Economy Profile

China

Doing Business 2020

Comparing Business Regulation in **190** Economies

WORLD BANK GROUP

Economy Profile of China

Doing Business 2020 Indicators
(in order of appearance in the document)

Starting a business	Procedures, time, cost and paid-in minimum capital to start a limited liability company
Dealing with construction permits	Procedures, time and cost to complete all formalities to build a warehouse and the quality control and safety mechanisms in the construction permitting system
Getting electricity	Procedures, time and cost to get connected to the electrical grid, and the reliability of the electricity supply and the transparency of tariffs
Registering property	Procedures, time and cost to transfer a property and the quality of the land administration system
Getting credit	Movable collateral laws and credit information systems
Protecting minority investors	Minority shareholders' rights in related-party transactions and in corporate governance
Paying taxes	Payments, time, total tax and contribution rate for a firm to comply with all tax regulations as well as postfiling processes
Trading across borders	Time and cost to export the product of comparative advantage and import auto parts
Enforcing contracts	Time and cost to resolve a commercial dispute and the quality of judicial processes
Resolving insolvency	Time, cost, outcome and recovery rate for a commercial insolvency and the strength of the legal framework for insolvency
Employing workers	Flexibility in employment regulation and redundancy cost

About Doing Business

The *Doing Business* project provides objective measures of business regulations and their enforcement across 190 economies and selected cities at the subnational and regional level.

The *Doing Business* project, launched in 2002, looks at domestic small and medium-size companies and measures the regulations applying to them through their life cycle.

Doing Business captures several important dimensions of the regulatory environment as it applies to local firms. It provides quantitative indicators on regulation for 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. *Doing Business* also measures features of employing workers. Although *Doing Business* does not present rankings of economies on the employing workers indicators or include the topic in the aggregate ease of doing business score or ranking on the ease of doing business, it does present the data for these indicators.

By gathering and analyzing comprehensive quantitative data to compare business regulation environments across economies and over time, *Doing Business* encourages economies to compete towards more efficient regulation; offers measurable benchmarks for reform; and serves as a resource for academics, journalists, private sector researchers and others interested in the business climate of each economy.

In addition, *Doing Business* offers detailed subnational studies, which exhaustively cover business regulation and reform in different cities and regions within a nation. These studies provide data on the ease of doing business, rank each location, and recommend reforms to improve performance in each of the indicator areas. Selected cities can compare their business regulations with other cities in the economy or region and with the 190 economies that *Doing Business* has ranked.

The first *Doing Business* study, published in 2003, covered 5 indicator sets and 133 economies. This year's study covers 11 indicator sets and 190 economies. Most indicator sets refer to a case scenario in the largest business city of each economy, except for 11 economies that have a population of more than 100 million as of 2013 (Bangladesh, Brazil, China, India, Indonesia, Japan, Mexico, Nigeria, Pakistan, the Russian Federation and the United States) where *Doing Business* also collected data for the second largest business city. The data for these 11 economies are a population-weighted average for the 2 largest business cities. The project has benefited from feedback from governments, academics, practitioners and reviewers. The initial goal remains: to provide an objective basis for understanding and improving the regulatory environment for business around the world.

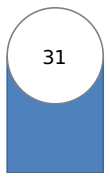
To learn more about *Doing Business* please visit doingbusiness.org

Ease of Doing Business in

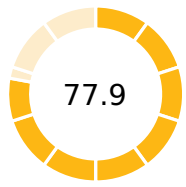
China

Region	East Asia & Pacific
Income Category	Upper middle income
Population	1,392,730,000
City Covered	Shanghai, Beijing

DB RANK



DB SCORE



Rankings on Doing Business topics - China

Topic Scores

Starting a Business (rank)	27
Score of starting a business (0-100)	94.1
Procedures (number)	4
Time (days)	9
Cost (number)	1.1
Paid-in min. capital (% of income per capita)	0.0

Dealing with Construction Permits (rank)	33
Score of dealing with construction permits (0-100)	77.3
Procedures (number)	18
Time (days)	111
Cost (% of warehouse value)	2.8
Building quality control index (0-15)	15.0

Getting Electricity (rank)	12
Score of getting electricity (0-100)	95.4
Procedures (number)	2
Time (days)	32
Cost (% of income per capita)	0.0
Reliability of supply and transparency of tariff index (0-8)	7

Registering Property (rank)	28
Score of registering property (0-100)	81.0
Procedures (number)	4
Time (days)	9
Cost (% of property value)	4.6
Quality of the land administration index (0-30)	24.0

Getting Credit (rank)	80
Score of getting credit (0-100)	60.0
Strength of legal rights index (0-12)	4
Depth of credit information index (0-8)	8
Credit registry coverage (% of adults)	100.0
Credit bureau coverage (% of adults)	0.0

Protecting Minority Investors (rank)	28
Score of protecting minority investors (0-100)	72.0
Extent of disclosure index (0-10)	10.0
Extent of director liability index (0-10)	4.0
Ease of shareholder suits index (0-10)	5.0
Extent of shareholder rights index (0-6)	5.0
Extent of ownership and control index (0-7)	6.0
Extent of corporate transparency index (0-7)	6.0

Paying Taxes (rank)	105
Score of paying taxes (0-100)	70.1
Payments (number per year)	7
Time (hours per year)	138
Total tax and contribution rate (% of profit)	59.2
Postfiling index (0-100)	50.0

Trading across Borders (rank)	56
Score of trading across borders (0-100)	86.5
Time to export	
Documentary compliance (hours)	9
Border compliance (hours)	21
Cost to export	
Documentary compliance (USD)	74
Border compliance (USD)	256
Time to export	
Documentary compliance (hours)	13
Border compliance (hours)	36
Cost to export	
Documentary compliance (USD)	77
Border compliance (USD)	241

Enforcing Contracts (rank)	5
Score of enforcing contracts (0-100)	80.9
Time (days)	496
Cost (% of claim value)	16.2
Quality of judicial processes index (0-18)	16.5

Resolving Insolvency (rank)	51
Score of resolving insolvency (0-100)	62.1
Recovery rate (cents on the dollar)	36.9
Time (years)	1.7
Cost (% of estate)	22.0
Outcome (0 as piecemeal sale and 1 as going concern)	0
Strength of insolvency framework index (0-16)	13.5

Starting a Business

This topic measures the number of procedures, time, cost and paid-in minimum capital requirement for a small- to medium-sized limited liability company to start up and formally operate in each economy's largest business city.

To make the data comparable across 190 economies, *Doing Business* uses a standardized business that is 100% domestically owned, has start-up capital equivalent to 10 times the income per capita, engages in general industrial or commercial activities and employs between 10 and 50 people one month after the commencement of operations, all of whom are domestic nationals. Starting a Business considers two types of local limited liability companies that are identical in all aspects, except that one company is owned by 5 married women and the other by 5 married men. The ranking of economies on the ease of starting a business is determined by sorting their scores for starting a business. These scores are the simple average of the scores for each of the component indicators.

The most recent round of data collection for the project was completed in May 2019. See the methodology for more information.

What the indicators measure

Procedures to legally start and formally operate a company (number)

- Preregistration (for example, name verification or reservation, notarization)
- Registration in the economy's largest business city
- Postregistration (for example, social security registration, company seal)
- Obtaining approval from spouse to start a business or to leave the home to register the company
- Obtaining any gender specific document for company registration and operation or national identification card

Time required to complete each procedure (calendar days)

- Does not include time spent gathering information
- Each procedure starts on a separate day (2 procedures cannot start on the same day)
- Procedures fully completed online are recorded as ½ day
- Procedure is considered completed once final document is received
- No prior contact with officials

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

- Official costs only, no bribes
- No professional fees unless services required by law or commonly used in practice

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

- Funds deposited in a bank or with third party before registration or up to 3 months after incorporation

Case study assumptions

To make the data comparable across economies, several assumptions about the business and the procedures are used. It is assumed that any required information is readily available and that the entrepreneur will pay no bribes.

The business:

-Is a limited liability company (or its legal equivalent). If there is more than one type of limited liability company in the economy, the limited liability form most common among domestic firms is chosen. Information on the most common form is obtained from incorporation lawyers or the statistical office.
-Operates in the economy's largest business city. For 11 economies the data are also collected for the second largest business city.
-Performs general industrial or commercial activities such as the production or sale to the public of goods or services. The business does not perform foreign trade activities and does not handle products subject to a special tax regime, for example, liquor or tobacco. It is not using heavily polluting production processes.
-Does not qualify for investment incentives or any special benefits.
-Is 100% domestically owned.
-Has five business owners, none of whom is a legal entity. One business owner holds 30% of the company shares, two owners have 20% of shares each, and two owners have 15% of shares each.
-Is managed by one local director.
-Has between 10 and 50 employees one month after the commencement of operations, all of them domestic nationals.
-Has start-up capital of 10 times income per capita.
-Has an estimated turnover of at least 100 times income per capita.
-Leases the commercial plant or offices and is not a proprietor of real estate.
-Has an annual lease for the office space equivalent to one income per capita.
-Is in an office space of approximately 929 square meters (10,000 square feet).
-Has a company deed that is 10 pages long.

The owners:

-Have reached the legal age of majority and are capable of making decisions as an adult. If there is no legal age of majority, they are assumed to be 30 years old.
-Are in good health and have no criminal record.
-Are married, the marriage is monogamous and registered with the authorities.
-Where the answer differs according to the legal system applicable to the woman or man in question (as may be the case in economies where there is legal plurality), the answer used will be the one that applies to the majority of the population.

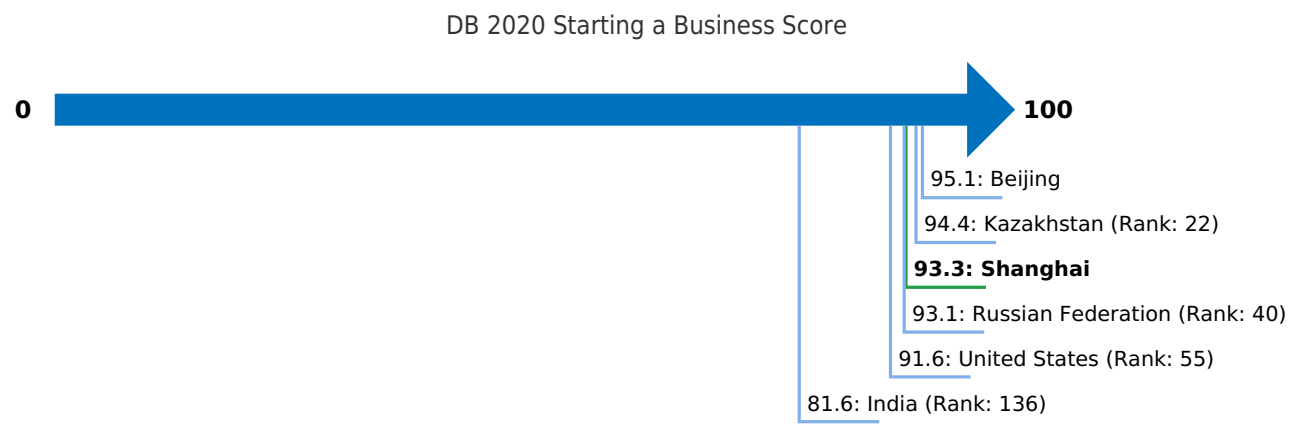
Starting a Business - Shanghai

Standardized Company	
Legal form	Limited Liability Company
Paid-in minimum capital requirement	No minimum
City Covered	Shanghai

Indicator	Shanghai	East Asia & Pacific	OECD high income	Best Regulatory Performance
Procedure – Men (number)	4	6.5	4.9	1 (2 Economies)
Time – Men (days)	9	25.6	9.2	0.5 (New Zealand)
Cost – Men (% of income per capita)	1.4	17.4	3.0	0.0 (2 Economies)
Procedure – Women (number)	4	6.6	4.9	1 (2 Economies)
Time – Women (days)	9	25.7	9.2	0.5 (New Zealand)
Cost – Women (% of income per capita)	1.4	17.4	3.0	0.0 (2 Economies)
Paid-in min. capital (% of income per capita)	0.0	3.5	7.6	0.0 (120 Economies)

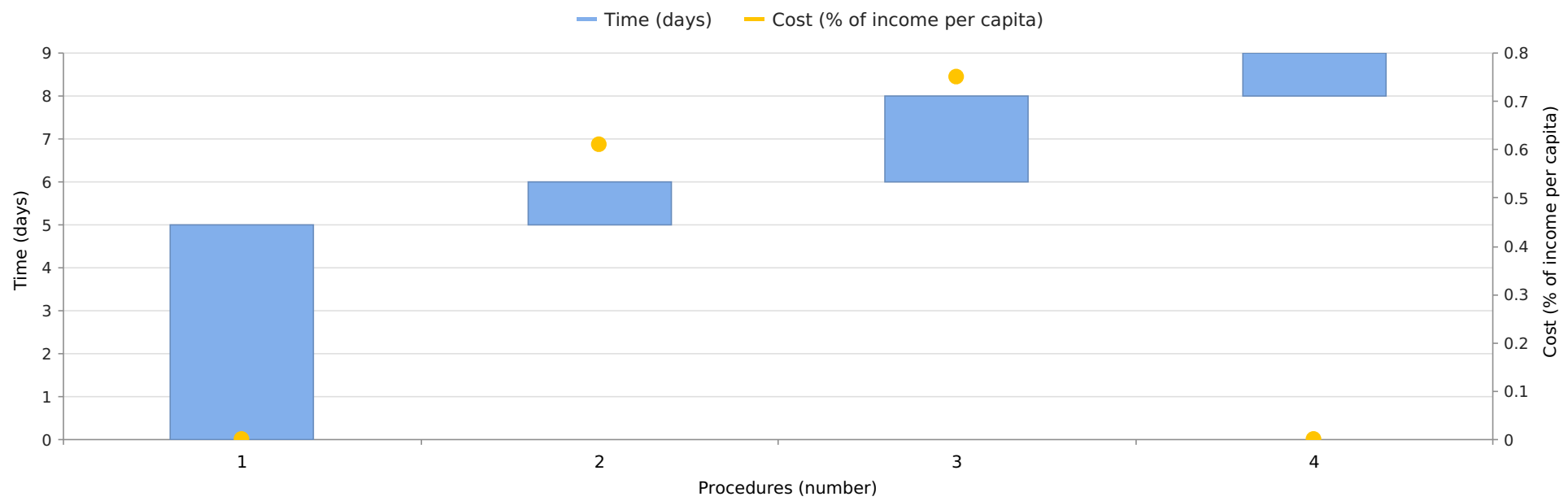
Figure – Starting a Business in Shanghai – Score

Figure – Starting a Business in Shanghai and comparator economies – Ranking and Score



Note: The ranking of economies on the ease of starting a business is determined by sorting their scores for starting a business. These scores are the simple average of the scores for each of the component indicators.

Figure – Starting a Business in Shanghai – Procedure, Time and Cost



*This symbol is shown beside procedure numbers that take place simultaneously with the previous procedure.

Note: Online procedures account for 0.5 days in the total time calculation. For economies that have a different procedure list for men and women, the graph shows the time for women. For more information on methodology, see the *Doing Business* website (http://doingbusiness.org/en/methodology). For details on the procedures reflected here, see the summary below.

Details – Starting a Business in Shanghai – Procedure, Time and Cost

No.	Procedures	Time to Complete	Associated Costs
1	**Register the company and apply for a Business License Certificate** *Agency* : Shanghai Administration for Market Regulation (SAMR) In order to start and operate a new business, an entrepreneur must register the company and obtain a Business License (工商营业执照) from the shanghai Administration for Market Regulation (SAMR). The applicant must prepare and submit an application online at the website of the SAMR (http://yct.sh.gov.cn). The availability of the company name can be verified during the filing of the application form. Previously, five other licenses were required, the Business License, the Organization Code Certification, the Tax registration, the Statistics Registration and the Social Welfare Insurance Registration. These have been combined into one license. Upon receipt of an application, SAMR will circulate the application materials to the relevant bureaus mentioned above for registration. After filing the application, the entrepreneur must visit the Single window at SAMR to collect the Business License and to present the following documents: (1) Application form; (2) Articles of association; (3) Shareholders' personal IDs; (4) Authorization Letter; (5) Copy of real estate certificate for the office (Signed by the property owner); (6) Supplementary information registration form.	5 days	no charge
2	**Make a company seal** *Agency* : Seal Maker To make the company seal, the company shall designate a company possessing a Shanghai Special Industry Permit (company seal carving) (《上海市特种行业许可证》公章刻制业). This process costs from CNY300 to up to CNY1,000 depending on the design and the quality of the seal.	1 day	CNY 400 on average
3	**Obtain the tax filing control equipment and apply for an authorization to print or purchase financial invoices** *Agency* : Tax Authority A tax filing control equipment is required in order to issue VAT invoices (both, general and special). This equipment is also referred to as an "encryption box". There are two developers/manufacturers that are authorized to manufacture the encryption box, and companies have the liberty to choose to use either one of them. Price of the equipment and annual maintenance charge (CNY 200 + CNY 280), it is established by Announcement No. 1243 of 2017 of National Development and Reform Commission (NDRC [2017] No. 1243). It is required to activate the tax filing control equipment at the Tax Service. The company must obtain an approval to print or purchase financial invoices. The company must apply to the relevant authorities (that is, the state and local taxation offices) for approval to purchase and issue financial invoices/receipts. The application can be submitted online at https://www.tax.sh.gov.cn/xbwt/. The taxation authority will issue the invoice purchasing book, if it agrees to grant the company such qualification. The applicant must visit the Shanghai Municipal Office of the State Administration of Taxation to collect the approval and present the following documents: • Tax registration certificate (one copy); • Identity card of taxation personnel (one copy); • Application forms; • Models of invoice seal; • Company seal. The Shanghai State Tax Bureau and the Shanghai Local Tax Bureau have co-issued a circular (""Tax Circular"") on February 25, 2013 providing that since January 2012, micro and small size companies no longer need to pay fees in respect of the purchase of invoices.	2 days	CNY 200 for the encryption box and CNY 280 annual fee for maintenance of encryption box
4	**Register employees with the Social Welfare Insurance Center** *Agency* : Social Welfare Insurance Center Within 30 days of recruiting employees, the company must register them with the Shanghai Municipal Human Resources and Social Security Bureau, which is the local social insurance office under the Ministry of Human Resources and Social Security. The registration purpose is to establish the obligation of payment of the employee social insurance. The company must apply for employment registration for qualified personnel and for social insurance coverage registration. Relevant application forms can be electronically downloaded or obtained from the local offices, and these documents shall be filled and submitted through the following website: https://zzjb.12333sh.gov.cn/zzjbdl/jsp/login.jsp. Companies can register online if they have already obtained a code from the Human Resources Management Department. After the application, supporting documents must be submitted at the relevant agency. Upon receipt of an application for employee registration, the relevant authorities will issue a notice to open a social insurance account for the company. The company must then apply to open a special account at the designated bank or use the existing one. The local social insurance office will issue the social insurance registration card for the company upon receiving a bank notification of account opening, so that the company can start paying social security contributions to its employees.	1 day	no charge

⇄Takes place simultaneously with previous procedure.

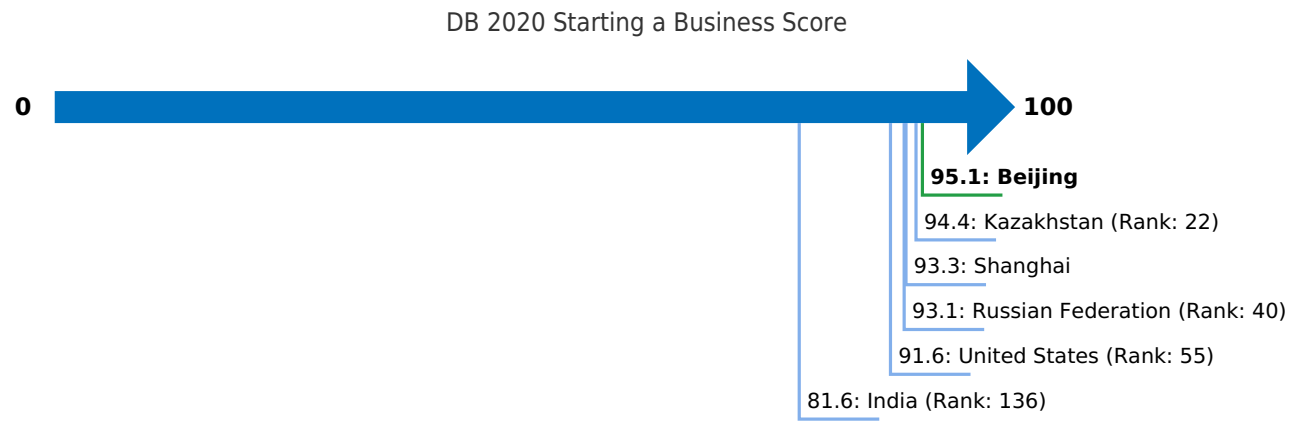
Starting a Business - Beijing

Standardized Company	
Legal form	Limited Liability Company
Paid-in minimum capital requirement	No minimum
City Covered	Beijing

Indicator	Beijing	East Asia & Pacific	OECD high income	Best Regulatory Performance
Procedure – Men (number)	3	6.5	4.9	1 (2 Economies)
Time – Men (days)	8	25.6	9.2	0.5 (New Zealand)
Cost – Men (% of income per capita)	0.7	17.4	3.0	0.0 (2 Economies)
Procedure – Women (number)	3	6.6	4.9	1 (2 Economies)
Time – Women (days)	8	25.7	9.2	0.5 (New Zealand)
Cost – Women (% of income per capita)	0.7	17.4	3.0	0.0 (2 Economies)
Paid-in min. capital (% of income per capita)	0.0	3.5	7.6	0.0 (120 Economies)

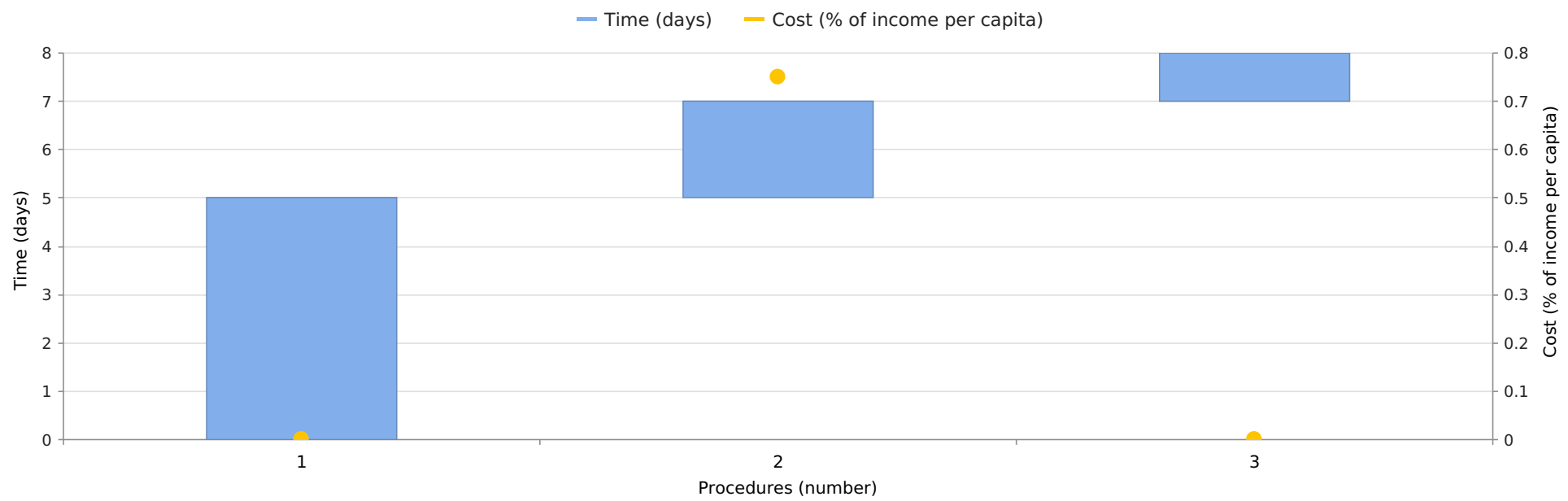
Figure – Starting a Business in Beijing – Score

Figure – Starting a Business in Beijing and comparator economies – Ranking and Score



Note: The ranking of economies on the ease of starting a business is determined by sorting their scores for starting a business. These scores are the simple average of the scores for each of the component indicators.

Figure – Starting a Business in Beijing – Procedure, Time and Cost



*This symbol is shown beside procedure numbers that take place simultaneously with the previous procedure.

Note: Online procedures account for 0.5 days in the total time calculation. For economies that have a different procedure list for men and women, the graph shows the time for women. For more information on methodology, see the *Doing Business* website (http://doingbusiness.org/en/methodology). For details on the procedures reflected here, see the summary below.

Details – Starting a Business in Beijing – Procedure, Time and Cost

No.	Procedures	Time to Complete	Associated Costs
1	**Register the company, apply for a Business License Certificate and obtain company seals** *Agency* : Beijing Administration for Market Regulation (BAMR) In order to start and operate a new business, an entrepreneur must register the company and obtain a Business License (工商营业执照) from the Beijing Administration for Market Regulation (BAMR). The applicant must prepare and submit an application online at the website of the BAMR (scjgj.beijing.gov.cn/ect). The availability of the company name can be verified during the filing of the application form. Previously, five other licenses were required, the Business License, the Organization Code Certification, the Tax registration, the Statistics Registration and the Social Welfare Insurance Registration. These have been combined into one license. Upon receipt of an application, BAMR will circulate the application materials to the relevant bureaus mentioned above for registration. It is required to provide the following documents: (1) Application form; (2) Articles of association; (3) Shareholders' personal IDs; (4) Authorization Letter; (5) Copy of real estate certificate for the office (Signed by the property owner); (6) Supplementary information registration form. An electronic business license will be issued to the newly established enterprise, and automatically sent to the legal representative of the enterprise once upon the establishment. The enterprise can carry out business activities with the electronic business license. Enterprises can also obtain a paper business license if needed. The applicant can also request company seals free of charge through the online platform offered by the Beijing Administration Administration of Industry and Commerce (http://ect.baic.gov.cn). After applying for the seal online, the seal can be collected with the business license at the Single window at SAIC. A set of 4 seals is provided (company, contract, invoice, and financial seal). Business founders also have the option of making a company seal directly at a seal-maker, for an average cost of CNY 200-500.	5 days	no charge
2	**Obtain the tax filing control equipment and apply for an authorization to print or purchase financial invoices** *Agency* : Beijing Municipal Tax Service, State Administration of Taxation A tax filing control equipment is required in order to issue VAT invoices (both, general and special). This equipment is also referred to as an "encryption box". There are two developers/manufacturers that are authorized to manufacture the encryption box, and companies have the liberty to choose to use either one of them. Price of the equipment and annual maintenance charge (CNY 200 + CNY 280), it is established by Announcement No. 1243 of 2017 of National Development and Reform Commission (NDRC [2017] No. 1243). It is required to activate the tax filing control equipment at the Tax Service. An approval for financial invoices must be obtained. The entrepreneur can apply for the approval through the website of the Beijing Municipal Tax Service, under the State Administration of Taxation (http://www.bjsat.gov.cn). The invoice purchasing book can be collected at an office of the State Administration of Taxation.	1-2 days	CNY 200 for the encryption box and CNY 280 annual fee for maintenance of encryption box
3	**Register employees with the Social Welfare Insurance Center** *Agency* : Social Welfare Insurance Center Within 30 days of recruiting employees, the company must register them with the local social insurance office, under the Ministry of Human Resources and Social Security, for payment of the employee social insurance. The company must apply for employment registration for qualified personnel and for social insurance coverage registration. Employee registration can be completed online at the Beijing Social Insurance Online Service Platform (http://www.bjrbj.gov.cn/csibiz/home/index.html#) or at the online service platform for start-up companies offered by the BAMR. Supporting documents must be then submitted at the relevant agency. Upon receipt of an application for employee registration, the relevant authorities will issue a notice to open a social insurance account for the company. The company must then apply to open a special account at the designated bank or use the existing one. The local social insurance office will issue the social insurance registration card for the company upon receiving a bank notification of account opening, so that the company can start paying social security contributions to its employees.	1 day	no charge

⇉Takes place simultaneously with previous procedure.

Dealing with Construction Permits

This topic tracks the procedures, time and cost to build a warehouse—including obtaining necessary the licenses and permits, submitting all required notifications, requesting and receiving all necessary inspections and obtaining utility connections. In addition, the Dealing with Construction Permits indicator measures the building quality control index, evaluating the quality of building regulations, the strength of quality control and safety mechanisms, liability and insurance regimes, and professional certification requirements. The most recent round of data collection was completed in May 2019. See the methodology for more information

What the indicators measure

Procedures to legally build a warehouse (number)

- Submitting all relevant documents and obtaining all necessary clearances, licenses, permits and certificates
- Submitting all required notifications and receiving all necessary inspections
- Obtaining utility connections for water and sewerage
- Registering and selling the warehouse after its completion

Time required to complete each procedure (calendar days)

- Does not include time spent gathering information
- Each procedure starts on a separate day—though procedures that can be fully completed online are an exception to this rule
- Procedure is considered completed once final document is received
- No prior contact with officials

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

- Official costs only, no bribes

Building quality control index (0-15)

- Quality of building regulations (0-2)
- Quality control before construction (0-1)
- Quality control during construction (0-3)
- Quality control after construction (0-3)
- Liability and insurance regimes (0-2)
- Professional certifications (0-4)

Case study assumptions

To make the data comparable across economies, several assumptions about the construction company, the warehouse project and the utility connections are used.

The construction company (BuildCo):

- Is a limited liability company (or its legal equivalent) and operates in the economy's largest business city. For 11 economies the data are also collected for the second largest business city.
- Is 100% domestically and privately owned; has five owners, none of whom is a legal entity. Has a licensed architect and a licensed engineer, both registered with the local association of architects or engineers. BuildCo is not assumed to have any other employees who are technical or licensed experts, such as geological or topographical experts.
- Owns the land on which the warehouse will be built and will sell the warehouse upon its completion.

The warehouse:

- Will be used for general storage activities, such as storage of books or stationery.
- Will have two stories, both above ground, with a total constructed area of approximately 1,300.6 square meters (14,000 square feet). Each floor will be 3 meters (9 feet, 10 inches) high and will be located on a land plot of approximately 929 square meters (10,000 square feet) that is 100% owned by BuildCo, and the warehouse is valued at 50 times income per capita.
- Will have complete architectural and technical plans prepared by a licensed architect. If preparation of the plans requires such steps as obtaining further documentation or getting prior approvals from external agencies, these are counted as procedures.
- Will take 30 weeks to construct (excluding all delays due to administrative and regulatory requirements).

The water and sewerage connections:

- Will be 150 meters (492 feet) from the existing water source and sewer tap. If there is no water delivery infrastructure in the economy, a borehole will be dug. If there is no sewerage infrastructure, a septic tank in the smallest size available will be installed or built.
- Will have an average water use of 662 liters (175 gallons) a day and an average wastewater flow of 568 liters (150 gallons) a day. Will have a peak water use of 1,325 liters (350 gallons) a day and a peak wastewater flow of 1,136 liters (300 gallons) a day.
- Will have a constant level of water demand and wastewater flow throughout the year; will be 1 inch in diameter for the water connection and 4 inches in diameter for the sewerage connection.

