SUBNATIONAL DOING BUSINESS

Doing Business in the European Union 2021:
Austria, Belgium and the Netherlands

Comparing Business Regulation for Domestic Firms in 24 Cities in Austria, Belgium and the Netherlands with Other European Union Member States

WORLD BANK GROUP

with funding by the European Union

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Introduction

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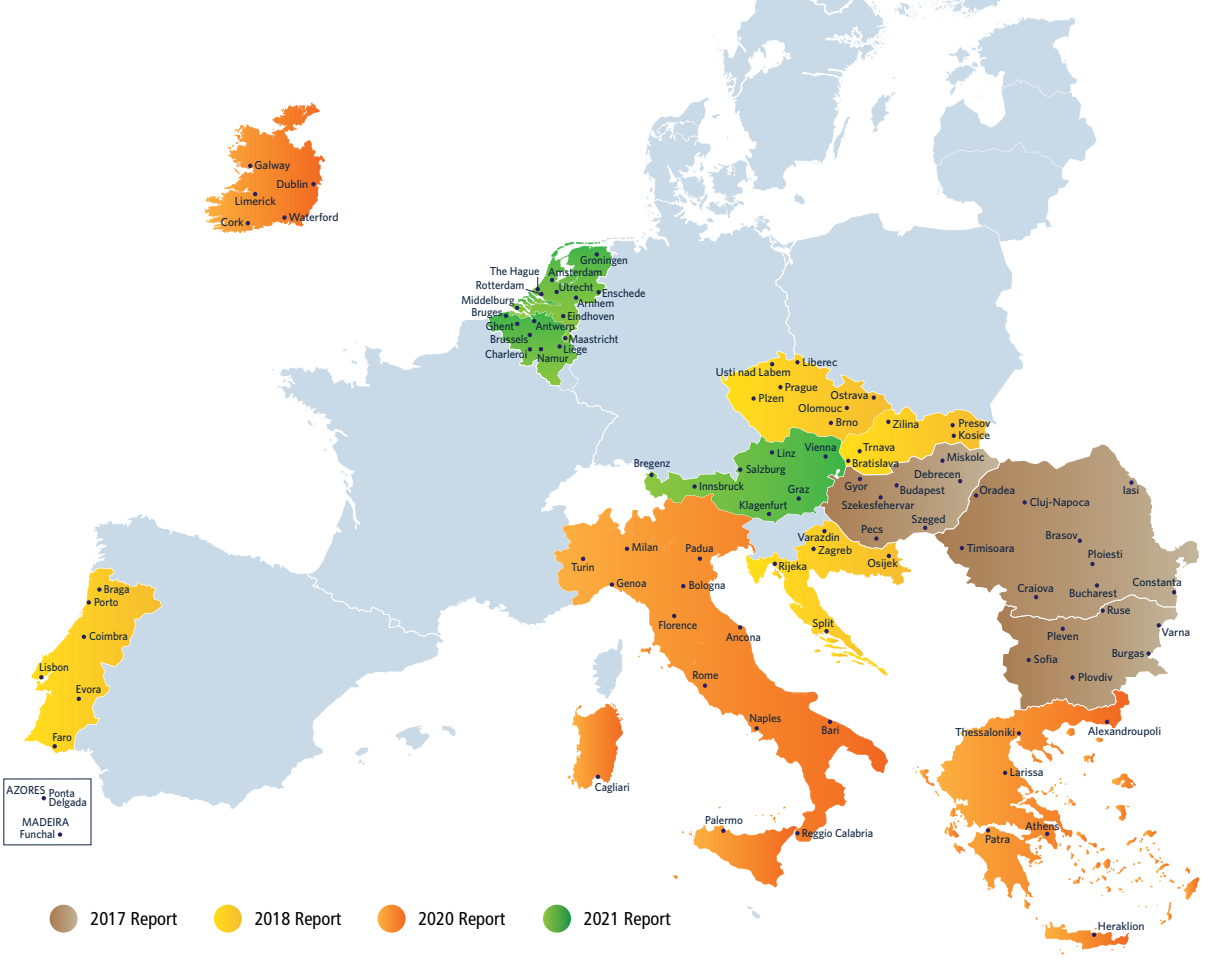
This report is the latest in a series produced by the World Bank Group at the request of and funded by the European Commission's Directorate-General for Regional and Urban Policy. The series follows the diagnostic methodology used in the cross-country *Doing Business* reports—which measure aspects of regulation that enable or hinder entrepreneurs in starting, operating, or expanding their companies in the country's largest business city[1]—and extends it to secondary cities in European Union (EU) member states with a population greater than four million.

The goal is to provide a more comprehensive picture of each country's regulatory environment for businesses and the efficacy of its bureaucracy at the local administrative level. By providing a factual baseline, along with local good practice examples, subnational reports allow policy makers to bridge gaps in regulatory performance to ensure a fairer and more inclusive environment for businesses, regardless of their location within national borders and across the EU.

The first edition, covering 22 cities in Bulgaria, Hungary, and Romania, was released in 2017. Twenty-five more cities in Croatia, the Czech Republic, Portugal, and Slovakia, were benchmarked in 2018. The following year, data were published for 24 cities in Greece, Ireland, and Italy. The current edition goes beyond Amsterdam, Brussels, and Vienna to benchmark 21 additional cities, capturing regional differences in regulations and their enforcement (map 1.1). See the annex for the complete list of benchmarked cities and their performance in the areas measured. All reports and data are available online at www.doingbusiness.org/EU.

The series focuses on *Doing Business* indicator sets that measure the complexity and cost of regulatory processes and the strength of legal institutions that affect five stages in the life of a small to medium-size domestic firm: starting a business, dealing with construction permits, getting electricity, registering

MAP 1.1 Subnational data for 13 EU member states are available under the *Doing Business in the European Union* series



Source: Subnational Doing Business.

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property, and enforcing contracts through a local court (table 1.1).[2]

The results of the subnational studies in the *Doing Business in the European Union* series are revealing. The data collected to date show that substantial differences in the business environment remain among and within EU member states (figure 1.1). And these differences matter. A study looking at cities across several EU member states found that firms located in places with a better business environment performed better in sales, employment and productivity growth, and investment.[3]

Doing Business in the European Union 2021: Austria, Belgium and the Netherlands was undertaken in close collaboration with national government counterparts—in Austria, the Federal Chancellery and the Ministry of Finance; in Belgium, the Federal Public Service Finance and Federal Public Service Foreign Affairs, Foreign Trade and Development Cooperation; in the Netherlands, the Ministry of Economic Affairs and Climate Policy.

The report is divided into three main chapters, one per country. Details on the main findings for each country can be found at the beginning of the respective country chapters. Each country chapter also includes data analysis and identification of areas for improvement, based on national and European good practices, in all five areas benchmarked. The report also includes an explanation of the methodology (see the data notes) and detailed procedure lists for each indicator and city covered, when applicable.

Data in *Doing Business in the European Union 2021: Austria, Belgium and the Netherlands* are current as of December 31, 2020, and can be compared with all other economies benchmarked by *Doing Business*.

Insights from the *Doing Business in the European Union* series have informed the individual country reports produced for the European Semester[4] and the European Commission's reports on economic, social, and territorial cohesion.[5] City-level data produced by this series are also used in World Bank reports on issues such as business environment and firm performance,[6] public sector governance,[7] housing and mobility,[8] and economic and territorial cohesion[9] in EU regions.

Promoting a business environment that motivates entrepreneurship, business growth, and employment generation—not only in the large economic centers but across all regions—will be an important factor in achieving convergence among EU regions and states. In the aftermath of the coronavirus pandemic and associated economic crisis, excessive bureaucracy is an additional hurdle that can jeopardize the ability of small and medium enterprises (SMEs) to survive. This report uncovers national success stories and highlights opportunities to reduce bureaucratic red tape by replicating existing, locally-implemented good practices. Local good practices have the

TABLE 1.1 What is measured: five *Doing Business* indicators, covering areas of local jurisdiction or practice across 24 cities in three countries

	**Starting a business** Records the procedures, time, cost and paid-in minimum capital required for a small or medium-size domestic limited liability company to formally operate.
	**Dealing with construction permits** Records the procedures, time and cost required for a small or medium-size domestic business to obtain the approvals needed to build a commercial warehouse and connect it to water and sewerage; assesses the quality control and safety mechanisms in the construction permitting system.
	**Getting electricity** Records the procedures, time and cost required for a business to obtain a permanent commercial electricity connection for a standardized warehouse; assesses the reliability of the electricity supply and the transparency of tariffs.
	**Registering property** Records the procedures, time and cost required to transfer a property title from one domestic firm to another so that the buyer can use the property to expand its business, use it as collateral or, if necessary, sell it; assesses the quality of the land administration system.
	**Enforcing contracts** Records the time and cost for resolving a commercial dispute through a local first-instance court, which hears arguments on the merits of the case and appoints an expert to provide an opinion on the quality of the goods in dispute; assesses the existence of good practices in the court system.

24 cities	**AUSTRIA:** Bregenz, Graz, Innsbruck, Klagenfurt, Linz, Salzburg, Vienna	**BELGIUM:** Antwerp, Bruges, Brussels, Charleroi, Ghent, Liège, Namur	**THE NETHERLANDS:** Amsterdam, Arnhem, Eindhoven, Enschede, Groningen, The Hague, Maastricht, Middelburg, Rotterdam, Utrecht

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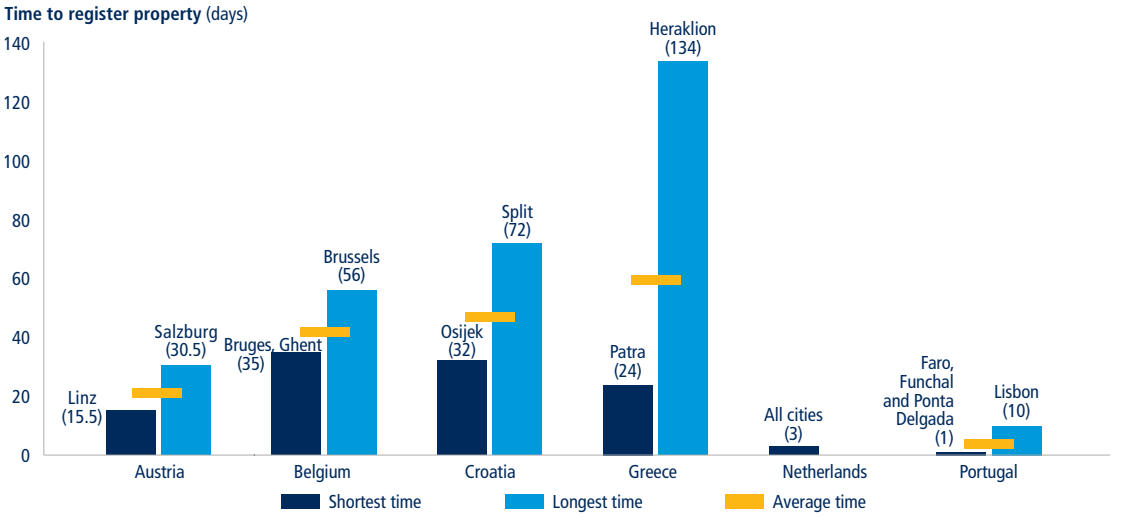
FIGURE 1.1 Substantial differences in the business environment remain, both among and within EU member states



Source: Subnational Doing Business and *Doing Business* databases.

Note: The average time shown for each country is based on all cities covered by the data: six cities in Greece in 2019; seven cities in Belgium in 2020; eight cities in Portugal in 2018; five cities in Croatia in 2018; seven cities in Austria in 2020; and 10 cities in the Netherlands in 2020.

advantage of not requiring the adoption of major new national legislation—they have already proved successful in the country.

NOTES

1. Eleven 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) are also represented by the second-largest business city.
2. These indicator sets were selected because they benchmark areas where local authorities typically have the administrative power to reform the underlying regulation or make changes to how the regulation is implemented.
3. Farole, Thomas, Issam Hallak, Peter Harasztosi and Shawn Tan. 2017. "Business Environment and Firm Performance in European Lagging Regions." Policy Research Working Paper 8281, World Bank, Washington, DC.
4. The 2020 European Semester Country Reports are available at https://ec.europa.eu/info/publications/2020-european-semester-country-reports_en.
5. The Seventh Report on Economic, Social and Territorial Cohesion is available at https://ec.europa.eu/regional_policy/en/information/cohesion-report/.
6. Farole, Thomas, Issam Hallak, Peter Harasztosi, and Shawn Tan. 2017. "Business Environment and Firm Performance in European Lagging Regions." Policy Research Working Paper 8281, World Bank, Washington, DC. https://openknowledge.worldbank.org/handle/10986/29073.
7. World Bank. 2018. Public Sector Governance Indicators for EU Regions. Washington, DC: World Bank. http://documents1.worldbank.org/curated/pt/562531529038167251/pdf/Public-Sector-Governance-Indicator-Final-Report.pdf.
8. Inchauste, Gabriela, Jonathan Karver, Yeon Soo Kim, and Mohamed Abdel Jelil. 2018. "Living and Leaving: Housing, Mobility and Welfare in the European Union." World Bank, Washington, DC. https://openknowledge.worldbank.org/handle/10986/30898.
9. Farole, Thomas, Soraya Goga, and Marcel Ionescu-Heroiu. 2018. "Rethinking Lagging Regions: Using Cohesion Policy to Deliver on the Potential of Europe's Regions." World Bank, Washington, DC. https://openknowledge.worldbank.org/handle/10986/29823; Ridao-Cano, Cristobal, and Christian Bodewig. 2018. "Growing United: Upgrading Europe's Convergence Machine. World Bank, Washington, DC. https://www.worldbank.org/en/region/eca/publication/europe-growing-united.

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Doing Business in AUSTRIA

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- ***Doing Business in Austria*** **presents regional-level data and analyzes regulatory hurdles facing entrepreneurs in seven cities** (Bregenz, Graz, Innsbruck, Klagenfurt, Linz, Salzburg, and Vienna) across five *Doing Business* areas (starting a business, dealing with construction permits, getting electricity, registering property, and enforcing contracts through a local court).

- **Four of the seven cities lead in at least one of the measured areas. Linz is the only Austrian city that scores highest in two indicator areas.** Cities that score well in one area are at the bottom of the ranking for others, suggesting that each city has something to teach and something to learn from its neighbors.

- **Linz leads in getting electricity and registering property, Salzburg in starting a business, Bregenz in dealing with construction permits, and Vienna in enforcing contracts.** Innsbruck has the second-highest score in three of the five areas and is the only city that does not rank in the bottom three in any indicator.

- **Subnational score variations are most significant in the ease of dealing with construction permits, enforcing contracts, and getting electricity.** These disparities can help policy makers identify which cities have good practices that other cities can adopt and make improvements without major legislative overhaul.

- **Time is the dimension that varies the most across the five indicators. Bregenz registers the fastest turnaround times overall, and Klagenfurt the longest.** Entrepreneurs in Klagenfurt spend seven months longer than their peers in Bregenz complying with the bureaucratic requirements in the five areas measured. Nevertheless, even in Klagenfurt, the total time is 3.5 months faster than the EU average.

- **In the long run, Austrian cities can look for good practices outside the country to further improve their business regulations.** This would be particularly beneficial in the area of starting a business, the only indicator where all Austrian cities perform below the EU average.

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Small and medium-sized enterprises (SMEs) play an essential role in the Austrian economy, representing 99.6% of all companies and employing approximately two-thirds of the working population.[1] In the recent past, Austria adopted a series of measures to improve the business environment for SMEs, thus enhancing job creation and economic growth. Austrian authorities invested in simplifying bureaucratic requirements through the use of electronic government services. For example, the government launched the Austrian Business Service Portal (Unternehmensserviceportal) in 2010. The portal, which began as an online information portal, has gradually evolved into a single sign-on transaction portal for businesses to complete a range of bureaucratic procedures and interact with public authorities. Existing technological solutions proved particularly useful during the pandemic-related lockdowns, allowing the authorities to continue delivering essential services to enterprises. The pandemic also accelerated the adoption of new digital tools in Austria (box 2.1).

Clear, simple, and coherent business regulations provide the stable and predictable rules that firms need to function effectively and encourage long-term growth and sustainable economic development. Conversely, excessive regulation can constrain the ability of firms to reach the minimum size required to be competitive, undercutting their chances of becoming more productive, operating internationally, and attracting foreign investment.

This report focuses on the rules and regulations that govern business activity in Austria and the efficacy of local-level bureaucracy. This layer of administration is especially important in a federal country like Austria, where states and local authorities play a crucial role in determining business regulations and implementing them. The study presents regional-level data and analyzes regulatory hurdles facing entrepreneurs in seven cities: Bregenz, Graz, Innsbruck, Klagenfurt, Linz, Salzburg, and Vienna.[2]

Overall, Austria scores above the EU average for the ease of doing business.[3] The country also performs well on the European Commission Small Busines Act for Europe principles.[4] Differences among the Austrian cities' performances on the five *Doing Business* indicators studied in this report highlight opportunities for local policy makers to adopt in-country examples of good practice to improve regulatory performance in their jurisdictions. The report also provides good practice examples from other EU member states as inspiration for the Austrian authorities.

MAIN FINDINGS

Bregenz, Linz, Salzburg, and Vienna top the rankings in the measured areas

Of the seven cities benchmarked, four score highest in at least one of the measured areas, with Linz having the highest score in two (table 2.1). Cities that score well in one area are at the bottom of the ranking for others, suggesting that Austrian entrepreneurs face differing regulatory hurdles depending on where they establish their businesses. It also indicates that each city has something to teach and something to learn from its neighbors. Starting a business is easiest in Salzburg, which scores lowest on the registering property indicator. Similarly, dealing with construction permits is easiest in Bregenz, the most challenging city in which to get a new electricity connection. Enforcing contracts is easiest in Vienna, but the city has the second to lowest score for starting a business. Although Linz leads in two areas—getting electricity and registering property—it lags on construction permitting. Innsbruck is one of three cities (together with Graz and Klagenfurt) that does not perform at the top of any area. However, it has the second-highest score in three of the five areas (starting a business, dealing with construction permits, and getting electricity). Innsbruck is

TABLE 2.1 Linz is the only Austrian city that scores highest in two indicator areas

	Starting a business		Dealing with construction permits		Getting electricity		Registering property		Enforcing contracts	
City	Rank (1–7)	Score (0–100)	Rank (1–7)	Score (0–100)	Rank (1–7)	Score (0–100)	Rank (1–7)	Score (0–100)	Rank (1–7)	Score (0–100)
Bregenz	2	82.21	1	83.64	7	86.38	5	77.74	2	71.00
Graz	7	80.95	3	77.16	6	86.62	3	80.18	7	67.04
Innsbruck	2	82.21	2	80.52	2	90.38	4	77.98	4	68.48
Klagenfurt	4	81.96	7	71.09	3	89.34	6	77.38	6	68.18
Linz	4	81.96	6	73.02	1	91.68	1	80.54	3	69.36
Salzburg	1	82.96	4	77.10	4	88.83	7	76.66	5	68.23
Vienna	6	81.71	5	75.31	5	88.43	2	80.30	1	72.73

Source: Subnational Doing Business and *Doing Business* databases.

Note: The indicator scores show how far a location is from the best performance achieved by any economy on each *Doing Business* indicator. The scores are normalized to range from 0 to 100 (the higher the score, the better). For more details, see the chapter "About *Doing Business* and *Doing Business in the European Union 2021: Austria, Belgium and the Netherlands*." Data for Vienna are not considered official until published in the *Doing Business 2021* report.

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also the only city that does not rank in the bottom three in any indicator.

Linz and Vienna have the highest number of top performances

Authorities can learn lessons from both the best-performing cities and those facing the most challenges. Linz is the city where transferring property and getting electricity are fastest, and obtaining construction permits the least expensive. Despite a heavy workload, Vienna is second in terms of the number of top performances on indicator categories. The capital has the most affordable contract enforcement process and the best score on the quality of judicial processes index. Overall, all seven cities studied excel in at least one indicator category (table 2.2).

Austrian cities score above the EU average in most areas, but not in starting a business

In three of the five areas measured, all Austrian cities outscore the EU average score for the ease of doing business (figure 2.1). In getting construction permits, six Austrian cities (all but Klagenfurt) perform above the EU average. The exception is starting a business: all seven benchmarked cities score below the EU average.

There is room for improvement, even in areas where Austrian cities perform relatively well. For example, commercial litigation in Austria is faster—but more expensive—than the EU average. Getting electricity is more efficient across Austrian cities than the EU average in terms of steps, time, and cost. However, Austria lags behind its EU peers on the reliability of electricity supply. Construction permitting is less expensive and requires fewer procedural steps in Austria than the EU average. Still, on average Austrian developers spend more time getting building permits than most of their EU peers.

Score variations across Austria highlight opportunities for cities to learn from each other

Some areas—particularly starting a business and enforcing contracts—are regulated at the federal level, with local authorities and local branches of national agencies responsible for implementing national legislation. Construction permitting, getting electricity, and registering property are regulated partially at the federal level and partially at the state, regional, or municipal level. The cities' divergent scores on each indicator set underscore the difference in regulation and its local implementation. Performance differences can point policy makers to cities with tested good practices that other cities can adopt.

Subnational performance differences are particularly large in some areas. The greatest score disparities are in dealing with construction permits. This is not surprising—construction permitting is regulated at the state level, resulting in procedural, time, and cost differences between cities. Getting a construction permit is easiest in Bregenz, where the authorities recently streamlined the clearance process and reduced the legal timeframe (established by federal law) to issue building permits. It is most difficult in Klagenfurt owing to the city's relatively lengthy permitting process for delivering industrial operation permits and building permits. Bregenz performs better than all EU member states except Denmark, Lithuania, and Luxembourg, whereas Klagenfurt scores below most EU member states.

Significant performance disparities are also evident in enforcing contracts, where the role of local district courts is paramount. Resolving a commercial dispute is easiest in Vienna, the only Austrian city, together with Bregenz, performing among the top 10 EU member states. The capital is the only city with a specialized commercial court. Bregenz, the fastest for enforcing contracts, has the second-highest score. Graz brings up the rear (but ranks above the EU average) with a combination of

TABLE 2.2 All seven cities lead in at least one indicator category

	Number of top performances	Starting a business	Dealing with construction permits			Getting electricity			Registering property		Enforcing contracts		
		Shortest time	Fewest procedures	Shortest time	Least expensive	Fewest procedures	Shortest time	Least expensive	Fewest procedures	Shortest time	Shortest time	Least expensive	Best quality of judicial processes
Linz	5				✓	✓	✓		✓	✓			
Vienna	4					✓			✓			✓	✓
Bregenz	3		✓	✓							✓		
Graz	2							✓	✓				
Salzburg	2	✓				✓							
Innsbruck	1					✓							
Klagenfurt	1					✓							

Source: Subnational Doing Business and *Doing Business* databases.

Note: This table does not show indicator categories in which all cities register an equal result. These include the procedures, cost, and paid-in minimum capital required to start a business; the building quality control; the reliability of supply and transparency of tariffs; the cost to register a property and the reliability of infrastructure. Data for Vienna are not considered official until published in the *Doing Business 2021* report.

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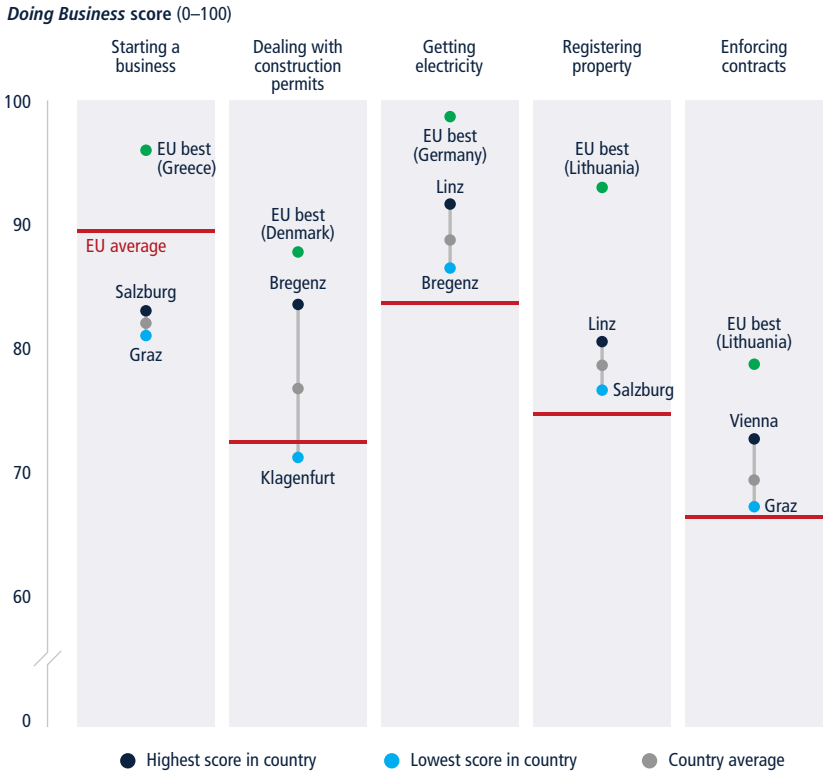
FIGURE 2.1 Subnational score disparities are most significant in construction permitting



Source: Subnational Doing Business and *Doing Business* databases.

Note: The score indicates how far a location is from the best performance achieved by any economy on each *Doing Business* indicator. The score is normalized to range from 0 to 100 (the higher the score, the better). The averages for Austria are based on data for the seven cities benchmarked. The averages for the European Union are based on economy-level data for the 27 EU member states. Other EU member states are represented by their capital city, as measured by global *Doing Business*. For more details, see the chapter "About *Doing Business* and *Doing Business in the European Union 2021: Austria, Belgium and the Netherlands*." Data for Vienna, EU averages, and EU best performances are not considered official until published in the *Doing Business 2021* report.

relatively high costs and time to resolve a commercial dispute.

Because a different electricity utility operates in each benchmarked city, the steps, time, and cost to obtain an electricity connection also vary significantly across Austria. Overall, getting electricity is easiest in Linz and Innsbruck and most difficult in Bregenz and Graz, where one additional procedure is required.

Registering property, a process completed primarily using national digital infrastructure, is relatively homogeneous across the benchmarked cities in Austria. Regional requirements add a procedure in Bregenz, Innsbruck, Klagenfurt, and Salzburg.

The Austrian cities perform most similarly in the area of starting a business as the process involves the same nine steps nationwide. However, local disparities exist in the time needed to register a company with the court and register for tax purposes with the local tax office. Company registration with the court takes three days in Salzburg, compared to six days in Vienna and seven days in Graz (the cities with the two largest commercial registries). And the time to obtain the value added tax (VAT) identification number and tax number varies from 10 days in Salzburg to 14 days in Graz.

Bregenz has the fastest turnaround times overall

Time is the dimension that varies the most across the five measured indicators. Contract enforcement takes 18 months in Graz, four months longer than in Bregenz. Dealing with construction permits varies from five months in Bregenz to over nine months in Klagenfurt. Getting electricity takes 25 days in Linz, less than half the time needed in Vienna. Property registration times range from 15.5 days in Linz to one month in Salzburg. And starting a business takes 16.5 days in Salzburg but 24.5 days in Graz (figure 2.2).

Overall, entrepreneurs in Klagenfurt spend seven months longer than their peers in Bregenz complying with the bureaucratic requirements in the five measured areas (figure 2.3). Nevertheless, even in Klagenfurt, the total time is 3.5 months faster than the EU average.

WHAT IS NEXT?

Austrian cities can improve their business environment by replicating existing domestic good practices

This report identifies existing local good practices that Austrian cities can adopt (table 2.3). However, this does not imply that all locations would automatically benefit from introducing each of these good practices. Several factors determine whether replicating a good practice is beneficial, including local economic priorities, resource allocations, and tradeoffs between how smooth a bureaucratic process is and its costs. Local authorities can determine which of the good practices in the report would help improve their cities' business environments and use them as a source of inspiration when planning reforms.

Austrian cities can improve their business environment by replicating existing good practices (figure 2.4). The potential for improvement is particularly striking in the area of dealing with construction permits. If Vienna were to issue construction-related permits as efficiently

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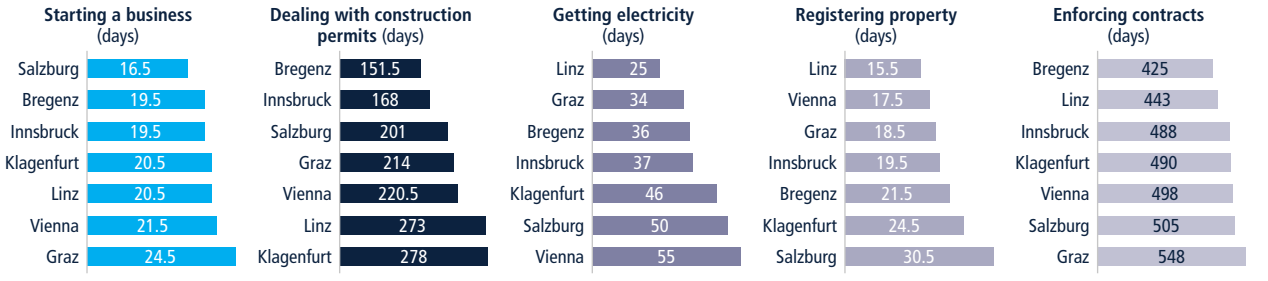
FIGURE 2.2 Time is the dimension that varies the most across the five indicators



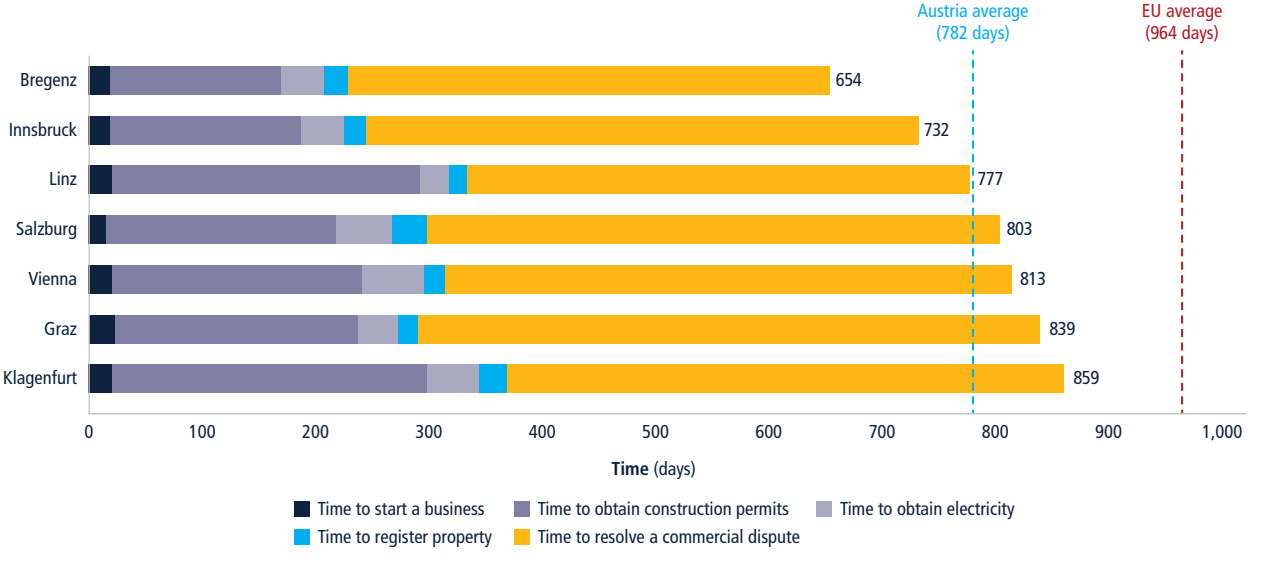
Source: Subnational Doing Business and *Doing Business* databases.
Note: Data for Vienna are not considered official until published in the *Doing Business 2021* report.

as Bregenz (eight steps and 151.5 days) and make the process as inexpensive as in Linz (0.7% of the warehouse value), Austria would score 83.77 on this indicator—an improvement of over 8 points. For getting electricity, if Vienna were to adopt procedures as fast as those in Linz (25 days) and a cost structure like that in Graz (60.5% income per capita), Austria would improve its score by 3.33 points. By reducing the time to start a business to 16.5 days—as in Salzburg—Austria's score would improve by nearly 1.3 points. Finally, Austria's ease of enforcing contracts score would rise from 72.73 to 74.72 if Vienna were to reduce its time to resolve a commercial dispute to that of Bregenz (425 days).

Austria can emulate good practices in other EU economies

Even adopting the good practices found within Austria in starting a business would leave the country lagging most other EU member states. In this area, Austria could seek good practice examples elsewhere in the European Union and beyond. Greater integration and coordination among agencies would make the business startup process more efficient in Austria. Policy makers could take inspiration from Estonia's online company registration portal, which allows entrepreneurs to check the proposed company name, submit the registration application, and pay the share capital electronically in a single interaction. Merging procedures would also reduce the time it takes to start a business, which is relatively long in all Austrian cities compared to the EU average. In 12 EU economies, entrepreneurs complete Austria's most time-consuming procedure, tax registration, as part of the general company registration process. In one of these economies, Hungary—where, similar to Austria, legal professionals play an integral part in guiding company startup through the courts—tax

FIGURE 2.3 Entrepreneurs in Klagenfurt spend significantly longer time than their peers in Bregenz complying with bureaucratic requirements



Source: Subnational Doing Business and *Doing Business* databases.
Note: Data for Vienna are not considered official until published in the *Doing Business 2021* report.

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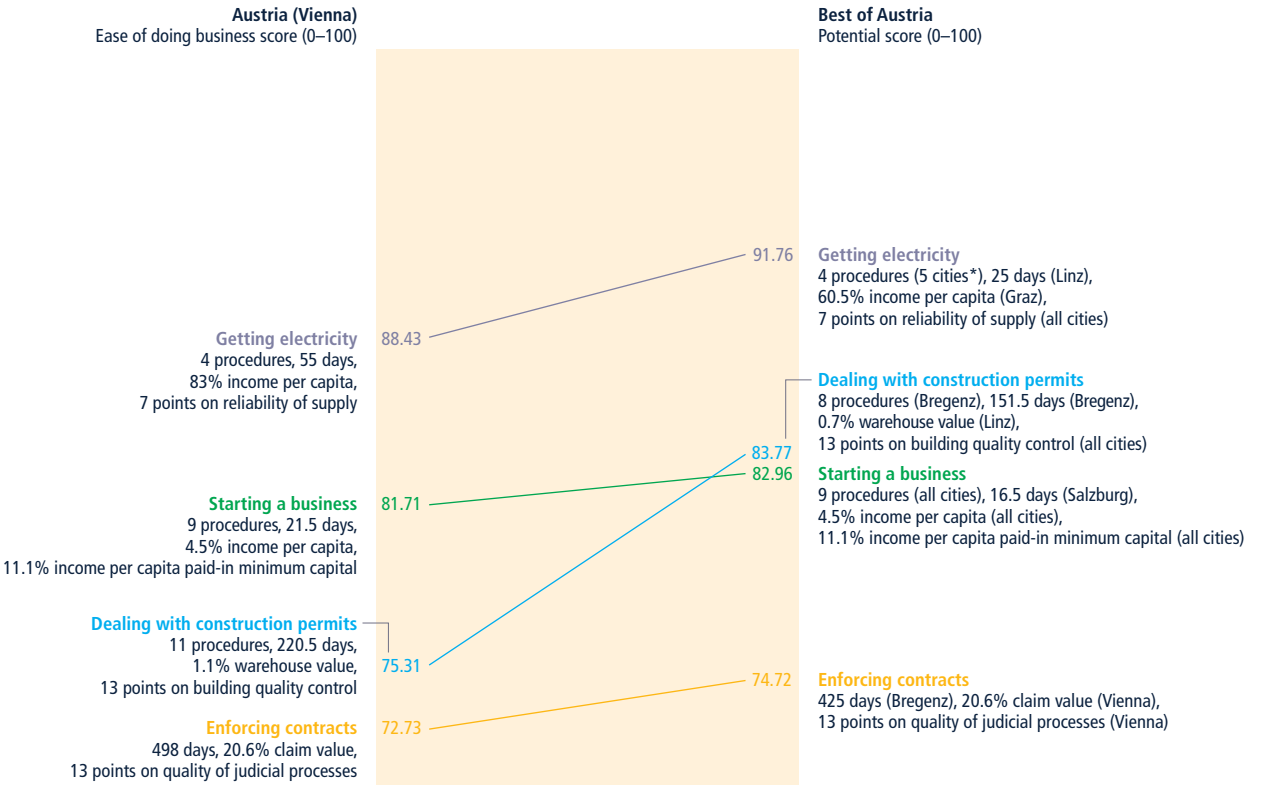
FIGURE 2.4 By learning from existing good practices, Austria could significantly improve its *Doing Business* score in four of the five measured areas



Source: Subnational Doing Business and *Doing Business* databases.
Note: The registering property indicator is not represented in the figure because, given that Vienna already incorporates most domestic good practices, the potential improvement in the score is minor: from 80.30 to 80.54. Data for Vienna are not considered official until published in the *Doing Business 2021* report.
* Linz, Innsbruck, Klagenfurt, Salzburg, and Vienna

registration (including VAT) is integrated with company registration. As a result, it takes just two days to complete.

The adoption of a fully electronic system to facilitate dealing with construction permits could benefit all Austrian cities. Bregenz and Vienna, which already have such systems in place, could share lessons learned. Authorities could review Denmark's fully electronic construction licensing process. Austria could benefit from streamlining its preconstruction permitting process by consolidating requirements, improving coordination between offices, and providing more detailed instructions for applicants. In Porto (Portugal), the city developed a comprehensive online manual to guide firms through the construction permitting process. Finally, Austrian cities require developers to submit proof of land ownership in the construction permit process. Denmark and Sweden are among the many countries that have eliminated this requirement, accelerating the construction permitting process.

Austria performs relatively well in registering property, enforcing contracts, and getting electricity. In the area of getting electricity, a good practice adopted by economies worldwide is the electronic filing and tracking of applications. France offers good examples that Austrian cities could follow. Austria is one of only four EU member states with no financial deterrent to limit outages; authorities could revise the regulation to meet this EU good practice. Introducing fast-track property registration for an extra fee, like in Lithuania, would reduce the time for property registration. Publishing regular statistics on land transfers and disputes could improve register transparency (the Netherlands and Romania publish monthly statistics). Moreover, Austria could introduce service delivery standards to improve land register service quality and facilitate monitoring and evaluation. In Europe, the Slovak Republic is one of many countries that publish service standards for various public services. Austria could introduce rules limiting adjournments to reduce the time to enforce contracts, as in nine other EU member states.[5] The authorities could also establish a specialized commercial court or court section outside of the main business city to deal with contract enforcement, a good practice employed by more than half of the economies measured by *Doing Business*.

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TABLE 2.3 Potential opportunities for regulatory improvements in Austrian cities

Regulatory area	Good practices	Relevant ministries and agencies*	
		National level	Local/regional level
Starting a business	Introduce an automated name verification system	• Federal Ministry of Justice • Federal Ministry of Finance • Federal Ministry for Digital and Economic Affairs • Austrian Federal Economic Chamber • Austrian Health Insurance Fund • Trade Authority • Chamber of Austrian notaries (ÖNK) • Austrian bar association (ÖRAK) • Chamber of accountants and auditors	• Regional courts • Local tax offices • Regional Economic Chambers • Local administrative authority (Bezirksverwaltungsbehörde)
	Make third-party involvement optional, expand document standardization, and provide public access to the business registration system		
	Streamline the business incorporation process by consolidating requirements		
	Reduce or eliminate the paid-in minimum capital requirement		
	Continue to streamline the tax registration process and merge business and tax registration		
Dealing with construction permits	Streamline the preconstruction process by consolidating requirements and improving coordination among offices	• Federal Ministry for Climate Action, Environment, Energy, Mobility, Innovation and Technology • Federal Ministry of Constitutional Affairs, Reforms, Deregulation and Justice • Land registry • Federal Chamber of Architects and Chartered Engineering Consultants • Austrian Institute of Construction Engineering (OIB) • Austrian Association of Cities and Towns (Städtebund)	• Federal provinces • Municipalities • Water companies • Sewage companies
	Continue to implement digital building permit platforms		
	Shorten statutory time limits and expand use of simplified application procedures		
	Consider harmonizing construction permitting legislation		
Getting electricity	Improve online platforms to allow electronic requesting and tracking of applications	• Regulator for electricity and natural gas markets (E-Control) • Federal Chamber of Architects and Chartered Engineering Consultants • Austrian Association of Cities and Towns (Städtebund)	• Electricity distribution utilities • Electricity suppliers • Federal provinces • Municipalities
	Establish financial deterrents to limit outages		
	Introduce varying legal time limits based on connection complexity		
	Assess the possibility of lowering the cost of getting an electricity connection		
	Allow electrical suppliers to submit new connection applications		
Registering property	Consider exempting commercial property transfers from the requirement to obtain a property use certificate in some cities	• Federal Ministry of Justice • Office of Metrology and Surveying	• Local district courts • Federal provinces • Municipalities
	Consider introducing a fast-track alternative for property registration for an extra fee		
	Increase land register transparency by publishing regular statistics on land transfers and disputes		
	Introduce service delivery standards at the land register and cadaster, and ensure that they are public and binding		
	Strengthen complaints mechanisms by setting up separate procedures at the land register and cadaster		
	Establish a compensation mechanism to cover losses incurred owing to erroneous registry information		
Enforcing contracts	Consider making measures allowing for virtual hearings permanent	• Federal Ministry of Justice • Austrian bar association (ÖRAK)	• Local district courts
	Consider expanding e-features in courts for commercial litigation and small claims		
	Consider expanding the jurisdiction of the Vienna Commercial Court		
	Set legal limits on the granting of adjournments		
	Incentivize alternative dispute resolution (ADR)		
	Improve the management of the expert witness pool		

* The list includes the main ministries and agencies relevant to each regulatory area, but other might also be implicated.

Note: All good practices are detailed at the end of the respective indicator section.

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BOX 2.1 Austria's investment in digital solutions paid off during the pandemic

Even before the COVID-19 global pandemic, Austrian entrepreneurs could complete several of the procedures analyzed in this study remotely. For example, the business startup registration process at the court was already fully electronic, and most entrepreneurs deposited the company startup capital electronically. The inability of citizens to visit agencies in person during pandemic-related lockdowns underscored the need for additional online services. Instead of visiting the local office of the Economic Chamber, entrepreneurs obtained advice remotely and received email confirmation that their company complied with registration fee exemption requirements. Although few entrepreneurs used videoconferencing to notarize incorporation documents remotely before the crisis, its use is now widespread.

Municipalities also increased their use of electronic platforms to respond to the pandemic, particularly for construction permitting. During the initial lockdown in March 2020, some cities stopped processing building permit applications almost entirely. By the summer, local governments had updated their IT systems, allowing many public servants to work remotely and building authorities to return to operational levels. In Vienna, developers can now use the Mein Wien e-government portal[a] to submit permit applications and relevant attachments online, as well as construction commencement and completion notifications. The system also allows entrepreneurs to track their application status.

For property registration, the existing digital infrastructure proved resilient to the unprecedented challenges posed by COVID-19. Interviewees for this study indicated that the Land Registry recorded no major service delivery disruptions. The Ministry of Justice quickly adapted to the new circumstances, providing laptop computers to its employees so that they could continue performing their duties remotely. For those internal operations requiring in-person action, having one person at a time in the office on a rotational basis was sufficient to maintain business operations without disruption.

The use of videoconferencing in oral contract enforcement hearings in Austria was widespread before the pandemic. However, the technology had not been available to conduct the entire oral hearing via videoconference. The First COVID-19 Act and Accompanying Legislation for Justice of May 5, 2020, changed this by allowing video technology to be used in civil court hearings, provided that the involved parties in the proceedings agree and have access to the appropriate equipment. Although the use of technology in the courtroom may have its challenges, most lawyers interviewed for this study agreed that the shift to remote litigation in Austria has proceeded remarkably smoothly and given judges and attorneys more flexibility to schedule hearings.

a. For more information, see the Mein Wien website at http://mein.wien.gv.at.

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Starting a Business

Starting a business is eight days faster in Salzburg than in Graz

Among the Austrian cities benchmarked, starting a business is fastest in Salzburg. An entrepreneur in Salzburg can complete all nine procedures in just over two weeks. In Graz, the same process takes more than a week longer. The fees for starting a business are the same across Austria (table 2.4).

Entrepreneurs in Austria must follow the same steps to start a business. The time to complete these steps varies depending on how long it takes to register a company with the court and local tax office. Company registration with the court takes three days in Salzburg, compared to six days in Vienna and seven days in Graz (the cities with the two largest commercial registries). Lower wait times in Salzburg are mainly the result of efficient internal processes. Similarly, the time to obtain the VAT identification number and tax number varies from 10 days in Salzburg to 14 days in Graz. The local tax office in Graz is responsible for assigning VAT identification numbers for foreign companies in Austria (in addition to handling local tax registration applications).

Entrepreneurs spend more than half the total time to start a business waiting to complete tax registration with the local tax office (figure 2.5). Despite efforts to make this process more efficient, it still takes 12 days on average to obtain the VAT and tax numbers. Applicants submit several forms and supporting documents to the local tax office in person or by post. Upon receipt, the local tax office sends the documents via postal mail to a central scanner in Vienna, where they are scanned and uploaded to the Ministry of Finance's company incorporation system (Neugründungsverfahren). Once uploaded, the local tax office is informed through an internal system and continues processing the tax registration application. The local officer reviews the application and completes the company's entry into the incorporation system. The information is then reviewed by a risk assessment tool based on a traffic light system and, within seconds, the company is assigned a color, indicating its risk level.[6] The electronic risk assessment system was introduced in 2018 to minimize the need for manual control processes. Even in the low-risk "green" scenario—the local tax office immediately issues the tax and VAT numbers[7] and mails them to the applicant—the entire process takes almost two weeks on average. Tax offices spend more than half of this time uploading the paper files to an electronic system and exchanging the required information between stakeholders.

Once tax registration is complete, and the company has obtained the login credentials by post, tax-relevant expenses can be recorded electronically through the FinanzOnline service and all tax returns can be submitted online.[8]

Incorporation costs are the same in all seven Austrian cities. There are no court registration fees for new companies that comply with the requirements outlined in the Startup Promotion Law. As such, the total cost to start a business is the cost to notarize the articles of association and prepare and review the incorporation documents.

TABLE 2.4 Starting a business is easiest in Salzburg and most difficult in Graz

City	Rank	Score (0–100)	Procedures (number)	Time (days)	Cost (% of income per capita)	Paid-in minimum capital requirement (% of income per capita)
Salzburg	1	82.96	9	16.5	4.5	11.1
Bregenz	2	82.21	9	19.5	4.5	11.1
Innsbruck	2	82.21	9	19.5	4.5	11.1
Klagenfurt	4	81.96	9	20.5	4.5	11.1
Linz	4	81.96	9	20.5	4.5	11.1
Vienna	6	81.71	9	21.5	4.5	11.1
Graz	7	80.95	9	24.5	4.5	11.1

Source: Subnational Doing Business and *Doing Business* databases.

Note: Rankings are based on the average scores for the procedures, time, cost, and paid-in minimum capital associated with starting a business. The score is normalized to range from 0 to 100 (the higher the score, the better). For more details, see the chapter "About *Doing Business* and *Doing Business in the European Union 2021: Austria, Belgium and the Netherlands*." Data for Vienna are not considered official until published in the *Doing Business 2021* report.

Starting a business in Austria is relatively cumbersome and time-consuming

Government initiatives have moved to simplify formal business incorporation requirements in Austria, but entrepreneurs still face more cumbersome processes than their neighbors in the European Union.[9] They must comply with nine procedures to start a business, three more on average than their EU counterparts. Austria is among the three EU member states (together with the Czech Republic and Germany) with the highest number of procedures to start a business (figure 2.6). In contrast, entrepreneurs in Estonia, Finland, Greece, and Slovenia can start a business in just three procedures. Furthermore, the average time to start a business in Austria (20.4 days) is almost twice the EU average and five times that of its best

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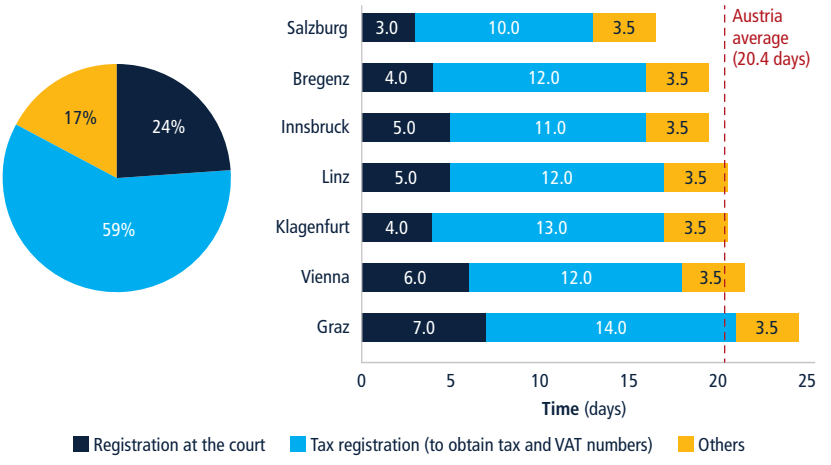
FIGURE 2.5 Registration with the local tax office takes more than half of the total time to start a business



Source: Subnational Doing Business and *Doing Business* databases.

Note: Other procedures include (1) obtaining confirmation of starting a new company from the Economic Chamber, (2) verifying the company name, (3) notarizing the articles of association, (4) depositing the minimum capital requirement, and registering the company with the (5) trade authority, (6) social security, and (7) the municipality. Data for Vienna are not considered official until published in the *Doing Business 2021* report.

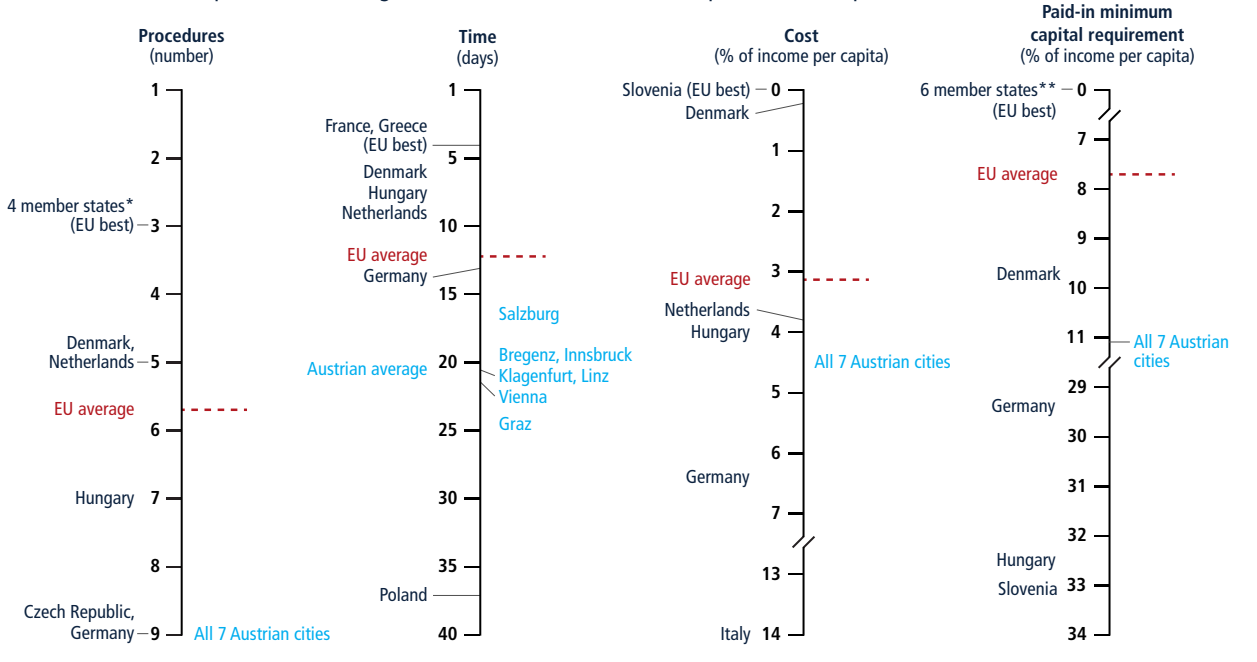
performers, France and Greece, where it takes just four days. Austrian entrepreneurs pay the equivalent of 4.5% of income per capita to start a business, higher than the EU average of 3.1% but almost one-third of the cost paid in Italy (the most costly location to start a business in the EU). In Slovenia, Ireland, and Denmark—all among the EU's top performers on cost—starting a business costs less than 0.2% of income per capita. Entrepreneurs in Austria are required to deposit cash as paid-in capital before incorporation, representing 11.1% of income per capita. In contrast, 12 EU member states have no such requirement or a paid-in minimum capital requirement of less than 0.1% of income per capita.[10]

Entrepreneurs complete nine procedures and wait more than 14 days on average to start a business

Starting a business in Austria is a lengthy process that involves multiple agencies and intermediaries—the Economic Chamber, notaries, commercial banks, courts, tax office, trade authority, the Austrian Health Insurance Fund, and municipalities. All Austrian cities benchmarked require the same nine procedures (figure 2.7).

The first step—obtaining confirmation from the Economic Chamber that the startup is

FIGURE 2.6 Austria's process for starting a business is one of the most complex in the European Union



Source: Subnational Doing Business and *Doing Business* databases.

Note: EU average uses economy-level data for the 27 member states of the European Union. Data for individual economies are for their capital city as measured by *Doing Business*. Data for Vienna, EU averages, and EU comparators countries are not considered official until published in the *Doing Business 2021* report.

* Estonia, Finland, Greece, Slovenia.

** Belgium, Cyprus, Finland, Ireland, the Netherlands, Portugal.

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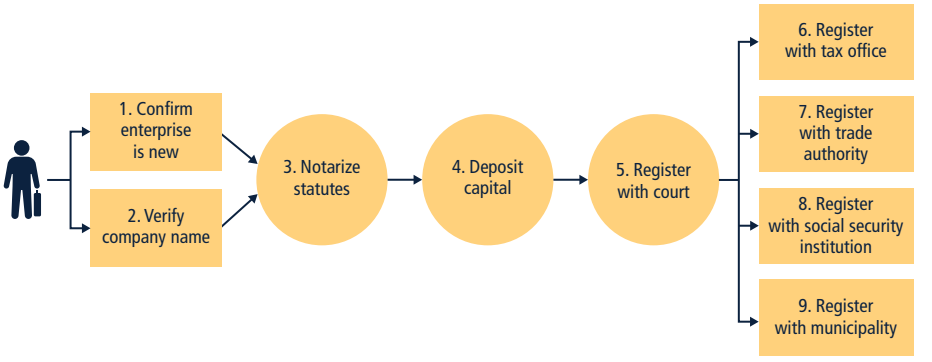
FIGURE 2.7 Starting a business involves the same nine steps across cities in Austria



Source: Subnational Doing Business and *Doing Business* databases.

a new enterprise—is not obligatory. Still, by doing so, firms become exempt from paying certain publicly-levied fees and taxes. After filling out a form (NeuFö2) and obtaining confirmation from their local Economic Chamber, entrepreneurs enjoy the benefits of the Startup Promotion Law (Neugründungs-Förderungsgesetz), including having registration charges waived at the commercial registry.

Before notarizing the document of incorporation, a notary assists the entrepreneur to check the availability of the proposed company name, ensuring compliance with legal requirements.

A limited liability company (LLC, Gesellschaft mit beschränkter Haftung, commonly known as GmbH) with more than one shareholder must be incorporated by notarizing the articles of association (Gesellschaftsvertrag) before a notary.[11] Since 2019 notarial deeds (Notariatsaktform) can be drawn up electronically via video conference with the notary.[12] However, most entrepreneurs in Austria still prefer to do this in person and get advice on establishing a new company.[13] The electronic alternative has proven useful during COVID-19–related restrictions and for incorporating companies with partners located abroad.

After notarizing the documents and depositing the minimum capital at a bank or in an escrow account held by the notary, the notary or lawyer must submit the application electronically to the local court in whose jurisdiction the company has its head office.[14] Since 2007, notaries or lawyers in Austria can submit the notarial deed electronically to the local court using the electronic legal correspondence system (Elektronischer Rechtsverkehr, ERV). The judge reviews the incorporation documents and validates the proposed company name to ensure it meets legal standards before registering the company in the commercial registry.[15] The court decision on the registration (Beschluss) is sent via the ERV to the notary or lawyer, who then shares the document with the entrepreneur electronically. Once the company data are recorded in the commercial registry, information regarding the beneficial owner for a company like the one in the *Doing Business* case study—in which all partners are natural persons—is transferred automatically to the ultimate beneficial owner (UBO) register, reducing the entrepreneur's administrative burden.[16] In contrast, nine European member states require entrepreneurs, their representatives, or a third party to actively register or report their beneficial owners to the UBO register as a separate interaction.[17]

Once the company is legally established, Austrian entrepreneurs perform four postregistration procedures. First, entrepreneurs register for tax purposes and obtain the tax number (Steuernummer) and the VAT identification number (Umsatzsteuer-Identifikationsnummer, UID) from the local tax office. The responsible local tax office automatically issues a VAT number when a tax number is assigned for businesses with a turnover of at least EUR 35,000 in the assessment period. Second, firms register their commercial activity with the local administrative authority (Bezirksverwaltungsbehörde) online[18] through a centralized electronic platform administered by the trade authority.

Third, companies register their employees for social security with the Austrian Health Insurance Fund (Österreichische Gesundheitskasse) using its electronic interface, ELDA (Elektronischer Datenaustausch mit den österreichischen Sozialversicherungsträgern). Finally, in accordance with the Law on Local Taxes (Kommunalsteuergesetz), entrepreneurs register the company with the municipality to obtain a local tax account number. Registration methods vary by municipality. In some cities, including Vienna and Innsbruck, entrepreneurs can submit the form electronically through the city's online portal; in other cities, they submit the information by email, post, or in person.

Of the nine steps required to start a business, seven can be completed relatively quickly, within a day or less. The two steps that typically take the longest are registering the company with the local

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court (five days on average) and the local tax office (12 days).

Electronic platforms and the widespread use of electronic communication tools (such as email and videoconferencing) helped maintain a smooth business startup process during the COVID-19 lockdown (box 2.2). Efforts are ongoing to meet the demand for increased digitalization and further expand the electronic founding of companies, eliminating the need for entrepreneurs to visit the different public administrations involved in the process (box 2.3).

WHAT CAN BE IMPROVED?

Introduce an automated name verification system

Until the end of 2020, Austrian entrepreneurs did not have free online access to the commercial registry to verify the availability of the proposed company name. Instead, entrepreneurs consulted a startup advisor at the Economic Chamber to check (for free) whether the company name complied with the provisions of the Corporate Code. Alternatively, they hired a private provider commissioned by the Federal Ministry of Justice to obtain up-to-date information from the commercial registry or sought the assistance of a notary or the local court. Although Austria recently made this information publicly available online,[19] in practice, most Austrian entrepreneurs continue to seek the assistance of a notary to ascertain whether the proposed company name is available and compliant with the minimum legal requirements.

Currently, each court decides whether to enter a company name into the commercial register. The company name must be unique and nonmisleading.[20] However, this determination is made with a margin of discretion on the part of each court. Consequently, the same company name could be rejected in one court and accepted in another. By providing clear rules and standardizing the decision-making process across the country, entrepreneurs could verify for themselves that the proposed company name complies with the legal requirements for commercial court registration.

Economies have redesigned their processes to automatically verify the proposed company name at the time of company registration application. In the early 2000s, Australia, Canada, and the United States introduced clear rules to determine whether proposed company names were identical or similar to existing companies or required specific consent. This approach allows for automatic name rejection or acceptance at the time of registration, increasing both the transparency and efficiency of the name clearance process and company registration. Other economies allow entrepreneurs to choose from a list of preapproved company names. In Portugal, entrepreneurs can choose from a list on the business registry's website[21] and go to a single online contact point, Empresa na Hora (On the Spot Firm), to register the company.[22] In Estonia, entrepreneurs can check proposed names online through an e-business register.[23] This service incorporates the databases of county court registry departments and displays real-time data of all legal persons registered in Estonia. In the United Kingdom, the online registration website alerts entrepreneurs if the desired company name cannot be used and provides guidance for choosing another company name.[24]

Make third-party involvement optional, expand document standardization, and provide public access to the business registration system

Austrian entrepreneurs pay the equivalent of 4.5% of income per capita to start a business. This percentage is higher in only seven other EU member states—Belgium,

BOX 2.2 Starting a business during COVID-19

In-person visits to government agencies were restricted during the COVID-19 pandemic, boosting demand for online alternatives. Instead of visiting the local office of the Economic Chamber, entrepreneurs obtained advice over the phone or by Skype and received confirmation by email that the company complied with registration fee exemption requirements.

Many banks and notary offices remained open during the lockdown, but some restricted opening hours and relied more heavily on digital services. Most entrepreneurs in Austria deposited the company capital electronically before the health crisis, but few used electronic communication tools to notarize incorporation documents.[a] COVID-19 served as a trigger to increase the use of such tools.

Austria's court registration process for company incorporation was already fully electronic. As a result, the pandemic-related closures had no impact. More than 4,000 GmbH were created in 2020, slightly more than in 2019.[b]

A limited number of employees from the tax authority—those responsible for receiving, organizing, and scanning documents—were physically present at the workplace; the rest worked remotely. Entrepreneurs could also submit registration forms to obtain the local tax account number by email in all municipalities.

a. The Electronic Notarial Form Foundation Act (Elektronische Notariatsform-Gründungsgesetz, or ENG).

b. Preliminary data from the Austrian Federal Economic Chamber (WKO) indicate the creation of 4,185 GmbH in 2019 versus 4,467 in 2020 (https://www.wko.at/service/zahlen-daten-fakten/daten-unternehmen.html).

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BOX 2.3 Austria's business services portal: digitalizing services for business

Over the past decade, Austria has worked to reduce the administrative burden for aspiring entrepreneurs. Austria's business services portal, the Unternehmensserviceportal (USP),[a] was launched in 2010 as a publicly accessible information portal to provide businesses with immediate access to regulations and policy. The USP was later expanded to allow businesses to complete bureaucratic procedures with a single sign-on. For example, the portal integrates applications such as FinanzOnline,[b] which allows the electronic filing of tax returns, and ELDA, the Austrian Health Insurance Fund's data transmission interface, allowing employers to transmit all social security reports online.[c] To access these and other applications, entrepreneurs register using their mobile phone signature or citizen card.

Since 2017, USP can also be used to establish sole proprietorships. And in 2018, the electronic startup process was extended to founders of one-person GmbH using a standardized establishment declaration. Recently, the authorities have made establishing these types of companies easier by allowing information to be exchanged in the back office, thus eliminating the need for entrepreneurs to submit the company register excerpt for tax registration separately.[d] During 2020, 2,124 sole proprietorships and 675 one-person GmbH were incorporated using the USP.[e]

However, this simplified electronic end-to-end process has not yet been extended to other legal forms. Entrepreneurs cannot complete the startup process for a GmbH with more than one shareholder without the assistance of a notary. And the process still requires the submission of different electronic forms and separate interactions with all agencies involved. However, as of November 2019 notaries can conduct these separate interactions electronically on behalf of entrepreneurs. For example, notaries can request the tax and VAT numbers from the tax authority or use the USP portal to register the company's business activity.

Moreover, a pilot program since November 2020 allows a small group of tax advisors to use the USP portal to assist entrepreneurs with requesting tax and VAT numbers.[f] The impact of these recent changes is yet to be seen in practice. Because many applicants (notaries, accountants, and entrepreneurs) are not fully aware of the new digital options, they continue to interact separately with each authority. In response, the government has launched training sessions to help familiarize notaries with the new system.

a. For more information on the USP, see the website at https://www.usp.gv.at/.
b. For more information on the FinanzOnline platform, see the website at https://finanzonline.bmf.gv.at.
c. The list of applications integrated into Austria's USP is available at https://www.usp.gv.at/online-verfahren.html#Singlesignon.
d. Austria, Federal Ministry for Digital and Economic Affairs. 2021. "BMDW: Foundation. Simply Online." https://www.ots.at/presseaussendung/OTS_20210110_OTS0013/bmdw-gruendung-einfach-online.
e. Figures provided by the Federal Ministry for Digital and Economic Affairs in March 2021.
f. According to interviews with the Federal Ministry for Digital and Economic Affairs by the *Subnational Doing Business* team, November 2020 to April 2021.

Croatia, Cyprus, Germany, Italy, Malta, and Poland. The cost of starting a business in Austria stems from the requirement to hire a notary to create the company deed, prepare other founding documents, and certify the founders' signatures (Musterzeichnungserklärung). Notarization costs to start a business depend on the length and complexity of the articles of association, the company's corporate structure, the amount of the company's authorized capital, and the number of required signatures. Although notaries play a central role in the business startup process in other EU member states, notary fees there are a fraction of those in Austria. For example, in the Czech Republic, entrepreneurs starting a simple LLC pay a flat fee of CZK 2,000 (approximately EUR 77) to draft and notarize the articles of association.

Austrian authorities could reduce the cost of starting a business by expanding the use of standardized articles of association to include a GmbH established by more than one person. For simpler corporate structures, standardization could make it possible for registry officials to verify accuracy, signatures, and compliance with the law. Larger companies with more complex structures and special requirements could still solicit the services of third-party professionals and use customized incorporation documents. Allowing entrepreneurs to file the incorporation documents electronically—through the ERV registration system or USP portal—would also facilitate GmbH creation by reducing the need for legal intermediaries and cutting costs.

Fewer than half of economies measured by *Doing Business* require entrepreneurs to hire a third-party agent when starting a business.[25] Increasingly, economies are making it optional to use intermediaries when incorporating a new LLC. Third-party agents are not required in the 10 EU countries with the lowest cost to start a business.[26] Slovenia, for example, does not charge any fees when companies use the one-stop shop (SPOT point) to create a simple LLC. This procedure makes use of standardized electronic articles of association[27] and can be used by both single- and multi-member LLCs. Portugal

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eliminated the legal requirement to use third-party agents for company incorporation. Most entrepreneurs in Portugal register a company using preapproved standardized articles of association, which are available from Empresa na Hora.[28] Through this initiative, entrepreneurs can instantly establish a "one-man" company, a private limited company, or a public LLC at just one desk.

Streamline the business incorporation process by consolidating requirements

Starting a business in Austria is complex, involving various interactions spread out across eight different agencies. Greater integration and coordination among agencies at the district, municipal, and federal levels could benefit business startup efficiency.

Several countries have created a single physical or virtual interface for business incorporation offering entrepreneurs, in a single step, at least one service in addition to business registration, thus reducing the administrative burden. Estonia's online company registration portal allows entrepreneurs to check the company name, submit the registration application, and pay the share capital electronically in a single interaction.[29] Slovenia's electronic single window connects various government agencies, allowing entrepreneurs to register with the court, statistical office, tax authority, and health institute in one step. In Hungary, the Registration Court also registers companies through an online system with the tax authority—for VAT and income tax purposes—and with the statistical office. These countries have modernized their court registries by implementing online systems or consolidating registration formalities within administrative one-stop shops.

In Austria, entrepreneurs must register with the municipality to obtain a local tax account. This requirement could be streamlined by allowing the tax authority to exchange information between the national tax authority and the municipalities, thus eliminating the need for a separate procedure. Hungary is the only other EU member state that requires entrepreneurs to register for municipal business tax as a separate interaction. Streamlining business startup procedures could reduce unnecessary duplication and paperwork.

Authorities in Austria could also make legal amendments to eliminate outdated requirements to set up a small and medium-size enterprise. All companies submit a form to the trade authority to register and some companies—depending on the business activity—must obtain a trade license. For a company like the one in the *Doing Business* case study, this procedure only requires entrepreneurs to notify the authority by submitting an electronic form. If the company's activities fall into those regulated by the Trade Act (Gewerbeordnung), an authorization is required, and the company cannot start operations until it has obtained this authorization.

According to *Doing Business* data, only a handful of EU member states[30] require entrepreneurs to apply for a business license or notify the relevant local authority to commence general commercial activity. Legal reforms could eliminate trade authority registration for all firms except those in regulated or strategic industries and companies of a certain size. Additionally, the authorities could reform the law to allow entrepreneurs to self-certify that they have deposited the minimum capital. Currently, government authorities must verify that the deposit has been made.

Reduce or eliminate the paid-in minimum capital requirement

The paid-in minimum capital requirement in Austria is higher than in most other economies in the European Union. Austrian entrepreneurs establishing a GmbH must have a share capital of at least EUR 35,000, half of which must be paid in cash upon incorporation. Entrepreneurs taking advantage of the foundation privilege are only liable for cash contributions totaling EUR 10,000 in the first 10 years.[31] In this case, shareholders must pay a minimum of EUR 5,000 in cash upon incorporation. Still, entrepreneurs opting for this privilege face a paid-in minimum capital requirement (11.1% of income per capita) higher than the EU average (7.7%) (figure 2.8).

Studies have shown that higher paid-in minimum capital requirements do not necessarily help creditors recover their investments.[32] Other factors—poor cash management, low employee retention, and competition—influence insolvency. When reducing or eliminating the paid-in minimum capital requirement to start a business, it is possible to provide security to creditors using other mechanisms such as evaluating firms' income statements, business plans, and other representative indicators. Moreover, a high paid-in minimum capital requirement can act as a financial barrier for small and medium-size enterprises seeking to formalize. *Doing Business* data show that economies with a higher paid-in minimum capital requirement tend to have a lower new business entry rate on average.[33]

Economies worldwide have reduced or eliminated paid-in minimum capital requirements. As of May 2020, entrepreneurs in 121 economies worldwide could start a business without any paid-in minimum capital requirement.[34] In 12 EU member states, the paid-in minimum capital requirement is very low (less than 0.1% of income per capita) or zero. In Belgium, the Code of Companies and Associations, which entered into force on May 1, 2019, eliminated the minimum capital requirement. Instead of minimum capital, entrepreneurs are required to have sufficient initial equity to carry out their projected activities over a two-year period and file the financial plan with the notary at the time of incorporation.[35] Croatia has reduced by half the minimum amount of capital that must be paid prior to LLC incorporation, from 50% of

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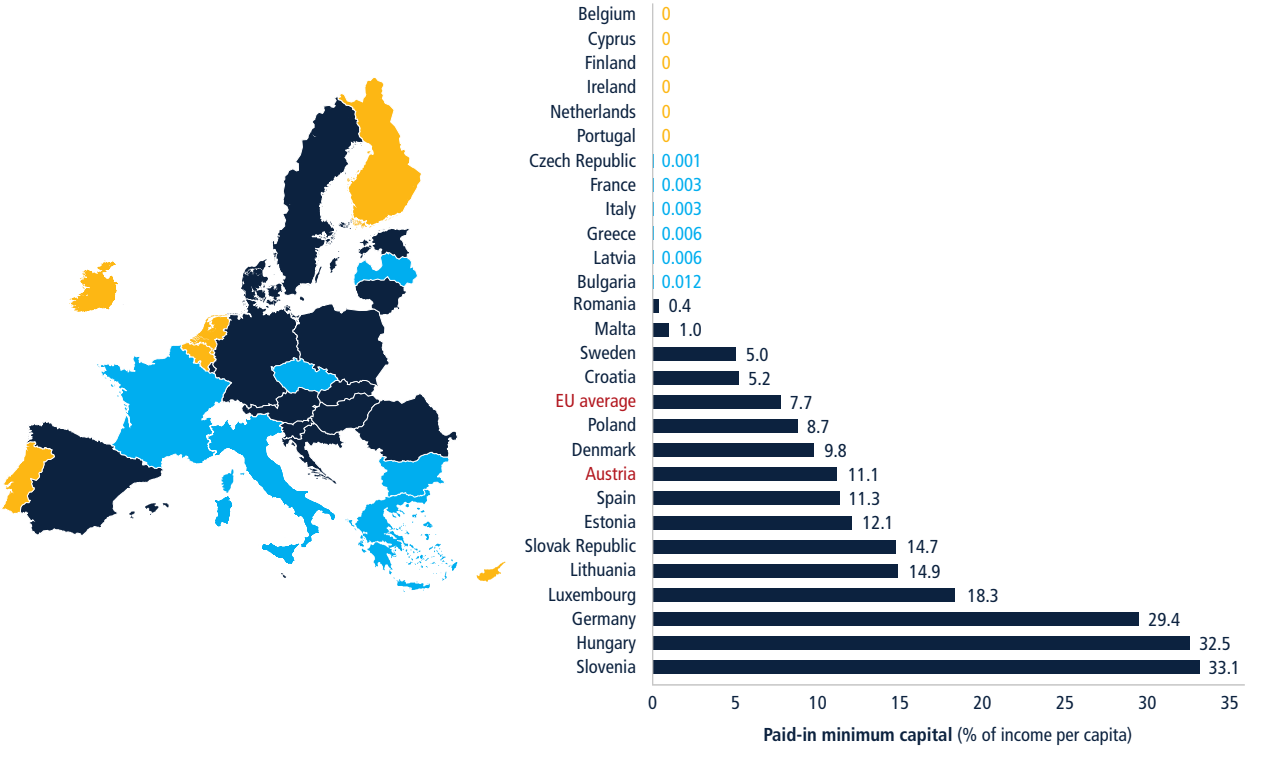
FIGURE 2.8 Entrepreneurs in Austria face a higher paid-in minimum capital requirement than the EU average



Source: Subnational Doing Business and *Doing Business* databases.
Note: Data for Vienna, EU averages, and EU comparators countries are not considered official until published in the *Doing Business 2021* report.

a company's capital to 25%. Similarly, Denmark recently reduced the paid-in minimum capital requirement by 20% for domestic LLCs.

Continue to streamline the tax registration process and merge business and tax registration

The Austrian government has initiated reforms to streamline the tax registration process by incorporating an electronic risk review of applications. These reforms aim to minimize the need for manual control and increase efficiency in auditing and combating fraud. These improvements may show their effects in the coming years once the entire tax registration process is performed electronically. Austria could monitor improvements in tax registration processes through a national monitoring and evaluation system and share regular reports with local tax authorities to identify administrative strengths and weaknesses and ensure efficient tax registration processes and turnaround times.

Efforts to accelerate and streamline tax registration could also focus on integrating it into the company incorporation process. In 12 EU economies, tax registration is completed as part of the general company registration process. In these economies, completing combined business and tax registration in a single step takes just 4 days on average (figure 2.9).

Although the commercial registry automatically notifies the tax authorities of new company registrations, entrepreneurs in Austria still must file and submit forms and supporting documents by post or in person and interact with the tax authorities to obtain the VAT and tax numbers.

Reforms could merge this step into the overall process of starting a business. Greece and Hungary fully integrate tax registration (including VAT) in the company registration process. In both countries, there is no need to follow up with the tax agency separately. In Hungary, once the application for registration is submitted, the Registration Court registers the company with the State Tax Authority (for VAT and income tax purposes) and the statistical office through an online system. In Italy, limited liability companies electronically file a single notice (Comunicazione Unica) with the Register of Enterprises, which automatically registers the company with the Revenue Agency (to obtain the TIN and VAT number), Social Security Administration (INPS), and Accident Insurance Office (INAIL). Similarly, in France, entrepreneurs file a joint application for company incorporation that allows entrepreneurs to fulfill the formalities required by the various competent authorities, including the tax authorities. In all of these EU economies, registration takes just two days.

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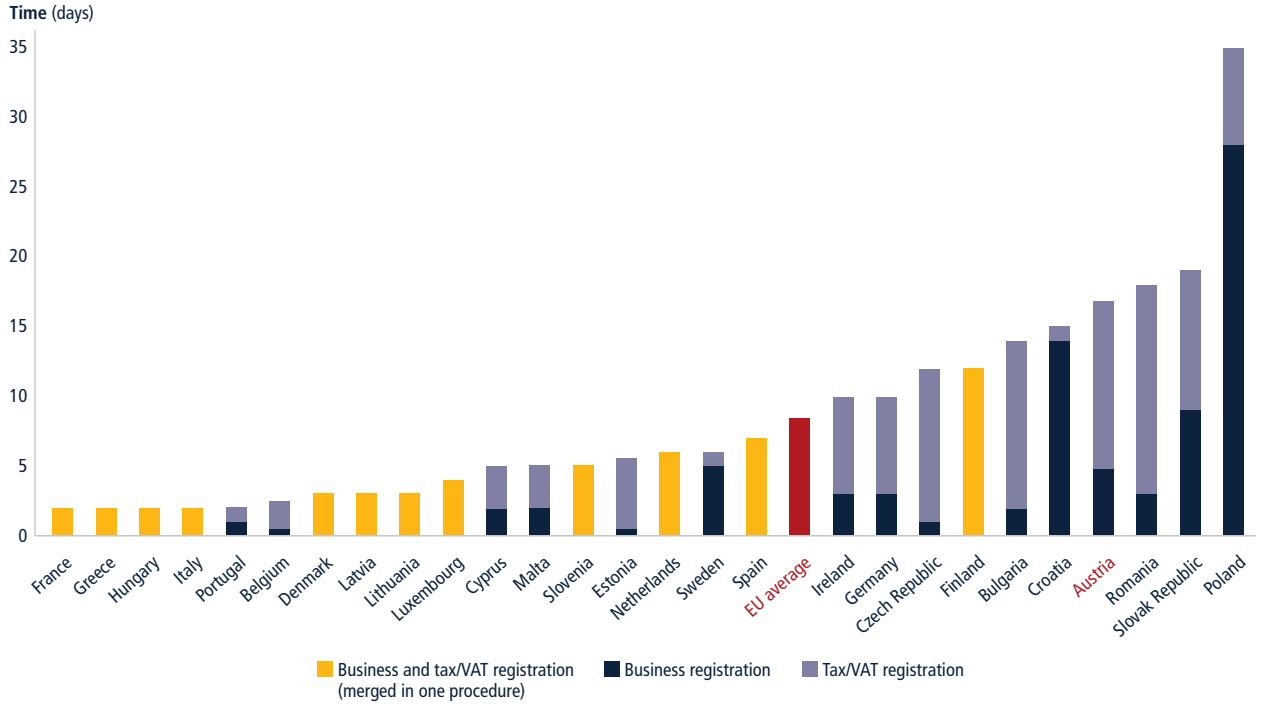
FIGURE 2.9 Twelve EU economies have merged business and tax registration



Source: Subnational Doing Business and *Doing Business* databases.

Note: In Malta, the entrepreneur obtains the tax identification number (TIN) at the time of business registration but there is a separate procedure to obtain the VAT number. Values for Austria are based on data for the seven benchmarked cities; other EU member states are represented by their capital city as measured by *Doing Business*. Data for Vienna, EU averages, and EU comparators countries are not considered official until published in the *Doing Business 2021* report.

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Dealing with Construction Permits

Building regulations in Austria are spread across multiple levels of legislation. Although federal regulatory elements exist—mainly setting construction standards[36] and energy efficiency requirements—construction permitting is primarily regulated at the state level[37] and implemented by city councils and their respective construction departments.

Permit processing times drive differences across cities

The seven Austrian cities benchmarked show notable differences in the efficiency of the construction permitting process. Complying with all formalities to build a warehouse is easiest and fastest in Bregenz, where the process takes eight procedures and 151.5 days, at a cost of 0.8% of the warehouse value (table 2.5). It is most difficult in Klagenfurt, where entrepreneurs must complete three additional procedures (the same as in Vienna[38] and Salzburg) and the process takes 278 days. Klagenfurt is also among the most expensive cities in Austria (together with Vienna) in which to get a construction permit: for the same project, developers in Klagenfurt spend 31% more than in Bregenz.

On average, developers in Austria spend more time dealing with construction permits than their EU peers

To get a construction permit in the Austrian cities measured, entrepreneurs complete on average 10 procedures over 215 days at a cost of 0.9% of the warehouse value. The process entails four fewer steps at half the EU's average cost (1.9%), but takes longer (figure 2.10). In the European Union's best performer, Denmark, obtaining a construction permit takes one-third of the time it does in Austria and requires only seven procedures; preconstruction clearances are not required and builders can complete the permit application online.

Together, the Austrian cities benchmarked score 13 out of 15 points on the *Doing Business* building quality control index, among the highest scores in the European Union, where the average is 11.6 points.

TABLE 2.5 Dealing with construction permits is significantly easier in Bregenz than in Klagenfurt

City	Rank	Score (0–100)	Procedures (number)	Time (days)	Cost (% of warehouse value)	Building quality control index (0–15)
Bregenz	1	83.64	8	151.5	0.8	13
Innsbruck	2	80.52	10	168	0.7	13
Graz	3	77.16	10	214	0.8	13
Salzburg	4	77.10	11	201	0.8	13
Vienna	5	75.31	11	220.5	1.1	13
Linz	6	73.02	10	273	0.7	13
Klagenfurt	7	71.09	11	278	1.1	13

Source: Subnational Doing Business and *Doing Business* databases.

Note: Rankings are based on the average scores for the procedures, time, and cost associated with dealing with construction permits, as well as for the building quality control index. The score is normalized to range from 0 to 100 (the higher the score, the better). For more details, see the chapter "About *Doing Business* and *Doing Business in the European Union 2021: Austria, Belgium and the Netherlands*." Data for Vienna are not consider official until published in the *Doing Business 2021* report.

The construction permitting process varies from city to city

Entrepreneurs in the seven Austrian cities benchmarked share seven common procedures to obtain a construction permit. The remaining steps differ by location, mainly due to differences in state regulation (figure 2.11).

In all cities except Vienna, the developer holds a preplanning meeting with the municipal building authority before construction to discuss the project details and associated requirements. The purpose of this meeting is to identify possible issues with the project and discuss areas of concern at an early stage to limit potential delays later.

After the preplanning meeting, the developer initiates the process of obtaining an industrial operations permit, which is required by Austria's commercial code (*Gewerbeordnung*)[39] for all commercial buildings that could impact their surroundings with emissions of noise, heat, or pollutants. This permit is also required to commence commercial operations once construction is complete. The municipal building authority issues industrial operations permits in all cities except Vienna, where the local district office is responsible for processing the application.[40] Simultaneously, the developer contracts private experts to obtain the geotechnical and topographical surveys and request an energy performance certificate, or "energy pass."[41] Once these documents and survey results are ready, the developer applies to the municipality for the building permit. This application includes detailed construction plans with descriptions of the building's purpose (compiled by a certified architect), a list of the owners of the adjacent properties, and plans for water and sewage connections. In parallel to the building

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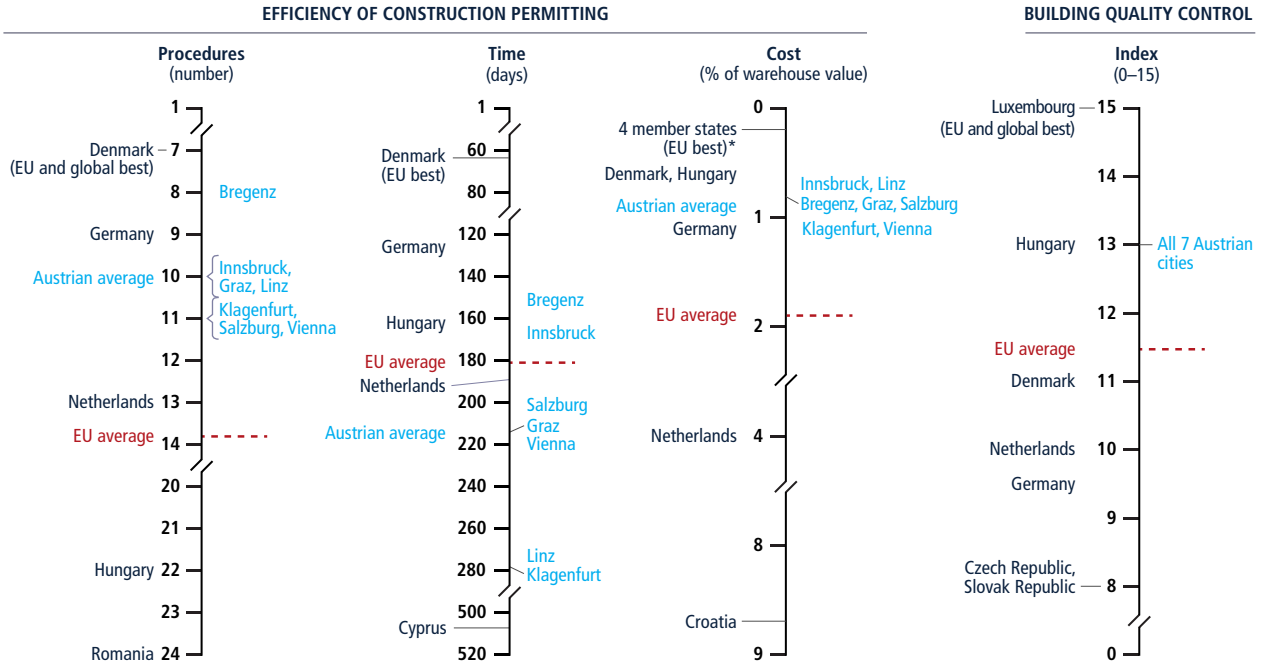
FIGURE 2.10 Construction permitting in Austria is less costly and requires fewer procedures than the EU average, but is relatively slow



Source: *Subnational Doing Business* and *Doing Business* databases.

Note: EU average uses economy-level data for the 27 member states of the European Union. Data for individual economies are for their capital city as measured by *Doing Business*. Data for Vienna, EU averages, and EU comparators countries are not considered official until published in the *Doing Business 2021* report.

* Czech Republic, Estonia, Poland and Slovak Republic.

permit application, the developer applies for water and sewage connections with the public utility companies.[42] After the municipality grants the building permit—and once the builder has submitted the notice of construction commencement (including the appointment of a construction supervisor)—construction can begin.

Upon finalizing construction works, the developer notifies the municipality of the completion of construction. This notification must include a statement by the construction supervisor that the building complies with all regulations governing materials, height limitations, structural integrity, and fire protection.

Variations in the number of procedures are the result of different administrative requirements

Depending on the location, it takes between eight and 11 procedures to get a construction permit in Austria. Differences among cities stem largely from municipal requirements before construction begins and different water and sewage connection applications.

On average, preconstruction approvals account for more than three-quarters of the total steps required to deal with construction permits (figure 2.12). In all cities except Vienna, it is common practice for developers to hold a meeting with the municipality before applying for a building permit. However, the capital requires developers to go through two additional procedures. While the expert opinion on structural engineering is carried out by a licensed employee working for the developer in all cities except Vienna, an independent expert must issue this opinion in Vienna.[43] Similarly, developers in the capital must appoint a qualified supervisory engineer from a list provided by the building authority to oversee the entire construction process.[44] In all other cities, the developer can designate an in-house construction supervisor to perform this task.

In Bregenz, where entrepreneurs need to complete only six procedures before the start of construction, the law does not require the builder to provide a notification of commencement of construction works. In Bregenz and Graz, developers no longer need to prove land ownership, as municipal authorities can verify ownership directly with the Land Registry. In all other benchmarked cities, the developer is responsible for providing proof of land ownership. In Bregenz, this change resulted from a review of construction permitting procedures done in preparation for the e-submission system for building permit applications.[45] In Graz, the change was made as part of the city's push to streamline bureaucratic processes in response to the COVID-19 pandemic (box 2.4). However, Graz is also the only city that requires all builders

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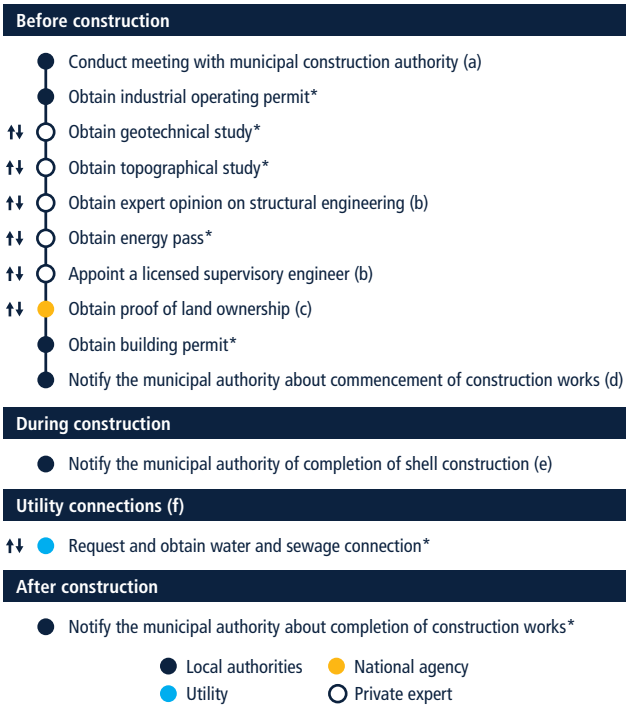
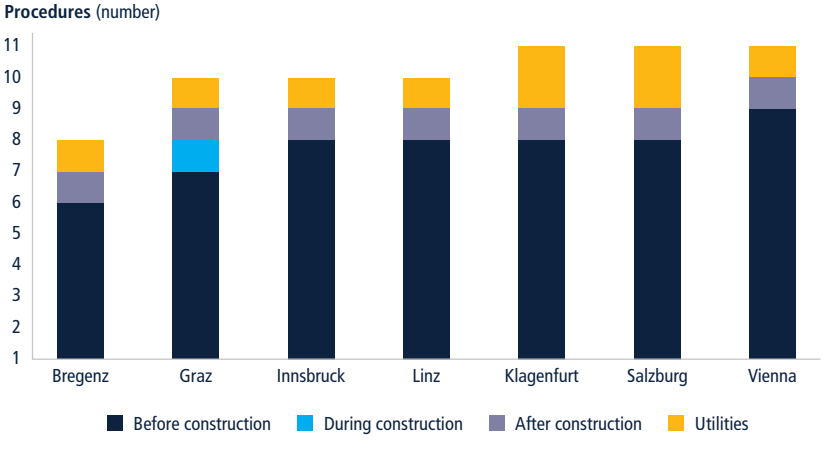
FIGURE 2.11 Procedural requirements in the construction permitting process vary across cities



(a) Procedure does not apply in Vienna
(b) Procedure only applies in Vienna
(c) Procedure does not apply in Bregenz and Graz
(d) Procedure does not apply in Bregenz
(e) Procedure only applies in Graz
(f) Water and sewage services in Klagenfurt and Salzburg require separate applications because they are managed by different agencies
↑↓ Procedure is completed simultaneously with the previous one
* Procedure applies to all cities

Source: *Subnational Doing Business* and *Doing Business* databases.
Note: Data for Vienna are not consider official until published in the *Doing Business 2021* report.

FIGURE 2.12 Most procedures to deal with construction permits are in the preconstruction phase



Source: *Subnational Doing Business* and *Doing Business* databases.
Note: Data for Vienna are not consider official until published in the *Doing Business 2021* report.

to notify the local municipality upon completion of the building's structural frame (shell construction).[46] All other cities require notifications once construction has been completed.

In most Austrian cities, the developer can request and obtain water and sewage connections from a single public or partially privatized utility company in one procedure. Klagenfurt and Salzburg require an additional step. In these cities, sewage connections are handled by the city's municipal sewer authority, while water connections are managed by a public utility company, resulting in parallel application processes and an additional procedure when compared with other cities. This split between separate entities has historical reasons (for cities with ancient buildings) but reduces the efficiency of the application process.

Bregenz and Innsbruck complete construction permitting fastest; Linz and Klagenfurt are slowest

The time to deal with construction permits ranges from five months in Bregenz to over nine months in Klagenfurt, mainly owing to differences in efficiency at the municipal level when obtaining the building permit. It can take anywhere from 75 days in Bregenz to 180 days in Linz to get a building permit (figure 2.13). Although all cities are in line with the federal statutory time limit of six months,[47] Bregenz, Innsbruck, and Salzburg are subject to a lower time limit of three months as stipulated by their respective state construction codes.[48]

Time variations also stem from differences in municipalities' operational capacities. For example, in Linz, the slowest city for obtaining building permits and industrial operations permits, the building authority is also tasked with local administrative functions at the district level,[49] resulting in a higher workload and significantly longer processing times. Onerous bureaucratic rules—a requirement to submit permit applications in multiple copies, for example—contribute to logistical challenges and delays in

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BOX 2.4 Construction permitting during COVID-19: how the pandemic encouraged digitalization

During the COVID-19 pandemic, locations across Austria expanded their use of e-government electronic platforms as in-person interactions became more challenging. In some Austrian cities, such as Innsbruck, Linz, and Klagenfurt, the initial lockdown in March 2020 slowed the processing of new applications significantly. By midyear, following local government efforts to update IT systems and distribute laptops to public servants working remotely, the building authorities managed to return to operational levels.

Local authorities across Austria took various approaches to maintain the most necessary services. For example, after reviewing its procedures, the city of Graz stopped requesting proof of land ownership from builders as part of the building permit application process. In Vienna, the pandemic and the need for e-based solutions accelerated the implementation of the city's fully digital building permit application platform on the "Mein.Wien" e-government portal. Developers can now submit permit applications, including all required attachments, and provide notifications about the commencement and completion of construction works online. They can also use the platform to track the authorities' processing of these applications and notifications.

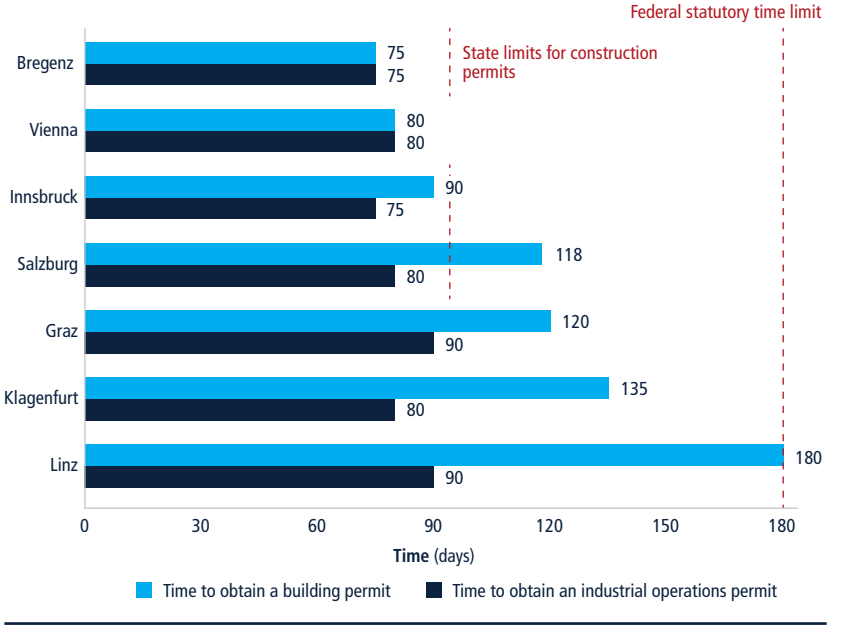
The building authority in Bregenz has been developing an online platform for building permit applications since late 2018 as part of its comprehensive smart government program. The platform, which is being implemented in cooperation with the University of St. Gallen in Switzerland and nine cities near Lake Constance in Austria, Germany, and Switzerland, allows builders to submit all relevant forms and documents and moves all communication with the applicant online. The integration into the existing "V-Dok" administrative e-government platform of the state of Vorarlberg should ensure interoperability with existing systems and allow for easier implementation across the state. The platform entered its trial phase in 2020 and will become fully operational in 2021.

The cases of Vienna and Bregenz highlight how local building authorities can harness the momentum created by the coronavirus pandemic to expand their digital services to remain accessible to the public while at the same time streamlining their processes and improving their operational capacity.

processing at building authorities in cities such as Linz and Salzburg.[50] Incomplete applications and requests for additional documents drive longer processing times in Graz, Linz, and Klagenfurt. In contrast, efforts are ongoing in Bregenz and Vienna to digitalize the permitting process to eliminate redundant paperwork and allow multiple offices with different responsibilities to review the same application simultaneously. The authorities in Vienna, which is over 6.5 times the size of Graz, Austria's second-largest city, issue building permits faster than most other cities despite a higher workload. In the capital, the digital platform for building permit applications has entered the full beta-testing phase and was made available to the public in February 2021.[51]

How builders notify the building authorities is another factor accounting for variations among Austrian cities. All cities make the necessary notification forms available online for download, but Vienna goes further. To notify the authority about the commencement of construction, applicants do not need to print the form, fill it out, and then send it to the building authority either electronically or by traditional mail. They can enter information directly into the form on the "Mein. Wien" portal—the documents are filled out and immediately submitted online. Bregenz is the only city that allows users to notify the completion of construction online. Salzburg is the only city that processes the energy pass through an online database (ZEUS), a free online database

FIGURE 2.13 Obtaining the building permit is fastest in Bregenz



Source: Subnational Doing Business and *Doing Business* databases.
Note: Data for Vienna are not consider official until published in the *Doing Business 2021* report.

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operated by the state government.[52] Obtaining the energy pass takes 10 days in the other benchmarked cities.

Lastly, another source of variation is the time to obtain water and sewage connections, which ranges from 21 days in Linz to 95 days in Klagenfurt. Klagenfurt and Salzburg require applications with separate entities for both types of connections as opposed to one utility company in all other cities. A utility company's efficiency and internal processes also play a role in accounting for the variations among cities.

Building authority fees and utility connection drive cost variations across cities

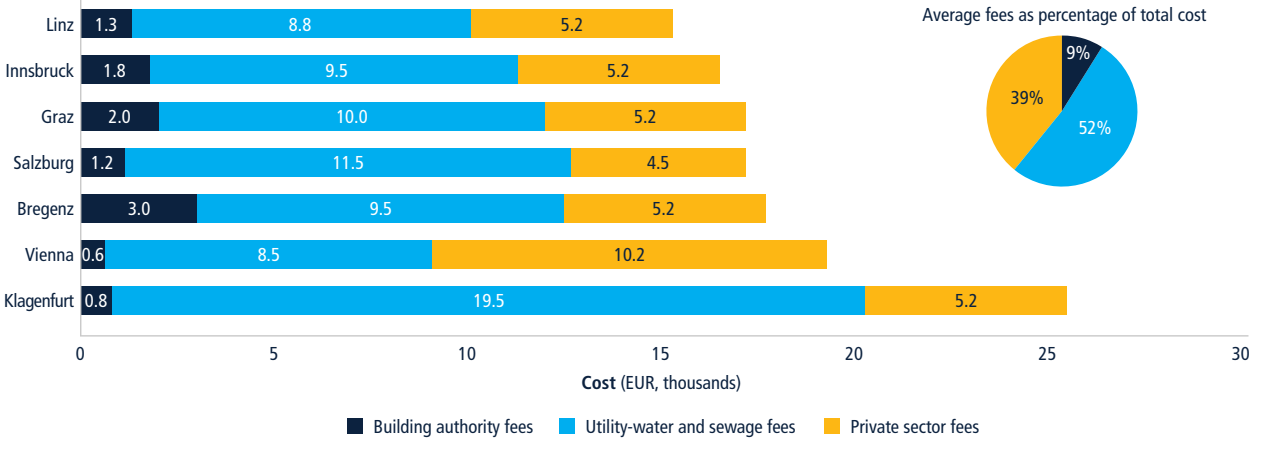
The average cost of dealing with construction permits across Austrian cities is 0.9% of the warehouse value ranging from 0.7% in Innsbruck and Linz to 1.1% in Klagenfurt and Vienna. Building authority fees and utility connection fees comprise nearly two-thirds of the total cost on average and are the main drivers of this variation (figure 2.14). Each city council determines the fees for the municipal building permit and industrial operations permit independently. These fees can range from EUR 622 in Vienna to EUR 3,000 in Bregenz. In Bregenz, the municipality uses a formula to calculate building permit fees as a percentage of the construction's estimated total cost. In all other cities, building permit fees are calculated as a mix of administrative fees (based on the type and complexity of the application) and fees for expert opinions commissioned by the building authority, when necessary. Differences in utility connection fees result from local connection and network contribution fees set by municipal authorities or local public utility companies. Connecting to water and sewage can cost from almost EUR 8,500 in Vienna to to around EUR 19,500 in Klagenfurt.

Private sector fees account for 39% on average of the total cost of dealing with construction permits in Austria. The cost of contracting a private firm to obtain geotechnical and topographical surveys of the land plot averages roughly EUR 4,500 nationwide. In Vienna, local regulation requires builders to pay for a structural engineer's opinion (from an external engineer) and the appointment of an independent supervisory engineer during construction, resulting in additional expenses of EUR 9,800 to contract external practitioners.[53] Lastly, while in all other cities obtaining an energy pass from an independent expert costs EUR 700, it is free of charge in Salzburg. There, the planning architect calculates the energy efficiency coefficients outlining the building's expected energy performance and submits this information through the ZEUS platform. The local building authority then accesses the database and verifies the energy pass as part of the building permit application process.

On the *Doing Business* building quality control index, all seven Austrian cities benchmarked score 13 out of 15 points and benefit from strong quality control mechanisms (table 2.6). Despite its strength in most quality control aspects, Austria does not get full points for quality control before and during construction.

Before construction, public servants review building plans at the municipality, but there is no formal requirement that they are licensed architects or engineers. During construction, the regulation mandates that a licensed supervisor must oversee the construction works throughout the process. However, neither the construction supervisor nor the public building authorities are required to carry out risk-based inspections.

FIGURE 2.14 Building authority fees and utility connection fees comprise nearly two-thirds of the cost of dealing with construction permits



Source: Subnational Doing Business and *Doing Business* databases.
Note: Data for Vienna are not consider official until published in the *Doing Business 2021* report.

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TABLE 2.6 Austrian cities have robust quality control mechanisms

		All seven Austrian cities (score)
BUILDING QUALITY CONTROL INDEX (0–15)		13
Quality of building regulations (0–2)	Are building regulations easily accessible?	1
	Are the requirements for obtaining a building permit clearly specified?	1
Quality control before construction (0–1)	Which entity(ies) is/are required by law to verify the compliance of the building plans with existing building regulations?	0
Quality control during construction (0–3)	Are inspections mandated by law during the construction process?	1
	Are inspections during construction implemented in practice?	1
Quality control after construction (0–3)	Is a final inspection mandated by law?	2
	Is a final inspection implemented in practice?	1
Liability and insurance regimes (0–2)	Is any party involved in the construction process held legally liable for latent defects once the building is in use?	1
	Is any party involved in the construction process legally required to obtain a latent defect liability—or decennial (10-year) liability—insurance policy to cover possible structural flaws or problems in the building once it is in use?	1
Professional certifications (0–4)	Are there qualification requirements for the professional responsible for verifying that the architectural plans or drawings are in compliance with the building regulations?	2
	Are there qualification requirements for the professional who conducts the technical inspections during construction?	2

Maximum points obtained

Source: Subnational Doing Business and *Doing Business* databases.

Note: For details on the scoring of each question, see the data notes. Data for Vienna are not consider official until published in the *Doing Business 2021* report.

WHAT CAN BE IMPROVED?

Streamline the preconstruction process by consolidating requirements and improving coordination among offices

Streamlining preconstruction clearances is a key factor in making the construction permitting process more efficient. In Austria, builders must complete two more steps than the EU average before starting construction, and six more than the European Union's best performing economies, like Denmark or Germany.

Austria could make substantial improvements by consolidating procedures related to building plan approval. Before applying for a building permit, most builders in Austria undertake two steps with the municipality: a preliminary meeting and getting an industrial operating permit to verify commercial code compliance. During the data collection process for this report, it emerged that most private sector practitioners opt to go through this multistep system because it gives them an early confirmation that there is nothing wrong with their plans and they are in compliance with all local rules and requirements.

Austrian cities could look at the example of Porto (Portugal), which has developed a detailed online manual for its construction permitting process, including process maps that cover various possible scenarios.[54] A first step that Austria could take is developing specific checklists and guidance documents, clearly laying out all the plan requirements to comply with the commercial code, and providing a complete building permit application. Moreover, the authorities could combine a simplified industrial operations permit application with the building permit application review process, merging the two longest procedures (that currently take 81 days on average).

A review of required procedures could also result in greater procedural efficiency. Only Bregenz and Graz do not require the builder to submit proof of land ownership; the municipal authorities provide this service there. Other cities should follow suit. Doing so would require minimal changes—municipal authorities already have access to the Land Registry database—and increase the efficiency of the preconstruction process. In making this transition, Austrian cities could also emulate the construction permit processes in Denmark or Sweden, where there is no requirement to submit proof of land ownership.

Continue implementing digital building permit platforms

Leveraging technology is associated with a more efficient construction permitting process; it significantly reduces the time to deal with construction permits.[55] The average time an entrepreneur spends dealing with construction permits in Austria (215 days) is faster than only five other EU economies.[56]

For those that have not already, Austrian cities should consider introducing

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e-application platforms for the submission of applications and building plans online and connecting various agencies such as the utility companies and sewer authorities. Such platforms provide benefits like faster application submission, easier transfer of documents between different construction authority offices or with experts involved in the evaluation process, and easier tracking of documentation. The ability to track which offices have already reviewed the file, identifying any missing documents, and allowing revisions to be made would give applicants more control over the process. Implementing building information modeling (BIM) software in the new platforms would also enable the incorporation of building regulation parameters in the design phase, allowing for easier and faster design evaluation and further streamlining the information flow between the authorities and private construction professionals.

Across Europe, there is a broader movement toward e-application systems following the European Commission's designation of construction permits as one of the 20 primary e-government services.[57] Austrian cities can find successful examples of implementing these changes in the Netherlands' one-stop-shop counter system,[58] Hungary's building regulatory support documentation system (ÉTDR),[59] or in German cities like Hamburg.[60] Austrian cities like Klagenfurt and Linz could also learn from their better-performing peers (Bregenz and Vienna) about their experience of creating IT systems under a similar regulatory environment (see box 2.4 for further details on these systems).

Austrian cities could also learn from their experiences in implementing geographical information systems (GIS) within their broader digitalization strategies. Austria is already a leader in implementing the INSPIRE directive,[61] which provides construction-relevant information such as zoning, topographic, and geological maps to the public.[62]

Shorten statutory time limits and expand the use of simplified application procedures

Austria has a federal statutory time limit of six months for public authorities to issue industrial operating permits and building permits.[63] However, if the authorities reject an application or request further information, the process becomes even longer. In Bregenz, Innsbruck, and Salzburg, state law sets a time limit of three months.

For a project like the *Doing Business* case study in Austria, all benchmarked cities except Salzburg deliver the building permits within the official time limits. Bregenz and Innsbruck issue these permits in less than half the official time limits. Shortening the statutory time limits—following the examples of states including Vorarlberg, Salzburg, and Tyrol—could push cities to deliver building permits faster, even when there are delays in the application. Given that cities including Bregenz and Vienna are already moving toward a more efficient digital system to process building permit applications, shortening the time limits would not place an undue burden on local authorities. It could improve efficiency without compromising safety and control mechanisms.

Austrian cities could realize further efficiency gains by implementing simplified, fast-track building permit processes like Vienna's Article 70a model for common, low-risk construction.[64] This process allows a developer to begin construction one month after submitting the application if the building authority has not indicated that the standard permit processing procedures apply—an example of a "silence-is-consent" rule, a common tool used to streamline permitting in France and Italy, among other economies.[65]

Consider harmonizing construction permitting legislation

Building codes provide a set of uniform regulations and standards for acceptable health and safety conditions in the construction industry. In the absence of standard references, building professionals, developers, and investors experience regulatory uncertainty, complicating the permitting process.

The lack of national building regulation harmonizing construction permit requirements in Austria makes operating across cities difficult for developers and building professionals. Although the Austrian Institute of Construction Engineering (OIB) has issued standard guidelines to harmonize technical requirements in construction, it does not provide construction permitting guidelines.[66]

Austria could look to Canada and New Zealand, where clear building codes and regulations are at the core of well-designed construction permitting systems. Some economies centralize the relevant documents for getting a construction permit on a single website, providing users with targeted and comprehensive information. In Finland, for example, the "Lupapiste" platform, which is used for 95% of the nation's 100,000 annual building permit applications, provides detailed information on requirements and the process surrounding permit applications.[67] The Hungarian "e-epites" online platform has a similar function, allowing developers to review requirements and legislation governing different aspects of construction permitting.[68] Authorities in the United Kingdom offer an online portal where users can access all relevant legislation and information on good practices in addition to guidelines for obtaining building project approval.

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Getting Electricity

The Ordinance on the Quality of Electricity Systems regulates the process of obtaining an electricity connection in Austria, and E-Control, an independent regulatory body, monitors utility performance.[69] Although the process is nationally regulated, local variations exist in the procedures, duration, and cost of obtaining a new electricity connection. Overall, obtaining a connection is easiest in Linz and Innsbruck and most difficult in Graz and Bregenz (table 2.7).

TABLE 2.7 Getting electricity is easiest in Innsbruck and Linz and most difficult in Bregenz and Graz

City	Rank	Score (0–100)	Procedures (number)	Time (day)	Cost (% of income per capita)	Reliability of supply and transparency of tariffs index (0–8)
Linz	1	91.68	4	25	88.3	7
Innsbruck	2	90.38	4	37	85.2	7
Klagenfurt	3	89.34	4	46	104.2	7
Salzburg	4	88.83	4	50	131.2	7
Vienna	5	88.43	4	55	83.0	7
Graz	6	86.62	5	34	60.5	7
Bregenz	7	86.38	5	36	67.8	7

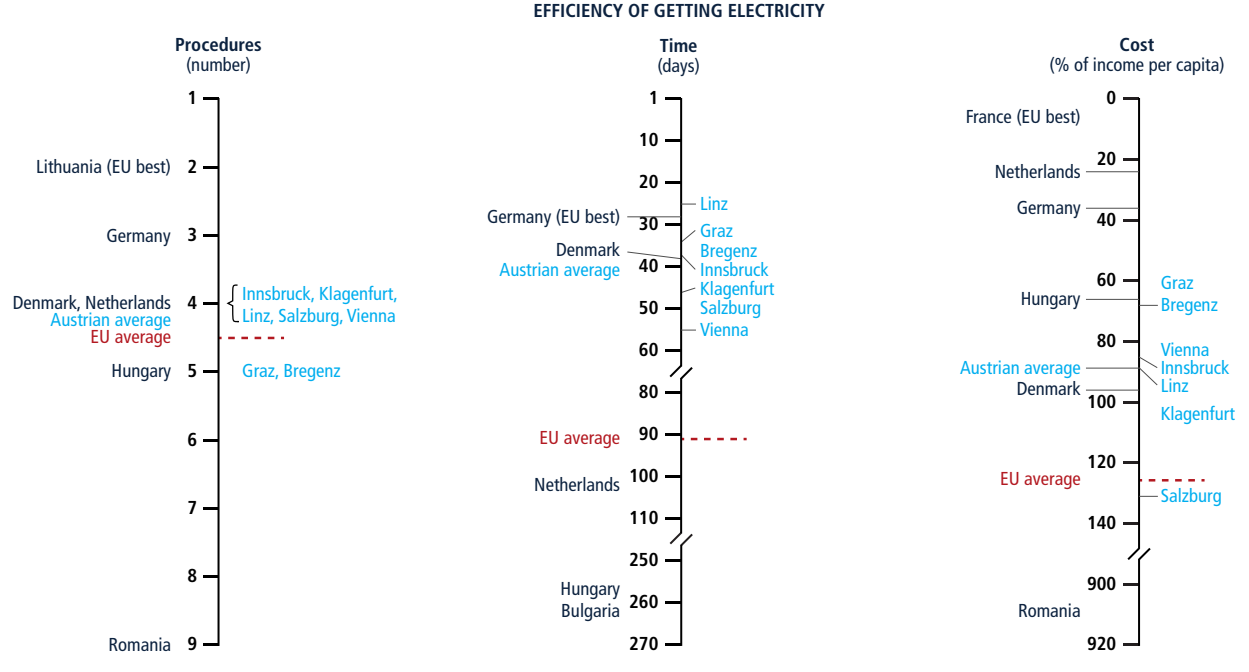
Source: Subnational Doing Business and *Doing Business* databases.

Note: Rankings are based on the average scores for the procedures, time, and cost associated with getting electricity and the reliability of supply and transparency of tariffs index. The score is normalized to range from 0 to 100 (the higher the score, the better). For more details, see the chapter "About *Doing Business* and *Doing Business in the European Union 2021: Austria, Belgium and the Netherlands.*" Data for Vienna are not considered official until published in the *Doing Business 2021* report.

