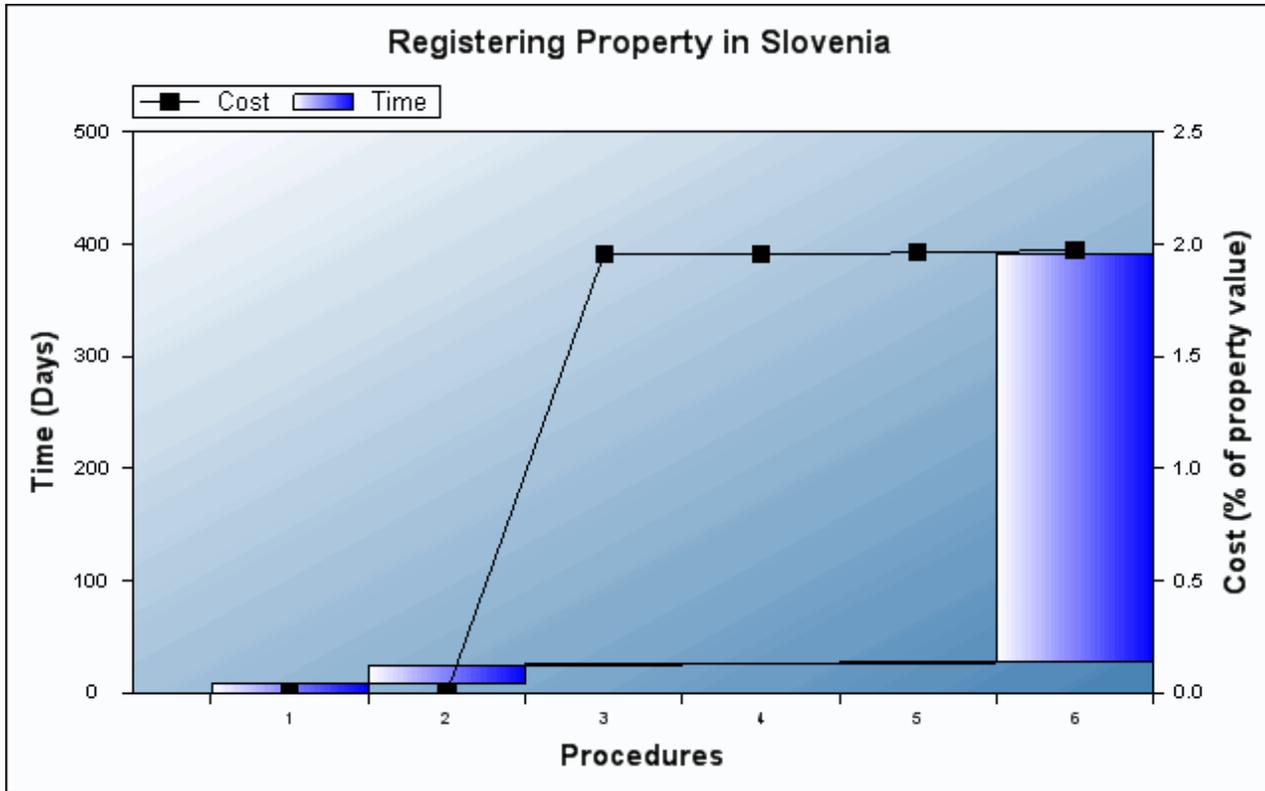
Registering Property data	Doing Business 2008	Doing Business 2009	Doing Business 2010
Rank	..	106	108
Procedures (number)	6	6	6
Time (days)	391	391	391
Cost (% of property value)	2.0	2.0	2.0

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



3. Steps to Registering Property in Slovenia

It requires 6 procedures, takes 391 days, and costs 2.02 % of property value to register the property in Slovenia.



List of Procedures:

1. Obtain a land registry extract from the Land Registry
2. Seller presents a tax declaration to the Tax Authority, and the land tax is assessed
3. Payment and procedure of the real estate transfer tax or VAT tax at the Tax Administration Office
4. Obtain a valid land register permission from the seller (“registration clause”)
5. Certification of signatures on the land registry permission
6. Submit proposal for entry into the Land Registry

More detail is included in the appendix.

4. Benchmarking Registering Property Regulations:

Slovenia is ranked 108 overall for Registering Property.

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



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

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

<i>Selected Economy</i>			
Slovenia	6	391	2.0

<i>Comparator Economies</i>			
Albania	6	42	3.4
Czech Republic	4	78	3.0
Hungary	4	17	11.0
Italy	8	27	4.6
Serbia	6	111	2.8

* The following economies are also good practice economies for :

Procedures (number): United Arab Emirates

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

Getting Credit

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

Methodology

Credit information: three indicators are constructed

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

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

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

Legal Rights Survey Case Study

The Debtor:

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

Getting credit: collateral rules and credit information

Rankings are based on 2 subindicators

Regulations on nonpossessory security interests in movable property

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

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

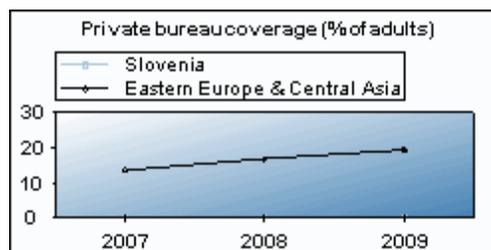
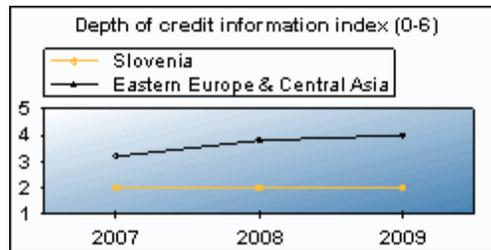
Scope, quality and accessibility of credit information through public and private credit registries

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

1. Historical data: Getting Credit in Slovenia

Getting Credit data	Doing Business 2008	Doing Business 2009	Doing Business 2010
Rank	..	84	87
Strength of legal rights index (0-10)	6	6	6
Depth of credit information index (0-6)	2	2	2
Private bureau coverage (% of adults)	0.0	0.0	0.0
Public registry coverage (% of adults)	2.5	2.7	2.7

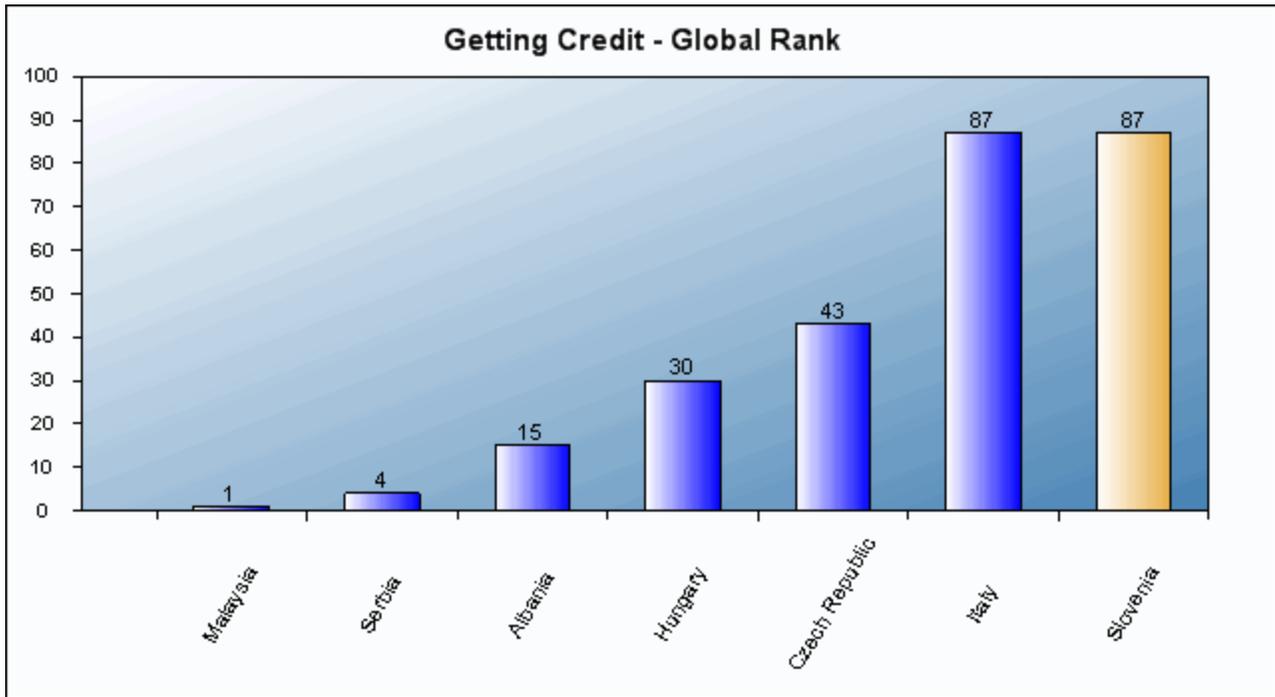
2. The following graphs illustrates the Getting Credit indicators in Slovenia over the past 3 years:



3. Benchmarking Getting Credit Regulations:

Slovenia is ranked 87 overall for Getting Credit.

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



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

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

<i>Selected Economy</i>				
Slovenia	6	2	2.7	0.0

<i>Comparator Economies</i>				
Albania	9	4	9.9	0.0
Czech Republic	6	5	4.9	73.1
Hungary	7	5	0.0	10.3
Italy	3	5	12.2	77.5
Serbia	8	6	0.0	94.2

* The following economies are also good practice economies for :

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

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

27 countries have the highest credit information index.