Dealing with Construction Permits - Shanghai

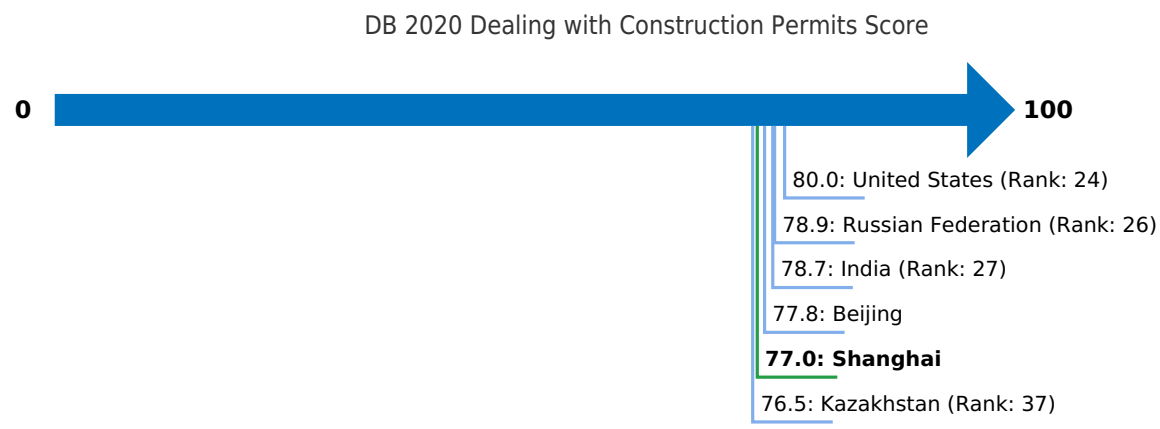
Standardized Warehouse

Estimated value of warehouse	CNY 3,221,216.90
City Covered	Shanghai

Indicator	Shanghai	East Asia & Pacific	OECD high income	Best Regulatory Performance
Procedures (number)	18	14.8	12.7	None in 2018/19
Time (days)	125.5	132.3	152.3	None in 2018/19
Cost (% of warehouse value)	2.3	3.2	1.5	None in 2018/19
Building quality control index (0-15)	15.0	9.4	11.6	15.0 (6 Economies)

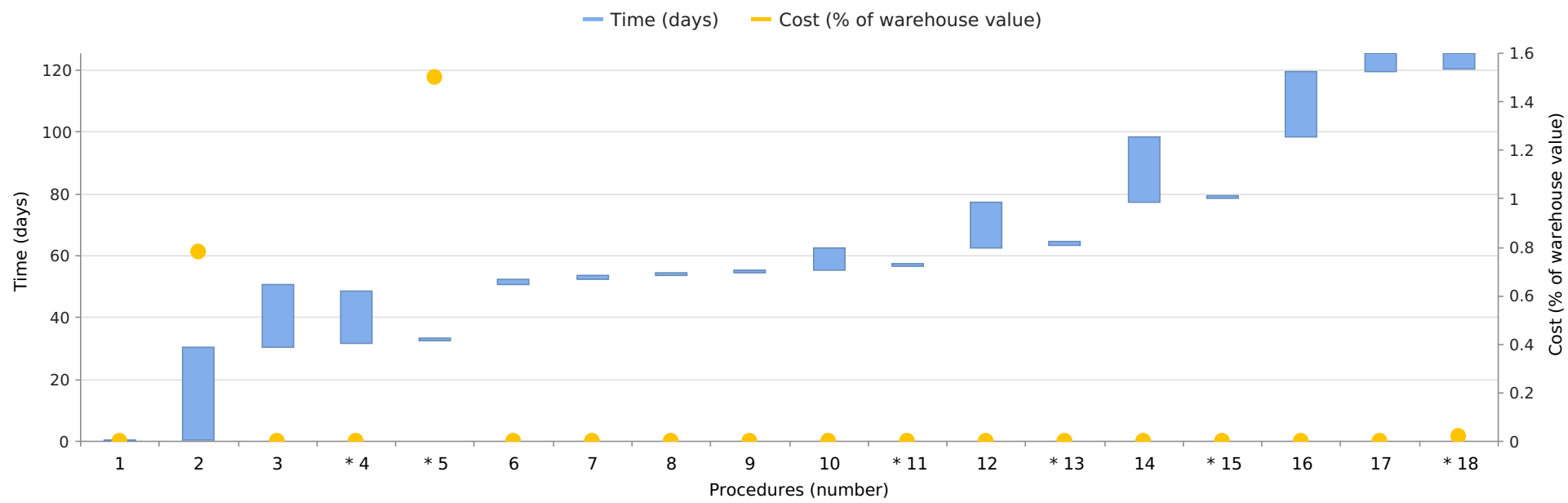
Figure – Dealing with Construction Permits in Shanghai – Score

Figure – Dealing with Construction Permits in Shanghai and comparator economies – Ranking and Score



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

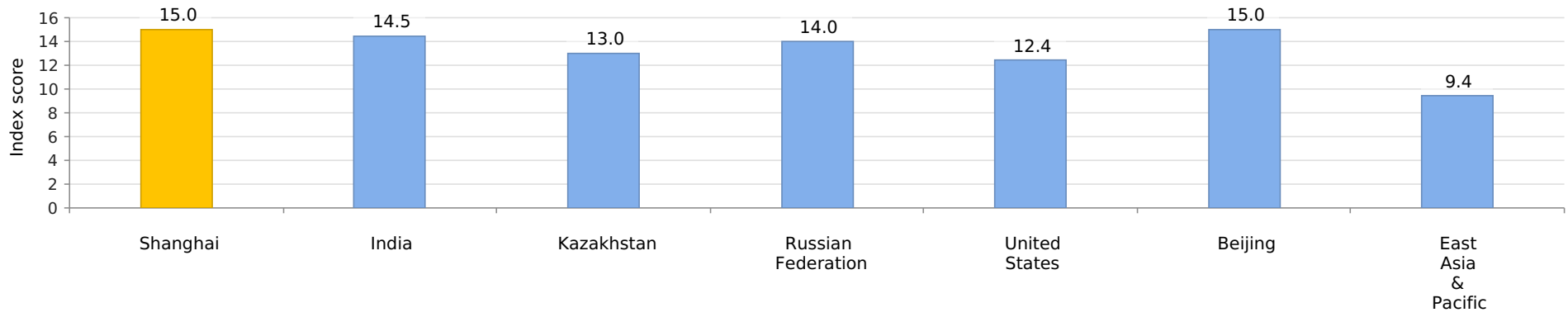
Figure – Dealing with Construction Permits in Shanghai – Procedure, Time and Cost



*This symbol is shown beside procedure numbers that take place simultaneously with the previous procedure.

Note: Online procedures account for 0.5 days in the total time calculation. For economies that have a different procedure list for men and women, the graph shows the time for women. For more information on methodology, see the *Doing Business* website (http://doingbusiness.org/en/methodology). For details on the procedures reflected here, see the summary below.

Figure – Dealing with Construction Permits in Shanghai and comparator economies – Measure of Quality



Details – Dealing with Construction Permits in Shanghai – Procedure, Time and Cost

No.	Procedures	Time to Complete	Associated Costs
1	**Register Construction Project online through the Shanghai Construction Projects Review and Approval Management System** *Agency* : Shanghai Development and Reform Commission All construction projects must be registered with the Shanghai Development and Reform Commission through its online platform. The following documents are required for the application: 1. Application form to register the project 2. Proof of land use rights 3. Project proposal 4. Project construction investment estimate 5. Topographic map of the project 6. Comments from relevant functional department 7. Proof of funds presented by the bank 8. A copy of the business license of the enterprise legal representative	0.5 days	no charge
2	**Obtain a geo-technical study / soil test** *Agency* : Private firms BuildCo will request a soil test for the structural calculations for the foundation. For the warehouse, as described in the case study, the standard penetration test is what would most likely be done, which is a simplified procedure for this type of study, since the warehouse is not a very complex project. Soil testing helps to determine the properties of the soil, which can vary from place to place. The soil investigation helps to determine the bearing capacity of the land, which in turn helps to determine the load capability, the type and depth of foundation, in order to make sure to select a suitable construction technique.	30 days	CNY 25,000
3	**Obtain review of building drawings by a building drawing examiner authorized by the Shanghai Construction Project Document Review Center (Construction Committee)** *Agency* : Shanghai Construction Project Document Review Center As of 2012, the Shanghai District Construction Commission accepts the building drawings and coordinates the review among the various agencies, including the Fire Protection Bureau, the Shanghai Police and Traffic Police District Level Team and Shanghai City Appearance & Environmental Sanitation Administration Bureau.	20 days	no charge
⇄ 4	**Request and obtain construction project planning permit** *Agency* : Shanghai Bureau of Planning and Land and Resources The documents needed for a construction on self-owned land application include the following: - Application form - Construction project commitment letter - 1/500 or 1/1000 site-plan and 1/500 or 1/1000 (1/2000 for suburbs) terrain map - Working drawing - Form of strata area - Groundwork construction ichnographic map, groundwork detail drawing and piling plan drawing - Ichnographic sketch map used for public purposes - Construction budget plan - Preliminary design documents that are approved - Reply on planning design proposal and attached drawings - Opinion on review and filing of design documents and acceptance letter for drawing review	17 days	no charge
⇄ 5	**Hire an authorized supervision agency** *Agency* : Authorized Supervision Agency It is mandated by Ministry of Construction Decree No. 86 to hire an authorized supervision agency to inspect the construction in projects above RMB 30 million. For smaller projects it is common practice even if not legally mandated in order to comply with all relevant standards and regulations.	1 day	CNY 48,318
6	**Request and obtain building permit** *Agency* : Shanghai Urban Construction and Communications Commission The building permit is obtained once the application is reviewed by the Shanghai Urban Construction and Communications Commission (SUCCC). The SUCCC will also register the project with the local Shanghai Construction Engineering Safety Quality Supervision Station.	2 days	no charge

7	**Receive Scheduled Inspection by the Shanghai Construction Engineering Safety Quality Supervision Station** *Agency* : Shanghai Construction Engineering Safety Quality Supervision Station The Shanghai Construction Engineering Safety Quality Supervision Station undertakes its first inspection shortly after the project is registered in order to ascertain the conditions of the construction site and compliance to relevant regulations.	1 day	no charge
8	**Receive audit inspection from the Shanghai Construction Engineering Safety Quality Supervision Station- I** *Agency* : Shanghai Construction Engineering Safety Quality Supervision Station The Safety and Quality Control Station conducts several unannounced, spot inspections during construction.	1 day	no charge
9	**Receive audit inspection from the Shanghai Construction Engineering Safety Quality Supervision Station -II** *Agency* : Shanghai Construction Engineering Safety Quality Supervision Station The Safety and Quality Control Station conducts several unannounced, spot inspections during construction.	1 day	no charge
10	**Request water and sewage connection** *Agency* : Shanghai Construction Projects Review and Approval Management System BuildCo must first apply for a water connection inquiry (接水前期征询手续) from the Municipal Water Bureau who will approve the application within 7 days after receiving all required documents.	7 days	no charge
⇄ 11	**Receive water and sewage inspection** *Agency* : Water Supply and Sewerage Department Upon receiving the water supply application, the water service crew conducts on-site surveys within 7 days. The completion of water supply is determined by construction conditions. As for sewage licensing, the Municipal Water Bureau needs 20 days after BuildCo submits the project approval and other documents on the sewage facility design to conduct a preliminary inspection. After completing the inspection and trial operation, the bureau requires 20 days to examine the results of the facility and grant approval. These timeframes are taken into account in the following procedure.	1 day	no charge
12	**Receive fire department inspection upon building completion** *Agency* : Fire Department The application can be submitted directly to the Shanghai District Construction Commission which now coordinates all inspections. However, the inspections are still conducted by each individual agency.	15 days	no charge
⇄ 13	**Receive "Four-Party" inspection** *Agency* : Site Inspector, Designer, Builder, and Agency Supervisor This procedure is called a four-party inspection (四方验收). The four parties include the site inspector, the designer, the builder, and the supervisor.	1 day	no charge
14	**Receive completion acceptance from the Shanghai Bureau of Planning and Land and Resources** *Agency* : Shanghai Bureau of Planning and Land and Resources To request a final inspection, BuildCo must submit the following documents: - Report on completed construction (建设工程竣工测量成果报告书) - Planning permit for the construction project and attached drawings (plan, vertical view and cutaway view) - Qualified acceptance certificate of files of construction project (建设项目档案验收合格证) - Qualified acceptance form of civil defense project However, this application can be submitted directly to the Shanghai District Construction Commission which now coordinates all inspections. However, the inspections are still conducted by each individual agency.	21 days	no charge
⇄ 15	**Receive inspection on construction completion (竣工备案) from the Shanghai Urban Construction and Communications Commission** *Agency* : Shanghai Urban Construction and Communications Commission This procedure must be completed on the day of application, provided that the documents required for submission are complete. There is no charge for this procedure.	1 day	no charge

16	**Obtain certificate of completion and certificate of final inspection from the Shanghai Urban Construction and Communications Commission** *Agency* : Shanghai Urban Construction and Communications Commission Within 15 days after the building passes the inspection, BuildCo must file the following documents with the Shanghai Urban Construction and Communications Commission: - Inspection report of the completed construction - Acknowledgement or authority from the planning bureau - Acceptance certificate or opinion on acceptance of fire-prevention inspection - Acknowledgement from the environmental protection bureau - Acknowledgement from the city construction dossier department - Opinion on acceptance of lightning-proof construction project issued by Shanghai Lightning Protection Center - Proof of payment of engineering section - Opinion on acceptance of completed civil defense project	21 days	no charge
17	**Receive connection to water and sewage services** *Agency* : Water Supply and Sewerage Department	6 days	no charge
⇄ 18	**Register building with Real Estate Registry** *Agency* : Shanghai District Real Estate Registry The warehouse considered here should fall into the category of nonresidential real property, in which case the registry procedure will take about 5 working days from receipt of the application. Pursuant to Notice on Relevant Issues on Calculating Methods and Fee Standards of the House Registration Fee (effective on Apr 25, 2008) 《上海市物价局、上海市财政局关于规范本市房屋登记费计费方式和收费标准等有关问题的通知》, for nonresidential real property, the registration fee is CNY 550. Before selling the building, the property must be registered and the certificate obtained.	5 days	CNY 550

⇄Takes place simultaneously with previous procedure.

Details – Dealing with Construction Permits in Shanghai – Measure of Quality

	Answer	Score
Building quality control index (0-15)		**15.0**
Quality of building regulations index (0-2)		**2.0**
How accessible are building laws and regulations in your economy? (0-1)	Available online; Free of charge.	1.0
Which requirements for obtaining a building permit are clearly specified in the building regulations or on any accessible website, brochure or pamphlet? (0-1)	List of required documents; Fees to be paid; Required preapprovals.	1.0
Quality control before construction index (0-1)		**1.0**
Which third-party entities are required by law to verify that the building plans are in compliance with existing building regulations? (0-1)	Licensed architect.	1.0
Quality control during construction index (0-3)		**3.0**
What types of inspections (if any) are required by law to be carried out during construction? (0-2)	Inspections by external engineer or firm; Inspections at various phases; Risk-based inspections.	2.0
Do legally mandated inspections occur in practice during construction? (0-1)	Mandatory inspections are always done in practice.	1.0
Quality control after construction index (0-3)		**3.0**
Is there a final inspection required by law to verify that the building was built in accordance with the approved plans and regulations? (0-2)	Yes, final inspection is done by government agency.	2.0
Do legally mandated final inspections occur in practice? (0-1)	Final inspection always occurs in practice.	1.0
Liability and insurance regimes index (0-2)		**2.0**
Which parties (if any) are held liable by law for structural flaws or problems in the building once it is in use (Latent Defect Liability or Decennial Liability)? (0-1)	Architect or engineer; Professional in charge of the supervision; Construction company.	1.0
Which parties (if any) are required by law to obtain an insurance policy to cover possible structural flaws or problems in the building once it is in use (Latent Defect Liability Insurance or Decennial Insurance)? (0-1)	No party is required by law to obtain insurance ; Construction company.	1.0
Professional certifications index (0-4)		**4.0**
What are the qualification requirements for the professional responsible for verifying that the architectural plans or drawings are in compliance with existing building regulations? (0-2)	Minimum number of years of experience; University degree in architecture or engineering; Being a registered architect or engineer.	2.0
What are the qualification requirements for the professional who supervises the construction on the ground? (0-2)	Minimum number of years of experience; University degree in engineering, construction or construction management; Passing a certification exam.	2.0

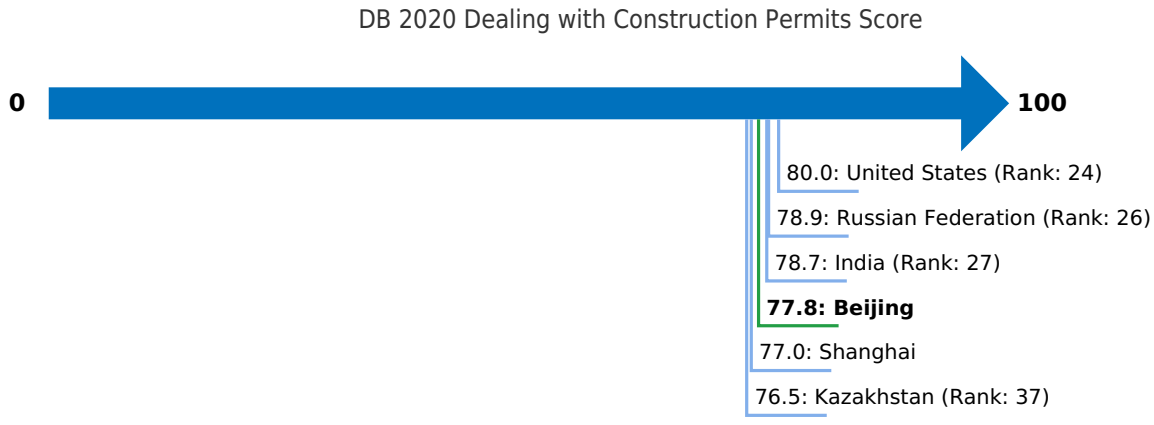
Dealing with Construction Permits - Beijing

Standardized Warehouse	
Estimated value of warehouse	CNY 3,221,216.90
City Covered	Beijing

Indicator	Beijing	East Asia & Pacific	OECD high income	Best Regulatory Performance
Procedures (number)	18	14.8	12.7	None in 2018/19
Time (days)	93	132.3	152.3	None in 2018/19
Cost (% of warehouse value)	3.5	3.2	1.5	None in 2018/19
Building quality control index (0-15)	15.0	9.4	11.6	15.0 (6 Economies)

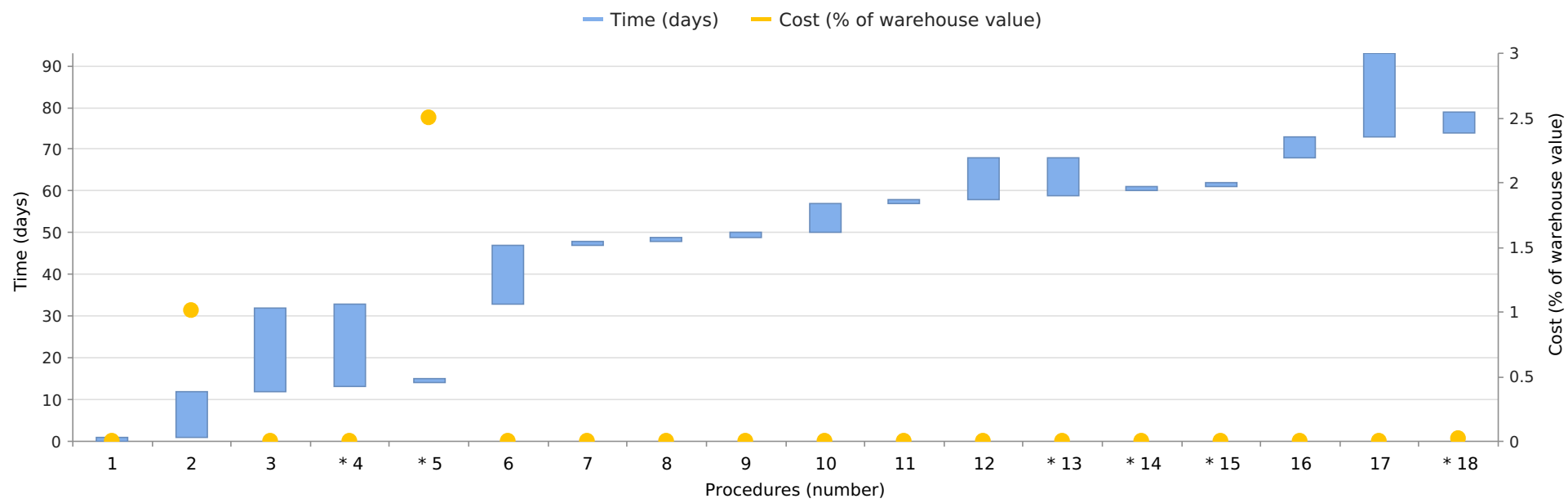
Figure – Dealing with Construction Permits in Beijing – Score

Figure – Dealing with Construction Permits in Beijing and comparator economies – Ranking and Score



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

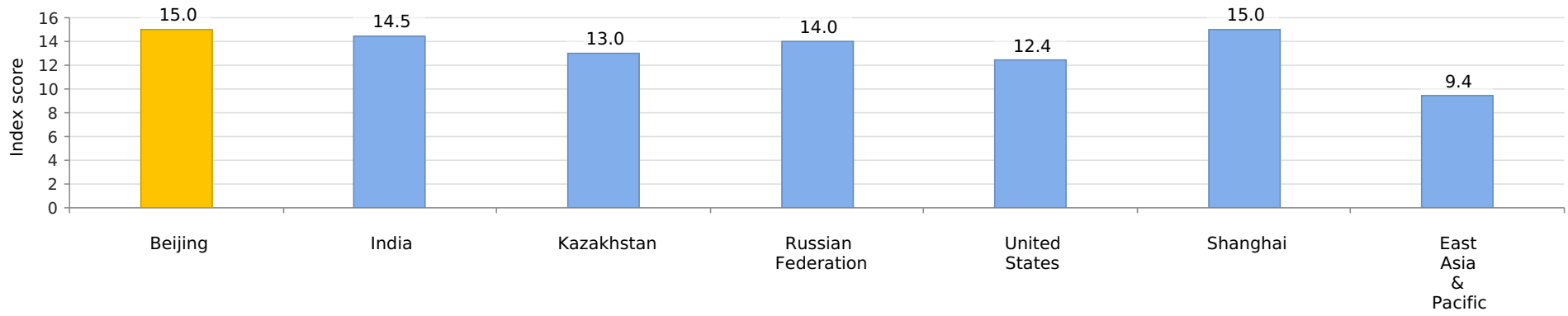
Figure – Dealing with Construction Permits in Beijing – Procedure, Time and Cost



*This symbol is shown beside procedure numbers that take place simultaneously with the previous procedure.

Note: Online procedures account for 0.5 days in the total time calculation. For economies that have a different procedure list for men and women, the graph shows the time for women. For more information on methodology, see the *Doing Business* website (http://doingbusiness.org/en/methodology). For details on the procedures reflected here, see the summary below.

Figure – Dealing with Construction Permits in Beijing and comparator economies – Measure of Quality



Details – Dealing with Construction Permits in Beijing – Procedure, Time and Cost

No.	Procedures	Time to Complete	Associated Costs
1	**Register Construction Project with the Beijing Development and Reform Commission** *Agency* : Beijing Development and Reform Commission All construction projects must be registered with the Beijing Development and Reform Commission. The following documents must be submitted: 1. Application form to register the project 2. Proof of land use rights 3. Project proposal 4. Project construction investment estimate 5. Topographic map of the project 6. Comments from relevant functional department 7. Proof of funds presented by the bank 8. A copy of the business license of the enterprise legal representative	1 day	no charge
2	**Obtain geotechnical study / soil test** *Agency* : Private firms BuildCo will request a soil test for the structural calculations for the foundation.	11 days	CNY 32,500
3	**Obtain review of building drawings by a building drawing examiner authorized by the Beijing Construction Project Document Review Center (Construction Committee) and obtain a letter of notice** *Agency* : Beijing Construction Project Document Review Center As of 2012, the Beijing District Construction Commission accepts the building drawings and coordinates the review among the various agencies, including the Fire Protection Bureau, the Beijing Police and Traffic Police District Level Team and Beijing City Appearance & Environmental Sanitation Administration Bureau.	20 days	no charge
⇄ 4	**Request and obtain construction project planning permit** *Agency* : Ministry of Land Resources Documents needed for construction on self-owned land include the following: - Application form - Construction project commitment letter - 1/500 or 1/1000 site-plan and 1/500 or 1/1000 (1/2000 for suburbs) terrain map - Working drawing - Form of strata area - Groundwork construction ichnographic map, groundwork detail drawing and piling plan drawing - Ichnographic sketch map used for public purposes - Construction budget plan - Preliminary design documents that are approved - Reply on planning design proposal and attached drawings - Opinion on review and filing of design documents and acceptance letter for drawing review	20 days	no charge
⇄ 5	**Hire an authorized supervision agency** *Agency* : Authorized Supervision Agency It is mandated by Ministry of Construction Decree No. 86 to hire an authorized supervision agency to inspect the construction in projects above RMB 30 million. For smaller projects it is common practice even if not legally mandated in order to comply with all relevant standards and regulations.	1 day	CNY 80,530
6	**Request and obtain building permit** *Agency* : Beijing Municipal Commission of Housing and Urban-Rural Development To request a building permit, BuildCo must file the following documents electronically: -Application form for building construction permit - Planning permit for the construction project - Land use permit for construction purpose or title certificates of land or property - Construction contract with contractor and Bid winning notice for construction, if applicable - Power of attorney letter - Legal representative's commitment letter, which contains the promises of the drawing review and the construction unit's commitment to the suppression work to the government. The commission will register on BuildCo's behalf for quality and safety monitoring and issues a notice.	14 days	no charge

7	**Receive Scheduled Inspection by the Beijing Construction Engineering Safety Quality Supervision Station** *Agency* : Beijing Construction Engineering Safety Quality Supervision Station The Safety and Quality Control Station conducts several inspections during construction.	1 day	no charge
8	**Receive audit inspection from the Beijing Construction Engineering Safety Quality Supervision Station- I** *Agency* : Beijing Construction Engineering Safety Quality Supervision Station The local Beijing Construction Engineering Safety Quality Supervision Station conducts several inspections during construction as mandated by the "Measures on Beijing Municipality Construction Projects' Quality Management Supervision", effective from Jan 1, 1992.	1 day	no charge
9	**Receive audit inspection from the Beijing Construction Engineering Safety Quality Supervision Station -II** *Agency* : Beijing Construction Engineering Safety Quality Supervision Station -II	1 day	no charge
10	**Obtain water connection inquiry and request water and sewage connection** *Agency* : Municipal Water Bureau BuildCo must first apply for a water connection inquiry (接水前期征询手续)from the Municipal Water Bureau who will approve the application within 7 days after receiving all required documents. Afterwards, BuildCo may apply for the water connection.	7 days	no charge
11	**Receive water and sewage inspection** *Agency* : Municipal Water Bureau Upon receiving the water supply application, the water service crew conducts on-site surveys within 7 days. The completion of water supply is determined by construction conditions. As for sewage licensing, the Municipal Water Bureau needs 20 days after BuildCo submits the project approval and other documents on the sewage facility design to conduct a preliminary inspection. After completing the inspection and trial operation, the bureau requires 20 days to examine the results of the facility and grant approval. These timeframes are taken into account in the following procedure.	1 day	no charge
12	**Receive inspection of the completed construction from the Beijing Bureau of Planning and Land and Resources** *Agency* : Beijing Bureau of Planning and Land and Resources To request a final inspection, BuildCo must submit the following documents: - Report on completed construction (建设工程竣工测量成果报告书) - Planning permit for the construction project and attached drawings (plan, vertical view and cutaway view) - Qualified acceptance certificate of files of construction project (建设项目档案验收合格证) - Qualified acceptance form of civil defense project However, this application can be submitted directly to the Beijing District Construction Commission which now coordinates all inspections. But the inspections are still conducted by each individual agency.	10 days	no charge
⇄ 13	**Request and receive Fire Department inspection upon building completion** *Agency* : Fire Department The application can be submitted directly to the Beijing District Construction Commission which now coordinates all inspections. But the inspections are still conducted by each individual agency.	9 days	no charge
⇄ 14	**Receive "Four-Party" inspection** *Agency* : Site Inspector, Designer, Builder, and Agency Supervisor This procedure is called a four-party inspection (四方验收). The four parties include the site inspector, the designer, the builder, and the supervisor.	1 day	no charge
⇄ 15	**Request and receive inspection on construction completion from the Beijing Municipal Commission of Housing and Urban-Rural Development** *Agency* : Beijing Municipal Commission of Housing and Urban-Rural Development This procedure must be completed on the day of application, provided that the documents required for submission are complete. There is no charge for this procedure.	1 day	no charge
16	**Request and obtain certificate of completion and certificate of final inspection from the Beijing Urban Construction and Communications Commission** *Agency* : Beijing Municipal Commission of Housing and Urban-Rural Development Within 15 days after the building passes the inspection, BuildCo must file the following documents with the Beijing Urban Construction and Communications Commission: - Inspection report of the completed construction - Acknowledgement or authority from the planning bureau - Acknowledgement from the city construction dossier department	5 days	no charge

17	**Receive connection to water and sewage services** *Agency* : Municipal Water Bureau Applicant should submit: 1. Service Application Form; 2. Administrative Permit Application Form; 3.Drawings and instructions for the location and size of the special inspection wells, sewage discharge outlets; 4. Relevant materials of sewage treatment facilities as required; 5. Water quality, water quantity testing report; 6. Applicant's business licence, legal representative certificate, POA; 7. Contracts or property ownership certificate; 8. Water Payment certificate; 9. Other documents required by the water authority.	20 days	no charge
⇉ 18	**Register building with Real Estate Registry** *Agency* : Beijing District Real Estate Registry The warehouse considered here should fall into the category of nonresidential real property, in which case the registry procedure will take 20 working days from receipt of the application. Pursuant to regulations of the Beijing Municipal Development and Reform Commission and the Beijing Municipal Bureau of finance for nonresidential real property, the registration fee is CNY 550. Before selling the building, the property must be registered and the certificate obtained.	5 days	CNY 550

⇉Takes place simultaneously with previous procedure.

Details – Dealing with Construction Permits in Beijing – Measure of Quality

	Answer	Score
Building quality control index (0-15)		**15.0**
Quality of building regulations index (0-2)		**2.0**
How accessible are building laws and regulations in your economy? (0-1)	Available online; Free of charge.	1.0
Which requirements for obtaining a building permit are clearly specified in the building regulations or on any accessible website, brochure or pamphlet? (0-1)	List of required documents; Fees to be paid; Required preapprovals.	1.0
Quality control before construction index (0-1)		**1.0**
Which third-party entities are required by law to verify that the building plans are in compliance with existing building regulations? (0-1)	Licensed architect.	1.0
Quality control during construction index (0-3)		**3.0**
What types of inspections (if any) are required by law to be carried out during construction? (0-2)	Inspections by external engineer or firm; Inspections at various phases; Risk-based inspections.	2.0
Do legally mandated inspections occur in practice during construction? (0-1)	Mandatory inspections are always done in practice.	1.0
Quality control after construction index (0-3)		**3.0**
Is there a final inspection required by law to verify that the building was built in accordance with the approved plans and regulations? (0-2)	Yes, final inspection is done by government agency.	2.0
Do legally mandated final inspections occur in practice? (0-1)	Final inspection always occurs in practice.	1.0
Liability and insurance regimes index (0-2)		**2.0**
Which parties (if any) are held liable by law for structural flaws or problems in the building once it is in use (Latent Defect Liability or Decennial Liability)? (0-1)	Architect or engineer; Professional in charge of the supervision; Construction company.	1.0
Which parties (if any) are required by law to obtain an insurance policy to cover possible structural flaws or problems in the building once it is in use (Latent Defect Liability Insurance or Decennial Insurance)? (0-1)	No party is required by law to obtain insurance ; Construction company.	1.0
Professional certifications index (0-4)		**4.0**
What are the qualification requirements for the professional responsible for verifying that the architectural plans or drawings are in compliance with existing building regulations? (0-2)	Minimum number of years of experience; University degree in architecture or engineering; Being a registered architect or engineer.	2.0
What are the qualification requirements for the professional who supervises the construction on the ground? (0-2)	Minimum number of years of experience; University degree in engineering, construction or construction management; Passing a certification exam.	2.0

Getting Electricity

This topic measures the procedures, time and cost required for a business to obtain a permanent electricity connection for a newly constructed warehouse. Additionally, the reliability of supply and transparency of tariffs index measures reliability of supply, transparency of tariffs and the price of electricity. The most recent round of data collection for the project was completed in May 2019. See the methodology for more information.

What the 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
- Value added tax excluded

The reliability of supply and transparency of tariffs index (0-8)

- Duration and frequency of power outages (0–3)
- Tools to monitor power outages (0–1)
- Tools to restore power supply (0–1)
- Regulatory monitoring of utilities' performance (0–1)
- Financial deterrents limiting outages (0–1)
- Transparency and accessibility of tariffs (0–1)

Price of electricity (cents per kilowatt-hour)*

- Price based on monthly bill for commercial warehouse in case study

*Note: *Doing Business* measures the price of electricity, but it is not included in the ease of doing business score nor in the ranking on the ease of getting electricity.

Case study assumptions

To make the data comparable across economies, several assumptions about the warehouse, the electricity connection and the monthly consumption are used.

The warehouse:

- Is owned by a local entrepreneur and is used for storage of goods.
- Is located in the economy's largest business city. For 11 economies the data are also collected for the second largest business city.
- Is located in an area where similar warehouses are typically located and is in an area with no physical constraints. For example, the property is not near a railway.
- Is a new construction and is being connected to electricity for the first time.
- Has two stories with a total surface area of approximately 1,300.6 square meters (14,000 square feet). The plot of land on which it is built is 929 square meters (10,000 square feet).

The electricity connection:

- Is a permanent one with a three-phase, four-wire Y connection with a subscribed capacity of 140-kilo-volt-ampere (kVA) with a power factor of 1, when 1 kVA = 1 kilowatt (kW).
- Has a length of 150 meters. The connection is to either the low- or medium-voltage distribution network and is either overhead or underground, whichever is more common in the area where the warehouse is located and requires works that involve the crossing of a 10-meter road (such as by excavation or overhead lines) but are all carried out on public land. There is no crossing of other owners' private property because the warehouse has access to a road.
- Does not require work to install the internal wiring of the warehouse. This has already been completed up to and including the customer's service panel or switchboard and the meter base.

The monthly consumption:

- It is assumed that the warehouse operates 30 days a month from 9:00 a.m. to 5:00 p.m. (8 hours a day), with equipment utilized at 80% of capacity on average and that there are no electricity cuts (assumed for simplicity reasons) and the monthly energy consumption is 26,880 kilowatt-hours (kWh); hourly consumption is 112 kWh.
- If multiple electricity suppliers exist, the warehouse is served by the cheapest supplier.
- Tariffs effective in January of the current year are used for calculation of the price of electricity for the warehouse. Although January has 31 days, for calculation purposes only 30 days are used.

