Doing Business 2011

Bahamas, the

Making a Difference for Entrepreneurs

IFC
Current features
News on the Doing Business project
http://www.doingbusiness.org

Rankings
How economies rank—from 1 to 183
http://www.doingbusiness.org/rankings/

Reformers
Short summaries of DB2011 reforms, lists of reformers since DB2004 and a ranking simulation tool
http://www.doingbusiness.org/reforms/

Historical data
Customized data sets since DB2004
http://www.doingbusiness.org/custom-query/

Methodology and research
The methodologies and research papers underlying Doing Business
http://www.doingbusiness.org/Methodology/

Download reports
Access to Doing Business reports as well as subnational and regional reports, reform case studies and customized country and regional profiles
http://www.doingbusiness.org/reports/

Subnational and regional projects
Differences in business regulations at the subnational and regional level
http://www.doingbusiness.org/subnational-reports/

Law Library
Online collection of business laws and regulations relating to business and gender issues
http://www.doingbusiness.org/law-library/
http://wbl.worldbank.org/

Local partners
More than 8,200 specialists in 183 economies who participate in Doing Business
http://www.doingbusiness.org/Local-Partners/Doing-Business/

Business Planet
Interactive map on the ease of doing business
http://ru.worldbank.org/businessplanet

Contents
Introduction and Aggregate Rankings
5 - Year Measure of Cumulative Change
Starting a Business
Dealing with Construction Permits
Registering Property
Getting Credit
Protecting Investors
Paying Taxes
Trading Across Borders
Enforcing Contracts
Closing a Business
Doing Business 2011 Business Reforms
Doing Business 2011: Making a Difference for Entrepreneurs is the eighth in a series of annual reports investigating regulations that enhance business activity and those that constrain it. Doing Business presents quantitative indicators on business regulations and the protection of property rights that can be compared across 183 economies, from Afghanistan to Zimbabwe, over time.

A set of regulations affecting 9 stages of a business’s life are measured: starting a business, dealing with construction permits, registering property, getting credit, protecting investors, paying taxes, trading across borders, enforcing contracts and closing a business. Data in Doing Business 2011 are current as of June 1, 2010*. The indicators are used to analyze economic outcomes and identify what reforms have worked, where, and why.

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

The data set covers 183 economies: 46 in Sub-Saharan Africa, 32 in Latin America and the Caribbean, 25 in Eastern Europe and Central Asia, 24 in East Asia and Pacific, 18 in the Middle East and North Africa and 8 in South Asia, as well as 30 OECD high-income economies.

The following pages present the summary Doing Business indicators for Bahamas, the. The data used for this economy profile come from the Doing Business database and are summarized in graphs. These graphs allow a comparison of the economies in each region not only with one another but also with the “good practice” economy for each indicator.

The good-practice economies are identified by their position in each indicator as well as their overall ranking and by their capacity to provide good examples of business regulation to other countries. These good-practice economies do not necessarily rank number 1 in the topic or indicator, but they are in the top 10.

More information is available in the full report. Doing Business 2011: Making a Difference for Entrepreneurs presents the indicators, analyzes their relationship with economic outcomes and recommends reforms. The data, along with information on ordering the report, are available on the Doing Business website (www.doingbusiness.org).

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

Note: 2008-2010 Doing Business data and rankings have been recalculated to reflect changes to the methodology and the addition of new economies (in the case of the rankings).
Bahamas, the is ranked 77 out of 183 economies. Singapore is the top ranked economy in the Ease of Doing Business.

**Bahamas, the - Compared to global good practice economy as well as selected economies:**

### Ease of Doing Business - Global Rank

<table>
<thead>
<tr>
<th>Country</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>Singapore</td>
<td>1</td>
</tr>
<tr>
<td>St. Lucia</td>
<td>53</td>
</tr>
<tr>
<td>Antigua and Barbuda</td>
<td>64</td>
</tr>
<tr>
<td>Bahamas, the</td>
<td>77</td>
</tr>
<tr>
<td>St. Kitts and Nevis</td>
<td>87</td>
</tr>
<tr>
<td>Dominica</td>
<td>88</td>
</tr>
<tr>
<td>Grenada</td>
<td>92</td>
</tr>
</tbody>
</table>

### Bahamas, the's ranking in Doing Business 2011

<table>
<thead>
<tr>
<th>Rank</th>
<th>Doing Business 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ease of Doing Business</td>
<td>77</td>
</tr>
<tr>
<td>Starting a Business</td>
<td>66</td>
</tr>
<tr>
<td>Dealing with Construction Permits</td>
<td>107</td>
</tr>
<tr>
<td>Registering Property</td>
<td>154</td>
</tr>
<tr>
<td>Getting Credit</td>
<td>72</td>
</tr>
<tr>
<td>Protecting Investors</td>
<td>109</td>
</tr>
<tr>
<td>Paying Taxes</td>
<td>50</td>
</tr>
<tr>
<td>Trading Across Borders</td>
<td>45</td>
</tr>
<tr>
<td>Enforcing Contracts</td>
<td>120</td>
</tr>
<tr>
<td>Closing a Business</td>
<td>34</td>
</tr>
<tr>
<td>Area</td>
<td>Description</td>
</tr>
<tr>
<td>-----------------------------</td>
<td>------------------------------------------------------------------------------</td>
</tr>
<tr>
<td><strong>Starting a Business</strong></td>
<td>Procedures (number)</td>
</tr>
<tr>
<td></td>
<td>Time (days)</td>
</tr>
<tr>
<td></td>
<td>Cost (% of income per capita)</td>
</tr>
<tr>
<td></td>
<td>Min. capital (% of income per capita)</td>
</tr>
<tr>
<td><strong>Dealing with Construction Permits</strong></td>
<td>Procedures (number)</td>
</tr>
<tr>
<td></td>
<td>Time (days)</td>
</tr>
<tr>
<td></td>
<td>Cost (% of income per capita)</td>
</tr>
<tr>
<td><strong>Registering Property</strong></td>
<td>Procedures (number)</td>
</tr>
<tr>
<td></td>
<td>Time (days)</td>
</tr>
<tr>
<td></td>
<td>Cost (% of property value)</td>
</tr>
<tr>
<td><strong>Getting Credit</strong></td>
<td>Strength of legal rights index (0-10)</td>
</tr>
<tr>
<td></td>
<td>Depth of credit information index (0-6)</td>
</tr>
<tr>
<td></td>
<td>Public registry coverage (% of adults)</td>
</tr>
<tr>
<td></td>
<td>Private bureau coverage (% of adults)</td>
</tr>
<tr>
<td><strong>Protecting Investors</strong></td>
<td>Extent of disclosure index (0-10)</td>
</tr>
<tr>
<td></td>
<td>Extent of director liability index (0-10)</td>
</tr>
<tr>
<td></td>
<td>Ease of shareholder suits index (0-10)</td>
</tr>
<tr>
<td></td>
<td>Strength of investor protection index (0-10)</td>
</tr>
<tr>
<td><strong>Paying Taxes</strong></td>
<td>Payments (number per year)</td>
</tr>
<tr>
<td></td>
<td>Time (hours per year)</td>
</tr>
<tr>
<td></td>
<td>Profit tax (%)</td>
</tr>
<tr>
<td></td>
<td>Labor tax and contributions (%)</td>
</tr>
<tr>
<td></td>
<td>Other taxes (%)</td>
</tr>
<tr>
<td></td>
<td>Total tax rate (% profit)</td>
</tr>
<tr>
<td><strong>Trading Across Borders</strong></td>
<td>Documents to export (number)</td>
</tr>
<tr>
<td></td>
<td>Time to export (days)</td>
</tr>
<tr>
<td></td>
<td>Cost to export (US$ per container)</td>
</tr>
<tr>
<td></td>
<td>Documents to import (number)</td>
</tr>
<tr>
<td></td>
<td>Time to import (days)</td>
</tr>
<tr>
<td></td>
<td>Cost to import (US$ per container)</td>
</tr>
<tr>
<td>Enforcing Contracts</td>
<td>Procedures (number)</td>
</tr>
<tr>
<td>-------------------------------------</td>
<td>---------------------</td>
</tr>
<tr>
<td>Time (days)</td>
<td></td>
</tr>
<tr>
<td>Cost (% of claim)</td>
<td></td>
</tr>
<tr>
<td>Closing a Business</td>
<td>Recovery rate (cents on the dollar)</td>
</tr>
<tr>
<td>Time (years)</td>
<td></td>
</tr>
<tr>
<td>Cost (% of estate)</td>
<td></td>
</tr>
</tbody>
</table>
The 5-year measure of cumulative change illustrates how the business regulatory environment has changed in 174 economies from Doing Business 2006 to Doing Business 2011. Instead of highlighting which countries currently have the most business-friendly environment, this new approach shows the extent to which an economy’s regulatory environment for business has changed compared with 5 years ago.

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

This figure shows the distribution of cumulative change across the 9 indicators and time between Doing Business 2006 and Doing Business 2011.
Many economies have undertaken reforms to smooth the starting a business process in stages—and often as part of a larger regulatory reform program. A number of studies have shown that among the benefits of streamlining the process to start a business have been greater firm satisfaction and savings and more registered businesses, financial resources and job opportunities. Economies with higher entry costs are associated with a larger informal sector and a smaller number of legally registered firms.