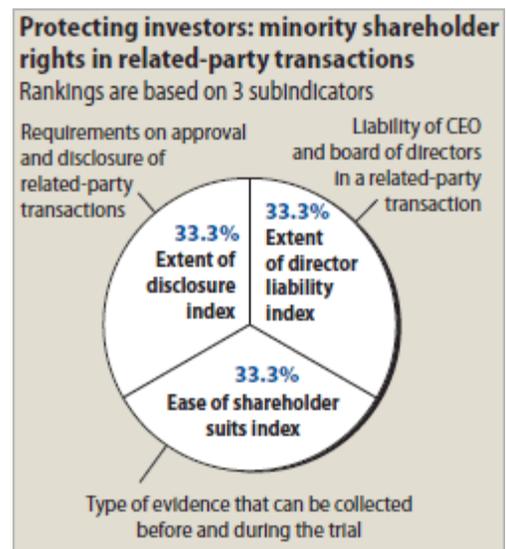
Protecting Investors

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

Methodology

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

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



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

Survey case study

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

Several questions arise:

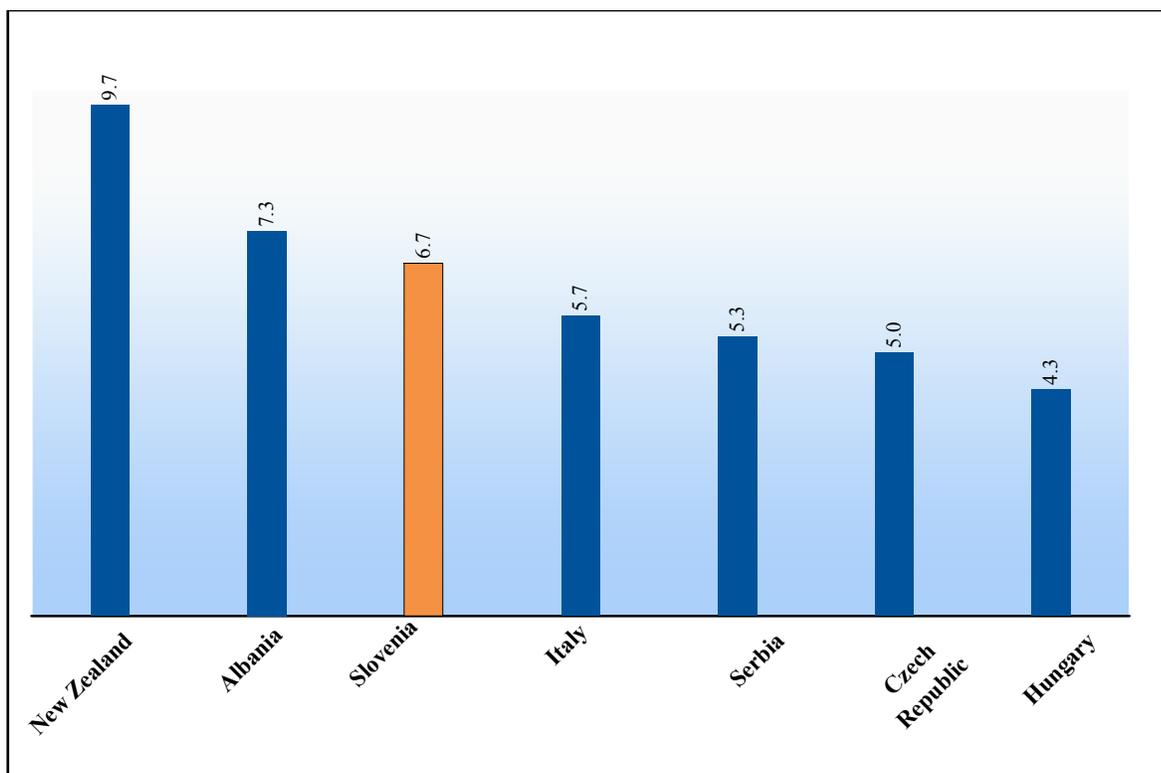
- Who approves the transaction?
- What information must be disclosed?
- What company documents can investors access?
- What do minority shareholders have to prove to get the transaction stopped or to receive compensation from Mr. James?

*Dojidge, Kardy and Stulz (2007)

1. Historical data: Protecting Investors in Slovenia

Protecting Investors data	Doing Business 2008	Doing Business 2009	Doing Business 2010
Rank	..	19	20
Strength of investor protection index (0-10)	6.3	6.7	6.7

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

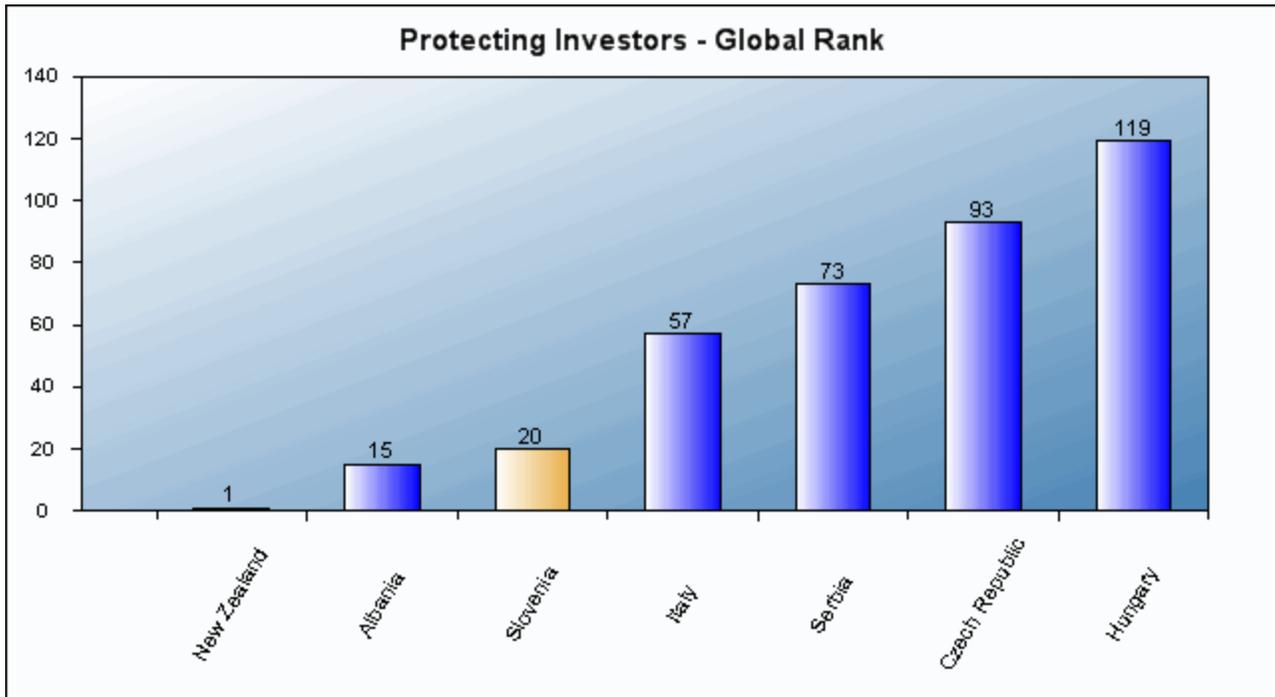


Note: The higher the score, the greater the investor protection.

3. Benchmarking Protecting Investors Regulations:

Slovenia is ranked 20 overall for Protecting Investors.

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



The following table shows Protecting Investors data for Slovenia 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>	
Slovenia	6.7

<i>Comparator Economies</i>	
Albania	7.3
Czech Republic	5.0
Hungary	4.3
Italy	5.7
Serbia	5.3

Paying Taxes

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

Methodology

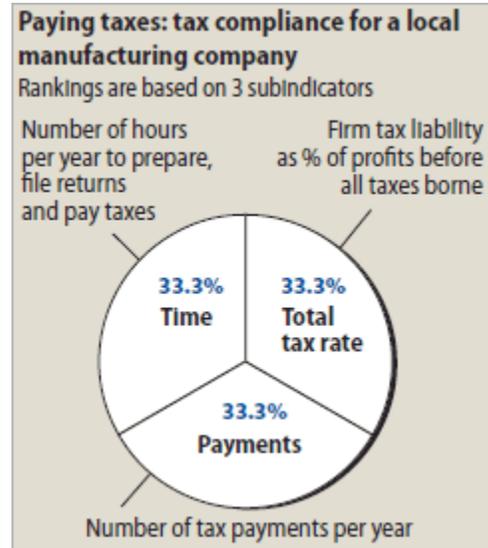
The Doing Business tax survey records the effective tax that a small and medium company must pay and the administrative costs of doing so.

Three indicators are constructed:

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

Survey case study

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



1. Historical data: Paying Taxes in Slovenia

Paying Taxes data	Doing Business 2008	Doing Business 2009	Doing Business 2010
Rank	..	78	84
Total tax rate (% profit)	39.2	36.7	37.5
Payments (number per year)	22	22	22
Time (hours per year)	260	260	260