Getting Electricity - Shanghai

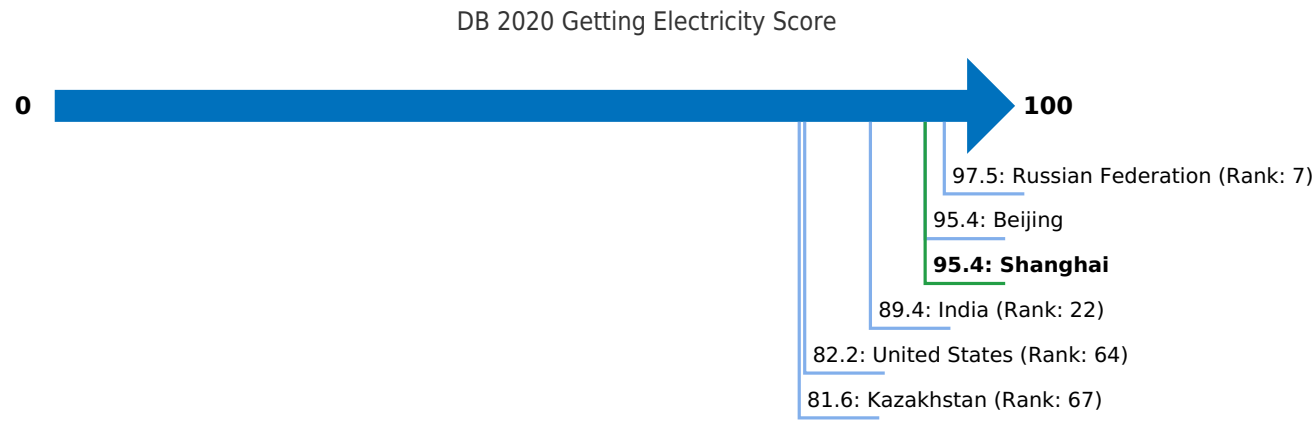
Standardized Connection

Name of utility	Shanghai Municipal Electric Power Company
Price of electricity (US cents per kWh)	12.8
City Covered	Shanghai

Indicator	Shanghai	East Asia & Pacific	OECD high income	Best Regulatory Performance
Procedures (number)	2	4.2	4.4	3 (28 Economies)
Time (days)	32	63.2	74.8	18 (3 Economies)
Cost (% of income per capita)	0.0	594.6	61.0	0.0 (3 Economies)
Reliability of supply and transparency of tariff index (0-8)	7	4.0	7.4	8 (26 Economies)

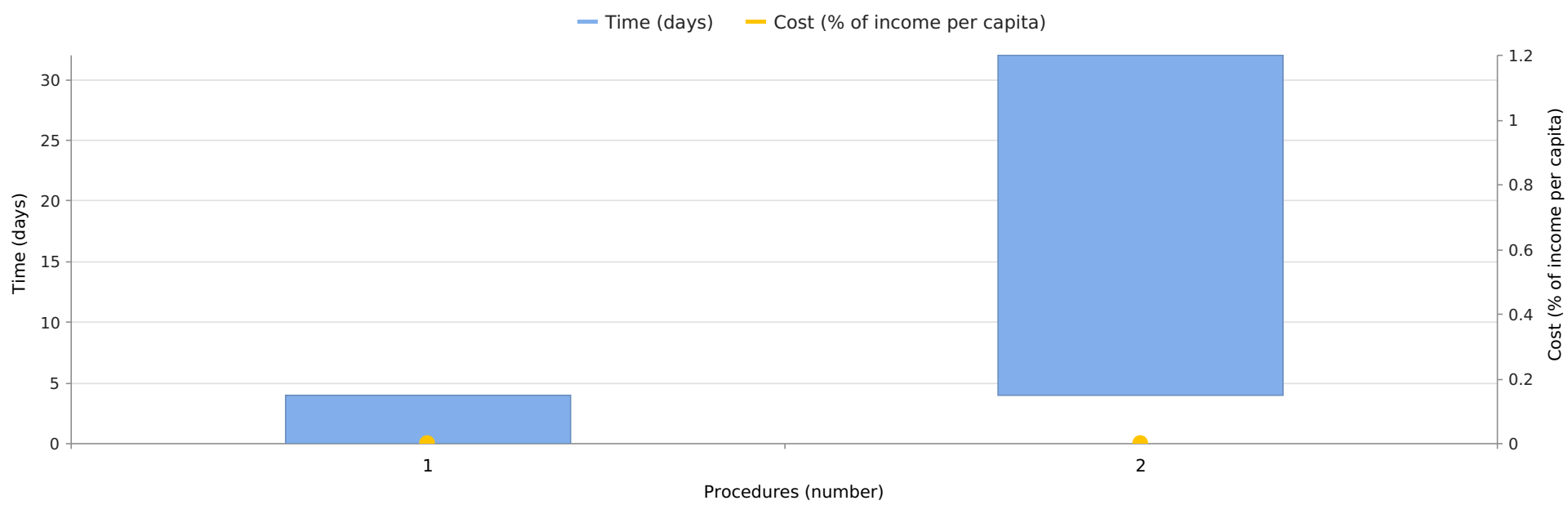
Figure – Getting Electricity in Shanghai – Score

Figure – Getting Electricity in Shanghai and comparator economies – Ranking and Score



Note: The ranking of economies on the ease of getting electricity is determined by sorting their scores for getting electricity. These scores are the simple average of the scores for all the component indicators except the price of electricity.

Figure – Getting Electricity in Shanghai – Procedure, Time and Cost

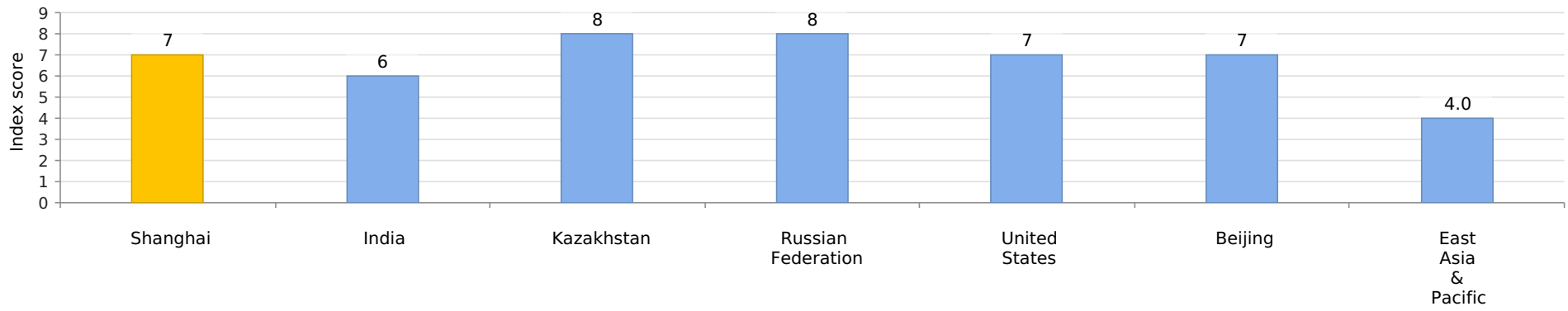


*This symbol is shown beside procedure numbers that take place simultaneously with the previous procedure.

Note: Online procedures account for 0.5 days in the total time calculation. For economies that have a different procedure list for men and women, the graph shows the time for women. For more information on methodology, see the *Doing Business* website (http://doingbusiness.org/en/methodology). For details on the procedures

reflected here, see the summary below.

Figure – Getting Electricity in Shanghai and comparator economies – Measure of Quality



Details – Getting Electricity in Shanghai – Procedure, Time and Cost

No.	Procedures	Time to Complete	Associated Costs
1	**Submit application to utility and sign supply contract** *Agency* : Shanghai Municipal Electric Power Company Customers may apply for a new connection in person, online or through a phone app. Documents to be submitted along with application include: copy of business license, applicant's ID, tax registration certificate and the certificate of house property right (identical to the electrical address). After examining the application, the utility's staff will investigate the site the next day without involving the customer (i.e. inspection occurs outside the premises of the customer's property) to (i) assess the feasibility of the connection and (ii) determine the specific needs of the connection. Shortly thereafter, the application is accepted and the customer is receives the supply contract, which can be signed electronically. The utility will then commence the external connection works.	4 calendar days	CNY 0
2	**Receive external connection works and meter installation** *Agency* : Shanghai Municipal Electric Power Company Once the application is accepted, the Shanghai Municipal Electric Power Company will carry out through a sub-contractor the external connection works as well as the meter installation. During this process, the utility will take care of all the required permitting with the relevant authorities, including the excavation permit. For a power load at 160kW or below, the connection is done through the low voltage network - which does not require a transformer. For commercial connections to the low voltage network, the utility funds and constructs the connection through a sub-contractor - which includes the material, the meter box and labor. The sub-contractor will be chosen by the utility through a bidding process where they then give the sub-contractor (i.e. winning-bidder) a time objective to respect. The client will not interact with the sub-contracting entity. The utility will carry out the meter installation in parallel with works, and the connection is finalized once works have been completed.	28 calendar days	CNY 0

⇉Takes place simultaneously with previous procedure.

Details – Getting Electricity in Shanghai – Measure of Quality

	Answer
Reliability of supply and transparency of tariff index (0-8)	7
Total duration and frequency of outages per customer a year (0-3)	3
System average interruption duration index (SAIDI)	1.0
System average interruption frequency index (SAIFI)	0.2
What is the minimum outage time (in minutes) that the utility considers for the calculation of SAIDI/SAIFI	3.0
Mechanisms for monitoring outages (0-1)	1
Does the distribution utility use automated tools to monitor outages?	Yes
Mechanisms for restoring service (0-1)	1
Does the distribution utility use automated tools to restore service?	Yes
Regulatory monitoring (0-1)	1
Does a regulator—that is, an entity separate from the utility—monitor the utility's performance on reliability of supply?	Yes
Financial deterrents aimed at limiting outages (0-1)	0
Does the utility either pay compensation to customers or face fines by the regulator (or both) if outages exceed a certain cap?	No
Communication of tariffs and tariff changes (0-1)	1
Are effective tariffs available online?	Yes
Link to the website, if available online	http://www.shanghai.gov.cn/nw2/nw2314/nw2319/nw12344/u26aw58603.html ; http://www.sgcc.com.cn/
Are customers notified of a change in tariff ahead of the billing cycle?	Yes

Note:

If the duration and frequency of outages is 100 or less, the economy is eligible to score on the Reliability of supply and transparency of tariff index.

If the duration and frequency of outages is not available, or is over 100, the economy is not eligible to score on the index.

If the minimum outage time considered for SAIDI/SAIFI is over 5 minutes, the economy is not eligible to score on the index.

Getting Electricity - Beijing

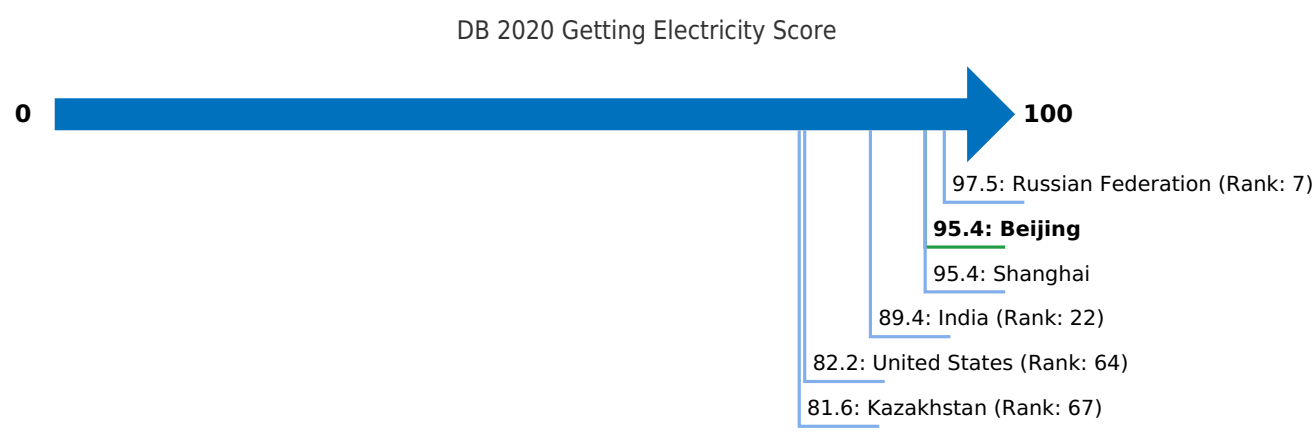
Standardized Connection

Name of utility	State Grid Beijing Electric Power Company
Price of electricity (US cents per kWh)	16.7
City Covered	Beijing

Indicator	Beijing	East Asia & Pacific	OECD high income	Best Regulatory Performance
Procedures (number)	2	4.2	4.4	3 (28 Economies)
Time (days)	32	63.2	74.8	18 (3 Economies)
Cost (% of income per capita)	0.0	594.6	61.0	0.0 (3 Economies)
Reliability of supply and transparency of tariff index (0-8)	7	4.0	7.4	8 (26 Economies)

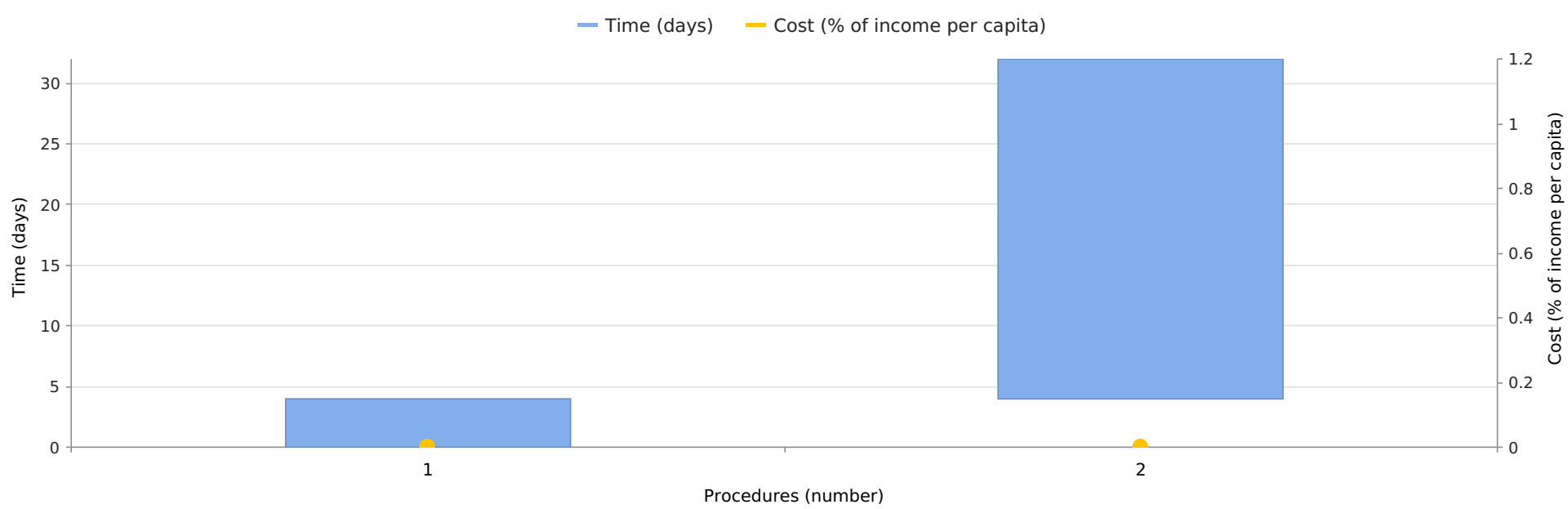
Figure – Getting Electricity in Beijing – Score

Figure – Getting Electricity in Beijing and comparator economies – Ranking and Score



Note: The ranking of economies on the ease of getting electricity is determined by sorting their scores for getting electricity. These scores are the simple average of the scores for all the component indicators except the price of electricity.

Figure – Getting Electricity in Beijing – Procedure, Time and Cost

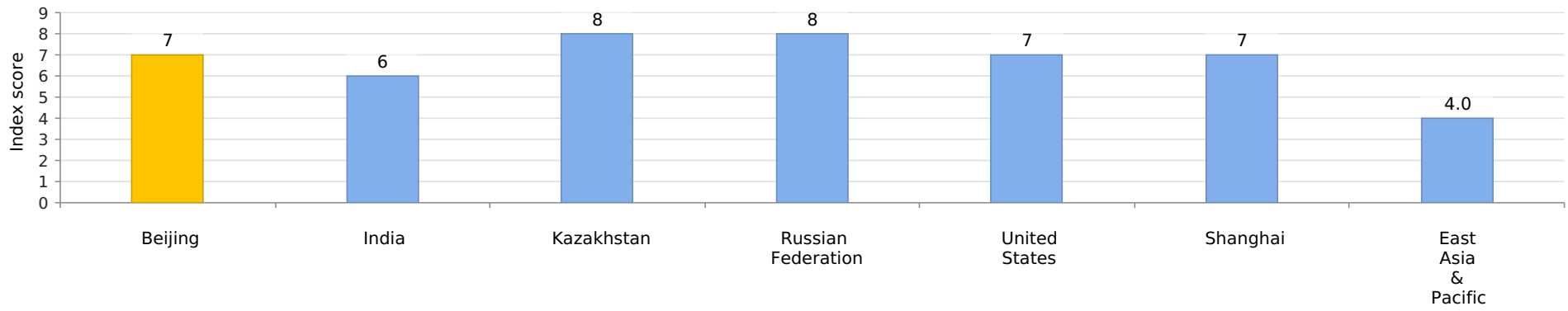


*This symbol is shown beside procedure numbers that take place simultaneously with the previous procedure.

Note: Online procedures account for 0.5 days in the total time calculation. For economies that have a different procedure list for men and women, the graph shows the time for women. For more information on methodology, see the *Doing Business* website (http://doingbusiness.org/en/methodology). For details on the procedures

reflected here, see the summary below.

Figure – Getting Electricity in Beijing and comparator economies – Measure of Quality



Details – Getting Electricity in Beijing – Procedure, Time and Cost

No.	Procedures	Time to Complete	Associated Costs
1	**Submit application to utility and sign supply contract** *Agency* : State Grid Beijing Electric Power Company Customers may apply for a new connection in person, online or through a phone app. Documents to be submitted along with application include: copy of business license, applicant's ID, tax registration certificate and the certificate of house property right (identical to the electrical address). After examining the application, the utility's staff will investigate the site the next day without involving the customer (i.e. inspection occurs outside the premises of the customer's property) to (i) assess the feasibility of the connection and (ii) determine the specific needs of the connection. Shortly thereafter, the application is accepted and the customer is receives the supply contract, which can be signed electronically. The utility will then commence the external connection works.	4 calendar days	CNY 0
2	**Receive external connection works and meter installation** *Agency* : State Grid Beijing Electric Power Company Once the application is accepted, the State Grid Beijing Electric Power Company will carry out through a sub-contractor the external connection works as well as the meter installation. During this process, the utility will take care of all the required permitting with the relevant authorities, including the excavation permit. For a power load at 160kW or below, the connection is done through the low voltage network - which does not require a transformer. For commercial connections to the low voltage network, the State Grid Beijing Electric Power Company funds and constructs the connection through a sub-contractor - which includes the material, the meter box and labor. The sub-contractor will be chosen by the utility through a bidding process where they then give the sub-contractor (i.e. winning-bidder) a time objective to respect. The client will not interact with the sub-contracting entity. The utility will carry out the meter installation in parallel with works, and the connection is finalized once works have been completed.	28 calendar days	CNY 0

⇄ Takes place simultaneously with previous procedure.

Details – Getting Electricity in Beijing – Measure of Quality

	Answer
Reliability of supply and transparency of tariff index (0-8)	7
Total duration and frequency of outages per customer a year (0-3)	3
System average interruption duration index (SAIDI)	0.8
System average interruption frequency index (SAIFI)	0.2
What is the minimum outage time (in minutes) that the utility considers for the calculation of SAIDI/SAIFI	3.0
Mechanisms for monitoring outages (0-1)	1
Does the distribution utility use automated tools to monitor outages?	Yes
Mechanisms for restoring service (0-1)	1
Does the distribution utility use automated tools to restore service?	Yes
Regulatory monitoring (0-1)	1
Does a regulator—that is, an entity separate from the utility—monitor the utility's performance on reliability of supply?	Yes
Financial deterrents aimed at limiting outages (0-1)	0
Does the utility either pay compensation to customers or face fines by the regulator (or both) if outages exceed a certain cap?	No
Communication of tariffs and tariff changes (0-1)	1
Are effective tariffs available online?	Yes
Link to the website, if available online	http://fgw.beijing.gov.cn/zwxx/tztg/201903/P020190329755262122222.pdf ; http://www.sgcc.com.cn/
Are customers notified of a change in tariff ahead of the billing cycle?	Yes

Note:

If the duration and frequency of outages is 100 or less, the economy is eligible to score on the Reliability of supply and transparency of tariff index.

If the duration and frequency of outages is not available, or is over 100, the economy is not eligible to score on the index.

If the minimum outage time considered for SAIDI/SAIFI is over 5 minutes, the economy is not eligible to score on the index.

Registering Property

This topic examines the steps, time and cost involved in registering property, assuming a standardized case of an entrepreneur who wants to purchase land and a building that is already registered and free of title dispute. In addition, the topic also measures the quality of the land administration system in each economy. The quality of land administration index has five dimensions: reliability of infrastructure, transparency of information, geographic coverage, land dispute resolution, and equal access to property rights. The most recent round of data collection for the project was completed in May 2019. See the methodology for more information.

What the indicators measure

Procedures to legally transfer title on immovable property (number)

- Preregistration procedures (for example, checking for liens, notarizing sales agreement, paying property transfer taxes)
- Registration procedures in the economy's largest business city.
- Postregistration procedures (for example, filling title with municipality)

Time required to complete each procedure (calendar days)

- Does not include time spent gathering information
- Each procedure starts on a separate day - though procedures that can be fully completed online are an exception to this rule
- Procedure is considered completed once final document is received
- No prior contact with officials

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

- Official costs only (such as administrative fees, duties and taxes).
- Value Added Tax, Capital Gains Tax and illicit payments are excluded

Quality of land administration index (0-30)

- Reliability of infrastructure index (0-8)
- Transparency of information index (0–6)
- Geographic coverage index (0–8)
- Land dispute resolution index (0–8)
- Equal access to property rights index (-2–0)

Case study assumptions

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 (or the legal equivalent).
- Are located in the periurban (that is, on the outskirts of the city but still within its official limits) area of the economy’s largest business city. For 11 economies the data are also collected for the second largest business city.
- Are 100% domestically and privately owned.
- Perform general commercial activities.

The property (fully owned by the seller):

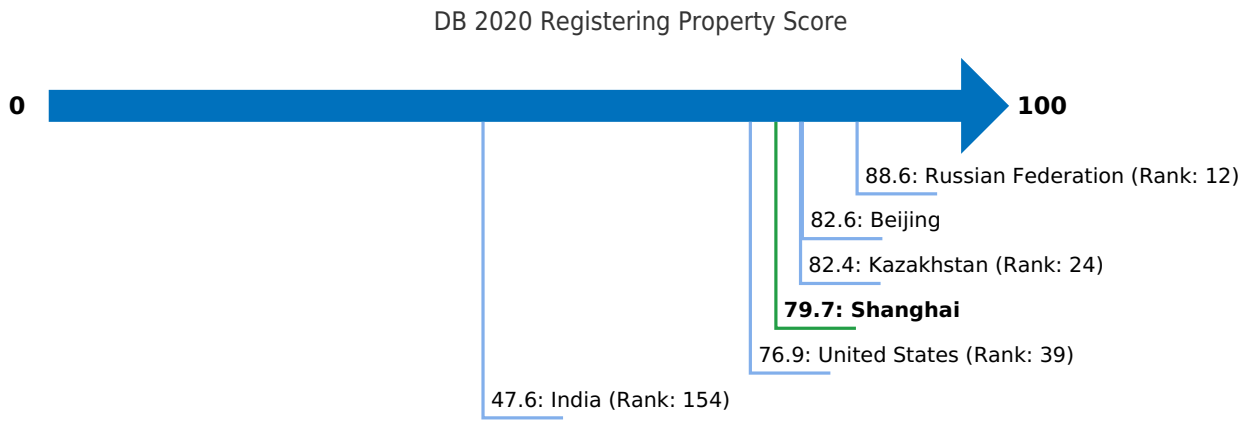
- Has a value of 50 times income per capita, which equals the sale price.
- Is fully owned by the seller.
- Has no mortgages attached and has been under the same ownership for the past 10 years.
- Is registered in the land registry or cadastre, or both, and is free of title disputes.
- Is located in a periurban commercial zone (that is, on the outskirts of the city but still within its official limits), and no rezoning is required.
- Consists of land and a building. The land area is 557.4 square meters (6,000 square feet). A two-story warehouse of 929 square meters (10,000 square feet) is located on the land. The warehouse is 10 years old, is in good condition, has no heating system and complies with all safety standards, building codes and legal requirements. The property, consisting of land and building, will be transferred in its entirety.
- Will not be subject to renovations or additional construction following the purchase.
- Has no trees, natural water sources, natural reserves or historical monuments of any kind.
- Will not be used for special purposes, and no special permits, such as for residential use, industrial plants, waste storage or certain types of agricultural activities, are required.
- Has no occupants, and no other party holds a legal interest in it.

Registering Property - Shanghai

Indicator	Shanghai	East Asia & Pacific	OECD high income	Best Regulatory Performance
Procedures (number)	4	5.5	4.7	1 (5 Economies)
Time (days)	9	71.9	23.6	1 (2 Economies)
Cost (% of property value)	4.6	4.5	4.2	0.0 (Saudi Arabia)
Quality of the land administration index (0-30)	23.5	16.2	23.2	None in 2018/19

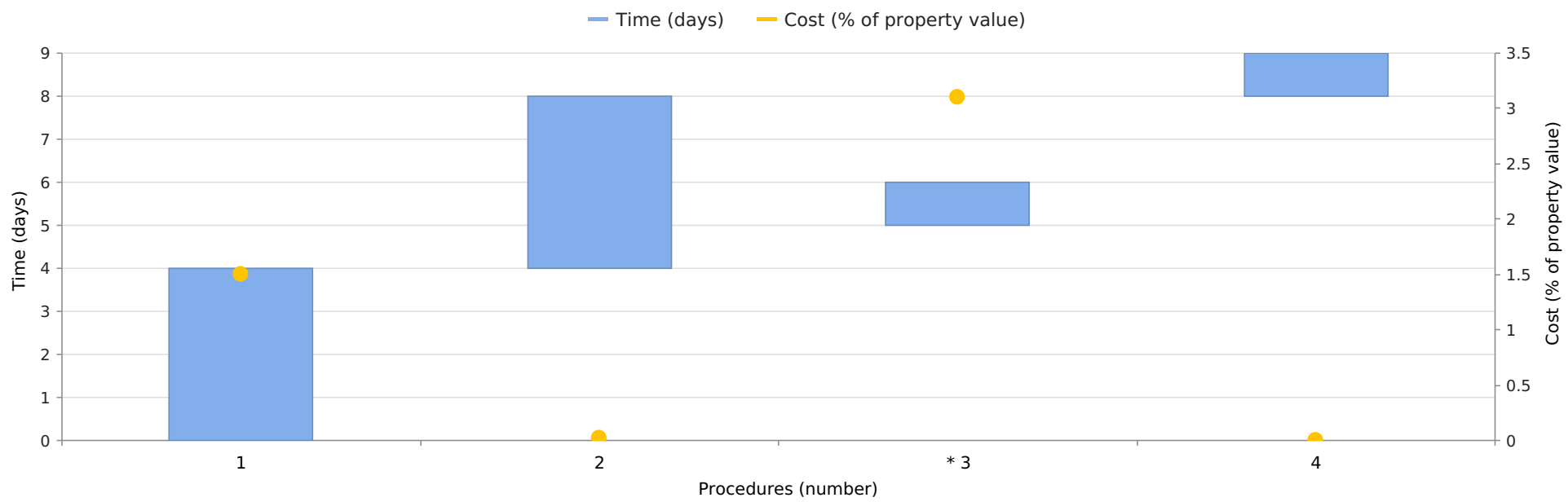
Figure – Registering Property in Shanghai – Score

Figure – Registering Property in Shanghai and comparator economies – Ranking and Score



Note: The ranking of economies on the ease of registering property is determined by sorting their scores for registering property. These scores are the simple average of the scores for each of the component indicators.

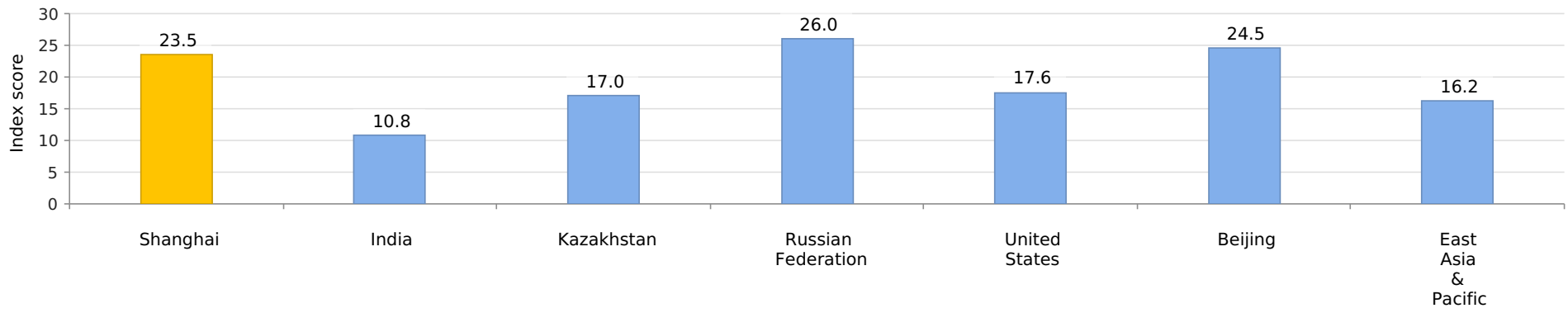
Figure – Registering Property in Shanghai – Procedure, Time and Cost



*This symbol is shown beside procedure numbers that take place simultaneously with the previous procedure.

Note: Online procedures account for 0.5 days in the total time calculation. For economies that have a different procedure list for men and women, the graph shows the time for women. For more information on methodology, see the *Doing Business* website (http://doingbusiness.org/en/methodology). For details on the procedures reflected here, see the summary below.

Figure – Registering Property in Shanghai and comparator economies – Measure of Quality



Details – Registering Property in Shanghai – Procedure, Time and Cost

No.	Procedures	Time to Complete	Associated Costs
1	**Lawyer prepares the sale and purchase agreement and conducts due diligence on the property and the parties** *Agency* : Lawyer's office Parties must prepare a sale and purchase agreement to transfer property. It is a common practice to hire a Lawyer to advice, conduct due diligence and prepare the sale and purchase agreement. Lawyer's would normally download the standard templates offered by the Shanghai Municipal Real Estate Registration Bureau, amending some clauses to as needed for each specific case. Once the parties have properly identified the property, and verified all possible encumbrances that are attached to the property or the parties, the sale and purchase agreement is signed. The sale and purchase agreement must be submitted to the Real Estate Centers to proceed with the registration and obtain a new title certificate. During the due diligence phase, is it common for lawyers to: Verify whether the property is free of encumbrances at the Real Estate Centers of the Shanghai Municipal Real Estate Registration Bureau. The time to complete this task depends on the complexity of the property object to the transaction, but generally it can be completed within a day. Verify the zoning regulations affecting the property. This is normally checked online as it is public information at http://www.shgtj.gov.cn/ghsp/ Verify that the property is free of any outstanding debts with the tax authority and of any debts with utilities (electricity, water etc.). This is normally checked by reviewing the last tax receipts paid by the seller. Verify whether any of the parties is subject or has been subject to an insolvency proceeding. If the case was accepted by court, the information will be on the website, which includes if the business license was revoked or if the business is deregistered: http://pccz.court.gov.cn/pcajxxw/index/xxwsy.	4 days	CNY 48,318.25; (Lawyer fees: Between 1% and 2% of the property value)

2	**Parties file the application to register the property transfer and pay registration fee at the Real Estate Registry** *Agency* : Real Estate Registry Private ownership of land is not permitted in China; all land is subject to either State ownership or collective ownership. However, a private party is entitled to obtain the right to use the land. Regarding the State-owned land, there are two types of land use rights, the “granted land use right” and the “allocated land use right”. The difference is that the granted land use right is limited in time against payment, whereas the allocated land use right is usually given for free with no time limit, but for specific purposes only. A private party also may transfer to another private party the granted land use right. The allocated land use right cannot be commercially transferable before being converted into granted land use right. In this case, the land is used for commercial purposes. Usually land for commercial use is owned by the State, and the relevant land use right is the State-owned land use right. As to the term of the land use right in this case the buyer, who will use the land for commercial purposes, will only get 40 years as the initial term (as maximum unless it extends the granted land use rights at the end of the 40-year period by paying to the State the additional land price) minus the period from the granting date from the State to the date of the transfer to ABC. If the land is zoned for industrial use or warehousing use rather than for commercial use, the maximum land tenure should be 50 years. The sale and purchase agreement needs to be printed at designated printers. Such printers are only available at licensed real estate brokers and the property registry offices. Property Ownership Certificate and Land Use Right Certificate are combined into one certificate in Shanghai, which is called "Real Estate Title Certificate". The officials in real estate registry will review the contract to make sure the price is generally in line with the market price, and the parties shall pay the taxes as mentioned above at the tax bureau window (the local tax authorities might have a window in most real estate registry offices in Shanghai) based on the reviewed purchase price. For online registration of contract : Measures on the Online Registration of Shanghai Municipality Existing Real Estate Broker Contract and Transfer Contract (http://www.fangdi.com.cn/News/ZCFG/200694164606.htm) The documentation shall include: The seller and the buyer should submit one original real estate sales and purchase contract (duly signed) and a writing representation of the seller and buyer regarding the title transfer. There is no standard form of the contract (except for newly constructed commercial residential properties) nor is the participation of a lawyer/notary required. The seller should submit the below documents: (i) The original copy of the Property Ownership Certificate and Land Use Right Certificate "Real Estate Title Certificate" (already in possession of the seller); (ii) The original copy of the Business License or Organization Code Certificate; (iii) The original copy of the Board resolution approving the sales of the real estate; (iv) District Branch-dedicated Form for proof of legal representative’s authority, and photocopy of the identification card (or passport) of the legal representative; and (v) Photocopy of the identification card of the individual authorized to handle the actual Procedures, and the original copy of Power of Attorney. The buyer should submit the below documents: (i) Real Estate Ownership Registration Form; (ii) The original copy of the Business License or Organization Code Certificate; (iii) The original copy of the Board resolution approving the purchase of the real estate; (iv) District Branch-dedicated Form for proof of legal representative’s authority, and photocopy of the identification card (or passport) of the legal representative; And (v) Photocopy of the identification card of the individual authorized to handle the actual Procedures, and the original copy of Power of Attorney. The Ministry of Finance and State Development and Reform Commission issued a notice, effective from May 1st 2008, to standardize the registration fees for real estate property. The registration fee is set at CNY 80 for one piece of residential housing and CNY 550 for one unit of non-residential building. The transaction handling fee of 0.5% of the transaction has been removed by Notice of the Ministry of Finance and the National Development and Reform Commission on the Relevant Policies on Suspending, Exempting and Adjusting Certain Administrative Charges of April 12, 2018.	4 days	CNY 550

⇄ 3	**Parties pay taxes** *Agency* : Local Tax Authority - Real Estate Registry Taxes to be paid by the seller and buyer while transferring a property. A. Tax to be paid by the buyer: i. deed tax: 3% of property value; ii. stamp duty: 0.05% of the property value. B. Tax to be paid by the seller: i. Value added tax: 10% of the difference between the purchase price and the sale price (not counted in cost calculations); ii. stamp duty: 0.05% of the property value; Additional business tax to be paid by seller: iii. educational surtax, to be 3% of the levied business tax (not counted in cost calculations); iv. local education surcharge: 2% of the levied business tax (not counted in cost calculations); v. land appreciation tax: 30% to 60% (as the case may be) of the added-value of the land, [or 3% of property value subject to the tax office's instruction in practice] (not counted in cost calculations); vi. urban maintenance and construction tax to be 1% to 7% of the levied business tax (not counted in cost calculations) vii. construction and installation business tax: 3% on the transfer price (not counted in cost calculations); viii. river maintenance fee: 1% of the levied business tax (not counted in cost calculations). ix. enterprise income tax: 25% of the profit from the selling property (which may be levied on the financial year end); The legislation for the major taxes to be paid by the seller and buyer can be found here: 1. For Land Appreciation tax : Interim Regulations of the People's Republic of China on Land Appreciation Tax (http://www.mlr.gov.cn/zwgk/flfg/tdglflfg/200601/t20060119_642173.htm); 2. For business tax : Interim Regulations of the People's Republic of China on Business Tax (http://www.gov.cn/zwgk/2008-11/14/content_1149510.htm); 3. For Urban Maintenance Construction Tax : Interim Regulations of the People's Republic of China on Urban Maintenance Construction Tax (http://www.gov.cn/banshi/2005-08/19/content_24817.htm) 4. For educational surtax : Interim Provisions on Collecting the Educational Surtax (http://www.gov.cn/gongbao/content/2011/content_1860811.htm) In accordance with the Interim Administrative Measures for the Collection of Value-added Tax on Real Estate Transfers by Taxpayers (effective from 1 May 2016) the Business tax (5%) was replaced with the Value added tax (5% for property in business areas and 11% for property in rural areas).	1 day	CNY 99,857.72; (Deed tax: 3% of property value to be paid by the buyer; Stamp duty: 0.05% of property value to be paid by buyer and seller separately (total 0.1%))
4	**Parties obtain new title certificate** *Agency* : Real Estate Registry After paying the corresponding taxes, along with the receipt, the buyer obtains the new Real Estate Title Certificate. In Shanghai the former Property Ownership Certificate and the Land Use Right Certificate have been combined into one certificate, the Real Estate Title Certificate. The title transfer Procedure will be complete upon the issuance of the new Real Estate Title Certificate.	1 day	no charge

⇄ Takes place simultaneously with previous procedure.