Obtaining electricity is more efficient in Austria than in most EU countries

The process of obtaining a new electricity connection across the seven Austrian cities benchmarked takes nearly six weeks on average, placing it among the fastest countries in the European Union.[70] The cost of getting electricity averages 88.6% of income per capita, nearly 40% less than the EU average. Entrepreneurs complete 4.3 procedural steps on average to obtain a connection, on par with the EU average of 4.5 (figure 2.15).

FIGURE 2.15 Austrian cities are competitive in procedural steps, time, and cost to obtain electricity



Source: Subnational Doing Business and *Doing Business* databases.

Note: EU average uses economy-level data for the 27 member states of the European Union. Data for individual economies are for their capital city as measured by *Doing Business*. Data for Vienna, EU averages, and EU comparators countries are not considered official until published in the *Doing Business 2021* report.

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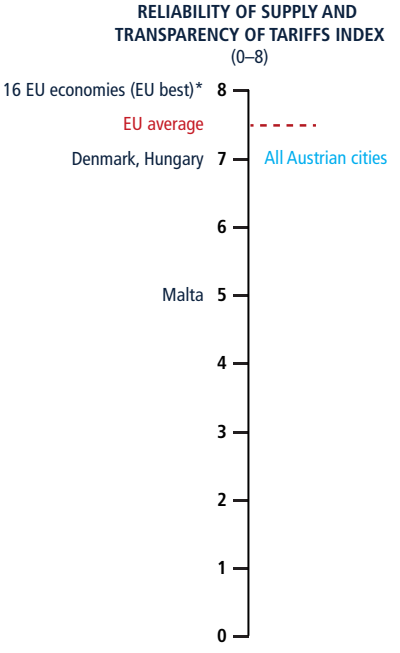
FIGURE 2.16 Austrian cities lag their EU peers for the reliability of electricity supply



Source: Subnational Doing Business and *Doing Business* databases.

Note: EU average uses economy-level data for the 27 member states of the European Union. Data for individual economies are for their capital city as measured by *Doing Business*. Data for Vienna, EU averages, and EU comparators countries are not considered official until published in the *Doing Business 2021* report.

* Belgium, Cyprus, Czech Republic, Estonia, Finland, France, Germany, Ireland, Latvia, Lithuania, the Netherlands, Poland, Slovak Republic, Slovenia, Spain, Sweden.

Despite the overall efficiency of the process, the reliability of Austria's electricity supply has room for improvement. On the *Doing Business* reliability of supply and transparency of tariffs index, 16 EU member states score the maximum of 8 points, whereas Austrian cities score 7 points (figure 2.16).[71]

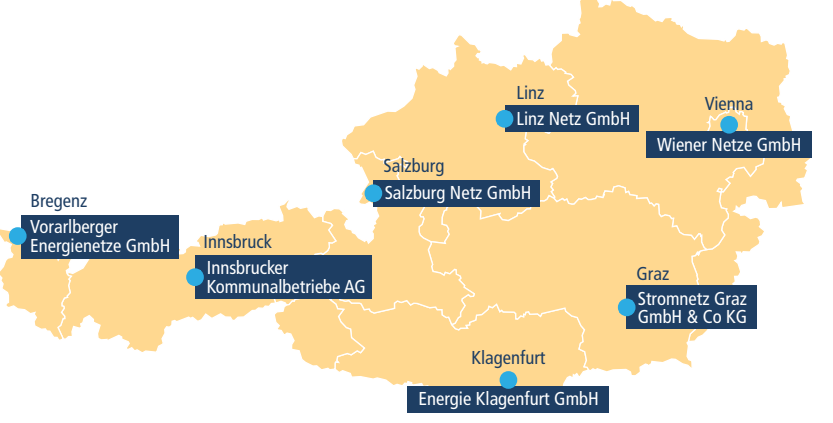
The steps, time, and cost to obtain electricity vary substantially across locations

Several distribution utilities operate in each of the Austrian cities benchmarked and are responsible for expanding and maintaining the electrical grid (map 2.1).[72] Distribution system operators (DSOs)—also referred to as "electricity distributors" and "distribution utilities" in this chapter—are key players in the connection process. The time and cost to get an electricity connection depend on the availability of both low- and medium-voltage infrastructure. *Doing Business* uses the hypothetical case of a local firm that needs a 140 kilovolt-ampere (kVA) electricity connection for a newly built warehouse located in a commercial area outside a city's historical center. At a power demand of 140 kVA, clients in Austria are legally eligible to be connected to medium-voltage (at grid level 6) or low-voltage (at grid level 7) underground connections. In the first case, the connection would require an existing or newly installed transformer station to convert medium voltage to low voltage. The connection decision depends on the availability of infrastructure for a low-voltage connection, the client's preference, and the DSO's grid development priorities. In most Austrian cities, new warehouses are connected to the medium-voltage underground network (grid level 6). In Innsbruck and Linz, a new warehouse would most likely be connected to the low-voltage (grid level 7) underground network.

In Bregenz and Graz, the process to connect a warehouse to the electrical grid requires five steps; it requires four steps in the other benchmarked cities (figure 2.17). Customers initiate the process by submitting an application form, a warehouse site plan, details on the capacity requested, and the desired date for the connection to be completed to the distribution utility. The utility provides a cost estimate, a contact person, and the expected time to establish the connection based on this information. Upon accepting the utility's offer, the client signs the grid connection contract. Customers pay the connection fees to the distribution utility in installments in all cities except Bregenz, Linz, and Salzburg, where the payment is made upon completion of the external connection.

Once the warehouse internal wiring is completed, the customer notifies the utility that the internal wiring complies with established safety standards. An excavation permit must also be obtained from the local municipality before the start of connection works.[73] In most cities, a DSO contractor obtains this permit and carries out the external connection works. The exceptions are Bregenz and Graz, where the customer hires a contractor to secure the excavation permit and carry out the excavation works. This adds a procedural step for the client in these two cities.[74] In Vienna, in addition to the excavation permit, the utility must obtain a heavy current permit required for installing a new transformer on the client's premises; in the other cities, transformers

MAP 2.1 Austria's electricity distribution utilities operate in designated geographic zones



Source: Subnational Doing Business and *Doing Business* databases.

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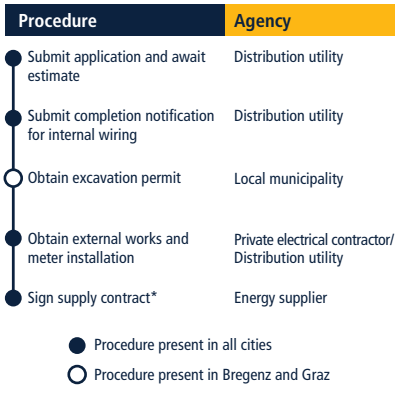
FIGURE 2.17 Getting electricity requires five steps in Bregenz and Graz, and four in the other cities



Source: Subnational Doing Business and *Doing Business* databases.
Note: Data for Vienna is not considered official until published in the *Doing Business 2021* report.
* Procedure occurs simultaneously with the previous one

are available in the public domain.[75] At any time in the process, the customer can choose an energy supplier from the market. The regulator, E-Control, offers an online tariff calculator with sample bills to help customers choose from among the available suppliers.[76] Once the connection works are complete and the meter installed, the connection is electrified without any further action required by the customer.

The main determinants of time variations are the time for application processing and external connection works

In Linz, obtaining a connection takes less than a month. In Vienna, the Austrian city with the slowest time for getting electricity, the process takes nearly two months. Vienna's DSO receives significantly more connection requests than any other utility: in 2019, connections performed in Vienna were more than seven times those in Salzburg, the city with the second-most new connections.[77] Furthermore, in Vienna, the utility must obtain a heavy current permit before installing a new transformer (on private land due to limited space in the public domain), resulting in further delays. The other cities do not require a heavy current permit because transformers are available in the public domain.

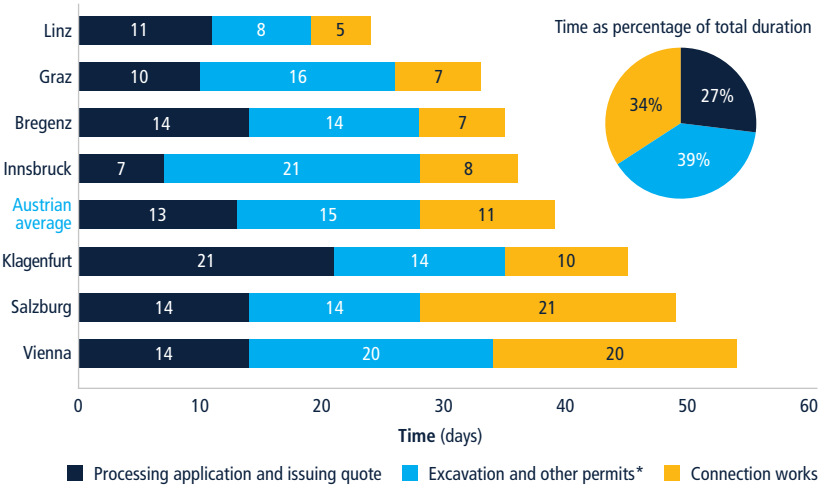
Subnational variations in the time to obtain a new electricity connection stem from two main factors: the time to process the application request and the time to complete the connection works, which can vary depending on the time to obtain the excavation permit and complete the external connection works.

Under national regulations, distribution utilities have 14 days to process an application request for low-voltage connections and a month for medium-voltage connections.[78] In practice, DSOs process applications in a shorter time. In Innsbruck, the utility provides a quote for low-voltage connections in seven days of receiving a request; in Linz, the quote is ready in 11 days. In Graz, processing an application for medium-voltage connections takes 10 days, faster than the other benchmarked cities with that grid level. Like in Linz, the distribution utilities in Graz are at the forefront of the digitalization of the application process—customers can only apply for a new connection through the DSO's online platform.

National regulation establishes a six-month deadline for the municipality to issue the excavation permit.[79] In practice, Austrian municipalities are more efficient than the prescribed time. For a scenario like the *Doing Business* case study, the municipality issues the excavation permit in two weeks on average. The widespread use of advanced geospatial information systems and up-to-date zoning maps support this level of efficiency.[80] Obtaining the excavation permit takes anywhere from eight days (Linz) to three weeks (Innsbruck) (figure 2.18). A general framework agreement between the municipality and the utility in Linz simplifies the excavation permit approval process.[81] There is also substantial variation in the time for the DSO to complete the material connection works: customers in Linz wait just five days, while those in Salzburg wait three weeks.

Connection fees consist of two components: (i) grid connection charges (including all costs associated with materials and labor) set by the contractor in charge of the connection and (ii) system charges (calculated based on the subscribed capacity) set by the

FIGURE 2.18 Getting the excavation permit takes anywhere from eight to 21 days



Source: Subnational Doing Business and *Doing Business* databases.
Note: See the data notes for the full list of procedural steps. Procedures such as "submit completion notification for internal wiring" and "signing a supply contract" take the same time across cities (one day and two days, respectively) and are not represented in the graph. Data for Vienna are not considered official until published in the *Doing Business 2021* report.
* "Other permits" refers to the heavy current permit to install a transformer (required in Vienna only).

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regulator.[82] Variations in cost are mainly the result of different charges for low- and medium-voltage grid connections. In Salzburg, the grid connection charge is almost five times higher than that in Graz and Linz, the Austrian cities with the lowest grid connection charges (figure 2.19). Overall, the total cost of getting electricity is lowest in Graz (EUR 27,138)—EUR 12,613 lower than the Austrian average. In Salzburg, where getting electricity is most expensive (EUR 58,877), the total cost is one and half times more than the average of the other cities.

Bregenz and Klagenfurt have the most reliable electricity supply

The *Doing Business* reliability of supply and transparency of tariffs index scores cities on a scale of 0 to 8 points. All benchmarked cities have an automated system to monitor power outages and restore services. The independent regulator, E-Control, monitors utility performance on service disruptions. Utilities efficiently communicate tariffs and tariff changes to customers, and these are available online. However, Austrian regulation does not establish financial deterrents to limit outages, and customers are not compensated in the event of outages, unlike utilities in nearly all other EU member states face financial deterrents (figure 2.20).

Variations exist in the frequency and duration of electricity outages across the Austrian cities benchmarked. Overall, Austrian cities enjoy a reliable electricity network. According to 2019 data, the electricity network is most reliable in Bregenz and Klagenfurt, where customers experienced an average of 0.18 service interruptions lasting a total of 5 minutes and 40 seconds. Outages were most frequent in Salzburg, where in 2019 customers experienced, on average, one service interruption, lasting 49 minutes. However, the electricity supply is more reliable in all Austrian cities benchmarked than the EU average (figure 2.21).

WHAT CAN BE IMPROVED?

Improve online platforms to allow electronic requesting and tracking of applications

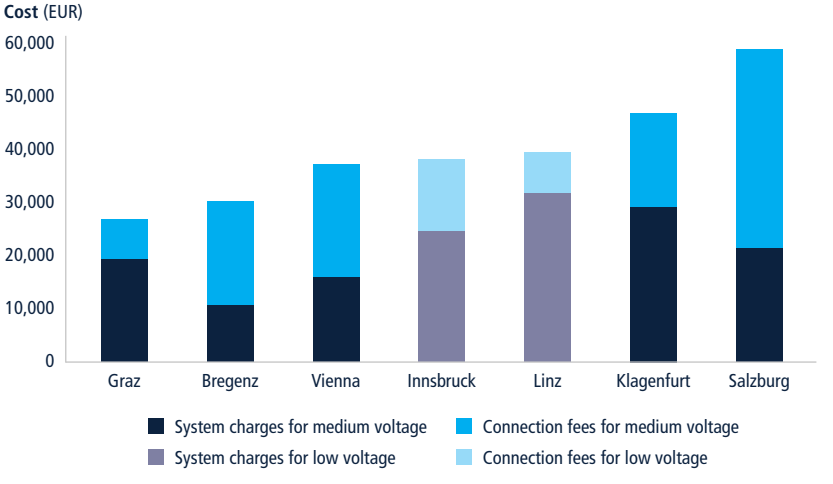
The introduction of IT systems has already simplified the process of getting electricity in most Austrian cities. The distribution utilities in Graz and Linz introduced a fully digitalized application process, eliminating request submissions by mail and in person. Distribution utilities in Salzburg and Vienna also use online platforms but still permit email, postal mail, and in-person applications. In Bregenz, Innsbruck, and Klagenfurt, customers download a PDF application form and email it to the distribution utility.

Technological solutions are among the most effective for reducing delays, but only when accompanied by an awareness campaign for users and a dedicated troubleshooting mechanism to address issues or technical glitches in real-time. These solutions can also help to collect data to diagnose the cause of delays. Austria could consider allowing new connection requests to be submitted fully electronically and eliminating mail, email, and in-person submissions like in Linz and Graz.

Introducing a tracking system for applications is equally important. The Austrian authorities and utilities could set up a platform similar to that of the French distribution utility, Enedis, to streamline the process of getting electricity. Since Enedis adopted both externally and internally facing platforms, the time to obtain a connection has fallen by nearly three weeks. Externally, customers use the online portal to submit connection requests along with all supporting documentation. Internally, Enedis implemented a unified data management solution, Teradata's Unified Data Architecture (UDA), allowing both the customer service department and the new connection department to receive and process new connection requests. The UDA facilitates the internal tracking of applications, speeding the electrical engineer's analysis and allowing them to respond to clients faster. It also allows the connection department to assign the external works to engineers in a more efficient manner.

Good practices can also be found outside the European Union. In the United Arab Emirates, the Dubai Electricity and Water Authority introduced a one-window, one-step application process that allows

FIGURE 2.19 Getting electricity costs twice as much in Salzburg as in Graz



Source: Subnational Doing Business and *Doing Business* databases.
Note: Data for Vienna are not considered official until published in the *Doing Business 2021* report.

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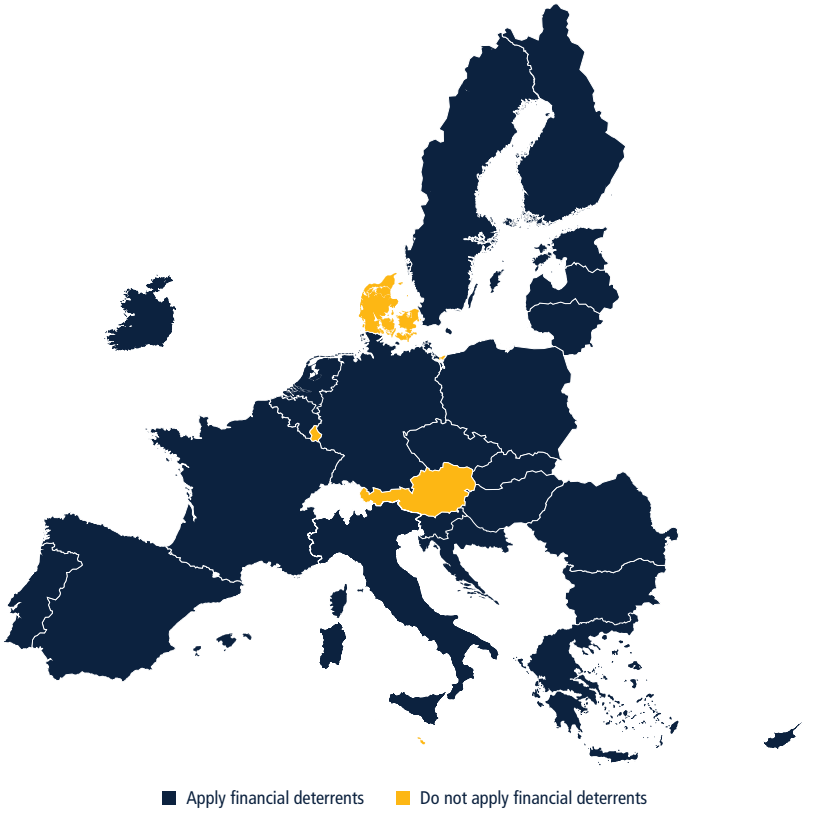
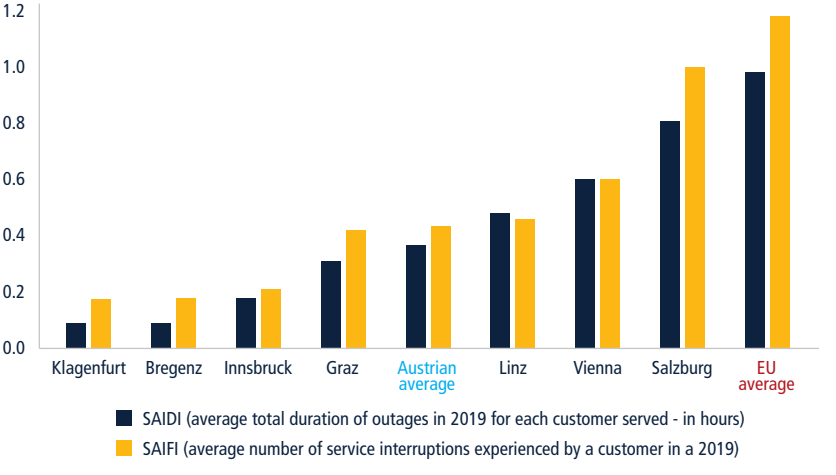
FIGURE 2.20 Twenty-three EU member states establish financial deterrents to limit outages



Source: Subnational Doing Business and *Doing Business* databases.
Note: Data for EU countries are not considered official until published in the *Doing Business 2021* report.

FIGURE 2.21 In all Austrian cities the supply of electricity is more reliable than the EU average



Source: Subnational Doing Business and *Doing Business* databases.
Note: Data for Vienna and EU average are not considered official until published in the *Doing Business 2021* report.

customers to submit and track their applications online and schedule site surveys. New features have been added over the years, including an e-payment portal and an option to schedule the internal wiring inspection. These changes improved processing times significantly; today, it takes just seven days to obtain an electricity connection in the United Arab Emirates.

Establish financial deterrents to limit outages

Twenty-three EU member states impose financial penalties on distribution utilities if they fail to provide their customers with a reliable electricity supply. Although Austrian customers enjoy a reliable supply, the country could benefit from establishing a legal framework governing compensation for customers and fines for DSOs when outages exceed an established cap. Financial penalties are equally important and a useful tool to incentivize distribution utilities to maintain supply reliability throughout the year and across their entire zone of operation. However, financial sanctions alone are insufficient. Minimizing the number and duration of power outages is critical to the national economy. Understanding why some cities have a higher outage duration and frequency is valuable information that can be used to improve the reliability of electricity supply. The distribution utility is the final link in the supply chain for electricity; many actors play key roles in generation, transmission, and distribution. Moreover, multiple interdependent factors affect supply reliability, including investment in generation, tariff levels and bill collection rates, the utilities' operational efficiency, and the economy's overarching regulatory framework.[83]

Introduce varying legal time limits based on connection complexity

Municipal authorities in Austria require an excavation permit to begin external connection works. Obtaining this permit constitutes roughly 40% of the total time to get electricity across the benchmarked cities. Lawmakers could reduce this time by defining requirements and legal time

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limits based on project complexity. In Linz, the municipality and utility have a general framework agreement, which contains an overview of all works allowed on public land (for example, laying cables) and establishes a time-efficient system. Under a framework agreement, the utility still needs to submit the excavation permit request; however, all general terms and conditions of specific permits are clarified in the agreement. Therefore, the permit is issued faster. Modern regulations establish different levels of scrutiny—and therefore different timeframes—for different levels of complexity. This approach allows fast-track for simple connections, freeing public authorities to focus on riskier projects. Effective risk-based approaches include a comprehensive classification of risks. In the Netherlands, the municipality of Utrecht established a two-day time limit for excavation permit decisions.[84] Municipal authorities in Enschede went a step further, establishing two categories of works in the public domain.[85] Works of less than 25 meters do not require a municipal excavation permit.

There is no legal time limit in Austria for distribution utilities to complete external connection works. Most EU member states establish such a deadline at the national level, and the regulator fines utilities if they fail to complete the connection within the established limit. The lack of legally prescribed deadlines and automatic penalties for failure to comply means few incentives for the utilities to provide timely service.

Assess the possibility of lowering the cost of getting an electricity connection

The cost of getting an electricity connection in Austria is below the EU average. However, in 14 EU cities, the cost is cheaper than in the Austrian cities benchmarked. Some EU countries subsidize a portion of the connection process. In France, for example, the connection costs 5.8% per income per capita, the lowest in the European Union. The cost in France is significantly lower because the federal government requires municipalities to finance a portion of the connection costs.[86]

Allow electrical suppliers to submit new connection applications

One way to reduce the number of procedures to obtain an electricity connection is by allowing customers to apply for a connection through an electrical supplier instead of directly through the distribution utility. Doing so would combine two procedures—the new connection application and the supply contract signing. In Italy, customers can apply through their chosen supplier. The supplier serves as an interface between the client and the utility throughout the process, eliminating customer involvement. Austrian utilities and suppliers already share an internal platform, Wechselplattform, to communicate about connection and supply requests.[87] This platform could be expanded to allow suppliers to notify utilities of a new connection request without customers having to contact the utility. Alternatively, the current platform for suppliers and utilities could be integrated once an advanced IT platform is in place.

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Registering Property

Austria's Civil Code, dating back to 1812, regulates property rights at the federal level. The land register (Grundbuch), established in 1871, operates under the provisions of the General Land Register Act of 1955. The country's 115 district courts manage the land register.[88] Austria is one of only five EU member states with a court-managed land register (the others are Croatia, Denmark, Poland, and Slovenia) (figure 2.22).

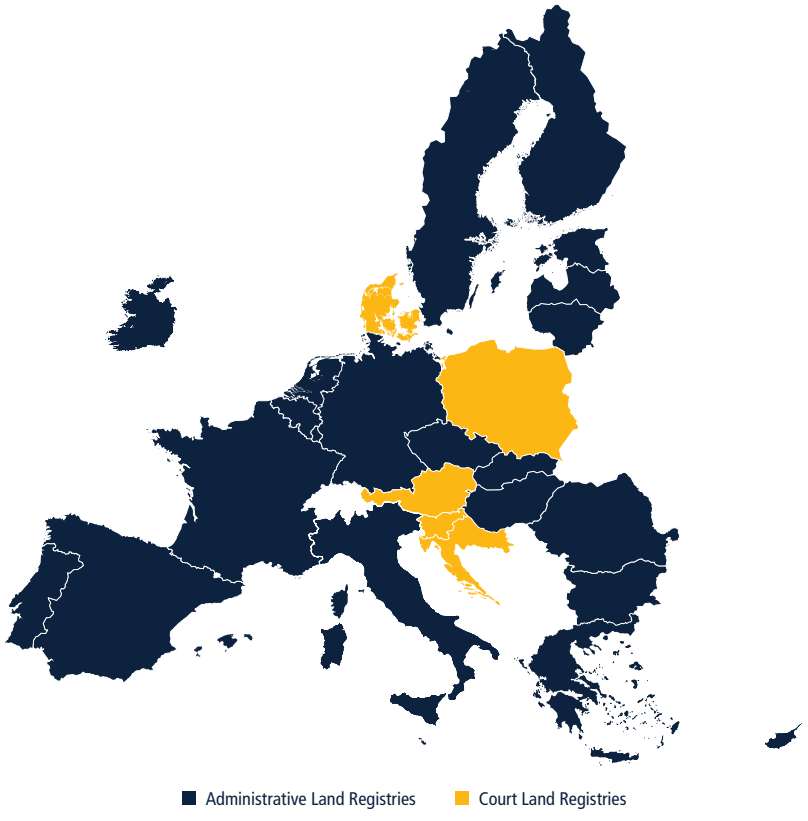
Austria's land register system follows an "intabulation principle", whereby title registration with the land register establishes its legal acquisition. The country's first digital database became operational with the Land Register Conversion Act of 1980 (box 2.5). Austria's Federal Office of Metrology and Surveying (Bundesamt für Eich- und Vermessungswesen, BEV) is responsible for cadastral records and services.[89]

Property transfers take twice as long in Salzburg as in Linz

Among Austrian cities, registering property is easiest in Linz and Vienna[90] and most difficult in Klagenfurt and Salzburg (table 2.8). The time to register a property transfer ranges from 15.5 days in Linz to 30.5 days in Salzburg. Time variations are mainly due to regional procedures (for example, obtaining a property use certificate), which takes between seven and 14 days, where required. The time to register property also varies depending on the final processing time at the district court, which can range from nine days in Bregenz to 15 days in Graz and Salzburg. The time needed for this final step depends on various factors, including the number of transfers requiring processing and each district court's internal working arrangements (some take longer than others).

The cost variation across Austrian cities is small. The cost for the three

FIGURE 2.22 Five EU member states have court-based land registers



Source: Subnational Doing Business and *Doing Business* databases.
Note: Data for EU countries are not considered official until published in the *Doing Business 2021* report.

TABLE 2.8 Registering property is easiest in Linz and most difficult in Salzburg

City	Rank	Score (0–100)	Procedures (number)	Time (day)	Cost (% of property value)	Quality of land administration index (0–30)
Linz	1	80.54	3	15.5	4.6	23
Vienna	2	80.30	3	17.5	4.6	23
Graz	3	80.18	3	18.5	4.6	23
Innsbruck	4	77.98	4	19.5	4.6	23
Bregenz	5	77.74	4	21.5	4.6	23
Klagenfurt	6	77.38	4	24.5	4.6	23
Salzburg	7	76.66	4	30.5	4.6	23

Source: Subnational Doing Business and *Doing Business* databases.
Note: Rankings are based on the average ease of doing business score for the procedures, time, and cost associated with registering property, and the quality of land administration index. The ease of registering property score is normalized to range from 0 to 100 (the higher the score, the better). For more details, see the chapter "About *Doing Business* and *Doing Business in the European Union 2021: Austria, Belgium and the Netherlands*." Data for Vienna are not considered official until published in the *Doing Business 2021* report.

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federal procedures is the same (EUR 103,506). It includes the real estate transfer tax of 3.5% of the property value (EUR 78,524), registration tax of 1.1% of the property value (EUR 24,679), EUR 202.35 for signature authentication, EUR 14.30 for signature authentication stamp duty (Staatliche Gebühr für Beglaubigungsklausel), EUR 58.40 for the land register extract (Grundbuchauszug), and registration application fee, EUR 28.80 for the extracts on the seller and buyer companies from the commercial register (to prove the representatives' signing authorization). Municipal and regional land commission fees for the additional local procedures are EUR 100 in Klagenfurt, EUR 56 in Salzburg, and EUR 50 in Bregenz and Innsbruck.

Notary fees for signature authentication are set by law in Austria. In practice, notaries typically provide more extensive assistance to the parties and charge a lump sum between EUR 500 and EUR 1,000, including the fees they pay on behalf of the parties. There are no differences based on the city of operation; instead, various overlapping factors determine the negotiated fee, including the extent of notary involvement, size of the office, seniority of the notary, and market segment.

Registering property in Austria is faster than the EU average

The process of registering property is relatively efficient in Austria. A property transfer between domestic private companies requires, on average, 3.6 procedures over three weeks at a cost of about EUR 104,000 (4.6% of the property value). Entrepreneurs registering property in Austria complete fewer procedures in less time than the EU average (figure 2.23); the cost is on par with the EU average. With 23 points out of 30, Austria scores slightly higher than the EU average (22.9 points) for the quality of land administration (figure 2.24).

Registering property in Austria is mostly regulated at the federal level, but regional laws also apply

The property transfer process starts with the buyer obtaining a land register extract from the competent district court. This extract lists all legal requirements, rights, and restrictions, including the seller's ownership title, mortgages, liens, preemption rights, rights of way, canals, lines, and brooks. Only notaries and lawyers can directly access the land register online; the transaction parties would need to go in person to the district court during regular business hours to obtain the extract. For this reason, in practice, most buyers have their legal representative complete this process on their behalf.[91]

FIGURE 2.23 Registering property is easier in Austria than in the EU

Source: *Subnational Doing Business* and *Doing Business* databases.

Note: EU average uses economy-level data for the 27 member states of the European Union. Data for individual economies are for their capital city as measured by *Doing Business*. Data for Vienna, EU averages, and EU comparators countries are not considered official until published in the *Doing Business 2021* report.

* Norway and Georgia also have one procedure.

** Belarus, Georgia, Kazakhstan, Kiribati, and Saudi Arabia also record a cost of 0.0% of the property value.

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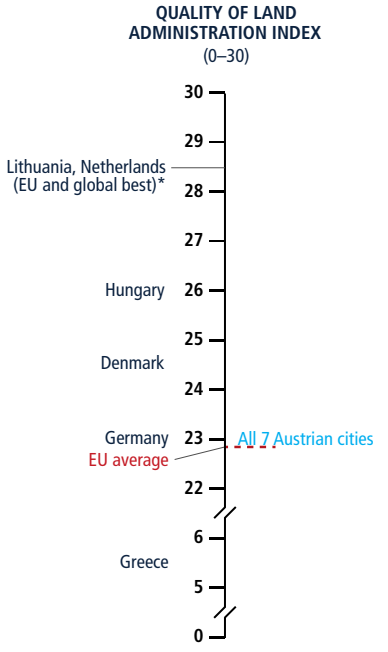
FIGURE 2.24 Austrian cities score on par with their EU peers on the quality of land administration



Source: Subnational Doing Business and *Doing Business* databases.

Note: EU average uses economy-level data for the 27 member states of the European Union. Data for individual economies are for their capital city as measured by *Doing Business*. Data for Vienna, EU averages, and EU comparators countries are not considered official until published in the *Doing Business 2021* report.

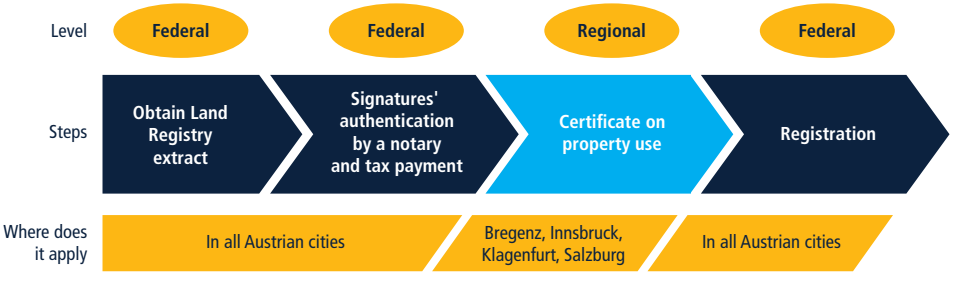
* Rwanda and Taiwan (China) also score 28.5

Next, the parties, their lawyers, or a notary drafts the sales agreement. A notary then verifies the representatives' signatory powers and authenticates the signatures on the sales agreement. The parties pay the real estate acquisition or transfer tax (Grunderwerbssteuer), charged at 3.5% of the property value, and a registration fee (Eintragungsgebühr) equal to 1.1% of the property value. The registration request must include proof of payment of these fees, either in the form of a clearance certificate from the Ministry of Finance—obtained from the court (Unbedenklichkeitsbescheinigung)—or a self-assessment declaration by a lawyer or notary (Selbstberechnungserklärung). The latter takes significantly less time and therefore is the most common procedure. The buyer deposits payment into a fiduciary account; the notary then sends the payment to the fiscal authorities from that account. Upon receiving the buyer's payment, the notary can complete the tax self-assessment online.

In the last step of the process, the notary files the property registration application at the competent district court using the Elektronischer Rechtsverkehr (ERV) electronic system, a specialized platform through which lawyers and notaries interface with the courts (box 2.5). The registrar reviews the documents, updates the records, and effectively transfers the property to the buyer and constitutes the property rights.

The procedures mentioned above are mandated at the federal level and are identical across all measured cities, with small variations in the time needed to complete them. In four cities—Bregenz, Innsbruck, Klagenfurt, and Salzburg—an additional step is required before the notary can submit the registration request to the competent district court (figure 2.25).[92] In these cities, the buyer must obtain a property use certificate from the land transfer authority (Gundverkehrsbehördliche Genehmigung). This certificate aims to ensure sufficient and affordable housing stock for the local population and control the number of vacation properties owned by non-locals. Because local or regional authorities determine these procedures, they often vary by location. For example, under the *Doing Business* case study, entrepreneurs in Bregenz and Klagenfurt would need to obtain a "negative certificate" (Negativbescheinigung) confirming that no additional approval is needed to purchase the warehouse. In Bregenz, the buyer obtains the certificate from the regional land transfer office (Grundverkehrslandeskommission); in Klagenfurt, the municipality issues this certificate. In Salzburg, the buyer must submit a "declaration of use" (Nutzungserklärung) to the Mayor's office stating that the property will not be used as a secondary residence and then wait for the declaration to be certified. The buyer must present this certification when registering property transfer at the land register. When applying for registration at the property register in Innsbruck, the buyer must present a zoning certificate from the municipality. These procedures take from seven days in Innsbruck to 14 days in Salzburg. The related fees range

FIGURE 2.25 Registering property in Austria takes three to four steps, depending on the location



Source: Subnational Doing Business and *Doing Business* databases.

Note: Data for Vienna are not considered official until published in the *Doing Business 2021* report.

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BOX 2.5 Austria's land administration system is based on a reliable infrastructure developed early and upgraded constantly

The first digital database

Projects aiming to automate data processing began at BEV in the 1960s. Between 1973 and 1978, BEV and the Ministry of Justice jointly developed the digital real estate database (Grundstücksdatenbank), containing both land register and cadaster data. Electronic data submissions to the database were made possible in 1987, and internet-based submissions were added in 1998.[a]

The current digital database

The agencies charged with property registration and mapping have updated and digitized their records through several initiatives. BEV digitalized cadastral maps of the entire country between 1989 and 2003. In 2006, the Ministry of Justice launched the ERV electronic communication system. In the 2000s, BEV and the Ministry of Justice converted their common database into two separate but interconnected databases. Migration to this new land register system, which allows for the synchronized exchange of data, was completed in 2012. Currently, when land register or cadaster staff update one database, the new information is reflected automatically in the other, allowing each institution to accommodate non-overlapping business needs and activity areas.[b]

The electronic communication platform

Notaries, lawyers, and financial and insurance agents connect to various government systems to conduct queries, submit requests, and receive feedback in an integrated manner through software developed by private companies accredited by the Ministry of Justice. The Ministry of Justice also maintains ERV, the electronic tool for communication between courts, notaries, and lawyers. These actors use ERV to submit claims, briefs, and applications and the delivery of court transcripts, orders, and decisions. Using ERV for these interactions is mandatory for legal professionals and optional for citizens.

Austria's existing digital infrastructure allowed its property registration system to remain operational during the COVID-19 pandemic. Experts interviewed for this study indicated that the land register recorded no serious disruptions to service delivery during lockdown. The Ministry of Justice quickly adapted to the new circumstances, providing laptops to its employees so they could work remotely. For those internal operations requiring a physical presence, having only one person in office on a rotational basis was sufficient to maintain business continuity.

a. Auer, Helmut, Günther Auer, and Volker Sturm. "Grundbuch und Kataster – Der Weg zur Grundstücksdatenbank." In *Österreichisches Kulturgut 200 Jahre Kataster*. Vienna: Bundesamt für Eich- und Vermessungswesen.

b. Schneider, Martin, and Manfred Buric. "Grundbuch - Vorläufer in die digitale Aktenwelt der Justiz - Projekt Grundbuch Neu." In *Österreichisches Kulturgut 200 Jahre Kataster*. Vienna: Bundesamt für Eich- und Vermessungswesen; Feucht, Rainer, Rupert Kugler, and Franz Schönweiler. "Von der Messtischmappe zur digitalen Ka Von der Messtischmappe zur digitalen Katastralmappe." In *Österreichisches Kulturgut 200 Jahre Kataster*. Vienna: Bundesamt für Eich- und Vermessungswesen.

from EUR 50 in Bregenz and Innsbruck to EUR 100 in Klagenfurt.

The quality of land administration is consistent across the country

The quality of land administration index measures a location's performance in five areas: reliability of infrastructure, transparency of information, geographic coverage, land dispute resolution, and equal access to property rights.[93] All Austrian cities score 23 points (out of 30) on the index. The reliability of infrastructure component measures whether the land register and mapping system (or cadaster) have adequate infrastructure to guarantee high standards and minimize errors. Austrian cities score 7 points (out of 8) for the reliability of infrastructure. The majority of titles are only scanned, whereas all maps are kept in a fully digital format by the Federal Office for Metrology and Surveying; therefore, 1 point is deducted from the score.

The transparency of information component measures whether and how the land administration system makes land-related information available to the public. Austrian cities all obtain the same score—3 points out of a maximum of 6—on this component. Austria does not attain the full score owing to its lack of binding delivery standards for the land register and cadaster, the absence of specific and independent mechanisms to file complaints at the land register and cadaster, and because the authorities do not publish public statistics on property transfers.

The geographic component measures the extent to which the land register and cadaster provide complete geographic coverage of privately-held land. Land registers and cadastral offices in all Austrian cities have 100% territorial coverage and are, therefore, awarded the maximum of 8 points on this component.

The land dispute resolution index measures the accessibility of conflict resolution mechanisms and the extent of liability for entities or agents recording land transactions. The index also measures how efficiently the courts—as a last resort—handle disputes. All Austrian cities score 5 points out of 8. At 1-2 years, obtaining a court decision for a standard property rights dispute is relatively fast. However, it could be faster.

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In the Netherlands, such decisions are obtained in less than a year. Additional opportunities exist for improvement in this component—for example, establishing a compensation mechanism to cover losses caused by mistakes in the land register information and publishing statistics on land disputes.

WHAT CAN BE IMPROVED?

Consider exempting commercial property transfers from the requirement to obtain a property use certificate in some cities

Bregenz, Innsbruck, Klagenfurt, and Salzburg are highly attractive locations for Austrians and foreigners to buy vacation homes. However, this reduces the available property stock for local residents, boosting prices. Local and regional authorities have intervened to protect access to housing for locals. But these interventions place an additional burden on local businesses. By exempting commercial properties from obtaining the property use certificate, these four cities could follow the example of Linz, where authorities have successfully protected the local housing stock while exempting commercial properties.

Consider introducing a fast-track alternative for property registration for an extra fee

Registration, the last step of the process, is the longest procedure in all Austrian cities, ranging from nine to 15 days. The district courts could consider offering formal, fast-track registration application processing for an extra fee. Doing so would allow businesses the flexibility to choose between cost and time to complete registration. In Lithuania, entrepreneurs can choose to complete the registration via the standard process (taking 10 business days) or choose from three other options: pay 30% more for registration in three days, 50% more for registration in two days, or 100% more for registration in one day. Some cities in Portugal offer a similar arrangement.

Increase land register transparency by publishing regular statistics on land transfers and disputes

Statistics on property transactions (the number, type, and value) would allow third parties to determine property ownership and obtain information on real estate market status and trends. As the register is electronic, such a reform would be simple to implement. Examples of public statistics on property transfers can be found in Europe—land registers in Lithuania, Norway, the Netherlands, and Romania publish statistics monthly. In Croatia, Ireland, Slovenia, and the United Kingdom, land registers publish statistics on property disputes.

Introduce service delivery standards at the land register and cadaster, and ensure that they are public and binding

Service delivery standards allow the beneficiaries of public services to know what they can expect in terms of timeframes and accuracy. Publishing this information—including clear definitions of services, timetables, and the names of the officers in charge—would increase land register service quality, facilitate monitoring and evaluation, and increase the public's confidence in the institution. In Europe, countries including the Netherlands, the Slovak Republic, and Sweden currently publish service standards for various public services. In the Netherlands, the quality charter is publicly available on the Cadaster, Land Registry and Mapping Agency's website.[94]

Strengthen complaints mechanisms by setting up separate procedures at the land register and cadaster

A fully developed complaints system facilitates the correction of mistakes and increases the land system's reliability. A specific mechanism allows better monitoring of land register and cadaster activity, potentially revealing patterns of mistakes and systemic issues that might be addressed through corrective action. The United Kingdom has a specialized complaints mechanism that provides detailed information to the public on how their complaints will be received, processed, and resolved. Besides having detailed complaint procedures that can be addressed to the HM Land Registry, the United Kingdom also allows people to file a complaint with the Independent Complaints Reviewer (ICR).[95] The ICR handles complaints related to the HM Land Registry only. The ICR is neither a civil servant nor an employee of the HM Land Registry. The ICR office funding and staff come from the HM Land Registry but are managed independently by the ICR.

Establish a compensation mechanism to cover losses incurred owing to erroneous registry information

In Austria, property rights duly recorded in the land register confer a guarantee of ownership to their holders. However, there are no specific out-of-court compensation mechanisms to cover losses by parties engaged in good faith in property transactions based on erroneous information provided by the land register. Without such mechanisms, the matter is usually settled by the courts, which can be a costly and lengthy process. Some countries create funds to indemnify parties that have suffered losses, especially when those mistakes cannot be corrected without affecting bona fide title holders. The United Kingdom has a statutory compensation scheme under which indemnity claims are made directly to the Land Registry. Claims can be submitted for mistakes in the register or other reasons, such as loss or destruction of records. Similarly, Ireland's Property Registration Authority allows indemnity claims to be filed with them directly, and the Land Code of Sweden provides that the state will compensate the claimant for losses in case of a mistake committed by the property registry.

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Enforcing Contracts

The COVID-19 pandemic could mark a turning point in how commercial justice is rendered. In the first half of 2020, courts worldwide suspended regular operations as social distancing measures prevented in-person hearings. Such restrictions highlighted the benefits of more efficient, automated courts. In a handful of countries like Canada and the Republic of Korea—where e-court features, videoconferencing, and court automation were already in use—the disruption caused by the global health crisis was minimal.[96] But in most countries, courts had to adjust how they functioned dramatically and quickly.[97] In March 2020, the Lord Chief Justice of the United Kingdom predicted that technology would be used from then on to conduct court business in a way that would have been unthinkable just a few months before.[98]

The use of videoconferencing in oral hearings is not new in Austria. However, before the pandemic, the technology to conduct the entire oral hearing via videoconference was not widely available.[99] Legislation enacted in May 2020[100] allowed the use of video technology in civil court hearings, provided that the parties agree and have access to the appropriate equipment.

In the aftermath of the pandemic, economic growth will be a priority. Strong and efficient judicial institutions will play an important role. Efficient courts matter for economic activity because they increase firm and investor participation and confidence in the market.[101] Courts are essential on the path to economic recovery.

Commercial litigation in Austria is efficient but expensive compared to the EU average[102]

Court performance is homogeneous across Austria, mainly due to court automation, but variations at the local level still exist. Contract enforcement is easiest in Vienna,[103] the only city with a commercial court, but fastest in Bregenz (table 2.9). Resolving a standardized commercial dispute like the *Doing Business* case study takes 485 days on average across the Austrian cities benchmarked, nearly six months less than the EU average of 653 days (figure 2.26).[104] Contract enforcement in all Austrian courts is faster than the EU average. Courts in Bregenz (425 days) and Linz (443 days) are faster than those in 25 EU member states. Only Luxembourg (321 days) and Lithuania (370 days) have faster courts.

On the quality of judicial processes index, Austria's average score of 11.7 out of 18 possible points is higher than the EU's 11.5-point average. With 13 points, Vienna is 2 points behind Lithuania, the country with the highest score in the European Union, 1 point behind Denmark, and 0.5 points behind Hungary. With 11.5 points, the other six Austrian cities lag Germany (12.5 points).

At 24.4% of the claim value, contract enforcement is expensive in Austria. The cost is higher in only five EU member states.[105] Much of the cost is attributable to attorney fees (14.4% of the claim value), which are in line with what lawyers charge in peers like the Netherlands (13.7%), but higher than the EU average (11.7%). However, at 6.5% of the claim value, Austrian court fees stand out. They are almost 2 percentage points higher than the EU average (4.7%), placing Austria among the countries with the highest court fees in the European Union (with Romania, Hungary, and Estonia). Notably, Austria is the only European jurisdiction where court fees generate a surplus for the state treasury.[106]

Contract disputes follow a similar process throughout Austria, but they are decided by specialized judges in Vienna

Except in Vienna, regional courts (Landesgerichte) have jurisdiction over the *Doing Business* case—a breach of contract dispute between two companies valued at 200% of income per capita (EUR 89,741).[107] With no dedicated commercial case sections, regional courts do not distinguish commercial contract claims from ordinary civil cases in their caseload.

In Vienna, the situation is different. A specialized commercial court

TABLE 2.9 Enforcing contracts in Austria: where is it easiest?

City	Rank	Score (0–100)	Time (day)	Cost (% of claim)	Quality of judicial processes index (0–18)
Vienna	1	72.73	498	20.6	13.0
Bregenz	2	71.00	425	23.1	11.5
Linz	3	69.36	443	26.2	11.5
Innsbruck	4	68.48	488	25.2	11.5
Salzburg	5	68.23	505	24.7	11.5
Klagenfurt	6	68.18	490	25.9	11.5
Graz	7	67.04	548	24.7	11.5

Source: Subnational Doing Business and *Doing Business* databases.

Note: Rankings are based on the average enforcing contracts score for time and cost associated with enforcing a contract and the quality of judicial processes index. The enforcing contracts score is normalized to range from 0 to 100 (the higher the score, the better). For more details, see the chapter "About *Doing Business* and *Doing Business in the European Union 2021: Austria, Belgium and the Netherlands*." Data for Vienna are not considered official until published in the *Doing Business 2021* report.

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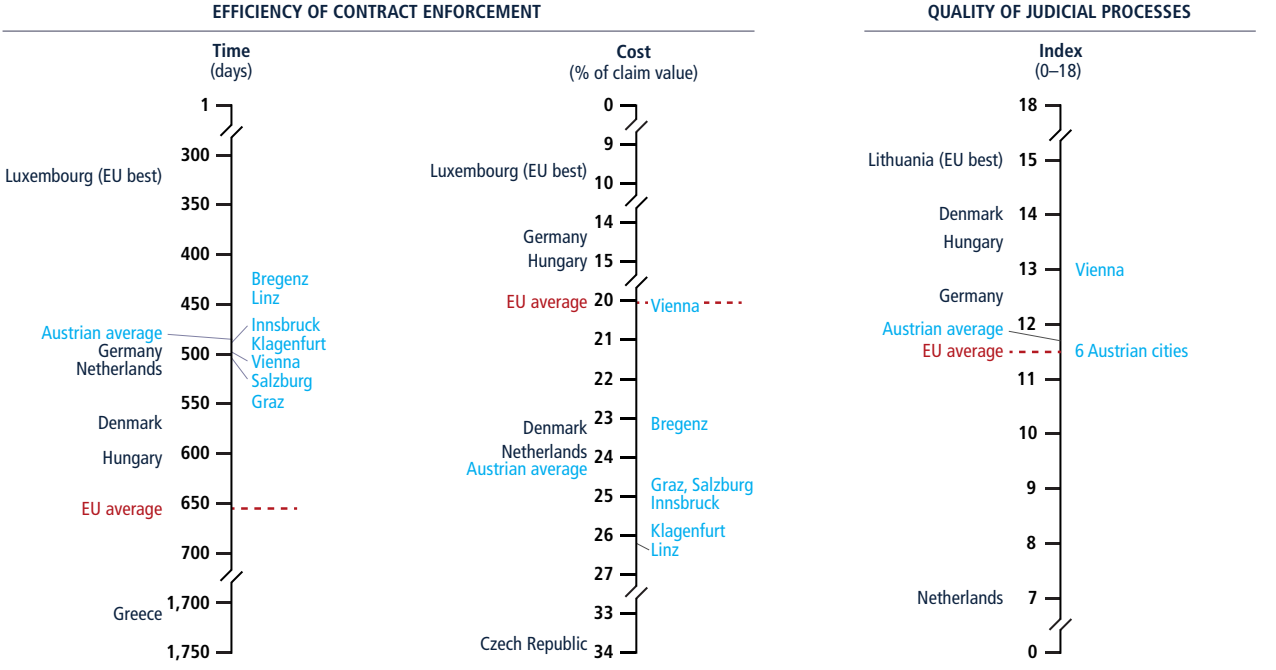
FIGURE 2.26 Resolving a commercial dispute is faster than the EU average in all seven Austrian courts measured



Source: Subnational Doing Business and *Doing Business* databases.

Note: EU average uses economy-level data for the 27 member states of the European Union. Data for individual economies are for their capital city as measured by *Doing Business*. Data for Vienna, EU averages, and EU comparators countries are not considered official until published in the *Doing Business 2021* report.

(Handelsgerichte) deals with contractual claims between firms. Specialized judges and elected lay judges (Schöffen) with specific experience in commercial matters preside over this commercial court—Austria's only. The court is highly regarded for its level of expertise in complex cases; many companies in Austria designate this court in their business agreement forum selection clause.[108]

The Code of Civil Procedure (Zivilprozessordnung, or ZPO) governs litigation in Austria. The plaintiff initiates the litigation process by filing the lawsuit before the competent court and paying the flat fee specified in the Court Fees Law (Gerichtsgebührengesetz). Alternatively, the plaintiff can file the claim online through the Austrian e-Justice platform (Elektronischer Rechtsverkehr, or ERV), an electronic communication system linking the courts and law offices. If the claim is valid, the judge sends it to the defendant by postal mail. The document is deemed served on the date that the document is physically delivered to the recipient.[109]

The defendant has four weeks to respond to the claim.[110] Once the court receives the statement of defense, a preparatory meeting for the oral dispute negotiation is arranged.[111] If ordered by the judge, the parties provide preparatory briefs, which should reach the court at least seven days before the hearing.[112]

The initial hearing's main purpose is to organize the litigation process. An attempt to settle the dispute can be made at this hearing. The judge manages the trial and decides what type of evidence the parties should produce and in what order, and whether to appoint an expert witness and the scope of their tasks. The judge can opt to begin hearing testimony at the first hearing. Given the judge's discretion in managing the trial, the number of hearings required to decide the *Doing Business* case study varies from two to four.

Local practices impact the dynamics of judicial procedures. In some cities, like Bregenz and Vienna, the initial hearing is an opportunity to gather evidence; in others, like Klagenfurt and Innsbruck, it is used to organize case proceedings. The parties gather complementary evidence during the first trial hearing. As per the *Doing Business* case—a dispute about customized goods delivered by the seller but refused by the buyer—the court appoints an expert witness to assess the quality of the goods.

The second trial hearing is often the last. At this hearing, the parties discuss the evidence, including the expert's report, and submit their concluding arguments. The judge renders the judgment immediately with an explanation or in writing within four weeks of the hearing.[113]

In all benchmarked cities, enforcement is a separate judicial process that takes place before the local district court (Bezirksgerichte). The final judgment

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generates an execution title that becomes fully enforceable after four weeks (upon approval by the execution court).[114] The court then issues an execution order.

The district court appoints a bailiff (Gerichtsvollzieher)—a civil servant on the staff of the regional court— to enforce the execution order within four weeks of its receipt.[115] Creditors may not contact the bailiff directly. If the defendant does not comply with the execution order, the bailiff can organize the seizure and sale of the defendant's tangible property.[116] The seized items are sold at a public auction[117] after a three-week waiting period.[118]

Enforcing contracts is fastest in Bregenz but least expensive in Vienna

Court automation means performance is homogeneous across Austria, but variations exist at the local level. Litigating a commercial contract dispute is fastest in Bregenz, where the trial time is almost four months shorter than in Graz, where contract enforcement takes the longest. In Bregenz, the court is adequately staffed, and judges deal with a smaller caseload of disputes. Adjournments are not granted easily. In addition to the pretrial hearing, judges in Bregenz typically do not need more than one hearing to decide the case. Lawyers interviewed for this study explain that judges in Bregenz value efficiency and are more open to innovations than judges elsewhere.[119] Bregenz was one of the first Austrian cities to participate in the e-justice strategic initiative Justiz 3.0, adopting electronic filing systems and automatic case management features at an early stage.

Litigants across the country have the option to file the lawsuit either in writing or electronically. Low-value cases can also be filed verbally.[120] In practice, it takes between 20 and 30 days for Austrian lawyers to prepare the complaint, register the claim with the court, and serve the defendant (figure 2.27). This filing and service period, which includes the time for the courts to assess its competence, takes half as long in Austria as the EU average (41 days).

The time to complete the trial and judgment phase of the dispute, which drives the overall performance of courts across the country, varies mainly depending on the local courts' approach to adjournments and hearing availability in the court schedule. This phase, covering the period between the moment the bailiff serves the defendant until the time to appeal has elapsed, can be as short as 300 days (Bregenz) and as long as 408 days (Graz). Across Austria, the trial and judgment phase lasts 360 days on average, three months less than the EU average (469 days).

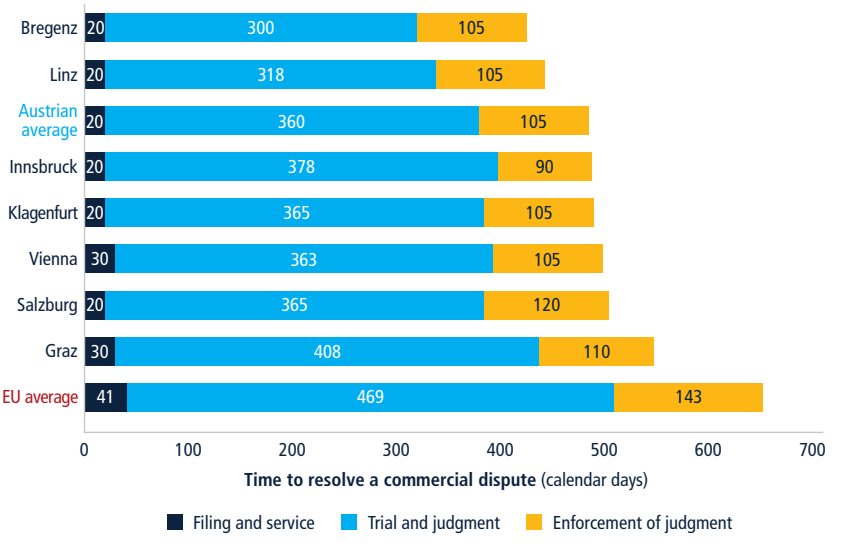
Courts in Austria face structural challenges that may also influence trial time, such as staffing gaps and delays in appointing technical experts. Graz has just 13 hearing rooms available for 43 sitting judges. Scheduling challenges increase the backlog of cases, including contract claims; the COVID-19 pandemic worsened the situation.

In Vienna, where specialized judges and lay judges decide commercial cases, commercial disputes are resolved within a year despite a much higher volume of cases than other Austrian courts. In 2019, the Vienna commercial court disposed of almost 50% of Austria's first instance contractual claims.[121] Only courts in Bregenz and Linz resolve commercial disputes significantly faster than in Vienna.

After submitting the statement of defense, it takes one month to arrange a preparatory hearing in Bregenz, but three times longer in Graz and Innsbruck. In Innsbruck, although there are 13 judges allocated to civil matters, they do not work on commercial matters full-time, and some split their time between the first instance and appeals sections.

The first trial hearing typically occurs 4-12 weeks after the preparatory hearing (16 weeks in Graz). In Klagenfurt and Innsbruck, where the trial and judgment phase takes eight weeks longer than in Bregenz, requests for adjournments are granted more frequently due to staff shortages (for

FIGURE 2.27 Contract enforcement is faster in Austria than the EU average across the three phases of a commercial dispute



Source: Subnational Doing Business and *Doing Business* databases.
Note: The average for the European Union is based on economy-level data for 27 EU member states. Data for Vienna and EU average are not considered official until published in the *Doing Business 2021* report.

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example, rescheduling of hearings and time extensions for technical opinions).

The judge uses the trial hearing to gather evidence, including from expert witnesses. Delivery of an expert opinion is not straightforward in many courts in Austria and can take up to four months. A shortage of qualified experts in Graz, Innsbruck, Klagenfurt, and Linz complicates their appointment, impacting the trial timetable. In addition, available experts receive requests for opinions from different Austrian courts, increasing their workload and, in turn, leading them to request extensions.

Enforcement procedures take 105 days on average in the Austrian cities benchmarked; Innsbruck is the fastest (three months), and Salzburg is the slowest (four months). Lawyers point to a shortage of storage and auction rooms as reasons for the variations across cities. They also highlight the lack of experts supporting bailiffs in Salzburg in the appraisal of seized goods.

Contract enforcement is consistently expensive across Austria. The Attorney Fees Law (Rechtsanwaltstarifgesetz, or RATG) regulates attorney fees, which make up the bulk of the cost of enforcing contracts (figure 2.28). In practice, lawyers across the country refer to this scale to calculate their fees, although they can apply different rates.[122] Judges also apply the RATG scale when awarding legal fees to the prevailing party.

The Court Fees Law (Gerichtsgebührengesetz) sets the administrative fees applicable nationwide.[123] The law does not regulate the expert witness fees (the judge sets these). Expert fees are slightly higher in cities where fewer experts are available, like Salzburg (court costs equal 7.2% of the claim value) and, to a lesser extent, Bregenz (6.8%). In Vienna, where many experts are available, such fees do not exceed 6.5%.

The Execution Fees Act (Vollzugsgebührengesetz) regulates enforcement costs nationally.[124] The main charges are the execution fee (Vollzugsgebühr) that the applicant creditor pays when submitting the application for execution and a flat fee (Pauschalgebühr) specified in the Court Fees Law. Costs related to identifying seizable assets, storing the seized goods, and organizing the public sale determine cost variations across cities. Lawyers in Linz, Klagenfurt, and Innsbruck point to a shortage of expert witnesses in their cities as a reason for the higher fees charged by experts to appraise auction items. In Linz, fees can reach 5.2% of the claim value; at 4.2%, they are also high in Klagenfurt and Innsbruck.

With a legal framework applied consistently across the country, the same judicial good practices—as measured by *Doing Business*—are found in all Austrian courts.[125] Vienna receives extra points on the quality of judicial processes index for having a specialized commercial court; therefore, it performs slightly better (13 of 18 possible points) than the other Austrian cities and the EU average (11.5 points) (figure 2.29).

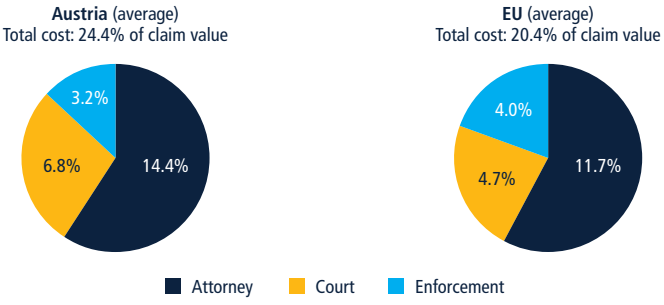
Regarding court structure and proceedings, all cities have small claims courts, with a fast-track procedure that allows self-representation. The law also provides for pretrial attachment of the defendant's movable assets if creditors fear the assets may be moved out of the jurisdiction or otherwise disposed of. Courts also exhibit good governance by randomly assigning cases to judges (Zufallsprinzip), with no chance of external influence and taking into account judge workloads. Cases are randomly assigned, but they fall short of the gold standard of automated case assignment. There is also no dedicated specialized commercial court or division outside of Vienna.

The Austrian courts employ good case management techniques and a high level of automation. The Austrian Ministry of Justice—in close collaboration with judges, prosecutors, and other internal and external users—developed Austria's court management system. Many case types and processes (such as summary proceedings) are fully automated.

The pretrial conference for commercial litigation is well established in Austria. Paper files have been phased out as the integrated electronic case management system has become available to lawyers and judges. Many types of court reports and statistics are readily available. Austrian law sets time standards for various court events and pretrial conferences. However, the Code of Civil Procedure does not strictly regulate adjournments, which contributors cite as one of the main factors of delay.

Court automation in Austria relies on electronic processes such as the e-filing of the initial complaint and the payment of fees through a dedicated platform within the competent court. However,

FIGURE 2.28 Attorney fees and court costs in Austria are higher than the EU average



Source: Subnational Doing Business and *Doing Business* databases.
Note: The average for the European Union is based on economy-level data for 27 EU member states. Data for Vienna are not considered official until published in the *Doing Business 2021* report.

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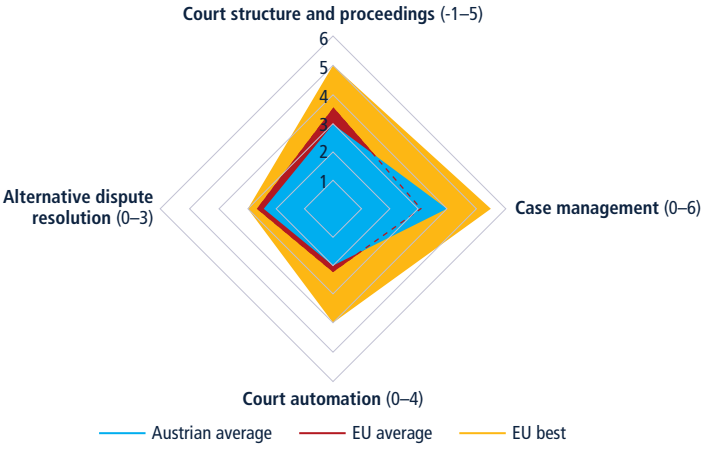
FIGURE 2.29 Austrian courts stand out for the quality of their case management systems



Source: Subnational Doing Business and *Doing Business* databases.

Note: The average for the European Union is based on economy-level data for the 27 EU member states. Among EU member states, Croatia, Poland, and Romania have the highest score on the court structure and proceedings index. Latvia has the highest score on the case management index. Estonia, Lithuania, and the Slovak Republic have the highest score on the court automation index. Germany, Hungary, Italy, Lithuania, Latvia, Poland, Romania, and Spain have the highest score on the alternative dispute resolution index. Data for Vienna, EU averages, and EU comparators countries are not considered official until published in the *Doing Business 2021* report.

Austria does not obtain a full score for court automation because the courts do not publish all Supreme Court judgments or commercial case judgments at any other level of the court system, which may impede the parties across the country from fully assessing their rights.

Lastly, while Austria permits voluntary mediation and regulates commercial arbitration—and in practice, enforces valid arbitration clauses—there are no financial incentives to encourage mediation or conciliation.[126]

WHAT CAN BE IMPROVED?

Consider making measures allowing for virtual hearings permanent

Before the COVID-19 pandemic, the use of videoconferencing in Austrian legal proceedings was limited to cases where it was justified by procedural efficiency.[127] The Federal Act on Accompanying Measures for COVID-19 in the Judicial System (Federal Law Gazette I 30/2020) provided the legal basis to expand the use of video technology and conferencing in oral hearings. Hearings may be conducted virtually, but the parties must cite a justification.[128] Under this framework, the judge has broad discretion to grant or deny the use of videoconference technology. Although the use of technology in the courtroom may come with its challenges—technology malfunction, miscommunication between hearing participants, or poor internet service—most lawyers interviewed for the study agree that the shift to remote litigation in Austria has proceeded remarkably smoothly, giving both judges and attorneys more flexibility to schedule hearings.[129]

Initially slated to remain in place until December 31, 2020, the act is now set to expire on June 30, 2021.[130] Making virtual hearings a permanent option to litigants would provide more flexibility in organizing litigation. Doing so could make it easier to agree on a suitable hearing date and eliminate commuting time to court. Furthermore, virtual hearings could reduce the impact of common circumstances that warrant a hearing adjournment (such as the unavailability of hearing rooms or minor health condition of one of the parties). Austria would not be the only country to extend remote litigation measures. In Estonia, users can complete all steps in a dispute remotely, from initiating the case to the publication of the decision. During the 2020 COVID-19 lockdown period, around 61% of the hearings were held online in Estonia, keeping constant the number of cases decided from the previous quarter (when there was no lockdown).[131] In Singapore, the Chief Justice of the Supreme Court cited time and cost efficiencies as the justification to resume cases virtually (and continue virtually on a permanent basis).[132]

Consider expanding e-features in courts for commercial litigation and small claims

In the aftermath of the COVID-19 pandemic, the shift toward virtual justice is gaining momentum and improving court efficiency in many jurisdictions, including Austria. The Commercial Court of Vienna adopted a pilot project, the Electronic Integration Portal (eIP), and judges are updated on the latest innovations to avoid potential IT knowledge gaps.[133]

The European Bank for Reconstruction and Development makes the case that "commercial disputes, and disputes based on small claims, in particular, seem a good terrain for transitioning to an online medium."[134] This transition can be gradual. The United Kingdom has sped up its transition to an online court system over the past five years,[135] with the British government investing over £1 billion (EUR 1.2 billion) in the project.[136] More subjects will become eligible for online court litigation as the initiative gains traction.

Expanding online litigation—particularly in small claims cases—may be met with skepticism and resistance from legal professionals. Private lawyers may fear that small claims would be easily resolved without any representation, like in Canada.[137] Judges may find it difficult to transition from paper-based proceedings to online courts. Engaging with stakeholders as early as possible, and providing appropriate, ongoing training

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throughout the transition process would be critical to the success of such a reform.

Consider expanding the jurisdiction of the Vienna Commercial Court

Vienna is the only city in Austria with a standalone commercial court staffed with specialized judges hearing solely commercial cases. Having courts or divisions with general commercial jurisdiction, whose judges exclusively hear commercial cases, is an internationally recognized good practice. Such courts or divisions, when properly established, translate into efficiency gains.[138] *Doing Business* data show that the 101 economies with such courts or divisions resolve commercial cases 92 days sooner on average than those without.

From an organizational perspective, establishing standalone commercial courts in all of Austria's economic centers may not make sense. In locations with few commercial cases, specialized commercial sections provide a less expensive alternative to a commercial court. One option could be to turn the Vienna commercial court into an online court with jurisdiction over commercial cases filed across the country. And, depending on the number of cases received from other regions, decide where to add commercial divisions in existing courts or create additional standalone courts across the country.

A gradual approach toward specialized commercial jurisdictions could be an option. In 1995, North Carolina, a U.S. state with a population of more than 10 million, created a business court with a statewide jurisdictional reach. Initially staffed by one judge, the court's expansion was recommended in 2004. As of mid-2019, there were five active business court judges sitting in four cities across the state who hear cases originating in North Carolina.[139]

Set legal limits on the granting of adjournments

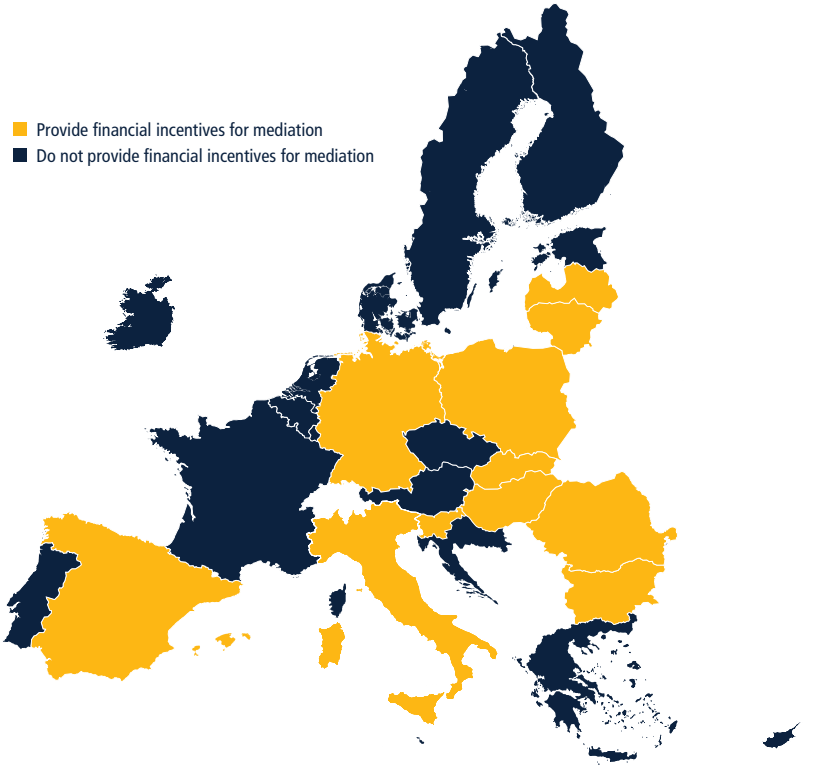
Part of good case management is establishing, together with the parties, a clear, reasonable, and realistic timeline for a case, as well as clear rules limiting the use of adjournments. However, timelines require rules to be enforced. As early as 1984, the Committee of Ministers of the Council of Europe advised against having more than two hearings (preparatory and trial). It also recommended that adjournments should not be granted unless "new facts appear or in other exceptional and important circumstances."[140] Only nine EU member states impose limitations on adjournments that are respected in practice.[141] Almost all of them focus on limiting adjournments to unforeseen and exceptional circumstances rather than limiting the total number granted. Austrian courts do not impose either of these types of limits on adjournments.

Norway regulates adjournments strictly and ensures that hearings and trials are held as scheduled.[142] At the Tingrett Nedre Romerike District Court in Norway, the court's case administrators work actively to schedule cases within the set deadlines and targets, and lawyers are expected to conduct the case within official time limits. If the lawyer is unavailable, the administrators push for a transfer of the case to another lawyer at the same firm. The court's practice on adjournments is restrictive and mainly limited to illness documented by a doctor's certificate.[143]

Incentivize alternative dispute resolution (ADR)

Austria has a robust framework for both arbitration and mediation, but the courts do not offer financial incentives to mediate. Eleven EU member states offer such financial incentives for parties that attempt mediation (figure 2.30). Italy introduced a new Mediation Law Decree in 2010 (amended in 2013) to comply with European Directive 2008/52/EC64

FIGURE 2.30 Eleven EU member states provide financial incentives for mediation



Source: Subnational Doing Business and *Doing Business* databases.
Note: Data for EU countries are not considered official until published in the *Doing Business 2021* report.

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concerning mediation in civil and commercial disputes. The decree establishes specific financial incentives for parties to attempt mediation, as well as negative consequences for parties who refuse to attempt mediation in good faith.[144] Following the adoption of the new regulation, Italy reports over 200,000 mediations annually.[145] In Bulgaria and Latvia, parties that successfully mediate a case can have 50% of their filing fees reimbursed; in Romania and Poland, the entire amount is reimbursed.

Another inspiration to expand the use of ADR solutions could be Florence's Giustizia Semplice program. Each year the program provides scholarships to 10 post-graduate scholars with knowledge of civil procedure and ADR to support judges in determining which cases should be referred to mediation.[146] Each scholar assists two judges by reviewing case details, preparing a draft list of the individual judges' pending cases that may be candidates for mediation, discussing the list with the judges, and writing the draft mediation order for those cases the judges agree to refer to the Organismo di Conciliazione di Firenze. The number of pending cases in Florence's courts has fallen consistently since 2013 when the program was created.

Improve the management of the expert witness pool

The shortage of expert witnesses across Austria complicates the scheduling of hearing testimony, causing delays. In addition, experts overwhelmed with requests for opinions often seek deadline extensions to deliver their reports. Mandating the participation of experts early in the judicial proceedings—in the pretrial conference—is one way to address this issue. The court could then address all evidentiary matters and identify realistic deadlines for expert actions. Once a timetable is agreed upon, it becomes easier to enforce. In Debrecen, Hungary, the court imposes penalties on expert witnesses who are tardy in presenting their testimony—a reduction of 1% of expert fees for every day of delay.[147] Courts could also expand the pool of expert witnesses by providing incentives (such as higher fees) for their participation in court proceedings.

NOTES

1. Austrian Institute for SME Research. 2021. *KMU im Fokus 2020*. Vienna: Austrian Institute for SME Research.
2. The cities were selected based on demographic and geographic criteria. Each city belongs to a different NUTS2 region (the Nomenclature of Territorial Units for Statistics, or NUTS, is a geocode standard for referencing the subdivisions of countries for statistical purposes developed by the European Union). The selection of cities was agreed upon between the World Bank project team, the European Commission's Directorate-General for Regional and Urban Policy, the Federal Chancellery of Austria, and the Austrian Federal Ministry of Finance.
3. Data for Vienna and for comparator economies used in this report are not considered official until published in the *Doing Business 2021* report.
4. European Commission. 2019. *2019 Small Business Act Fact Sheet, Austria*. Brussels: European Commission. The Small Business Act (SBA) fact sheets form part of the SME Performance Review (SPR), the European Union's main vehicle for the economic analysis of SME issues. Produced annually, they help to organize the available information to facilitate SME policy assessments and monitor SBA implementation. They comprise a set of policy measures organized around 10 principles ranging from entrepreneurship and responsive administration to internationalization.
5. The nine EU member states that have introduced rules limiting adjournments are Bulgaria, Croatia, Estonia, Germany, Greece, Latvia, Lithuania, the Netherlands, and Poland.
6. According to interviews with the Tax Authority by the *Subnational Doing Business* team (April to December 2020), the risk assessment tool uses four colors depending on the risk level: green (no risk), yellow (may entail certain risks and may require manual verification), red (risk), and gray (information is missing and the risk could not be assessed).
7. Both the tax and VAT numbers are usually issued at the same time.
8. For more information on FinanzOnline, see https://www.bmf.gv.at/services/finanzonline/fon-ueberblick.html.
9. Data for Vienna and for comparator economies used in this report are not considered official until published in the *Doing Business 2021* report.
10. Belgium, Cyprus, Finland, Ireland, the Netherlands, and Portugal do not require any paid-in minimum capital at the time of business start-up. In Bulgaria, the Czech Republic, France, Greece, Italy, and Latvia, it is less than 0.1% of income per capita.
11. Section 4 (3) of the GmbH Act. A notary or a lawyer can draw up the articles of association, but the articles of association must be in the form of a notarial deed.
12. The Electronic Notarial Form Foundation Act (Elektronische Notariatsform-Gründungsgesetz, ENG) came into force

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on January 1, 2019, and allows parties to use electronic means of communication to execute the deed of incorporation.
13. According to local professionals interviewed by the *Subnational Doing Business* team from April to December 2020.
14. In Vienna, it is the Commercial Court of Vienna; in Graz, the Regional Court for Civil Law Matters. For other regions, it is the corresponding regional court.
15. The law setting forth the scope of activity regarding the commercial registry (Firmenbuchgesetz) is available at https://www.ris.bka.gv.at/GeltendeFassung.wxe?Abfrage=Bundesnormen&Gesetzesnummer=10002997.
16. The Beneficial Owners Register Act (BORA) came into force on January 15, 2018. Since this date, all Austrian legal entities are required to disclose information about beneficial owners. For more information, see https://www.bmf.gv.at/en/topics/financial-sector/beneficial-owners-register-act.html.
17. Belgium, Croatia, the Czech Republic, Finland, Ireland, the Netherlands, Poland, Slovenia, and Sweden require entrepreneurs to actively register or report their beneficial owners to the register.
18. https://www.gisa.gv.at.
19. In the fourth quarter of 2020, the government launched the company register query, available at: https://justizonline.gv.at/jop/web/firmenbuchabfrage.
20. For more information on the company name, see https://www.usp.gv.at/en/gruendung/gruendungsfahrplan-gesellschaften/firmenwortlaut-firmenname.html; or https://www.wko.at/service/t/wirtschaftsrecht-gewerberecht/Firmenwortlaut.html.
21. See the registry's website at http://bolsafirmasdenominacoes.justica.gov.pt/index.php.
22. World Bank. 2018. *Doing Business in the European Union 2018: Croatia, the Czech Republic, Portugal and Slovakia.* Washington, DC: World Bank. https://www.doingbusiness.org/en/reports/subnational-reports/eu-croatia-czechrepublic-portugal-slovakia.
23. For more information on Estonia's e-business register, see the website at http://www.rik.ee.
24. For more information on registering a company with Companies House, see the website at www.gov.uk/limited-company-formation/register-your-company.
25. Coste, Cyriane, Marie Delion, Adrián González, Frédéric Meunier, Nathalie Reyes, and Yuri Valentinovich. 2019. "The Involvement of Third-Party Professionals in Business Registration and Property Transfer." World Bank Research and Development Center in Chile, Indicators Group Research Note. World Bank, Washington, DC.
26. The 10 EU economies with the lowest cost to start a business are Denmark, Estonia, Finland, France, Greece, Ireland, Lithuania, Romania, Slovenia, and Sweden.
27. For more information on Slovenia's electronic standardized articles of association, see https://spot.gov.si/.
28. World Bank. 2019. *Doing Business in the European Union 2020: Greece, Ireland and Italy.* Washington, DC: World Bank. https://www.doingbusiness.org/en/reports/subnational-reports/eu-greece-ireland-italy.
29. For more information on Estonia's online company registration portal, see the website at https://www.rik.ee/en/company-registration-portal/e-residency.
30. EU member states such as the Czech Republic, Germany, Luxembourg, and Spain.
31. The foundation privilege (GmbH Act, section 10b) allows entrepreneurs to pay EUR 5,000 at the time of formation. After the 10 years, the share capital must be increased to the regular minimum amount of EUR 35,000, with at least EUR 17,500 paid in cash *(GmbH Act, section 10b(5)*.
32. Armour, John. 2006. "Legal Capital: An Outdated Concept?" *European Business Organization Law Review* 7: 5–27; Kubler; Mülbert, Peter O. 2006. "A Synthetic View of Different Concepts of Creditor Protection." Law Working Paper 60/2006, European Corporate Governance Institute, Brussels; Kübler, Friedrich. 2004. "A Comparative Approach to Capital Maintenance: Germany." *European Business Law Review* 1031–35; World Bank. 2013. *Doing Business 2014: Understanding Regulations for Small and Medium-Size Enterprises.* Washington, DC: World Bank.
33. World Bank. 2019. *Doing Business 2020.* Washington, DC: World Bank.
34. *Doing Business* defines "paid-in minimum capital" as the amount the entrepreneur needs to deposit in a bank or with a notary before registration and up to three months after.
35. See Article 5: 3 of the Belgian Code of Companies and Associations.
36. Construction standards are set by the Austrian Institute for Construction Engineering (OIB), a coordinating body that helps states harmonize construction standards by issuing guidelines on technical requirements, materials, and so on. For more information, see the website at www.oib.or.at/en.
37. Austria is a federal country with nine states or *Bundesländer*.
38. Data for Vienna and for comparator economies used in this report are not considered official until published in the *Doing Business 2021* report.
39. For Austria's commercial code, see the website at https://www.ris.bka.gv.at/NormDokument.wxe?Abfrage=Bundesnormen&Gesetzesnummer=10007517&FassungVom=2015-10-30&Artikel=&Paragraf=77&Anlage=&Uebergangsrecht=.
40. Magistratische Bezirksämter (municipal district offices) are the administrative centers of Vienna's 23 districts. There are currently four locations across the city that process industrial operations permit applications. These offices are separate from the central administrative bodies of the city, such as the municipal building authority.
41. As required by the Energy Performance Certificate Act of 2012. This law implements EU Directive 2010/31/EC on building energy performance standards (https://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2010:153:0013:0035:EN:PDF). Law available at https://www.ris.bka.gv.at/GeltendeFassung.wxe?Abfrage=Bundesnormen&Gesetzesnummer=20007799.
42. Innsbruck is the only city where signed water and sewage connection contracts are a prerequisite to apply for a building permit.
43. A list of the documents required for a construction permit application in Vienna are published by the municipal building authority, available at: https://www.wien.gv.at/wohnen/baupolizei/planen/baubewilligungen/unterlagen.html.
44. This requirement is set by Article 127 of the Vienna Construction Code (https://www.ris.bka.gv.at/eli/lgbl/WI/1930/11/P127/LWI40010055).
45. This process began in 2018; the e-submission system for Bregenz is still under development. For more details on the wider Bregenz digitalization strategy, see https://www.smartgov.eu/smarte-verwaltung.
46. The shell construction notification requirement is set out in Article 37 of the Styrian Construction Code, available at https://www.ris.bka.gv.at/NormDokument.wxe?Abfrage=LrStmk&Gesetzesnummer=20000070&Artikel=&Paragraf=37&Anlage=&Uebergangsrecht=.
47. This requirement is set out in Article 73 of the General Administrative Procedures Act of 1991, available at https://www.ris.bka.gv.at/NormDokument.wxe?Abfrage=Bundesnormen&Gesetzesnummer=10005768&Artikel=&Paragraf=73&Anlage=&Uebergangsrecht=.
48. These are the state construction codes of Vorarlberg, Tyrol, and Salzburg.
49. This structure is unique to Linz. As part of the Bau- und Bezirksverwaltung (construction and district administration), the building authority is also responsible for district administration issues such as water, waste management, commercial matters, traffic, and event management.
50. A list of the documents required for a construction permit application in Linz is published by the city administration, available at: https://www.linz.at/serviceguide/viewchapter.php?chapter_id=122107. A list of the documents required for a construction permit application in Salzburg is published by the city administration, available at: https://www.stadt-salzburg.at/bauverfahren/baubewilligungen/unterlagen-fuer-bauansuchen/.
51. Details on the digital portal and access to the application system are available at https://mein.wien.gv.at/Meine-Amtswege/Baueinreichung.
52. The ZEUS database is a platform currently implemented in the states of Burgenland, Carinthia, Salzburg, and Styria; however, Salzburg is the only city in this study where the municipal building authority uses the documents submitted on ZEUS as part of the building permit application process. For more information on Salzburg's ZEUS platform, see https://sbg.energieausweise.net/zeus/auth/login/?backurl=%2Fzeus%2F.
53. This requirement is set out in article 127 of the Vienna Construction Code, available at: https://www.ris.bka.gv.at/NormDokument.wxe?Abfrage=LrW&Gesetzesnummer=20000006&FassungVom=2018-12-21&Artikel=&Paragraf=127&Anlage=&Uebergangsrecht=.

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54. World Bank Group. 2018. *Doing Business in the European Union 2018: Croatia, Czech Republic, Portugal and Slovakia*. Washington, DC: World Bank Group.
55. Srinivasan, Jayashree, Enrique Orellana Tamez, Kamal Chakaroun, Farrukh Umarov, and Lodovico Onofri. 2020. *From Paper to the Cloud: Improving Building Control through E-permitting (English)*. Doing Business Case Study No. 2, World Bank, Washington, DC. http://documents.worldbank.org/curated/en/705331592344507733/From-Paper-to-the-Cloud-Improving-Building-Control-through-E-permitting.
56. These economies are Cyprus (507 days), Czech Republic (246 days), Romania (260 days), the Slovak Republic (300 days), and Slovenia (247.5 days).
57. European Commission. 2016. *eGovernment Benchmark 2016: A Turning Point for eGovernment Development in Europe?* Luxembourg: European Union.
58. This is a federal system for making and tracking building permit applications. The platform also provides guidelines on application documentary requirements. Users can access the platform at https://www.omgevingsloket.nl/Zakelijk/zakelijk/home?init=true#.
59. Building applications and supporting documents in Hungary must be submitted through this platform, available at https://www.e-epites.hu/etdr. The building department authorities then request a review of the plans by other approving authorities through the same platform. ÉTDR also allows users to track the application status.
60. See the e-platform for construction permits at https://www.hamburg.de/start-digitale-verfahren/.
61. Directive 2007/2/EC of the European Parliament and of the Council of March 14, 2007, establishing an Infrastructure for Spatial Information in the European Community (INSPIRE). https://eur-lex.europa.eu/legal-content/EN/ALL/?uri=CELEX%3A32007L0002.
62. For an overview of GIS databases across Austria see http://geoland.at/.
63. Set at the federal level by the General Administrative Procedures Act, see Note 10.
64. This fast-track application model was introduced as part of reforms in 1999 to allow for construction to begin more quickly for certain categories of low-risk projects. https://www.ris.bka.gv.at/eli/lgbl/WI/1930/11/P70a/LWI40010112.
65. World Bank Group. 2013. *Good Practices for Construction Regulation and Enforcement Reform: Guidelines for Reformers.* Washington, DC: World Bank Group.
66. For more information, see https://www.oib.or.at/en/oib-guidelines.
67. This is an online system for making and tracking building permit applications. The platform also provides guidelines on application documentary requirements. Users can access the platform at https://www.lupapiste.fi/.
68. See the platform for an overview of the relevant legislation at https://www.e-epites.hu/jogszabalyok.
69. The Ordinance on the Quality of Electricity Systems is available at: https://www.ris.bka.gv.at/GeltendeFassung.wxe?Abfrage=Bundesnormen&Gesetzesnummer=20008149.
70. Data for Vienna and for comparator economies used in this report are not considered official until published in the *Doing Business 2021* report.
71. To measure the reliability of supply and transparency of tariffs, *Doing Business* presents an index scored from 0 to 8 points. The index looks at the duration and frequency of power outages, role of the energy regulator, the systems used to monitor power outages and restore supply, whether financial deterrents exist to limit outages, and whether effective tariffs are available online and customers are notified of a change in tariff a full billing cycle. For more details, see the data notes.
72. There are 122 energy distribution utilities serving clients in Austria, with separate geographic areas of operation. The urban areas of most cities are covered by one major local utility. This is the case for six of the seven cities benchmarked by this study. In contrast, two major local utilities (Energienetze Steiermark GmbH and Stromnetz Graz GmbH & Co KG) operate in Graz. Based on the information collected for this study, Stromnetz Graz GmbH & Co KG is the most likely DSO to serve the warehouse in the *Doing Business* case study.
73. The *Doing Business* case study assumes that the electricity cable crosses a public road that is 10 meters wide. New connections are typically underground in all Austrian cities. Article 90 of the Highway Code 1960 stipulates that a permit is required to excavate below public roads (https://www.ris.bka.gv.at/eli/bgbl/1960/159/P90/NOR40147692).
74. In Bregenz and Graz, clients can ask the distribution utilities to carry out the connection works. However, in practice, it is more common for clients to conduct excavation works in these two cities.
75. As per the High Voltage Current Line Act 1968, the heavy current permit is issued by Municipal Department 64 (Legal Affairs Transport), whereas the excavation permit is issued by Municipal Department 28 (Road Management and Construction). Transformers are available in the public domain in Vienna, however for the *Doing Business* case study connection, a transformer would be installed on the client's premises due to capacity issues.
76. For more information on the online calculator, see www.e-control.at/tarifkalkulator.
77. Data available on E-Control website: https://www.e-control.at/marktteilnehmer/erhebungen/erhebungen-zur-qualitaet-der-netzdienstleistung. For Vienna that is available at: https://www.wienernetze.at. In 2019, the distribution utilities in the benchmarked cities received the following number of requests for connections to grid level 1-6 and grid level 7: Innsbruck: 172; Klagenfurt: 176; Graz: 553; Linz: 774; Bregenz: 939; Salzburg: 2,838; and Vienna: 20,925.
78. As established by Article 2, Paragraph 3 of the Ordinance on the Quality of Electricity Systems.
79. As established by Article 1, Paragraph 73 of the General Administrative Procedures Act of 1991.
80. The GIS maps are accessible to the public in all cities except in Salzburg. The municipalities in Bregenz, Graz and Innsbruck use VertiGIS WebOffice maps. In Bregenz, ProOffice is also available, and in Graz ESRI ArcGIS. Municipalities in Klagenfurt and Linz use GeoMedia Smart Client maps. Salzburg uses PlanTogether, and Vienna ViennaGIS maps.
81. The general framework agreement is between the utility and the municipality, it does not apply if the client's contractor obtains the excavation permit from the municipality.
82. As established by Article 1, Paragraph 10 of the Electricity System Charges Ordinance.
83. Arlet, Jean, Diane Davoine, Tigran Parvanyan, Jayashree Srinivasan, and Erick Tjong. 2016. "Getting Electricity: Factors Affecting the Reliability of Electricity Supply." in World Bank. *Doing Business 2017: Equal Opportunity for All.* Washington, DC: World Bank.
84. See the Cables and Pipelines Regulation, at https://decentrale.regelgeving.overheid.nl/cvdr/xhtmloutput/Historie/Utrecht%20(Utr)/302132/302132_1.html.
85. See the General Regulation Underground Infrastructure Enschede 2018, available at https://dloket.enschede.nl/loket/sites/default/files/IMG/AVOI%20Enschede%202018.pdf.
86. This requirement is in accordance with the Energy Code (Article L342-11), which specifies that urban planning commissions bear the cost of extension works for the electricity grid, provided that the network extension will benefit future residents and firms.
87. For more information, see the website of the Wechselplattform at https://www.energylink.at/de/wechselplattform.
88. For more information on the Austrian courts, see https://e-justice.europa.eu/content_ordinary_courts-18-at-en.do?member=1.
89. As established by the 1968 Land Surveying Act.
90. Data for Vienna and for comparator economies used in this report are not considered official until published in the *Doing Business 2021* report.
91. More in general, in Austria parties complete the entire registering property process with the assistance of a notary or a lawyer.
92. As per the Land Transfer Act (Grundverkehrsgesetz, or GVG). The GVG also establishes additional procedures in other states and cities, but with a more limited scope. In Linz, for example, an additional regional procedure applies but transfers of commercial property (like the *Doing Business* case study) are exempt.
93. According to the *Doing Business* methodology the Quality of Land Administration includes a fifth component which measures legal provisions on Equality of Access to Property Rights for women and men. This subindicator is not discussed in the *Doing Business in the European Union* study as women and men enjoy the same ownership rights in all Member States.
94. For more information on the quality charter, see https://www.kadaster.nl/over-ons/beleid/kwaliteitssysteem.

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95. For a step-by-step guide to the United Kingdom's complaints procedure, see https://www.gov.uk/government/organisations/land-registry/about/complaints-procedure. For more information on the Independent Complaint Reviewer (ICR), see https://www.icrev.org.uk/.
96. International Bar Association. 2020. "Covid-19 Pandemic: Impact of COVID-19 on Court Operations and Litigation Practice." London: International Bar Association.
97. Council of Europe - European Commission for the Efficiency of Justice (CEPEJ). 2020. "Lessons Learnt and Challenges Faced by the Judiciary During and After the Covid-19 Pandemic." Strasbourg: CEPEJ.
98. United Kingdom, Courts and Tribunals Judiciary. 2020. "Coronavirus (COVID-19): Message from the Lord Chief Justice to Judges in the Civil and Family Courts." March 19. https://www.judiciary.uk/announcements/coronavirus-covid-19-message-from-the-lord-chief-justice-to-judges-in-the-civil-and-family-courts/.
99. Knoetzl, Bettina, and Judith Schacherreiter. 2020. "Austria: Litigating via Video Conference." *Ibanet.org*, November 5. https://www.ibanet.org/Article/NewDetail.aspx?ArticleUid=4CBABFC5-C1DA-4714-B36A-ED72DDDE4D75.
100. First COVID-19 Act and Accompanying Legislation for Justice of May 5, 2020.
101. Esposito, Gianluca, Sergi Lanau, and Sebastiaan Pompe. 2014. "Judicial System Reform in Italy—A Key to Growth." IMF Working Paper 14/32, International Monetary Fund, Washington, DC; OECD (Organisation for Economic Co-operation and Development). 2013. "What Makes Civil Justice Effective?" OECD Economics Department Policy Notes No. 18. Paris: OECD.
102. Averages for the EU or other groups of countries are calculated using data from the *Doing Business* database measuring the main business city as a proxy for each country or economy. Averages for Austria are calculated using *Subnational Doing Business* data for each city covered in the study except Vienna. Data for Vienna are sourced from the *Doing Business* database. Data for Vienna and for comparator economies used in this report are not considered official until published in the *Doing Business 2021* report.
103. Data for Vienna and for comparator economies used in this report are not considered official until published in the *Doing Business 2021* report.
104. For an overview of the enforcing contracts indictors and assumptions underlying the *Doing Business* case, see the data notes.
105. The cost is higher in the Czech Republic, Ireland, Italy, Romania, and Sweden.
106. Knoetzl, Bettina, Katrin Hanschitz, Judith Schacherreiter. 2019. Chambers Global Practice Guide: Litigation. Knoetzl, Vienna. https://knoetzl.com/wp-content/uploads/004_AUSTRIA-TD.pdf.
107. *Doing Business* considers the applicable court to be the local court with jurisdiction over commercial contract cases worth 200% income per capita. Regional courts have jurisdiction over cases worth more than EUR 15,000, while district courts (Bezirksgerichte) are the lowest first-instance courts and act also as small-claims courts.
108. *Subnational Doing Business* research, interviews with court officials and litigation attorneys.
109. Civil Procedure Code Section 88.
110. Civil Procedure Code Section 230.
111. Civil Procedure Code Section 257.
112. Civil Procedure Code Section 258.
113. Civil Procedure Code Section 414.
114. Execution Regulations (EO) Section 1, Section 3.
115. Execution Regulations (EO) Section 25.
116. Execution Regulations (EO) Section 249.
117. Execution Regulations (EO) Section 270.
118. Execution Regulations (EO) Section 273.
119. *Subnational Doing Business* research, interviews with court officials and litigation attorneys.
120. European Judicial Network (in civil and commercial matters) Austria, available at https://e-justice.europa.eu/content_how_to_proceed-34-at-en.do?member=1.
121. In 2019, 42,188 contractual claims cases were filed in Austria, 20,371 of which were disposed of at the Handelsgerichte in Vienna. Austria, Ministry of Justice. 2020. *Verfahrensdauer Zivil 2019, Zeitreihen 2010–2019*. Vienna: Ministry of Justice. For more information, see https://www.justiz.gv.at/home/justiz/daten-und-fakten~8ab4a8a422985de30122a920842862de.de.html.
122. Bundesgesetzblattes (BGBl). Nr. 189/1969
123. Bundesgesetzblattes (BGBl). Nr. 501/1984
124. Bundesgesetzblattes (BGBl). I Nr. 31/2003
125. For an overview of the enforcing contracts indicators and quality of judicial processes index, see the data notes.
126. Civil Procedure Code Section 577.
127. Civil Procedure Code Section 277.
128. For example, health-related justification. Federal Act on Accompanying Measures to COVID-19 in the Judiciary (COVID-19-JuBG) § 3 Abs 1 Z 1 1.
129. Moradi, Rouzbeh. 2020. "Insights into remote justice in the Austrian justice system." *Ibanet.org*, November 5. https://www.ibanet.org/Article/NewDetail.aspx?ArticleUid=60DFF95C-FAE5-4CA9-84E7-0EC8150946AE.
130. Section 1 Federal Law Gazette I 156/2020.
131. Republic of Estonia, Ministry of Justice. 2020. "Digital Justice in Estonia." Tallinn: Ministry of Justice. https://www.youtube.com/watch?v=K3WUzJfhYJM.
132. International Bar Association. November 5, 2020. An interview with Justice Quentin Loh of the Singapore High Court. https://www.ibanet.org/Article/NewDetail.aspx?ArticleUid=8FD1B23A-9B7A-4CD9-8D2A-162EF4A12DFC.
133. For more information, see https://www.ejtn.eu/About/EJTN-Affiliates/Members/Austria/ European Judicial Training Network (EJTN).
134. EBRD (European Bank For Reconstruction and Development). 2020. "From Digitisation to Digital Transformation: A Case for Online Courts in Commercial Disputes?" Draft Discussion Paper, EBRD. https://ebrd.glueup.com/resources/protected/organization/1136/event/27964/99358ddf-99c4-4026-b5c7-21c882fddfbc.pdf.
135. The United Kingdom also has experience with online court services. Introduced to the judiciary of England and Wales in February 2002, Money Claim OnLine is a web-based service for issuing money claims and resolving fixed money disputes.
136. Byrom, Nathalie. 2019. "Digital Justice: HMCTS Data Strategy and Delivering Access to Justice." The Legal Education Foundation, Shalford. https://www.thelegaleducationfoundation.org.
137. Province of British Columbia, Civil Resolution Tribunal Act, [SBC 2012] CHAPTER 25.
138. Botero, Juan Carlos, Rafael La Porta, Florencio López-de-Silanes, Andrei Shleifer, and Alexander Volokh. 2003. "Judicial Reform." World Bank Research Observer 18 (1): 67–8.
139. Applebaum, Lee, Mitchell Bach, Eric Milby, Richard L. Renck. 2020. "Through the Decades: The Development of Business Courts in the United States of America." *Business Lawyer* 75 (3): 2053–76.
140. Council of Europe, Committee of Ministers. 1984. *Recommendation No. R (84) 5 of the Committee of Ministers to Member States on the Principles of Civil Procedure Designed to Improve the Functioning of Justice*. Strasbourg: Council of Europe, p. 2.
141. These countries are Bulgaria, Croatia, Estonia, Germany, Greece, Latvia, Lithuania, the Netherlands, and Poland.
142. Gramckow, Heike, Erica Bosio, Silva Mendez, and Jorge Luis. 2016. "Good practices for Courts: Helpful Elements for Good Court Performance and the World Bank's Quality of Judicial Process Indicators." World Bank, Washington, DC.
143. European Commission for the Efficiency of Justice. 2011. *Reports on the implementation of the CEPEJ guidelines for judicial time management in 7 pilot courts/institutions.* Strasbourg: European Commission for the Efficiency of Justice. https://rm.coe.int/168074828a.
144. Article 17 of Italian Law Decree 28/2010 states that all acts and documents related to mediation are exempt from stamp duty, all expenses, taxes, and other charges. In addition, the final agreement is exempt from registration tax, up to a maximum value of EUR 51,646. Article 20 of the Decree also grants parties a tax credit toward the mediation fee if the mediation is concluded. If the case is settled as a result of mediation, there is also an incentive of 25% compensation of the attorney fees. The court may also order sanctions for parties who refuse to attempt mediation in good faith. The judge can condemn a party that declines to participate in the mediation process without a valid justification by ordering that party to make an additional payment (equal to the administrative fee due in the judicial proceeding) into the state budget, which would result in this party's fees being doubled.
145. European Parliament. 2014. *Rebooting' the Mediation Directive: Assessing the Limited Impact of its Implementation and Proposing Measures to Increase the Number of Mediations in the EU*. Brussels: European Parliament. https://www.europarl.europa.eu/thinktank/en/document.html?reference=IPOL-JURI_ET(2014)493042.

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146. World Bank. 2019. *Doing Business in the European Union 2020: Greece, Ireland and Italy.* Washington, DC: World Bank.
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Doing Business in BELGIUM

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- ***Doing Business in Belgium*** **benchmarks business regulation applying to small and medium enterprises in seven cities representing Belgium's three regions:** Antwerp, Bruges, and Ghent (Flemish Region), Brussels (Brussels-Capital Region), and Charleroi, Liège, and Namur (Walloon Region). The study analyzes the regulatory environment across five *Doing Business* areas (starting a business, dealing with construction permits, getting electricity, registering property, and enforcing contracts).

- **Strong performance in one area coexists with weak performance in another.** Except for Antwerp (which scores among the top three cities for all areas benchmarked) and Liège (which ranks in the bottom half in four areas), all other cities rank in the top half in at least one area and the bottom half in another. The different strengths of these cities mean they have something to learn from each other.

- **The largest subnational variations in the ease of doing business score are in enforcing contracts and registering property.** Resolving a commercial dispute is easiest in Namur, where it takes only 10 months and a half—faster than in any EU capital—and costs less than the EU average. A combination of relatively high costs and the longer time required to resolve a commercial dispute (almost 17 months) places Brussels below the EU average. These variations in regulatory performance can help policy makers identify and adopt in-country good practice examples to improve regulatory performance in their jurisdictions and take the steps needed to close the gap.

- **Starting a business is the only area in which the Belgian cities perform homogeneously.** There is a high level of centralization—with one-stop shops monitored at the federal level—and national digital infrastructure to carry out most processes in this area. Moreover, small and medium enterprises (SMEs) that do not pose environmental risks or are not subject to special licensing are exempted from most local permit authorizations.

- **Time is the main source of variation among the performances of the Belgian cities benchmarked.** Firms in Brussels spend more productive hours complying with regulatory requirements in the five areas benchmarked than elsewhere in the country: entrepreneurs in the Belgian capital spend nine months more on compliance than their peers in Namur. Wide variations in time reflect the efficiency of local, regional, and federal agencies. Even where legislative requirements are similar—for example, property transfer and contract enforcement—service provision standards can diverge, with either positive or negative consequences for entrepreneurs.

- **Local good practices, which can be easily replicated, exist in all three regions, especially in dealing with construction permits and enforcing contracts.** In starting a business, getting electricity, and registering property, Belgium can also look elsewhere in the European Union and globally to boost its competitiveness.

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Location matters. Despite its small size, Belgium's geographical location has made it one of Europe's economic and administrative nerve centers—and an ideal place to do business. However, entrepreneurs must navigate different regulations and business environments depending upon where they decide to establish their business within Belgium. A federal state, Belgium comprises three regions (the Brussels-Capital Region, the Flemish Region, and the Walloon Region). In addition, Belgium has three Communities based on language (the Flemish Community, the French Community, and the German-speaking Community).

Entrepreneurs play a crucial role in the economy by contributing directly to job creation and employment growth. Evidence from across the globe suggests that excessive or inefficient regulation can discourage private sector activity and foreign direct investment. Roughly two-thirds (65%) of Belgian workers are employed by SMEs.[1] However, barriers to entrepreneurship—including burdensome regulation—can hinder the ability of SME owners to start, operate, and expand their companies. Belgium performs below the EU average on the ease of doing business,[2] ahead of Luxembourg and Italy, but behind Germany, France, and the Netherlands. Regarding the European Commission's Small Business Act principles, Belgium performs in line with the EU average but lags in the area of entrepreneurship.[3]

The business regulation analyzed in this report is legislated either federally or regionally. Company incorporation, property rights, and commercial litigation are governed at the national level by the Belgian Code of Companies and Associations, the Mortgage Act, and the Judicial Code. In contrast, the rules and regulations relating to electricity distribution and building permitting are set at the regional level. Still, how Belgian cities implement regulation varies significantly, even within the same region. Moreover, alongside national and regional legislative frameworks, local authorities also set regulations, policies, and incentives, leading to notable variations in the ease of doing business. These differences can help policy makers identify opportunities to improve administrative processes and build local institutional capacity.

This report aims to fill the knowledge gap on the quality of business regulation and the efficacy of local bureaucracy in Belgium. The report uses regional-level data to measure the regulatory hurdles facing entrepreneurs in seven cities representing Belgium's three regions: Antwerp, Bruges, and Ghent (Flemish Region), Brussels (Brussels-Capital Region), and Charleroi, Liège, and Namur (Walloon Region).[4] By highlighting subnational good practices and benchmarking cities with others across the European Union, the report aims to inspire better regulatory practices to improve the business environment for small businesses and encourage entrepreneurship.

MAIN FINDINGS

Except for Liège, each city is a top performer or a runner-up in at least one area

Belgian entrepreneurs face different regulatory hurdles depending on where they establish their business. It is easiest to deal with construction permits in Antwerp, obtain an electricity connection in Ghent, register property in Bruges, and resolve a commercial dispute through the local court in Namur (table 3.1).

Strong performance in one area coexists with weak performance in another. Except for Antwerp (which scores among the top three cities in all benchmarked areas) and Liège (which ranks in the bottom half in four areas), all other cities rank in the top half in at least one area and the bottom half in at least one area. For example, Ghent ranks 1 (highest) for getting electricity but 7 (lowest) for dealing

TABLE 3.1 Antwerp, Bruges, Ghent, and Namur are the top performers

	Starting a business		Dealing with construction permits		Getting electricity		Registering property		Enforcing contracts	
City	Rank (1–7)	Score (0–100)	Rank (1–7)	Score (0–100)	Rank (1–7)	Score (0–100)	Rank (1–7)	Score (0–100)	Rank (1–7)	Score (0–100)
Antwerp	1	87.56	1	78.18	2	73.56	3	57.80	3	66.80
Bruges	1	87.56	4	75.70	6	71.18	1	58.52	6	65.55
Brussels	1	87.56	2	76.51	7	70.46	7	51.84	7	64.85
Charleroi	1	87.56	3	76.02	3	72.79	4	53.76	2	69.47
Ghent	1	87.56	7	72.63	1	76.07	2	58.52	4	66.71
Liège	1	87.56	6	74.03	5	72.53	5	53.64	5	66.29
Namur	1	87.56	5	75.29	3	72.79	6	53.28	1	72.00

Source: Subnational Doing Business and *Doing Business* databases.

Note: Rankings are calculated on the basis of the unrounded scores, while scores with only two digits are displayed in the table. The indicator scores show how far a location is from any economy's best performance on each *Doing Business* indicator. The scores are normalized to range from 0 to 100 (the higher the score, the better). For more details, see the chapter "About *Doing Business* and *Doing Business in the European Union 2021: Austria, Belgium and the Netherlands.*" Data for Brussels are not considered official until published in the *Doing Business 2021* report.

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with construction permits. Brussels ranks 2 for dealing with construction permits, but 7 in three other areas (getting electricity, registering property, and enforcing contracts). Similarly, Bruges is the top scorer for registering property but ranks 6 for getting electricity and enforcing contracts. These cities' varying strengths mean they all have something to learn from each other.

All three regions have good practices to share

Ghent and Bruges are the cities with the highest number of good practices, six and five, respectively (table 3.2). Getting the zoning certificate to transfer a property is two weeks faster in Ghent and Bruges than in the other cities benchmarked, mainly because notaries can apply for and receive this certificate electronically. The efficiency of Antwerp's local utility company gives the city Belgium's fastest times for processing water and sewage connections. Antwerp scores close to Germany—a top-five performer in the European Union—for dealing with construction permits.

The Flemish cities also perform well on regulatory cost. Connecting a warehouse to the electrical grid is the least expensive in Antwerp, Bruges, and Ghent. The meter installation fee is more than EUR 500 cheaper than in Brussels; the capacity charge is one-quarter of that paid by firms in Wallonia. The utility in the Flemish Region determines the fees for external connection works independently, which the regional regulator then approve. The cost of construction permitting in Bruges and Ghent is the lowest in Belgium and the European Union, thanks to low-to-no-cost building permitting strategies targeting investment in these cities.

In Namur, which scores slightly below France and Luxembourg, contract enforcement is faster than in any EU capital city and less expensive than the EU average. Locally, contract enforcement in Namur takes six and a half months less than in Brussels, where the volume of incoming cases slows procedures. Hearing planning in Namur is usually agreed upon between the judge and parties during a pretrial hearing; the judge requires only a meeting date to decide the case. In contrast, waiting periods between hearing dates in Brussels can last up to three months longer. Legal fees also tend to be lower in Namur, likely because of lower demand for judicial services. Despite falling under the same court system as Namur, enforcement proceedings in Liège take more than a month longer (its higher population results in a greater workload).

Dealing with construction permits is most streamlined in Brussels, where entrepreneurs complete nine procedures (compared to 12 in the Flemish and Walloon cities benchmarked). This procedural difference stems from varying water and sewage connection requirements; local water and sewage regimes reflect the different models used by Belgium's neighbors, France and the Netherlands.[5] In Brussels, service applications are combined and submitted to one utility company; in the other cities, entrepreneurs must submit separate applications, doubling the required procedures.

Except for in starting a business, regulatory performance varies among cities

Starting a business is the only *Doing Business* area in which all Belgian cities perform homogeneously. Belgium has achieved consistency in this area by transitioning to online systems, monitoring one-stop shops at the federal level, and exempting SMEs that do not pose environmental risks or are not subject to special licensing from most local permit authorizations. The business startup process is faster in Belgium than the EU average, but the cost is higher, and more procedures are required.

In the other four areas measured, subnational variations in regulatory performance can help policy makers identify and adopt

TABLE 3.2 Bruges and Ghent have the most regulatory good practices

	Number of top performances	Dealing with construction permits			Getting electricity			Registering property		Enforcing contracts	
		Fewest procedures	Shortest time	Least expensive	Shortest time	Least expensive	Best reliability of supply	Shortest time	Least expensive	Shortest time	Least expensive
Ghent	6			✓	✓	✓	✓	✓	✓		
Bruges	5			✓		✓	✓	✓	✓		
Antwerp	4		✓			✓	✓		✓		
Brussels	2	✓					✓				
Namur	2									✓	✓
Charleroi	0										
Liège	0										

Source: Subnational Doing Business and *Doing Business* databases.

Note: The table does not show indicators or subcategories in which all cities record an equal result. These indicators or subcategories are starting a business, building quality control index, procedures to obtain a new electricity connection, procedures to register property, quality of land administration index, and quality of judicial process index. Data for Brussels are not considered official until published in the *Doing Business 2021* report.

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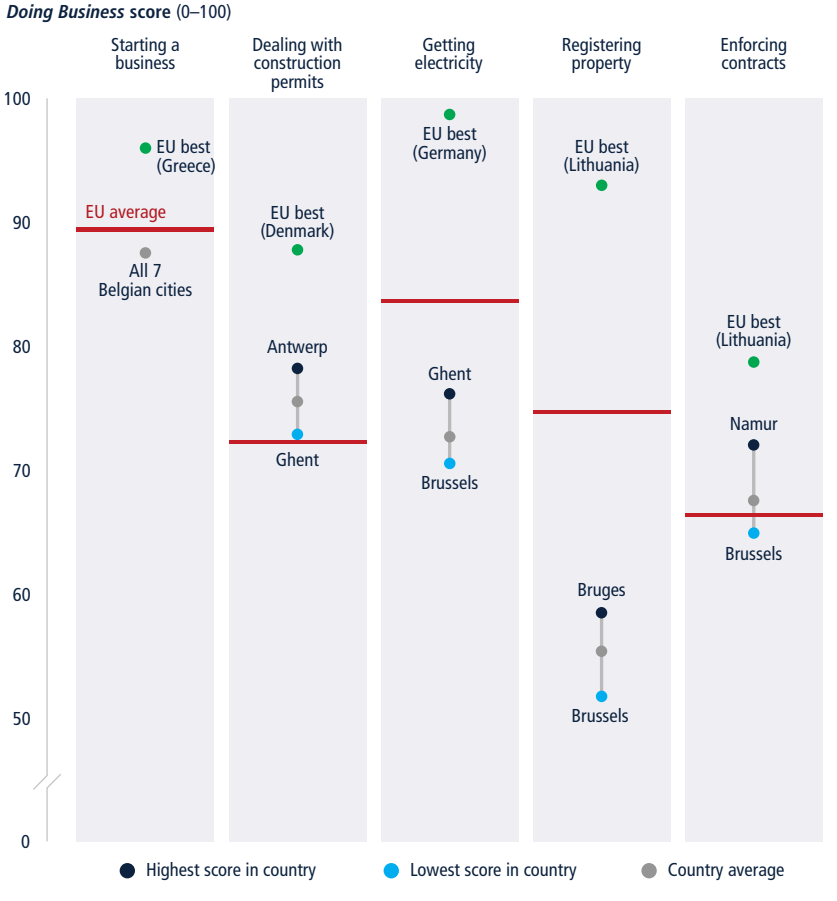
in-country examples of good practice to improve regulatory performance in their jurisdictions. The regulatory gap between the highest score and the lowest is widest in the area of contract enforcement (figure 3.1). In this area, all Walloon cities, Antwerp, and Ghent perform above the EU average, while Bruges and Brussels fall below the EU average. Variations in performance stem mainly from local courts' approach to adjournments, judge workload, and hearing session availability in the court roster, which affect the time to complete the trial and judgment phase. In Charleroi, the first hearing is an opportunity to gather evidence; in Antwerp, Ghent, and Bruges, this hearing's main purpose is to agree on the pleading schedule for the organization of case proceedings. These factors influence the time to complete the contract enforcement process, ranging from 235 days in Namur to 400 days in Brussels.

