

Economy Profile  
Bangladesh

# Doing Business 2020

Comparing Business  
Regulation in  
**190** Economies



WORLD BANK GROUP

## Economy Profile of Bangladesh

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

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


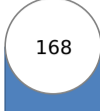
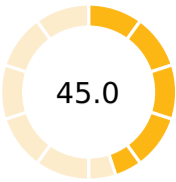
*Doing Business* captures several important dimensions of the regulatory environment as it applies to local firms. It provides quantitative indicators on regulation for starting a business, dealing with construction permits, getting electricity, registering property, getting credit, protecting minority 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.

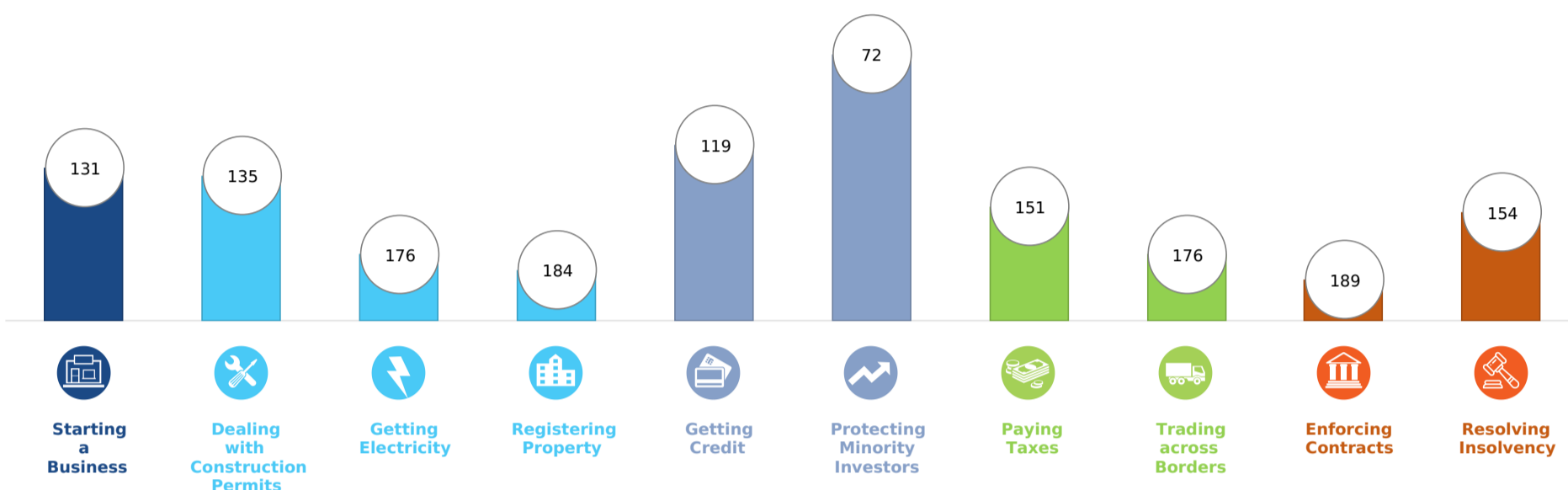
In addition, *Doing Business* offers detailed [subnational studies](#), which exhaustively cover business regulation and reform in different cities and regions within a nation. These studies provide data on the ease of doing business, rank each location, and recommend reforms to improve performance in 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](http://doingbusiness.org)

Ease of Doing Business in <b>Bangladesh</b> 	<b>Region</b>	South Asia	<b>DB RANK</b>	<b>DB SCORE</b>
	<b>Income Category</b>	Lower middle income	 168	 45.0
	<b>Population</b>	161,356,039		
	<b>City Covered</b>	Dhaka, Chittagong		

Rankings on Doing Business topics - Bangladesh



Topic Scores



<b>Starting a Business</b> (rank) 131 Score of starting a business (0-100) 82.4 Procedures (number) 9 Time (days) 19.5 Cost (number) 8.7 Paid-in min. capital (% of income per capita) 0.0	<b>Getting Credit</b> (rank) 119 Score of getting credit (0-100) 45.0 Strength of legal rights index (0-12) 5 Depth of credit information index (0-8) 4 Credit registry coverage (% of adults) 5.2 Credit bureau coverage (% of adults) 0.0	<b>Trading across Borders</b> (rank) 176 Score of trading across borders (0-100) 31.8 <i>Time to export</i> Documentary compliance (hours) 147 Border compliance (hours) 168 <i>Cost to export</i> Documentary compliance (USD) 225 Border compliance (USD) 408 <i>Time to export</i> Documentary compliance (hours) 144 Border compliance (hours) 216 <i>Cost to export</i> Documentary compliance (USD) 370 Border compliance (USD) 900
<b>Dealing with Construction Permits</b> (rank) 135 Score of dealing with construction permits (0-100) 61.1 Procedures (number) 16 Time (days) 274 Cost (% of warehouse value) 1.6 Building quality control index (0-15) 10.0	<b>Protecting Minority Investors</b> (rank) 72 Score of protecting minority investors (0-100) 60.0 Extent of disclosure index (0-10) 6.0 Extent of director liability index (0-10) 7.0 Ease of shareholder suits index (0-10) 7.0 Extent of shareholder rights index (0-6) 4.0 Extent of ownership and control index (0-7) 3.0 Extent of corporate transparency index (0-7) 3.0	<b>Enforcing Contracts</b> (rank) 189 Score of enforcing contracts (0-100) 22.2 Time (days) 1,442 Cost (% of claim value) 66.8 Quality of judicial processes index (0-18) 7.5
<b>Getting Electricity</b> (rank) 176 Score of getting electricity (0-100) 34.9 Procedures (number) 9 Time (days) 125 Cost (% of income per capita) 1,745.8 Reliability of supply and transparency of tariff index (0-8) 0	<b>Paying Taxes</b> (rank) 151 Score of paying taxes (0-100) 56.1 Payments (number per year) 33 Time (hours per year) 435 Total tax and contribution rate (% of profit) 33.4 Postfiling index (0-100) 44.4	<b>Resolving Insolvency</b> (rank) 154 Score of resolving insolvency (0-100) 28.1 Recovery rate (cents on the dollar) 29.1 Time (years) 4.0 Cost (% of estate) 8.0 Outcome (0 as piecemeal sale and 1 as going concern) 0 Strength of insolvency framework index (0-16) 4.0
<b>Registering Property</b> (rank) 184 Score of registering property (0-100) 29.0 Procedures (number) 8 Time (days) 271 Cost (% of property value) 7.1 Quality of the land administration index (0-30) 6.5		

## 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	Case study assumptions
<p><b>Procedures to legally start and formally operate a company (number)</b></p> <ul style="list-style-type: none"> <li>• Preregistration (for example, name verification or reservation, notarization)</li> <li>• Registration in the economy's largest business city</li> <li>• Postregistration (for example, social security registration, company seal)</li> <li>• Obtaining approval from spouse to start a business or to leave the home to register the company</li> <li>• Obtaining any gender specific document for company registration and operation or national identification card</li> </ul> <p><b>Time required to complete each procedure (calendar days)</b></p> <ul style="list-style-type: none"> <li>• Does not include time spent gathering information</li> <li>• Each procedure starts on a separate day (2 procedures cannot start on the same day)</li> <li>• Procedures fully completed online are recorded as ½ day</li> <li>• Procedure is considered completed once final document is received</li> <li>• No prior contact with officials</li> </ul> <p><b>Cost required to complete each procedure (% of income per capita)</b></p> <ul style="list-style-type: none"> <li>• Official costs only, no bribes</li> <li>• No professional fees unless services required by law or commonly used in practice</li> </ul> <p><b>Paid-in minimum capital (% of income per capita)</b></p> <ul style="list-style-type: none"> <li>• Funds deposited in a bank or with third party before registration or up to 3 months after incorporation</li> </ul>	<p>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.</p> <p><b>The business:</b></p> <ul style="list-style-type: none"> <li>-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.</li> <li>-Operates in the economy's largest business city. For 11 economies the data are also collected for the second largest business city.</li> <li>-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.</li> <li>-Does not qualify for investment incentives or any special benefits.</li> <li>-Is 100% domestically owned.</li> <li>-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.</li> <li>-Is managed by one local director.</li> <li>-Has between 10 and 50 employees one month after the commencement of operations, all of them domestic nationals.</li> <li>-Has start-up capital of 10 times income per capita.</li> <li>-Has an estimated turnover of at least 100 times income per capita.</li> <li>-Leases the commercial plant or offices and is not a proprietor of real estate.</li> <li>-Has an annual lease for the office space equivalent to one income per capita.</li> <li>-Is in an office space of approximately 929 square meters (10,000 square feet).</li> <li>-Has a company deed that is 10 pages long.</li> </ul> <p><b>The owners:</b></p> <ul style="list-style-type: none"> <li>-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.</li> <li>-Are in good health and have no criminal record.</li> <li>-Are married, the marriage is monogamous and registered with the authorities.</li> <li>-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.</li> </ul>

Starting a Business - Dhaka

Standardized Company

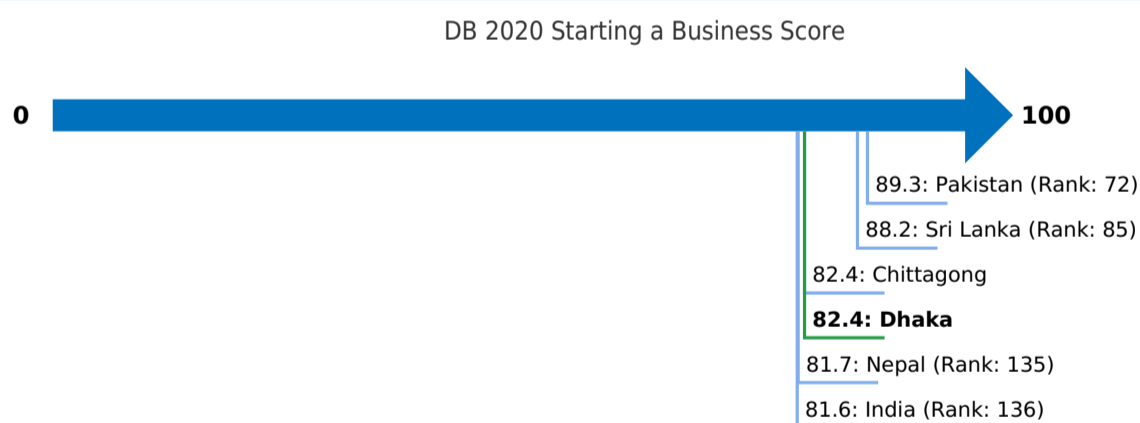
Legal form	Private Limited Liability Company
Paid-in minimum capital requirement	No minimum
City Covered	Dhaka

Indicator	Dhaka	South Asia	OECD high income	Best Regulatory Performance
Procedure - Men (number)	9	7.1	4.9	1 (2 Economies)
Time - Men (days)	19.5	14.5	9.2	0.5 (New Zealand)
Cost - Men (% of income per capita)	8.7	8.3	3.0	0.0 (2 Economies)
Procedure - Women (number)	9	7.3	4.9	1 (2 Economies)
Time - Women (days)	19.5	14.6	9.2	0.5 (New Zealand)
Cost - Women (% of income per capita)	8.7	8.3	3.0	0.0 (2 Economies)
Paid-in min. capital (% of income per capita)	0.0	0.2	7.6	0.0 (120 Economies)

Figure - Starting a Business in Dhaka - Score

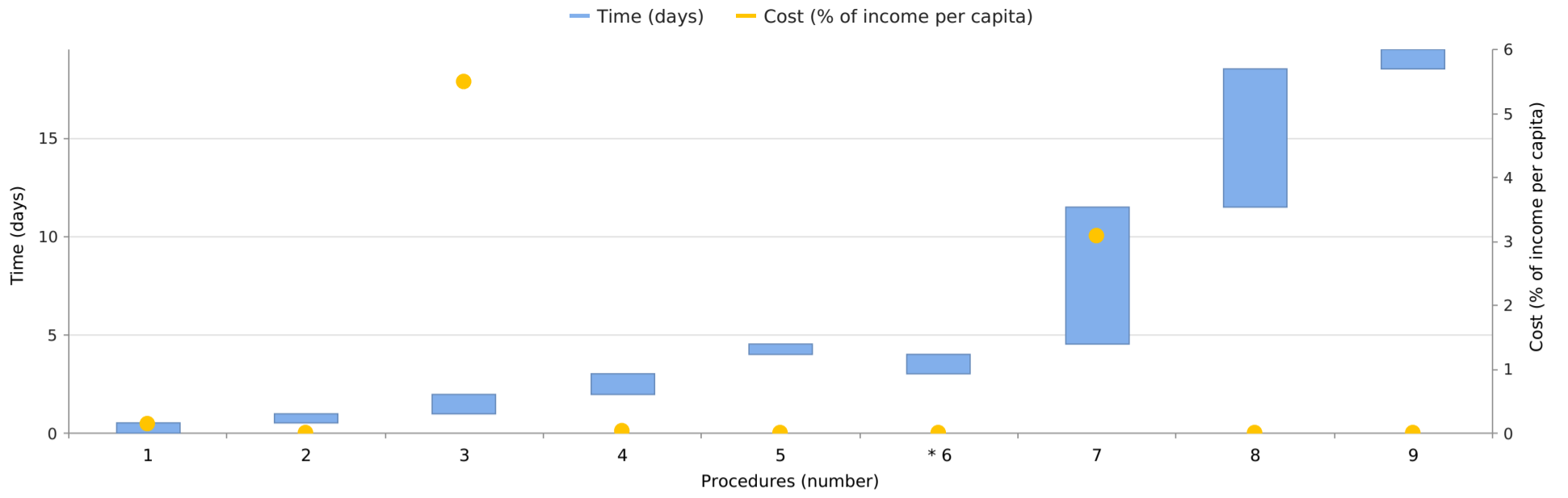


Figure - Starting a Business in Dhaka and comparator economies - Ranking and Score



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 Dhaka - 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 Dhaka - Procedure, Time and Cost

No.	Procedures	Time to Complete	Associated Costs
1	<p><b>Verify the uniqueness of the proposed company name on the website of the Registrar of Joint Stock Companies and Firms</b></p> <p><i>Agency</i> : Registrar of Joint Stock Companies and Firms</p> <p>The search for the availability of a company name was computerized in 2003. After checking that the proposed company name is available for registration, the entrepreneur then applies for name clearance through the Registrar of Joint Stock Companies and Firms (RJSC) website. The status of the application can be checked online and is usually accepted or rejected within 1 working day. If accepted, the company name is reserved for 6 months. A print out of the name clearance certificate must be submitted to the RJSC, along with the other required documents for incorporation. In addition to the BRAC Bank, the name reservation fee may be paid at the following designated banks: One Bank and Mutual Bank.</p>	Less than one day (online procedure)	BDT 200 without VAT (paid at a designated Bank)
2	<p><b>Register at the Registrar of Joint Stock Companies and Firms</b></p> <p><i>Agency</i> : Registrar of Joint Stock Companies and Firms</p> <p>To register a company, the following documents must be submitted to the registrar:</p> <p>(1) Name clearance certificate (2) Memorandum and Articles of association (3) Forms I (Declaration on the registration of the company); Form VI (Notice of the registered office); Form IX (Consent to act as directors); Form X (The list of persons consenting to act as directors); and Form XII (Particulars of the Directors, Managers, and Managing Agents)</p> <p>Once the registration application is filed, the system generates a payment slip that should be printed and paid at a designated bank. This payment slip includes the registration fees, registration filing fees, stamp duties, and certified copies fees.</p> <p>Registration fees can be calculated online at <a href="http://app.roc.gov.bd:7781/psp/fee_calculator">http://app.roc.gov.bd:7781/psp/fee_calculator</a></p>	Less than one day (online procedure)	paid in procedure 3
3	<p><b>Pay all applicable registration fees and duties at a designated bank</b></p> <p><i>Agency</i> : Designated bank</p> <p>The fees are as follows:</p> <p>i. Registration fees. For the authorized share capital of up to BDT 1,000,000, the fee is BDT 0. For the authorized capital from BDT 1,000,001 to BDT 5,000,000, the fee is BDT 50 for every BDT 10,000 or part thereof; For the authorized capital exceeding BDT 5,000,001, the fee is BDT 80 for every BDT 10,000 or part thereof.</p> <p>ii. Registration filing fees. For filing 6 documents (5 filled in forms and the memorandum &amp; articles of association, the fee is BDT 400.00 per document): BDT 2,400</p> <p>iii. Certified copies. Certified Copy MoA+Form XII+Digital Certificate: BDT 1,220</p> <p>iv. Stamp duties. BDT 4,150</p>	1 day	BDT 150 (without VAT) registration fees + BDT 2,400 (without VAT) registration filing fees + BDT 1,220 (without VAT) for the certified copies of Memorandum and Articles of Association, Form 12 and Digital Certificate + BDT 4,150 for stamp duties
4	<p><b>Make a company seal</b></p> <p><i>Agency</i> : Sealmaker</p> <p>Business founders can make a company seal at the Seal maker for BDT 30-50. A better quality seal can be more expensive at BDT 250-300.</p>	1 day	BDT 30-50
5	<p><b>Obtain a Tax Identification Number</b></p> <p><i>Agency</i> : National Board of Revenue</p> <p>In order to start business operations, every company must register for taxes at the appropriate taxation authority (Deputy Commission of Taxes of Company Circle, Zonal Taxation Department) under the National Board of Revenue (NBR) and obtain a tax identification number. Obtaining TIN number can now be done online at <a href="http://incometax.gov.bd/TINHome">http://incometax.gov.bd/TINHome</a> in less than one day.</p>	Less than one day (online procedure)	no charge
⇒ 6	<p><b>Open a Bank Account</b></p> <p><i>Agency</i> : Bank</p> <p>In order to register for VAT, the company must first open a bank account.</p>	1 day (simultaneous with previous procedure)	no charge
7	<p><b>Obtain a trade license</b></p> <p><i>Agency</i> : City Corporation</p> <p>Companies obtain a trade license from the City Corporation. Recently, the City Corporation (Dhaka) was divided into 2 zones: the North Zone and the South Zone. The company has to file its application at the nearest City Corporation.</p> <p>The trade license filled-in application form must be accompanied by the following documents:</p> <p>(1) A certified copy of the memorandum and articles of association (2) A copy of the certificate of incorporation (3) Tax Identification Number certificate (4) The address and nature of business (5) A copy of the lease agreement of the registered office (6) 2 copies of Authorized Company Representative's NID or Passport</p>	1 week	BDT 4,500 without VAT



8	<p><b>Register for VAT</b>  <i>Agency</i> : National Board of Revenue  For VAT purposes, companies register with the Customs, Excise, and VAT Commission under the National Board of Revenue. The company's VAT is regulated by the Customs, VAT and Excise Department of the region in which it operates.</p> <p>When an enterprise submits a VAT Registration application to the VAT authority an application must accomplish or enclosed the following papers &amp; Documents:</p> <ul style="list-style-type: none"> <li>- Fill-up an application form.</li> <li>- Enterprise Trade License.</li> <li>- Bank Solvency Certificate.</li> <li>- Owners 02 photograph.</li> <li>- National ID/Passport copy of owners.</li> <li>- IRC/ERC if enterprise is importing and exporting.</li> <li>- Article &amp; Memorandum (if enterprise is Limited Company.)</li> <li>- TIN Certificate.</li> <li>- Location MAP of Enterprise premises.</li> </ul> <p>Application for VAT registration is submitted online at <a href="https://vat.gov.bd/sap/bc/ui5_ui5/sap/zmcf_pri/index.html#/Welcome">https://vat.gov.bd/sap/bc/ui5_ui5/sap/zmcf_pri/index.html#/Welcome</a>. However, in-person follow up is commonly required after submitting the documents online.</p>	1 week	no charge
9	<p><b>Receive physical inspection of the business premises by a government agent and after VAT registration</b>  <i>Agency</i> : National Board of Revenue  As of 2010, businesses receive physical inspection by a government agent in order to verify that the company is real - this inspection is related to VAT registration. Starting from April 15, 2019, the inspections are done after the registration.</p>	1 day	no charge

→ Takes place simultaneously with previous procedure.

Starting a Business - Chittagong

Standardized Company

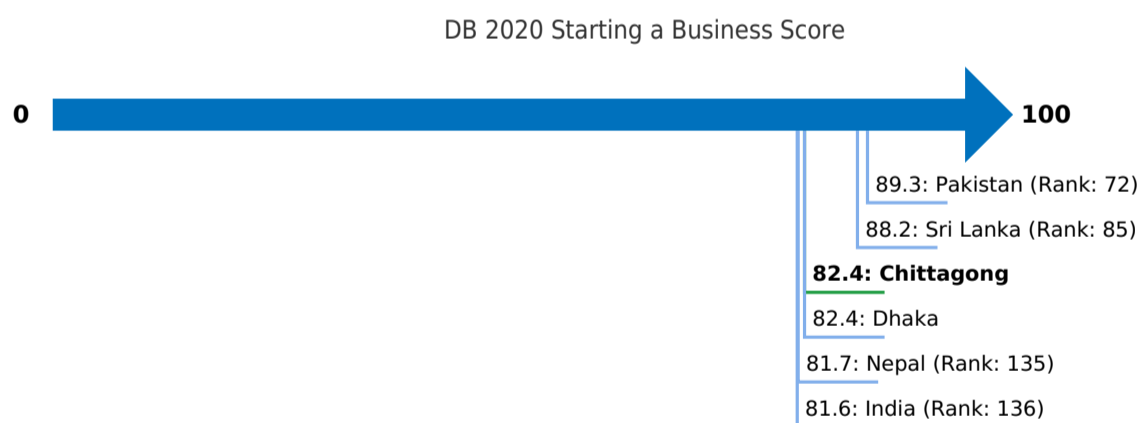
Legal form	Private Limited Liability Company
Paid-in minimum capital requirement	No minimum
City Covered	Chittagong

Indicator	Chittagong	South Asia	OECD high income	Best Regulatory Performance
Procedure - Men (number)	9	7.1	4.9	1 (2 Economies)
Time - Men (days)	19.5	14.5	9.2	0.5 (New Zealand)
Cost - Men (% of income per capita)	8.7	8.3	3.0	0.0 (2 Economies)
Procedure - Women (number)	9	7.3	4.9	1 (2 Economies)
Time - Women (days)	19.5	14.6	9.2	0.5 (New Zealand)
Cost - Women (% of income per capita)	8.7	8.3	3.0	0.0 (2 Economies)
Paid-in min. capital (% of income per capita)	0.0	0.2	7.6	0.0 (120 Economies)

Figure - Starting a Business in Chittagong - Score

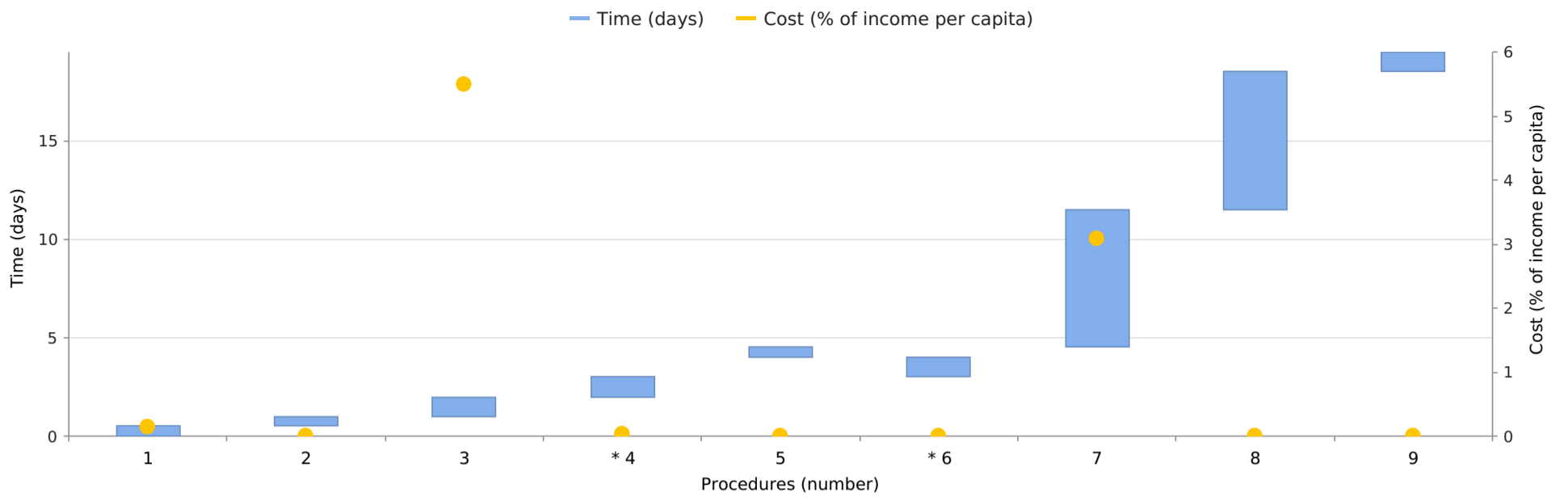


Figure - Starting a Business in Chittagong and comparator economies - Ranking and Score



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 Chittagong - 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 Chittagong - Procedure, Time and Cost

No.	Procedures	Time to Complete	Associated Costs
1	<p><b>Verify the uniqueness of the proposed company name on the website of the Registrar of Joint Stock Companies and Firms</b></p> <p><i>Agency</i> : Registrar of Joint Stock Companies and Firms</p> <p>The search for the availability of a company name was computerized in 2003. After checking that the proposed company name is available for registration, the entrepreneur then applies for name clearance through the Registrar of Joint Stock Companies and Firms (RJSC) website. The status of the application can be checked online and is usually accepted or rejected within 1 working day. If accepted, the company name is reserved for 6 months. A print out of the name clearance certificate must be submitted to the RJSC, along with the other required documents for incorporation.</p>	Less than one day (online procedure)	BDT 200 (paid at a designated Bank)
2	<p><b>Register at the Registrar of Joint Stock Companies and Firms</b></p> <p><i>Agency</i> : Registrar of Joint Stock Companies and Firms</p> <p>To register a company, the following documents must be submitted to the registrar:</p> <p>(1) Name clearance certificate (2) Memorandum and Articles of association (3) Forms I (Declaration on the registration of the company); Form VI (Notice of the registered office); Form IX (Consent to act as directors); Form X (The list of persons consenting to act as directors); and Form XII (Particulars of the Directors, Managers, and Managing Agents)</p> <p>Once the registration application is filed, the system generates a payment slip that should be printed and paid at a designated bank. This payment slip includes the registration fees, registration filing fees, stamp duties, and certified copies fees.</p> <p>Registration fees can be calculated online at <a href="http://123.49.32.37:7781/psp/fee_calculator">http://123.49.32.37:7781/psp/fee_calculator</a></p>	Less than one day (online procedure)	paid in procedure 3
3	<p><b>Pay all applicable registration fees and duties at a designated bank</b></p> <p><i>Agency</i> : Designated bank</p> <p>The fees are as follows:</p> <p>i. Registration fees. For the authorized share capital of up to BDT 1,000,000, the fee is BDT 0. For the authorized capital from BDT 1,000,001 to BDT 5,000,000, the fee is BDT 50 for every BDT 10,000 or part thereof; For the authorized capital exceeding BDT 5,000,001, the fee is BDT 80 for every BDT 10,000 or part thereof.</p> <p>ii. Registration filing fees. For filing 6 documents (5 filled in forms and the memorandum &amp; articles of association, the fee is BDT 400.00 per document): BDT 2,400</p> <p>iii. Certified copies. Certified Copy MoA+Form XII+Digital Certificate: BDT 1,220</p> <p>iv. Stamp duties. BDT 4,150</p>	1 day	BDT 150 (without VAT) registration fees + BDT 2,400 (without VAT) registration filing fees + BDT 1,220 (without VAT) for the certified copies of Memorandum and Articles of Association, Form 12 and Digital Certificate + BDT 4,150 for stamp duties
⇒ 4	<p><b>Make a company seal</b></p> <p><i>Agency</i> : Sealmaker</p> <p>Business founders can make a company seal at the Seal maker for BDT 30-50. A better quality seal can be more expensive at BDT 250-300.</p>	1 day	BDT 30-50
5	<p><b>Obtain a Tax identification number</b></p> <p><i>Agency</i> : National Board of Revenue</p> <p>In order to start business operations, every company must register for taxes at the appropriate taxation authority (Deputy Commission of Taxes of Company Circle, Zonal Taxation Department) under the National Board of Revenue (NBR) and obtain a tax identification number. Obtaining TIN number can now be done online in less than one day.</p>	Less than one day (online procedure)	no charge
⇒ 6	<p><b>Open a Bank Account</b></p> <p><i>Agency</i> : Bank</p> <p>In order to register for VAT, the company must first open a bank account.</p>	1 day (simultaneous with previous procedure)	no charge
7	<p><b>Obtain a trade license</b></p> <p><i>Agency</i> : City Corporation</p> <p>Companies obtain a trade license from the City Corporation (Chittagong). The trade license filled-in application form must be accompanied by the following documents:</p> <p>(1) A certified copy of the memorandum and articles of association (2) A copy of the certificate of incorporation (3) Tax Identification Number certificate (4) Photograph of the Managing Director (5) A copy of the lease agreement of the registered office</p>	1 week	BDT 4,500