Details – Registering Property in Shanghai – Measure of Quality

	Answer	Score
Quality of the land administration index (0-30)		**23.5**
Reliability of infrastructure index (0-8)		**8.0**
Type of land registration system in the economy:	Title Registration System	
What is the institution in charge of immovable property registration?	Shanghai Municipal Bureau of Natural Resources Title Confirmation and Registration	
In what format are past and newly issued land records kept at the immovable property registry of the largest business city of the economy —in a paper format or in a computerized format (scanned or fully digital)?	Computer/Fully digital	2.0
Is there a comprehensive and functional electronic database for checking for encumbrances (liens, mortgages, restrictions and the like)?	Yes	1.0
Institution in charge of the plans showing legal boundaries in the largest business city:	Information Center of Shanghai Municipal Bureau of Planning and Natural Resources (Office of Housing and Land Survey Results Management)	
In what format are past and newly issued cadastral plans kept at the mapping agency of the largest business city of the economy—in a paper format or in a computerized format (scanned or fully digital)?	Computer/Fully digital	2.0
Is there an electronic database for recording boundaries, checking plans and providing cadastral information (geographic information system)?	Yes	1.0
Is the information recorded by the immovable property registration agency and the cadastral or mapping agency kept in a single database, in different but linked databases or in separate databases?	Single database	1.0
Do the immovable property registration agency and cadastral or mapping agency use the same identification number for properties?	Yes	1.0
Transparency of information index (0-6)		**3.5**
Who is able to obtain information on land ownership at the agency in charge of immovable property registration in the largest business city?	Only intermediaries and interested parties	0.0
Is the list of documents that are required to complete any type of property transaction made publicly available–and if so, how?	Yes, online	0.5
Link for online access:	http://www.shgtj.gov.cn/gsgg/bdc/ywgz	
Is the applicable fee schedule for any type of property transaction at the agency in charge of immovable property registration in the largest business city made publicly available–and if so, how?	Yes, online	0.5
Link for online access:	http://www.shgtj.gov.cn/gsgg/bdc/ywlc/201803/t20180320_827031.html	
Does the agency in charge of immovable property registration agency formally commit to deliver a legally binding document that proves property ownership within a specific timeframe –and if so, how does it communicate the service standard?	Yes, online	0.5
Link for online access:	http://www.shgtj.gov.cn/xxbs/shij/201902/t20190215_903258.html http://www.shgtj.gov.cn/zcfg/bdcdj/201903/t20190305_904252.html	
Is there a specific and independent mechanism for filing complaints about a problem that occurred at the agency in charge of immovable property registration?	Yes	1.0

Contact information:	http://wbjxf.sh.gov.cn/310000W0016/let.getXZ.do?id=a07934a9-20fc-4bef-a32e-49809f2bdf92&TYPE_FLAG=22	
Are there publicly available official statistics tracking the number of transactions at the immovable property registration agency?	Yes	0.5
Number of property transfers in the largest business city in 2018:	478322.0	
Who is able to consult maps of land plots in the largest business city?	Only intermediaries and interested parties	0.0
Is the applicable fee schedule for accessing maps of land plots made publicly available—and if so, how?	Yes, on public boards	0.5
Link for online access:		
Does the cadastral/mapping agency formally specifies the timeframe to deliver an updated cadastral plan—and if so, how does it communicate the service standard?	No	0.0
Link for online access:		
Is there a specific and independent mechanism for filing complaints about a problem that occurred at the cadastral or mapping agency?	No	0.0
Contact information:		
Geographic coverage index (0-8)		**4.0**
Are all privately held land plots in the largest business city formally registered at the immovable property registry?	Yes	2.0
Are all privately held land plots in the economy formally registered at the immovable property registry?	No	0.0
Are all privately held land plots in the largest business city mapped?	Yes	2.0
Are all privately held land plots in the economy mapped?	No	0.0
Land dispute resolution index (0-8)		**8.0**
Does the law require that all property sale transactions be registered at the immovable property registry to make them opposable to third parties?	Yes	1.5
Legal basis:	According to the article 9 of the 2007 Property Law of the PRC, provides that the creation, alteration, transfer or extinction of the property right shall become valid upon registration according to law; otherwise it shall not become valid, except as otherwise stipulated by law.	
Is the system of immovable property registration subject to a state or private guarantee?	Yes	0.5
Type of guarantee:	State guarantee	

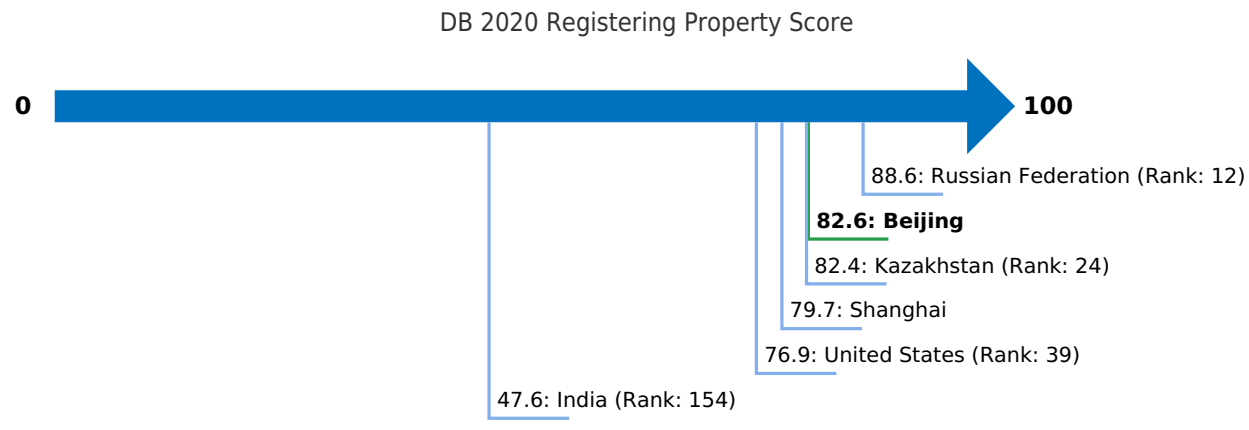
Legal basis:	Artilce 21 of Property Law of PRC: Where damages are caused to another person due to the errors made in registration, the registration authority shall be liable for compensation. After making the compensation, the said authority has the right to recover from the person who made the errors in registration.	
Is there a is a specific, out-of-court compensation mechanism to cover for losses incurred by parties who engaged in good faith in a property transaction based on erroneous information certified by the immovable property registry?	Yes	0.5
Legal basis:	PRC Administrative Proceedings Law (□□□□□), the Law of the People's Republic of China on State Compensation and the Article 21 of the Property Rights Law of the People's Republic of China and articles 29 and 30 of Interim Regulations on Real Estate Registration	
Does the legal system require a control of legality of the documents necessary for a property transaction (e.g., checking the compliance of contracts with requirements of the law)?	Yes	0.5
If yes, who is responsible for checking the legality of the documents?	Registrar;	
Does the legal system require verification of the identity of the parties to a property transaction?	Yes	0.5
If yes, who is responsible for verifying the identity of the parties?	Registrar; Notary;	
Is there a national database to verify the accuracy of government issued identity documents?	Yes	1.0
What is the Court of first instance in charge of a case involving a standard land dispute between two local businesses over tenure rights for a property worth 50 times gross national income (GNI) per capita and located in the largest business city?	District level court	
How long does it take on average to obtain a decision from the first-instance court for such a case (without appeal)?	Less than a year	3.0
Are there publicly available statistics on the number of land disputes at the economy level in the first instance court?	Yes	0.5
Number of land disputes in the economy in 2018:	158.0	
Equal access to property rights index (-2-0)		**0.0**
Do unmarried men and unmarried women have equal ownership rights to property?	Yes	
Do married men and married women have equal ownership rights to property?	Yes	0.0

Registering Property - Beijing

Indicator	Beijing	East Asia & Pacific	OECD high income	Best Regulatory Performance
Procedures (number)	3	5.5	4.7	1 (5 Economies)
Time (days)	9	71.9	23.6	1 (2 Economies)
Cost (% of property value)	4.6	4.5	4.2	0.0 (Saudi Arabia)
Quality of the land administration index (0-30)	24.5	16.2	23.2	None in 2018/19

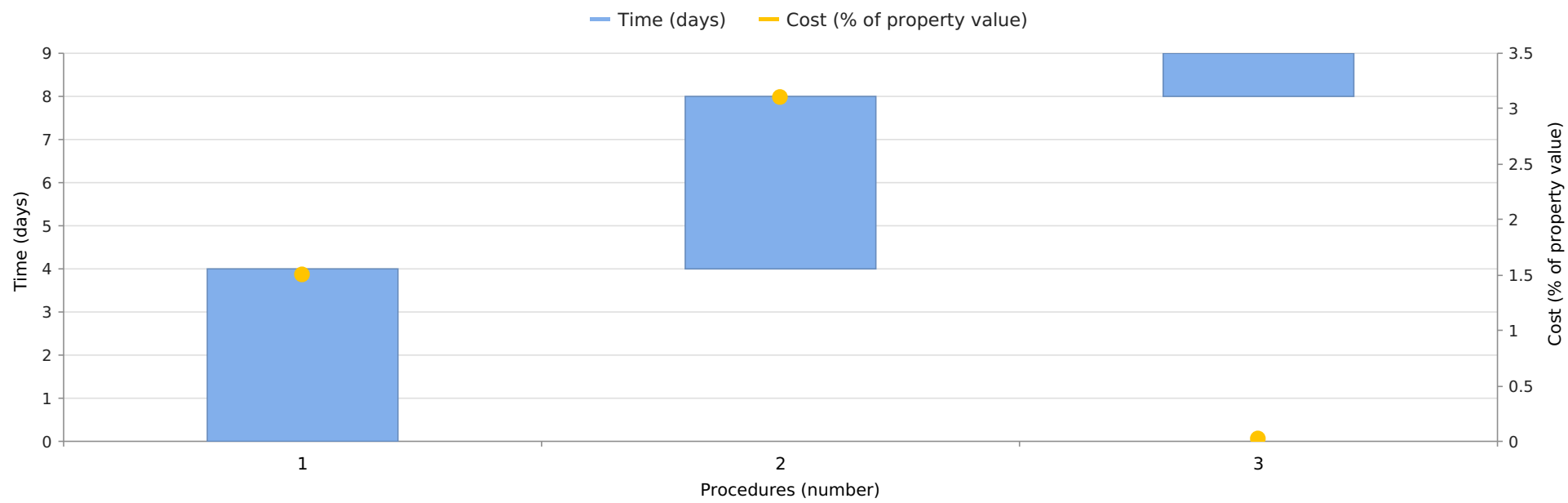
Figure – Registering Property in Beijing – Score

Figure – Registering Property in Beijing and comparator economies – Ranking and Score



Note: The ranking of economies on the ease of registering property is determined by sorting their scores for registering property. These scores are the simple average of the scores for each of the component indicators.

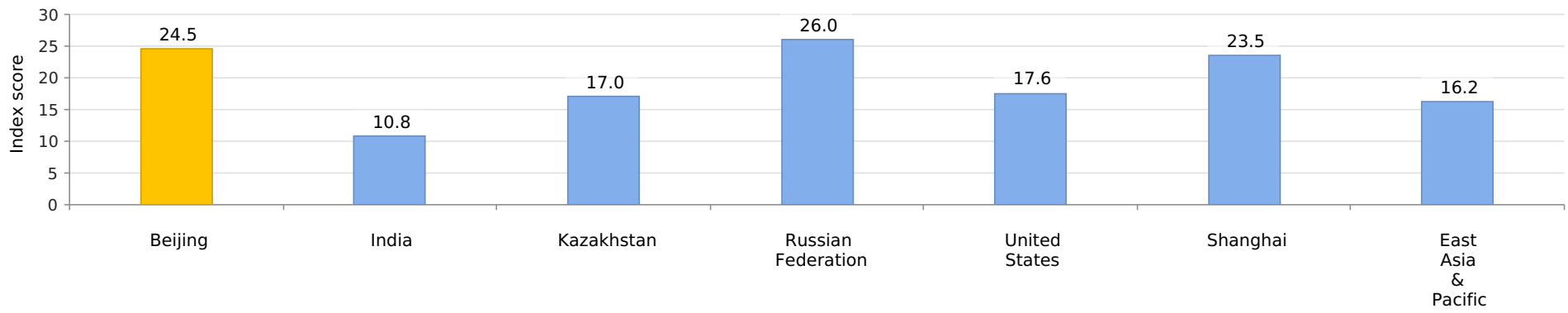
Figure – Registering Property in Beijing – Procedure, Time and Cost



*This symbol is shown beside procedure numbers that take place simultaneously with the previous procedure.

Note: Online procedures account for 0.5 days in the total time calculation. For economies that have a different procedure list for men and women, the graph shows the time for women. For more information on methodology, see the *Doing Business* website (http://doingbusiness.org/en/methodology). For details on the procedures reflected here, see the summary below.

Figure – Registering Property in Beijing and comparator economies – Measure of Quality



Details – Registering Property in Beijing – Procedure, Time and Cost

No.	Procedures	Time to Complete	Associated Costs
1	**Lawyer prepares the sale and purchase agreement and conducts due diligence on the property and the parties** *Agency* : Lawyer's office Parties must prepare a sale and purchase agreement to transfer property. It is a common practice to hire a Lawyer to advice, conduct due diligence and prepare the sale and purchase agreement. Lawyer's would normally download the standard templates offered by the Beijing Municipal Commission of Urban Planning and Land and Resources Management, amending some clauses to as needed for each specific case. Once the parties have properly identified the property, and verified all possible encumbrances that are attached to the property or the parties, the sale and purchase agreement is signed. The sale and purchase agreement must be submitted to the Real Estate Centers to proceed with the registration and obtain a new title certificate. During the due diligence phase, is it common for lawyers to: Verify whether the property is free of encumbrances at the Beijing Municipal Commission of Urban Planning and Land and Resources Management. The time to complete this task depends on the complexity of the property object to the transaction, but generally it can be completed within a day. Verify the zoning regulations affecting the property. This is normally checked online as it is public information at http://ghgtw.beijing.gov.cn/. Verify that the property is free of any outstanding debts with the tax authority and of any debts with utilities (electricity, water etc.). This is normally checked by reviewing the last tax receipts paid by the seller. Verify whether any of the parties is subject or has been subject to an insolvency proceeding. If the case was accepted by court, the information will be on the website, which includes if the business license was revoked or if the business is deregistered: http://pccz.court.gov.cn/pcajxxw/index/xxwsy.	4 days	CNY 48,318.25; (Lawyer fees: Between 1% and 2% of the property value)

2	**Parties file the application and pay taxes at the Real Estate Registry** *Agency* : Real Estate Registry Private ownership of land is not permitted in China; all land is subject to either State ownership or collective ownership. However, a private party is entitled to obtain the right to use the land. Regarding the State-owned land, there are two types of land use rights, the “granted land use right” and the “allocated land use right”. The difference is that the granted land use right is limited in time against payment, whereas the allocated land use right is usually given for free with no time limit, but for specific purposes only. A private party may also transfer the granted land use right to another private party. The allocated land use right cannot be commercially transferable before being converted into granted land use right. In this case, the land is used for commercial purposes. Usually land for commercial use is owned by the State, and the relevant land use right is the State-owned land use right. As to the term of the land use right in this case the buyer, who will use the land for commercial purposes, will only get 40 years as the initial term (as maximum unless it extends the granted land use rights at the end of the 40 year period by paying to the State the additional land price) minus the period from the granting date from the State to the date of the transfer to ABC. If the land is zoned for industrial use or warehousing use rather than for commercial use, the maximum land tenure should be 50 years. The parties request the Online Appointment of Title Transfer Application in Chaoyang Housing Bureau 朝阳区过户申请手续的网上预约. This step is called the online contract execution(网签合同) or the Qualification Review (资格审查). The procedure should be handled only before the Agency. The online filing for the contract can be done at: http://210.75.213.188/shh/portal/bjjs/index.aspx. The parties should submit the following documents to the Real Estate Registry: (1) The original copy of the application form; (2) identification document of the applicant(s) (if a company is involved as the applicant, the business license should be submitted); (3) The original copy of the Real Estate Certificate; (4) The original real estate sales and purchase contract (duly signed); (5) Two copies of the Real Estate Registration form and the floor plan; (6) Documents indicate that deed tax is fully paid or documents to prove that a tax reduction or exemption is applicable; and (7) Other materials that are necessary for the application. • The officials in real estate registry will review the contract to make sure the price is generally in line with the market price. Taxes are paid at the same time and at the same counter. There is no separate assessment done by the tax authority. The tax authority and the land registry work together behind one window at the property registry. The value mentioned in the sale/purchase agreement is checked against the values included in a database, to ensure that the value is not below the “guidance/market value”. Taxes are paid Taxes to be paid by the seller and buyer while transferring a property. A. Tax to be paid by the buyer: i. deed tax: 3% of property value; ii. stamp duty: 0.05% of the property value. B. Tax to be paid by the seller: i. Value added tax: 5% of the shortfall between the purchase price and the sale proceeds. (not counted in cost calculations); Effective from May 1, 2016 the Business Tax on real estate transaction was replace with the Value added tax. This is in accordance with the Circular of the Ministry of Finance and the State Administration of Taxation. ii. stamp duty: 0.05% of the property value; Additional business tax to be paid by seller: iii. educational surtax, to be 3% of the levied VAT tax (not counted in cost calculations); iv. local education surcharge: 2% of the levied VAT tax (not counted in cost calculations); v. land appreciation tax: 30% to 60% (as the case may be) of the added-value of the land, [or 3% of property value subject to the tax office's instruction in practice] (not counted in cost calculations); vi. urban maintenance and construction tax to be 7% of the levied VAT tax (not counted in cost calculations) vii. enterprise income tax: 25% of the profit from the selling the property (which may be levied on the financial year end); The legislation for the major taxes to be paid by the seller and buyer can be found here: 1. For Land Appreciation tax: Interim Regulations of the People's Republic of China on Land Appreciation Tax (http://www.mlr.gov.cn/zwgk/flfg/tdglflfg/200601/t20060119_642173.htm); 2. For value added tax: Interim Administrative Measures for the Collection of the Value-added Tax on Real Estate Transfers by Taxpayers and Circular on Comprehensively Promoting the Pilot Program of the Collection of Value-added Tax in Lieu of Business Tax (http://www.bjsat.gov.cn/bjsat/bsfw/tzgg/201603/t20160324_252689.html) 3. For urban maintenance construction tax: Beijing Municipal Implementing Rules of Interim Regulations of the People’s Republic of China on Urban Maintenance Construction Tax. (http://www.bjshy.gov.cn/Item/48601.aspx) 4. For educational surtax: Interim Provisions on Collecting the Educational Surtax (http://www.gov.cn/gongbao/content/2011/content_1860811.htm)	4 days	CNY 99,857.72; (Deed tax: 3% of property value to be paid by the buyer Stamp duty: 0.05% of property value to be paid by buyer and seller separately (total 0.1%))

3	**Parties submit the tax receipt, pay registration fee and obtain new title certificate** *Agency* : Real Estate Registry The registration fee is paid at a separate window from that where one picks up the new title certificate. The Ministry of Finance and State Development and Reform Commission issued a notice, effective from May 1st 2008, to standardize the registration fees for real estate property. The registration fee is set at CNY 80 for one piece of residential housing and CNY 550 for one unit of non-residential building. The registration fee is decided by piece, not value of the property. After paying the registration fee, along with the receipt, the buyer obtains the new Real Estate Title Certificate.	1 day	CNY 550

⇄Takes place simultaneously with previous procedure.

Details – Registering Property in Beijing – Measure of Quality

	Answer	Score
Quality of the land administration index (0-30)		**24.5**
Reliability of infrastructure index (0-8)		**8.0**
Type of land registration system in the economy:	Title Registration System	
What is the institution in charge of immovable property registration?	Real Estate Registration Center (Beijing Commission of Planning and Natural Resources)	
In what format are past and newly issued land records kept at the immovable property registry of the largest business city of the economy —in a paper format or in a computerized format (scanned or fully digital)?	Computer/Fully digital	2.0
Is there a comprehensive and functional electronic database for checking for encumbrances (liens, mortgages, restrictions and the like)?	Yes	1.0
Institution in charge of the plans showing legal boundaries in the largest business city:	Beijing Commission of Planning and Natural Resources	
In what format are past and newly issued cadastral plans kept at the mapping agency of the largest business city of the economy—in a paper format or in a computerized format (scanned or fully digital)?	Computer/Fully digital	2.0
Is there an electronic database for recording boundaries, checking plans and providing cadastral information (geographic information system)?	Yes	1.0
Is the information recorded by the immovable property registration agency and the cadastral or mapping agency kept in a single database, in different but linked databases or in separate databases?	Different databases but linked	1.0
Do the immovable property registration agency and cadastral or mapping agency use the same identification number for properties?	Yes	1.0
Transparency of information index (0-6)		**4.5**
Who is able to obtain information on land ownership at the agency in charge of immovable property registration in the largest business city?	Only intermediaries and interested parties	0.0
Is the list of documents that are required to complete any type of property transaction made publicly available–and if so, how?	Yes, online	0.5
Link for online access:	http://banshi.beijing.gov.cn/newhall/bmfw.html?&servicePlaceId=18&bmid=140801 http://ghgtw.beijing.gov.cn/sjzy/front/zcsearch/show.do?groupid=1&iid=145&dtt=0	
Is the applicable fee schedule for any type of property transaction at the agency in charge of immovable property registration in the largest business city made publicly available–and if so, how?	Yes, online	0.5
Link for online access:	http://ghgtw.beijing.gov.cn/col/col3290/index.html	
Does the agency in charge of immovable property registration agency formally commit to deliver a legally binding document that proves property ownership within a specific timeframe –and if so, how does it communicate the service standard?	Yes, online	0.5
Link for online access:	http://banshi.beijing.gov.cn/newhall/bmfw.html?&servicePlaceId=18&bmid=140801&sxid=8656	
Is there a specific and independent mechanism for filing complaints about a problem that occurred at the agency in charge of immovable property registration?	Yes	1.0

Contact information:	http://rexian.beijing.gov.cn/default/web/introduce/aspirations_guide.jsp Division of Complaints and Appeal under the Beijing Municipal Commission of Housing and Urban-Rural Development 59958811-0, 59958811-1 Also available: http://ghgtw.beijing.gov.cn/col/col1987/index.html	
Are there publicly available official statistics tracking the number of transactions at the immovable property registration agency?	Yes	0.5
Number of property transfers in the largest business city in 2018:	152,167,000 square meters	
Who is able to consult maps of land plots in the largest business city?	Only intermediaries and interested parties	0.0
Is the applicable fee schedule for accessing maps of land plots made publicly available—and if so, how?	Yes, online	0.5
Link for online access:	http://ghgtw.beijing.gov.cn/col/col1946/index.html	
Does the cadastral/mapping agency formally specifies the timeframe to deliver an updated cadastral plan—and if so, how does it communicate the service standard?	Yes, online	0.5
Link for online access:	http://ghgtw.beijing.gov.cn/col/col1947/index.html	
Is there a specific and independent mechanism for filing complaints about a problem that occurred at the cadastral or mapping agency?	Yes	0.5
Contact information:	http://ghgtw.beijing.gov.cn/col/col1987/index.html http://rexian.beijing.gov.cn/default/#	
Geographic coverage index (0-8)		**4.0**
Are all privately held land plots in the largest business city formally registered at the immovable property registry?	Yes	2.0
Are all privately held land plots in the economy formally registered at the immovable property registry?	No	0.0
Are all privately held land plots in the largest business city mapped?	Yes	2.0
Are all privately held land plots in the economy mapped?	No	0.0
Land dispute resolution index (0-8)		**8.0**
Does the law require that all property sale transactions be registered at the immovable property registry to make them opposable to third parties?	Yes	1.5
Legal basis:	According to Article 9 of the 2007 Property Law of the PRC	
Is the system of immovable property registration subject to a state or private guarantee?	Yes	0.5
Type of guarantee:	State guarantee	

Legal basis:	Article 21 of Property Law of PRC: Where damages are caused to another person due to the errors made in registration, the registration authority shall be liable for compensation. After making the compensation, the said authority may have recourse to the person who makes the errors in registration.	
Is there a is a specific, out-of-court compensation mechanism to cover for losses incurred by parties who engaged in good faith in a property transaction based on erroneous information certified by the immovable property registry?	Yes	0.5
Legal basis:	PRC Administrative Proceedings Law Article 32 of People's Republic of China on State Compensation. Article 21 of the Property Rights Law of the People's Republic of China.	
Does the legal system require a control of legality of the documents necessary for a property transaction (e.g., checking the compliance of contracts with requirements of the law)?	Yes	0.5
If yes, who is responsible for checking the legality of the documents?	Registrar;	
Does the legal system require verification of the identity of the parties to a property transaction?	Yes	0.5
If yes, who is responsible for verifying the identity of the parties?	Registrar; Notary;	
Is there a national database to verify the accuracy of government issued identity documents?	Yes	1.0
What is the Court of first instance in charge of a case involving a standard land dispute between two local businesses over tenure rights for a property worth 50 times gross national income (GNI) per capita and located in the largest business city?	District level court	
How long does it take on average to obtain a decision from the first-instance court for such a case (without appeal)?	Less than a year	3.0
Are there publicly available statistics on the number of land disputes at the economy level in the first instance court?	Yes	0.5
Number of land disputes in the economy in 2018:	45.0	
Equal access to property rights index (-2-0)		**0.0**
Do unmarried men and unmarried women have equal ownership rights to property?	Yes	
Do married men and married women have equal ownership rights to property?	Yes	0.0

Getting Credit

This topic explores two sets of issues—the strength of credit reporting systems and the effectiveness of collateral and bankruptcy laws in facilitating lending. The most recent round of data collection for the project was completed in May 2019. See the methodology for more information.

What the indicators measure

Strength of legal rights index (0–12)

- Rights of borrowers and lenders through collateral laws (0-10)
- Protection of secured creditors' rights through bankruptcy laws (0-2)

Depth of credit information index (0–8)

- Scope and accessibility of credit information distributed by credit bureaus and credit registries (0-8)

Credit bureau coverage (% of adults)

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

Credit registry coverage (% of adults)

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

Case study assumptions

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 the degree to which collateral and bankruptcy laws protect the rights of borrowers and lenders and thus facilitate lending. For each economy it is first determined whether a unitary secured transactions system exists. Then two case scenarios, case A and case B, are used to determine how a nonpossessory security interest is created, publicized and enforced according to the law. Special emphasis is given to how the collateral registry operates (if registration of security interests is possible). The case scenarios involve a secured borrower, company ABC, and a secured lender, BizBank.

In some economies the legal framework for secured transactions will allow only case A or case B (not both) to apply. Both cases examine the same set of legal provisions relating to the use of movable collateral.

Several assumptions about the secured borrower (ABC) and lender (BizBank) are used:

- ABC is a domestic limited liability company (or its legal equivalent).
- ABC has up to 50 employees.
- ABC has its headquarters and only base of operations in the economy's largest business city. For 11 economies the data are also collected for the second largest business city.
- Both ABC and BizBank are 100% domestically owned.

The case scenarios also involve assumptions. In case A, as collateral for the loan, ABC grants BizBank a nonpossessory security interest in one category of movable assets, for example, its machinery or its inventory. ABC wants to keep both possession and ownership of the collateral. In economies where the law does not allow nonpossessory security interests in movable property, ABC and BizBank use a fiduciary transfer-of-title arrangement (or a similar substitute for nonpossessory security interests).

In case B, ABC grants BizBank a business charge, enterprise charge, floating charge or any charge that gives BizBank a security interest over ABC's combined movable assets (or as much of ABC's movable assets as possible). ABC keeps ownership and possession of the assets.

Getting Credit - Shanghai

Indicator	Shanghai	East Asia & Pacific	OECD high income	Best Regulatory Performance
Strength of legal rights index (0-12)	4	7.1	6.1	12 (5 Economies)
Depth of credit information index (0-8)	8	4.5	6.8	8 (53 Economies)
Credit registry coverage (% of adults)	100.0	16.6	24.4	100.0 (2 Economies)
Credit bureau coverage (% of adults)	0.0	23.8	66.7	100.0 (14 Economies)

Figure – Getting Credit in Shanghai – Score

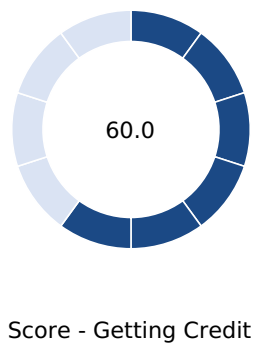
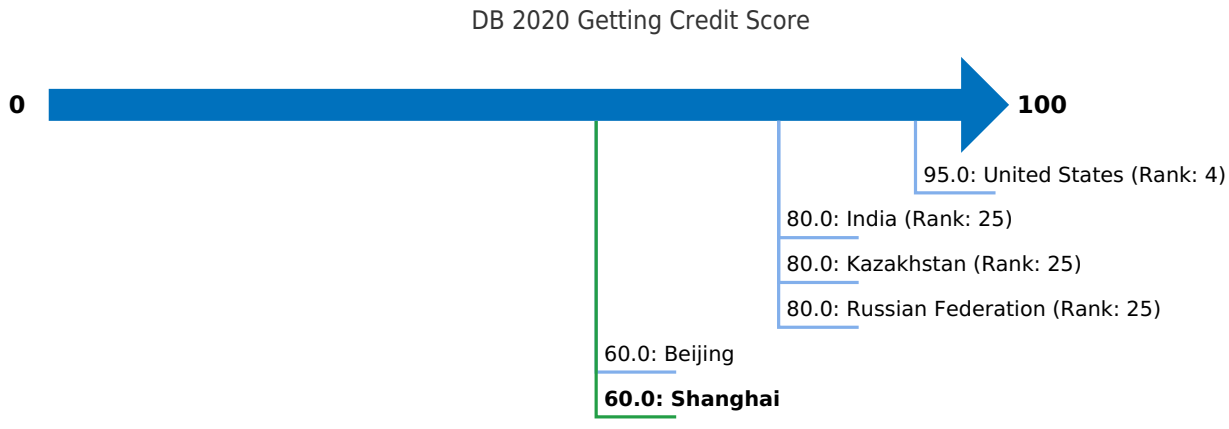
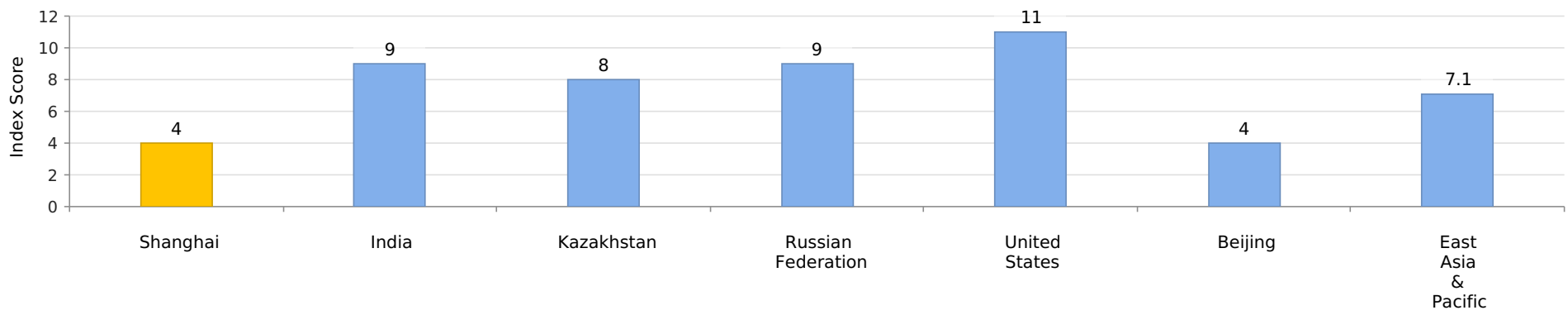


Figure – Getting Credit in Shanghai and comparator economies – Ranking and Score



Note: The ranking of economies on the ease of getting credit is determined by sorting their scores for getting credit. These scores are the sum of the scores for the strength of legal rights index and the depth of credit information index.