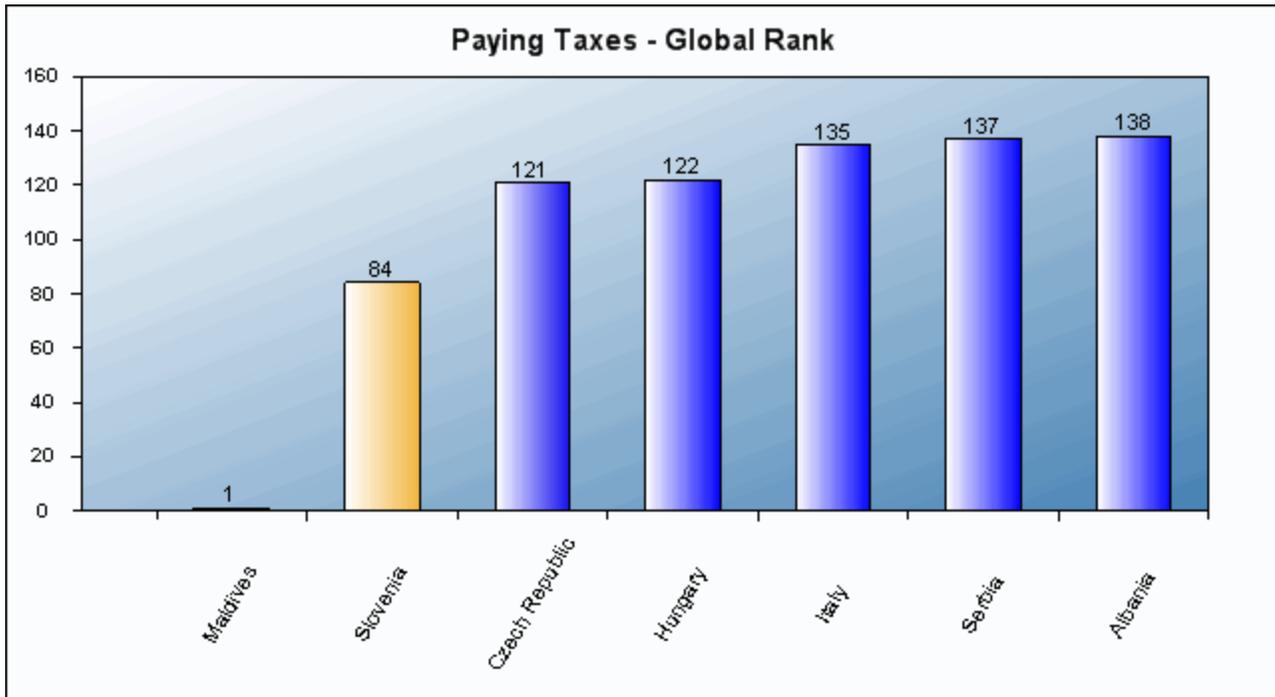
2. The following graphs illustrates the Paying Taxes indicators in Slovenia over the past 3 years:



3. Benchmarking Paying Taxes Regulations:

Slovenia is ranked 84 overall for Paying Taxes.

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



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

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

<i>Selected Economy</i>			
Slovenia	22	260	37.5

<i>Comparator Economies</i>			
Albania	44	244	44.9
Czech Republic	12	613	47.2
Hungary	14	330	57.5
Italy	15	334	68.4
Serbia	66	279	34.0

* The following economies are also good practice economies for :

Payments (number per year): Qatar

Trading Across Borders

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

Methodology

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

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

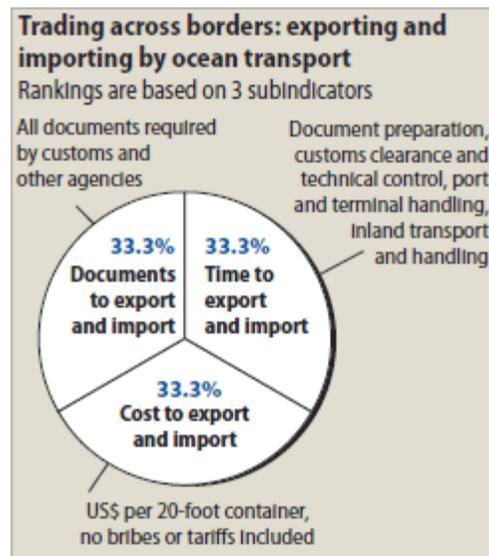
All the fees associated with completing the procedures to export or import the goods are included, such as costs for documents, administrative fees for customs clearance and technical control, terminal handling charges and inland transport. The cost measure does not include tariffs or duties.

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

Survey case study

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

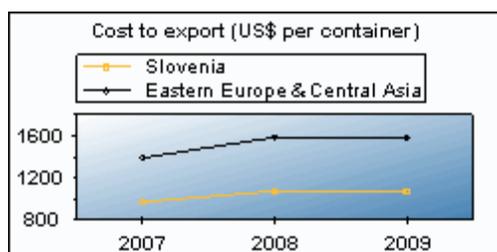
- The business is of medium size.
- The business employs 60 people.
- The business is located in the peri-urban area of the economy's largest business city.
- The business is a private, limited liability company, domestically owned, formally registered and operating under commercial laws and regulations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

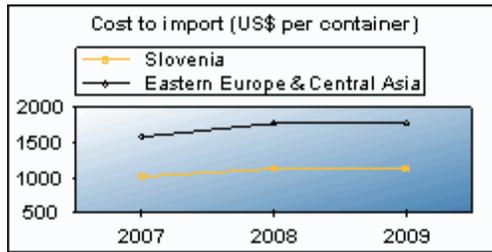
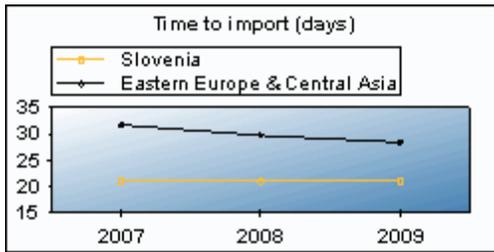


1. Historical data: Trading Across Borders in Slovenia

Trading Across Borders data	Doing Business 2008	Doing Business 2009	Doing Business 2010
Rank	..	82	84
Cost to export (US\$ per container)	971	1075	1075
Cost to import (US\$ per container)	1019	1130	1130
Documents to export (number)	6	6	6
Documents to import (number)	8	8	8
Time to export (days)	20	20	20
Time to import (days)	21	21	21

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

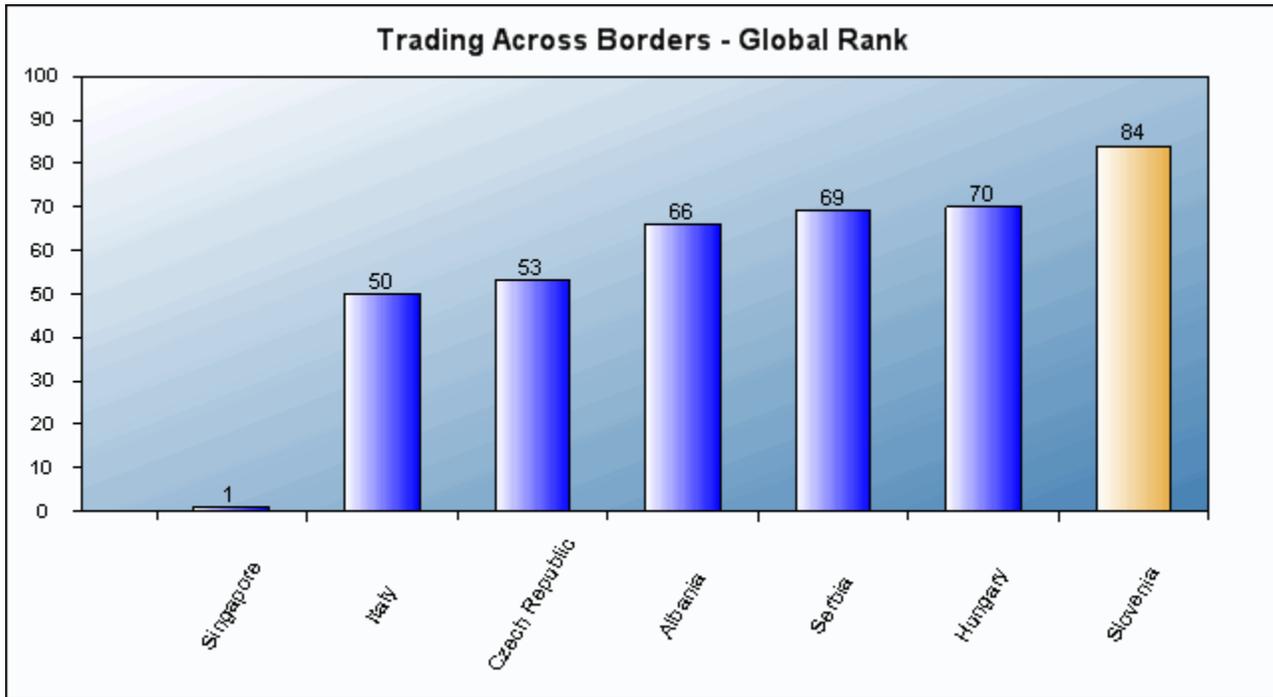




3. Benchmarking Trading Across Borders Regulations:

Slovenia is ranked 84 overall for Trading Across Borders.

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



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

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

<i>Selected Economy</i>						
Slovenia	6	20	1075	8	21	1130

<i>Comparator Economies</i>						
Albania	7	19	725	9	18	710
Czech Republic	4	17	1060	7	20	1165
Hungary	5	18	1225	7	17	1215
Italy	4	20	1231	4	18	1231
Serbia	6	12	1398	6	14	1559

* The following economies are also good practice economies for :

Time to export (days): Estonia

Enforcing Contracts

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

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

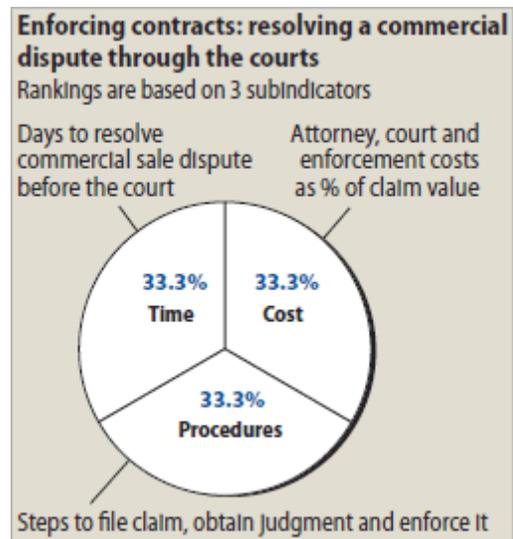
Methodology

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

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

Survey case Study

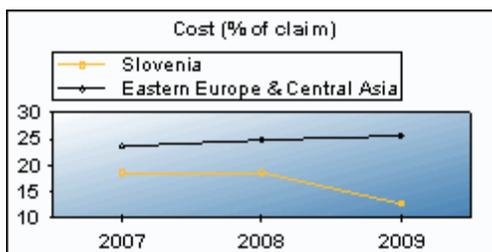
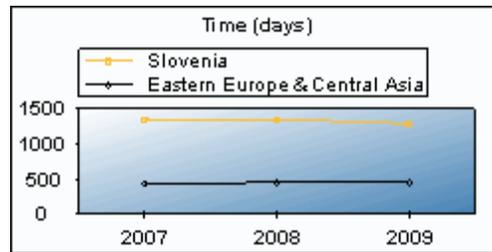
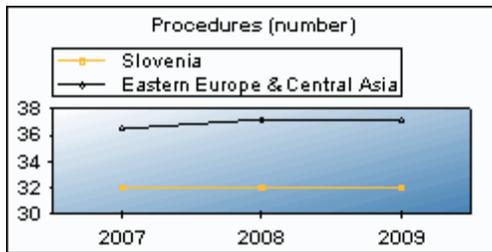
- The dispute concerns a contract for the sale of goods between two businesses (the Seller and the Buyer).
- Both are located in the economy's largest business city.
- The Seller sells and delivers goods, worth 200% of the economy's income per capita, to the Buyer. The Buyer refuses to pay on the grounds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