8	<p><b>Register for VAT</b>  <i>Agency</i> : National Board of Revenue  For VAT purposes, companies register with the Customs, Excise, and VAT Commission under the National Board of Revenue. The company's VAT is regulated by the Customs, VAT and Excise Department of the region in which it operates.</p> <p>When an enterprise submits a VAT Registration application to the VAT authority an application must accomplish or enclosed the following papers &amp; Documents:</p> <ul style="list-style-type: none"> <li>- Fill-up an application form.</li> <li>- Enterprise Trade License.</li> <li>- Bank Solvency Certificate.</li> <li>- Owners 02 photograph.</li> <li>- National ID/Passport copy of owners.</li> <li>- IRC/ERC if enterprise is importing and exporting.</li> <li>- Article &amp; Memorandum (if enterprise is Limited Company.)</li> <li>- TIN Certificate.</li> <li>- Location MAP of Enterprise premises.</li> </ul> <p>Application for VAT registration is submitted online at <a href="https://vat.gov.bd/sap/bc/ui5_ui5/sap/zmcf_pri/index.html#/Welcome">https://vat.gov.bd/sap/bc/ui5_ui5/sap/zmcf_pri/index.html#/Welcome</a>. However, in-person follow up is commonly required after submitting the documents online.</p>	1 week	no charge
9	<p><b>Receive physical inspection of the business premises by a government agent after VAT registration</b>  <i>Agency</i> : National Board of Revenue  As of 2010, businesses receive physical inspection by a government agent in order to verify that the company is real - this inspection is related to VAT registration. Starting from April 15, 2019, the inspections are done after the registration.</p>	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	Case study assumptions
<p><b>Procedures to legally build a warehouse (number)</b></p> <ul style="list-style-type: none"> <li>• Submitting all relevant documents and obtaining all necessary clearances, licenses, permits and certificates</li> <li>• Submitting all required notifications and receiving all necessary inspections</li> <li>• Obtaining utility connections for water and sewerage</li> <li>• Registering and selling the warehouse after its completion</li> </ul> <p><b>Time required to complete each procedure (calendar days)</b></p> <ul style="list-style-type: none"> <li>• Does not include time spent gathering information</li> <li>• Each procedure starts on a separate day—though procedures that can be fully completed online are an exception to this rule</li> <li>• Procedure is considered completed once final document is received</li> <li>• No prior contact with officials</li> </ul> <p><b>Cost required to complete each procedure (% of income per capita)</b></p> <ul style="list-style-type: none"> <li>• Official costs only, no bribes</li> </ul> <p><b>Building quality control index (0-15)</b></p> <ul style="list-style-type: none"> <li>• Quality of building regulations (0-2)</li> <li>• Quality control before construction (0-1)</li> <li>• Quality control during construction (0-3)</li> <li>• Quality control after construction (0-3)</li> <li>• Liability and insurance regimes (0-2)</li> <li>• Professional certifications (0-4)</li> </ul>	<p>To make the data comparable across economies, several assumptions about the construction company, the warehouse project and the utility connections are used.</p> <p><b>The construction company (BuildCo):</b></p> <ul style="list-style-type: none"> <li>- 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.</li> <li>- 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.</li> <li>- Owns the land on which the warehouse will be built and will sell the warehouse upon its completion.</li> </ul> <p><b>The warehouse:</b></p> <ul style="list-style-type: none"> <li>- Will be used for general storage activities, such as storage of books or stationery.</li> <li>- 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.</li> <li>- 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.</li> <li>- Will take 30 weeks to construct (excluding all delays due to administrative and regulatory requirements).</li> </ul> <p><b>The water and sewerage connections:</b></p> <ul style="list-style-type: none"> <li>- 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.</li> <li>- 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.</li> <li>- 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.</li> </ul>

Dealing with Construction Permits - Dhaka

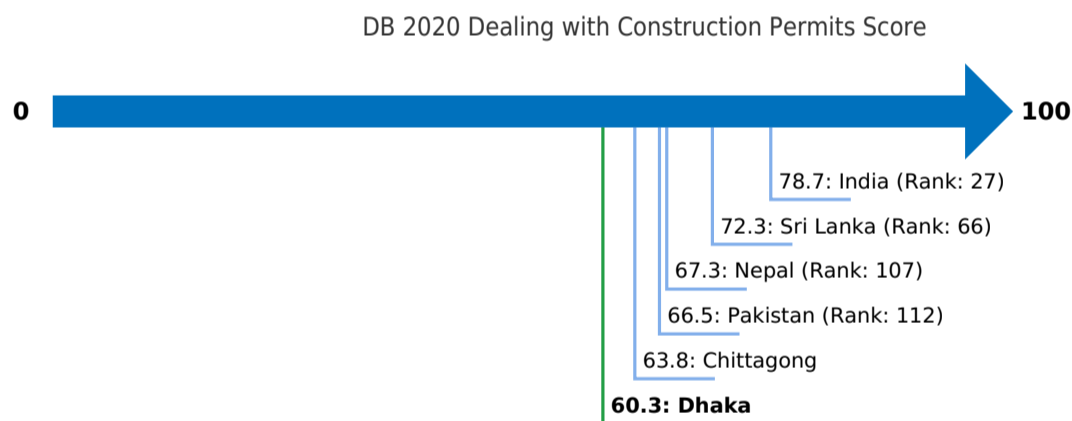
Standardized Warehouse

Estimated value of warehouse	BDT 7,300,370.40			
City Covered	Dhaka			
Indicator	Dhaka	South Asia	OECD high income	Best Regulatory Performance
Procedures (number)	16	14.6	12.7	None in 2018/19
Time (days)	281	149.7	152.3	None in 2018/19
Cost (% of warehouse value)	1.6	12.5	1.5	None in 2018/19
Building quality control index (0-15)	10.0	9.4	11.6	15.0 (6 Economies)

Figure - Dealing with Construction Permits in Dhaka - Score

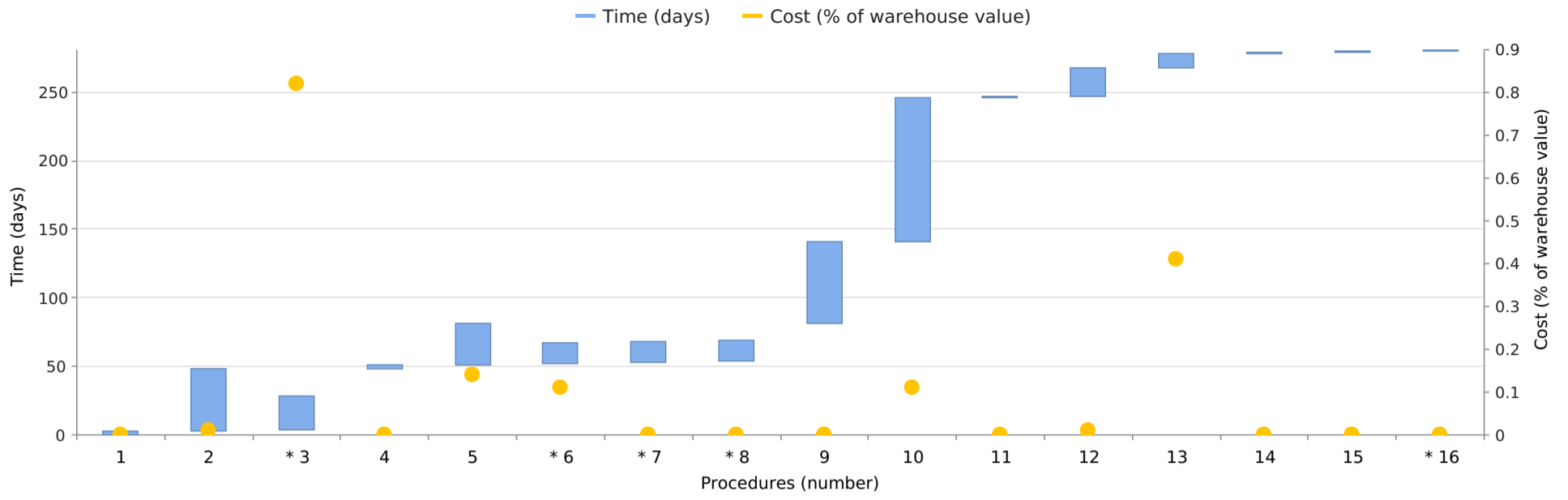


Figure - Dealing with Construction Permits in Dhaka and comparator economies - Ranking and Score



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 Dhaka - Procedure, Time and Cost

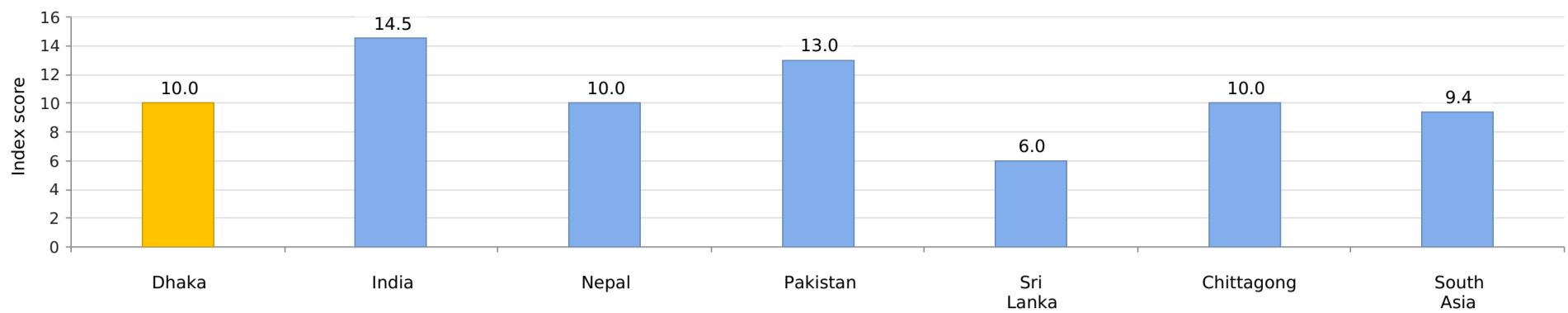


\*This symbol is shown beside procedure numbers that take place simultaneously with the previous procedure.

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 Dhaka and comparator economies - Measure of Quality



## Details - Dealing with Construction Permits in Dhaka - Procedure, Time and Cost

No.	Procedures	Time to Complete	Associated Costs
1	<p><b>Obtain cadastral survey map from Land Settlement Office</b>  <i>Agency</i> : Land Settlement Office            BuildCo needs to obtain a cadastral map from the Land Settlement office. The fee to obtain the smallest area map, equivalent to a neighborhood, is 350 Takas.</p>	3 days	BDT 350
2	<p><b>Obtain Land Use Clearance</b>  <i>Agency</i> : RAJUK (Capital Development Authority) and City Corporation            To obtain clearance, BuildCo must present proof of land ownership and the cadastral maps showing the exact site location. An anticorruption drive of the interim government of Bangladesh stemmed from massive violations of building regulations on one hand and collapse of buildings with casualties on the other hand impacted the work of some areas of construction regulation.</p>	45 days	BDT 1,000
⇒ 3	<p><b>Obtain soil test report</b>  <i>Agency</i> : Private Company            An external firm is generally hired for conducting a soil test.</p>	24 days	BDT 59,500
4	<p><b>Obtain project clearance from the local authority (Ward Commissioner, Dhaka City Corporation)</b>  <i>Agency</i> : Dhaka City Corporation            To obtain the local authority's approval, BuildCo must submit an application with the proposed design plans. The approval may take anywhere from 3 to 7 days.</p>	3 days	no charge
5	<p><b>Obtain project clearance from the Environmental Directorate</b>  <i>Agency</i> : Environmental Directorate            The Environmental Directorate of Rajuk issues three types of clearances based on the type of establishment: green (nonpolluting), orange (low polluting), and red (high polluting). To obtain a project clearance, the following documents are required, depending on the environmental category:</p> <ul style="list-style-type: none"> <li>• Approval from the Ward Commissioner, Dhaka City Corporation</li> <li>• Project profile, feasibility report, and drawings</li> <li>• Land ownership documents</li> <li>• Cadastral survey map and location map</li> <li>• Trade license (copy)</li> <li>• Registration of the Board of Investment (copy)</li> <li>• EIA/ IEE/ EMP Report</li> <li>• Fees payable to DOE</li> </ul>	30 days	BDT 10,000
⇒ 6	<p><b>Obtain fire safety clearance</b>  <i>Agency</i> : Fire Department</p>	15 days	BDT 8,000
⇒ 7	<p><b>Obtain clearance from Dhaka Electricity Supply Co (DESCO)</b>  <i>Agency</i> : Dhaka Electricity Supply Co (DESCO)            BuildCo must obtain the clearance from Dhaka Electricity Supply Co (DESCO) for the electrical plans.</p>	15 days	no charge
⇒ 8	<p><b>Obtain water and sanitation clearance</b>  <i>Agency</i> : Dhaka Water and Sewerage Authority (WASA)            The plumbing plans must be cleared by the relevant agencies.</p>	15 days	no charge
9	<p><b>Request and receive inspection from the City Development Authority (RAJUK)</b>  <i>Agency</i> : City Development Authority (RAJUK)            Before the building permit is issued, the authorized officers must visit the site to ascertain its location according to the drawings and maps. However, with only a handful of officers and a massive number of applications, it is extremely difficult to comply with the original 30-day time limit established by the government. The procedure still takes 2 -- 5 months on average.</p>	60 days	no charge

10	<p><b>Request and obtain project clearance and building permit from the City Development Authority (RAJUK)</b></p> <p><i>Agency</i> : City Development Authority (RAJUK)</p> <p>The approving panel of the City Development Authority (RAJUK) meets weekly to discuss cases. In early 2007, officials in the Ministry of Works imposed a 30-day time limit on the process. Applicants must obtain all relevant clearances, water, sanitation, electricity and a fire safety clearance certificate before applying for the building permit. Each agency that provides approval is given a 7-day time limit, but it is generally not complied with. The required documents are: (1) proof of ownership, (2) land use clearance from RAJUK, (3) clearances from Fire Department and Environment for non residential construction</p>	105 days	BDT 8,300
11	<p><b>Receive random inspection from the City Development Authority (RAJUK)</b></p> <p><i>Agency</i> : City Development Authority (RAJUK)</p> <p>According to the 2006 National Building Code, Section II, chapter 3, all inspections during construction are carried out by a structural engineer who must sign the certificate of supervision. There are one or two random inspections for an average project. However, a building officer from the City Development Authority may carry out one random inspection during construction to verify that the work is being done according to the approved plans</p>	1 day	no charge
12	<p><b>Submit notice of completion and obtain Occupancy Permit</b></p> <p><i>Agency</i> : City Development Authority (RAJUK)</p> <p>According to the 2006 National Building Code, chapter 3, section 3.3.4, the completion notice must be signed by the structural engineer who has supervised the entire construction phase. The notice of completion certifies that the building has been built in compliance with the existing regulations. The authorities may or may not inspect the building. It is only after receipt of this completion notice that the certificate of conformity can be issued.</p>	21 days	BDT 1,000
13	<p><b>Request water and sewerage connection</b></p> <p><i>Agency</i> : Dhaka Water and Sewerage Authority (WASA)</p> <p>BuildCo must first submit an application to get a new water connection from the Dhaka Water and Sewerage Authority.</p>	10 days	BDT 30,000
14	<p><b>Receive Site Inspection for Water Connection</b></p> <p><i>Agency</i> : Dhaka Water and Sewerage Authority</p> <p>A utilities inspection is required before water and sewerage connections can be approved in order to verify feasibility of connection to water grid.</p>	1 day	no charge
15	<p><b>Obtain Water Connection</b></p> <p><i>Agency</i> : Dhaka Water and Sewerage Authority</p> <p>The Dhaka Water and Sewerage Authority will install the water meter and connect the construction to the water and sewerage grid once all conditions have been met.</p>	1 day	no charge
⇒ 16	<p><b>Receive inspection by tax inspector from Dhaka City Corporation upon completion of construction</b></p> <p><i>Agency</i> : Dhaka City Corporation</p> <p>A tax inspector from the Dhaka City Corporation visits the site to assess the completed building. No appointment is necessary and there are no fees paid. The tax authority then sends the annual tax bill which will arrive 30 days later.</p>	1 day	no charge

⇒Takes place simultaneously with previous procedure.

## Details - Dealing with Construction Permits in Dhaka - Measure of Quality

	Answer	Score
<b>Building quality control index (0-15)</b>		<b>10.0</b>
<b>Quality of building regulations index (0-2)</b>		<b>2.0</b>
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
<b>Quality control before construction index (0-1)</b>		<b>1.0</b>
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; Licensed engineer.	1.0
<b>Quality control during construction index (0-3)</b>		<b>2.0</b>
What types of inspections (if any) are required by law to be carried out during construction? (0-2)	Inspections by in-house engineer; Unscheduled inspections.	1.0
Do legally mandated inspections occur in practice during construction? (0-1)	Mandatory inspections are always done in practice.	1.0
<b>Quality control after construction index (0-3)</b>		<b>3.0</b>
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, in-house engineer submits report for final inspection.	2.0
Do legally mandated final inspections occur in practice? (0-1)	Final inspection always occurs in practice.	1.0
<b>Liability and insurance regimes index (0-2)</b>		<b>0.0</b>
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)	No party is held liable under the law.	0.0
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 .	0.0
<b>Professional certifications index (0-4)</b>		<b>2.0</b>
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)	University degree in architecture or engineering; Being a registered architect or engineer; Passing a certification exam.	1.0
What are the qualification requirements for the professional who supervises the construction on the ground? (0-2)	University degree in engineering, construction or construction management; Being a registered architect or engineer.	1.0

Dealing with Construction Permits - Chittagong

Standardized Warehouse

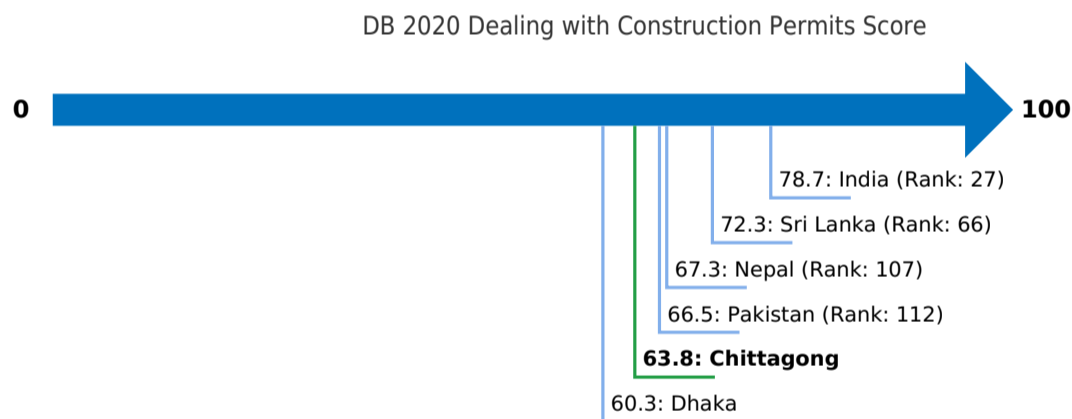
Estimated value of warehouse	BDT 7,300,370.40
City Covered	Chittagong

Indicator	Chittagong	South Asia	OECD high income	Best Regulatory Performance
Procedures (number)	15	14.6	12.7	None in 2018/19
Time (days)	247	149.7	152.3	None in 2018/19
Cost (% of warehouse value)	1.5	12.5	1.5	None in 2018/19
Building quality control index (0-15)	10.0	9.4	11.6	15.0 (6 Economies)

Figure - Dealing with Construction Permits in Chittagong - Score

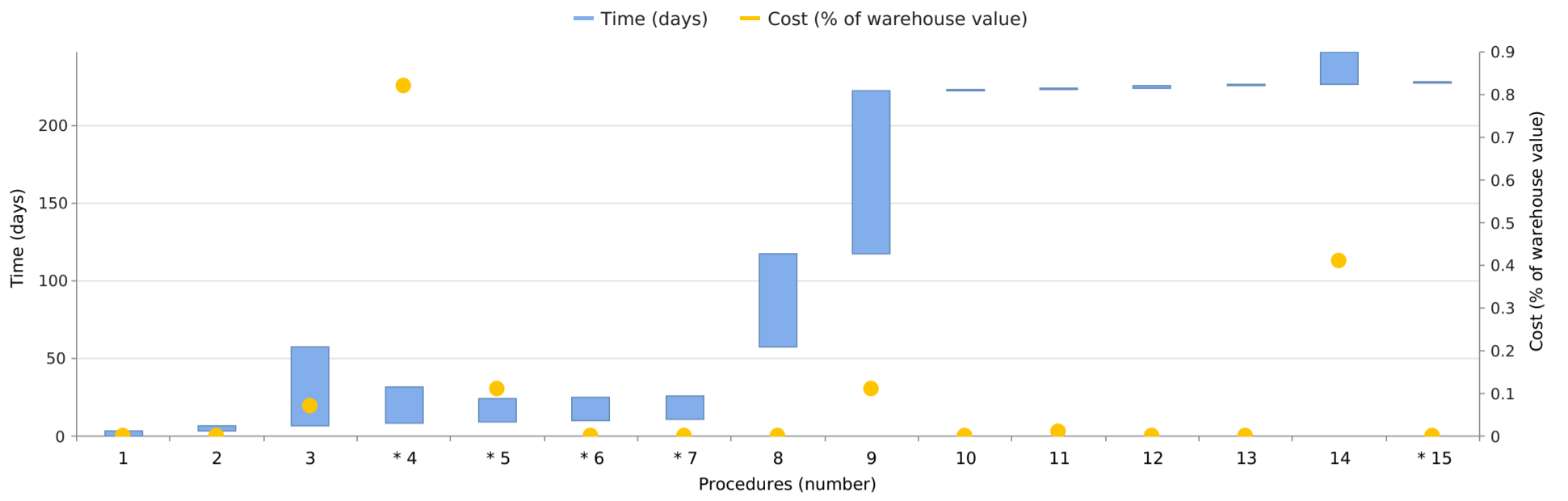


Figure - Dealing with Construction Permits in Chittagong and comparator economies - Ranking and Score



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.

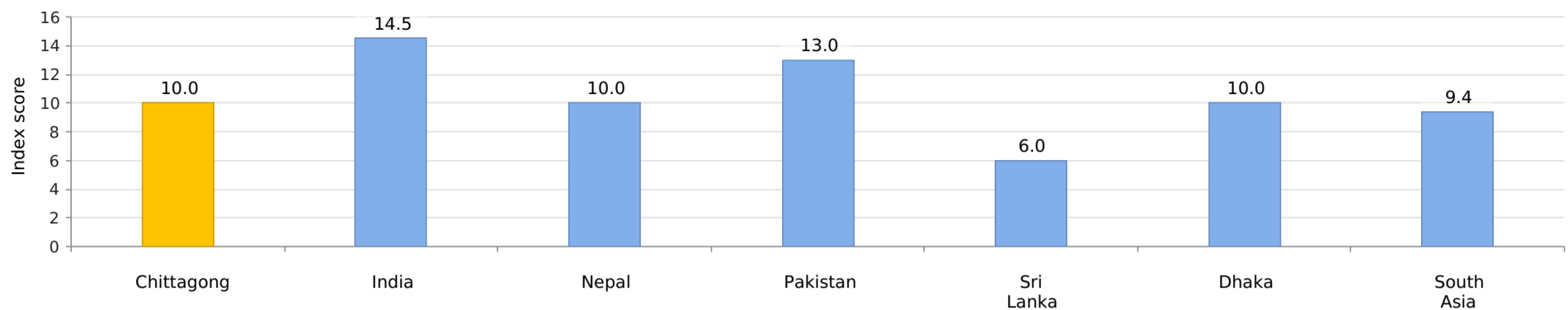
Figure - Dealing with Construction Permits in Chittagong - Procedure, Time and Cost



\*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 Chittagong and comparator economies - Measure of Quality



## Details - Dealing with Construction Permits in Chittagong - Procedure, Time and Cost

No.	Procedures	Time to Complete	Associated Costs
1	<b>Obtain cadastral survey map and proof of ownership from Land Records Department</b> <i>Agency</i> : Land Records Department BuildCo needs to obtain a cadastral map from the Land Settlement office. The fee to obtain the smallest area map, equivalent to a neighborhood, is 350 Takas.	3 days	BDT 350
2	<b>Obtain project approval from Ward Commissioner</b> <i>Agency</i> : Chittagong City Corporation Due to the location of the Doing Business case study warehouse (which would be near the port), BuildCo is required to obtain the approval of the land commissioner for the project, in addition to the building permit from the Development Authority. An application must therefore be submitted, along with the design plan.	4 days	no charge
3	<b>Obtain land use clearance (LUC) from the Chittagong Development Authority</b> <i>Agency</i> : Chittagong Development Authority (CDA) The land use clearance is obtained to ensure that the plot of land can be used for construction purposes. The applicants needs to submit documents to the Chittagong Development Authority so that officials analyze and check the request against their GIS system. If required they will visit to the premises. CDA will publish in a local newspaper approved, conditionally approved and denied requests for land use	50 days	BDT 5,000
⇒ 4	<b>Obtain soil test report</b> <i>Agency</i> : Private Company A soil test study must be obtained prior to applying for the permit. A certified company provided by the government conducts the soil test.	24 days	BDT 59,500
⇒ 5	<b>Obtain fire safety license</b> <i>Agency</i> : Fire Authority A fire safety license must be obtained from the fire authority to be compliant with the agency. This can be done while the land use clearance is being processed.	15 days	BDT 8,000
⇒ 6	<b>Obtain clearance from Bangladesh Power Development Board</b> <i>Agency</i> : Bangladesh Power Development Board BuildCo must first obtain the clearance from Bangladesh Power Development Board for the electrical plans before applying for the building permit.	15 days	no charge
⇒ 7	<b>Obtain water and sanitation clearance</b> <i>Agency</i> : Chittagong WASA The plumbing plans must be cleared by the relevant agencies.	15 days	no charge
8	<b>Request and receive inspection from the Chittagong Development Authority (CDA)</b> <i>Agency</i> : Chittagong Development Authority (CDA) The Chittagong Development Authority (CDA) will then have to inspect the land physically and make its own independent assessment. The waiting time is about 3-6 months for inspectors to visit the site because of a backlog in requests. If the inspection is satisfactory, the inspector then submits a report to the CDA for the approval of the building permit.	60 days	no charge
9	<b>Obtain building permit from the Chittagong Development Authority (CDA)</b> <i>Agency</i> : Chittagong Development Authority (CDA) BuildCo submits an application for a building permit to the Authorization Committee of CDA along with design plans, legal documents proving ownership of land, land use clearance, identification documents and fee payment receipt. It can take as long as 3-6 months from the moment a satisfactory report on the inspection is issued to the time it takes CDA to issue the building permit. There are 14 internal steps at CDA during the approval of the permit.	105 days	BDT 8,300
10	<b>Receive random inspection during construction</b> <i>Agency</i> : Chittagong Development Authority (CDA) A building officer will randomly inspect the construction site.	1 day	no charge

11	<p><b>Submit completion certificate and receive certificate of conformity</b>  <i>Agency</i> : Chittagong Development Authority (CDA)          According to the National Building Code, Chapter 3, Section 3.3.4, the completion notice must be signed by the structural engineer who has supervised the entire construction phase, certifying that the building has been built in compliance with the existing regulations. The authority may or may not conduct a final inspection of the building. It is only after receipt of this completion notice that the certificate of conformity is issued.</p>	1 day	BDT 1,000
12	<p><b>Request water connection at WASA</b>  <i>Agency</i> : Chittagong WASA          BuildCo must first submit an application to get a new water connection.</p>	1 day	no charge
13	<p><b>Receive inspection for water assessment works</b>  <i>Agency</i> : Chittagong WASA          The sales division will then visit the site and assess the feasibility of the work. If feasible, they will issue a demand note containing the cost estimate for the excavation and the pipes. If there is road crossing involved, an extra permit from the city would be required.</p>	1 day	no charge
14	<p><b>Obtain water connection</b>  <i>Agency</i> : Chittagong WASA</p>	21 days	BDT 30,000
⇒ 15	<p><b>Receive inspection by tax inspector from Chittagong City Corporation upon completion of construction</b>  <i>Agency</i> : Chittagong City Corporation          A tax inspector from the Chittagong City Corporation visits the site to assess the completed building. No appointment is necessary and there are no fees paid. The tax authority then sends the annual tax bill, which will arrive 30 days later.</p>	1 day	no charge

⇒Takes place simultaneously with previous procedure.