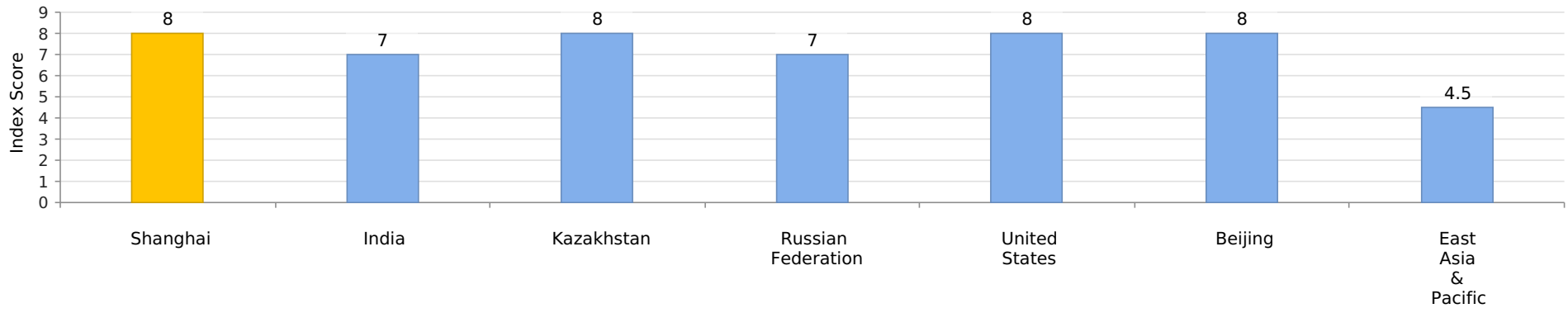
Figure – Legal Rights in Shanghai and comparator economies



Details – Legal Rights in Shanghai

Strength of legal rights index (0-12)	4
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?	No
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?	No
Does the law allow businesses to grant a non possessory security right in substantially all of its assets, without requiring a specific description of collateral?	Yes
May a security right extend to future or after-acquired assets, and does it extend automatically to the products, proceeds and replacements of the original assets?	No
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?	Yes
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?	No
Does a notice-based collateral registry exist in which all functional equivalents can be registered?	No
Does a modern collateral registry exist in which registrations, amendments, cancellations and searches can be performed online by any interested third party?	No
Are secured creditors paid first (i.e. before tax claims and employee claims) when a debtor defaults outside an insolvency procedure?	Yes
Are secured creditors paid first (i.e. before tax claims and employee claims) when a business is liquidated?	Yes
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 sets a time limit for it?	No
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 or private tender, as well as, for the secured creditor to keep the asset in satisfaction of the debt?	No

Figure – Credit Information in Shanghai and comparator economies



Details – Credit Information in Shanghai

Depth of credit information index (0-8)	Credit bureau	Credit registry	Score
Are data on both firms and individuals distributed?	No	Yes	1
Are both positive and negative credit data distributed?	No	Yes	1
Are data from retailers or utility companies - in addition to data from banks and financial institutions - distributed?	No	Yes	1
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.)	No	Yes	1
Are data on loan amounts below 1% of income per capita distributed?	No	Yes	1
By law, do borrowers have the right to access their data in the credit bureau or credit registry?	No	Yes	1
Can banks and financial institutions access borrowers' credit information online (for example, through an online platform, a system-to-system connection or both)?	No	Yes	1
Are bureau or registry credit scores offered as a value-added service to help banks and financial institutions assess the creditworthiness of borrowers?	No	Yes	1

Note: 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	Credit bureau	Credit registry
Number of individuals	0	980,000,000
Number of firms	0	25,800,000
Total	37,430,000	1,005,800,000
Percentage of adult population	**0.0**	**100.0**

Getting Credit - Beijing

Indicator	Beijing	East Asia & Pacific	OECD high income	Best Regulatory Performance
Strength of legal rights index (0-12)	4	7.1	6.1	12 (5 Economies)
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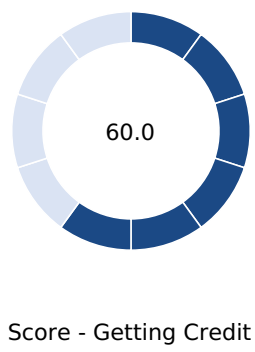

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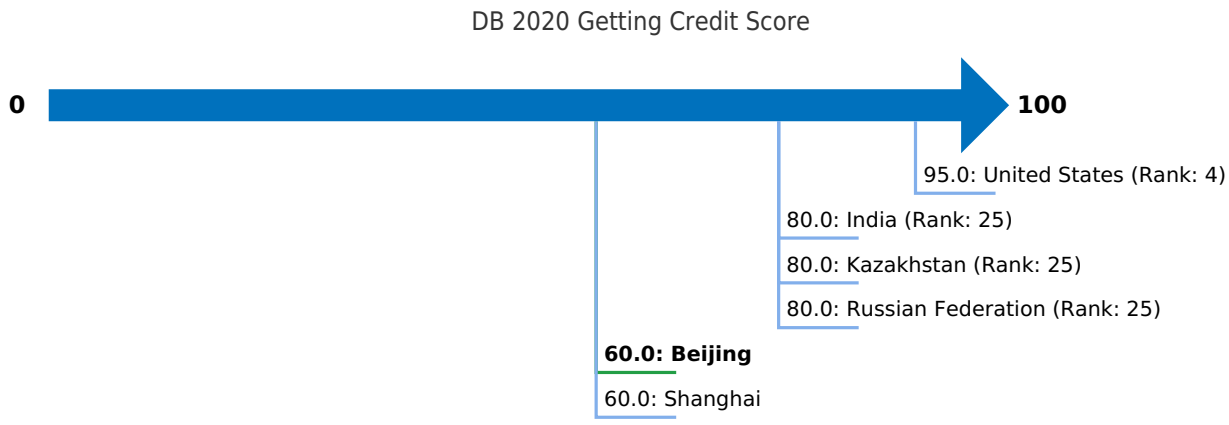

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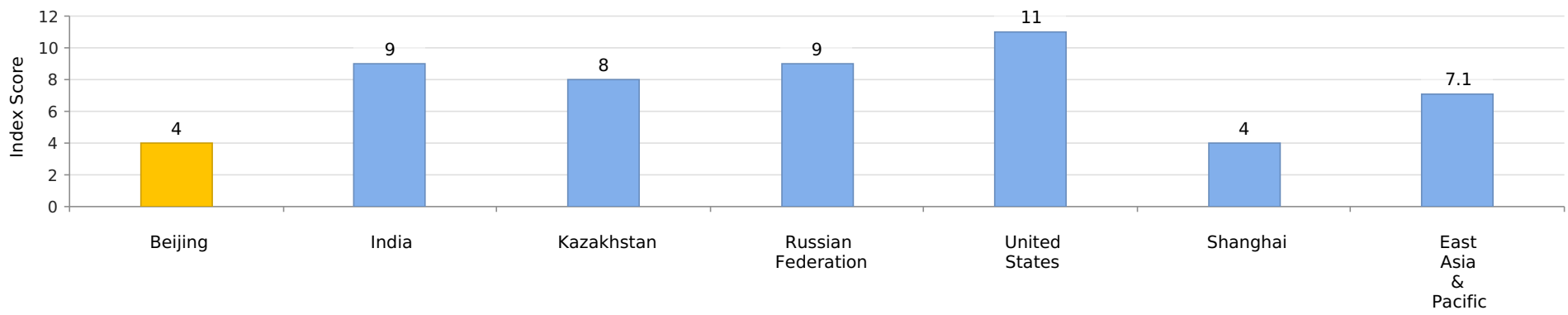
Figure – Legal Rights in Beijing and comparator economies



Details – Legal Rights in Beijing

Strength of legal rights index (0-12)	4
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?	No
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?	No
Does the law allow businesses to grant a non possessory security right in substantially all of its assets, without requiring a specific description of collateral?	Yes
May a security right extend to future or after-acquired assets, and does it extend automatically to the products, proceeds and replacements of the original assets?	No
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?	Yes
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?	No
Does a notice-based collateral registry exist in which all functional equivalents can be registered?	No
Does a modern collateral registry exist in which registrations, amendments, cancellations and searches can be performed online by any interested third party?	No
Are secured creditors paid first (i.e. before tax claims and employee claims) when a debtor defaults outside an insolvency procedure?	Yes
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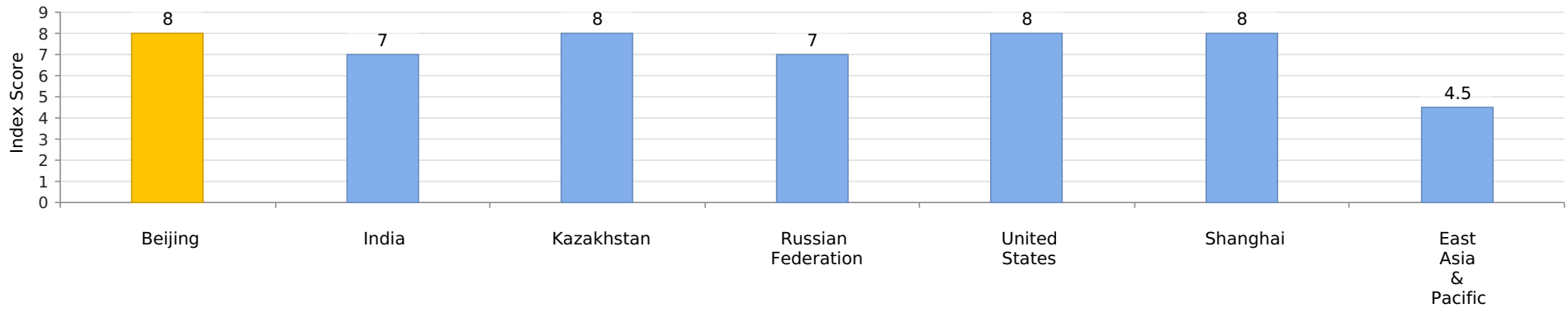
Are secured creditors subject to an automatic stay on enforcement when a debtor enters a court-supervised reorganization procedure? Does the law protect secured creditors' rights by providing clear grounds for relief from the stay and sets a time limit for it?	No
Does the law allow parties to agree on 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 or private tender, as well as, for the secured creditor to keep the asset in satisfaction of the debt?	No

Figure – Credit Information in Beijing and comparator economies



Details – Credit Information in Beijing

Depth of credit information index (0-8)	Credit bureau	Credit registry	Score
Are data on both firms and individuals distributed?	No	Yes	1
Are both positive and negative credit data distributed?	No	Yes	1
Are data from retailers or utility companies - in addition to data from banks and financial institutions - distributed?	No	Yes	1
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.)	No	Yes	1
Are data on loan amounts below 1% of income per capita distributed?	No	Yes	1
By law, do borrowers have the right to access their data in the credit bureau or credit registry?	No	Yes	1
Can banks and financial institutions access borrowers' credit information online (for example, through an online platform, a system-to-system connection or both)?	No	Yes	1
Are bureau or registry credit scores offered as a value-added service to help banks and financial institutions assess the creditworthiness of borrowers?	No	Yes	1

Note: 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	Credit bureau	Credit registry
Number of individuals	0	980,000,000
Number of firms	0	25,800,000
Total	37,430,000	1,005,800,000
Percentage of adult population	**0.0**	**100.0**

Protecting Minority Investors

This topic measures the strength of minority shareholder protections against misuse of corporate assets by directors for their personal gain as well as shareholder rights, governance safeguards and corporate transparency requirements that reduce the risk of abuse. The most recent round of data collection for the project was completed in May 2019. See the methodology for more information.

What the indicators measure

- **Extent of disclosure index (0-10)**: Disclosure, review, and approval 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, disqualification from managerial position(s) for one year or more, 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 (0-30):** Sum of the extent of disclosure, extent of director liability and ease of shareholder suits indices
- **Extent of shareholder rights index (0-6)**: Shareholders' rights and role in major corporate decisions
- **Extent of ownership and control index (0-7)**: Governance safeguards protecting shareholders from undue board control and entrenchment
- **Extent of corporate transparency index (0-7)**: Corporate transparency on ownership stakes, compensation, audits and financial prospects
- **Extent of shareholder governance index (0-20)**: Sum of the extent of shareholders rights, extent of ownership and control and extent of corporate transparency indices
- **Strength of minority investor protection index (0-50)**: Sum of the extent of conflict of interest regulation and extent of shareholder governance indices

Case study assumptions

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.
- 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.
- Has a supervisory board in economies with a two-tier board system on which Mr. James appointed 60% of the shareholder-elected members.
- Has not adopted bylaws or articles of association that go beyond the minimum requirements. Does not follow codes, principles, recommendations or guidelines that are not mandatory.
- Is a manufacturing company with its own distribution network.

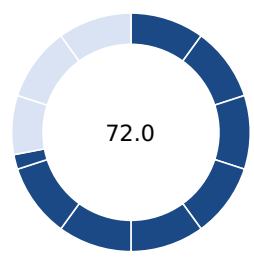
The transaction involves the following details:
- Mr. James owns 60% of Buyer, sits on Buyer's board of directors and elected two directors to Buyer's five-member board.
- Mr. James also owns 90% of Seller, a company that operates a chain of retail hardware stores. Seller recently closed a large number of its stores.
- Mr. James proposes that Buyer purchase Seller's unused fleet of trucks to expand Buyer's distribution of its food products, a proposal to which Buyer agrees. The price is equal to 10% of Buyer's assets and is higher than the market value.
- The proposed transaction is part of the company's principal activity and is not outside the authority of the company.
- Buyer enters into the transaction. All required approvals are obtained, and all required disclosures made—that is, the transaction was not entered into fraudulently.
- The transaction causes damages to Buyer. Shareholders sue Mr. James and the executives and directors that approved the transaction.

Protecting Minority Investors - Shanghai

Stock exchange information	
Stock exchange	Shanghai Stock Exchange
Stock exchange URL	http://www.sse.com.cn
Listed firms with equity securities	1209
City Covered	Shanghai

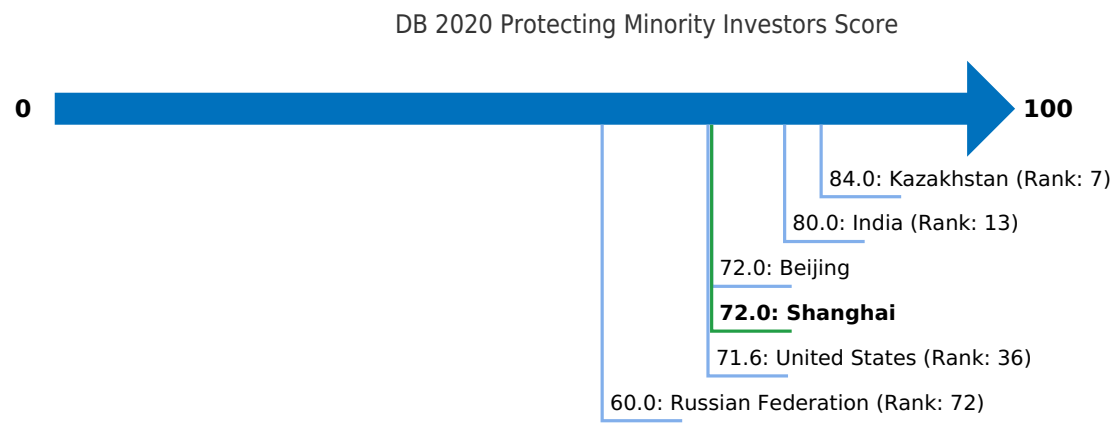
Indicator	Shanghai	East Asia & Pacific	OECD high income	Best Regulatory Performance
Extent of disclosure index (0-10)	10.0	5.9	6.5	10 (13 Economies)
Extent of director liability index (0-10)	4.0	5.2	5.3	10 (3 Economies)
Ease of shareholder suits index (0-10)	5.0	6.7	7.3	10 (Djibouti)
Extent of shareholder rights index (0-6)	5.0	2.0	4.7	6 (19 Economies)
Extent of ownership and control index (0-7)	6.0	2.4	4.5	7 (9 Economies)
Extent of corporate transparency index (0-7)	6.0	2.6	5.7	7 (13 Economies)

Figure – Protecting Minority in Shanghai – Score



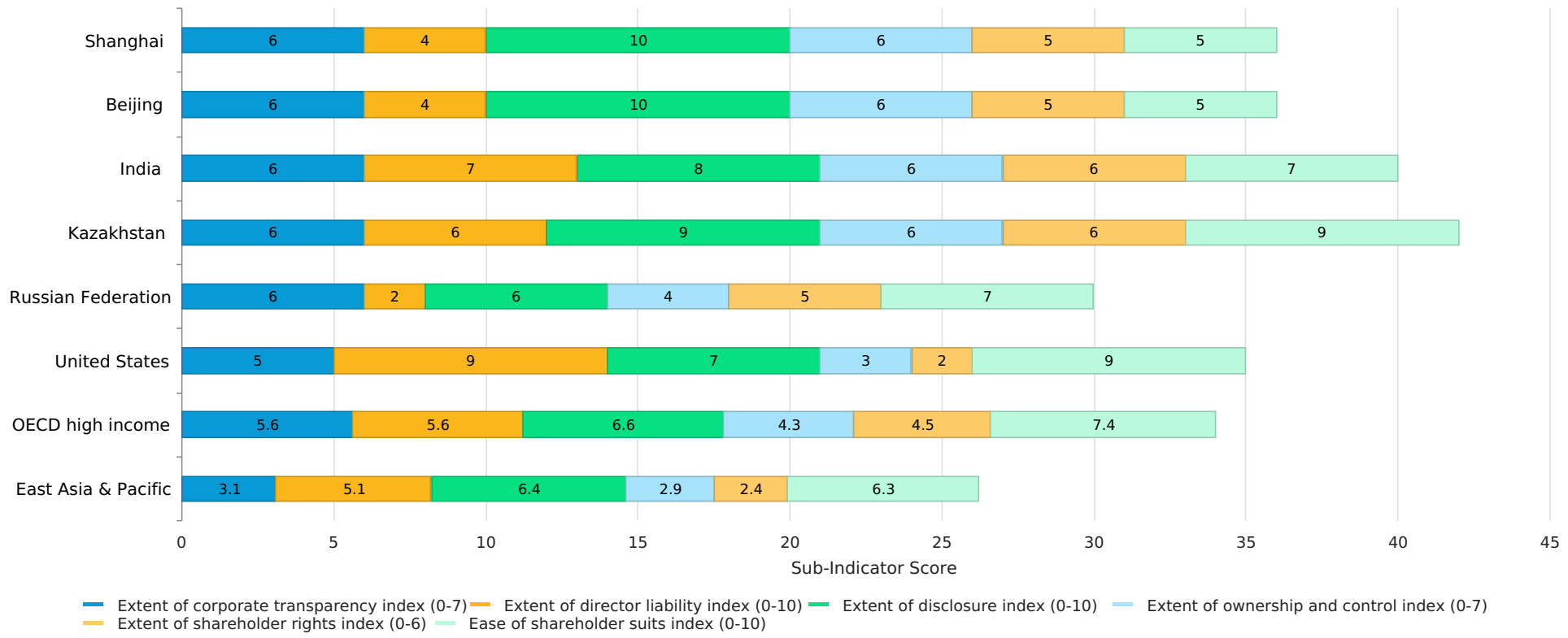
Score - Protecting Minority Investors

Figure – Protecting Minority Investors in Shanghai and comparator economies – Ranking and Score



Note: The ranking of economies on the strength of minority investor protections is determined by sorting their scores for protecting minority investors. These scores are the simple average of the scores for the extent of conflict of interest regulation index and the extent of shareholder governance index.

Figure – Protecting Minority Investors in Shanghai and comparator economies – Measure of Quality



Details – Protecting Minority Investors in Shanghai – Measure of Quality

	Answer	Score
Extent of conflict of interest regulation index (0-30)		
Extent of disclosure index (0-10)		**10.0**
Whose decision is sufficient to approve the Buyer-Seller transaction? (0-3)	Shareholders excluding interested parties	3.0
Must an external body review the terms of the transaction before it takes place? (0-1)	Yes	1.0
Must Mr. James disclose his conflict of interest to the board of directors? (0-2)	Full disclosure of all material facts	2.0
Must Buyer disclose the transaction in periodic filings (e.g. annual reports)? (0-2)	Disclosure on the transaction and on the conflict of interest	2.0
Must Buyer immediately disclose the transaction to the public? (0-2)	Disclosure on the transaction and on the conflict of interest	2.0
Extent of director liability index (0-10)		**4.0**
Can shareholders representing 10% of Buyer's share capital sue for the damage the transaction caused to Buyer? (0-1)	Yes	1.0
Can shareholders hold Mr. James liable for the damage the transaction caused to Buyer? (0-2)	Liable if unfair or prejudicial	2.0
Can shareholders hold the other directors liable for the damage the transaction caused to Buyer? (0-2)	Not liable	0.0
Must Mr. James pay damages for the harm caused to Buyer upon a successful claim by shareholders? (0-1)	Yes	1.0
Must Mr. James repay profits made from the transaction upon a successful claim by shareholders? (0-1)	No	0.0
Is Mr. James disqualified upon a successful claim by shareholders? (0-1)	No	0.0
Can a court void the transaction upon a successful claim by shareholders? (0-2)	Only in case of fraud or bad faith	0.0
Ease of shareholder suits index (0-10)		**5.0**
Before suing, can shareholders representing 10% of Buyer's share capital inspect the transaction documents? (0-1)	Yes	1.0
Can the plaintiff obtain any documents from the defendant and witnesses at trial? (0-3)	No	0.0
Can the plaintiff request categories of documents from the defendant without identifying specific ones? (0-1)	No	0.0
Can the plaintiff directly question the defendant and witnesses at trial? (0-2)	Yes	2.0
Is the level of proof required for civil suits lower than that of criminal cases? (0-1)	Yes	1.0
Can shareholder plaintiffs recover their legal expenses from the company? (0-2)	Yes if successful	1.0
Extent of shareholder governance index (0-20)		
Extent of shareholder rights index (0-6)		**5.0**
Does the sale of 51% of Buyer's assets require shareholder approval?	Yes	1.0
Can shareholders representing 10% of Buyer's share capital call for a meeting of shareholders?	Yes	1.0
Must Buyer obtain its shareholders' approval every time it issues new shares?	Yes	1.0
Do shareholders automatically receive preemption rights every time Buyer issues new shares?	No	0.0
Do shareholders elect and dismiss the external auditor?	Yes	1.0
Are changes to the rights of a class of shares only possible if the holders of the affected shares approve?	Yes	1.0
Extent of ownership and control index (0-7)		**6.0**
Is it forbidden to appoint the same individual as CEO and chairperson of the board of directors?	No	0.0

Must the board of directors include independent and nonexecutive board members?	Yes	1.0
Can shareholders remove members of the board of directors without cause before the end of their term?	Yes	1.0
Must the board of directors include a separate audit committee exclusively comprising board members?	Yes	1.0
Must a potential acquirer make a tender offer to all shareholders upon acquiring 50% of Buyer?	Yes	1.0
Must Buyer pay declared dividends within a maximum period set by law?	Yes	1.0
Is a subsidiary prohibited from acquiring shares issued by its parent company?	Yes	1.0
Extent of corporate transparency index (0-7)		**6.0**
Must Buyer disclose direct and indirect beneficial ownership stakes representing 5%?	Yes	1.0
Must Buyer disclose information about board members' primary employment and directorships in other companies?	Yes	1.0
Must Buyer disclose the compensation of individual managers?	Yes	1.0
Must a detailed notice of general meeting be sent 21 days before the meeting?	No	0.0
Can shareholders representing 5% of Buyer's share capital put items on the general meeting agenda?	Yes	1.0
Must Buyer's annual financial statements be audited by an external auditor?	Yes	1.0
Must Buyer disclose its audit reports to the public?	Yes	1.0

Protecting Minority Investors - Beijing

Stock exchange information	
Stock exchange	Shanghai Stock Exchange
Stock exchange URL	http://www.sse.com.cn
Listed firms with equity securities	1209
City Covered	Beijing

Indicator	Beijing	East Asia & Pacific	OECD high income	Best Regulatory Performance
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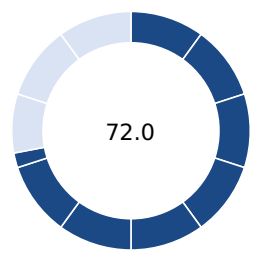
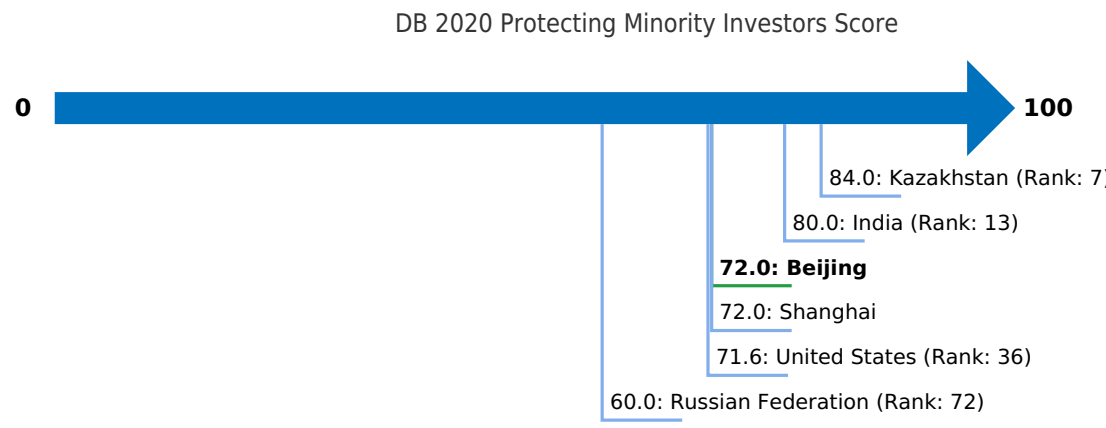
Figure – Protecting Minority in Beijing – Score



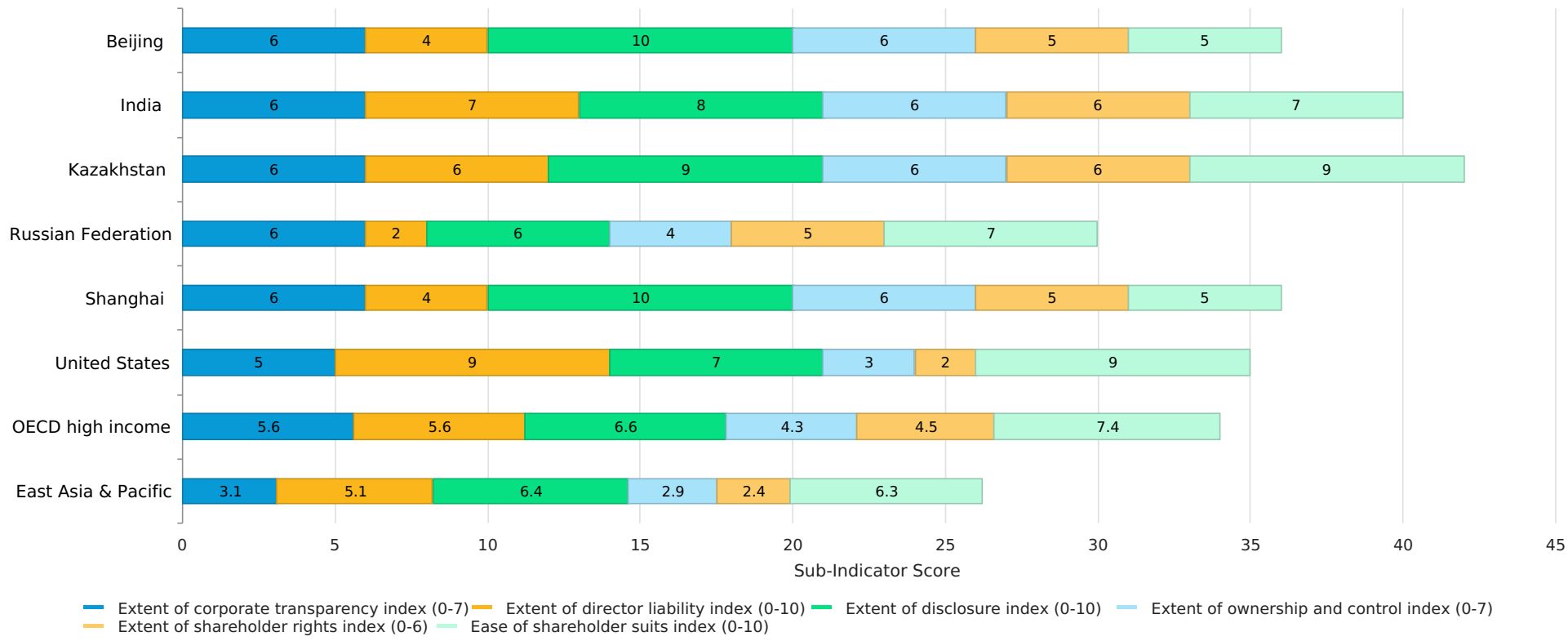
Score - Protecting Minority Investors

Figure – Protecting Minority Investors in Beijing and comparator economies – Ranking and Score



Note: The ranking of economies on the strength of minority investor protections is determined by sorting their scores for protecting minority investors. These scores are the simple average of the scores for the extent of conflict of interest regulation index and the extent of shareholder governance index.

Figure – Protecting Minority Investors in Beijing and comparator economies – Measure of Quality



Details – Protecting Minority Investors in Beijing – Measure of Quality

	Answer	Score
Extent of conflict of interest regulation index (0-30)		
Extent of disclosure index (0-10)		**10.0**
Whose decision is sufficient to approve the Buyer-Seller transaction? (0-3)	Shareholders excluding interested parties	3.0
Must an external body review the terms of the transaction before it takes place? (0-1)	Yes	1.0
Must Mr. James disclose his conflict of interest to the board of directors? (0-2)	Full disclosure of all material facts	2.0
Must Buyer disclose the transaction in periodic filings (e.g. annual reports)? (0-2)	Disclosure on the transaction and on the conflict of interest	2.0
Must Buyer immediately disclose the transaction to the public? (0-2)	Disclosure on the transaction and on the conflict of interest	2.0
Extent of director liability index (0-10)		**4.0**
Can shareholders representing 10% of Buyer's share capital sue for the damage the transaction caused to Buyer? (0-1)	Yes	1.0
Can shareholders hold Mr. James liable for the damage the transaction caused to Buyer? (0-2)	Liable if unfair or prejudicial	2.0
Can shareholders hold the other directors liable for the damage the transaction caused to Buyer? (0-2)	Not liable	0.0
Must Mr. James pay damages for the harm caused to Buyer upon a successful claim by shareholders? (0-1)	Yes	1.0
Must Mr. James repay profits made from the transaction upon a successful claim by shareholders? (0-1)	No	0.0
Is Mr. James disqualified upon a successful claim by shareholders? (0-1)	No	0.0
Can a court void the transaction upon a successful claim by shareholders? (0-2)	Only in case of fraud or bad faith	0.0
Ease of shareholder suits index (0-10)		**5.0**
Before suing, can shareholders representing 10% of Buyer's share capital inspect the transaction documents? (0-1)	Yes	1.0
Can the plaintiff obtain any documents from the defendant and witnesses at trial? (0-3)	No	0.0
Can the plaintiff request categories of documents from the defendant without identifying specific ones? (0-1)	No	0.0
Can the plaintiff directly question the defendant and witnesses at trial? (0-2)	Yes	2.0
Is the level of proof required for civil suits lower than that of criminal cases? (0-1)	Yes	1.0
Can shareholder plaintiffs recover their legal expenses from the company? (0-2)	Yes if successful	1.0
Extent of shareholder governance index (0-20)		
Extent of shareholder rights index (0-6)		**5.0**
Does the sale of 51% of Buyer's assets require shareholder approval?	Yes	1.0
Can shareholders representing 10% of Buyer's share capital call for a meeting of shareholders?	Yes	1.0
Must Buyer obtain its shareholders' approval every time it issues new shares?	Yes	1.0
Do shareholders automatically receive preemption rights every time Buyer issues new shares?	No	0.0
Do shareholders elect and dismiss the external auditor?	Yes	1.0
Are changes to the rights of a class of shares only possible if the holders of the affected shares approve?	Yes	1.0
Extent of ownership and control index (0-7)		**6.0**
Is it forbidden to appoint the same individual as CEO and chairperson of the board of directors?	No	0.0

Must the board of directors include independent and nonexecutive board members?	Yes	1.0
Can shareholders remove members of the board of directors without cause before the end of their term?	Yes	1.0
Must the board of directors include a separate audit committee exclusively comprising board members?	Yes	1.0
Must a potential acquirer make a tender offer to all shareholders upon acquiring 50% of Buyer?	Yes	1.0
Must Buyer pay declared dividends within a maximum period set by law?	Yes	1.0
Is a subsidiary prohibited from acquiring shares issued by its parent company?	Yes	1.0
Extent of corporate transparency index (0-7)		**6.0**
Must Buyer disclose direct and indirect beneficial ownership stakes representing 5%?	Yes	1.0
Must Buyer disclose information about board members' primary employment and directorships in other companies?	Yes	1.0
Must Buyer disclose the compensation of individual managers?	Yes	1.0
Must a detailed notice of general meeting be sent 21 days before the meeting?	No	0.0
Can shareholders representing 5% of Buyer's share capital put items on the general meeting agenda?	Yes	1.0
Must Buyer's annual financial statements be audited by an external auditor?	Yes	1.0
Must Buyer disclose its audit reports to the public?	Yes	1.0

Paying Taxes

This topic records the taxes and mandatory contributions that a medium-size company must pay or withhold in a given year, as well as the administrative burden of paying taxes and contributions and complying with postfiling procedures (VAT refund and tax audit). The most recent round of data collection for the project was completed in May 2019 covering for the Paying Taxes indicator calendar year 2018 (January 1, 2018 – December 31, 2018). See the methodology for more information.

What the indicators measure

Tax payments for a manufacturing company in 2018 (number per year adjusted for electronic and joint filing and payment)

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

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

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

Total tax and contribution rate (% of commercial profits)

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

Postfiling Index

- Time to comply with VAT refund (hours)
- Time to obtain VAT refund (weeks)
- Time to comply with a corporate income tax correction (hours)
- Time to complete a corporate income tax correction (weeks)

Case study assumptions

Using a case scenario, *Doing Business* records taxes and mandatory contributions a medium size company must pay in a year, and measures the administrative burden of paying taxes, contributions and dealing with postfiling processes. Information is also compiled on frequency of filing and payments, time taken to comply with tax laws, time taken to comply with the requirements of postfiling processes and time waiting.

To make data comparable across economies, several assumptions are used:
- TaxpayerCo is a medium-size business that started operations on January 1, 2017. It produces ceramic flowerpots and sells them at retail. All taxes and contributions recorded are paid in the second year of operation (calendar year 2018). Taxes and mandatory contributions are measured at all levels of government.

