Austria

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## CONTENTS

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Introduction</td>
<td>4</td>
</tr>
<tr>
<td>The business environment</td>
<td>6</td>
</tr>
<tr>
<td>Starting a business</td>
<td>16</td>
</tr>
<tr>
<td>Dealing with construction permits</td>
<td>24</td>
</tr>
<tr>
<td>Getting electricity</td>
<td>30</td>
</tr>
<tr>
<td>Registering property</td>
<td>35</td>
</tr>
<tr>
<td>Getting credit</td>
<td>42</td>
</tr>
<tr>
<td>Protecting minority investors</td>
<td>48</td>
</tr>
<tr>
<td>Paying taxes</td>
<td>56</td>
</tr>
<tr>
<td>Trading across borders</td>
<td>60</td>
</tr>
<tr>
<td>Enforcing contracts</td>
<td>64</td>
</tr>
<tr>
<td>Resolving insolvency</td>
<td>70</td>
</tr>
<tr>
<td>Labor market regulation</td>
<td>75</td>
</tr>
<tr>
<td>Distance to frontier and ease of doing business ranking</td>
<td>81</td>
</tr>
<tr>
<td>Resources on the <em>Doing Business</em> website</td>
<td>84</td>
</tr>
</tbody>
</table>
INTRODUCTION

*Doing Business* sheds light on how easy or difficult it is for a local entrepreneur to open and run a small to medium-size business when complying with relevant regulations. It measures and tracks changes in regulations affecting 11 areas in the life cycle of a business: starting a business, dealing with construction permits, getting electricity, registering property, getting credit, protecting minority investors, paying taxes, trading across borders, enforcing contracts, resolving insolvency and labor market regulation.

In a series of annual reports *Doing Business* presents quantitative indicators on business regulations and the protection of property rights that can be compared across 189 economies, from Afghanistan to Zimbabwe, over time. The data set covers 47 economies in Sub-Saharan Africa, 32 in Latin America and the Caribbean, 25 in East Asia and the Pacific, 26 in Eastern Europe and Central Asia, 20 in the Middle East and North Africa and 8 in South Asia, as well as 31 OECD high-income economies. The indicators are used to analyze economic outcomes and identify what reforms have worked, where and why.

This economy profile presents the *Doing Business* indicators for Austria. To allow useful comparison, it also provides data for other selected economies (comparator economies) for each indicator. The data in this report are current as of June 1, 2014 (except for the paying taxes indicators, which cover the period January–December 2013).

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 and getting electricity), the security of property from theft and looting, the transparency of government procurement, macroeconomic conditions or the underlying strength of institutions—are not directly studied by *Doing Business*. 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 policy makers in designing regulatory reform.

More information is available in the full report. *Doing Business 2015* presents the indicators, analyzes their relationship with economic outcomes and presents business regulatory reforms. The data, along with information on ordering *Doing Business 2015*, are available on the *Doing Business* website at http://www.doingbusiness.org.
As part of a 2-year update in methodology, Doing Business 2015 incorporates 7 important changes. First, the ease of doing business ranking as well as all topic-level rankings are now computed on the basis of distance to frontier scores (see the chapter on the distance to frontier and ease of doing business ranking). Second, for the 11 economies with a population of more than 100 million, data for a second city have been added to the data set and the ranking calculation. These economies are Bangladesh, Brazil, China, India, Indonesia, Japan, Mexico, Nigeria, Pakistan, the Russian Federation and the United States. Third, for getting credit, the methodology has been revised for both the strength of legal rights index and the depth of credit information index. The number of points has been increased in both indices, from 10 to 12 for the strength of legal rights index and from 6 to 8 for the depth of credit information index. In addition, only credit bureaus and registries that cover at least 5% of the adult population can receive a score on the depth of credit information index.

Fourth, the name of the protecting investors indicator set has been changed to protecting minority investors to better reflect its scope—and the scope of the indicator set has been expanded to include shareholders’ rights in corporate governance beyond related-party transactions. Fifth, the resolving insolvency indicator set has been expanded to include an index measuring the strength of the legal framework for insolvency. Sixth, the calculation of the distance to frontier score for paying taxes has been changed. The total tax rate component now enters the score in a nonlinear fashion, in an approach different from that used for all other indicators (see the chapter on the distance to frontier and ease of doing business ranking).

Finally, the name of the employing workers indicator set has been changed to labor market regulation, and the scope of this indicator set has also been changed. The indicators now focus on labor market regulation applying to the retail sector rather than the manufacturing sector, and their coverage has been expanded to include regulations on labor disputes and on benefits provided to workers. The labor market regulation indicators continue to be excluded from the aggregate distance to frontier score and ranking on the ease of doing business.

Beyond these changes there are 3 other updates in methodology. For paying taxes, the financial statement variables have been updated to be proportional to 2012 income per capita; previously they were proportional to 2005 income per capita. For enforcing contracts, the value of the claim is now set at twice the income per capita or $5,000, whichever is greater. For dealing with construction permits, the cost of construction is now set at 50 times income per capita (before, the cost was assessed by the Doing Business respondents). In addition, this indicator set no longer includes the procedures for obtaining a landline telephone connection.

For more details on the changes, see the “What is changing in Doing Business?” chapter starting on page 24 of the Doing Business 2015 report. For more details on the data and methodology, please see the “Data Notes” chapter starting on page 114 of the Doing Business 2015 report. For more details on the distance to frontier metric, please see the “Distance to frontier and ease of doing business ranking” chapter in this profile.
THE BUSINESS ENVIRONMENT

For policy makers trying to improve their economy’s regulatory environment for business, a good place to start is to find out how it compares with the regulatory environment in other economies. *Doing Business* provides an aggregate ranking on the ease of doing business based on indicator sets that measure and benchmark regulations applying to domestic small to medium-size businesses through their life cycle. Economies are ranked from 1 to 189 by the ease of doing business ranking. This year’s report presents results for 2 aggregate measures: the distance to frontier score and the ease of doing business ranking. The ranking of economies is determined by sorting the aggregate distance to frontier (DTF) scores. The distance to frontier score benchmarks economies with respect to regulatory practice, showing the absolute distance to the best performance in each *Doing Business* indicator. An economy’s distance to frontier score is indicated on a scale from 0 to 100, where 0 represents the worst performance and 100 the frontier. (See the chapter on the distance to frontier and ease of doing business).

The aggregate ranking on the ease of doing business benchmarks each economy’s performance on the indicators against that of all other economies in the *Doing Business* sample (figure 1.1). While this ranking tells much about the business environment in an economy, it does not tell the whole story. The ranking on the ease of doing business, and the underlying indicators, do not measure all aspects of the business environment that matter to firms and investors or that affect the competitiveness of the economy. Still, a high ranking does mean that the government has created a regulatory environment conducive to operating a business.

ECONOMY OVERVIEW

Region: OECD high income

Income category: High income

Population: 8,473,786

GNI per capita (US$): 48,590

DB2015 rank: 21

DB2014 rank: 19*

Change in rank: -2

DB 2015 DTF: 77.4

DB 2014 DTF: 77.1

Change in DTF: 0.3

* DB2014 ranking shown is not last year’s published ranking but a comparable ranking for DB2014 that captures the effects of such factors as data corrections and the changes in methodology. See the data notes starting on page 114 of the *Doing Business 2015* report for sources and definitions.
THE BUSINESS ENVIRONMENT

Figure 1.1 Where economies stand in the global ranking on the ease of doing business

Source: Doing Business database.
THE BUSINESS ENVIRONMENT

For policy makers, knowing where their economy stands in the aggregate ranking on the ease of doing business is useful. Also useful is to know how it ranks relative to comparator economies and relative to the regional average (figure 1.2). The economy’s rankings (figure 1.3) and distance to frontier scores (figure 1.4) on the topics included in the ease of doing business ranking provide another perspective.

Figure 1.2 How Austria and comparator economies rank on the ease of doing business

![Bar chart showing rankings and distance to frontier scores for various countries.]

Note: The rankings are benchmarked to June 2014 and based on the average of each economy’s distance to frontier (DTF) scores for the 10 topics included in this year’s aggregate ranking. The distance to frontier score benchmarks economies with respect to regulatory practice, showing the absolute distance to the best performance in each Doing Business indicator. An economy’s distance to frontier score is indicated on a scale from 0 to 100, where 0 represents the worst performance and 100 the frontier. For the economies for which the data cover 2 cities, scores are a population-weighted average for the 2 cities.

Source: Doing Business database.
THE BUSINESS ENVIRONMENT

Figure 1.3 Rankings on Doing Business topics - Austria
(Scale: Rank 189 center, Rank 1 outer edge)

Figure 1.4 Distance to frontier scores on Doing Business topics - Austria
(Scale: Score 0 center, Score 100 outer edge)

Note: The rankings are benchmarked to June 2014 and based on the average of each economy’s distance to frontier (DTF) scores for the 10 topics included in this year’s aggregate ranking. The distance to frontier score benchmarks economies with respect to regulatory practice, showing the absolute distance to the best performance in each Doing Business indicator. An economy’s distance to frontier score is indicated on a scale from 0 to 100, where 0 represents the worst performance and 100 the frontier. For the economies for which the data cover 2 cities, scores are a population-weighted average for the 2 cities.
Source: Doing Business database.
THE BUSINESS ENVIRONMENT

Just as the overall ranking on the ease of doing business tells only part of the story, so do changes in that ranking. Yearly movements in rankings can provide some indication of changes in an economy’s regulatory environment for firms, but they are always relative.

Moreover, year-to-year changes in the overall rankings do not reflect how the business regulatory environment in an economy has changed over time—or how it has changed in different areas. To aid in assessing such changes, Doing Business introduced the distance to frontier score. This measure shows how far on average an economy is from the best performance achieved by any economy on each Doing Business indicator.

Comparing the measure for an economy at 2 points in time allows users to assess how much the economy’s regulatory environment as measured by Doing Business has changed over time—how far it has moved toward (or away from) the most efficient practices and strongest regulations in areas covered by Doing Business (figure 1.5).

Figure 1.5 How far has Austria come in the areas measured by Doing Business?

![Graph showing the distance to frontier score for Austria in different years.](image)

Note: The distance to frontier score shows how far on average an economy is from the best performance achieved by any economy on each Doing Business indicator since 2010, except for getting credit, paying taxes, protecting minority investors and resolving insolvency which had methodology changes in 2014 and thus are only comparable to 2013. The measure is normalized to range between 0 and 100, with 100 representing the best performance (the frontier). See the data notes starting on page 114 of the Doing Business 2015 report for more details on the distance to frontier score.

Source: Doing Business database.
THE BUSINESS ENVIRONMENT

The absolute values of the indicators tell another part of the story (table 1.1). The indicators, on their own or in comparison with the indicators of a good practice economy or those of comparator economies in the region, may reveal bottlenecks reflected in large numbers of procedures, long delays or high costs. Or they may reveal unexpected strengths in an area of business regulation—such as a regulatory process that can be completed with a small number of procedures in a few days and at a low cost. Comparison of the economy’s indicators today with those in the previous year may show where substantial bottlenecks persist—and where they are diminishing.

Table 1.1 Summary of Doing Business indicators for Austria

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<thead>
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<td>113</td>
<td>14</td>
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<td>78</td>
<td>82</td>
<td>139</td>
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<td>116</td>
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<td>67.35</td>
<td>78.50</td>
<td>Hong Kong SAR, China (95.53)</td>
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## Austria

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<td>6.7</td>
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<td>81</td>
<td>119</td>
<td>95</td>
<td>68</td>
<td>141</td>
<td>18</td>
<td>United Arab Emirates (1)*</td>
</tr>
<tr>
<td>Paying Taxes (DTF Score)</td>
<td>76.36</td>
<td>76.42</td>
<td>74.18</td>
<td>67.66</td>
<td>72.12</td>
<td>77.02</td>
<td>62.13</td>
<td>89.05</td>
<td>United Arab Emirates (99.44)*</td>
</tr>
<tr>
<td>Payments (number per year)</td>
<td>12.0</td>
<td>12.0</td>
<td>11.0</td>
<td>8.0</td>
<td>8.0</td>
<td>9.0</td>
<td>15.0</td>
<td>19.0</td>
<td>Hong Kong SAR, China (3.0)*</td>
</tr>
<tr>
<td>Time (hours per year)</td>
<td>166.0</td>
<td>166.0</td>
<td>160.0</td>
<td>413.0</td>
<td>137.0</td>
<td>218.0</td>
<td>269.0</td>
<td>63.0</td>
<td>Luxembourg (55.0)</td>
</tr>
<tr>
<td>Trading Across Borders (rank)</td>
<td>19</td>
<td>18</td>
<td>26</td>
<td>58</td>
<td>10</td>
<td>18</td>
<td>37</td>
<td>22</td>
<td>Singapore (1)</td>
</tr>
<tr>
<td>Trading Across Borders</td>
<td>87.66</td>
<td>87.93</td>
<td>85.55</td>
<td>78.33</td>
<td>90.18</td>
<td>87.67</td>
<td>83.44</td>
<td>86.10</td>
<td>Singapore (96.47)</td>
</tr>
<tr>
<td>---------------------------------</td>
<td>---------------</td>
<td>---------------</td>
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<td>---------------</td>
<td>----------------</td>
<td>--------------</td>
<td>---------------------</td>
<td>-----------------------------</td>
</tr>
<tr>
<td>(DTF Score)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Documents to export (number)</td>
<td>3</td>
<td>3</td>
<td>4</td>
<td>4</td>
<td>2</td>
<td>4</td>
<td>3</td>
<td>3</td>
<td>Ireland (2)*</td>
</tr>
<tr>
<td>Time to export (days)</td>
<td>10.0</td>
<td>10.0</td>
<td>9.0</td>
<td>17.0</td>
<td>10.0</td>
<td>9.0</td>
<td>19.0</td>
<td>8.0</td>
<td>5 Economies (6.0)*</td>
</tr>
<tr>
<td>Cost to export (US$ per container)</td>
<td>1,150.0</td>
<td>1,090.0</td>
<td>1,240.0</td>
<td>1,240.0</td>
<td>1,335.0</td>
<td>1,015.0</td>
<td>1,195.0</td>
<td>1,660.0</td>
<td>Timor-Leste (410.0)</td>
</tr>
<tr>
<td>Cost to export (deflated US$ per container)</td>
<td>1,150.0</td>
<td>1,107.6</td>
<td>1,240.0</td>
<td>1,240.0</td>
<td>1,335.0</td>
<td>1,015.0</td>
<td>1,195.0</td>
<td>1,660.0</td>
<td></td>
</tr>
<tr>
<td>Documents to import (number)</td>
<td>4</td>
<td>4</td>
<td>4</td>
<td>6</td>
<td>2</td>
<td>4</td>
<td>3</td>
<td>4</td>
<td>Ireland (2)*</td>
</tr>
<tr>
<td>Time to import (days)</td>
<td>9.0</td>
<td>9.0</td>
<td>8.0</td>
<td>17.0</td>
<td>11.0</td>
<td>7.0</td>
<td>18.0</td>
<td>8.0</td>
<td>Singapore (4.0)</td>
</tr>
<tr>
<td>Cost to import (US$ per container)</td>
<td>1,215.0</td>
<td>1,155.0</td>
<td>1,400.0</td>
<td>1,215.0</td>
<td>1,445.0</td>
<td>1,050.0</td>
<td>1,145.0</td>
<td>1,440.0</td>
<td>Singapore (440.0)</td>
</tr>
<tr>
<td>Cost to import (deflated US$ per container)</td>
<td>1,215.0</td>
<td>1,173.7</td>
<td>1,400.0</td>
<td>1,215.0</td>
<td>1,445.0</td>
<td>1,050.0</td>
<td>1,145.0</td>
<td>1,440.0</td>
<td></td>
</tr>
<tr>
<td>Enforcing Contracts (rank)</td>
<td>5</td>
<td>5</td>
<td>10</td>
<td>37</td>
<td>10</td>
<td>13</td>
<td>147</td>
<td>22</td>
<td>Singapore (1)</td>
</tr>
<tr>
<td>Enforcing Contracts (DTF Score)</td>
<td>81.55</td>
<td>81.55</td>
<td>77.67</td>
<td>68.00</td>
<td>77.67</td>
<td>76.74</td>
<td>45.61</td>
<td>72.20</td>
<td>Singapore (89.54)</td>
</tr>
<tr>
<td>Time (days)</td>
<td>397.0</td>
<td>397.0</td>
<td>505.0</td>
<td>611.0</td>
<td>395.0</td>
<td>394.0</td>
<td>1,185.0</td>
<td>390.0</td>
<td>Singapore (150.0)</td>
</tr>
<tr>
<td>Cost (% of claim)</td>
<td>18.0</td>
<td>18.0</td>
<td>17.7</td>
<td>33.0</td>
<td>17.4</td>
<td>14.4</td>
<td>23.1</td>
<td>24.0</td>
<td>Iceland (9.0)</td>
</tr>
<tr>
<td>Procedures (number)</td>
<td>25.0</td>
<td>25.0</td>
<td>26.0</td>
<td>27.0</td>
<td>29.0</td>
<td>31.0</td>
<td>37.0</td>
<td>32.0</td>
<td>Singapore (21.0)*</td>
</tr>
<tr>
<td>Resolving Insolvency (rank)</td>
<td>16</td>
<td>16</td>
<td>11</td>
<td>20</td>
<td>22</td>
<td>3</td>
<td>29</td>
<td>41</td>
<td>Finland (1)</td>
</tr>
<tr>
<td>Resolving Insolvency (DTF Score)</td>
<td>78.84</td>
<td>78.70</td>
<td>83.87</td>
<td>77.50</td>
<td>75.94</td>
<td>91.78</td>
<td>71.29</td>
<td>63.10</td>
<td>Finland (93.85)</td>
</tr>
<tr>
<td>-----------------------------------------------</td>
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<td>---------------</td>
<td>----------------</td>
<td>--------------</td>
<td>---------------------</td>
<td>-------------------------------</td>
</tr>
<tr>
<td>Time (years)</td>
<td>1.1</td>
<td>0.9</td>
<td>2.1</td>
<td>1.9</td>
<td>1.2</td>
<td>1.8</td>
<td>3.0</td>
<td>Ireland (0.4)</td>
<td></td>
</tr>
<tr>
<td>Cost (% of estate)</td>
<td>10.0</td>
<td>10.0</td>
<td>3.5</td>
<td>17.0</td>
<td>9.0</td>
<td>8.0</td>
<td>22.0</td>
<td>3.5</td>
<td>Norway (1.0)</td>
</tr>
<tr>
<td>Outcome (0 as piecemeal sale and 1 as going concern)</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Recovery rate (cents on the dollar)</td>
<td>82.6</td>
<td>82.4</td>
<td>89.1</td>
<td>65.6</td>
<td>77.2</td>
<td>83.4</td>
<td>62.8</td>
<td>47.6</td>
<td>Japan (92.9)</td>
</tr>
<tr>
<td>Strength of insolvency framework index (0-16)</td>
<td>11.0</td>
<td>11.0</td>
<td>11.5</td>
<td>13.5</td>
<td>11.0</td>
<td>15.0</td>
<td>12.0</td>
<td>12.0</td>
<td>5 Economies (15.0)*</td>
</tr>
</tbody>
</table>

Note: DB2014 rankings shown are not last year’s published rankings but comparable rankings for DB2014 that capture the effects of such factors as data corrections and changes to the methodology. Trading across borders deflated and non-deflated values are identical in DB2015 because it is defined as the base year for the deflator. The best performer on time for paying taxes is defined as the lowest time recorded among all economies in the DB2015 sample that levy the 3 major taxes: profit tax, labor taxes and mandatory contributions, and VAT or sales tax. If an economy has no laws or regulations covering a specific area—for example, insolvency—it receives a “no practice” mark. Similarly, an economy receives a “no practice” or “not possible” mark if regulation exists but is never used in practice or if a competing regulation prohibits such practice. Either way, a “no practice” mark puts the economy at the bottom of the ranking on the relevant indicator.