**Some reform outcomes**

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

*In Portugal* creation of One-Stop Shop in 2006 and 2007 resulted in a reduction of time to start a business from 34 days to 3. In 2007 and 2008 new business registrations were up by 60% compared with 2006.

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

**What does Starting a Business measure?**

<table>
<thead>
<tr>
<th>Procedures to legally start and operate a company (number)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Preregistration (for example, name verification or reservation, notarization)</td>
</tr>
<tr>
<td>Registration</td>
</tr>
<tr>
<td>Post registration (for example, social security registration, company seal)</td>
</tr>
</tbody>
</table>

**Time required to complete each procedure (calendar days)**

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

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

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

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

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

**Case Study Assumptions**

- Doing Business records all procedures that are officially required for an entrepreneur to start up and formally operate an industrial or commercial business.

  - Any required information is readily available and that all agencies involved in the start-up process function without corruption.

  - The business:
    - is a limited liability company, located in the largest business city
    - conducts general commercial activities
    - is 100% domestically owned
    - has a start-up capital of 10 times income per capita
    - has a turnover of at least 100 times income per capita
    - has at least 10 and up to 50 employees
    - does not qualify for investment incentives or any special benefits
    - leases the commercial plant and offices and is not a proprietor of real estate
1. Benchmarking Starting a Business Regulations:

Bahamas, the is ranked 66 overall for Starting a Business.

Ranking of Bahamas, the in Starting a Business - Compared to good practice and selected economies:

![Starting a Business - Global Rank Chart]
The following table shows Starting a Business data for Bahamas, the compared to good practice and comparator economies:

<table>
<thead>
<tr>
<th>Good Practice Economies</th>
<th>Procedures (number)</th>
<th>Time (days)</th>
<th>Cost (% of income per capita)</th>
<th>Min. capital (% of income per capita)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Denmark*</td>
<td></td>
<td></td>
<td></td>
<td>0.0</td>
</tr>
<tr>
<td>New Zealand*</td>
<td>1</td>
<td>1</td>
<td></td>
<td>0.0</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Selected Economy</th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Bahamas, the</td>
<td>7</td>
<td>31</td>
<td>9.1</td>
<td>0.0</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Comparator Economies</th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Antigua and Barbuda</td>
<td>8</td>
<td>21</td>
<td>11.0</td>
<td>0.0</td>
</tr>
<tr>
<td>Dominica</td>
<td>5</td>
<td>14</td>
<td>22.0</td>
<td>0.0</td>
</tr>
<tr>
<td>Grenada</td>
<td>6</td>
<td>15</td>
<td>25.2</td>
<td>0.0</td>
</tr>
<tr>
<td>St. Kitts and Nevis</td>
<td>7</td>
<td>19</td>
<td>11.3</td>
<td>0.0</td>
</tr>
<tr>
<td>St. Lucia</td>
<td>5</td>
<td>14</td>
<td>23.8</td>
<td>0.0</td>
</tr>
</tbody>
</table>

*The following economies are also good practice economies for:

Procedures (number): Canada
Cost (% of income per capita): Slovenia
2. Historical data: Starting a Business in Bahamas, the

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Rank</td>
<td>..</td>
<td>..</td>
<td>60</td>
<td>66</td>
</tr>
<tr>
<td>Procedures (number)</td>
<td>7</td>
<td>7</td>
<td>7</td>
<td>7</td>
</tr>
<tr>
<td>Time (days)</td>
<td>31</td>
<td>31</td>
<td>31</td>
<td>31</td>
</tr>
<tr>
<td>Cost (% of income per capita)</td>
<td>10.3</td>
<td>9.8</td>
<td>8.5</td>
<td>9.1</td>
</tr>
<tr>
<td>Min. capital (% of income per capita)</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
</tr>
</tbody>
</table>

3. The following graphs illustrate the Starting a Business sub indicators in Bahamas, the over the past 4 years:
Starting a Business Summary - Bahamas, the

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

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

STANDARDIZED COMPANY
Legal Form: Limited Liability Company (LLC)
City: Nassau

Registration Requirements:

<table>
<thead>
<tr>
<th>No.</th>
<th>Procedure</th>
<th>Time to complete</th>
<th>Cost to complete</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Search for a Company name and reserve the proposed name online</td>
<td>1</td>
<td>no charge</td>
</tr>
<tr>
<td>2</td>
<td>A lawyer prepares and notarizes the company documents</td>
<td>1</td>
<td>BSD 650</td>
</tr>
<tr>
<td></td>
<td>(memorandum and articles of association)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>A stamp duty has to be obtained from the Public Treasury for the Memorandum.</td>
<td>1</td>
<td>BSD 795</td>
</tr>
<tr>
<td>4</td>
<td>File the company documents at the Companies Registry</td>
<td>10</td>
<td>USD 370</td>
</tr>
<tr>
<td>5</td>
<td>Obtain the National Insurance Number for the Company from the National Insurance Board</td>
<td>1</td>
<td>no charge</td>
</tr>
<tr>
<td>6</td>
<td>Register the company for a business license at the Valuation/Business License Department of the Ministry of Finance.</td>
<td>17</td>
<td>USD 100</td>
</tr>
<tr>
<td>7</td>
<td>* Company Seal</td>
<td>2</td>
<td>USD 35</td>
</tr>
</tbody>
</table>
* Takes place simultaneously with another procedure.
## Starting a Business Details - Bahamas, the

<table>
<thead>
<tr>
<th>Procedure</th>
<th>Description</th>
<th>Time to complete</th>
<th>Cost to complete</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Search for a Company name and reserve the proposed name online</td>
<td>1</td>
<td>no charge</td>
<td>The online name search system has been in place since 2004 and its estimate that less than 50% of all applicants use it while the rest still request the search in person. Since the majority of people cannot search it, it is mainly done by lawyers and service providers who include the name fees in their fees. The name reservation expires after 90 days.</td>
</tr>
<tr>
<td>2</td>
<td>A lawyer prepares and notarizes the company documents (memorandum and articles of association).</td>
<td>1</td>
<td>BSD 650</td>
<td>Legally, only the memorandum has to be filed at the moment of the incorporation. Standard Articles of Association are available and the memorandum has to be a statutory declaration. Therefore, the most common scenario is to prepare both. Since 2001, the Bahamas has issued many provisions on anti-money laundering and since then the information requested from the client has increased. Usually, a client has to provide the law firm with a financial and a character reference as well as a copy of his or her passport. Affidavit must be executed by witness to subscribers to Memorandum and Articles of Association and a Statutory Declaration must be executed by Notary Public that has notarized the affidavit before another Notary Public. Lawyer should be a notary (at the same time)</td>
</tr>
<tr>
<td>3</td>
<td>A stamp duty has to be obtained from the Public Treasury for the Memorandum.</td>
<td>1</td>
<td>BSD 795</td>
<td>the fees includes $60 stamp duty is payable on the first $5,000 authorized capital of the company and $3 for every additional $1,000 authorized capital.</td>
</tr>
<tr>
<td>4</td>
<td>File the company documents at the Companies Registry</td>
<td>10</td>
<td>USD 370</td>
<td>The registration is usually done by the lawyer. The company is incorporated on the date that the incorporation documents are submitted to the Companies Registry. A registration fee of $330 is paid at the Registrar General’s office ($300 for the Memorandum and $30 for the Articles of Association). Once the final incorporation certificate is ready, an additional fee of $4 per page is charged to obtain a certified copy of the Memorandum &amp; Articles of Association.</td>
</tr>
<tr>
<td>5</td>
<td>Obtain the National Insurance Number for the Company from the National Insurance Board</td>
<td>1</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Cost to complete: no charge

Comment: The National Insurance Number is a requirement to obtain business license. According to the National Insurance Act, every employer has to have a national insurance employer’s number. This could be obtained at no cost and it can be done in a day (by mail or in person). Employer also registers the employees if they have not been registered already. The documents required for registration are birth certificate, photograph, and certificate of incorporation.

<table>
<thead>
<tr>
<th>Procedure</th>
<th>Time to complete</th>
<th>Cost to complete</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>6</td>
<td>17</td>
<td>USD 100</td>
<td>By law, companies has to have a business license but only non-Bahamians have to have it before starting a business. To obtain the license, the following documents have to be provided: proof of citizenship, copy of the certificate of incorporation, Registration of the business/trade name, a simple copy of the lease agreement of the office space or proof of ownership if owned, and a national insurance number. Flat fee of $100 for the first time registration is charged. However, where foreign persons enter into a contract business, such persons must pay a deposit of 1% of the value of the contract as security for the payment of a license fee to be assessed. Moreover, annual fees are levied as a percentage on the turnover of the company from the second year onwards.</td>
</tr>
<tr>
<td>7</td>
<td>2</td>
<td>USD 35</td>
<td>A proof of seal has to be provided at the time of filing the first annual income statement. The seal is required from every company according to Art. 26 of the Companies Act. Seals are locally manufactured and can usually be obtained within 2-3 days for $30-35.</td>
</tr>
</tbody>
</table>
In many economies, especially developing ones, complying with building regulations is so costly in time and money that many builders opt out. Builders may pay bribes to pass inspections or simply build illegally, leading to hazardous construction. Where the regulatory burden is large, entrepreneurs may tend to move their activity into the informal economy. There they operate with less concern for safety, leaving everyone worse off. In other economies compliance is simple, straightforward and inexpensive, yielding better results.