In getting electricity and registering property—in which all benchmarked Belgian cities perform below the EU average—the performance gap between the highest and the lowest score is also significant. The various electricity distributors operating in the benchmarked cities determine the process for getting a new electricity connection. On average, Belgium is the second most expensive country in the EU to register property (behind only Malta). Subnational variations in this area are the result of registration taxes, which are set at the regional level and range from 10% in the Flemish Region to 12.5% in Wallonia and Brussels.

Construction permitting is the one area where all benchmarked Belgian cities perform above the EU average, mainly because of the relatively low cost of construction permitting and the high quality of building regulations. Overall, dealing with construction permits is easiest in Antwerp; it is most difficult in Ghent, where water and sewage connections and municipal consultations take the longest in Belgium.

FIGURE 3.1 Score variations are widest in enforcing contracts and registering property



Source: Subnational Doing Business and *Doing Business* databases.

Note: The score indicates how far a location is from the best performance achieved by any economy on each *Doing Business* indicator. The score is normalized to range from 0 to 100 (the higher the score, the better). Averages for Belgium are based on data for the seven cities benchmarked. Averages for the European Union are based on economy-level data for the 27 EU member states. Other EU member states are represented by their capital city, as measured by global *Doing Business*. For more details, see the chapter "About *Doing Business* and *Doing Business in the European Union 2021: Austria, Belgium and the Netherlands.*" Data for Brussels, EU averages, and EU best performances are not considered official until published in the *Doing Business 2021* report.

The time to do business varies widely across the country, but the overall quality of regulation is uniform

Time is the main source of variation among the performances of the Belgian cities benchmarked. Complying with bureaucratic requirements takes nine months longer in Brussels than in Namur (figure 3.2). The time to obtain a construction permit or a new electricity connection and to enforce a contract varies the most. Dealing with construction permits takes five months in Antwerp, but almost eight months in Ghent. Entrepreneurs spend four months getting electricity in Charleroi, Ghent, Liège, and Namur, but more than 5.5 months in Bruges and Brussels. The time to register a property ranges from 35 days in Bruges and Ghent to 56 days in Brussels. And contract enforcement takes 6.5 months longer in Brussels than in Namur (313 days). Such wide variations in time reflect the efficiency of local, regional, and federal agencies. Even where legislative requirements are similar—for example, property transfer and contract enforcement—service provision standards can diverge, with either positive or negative consequences for entrepreneurs.

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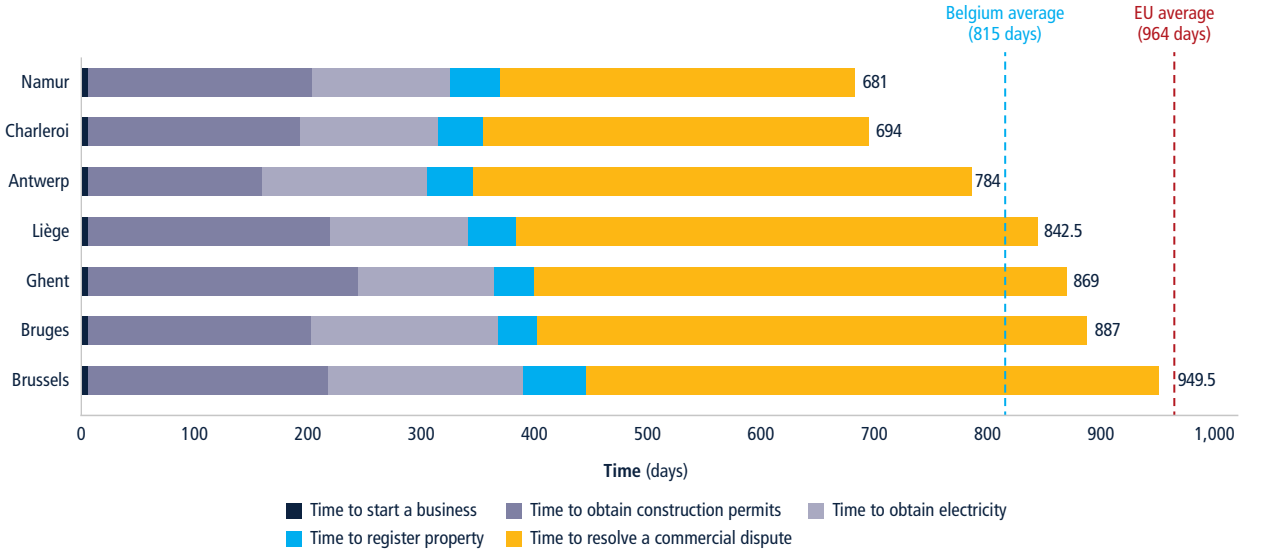
FIGURE 3.2 Namur has the fastest turnaround times overall



Source: Subnational Doing Business and *Doing Business* databases.
Note: Data for Brussels and EU averages are not considered official until published in the *Doing Business 2021* report.

Although the time to comply with bureaucratic requirements varies significantly across Belgian cities, the quality of regulation is relatively uniform nationwide (except for getting electricity). Variations in the getting electricity process stem from the frequency and duration of electricity outages. Cities in Flanders and Brussels had the most reliable electricity supply in 2019, with each customer experiencing, on average, 0.4 service interruptions lasting a total of 23 minutes on average. Outages were most frequent in Wallonia, where customers experienced around 1.2 service interruptions on average lasting approximately 46 minutes. When compared with the European Union, Belgium's performance is on par for all regulatory quality indexes except that for enforcing contracts. Belgian courts are not automated, and they lag in case management techniques for judges, lawyers, and parties to a dispute at the national level. These areas point to the critical role of the federal and regional governments in improving the local business environment and helping Belgian cities adopt good international practices.

WHAT IS NEXT?

The findings of this report provide Belgian policy makers at different levels—federal, regional, and local—with evidence to support strategic choices in promoting a better regulatory environment for development and economic growth. This report points to possible improvements in that direction (table 3.3). Eliminating unnecessary red tape and improving bureaucratic effectiveness can reduce the cost of doing business by local firms, enhancing their efficiency and ability to compete abroad.

Combining subnational good practices shows Belgium's potential for improvement

The authorities can implement easily replicable local good practices in the short term. Local officials and local offices of central agencies can use this report to identify the policies of their better-performing peers and take the steps needed to close the gap. Nevertheless, several factors can determine if replicating a good practice is desirable, including local economic priorities, resource allocation, and tradeoffs between how smooth a bureaucratic process is and its cost. These changes may include merely administrative improvements, but they could make a significant difference for local SME owners. Regional and local-level reforms would impact the benchmarked cities' standings vis-à-vis each other and make a difference globally.

By Brussels aggregating the good practices of each benchmarked city, Belgium would raise its score in each *Doing Business* area by more than 5 points (except in starting a business, where all Belgian cities score the same). The potential for improvement is greatest in contract enforcement (figure 3.3). If Namur (instead of Brussels) represented Belgium in *Doing Business* for the ease of enforcing contracts, the country's score would improve to 72.00 (from 64.85). Similarly, by making the construction permitting process as fast as in Antwerp and as affordable as in Bruges and Ghent, Belgium's score would improve from 76.51 to 81.80, ahead of Germany and among the European Union's top five performers for getting a construction permit. If Brussels were to cut its time

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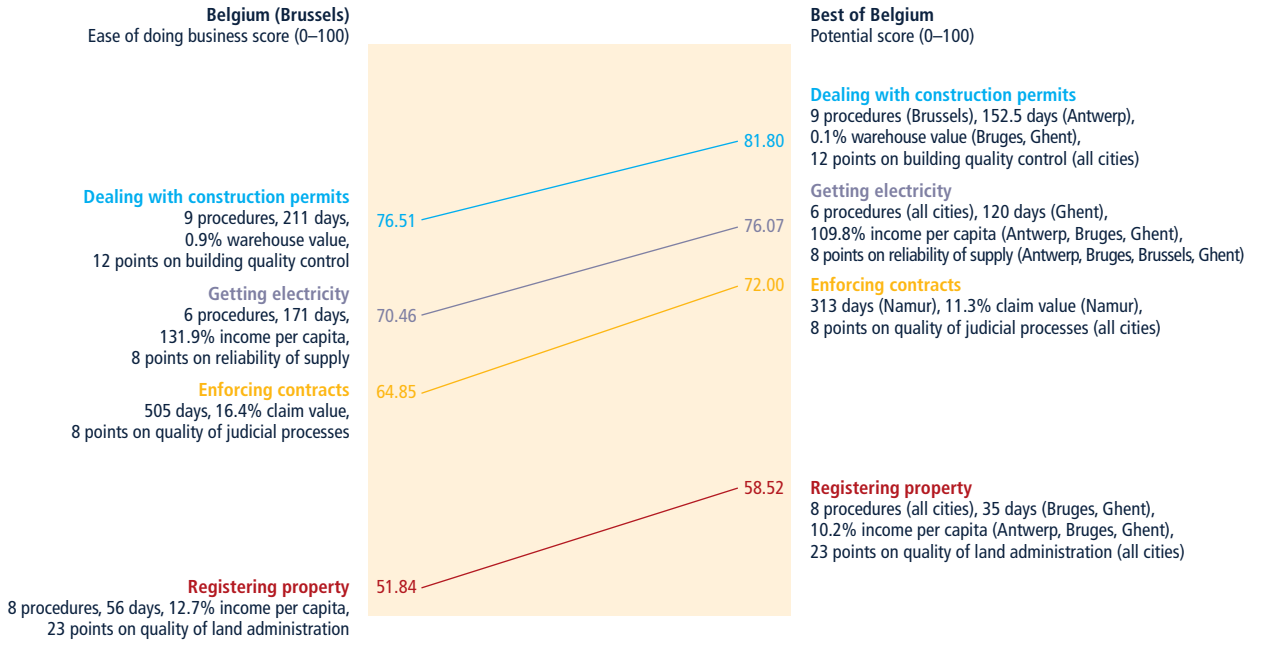
FIGURE 3.3 Except for starting a business, adopting domestic good practices would improve Belgium's score by more than 5 points in each indicator



Source: Subnational Doing Business and *Doing Business* databases.

Note: The starting a business indicator is not represented in the figure as the process is homogeneous nationwide. As represented by Brussels, Belgium scores 87.7 for the ease of starting a business. Data for Brussels are not considered official until published in the *Doing Business 2021* report.

to obtain an electricity connection to that of Ghent (120 days) and the cost to that of Flanders (109.8% of income per capita), Belgium's score for the ease of getting electricity would improve by 5.6 points (from 76.07 currently). Finally, by reducing the time to transfer property to 35 days, as in Bruges and Ghent, and the cost to 10.2% of income per capita, as in Flanders, Belgium's global score would improve by 6.7 points from 51.84 to 58.52.

Belgium could also look to other EU member states and international best practices to improve its business environment

Belgium would continue to lag most other EU member states even after adopting the good practices identified at the subnational level in starting a business, getting electricity, and registering property. Looking at good practices elsewhere in the European Union and globally can boost Belgium's competitiveness on these indicators.

In addition to having a single identification number, economies with the most efficient business registration systems use a single electronic interface between the user and authorities and a central, interoperable database linking the relevant agencies. Belgium should continue its efforts to achieve interoperability across administrations and move toward a single interface connecting the entrepreneur with all agencies. In Luxembourg, the notary can file the required information to register a company through the one-stop-shop (Guichet.lu.). In a single interaction, the notary registers the articles of association with the tax administration, files for both value-added tax (VAT) and social security, enters the company in the Trade and Companies Registry, and files the ultimate beneficial owner (UBO) information with the Registry of Beneficial Owners. Belgium could reduce the cost of its business startup process by giving entrepreneurs access to the business registration system to file the incorporation act themselves.

The Belgian authorities and utilities could create an online platform similar to that of the French distribution utility, Enedis, to streamline the process of getting electricity. Since Enedis adopted both externally and internally facing platforms in 2017, the time to obtain a connection has decreased by nearly three weeks. Externally, customers use the online portal to submit connection requests along with all supporting documentation. Internally, Enedis implemented a unified data management solution, Teradata's Unified Data Architecture (UDA), allowing both the customer service department and the new connection department to receive and process connection requests. The UDA facilitates the internal tracking of applications, speeding the electrical engineer's analysis and allowing them to respond faster to clients. It also allows the connection department to assign the external works to engineers in a more efficient manner. Belgium could also expedite the process of getting a simple electricity connection

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by defining requirements and legal time limits based on project complexity. In the Netherlands, the Municipality of Enschede differentiates between two categories of works on public domain based on the connection length.

Belgium has room for substantial efficiency improvements in property registration. Belgium could emulate Italy, where the land registry and cadaster databases are connected, allowing notaries to conduct both the title search and the cadastral search in a single step. Belgium could assess the possibility of making a one-stop-shop available to notaries through which they could obtain the mortgage certificate, the cadastral excerpt, and the tax certificates. Belgium could also perform revenue impact studies and tax simulations to assess whether the property transfer tax rate can be reduced in a revenue-neutral way. Greece reduced its property tax from 10% of the property value to 3%, and Slovakia stopped levying tax on property transfers altogether. Property purchases are subject only to VAT, income tax, and a yearly municipal tax.[6]

Although Belgium scores relatively well in construction permitting and contract enforcement, replicating international good practices and digitalizing additional services could be beneficial (box 3.1). Creating or enhancing a digital construction permitting platform—to include a centralized repository of relevant legislation—would reduce the time to deal with construction permits. Belgium could also consider introducing risk-based inspections, which could streamline the construction permitting process and allow municipalities and builders to allocate resources where they are most needed, making the process faster and more efficient without compromising safety. In the European Union's best performer, Denmark, no preconstruction clearances are required, and builders can complete the construction permit application entirely online.

Belgium would also benefit from incorporating more automation in its court system to connect judges and other users. Belgian policy makers could follow the example of jurisdictions with advanced court systems, including Austria, Canada, the United Kingdom, and the Republic of Korea. Korea's comprehensive e-court system allows judges to adjudicate up to 3,000 cases a year and hear up to 100 pleas a month. Austria's integrated system is comprehensive, and most of its functions are available to both judges and lawyers. Most processes are at least semi-automated, including the generation of court orders. Austria offers a model of how to develop such a system. The Austrian Ministry of Justice took a gradual approach and developed its case management system in collaboration with stakeholders, including judicial officers and external users, to ensure that the system meets their needs.

TABLE 3.3 Opportunities for regulatory improvement in Belgian cities

Regulatory area	Good practices	Relevant ministries, agencies and other stakeholders*	
		National level	Local/regional level
Starting a business	Allow for automatic verification of the proposed company name	• Federal Public Service (FPS) Economy, SMEs, Self-Employed and Energy • Crossroads Bank for Enterprises • FPS Finance • General Administration of Taxes • UBO register • FPS Justice • Royal Federation of Belgian Notaries (FEDNOT) • Belgian Official Gazette • National Social Security Office • Labor Inspectorate	• Accredited business counter or one-stop shop (OSS) • Accredited social service provider • Local tax office • Company Court registry • Insurance company • Royal Association of Accountants and Bookkeepers of Belgium • Institute for Tax Advisors and Accountants
	Make third-party involvement optional and provide public access to the business registration system		
	Continue simplifying and streamlining postincorporation requirements at OSS		
	Create a single electronic interface for starting a business		
Dealing with construction permits	Streamline preconstruction requirements and consolidate permitting legislation	• Administration for Measurements and Assessments (Cadaster)	• Regional governments • Local municipalities • Associations of Cities and Municipalities • Engineers and Architects Associations • Fire Department
	Improve coordination among agencies involved in the water and sewage connections process		
	Introduce and improve electronic permitting systems		
	Consider introducing risk-based inspections		
	Improve regulatory expertise in collaboration with the private sector		

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TABLE 3.3 Opportunities for regulatory improvement in Belgian cities (continued)

Regulatory area	Good practices	Relevant ministries, agencies and other stakeholders*	
		National level	Local/regional level
Getting electricity	Streamline the approvals process for getting electricity	• Commission for Electricity and Gas Regulation (CREG)	• Electricity distribution utilities • Electricity suppliers • Brussels Regulatory Commission for the Gas and Electricity Markets (BRUGEL) • Flemish Regulator of the Electricity and Gas Market (VREG) • Walloon Energy Commission (CWaPE) • Local municipalities • Local police departments • Engineers Associations • Associations of Cities and Municipalities
	Introduce strict legal time limits for completing external connection works		
	Increase transparency and accountability by collecting and publishing statistics		
	Allow electrical suppliers to submit new connection applications		
	Review the cost of obtaining a new electricity connection and provide the option to pay connection fees in installments		
	Replace third-party certifications with compliance self-certification		
	Improve the reliability of electricity supply		
Registering property	Fully implement existing regulation enabling notaries to obtain the mortgage certificates online	• Administration for Measurements and Assessments (Cadaster) • Administration of Legal Security • Royal Federation of Belgian Notaries (FEDNOT) • General Administration of Taxes • FPS Finance • FPS Justice	• Office of Legal Security • Local municipalities • Flemish tax administration (VLABEL)
	Assess the possibility of streamlining and fully digitalizing notary interactions with FPS Finance		
	Reduce the time to get the municipal zoning certificate		
	Assess the feasibility of lowering registration taxes for property transfers		
	Consider introducing a fast-track procedure for the transcription of the notarial act for an extra fee		
	Increase transparency by publishing the list of documents required to complete property transfers and official statistics on land transactions		
	Increase the transparency of the land administration system by collecting and compiling statistics on land disputes for each applicable local court		
	Introduce publicly available and binding service delivery standards for all services provided by the Office of Legal Security and Cadaster		
	Establish a compensation mechanism to cover losses incurred by parties who engage in good faith property transactions		
	Consider setting up a separate and specific mechanism to handle complaints regarding property mapping at the Cadaster		
Enforcing contracts	Expand the use of virtual hearings and electronic document filing	• FPS Justice	• Local commercial courts
	Introduce more e-features in courts, especially for commercial litigation and small claims		
	Optimize the electronic case management system for judges and lawyers		
	Set legal limits on the granting of adjournments		
	Encourage alternative dispute resolution		

*The list includes the main ministries and agencies relevant to each regulatory area, but other might also be implicated.

Note: All good practices are detailed at the end of the respective indicator section.

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BOX 3.1 Digitalization of the business environment in Belgium—the road ahead

Periods of remote work during the COVID-19 lockdown highlighted the importance of digital platforms and solutions in Belgium's business environment. As in-person interactions became more challenging, the federal and regional governments adopted new measures to expand these platforms.

A new law, adopted in April 2020, included provisions governing the notarial profession.[a] Before the lockdown, the notarial act establishing a company or authenticating the act of sale had to be carried out in person with the parties involved. The new law allows this to take place remotely via videoconference. The parties no longer have to appear in person before the notary to execute a power of attorney or the notarial act for which a power of attorney is granted. Despite the economic impact of COVID-19, in 2020 entrepreneurs created 2,342 limited liability companies across the Belgian cities benchmarked, only six fewer companies than in 2019.[b]

Some regions used digital tools for construction permitting and getting electricity before the pandemic; others adapted as the crisis unfolded. Flanders implemented a digital platform on January 1, 2018, encompassing several environmental permits (omgevingsvergunningen), including those for construction in all Flemish municipalities; paper-based permit applications are only available in exceptional cases. Brussels began a phased rollout of its permitting platform in December 2020, which will include construction permits. The platform is currently available for use by different Brussels-area municipalities and several Brussels-based companies. Wallonia has yet to announce a digitalization plan.[c]

Brussels has already taken steps to consolidate the necessary approvals into a single authorization to obtain a new electricity connection. Through the Osiris platform created in 2014, the distribution utility coordinates excavation works with other service utilities and fulfills the requirements to start the works. Online platforms in other cities allow users to obtain only some of the required authorizations. For example, in Charleroi, Liège, and Namur, users manage worksite coordination and obtain road opening authorization through the Powalco platform. The GIPOD platform in Antwerp, Bruges, and Ghent is used only for worksite coordination purposes.

Belgium's judiciary has also increased its use of electronic technology during the pandemic. Several temporary measures, including the electronic filing of complaints and using videoconference technology for hearings, were extended in May 2020.[d] These measures have increased court efficiency while maintaining public access to justice.

Permanently adopting and enhancing electronic platforms would streamline Belgium's business environment and minimize the impact of future external disruptions. Local and regional authorities will need to engage in peer-to-peer learning and strengthen their commitment to reform to complete Belgium's digital transformation.

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a. The law of April 30, 2020 containing various provisions on justice and the notarial profession in the context of the fight against the spread of the coronavirus COVID-19 entered into force on May 4, 2020 (http://www.ejustice.just.fgov.be/eli/wet/2020/04/30/2020041028/justel).

b. According to March 2021 statistics from the Federal Public Service (FPS) Economy, SMEs, Self-Employed and Energy.

c. The platforms of the Flemish Region and Brussels-Capital Region are available at https://omgevingsloket.be/ and https://mypermit.urban.brussels/, respectively. In Wallonia, the 2019–24 Digital Wallonia strategy includes an initiative, Construction 4.0, to incentivize the digitalization of the construction industry. In collaboration with the Walloon Construction Federation, the initiative focuses on the digitalization of Walloon construction activities. The project does not include the digitalization of construction-related public sector offices. For more information, see https://www.digitalwallonia.be/en.

d. Act of May 20, 2020 (*Belgian Official Gazette* May 29, 2020). http://www.ejustice.just.fgov.be.kuleuven.ezproxy.kuleuven.be/mopdf/2020/05/29_1.pdf#Page9. Also see Act of July 31, 2020, containing various emergency provisions on justice, *Belgian Official Gazette* August 7, 2020.

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Starting a Business

Starting a business is uniform across all cities and regions

The Belgian Code of Companies and Associations (BCCA) governs company incorporation nationally. This version of the Company Code, which entered into force on May 1, 2019, introduced several changes to increase flexibility for Belgian entrepreneurs, including a company structure with no minimum capital requirement.

Belgium's regional governments set and enforce laws and regulations governing business incentives, environmental regulations, and land zoning. Depending on the type of activity that the company carries out and its environmental impact, entrepreneurs may need to apply for permits or request additional authorizations from the municipality or provincial government.[7] These requirements do not apply to the *Doing Business* case study scenario.[8]

The process of starting a business in Belgium is uniform across regions owing to the use of online systems, federal-level monitoring of one-stop shops (OSS, guichet d'entreprises/ondernemingsloket), and exemptions for certain SMEs from most local permits or approvals. More than half of the procedures to start a business—five out of eight in total—can be completed electronically in 0.5 days,[9] while two procedures can be completed within a day (figure 3.4). The exception is finalizing the registration with the Crossroads Bank for Enterprises (CBE) and registering for VAT at an accredited business counter or OSS. This step takes two days due to the various formalities performed (company activity and business unit registration, skills verification, and the company's and directors' social insurance fund affiliation).

More than three-quarters (77%) of the cost to start a business in Belgium is attributable to notary fees and various other notarial charges, including administrative costs (figure 3.5).

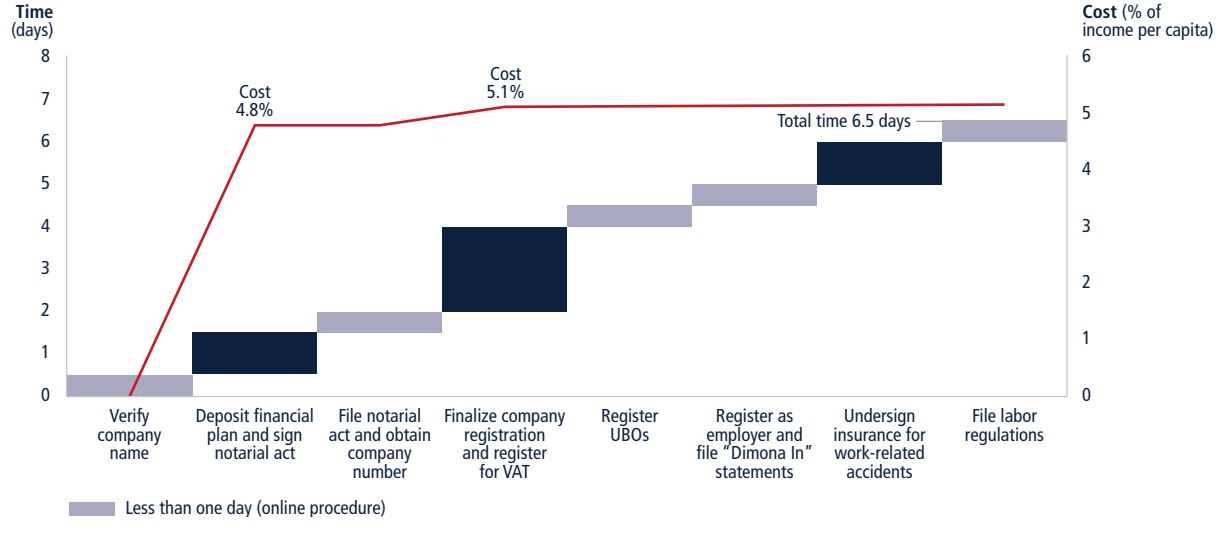
The fees charged by the notary to create the notarial act—determined based on the amount of share capital— are calculated using the same formula across the country.[10]

Of the Belgian cities benchmarked, only Ghent reimburses the business registration fee paid to the OSS for CBE company registration. This fee is fixed by Royal Decree and indexed every year. New enterprises of any size can request fee reimbursement from the support point for Entrepreneurs in Ghent (Ondersteuningspunt Ondernemers Gent, OOG).[11]

Starting a business in Belgium is faster than the EU average, but there is room for improvement on procedural complexity and cost

Entrepreneurs complete eight procedures, wait 6.5 days, and pay the equivalent of 5.1% of income per capita to start a business in the Belgian cities benchmarked.

FIGURE 3.4 Starting a business takes less than a week in Belgium



Source: Subnational Doing Business and *Doing Business* databases.
Note: Data for Brussels are not considered official until published in the *Doing Business 2021* report.

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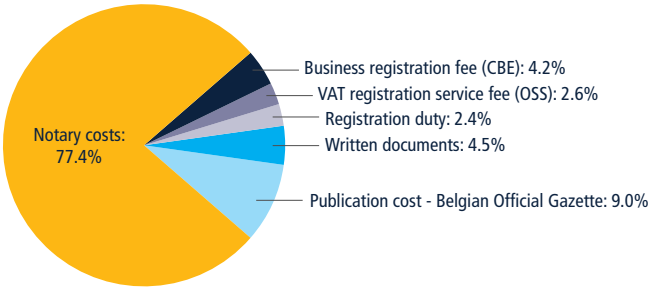
FIGURE 3.5 Notary costs account for the bulk of startup expenses in Belgium



Source: *Subnational Doing Business* and *Doing Business* databases.
Note: "Written documents" refers to a flat-rate tax paid to the government on every notarial act. "Registration duty" refers to company registration-related fees paid to FPS Finance (Administration of the Cadaster, Registration and Domains). The data are rounded up to one decimal point. Data for Brussels are not considered official until published in the *Doing Business 2021* report.

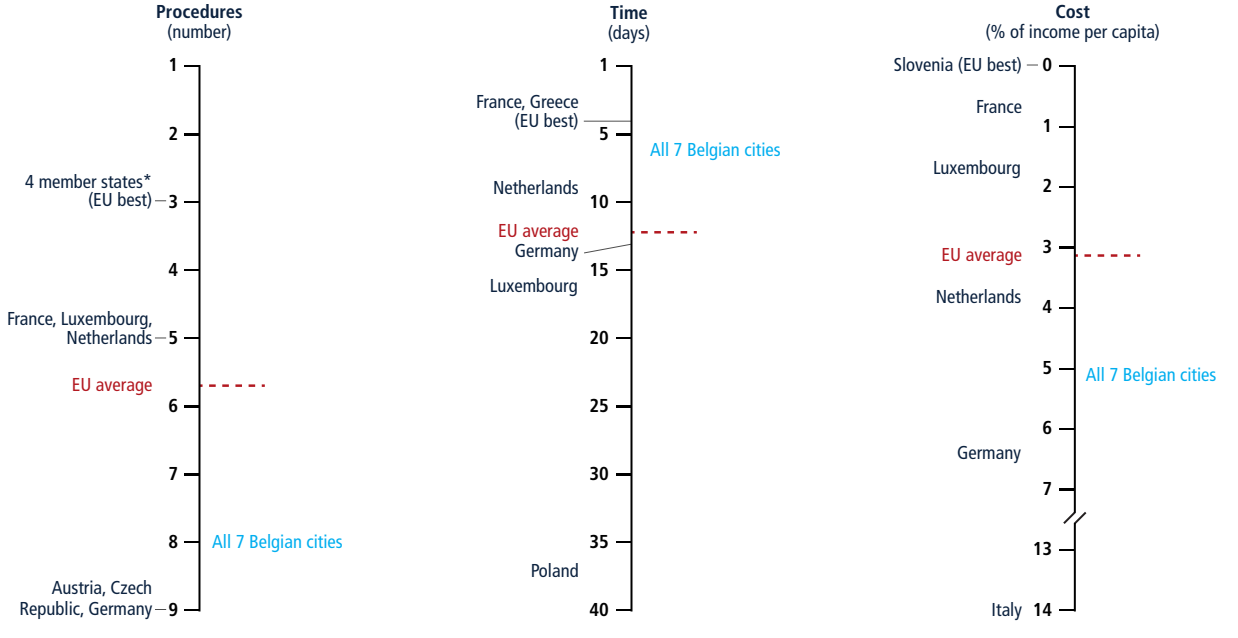
Starting a business in Belgium involves two more procedures and is nearly twice as expensive as the EU average but takes about half the time (figure 3.6).[12] Within the European Union, only Austria, the Czech Republic, and Germany (all with nine procedures) have more complex processes than Belgium. In contrast, an entrepreneur in the EU's best-performing economies on procedural complexity—Estonia, Finland, Greece, and Slovenia—can start a business in just three steps. At 5.1% of income per capita, Belgium's business startup process is also among the European Union's most expensive, surpassed only by Croatia, Cyprus, Germany, Italy, Malta, and Poland.

Belgium eliminated the paid-in minimum capital requirement in 2019, joining five other EU member states and 120 *Doing Business* economies worldwide with no such requirement. Six EU states require a deposit of less than 0.1% of income per capita.[13]

How does an entrepreneur start a business in Belgium?

Entrepreneurs across Belgium complete the same eight procedural steps to start a limited liability company (LLC) (Société à Responsabilité Limitée (SRL)/Besloten Vennootschap (BV)) (figure 3.7). They must use the services of a notary to complete the registration process. First, entrepreneurs or someone acting on their behalf (such as a notary) check the availability and appropriateness of the company name. Second, the notary draws up the notarial act. For the act to be drawn up, the founders submit a detailed financial plan as proof of sufficient initial equity to carry out the firm's planned activities. The notarial act is then signed in person by the founders or their representative and the notary. The authorities have allowed a digital identification procedure

FIGURE 3.6 Starting a business in Belgium is faster but more expensive and complex than the EU average



Source: *Subnational Doing Business* and *Doing Business* databases.
Note: EU averages use economy-level data for the 27 member states of the European Union. Data for individual economies are for their capital city as measured by *Doing Business*. Data for Brussels, EU averages, and EU comparator economies are not considered official until published in the *Doing Business 2021* report.
* Estonia, Finland, Greece, Slovenia.

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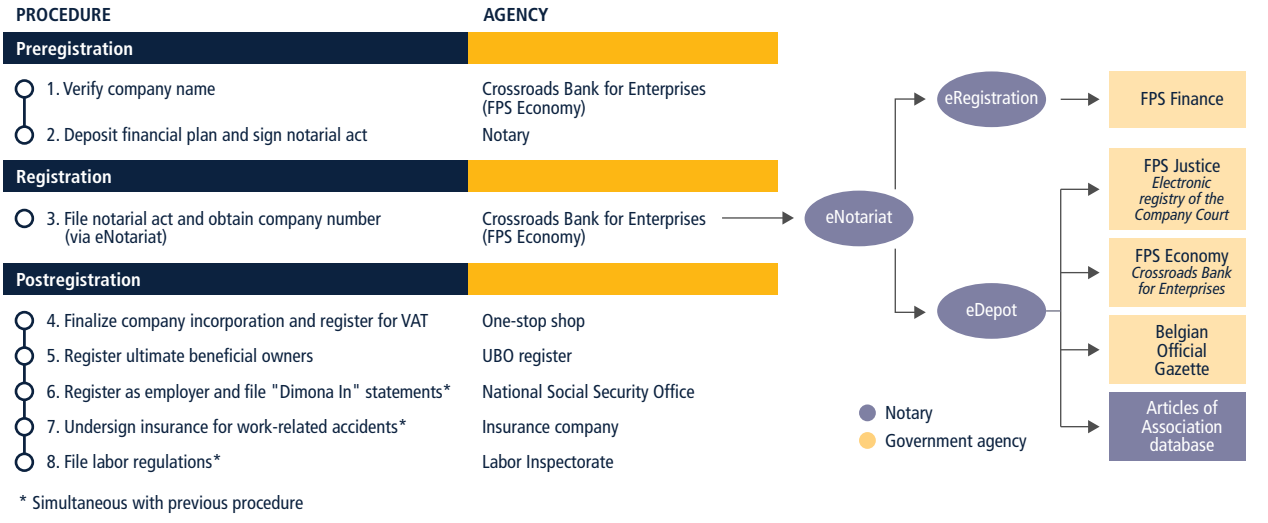
FIGURE 3.7 How does the business registration process work in Belgium?



Source: Subnational Doing Business and *Doing Business* databases.

Note: Under article 2:6 paragraph 1 of the Company Code, a company acquires legal personality after the notary submits the notarial act to the Company Court. Data for Brussels are not considered official until published in the *Doing Business 2021* report.

for powers of attorney—enacted in response to the COVID-19 pandemic—since May 4, 2020. As such, the notary and company founders can now sign an authentic digital power of attorney via videoconference (box 3.2).

The third step in the company registration process is filing the notarial act to register the company and obtain the company number. The notarial act can be submitted physically or electronically via the eDepot system, accessible through the eNotariat portal.[14] If submitted in paper form, the Company Court registry clerk enters the company's identification data manually into the CBE, which automatically grants the company number. The CBE, the central business register operated by the FPS Economy, SMEs, Self-Employed and Energy, contains basic data on companies and their business units. Most notaries in Belgium use eDepot, which is faster and more convenient than submitting the notarial act in paper form. Across the Belgian cities benchmarked, 98% of LLCs are registered electronically through eDepot.[15] The eDepot system allows notaries to file the notarial act with CBE (for company registration and the company number), the Company Court's electronic registry (to add the extract of the notarial act to the official register), and the Belgian Official Gazette (for the official publication of the extract). Since May 2019, notaries can also use eDepot to file the company's articles of association with the Articles of Association Database (Base de données des statuts/Statutendatabank).[16] To comply with fiscal requirements, notaries also file a certified copy of the notarial act with FPS Finance via eRegistration, which is also part of the eNotariat portal.

Once the notarial act is registered with CBE, the notary immediately obtains the company number electronically and shares it with the entrepreneur either in person or by email. The company number is a unique identification number used to identify the company with the various administrations.

In the fourth step in the startup process, the OSS checks whether the company meets the legal requirements for its intended activity and finalizes registration in the CBE database. In Belgium, federally accredited private organizations operate the OSS system, which offers one-stop access to mandatory public services like registering the company activity and business units with the CBE database and verifying the founders' business management skills. In Wallonia and the Brussels-Capital Region, founders must prove that they have the necessary management knowledge and professional competence for certain activities. Flanders eliminated these requirements on September 1, 2018, and January 1, 2019, respectively. Companies and directors in Belgium must be affiliated with a social insurance fund;[17] this can also be arranged through the OSS.

The entrepreneur then completes VAT registration by requesting the activation of the company number as the VAT number.[18] This can be done directly with the local tax office, through the OSS, or with an accountant's assistance. Most entrepreneurs prefer the OSS approach—they can finalize company registration with the CBE and submit the VAT identification request form (Form 604A) in one trip. The OSS submits the VAT form on behalf of the entrepreneur to the local tax office using the E604 electronic system. This local office will inform the company of the activation via registered mail. There is no need to wait for the letter; they can

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BOX 3.2 Digital notary services and electronic means of communication during COVID-19

Entrepreneurs can register their LLC online in Belgium, but only with the assistance of a notary. Only notaries can access the eDepot system to deposit the electronic notarial act to the relevant administrative databases. Entrepreneurs or their appointed representatives must appear in person before the notary to sign the notarial act for company incorporation.

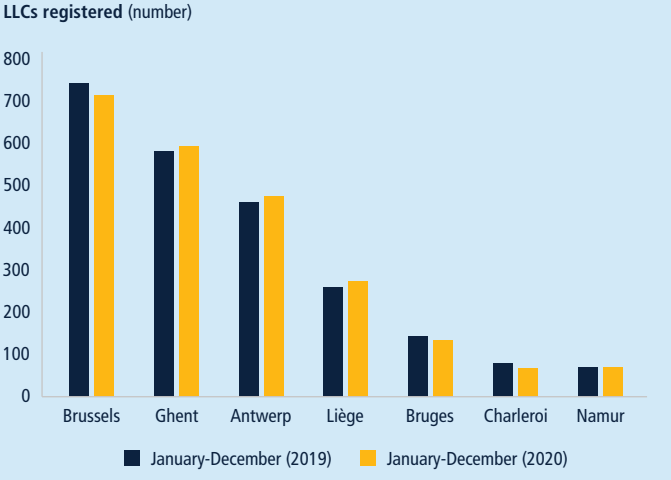
During the COVID-19 pandemic, Belgium enacted a new law[a] allowing company founders to sign an authentic digital power of attorney online. Notaries can now check identities remotely via videoconference through two means of electronic identification—the Belgian electronic identity card (e-ID) or the Itsme application—to execute and sign the notarial act.

Entrepreneurs were restricted from using the OSS in person to prevent the spread of COVID-19. Although some OSS opened for prescheduled appointments, most OSS preferred providing client services by telephone, online, or via videoconference. Meanwhile, insurance companies in Belgium report only a slight shift toward a lower degree of interpersonal interaction, since their client contacts took place primarily by email or telephone before the pandemic.

Despite the economic impact of COVID-19, entrepreneurs created 2,342 LLCs across the seven Belgian cities benchmarked in 2020, only six fewer companies than in 2019 (figure B 3.2.1).[b]

Belgium's legislative efforts to combat COVID-19 have brought the process of starting a business a step closer to being fully online. However, the country still requires all parties to appear before a notary via videoconference.

FIGURE B 3.2.1 Firm creation was stable in 2020 despite the pandemic



Source: Subnational Doing Business using statistics from FPS Economy, SMEs, Self-Employed and Energy.

a. The law of April 30, 2020 containing various provisions on justice and the notarial profession in the context of the fight against the spread of the coronavirus COVID-19 entered into force on May 4, 2020 (http://www.ejustice.just.fgov.be/eli/wet/2020/04/30/2020041028/justel).

b. Statistics provided by FPS Economy, SMEs, Self-Employed and Energy statistics in March 2021.

confirm the activation of the company's VAT number by calling the local office or checking the CBE database. Currently, only OSSs and tax offices have access to the E604 electronic system. The Belgian government has floated the idea of allowing tax accountants and companies to submit Form 604A electronically using MyMinfin, an FPS Finance application. The aim is to reduce the use of paper forms and develop digital services. Currently, companies must submit all their VAT returns electronically using the Intervat application.[19]

The fifth procedure is registering the company's ultimate beneficial owners (UBOs) with the UBO register. Registration is completed through the MyMinfin platform—either by the company's legal representative or a third party—or eStox, a digital tool used by notaries, accountants, and tax advisors. Most entrepreneurs use MyMinfin.[20]

The company then registers as an employer with the National Social Security Office (NSSO) using WIDE,[21] an online service. Firms must also immediately file a declaration for each employee via Dimona (Déclaration IMmédiate ONmiddellijke Aangifte), an electronic notification system used by entrepreneurs to register new employees with the NSSO. Firms then obtain insurance directly from an insurance company to cover work-related accidents. Finally, entrepreneurs file the company's labor regulations with the Labor Inspectorate[22] electronically by email or—more recently—online using a web-based application (introduced in May 2019).[23]

Belgium has carried out reforms aimed at improving the business environment since 2003 (box 3.3). Some of these improvements have had a direct impact on indicators measured by *Doing Business*. Although key steps have been taken to make starting a business more efficient, the process continues to lag regional good practice.

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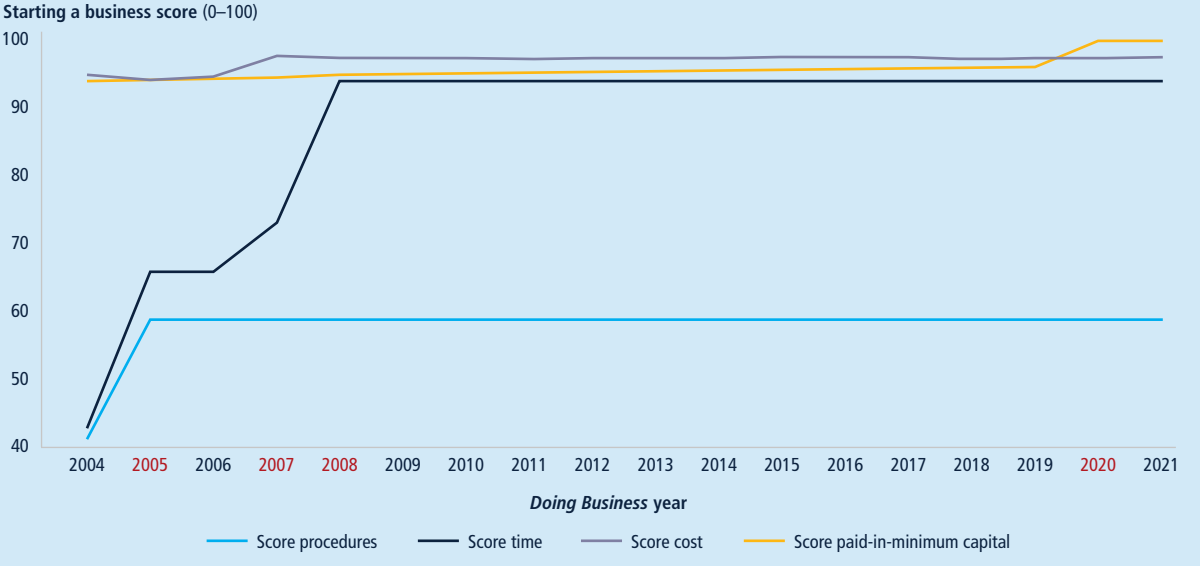
BOX 3.3 Regulatory reforms have made starting a business easier in Belgium

Over the past two decades, Belgium has enacted regulatory reforms to enhance its business environment. In 2003, Belgium established the OSS system and created the CBE, both run by FPS Economy, SMEs, Self-Employed and Energy. A centralized database and business register, the CBE simplified company identification and registration by storing basic company data in one place and making it available to the public and other public sector administrations (mainly FPS Finance, FPS Justice, and the NSSO). The CBE replaced the databases of administrations such as the former national register of legal entities and the former trade register. Thanks to the CBE, each company is assigned a unique identification number, allowing authorities to access information on companies in real-time.

One-stop shops are private organizations accredited, inspected, and monitored at the federal level, responsible for registering a company's activities and business units in the CBE database. Across the country, OSSs offer entrepreneurs additional services outside of this legal mandate, such as registering for VAT, registering with the social insurance fund, and applying for permits, allowing them to complete various administrative formalities in one location. Before July 1, 2003, entrepreneurs had to visit multiple administrations to complete these formalities. Within the framework of the EU Services Directive, in 2009 OSSs were given the task of being the Point of Single Contact for entrepreneurs in Belgium.

The introduction of the eDepot system in 2005 allowed notaries to achieve in one electronic transaction what previously took three paper-based steps. The eDepot system allows notaries to file the notarial act and incorporation documents electronically, triggering automatic registration in the electronic registry of the Company Court and CBE database as well as publication in the Belgian Official Gazette. The use of eDepot reduced the time to start a business in Belgium by 21 days, thereby raising its score for starting a business as measured by *Doing Business* (figure B 3.3.1).

FIGURE B 3.3.1 Reforms have improved Belgium's score for starting a business



Source: Subnational Doing Business and *Doing Business* databases.

Note: The score is normalized to range from 0 to 100 (the higher the score, the better). For details on the scores, please refer to the data notes. Between *Doing Business 2004* and *Doing Business 2021*, Belgium recorded four positive business reforms on the *Doing Business* starting a business indicator set. In *Doing Business 2005*, Belgium made starting a business easier by creating single access points for entrepreneurs; in *Doing Business 2007*, Belgium halved startup costs by abolishing the registration fee and also piloted online registration; in *Doing Business 2008*, Belgium made an electronic registration and publication system available to all notaries; in *Doing Business 2020*, Belgium eliminated the paid-in minimum capital requirement. Data for Brussels are not considered official until published in the *Doing Business 2021* report.

More recently, in 2019, the BCCA introduced major changes to Belgium's existing legal framework for businesses, streamlining the types of companies into fewer categories. The BCCA introduced a flexible private LLC (the BV/SRL, replacing the BVBA/SPRL) and eliminated the requirement that entrepreneurs deposit EUR 6,200 in cash as paid-in minimum capital upon incorporation.

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BOX 3.3 Regulatory reforms have made starting a business easier in Belgium (continued)

As part of its process to simplify business startup, Belgium is gradually implementing electronic platforms for some procedures, facilitating interactions between entrepreneurs and public agencies, and enhancing access to information and quality data. In May 2019, FPS Labor allowed the electronic filing of company labor regulations with the Labor Inspectorate. Previously, entrepreneurs had to submit the document to the regional directorate either via post or through email. Since May 2019, entrepreneurs can consult all versions of the articles of association of companies resulting from notarial acts executed in Belgium online and free of charge.[a] The consolidated articles of association of all companies incorporated by notarial act drawn up prior to May 2019 are available for consultation in person at the registry of the Company Court.[b]

a. These can be accessed through the website, available at https://statuten.notaris.be/costa_v1/enterprises/search.

b. Fednot (Royal Federation of Belgian Notaries). 2019. "The online statutes database: get your statutes to hand faster." May 27. http://nl.enot.be/nieuws-pers/detail/de-online-statutendatabank-sneller-je-statuten-bij-de-hand.

WHAT CAN BE IMPROVED?

Allow for automatic verification of the proposed company name

While the legal responsibility for checking the availability of a company name falls to the entrepreneur,[24] notaries in Belgium have the legal duty to inform entrepreneurs, prior to company incorporation, of their legal rights, obligations, and burdens and to give advice, including on the desired company name. Thus, it is common practice for notaries to check the availability and admissibility of the proposed company name and to ensure its compliance with minimum legal requirements. Notaries use several sources to check the name, including the Official Gazette and the CBE's public search web service, to avoid any potential discrepancies. Once the notary submits the notarial act to the CBE, no further verification of the accuracy of the company's incorporation documents is performed. Centralizing the publication of a company's information, including the notarial act, into a single electronic database would reduce errors and discrepancies and allow entrepreneurs—rather than the notary—to verify that the proposed company's name complies with legal requirements for registration.

Various economies worldwide have redesigned the registration process to allow for the automatic verification of the proposed company name upon submission of the company registration application. In the early 2000s, Australia, Canada, and the United States introduced clear rules to determine whether proposed company names were identical or similar to existing companies or required specific consent. This approach allows for the automatic rejection or acceptance of the company name at the time of registration, increasing both transparency and efficiency in name clearance and company registration. Some economies allow entrepreneurs to choose from a list of preapproved company names. In Portugal, entrepreneurs can choose from a list on the business registry's website[25] and register the company through a single contact point, Empresa na Hora.[26] In Estonia, entrepreneurs can check the proposed company name online using the E-Business Register,[27] which accesses county court registry databases and displays real-time data on all legal persons registered in Estonia. In the United Kingdom, the online registration website alerts entrepreneurs if the desired company name cannot be used and provides guidance for choosing another company name.[28]

Make third-party involvement optional and provide public access to the business registration system

Starting a private LLC in Belgium costs the entrepreneur the equivalent of 5.1% of income per capita. This process is more expensive in only six other EU member states. In Belgium, the bulk of the cost to start a business stems from hiring a notary to establish a company. Notaries also play a central role in the business startup process in other EU member states; however, notary fees there are a fraction of those in Belgium. For example, in the Czech Republic, entrepreneurs starting a simple LLC pay a fee of CZK 2,000 (approximately EUR 77) to draft and notarize the articles of association.

Entrepreneurs in Belgium also pay a fee (equivalent to 9% of the total cost) to publish the extract of the notarial act in the Official Gazette. The notary collects the payment and transfers it to the Official Gazette. In many EU member states, the business register manages the publication of the extract at no cost to the company. Belgium could follow this good practice and centralize the publication of the extract at one site, such as the CBE business registry. Doing so would eliminate the costs associated with multiple transmissions of the same information from one authority to another, resulting in lower administrative costs and publication fees.

The Belgian authorities could also reduce the cost of starting a business by introducing standardized incorporation documents for private LLCs. In the case of simple corporate structures, standardization could facilitate automatic information validation. The authorities could also allow the public to access the business registration system, thereby allowing entrepreneurs to file the incorporation

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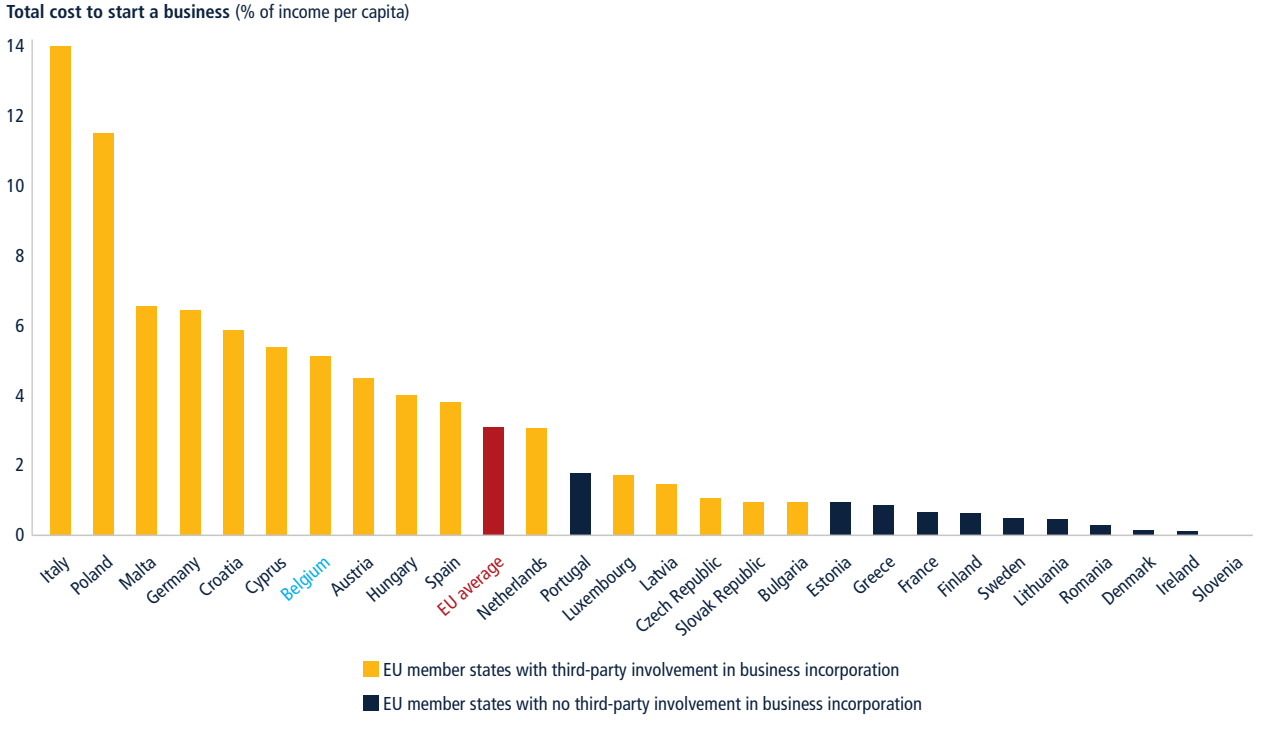
act themselves. Belgium has piloted a similar approach—nonprofit associations and other legal entities constituted through private acts[29] can register using an online portal (e-Greffe/e-Griffie).[30] Larger companies with more complex structures and special requirements could continue soliciting the services of third-party professionals and using customized incorporation documents.

Other economies have shown that requiring businesses to use legal services for registration is not necessary to ensure accuracy and compliance with the law, particularly for simpler businesses, such as partnerships and LLCs. Globally, the assistance of third-party agents for starting a business is mandatory in less than half of the economies measured by *Doing Business* (figure 3.8). Across regions, the overall cost of starting a business is lower in economies with no third-party involvement.[31] Third-party agents are not required in the 10 EU countries with the lowest cost to start a business.[32] Entrepreneurs pay no fees when using SPOT,[33] Slovenia's electronic one-stop shop, to start a simple LLC. This procedure makes use of standardized electronic articles of association and can be used by both single-member LLCs (one founder) and multi-member LLCs (several founders). Portugal successfully made third-party involvement optional for companies using registry-provided standard incorporation documents.[34]

Continue simplifying and streamlining postincorporation requirements at OSS

The authorities have made progress in consolidating several postincorporation requirements to start a business using the country's accredited one-stop shop system,[35] but more remains to be done. Most entrepreneurs register for VAT purposes and request affiliation with the social insurance fund at the OSS while finalizing company registration with the CBE. Only Partena and Securex offer all five postregistration procedures, including UBO registration (table 3.4).[36] Most entrepreneurs either complete UBO registration electronically or delegate the task to a lawyer or accountant working on their behalf. Except for Eunomia, an independent one-stop shop, all other OSSs partner with a social service provider (secretariat social/sociaal secretariaat)[37] offering services for the final three postregistration requirements.[38] Most entrepreneurs shop around as they can choose among multiple social service providers—partnered with an OSS or not—that provide guidance and support with payroll processing requirements. Integrating the services offered by OSS and social service providers to cover all postregistration procedures with a single agency would make the process of starting a business more efficient.

FIGURE 3.8 Starting a business costs more in economies with third-party involvement



Source: Subnational Doing Business and *Doing Business* databases.

Note: Values for Austria, Belgium, and the Netherlands are based on data for the cities benchmarked in this report; other EU member states are represented by their capital city as measured by *Doing Business*. Data for Brussels, EU average, and EU comparator economies are not considered official until published in the *Doing Business 2021* report.

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TABLE 3.4 Not all OSSs and their partner social service providers offer all postregistration services

Services offered	Acerta	Eunomia	Formalis	Liantis	Partena	Securex	UCM	Xerius
Finalize company incorporation, register for VAT and affiliate to a social insurance fund through the OSS	✓	✓	✓	✓	✓	✓	✓	✓
Register ultimate beneficial owners with the UBO register					✓	✓		
Register with the National Social Security Office and file "Dimona In" statements*	✓		✓	✓	✓	✓	✓	✓
Undersign insurance for work-related accidents with insurance company**	✓		✓	✓	✓	✓	✓	✓
Draft labor regulations for Labor Inspectorate*	✓		✓	✓	✓	✓	✓	✓
Locations served	- Antwerp - Bruges - Brussels - Charleroi - Ghent - Liège - Namur	- Bruges - Brussels - Ghent - Liège	- Antwerp - Brussels - Charleroi - Ghent - Liège - Namur	- Antwerp - Bruges - Brussels - Ghent - Namur	- Antwerp - Bruges - Brussels - Charleroi - Ghent - Liège - Namur	- Antwerp - Brussels - Charleroi - Ghent - Liège - Namur	- Brussels - Charleroi - Liège - Namur	- Antwerp - Bruges - Brussels - Ghent

Source: Subnational Doing Business based on OSS representatives and websites.

* Service executed by social service provider

** Services usually offered by social service providers but executed by an external partner of the organization, such as an insurance company

Authorities could also review whether they could streamline business incorporation by merging several existing postregistration steps with the step of finalizing company registration in the CBE. In Belgium and eight other EU member states,[39] entrepreneurs, their representatives, or a third-party must separately register or report their beneficial owners to the UBO register, thereby adding an additional procedure. In other European economies, this information is submitted during incorporation. In Austria, for example, once a company like the one in the *Doing Business* case study is registered, all relevant data regarding the beneficial owner is transferred automatically from the commercial registry to the UBO register; therefore, it does not constitute a separate procedure. In Germany, if the entrepreneur files all relevant information with the company register, they are not required to file the beneficial ownership structure separately with the Transparency Register. In Estonia, UBO information is submitted through the company portal as part of company registration in the Commercial Register. In Luxembourg, the notary can file UBO registration online with the Register of Beneficial Owners at the same time as submitting the company registration.

Belgian entrepreneurs must file work regulations with the Labor Inspectorate within eight days of their entry into force. Other EU member states have streamlined postregistration formalities. In the Netherlands, companies have a month from the start of employment to provide employees with a contract outlining all aspects of the employment agreement; there is no requirement to formalize the contract with a government agency.[40] In Denmark, simply reporting a wage payment for the first time notifies the authorities that the business has become an employer; no further formalities are required.

The process of starting a business could also be simplified for SMEs in Wallonia and the Brussels-Capital Region by eliminating the requirements that founders prove their management skills and professional competence. Flanders eliminated these requirements starting in 2018 and is in line with global good practices.

Create a single electronic interface for starting a business

Belgium has successfully created a unique identification number for companies, reducing the administrative burden of submitting the same information to multiple agencies for company identification. However, entrepreneurs still must interact with seven separate agencies to start a business. In addition to a single identification number, economies with the most efficient business registration systems also have single electronic interfaces to facilitate interactions between the user and the authorities as well as central, interoperable databases for the relevant agencies. A single electronic platform for business startup has its advantages: procedural requirements become more transparent and accessible, error rates decrease, and consistency rises within the public administration—the time and cost for business registration both decline. Moving toward a single interface for business registration could benefit Belgium's business community and government.

Slovenia's SPOT portal unifies the databases of the agencies involved in the process of starting a business. After a single registration with SPOT, entrepreneurs are automatically registered with the court, statistical office, tax authority, and health institute. Entrepreneurs in Italy can file a single electronic notice (Communicazione Unica or ComUnica) with the Register of Enterprises, automatically registering the company with

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the Revenue Agency and the social security administration, as well as for accident insurance. In most cities, ComUnica also notifies the municipality of the commencement of business operations. In Luxembourg, a notary can file all the required information to register a company through the one-stop shop (Guichet.lu). In a single interaction, the notary registers the articles of association with the tax administration, files for both VAT and social security, registers the company with the Trade and Companies Registry, and registers UBO information with the Registry of Beneficial Owners. Malta's online one-stop shop[41] allows new companies to register for VAT, obtain the employer number (PE), and register employees at Jobsplus. Norway has gone even further: since 2005, all public registers and authorities are legally obliged to use the data registered in the Central Coordinating Register for Legal Entities, eliminating the need for companies to resubmit this data to the relevant agency.

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Dealing with Construction Permits

With an urbanization rate of 98%, Belgium is among Europe's most urbanized economies.[42] Although the federal government maintains a national policy for urban development focused on social cohesion and housing, regional development and building codes in Belgium are decentralized to the country's three regions: the Brussels-Capital Region (Brussels), Flanders, and Wallonia.[43] At the local level, municipalities (communes/gemeenten) apply regional legislation and approve the building plans required to erect a building.

Antwerp performs best, but no one city excels in all measures of efficiency

The Belgian cities benchmarked show notable differences in the efficiency of the construction permitting process. Obtaining construction approvals is easiest and fastest in Antwerp, where the process takes 12 procedures, 152.5 days, and costs 0.6% of the warehouse value (table 3.5). It is most difficult in Ghent. While Ghent's process is cheaper (0.1%) and requires the same number of procedures as Antwerp, it takes almost three months longer.

Dealing with construction permits in Belgium requires fewer procedures and is less expensive than in most other EU member states, but takes longer

On average, dealing with construction permits across the Belgian cities measured requires completing 11.6 procedures over 198.8 days at a cost of 0.4% of the warehouse value. On average, the process in the European Union is more than two weeks faster (figure 3.9) but requires two more procedures than Belgium and costs more (1.9%).[44] In Germany, construction permitting costs are triple those in Belgium, and in France and the Netherlands, they are 10 times higher. On the building quality control index, each Belgian city scores 12 out of 15 points, slightly above the EU average (11.6 points), but behind Luxembourg, the European Union's best performer, and France (15 and 13 points, respectively).

TABLE 3.5 Construction permitting is easiest in Antwerp and Brussels, and most difficult in Liège and Ghent

City	Rank	Score (0–100)	Procedures (number)	Time (days)	Cost (% of warehouse value)	Building quality control index (0–15)
Antwerp	1	78.18	12	152.5	0.6	12
Brussels	2	76.51	9	211	0.9	12
Charleroi	3	76.02	12	186.5	0.3	12
Bruges	4	75.70	12	195.5	0.1	12
Namur	5	75.29	12	196.5	0.3	12
Liège	6	74.03	12	212	0.5	12
Ghent	7	72.63	12	237.5	0.1	12

Source: Subnational Doing Business and *Doing Business* databases.

Note: Rankings are calculated on the basis of the unrounded scores, while scores with only two digits are displayed in the table. Rankings are based on the average scores for the procedures, time, and cost associated with dealing with construction permits, as well as for the building quality control index. The score is normalized to range from 0 to 100 (the higher the score, the better). For more details, see the chapter "About *Doing Business* and *Doing Business in the European Union 2021: Austria, Belgium and the Netherlands.*" Data for Brussels are not considered official until published in the *Doing Business 2021* report.

Procedural differences across Belgian cities stem largely from different water and sewage connection applications and municipal requirements after construction

Although some steps are uniform across Belgium, the requirements to obtain a construction permit can vary significantly from region to region (figure 3.10). Before construction, a developer must complete four procedures, which differ from city to city. In Flanders, it is common practice for developers to conduct a consultation with the municipality before building plan submission. In Wallonia and Brussels, developers apply directly for the building permit after consulting with the local fire department (also a practice in Flanders). The consultation with the fire department is not required by law. Still, it helps ensure that the building plans comply with local fire safety regulations and avoid potential rejections of the building permit by the municipality. Brussels is the only city where the developer is required to provide proof of land ownership. In Flanders and Wallonia, the municipality can confirm land ownership directly with the Cadaster.

Upon securing preconstruction approvals, the developer requests the building permit from the municipality. In Brussels and Flanders, the building permit application can be submitted online (box 3.4). Submission is paper-based in Wallonia, and Walloon municipalities require an onsite inspection to verify the property's declared soil, terrain, and topographical characteristics before approval. In all cities, the developer notifies the municipality before starting construction. Cities in Flanders and Wallonia require the developer to post a notice of permit approval at the construction site—visible to the public—30 days before the start of construction works. In Brussels, this

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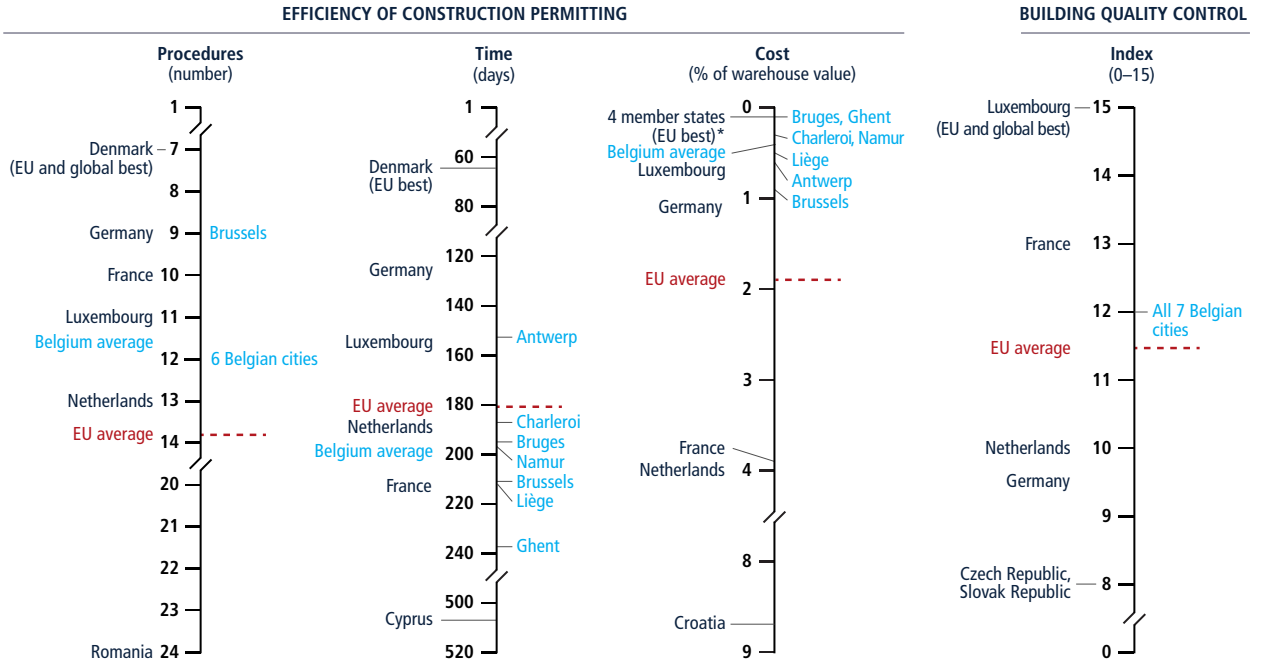
FIGURE 3.9 Dealing with construction permits in Belgium costs one-quarter of the EU average

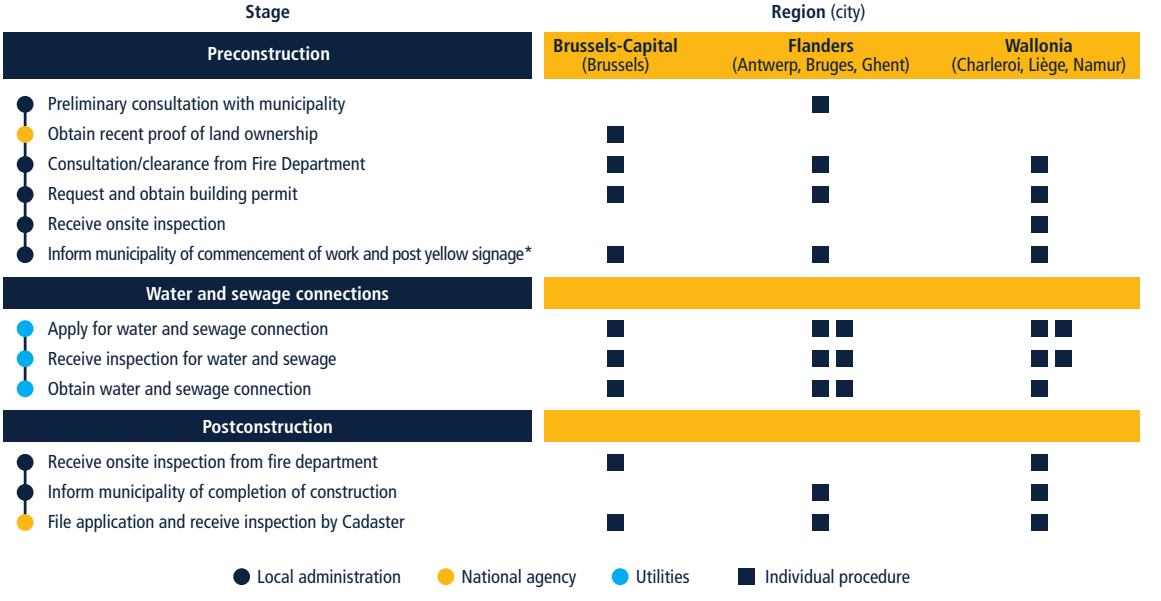


Source: *Subnational Doing Business* and *Doing Business* databases.

Note: Data for EU average use economy-level data for the 27 member states of the European Union. The averages for Belgium are based on the seven cities benchmarked. Data for individual economies are for their capital city as measured by *Doing Business*. Data for Brussels, EU averages, and EU comparator economies are not considered official until published in the *Doing Business 2021* report.

* Czech Republic, Estonia, Poland and Slovak Republic.

FIGURE 3.10 Only seven of the construction permitting procedures are common across regions



Source: *Subnational Doing Business* and *Doing Business* databases.

Note: Data for Brussels are not considered official until published in the *Doing Business 2021* report.

* In Brussels, the municipality does not require to post yellow signage upon notification of commencement of works.

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BOX 3.4 Digitalization of the construction permitting process across Belgian regions: COVID-19's impact and the road ahead

Periods of forced remote work during the COVID-19 pandemic underscored the importance of digitalization. They also highlighted the varying levels of digitalization among Belgium's three regions. Flanders fully implemented a digital permitting platform in 2018 that encompasses several environmental permits, including those for construction. Brussels began a phased rollout of its permitting platform in December 2020, which will also be used for various types of permits, including construction permits. Wallonia has not yet announced any digitalization plan.

Flanders' electronic permitting platform, Omgevingsloket,[a] was implemented in phases beginning in February 2017 with the simple goal of reducing the time to obtain permits. By 2018 it was fully operational, with paper-based permit applications available only in exceptional cases. Omgevingsloket was launched alongside digital transformation reforms that streamlined several permits—the construction permit, nature permitting, and environmental permit—into a single environment permit (omgevingsvergunning). The platform allows the developer to track permit application status and communicate with both the municipality and building inspectors. Omgevingsloket has gone through several updates since its launch, informed by feedback from its users, including developers and municipalities. The regional government's Environment Department has lead platform improvements. An emergency decree issued in March 2020 allowed the Flemish government to either accelerate or decelerate official permit issuance in response to the COVID-19 pandemic.

Brussels recently started the phased rollout of its online permitting platform, MyPermit,[b] and is further expanding its functionalities. Throughout 2020, the platform was tested with various users and adjusted based on their feedback. It is currently available for use by different Brussels-area municipalities and several Brussels-based companies such as Vivaqua, the water and sewage management company for Brussels; Infrabel, the company in charge of the Belgian railway network; and Telenet Group, a cable broadband services provider. With the next update of MyPermit, construction permits will be added to this list. Until then, applications can be made either via post or in person. Brussels temporarily suspended the in-person handling of permit applications due to COVID-19—applications could only be made by post—and extended legal time limits to accommodate lockdown-related delays.

The digitalization of the building permitting system has not yet begun in Wallonia. System users must submit all building permit applications on paper. Digital Wallonia includes an initiative to incentivize the digitalization of the construction industry, Construction 4.0,[c] in its 2019–24 strategy. The project, a collaboration with the Walloon Construction Federation, focuses on the digitalization of Walloon construction companies. However, the project does not include the digitalization of public sector offices tasked with construction-related issues like permitting. As in Brussels, Wallonia temporarily suspended official municipal deadlines due to the pandemic.

The improvement and replication of digital platforms for building permitting across Belgium would reduce the complexity associated with the approval of building plans and reduce disruptions by externalities like the COVID-19 pandemic. Further exchanges, peer-to-peer learning events, and cost-benefit analyses—accompanied by strong political will and a commitment at the local and regional levels—will need to follow for Belgium to complete its digital transformation.

a. The Flemish platform is available at https://omgevingsloket.be/.
b. The Brussels platform can be accessed via https://mypermit.urban.brussels/.
c. For more information, see https://www.digitalwallonia.be/en.

requirement came into force on January 1, 2021.[45]

Procedures to connect to water and sewage are the primary source of variation across regions—unsurprising given that the water and sewage regimes are inspired by the models in use in neighboring countries (France and the Netherlands).[46] In Brussels, applications for these services are combined and requested from a single utility company; thus, the developer must complete a total of three steps (application, inspection, and connection). In Flanders, despite instances where the same local utility company performs both services,[47] developers need to submit separate applications, doubling the procedures compared to Brussels. In Wallonia, water and sewage services are provided by different utilities. The developer requests sewage services from the local intermunicipal sanitation utility, which inspects the sewage and drainage works. However, in Wallonia, the connection works are the responsibility of the developer, not the company (like in Flanders). As in Brussels and Flanders, public companies provide water connections and the connection works in Wallonia.

After construction, Brussels and Wallonia require an onsite inspection from the fire department before the new building can be occupied. In Flanders, only specific structures are required to comply with a final inspection (such as schools and offices). Once the construction works are

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complete, developers in Brussels do not need to notify the municipality. However, in Flanders and Wallonia, the notification is a formal requirement as it serves to certify that the building is ready for lawful occupation and that it has been inspected by a qualified professional. These notifications can be sent via the Omgevingsloket online platform and email, respectively.

Finally, all Belgian cities require that the developer report the new construction to the Cadaster. An agent from the Cadaster visits the new building and determines its property tax value.

Municipal procedures account for nearly two-thirds of the time to deal with construction permits

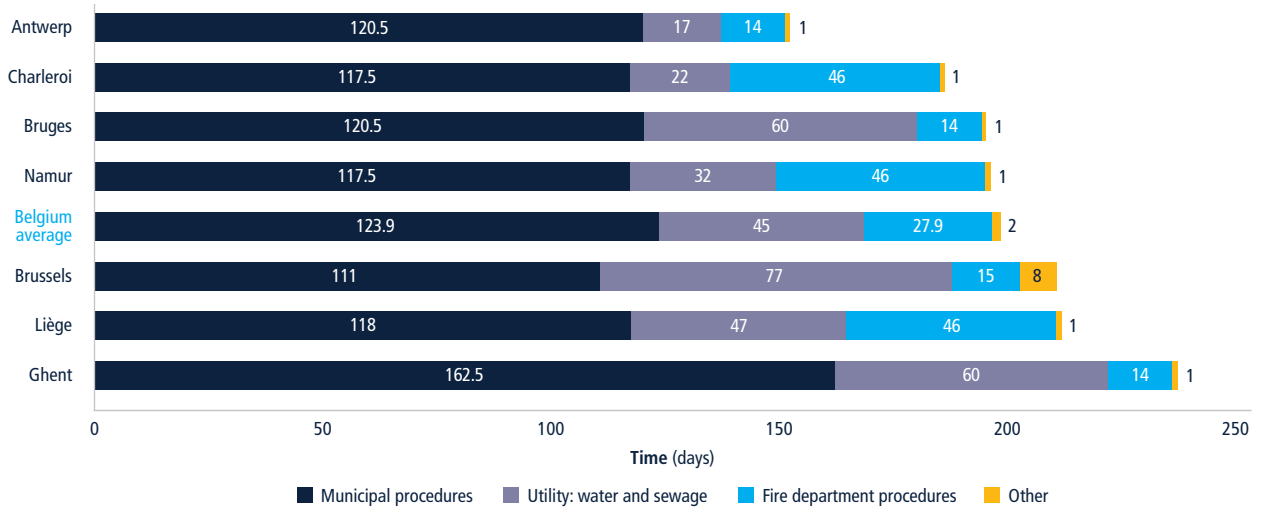
The time to deal with construction permits ranges from 152.5 days in Antwerp to 237.5 days in Ghent. The main determinant of this variation is the time to connect to water and sewage and to consult with the fire department (figure 3.11).

Although Brussels requires the fewest number of procedures, utility connections take the longest, reflecting the higher demand that comes with its larger population size. However, the efficiency of the utility company also plays a role. Antwerp has the fastest time to connect to water and sewage, despite having twice the population of Ghent and five times that of Bruges. In Wallonia, a lack of coordination between water and sewage utilities creates additional delays for developers, particularly regarding the sewage connection due to additional requirements in flood-prone areas.[48]

Regional variations also stem from municipal procedures, which comprise the bulk of the time to deal with construction permitting. In Flanders, the preliminary consultation with the municipality adds two weeks in Antwerp and Bruges and more than 1.5 months in Ghent. Private sector contributors in Ghent report understaffing as the main reason for delays. Even though construction regulations are available online, developers in Flanders prefer to conduct the preliminary consultation—the online system is not unified, and regulations are spread across multiple websites and platforms, making it difficult for architects to know which laws they need to comply with on any given project. The time to approve the building permit varies slightly across regions, with different reasons accounting for delays. Recent and significant legal reforms in Flanders—notably the streamlining of several permits into one environmental permit (see box 3.4)[49]—mean that both developers and the municipal authorities are still adapting to the new regulations and the new online process. Walloon regulations give local authorities the discretion to approve permits, leading to arbitrary interpretation in some cases. Municipalities can require changes that are not explicitly required in the regulations, such as additional parking spaces, changes to the exterior façade, or height limits that are not in the building code. Such practices introduce a degree of unpredictability to the permitting process, resulting in permit rejections and delays.

Lastly, consultations with the fire authorities also vary by region. The process takes three times longer in Wallonia than it does in Brussels and Flanders (where it takes two weeks on average). The level of coordination between the local fire department and the municipality has a direct impact on the time for building plan review and approval.

FIGURE 3.11 Water and sewage connection times and fire department procedures show the most subnational variation



Source: Subnational Doing Business and *Doing Business* databases.

Note: "Other" includes proof of land ownership (required only in Brussels) and file application and receive an inspection by the Cadaster (required in all cities). Data for Brussels are not considered official until published in the *Doing Business 2021* report.

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Building permits and water and sewage connection fees drive cost variations

The average cost of dealing with construction permits across the Belgian cities benchmarked is 0.4% of the warehouse value—equal to EUR 8,263—ranging from 0.1% in Bruges and Ghent to 0.9% in Brussels. This variation is primarily driven by water and sewage connection fees and, to a lesser extent, building permit fees (figure 3.12). Connecting to water and sewage systems in most Belgian cities is a costly endeavor for developers. They can expect to pay EUR 7,200 on average in fees, or 87% of the total cost of dealing with construction permits. These fees are set by local water and sewage utilities and can range from EUR 1,025 in Bruges to EUR 16,602 in Brussels.

Building permit fees are set at the local level and depend on the building's intended use and size. For a project like the *Doing Business* case study, these fees vary from no cost in Bruges and Ghent to EUR 2,739 in Antwerp. In Bruges, the no-cost policy is the result of an initiative to attract businesses to the city by lowering barriers to entry. The downside to the no-cost policy is that developers can apply for permits to gauge the municipality's response to their project. The higher volume of permit applications creates extra work for municipal officers and increases delays for legitimate applications. In Ghent, only construction projects requiring public surveys[50] need to pay the building permit fee.

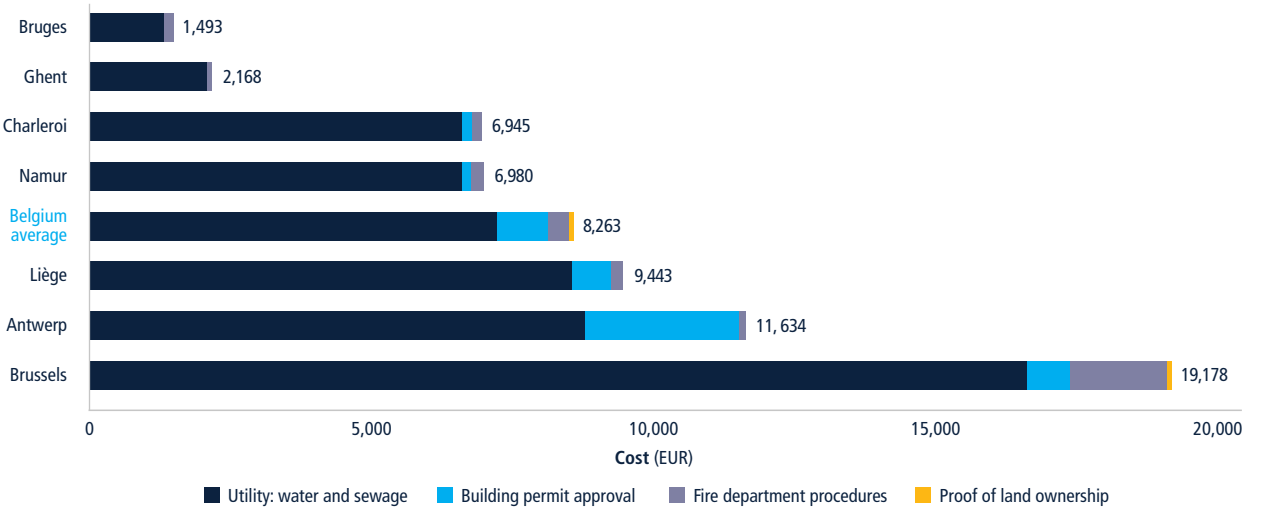
Other fees, such as those paid to local fire departments, also vary across Belgium's regions. In Wallonia, consultations with the fire department cost around EUR 100—the same as the average cost in Flanders—but developers in Walloon cities need to pay an additional EUR 100 on average when the fire department performs its final inspection. In Brussels, the final inspection is free of charge, but the fire department clearance fee is 17 times more than in the other regions. Instead of a flat fee as in the other cities, in Brussels the charge includes an application fee and is calculated based on a fee of EUR 1.20 per square meter.

On the *Doing Business* building quality control index, all Belgian cities benchmarked score 12 out of 15 points and benefit from strong quality control mechanisms (table 3.6). Despite its strength in most quality control aspects, Belgium does not get full marks in quality control during construction (2 out of 3 points) and professional certification requirements (2 out of 4 points).[51]

During construction, inspections are carried out in practice by an in-house engineer from the building company, who oversees the building's construction throughout the entire construction period. However, the legislation does not require risk-based inspections. Risk-based inspections consider the potential risks imposed by a particular building instead of applying the same inspection standards to all buildings. The potential risks considered can include environmental factors, as well as the building type and intended purpose.[52]

In Belgium, professionals working in the construction industry must have minimum technical qualifications. Both the professionals reviewing the plans and those supervising the construction on the ground must hold a university degree in architecture, engineering, or construction management and be registered members of the national association of architects or engineers. However, they are not required

FIGURE 3.12 Utility connection fees account for 87% of the cost of dealing with construction permits



Source: Subnational Doing Business and *Doing Business* databases.
Note: Data for Brussels are not considered official until published in the *Doing Business 2021* report.

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TABLE 3.6 Belgian cities have robust quality control mechanisms before and after construction

		All seven Belgian cities (score)
BUILDING QUALITY CONTROL INDEX (0–15)		12
Quality of building regulations (0–2)	Are building regulations easily accessible?	1
	Are the requirements for obtaining a building permit clearly specified?	1
Quality control before construction (0–1)	Which entity(ies) is/are required by law to verify the compliance of the building plans with existing building regulations?	1
Quality control during construction (0–3)	Are inspections mandated by law during the construction process?	1
	Are inspections during construction implemented in practice?	1
Quality control after construction (0–3)	Is a final inspection mandated by law?	2
	Is a final inspection implemented in practice?	1
Liability and insurance regimes (0–2)	Is any party involved in the construction process held legally liable for latent defects once the building is in use?	1
	Is any party involved in the construction process legally required to obtain a latent defect liability—or decennial (10-year) liability—insurance policy to cover possible structural flaws or problems in the building once it is in use?	1
Professional certifications (0–4)	Are there qualification requirements for the professional responsible for verifying that the architectural plans or drawings are in compliance with the building regulations?	1
	Are there qualification requirements for the professional who conducts the technical inspections during construction?	1

Maximum points obtained

Source: Subnational Doing Business and *Doing Business* databases.

Note: For details on the scoring of each question, see the data notes. Data for Brussels are not considered official until published in the *Doing Business 2021* report.

to have a minimum number of years of practical experience or pass a certification exam. Almost 50% of EU economies attain the maximum score in this area by having these two requirements.

WHAT CAN BE IMPROVED?

Streamline preconstruction requirements and consolidate permitting legislation

There is room for improvement in preconstruction measures in all benchmarked cities, and there are local good practices that can reduce bottlenecks elsewhere. In the Brussels region, the developer must obtain recent proof of land ownership from the Cadaster before applying for the construction permit; in all other benchmarked cities, the municipality checks land ownership, saving the developer time and one procedure. Municipalities within Brussels should consider adopting this approach while strengthening communication with the Cadaster. In Wallonia, the long-standing practice of visiting the plot in person before building permit approval—rather than relying on digital infrastructure[53]—could be eliminated or carried out on an as-needed basis. Reducing the need for in-person visits by establishing internal guidelines on the use of digital assets, including existing geoportals like geo.be, could ease the administrative burden of municipalities and developers.

Belgian cities could also consider eliminating the need for fire department consultations. By ensuring the relevant legislation is clear, up-to-date, and easily accessible, cities could eliminate the need for a separate meeting between the developer and the fire department. Flemish cities could eliminate preliminary consultations with the municipality. Currently, the legislation is accessible online, but because it is not streamlined in one website, it is challenging to find. By consolidating the legislation on the permitting platform, developers could avoid having to consult with the municipality to ensure their projects' feasibility.

In the United Kingdom, the Ministry of Housing, Communities, and Local Government publishes online guidance—called Approved Documents—on ways architects can meet building regulations. The online platform includes all relevant regulations nationwide and provides practical examples on how to avoid issues that commonly result in building permit application rejections.

In Denmark, the European Union's best performer, there are no required preconstruction clearances, and the building permit application is managed and completed online. Reducing the number of procedures and time required in the preconstruction stage can improve the overall construction permitting process for entrepreneurs and developers.

Improve coordination among agencies involved in the water and sewage connections process

Developers in most Flemish and Walloon cities must complete nearly twice the number of procedures to connect to water

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and sewage as developers in Brussels (where both services are requested in a single application). In several Flemish cities, the same utility company is responsible for water and sewage connections. In these cities, the authorities could consider merging all water and sewage processes into one application, making the process more efficient. Belgian cities could also look to existing good practices in neighboring countries. In the Netherlands, the developer applies for most utility connections through the mijnaansluiting[54] platform, regardless of the company providing the service. The entire application process is standardized. The Belgian authorities could set up a similar streamlined application system, eliminating the need for the developer to submit double applications.

Introduce and improve electronic permitting systems

The level of process digitalization varies substantially across the Belgian cities measured (see box 3.4). Leveraging technology can significantly reduce the time to deal with construction permits, enabling building departments and related agencies to streamline and automate their planning, zoning, and building procedures. The COVID-19 pandemic highlighted the importance of digitalization, particularly in facilitating communication between developers and municipalities.

At the subnational level, Walloon municipalities can look to the experience of Flanders and Brussels municipalities with creating IT systems. Although Flanders' online platform is relatively new, and that in Brussels is going through a phased launch, both regions could consider expanding and integrating their platforms further. For example, creating a page on the platform that centralizes relevant legislation could eliminate the need for preconstruction contact with the municipality and reduce application errors. As digitalization efforts continue, user feedback will be particularly important in future platform development.

The Flemish experience underscores the complexity of introducing electronic platforms. Training for municipal employees and dependencies on how to operate and maintain electronic systems is crucial. Such platforms are typically linked to ambitious regulatory reforms and online government programs. In the long term, Belgian cities could explore the advantages of adopting Building Information Modelling (BIM) systems, which incorporate building regulation parameters into project design.[55] BIM systems help professionals plan projects that comply with national and local regulations and make conducting post-design checks easier and faster for public authorities. In Finland, all relevant parties—owners, developers, architects, and government officials—collaborate through a single BIM system platform, Lupapiste. Of Finland's 100,000 annual building permit applications, 95% pass through this system. The platform is built on a private, secure cloud and links the Cadaster, corporate and personal data, and the municipality that reviews and approves the application. Various stakeholders independently track progress and can find the source of any approval delays. The platform also integrates BIM formats (instead of two-dimensional drawings), allowing the models to be machine read and the building review to be checked automatically. The system has accelerated the process and made it less discretionary and more predictable.

Online permitting systems are increasingly common in Europe. The European Commission classifies electronic applications for building permitting as among the 20-primary e-government services.[56] Belgian cities can find examples of locations successfully implementing similar programs in Hungary (the building regulatory support documentation system ÉTDR)[57] and Germany (Hamburg).[58]

Consider introducing risk-based inspections

Categorizing building projects based on risk and adopting risk-based inspections can streamline preconstruction approvals and procedures during construction for low-risk buildings. In contrast to phased inspections, risk-based inspections allow municipalities and builders to allocate resources where they are most needed without compromising worker and public safety. The standard, phase-based approach to inspections can lead to delays and reduce efficiency, especially for relatively routine and straightforward projects.

Belgium already incorporates risk classifications in building permit applications and could consider a similar approach for a more targeted, risk-based inspection regime. France and Australia have been using the risk-based approach the longest and have comprehensive classifications of building categories and risks based on size and use.[59] As Belgium's current inspection regime allows certified private experts to carry out inspections and certifications, adopting a more risk-based approach should require minor changes.

Improve regulatory expertise in collaboration with the private sector

Construction permitting is a complex process involving multiple stakeholders. Managing this process requires adequately staffed permit-issuing agencies. Staff should have professional case management knowledge and be trained appropriately on the relevant technology. Developers in the Belgian cities measured cited inadequately trained or understaffed permit-issuing offices as a reason for delays in dealing with construction permits.

More robust qualification requirements for the professionals involved in construction permitting and control may be beneficial. Across Belgium, the professionals approving standard case building plans and supervising construction are required only to have a university degree in architecture or engineering and be a registered architect or engineer. In Luxembourg, by contrast, these professionals must also have a minimum number of years of experience and pass a certification exam.

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Introducing a certification exam and requiring minimum years of experience would automatically increase the permitting agencies' technical competency. Globally, more than 80% of economies measured by *Doing Business* require these four qualifications from professionals reviewing building plans and supervising the construction on the ground.

In the medium term, expanding the role of certified private sector professionals in the permitting process could help to reduce understaffing. Although this may require legislative action, the benefit of having a highly specialized, flexible workforce could be substantial. Most EU member states have shifted from public to private governance mechanisms in building regulation, reflecting a desire to improve the quality of regulation, reduce the administrative burden for applicants, and support a greater focus on risk mitigation.[60] Australia, Singapore, and the United Kingdom are among the countries that have adopted a system of third-party contractors to expand regulatory coverage and expertise.[61] *Doing Business* research shows that construction permitting is more efficient in economies that rely on some form of private sector participation in construction permitting or control processes. However, such a system needs adequate safeguards like robust qualification requirements for professionals approving building plans.

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Getting Electricity

Regional-level regulators establish and monitor the rules and regulations governing the distribution of electricity in Belgium. In the Brussels-Capital Region, the regulator is the Brussels Regulatory Commission for the Gas and Electricity Markets (BRUGEL). The Flemish Regulator of the Electricity and Gas Market (VREG) is the regulator in Flanders; the Walloon Energy Commission (CWaPE) is the regulator in Wallonia. At the federal level, a fourth regulator, the Commission for Electricity and Gas Regulation (CREG), oversees the high-voltage electricity network and ensures that the electricity market remains transparent and operates under fair competition standards.

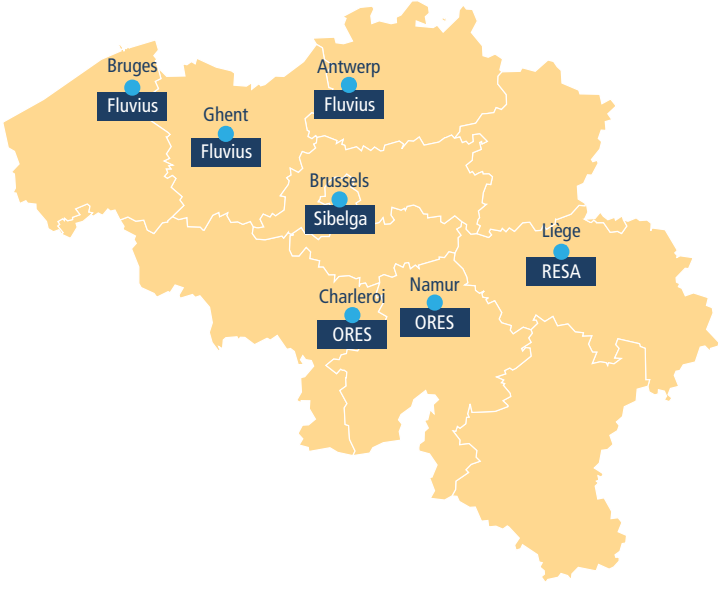
Distribution system operators (DSOs)—also referred to as "electricity distributors" and "distribution utilities" in this chapter—are key players in the connection process and serve a designated geographical area. Various DSOs operate in the seven benchmarked cities: Sibelga in Brussels; Fluvius in Antwerp, Ghent, and Bruges; ORES in Charleroi and Namur; and RESA in Liège (map 3.1).

Obtaining an electricity connection is easiest in Ghent and Antwerp and most difficult in Bruges and Brussels (table 3.7). Differences in time and cost are substantial: getting a connection takes anywhere from four months (in Charleroi, Ghent, and Namur) to nearly six months (in Brussels), and the cost varies from 109.8% of income per capita in Antwerp, Bruges, and Ghent to 139.3% in Liège.

Electrical service is reliable, but Belgium could improve the efficiency of getting electricity

An entrepreneur seeking a new electricity connection for a warehouse completes six procedural steps in all Belgian cities benchmarked, more than most other EU member states (figure 3.13).[62] Completing these steps takes 138 days on average, 1.5 months slower than the EU average.[63] The average cost in Belgium (122.1% of income per capita) is slightly below the EU average. Overall, Belgian cities perform well on the *Doing Business* reliability of supply and transparency of tariffs index. Antwerp, Bruges, Brussels, and Ghent obtain the maximum 8 points on the index, while Charleroi, Liège, and Namur score 7 points (figure 3.14).[64]

MAP 3.1 Electricity distributors operate in designated geographic zones



Source: Subnational Doing Business and *Doing Business* databases.

TABLE 3.7 Getting electricity is easiest in Ghent and Antwerp and most difficult in Bruges and Brussels

City	Rank	Score (0–100)	Procedures (number)	Time (day)	Cost (% of income per capita)	Reliability of supply and transparency of tariffs index (0–8)
Ghent	1	76.07	6	120	109.8	8
Antwerp	2	73.36	6	145	109.8	8
Charleroi	3	72.79	6	121	127.2	7
Namur	3	72.79	6	121	127.2	7
Liège	5	72.53	6	123	139.3	7
Bruges	6	71.18	6	165	109.8	8
Brussels	7	70.46	6	171	131.9	8

Source: Subnational Doing Business and *Doing Business* databases.

Note: Rankings are calculated on the basis of the unrounded scores, while scores with only two digits are displayed in the table. Rankings are based on the average scores for the procedures, time, and cost associated with getting electricity and the reliability of supply and transparency of tariffs index. The score is normalized to range from 0 to 100 (the higher the score, the better). For more details, see the chapter "About *Doing Business* and *Doing Business in the European Union 2021: Austria, Belgium and the Netherlands.*" Data for Brussels are not considered official until published in the *Doing Business 2021* report.

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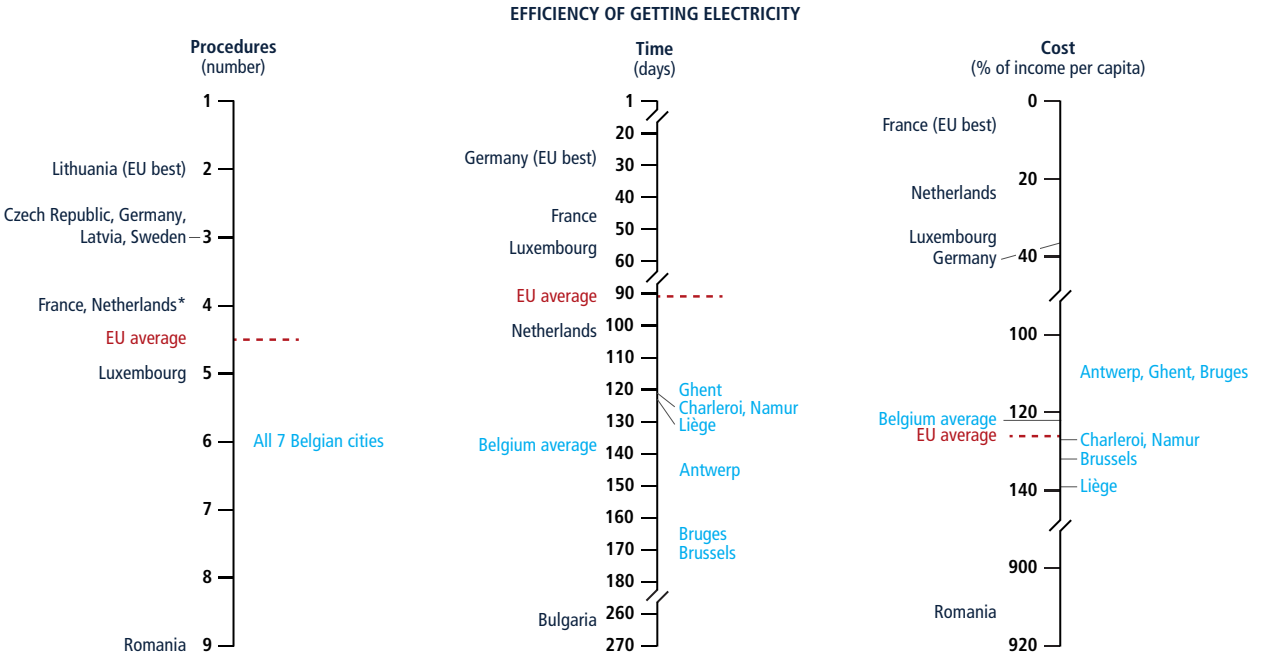
FIGURE 3.13 Belgium lags its EU peers on procedural steps and time to get electricity



Source: Subnational Doing Business and *Doing Business* databases.

Note: EU average uses economy-level data for the 27 member states of the European Union. Data for individual economies are for their capital city as measured by *Doing Business.* Data for Brussels, EU averages, and EU comparator economies are not considered official until published in the *Doing Business 2021* report.

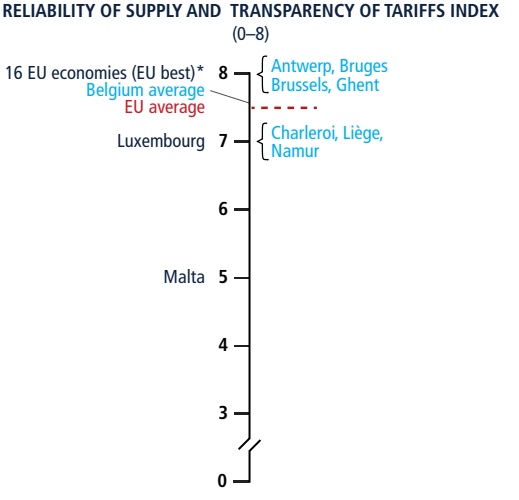
* Austria, Croatia, Denmark, Ireland, Italy, Malta and Poland also have four procedures.

Obtaining electricity requires the same procedural steps, but time and cost vary substantially across locations

The procedures, time, and cost to get an electricity connection depend on the availability of both low- and medium-voltage infrastructure. *Doing Business* studies, the hypothetical case of a local firm that needs a 140-kilovolt-ampere (kVA) electricity connection for a newly built warehouse located in a commercial area outside a city's historical center. In all Belgian cities, new warehouses typically connect to the medium-voltage underground network.

The process to connect a warehouse to the grid requires six procedural steps in all locations benchmarked (figure 3.15). The customer submits an application form along with a cadaster map, details on the requested capacity, and the transformer's technical characteristics to the distribution utility. In all cities

FIGURE 3.14 Four Belgian cities score among the best-performing EU member states for electricity reliability and transparency



Source: Subnational Doing Business and *Doing Business* databases.

Note: EU average uses economy-level data for the 27 member states of the European Union. Data for individual economies are for their capital city as measured by *Doing Business*. Data for Brussels, EU averages, and EU comparator economies are not considered official until published in the *Doing Business 2021* report.

* Belgium (as represented by Brussels in the global *Doing Business* study), Cyprus, the Czech Republic, Estonia, Finland, France, Germany, Ireland, Latvia, Lithuania, the Netherlands, Poland, Slovak Republic, Slovenia, Spain, Sweden.

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FIGURE 3.15 Getting electricity involves the same six steps across cities in Belgium

Procedure	Agency
Submit application and await estimate	Distribution utility
Conclude contract with electricity supplier*	Electricity supplier
Receive internal wiring inspection by approved agency*	Approved agency
Accept estimate and await completion of external works by utility	Distribution utility
Purchase and install transformer*	Electrical contractor
Obtain certification of the transformer by authorized agency*	Authorized agency

Source: Subnational Doing Business and *Doing Business* databases.

Note: Data for Brussels are not considered official until published in the *Doing Business 2021* report.

* Procedure occurs simultaneously with previous one.

except Liège, customers apply via the utility's online platform (in Liège, customers apply by email). Upon receiving the request, the DSO prepares a detailed study to ensure that the grid can support the new connection. If the connection works are feasible, the distribution utility provides the applicant with a quote. After accepting the quote, the client can sign a supply contract with one of the suppliers available on the market. In four cities, works cannot commence until the connection fee is paid; in Antwerp, Bruges, and Ghent, clients submit this payment after the external connection is finalized.

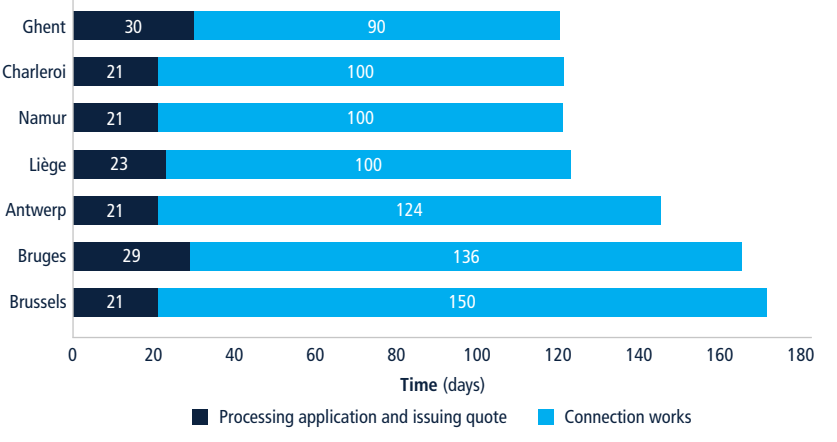
The DSO uses an online platform—shared with other service utilities, including water, sewage, and telecommunications—to facilitate coordination and announce the start of electrical works.[65] Each region has its own platform.[66] The DSO hires a contractor to perform the external connection works. The same contractor requests maps of the existing underground cables and pipes from all relevant service utilities to prevent damage during excavation. Although the utilities have seven days to respond to the request, this takes no more than two days in practice in the Belgian cities benchmarked.[67] An excavation permit to cross the public road must also be requested from the municipality. Once the municipality has given its approval and the works have been coordinated with other utilities, the developer obtains authorization to install road signs from the police department (to divert traffic while excavating the public road).[68] While the contractor obtains the necessary approvals and materials and plans the connection works onsite, the client installs the transformer on the private land plot and contacts the authorized inspection agency. Finally, as a last internal step, the utility installs the meter and electrifies the connection.

The time to get excavation approvals is the main driver of time variations

Differences among the benchmarked cities in the time to get electricity are mainly determined by the time to (i) coordinate the excavation works with other service utilities, (ii) obtain municipal authorization to excavate, and (iii) obtain road traffic signage approval. The processes and time frames for meeting the first two requirements are regulated at the regional level; traffic signage is regulated at the municipal level. In Brussels, Charleroi, Liège, and Namur, the DSO uses an online platform to notify the other service utilities for worksite coordination and obtains excavation approvals. This procedure takes five weeks on average.[69] Because these actions comprise two separate steps in the other Belgian cities, it takes significantly longer—from two months in Bruges and Ghent to three months in Antwerp.[70] In Antwerp, it can be more difficult to access other utilities' underground infrastructure maps, resulting in delays.[71] The time required for road traffic signage approval can also vary. This process takes two days in Antwerp, three days in Brussels and Liège, and one month in Bruges, making the latter the second-slowest city for getting electricity in Belgium (after only Brussels).[72] In Bruges, emergency services must determine whether blocking the road is feasible, resulting in delays in obtaining the traffic signage permit.

The processing of new connection requests by the distribution utility can also cause delays.[73] In Bruges and Ghent, it takes one month on average for the utility to issue a quote, nearly 10 days longer than most other Belgian cities (figure 3.16).

FIGURE 3.16 Getting electricity is fastest in Ghent, Charleroi, Namur, and Liège



Source: Subnational Doing Business and *Doing Business* databases.

Note: Because the procedures (i) "signing a supply contract", (ii) "receiving an internal wiring inspection", (iii) "installing a transformer", and (iv) "receiving an inspection on the installed transformer" are completed simultaneously with the procedures shown in the figure ("processing application and issuing quote" and "connection works"), the time is counted under these procedures. Signing the supply contract and receiving the internal wiring inspection are completed while the DSO processes the request for a new connection; both take the same time across cities (two days and one day, respectively). Transformer installation, which is completed while the DSO completes the external connection works, takes 30 days; the transformer inspection takes one day in all cities benchmarked. For more information see data notes or figure 3.15 for the sequence of procedural steps. Data for Brussels are not considered official until published in the *Doing Business 2021* report.

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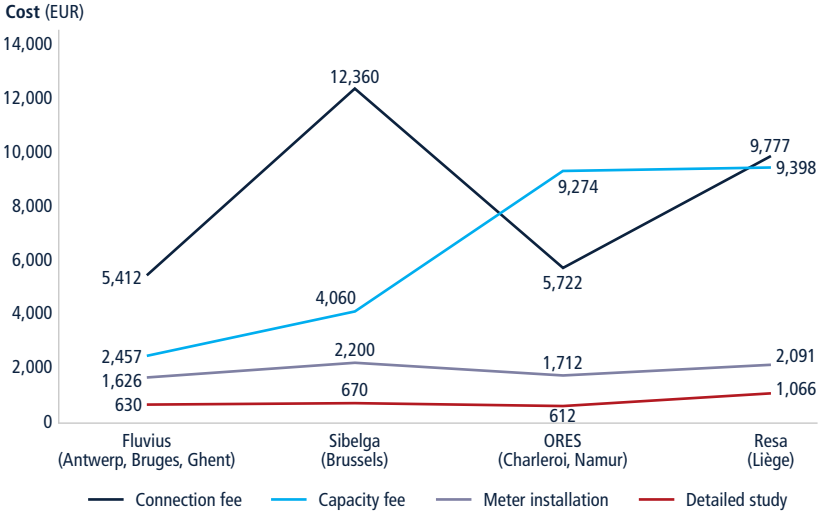
Utilities in Belgium independently set their fees for external connection works, which regional regulators then approve. The fee is based on three components: the connection works, requested capacity, and meter installation. The first two components vary most significantly across the cities benchmarked (figure 3.17). The flat fee related to the connection works is highest in Brussels (EUR 12,360) and Liège (EUR 9,777). In the rest of the cities, the cost is EUR 5,576 on average. In Charleroi, Liège, and Namur, the capacity charge is nearly four times higher than in Antwerp, Bruges, and Ghent.[74] The meter installation fee ranges from EUR 1,626 in Antwerp, Bruges, and Ghent to EUR 2,200 in Brussels. Utilities also charge a fee for a detailed study to ensure that the grid can support the subscribed capacity; in Liège, this study costs EUR 1,066, while in the rest of the cities it costs between EUR 612 and EUR 670.

The customer can choose any transformer company from the market. The cost of purchasing and installing a transformer—EUR 35,000 in all cities benchmarked, or 70% of the total connection cost—is borne by the consumer (figure 3.18). The customer also pays a small fee (around EUR 250) for the internal wiring inspection.

Electricity supply is most reliable in Antwerp, Bruges, Brussels, and Ghent

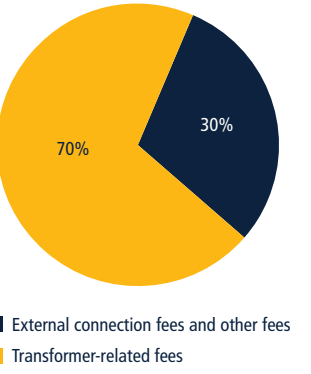
In addition to the efficiency of getting electricity, *Doing Business* measures the reliability of supply and the transparency of tariffs using an index that scores locations on a scale of 0 to 8. An automated system monitors power outages and restoration services in all Belgian cities, and independent energy regulators at the regional level monitor utility performance. The frequency and duration of outages vary between cities. Antwerp, Bruges, Brussels, and Ghent had the most reliable electricity supply in 2019, with each customer experiencing, on average, 0.4 service interruptions lasting a total of 23 minutes (figure 3.19). Outages were most frequent in Charleroi, Liège, and Namur, where each customer experienced, on average, around 1.2 service interruptions lasting a total of approximately 46 minutes per year, resulting in a score of 7 out of 8 points on the index. In Antwerp, Bruges, and Ghent, DSOs compensate their customers when outages exceed four hours; DSOs in other cities compensate their customers when outages exceed six hours.[75] Electricity tariffs are available online, and utilities notify customers in advance of tariff changes in all benchmarked cities.

FIGURE 3.17 Connection and capacity charges drive cost variations



Source: Subnational Doing Business and *Doing Business* databases.
Note: : Data for Brussels are not considered official until published in the *Doing Business 2021* report.

FIGURE 3.18 Transformer-related fees make up more than two-thirds of the cost to get electricity in Belgium



Source: Subnational Doing Business and *Doing Business* databases.
Note: "External connection fees and other fees" includes (i) the flat fee charged for the connection works, (ii) the fee based on the requested capacity, (iii) the meter installation fee, (iv) the fee for the detailed study, and (v) the internal wiring inspection fee. "Transformer-related fees" includes fees for (i) purchasing and installing the transformer and (ii) the transformer inspection. Data for Brussels are not considered official until published in the *Doing Business 2021* report.

WHAT CAN BE IMPROVED?

Streamline the approvals process for getting electricity

Entrepreneurs in Belgium face lengthy waits while distribution utilities coordinate the excavation works with other service utilities and obtain excavation authorizations. Although DSOs fulfill these requirements on the entrepreneur's behalf, this wait lengthens the overall electricity connection process. If lawmakers were to define the requirements and legal time based on project complexity, the total time for getting electricity could be reduced. Such an approach would expedite simple connections while allowing the approving agencies to focus on more complex projects. In the Netherlands, the Municipality of Enschede differentiates works in the public domain based on their length. Works involving a road crossing of fewer than 25 meters do not require authorization for excavation works on the public road.[76]

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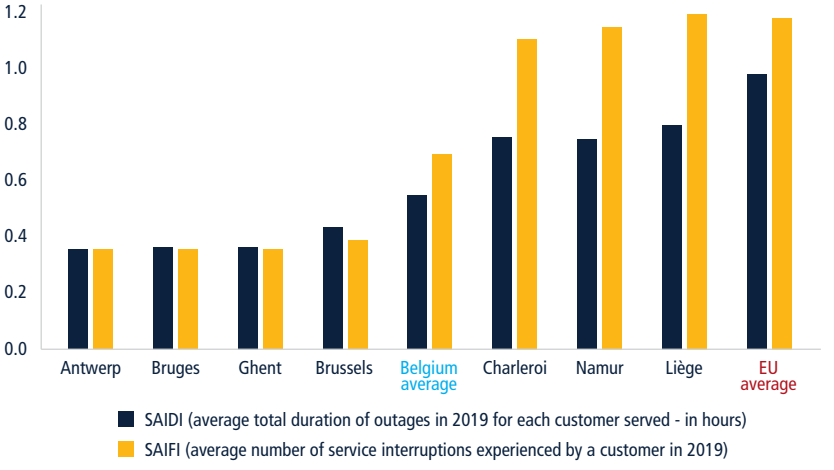
FIGURE 3.19 Charleroi, Liège, and Namur had the most frequent and longest power outages in 2019

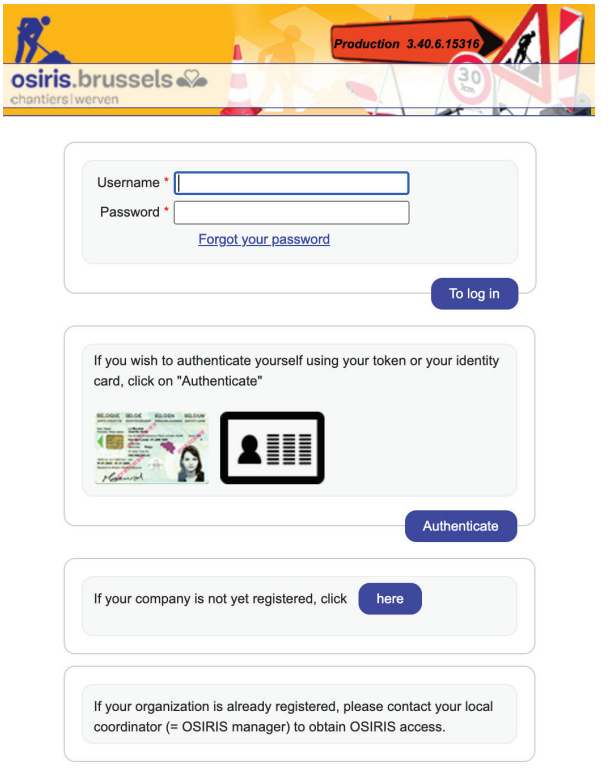


Source: Subnational Doing Business and *Doing Business* databases.
Note: Data for Brussels are not considered official until published in the *Doing Business 2021* report.