* Two or more economies share the top ranking on this indicator. A number shown in place of an economy’s name indicates the number of economies that share the top ranking on the indicator. For a list of these economies, see the Doing Business website (http://www.doingbusiness.org).

Source: Doing Business database.
STARTING A BUSINESS

Formal registration of companies has many immediate benefits for the companies and for business owners and employees. Legal entities can outlive their founders. Resources are pooled as several shareholders join forces to start a company. Formally registered companies have access to services and institutions from courts to banks as well as to new markets. And their employees can benefit from protections provided by the law. An additional benefit comes with limited liability companies. These limit the financial liability of company owners to their investments, so personal assets of the owners are not put at risk. Where governments make registration easy, more entrepreneurs start businesses in the formal sector, creating more good jobs and generating more revenue for the government.

What do the indicators cover?

Doing Business measures the ease of starting a business in an economy by recording all procedures officially required or commonly done in practice by an entrepreneur to start up and formally operate an industrial or commercial business—as well as the time and cost required to complete these procedures. It also records the paid-in minimum capital that companies must deposit before registration (or within 3 months). The ranking of economies on the ease of starting a business is determined by sorting their distance to frontier scores for starting a business. These scores are the simple average of the distance to frontier scores for each of the component indicators.

To make the data comparable across economies, Doing Business uses several assumptions about the business and the procedures. It assumes that all information is readily available to the entrepreneur and that there has been no prior contact with officials. It also assumes that the entrepreneur will pay no bribes. And it assumes that the business:

- Is a limited liability company, located in the largest business city and is 100% domestically owned.\(^1\)
- Has between 10 and 50 employees.
- Conducts general commercial or industrial activities.
- Has a start-up capital of 10 times income per capita.
- Has a turnover of at least 100 times income per capita.
- Does not qualify for any special benefits.
- Does not own real estate.

\(^1\) For the 11 economies with a population of more than 100 million, data for a second city have been added.
STARTING A BUSINESS

Where does the economy stand today?

What does it take to start a business in Austria? According to data collected by Doing Business, starting a business there requires 8.0 procedures, takes 22.0 days, costs 0.3% of income per capita and requires paid-in minimum capital of 13.6% of income per capita (figure 2.1). Most indicator sets refer to a case scenario in the largest business city of an economy, except for 11 economies for which the data are a population-weighted average of the 2 largest business cities. See the chapter on distance to frontier and ease of doing business ranking at the end of this profile for more details.

Figure 2.1 What it takes to start a business in Austria -
Paid-in minimum capital (% of income per capita): 13.6

Note: Time shown in the figure above may not reflect simultaneity of procedures. Online procedures account for 0.5 days in the total time calculation. For more information on the methodology of the starting a business indicators, see the Doing Business website (http://www.doingbusiness.org). For details on the procedures reflected here, see the summary at the end of this chapter. Source: Doing Business database.
STARTING A BUSINESS

Globally, Austria stands at 101 in the ranking of 189 economies on the ease of starting a business (figure 2.2). The rankings for comparator economies and the regional average ranking provide other useful information for assessing how easy it is for an entrepreneur in Austria to start a business.

Figure 2.2 How Austria and comparator economies rank on the ease of starting a business

Source: Doing Business database.
STARTING A BUSINESS

Economies around the world have taken steps making it easier to start a business—streamlining procedures by setting up a one-stop shop, making procedures simpler or faster by introducing technology and reducing or eliminating minimum capital requirements. Many have undertaken business registration reforms in stages—and they often are part of a larger regulatory reform program. Among the benefits have been greater firm satisfaction and savings and more registered businesses, financial resources and job opportunities.

What business registration reforms has Doing Business recorded in Austria (table 2.1)?

Table 2.1 How has Austria made starting a business easier—or not?
By Doing Business report year from DB2010 to DB2015

<table>
<thead>
<tr>
<th>DB year</th>
<th>Reform</th>
</tr>
</thead>
<tbody>
<tr>
<td>DB2015</td>
<td>Austria made starting a business easier by reducing the minimum capital requirement, which in turn reduced the paid-in minimum capital requirement, and by lowering notary fees.</td>
</tr>
</tbody>
</table>

Note: For information on reforms in earlier years (back to DB2005), see the Doing Business reports for these years, available at http://www.doingbusiness.org.
Source: Doing Business database.
STARTING A BUSINESS

What are the details?

Underlying the indicators shown in this chapter for Austria is a set of specific procedures—the bureaucratic and legal steps that an entrepreneur must complete to incorporate and register a new firm. These are identified by Doing Business through collaboration with relevant local professionals and the study of laws, regulations and publicly available information on business entry in that economy. Following is a detailed summary of those procedures, along with the associated time and cost. These procedures are those that apply to a company matching the standard assumptions (the "standardized company") used by Doing Business in collecting the data (see the section in this chapter on what the indicators measure).

Table 2.2 Summary of time, cost and procedures for starting a business in Austria -

<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>Obtain the confirmation from the Economic Chamber that the start-up company is really a new enterprise</td>
<td>1 day</td>
<td>no charge</td>
</tr>
</tbody>
</table>

A form (NeuFö2), which is available electronically on the homepage of the Austrian Ministry of Finance must be filled in and be confirmed by the Economic Chamber. The NeuFö applies to the company formation and to the transfer of businesses.

Procedure 1 is optional but it can lead to exemption from paying certain publicly levied fees and taxes. If certain requirements are met, the following fees and taxes will be waived:

- Stamp duties and certain administrative fees.
- Real estate transfer tax.
- Charges for registration in the commercial register and the cadastral register.
- Capital transaction tax (1% of nominal capital).
- For 1 year, certain ancillary wage costs borne by the employer in addition to social security contributions.

Depending on the requested exemptions, companies must obtain confirmation by certain public bodies (Chamber of Commerce or Social Security Organization) that the application form has been completed, after receiving counseling by that body concerning the scope and applicability of the law.

Agency: Economic Chamber
<table>
<thead>
<tr>
<th>No.</th>
<th>Procedure</th>
<th>Time to complete</th>
<th>Cost to complete</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>Notarize the statutes/articles of association or the declaration of establishment</td>
<td>2 days</td>
<td>EUR 75</td>
</tr>
<tr>
<td></td>
<td>The articles of association (Gesellschaftsvertrag), which must be executed before a notary by notary deed (Notariatsakt), must include the following: name, seat, scope of activities, capital and initial contribution by each shareholder. Notarization time ranges from 2 to 5 days, but usually takes 2 days. Cost will depend on the authorized share capital and are subject to negotiation with the notary public. <em>Agency: Notary</em></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Deposit the minimum capital requirement in the bank</td>
<td>1 day</td>
<td>no charge</td>
</tr>
<tr>
<td></td>
<td>The confirmation fee depends on the bank, ranging from EUR 0 to about EUR 30. <em>Agency: Bank</em></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Register the company at the local court (Handelsgericht)</td>
<td>6 days</td>
<td>EUR 32</td>
</tr>
<tr>
<td></td>
<td>The application for registering an Austrian limited liability company (Gesellschaft mit beschränkter Haftung, GmbH) must be accompanied by the following documents: declaration of establishment notarized; articles of association; a declaration (accompanied by a banker’s confirmation) that the demanded amount of primary deposit, to be paid in cash, has been paid; evidence that the free disposability of the paid primary deposit by managing directors is not restricted by counterclaims; specimen signatures of the managing directors; and confirmation by the tax authorities that the capital transaction tax on the formation has been paid or is guaranteed. If the court has doubts about the company name, it may request an opinion from the Chamber of Commerce. A GmbH comes into legal existence upon registration in the commercial registry. The fixed application fee (court fee) amounts to EUR 32; individual service fees, depending on the information to be registered, apply (e.g., registration of a managing director amounts to EUR 28). Public notaries and lawyers are obliged to file any petition as well as related documents, deeds, etc. in electronic form; the application fee for physical or non-electronic applications will be raised to EUR 49. Please note, that the court fees do not apply if the requirements for the start up governmental aid (see Procedure 1) are met. <em>Agency: Local Commercial Court</em></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>


<table>
<thead>
<tr>
<th>No.</th>
<th>Procedure</th>
<th>Time to complete</th>
<th>Cost to complete</th>
</tr>
</thead>
<tbody>
<tr>
<td>5</td>
<td><strong>Tax Office registration (obtain a VAT number)</strong></td>
<td>12 days</td>
<td>no charge</td>
</tr>
<tr>
<td></td>
<td>The commercial register automatically informs tax authorities of the</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>registration of new companies. In turn, tax authorities usually respond</td>
<td></td>
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<tr>
<td></td>
<td>by requesting that the company file for tax registration. One of the</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>following forms must be filed with the tax authority: Form 15, or 24</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(available at <a href="http://www.bmf.gv.at/">www.bmf.gv.at/</a>), and the articles of association, the</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>opening balance sheet, an excerpt of the company register, an</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>identification card of a managing director, a specimen signature sheet</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>of the representatives must be filed as attachments. The authority</td>
<td></td>
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<tr>
<td></td>
<td>issues the tax number within 10 to 14 days. The VAT number is usually</td>
<td></td>
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<td></td>
<td>issued simultaneously with the tax identification number. The statutory</td>
<td></td>
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<tr>
<td></td>
<td>deadline to obtain a tax number is 1 month. Frequently tax authorities</td>
<td></td>
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<tr>
<td></td>
<td>extend a “welcome visit” to those companies intending to engage in</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>business activities that are eligible for the filing of VAT returns.</td>
<td></td>
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</tr>
<tr>
<td></td>
<td><strong>Agency:</strong> Tax Office</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6</td>
<td><strong>Register trade (Gewerbeanmeldung) with the trade authority</strong></td>
<td>Less than one day</td>
<td>no charge if</td>
</tr>
<tr>
<td></td>
<td><em>(Bezirksverwaltungsbehörde)</em></td>
<td>(online procedure,</td>
<td>exemption is</td>
</tr>
<tr>
<td></td>
<td>If permission is mandatory, completion of procedures takes longer,</td>
<td>simultaneous with</td>
<td>granted under</td>
</tr>
<tr>
<td></td>
<td>depending on the requirements and authorities involved (e.g., the</td>
<td>previous</td>
<td>Procedure 1;</td>
</tr>
<tr>
<td></td>
<td>production of hazardous goods requires proof of special qualifications</td>
<td>procedure)</td>
<td>otherwise stamp</td>
</tr>
<tr>
<td></td>
<td>of management and approval and control of the production site).</td>
<td></td>
<td>duties vary</td>
</tr>
<tr>
<td></td>
<td>Companies can register in person, by postal mail, or online.</td>
<td></td>
<td>depending on the</td>
</tr>
<tr>
<td></td>
<td><strong>Agency:</strong> Trade authority</td>
<td></td>
<td>type of trade</td>
</tr>
<tr>
<td></td>
<td>ﷺ</td>
<td></td>
<td>intended and</td>
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<td></td>
<td></td>
<td></td>
<td>whether the trade</td>
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<td></td>
<td></td>
<td></td>
<td>and/or profession</td>
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<td></td>
<td></td>
<td></td>
<td>only requires</td>
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<td></td>
<td></td>
<td></td>
<td>registration or it</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>requires permission</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>by authorities (i.e.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>particular</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>professional</td>
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<td></td>
<td></td>
<td></td>
<td>qualification must</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>be proven).</td>
</tr>
<tr>
<td>7</td>
<td><strong>Register employees for social security</strong></td>
<td>Less than one day</td>
<td>no charge</td>
</tr>
<tr>
<td></td>
<td>Upon registering in the commercial register, companies with employees</td>
<td>(online procedure,</td>
<td></td>
</tr>
<tr>
<td></td>
<td>must apply for an employer’s account number (Dienstgeberkontonummer)</td>
<td>simultaneous with</td>
<td></td>
</tr>
<tr>
<td></td>
<td>electronically via ELDA, the data transmission interface of the</td>
<td>previous</td>
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</tr>
<tr>
<td></td>
<td>statutory health insurance office (Gebietskrankenkasse). In practice,</td>
<td>procedure)</td>
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<tr>
<td></td>
<td>the employer applies for a new account number via ELDA (under the menu</td>
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<tr>
<td></td>
<td>item, Online-Services [Kontonummeranforderung]) before a new employee is</td>
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<tr>
<td></td>
<td>registered with the statutory health insurance office.</td>
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<tr>
<td></td>
<td>**Health insurance is obligatory: every new employee must be</td>
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<tr>
<td></td>
<td>submitted for health insurance immediately after registration.</td>
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<tr>
<td></td>
<td><strong>Agency:</strong> Trade authority</td>
<td></td>
<td></td>
</tr>
<tr>
<td>No.</td>
<td>Procedure</td>
<td>Time to complete</td>
<td>Cost to complete</td>
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<tr>
<td>-----</td>
<td>---------------------------------------------------------------------------</td>
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</tr>
<tr>
<td></td>
<td>electronically registered with the statutory health insurance office prior to and no later than the day of employment. Unless the company does not own a computer, the employee must be registered via ELDA. Otherwise, this may be done by mail or by fax. Moreover, the employer must automatically extend obligatory health insurance upon entry. On being registered with the statutory health insurance office, the employee is automatically registered for accident insurance and retirement insurance as provided by law. No further registration is needed. By data transmission, the employee is immediately registered with the competent statutory health insurance office (social insurance office). The employer instantly receives a “sent” report and a confirmation of registration.</td>
<td></td>
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<tr>
<td>Agency: Social security</td>
<td></td>
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</tr>
<tr>
<td></td>
<td>* Register with the municipality</td>
<td>1 day (simultaneous with previous procedure)</td>
<td>no charge</td>
</tr>
<tr>
<td>8</td>
<td>Municipalities levy community taxes on all businesses. In addition, particular activities (e.g., organizing a public event) may trigger municipal stamp duties or other minor duties and taxes.</td>
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<td></td>
</tr>
<tr>
<td>Agency: Municipality</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* Takes place simultaneously with another procedure.

Note: Online procedures account for 0.5 days in the total time calculation.

Source: Doing Business database.
DEALING WITH CONSTRUCTION PERMITS

Regulation of construction is critical to protect the public. But it needs to be efficient, to avoid excessive constraints on a sector that plays an important part in every economy. Where complying with building regulations is excessively costly in time and money, many builders opt out. They may pay bribes to pass inspections or simply build illegally, leading to hazardous construction that puts public safety at risk. Where compliance is simple, straightforward and inexpensive, everyone is better off.

What do the indicators cover?

Doing Business records the procedures, time and cost for a business in the construction industry to obtain all the necessary approvals to build a warehouse in the economy’s largest business city, connect it to basic utilities and register the warehouse so that it can be used as collateral or transferred to another entity.

The ranking of economies on the ease of dealing with construction permits is determined by sorting their distance to frontier scores for dealing with construction permits. These scores are the simple average of the distance to frontier scores for each of the component indicators.

To make the data comparable across economies, Doing Business uses several assumptions about the business and the warehouse, including the utility connections.

The business:

- Is a limited liability company operating in the construction business and located in the largest business city. For the 11 economies with a population of more than 100 million, data for a second city have been added. Is domestically owned and operated.
- Has 60 builders and other employees.