Some reform outcomes

In Burkina Faso, a one-stop shop for construction permits, “Centre de Facilitation des Actes de Construire”, was opened in May 2008. The new regulation merged 32 procedures into 15, reduced the time required from 216 days to 122 and cut the cost by 40%. From May 2009 to May 2010 611 building permits were granted in Ouagadougou, up from an average of about 150 a year in 2002-06.

Toronto, Canada revamped its construction permitting process in 2003 by introducing time limits for different stages of the process and presenting a unique basic list of requirements for each project. Later it provided for electronic information and risk-based approvals with fast-track procedures. Between 2003 and 2008 the number of commercial building permits increased by 17%, the construction value of new commercial buildings by 84%.

What does the Dealing with Construction Permits indicator measure?

Procedures to legally build a warehouse (number)

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

Time required to complete each procedure (calendar days)

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

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

- Official costs only, no bribes

Dealing with Construction Permits:
Building a warehouse

Rankings are based on 3 subindicators

- 33.3% Procedures are completed upon receipt of final documents, permits, inspections and utility connection
- 33.3% Cost As % of income per capita, no bribes included
- 33.3% Time Days to build a warehouse in main city

Case Study Assumptions

The business:

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

The warehouse:

- is a new construction (there was no previous construction on the land)
- has 2 stories, both above ground, with a total surface of approximately 1,300.6 sq. meters (14,000 sq. feet)
- has complete architectural and technical plans prepared by a licensed architect
- will be connected to electricity, water, sewerage (sewage system, septic tank or their equivalent) and a land telephone line
- will be used for general storage of non-hazardous goods, such as books
- will take 30 weeks to construct (excluding all delays due to administrative and regulatory requirements)
1. Benchmarking Dealing with Construction Permits Regulations:

Bahamas is ranked 107 overall for Dealing with Construction Permits.

Ranking of Bahamas in Dealing with Construction Permits - Compared to good practice and selected economies:
The following table shows Dealing with Construction Permits data for Bahamas, the compared to good practice and comparator economies:

<table>
<thead>
<tr>
<th>Good Practice Economies</th>
<th>Procedures (number)</th>
<th>Time (days)</th>
<th>Cost (% of income per capita)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Denmark</td>
<td>6</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Qatar</td>
<td></td>
<td></td>
<td>0.8</td>
</tr>
<tr>
<td>Singapore</td>
<td></td>
<td>25</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Selected Economy</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Bahamas, the</td>
<td>18</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Comparator Economies</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Antigua and Barbuda</td>
<td>13</td>
<td>156</td>
<td>24.2</td>
</tr>
<tr>
<td>Dominica</td>
<td>13</td>
<td>182</td>
<td>11.0</td>
</tr>
<tr>
<td>Grenada</td>
<td>10</td>
<td>149</td>
<td>25.9</td>
</tr>
<tr>
<td>St. Kitts and Nevis</td>
<td>14</td>
<td>67</td>
<td>4.8</td>
</tr>
<tr>
<td>St. Lucia</td>
<td>9</td>
<td>139</td>
<td>32.2</td>
</tr>
</tbody>
</table>
2. Historical data: Dealing with Construction Permits in Bahamas, the

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Rank</td>
<td>..</td>
<td>..</td>
<td>100</td>
<td>107</td>
</tr>
<tr>
<td>Procedures (number)</td>
<td>18</td>
<td>18</td>
<td>18</td>
<td>18</td>
</tr>
<tr>
<td>Time (days)</td>
<td>197</td>
<td>197</td>
<td>197</td>
<td>197</td>
</tr>
<tr>
<td>Cost (% of income per capita)</td>
<td>252.0</td>
<td>241.6</td>
<td>208.6</td>
<td>222.0</td>
</tr>
</tbody>
</table>

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

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

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

**BUILDING A WAREHOUSE**
City: Nassau

**Registration Requirements:**

<table>
<thead>
<tr>
<th>No:</th>
<th>Procedure</th>
<th>Time to complete</th>
<th>Cost to complete</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Request and obtain “approval in principle” (planning permission) with the Town Planning Committee</td>
<td>30 days</td>
<td>no charge</td>
</tr>
<tr>
<td>2</td>
<td>Request and obtain building permit at the Building Control Unit of the Ministry of Works</td>
<td>120 days</td>
<td>BSD 3,850</td>
</tr>
<tr>
<td>3</td>
<td>Obtain plumbing certificate</td>
<td>1 day</td>
<td>no charge</td>
</tr>
<tr>
<td>4</td>
<td>Request electrical certificate</td>
<td>1 day</td>
<td>no charge</td>
</tr>
<tr>
<td>5</td>
<td>Receive inspection for electrical certificate</td>
<td>1 day</td>
<td>no charge</td>
</tr>
<tr>
<td>6</td>
<td>Obtain electrical certificate</td>
<td>1 day</td>
<td>no charge</td>
</tr>
<tr>
<td>7</td>
<td>Receive inspection - floor</td>
<td>1 day</td>
<td>no charge</td>
</tr>
<tr>
<td>8</td>
<td>Receive inspection - walls</td>
<td>1 day</td>
<td>no charge</td>
</tr>
<tr>
<td></td>
<td>Description</td>
<td>Days</td>
<td>Charge</td>
</tr>
<tr>
<td>---</td>
<td>------------------------------------------</td>
<td>-------</td>
<td>------------</td>
</tr>
<tr>
<td>9</td>
<td>Receive inspection - roof</td>
<td>1 day</td>
<td>no charge</td>
</tr>
<tr>
<td>10</td>
<td>Receive final inspection</td>
<td>1 day</td>
<td>no charge</td>
</tr>
<tr>
<td>11</td>
<td>Obtain occupancy permit</td>
<td>2 days</td>
<td>no charge</td>
</tr>
<tr>
<td>12</td>
<td>Request electrical service</td>
<td>1 day</td>
<td>no charge</td>
</tr>
<tr>
<td>13</td>
<td>Receive electrical inspection</td>
<td>1 day</td>
<td>no charge</td>
</tr>
<tr>
<td>14</td>
<td>Obtain electrical service</td>
<td>16 days</td>
<td>BSD 41,000</td>
</tr>
<tr>
<td>15</td>
<td>Request water and sewage</td>
<td>1 day</td>
<td>no charge</td>
</tr>
<tr>
<td>16*</td>
<td>Receive water and sewage inspection</td>
<td>1 day</td>
<td>no charge</td>
</tr>
<tr>
<td>17*</td>
<td>Obtain water and sewage service</td>
<td>16 days</td>
<td>BSD 2,784</td>
</tr>
<tr>
<td>18*</td>
<td>Obtain telephone service</td>
<td>16 days</td>
<td>BSD 150</td>
</tr>
</tbody>
</table>

* Takes place simultaneously with another procedure.
Dealing with Construction Permits Details - Bahamas, the