Belgium could also reduce the time to get electricity by streamlining the required approvals into a single authorization. Brussels already uses an integrated platform, Osiris, to simplify its approvals process. Through this platform, the distribution utility coordinates the excavation works with other service utilities and completes all requirements to begin the connection works (figure 3.20). However, even though Brussels has the most advanced and integrated platform of the benchmarked cities, the time to obtain all approvals is the same as in Wallonia (five weeks). Obtaining worksite approvals in Brussels can be institutionally and administratively complex. In other cities, users can only obtain some of the required authorizations through the online platform. For example, in Charleroi, Liège, and Namur, the DSO contractor obtains traffic signage approval from the local police department but uses the Powalco platform to launch worksite coordination and obtain road opening authorization. The GIPOD platform in Antwerp, Bruges, and Ghent is only used for worksite coordination purposes. A well-designed, integrated platform could eliminate the need for distribution utilities to interact with multiple offices regarding the same project.

To streamline the process of getting electricity, establishing online platforms—for example, like those introduced in 2017 by the French distribution utility, Enedis—is an option for Belgian authorities and utilities. Since Enedis adopted both externally and internally facing platforms, the time to obtain a connection has decreased by nearly three weeks. Externally, customers use the online portal to submit connection requests along with all supporting documentation. Internally, Enedis implemented a unified data management solution that allowed both the customer service department and the new connection department to receive and process connection requests. The system facilitates the internal tracking of applications, speeding the electrical engineer's analysis and allowing

FIGURE 3.20 In Brussels, distribution utilities obtain all authorizations through a single electronic platform



Source: Federal Contact Point for Cable and Conduit Information (https://www.osiris.brussels/Modules/Management/Pages/Login.aspx?ReturnUrl=%2f).

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them to respond faster to clients. It also allows the connection department to assign the external works to engineers in a more efficient manner.

To reduce new connection wait times, Belgium could study the experience of the United Kingdom. In 2017, the UK regulator, Ofgem, approved the Incentive on Connections Engagement (ICE) initiative to encourage distribution network operators to complete the external connection works faster. According to the ICE guidance, the utilities must provide data demonstrating that they have responded to their customers on time and according to their customer service engagement. DSOs can be penalized if they fail to meet these requirements. Moreover, one DSO, UK Power Networks, implemented a new software system, the ICP Design Fast Track and Approved Designer Scheme, that allows for direct contact with subcontractors and tracks their progress. The utility also introduced common design and planning requirements for the works and material specifications for subcontractors that carry out external works. As a result of these initiatives, UK Power Networks reduced the time to provide a new electricity connection by one month. It takes 46 days to complete the connection works in the United Kingdom, three times faster than the average of the seven Belgian cities benchmarked.

Introduce strict legal time limits for completing external connection works

All three Belgian regions have legal time limits for the processing of new connection applications by distribution utilities. Still, only Flanders stipulates a time frame within which the utilities must complete the external connection works.[77] In several EU member states, including Italy, the Netherlands, Poland, and Spain—all of which have legal time limits at the national level—the regulator fines utilities if they fail to complete the connection within the established limit. The lack of legally prescribed deadlines and automatic penalties for failure to comply allows utilities to delay the process. It is equally important legal time limits not be overly long.

Increase transparency and accountability by collecting and publishing statistics

It is critical that agencies involved in the process of getting electricity (municipalities, distribution utilities, electricity suppliers, local police departments, and so on) make data on processing times available publicly. Doing so allows entrepreneurs to estimate wait times accurately. In Austria, the regulator publishes a standardized electricity quality report, the Kommerzielle Qualität Storm, which includes cross-cutting data on the electricity connection process.[78] Data are collected annually from utilities through a questionnaire. The report contains data on application processing times and the time to complete a connection at different voltage levels, making the data easily comparable across cities and utilities. A similar data-driven report could help streamline Belgium's electricity sector—and help entrepreneurs and utilities set clear and realistic expectations. Data reporting could also serve as an indirect accountability measure to incentivize utilities to boost their performance.

Allow electrical suppliers to submit new connection applications

Allowing customers to apply for a connection through an electrical supplier—rather than directly through the distribution utility—reduces the number of procedures to get electricity. This approach combines two steps: applying for a new connection and signing the supply contract. In Italy, where getting electricity requires four procedures—two fewer than in Belgium—customers can apply through their chosen supplier. Belgian utilities and suppliers already share an internal platform, Atrias, to communicate about the connection works and supply contract.[79] The authorities could expand this platform to allow suppliers to notify the utility of a new connection request without the customer having to contact the utility first.

Review the cost of obtaining a new electricity connection and provide the option to pay connection fees in installments

New electricity connections in Belgium can be expensive. Medium-voltage connections are particularly costly because customers must purchase and install a transformer before the utility connects the warehouse to the network. The cost represents a financial burden for most SMEs. Distribution utilities also charge a fee—considered high by global standards—to prepare a detailed study as part of the application process. Utilities in 23 other EU member states do not charge application-related fees according to *Doing Business* data. Some economies subsidize part of the connection process. In France, for example, an electricity connection is relatively inexpensive (EUR 2,156). The cost is significantly lower in part because the federal government requires municipalities to finance a portion of the connection costs, reducing the upfront cost to entrepreneurs.[80]

Allowing customers to pay connection fees in installments or after the connection works are finalized would benefit entrepreneurs. In Brussels, Charleroi, Namur, and Liège, the connection works start after the client has paid the connection fee in full. Local good practices are already in place in Belgium: customers in Antwerp, Bruges, and Ghent pay the distribution utility only after the external connection. Belgium could look to Croatia, where the external works start once the entrepreneur has paid at least 50% of the connection fee.[81] The remaining 50% is paid shortly before the connection is electrified.

Replace third-party certifications with compliance self-certification

Entrepreneurs in Belgium must hire an external agency to inspect the warehouse's internal wiring and certify the transformer after installation. These agencies issue a certificate stating that the installation was done in accordance with regulatory and safety standards;

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this certificate is required to complete the process of getting electricity. According to *Doing Business* data, 15 EU member states—among them Denmark and Germany—allow entrepreneurs to self-certify, eliminating the need for third-party certification. Third-party certifications can be eliminated when certified electrical contractors complete the electrical network wiring and assume responsibility for certifying their work's quality and regulatory compliance. The same could apply to transformer installation certification. This change would reduce the time and procedures to get electricity in Belgium without compromising safety. Proper regulation of the electrical engineering profession is key when introducing such a measure. Legal provisions specifying qualification requirements and professional liability parameters should accompany a self-certification system.

Improve the reliability of electricity supply

Most EU member states, including Belgium, impose financial penalties on distribution utilities for failing to provide a reliable electricity supply to their customers. Financial penalties create incentives for distribution utilities to maintain supply reliability throughout the year and across their entire service zone. However, financial sanctions alone are not enough. Minimizing the number and duration of power outages is critical for the economy and society. Understanding why the outage duration and frequency is higher in Charleroi, Namur, and Liège than in the other four Belgian cities benchmarked is valuable knowledge that the authorities could use to improve electricity supply reliability. A distribution utility is a final link in the supply chain for electricity; many actors play key roles in generation, transmission, and distribution. Moreover, multiple interdependent factors directly affect reliability. Evidence suggests that investment levels in electricity generation, tariff levels and bill collection rates, the operational efficiency of the utilities, and the overarching regulatory framework are key factors in determining supply reliability.[82]

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Registering Property

The government's Coperfin Reform, which started in 2000, aimed to modernize the structure and operations of FPS Finance.[83] The General Administration of Patrimonial Documentation (GAPD, Administration générale de la Documentation patrimoniale/ Algemene Administratie van de Patrimoniumdocumentatie), part of FPS Finance, became the principal government agency responsible for property registration and land administration system management. The GAPD encompasses four administrations,[84] including the Administration for Measurements and Assessments (Cadaster)—responsible for updating the cadastral plan, assigning an identification number to every plot, and allocating a cadastral income to each property—and the Administration of Legal Security, which levies and collects registration fees and updates patrimonial documentation.[85] The Administration of Legal Security, which was reorganized in May 2018, operates 48 Office of Legal Security branches nationwide, replacing the previous Mortgage Offices.[86]

On average, property registration is fastest and least expensive in Flanders

Property rights in Belgium are regulated at the federal level.[87] Registering a property is easiest in Bruges and Ghent and most cumbersome in Namur and Brussels (table 3.8). The process can be completed in just 35 days in Bruges and Ghent, significantly less time than in Brussels (56 days). On average, entrepreneurs pay EUR 51,641[88] more to register a property in Brussels, Charleroi, Liège, and Namur than in Antwerp, Bruges, and Ghent. This cost variation is primarily due to higher regional registration taxes in the Brussels-Capital Region and Wallonia (12.5% of the property value compared to 10% in Flanders).[89]

Registering property in Belgium takes longer and is more expensive than in most other EU member states

In Belgium, a property transfer between two domestic private companies requires eight procedures taking on average 42 days at a cost of 11.6% of the property value. Entrepreneurs registering a property in Belgium complete more procedures in more time and at a higher cost than the EU average.[90] It takes longer to register a property in only three EU member states: Germany, Slovenia, and Poland. In the European Union's best-performing economies on the subidicator 'procedures'—Portugal and Sweden—property registration can be completed in one procedure; in the Netherlands, it takes just three days. The cost to transfer a property in Belgium is more than twice the EU average, making it the second most expensive economy in the EU to register property (after Malta). With 23 points out of 30, Belgian cities perform well on the quality of land administration index, just above the EU average (22.9 points) (figure 3.21).

TABLE 3.8 Registering property in Brussels is most costly and takes the longest of all benchmarked cities

City	Rank	Score (0–100)	Procedures (number)	Time (day)	Cost (% of property value)	Quality of land administration index (0–30)
Bruges	1	58.52	8	35	10.2	23
Ghent	2	58.52	8	35	10.2	23
Antwerp	3	57.80	8	41	10.2	23
Charleroi	4	53.76	8	40	12.7	23
Liège	5	53.64	8	41	12.7	23
Namur	6	53.28	8	44	12.7	23
Brussels	7	51.84	8	56	12.7	23

Source: Subnational Doing Business and *Doing Business* databases.

Note: Rankings are calculated on the basis of the unrounded scores, while scores with only two digits are displayed in the table. Rankings are based on the average scores for the procedures, time, and cost associated with registering property as well as for the quality of land administration index. The score is normalized to range from 0 to 100 (the higher the score, the better). For more details, see the chapter "About *Doing Business* and *Doing Business in the European Union 2021: Austria, Belgium and the Netherlands*." Data for Brussels are not considered official until published in the *Doing Business 2021* report.

Registering property requires the same eight procedures across all Belgian cities

Although parties can legally agree to sell a property without a notarial act via a private contract—which the buyer or seller must then register within four months with the Office of Legal Security—such an act cannot be transcribed and is not opposable to third parties in case of a dispute.[91] Most entrepreneurs hire a notary to obtain the necessary documents, draw up and authenticate the act of sale based on the agreement between parties, and register the transfer to ensure the opposability of the sale.[92] The documentation includes a zoning certificate from the municipality describing the property's location and listing the various permits and certificates, as well as an excerpt from the relevant Office of Legal Security verifying third-party rights over the property for 30 years.

The notary must also obtain tax certificates related to the seller's good standing from the tax administration at the federal, regional, provincial, and municipal levels, a clean soil certificate from the responsible institution at the regional level,[93] a cadastral excerpt, and a cadastral plan.

After the parties have signed the notarial act, the notary registers the act (box 3.5) and applies for its transcription within 15 days at the Office of Legal Security

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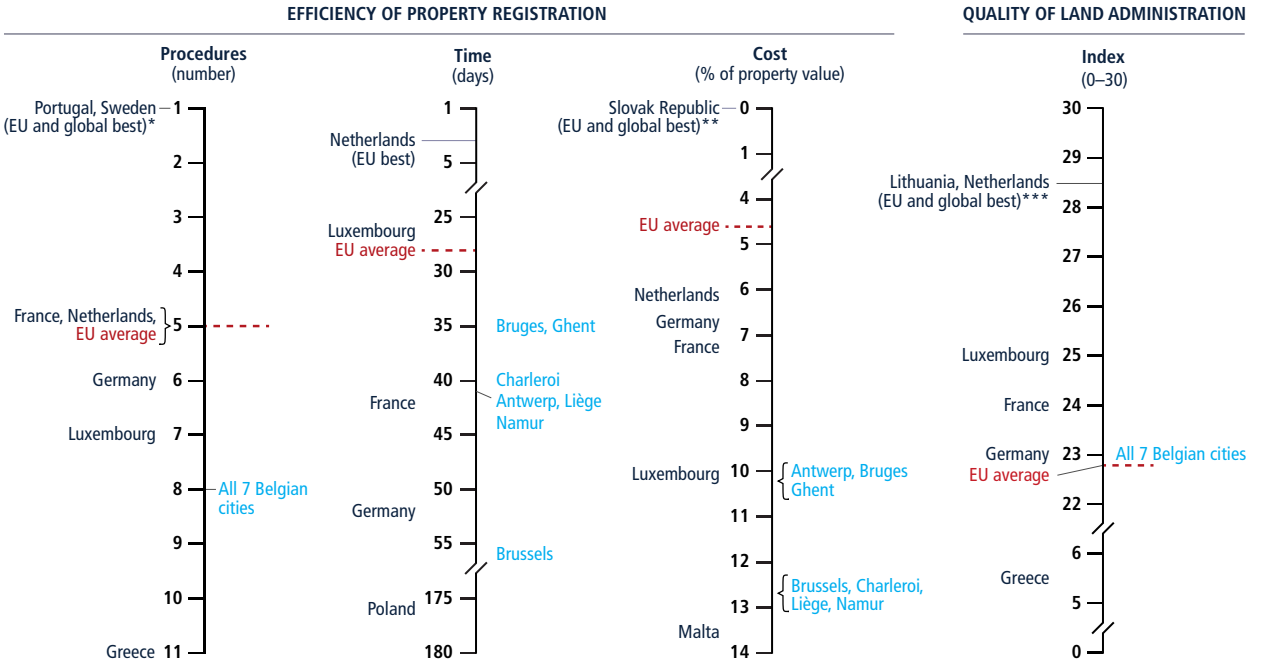
FIGURE 3.21 Belgian cities lag EU member states on measures of efficiency but perform well for land administration quality



Source: *Subnational Doing Business* and *Doing Business* databases.

Note: EU average uses economy-level data for the 27 member states of the European Union. Data for individual economies are for their capital city as measured by *Doing Business*. Data for Brussels, EU averages, and EU comparator economies are not considered official until published in the *Doing Business 2021* report.

* Georgia and Norway also have one procedure.

** Belarus, Georgia, Kazakhstan, Kiribati, and Saudi Arabia also have a cost of 0.0% of the property value.

*** Rwanda and Taiwan, China also score 28.5 points.

BOX 3.5 Notaries in Belgium completed most tasks for property registration electronically even before the COVID-19 pandemic

Over the past two decades, the work of notaries in Belgium has become increasingly digitalized. Today, a notary can request most due diligence documents online using the eNotariat portal[a] managed by the Royal Federation of Notaries (Fednot), which provides centralized access to government applications. Soon—once the reform allowing users to obtain the 30-year mortgage certificate via the self-service platform takes effect—notaries will only need to request the municipal zoning certificate individually for all cities (each municipality operates its own process). In the Brussels-Capital Region, notaries must also request the clean soil certificate directly from the Brussels Environment Agency's website. In contrast, in Wallonia and Flanders, these certificates are obtained via the regional agency platforms integrated in eNotariat.

The COVID-19 pandemic spurred further changes. Until 2020, the parties needed to sign the notarial act in person at the notary's office. However, to facilitate the continuation of property transfers during COVID-19, the authorities enacted a new law[b] containing various provisions relating to the notarial profession and enabling the execution of an authentic digital power of attorney by videoconference. As a result, the parties must no longer appear in person before the notary to execute a power of attorney or the notarial act for which a power of attorney is granted.[c]

a. The eNotariat portal, launched in 2001, links and integrates notary software packages, providing notaries with applications to simplify their administrative load across practice areas in partnership with federal and regional government agencies. For property transfers like the *Doing Business* case study, the eNotariat portal offers notaries a centralized platform to request and obtain tax notifications, clean soil certificates (for Flanders and Wallonia), and cadastral records as well as for the registration and transcription of the notarial act. The eNotariat portal can be accessed at https://www.e-notariaat.be/tb/html/pages?TAM_OP=selectidp&code=1fa9c21b-98d3-4874-92c4-ac0701244150&comparison=EXACT&relaystate=f1171977-5dbb-4f81-869a-d24766241c8f&authnmethod=28.

For more information on the resources made available by Fednot, see https://www.fednot.be/.

b. Act of April 30, 2020 (*Belgian Official Gazette* May 4, 2020) amending Article 18quinquies Ventôse Act (the organic law on the notary's office).

c. The parties can identify themselves with the app 'Itsme' (a mobile app allowing identification verification through a fingerprint or access code (https://www.itsme.be/en/) or with a card reader using e-ID (the Belgian electronic identity card) and the correct pin code. See https://finance.belgium.be/en/faq/creating-and-stopping-power-attorney#q1.

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to ensure the act's opposability by third parties (figure 3.22).

The time to obtain certificates and the transcription and registration of the notarial act drive variations in time

Variations in time mainly stem from differing procedures to obtain the municipal zoning certificate, receive the 30-year mortgage certificate from the Office of Legal Security, receive the clean soil certificate from the regional database, and the time for the signed notarial act to be registered and transcribed at the Office of Legal Security (figure 3.23).

The time to obtain the zoning certificate varies most, ranging from 14 days in Bruges and Ghent to 30 days in Brussels. In all seven cities, the notary requests the zoning certificate directly from the municipality. However, procedures vary for submitting, processing, and releasing the certificates. Liège is the only city where the notary requests and also receives the zoning certificate by registered mail. In Charleroi and Namur, the municipality has recently allowed for requests to be made by email, but certificates are returned via regular mail (table 3.9). Delivery times are shorter in municipalities where notaries can obtain the certificate electronically, whether through a designated portal or by email.

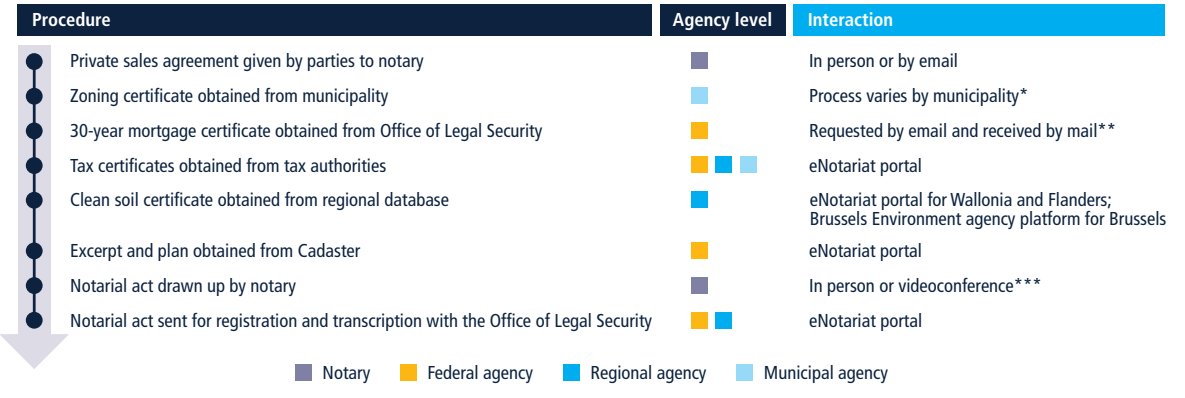
Depending on location, it takes between 15 and 19 days to receive the 30-year mortgage certificate from the Office of Legal Security. This process takes slightly longer in Brussels (due to the high number of transactions and bilingualism) and Antwerp (due to understaffing).[94]

The time to obtain the clean soil certificate from the regional authorities is also longer in Brussels than in the other cities, taking 10 days on average. In contrast, it is available online immediately for cities in Wallonia and takes two days on average in cities in Flanders.[95] In Brussels—which receives roughly 30,000 requests for clean soil certificates annually[96]—notaries submit and receive their certificate online through the BRUSOIL web platform. Manual processing may be needed for land plots without data in the system.

The time for the transcription and registration of the property title with the Office of Legal Security also varies significantly among the benchmarked cities. Once the parties have signed the notarial act, the notary submits the signed act to the local Office of Legal Security for recording and transcription in the public registers, making the transfer opposable to third parties.[97] The notary must file the notarial act with the Office of Legal Security within 15 days.[98] Otherwise, the notary will be fined.[99] The notary sends the notarial act's metadata[100] to the Office of Legal Security using the eNotariat eRegistration application.[101]

At the Office of Legal Security, the Mortgage Office Documentation team verifies and accepts the initial information[102] sent by the notary before forwarding it to the Registration Service. Once both services have verified the documentation and approved it in their respective systems, the notary receives two electronic stamps confirming the transcription and registration of the notarial act. Applications are processed fastest in Charleroi and Liège (eight and nine days, respectively). The same process takes 18 days in Antwerp, reportedly due to staffing shortages;[103] it takes the longest in Brussels (23 days).

FIGURE 3.22 Transferring property in Belgium involves interactions with federal, regional, and municipal public agencies



Source: *Subnational Doing Business* and *Doing Business* databases.

Note: Data for Brussels are not considered official until published in the *Doing Business 2021* report.

* Zoning certificates requested and received via online portal, email, or mail, depending on the municipality. See table 3.9 for more details.

** At time of data collection, 30-year mortgage certificates were requested by email and delivered by mail. Following the Royal Decree of November 11, 2019, a reform is underway with the creation of a self-service platform for notaries to allow them to obtain mortgage certificates online from the relevant Office of Legal Security. Implementation of the reform is expected by spring 2021. As an intermediate measure, since December 2020, notaries have the option of receiving the 30-year mortgage certificate directly in their My e-Box application. This secure, electronic mailbox can receive, store, and manage official documents sent on behalf of government institutions and agencies. The intermediate measure was used sporadically in practice at the time of publication.

*** Since May 4, 2020, parties can grant an authentic digital power of attorney to sign the notarial act on their behalf.

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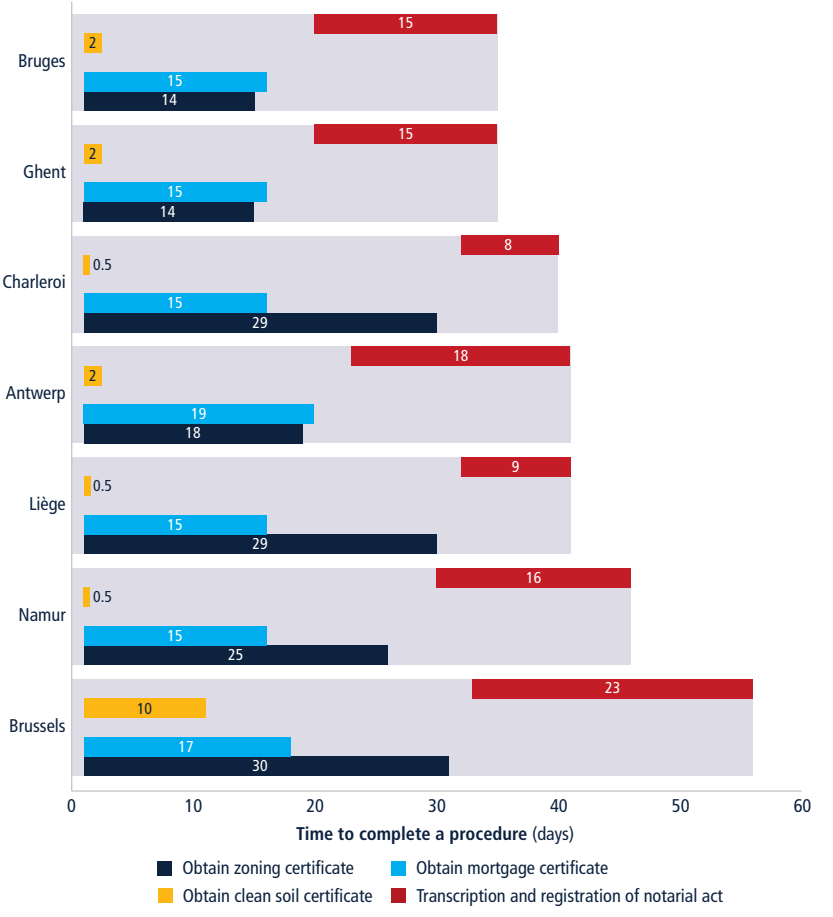
FIGURE 3.23 Obtaining the zoning certificate and transcribing the notarial act are the procedures with the greatest variations in time



Source: Subnational Doing Business and *Doing Business* databases.

Note: In Wallonia (Charleroi, Liège, and Namur), users can obtain the clean soil certificate immediately online. Data for Brussels are not considered official until published in the *Doing Business 2021* report.

TABLE 3.9 Delivery times are faster in municipalities that allow the electronic issuance of zoning permits

City	Certificate request by notary	Certificate received by notary	Delivery time (days)
Bruges	Online platform*	Online platform	14
Ghent	Email	Email	14
Antwerp	Online platform**	Online platform	18
Namur	Regular mail or email	Regular mail	25
Liège	Registered mail only	Registered mail	29
Charleroi	Regular mail or email	Regular mail	29
Brussels	Email	Regular mail	30

Source: Subnational Doing Business database.

Note: The legal time frame to deliver the zoning certificate is the same in all municipalities (30 calendar days).

* In Bruges, notaries can submit and receive their request for a zoning certificate via the online platform (https://www.brugge.be/vastgoedinfo).

** In Antwerp, the application and processing procedure for both the urban planning information and urban planning extract are entirely digital. Notaries can submit and receive the certificates through the online platform (http://vastgoed.antwerpen.be/aanvraag/aanvraagnotaris.aspx).

Properties with a higher sale turnover and multiple owners slow processing times at the Brussels Offices of Legal Security.

Registration taxes make up the largest portion of the cost to transfer a property

The cost of registering property comprises the regional registration tax,[104] other fees set at the national, regional, and municipal level, and notary fees. The regionally set registration tax is levied against the property value and paid by the buyer. This tax, which ranges from 10% in Flanders[105] to 12.5% in Wallonia and the Brussels-Capital Region,[106] constitutes 98.1% of the total cost to transfer a property in Antwerp, Bruges, and Ghent, and 98.5% in Brussels, Charleroi, Liège, and Namur (figure 3.24). Among the cities benchmarked, Bruges records the lowest overall cost to transfer a property (EUR 210,740) and Brussels the highest (EUR 262,451).[107]

Before signing the notarial act, the buyer must pay all fees, including registration tax, to the notary. Once the act is signed, the notary pays the registration tax by bank transfer, usually via an outstanding account with the Office of Legal Security and sends the metadata for the transcription of the act to the Office of Legal Security. In Brussels and Wallonia, the buyer pays the registration tax before requesting transcription processing; if they do not, the registration office rejects the request after four days. In Flanders, where the payment has not been a prerequisite for registration since 2016, the notary receives a tax assessment from the Flemish tax administration (VLABEL) following registration with the Office of Legal Security.[108] The notary pays the registration tax in the VLABEL's account no later than the last day of the month; otherwise, the notary is charged a late payment and interest.

Notary fees, which are standard across Belgium and determined on a degressive scale,[109] make up the second-largest component of the cost to transfer property. Nationwide, they total EUR 3,484.83,

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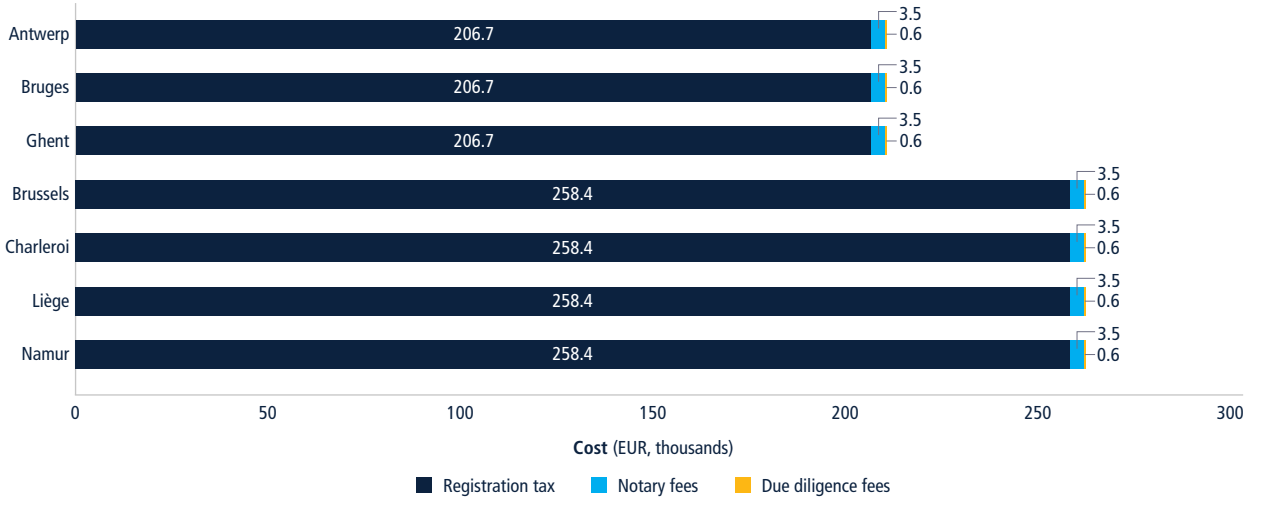
FIGURE 3.24 Registration tax represents 98% or more of the total cost of transferring property



Source: Subnational Doing Business and *Doing Business* databases.
Note: Data for Brussels are not considered official until published in the *Doing Business 2021* report.

representing 1.33% of the total cost in Brussels and Wallonia and 1.65% in Flanders. Due diligence fees for notary research before drafting the notarial act comprise the remaining cost (ranging from EUR 554 in Charleroi and Liège to EUR 638 in Ghent). In all cities, the fees associated with federally-mandated procedures—whereby the notary obtains documents from the Office of Legal Security, Internal Revenue, and Cadaster[110]—and the final registration fee charged by the Office of Legal Security for the transcription of the notarial act total EUR 473.80.[111] The fee for the clean soil certificate, set regionally, varies from EUR 30 in Wallonia to EUR 38 in Brussels-Capital region and EUR 54 in Flanders.[112] An administrative fee for issuing the municipal zoning certificate is the only local fee associated with the property transfer process. This fee is highest in Ghent (EUR 110); the other benchmarked cities charge between EUR 30 (Bruges) and EUR 90 (Antwerp).

Belgian cities perform on par with the EU for quality of land administration, but there is room for improvement

All Belgian cities benchmarked score 23 out of 30 points on the quality of land administration index. The index measures five dimensions: reliability of infrastructure, transparency of information, geographic coverage, land dispute resolution, and equal access to property rights.[113]

On the reliability of infrastructure component, which measures whether the land registry and mapping system (Cadaster) have adequate infrastructure to guarantee high standards and reduce errors, all Belgian cities score 6 out of 8 points. Although all maps are kept in a fully digital format at the Cadaster (Administration for Measures and Assessments), many titles are only scanned at the immovable property registry (Office of Legal Security). Belgium has had an electronic database for checking encumbrances in electronic format for the past 20 years—fully digitalizing all land titles would increase the system's reliability, allowing the benchmarked locations to obtain the maximum score for this component. In addition, although the Cadaster and Land Registry maintain separate databases, they are linked and integrated into a single database, PATRIS (Patrimony Information System), facilitating the correlation of property data.

All Belgian cities score 3 out of 6 points on the transparency of information component, which measures whether and how the land administration system makes land-related information available to the public. Anyone who pays the official fee can obtain information on land ownership from the Administration of Legal Security. Also, FPS Finance makes fee schedules for all types of property transactions publicly available on its website.[114] However, the Administration for Measurements and Assessments does not set a clear deadline to deliver the updated cadastral map when necessary. And the Office of Legal Security does not publicly commit to delivering a legally binding document that proves property ownership within a specific timeframe. Furthermore, official statistics tracking the number of transactions are not publicly available. Finally, despite having a specific and separate mechanism for filing complaints with the Office of Legal Security, there is no mechanism for problems arising with the Cadaster, which is also housed under the General Administration of Patrimonial Documentation.

The geographic coverage component measures the extent to which the land

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registry and mapping system provide complete geographic coverage of privately held land parcels. All Belgian cities score the maximum points on this component (8 out of 8 points) as all privately held land plots are mapped and registered.

The land dispute resolution component measures the accessibility of conflict resolution mechanisms and the extent of liability for entities or agents recording land transactions. It also considers how efficiently the courts (as a last resort) handle disputes. All Belgian cities perform well on this component, scoring 6 out of 8 points. Property disputes that go to court in Belgium are resolved relatively quickly (1–2 years). Establishing a compensation mechanism to cover losses incurred by potential mistakes in the information provided by the land registry (Office of Legal Security) and publishing statistics on land disputes would allow the benchmarked locations to improve their scores for this component.

WHAT CAN BE IMPROVED?

Fully implement existing regulation enabling notaries to obtain the mortgage certificates online

In 2019, Belgian authorities took a significant step to digitalize the land transfer process by adopting a regulation allowing notaries to obtain the mortgage certificate online.[115] However, implementation remains pending; getting the paper mortgage certificate and having it delivered by post still takes between 15 and 19 days in the benchmarked cities. Although technical and legal aspects were reportedly resolved—allowing the system to go live in spring 2021—it is too soon to assess how the system works in practice. Belgian authorities could conduct an outreach and communication campaign to stimulate uptake.

Assess the possibility of streamlining and fully digitalizing notary interactions with FPS Finance

Notaries interact with FPS Finance four times during the property registration process. Three of these interactions are at the due diligence stage. The notary requests the 30-year mortgage certificate from the Office of Legal Security, the cadastral excerpt from the Cadaster, and the federal tax notifications from the Internal Revenue Service—all of which are housed under FPS Finance. FPS Finance could assess the possibility of establishing a one-stop shop for notaries to obtain the mortgage certificate, cadastral excerpt, and tax certificates in one interaction.

In Italy, the land registry and cadastral databases are linked, allowing notaries to conduct both the title search and the cadastral search in a single step. When applying to register a new deed, notaries use a single online form (Adempimento Unico Telematico) to lodge records and register ownership rights online. In a single electronic transmission digitally signed by the notary, the following information is sent: (i) data concerning the payment of taxes; (ii) the offices of destination (Tax Agency for tax registration, Land Agency for the Land Registry and Cadastral office (jointly)); (iii) the certified copy of the deed with attachments. Taxes are credited directly to the central Revenue Office, and the various offices retain the competence to verify the correctness of the payment. Land registry and cadastral information are updated automatically. Such system integration facilitates rapid property transfers, which in Italy take only four procedures in 16 days.

Reduce the time to get the municipal zoning certificate

The benchmarked cities can reduce zoning certificate delivery times. As a first, short-term step, Liège can explore the possibility of allowing the notary to request certificates by email and along with Brussels, Charleroi, Namur consider returning them via the secure My e-Box application. Doing so would accelerate the process by eliminating the need to send documents via postal mail.

Establishing online portals to request and deliver the zoning certificate electronically could also benefit the benchmarked cities. Antwerp and Bruges have existing electronic platforms that allow users to request the certificate. Fully electronic systems reduce the administrative burden on municipal staff by directly entering the requested data into the system (eliminating the need to process paper forms). When considering whether to set up such a platform, cities should assess their existing IT systems to identify potential upgrades that would speed the search for the required certificate information. Owing to a lack of IT system integration, the process in Liège is cumbersome despite the city's use of electronic platforms. First, municipal agents consult the GIG portal (a paid service with regional jurisdiction), which automatically generates the certificate layout. Then, before completing the certificate manually, the agent accesses the city's URBAN software (containing permit files) to locate information on any previous permits associated with the property (back to 1977) and any planning violations. The URBAN and GIG systems could be linked to allow the automatic entry of municipal data.

Finally, all cities could consider offering a fast-track procedure for an extra fee. Brussels has an expedited procedure, but it only applies to judicial sales of property.

Assess the feasibility of lowering registration taxes for property transfers

Property transfer taxes are an important source of government revenue. But when transfer fees and taxes are too burdensome, entrepreneurs may undervalue their property. With the regional registration tax set at 10% of the property value in Flanders and 12.5% in Brussels and Wallonia, the average cost to transfer property is 11.6% of the property value, more than twice the EU average. Belgium could consider lowering registration taxes to make property transfers more affordable and more attractive for property investment.

The authorities could conduct revenue impact studies and tax simulations to

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assess whether the property transfer tax rate could be reduced in a way that is revenue neutral or revenue positive. Over the past decade, more than 50 economies worldwide lowered transfer taxes and other government fees related to property registration. Croatia lowered its property transfer tax in 2017 from 5% of the property value to 4%. Greece also reduced its property transfer tax, lowering it from 10% of the property value to 3%. And, in 2005, Slovakia stopped levying tax on property transfers altogether. Property purchases are subject only to VAT, income tax, and yearly municipal tax.[116]

Consider introducing a fast-track procedure for the transcription of the notarial act for an extra fee

The Office of Legal Security processes applications for transcription of the notarial act in the order in which they are received, and all applicants pay the same transcription fee of EUR 220. Although the Office of Legal Security sets an internal processing time frame, the time for notarial act transcription can vary depending on the complexity of the transaction and the office's workload of the office.[117] There is currently no fast-track procedure to submit the data and pay the fees.

The authorities could consider establishing a fast-track application processing procedure for an extra fee. Other European economies have introduced similar procedures with positive results. In Lithuania, it typically takes 10 business days to complete registration with the Real Estate Register. Entrepreneurs who wish to have their property registered sooner can pay a higher registration fee for faster service: 30% more than the standard fee for registration in three business days, 50% more for registration in two business days, and 100% more for registration in one business day. Similarly, in Portugal, entrepreneurs can register their property in one to two business days by paying a 100% markup on the registration fee.

Increase transparency by publishing the list of documents required to complete property transfers and official statistics on land transactions

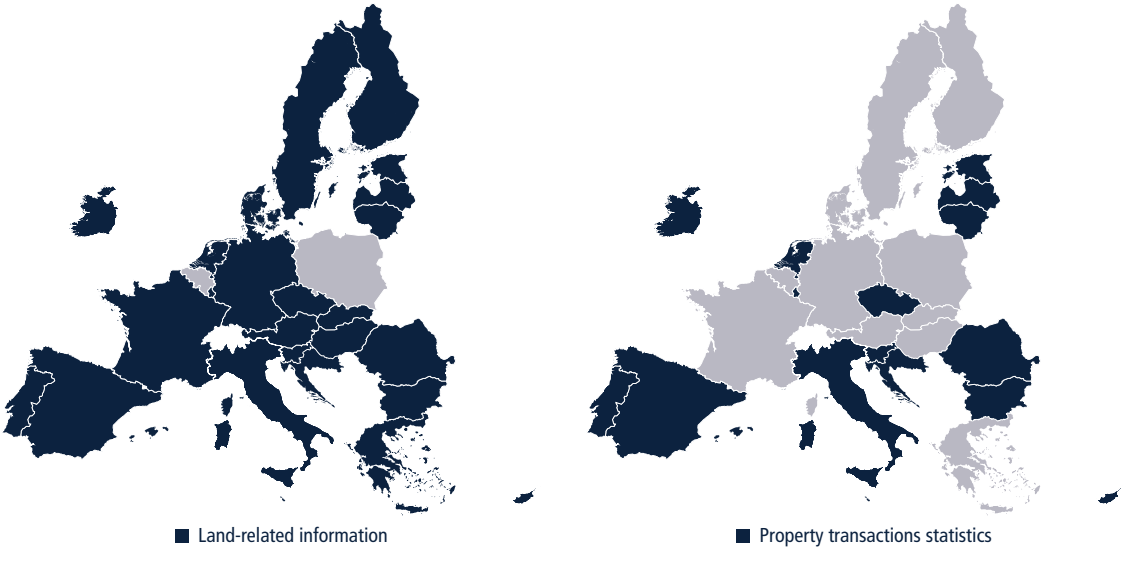
The authorities do not publish a comprehensive list of the documents required to transfer property in Belgium on the FPS Finance website.[118] Belgium and Poland are the only EU member states that do not publish this information. Making the list of documents and requirements to complete a property transfer publicly available removes informational discrepancies and improves transparency. Publishing this information also allows the parties to begin gathering the required documents even before contacting the notary, reducing the time between the signing of the private act and the notarial act. Given the delays in obtaining the zoning certificate, the seller could request this document when putting the property up for sale.

Publishing information on land transactions (number, type, and value) would allow third parties to determine property ownership and study real estate market trends. It would also strengthen a culture of accountability in the Office of Legal Security. In the European Union, 16 out of 27 economies publish property transfer statistics (figure 3.25). Land registries in Lithuania, Norway, and Romania—and many other EU economies—publish these statistics on a monthly basis.

Increase the transparency of the land administration system by collecting and compiling statistics on land disputes for each applicable local court

When land disputes occur, ensuring that they clear the courts quickly is

FIGURE 3.25 Most EU economies publish land-related information and property transaction statistics



Source: Doing Business database.

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important—citizens' resources should not be unnecessarily tied up in the legal system. However, Belgium does not make information on land disputes in the courts publicly available. Such statistics inform citizens about the court's true performance. They also provide the court with information on current bottlenecks and challenges that can inform future reform initiatives.

Court statistics should be published continuously and updated regularly. Authorities in Norway publish detailed and disaggregated statistics on land transactions and update them on each quarter. Croatia, Ireland, Slovenia, and the United Kingdom also publish court statistics on land disputes.

Introduce publicly available and binding service delivery standards for all services provided by the Office of Legal Security and Cadaster

The Office of Legal Security sets internal processing times for entering the data into the relevant mortgage and cadastral registries, but these are not public or binding. Although the Cadaster publishes binding deadlines to provide the cadastral excerpt (within 48 hours for automatically generated documents or 10 business days for others) on its website, there is no deadline for updating the cadastral map.[119] Both administrations could consider establishing deadlines and making them public.

Service delivery standards allow the beneficiaries of public services to know what to expect in terms of timeliness and accuracy. Economies that do not establish service tend to complete property transfers less efficiently (figure 3.26). Publishing this information—including clear definitions, indicators, timetables, and the names of officers in charge—would boost service quality, facilitate monitoring and evaluation, and strengthen citizen confidence in Belgium's institutions. The Netherlands, the Slovak Republic, and Sweden currently publish property transfer service standards.

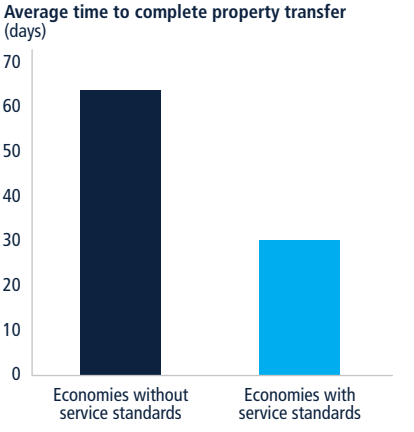
Establish a compensation mechanism to cover losses incurred by parties who engage in good faith property transactions

The state guarantees Belgium's immovable property registration system. However, no specific compensation mechanisms exist to cover losses by parties engaging in good faith property transactions due to erroneous information provided by the Offices of Legal Security. Instead, the courts typically settle these matters, which can be a costly and lengthy process. Some countries create funds to compensate parties suffering losses, especially when mistakes cannot be corrected without affecting bona fide titleholders. The United Kingdom has a statutory compensation scheme under which claims for indemnity are made directly to HM Land Registry. Parties can submit claims for mistakes in the register or other reasons, such as the loss or destruction of records. Similarly, the Irish Property Registration Authority allows claimants to file for compensation directly with them; the Swedish Land Code provides that the state compensate the claimant for losses in case of a mistake by the property registry.

Consider setting up a separate and specific mechanism to handle complaints regarding property mapping at the Cadaster

Belgium lacks a specific complaints mechanism for problems with the mapping of a land plot at the Cadaster. Currently, parties must file a complaint through the FPS Finance website or notify the Cadaster of a potential error via the customer service contact form or web support email address. Neither of these is independent. Having access to an independent and specific mechanism would be beneficial in several ways. First, having a mechanism specifically for property cases provides an appropriate level of attention to the real estate industry, a major component of the economy. Second, the mechanism's independence can increase efficiency in handling complaints and minimizing corruption or unnecessary disputes with land registry authorities. Third, correcting administrative errors in property registration reduces the potential of future legal disputes, which could become costly for both the plaintiff and the government.

FIGURE 3.26 Economies that publish service standards tend to be more efficient in completing property transfers



Source: Doing Business database.

The United Kingdom's Independent Complaints Reviewer (ICR)[120] is an example of good practice that Belgium could emulate. The ICR handles complaints related to the HM Land Registry only. The ICR—neither a civil servant nor an employee of the HM Land Registry—is funded by HM Land Registry but entirely independent.

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Enforcing Contracts

Social distancing measures during the COVID-19 pandemic led to the suspension of in-person court hearings around the world. Belgium's courts responded by expanding their use of technology, including electronic filing of complaints through the Digital Platform for Attorneys (DPA) and hearings by videoconference.[121] These temporary measures improved court efficiency and maintained access to justice.

Strong and efficient judicial institutions will play an important role in the path to economic recovery when the global pandemic ends. Efficient courts matter for economic activity because they increase the participation of firms and investors in the market.[122]

Commercial litigation in Belgium is faster and cheaper than the EU average

Enforcing contracts is most efficient in the city of Namur, where resolving the *Doing Business* case study's standardized commercial dispute is the fastest and least expensive (table 3.10). Contract enforcement in Namur takes 313 days, faster than any other EU capital as measured by *Doing Business*.[123] Across Belgium, it takes 430 days to resolve a commercial dispute—nearly eight months shorter than the EU average (653 days). Courts in all Belgian cities benchmarked enforce contracts faster than the EU average (figure 3.27). Even Belgium's slowest performance of 505 days (in Brussels) is faster than in 17 EU member states.

Enforcing contracts in Belgium is significantly less costly than the average in the European Union and globally. At 15.1% of the claim value, contract enforcement costs just three-quarters of the EU average (20.4%) and less than half the global average (32.9%). Any Belgian city would rank among the 10 least expensive EU capital cities measured by *Doing Business*. In Namur, enforcing a contract is less expensive (11.3% of the claim value) than every EU capital except Luxembourg (9.7%). At 14%, Ghent is similarly inexpensive, with contract enforcement costing more than only Luxembourg and Slovenia (13.5%) among EU member states.

Despite its relatively efficient and inexpensive contract enforcement process, Belgium lags other EU member states for the quality of judicial processes. This index measures whether an economy has adopted a series of good practices in its court system in the areas of court structure and proceedings, case management, court automation, and alternative dispute resolution. All benchmarked Belgian cities score 8 out of 18 points on this index, better than only the Netherlands among EU member states and 3.5 points below the EU average. Notably, Belgium scores just 1 out of 6 points on the case management component and 0 out of 4 points for court automation.

Belgium's commercial courts (Tribunal de l'entreprise/Ondernemingsrechtbank)[124] and commercial divisions of courts of first instance have jurisdiction to hear the *Doing Business* case—a breach of contract dispute between two companies valued at EUR 82,679 (200% of income per capita).[125] These courts are presided over by specialized judges (juges au tribunal de l'entreprise/rechters in de ondernemingsrechtbank), who are jurists appointed for life, and lay judges (juges consulaires/rechters in handelszaken), who are laymen, tradesman, and businessmen that temporarily assume a judicial function.[126]

Belgium has nine commercial courts, including two in Brussels (a French-speaking one and a Dutch-speaking one),[127] which consist of one or more divisions. Of the benchmarked cities, there is no standalone commercial court in Bruges, Namur, and Charleroi. Instead, dedicated divisions at the Ghent, Liège, and Hainaut commercial courts serve these locations.

The Judicial Code (Code Judiciaire/Gerechtelijk Wetboek) governs litigation in Belgium. Cases brought before the commercial court typically comprise three stages (figure 3.28).

In the first phase, the case is filed with the registrar (and the judge is notified),

TABLE 3.10 Enforcing contracts in Belgium: where is it easiest?

City	Rank	Score (0–100)	Time (day)	Cost (% of claim)	Quality of judicial processes index (0–18)
Namur	1	72.00	313	11.3	8
Charleroi	2	69.47	340	16.1	8
Antwerp	3	66.80	439	16.0	8
Ghent	4	66.71	470	14.0	8
Liège	5	66.29	460	15.9	8
Bruges	6	65.55	485	16.0	8
Brussels	7	64.85	505	16.4	8

Source: Subnational Doing Business and *Doing Business* databases.

Note: Rankings are calculated on the basis of the unrounded scores, while scores with only two digits are displayed in the table. Rankings are based on the average enforcing contracts score for time and cost associated with enforcing a contract, as well as for the quality of judicial processes index. The enforcing contracts score is normalized to range from 0 to 100 (the higher the score, the better). For more details, see the chapter "About *Doing Business* and *Doing Business in the European Union 2021: Austria, Belgium and the Netherlands.*" Data for Brussels are not considered official until published in the *Doing Business 2021* report.

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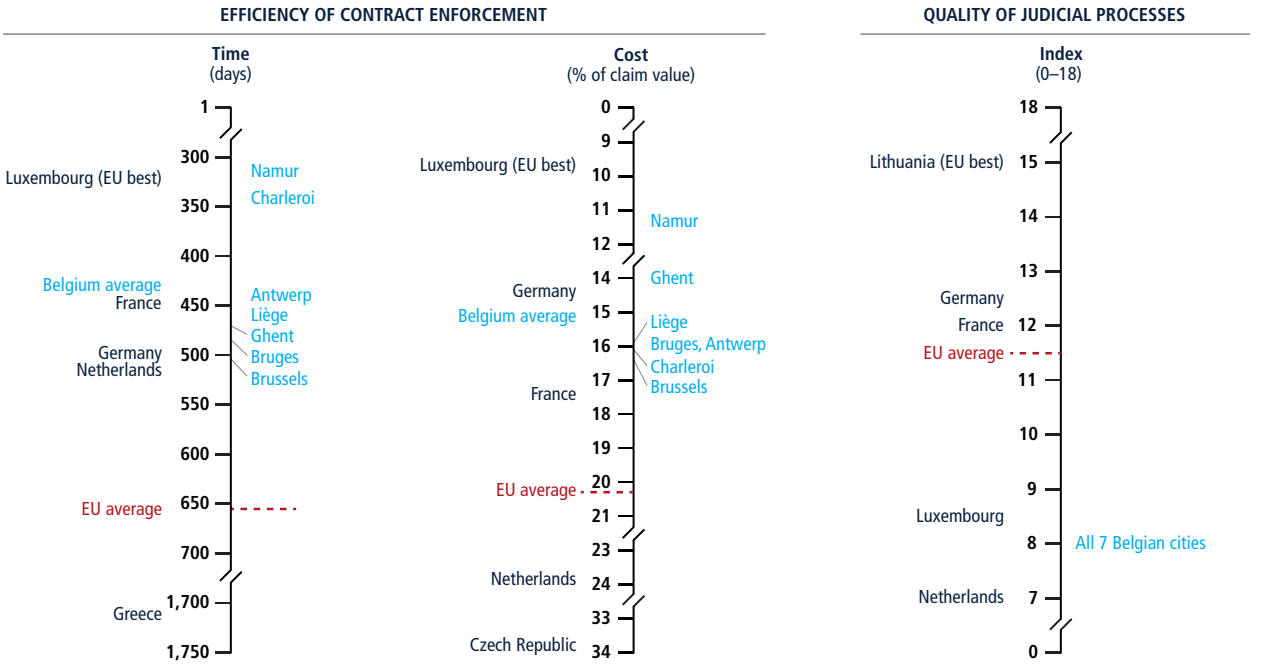
FIGURE 3.27 Contract enforcement is efficient, but there is room for improvement in the quality of judicial processes



Source: Subnational Doing Business and *Doing Business* databases.

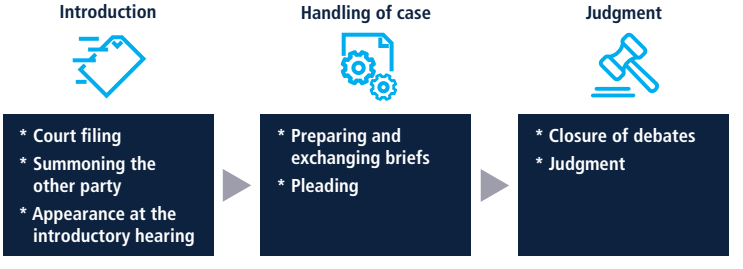
Note: EU averages use economy-level data for the 27 member states of the European Union. Data for individual economies are for their capital city as measured by *Doing Business*. Data for Brussels, EU averages, and EU comparator economies are not considered official until published in the *Doing Business 2021* report.

the court summons the defendant, and the parties meet at a preliminary hearing (audience d'introduction/inleidingszitting).[128] In commercial disputes, the bailiff serves a certified copy of the writ to the defendants in person. In ordinary proceedings, the service of process period takes a minimum of eight days under penalty of nullity.[129] The parties usually have a minimum of three weeks between the delivery of the summons and the preliminary hearing to prepare. The hearing generally serves the purpose of filtering out straightforward cases from those that require additional attention. At this hearing, the parties agree on a schedule to exchange briefs.[130]

Given the judge's high level of discretion in trial management, local practices influence trial dynamics. In some cities (Charleroi), the first hearing is an opportunity to gather evidence; in others (Antwerp, Ghent, and Bruges), the hearing is mainly used to agree on a pleading schedule to organize case proceedings. In Ghent and Bruges, cases are often referred to pleading sessions without prior investigation during the preliminary hearing, resulting in structural backlogs at the local divisions.[131] In the Dutch-speaking Brussels Commercial Court, the COVID-19-related suspension of preliminary hearings between March 13 and May 29, 2020, resulted in a sizeable case backlog.[132] Over the summer, however, the court held numerous "catch-up" sessions, ensuring that 2020 processing times remained similar to those recorded in 2019.

In the second phase of commercial case litigation, the parties exchange briefs and the case is deemed ready for adjudication.[133] For the *Doing Business* case study scenario, anywhere from two to four

FIGURE 3.28 Ordinary judicial administration before Belgium's Commercial Court consists of three steps



Source: Subnational Doing Business and *Doing Business* databases.

Note: Data for Brussels are not considered official until published in the *Doing Business 2021* report.

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hearings are required to make a judgment. COVID-19 lockdowns and social distancing measures facilitated a technological shift for these hearings that otherwise may not have happened so soon; many were conducted via videoconference during the pandemic for the first time.

In the third and final phase, the judge deliberates and pronounces a judgment after reviewing the evidence (including expert reports) and listening to arguments. Lawyers interviewed for this study commended the pragmatic approach of some Belgian judges toward evidence gathering. In Charleroi, for instance, judges have informed their judgments by going onsite, duly accompanied by a technical professional, to gather firsthand information. Court officials estimate that onsite assessments can expedite the trial.[134]

Following debate closure, the judge has one month to render the verdict.[135] However, the French-speaking Brussels Commercial Court falls short in this regard: in 2019, the court released less than half (48%) of verdicts within a month.[136] The Dutch-speaking Brussels Commercial Court performs slightly better (78% of cases), but even so, the court failed to meet the deadline in 22% of cases.[137] Within eight days of the verdict, the clerk sends an unsigned copy to each party or their lawyers by postal mail.[138]

Enforcement—a separate judicial process—is managed by a bailiff (huissier de justice/ gerechtsdeurwaarder), a private enforcement agent with the legal authority to execute court orders, seize debtor's assets, and organize auction sales.[139] Once the final judgment generates the execution title, which becomes fully enforceable after one month, the bailiff may attach the debtor's assets upon serving the debtor.[140] The sale of the debtor's assets can then proceed; this typically occurs in the bailiff's auction room, other public facilities, or electronically as determined by law.[141]

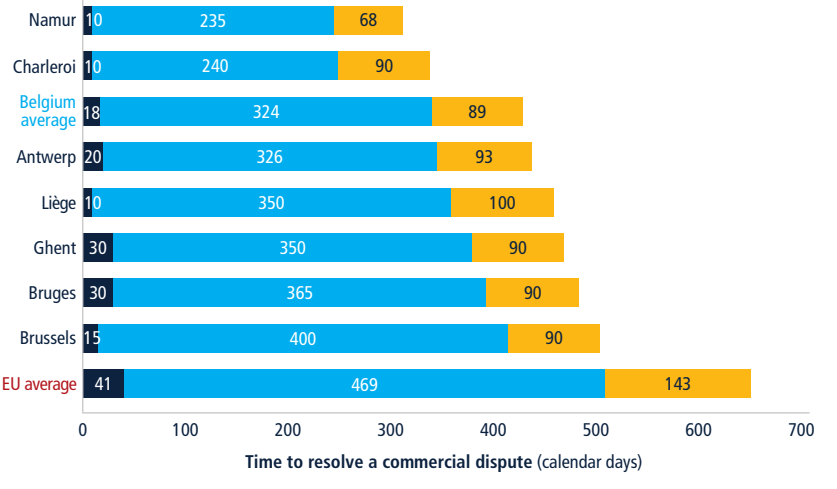
Contract enforcement is fastest in Namur and Charleroi and takes the longest in Bruges and Brussels

In Namur, the average contract enforcement trial is nearly seven months shorter than in Brussels, the Belgian city where contract enforcement takes the longest (figure 3.29). Adjournments are not granted easily in Namur. Hearing planning is usually agreed upon between the judge and parties during the introductory hearing. The judge only requires a meeting date before rendering a verdict. In Brussels, adjournments occur more frequently, and waiting periods between hearing dates tend to be longer (up to three months). In 2019, the Dutch-speaking Brussels Commercial Court suffered from several structural problems, including work overload and understaffing challenges.[142] Although the staffing rate of professional judges was 91% in Antwerp, 89% in Ghent, 94% in Liège, 90% in Hainaut, and 93% in the French-speaking Commercial Court in Brussels, the average staffing rate of judges in the Dutch-speaking Brussels Commercial Court in 2019 was only 64%.[143] The lack of magistrates slowed the speed of the judicial system.

Ghent's Commercial Court has separate divisions to hear commercial cases from Ghent and Bruges. According to contributors to this study, the process of integrating these two divisions—ongoing since 2013—remains incomplete. Furthermore, the court faces staffing challenges in 2021, with six judges assigned to the Ghent division but only three judges assigned to the Bruges division. Contributors report that judges tend to not weigh or filter cases effectively during the first hearing. Instead, cases are sent directly to pleading chambers. Furthermore, judge shortages may result in more adjournments. Judges are also reluctant to refer cases to alternative dispute resolution (ADR); an ongoing pilot project in Ghent encourages judges to take a more active role early in the judicial process.[144]

Antwerp also faces staffing issues in 2021. Staff shortages at the registry mean longer processing times for pleadings,[145] and judicial vacancies slow

FIGURE 3.29 The trial and judgment phase in Namur is six months shorter than in Brussels



Source: Subnational Doing Business and *Doing Business* databases.

Note: EU average uses economy-level data for the 27 member states of the European Union. Data for individual economies are for their capital city as measured by *Doing Business*. Data for Brussels and EU averages are not considered official until published in the *Doing Business 2021* report.

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contract enforcement. The shortage of judges is the result of too few candidates passing the October 2020 exam to become a judge (accès à la magistrature/magistratenexamen).[146] Since 2013, the number of candidates taking or passing the exam has fallen across Belgium. In 2020–21, only 33 of 48 open positions in Belgium were filled. To increase the number of candidates, the High Council of Justice added a second exam each year. Until demand can be fully met, substitute judges will continue to be called upon to prevent unnecessarily long determination periods and further suspensions of chambers.

In Charleroi and Namur—where courts are appropriately staffed—contract enforcement is relatively fast, particularly in the trial and judgment phases. Parties can typically schedule the introductory hearing within 10 calendar days, faster than in Bruges (three weeks), where judges have heavier caseloads.

The process initiates when the bailiff serves process.[147] During the COVID-19 pandemic, the government temporarily allowed the filing with the registry of complaints and petitions addressed to the judge, either by email from lawyers and bailiffs or through the electronic filing system (DPA-Deposit).[148] In practice, it takes between 10 and 30 days for lawyers in Belgium to prepare the complaint, register the claim with the court, and serve the defendant. With the process taking an average of 18 days across cities, filing and serving the complaint is significantly faster in Belgium than the EU average (41 days).

The time to complete the trial and judgment phase of the dispute, which drives the overall performance of courts across the country, varies mainly depending on the local courts' approach to adjournments, judge caseloads, and the availability of hearing sessions in the court schedule. The trial and judgment phase—the period between the moment a defendant is served and the moment a judge renders the decision—can range from 235 days in Namur to 400 days in Brussels, still faster than the EU average (469 days). Adding to trial delays caused by staffing shortages, in Antwerp, Ghent, and Bruges, experts often take up to six months to deliver their report, which is significantly longer than in Namur and Liège (where it takes three months at most). Organizational issues in Ghent and Bruges challenge the ability of judges to perform effective supervision of the expert's work. Consequently, experts take a longer time to compile their reports. In contrast, in Liège and Namur, where staffing is not an issue, judges closely monitor the expert's work and are more likely to visit the site to assess the situation firsthand.

The creditor works with the bailiff to enforce the judgment against the debtor's assets. The time required to enforce a judgment is largely determined by the type of attachment performed. The bailiff serves the debtor with a court order for attachment.[149] The sale may proceed after one month, normally in the bailiff's auction room.[150] Enforcement procedures take from 68 days in Namur to 100 days in Liège, two cities under the same court's jurisdiction. Differences are mainly the result of the higher workload of the 74 bailiffs working in the Liège judicial arrondissement (compared to 31 bailiffs in the less-populated Namur judicial arrondissement).[151] Enforcement time is similar across the other benchmarked cities, ranging from 90 days (Brussels, Charleroi, Ghent, and Bruges) to 93 days (Antwerp). There is no incentive for bailiffs to delay enforcement proceedings—their fees are fixed by Royal Decree.[152]

The low cost of contract enforcement across Belgium is the result of modest attorney and court fees (figure 3.30). Attorney fees, which comprise the bulk of the cost, are unregulated and tend to be lower in the Walloon cities.[153] In Flanders, where more than 60% of Belgian businesses are located, most lawyers specializing in business law operate in larger towns. For example, Ghent, a metropolitan area of 500,000 inhabitants, has only 50 business lawyers, whereas Antwerp has more than three times that number (165), despite the city having only twice Ghent's population.[154] Lower fees are likely the result of lower demand for judicial services on account of the presence of fewer commercial entities.[155]

The court fees required to start judicial proceedings in a commercial case are the lowest in the European Union and uniform across Belgian cities.[156] What varies across Belgian cities is the expert fee. Expert fees are slightly higher in Charleroi and Brussels. However, there is neither uniformity nor effective control over the expert's fees and expenses.[157] The parties and counsel can be hesitant to question the expert's statement of fees and expenses due to perceived dependence on the expert's goodwill in future appointments. As a result, they rarely challenge the statement of fees and expenses.[158]

Since February 1, 2019, clerks' offices can no longer require litigants to pay court fees (droit de rôle/rolrechten) before their case is filed. Instead, court fees are due and payable to the tax authorities when the final decision is issued.[159] Regardless of the value of the claim, all commercial courts impose the same court fee of EUR 165.[160]

Enforcement costs, which are regulated by Royal Decree, vary minimally from one court to another. They primarily depend on the cost to identify the defendant's assets and store the seized goods and the cost of organizing the public sale.[161] The client or bailiff advances the cost of organizing the sale; this amount is then deducted from the proceeds.

With the legal framework applied consistently nationwide, all Belgian courts follow the same judicial processes as measured by *Doing Business*.[162] All courts score 8 out of 18 possible points on the quality of judicial processes, below the global average of 8.8 points (figure 3.31).

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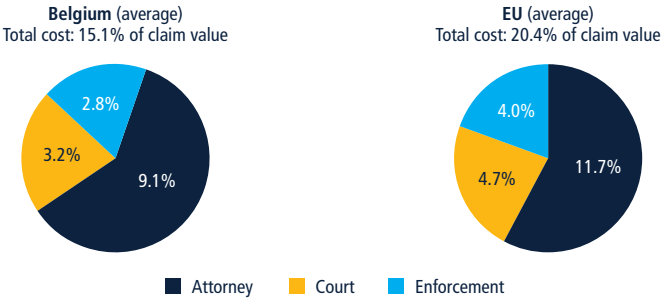
FIGURE 3.30 Attorney fees comprise the bulk of litigation costs in Belgium, which are lower than the EU average



Source: Subnational Doing Business and *Doing Business* databases.

Note: EU average uses economy-level data for the 27 member states of the European Union. Data for individual economies are for their capital city as measured by *Doing Business*. Data for Brussels and EU averages are not considered official until published in the *Doing Business 2021* report.

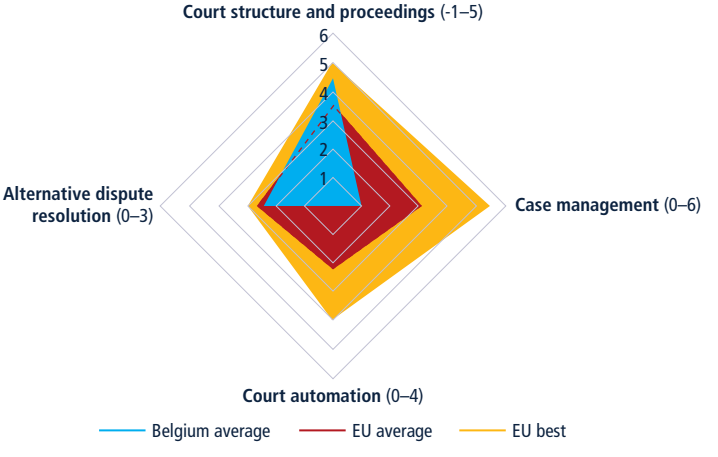
Notably, court automation in Belgium is not well developed.

The availability of electronic means for case management is among the lowest in the European Union.[163] However, some electronic features were allowed temporarily as part of the government's response to COVID-19. For example, system users could submit initial complaints or electronic court fee payments electronically between March 18, 2020, and March 31, 2021.[164] Previously, they had to be filed manually or paid in person. Furthermore, few commercial court judgments are published,[165] preventing litigants from fully assessing their rights.

Belgium also lags in case management techniques for judges, lawyers, and parties to a dispute. For example, although efforts are underway to manage cases more actively early on (during the preliminary hearing), Belgium does not offer pretrial conferences[166] in commercial litigation. The case management system also suffers from a lack of court digitalization. Paper files are the rule in Belgian courts—electronic case management systems are usually limited to the presentation of written arguments. Other standards for court structure and proceedings, and commercial arbitration regulation, are more in line with Belgium's European Union peers. For example, small claims courts are available, with a fast-track procedure that allows self-representation. Belgian litigants also have access to nine specialized commercial courts and divisions across the country, which supports consistency in the application of the law and increases predictability for court users. Like courts in 162 other economies worldwide, Belgian courts randomly assign cases to judges; this process is done manually in Belgium.

Regarding commercial arbitration, valid arbitration clauses are enforced in practice. Voluntary mediation is permitted, although there are no financial incentives to encourage ADR.[167]

FIGURE 3.31 The level of court automation and case management is low across Belgium



Source: Subnational Doing Business and *Doing Business* databases.

Note: The average for the European Union is based on economy-level data for 27 EU member states. Among EU member states, Croatia, Poland, and Romania score highest on the court structure and proceedings index. Latvia has the highest score on the case management index. Estonia, Lithuania, and the Slovak Republic, score highest on the court automation index. Germany, Hungary, Italy, Lithuania, Latvia, Poland, Romania, and Spain score highest on the alternative dispute resolution index. Data for Brussels, EU average, and EU best performance are not considered official until published in the *Doing Business 2021* report.

WHAT CAN BE IMPROVED?

Expand the use of virtual hearings and electronic document filing

In addition to fully staffing its courts, a main challenge for the Belgian judiciary will be to transition toward court automation. In response to the COVID-19 pandemic, a Royal Decree provided the legal framework for the temporary use of written arguments and the possibility of virtual hearing in place of physical hearings.[168] Judges can grant or deny the use of videoconferencing technology in their case, but the written procedure is recommended. Virtual meetings—lacking a set legal framework—are a secondary option and available only in special circumstances.

Providing the legal framework to make virtual hearings a permanent option to litigants would provide more flexibility in

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organizing litigation. Doing so could make it easier to agree on a suitable hearing date, reduce lawyers' waiting times at hearings, and eliminate commuting time to court. Furthermore, virtual hearings could reduce the impact of common circumstances that currently warrant a hearing adjournment (such as the unavailability of a hearing room or minor health condition of one of the parties). Belgium could follow the example of other economies with a legal framework allowing litigation to occur remotely. In Estonia, users can complete all steps of a legal dispute remotely, from initiating the case to the publication of the decision. During the 2020 COVID-19 lockdown period, around 61% of hearings were held online in Estonia, keeping constant the number of cases decided from the previous quarter (when there was no lockdown).[169] In Singapore, the Chief Justice of the Supreme Court cited time and cost efficiencies as the justification to resume most cases virtually (and continue virtually on a permanent basis).[170]

Introduce more e-features in courts, especially for commercial litigation and small claims

COVID-19 has highlighted the suboptimal nature of courts around the world. In many jurisdictions, the shift toward virtual justice is gaining momentum and improving court efficiency. However, with a low level of court automation, Belgium lags in this regard. The Belgian Judicial Code does not provide for electronic service of process or electronic payment of court fees. Although DPA-Deposit has been rolled out in recent years,[171] there is still no fully-fledged electronic case file system. The clerk's office of the Dutch-speaking Brussels Commercial Court still prints all procedural documents uploaded via e/DPA-Deposit and case-related communications sent via email and attaches them to the (traditional) paper file.[172] As a result, the benefits of automatization are limited, and understaffed registries are burdened with additional (and unnecessary) work.

Electronic features such as e-filing of cases, e-service of process, and e-payment of court fees can streamline and accelerate the process of commencing a lawsuit. But court automation has broader benefits. Electronic records tend to be more convenient and reliable. Reducing in-person interactions with court officers results in better access to courts. Furthermore, studies show that when electronic filing is implemented in courts, the accessibility of information increases and access to and delivery of justice improves considerably.[173] These features also reduce the cost to enforce a contract—court users save in courthouse visits, while courts spend less on storage costs, archiving costs, and court officers' costs.

To highlight those features that would be most helpful to the Belgian judiciary, a delegation of policy makers and selected judges could look to jurisdictions with more advanced automated court systems, such as Canada, Estonia, the Republic of Korea, and the United Kingdom. In the context of the Asia-Pacific Economic Cooperation Ease of Doing Business Action Plan,[174] Korea has provided assistance to Indonesia, Peru, and the Philippines, in this area. Korea has also hosted several workshops to share knowledge and provide technical assistance in the field of contract enforcement and judicial organization.[175]

Introducing new electronic features to Belgium's courts will require an accompanying public outreach campaign as well as training opportunities for its intended users. Early stakeholder engagement is essential to ensure that lawyers are aware of the new system, understand its benefits, and know how to use it. Making the new features mandatory is one way to promote the new system. Spain passed a law in 2015 mandating that all stakeholders involved in judicial proceedings use electronic communications through the existing LexNET system to present any document to the courts, including the initial complaint. In addition, the Dean of the Courts of Madrid approved an order whereby submission of paper documents would no longer be permitted after a certain date; instead, parties would have to file documents through the LexNET system.

Optimize the electronic case management system for judges and lawyers

Courts and lawyers in Belgium have used the DPA platform since June 2017.[176] The platform consists of the DPA-Box, the lawyer's personal archive system, and the DPA-Deposit, a digital tool permitting the exchange of briefs and documentation with the courts, confreres, or third parties.[177] The system has limited capabilities in its current state. Judges, for example, cannot send simple notifications or emails directly to lawyers. Lawyers cannot track the status of a case and are not able to file the case electronically or view court orders and decisions. The Belgian government issued a temporary measure in 2020 allowing the electronic filing of petitions or requests addressed to judges only in response to the COVID-19 pandemic.

Economies with virtual courts have effective electronic systems to support case management. Korea provides a comprehensive e-court system that allows judges to adjudicate up to 3,000 cases a year, manage up to 400 cases a month, and hear up to 100 pleas a month. Among other features, the system assists in writing judgments and can generate court orders semiautomatically.[178] Korea's system also maintains an electronic database of judicial files and decisions, which provides reliable recordkeeping and easy access to case law for interested parties. Lastly, the system ensures a random assignment of cases through an automated process, reducing the risk of lawyer influence in the selection of judges.

Set legal limits on the granting of adjournments

Part of good case management is establishing, together with the parties, a clear, reasonable, and realistic timeline for a case, as well as clear rules limiting the

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use of adjournments. However, timelines require rules to be enforced. As early as 1984, the Committee of Ministers of the Council of Europe advised against having more than two hearings (preparatory and trial hearing). It also recommended that adjournments should not be granted unless "new facts appear or in other exceptional and important circumstances."[179] Only nine EU member states (Belgium is not one of them) impose limitations on adjournments that are respected in practice.[180] Norway regulates adjournments strictly and ensures that hearings and trials are held as scheduled.[181] At the Tingrett Nedre Romerike District Court in Norway, the court's case administrators work actively to schedule cases within the set deadlines and targets, and lawyers are expected to conduct the case within official time limits. If the lawyer is unavailable, the administrators push for a transfer of the case to another lawyer at the same firm. The court's practice on adjournments is restrictive and mainly limited to illness documented by a doctor's certificate.[182]

Encourage alternative dispute resolution

Belgium has a robust framework for both arbitration and mediation,[183] but the courts could increase the use of these ADR mechanisms. Attorneys interviewed for this study suggest that ADR solutions could be promoted more effectively during the introductory hearing. Judges could take a more active role at the outset of the judicial process to identify cases that are good candidates for settlement. Mediation is generally a cost-effective mechanism for resolving disputes—it can reduce costs by eliminating attorney, expert, and court fees, as well as enforcement costs. It can also lower the number of cases heard by the courts.

One means of increasing the use of mediation is to automatically direct cases falling below a monetary threshold to mediation in an attempt at conciliation. Belgium could also consider providing financial incentives for the use of ADR; Italy provides a tax credit to incentivize mediation.[184] All cases filed in the Western Australia district courts are subject to an ADR conference prior to setting the trial date.[185] ADR conferences include an initial pretrial conference that the parties and lawyers are required to attend.

In Italy, each year Florence's Giustizia Semplice program provides scholarships to 10 post-graduate scholars with knowledge of civil procedure and ADR to support judges in determining which cases should be referred to mediation.[186] The scholars each assist two judges by reviewing case details, preparing a draft list of the individual judges' pending cases that may be candidates for mediation, discussing the list with the judges, and writing the draft mediation order for those cases the judges agree to refer to the Organismo di Conciliazione di Firenze. The number of pending cases in Florence's courts has fallen consistently since 2013 when the program was created. Piloting a similar program in Belgium could shift perceptions about ADR and raise mediation to the standing of traditional litigation.

NOTES

1. STATBEL. 2020. *Statistiques structurelles sur les entreprises 2018*. Brussels: STATBEL. https://statbel.fgov.be/fr/themes/entreprises/statistiques-structurelles-sur-les-entreprises.
2. The data for Brussels and for comparator economies used in this report are not considered official until published in the *Doing Business 2021* report.
3. European Commission. 2019. 2019 *Small Business Act Fact Sheet, Belgium.* Brussels: European Commission. Belgium performs above the EU average in the areas of access to finance, skills, and innovation. The SBA fact sheets are part of the SME Performance Review (SPR), the European Union's main vehicle for economic analysis of SME issues. Produced annually, they help to organize the available information to facilitate SME policy assessments and monitor SBA implementation. They comprise a set of policy measures organized around 10 principles ranging from entrepreneurship and responsive administration to internationalization.
4. The cities were selected based on demographic and geographical criteria. Each city belongs to a different NUTS2 region (the Nomenclature of Territorial Units for Statistics, or NUTS, is a geocode standard for referencing the subdivisions of countries for statistical purposes developed by the European Union). The selection of cities was agreed upon between the World Bank project team, the European Commission's Directorate-General for Regional and Urban Policy, the Federal Public Service Finance, and the Federal Public Service Foreign Affairs, Foreign Trade and Development Cooperation.
5. Aubin D., and F. Varone. 2004. "The Evolution of the Water Regimes in Belgium." In Kissling-Näf I., and S. Kuks (eds) *The Evolution of National Water Regimes in Europe. Environment & Policy*, vol 40. Springer, Dordrecht. https://doi.org/10.1007/978-1-4020-2484-9_5.
6. World Bank. 2018. *Doing Business in the European Union 2018: Croatia, the Czech Republic, Portugal and Slovakia.* Washington, DC: World Bank.
7. The full list of activities that pose a threat to the environment based on the environmental policy regulation for Brussels is available at https://app.leefmilieubrussel.be/easyPermit/Search.aspx?sector=196; for Wallonia, at http://permis-environnement.spw.wallonie.be/fr; and for Flanders, at https://navigator.emis.vito.be/mijn-navigator?wold=70073.
8. The *Doing Business* case study business performs general industrial or commercial activities, such as the production or sale to the public of goods or services. It does not use heavily polluting production processes. For more details on the case study assumptions, see the data notes. For companies requiring business premises authorization, the regional governments of Wallonia and Flanders use an integrated application procedure (permis unique/omgevingsvergunning) for urban planning, environmental, and retail permits.

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Entrepreneurs can obtain an integrated permit through a single application. For more information on the integrated permit, see http://permis-environnement.spw.wallonie.be/fr/j-ai-un-projet/dois-je-entreprendre-une-demarche-administrative#unique; https://www.omgevingsloketvlaanderen.be/aanvraag-omgevingsvergunning.

9. As per the *Doing Business* methodology, it is assumed that the minimum time required for each procedure is one day, except for procedures that can be fully completed online, for which the minimum time required is recorded as 0.5 days.
10. According to the Royal Decree of December 16, 1950.
11. For more information on the OOG, see https://stad.gent/en/invest-ghent/doing-business-ghent/contact-point-entrepreneurs.
12. The data for Brussels and for comparator economies used in this report are not considered official until published in the *Doing Business 2021* report.
13. Belgium, Cyprus, Finland, Ireland, the Netherlands, and Portugal do not require any paid-in minimum capital at the time of business startup. In Bulgaria, the Czech Republic, France, Greece, Italy, and Latvia, it is less than 0.1% of income per capita.
14. See the website at https://portal.fednot.be/.
15. FPS Economy, SMEs, Self-Employed and Energy statistics as of December 2020.
16. For more information, see the website at www.notaris.be/statuten.
17. According to Articles 88 and 89 of the Law of December 30, 1992, all companies subject to the Belgian corporate tax or nonresident tax system must register with a social insurance fund within three months of their establishment or within three months of the company being subject to nonresident tax. Moreover, according to the Company Law, directors and members of the management and supervisory board of an LLC must join a social insurance fund for the self-employed before the start of business operations.
18. In Belgium, businesses supplying goods and services with a turnover not exceeding EUR 25,000 are exempt from paying VAT or filing periodic VAT returns (Art. 56bis. VAT Code). However, these small businesses still must register for VAT purposes.
19. For more information on Intervat, see the Ministry of Finance website at www.minfin.fgov.be.
20. According to statistics provided by the FPS Finance UBO Register, in October 2020, 46% of entrepreneurs used the company's legal representative, 52% delegated registration to an accountant, attorney, or OSS, and 2% used eStox.
21. For more information on WIDE, see the website of the NSSO at https://www.socialsecurity.be/site_fr/employer/applics/wide/index.htm.
22. The Law of April 8, 1965, establishes work regulations in Belgium. For more information, see https://werk.belgie.be/nl/themas/arbeidsreglementering/arbeidsreglement.
23. Entrepreneurs can use the following links to file the labor regulations: www.reglementdetravail.belgique.be (website in French), www.arbeidsreglement.belgie.be (website in Dutch). The share of labor regulations submitted via these links for the period January 1 to June 30, 2020, is 39.3% in Wallonia, 51.8% in Flanders, and 53.3% in the Brussels-Capital Region. Statistics provided by FPS Employment, Labor and Social Dialogue in October 2020.
24. According to Article 2:3 of the Company Code, checking the company name is the entrepreneur's responsibility.
25. For more information, see the business registry's website at http://bolsafirmasdenominacoes.justica.gov.pt/index.php.
26. World Bank. 2018. *Doing Business in the European Union 2018: Croatia, the Czech Republic, Portugal and Slovakia*. Washington, DC: World Bank.
27. For more information on Estonia's E-Business Register, see the website at www.rik.ee.
28. For more information on registering a company with Companies House, see the website at www.gov.uk/limited-company-formation/register-your-company.
29. General partnerships (Société en nom collectif/Vennootschap onder firma) and ordinary limited partnerships (Société en commandite simple/Gewone commanditaire vennootschap) can be established by private act.
30. For more information, see the website at https://www.egriffie.be.
31. Coste, Cyriane, Marie Delion, Adrián González, Frédéric Meunier, Nathalie Reyes, and Yuri Valentinovich. 2019. "The Involvement of Third-Party Professionals in Business Registration and Property Transfer." World Bank Research and Development Center in Chile, Indicators Group Research Note. World Bank, Washington, DC.
32. The 10 EU member states where starting a business is the cheapest are Denmark, Estonia, Finland, France, Greece, Ireland, Lithuania, Romania, Slovenia and Sweden.
33. For more information on SPOT, see the website at https://spot.gov.si/.
34. World Bank. 2019. *Doing Business in the European Union 2020: Greece, Ireland and Italy*. Washington, DC: World Bank.
35. Belgium has eight accredited OSSs (Acerta, Eunomia, Formalis, Liantis, Partena, Securex, UCM, and Xerius) with more than 160 offices across the country. Partena and Acerta are the only OSS present in all seven cities benchmarked. Although in Antwerp Acerta has a contact point for entrepreneurs and not a recognized enterprise counter. UCM operates in Brussels and Wallonia only.
36. Securex and Partena offer UBO registration, but for Partena it is executed by MyB2B, an external partner. For more information, see Partena's website at https://www2.partena.be/myb2b-ubo-register.
37. For example, Xerius has a partnership with the social service provider SD Worx. Formalis' social service provider is Group S. All other OSS and their social service providers have the same name.
38. These are registration with the NSSO, undersigning insurance for work-related accidents, and drafting labor contracts for the Labor Inspectorate.
39. Entrepreneurs, their representatives, or a third party must separately register or report their beneficial owners to the UBO in Croatia, Czech Republic, Finland, Ireland, the Netherlands, Poland, Slovenia, and Sweden.
40. See Article 7:654 of the Dutch Civil Code, available at https://wetten.overheid.nl/jci1.3:c:BWBR0005290&boek=7&titeldeel=10&afdeling=6&artikel=654&z=2021-01-01&g=2021-01-01.
41. For more information on registering a company in Malta, see the website at https://mbr.mt/formation-and-registration-of-companies/.
42. According to the United Nations Population Division *World Urbanization Prospects: 2018 Revision*, available at https://population.un.org/wup/Publications/.
43. In Flanders: The Flemish Public Planning Code of May 15, 2009 (Vlaamse Codex Ruimtelijke Ordening). In Wallonia: The Code for Territorial Development of July 20, 2016 (Code du Development territorial). In Brussels-Capital : The Brussels Public Planning Code of April 9, 2004 (Code Bruxelois de amenagement du territoire (CoBaT)/Brussels Wetboek van Ruimtelijke Ordening (BWRO))
44. The data for Brussels and for comparator economies used in this report are not considered official until published in the *Doing Business 2021* report.
45. For more details, see https://urbanisme.irisnet.be/actualites-accueil/nouvelles-obligations-pour-le-demandeur-de-permis.
46. Aubin D., and F. Varone. 2004. "The Evolution of the Water Regimes in Belgium." In Kissling-Näf I., Kuks S. (eds) *The Evolution of National Water Regimes in Europe*. Environment & Policy, vol 40. Springer, Dordrecht. https://doi.org/10.1007/978-1-4020-2484-9_5.
47. In Flanders, water and sewage companies operate in assigned areas. Companies charged with sewage in a particular area are not necessarily charged with water in the same area. For the three cities benchmarked in Flanders, the company charged with sewage connections is also charged with water connections.
48. Municipal planning rules concerning runoff as well as federal-level environmental regulations require that all new constructions submit an assessment of their flood risk impact. Zones with a high flood hazard impose stricter requirements such as the installation of cisterns or terrain modifications. Extensive geospatial risk maps are available and free of charge to the construction community to plan new buildings according to flood risk.
49. For more information on the environmental permit in Flanders, see http://www.vlaanderen.be/omgevingsvergunning. Wallonia introduced a permis unique (integrated permit) that consolidated several permits into one. For more information, see http://permis-environnement.spw.wallonie.be/fr/j-ai-un-projet/dois-je-entreprendre-une-demarche-administrative#unique.
50. In certain cases in Flanders, a public survey (openbaar onderzoek) is part of the permit application review. In these instances, the

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application dossier for a project is made public, allowing the community to comment or express concerns during the permit review process. For more information on the public study, see https://www.omgevingsloketvlaanderen.be/publiek-loket.

51. For more information on the *Doing Business* methodology, see https://www.doingbusiness.org/en/methodology/dealing-with-construction-permits.
52. World Bank. 2013. "What Role Should Risk-based Inspections Play in Construction?" *Doing Business* Case Studies. World Bank, Washington, DC. https://www.doingbusiness.org/en/reports/case-studies/2013/what-role-should-risk-based-inspections-play-in-construction.
53. In Wallonia—as in the other regions—the topographical characteristics and soil information are publicly available through geoportals. For more information, see www.geo.be.
54. The platform is available at www.mijnaansluiting.nl.
55. Srinivasan, Jayashree, Enrique Orellana Tamez, Kamal Chakaroun, Farrukh Umarov, and Lodovico Onofri. 2020. "From Paper to the Cloud: Improving Building Control through E-permitting." *Doing Business* Case Studies. Washington, DC: World Bank. http://documents.worldbank.org/curated/en/705331592344507733/From-Paper-to-the-Cloud-Improving-Building-Control-through-E-permitting.
56. European Commission. 2016. *E-government Benchmark 2016: A Turning Point for eGovernment Development in Europe?* Luxembourg: Publications Office of the European Union.
57. World Bank. 2016. *Doing Business in the European Union 2017: Bulgaria, Hungary and Romania.* Washington, DC: World Bank.
58. For more information on Hamburg's online permitting system, see the website at https://www.hamburg.de/start-digitale-verfahren/.
59. World Bank. 2013. "What Role Should Risk-based Inspections Play in Construction?" *Doing Business* Case Studies, Washington, DC: World Bank. https://www.doingbusiness.org/en/reports/case-studies/2013/what-role-should-risk-based-inspections-play-in-construction.
60. Visscher, Henk, and Frits Meijer. 2005. "Certification of Building Control in The Netherlands." OTB Research Institute for Housing, Urban and Mobility Studies. Delft University of Technology, The Netherlands.
61. Moullier, Thomas. 2017. "Building Regulatory Capacity Assessment: Level 2—Detailed Exploration." World Bank, Washington, DC.
62. Obtaining electricity in Bulgaria requires six procedures, on par with Belgium. In Romania, nine procedures are required. All other EU member states require five procedures or less.
63. Averages for the European Union and other groups of countries are calculated using data from the *Doing Business* database measuring the main business city as a proxy for each economy covered by *Doing Business 2021*. Averages for Belgium are calculated using *Subnational Doing Business* data for each city covered in the study with the exception of Brussels, for which data are sourced from the *Doing Business* database. Data for Brussels and for comparator economies used in this report are not considered official until published in the *Doing Business 2021* report.
64. To measure the reliability of supply and transparency of tariffs, *Doing Business* uses an index that is scored from 0 to 8 points. The index measures the duration and frequency of power outages, role of the energy regulator, the systems used to monitor power outages and restore supply, whether financial deterrents exist to limit outages, and whether effective tariffs are available online and customers are notified of a change in tariff a full billing cycle in advance. For more details, see the data notes.
65. This is an internal step and therefore not counted as an additional procedure.
66. These platforms are Osiris in the Brussels-Capital Region (https://www.osiris.brussels/Modules/Management), GIPOD in Flanders (https://overheid.vlaanderen.be/informatie-vlaanderen/producten-diensten/generiek-informatieplatform-openbaar-domein-gipod), and Powalco in Wallonia (https://registration.powalco.be/).
67. In Wallonia, the DSO contractor obtains the map from Federal Contact Point for the Cable and Pipe Information Database via the KLIM-CICC platform (https://klim-cicc.be/information). In the Brussels-Capital Region, the contractor can either obtain the map directly from the KLIM-CICC platform or through the Osiris platform (see note 6), which is integrated with the KLIM-CICC system. In Flanders, the map is obtained from the Geographic Information Flanders Agency through the KLIP platform (http://www.vlaanderen.be/klip).
68. In Brussels, the DSO contractor obtains this authorization electronically from the local police department through the Osiris platform. In the other cities, the DSO contractor requests and obtains the authorization via email. It is obtained from the local municipality in Flanders and from the local police department in Wallonia.
69. In the Brussels-Capital Region, local municipalities have 60 days to issue an excavation permit (30 days to acknowledge the receipt of the application, and 30 days to notify the client with the decision), as regulated by Articles 31 and 36 of the Ordinance on Construction Sites on Public Roads of the Brussels-Capital Region (https://www.etaamb.be/fr/ordonnance-du-03-mai-2018_n2018012008.html). Other service utilities have 15 days to respond to the worksite coordination request (Article 25.1 of the same law). In Wallonia, local municipalities and other service utilities have a total of 37 days to respond to the worksite coordination request and issue the excavation permit, as regulated by the Powalco Decree on Information, Coordination, and Organization of Construction Sites of April 30, 2009 (http://www.ejustice.just.fgov.be/mopdf/2009/06/18_1.pdf#Page91).
70. In Flanders, local municipalities must issue a decision on the excavation permit within six weeks if the permit is requested jointly with other service utilities (Article 17.1 of the Code for Infrastructure and Utility Works Along Municipal Roads. If the distribution utility requests an individual excavation permit, the municipality is required to issue a decision within two months (Article 17.2 of the same law). Service utilities have 10 business days to respond to the worksite coordination request (Article 13.2 of the same law).
71. Consultative meeting with the municipality of Antwerp for this study.
72. In Flanders, municipalities have one month to issue the signage permit, as established by the Code for Infrastructure and Utility Works Along Municipal Roads, Article 21. In the Brussels-Capital Region and Wallonia, each local police department sets its own time frame for clients to submit a request for a traffic signage permit.
73. In the Brussels-Capital Region, the utility has 10 calendar days to determine whether the new connection application is complete and to inform the client that a detailed study is necessary (Article 103 of the Technical Regulations for the Distribution of Electricity in the Brussels-Capital Region). Once the client pays the fee for the detailed study, the utility has 15 calendar days to complete it and send the quote to the client (Article 105). After the client accepts the quote and pays in full, the utility has 20 calendar days to send the connection contract (Article 109). In Flanders, the utility has 30 business days to (i) determine if the application is complete (a response is due within the first 10 days), (ii) perform a detailed study, and (iii) issue a quote (Article 2.2 of the Technical regulations for the Distribution of Electricity in the Flemish Region). In Wallonia, the utility has 10 business days to determine if the request for a new connection is complete and to inform the client that a detailed study is required (Article 90.1 of the Technical Regulations for the Distribution of Electricity in the Walloon region). Once the client pays the fee for the detailed study, the utility has 30 working days to complete the study and send the quote (Article 82.1). Once the client accepts the quote and pays in full, the utility has 10 working days to submit the connection contract (Article 83.1).
74. These estimates are based on the *Doing Business* case study, which consider a 140 kVA connection.
75. For the Brussels-Capital Region, see the Ordinance of the Organization of the Electricity Market in the Brussels-Capital Region, Article 32bis (https://www.ejustice.just.fgov.be/cgi_loi/change_lg.pl?language=fr&la=F&cn=2001071901&table_name=loi). For Flanders, see the Energy Decree, Article 4.1.11/5 par. 1 sub 1 (https://codex.vlaanderen.be/Zoeken/Document.aspx?DID=1018092&param=inhoud&AID=1173782). For Wallonia, see the Organization of the Regional Electricity Market Decree, Article 25bis (https://www.ejustice.just.fgov.be/cgi_loi/change_lg_2.pl?language=fr&nm=2001027238&la=F).
76. See the General Regulation Underground Infrastructure Enschede 2018, Article 2.8 (https://dloket.enschede.nl/loket/sites/default/files/IMG/AVOI%20Enschede%202018.pdf).

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77. This limit is set at 18 weeks from the time the client accepts a quote. See the Technical Regulations for the Distribution of Electricity in the Flemish Region, Article 2.2.39 par. 3.
78. For more information on Austria's electricity quality report, see the website of the Austrian regulator at https://www.e-control.at/marktteilnehmer/erhebungen/erhebungen-zur-qualitaet-der-netzdienstleistung.
79. The Atrias platform (https://www.atrias.be/) manages the market facilitation documentation on behalf of and in close cooperation with the distribution utilities Fluvius, ORES, RESA, and Sibelga. The utilities assign a unique EAN code (International Article Number, originally European Article Number) to a connection that is used in communications with suppliers. The connection contract notifies the customer of this code. The supplier uses the code as an identifier when it notifies the distribution utility of the signing of the electricity supply contract on the Atrias platform.
80. This requirement is in accordance with the Energy Code (Article L342-11), which specifies that urban planning commissions are to bear the cost of extension works for the electricity grid provided that the network extension can benefit future residents and firms.
81. World Bank. 2018. *Doing Business in the European Union 2018: Croatia, Czech Republic, Portugal and Slovakia*. Washington, DC: World Bank. https://www.doingbusiness.org/content/dam/doingBusiness/media/Subnational-Reports/DB18-EU2-Report-ENG.PDF.
82. Arlet, Jean, Diane Davoine, Tigran Parvanyan, Jayashree Srinivasan, and Erick Tjong. "Getting Electricity: Factors Affecting the Reliability of Electricity Supply." in World Bank. 2016. *Doing Business 2017: Equal Opportunity for All*. Washington, DC: World Bank.
83. The Ministry of Finance became FPS Finance under the Coperfin reform.
84. The Administration of Patrimonial Services and the Administration of Information Exchange and Collection are also part of the General Administration of Patrimonial Documentation. Their competencies relate to organizing sales of state-owned property, expropriating property in the public interest, and the collection and exchange of patrimonial information. A detailed list of services undertaken by the four administrations is available at https://finance.belgium.be/en/about_fps/structure_and_services/general_administrations/patrimonial_documentation.
85. The Office of Legal Security replaced the Mortgage Offices in 2018. The tasks, powers, and seat of operational services of the different administrations making up the Administration for Patrimonial Documentation are set by Article 1 of the decision of the Chairman of the Executive Committee of the FPS Finance of December 18, 2014, *Belgian Official Gazette* December 31, 2014.
86. The name, territorial jurisdiction, and seat of the 48 Office of Legal Security offices are listed in the table attached to the decision of the President of FPS Finance of June 15, 2018, available at http://www.ejustice.just.fgov.be/cgi_loi/change_lg.pl?language=fr&la=F&cn=2018061501&table_name=loi.
87. Property rights are regulated at the federal level by the Mortgage Act of December 16, 1851, an integral part of the Civil Code with its own numbering of Articles (Book III, Title XVIII), subsequently amended by several special acts, among them amendment by the Law of February 9, 1995. As of September 1, 2021, the Mortgage act will be implemented in the Code Civil, Book III. See the Law of February 4, 2020, containing Book III 'Goods', *Belgian Official Gazette* March 17, 2020.
88. Based on the value of the property transferred in the *Doing Business* case study of EUR 2,066,973.60.
89. The registration tax is regional in accordance with the special Law of January 16, 1989, amended by the Special Law of July 13, 2001. In Flanders, Art. 2.9.4.1.1. of the Flemish Tax Code sets the registration tax. In the Brussels-Capital Region and the Walloon Region, the registration tax is set by Art. 44 of the Code of Registration, Mortgage and Court Fees.
90. The data for Brussels and for comparator economies used in this report are not considered official until published in the *Doing Business 2021* report.
91. For more information by region, see https://finances.belgium.be/fr/particuliers/habitation/acheter-vendre/droits-enregistrement/wallonie#q6; https://financien.belgium.be/nl/particulieren/woning/kopen-verkopen/registratierecht/brussel#q5; https://financien.belgium.be/nl/particulieren/woning/kopen-verkopen/registratierecht/vlaanderen.
92. Article 5 of the Mortgage Act 1851.
93. The three agencies are Brussels Environment in the Brussels-Capital Region, Banque de données de l'état des sols wallons (BDES) in the Walloon Region, and Openbare afvalstoffenmaatschappij (OVAM) in the Flemish Region.
94. Information received during interviews held with experts by the *Subnational Doing Business* team between October 2020 to January 2021.
95. Obtaining a clean soil certificate is mandatory in all three regions. In Brussels, a clean soil certificate is legally mandated on the basis of the Ordinance on the management and remediation of polluted soils of March 5, 2009 (http://www.ejustice.just.fgov.be/mopdf/2009/03/10_1.pdf#Page258). The certificate can be obtained online on the Brussels environment BRUSOIL platform (http://brusoil.environnement.brussels/nl/home.html). In Wallonia, obtaining the clean soil certificate is legally mandated by the Decree on soil management and remediation of March 1, 2018 (https://sol.environnement.wallonie.be/files/Document/CWBP/V04/GRPA/20181126_GRPA_V04_final.pdf). The certificate can be downloaded immediately online through the Walloon soils database, which is accessible via the eNotariat platform for notaries and at http://bdes.wallonie.be/portal/#BBOX=-19150.307552281738,351597.8297773263,13847.687579375 11,188142.3070019473. In Flanders, the certificate is legally mandated on the basis of the Decree on soil remediation and soil protection 2007, available at http://www.ejustice.just.fgov.be/mopdf/2007/01/22_1.pdf#Page45. Notaries can request the certificate directly via the web counter of the Flemish agency OVAM, accessible at https://www.ovam.be/bodemattest, or via the eNotariat platform.
96. According to officials from Brussels Environment interviewed by *Subnational Doing Business* team between July and December 2020.
97. Article 1 of the Mortgage Act 1851.
98. Article 2 of the Mortgage Act 1851.
99. In Flanders, the fine is 1% of the registration tax for not registering the notarial act on time (within 30 calendar days after the deadline), a minimum of EUR 100 (Article 3.18.0.0.11, section III, Flemish Tax Code). In Wallonia and Brussels, the fine is a minimum of EUR 25 (Article 41, 1° of the Act of Registration, Mortgage and Court).
100. The appendix to the Royal Decree of March 14, 2014, *Belgian Official Gazette* March 21, 2014, lists the metadata that must be included in the electronic transmission (name, identification number of the parties, and so on). Available at http://www.ejustice.just.fgov.be/cgi_loi/change_lg.pl?language=fr&la=F&cn=2014031402&table_name=loi.
101. The eRegistration platform was launched in 2015.
102. The notary must send the metadata accompanied by the documents listed in Article 3.2. 1° of the Royal Decree of March 14, 2014. To accept the notarial act the Office of Legal Security checks whether the dispatch is certified, if it mentions the register number and that it is signed by the notary. The Office of Legal Security is obliged to register the acts or writings on the date they are presented if they have met the legal conditions in accordance with Article 6 of the Code of registration rights.
103. According to experts interviewed by the *Subnational Doing Business* team between September and December 2020.
104. The registration tax is regional in accordance with the special Law of January 16, 1989, amended by the Special Law of July 13, 2001.
105. Article 2.9.4.1.1. of the Flemish Tax Code.
106. Article 44 of the Code of Registration, Mortgage and Court Fees (Brussels-Capital Region and Walloon Region).
107. Based on the value of the property transferred in the *Doing Business* case study of EUR 2,066,973.64.
108. See the Law amending the Code of Registration, Mortgage and Court Fees, following the transfer of the service of regional registration fees to the Flemish Region on May 26, 2016.
109. Notary fees are calculated according to the following declining and successive scale set by Royal Decree of December 16, 1950, on Notary fees, *Belgian Official Gazette* December 25, 1950 (regularly updated): EUR 7,500 at 4.56%; EUR 10,000 at 2.85%; EUR 12,500 at 2.28%; EUR 15,495 at 1.71%; EUR 18,600 at 1.14%; EUR 186,000 at 0.57%; above EUR 186,000 charged at 0.057%.
110. All of these Administrations are housed under the Federal Public Service Finance (FPS Finance).
111. Fees are available at https://finances.belgium.be/fr/particuliers/habitation/cadastre/extrait-cadastral/myminfin#q12; Art. 1, 5°/12° juncto

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art. 4 (index) of the Royal Decree of September 14, 2016, *Belgian Official Gazette* October 10, 2016.

112. Fee schedules are available on the relevant agency websites for all three agencies. In the Brussels-Capital Region, fess for the Brussels environment agency are available at https://environnement.brussels/thematiques/sols/lattestation-du-sol/combien-ca-coute-et-comment-payer. For the OVAM agency in Flanders, fees are available at https://www.ovam.be/bodemattest. In Wallonia, fees for the BDES agency are available at https://sol.environnement.wallonie.be/home/sols/sols-pollues/banque-des-donnees-de-letat-des-sols-bdes/les-extraits-conformes.html#3.
113. According to the *Doing Business* methodology, the quality of land administration includes a fifth component which measures legal provisions on equality of access to property rights for women and men. This subindicator is not discussed in *Doing Business in the European Union* as women and men enjoy the same ownership rights in all EU member states.
114. Available in French and Dutch at https://finances.belgium.be/fr/catalogue-des-produits and https://financien.belgium.be/nl/productencatalogus.
115. Royal Decree of November 11, 2019, concerning the request by notaries and registered users of mortgage information and its delivery by the General Administration of Patrimonial Documentation, *Belgian Official Gazette* March 21, 2014. http://www.ejustice.just.fgov.be/cgi_loi/change_lg.pl?language=fr&la=F&cn=2014031402&table_name=loi.
116. World Bank. 2018. *Doing Business in the European Union 2018: Croatia, the Czech Republic, Portugal and Slovakia.* Washington, DC: World Bank.
117. According to data received from experts interviewed by the *Subnational Doing Business* team between October and December 2020, the workload can vary substantially by location. For example, the office in Namur processed 7,627 transcriptions in 2019, whereas the three Antwerp offices processed over 34,000 requests in the same time period.
118. The FPS Finance website houses information pertaining to the General Administration for Patrimonial Documentation–Offices of Legal Security.
119. For processing time deadlines for a range of documents, see https://finances.belgium.be/fr/particuliers/habitation/cadastre/extrait-cadastral/myminfin#q17.
120. A step-by-step guide to the complaints procedure in the UK is available at https://www.gov.uk/government/organisations/land-registry/about/complaints-procedure. For more information on the Independent Complaint Reviewer (ICR), see https://www.icrev.org.uk/.
121. Act of May 20, 2020 (*Belgian Official Gazette* May 29, 2020) containing provisions on justice in the context of the fight against the spread of the coronavirus. (http://www.ejustice.just.fgov.be.kuleuven.ezproxy.kuleuven.be/mopdf/2020/05/29_1.pdf#Page9). Also see Act of July 31, 2020 (*Belgian Official Gazette* August 7, 2020) containing various urgent provisions on justice.
122. Esposito, Gianluca, Lanau, S., and Pompe, S. 2014. "Judicial System Reform in Italy—A Key to Growth." IMF Working Paper 14/32, International Monetary Fund, Washington, DC; OECD (Organisation for Economic Co-operation and Development). 2013. "What Makes Civil Justice Effective?" OECD Economics Department Policy Notes, No. 18, June.
123. The data for Brussels and for comparator economies used in this report are not considered official until published in the *Doing Business 2021* report.
124. Before November 1, 2018, the commercial court was named Rechtbank van Koophandel/Tribunal de Commerce. See the Act of April 15, 2018 (*Belgian Official Gazette* April 27, 2018) on the reform of commercial law.
125. *Doing Business* considers the applicable court to be the local court with jurisdiction over commercial contract cases worth 200% of income per capita. Court procedure rules in Belgium are national and applied uniformly across the country (Articles 573 and 574 of the Judicial Code). Small claims courts (Justice de paix/Vredegerechten) are the lowest courts of first instance (Article 590 of the Judicial Code) with a monetary threshold of EUR 5,000. Claims above this amount must be filed at a commercial court.
126. Article 85 of the Judicial Code.
127. The nine commercial courts are Antwerp, Brussels (Dutch-speaking court), Brussels (French-speaking court), Louvain, Ghent, Eupen, Liège, Hainaut, and Wallonian Brabant (https://www.rechtbanken-tribunaux.be/fr/tribunaux-et-cours/tribunal-de-lentreprise).
128. Article 700 and subsequent articles of the Judicial Code.
129. The summons period is the period between the time when the defendant is notified by the bailiff and the date when the parties must appear in court (Articles 707 and 710 of the Judicial Code). This term is reduced to two days in summary proceedings (Article 1035 of the Judicial Code).
130. The case study would not qualify for 'short debates', a simplified procedure where no briefs must be submitted.
131. *Subnational Doing Business* research, interviews with court officials and litigation attorneys, November 2020.
132. "Werkingsverslag over het Jaar 2020 Nederlandstalige ondernemingsrechtbank Brussel." p. 40. https://www.rechtbanken-tribunaux.be/sites/default/files/or_brussel/files/werkingsverslag-norb-2020.pdf. See also various newsletters from the Brussels bar at https://www.baliebrussel.be/wp-content/uploads/2020/03/Coronanieuwsbrief-1.pdf.
133. Article 736 of the Judicial Code; Articles 742 and 745 of the Judicial Code.
134. *Subnational Doing Business* research and interviews with court officials, January 2021.
135. Article 770 of the Judicial Code.
136. Only 424 of 889 judgments were pronounced within one month. See page 46 of the French-speaking Brussels Commercial Court' operational report for 2019, available at https://www.rechtbanken-tribunaux.be/sites/default/files/te_bruxelles/rapport-de-fonctionnement-tefb-2019-approuve-le-19.05.2020_0.pdf.
137. See page 26 of the Dutch-speaking Brussels Commercial Court's operational report for 2019, available at https://www.rechtbanken-tribunaux.be/sites/default/files/or_brussel/files/werkingsverlag-2019.pdf.
138. Article 792 of the Judicial Code.
139. Article 519 of the Judicial Code.
140. Article 1495, first and second section of the Judicial Code.
141. Articles 1520 and 1522 of the Judicial Code.
142. See page 4 of the Dutch-speaking Brussels Commercial Court's operational report for 2019, available at https://www.rechtbanken-tribunaux.be/sites/default/files/or_brussel/files/werkingsverlag-2019.pdf; Press Statement, Brussels Commercial Court February 5, 2019, available at https://www.rechtbanken-tribunaux.be/nl/nieuws/persbericht-nederlandstalige-ondernemingsrechtbank-brussel.
143. Data from the Dutch-speaking Brussels Commercial Court, available at https://www.rechtbanken-tribunaux.be/sites/default/files/or_brussel/files/1-09-2019-vacatureplan.pdf.
144. For more information on Ghent commercial court's pilot ADR project, see https://www.rechtbanken-tribunaux.be/sites/default/files/or_gent/files/protocol%20inzake%20pilootproject%20schikkingskamers_0.pdf.
145. See page 79 of Antwerp Commercial Court's 2019 operational report, available at https://www.rechtbanken-tribunaux.be/sites/default/files/or_antwerpen/files/werkingsverslag-2019_1.pdf.
146. Conversation with public sector contributors in Antwerp, November 2020.
147. Article 700 of the Judicial Code.
148. DPA-Deposit for attorneys is connected to e-Deposit (the tool to electronically file documents with the court). For more information, see https://dp-a.be/fr/features/dpa-deposit; International Bar Association. 2020. "Covid-19 Pandemic: Impact of COVID-19 on Court Operations and Litigation Practice." London: International Bar Association.
149. Article 1495 of the Judicial Code.
150. Articles 1520 and 1522 of the Judicial Code.
151. Data on the number of bailiffs extracted from the National Chamber of Bailiffs, available at https://www.gerechtsdeurwaarders.be/bailiff?page=1.
152. The Royal Decree of November 30, 1976 (*Belgian Official Gazette* February 8, 1977) fixing the rate for acts executed by bailiffs in civil and commercial matters and the rate of some tariffs (https://www.ejustice.just.fgov.be/cgi_loi/change_lg.pl?language=fr&la=F&cn=1976113030&table_name=loi).
153. See European Justice, Dispositions relatives aux honoraires des professions juridiques, available at https://e-justice.europa.eu/content_costs_of_proceedings-37-be-fr.do?member=1.
154. Data available at https://www.unizo.be/sites/default/files/kmo-rapport_2019_nl_def.pdf.
155. Data are from Statbel and available at https://en.populationdata.net/maps/belgium-commercial-density-2009/.
156. European Commission. 2020. *The 2020 EU Justice Scoreboard.* Luxembourg: European Commission. *See* Figure 25. Referring to data

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provided by the Council of Bars and Law Societies of Europe.
157. After the expert appointment under article 972, §2, 4° of the Judicial Code, the expert is only required to disclose "the estimate of the general cost price of the expert examination, or at least the way in which the costs and fees of the expert and any technical advisors will be calculated." However, the expert can de facto change their prices/rates afterward without the court's approval.
158. Article 991 of the Judicial Code.
159. Through an electronic means, the clerk's office sends all the data to FPS Finance, which then sends an invitation to pay to the person owing the court fees. For information on collection methods, see Royal Decree of January 28, 2019 (*Belgian Official Gazette* January 31, 2019).
160. Article 269, 2° of the Code of Registration, Mortgage and Court duties, amended by the Law of October 14, 2018 (*Belgian Official Gazette* December 20, 2018) amending the Registration, Mortgage and Registrar's Duties Code to reform the Registrar's Duties (http://www.ejustice.just.fgov.be/cgi_loi/change_lg.pl?language=fr&la=F&cn=2018101418&table_name=loi).
161. The Royal Decree of November 30, 1976 (*Belgian Official Gazette* February 8, 1977) fixing the rate for acts executed by bailiffs in civil and commercial matters and the rate of some tariffs (https://www.ejustice.just.fgov.be/cgi_loi/change_lg.pl?language=fr&la=F&cn=1976113030&table_name=loi).
162. For an overview of the enforcing contracts indicators and quality of judicial processes index, see the data notes.
163. European Commission. 2020. *The 2020 EU Justice Scoreboard*. Luxembourg: European Commission. See Figure 27.
164. Article 4, 2° and article 22 of the act of May 20, 2020 (*Belgian Official Gazette* May 29, 2020), containing various provisions on justice in the context of the fight against the spread of the coronavirus. (https://www.ejustice.just.fgov.be/cgi_loi/change_lg.pl?language=fr&la=F&cn=2020052008&table_name=loi), amended by the Royal Decrees of June 15, 2020 and September 13, 2020 and Article 49 of the Act of December 20, 2020 laying down various temporary and structural provisions on justice in the fight against the spread of the coronavirus COVID-19 (https://www.ejustice.just.fgov.be/cgi_loi/change_lg.pl?language=fr&la=F&cn=2020122002&table_name=loi).
165. In 2013, the Registry of the Antwerp Court of Appeal established a databank with scanned digital versions of judgments (Vonissen Arresten Judgement Arrêts, VAJA). However, it had no legal basis and was not, therefore, supported by the justice minister.
166. *Doing Business* defines the pretrial conference as a meeting presided by the judge and designed to narrow down contentious issues and evidentiary questions before the trial.
167. Articles 1676–1723 of the Judicial Code.
168. Article 2, § 2 of the Royal Decree no. 2 (*Belgian Official Gazette* April 9, 2020) relating to the extension of limitation periods and other time limits for taking legal action, as well as the extension of the time limits of judicial and written proceedings before the court and tribunals.
169. Ministry of Justice of the Republic of Estonia. 2020. "Digital Justice in Estonia." Tallinn: Ministry of Justice. https://www.youtube.com/watch?v=K3WUzJfhYJM.
170. International Bar Association. November 5, 2020. An interview with Justice Quentin Loh of the Singapore High Court. https://www.ibanet.org/Article/NewDetail.aspx?ArticleUid=8FD1B23A-9B7A-4CD9-8D2A-162EF4A12DFC.
171. Ministerial Decision of June 20, 2016, determining the introduction of the e-Box network and the e-Deposit system, as referred to in article 10 of the Royal Decree June 16, 2016 (*Belgian Official Gazette* June 22, 2016) regarding electronic communication in accordance with Article 32ter of the Judicial Code.
172. See page 17 of the Brussels Commercial Court's 2020 operational report at https://www.rechtbanken-tribunaux.be/sites/default/files/or_brussel/files/werkingsverslag-norb-2020.pdf.
173. Berkman Center for Internet and Society at Harvard University. 2010. "Best Practices in the Use of Technology to Facilitate Access to Justice Initiatives." Preliminary report prepared for Dina E. Fein, First Justice, Housing Court Department, Western Division of Massachusetts, and Special Advisor to the Trial Court for Access to Justice Initiatives. Cambridge, MA; Zorza, Richard. 2013. "Principles and Best Practices for Access-Friendly Court Electronic Filing." Electronic Filing and Access to Justice Best Practices Project, Legal Services Corporation, Washington, DC.
174. For more information, see https://www.apec.org/Groups/Economic-Committee/Toolkit-for-Structural-Reform/EoDB-Action-Plan.
175. Sung, Lee Jae. 2017. "Making it Easier to Enforce Contracts in the Asia-Pacific Region: Recommendations and Challenges." http://www.moj.go.kr/bbs/moj/166/205642/download.do.
176. For more information, see the DPA's website at https://dp-a.be/fr/faq-deposit.
177. Article 32ter of the Judicial Code.
178. Bosio, Erica, and Julien Vilquin. "Improving Court Efficiency: the Republic of Korea's E-Court Experience." in World Bank. 2013. *Doing Business 2014: Understanding Regulations for Small and Medium-Size Enterprises.* Washington, DC: World Bank.
179. Council of Europe, Committee of Ministers. 1984. "Recommendation No. R (84) 5 of the Committee of Ministers to Member States on the Principles of Civil Procedure Designed to Improve the Functioning of Justice" Council of Europe, Strasbourg, p. 2.
180. These economies are Bulgaria, Croatia, Estonia, Germany, Greece, Latvia, Lithuania, the Netherlands, and Poland.
181. Gramckow, Heike, Erica Bosio, Silva Mendez, and Jorge Luis. 2016. "Good practices for Courts: Helpful Elements for Good Court Performance and the World Bank's Quality of Judicial Process Indicators." World Bank, Washington, DC.
182. European Commission for the Efficiency of Justice. 2011. *Reports on the implementation of the CEPEJ guidelines for judicial time management in 7 pilot courts/institutions.* Strasbourg: European Commission for the Efficiency of Justice. https://rm.coe.int/168074828a.
183. Article 730/1 *et seq.* and 1734 *et seq.* of the Judicial Code.
184. The tax credit is up to EUR 50,000. See Article 17 of Italian Law Decree 28/2010.
185. Gramckow and others 2016.
186. World Bank. 2019. *Doing Business in the European Union 2020: Greece, Ireland and Italy.* Washington, DC: World Bank.