The warehouse:

- Is valued at 50 times income per capita.
- Is a new construction (there was no previous construction on the land).

WHAT THE DEALING WITH CONSTRUCTION PERMITS INDICATORS MEASURE

<table>
<thead>
<tr>
<th>Procedures to legally build a warehouse (number)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Submitting all relevant documents and obtaining all necessary clearances, licenses, permits and certificates</td>
</tr>
<tr>
<td>Submitting all required notifications and receiving all necessary inspections</td>
</tr>
<tr>
<td>Obtaining utility connections for water and sewerage</td>
</tr>
<tr>
<td>Registering the warehouse after its completion (if required for use as collateral or for transfer of the warehouse)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Time required to complete each procedure (calendar days)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Does not include time spent gathering information</td>
</tr>
<tr>
<td>Each procedure starts on a separate day. Procedures that can be fully completed online are recorded as ½ day.</td>
</tr>
<tr>
<td>Procedure considered completed once final document is received</td>
</tr>
<tr>
<td>No prior contact with officials</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cost required to complete each procedure (% of warehouse value)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Official costs only, no bribes</td>
</tr>
</tbody>
</table>

- Will have complete architectural and technical plans prepared by a licensed architect or engineer.
- Will be connected to water and sewerage (sewage system, septic tank or their equivalent). The connection to each utility network will be 150 meters (492 feet) long.
- Will be used for general storage, such as of books or stationery (not for goods requiring special conditions).
- Will take 30 weeks to construct (excluding all delays due to administrative and regulatory requirements).
DEALING WITH CONSTRUCTION PERMITS

Where does the economy stand today?

What does it take to comply with the formalities to build a warehouse in Austria? According to data collected by Doing Business, dealing with construction permits there requires 11.0 procedures, takes 192.0 days and costs 1.1% of the warehouse value (figure 3.1). Most indicator sets refer to a case scenario in the largest business city of an economy, except for 11 economies for which the data are a population-weighted average of the 2 largest business cities. See the chapter on distance to frontier and ease of doing business ranking at the end of this profile for more details.

Figure 3.1 What it takes to comply with formalities to build a warehouse in Austria -

Note: Time shown in the figure above may not reflect simultaneity of procedures. Online procedures account for 0.5 days in the total time calculation. For more information on the methodology of the dealing with construction permits indicators, see the Doing Business website (http://www.doingbusiness.org). For details on the procedures reflected here, see the summary at the end of this chapter.

Source: Doing Business database.
DEALING WITH CONSTRUCTION PERMITS

Globally, Austria stands at 78 in the ranking of 189 economies on the ease of dealing with construction permits (figure 3.2). The rankings for comparator economies and the regional average ranking provide other useful information for assessing how easy it is for an entrepreneur in Austria to legally build a warehouse.

Figure 3.2 How Austria and comparator economies rank on the ease of dealing with construction permits

Source: Doing Business database.
DEALING WITH CONSTRUCTION PERMITS
What are the details?

The indicators reported here for Austria are based on a set of specific procedures—the steps that a company must complete to legally build a warehouse—identified by Doing Business through information collected from experts in construction licensing, including architects, civil engineers, construction lawyers, construction firms, utility service providers and public officials who deal with building regulations. These procedures are those that apply to a company and structure matching the standard assumptions used by Doing Business in collecting the data (see the section in this chapter on what the indicators cover).

Table 3.2 Summary of time, cost and procedures for dealing with construction permits in Austria -

<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>Obtain proof of land ownership</td>
<td>1 day</td>
<td>EUR 14</td>
</tr>
<tr>
<td></td>
<td>BuildCo must obtain and submit with the building permit request a proof of land ownership that is not older than 3 months. Certain registered companies can obtain this online, but many are still required to obtain this in person at the Land Registry office.</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>* Agency: Land Registry</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>* Obtain approval of heat and noise insulation</td>
<td>30 days</td>
<td>EUR 5,000</td>
</tr>
<tr>
<td></td>
<td>This approval is issued by an insulation engineering expert. BuildCo must hire a third-party specialist to conduct this work.</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>* Agency: Independent Expert - Insulation Engineering</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>* Obtain expert opinion on structural engineering</td>
<td>11 days</td>
<td>EUR 5,000</td>
</tr>
<tr>
<td></td>
<td>The company must request this opinion from an independent expert.</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>* Agency: Independent Expert - Structural Engineering</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>* Obtain energy pass (energieausweiss)</td>
<td>10 days</td>
<td>EUR 700</td>
</tr>
<tr>
<td></td>
<td>Following the Directive of European Union 2002/91/EC the practice of requiring the so called “Energy Pass” (Energieausweiss) by the Municipality of Vienna has become compulsory for all projects as of January 2009. The energy pass is required when applying for the building permit at the relevant authority of City of Vienna. There are officially licensed companies and individual engineers that issue the energy pass. The prices may range, however on average it is EUR 700.00 for a building with overall size of 1300.6 sq. m. This procedure will normally take between 1-2 weeks to complete.</td>
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<tr>
<td>No.</td>
<td>Procedure</td>
<td>Time to complete</td>
<td>Cost to complete</td>
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<td>---------------------------------------------------------------------------</td>
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</tr>
<tr>
<td>5</td>
<td>* Receive on-site inspection prior to issuance of building permit</td>
<td>1 day</td>
<td>EUR 46</td>
</tr>
<tr>
<td></td>
<td>A physical inspection occurs before a building permit is issued. The</td>
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<tr>
<td></td>
<td>inspection fee is EUR 7.00 per half hour. The inspection is estimated at</td>
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<td></td>
<td>3 hours.</td>
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<td></td>
<td>The Building Inspection (MA 37) of the City of Vienna is provided upon</td>
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<td></td>
<td>approval of construction projects and is responsible for monitoring of</td>
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<tr>
<td></td>
<td>buildings, orderly expansion of the city, and ensuring the safety of</td>
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</tr>
<tr>
<td></td>
<td>citizens.</td>
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<td></td>
<td>* Agency: Vienna City Council</td>
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<tr>
<td>6</td>
<td>Obtain building permit</td>
<td>80 days</td>
<td>EUR 300</td>
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<td></td>
<td>The construction must begin within 4 years of the date of issue, and be</td>
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<td></td>
<td>completed within and additional 4 years after the start of construction.</td>
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<tr>
<td></td>
<td>Documents required for a building permit:</td>
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<tr>
<td></td>
<td>• Application for building permit</td>
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<td></td>
<td>• Approval of the land ownership of registered land</td>
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<td></td>
<td>• Current Land Registry copy (not older than three months)</td>
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<tr>
<td></td>
<td>• An energy performance certificate (in electronic form) and proof of</td>
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<td></td>
<td>noise control, heat and sound insulation</td>
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<td></td>
<td>• For new, additions or modifications: confirmation of the plan or</td>
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<td></td>
<td>author’s plan</td>
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<td></td>
<td>• Demonstration of compliance with the parking requirement</td>
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<td></td>
<td>• Static concept or preliminary design including foundations for smaller</td>
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<td></td>
<td>construction projects report that insignificance of the project for</td>
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<td></td>
<td>structural reasons, where no risk is due to the (experts or expert)</td>
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<td></td>
<td>• Confirmation of the principles of accessible design and construction</td>
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<td></td>
<td>• Design concept for garden areas of the site, for new buildings for</td>
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<td></td>
<td>construction class III</td>
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<tr>
<td></td>
<td>• Proving the availability of sufficient water for firefighting on the</td>
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<tr>
<td></td>
<td>plan; information on hydrants</td>
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<td></td>
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<tr>
<td></td>
<td>• Locations for waste receptacles</td>
<td></td>
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<td></td>
<td>• For enterprises that are under the Seveso II Directive: documentation</td>
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</tr>
<tr>
<td></td>
<td>of the risks</td>
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<td></td>
<td>• Required documents for architectural review of the Department of</td>
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<td></td>
<td>Architecture and Urban Design (MA 19)</td>
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<td></td>
<td>If it is determined that the subjective rights of neighbors are affected,</td>
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<td></td>
<td>a public hearing must be held. The cost for a public hearing amount to</td>
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<tr>
<td></td>
<td>EUR 7.36 per half hour.</td>
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<td></td>
<td>* Agency: Vienna City Council</td>
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<tr>
<td>No.</td>
<td>Procedure</td>
<td>Time to complete</td>
<td>Cost to complete</td>
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<tr>
<td>7</td>
<td><strong>Request and receive on-site inspection prior to commencement of</strong></td>
<td>1 day</td>
<td>no charge</td>
</tr>
<tr>
<td></td>
<td><strong>construction</strong></td>
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<td></td>
<td>The Building Control Office performs a physical inspection before the</td>
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<td></td>
<td>start of construction. The building inspection during construction is</td>
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<tr>
<td></td>
<td>done by the building supervisor of the company. However, if any</td>
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<td></td>
<td>irregularities take place during the construction, the civil engineer</td>
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<td></td>
<td>appointed by the municipality will come to the site.</td>
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<tr>
<td></td>
<td><em>Agency: Building Control Office</em></td>
<td></td>
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</tr>
<tr>
<td>8</td>
<td><strong>Notify the municipal authority about completion of construction</strong></td>
<td>1 day</td>
<td>EUR 22</td>
</tr>
<tr>
<td></td>
<td>works</td>
<td></td>
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<tr>
<td></td>
<td>Upon completion of construction work, the building supervisor must</td>
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<tr>
<td></td>
<td>provide the municipal authority with a notification of completion. The</td>
<td></td>
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<tr>
<td></td>
<td>notification must be certified by a civil engineer and include several</td>
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</tr>
<tr>
<td></td>
<td>reports.</td>
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<tr>
<td></td>
<td>The cost is EUR 22 if no changes to the building design were made, and</td>
<td></td>
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</tr>
<tr>
<td></td>
<td>EUR 50 if there were changes.</td>
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<td></td>
<td><em>Agency: Vienna City Council</em></td>
<td></td>
<td></td>
</tr>
<tr>
<td>9</td>
<td><strong>Obtain industrial operating permit</strong></td>
<td>80 days</td>
<td>EUR 300</td>
</tr>
<tr>
<td></td>
<td><em>Agency: Vienna City Council</em></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10</td>
<td><strong>Receive on-site inspection from the municipal authority</strong></td>
<td>1 day</td>
<td>no charge</td>
</tr>
<tr>
<td></td>
<td>A physical inspection occurs before an industrial operating permit is</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>issued. The inspection is requested by phone.</td>
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<tr>
<td></td>
<td><em>Agency: Vienna City Council</em></td>
<td></td>
<td></td>
</tr>
<tr>
<td>11</td>
<td><strong>Request and obtain water and sewage connection</strong></td>
<td>60 days</td>
<td>EUR 8,478</td>
</tr>
<tr>
<td></td>
<td>The municipal authority provides both water and sewerage connections.</td>
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<td></td>
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<tr>
<td></td>
<td>The request can be made online, but service delivery takes 60 days.</td>
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<td></td>
</tr>
<tr>
<td></td>
<td><em>Agency: Vienna Water Works</em></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* Takes place simultaneously with another procedure.

*Note: Online procedures account for 0.5 days in the total time calculation.*

*Source: Doing Business database.*
GETTING ELECTRICITY

Access to reliable and affordable electricity is vital for businesses. To counter weak electricity supply, many firms in developing economies have to rely on self-supply, often at a prohibitively high cost. Whether electricity is reliably available or not, the first step for a customer is always to gain access by obtaining a connection.

What do the indicators cover?

Doing Business records all procedures required for a local business to obtain a permanent electricity connection and supply for a standardized warehouse, as well as the time and cost to complete them. These procedures include applications and contracts with electricity utilities, clearances from other agencies and the external and final connection works. The ranking of economies on the ease of getting electricity is determined by sorting their distance to frontier scores for getting electricity. These scores are the simple average of the distance to frontier scores for each of the component indicators. To make the data comparable across economies, several assumptions are used.

The warehouse:

- Is owned by a local entrepreneur, located in the economy’s largest business city, in an area where other warehouses are located. For the 11 economies with a population of more than 100 million, data for a second city have been added.
- Is not in a special economic zone where the connection would be eligible for subsidization or faster service.
- Is located in an area with no physical constraints (i.e. property not near a railway).
- Is a new construction being connected to electricity for the first time.
- Is 2 stories, both above ground, with a total surface of about 1,300.6 square meters (14,000 square feet), is built on a plot of 929 square meters (10,000 square feet), is used for storage of refrigerated goods.

The electricity connection:

- Is 150 meters long and is a 3-phase, 4-wire Y, 140-kilovolt-ampere (kVA) (subscribed capacity) connection.

WHAT THE GETTING ELECTRICITY INDICATORS MEASURE

Procedures to obtain an electricity connection (number)

- Submitting all relevant documents and obtaining all necessary clearances and permits
- Completing all required notifications and receiving all necessary inspections
- Obtaining external installation works and possibly purchasing material for these works
- Concluding any necessary supply contract and obtaining final supply

Time required to complete each procedure (calendar days)

- Is at least 1 calendar day
- Each procedure starts on a separate day
- Does not include time spent gathering information
- Reflects the time spent in practice, with little follow-up and no prior contact with officials

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

- Official costs only, no bribes
- Excludes value added tax

- Is to either the low-voltage or the medium-voltage distribution network and either overhead or underground, whichever is more common in the area where the warehouse is located. Included only negligible length in the customer’s private domain.
- Requires crossing of a 10-meter road but all the works are carried out in a public land, so there is no crossing into other people’s private property.
- Involves installing one electricity meter. The monthly electricity consumption will be 26880 kilowatt hour (kWh). The internal electrical wiring has been completed.
GETTING ELECTRICITY
Where does the economy stand today?

What does it take to obtain a new electricity connection in Austria? According to data collected by Doing Business, getting electricity there requires 5.0 procedures, takes 23.0 days and costs 101.6% of income per capita (figure 4.1).

Most indicator sets refer to a case scenario in the largest business city of an economy, except for 11 economies for which the data are a population-weighted average of the 2 largest business cities. See the chapter on distance to frontier and ease of doing business ranking at the end of this profile for more details.

Figure 4.1 What it takes to obtain an electricity connection in Austria -

Note: Time shown in the figure above may not reflect simultaneity of procedures. For more information on the methodology of the getting electricity indicators, see the Doing Business website (http://www.doingbusiness.org). For details on the procedures reflected here, see the summary at the end of this chapter.

Source: Doing Business database.
GETTING ELECTRICITY

Globally, Austria stands at 24 in the ranking of 189 economies on the ease of getting electricity (figure 4.2). The rankings for comparator economies and the regional average ranking provide another perspective in assessing how easy it is for an entrepreneur in Austria to connect a warehouse to electricity.

Figure 4.2 How Austria and comparator economies rank on the ease of getting electricity

Source: Doing Business database.
GETTING ELECTRICITY
What are the details?

The indicators reported here for Austria are based on a set of specific procedures—the steps that an entrepreneur must complete to get a warehouse connected to electricity by the local distribution utility—identified by Doing Business. Data are collected from the distribution utility, then completed and verified by electricity regulatory agencies and independent professionals such as electrical engineers, electrical contractors and construction companies. The electricity distribution utility surveyed is the one serving the area (or areas) in which warehouses are located. If there is a choice of distribution utilities, the one serving the largest number of customers is selected.

Table 4.2 Summary of time, cost and procedures for getting electricity in Austria -

<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>Submit application with Wien Energie Stromnetz GmbH and await estimate</td>
<td>14 calendar days</td>
<td>EUR 0</td>
</tr>
<tr>
<td></td>
<td>An application can be submitted online, in person, by mail. There are no</td>
<td></td>
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<tr>
<td></td>
<td>costs associated and no documents have to be attached. An assumption of</td>
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<tr>
<td></td>
<td>the technical relevant values, like active and reactive power have to</td>
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<tr>
<td></td>
<td>be attached to the application.</td>
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<tr>
<td></td>
<td>Agency: Wiener Netze GmbH</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>* Receive external inspection by Wien Energie Stromnetz GmbH</td>
<td>9 calendar days</td>
<td>EUR 0</td>
</tr>
<tr>
<td></td>
<td>An external site inspection is necessary. The waiting time is usually a</td>
<td></td>
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</tr>
<tr>
<td></td>
<td>few days. Someone from the customer’s party has to be present.</td>
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<tr>
<td></td>
<td>Agency: Wiener Netze GmbH</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Submit notification to network operator Wien Energie Stromnetz GmbH and</td>
<td>3 calendar days</td>
<td>EUR 24</td>
</tr>
<tr>
<td></td>
<td>obtain clearance</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>The customer needs to obtain a clearance for the internal wiring</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>installation from the network operator Wien Energie Stromnetz GmbH in</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>order to get an electricity connection (“Fertigstellungsanzeige”). The</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>electrician who did the internal wiring has to do a completion</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>notification (electrician completion notification) by sending this note</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>to Wien Energie Stromnetz GmbH as prove that the internal wiring is</td>
<td></td>
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</tr>
<tr>
<td></td>
<td>complying with security and safety standards. This clearance is done</td>
<td></td>
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</tr>
<tr>
<td></td>
<td>automatically, meaning the client does not have to go and pick it up, it</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>is</td>
<td></td>
<td></td>
</tr>
<tr>
<td>No.</td>
<td>Procedure</td>
<td>Time to complete</td>
<td>Cost to complete</td>
</tr>
<tr>
<td>-----</td>
<td>---------------------------------------------------------------------------</td>
<td>------------------</td>
<td>------------------</td>
</tr>
<tr>
<td>3</td>
<td>processed automatically. The connection contract will be concluded after the clearance.</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>* Takes place simultaneously with another procedure.</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>* Agency: Wiener Netze GmbH</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td><strong>Obtain external connection works and meter installation from Wien Energie Stromnetz GmbH</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>The external works start immediately after signature of the contract. Only the utility is in charge of the works. The utility is providing all the material. A new transformer would have to be built on the private ground of the customer. The meter gets installed at the same time. The utility installs the meter and is the owner of it. Electricity starts flowing immediately if a contract with a supplier of electricity has been signed. The connection fees in Austria are composed of two parts: 1) Fee for accessing the net (&quot;Netzzutrittsentgelt&quot;) which includes all costs such as labor and material cost. The utility is usually having as standard transformers of 360kVA. In the case of a 140kVA connection, the customer would pay about half of the transformer and the remaining capacity would be used by other customers. 2) Fee for using the net (&quot;Netzbereitstellungsentgelt&quot; at Netzebene 6). With a power connection of 140kVA, the customer is automatically on Level 6, meaning the customer owns the connection to the transformer and is directly connected to the low tension side of the transformer. There are meter installation costs.</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>* Agency: Wiener Netze GmbH</td>
<td>6 calendar days</td>
<td>EUR 37,233.4</td>
</tr>
<tr>
<td>5</td>
<td><strong>Sign supply contract with Wienstrom</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Electricity starts flowing only if a contract with a supplier of electricity has been signed. Wien Energie Stromnetz GmbH is a daughter company of Wien Energie GmbH, as well as the energy supplier Wienstrom. The application for connection is submitted with Wien Energie Stromnetz GmbH, however only Wienstrom is supplying electricity. Therefore, the customer needs to conclude a contract with Wienstrom for the supply of energy. The supply contract can be concluded already before the external connection works are finished.</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>* Agency: Wien Energie Vertrieb GmbH &amp; COKG</td>
<td>2 calendar days</td>
<td>EUR 0</td>
</tr>
</tbody>
</table>

* Source: Doing Business database.*
REGISTERING PROPERTY

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. And where property is informal or poorly administered, it has little chance of being accepted as collateral for loans—limiting access to finance.