<table>
<thead>
<tr>
<th>Procedure</th>
<th>Request and obtain “approval in principle” (planning permission) with the Town Planning Committee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Time to complete:</td>
<td>30 days</td>
</tr>
<tr>
<td>Cost to complete:</td>
<td>no charge</td>
</tr>
<tr>
<td>Agency:</td>
<td>Town Planning Commission</td>
</tr>
<tr>
<td>Comment:</td>
<td>This approval is not a pre-requisite for the building permit but most constructors would still want to obtain it in advance to make sure that their project is viable/acceptable in terms of town planning. Only the following documents have to be attached: plot and location plan, not proof of ownership needed at this point. The Committee that examines the proposal meets only every other week. The Committee members represent the different interest groups that are interested in building process. The Committee agenda is prepared by the Department of Physical Planning; The Committee also hears complaints and addresses grievances.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Procedure</th>
<th>Request and obtain building permit at the Building Control Unit of the Ministry of Works</th>
</tr>
</thead>
<tbody>
<tr>
<td>Time to complete:</td>
<td>120 days</td>
</tr>
<tr>
<td>Cost to complete:</td>
<td>BSD 3,850</td>
</tr>
<tr>
<td>Agency:</td>
<td>Ministry of Works</td>
</tr>
<tr>
<td>Comment:</td>
<td>The cost of the permit is a function of the surface of the construction (over 10,000 sq ft = USD 25 per 100 sq ft + 10% of the total, thus 25 * 140 + (25 *140 * 10%) = 3,500 + 350 = LCU 3,850). The permit also has to go again to the Town Planning Department to approve the zoning. The Development Control Unit estimates 90 to 120 days. Buildings Regulation Art. 4. (1) “Subject to the provisions of this Act, no person shall commence or carry on, or cause or procure to be commenced or carried on, any building operation save under and in accordance with the conditions of a valid building permit and in accordance with the provisions of this Act and any rules and the Building Code.”. The status of the application can be checked online (<a href="http://65.198.211.69/mopwuserlogin/PreguntaPage.htm">http://65.198.211.69/mopwuserlogin/PreguntaPage.htm</a>)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Procedure</th>
<th>Obtain plumbing certificate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Time to complete:</td>
<td>1 day</td>
</tr>
<tr>
<td>Cost to complete:</td>
<td>no charge</td>
</tr>
<tr>
<td>Agency:</td>
<td>Ministry of Works</td>
</tr>
<tr>
<td>Comment:</td>
<td>Licensed plumber hired by BuildCo approves the plumbing works. After this is completed BuildCo must take the official form to the Ministry of Works</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Procedure</th>
<th>Request electrical certificate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Time to complete:</td>
<td>1 day</td>
</tr>
<tr>
<td>Cost to complete:</td>
<td>no charge</td>
</tr>
<tr>
<td>Procedure</td>
<td>Description</td>
</tr>
<tr>
<td>-----------</td>
<td>----------------------------------</td>
</tr>
<tr>
<td>5</td>
<td>Receive inspection for electrical certificate</td>
</tr>
<tr>
<td>6</td>
<td>Obtain electrical certificate</td>
</tr>
<tr>
<td>7</td>
<td>Receive inspection - floor</td>
</tr>
<tr>
<td>8</td>
<td>Receive inspection - walls</td>
</tr>
<tr>
<td>9</td>
<td>Receive inspection - roof</td>
</tr>
<tr>
<td>Procedure</td>
<td>10</td>
</tr>
<tr>
<td>------------</td>
<td>----</td>
</tr>
<tr>
<td>Time to complete:</td>
<td>1 day</td>
</tr>
<tr>
<td>Cost to complete:</td>
<td>no charge</td>
</tr>
<tr>
<td>Agency:</td>
<td>Ministry of Works</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Procedure</th>
<th>11</th>
<th>Obtain occupancy permit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Time to complete:</td>
<td>2 days</td>
<td></td>
</tr>
<tr>
<td>Cost to complete:</td>
<td>no charge</td>
<td></td>
</tr>
<tr>
<td>Agency:</td>
<td>Ministry of Works</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Procedure</th>
<th>12</th>
<th>Request electrical service</th>
</tr>
</thead>
<tbody>
<tr>
<td>Time to complete:</td>
<td>1 day</td>
<td></td>
</tr>
<tr>
<td>Cost to complete:</td>
<td>no charge</td>
<td></td>
</tr>
<tr>
<td>Agency:</td>
<td>Bahamas Electricity Corporation</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Procedure</th>
<th>13</th>
<th>Receive electrical inspection</th>
</tr>
</thead>
<tbody>
<tr>
<td>Time to complete:</td>
<td>1 day</td>
<td></td>
</tr>
<tr>
<td>Cost to complete:</td>
<td>no charge</td>
<td></td>
</tr>
<tr>
<td>Agency:</td>
<td>Bahamas Electricity Corporation</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Procedure</th>
<th>14</th>
<th>Obtain electrical service</th>
</tr>
</thead>
<tbody>
<tr>
<td>Time to complete:</td>
<td>16 days</td>
<td></td>
</tr>
<tr>
<td>Cost to complete:</td>
<td>BSD 41,000</td>
<td></td>
</tr>
<tr>
<td>Procedure</td>
<td>Description</td>
<td>Time to complete</td>
</tr>
<tr>
<td>-----------</td>
<td>-------------</td>
<td>-----------------</td>
</tr>
<tr>
<td>15</td>
<td>Request water and sewage</td>
<td>1 day</td>
</tr>
<tr>
<td>16</td>
<td>Receive water and sewage inspection</td>
<td>1 day</td>
</tr>
<tr>
<td>17</td>
<td>Obtain water and sewage service</td>
<td>16 days</td>
</tr>
<tr>
<td>18</td>
<td>Obtain telephone service</td>
<td>16 days</td>
</tr>
</tbody>
</table>
Ensuring formal property rights is fundamental. Effective administration of land is part of that. If formal property transfer is too costly or complicated, formal titles might go informal again. *Doing Business* records the full sequence of procedures necessary for a business to purchase a property from another business and transfer the property title to the buyer’s name. In the past 6 years 105 economies undertook 146 reforms making it easier to transfer property. Globally, the time to transfer property fell by 38% and the cost by 10% over this time. The most popular feature of property registration reform in these 6 years, implemented in 52 economies, was lowering transfer taxes and government fees.

**Some reform outcomes**

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

**What does the Registering Property indicator measure?**

**Procedures to legally transfer title on immovable property (number)**

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

**Time required to complete each procedure (calendar days)**

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

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

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

**Registering Property:** transfer of property between 2 local companies

*Rankings are based on 3 subindicators*

- **33.3% Time**
  - Days to transfer property in main city
- **33.3% Cost**
  - As % of property value, no bribes included
- **33.3% Procedures**
  - Required steps so that property can be occupied, sold, or used as collateral and sale is opposable to third parties

**Case Study Assumptions**

The parties (buyer and seller):

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

The property (fully owned by the seller):

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

Bahamas, the is ranked 154 overall for Registering Property.

Ranking of Bahamas, the in Registering Property - Compared to good practice and selected economies:
The following table shows Registering Property data for Bahamas, the compared to good practice and comparator economies:

<table>
<thead>
<tr>
<th>Good Practice Economies</th>
<th>Procedures (number)</th>
<th>Time (days)</th>
<th>Cost (% of property value)</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Zealand*</td>
<td></td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>Norway*</td>
<td></td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Saudi Arabia</td>
<td></td>
<td></td>
<td>0.0</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Selected Economy</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Bahamas, the</td>
<td>7</td>
<td>48</td>
<td>12.5</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Comparator Economies</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Antigua and Barbuda</td>
<td>7</td>
<td>26</td>
<td>10.9</td>
</tr>
<tr>
<td>Dominica</td>
<td>5</td>
<td>42</td>
<td>13.7</td>
</tr>
<tr>
<td>Grenada</td>
<td>8</td>
<td>47</td>
<td>7.4</td>
</tr>
<tr>
<td>St. Kitts and Nevis</td>
<td>6</td>
<td>81</td>
<td>13.3</td>
</tr>
<tr>
<td>St. Lucia</td>
<td>6</td>
<td>16</td>
<td>7.4</td>
</tr>
</tbody>
</table>

* The following economies are also good practice economies for:

- Procedures (number): United Arab Emirates
- Time (days): Saudi Arabia, Thailand, United Arab Emirates
2. Historical data: Registering Property in Bahamas, the

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Rank</td>
<td>..</td>
<td>..</td>
<td>151</td>
<td>154</td>
</tr>
<tr>
<td>Procedures (number)</td>
<td>7</td>
<td>7</td>
<td>7</td>
<td>7</td>
</tr>
<tr>
<td>Time (days)</td>
<td>48</td>
<td>48</td>
<td>48</td>
<td>48</td>
</tr>
<tr>
<td>Cost (% of property value)</td>
<td>12.5</td>
<td>12.5</td>
<td>12.5</td>
<td>12.5</td>
</tr>
</tbody>
</table>

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

- **Procedures (number)**
- **Time (days)**
- **Cost (% of property value)**
Registering Property in Bahamas, the

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

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

**STANDARDIZED PROPERTY**
Property Value: 1,076,446.40
City: Nassau

**Registration Requirements:**

<table>
<thead>
<tr>
<th>No:</th>
<th>Procedure</th>
<th>Time to complete</th>
<th>Cost to complete</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Notarization of affidavits of witnesses to signatures of conveyance</td>
<td>1 day</td>
<td>B$30-B$50</td>
</tr>
<tr>
<td>2 *</td>
<td>Lawyer or his clerk checks for encumbrances at the Registry of records (regarding any mortgages on the property).</td>
<td>1 - 2 months (simultaneous with Procedures 3, 4, and 5)</td>
<td>2.5% of property value</td>
</tr>
<tr>
<td>3 *</td>
<td>Lawyer checks for judgements against the property at the Supreme Court</td>
<td>1 day (simultaneous with Procedures 2, 4 and 5)</td>
<td>no cost</td>
</tr>
<tr>
<td>4 *</td>
<td>Lawyer checks for other companies using the same property at the Company Registrar.</td>
<td>1 day (simultaneous with Procedures 2,3 and 5)</td>
<td>no cost</td>
</tr>
<tr>
<td>5 *</td>
<td>Real property tax status enquiry with the Valuation office of the Ministry of Finance.</td>
<td>1 day (simultaneous with Procedure 2, 3, and 4)</td>
<td>no cost</td>
</tr>
<tr>
<td>6</td>
<td>Payment of Stamp Duty</td>
<td>1 day</td>
<td>10% of property value</td>
</tr>
<tr>
<td></td>
<td>Lodge the conveyance for recording at registry of records</td>
<td>1 day</td>
<td>B$4.5 per page</td>
</tr>
<tr>
<td>---</td>
<td>--------------------------------------------------------</td>
<td>-------</td>
<td>---------------</td>
</tr>
</tbody>
</table>

* Takes place simultaneously with another procedure.
### Registering Property Details - Bahamas, the