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Doing Business in
THE NETHERLANDS

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- ***Doing Business in the Netherlands*** **benchmarks business regulation applying to small and medium enterprises in 10 cities** (Amsterdam, Arnhem, Eindhoven, Enschede, Groningen, The Hague, Maastricht, Middelburg, Rotterdam, and Utrecht) across five *Doing Business* areas (starting a business, dealing with construction permits, getting electricity, registering property, and enforcing contracts).
- **Eindhoven and Middelburg place consistently in the top five across indicator areas.** Maastricht leads in getting electricity, Middelburg in dealing with construction permits, and Eindhoven in enforcing contracts. Five cities rank among the top half in at least two indicators and among the bottom half in at least two others, suggesting that they have something to teach and something to learn from their neighbors.
- **Subnational score variations are most significant in the ease of dealing with construction permits, enforcing contracts, and getting electricity.** These disparities can help policy makers identify which cities have good practices that other cities can adopt and improve without major legislative overhaul. Cities perform homogeneously in starting a business and registering property.
- **The regulatory framework for the five areas is set at the national level and applies across all Dutch cities.** All locations score the same on quality components of the *Doing Business* indicators. They obtain the highest score globally for the quality of the centralized land administration framework (registering property).
- **Replicating local good practices can boost the Netherlands' competitiveness, especially in dealing with construction permits and enforcing contracts.** In starting a business, getting electricity, and registering property, the country can also look elsewhere in the European Union and globally to improve its business regulation.
- **Time is the main source of variation among the performances of the Dutch cities benchmarked.** Firms in Utrecht spend more productive hours complying with regulatory requirements than elsewhere in the country—four months more than their peers in Eindhoven.

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Small and medium enterprises (SMEs) play an important role in the Dutch economy, representing 99.8% of the country's enterprises and employing 63.8% of the workforce. SMEs in the Netherlands generate EUR 240 billion annually, or 62.3% of total value-added, almost 6 percentage points higher than the EU average (56.4%).[1] The Dutch government supports SMEs by providing an extensive network of agencies, including the Netherlands Enterprise Agency (Rijksdienst voor Ondernemend Nederland, RVO), which aims to facilitate entrepreneurship, access to funding, networking, and compliance with laws and regulations. The Netherlands Chamber of Commerce (Kamer van Koophandel, KVK), which informs and supports entrepreneurs at the local level through 18 agencies located across the country, also plays a critical role. The Netherlands offers regulatory incentives to encourage local and foreign investors to establish and operate businesses. For example, the government abolished the EUR 18,000 minimum capital requirement[2] to support small business creation. Despite these efforts, the Netherlands performs below the EU average for the ease of doing business.[3]

Doing Business provides objective measures of business regulations and their enforcement across 191 economies. It is founded on the principle that economic activity benefits from clear rules: rules that allow voluntary exchanges between economic actors, set out strong property rights, facilitate the resolution of commercial disputes, and provide contractual partners with protections against arbitrariness and abuse. Such rules are much more effective in promoting growth and development when they are efficient, transparent, and accessible to those for whom they are intended. Regulations must be implemented properly to make it easier for entrepreneurs to do business.

This report highlights divergences in regulatory performance—including in the implementation of the regulatory framework at the local level—among 10 Dutch cities: Amsterdam, Arnhem, Eindhoven, Enschede, Groningen, The Hague, Maastricht, Middelburg, Rotterdam, and Utrecht.[4] It analyzes the regulatory hurdles faced by entrepreneurs and suggests ways to make it easier to do business across the five areas benchmarked by providing good practice examples from the Netherlands and other EU member states.

MAIN FINDINGS

Dutch entrepreneurs operate in a homogeneous regulatory framework, but their experience dealing with business regulation varies at the local level

The regulatory framework for the five areas is set at the national level and applies across all 10 cities. All locations score the same on quality components.[5] Processes are homogeneous across the Netherlands for starting a business and registering property, unsurprising given the high level of centralization in these areas. More variation exists in dealing with construction permits, getting electricity, and enforcing contracts, either because local authorities and agencies can regulate further or because national rules are implemented inconsistently across cities.

Six of the benchmarked cities top the ranking in at least one measured area, with Eindhoven and Middelburg placing consistently among the top five cities across all five regulatory areas (table 4.1). Conversely, Utrecht ranks consistently in the bottom half. Five other cities—Amsterdam, Arnhem, Enschede, Maastricht, and Rotterdam—rank among

TABLE 4.1 Six benchmarked cities top the rankings in at least one area

	Starting a business		Dealing with construction permits		Getting electricity		Registering property		Enforcing contracts	
City	Rank (1–10)	Score (0–100)	Rank (1–10)	Score (0–100)	Rank (1–10)	Score (0–100)	Rank (1–10)	Score (0–100)	Rank (1–10)	Score (0–100)
Amsterdam	7	91.50	4	66.92	4	86.63	7	80.01	8	59.94
Arnhem	1	91.70	7	65.85	6	84.24	5	80.06	6	60.46
Eindhoven	5	91.57	2	68.89	2	87.08	1	80.10	1	62.24
Enschede	1	91.70	10	62.75	10	82.73	5	80.06	3	61.62
Groningen	1	91.70	5	66.88	9	82.95	1	80.10	5	61.49
The Hague	7	91.50	9	65.11	5	85.43	7	80.01	7	59.99
Maastricht	5	91.57	6	65.95	1	87.19	1	80.10	10	59.09
Middelburg	1	91.70	1	69.47	3	86.63	1	80.10	2	61.87
Rotterdam	7	91.50	3	68.32	7	84.24	7	80.01	4	61.61
Utrecht	7	91.50	8	65.60	8	83.37	7	80.01	9	59.89

Source: Subnational Doing Business and *Doing Business* databases.

Note: Data for Amsterdam are not considered official until published in the *Doing Business 2021* report. The indicator scores show how far a location is from the best performance achieved by any economy on each Doing Business indicator set. The scores are normalized to range from 0 to 100 (the higher the score, the better). For more details, see the chapter "About *Doing Business* and *Doing Business in the European Union 2021: Austria, Belgium and the Netherlands*."

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the top half in at least two indicators and among the bottom half in at least two indicators, suggesting that they have something to teach and something to learn from their neighbors. Getting electricity is easiest in Maastricht, the place where contract enforcement is the most difficult. Enschede is among the top-performing cities for enforcing contracts, but the city scores poorly for dealing with construction permits and getting electricity. By contrast, Amsterdam ranks high in the latter two indicator sets, but it lags in contract enforcement.

With remarkable consistency, Eindhoven ranks at the top for contract enforcement, co-leads for property registration, and is the runner-up for dealing with construction permits and getting electricity. Similarly, Middelburg leads on construction permitting, with the second-fastest time and one of the least expensive processes. The city also shares the top position for starting a business and registering property. Rotterdam is among the most efficient locations for dealing with construction permits.

Subnational differences highlight opportunities for cities to learn from each other

Dutch cities show homogeneous results in two regulatory areas where they outperform the EU average: starting a business and registering property. The process of transferring property, which is fast but relatively costly, is uniform nationwide and relies heavily on notaries. All Dutch cities obtain the highest scores globally for the quality of the centralized land administration framework.[6] It is easier and faster to start a business in the Netherlands than in the EU on average. The prevalence of centralized online systems—like the online platform hosted by the Netherlands Chamber of Commerce—ensures that the business registration process is also uniform across the 10 benchmarked cities. In both regulatory areas, marginal differences stem from variations in the fees charged by private notaries to register a company or transfer property.

In the three other areas measured, however, significant disparities in regulatory performance can help policy makers identify opportunities to improve administrative processes and building local institutional capacity. The regulatory performance gap is widest for dealing with construction permits, unsurprising considering the central role played by local authorities in this area (figure 4.1).

In the Netherlands, dealing with construction permits requires between 13 and 16 procedures, which can be completed in 168 to 233 days, depending on the location. Variations in the number of required procedures stem from locally determined water and sewage connection processes and the local-level application of the Bibob law to combat money laundering.[7] In nine cities, water and sewage connections require separate applications; the municipality arranges sewage connections and private sector companies arrange water connections. Amsterdam is the exception. There, a private company, Waternet, performs both water and sewage connections. The cities where the municipality is responsible for sewage connections have notably

FIGURE 4.1 The regulatory performance gap is wide in three areas

Source: Subnational Doing Business and *Doing Business* databases.

Note: Data for Amsterdam, EU averages, and EU best performances are not considered official until published in the *Doing Business 2021* report. The score indicates how far a location is from the best performance achieved by any economy on each *Doing Business* indicator. The score is normalized to range from 0 to 100 (the higher the score, the better). Averages for the Netherlands are based on data for the 10 cities benchmarked. Averages for the European Union are based on economy-level data for the 27 EU member states. Other EU member states are represented by their capital city, as measured by global *Doing Business*. For more details, see the chapter "About *Doing Business* and *Doing Business in the European Union 2021: Austria, Belgium and the Netherlands.*"

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different approaches and involvement levels, resulting in varying processing times. For example, in Arnhem, developers need only notify the municipality of the connection works, which are carried out by a private sector contractor. In Maastricht, the same procedure takes 1.5 months. First, the developer requests a permit to assess connection feasibility and estimate the cost; then, the municipality performs an onsite pre-connection inspection. Similarly, the process for applying anti-money laundering screening varies by location. Dutch municipalities determine which industries are most at risk and whether a project requires the basic Bibob screening or an in-depth evaluation.[8] Five of the 10 benchmarked cities apply Bibob screening to all construction projects above a certain monetary threshold.[9]

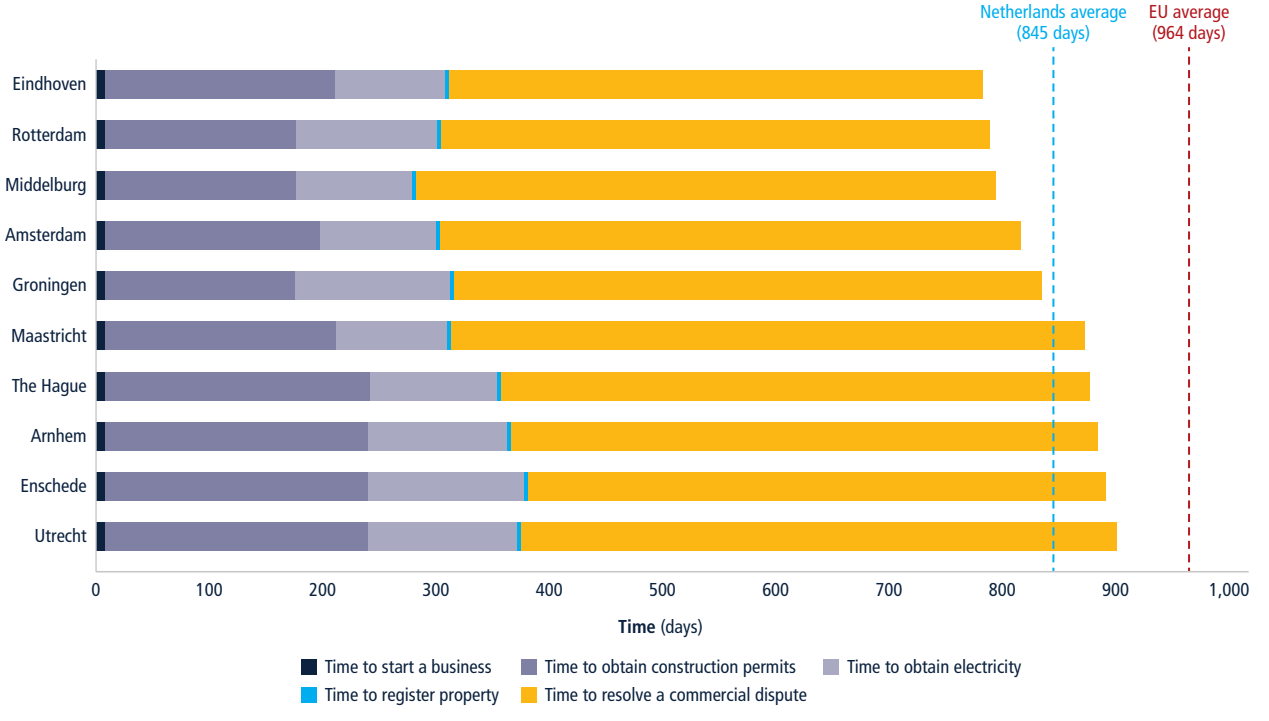
The regulatory gap between Dutch cities for getting electricity is also noteworthy. Cost variations stem from the different connection fees charged by the four regional distribution utilities operating in the benchmarked cities (each utility serves between one and four of the measured cities). However, several factors drive variations in the time to get electricity, including application and staff availability. Obtaining a connection takes at least a month longer in Utrecht, Groningen, and Enschede than in Maastricht and Eindhoven (where it takes 97 and 98 days, respectively). Enschede is one of the cities where the connection process is delayed by a shortage of technical staff and the utility's transition to renewable energy sources. The time for the utility to obtain a municipal permit for works crossing a public road also varies by municipality. Getting this permit takes three days in Utrecht but eight weeks in Groningen, where the municipality requires a thorough archeological assessment to issue the permit.

Delays in securing hearing dates in the trial and judgment phase cause the main subnational variations in the area of enforcing contracts. The trial time can vary from 396 days at the district court in Eindhoven to 475 days in Maastricht. In Eindhoven, the courts' use of an electronic calendar system (verhinderdata) reduces the waiting period for the first hearing to just 3–6 months by streamlining scheduling. In Groningen—where the trial phase lasts 442 days on average—a case registered in August 2020 would be first heard in February 2021 and, if the case is adjourned or requires a second hearing, the next available date would be in August of 2021.

The time to do business varies widely across the country, but the overall quality of regulation is uniform

Time is the dimension that varies the most across the indicators measured. Contract enforcement takes 19 months in Maastricht, three months longer than in Eindhoven. Dealing with construction

FIGURE 4.2 Eindhoven has the fastest turnaround time overall



Source: *Subnational Doing Business* and *Doing Business* databases.

Note: Data for Amsterdam and EU averages, which use economy-level data for 27 member states of the European Union, are not considered official until published in the *Doing Business 2021* report.

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permits varies from 5.6 months in Groningen to almost eight months in The Hague. Getting electricity takes 97 days in Maastricht, 41 days less than in Enschede. The time for property registration and for starting a business is uniform across the country.

Overall, it takes entrepreneurs in Utrecht almost four months longer than their peers in Eindhoven to comply with the bureaucratic requirements associated with the measured *Doing Business* areas (figure 4.2). Nevertheless, even in Utrecht, the total time is two months faster than the EU average.

Good performances exist across the country

Most Dutch cities have lessons to offer their peers. Even cities that do not perform at the top on any indicator lead one indicator category (table 4.2). With four each, Eindhoven, Maastricht and Groningen are the cities with the highest number of good practices. Dealing with construction permits is fastest in Groningen, where it takes 5.5 months compared to more than 7.5 months in The Hague. However, this variation is not caused by the number of regulatory steps (Groningen requires 15 while The Hague, the city with the fewest procedures, requires 13). Instead, the main cause is the time needed for municipal consultations and the water and sewer connection. It takes 22 days to obtain the utility connection in Groningen, the fastest in the Netherlands and one-quarter of the time needed in Arnhem, Enschede, and Utrecht (85 days).

Three of the four good practices recorded for Maastricht relate to cost. Entrepreneurs in Maastricht pay the lowest costs in the Netherlands to connect a warehouse to the electricity grid, go through the construction permitting process, and transfer property. Dealing with construction permits costs just 1.5% of the warehouse value in Maastricht compared to 4.0% in Amsterdam, mainly due to lower permit fees. In Maastricht, the cost of the warehouse construction permit application (EUR 21,133) is one-quarter of that in Amsterdam (EUR 82,106).

WHAT IS NEXT?

Streamlining regulatory procedures can reduce the cost of doing business for local firms, enhancing their efficiency and ability to compete abroad. This report's review of the regulatory environment in the Netherlands points to possible improvements (table 4.3). Some improvements could be achieved by replicating EU or global good practices, and others by looking to subnational examples.

Replicating domestic good practices would improve the Netherlands' scores for the ease of enforcing contracts and dealing with construction permits

Minor administrative improvements can make a significant difference to small firms, which do not have access to the resources and tools available to larger businesses to extract better and faster service from bureaucracies. An effective way forward is to promote the exchange of information and experience among cities, enabling underperforming ones to learn from those with higher rankings. Replicating more efficient processes developed by other cities within the Netherlands could produce efficiency gains without significant legislative changes. Nevertheless, various factors such as local economic priorities or budget availability may dictate whether replicating a good practice is desirable.

The two areas where improvements would be the most impactful are dealing

TABLE 4.2 Most cities lead in at least one indicator category

	Number of top performances	Starting a business	Dealing with construction permits			Getting electricity		Registering property	Enforcing contracts	
		Least expensive	Fewest procedures	Shortest time	Least expensive	Shortest time	Least expensive	Least expensive	Shortest time	Least expensive
Eindhoven	4		✓				✓	✓	✓	
Groningen	4	✓		✓			✓	✓		
Maastricht	4				✓	✓	✓	✓		
Middelburg	3	✓						✓		✓
Arnhem	2	✓	✓							
Enschede	2	✓					✓			
Amsterdam	1		✓							
The Hague	1		✓							
Utrecht	1		✓							
Rotterdam	0									

Source: Subnational Doing Business and *Doing Business* databases.

Note: The table does not show indicator categories in which all or most cities register an equal result: procedures, time and paid-in minimum capital required to start a business; the building quality control; procedures to obtain electricity and the reliability of supply and transparency of tariffs; the procedures and time to register a property as well as the reliability of infrastructure.

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TABLE 4.3 Opportunities for regulatory improvement in Dutch cities

Regulatory area	Good practices	Relevant ministries and agencies*	
		National level	Local/regional level
Starting a business	Introduce an automated name verification system	• Ministry of Economic Affairs and Climate Policy • Netherlands Chamber of Commerce • Ministry of Finance • Dutch Tax and Customs Administration • Ministry of Social Affairs and Employment • Employee Insurance Agency • Royal Dutch Association of Civil-law Notaries	
	Make third-party involvement optional, standardize incorporation forms, and provide public access to the business registration system		
	Make starting a business a fully electronic process		
	Accelerate and streamline the VAT registration process		
Dealing with construction permits	Increase efficiency by improving coordination and consolidating procedures	• Ministry of the Interior and Kingdom Relations • Ministry of Infrastructure and Water Management • Ministry of Justice and Security • Association of Netherlands Municipalities • Royal Institute of Engineers • Office of Architects Registry	• Municipalities • Fire departments • Regional environmental services
	Continue expanding the digital platform to consolidate the construction permitting process further		
	Introduce mandatory liability insurance requirements to cover developers and architects in the event of structural defects		
	Review the building permit cost structure		
	Improve regulatory expertise together with the private sector		
Getting electricity	Streamline the process for obtaining external connection works and excavation permits	• Netherlands Authority for Consumers and Markets (ACM) • Association of Netherlands Municipalities • Royal Institute of Engineers	• Electricity distribution utilities • Electricity suppliers • Municipalities
	Increase transparency by making data on legal time compliance publicly available		
	Allow entrepreneurs to request a new connection, supply contract, and meter installation via a single window		
	Allow the option to pay connection fees in installments and assess the possibility of lowering the cost of getting an electricity connection		
Registering property	Assess the possibility of reducing the cost of transferring property in the Netherlands	• Ministry of Interior and Kingdom Relations • Ministry of Justice and Security	
	Explore the possibility of gradually reducing the role of notaries in property transfers or make their use optional		
	Increase the transparency of the land administration system by collecting and compiling statistics on land disputes		
Enforcing contracts	Consider making measures allowing virtual hearings permanent	• Ministry of Justice and Security • The Council for the Judiciary	• Local courts
	Consider expanding e-features in courts for commercial litigation and small claims		
	Consider creating specialized commercial courts or divisions		

Note: All good practices are detailed at the end of the respective indicator section.
*The list includes the main ministries and agencies relevant to each regulatory area but is not exhaustive.

with construction permits and enforcing contracts (figure 4.3). If Amsterdam were to reduce the cost of construction permits to levels in Maastricht (1.5% of the warehouse value) and the time to that in Groningen (168 days), the Netherlands' score would improve from 66.92 to 71.54, just behind Switzerland but ahead of Spain. Similarly, if Amsterdam could reduce the time to enforce contracts by 43 days (to the time in Eindhoven) and the cost by 5 percentage points (to the cost in Middelburg), the Netherlands' score would increase by 3.1 points. Making Amsterdam's electricity connection process as efficient as Eindhoven's would also increase the Netherlands' score on the ease of getting electricity.

The potential for meaningful improvement extends beyond Amsterdam. Most Dutch cities could look to Amsterdam to learn how to process building permit applications more efficiently. Dutch cities could consider consolidating procedures and reducing the time developers spend on separate water and sewage applications or preliminary consultations. Unlike the other nine cities—where water and sewage connections require separate applications—water and sewage connections are requested jointly in Amsterdam to a private sector company.

The Netherlands can also look to other EU member states and beyond for good practices

Even if the Netherlands were to adopt the good practices found within its borders, the country would still lag the performance of most other EU member states, particularly in dealing with construction permits and enforcing contracts. Looking to good practices in other EU member states is another way to boost competitiveness in these indicators.

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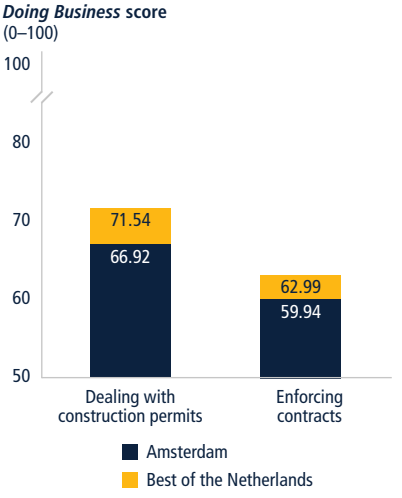
FIGURE 4.3 If Amsterdam adopted each city's best practices, the Netherlands' ease of enforcing contracts and dealing with construction permits would increase significantly



Source: Subnational Doing Business and *Doing Business* databases.

Note: Data for Amsterdam are not considered official until published in the *Doing Business 2021* report.

The Netherlands could streamline its company registration process. Digital tools for company registration are already available to notaries, but entrepreneurs cannot complete the process online by themselves. Incorporating technology would allow entrepreneurs to use a digital identity, eliminating the need for an in-person visit to the notary. Several EU member states employ virtual interfaces for business incorporation. These economies require no in-person interaction with the authorities, third-party participation, or hard-copy submission of documents to start a company, reducing the administrative burden. Estonia's online company registration portal allows entrepreneurs to check the company name, submit the registration application, and pay the share capital electronically in a single interaction.[10] The Danish Business Authority provides LLCs with a one-stop, centralized online platform for business and tax registration, which entrepreneurs access using their NemID digital signature. Companies complete a registration form and submit the memorandum and articles of association online.[11] In Portugal, entrepreneurs can establish an LLC through an online registration service ('Empresa Online'). They can access this service through the Business Portal by using a digital mobile key, a citizen card, or a digital certificate.[12]

Dealing with construction permits in the Netherlands takes longer and is more expensive than the EU average. Building permit fees across Dutch cities are high, accounting for more than 80% of the total cost to complete construction permitting. In economies that have adopted good practices in this area, building permit fees are generally set to recover the cost of providing services rather than to generate tax revenue. New Zealand charges permit fees at a level that covers the costs associated with the review of plans, any inspections, and overhead costs. When setting the fees, the Auckland Council considers factors including the cost implications of infrastructure funding decisions on development and the challenges developers face in getting their products built, noting "if development costs are too high this may act as a barrier to development and slow down growth."[13]

To make getting electricity easier, the Netherlands could reduce the time it takes to connect a warehouse to the electricity grid. On average, getting electricity in the Netherlands takes almost one month longer than the EU average. Dutch authorities and utilities could take inspiration from the United Kingdom. In 2017, the UK regulator, Ofgem, approved the Incentive on Connections Engagement (ICE) initiative to encourage distribution network operators to complete the external connection works faster. According to the ICE guidance, the utilities must provide data demonstrating that they have responded to their customers on time and according to their customer service engagement. Distribution system operators can be penalized if they fail to meet these requirements. Moreover, one distributor, UK Power Networks, implemented a new software system, the Design Fast Track and Approved Designer Scheme, that allows for direct contact with subcontractors and tracks their progress. The utility also introduced common requirements for the design and planning of the works and material specifications for subcontractors to carry out external works. As a result of these initiatives, UK Power Networks reduced the time to provide a new electricity connection by a month. Currently, it takes 46 days to complete the connection works, which is more than twice as fast as the Dutch average.

The cost of transferring property in the Netherlands is significantly higher than the EU average (4.6% of the property value), mainly because of the 6% property transfer tax. The cost of registering property is lower than the Netherlands in 19 EU member states. Denmark, Estonia, Lithuania, Poland, and the Slovak Republic have very low property transfer taxes (less than 1%) or have abolished them altogether.

Dutch courts lag in terms of automation and case management systems. The Netherlands' judiciary would benefit from adopting additional features such as electronic service of process or e-filing of the claim, two tools that could streamline and accelerate the process of commencing a lawsuit. Estonia and Germany have made enforcing contracts easier by introducing electronic filing of both the initial complaint and electronic service of process without the need for paper documents.

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Starting a Business

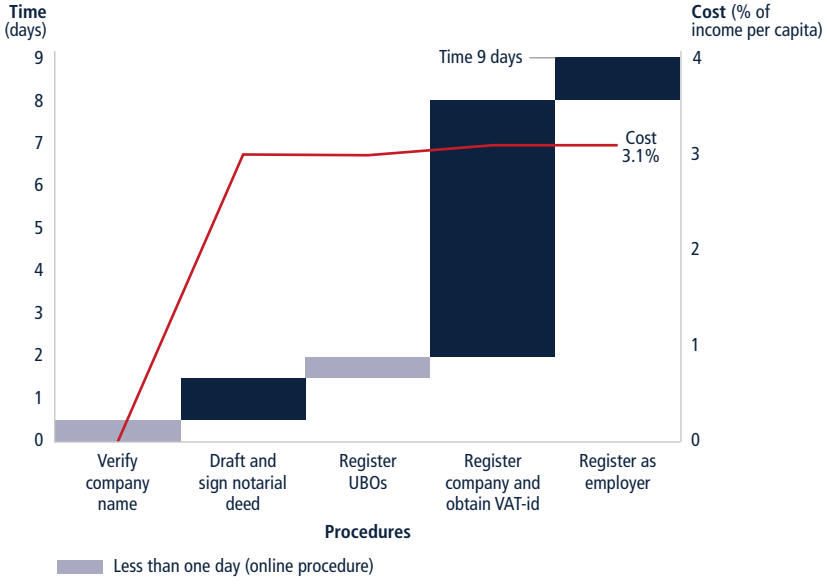
The process of starting a business is uniform, but the cost varies across the 10 cities benchmarked

Across the Netherlands, starting a private limited liability company (LLC) (besloten vennootschap, bv) requires entrepreneurs to complete the same five procedures, taking the same amount of time. The Dutch Civil Code[14] sets the requirements for operating a bv at the national level, making the process uniform nationwide. The centralized organizational structure of the startup process and the prevalence of online platforms—such as that of the Netherlands Chamber of Commerce (Kamer van Koophandel, KVK)—ensure procedural uniformity. The Chamber of Commerce, an official and independent administrative body, manages the Dutch Commercial Register (Handelsregister) and the ultimate beneficial owner (UBO) register,[15] and provides information, advice, and support to Dutch businesses. Registering a company with the Chamber of Commerce is a centralized process, with applications handled electronically in the order received.

Nearly all requirements can be completed quickly, within a day or less each (figure 4.4). The exception is the time to obtain the value added tax (VAT) identification number. All applications are processed centrally, and the Dutch Tax and Customs Administration (*Belastingdienst* or Tax Authority) conducts a risk assessment process. For a low-risk business activity—like that of the *Doing Business* case study company—where all information is provided upfront, the VAT number is issued in five days.

The procedures and time are uniform, but the cost to start a business ranges from 2.2% of income per capita (EUR 1,050) in Arnhem, Enschede, Groningen, and Middelburg to 3.8% (EUR 1,800) in Amsterdam, The Hague, Rotterdam, and Utrecht (table 4.4). Although the

FIGURE 4.4 It takes five procedures in nine days, at an average cost of 3.1% of income per capita, to start a business in the Netherlands



Source: Subnational Doing Business and *Doing Business* databases.

Note: In the Netherlands, entrepreneurs complete VAT registration as part of the general company registration process. It takes a total of six days to complete company and VAT registration. The Chamber of Commerce issues the KVK, or Chamber of Commerce registration number, and the RSIN number (Rechtspersonen en Samenwerkingsverbanden Informatienummer), an identification number for legal entities and associations, within several hours. However, the due diligence required to activate the VAT number takes five days.

TABLE 4.4 Costs vary across Dutch cities, but procedures and time are uniform

City	Rank	Score (0–100)	Procedures (number)	Time (days)	Cost (% of income per capita)	Paid-in minimum capital requirement (% of income per capita)
Arnhem	1	91.70	5	9	2.2	0
Enschede	1	91.70	5	9	2.2	0
Groningen	1	91.70	5	9	2.2	0
Middelburg	1	91.70	5	9	2.2	0
Eindhoven	5	91.57	5	9	3.3	0
Maastricht	5	91.57	5	9	3.3	0
Amsterdam	7	91.50	5	9	3.8	0
The Hague	7	91.50	5	9	3.8	0
Rotterdam	7	91.50	5	9	3.8	0
Utrecht	7	91.50	5	9	3.8	0

Source: Subnational Doing Business and *Doing Business* databases.

Note: Data for Amsterdam are not considered official until published in the *Doing Business 2021* report. Rankings are based on the average scores for the procedures, time, cost, as well as the paid-in minimum capital associated with starting a business. The score is normalized to range from 0 to 100 (the higher the score, the better). For more details, see the chapter "About *Doing Business* and *Doing Business in the European Union 2021: Austria, Belgium and the Netherlands.*"

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Chamber of Commerce's business registration fee is set nationally at EUR 50,[16] individual notaries set their own fees, making these the main driver of cost variation for starting a business across the 10 locations.

Almost the entire cost of starting a business in the Netherlands (97%) is attributable to notary charges and fees (figure 4.5). Notary rates, which became negotiable in the Netherlands in 1999, can be billed at an hourly rate or as a fixed fee; notary fees can vary within the same city. Among the variables that determine the price of notarial services for starting a business are the corporate structure of the company, the number of founders, whether the articles of association require special provisions, the qualifications of those involved in the assignment's execution, the notary office's overhead costs, the size and status of the office, and local competition. Although it is possible that entrepreneurs in different locations would pay the same amount in fees to establish a bv,[17] the median price is lower in Arnhem, Enschede, Groningen and Middelburg—cities where demand for incorporation services per notary is lower.

It is easier and faster to start a business in the Netherlands than the EU average

Entrepreneurs in the Netherlands must comply with five procedures to start a business, slightly fewer than the EU average (5.7 procedures) (figure 4.6). Only eight EU member states allow entrepreneurs to start a business in fewer procedures.[18] The entire process takes nine days in the Netherlands—three days faster than the EU average but more than twice as long as the European Union's best performers, France and Greece, where it takes just four days. Dutch entrepreneurs pay the equivalent of 3.1% of income per capita on average to start a business, on par with the EU average but significantly higher than the 12 top performers in the European Union for cost (where entrepreneurs pay just 0.5% of income per capita on average). Among the top performers globally, there is no cost to start an LLC in Slovenia; in Ireland, Denmark, and the United Kingdom, the cost of starting a business is less than 0.3% of income per capita. Like five other EU member states and the United Kingdom,[19] Dutch entrepreneurs are not required to deposit cash as paid-in capital before incorporation.[20]

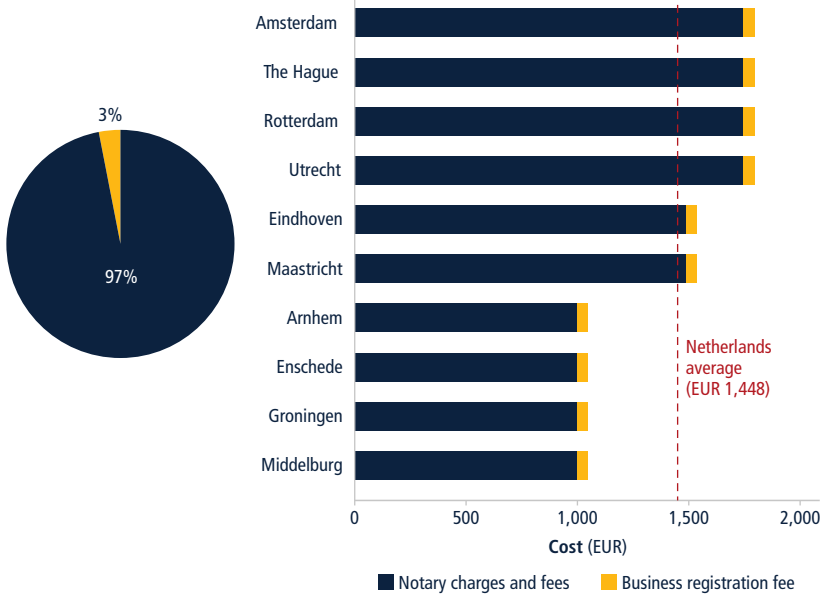
Entrepreneurs complete five procedures and wait nine days to start a business

Starting a business anywhere in the Netherlands requires the same five procedures across the Netherlands. Although notaries assist with the first four procedural steps to start a business, the entrepreneur or someone on behalf of the entrepreneur like an accountant must complete the fifth—registering the company as an employer with the Tax Authority (figure 4.7).

As a first step to register a bv, the entrepreneur or notary verifies the availability of the proposed company name using the Chamber of Commerce's online tool.[21] Although the entrepreneur can complete this step independently, most seek advice from notaries on the company name to ensure that it complies with the Trade Name Act.[22]

In the Netherlands, a bv must be incorporated by a notarial deed executed in the physical presence of a notary either by the entrepreneur or the person granted power of attorney to act on their behalf. Entrepreneurs send the required information and documentation[23] to the notary by post, in person, or electronically (by email or through online software systems such as 'Online Dossier') for the notary to draw up the deed of incorporation. Most entrepreneurs submit the documentation by email. Before the COVID-19 pandemic, all shareholders of the bv were required to appear in person with a valid identification document for the notary to execute the deed or legalize a power of attorney. However, the Royal Dutch Association of Civil-law Notaries (Koninklijke Notariële Beroepsorganisatie, KNB) enacted temporary policy rules during the pandemic

FIGURE 4.5 Notary services account for 97% of startup costs in the Netherlands



Source: Subnational Doing Business and *Doing Business* databases.
Note: Data for Amsterdam are not considered official until published in the *Doing Business 2021* report.

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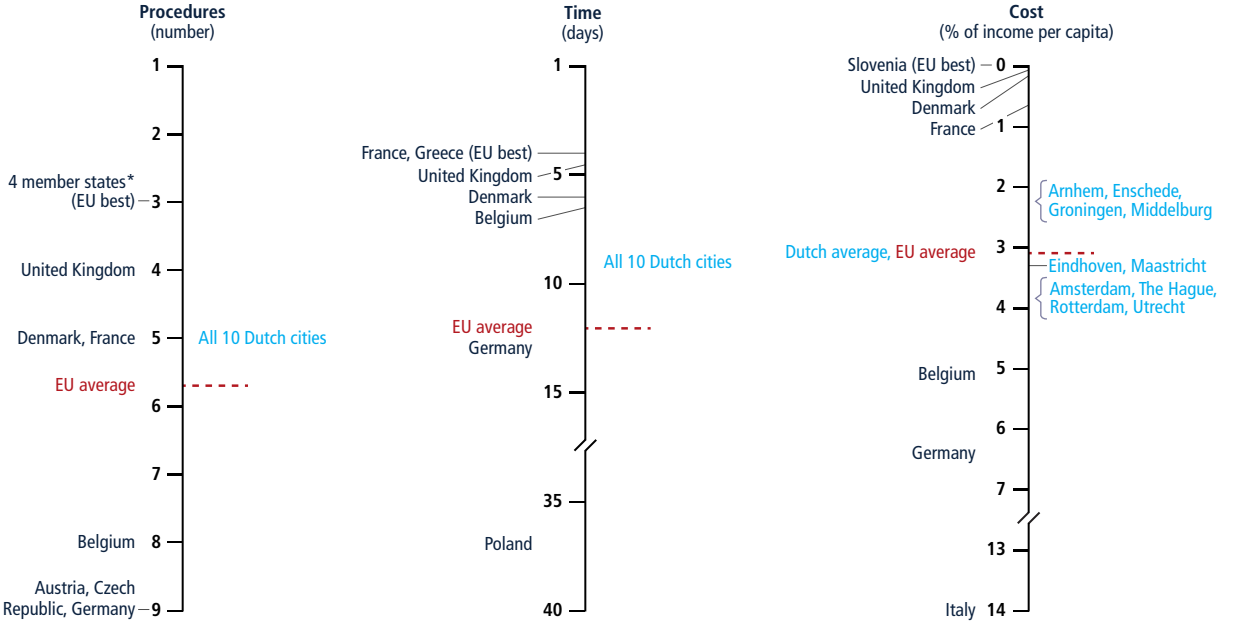
FIGURE 4.6 Dutch cities outperform the EU average for number of procedures and time and are on par for cost



Source: Subnational Doing Business and *Doing Business* databases.

Note: Data for Amsterdam, comparator economies, and EU averages are not considered official until published in the *Doing Business 2021* report. EU average uses economy-level data for the 27 member states of the European Union. Data for individual economies are for their capital city as measured by *Doing Business.*

* Estonia, Finland, Greece, Slovenia.

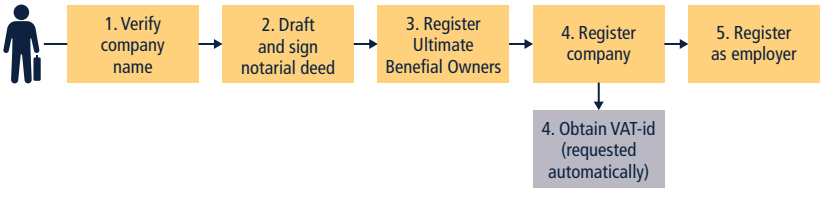
allowing notaries to verify the identities of entrepreneurs remotely (using audio-visual communications technology) and suspending the need for the in-person signing of powers of attorney with the notary (box 4.1).

Once the deed is signed, the notary submits the required information electronically[24] to the Chamber of Commerce to register the bv online through an online platform (Online Registreren Notarissen, ORN) and its UBOs through the NAU platform (Notaris Applicatie UBO).[25] Only a notary can complete this process electronically. Entrepreneurs wishing to register the company and UBOs themselves can visit a Chamber of Commerce office in person. Most entrepreneurs opt for a notary to complete the process electronically, citing time efficiency.[26] Upon approval of UBO registration, the Chamber of Commerce sends a confirmation letter by post to the company and its UBOs. The NAU platform automatically notifies the notary whether UBO registration was approved or not.

Once registrations are complete—for the company, directors, and UBOs—the Chamber of Commerce assigns two numbers to the company: the Chamber of Commerce registration number (KVK-nummer) and the legal identities and associations identification number (Rechtspersonen en Samenwerkingsverbanden Informatienummer, RSIN-nummer) used for data exchange with government entities. Entrepreneurs receive a letter from the Chamber of Commerce informing them of the success of the company's registration in the Commercial Register. While awaiting this letter, the notary can check the company's registration status online using the ORN application. Alternatively, entrepreneurs can search online for the company's information using the Commercial Register's database[27] or the extract from the Chamber of Commerce.

VAT registration is initiated with company registration at the Chamber of Commerce. The Chamber automatically forwards the company's registration information to the Tax Authority, which in turn assigns the company's VAT identification number and delivers it by

FIGURE 4.7 How does the business registration process work in the Netherlands?



Source: Subnational Doing Business and *Doing Business* databases.

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BOX 4.1 Starting a business during COVID-19

In the Netherlands, entrepreneurs appear in person before a civil-law notary to execute the notarial deed—either to sign the deed of incorporation or to be identified for the purpose of legalizing a private power of attorney. In April 2020, amid the COVID-19 pandemic, the authorities enacted a temporary law allowing the digital approval of deeds in special emergency situations. However, for the process of incorporating a bv, the entrepreneur or their authorized representative still signs the notarial deed in person.

The KNB responded to the pandemic by amending some common practice policy rules to allow the digital authorization of signatures.[a] Because some entrepreneurs wished to avoid face-to-face meetings, the KNB allowed notaries to verify the identity and signature of entrepreneurs granting a power of attorney using an audiovisual connection. Consequently, some notaries reported an increase in the use of private powers of attorney during the pandemic.

Notaries were free to determine whether to allow in-person appointments with clients during the pandemic. Most notary offices remained open during the lockdown, offering services in accordance with pandemic guidelines for social distancing. Telephone and videoconference meetings to provide advice and guidance on the establishment of a bv increased sharply. These safety measures, coupled with the KNB's policy response, helped the Netherlands to maintain a smooth business startup process during the COVID-19 pandemic.

Despite the increased use of electronic communication tools, this solution remains temporary and partial— entrepreneurs or their authorized representative still physically attend the signing of the notarial deed. Beyond this, however, no further in-person interactions are required to complete the remaining procedures to start a business in the Netherlands.

The remaining steps are executed either electronically (checking the company name, registering the company and UBOs) or by post (registering as an employer).

a. For more information on the KNB's response to COVID-19, see the website at https://www.knb.nl/actueel/coronavirus.

post to the entrepreneur. Entrepreneurs can access company tax information, including the VAT identification number, and file various tax returns electronically (payroll, corporate, VAT) using the Tax Authority's portal for entrepreneurs.[28] Private limited companies located in the Netherlands with a turnover not exceeding EUR 20,000 per calendar year can receive a VAT exemption by opting for the small business scheme (Kleineondernemersregeling, KOR).[29]

Finally, a company hiring employees for the first time must register as an employer with the Tax Authority. Firms register as an employer by completing and signing a PDF form (available online from the Tax Authority's website[30]); they mail the form by post to the Tax Authority office in Heerlen.[31] Within six weeks of completing registration, the company receives a payroll tax number, a payroll tax return letter—listing the tax return filing periods for the current year—and information on the contributions due to the employee social security insurance scheme.

WHAT CAN BE IMPROVED?

Introduce an automated name verification system

The entrepreneur has the legal responsibility to check the availability of the company name in the Netherlands.[32] The name must meet certain requirements, such as not using another company's brand name and avoiding confusion with existing company names. The Chamber of Commerce's website offers instructions on how to check the company name before registration and provides an online tool for entrepreneurs to verify whether their proposed company name is already listed in the Commercial Register. This tool cannot check for phonetics, special punctuation marks, or other distinguishing factors between names that could confuse the public or be disallowed under the Trade Name Act. Therefore, the Chamber of Commerce recommends that entrepreneurs seek the assistance of a notary to evaluate the company name.[33] Most entrepreneurs seek the assistance of a notary to ensure that the proposed company name complies with the Trade Name Act. Entrepreneurs and their notaries can also check the Benelux Office for Intellectual Property[34] for brand names and the Internet Domain Name Registration Foundation (SIDN)[35] for domain names.

By simplifying the rules and offering an automated name verification system at the time of company registration, the authorities would allow entrepreneurs to verify for themselves that the proposed company name complies with the legal requirements for company registration.

Various economies have redesigned the registration process to allow entrepreneurs to automatically verify the proposed company name at the time of application for business registration.

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Australia, Canada, and the United States introduced clear rules in the early 2000s to determine whether proposed company names were identical or similar to existing companies or required specific consent. This approach allows for automatic name rejection or acceptance at the time of registration, increasing both the transparency and efficiency of the name clearance process and company registration overall. Other economies allow entrepreneurs to choose from a list of preapproved company names. In Portugal, entrepreneurs can choose from a list on the business registry's website[36] and register the company through a single contact point, Empresa na Hora.[37] In Estonia, entrepreneurs can check the proposed company name online using the e-Business Register,[38] which accesses county court registry databases and displays real-time data on all legal persons registered in Estonia. In the United Kingdom, the online registration website alerts entrepreneurs if the desired company name cannot be used and provides guidance for choosing another company name.[39]

Make third-party involvement optional, standardize incorporation forms, and provide public access to the business registration system

Starting a bv in the Netherlands costs on average 3.1% of income per capita. The cost to start a business is higher in only 10 other EU member states.[40] Notary fees comprise the bulk of this cost (97%) in the Netherlands. Although notaries play a similarly central role in the business startup process in other EU member states, notary fees elsewhere are a fraction of those in the Netherlands. In the Czech Republic, entrepreneurs starting a simple LLC pay a flat fee of CZK 2,000 (approximately EUR 77) for the notary to draft and notarize the company articles of association. There are no formal standardized articles of association in the Netherlands; in practice, many notaries use a standardized framework for the notarial deed. Still, notary rates vary significantly, even for the same type of company incorporation within the same city. Notarial costs should be more accessible and transparent, and prices should reflect variations only for the services provided.

Various digital platforms—for example, Firm24[41]—allow entrepreneurs to establish a bv in the Netherlands and offer standardized articles of association for company incorporation. However, these still require the involvement of a notary. Most entrepreneurs prefer to use customized incorporation documents and, therefore, do not take advantage of these platforms. The Dutch authorities could reduce the cost of starting a business by formalizing the use of standardized articles of association and making them flexible enough to accommodate most small businesses. Standardization could make it possible for registry officials to verify their accuracy, signatures, and legal compliance. For a standard company, a single verification should suffice; larger companies with more complex structures and special requirements could continue to solicit the services of third-party professionals and use customized incorporation documents. Allowing entrepreneurs to file the incorporation documents electronically with the Chamber of Commerce would also facilitate company formation by reducing the need for legal intermediaries and reducing costs.

Fewer than half of the 191 economies measured by *Doing Business* require entrepreneurs to hire a third-party agent when starting a business. Increasingly, economies are making the use of intermediaries optional when incorporating a new LLC. Third-party agents are not required in the 10 EU member states with the lowest cost to start a business (figure 4.8). Across regions, the overall cost to start a business is lower in economies where there is no third-party involvement.[42] Entrepreneurs pay no fees when using SPOT,[43] Slovenia's electronic one-stop shop, to start a simple LLC. This procedure makes use of standardized electronic articles of association and can be used by both single-member LLCs (one founder) and multi-member LLCs (several founders). Portugal successfully made third-party involvement optional for companies using registry-provided standard incorporation documents.[44] Entrepreneurs can establish a "one-person" company, a private limited company, or a public LLC instantly at just one desk. In the United Kingdom, entrepreneurs can register an LLC using the Companies House's online tool[45] at a cost of GBP 12 (approximately EUR 14). The registration website automatically generates model articles of incorporation and company memoranda.[46]

Make starting a business a fully electronic process

The coronavirus pandemic has driven technological advances at a staggering pace worldwide. In the European Union, the move toward online business registration was already well underway. EU Directive 1151/2019 requires that all EU member states introduce an online procedure for company formation, branch registration, and document submission. However, the availability of online tools for company registration varies across the European Union. In several EU member states, entrepreneurs can register their company electronically; in others, the law requires the involvement of a third party (a notary, accountant, or lawyer) in the incorporation process.[47]

In the Netherlands, digital tools for company registration are available only to notaries, who must verify the identity of all shareholders. But the process for starting a business is not fully online—the notarial deed is still executed in the physical presence of a notary. Moreover, company founders hiring employees for the first time must send a PDF form by post to the Tax Authority's Heerlen office. Allowing entrepreneurs to use a digital identity would eliminate the need for an in-person visit to the notary. Furthermore, adding employee registration to the electronic incorporation process would eliminate the need for the submission

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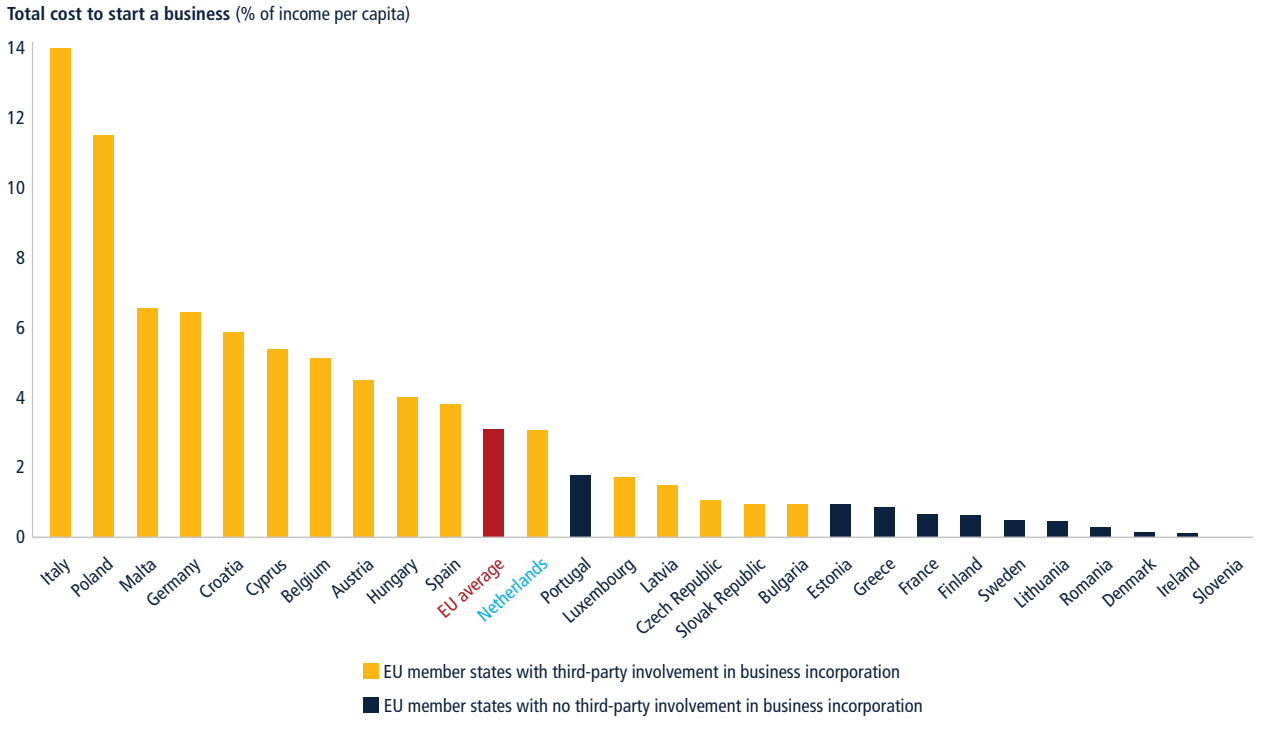
FIGURE 4.8 Starting a business costs more in economies with third-party involvement



Source: Subnational Doing Business and *Doing Business* databases.

Note: Values for Austria, Belgium, and the Netherlands are based on data for the cities benchmarked in this report; data for other EU member states (represented by their capital city as measured by global *Doing Business*) are not considered official until published in the *Doing Business 2021* report.

of paper documents. By adopting these measures—and making the temporary digitalization measures adopted during COVID-19 permanent—the authorities could fully digitalize the company incorporation process in the Netherlands.

Several EU member states have virtual interfaces for business incorporation. These economies require no in-person interaction with the authorities, third-party participation, or hard-copy submission of documents to start a company, reducing the administrative burden. Estonia's online company registration portal allows entrepreneurs to check the company name, submit the registration application, and pay the share capital electronically in a single interaction.[48] The Danish Business Authority provides LLCs with a one-stop, centralized online platform for business and tax registration, which entrepreneurs access using their NemID digital signature. Companies complete a registration form and submit the memorandum and articles of association online.[49] In Portugal, entrepreneurs can establish an LLC through an online registration service ('Empresa Online'). They can access this service through the Business Portal by using a digital mobile key, a citizen card, or a digital certificate.[50]

Economies worldwide offer an electronic end-to-end company registration process. Canada's registration process has been entirely paperless since 2006. An integrated IT system links the databases of relevant agencies (registry, tax, social security, and statistics institute). Entrepreneurs can submit a single electronic form and pay electronically through the website.[51] Once all the requirements are met, and payment is received, the system automatically processes the information and instantly issues the registration certificate. In the United Kingdom, company founders have the option of registering their company online with the Companies House[52] in a process that takes only several hours.

Accelerate and streamline the VAT registration process

Each of the individual requirements to start a business in the Netherlands can be completed in one day or less—except for VAT registration. The due diligence process to issue the VAT number for a low-risk activity, takes roughly five days. This lengthy wait is due to staff workload and the thorough evaluation of the application undertaken by revenue officers to reduce the risk of noncompliance and the incidence of fraudulent reimbursement claims.

The authorities could consider streamlining risk screening at the point of registration, thereby freeing resources for reallocation to other compliance actions. In Croatia, which takes this approach,

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obtaining a decision on VAT registration takes one to two days. Checks are performed to assess the accuracy of the information submitted after registration. Some EU member states issue VAT and other tax numbers on the spot. In Italy, just two days after submitting a single electronic notice (Comunicazione Unica, or ComUnica) to the business register, the company receives the fiscal code, VAT number, and registry application reference number. In France, entrepreneurs can file a joint application for company incorporation, allowing them to meet the requirements of various agencies—including the tax authorities—in just two days. Similarly, in Greece and Hungary, completing the company registration and obtaining the taxpayer/VAT number takes two days.

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Dealing with Construction Permits

The Dutch construction permitting system is regulated at the national level by the Environmental Licensing (General Provisions) Act (referred to hereafter by its Dutch acronym, Wabo).[53] The Wabo legislation allows a developer to submit all permits and notifications required for a project in a single application to the Omgevingsloket online platform (also referred to as OLO).[54] Although legislation is set at the national level, the law leaves room for implementation variations at the local level.

Dealing with construction permits is easiest in Middelburg and hardest in Enschede

The 10 Dutch cities benchmarked show notable differences in the efficiency of the construction permitting process (table 4.5). Amsterdam, Arnhem, Eindhoven, The Hague, and Utrecht require the fewest procedures (13), while Maastricht requires the most (16). Construction permitting is fastest in Groningen (168 days) even though the city requires two more procedures than The Hague, where the process takes two months longer (233 days). The cost—which averages 2.7% of the warehouse value in the Netherlands—ranges from 1.5% in Maastricht to 4.0% in Amsterdam.

On average, Dutch cities lag their EU peers on measures of efficiency and quality in construction permitting

Dealing with construction permits across the Dutch cities measured requires, on average, 14 procedures in 202.8 days at a cost of 2.7% of the warehouse value (figure 4.9).[55] The number of procedures is roughly on par with the EU average (13.8), but the process takes nearly a month longer than the EU average (181.1 days). It is also roughly one-third more expensive to get a construction permit in the Netherlands than the EU average (1.9% of the warehouse value). Construction permitting in the Netherlands is among the most expensive in the European Union, with Amsterdam and Groningen among the top five most expensive European cities. Dutch cities are on average over three times slower than Denmark (64 days) and nearly three months slower than Germany (126 days), but slightly faster than Belgium (211 days) and France (213 days). On the building quality control index, the Dutch cities score higher than the UK and on par with Germany, but below France, Belgium, and Denmark, and the EU average (11.6).

TABLE 4.5 Dealing with construction permits in the Netherlands—where is it easier?

City	Rank	Score (0–100)	Procedures (number)	Time (days)	Cost (% of warehouse value)	Building quality control index (0–15)
Middelburg	1	69.47	14	169	2.3	10
Eindhoven	2	68.89	13	202	1.7	10
Rotterdam	3	68.32	15	169	2.4	10
Amsterdam	4	66.92	13	189	4.0	10
Groningen	5	66.88	15	168	3.6	10
Maastricht	6	65.95	16	204	1.5	10
Arnhem	7	65.85	13	231	2.4	10
Utrecht	8	65.60	13	231	2.6	10
The Hague	9	65.11	13	233	2.9	10
Enschede	10	62.75	15	232	3.3	10

Source: Subnational Doing Business and *Doing Business* databases.

Note: Data for Amsterdam are not considered official until published in the *Doing Business 2021* report. Rankings are based on the average score for the procedures, time and cost associated with dealing with construction permits, as well as for the building quality control index. The score is normalized to range from 0 to 100 (the higher the score, the better). For more details, see the chapter "About *Doing Business* and *Doing Business in the European Union 2021: Austria, Belgium and The Netherlands.*"

Dealing with construction permits in the Netherlands involves 11 common steps

In most cities in the Netherlands, the construction permitting process follows a general scheme of 11 steps (figure 4.10). Some cities require additional procedures. Before construction, the first step is to obtain a report of the soil conditions from a soil research company. The soil report, required for the permit application, ensures that soil quality is sufficient and that soil pollution is minimal. Simultaneously, the developer consults with the municipality to discuss the feasibility of the project. Developers typically conduct this consultation—which is optional but strongly advised by the municipality—to prevent delays due to project complications.

As a next step, the developer applies online for the construction permit (Omgevingsvergunning). The municipal departments reviewing the application (for example, the environment department) access it through the OLO online platform.

After the construction permit is granted, the developer notifies the building inspector two days before starting construction. The building inspector is

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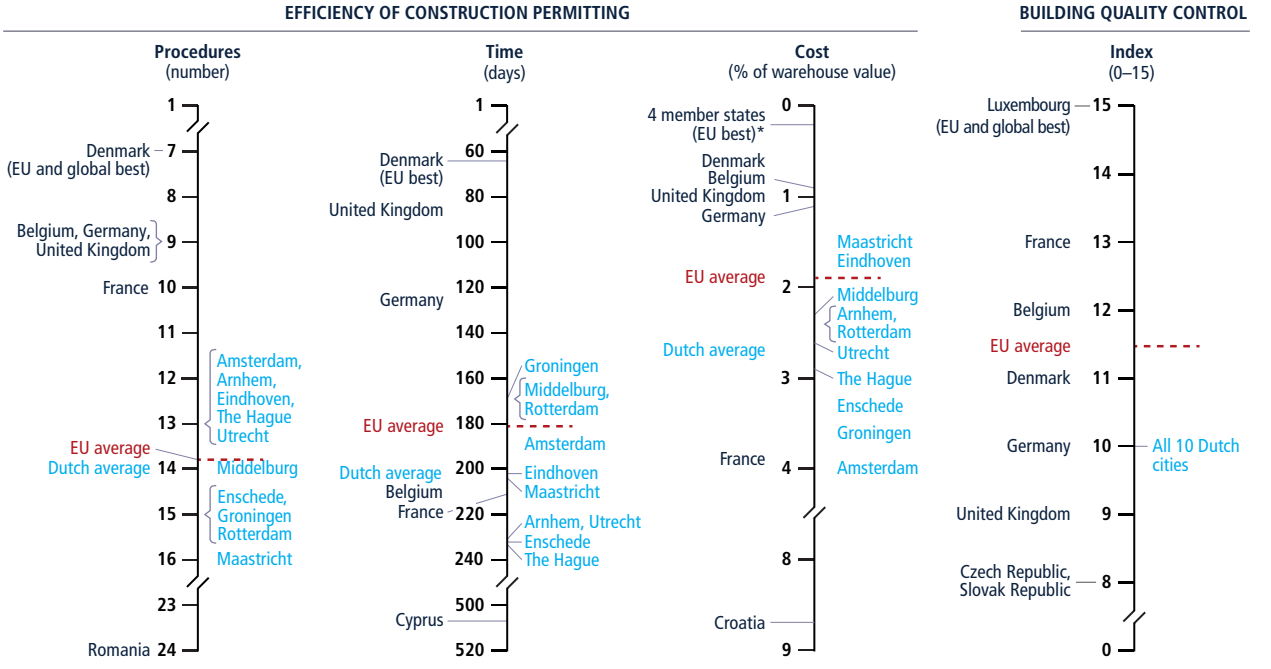
FIGURE 4.9 Dealing with construction permits in the Netherlands requires more time and is more expensive than in most other EU member states



Source: *Subnational Doing Business* and *Doing Business* databases.

Note: EU average uses economy-level data for the 27 member states of the European Union. Data for individual economies are for their capital or largest business city as measured by *Doing Business*. Data for Amsterdam, comparator economies and EU averages are not considered official until published in the *Doing Business 2021* report.

* Czech Republic, Estonia, Poland and Slovak Republic.

present during the building's foundation, which entails pile driving,[56] concrete pouring, and concrete reinforcement. The building inspector may also conduct a random inspection to ensure the safety of the construction and the construction site. In parallel, the developer applies for the water and sewage connections. The procedure to request the connection is the same in all cities. Through the national Mijnaansluiting[57] platform, the developer can request the connection to most utilities: gas, electricity, water, sewage (in a limited number of regions), heating, and media and communication. Once an application is submitted, the platform forwards it to the relevant utility company. The remainder of the connection process is coordinated directly between the developer and the utility company.

Once construction and the utility connections are completed, the developer notifies the building inspector that the project is complete. The building inspector conducts a final inspection. If the building passes the inspection, the fire-safe occupancy permit is granted.

Despite national legislation, the number of procedures ranges from 13 to 16

Dealing with construction permits requires between 13 and 16 procedures in the Netherlands, depending upon the municipality. The various water and sewage connection processes and the local-level application of the Bibob Act—part of the legal framework addressing money laundering activities—are the main drivers of variation.[58]

Dutch municipalities determine which industries are most at risk to money laundering and apply the Bibob screening; they choose either a basic screening or in-depth evaluation depending upon the individual case.[59] Five of the 10 benchmarked cities apply Bibob screening to all construction projects above a certain monetary threshold.[60] The Bibob procedure consists of the developer filling out a form, which is then forwarded to the municipal Bibob office. The form is confidential, and the information in the form is not shared with the permitting office; only the outcome of the Bibob screening is shared with the permitting office. If the project passes the screening, the developer receives no further communication; if the project fails, the municipality may deny the construction permit.

In nine cities, water and sewage connections require separate applications because sewage connections are arranged through the municipality and private sector companies are responsible for water connections. Amsterdam is the exception. Since 2005, when the water and sewage companies merged, a private

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FIGURE 4.10 The main stages of construction permitting show slight variations in implementation

Source: Subnational Doing Business and *Doing Business* databases.
* Procedure applies to all cities
(a) This procedure only applies in: Amsterdam, Enschede, Groningen, Maastricht, and Rotterdam.
(b) The number of procedures to connect to water and sewage services varies depending on the city. In Amsterdam, these services are merged, while all other cities require separate applications.
↑↓ This procedure is simultaneous with the previous one.

company, Waternet, has made these connections in Amsterdam.[61]

The nine cities where the municipality is responsible for the sewage connection have notably different approaches and involvement levels. In Arnhem, the first step to obtain a sewage connection is to notify the municipality. In Enschede, Eindhoven, Groningen, The Hague, and Utrecht, the builder makes a formal request to the municipality, which either completes the sewage works or provides a list of contractors. The sewage notification procedure (as in Arnhem) is relatively simple. The developer submits a form containing basic information on the developer, the connection site, and the type of connection and a simple blueprint of the connection site. The notification requires minimal interaction between the developer and the municipality. After submitting the information form, the developer receives confirmation of receipt from the municipality within two weeks. Upon confirmation of receipt, the developer can make the connection. The notification is not open to objections or appeals. The sewage connection request process is similar, with the primary difference that the municipality acts as a coordinator between the contractor and the developer. The size of the municipality's role differs by municipality. In Enschede, the municipality arranges the connection. In Utrecht, the municipality obtains quotations from three contractors, which it shares with the developer. The developer then contacts the contractor of its choice from the three options. In Maastricht, Middelburg, and Rotterdam, the developer requests a permit to assess whether a connection is possible and estimate the cost. In Maastricht and Rotterdam, the municipality carries out an onsite inspection before making the connection.

Construction permitting is fastest in Groningen, Middelburg, and Rotterdam, and slowest in Enschede and The Hague

The time to deal with construction permits ranges from 5.6 months in Groningen to more than 7.5 months in The Hague. This difference is not necessarily caused by the number of procedures (Groningen requires 15 while The Hague requires 13), but rather by differences in the time needed for municipal consultations and utility connection procedures (figure 4.11).

The time to schedule a consultation to discuss project feasibility with the municipality ranges from eight days in Maastricht to 60 days in The Hague. Several factors account for this difference. One is the difference between the types of consultations and the different arrangements the municipalities offer. The developer can submit a draft application through the national online platform OLO or arrange a consultation directly with the municipality. For both options, it is at the municipality's discretion to set the cost, and consultations are not bound to any maximum time. Permitting officer availability can also drive variations in time. Cities such as Utrecht (25 days), Enschede (30 days), and The Hague (60 days) have a shortage of permitting officers, resulting in delays and longer response times.

During the COVID-19 pandemic, procedures took longer in Arnhem, Amsterdam, Eindhoven, and The Hague, and contact with municipalities was more challenging due to remote working arrangements. In Enschede, Groningen, and Rotterdam, developers indicated that municipalities adjusted well (though not immediately), and contact with the municipalities went smoothly via virtual meetings. For all cities, developers noted that when an interaction needed to occur between different departments within the municipality (whether it be for a meeting or to answer a question), it took longer than normal due to home-based work.

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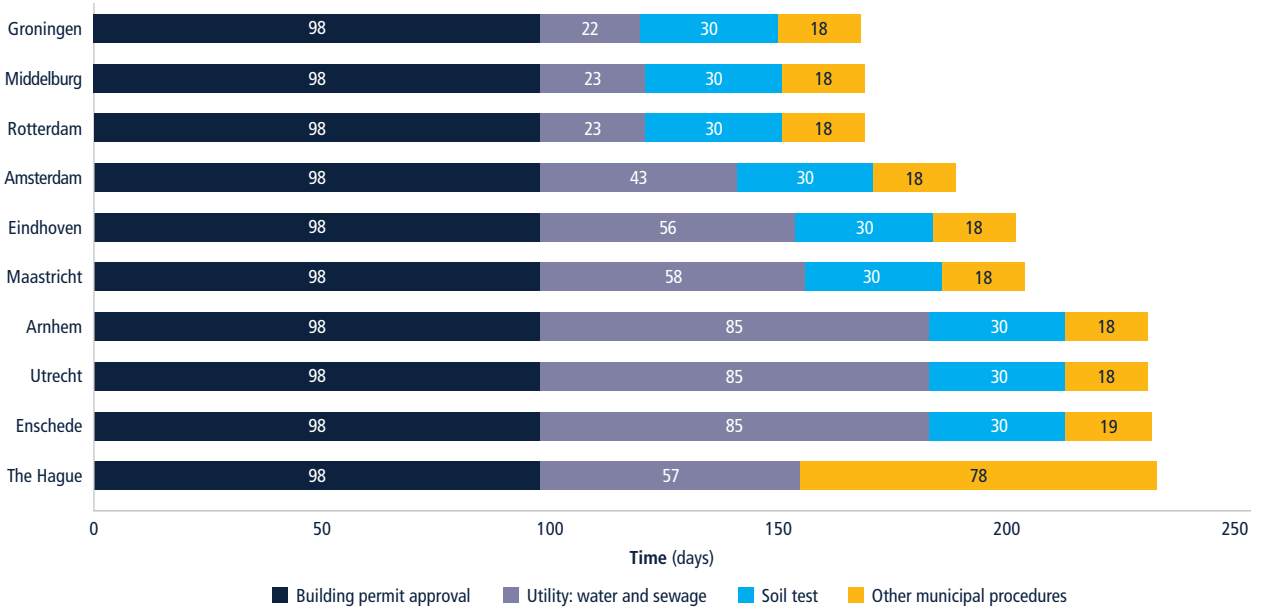
FIGURE 4.11 The time to connect to water and sewage services varies most



Source: Subnational Doing Business and *Doing Business* databases.

Note: Other municipal procedures include the consultation with the municipality, notifications of start and completion of construction, inspections during and after construction, and obtaining the occupancy permit. The soil test and the consultation with the municipality procedures are simultaneous in all cities. The Hague is the only city where the consultation with the municipality takes longer than the soil test. For details on the simultaneity effect, see the data notes. Data for Amsterdam are not considered official until published in the *Doing Business 2021* report.

The process of getting water and sewage connections also drives significant subnational time variations. One company is responsible for both water and sewage connections in Amsterdam—saving developers time—while in all other cities, developers must make separate applications for these services. As different entities provide these services in the Dutch cities benchmarked, there is significant time variation, ranging from 22 days in Groningen to 85 in Arnhem, Enschede, and Utrecht. Additionally, municipalities have different processes in place to obtain the sewage connection, leading to further variation: in Rotterdam the developer applies for a permit for the sewage connection, in Utrecht the developer submits a sewage connection request, and in Arnhem the developer presents a notification of plans to connect to the sewage system.

The time to request the building permit is uniform across the 10 cities. The official time limit is respected in practice, with 56 days to assess the permit application and another 42 days for the permit to become irrevocable—a total of 98 days from application submission to the start of construction. Municipalities can prioritize projects that are particularly beneficial to the community, such as those creating jobs or exceptional economic value; these projects often have a faster processing time.

Building permit fees represent the largest source of variation in cost across cities

The average cost of dealing with construction permits in the Netherlands is 2.7% of the warehouse value, ranging from 1.5% in Maastricht to 4.0% in Amsterdam. The difference in cost primarily stems from permitting fees: in Amsterdam a permit application for the *Doing Business* case study warehouse costs EUR 82,106; the same permit in Maastricht costs just EUR 21,133. On average, municipal fees comprise 82% of the cost of dealing with construction permits across the 10 cities benchmarked (figure 4.12). In the Netherlands, permit fees cover the entire construction process, including inspection fees and the fire-safe occupancy permit.

Although the permit application is a national procedure, municipalities set permit fees. In all cities, the permit fee is based on construction costs, and some distinction is made depending on the building's intended use. The permit fee is a fixed percentage of the construction costs in Arnhem (2.0% of warehouse costs), Rotterdam (2.1%), Utrecht (2.1%), and The Hague (2.6%). In Amsterdam, Eindhoven, Enschede, Groningen, and Middelburg, the municipality uses a cost-based tiered system to determine the permit fee. Maastricht uses a slightly different approach whereby the municipality estimates the construction costs based on the building area, purpose, and market prices. The municipality's construction costs are then applied to the cost schedule to determine the permit fee.

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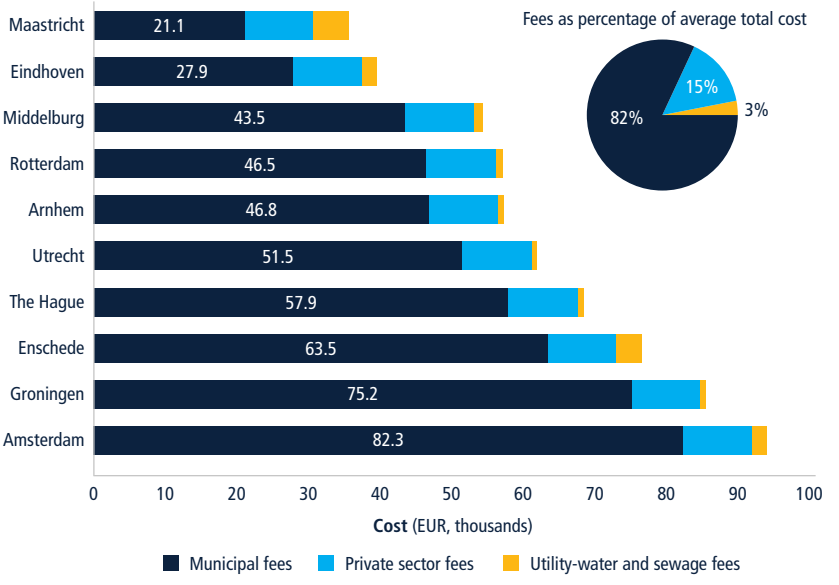
FIGURE 4.12 Municipal fees account for 82% of the average cost of dealing with construction permits



Source: Subnational Doing Business and *Doing Business* databases.
Note: Data for Amsterdam are not considered official until published in the *Doing Business 2021* report.

In addition to the above cost schedules, municipalities have varying permit discount schemes to encourage sustainable construction. For example, in Amsterdam, the permit fee is discounted by up to EUR 25,000 for energy-efficient technology like solar panels or green roofs.[62] The Hague discounts the permit fee by up to EUR 200,000 for energy-efficient installations, sustainable materials, and repurposable building design.[63]

The consultation fees charged by municipalities also differ by city. These fees are set by the municipality in the overall permit fee schedules. For example, The Hague charges a set fee of EUR 100, regardless of the size of the construction project. In Utrecht, the consultation fee for projects with construction costs below EUR 1 million is EUR 345, while the fee for projects above this threshold is EUR 3,000. In some cities, such as Groningen, there is no consultation fee. Fees can also differ depending on the type of consultation. For example, in Maastricht a conversation with the municipality is free of charge, but submitting a preliminary application costs 30% of the total permitting fee. Some cities deduct the consultation fee from the permitting fee when the builder submits the permit application. In Middelburg, the consultation costs 25% of the permitting fee, but this is deducted from the permitting fee upon application submission.

In most Dutch cities, water and sewage connection costs comprise between 1 and 5% of the total cost. Maastricht is the exception at 14% (lower construction costs mean that utility fees comprise a larger share of the total cost). Utility connection costs vary from city to city due to differing systems (for example, municipal involvement in sewage connection) and fee schedules (flat fees versus per meter fees).

On the building quality control index, all benchmarked Dutch cities score 10 out of 15 points (table 4.6), which is below the EU average (11.6 points). Despite its strength in most quality control aspects, the Netherlands does not get full marks in liability and insurance regimes (1 out of 2 points) and professional certification requirements (0 out of 4 points).[64]

When structural defects are discovered during construction, it is important that the responsible party be held liable and that the parties involved in the building design, supervision, and construction have insurance to cover the costs of any structural defects. In the Netherlands, even though the law specifies who is liable for structural defects (namely the construction company, professional in charge of the supervision, and the architect or engineer that designed the building plans), there is no legal requirement to obtain a latent defect liability insurance policy to cover structural flaws in the building once it is in use.[65]

Having the appropriate technical qualifications is also essential in the construction sector. The Netherlands scores no points on the professional certifications index, as the national law does not meet all requirements as measured by *Doing Business*, such as the minimum requirement of a university degree.[66]

WHAT CAN BE IMPROVED?

Increase efficiency by improving coordination and consolidating procedures

Streamlining construction permitting clearances and utility connections is key to making the construction process more efficient. Getting a construction permit in the Netherlands takes, on average, nearly a month longer than the EU average, three times longer than in Denmark, and twice as long as in the United Kingdom.

In nine of the 10 cities benchmarked, water and sewage connections are handled separately, lengthening the process. Additionally, there is no standard sewage connection procedure across cities. Combining the water and sewage applications could reduce utility connection procedures significantly and ease the developer's burden of interacting with multiple companies.

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TABLE 4.6 There is room for improvement on the building quality control index

		All 10 Dutch cities (score)
BUILDING QUALITY CONTROL INDEX (0–15)		**10**
Quality of building regulations (0–2)	Are building regulations easily accessible?	1
	Are the requirements for obtaining a building permit clearly specified?	1
Quality control before construction (0–1)	Which entity(ies) is/are required by law to verify the compliance of the building plans with existing building regulations?	1
Quality control during construction (0–3)	Are inspections mandated by law during the construction process?	2
	Are inspections during construction implemented in practice?	1
Quality control after construction (0–3)	Is a final inspection mandated by law?	2
	Is a final inspection implemented in practice?	1
Liability and insurance regimes (0–2)	Is any party involved in the construction process held legally liable for latent defects once the building is in use?	1
	Is any party involved in the construction process legally required to obtain a latent defect liability—or decennial (10-year) liability—insurance policy to cover possible structural flaws or problems in the building once it is in use?	0
Professional certifications (0–4)	Are there qualification requirements for the professional responsible for verifying that the architectural plans or drawings are in compliance with the building regulations?	0
	Are there qualification requirements for the professional who conducts the technical inspections during construction?	0

Maximum points obtained

Source: Subnational Doing Business and *Doing Business* databases.

Note: Data for Amsterdam are not considered official until published in the *Doing Business 2021* report. For details on the scoring of each question, see the data notes.

Most Dutch cities could follow Amsterdam's example. There, the developer submits one request via mijnaansluiting.nl and coordinates the new connection with one entity. The other cities could consider moving the sewage request procedure—currently done via municipal websites—onto the mijnaansluiting.nl platform. Improved coordination between municipal sewage connection services and the public water connection companies would benefit the developer. Additionally, as the sewage request procedure varies significantly by location in the Netherlands, municipalities could consider standardizing this procedure nationally.

Dutch cities could also achieve substantial improvements by reducing the developer's need to consult with municipal authorities before applying for the building permit. Although the procedure is optional, developers prefer to go through the additional process to reduce complications, delays, and errors when the permit is requested. For some cities, this procedure adds a significant amount of time to the permitting process. In The Hague, for example, it takes 60 days on average to have a consultation. Furthermore, there is more than one type of consultation available in each city, but no centralized explanation of the various options. Depending on the type of consultation, the time, cost, and level of advice can vary significantly. For example, in Arnhem one consultation option costs EUR 561 while another costs 40% of the construction cost. Costs also vary between cities, from no cost in Enschede to EUR 3,000 in Utrecht. Making the relevant information clearer and more accessible could reduce the need for developers to seek municipal consultations for simpler projects, which could, in turn, reduce the burden on permitting officials. Additionally, the authorities should better explain the types of consultations available to make it easier for developers to choose the best option for their needs.

In Denmark and New Zealand, clear, consolidated, and readily available information on building regulation make consultations before submitting the permit request unnecessary. The Netherlands plans to consolidate and clarify Dutch building regulations and make them more easily accessible on the new Digital System Environmental Code (DSO) platform (box 4.2). Such reforms should help reduce the need for developers in the Netherlands to hold consultations with the municipality before requesting the permit.

Continue expanding the digital platform to consolidate the construction permitting process further

Currently, developers in the Netherlands use the OLO platform to submit the building permit application and track its progress. They submit their utility connection requests through the mijnaansluiting.nl portal. Communication with building inspectors is also digital but occurs via email. Integrating these digital activities into a single window platform could improve user-friendliness and

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BOX 4.2 New reform in construction permitting in the Netherlands: toward a more efficient process

On March 22, 2016, the Dutch government accepted a new environmental code (Omgevingswet), now scheduled to take effect on January 1, 2022 (the initial implementation date was pushed back due to the pandemic).[a]

The new code replaces the Wabo legislation, further simplifies and integrates spatial planning regulations, and makes it easier to start a construction project. It will bundle 26 spatial environment laws into one, 60 General Management Measures into four, and 75 ministerial regulations into a single environmental regulation. Additionally, a new platform, DSO, will replace the OLO online platform (currently used for construction permits) and two other platforms used for spatial planning (AIM and ruimtelijkeplannen.nl).

The law will also reduce the number of cases requiring a permit, making notification the norm and a permit the exception. The number of permit cases falling under the lengthier procedure—which can take up to 26 weeks—will also be reduced, meaning most permit cases will fall under an eight-week procedure. The "lex silencio positivo" will be discontinued (under current regulation, if a municipality fails to respond within the legal term, the permit is automatically granted). If a municipality does not respond within the legal term, the municipality will have to pay a penalty to the developer. The developer can also appeal to the courts directly.

Finally, the quality control criteria will be updated with the introduction of the Quality Assurance for Building Act (referred to as Wkb). Under this act, inspections will be privatized and carried out by quality assurance companies (kwaliteitsborgers). The quality assurance companies must meet strict minimum qualifications, including education, years of experience, and the completion of a specialized course (currently under development). The quality assurance company will be involved in the construction process throughout the project's entirety, including design, implementation, construction, and completion. A risk-based assessment of the type of building and services required will determine the fees charged by the quality assurance company. The construction contractor will be responsible for all defects and their consequences, including if a client discovers a defect later—the client will be able to force the contractor to fix these defects. The contractor will also be required to inform the client if they are insured against bankruptcy and risks of damage or defects.

a. For more information on the new reform, see https://www.rijksoverheid.nl/onderwerpen/omgevingswet/vernieuwing-omgevingsrecht.

allow developers to track their projects in one place.

Shifting from the OLO platform to the DSO platform will integrate three online spatial planning tools (combining the OLO, AIM, and ruimtelijkeplannen.nl). The Dutch might consider also integrating the utilities portal to further streamline the permitting process, creating one single platform for developers to make all necessary requests. Expanding the scope further to include communication with building inspectors would create a comprehensive picture of developer and municipality activities. In the United Arab Emirates, the use of cameras and drones to inspect construction sites reduces the need for onsite inspections, freeing up inspectors' time.

In the long run, Dutch cities should look into the advantages offered by Building Information Modelling (BIM) systems, which incorporate building regulation parameters into project design.[67] The software helps professionals plan projects that comply with national and local regulations, and it makes conducting post-design checks easier and faster for public authorities. Australia developed the DesignCheck program, which provides an automated code-checking tool for designers to check code requirements at varying stages of project design; basic building-code compliance tests can be done rapidly and automatically.[68] Introducing BIM technology requires a financial investment and training for both private professionals and public sector officials. A strong collaboration between professional associations and municipalities would be essential in the preparation and implementation phases.

Introduce mandatory liability insurance requirements to cover developers and architects in the event of structural defects

Although developers and architects in the Netherlands are liable by law for structural flaws or building problems, the law does not require them to obtain insurance to cover costs arising from structural defects once the building is in use. Such insurance benefits clients and contractors, and it encourages construction companies—particularly small and medium-sized construction companies—to pursue more projects.[69]

With the Omgevingswet reform (see box 4.2), the Netherlands will take the first step in this direction by making it mandatory for contractors to inform their clients whether they have insurance for bankruptcy, defects, and damages and, if so, what type of insurance. The

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Netherlands could emulate the examples of France and Denmark. France, an early adopter of mandatory decennial (10-year) insurance policies, applies the same insurance requirement to all new buildings, regardless of their purpose.[70] Two coverage levels are required for structural defects: insurance taken out by the owners of the building (dommage ouvrage) and decennial insurance taken out by the builders. In Denmark, regulations require decennial insurance for the construction of new permanent dwellings. When issuing the occupancy permit, the municipality checks the validity of the insurance before issuing the building permit and completing construction.

Review the building permit cost structure

Building permit fees across all Dutch cities are high, accounting for more than 80% of the total cost of construction permitting. Based on the construction value, a Dutch entrepreneur pays EUR 51,096 on average for the building permit—almost four times the EU average (EUR 13,989). Building permit fees allow local authorities to provide public infrastructure and facilities that benefit local development. However, high building permit fees tend to reduce commercial property investment, adversely affecting job growth.[71]

In economies that have adopted good practices in this area, building permit fees are generally set to recover the cost of providing the services rather than to fulfill a tax purpose. New Zealand charges permit fees at a level that covers the costs associated with the review of plans, inspections, and overhead costs. When setting the fees, the Auckland Council considers factors including the cost implications of infrastructure funding decisions on development and the challenges developers face in getting their products built, noting "if development costs are too high this may act as a barrier to development and slow down growth."[72]

Improve regulatory expertise together with the private sector

Construction permitting is a complex process involving multiple stakeholders. Managing this process requires permit-issuing agencies that are adequately staffed and technically competent, with professional case management know-how and technology. Developers in the Netherlands cite inadequately trained or understaffed permit-issuing offices as causes of construction permitting delays.

More robust qualification requirements for professionals involved in construction permitting and control could be beneficial. In the Netherlands, the professionals who approve standard case building plans and supervising construction must have a senior secondary vocational education (MBO), one year of work experience, and some additional specialized certifications.[73] In contrast, in Croatia and Portugal, these professionals must have a university degree in architecture or engineering. Introducing a requirement for higher education would automatically increase the technical competency of the Dutch permitting agencies. Globally, more than 80% of economies measured by *Doing Business* require a university degree in architecture or engineering for professionals reviewing building plans.

In the medium term, understaffing could be addressed by giving certified private sector professionals a more significant role in the permitting process. Although this might require legislative action, the benefits of a highly specialized workforce flexible to changes in demand could be substantial. Most EU member economies have made a complete shift from public to private governance mechanisms in building regulation, reflecting a desire to improve the quality of regulation, reduce the administrative burden for applicants, and support a greater focus on risk mitigation.[74] Australia, Singapore, and the United Kingdom are among the countries that have adopted a system of third-party contractors to expand regulatory coverage and expertise.[75] *Doing Business* data suggest that construction permitting is more efficient in economies that rely on some form of private sector participation in construction permitting or control processes. But such a system needs to be accompanied by adequate safeguards, such as more robust qualification requirements for professionals who approve building plans. The upcoming reforms in the Netherlands will take a significant step in this direction by privatizing inspections and updating inspectors' minimum qualifications.

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Getting Electricity

Electricity-related laws and regulations are defined at the national level and monitored by an independent administrative body, the Netherlands Authority for Consumers and Markets (ACM).[76] Distribution system operators (DSOs)—also referred to as "electricity distributors" and "distribution utilities" in this chapter— are key players in the connection process. The low and medium voltage grids in the 10 benchmarked cities are operated by four utilities: Enduris, Enexis, Liander, and Stedin (map 4.1). Each utility serves a specific geographic area and is responsible for expanding and maintaining its own grid. The national high voltage grid is managed by a transmission system operator, TenneT, which transports electricity and balances supply with demand.[77]

Among the 10 cities benchmarked, getting electricity is easiest in Maastricht and Eindhoven, and most difficult in Enschede and Groningen (table 4.7). The procedural steps to obtain a new connection are identical across locations, but the time and cost to complete them vary substantially.

Obtaining an electricity connection in the Netherlands takes longer but costs significantly less than the EU average

Across the Dutch cities benchmarked, a new electricity connection costs 21.9% of income per capita on average, one-sixth of the average cost in the European Union. This low cost places Dutch cities among the EU member states with the lowest grid connection costs.[78] The process requires the same four procedures in all 10 cities, in line with the EU average of 4.5 procedures. However, completing these steps takes on average almost four months across the Dutch cities, nearly one month longer than the EU average. Obtaining a

MAP 4.1 Electricity distribution utilities operate in designated geographic zones

Source: Subnational Doing Business and *Doing Business* databases.

Note: The Enduris and Stedin distribution utilities, which are both members of the Stedin Group, are in the process of being merged.

TABLE 4.7 Maastricht and Eindhoven score highest in the Netherlands for getting electricity

City	Rank	Score (0–100)	Procedures (number)	Time (day)	Cost (% of income per capita)	Reliability of supply and transparency of tariffs index (0–8)
Maastricht	1	87.19	4	97	18.3	8
Eindhoven	2	87.08	4	98	18.3	8
Middelburg	3	86.63	4	102	23.7	8
Amsterdam	4	86.63	4	102	24.1	8
The Hague	5	85.43	4	113	24.6	8
Arnhem	6	84.24	4	124	24.1	8
Rotterdam	7	84.24	4	124	24.6	8
Utrecht	8	83.37	4	132	24.6	8
Groningen	9	82.95	4	136	18.3	8
Enschede	10	82.73	4	138	18.3	8

Source: Subnational Doing Business and *Doing Business* databases.

Note: Rankings are based on the average scores for the procedures, time, and cost associated with getting electricity and the reliability of supply and transparency of tariffs index. The score is normalized to range from 0 to 100 (the higher the score, the better). For more details, see the chapter "About *Doing Business* and *Doing Business in the European Union 2021: Austria, Belgium and the Netherlands.*" Data for Amsterdam are not considered official until published in the *Doing Business 2021* report.

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new connection takes longer than the Dutch average (116.6 days) in only five EU member states.[79] In Germany, obtaining an electricity connection takes less than one month, making it the European Union's fastest economy as measured by *Doing Business* (figure 4.13).

The Netherlands performs well on the *Doing Business* reliability of supply and transparency of tariffs index, with all 10 cities scoring the maximum 8 points on the index (figure 4.14).[80] The Dutch cities offer a reliable grid and the regulatory framework is robust and follows good practices.

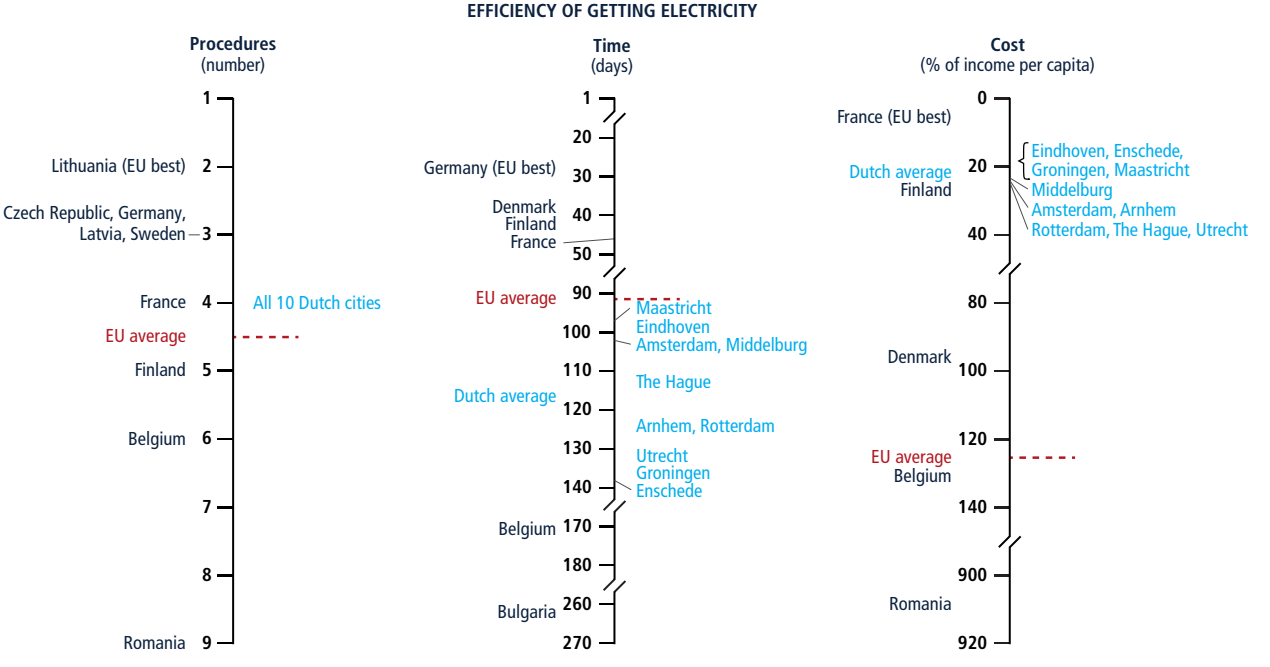
Doing Business studies the hypothetical case of a local firm that needs a 140-kilovolt-ampere (kVA) electricity connection for a newly built warehouse located in a commercial area outside a city's historical center. In all 10 cities measured in the Netherlands, a new warehouse would be connected to the low voltage underground network.[81] To obtain a new electricity connection, customers initiate the application process by submitting a form online, together with details on the requested capacity and the building's exact location (figure 4.15).

Upon receiving the request, the utility assesses the feasibility of the connection and, if positive, provides the client with a quote for connection fees. The utility (on the client's behalf) then obtains the necessary excavation permits from the local municipality and performs the connection works using an external contractor. Before the external connection works can start, as an internal step the utility's contractor submits a request (KLIC request[82]) through the Netherlands' Cadastre, Land Registry and Mapping Agency's online platform to obtain a map showing the existing underground cables and pipes. This map, which takes a maximum of two days to receive, is required to prevent damage during the excavation works (figure 4.16). Utilities with underground networks—for water, sewer, gas, telecommunications, or electricity—are legally required to register their pipes and cables with the cadaster and regularly update their maps. The customer can sign a supply contract with any available energy supplier as well as hire a specialized company to install the meter at any point during the connection works.[83] Using an electronic platform, the supplier and the meter company notify the distribution utility of the supply contract signing and meter installation.[84] Finally, the utility electrifies the connection without any further action by the customer.

Entrepreneurs benefit from a standardized process, but variations exist in the time and cost to get an electricity connection

In all benchmarked cities, entrepreneurs can request connections from different distribution utilities while benefitting from the same predictable process. This predictability stems from the strict legal

FIGURE 4.13 Getting electricity in the Netherlands takes almost a month longer than the EU average



Source: Subnational Doing Business and *Doing Business* databases.

Note: EU average uses economy-level data for the 27 member states of the European Union. Data for individual economies are for their capital city as measured by the global *Doing Business*. Data for Amsterdam, comparator economies and EU averages are not considered official until published in the *Doing Business 2021* report.

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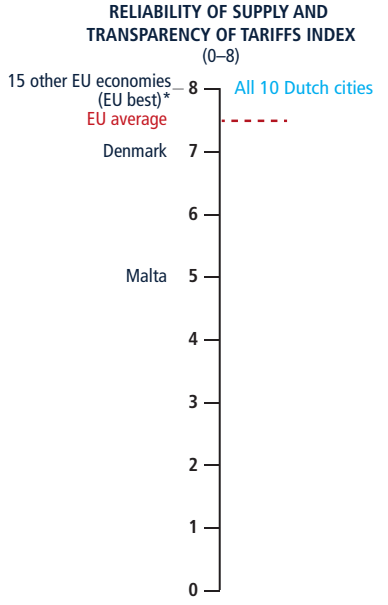
FIGURE 4.14 Dutch cities perform in the top tier on the reliability of electricity supply



Source: Subnational Doing Business and *Doing Business* databases.

Note: EU average uses economy-level data for the 27 member states of the European Union. Data for individual economies are for their capital city as measured by *Doing Business*. Data for Amsterdam, EU averages, and EU comparators countries are not considered official until published in the *Doing Business 2021* report.

* Belgium, Cyprus, Czech Republic, Estonia, Finland, France, Germany, Ireland, Latvia, Lithuania, Poland, Slovak Republic, Slovenia, Spain, Sweden.

FIGURE 4.15 Getting electricity takes four steps across the Netherlands

Procedure	Agency
Submit application to utility and receive quote	Distribution utility
Obtain external works from utility's contractor	Distribution utility
Sign contract with electricity supplier*	Supplier
Obtain meter installation by meter company*	Meter company

Source: Subnational Doing Business and *Doing Business* databases.

* Procedure occurs simultaneously with previous one

time limits imposed by national regulation for the various steps required to get an electricity connection.[85] Furthermore, the entire process is digitalized. However, there are local variations in the duration and cost to obtain a new electricity connection.

Obtaining a connection requires slightly over three months in Maastricht and Eindhoven (97 and 98 days, respectively), while entrepreneurs can wait for over four months in Arnhem, Rotterdam, Utrecht, Groningen, and Enschede. Longer wait times are typically the result of DSOs receiving a high number of applications and lacking the technical staff to deal with the connection process.[86] Liander and Enexis are experiencing a heavier workload related to their ongoing transition to renewable energy (box 4.3).[87] Furthermore, the time to obtain a municipal permit to cross a public road, which the utility obtains on behalf of the client, can also vary across locations. In all cities benchmarked except Enschede, an excavation permit is required. The legal time limit to issue a permit is set nationally at eight weeks, but municipalities can set shorter limits.[88] In practice, obtaining the permit takes from three days in Utrecht to 14 days in Maastricht and Arnhem and one month on average in the rest of the benchmarked cities. In Groningen, the time for the municipality to issue a permit is closer to the maximum term of eight weeks due to the presence of ancient burial grounds in the area, which require thorough archeological assessments. In Enschede, a permit is only required when public domain excavation works exceed 25 meters.[89]

New connection application processing times also cause subnational variations in the time to get electricity. Enexis, which operates in Maastricht and Eindhoven, processes requests within eight days, five days faster than utilities in the majority of the other cities (figure 4.17). Enexis is the only utility that allows the submission of connection requests through its website, resulting in faster processing. Applications for all other utilities are submitted through the national platform, Mijnaansluiting.[90]

FIGURE 4.16 Dutch utilities benefit from a digital system to obtain maps of underground cables

Source: Cadastre, Land Registry and Mapping Agency (https://www.kadaster.nl/zakelijk/producten/graafwerk/klic-melding).
Note: KLIC is the acronym for Kabels en Leidingen Informatie Centrum (Cables and Pipes Information Center).

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BOX 4.3 The transition to renewable energy has increased the workload for distribution utilities

When applying for an electricity connection, customers in the Netherlands indicate a date by when, ideally, the final electricity connection will be made.[a] However, the utilities are struggling to honor this customer-oriented approach. In June 2019, the Dutch government introduced a new climate agreement (Klimaatakkoord) containing a series of measures drawn up in consultation with stakeholders across Dutch society to combat climate change. The agreement aims to generate 70% of electricity from renewable sources by 2030 and ban fossil fuels by 2050.[b] Subsequently, construction of new solar fields in the north and east regions of the country—where Liander and Enexis operate—has boomed. However, the existing electrical grids, designed to carry significantly less electrical flow, lack the capacity to receive the electricity generated by this multitude of solar panels. For this reason, utilities are working on expanding their grids, resulting in an increased workload.[c] The utilities' annual reports show that the grids' newly-constructed cable length in kilometers has increased in recent years.[d] Enexis notes that electricity grid expansion in the next two years will have to be realized at the speed of what would typically take 30 years to accommodate all renewable energy-related applications.[e]

a. This date is called the "wensmoment" (wish moment). The wish moment must be a "reasonable time period", taking into account the legal time period of 18 weeks.

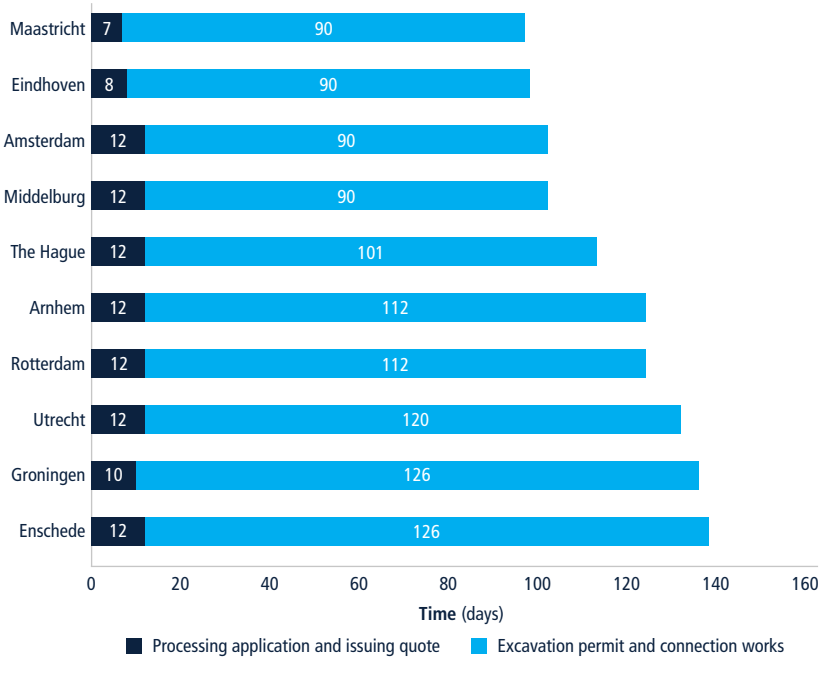
b. See the Dutch government's website at https://www.rijksoverheid.nl/onderwerpen/klimaatverandering/klimaatakkoord/maatregelen-klimaatakkoord-per-sector.

c. For example, see a map of areas where Enexis has issues returning supply generated (for example, from solar panels) to the electricity grid at https://www.enexis.nl/zakelijk/duurzaam/beperkte-capaciteit/gebieden-met-schaarste.

d. Between 2016 and 2019, Enexis built 4,100 km of new cables (see 2019 Enexis Annual Report at https://www.enexisgroep.nl/media/2695/enexis-holding-nv-jaarverslag-2019.pdf). Between 2016 and 2019, Liander built 888 km of new cables (see Liander annual reports from 2019, 2018, and 2017 at https://www.liander.nl/sites/default/files/Liander_Jaarbericht_2019.pdf; https://www.liander.nl/sites/default/files/Jaarbericht%202018.pdf; https://www.liander.nl/sites/default/files/Liander_Jaarbericht_2017_29062018.pdf).

e. See the Enexis website at https://www.enexis.nl/over-ons/wie-zijn-we/ons-werk/enexis-werkt-aan-de-toekomst-van-energie/situatieschets.

FIGURE 4.17 Getting electricity takes the least time in Maastricht and the most in Enschede



Source: Subnational Doing Business and *Doing Business* databases.

Note: The procedures "signing the supply contract" and "obtain meter installation" are not represented in the figure as they are simultaneously done with the "excavation permit and connection works" procedure. For more information see the data notes. Data for Amsterdam are not considered official until published in the *Doing Business 2021* report.

For connections exceeding 3x80 ampere, as in the *Doing Business* case study, applications received through Mijnaansluiting are forwarded manually to the relevant utility, causing delays in the review process.[91]

The national regulator, ACM, sets the maximum electricity connection fee. Utilities can propose tariffs to the regulator that fall below this maximum amount. All four utilities charge a connection fee comprising two components: (i) the requested capacity and (ii) a fee based on how far the connection point is from the existing grid.[92] At EUR 8,591, getting electricity is least expensive in Eindhoven, Enschede, Groningen, and Maastricht—from EUR 2,500 to EUR 3,000 lower than the average cost in the other Dutch cities benchmarked (figure 4.18).

The Netherlands has a reliable grid, and its robust regulatory framework reflects good practices

In addition to efficiency, *Doing Business* also measures the reliability of supply and the transparency of tariffs using an index that scores cities on a scale of 0 to 8. All Dutch utilities score the maximum

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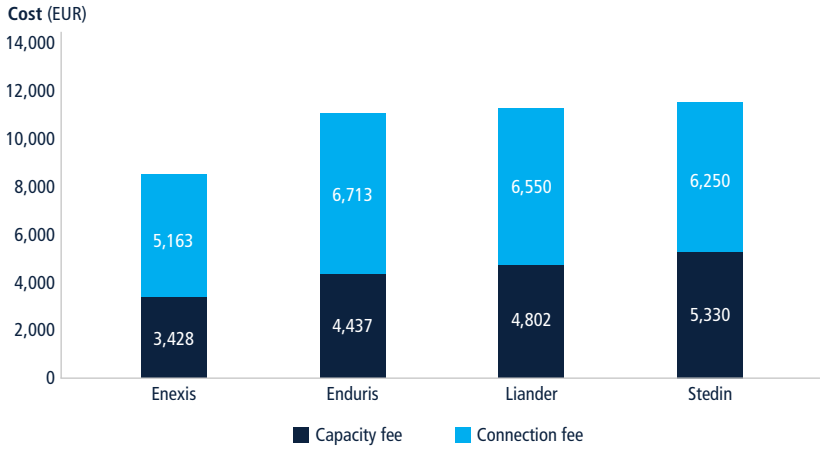
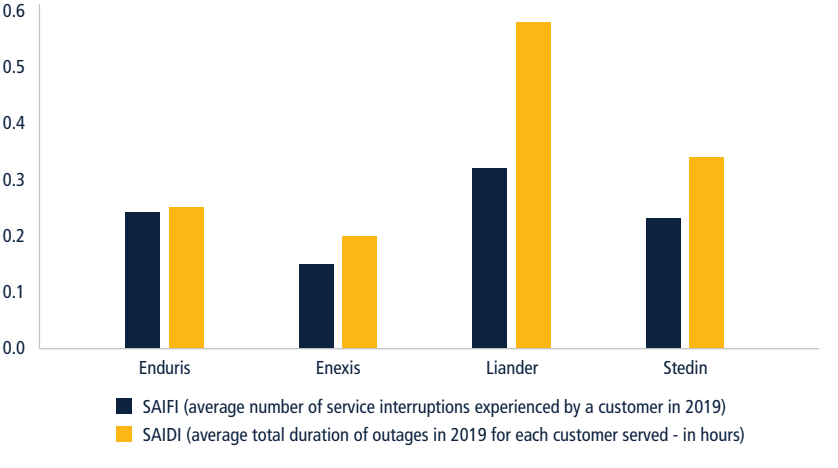
FIGURE 4.18 Capacity and connection charges drive cost variations



Source: Subnational Doing Business and *Doing Business* databases.
Note: Data for Amsterdam are not considered official until published in the *Doing Business 2021* report.

of 8 points. DSOs report their annual performance on grid quality, capacity, and safety to ACM. In addition, tariffs and tariff changes are efficiently communicated to customers, and these are available online. All 10 benchmarked cities have automated systems to monitor power outages and restore services and utilities. DSOs compensate customers in the event of outages that exceed four hours, and this must be paid out within six months.[93] Enexis—operating in Eindhoven, Enschede, Groningen, and Maastricht—recorded the fewest outages in 2019, when each customer experienced 0.15 service interruptions lasting a total of 12 minutes on average. In contrast, Liander's customers in Amsterdam and Arnhem experienced 0.32 service interruptions, lasting three times longer (nearly 35 minutes) on average (figure 4.19).

FIGURE 4.19 Amsterdam and Arnhem experienced the most frequent and longest outages in 2019



Source: Subnational Doing Business and *Doing Business* databases.
Note: Data for Amsterdam are not considered official until published in the *Doing Business 2021* report.

WHAT CAN BE IMPROVED?

Streamline the process for obtaining external connection works and excavation permits

The Netherlands' distribution utilities are facing a series of new challenges simultaneously: accommodating an increasing volume of connection requests, dealing with a shortage of technical staff, and meeting new demands for renewable energy sources. With an increased demand of new connection requests, Dutch municipalities are also affected. Consequently, businesses must wait longer to obtain electricity connections.

Dutch authorities and utilities could take inspiration from the United Kingdom to reduce new connection wait times. In 2017, the UK regulator, Ofgem, approved the ICE initiative to encourage distribution network operators to complete the external connection works faster. According to the ICE guidance, the utilities must provide data demonstrating that they have responded to their customers on time and according to their customer service engagement. DSOs can be penalized if they fail to meet these requirements. Moreover, one DSO, UK Power Networks, implemented a new software system, the ICP Design Fast Track and Approved Designer Scheme, that allows for direct contact with subcontractors and tracks their progress. The utility also introduced common requirements for the design and planning of the works and material specifications for subcontractors to carry out external works. As a result of these initiatives, UK Power Networks reduced the time to provide a new electricity connection by one month. According to *Doing Business* data, it takes 46 days to complete the connection works in the United Kingdom, nearly 2.5 months faster than the Dutch average.

Regarding reducing excavation permit wait times, Dutch cities could learn from one another and elevate the local good practices identified in this study to the

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national level. Local laws on underground infrastructure in Amsterdam, Enschede, and Utrecht establish good practices by setting different time limits for crossing a public domain, depending on whether the excavation works are under or over 25 meters in length. If the total length is less than 25 meters in length, the works are considered noninvasive, and the project is deemed eligible for a "small works permit". Issuance of this type of permit is faster than for a project with a length over 25 meters. In Utrecht, the municipality must issue a permit decision within three business days of receiving a permit request for noninvasive works.[94] The municipality in Enschede went a step further, eliminating the need for an excavation permit for public road crossings under 25 meters in length altogether. Although in Arnhem the municipality does not make a distinction based on the length of the crossing, it does provide a local good practice in terms of lowering the legal time limit.[95]

Increase transparency by making data on legal time compliance publicly available

Beyond monitoring legal compliance, it is also critical that municipalities, distribution utilities, and electricity suppliers make data on proceeding times publicly available. Doing so would help entrepreneurs to accurately estimate waiting times. In Austria, the regulator publishes a standardized electricity quality report, the Kommerzielle Qualität Storm, which includes cross-cutting data on the various steps of the electricity connection process.[96] The report includes data on application processing times and the time to complete a connection at different voltage levels, making the data easily comparable across cities and utilities.[97] Data are collected annually from utilities through a questionnaire. A similar data-driven report could help streamline the electricity sector—and help Dutch entrepreneurs and utilities set clear and realistic expectations. Such data reporting could also serve as an indirect accountability measure to incentivize utilities and boost their performance.