## Details - Dealing with Construction Permits in Chittagong - Measure of Quality

	Answer	Score
<b>Building quality control index (0-15)</b>		<b>10.0</b>
<b>Quality of building regulations index (0-2)</b>		<b>2.0</b>
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
<b>Quality control before construction index (0-1)</b>		<b>1.0</b>
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; Licensed engineer.	1.0
<b>Quality control during construction index (0-3)</b>		<b>2.0</b>
What types of inspections (if any) are required by law to be carried out during construction? (0-2)	Inspections by in-house engineer; Unscheduled inspections.	1.0
Do legally mandated inspections occur in practice during construction? (0-1)	Mandatory inspections are always done in practice.	1.0
<b>Quality control after construction index (0-3)</b>		<b>3.0</b>
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, in-house engineer submits report for final inspection.	2.0
Do legally mandated final inspections occur in practice? (0-1)	Final inspection always occurs in practice.	1.0
<b>Liability and insurance regimes index (0-2)</b>		<b>0.0</b>
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)	No party is held liable under the law.	0.0
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 .	0.0
<b>Professional certifications index (0-4)</b>		<b>2.0</b>
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)	University degree in architecture or engineering; Being a registered architect or engineer.	1.0
What are the qualification requirements for the professional who supervises the construction on the ground? (0-2)	University degree in engineering, construction or construction management; Being a registered architect or engineer.	1.0



## ⚡ 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 - Dhaka

Standardized Connection

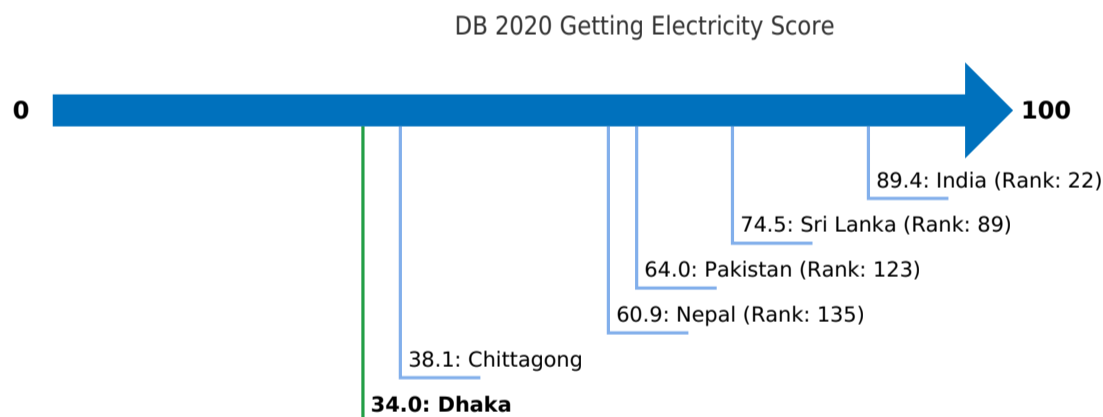
Name of utility	Dhaka Electric Supply Company Ltd. (DESCO)
Price of electricity (US cents per kWh)	9.4
City Covered	Dhaka

Indicator	Dhaka	South Asia	OECD high income	Best Regulatory Performance
Procedures (number)	9	5.5	4.4	3 (28 Economies)
Time (days)	115	86.1	74.8	18 (3 Economies)
Cost (% of income per capita)	1781.1	952.6	61.0	0.0 (3 Economies)
Reliability of supply and transparency of tariff index (0-8)	0	2.7	7.4	8 (26 Economies)

Figure - Getting Electricity in Dhaka - Score

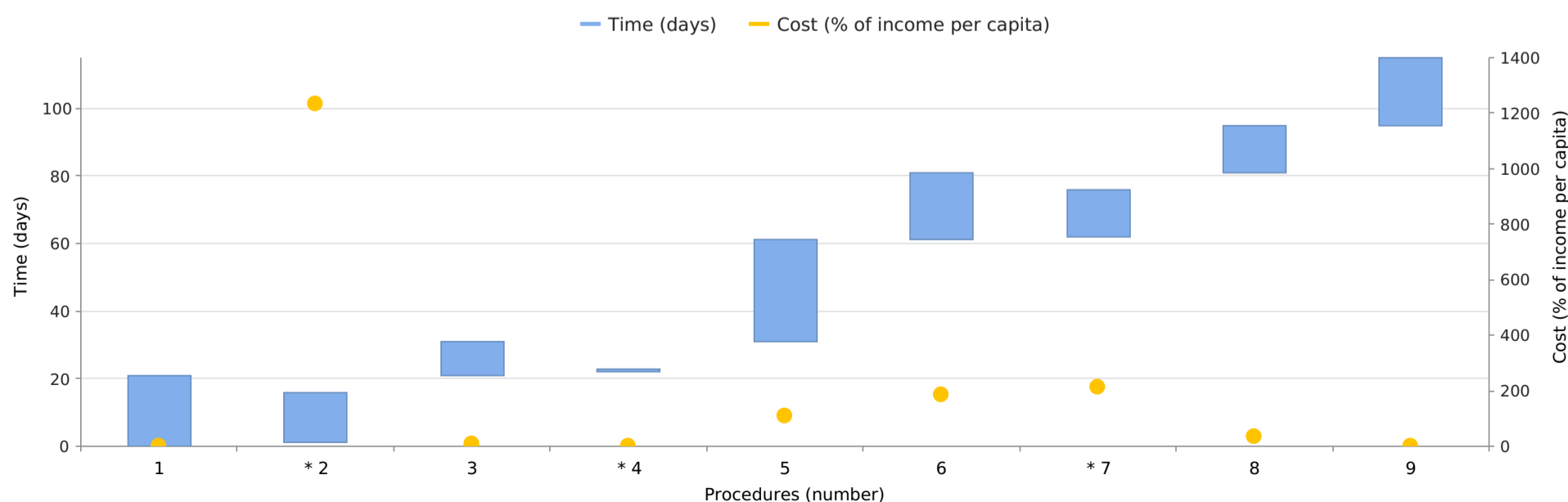


Figure - Getting Electricity in Dhaka and comparator economies - Ranking and Score



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 Dhaka - Procedure, Time and Cost

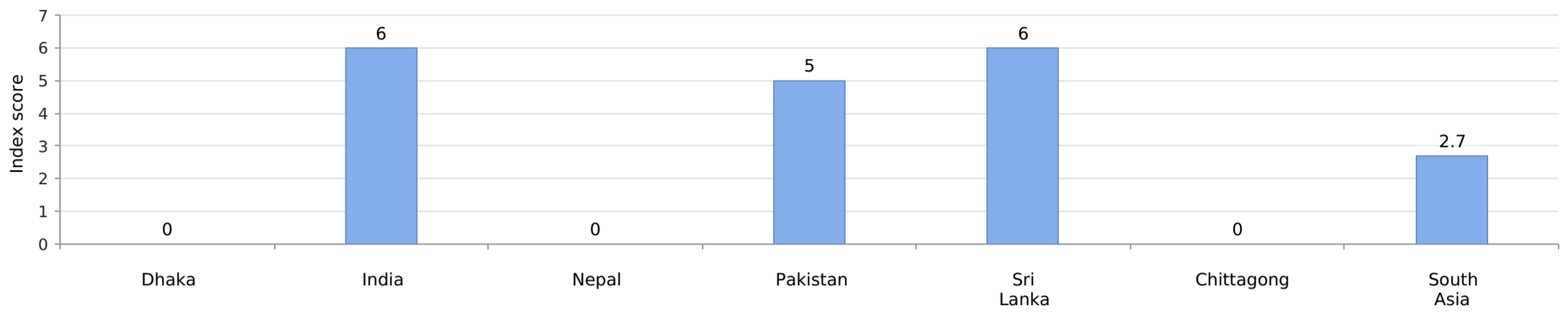


\*This symbol is shown beside procedure numbers that take place simultaneously with the previous procedure.

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 Dhaka and comparator economies - Measure of Quality**



## Details - Getting Electricity in Dhaka - Procedure, Time and Cost

No.	Procedures	Time to Complete	Associated Costs
1	<p><b>Obtain permission for installation of underground cable</b>  <i>Agency</i> : City Corporation            Once the clearance has been obtained from the City Corporation office for the excavation works, the customer must also inform the local police station for the road works</p>	21 calendar days	BDT 0
⇒ 2	<p><b>Hire electrical contracting firm to purchase substation equipment, get it tested and carry out installation and earthing</b>  <i>Agency</i> : Outside firm            All electrical equipment, the distribution transformer, etc, must be purchased and tested by the Bangladesh University of Engineering and Technology (BUET), before submitting the application for a new electricity connection to the utility. Usually, all these equipment are readily available in Dhaka.</p>	15 calendar days	BDT 1,800,000
3	<p><b>Apply for license from Electrical Licensing Board (ELB)</b>  <i>Agency</i> : Ministry of Power            This is the official clearance required in order to set up the warehouse and obtain the electrical connection (not just for internal wiring).</p> <p>Documents required</p> <ul style="list-style-type: none"> <li>• Application form</li> <li>• Technical specifications of equipment and test report</li> <li>• Land registration deed (on which warehouse is located)</li> <li>• RAJUK approval/mutation certificate</li> <li>• Fire service permission (for underground cabling)</li> <li>• Architectural approval</li> </ul>	10 calendar days	BDT 11,820
⇒ 4	<p><b>Receive an inspection from the Electrical Licensing Board (ELB)</b>  <i>Agency</i> : Electrical Licensing Board (ELB)            In order to obtain the license from the Electrical Licensing Board for the new connection, an inspection carried out by the board is completed.</p>	1 calendar day	BDT 0
5	<p><b>Submit application to Dhaka Electric Supply Company (DESCO) and await estimate</b>  <i>Agency</i> : DESCO            To submit an application, the customer must prepare the following documents:</p> <ul style="list-style-type: none"> <li>- One complete application form duly filled online, printed and signed</li> <li>- 2 passport-size photos</li> <li>- Copy of National ID/Passport</li> <li>- Land deed/copy of mutation certificate/succession certificate in case if the land owner is deceased</li> <li>- Copy of the latest paid bill if there is an existing connection in the premise (no new documents are required in such cases)</li> <li>- For high rise building (more than 10 stories), fire certificate</li> <li>- Approved plan from Rajuk/City corporation/Municipal Corporation where required</li> </ul> <p>The applicant needs to bear all the cost of 11.4kV S/S and to be connected with the nearby 11kV supply of DPDC through underground cable.</p>	30 calendar days	BDT 158,678.11
6	<p><b>Have electrical contracting firm carry out external works</b>  <i>Agency</i> : Outside firm            The customer must hire an electrical contracting firm to carry out the external works, which involves the setting up of the substation on the warehouse premises. All equipment already purchased, electrical contractor firm and builder does the site construction and installation of equipment</p>	20 calendar days	BDT 270,000
⇒ 7	<p><b>Receive installation of solar panels by private firm</b>  <i>Agency</i> : Private solar panel installation company            As per the Ministry's directive to all the utilities, all new connections with demand above 2KW will now require installation of solar panels. For domestic purposes, solar energy should meet at least 2 percent of the demand, for commercial 7 percent and for industrial 10 percent.</p>	14 calendar days	BDT 310,000
8	<p><b>Have electrical contracting firm purchase meter</b>  <i>Agency</i> : Outside firm            The meter can be collected once the estimate has been paid, and the utility sends communication to the stores department, and stores department then issues an account number, and the meter is then available for pickup.</p>	14 calendar days	BDT 50,000
9	<p><b>Receive meter testing and installation, final inspection and electricity flow</b>  <i>Agency</i> : DESCO            The utility conducts final internal as well as external inspection, tests the meter and electricity starts flowing.</p>	20 calendar days	BDT 0

⇒ Takes place simultaneously with previous procedure.

## Details - Getting Electricity in Dhaka - Measure of Quality

	Answer
<b>Reliability of supply and transparency of tariff index (0-8)</b>	0
<b>Total duration and frequency of outages per customer a year (0-3)</b>	0
System average interruption duration index (SAIDI)	..
System average interruption frequency index (SAIFI)	..
What is the minimum outage time (in minutes) that the utility considers for the calculation of SAIDI/SAIFI	N/A
<b>Mechanisms for monitoring outages (0-1)</b>	0
Does the distribution utility use automated tools to monitor outages?	No
<b>Mechanisms for restoring service (0-1)</b>	0
Does the distribution utility use automated tools to restore service?	No
<b>Regulatory monitoring (0-1)</b>	1
Does a regulator—that is, an entity separate from the utility—monitor the utility's performance on reliability of supply?	Yes
<b>Financial deterrents aimed at limiting outages (0-1)</b>	0
Does the utility either pay compensation to customers or face fines by the regulator (or both) if outages exceed a certain cap?	No
<b>Communication of tariffs and tariff changes (0-1)</b>	0
Are effective tariffs available online?	Yes
Link to the website, if available online	<a href="http://www.berc.org.bd">www.berc.org.bd</a>
Are customers notified of a change in tariff ahead of the billing cycle?	No

**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 - Chittagong

Standardized Connection

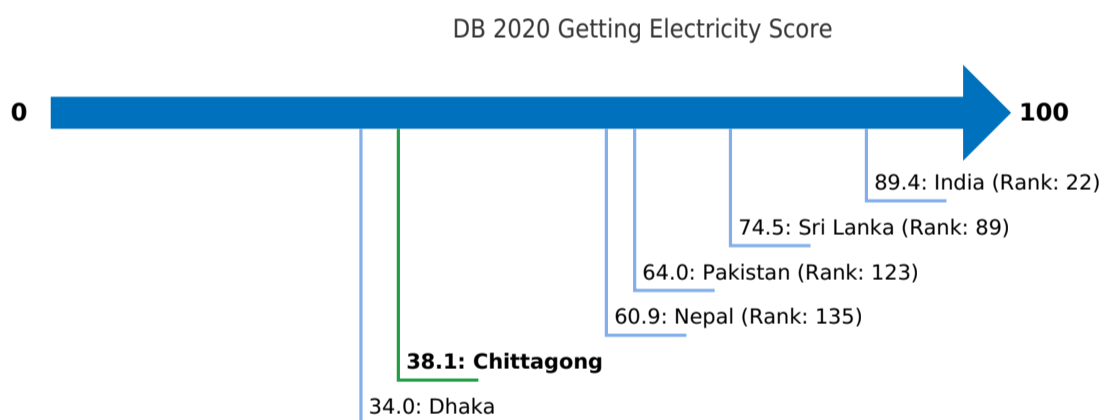
Name of utility	BPDB, Chittagong
Price of electricity (US cents per kWh)	10.9
City Covered	Chittagong

Indicator	Chittagong	South Asia	OECD high income	Best Regulatory Performance
Procedures (number)	7	5.5	4.4	3 (28 Economies)
Time (days)	158	86.1	74.8	18 (3 Economies)
Cost (% of income per capita)	1620.9	952.6	61.0	0.0 (3 Economies)
Reliability of supply and transparency of tariff index (0-8)	0	2.7	7.4	8 (26 Economies)

Figure - Getting Electricity in Chittagong - Score

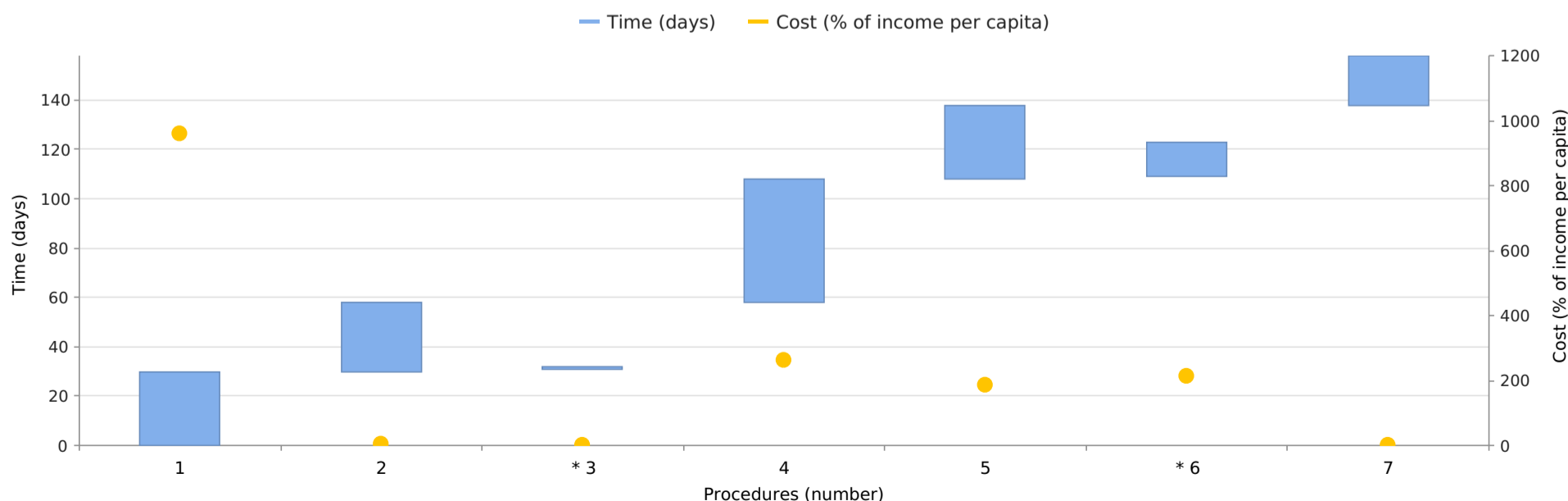


Figure - Getting Electricity in Chittagong and comparator economies - Ranking and Score



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 Chittagong - Procedure, Time and Cost

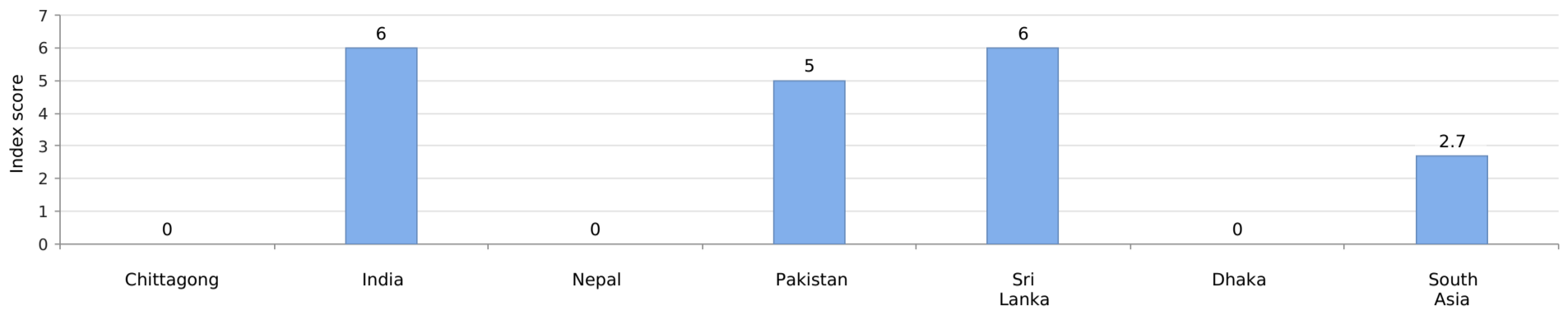


\*This symbol is shown beside procedure numbers that take place simultaneously with the previous procedure.

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 Chittagong and comparator economies - Measure of Quality**



## Details - Getting Electricity in Chittagong - Procedure, Time and Cost

No.	Procedures	Time to Complete	Associated Costs
1	<p><b>Hire electrical contracting firm to purchase substation equipment and carry out installation and earthing</b></p> <p><i>Agency</i> : Outside firm</p> <p>All electrical equipment, the distribution transformer, etc, must be purchased and tested by a testing lab before submitting the application for a new electricity connection to the utility. Usually, all these equipment are readily available in Chittagong.</p>	30 calendar days	BDT 1,400,000
2	<p><b>Apply for license from Electrical Licensing Board (ELB)</b></p> <p><i>Agency</i> : Ministry of Power, Energy and Mineral Resources</p> <p>The client must apply for the certificate of connection from the Electricity License Board. This is the official clearance required in order to set up the warehouse and obtain the electrical connection (not just for internal wiring).</p> <p>Documents required:</p> <ul style="list-style-type: none"> <li>• Application form</li> <li>• Technical specifications of equipment and test report</li> <li>• Land registration deed (on which warehouse is located)</li> <li>• CCC approval/mutation certificate</li> <li>• Fire service permission (for underground cabling)</li> <li>• Architectural approval</li> </ul>	28 calendar days	BDT 5,000
⇒ 3	<p><b>Receive an inspection from the Electrical Licensing Board (ELB)</b></p> <p><i>Agency</i> : Electrical Licensing Board (ELB)</p> <p>A customer must receive an inspection from the Electrical Licensing Board (ELB)</p>	1 calendar day	BDT 0
4	<p><b>Submit application to BPDB Chittagong and await estimate</b></p> <p><i>Agency</i> : BPDB</p> <p>List of documents to be provided with application:</p> <ul style="list-style-type: none"> <li>• Two duly certified passport size photos</li> <li>• Copy of land deed paper and copy of mutation certificate where necessary.</li> <li>• Copy of land tax payment to the municipal/union parishad.</li> <li>• Copy of the agreement paper between the landowner and developer, if building is constructed by real estate developer.</li> <li>• Design of the building, duly approved by CDA.</li> <li>• Clear location of the meter room, including the S/S in the plan, duly approved by CDA</li> <li>• Certified copy of test result on electrical equipment.</li> <li>• Copy of approved/duly certified single line diagram and earthwork diagram of the S/S</li> <li>• Copy of the layout diagram of S/S from the Office of Chief Electrical Inspector.</li> <li>• Copy of the license received from Office of Chief Electrical Inspector.</li> <li>• Detailed description of present connection status.</li> <li>• Trade license</li> <li>• Land documents</li> <li>• Copy of the last paid bills.</li> </ul> <p>2. The applicant needs to bear all the cost of 11.4kV S/S and to be connected with the nearby 11kV supply of DPDC through underground cable.</p> <p>The long duration noted for this procedure is due to the delay in the customer receiving the demand notice from the utility.</p>	50 calendar days	BDT 381,678.11
5	<p><b>Have electrical contracting firm carry out external works</b></p> <p><i>Agency</i> : Customer's electrical contracting firm</p> <p>The customer must hire an electrical contracting firm to carry out the external works, which involves the setting up of the substation on the warehouse premises. All equipment already purchased, electrical contractor firm and builder carries out the site construction and installation of equipment.</p>	30 calendar days	BDT 270,000
⇒ 6	<p><b>Receive installation of solar panels by private firm</b></p> <p><i>Agency</i> : Private solar panel installation firm</p> <p>As per the Ministry's directive to all the utilities, all new connections with demand above 2KW will now require the installation of solar panels. For domestic purposes, solar energy should meet at least 2 percent of the demand, for commercial 7 percent and for industrial 10 percent.</p>	14 calendar days	BDT 310,000
7	<p><b>Receive meter testing and installation, final inspection and electricity flow</b></p> <p><i>Agency</i> : BPDB, Chittagong</p> <p>After the installation of all electrical equipment, an authorized inspector from the ELB license board will inspect all installations and equipment. If the inspection is successful, a certificate of conformity will be issued, with an official seal. Company will then submit the ELB certificate to PDB and electricity will start flowing.</p>	20 calendar days	BDT 0

⇒ Takes place simultaneously with previous procedure.



