

Doing Business Report (DBR) Reform Matrix
July 2009

Business Stage (Jamaica's rank relative to 181 countries)	DBR 2009 Summary Findings	Critical Areas	Reforms Proposed at Round Table	"Best Practice" Countries: Performance	"Best Practice" Countries: Reform Measures	Recommendations for Jamaica
<p>Starting a Business (11): The procedures required to incorporate and register a new firm before it can legally operate.</p>	<ul style="list-style-type: none"> ▪ Procedures: 6 ▪ Time: 8 days ▪ Cost: 7.9% GNI per capita 	<ul style="list-style-type: none"> ▪ Time: NIS¹ - 2 days; TRN² - 2 days ▪ Lack of integration of processes 	<ul style="list-style-type: none"> - Revision of legislative forms under the Companies Act 2004 to: <ul style="list-style-type: none"> ▪ condense the information requested, ▪ delete non – legal requirements, ▪ allow for greater integration of information technology to make the forms simpler, and more user friendly. - Online acceptance of credit card payments for all transactions - the electronic submission and registration of business names and some company documents (by 2011). One time examination of documents for new companies and Business Name applications (Jan 2009) - COJ 	<ul style="list-style-type: none"> ▪ Procedures: 1 (New Zealand) ▪ Time: 1 day (New Zealand) ▪ Cost: 0% GNI per capita (Denmark) 	<ul style="list-style-type: none"> ▪ New Zealand: Virtual One-stop Shop managed by the Companies Office. ▪ Denmark: no charge associated with registering a company. 	
<p>Dealing with Construction Permits (49): The procedures officially required for an entrepreneur in the construction industry to build a warehouse. These include submitting project documents to respective authorities, obtaining licences and permits, completing the required notifications and receiving the necessary inspections.</p>	<ul style="list-style-type: none"> ▪ Procedures: 10 ▪ Time: 156 days ▪ Cost: 396.3% income per capita 	<ul style="list-style-type: none"> ▪ Time: NEPA, KSAC, JPS ▪ Cost: KSAC/NEPA, NWC 	<ul style="list-style-type: none"> ▪ AMANDA is a monitoring and tracking system which can greatly improve the turn-around time for the processing of applications. The KSAC working in collaboration with the Cabinet Office will be implementing the AMANDA system over the next few months on a phased basis. The first phase will involve the processing of subdivision applications – 9 lots & under 5 acres. - KSAC ▪ Implementation of the 2-Tier system for the processing of specific types of applications: where it would take 31 workdays for "less complex" applications and 51 workdays for "complex" applications. – NEPA 	<ul style="list-style-type: none"> ▪ Procedures: 6 (Denmark) ▪ Time: 34 days (Korea) ▪ Cost: 7.9% income per capita (Malaysia) 	<ul style="list-style-type: none"> ▪ Denmark: Consolidation of procedures. Ex. Approval for permit is 1 procedure (instead of 2 in Ja); inspection is 1 procedure (instead of 3 in Ja); water and sewerage connection is 1 procedure (instead of 2 in Ja). ▪ Korea: It takes 9 days to request & obtain a building permit & it is carried out by one organization, the County Construction Office (instead of 2 in Ja: NEPA and the Parish Council). ▪ Malaysia: Payment only required for land development authorization; building plan approval and permits for structural drawings & earthworks. The inspections, utilities installation and other approvals are free of cost. 	

¹ The Ministry of Labour and Social Security has indicated it takes 1 day to obtain a NIS number and not the 2 days stated in the DBR 2009.

² The Taxpayer Registration Centre has indicated it takes 1 day to obtain a TRN number and not the 2 days stated in the DBR 2009.