Allow entrepreneurs to request a new connection, supply contract, and meter installation via a single window

Economies can reduce the number of procedures required to obtain an electricity connection by allowing customers to apply for the electricity connection, supply contract, and meter installation through the same electronic platform (instead of through three separate applications). The Dutch utilities have already come together to cooperatively introduce a national platform under the Mijn Aansluiting, or "my connection", initiative, which allows customers to apply for all utility-related connections in one place.[98] The single electronic interface is designed to optimize the application process for anything related to electricity, gas, water, sewer, media, and communications (television, internet, and telephone). The platform could integrate additional utilities, suppliers, and meter companies. In Italy, customers have the option to apply for a new electricity connection in a single application through a chosen supplier. Thanks to economies of scale, it is easier and faster for a supplier to go through the process of obtaining a connection in a single application than it is for a first-time applicant.

Allow the option to pay connection fees in installments and assess the possibility of lowering the cost of getting an electricity connection

In the Dutch cities where Stedin operates, the connection works do not commence until the client has paid the connection fees in full. Electrical connections could be expedited by allowing customers to pay the connection fees after the connection is completed or in installments instead of requiring the full payment upfront. Liander, Enduris, and Enexis already use such a system, providing a good example for the Dutch cities. Enexis allows entrepreneurs to pay the total connection fee after the external connection works are completed. Liander requires entrepreneurs to pay 20% of the total connection fee upon quote acceptance, 70% before the external connection works commence, and the remaining 10% upon completion. Enduris requires 60% of the total fee to be paid upfront and the remaining 40% once the external connection works are completed. A payment arrangement whereby the customer pays after the connection is completed or a share of the bill upfront and the balance at a later stage is considered a good practice.

Getting an electricity connection in the Netherlands is inexpensive compared to other EU member states. Still, the Netherlands could reduce the cost further. In France, the connection to electricity costs 5.8% of income per capita, one-third as much as in the Netherlands. The cost is significantly lower because the federal government subsidizes the cost by requiring that municipalities finance a portion of the connection costs.[99]

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Registering Property

The Netherlands' Cadastre, Land Registry, and Mapping Agency—known locally as Kadaster—maintains the public registers of land rights and mapping nationwide. Kadaster is an independent public body that operates under the auspices of the Ministry of Interior and Kingdom Relations. Established in the early nineteenth century by Napoleon, the institution's structure, functioning, and funding were transformed by the 1994 Cadastre Organization Act. Kadaster registers rights and interests affecting any real estate, keeps the registers updated with information on rights and rightsholders, and maintains administrative and geographical records and geospatial data.[100]

The Dutch land registry is a centralized, deed-based system in which notaries and registrars play a key role

The process to register a property is uniform throughout the Netherlands, with the same five procedures taking three days in all benchmarked cities (table 4.8). The cost to register property varies slightly, even though public fees and taxes are fixed nationwide at EUR 114,147. This amount comprises transfer taxes of 6%[101] of the property value (EUR 141,031) and other fees for cadastral and map searches, and fees for digital registration with Kadaster[102] (totaling EUR 116).

Variations in cost stem primarily from differences in notary fees. Notary rates, which were deregulated in 1999, can be billed at an hourly rate or fixed fee. As such, notary fees can vary within the same city. Among the variables that determine the price of notarial services are the size of the notary office, the seniority of the notary, and their client composition (large companies, small businesses, or private individuals). Although the city of operation does not appear to be a primary driver of cost variation, entrepreneurs in the Randstad cities of Amsterdam, The Hague, Rotterdam, and Utrecht are likely to pay higher fees (EUR 2,250) than elsewhere in the Netherlands. In Arnhem and Enschede, notary fees tend to be lower (EUR 1,500) than in the Randstad cities but higher than in Eindhoven, Groningen, Maastricht, and Middelburg (EUR 1,000). Notaries charging at the lower end of the range can be found in all Dutch cities, but larger notary offices working with multinational enterprises are more present in the cities of the Randstad.

The Netherlands' land management system is uniform nationwide, with a public, central-level database storing geospatial and land rights data. Property rights transfers are completed through the authentication of a deed of sale by a notary. The notary also verifies the parties' identities and rights, intermediates the payments, and submits the deed together with a request for registration to the Kadaster. The Registrar receives the application form, checks the documentation, and updates the database to reflect the transfer. The new rights are constituted retroactively to the day of deed authentication.

TABLE 4.8 Registering property is uniform across Dutch cities, with slight cost variations

City	Rank	Score (0–100)	Procedures (number)	Time (day)	Cost (% of property value)	Quality of land administration index (0–30)
Eindhoven	1	80.10	5	3	6.05	28.5
Groningen	1	80.10	5	3	6.05	28.5
Maastricht	1	80.10	5	3	6.05	28.5
Middelburg	1	80.10	5	3	6.05	28.5
Arnhem	5	80.06	5	3	6.07	28.5
Enschede	5	80.06	5	3	6.07	28.5
Amsterdam	7	80.01	5	3	6.10	28.5
The Hague	7	80.01	5	3	6.10	28.5
Rotterdam	7	80.01	5	3	6.10	28.5
Utrecht	7	80.01	5	3	6.10	28.5

Source: Subnational Doing Business and *Doing Business* databases.

Note: Data for Amsterdam are not considered official until published in the *Doing Business 2021* report. Rankings are based on the average score for the procedures, time, and cost associated with registering property, as well as for the quality of land administration index. The score is normalized to range from 0 to 100 (the higher the score, the better). For more details, see the chapter "About *Doing Business* and *Doing Business in the European Union 2021: Austria, Belgium and the Netherlands.*"

Registering property in the Netherlands is fast but relatively expensive

Property registration in the Netherlands is efficient. A property transfer between domestic private companies requires five procedures, on par with the EU average (figure 4.20). At just three days, it takes significantly less time for an entrepreneur in the Netherlands to complete these procedures than the EU average of 28 days. However, the cost to register a property is the equivalent of 6.1% of the property value, higher than the EU average of 4.8%. The Netherlands scores among the top five economies globally on the quality of land administration index (28.5 out of 30 points)—one of only two EU member states.[103]

Four of the five steps to transfer property are conducted online

Notaries perform the procedures required to transfer property in the

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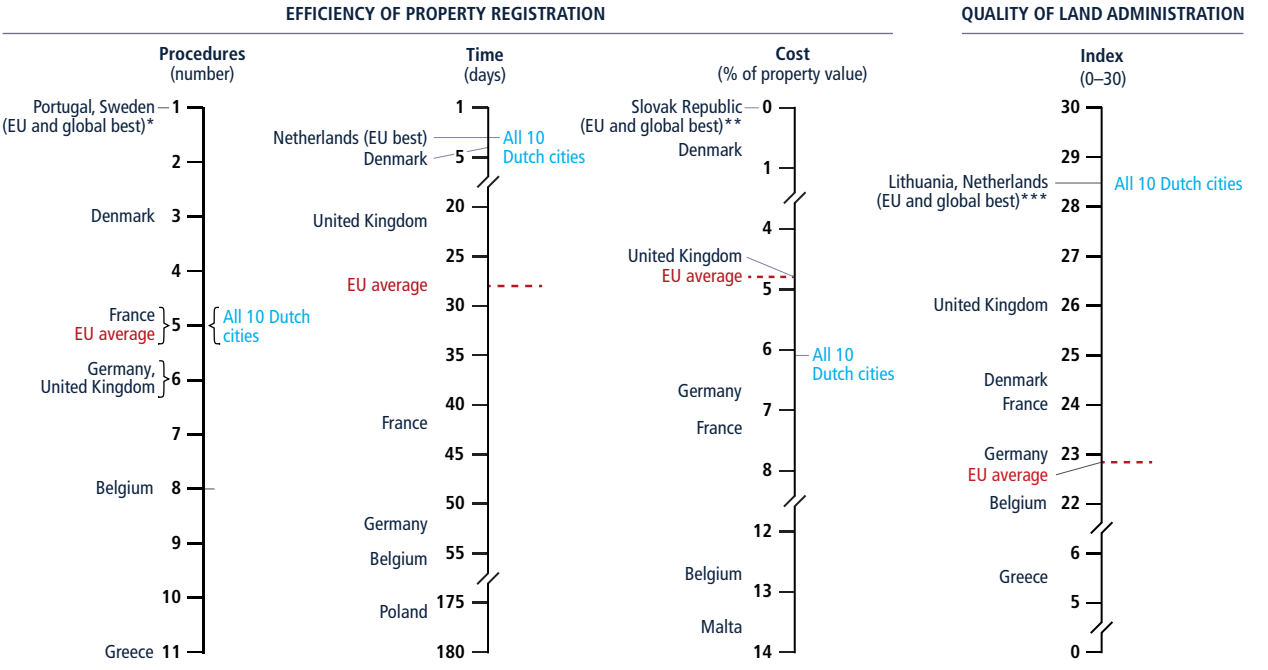
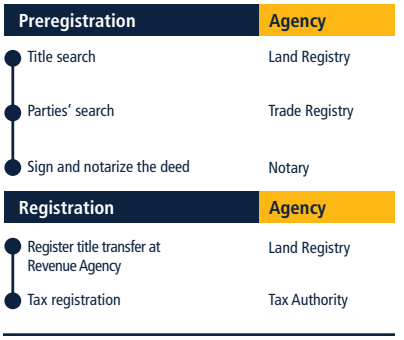
FIGURE 4.20 Property registration is efficient but costly in the Netherlands



Source: Subnational Doing Business and *Doing Business* databases.
Note: Averages for the European Union are based on economy-level data for the 27 EU member states.
* Georgia and Norway also have one procedure.
** Belarus, Georgia, Kazakhstan, Kiribati, and Saudi Arabia also have a cost of 0.0% of the property value.
*** Rwanda and Taiwan, China also score 28.5 points.

Netherlands. First, they verify the parties' identities and their rights to the property by consulting Kadaster and Trade Register[104] databases (figure 4.21). Unlike in other deed systems, the notary only needs to check the previous deed of sale. Notaries can sign up to get free access to Kadaster's systems. However, most notaries conduct these searches using licensed software provided by private companies that develop integrated products using the open-source codes made available by Kadaster and other public institutions. These applications pull data from public databases, including those at Kadaster and the Trade Register. The notary obtains the registered title, cadastral map, and one cadastral extract regarding the ownership and another cadastral extract regarding mortgages and encumbrances.[105] The notary obtains basic information from the Trade Register search, including the two parties' names, addresses, and legal representatives. Next, the notary drafts the deed for the parties to sign in person. Once signed, the notary authenticates the deed and signs a true copy, which is submitted online to Kadaster. Upon submission, the notary receives a receipt, checks the Kadaster online to ensure no change in rights has occurred in the meanwhile and pays the purchase price to the seller and the due taxes to the Tax Authority.

FIGURE 4.21 It takes five steps to transfer property in the Netherlands



Source: Subnational Doing Business and *Doing Business* databases.

Notaries have a maximum of 10 calendar days after the day on which the deed is drawn up and signed to present the deed to the tax authority. The transfer tax must be paid within one month from the registration, but in practice, notaries pay the transfer tax immediately. Kadaster then reviews the documentation received, a mostly automated process, and the Registrar updates Kadaster's databases to reflect the transfer. The rights of the buyer are constituted retroactively from the date of the deed's execution.

The Netherlands' streamlined and fast process to register property is the result of a series of reforms

Various factors explain why the Dutch land administration system is so efficient and uniform. These include the early

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development of a single database for the land registry and cadaster, the country's constant orientation toward simplifying processes by using the latest technology, and a whole-of-government approach to developing an integrated IT architecture for delivering public services built around key public registries.[106] The authorities have also followed a reform approach integrating continuous consultation with key stakeholders such as the Civil-Law Notaries Association to define the most efficient and effective procedures and technologies.

As a result of reform efforts dating to the 1980s, today, the notary's interaction with Kadaster is entirely electronic, and the processing of most requests is fully automated (figure 4.22). In 1990, Kadaster introduced an interface, Automatische Kadastrale Registratie, that allowed notaries to submit registration forms electronically for the first time. However, paper-based signed deeds were still required to accompany the application. In 1999, the authorities completed scanning historical deeds and began scanning new deeds upon their receipt, enabling faster document processing by registrars. In 2005, the Netherlands began using electronically signed deeds exclusively, abolishing paper documents. Kadaster unveiled the WebELAN application for notaries, enabling them to submit electronically signed documents. The notaries could opt to use either Kadaster's free electronic signature application or another provider's application (to accommodate those notaries that had purchased electronic signature applications). To this end, compatibility protocols between Kadaster's application and other electronic signature providers were developed.

In 2008, Kadaster introduced the KIK system (Ketenintegratie Inschrijving Kadaster, the chain integration inscription cadaster), which enabled the partial digital processing of deeds submitted by notaries.[107] The KIK system splits deeds into two sections: a standard section (a "stylesheet", already reviewed by the Registrar) containing key information to register any transfer or mortgage and a section where notaries and other parties can customize terms specific to the transaction. To accelerate the process, data related to the standard section of the deed are extracted automatically from the Basic Land Register (BRK, Basisregistratie Kadaster). When submitting the deed, the notary also sends a duplicate XML version of the deed's standard section.[108] If the deed is presented electronically for registration by the notary in accordance with the model, the cadastral registration is adjusted without further human intervention. Kadaster reviews the stylesheet automatically.[109]

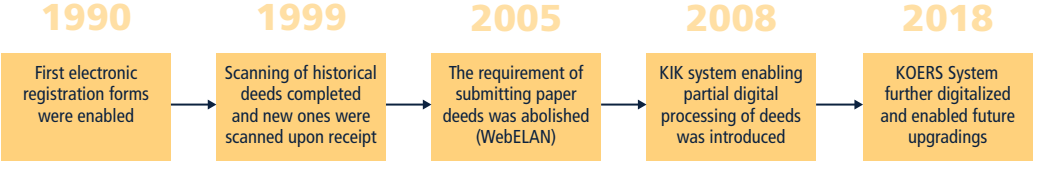
The latest major technical advance was the 2018 migration to KOERS (Kadastrale Objecten Rechtenregistratie Systeem, the cadastral objects and rights system). KOERS introduced the full automation of standard deed processing and software checks of more information included in the deed, such as size and boundaries, rights and rightsholders against the database.[110] Only notaries can use the KOERS automatic system, but its use is not mandatory. Notaries can opt for the previous semi-automatic registration or even submit the paper deed by postal mail. To encourage the adoption of the new technology, however, Kadaster charges more for paper registration (EUR 172) than for semi-automatic registration (EUR 144.5) or fully digital registration (EUR 82.5).[111] The vast majority of notaries now use the automatic or semi-automatic options.

Consistent, nationwide efficiency standards are the result of a country-wide team of registrars and a unified cadastral system. Following a 2006 reform, all regional property-related databases and registrar teams were merged into one, and the practice of assigning each region to one team of registrars was discontinued.[112] Currently, the Netherlands has a national team of registrars that update the registry with transfers anywhere in the country.[113]

Investments in digital infrastructure has paid off, especially in times of crisis

The Dutch property registration system's reliance on digital infrastructure made it resilient to the unprecedented challenges created by the COVID-19 pandemic. Kadaster recorded no serious disruptions to service delivery in 2020. In addition, Kadaster staff were able to complete their tasks remotely. Four out of the five procedures to transfer property are conducted entirely online in the Netherlands. The execution of the deed by the notary is the only procedure requiring physical interaction. Additional remote services were enabled during the pandemic, but

FIGURE 4.22 The Dutch Kadaster's Key Steps in Going Digital



Source: Subnational Doing Business and *Doing Business* databases.

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the temporary provisions do not apply to the execution of transfer deeds.[114]

All cities in the Netherlands rank at the top of the quality of land administration index, a measure of the quality of land administration institutions across five areas: reliability of infrastructure, transparency of information, geographic coverage, and land dispute resolution.[115] The reliability of infrastructure component measures whether the land registry and mapping system (cadaster) have adequate infrastructure to guarantee high standards and reduce errors. All cities in the Netherlands score 7 out of 8 points for the reliability of infrastructure on account of the country's advanced electronic infrastructure. Kadaster maintains a single electronic database for encumbrances and maps and has fully digitized its maps and scanned the majority of deeds. Keeping the majority of deeds in a fully digital format would raise the score to the maximum.

The 10 benchmarked cities obtain the maximum score of 6 points on the transparency of information component, which measures whether and how the land administration system makes land-related information available to the public. Kadaster publishes fee schedules, lists of required documents needed to register a property, and statistics on property transfers. Furthermore, one can find Kadaster's commitments to service standards (deadlines for various procedures) on the institution's website and a form to submit complaints, which are handled independently.

The geographic coverage component measures the extent to which the land registry and mapping system provide complete geographic coverage of privately held land parcels. Because all properties in the Netherlands are mapped and registered, all cities score 8 out of 8 points for geographical coverage.

The land dispute resolution index measures the accessibility of conflict resolution mechanisms and the extent of liability for entities or agents recording land transactions. The index also looks at how efficiently the courts, as a last resort, handle disputes. All Dutch cities score 7.5 out of 8 points on this index. The Netherlands is one of only five EU countries[116] where a first instance court decision in a standard property dispute can be obtained in less than a year. If the Dutch courts were to publish statistics on the number of property-related legal disputes, the benchmarked cities would obtain the maximum score on the land dispute resolution index.

WHAT CAN BE IMPROVED?

Assess the possibility of reducing the cost of transferring property in the Netherlands

At 6.1% of the property value, the cost to transfer property is higher in the Netherlands than the EU average (4.8%) and the OECD high-income economy average (4.2%). As noted above, the main component of the cost is the 6% transfer tax. Because an expensive property registration process can represent a burden for the private sector, the authorities could consider reducing the transfer tax. Several EU member states, including Denmark, Estonia, Lithuania, Poland, and the Slovak Republic, have either very low property transfer taxes (less than 1%) or have abolished them altogether. Of the European Union's 27 member states, 19 have a lower cost to register property than the Netherlands. Globally, registering a property transfer is less costly than the Netherlands in 125 of the 190 economies measured by *Doing Business*.

Explore the possibility of gradually reducing the role of notaries in property transfers or make their use optional

All property transactions in the Netherlands require that a notary authenticate the deed of sale between the two parties, adding time and cost to the process. In many countries, including EU member states Denmark, Sweden, and Portugal, the use of legal professionals to transfer property is not required by law. Companies can choose whether and when to seek legal assistance. One way to make such a reform successful is for Kadaster to introduce a standardized contract for property transactions; this typically reduces the risk of mistakes or omissions. Offering such contracts would also reduce both the time and cost to register property. Companies could still consult legal professionals and draw up tailor-made contracts, especially for more complex transactions, but it would not be required. In Denmark, all requirements to draft and submit the deed are clearly outlined and explained in the Land Register Act and subsequent regulations, making it easy for parties to do it themselves. Moreover, Denmark abolished a previous requirement to have the deed signed by two witnesses following the introduction of the electronic signature. Portugal successfully made notary involvement optional for companies wishing to transfer property. The parties must only sign the agreement in person at the registry. As a result, registering property in the Portuguese cities of Faro, Funchal, and Ponta Delgada takes just one procedure and one day. The registry provides the parties to the transaction with standard official templates to sign.

Increase the transparency of the land administration system by collecting and compiling statistics on land disputes

When land disputes occur, ensuring that they clear the courts quickly is important—citizens' resources should not be unnecessarily tied up in the legal system. However, the Netherlands does not make information on land disputes in the courts at the national level publicly available. Such statistics inform citizens about the court's true performance. They also provide the court with information on current bottlenecks and challenges that can inform future reform initiatives.

Court statistics should be published continuously and updated regularly. Six

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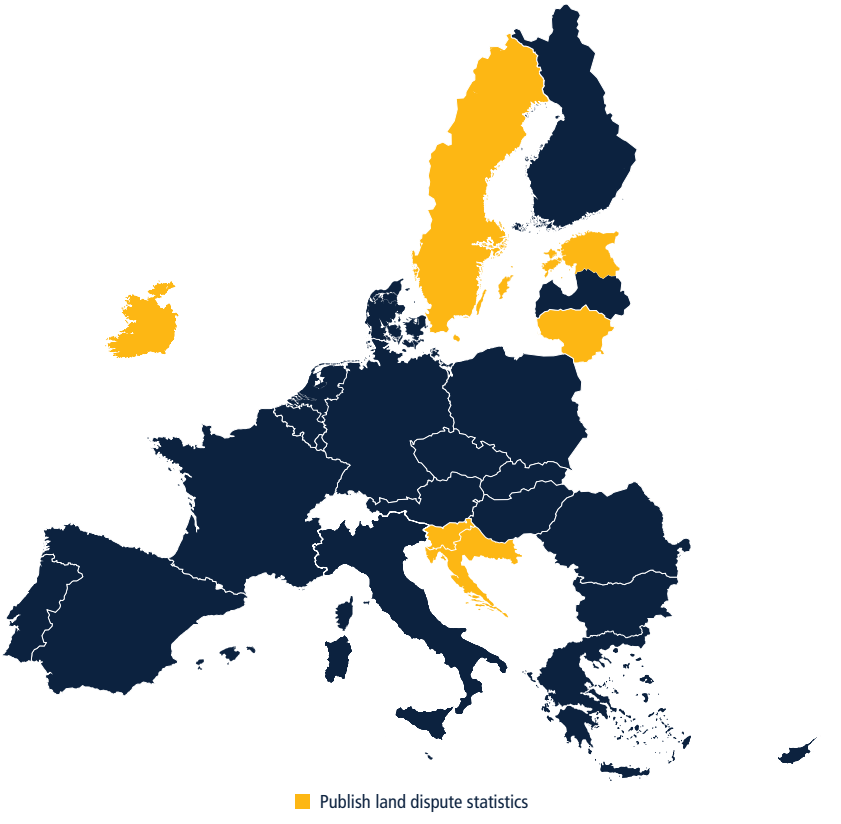
EU countries publish land dispute statistics: Croatia, Estonia, Ireland, Lithuania, Slovenia, and Sweden (map 4.2). Dutch authorities should consider making such data publicly available in a user-friendly format, updated regularly or in real-time.

MAP 4.2 Six EU member states make statistics on land disputes publicly available



Source: Doing Business database.
Note: The data for EU member states are not considered official until published in the *Doing Business 2021* report.

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Enforcing Contracts

The Dutch judiciary is one of the most reliable and transparent in the world.[117] However, many court processes in the Netherlands lack the automation and digitalization found in other advanced judiciaries.[118] Investment in the court system has focused on making litigation easier, faster, and more automated to improve work quality and case flow.[119] In 2019, the Netherlands adopted a technology-focused plan targeting "timely justice" (Tijdige Rechtspraak)—to cut disposition times, in particular—by 2023.[120]

Temporary changes to court rules adopted during the COVID-19 pandemic accelerated the Netherlands' move toward court modernization.[121] For the first time, judges held virtual hearings and accepted judicial files electronically, improving court automation and efficiency.[122] Before the public lockdown beginning on March 17, 2020—shuttering the Dutch courts—these practices were uncommon.[123] Even if temporary, these changes could reshape the way courts across the Netherlands deal with litigation.

Court efficiency varies across the country, but all courts lag on the quality of judicial processes

Resolving the *Doing Business* case study's standardized commercial dispute is fastest in Eindhoven (471 days), 42 days faster than the average across the 10 Dutch cities benchmarked (513 days) (table 4.9).[124] The Dutch courts resolve commercial disputes more than four months faster than the EU average (653 days) (figure 4.23).[125] The fastest Dutch courts, Eindhoven and Rotterdam (471 days and 485 days, respectively), are slightly slower than France (447 days) but faster than Germany (499 days).

Despite its relatively fast process for contract enforcement, the Netherlands lags the EU average for cost efficiency. At 21.6% of the claim value, enforcing contracts is more expensive in the benchmarked cities than in 16 other EU member states, most notably France (17.4%), Belgium (16.4%), and Germany (14.4%). However, the process is less costly than in Denmark (23.3%) and significantly cheaper than in selected common law countries such as the United Kingdom (45.7%).

On the *Doing Business* quality of judicial processes index, all Dutch cities benchmarked score 7 of 18 possible points—the lowest in the European Union and below the global average of 8.8 points. The Dutch courts' performance for case management and court automation systems (2.5 out of 10 points on both components) is lower than Germany (5 points) and Denmark (8 points).

TABLE 4. 9 Enforcing contracts in the Netherlands: where is it easiest?

City	Rank	Score (0–100)	Time (day)	Cost (% of claim)	Quality of judicial processes index (0–18)
Eindhoven	1	62.24	471	20.9	7
Middelburg	2	61.87	512	18.9	7
Enschede	3	61.62	510	19.7	7
Rotterdam	4	61.61	485	21.6	7
Groningen	5	61.49	519	19.4	7
Arnhem	6	60.46	517	22.3	7
The Hague	7	59.99	519	23.4	7
Amsterdam	8	59.94	514	23.9	7
Utrecht	9	59.89	526	23.2	7
Maastricht	10	59.09	561	22.8	7

Source: Subnational Doing Business and *Doing Business* databases.

Note: Data for Amsterdam are not considered official until published in the *Doing Business 2021* report. Rankings are based on the average score for the time and cost associated with enforcing a contract, as well as for the quality of judicial processes index. The score is normalized to range from 0 to 100 (the higher the score, the better). For more details, see the chapter "About *Doing Business* and *Doing Business in the European Union 2021: Austria, Belgium and the Netherlands.*"

Commercial disputes follow a straightforward and consistent process across the country

The Dutch Code of Civil Procedure (Wetboek van Burgerlijke Rechtsvordering, or Rv) governs litigation nationwide. District courts (rechtbank) have jurisdiction over the *Doing Business* case—a breach of contract dispute between two companies valued at 200% of income per capita (EUR 94,021).[126] The courts in the cities of Eindhoven and Enschede are branches of the district courts of Oost-Brabant and Overijssel, respectively. In principle, these branches hear cantonal cases (kantonzaken) with a claim value of up to EUR 25,000. However, an exception in the 2013 reorganization of legal districts (arrondissementen) allowed Eindhoven's district court branch to hear commercial cases over EUR 25,000.

The plaintiff initiates the litigation process by serving the defendant with the lawsuit, usually in person via a bailiff. During the pandemic, temporary legislation allowed bailiffs to serve documents by postal mail.[127] The parties must respect a one-week summons term (dagvaardingstermijn) between the service of the summons and the beginning of the process; the summons is registered with the court during this period.[128]

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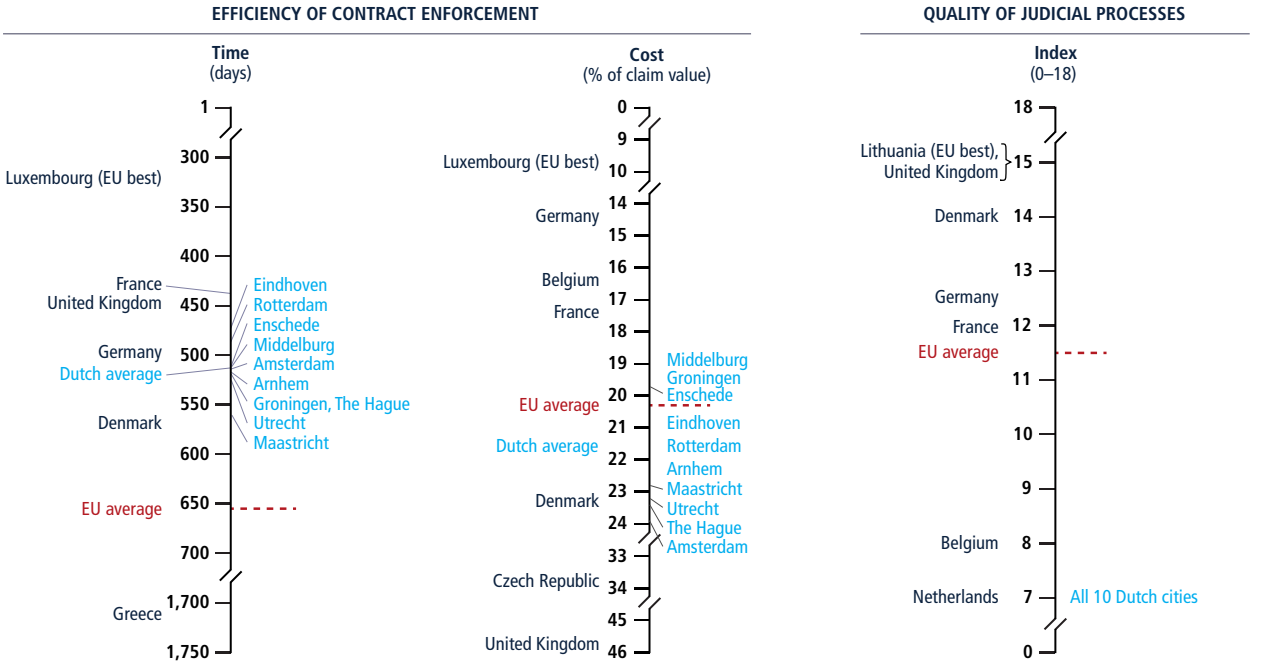
FIGURE 4.23 Dutch courts have room to improve across all indicators, especially on the quality of judicial processes



Source: Subnational Doing Business and *Doing Business* databases.

Note: The average for the European Union is based on economy-level data for 27 EU member states. Data for Amsterdam, comparator economies and EU averages are not considered official until published in the *Doing Business 2021* report.

The defendant has six weeks to respond to the claim.[129] To simplify the court hearing, the judge can order the parties to provide preparatory briefs clarifying factual or disputed points. Briefs should reach the court a minimum of 10 days before the hearing.[130] Complementary evidence is gathered at this stage, and, when appropriate, the parties submit additional written arguments.

The main purpose of the first hearing is to gather information on the case and organize the litigation process. The parties, who appear with their attorney in court, play an important role in the procedure.[131] In many cases, the first hearing is an opportunity to clarify the parties' respective positions, eliminating the need for additional replies or rejoinders.

The parties enjoy substantial autonomy in trial management; they decide on the type of evidence to present and its order. However, if the judge deems the evidence insufficient, a technical expert is appointed (the judge selects the expert only if the parties cannot agree on one). A case like the *Doing Business* standardized commercial dispute is typically decided in one or two hearings. One adjournment is easily granted; subsequent adjournments are much less common as they require the agreement of both parties. The judge only accepts unilateral adjournment requests for compelling reasons or force majeure (klemmende redenen of overmacht).

Dutch courts hear a relatively low volume of commercial cases compared to courts in other countries.[132] In The Hague, court officials credit out-of-court settlements for their modest caseload.[133] In Middelburg, lawyers explain that the parties and the judge often use the time between the service of the summons and the first hearing to discuss an extrajudicial resolution. Even when the parties cannot reach a settlement, this discussion reduces the number of contentious issues, allowing a decision on most disputes after the first hearing.[134]

Judges do not limit themselves to the documentary evidence provided by the parties and experts. Hearings can be held onsite, allowing the judge to observe the core of the conflict first-hand to inform his or her judgment. In Utrecht, lawyers report that such a practical approach has a positive impact on the trial and judgment phase, particularly in construction cases.[135]

When a second hearing is needed, which can take up to six months to schedule in many Dutch courts, it is typically the last. The parties discuss the evidence, including the expert's report, and make their concluding arguments. After the final trial hearing, it can take a few months for the judge to issue a ruling.

Enforcement is a separate judicial process. A copy of the judgment is sent to the attorneys of both parties the day after the ruling. The plaintiff can contact the court bailiff (gerechtsdeurwaarder) on the same day. The bailiff subsequently

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serves the defendant with the judgment (vonnis betekenen). If the defendant does not comply with the enforcement order, the bailiff can seize the defendant's moveable property and organize the sale.[136] Seized items are auctioned publicly under the supervision of the bailiff, either in person or online.

Enforcing contracts is fastest in Eindhoven but cheapest in Middelburg

Litigating a commercial contract dispute is fastest in Eindhoven, where contract enforcement is almost three months shorter than in Maastricht, the city where it takes the longest.

Court performance is remarkably uniform across the Netherlands. However, this is unsurprising, given the level of communication and organization within the various branches of the Dutch judiciary. The Council for the Judiciary holds monthly meetings with the presidents of the country's 11 district courts, four appellate courts, and the Supreme Court with the aim of improving efficiency throughout the country and, as a consequence, minimize subnational variations.

In the five districts with the shortest contract enforcement times, the one-year commercial case clearance rate in 2019 was higher on average than that in the districts where it takes the longest.[137] The Amsterdam court has the highest caseload and some of the most complex cases.

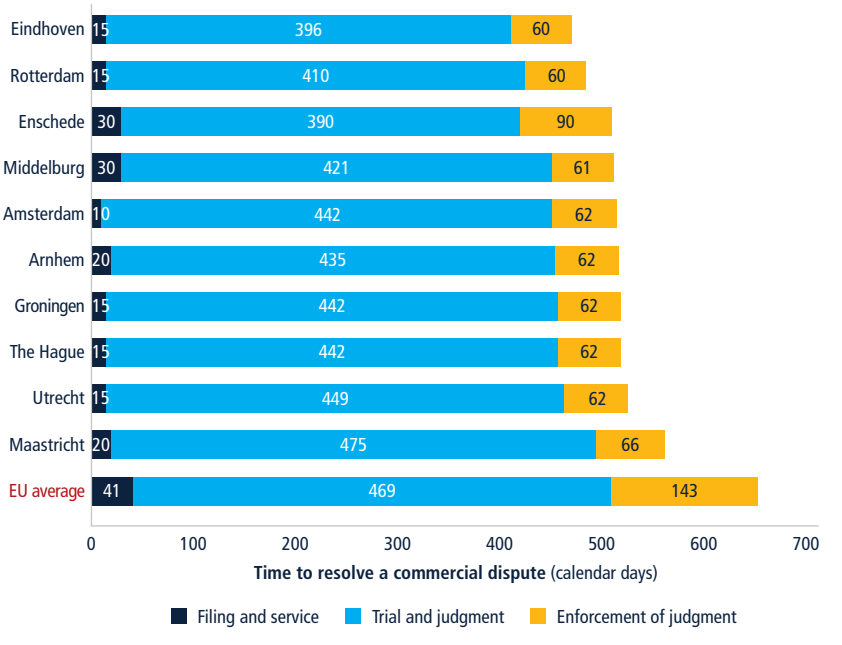
To initiate litigation, a bailiff serves the writ of summons on the defendant and registers a copy with the court clerk. This phase usually takes no more than 20 days across the Netherlands. Although it is not required by law, the plaintiff can send a letter to the defendant before action in an attempt to settle the dispute. In Enschede and Middelburg, lawyers tend to allow more time to complete pretrial steps, increasing the duration of the dispute's filing and service phase to 30 days (still shorter than the EU average of 41 days).

The main variation in time and overall performance across Dutch courts stems from the trial and judgment phase (figure 4.24), specifically the time between claim registration and the first hearing. The duration of the trial and judgment phase ranges from 390 days in Enschede to 475 days in Maastricht. Across the Netherlands, the trial and judgment phase lasts 430 days on average, a month faster than the EU average (469 days). The trial and judgment phase takes less than 390 days in 15 EU member states; in eight, it takes more than 475 days.[138]

Dutch courts face diverse challenges that influence trial time, including staffing gaps and the low level of court automation. Because both parties and their attorneys must attend the first hearing, scheduling can be complex and time-consuming. Litigants routinely wait for six months—sometimes longer—for their first hearing. In Groningen, a case first registered in August 2020 would be heard in February 2021 and, if the case is adjourned or requires a second hearing, the next available date would be in August 2021. During the pandemic, the backlog of cases increased. To avoid the creation of additional delays in Dutch courts, the authorities passed a temporary act (Tweede Verzamelspoedwet COVID-19) to increase the number of available judges by allowing retired judges to rejoin the judiciary. In Utrecht, the second slowest city for enforcing contracts, two retired judges were called back to help with the caseload.

In Eindhoven, Middelburg, and Rotterdam, scheduling the first hearing takes less time. In Middelburg, a court officer (instead of a judge) assigns cases based on judges' legal experience and availability. This approach streamlines the scheduling process. Lawyers in Eindhoven note that the court's efficient use of the scheduling system has helped to reduce the waiting period from filing the summons to the first hearing to three to six months. This system, which consolidates the schedules of the parties

FIGURE 4.24 Differences in the trial and judgment phase drive variations in the time to resolve a commercial dispute



Source: *Subnational Doing Business* and *Doing Business* databases.

Note: The average for the European Union is based on economy-level data for 27 EU member states. Data for Amsterdam and EU average are not considered official until published in the *Doing Business 2021* report.

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and their lawyers, allows administrative personnel to optimize judges' schedules, maximizing efficiency in scheduling the first hearing. Scheduling the hearing date in Rotterdam is also easier following a recent increase in judges, a new computerized case assignment system, and the expanded use of virtual hearings.[139] These measures help judges to manage their schedules and administrative staff to ensure courtroom availability. Judges also receive valuable daily support from staff, many of them local university students.

Trial hearings are used to discuss evidence, including from expert witnesses. If the legal and factual aspects of the dispute are clear, no adjournment or additional hearing is needed. Delivery of an expert opinion rarely takes more than three months.

After evidence is collected and arguments are debated, the judge issues a decision. Judges usually aim to draft their judgment in six weeks, but it can take significantly longer in practice. In most cities a decision can take three to six months, depending on the workload of the judge and the complexity of the case. As part of the judiciary's 'Tijdige Rechtspraak' (timely justice) program, the courts jointly set up an inloopkamer (literally, a "catch-up chamber"), which became operational in March 2021, to address these delays, reduce existing backlogs, and assist judges in finalizing their judgments.[140] This chamber provides extra capacity where the need is greatest across the entire judiciary. Judges and lawyers from the inloopteams focus on specific case flows to address the backlog efficiently. Most of the courts covered in the study (Gelderland, Limburg, Central Netherlands, East Brabant, Rotterdam, and The Hague) have already requested that the National Council of the Judiciary include them in the project.

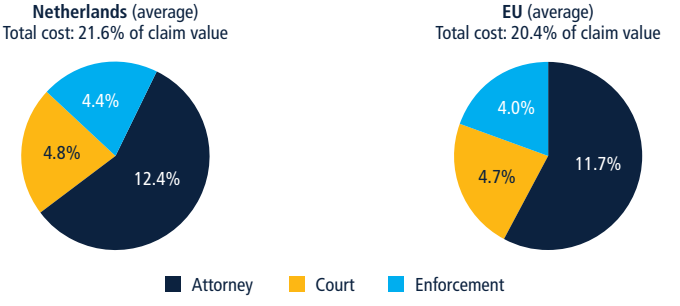
Enforcement procedures are uniform across the Netherlands. Enforcement takes 65 days on average across the courts and cities report a variation of no more than 10 days (except for Enschede, where the plaintiff typically gives the defendant more time to comply). Among EU member states, only Luxembourg (60 days) enforces the judgment faster than the Netherlands. At 90 days, Enschede lags the other Dutch cities; even so, in the European Union only Luxembourg and Estonia (75 days) have faster enforcement times than Enschede. The sale of the debtor's seized assets is not allowed until four weeks after the judgment; bailiffs use this waiting period to prepare the auction (which can take place soon after the four-week period). Occasionally the process can take several days longer—for example, the attachment of movable assets might take place with a police officer, which requires coordination of the officer's and the bailiff's schedules.

The cost of litigation varies from 18.9% of the claim value in Middelburg to 23.9% in Amsterdam. Attorney fees, which make up the bulk of the cost, are typically charged at an hourly rate (figure 4.25). Because the attorney fee structure is not standardized in the Netherlands, critics argue that legal fees lack transparency.[141] Attorneys explain that rates vary depending on the demand for judicial services and time to resolve the case. In their assessment, the hourly rate is generally higher in Amsterdam and The Hague, given higher demand for judicial services. Costs are also relatively high in Maastricht and Utrecht, where judicial procedures are on the longer end. Fees are slightly lower in Enschede, Groningen, and Middelburg, where the demand for legal services on commercial matters is lower.

The Court Fees Law (Wet griffierechten burgerlijke zaken)[142] sets court fees nationwide, including the fees to register the claim and for the issuance of the judgment (EUR 2,042). However, the fees of expert witnesses are unregulated, resulting in variations across the benchmarked cities in court fees. Expert witness fees are highest in Enschede, Maastricht, and Middelburg—among the smaller cities benchmarked—and Rotterdam. Practitioners report that there are fewer local experts in smaller cities, reducing competition and raising prices. In addition, experts who charge the same rate for services nationwide tend to be based in larger cities; they charge transportation expenses when they travel to locations outside of their hub.

The Bailiffs' Fee Decree (Besluit tarieven ambtshandelingen gerechtsdeurwaarders) regulates enforcement costs in the Netherlands.[143] The cost to store the seized goods and organize the public sale varies across the benchmarked cities. Auctions occur either onsite (if the attached goods are on the defendant's premises), in a rented hotel conference room, or at an auction house. There is no cost for an onsite auction. For auctions

FIGURE 4.25 Court costs in the Netherlands are higher than the EU average



Source: Subnational Doing Business and *Doing Business* databases.
Note: The average for the European Union is based on economy-level data for 27 EU member states. Data for Amsterdam and for EU average are not considered official until published in the *Doing Business 2021* report.

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held at a hotel conference room, the cost is lowest in Enschede, Groningen, and Middelburg. Costs associated with an auction held at an auction house are included in the auction price and charged directly to the purchaser of the goods.

The Dutch judicial system ranks among the top civil justice systems globally,[144] and international parties are increasingly choosing the Dutch courts—specifically the Netherlands Commercial Court—to resolve their cross-border disputes (box 4.4). However, the Netherlands scores only 7 of 18 possible points on the *Doing Business* quality of judicial processes index. This index measures whether an economy has adopted a series of good practices in its court system in four areas (court structure and proceedings, case management, court automation, and alternative dispute resolution). The lack of automatic case assignment tools and the absence of innovative platforms to manage case documents are two of the Dutch judicial system's most urgent weaknesses.

With the legal framework applied consistently nationwide, all Dutch courts follow the same judicial processes as measured by *Doing Business*[145] (figure 4.26). However, the failure of recent digitalization projects (see box 4.5) has prevented the Dutch courts from reaching a level of court automation and case management system comparable to that of their peers.

The Dutch courts are only partially automated. As in Belgium, the availability of electronic means to manage a case is among the lowest in the European Union.[146] Some automated features are available to litigants (for example, they can pay court fees electronically), and the court publishes commercial judgments at all levels, allowing litigants to assess their rights and lawyers to apply the law consistently. However, some widely available features in other advanced economies are not available in the Netherlands. For example, unlike in 42 other economies measured by *Doing Business*, the initial complaint cannot be filed electronically in the Netherlands. Also, a bailiff must carry out the service of process in person (the Supreme Court temporarily allowed bailiffs to serve documents by postal mail during the pandemic).

The Dutch courts also have a mixed performance on the court structure and proceedings component. Small claims courts (kantonrechter) are available, and self-representation is permitted, preventing small-figure disputes from burdening the district courts. The law also provides for pretrial attachment of the defendant's movable property to prevent the debtor from disposing of assets before trial. Like in 163 other economies worldwide,

BOX 4.4 The Netherlands Commercial Court: a European judicial destination for international commercial disputes

The Netherlands Commercial Court (NCC) was established on January 1, 2019, as a specialized division within the Amsterdam District Court and the Amsterdam Court of Appeal that offers high-level international dispute settlement by hearing complex cross-border commercial cases.[a] NCC proceedings are conducted in English, and all cases are heard and disposed of by a three-judge panel with specific knowledge in the field of international commercial litigation. The NCC is one of the world's first civil law-based international commercial courts.[b]

The NCC's jurisdiction is based on consent. If the dispute does not fall under the Amsterdam District Court's jurisdiction, the parties must designate the NCC as the competent court (typically in the forum selection clause of their agreement). There must be an international aspect to the dispute, and the parties must have expressly agreed that the proceedings will be held in English.[c]

The idea to create the NCC came from the national Council for the Judiciary, which, in 2015, noted that a considerable number of complex cross-border disputes were settled outside of the Netherlands by foreign courts or through (international) arbitration. The Council expressed concern that the Netherlands could forego knowledge on the settlement of international commercial disputes within the existing Dutch legal framework. The NCC was subsequently created as a landmark forum for EU companies, with the ambition to offer first-class international legal services and establish a knowledge hub in the Netherlands.

The NCC can hear contractual disputes, precontractual issues, tort claims, personal property disputes, and corporate law matters. Unlike other Dutch courts, the NCC establishes an informal, pretrial case management conference which gives parties a say on how proceedings will be conducted. A web portal, eNCC, facilitates communication and document exchange.

The NCC rendered its first final judgment on the merits in March 2020. With state-of-the-art facilities, highly qualified judges, and proceedings conducted in English, the NCC is expected to become a benchmark venue for EU companies.

a. As such, the NCC would not be competent to hear the Doing Business case study which focuses on domestic litigation.

b. Van der Weide, J. A. 2020. "The Netherlands Commercial Court (NCC): Its Challenges and Perspectives." In Chen, L., and A. Janssen (eds.) *Dispute Resolution in China, Europe and World*. Ius Gentium: Comparative Perspectives on Law and Justice, vol 79. Springer, Cham.

c. See the NCC rules, available at https://www.rechtspraak.nl/English/NCC/Pages/rules.aspx.

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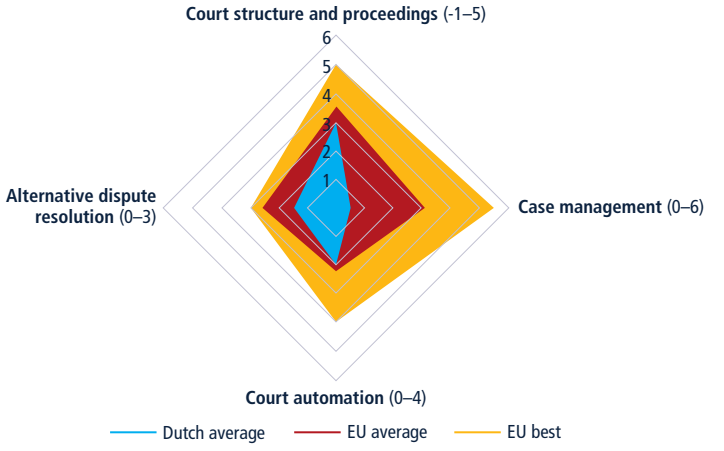
FIGURE 4.26 The level of case management and court automation is low in the Dutch courts



Source: Subnational Doing Business and *Doing Business* databases.

Note: The average for the European Union is based on economy-level data for 27 EU member states. Data for EU averages are not considered official until published in the *Doing Business 2021* report. Among EU member states, Croatia, Poland, and Romania have the highest score on the court structure and proceedings index. Latvia has the highest score on the case management index. Estonia, Lithuania, and the Slovak Republic have the highest score on the court automation index. Germany, Hungary, Italy, Lithuania, Latvia, Poland, Romania, and Spain have the highest score on the alternative dispute resolution index.

BOX 4.5 A quality and innovation initiative that fell short of digitalizing Dutch courts

As part of its push to modernize and digitalize the Dutch justice system, in 2014 the Ministry of Justice and Security and the Council for the Judiciary jointly set up an ambitious initiative to introduce digital litigation and simplify civil procedure law. The program, Kwaliteit En Innovatie (quality and innovation, known by its acronym KEI), was piloted at the Midden-Nederland (Utrecht) and Gelderland (Arnhem) district courts.

From January 1, 2018, to October 19, 2019, attorneys litigating commercial cases before the two district courts were required to do so digitally in proceedings on the merits, including electronic service of process and digital communication between the court and lawyers. Despite a high level of enthusiasm for a comprehensive digital system, ultimately, the KEI program was unsuccessful. Lawyers and judges explain that the system was too ambitious and unable to process the volume of information received. One respondent confessed to taking leave as a result of the frustration caused by a constantly crashing computer. The KEI led to underperformance, user frustration, and even episodes of complete shutdown.

Despite the KEI's failure, efforts to modernize the judiciary were not in vain. Some KEI procedural changes were kept after the pilot ended. Immediately after ending the KEI program, the judiciary launched new attempts to digitalize the legal system through the gradual implementation of Digital Access (Digitale Toegang) and Digital Work File (Digitaal Werkdossier). These initiatives will be piloted for attachment requests at the Amsterdam District Court starting on June 1, 2021. Unlike KEI, participation will be voluntary. If the pilot is successful, all 11 district courts should be able to receive digital attachment requests by the end of 2021. The Council for the Judiciary intends to fully digitalize the Dutch courts by the end of 2024 (for non-professionals, paper-based litigation will remain an option).

the Dutch courts randomly assign cases to judges. However, this process is not fully automated. Also, except for the NCC—which focuses on international cases—the Netherlands has no dedicated specialized commercial court or division within the district courts.

With just 0.5 out of 6 possible points, the Netherlands also lags in case management techniques for judges, lawyers, and parties to a dispute. The pretrial conference is not an established good practice in Dutch courts, although some judges make use of the first hearing of a trial to streamline the dispute. Paper files are still widely used in the Dutch courts, and the introduction of an integrated electronic case management system has generally failed. The lack of digitalization has reduced the availability of court reports and statistics. Procedural law sets time standards for some court events, but these are not binding in most cases. Lastly, the Dutch Code on Civil Procedure does not strictly regulate adjournments (merely referring to generic compelling reasons or force majeure clauses), which can be a source of delay.

Although the Netherlands provides a framework for voluntary mediation, regulates commercial arbitration, and ensures that valid arbitration clauses are enforced in practice, no financial incentives exist to encourage mediation or conciliation.

WHAT CAN BE IMPROVED?

Consider making measures allowing virtual hearings permanent

During the COVID-19 pandemic, the Dutch judiciary temporarily allowed the use of digital features as a means of continuing court operations.[147] Between March 17 and April 6, 2020, only very urgent cases (so-called "List 1" cases) were conducted online (via Skype) or by telephone in court. From April 7 to May 10, urgent cases ("List 2") were treated in the same way. In parallel, the courts encouraged written proceedings

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for these cases. Experts participating in this study provided contrasting feedback on the shift to remote litigation. Many users were generally satisfied, but others—often judges—highlighted the importance of nonverbal communication and in-presence, informal contacts, which were absent in the virtual hearings.

Making virtual hearings an option permanently would provide more flexibility in the organization of the litigation. It would facilitate the scheduling of trial hearings and time savings for judges, attorneys, and litigants. Furthermore, virtual hearings could reduce the impact of common circumstances that currently warrant a hearing adjournment (such as the unavailability of a hearing room or minor health condition of one of the parties). The Netherlands could follow the example of other economies with a legal framework allowing litigation to occur remotely. In Estonia, all steps in a legal dispute can be completed remotely, from initiating the case until the publication of the decision. During the 2020 COVID-19 lockdown period, around 61% of hearings were held online in Estonia, keeping the number of decided cases steady with the previous quarter (when there was no lockdown).[148] In Singapore, the Chief Justice of the Supreme Court cited time and cost efficiencies to justify that most cases would resume but will continue to be held virtually on a permanent basis.[149]

Consider expanding e-features in courts for commercial litigation and small claims

COVID-19 has highlighted the suboptimal nature of courts around the world. In many jurisdictions, the shift toward virtual justice is gaining momentum and improving court efficiency. However, with a low level of court automation, the Netherlands lags in this regard. There have been attempts to modernize the Dutch courts, but with some courts still adopting older data management systems (such as MS-DOS), there is room for improvement.[150]

Features such as electronic filing of cases and electronic service of process—that is, the initial summons can be served by email, fax, or text message—can streamline and accelerate the process of commencing a lawsuit. But court automation has broader benefits. Electronic records tend to be more convenient and reliable. Reducing in-person interactions with court officials results in better access to courts. These features also reduce the cost to enforce a contract—parties save on courthouse visits, while courts save on storage costs, archiving costs, and court officers' costs. The implementation of Korea's e-court system resulted in a savings of $221 per e-filing from a reduction in paper use, the time spent in court, cheaper service of process, lower transportation costs, easier archiving of documents, and easier payment of fees.[151] Furthermore, e-filing facilitates access to and the delivery of justice. The best-performing economies have several features of court automation. Estonia, Lithuania, and the Slovak Republic are the EU member states that obtain the highest possible score on the *Doing Business* court automation index.

Doing Business records 24 reforms introducing an e-filing system for commercial court cases and allowing attorneys to submit the initial complaint online. Today, 42 economies worldwide allow the electronic filing of the initial complaint. Similarly, 37 economies permit e-service of process. Germany made enforcing contracts easier by introducing e-filing of the initial complaint and e-service of process without the need for paper documents.

Consider creating specialized commercial courts or divisions

Having courts or divisions with general commercial jurisdiction—hearing only commercial cases—is an internationally recognized good practice. When properly established, such courts can improve efficiency because they tend to have streamlined procedures and because they offer an alternative forum for litigants that may compete with regular courts.[152] *Doing Business* data show that the 101 economies with dedicated commercial courts resolve cases 92 days sooner on average than those without such courts.

Given the level of business activity in the Netherlands, a dedicated commercial court would have no shortage of cases. The establishment of the NCC in Amsterdam is already creating a hub of commercial litigation knowledge. However, the NCC's focus is primarily on international cases.

A gradual approach toward specialized commercial jurisdictions could be an option. In 1995, North Carolina, a U.S. state with a population of more than 10 million, created a business court with a statewide jurisdictional reach. Initially staffed by one judge, the court's expansion was recommended in 2004. As of mid-2019, there were five active business court judges sitting in four cities across the state who hear cases originating in North Carolina.[153]

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NOTES

1. European Commission. 2019. 2019 Small Business Act Fact Sheet, Netherlands. Brussels: European Commission.
2. World Bank. 2013. *Doing Business 2014: Understanding Regulations for Small and Medium-Size Enterprises.* Washington, DC: World Bank Group. See also van Gelder, Gabriël. 2012. "Finally: Dutch Flex-BV is now in force." *DLA Piper*, November 28. https://www.dlapiper.com/en/us/insights/publications/2012/11/finally-dutch-flexbv-is-now-in-force/.
3. Data used in this report for Amsterdam and comparator economies are not considered official until published by the *Doing Business 2021* report.
4. The cities were selected based on demographic and geographical criteria. Each city belongs to a different NUTS2 region (the Nomenclature of Territorial Units for Statistics, or NUTS, is a geocode standard for referencing the subdivisions of countries for statistical purposes developed by the European Union). Furthermore, the selection of cities was agreed between the World Bank project team, the European Commission's Directorate-General for Regional and Urban Policy, the Invest in Holland Network and the Ministry of Economic Affairs. The data presented for Amsterdam are those published by the global *Doing Business* report, which uses Amsterdam as a proxy for the Netherlands.
5. The indicator quality components are the building quality control index for dealing with construction permits, the reliability of supply and transparency of tariff index for getting electricity, the quality of the land administration index for registering property, and the quality of judicial processes for enforcing contracts.
6. Data used to calculate the quality of the land administration index for registering property are not considered official until the *Doing Business 2021* report is published.
7. Although the Bibob law is a national-level regulation, municipalities apply it locally at their discretion. The law, which is partially integrated into the Wabo permitting legislation, serves as an additional layer of protection against money laundering and criminal activity.
8. The basic screening comprises a form that the developer fills out that includes company accounting information. Should the municipality choose to carry out an in-depth evaluation—for example, if they have doubts about the legitimacy of the business—the authorities contact the developer for further information.
9. These cities are Amsterdam, Enschede, Groningen, Maastricht, and Rotterdam. Amsterdam, which has the lowest threshold, applies a basic Bibob screening to all construction projects over EUR 250,000, suggesting that the Amsterdam municipality views construction projects as vulnerable to a relatively high risk of criminal activity. Maastricht has the second lowest threshold at EUR 500,000. Enschede, Groningen, and Rotterdam all apply a threshold of EUR 1,000,000. Although Arnhem did not apply the basic Bibob screening to construction projects at the time of this study, it has implemented one in 2021.
10. For more information on Estonia's online company registration portal, see the website at https://www.rik.ee/en/company-registration-portal/e-residency.
11. For more information on the Danish system, see the website at https://indberet.virk.dk/.
12. See the Business Portal's website at https://eportugal.gov.pt/en/entrar.
13. Auckland (New Zealand) Council. 2019. "Contributions Policy 2019." Auckland: Auckland Council. https://www.aucklandcouncil.govt.nz/plans-projects-policies-reports-bylaws/our-policies/docsdevelopmentcontributionspolicy/contributions-policy.pdf.
14. Book 2 Title 5 of the Dutch Civil Code.
15. The Netherlands' UBO register was launched on September 27, 2020. For EU member states, the UBO register is mandatory under EU Directive 2015/849, the fourth anti-money laundering directive. In the Netherlands, the UBO register is legally regulated by the Wwft Implementation Decree 2018, the Commercial Register Act 2007, and the Commercial Register Decree 2008.
16. The Chamber of Commerce's business registration fee was EUR 50 for the period January to December 2020. The annual compulsory contribution was abolished in 2013. Companies, associations, and foundations do not pay any other costs for registration in the commercial register after initial registration.
17. Entrepreneurs setting up a bv must use the services of a notary, located anywhere in the Netherlands, independent of where the company will be established, to draft and execute the notarial deed.
18. Starting a business in Estonia, Finland, Greece, and Slovenia requires three procedures; in Ireland, Latvia, Lithuania and Sweden it requires four.
19. Belgium, Cyprus, Finland, Ireland, and Portugal do not require any paid-in minimum capital at the time of business startup.
20. The Act for Simplification and Flexibilization of Private Company Law (Wet vereenvoudiging en flexibilisering bv-recht) took effect on October 1, 2012, abolishing the minimum capital requirement for these companies (previously set at EUR 18,000).
21. The Chamber of Commerce's online tool is available at https://www.kvk.nl/advies-en-informatie/bedrijf-starten/een-bedrijfsnaam-kiezen/. The tool is only capable of verifying whether an existing company name in the Commercial Register uses the identical spelling as that of the proposed company.
22. For the Trade Name Act, see https://wetten.overheid.nl/BWBR0001906/2017-09-01.
23. To draw up a deed of incorporation, the civil-law notary requires information including the company name, location, and purpose as described in Article 2:177, paragraph 1 of the Dutch Civil Code. Notaries also require a copy of the founders' identification documents.
24. The various forms completed by the civil-law notary to register a company are available at https://www.kvk.nl/inschrijven-en-wijzigen/inschrijven-onderneming-bv-of-nv-bestaand/.
25. The national electronic registration platform, ORN, was introduced in 2013; the NAU in 2020.
26. Based on interviews with representatives from the Chamber of Commerce and private professionals in the Netherlands, April to December 2020.
27. See the Commercial Register's database at https://www.kvk.nl/zoeken/handelsregister/.
28. Entrepreneurs can access the Tax Authority portal at https://www.belastingdienst.nl/wps/wcm/connect/nl/ondernemers/content/inloggen-voor-ondernemers.
29. More information on the small business scheme (Kleineondernemersregeling, KOR) is available at https://business.gov.nl/subsidy/small-businesses-scheme/.
30. The PDF form is available at https://download.belastingdienst.nl/belastingdienst/docs/melding_loonheffingen_aanmelding_werkgever_lh5901z9fol.pdf.
31. Any company that becomes an employer must send the form to the following address: Dutch Tax and Customs Administration, Postbox 2892, 6401 DJ, Heerlen.
32. According to interviews with the Chamber of Commerce by the *Subnational Doing Business* team in June 2020, as of July 2011, the Chamber of Commerce no longer carries out trade name assessments and cannot refuse the registration of a company based on the name chosen, except for those that are not allowed by law.
33. For more information, see https://www.kvk.nl/advies-en-informatie/bedrijf-starten/een-bedrijfsnaam-kiezen/.
34. See the website of the Benelux Office for Intellectual Property (BOIP) at https://www.boip.int/nl/merkenregister#/.
35. See the website of the Internet Domain Name Registration Foundation at https://www.sidn.nl/.
36. For more information, see the business registry's website at http://bolsafirmasdenominacoes.justica.gov.pt/index.php.
37. World Bank. 2018. *Doing Business in the European Union 2018: Croatia, the Czech Republic, Portugal and Slovakia*. Washington, DC: World Bank.
38. For more information on Estonia's e-Business Register, see the website at www.rik.ee.
39. For more information on registering a company with Companies House, see the website at www.gov.uk/limited-company-formation/register-your-company.
40. These 10 EU member states are Austria, Belgium, Cyprus, Croatia, Germany, Hungary, Italy, Malta, Poland, and Spain.
41. See the Firm24 website at https://www.firm24.nl. Other online platforms that help entrepreneurs to establish a bv include the following: https://www.bv-oprichten.com/#bv%20oprichten; https://www.ligo.nl/bv-oprichten; https://www.standaardbv.nl/; https://www.uwbvoprichten.nl/.
42. Coste, Cyriane, Marie Delion, Adrián González, Frédéric Meunier, Nathalie

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Reyes, and Yuri Valentinovich. 2019. "The Involvement of Third-Party Professionals in Business Registration and Property Transfer." World Bank Research and Development Center in Chile, Indicators Group Research Note. World Bank, Washington, DC.

43. For more information on SPOT, see the website at https://spot.gov.si/.
44. World Bank. 2019. *Doing Business in the European Union 2020: Greece, Ireland and Italy.* Washington, DC: World Bank.
45. For more information, see the website at https://www.gov.uk/limited-company-formation.
46. Examples are available at www.gov.uk/register-a-company-online.
47. European Commission. 2018. *Commission Staff Working Document Impact Assessment*. Brussels: European Commission. https://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=SWD:2018:0141:FIN:EN:PDF.
48. For more information on Estonia's online company registration portal, see the website at https://www.rik.ee/en/company-registration-portal/e-residency.
49. For more information on the Danish system, see the website at https://indberet.virk.dk/.
50. See the Business Portal's website at https://eportugal.gov.pt/en/entrar.
51. For more information on the Canadian system, see https://www.ic.gc.ca/eic/site/cd-dgc.nsf/eng/cs06642.html.
52. Additional information on the system in the United Kingdom is available at https://www.gov.uk/limited-company-formation/register-your-company.
53. The Wabo (Wet algemene bepalingen omgevingsrecht) legislation was enacted in 2010 and has been amended several times since. Its main purpose is to consolidate and simplify regulations and permitting pertaining to construction, nature, and environment.
54. For more information on the online platform, see http://omgevingsloket.nl and http://olo.nl.
55. The dealing with construction permits indicators record all procedures required for a business in the construction industry to build a warehouse, along with the time and cost to complete each procedure. In addition, the indicator measures the building quality control index, which evaluates the quality of building regulations, the strength of quality control and safety mechanisms, liability and insurance regimes, and professional certification requirements. For more information, see the data notes.
56. Pile, a vertical structural element that is driven to reach load-bearing level in the ground, is a necessary foundational element in construction due to soft soil in the Netherlands.
57. The platform is a result of cooperation between the various utility companies with the aim of simplifying the application process for developers. The Mijnaansluiting platform sorts applications before forwarding them to the appropriate utility. The utility then processes the application. For more information on the platform, see the website at www.mijnaansluiting.nl.
58. The Bibob law is a national-level regulation applied at the discretion of the municipality. The law, which is partially integrated into the Wabo legislation, serves as an additional layer of protection against money laundering and criminal activities.
59. The basic screening is comprised of a form that the developer fills out that includes company financial information. Should the municipality choose to carry out an in-depth evaluation—if they have doubts about the legitimacy of the business—the developer is contacted for further information.
60. These cities are Amsterdam, Enschede, Groningen, Maastricht, and Rotterdam. Amsterdam, which has the lowest threshold, applies a basic Bibob screening to all construction projects over EUR 250,000, suggesting that the Amsterdam municipality views construction projects as vulnerable to a relatively high risk of criminal activity. Maastricht has the second lowest threshold at EUR 500,000. Enschede, Groningen, and Rotterdam all apply a threshold of EUR 1,000,000. Although Arnhem did not apply the basic Bibob screening to construction projects at the time of this study, it has implemented one in 2021.
61. In Amsterdam as in all the other cities, private sector companies are owned by public shareholders (combination of municipalities and provinces). For more information on Waternet merger, see https://publicaties.rekenkamer.amsterdam.nl/gemeentelijke-rioolwatertaken/.
62. For further details on permit discounts in Amsterdam: https://www.amsterdam.nl/veelgevraagd/?caseid=%7b35E4893B-EE26-4D8D-AC88-89A092BC12D8%7d.
63. For further details on permit discounts in The Hague: https://www.denhaag.nl/nl/vergunningen-en-ontheffingen/omgevingsvergunningen/korting-op-bouwleges-krijgen.htm.
64. For more information on the *Doing Business* methodology, see https://www.doingbusiness.org/en/methodology/dealing-with-construction-permits.
65. The relevant laws can be found in the *Burgerlijk Wetboek* book 6 title 1 article 74 and book 6 title 12 section 1.
66. For more information on the *Doing Business* methodology, see https://www.doingbusiness.org/en/methodology/dealing-with-construction-permits.
67. Srinivasan, Jayashree, Enrique Orellana Tamez, Kamal Chakaroun, Farrukh Umarov, Lodovico Onofri. 2020. "From Paper to the Cloud: Improving Building Control through E-permitting." *Doing Business* Case Studies. World Bank, Washington, DC. http://documents.worldbank.org/curated/en/705331592344507733/From-Paper-to-the-Cloud-Improving-Building-Control-through-E-permitting.
68. International Finance Corporation; World Bank; Multilateral Investment Guarantee Agency. 2013. *Good Practices for Construction Regulation and Enforcement Reform: Guidelines for Reformers*. Investment Climate. Washington, DC: World Bank Group. https://openknowledge.worldbank.org/handle/10986/16612.
69. World Bank. 2015. *Doing Business 2016: Measuring Regulatory Quality and Efficiency.* Washington, DC: World Bank.
70. Except those listed in articles L243-1-1 of the Insurance Code.
71. Gregory S. Burge. 2010. "The Effects of Development Impact Fees on Local Fiscal Conditions." in Gregory K. Ingram and Yu-Hung Hong (eds). *Municipal Revenues and Land Policies*. Cambridge, MA: Lincoln Institute of Land Policy.
72. Auckland (New Zealand) Council. 2019. *Contributions Policy 2019*. https://www.aucklandcouncil.govt.nz/plans-projectspolicies-reports-bylaws/our-policies/docsdevelopmentcontributionspolicy/contributions-policy.pdf.
73. For nonstandard or more complex cases, different requirements apply. For more details on the requirements, see https://vng.nl/sites/default/files/vth_wabo_kwaliteitscriteria_versie_2.2_2019_deel_b.pdf.
74. Visscher, Henk, and Frits Meijer. 2005. "Certification of Building Control in The Netherlands." OTB Research Institute for Housing, Urban and Mobility Studies. Delft university of Technology, The Netherlands.
75. Moullier, Thomas. 2017. "Building Regulatory Capacity Assessment: Level 2—Detailed Exploration." World Bank, Washington, DC.
76. As the regulator, ACM is charged with sector-specific market supervision of telecommunications, the gas and electricity market, fair competition, and consumer protection law. For more information, see ACM's website at https://www.acm.nl/nl.
77. As regulated by the Electricity Act 1998, Article 10a, available at https://wetten.overheid.nl/BWBR0009755/2021-01-01. For more information on the activity of the transmission system operator, see the TenneT website at https://www.tennet.eu/e-insights/regulation-of-the-electricity-price/dutch-regulation/.
78. The EU member states with the lowest grid connection costs are the Czech Republic, France, and Poland.
79. These countries are Bulgaria, Belgium, Cyprus, Hungary, and Romania.
80. To measure the reliability of supply and transparency of tariffs, *Doing Business* presents an index scored from 0 to 8 points. The index measures the role of the energy regulator, the systems used to monitor power outages and restore supply, whether financial deterrents exist to limit outages, and whether effective tariffs are available online and customers are notified of a change in tariffs a full billing cycle in advance. For more details, see the data notes.
81. Electricity Code, Article 2.19 in conjunction with Article 2.25 paragraph 2 sub c states that a connection with a capacity of between 60 kVA and 0.3 MVA will be made at the low-voltage level (https://wetten.overheid.nl/BWBR0037940/2020-12-05).
82. KLIC is the Kabels en Leidingen Informatie Centrum (Cables and Pipes Information Center). The KLIC request must be submitted 20 business days at the earliest and three business days at the latest from the start of the excavation works. The Information

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Exchange Above-and Underground Networks Act 2018 (WIBON) states in Article 10 that the cadastre is required to send a notice of receipt immediately after the KLIC request is submitted. Article 13 paragraph 1 stipulates that within two business days the cadastre sends all requested information. In case the subcontractor finds a grid that was not included in the map while digging, Article 20 requires that the cadaster be notified immediately. The cadaster then notifies all potential owners of the cables, and those parties are required to respond within 10 business days.

83. The meter market for connections exceeding 3x80 ampere was liberalized in 2011. Since then, distribution utilities cannot install meters, and the customer is responsible for hiring a meter company. See the regulator's website at https://www.acm.nl/nl/onderwerpen/energie/afnemers-van-energie/energietarieven/meettarief; Electricity Law, art. 95ca par. 2 (https://wetten.overheid.nl/BWBR0009755/2021-01-01).
84. The electronic platform is Energy Data Services Netherlands (EDSN). All Dutch distribution utilities, suppliers, meter companies, and parties that purchase electricity on the wholesale market and sell it to suppliers are connected to this platform. The parties use this platform and an internal message system for digital data exchange. Each connection is identified by a unique European Article Number (EAN) code that is used for internal communication.
85. The Electricity Code, Article 8.4 sub d (available at https://wetten.overheid.nl/BWBR0037940/2020-12-05) stipulates that a utility has 10 working days to send a quote after receiving an application for a connection with a maximum capacity of 10 MVA. The Electricity Act, Article 23 par. 4 (available at https://wetten.overheid.nl/BWBR0009755/2021-01-01) sets a limit of 18 weeks to obtain a new connection from the moment the connection request is submitted to the utility. Note that a connection request is considered submitted as soon as the applicant accepts the quote as offered by the utility.
86. Consultative meetings with Dutch distribution utility and other practitioners for this study. Distribution utilities acknowledge issues with current staffing on their websites. See for example https://www.enexisgroep.nl/actuele-themas/schaarste-personeel/; and https://www.liander.nl/nieuwe-aansluiting. This staff shortage has also been mentioned in the national news (https://www.ad.nl/friesland/netbeheerders-zoeken-honderden-personeelsleden-in-groningen-drenthe-en-friesland-a8dd345e/; https://www.deondernemer.nl/personeel/arbeidsmarkt/chronisch-personeelstekort-stedin-werft-technische-tieners-baangarantie-rijbewijs~1099504). As for increased workload, see Enexis Annual Report 2019, available at https://www.enexisgroep.nl/media/2695/enexis-holding-nv-jaarverslag-2019.pdf; Liander Annual Report 2019, available at https://www.liander.nl/sites/default/files/Liander_Jaarbericht_2019.pdf; Stedin Annual Report 2019, available at: https://jaarverslag.stedingroep.nl/2019/xmlpages/resources/TXP/stedin_groep_verslag_2019/pdf/Stedin_Groep_Jaarverslag_2019.pdf.
87. Consultative meetings with Dutch distribution utility and other practitioners for this study.
88. As regulated by the General Administrative Law Act, available from https://wetten.overheid.nl/BWBR0005537/2021-03-01. Local municipalities have their own regime that can deviate from the national law as long as they do not exceed the limits as set by the national law.
89. The *Doing Business* case study assumes that the electricity cable crosses a 10-meter-wide public road. In Enschede, permits for excavations under 25 meters are not required according to the General Regulation Underground Infrastructure Enschede 2018 (https://dloket.enschede.nl/loket/sites/default/files/IMG/AVOI%20Enschede%202018.pdf. Article 2.8).
90. For more information, see the website at www.mijnaansluiting.nl.
91. The Mijnaansluiting platform sorts applications before forwarding them to the appropriate utility. The utility then processes the application. Using the Enexis website is faster because it eliminates the need for the forwarding step—it is submitted directly to the utility. Enexis also allows customers to submit applications through the national platform.
92. The first 25 meters of cable are free of charge.
93. Electricity Code, Article 8.8 (https://wetten.overheid.nl/BWBR0037940/2019-02-01#Hoofdstuk8%20-%20Article%208.8). Compensation for outages exceeding four hours is paid out automatically.
94. The Cables and Pipelines Regulation establishes that the municipality must issue a permit decision within two business days of receiving a permit request for noninvasive works.
95. In Arnhem, it takes six weeks to issue a permit instead of eight weeks set at the national level, however the length of legal time frame is still considered long compared to other economies.
96. See the Austrian regulator's website at https://www.e-control.at/marktteilnehmer/erhebungen/erhebungen-zur-qualitaet-der-netzdienstleistung.
97. Dutch utilities also publish statistics on the number of applications, length in kilometers of the electricity grid, incidents, transported electricity on the grid, and average outage duration and frequency in an annual report. The Dutch regulator also publishes factsheets that contain similar information. The most recent factsheet dates from 2017 (the regulator is modernizing the visuals). For more, see the ACM's website at https://www.acm.nl/nl/publicaties/factsheets-kwaliteit-2017-van-alle-regionale-netbeheerders.
98. Customers can track the status of their application (utility preparing the quote; scheduling an inspection, if applicable; whether the application file is sent to a subcontractor for completing excavation works, so the utility can also start simultaneous works in case of a small capacity connection request, and so on).
99. This requirement is in accordance with the Energy Code (Article L342-11), which specifies that urban planning commissions are to bear the cost of extension works for the electricity grid, provided that the network extension can benefit future residents and firms.
100. Article 3 of the Cadaster Act of 1989. Kadaster's mandate includes statutory and advisory tasks in relation to rural areas, the registration and provision of topographical information, registration of ships and aircraft, maintenance of the national triangular network, the management of public law restrictions, the Key Registers of Addresses and Buildings (BAG), the spatial planning portal (RO-online), the combined underground utility information exchange (KLIC), and the national immovable property valuation system (WOZ).
101. The value of the property transferred in the *Doing Business* case study is EUR 2,350,524. As of December 31, 2020 (this report's cutoff date), the property transfer tax was 6% of the property value for commercial properties and 2% for residential properties. Starting January 1, 2021, the property transfer tax for commercial property increased to 8% of the property value. See Article 14 of the Act on taxation of legal transactions.
102. For a semiautomatic registration, the fee is EUR 144.50; for paper registration, the fee is EUR 172. See Article 2 of the Fee Schedule of the Kadaster.
103. The top global performers on the quality of land administration index are Lithuania, the Netherlands, Rwanda, and Taiwan, China.
104. In case of transfers between natural persons, the notary checks the municipality's online identification database.
105. The mortgages and encumbrance extract must be obtained for all transfers, including properties without encumbrance.
106. The Netherlands has 10 basic registers: Central Register of Persons (BRP, Basisregistratie Personen); Trade Register (HR, Handelsregister), Addresses and Buildings Registry (BAG, Basisregistratie Adressen en Gebouwen); Topographical Registry (BRT, Basisregistratie Topografie); Land Registry (BRK, Basisregistratie Kadaster); Vehicles Key Register for vehicle registration (BRV, Basisregistratie Voertuigen, voor kentekenregistratie); Basic Income Register (BRI, Basisregistratie Inkomen); Real Estate Valuation Register (WOZ, Basisregistratie Waardering Onroerende Zaken); Large-Scale Topography Key Register (BGT, Basisregistratie Grootschalige Topografie); Subsurface Key Register (BRO, Basisregistratie Ondergrond). For additional information, see https://data.overheid.nl/community/group/basisregistraties_10.
107. Louwman, W., and J. Vos. 2009. "Automatisering van de afdoening van de notariële akten door het Kadaster." JBN 2009/3-14.
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111. Article 2 of the Kadaster's Fee Schedule.
112. Cadaster Organization Act of 2006.
113. Article 1 of the Cadaster Organization Act of 2008.
114. The Dutch authorities adopted the Temporary Law COVID-19 Justice and Security (Tijdelijke Wet COVID-19 Justitie en Veiligheid) allowing the signing of documents for which a private power of attorney does not suffice (such as mortgage deeds) via audiovisual communication tools. See Article 26 of the Temporary Law COVID-19 Justice and Security. This legislation is not applicable to the execution of a transfer deed, for which the party can issue a private power of attorney.
115. According to the *Doing Business* methodology, the quality of land administration includes a fifth component which measures legal provisions on equality of access to property rights for women and men. This subindicator is not discussed in *Doing Business in the European Union* as women and men enjoy the same ownership rights in all EU member states.
116. These economies are Denmark, Estonia, Finland, Lithuania, and the Netherlands.
117. The Netherlands ranked first worldwide for civil justice in the World Justice Project's Rule of Law Index 2017–18. See the report at https://worldjusticeproject.org/sites/default/files/documents/WJP-ROLI-2018-June-Online-Edition_0.pdf.
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122. Since April 9, 2020, users can use a digital platform, ZIVVER, to send procedural documents and messages (typically sent by post or fax) to the judiciary.
123. De Rechtspraak. 2020. "The Netherlands Commercial Court and COVID-19: case management, videoconference hearings and eNCC." *Rechtspraak.nl*, May 27. https://www.rechtspraak.nl/English/NCC/news/Pages/The-Netherlands-Commercial-Court-and-COVID19-case-management-videoconference-hearings-and-eNCC.aspx.
124. For an overview of the enforcing contracts indictors and the assumptions underlying the *Doing Business* case scenario, see the data notes.
125. Averages for the EU or other groups of economies are calculated using data from the *Doing Business* database, which uses the main business city as a proxy for each country or economy covered by the global *Doing Business*. Averages for the Netherlands are calculated using *Subnational Doing Business* data for all cities in the study except Amsterdam. For Amsterdam, data are sourced from the *Doing Business* database.
126. *Doing Business* considers the applicable court to be the local court with jurisdiction over commercial contract cases worth 200% income per capita or $5,000, whichever is greater. In the Netherlands the small claims courts (*Kantongerecht*) are the lowest courts of first instance. They have a monetary threshold of EUR 25,000. Claims above this amount must be filed in the district courts.
127. Supreme Court of the Netherlands. Decision of June 19, 2020 (https://uitspraken.rechtspraak.nl/inziendocument?id=ECLI:NL:HR:2020:1088).
128. Dutch Code of Civil Procedure (Rv), Article 114.
129. Dutch Code of Civil Procedure (Rv), Article 133.1.
130. Dutch Code of Civil Procedure (Rv), Article 87.6.
131. In a major development in civil procedures in the Netherlands, the parties have been required by law to appear in person before the court since 2002. De Rechtspraak. 2020. *The Judiciary System in the Netherlands.* The Hague: De Rechtspraak. https://www.rechtspraak.nl/SiteCollectionDocuments/The-Judiciary-System-in-the-Netherlands.pdf.
132. European Commission. 2020. *The 2020 EU Justice Scoreboard*. Luxembourg: European Commission. See figure 3. https://ec.europa.eu/info/sites/info/files/justice_scoreboard_2020_en.pdf.
133. *Subnational Doing Business* research, interviews with court officials and litigation attorneys, January 2021.
134. *Subnational Doing Business* research, interviews with court officials and litigation attorneys, February 2021.
135. *Subnational Doing Business* research, interviews with court officials and litigation attorneys, November 2020.
136. Dutch Code of Civil Procedure (Rv), Article 434.
137. Statistics provided by the Council for the Judiciary. The clearance rate is a ratio of the number of cases adjudicated to the number of cases added to the docket.
138. These economies are Cyprus, Greece, Ireland, Italy, Poland, Portugal, the Slovak Republic, and Slovenia.
139. *Subnational Doing Business* research, interviews with court officials and litigation attorneys, December 2020.
140. De Rechtspraak. *Landelijke inloopkamer ondersteunt gerechten bij afhandelen werkvoorraden.* https://www.rechtspraak.nl/Organisatie-en-contact/Organisatie/Raad-voor-de-rechtspraak/Nieuws/Paginas/Landelijk-inloopkamer-ondersteunt-gerechten-bij-afhandelen-werkvoorraden-.aspx.
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142. See the Court Fees Law at https://wetten.overheid.nl/BWBR0028899/2021-01-01.
143. For more information on the Bailiffs' Fee Decree, see https://www.kbvg.nl/cms/public/files/Btag-tarieven/btag-1-januari-2020-.pdf?ac76a46f40.
144. According to the World Justice Project, which provides a quantitative tool for measuring the rule of law in practice. For more information on the Rule of Law Index, see the website of the World Justice Project at https://worldjusticeproject.org/sites/default/files/documents/WJP-ROLI-2020-Online_0.pdf.
145. For an overview of the enforcing contracts indicators and quality of judicial processes index, see the data notes.
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149. International Bar Association. November 5, 2020. An interview with Justice Quentin Loh of the Singapore High Court. https://www.ibanet.org/Article/NewDetail.aspx?ArticleUid=8FD1B23A-9B7A-4CD9-8D2A-162EF4A12DFC.

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About *Doing Business* and *Doing Business in the European Union 2021: Austria, Belgium and the Netherlands*

- *Doing Business* measures aspects of regulatory efficiency and institutional quality of the key processes that affect local small and medium-size businesses in 191 economies.
- *Doing Business* covers 10 specific areas of the business environment: 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.
- The *Doing Business* dataset is used widely by governments, researchers, international organizations, and think tanks to guide policies, conduct research, and develop new indexes.
- *Doing Business in the European Union 2021: Austria, Belgium and the Netherlands,* which is independent of the global *Doing Business* report, benchmarks 24 locations and five *Doing Business* indicators: starting a business, dealing with construction permits, getting electricity, registering property and enforcing contracts.

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Doing Business is founded on the principle that economic activity benefits from clear rules and efficient service provision by the institutions responsible for their application. The rules and their structural framework—setting out property rights, facilitating the resolution of disputes, and protecting contractual partners from arbitrariness and abuse—encourage voluntary exchanges between economic actors. Such rules are much more effective in promoting growth and development when they are efficient, transparent, accessible, and implemented through well-functioning infrastructure.

Rules and institutions create an environment where new entrants with drive and innovative ideas can get started in business and where productive firms can invest, expand, and create new jobs. The role of government policy in the daily operations of small and medium-size domestic firms is a central focus of the *Doing Business* data. The objective is to encourage better quality institutions as well as efficient, transparent, and easy-to-implement regulation that allows businesses to thrive. *Doing Business* data focus on 10 areas of the business environment affecting small and medium-size domestic firms in the largest business city of an economy.[1] The project uses standardized case studies to provide objective, quantitative measures that can be compared across 191 economies.

WHAT *DOING BUSINESS* AND *SUBNATIONAL DOING BUSINESS* MEASURE

Doing Business captures several important dimensions of the business environment affecting domestic firms. It provides quantitative indicators on regulatory efficiency and institutional quality 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 (table 5.1). *Doing Business* also collects data on contracting with the government, which measure the steps and time to participate in, win, and execute a roadworks contract through open procurement; features of e-procurement platforms; and good practices in the regulatory framework for such contract. These data are not part of the ease of doing business score and are available on the *Doing Business* website.[2]

Subnational Doing Business, which are produced independently and by a separate team from the global *Doing Business* report, focuses on indicators that are most likely to vary from city to city, such as those on dealing with construction permits or registering property. Indicators that use a legal scoring methodology, such as those on getting credit or protecting minority investors, are typically excluded because they mostly look at national laws with general applicability.

Doing Business measures aspects of business regulation affecting domestic small and medium size firms defined on the basis of standardized case scenarios and located in the largest business city of each economy. In addition, for 11 economies a second city is covered.

Subnational Doing Business covers a subset of the 10 areas of business regulation that *Doing Business* covers across 191 economies. Subnational studies expand the *Doing Business* analysis beyond the largest business city of an economy. They measure variation in regulations or in the implementation of national laws across locations within an economy (as in South Africa) or a region (as in this report). Projects are undertaken at the request of governments.

Data collected by subnational studies over the past several years show that there can be substantial variation within an economy (figure 5.1). In Croatia in 2018, for example, dealing with construction permits took 112 days in Varazdin and 227 in Split. Indeed, within the same economy one can find locations that

TABLE 5.1 What *Doing Business* and *Subnational Doing Business* measure

Indicator set	What is measured
Typically included in subnational *Doing Business* reports	
Starting a business	Procedures, time, cost and paid-in minimum capital to start a limited liability company for men and women
Dealing with construction permits	Procedures, time and cost to complete all formalities to build a warehouse and the quality control and safety mechanisms in the construction permitting system
Getting electricity	Procedures, time and cost to get connected to the electrical grid; the reliability of the electricity supply; and the transparency of tariffs
Registering property	Procedures, time and cost to transfer a property and the quality of the land administration system
Trading across borders	Time and cost to export the product of comparative advantage and to import auto parts
Enforcing contracts	Time and cost to resolve a commercial dispute and the quality of judicial processes for men and women
Not typically included in subnational *Doing Business* reports	
Getting credit	Movable collateral laws and credit information systems
Protecting minority investors	Minority shareholders' rights in related-party transactions and in corporate governance
Paying taxes	Payments, time and total tax rate and contribution for a firm to comply with all tax regulations as well as postfiling processes
Resolving insolvency	Time, cost, outcome and recovery rate for a commercial insolvency and the strength of the legal framework for insolvency

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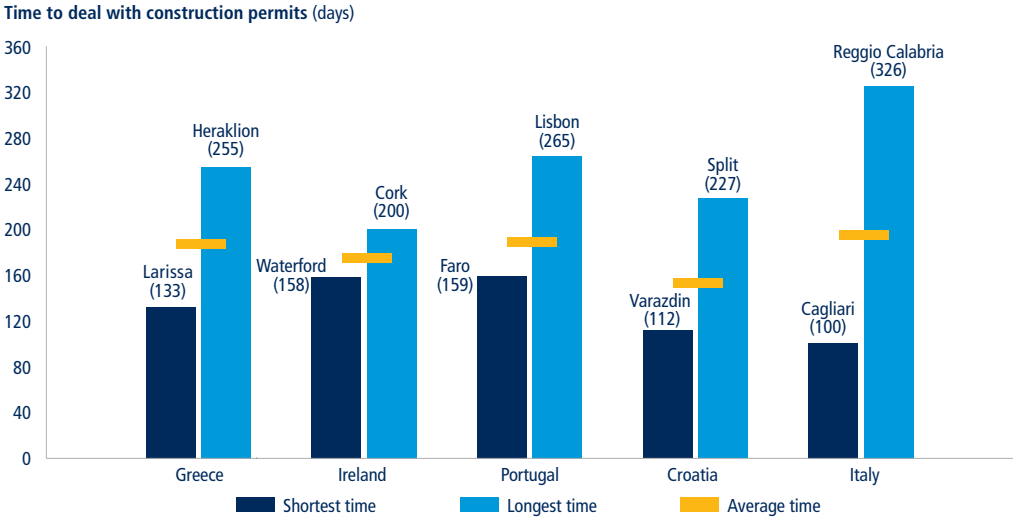
FIGURE 5.1 Different locations, different regulatory processes, and same economy



Source: Subnational Doing Business database.

Note: The average time shown for each country is based on all cities covered by the data: 6 cities in Greece in 2019, 5 cities in Ireland in 2019, 8 cities in Portugal in 2018, 5 cities in Croatia in 2018 and 13 cities in Italy in 2019.

perform as well as economies ranking in the top 20 on the ease of dealing with construction permits and locations that perform as poorly as economies ranking in the bottom 40 on that indicator.

The subnational *Doing Business* studies create disaggregated data on business regulation. But they go beyond a data collection exercise. They have proved to be strong motivators for regulatory reform at the local level:

- The data produced are comparable across locations within the economy and internationally, enabling locations to benchmark their results both locally and globally. Comparisons of locations that are within the same economy and therefore share the same legal and regulatory framework can be revealing: local officials find it hard to explain why doing business is more difficult in their jurisdiction than in a neighboring one.
- Pointing out good practices that exist in some locations but not others within an economy helps policy makers recognize the potential for replicating these good practices. This can prompt discussions of regulatory reform across different levels of government, providing opportunities for local governments and agencies to learn from one another and resulting in local ownership and capacity building.

Since 2005 subnational reports have covered almost 600 locations from 83 economies, including Poland, Spain, Colombia, Malaysia, China, the Arab Republic of Egypt, Brazil, Peru, Honduras, Mozambique and Serbia. Twenty-two economies—including South Africa, the United Arab Emirates, Kazakhstan, Indonesia, Kenya, Mexico, Nigeria, the Philippines and the Russian Federation—have undertaken two or more rounds of subnational data collection to measure progress over time (figure 5.2).

Doing Business in the European Union 2021: Austria, Belgium and the Netherlands is the first report of the subnational *Doing Business* series in these three countries. It covers seven cities in Austria (Bregenz, Graz, Innsbruck, Klagenfurt, Linz, Salzburg and Vienna), seven in Belgium (Antwerp, Bruges, Ghent, Brussels, Charleroi, Liege and Namur), and 10 in The Netherlands (Amsterdam, Arnhem, The Hague, Eindhoven, Enschede, Groningen, Maastricht, Middelburg, Rotterdam and Utrecht).

How the indicator sets are selected

The design of the *Doing Business* indicator sets has been informed by theoretical insights gleaned from extensive research (Djankov 2016). In addition, background papers developing the methodology for most of the areas covered by *Doing Business* have established the importance of the rules, regulations, and institutions that *Doing Business* focuses on for such economic outcomes as trade volumes, foreign direct investment, market capitalization in stock exchanges, and private credit as a percentage of gross domestic product (GDP).[3]

Doing Business in the European Union 2021: Austria, Belgium and the Netherlands covers five *Doing Business* indicator sets: starting a business, dealing with construction permits, getting electricity, registering property and enforcing contracts. These *Doing Business* indicator sets were selected on the basis of their relevance to the countries' context and their ability to show variation across the cities covered.

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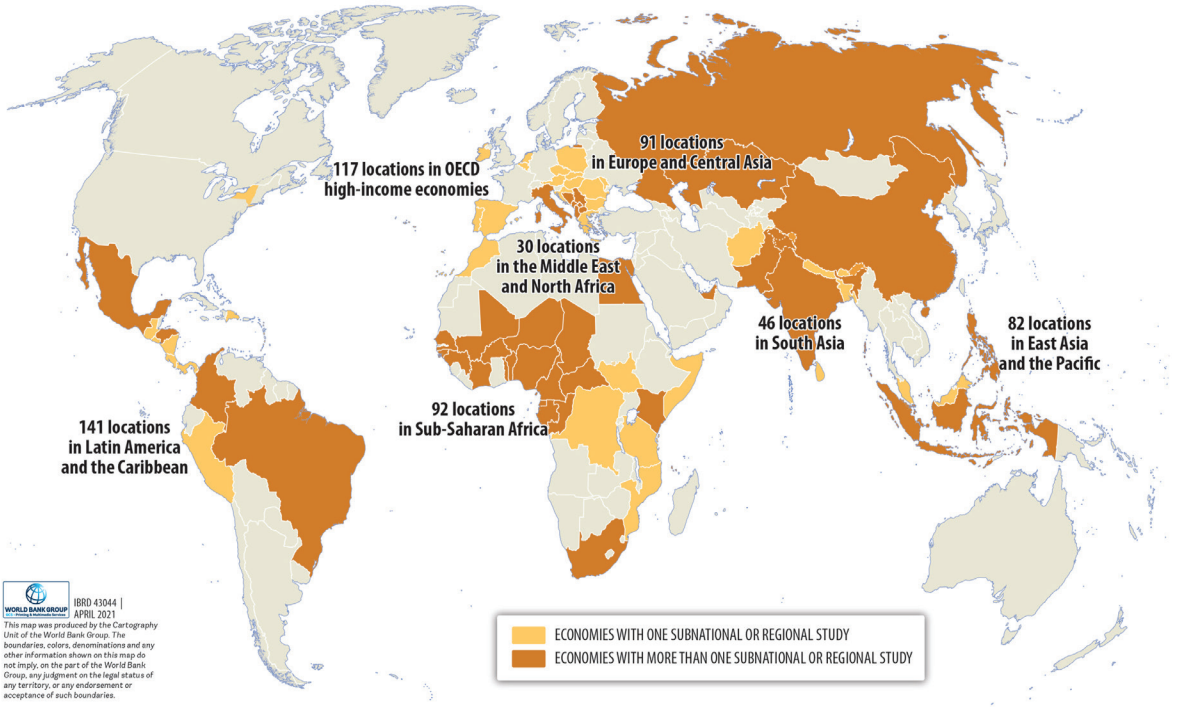
FIGURE 5.2 Comparing regulation at the local level: *Subnational Doing Business* studies



Source: Subnational Doing Business database.

Some *Doing Business* indicator sets assign a higher score for more regulation and better-functioning institutions (such as courts or credit bureaus). Higher scores are given for stricter disclosure requirements for related-party transactions, for example, in the area of protecting minority investors. Higher scores are also given for a simplified way of applying regulation that keeps compliance costs for firms low—such as by easing the burden of business start-up formalities with a one-stop shop or through a single online portal.

Finally, the scores reward economies that apply a risk-based approach to regulation as a way to address social and environmental concerns—such as by imposing heavier regulation on activities that pose a high risk to the population and lighter regulation on lower-risk activities. Thus, the economies that score highest on the ease of doing business are not those where there is no regulation, but those where governments have managed to establish rules and institutions that facilitate business interactions in the marketplace without needlessly hindering the development of the private sector.

The ease of doing business score

To provide different perspectives on the data, *Doing Business* presents data both for the individual indicator sets and for an aggregate measure: the ease of doing business score. The ease of doing business score aids in assessing the absolute level of performance and how it improves over time. The individual scores for each indicator set show the proximity of each economy to the best performance observed in each of the indicator sets across all economies in the *Doing Business* sample since 2005 or the third year in which data were collected for the indicator set. This approach underscores the gap between a particular economy's performance and the best performance at any point in time and is used to assess the change in the economy's business environment over time as measured by *Doing Business*.

Doing Business in the European Union 2021: Austria, Belgium and the Netherlands includes indicator scores and rankings for the 24 selected cities on starting a business, dealing with construction permits, getting electricity, registering property and enforcing contracts. The score measures a city's performance with respect to a measure of regulatory best practice for each indicator (table 5.2). The indicator rankings compare cities with one another in each of the three countries.

Calculation of the ease of doing business score for each indicator area

Calculating the ease of doing business score for each indicator area for each city involves two main steps. In the first step individual component indicators are normalized to a common unit where each of the 19 component indicators y is rescaled using the linear transformation $(\text{worst} - y)/(\text{worst} - \text{best})$. In this formulation the highest score represents the best regulatory performance on the indicator across all economies covered

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TABLE 5.2 How many economies achieve the best performance?

Doing Business area and indicator	Number of economies attaining best performance	Best performance	Worst performance
Starting a business			
Procedures (number)	1	1	18[a]
Time (days)	0	0.5	100[b]
Cost (% of income per capita)	3	0.0	200.0[b]
Minimum capital (% of income per capita)	121	0.0	400.0[b]
Dealing with construction permits			
Procedures (number)	0	5	30[a]
Time (days)	0	26	373[b]
Cost (% of warehouse value)	0	0.0	20.0[b]
Building quality control index (0–15)	8	15	0[c]
Getting electricity			
Procedures (number)	32	3	9[a]
Time (days)	3	18	248[b]
Cost (% of income per capita)	3	0.0	8,100.0[b]
Reliability of supply and transparency of tariffs index (0–8)	31	8	0[c]
Registering property			
Procedures (number)	4	1	13[a]
Time (days)	1	1	210[b]
Cost (% of property value)	1	0.0	15.0[b]
Quality of land administration index (0–30)	0	30	0[c]
Enforcing contracts			
Time (days)	0	120	1,340[b]
Cost (% of claim value)	0	0.1	89.0[b]
Quality of judicial processes index (0–18)	0	18	0[c]

Source: Doing Business database.
a. Worst performance is defined as the 99th percentile among all economies in the *Doing Business* sample.
b. Worst performance is defined as the 95th percentile among all economies in the *Doing Business* sample.
c. Worst performance is the worst value recorded.

by *Doing Business* since 2005 or the third year in which data for the indicator were collected. Both the best performance and the worst performance are reviewed every five years on the basis of the *Doing Business* data for the year in which they are reviewed and remain at that level for five years regardless of any changes in data in interim years.

Thus, an economy may establish the best regulatory performance for an indicator even though it may not have the highest score in a subsequent year. Conversely, an economy may score higher than the best regulatory performance if the economy reforms after the best regulatory performance is set. For example, the best performance for the number of procedures to get electricity is set at three. In Mauritius, it takes three procedures to get electricity, whereas in Lithuania it takes just two. Although the two economies have a different number of procedures, both economies score 100 on the procedures necessary to get electricity because there are fewer or the same number of procedures compared to the threshold of three.

For scores on indexes such as the building quality control index or the quality of land administration index, the best regulatory performance is set at the highest possible value (although no economy has yet reached that value in the case of the latter). To mitigate the effect of extreme outliers in the distribution of the rescaled data for most indicators, *Doing Business* calculates the worst performance after removing outliers (very few economies need 700 days to complete the procedures to start a business, but many need 9 days). The definition of outliers is based on the distribution for each indicator. Two rules were defined to simplify the process: the 95th percentile is used for the indicators with the most dispersed distributions (including minimum capital, number of payments to file and pay taxes, total tax and contribution rate, and the time and cost indicators), and the 99th percentile is used for number of procedures. Thus, an economy may perform worse than

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the worst performance. For example, the worst performance for the time to enforce contracts is set at 1,340 days. In Barbados, it takes 1,340 days to enforce contracts, whereas it takes 1,785 days in Guinea-Bissau. Although the two economies have a different number of days, both economies score 0 on the time taken to enforce contracts because there are more or the same number of days compared to the threshold of 1,340. No outlier is removed for indicators bound by definition or construction, including legal index scores (such as the depth of credit information index, extent of disclosure index, and strength of insolvency framework index) (figure 5.3).

In the second step for calculating the ease of doing business score for each indicator, the scores obtained for individual indicators for each city are aggregated through simple averaging into one score for each indicator area.

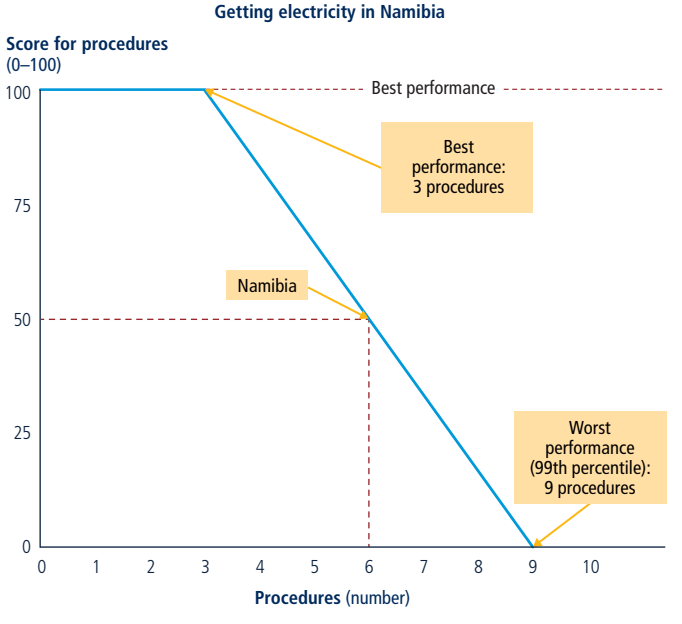
A city's indicator score is indicated on a scale from 0 to 100, where 0 represents the worst regulatory performance and 100 the best. All indicator ranking calculations are based on scores without rounding.

Variability of cities' scores across indicators

Each *Doing Business* indicator measures a different aspect of the business environment. A city's score's can vary, sometimes significantly, across indicator areas. One way to assess the variability of a city's performance is to look at its scores across areas. Consider the example of Zilina (Slovakia) in 2018. It scored 84.7 for starting a business, 88.4 for getting electricity and 91.0 for registering property, but only 57.9 for dealing with construction permits and 67.1 for enforcing contracts.

Variation in performance across the areas covered is not at all unusual. It reflects differences in the degree of priority that government authorities give to particular areas of business reform and in the ability of different government agencies to deliver tangible results in their area of responsibility.

FIGURE 5.3 How are scores calculated for indicators?



Source: Doing Business database.

Indicator rankings

The ranking of cities in each indicator area ranges from 1 to 7 in Austria, 1 to 7 in Belgium and 1 to 10 in the Netherlands. The ranking is determined by sorting the scores in each area, rounded to two decimals.

ADVANTAGES AND LIMITATIONS OF THE METHODOLOGY

The *Doing Business* methodology is designed to be an easily replicable way to benchmark specific characteristics of the business environment—how they are implemented by governments and experienced by private firms and professionals on the ground. Its advantages and limitations should be understood when using the data.

Ensuring comparability of the data across a global set of economies is a central consideration for the *Doing Business* indicator sets, which are developed using standardized case scenarios with specific assumptions. One such assumption is the location of a standardized business—the subject of the *Doing Business* case study—in the largest business city of the economy. The reality is that business regulations and their enforcement may differ within a country, particularly in federal states and large economies. Gathering data for every relevant jurisdiction in each of the 191 economies covered by *Doing Business* is infeasible. Nevertheless, where policy makers are interested in generating data at the local level, beyond the largest business city, and in learning from local good practices, *Doing Business* has complemented its global indicators with subnational reports. Also, starting with *Doing Business 2015*, coverage was extended to the second-largest business city in economies with a population of more than 100 million (as of 2013).

Doing Business recognizes the limitations of standardized case scenarios and assumptions. Although such assumptions

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come at the expense of generality, they also ensure the comparability of data. Some of the dimensions covered by *Doing Business* are complex, so it is important that the standardized cases are defined carefully. For example, the standardized case scenario usually involves a limited liability company or its legal equivalent. There are two reasons for this assumption. First, private limited liability companies are the most prevalent business form (for firms with more than one owner) in many economies around the world. Second, this choice reflects the focus of *Doing Business* on expanding opportunities for entrepreneurship: investors are encouraged to venture into business when potential losses are limited to their capital participation.

Another assumption underlying the *Doing Business* indicators is that entrepreneurs have knowledge of and comply with applicable regulations. In practice, entrepreneurs may not be aware of which institutions are responsible for a specific business process or how to comply with regulations and may lose considerable time trying to find out. Alternatively, they may intentionally avoid compliance—by not registering for social security, for example. Firms may opt for bribery and other informal arrangements intended to bypass the rules where regulation is particularly onerous.

Compared with their formal sector counterparts, firms in the informal sector typically grow more slowly, have poorer access to credit, and employ fewer workers—and these workers remain outside the protections of labor law and, more generally, other protections embedded in the law.[4] Firms in the informal sector are also less likely to pay taxes. *Doing Business* measures one set of factors that help explain the occurrence of informality, and it provides policy makers with insights into potential areas of business reform.

Doing Business does not cover many important policy areas, and its scope is narrow even within the areas it does cover. *Doing Business* does not measure the full range of factors, policies, and institutions that affect the quality of an economy's business environment or its national competitiveness. It does not, for example, capture aspects of macroeconomic stability, development of the financial system, market size, the incidence of bribery and corruption, or the quality of the labor force.

The focus is also deliberately narrow within the specific *Doing Business* indicator sets. The trading across borders indicator set, for example, captures the time and cost required for the logistical process of exporting and importing goods, but it does not include the cost of tariffs or international transport. Similarly, the indicator sets on starting a business and protecting minority investors do not cover all aspects of commercial legislation. Given that *Doing Business* measures only a few features of each area that it covers, business reforms should not focus solely on these areas. Instead, they should be evaluated within a broader context.

DATA COLLECTION IN PRACTICE

The *Doing Business* data are based on a detailed reading of domestic laws, regulations, and administrative requirements as well as their implementation in practice as experienced by private professionals. With the inclusion of Liechtenstein, the number of economies covered by the data increased to 191. This number includes some of the smallest and poorest economies, for which other sources provide little or no data.

The data are collected through several rounds of communication with expert respondents (both private sector practitioners and government officials), through responses to questionnaires, conference calls, written correspondence and visits by the team.[5] *Doing Business* relies on four main sources of information: the relevant laws and regulations, *Doing Business* respondents, the governments of the economies covered and the World Bank Group regional staff. For a detailed explanation of the *Doing Business* methodology, see the data notes at www.doingbusiness.org.

Subnational Doing Business follows similar data collection methods. However, subnational *Doing Business* studies are driven by client demand and do not follow the same timeline as global *Doing Business* publications. *Subnational Doing Business* reports collect data —independently of the global *Doing Business* data—through several rounds of communication with expert respondents (both private sector practitioners and government officials), and also through responses to questionnaires, conference calls, written correspondence, and visits by the team *Subnational Doing Business* team (figure 5.4).[6]

Relevant laws and regulations

A large part of the data embedded in the areas measured by *Doing Business in the European Union 2021: Austria, Belgium and the Netherlands* are based on the reading of laws and regulations as well as their implementation in practice as experienced by private professionals. In addition to filling out questionnaires and participating in interviews, expert respondents submit references to the relevant laws, regulations, and fee schedules. The team collects the texts of the relevant laws and regulations and checks the questionnaire responses for accuracy. The team examines the civil procedure code, for example, to check the maximum number of adjournments in a commercial court dispute.

Data verification

The team also collects data from public officials that work on the areas benchmarked in the report. For example, public authorities across Austria, Belgium and the Netherlands that work on the five areas completed questionnaires during the data collection process and provided the team with laws, regulations, and other

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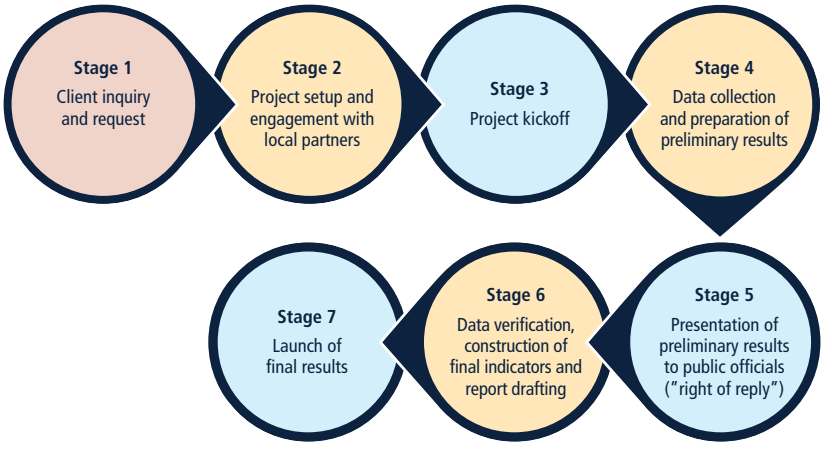
FIGURE 5.4 Typical stages of a subnational *Doing Business* project



documents related to the implemented reforms.

To minimize measurement errors, the team conducts extensive consultations with multiple contributors. For some areas—for example, those measuring dealing with construction permits, enforcing contracts, and registering property—the time component is based on actual practice. This approach introduces a degree of judgment by respondents. When respondents disagree, the time indicators reported represent the median values of several responses given under the assumptions of the standardized case.

Extensive consultations with multiple contributors are conducted by the team to minimize measurement errors for the rest of the data. For some areas—for example, those measuring dealing with construction permits, getting electricity and enforcing contracts—the time component and part of the cost component (where fee schedules are lacking) are based on actual practice rather than the law on the books. This approach introduces a degree of judgment by respondents on what actual practice looks like. When respondents provide different estimates for components based on actual practice, the indicator sets reported represent the median values of several responses given under the assumptions of the standardized case.

Expert respondents

For *Doing Business in the European Union 2021: Austria, Belgium and the Netherlands*, more than 550 professionals across the three economies assisted in providing the data that inform the five areas covered. All private professionals were independently recruited by the *Subnational Doing Business* team. The *Subnational Doing Business* website and the acknowledgments section of this report list the names and credentials of those respondents wishing to be acknowledged.

Selected on the basis of their expertise in these areas, respondents are professionals who routinely administer or advise on the legal and regulatory requirements in the specific areas covered by *Doing Business in the European Union 2021: Austria, Belgium and the Netherlands.* Because some indicator sets focus on legal and regulatory arrangements, many respondents are legal professionals such as lawyers or notaries. Architects, engineers, electrical contractors and other professionals answered the questionnaires related to dealing with construction permits and getting electricity. Certain public officials (such as registrars from the company or property registry, customs officials, and staff of electrical utilities) also provide information that is incorporated into the indicator sets. Local and national government officials and judges also provided information that is incorporated in the indicators.

The *Doing Business* approach is to work with legal practitioners or other professionals who regularly undertake the transactions involved. Following the standard methodological approach for time-and-motion studies,[7] *Doing Business* breaks down each process or transaction, such as starting a business or registering a building, into separate steps to ensure a better estimate of time. The time estimate for each step is given by practitioners with significant and routine experience in the transaction.

Government engagement

After analyzing laws and regulations and conducting follow-up interviews with respondents for *Doing Business in the European Union 2021: Austria, Belgium and the Netherlands*, the *Subnational Doing Business* team shared preliminary findings of the report with governments and public agencies operating at the national and local levels. Through this process, government authorities had the opportunity to comment on the preliminary data, in meetings with World Bank Group staff as well as in writing ("right of reply" period). Having public officials discuss and comment on the preliminary results has proven to be an important activity, not only to improve the quality of the report but also to enhance the dialogue between the local governments and the World Bank Group at the subnational level.

World Bank internal review process

Once the team has finalized the indicators, the team prepares a draft report that includes the data findings and analysis. Technical experts that work on the respective indicator areas within the World Bank Group review the text. The full draft report then undergoes an

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internal peer review within the World Bank before it is finalized.

USES OF THE *DOING BUSINESS* DATA

Doing Business was designed with two main types of users in mind: policy makers and researchers. It is a tool that governments can use to design sound business regulatory policies. Nevertheless, the *Doing Business* data are limited in scope and should be complemented with other sources of information. *Doing Business* focuses on a subset of business environment areas and on the particular case studies analyzed. These areas and case studies are chosen to be illustrative of the business environment, but they do not constitute a comprehensive description of that environment. By providing a unique data set that enables analysis aimed at better understanding the role of business regulation in economic development, *Doing Business* is also an important source of information for researchers.

Governments and policy makers

Doing Business offers policy makers a benchmarking tool useful in stimulating policy debate, both by exposing potential challenges and by identifying good practices and lessons learned. Despite the narrow focus of the indicators, the initial debate in an economy on the results they highlight typically turns into a deeper discussion on areas where business regulatory reform is needed, including areas well beyond those measured by *Doing Business*. In economies where subnational studies are conducted, the *Doing Business* indicator sets go one step further in offering policy makers a tool to identify good practices that can be adopted more broadly within their economies.

The *Doing Business* indicators can be considered "actionable." For example, governments can set the minimum capital requirement for new firms, invest in company and property registries to increase their efficiency, or improve the efficiency of tax administration by adopting the latest technology to facilitate the preparation, filing and payment of taxes by the business community. And they can undertake court reforms to shorten delays in the enforcement of contracts. But some *Doing Business* indicators capture procedures, time and costs that involve private sector participants, such as lawyers, notaries, architects, electricians or freight forwarders. Governments may have little influence in the short run over the fees these professions charge, though much can be achieved by strengthening professional licensing regimes and preventing anticompetitive behavior.

Over the past decade, governments have increasingly turned to *Doing Business* as a repository of actionable, objective data providing unique insights into good practices worldwide. To ensure the coordination of efforts across agencies, nearly 90 economies have formed reform committees. These committees use the *Doing Business* indicator sets as one input to inform their programs for improving the business environment. Since 2003, governments have reported more than 4,100 business reforms, 1,513 of which have been informed by *Doing Business*.[8]

Many economies share knowledge on the regulatory reform process related to the areas measured by *Doing Business*. Among the most common venues for this knowledge sharing are peer-to-peer learning events—workshops where officials from different governments across a region or even across the globe meet to discuss the challenges of regulatory reform and to share their experiences.

Researchers

Doing Business data are widely used by researchers in academia, think tanks, international organizations and other institutions. Since 2003, thousands of empirical articles have utilized *Doing Business* data or its conceptual framework to analyze the impact of business regulation on various economic outcomes.[9]

Indexes

Doing Business collects primary data that are then used by more than 40 different projects to produce aggregate data or indexes across several areas of research.[10] Most of these projects or institutions use the indicator sets directly to produce their own indexes and results; others have developed independent measures adopting a similar format. The Heritage Foundation's Index of Economic Freedom, for example, has used 22 *Doing Business* indicators to measure the degree of economic freedom in the world in four areas: the rule of law, government size, regulatory efficiency, and market openness.[11]

Similarly, INSEAD uses *Doing Business* data in its Global Talent Competitiveness Index to demonstrate the importance of national talent competitiveness for economic performance. It groups the variables into talent enablers, attraction, growth, retention, and output in terms of vocational and global knowledge skills. The World Economic Forum uses most *Doing Business* indicator sets in its indexes, including but not limited to the Global Competitiveness Index, Networked Readiness Index, and Enabling Trade Index. These sources incorporate the business environment data generated by *Doing Business* into the study of other important social and economic issues across economies and regions.