1. Historical data: Enforcing Contracts in Slovenia

Enforcing Contracts data	Doing Business 2008	Doing Business 2009	Doing Business 2010
Rank	..	80	60
Procedures (number)	32	32	32
Time (days)	1350	1350	1290
Cost (% of claim)	18.6	18.6	12.7

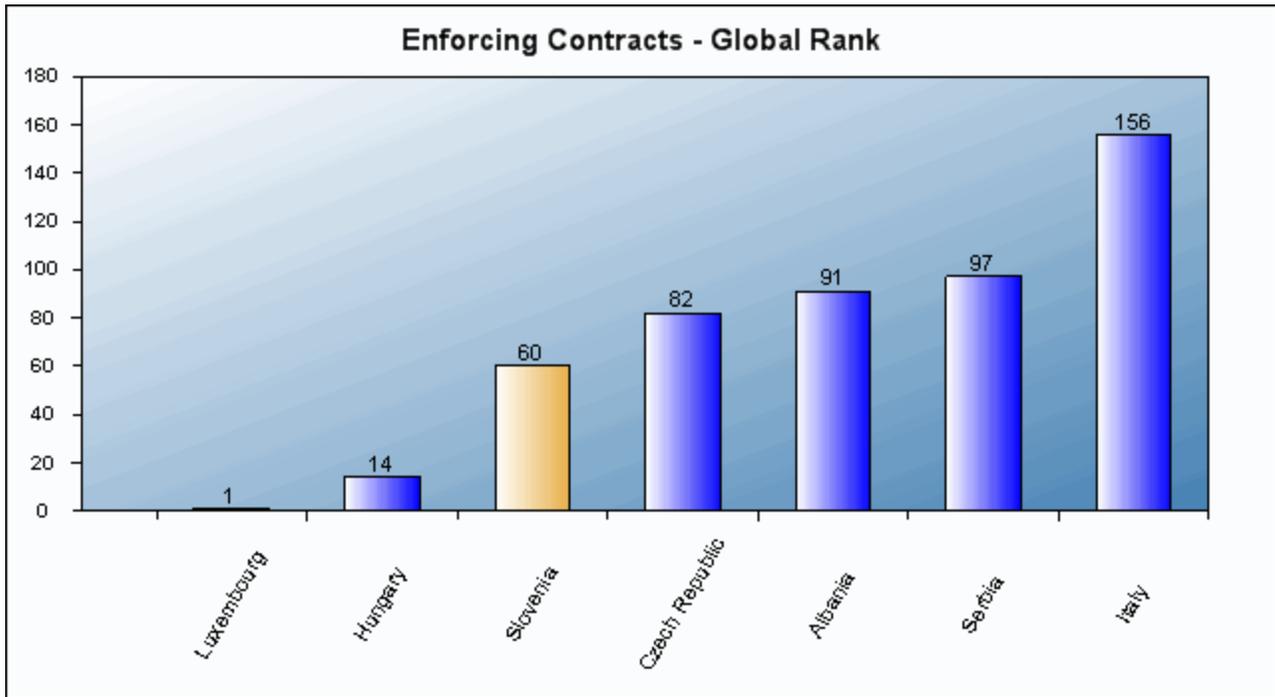
2. The following graphs illustrates the Enforcing Contracts indicators in Slovenia over the past 3 years:



3. Benchmarking Enforcing Contracts Regulations:

Slovenia is ranked 60 overall for Enforcing Contracts.

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



The following table shows Enforcing Contracts data for Slovenia 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>			
Slovenia	32	1290	12.7

<i>Comparator Economies</i>			
Albania	39	390	38.7
Czech Republic	27	611	33.0
Hungary	33	395	13.0
Italy	40	1210	29.9
Serbia	36	635	28.9

Closing a Business

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

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

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

Methodology

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

Survey case study

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

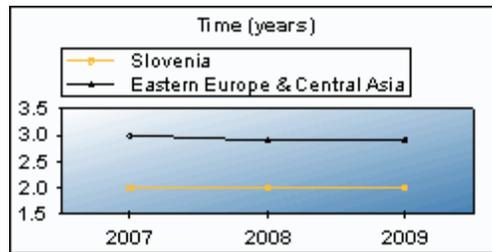
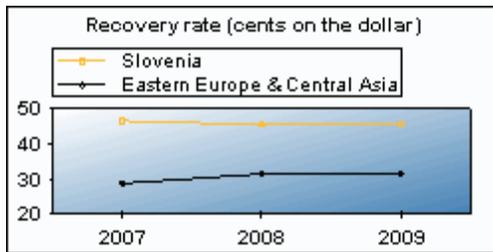
- the company is a domestically owned
- the company is a limited liability corporation operating a hotel in the country's largest business city
- the company has 201 employees, 1 main secured creditor and 50 unsecured creditors
- Assumptions are also made about the future cash flows.
- The case is designed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



1. Historical data: Closing Business in Slovenia

Closing a Business data	Doing Business 2008	Doing Business 2009	Doing Business 2010
Rank	..	40	40
Time (years)	2.0	2.0	2.0
Cost (% of estate)	8	8	8
Recovery rate (cents on the dollar)	46.6	45.5	45.5

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



3. Benchmarking Closing Business Regulations:

Slovenia is ranked 40 overall for Closing a Business.

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



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

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

<i>Selected Economy</i>			
Slovenia	45.5	2.0	8

<i>Comparator Economies</i>			
Albania	0.0	no practice	no practice
Czech Republic	20.9	6.5	15
Hungary	38.4	2.0	15
Italy	56.6	1.8	22
Serbia	25.4	2.7	23

* The following economies are also good practice economies for :

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

Doing Business 2010 Reforms

Number of reforms in Doing Business 2010

Rank	Economy	Reforms									Total number of reforms	
		Starting a Business	Dealing with Construction Permits	Employing Workers	Registering Property	Getting Credit	Protecting Investors	Paying Taxes	Trading Across Borders	Enforcing Contracts		Closing a Business
1	Rwanda	✓		✓	✓	✓	✓		✓		✓	7
2	Kyrgyz Republic	✓	✓	✓	✓	✓		✓	✓			7
3	Macedonia, FYR	✓	✓	✓	✓	✓	✓	✓				7
4	Belarus	✓	✓	✓	✓			✓	✓			6
5	United Arab Emirates	✓	✓						✓			3
6	Moldova	✓			✓			✓				3
7	Colombia	✓	✓		✓	✓	✓	✓	✓		✓	8
8	Tajikistan	✓	✓		✗	✓	✓				✓	5
9	Egypt, Arab Rep.	✓	✓			✓			✓			4
10	Liberia	✓	✓					✓				3
	Slovenia	✓	✓									2
	Italy											
	Hungary	✓										1
	Serbia	✓				✓						2
	Albania	✓						✓		✓		3
	Czech Republic		✓		✓			✓				3

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

Albania	Albania's new insolvency law established time limits during insolvency, professional qualifications for insolvency administrators, and an Agency of Insolvency Supervision to regulate insolvency administrators. A simplified insolvency procedure for small businesses was introduced as well. Business start-up was eased by making registration electronic, enhancing the registry's capacity, reducing the minimum capital requirement from ALL 100 000 to ALL 100, and eliminating the requirement to register at the Chamber of Commerce. Implementation of ASYCUDA World and the purchase of scanners have reduced import customs clearance time.
Belarus	Belarus eased the process for getting construction permits by simplifying approval processes. Restrictions relating to redundancy dismissals were eased by raising the threshold for prior notification requirements. Tax payments were made more convenient through increased use of electronic systems—reducing tax compliance times—while lower ecological and turnover tax rates and a reduction in the number of payments for property tax reduced the tax burden on businesses. Property registration continues to improve, with faster processing and elimination of the requirement for notarization. Business start-up was eased by simplifying registration formalities, abolishing the minimum capital requirement, limiting the role of notaries, and removing the need for a company seal approval. Implementation of a risk-based management system and improvement of border crossing operations reduced transit times for trade.
Colombia	Colombia passed several decrees continuing its efforts to regulate the profession of insolvency administrators. The government eased the construction permit process with a new construction decree that categorizes building projects based on risk and allows electronic verification for certain documents. Access to credit improved thanks to a new credit information law that guarantees the right of borrowers to inspect their own data and new rules that make it mandatory for credit providers to consult and share information with credit bureaus. The tax burden on businesses was eased with the introduction of electronic tax filing and payment, and some payments were reduced. An amendment to the Company Law strengthened investor protections by making it easier to sue directors in cases of prejudicial transactions between interested parties. Property registration was made easier by making it possible to obtain required certificates online and by making standard preliminary sale agreements available free of charge. Business start-up was made easier by creating a public-private health provider that enables faster affiliation of employees and through a tool that allows online pre-enrollment with the social security office. Implementation of an electronic declaration system has expedited customs clearance.
Czech Republic	The Czech Republic streamlined construction permitting by reducing the internal processing time for registering new plots. The property registration process was eased with an ongoing reorganization effort at the registry combined with computerization. Paying taxes was made easier with mandatory electronic filing for all taxes, a single tax institution, and unified filing.
Egypt, Arab Rep.	The Arab Republic of Egypt, a former global leading reformer and a regional leading reformer in 2008/09, continued to make it easier to deal with construction permits by issuing executive articles for the 2008 construction law and eliminating most preapprovals for construction permits. Contract enforcement was expedited with the creation of commercial courts. Access to credit information has expanded with the addition of retailers to the database of the private credit bureau. Finally, company start-up was eased by the removal of the minimum capital requirement.
Hungary	Hungary further simplified business start-up by implementing online registration and requiring confirmation of registration one hour after receipt of an application.
Italy	In Italy no major reform was recorded.