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<p>Employing Workers (32): The laws surrounding the rigidity of employment (including the difficulties associated with hiring and firing employees as well as the rigidity of work hours) and the costs associated with firing such as severance payments and advanced notice requirements.</p>	<ul style="list-style-type: none"> ▪ Firing Costs: 62 weeks of salary ▪ Rigidity of Employment Index : 3.7 [(Rigidity of Hours Index=0; Difficulty of Firing Index=0 & Difficulty of Hiring Index=11)/3] 	<ul style="list-style-type: none"> ▪ Firing cost ▪ Hiring: Pay vs productivity 	None	<ul style="list-style-type: none"> ▪ Firing Costs: 0 weeks of salary (New Zealand) ▪ Rigidity of Employment Index: 0 (Hong Kong) 	<ul style="list-style-type: none"> ▪ New Zealand: No severance pay, notice period nor legally mandated penalty for redundancy dismissal required. ▪ Hong Kong: It is relatively easy to hire & fire staff & the work hours are said to be reasonable (beneficial to the company without overworking staff). 	
<p>Registering Property (109): The procedures necessary for a business (buyer) to purchase property from another business (seller) and to transfer the property title to the buyer’s name. The transaction is considered complete when the buyer can use the property as collateral for a bank loan.</p>	<ul style="list-style-type: none"> ▪ Procedures: 5 ▪ Time: 54 days ▪ Cost: 11.02% of the property value 	<ul style="list-style-type: none"> ▪ Time: Tax Authority, NLA, COJ ▪ Cost: Tax Authority 	Conversion of Bound Title Volumes, Annex Plans, Deposited Plans, Caveats, Transfers, and other applications to electronic format to allow for these documents to be available on www.eLandjamaica.com . This will allow the Agency to reduce the turn around time required for the production of new Certificates of Title. - NLA	<ul style="list-style-type: none"> ▪ Procedures: 1 (Norway) ▪ Time: 2 days (New Zealand) ▪ Cost: 0% of the property value (Saudi Arabia) 	<ul style="list-style-type: none"> ▪ Norway: Apply and make payments to a centralized Land Registry. No need for a lawyer or notary. As of April 2005, registration fee & transfer tax are paid after registration. ▪ New Zealand: The LINZ is an online property registration system operated by licensed conveyancers. Conveyancers are authorized to certify land transfer documents on behalf of their clients and to submit them electronically to LINZ for registration. Confirmation is usually returned online within minutes. LINZ currently operates a dual system: <ul style="list-style-type: none"> * An online land title registration system which can only be accessed by lawyers and licensed conveyancers. * A paper based registration system (via LINZ processing centers) – 5 to 15dys. (Appears less efficient than Norway’s – which takes 3 days). ▪ Saudi Arabia (0%). 	

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Getting Credit (84): The extent and effect of credit registries (private and public) and the scope of collateral and bankruptcy laws in protecting the rights of borrowers and lenders – thus facilitating lending.	<ul style="list-style-type: none"> ▪ Legal Rights Index: 8 ▪ Credit Information Index: 0 ▪ Public registry coverage (% adults): 0% ▪ Private bureau coverage (% adults): 0% 	<ul style="list-style-type: none"> ▪ Collateral Registry ▪ Credit Registry ▪ Bankruptcy procedures 	The Financial Regulations Division (FRD) in the Ministry is working on the legislative framework for the operation of a Credit Bureau in Jamaica. The Credit Bureau will allow for information to be stored in one place where lenders can easily access credit information for prospective clients and assess risk - MoFP	<ul style="list-style-type: none"> ▪ Legal Rights Index: 10 (Malaysia) ▪ Credit Information Index: 6 (UK) ▪ Public registry coverage (% adults): 76% (Portugal) ▪ Private bureau coverage (% adults): 100% (New Zealand) 	<ul style="list-style-type: none"> ▪ Malaysia: The operation of collateral registry is a key feature. ▪ UK: Both positive and negative data (for both firms and individuals) are distributed from retailers, trade creditors and utilities companies as well as financial institutions. Historical data of more than 2 years is distributed and the borrowers' right to inspect the data in the largest credit registry is guaranteed by law. Data on loans below 1% of income per capita is distributed. 	
Protecting Investors (70): The extent and effect of legal and regulatory protection for investors.	<ul style="list-style-type: none"> ▪ Investor Protection Index: 5.3 	<ul style="list-style-type: none"> ▪ Disclosure requirements ▪ Shareholder rights in a suit 	None	<ul style="list-style-type: none"> ▪ Investor Protection Index: 9.7 (New Zealand) 	<ul style="list-style-type: none"> ▪ New Zealand: The level of disclosure; the extent of the directors' liability and the rights of shareholders filing a suit serve to protect investors. 	
Paying Taxes (173): The effective tax that a small or medium company must pay and the administrative cost of doing so yearly.	<ul style="list-style-type: none"> ▪ Time: 414 hours ▪ Total Tax Rate (% of profit): 51.3% ▪ Payments: 72 	<ul style="list-style-type: none"> ▪ Time ▪ Total Tax Rate ▪ Payments 	<ul style="list-style-type: none"> ▪ The amalgamation of four (4) of the Payroll deductions viz Education Tax, HEART, NIS and Education Tax in order to reduce unnecessary duplication, lower compliance costs to taxpayers and reduce the burdensome requirements for compliant taxpayers. ▪ Reduction of Transfer Taxes from 5% to 4% and Stamp Duty from 4.5% to 3% on the 8th May, 2009 with a further reduction planned for January 2010 will facilitate investor confidence in Jamaica. 	<ul style="list-style-type: none"> ▪ Time: 59 hours (Luxemburg) ▪ Total Tax Rate (% of profit): 8.4% (Vanuatu) ▪ Payments: 2 (Sweden) 	<ul style="list-style-type: none"> ▪ Luxemburg: online filing for taxes allowed. ▪ Vanuatu: the highest tax rate is VAT at 12.5%, next in line is 4.5% for social security contributions. There are no corporate nor income taxes; estate duties; withholding taxes etc. ▪ Sweden: Electronic filing is undertaken by most firms; taxes are paid jointly or if taxes are withheld at source, these are counted as one payment per year (even if it is actually done more frequently or there are several taxes lumped together). 	