NOTES

1. For 11 economies that had a population of more than 100 million in 2013, *Doing Business* also collects data for the second-largest business city.
2. For the contracting with the government data, see the *Doing Business* website (https://www.doingbusiness.org/en/data/exploretopics/contracting-with-the-government).
3. These papers are available on the *Doing Business* website at http://www.doingbusiness.org/methodology.
4. Friedrich Schneider, "The Informal Sector in 145 Countries" (Department of Economics, University Linz, Linz, 2005). See also Rafael La Porta and Andrei Shleifer, "The Unofficial

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Economy and Economic Development," Tuck School of Business Working Paper 2009-57 (Dartmouth College, Hanover, NH, 2008), available at Social Science Research Network (SSRN), http://ssrn.com/abstract=1304760.

5. In 2020, data collection visits by the *Doing Business* team were not possible because of the COVID-19 pandemic.
6. In 2020, data collection visits by the *Subnational Doing Business* team were not possible because of the COVID-19 pandemic.
7. Time-and-motion studies are based on the measurement of the separate steps required for completing a transaction or process with the objective of establishing a standard time for each performance. *Doing Business* applies this approach in 7 of the 10 indicator sets to record the time and cost necessary in practice to complete a procedure, based on standardized case study scenarios.
8. These are reforms for which *Doing Business* is aware that information provided by *Doing Business* was used in shaping the reform agenda.
9. Since the publication of the first *Doing Business* report in 2003, more than 3,700 research articles discussing how regulation in the areas measured by *Doing Business* influence economic outcomes have been published in peer-reviewed academic journals; 1,360 of these are published in the top 100 journals. Another 10,300 are published as working papers, books, reports, dissertations or research notes.
10. The projects or indexes using *Doing Business* as a direct source of data are the following: Citi and Imperial College London's Digital Money Index; Cornell University and the World Intellectual Property Organization's Global Innovation Index (GII); DHL's Global Connectedness Index (GCI); The Economist Intelligence Unit's Automation Readiness Index; Fraser Institute's Economic Freedom of the World (EFW) Index; Heritage Foundation's Index of Economic Freedom (IEF); INSEAD's Global Talent Competitiveness Index (GTCI); International Institute for Management Development's World Competitiveness Yearbook; KPMG's Change Readiness Index (CRI); Legatum Institute's Legatum Prosperity Index; Millennium Challenge Corporation's Open Data Catalog; Oxford University's International Civil Service Effectiveness (InCiSE) Index; PricewaterhouseCoopers' "Paying Taxes 2020: The Changing Landscape of Tax Policy and Administration across 190 Economies" report; TRACE's Bribery Risk Matrix; U.S. Chamber of Commerce's Global Rule of Law and Business Dashboard; University of Gothenburg's Quality of Government (QoG) Standard Dataset; World Economic Forum's Enabling Trade Index (ETI), Global Competitiveness Index (GCI), Human Capital Index (HCI); Networked Readiness Index (NRI), and Travel and Tourism Competitiveness Index (TTCI).
11. For more on the Heritage Foundation's Index of Economic Freedom, see the website at http://heritage.org/index.

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Data Notes

The indicators presented and analyzed in *Doing Business in the European Union 2021: Austria, Belgium and the Netherlands* measure business regulation, the quality and strength of legal frameworks, the protection of property rights—and their effect on businesses, especially small and medium domestic firms. First, the indicators document the complexity of regulation, such as the number of procedures to start a business or to register a transfer of commercial property. Second, they gauge the time and cost to achieve a regulatory goal or comply with regulation, such as the time and cost to deal with construction permits or enforce a contract. Third, they measure the extent of legal protections of property, for example, the protections of property rights.

This report presents *Doing Business* indicators for 24 cities in Austria, Belgium and the Netherlands. The data for all sets of indicators in *Doing Business in the European Union 2021: Austria, Belgium and the Netherlands* are current as of December 31, 2020. The data for 188 other economies used for comparison are based on the indicators in *Doing Business 2021*, the 18th in a series of annual reports published by the World Bank Group.

METHODOLOGY

The data for *Doing Business in the European Union 2021: Austria, Belgium and the Netherlands* were collected in a standardized way. To start, the team customized the *Doing Business* questionnaires for the specific study and translated them into Dutch, Flemish, French, and German. The questionnaire uses a simple business case to ensure comparability across locations and economies and over time—with assumptions about the legal form of the business, its size, its location and the nature of its operations.

Questionnaires were administered to more than 550 local experts, including lawyers, business consultants, architects, engineers, notaries, magistrates, government officials and other professionals routinely administering or advising on legal and regulatory requirements. These experts have several rounds of interaction with the project team, involving conference calls, written correspondence and visits by the team. Team members visited all 24 locations, some several times, to verify data and recruit respondents. The data from questionnaires were subjected to numerous rounds of verification, leading to revisions or expansions of the information collected.

The *Doing Business* methodology offers several advantages. It is transparent, using factual information about what laws and regulations say and allowing multiple interactions with local respondents to clarify potential misinterpretations of questions. Having representative samples of respondents is not an issue; *Doing Business* is not a statistical survey, and the texts of the relevant laws and regulations are collected and answers checked for accuracy. The methodology is easily replicable, so data can be collected in a large sample of economies. Because standard assumptions are used in the data collection, comparisons and benchmarks are valid across economies. Finally, the data not only highlight the extent of specific regulatory obstacles to business but also identify their source and point to what might be reformed.

LIMITS TO WHAT IS MEASURED

The *Doing Business* methodology has limitations that should be considered when interpreting the data. First, the data often focus on a specific business form—generally a limited liability company (or its legal equivalent) of a specified size—and may not be representative of the regulation on other businesses (for example, sole proprietorships). Second, transactions described in a standardized case scenario refer to a specific set of issues and may not represent the full set of issues that a business encounters. Third, the measures of time involve an element of judgment by the expert respondents. When sources indicate different estimates, the time indicators reported in *Doing Business* represent the median values of several responses given under the assumptions of the standardized case.

Finally, the methodology assumes that a business has full information on what is required and does not waste time when completing procedures. In practice, completing a procedure may take longer if the business lacks information or is unable to follow up promptly. Alternatively, the business may choose to disregard

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Economy characteristics

Gross national income per capita

Doing Business in the European Union 2021: Austria, Belgium and the Netherlands reports 2019 income per capita as published in the World Bank's *World Development Indicators*. Income is calculated using the Atlas method (in current U.S. dollars). For cost indicators expressed as a percentage of income per capita, 2019 gross national income (GNI) per capita in current U.S. dollars is used as the denominator. Austria's income per capita for 2018 is $ 51,300 (EUR 44,871), Belgium's is $47,350 (EUR 41,339) and the Netherlands' is $53,200 (EUR 47,010).

Region and income group

Doing Business uses the World Bank regional and income group classifications, available at https://datahelpdesk.worldbank.org/knowledgebase/articles/906519.

Exchange rates

The exchange rate for the U.S. dollar used in *Doing Business in the European Union 2021: Austria, Belgium and the Netherlands* is: $1 = EUR 0.87.

some burdensome procedures. For both reasons the time delays reported in *Doing Business* would differ from the recollection of entrepreneurs reported in the World Bank Enterprise Surveys or other firm-level surveys.

STARTING A BUSINESS

Doing Business records all procedures officially required, or commonly done in practice, for an entrepreneur to start up and formally operate an industrial or commercial business, as well as the time and cost to complete these procedures and the paid-in minimum capital requirement (figure 6.1). These procedures include the processes entrepreneurs undergo when obtaining all necessary approvals, licenses, permits and completing any required notifications, verifications or inscriptions for the company and employees with relevant authorities.

The ranking of locations 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 6.2).

Two types of local limited liability companies are considered under the starting a business methodology. They are identical in all aspects, except that one company is owned by five married women and the other by five married men. The score for each indicator is the average of the scores obtained for each of the component indicators for both of these standardized companies.

After a study of laws, regulations and publicly available information on business entry, a detailed list of procedures is developed, along with the time and cost to comply with each procedure under normal circumstances and the paid-in minimum capital requirement. Subsequently, local incorporation lawyers, notaries and government officials review and verify the data.

Information is also collected on the sequence in which procedures are to be completed and whether procedures may be carried out simultaneously. It is assumed that any required information is readily available and that the entrepreneur will pay no bribes. If answers by local experts differ, inquiries continue until the data are reconciled.

To make the data comparable across locations, several assumptions about the businesses and the procedures are used.

FIGURE 6.1 What are the time, cost, paid-in minimum capital and number of procedures to get a local limited liability company up and running?

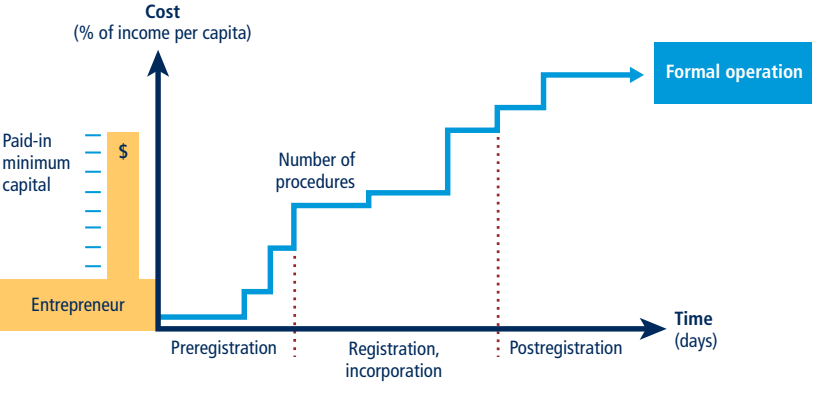

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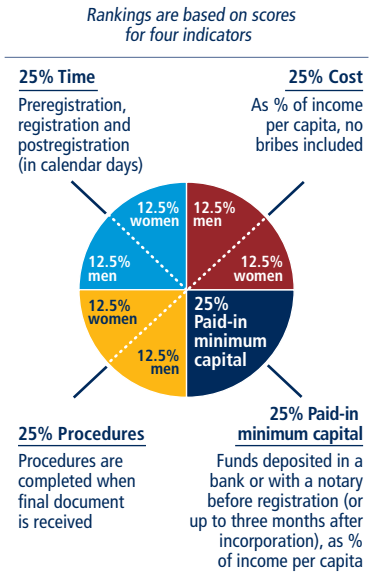
FIGURE 6.2 Starting a business: getting a local limited liability company up and running



Assumptions about the business

The business:

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

The owners:

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

Procedures

A procedure is defined as any interaction of the company founders with external parties (for example, government agencies, lawyers, auditors or notaries) or spouses (if legally required). Interactions between company founders or company officers and employees are not counted as procedures. Procedures that must be completed in the same building but in different offices or at different counters are counted as separate procedures. If founders have to visit the same office several times for different sequential procedures, each is counted separately. The founders are assumed to complete all procedures themselves, without middlemen, facilitators, accountants or lawyers, unless the use of such a third party is mandated by law or solicited by the majority of entrepreneurs. If the services of professionals are required, procedures conducted by such professionals on behalf of the company are counted as separate procedures. Each electronic procedure is counted as a separate procedure.

Approvals from spouses to own a business or leave the home are considered procedures if required by law or if by failing to obtain such approval the spouse will suffer consequences under the law, such as the loss of right to financial maintenance. Obtaining permissions only required by one gender for company registration and operation, or getting additional documents only required by one gender for a national identification card are considered additional procedures. In that case, only procedures required for one spouse but not the other are counted. Both pre- and post-incorporation procedures that are officially required or commonly done in practice for an entrepreneur to formally operate a business are recorded (table 6.1).

Procedures required for official correspondence or transactions with public agencies are also included. For example, if a company seal or stamp is required on official documents, such as tax declarations, obtaining the seal or stamp is counted. Similarly, if a company must open a bank account in order to complete any subsequent procedure—such as registering for value added tax or showing proof of minimum capital deposit—this transaction is included as a procedure. Shortcuts are counted only if they fulfill four criteria: they are legal, they are available to the general public, they are used by the majority of companies, and avoiding them causes delays.

Only procedures required for all businesses are included. Industry-specific

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TABLE 6.1 What do the starting a business indicators measure?

Procedures to legally start and formally operate a company (number)
Preregistration (for example, name verification or reservation, notarization)
Registration in the selected city
Postregistration (for example, social security registration, company seal)
Obtaining approval from spouse to start a business, to leave the home to register the company, or to open a bank account
Obtaining any gender-specific document for company registration and operation, national identification card or the opening of a bank account
Time required to complete each procedure (calendar days)
Does not include time spent gathering information
Each procedure starts on a separate day (two procedures cannot start on the same day)—though procedures that can be fully completed online are an exception to this rule
Registration process considered completed once final incorporation document is received or company can officially start operating
No prior contact with officials takes place
Cost required to complete each procedure (% of income per capita)
Official costs only, no bribes
No professional fees unless services required by law or commonly used in practice
Paid-in minimum capital (% of income per capita)
Funds deposited in a bank or with a notary before registration (or up to three months after incorporation)

procedures are excluded. For example, procedures to comply with environmental regulations are included only when they apply to all businesses conducting general commercial or industrial activities. Procedures that the company undergoes to connect to electricity, water, gas and waste disposal services are not included in the starting a business indicators.

Time

Time is recorded in calendar days. The measure captures the median duration that incorporation lawyers or notaries indicate is necessary in practice to complete a procedure with minimum follow-up with government agencies and no unofficial payments. It is assumed that the minimum time required for each procedure is one day, except for procedures that can be fully completed online, for which the minimum time required is recorded as half a day. Although procedures may take place simultaneously, they cannot start on the same day (that is, simultaneous procedures start on consecutive days). A registration process is considered completed once the company has received the final incorporation document or can officially commence business operations. If a procedure can be accelerated legally for an additional cost, the fastest procedure is chosen if that option is more beneficial to the location's score. When obtaining a spouse's approval, it is assumed that permission is granted at no additional cost unless the permission needs to be notarized. It is assumed that the entrepreneur does not waste time and commits to completing each remaining procedure without delay. The time spent by the entrepreneur preparing information to fill in forms is not measured. It is assumed that the entrepreneur is aware of all entry requirements and their sequence from the beginning but has had no prior contact with any of the officials involved.

Cost

Cost is recorded as a percentage of the economy's income per capita. It includes all official fees and fees for legal or professional services if such services are required by law or commonly used in practice. Fees for purchasing and legalizing company books are included if these transactions are required by law. Although value added tax registration can be counted as a separate procedure, value added tax is not part of the incorporation cost. The company law, the commercial code and specific regulations and fee schedules are used as sources for calculating costs. In the absence of fee schedules, a government officer's estimate is taken as an official source. In the absence of a government officer's estimate, estimates by incorporation experts are used. If several incorporation experts provide different estimates, the median reported value is applied. In all cases the cost excludes bribes.

Paid-in minimum capital

The paid-in minimum capital requirement reflects the amount that the entrepreneur needs to deposit in a bank or with a third party (for example, a notary) before registration or up to three months after incorporation. It is recorded as a percentage of the economy's income per capita. The amount is typically specified in the commercial code or the company law. The legal provision needs to be adopted, enforced and fully implemented. Any legal limitation of the company's operations or decisions related to the payment of the minimum capital requirement is recorded. In case the legal minimum capital is provided per share, it is multiplied by the number of shareholders owning the company. Many economies require minimum capital but allow businesses to pay only a part of it before registration, with the rest to be paid after the first year of operation. In El Salvador in May 2020, for example, the minimum capital requirement was $2,000, of which 5% needed to be paid before registration. Therefore, the paid-in minimum capital recorded for El Salvador is $100, or 2.5% of income per capita.

The data details on starting a business can be found at http://www.doingbusiness.org. This methodology was developed by Simeon Djankov, Rafael La Porta, Florencio López-de-Silanes and Andrei Shleifer ("The Regulation of Entry," Quarterly Journal of Economics 117, no. 1 [2002]: 1–37) and is adopted here with minor changes.

DEALING WITH CONSTRUCTION PERMITS

Doing Business records all procedures required for a business in the construction industry to build a warehouse, along with the time and cost to complete each procedure. In addition, *Doing Business* 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. Information is collected

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through a questionnaire administered to experts in construction licensing, including architects, civil engineers, construction lawyers, construction firms, utility service providers, and public officials who deal with building regulations, including approvals, permit issuance and inspections.

The ranking of locations 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 6.3).

FIGURE 6.3 Dealing with construction permits: efficiency and quality of building regulation

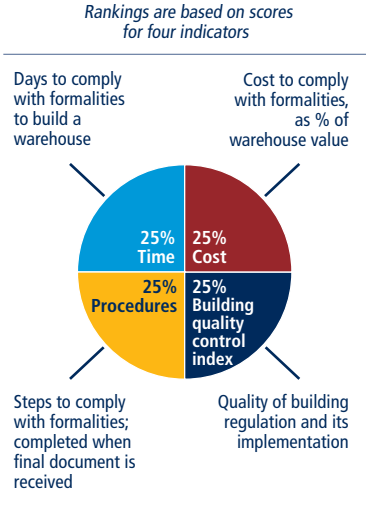
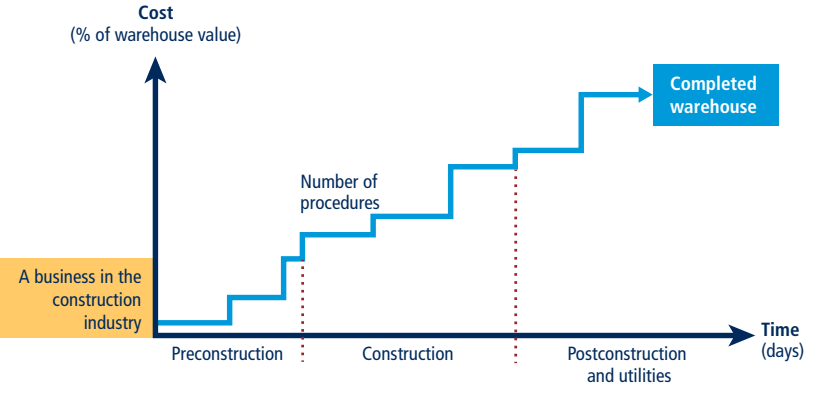


FIGURE 6.4 What are the time, cost and number of procedures to comply with formalities to build a warehouse?



EFFICIENCY OF CONSTRUCTION PERMITTING

Doing Business divides the process of building a warehouse into distinct procedures in the questionnaire and solicits data for calculating the time and cost to complete each procedure (figure 6.4). These procedures include, but are not limited to:

- Obtaining all plans and surveys required by the architect and the engineer to start the design of the building plans (for example, topographical surveys, location maps or soil tests).
- Obtaining and submitting all relevant project-specific documents (for example, building plans, site maps and certificates of urbanism) to the authorities.
- Hiring external third-party supervisors, consultants, engineers or inspectors (if necessary).
- Obtaining all necessary clearances, licenses, permits and certificates.
- Submitting all required notifications for the start and end of construction and for inspections.
- Requesting and receiving all necessary inspections (unless completed by a hired private, third-party inspector).

Doing Business also records procedures for obtaining connections for water and sewerage. Procedures necessary to register the warehouse so that it can be used as collateral or transferred to another entity are also counted.

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

Assumptions about the construction company

The construction company (BuildCo):

- Is a limited liability company (or its legal equivalent).
- Operates in the selected city.
- Is 100% domestically and privately owned.
- Has five owners, none of whom is a legal entity.
- Is fully licensed and insured to carry out construction projects, such as building warehouses.
- Has 60 builders and other employees, all of them nationals with the technical expertise and professional experience necessary to obtain construction permits and approvals.
- Has a licensed architect and a licensed engineer, both registered with the local association of architects or engineers, where applicable. BuildCo is not assumed to have any other employees who are technical or licensed specialists, such as geological or topographical experts.
- Has paid all taxes and taken out all necessary insurance applicable to its general business activity (for example, accidental insurance for construction workers and third-person liability).
- Owns the land on which the warehouse will be built and will sell the warehouse upon its completion.

Assumptions about the warehouse

The warehouse:

- Will be used for general storage activities, such as storage of books or stationery. The warehouse will not be used for any goods requiring special

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conditions, such as food, chemicals, or pharmaceuticals.
- 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.
- Will have road access and be located in the periurban area of the selected city (that is, on the fringes of the city but still within its official limits).
- Will not be located in a special economic or industrial zone.
- Will be located on a land plot of approximately 929 square meters (10,000 square feet) that is 100% owned by BuildCo and is accurately registered in the cadastre and land registry where freehold titles exist. However, when the land is owned by the government and leased by BuildCo, it is assumed that BuildCo. will register the land in the cadastre or land registry or both, whichever is applicable, at the completion of the warehouse.
- Is valued at 50 times income per capita.
- Will be a new construction (with no previous construction on the land), with no trees, natural water sources, natural reserves, or historical monuments of any kind on the plot.
- Will have complete architectural and technical plans prepared by a licensed architect and a licensed engineer. If preparation of the plans requires such steps as obtaining further documentation or getting prior approvals from external agencies, these are counted as separate procedures.
- Will include all technical equipment required to be fully operational.
- Will take 30 weeks to construct (excluding all delays due to administrative and regulatory requirements).

Assumptions about the utility connections

The water and sewerage connections:
- Will be 150 meters (492 feet) from the existing water source and sewer tap. If there is no water delivery infrastructure in the location, a borehole will be dug. If there is no sewerage infrastructure, a septic tank in the smallest size available will be installed or built.
- Will not require water for fire protection reasons; a fire extinguishing system (dry system) will be used instead. If a wet fire protection system is required by law, it is assumed that the water demand specified below also covers the water needed for fire protection.
- Will have an average water use of 662 liters (175 gallons) a day and an average wastewater flow of 568 liters (150 gallons) a day. Will have a peak water use of 1,325 liters (350 gallons) a day and a peak wastewater flow of 1,136 liters (300 gallons) a day.
- Will have a constant level of water demand and wastewater flow throughout the year.
- Connection pipes will be 1 inch in diameter for water and 4 inches in diameter for sewerage.

Procedures

A procedure is any interaction of the building company's employees, managers, or any party acting on behalf of the company with external parties, including government agencies, notaries, the land registry, the cadastre, utility companies, public inspectors, and the hiring of external private inspectors and technical experts where needed. Interactions between company employees, such as development of the warehouse plans and inspections by the in-house engineer, are not counted as procedures. However, interactions with external parties that are required for the architect to prepare the plans and drawings (such as obtaining topographic or geological surveys), or to have such documents approved or stamped by external parties, are counted as procedures. Procedures that the company undergoes to connect the warehouse to water and sewerage are included. All procedures that are legally required and done in practice by the majority of companies to build a warehouse are recorded, even if they may be avoided in exceptional cases. For example, obtaining technical conditions for electricity or a clearance of the electrical plans are counted as separate procedures if they are required for obtaining a building permit (table 6.2).

Time

Time is recorded in calendar days. The measure captures the median duration that local experts indicate is necessary to complete a procedure in practice. It is assumed that the minimum time required for each procedure is one day, except for procedures that can be fully completed online, for which the time required is recorded as half a day. Although procedures may take place simultaneously, they cannot start on the same day (that is, simultaneous procedures start on consecutive days), again with the exception of procedures that can be fully completed online. If a procedure can be accelerated legally for an additional cost, the fastest procedure is chosen if that option is more beneficial to the location's score. It is

TABLE 6.2 What do the indicators on the efficiency of construction permitting measure?

Procedures to legally build a warehouse (number)
Submitting all relevant documents and obtaining all necessary clearances, licenses, permits and certificates
Submitting all required notifications and receiving all necessary inspections
Obtaining utility connections for water and sewerage
Registering the warehouse after its completion (if required for use as collateral or for transfer of the warehouse)
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 considered completed once final document is received
No prior contact with officials
Cost required to complete each procedure (% of warehouse value)
Official costs only, no bribes

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assumed that BuildCo does not waste time and commits to completing each remaining procedure without delay. The time that BuildCo spends on gathering information is not taken into account. It is assumed that BuildCo follows all building requirements and their sequence as required.

Cost

Cost is recorded as a percentage of the warehouse value (assumed to be 50 times income per capita). Only official costs are recorded. All fees associated with completing the procedures to legally build a warehouse are recorded, including those associated with obtaining land use approvals and preconstruction design clearances; receiving inspections before, during, and after construction; obtaining utility connections; and registering the warehouse at the property registry. Nonrecurring taxes required for the completion of the warehouse project are also recorded. Sales taxes (such as value added tax) or capital gains taxes are not recorded. Nor are deposits that must be paid up front and are later refunded. The building code, information from local experts, specific regulations and fee schedules are used as sources for costs. If several local partners provide different estimates, the median reported value is used.

BUILDING QUALITY CONTROL

The building quality control index is based on six indices—the quality of building regulations, quality control before, during and after construction, liability and insurance regimes, and professional certifications indices (table 6.3). The indicator is based on the same case study assumptions as the measures of efficiency.

Quality of building regulations index

The quality of building regulations index has two components:

- Whether building regulations are easily accessible. A score of 1 is assigned if building regulations (including the building code) or regulations dealing with construction permits are available on a website that is updated as new regulations are passed; 0.5 if the building regulations are available free of charge (or for a nominal fee) at the relevant permit-issuing authority; 0 if the building regulations must be purchased or if they are not made easily accessible anywhere.
- Whether the requirements for obtaining a building permit are clearly specified. A score of 1 is assigned if the building regulations (including the building code) or any accessible website, brochure, or pamphlet clearly specifies the list of required documents to submit, the fees to be paid, and all required preapprovals of the drawings (example: electrical, water and sewerage, environmental) or plans by the relevant agencies; 0 if none of these sources specify any of these requirements or if these sources specify fewer than the three requirements mentioned above.

The index ranges from 0 to 2, with higher values indicating clearer and more transparent building regulations. In Malta, for example, all relevant legislation can be found on an official government website (a score of 1). The legislation specifies the list of required documents to submit, the fees to be paid, and all required preapprovals of the drawings or plans by the relevant agencies (a score of 1). Adding these numbers gives Malta a score of 2 on the quality of building regulations index.

Quality control before construction index

The quality control before construction index has one component:

- Whether by law, a licensed architect or licensed engineer is part of the committee or team that reviews and approves building permit applications and whether that person has the authority to refuse an application if the plans are not in conformity with regulations. A score of 1 is assigned if the national association of architects or engineers (or its equivalent) must review the building plans, if an independent firm or expert who is a licensed architect or engineer must review the plans, if the architect or engineer who prepared the plans must submit an attestation to the permit-issuing authority stating that the plans are in compliance with the building regulations or if a licensed architect or engineer is part of the committee or team that approves the plans at the relevant permit-issuing authority; 0 if no licensed architect or

TABLE 6.3 What do the indicators on building quality control measure?

Quality of building regulations index (0–2)
Accessibility of building regulations (0–1)
Clarity of requirements for obtaining a building permit (0–1)
Quality control before construction index (0–1)
Whether licensed or technical experts approve building plans (0–1)
Quality control during construction index (0–3)
Types of inspections legally mandated during construction (0–2)
Implementation of legally mandated inspections in practice (0–1)
Quality control after construction index (0–3)
Final inspection legally mandated after construction (0–2)
Implementation of legally mandated final inspection in practice (0–1)
Liability and insurance regimes index (0–2)
Parties held legally liable for structural flaws after building occupancy (0–1)
Parties legally mandated to obtain insurance to cover structural flaws after building occupancy or insurance commonly obtained in practice (0–1)
Professional certifications index (0–4)
Qualification requirements for individual who approves building plans (0–2)
Qualification requirements for individual who supervises construction or conducts inspections (0–1)
Building quality control index (0–15)
Sum of the quality of building regulations, quality control before construction, quality control during construction, quality control after construction, liability and insurance regimes, and professional certifications indices

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engineer is involved in the review of the plans to ensure their compliance with building regulations.

The index ranges from 0 to 1, with higher values indicating better quality control in the review of the building plans. In the Arab Republic of Egypt, for example, the city hall in Cairo must review the building permit application, including the plans and drawings, and a licensed architect is part of the team that reviews the plans and drawings. Egypt, therefore, receives a score of 1 on the quality control before construction index.

Quality control during construction index

The quality control during construction index has two components:

- Whether inspections are mandated by law during the construction process. A score of 2 is assigned if (i) a government agency is legally mandated to conduct technical inspections at different stages during the construction or an in-house engineer (that is, an employee of the building company), an external supervising engineer or firm is legally mandated to conduct technical inspections at different stages during the construction of the building and is required to submit a detailed inspections report at the completion of the construction; and (ii) it is legally mandated to conduct risk-based inspections. A score of 1 is assigned if a government agency is legally mandated to conduct only technical inspections at different stages during the construction or if an in-house engineer (that is, an employee of the building company), an external supervising engineer or an external inspections firm is legally mandated to conduct technical inspections at different stages during the construction of the building and is required to submit a detailed inspections report at the completion of the construction. A score of 0 is assigned if a government agency is legally mandated to conduct unscheduled inspections, or if no technical inspections are mandated by law.
- Whether inspections during construction are implemented in practice. A score of 1 is assigned if the legally mandated inspections during construction always occur in practice; 0 if the legally mandated inspections do not occur in practice, if the inspections occur most of the time but not always or if inspections are not mandated by law regardless of whether they commonly occur in practice.

The index ranges from 0 to 3, with higher values indicating better quality control during the construction process. In Antigua and Barbuda, for example, the Development Control Authority is legally mandated to conduct phased inspections under the Physical Planning Act of 2003 (a score of 1). However, the Development Control Authority rarely conducts these inspections in practice (a score of 0). Adding these numbers gives Antigua and Barbuda a score of 1 on the quality control during construction index.

Quality control after construction index

The quality control after construction index has two components:

- Whether a final inspection is mandated by law in order to verify that the building was built in compliance with the approved plans and existing building regulations. A score of 2 is assigned if an in-house supervising engineer (that is, an employee of the building company), an external supervising engineer or an external inspections firm is legally mandated to verify that the building has been built in accordance with the approved plans and existing building regulations, or if a government agency is legally mandated to conduct a final inspection upon completion of the building; 0 if no final inspection is mandated by law after construction and no third party is required to verify that the building has been built in accordance with the approved plans and existing building regulations.
- Whether the final inspection is implemented in practice. A score of 1 is assigned if the legally mandated final inspection after construction always occurs in practice or if a supervising engineer or firm attests that the building has been built in accordance with the approved plans and existing building regulations; 0 if the legally mandated final inspection does not occur in practice, if the legally mandated final inspection occurs most of the time but not always, or if a final inspection is not mandated by law regardless of whether or not it commonly occurs in practice.

The index ranges from 0 to 3, with higher values indicating better quality control after the construction process. In Haiti, for example, the Municipality of Port-au-Prince is legally mandated to conduct a final inspection under the National Building Code of 2012 (a score of 2). However, the final inspection does not occur in practice (a score of 0). Adding these numbers gives Haiti a score of 2 on the quality control after construction index.

Liability and insurance regimes index

The liability and insurance regimes index has two components:

- Whether any parties involved in the construction process are held legally liable for latent defects such as structural flaws or problems in the building once it is in use. A score of 1 is assigned if at least two of the following parties are held legally liable for structural flaws or problems in the building once it is in use: the architect or engineer who designed the plans for the building, the professional or agency that conducted technical inspections, or the construction company; 0.5 if only one of the parties is held legally liable for structural flaws or problems in the building once it is in use; 0 if no party is held legally liable for structural flaws or problems in the building once it is in use, if the project owner or investor

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is the only party held liable, if liability is determined in court, or if liability is stipulated in a contract.

- Whether any parties involved in the construction process is legally required to obtain a latent defect liability—or decennial (10 years) liability—insurance policy to cover possible structural flaws or problems in the building once it is in use. A score of 1 is assigned if the architect or engineer who designed the plans for the building, the professional or agency that conducted the technical inspections, the construction company, or the project owner or investor is required by law to obtain either a decennial liability insurance policy or a latent defect liability insurance to cover possible structural flaws or problems in the building once it is in use or if a decennial liability insurance policy or a latent defect liability insurance is commonly obtained in practice by the majority of any of these parties even if not required by law. A score of 0 is assigned if no party is required by law to obtain either a decennial liability insurance or a latent defect liability insurance, and such insurance is not commonly obtained in practice by any party, if the requirement to obtain an insurance policy is stipulated in a contract, if any party must obtain a professional insurance or an all risk insurance to cover the safety of workers or any other defects during construction but not a decennial liability insurance or a latent defect liability insurance that would cover defects after the building is in use, or if any party is required to pay for any damages caused on their own without having to obtain an insurance policy.

The index ranges from 0 to 2, with higher values indicating more stringent latent defect liability and insurance regimes. In Madagascar, for example, under article 1792 of the Civil Code both the architect who designed the plans and the construction company are legally held liable for latent defects for a period of 10 years after the completion of the building (a score of 1). However, there is no legal requirement for any party to obtain a decennial liability insurance policy to cover structural defects, nor do most parties obtain such insurance in practice (a score of 0). Adding these numbers gives Madagascar a score of 1 on the liability and insurance regimes index.

Professional certifications index

The professional certifications index has two components:

- The qualification requirements of the professional responsible for verifying that the architectural plans or drawings are in compliance with the building regulations. A score of 2 is assigned if national or state regulations mandate that the professional must have a minimum number of years of practical experience, must have a university degree (a minimum of a bachelor's) in architecture or engineering, and must also either be a registered member of the national order (association) of architects or engineers or pass a qualification exam. A score of 1 is assigned if national or state regulations mandate that the professional must have a university degree (a minimum of a bachelor's) in architecture or engineering and must also either have a minimum number of years of practical experience or be a registered member of the national order (association) of architects or engineers or pass a qualification exam. A score of 0 is assigned if national or state regulations mandate that the professional must meet only one of the above requirements, if they mandate that the professional must meet two of the requirements but neither of the two is to have a university degree, or if no national or state regulation determines the professional's qualification requirements.
- The qualification requirements of the professional who conducts the technical inspections during construction. A score of 2 is assigned if national or state regulations mandate that the professional must have a minimum number of years of practical experience, must have a university degree (a minimum of a bachelor's) in engineering, and must also either be a registered member of the national order of engineers or pass a qualification exam. A score of 1 is assigned if national or state regulations mandate that the professional must have a university degree (a minimum of a bachelor's) in engineering and must also either have a minimum number of years of practical experience or be a registered member of the national order (association) of engineers or pass a qualification exam. A score of 0 is assigned if national or state regulations mandate that the professional must meet only one of the requirements, if they mandate that the professional must meet two of the requirements but neither of the two is to have a university degree, or if no national or state regulation determines the professional's qualification requirements.

The index ranges from 0 to 4, with higher values indicating stricter professional certification requirements. In Albania, for example, the professional conducting technical inspections during construction must have a minimum number of years of experience, a relevant university degree and must be a registered architect or engineer (a score of 2). However, the professional responsible for verifying that the architectural plans or drawings are in compliance with building regulations must only have a minimum number of years of experience and a university degree in architecture or engineering (a score of 1). Adding these numbers gives Albania a score of 3 on the professional certifications index.

Building quality control index

The building quality control index is the sum of the scores on the quality of building regulations, quality control before construction, quality control during construction, quality control after

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construction, liability and insurance regimes, and professional certifications indices. The index ranges from 0 to 15, with higher values indicating better quality control and safety mechanisms in the construction regulatory system.

The data details on dealing with construction permits can be found at http://www.doingbusiness.org.

GETTING ELECTRICITY

Doing Business records all procedures required for a business to obtain a permanent electricity connection and supply for a standardized warehouse (figure 6.5). These procedures include applications and contracts with electricity utilities, all necessary inspections and clearances from the distribution utility as well as other agencies, and the external and final connection works. The questionnaire divides the process of getting an electricity connection into distinct procedures and solicits data for calculating the time and cost to complete each procedure.

In addition, *Doing Business* measures the reliability of supply and transparency of tariffs index (included in the aggregate doing business score and ranking on the ease of doing business) and the price of electricity (omitted from these aggregate measures). The reliability of supply and transparency of tariffs index encompasses quantitative data on the duration and frequency of power outages as well as qualitative information on the mechanisms put in place by the utility for monitoring power outages and restoring power supply, the reporting relationship between the utility and the regulator for power outages, the transparency and accessibility of tariffs and, lastly, whether the utility faces a financial deterrent aimed at limiting outages (such as a requirement to compensate customers or pay fines when outages exceed a certain cap).

The ranking of locations 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 6.6).

Data on the reliability of supply are collected from the electricity distribution utilities or regulators, depending upon the specific technical nature of the data. The rest of the information, including data on transparency of tariffs and procedures for obtaining electricity connection, are collected from all market players—the electricity distribution utility, electricity regulatory agencies and independent professionals such as electrical engineers, electrical contractors and construction companies. The distribution utility consulted is the one serving the area (or areas) where warehouses are most commonly located. If there is a choice of distribution utilities, the one serving the largest number of customers is selected.

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

FIGURE 6.5 *Doing Business* measures the connection process at the level of distribution utilities

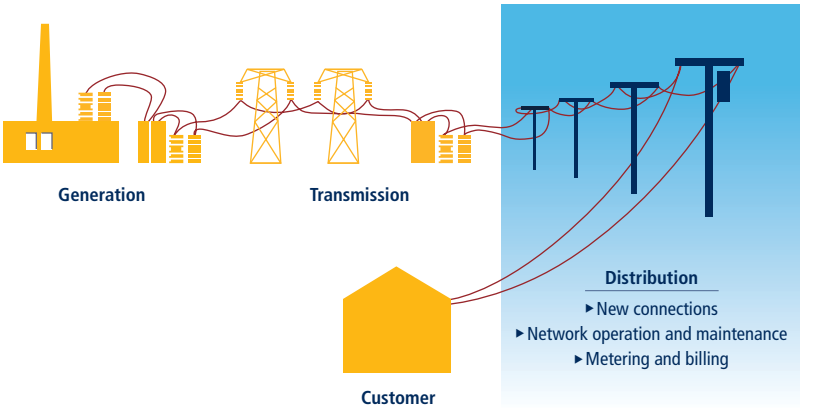
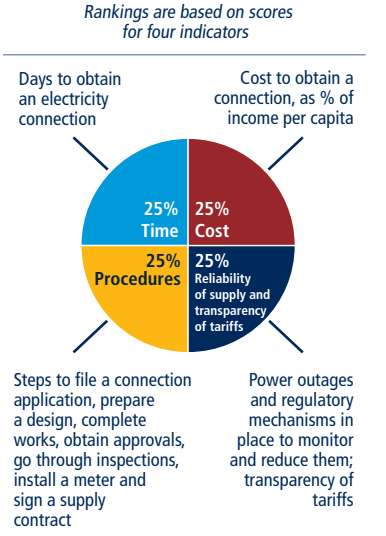


FIGURE 6.6 Getting electricity: efficiency, reliability and transparency



Note: The price of electricity is measured but does not count for the rankings.

Assumptions about the warehouse

The warehouse:

- Is owned by a local entrepreneur.
- Is located in the selected city.
- Is located in an area where similar warehouses are typically located. In this area a new electricity connection is not eligible for a special investment promotion regime (offering special subsidization or faster service, for example).
- Is located in an area with no physical constraints. For example, the property is not near a railway.

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- Is a new construction and is being connected to electricity for the first time.
- Has two stories, both above ground, 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).
- Is used for storage of goods.

Assumptions about the electricity connection

The electricity connection:

- Is a permanent one.
- Is 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.
- Requires works that involve the crossing of a 10-meter wide road (by excavation, 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.
- Includes only negligible length in the customer's private domain.
- 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. However, internal wiring inspections and certifications that are prerequisites to obtain a new connection are counted as procedures.

Assumptions about the monthly consumption for January

- 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).
- 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.

Procedures

A procedure is defined as any interaction of the company's employees or its main electrician or electrical engineer (that is, the one who may have done the internal wiring) with external parties, such as the electricity distribution utility, electricity supply utilities, government agencies, electrical contractors and electrical firms. Interactions between company employees and steps related to the internal electrical wiring, such as the design and execution of the internal electrical installation plans, are not counted as procedures. However, internal wiring inspections and certifications that are prerequisites to obtain a new connection are counted as procedures. Procedures that must be completed with the same utility but with different departments are counted separately (table 6.4).

The company's employees are assumed to complete all procedures themselves unless the use of a third party is mandated (for example, if an electrician registered with the utility is the only party allowed to submit an application). If the company can, but is not required to request the services of professionals (such as a private firm), procedures will be counted for each interaction that is commonly done in practice.

A procedure is always counted for the external works—whether it is carried out by the utility or a private contractor. However, the external work procedure and the meter installation can be counted as one procedure provided two specific conditions are met: (i) both the external works and meter installation are carried out by the same company or agency, and (ii) there is no additional interaction for the customer or its main contractor between the external works and the meter installation (such as, for example, a supply contract that needs to be signed or a security deposit that needs to be paid).

If an internal wiring inspection—or a related certification on the installation—is needed to obtain a new connection,

TABLE 6.4 What do the getting electricity indicators measure?

Procedures to obtain an electricity connection (number)
Submitting all relevant documents and obtaining all necessary clearances and permits
Completing all required notifications and receiving all necessary inspections
Obtaining external installation works and possibly purchasing material for these works
Concluding any necessary supply contract and obtaining final supply
Time required to complete each procedure (calendar days)
Is at least one 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
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 aimed at 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: While *Doing Business* measures the price of electricity, it does not include these data when calculating the distance to frontier score for getting electricity or the ranking on the ease of getting electricity.

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then it is counted as a procedure. However, if an internal inspection and the meter installation occur (i) at the same time, and (ii) without additional follow up or through a separate request, then these are counted as one procedure.

Time

Time is recorded in calendar days. The measure captures the median duration that the electricity utility and experts indicate is necessary in practice, rather than required by law, to complete a procedure with minimum follow-up and no extra payments. It is assumed that the minimum time required for each procedure is one day. Although procedures may take place simultaneously, they cannot start on the same day (that is, simultaneous procedures start on consecutive days). It is assumed that the company does not waste time and commits to completing each remaining procedure without delay. The time spent by an entrepreneur on preparing information to fill in forms is not measured. It is assumed that the company is aware of all electricity connection requirements and their sequence from the beginning.

Cost

Cost is recorded as a percentage of the economy's income per capita and is exclusive of value added tax. All the fees and costs associated with completing the procedures to connect a warehouse to electricity are recorded, including those related to obtaining clearances from government agencies, applying for the connection, receiving inspections of both the site and the internal wiring, purchasing material, getting the actual connection works and paying a security deposit. Information from local experts and specific regulations and fee schedules are used as sources. If several local partners provide different estimates, the median reported value is used. In all cases the cost excludes bribes.

Security deposit

Utilities may require security deposits as a guarantee against the possible failure of customers to pay their consumption bills. For this reason, the security deposit for a new customer is most often calculated as a function of the customer's estimated consumption.

Doing Business does not record the full amount of the security deposit. If the deposit is based on the customer's actual consumption, this basis is the one assumed in the case study. Rather than the full amount of the security deposit, *Doing Business* records the present value of the losses in interest earnings experienced by the customer because the utility holds the security deposit over a prolonged period, in most cases until the end of the contract (assumed to be after five years). In cases where the security deposit is used to cover the first monthly consumption bills, it is not recorded. To calculate the present value of the lost interest earnings, the end-2018 lending rates from the International Monetary Fund's International Financial Statistics are used. In cases where the security deposit is returned with interest, the difference between the lending rate and the interest paid by the utility is used to calculate the present value.

In some economies, the security deposit can be put up in the form of a bond: the company can obtain from a bank or an insurance company a guarantee issued on the assets it holds with that financial institution. In contrast to the scenario in which the customer pays the deposit in cash to the utility, in this case the company does not lose ownership control over the full amount and can continue using it. In return, the company will pay the bank a commission for obtaining the bond. The commission charged may vary depending on the credit standing of the company. The best possible credit standing and thus the lowest possible commission are assumed. Where a bond can be put up, the value recorded for the deposit is the annual commission times the five years assumed to be the length of the contract. If both options exist, the cheaper alternative is recorded.

In Hong Kong SAR, China, a customer requesting a 140-kVA electricity connection in 2020 would have had to put up a security deposit of 70,533 Hong Kong dollars (approximately $9,100, the amount for the connection under the case study assumptions). This amount could be paid in cash or check, and the deposit would have been returned only at the end of the contract. The customer could instead have invested this money at the prevailing lending rate of 5.11%. Over the five years of the contract, paying this security deposit would imply a present value of lost interest earnings of 15,519 Hong Kong dollars ($2,002). In contrast, if the customer chose to settle the deposit with a bank guarantee at an annual rate of 1.5% of the amount of the security deposit, the amount lost over the five years would be 5,290 Hong Kong dollars ($683). Given that in Hong Kong SAR, China both options are available, settling the deposit with a bank guarantee is recorded, because it is the cheaper alternative.

Reliability of supply and transparency of tariffs index

Doing Business uses the system average interruption duration index (SAIDI) and the system average interruption frequency index (SAIFI) to measure the duration and frequency of power outages in the selected cities of each economy. SAIDI is the average total duration of outages over the course of a year for each customer served, while SAIFI is the average number of service interruptions experienced by a customer in a year. Annual data (covering the calendar year) are collected from distribution utility companies and national regulators on SAIDI and SAIFI. Both SAIDI and SAIFI estimates should include planned and unplanned outages, as well as load shedding.

A location is eligible to obtain a score on the reliability of supply and transparency of tariffs index if it satisfies two conditions. First, the utility must collect data on all types of outages (measuring the average total duration of outages

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per customer and the average number of outages per customer). Second, the SAIDI value must be below a threshold of 100 hours and the SAIFI value must be under 100 outages.

A location is not eligible to obtain a score if outages are too frequent or long-lasting for the electricity supply to be considered reliable—that is, if the SAIDI or the SAIFI values exceed the determined thresholds. A location is also not eligible to obtain a score on the index if data on power outages are not collected or collected partially (for example, planned outages or load shedding are not included in the calculation of the SAIDI and SAIFI indices), and if the minimum outage time considered for calculation of the SAIDI and SAIFI indices is over 5 minutes.

For all locations that meet the criteria as determined by *Doing Business*, a score on the reliability of supply and transparency of tariffs index is calculated on the basis of the following six components:

- What the SAIDI and SAIFI values are. If SAIDI and SAIFI are 12 (equivalent to an outage of one hour each month) or below, a score of 1 is assigned. If SAIDI and SAIFI are 4 (equivalent to an outage of one hour each quarter) or below, 1 additional point is assigned. Finally, if SAIDI and SAIFI are 1 (equivalent to an outage of one hour per year) or below, 1 more point is assigned.
- What tools are used by the distribution utility to monitor power outages. A score of 1 is assigned if the utility uses automated tools, such as an Outage/Incident Management System (OMS/IMS) or Supervisory Control and Data Acquisition (SCADA) system; 0 if it relies solely on calls from customers, and records and monitors outages manually.
- What tools are used by the distribution utility to restore power supply. A score of 1 is assigned if the utility uses automated tools, such as an OMS/IMS or SCADA system; 0 if it relies solely on manual resources for service restoration, such as field crews or maintenance personnel.
- Whether a regulator—that is, a separate and independent entity from the utility—monitors the utility's performance on reliability of supply. A score of 1 is assigned if the regulator performs periodic or real-time reviews; 0 if it does not monitor power outages and does not require the utility to report on reliability of supply.
- Whether financial deterrents exist to limit outages. A score of 1 is assigned if the utility compensates customers when outages exceed a certain cap, if the utility is fined by the regulator when outages exceed a certain cap or if both these conditions are met; 0 if no deterrent mechanism of any kind is available.
- Whether electricity tariffs are transparent and easily available. A score of 1 is assigned if effective tariffs are available online and customers are notified of a change in tariff a full billing cycle (that is, one month) ahead of time; 0 if not.

The index ranges from 0 to 8, with higher values indicating greater reliability of electricity supply and greater transparency of tariffs. In the United Kingdom, for example, the distribution utility company UK Power Networks uses SAIDI and SAIFI metrics to monitor and collect data on power outages. In 2019, the average total duration of power outages in London was 0.24 hours per customer, and the average number of outages experienced by a customer was 0.12. Both SAIDI and SAIFI are below the threshold and indicate less than one outage a year per customer, for a total duration of less than one hour. Hence, the economy meets the eligibility criteria for obtaining a score on the index and receives a score of 3 on the first component of the index. The utility uses the automatic GE PowerOn Control System to identify faults in the network (a score of 1) and restore electricity service (a score of 1). The Office of Gas and Electricity Markets, an independent national regulatory authority, actively reviews the utility's performance in providing reliable electricity service (a score of 1) and requires the utility to compensate customers if outages last longer than a maximum period defined by the regulator (a score of 1). Customers are notified of a change in tariffs ahead of the next billing cycle and can easily check effective tariffs online (a score of 1). Adding these numbers gives the United Kingdom a total score of 8 on the reliability of supply and transparency of tariffs index.

In contrast, several economies receive a score of 0 on the reliability of supply and transparency of tariffs index. The reason may be that outages occur more than once a month, and none of the mechanisms and tools measured by the index is in place. An economy may also receive a score of 0 if the SAIDI or SAIFI value (or both) exceeds the threshold of 100, or not all outages were considered when calculating the indexes. In Chittagong, Bangladesh, for example, the utility does not include load shedding in the calculation of SAIDI and SAIFI indexes. Thus, according to the established criteria, Chittagong cannot receive a score on the index even though there is an independent regulator that monitors the utility's performance on the reliability of supply.

Price of electricity

Doing Business measures the price of electricity but does not include these data when calculating the score for getting electricity. The data are available on the *Doing Business* website (http://www.doingbusiness.org) for each economy covered and are based on standardized assumptions to ensure comparability across economies.

The price of electricity is measured in U.S. cents per kWh. A monthly electricity consumption is assumed, for which a monthly bill is then computed for a warehouse based in the largest business city of the economy for the month of January 2020 (for 11 economies the data are also collected for the second-largest business city). As noted, the warehouse

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uses electricity 30 days a month, from 9:00 a.m. to 5:00 p.m., so different tariff schedules may apply if a time-of-use tariff is available.

The data details on getting electricity can be found at http://www.doingbusiness.org. The initial methodology was developed by Carolin Geginat and Rita Ramalho ("Electricity Connections and Firm Performance in 183 Countries," Global Indicators Group, World Bank Group, Washington, DC, 2015) and is adopted here with minor changes.

REGISTERING PROPERTY

Doing Business records the full sequence of procedures necessary for a limited liability company (the buyer) to purchase a property from another business (the seller) and to transfer the property title to the buyer's name so that the buyer can use the property for expanding its business, as collateral in taking out new loans or, if necessary, to sell the property to another business. It also measures the time and cost to complete each of these procedures. *Doing Business* also measures the quality of the land administration system in each location. 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 ranking of locations 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 6.7).

EFFICIENCY OF TRANSFERRING PROPERTY

As recorded by *Doing Business*, the process of transferring property starts with obtaining the necessary documents, such as a recent copy of the seller's title if necessary, and conducting due diligence as required. The transaction is considered complete when it is opposable to third parties, and when the buyer can use the property for expanding his or her business as collateral for a bank loan or resell it (figure 6.8). Every procedure required by law or necessary in practice is included, whether it is the responsibility of the seller or the buyer or must be completed by a third party on their behalf. Local property lawyers, notaries and property registries provide information on procedures as well as the time and cost to complete each of them.

To make the data comparable across locations, several assumptions about the parties to the transaction, the property and the procedures are used.

Assumptions about the parties

The parties (buyer and seller):

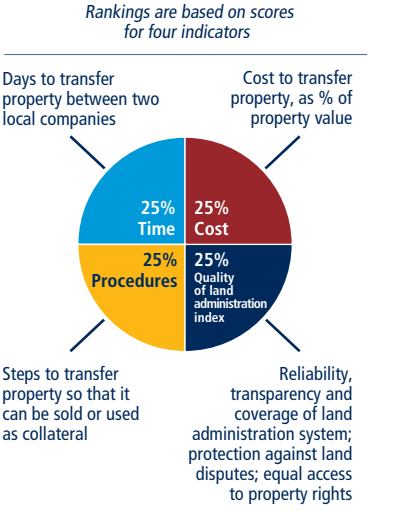
- Are limited liability companies (or their legal equivalent).
- Are located in the periurban (that is, on the outskirts of the city but still within its official limits) area of the selected city.
- Are 100% domestically and privately owned.
- Perform general commercial activities.

Assumptions about the property

The property:

- 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 other legal requirements. The property, consisting of land and a 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.

FIGURE 6.7 Registering property: efficiency and quality of land administration system



Procedures

A procedure is defined as any interaction of the buyer, the seller or their agents (if an agent is legally or in practice required) with external parties, including government agencies, inspectors, public notaries, architects, surveyors, among others. Interactions between company officers and employees are not considered. All procedures that are legally or in practice required for registering property are recorded, even if they may be avoided in

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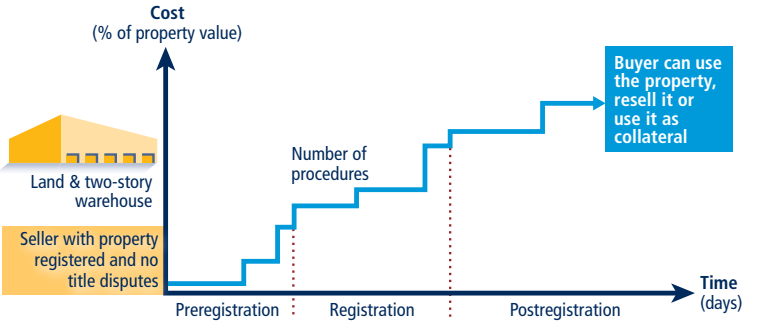
FIGURE 6.8 What are the time, cost and number of procedures required to transfer property between two local companies?



exceptional cases (table 6.5). Each electronic procedure is counted as a separate procedure. Payment of capital gains tax can be counted as a separate procedure but is excluded from the cost measure. If a procedure can be accelerated legally for an additional cost, the fastest procedure is chosen if that option is more beneficial to the location's score and if it is used by the majority of property owners. Although the buyer may use lawyers or other professionals where necessary in the registration process, it is assumed that the buyer does not employ an outside facilitator in the registration process unless legally or in practice required to do so.

TABLE 6.5 What do the indicators on the efficiency of transferring property 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 selected city
Postregistration procedures (for example, filing 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 considered completed once final document is received
No prior contact with officials
Cost required to complete each procedure (% of property value)
Official costs only, no bribes
No value added or capital gains taxes included

Time

Time is recorded in calendar days. The measure captures the median duration that property lawyers, notaries, or registry officials indicate is necessary to complete a procedure. It is assumed that the minimum time required for each procedure is one day, except for procedures that can be fully completed online, for which the minimum time required is recorded as half a day. Although procedures may take place simultaneously, they cannot start on the same day (again except for procedures that can be fully completed online). For online cases, each simultaneous procedure starts half a day after the previous one. It is assumed that the buyer does not waste time and commits to completing each remaining procedure without delay. It is assumed that the parties involved are aware of all requirements and their sequence from the beginning. The time spent preparing information to fill in forms is not measured.

Cost

Cost is recorded as a percentage of the property value, assumed to be equivalent to 50 times income per capita. Only official costs required by law are recorded, including fees, transfer taxes, stamp duties and any other payment to the property registry, notaries, public agencies or lawyers. Other taxes, such as capital gains tax or value added tax (VAT), are excluded from the cost measure. However, in locations where transfer tax can be substituted by VAT, transfer tax will be recorded instead. Both costs borne by the buyer and the seller are included. If cost estimates differ among sources, the median reported value is used.

QUALITY OF LAND ADMINISTRATION

The quality of land administration index is composed of five other indices: the reliability of infrastructure, transparency of information, geographic coverage, land dispute resolution and equal access to property rights (table 6.6). Data are collected for each of the selected cities.

Reliability of infrastructure index

The reliability of infrastructure index has six components:

- In what format past and newly-issued land records are kept at the immovable property registry of the selected city. A score of 2 is assigned if the land title certificates are fully digital; 1 if scanned; 0 if kept in paper format.
- Whether there is a comprehensive and functional electronic database for checking all encumbrances, charges or privileges affecting a registered property's encumbrances. A score of 1 is assigned if yes; 0 if no.
- In what format past and newly-issued cadastral plans are kept at the mapping agency of the selected city. A score of 2 is assigned if the cadastral plans are fully digital; 1 if scanned; 0 if kept in paper format.
- Whether there is a geographic information system (a fully digital geographic representation of the land plot)—an electronic database for recording boundaries, checking plans and providing cadastral information. A score of 1 is assigned if yes; 0 if no.
- Whether the land ownership registry and mapping agency are linked. A

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TABLE 6.6 What do the indicators on the quality of land administration measure?
Reliability of infrastructure index (0–8)
Type of system for archiving information on land ownership
Availability of electronic database to check for encumbrances
Type of system for archiving maps
Availability of geographic information system
Link between property ownership registry and mapping system
Transparency of information index (0–6)
Accessibility of information on land ownership
Accessibility of maps of land plots
Publication of fee schedules, lists of registration documents, service standards
Availability of a specific and separate mechanism for complaints
Publication of statistics about the number of property transactions
Geographic coverage index (0–8)
Coverage of land registry at the level of the selected location and the economy
Coverage of mapping agency at the level of the selected location and the economy
Land dispute resolution index (0–8)
Legal framework for immovable property registration
Mechanisms to prevent and resolve land disputes
Equal access to property rights index (-2–0)
Unequal ownership rights to property between unmarried men and women
Unequal ownership rights to property between married men and women
Quality of land administration index (0–30)
Sum of the reliability of infrastructure, transparency of information, geographic coverage, land dispute resolution and equal access to property rights indices

score of 1 is assigned if information about land ownership and maps is kept in a single database or in linked databases; 0 if there is no connection between different databases.

- Whether both the immovable property registry and the mapping agency use the same identification number for properties. A score of 1 is assigned if yes; or 0 if no.

The index ranges from 0 to 8, with higher values indicating a higher quality of infrastructure for ensuring the reliability of information on property titles and boundaries. In Turkey, for example, the land registry offices in Istanbul maintain titles in a fully digital format (a score of 2) and have a fully electronic database to check for encumbrances (a score of 1). The Cadastral Directorate offices in Istanbul have fully digital maps (a score of 2), and the Geographical Information Directorate has a public portal allowing users to check the plans and cadastral information on parcels along with satellite images (a score of 1). Databases about land ownership and maps are linked to each other through the TAKBIS system, an integrated information system for the land registry offices and cadastral offices (a score of 1). Finally, there is a unique identifying number for properties (a score of 1). Adding these numbers gives Turkey a score of 8 on the reliability of infrastructure index.

Transparency of information index

The transparency of information index has 10 components:

- Whether information on land ownership is made publicly available. A score of 1 is assigned if information on land ownership is accessible by anyone; 0 if access is restricted.
- Whether the list of documents required for completing all types of property transactions is made publicly available. A score of 0.5 is assigned if the list of documents is accessible online or on a public board; 0 if it is not made available to the public or if it can be obtained only in person.
- Whether the fee schedule for completing all types of property transactions is made easily available to the public. A score of 0.5 is assigned if the fee schedule is easily accessible online or on a public board free of charge; 0 if it is not made available to the public or if it can be obtained only in person.
- Whether the immovable property agency formally specifies the time frame to deliver a legally binding document proving property ownership. A score of 0.5 is assigned if such service standard is accessible online or on a public board; 0 if it is not made available to the public or if it can be obtained only in person.
- Whether there is a specific and independent mechanism for filing complaints about a problem that occurred at the agency in charge of immovable property registration. A score of 1 is assigned if there is a specific and independent mechanism for filing a complaint; 0 if there is only a general mechanism or no mechanism.
- Whether there are publicly available official statistics tracking the number of transactions at the immovable property registration agency in the selected city. A score of 0.5 is assigned if statistics are published about property transfers in the selected city in the past calendar year at the latest on May 1st of the following year; 0 if no such statistics are made publicly available.
- Whether cadastral plans are made publicly available. A score of 0.5 is assigned if cadastral plans are accessible by anyone; a score of 0 is assigned if access is restricted.
- Whether the fee schedule for accessing cadastral plan is made easily available to the public. A score of 0.5 is assigned if the fee schedule is easily

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accessible online or on a public board free of charge; 0 if it is not made available to the public or if it can be obtained only in person.
- Whether the mapping agency formally specifies the time frame to deliver an updated cadastral plan. A score of 0.5 is assigned if the service standard is accessible online or on a public board; 0 if it is not made available to the public or if it can be obtained only in person.
- Whether there is a specific and independent mechanism for filing complaints about a problem that occurred at the mapping agency. A score of 0.5 is assigned if there is a specific and independent mechanism for filing a complaint; 0 if there is only a general mechanism or no mechanism.

The index ranges from 0 to 6, with higher values indicating greater transparency in the land administration system. In the Netherlands, for example, anyone who pays a fee can consult the land ownership database (a score of 1). Information can be obtained at the office, by mail, or online using the Kadaster website (http://www.kadaster.nl). Anyone can also easily access the information online about the list of documents to submit for property registration (a score of 0.5), the fee schedule for registration (a score of 0.5), and the service standards (a score of 0.5). And anyone facing a problem at the land registry can file a complaint or report an error by filling out a specific form online (a score of 1). In addition, the Kadaster makes statistics about land transactions available to the public, reporting a total of 34,908 property transfers in Amsterdam in 2019 (a score of 0.5). Moreover, anyone who pays a fee can consult online cadastral maps (a score of 0.5). It is also possible to get public access to the fee schedule for map consultation (a score of 0.5), the service standards for delivery of an updated plan (a score of 0.5), and a specific mechanism for filing a complaint about a map (a score of 0.5). Adding these numbers gives the Netherlands a score of 6 on the transparency of information index.

Geographic coverage index

The geographic coverage index has four components:

- How complete the coverage of the land registry is at the level of the selected city. A score of 2 is assigned if all privately held land plots in the city are formally registered at the land registry; 0 if not.
- How complete the coverage of the land registry is at the level of the economy. A score of 2 is assigned if all privately held land plots in the economy are formally registered at the land registry; 0 if not.
- How complete the coverage of the mapping agency is at the level of the selected city. A score of 2 is assigned if all privately held land plots in the city are mapped; 0 if not.
- How complete the coverage of the mapping agency is at the level of the economy. A score of 2 is assigned if all privately held land plots in the economy are mapped; 0 if not.

The index ranges from 0 to 8, with higher values indicating greater geographic coverage in land ownership registration and cadastral mapping. In Japan, for example, all privately held land plots are formally registered at the land registry in Tokyo and Osaka (a score of 2) and the economy as a whole (a score of 2). Also, all privately held land plots are mapped in both cities (a score of 2) and the economy as a whole (a score of 2). Adding these numbers gives Japan a score of 8 on the geographic coverage index.

Land dispute resolution index

The land dispute resolution index assesses the legal framework for immovable property registration and the accessibility of dispute resolution mechanisms. The index has eight components:

- Whether the law requires that all property sale transactions be registered at the immovable property registry to make them opposable to third parties. A score of 1.5 is assigned if yes; 0 if no.
- Whether the formal system of immovable property registration is subject to a guarantee. A score of 0.5 is assigned if either a state or private guarantee over immovable property registration is required by law; 0 if no such guarantee is required.
- Whether there 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. A score of 0.5 is assigned if yes; 0 if no.
- Whether the legal system requires verification of the legal validity of the documents (such as the sales, transfer or conveyance deed) necessary for a property transaction. A score of 0.5 is assigned if there is a review of legal validity, either by the registrar or by a professional (such as a notary or a lawyer); 0 if there is no review.
- Whether the legal system requires verification of the identity of the parties to a property transaction. A score of 0.5 is assigned if there is verification of identity, either by the registrar or by a professional (such as a notary or a lawyer); 0 if there is no verification.
- Whether there is a national database to verify the accuracy of government-issued identity documents. A score of 1 is assigned if such a national database is available; 0 if not.
- How much time it takes to obtain a decision from a court of first instance (without an appeal) in a standard land dispute between two local businesses over tenure rights worth 50 times income per capita and located in the selected city. A score of 3 is assigned if it takes less than one year; 2 if it takes between one and two years; 1 if it takes between two and three years; 0 if it takes more than three years.
- Whether there are publicly available statistics on the number of land disputes in the local first instance court. A score of 0.5 is assigned if statistics are published about land disputes in the past calendar year; 0 if no such statistics are made publicly available.

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The index ranges from 0 to 8, with higher values indicating greater protection against land disputes. In the United Kingdom, for example, according to the Land Registration Act 2002 property transactions must be registered at the land registry to make them opposable to third parties (a score of 1.5). The property transfer system is guaranteed by the state (a score of 0.5) and has a compensation mechanism to cover losses incurred by parties who engaged in good faith in a property transaction based on an error by the registry (a score of 0.5). In accordance with the Proceeds of Crime Act 2002 and the Money Laundering Regulations 2007, a lawyer verifies the legal validity of the documents in a property transaction (a score of 0.5) and the identity of the parties (a score of 0.5). The United Kingdom has a national database to verify the accuracy of identity documents (a score of 1). In a land dispute between two British companies over the tenure rights of a property, the Land Registration division of the Property Chamber (First-tier Tribunal) gives a decision in less than one year (a score of 3). Finally, statistics about land disputes are collected and published; there were a total of 1,013 land disputes in the country in 2019 (a score of 0.5). Adding these numbers gives the United Kingdom a score of 8 on the land dispute resolution index.

Equal access to property rights index

The equal access to property rights index has two components:

- Whether unmarried men and unmarried women have equal ownership rights to property. A score of -1 is assigned if there are unequal ownership rights to property; 0 if there is equality.
- Whether married men and married women have equal ownership rights to property. A score of -1 is assigned if there are unequal ownership rights to property; 0 if there is equality.

Ownership rights cover the ability to manage, control, administer, access, encumber, receive, dispose of and transfer property. Each restriction is considered if there is a differential treatment for men and women in the law considering the default marital property regime. For customary land systems, equality is assumed unless there is a general legal provision stating a differential treatment.

The index ranges from -2 to 0, with higher values indicating greater inclusiveness of property rights. In Mali, for example, unmarried men and unmarried women have equal ownership rights to property (a score of 0). The same applies to married men and women who can use their property in the same way (a score of 0). Adding these numbers gives Mali a score of 0 on the equal access to property rights index—which indicates equal property rights between men and women. By contrast, in Tonga unmarried men and unmarried women do not have equal ownership rights to property according to the Land Act [Cap 132], Sections 7, 45 and 82 (a score of -1). The same applies to married men and women who are not permitted to use their property in the same way according to the Land Act [Cap 132], Sections 7, 45 and 82 (a score of -1). Adding these numbers gives Tonga a score of -2 on the equal access to property rights index—which indicates unequal property rights between men and women.

Quality of land administration index

The quality of land administration index is the sum of the scores on the reliability of infrastructure, transparency of information, geographic coverage, land dispute resolution and equal access to property indices. The index ranges from 0 to 30 with higher values indicating better quality of the land administration system.

The data details on registering property can be found for each economy at http://www.doingbusiness.org.

ENFORCING CONTRACTS

Doing Business measures the time and cost for resolving a commercial dispute through a local first-instance court (table 6.7) and the quality of judicial processes index, evaluating whether each location has adopted a series of good practices that promote quality and efficiency in the court system. The data are collected through study of the codes of civil procedure and other court regulations as well as questionnaires completed by local litigation lawyers and judges. The ranking of locations 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 6.9).

EFFICIENCY OF RESOLVING A COMMERCIAL DISPUTE

The data on time and cost are built by following the step-by-step evolution of a commercial sale dispute (figure 6.10). The data are collected for a specific court for each city covered, under the assumptions about the case described below. The "competent court" is the one with jurisdiction over disputes worth 200% of income per capita or $5,000, whichever is greater. Whenever more than one court has original jurisdiction over a case comparable to the standardized case

TABLE 6.7 What do the indicators on the efficiency of resolving a commercial dispute 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)
Average attorney fees
Court costs
Enforcement costs

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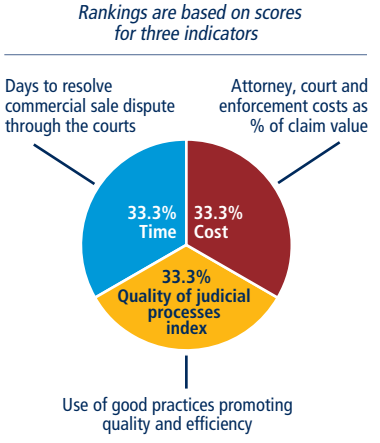
FIGURE 6.9 Enforcing contracts: efficiency and quality of commercial dispute resolution



study, the data are collected based on the court that would be used by litigants in the majority of cases. The name of the relevant court in each economy is published on the *Doing Business* website at http://www.doingbusiness.org/data/exploretopics/enforcing-contracts.

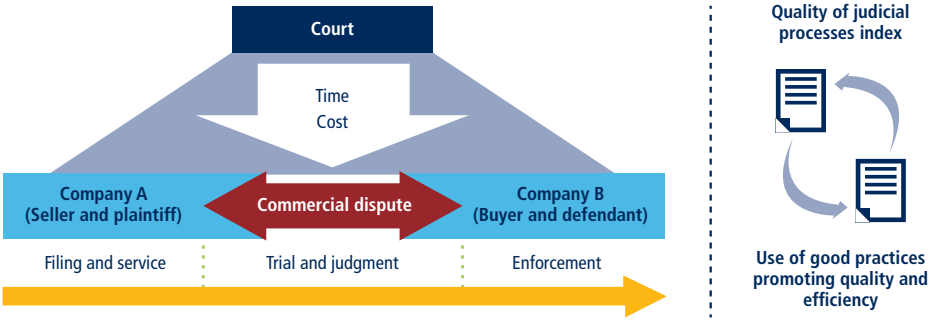
Assumptions about the case

- The value of the claim is equal to 200% of the economy's income per capita or $5,000, whichever is greater.
- The dispute concerns a lawful transaction between two businesses (Seller and Buyer), both located in the selected city. Pursuant to a contract between the businesses, Seller sells some custom-made furniture to Buyer worth 200% of the economy's income per capita or $5,000, whichever is greater. After Seller delivers the goods to Buyer, Buyer refuses to pay the contract price, alleging that the goods are not of adequate quality. Because they were custom-made, Seller is unable to sell them to anyone else.
- Seller (the plaintiff) sues Buyer (the defendant) to recover the amount under the sales agreement. The dispute is brought before the court located in the selected city with jurisdiction over commercial cases worth 200% of income per capita or $5,000, whichever is greater.
- At the outset of the dispute, Seller decides to attach Buyer's movable assets (for example, office equipment and vehicles) because Seller fears that Buyer may hide its assets or otherwise become insolvent.
- The claim is disputed on the merits because of Buyer's allegation that the quality of the goods was not adequate. Because the court cannot decide the case on the basis of documentary evidence or legal title alone, an expert opinion is given on the quality of the goods. If it is standard practice in the economy for each party to call its own expert witness, the parties each call one expert witness. If it is standard practice for the judge to appoint an independent expert, the judge does so. In this case the judge does not allow opposing expert testimony.
- Following the expert opinion, the judge decides that the goods delivered by Seller were of adequate quality and that Buyer must pay the contract price. The judge thus renders a final judgment that is 100% in favor of Seller.
- Buyer does not appeal the judgment. Seller decides to start enforcing the judgment as soon as the time allocated by law for appeal lapses.
- Seller takes all required steps for prompt enforcement of the judgment. The money is successfully collected through a public sale of Buyer's movable assets (for example, office equipment and vehicles). It is assumed that Buyer does not have any money on her/his bank account, making it impossible for the judgment to be enforced through a seizure of the Buyer's accounts.

Time

Time is recorded in calendar days, counted from the moment Seller decides to file the lawsuit in court until payment. This includes both the days when actions take place and the waiting periods in between. The average duration of the following three different stages of dispute resolution is recorded: (i) filing and service; (ii) trial and judgment; and (iii) enforcement. Time is recorded considering the case study assumptions detailed above and

FIGURE 6.10 What are the time and cost to resolve a commercial dispute through the courts?



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only as applicable to the competent court. Time is recorded in practice, regardless of time limits set by law if such time limits are not respected in the majority of cases.

The filing and service phase includes:

- The time for Seller to try and obtain payment out of court through a non-litigious demand letter, including the time to prepare the letter and the deadline that would be provided to Buyer to comply.
- The time necessary for a local lawyer to write the initial complaint and gather all supporting documents needed for filing, including authenticating or notarizing them, if required.
- The time necessary to file the complaint at the court.
- The time necessary for Buyer to be served, including the processing time at the court and the waiting periods between unsuccessful attempts if more than one attempt is usually required.

The trial and judgment phase includes:

- The time between the moment the case is served on Buyer and the moment a pre-trial conference is held, if such pre-trial conference is part of the case management techniques used by the competent court.
- The time between the pre-trial conference and the first hearing, if a pre-trial conference is part of the case management techniques used by the competent court. If not, the time between the moment the case is served on Buyer and the moment the first hearing is held.
- The time to conduct all trial activities, including exchanges of briefs and evidence, multiple hearings, waiting times in between hearings and obtaining an expert opinion.
- The time necessary for the judge to issue a written final judgment once the evidence period has closed.
- The time limit for appeal.

The enforcement phase includes:

- The time it takes to obtain an enforceable copy of the judgment and contact the relevant enforcement office.
- The time it takes to locate, identify, seize and transport the losing party's movable assets (including the time necessary to obtain an order from the court to attach and seize the assets, if applicable).
- The time it takes to advertise, organize and hold the auction. If more than one auction would usually be required to fully recover the value of claim in a case comparable to the standardized case study, then the time between multiple auction attempts is recorded.
- The time it takes for the winning party to fully recover the value of the claim once the auction is successfully completed.

Cost

Cost is recorded as a percentage of the claim value, assumed to be equivalent to 200% of income per capita or $5,000, whichever is greater. Three types of costs are recorded: average attorney fees, court costs and enforcement costs.

Average attorney fees are the fees that Seller (plaintiff) must advance to a local attorney to represent Seller in the standardized case, regardless of final reimbursement. Court costs include all costs that Seller (plaintiff) must advance to the court, regardless of the final cost borne by Seller. Court costs include the fees that the parties must pay to obtain an expert opinion, regardless of whether they are paid to the court or to the expert directly. Enforcement costs are all costs that Seller (plaintiff) must advance to enforce the judgment through a public sale of Buyer's movable assets, regardless of the final cost borne by Seller. Bribes are not taken into account.

QUALITY OF JUDICIAL PROCESSES

The quality of judicial processes index measures whether each location has adopted a series of good practices in its court system in four areas: court structure and proceedings, case management, court automation and alternative dispute resolution (table 6.8).

TABLE 6.8 What do the indicators on the quality of judicial processes measure?

Court structure and proceedings index (-1–5)
Availability of specialized commercial court, division or section (0–1.5)
Availability of small claims court or simplified procedure for small claims (0–1.5)
Availability of pretrial attachment (0–1)
Criteria used to assign cases to judges (0–1)
Evidentiary weight of a woman's testimony (-1–0)
Case management index (0–6)
Regulations setting time standards for key court events (0–1)
Regulations on adjournments or continuances (0–1)
Availability of performance measurement mechanisms (0–1)
Availability of pretrial conference (0–1)
Availability of electronic case management system for judges (0–1)
Availability of electronic case management system for lawyers (0–1)
Court automation index (0–4)
Ability to file initial complaint electronically (0–1)
Ability to serve initial complaint electronically (0–1)
Ability to pay court fees electronically (0–1)
Publication of judgments (0–1)
Alternative dispute resolution index (0–3)
Arbitration (0–1.5)
Voluntary mediation or conciliation (0–1.5)
Quality of judicial processes index (0–18)
Sum of the court structure and proceedings, case management, court automation and alternative dispute resolution indices

Court structure and proceedings index

The court structure and proceedings index has five components:

- Whether a specialized commercial court, section or division dedicated solely to hearing commercial cases is in place. A score of 1.5 is assigned if yes; 0 if no.
- Whether a small claims court and/or a fast-track procedure for small claims is in place. A score of 1 is assigned if such a court or procedure is in place, it is applicable to all civil cases and the law sets a cap on the value of cases that can be handled through this court or procedure. The point is assigned only if this court applies a simplified

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procedure or if the procedure for small claims is simplified. An additional score of 0.5 is assigned if parties can represent themselves before this court or during this procedure. If no small claims court or fast-track procedure is in place, a score of 0 is assigned.

- Whether plaintiffs can obtain pretrial attachment of the defendant's movable assets if they fear the assets may be moved out of the jurisdiction or otherwise dissipated. A score of 1 is assigned if yes; 0 if no.
- Whether cases are assigned randomly and automatically to judges throughout the competent court. A score of 1 is assigned if the assignment of cases is random and automated; 0.5 if it is random but not automated; 0 if it is neither random nor automated.
- Whether a woman's testimony carries the same evidentiary weight in court as a man's. A score of -1 is assigned if the law differentiates between the evidentiary value of a woman's testimony and that of a man in any type of civil case, including family cases; 0 if it does not.

The index ranges from 0 to 5, with higher values indicating a more sophisticated and streamlined court structure. In Bosnia and Herzegovina, for example, a specialized commercial court is in place (a score of 1.5), and small claims can be resolved through a dedicated division in which self-representation is allowed (a score of 1.5). Plaintiffs can obtain pretrial attachment of the defendant's movable assets if they fear dissipation during trial (a score of 1). Cases are assigned randomly through an electronic case management system (a score of 1). A woman's testimony carries the same evidentiary weight in court as a man's (a score of 0). Adding these numbers gives Bosnia and Herzegovina a score of 5 on the court structure and proceedings index.

Case management index

The case management index has six components:

- Whether any of the applicable laws or regulations on civil procedure contain time standards for at least three of the following key court events: (i) service of process; (ii) first hearing; (iii) filing of the statement of defense; (iv) completion of the evidence period; (v) filing of testimony by expert; and (vi) submission of the final judgment. A score of 1 is assigned if such time standards are available and respected in more than 50% of cases; 0.5 if they are available but not respected in more than 50% of cases; 0 if there are time standards for less than three of these key court events or for none.
- Whether there are any laws regulating the maximum number of adjournments or continuances that can be granted, whether adjournments are limited by law to unforeseen and exceptional circumstances and whether these rules are respected in more than 50% of cases. A score of 1 is assigned if all three conditions are met; 0.5 if only two of the three conditions are met; 0 if only one of the conditions is met or if none are.
- Whether there are any publicly available performance measurement reports about the competent court to monitor the court's performance, to track the progress of cases through the court and to ensure compliance with established time standards. A score of 1 is assigned if at least two of the following four reports are made publicly available: (i) time to disposition report (measuring the time the court takes to dispose/adjudicate its cases); (ii) clearance rate report (measuring the number of cases resolved versus the number of incoming cases); (iii) age of pending cases report (providing a snapshot of all pending cases according to case type, case age, last action held and next action scheduled); and (iv) single case progress report (providing a snapshot of the status of one single case). A score of 0 is assigned if only one of these reports is available or if none are.
- Whether a pretrial conference is among the case management techniques used in practice before the competent court and at least three of the following issues are discussed during the pretrial conference: (i) scheduling (including the time frame for filing motions and other documents with the court); (ii) case complexity and projected length of trial; (iii) possibility of settlement or alternative dispute resolution; (iv) exchange of witness lists; (v) evidence; (vi) jurisdiction and other procedural issues; and (vii) narrowing down of contentious issues. A score of 1 is assigned if a pretrial conference in which at least three of these events are discussed is held within the competent court; 0 if not.
- Whether judges within the competent court can use an electronic case management system for at least four of the following purposes: (i) to access laws, regulations and case law; (ii) to automatically generate a hearing schedule for all cases on their docket; (iii) to send notifications (for example, e-mails) to lawyers; (iv) to track the status of a case on their docket; (v) to view and manage case documents (briefs, motions); (vi) to assist in writing judgments; (vii) to semi-automatically generate court orders; and (viii) to view court orders and judgments in a particular case. A score of 1 is assigned if an electronic case management system is available that judges can use for at least four of these purposes; 0 if not.
- Whether lawyers can use an electronic case management system for at least four of the following purposes: (i) to access laws, regulations and case law; (ii) to access forms to be submitted to the court; (iii) to receive notifications (for example, e-mails); (iv) to track the status of a case; (v) to view and manage case documents (briefs, motions); (vi) to file briefs and documents with the court; and (vii) to view court orders and decisions in a particular case. A score of 1 is assigned if an electronic case management system that lawyers can use for at least four of these purposes is available; 0 if not.

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The index ranges from 0 to 6, with higher values indicating a more qualitative and efficient case management system. In Australia, for example, time standards for at least three key court events are established in applicable civil procedure instruments and are respected in more than 50% of cases (a score of 1). The law stipulates that adjournments can be granted only for unforeseen and exceptional circumstances and this rule is respected in more than 50% of cases (a score of 0.5). A time to disposition report, a clearance rate report and an age of pending cases report can be generated about the competent court (a score of 1). A pretrial conference is among the case management techniques used before the District Court of New South Wales (a score of 1). An electronic case management system satisfying the criteria outlined above is available to judges (a score of 1) and to lawyers (a score of 1). Adding these numbers gives Australia a score of 5.5 on the case management index, the highest score attained by any economy on this index.

Court automation index

The court automation index has four components:

- Whether the initial complaint can be filed electronically through a dedicated platform (not e-mail or fax) within the competent court. A score of 1 is assigned if such a platform is available and litigants are not required to follow up with a hard copy of the complaint; 0 if not. Electronic filing is acknowledged regardless of the percentage of users, as long as no additional in-person interactions are required, and local experts have used it enough to be able to confirm that it is fully functional.
- Whether the initial complaint can be served on the defendant electronically, through a dedicated system or by e-mail, fax or short message service (SMS), for cases filed before the competent court. A score of 1 is assigned if electronic service is available and no further service of process is required; 0 if not. Electronic service is acknowledged regardless of the percentage of users, as long as no additional in-person interactions are required, and local experts have used it enough to be able to confirm that it is fully functional.
- Whether court fees can be paid electronically for cases filed before the competent court, either through a dedicated platform or through online banking. A score of 1 is assigned if fees can be paid electronically and litigants are not required to follow-up with a hard copy of the receipt or produce a stamped copy of the receipt; 0 if not. Electronic payment is acknowledged regardless of the percentage of users, as long as no additional in-person interactions are required, and local experts have used it enough to be able to confirm that it is fully functional.
- Whether judgments rendered by local courts are made available to the general public through publication in official gazettes, in newspapers or on the internet. A score of 1 is assigned if judgments rendered in commercial cases at all levels are made available to the general public; 0.5 if only judgments rendered at the appeal and supreme court level are made available to the general public; 0 in all other instances. No points are awarded if judgments need to be individually requested from the court, or if the case number or parties' details are required in order to obtain a copy of a judgment.

The index ranges from 0 to 4, with higher values indicating a more automated, efficient and transparent court system. In Estonia, for example, the initial summons can be filed online (a score of 1), it can be served on the defendant electronically (a score of 1), and court fees can be paid electronically as well (a score of 1). In addition, judgments in commercial cases at all levels are made publicly available through the internet (a score of 1). Adding these numbers gives Estonia a score of 4 on the court automation index.

Alternative dispute resolution index

The alternative dispute resolution index has six components:

- Whether domestic commercial arbitration is governed by a consolidated law or consolidated chapter or section of the applicable code of civil procedure encompassing substantially all its aspects. A score of 0.5 is assigned if yes; 0 if no.
- Whether commercial disputes of all kinds—aside from those dealing with public order, public policy, bankruptcy, consumer rights, employment issues or intellectual property—can be submitted to arbitration. A score of 0.5 is assigned if yes; 0 if no.
- Whether valid arbitration clauses or agreements are enforced by local courts in more than 50% of cases. A score of 0.5 is assigned if yes; 0 if no.
- Whether voluntary mediation, conciliation or both are a recognized way of resolving commercial disputes. A score of 0.5 is assigned if yes; 0 if no.
- Whether voluntary mediation, conciliation or both are governed by a consolidated law or consolidated chapter or section of the applicable code of civil procedure encompassing substantially all their aspects. A score of 0.5 is assigned if yes; 0 if no.
- Whether there are any financial incentives for parties to attempt mediation or conciliation (for example, if mediation or conciliation is successful, a refund of court filing fees, an income tax credit or the like). A score of 0.5 is assigned if yes; 0 if no.

The index ranges from 0 to 3, with higher values associated with greater availability of alternative dispute resolution mechanisms. In Israel, for example, arbitration is regulated through a dedicated statute (a score of 0.5), all relevant commercial disputes can be submitted to arbitration (a score of 0.5), and valid arbitration clauses are usually enforced by the courts (a score of 0.5). Voluntary mediation is a recognized way of resolving commercial disputes (a score of 0.5), it

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is regulated through a dedicated statute (a score of 0.5), and part of the filing fees is reimbursed if the process is successful (a score of 0.5). Adding these numbers gives Israel a score of 3 on the alternative dispute resolution index.

Quality of judicial processes index

The quality of judicial processes index is the sum of the scores on the court structure and proceedings, case management, court automation and alternative dispute resolution indices. The index ranges from 0 to 18, with higher values indicating better and more efficient judicial processes.

The data details on enforcing contracts can be found for each economy at http://www.doingbusiness.org. This methodology was initially developed by Simeon Djankov, Rafael La Porta, Florencio López-de-Silanes and Andrei Shleifer ("Courts," Quarterly Journal of Economics *118, no. 2 [2003]: 453–517) and is adopted here with several changes. The quality of judicial processes index was introduced in* Doing Business 2016. *The good practices tested in this index were developed on the basis of internationally recognized good practices promoting judicial efficiency.*

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City Snapshots and Indicator Details

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Austria

AUSTRIA

Bregenz

Starting a business (rank)	2
Score for starting a business (0–100)	82.21
Procedures (number)	9
Time (days)	19.5
Cost (% of income per capita)	4.5
Paid-in minimum capital (% of income per capita)	11.1

Dealing with construction permits (rank)	1
Score for dealing with construction permits (0–100)	83.64
Procedures (number)	8
Time (days)	151.5
Cost (% of warehouse value)	0.8
Building quality control index (0–15)	13

Getting electricity (rank)	7
Score for getting electricity (0–100)	86.38
Procedures (number)	5
Time (days)	36
Cost (% of income per capita)	67.8
Reliability of supply and transparency of tariffs index (0–8)	7

Registering property (rank)	5
Score for registering property (0–100)	77.74
Procedures (number)	4
Time (days)	21.5
Cost (% of property value)	4.6
Quality of land administration index (0–30)	23

Enforcing contracts (rank)	2
Score for enforcing contracts (0–100)	71.00
Time (days)	425
Cost (% of claim value)	23.1
Quality of judicial processes index (0–18)	11.5

Graz

Starting a business (rank)	7
Score for starting a business (0–100)	80.95
Procedures (number)	9
Time (days)	24.5
Cost (% of income per capita)	4.5
Paid-in minimum capital (% of income per capita)	11.1

Dealing with construction permits (rank)	3
Score for dealing with construction permits (0–100)	77.16
Procedures (number)	10
Time (days)	214
Cost (% of warehouse value)	0.8
Building quality control index (0–15)	13

Getting electricity (rank)	6
Score for getting electricity (0–100)	86.62
Procedures (number)	5
Time (days)	34
Cost (% of income per capita)	60.5
Reliability of supply and transparency of tariffs index (0–8)	7

Registering property (rank)	3
Score for registering property (0–100)	80.18
Procedures (number)	3
Time (days)	18.5
Cost (% of property value)	4.6
Quality of land administration index (0–30)	23

Enforcing contracts (rank)	7
Score for enforcing contracts (0–100)	67.04
Time (days)	548
Cost (% of claim value)	24.7
Quality of judicial processes index (0–18)	11.5

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Innsbruck

Starting a business (rank)	2
Score for starting a business (0–100)	82.21
Procedures (number)	9
Time (days)	19.5
Cost (% of income per capita)	4.5
Paid-in minimum capital (% of income per capita)	11.1

Dealing with construction permits (rank)	2
Score for dealing with construction permits (0–100)	80.52
Procedures (number)	10
Time (days)	168
Cost (% of warehouse value)	0.7
Building quality control index (0–15)	13

Getting electricity (rank)	2
Score for getting electricity (0–100)	90.38
Procedures (number)	4
Time (days)	37
Cost (% of income per capita)	85.2
Reliability of supply and transparency of tariffs index (0–8)	7

Registering property (rank)	4
Score for registering property (0–100)	77.98
Procedures (number)	4
Time (days)	19.5
Cost (% of property value)	4.6
Quality of land administration index (0–30)	23

Enforcing contracts (rank)	4
Score for enforcing contracts (0–100)	68.48
Time (days)	488
Cost (% of claim value)	25.2
Quality of judicial processes index (0–18)	11.5

Klagenfurt

Starting a business (rank)	4
Score for starting a business (0–100)	81.96
Procedures (number)	9
Time (days)	20.5
Cost (% of income per capita)	4.5
Paid-in minimum capital (% of income per capita)	11.1

Dealing with construction permits (rank)	7
Score for dealing with construction permits (0–100)	71.09
Procedures (number)	11
Time (days)	278
Cost (% of warehouse value)	1.1
Building quality control index (0–15)	13

Getting electricity (rank)	3
Score for getting electricity (0–100)	89.34
Procedures (number)	4
Time (days)	46
Cost (% of income per capita)	104.2
Reliability of supply and transparency of tariffs index (0–8)	7

Registering property (rank)	6
Score for registering property (0–100)	77.38
Procedures (number)	4
Time (days)	24.5
Cost (% of property value)	4.6
Quality of land administration index (0–30)	23

Enforcing contracts (rank)	6
Score for enforcing contracts (0–100)	68.18
Time (days)	490
Cost (% of claim value)	25.9
Quality of judicial processes index (0–18)	11.5

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Linz

Starting a business (rank)	4
Score for starting a business (0–100)	81.96
Procedures (number)	9
Time (days)	20.5
Cost (% of income per capita)	4.5
Paid-in minimum capital (% of income per capita)	11.1

Dealing with construction permits (rank)	6
Score for dealing with construction permits (0–100)	73.02
Procedures (number)	10
Time (days)	273
Cost (% of warehouse value)	0.7
Building quality control index (0–15)	13

Getting electricity (rank)	1
Score for getting electricity (0–100)	91.68
Procedures (number)	4
Time (days)	25
Cost (% of income per capita)	88.3
Reliability of supply and transparency of tariffs index (0–8)	7

Registering property (rank)	1
Score for registering property (0–100)	80.54
Procedures (number)	3
Time (days)	15.5
Cost (% of property value)	4.6
Quality of land administration index (0–30)	23

Enforcing contracts (rank)	3
Score for enforcing contracts (0–100)	69.36
Time (days)	443
Cost (% of claim value)	26.2
Quality of judicial processes index (0–18)	11.5

Salzburg

Starting a business (rank)	1
Score for starting a business (0–100)	82.96
Procedures (number)	9
Time (days)	16.5
Cost (% of income per capita)	4.5
Paid-in minimum capital (% of income per capita)	11.1

Dealing with construction permits (rank)	4
Score for dealing with construction permits (0–100)	77.10
Procedures (number)	11
Time (days)	201
Cost (% of warehouse value)	0.8
Building quality control index (0–15)	13

Getting electricity (rank)	4
Score for getting electricity (0–100)	88.83
Procedures (number)	4
Time (days)	50
Cost (% of income per capita)	131.2
Reliability of supply and transparency of tariffs index (0–8)	7

Registering property (rank)	7
Score for registering property (0–100)	76.66
Procedures (number)	4
Time (days)	30.5
Cost (% of property value)	4.6
Quality of land administration index (0–30)	23

Enforcing contracts (rank)	5
Score for enforcing contracts (0–100)	68.23
Time (days)	505
Cost (% of claim value)	24.7
Quality of judicial processes index (0–18)	11.5

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Vienna

Starting a business (rank)	6
Score for starting a business (0–100)	81.71
Procedures (number)	9
Time (days)	21.5
Cost (% of income per capita)	4.5
Paid-in minimum capital (% of income per capita)	11.1

Getting electricity (rank)	5
Score for getting electricity (0–100)	88.43
Procedures (number)	4
Time (days)	55
Cost (% of income per capita)	83.0
Reliability of supply and transparency of tariffs index (0–8)	7

Enforcing contracts (rank)	1
Score for enforcing contracts (0–100)	72.73
Time (days)	498
Cost (% of claim value)	20.6
Quality of judicial processes index (0–18)	13.0

Dealing with construction permits (rank)	5
Score for dealing with construction permits (0–100)	75.31
Procedures (number)	11
Time (days)	220.5
Cost (% of warehouse value)	1.1
Building quality control index (0–15)	13

Registering property (rank)	2
Score for registering property (0–100)	80.30
Procedures (number)	3
Time (days)	17.5
Cost (% of property value)	4.6
Quality of land administration index (0–30)	23

Note: Data for Vienna are not considered official until published in the *Doing Business 2021* report.

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STARTING A BUSINESS IN AUSTRIA - PROCEDURES REQUIRED TO START A BUSINESS, BY CITY

Standard company legal form: Gesellschaft mit beschränkter Haftung (GmbH) *Paid-in minimum capital requirement: EUR 5,000* *Data as of: December 31, 2021*		Bregenz	Graz	Innsbruck	Klagenfurt	Linz	Salzburg	Vienna	Comments
1. Obtain confirmation from the Economic Chamber that the start-up company is a new enterprise	Time (days)	1	1	1	1	1	1	1	A form (NeuFö2), which is available online on the website of the Austrian Ministry of Finance, must be filled out and confirmed by the Economic Chamber in order to obtain the benefits of the Start-up Promotion Law (Neugründungs-Förderungsgesetz).
	Cost (EUR)	No cost	No cost	No cost	No cost	No cost	No cost	No cost	
2. Verify the availability and uniqueness of the company name*	Time (days)	Less than one day (online procedure)							Prior to notarizing the document of incorporation, it is common in practice to verify the availability and uniqueness of the company name. The company name is usually checked electronically on the commercial registry.
	Cost (EUR)	No cost	No cost	No cost	No cost	No cost	No cost	No cost	
3. Notarize the statutes/articles of association	Time (days)	1	1	1	1	1	1	1	The articles of association (Gesellschaftsvertrag) must be executed before a notary, by notary deed (Notariatsaktform). According to the Electronic Notarial Form Foundation Act (Elektronische Notariatsform-Gründungsgesetz), at the notary, it is now possible to use electronic communication tools to notarize the articles of associations. The Notary Fee Law (Notariatstarifgesetz) sets forth the guidelines for the applicable fees that can be charged, although the fees are subject to negotiation with the notary public.
	Cost (EUR)	2,000	2,000	2,000	2,000	2,000	2,000	2,000	
4. Deposit the minimum capital requirement	Time (days)	1	1	1	1	1	1	1	The entrepreneur must deposit the minimum capital amount in a commercial bank or in an escrow account held by the notary and obtain a written confirmation of the deposit.
	Cost (EUR)	No cost	No cost	No cost	No cost	No cost	No cost	No cost	
5. Register the company at the court	Time (days)	4	7	5	4	5	3	6	The application for registering an Austrian limited liability company (Gesellschaft mit beschränkter Haftung, GmbH) is usually sent by the notary to the court using the electronic legal correspondence system (Elektronischer Rechtsverkehr, ERV). New companies that have met the requirements of the Start-up Promotion Law and obtain the confirmation described in Procedure 1 are exempt from court registration fees.
	Cost (EUR)	No cost	No cost	No cost	No cost	No cost	No cost	No cost	
6. Tax Office registration (obtain a VAT number)	Time (days)	12	14	11	13	12	10	12	For the tax registration of a GmbH, several forms must be printed, filled out, and sent by postal mail together with the articles of association, the opening balance sheet, an excerpt of the company registry, an identification card of managing directors, and a specimen signature sheet of the directors.
	Cost (EUR)	No cost	No cost	No cost	No cost	No cost	No cost	No cost	
7. Register trade (Gewerbeanmeldung) with the trade authority (Gewerbebehörde)*	Time (days)	Less than one day (online procedure)							Entrepreneurs must register the company´s activity before the local administrative authority (Bezirksverwaltungsbehörde) in accordance with the Trade Act (Gewerbeordnung). The registration can be submitted online using the Austrian Trade Registration System (GISA – Gewerbeinformationssytem Austria).
	Cost (EUR)	No cost	No cost	No cost	No cost	No cost	No cost	No cost	
8. Register employees for social security*	Time (days)	Less than one day (online procedure)							Companies with employees must apply electronically for an employer's account number (Beitragskontonummer) on the social security institution´s website, and register the employees via ELDA, the data transmission interface of the statutory health insurance office. Health insurance is obligatory, and every new employee must be registered with the competent statutory health insurance office prior to and no later than the first day of employment.
	Cost (EUR)	No cost	No cost	No cost	No cost	No cost	No cost	No cost	
9. Register with the municipality*	Time (days)	1	1	1	1	1	1	1	Entrepreneurs must register the company with the municipality in order to obtain a local tax account number in accordance with the Law on Local Taxes (Kommunalsteuergesetz).
	Cost (EUR)	No cost	No cost	No cost	No cost	No cost	No cost	No cost	

Source: Subnational Doing Business and *Doing Business* databases.

Note: Data for Vienna are not considered official until published in the *Doing Business 2021* report.

* Takes place simultaneously with previous procedure.

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LIST OF PROCEDURES DEALING WITH CONSTRUCTION PERMITS

AUSTRIA

Bregenz

Warehouse value: EUR 2,243,536 (USD 2,565,000)
Data as of: December 31, 2020

Procedure 1. Conduct meeting with municipal construction authority
Agency: Bregenz City Administration - Construction Department
Time: 1 day
Cost: No cost

Procedure 2. Obtain industrial operating permit
Agency: Bregenz City Administration - Construction Department
Time: 75 days
Cost: EUR 600

Procedure 3*. Obtain geotechnical study
Agency: Private Engineer
Time: 30 days
Cost: EUR 2,500

Procedure 4*. Obtain topographical survey
Agency: Private Engineer
Time: 30 days
Cost: EUR 2,000

Procedure 5*. Obtain energy pass
Agency: Independent Expert - Energy Engineering
Time: 10 days
Cost: EUR 700

Procedure 6. Obtain building permit
Agency: Bregenz City Administration - Construction Department
Time: 75 days
Cost: EUR 2,400 (EUR 2,170 administrative fee (0.1% of construction cost), EUR 150 commission fees, EUR 90 cash expenses)

Procedure 7*. Request and obtain water and sewage connection with public utility company
Agency: Bregenz Public Utility Company
Time: 45 days
Cost: EUR 9,500

Procedure 8. Notify the municipal authority about completion of construction works
Agency: Bregenz City Administration - Construction Department
Time: Less than one day (online procedure)
Cost: No cost

Graz

Warehouse value: EUR 2,243,536 (USD 2,565,000)
Data as of: December 31, 2020

Procedure 1. Conduct meeting with municipal construction authority
Agency: Graz City Administration - Construction Department
Time: 1 day
Cost: No cost

Procedure 2. Obtain industrial operating permit
Agency: Graz City Administration - Construction Department
Time: 90 days
Cost: EUR 1,000

Procedure 3*. Obtain geotechnical study
Agency: Private Engineer
Time: 30 days
Cost: EUR 2,500

Procedure 4*. Obtain topographical survey
Agency: Private Engineer
Time: 30 days
Cost: EUR 2,000

Procedure 5*. Obtain energy pass
Agency: Independent Expert - Energy Engineering
Time: 10 days
Cost: EUR 700

Procedure 6. Obtain building permit
Agency: Graz City Administration - Construction Department
Time: 120 days
Cost: EUR 1,000

Procedure 7*. Request and obtain water and sewage connection with public utility company
Agency: Municipal Utility Company
Time: 45 days
Cost: EUR 10,000

Procedure 8. Notify the municipal authority about commencement of construction works
Agency: Graz City Administration - Construction Department
Time: 1 day
Cost: No cost

Procedure 9. Notify the municipal authority of completion of shell construction
Agency: Graz City Administration - Construction Department
Time: 1 day
Cost: No cost

Procedure 10. Notify the municipal authority about completion of construction works
Agency: Graz City Administration - Construction Department
Time: 1 day
Cost: No cost

Innsbruck

Warehouse value: EUR 2,243,536 (USD 2,565,000)
Data as of: December 31, 2020

Procedure 1. Conduct meeting with municipal construction authority
Agency: Innsbruck City Administration - Municipal Building Inspection
Time: 1 day
Cost: No cost

Procedure 2. Obtain industrial operating permit
Agency: Innsbruck City Administration
Time: 75 days
Cost: EUR 300

Procedure 3*. Obtain geotechnical study
Agency: Private Engineer
Time: 30 days
Cost: EUR 2,500

Procedure 4*. Obtain topographical survey
Agency: Private Engineer
Time: 30 days
Cost: EUR 2,000

Procedure 5*. Obtain energy pass
Agency: Independent Expert - Energy Engineering
Time: 10 days
Cost: EUR 700

**Takes place simultaneously with previous procedure*

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Procedure 6*. Obtain proof of land ownership
Agency: Land Registry
Time: Less than one day (online procedure)
Cost: EUR 14

Procedure 7. Obtain building permit
Agency: Innsbruck City Administration - Municipal Building Inspection
Time: 90 days
Cost: EUR 1,500

Procedure 8*. Request and obtain water and sewage connection contracts with public utility company
Agency: Innsbruck Public Utility Company
Time: 45 days
Cost: EUR 9,500

Procedure 9. Notify the municipal authority about commencement of construction works
Agency: Innsbruck City Administration - Municipal Building Inspection
Time: 1 day
Cost: No cost

Procedure 10. Notify the municipal authority about completion of construction works
Agency: Innsbruck City Administration - Municipal Building Inspection
Time: 1 day
Cost: No cost

Klagenfurt

Warehouse value: EUR 2,243,536 (USD 2,565,000)
Data as of: December 31, 2020

Procedure 1. Conduct meeting with municipal construction authority
Agency: Klagenfurt City Administration - Construction Department
Time: 1 day
Cost: No cost

Procedure 2. Obtain industrial operating permit
Agency: Klagenfurt City Administration - Construction Department
Time: 80 days
Cost: EUR 300

Procedure 3*. Obtain geotechnical study
Agency: Private Engineer
Time: 30 days
Cost: EUR 2,500

Procedure 4*. Obtain topographical survey
Agency: Private Engineer
Time: 30 days
Cost: EUR 2,000

Procedure 5*. Obtain energy pass
Agency: Independent Expert - Energy Engineering
Time: 10 days
Cost: EUR 700

Procedure 6*. Obtain proof of land ownership
Agency: Land Registry
Time: Less than one day (online procedure)
Cost: EUR 14

Procedure 7. Obtain building permit
Agency: Klagenfurt City Administration - Construction Department
Time: 135 days
Cost: EUR 500

Procedure 8. Notify the municipal authority about commencement of construction works
Agency: Klagenfurt City Administration - Construction Department
Time: 1 day
Cost: No cost

Procedure 9*. Request and obtain sewage connection
Agency: City of Klagenfurt Sewage Authority
Time: 60 days
Cost: EUR 7,023

Procedure 10*. Request and obtain water connection
Agency: Klagenfurt Utility Company
Time: 35 days
Cost: EUR 12,483

Procedure 11. Notify the municipal authority about completion of construction works
Agency: Klagenfurt City Administration - Construction Department
Time: 1 day
Cost: No cost

Linz

Warehouse value: EUR 2,243,536 (USD 2,565,000)
Data as of: December 31, 2020

Procedure 1. Conduct meeting with municipal construction authority
Agency: Linz City Administration - Construction Department
Time: 1 day
Cost: No cost

Procedure 2. Obtain industrial operating permit
Agency: Linz City Administration - Construction Department
Time: 90 days
Cost: EUR 300

Procedure 3*. Obtain geotechnical study
Agency: Private Engineer
Time: 30 days
Cost: EUR 2,500

Procedure 4*. Obtain topographical survey
Agency: Private Engineer
Time: 30 days
Cost: EUR 2,000

Procedure 5*. Obtain energy pass
Agency: Independent Expert - Energy Engineering
Time: 10 days
Cost: EUR 700

Procedure 6*. Obtain proof of land ownership
Agency: Land Registry
Time: Less than one day (online procedure)
Cost: EUR 14

Procedure 7. Obtain building permit
Agency: Linz City Administration - Construction Department
Time: 180 days
Cost: EUR 800

Procedure 8*. Request and obtain water and sewage connection with public utility company
Agency: Linz Utility Company Department Water/Sewage
Time: 21 days
Cost: EUR 8,800

**Takes place simultaneously with previous procedure*

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Procedure 9. Notify the municipal authority about commencement of construction works
Agency: Linz City Administration - Construction Department
Time: 1 day
Cost: No cost

Procedure 10. Notify the municipal authority about completion of construction works
Agency: Linz City Administration - Construction Department
Time: 1 day
Cost: EUR 212

Salzburg

Warehouse value: EUR 2,243,536 (USD 2,565,000)
Data as of: December 31, 2020

Procedure 1. Conduct meeting with municipal construction authority
Agency: Salzburg City Administration - Construction Department
Time: 1 day
Cost: No cost

Procedure 2. Obtain industrial operating permit
Agency: Salzburg City Administration - Construction Department
Time: 80 days
Cost: EUR 250

Procedure 3*. Obtain geotechnical study
Agency: Private Engineer
Time: 30 days
Cost: EUR 2,500

Procedure 4*. Obtain topographical survey
Agency: Private Engineer
Time: 30 days
Cost: EUR 2,000

Procedure 5*. Obtain energy pass
Agency: Salzburg State Government Database
Time: Less than one day (online procedure)
Cost: No cost

Procedure 6*. Obtain proof of land ownership
Agency: Land Registry
Time: Less than one day (online procedure)
Cost: EUR 14

Procedure 7. Obtain building permit
Agency: Salzburg City Administration - Construction Department
Time: 118 days
Cost: EUR 900

Procedure 8*. Request and obtain sewage connection contracts with sewage and water authority
Agency: Salzburg City Administration - Sewage Authority
Time: 60 days
Cost: EUR 7,900 (EUR 7,500 connection in fees and EUR 400 in municipal administrative fees)

Procedure 9*. Request and obtain water connection contracts with public utility company
Agency: Salzburg Utility Corporation
Time: 30 days
Cost: EUR 3,637 (connection fee for 1 in (DN25) pipe based on circumference of plot)

edure 10. Notify the municipal authority about commencement of construction works
Agency: Salzburg City Administration - Construction Department
Time: 1 day
Cost: No cost

Procedure 11. Notify the municipal authority about completion of construction works
Agency: Salzburg City Administration - Construction Department
Time: 1 day
Cost: No cost

Vienna

Warehouse value: EUR 2,243,536 (USD 2,565,000)
Data as of: December 31, 2020

Procedure 1. Obtain industrial operating permit
Agency: Vienna City Administration
Time: 80 days
Cost: EUR 300

Procedure 2*. Obtain geotechnical study
Agency: Private Engineer
Time: 30 days
Cost: EUR 2,500

Procedure 3*. Obtain topographical survey
Agency: Private Engineer
Time: 30 days
Cost: EUR 2,000

Procedure 4*. Obtain expert opinion on structural engineering
Agency: Independent Expert - Structural Engineering
Time: 11 days
Cost: EUR 5,000

Procedure 5*. Obtain energy pass
Agency: Independent Expert - Energy Engineering
Time: 10 days
Cost: EUR 700

Procedure 6*. Appoint a licensed supervisory engineer to supervise construction and carry out inspections
Agency: Private licensed engineer (Prüfingenieur)
Time: 1 day
Cost: EUR 4,800

Procedure 7*. Obtain proof of land ownership
Agency: Land Registry
Time: Less than one day (online procedure)
Cost: EUR 14

Procedure 8. Notify the municipal authority about commencement of construction works
Agency: Municipal Building Inspection
Time: Less than one day (online procedure)
Cost: No cost

Procedure 9. Obtain building permit
Agency: Municipal Building Inspection
Time: 80 days
Cost: EUR 300

Procedure 10. Request and obtain water and sewage connection
Agency: Vienna Water Works
Time: 60 days
Cost: EUR 8,478

Procedure 11*. Notify the municipal authority about completion of construction works
Agency: Municipal Building Inspection
Time: 1 day
Cost: EUR 22 (EUR 22 if no changes to plan were made, EUR 50 if there were changes)

Note: Data for Vienna are not considered official until published in the *Doing Business 2021* report.

**Takes place simultaneously with previous procedure*

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DEALING WITH CONSTRUCTION PERMITS IN AUSTRIA – BUILDING QUALITY CONTROL INDEX	All cities	
	Answer	Score
Building quality control index (0–15)		**13**
Quality of building regulations index (0–2)		2
How accessible are building laws and regulations in your economy? (0–1)	Available online; Free of charge.	1
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
Quality control before construction index (0–1)		0
Which third-party entities are required by law to verify that the building plans are in compliance with existing building regulations? (0–1)	By law, there is no need to verify plans compliance; Civil servant reviews plans.	0
Quality control during construction index (0–3)		2
What types of inspections (if any) are required by law to be carried out during construction? (0–2)	Inspections by external engineer or firm; Inspections at various phases.	1
Do legally mandated inspections occur in practice during construction? (0–1)	Mandatory inspections are always done in practice.	1
Quality control after construction index (0–3)		3
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, external engineer submits report for final inspection.	2
Do legally mandated final inspections occur in practice? (0–1)	Final inspection always occurs in practice.	1
Liability and insurance regimes index (0–2)		2
Which parties (if any) are held liable by law for structural flaws or problems in the building once it is in use (Latent Defect Liability or Decennial Liability)? (0–1)	Architect or engineer; Professional in charge of the supervision; Construction company.	1
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? (0–1)	Architect or engineer; Construction company; Insurance is commonly taken in practice.	1
Professional certifications index (0–4)		4
What are the qualification requirements for the professional responsible for verifying that the architectural plans or drawings are in compliance with existing building regulations? (0–2)	Minimum number of years of experience; University degree in architecture or engineering; Being a registered architect or engineer; Passing a certification exam.	2
What are the qualification requirements for the professional who supervises the construction on the ground? (0–2)	Minimum number of years of experience; University degree in engineering, construction or construction management; Being a registered architect or engineer; Passing a certification exam.	2

Source: Subnational Doing Business and *Doing Business* databases.
Note: Data for Vienna are not considered official until published in the *Doing Business 2021* report.