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

Slovenia

Slovenia streamlined processes for dealing with construction permits, such as lowering costs and no longer requiring a cadastre plan. Business start-up was eased by shortening the time for company registration, allowing for simultaneous tax registration during company registration, and abolishing use of company seals.

Tajikistan

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

United Arab Emirates

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

APPENDICES

Starting a Business in Slovenia

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

STANDARDIZED COMPANY

Legal Form: Druzba z omejeno odgovornostjo (D.O.O.)

Minimum Capital Requirement:

City: Ljubljana

Registration Requirements:

No:	Procedure	Time to complete	Cost to complete
1	Deposit capital in a bank account and get a receipt from the bank	1	0
2	Register at the electronic One-stop shop: E-vem	5	0
3 *	Register at the Health Insurance Institute of Slovenia	1	0

* Takes place simultaneously with another procedure.

Procedure 1 Deposit capital in a bank account and get a receipt from the bank

Time to complete: 1

Cost to complete: 0

Comment: The minimum founding capital is EUR 7,500. The founding capital, or the base capital contribution can be paid in cash or as a non-cash contribution. Non-cash contribution include movables, real property, rights or any other non-cash assets. Before filing the application for entry, the partner must provide for at least one-quarter of the nominal capital, and the total value of all guaranteed contributions must amount to at least EUR 7,500.

In order for an applicant to be able to file the application for registration at the e-VEM access point, they must demonstrate a certificate on the paid-in founding capital. The deposit account where the founding capital is deposited can be opened at a bank teller or electronically via the e-VEM web portal, which some banks already support and others are expected to join the system in the near future. The participating corporate banks allow e-VEM points to check for themselves whether the capital has been deposited to the bank account, and they can print out the certificate on the payment of the founding capital using the bank's information system data.

Procedure 2 Register at the electronic One-stop shop: E-vem

Time to complete: 5

Cost to complete: 0

Comment: On 1. February 2008 single access points (VEM) began to operate for Limited Liability Companies. This reform is aimed at lowering of costs for establishment of LLC companies and at simplification of administrative procedures. Founders may establish a LLC at the VEM point under two conditions: (1) all the contributions have to be paid in cash and prior to the registration of the company and (2) the articles of association have to be drafted in a special form (only mandatory and most common provisions can be incorporated in this form). In order to found a LLC, founders have to visit the VEM entry point in person, as the authorized person has to carry out their identification. VEM points will allow procedures to be dealt on line such as :

-Limited Liability companies can go directly to the VEM, the deed is sent to point VEM or to the registration body through electronic channels, it must be signed by means of a safe electronic signature with qualified certificate (The qualified certificate is the special digital certificate for identity check and electronic operation at the VEM point services)

-Standarts Articles of Association : help the founders to draft the articles of association, verify their signatures where necessary and draft the corresponding preposition for registration of the company at the court register. However it is still the common practise to have the statutes and the articles of associations prepared and certified by the notary.

-Publication : Even if this requirement is not mandatory anymore, E-VEM allows for the company information to be available online. This information is so automatically published, which helped to shorten the time for starting a business in Slovenia.

-Register with the Statistical Office of Slovenia : the court register automatically forwards all the required information to AJPES. The information is then entered in the Business Register and published online. Court register and business register are technically united in one information base and are now both run by AJPES.

- Register with the tax administration- the tax information is transmitted through E-VEM and data is entered automatically when it is received from E-VEM.

Procedure 3 Register at the Health Insurance Institute of Slovenia

Time to complete: 1

Cost to complete: 0

Comment: The company must notify the the Health Insurance Institute of Slovenia that covers issues related to employment registration, social security and pension. Recent amendment of the Slovene Employment Relationships Act (Official Gazette no. 103/2007) shortened the minimum term for submitting applications from 8 to 5 days. Such registration is filed with the Health Insurance Institute of Slovenia by completing application form M-1.

Dealing with Construction Permits in Slovenia

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

BUILDING A WAREHOUSE

Date as of: January 2009

Estimated Warehouse Value:

City: Ljubljana

Registration Requirements:

No:	Procedure	Time to complete	Cost to complete
1	Obtain the location information	15 days	EUR 18
2	Obtain project conditions from water and sewage provider	15 days	no charge
3 *	Obtain project conditions from electricity company	15 days	no charge
4	Obtain project approval from electricity company	30 days	no charge
5 *	Obtain project approval from water and sewage provider	23 days	no charge
6	Apply for and obtain a building permit from the Administration Unit Ljubljana	45 days	EUR 729
7 *	Hire a geodesist company to conduct marking out before construction and after construction	1 day	EUR 960
8	File the report of the construction site with the Labor Inspection	1 day	no charge
9	Request license for use and receive technical examination by the Administration Unit Ljubljana	45 days	EUR 213
10 *	Obtain the license for use	12 days	EUR 18
11	Project for registration in official records	45 days	EUR 18
12 *	Apply for water and sewerage connection	30 days	EUR 9,000
13 *	Request and obtain telecommunications connection	10 days	EUR 89
14 *	Obtain electricity connection	3 days	EUR 3,130

* Takes place simultaneously with another procedure.

Procedure 1 Obtain the location information

Time to complete: 15 days

Cost to complete: EUR 18

Comment: Before preparation of the project documentation, either the investor or the project manager must acquire location information. The location information includes data on plot conditions, as determined by the municipal Spatial Acts (zoning laws), and data on the intended use of the area.

A copy of the cadastral plan of the plot should be attached to the application for the location information.

The cost for the procedure is a stamp duty of EUR 17.73 for the location information and EUR 1.42 per sheet of the cadastral plan.

According to the Spatial Planning Act amended in 2008, the applicant is not obliged to obtain the location information any more. Also, according to the Construction Act amended in 2008, the location information is no longer a part of the project documentation for building permit. All data included in the location information must be obtained ex officio by the local administration that issues the building permit. However, in practice obtaining the location information is still done by most applicants to provide additional guarantee. Additionally, the location information provides a clear list of project approvals that must be obtained in the process of obtaining the building permit for the area in question.

Procedure 2 Obtain project conditions from water and sewage provider

Time to complete: 15 days

Cost to complete: no charge

Comment: Project conditions from the water and sewage provider - Vodovod-Kanalizacija d.o.o. must be obtained before the project design is completed in order to define all special requirements which should be taken into consideration while preparing the project design with respect to the connecting of the building to the water and sewage network.

According to the last amendment to the Construction Act which came into force on 15 April 2008, all agencies authorized for issuing the project conditions and approvals to the project solutions (i.e. water provider, electricity provider etc.) must issue the aforementioned conditions and approvals to the investor or to the project manager free of charge. The project conditions must be issued in 30 days (15 days in case of simple constructions) from the day of submitting the application. In case the project conditions are not issued within the aforementioned deadline, it is deemed that the agency does not impose any conditions to the project design. It is deemed that the authority gives its approval to the project approval stage. That means that the investor may start soliciting the building permit without attaching the project approval to the application (the investor must only attach the confirmation of receipt of the application for the project conditions as a proof that the application was filed to the agency). Nevertheless, the agency can still impose its conditions later when the building permit is being obtained and in that case the investor must apply for the project approval.

Further under the new Construction Act, the investor is not obliged to obtain the project conditions in case that the construction area in question is covered by the spatial planning act. In that case authorized agencies already gave their opinions regarding the spatial arrangement of the area already in the process of adopting the spatial planning act. In that case the investor is obliged to obtain only the authorized agency's approval to the project approval. A draft of the project design is an obligatory attachment to the application for

the project conditions.

Procedure 3 Obtain project conditions from electricity company

Time to complete: 15 days

Cost to complete: no charge

Comment: The project conditions must be obtained from Elektro Ljubljana d.o.o. before the project design is completed in order to define all special requirements that should be taken into consideration while preparing the project design with respect to the electrification of the building. No formal feasibility study is required. Applicants for electricity service must obtain general approval of the location documentation. This approval is issued after an on-site examination has been completed and the layout of the future electrical connection determined, provided that no hindrances emerge.

According to the last amendment to the Construction Act which came into force on 15 April 2008, all agencies authorized for issuing the project conditions and approvals to the project solutions (i.e. water provider, electricity provider etc.) must issue the aforementioned conditions and approvals to the investor or to the project manager free of charge. The project conditions must be issued in 30 days (15 days in case of simple constructions) from the day of submitting the application. In case the project conditions are not issued within the aforementioned deadline, it is deemed that the agency does not impose any conditions to the project design. It is deemed that the authority gives its approval to the project approval stage. That means that the investor may start soliciting the building permit without attaching the project approval to the application (the investor must only attach the confirmation of receipt of the application for the project conditions as a proof that the application was filed to the agency). Nevertheless, the agency can still impose its conditions later when the building permit is being obtained and in that case the investor must apply for the project approval.

Further under the new Construction Act, the investor is not obliged to obtain the project conditions in case that the construction area in question is covered by the spatial planning act. In that case authorized agencies already gave their opinions regarding the spatial arrangement of the area already in the process of adopting the spatial planning act. In that case the investor is obliged to obtain only the authorized agency's approval to the project approval. A draft of the project design is an obligatory attachment to the application for the project conditions.