## Details - Getting Electricity in Chittagong - Measure of Quality

	Answer
<b>Reliability of supply and transparency of tariff index (0-8)</b>	0
<b>Total duration and frequency of outages per customer a year (0-3)</b>	0
System average interruption duration index (SAIDI)	..
System average interruption frequency index (SAIFI)	..
What is the minimum outage time (in minutes) that the utility considers for the calculation of SAIDI/SAIFI	N/A
<b>Mechanisms for monitoring outages (0-1)</b>	0
Does the distribution utility use automated tools to monitor outages?	No
<b>Mechanisms for restoring service (0-1)</b>	0
Does the distribution utility use automated tools to restore service?	No
<b>Regulatory monitoring (0-1)</b>	1
Does a regulator—that is, an entity separate from the utility—monitor the utility's performance on reliability of supply?	Yes
<b>Financial deterrents aimed at limiting outages (0-1)</b>	0
Does the utility either pay compensation to customers or face fines by the regulator (or both) if outages exceed a certain cap?	No
<b>Communication of tariffs and tariff changes (0-1)</b>	0
Are effective tariffs available online?	Yes
Link to the website, if available online	<a href="http://www.berc.org.bd/index.php?id=101">http://www.berc.org.bd/index.php?id=101</a>
Are customers notified of a change in tariff ahead of the billing cycle?	No

**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.

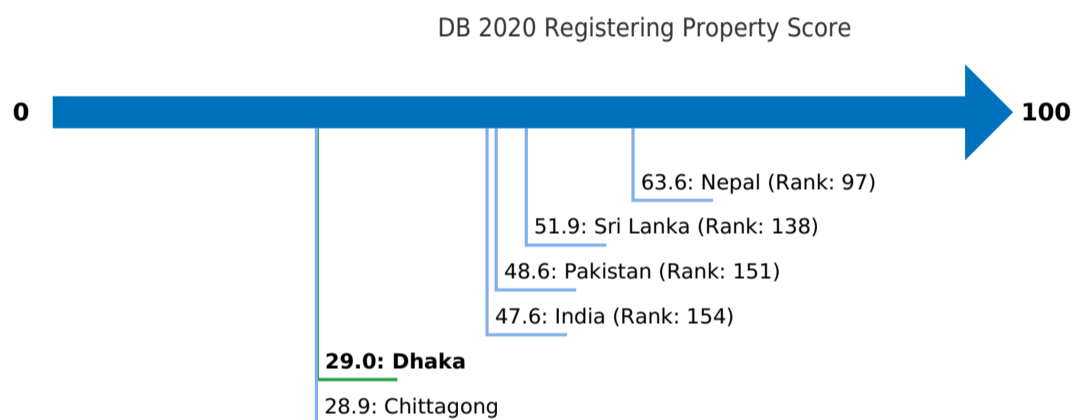
Registering Property - Dhaka

Indicator	Dhaka	South Asia	OECD high income	Best Regulatory Performance
Procedures (number)	8	6.9	4.7	1 (5 Economies)
Time (days)	264	107.8	23.6	1 (2 Economies)
Cost (% of property value)	7.1	7.0	4.2	0.0 (Saudi Arabia)
Quality of the land administration index (0-30)	6.5	9.1	23.2	None in 2018/19

Figure - Registering Property in Dhaka - Score

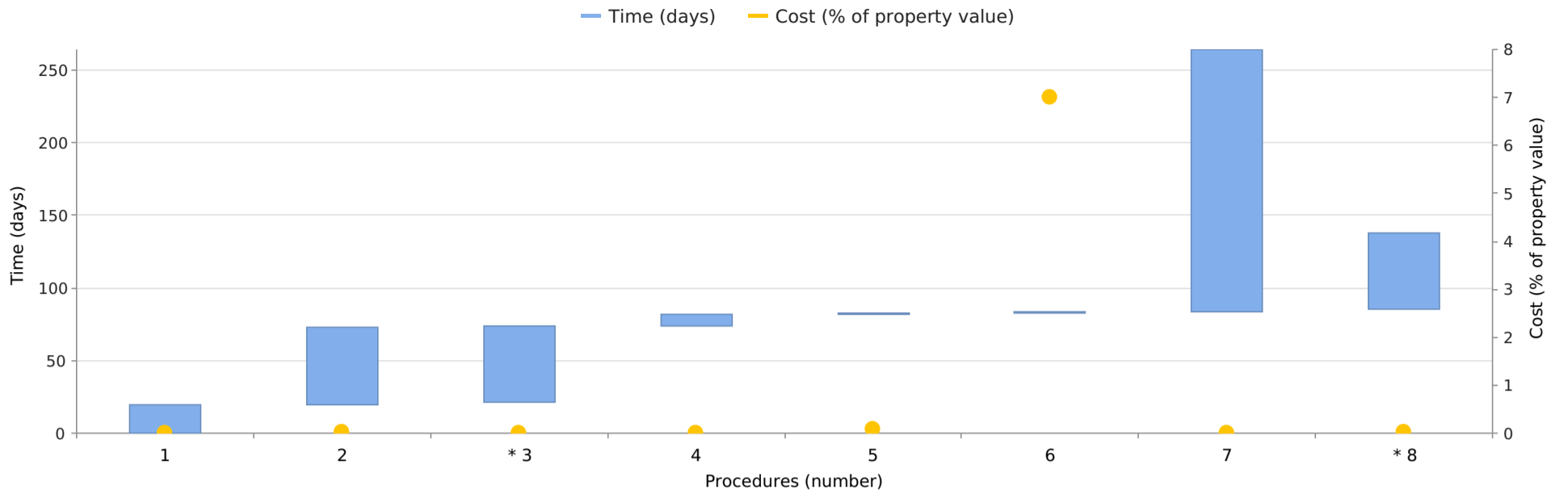


Figure - Registering Property in Dhaka and comparator economies - Ranking and Score



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.

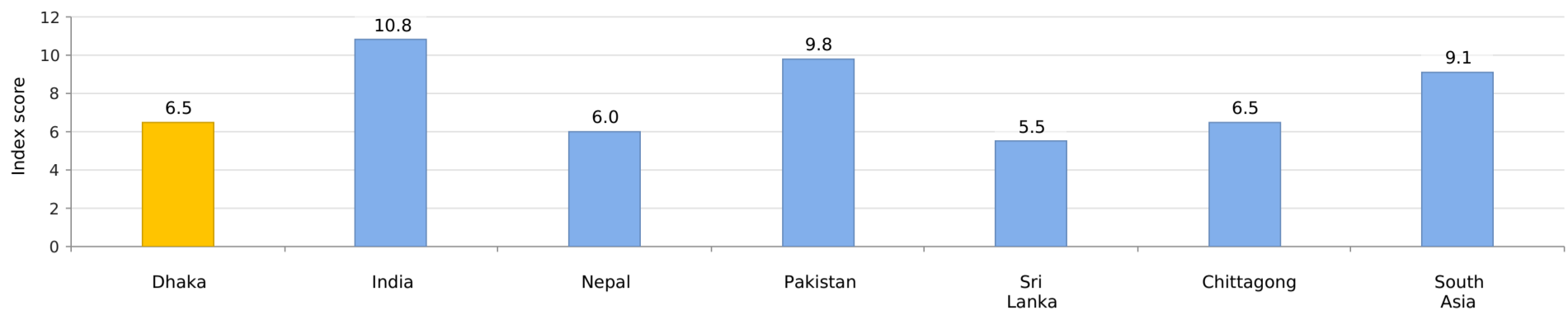
Figure - Registering Property in Dhaka - Procedure, Time and Cost



\*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 Dhaka and comparator economies - Measure of Quality



## Details - Registering Property in Dhaka - Procedure, Time and Cost

No.	Procedures	Time to Complete	Associated Costs
1	<p><b>Verifying the current Khatian (record of rights) at the Directorate of Land Records and Surveys (DLRS)</b></p> <p><i>Agency:</i> Directorate of Land Records and Surveys (DLRS)</p> <p>Various departments of two Ministries manage the core functions of land administration:</p> <p>1. The Ministry of Land (MoL): land-related activities including survey, the collection of land development tax, arbitration process. The following agencies are under the Ministry of Land:</p> <p>1.1 Directorate of Land Records and Surveys (DLRS): Conducts cadastral surveys, from which it produces mouza (revenue village) maps showing individual plots of land and khatian (individual land record certificates)</p> <p>1.2 AC (Land) Office: Manages the mutated Khatian.</p> <p>1.2.1 Tehsil office: the local administrative division that has the function of record keeping.</p> <p>2. The Ministry of Law, Justice and Parliamentary Affairs (MLJP): Records land mutation and transfers.</p> <p>2.1 The Department of Land Registration (DLR): Records land mutations arising through sale, inheritance or other forms of transfer, reports changes to the Ministry of Land, and collects the immovable property transfer tax (IPTT).</p> <p>2.2.1 Sub-registrar's office: the local administrative division that has the function of registration.</p> <p>For a property transfer, first, the company will obtain a proof of land ownership titles (called Porcha or Khatian) at the Directorate of Land Records and Surveys (DLRS). It contains the names of owners, percentages of ownership of each person, the plot number, the type of property (residential, commercial), and its size.</p> <p>However, the Khatian requested at the DLRS is not conclusive evidence of ownership, and merely provide a basis of possession at the recording time.</p>	20 days	no charge
2	<p><b>Conduct the first mutation and obtain an updated record of rights (Khatian) at the Assistant Commissioner of Lands (AC Land) - Tahsil</b></p> <p><i>Agency:</i> Assistant Commissioner of Lands (AC Land) - Tahsil</p> <p>The current land system in Bangladesh produces multiple khatians. The khatian is administered separately by the Directorate of Land Records and Surveys (DLRS), the DC Record Room, the Assistant Commissioner of Lands and the Tahsil Office. The khatian managed by DLRS may differ from the mutated khatian managed by the AC (Land) Office. In that case, if the name of the transferor is not found in the latest Khatian or his/her name is not mutated, the Sub Registrar will refuse to register the transfer deed. Therefore, it is mandatory to mutate the name of the transferor in the latest Khatian.</p> <p>The mutation is the process for updating the ownership and obtain a certificate of the land record. This certificate is one of the documents needed to register the property transfer. Typically, properties have missing information in the records, or the seller legal owner may not be correct. The interest parties will always verify with AC Land the history of ownership to see if the Khatian information is correctly corresponding to the actual land. This situation is common because, in at least 50% of cases, the records are not correct. Sometimes, due to problems caused at the AC Land Office, such as incorrectly recording names and other details of the land.</p>	53 days	BDT 1,170; (Application fee (Court fee) 20 Taka; Notice issue fee 50 Taka; Record correction fee 1000 Taka; Khatian fee 100 Taka)
⇒ 3	<p><b>Inspection of the property for updating the record of rights (Khatian) by the Assistant Commissioner of Lands (AC Land) - Tahsil</b></p> <p><i>Agency:</i> Assistant Commissioner of Lands (AC Land) - Tahsil</p> <p>The Assistant Commissioner of Lands (Tahsil) will carry a physical inspection to provide the updated record of rights (Khatian). Officials visit the plot to check if there are no irregularities, such as informal buildings, and if the size of the land plot is correct, etc.</p>	53 days	Included in Procedure 2
4	<p><b>Obtain the non-encumbrance certificate from the relevant Sub-registry office</b></p> <p><i>Agency:</i> Land Registration Directorate - Sub-registry office</p> <p>The buyer checks the legal status of the land (mortgaged or leased or ownership) at the relevant Sub-registry. From January 2012 both Sub-registry and Land Revenue Office provide non-encumbrance certificates. Sometimes a land report is required. A land report gives an idea about the current situation and ownership of the land that may include the chain of ownership, land tax, land record, registry status etc. A non-encumbrance certificate is used in property transactions as evidence of free title/ownership.</p>	8 days	BDT 150

5	<p><b>A lawyer or a deed writer draft the deed transfer</b>  <i>Agency</i> : Lawyer  In most of the cases, a lawyer or a deed writer draft the transfer deed that should be signed by the interested parties.</p>	1 day	BDT 6,000; (Lawyer fees)
6	<p><b>Pay stamp duty, capital gains tax, registration fee and other taxes at designated bank</b>  <i>Agency</i> : Designated Bank  The parties should pay all registration fees at the designated commercial bank.</p>	1 day	<p>BDT 511,365.93; (3% of the property value (stamp duties) + 2% of property value (registration fees) + 2% of property value (local government fee) + BDT 100 (endorsement fee of 100) + BDT 240 (mandatory copy)</p> <p>Per methodology, VAT and source tax (capital gains) are not recorded.)</p>
7	<p><b>Apply for registration at the relevant Sub-registry</b>  <i>Agency</i> : Land Registration Directorate - Sub-registry office  The buyer applies for registration at the Sub-registry office, presenting the following documents:</p> <ul style="list-style-type: none"> <li>- Records to prove land ownership - Porcha or Khatian - (obtained in procedure 1)</li> <li>- The mutation proof - mutated Khatian (obtained in procedure 2)</li> <li>- Certificate of non-encumbrance (obtained in procedure 4)</li> <li>- Transfer deed (obtained in procedure 5)</li> <li>- Proof of payment of fees at a bank (Obtained in procedure 6)</li> </ul> <p>A certified registration document is obtained within a week for the buyer's record. The original sale deed/certificate requires about 6 months to be obtained.</p>	180 days	Already paid in Procedure 6
⇒ 8	<p><b>Conduct second mutation to change the ownership at the Assistant Commissioner of Lands (AC Land) - Tahsil</b>  <i>Agency</i> : Assistant Commissioner of Lands (AC Land) - Tahsil  The change of ownership must be registered at the Assistant Commissioner of Lands (AC Land). The property is recorded under the name of the new owner, who is responsible for paying the land taxes from the day it is transferred.</p> <p>The purpose of the 1st mutation (procedure 1) is to update the records under the seller's name.  The purpose of the 2nd mutation (procedure 8) is to update the records under the buyer's name.</p>	53 days	<p>BDT 1,170; (Application fee (Court fee) 20 Taka; Notice issue fee 50 Taka; Record correction fee 1000 Taka; Khatian fee 100 Taka)</p>

⇒ Takes place simultaneously with previous procedure.

## Details - Registering Property in Dhaka - Measure of Quality

	Answer	Score
<b>Quality of the land administration index (0-30)</b>		<b>6.5</b>
<b>Reliability of infrastructure index (0-8)</b>		<b>0.0</b>
Type of land registration system in the economy:	Dual system (Title & Deed)	
What is the institution in charge of immovable property registration?	Sub-Registry office	
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)?	Paper	0.0
Is there a comprehensive and functional electronic database for checking for encumbrances (liens, mortgages, restrictions and the like)?	No	0.0
Institution in charge of the plans showing legal boundaries in the largest business city:	Directorate of Land Records and Survey (DLRS)	
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)?	Paper	0.0
Is there an electronic database for recording boundaries, checking plans and providing cadastral information (geographic information system)?	No	0.0
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?	Separate databases	0.0
Do the immovable property registration agency and cadastral or mapping agency use the same identification number for properties?	No	0.0
<b>Transparency of information index (0-6)</b>		<b>3.5</b>
Who is able to obtain information on land ownership at the agency in charge of immovable property registration in the largest business city?	Anyone who pays the official fee	1.0
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:	<a href="https://land.gov.bd/pages/mutation">https://land.gov.bd/pages/mutation</a>	
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:	<a href="https://land.gov.bd/pages/mutation">https://land.gov.bd/pages/mutation</a>	
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:	<a href="http://lawjusticediv.portal.gov.bd/site/page/5b23e6f0-4a9c-4e41-a97c-093e87272e59/Citizen-Charter">http://lawjusticediv.portal.gov.bd/site/page/5b23e6f0-4a9c-4e41-a97c-093e87272e59/Citizen-Charter</a>	
Is there a specific and independent mechanism for filing complaints about a problem that occurred at the agency in charge of immovable property registration?	No	0.0
Contact information:		
Are there publicly available official statistics tracking the number of transactions at the immovable property registration agency?	No	0.0
Number of property transfers in the largest business city in 2018:		
Who is able to consult maps of land plots in the largest business city?	Anyone who pays the official fee	0.5
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:	<a href="http://dlrs.gov.bd/site/page/767754cd-5340-4356-851f-210c944f5ba8/Find-Mouza-Map">http://dlrs.gov.bd/site/page/767754cd-5340-4356-851f-210c944f5ba8/Find-Mouza-Map</a>	
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:		
<b>Geographic coverage index (0-8)</b>		<b>0.0</b>
Are all privately held land plots in the largest business city formally registered at the immovable property registry?	No	0.0
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?	No	0.0
Are all privately held land plots in the economy mapped?	No	0.0
<b>Land dispute resolution index (0-8)</b>		<b>3.0</b>
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:	Part III of the Registration Act 1908	
Is the system of immovable property registration subject to a state or private guarantee?	Yes	0.5
Type of guarantee:	State guarantee	
Legal basis:	Part III of the Registration Act 1908	
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?	No	0.0
Legal basis:		
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;	
Is there a national database to verify the accuracy of government issued identity documents?	No	0.0
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?	Dhaka Joint District Judge Court	
How long does it take on average to obtain a decision from the first-instance court for such a case (without appeal)?	More than 3 years	0.0
Are there publicly available statistics on the number of land disputes at the economy level in the first instance court?	No	0.0
Number of land disputes in the economy in 2018:		
<b>Equal access to property rights index (-2-0)</b>		<b>0.0</b>
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 - Chittagong

Indicator	Chittagong	South Asia	OECD high income	Best Regulatory Performance
Procedures (number)	8	6.9	4.7	1 (5 Economies)
Time (days)	295	107.8	23.6	1 (2 Economies)
Cost (% of property value)	7.2	7.0	4.2	0.0 (Saudi Arabia)
Quality of the land administration index (0-30)	6.5	9.1	23.2	None in 2018/19

Figure - Registering Property in Chittagong - Score

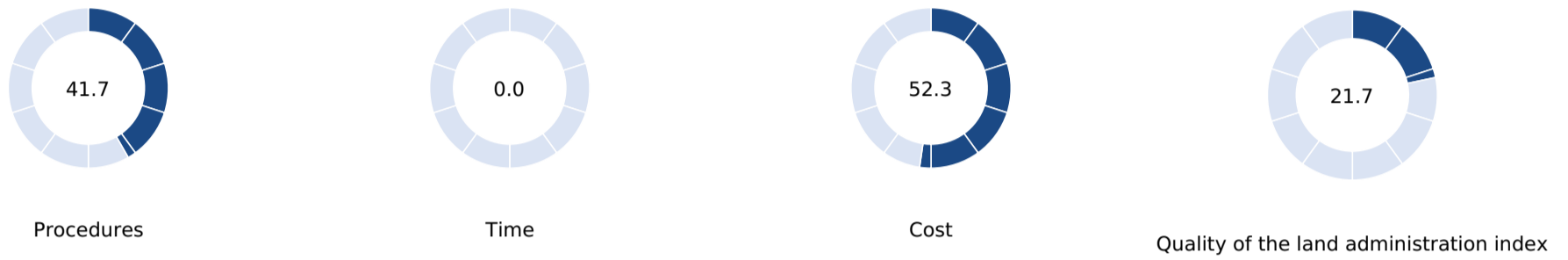
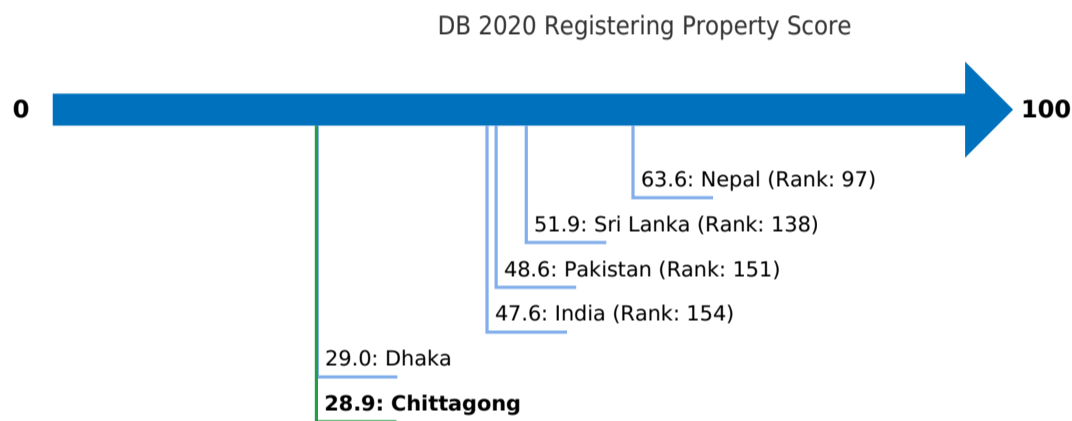
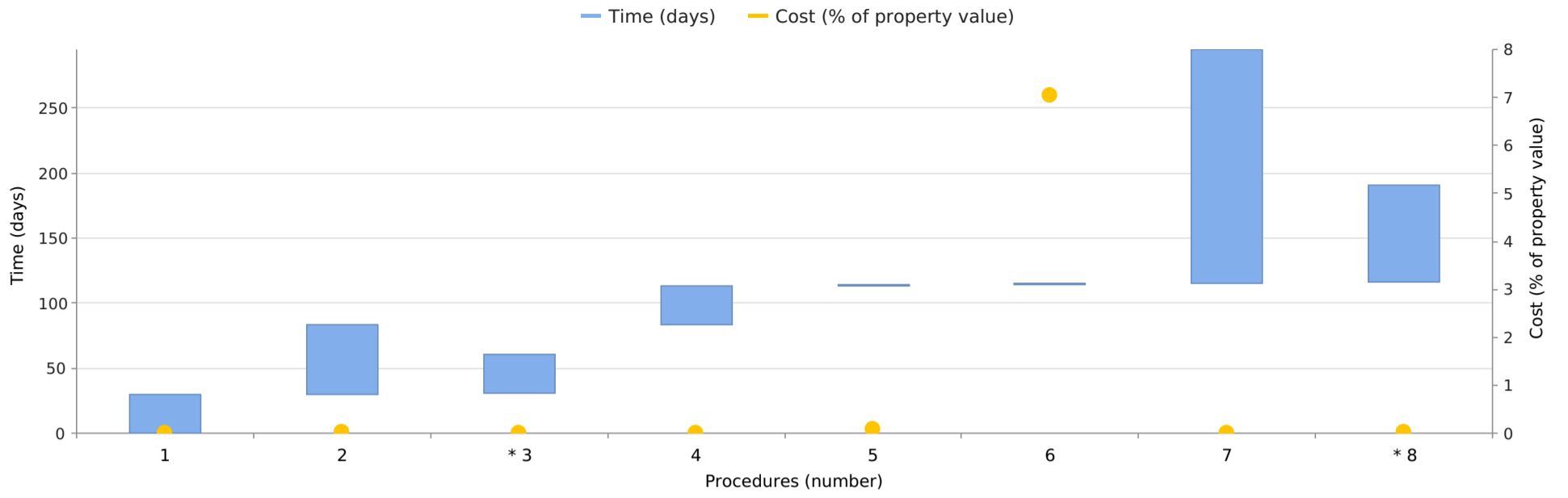


Figure - Registering Property in Chittagong and comparator economies - Ranking and Score



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.

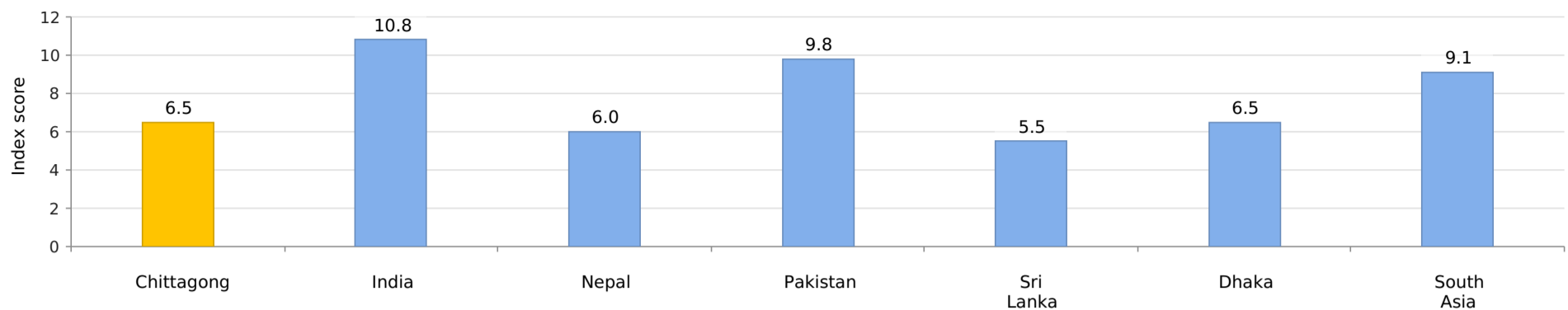
Figure - Registering Property in Chittagong - Procedure, Time and Cost



\*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 Chittagong and comparator economies - Measure of Quality



## Details - Registering Property in Chittagong - Procedure, Time and Cost

No.	Procedures	Time to Complete	Associated Costs
1	<p><b>Verifying the current Khatian (record of rights) at the Directorate of Land Records and Surveys (DLRS)</b></p> <p><i>Agency:</i> Directorate of Land Records and Surveys (DLRS)</p> <p>Various departments of two Ministries manage the core functions of land administration:</p> <p>1. The Ministry of Land (MoL): land-related activities including survey, the collection of land development tax, arbitration process. The following agencies are under the Ministry of Land:</p> <p>1.1 Directorate of Land Records and Surveys (DLRS): Conducts cadastral surveys, from which it produces mouza (revenue village) maps showing individual plots of land and khatian (individual land record certificates)</p> <p>1.2 AC (Land) Office: Manages the mutated Khatian.</p> <p>1.2.1 Tehsil office: the local administrative division that has the function of record keeping.</p> <p>2. The Ministry of Law, Justice and Parliamentary Affairs (MLJP): Records land mutation and transfers.</p> <p>2.1 The Department of Land Registration (DLR): Records land mutations arising through sale, inheritance or other forms of transfer, reports changes to the Ministry of Land, and collects the immovable property transfer tax (IPTT).</p> <p>2.2.1 Sub-registrar's office: the local administrative division that has the function of registration.</p> <p>For a property transfer, first, the company will obtain a proof of land ownership titles (called Porcha or Khatian) at the Directorate of Land Records and Surveys (DLRS). It contains the names of owners, percentages of ownership of each person, the plot number, the type of property (residential, commercial), and its size.</p> <p>However, the Khatian requested at the DLRS is not conclusive evidence of ownership, and merely provide a basis of possession at the recording time.</p>	30 days	no charge
2	<p><b>Conduct first mutation and obtain an updated record of rights (Khatian) at the Assistant Commissioner of Lands (AC Land) - Tahsil</b></p> <p><i>Agency:</i> Assistant Commissioner of Lands (AC Land) - Tahsil</p> <p>The current land system in Bangladesh produces multiple khatians. The khatian is administered separately by the Directorate of Land Records and Surveys (DLRS), the DC Record Room, the Assistant Commissioner of Lands and the Tahsil Office. The khatian managed by DLRS may differ from the mutated khatian managed by the AC (Land) Office. In that case, if the name of the transferor is not found in the latest Khatian or his/her name is not mutated, the Sub Registrar will refuse to register the transfer deed. Therefore, it is mandatory to mutate the name of the transferor in the latest Khatian.</p> <p>The mutation is the process for updating the ownership and obtain a certificate of the land record. This certificate is one of the documents needed to register the property transfer. Typically, properties have missing information in the records, or the seller legal owner may not be correct. The interest parties will always verify with AC Land the history of ownership to see if the Khatian information is correctly corresponding to the actual land. This situation is common because, in at least 50% of cases, the records are not correct. Sometimes, due to problems caused at the AC Land Office, such as incorrectly recording names and other details of the land.</p>	53 days	BDT 1,170; (Application fee (Court fee) 20 Taka; Notice issue fee 50 Taka; Record correction fee 1000 Taka; Khatian fee 100 Taka)
⇒ 3	<p><b>The Assistant Commissioner of Lands conducts an inspection for updating the record of rights (Khatian)</b></p> <p><i>Agency:</i> Assistant Commissioner of Lands (AC Land) - Tahsil</p> <p>The Assistant Commissioner of Lands (Tahsil) will carry a physical inspection to provide the updated record of rights (Khatian). Officials visit the plot to check if there are no irregularities, such as informal buildings, and if the size of the land plot is correct, etc.</p>	30 days	Included in procedure 2
4	<p><b>Obtain the non-encumbrance certificate from the relevant Sub-registry office</b></p> <p><i>Agency:</i> Land Registration Directorate - Sub-registry office</p> <p>The buyer checks the legal status of the land (mortgaged or leased or ownership) at the relevant Sub-registry. From January 2012 both Sub-registry and Land Revenue Office provide non-encumbrance certificates. Sometimes a land report is required. A land report gives an idea about the current situation and ownership of the land that may include the chain of ownership, land tax, land record, registry status etc. A non-encumbrance certificate is used in property transactions as an evidence of free title/ownership.</p>	30 days	BDT 200; (80 takas for the copy + 10 takas multiplied by 12 years of search)

5	<p><b>A lawyer or a deed writer draft the deed transfer</b>  <i>Agency</i> : Lawyer or deed writer  In most of the cases, a lawyer or a deed writer draft the transfer deed that should be signed by the interested parties.</p>	1 day	BDT 6,000
6	<p><b>Pay stamp duty, capital gains tax, registration fee and other taxes at designated bank</b>  <i>Agency</i> : Designated Bank  The parties should pay all registration fees at the designated commercial bank.</p>	1 day	<p>BDT 514,025.93; (3% of the property value (stamp duties) + 2% of property value (registration fees) + 2% of property value (municipality tax) + 3,000 takas (certified copy fee)</p> <p>Per methodology, VAT and source tax (capital gains) are not recorded.)</p>
7	<p><b>Apply for registration at the relevant Sub-registry</b>  <i>Agency</i> : Land Registration Directorate - Sub-registry office  The buyer applies for registration at the Sub-registry office, presenting the following documents:</p> <ul style="list-style-type: none"> <li>- Records to prove land ownership - Porcha or Khatian - (obtained in procedure 1)</li> <li>- The mutation proof - mutated Khatian (obtained in procedure 2)</li> <li>- Certificate of non-encumbrance (obtained in procedure 4)</li> <li>- Transfer deed (obtained in procedure 5)</li> <li>- Proof of payment of fees at a bank (Obtained in procedure 6)</li> </ul> <p>A certified registration document is obtained within a week for the buyer's record. The original sale deed/certificate requires about 6 months to be obtained.</p>	180 days	Already paid in Procedure 6
⇒ 8	<p><b>Conduct second mutation to change the ownership at the Assistant Commissioner of Lands (AC Land) - Tahsil</b>  <i>Agency</i> : Assistant Commissioner of Lands (AC Land) - Tahsil  The change of ownership must be registered at the Assistant Commissioner of Lands (AC Land). The property is recorded under the name of the new owner, who is responsible for paying the land taxes from the day it is transferred.</p> <p>The purpose of the 1st mutation (procedure 1) is to update the records under the seller's name. The purpose of the 2nd mutation (current procedure) is to update the records under the buyer's name.</p>	75 days	<p>BDT 1,170; (Application fee (Court fee) 20 Taka; Notice issue fee 50 Taka; Record correction fee 1000 Taka; Khatian fee 100 Taka)</p>

⇒ Takes place simultaneously with previous procedure.