The VAT refund process:
- In June 2018, TaxpayerCo. makes a large capital purchase: the value of the machine is 65 times income per capita of the economy. Sales are equally spread per month (1,050 times income per capita divided by 12) and cost of goods sold are equally expensed per month (875 times income per capita divided by 12). The machinery seller is registered for VAT and excess input VAT incurred in June will be fully recovered after four consecutive months if the VAT rate is the same for inputs, sales and the machine and the tax reporting period is every month. Input VAT will exceed Output VAT in June 2018.

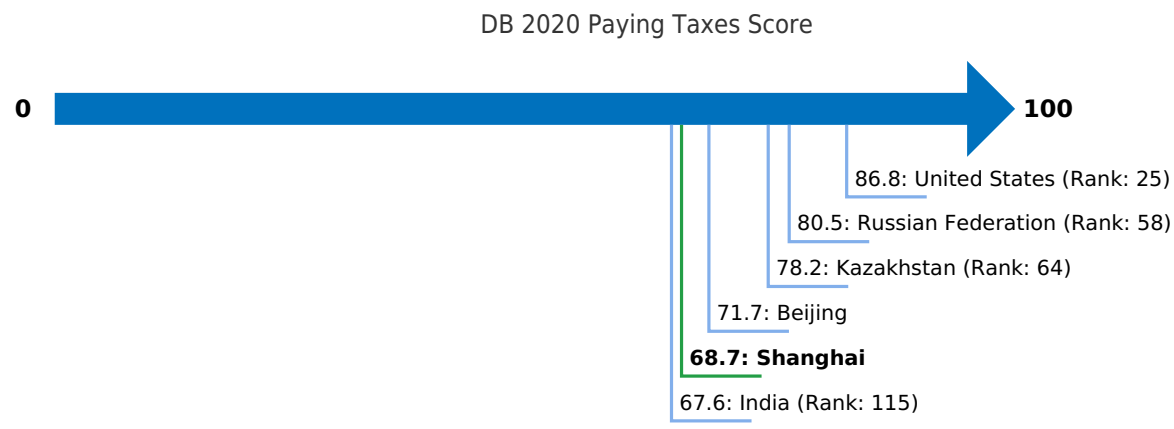
The corporate income tax audit process:
- An error in calculation of income tax liability (for example, use of incorrect tax depreciation rates, or incorrectly treating an expense as tax deductible) leads to an incorrect income tax return and a corporate income tax underpayment. TaxpayerCo. discovered the error and voluntarily notified the tax authority. The value of the underpaid income tax liability is 5% of the corporate income tax liability due. TaxpayerCo. submits corrected information after the deadline for submitting the annual tax return, but within the tax assessment period.

Paying Taxes - Shanghai

Indicator	Shanghai	East Asia & Pacific	OECD high income	Best Regulatory Performance
Payments (number per year)	7	20.6	10.3	3 (2 Economies)
Time (hours per year)	138	173.0	158.8	49 (3 Economies)
Total tax and contribution rate (% of profit)	62.6	33.6	39.9	26.1 (33 Economies)
Postfiling index (0-100)	50.0	56.4	86.7	None in 2018/19

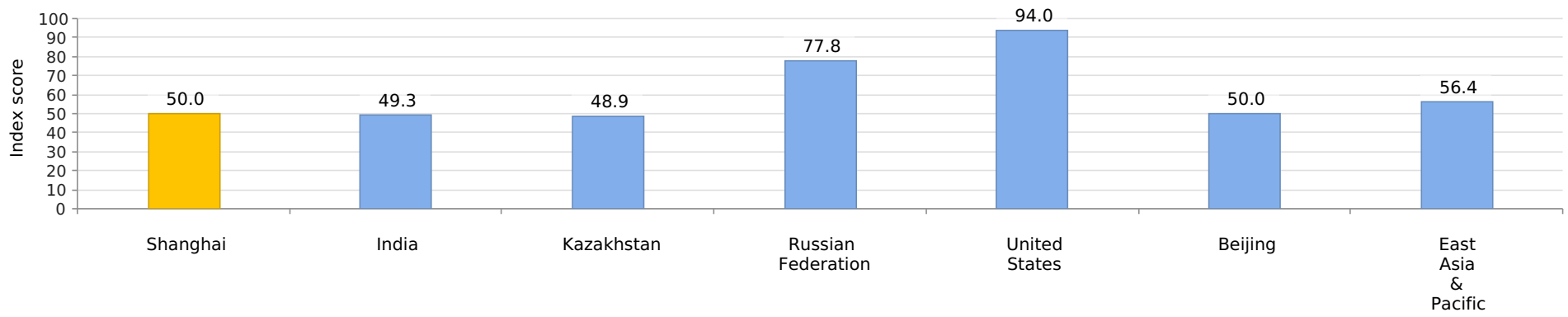
Figure – Paying Taxes in Shanghai – Score

Figure – Paying Taxes in Shanghai and comparator economies – Ranking and Score



Note: The ranking of economies on the ease of paying taxes is determined by sorting their scores for paying taxes. These scores are the simple average of the scores for each of the component indicators, with a threshold and a nonlinear transformation applied to one of the component indicators, the total tax and contribution rate. The threshold is defined as the total tax and contribution rate at the 15th percentile of the overall distribution for all years included in the analysis up to and including Doing Business 2015, which is 26.1%. All economies with a total tax and contribution rate below this threshold receive the same score as the economy at the threshold.

Figure – Paying Taxes in Shanghai and comparator economies – Measure of Quality



Details – Paying Taxes in Shanghai

Tax or mandatory contribution	Payments (number)	Notes on Payments	Time (hours)	Statutory tax rate	Tax base	Total tax and contribution rate (% of profit)	Notes on TTCR
Employer paid - Social security and housing fund contributions	1.0	online	52.0	31.03% (as of May 1, 2018)+5% (as of June 19, 2018)	gross salaries	49.92	
Value added tax (VAT)	1.0	online	46.0	17% (16% as of May 1, 2018), 6%	value added	42.63	not included
Corporate income tax	1.0	online	40.0	25% (STE at 20%)	taxable profits	3.09	
Land Appreciation Tax	1.0	online		30%	land value appreciation	2.82	
Urban maintenance tax	0.0	jointly		5%	VAT	2.46	
Education surcharge	0.0	jointly		3%	VAT	1.48	
Real estate tax	1.0	online		1.2%	80% building value	0.97	
Stamp duty	1.0	online		0.03%	transactions	0.97	
Local education surcharge	0.0	jointly		2% (from July 1 2018, 1%)	VAT	0.77	
Land use tax	1.0	online		RMB 1.5 per square meter	land area	0.04	
Stamp duty on property transfer	0.0	online and jointly		0.05%	sale price of property	0.03	
Employee paid - Social security and housing fund contributions	0.0	online and jointly		10.5%+5% (as of Jun 19, 2018)	gross salaries	0.00	withheld
Totals	7		138			62.6	

Details - Paying Taxes in Shanghai - Tax by Type

Taxes by type	Answer
Profit tax (% of profit)	5.9
Labor tax and contributions (% of profit)	49.9
Other taxes (% of profit)	49.4

Details – Paying Taxes in Shanghai – Measure of Quality

	Answer	Score
Postfiling index (0-100)		**50.0**
VAT refunds		
Does VAT exist?	Yes	
Does a VAT refund process exist per the case study?	No	
Restrictions on VAT refund process	Not enough data on VAT refunds from capital investments in 2018	
Percentage of cases exposed to a VAT audit (%)	Not applicable	
Is there a mandatory carry forward period?	No	
Time to comply with VAT refund (hours)	No VAT refund per case study scenario	0.0
Time to obtain VAT refund (weeks)	No VAT refund per case study scenario	0.0
Corporate income tax audits		
Does corporate income tax exist?	Yes	
Percentage of cases exposed to a corporate income tax audit (%)	0% - 24%	
Time to comply with a corporate income tax correction (hours)	1.0	100
Time to complete a corporate income tax correction (weeks)	No tax audit per case study scenario	100

Notes: Names of taxes have been standardized. For instance income tax, profit tax, tax on company's income are all named corporate income tax in this table.
The hours for VAT include all the VAT and sales taxes applicable.
The hours for Social Security include all the hours for labor taxes and mandatory contributions in general.
The postfiling index is the average of the scores on time to comply with VAT refund, time to obtain a VAT refund, time to comply with a corporate income tax correction and time to complete a corporate income tax correction.
N/A = Not applicable.

Paying Taxes - Beijing

Indicator	Beijing	East Asia & Pacific	OECD high income	Best Regulatory Performance
Payments (number per year)	7	20.6	10.3	3 (2 Economies)
Time (hours per year)	138	173.0	158.8	49 (3 Economies)
Total tax and contribution rate (% of profit)	55.1	33.6	39.9	26.1 (33 Economies)
Postfiling index (0-100)	50.0	56.4	86.7	None in 2018/19

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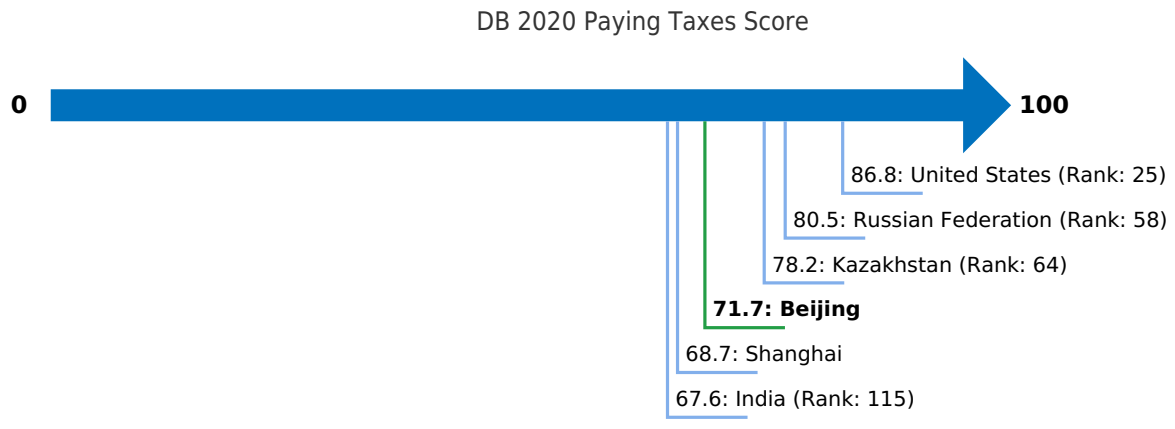
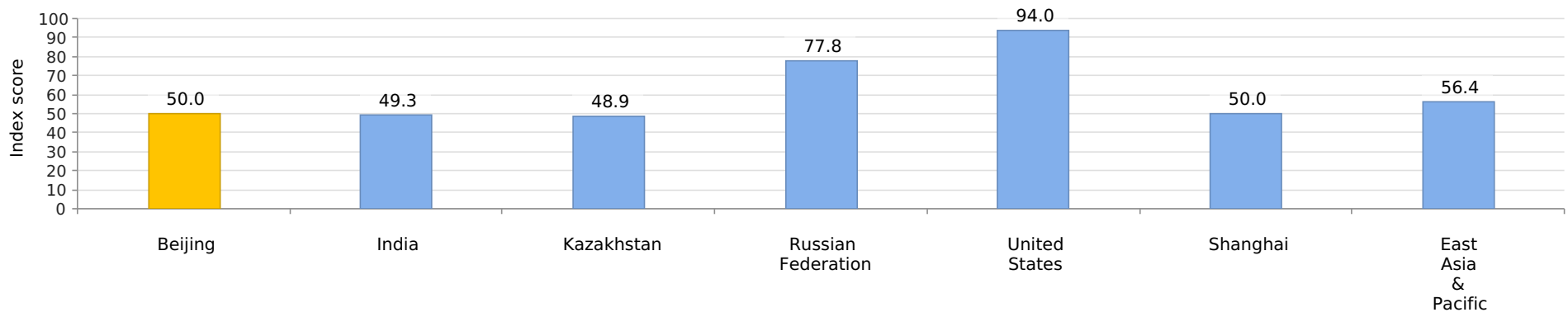


Note: The ranking of economies on the ease of paying taxes is determined by sorting their scores for paying taxes. These scores are the simple average of the scores for each of the component indicators, with a threshold and a nonlinear transformation applied to one of the component indicators, the total tax and contribution rate. The threshold is defined as the total tax and contribution rate at the 15th percentile of the overall distribution for all years included in the analysis up to and including Doing Business 2015, which is 26.1%. All economies with a total tax and contribution rate below this threshold receive the same score as the economy at the threshold.

Figure – Paying Taxes in Beijing and comparator economies – Measure of Quality



Details – Paying Taxes in Beijing

Tax or mandatory contribution	Payments (number)	Notes on Payments	Time (hours)	Statutory tax rate	Tax base	Total tax and contribution rate (% of profit)	Notes on TTCR
Value-added tax (VAT)	1.0	online	46.0	17%(16* as of May 1 2018), 6%	value added	42.63	not included
Employer paid - Social security and housing fund contributions	1.0	online	52.0	31.16%+5%	gross salaries	41.54	
Corporate income tax	1.0	online	40.0	25% (STE at 20%)	taxable profits	3.92	
Land Appreciation Tax	1.0			30.00%	land value appreciation	2.82	
Urban maintenance tax	0.0	jointly		5.00%	VAT	2.46	
Education surcharge	0.0	jointly		3.00%	VAT	1.48	
Local education surcharge	0.0	jointly		2.00%	VAT	0.99	
Stamp duty	1.0	online		0.03%	transactions	0.97	
Real estate tax	1.0	online		1.20%	70% of building value	0.85	
Land use tax	1.0	online		RMB 1.5 per square meter	land area	0.04	
Stamp duty on property transfer	0.0	online and jointly		0.05%	sale price of property	0.03	
Employee paid - Social security and housing fund contributions	0.0	online and jointly		10.2%+5%	gross salaries	0.00	withheld
Totals	7		138			55.1	

Details - Paying Taxes in Beijing - Tax by Type

Taxes by type	Answer
Profit tax (% of profit)	6.7
Labor tax and contributions (% of profit)	41.5
Other taxes (% of profit)	6.8

Details – Paying Taxes in Beijing – Measure of Quality

	Answer	Score
Postfiling index (0-100)		**50.0**
VAT refunds		
Does VAT exist?	Yes	
Does a VAT refund process exist per the case study?	No	
Restrictions on VAT refund process	Not enough data on VAT refunds from capital investments in 2018	
Percentage of cases exposed to a VAT audit (%)	Not applicable	
Is there a mandatory carry forward period?	No	
Time to comply with VAT refund (hours)	No VAT refund per case study scenario	0.0
Time to obtain VAT refund (weeks)	No VAT refund per case study scenario	0.0
Corporate income tax audits		
Does corporate income tax exist?	Yes	
Percentage of cases exposed to a corporate income tax audit (%)	0% - 24%	
Time to comply with a corporate income tax correction (hours)	1.0	100
Time to complete a corporate income tax correction (weeks)	No tax audit per case study scenario	100

Notes: Names of taxes have been standardized. For instance income tax, profit tax, tax on company's income are all named corporate income tax in this table.
The hours for VAT include all the VAT and sales taxes applicable.
The hours for Social Security include all the hours for labor taxes and mandatory contributions in general.
The postfiling index is the average of the scores on time to comply with VAT refund, time to obtain a VAT refund, time to comply with a corporate income tax correction and time to complete a corporate income tax correction.
N/A = Not applicable.

Trading across Borders

Doing Business records the time and cost associated with the logistical process of exporting and importing goods. *Doing Business* measures the time and cost (excluding tariffs) associated with three sets of procedures—documentary compliance, border compliance and domestic transport—within the overall process of exporting or importing a shipment of goods. The most recent round of data collection for the project was completed in May 2019. See the methodology for more information.

What the indicators measure

Documentary compliance

- Obtaining, preparing and submitting documents during transport, clearance, inspections and port or border handling in origin economy
- Obtaining, preparing and submitting documents required by destination economy and any transit economies
- Covers all documents required by law and in practice, including electronic submissions of information

Border compliance

- Customs clearance and inspections
- Inspections by other agencies (if applied to more than 20% of shipments)
- Handling and inspections that take place at the economy's port or border

Domestic transport

- Loading or unloading of the shipment at the warehouse or port/border
- Transport between warehouse and port/border
- Traffic delays and road police checks while shipment is en route

Case study assumptions

To make the data comparable across economies, a few assumptions are made about the traded goods and the transactions:

Time: Time is measured in hours, and 1 day is 24 hours (for example, 22 days are recorded as 22×24=528 hours). If customs clearance takes 7.5 hours, the data are recorded as is. Alternatively, suppose documents are submitted to a customs agency at 8:00a.m., are processed overnight and can be picked up at 8:00a.m. the next day. The time for customs clearance would be recorded as 24 hours because the actual procedure took 24 hours.

Cost: Insurance cost and informal payments for which no receipt is issued are excluded from the costs recorded. Costs are reported in U.S. dollars. Contributors are asked to convert local currency into U.S. dollars based on the exchange rate prevailing on the day they answer the questionnaire. Contributors are private sector experts in international trade logistics and are informed about exchange rates.

Assumptions of the case study:
- For all 190 economies covered by *Doing Business*, it is assumed a shipment is in a warehouse in the largest business city of the exporting economy and travels to a warehouse in the largest business city of the importing economy.
- It is assumed each economy imports 15 metric tons of containerized auto parts (HS 8708) from its natural import partner—the economy from which it imports the largest value (price times quantity) of auto parts. It is assumed each economy exports the product of its comparative advantage (defined by the largest export value) to its natural export partner—the economy that is the largest purchaser of this product. Shipment value is assumed to be $50,000.
- The mode of transport is the one most widely used for the chosen export or import product and the trading partner, as is the seaport or land border crossing.
- All electronic information submissions requested by any government agency in connection with the shipment are considered to be documents obtained, prepared and submitted during the export or import process.
- A port or border is a place (seaport or land border crossing) where merchandise can enter or leave an economy.
- Relevant government agencies include customs, port authorities, road police, border guards, standardization agencies, ministries or departments of agriculture or industry, national security agencies and any other government authorities.

Trading across Borders - Shanghai

Indicator	Shanghai	East Asia & Pacific	OECD high income	Best Regulatory Performance
Time to export: Border compliance (hours)	18	57.5	12.7	1 (19 Economies)
Cost to export: Border compliance (USD)	249	381.1	136.8	0 (19 Economies)
Time to export: Documentary compliance (hours)	8	55.6	2.3	1 (26 Economies)
Cost to export: Documentary compliance (USD)	70	109.4	33.4	0 (20 Economies)
Time to import: Border compliance (hours)	37	68.4	8.5	1 (25 Economies)
Cost to import: Border compliance (USD)	230	422.8	98.1	0 (28 Economies)
Time to import: Documentary compliance (hours)	11	53.7	3.4	1 (30 Economies)
Cost to import: Documentary compliance (USD)	75	108.4	23.5	0 (30 Economies)

Figure – Trading across Borders in Shanghai – Score

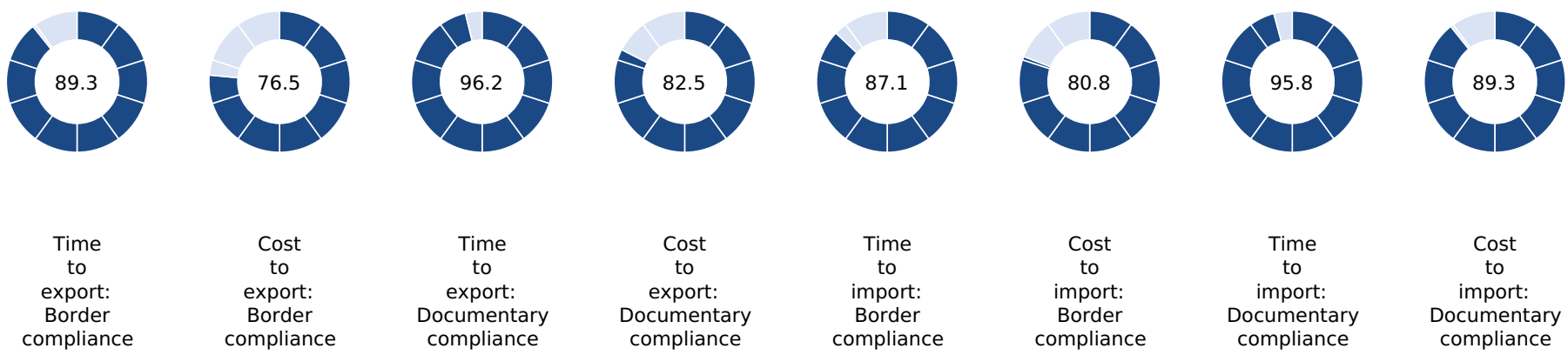
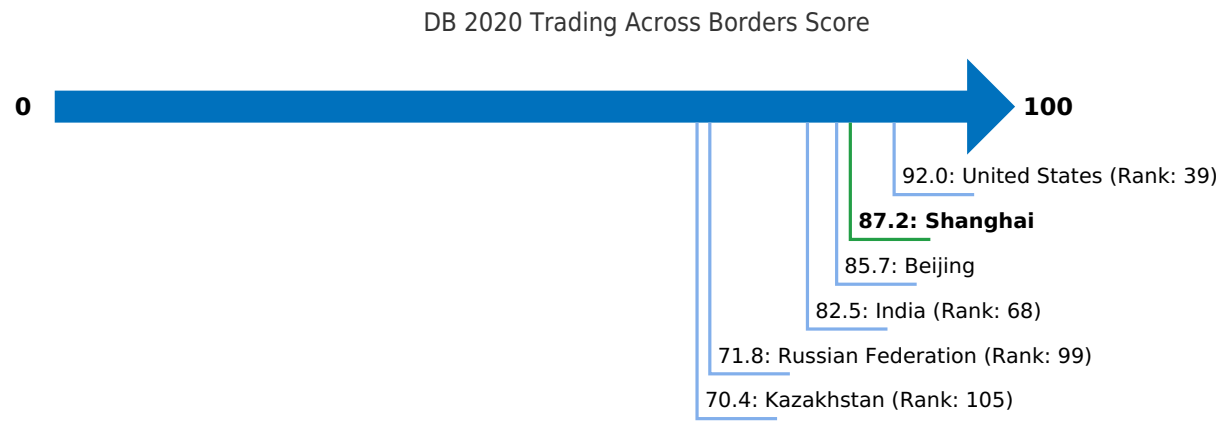
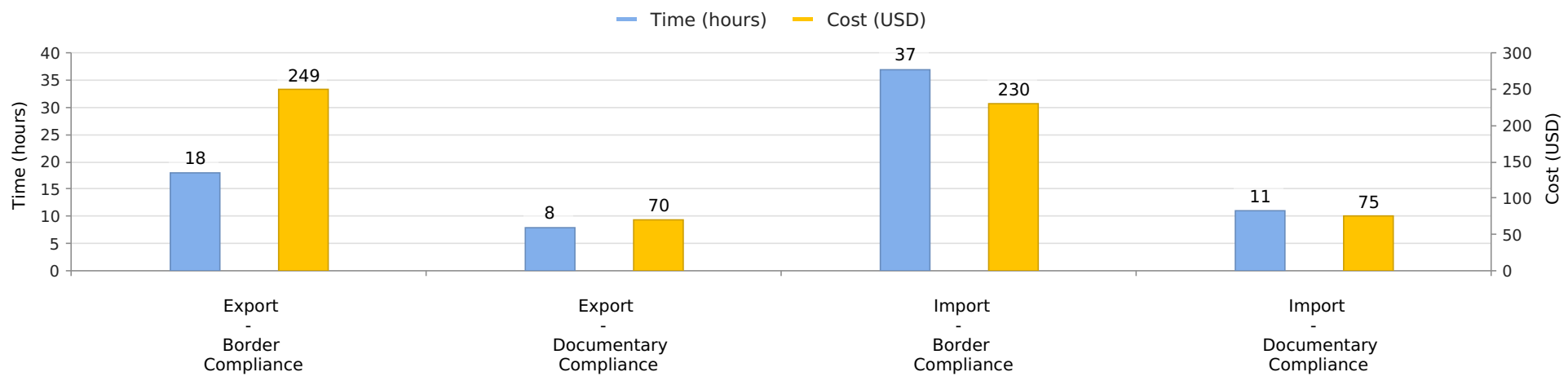


Figure – Trading across Borders in Shanghai and comparator economies – Ranking and Score



Note: The ranking of economies on the ease of trading across borders is determined by sorting their scores for trading across borders. These scores are the simple average of the scores for the time and cost for documentary compliance and border compliance to export and import.

Figure - Trading across Borders in Shanghai - Time and Cost



Details - Trading across Borders in Shanghai

Characteristics	Export	Import
Product	HS 85 : Electrical machinery and equipment and parts thereof; sound recorders and reproducers, television image and sound recorders and reproducers, and parts and accessories of such articles	HS 8708: Parts and accessories of motor vehicles
Trade partner	Hong Kong, China	Japan
Border	Shanghai port	Shanghai port
Distance (km)	31	31
Domestic transport time (hours)	4	6
Domestic transport cost (USD)	179	219

Details - Trading across Borders in Shanghai - Components of Border Compliance

	Time to Complete (hours)	Associated Costs (USD)
Export: Clearance and inspections required by customs authorities	6.0	23.0
Export: Clearance and inspections required by agencies other than customs	0.0	0.0
Export: Port or border handling	18.0	226.0
Import: Clearance and inspections required by customs authorities	4.0	30.0
Import: Clearance and inspections required by agencies other than customs	0.0	0.0
Import: Port or border handling	36.0	200.0

Details - Trading across Borders in Shanghai - Trade Documents

Export	Import
Commercial invoice	Contract
Packing list	Commercial invoice
Bill of lading	Packing list
Customs Export declaration	Bill of lading
Terminal handling receipt	Telex release
SOLAS certificate	Customs import declaration
	Terminal handling receipt
	SOLAS Certificate

Trading across Borders - Beijing

Indicator	Beijing	East Asia & Pacific	OECD high income	Best Regulatory Performance
Time to export: Border compliance (hours)	24	57.5	12.7	1 (19 Economies)
Cost to export: Border compliance (USD)	265	381.1	136.8	0 (19 Economies)
Time to export: Documentary compliance (hours)	10	55.6	2.3	1 (26 Economies)
Cost to export: Documentary compliance (USD)	78	109.4	33.4	0 (20 Economies)
Time to import: Border compliance (hours)	34	68.4	8.5	1 (25 Economies)
Cost to import: Border compliance (USD)	255	422.8	98.1	0 (28 Economies)
Time to import: Documentary compliance (hours)	15	53.7	3.4	1 (30 Economies)
Cost to import: Documentary compliance (USD)	80	108.4	23.5	0 (30 Economies)

Figure – Trading across Borders in Beijing – Score

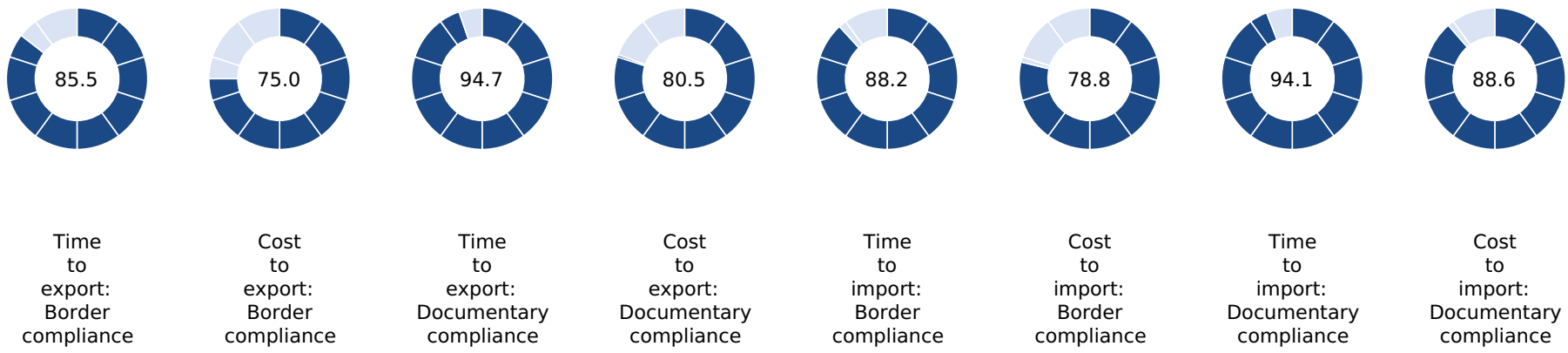
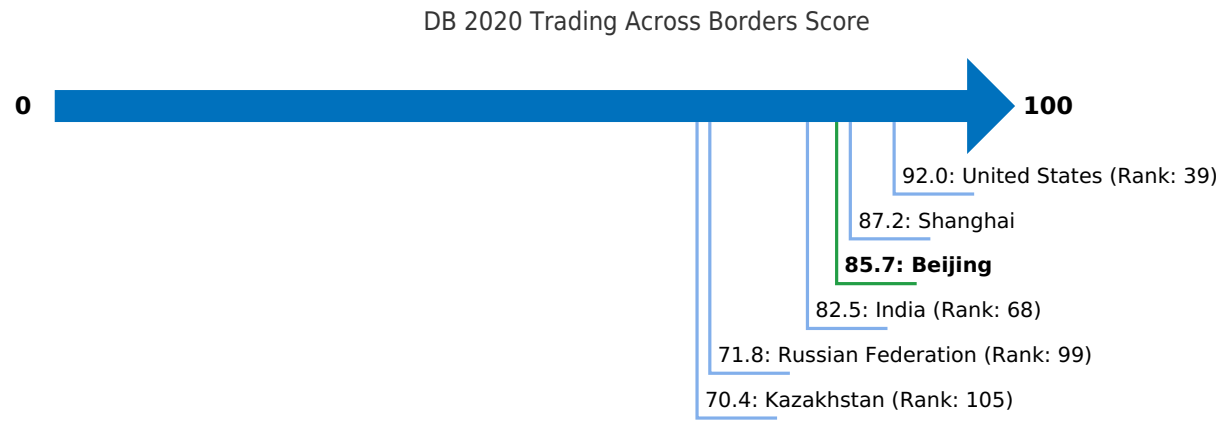
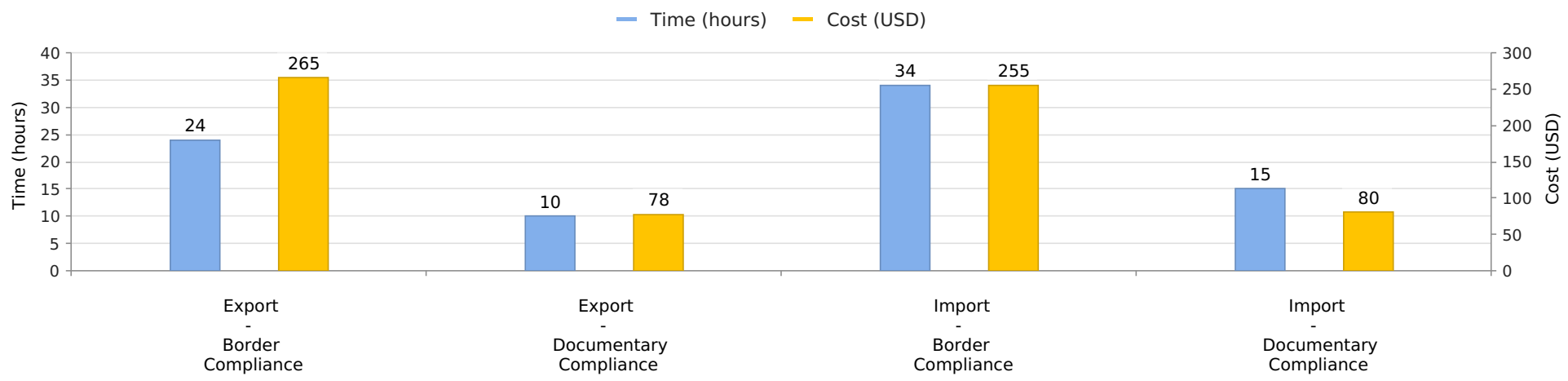


Figure – Trading across Borders in Beijing and comparator economies – Ranking and Score



Note: The ranking of economies on the ease of trading across borders is determined by sorting their scores for trading across borders. These scores are the simple average of the scores for the time and cost for documentary compliance and border compliance to export and import.

Figure – Trading across Borders in Beijing – Time and Cost



Details - Trading across Borders in Beijing

Characteristics	Export	Import
Product	HS 85 : Electrical machinery and equipment and parts thereof; sound recorders and reproducers, television image and sound recorders and reproducers, and parts and accessories of such articles	HS 8708: Parts and accessories of motor vehicles
Trade partner	Hong Kong, China	Japan
Border	Tianjin port	Tianjin Port
Distance (km)	182	182
Domestic transport time (hours)	9	8
Domestic transport cost (USD)	365	395

Details - Trading across Borders in Beijing - Components of Border Compliance

	Time to Complete (hours)	Associated Costs (USD)
Export: Clearance and inspections required by customs authorities	8.0	25.0
Export: Clearance and inspections required by agencies other than customs	0.0	0.0
Export: Port or border handling	24.0	240.0
Import: Clearance and inspections required by customs authorities	8.0	35.0
Import: Clearance and inspections required by agencies other than customs	0.0	0.0
Import: Port or border handling	33.0	220.0

Details - Trading across Borders in Beijing - Trade Documents

Export	Import
Commercial invoice	Contract
Packing list	Commercial invoice
Bill of lading	Packing list
Custom Export declaration	Bill of lading
Terminal handling receipt	Telex release Guarantee Letter
SOLAS certificate	Custom import declaration
	Terminal handling receipt
	SOLAS certificate

Enforcing Contracts

The enforcing contracts indicator measures the time and cost for resolving a commercial dispute through a local first-instance court, and the quality of judicial processes index, evaluating whether each economy has adopted a series of good practices that promote quality and efficiency in the court system. The most recent round of data collection was completed in May 2019. See the methodology for more information.