Procedure 4 Obtain project approval from electricity company

Time to complete: 30 days

Cost to complete: no charge

Comment: After the project design has been prepared, approval by the same agencies which previously imposed conditions on the project design must be obtained, confirming that the project design is completed in accordance with the requirements stated in the project conditions. Approval from the electricity company is necessary to obtain the building permit and to connect the premises to the electricity network.

As already stated (Procedure 4), the authorized agencies' approvals to the project solutions are according to the last amendment to the Construction Act free of charge. The authorized agency must issue the approval (or disapproval) to the project solutions in 30 days from the moment the application was submitted. If the agency's approval (disapproval) is not issued within the 30 days, it is deemed that the agency has given its approval (i.e. the investor may start with the building permit obtaining procedure without attaching the project approval to the application).

The obligatory attachment to the application for the project approval is a part of project design which applies to the electrification of the building. The agency may require additional attachments (such as proof of ownership of the land etc.).

Once the approval to project solutions is obtained, the next step to be taken regarding the electrification of the building is obtaining the approval for connecting to the network. Connection approval must be issued in 30 days from the day of submitting the application, however the practice is that the connection approval is usually issued in 14 days. The connection approval must be issued free of any charge. The application for connection approval may be submitted before the building permit is obtained. In that case the investor must obtain the building permit and submit it to the utility in two years from the date the approval to connect to the network was issued. In that case the validity of the connection approval is automatically pro-longed for the next two years. Within that time the investor must fulfill all technical requirements (in order to connect to the electricity network) stated in the issued connection approval. In the case the investor fails to obtain the building permit or to fulfill all technical requirements from the approval in the mentioned deadlines, the issued connection approval is not valid any more (unless the validity of the connection approval is pro-longed by the utility).

Once the approval for connecting to the network is obtained, a connection contract may be concluded with the utility (time needed is 1 day). The connection contract defines all rights and obligations of the parties with respect to the payment for connection, its setting up, maintenance of the grid connection and other rights and obligations of the parties. The connection fee depends on the main power fuses needed (connection fee for 132 kW amounts to 11.312 EUR and for 148 kW 12.683 EUR (VAT included)). Once the connection fee is paid, the process of connecting to the electricity network may start .

Procedure 5 Obtain project approval from water and sewage provider

Time to complete: 23 days

Cost to complete: no charge

Comment: After the project design is completed, approval from the same agencies which imposed conditions on the project design must be obtained, confirming that the project design is completed in accordance with the requirements stated in the project conditions.

As already stated in (Procedure 2), the authorized agency's approval to the project solution is according to the last amendment to the Construction Act free of any charge. The authorized agency must issue its approval (or disapproval) to the project solutions in 30 days from submitting the application. If the agency's approval (disapproval) is not issued within the 30 days, it is deemed that the agency has given its approval (i.e. the investor may start with the building permit obtaining procedure without attaching the project approval to the application).

The obligatory attachment to the application for approval to the project solutions is a part of the project design which applies to connecting of the building to the water and sewage network.

This procedure can take place simultaneously with previous procedure.

Procedure 6 Apply for and obtain a building permit from the Administration Unit Ljubljana

Time to complete: 45 days

Cost to complete: EUR 729

Comment: According to the amended Construction Act, the obligatory attachments to the application for the building permit are the project design (at least two copies) and the certificate of the right to build (i.e. excerpt for the land registry as a proof of ownership of the land). The project design must be prepared by the licensed architect. The project design includes data on location of the building, schemes, architectural plan, plan of building structures, plan on electrical installations, etc. The obligatory attachment to the application is a copy of all previously obtained approvals to the project solutions (please see Procedure 5 and 6).

The administrative unit issues the building permit if the following conditions are fulfilled:

- project design is completed in accordance with the applicable spatial plans
- project design is prepared by a licensed architect
- all required approvals have been obtained
- project design is prepared in accordance with the valid legislation
- contributions prescribed by law have been paid (i.e. administrative tax for the application for the building permit, public utilities charge, compensation for degradation of the environment)
- building will be furnished with the minimal standard of the utility services (i.e. electricity, water and sewage etc.).

The building permit is no longer valid if the investor fails to commence construction of the building in three years (two years in the case of the less complex constructions) from the date the building permit became final.

According to the law, the administrative unit shall issue a building permit in 2 months from the day the application (including all obligatory attachments) was submitted. However, the practice is that the building permit is issued in 45 days.

The cost depends on the value of the construction. The cost for building permit for a construction worth EUR 2 million, as it is in BuildCo's case, is EUR 730.00. The method for calculating the cost for issuing the building permit is the same, only the limit has changed from EUR 417,292.61 to 420,000.00 EUR. For example, if the construction value is EUR 420,000.00, the administrative tax is EUR 3.55 for the application itself and EUR 567,20 for the building permit. If the value of the construction is higher than EUR 420,000.00, the administrative tax is EUR 3.55 for the application itself and 0,01 % of the construction value for the building permit (0,01 % of the value of the construction applies only to the value of the construction exceeding EUR 420,00.00, in addition EUR 567.20 that applies to the value of the construction up to EUR 420,000.00). The costs for the building permit for a construction worth EUR 2 million would therefore be:

- Administrative tax for the application: EUR 3.55
- Administrative tax for the building permit: EUR 725,20.

Note $(EUR 2,000,000.00 - EUR 420,000.00) \times 0,01\% + EUR 567.20 = EUR 158 + EUR 567.20 = EUR 725,20$

Procedure 7 Hire a geodesist company to conduct marking out before construction and after construction

Time to complete: 1 day

Cost to complete: EUR 960

Comment: BuildCo would be using the services of a licensed geodesist company or specialist before the construction and after the new building is completed. Before construction, BuildCo must ensure that the construction is marked out according to the building permit. A written notice stating the date and the place of marking out shall be sent to the municipal administration at least 8 days before commencement of the works. The associated cost depends on the size of the construction and on the number of corners (for example, for the building with 4 corners the price is between 370 and 700 EUR). This procedure is a prerequisite for the Technical Examination by the Administration Unit Ljubljana.

After construction, the company needs to undertake a new study and prepare a geodetic plan of the new state of the plot. The associated cost depends on the size of the construction and on the number of corners (for example, for the building with 4 corners the price is between 370 and 700 EUR). This segment came as reform under the Construction Act (2008).

Procedure 8 File the report of the construction site with the Labor Inspection

Time to complete: 1 day

Cost to complete: no charge

Comment: According to the regulations on labor safety at construction sites, BuildCo must prepare a report on the site and send it to the Labor Inspection at least 15 days before starting construction work.

Procedure 9 Request license for use and receive technical examination by the Administration Unit Ljubljana

Time to complete: 45 days

Cost to complete: EUR 213

Comment: The cost for technical examination depends on the value of the construction, namely 0,05 % from the construction value with the maximum fee of EUR 212.70. For the construction worth EUR 2 milion, the fee would be EUR 212.70.

Procedure 10 Obtain the license for use

Time to complete: 12 days

Cost to complete: EUR 18

Comment: The application for a license to use must be filed in 8 days from the conclusion of construction works. The application shall state that the building was constructed in accordance with the building permit (the date and the number of the building permit must be also stated). The obligatory attachments to the application for license for use are:

- project design of executed works (prepared by licensed architect)
- geodetic plan of the new state of the plot with the completed construction (prepared by the authorized geodetic company, the costs vary between different geodetic companies (for the building with total surface of approximately 1,300.6 m², the price is between 350 and 700 EUR)
- certificate of reliability of the construction, signed by the responsible site manager, if appointed, and by the responsible project leader and the responsible supervisor
- project plan regarding the maintenance and operation of the building, stating the minimal time limits for regular examinations and the scope of maintenance work
- other documents, if required by special regulation.

If the Administrative Unit establishes that the application has all obligatory attachments, it names the commission for technical examination of the building and determines the date of the examination (Procedure 1).

If the commission for technical examination establishes that the building was constructed in accordance with the issued building permit, the Administrative unit issues the license for use.

The costs of the license for use are 3,55 EUR for the application and 14,18 EUR for the decision on issuance of the license for use, together 17,73 EUR. According to the law the

administrative unit shall issue the license for use in 2 months (captured in previous and this procedure) from the day of submitting the application.

Procedure 11 Project for registration in official records

Time to complete: 45 days

Cost to complete: EUR 18

Comment: According to the Real Estate Recording Act, the investor must file the application for registering the building into the Cadastre of buildings in 30 days from conclusion of all construction works or in 30 days from beginning of use of the building. In each case, the application shall be filed before the investor notifies its registered seat in the building (i.e. at the address of the building). If the application for registering the building is not filed in 30 days from beginning of use or conclusion of all construction works, the Surveying and Mapping Authority invites the investor to file the application in three months under the threat that a fine will be imposed upon him if the application is not filed as required by the Authority.

Please note that the Construction Act defines the final deadline for registering the building into the Cadastre of buildings, which is 15 days after the decision on issuance of the license for use becomes final.

The obligatory attachment to the application is the geodetic analysis on the building (project of the building) prepared by the authorized geodetic company in the earlier stage. Administrative tax for the application for entering the building into the Cadastre of buildings is EUR 17,73. The project of the building is then transferred to the authorized agency together with the application for registering the building into the Cadastre of buildings. The building is then registered in additional 2 to 3 months from the day the application (together with the obligatory attachment, i.e. geodetic analysis) was submitted to the authorized agency.

Authorized agency is the Regional Surveying and Mapping Authority.

Procedure 12 Apply for water and sewerage connection

Time to complete: 30 days

Cost to complete: EUR 9,000

Comment: Once the building permit is obtained, the investor may apply for connection approval to the Vodovod-Kanalizacija d.o.o. (hereinafter: the "utility"). The obligatory attachments are:

- the building permit
- proof of ownership of the land
- plan of the plot showing the position of the building on the plot
- project of grid connection to the water and sewage network (it may be prepared by the utility or other company; the costs for the project regarding the connection to the water network amount to 240 EUR and regarding the connection to the sewage network 304 EUR).

The connection approval must be issued free of any charge and in 30 days from the day the application was submitted.