<table>
<thead>
<tr>
<th>Procedure</th>
<th>Description</th>
<th>Time to complete</th>
<th>Cost to complete</th>
<th>Agency</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Notarization of affidavits of witnesses to signatures of conveyance</td>
<td>1 day</td>
<td>B$30-B$50</td>
<td></td>
<td>This procedure is not required by law, but is done in practice by the registrar general as part of the registration documents. Any licensed notary public can do it but in most cases lawyers also have the notary public license.</td>
</tr>
<tr>
<td>2</td>
<td>Lawyer or his clerk checks for encumbrances at the Registry of records (regarding any mortgages on the property).</td>
<td>1 - 2 months (simultaneous with Procedures 3, 4, and 5)</td>
<td>2.5% of property value</td>
<td>Registry of Records</td>
<td>Searches can be carried out by the Registry staff if dated only 3 months back. Otherwise all searches are done by search clerks. The fee for the search is currently $10 an hour. The Land Registry is being computerized and many deeds have already been scanned (up to 1997). Therefore, the search is still done manually, but in the future this will be done online.</td>
</tr>
<tr>
<td>3</td>
<td>Lawyer checks for judgments against the property at the Supreme Court</td>
<td>1 day (simultaneous with Procedures 2, 4 and 5)</td>
<td>no cost</td>
<td>Supreme Court</td>
<td>This search is conducted to check if there are any judgments regarding the property – Any charge on the judgment is levied on your estate.</td>
</tr>
<tr>
<td>4</td>
<td>Lawyer checks for other companies using the same property at the Company Registrar.</td>
<td>1 day (simultaneous with Procedures 2, 3 and 5)</td>
<td>no cost</td>
<td>Company Registry</td>
<td>This is only done if the property is owned by a company. The lawyer would also check in the Articles of Association filed at the registry of a former company who (names of the registered directors) would be authorized to sign the conveyance from the seller’s side. This is also a new measure of caution introduced under the new money laundering laws introduced after September 11.</td>
</tr>
<tr>
<td>5</td>
<td>Real property tax status enquiry with the Valuation office of the Ministry of Finance.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
**Procedure 6**  
**Payment of Stamp Duty**

**Time to complete:** 1 day  
**Cost to complete:** 10% of property value  
**Comment:** Stamp duty is payable as a percent of the value of the property. Paid at the Public Treasury. The rates for stamp duty are as follows: Stamp duty is payable as a percent of the value of the property. The rates of stamp duty applicable to deeds of conveyance, assignments or transfers of realty are as follows:

- When the amount or value does not exceed $20,000, the rate is 2%.
- Exceeding $20,000, but not exceeding $50,000, the rate is 4%.
- Exceeding $50,000, but not exceeding $100,000, the rate is 6%.
- Exceeding $100,000, but not exceeding $250,000, the rate is 8%.
- Exceeding $250,000, the rate is 10%.

**Procedure 7**  
**Lodge the conveyance for recording at registry of records**

**Time to complete:** 1 day  
**Cost to complete:** B$4.5 per page  
**Agency:** Registry of Records  
**Comment:**
Getting Credit

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

Some reform outcomes

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

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

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

The Debtor

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

Bahamas, the is ranked 72 overall for Getting Credit.

Ranking of Bahamas, the in Getting Credit - Compared to good practice and selected economies:
The following table shows Getting Credit data for Bahamas, the compared to good practice and comparator economies:

<table>
<thead>
<tr>
<th>Good Practice Economies</th>
<th>Strength of legal rights index (0-10)</th>
<th>Depth of credit information index (0-6)</th>
<th>Public registry coverage (% of adults)</th>
<th>Private bureau coverage (% of adults)</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Zealand*</td>
<td></td>
<td></td>
<td></td>
<td>100.0</td>
</tr>
<tr>
<td>Portugal</td>
<td></td>
<td></td>
<td></td>
<td>67.1</td>
</tr>
<tr>
<td>Singapore*</td>
<td>10</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>United Kingdom</td>
<td></td>
<td></td>
<td></td>
<td>6</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Selected Economy</th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Bahamas, the</td>
<td>9</td>
<td>0</td>
<td>0.0</td>
<td>0.0</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Comparator Economies</th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Antigua and Barbuda</td>
<td>7</td>
<td>0</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td>Dominica</td>
<td>9</td>
<td>0</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td>Grenada</td>
<td>8</td>
<td>0</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td>St. Kitts and Nevis</td>
<td>7</td>
<td>0</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td>St. Lucia</td>
<td>8</td>
<td>0</td>
<td>0.0</td>
<td>0.0</td>
</tr>
</tbody>
</table>

* The following economies are also good practice economies for:

- Strength of legal rights index (0-10): Hong Kong, China, Kenya, Kyrgyz Republic, Malaysia
- Private bureau coverage (% of adults): Argentina, Australia, Canada, Iceland, Ireland, Norway, Sweden, United Kingdom, United States

27 countries have the highest credit information index.
2. Historical data: Getting Credit in Bahamas, the

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Rank</td>
<td>..</td>
<td>..</td>
<td>69</td>
<td>72</td>
</tr>
<tr>
<td>Strength of legal rights index (0-10)</td>
<td>9</td>
<td>9</td>
<td>9</td>
<td>9</td>
</tr>
<tr>
<td>Depth of credit information index (0-6)</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Private bureau coverage (% of adults)</td>
<td>..</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td>Public registry coverage (% of adults)</td>
<td>..</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
</tr>
</tbody>
</table>

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

- Strength of legal rights index (0-10)
- Depth of credit information index (0-6)
- Public registry coverage (% of adults)
- Private bureau coverage (% of adults)
The following table summarizes legal rights of borrowers and lenders, and the availability and legal framework of credit registries in the Bahamas.

<table>
<thead>
<tr>
<th>Getting Credit Indicators (2010)</th>
<th>Indicator</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Private bureau coverage (% of adults)</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Private credit bureau</td>
</tr>
<tr>
<td>Are data on both firms and individuals distributed?</td>
<td>No</td>
</tr>
<tr>
<td>Are both positive and negative data distributed?</td>
<td>No</td>
</tr>
<tr>
<td>Does the registry distribute credit information from retailers, trade creditors or utility companies as well as financial institutions?</td>
<td>No</td>
</tr>
<tr>
<td>Are more than 2 years of historical credit information distributed?</td>
<td>No</td>
</tr>
<tr>
<td>Is data on all loans below 1% of income per capita distributed?</td>
<td>No</td>
</tr>
<tr>
<td>Is it guaranteed by law that borrowers can inspect their data in the largest credit registry?</td>
<td>No</td>
</tr>
<tr>
<td><strong>Coverage</strong></td>
<td></td>
</tr>
<tr>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td><strong>Number of individuals</strong></td>
<td></td>
</tr>
<tr>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Number of firms</strong></td>
<td></td>
</tr>
<tr>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Strength of legal rights index (0-10)</strong></td>
<td>9</td>
</tr>
<tr>
<td>------------------------------------------</td>
<td>---</td>
</tr>
<tr>
<td>Can any business use movable assets as collateral while keeping possession of the assets; and any financial institution accept such assets as collateral?</td>
<td>Yes</td>
</tr>
<tr>
<td>Does the law allow businesses to grant a non possessory security right in a single category of movable assets, without requiring a specific description of collateral?</td>
<td>Yes</td>
</tr>
<tr>
<td>Does the law allow businesses to grant a non possessory security right in substantially all of its assets, without requiring a specific description of collateral?</td>
<td>Yes</td>
</tr>
<tr>
<td>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?</td>
<td>Yes</td>
</tr>
<tr>
<td>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?</td>
<td>Yes</td>
</tr>
<tr>
<td>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?</td>
<td>Yes</td>
</tr>
<tr>
<td>Do secured creditors have absolute priority to their collateral outside bankruptcy procedures?</td>
<td>Yes</td>
</tr>
<tr>
<td>Do secured creditors have absolute priority to their collateral in bankruptcy procedures?</td>
<td>No</td>
</tr>
<tr>
<td>During reorganization, are secured creditors' claims exempt from an automatic stay on enforcement?</td>
<td>Yes</td>
</tr>
<tr>
<td>Does the law authorize parties to agree on out of court enforcement?</td>
<td>Yes</td>
</tr>
</tbody>
</table>
Protecting Investors

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

Some reform outcomes

In Indonesia, an economy that consistently improved its laws regulating investor protections, the number of firms listed on the Indonesia Stock Exchange increased from 331 to 396 between 2004 and 2009. Meanwhile, market capitalization grew from 680 trillion rupiah ($73 billion) to 1,077 trillion rupiah ($119 billion).

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

What do the Protecting Investors indicators measure?

Protecting Investors: minority shareholder rights in related-party transactions

Rankings are based on 3 subindicators

Extent of disclosure index (0–10)
- Who can approve related-party transactions
- Requirements for external and internal disclosure in case of related-party transactions

Extent of director liability index (0–10)
- Ability of shareholders to hold the interested party and the approving body liable in case of a prejudicial related-party transaction
- Available legal remedies (damages, repayment of profits, fines, imprisonment and rescission of the transaction)
- Ability of shareholders to sue directly or derivatively

Ease of shareholder suits index (0–10)
- Documents and information available during trial
- Access to internal corporate documents (directly or through a government inspector)

Strength of investor protection index (0–10)
- Simple average of the extent of disclosure, extent of director liability and ease of shareholder suits indices

Case Study Assumptions

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

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

Bahamas is ranked 109 overall for Protecting Investors.