## Details - Registering Property in Chittagong - Measure of Quality

	Answer	Score
<b>Quality of the land administration index (0-30)</b>		<b>6.5</b>
<b>Reliability of infrastructure index (0-8)</b>		<b>0.0</b>
Type of land registration system in the economy:	Dual system (Title & Deed)	
What is the institution in charge of immovable property registration?	Office of the Sub-Registrar of Chittagong	
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)?	Paper	0.0
Is there a comprehensive and functional electronic database for checking for encumbrances (liens, mortgages, restrictions and the like)?	No	0.0
Institution in charge of the plans showing legal boundaries in the largest business city:	Directorate of Land Records and Survey (DLRS) of Chittagong	
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)?	Paper	0.0
Is there an electronic database for recording boundaries, checking plans and providing cadastral information (geographic information system)?	No	0.0
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?	Separate databases	0.0
Do the immovable property registration agency and cadastral or mapping agency use the same identification number for properties?	No	0.0
<b>Transparency of information index (0-6)</b>		<b>3.5</b>
Who is able to obtain information on land ownership at the agency in charge of immovable property registration in the largest business city?	Anyone who pays the official fee	1.0
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:	<a href="https://land.gov.bd/pages/mutation">https://land.gov.bd/pages/mutation</a>	
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:	<a href="https://land.gov.bd/pages/mutation">https://land.gov.bd/pages/mutation</a>	
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:	<a href="http://lawjusticediv.portal.gov.bd/site/page/5b23e6f0-4a9c-4e41-a97c-093e87272e59/Citizen-Charter">http://lawjusticediv.portal.gov.bd/site/page/5b23e6f0-4a9c-4e41-a97c-093e87272e59/Citizen-Charter</a>	
Is there a specific and independent mechanism for filing complaints about a problem that occurred at the agency in charge of immovable property registration?	No	0.0
Contact information:		
Are there publicly available official statistics tracking the number of transactions at the immovable property registration agency?	No	0.0
Number of property transfers in the largest business city in 2018:		
Who is able to consult maps of land plots in the largest business city?	Anyone who pays the official fee	0.5
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:	<a href="http://dlrs.gov.bd/site/page/767754cd-5340-4356-851f-210c944f5ba8/Find-Mouza-Map">http://dlrs.gov.bd/site/page/767754cd-5340-4356-851f-210c944f5ba8/Find-Mouza-Map</a>	
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, in person	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:		
<b>Geographic coverage index (0-8)</b>		<b>0.0</b>
Are all privately held land plots in the largest business city formally registered at the immovable property registry?	No	0.0
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?	No	0.0
Are all privately held land plots in the economy mapped?	No	0.0
<b>Land dispute resolution index (0-8)</b>		<b>3.0</b>
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:	Part III of the Registration Act	
Is the system of immovable property registration subject to a state or private guarantee?	Yes	0.5
Type of guarantee:	State guarantee	
Legal basis:	Part II of the Registration Act	
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?	No	0.0
Legal basis:		
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;	
Is there a national database to verify the accuracy of government issued identity documents?	No	0.0
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?	Chittagong Joint District Judge Court	
How long does it take on average to obtain a decision from the first-instance court for such a case (without appeal)?	More than 3 years	0.0
Are there publicly available statistics on the number of land disputes at the economy level in the first instance court?	No	0.0
Number of land disputes in the economy in 2018:		
<b>Equal access to property rights index (-2-0)</b>		<b>0.0</b>
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.

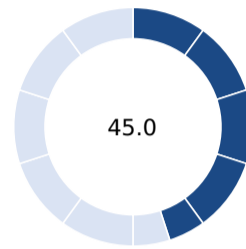
The case scenarios also involve assumptions. In case A, as collateral for the loan, ABC grants BizBank a nonpossessory security interest in one category of movable assets, for example, its machinery or its inventory. ABC wants to keep both possession and ownership of the collateral. In economies where 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 - Dhaka

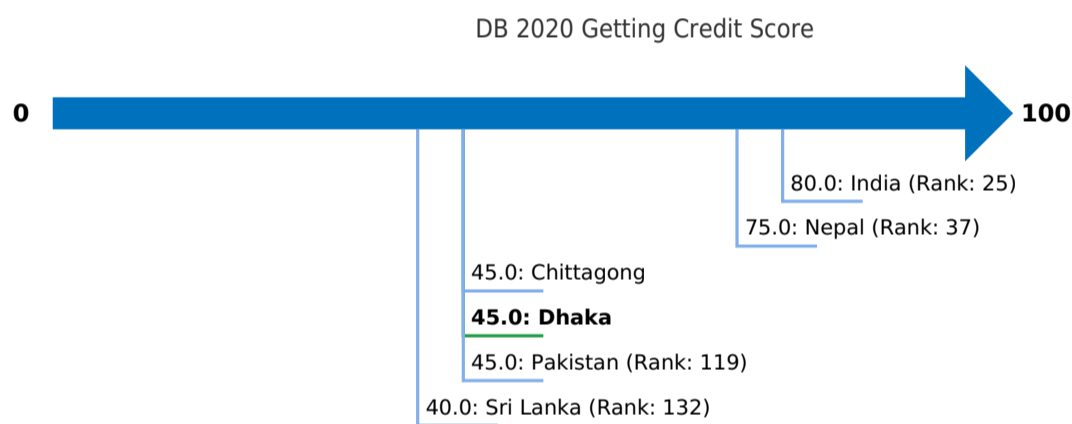
Indicator	Dhaka	South Asia	OECD high income	Best Regulatory Performance
Strength of legal rights index (0-12)	5	5.5	6.1	12 (5 Economies)
Depth of credit information index (0-8)	4	5.1	6.8	8 (53 Economies)
Credit registry coverage (% of adults)	5.2	5.1	24.4	100.0 (2 Economies)
Credit bureau coverage (% of adults)	0.0	21.0	66.7	100.0 (14 Economies)

Figure - Getting Credit in Dhaka - Score



Score - Getting Credit

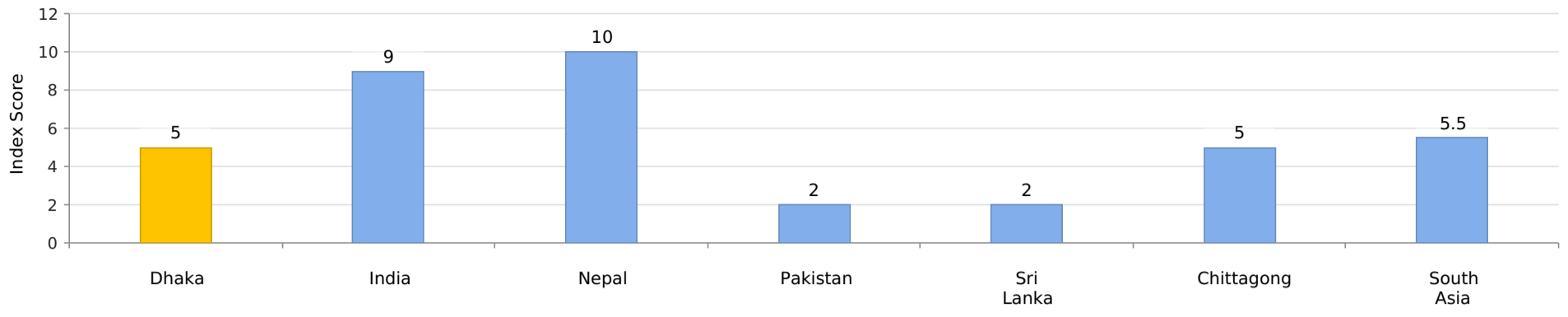
Figure - Getting Credit in Dhaka and comparator economies - Ranking and Score



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 Dhaka and comparator economies



Details - Legal Rights in Dhaka

Strength of legal rights index (0-12)

5

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? Yes

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? Yes

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

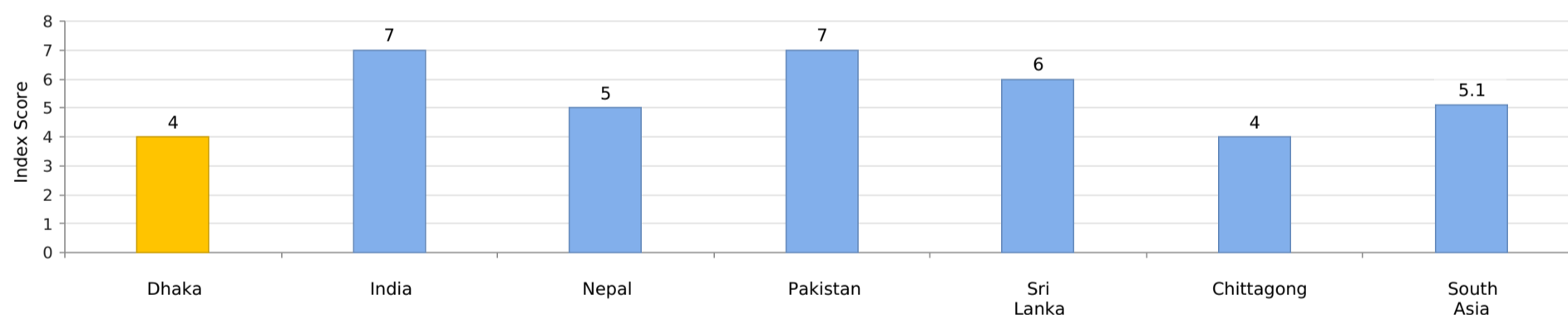
Are secured creditors paid first (i.e. before tax claims and employee claims) when a debtor defaults outside an insolvency procedure? No

Are secured creditors paid first (i.e. before tax claims and employee claims) when a business is liquidated? No

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? Yes

Figure - Credit Information in Dhaka and comparator economies



## Details - Credit Information in Dhaka

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	No	0
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	No	0
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	No	0
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	No	0

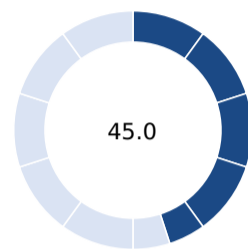
Note: An economy receives a score of 1 if there is a "yes" to either bureau or registry. If the credit bureau or registry is not operational or covers less than 5% of the adult population, the total score on the depth of credit information index is 0.

Coverage	Credit bureau	Credit registry
Number of individuals	0	4,461,674
Number of firms	0	1,164,838
Total	0	5,626,512
<b>Percentage of adult population</b>	<b>0.0</b>	<b>5.2</b>

Getting Credit - Chittagong

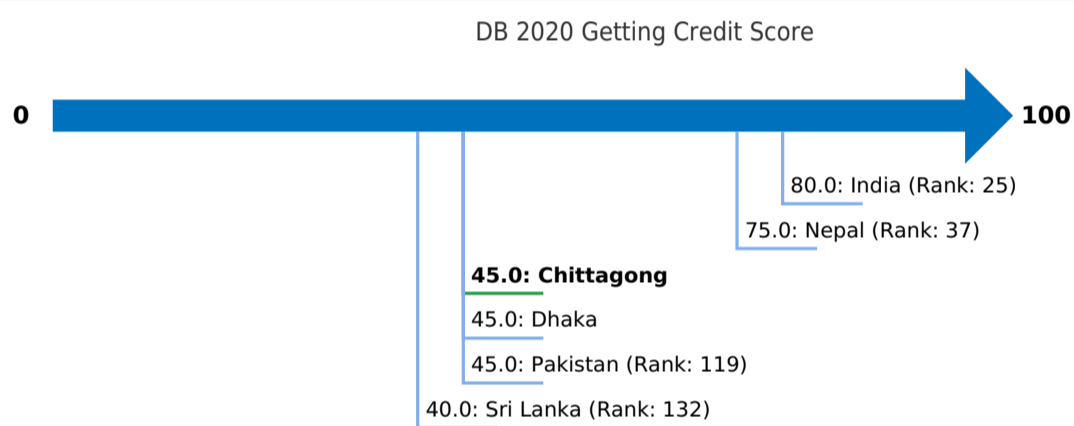
Indicator	Chittagong	South Asia	OECD high income	Best Regulatory Performance
Strength of legal rights index (0-12)	5	5.5	6.1	12 (5 Economies)
Depth of credit information index (0-8)	4	5.1	6.8	8 (53 Economies)
Credit registry coverage (% of adults)	5.2	5.1	24.4	100.0 (2 Economies)
Credit bureau coverage (% of adults)	0.0	21.0	66.7	100.0 (14 Economies)

Figure - Getting Credit in Chittagong - Score



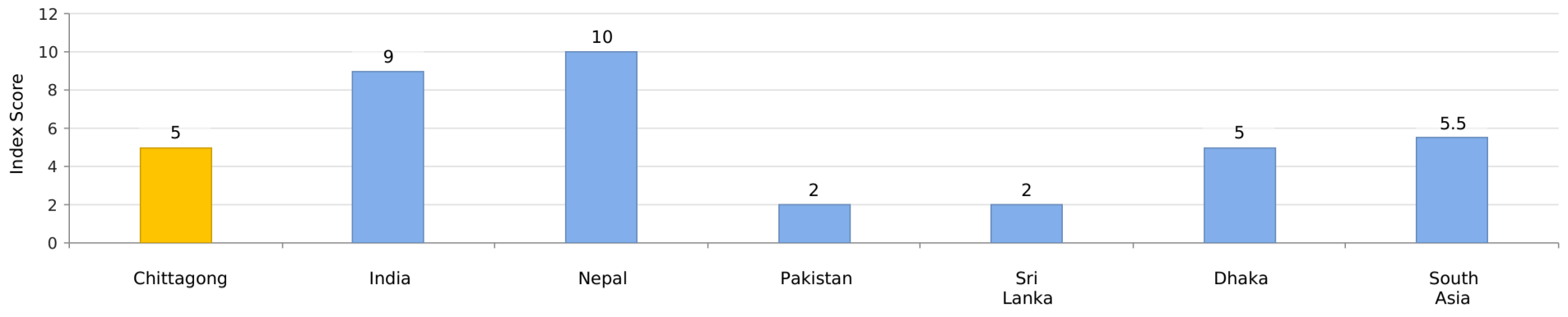
Score - Getting Credit

Figure - Getting Credit in Chittagong 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 Chittagong and comparator economies



Details - Legal Rights in Chittagong

Strength of legal rights index (0-12)

5

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? Yes

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? Yes

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

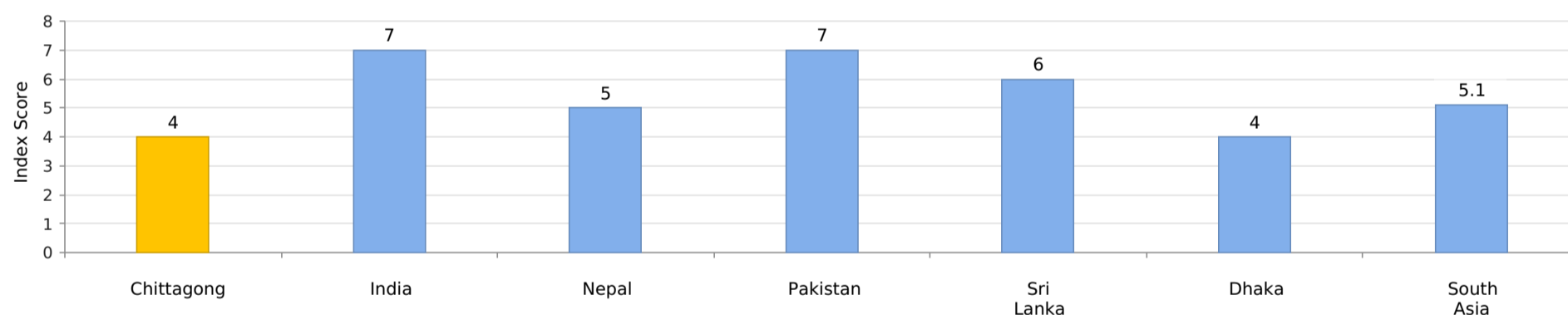
Are secured creditors paid first (i.e. before tax claims and employee claims) when a debtor defaults outside an insolvency procedure? No

Are secured creditors paid first (i.e. before tax claims and employee claims) when a business is liquidated? No

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? Yes

Figure - Credit Information in Chittagong and comparator economies



## Details - Credit Information in Chittagong

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	No	0
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	No	0
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	No	0
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	No	0

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	4,461,674
Number of firms	0	1,164,838
Total	0	5,626,512
<b>Percentage of adult population</b>	<b>0.0</b>	<b>5.2</b>

## 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.



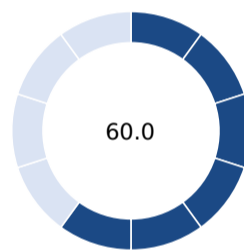
Protecting Minority Investors - Dhaka

Stock exchange information

Stock exchange	Dhaka Stock Exchange
Stock exchange URL	http://www.dsebd.org
Listed firms with equity securities	461
City Covered	Dhaka

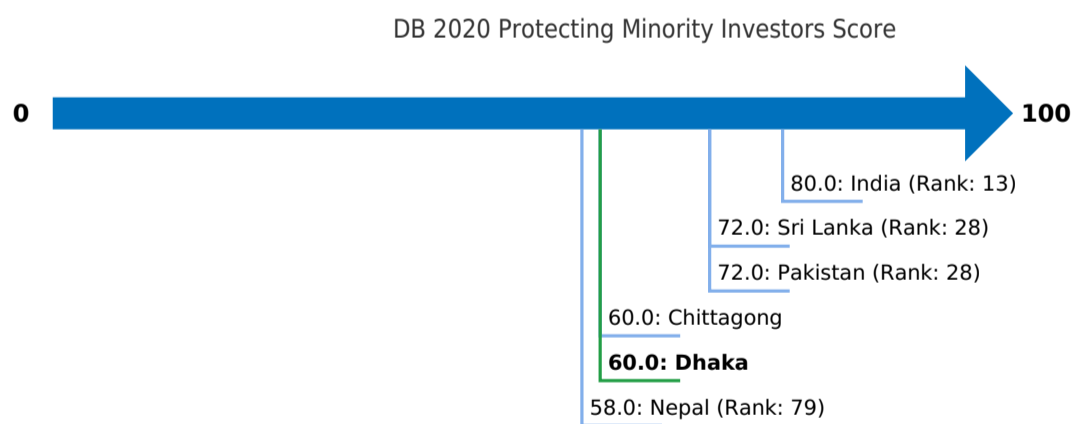
Indicator	Dhaka	South Asia	OECD high income	Best Regulatory Performance
Extent of disclosure index (0-10)	6.0	5.8	6.5	10 (13 Economies)
Extent of director liability index (0-10)	7.0	5.0	5.3	10 (3 Economies)
Ease of shareholder suits index (0-10)	7.0	7.4	7.3	10 (Djibouti)
Extent of shareholder rights index (0-6)	4.0	3.5	4.7	6 (19 Economies)
Extent of ownership and control index (0-7)	3.0	3.6	4.5	7 (9 Economies)
Extent of corporate transparency index (0-7)	3.0	3.3	5.7	7 (13 Economies)

Figure - Protecting Minority in Dhaka - Score



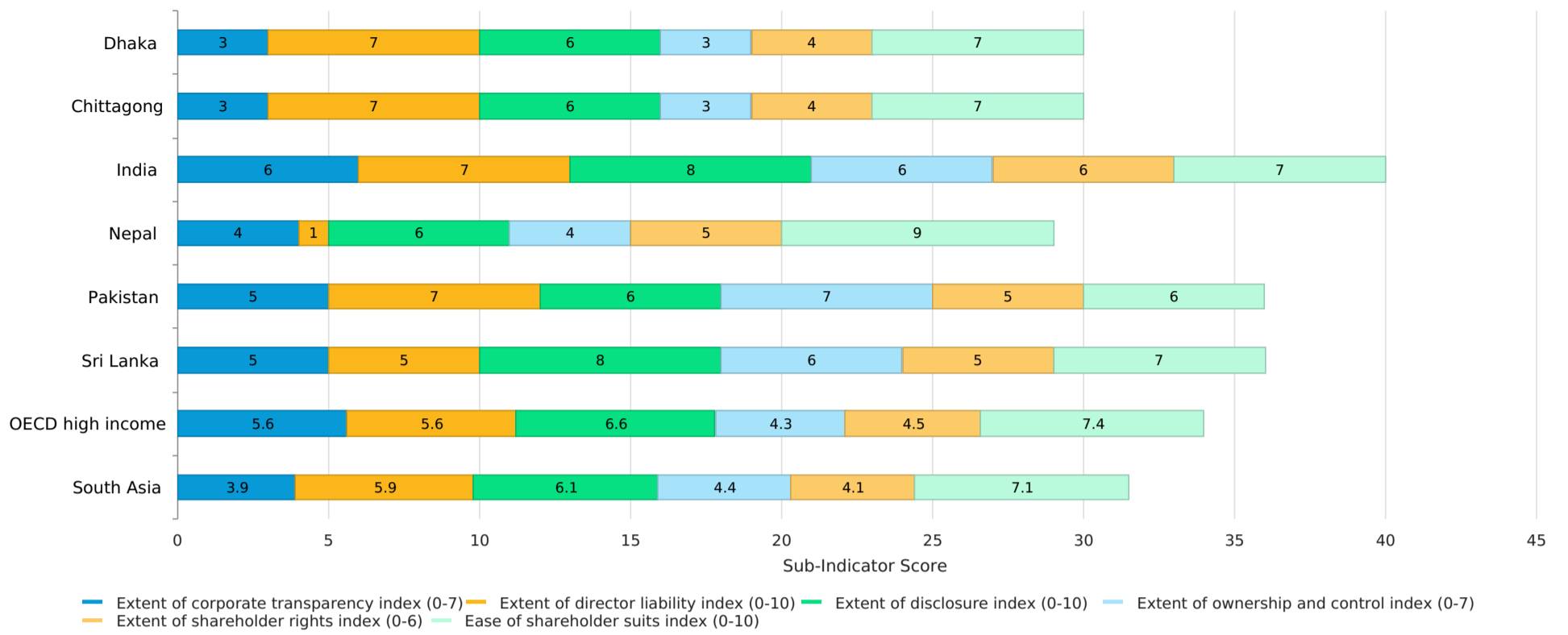
Score - Protecting Minority Investors

Figure - Protecting Minority Investors in Dhaka 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 Dhaka and comparator economies - Measure of Quality



## Details - Protecting Minority Investors in Dhaka - Measure of Quality

	Answer	Score
<b>Extent of conflict of interest regulation index (0-30)</b>		
<b>Extent of disclosure index (0-10)</b>		<b>6.0</b>
Whose decision is sufficient to approve the Buyer-Seller transaction? (0-3)	Board of directors excluding interested members	2.0
Must an external body review the terms of the transaction before it takes place? (0-1)	No	0.0
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)	No disclosure obligation	0.0
<b>Extent of director liability index (0-10)</b>		<b>7.0</b>
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 negligent	1.0
Can shareholders hold the other directors liable for the damage the transaction caused to Buyer? (0-2)	Liable if unfair or prejudicial	2.0
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)	Yes	1.0
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)	Voidable if negligently concluded	1.0
<b>Ease of shareholder suits index (0-10)</b>		<b>7.0</b>
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)	Any relevant document	3.0
Can the plaintiff request categories of documents from the defendant without identifying specific ones? (0-1)	Yes	1.0
Can the plaintiff directly question the defendant and witnesses at trial? (0-2)	Preapproved questions only	1.0
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)	At the discretion of the court	0.0
<b>Extent of shareholder governance index (0-20)</b>		
<b>Extent of shareholder rights index (0-6)</b>		<b>4.0</b>
Does the sale of 51% of Buyer's assets require shareholder approval?	No	0.0
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?	No	0.0
Do shareholders automatically receive preemption rights every time Buyer issues new shares?	Yes	1.0
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
<b>Extent of ownership and control index (0-7)</b>		<b>3.0</b>

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?	No	0.0
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?	No	0.0
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?	No	0.0
<b>Extent of corporate transparency index (0-7)</b>		<b>3.0</b>
Must Buyer disclose direct and indirect beneficial ownership stakes representing 5%?	No	0.0
Must Buyer disclose information about board members' primary employment and directorships in other companies?	No	0.0
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?	No	0.0
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

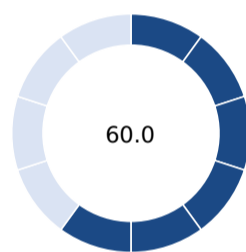
Protecting Minority Investors - Chittagong

Stock exchange information

Stock exchange	Dhaka Stock Exchange
Stock exchange URL	http://www.dsebd.org
Listed firms with equity securities	461
City Covered	Chittagong

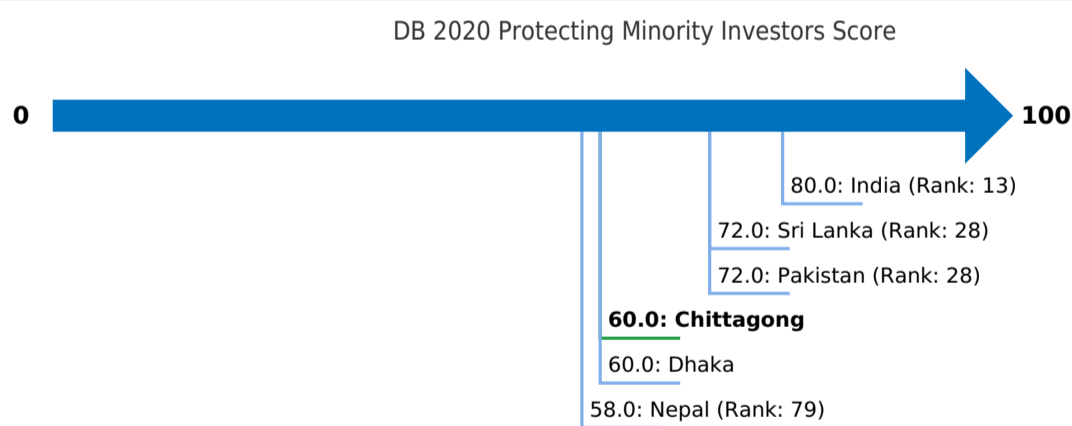
Indicator	Chittagong	South Asia	OECD high income	Best Regulatory Performance
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Figure - Protecting Minority in Chittagong - Score