What do the indicators cover?

Doing Business records the full sequence of procedures necessary for a business to purchase property from another business and transfer the property title to the buyer’s name. The transaction is considered complete when it is opposable to third parties and when the buyer can use the property, use it as collateral for a bank loan or resell it. The ranking of economies on the ease of registering property is determined by sorting their distance to frontier scores for registering property. These scores are the simple average of the distance to frontier scores for each of the component indicators. To make the data comparable across economies, several assumptions about the parties to the transaction, the property and the procedures are used.

The parties (buyer and seller):

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

The property (fully owned by the seller):

- Has a value of 50 times income per capita. The sale price equals the value.
- Is registered in the land registry or cadastre, or both, and is free of title disputes.
- Property will be transferred in its entirety.

WHAT THE REGISTERING PROPERTY INDICATORS 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
- Postregistration (for example, filing title with the municipality)

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

- Does not include time spent gathering information
- Each procedure starts on a separate day. Procedures that can be fully completed online are recorded as ½ day.
- Procedure considered completed once final document is received
- No prior 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

- Is located in a periurban commercial zone, and no rezoning is required.
- Has no mortgages attached, has been under the same ownership for the past 10 years.
- Consists of 557.4 square meters (6,000 square feet) of land and a 10-year-old, 2-story warehouse of 929 square meters (10,000 square feet). The warehouse is in good condition and complies with all safety standards, building codes and legal requirements. There is no heating system.

---

3 For the 11 economies with a population of more than 100 million, data for a second city have been added.
REGISTERING PROPERTY
Where does the economy stand today?

What does it take to complete a property transfer in Austria? According to data collected by Doing Business, registering property there requires 3.0 procedures, takes 20.5 days and costs 4.6% of the property value (figure 5.1).

Most indicator sets refer to a case scenario in the largest business city of an economy, except for 11 economies for which the data are a population-weighted average of the 2 largest business cities. See the chapter on distance to frontier and ease of doing business ranking at the end of this profile for more details.

Figure 5.1 What it takes to register property in Austria -

Note: Time shown in the figure above may not reflect simultaneity of procedures. Online procedures account for 0.5 days in the total time calculation. For more information on the methodology of the registering property indicators, see the Doing Business website (http://www.doingbusiness.org). For details on the procedures reflected here, see the summary at the end of this chapter.
Source: Doing Business database.
REGISTERING PROPERTY

Globally, Austria stands at 35 in the ranking of 189 economies on the ease of registering property (figure 5.2). The rankings for comparator economies and the regional average ranking provide other useful information for assessing how easy it is for an entrepreneur in Austria to transfer property.

Figure 5.2 How Austria and comparator economies rank on the ease of registering property

Source: Doing Business database.
REGISTERING PROPERTY

Economies worldwide have been making it easier for entrepreneurs to register and transfer property—such as by computerizing land registries, introducing time limits for procedures and setting low fixed fees. Many have cut the time required substantially—enabling buyers to use or mortgage their property earlier. What property registration reforms has *Doing Business* recorded in Austria (table 5.1)?

Table 5.1 How has Austria made registering property easier—or not?
By *Doing Business* report year from DB2010 to DB2015

<table>
<thead>
<tr>
<th>DB year</th>
<th>Reform</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>DB2011</strong></td>
<td>Austria made it easier to transfer property by requiring online submission of all applications to register property transfers.</td>
</tr>
</tbody>
</table>

*Note: For information on reforms in earlier years (back to DB2005), see the *Doing Business* reports for these years, available at http://www.doingbusiness.org.*

*Source: Doing Business* database.
REGISTERING PROPERTY
What are the details?

The indicators reported here are based on a set of specific procedures—the steps that a buyer and seller must complete to transfer the property to the buyer’s name—identified by Doing Business through information collected from local property lawyers, notaries and property registries. These procedures are those that apply to a transaction matching the standard assumptions used by Doing Business in collecting the data (see the section in this chapter on what the indicators cover).

Table 5.2 Summary of time, cost and procedures for registering property in Austria

<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>Obtain a land registry extract from either the competent District Court, a notary public or an attorney-at-law</td>
<td>Less than a day (online procedure)</td>
<td>EUR 13.7</td>
</tr>
<tr>
<td></td>
<td><strong>Agency:</strong> District Court, Notary public or Attorney-at-law</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Authenticate signatures and authorization of representatives, and property acquisition tax clearance from the notary</td>
<td>1 - 3 days</td>
<td>EUR 134.90 per signature + 3.5% of property value (transfer tax) + 1.1% of property value (Registration fee)</td>
</tr>
<tr>
<td></td>
<td>At the notaries office the parties can combine three steps:</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>1. The signatures of seller and buyer have to be authenticated on the contract. That can be done by notary or by court (time to complete: can be done within 30 minutes, if required, normally 1 day; cost: EUR 134.90 per person (As of August 1, 2010 the costs for the authentification of the signatures were increased from EUR 111.30 to EUR 134.90 per signature as suggested by the Act on Fees of Public Notaries, last amended by the regulation Federal Law Gazette BGBl II NR 218/2010); the fee of the court may differ slightly to the notary’s. Provided more than one signature has to be authenticated in one document (e.g. sales agreement), the costs for the further signature amount to 50% of the costs stated (i.e. EUR 67.50).</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>2. In case of a corporation as seller or buyer the authorization of the signing representatives has to be proven. At the notaries office that is done uno actu with the authentication of the signatures; otherwise a certified excerpt out of the business register produced by the High Court (Landesgericht) has to be presented to the Land Book (time to complete: can be done within 30 minutes, normally 1 day; cost: EUR 13 per corporation).</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

STANDARD PROPERTY TRANSFER

| Property value: | EUR 1,833,272 |
| City:           | Vienna        |

The procedures, along with the associated time and cost, are summarized below.
3. The parties have to pay Property Acquisition Tax or Transfer Tax (Grunderwerbssteuer) which, in this case, amounts to 3.5% of the purchase price. They have to present to the Land Register a clearance certificate (Unbedenklichkeitsbescheinigung) furnished by the tax authorities certifying that the tax was paid (time to complete: tax assessment will last about 4 weeks; to get the certificate after paying the tax further 2 weeks; no extra costs). This clearance certificate may be substituted by a self-assessment declaration (Selbstbemessungserklärung) filed by a notary or a lawyer (attorney at law/solicitor) if the tax is paid to the notary or lawyer who cooperates with the tax authorities. The notary public or the attorney-at-law usually issues the clearance certificate stating that the real estate transfer tax (3.5% of the purchase price) and registration fee for the Land Register (1.1% of the purchase price) have been paid. The registration fee for the Land Register rises from 1% to 1.1% of the purchase price due to the regulation Federal Law Gazette BGBI I Nr 111/2010 and is effective as of January 01, 2011. The certificate will be issued immediately after the notary or lawyer has received the amount of the real estate transfer tax and registration fee. The money for the purchase and the taxes is given to the notary/lawyer on a trust account. The parties may set up the contract themselves or use a standard template. In late 2005, the Act concerning “Changes in the vocational law of notary publics, attorneys-at-law and civil engineers” was announced, providing for the use of electronic signatures which are to be submitted electronically to the courts. This Act has therefore created the legal basis for online registration and electronic notarial attestation. This reform is effective as of July 1, 2007.

Agency: Notary

### File the application at the competent District Court (Land Registry)

As of November 1, 2009, applications to transfer and register a property are required to be submitted electronically via an online data-exchange system called WebERV. The WebERV is an online-based form of communication between the courts, notaries and lawyers for submission of claims, briefs and applications and delivery of court transcripts, orders and decisions. This system provides standardized masks and forms for various kinds of applications such as registration of the ownership, registration of mortgages, precedences (Vorrang einräumung) and cancellations. Documentation on the fact that the company is owned by Austrian or European Community citizens. This system is effective as of November 1, 2009 and is provided for by the “Grundbuchs-Novelle 2008” (Land Registry Amendment 2008), Federal Law Gazette Part 1 No. 100/2008 (BGBI 1 100/2008). As per this law, it is mandatory for attorneys and notaries to submit their applications concerning the transfer and registration of property using this system. Registration with the Land Registry has a binding effect as from the date of application, i.e. from this moment the company becomes the owner of the entire property (land, building, etc.). The fee for registration (paid to the

- **No.**
- **Procedure**
- **Time to complete**
- **Cost to complete**

<table>
<thead>
<tr>
<th>No.</th>
<th>Procedure</th>
<th>Time to complete</th>
<th>Cost to complete</th>
</tr>
</thead>
<tbody>
<tr>
<td>3</td>
<td>3. The parties have to pay Property Acquisition Tax or Transfer Tax (Grunderwerbssteuer) which, in this case, amounts to 3.5% of the purchase price. They have to present to the Land Register a clearance certificate (Unbedenklichkeitsbescheinigung) furnished by the tax authorities certifying that the tax was paid (time to complete: tax assessment will last about 4 weeks; to get the certificate after paying the tax further 2 weeks; no extra costs). This clearance certificate may be substituted by a self-assessment declaration (Selbstbemessungserklärung) filed by a notary or a lawyer (attorney at law/solicitor) if the tax is paid to the notary or lawyer who cooperates with the tax authorities. The notary public or the attorney-at-law usually issues the clearance certificate stating that the real estate transfer tax (3.5% of the purchase price) and registration fee for the Land Register (1.1% of the purchase price) have been paid. The registration fee for the Land Register rises from 1% to 1.1% of the purchase price due to the regulation Federal Law Gazette BGBI I Nr 111/2010 and is effective as of January 01, 2011. The certificate will be issued immediately after the notary or lawyer has received the amount of the real estate transfer tax and registration fee. The money for the purchase and the taxes is given to the notary/lawyer on a trust account. The parties may set up the contract themselves or use a standard template. In late 2005, the Act concerning “Changes in the vocational law of notary publics, attorneys-at-law and civil engineers” was announced, providing for the use of electronic signatures which are to be submitted electronically to the courts. This Act has therefore created the legal basis for online registration and electronic notarial attestation. This reform is effective as of July 1, 2007.</td>
<td>7-28 days</td>
<td>Pursuant to Sec. 32 of the Austrian Court Fee Act (Gerichtsgebühren gesetz), the filing fee has been amended and now amounts to EUR 42 (if the application and the deeds involved are submitted via WebERV) and to EUR 59 (if the application and the deeds involved are not submitted via WebERV).</td>
</tr>
<tr>
<td>No.</td>
<td>Procedure</td>
<td>Time to complete</td>
<td>Cost to complete</td>
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<td>-----</td>
<td>----------------------------------------------------------------------------</td>
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<tr>
<td></td>
<td>attorney at law or notary) is freed from the trust account. Also, the</td>
<td></td>
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<tr>
<td></td>
<td>notary/lawyer transfers the real property transaction tax to the tax office</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>and transfers the purchase price to the seller. The documentation shall</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>include:</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Sales agreement</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Clearance Certificate of the tax authority verifying the payment of land</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>transfer tax or self-assessment certificate</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Documentation on the fact that the company is owned by Austrian or</td>
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</tr>
<tr>
<td></td>
<td>European Community citizens</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* Takes place simultaneously with another procedure.

Note: Online procedures account for 0.5 days in the total time calculation.

Source: Doing Business database.
GETTING CREDIT

Two types of frameworks can facilitate access to credit and improve its allocation: credit information systems and borrowers and lenders in collateral and bankruptcy laws. Credit information systems enable lenders’ rights to view a potential borrower’s financial history (positive or negative)—valuable information to consider when assessing risk. And they permit borrowers to establish a good credit history that will allow easier access to credit. Sound collateral laws enable businesses to use their assets, especially movable property, as security to generate capital—while strong creditors’ rights have been associated with higher ratios of private sector credit to GDP.

What do the indicators cover?

Doing Business assesses the sharing of credit information and the legal rights of borrowers and lenders with respect to secured transactions through 2 sets of indicators. The depth of credit information index measures rules and practices affecting the coverage, scope and accessibility of credit information available through a credit registry or a credit bureau. The strength of legal rights index measures whether certain features that facilitate lending exist within the applicable collateral and bankruptcy laws. Doing Business uses two case scenarios, Case A and Case B, to determine the scope of the secured transactions system, involving a secured borrower and a secured lender and examining legal restrictions on the use of movable collateral (for more details on each case, see the Data Notes section of the Doing Business 2015 report). These scenarios assume that the borrower:

- Is a private limited liability company.
- Has its headquarters and only base of operations in the largest business city. For the 11 economies with a population of more than 100 million, data for a second city have been added.

### WHAT THE GETTING CREDIT INDICATORS MEASURE

#### Strength of legal rights index (0–12)
Rights of borrowers and lenders through collateral laws
Protection of secured creditors’ rights through bankruptcy laws

#### Depth of credit information index (0–8)
Scope and accessibility of credit information distributed by credit bureaus and credit registries

#### Credit bureau coverage (% of adults)
Number of individuals and firms listed in largest credit bureau as percentage of adult population

#### Credit registry coverage (% of adults)
Number of individuals and firms listed in credit registry as percentage of adult population

- Has up to 50 employees.
- Is 100% domestically owned, as is the lender.

The ranking of economies on the ease of getting credit is determined by sorting their distance to frontier scores for getting credit. These scores are the distance to frontier score for the strength of legal rights index and the depth of credit information index.

---

3 For the legal rights index, 2 new points are added in Doing Business 2015 for new data collected to assess the overall legal framework for secured transactions and the functioning of the collateral registry.

4 For the credit information index, 2 new points are added in Doing Business 2015 for new data collected on accessing borrowers’ credit information online and availability of credit scores.
GETTING CREDIT
Where does the economy stand today?

How well do the credit information system and collateral and bankruptcy laws in Austria facilitate access to credit? The economy has a score of 7 on the depth of credit information index and a score of 5 on the strength of legal rights index (see the summary of scoring at the end of this chapter for details). Higher scores indicate more credit information and stronger legal rights for borrowers and lenders.

Globally, Austria stands at 52 in the ranking of 189 economies on the ease of getting credit (figure 6.1). The rankings for comparator economies and the regional average ranking provide other useful information for assessing how well regulations and institutions in Austria support lending and borrowing.

Figure 6.1 How Austria and comparator economies rank on the ease of getting credit

Source: Doing Business database.
GETTING CREDIT

One way to put an economy’s score on the getting credit indicators into context is to see where the economy stands in the distribution of scores across economies. Figure 6.2 highlights the score on the strength of legal rights index for Austria and shows the scores for comparator economies as well as the regional average score. Figure 6.3 shows the same for the depth of credit information index.

Figure 6.2 How strong are legal rights for borrowers and lenders?

Economy scores on strength of legal rights index

![Chart showing scores for various countries.]

Note: Higher scores indicate that collateral and bankruptcy laws are better designed to facilitate access to credit.
Source: Doing Business database.

Figure 6.3 How much credit information is shared—and how widely?

Economy scores on depth of credit information index

![Chart showing scores for various countries.]

Note: Higher scores indicate the availability of more credit information, from either a credit registry or a credit bureau, to facilitate lending decisions. If the credit bureau or registry is not operational or covers less than 5% of the adult population, the total score on the depth of credit information index is 0.
Source: Doing Business database.
GETTING CREDIT

What are the details?

The getting credit indicators reported here for Austria are based on detailed information collected in that economy. The data on credit information sharing are collected through a survey of a credit registry and/or credit bureau (if one exists). To construct the depth of credit information index, a score of 1 is assigned for each of 8 features of the credit registry or credit bureau (see summary of scoring below).