Ranking of Bahamas compared to good practice and selected economies:
The following table shows Protecting Investors data for Bahamas, the compared to good practice and comparator economies:

<table>
<thead>
<tr>
<th>Good Practice Economies</th>
<th>Strength of investor protection index (0-10)</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Zealand</td>
<td>9.7</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Selected Economy</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Bahamas, the</td>
<td>4.7</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Comparator Economies</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Antigua and Barbuda</td>
<td>6.3</td>
</tr>
<tr>
<td>Dominica</td>
<td>6.3</td>
</tr>
<tr>
<td>Grenada</td>
<td>6.3</td>
</tr>
<tr>
<td>St. Kitts and Nevis</td>
<td>6.3</td>
</tr>
<tr>
<td>St. Lucia</td>
<td>6.3</td>
</tr>
</tbody>
</table>
2. Historical data: Protecting Investors in Bahamas, the

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Rank</td>
<td>..</td>
<td>..</td>
<td>108</td>
<td>109</td>
</tr>
<tr>
<td>Strength of investor protection index (0-10)</td>
<td>4.7</td>
<td>4.7</td>
<td>4.7</td>
<td>4.7</td>
</tr>
</tbody>
</table>

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

Note: The higher the score, the greater the investor protection.
The table below provides a full breakdown of how the disclosure, director liability, and shareholder suits indexes are calculated in the Bahamas.

<table>
<thead>
<tr>
<th>Protecting Investors Data (2010)</th>
<th>Indicator</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Extent of disclosure index (0-10)</strong></td>
<td>2</td>
</tr>
<tr>
<td>What corporate body provides legally sufficient approval for the transaction?</td>
<td>1</td>
</tr>
<tr>
<td>Whether immediate disclosure of the transaction to the public and/or shareholders is required?</td>
<td>0</td>
</tr>
<tr>
<td>Whether disclosure of the transaction in published periodic filings (annual reports) is required?</td>
<td>0</td>
</tr>
<tr>
<td>Whether disclosure of the conflict of interest by Mr. James to the board of directors is required?</td>
<td>1</td>
</tr>
<tr>
<td>Whether an external body must review the terms of the transaction before it takes place?</td>
<td>0</td>
</tr>
<tr>
<td><strong>Extent of director liability index (0-10)</strong></td>
<td>5</td>
</tr>
<tr>
<td>Whether shareholders can hold Mr. James liable for the damage that the Buyer-Seller transaction causes to the company?</td>
<td>1</td>
</tr>
<tr>
<td>Whether shareholders can hold the approving body (the CEO or board of directors) liable for the damage that the Buyer-Seller transaction causes to the company?</td>
<td>1</td>
</tr>
<tr>
<td>Whether a court can void the transaction upon a successful claim by a shareholder plaintiff?</td>
<td>0</td>
</tr>
<tr>
<td>Whether Mr. James pays damages for the harm caused to the company upon a successful claim by the shareholder plaintiff?</td>
<td>1</td>
</tr>
</tbody>
</table>
Whether Mr. James repays profits made from the transaction upon a successful claim by the shareholder plaintiff? 1
Whether fines and imprisonment can be applied against Mr. James? 0
Whether shareholders can sue directly or derivatively for the damage that the Buyer-Seller transaction causes to the company? 1

<table>
<thead>
<tr>
<th>Ease of shareholder suits index (0-10)</th>
<th>7</th>
</tr>
</thead>
<tbody>
<tr>
<td>Whether the plaintiff can obtain any documents from the defendant and witnesses during trial?</td>
<td>3</td>
</tr>
<tr>
<td>Whether the plaintiff can directly question the defendant and witnesses during trial?</td>
<td>2</td>
</tr>
<tr>
<td>Whether the plaintiff can request categories of documents from the defendant without identifying specific ones?</td>
<td>1</td>
</tr>
<tr>
<td>Whether shareholders owning 10% or less of Buyer's shares can request an inspector to investigate the transaction?</td>
<td>0</td>
</tr>
<tr>
<td>Whether the level of proof required for civil suits is lower than that of criminal cases?</td>
<td>1</td>
</tr>
<tr>
<td>Whether shareholders owning 10% or less of Buyer's shares can inspect transaction documents before filing suit?</td>
<td>0</td>
</tr>
</tbody>
</table>

| Strength of investor protection index (0-10) | 4.7 |
Taxes are essential to provide public amenities, infrastructure and services which are crucial for a properly functioning economy. Doing Business data show that economies where it is more difficult and costly to pay taxes have larger shares of informal sector activity. More than 60% of economies have reformed in the last 6 years and are starting to see concrete results.

Some reform outcomes

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

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

### What do the Paying taxes indicators measure?

**Paying Taxes**: tax compliance for a local manufacturing company

**Rankings are based on 3 subindicators**

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

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

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

**Total tax rate (% of profit)**

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

### Case Study Assumptions

- TaxpayerCo is a medium-size business that started operations 2 years ago.
- Tax practitioners are asked to review its financial statements, as well as a standard list of transactions that the company completed during the year.
- Respondents are asked how much in taxes and mandatory contributions the business must pay and what the process is for doing so.
- The business starts from the same financial position in each economy. All the taxes and mandatory contributions paid during the second year of operation are recorded.
- Taxes and mandatory contributions are measured at all levels of government
- Taxes and mandatory contributions include corporate income tax, turnover tax, all labor taxes and contributions paid by the company.
- A range of standard deductions and exemptions are also recorded.
1. Benchmarking Paying Taxes Regulations:

Bahamas, the is ranked 50 overall for Paying Taxes.

Ranking of Bahamas, the in Paying Taxes - Compared to good practice and selected economies:
The following table shows Paying Taxes data for Bahamas, the compared to good practice and comparator economies:

<table>
<thead>
<tr>
<th>Good Practice Economies</th>
<th>Payments (number per year)</th>
<th>Time (hours per year)</th>
<th>Total tax rate (% profit)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maldives*</td>
<td>3</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Timor-Leste</td>
<td></td>
<td></td>
<td>0.2</td>
</tr>
</tbody>
</table>

| Selected Economy        |                           |                       |                          |
| Bahamas, the            | 18                        | 58                    | 46.1                     |

| Comparator Economies    |                           |                       |                          |
| Antigua and Barbuda     | 56                        | 207                   | 41.5                     |
| Dominica                | 38                        | 120                   | 37.0                     |
| Grenada                 | 30                        | 140                   | 45.3                     |
| St. Kitts and Nevis     | 24                        | 155                   | 52.7                     |
| St. Lucia               | 32                        | 92                    | 34.0                     |

*The following economies are also good practice economies for:

Payments (number per year): Qatar
2. Historical data: Paying Taxes in Bahamas, the

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Rank</td>
<td>.. .. 43</td>
<td>50</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total tax rate (% profit)</td>
<td>46.1</td>
<td>46.1</td>
<td>46.1</td>
<td>46.1</td>
</tr>
<tr>
<td>Payments (number per year)</td>
<td>18</td>
<td>18</td>
<td>18</td>
<td>18</td>
</tr>
<tr>
<td>Time (hours per year)</td>
<td>58</td>
<td>58</td>
<td>58</td>
<td>58</td>
</tr>
</tbody>
</table>

3. The following graphs illustrate the Paying Taxes sub indicators in Bahamas, the over the past 4 years:
The table below addresses the taxes and mandatory contributions that a medium-size company must pay or withhold in a given year in Bahamas, the, as well as measures of administrative burden in paying taxes.

<table>
<thead>
<tr>
<th>Tax or mandatory contribution</th>
<th>Payments (number)</th>
<th>Notes on Payments</th>
<th>Time (hours)</th>
<th>Statutory tax rate</th>
<th>Tax base</th>
<th>Total tax rate (% profit)</th>
<th>Notes on TTR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vehicle tax</td>
<td>1</td>
<td></td>
<td></td>
<td>BSD 100-350</td>
<td>variable</td>
<td>0.00</td>
<td></td>
</tr>
<tr>
<td>Land tax</td>
<td>1</td>
<td></td>
<td></td>
<td>BSD 100 or 1.5% if land value is higher than BSD 7000</td>
<td>market value of land</td>
<td>0.80</td>
<td></td>
</tr>
<tr>
<td>Fuel tax</td>
<td>1</td>
<td></td>
<td></td>
<td>27.5% + 7% Stamp on all Fuels</td>
<td>diesel fuel</td>
<td>1.20</td>
<td></td>
</tr>
<tr>
<td>Property tax</td>
<td>1</td>
<td></td>
<td></td>
<td>1 and 2% market value of property</td>
<td></td>
<td>1.60</td>
<td></td>
</tr>
<tr>
<td>Social security contributions</td>
<td>12</td>
<td>48</td>
<td></td>
<td>5.4% gross salaries</td>
<td></td>
<td>4.50</td>
<td></td>
</tr>
<tr>
<td>Stamp duty</td>
<td>1</td>
<td></td>
<td></td>
<td>10.0% sale price</td>
<td></td>
<td>5.10</td>
<td></td>
</tr>
<tr>
<td>Business license fee</td>
<td>1</td>
<td></td>
<td></td>
<td>1.5% or BSD 500,000 turnover or flat fee (whichever is greater)</td>
<td></td>
<td>33.00</td>
<td></td>
</tr>
<tr>
<td>Totals</td>
<td>18</td>
<td>58</td>
<td>46.1</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>--------</td>
<td>------</td>
<td>------</td>
<td>-------</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Trading Across Borders

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

**Some reform outcomes**

In Georgia, reducing customs clearance time by a day has led to operational savings of an estimated $288 per truck, or an annual $133 million for the country’s whole trading community given the growing amount of cross-border trade in recent years. In Korea, predictable cargo processing times and rapid turnover by ports and warehouses provide a benefit to the Korean economy of some $2 billion annually.