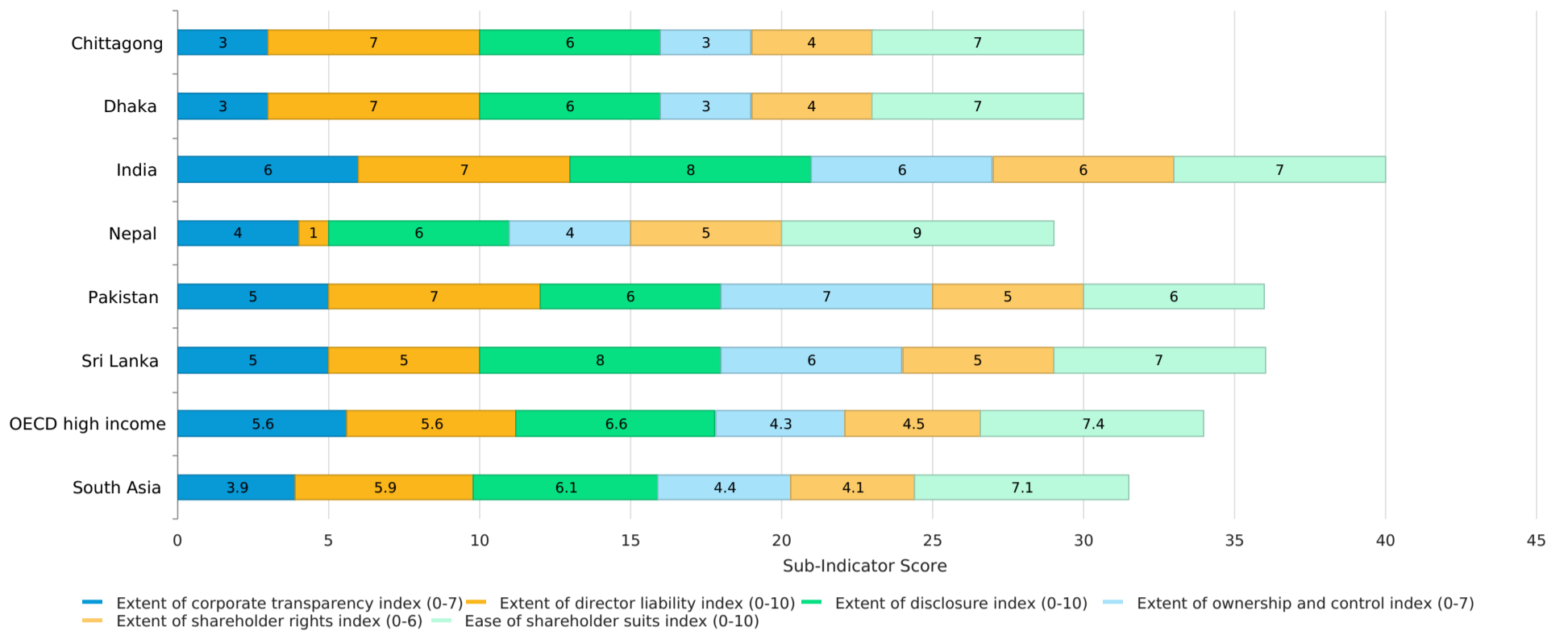
Score - Protecting Minority Investors

Figure - Protecting Minority Investors in Chittagong 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 Chittagong and comparator economies - Measure of Quality



## Details - Protecting Minority Investors in Chittagong - Measure of Quality

	Answer	Score
<b>Extent of conflict of interest regulation index (0-30)</b>		
<b>Extent of disclosure index (0-10)</b>		<b>6.0</b>
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Must Mr. James disclose his conflict of interest to the board of directors? (0-2)	Full disclosure of all material facts	2.0
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<b>Extent of director liability index (0-10)</b>		<b>7.0</b>
Can shareholders representing 10% of Buyer's share capital sue for the damage the transaction caused to Buyer? (0-1)	Yes	1.0
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Can a court void the transaction upon a successful claim by shareholders? (0-2)	Voidable if negligently concluded	1.0
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Can the plaintiff request categories of documents from the defendant without identifying specific ones? (0-1)	Yes	1.0
Can the plaintiff directly question the defendant and witnesses at trial? (0-2)	Preapproved questions only	1.0
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)	At the discretion of the court	0.0
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<b>Extent of shareholder rights index (0-6)</b>		<b>4.0</b>
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Are changes to the rights of a class of shares only possible if the holders of the affected shares approve?	Yes	1.0
<b>Extent of ownership and control index (0-7)</b>		<b>3.0</b>

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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?	No	0.0
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?	No	0.0
<b>Extent of corporate transparency index (0-7)</b>		<b>3.0</b>
Must Buyer disclose direct and indirect beneficial ownership stakes representing 5%?	No	0.0
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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?	No	0.0
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.

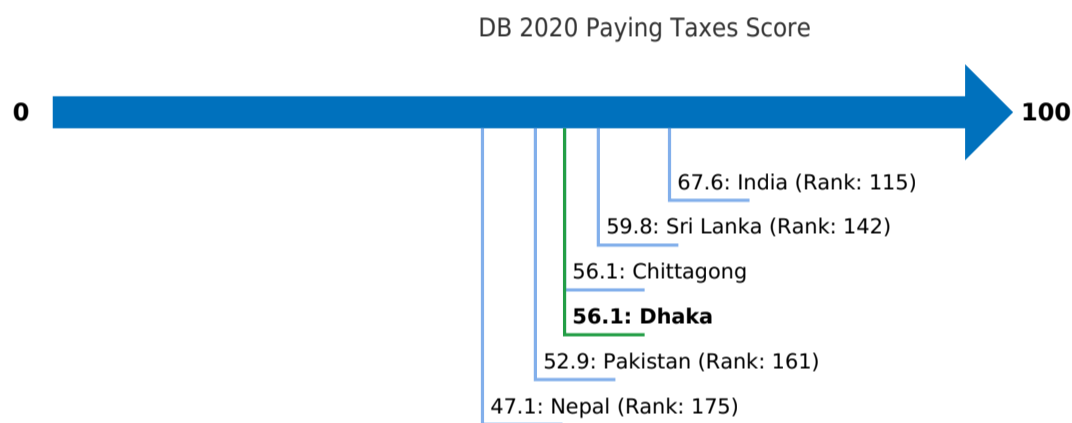
**Paying Taxes - Dhaka**

Indicator	Dhaka	South Asia	OECD high income	Best Regulatory Performance
Payments (number per year)	33	26.7	10.3	3 (2 Economies)
Time (hours per year)	435	273.5	158.8	49 (3 Economies)
Total tax and contribution rate (% of profit)	33.4	43.9	39.9	26.1 (33 Economies)
Postfiling index (0-100)	44.4	41.2	86.7	None in 2018/19

**Figure - Paying Taxes in Dhaka - Score**

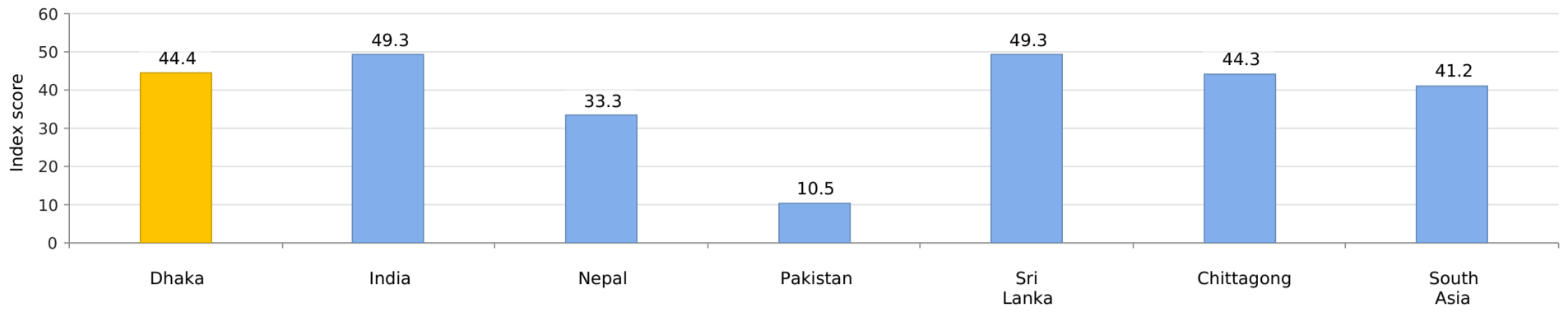


**Figure - Paying Taxes in Dhaka and comparator economies - Ranking and Score**



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 Dhaka and comparator economies - Measure of Quality



## Details - Paying Taxes in Dhaka

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
Corporate income tax	5.0		144.0	35%	taxable profit	30.37	
Municipal tax (property tax)	1.0			7%	rental value	2.25	
Capital gains tax	0.0	jointly		15%	capital gains	0.76	
Tax on interest	0.0	withheld		10%	interest income	0.26	included in other taxes
Value added tax (VAT)	12.0		171.0	Variable rate (up to 15%)	value added	0.00	not included
Vehicle tax	1.0				fixed fee depending on type of vehicle	0.00	small amount
Personal income tax	12.0		120.0	varies	gross salaries	0.00	withheld
Stamp duty on contracts	1.0			varies	type of contract	0.00	small amount
Land development tax (khajna)	1.0			Fixed fee depending on area of land and locality where situated	area of land	0.00	small amount
Totals	33		435			33.4	

## Details - Paying Taxes in Dhaka - Tax by Type

Taxes by type	Answer
Profit tax (% of profit)	31.1
Labor tax and contributions (% of profit)	0.0
Other taxes (% of profit)	2.3

## Details - Paying Taxes in Dhaka - Measure of Quality

	Answer	Score
<b>Postfiling index (0-100)</b>		<b>44.4</b>
<b>VAT refunds</b>		
Does VAT exist?	Yes	
Does a VAT refund process exist per the case study?	Yes	
Restrictions on VAT refund process	none	
Percentage of cases exposed to a VAT audit (%)	50% - 74%	
Is there a mandatory carry forward period?	No	
Time to comply with VAT refund (hours)	58.0	0.0
Time to obtain VAT refund (weeks)	18.0	71.7
<b>Corporate income tax audits</b>		
Does corporate income tax exist?	Yes	
Percentage of cases exposed to a corporate income tax audit (%)	50% - 74%	
Time to comply with a corporate income tax correction (hours)	37.0	34.9
Time to complete a corporate income tax correction (weeks)	9.3	71.0

**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 - Chittagong

Indicator	Chittagong	South Asia	OECD high income	Best Regulatory Performance
Payments (number per year)	33	26.7	10.3	3 (2 Economies)
Time (hours per year)	435	273.5	158.8	49 (3 Economies)
Total tax and contribution rate (% of profit)	33.4	43.9	39.9	26.1 (33 Economies)
Postfiling index (0-100)	44.3	41.2	86.7	None in 2018/19

Figure - Paying Taxes in Chittagong - Score

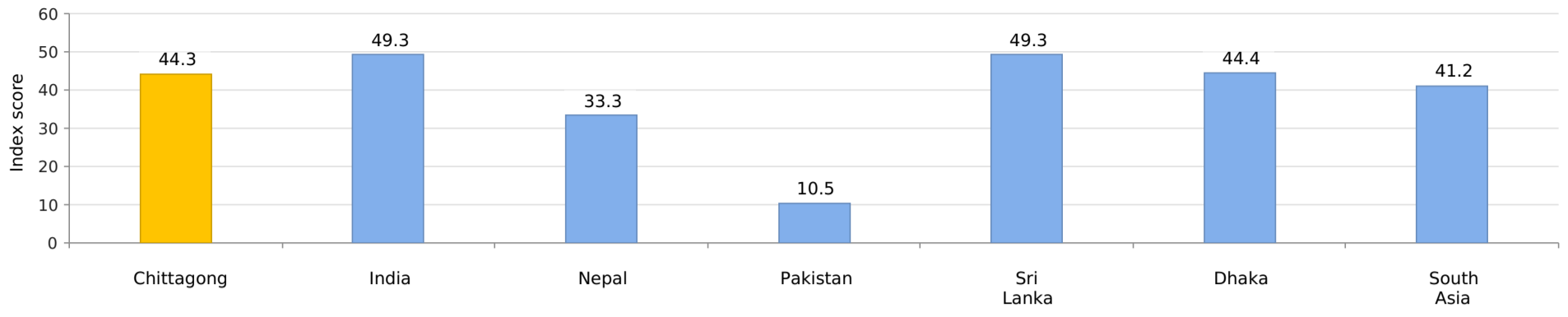


Figure - Paying Taxes in Chittagong and comparator economies - Ranking and Score



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 Chittagong and comparator economies - Measure of Quality





## Details - Paying Taxes in Chittagong

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
Corporate income tax	5.0		144.0	35%	taxable profit	30.37	
Municipal tax (property tax)	1.0			7%	rental value	2.25	
Capital gains tax	0.0	jointly		15%	capital gains	0.76	
Tax on interest	0.0	withheld		10%	interest income	0.26	included in other taxes
Value added tax (VAT)	12.0		171.0	Variable rate (up to 15%)	value added	0.00	not included
Vehicle tax	1.0				fixed fee depending on type of vehicle	0.00	small amount
Personal income tax	12.0		120.0	varies	gross salaries	0.00	withheld
Stamp duty on contracts	1.0			varies	type of contract	0.00	small amount
Land development tax (khajna)	1.0			Fixed fee depending on area of land and locality where situated	area of land	0.00	small amount
Totals	33		435			33.4	

## Details - Paying Taxes in Chittagong - Tax by Type

Taxes by type	Answer
Profit tax (% of profit)	31.1
Labor tax and contributions (% of profit)	0.0
Other taxes (% of profit)	2.3

## Details - Paying Taxes in Chittagong - Measure of Quality

	Answer	Score
<b>Postfiling index (0-100)</b>		<b>44.3</b>
<b>VAT refunds</b>		
Does VAT exist?	Yes	
Does a VAT refund process exist per the case study?	Yes	
Restrictions on VAT refund process	none	
Percentage of cases exposed to a VAT audit (%)	50% - 74%	
Is there a mandatory carry forward period?	No	
Time to comply with VAT refund (hours)	58.0	0.0
Time to obtain VAT refund (weeks)	18.0	71.4
<b>Corporate income tax audits</b>		
Does corporate income tax exist?	Yes	
Percentage of cases exposed to a corporate income tax audit (%)	50% - 74%	
Time to comply with a corporate income tax correction (hours)	37.0	34.9
Time to complete a corporate income tax correction (weeks)	9.3	71.0

**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  $22 \times 24 = 528$  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 - Dhaka

Indicator	Dhaka	South Asia	OECD high income	Best Regulatory Performance
Time to export: Border compliance (hours)	168	53.4	12.7	1 (19 Economies)
Cost to export: Border compliance (USD)	408	310.6	136.8	0 (19 Economies)
Time to export: Documentary compliance (hours)	147	73.7	2.3	1 (26 Economies)
Cost to export: Documentary compliance (USD)	225	157.9	33.4	0 (20 Economies)
Time to import: Border compliance (hours)	216	85.7	8.5	1 (25 Economies)
Cost to import: Border compliance (USD)	900	472.9	98.1	0 (28 Economies)
Time to import: Documentary compliance (hours)	144	93.7	3.4	1 (30 Economies)
Cost to import: Documentary compliance (USD)	370	261.7	23.5	0 (30 Economies)

Figure - Trading across Borders in Dhaka - Score

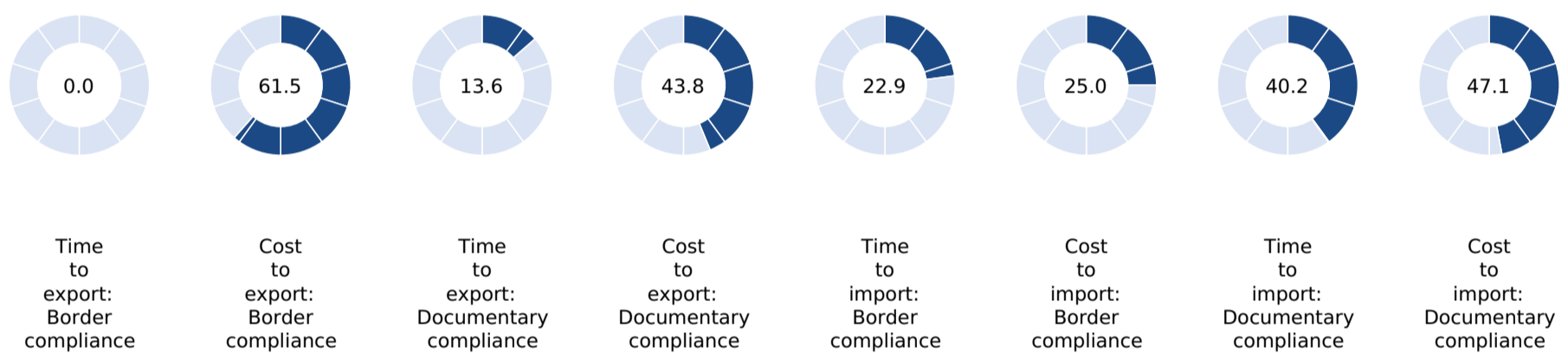
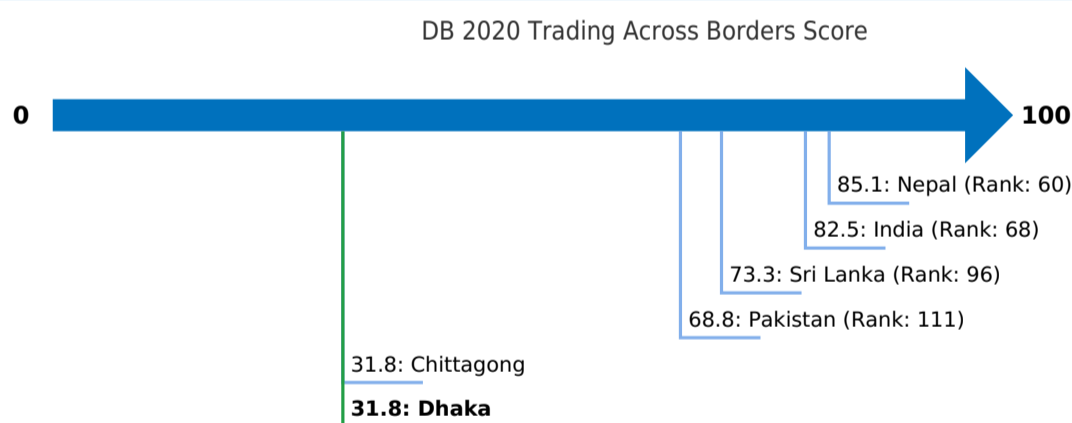
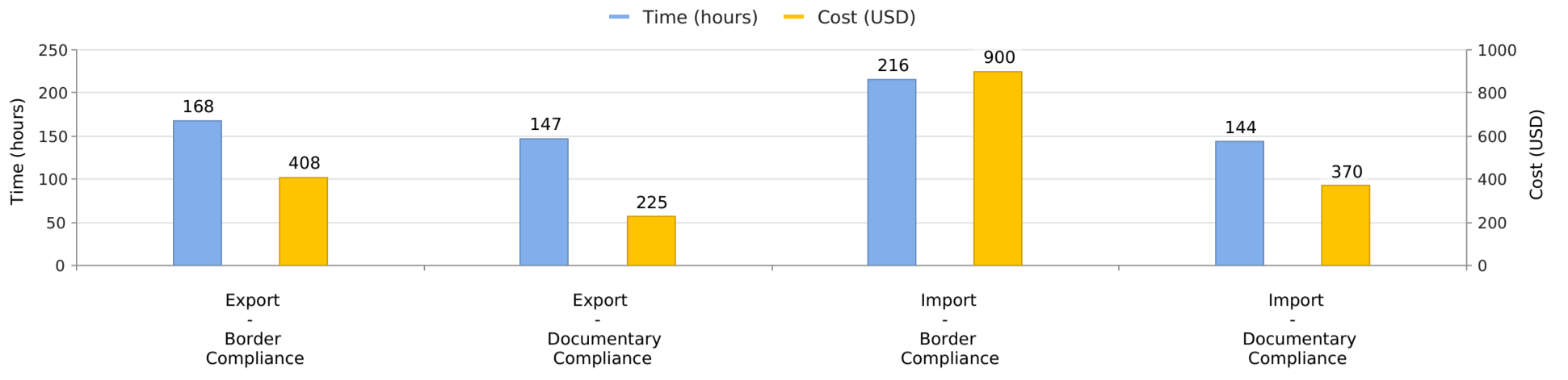


Figure - Trading across Borders in Dhaka and comparator economies - Ranking and Score



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 Dhaka - Time and Cost



## Details - Trading across Borders in Dhaka

Characteristics	Export	Import
Product	HS 61 : Articles of apparel and clothing accessories, knitted or crocheted	HS 8708: Parts and accessories of motor vehicles
Trade partner	Germany	India
Border	Chittagong port	Chittagong port
Distance (km)	263	263
Domestic transport time (hours)	18	18
Domestic transport cost (USD)	231	300

## Details - Trading across Borders in Dhaka - Components of Border Compliance

	Time to Complete (hours)	Associated Costs (USD)
Export: Clearance and inspections required by customs authorities	96.0	151.9
Export: Clearance and inspections required by agencies other than customs	0.0	0.0
Export: Port or border handling	72.0	256.3
Import: Clearance and inspections required by customs authorities	120.0	400.0
Import: Clearance and inspections required by agencies other than customs	0.0	0.0
Import: Port or border handling	96.0	500.0

## Details - Trading across Borders in Dhaka - Trade Documents

Export	Import
Bill of Lading	Bill of lading
Commercial Invoice	Cargo release order (Gate Pass)
Customs Export Declaration	Certificate of origin
Packing List	Commercial invoice
Certificate of origin	Customs import declaration
Terminal Handling Receipts	Packing list
Technical standards certificate	Technical standard/Cleanliness certificate
Cargo release order	Terminal handling receipts
Customs Transit Document	Letter of credit
Foreign exchange authorization	SOLAS certificate
Pre shipment inspection - clean report of findings	
Utilized Declaration for garments	
Letter of Credit	
SOLAS certificate	



Trading across Borders - Chittagong

Indicator	Chittagong	South Asia	OECD high income	Best Regulatory Performance
Time to export: Border compliance (hours)	168	53.4	12.7	1 (19 Economies)
Cost to export: Border compliance (USD)	408	310.6	136.8	0 (19 Economies)
Time to export: Documentary compliance (hours)	147	73.7	2.3	1 (26 Economies)
Cost to export: Documentary compliance (USD)	225	157.9	33.4	0 (20 Economies)
Time to import: Border compliance (hours)	216	85.7	8.5	1 (25 Economies)
Cost to import: Border compliance (USD)	900	472.9	98.1	0 (28 Economies)
Time to import: Documentary compliance (hours)	144	93.7	3.4	1 (30 Economies)
Cost to import: Documentary compliance (USD)	370	261.7	23.5	0 (30 Economies)

Figure - Trading across Borders in Chittagong - Score

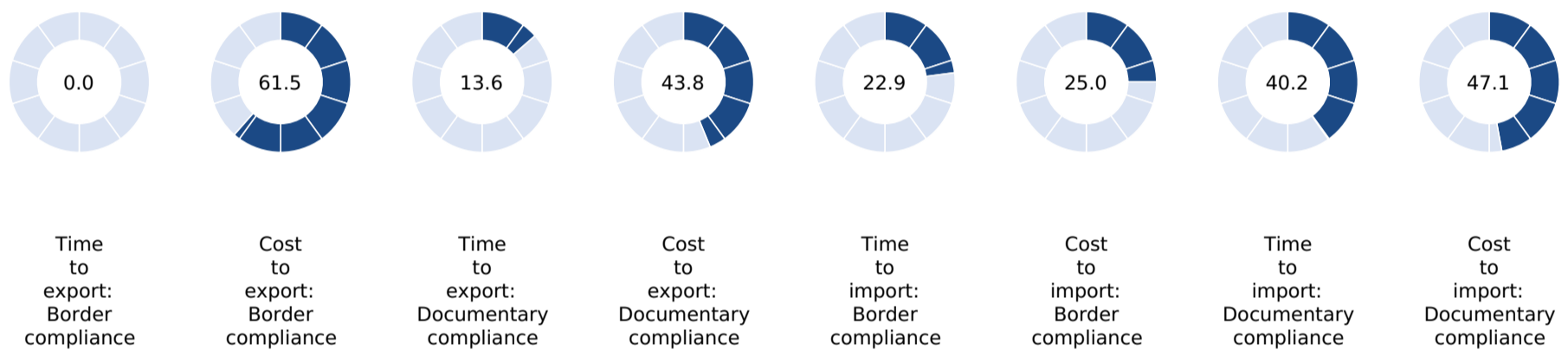
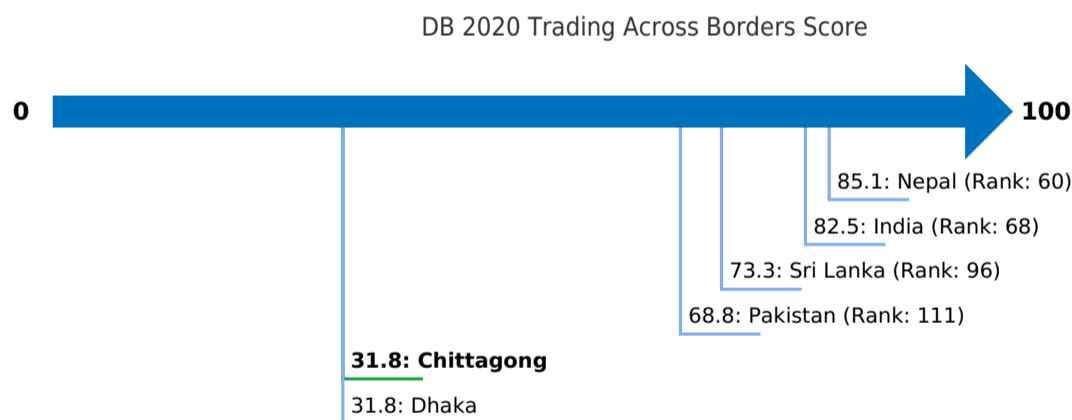
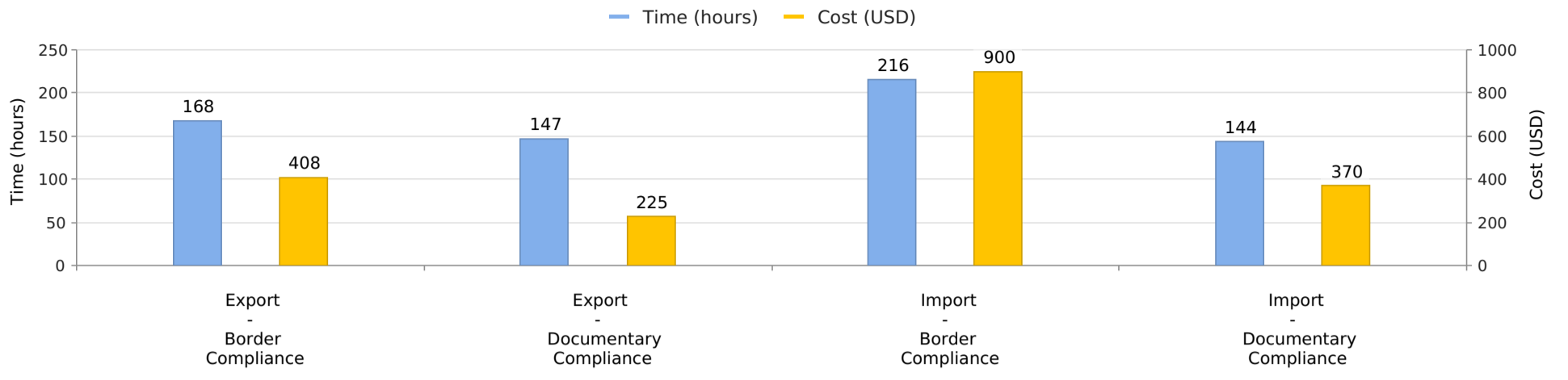