The data on the legal rights of borrowers and lenders are gathered through a survey of financial lawyers and verified through analysis of laws and regulations as well as public sources of information on collateral and bankruptcy laws. For the strength of legal rights index, a score of 1 is assigned for each of 10 aspects related to legal rights in collateral law and 2 aspects in bankruptcy law.

<table>
<thead>
<tr>
<th>Strength of legal rights index (0–12)</th>
<th>Index score: 5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Does an integrated or unified legal framework for secured transactions that extends to the creation, publicity and enforcement of functional equivalents to security interests in movable assets exist in the economy?</td>
<td>No</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>No</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>No</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; can all types of debts and obligations be secured between parties; and can the collateral agreement include a maximum amount for which the assets are encumbered?</td>
<td>Yes</td>
</tr>
<tr>
<td>Is a collateral registry in operation for both incorporated and non-incorporated entities, that is unified geographically and by asset type, with an electronic database indexed by debtor’s name?</td>
<td>No</td>
</tr>
<tr>
<td>Does a notice-based collateral registry exist in which all functional equivalents can be registered?</td>
<td>No</td>
</tr>
<tr>
<td>Does a modern collateral registry exist in which registrations, amendments, cancellations and searches can be performed online by any interested third party?</td>
<td>No</td>
</tr>
<tr>
<td>Are secured creditors paid first (i.e. before tax claims and employee claims) when a debtor defaults outside an insolvency procedure?</td>
<td>Yes</td>
</tr>
<tr>
<td>Are secured creditors paid first (i.e. before tax claims and employee claims) when a business is liquidated?</td>
<td>Yes</td>
</tr>
<tr>
<td>Are secured creditors subject to an automatic stay on enforcement when a debtor enters a court-supervised reorganization procedure? Does the law protect secured creditors’ rights by providing clear grounds for relief from the stay and/or sets a time limit for it?</td>
<td>No</td>
</tr>
</tbody>
</table>
## Strength of legal rights index (0–12)

<table>
<thead>
<tr>
<th>Does the law allow parties to agree on out of court enforcement at the time a security interest is created? Does the law allow the secured creditor to sell the collateral through public auction and private tender, as well as, for the secured creditor to keep the asset in satisfaction of the debt?</th>
<th>Yes</th>
</tr>
</thead>
</table>

## Depth of credit information index (0–8)

<table>
<thead>
<tr>
<th>Feature</th>
<th>Credit bureau</th>
<th>Credit registry</th>
<th>Index score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Are data on both firms and individuals distributed?</td>
<td>No</td>
<td>No</td>
<td>0</td>
</tr>
<tr>
<td>Are both positive and negative credit data distributed?</td>
<td>Yes</td>
<td>No</td>
<td>1</td>
</tr>
<tr>
<td>Are data from retailers or utility companies - in addition to data from banks and financial institutions - distributed?</td>
<td>Yes</td>
<td>No</td>
<td>1</td>
</tr>
<tr>
<td>Are at least 2 years of historical data distributed? (Credit bureaus and registries that distribute more than 10 years of negative data or erase data on defaults as soon as they are repaid obtain a score of 0 for this component.)</td>
<td>Yes</td>
<td>No</td>
<td>1</td>
</tr>
<tr>
<td>Are data on loan amounts below 1% of income per capita distributed?</td>
<td>Yes</td>
<td>No</td>
<td>1</td>
</tr>
<tr>
<td>By law, do borrowers have the right to access their data in the credit bureau or credit registry?</td>
<td>Yes</td>
<td>No</td>
<td>1</td>
</tr>
<tr>
<td>Can banks and financial institutions access borrowers’ credit information online (for example, through an online platform, a system-to-system connection or both)?</td>
<td>Yes</td>
<td>No</td>
<td>1</td>
</tr>
<tr>
<td>Are bureau or registry credit scores offered as a value-added service to help banks and financial institutions assess the creditworthiness of borrowers?</td>
<td>Yes</td>
<td>No</td>
<td>1</td>
</tr>
</tbody>
</table>

**Note:** Prior to Doing Business 2015, the depth of credit information index covered only the first 6 features listed above. An economy receives a score of 1 if there is a "yes" to either bureau or registry. If the credit bureau or registry is not operational or covers less than 5% of the adult population, the total score on the depth of credit information index is 0.

## Coverage

<table>
<thead>
<tr>
<th>Category</th>
<th>Credit bureau (% of adults)</th>
<th>Credit registry (% of adults)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of firms</td>
<td>4,215</td>
<td>59,900</td>
</tr>
<tr>
<td>Number of individuals</td>
<td>3,025,573</td>
<td>56,152</td>
</tr>
<tr>
<td>Percent of total</td>
<td>53.2</td>
<td>2.0</td>
</tr>
</tbody>
</table>
Source: Doing Business database.
PROTECTING MINORITY INVESTORS

Protecting minority investors matters for the ability of companies to raise the capital they need to grow, innovate, diversify and compete. Effective regulations define related-party transactions precisely, promote clear and efficient disclosure requirements, require shareholder participation in major decisions of the company and set detailed standards of accountability for company insiders.

What do the indicators cover?

Doing Business measures the protection of minority investors from conflicts of interest through one set of indicators and shareholders’ rights in corporate governance through another. The ranking of economies on the strength of minority investor protections is determined by sorting their distance to frontier scores for protecting minority investors. These scores are the simple average of the distance to frontier scores for the extent of conflict of interest regulation index and the extent of shareholder governance index. To make the data comparable across economies, a case study uses several assumptions about the business and the transaction.

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 involves the following details:

- 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 Buyer.
- Shareholders sue the interested parties and the members of the board of directors.

WHAT THE PROTECTING MINORITY INVESTORS INDICATORS MEASURE

**Extent of disclosure index (0–10)**

Review and approval requirements for related-party transactions; Disclosure requirements for related-party transactions

**Extent of director liability index (0–10)**

Ability of minority shareholders to sue and hold interested directors liable for prejudicial related-party transactions; Available legal remedies (damages, disgorgement of profits, fines, imprisonment, rescission of the transaction)

**Ease of shareholder suits index (0–10)**

Access to internal corporate documents; Evidence obtainable during trial and allocation of legal expenses

**Extent of conflict of interest regulation index (0–10)**

Sum of the extent of disclosure, extent of director liability and ease of shareholder indices, divided by 3

**Extent of shareholder rights index (0–10.5)**

Shareholders’ rights and role in major corporate decisions

**Strength of governance structure index (0–10.5)**

Governance safeguards protecting shareholders from undue board control and entrenchment

**Extent of corporate transparency index (0–9)**

Corporate transparency on ownership stakes, compensation, audits and financial prospects

**Extent of shareholder governance index (0–10)**

Sum of the extent of shareholders rights, strength of governance structure and extent of corporate transparency indices, divided by 3

**Strength of investor protection index (0–10)**

Simple average of the extent of conflict of interest regulation and extent of shareholder governance indices
PROTECTING MINORITY INVESTORS
Where does the economy stand today?

How strong are minority investor protections against self-dealing in Austria? The economy has a score of 6.3 on the strength of minority investor protection index, with a higher score indicating stronger protections.

Globally, Austria stands at 32 in the ranking of 189 economies on the strength of minority investor protection index (figure 7.1). While the indicator does not measure all aspects related to the protection of minority investors, a higher ranking does indicate that an economy’s regulations offer stronger minority investor protections against self-dealing in the areas measured.

Figure 7.1 How Austria and comparator economies perform on the strength of minority investor protection index

Source: Doing Business database.
PROTECTING MINORITY INVESTORS

One way to put an economy’s scores on the protecting minority investors indicators into context is to see where the economy stands in the distribution of scores across comparator economies. Figures 7.2 through 7.7 highlight the scores on the various minority investor protection indices for Austria in 2014. A summary of scoring for the protecting minority investors indicators at the end of this chapter provides details on how the indices were calculated.

Figure 7.2 How extensive are disclosure requirements?

**Extent of disclosure index (0-10)**

<table>
<thead>
<tr>
<th>Country</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>France</td>
<td>9</td>
</tr>
<tr>
<td>Belgium</td>
<td>8</td>
</tr>
<tr>
<td>Italy</td>
<td>7</td>
</tr>
<tr>
<td>Germany</td>
<td>5</td>
</tr>
<tr>
<td>Austria</td>
<td>5</td>
</tr>
<tr>
<td>Czech Republic</td>
<td>2</td>
</tr>
<tr>
<td>Switzerland</td>
<td>0</td>
</tr>
</tbody>
</table>

*Note: Higher scores indicate greater disclosure. Source: Doing Business database.*

Figure 7.3 How extensive is the liability regime for directors?

**Extent of director liability index (0-10)**

<table>
<thead>
<tr>
<th>Country</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Belgium</td>
<td>6</td>
</tr>
<tr>
<td>Switzerland</td>
<td>5</td>
</tr>
<tr>
<td>Germany</td>
<td>5</td>
</tr>
<tr>
<td>Czech Republic</td>
<td>5</td>
</tr>
<tr>
<td>Austria</td>
<td>5</td>
</tr>
<tr>
<td>Italy</td>
<td>4</td>
</tr>
<tr>
<td>France</td>
<td>3</td>
</tr>
</tbody>
</table>

*Note: Higher scores indicate greater liability of directors. Source: Doing Business database.*
PROTECTING MINORITY INVESTORS

Figure 7.4 How easy is accessing internal corporate documents?

Ease of shareholder suits index (0-10)

<table>
<thead>
<tr>
<th>Country</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Czech Republic</td>
<td>9</td>
</tr>
<tr>
<td>Italy</td>
<td>7</td>
</tr>
<tr>
<td>Belgium</td>
<td>7</td>
</tr>
<tr>
<td>Austria</td>
<td>6</td>
</tr>
<tr>
<td>Switzerland</td>
<td>5</td>
</tr>
<tr>
<td>Germany</td>
<td>5</td>
</tr>
<tr>
<td>France</td>
<td>5</td>
</tr>
</tbody>
</table>

Note: Higher scores indicate greater minority shareholder access to evidence before and during trial.

Source: Doing Business database.
PROTECTING MINORITY INVESTORS

Figure 7.5 How extensive are shareholder rights?

Extent of shareholder rights index (0-10.5)

<table>
<thead>
<tr>
<th>Country</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Austria</td>
<td>10.5</td>
</tr>
<tr>
<td>Switzerland</td>
<td>10</td>
</tr>
<tr>
<td>Italy</td>
<td>9</td>
</tr>
<tr>
<td>Germany</td>
<td>9</td>
</tr>
<tr>
<td>France</td>
<td>7.5</td>
</tr>
<tr>
<td>Czech Republic</td>
<td>7.5</td>
</tr>
<tr>
<td>Belgium</td>
<td>6</td>
</tr>
</tbody>
</table>

Note: The higher the score, the stronger the protections.
Source: Doing Business database.

Figure 7.6 How strong is the governance structure?

Strength of governance structure index (0-10.5)

<table>
<thead>
<tr>
<th>Country</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>France</td>
<td>8</td>
</tr>
<tr>
<td>Italy</td>
<td>6</td>
</tr>
<tr>
<td>Czech Republic</td>
<td>5.5</td>
</tr>
<tr>
<td>Switzerland</td>
<td>5</td>
</tr>
<tr>
<td>Germany</td>
<td>5</td>
</tr>
<tr>
<td>Belgium</td>
<td>5</td>
</tr>
<tr>
<td>Austria</td>
<td>5</td>
</tr>
</tbody>
</table>

Note: Higher scores indicate more stringent governance structure requirements.
Source: Doing Business database.
Figure 7.7 How extensive is corporate transparency?

Extent of corporate transparency index (0-9)

<table>
<thead>
<tr>
<th>Country</th>
<th>Index</th>
</tr>
</thead>
<tbody>
<tr>
<td>Switzerland</td>
<td>8</td>
</tr>
<tr>
<td>France</td>
<td>8</td>
</tr>
<tr>
<td>Italy</td>
<td>7</td>
</tr>
<tr>
<td>Germany</td>
<td>6.5</td>
</tr>
<tr>
<td>Austria</td>
<td>6.5</td>
</tr>
<tr>
<td>Belgium</td>
<td>5</td>
</tr>
<tr>
<td>Czech Republic</td>
<td>3.5</td>
</tr>
</tbody>
</table>

Note: Higher scores indicate greater transparency.
Source: Doing Business database.
PROTECTING MINORITY INVESTORS
What are the details?

The protecting minority investors indicators reported here for Austria are based on detailed information collected through a survey of corporate and securities lawyers about securities regulations, company laws and court rules of evidence and procedure. To construct the six indicators on minority investor protection, scores are assigned to each based on a range of conditions relating to disclosure, director liability, shareholder suits, shareholder rights, governance structure and corporate transparency in a standard case study (for more details, see the Data Notes section of the Doing Business 2015 report). The summary below shows the details underlying the scores for Austria.

Table 7.2 Summary of scoring for the protecting minority investors indicators in Austria

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Answer</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Extent of disclosure index (0-10)</td>
<td></td>
<td>5.0</td>
</tr>
<tr>
<td>Which corporate body can provide legally sufficient approval for</td>
<td>Board of directors excluding interested</td>
<td>2</td>
</tr>
<tr>
<td>the Buyer-Seller transaction? (0-3)</td>
<td>members</td>
<td></td>
</tr>
<tr>
<td>Is disclosure by the interested director to the board of directors</td>
<td>Existence of a conflict without any specifics</td>
<td>1</td>
</tr>
<tr>
<td>required? (0-2)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Is disclosure of the transaction in published periodic filings (annual</td>
<td>Disclosure on the transaction and on the</td>
<td>2</td>
</tr>
<tr>
<td>reports) required? (0-2)</td>
<td>conflict of interest</td>
<td></td>
</tr>
<tr>
<td>Is immediate disclosure of the transaction to the public and/or</td>
<td>No disclosure obligation</td>
<td>0</td>
</tr>
<tr>
<td>shareholders required? (0-2)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Must an external body review the terms of the transaction before it</td>
<td>No</td>
<td>0</td>
</tr>
<tr>
<td>takes place? (0-1)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Extent of director liability index (0-10)</td>
<td></td>
<td>5.0</td>
</tr>
<tr>
<td>Can shareholders sue directly or derivatively for the damage caused by</td>
<td>Yes</td>
<td>1</td>
</tr>
<tr>
<td>the Buyer-Seller transaction to the company? (0-1)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Can shareholders hold the interested director liable for the</td>
<td>Liable if negligent</td>
<td>1</td>
</tr>
<tr>
<td>damage caused by the transaction to the company? (0-2)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Can shareholders hold members of the approving body liable for the</td>
<td>Liable if negligent</td>
<td>1</td>
</tr>
<tr>
<td>damage caused by the transaction to the company? (0-2)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Must the interested director pay damages for the harm to the company</td>
<td>Yes</td>
<td>1</td>
</tr>
<tr>
<td>caused by a shareholder plaintiff? (0-1)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Must the interested director repay profits made from the</td>
<td>Yes</td>
<td>1</td>
</tr>
<tr>
<td>transaction upon a successful claim by a shareholder plaintiff? (0-1)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Can both fines and imprisonment be applied against the</td>
<td>No</td>
<td>0</td>
</tr>
<tr>
<td>interested indirector? (0-1)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Can a court void the transaction upon a successful claim by a</td>
<td>Only in case of fraud or bad faith</td>
<td>0</td>
</tr>
<tr>
<td>shareholder plaintiff? (0-2)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ease of shareholder suits index (0-10)</td>
<td></td>
<td>6.0</td>
</tr>
<tr>
<td>Before filing suit, can shareholders owning 10% of the</td>
<td>Yes</td>
<td>1</td>
</tr>
<tr>
<td>company’s share capital inspect the transaction documents? (0-1)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Can the plaintiff obtain any documents from the defendant</td>
<td>Documents that directly prove</td>
<td>2</td>
</tr>
<tr>
<td>Question</td>
<td>Yes if successful</td>
<td>1</td>
</tr>
<tr>
<td>-------------------------------------------------------------------------</td>
<td>-------------------</td>
<td>---</td>
</tr>
<tr>
<td>Is the level of proof required for civil suits lower than that of criminal cases?</td>
<td>Yes</td>
<td>1</td>
</tr>
<tr>
<td>Can shareholder plaintiffs recover their legal expenses from the company?</td>
<td>Yes if successful</td>
<td>1</td>
</tr>
<tr>
<td>Strength of minority investor protection index (0-10)</td>
<td>6.3</td>
<td></td>
</tr>
<tr>
<td>Extent of conflict of interest regulation index (0-10)</td>
<td>5.3</td>
<td></td>
</tr>
<tr>
<td>Extent of shareholder rights index (0-10.5)</td>
<td>10.5</td>
<td></td>
</tr>
<tr>
<td>Can shareholders amend company bylaws or statutes with a simple majority?</td>
<td>Yes</td>
<td>1.5</td>
</tr>
<tr>
<td>Can shareholders owning 10% of the company's share capital call for an extraordinary meeting of shareholders?</td>
<td>Yes</td>
<td>1.5</td>
</tr>
<tr>
<td>Can shareholders remove members of the board of directors before the end of their term.</td>
<td>Yes</td>
<td>1.5</td>
</tr>
<tr>
<td>Must a company obtain its shareholders' approval every time it issues new shares?</td>
<td>Yes</td>
<td>1.5</td>
</tr>
<tr>
<td>Are shareholders automatically granted subscription rights on new shares?</td>
<td>Yes</td>
<td>1.5</td>
</tr>
<tr>
<td>Must shareholders approve the election and dismissal of the external auditor?</td>
<td>Yes</td>
<td>1.5</td>
</tr>
<tr>
<td>Can shareholders freely trade shares prior to a major corporate action or meeting of shareholders?</td>
<td>Yes</td>
<td>1.5</td>
</tr>
<tr>
<td>Strength of governance structure index (0-10.5)</td>
<td>5.0</td>
<td></td>
</tr>
<tr>
<td>Is the CEO barred from also serving as chair of the board of directors?</td>
<td>No</td>
<td>0</td>
</tr>
<tr>
<td>Must the board of directors include independent board members?</td>
<td>No</td>
<td>0</td>
</tr>
<tr>
<td>Must a company have a separate audit committee?</td>
<td>Yes for listed companies</td>
<td>1</td>
</tr>
<tr>
<td>Must changes to the voting rights of a series or class of shares be approved only by the holders of the affected shares?</td>
<td>Yes</td>
<td>1.5</td>
</tr>
<tr>
<td>Must a potential acquirer make a tender offer to all shareholders upon acquiring 50% of a company?</td>
<td>Yes for listed companies</td>
<td>1</td>
</tr>
<tr>
<td>Is cross-shareholding between 2 independent companies limited to 10% of outstanding shares?</td>
<td>No</td>
<td>0</td>
</tr>
<tr>
<td>Is a subsidiary barred from acquiring shares issued by its parent company?</td>
<td>Yes</td>
<td>1.5</td>
</tr>
<tr>
<td>Extent of corporate transparency index (0-9)</td>
<td>6.5</td>
<td></td>
</tr>
<tr>
<td>Must ownership stakes representing 10% be disclosed?</td>
<td>Yes for listed companies</td>
<td>1</td>
</tr>
<tr>
<td>Must information about board members’ other directorships as well as basic information on their primary employment be disclosed?</td>
<td>No</td>
<td>0</td>
</tr>
<tr>
<td>Must the compensation of individual managers be disclosed?</td>
<td>Yes for listed companies</td>
<td>1</td>
</tr>
<tr>
<td>Must financial statements contain explanatory notes on significant accounting policies, trends, risks, uncertainties and other factors influencing the reporting?</td>
<td>Yes</td>
<td>1.5</td>
</tr>
<tr>
<td>Must annual financial statements be audited by an external</td>
<td>Yes</td>
<td>1.5</td>
</tr>
</tbody>
</table>
PAYING TAXES

Taxes are essential. The level of tax rates needs to be carefully chosen—and needless complexity in tax rules avoided. Firms in economies that rank better on the ease of paying taxes in the Doing Business study tend to perceive both tax rates and tax administration as less of an obstacle to business according to the World Bank Enterprise Survey research.