What the indicators measure

Time required to enforce a contract through the courts (calendar days)

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

Cost required to enforce a contract through the courts (% of claim value)

- Average attorney fees
- Court costs
- Enforcement costs

Quality of judicial processes index (0-18)

- Court structure and proceedings (-1-5)
- Case management (0-6)
- Court automation (0-4)
- Alternative dispute resolution (0-3)

Case study assumptions

The dispute in the case study involves the breach of a sales contract between two 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 on the time and comparable across economies, several assumptions about the case are used:
- The dispute concerns a lawful transaction between two businesses (Seller and Buyer), both located in the economy's largest business city. For 11 economies the data are also collected for the second largest business city.
- The Buyer orders custom-made furniture, then fails to pay alleging that the goods are not of adequate quality.
- The value of the dispute is 200% of the income per capita or the equivalent in local currency of USD 5,000, whichever is greater.
- The Seller sues the Buyer before the court with jurisdiction over commercial cases worth 200% of income per capita or $5,000 whichever is greater.
- The Seller requests the pretrial attachment of the defendant's movable assets to secure the claim.
- The claim is disputed on the merits because of Buyer's allegation that the quality of the goods was not adequate.
- 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.

Enforcing Contracts - Shanghai

Standardized Case	
Claim value	CNY 119,064
Court name	Shanghai District People's Court
City Covered	Shanghai

Indicator	Shanghai	East Asia & Pacific	OECD high income	Best Regulatory Performance
Time (days)	485	581.1	589.6	120 (Singapore)
Cost (% of claim value)	15.1	47.2	21.5	0.1 (Bhutan)
Quality of judicial processes index (0-18)	16.5	8.1	11.7	None in 2018/19

Figure – Enforcing Contracts in Shanghai – Score

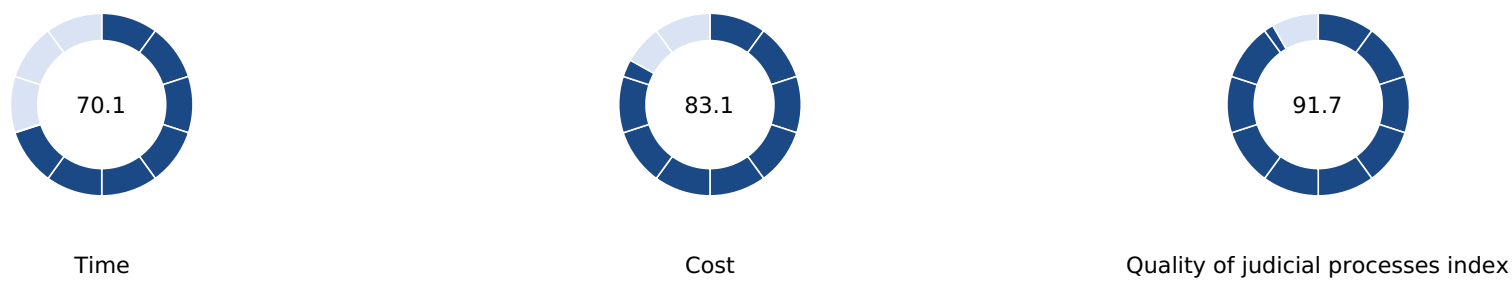
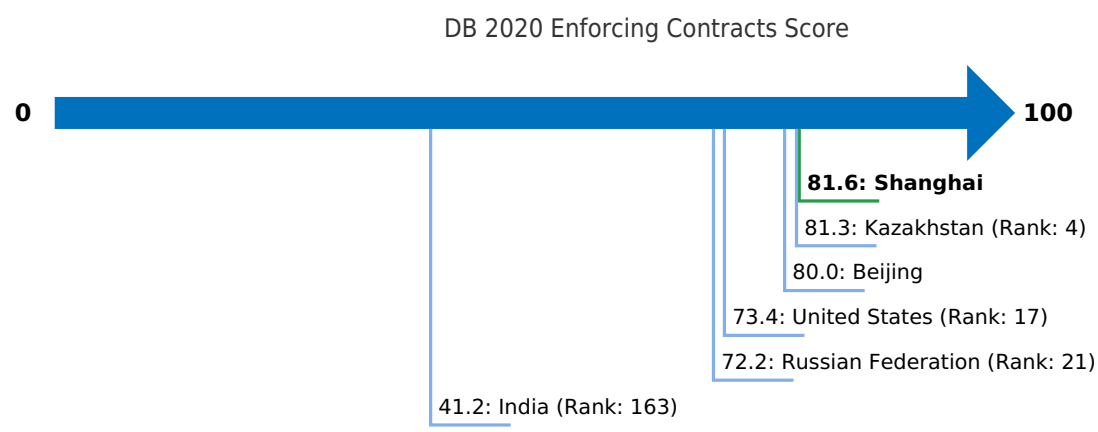


Figure – Enforcing Contracts in Shanghai and comparator economies – Ranking and Score



Note: The ranking of economies on the ease of enforcing contracts is determined by sorting their scores for enforcing contracts. These scores are the simple average of the scores for each of the component indicators.

Figure – Enforcing Contracts in Shanghai – Time and Cost

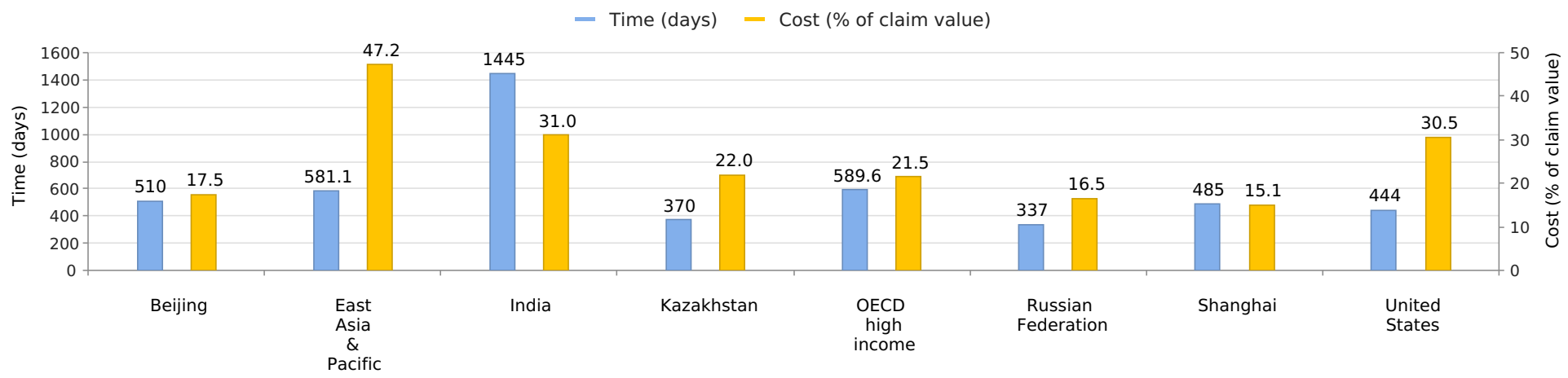
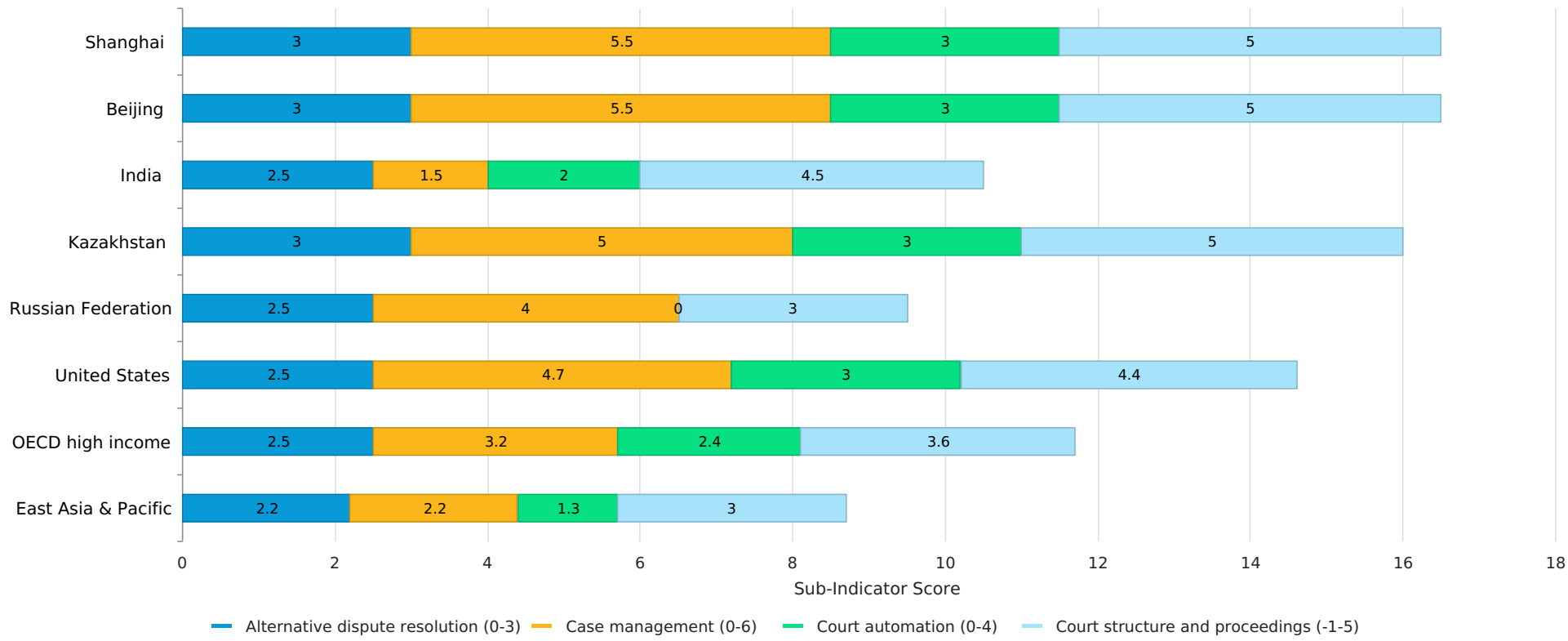


Figure – Enforcing Contracts in Shanghai and comparator economies – Measure of Quality



Details – Enforcing Contracts in Shanghai

	Indicator
Time (days)	**485**
Filing and service	35
Trial and judgment	210
Enforcement of judgment	240
Cost (% of claim value)	**15.1**
Attorney fees	7.6
Court fees	5
Enforcement fees	2.5
Quality of judicial processes index (0-18)	**16.5**
Court structure and proceedings (-1-5)	5.0
Case management (0-6)	5.5
Court automation (0-4)	3.0
Alternative dispute resolution (0-3)	3.0

Details – Enforcing Contracts in Shanghai – Measure of Quality

	Answer	Score
Quality of judicial processes index (0-18)		**16.5**
Court structure and proceedings (-1-5)		**5.0**
1. Is there a court or division of a court dedicated solely to hearing commercial cases?	Yes	1.5
2. Small claims court		1.5
2.a. Is there a small claims court or a fast-track procedure for small claims?	Yes	
2.b. If yes, is self-representation allowed?	Yes	
3. Is pretrial attachment available?	Yes	1.0
4. Are new cases assigned randomly to judges?	Yes, automatic	1.0
5. Does a woman's testimony carry the same evidentiary weight in court as a man's?	Yes	0.0
Case management (0-6)		**5.5**
1. Time standards		1.0
1.a. Are there laws setting overall time standards for key court events in a civil case?	Yes	
1.b. If yes, are the time standards set for at least three court events?	Yes	
1.c. Are these time standards respected in more than 50% of cases?	Yes	
2. Adjournments		0.5
2.a. Does the law regulate the maximum number of adjournments that can be granted?	Yes	
2.b. Are adjournments limited to unforeseen and exceptional circumstances?	Yes	
2.c. If rules on adjournments exist, are they respected in more than 50% of cases?	No	
3. Can two of the following four reports be generated about the competent court: (i) time to disposition report; (ii) clearance rate report; (iii) age of pending cases report; and (iv) single case progress report?	Yes	1.0
4. Is a pretrial conference among the case management techniques used before the competent court?	Yes	1.0
5. Are there any electronic case management tools in place within the competent court for use by judges?	Yes	1.0
6. Are there any electronic case management tools in place within the competent court for use by lawyers?	Yes	1.0
Court automation (0-4)		**3.0**
1. Can the initial complaint be filed electronically through a dedicated platform within the competent court?	No	0.0
2. Is it possible to carry out service of process electronically for claims filed before the competent court?	Yes	1.0
3. Can court fees be paid electronically within the competent court?	Yes	1.0
4. Publication of judgments		1.0
4.a Are judgments rendered in commercial cases at all levels made available to the general public through publication in official gazettes, in newspapers or on the internet or court website?	Yes	
4.b. Are judgments rendered in commercial cases at the appellate and supreme court level made available to the general public through publication in official gazettes, in newspapers or on the internet or court website?	Yes	
Alternative dispute resolution (0-3)		**3.0**
1. Arbitration		1.5
1.a. Is domestic commercial arbitration governed by a consolidated law or consolidated chapter or section of the applicable code of civil procedure encompassing substantially all its aspects?	Yes	
1.b. Are there any commercial disputes—aside from those that deal with public order or public policy—that cannot be submitted to arbitration?	No	
1.c. Are valid arbitration clauses or agreements usually enforced by the courts?	Yes	

2. Mediation/Conciliation		1.5
2.a. Is voluntary mediation or conciliation available?	Yes	
2.b. Are mediation, conciliation or both governed by a consolidated law or consolidated chapter or section of the applicable code of civil procedure encompassing substantially all their aspects (for example, definition, aim and scope of application, desig	Yes	
2.c. Are there financial incentives for parties to attempt mediation or conciliation (i.e., if mediation or conciliation is successful, a refund of court filing fees, income tax credits or the like)?	Yes	

Enforcing Contracts - Beijing

Standardized Case	
Claim value	CNY 119,064
Court name	Beijing District People's Court
City Covered	Beijing

Indicator	Beijing	East Asia & Pacific	OECD high income	Best Regulatory Performance
Time (days)	510	581.1	589.6	120 (Singapore)
Cost (% of claim value)	17.5	47.2	21.5	0.1 (Bhutan)
Quality of judicial processes index (0-18)	16.5	8.1	11.7	None in 2018/19

Figure – Enforcing Contracts in Beijing – Score

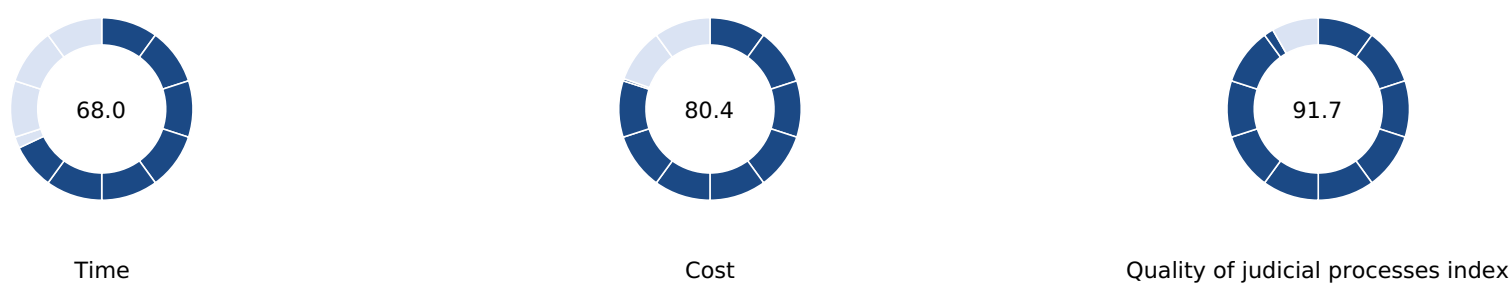
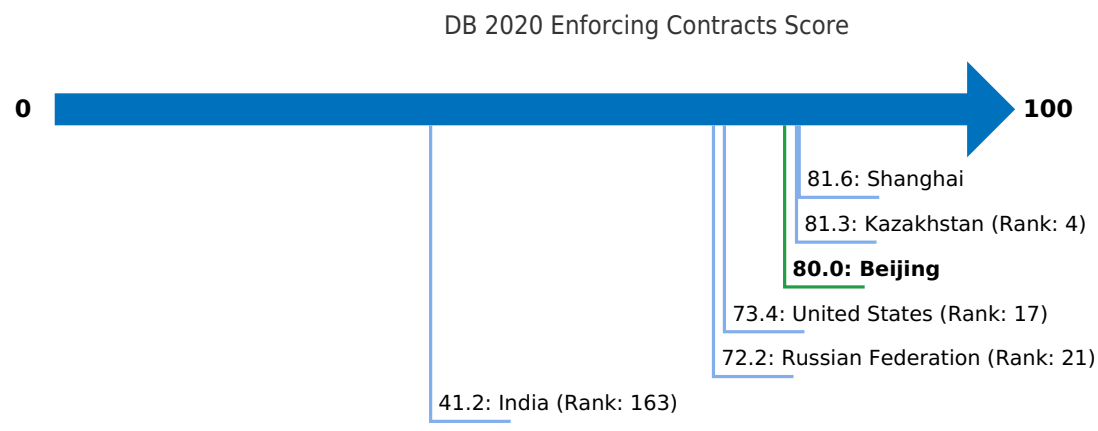


Figure – Enforcing Contracts in Beijing and comparator economies – Ranking and Score



Note: The ranking of economies on the ease of enforcing contracts is determined by sorting their scores for enforcing contracts. These scores are the simple average of the scores for each of the component indicators.

Figure – Enforcing Contracts in Beijing – Time and Cost

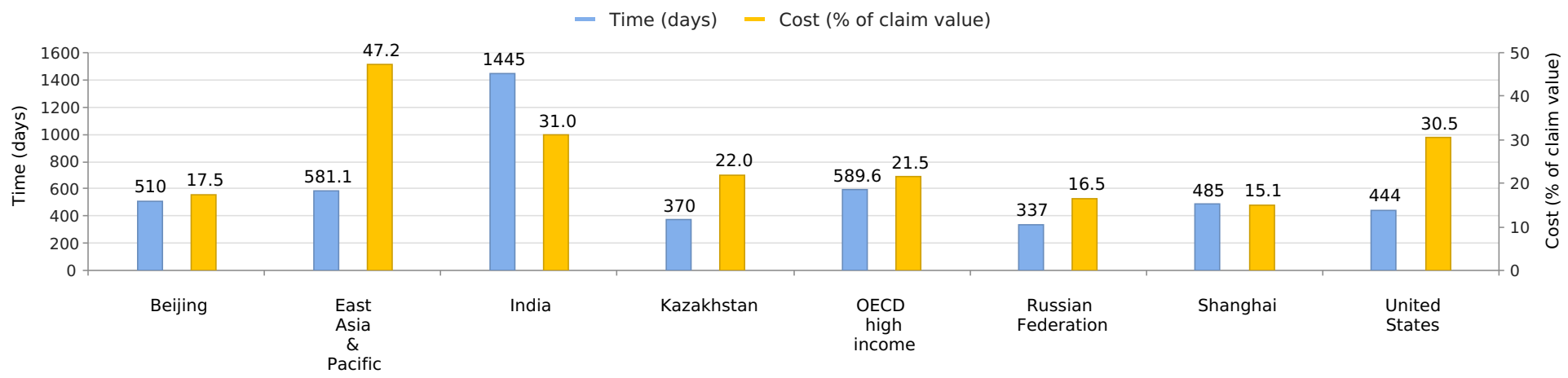
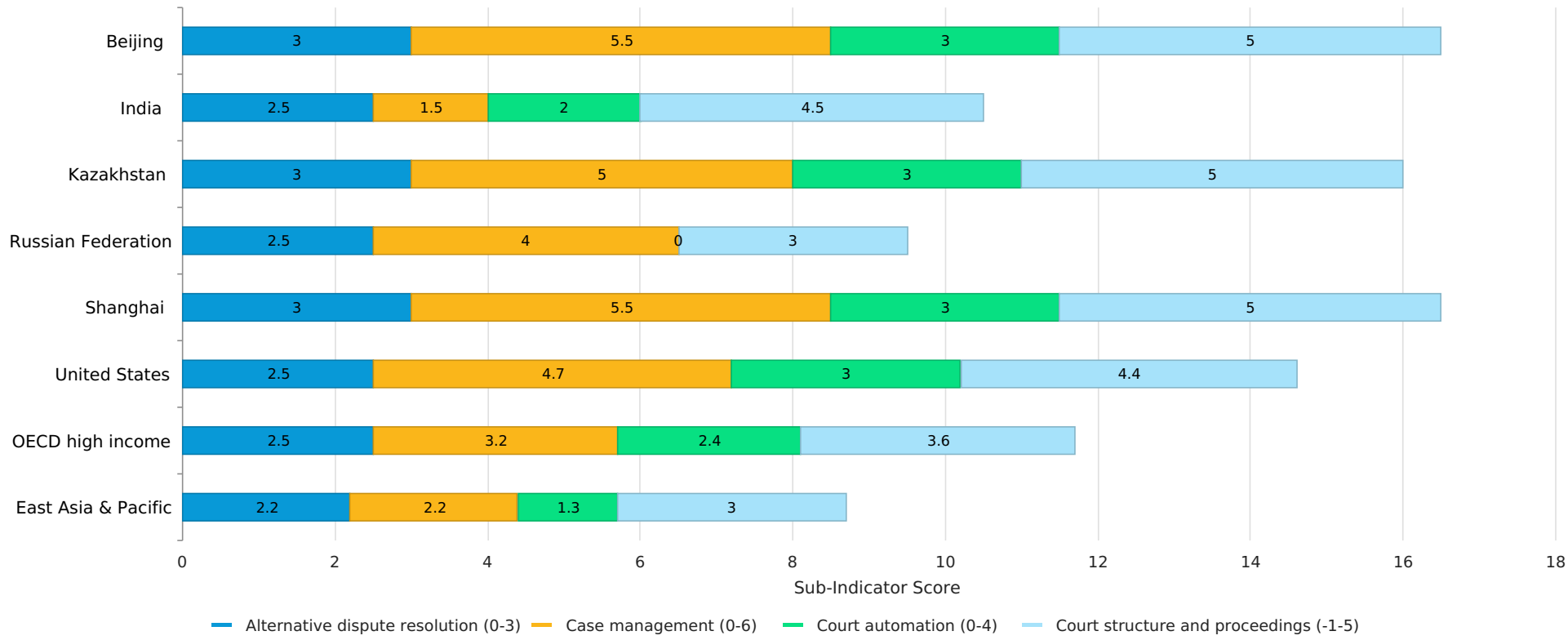


Figure – Enforcing Contracts in Beijing and comparator economies – Measure of Quality



Details – Enforcing Contracts in Beijing

	Indicator
Time (days)	**510**
Filing and service	30
Trial and judgment	240
Enforcement of judgment	240
Cost (% of claim value)	**17.5**
Attorney fees	10
Court fees	5
Enforcement fees	2.5
Quality of judicial processes index (0-18)	**16.5**
Court structure and proceedings (-1-5)	5.0
Case management (0-6)	5.5
Court automation (0-4)	3.0
Alternative dispute resolution (0-3)	3.0

Details – Enforcing Contracts in Beijing – Measure of Quality

	Answer	Score
Quality of judicial processes index (0-18)		**16.5**
Court structure and proceedings (-1-5)		**5.0**
1. Is there a court or division of a court dedicated solely to hearing commercial cases?	Yes	1.5
2. Small claims court		1.5
2.a. Is there a small claims court or a fast-track procedure for small claims?	Yes	
2.b. If yes, is self-representation allowed?	Yes	
3. Is pretrial attachment available?	Yes	1.0
4. Are new cases assigned randomly to judges?	Yes, automatic	1.0
5. Does a woman's testimony carry the same evidentiary weight in court as a man's?	Yes	0.0
Case management (0-6)		**5.5**
1. Time standards		1.0
1.a. Are there laws setting overall time standards for key court events in a civil case?	Yes	
1.b. If yes, are the time standards set for at least three court events?	Yes	
1.c. Are these time standards respected in more than 50% of cases?	Yes	
2. Adjournments		0.5
2.a. Does the law regulate the maximum number of adjournments that can be granted?	Yes	
2.b. Are adjournments limited to unforeseen and exceptional circumstances?	Yes	
2.c. If rules on adjournments exist, are they respected in more than 50% of cases?	No	
3. Can two of the following four reports be generated about the competent court: (i) time to disposition report; (ii) clearance rate report; (iii) age of pending cases report; and (iv) single case progress report?	Yes	1.0
4. Is a pretrial conference among the case management techniques used before the competent court?	Yes	1.0
5. Are there any electronic case management tools in place within the competent court for use by judges?	Yes	1.0
6. Are there any electronic case management tools in place within the competent court for use by lawyers?	Yes	1.0
Court automation (0-4)		**3.0**
1. Can the initial complaint be filed electronically through a dedicated platform within the competent court?	No	0.0
2. Is it possible to carry out service of process electronically for claims filed before the competent court?	Yes	1.0
3. Can court fees be paid electronically within the competent court?	Yes	1.0
4. Publication of judgments		1.0
4.a Are judgments rendered in commercial cases at all levels made available to the general public through publication in official gazettes, in newspapers or on the internet or court website?	Yes	
4.b. Are judgments rendered in commercial cases at the appellate and supreme court level made available to the general public through publication in official gazettes, in newspapers or on the internet or court website?	Yes	
Alternative dispute resolution (0-3)		**3.0**
1. Arbitration		1.5
1.a. Is domestic commercial arbitration governed by a consolidated law or consolidated chapter or section of the applicable code of civil procedure encompassing substantially all its aspects?	Yes	
1.b. Are there any commercial disputes—aside from those that deal with public order or public policy—that cannot be submitted to arbitration?	No	
1.c. Are valid arbitration clauses or agreements usually enforced by the courts?	Yes	

2. Mediation/Conciliation		1.5
2.a. Is voluntary mediation or conciliation available?	Yes	
2.b. Are mediation, conciliation or both governed by a consolidated law or consolidated chapter or section of the applicable code of civil procedure encompassing substantially all their aspects (for example, definition, aim and scope of application, desig	Yes	
2.c. Are there financial incentives for parties to attempt mediation or conciliation (i.e., if mediation or conciliation is successful, a refund of court filing fees, income tax credits or the like)?	Yes	

Resolving Insolvency

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 recovered by secured creditors through reorganization, liquidation or debt enforcement (foreclosure or receivership) 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. The most recent round of data collection was completed in May 2019. See the methodology for more information.

What the indicators measure

Time required to recover debt (years)

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

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

- Measured as percentage of estate value
- Court fees
- Fees of insolvency administrators
- Lawyers' fees
- Assessors' and auctioneers' fees
- Other related fees

Outcome

- Whether business continues operating as a going concern or business assets are sold piecemeal

Recovery rate for creditors

- 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
- Official costs of the insolvency proceedings are deducted
- Depreciation of furniture is taken into account
- Present value of debt recovered

Strength of insolvency framework index (0- 16)

- 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)

Case study assumptions

To make the data on the time, cost and outcome comparable across economies, several assumptions about the business and the case are used:

- A hotel located in the largest city (or cities) has 201 employees and 50 suppliers. The hotel experiences financial difficulties.
- The value of the hotel is 100% of the income per capita or the equivalent in local currency of USD 200,000, whichever is greater.
- The hotel has a loan from a domestic bank, secured by a mortgage over the hotel's real estate. The hotel cannot pay back the loan, but makes enough money to operate otherwise.

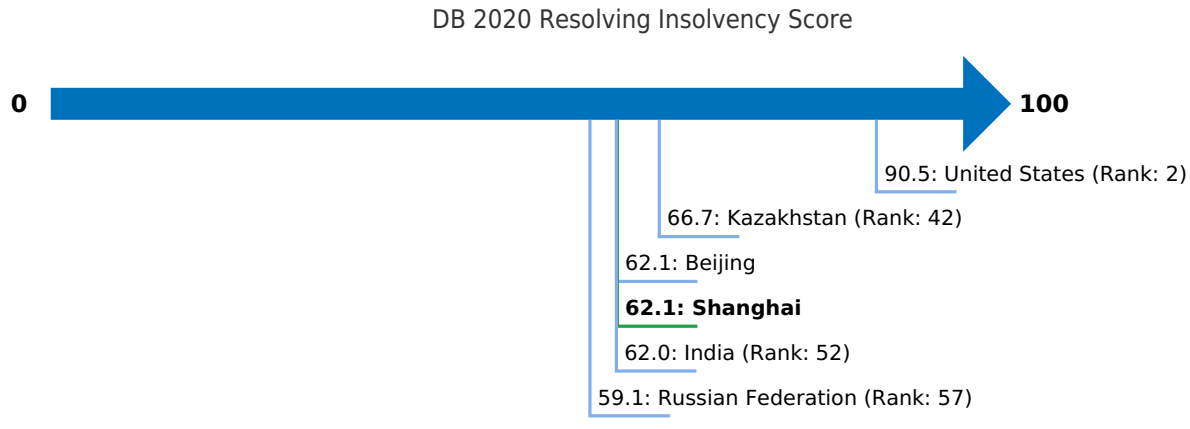
In addition, *Doing Business* evaluates the quality of legal framework applicable to judicial liquidation and reorganization proceedings and the extent to which best insolvency practices have been implemented in each economy covered.

Resolving Insolvency - Shanghai

Indicator	Shanghai	East Asia & Pacific	OECD high income	Best Regulatory Performance
Recovery rate (cents on the dollar)	36.9	35.5	70.2	92.9 (Norway)
Time (years)	1.7	2.6	1.7	0.4 (Ireland)
Cost (% of estate)	22.0	20.6	9.3	1.0 (Norway)
Outcome (0 as piecemeal sale and 1 as going concern)	0	..	..	..
Strength of insolvency framework index (0-16)	13.5	7.0	11.9	None in 2018/19

Figure – Resolving Insolvency in Shanghai – Score

Figure – Resolving Insolvency in Shanghai and comparator economies – Ranking and Score



Note: The ranking of economies on the ease of resolving insolvency is determined by sorting their scores for resolving insolvency. These scores are the simple average of the scores for the recovery rate and the strength of insolvency framework index.

Figure - Resolving Insolvency in Shanghai - Time and Cost

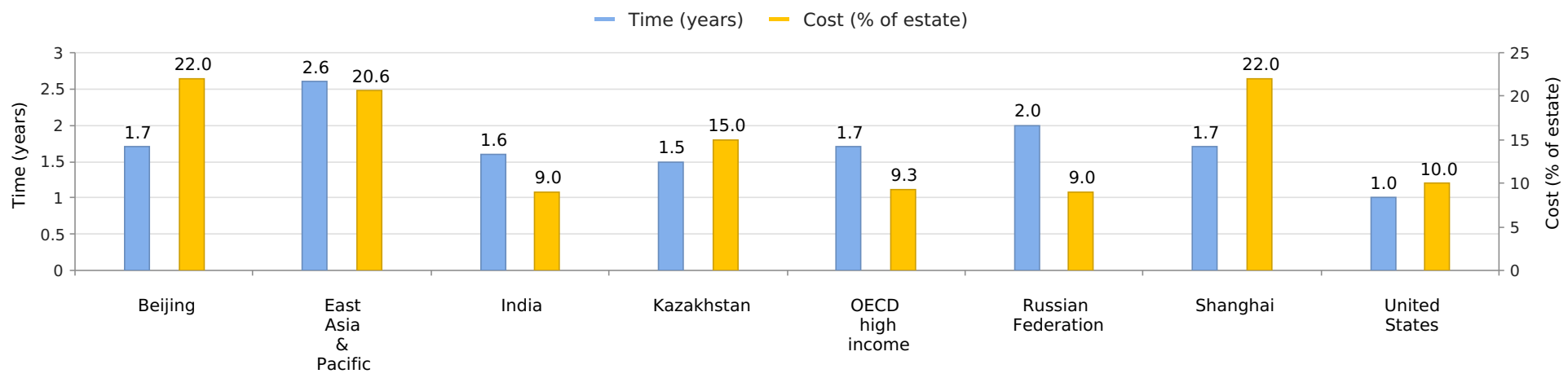
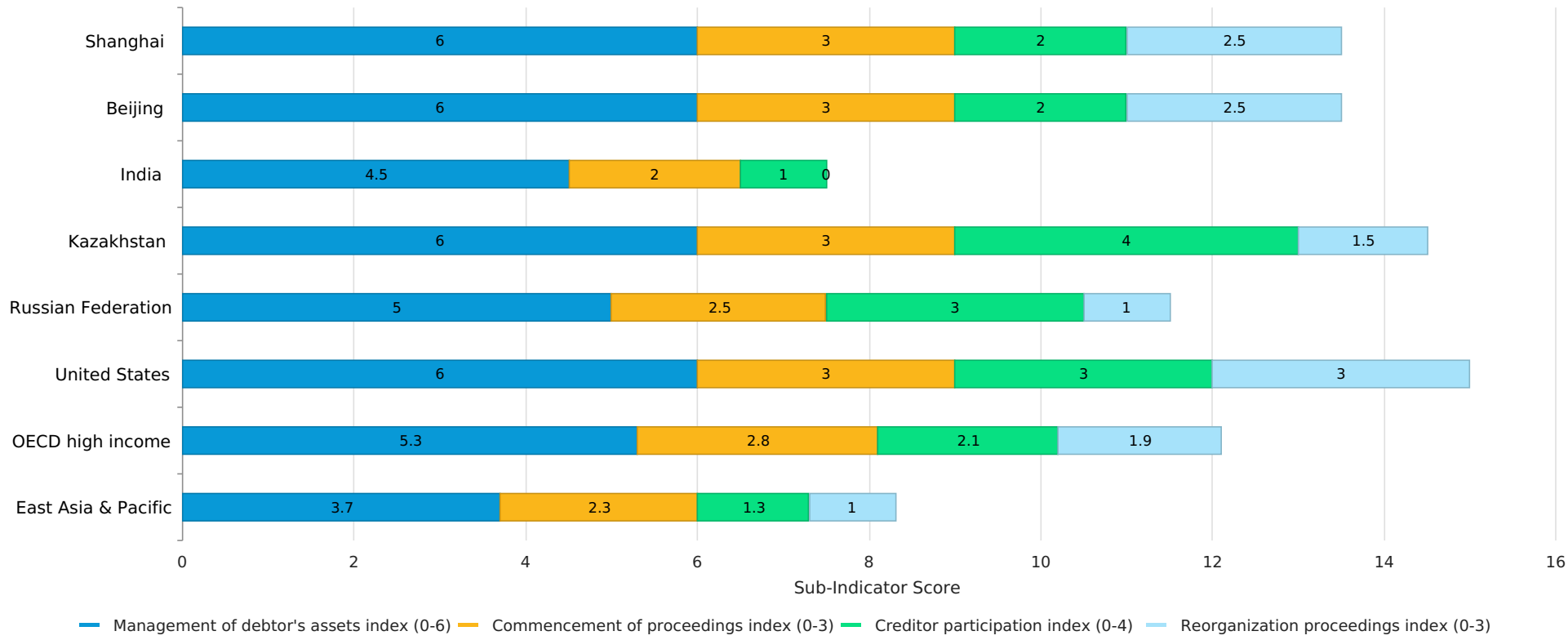
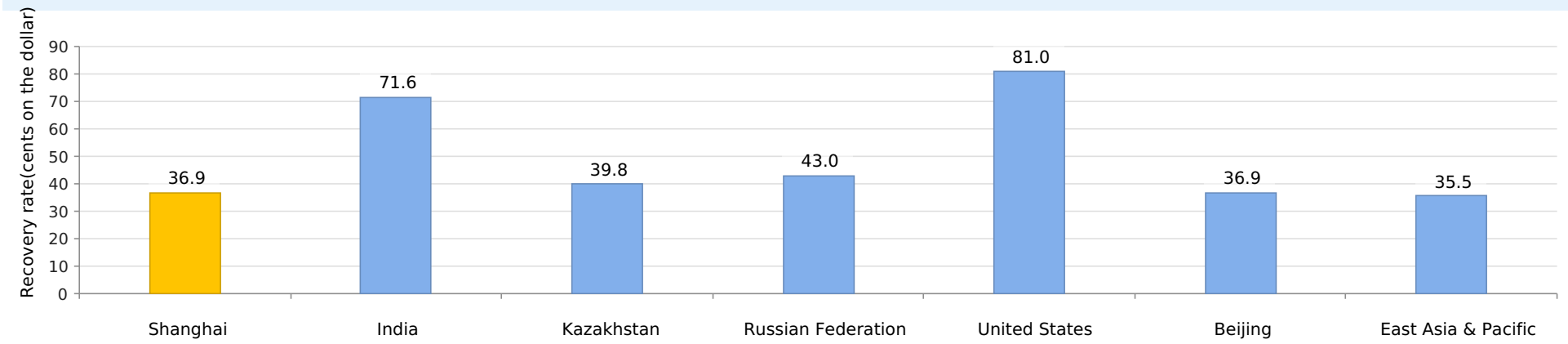


Figure – Resolving Insolvency in Shanghai and comparator economies – Measure of Quality



Note: Even if the economy's legal framework includes provisions related to insolvency proceedings (liquidation or reorganization), the economy receives 0 points for the strength of insolvency framework index, if time, cost and outcome indicators are recorded as "no practice."