Figure - Trading across Borders in Chittagong and comparator economies - Ranking and Score



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 Chittagong - Time and Cost



## Details - Trading across Borders in Chittagong

Characteristics	Export	Import
Product	HS 61 : Articles of apparel and clothing accessories, knitted or crocheted	HS 8708: Parts and accessories of motor vehicles
Trade partner	Germany	India
Border	Chittagong port	Chittagong port
Distance (km)	20	20
Domestic transport time (hours)	4	4
Domestic transport cost (USD)	77	85

## Details - Trading across Borders in Chittagong - Components of Border Compliance

	Time to Complete (hours)	Associated Costs (USD)
Export: Clearance and inspections required by customs authorities	96.0	151.9
Export: Clearance and inspections required by agencies other than customs	0.0	0.0
Export: Port or border handling	72.0	256.3
Import: Clearance and inspections required by customs authorities	120.0	400.0
Import: Clearance and inspections required by agencies other than customs	0.0	0.0
Import: Port or border handling	96.0	500.0

## Details - Trading across Borders in Chittagong - Trade Documents

## Export

## Import

Bill of lading

Bill of lading

Commercial invoice

Cargo release order (Gate Pass)

Customs Export Declaration

Certificate of origin

Packing List

Commercial invoice

Certificate of origin

Customs import declaration

Terminal Handling Receipts

Packing list

Technical standards certificate

Technical standard/Cleanliness certificate

Cargo release order

Terminal handling receipts

Customs Transit Document

Letter of credit

Foreign exchange authorization

SOLAS certificate

Pre shipment inspection - clean report of findings

Utilized Declaration for Garments

Letter of Credit

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 - Dhaka

Standardized Case

Claim value	BDT 424,446
Court name	Joint District Judge
City Covered	Dhaka

Indicator	Dhaka	South Asia	OECD high income	Best Regulatory Performance
Time (days)	1442	1,101.6	589.6	120 (Singapore)
Cost (% of claim value)	66.8	29.9	21.5	0.1 (Bhutan)
Quality of judicial processes index (0-18)	7.5	7.1	11.7	None in 2018/19

Figure - Enforcing Contracts in Dhaka - Score

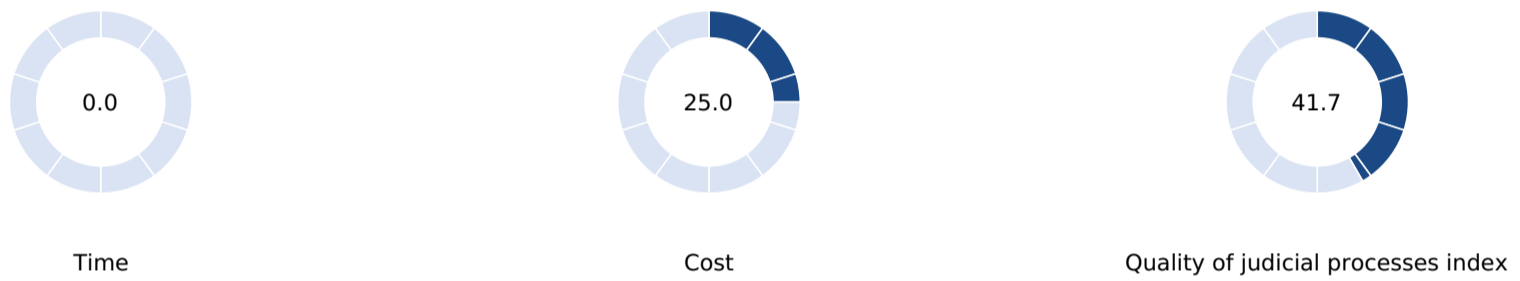
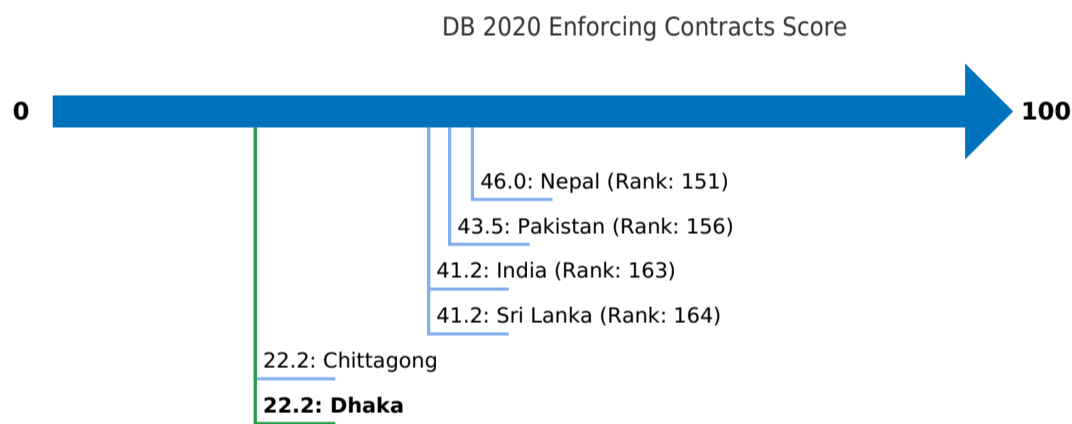


Figure - Enforcing Contracts in Dhaka and comparator economies - Ranking and Score



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 Dhaka - Time and Cost

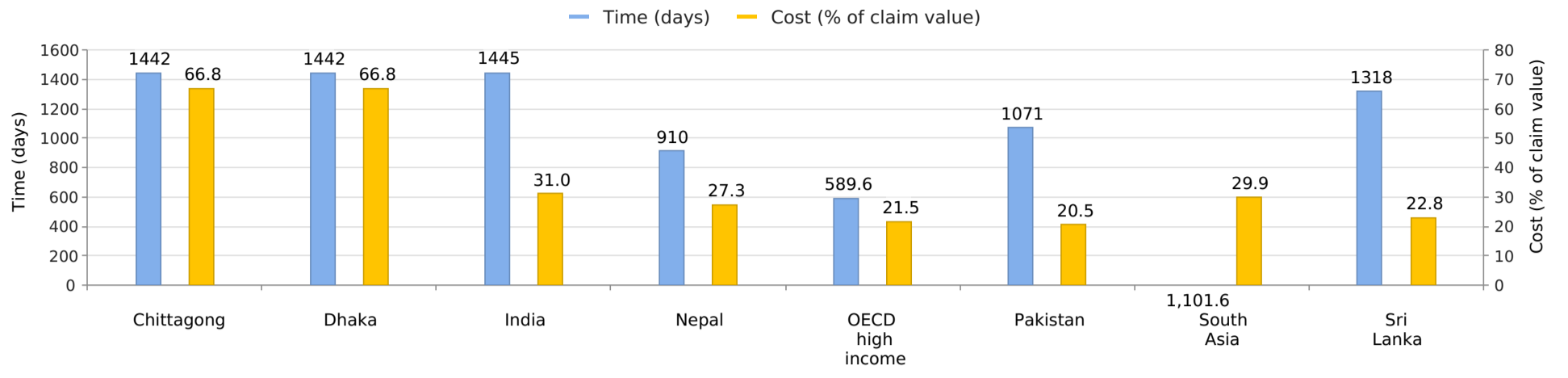
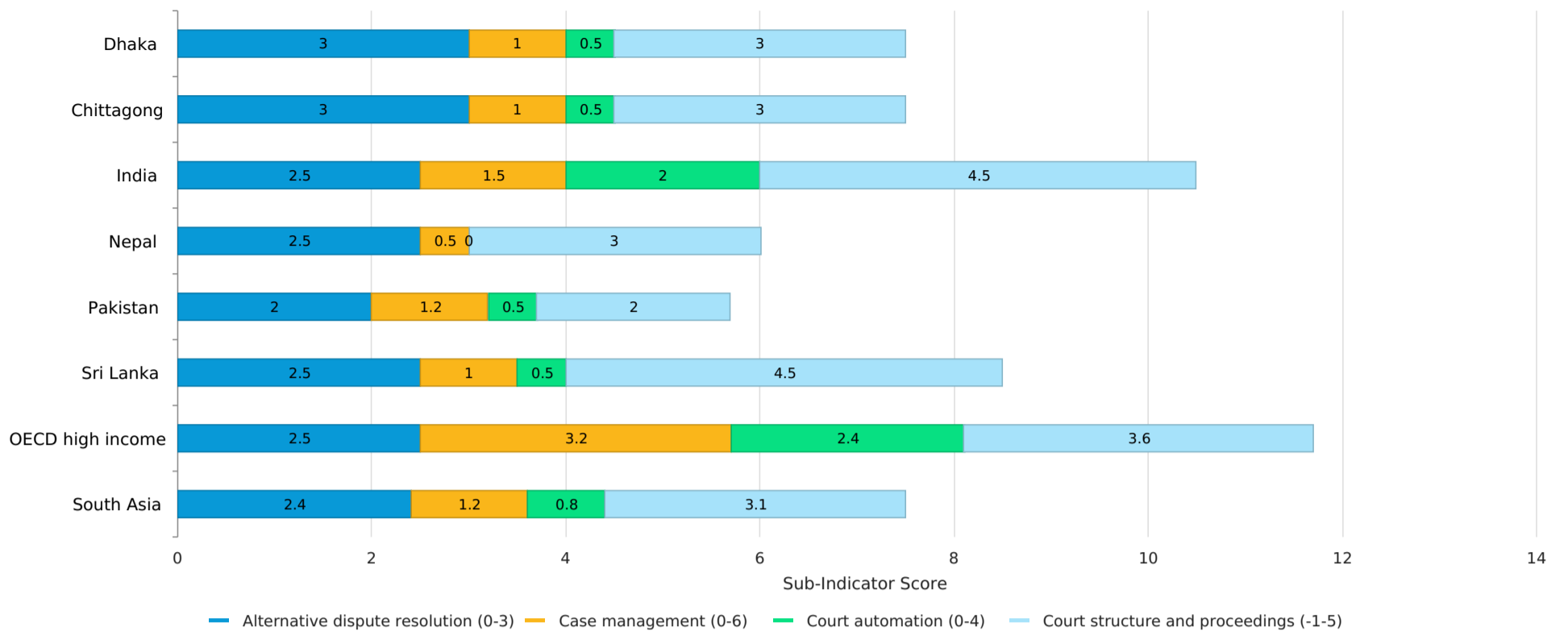


Figure - Enforcing Contracts in Dhaka and comparator economies - Measure of Quality



Details - Enforcing Contracts in Dhaka

	Indicator
<b>Time (days)</b>	<b>1442</b>
Filing and service	30
Trial and judgment	1047
Enforcement of judgment	365
<b>Cost (% of claim value)</b>	<b>66.8</b>
Attorney fees	40
Court fees	8.3
Enforcement fees	18.5
<b>Quality of judicial processes index (0-18)</b>	<b>7.5</b>
Court structure and proceedings (-1-5)	3.0
Case management (0-6)	1.0
Court automation (0-4)	0.5
Alternative dispute resolution (0-3)	3.0



## Details - Enforcing Contracts in Dhaka - Measure of Quality

	Answer	Score
<b>Quality of judicial processes index (0-18)</b>		<b>7.5</b>
<b>Court structure and proceedings (-1-5)</b>		<b>3.0</b>
1. Is there a court or division of a court dedicated solely to hearing commercial cases?	No	0.0
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, but manual	0.5
5. Does a woman's testimony carry the same evidentiary weight in court as a man's?	Yes	0.0
<b>Case management (0-6)</b>		<b>1.0</b>
1. Time standards		0.5
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?	No	
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?	No	0.0
4. Is a pretrial conference among the case management techniques used before the competent court?	No	0.0
5. Are there any electronic case management tools in place within the competent court for use by judges?	No	0.0
6. Are there any electronic case management tools in place within the competent court for use by lawyers?	No	0.0
<b>Court automation (0-4)</b>		<b>0.5</b>
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?	No	0.0
3. Can court fees be paid electronically within the competent court?	No	0.0
4. Publication of judgments		0.5
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?	No	
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	
<b>Alternative dispute resolution (0-3)</b>		<b>3.0</b>
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, design)	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

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Enforcing Contracts - Chittagong

Standardized Case

Claim value	BDT 424,446
Court name	Joint District Judge
City Covered	Chittagong

Indicator	Chittagong	South Asia	OECD high income	Best Regulatory Performance
Time (days)	1442	1,101.6	589.6	120 (Singapore)
Cost (% of claim value)	66.8	29.9	21.5	0.1 (Bhutan)
Quality of judicial processes index (0-18)	7.5	7.1	11.7	None in 2018/19

Figure - Enforcing Contracts in Chittagong - Score

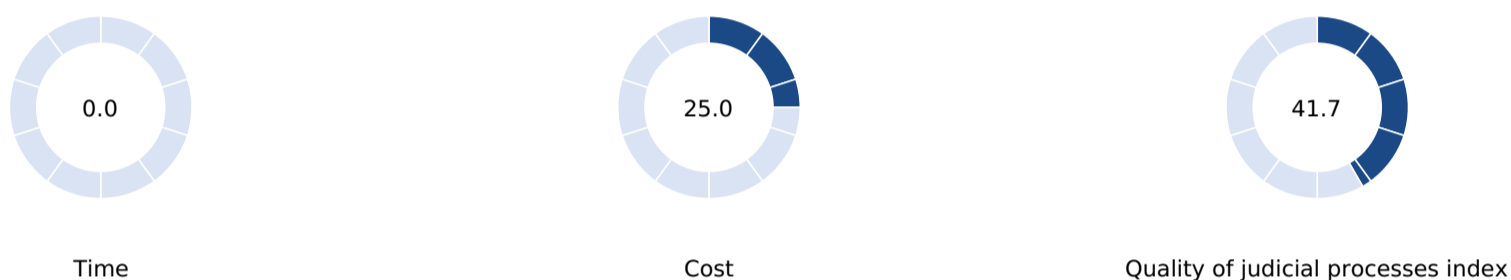
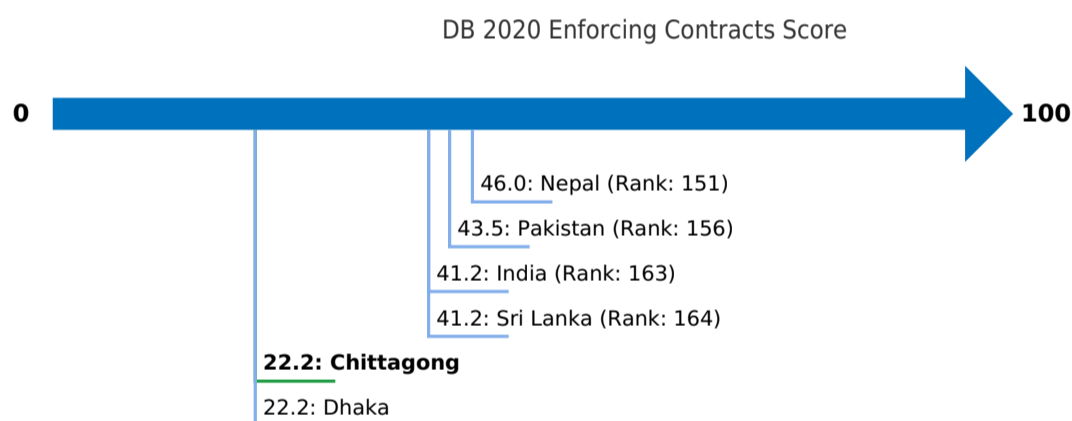


Figure - Enforcing Contracts in Chittagong and comparator economies - Ranking and Score



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 Chittagong - Time and Cost

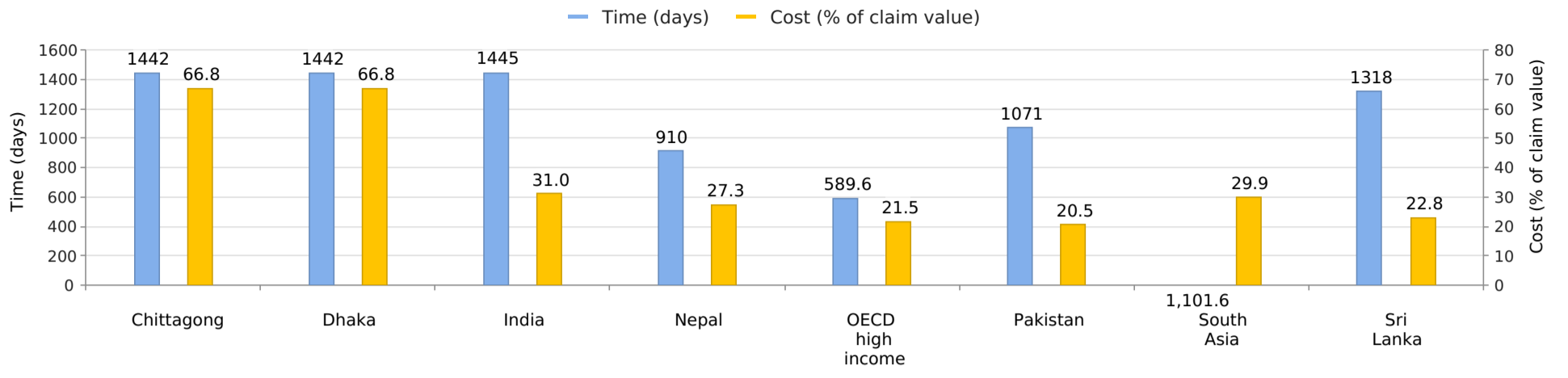
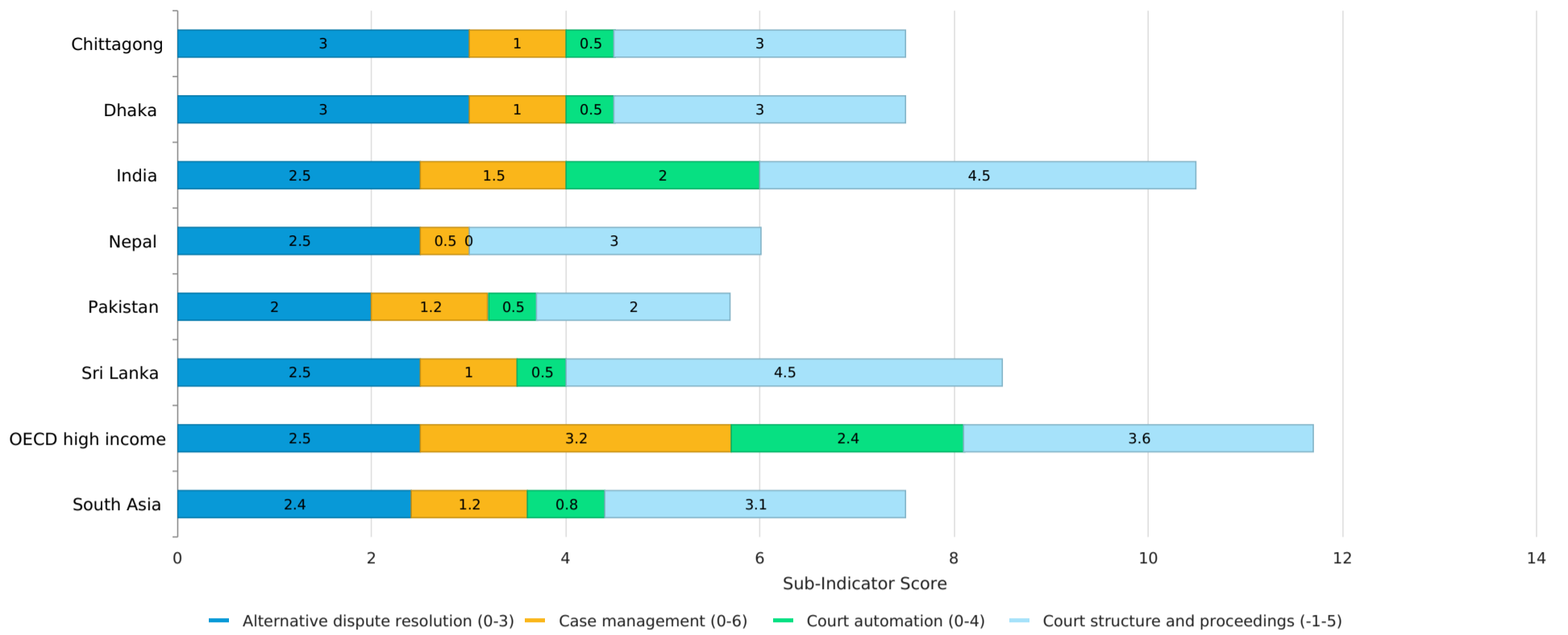


Figure - Enforcing Contracts in Chittagong and comparator economies - Measure of Quality



Details - Enforcing Contracts in Chittagong

	Indicator
<b>Time (days)</b>	<b>1442</b>
Filing and service	30
Trial and judgment	1047
Enforcement of judgment	365
<b>Cost (% of claim value)</b>	<b>66.8</b>
Attorney fees	40
Court fees	8.3
Enforcement fees	18.5
<b>Quality of judicial processes index (0-18)</b>	<b>7.5</b>
Court structure and proceedings (-1-5)	3.0
Case management (0-6)	1.0
Court automation (0-4)	0.5
Alternative dispute resolution (0-3)	3.0

## Details - Enforcing Contracts in Chittagong - Measure of Quality

	Answer	Score
<b>Quality of judicial processes index (0-18)</b>		<b>7.5</b>
<b>Court structure and proceedings (-1-5)</b>		<b>3.0</b>
1. Is there a court or division of a court dedicated solely to hearing commercial cases?	No	0.0
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, but manual	0.5
5. Does a woman's testimony carry the same evidentiary weight in court as a man's?	Yes	0.0
<b>Case management (0-6)</b>		<b>1.0</b>
1. Time standards		0.5
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?	No	
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?	No	0.0
4. Is a pretrial conference among the case management techniques used before the competent court?	No	0.0
5. Are there any electronic case management tools in place within the competent court for use by judges?	No	0.0
6. Are there any electronic case management tools in place within the competent court for use by lawyers?	No	0.0
<b>Court automation (0-4)</b>		<b>0.5</b>
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?	No	0.0
3. Can court fees be paid electronically within the competent court?	No	0.0
4. Publication of judgments		0.5
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?	No	
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	
<b>Alternative dispute resolution (0-3)</b>		<b>3.0</b>
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, design)	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

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## 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.](#)

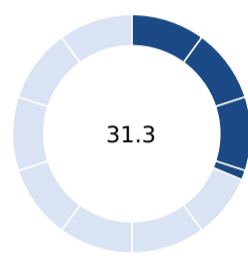
What the indicators measure	Case study assumptions
<p><b>Time required to recover debt (years)</b></p> <ul style="list-style-type: none"> <li>• Measured in calendar years</li> <li>• Appeals and requests for extension are included</li> </ul> <p><b>Cost required to recover debt (% of debtor's estate)</b></p> <ul style="list-style-type: none"> <li>• Measured as percentage of estate value</li> <li>• Court fees</li> <li>• Fees of insolvency administrators</li> <li>• Lawyers' fees</li> <li>• Assessors' and auctioneers' fees</li> <li>• Other related fees</li> </ul> <p><b>Outcome</b></p> <ul style="list-style-type: none"> <li>• Whether business continues operating as a going concern or business assets are sold piecemeal</li> </ul> <p><b>Recovery rate for creditors</b></p> <ul style="list-style-type: none"> <li>• Measures the cents on the dollar recovered by secured creditors</li> <li>• Outcome for the business (survival or not) determines the maximum value that can be recovered</li> <li>• Official costs of the insolvency proceedings are deducted</li> <li>• Depreciation of furniture is taken into account</li> <li>• Present value of debt recovered</li> </ul> <p><b>Strength of insolvency framework index (0- 16)</b></p> <ul style="list-style-type: none"> <li>• Sum of the scores of four component indices:</li> <li>• Commencement of proceedings index (0-3)</li> <li>• Management of debtor's assets index (0-6)</li> <li>• Reorganization proceedings index (0-3)</li> <li>• Creditor participation index (0-4)</li> </ul>	<p>To make the data on the time, cost and outcome comparable across economies, several assumptions about the business and the case are used:</p> <ul style="list-style-type: none"> <li>- A hotel located in the largest city (or cities) has 201 employees and 50 suppliers. The hotel experiences financial difficulties.</li> <li>- 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.</li> <li>- 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.</li> </ul> <p>In addition, <i>Doing Business</i> 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.</p>



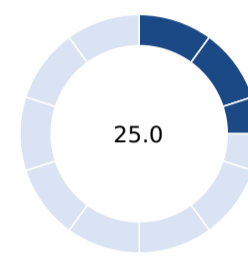
Resolving Insolvency - Dhaka

Indicator	Dhaka	South Asia	OECD high income	Best Regulatory Performance
Recovery rate (cents on the dollar)	29.1	38.1	70.2	92.9 (Norway)
Time (years)	4.0	2.2	1.7	0.4 (Ireland)
Cost (% of estate)	8.0	9.9	9.3	1.0 (Norway)
Outcome (0 as piecemeal sale and 1 as going concern)	0	..	..	..
Strength of insolvency framework index (0-16)	4.0	6.5	11.9	None in 2018/19

Figure - Resolving Insolvency in Dhaka - Score

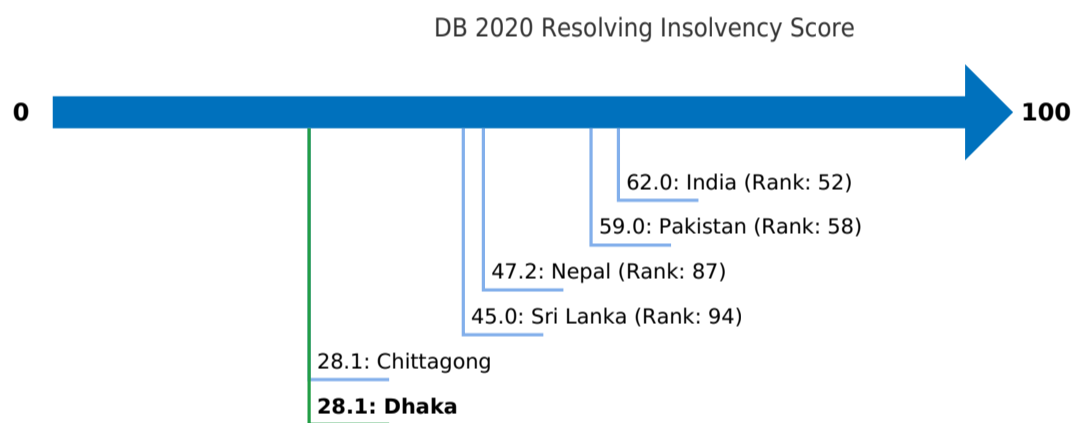


Recovery rate



Strength of insolvency framework index

Figure - Resolving Insolvency in Dhaka 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 Dhaka - Time and Cost