What do the indicators cover?

Using a case scenario, Doing Business measures the taxes and mandatory contributions that a medium-size company must pay in a given year as well as the administrative burden of paying taxes and contributions. This case scenario uses a set of financial statements and assumptions about transactions made over the year. Information is also compiled on the frequency of filing and payments as well as time taken to comply with tax laws. The ranking of economies on the ease of paying taxes is determined by sorting their distance to frontier scores on the ease of paying taxes. These scores are the simple average of the distance to frontier scores for each of the component indicators, with a threshold and a nonlinear transformation applied to one of the component indicators, the total tax rate. The financial statement variables have been updated to be proportional to 2012 income per capita; previously they were proportional to 2005 income per capita. To make the data comparable across economies, several assumptions are used:

- **TaxpayerCo** is a medium-size business that started operations on January 1, 2012.
- 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.
- A range of standard deductions and exemptions are also recorded.

*The nonlinear distance to frontier for the total tax rate is equal to the distance to frontier for the total tax rate to the power of 0.8. The threshold is defined as the total tax rate at the 15th percentile of the overall distribution for all years included in the analysis. It is calculated and adjusted on a yearly basis.

An economy with a score of an "optimal tax rate" that minimizes distortions or maximizes efficiency in the tax system of an economy overall. Instead, it is mainly empirical in nature, set at the lower end of the distribution of tax rates observed on medium-size enterprises in the manufacturing sector as observed through the paying taxes indicators. This reduces the bias in the indicators toward economies that do not need to rely significantly on company-level taxes like the Doing Business standardized case study company because they raise public revenue in other ways—for example, through taxes on foreign companies, through taxes on sectors other than manufacturing or from natural resources (all of which are outside the scope of the methodology). This year’s threshold is 26.1%.

### WHAT THE PAYING TAXES INDICATORS MEASURE

<table>
<thead>
<tr>
<th>Tax payments for a manufacturing company in 2013 (number per year adjusted for electronic and joint filing and payment)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total number of taxes and contributions paid, including consumption taxes (value added tax, sales tax or goods and service tax)</td>
</tr>
<tr>
<td>Method and frequency of filing and payment</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Time required to comply with 3 major taxes (hours per year)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Collecting information and computing the tax payable</td>
</tr>
<tr>
<td>Completing tax return forms, filing with proper agencies</td>
</tr>
<tr>
<td>Arranging payment or withholding</td>
</tr>
<tr>
<td>Preparing separate tax accounting books, if required</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Total tax rate (% of profit before all taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit or corporate income tax</td>
</tr>
<tr>
<td>Social contributions and labor taxes paid by the employer</td>
</tr>
<tr>
<td>Property and property transfer taxes</td>
</tr>
<tr>
<td>Dividend, capital gains and financial transactions taxes</td>
</tr>
<tr>
<td>Waste collection, vehicle, road and other taxes</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Auditing requirements</th>
</tr>
</thead>
<tbody>
<tr>
<td>Must audit reports be disclosed to the public?</td>
</tr>
<tr>
<td>Yes</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Extent of shareholder governance index (0-10)</th>
</tr>
</thead>
<tbody>
<tr>
<td>7.3</td>
</tr>
</tbody>
</table>

*Source: Doing Business database.*
PAYING TAXES

Where does the economy stand today?

What is the administrative burden of complying with taxes in Austria—and how much do firms pay in taxes? On average, firms make 12.0 tax payments a year, spend 166.0 hours a year filing, preparing and paying taxes and pay total taxes amounting to 52.0% of profit (see the summary at the end of this chapter for details). Most indicator sets refer to a case scenario in the largest business city of an economy, except for 11 economies for which the data are a population-weighted average of the 2 largest business cities. See the chapter on distance to frontier and ease of doing business ranking at the end of this profile for more details.

Globally, Austria stands at 72 in the ranking of 189 economies on the ease of paying taxes (figure 8.1). The rankings for comparator economies and the regional average ranking provide other useful information for assessing the tax compliance burden for businesses in Austria.

Figure 8.1 How Austria and comparator economies rank on the ease of paying taxes

![Chart showing how Austria and comparator economies rank on the ease of paying taxes.]

Source: Doing Business database.
PAYING TAXES
What are the details?

The indicators reported here for Austria are based on the taxes and contributions that would be paid by a standardized case study company used by Doing Business in collecting the data (see the section in this chapter on what the indicators cover). Tax practitioners are asked to review a set of financial statements as well as a standardized list of assumptions and transactions that the company completed during its 2nd year of operation. Respondents are asked how much taxes and mandatory contributions the business must pay and how these taxes are filed and paid.

Table 8.2 Summary of tax rates and administration

<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 (% of profit)</th>
<th>Notes on total tax rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social security contributions</td>
<td>1</td>
<td>online filing</td>
<td>52</td>
<td>21.76%</td>
<td>gross salaries</td>
<td>23.6</td>
<td></td>
</tr>
<tr>
<td>Corporate income tax</td>
<td>1</td>
<td>online filing</td>
<td>47</td>
<td>25%</td>
<td>taxable profit</td>
<td>15.4</td>
<td></td>
</tr>
<tr>
<td>Contribution to family fund</td>
<td>0</td>
<td>paid jointly</td>
<td>0</td>
<td>4.5%</td>
<td>gross salaries</td>
<td>5.1</td>
<td></td>
</tr>
<tr>
<td>Municipal employees tax</td>
<td>1</td>
<td>online filing</td>
<td>0</td>
<td>3%</td>
<td>gross salaries</td>
<td>3.4</td>
<td></td>
</tr>
<tr>
<td>Contribution to pension fund</td>
<td>0</td>
<td>paid jointly</td>
<td>0</td>
<td>1.53%</td>
<td>gross salaries</td>
<td>1.7</td>
<td></td>
</tr>
<tr>
<td>Tax on insurance contracts</td>
<td>1</td>
<td></td>
<td>0</td>
<td>1% &amp; 11%</td>
<td>insurance premium</td>
<td>1.2</td>
<td></td>
</tr>
<tr>
<td>Property tax</td>
<td>1</td>
<td></td>
<td>0</td>
<td>variable</td>
<td>value land assessed by tax authority</td>
<td>0.9</td>
<td></td>
</tr>
<tr>
<td>Contribution to the chamber of commerce</td>
<td>1</td>
<td>online filing</td>
<td>0</td>
<td>0.44%</td>
<td>gross salaries</td>
<td>0.5</td>
<td></td>
</tr>
<tr>
<td>Advertising tax</td>
<td>1</td>
<td></td>
<td>0</td>
<td>5%</td>
<td>value of service</td>
<td>0.2</td>
<td></td>
</tr>
<tr>
<td>Tax or mandatory contribution</td>
<td>Payments (number)</td>
<td>Notes on payments</td>
<td>Time (hours)</td>
<td>Statutory tax rate</td>
<td>Tax base</td>
<td>Total tax rate (% of profit)</td>
<td>Notes on total tax rate</td>
</tr>
<tr>
<td>-------------------------------</td>
<td>------------------</td>
<td>------------------</td>
<td>-------------</td>
<td>--------------------</td>
<td>---------</td>
<td>-----------------------------</td>
<td>-------------------------</td>
</tr>
<tr>
<td>Vehicle tax</td>
<td>1</td>
<td>0</td>
<td>fixed fee</td>
<td>0</td>
<td>small amount</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Road tax</td>
<td>1</td>
<td>0</td>
<td>fixed fee</td>
<td>0</td>
<td>small amount</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fuel Tax</td>
<td>1</td>
<td>0</td>
<td>EUR 397 per 1000 liter</td>
<td>fuel consumption</td>
<td>0</td>
<td>small amount</td>
<td></td>
</tr>
<tr>
<td>Value added tax (VAT)</td>
<td>1</td>
<td>online filing</td>
<td>67</td>
<td>20%</td>
<td>value added</td>
<td>not included</td>
<td></td>
</tr>
<tr>
<td>Stamp duty</td>
<td>1</td>
<td>0</td>
<td>0.8% to 2%</td>
<td>depending on taxable event</td>
<td>0</td>
<td>small amount</td>
<td></td>
</tr>
<tr>
<td>Totals</td>
<td>12.0</td>
<td>166.0</td>
<td>52.0</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Source: Doing Business database.*
TRADING ACROSS BORDERS

In today’s globalized world, making trade between economies easier is increasingly important for business. 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. Research shows that exporters in developing countries gain more from a 10% drop in their trading costs than from a similar reduction in the tariffs applied to their products in global markets.

What do the indicators cover?

Doing Business measures the time and cost (excluding tariffs and the time and cost for sea transport) associated with exporting and importing a standard shipment of goods by sea transport, and the number of documents necessary to complete the transaction. The indicators cover predefined stages such as documentation requirements and procedures at customs and other regulatory agencies as well as at the port. They also cover trade logistics, including the time and cost of inland transport to the largest business city. The ranking of economies on the ease of trading across borders is determined by sorting their distance to frontier scores for trading across borders. These scores are the simple average of the distance to frontier scores for each of the component indicators. To make the data comparable across economies, Doing Business uses several assumptions about the business and the traded goods.

The business:

- Is located in the economy’s largest business city. For the 11 economies with a population of more than 100 million, data for a second city have been added.
- Is a private, limited liability company, domestically owned and does not operate with special export or import privileges.
- Conducts export and import activities, but does not have any special accreditation such as an authorized economic operator status.

The traded product:

- Is not hazardous nor includes military items.
- Does not require refrigeration or any other special environment.
- Do not require any special phytosanitary or environmental safety standards other than accepted international standards.
- Is one of the economy’s leading export or import products.
- Is transported in a dry-cargo, 20-foot full container load.
TRADING ACROSS BORDERS
Where does the economy stand today?

What does it take to export or import in Austria? According to data collected by Doing Business, exporting a standard container of goods requires 3 documents, takes 10.0 days and costs $1150.0. Importing the same container of goods requires 4 documents, takes 9.0 days and costs $1215.0 (see the summary of four predefined stages and documents at the end of this chapter for details). Most indicator sets refer to a case scenario in the largest business city of an economy, except for 11 economies for which the data are a population-weighted average of the 2 largest business cities. See the chapter on distance to frontier and ease of doing business ranking at the end of this profile for more details.

Globally, Austria stands at 19 in the ranking of 189 economies on the ease of trading across borders (figure 9.1). The rankings for comparator economies and the regional average ranking provide other useful information for assessing how easy it is for a business in Austria to export and import goods.

Figure 9.1 How Austria and comparator economies rank on the ease of trading across borders

Source: Doing Business database.
TRADING ACROSS BORDERS
What are the details?

The indicators reported here for Austria are based on a set of specific predefined stages for trading a standard shipment of goods by ocean transport (see the section in this chapter on what the indicators cover). Information on the required documents and the time and cost to complete export and import is collected from local freight forwarders, shipping lines, customs brokers, port officials and banks.

<table>
<thead>
<tr>
<th>Location of Standardized Company</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Port Name:</strong> Hamburg, Germany</td>
</tr>
<tr>
<td><strong>City:</strong> Vienna</td>
</tr>
</tbody>
</table>

The predefined stages, and the associated time and cost, for exporting and importing a standard shipment of goods are listed in the summary below, along with the required documents.

Table 9.2 Summary of predefined stages and documents for trading across borders in Austria

<table>
<thead>
<tr>
<th>Stages to export</th>
<th>Time (days)</th>
<th>Cost (US$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customs clearance and inspections</td>
<td>1</td>
<td>60</td>
</tr>
<tr>
<td>Documents preparation</td>
<td>3</td>
<td>130</td>
</tr>
<tr>
<td>Inland transportation and handling</td>
<td>4</td>
<td>650</td>
</tr>
<tr>
<td>Ports and terminal handling</td>
<td>2</td>
<td>310</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td><strong>10</strong></td>
<td><strong>1,150</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Stages to import</th>
<th>Time (days)</th>
<th>Cost (US$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customs clearance and inspections</td>
<td>1</td>
<td>60</td>
</tr>
<tr>
<td>Documents preparation</td>
<td>3</td>
<td>145</td>
</tr>
<tr>
<td>Inland transportation and handling</td>
<td>4</td>
<td>700</td>
</tr>
<tr>
<td>Ports and terminal handling</td>
<td>1</td>
<td>310</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td><strong>9</strong></td>
<td><strong>1,215</strong></td>
</tr>
</tbody>
</table>
### Documents to export

<table>
<thead>
<tr>
<th>Document</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bill of lading</td>
</tr>
<tr>
<td>Commercial invoice</td>
</tr>
<tr>
<td>Customs export declaration</td>
</tr>
</tbody>
</table>

### Documents to import

<table>
<thead>
<tr>
<th>Document</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bill of lading</td>
</tr>
<tr>
<td>Commercial invoice</td>
</tr>
<tr>
<td>Customs import declaration</td>
</tr>
<tr>
<td>Transit document (T1)</td>
</tr>
</tbody>
</table>

*Source: Doing Business database.*
ENFORCING CONTRACTS

Effective commercial dispute resolution has many benefits. Courts are essential for entrepreneurs because they interpret the rules of the market and protect economic rights. Efficient and transparent courts encourage new business relationships because businesses know they can rely on the courts if a new customer fails to pay. Speedy trials are essential for small enterprises, which may lack the resources to stay in business while awaiting the outcome of a long court dispute.

What do the indicators cover?

*Doing Business* measures the efficiency of the judicial system in resolving a commercial dispute before local courts. Following the step-by-step evolution of a standardized case study, it collects data relating to the time, cost and procedural complexity of resolving a commercial lawsuit. The ranking on the ease of enforcing contracts is the simple average of the percentile rankings on its component indicators: procedures, time and cost.

The dispute in the case study involves the breach of a sales contract between 2 domestic businesses. The case study assumes that the court hears an expert on the quality of the goods in dispute. This distinguishes the case from simple debt enforcement. To make the data comparable across economies, *Doing Business* uses several assumptions about the case:

- The seller and buyer are located in the economy’s largest business city. For the 11 economies with a population of more than 100 million, data for a second city have been added.
- The buyer orders custom-made goods, then fails to pay.
- The seller sues the buyer before a competent court.
- The value of the claim is 200% of the income per capita or the equivalent in local currency of USD 5,000, whichever is greater.
- The seller requests a pretrial attachment to secure the claim.
- The dispute on the quality of the goods requires an expert opinion.
- The judge decides in favor of the seller; there is no appeal.
- The seller enforces the judgment through a public sale of the buyer’s movable assets.

### WHAT THE ENFORCING CONTRACTS INDICATORS MEASURE

<table>
<thead>
<tr>
<th><strong>Procedures to enforce a contract through the courts (number)</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Steps to file and serve the case</td>
</tr>
<tr>
<td>Steps for trial and judgment</td>
</tr>
<tr>
<td>Steps to enforce the judgment</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Time required to complete procedures (calendar days)</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Time to file and serve the case</td>
</tr>
<tr>
<td>Time for trial and obtaining judgment</td>
</tr>
<tr>
<td>Time to enforce the judgment</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Cost required to complete procedures (% of claim)</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Average attorney fees</td>
</tr>
<tr>
<td>Court costs</td>
</tr>
<tr>
<td>Enforcement costs</td>
</tr>
</tbody>
</table>
ENFORCING CONTRACTS
Where does the economy stand today?