After the connection approval is obtained from the utility, the building (fitting) of the grid connection (external works) may start. The grid connection to the water network is usually made by the utility. The utility examines documentation to make an estimate of costs and time needed and afterwards prepares an offer for making a grid connection to the client. However, another company may be engaged to do external works as well

subject to condition that the utility's approval of such company is obtained previously and subject to condition that a notice on commencement of the works is sent to the utility at least 3 days before beginning of works in order to enable the utility's supervision. The same applies to a grid connection to the sewage network which is always made by another authorized company under utility's supervision (the utility itself does not offer such services, i.e. building (fitting) a connection to the sewage network). The cost for connection to the water and sewage network is EUR 9000. The building (fitting) of the grid connection takes additional 30 days.

After the grid connection is built, the utility examines the connection (inspection at the site). The costs of such inspection amount EUR 30 for each grid connection. If connection is in accordance with requirements stated in the connection approval, the building is connected to the network.

For each grid connection a geodetic fixation must be made in order to enter the connection into the cadastre. Such fixation is made by the utility (the costs amount to 224 EUR for each grid connection).

Procedure 13 Request and obtain telecommunications connection

Time to complete: 10 days

Cost to complete: EUR 89

Comment: After the project conditions and approval are granted by the utility providers, it is not certain when the project will be completed. A special application to utility providers should be made after the construction of a new building is completed, so that the building gets connected to public utilities.

Procedure 14 Obtain electricity connection

Time to complete: 3 days

Cost to complete: EUR 3,130

Comment: The authorized agency is Elektro Ljubljana d.o.o. (hereinafter the "utility" or the "network operator")

As stated before under Procedure 4, the process of connecting the building to the electricity network may start once the connection fee is paid. The grid connection (external works) may be built by the utility (Elektro Ljubljana d.o.o.) or by another authorized company under the utility's supervision. The costs for making a grid connection vary between different companies. The utility usually makes an inspection on the site to make an estimate of costs and time needed for making a grid connection and afterwards prepares an offer to the client (average costs for building a grid connection amount to 3,000- 5.000 EUR and the time needed is usually 30 days). If another company is engaged for making a grid connection, a notice must be sent to the utility at least 8 days before the beginning of external works in order to enable the utility's supervision of the works.

After the grid connection is built, a request for connection to the network must be submitted to the utility. This request includes a statement of the company that made the internal wiring stating that the internal works were made in accordance with regulations and standards. The company which made external works must give the same statement. Additional obligatory attachments to the request are the building permit and a certificate confirming that the connection fee was paid. In 8 days from submitting the aforementioned request for connecting to the network, an inspection of the grid connection (i.e. whether the connection is made in accordance with requirements stated in the connection approval) is made by the utility on the site. Inspection takes only one day. When examining the connection, the utility determines the number of the electricity

consumption point (i.e. number of metering points). If connection is made in accordance with standards and requirements stated in connection approval, the building is connected to the network.

For inspection of the grid connection and physical connecting to the network (at the site) additional fee in amount of 279 EUR must be paid to the utility. Inspection takes only one day. Waiting period for the inspection is 1-8 days from the day the request for connection to the network was submitted to the utility.

Before electricity supply is possible the user must stipulate the contract on purchase and sale of electricity with the chosen electricity supplier (either Elektro Ljubljana which is also network operator or other electricity supplier). This contract states the consumption points, expected electricity consumption, price for electricity consumption, payment conditions, etc. A valid contract with the chosen electricity supplier is a condition for stipulation of the network access contract with network operator (which is always Elektro Ljubljana even if the electricity supplier is other company). The delivery of electricity into the network by the chosen electricity supplier and the electricity consumption by the user must be enabled by the network operator in 8 days from the day of stipulation of the network access contract.

The user may choose electricity supplier (other than the network operator) already in the phase of building of a grid connection.

This procedure can take place simultaneously with the water and sewage and telephone connections.

Employing Workers in Slovenia

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

Employing Workers Indicators (2009)	Answer	Score
Difficulty of hiring index (0-100)		77.8
Are fixed-term contracts prohibited for permanent tasks?	Yes	1
What is the maximum duration of fixed-term contracts (including renewals)? (in months)	24	1.0
What is the ratio of mandated minimum wage to the average value added per worker?	0.28	0.33
Difficulty of redundancy index (0-10)		30.0
Is the termination of workers due to redundancy legally authorized?	Yes	0
Must the employer notify a third party before terminating one redundant worker?	No	0
Does the employer need the approval of a third party to terminate one redundant worker?	No	0
Must the employer notify a third party before terminating a group of 9 redundant workers?	No	0
Does the employer need the approval of a third party to terminate a group of 9 redundant workers?	No	0
Is there a retraining or reassignment obligation before an employer can make a worker redundant?	Yes	1
Are there priority rules applying to redundancies?	Yes	1
Are there priority rules applying to re-employment?	Yes	1
Redundancy costs (weeks of salary)		37.5
What is the notice period for redundancy dismissal after 20 years of continuous employment? (weeks of salary)		8.6
What is the severance pay for redundancy dismissal after 20 years of employment? (weeks of salary)		28.9
What is the legally mandated penalty for redundancy dismissal? (weeks of salary)		0.0
Rigidity of employment index (0-100)		53.7
Rigidity of hours index (0-100)		53.3
Can the workweek extend to 50 hours (including overtime) for 2 months per year to respond to a seasonal increase in production?	Yes	0

What is the maximum number of working days per week?	6	0
Are there restrictions on night work and do these apply when continuous operations are economically necessary?	Yes	0.67
Are there restrictions on "weekly holiday" work and do these apply when continuous operations are economically necessary?	Yes	1.00
What is the paid annual vacation (in working days) for an employee with 20 years of service?	24	1

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

Registering Property in Slovenia

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

STANDARDIZED PROPERTY

Property Value: 887,233.69

City: Ljubljana

Registration Requirements:

No:	Procedure	Time to complete	Cost to complete																																							
1	Obtain a land registry extract from the Land Registry	8-10 days	EUR 9.85																																							
2	Seller presents a tax declaration to the Tax Authority, and the land tax is assessed	1-30 days	no cost																																							
3	Payment and procedure of the real estate transfer tax or VAT tax at the Tax Administration Office	1 day	2% of property price (transfer tax)																																							
4	Obtain a valid land register permission from the seller ("registration clause")	1 day	no cost																																							
5	Certification of signatures on the land registry permission	1 day	<p>Fees for the land registry case are (in Euros):</p> <table border="0"> <thead> <tr> <th colspan="3">Contract value</th> </tr> <tr> <th>fees</th> <th>VAT</th> <th>to</th> </tr> </thead> <tbody> <tr> <td>under 4,59</td> <td>0,92</td> <td>5,</td> </tr> <tr> <td>from 13,77</td> <td>2,75</td> <td>16</td> </tr> <tr> <td>from 20.655,00</td> <td>22,95</td> <td>4,59</td> </tr> <tr> <td>from 20.655,00</td> <td>22,95</td> <td>4,59</td> </tr> <tr> <td>from 36.700,00</td> <td>36,72</td> <td>7,34</td> </tr> <tr> <td>from 36.700,00</td> <td>36,72</td> <td>7,34</td> </tr> <tr> <td>from 68.850,00</td> <td>45,90</td> <td>9,18</td> </tr> <tr> <td>from 68.850,00</td> <td>45,90</td> <td>9,18</td> </tr> <tr> <td>from 84.915,00</td> <td>68,85</td> <td>13,77</td> </tr> <tr> <td>from 84.915,00</td> <td>68,85</td> <td>13,77</td> </tr> <tr> <td></td> <td></td> <td>82,62</td> </tr> </tbody> </table> <p>If land registry permission is in a separate document, fees are 13,77 EUR + 2,75 VAT = 16,52 EUR</p>	Contract value			fees	VAT	to	under 4,59	0,92	5,	from 13,77	2,75	16	from 20.655,00	22,95	4,59	from 20.655,00	22,95	4,59	from 36.700,00	36,72	7,34	from 36.700,00	36,72	7,34	from 68.850,00	45,90	9,18	from 68.850,00	45,90	9,18	from 84.915,00	68,85	13,77	from 84.915,00	68,85	13,77			82,62
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6	Submit proposal for entry into the Land Registry	1 day (submit proposal) + 2 days (obtain seal) + 360 days (entry in register)	EUR 8.21 (Proposal fee) EUR 82.10 (Registration fee)
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Procedure 1 Obtain a land registry extract from the Land Registry**Time to complete:** 8-10 days**Cost to complete:** EUR 9.85**Comment:** A land registry extract should be obtained by the seller from the Land Registry as a proof of ownership. Any encumbrances on the property will appear in the extract.**Procedure 2 Seller presents a tax declaration to the Tax Authority, and the land tax is assessed****Time to complete:** 1-30 days**Cost to complete:** no cost**Comment:** The seller is principally required to make a land tax declaration to the competent department of the Tax Administration of the Republic of Slovenia within 15 days after the day on which the purchase agreement was concluded. The Tax Administration is required to assess the land tax within 30 days of the day on which the tax declaration was made. If the purchase price of a real estate is set below the current market value and the Tax Administration cannot assess such price in due time, a temporary decision is made in order not to obstruct the transactions on the real estate market. In practice, these situations do not occur often. If the Tax Administration has doubts about the real value of the transferred real estate it can request the submission of an expert's appraisal of the value of the given real estate in order to correctly assess the Tax liability.

The documentation shall include:

Filled-in tax declaration

Proof of ownership (e.g. land registry extract obtained in Procedure 1)

Basis for the transfer of real estate (e.g. contract)

For companies acting as buyer – copy of the court registry entry

Procedure 3 Payment and procedure of the real estate transfer tax or VAT tax at the Tax Administration Office**Time to complete:** 1 day**Cost to complete:** 2% of property price (transfer tax)**Comment:** The VAT does not have to be paid if the transaction of real estate is taxed by Real Estate Transfer Tax. VAT is obligatory only for new real estate.