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Trading Across Borders (100) ³ : The procedural requirements, time and cost associated with importing and exporting a standard shipment of goods by ocean transport – starting with the contractual arrangement between two parties and ending with the delivery of goods.	<ul style="list-style-type: none"> ▪ Documents for Export: 6 ▪ Time for Export: 21 days ▪ Cost to Export (US\$ per container): \$1750 ▪ Documents for Import: 6 ▪ Time for Import: 22 days ▪ Cost to Import (US\$ per container): \$1420 	<ul style="list-style-type: none"> ▪ Documents ▪ Time ▪ Cost 	<ul style="list-style-type: none"> ▪ None (see footnote 3) 	<ul style="list-style-type: none"> ▪ Documents for Export: 2 (France) ▪ Time for Export: 5 days (Denmark) ▪ Cost to Export (US\$ per container): \$450 (Malaysia) ▪ Documents for Import: 2 (France) ▪ Time for Import: 3 days (Singapore) ▪ Cost to Import (US\$ per container): \$439 	<ul style="list-style-type: none"> ▪ France: Only the Customs Declaration and Bill of Laden Forms are required. Unlike Ja, there is no requirement for dock receipt, certificate of origin; commercial invoice, packing list nor technical standard/health certificate). ▪ Denmark: Major distinction being document preparation of 2 days (instead of 10 days in Ja). ▪ Malaysia (Export Cost per container - US\$450). ▪ France: Only the Customs Declaration and Bill of Laden Forms required. Unlike Ja no dock receipt, certificate of origin; commercial invoice nor packing list are required. ▪ Singapore: Major distinction being document preparation of 1 day (instead of 14 days in the case of Ja). ▪ Singapore (Import cost per container - US\$439). 	
Enforcing Contracts (127) : The efficiency of the judicial system in resolving commercial disputes	<ul style="list-style-type: none"> ▪ Procedures: 35 ▪ Time: 655 days ▪ Cost: 45.6% of claim 	<ul style="list-style-type: none"> ▪ Duration: Trial & judgment ▪ Attorney & Enforcement Costs 	None	<ul style="list-style-type: none"> ▪ Procedures: 20 (Ireland) ▪ Time: 150 days (Singapore) ▪ Cost: 6.2% (Iceland) 	<ul style="list-style-type: none"> ▪ Ireland: (no details provided). ▪ Singapore: Includes time for filing & service; trial & judgment and enforcement of judgment. ▪ Iceland: Major points of departure are attorney cost of 5.9% of claim (vs. 35% in Ja) and enforcement costs of 0.11% of claim (vs. 10% in Ja). 	
Closing a Business (22) : The strength of bankruptcy law as well as the procedural and administrative bottlenecks in the bankruptcy process.	<ul style="list-style-type: none"> ▪ Time: 1.1 years ▪ Cost: 18% of estate ▪ Recovery rate: 64.5 cents per dollar 	<ul style="list-style-type: none"> ▪ Time ▪ Cost ▪ Recovery rate 	None	<ul style="list-style-type: none"> ▪ Time: 0.4 years (Ireland) ▪ Cost: 1% of estate (Singapore) ▪ Recovery rate: 92.5 cent per dollar (Japan) 	No information provided	

³ The World Customs Organization is spearheading a Time Release Study on behalf of Jamaica Customs between March and July 2009. The findings of the study will be used to verify results of DBR 2009.

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