**What do the Trading Across Borders indicators measure?**

**Documents required to export and import (number)**
- Bank documents
- Customs clearance documents
- Port and terminal handling documents
- Transport documents

**Time required to export and import (days)**
- Obtaining all the documents
- Inland transport and handling
- Customs clearance and inspections
- Port and terminal handling
- Does not include ocean transport time

**Cost required to export and import (US$ per container)**
- All documentation
- Inland transport and handling
- Customs clearance and inspections
- Port and terminal handling
- Official costs only, no bribes

**Trading Across Borders: exporting and importing by ocean transport**

*Rankings are based on 3 subindicators*

![Diagram showing the breakdown of costs and time for export and import processes.]
1. Benchmarking Trading Across Borders Regulations:

Bahamas, the is ranked 45 overall for Trading Across Borders.

Ranking of Bahamas, the in Trading Across Borders - Compared to good practice and selected economies:
The following table shows Trading Across Borders data for Bahamas, the compared to good practice and comparator economies:

<table>
<thead>
<tr>
<th>Good Practice Economies</th>
<th>Documents to export (number)</th>
<th>Time to export (days)</th>
<th>Cost to export (US$ per container)</th>
<th>Documents to import (number)</th>
<th>Time to import (days)</th>
<th>Cost to import (US$ per container)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Denmark*</td>
<td></td>
<td>5</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>France</td>
<td>2</td>
<td>2</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Malaysia</td>
<td></td>
<td>450</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Singapore</td>
<td></td>
<td>4</td>
<td>439</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Selected Economy</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Bahamas, the</td>
<td>5</td>
<td>19</td>
<td>930</td>
<td>5</td>
<td>13</td>
<td>1380</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Comparator Economies</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Antigua and Barbuda</td>
<td>5</td>
<td>15</td>
<td>1133</td>
<td>5</td>
<td>15</td>
<td>1633</td>
</tr>
<tr>
<td>Dominica</td>
<td>7</td>
<td>13</td>
<td>1297</td>
<td>8</td>
<td>15</td>
<td>1310</td>
</tr>
<tr>
<td>Grenada</td>
<td>6</td>
<td>10</td>
<td>876</td>
<td>5</td>
<td>15</td>
<td>2129</td>
</tr>
<tr>
<td>St. Kitts and Nevis</td>
<td>4</td>
<td>12</td>
<td>850</td>
<td>5</td>
<td>13</td>
<td>2138</td>
</tr>
<tr>
<td>St. Lucia</td>
<td>5</td>
<td>14</td>
<td>1700</td>
<td>8</td>
<td>18</td>
<td>2745</td>
</tr>
</tbody>
</table>

* The following economies are also good practice economies for:

Time to export (days): **Estonia**
2. Historical data: Trading Across Borders in Bahamas, the

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Rank</td>
<td>..</td>
<td>..</td>
<td>41</td>
<td>45</td>
</tr>
<tr>
<td>Cost to export (US$ per container)</td>
<td>930</td>
<td>930</td>
<td>930</td>
<td>930</td>
</tr>
<tr>
<td>Cost to import (US$ per container)</td>
<td>1380</td>
<td>1380</td>
<td>1380</td>
<td>1380</td>
</tr>
<tr>
<td>Documents to export (number)</td>
<td>5</td>
<td>5</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Documents to import (number)</td>
<td>5</td>
<td>5</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Time to export (days)</td>
<td>16</td>
<td>16</td>
<td>16</td>
<td>19</td>
</tr>
<tr>
<td>Time to import (days)</td>
<td>13</td>
<td>13</td>
<td>13</td>
<td>13</td>
</tr>
</tbody>
</table>

3. The following graphs illustrate the Trading Across Borders sub indicators in Bahamas, the over the past 4 years:
Time to Import (days)

- Bahamas, the
- Latin America & Caribbean

Cost to Import (US$ per container)

- Bahamas, the
- Latin America & Caribbean
These tables list the procedures necessary to import and export a standardized cargo of goods in Bahamas, the. The documents required to export and import the goods are also shown.

### Nature of Export Procedures (2010)

<table>
<thead>
<tr>
<th>Nature of Procedure</th>
<th>Duration (days)</th>
<th>US$ Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Documents preparation</td>
<td>7</td>
<td>300</td>
</tr>
<tr>
<td>Customs clearance and technical control</td>
<td>3</td>
<td>130</td>
</tr>
<tr>
<td>Ports and terminal handling</td>
<td>7</td>
<td>200</td>
</tr>
<tr>
<td>Inland transportation and handling</td>
<td>2</td>
<td>300</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td><strong>19</strong></td>
<td><strong>930</strong></td>
</tr>
</tbody>
</table>

### Nature of Import Procedures (2010)

<table>
<thead>
<tr>
<th>Nature of Procedure</th>
<th>Duration (days)</th>
<th>US$ Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Documents preparation</td>
<td>7</td>
<td>300</td>
</tr>
<tr>
<td>Customs clearance and technical control</td>
<td>3</td>
<td>130</td>
</tr>
<tr>
<td>Ports and terminal handling</td>
<td>2</td>
<td>650</td>
</tr>
<tr>
<td>Inland transportation and handling</td>
<td>1</td>
<td>300</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td><strong>13</strong></td>
<td><strong>1380</strong></td>
</tr>
</tbody>
</table>
### Documents for Export and Import

<table>
<thead>
<tr>
<th>Export</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Bill of lading</td>
<td></td>
</tr>
<tr>
<td>Cargo release order</td>
<td></td>
</tr>
<tr>
<td>Commercial invoice</td>
<td></td>
</tr>
<tr>
<td>Customs export declaration</td>
<td></td>
</tr>
<tr>
<td>Packing list</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Import</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Bill of lading</td>
<td></td>
</tr>
<tr>
<td>Cargo release order</td>
<td></td>
</tr>
<tr>
<td>Commercial invoice</td>
<td></td>
</tr>
<tr>
<td>Packing list</td>
<td></td>
</tr>
<tr>
<td>Certificate of origin</td>
<td></td>
</tr>
</tbody>
</table>
Some reform outcomes

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

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

What do the Enforcing Contracts indicators measure?

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

**Time required to complete procedures (calendar days)**
- Time to file and serve the case
- Time for trial and obtaining judgment
- Time to enforce the judgment

**Cost required to complete procedures (% of claim)**
- No bribes
- Average attorney fees
- Court costs, including expert fees
- Enforcement costs

Case Study Assumptions

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

Bahamas, the is ranked 120 overall for Enforcing Contracts.

Ranking of Bahamas, the in Enforcing Contracts - Compared to good practice and selected economies:
The following table shows Enforcing Contracts data for Bahamas, the compared to good practice and comparator economies:

<table>
<thead>
<tr>
<th>Good Practice Economies</th>
<th>Procedures (number)</th>
<th>Time (days)</th>
<th>Cost (% of claim)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bhutan</td>
<td></td>
<td></td>
<td>0.1</td>
</tr>
<tr>
<td>Ireland</td>
<td>20</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Singapore</td>
<td></td>
<td>150</td>
<td></td>
</tr>
</tbody>
</table>

| Selected Economy       |                     |             |                  |
| Bahamas, the           | 49                  | 427         | 28.9             |

| Comparator Economies   |                     |             |                  |
| Antigua and Barbuda    | 45                  | 351         | 22.7             |
| Dominica               | 47                  | 681         | 36.0             |
| Grenada                | 47                  | 688         | 32.6             |
| St. Kitts and Nevis    | 47                  | 578         | 20.5             |
| St. Lucia              | 47                  | 635         | 37.3             |
2. Historical data: Enforcing Contracts in Bahamas, the

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Rank</td>
<td>..</td>
<td>..</td>
<td>120</td>
<td>120</td>
</tr>
<tr>
<td>Procedures (number)</td>
<td>49</td>
<td>49</td>
<td>49</td>
<td>49</td>
</tr>
<tr>
<td>Time (days)</td>
<td>427</td>
<td>427</td>
<td>427</td>
<td>427</td>
</tr>
<tr>
<td>Cost (% of claim)</td>
<td>28.9</td>
<td>28.9</td>
<td>28.9</td>
<td>28.9</td>
</tr>
</tbody>
</table>

3. The following graphs illustrate the Enforcing Contracts sub indicators in Bahamas, the over the past 4 years:
This topic looks at the efficiency of contract enforcement in Bahamas, the.