The Real Estate Transfer Tax procedure is as follows:

The taxpayer has to insert the tax declaration within 15 days at the Tax Authority, after the deed of sale is signed of the transfer of real estate. The Tax Authority has to assess the real estate transfer tax within 30 days after the receiving the declaration. When the real estate transfer tax is assessed on the basis of the selling price, the tax must be paid at the competent Tax Administration Office within 30 days after the receipt of the decision on tax assessment. If the Tax Administration has doubts about the real value of the transferred real estate it can request the submission of an expert's appraisal of the value of the given real estate in order to correctly assess the tax liability.

The VAT procedure is as follows:

VAT by transfer of property is paid only if the seller, who is liable for VAT, agrees with the buyer of real estate, who is also liable for VAT with the right to deduct the full input

VAT to charge for VAT at the prescribed rate on the supply that should be exempted from VAT. VAT rate for transfer of property is 20%, except the transfer of apartments, residential and other buildings for permanent living and other parts of buildings as part of social policy, including their building, renovation and repair, which is 8.5%.

Procedure 4 Obtain a valid land register permission from the seller (“registration clause”)

Time to complete: 1 day

Cost to complete: no cost

Comment: Full title to real estate on the basis of a purchase agreement is acquired by an entry in the land register, which creates erga omnes effects. The book-entry is only made possible on the basis of a valid land register permission (“registration clause”) issued by the owner of the real estate (or other right in rem). The registration clause is an explicit, unconditional declaration by a person whose right is being transferred, altered, encumbered or extinguished permitting an entry in the land register. The registration clause can already be included in the purchase agreement or in the notarial protocol.

Procedure 5 Certification of signatures on the land registry permission

Time to complete: 1 day

Cost to complete: Fees for the land registry case are (in Euros):

	Contract value	fees	VAT	total
under	4590,00	4,59	0,92	5,51
from	4590,00	13,77	2,75	16,52
from	20.655,00	22,95	4,59	27,54
from	36.700,00	36,72	7,34	44,06
from	68,850,00	45,90	9,18	55,08
from	84,915,00	68,85	13,77	82,62

If land registry permission is in a separate document, fees are 13,77 EUR + 2,75 VAT = 16,52 EUR.

Comment: The Property Act provides that the seller’s signature on the registration clause has to be certified by a notary public. The signature cannot be certified before all taxes are paid.

The documentation shall include:

Proof of the land tax payment (e.g. official note on the agreement, obtained in Procedure 3)

Document including the registration clause duly signed by the seller (obtained in Procedure 4)

Procedure 6 Submit proposal for entry into the Land Registry

Time to complete: 1 day (submit proposal) + 2 days (obtain seal) + 360 days (entry in register)

Cost to complete: EUR 8.21 (Proposal fee) + EUR 82.10 (Registration fee)

Comment: The land registry court initiates the registration process for the entry of title in the land register, on the basis of the land registry proposal. The proposal may be composed by any individual although it is usually composed by a lawyer or a notary public. Once the proposal is filed with the competent land registry court, the registration process is

initiated ex officio and the priority of entry is ensured by way of a land registry seal. The seal in the land registry that safeguards the priority order is usually entered in the land registry in 2 days following the proposal. The priority order takes effect of the day on which the proposal has been filed.

Due to the fact that the land registry court is facing major back-logs, the title is entered in the land register after approximately one year or even more. The situation is expected to improve once the land register is fully computerized. Approximately 82% or more of the land register entries are already computerized.

The buyer can theoretically dispose of the property as soon as the purchase agreement is signed and the (direct or indirect) possession of the property is obtained by the buyer. The possibility to dispose with the property at this stage would depend on the other party to the new contract.

The buyer whose title is not yet entered into the land register but has already obtained the possession of the property enjoys the position of a proprietary possessor in good faith - the presumed owner. The latter has, among others, the right to claim the return of a property in the event of its dispossession from a proprietary possessor in good faith who has the property with a weaker legal title.

In any case the buyer has a possibility to claim the return of the purchase price but has no claims under the law of property until the title is entered into the land register.

The Land Registration Proposal fee is 100 points. The registration fee is 0.5% of the property value, with a maximum of 1,000 points or EUR 82.10

The documentation shall include:

Land registry proposal

Document including the registration clause with certified signature of the seller (obtained in Procedure 5)

Confirmation of the payment of the tax or taxes (obtained in Procedure 3)

Purchase contract (if not same as document including the registration clause)

Getting Credit in Slovenia

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

Getting Credit Indicators (2009)			Indicator
			score
Private bureau coverage (% of adults)	Private credit bureau	Public credit registry	2
Are data on both firms and individuals distributed?	No	No	0
Are both positive and negative data distributed?	No	Yes	1
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	Yes	1
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	2.7
Number of individuals		0	0
Number of firms		0	46,690

Strength of legal rights index (0-10)		6
Can any business use movable assets as collateral while keeping possession of the assets; and any financial institution accept such assets as collateral ?		Yes
Does the law allow businesses to grant a non possessory security right in a single category of revolving movable assets, without requiring a specific description of the secured assets ?		No
Does the law allow businesses to grant a non possessory security right in substantially all of its assets, without requiring a specific description of the secured assets ?		No
May a security right extend to future or after-acquired assets, and may it extend automatically to the products, proceeds or replacements of the original assets ?		No
Is a general description of debts and obligations permitted in collateral agreements, so that all types of obligations and debts can be secured by stating a maximum amount rather than a specific amount between the parties ?		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 ?		No
Do secured creditors have absolute priority to their collateral outside bankruptcy procedures?		Yes
Do secured creditors have absolute priority to their collateral in bankruptcy procedures?		Yes

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

Yes

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

Yes

Protecting Investors in Slovenia

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

Protecting Investors Data (2009)	Indicator
Extent of disclosure index (0-10)	3
What corporate body provides legally sufficient approval for the transaction? (0-3; see notes)	0
Immediate disclosure to the public and/or shareholders (0-2; see notes)	0
Disclosures in published periodic filings (0-2; see notes)	2
Disclosures by Mr. James to board of directors (0-2; see notes)	1
Requirement that an external body review the transaction before it takes place (0=no, 1=yes)	0
Extent of director liability index (0-10)	9
Shareholder plaintiff's ability to hold Mr. James liable for damage the Buyer-Seller transaction causes to the company. (0-2; see notes)	2
Shareholder plaintiff's ability to hold the approving body (the CEO or board of directors) liable for damage to the company. (0-2; see notes)	2
Whether a court can void the transaction upon a successful claim by a shareholder plaintiff (0-2; see notes)	1
Whether Mr. James pays damages for the harm caused to the company upon a successful claim by the shareholder plaintiff (0=no, 1=yes)	1
Whether Mr. James repays profits made from the transaction upon a successful claim by the shareholder plaintiff (0=no, 1=yes)	1
Whether fines and imprisonment can be applied against Mr. James (0=no, 1=yes)	1
Shareholder plaintiff's ability to sue directly or derivatively for damage the transaction causes to the company (0-1; see notes)	1
Ease of shareholder suits index (0-10)	8
Documents available to the plaintiff from the defendant and witnesses during trial (0-4; see notes)	4
Ability of plaintiffs to directly question the defendant and witnesses during trial (0-2; see notes)	2
Plaintiff can request categories of documents from the defendant without identifying specific ones (0=no, 1=yes)	0
Shareholders owning 10% or less of Buyer's shares can request an inspector investigate the transaction (0=no, 1=yes)	1

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

Strength of investor protection index (0-10)

6.7

Notes:

Extent of Disclosure Index

What corporate body provides legally sufficient approval for the transaction?

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

Immediate disclosure to the public and/or shareholders

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

Disclosures in published periodic filings

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

Disclosures by Mr. James to board of directors

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

Director Liability Index

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

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

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

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

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

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

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

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

Shareholder Suits Index

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

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

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

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

Paying Taxes in Slovenia

The table below addresses the taxes and mandatory contributions that a medium-size company must pay or withhold in a given year in Slovenia, 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
Value added tax (VAT)	1	online filing	74	20.00%	value added		
Road tax	1			various rates	type and weight of vehicle	0.06	
Tax on insurance	1			6.50%	insurance premium	0.06	
Property tax (local duties)	4			various rates	type and value of construction	0.07	
Fuel tax	1				included in fuel price	0.96	
Property transfer tax	1			2.00%	marker value of property sold	1.21	
Payroll tax	0			0%-4.4% depending on the employee's gross wage in EUR	gross salaries	1.79	
Corporate income tax	1	online filing	90	22.0%	taxable profits	15.15	
Social security contributions	12		96	16.10%	gross salaries	18.16	
Totals	22		260			37.5	

Notes:

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

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

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

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

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

Trading Across Borders in Slovenia

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

Nature of Export Procedures (2009)	Duration (days)	US\$ Cost
Documents preparation	15	100
Customs clearance and technical control	1	60
Ports and terminal handling	2	200
Inland transportation and handling	2	715
Totals	20	1075

Nature of Import Procedures (2009)	Duration (days)	US\$ Cost
Documents preparation	13	130
Customs clearance and technical control	3	85
Ports and terminal handling	3	200
Inland transportation and handling	2	715
Totals	21	1130

Export

Bill of lading

Cargo release order

Certificate of origin

Commercial invoice

Customs export declaration

Packing list

Import

Bill of lading

Cargo release order

Commercial invoice

Customs import declaration

Customs transit document

Inspection report

Packing list

Technical standard/health certificate

Enforcing Contracts in Slovenia

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

Nature of Procedure (2009)	Indicator
Procedures (number)	32
Time (days)	1290
Filing and service	30.0
Trial and judgment	930.0
Enforcement of judgment	330.0
Cost (% of claim)*	12.70
Attorney cost (% of claim)	7.6
Court cost (% of claim)	3.5
Enforcement Cost (% of claim)	1.6

Court information: Ljubljana District Court ("Okrožno sodišče v Ljubljani")

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



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