How efficient is the process of resolving a commercial dispute through the courts in Austria? According to data collected by Doing Business, contract enforcement takes 397.0 days, costs 18.0% of the value of the claim and requires 25.0 procedures (see the summary at the end of this chapter for details). Most indicator sets refer to a case scenario in the largest business city of an economy, except for 11 economies for which the data are a population-weighted average of the 2 largest business cities. See the chapter on distance to frontier and ease of doing business ranking at the end of this profile for more details.

Globally, Austria stands at 5 in the ranking of 189 economies on the ease of enforcing contracts (figure 10.1). The rankings for comparator economies and the regional average ranking provide other useful benchmarks for assessing the efficiency of contract enforcement in Austria.

Figure 10.1 How Austria and comparator economies rank on the ease of enforcing contracts

Source: Doing Business database.
ENFORCING CONTRACTS
What are the details?

The indicators reported here for Austria are based on a set of specific procedural steps required to resolve a standardized commercial dispute through the courts (see the section in this chapter on what the indicators cover). These procedures, and the time and cost of completing them, are identified through study of the codes of civil procedure and other court regulations, as well as through questionnaires completed by local litigation lawyers (and, in a quarter of the economies covered by Doing Business, by judges as well).

Table 10.2 Summary of time, cost and procedures for enforcing a contract in Austria

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Austria</th>
<th>OECD high income average</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Time (days)</strong></td>
<td>397</td>
<td>540</td>
</tr>
<tr>
<td>Filing and service</td>
<td>30</td>
<td></td>
</tr>
<tr>
<td>Trial and judgment</td>
<td>277</td>
<td></td>
</tr>
<tr>
<td>Enforcement of judgment</td>
<td>90</td>
<td></td>
</tr>
<tr>
<td><strong>Cost (% of claim)</strong></td>
<td>18.0</td>
<td>21.4</td>
</tr>
<tr>
<td>Attorney cost (% of claim)</td>
<td>13.6</td>
<td></td>
</tr>
<tr>
<td>Court cost (% of claim)</td>
<td>4.1</td>
<td></td>
</tr>
<tr>
<td>Enforcement Cost (% of claim)</td>
<td>0.3</td>
<td></td>
</tr>
<tr>
<td><strong>Procedures (number)</strong></td>
<td>25</td>
<td>32</td>
</tr>
<tr>
<td>Number of procedures (without bonus points)</td>
<td>27</td>
<td></td>
</tr>
<tr>
<td>Electronic filing of court cases</td>
<td>-1</td>
<td></td>
</tr>
<tr>
<td>Specialized commercial courts</td>
<td>-1</td>
<td></td>
</tr>
<tr>
<td>Total number of procedures (including bonus points)</td>
<td>25</td>
<td></td>
</tr>
<tr>
<td>No.</td>
<td>Procedures</td>
<td></td>
</tr>
<tr>
<td>-----</td>
<td>------------</td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Filing and service:</strong></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Plaintiff requests payment: Plaintiff or his lawyer asks Defendant orally or in writing to comply with the contract.</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Plaintiff hires a lawyer: Plaintiff hires a lawyer.</td>
<td></td>
</tr>
<tr>
<td>*</td>
<td>Plaintiff files a summons and complaint: Plaintiff files a summons and complaint with the court (orally or in writing).</td>
<td></td>
</tr>
<tr>
<td>*</td>
<td>Plaintiff pays court fees: Plaintiff pays court fees (e.g. court duties, stamp duties, or any other type of court fees). Answer ‘yes’ even if Plaintiff recovers these costs.</td>
<td></td>
</tr>
<tr>
<td>*</td>
<td>Assignment of court case to a judge: Assignment of court case to a judge (through a random procedure, automated system, ruling of an administrative judge, court officer, etc).</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Judicial scrutiny of summons and complaint: Judge examines Plaintiff's summons and complaint for formal requirements as a matter of law or standard practice.</td>
<td></td>
</tr>
<tr>
<td>*</td>
<td>Judge admits summons and complaint: Judge admits summons and complaint (after verifying the formal requirements).</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Court order for service: Upon Plaintiff’s request, judge orders process be served on Defendant.</td>
<td></td>
</tr>
<tr>
<td>*</td>
<td>Mailing of summons and complaint: Court or process server, including (private) bailiff, mails summons and complaint to Defendant.</td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Trial and judgment:</strong></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Defendant files an answer to Plaintiff’s claim: Defendant files a written pleading which includes his answer or defense on the merits of the case (see assumption 4).</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Filing of written submissions: Plaintiff and Defendant file written pleadings and submissions with the court and transmit copies of the written pleadings or submissions to one another. The pleadings may or may not include witness statements or expert (witness) statements.</td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>Framing of issues: Plaintiff and Defendant assist the court in framing issues on which evidence is to be presented.</td>
<td></td>
</tr>
<tr>
<td>*</td>
<td>Court appointment of independent expert: Judge appoints, either at the parties’ request or at his own initiative, an independent expert to decide whether the quality of the goods Plaintiff delivered to Defendant is adequate. (see assumption 5-b).</td>
<td></td>
</tr>
<tr>
<td>*</td>
<td>Delivery of expert report by court-appointed expert: The independent expert, appointed by the court, delivers his or her expert report to the court (see assumption 5-b).</td>
<td></td>
</tr>
<tr>
<td>*</td>
<td>Setting of date(s) for oral hearing or trial: Judge sets the date(s) for the oral hearing or trial.</td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>Summoning of (expert) witnesses: The court summons (expert) witnesses to appear in court for the oral hearing or trial (see assumption 5-a).</td>
<td></td>
</tr>
<tr>
<td>No.</td>
<td>Procedures</td>
<td></td>
</tr>
<tr>
<td>-----</td>
<td>------------</td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>Oral hearing (prevalent in civil law): The parties argue the merits of the case at an oral hearing before the judge. Witnesses and a court-appointed independent expert may be heard and questioned at the oral hearing.</td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>Adjournments: Court proceedings are delayed because one or both parties request and obtain an adjournment during the oral hearing or trial, resulting in an additional or later trial or hearing date.</td>
<td></td>
</tr>
<tr>
<td>11</td>
<td>Closing of the evidence period: The court makes the formal decision to close the evidence period.</td>
<td></td>
</tr>
<tr>
<td>12</td>
<td>Writing of judgment: The judge produces a written copy of the judgment.</td>
<td></td>
</tr>
<tr>
<td>13</td>
<td>Plaintiff receives a copy of the judgment: Plaintiff receives a copy of the written judgment which is 100% in favor of Plaintiff (see assumption 6).</td>
<td></td>
</tr>
<tr>
<td>14</td>
<td>Defendant is formally notified of the judgment: Plaintiff or court formally notifies the Defendant of the judgment. The appeal period starts to run from the day the Defendant is formally notified of the judgment.</td>
<td></td>
</tr>
<tr>
<td>15</td>
<td>Appeal period: By law Defendant has the opportunity to appeal the judgment during a specified period. Defendant decides not to appeal. Seller decides to start enforcing the judgment when the appeal period ends (see assumption 8).</td>
<td></td>
</tr>
<tr>
<td>16</td>
<td>Order for reimbursement by Defendant of Plaintiff’s court fees: The judgment orders Defendant to reimburse Plaintiff for the court fees Plaintiff has advanced, because Defendant has lost the case.</td>
<td></td>
</tr>
</tbody>
</table>

**Enforcement of judgment:**

* Plaintiff hires a lawyer: Plaintiff hires a lawyer to enforce the judgment or continues to be represented by a lawyer during the enforcement of judgment phase.

* Plaintiff requests an enforcement order: Plaintiff applies to the court to obtain the enforcement order (‘seal’ on judgment).

17 | Plaintiff advances enforcement fees: Plaintiff pays the fees related to the enforcement of the judgment. |
18 | Attachment of enforcement order to judgment: The judge attaches the enforcement order (‘seal’) to the judgment. |

* Delivery of enforcement order: The court’s enforcement order is delivered to a court enforcement officer or a private bailiff. |

19 | Identification of Defendant’s assets by court official or Defendant for purposes of enforcement: The judge, a court enforcement officer, a private bailiff or the Defendant himself identifies Defendant’s movable assets for the purposes of enforcing the judgment through a sale of Defendant’s assets. |
20 | Attachment: Defendant’s movable goods are attached (physically or by registering, marking or separating assets). |
21 | Report on execution of attachment: A court enforcement officer or private bailiff delivers a report on the attachment of Defendant’s movable goods to the judge. |
22 | Call for public auction: Judge calls a public auction by, for example, advertising or publication in the newspapers. |
23 | Sale through public auction: The Defendant’s movable property is sold at public auction. |
<table>
<thead>
<tr>
<th>No.</th>
<th>Procedures</th>
</tr>
</thead>
<tbody>
<tr>
<td>24</td>
<td>Judge’s decision on bids: Judge determines the adequacy of the bids presented at public auction.</td>
</tr>
<tr>
<td>25</td>
<td>Distribution of proceeds: The proceeds of the public auction are distributed to Plaintiff (and, where applicable, to other creditors, according to the rules of priority).</td>
</tr>
<tr>
<td>26</td>
<td>Reimbursement of Plaintiff’s enforcement fees: Defendant reimburses Plaintiff’s enforcement fees which Plaintiff had advanced previously.</td>
</tr>
<tr>
<td>27</td>
<td>Payment: Court orders that the proceeds of the public auction or the direct sale be delivered to Plaintiff.</td>
</tr>
</tbody>
</table>

* Not counted in the total number of procedures.

*Source: Doing Business database.*
RESOLVING INSOLVENCY

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 the speedy return of businesses 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.

What do the indicators cover?

Doing Business studies the time, cost and outcome of insolvency proceedings involving domestic legal entities. These variables are used to calculate the recovery rate, which is recorded as cents on the dollar recouped by secured creditors through reorganization, liquidation or debt enforcement (foreclosure) proceedings. To determine the present value of the amount recovered by creditors, Doing Business uses the lending rates from the International Monetary Fund, supplemented with data from central banks and the Economist Intelligence Unit.

In addition, Doing Business evaluates the adequacy and integrity of the existing legal framework applicable to liquidation and reorganization proceedings through the strength of insolvency framework index. The index tests whether economies adopted internationally accepted good practices in four areas: commencement of proceedings, management of debtor’s assets, reorganization proceedings and creditor participation.

The ranking of the Resolving Insolvency indicator is based on the recovery rate and the total score of the strength of insolvency framework index. The Resolving Insolvency indicator does not measure insolvency proceedings of individuals and financial institutions. The data are derived from survey responses by local insolvency practitioners and verified through a study of laws and regulations as well as public information on bankruptcy systems.

WHAT THE RESOLVING INSOLVENCY INDICATORS MEASURE

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Time required to recover debt (years)</td>
<td>Measured in calendar years, appeals and requests for extension included</td>
</tr>
<tr>
<td>Cost required to recover debt (% of debtor’s estate)</td>
<td>Measured as percentage of estate value, court fees, fees of insolvency administrators, lawyers’ fees, assessors’ and auctioneers’ fees, other related fees</td>
</tr>
<tr>
<td>Outcome</td>
<td>Whether business continues operating as a going concern or business assets are sold piecemeal</td>
</tr>
<tr>
<td>Recovery rate for creditors</td>
<td>Measures the cents on the dollar recovered by secured creditors, outcome for the business (survival or not) determines the maximum value that can be recovered</td>
</tr>
<tr>
<td>Official costs of the insolvency proceedings are deducted</td>
<td>Depreciation of furniture is taken into account, present value of debt recovered</td>
</tr>
<tr>
<td>Strength of insolvency framework index (0-16)</td>
<td>Sum of the scores of four component indices: commencement of proceedings index (0-3), management of debtor’s assets index (0-6), reorganization proceedings index (0-3), creditor participation index (0-4)</td>
</tr>
</tbody>
</table>
RESOLVING INSOLVENCY
Where does the economy stand today?

Combination of quality regulations and efficient practice characterize the top-performing economies. How efficient are insolvency proceedings in Austria? According to data collected by Doing Business, resolving insolvency takes 1.1 years on average and costs 10.0% of the debtor’s estate, with the most likely outcome being that the company will be sold as going concern. The average recovery rate is 82.6 cents on the dollar. Most indicator sets refer to a case scenario in the largest business city of an economy, except for 11 economies for which the data are a population-weighted average of the 2 largest business cities. See the chapter on distance to frontier and ease of doing business ranking at the end of this profile for more details.

According to data collected by Doing Business, Austria scores 2.5 out of 3 points on the commencement of proceedings index, 5.5 out of 6 points on the management of debtor’s assets index, 1.0 out of 3 points on the reorganization proceedings index, and 2.0 out of 4 points on the creditor participation index. Austria’s total score on the strength of insolvency framework index is 11.0 out of 16.

Globally, Austria stands at 16 in the ranking of 189 economies on the ease of resolving insolvency (figure 11.1). The rankings for comparator economies and the regional average ranking provide other useful benchmarks for assessing the efficiency of insolvency proceedings in Austria.

Figure 11.1 How Austria and comparator economies rank on the ease of resolving insolvency
Austria

Source: Doing Business database.
Figure 11.2 Recovery Rate (0-100) - Austria

![Bar Chart]

Source: Doing Business database.

Figure 11.3 Strength of insolvency framework index (0-16) - Austria

![Bar Chart]

Source: Doing Business database.
RESOLVING INSOLVENCY

A well-balanced bankruptcy system distinguishes companies that are financially distressed but economically viable from inefficient companies that should be liquidated. But in some insolvency systems even viable businesses are liquidated. This is starting to change. Many recent reforms of bankruptcy laws have been aimed at helping more of the viable businesses survive. What insolvency reforms has Doing Business recorded in Austria (table 11.1)?

Table 11.1 How has Austria made resolving insolvency easier—or not?

By Doing Business report year from DB2010 to DB2015

<table>
<thead>
<tr>
<th>DB year</th>
<th>Reform</th>
</tr>
</thead>
<tbody>
<tr>
<td>DB2012</td>
<td>Austria passed a new law that simplifies restructuring proceedings and gives preferential consideration to the interests of the debtors.</td>
</tr>
</tbody>
</table>

Note: For information on reforms in earlier years (back to DB2005), see the Doing Business reports for these years, available at http://www.doingbusiness.org. 
Source: Doing Business database.
LABOR MARKET REGULATION

*Doing Business* measures flexibility in the regulation of employment, specifically as it affects the hiring and redundancy of workers and the rigidity of working hours. This year, for the first time, the indicators measuring flexibility in labor market regulations focus on those affecting the food retail industry, using a standardized case study of a cashier in a supermarket. Also new is that *Doing Business* collects data on regulations applying to employees hired through temporary-work agencies as well as on those applying to permanent employees or employees hired on fixed-term contracts. The indicators also cover additional areas of labor market regulation, including social protection schemes and benefits as well as labor disputes.

Over the period from 2007 to 2011 improvements were made to align the methodology for the labor market regulation indicators (formerly the employing workers indicators) with the letter and spirit of the International Labour Organization (ILO) conventions. Only 6 of the 188 ILO conventions cover areas measured by *Doing Business*: employee termination, weekend work, holiday with pay, night work, protection against unemployment and medical care and sickness benefits. The *Doing Business* methodology is fully consistent with these 6 conventions. The ILO conventions covering areas related to the labor market regulation indicators do not include the ILO core labor standards—8 conventions covering the right to collective bargaining, the elimination of forced labor, the abolition of child labor and equitable treatment in employment practices.

Between 2009 and 2011 the World Bank Group worked with a consultative group—including labor lawyers, employer and employee representatives, and experts from the ILO, the Organisation for Economic Co-operation and Development (OECD), civil society and the private sector—to review the methodology for the labor market regulation indicators and explore future areas of research.

A full report with the conclusions of the consultative group is available at: http://www.doingbusiness.org/methodology/employing-workers.

*Doing Business 2015* presents the data for the labor market regulation indicators in an annex. The report does not present rankings of economies on these indicators nor include the topic in the aggregate distance to frontier score or ranking on the ease of doing business. Detailed data collected on labor market regulations are available on the *Doing Business* website (http://www.doingbusiness.org). The data on labor market regulations are based on a detailed survey of employment regulations that is completed by local lawyers and public officials. Employment laws and regulations as well as secondary sources are reviewed to ensure accuracy. To make the data comparable across economies, several assumptions about the worker and the business are used.

The worker:
- Is a cashier in a supermarket or a grocery store
- Is a full-time employee
- Is not a member of the labor union, unless membership is mandatory

The business:
- Is a limited liability company (or the equivalent in the economy) with 60 employees.
- Operates a supermarket or grocery store in the economy’s largest business city. For 11 economies the data are also collected for the second largest business city.
- Is subject to collective bargaining agreements if such agreements cover more than 50% of the food retail sector and they apply even to firms that are not party to them.
- Abides by every law and regulation but does not grant workers more benefits than those mandated by law, regulation or (if applicable) collective bargaining agreements.
LABOR MARKET REGULATION
What are the details?

The data reported here for Austria are based on a detailed survey of labor market regulation that is completed by local lawyers and public officials. Employment laws and regulations as well as secondary sources are reviewed to ensure accuracy.