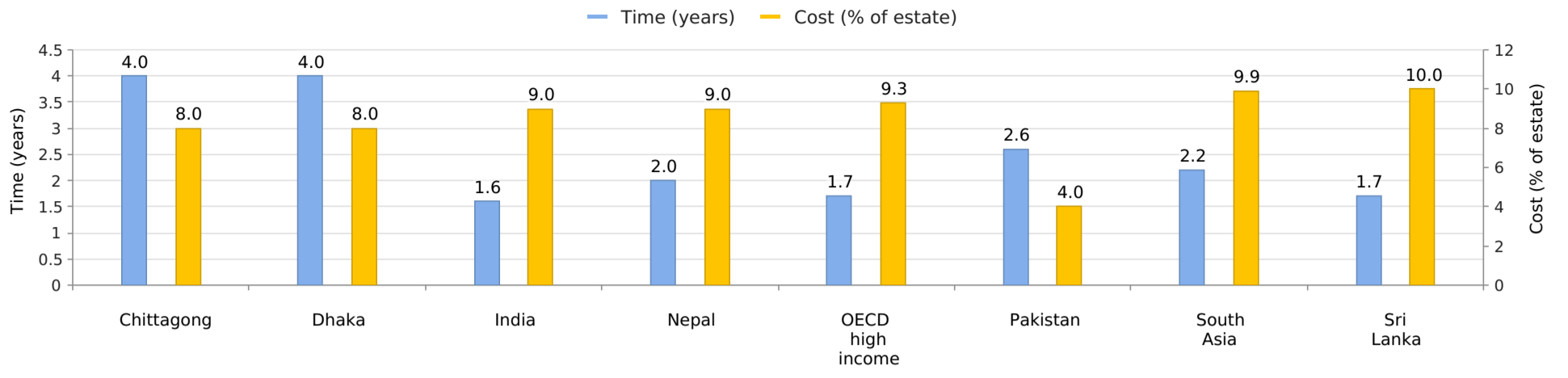
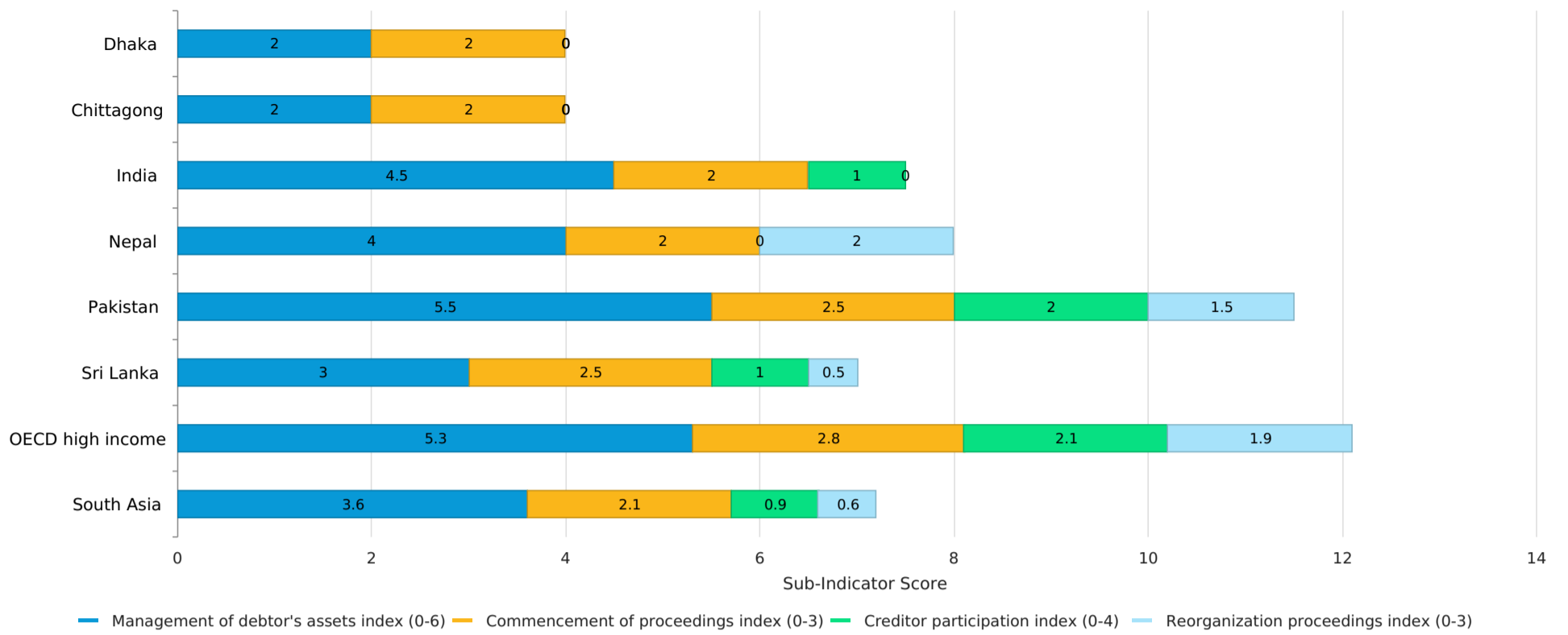
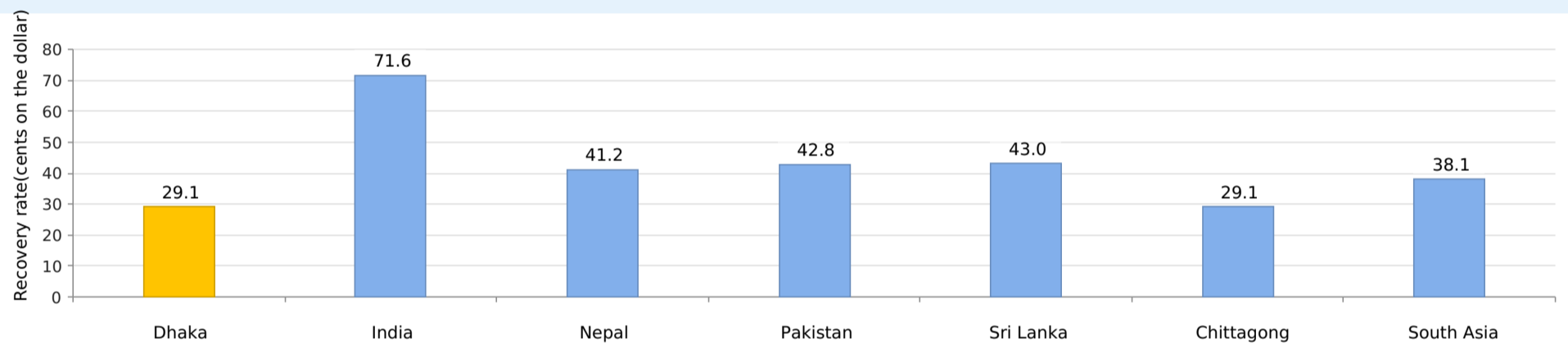


Figure - Resolving Insolvency in Dhaka and comparator economies - Measure of Quality



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 Dhaka and comparator economies - Recovery Rate



## Details - Resolving Insolvency in Dhaka

Indicator	Answer	Score
Proceeding	foreclosure	After 90 days of automatic stay, the Bizbank would initiate foreclosure through Artha Rin Adalat Bankruptcy Court which is established under the Artha Rin Adalat Act 2003 for banks and non-banking financial institutions (NBFIs). Artha Rin Adalat Bankruptcy Court would then review the case and makes decision on Mirages's application. Once a decree has been passed against the entity, the bank files for execution of the decree and the Court conducts a piecemeal sale of Mirage's assets in a public auction.
Outcome	piecemeal sale	No, the hotel will stop operating and Mirage assets will be sold piecemeal in a public auction conducted by the Artha Rin Courts after granting the order on the BizBank's foreclosure application.
Time (in years)	4.0	A foreclosure procedure will approximately take 4 years in total. BizBank would initiate foreclosure after the 90 days automatic stay, and after filing the application to the Artha Rin Bankruptcy Court, it usually takes another year to get a decree from the Artha Rin Bankruptcy Court (1-2 years). The execution of the decree until BizBank is repaid some or all of the money owed to it from the auction proceeds would take additional 1 to 2 years.
Cost (% of estate)	8.0	The costs associated with the case would amount to approximately 8% of the value of the debtor's estate. Cost incurred during the entire insolvency process mainly include court or government agency fees (1%), attorney fees (up to 5%), costs of notification and publication (1%), fees of accountants, assessors, inspectors and other professionals (1%), and auctioneer fees (1%).
Recovery rate (cents on the dollar)		29.1

## Details - Resolving Insolvency in Dhaka - Measure of Quality

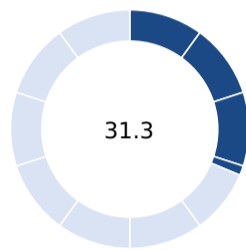
	Answer	Score
<b>Strength of insolvency framework index (0-16)</b>		<b>4.0</b>
<b>Commencement of proceedings index (0-3)</b>		<b>2.0</b>
What procedures are available to a DEBTOR when commencing insolvency proceedings?	(b) Debtor may file for liquidation only	0.5
Does the insolvency framework allow a CREDITOR to file for insolvency of the debtor?	(b) Yes, but a creditor may file for liquidation only	0.5
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
<b>Management of debtor's assets index (0-6)</b>		<b>2.0</b>
Does the insolvency framework allow the continuation of contracts supplying essential goods and services to the debtor?	No	0.0
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?	No	0.0
Does the insolvency framework provide for the possibility of the debtor obtaining credit after commencement of insolvency proceedings?	No	0.0
Does the insolvency framework assign priority to post-commencement credit?	(c) No priority is assigned to post-commencement creditors	0.0
<b>Reorganization proceedings index (0-3)</b>		<b>0.0</b>
Which creditors vote on the proposed reorganization plan?	N/A	0.0
Does the insolvency framework require that dissenting creditors in reorganization receive at least as much as what they would obtain in a liquidation?	No	0.0
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?	No	0.0
<b>Creditor participation index (0-4)</b>		<b>0.0</b>
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?	No	0.0
Does the insolvency framework provide that a creditor has the right to object to decisions accepting or rejecting creditors' claims?	No	0.0

**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."

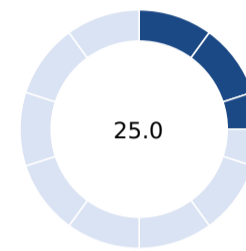
Resolving Insolvency - Chittagong

Indicator	Chittagong	South Asia	OECD high income	Best Regulatory Performance
Recovery rate (cents on the dollar)	29.1	38.1	70.2	92.9 (Norway)
Time (years)	4.0	2.2	1.7	0.4 (Ireland)
Cost (% of estate)	8.0	9.9	9.3	1.0 (Norway)
Outcome (0 as piecemeal sale and 1 as going concern)	0	..	..	..
Strength of insolvency framework index (0-16)	4.0	6.5	11.9	None in 2018/19

Figure - Resolving Insolvency in Chittagong - Score

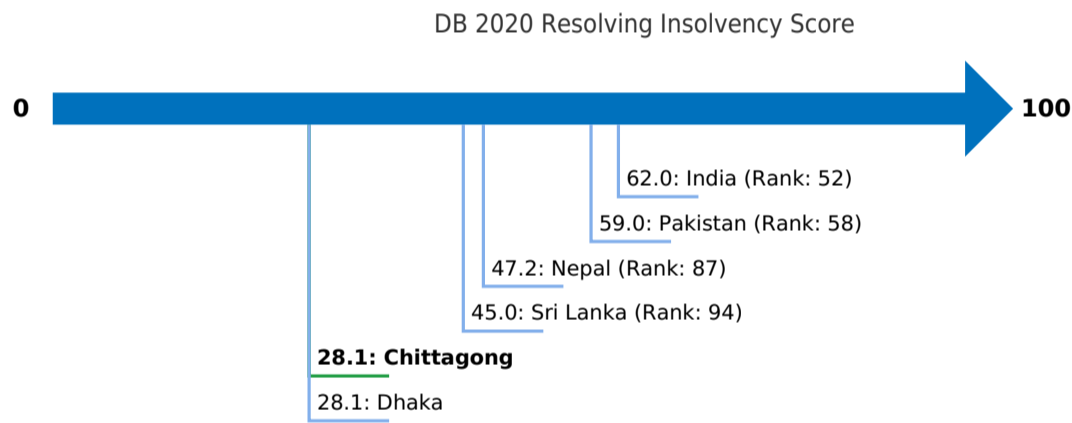


Recovery rate



Strength of insolvency framework index

Figure - Resolving Insolvency in Chittagong 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 Chittagong - Time and Cost

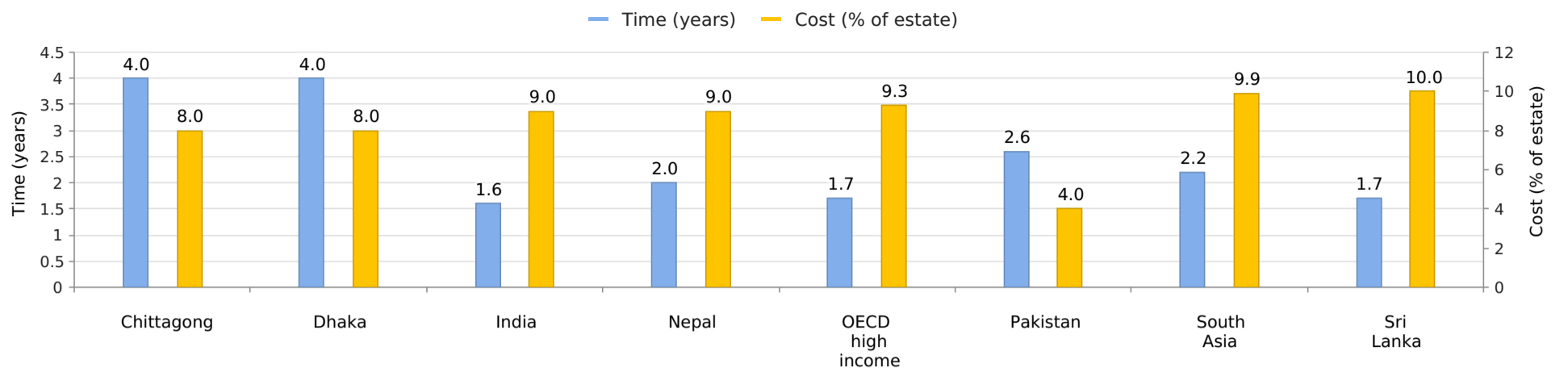
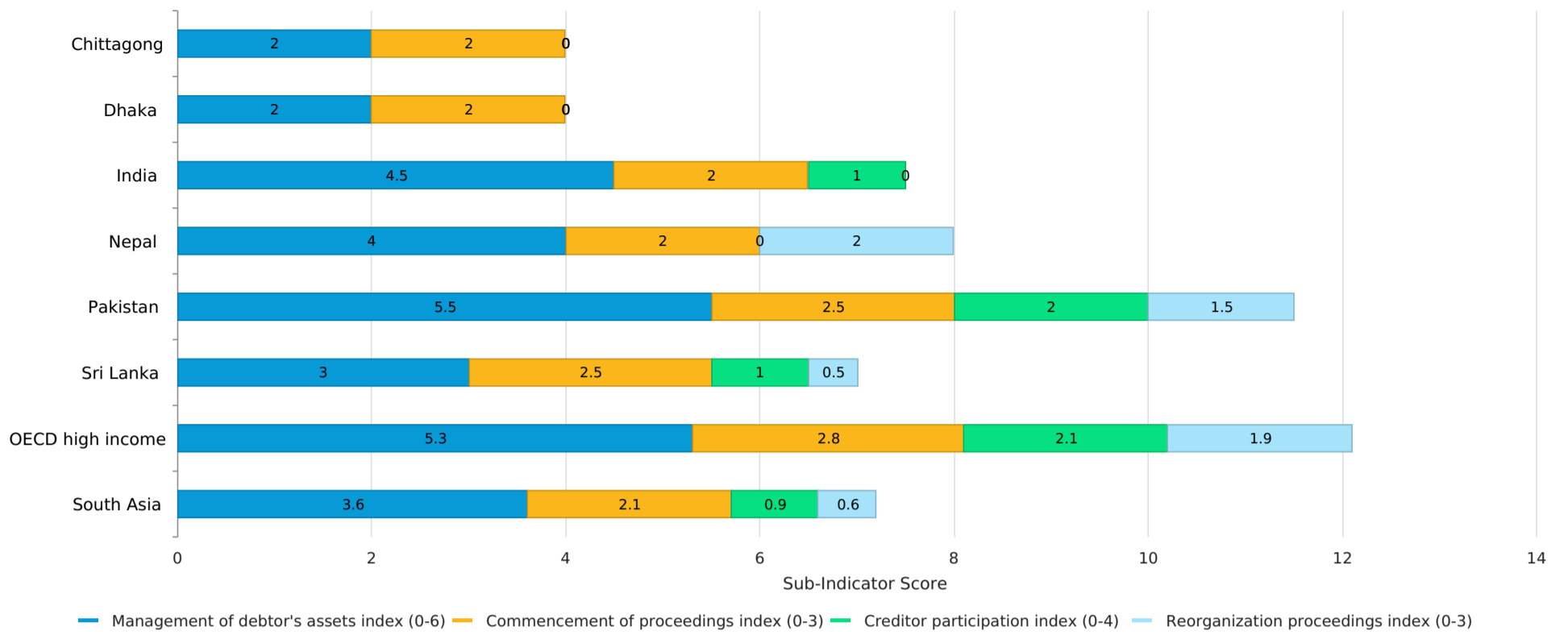
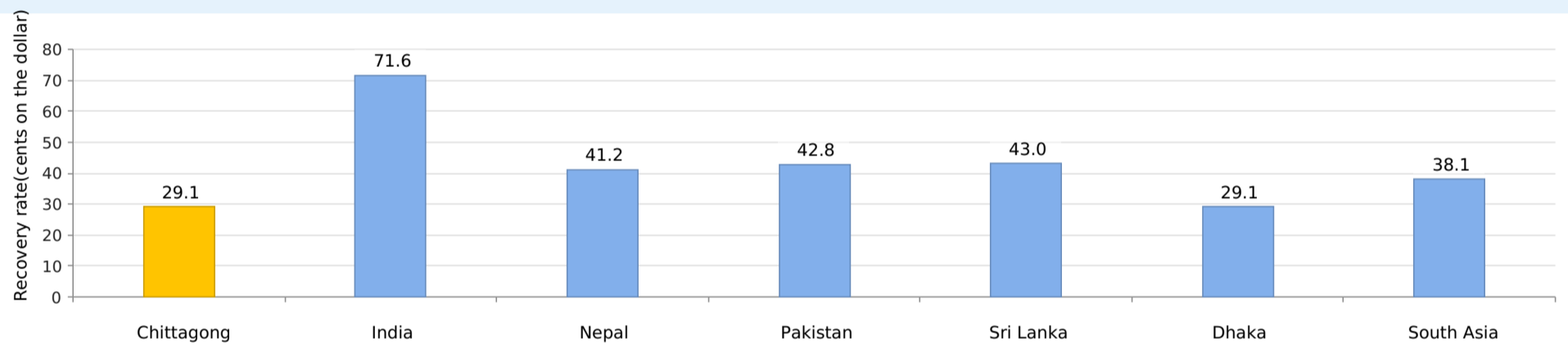


Figure - Resolving Insolvency in Chittagong and comparator economies - Measure of Quality



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 Chittagong and comparator economies - Recovery Rate





## Details - Resolving Insolvency in Chittagong

Indicator	Answer	Score
Proceeding	foreclosure	After 90 days of automatic stay, the Bizbank would initiate foreclosure through Artha Rin Adalat Bankruptcy Court which is established under the Artha Rin Adalat Act 2003 for banks and non-banking financial institutions (NBFIs). Artha Rin Adalat Bankruptcy Court would then review the case and makes decision on Mirages's application. Once a decree has been passed against the entity, the bank files for execution of the decree and the Court conducts a piecemeal sale of Mirage's assets in a public auction.
Outcome	piecemeal sale	No, the hotel will stop operating and Mirage assets will be sold piecemeal in a public auction conducted by the Courts after granting the order on the BizBank's foreclosure application.
Time (in years)	4.0	A foreclosure procedure will approximately take 4 years in total. BizBank would initiate foreclosure after the 90 days automatic stay, and after filing the application to the Artha Rin Bankruptcy Court, it usually takes another year to get a decree from the Artha Rin Bankruptcy Court (1-2 years). The execution of the decree until BizBank is repaid some or all of the money owed to it from the auction proceeds would take additional 1 to 2 years.
Cost (% of estate)	8.0	The costs associated with the case would amount to approximately 8% of the value of the debtor's estate. Cost incurred during the entire insolvency process mainly include court or government agency fees (1%), attorney fees (up to 5%), costs of notification and publication (1%), fees of accountants, assessors, inspectors and other professionals (1%), and auctioneer fees (1%).
Recovery rate (cents on the dollar)		29.1

## Details - Resolving Insolvency in Chittagong - Measure of Quality

	Answer	Score
<b>Strength of insolvency framework index (0-16)</b>		<b>4.0</b>
<b>Commencement of proceedings index (0-3)</b>		<b>2.0</b>
What procedures are available to a DEBTOR when commencing insolvency proceedings?	(b) Debtor may file for liquidation only	0.5
Does the insolvency framework allow a CREDITOR to file for insolvency of the debtor?	(b) Yes, but a creditor may file for liquidation only	0.5
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
<b>Management of debtor's assets index (0-6)</b>		<b>2.0</b>
Does the insolvency framework allow the continuation of contracts supplying essential goods and services to the debtor?	No	0.0
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?	No	0.0
Does the insolvency framework provide for the possibility of the debtor obtaining credit after commencement of insolvency proceedings?	No	0.0
Does the insolvency framework assign priority to post-commencement credit?	(c) No priority is assigned to post-commencement creditors	0.0
<b>Reorganization proceedings index (0-3)</b>		<b>0.0</b>
Which creditors vote on the proposed reorganization plan?	N/A	0.0
Does the insolvency framework require that dissenting creditors in reorganization receive at least as much as what they would obtain in a liquidation?	No	0.0
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?	No	0.0
<b>Creditor participation index (0-4)</b>		<b>0.0</b>
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?	No	0.0
Does the insolvency framework provide that a creditor has the right to object to decisions accepting or rejecting creditors' claims?	No	0.0

**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 - Dhaka

## Details - Employing Workers in Dhaka

	Answer
<b>Hiring</b>	
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)	0.0
Ratio of minimum wage to value added per worker	0.0
Maximum length of probationary period (months)	3.0
<b>Working hours</b>	
Standard workday	8.0
Maximum number of working days per week	5.5
Premium for night work (% of hourly pay)	0.0
Premium for work on weekly rest day (% of hourly pay)	0.0
Premium for overtime work (% of hourly pay)	100.0
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)	17.0
Paid annual leave for a worker with 5 years of tenure (working days)	17.0
Paid annual leave for a worker with 10 years of tenure (working days)	17.0
Paid annual leave (average for workers with 1, 5 and 10 years of tenure, in working days)	17.0
<b>Redundancy rules</b>	
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?	No
Priority rules for redundancies?	Yes
Priority rules for reemployment?	Yes
<b>Redundancy cost</b>	
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)	5.0
Severance pay for redundancy dismissal for a worker with 5 years of tenure (weeks of salary)	25.0

Severance pay for redundancy dismissal for a worker with 10 years of tenure (weeks of salary)	50.0
Severance pay for redundancy dismissal (average for workers with 1, 5 and 10 years of tenure, in weeks of salary)	26.7
Unemployment protection after one year of employment?	No

## Employing Workers - Chittagong

## Details - Employing Workers in Chittagong

	Answer
<b>Hiring</b>	
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)	0.0
Ratio of minimum wage to value added per worker	0.0
Maximum length of probationary period (months)	3.0
<b>Working hours</b>	
Standard workday	8.0
Maximum number of working days per week	5.5
Premium for night work (% of hourly pay)	0.0
Premium for work on weekly rest day (% of hourly pay)	0.0
Premium for overtime work (% of hourly pay)	100.0
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)	17.0
Paid annual leave for a worker with 5 years of tenure (working days)	17.0
Paid annual leave for a worker with 10 years of tenure (working days)	17.0
Paid annual leave (average for workers with 1, 5 and 10 years of tenure, in working days)	17.0
<b>Redundancy rules</b>	
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?	No
Priority rules for redundancies?	Yes
Priority rules for reemployment?	Yes
<b>Redundancy cost</b>	
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)	5.0
Severance pay for redundancy dismissal for a worker with 5 years of tenure (weeks of salary)	25.0

Severance pay for redundancy dismissal for a worker with 10 years of tenure (weeks of salary)	50.0
Severance pay for redundancy dismissal (average for workers with 1, 5 and 10 years of tenure, in weeks of salary)	26.7
Unemployment protection after one year of employment?	No

## Business Reforms in Bangladesh

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.

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### DB2020

✓ **Starting a Business:** Bangladesh made starting a business less expensive by reducing name clearance and registration fees and abolishing the fee for certifying digital certificates. This reform applies to both Dhaka and Chittagong.

✓ **Getting Electricity:** Bangladesh (Dhaka) made getting electricity faster by investing in digitization and human capital at the utility. Bangladesh (Dhaka) also made getting electricity less costly by reducing the amount of the security deposit for a new connection.

✓ **Getting Credit:** Bangladesh improved access to credit information by expanding the coverage of the credit information bureau. This reform applies to both Dhaka and Chittagong.

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### DB2018

✗ **Starting a Business:** Bangladesh made starting a business more expensive by increasing the cost of business registration at the Registrar of Joint Stock Companies and Firms. This reform applies to both Chittagong and Dhaka.

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### DB2017

✗ **Paying Taxes:** Bangladesh made paying taxes more complicated for companies by increasing the time it takes to prepare VAT and corporate income tax returns. This reform applies to both Chittagong and Dhaka.

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### DB2016

✓ **Getting Electricity:** Bangladesh reduced the application processing time for new connections in both Dhaka and Chittagong thanks to an increase in the country's network capacity.

✓ **Paying Taxes:** Bangladesh made paying taxes less costly for companies by reducing the corporate income tax rate. This reform applies to both Chittagong and Dhaka.

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### DB2015

✓ **Trading across Borders:** Bangladesh made trading across borders easier by introducing a fully automated, computerized customs data management system, ASYCUDA (Automated System for Customs Data) World. This reform applies to both Chittagong and Dhaka.

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### DB2014

✓ **Starting a Business:** Bangladesh made starting a business easier by automating the registration process and reducing the time required to obtain a trading license and to complete the tax and value added tax registration.

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### DB2013

✗ **Getting Electricity:** Bangladesh made getting electricity more difficult by requiring all customers to meet 7% of their electricity needs through solar energy, making it necessary to install solar panels.

✓ **Getting Credit:** Bangladesh improved access to credit information by establishing an online platform for sharing such information.

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### DB2012

✗ **Getting Electricity:** Bangladesh made getting electricity more difficult by imposing a moratorium on new electricity connections from April 2010 to March 2011 because of an electricity supply shortage. This moratorium has led to long delays for customers and has increased the time to obtain an electricity connection.

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### DB2011

✓ **Starting a Business:** Bangladesh made business start-up easier by eliminating the requirement to buy adhesive stamps and further enhancing the online registration system.

✓ **Registering Property:** Bangladesh reduced the property transfer tax to 6.7% of the property value.

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### DB2010

✓ **Starting a Business:** Bangladesh made starting a business easier by launching a full-fledged online business name clearance and registration process.

✓ **Paying Taxes:** Bangladesh made paying taxes less costly for companies by reducing the corporate income tax rate—though it also increased the capital gains tax rate.

✓ **Trading across Borders:** Bangladesh reduced the time required to clear goods by automating customs clearance procedures at the Chittagong port.



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DB2009

- ✓ **Starting a Business:** Bangladesh simplified business registration formalities, reducing the time, cost and number of procedures to start a business.
  - ✓ **Registering Property:** Bangladesh speeded up property registration by increasing efficiency at the municipal deed registry office.
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DB2008

- ✗ **Starting a Business:** Bangladesh made starting a business more complicated by introducing an additional process for verifying the payment stamp duty
- ✗ **Paying Taxes:** Bangladesh made paying taxes more costly for companies by increasing the corporate income tax rate.

*Doing Business 2020* is the 17th in a series of annual studies investigating the regulations that enhance business activity and those that constrain it. It provides quantitative indicators covering 12 areas of the business environment in 190 economies. The goal of the *Doing Business* series is to provide objective data for use by governments in designing sound business regulatory policies and to encourage research on the important dimensions of the regulatory environment for firms.

[www.doingbusiness.org](http://www.doingbusiness.org)



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