Figure – Resolving Insolvency in Shanghai and comparator economies – Recovery Rate



Details – Resolving Insolvency in Shanghai

Indicator	Answer	Score
Proceeding	liquidation (after an attempt at reorganization)	Mirage initiates reorganization pursuant to art. 70 of the Enterprise Insolvency Law after the default on payment. If the business operations and financial position continue to deteriorate and there is no hope of revival, upon request by BizBank, the court shall rule that the reorganization procedure should be terminated and shall declare the debtor bankrupt and convert into liquidation proceeding. During the liquidation proceeding, the Court will appoint a bankruptcy administrator who will hold creditor's meeting, finalize the list of creditors' claims and draft a distribution plan. Once the distribution plan gets approved by the Court, Mirage's assets will be sold piecemeal in a public auction and the sale proceeds will be paid to BizBank.
Outcome	piecemeal sale	No, the hotel will stop operating and Mirage assets will be sold piecemeal in a public auction, conducted by the insolvency administrator appointed by the Court, as a result of liquidation proceedings.
Time (in years)	1.7	A reorganization procedure that is then converted into liquidation will approximately take 1.67 years in total. According to the PRC Enterprise Bankruptcy law, the reorganization plan must be approved by the creditors within 180 days from commencement of reorganization proceedings (this is the maximum period for which the individual actions are stayed). In practice, it will takes about 8 months to prepare the creditors list, draft and vote the plan, which would be rejected under our case study assumptions. The case will then be converted into liquidation, taking the formal conversion and the organization and execution of the sale 1 additional year (until the proceeds of the sale are finally distributed among creditors).
Cost (% of estate)	22.0	The costs associated with the case would amount to approximately 22% of the value of the debtor's estate (CNY 3,500,688). The total cost include the court fees (0.5%), attorney's fees (5%-10%), cost of notification and publication (1%), insolvency representative fees (5-10%),fees of accountants, assessors, inspectors and other professionals (7%), fees of auctioneers (1-5%), and fees of service providers and/or government levies (5%).
Recovery rate (cents on the dollar)		36.9

Details – Resolving Insolvency in Shanghai – Measure of Quality

	Answer	Score
Strength of insolvency framework index (0-16)		**13.5**
Commencement of proceedings index (0-3)		**3.0**
What procedures are available to a DEBTOR when commencing insolvency proceedings?	(a) Debtor may file for both liquidation and reorganization	1.0
Does the insolvency framework allow a CREDITOR to file for insolvency of the debtor?	(a) Yes, a creditor may file for both liquidation and reorganization	1.0
What basis for commencement of the insolvency proceedings is allowed under the insolvency framework? (a) Debtor is generally unable to pay its debts as they mature (b) The value of debtor's liabilities exceeds the value of its assets	(a) Debtor is generally unable to pay its debts as they mature	1.0
Management of debtor's assets index (0-6)		**6.0**
Does the insolvency framework allow the continuation of contracts supplying essential goods and services to the debtor?	Yes	1.0
Does the insolvency framework allow the rejection by the debtor of overly burdensome contracts?	Yes	1.0
Does the insolvency framework allow avoidance of preferential transactions?	Yes	1.0
Does the insolvency framework allow avoidance of undervalued transactions?	Yes	1.0
Does the insolvency framework provide for the possibility of the debtor obtaining credit after commencement of insolvency proceedings?	Yes	1.0
Does the insolvency framework assign priority to post-commencement credit?	(b) Yes over ordinary unsecured creditors but not over secured creditors	1.0
Reorganization proceedings index (0-3)		**2.5**
Which creditors vote on the proposed reorganization plan?	(a) All creditors	0.5
Does the insolvency framework require that dissenting creditors in reorganization receive at least as much as what they would obtain in a liquidation?	Yes	1.0
Are the creditors divided into classes for the purposes of voting on the reorganization plan, does each class vote separately and are creditors in the same class treated equally?	Yes	1.0
Creditor participation index (0-4)		**2.0**
Does the insolvency framework require approval by the creditors for selection or appointment of the insolvency representative?	No	0.0
Does the insolvency framework require approval by the creditors for sale of substantial assets of the debtor?	No	0.0
Does the insolvency framework provide that a creditor has the right to request information from the insolvency representative?	Yes	1.0
Does the insolvency framework provide that a creditor has the right to object to decisions accepting or rejecting creditors' claims?	Yes	1.0

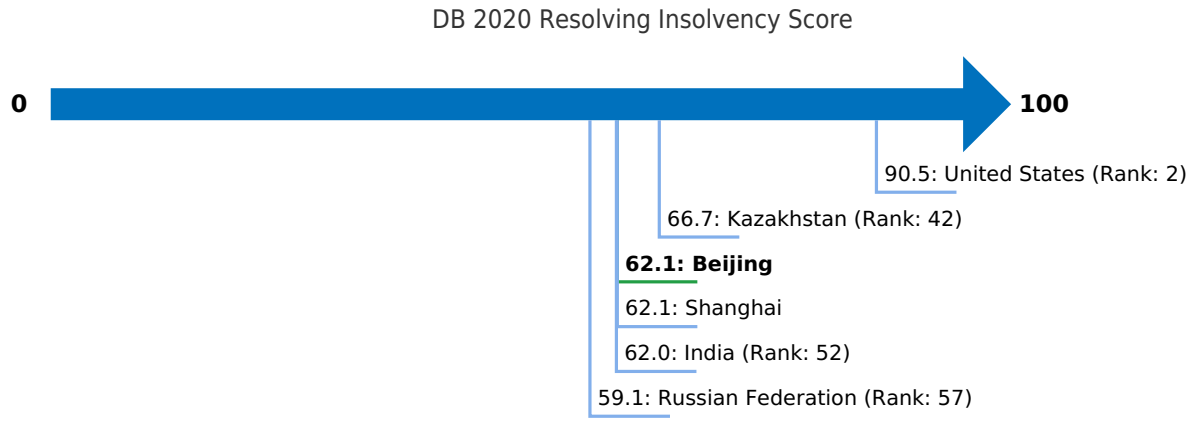
Note: Even if the economy's legal framework includes provisions related to insolvency proceedings (liquidation or reorganization), the economy receives 0 points for the strength of insolvency framework index, if time, cost and outcome indicators are recorded as "no practice."

Resolving Insolvency - Beijing

Indicator	Beijing	East Asia & Pacific	OECD high income	Best Regulatory Performance
Recovery rate (cents on the dollar)	36.9	35.5	70.2	92.9 (Norway)
Time (years)	1.7	2.6	1.7	0.4 (Ireland)
Cost (% of estate)	22.0	20.6	9.3	1.0 (Norway)
Outcome (0 as piecemeal sale and 1 as going concern)	0	..	..	..
Strength of insolvency framework index (0-16)	13.5	7.0	11.9	None in 2018/19

Figure – Resolving Insolvency in Beijing – Score

Figure – Resolving Insolvency in Beijing and comparator economies – Ranking and Score



Note: The ranking of economies on the ease of resolving insolvency is determined by sorting their scores for resolving insolvency. These scores are the simple average of the scores for the recovery rate and the strength of insolvency framework index.

Figure - Resolving Insolvency in Beijing - Time and Cost

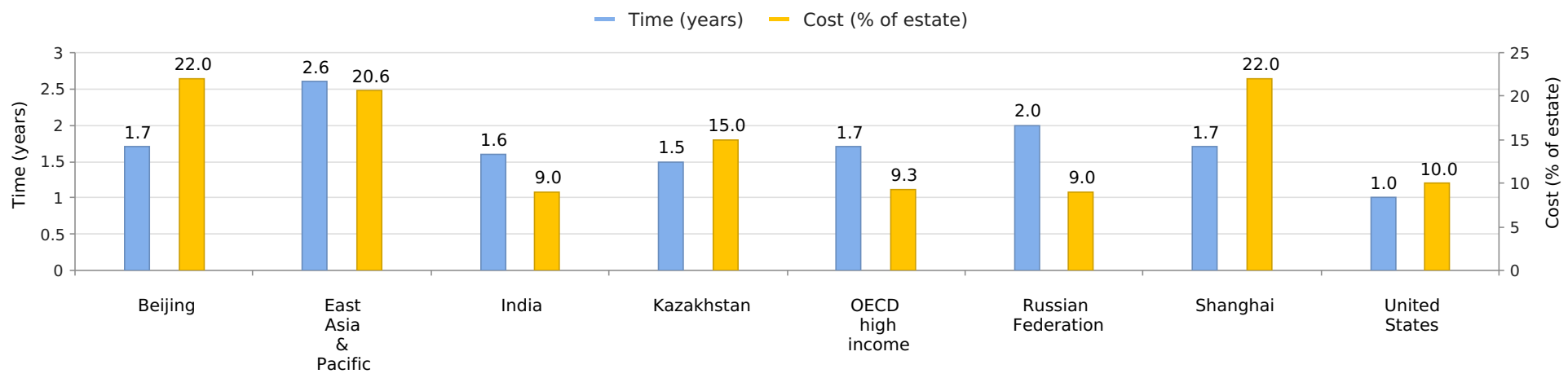
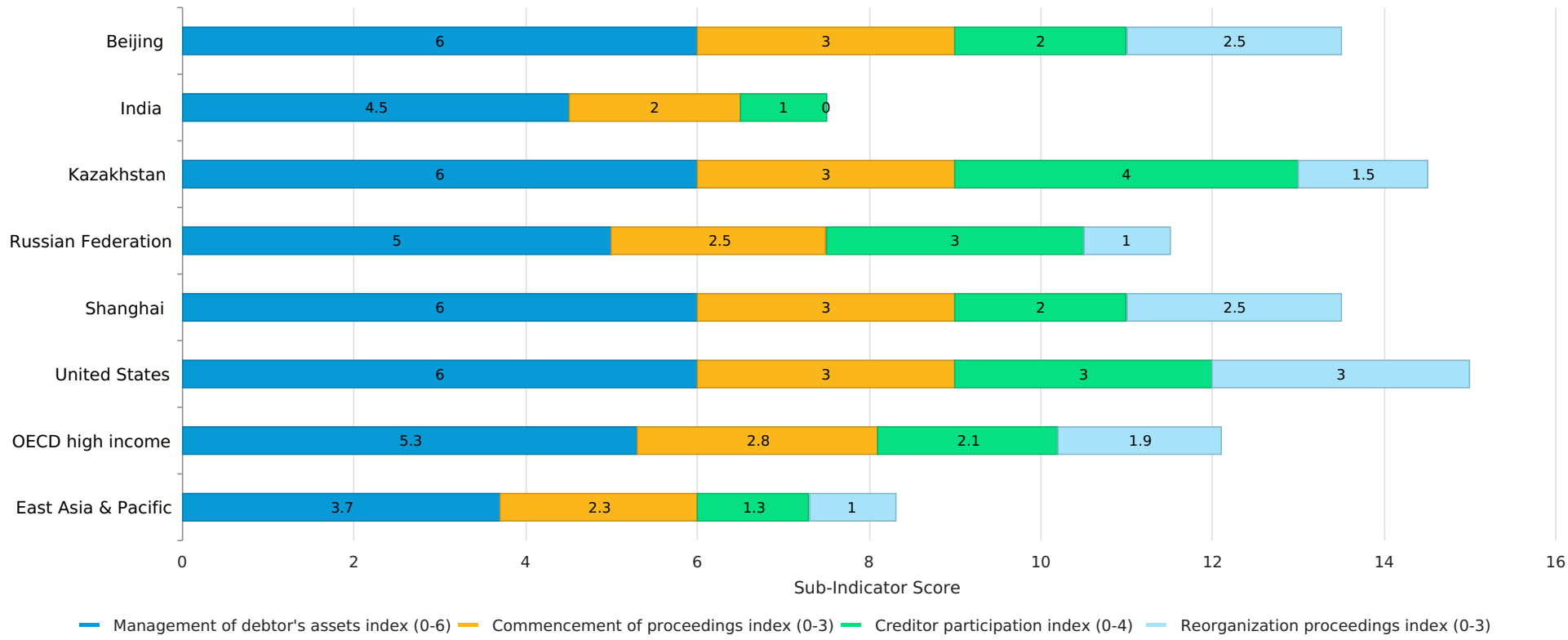
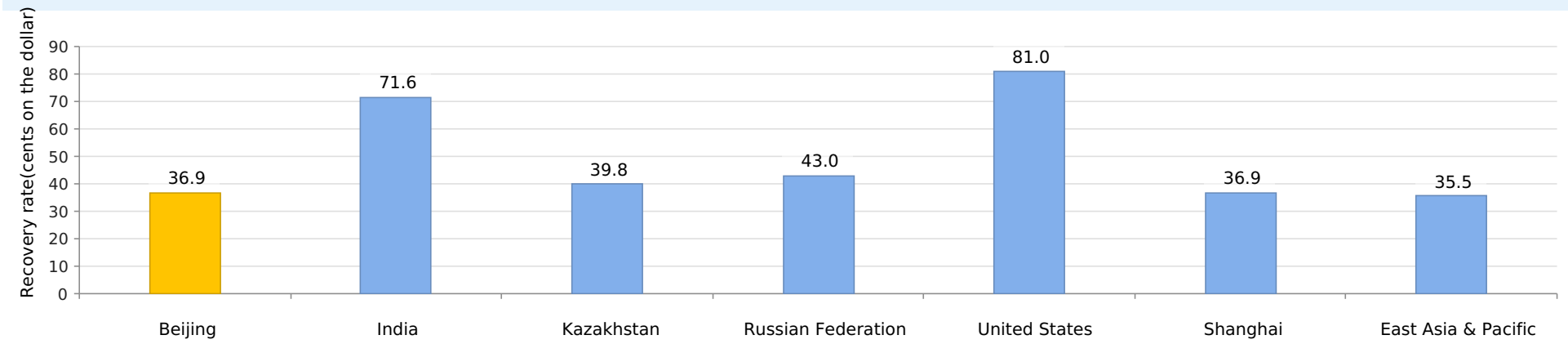


Figure – Resolving Insolvency in Beijing and comparator economies – Measure of Quality



Note: Even if the economy's legal framework includes provisions related to insolvency proceedings (liquidation or reorganization), the economy receives 0 points for the strength of insolvency framework index, if time, cost and outcome indicators are recorded as "no practice."

Figure – Resolving Insolvency in Beijing and comparator economies – Recovery Rate



Details – Resolving Insolvency in Beijing

Indicator	Answer	Score
Proceeding	liquidation (after an attempt at reorganization)	Mirage initiates reorganization pursuant to art. 70 of the Enterprise Insolvency Law after the default on payment. However, in accordance with article 75, during the restructuring period, the exercise of the security rights enjoyed over specific property of the debtor shall be suspended. So, the reorganization plan will not be approved by BizBank since its security right will be affected the most during the reorganization. Such disapproval by BizBank will lead to the termination of the reorganization procedure by the court. The court will declare Mirage bankrupt and convert the reorganization into liquidation proceedings. During the liquidation proceeding, the Court will appoint a bankruptcy administrator who will hold creditor's meeting, finalize the list of creditors' claims and draft a distribution plan. Once the distribution plan gets approved by the Court, Mirage's assets will be sold piecemeal in a public auction and the sale proceeds will be paid to BizBank.
Outcome	piecemeal sale	No, the hotel will stop operating and Mirage assets will be sold piecemeal in a public auction, conducted by the insolvency administrator appointed by the Court, as a result of liquidation proceedings.
Time (in years)	1.7	A reorganization procedure that is then converted into liquidation will approximately take 20 months in total. The court shall rule on whether or not to accept the petition within 15 days from the date of receipt of the petition. In case the court accepts the petition, it shall serve its ruling on the petitioner within five days and notify the known creditors within 25 days from the date of ruling to accept the bankruptcy petition and make an announcement. (Article 10-14, Enterprise Insolvency Law). The reorganization plan must be approved by the creditors within 180 days from commencement of reorganization proceedings (this is the maximum period for which the individual actions are stayed) (art. 79, Enterprise Insolvency Law). In practice, it will takes about 8 months to prepare the creditors list, draft and vote the plan, which would be rejected under our case study assumptions. The case will then be converted into liquidation, taking the formal conversion and the organization and execution of the sale 1 additional year (until the proceeds of the sale are finally distributed among creditors).
Cost (% of estate)	22.0	The costs associated with the case would amount to approximately 22% of the value of the Mirage's estate. The total cost include the court fees (0.5%), attorney's fee (5%-10%), cost of notification and publication (1%), insolvency representative fees (5%-10%), fees of accountant, assessors, inspector and other professionals (7%), fees of auctioneers (1%-5%), and fees of service providers and/or government levies (5%).
Recovery rate (cents on the dollar)		36.9

Details – Resolving Insolvency in Beijing – Measure of Quality

	Answer	Score
Strength of insolvency framework index (0-16)		**13.5**
Commencement of proceedings index (0-3)		**3.0**
What procedures are available to a DEBTOR when commencing insolvency proceedings?	(a) Debtor may file for both liquidation and reorganization	1.0
Does the insolvency framework allow a CREDITOR to file for insolvency of the debtor?	(a) Yes, a creditor may file for both liquidation and reorganization	1.0
What basis for commencement of the insolvency proceedings is allowed under the insolvency framework? (a) Debtor is generally unable to pay its debts as they mature (b) The value of debtor's liabilities exceeds the value of its assets	(a) Debtor is generally unable to pay its debts as they mature	1.0
Management of debtor's assets index (0-6)		**6.0**
Does the insolvency framework allow the continuation of contracts supplying essential goods and services to the debtor?	Yes	1.0
Does the insolvency framework allow the rejection by the debtor of overly burdensome contracts?	Yes	1.0
Does the insolvency framework allow avoidance of preferential transactions?	Yes	1.0
Does the insolvency framework allow avoidance of undervalued transactions?	Yes	1.0
Does the insolvency framework provide for the possibility of the debtor obtaining credit after commencement of insolvency proceedings?	Yes	1.0
Does the insolvency framework assign priority to post-commencement credit?	(b) Yes over ordinary unsecured creditors but not over secured creditors	1.0
Reorganization proceedings index (0-3)		**2.5**
Which creditors vote on the proposed reorganization plan?	(a) All creditors	0.5
Does the insolvency framework require that dissenting creditors in reorganization receive at least as much as what they would obtain in a liquidation?	Yes	1.0
Are the creditors divided into classes for the purposes of voting on the reorganization plan, does each class vote separately and are creditors in the same class treated equally?	Yes	1.0
Creditor participation index (0-4)		**2.0**
Does the insolvency framework require approval by the creditors for selection or appointment of the insolvency representative?	No	0.0
Does the insolvency framework require approval by the creditors for sale of substantial assets of the debtor?	No	0.0
Does the insolvency framework provide that a creditor has the right to request information from the insolvency representative?	Yes	1.0
Does the insolvency framework provide that a creditor has the right to object to decisions accepting or rejecting creditors' claims?	Yes	1.0

Note: Even if the economy's legal framework includes provisions related to insolvency proceedings (liquidation or reorganization), the economy receives 0 points for the strength of insolvency framework index, if time, cost and outcome indicators are recorded as "no practice."

Employing Workers

Doing Business presents detailed data for the employing workers indicators on the *Doing Business* website (http://www.doingbusiness.org). The study does not present rankings of economies on these indicators or include the topic in the aggregate ease of doing business score or ranking on the ease of doing business.

The most recent round of data collection was completed in May 2019. See the methodology for more information.

What the indicators measure

Hiring
(i) whether fixed-term contracts are prohibited for permanent tasks; (ii) maximum cumulative duration of fixed-term contracts; (iii) length of the maximum probationary period; (iv) minimum wage;(v) ratio of minimum wage to the average value added per worker.

Working hours
(i) maximum number of working days allowed per week; (ii) premiums for work: at night, on a weekly rest day and overtime; (iii) whether there are restrictions on work at night, work on a weekly rest day and for overtime work; (iv) length of paid annual leave.

Redundancy rules
(i) whether redundancy can be basis for terminating workers; (ii) whether employer needs to notify and/or get approval from third party to terminate 1 redundant worker and a group of 9 redundant workers; (iii) whether the law requires employer to reassign or retrain a worker before making worker redundant; (iv) whether priority rules apply for redundancies and reemployment.

Redundancy cost
(i) notice period for redundancy dismissal; (ii) severance payments, and (iii) penalties due when terminating a redundant worker. Data on the availability of unemployment protection for a worker with one year of employment is also collected.

Case study assumptions

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 grocery store, age 19, with one year of work experience.
- 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).
- 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.
- Has 60 employees.
- 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.

Employing Workers - Shanghai

Details – Employing Workers in Shanghai

	Answer
Hiring	
Fixed-term contracts prohibited for permanent tasks?	No
Maximum length of a single fixed-term contract (months)	No limit
Maximum length of fixed-term contracts, including renewals (months)	No limit
Minimum wage applicable to the worker assumed in the case study (US$/month)	364.5
Ratio of minimum wage to value added per worker	0.3
Maximum length of probationary period (months)	6.0
Working hours	
Standard workday	8.0
Maximum number of working days per week	6.0
Premium for night work (% of hourly pay)	34.0
Premium for work on weekly rest day (% of hourly pay)	100.0
Premium for overtime work (% of hourly pay)	50.0
Restrictions on night work?	No
Restrictions on weekly holiday?	No
Restrictions on overtime work?	No
Paid annual leave for a worker with 1 year of tenure (working days)	5.0
Paid annual leave for a worker with 5 years of tenure (working days)	5.0
Paid annual leave for a worker with 10 years of tenure (working days)	10.0
Paid annual leave (average for workers with 1, 5 and 10 years of tenure, in working days)	6.7
Redundancy rules	
Dismissal due to redundancy allowed by law?	Yes
Third-party notification if one worker is dismissed?	Yes
Third-party approval if one worker is dismissed?	No
Third-party notification if nine workers are dismissed?	Yes
Third-party approval if nine workers are dismissed?	No
Retraining or reassignment obligation before redundancy?	Yes
Priority rules for redundancies?	Yes
Priority rules for reemployment?	Yes
Redundancy cost	
Notice period for redundancy dismissal for a worker with 1 year of tenure (weeks of salary)	4.3
Notice period for redundancy dismissal for a worker with 5 years of tenure (weeks of salary)	4.3
Notice period for redundancy dismissal for a worker with 10 years of tenure (weeks of salary)	4.3
Notice period for redundancy dismissal (average for workers with 1, 5 and 10 years of tenure, in weeks of salary)	4.3
Severance pay for redundancy dismissal for a worker with 1 year of tenure (weeks of salary)	4.3
Severance pay for redundancy dismissal for a worker with 5 years of tenure (weeks of salary)	21.7

Severance pay for redundancy dismissal for a worker with 10 years of tenure (weeks of salary)	43.3
Severance pay for redundancy dismissal (average for workers with 1, 5 and 10 years of tenure, in weeks of salary)	23.1
Unemployment protection after one year of employment?	Yes

Employing Workers - Beijing

Details – Employing Workers in Beijing

	Answer
Hiring	
Fixed-term contracts prohibited for permanent tasks?	No
Maximum length of a single fixed-term contract (months)	No limit
Maximum length of fixed-term contracts, including renewals (months)	No limit
Minimum wage applicable to the worker assumed in the case study (US$/month)	311.6
Ratio of minimum wage to value added per worker	0.3
Maximum length of probationary period (months)	6.0
Working hours	
Standard workday	8.0
Maximum number of working days per week	6.0
Premium for night work (% of hourly pay)	0.0
Premium for work on weekly rest day (% of hourly pay)	100.0
Premium for overtime work (% of hourly pay)	50.0
Restrictions on night work?	No
Restrictions on weekly holiday?	No
Restrictions on overtime work?	No
Paid annual leave for a worker with 1 year of tenure (working days)	5.0
Paid annual leave for a worker with 5 years of tenure (working days)	5.0
Paid annual leave for a worker with 10 years of tenure (working days)	10.0
Paid annual leave (average for workers with 1, 5 and 10 years of tenure, in working days)	6.7
Redundancy rules	
Dismissal due to redundancy allowed by law?	Yes
Third-party notification if one worker is dismissed?	Yes
Third-party approval if one worker is dismissed?	No
Third-party notification if nine workers are dismissed?	Yes
Third-party approval if nine workers are dismissed?	No
Retraining or reassignment obligation before redundancy?	Yes
Priority rules for redundancies?	Yes
Priority rules for reemployment?	Yes
Redundancy cost	
Notice period for redundancy dismissal for a worker with 1 year of tenure (weeks of salary)	4.3
Notice period for redundancy dismissal for a worker with 5 years of tenure (weeks of salary)	4.3
Notice period for redundancy dismissal for a worker with 10 years of tenure (weeks of salary)	4.3
Notice period for redundancy dismissal (average for workers with 1, 5 and 10 years of tenure, in weeks of salary)	4.3
Severance pay for redundancy dismissal for a worker with 1 year of tenure (weeks of salary)	4.3
Severance pay for redundancy dismissal for a worker with 5 years of tenure (weeks of salary)	21.7

Severance pay for redundancy dismissal for a worker with 10 years of tenure (weeks of salary)	43.3
Severance pay for redundancy dismissal (average for workers with 1, 5 and 10 years of tenure, in weeks of salary)	23.1
Unemployment protection after one year of employment?	Yes

Business Reforms in China

From May 2, 2018 to May 1, 2019, 115 economies implemented 294 business regulatory reforms across the 10 areas measured by Doing Business. Reforms inspired by *Doing Business* have been implemented by economies in all regions. The following are reforms implemented since *Doing Business* 2008.

✓ =*Doing Business* reform making it easier to do business. ✕ = Change making it more difficult to do business.

DB2020

✓ **Starting a Business:** China (Beijing) made starting a business easier by fully integrating the obtention of company seals into the one-stop shop.

✓ **Dealing with Construction Permits:** China made obtaining building permits easier by simplifying the requirements for low-risk construction projects and by reducing the time to get water and drainage connections. China also made construction safer by imposing stricter qualification requirements for professionals in charge of technical inspections and verifying architectural plans as well as differentiated building quality supervision schemes. This reform applies to both Beijing and Shanghai.

✓ **Getting Electricity:** China made getting electricity easier by streamlining the application process. China also increased the transparency of electricity tariff changes. This reform applies to both Beijing and Shanghai.

✓ **Protecting Minority Investors:** China strengthened minority investors protections by by imposing liability on controlling shareholders for unfair related-party transactions and clarifying ownership and control structures. This reform applies to both Beijing and Shanghai.

✓ **Paying Taxes:** China made paying taxes easier by implementing a preferential corporate income tax rate for small enterprises, reducing the value added tax rate for certain industries and enhancing the electronic filing and payment system. This reform applies to Beijing and Shanghai.

✓ **Trading across Borders:** China made exporting and importing easier by implementing advance cargo declaration, upgrading port infrastructure, optimizing customs administration and publishing fee schedules. This reform applies to both Beijing and Shanghai.

✓ **Enforcing Contracts:** China made enforcing contracts easier by regulating the maximum number of adjournments that can be granted and limiting adjournments to unforeseen and exceptional circumstances. This reform applies to both Beijing and Shanghai. China (Shanghai) made enforcing contracts easier by publishing court performance measurement and progress reports.

✓ **Resolving Insolvency:** China made resolving insolvency easier by providing rules for post-commencement credit priority and increasing the participation of creditors in insolvency proceedings. This reform applies to both Beijing and Shanghai.

DB2019

✓ **Starting a Business:** China made starting a business easier by launching online company registrations and by simplifying social security registrations. This reform applies to both Beijing and Shanghai.

✓ **Dealing with Construction Permits:** China streamlined the process of obtaining the building permit, the certificate of completion and registering new buildings with the real estate registry. It also improved its building quality control by introducing stricter qualification requirements for professionals in the construction industry and improving public access to information. This reform applies to both Beijing and Shanghai.

✓ **Getting Electricity:** China made getting electricity easier in Beijing and Shanghai by expanding network capacity so that all connections of power loads of 160kW or less are now made directly to the low voltage network, for which the connection process is carried out entirely by the utility free of charge. The time to obtain an electricity connection was also reduced thanks to the rollout of a new mobile application for customers.

✓ **Registering Property:** China made registering property easier by streamlining administrative procedures and by increasing the reliability and transparency of its land administration system. This reform applies to both Beijing and Shanghai.

✓ **Protecting Minority Investors:** China strengthened minority investor protections by increasing shareholders' rights and role in major corporate decisions, clarifying ownership and control structures, and requiring reimbursement of legal expenses incurred by shareholders.

✓ **Paying Taxes:** China made paying taxes easier by abolishing the business tax, allowing for joint filing and payment of all stamp duties and by implementing several administrative reforms to lower the compliance time. These reforms apply to both Beijing and Shanghai. Beijing also made paying taxes less costly by reducing the housing fund rate paid by the employer.

✓ **Trading across Borders:** China reduced the time and cost to export and import by implementing a single window, eliminating administrative charges, increasing transparency and encouraging competition. These reforms apply to both Beijing and Shanghai.

DB2018

✓ **Starting a Business:** China made starting a business easier by streamlining registration procedures. This reform applies to both Beijing and Shanghai.

✓ **Paying Taxes:** China made paying taxes easier by introducing several measures for easing compliance.

DB2017

✓ **Starting a Business:** China made starting a business easier by introducing a single form to obtain a business license, organization code and tax registration. This reform applies to both Shanghai and Beijing.

✓ **Getting Credit:** China improved access to credit information by starting to report payment histories from utility companies and providing credit scores to banks and financial institutions. This reform applies to both Shanghai and Beijing.

✓ **Enforcing Contracts:** China made enforcing contracts easier by introducing an online platform that allows lawyers to manage cases electronically. This reform applies to Beijing.

DB2016

✓ **Paying Taxes:** China made paying taxes less costly for companies in Shanghai by reducing the social security contribution rate.

DB2015

✓ **Starting a Business:** China made starting a business easier by eliminating both the minimum capital requirement and the requirement to obtain a capital verification report from an auditing firm. This reform applies to both Beijing and Shanghai.

✓ **Paying Taxes:** China made paying taxes easier for companies by enhancing the electronic system for filing and paying taxes and adopting new communication channels within its taxpayer service, changes applying to both Beijing and Shanghai. In addition, China made paying taxes less costly for companies in Shanghai by reducing the social security contribution rate.

DB2014

✓ **Getting Credit:** China improved its credit information system by introducing credit information industry regulations, which guarantee borrowers' right to inspect their data.

✓ **Enforcing Contracts:** China made enforcing contracts easier by amending its civil procedure code to streamline and speed up all court proceedings.

DB2013

✓ **Starting a Business:** China made starting a business less costly by exempting micro and small companies from paying several administrative fees from January 2012 to December 2014.

✓ **Dealing with Construction Permits:** China simplified the process of obtaining a construction permit by streamlining and centralizing preconstruction approvals.

DB2011

✓ **Paying Taxes:** China's new corporate income tax law unified the tax regimes for domestic and foreign enterprises and clarified the calculation of taxable income for corporate income tax purposes.

DB2010

✓ **Trading across Borders:** China made trading across borders easier by relaxing trade credit restrictions.

DB2009

✓ **Getting Credit:** China strengthened its secured transactions system through a new property law expanding the range of assets that can be used as collateral, now including accounts receivable and a changing pool of assets.

✓ **Paying Taxes:** China made paying taxes easier and less costly for companies by unifying the criteria and accounting methods for tax deductions and by reducing the corporate income tax rate.

✓ **Enforcing Contracts:** China strengthened its contract enforcement system by tightening the rules on enforcement of judgments so as to limit the ways in which debtors can hide assets and escape enforcement.

Employing Workers: China established paid annual leave and introduced priority rules for redundancy dismissals or layoffs.

DB2008

✓ **Dealing with Construction Permits:** China reduced delays in dealing with construction permits by introducing electronic processing of applications for building permits and allowing construction companies to apply for safety certificates online.

✓ **Getting Credit:** China strengthened its secured transactions system through a new law entitling secured creditors to priority in payment.

✓ **Resolving Insolvency:** China enhanced its insolvency process through a new enterprise bankruptcy law introducing reorganization procedures, allowing for the formation of creditors' committees, granting rights to secured creditors and establishing a role for professional bankruptcy administrators.

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