Difficulty of hiring index

Difficulty of hiring covers 4 areas: (i) whether fixed-term contracts are prohibited for permanent tasks; (ii) the maximum cumulative duration of fixed-term contracts; (iii) the minimum wage for a cashier, age 19, with 1 year of work experience; and (iv) the ratio of the minimum wage to the average value added per worker. The average value added per worker is the ratio of an economy’s GNI per capita to the working-age population as a percentage of the total population.

<table>
<thead>
<tr>
<th>Difficulty of hiring index</th>
<th>Data</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fixed-term contracts prohibited for permanent tasks?</td>
<td>No</td>
</tr>
<tr>
<td>Maximum length of a single fixed-term contract (months)</td>
<td>No limit</td>
</tr>
<tr>
<td>Maximum length of fixed-term contracts, including renewals (months)</td>
<td>No limit</td>
</tr>
<tr>
<td>Minimum wage applicable to the worker assumed in the case study (US$/month)</td>
<td>1555.92</td>
</tr>
<tr>
<td>Ratio of minimum wage to value added per worker</td>
<td>0.26</td>
</tr>
</tbody>
</table>

Source: Doing Business database.
LABOR MARKET REGULATION

Rigidity of hours index

Rigidity of hours covers 7 areas: (i) whether the workweek can extend to 50 hours or more (including overtime) for 2 months in a year to respond to a seasonal increase in workload; (ii) the maximum number of days allowed in the workweek; (iii) the premium for night work (as a percentage of hourly pay); (iv) the premium for work on a weekly rest day (as a percentage of hourly pay); (v) whether there are restrictions on night work; (vi) whether there are restrictions on weekly holiday work; and (vii) the average paid annual leave for workers with 1 year of tenure, 5 years of tenure and 10 years of tenure.

<table>
<thead>
<tr>
<th>Rigidity of hours index</th>
<th>Data</th>
</tr>
</thead>
<tbody>
<tr>
<td>50-hour workweek allowed for 2 months a year in case of a seasonal increase in workload?</td>
<td>Yes</td>
</tr>
<tr>
<td>Maximum working days per week</td>
<td>5.5</td>
</tr>
<tr>
<td>Premium for night work (% of hourly pay)</td>
<td>17%</td>
</tr>
<tr>
<td>Premium for work on weekly rest day (% of hourly pay)</td>
<td>100%</td>
</tr>
<tr>
<td>Major restrictions on night work?</td>
<td>No</td>
</tr>
<tr>
<td>Major restrictions on weekly holiday?</td>
<td>No</td>
</tr>
<tr>
<td>Paid annual leave for a worker with 1 year of tenure (in working days)</td>
<td>25.0</td>
</tr>
<tr>
<td>Paid annual leave for a worker with 5 years of tenure (in working days)</td>
<td>25.0</td>
</tr>
<tr>
<td>Paid annual leave for a worker with 10 years of tenure (in working days)</td>
<td>25.0</td>
</tr>
<tr>
<td>Paid annual leave (average for workers with 1, 5 and 10 years of tenure, in working days)</td>
<td>25.0</td>
</tr>
</tbody>
</table>

*Source: Doing Business database.*
LABOR MARKET REGULATION

Difficulty of redundancy index

Difficulty of redundancy index looks at 9 questions: (i) what the length is in months of the maximum probationary period; (ii) whether redundancy is disallowed as a basis for terminating workers; (iii) whether the employer needs to notify a third party (such as a government agency) to terminate 1 redundant worker; (iv) whether the employer needs to notify a third party to terminate a group of 9 redundant workers; (v) whether the employer needs approval from a third party to terminate 1 redundant worker; (vi) whether the employer needs approval from a third party to terminate a group of 9 redundant workers; (vii) whether the law requires the employer to reassign or retrain a worker before making the worker redundant; (viii) whether priority rules apply for redundancies; and (ix) whether priority rules apply for reemployment.

<table>
<thead>
<tr>
<th>Difficulty of redundancy index</th>
<th>Data</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maximum length of probationary period (months)</td>
<td>1.0</td>
</tr>
<tr>
<td>Dismissal due to redundancy allowed by law?</td>
<td>Yes</td>
</tr>
<tr>
<td>Third-party notification if 1 worker is dismissed?</td>
<td>Yes</td>
</tr>
<tr>
<td>Third-party approval if 1 worker is dismissed?</td>
<td>No</td>
</tr>
<tr>
<td>Third-party notification if 9 workers are dismissed?</td>
<td>Yes</td>
</tr>
<tr>
<td>Third-party approval if 9 workers are dismissed?</td>
<td>No</td>
</tr>
<tr>
<td>Retraining or reassignment obligation before redundancy?</td>
<td>No</td>
</tr>
<tr>
<td>Priority rules for redundancies?</td>
<td>Yes</td>
</tr>
<tr>
<td>Priority rules for reemployment?</td>
<td>Yes</td>
</tr>
</tbody>
</table>

Source: Doing Business database.
LABOR MARKET REGULATION

Redundancy cost

Redundancy cost measures the cost of advance notice requirements, severance payments and penalties due when terminating a redundant worker, expressed in weeks of salary. The average value of notice requirements and severance payments applicable to a worker with 1 year of tenure, a worker with 5 years and a worker with 10 years is considered. One month is recorded as 4 and 1/3 weeks.

### Redundancy cost indicator (in salary weeks)

<table>
<thead>
<tr>
<th>Description</th>
<th>Data</th>
</tr>
</thead>
<tbody>
<tr>
<td>Notice period for redundancy dismissal for a worker with 1 year of tenure</td>
<td>2.0</td>
</tr>
<tr>
<td>Notice period for redundancy dismissal for a worker with 5 years of tenure</td>
<td>2.0</td>
</tr>
<tr>
<td>Notice period for redundancy dismissal for a worker with 10 years of tenure</td>
<td>2.0</td>
</tr>
<tr>
<td>Notice period for redundancy dismissal (average for workers with 1, 5 and 10 years of tenure)</td>
<td>2.0</td>
</tr>
<tr>
<td>Severance pay for redundancy dismissal for a worker with 1 year of tenure</td>
<td>0.0</td>
</tr>
<tr>
<td>Severance pay for redundancy dismissal for a worker with 5 years of tenure</td>
<td>0.0</td>
</tr>
<tr>
<td>Severance pay for redundancy dismissal for a worker with 10 years of tenure</td>
<td>0.0</td>
</tr>
<tr>
<td>Severance pay for redundancy dismissal (average for workers with 1, 5 and 10 years of tenure)</td>
<td>0.0</td>
</tr>
</tbody>
</table>

*Source: Doing Business database.*

Social protection schemes and benefits & Labor disputes

Doing Business collects data on the existence of unemployment protection schemes as well as data on whether employers are legally required to provide health insurance for employees with permanent contracts. Doing Business also assesses the mechanisms available to resolve labor disputes. More specifically, it collects data on what courts would be competent to hear labor disputes and whether the competent court is specialized in resolving labor disputes.

### Social protection schemes and benefits & Labor disputes indicator

<table>
<thead>
<tr>
<th>Description</th>
<th>Data</th>
</tr>
</thead>
<tbody>
<tr>
<td>Availability of unemployment protection scheme?</td>
<td>Yes</td>
</tr>
<tr>
<td>Health insurance existing for permanent employees?</td>
<td>Yes</td>
</tr>
<tr>
<td>Availability of courts or court sections specializing in labor disputes?</td>
<td>Yes</td>
</tr>
</tbody>
</table>

*Source: Doing Business database.*
DISTANCE TO FRONTIER AND EASE OF DOING BUSINESS RANKING

This year’s report presents results for 2 aggregate measures: the distance to frontier score and the ease of doing business ranking, which for the first time this year is based on the distance to frontier score. The ease of doing business ranking compares economies with one another; the distance to frontier score benchmarks economies with respect to regulatory best practice, showing the absolute distance to the best performance on each Doing Business indicator. When compared across years, the distance to frontier score shows how much the regulatory environment for local entrepreneurs in an economy has changed over time in absolute terms, while the ease of doing business ranking can show only how much the regulatory environment has changed relative to that in other economies.

Distance to Frontier

The distance to frontier score captures the gap between an economy’s performance and a measure of best practice across the entire sample of 31 indicators for 10 Doing Business topics (the labor market regulation indicators are excluded). For starting a business, for example, Canada and New Zealand have the smallest number of procedures required (1), and New Zealand the shortest time to fulfill them (0.5 days). Slovenia has the lowest cost (0.0), and Australia, Colombia and 110 other economies have no paid-in minimum capital requirement (table 15.1 in the Doing Business 2015 report).

Calculation of the distance to frontier score

Calculating the distance to frontier score for each economy involves 2 main steps. First, individual component indicators are normalized to a common unit where each of the 31 component indicators y (except for the total tax rate) is rescaled using the linear transformation (worst – y)/(worst – frontier). In this formulation the frontier represents the best performance on the indicator across all economies since 2005 or the third year after data for the indicator were collected for the first time. For legal indicators such as those on getting credit or protecting minority investors, the frontier is set at the highest possible value. For the total tax rate, consistent with the use of a threshold in calculating the rankings on this indicator, the frontier is defined as the total tax rate at the 15th percentile of the overall distribution for all years included in the analysis. For the time to pay taxes the frontier is defined as the lowest time recorded among all economies that levy the 3 major taxes: profit tax, labor taxes and mandatory contributions, and value added tax (VAT) or sales tax. In addition, the cost to export and cost to import for each year are divided by the GDP deflator, to take the general price level into account when benchmarking these absolute-cost indicators across economies with different inflation trends. The base year for the deflator is 2013 for all economies.

In the same formulation, to mitigate the effects of extreme outliers in the distributions of the rescaled data for most component indicators (very few economies need 700 days to complete the procedures to start a business, but many need 9 days), the worst performance is calculated after the removal of outliers. The definition of outliers is based on the distribution for each component indicator. To simplify the process, 2 rules were defined: the 95th percentile is used for the indicators with the most dispersed distributions (including time, cost, minimum capital and number of payments to pay taxes), and the 99th percentile is used for number of procedures and number of documents to trade. No outlier was removed for component indicators bound by definition or construction, including legal index scores (such as the depth of credit information index, extent of conflict of interest regulation index and strength of insolvency framework index) and the recovery rate (figure 15.1 in the Doing Business 2015 report).

Second, for each economy the scores obtained for individual indicators are aggregated through simple averaging into one distance to frontier score, first for each topic and then across all 10 topics: starting a business, dealing with construction permits, getting electricity, registering property, getting credit, protecting minority investors, paying taxes, trading across borders, enforcing contracts and resolving insolvency. More complex aggregation methods—such as principal components and unobserved components methods—yield a ranking nearly identical to the simple average used by Doing Business. Thus Doing Business uses the simplest

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6 See Djankov, Manraj and others (2005). Principal components and unobserved components methods yield a ranking nearly identical to
method: weighting all topics equally and, within each topic, giving equal weight to each of the topic components.

An economy’s distance to frontier score is indicated on a scale from 0 to 100, where 0 represents the worst performance and 100 the frontier. All distance to frontier calculations are based on a maximum of 5 decimals. However, indicator ranking calculations and the ease of doing business ranking calculations are based on 2 decimals. The difference between an economy’s distance to frontier score in any previous year and its score in 2014 illustrates the extent to which the economy has closed the gap to the regulatory frontier over time. And in any given year the score measures how far an economy is from the best performance at that time.

**Treatment of the total tax rate**

This year, for the first time, the total tax rate component of the paying taxes indicator set enters the distance to frontier calculation in a different way than any other indicator. The distance to frontier score obtained for the total tax rate is transformed in a nonlinear fashion before it enters the distance to frontier score for paying taxes. As a result of the nonlinear transformation, an increase in the total tax rate has a smaller impact on the distance to frontier score for the total tax rate—and therefore on the distance to frontier score for paying taxes—for economies with a below-average total tax rate than it would have in the calculation done in previous years (line B is smaller than line A in figure 15.2 of the Doing Business 2015 report). And for economies with an extreme total tax rate (a rate that is very high relative to the average), an increase has a greater impact on both these distance to frontier scores than before (line D is bigger than line C in figure 15.2 of the Doing Business 2015 report).

The nonlinear transformation is not based on any economic theory of an "optimal tax rate" that minimizes distortions or maximizes efficiency in an economy's overall tax system. Instead, it is mainly empirical in nature. The nonlinear transformation along with the threshold reduces the bias in the indicator toward economies that do not need to levy significant taxes on companies like the Doing Business standardized case study company because they raise public revenue in other ways—for example, through taxes on foreign companies, through taxes on sectors other than manufacturing or from natural resources (all of which are outside the scope of the methodology). In addition, it acknowledges the need of economies to collect taxes from firms.

**Calculation of scores for economies with 2 cities covered**

For each of the 11 economies for which a second city was added in this year’s report, the distance to frontier score is calculated as the population-weighted average of the distance to frontier scores for the 2 cities covered (table 12.1). This is done for the aggregate score, the scores for each topic and the scores for all the component indicators for each topic.

**Table 12.1 Weights used in calculating the distance to frontier scores for economies with 2 cities covered**

<table>
<thead>
<tr>
<th>Economy</th>
<th>City</th>
<th>Weight (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bangladesh</td>
<td>Dhaka</td>
<td>78</td>
</tr>
<tr>
<td></td>
<td>Chittagong</td>
<td>22</td>
</tr>
<tr>
<td>Brazil</td>
<td>São Paulo</td>
<td>61</td>
</tr>
<tr>
<td></td>
<td>Rio de Janeiro</td>
<td>39</td>
</tr>
<tr>
<td>China</td>
<td>Shanghai</td>
<td>55</td>
</tr>
<tr>
<td></td>
<td>Beijing</td>
<td>45</td>
</tr>
<tr>
<td>India</td>
<td>Mumbai</td>
<td>47</td>
</tr>
<tr>
<td></td>
<td>Delhi</td>
<td>53</td>
</tr>
<tr>
<td>Indonesia</td>
<td>Jakarta</td>
<td>78</td>
</tr>
<tr>
<td></td>
<td>Surabaya</td>
<td>22</td>
</tr>
<tr>
<td>Japan</td>
<td>Tokyo</td>
<td>65</td>
</tr>
<tr>
<td></td>
<td>Osaka</td>
<td>35</td>
</tr>
<tr>
<td>Mexico</td>
<td>Mexico City</td>
<td>83</td>
</tr>
<tr>
<td></td>
<td>Monterrey</td>
<td>17</td>
</tr>
<tr>
<td>Nigeria</td>
<td>Lagos</td>
<td>77</td>
</tr>
<tr>
<td></td>
<td>Kano</td>
<td>23</td>
</tr>
<tr>
<td>Pakistan</td>
<td>Karachi</td>
<td>65</td>
</tr>
<tr>
<td></td>
<td>Lahore</td>
<td>35</td>
</tr>
<tr>
<td>Russian Federation</td>
<td>Moscow</td>
<td>70</td>
</tr>
<tr>
<td></td>
<td>St. Petersburg</td>
<td>30</td>
</tr>
<tr>
<td>United States</td>
<td>New York</td>
<td>60</td>
</tr>
<tr>
<td></td>
<td>Los Angeles</td>
<td>40</td>
</tr>
</tbody>
</table>

Economies that improved the most across 3 or more Doing Business topics in 2013/14

Doing Business 2015 uses a simple method to calculate which economies improved the ease of doing business the most. First, it selects the economies that in 2013/14 implemented regulatory reforms making it easier to do business in 3 or more of the 10 topics included in this year’s aggregate distance to frontier score. Twenty-one economies meet this criterion: Azerbaijan; Benin; the Democratic Republic of Congo; Côte d’Ivoire; the Czech Republic; Greece; India; Ireland; Kazakhstan; Lithuania; the former Yugoslav Republic of Macedonia; Poland; Senegal; the Seychelles; Spain; Switzerland; Taiwan, China; Tajikistan; Togo; Trinidad and Tobago; and the United Arab Emirates. Second, Doing Business sorts these economies on the increase in their distance to frontier score from the previous year using comparable data.

Selecting the economies that implemented regulatory reforms in at least 3 topics and had the biggest improvements in their distance to frontier scores is intended to highlight economies with ongoing, broad-based reform programs. The improvement in the distance to frontier score is used to identify the top improvers because this allows a focus on the absolute improvement—in contrast with the relative improvement shown by a change in rankings—that economies have made in their regulatory environment for business.

Ease of Doing Business ranking

The ease of doing business ranking ranges from 1 to 189. The ranking of economies is determined by sorting the aggregate distance to frontier scores, rounded to 2 decimals.
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http://www.doingbusiness.org

Rankings
How economies rank—from 1 to 189
http://www.doingbusiness.org/rankings

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All the data for 189 economies—topic rankings, indicator values, lists of regulatory procedures and details underlying indicators
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Doing Business reforms
Short summaries of DB2015 business regulation reforms, lists of reforms since DB2008 and a ranking simulation tool
http://www.doingbusiness.org/reforms

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

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

Contributors
More than 10,700 specialists in 189 economies who participate in Doing Business
http://www.doingbusiness.org/contributors/doing-business

Entrepreneurship data
Data on business density (number of newly registered companies per 1,000 working-age people) for 139 economies
http://www.doingbusiness.org/data/exploretopics/entrepreneurship

Distance to frontier
Data benchmarking 189 economies to the frontier in regulatory practice
http://www.doingbusiness.org/data/distance-to-frontier

Information on good practices
Showing where the many good practices identified by Doing Business have been adopted
http://www.doingbusiness.org/data/good-practice

Doing Business iPhone App
Doing Business at a Glance—presenting the full report, rankings and highlights for each topic for the iPhone, iPad and iPod touch
http://www.doingbusiness.org/specialfeatures/iphone