<table>
<thead>
<tr>
<th>Nature of Procedure (2010)</th>
<th>Indicator</th>
</tr>
</thead>
<tbody>
<tr>
<td>Procedures (number)</td>
<td>49</td>
</tr>
<tr>
<td>Time (days)</td>
<td>427</td>
</tr>
</tbody>
</table>

- Filing and service: 7.0
- Trial and judgment: 240.0
- Enforcement of judgment: 180.0

<table>
<thead>
<tr>
<th>Cost (% of claim)*</th>
<th>28.90</th>
</tr>
</thead>
<tbody>
<tr>
<td>Attorney cost (% of claim)</td>
<td>18.0</td>
</tr>
<tr>
<td>Court cost (% of claim)</td>
<td>2.9</td>
</tr>
<tr>
<td>Enforcement Cost (% of claim)</td>
<td>8.0</td>
</tr>
</tbody>
</table>
Court information:  Nassau Supreme Court of the Commonwealth of the Bahamas

* Claim assumed to be equivalent to 200% of income per capita.
A robust bankruptcy system functions as a filter, ensuring the survival of economically efficient companies and reallocating the resources of inefficient ones. Fast and cheap insolvency proceedings result in businesses’ speedy return to normal operation and increase returns to creditors. By improving the expectations of creditors and debtors about the outcome of insolvency proceedings, well-functioning insolvency systems can facilitate access to finance, save more viable businesses, and thereby improve growth and sustainability in the economy overall.

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

Following the introduction of debtor-in-possession reorganizations in Korea in 2006, the number of reorganization filings increased from 76 in 2005 to 670 in 2009.

What does the Closing a Business indicator measure?

**Time required to recover debt (years)**
- Measured in calendar years
- Appeals and requests for extension are included

**Cost required to recover debt (% of debtor’s estate value)**
- Measured as percentage of estate value
- Court fees
- Fees of insolvency administrators
- Lawyers’ fees
- Assessors’ and auctioneers’ fees
- All other fees and costs

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

Case Study Assumptions
The Company
- is domestically owned
- is a limited liability company operating a hotel
- operates in the economy’s largest business city
- has 201 employees, 1 secured creditor and 50 unsecured creditors
- has a higher value as a going concern and a lower value in a piecemeal sale of assets
**1. Benchmarking Closing Business Regulations:**

Bahamas, the is ranked 34 overall for Closing a Business.

**Ranking of Bahamas, the in Closing Business - Compared to good practice and selected economies:**

![Closing a Business - Global Rank](image-url)
The following table shows Closing Business data for Bahamas, the compared to good practice and comparator economies:

<table>
<thead>
<tr>
<th>Good Practice Economies</th>
<th>Recovery rate (cents on the dollar)</th>
<th>Time (years)</th>
<th>Cost (% of estate)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ireland</td>
<td></td>
<td>0.4</td>
<td></td>
</tr>
<tr>
<td>Japan</td>
<td></td>
<td>92.7</td>
<td></td>
</tr>
<tr>
<td>Singapore*</td>
<td></td>
<td></td>
<td>1</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Selected Economy</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Bahamas, the</td>
<td>54.7</td>
<td>5.0</td>
<td>4</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Comparator Economies</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Antigua and Barbuda</td>
<td>36.7</td>
<td>3.0</td>
<td>7</td>
</tr>
<tr>
<td>Dominica</td>
<td>0.0</td>
<td>no practice</td>
<td>no practice</td>
</tr>
<tr>
<td>Grenada</td>
<td>0.0</td>
<td>no practice</td>
<td>no practice</td>
</tr>
<tr>
<td>St. Kitts and Nevis</td>
<td>0.0</td>
<td>no practice</td>
<td>no practice</td>
</tr>
<tr>
<td>St. Lucia</td>
<td>41.5</td>
<td>2.0</td>
<td>9</td>
</tr>
</tbody>
</table>

* The following economies are also good practice economies for:

Cost (% of estate): Colombia, Kuwait, Norway
2. Historical data: Closing Business in Bahamas, the

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Rank</td>
<td>..</td>
<td>..</td>
<td>31</td>
<td>34</td>
</tr>
<tr>
<td>Time (years)</td>
<td>5.0</td>
<td>5.0</td>
<td>5.0</td>
<td>5.0</td>
</tr>
<tr>
<td>Cost (% of estate)</td>
<td>4</td>
<td>4</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Recovery rate (cents on the dollar)</td>
<td>54.7</td>
<td>54.7</td>
<td>54.7</td>
<td>54.7</td>
</tr>
</tbody>
</table>

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

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

The top 10 most-improved in Doing Business 2011

<table>
<thead>
<tr>
<th>Economy</th>
<th>Starting a Business</th>
<th>Dealing with Construction Permits</th>
<th>Registering Property</th>
<th>Getting Credit</th>
<th>Protecting Investors</th>
<th>Paying Taxes</th>
<th>Trading Across Borders</th>
<th>Enforcing Contracts</th>
<th>Closing a Business</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kazakhstan</td>
<td>✓✓✓✓✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rwanda</td>
<td>✓✓✓✓✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Peru</td>
<td>✓✓✓✓✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Vietnam</td>
<td>✓✓✓✓✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cape Verde</td>
<td>✓✓✓✓✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tajikistan</td>
<td>✓✓✓✓✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Zambia</td>
<td>✓✓✓✓✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hungary</td>
<td>✓✓✓✓✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grenada</td>
<td>✓✓✓✓✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Brunei Darussalam</td>
<td>✓✓✓✓✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* For Doing Business 2011 the Employing Workers indicator is not included in the aggregate ease of doing business ranking.
Summary of changes to business regulation in top 10 most improved economies in Doing Business 2011 and selected comparator economies.

Antigua and Barbuda
In Antigua and Barbuda, to transfer property now requires clearance by the chief surveyor to avoid mischievous declarations.

Brunei Darussalam
Brunei Darussalam made starting a business easier by improving efficiency at the company registrar and implementing an electronic system for name searches. Brunei Darussalam reduced the corporate income tax rate from 23.5% to 22% while also introducing a lower tax rate for small businesses, ranging from 5.5% to 11%. The introduction of an electronic customs system in Brunei Darussalam made trading easier.

Cape Verde
Cape Verde made start-up easier by eliminating the need for a municipal inspection before a business begins operations and computerizing the system for delivering the municipal license. Cape Verde eased property registration by switching from fees based on a percentage of the property value to lower fixed rates. Cape Verde abolished the stamp duties on sales and checks.

Grenada
Grenada eased business start-up by transferring responsibility for the commercial registry from the courts to the civil administration. The appointment of a registrar focusing only on property cut the time needed to transfer property in Grenada by almost half. Grenada’s customs administration made trading faster by simplifying procedures, reducing inspections, improving staff training and enhancing communication with users.

Hungary
Hungary implemented a time limit for the issuance of building permits. Hungary reduced the property registration fee by 6% of the property value. Hungary simplified taxes and tax bases. Amendments to Hungary’s bankruptcy law encourage insolvent companies to consider reaching agreements with creditors out of court so as to avoid bankruptcy.

Kazakhstan
Kazakhstan eased business start-up by reducing the minimum capital requirement to 100 tenge ($0.70) and eliminating the need to have the memorandum of association and company charter notarized. Kazakhstan made dealing with construction permits easier by implementing a one-stop shop related to technical conditions for utilities. Kazakhstan strengthened investor protections by requiring greater corporate disclosure in company annual reports. Kazakhstan speeded up trade through efforts to modernize customs, including implementation of a risk management system and improvements in customs automation.

Peru
Peru eased business start-up by simplifying the requirements for operating licenses and creating an online one-stop shop for business registration. Peru streamlined construction permitting by implementing administrative reforms. Peru introduced fast-track procedures at the land registry, cutting by half the time needed to register property. Peru made trading easier by implementing a new web-based electronic data interchange system, risk-based inspections and payment deferrals.

Rwanda
Rwanda made dealing with construction permits easier by passing new building regulations at the end of April 2010 and implementing new time limits for the issuance of various permits. Rwanda enhanced access to credit by allowing borrowers the right to inspect their own credit report and mandating that loans of all sizes be reported to the central bank’s public credit registry. Rwanda reduced the number of trade documents required and enhanced its joint border management procedures with Uganda and other neighbors, leading to an improvement in the trade logistics environment.

Tajikistan
Tajikistan made starting a business easier by creating a one-stop shop that consolidates registration with the state and the tax authority. Tajikistan strengthened investor protections by requiring greater corporate disclosure in the annual report and greater access to corporate information for minority investors. Tajikistan lowered its corporate income tax rate.

Vietnam
Vietnam eased company start-up by creating a one-stop shop that combines the processes for obtaining a business license and tax license and by eliminating the need for a seal for company licensing. Vietnam made dealing with construction permits easier by reducing the cost to register newly completed buildings by 50% and transferring the authority to register buildings from local authorities to the Department of National Resources and Environment. Vietnam improved its credit information system by allowing borrowers to examine their own credit report and correct errors.
Zambia eased business start-up by eliminating the minimum capital requirement. Zambia eased trade by implementing a one-stop border post with Zimbabwe, launching web-based submission of customs declarations and introducing scanning machines at border posts. Zambia improved contract enforcement by introducing an electronic case management system in the courts that provides electronic referencing of cases, a database of laws, real-time court reporting and public access to court records.