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LIST OF PROCEDURES
GETTING ELECTRICITY

AUSTRIA

Bregenz

Name of Utility: Vorarlberger Energienetze GmbH
Data as of: December 31, 2020

Procedure 1. Submit application to utility and await estimate
Agency: Vorarlberger Energienetze GmbH
Time: 14 days
Cost: No cost

Procedure 2. Submit completion notification for internal wiring
Agency: Vorarlberger Energienetze GmbH
Time: 1 days
Cost: No cost

Procedure 3. Obtain excavation permit from the municipality
Agency: Local municipality
Time: 14 days (14 calendar days for obtaining excavation permit)
Cost: EUR 136

Procedure 4. Obtain external works and meter installation
Agency: Contractor hired by the client; Vorarlberger Energienetze GmbH
Time: 7 days (7 calendar days for completing the external connection works)
Cost: EUR 30,298 [EUR 107 per 100 kVA system charges at grid level 6 + EUR 19,598 grid connection fee (EUR 100 per meter for excavation works; EUR 1,500 material; EUR 3,000 cable connection and labor; EUR 98 meter installation)]

Procedure 5*. Sign supply contract with an electricity supplier
Agency: illwerke vkw AG, or another energy supplier
Time: 2 days
Cost: No cost

Graz

Name of Utility: Stromnetz Graz GmbH & Co KG
Data as of: December 31, 2020

Procedure 1. Submit application to utility and await estimate
Agency: Stromnetz Graz GmbH & Co KG
Time: 10 days
Cost: No cost

Procedure 2. Submit completion notification for internal wiring
Agency: Stromnetz Graz GmbH & Co KG
Time: 1 days
Cost: No cost

Procedure 3. Obtain excavation permit from the municipality
Agency: Local municipality
Time: 16 days (16 calendar days for obtaining excavation permit)
Cost: EUR 78

Procedure 4. Obtain external works and meter installation
Agency: Contractor hired by the client; Stromnetz Graz GmbH & Co KG
Time: 7 days (7 calendar days for completing the external connection works)
Cost: EUR 27,060 [EUR 139 per kVA system charges at grid level 6 + EUR 7,600 grid connection fee (EUR 5,950 excavation and material; EUR 1,500 construction supervision and connection to grid; EUR 150 meter installation)]

Procedure 5*. Sign supply contract with an electricity supplier
Agency: Energie Graz GmbH & Co KG, or another energy supplier
Time: 2 days
Cost: No cost

Innsbruck

Name of Utility: Innsbrucker Kommunalbetriebe AG
Data as of: December 31, 2020

Procedure 1. Submit application to utility and await estimate
Agency: Innsbrucker Kommunalbetriebe AG
Time: 7 days
Cost: No cost

Procedure 2. Submit completion notification for internal wiring
Agency: Innsbrucker Kommunalbetriebe AG
Time: 1 days
Cost: No cost

Procedure 3. Obtain external works and meter installation
Agency: Innsbrucker Kommunalbetriebe AG
Time: 29 days (21 calendar days for obtaining excavation permit + 8 calendar days for completing the external connection works)
Cost: EUR 38,223 [EUR 176.42 per kVA system charges at grid level 7 + EUR 13,525 grid connection fee (EUR 2,955.02 cable connection, material, labor; EUR 9,337.76 excavation works; EUR 345.28 excavation permit; EUR 866.50 construction supervision and planning; EUR 20 meter installation)]

Procedure 4*. Sign supply contract with an electricity supplier
Agency: Innsbrucker Kommunalbetriebe AG, or another energy supplier
Time: 2 days
Cost: No cost

Klagenfurt

Name of Utility: Energie Klagenfurt GmbH
Data as of: December 31, 2020

Procedure 1. Submit application to utility and await estimate
Agency: Energie Klagenfurt GmbH
Time: 21 days
Cost: No cost

Procedure 2. Submit completion notification for internal wiring
Agency: Energie Klagenfurt GmbH
Time: 1 days
Cost: No cost

Procedure 3. Obtain external works and meter installation
Agency: Energie Klagenfurt GmbH
Time: 24 days (14 calendar days for obtaining excavation permit + 10 calendar days for completing the external connection works)
Cost: EUR 46,748 [EUR 208.48 per kVA system charges at grid level 6 + EUR 17,561 grid connection fee (EUR 9,611 grid connection above 100 kVA; EUR 4,700 excavation works including EUR 35 excavation permit; EUR 1,900 material; EUR 1,200 cable connection and labor; EUR 150 meter installation)]

Procedure 4*. Sign supply contract with an electricity supplier
Agency: Energie Klagenfurt GmbH Vertrieb, or another energy supplier
Time: 2 days
Cost: No cost

Linz

Name of Utility: Linz Netz GmbH
Data as of: December 31, 2020

Procedure 1. Submit application to utility and await estimate
Agency: Linz Netz GmbH
Time: 11 days
Cost: No cost

**Simultaneous with previous procedure*

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Procedure 2. Submit completion notification for internal wiring

Agency: Linz Netz GmbH
Time: 1 days
Cost: No cost

Procedure 3. Obtain external works and meter installation

Agency: Linz Netz GmbH
Time: 13 days (8 calendar days for obtaining excavation approval + 5 calendar days for completing the external connection works)
Cost: EUR 39,605 [EUR 226.63 per kVA system charges at grid level 7 + EUR 7,877 grid connection fee (EUR 4,508.02 excavation works; EUR 1125.97 material; EUR 313.25 other small material/other; EUR 1,780 labor; EUR 150-meter installation)]

Procedure 4*. Sign supply contract with an electricity supplier

Agency: Linz Strom Vertrieb GmbH, or another energy supplier
Time: 2 days
Cost: No cost

Salzburg

Name of Utility: Salzburg AG
Data as of: December 31, 2020

Procedure 1. Submit application to utility and await estimate

Agency: Salzburg AG
Time: 14 days
Cost: No cost

Procedure 2. Submit completion notification for internal wiring

Agency: Salzburg AG
Time: 1 days
Cost: No cost

Procedure 3. Obtain external works and meter installation

Agency: Salzburg AG
Time: 35 days (14 calendar days for obtaining excavation permit + 21 calendar days for completing the external connection works)
Cost: EUR 58,877 [EUR 152.69 per kVA system charges at grid level 6 + EUR 37,500 grid connection fee (EUR 26,500 excavation works including EUR 100 excavation permit + EUR 7,500 material and EUR 3,500 cable connection and labor fees)]

Procedure 4*. Sign supply contract with an electricity supplier

Agency: Salzburg Netz GmbH, or another energy supplier
Time: 2 days
Cost: No cost

Vienna

Name of Utility: Wiener Netze GmbH
Data as of: December 31, 2020

Procedure 1. Submit application to utility and await estimate

Agency: Wiener Netze GmbH
Time: 14 days
Cost: No cost

Procedure 2. Submit completion notification for internal wiring

Agency: Wiener Netze GmbH
Time: 1 days
Cost: No cost

Procedure 3. Obtain external works and meter installation

Agency: Wiener Netze GmbH
Time: 40 days (20 calendar days for obtaining excavation permit & heavy currents permit + 20 calendar days for completing the external connection works)
Cost: EUR 37,233 [EUR 113.81 per kVA system charges at grid level 6 + approx. EUR 21,300 grid connection fee including excavation, labor, and material]

Procedure 4*. Sign supply contract with an electricity supplier

Agency: Wien Energie Vertrieb GmbH & Co KG, or another energy supplier
Time: 2 days
Cost: No cost

Note: Data for Vienna are not considered official until published in the *Doing Business 2021* report.

**Simultaneous with previous procedure*

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GETTING ELECTRICITY IN AUSTRIA – RELIABILITY OF SUPPLY AND TRANSPARENCY OF TARIFFS INDEX	
Reliability of supply and transparency of tariffs index (0–8)	**7 (all cities)**
Total duration and frequency of outages per customer a year (0–3)	3 (all cities)
System average interruption duration index (SAIDI)	0.09 (Bregenz) 0.09 (Klagenfurt) 0.18 (Innsbruck) 0.31 (Graz) 0.48 (Linz) 0.60 (Vienna) 0.81 (Salzburg)
System average interruption frequency index (SAIFI)	0.18 (Bregenz) 0.18 (Klagenfurt) 0.21 (Innsbruck) 0.42 (Graz) 0.46 (Linz) 0.60 (Vienna) 1.00 (Salzburg)
Mechanisms for monitoring outages (0–1)	1 (all cities)
Does the distribution utility use automated tools to monitor outages?	Yes (all cities)
Mechanisms for restoring service (0–1)	1 (all cities)
Does the distribution utility use automated tools to restore service?	Yes (all cities)
Regulatory monitoring (0–1)	1 (all cities)
Does a regulator—that is, an entity separate from the utility—monitor the utility's performance on reliability of supply?	Yes (all cities)
Financial deterrents aimed at limiting outages (0–1)	0 (all cities)
Does the utility either pay compensation to customers or face fines by the regulator (or both) if outages exceed a certain cap?	No (all cities)
Communication of tariffs and tariff changes (0–1)	1 (all cities)
Are effective tariffs available online?	Yes (all cities)
Are customers notified of a change in tariff ahead of the billing cycle?	Yes (all cities)

Source: Subnational Doing Business and *Doing Business* databases.
Note: Data for Vienna are not considered official until published in the *Doing Business 2021* report.

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REGISTERING PROPERTY IN AUSTRIA – PROCEDURES REQUIRED TO REGISTER A PROPERTY, BY CITY

Property value: EUR 2,243,536 *Data as of: December 31, 2020*		Bregenz	Graz	Innsbruck	Klagenfurt	Linz	Salzburg	Vienna	Comments
Obtain a land registry extract	Time (days)	0.5							Before purchasing a property, the buyer inspects the government land register for any legal requirements, rights and restrictions including the seller's ownership title, mortgages, liens, pre-emption rights, rights of way, canals, lines, brooks. The extract from the land register can be obtained at any district court or mapping office. Public notaries, lawyers and other professionals or authorities dealing with the transaction of property also have access to the property database.
	Cost (EUR)	14.4							
Authenticate signatures and pay taxes	Time (days)	3							At the notaries office the parties can combine three steps: (i) the signatures of seller and buyer must be authenticated on the contract. (ii) in case of a corporation as seller or buyer the authorization of the signing representatives must be proven, and this is done together with the authentication of the signatures; (iii) the parties must pay the Property Acquisition Tax or Transfer Tax. They must present to the Land Register a clearance certificate furnished by the tax authorities certifying that the tax was paid. This clearance certificate may be substituted by a self-assessment declaration filed by a notary or a lawyer.
	Cost (EUR)	103,905 [EUR 202.35 for authentication of signatures + EUR 14.30 official stamp duty fee for authentication of signatures + EUR (14.40*2) for the extracts from company registry confirming signatory powers + EUR 457.02 (notary fees that range between EUR 500-1000 subtracting all other costs paid) + 3.5% of transfer tax + 1.1% of registration fee]							
Obtain a certificate of property use*	Time (days)	11	N/A	7	10	N/A	14	N/A	The buyer must obtain a zoning certificate or a "negative confirmation" (Negativbestätigung) from the municipality or from the regional land transfer office (depending on the city).
	Cost (EUR)	50		50	100		56		
Register with the District Court	Time (days)	9	15	11	13	12	15	14	Applications to transfer and register a property are required to be submitted electronically via an online data-exchange system called WebERV. It is mandatory for attorneys and notaries to submit their applications concerning the transfer and registration of property using this system. Registration with the Land Registry has a binding effect as from the date of application, i.e. from this moment the company becomes the owner of the entire property (land, building, etc.). The fee for registration (paid to the attorney at law or notary) is freed from the trust account. Also, the notary/ lawyer transfers the real property transaction tax to the tax office and transfers the purchase price to the seller.
	Cost (EUR)	44							

Source: Subnational Doing Business and *Doing Business* databases.

Note: Data for Vienna are not considered official until published in the *Doing Business 2021* report.

*Simultaneous with a previous procedure.

N/A - not applicable

REGISTERING PROPERTY IN AUSTRIA – QUALITY OF LAND ADMINISTRATION INDEX		
	Answer	Score
Quality of the land administration index (0–30)		**23 (all cities)**
Reliability of infrastructure index (0–8)		7
In what format land title certificates are kept at the immovable property registry—in a paper format or in a computerized format (scanned or fully digital)? (0–2)	Computer/Scanned	1
Is there a comprehensive and functional electronic database for checking for encumbrances (liens, mortgages, restrictions and the like)? (0–1)	Yes	1
In what format cadastral plans are kept at the mapping agency—in a paper format or in a computerized format (scanned or fully digital)? (0–2)	Computer/Fully digital	2
Is there an electronic database for recording boundaries, checking plans and providing cadastral information (geographic information system)? (0–1)	Yes	1
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? (0–1)	Different databases but linked	1
Do the immovable property registration agency and cadastral or mapping agency use the same identification number for properties? (0–1)	Yes	1
Transparency of information index (0–6)		3
Whether information on land ownership is made publicly available without providing the title certificate number at the agency in charge of immovable property registration? (0–1)	Anyone who pays the official fee	1
Is the list of documents that are required to complete all types of property transactions made publicly available–and if so, how? (0–0.5)	Yes, online	0.5
Is the applicable fee schedule for all types of property transactions at the agency in charge of immovable property registration made publicly available–and if so, how? (0–0.5)	Yes, online	0.5
Does the agency in charge of immovable property registration formally commit to deliver a legally binding document proving ownership within a specific timeframe–and if so, how does it communicate the service standard? (0–0.5)	No	0
Is there a specific and independent mechanism for filing complaints about a problem that occurred at the agency in charge of immovable property registration? (0–1)	No	0
Are there publicly available official statistics tracking the number of transactions at the immovable property registration agency? (0–0.5)	No	0
Are cadastral plans made publicly available? (0–0.5)	Anyone who pays the official fee	0.5
Is the applicable fee schedule for accessing maps of land plots made easily publicly available—and if so, how? (0–0.5)	Yes, online	0.5
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? (0–0.5)	No	0
Is there a specific and independent mechanism for filing complaints about a problem that occurred at the cadastral or mapping agency? (0–0.5)	No	0
Geographic coverage index (0–8)		8
Are all privately held land plots in the economy formally registered at the immovable property registry? (0–2)	Yes	2
Are all privately held land plots formally registered at the immovable property registry in the measured city? (0–2)	Yes	2
Are all privately held land plots in the economy mapped? (0–2)	Yes	2
Are all privately held land plots mapped in the measured city? (0–2)	Yes	2
Land dispute resolution index (0–8)		5
Does the law require that all property sale transactions be registered at the immovable property registry to make them opposable to third parties? (0–1.5)	Yes	1.5
Is the system of immovable property registration subject to a state or private guarantee? (0–0.5)	Yes	0.5
Is there 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? (0–0.5)	No	0
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)? (0–0.5)	Yes	0.5
Does the legal system require verification of the identity of the parties to a property transaction? (0–0.5)	Yes	0.5
Is there a national database to verify the accuracy of government issued identity documents? (0–1)	No	0
How long does it take on average to obtain a decision from the first-instance court for such a case (without appeal)? (0–3)	Between 1 and 2 years	2
Are there publicly available statistics on the number of land disputes in the first-instance court? (0–0.5)	No	0

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REGISTERING PROPERTY IN AUSTRIA – QUALITY OF LAND ADMINISTRATION INDEX (continued)		
	Answer	Score
Equal access to property rights index (-2–0)		0
Do unmarried men and unmarried women have equal ownership rights to property?	Yes	0
Do married men and married women have equal ownership rights to property?	Yes	0

Source: Subnational Doing Business and *Doing Business* databases.
Note: Data for Vienna are not considered official until published in the *Doing Business 2021* report.

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ENFORCING CONTRACTS IN AUSTRIA – TIME AND COST TO RESOLVE A COMMERCIAL DISPUTE, BY CITY

	Time (days)				**Cost** (% of claim)				**Quality of judicial processes index** (0–18)				
City	Filing and service	Trial and judgment	Enforcement of judgment	Total time	Attorney fees	Court costs	Enforcement costs	Total cost	Court structure and proceedings (-1–5)	Case management (0–6)	Court automation (0–4)	Alternative dispute resolution (0–3)	Total score (0–18)
Bregenz	20	300	105	425	14.5	6.8	1.9	23.1	3.0	4.0	2.0	2.5	11.5
Graz	30	408	110	548	15.0	6.8	3.0	24.7	3.0	4.0	2.0	2.5	11.5
Innsbruck	20	378	90	488	14.2	6.8	4.2	25.2	3.0	4.0	2.0	2.5	11.5
Klagenfurt	20	365	105	490	15.1	6.6	4.2	25.9	3.0	4.0	2.0	2.5	11.5
Linz	20	318	105	443	14.2	6.8	5.2	26.2	3.0	4.0	2.0	2.5	11.5
Salzburg	20	365	120	505	14.2	7.2	3.2	24.7	3.0	4.0	2.0	2.5	11.5
Vienna	30	363	105	498	13.6	6.5	0.5	20.6	4.5	4.0	2.0	2.5	13.0

Source: Subnational Doing Business and *Doing Business* databases.

Note: The cost values, expressed as % of claim, are rounded to the first decimal place. Data for Vienna are not considered official until published in the *Doing Business 2021* report.

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ENFORCING CONTRACTS IN AUSTRIA – QUALITY OF JUDICIAL PROCESSES INDEX

	Answer	Score
Quality of judicial processes index (0–18)		**11.5 (6 cities) 13 (Vienna)**
Court structure and proceedings (-1–5)		**3 (6 cities) 4.5 (Vienna)**
1. Is there a court or division of a court dedicated solely to hearing commercial cases? (0–1.5)	No (6 cities) Yes (Vienna)	0 (6 cities) 1.5 (Vienna)
2. Small claims court (0–1.5)		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? (0–1)	Yes	1
4. Are new cases assigned randomly to judges? (0–1)	Yes, but manual	0.5
5. Does a woman's testimony carry the same evidentiary weight in court as a man's? (-1–0)	Yes	0
Case management (0–6)		**4**
1. Time standards (0–1)		0
1.a. Are there laws setting overall time standards for key court events in a civil case?	Yes	
1.b. If yes, are the time standards set for at least three court events?	No	
1.c. Are these time standards respected in more than 50% of cases?	Yes	
2. Adjournments (0–1)		0
2.a. Does the law regulate the maximum number of adjournments that can be granted?	No	
2.b. Are adjournments limited to unforeseen and exceptional circumstances?	No	
2.c. If rules on adjournments exist, are they respected in more than 50% of cases?	n.a.	
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? (0–1)	Yes	1
4. Is a pretrial conference among the case management techniques used before the competent court? (0–1)	Yes	1
5. Are there any electronic case management tools in place within the competent court for use by judges? (0–1)	Yes	1
6. Are there any electronic case management tools in place within the competent court for use by lawyers? (0–1)	Yes	1
Court automation (0–4)		**2**
1. Can the initial complaint be filed electronically through a dedicated platform within the competent court? (0–1)	Yes	1
2. Is it possible to carry out service of process electronically for claims filed before the competent court? (0–1)	No	0
3. Can court fees be paid electronically within the competent court? (0–1)	Yes	1
4. Publication of judgments (0–1)		0
4.a. Are judgments rendered in commercial cases at all levels made available to the general public through publication in official gazettes, in newspapers or on the internet or court website?	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?	No	
Alternative dispute resolution (0–3)		**2.5**
1. Arbitration (0–1.5)		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 (0–1.5)		1
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?	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)?	No	

Source: Subnational Doing Business and *Doing Business* databases.
Note: Data for Vienna are not considered official until published in the *Doing Business 2021* report.

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Belgium

BELGIUM

Antwerp

Starting a business (rank)	1
Score for starting a business (0–100)	87.56
Procedures (number)	8
Time (days)	6.5
Cost (% of income per capita)	5.1
Paid-in minimum capital (% of income per capita)	0.0

Dealing with construction permits (rank)	1
Score for dealing with construction permits (0–100)	78.18
Procedures (number)	12
Time (days)	152.5
Cost (% of warehouse value)	0.6
Building quality control index (0–15)	12

Getting electricity (rank)	2
Score for getting electricity (0–100)	73.36
Procedures (number)	6
Time (days)	145
Cost (% of income per capita)	109.8
Reliability of supply and transparency of tariffs index (0–8)	8

Registering property (rank)	3
Score for registering property (0–100)	57.80
Procedures (number)	8
Time (days)	41
Cost (% of property value)	10.2
Quality of land administration index (0–30)	23

Enforcing contracts (rank)	3
Score for enforcing contracts (0–100)	66.80
Time (days)	439
Cost (% of claim value)	16.0
Quality of judicial processes index (0–18)	8.0

Bruges

Starting a business (rank)	1
Score for starting a business (0–100)	87.56
Procedures (number)	8
Time (days)	6.5
Cost (% of income per capita)	5.1
Paid-in minimum capital (% of income per capita)	0.0

Dealing with construction permits (rank)	4
Score for dealing with construction permits (0–100)	75.70
Procedures (number)	12
Time (days)	195.5
Cost (% of warehouse value)	0.1
Building quality control index (0–15)	12

Getting electricity (rank)	6
Score for getting electricity (0–100)	71.18
Procedures (number)	6
Time (days)	165
Cost (% of income per capita)	109.8
Reliability of supply and transparency of tariffs index (0–8)	8

Registering property (rank)	1
Score for registering property (0–100)	58.52
Procedures (number)	8
Time (days)	35
Cost (% of property value)	10.2
Quality of land administration index (0–30)	23

Enforcing contracts (rank)	6
Score for enforcing contracts (0–100)	65.55
Time (days)	485
Cost (% of claim value)	16.0
Quality of judicial processes index (0–18)	8.0

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Brussels

Starting a business (rank)	1
Score for starting a business (0–100)	87.56
Procedures (number)	8
Time (days)	6.5
Cost (% of income per capita)	5.1
Paid-in minimum capital (% of income per capita)	0.0

Dealing with construction permits (rank)	2
Score for dealing with construction permits (0–100)	76.51
Procedures (number)	9
Time (days)	211
Cost (% of warehouse value)	0.9
Building quality control index (0–15)	12

Getting electricity (rank)	7
Score for getting electricity (0–100)	70.46
Procedures (number)	6
Time (days)	171
Cost (% of income per capita)	131.9
Reliability of supply and transparency of tariffs index (0–8)	8

Registering property (rank)	7
Score for registering property (0–100)	51.84
Procedures (number)	8
Time (days)	56
Cost (% of property value)	12.7
Quality of land administration index (0–30)	23

Enforcing contracts (rank)	7
Score for enforcing contracts (0–100)	64.85
Time (days)	505
Cost (% of claim value)	16.4
Quality of judicial processes index (0–18)	8.0

Charleroi

Starting a business (rank)	1
Score for starting a business (0–100)	87.56
Procedures (number)	8
Time (days)	6.5
Cost (% of income per capita)	5.1
Paid-in minimum capital (% of income per capita)	0.0

Dealing with construction permits (rank)	3
Score for dealing with construction permits (0–100)	76.02
Procedures (number)	12
Time (days)	186.5
Cost (% of warehouse value)	0.3
Building quality control index (0–15)	12

Getting electricity (rank)	3
Score for getting electricity (0–100)	72.79
Procedures (number)	6
Time (days)	121
Cost (% of income per capita)	127.2
Reliability of supply and transparency of tariffs index (0–8)	7

Registering property (rank)	4
Score for registering property (0–100)	53.76
Procedures (number)	8
Time (days)	40
Cost (% of property value)	12.7
Quality of land administration index (0–30)	23

Enforcing contracts (rank)	2
Score for enforcing contracts (0–100)	69.47
Time (days)	340
Cost (% of claim value)	16.1
Quality of judicial processes index (0–18)	8.0

Note: Data for Brussels are not considered official until published in the *Doing Business 2021* report.

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Ghent

Starting a business (rank)	1
Score for starting a business (0–100)	87.56
Procedures (number)	8
Time (days)	6.5
Cost (% of income per capita)	5.1
Paid-in minimum capital (% of income per capita)	0.0

Dealing with construction permits (rank)	7
Score for dealing with construction permits (0–100)	72.63
Procedures (number)	12
Time (days)	237.5
Cost (% of warehouse value)	0.1
Building quality control index (0–15)	12

Getting electricity (rank)	1
Score for getting electricity (0–100)	76.07
Procedures (number)	6
Time (days)	120
Cost (% of income per capita)	109.8
Reliability of supply and transparency of tariffs index (0–8)	8

Registering property (rank)	2
Score for registering property (0–100)	58.52
Procedures (number)	8
Time (days)	35
Cost (% of property value)	10.2
Quality of land administration index (0–30)	23

Enforcing contracts (rank)	4
Score for enforcing contracts (0–100)	66.71
Time (days)	470
Cost (% of claim value)	14.0
Quality of judicial processes index (0–18)	8.0

Liège

Starting a business (rank)	1
Score for starting a business (0–100)	87.56
Procedures (number)	8
Time (days)	6.5
Cost (% of income per capita)	5.1
Paid-in minimum capital (% of income per capita)	0.0

Dealing with construction permits (rank)	6
Score for dealing with construction permits (0–100)	74.03
Procedures (number)	12
Time (days)	212
Cost (% of warehouse value)	0.5
Building quality control index (0–15)	12

Getting electricity (rank)	5
Score for getting electricity (0–100)	72.53
Procedures (number)	6
Time (days)	123
Cost (% of income per capita)	139.3
Reliability of supply and transparency of tariffs index (0–8)	7

Registering property (rank)	5
Score for registering property (0–100)	53.64
Procedures (number)	8
Time (days)	41
Cost (% of property value)	12.7
Quality of land administration index (0–30)	23

Enforcing contracts (rank)	5
Score for enforcing contracts (0–100)	66.29
Time (days)	460
Cost (% of claim value)	15.9
Quality of judicial processes index (0–18)	8.0

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Namur

Starting a business (rank)	1
Score for starting a business (0–100)	87.56
Procedures (number)	8
Time (days)	6.5
Cost (% of income per capita)	5.1
Paid-in minimum capital (% of income per capita)	0.0

Getting electricity (rank)	3
Score for getting electricity (0–100)	72.79
Procedures (number)	6
Time (days)	121
Cost (% of income per capita)	127.2
Reliability of supply and transparency of tariffs index (0–8)	7

Enforcing contracts (rank)	1
Score for enforcing contracts (0–100)	72.00
Time (days)	313
Cost (% of claim value)	11.3
Quality of judicial processes index (0–18)	8.0

Dealing with construction permits (rank)	5
Score for dealing with construction permits (0–100)	75.29
Procedures (number)	12
Time (days)	196.5
Cost (% of warehouse value)	0.3
Building quality control index (0–15)	12

Registering property (rank)	6
Score for registering property (0–100)	53.28
Procedures (number)	8
Time (days)	44
Cost (% of property value)	12.7
Quality of land administration index (0–30)	23

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STARTING A BUSINESS IN BELGIUM - PROCEDURES REQUIRED TO START A BUSINESS, BY CITY									
Standard company legal form: Société à responsabilité limité/besloten vennootschap (SRL/BV) *Paid-in minimum capital requirement: none* *Data as of: December 31, 2021*		**Antwerp**	**Bruges**	**Brussels**	**Charleroi**	**Ghent**	**Liège**	**Namur**	**Comments**
1. Verify the availability of the company name	Time (days)	Less than one day (online procedure)							Checking the availability of the company name is the responsibility of the entrepreneur, according to article 2:3 of the Company Code, and it is common practice to do it before incorporation. To check the availability, the entrepreneur (or someone on behalf of the entrepreneur such as the notary) can – inter alia – consult the Belgian Official Gazette or use the information available on the Crossroads Bank for Enterprises' website.
	Cost (EUR)	No cost	No cost	No cost	No cost	No cost	No cost	No cost	
2. Deposit a financial plan with a notary and sign the notarial act for incorporation in the presence of the notary	Time (days)	1	1	1	1	1	1	1	The notarial act for incorporating a company has to be signed in person by the founders and the notary. During Covid-19, the law has allowed for a digital identification procedure for powers of attorney. In order to draft the notarial act, the notary requires: 1) Founder's personal information. 2) Financial plan. This plan must show that the initial equity will cover company operations for at least the first 2 years.
	Cost (EUR)	1,973.5	1,973.5	1,973.5	1,973.5	1,973.5	1,973.5	1,973.5	The cost includes: Fixed registration duty of EUR 50 + EUR 95 (on written documents) + publication cost of EUR 190.10 excluding VAT (electronic filing) + notary fees of EUR 1,138 + notary's various costs of EUR 500 (such as administrative costs). According to the Royal Decree of December 16, 1950, notary fee rates depend on the amount of share capital.
3. File the notarial act online through eDepot and obtain the company number	Time (days)	Less than one day (online procedure)							The eNotariat portal (via eDepot) allows notaries to electronically file the notarial act with the Crossroads Bank for Enterprises (CBE), the electronic registry of the Federal Public Service (FPS) Justice and the Belgian Official Gazette. In order to comply with fiscal requirements, notaries file a certified copy of the notarial act with the FPS Finance via eRegistration, which is also part of the eNotariat portal. Once the company is registered with the Crossroads Bank for Enterprises, the notary receives the company number electronically, and shares it with the entrepreneur.
	Cost (EUR)	See cost for procedure 2							
4. Finalize company incorporation and register for VAT	Time (days)	2	2	2	2	2	2	2	Entrepreneurs must finalize the company's incorproation in the CBE by providing additional requisite information at the one-stop shop (OSS) (guichet-entreprises or ondernemingsloket). In order to start a business in Wallonia and the Brussels-Capital Region, founders must prove at the OSS that they have the necessary management knowledge and professional competence for certain activities. Flanders eliminated these requirements on September 1, 2018, and January 1, 2019, respectively.
	Cost (EUR)	144.5	144.5	144.5	144.5	144.5	144.5	144.5	The company may request the activation of the VAT number either directly from the local VAT administration or through an accountant or recognized OSS. Companies and directors are also obliged to join a social insurance fund. The required information can be submitted through the OSS. The cost includes: EUR 89.5 (business unit registration fee) + EUR 55 (VAT registration)
5. Register ultimate beneficial owners in the UBO register	Time (days)	Less than one day (online procedure)							The UBO Register was launched on 31 October 2018 for new companies. The information on the UBO can be entered into the register through (i) the online platform "MyMinFin" by a legal representative of the company or by granting a mandate to a third party, for example an accountant, or through (ii) eStox, which is only accessible for notaries, accountants and tax advisors.
	Cost (EUR)	No cost	No cost	No cost	No cost	No cost	No cost	No cost	

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STARTING A BUSINESS IN BELGIUM - PROCEDURES REQUIRED TO START A BUSINESS, BY CITY (continued)

Standard company legal form: Société à responsabilité limité/besloten vennootschap (SRL/BV) Paid-in minimum capital requirement: none Data as of: December 31, 2021		Antwerp	Bruges	Brussels	Charleroi	Ghent	Liège	Namur	Comments
6. Register as employer and file the "Dimona In" statements for each employee with the National Social Security Office*	Time (days)	Less than one day (online procedure)							The company must identify itself and be registered with the National Social Security Office (NSSO) through the online service WIDE. This procedure is usually completed online with the help of a social service provider but may also be done through email or post. Once the identification procedure is completed by the company, and before a new employee may begin working, the employer must notify the NSSO by filing a DIMONA IN declaration for each employee (Déclaration Immédiate/ Onmiddellijke Aangifte).
	Cost (EUR)	No cost	No cost	No cost	No cost	No cost	No cost	No cost	
7. Undersign an insurance for accidents at work*	Time (days)	1	1	1	1	1	1	1	According to the Accidents at Work Act of 10 April 1971, before hiring their first employee, new companies are legally required to undersign an insurance policy against accidents at work and on the way to and from work. The cost of the policy will depend on the insurance company that offers the policy, the type of activity of the company taking out the policy, the number and type of employees covered, their remuneration level, among others. Entrepreneurs usually complete this procedure directly with the insurance company. However, some one-stop shops also offer this service.
	Cost (EUR)	Cf. details of the procedure							
8. File the Labor Regulations with the Labor Inspectorate*	Time (days)	Less than one day (online procedure)							The employer must file a copy of the work regulations with the regional office of the Labor Inspectorate within eight days of its entry into force. This document can now be submitted online via www.reglementdetravail.belgique.be (FR); www.arbeidsreglement.belgie.be (NL).
	Cost (EUR)	No cost	No cost	No cost	No cost	No cost	No cost	No cost	

Source: Subnational Doing Business and *Doing Business* databases.

Note: Data for Brussels are not considered official until published in the *Doing Business 2021* report.

*Takes place simultaneously with previous procedure.

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LIST OF PROCEDURES DEALING WITH CONSTRUCTION PERMITS

BELGIUM

Antwerp

Warehouse value: EUR 2,066,974 (USD 2,367,500)
Data as of: December 31, 2020

Procedure 1. Preliminary consultation with the municipality
Agency: Municipality
Time: 14 days
Cost: No cost

Procedure 2. Consultation with the fire department
Agency: Fire department
Time: 14 days
Cost: EUR 103

Procedure 3. Request and obtain building permit
Agency: Municipality
Time: 105 days
Cost: EUR 2,739

Procedure 4*. Apply for water connection and receive technical visit
Agency: Water Link
Time: 14 days
Cost: No cost

Procedure 5*. Apply for sewage connection and receive technical visit
Agency: Water Link
Time: 14 days
Cost: No cost

Procedure 6. Post yellow signage and inform municipality of commencement of work
Agency: Municipality
Time: 1 day
Cost: No cost

Procedure 7. Inspection for sewage connection
Agency: Water Link
Time: 1 day
Cost: EUR 140

Procedure 8. Obtain sewage connection
Agency: Water Link
Time: 14 days
Cost: EUR 1,000

Procedure 9*. Obtain water connection
Agency: Water Link
Time: 14 days
Cost: EUR 7,497

Procedure 10. Inspection for water connection
Agency: Water Link
Time: 1 day
Cost: EUR 156

Procedure 11. Inform municipality of the completion of construction
Agency: Municipality
Time: Less than one day (online procedure)
Cost: No cost

Procedure 12. File application and receive an inspection by the Cadaster upon completion of construction
Agency: Administration of the Cadaster
Time: 1 day
Cost: No cost

Bruges

Warehouse value: EUR 2,066,974 (USD 2,367,500)
Data as of: December 31, 2020

Procedure 1. Preliminary consultation with the municipality
Agency: Municipality
Time: 14 days
Cost: No cost

Procedure 2. Consultation with the fire department
Agency: Fire department
Time: 14 days
Cost: EUR 150

Procedure 3. Request and obtain building permit
Agency: Municipality
Time: 105 days
Cost: No cost

Procedure 4*. Apply for water connection and receive technical visit
Agency: Farys
Time: 14 days
Cost: No cost

Procedure 5*. Apply for sewage connection and receive technical visit
Agency: Farys
Time: 14 days
Cost: No cost

Procedure 6. Post yellow signage and inform municipality of commencement of work
Agency: Municipality
Time: 1 day
Cost: No cost

Procedure 7. Inspection for sewage connection
Agency: Farys
Time: 1 day
Cost: EUR 129

Procedure 8. Obtain sewage connection
Agency: Farys
Time: 58 days
Cost: No cost

Procedure 9*. Obtain water connection
Agency: Farys
Time: 42 days
Cost: EUR 1,025

Procedure 10. Inspection for water connection
Agency: Farys
Time: 1 day
Cost: EUR 189

Procedure 11. Inform municipality of the completion of construction
Agency: Municipality
Time: Less than one day (online procedure)
Cost: No cost

Procedure 12. File application and receive an inspection by the Cadaster upon completion of construction
Agency: Administration of the Cadaster
Time: 1 day
Cost: No cost

Brussels

Warehouse value: EUR 2,066,974 (USD 2,367,500)
Data as of: December 31, 2020

Procedure 1. Obtain a recent proof of land ownership
Agency: Bureau de l'enregistrement
Time: 7 days
Cost: EUR 75

Procedure 2. Obtain clearance from the Fire Department
Agency: Fire department
Time: 14 days
Cost: EUR 1,721 (EUR 100 application fee + EUR 1.20 per square meter)

Note: Data for Brussels are not considered official until published in the *Doing Business 2021* report.

**Takes place simultaneously with previous procedure*

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Procedure 3. Request and obtain building permit
Agency: Municipality
Time: 110 days
Cost: EUR 780 (EUR 65 for the first 200 square meters + EUR 0.65 per additional square meter)

Procedure 4. Inform Municipality of commencement of work
Agency: Municipality
Time: 1 day
Cost: No cost

Procedure 5. Receive on-site inspection from Fire Department after construction
Agency: Fire department
Time: 1 day
Cost: No cost

Procedure 6. File application and receive an inspection by the Cadaster upon completion of construction
Agency: Administration of the Cadaster
Time: 1 day
Cost: No cost

Procedure 7*. Apply for water and sewage connection
Agency: VIVAQUA
Time: 1 day
Cost: No cost

Procedure 8. Receive inspection for water and sewage on construction site
Agency: VIVAQUA
Time: 1 day
Cost: No cost

Procedure 9. Obtain water and sewage connection
Agency: VIVAQUA
Time: 75 days
Cost: EUR 16,602

Charleroi

Warehouse value: EUR 2,066,974 (USD 2,367,500)
Data as of: December 31, 2020

Procedure 1. Consultation with the fire department
Agency: Fire department
Time: 45 days
Cost: EUR 90

Procedure 2. Request and obtain building permit
Agency: Municipality
Time: 115 days
Cost: EUR 175

Procedure 3*. Apply for sewage connection and appoint a certified technician for sewerage connection works
Agency: Intermunicipal sewage association of Charleroi
Time: 1 day
Cost: No cost

Procedure 4*. Apply for water connection
Agency: Wallonia Water Association
Time: Less than one day (online procedure)
Cost: No cost

Procedure 5. Receive on-site inspection prior to the commencement of building works
Agency: Municipality
Time: 1 day
Cost: No cost

Procedure 6. Post yellow signage and inform municipality of commencement of work
Agency: Municipality
Time: 1 day
Cost: No cost

Procedure 7. Receive a technical inspection for water on construction site
Agency: Wallonia Water Association
Time: 1 day
Cost: No cost

Procedure 8. Receive on-site inspection from fire department after construction
Agency: Fire department
Time: 1 day
Cost: EUR 90

Procedure 9. Inform municipality of the completion of construction
Agency: Municipality
Time: Less than one day (online procedure)
Cost: No cost

Procedure 10. Obtain water connection
Agency: Wallonia Water Association
Time: 20 days
Cost: EUR 6,465 (EUR 6,400 for the water connection + EUR 65 for the water inspection)

Procedure 11. Receive technical inspection for sewage and drainage works
Agency: Intermunicipal sewage association of Charleroi
Time: 1 day
Cost: EUR 125

Procedure 12. File application and receive an inspection by the Cadaster upon completion of construction
Agency: Administration of the Cadaster
Time: 1 day
Cost: No cost

Ghent

Warehouse value: EUR 2,066,974 (USD 2,367,500)
Data as of: December 31, 2020

Procedure 1. Preliminary consultation with the municipality
Agency: Municipality
Time: 56 days
Cost: No cost

Procedure 2. Consultation with the fire department
Agency: Fire department
Time: 14 days
Cost: EUR 75

Procedure 3. Request and obtain building permit
Agency: Municipality
Time: 105 days
Cost: No cost

Procedure 4*. Apply for water connection and receive technical visit
Agency: Farys
Time: 14 days
Cost: No cost

Procedure 5*. Apply for sewage connection and receive technical visit
Agency: Farys
Time: 14 days
Cost: No cost

Procedure 6. Post yellow signage and inform municipality of commencement of work
Agency: Municipality
Time: 1 day
Cost: No cost

Note: Data for Brussels are not considered official until published in the *Doing Business 2021* report.

**Takes place simultaneously with previous procedure*

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Procedure 7. Inspection for sewage connection
Agency: Farys
Time: 1 day
Cost: EUR 129

Procedure 8. Obtain sewage connection
Agency: Farys
Time: 58 days
Cost: EUR 750

Procedure 9*. Obtain water connection
Agency: Farys
Time: 42 days
Cost: EUR 1,025

Procedure 10. Inspection for water connection
Agency: Farys
Time: 1 day
Cost: EUR 189

Procedure 11. Inform municipality of the completion of construction
Agency: Municipality
Time: Less than one day (online procedure)
Cost: No cost

Procedure 12. File application and receive an inspection by the Cadaster upon completion of construction
Agency: Administration of the Cadaster
Time: 1 day
Cost: No cost

Liège

Warehouse value: EUR 2,066,974 (USD 2,367,500)
Data as of: December 31, 2020

Procedure 1. Consultation with the fire department
Agency: Fire department
Time: 45 days
Cost: EUR 80

Procedure 2. Request and obtain building permit
Agency: Municipality
Time: 115 days
Cost: EUR 675 (EUR 175 base fee + EUR 500 for non-housing project between 1,000 and 2,000 square meters)

Procedure 3*. Apply for sewage connection and appoint a certified technician for sewage connection works
Agency: Intermunicipal sewage association of Liège
Time: 1 day
Cost: No cost

Procedure 4*. Apply for water connection
Agency: Liège Water Association
Time: Less than one day (online procedure)
Cost: No cost

Procedure 5. Receive on-site inspection prior to the commencement of building works
Agency: Municipality
Time: 1 day
Cost: No cost

Procedure 6. Post yellow signage and inform municipality of commencement of work
Agency: Municipality
Time: 1 day
Cost: No cost

Procedure 7. Receive a technical inspection for water on construction site
Agency: Liège Water Association
Time: 1 day
Cost: No cost

Procedure 8. Receive on-site inspection from fire department after construction
Agency: Fire department
Time: 1 day
Cost: EUR 125

Procedure 9. Inform municipality of the completion of construction
Agency: Municipality
Time: 1 day
Cost: No cost

Procedure 10. Obtain water connection
Agency: Liège Water Association
Time: 45 days
Cost: EUR 8,413 (EUR 8,348 for the water connection + EUR 65 for the water inspection)

Procedure 11. Receive technical inspection for sewage and drainage works
Agency: Intermunicipal sewage association of Liège
Time: 1 day
Cost: EUR 150

Procedure 12. File application and receive an inspection by the Cadaster upon completion of construction
Agency: Administration of the Cadaster
Time: 1 day
Cost: No cost

Namur

Warehouse value: EUR 2,066,974 (USD 2,367,500)
Data as of: December 31, 2020

Procedure 1. Consultation with the fire department
Agency: Fire department
Time: 45 days
Cost: EUR 105

Procedure 2. Request and obtain building permit
Agency: Municipality
Time: 115 days
Cost: EUR 180

Procedure 3*. Apply for sewage connection and appoint a certified technician for sewerage connection works
Agency: Intermunicipal sewage association of Namur
Time: 1 day
Cost: No cost

Procedure 4*. Apply for water connection
Agency: Wallonia Water Association
Time: Less than one day (online procedure)
Cost: No cost

Procedure 5. Receive on-site inspection prior to the commencement of building works
Agency: Municipality
Time: 1 day
Cost: No cost

Procedure 6. Post yellow signage and inform municipality of commencement of work
Agency: Municipality
Time: 1 day
Cost: No cost

Procedure 7. Receive a technical inspection for water on construction site
Agency: Wallonia Water Association
Time: 1 day
Cost: No cost

Procedure 8. Receive on-site inspection from fire department after construction
Agency: Fire department
Time: 1 day
Cost: EUR 105

**Takes place simultaneously with previous procedure*

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Procedure 9. Inform municipality of the completion of construction

Agency: Municipality
Time: Less than one day (online procedure)
Cost: No cost

Procedure 10. Obtain water connection

Agency: Wallonia Water Association
Time: 30 days
Cost: EUR 6,465 (EUR 6,400 for the water connection + EUR 65 for the water inspection)

Procedure 11. Receive technical inspection for sewage and drainage works

Agency: Intermunicipal sewage association of Namur
Time: 1 day
Cost: EUR 125

Procedure 12. File application and receive an inspection by the Cadaster upon completion of construction

Agency: Administration of the Cadaster
Time: 1 day
Cost: No cost

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DEALING WITH CONSTRUCTION PERMITS IN BELGIUM – BUILDING QUALITY CONTROL INDEX	All cities	
	Answer	Score
Building quality control index (0–15)		**12**
Quality of building regulations index (0–2)		2
How accessible are building laws and regulations in your economy? (0–1)	Available online; Free of charge.	1
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
Quality control before construction index (0–1)		1
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
Quality control during construction index (0–3)		2
What types of inspections (if any) are required by law to be carried out during construction? (0–2)	Inspections by in-house engineer.	1
Do legally mandated inspections occur in practice during construction? (0–1)	Mandatory inspections are always done in practice; Inspections are not mandated by law but commonly occur in practice during construction.	1
Quality control after construction index (0–3)		3
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
Do legally mandated final inspections occur in practice? (0–1)	Final inspection always occurs in practice.	1
Liability and insurance regimes index (0–2)		2
Which parties (if any) are held liable by law for structural flaws or problems in the building once it is in use (Latent Defect Liability or Decennial Liability)? (0–1)	Architect or engineer; Construction company.	1
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? (0–1)	Architect or engineer; Insurance is commonly taking in practice.	1
Professional certifications index (0–4)		2
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
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

Source: Subnational Doing Business and *Doing Business* databases.
Note: Data for Brussels are not considered official until published in the *Doing Business 2021* report.

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GETTING ELECTRICITY IN BELGIUM - PROCEDURES REQUIRED TO OBTAIN A NEW ELECTRICITY CONNECTION, BY CITY

Data as of: December 31, 2020

Name of utility:		Fluvius			ORES		RESA	SIBELGA	
		Antwerp	Bruges	Ghent	Charleroi	Namur	Liège	Brussels	Comments
1. Submit application to utility and await estimate	Time (days)	21	29	30	21	21	23	21	An application is submitted with an unofficial map/sketch indicating the building and public streets, the technical data of the requested connection also needs to be provided with the application. Once the utility receives a connection request, it will do a detailed study during which it will determine if the grid in its current state can handle the requested capacity.
	Cost (EUR)	629.83			612		1,066	670	
2. Conclude contract with electricity supplier*	Time (days)	2	2	2	2	2	2	2	The customer has to conclude a contract with a supplier. Most of the suppliers offer contracting through their website (online) or by phone, and the electricity supply contract is usually concluded directly. The supplier has to register the contract in the national register for access to the network, which is done within 24 hours.
	Cost (EUR)	No cost							
3. Receive internal wiring inspection by approved agency*	Time (days)	1	1	1	1	1	1	1	Before the external connection works and the turn-on of the meter, the internal wiring of the warehouse must be inspected by an approved agency. The customer or a representative has to be present for the inspection.
	Cost (EUR)	250							
4. Accept estimate and await completion of external works by the utility	Time (days)	124	136	90	100	100	100	150	The utility uses an online platform—shared with other service utilities, including water, sewerage, and telecommunications to facilitate the coordination of excavation works,—to announce the start of electrical works. Each region has its own platform. A map of the existing underground cables and pipes from all relevant service utilities to prevent damage during excavation is also requested, in addition to an authorization to install road signs to divert traffic while excavating the public road. The installation of the meter is done by the utility. The electricity starts flowing immediately after the connection has been completed, if the contract between the supplier and the customer has been registered and the report of the internal inspection has been provided to the utility.
	Cost (EUR)	9,494 (EUR 5,411.78 connection fee + EUR 2,457 capacity fee at EUR 17.55 per kVA +EUR 1,625.50-meter installation fee)			16,708 (EUR 5,722 connection fee + EUR 9,273.60 capacity fee at EUR 66.24 per kVA + EUR 1,712-meter installation fee)		21,266 (EUR 9,776.89 connection fee + EUR 9,398 capacity fee at EUR 67.13 per kVA + EUR 2,091.31-meter installation fee)	18,620 (EUR 12,360 for connection fee + EUR 4,060 capacity fee at EUR 29 per kVA+ EUR 2,200 for meter installation costs)	
5. Purchase and install a transformer	Time (days)	30	30	30	30	30	30	30	The electrician of the client purchases a transformer and installs it on the ground of the warehouse to be connected with the network of the utility.
	Cost (EUR)	35,000							
6. Obtain certification of works by specialized agency	Time (days)	1	1	1	1	1	1	1	A representative of a specialized agency comes to the warehouse to approve the installation works of the transformer. The price of the certification cost is approximately EUR 200 and it is included in the price of installation of the transformer.
	Cost (EUR)	No cost							

Source: Subnational Doing Business and *Doing Business* databases.

Note: Data for Brussels are not considered official until published in the *Doing Business 2021* report.

*Takes place simultaneously with previous procedure.

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GETTING ELECTRICITY IN BELGIUM – RELIABILITY OF SUPPLY AND TRANSPARENCY OF TARIFFS INDEX	
Reliability of supply and transparency of tariffs index (0–8)	**8 (4 cities)** **7 (Charleroi, Liège, Namur)**
Total duration and frequency of outages per customer a year (0–3)	3 (4 cities) 2 (Charleroi, Liège, Namur)
System average interruption duration index (SAIDI)	0.36 (Antwerp) 0.37 (Bruges) 0.37 (Ghent) 0.44 (Brussels) 0.75 (Namur) 0.76 (Charleroi) 0.80 (Liège)
System average interruption frequency index (SAIFI)	0.36 (Antwerp) 0.36 (Bruges) 0.36 (Ghent) 0.39 (Brussels) 1.11 (Charleroi) 1.15 (Namur) 1.20 (Liège)
Mechanisms for monitoring outages (0–1)	1 (all cities)
Does the distribution utility use automated tools to monitor outages?	Yes (all cities)
Mechanisms for restoring service (0–1)	1 (all cities)
Does the distribution utility use automated tools to restore service?	Yes (all cities)
Regulatory monitoring (0–1)	1 (all cities)
Does a regulator—that is, an entity separate from the utility—monitor the utility's performance on reliability of supply?	Yes (all cities)
Financial deterrents aimed at limiting outages (0–1)	1 (all cities)
Does the utility either pay compensation to customers or face fines by the regulator (or both) if outages exceed a certain cap?	Yes (all cities)
Communication of tariffs and tariff changes (0–1)	1 (all cities)
Are effective tariffs available online?	Yes (all cities)
Are customers notified of a change in tariff ahead of the billing cycle?	Yes (all cities)

Source: Subnational Doing Business and *Doing Business* databases.
Note: Data for Brussels are not considered official until published in the *Doing Business 2021* report.

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REGISTERING PROPERTY IN BELGIUM – PROCEDURES REQUIRED TO REGISTER A PROPERTY, BY CITY

Property value: EUR 2,066,974 *Data as of: December 31, 2020*		Antwerp	Bruges	Brussels	Charleroi	Ghent	Liège	Namur	Comments
Parties give private sales agreement to the notary	Time (days)	1.0							The transfer of ownership can be done by a private contract between seller and buyer. However, to validate the transfer of ownership vis-à-vis third parties, the initial sale agreement needs to be notarized and registered with the competent Office of Legal Security by a notary. The notary will draw up a notarial act and obtain all necessary documentation (see following Procedures). The notary also checks, for companies, the copy of the publication of the names of the directors in the Belgian Official Gazette.
	Cost (EUR)	Included in procedure 8							
Notary obtains zoning certificate from the municipality	Time (days)	30	14	30	29	14	29	25	The seller is obliged to provide the buyer with the necessary urban planning information in connection with the sale of a property. To do so, the notary obtains the urban development information by requesting a zoning certificate from the municipality.
	Cost (EUR)	90 (Included in procedure 8)	30 (Included in procedure 8)	83 (Included in procedure 8)	50 (Included in procedure 8)	110 (Included in procedure 8)	50 (Included in procedure 8)	80 (Included in procedure 8)	
Notary obtains excerpt from the Office of Legal Security to verify whether certain third party rights were granted over the property and copies of the transfer acts over a 30-year period*	Time (days)	19	15	17	15	15	15	15	The notary obtains an excerpt from the Office of Legal Security to verify whether certain third-party rights were granted over the property, e.g. through mortgages, rights to construct ("opstalrecht / droit de superficie"). A 30-year title search will be included in the documents. The notary might request a full transcription, an inscription extract or a notification extract ("kantmelding / mention marginale") of transfer acts over 30 years affecting the property object to the transaction. The Office of Legal Security provides (i) "full transcription" of the title or of the judgment attributing the title: the date of acquisition of the full ownership or other right over the property (such as usufruct -right to use the property-, superficies-right to construct), the terms and conditions of the acquisition including the purchase price, the existence of lease contracts exceeding 9 years and information on the rights of third parties such as judgments, servitudes/ easements and seizures affecting the property in question for the past 30 years and (ii) by "inscription" whether the right over the property is encumbered by a mortgage or a legal lien (beneficiary, amount, costs, term).
	Cost (EUR)	EUR 209 (EUR 152 urgent request for excerpt + EUR 57 copy of the previous act - costs included in Procedure 8)							
Notary obtains tax certificates relating to the seller's tax position from tax administration (Inland Revenue)*	Time (days)	15							The notary obtains tax certificates relating to the seller's tax position from the Inland Revenue and the municipal and provincial tax collectors. A request for this information can be submitted online through the eNotariat portal, but the response will arrive 15 days later. If there is no answer within 12 working days, the notary can process the notarial act anyway, therefore assuming there are no tax issues. Since April 2007, notaries have to verify at the same time the seller's social security position. The notary has to check with every social security fund (there are +/- 15 of them). However, this process is done fully electronically, simultaneously with the verification of the tax position. The procedure is integrated into the existing procedure related to the tax position of the seller and the time needed for this verification is also 15 days.
	Cost (EUR)	25 (Federal tax certificate - included in Procedure 8)							
Obtain a clean soil certificate from the corresponding regional agency*	Time (days)	2	2	10	0.5	2	0.5	0.5	A clean soil certificate must be obtained for every transfer of land. The notary obtains the certificate from the corresponding regional agency (Brussels Environment in Brussels-Capital region, OVAM in Flanders and BDES in Wallonia).
	Cost (EUR)	54	54	38	30	54	30	30	
Notary obtains excerpt and plan from land register ("kadaster / cadastre") indicating the exact land register references*	Time (days)	0.5							The transfer act must contain the latest cadastral information about the property to be transferred. The notary obtains excerpt and plan from the Cadaster indicating the specific land register references, and (i) the specified address/ location of the property or, if the address/location is not available, (ii) the identity and address of the (assumed) owner. Notaries can now verify the most updated cadastral map on that property online and print the information to complete the transaction. Since November 2018, notaries can also request the official cadastral excerpt documents ("extrait cadastral") online via the platform MyMinFin and the eNotariat portal.
	Cost (EUR)	EUR 20 [for cadastral extract requested on paper - included in Procedure 8; EUR 5 for cadastral extract online (via MyMinFin)]							

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REGISTERING PROPERTY IN BELGIUM – PROCEDURES REQUIRED TO REGISTER A PROPERTY, BY CITY (continued)

Property value: EUR 2,066,974 *Data as of: December 31, 2020*		Antwerp	Bruges	Brussels	Charleroi	Ghent	Liège	Namur	Comments
The notary draws up the notarial act based on the agreement between the parties	Time (days)	2							Based on the agreement between the parties, the notary will draw up a notarial act after obtaining the required documents. Usually, the seller and buying company enter into a private agreement ("onderhandse overeenkomst / le compromis") in which the main contractual provisions (price, subject matter, obligations of both parties, etc) are listed. Subject to fulfillment of certain conditions precedent, if any, such agreement will transfer title to the buyer. Vis-à-vis third parties, the title will pass upon registration of the act with the Office of Legal Security referred to in the following procedure. Common conditions precedent are: waiver of pre-emption rights over the property and obtaining of consents from local authorities. Transfer of title between parties can be made subject to the registration of the act with the Office of Legal Security. The notary's fees are determined by law (Arrêté Royal), and the payment of the registration duties and notary fees by the parties take place before the signing of the notarial act.
	Cost (EUR)	Included in procedure 8							
The notary applies for registration and transcription of the notarial act with the local Office of Legal Security	Time (days)	18	15	23	8	15	9	16	The notary is required to pay the registration fees and apply for transcription of the notarial act to the local Office of Legal Security within 15 days after its execution on the basis of the Mortgage Law of the 16 December 1851. The transcription of the notarial act guarantees publicity vis-à-vis third parties. The notary pays the registration fees online and sends the meta data of the notarial act for transcription to the Office of Legal Security via eRegistration on the eNotariat portal. The fee for the transcription, based on the Royal Decree of 14 September 2016, is indexed and increases every 3 years. The Office of Legal Security will verify all documentation and complete the transfer in its records. It will then send confirmation to the notary that the notarial act has been registered and transcribed by sending two electronic stamps to the notary. Once received by the notary (s)he will then send a copy of the notarial act to the client for his records.
	Cost (EUR)	210,746	210,686	262,413	262,380	210,766	262,380	262,410	

Source: Subnational Doing Business and *Doing Business* databases.

Note: Data for Brussels are not considered official until published in the *Doing Business 2021* report.

*Simultaneous with a previous procedure.

N/A - not applicable

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REGISTERING PROPERTY IN BELGIUM – QUALITY OF LAND ADMINISTRATION INDEX		
	Answer	Score
Quality of the land administration index (0–30)		**23 (all cities)**
Reliability of infrastructure index (0–8)		6
In what format land title certificates are kept at the immovable property registry—in a paper format or in a computerized format (scanned or fully digital)? (0–2)	Computer/Scanned	1
Is there a comprehensive and functional electronic database for checking for encumbrances (liens, mortgages, restrictions and the like)? (0–1)	No	0
In what format cadastral plans are kept at the mapping agency—in a paper format or in a computerized format (scanned or fully digital)? (0–2)	Computer/Fully digital	2
Is there an electronic database for recording boundaries, checking plans and providing cadastral information (geographic information system)? (0–1)	Yes	1
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? (0–1)	Different databases but linked	1
Do the immovable property registration agency and cadastral or mapping agency use the same identification number for properties? (0–1)	Yes	1
Transparency of information index (0–6)		3
Whether information on land ownership is made publicly available without providing the title certificate number at the agency in charge of immovable property registration? (0–1)	Anyone who pays the official fee	1
Is the list of documents that are required to complete all types of property transactions made publicly available–and if so, how? (0–0.5)	No	0
Is the applicable fee schedule for all types of property transactions at the agency in charge of immovable property registration made publicly available–and if so, how? (0–0.5)	Yes, online	0.5
Does the agency in charge of immovable property registration formally commit to deliver a legally binding document proving ownership within a specific timeframe–and if so, how does it communicate the service standard? (0–0.5)	No	0
Is there a specific and independent mechanism for filing complaints about a problem that occurred at the agency in charge of immovable property registration? (0–1)	Yes	1
Are there publicly available official statistics tracking the number of transactions at the immovable property registration agency? (0–0.5)	No	0
Are cadastral plans made publicly available? (0–0.5)	Only intermediaries and interested parties	0
Is the applicable fee schedule for accessing maps of land plots made easily publicly available—and if so, how? (0–0.5)	Yes, online	0.5
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? (0–0.5)	No	0
Is there a specific and independent mechanism for filing complaints about a problem that occurred at the cadastral or mapping agency? (0–0.5)	No	0
Geographic coverage index (0–8)		8
Are all privately held land plots in the economy formally registered at the immovable property registry? (0–2)	Yes	2
Are all privately held land plots formally registered at the immovable property registry in the measured city? (0–2)	Yes	2
Are all privately held land plots in the economy mapped? (0–2)	Yes	2
Are all privately held land plots mapped in the measured city? (0–2)	Yes	2
Land dispute resolution index (0–8)		6
Does the law require that all property sale transactions be registered at the immovable property registry to make them opposable to third parties? (0–1.5)	Yes	1.5
Is the system of immovable property registration subject to a state or private guarantee? (0–0.5)	Yes	0.5
Is there 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? (0–0.5)	No	0
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)? (0–0.5)	Yes	0.5
Does the legal system require verification of the identity of the parties to a property transaction? (0–0.5)	Yes	0.5
Is there a national database to verify the accuracy of government issued identity documents? (0–1)	Yes	1
How long does it take on average to obtain a decision from the first-instance court for such a case (without appeal)? (0–3)	Between 1 and 2 years	2
Are there publicly available statistics on the number of land disputes in the first-instance court? (0–0.5)	No	0

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REGISTERING PROPERTY IN BELGIUM – QUALITY OF LAND ADMINISTRATION INDEX (continued)		
	Answer	Score
Equal access to property rights index (-2–0)		**0**
Do unmarried men and unmarried women have equal ownership rights to property?	Yes	0
Do married men and married women have equal ownership rights to property?	Yes	0

Source: Subnational Doing Business and *Doing Business* databases.
Note: Data for Brussels are not considered official until published in the *Doing Business 2021* report.

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ENFORCING CONTRACTS IN BELGIUM – TIME AND COST TO RESOLVE A COMMERCIAL DISPUTE, BY CITY

	Time (days)				**Cost** (% of claim)				**Quality of judicial processes index** (0–18)				
City	Filing and service	Trial and judgment	Enforcement of judgment	Total time	Attorney fees	Court costs	Enforcement costs	Total cost	Court structure and proceedings (-1–5)	Case management (0–6)	Court automation (0–4)	Alternative dispute resolution (0–3)	Total score (0–18)
Antwerp	20	326	93	439	10.0	3.0	3.0	16.0	4.5	1.0	0.0	2.5	8.0
Bruges	30	365	90	485	10.0	3.0	3.0	16.0	4.5	1.0	0.0	2.5	8.0
Brussels	15	400	90	505	10.0	3.4	3.0	16.4	4.5	1.0	0.0	2.5	8.0
Charleroi	10	240	90	340	9.4	4.0	2.8	16.1	4.5	1.0	0.0	2.2	8.0
Ghent	30	350	90	470	8.0	3.0	3.0	14.0	4.5	1.0	0.0	2.5	8.0
Liège	10	350	100	460	10.0	3.1	2.8	15.9	4.5	1.0	0.0	2.5	8.0
Namur	10	235	68	313	6.3	3.1	1.9	11.3	4.5	1.0	0.0	2.5	8.0

Source: Subnational Doing Business and *Doing Business* databases.

Note: The cost values, expressed as % of claim, are rounded to the first decimal place. Data for Brussels are not considered official until published in the *Doing Business 2021* report.

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ENFORCING CONTRACTS IN BELGIUM – QUALITY OF JUDICIAL PROCESSES INDEX	Answer	Score
Quality of judicial processes index (0–18)		**8**
Court structure and proceedings (-1–5)		**4.5**
1. Is there a court or division of a court dedicated solely to hearing commercial cases? (0–1.5)	Yes	1.5
2. Small claims court (0–1.5)		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? (0–1)	Yes	1
4. Are new cases assigned randomly to judges? (0–1)	Yes, but manual	0.5
5. Does a woman's testimony carry the same evidentiary weight in court as a man's? (-1–0)	Yes	0
Case management (0–6)		**1**
1. Time standards (0–1)		0
1.a. Are there laws setting overall time standards for key court events in a civil case?	Yes	
1.b. If yes, are the time standards set for at least three court events?	No	
1.c. Are these time standards respected in more than 50% of cases?	Yes	
2. Adjournments (0–1)		0
2.a. Does the law regulate the maximum number of adjournments that can be granted?	No	
2.b. Are adjournments limited to unforeseen and exceptional circumstances?	No	
2.c. If rules on adjournments exist, are they respected in more than 50% of cases?	n.a.	
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? (0–1)	Yes	1
4. Is a pretrial conference among the case management techniques used before the competent court? (0–1)	No	0
5. Are there any electronic case management tools in place within the competent court for use by judges? (0–1)	No	0
6. Are there any electronic case management tools in place within the competent court for use by lawyers? (0–1)	No	0
Court automation (0–4)		**0**
1. Can the initial complaint be filed electronically through a dedicated platform within the competent court? (0–1)	No	0
2. Is it possible to carry out service of process electronically for claims filed before the competent court? (0–1)	No	0
3. Can court fees be paid electronically within the competent court? (0–1)	No	0
4. Publication of judgments (0–1)		0
4.a. Are judgments rendered in commercial cases at all levels made available to the general public through publication in official gazettes, in newspapers or on the internet or court website?	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?	No	
Alternative dispute resolution (0–3)		**2.5**
1. Arbitration (0–1.5)		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 (0–1.5)		1
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?	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)?	No	

Source: Subnational Doing Business and *Doing Business* databases.
Note: Data for Brussels are not considered official until published in the *Doing Business 2021* report.

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The Netherlands

THE NETHERLANDS

Amsterdam

Starting a business (rank)	7
Score for starting a business (0–100)	91.50
Procedures (number)	5
Time (days)	9
Cost (% of income per capita)	3.8
Paid-in minimum capital (% of income per capita)	0.0

Dealing with construction permits (rank)	4
Score for dealing with construction permits (0–100)	66.92
Procedures (number)	13
Time (days)	189
Cost (% of warehouse value)	4.0
Building quality control index (0–15)	10

Getting electricity (rank)	4
Score for getting electricity (0–100)	86.63
Procedures (number)	4
Time (days)	102
Cost (% of income per capita)	24.1
Reliability of supply and transparency of tariffs index (0–8)	8

Registering property (rank)	7
Score for registering property (0–100)	80.01
Procedures (number)	5
Time (days)	3
Cost (% of property value)	6.1
Quality of land administration index (0–30)	28.5

Enforcing contracts (rank)	8
Score for enforcing contracts (0–100)	59.94
Time (days)	514
Cost (% of claim value)	23.9
Quality of judicial processes index (0–18)	7.0

Arnhem

Starting a business (rank)	1
Score for starting a business (0–100)	91.70
Procedures (number)	5
Time (days)	9
Cost (% of income per capita)	2.2
Paid-in minimum capital (% of income per capita)	0.0

Dealing with construction permits (rank)	7
Score for dealing with construction permits (0–100)	65.85
Procedures (number)	13
Time (days)	231
Cost (% of warehouse value)	2.4
Building quality control index (0–15)	10

Getting electricity (rank)	6
Score for getting electricity (0–100)	84.24
Procedures (number)	4
Time (days)	124
Cost (% of income per capita)	24.1
Reliability of supply and transparency of tariffs index (0–8)	8

Registering property (rank)	5
Score for registering property (0–100)	80.06
Procedures (number)	5
Time (days)	3
Cost (% of property value)	6.1
Quality of land administration index (0–30)	28.5

Enforcing contracts (rank)	6
Score for enforcing contracts (0–100)	60.46
Time (days)	517
Cost (% of claim value)	22.3
Quality of judicial processes index (0–18)	7.0

Note: Data for Amsterdam are not considered official until published in the *Doing Business 2021* report.

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Eindhoven

Starting a business (rank)	5
Score for starting a business (0–100)	91.57
Procedures (number)	5
Time (days)	9
Cost (% of income per capita)	3.3
Paid-in minimum capital (% of income per capita)	0.0

Dealing with construction permits (rank)	2
Score for dealing with construction permits (0–100)	68.89
Procedures (number)	13
Time (days)	202
Cost (% of warehouse value)	1.7
Building quality control index (0–15)	10

Getting electricity (rank)	2
Score for getting electricity (0–100)	87.08
Procedures (number)	4
Time (days)	98
Cost (% of income per capita)	18.3
Reliability of supply and transparency of tariffs index (0–8)	8

Registering property (rank)	1
Score for registering property (0–100)	80.10
Procedures (number)	5
Time (days)	3
Cost (% of property value)	6.0
Quality of land administration index (0–30)	28.5

Enforcing contracts (rank)	1
Score for enforcing contracts (0–100)	62.24
Time (days)	471
Cost (% of claim value)	20.9
Quality of judicial processes index (0–18)	7.0

Enschede

Starting a business (rank)	1
Score for starting a business (0–100)	91.70
Procedures (number)	5
Time (days)	9
Cost (% of income per capita)	2.2
Paid-in minimum capital (% of income per capita)	0.0

Dealing with construction permits (rank)	10
Score for dealing with construction permits (0–100)	62.75
Procedures (number)	15
Time (days)	232
Cost (% of warehouse value)	3.3
Building quality control index (0–15)	10

Getting electricity (rank)	10
Score for getting electricity (0–100)	82.73
Procedures (number)	4
Time (days)	138
Cost (% of income per capita)	18.3
Reliability of supply and transparency of tariffs index (0–8)	8

Registering property (rank)	5
Score for registering property (0–100)	80.06
Procedures (number)	5
Time (days)	3
Cost (% of property value)	6.1
Quality of land administration index (0–30)	28.5

Enforcing contracts (rank)	3
Score for enforcing contracts (0–100)	61.62
Time (days)	510
Cost (% of claim value)	19.7
Quality of judicial processes index (0–18)	7.0

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Groningen

Starting a business (rank)	1
Score for starting a business (0–100)	91.70
Procedures (number)	5
Time (days)	9
Cost (% of income per capita)	2.2
Paid-in minimum capital (% of income per capita)	0.0

Dealing with construction permits (rank)	5
Score for dealing with construction permits (0–100)	66.88
Procedures (number)	15
Time (days)	168
Cost (% of warehouse value)	3.6
Building quality control index (0–15)	10

Getting electricity (rank)	9
Score for getting electricity (0–100)	82.95
Procedures (number)	4
Time (days)	136
Cost (% of income per capita)	18.3
Reliability of supply and transparency of tariffs index (0–8)	8

Registering property (rank)	1
Score for registering property (0–100)	80.10
Procedures (number)	5
Time (days)	3
Cost (% of property value)	6.0
Quality of land administration index (0–30)	28.5

Enforcing contracts (rank)	5
Score for enforcing contracts (0–100)	61.49
Time (days)	519
Cost (% of claim value)	19.4
Quality of judicial processes index (0–18)	7.0

The Hague

Starting a business (rank)	7
Score for starting a business (0–100)	91.50
Procedures (number)	5
Time (days)	9
Cost (% of income per capita)	3.8
Paid-in minimum capital (% of income per capita)	0.0

Dealing with construction permits (rank)	9
Score for dealing with construction permits (0–100)	65.11
Procedures (number)	13
Time (days)	233
Cost (% of warehouse value)	2.9
Building quality control index (0–15)	10

Getting electricity (rank)	5
Score for getting electricity (0–100)	85.43
Procedures (number)	4
Time (days)	113
Cost (% of income per capita)	24.6
Reliability of supply and transparency of tariffs index (0–8)	8

Registering property (rank)	7
Score for registering property (0–100)	80.01
Procedures (number)	5
Time (days)	3
Cost (% of property value)	6.1
Quality of land administration index (0–30)	28.5

Enforcing contracts (rank)	7
Score for enforcing contracts (0–100)	59.99
Time (days)	519
Cost (% of claim value)	23.4
Quality of judicial processes index (0–18)	7.0

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Maastricht

Starting a business (rank)	5
Score for starting a business (0–100)	91.57
Procedures (number)	5
Time (days)	9
Cost (% of income per capita)	3.3
Paid-in minimum capital (% of income per capita)	0.0

Dealing with construction permits (rank)	6
Score for dealing with construction permits (0–100)	65.95
Procedures (number)	16
Time (days)	204
Cost (% of warehouse value)	1.5
Building quality control index (0–15)	10

Getting electricity (rank)	1
Score for getting electricity (0–100)	87.19
Procedures (number)	4
Time (days)	97
Cost (% of income per capita)	18.3
Reliability of supply and transparency of tariffs index (0–8)	8

Registering property (rank)	1
Score for registering property (0–100)	80.10
Procedures (number)	5
Time (days)	3
Cost (% of property value)	6.0
Quality of land administration index (0–30)	28.5

Enforcing contracts (rank)	10
Score for enforcing contracts (0–100)	59.09
Time (days)	561
Cost (% of claim value)	22.8
Quality of judicial processes index (0–18)	7.0

Middelburg

Starting a business (rank)	1
Score for starting a business (0–100)	91.70
Procedures (number)	5
Time (days)	9
Cost (% of income per capita)	2.2
Paid-in minimum capital (% of income per capita)	0.0

Dealing with construction permits (rank)	1
Score for dealing with construction permits (0–100)	69.47
Procedures (number)	14
Time (days)	169
Cost (% of warehouse value)	2.3
Building quality control index (0–15)	10

Getting electricity (rank)	3
Score for getting electricity (0–100)	86.63
Procedures (number)	4
Time (days)	102
Cost (% of income per capita)	23.7
Reliability of supply and transparency of tariffs index (0–8)	8

Registering property (rank)	1
Score for registering property (0–100)	80.10
Procedures (number)	5
Time (days)	3
Cost (% of property value)	6.0
Quality of land administration index (0–30)	28.5

Enforcing contracts (rank)	2
Score for enforcing contracts (0–100)	61.87
Time (days)	512
Cost (% of claim value)	18.9
Quality of judicial processes index (0–18)	7.0

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Rotterdam

Starting a business (rank)	7
Score for starting a business (0–100)	91.50
Procedures (number)	5
Time (days)	9
Cost (% of income per capita)	3.8
Paid-in minimum capital (% of income per capita)	0.0

Dealing with construction permits (rank)	3
Score for dealing with construction permits (0–100)	68.32
Procedures (number)	15
Time (days)	169
Cost (% of warehouse value)	2.4
Building quality control index (0–15)	10

Getting electricity (rank)	7
Score for getting electricity (0–100)	84.24
Procedures (number)	4
Time (days)	124
Cost (% of income per capita)	24.6
Reliability of supply and transparency of tariffs index (0–8)	8

Registering property (rank)	7
Score for registering property (0–100)	80.01
Procedures (number)	5
Time (days)	3
Cost (% of property value)	6.1
Quality of land administration index (0–30)	28.5

Enforcing contracts (rank)	4
Score for enforcing contracts (0–100)	61.61
Time (days)	485
Cost (% of claim value)	21.6
Quality of judicial processes index (0–18)	7.0

Utrecht

Starting a business (rank)	7
Score for starting a business (0–100)	91.50
Procedures (number)	5
Time (days)	9
Cost (% of income per capita)	3.8
Paid-in minimum capital (% of income per capita)	0.0

Dealing with construction permits (rank)	7
Score for dealing with construction permits (0–100)	65.60
Procedures (number)	13
Time (days)	231
Cost (% of warehouse value)	2.6
Building quality control index (0–15)	10

Getting electricity (rank)	8
Score for getting electricity (0–100)	83.37
Procedures (number)	4
Time (days)	132
Cost (% of income per capita)	24.6
Reliability of supply and transparency of tariffs index (0–8)	8

Registering property (rank)	7
Score for registering property (0–100)	80.01
Procedures (number)	5
Time (days)	3
Cost (% of property value)	6.1
Quality of land administration index (0–30)	28.5

Enforcing contracts (rank)	9
Score for enforcing contracts (0–100)	59.89
Time (days)	526
Cost (% of claim value)	23.2
Quality of judicial processes index (0–18)	7.0

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STARTING A BUSINESS IN THE NETHERLANDS – PROCEDURES REQUIRED TO START A BUSINESS, BY CITY

Standard company legal form: besloten vennootschap (bv) *Paid-in minimum capital requirement: none* *Data as of: December 31, 2021*		Amsterdam	Arnhem	Eindhoven	Enschede	Groningen	The Hague	Maastricht	Middelburg	Rotterdam	Utrecht	Comments
1. Check the company name for appropriateness and validity	Time (days)	Less than one day (online procedure)										It is recommended that entrepreneurs check the company name before registering it with the Chamber of Commerce. The company name must meet a number of rules such as not using another company's brand name or avoiding confusion with existing company names. The entrepreneurs or the notary are the ones who verify the appropriateness and validity of the company name on the Chamber of Commerce website before notarizing the company's deed of incorporation.
	Cost (EUR)	No cost	No cost	No cost	No cost	No cost	No cost	No cost	No cost	No cost	No cost	
2. A civil law notary drafts and signs the company's deed of incorporation	Time (days)	1	1	1	1	1	1	1	1	1	1	Entrepreneurs can send all the necessary documentation for the notary to draft the deed of incorporation by email, through online software systems such as 'Online Dossier', in-person or via post. The deed can be executed in the physical presence of a notary either by the entrepreneur or the person granted power of attorney to act on the entrepreneur's behalf. Notary rates are negotiable and can be billed at an hourly rate or as a fixed fee. This varies among notaries.
	Cost (EUR)	1,750	1,000	1,492	1,000	1,000	1,750	1,492	1,000	1,750	1,750	
3. Register ultimate beneficial owners in the UBO register	Time (days)	Less than one day (online procedure)										As of September 27, 2020, companies and other legal entities incorporated in the Netherlands are obliged to register their ultimate beneficial owners (UBOs) in the UBO register. Registration can be done online by a civil law notary. The notary submits the UBO registration application with the Chamber of Commerce through an electronic application – the NAU (Notaris Applicatie UBO). The Chamber of Commerce approves the registration of the UBO and sends a confirmation letter to the respective entity as well as the UBO. UBO registration is a prerequisite for registering the company at the Chamber of Commerce.
	Cost (EUR)	No cost	No cost	No cost	No cost	No cost	No cost	No cost	No cost	No cost	No cost	
4. Register the company at the Chamber of Commerce and obtain the VAT identification number	Time (days)	6	6	6	6	6	6	6	6	6	6	The registration at the Chamber of Commerce is done by the civil law notary, usually through an online platform called 'Online Registreren Notarissen' (ORN). After the required information is submitted, the Chamber of Commerce verifies it, together with the UBO registration information and registers the company in the Commercial Register. The company's founders are jointly and severally liable for each legal act that takes place between the execution of the deed of incorporation and the company's registration at the Chamber of Commerce. The VAT registration is done along with company registration at the Chamber of Commerce. The Chamber of Commerce automatically forwards the registered company information to the Tax Authority, which in turn will create and deliver the VAT identification number to the entrepreneur.
	Cost (EUR)	50	50	50	50	50	50	50	50	50	50	
5. Register as employer with the Tax Authority and the Social Security Authority	Time (days)	1	1	1	1	1	1	1	1	1	1	The company has to be registered with the Tax Authority in order to hire employees. There is a PDF-form available online that must be filled out and sent via post to the Tax Authority. Within six weeks of completing registration, the company receives a payroll tax number, a payroll tax return letter, and information on the contributions to be paid for the employed person's social security insurance scheme.
	Cost (EUR)	No cost	No cost	No cost	No cost	No cost	No cost	No cost	No cost	No cost	No cost	

Source: Subnational Doing Business and *Doing Business* databases.

Note: Data for Amsterdam are not considered official until published in the *Doing Business 2021* report.

*Takes place simultaneously with previous procedure.

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LIST OF PROCEDURES DEALING WITH CONSTRUCTION PERMITS

THE NETHERLANDS

Amsterdam

Warehouse value: EUR 2,350,524 (USD 2,660,000)
Data as of: December 31, 2020

Procedure 1. Obtain report on the soil conditions
Agency: Soil Researching Company
Time: 30 days
Cost: EUR 9,650

Procedure 2*. Hold a consultation with the municipal authorities
Agency: Municipality
Time: 15 days
Cost: EUR 217

Procedure 3. Submit a request for a building permit to the Municipal Executive (Mayor and Aldermen)
Agency: Municipality
Time: 98 days
Cost: EUR 82,106

Procedure 4*. Apply for Bibob clearance
Agency: The Public Administration Probity Screening (Bureau Bibob)
Time: 7 days
Cost: No cost

Procedure 5. Notify building inspector two days before construction begins
Agency: Municipality
Time: Less than one day (online procedure)
Cost: No cost

Procedure 6. Request and receive inspection at foundation stage
Agency: Municipality
Time: 1 day
Cost: No cost

Procedure 7. Receive a random inspection
Agency: Municipality
Time: 1 day
Cost: No cost

Procedure 8. Request water and sewage connection
Agency: Waternet
Time: 21 days
Cost: No cost

Procedure 9. Receive inspection for water and sewage connection
Agency: Waternet
Time: 1 day
Cost: No cost

Procedure 10. Obtain water and sewage connection
Agency: Waternet
Time: 21 days
Cost: EUR 2,167

Procedure 11. Notify building inspector upon completion of work
Agency: Municipality
Time: Less than one day (online procedure)
Cost: No cost

Procedure 12. Receive final inspection
Agency: Municipality
Time: 1 day
Cost: No cost

Procedure 13. Obtain occupancy permit
Agency: Municipality
Time: 14 days
Cost: No cost

Arnhem

Warehouse value: EUR 2,350,524 (USD 2,660,000)
Data as of: December 31, 2020

Procedure 1. Obtain report on the soil conditions
Agency: Soil Researching Company
Time: 30 days
Cost: EUR 9,650

Procedure 2*. Hold a consultation with the municipal authorities
Agency: Municipality
Time: 21 days
Cost: EUR 561

Procedure 3. Submit a request for a building permit to the Municipal Executive (Mayor and Aldermen)
Agency: Municipality
Time: 98 days
Cost: EUR 46,273 (2.04% of warehouse value)

Procedure 4*. Notify municipality of sewage connection at least 3 weeks in advance
Agency: Municipality
Time: 14 days
Cost: No cost

Procedure 5*. Request water connection
Agency: Vitens
Time: 6 days
Cost: No cost

Procedure 6. Notify building inspector two days before construction begins
Agency: Construction permits division region Arnhem
Time: .5 days
Cost: No cost

Procedure 7. Receive inspection for water connection
Agency: Vitens
Time: 1 day
Cost: No cost

Procedure 8. Obtain water connection
Agency: Vitens
Time: 84 days
Cost: EUR 762

Procedure 9. Request and receive inspection at foundation stage
Agency: Construction permits division region Arnhem
Time: 1 day
Cost: No cost

Procedure 10. Receive a random inspection
Agency: Construction permits division region Arnhem
Time: 1 day
Cost: No cost

Procedure 11. Notify building inspector upon completion of work
Agency: Construction permits division region Arnhem
Time: .5 days
Cost: No cost

Procedure 12. Receive final inspection
Agency: Municipality
Time: 1 day
Cost: No cost

Procedure 13. Notification occupancy
Agency: Municipality
Time: 14 days
Cost: No cost

Note: Data for Amsterdam are not considered official until published in the *Doing Business 2021* report.

**Takes place simultaneously with previous procedure*

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Eindhoven

Warehouse value: EUR 2,350,524 (USD 2,660,000)
Data as of: December 31, 2020

Procedure 1. Obtain report on the soil conditions
Agency: Soil Researching Company
Time: 30 days
Cost: EUR 9,650

Procedure 2*. Hold a consultation with the municipal authorities
Agency: Municipality
Time: 17 days
Cost: EUR 325

Procedure 3. Submit a request for a building permit to the Municipal Executive (Mayor and Aldermen)
Agency: Municipality
Time: 98 days
Cost: EUR 27,537 (EUR 21,617 for the first 2 million euro in warehouse value + 1.94% for any warehouse value over 2 million euro + EUR 180 for building used to store goods + EUR 536 for soil study assessment)

Procedure 4*. Request sewage connection
Agency: Municipality
Time: 21 days
Cost: No cost

Procedure 5*. Request water connection
Agency: Brabant Water
Time: 5 days
Cost: No cost

Procedure 6. Notify building inspector two days before construction begins
Agency: Municipality
Time: .5 days
Cost: No cost

Procedure 7. Obtain water connection
Agency: Brabant Water
Time: 56 days
Cost: EUR 1,067

Procedure 8*. Obtain sewage connection
Agency: Municipality
Time: 21 days
Cost: EUR 917

Procedure 9. Request and receive inspection at foundation stage
Agency: Municipality
Time: 1 day
Cost: No cost

Procedure 10. Receive a random inspection
Agency: Municipality
Time: 1 day
Cost: No cost

Procedure 11. Notify building inspector upon completion of work
Agency: Municipality
Time: .5 days
Cost: No cost

Procedure 12. Receive final inspection
Agency: Municipality
Time: 1 day
Cost: No cost

Procedure 13. Obtain occupancy permit
Agency: Municipality
Time: 14 days
Cost: No cost

Enschede

Warehouse value: EUR 2,350,524 (USD 2,660,000)
Data as of: December 31, 2020

Procedure 1. Obtain report on the soil conditions
Agency: Soil Researching Company
Time: 30 days
Cost: EUR 9,650

Procedure 2*. Hold a consultation with the municipal authorities
Agency: Municipality
Time: 30 days
Cost: No cost

Procedure 3. Submit a request for a building permit to the Municipal Executive (Mayor and Aldermen)
Agency: Municipality
Time: 98 days
Cost: EUR 63,512

Procedure 4*. Apply for Bibob clearance
Agency: The Public Administration Probity Screening (Bureau Bibob)
Time: 7 days
Cost: No cost

Procedure 5*. Request water connection
Agency: Vitens
Time: 6 days
Cost: No cost

Procedure 6*. Request sewage connection
Agency: Municipality
Time: 2 days
Cost: No cost

Procedure 7. Notify building inspector two days before construction begins
Agency: Municipality
Time: .5 days
Cost: No cost

Procedure 8. Receive inspection for water connection
Agency: Vitens
Time: 1 day
Cost: No cost

Procedure 9. Obtain water connection
Agency: Vitens
Time: 84 days
Cost: EUR 762

Procedure 10*. Obtain sewage connection
Agency: Municipality
Time: 14 days
Cost: EUR 2,656

Procedure 11. Request and receive inspection at foundation stage
Agency: Municipality
Time: 1 day
Cost: No cost

Procedure 12. Receive a random inspection
Agency: Municipality
Time: 1 day
Cost: No cost

Procedure 13. Notify building inspector upon completion of work
Agency: Municipality
Time: .5 days
Cost: No cost

Procedure 14. Receive final inspection
Agency: Municipality
Time: 1 day
Cost: No cost

Procedure 15. Obtain occupancy permit
Agency: Municipality
Time: 14 days
Cost: No cost

**Takes place simultaneously with previous procedure*

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Groningen

Warehouse value: EUR 2,350,524 (USD 2,660,000)
Data as of: December 31, 2020

Procedure 1. Obtain report on the soil conditions
Agency: Soil Researching Company
Time: 30 days
Cost: EUR 9,650

Procedure 2*. Hold a consultation with the municipal authorities
Agency: Municipality
Time: 28 days
Cost: No cost

Procedure 3. Submit a request for a building permit to the Municipal Executive (Mayor and Aldermen)
Agency: Municipality
Time: 98 days
Cost: EUR 75,157 (EUR 17,585.75 for the first 455,000 of warehouse value + EUR 31.75 for every additional 1,000 euro in warehouse value)

Procedure 4*. Request water connection
Agency: Waterbedrijf Groningen
Time: 21 days
Cost: No cost

Procedure 5*. Request sewage connection
Agency: Municipality
Time: 21 days
Cost: No cost

Procedure 6*. Apply for Bibob clearance
Agency: The Public Administration Probity Screening (Bureau Bibob)
Time: 7 days
Cost: No cost

Procedure 7. Notify building inspector two days before construction begins
Agency: Municipality
Time: .5 days
Cost: No cost

Procedure 8. Receive inspection for water connection
Agency: Waterbedrijf Groningen
Time: 1 day
Cost: No cost

Procedure 9. Obtain water connection
Agency: Waterbedrijf Groningen
Time: 21 days
Cost: EUR 810

Procedure 10*. Obtain sewage connection
Agency: Municipality
Time: 7 days
Cost: No cost

Procedure 11. Request and receive inspection at foundation stage
Agency: Municipality
Time: 1 day
Cost: No cost

Procedure 12. Receive a random inspection
Agency: Municipality
Time: 1 day
Cost: No cost

Procedure 13. Notify building inspector upon completion of work
Agency: Municipality
Time: .5 days
Cost: No cost

Procedure 14. Receive final inspection
Agency: Municipality
Time: 1 day
Cost: No cost

Procedure 15. Obtain occupancy permit
Agency: Municipality
Time: 14 days
Cost: No cost

The Hague

Warehouse value: EUR 2,350,524 (USD 2,660,000)
Data as of: December 31, 2020

Procedure 1. Hold a consultation with the municipal authorities
Agency: Municipality
Time: 60 days
Cost: EUR 100

Procedure 2*. Obtain report on the soil conditions
Agency: Soil Researching Company
Time: 30 days
Cost: EUR 9,650

Procedure 3. Submit a request for a building permit to the Municipal Executive (Mayor and Aldermen)
Agency: Municipality
Time: 98 days
Cost: EUR 57,841 (2.55% of warehouse value)

Procedure 4*. Request sewage connection
Agency: Municipality
Time: 42 days
Cost: No cost

Procedure 5*. Request water connection
Agency: Dunea
Time: 42 days
Cost: No cost

Procedure 6. Notify building inspector two days before construction begins
Agency: Municipality
Time: .5 days
Cost: No cost

Procedure 7. Receive inspection for water connection
Agency: Dunea
Time: 1 day
Cost: No cost

Procedure 8. Obtain water connection
Agency: Dunea
Time: 56 days
Cost: EUR 862

Procedure 9. Request and receive inspection at foundation stage
Agency: Municipality
Time: 1 day
Cost: No cost

Procedure 10. Receive a random inspection
Agency: Municipality
Time: 1 day
Cost: No cost

Procedure 11. Notify building inspector upon completion of work
Agency: Municipality
Time: .5 days
Cost: No cost

Procedure 12. Receive final inspection
Agency: Municipality
Time: 1 day
Cost: No cost

Procedure 13. Obtain occupancy permit
Agency: Municipality
Time: 14 days
Cost: No cost

**Takes place simultaneously with previous procedure*

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Maastricht

Warehouse value: EUR 2,350,524 (USD 2,660,000)
Data as of: December 31, 2020

Procedure 1. Obtain report on the soil conditions
Agency: Soil Researching Company
Time: 30 days
Cost: EUR 9,650

Procedure 2*. Hold a consultation with the municipal authorities
Agency: Municipality
Time: 8 days
Cost: No cost

Procedure 3. Submit a request for a building permit to the Municipal Executive (Mayor and Aldermen)
Agency: Municipality
Time: 98 days
Cost: EUR 21,133 (The municipality estimates the construction costs for a project based on unit prices. For a warehouse of 1300.6 meters squared, the construction fees are estimated to be 563,160 euro. When applying this to the municipal cost table, the fees for the permit would be 21,133.1 euro)

Procedure 4*. Request water connection
Agency: WML
Time: 21 days
Cost: No cost

Procedure 5*. Apply for Bibob clearance
Agency: The Public Administration Probity Screening (Bureau Bibob)
Time: 7 days
Cost: No cost

Procedure 6*. Request sewage connection permit
Agency: Municipality
Time: 6 days
Cost: No cost

Procedure 7. Notify building inspector two days before construction begins
Agency: Municipality
Time: .5 days
Cost: No cost

Procedure 8. Receive inspection for water connection
Agency: WML
Time: 1 day
Cost: No cost

Procedure 9. Receive inspection for sewage connection
Agency: Municipality
Time: 1 day
Cost: No cost

Procedure 10. Obtain sewage connection
Agency: Municipality
Time: 56 days
Cost: EUR 3,660

Procedure 11*. Obtain water connection
Agency: WML
Time: 21 days
Cost: EUR 1,168

Procedure 12. Request and receive inspection at foundation stage
Agency: Municipality
Time: 1 day
Cost: No cost

Procedure 13. Receive a random inspection
Agency: Municipality
Time: 1 day
Cost: No cost

Procedure 14. Notify building inspector upon completion of work
Agency: Municipality
Time: .5 days
Cost: No cost

Procedure 15. Receive final inspection
Agency: Municipality
Time: 1 day
Cost: No cost

Procedure 16. Obtain occupancy permit
Agency: Municipality
Time: 14 days
Cost: No cost

Middelburg

Warehouse value: EUR 2,350,524 (USD 2,660,000)
Data as of: December 31, 2020

Procedure 1. Obtain report on the soil conditions
Agency: Soil Researching Company
Time: 30 days
Cost: EUR 9,650

Procedure 2*. Hold a consultation with the municipal authorities
Agency: Municipality
Time: 21 days
Cost: EUR 1,186 (25% of the cost of the construction permit)

Procedure 3. Submit a request for a building permit to the Municipal Executive (Mayor and Aldermen)
Agency: Municipality
Time: 98 days
Cost: EUR 42,358 (EUR 334.85 for the first 15,000 in warehouse value + EUR 18.65 for every additional 1,000 euro in warehouse value)

Procedure 4*. Request sewage connection permit
Agency: Municipality
Time: 21 days
Cost: No cost

Procedure 5*. Request water connection
Agency: Evides
Time: 21 days
Cost: No cost

Procedure 6. Notify building inspector two days before construction begins
Agency: Municipality
Time: .5 days
Cost: No cost

Procedure 7. Receive inspection for water connection
Agency: Evides
Time: 1 day
Cost: No cost

Procedure 8. Obtain sewage connection
Agency: Municipality
Time: 21 days
Cost: EUR 177

Procedure 9*. Obtain water connection
Agency: Evides
Time: 21 days
Cost: EUR 978

Procedure 10. Request and receive inspection at foundation stage
Agency: Municipality
Time: 1 day
Cost: No cost

Procedure 11. Receive a random inspection
Agency: Municipality
Time: 1 day
Cost: No cost

**Takes place simultaneously with previous procedure*

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Procedure 12. Notify building inspector upon completion of work
Agency: Municipality
Time: .5 days
Cost: No cost

Procedure 13. Receive final inspection
Agency: Municipality
Time: 1 day
Cost: No cost

Procedure 14. Obtain occupancy permit
Agency: Municipality
Time: 14 days
Cost: No cost

Rotterdam

Warehouse value: EUR 2,350,524 (USD 2,660,000)
Data as of: December 31, 2020

Procedure 1. Obtain report on the soil conditions
Agency: Soil Researching Company
Time: 30 days
Cost: EUR 9,650

Procedure 2*. Hold a consultation with the municipal authorities
Agency: Municipality
Time: 14 days
Cost: No cost

Procedure 3. Submit a request for a building permit to the Municipal Executive (Mayor and Aldermen)
Agency: Municipality
Time: 98 days
Cost: EUR 46,500 (2.05% of warehouse value)

Procedure 4*. Request sewage connection permit
Agency: Municipality
Time: 56 days
Cost: EUR 33

Procedure 5*. Request water connection
Agency: Evides
Time: 21 days
Cost: No cost

Procedure 6*. Apply for Bibob clearance
Agency: The Public Administration Probity Screening (Bureau Bibob)
Time: 7 days
Cost: No cost

Procedure 7. Notify building inspector two days before construction begins
Agency: Municipality
Time: .5 days
Cost: No cost

Procedure 8. Receive inspection for sewage connection
Agency: Municipality
Time: 1 day
Cost: No cost

Procedure 9*. Receive inspection for water connection
Agency: Evides
Time: 1 day
Cost: No cost

Procedure 10. Obtain water connection
Agency: Evides
Time: 21 days
Cost: EUR 978

Procedure 11. Request and receive inspection at foundation stage
Agency: Municipality
Time: 1 day
Cost: No cost

Procedure 12. Receive a random inspection
Agency: Municipality
Time: 1 day
Cost: No cost

Procedure 13. Notify building inspector upon completion of work
Agency: Municipality
Time: .5 days
Cost: No cost

Procedure 14. Receive final inspection
Agency: Municipality
Time: 1 day
Cost: No cost

Procedure 15. Obtain occupancy permit
Agency: Municipality
Time: 14 days
Cost: No cost

Utrecht

Warehouse value: EUR 2,350,524 (USD 2,660,000)
Data as of: December 31, 2020

Procedure 1. Obtain report on the soil conditions
Agency: Soil Researching Company
Time: 30 days
Cost: EUR 9,650

Procedure 2*. Hold a consultation with the municipal authorities
Agency: Municipality
Time: 25 days
Cost: EUR 3,000

Procedure 3. Submit a request for a building permit to the Municipal Executive (Mayor and Aldermen)
Agency: Municipality
Time: 98 days
Cost: EUR 48,541 (2.14% of warehouse value)

Procedure 4*. Request sewage connection
Agency: Municipality
Time: 21 days
Cost: No cost

Procedure 5*. Request water connection
Agency: Vitens
Time: 6 days
Cost: No cost

Procedure 6. Notify building inspector two days before construction begins
Agency: Municipality
Time: .5 days
Cost: No cost

Procedure 7. Receive inspection for water connection
Agency: Vitens
Time: 1 day
Cost: No cost

Procedure 8. Obtain water connection
Agency: Vitens
Time: 84 days
Cost: EUR 762

Procedure 9. Request and receive inspection at foundation stage
Agency: Municipality
Time: 1 day
Cost: No cost

**Takes place simultaneously with previous procedure*

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Procedure 10. Receive a random inspection

Agency: Municipality
Time: 1 day
Cost: No cost

Procedure 11. Notify building inspector upon completion of work

Agency: Municipality
Time: .5 days
Cost: No cost

Procedure 12. Receive final inspection

Agency: Municipality
Time: 1 day
Cost: No cost

Procedure 13. Obtain occupancy permit

Agency: Municipality
Time: 14 days
Cost: No cost

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DEALING WITH CONSTRUCTION PERMITS IN THE NETHERLANDS – BUILDING QUALITY CONTROL INDEX	All cities	
	Answer	Score
Building quality control index (0–15)		**10**
Quality of building regulations index (0–2)		2
How accessible are building laws and regulations in your economy? (0–1)	Available online; Free of charge.	1
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
Quality control before construction index (0–1)		1
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
Quality control during construction index (0–3)		3
What types of inspections (if any) are required by law to be carried out during construction? (0–2)	Inspections at various phases; Risk-based inspections.	2
Do legally mandated inspections occur in practice during construction? (0–1)	Mandatory inspections are always done in practice.	1
Quality control after construction index (0–3)		3
Is there a final inspection required by law to verify that the building was built in accordance with the approved plans and regulations? (0–2)	Yes, final inspection is done by government agency.	2
Do legally mandated final inspections occur in practice? (0–1)	Final inspection always occurs in practice.	1
Liability and insurance regimes index (0–2)		1
Which parties (if any) are held liable by law for structural flaws or problems in the building once it is in use (Latent Defect Liability or Decennial Liability)? (0–1)	Architect or engineer; Professional in charge of the supervision; Construction company.	1
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? (0–1)	No party is required by law to obtain insurance.	0
Professional certifications index (0–4)		0
What are the qualification requirements for the professional responsible for verifying that the architectural plans or drawings are in compliance with existing building regulations? (0–2)	Minimum number of years of experience.	0
What are the qualification requirements for the professional who supervises the construction on the ground? (0–2)	Minimum number of years of experience.	0

Source: Subnational Doing Business and *Doing Business* databases.
Note: Data for Amsterdam are not considered official until published in the *Doing Business 2021* report.

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GETTING ELECTRICITY IN THE NETHERLANDS – PROCEDURES REQUIRED TO OBTAIN A NEW ELECTRICITY CONNECTION, BY CITY

Data as of: December 31, 2020

Name of utility:		**Enduris**	**Enexis**				**Liander**		**Stedin**			
		Middelburg	**Eindhoven**	**Enschede**	**Groningen**	**Maastricht**	**Amsterdam**	**Arnhem**	**The Hague**	**Rotterdam**	**Utrecht**	**Comments**
1. Submit application to utility and receive quote	Time (days)	12	8	12	10	7	12	12	12	12	12	The customer applies for an electricity connection with the utility. Once the utility has received a complete application it will assess if the grid in its current capacity is able to handle the requested connection capacity. The utility then prepares and calculates the connection fees, no site inspection is required to issue a quote.
	Cost (EUR)	No cost										
2. Obtain external works from utility's contractor	Time (days)	90	90	126	126	90	90	112	101	112	120	The utility will sub-contract the works to a private firm. In this case, the works consist of laying out a cable from the warehouse to the closest supply source. According to Article 23 of the Electricity Law, utilities in the Netherlands have 18 weeks (126 days) to complete the external works. Maximum connection fees are fixed and set by the ACM (Autoriteit Consument & Markt) and include the physical works for a connection up to 25 meters. Before the electricity can be turned on, the client will need to show the relevant agency (the utility) a copy of the supply contract. Nowadays this is carried out by internal electronic communication between the supplier and the utility. This is done during the execution of the works and therefore gives no additional delay to the process.
	Cost (EUR)	11,150 [(EUR 4,437 for capacity between 50 kVA and 200 kVA for the first 25 meters) + (EUR 6,712.50 for EUR 53.70 per each additional meter)]	8,591 [(EUR 3,428 for capacity between 3x160A and 3x250A and for the first 25 meters) + (EUR 5,162.50 for EUR 41.30 per each additional meter)]				11,352 [(EUR 4,802 for capacity between 100 kVA and 160 kVA for the first 25 meters) + (EUR 6,550 for EUR 52.40 per each additional meter)]		11,580 [(EUR 5,330 for capacity between 3x125A and 175 kVA and for the first 25 meters) + (EUR 6,250 for EUR 50 per each additional meter)]			
3. Sign contract with electricity supplier*	Time (days)	7	7	7	7	7	7	7	7	7	7	In the Netherlands, the electricity market is free. The utility is a distributor of electricity, but not a provider. Therefore, in order to obtain electricity, once the client has received an EAN code from the utility, the client will need to choose and sign a contract with one of many suppliers.
	Cost (EUR)	No cost										
4. Obtain meter installation by meter company*	Time (days)	7	7	7	7	7	7	7	7	7	7	The client must choose a meter company to install the meter for them. Utilities cannot install meters for clients with connections with a capacity larger than 3 x 80 Ampere. Before the electricity can be turned on, the client will need to show the relevant agency (the utility) a copy of the supply contract, via electronic communication.
	Cost (EUR)	No cost										

Source: Subnational Doing Business and *Doing Business* databases.

Note: Data for Amsterdam are not considered official until published in the *Doing Business 2021* report.

*Takes place simultaneously with previous procedure.

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GETTING ELECTRICITY IN THE NETHERLANDS – RELIABILITY OF SUPPLY AND TRANSPARENCY OF TARIFFS INDEX	
Reliability of supply and transparency of tariffs index (0–8)	**8 (all cities)**
Total duration and frequency of outages per customer a year (0–3)	3 (all cities)
System average interruption duration index (SAIDI)	0.20 (Eindhoven, Enschede, Groningen, Maastricht) 0.25 (Middelburg) 0.34 (The Hague, Rotterdam, Utrecht) 0.58 (Amsterdam, Arnhem)
System average interruption frequency index (SAIFI)	0.15 (Eindhoven, Enschede, Groningen, Maastricht) 0.23 (The Hague, Rotterdam, Utrecht) 0.24 (Middelburg) 0.32 (Amsterdam, Arnhem)
Mechanisms for monitoring outages (0–1)	1 (all cities)
Does the distribution utility use automated tools to monitor outages?	Yes (all cities)
Mechanisms for restoring service (0–1)	1 (all cities)
Does the distribution utility use automated tools to restore service?	Yes (all cities)
Regulatory monitoring (0–1)	1 (all cities)
Does a regulator—that is, an entity separate from the utility—monitor the utility's performance on reliability of supply?	Yes (all cities)
Financial deterrents aimed at limiting outages (0–1)	1 (all cities)
Does the utility either pay compensation to customers or face fines by the regulator (or both) if outages exceed a certain cap?	Yes (all cities)
Communication of tariffs and tariff changes (0–1)	1 (all cities)
Are effective tariffs available online?	Yes (all cities)
Are customers notified of a change in tariff ahead of the billing cycle?	Yes (all cities)

Source: Subnational Doing Business and *Doing Business* databases.
Note: Data for Amsterdam are not considered official until published in the *Doing Business 2021* report.

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REGISTERING PROPERTY IN THE NETHERLANDS – PROCEDURES REQUIRED TO REGISTER A PROPERTY, BY CITY

Property value: EUR 2,350,524 *Data as of: December 31, 2020*		Amsterdam	Arnhem	Eindhoven	Enschede	Groningen	The Hague
Notary conducts a title search at the Land Registry	Time (days)	Less than one day (online procedure)					
	Cost (EUR)	EUR 2,258. A fraction of the cost is charged by the Land Registry to issue a registered title (EUR 2.95) a cadastral map (EUR 1.80) and a cadastral extract (EUR 1.80). Most of the cost relates to the notarial fees (for the work performed under procedures 1, 2 and 3): EUR 2,250	EUR 1,508. A fraction of the cost is charged by the Land Registry to issue a registered title (EUR 2.95) a cadastral map (EUR 1.80) and a cadastral extract (EUR 1.80). Most of the cost relates to the notarial fees (for the work performed under procedures 1, 2 and 3): EUR1,500.	EUR 1,008. A fraction of the cost is charged by the Land Registry to issue a registered title (EUR 2.95) a cadastral map (EUR 1.80) and a cadastral extract (EUR 1.80). Most of the cost relates to the notarial fees (for the work performed under procedures 1, 2 and 3): EUR1,000	EUR 1,508. A fraction of the cost is charged by the Land Registry to issue a registered title (EUR 2.95) a cadastral map (EUR 1.80) and a cadastral extract (EUR 1.80). Most of the cost relates to the notarial fees (for the work performed under procedures 1, 2 and 3): EUR1,500.	EUR 1,008. A fraction of the cost is charged by the Land Registry to issue a registered title (EUR 2.95) a cadastral map (EUR 1.80) and a cadastral extract (EUR 1.80). Most of the cost relates to the notarial fees (for the work performed under procedures 1, 2 and 3): EUR1,000	EUR 2,258. A fraction of the cost is charged by the Land Registry to issue a registered title (EUR 2.95) a cadastral map (EUR 1.80) and a cadastral extract (EUR 1.80). Most of the cost relates to the notarial fees (for the work performed under procedures 1, 2 and 3): EUR2,250
Notary conducts a search on the representation of the parties*	Time (days)	Less than one day (online procedure)					
	Cost (EUR)	EUR 22.8. This fee is charged by the Chamber of Commerce to research the legal capacity of the seller and purchaser to represent the companies. EUR 3.05 is charged to access the annual accounts (of each company); EUR 2.65 for the names of legal representatives (of each company); EUR 2.65 for the articles of association (of each company); and EUR 3.05 for an authenticated commercial extract (of each company).					
Execution of the transfer deed	Time (days)	1 day					
	Cost (EUR)	EUR 141,031 (Transfer Tax: 6% of property value for non-residential; 2% for residential use)					
Registration of deed	Time (days)	Less than one day (online procedure)					
	Cost (EUR)	EUR 82.5 (for fully automatic registration)					
Registration with Tax authority, Department Registration and Succession*	Time (days)	Less than one day (online procedure)					
	Cost (EUR)	Included in Procedure 3					

Source: Subnational Doing Business and *Doing Business* databases.

Note: Data for Amsterdam are not considered official until published in the *Doing Business 2021* report.

*Simultaneous with a previous procedure.

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Maastricht	Middelburg	Rotterdam	Utrecht	Comments
Less than one day (online procedure)				According to the Dutch Civil Code it is mandatory to hire a civil law notary to perform the property registration process. The notary will conduct a title search at the Land Registry to check for ownership and encumbrances before executing the deed. A notarial deed is mandatory ('authentic deed'); and the notary verifies that the seller is indeed the owner. Notaries can consult the land register remotely via the Automatic Cadastral Registration (AKR). All deeds are available online, as well as extracts from the cadastral map showing the relevant properties. The civil law notary then drafts the transfer deed.
EUR 1,008. A fraction of the cost is charged by the Land Registry to issue a registered title (EUR 2.95) a cadastral map (EUR 1.80) and a cadastral extract (EUR 1.80). Most of the cost relates to the notarial fees (for the work performed under procedures 1, 2 and 3): EUR1,000	EUR 1,008. A fraction of the cost is charged by the Land Registry to issue a registered title (EUR 2.95) a cadastral map (EUR 1.80) and a cadastral extract (EUR 1.80). Most of the cost relates to the notarial fees (for the work performed under procedures 1, 2 and 3): EUR1,000	EUR 2,258. A fraction of the cost is charged by the Land Registry to issue a registered title (EUR 2.95) a cadastral map (EUR 1.80) and a cadastral extract (EUR 1.80). Most of the cost relates to the notarial fees (for the work performed under procedures 1, 2 and 3): EUR2,250	EUR 2,258. A fraction of the cost is charged by the Land Registry to issue a registered title (EUR 2.95) a cadastral map (EUR 1.80) and a cadastral extract (EUR 1.80). Most of the cost relates to the notarial fees (for the work performed under procedures 1, 2 and 3): EUR2,250	
Less than one day (online procedure)				When the parties to the transactions are companies (not individuals), the notary must verify with the Commercial Register from the Chamber of Commerce specific information regarding the parties (such as address, managing directors). The articles of association cannot be checked on-line. The civil law notary can have these sent to him by mail or fax. The notary will also check the Insolvency Registry, to verify whether either the buyer and or the seller have been declared bankrupted at the time of signing the deed and the registration with the Land Registry. This is important to verify that both the seller and the buyer have the right to enter into the transaction on behalf of the company.
EUR 22.8. This fee is charged by the Chamber of Commerce to research the legal capacity of the seller and purchaser to represent the companies. EUR 3.05 is charged to access the annual accounts (of each company); EUR 2.65 for the names of legal representatives (of each company); EUR 2.65 for the articles of association (of each company); and EUR 3.05 for an authenticated commercial extract (of each company).				
1 day				The notary obtains an excerpt from the Office of Legal Security to verify whether certain third-party rights were granted over the property, e.g. through mortgages, rights to construct. A 30-year title search is included in the documents. The notary might request a full transcription, an inscription extract or a notification extract of transfer acts over 30 years affecting the property object to the transaction. The Office of Legal Security provides (i) "full transcription" of the title or of the judgment attributing the title: the date of acquisition of the full ownership or other right over the property, the terms and conditions of the acquisition including the purchase price, the existence of lease contracts exceeding nine years and information on the rights of third parties such as judgments, servitudes/ easements and seizures affecting the property in question for the past 30 years and (ii) by "inscription" whether the right over the property is encumbered by a mortgage or a legal lien (beneficiary, amount, costs, term).
EUR 141,031 (Transfer Tax: 6% of property value for non-residential; 2% for residential use)				
Less than one day (online procedure)				Every notary deed must be registered with the Land Registry ('ingeschreven'). This can be done online. The registration fee of the Land Registry depends on the way the deed is submitted to the Land Registry: EUR 82.50 for full automatic registration (submitted essentially via KIK system and/or as XML file), EUR 144.50 for semi digital deed delivery for automatic registration (digitally submitted) and EUR 172.00 (144.50 + 27.50 as extra charge) for deed paper delivery for regular registration.
EUR 82.5 (for fully automatic registration)				
Less than one day (online procedure)				After the execution of the notarial deed, a scan of the original deed is submitted by the civil-law notary into a secured online/digital registration system managed by the notarial professional organization (the 'KNB': https://notarisnet.notaris.nl/cdr-centraal-digitaal-repertorium). The civil-law notary also enters into the registration system whether the deed contains transfer taxable aspects. The KNB then submits the registered notarial deeds with the additional information provided by the civil-law notary to the tax authorities digitally.
Included in Procedure 3				Registration with the Ministry of Finance, Tax Authority, Department Registration and Succession is done online: www.belastingdienst.nl. This is the official register of the Department Registration. Each notarial deed must be registered within 10 days with the Tax Authority who checks the deed for taxable aspects. The transfer tax is paid to the civil law notary, who will pay this tax to the Tax Authorities after registration. The transfer tax is 6% or 2% of the total purchase price or the market value, whichever is higher. Depending on the VAT-status of the entrepreneur, VAT (21%) may be applicable in lieu of the transfer tax. The deed itself is then returned with that statement to the civil law notary.

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REGISTERING PROPERTY IN THE NETHERLANDS – QUALITY OF LAND ADMINISTRATION INDEX		
	Answer	Score
Quality of the land administration index (0–30)		**28.5 (all cities)**
Reliability of infrastructure index (0–8)		7
In what format land title certificates are kept at the immovable property registry—in a paper format or in a computerized format (scanned or fully digital)? (0–2)	Computer/Scanned	1
Is there a comprehensive and functional electronic database for checking for encumbrances (liens, mortgages, restrictions and the like)? (0–1)	Yes	1
In what format cadastral plans are kept at the mapping agency—in a paper format or in a computerized format (scanned or fully digital)? (0–2)	Computer/Fully digital	2
Is there an electronic database for recording boundaries, checking plans and providing cadastral information (geographic information system)? (0–1)	Yes	1
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? (0–1)	Single database	1
Do the immovable property registration agency and cadastral or mapping agency use the same identification number for properties? (0–1)	Yes	1
Transparency of information index (0–6)		6
Whether information on land ownership is made publicly available without providing the title certificate number at the agency in charge of immovable property registration? (0–1)	Anyone who pays the official fee	1
Is the list of documents that are required to complete all types of property transactions made publicly available–and if so, how? (0–0.5)	Yes, online	0.5
Is the applicable fee schedule for all types of property transactions at the agency in charge of immovable property registration made publicly available–and if so, how? (0–0.5)	Yes, online	0.5
Does the agency in charge of immovable property registration formally commit to deliver a legally binding document proving ownership within a specific timeframe–and if so, how does it communicate the service standard? (0–0.5)	Yes, online	0.5
Is there a specific and independent mechanism for filing complaints about a problem that occurred at the agency in charge of immovable property registration? (0–1)	Yes	1
Are there publicly available official statistics tracking the number of transactions at the immovable property registration agency? (0–0.5)	Yes	0.5
Are cadastral plans made publicly available? (0–0.5)	Anyone who pays the official fee	0.5
Is the applicable fee schedule for accessing maps of land plots made easily publicly available—and if so, how? (0–0.5)	Yes, online	0.5
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? (0–0.5)	Yes, online	0.5
Is there a specific and independent mechanism for filing complaints about a problem that occurred at the cadastral or mapping agency? (0–0.5)	Yes	0.5
Geographic coverage index (0–8)		8
Are all privately held land plots in the economy formally registered at the immovable property registry? (0–2)	Yes	2
Are all privately held land plots formally registered at the immovable property registry in the measured city? (0–2)	Yes	2
Are all privately held land plots in the economy mapped? (0–2)	Yes	2
Are all privately held land plots mapped in the measured city? (0–2)	Yes	2
Land dispute resolution index (0–8)		7.5
Does the law require that all property sale transactions be registered at the immovable property registry to make them opposable to third parties? (0–1.5)	Yes	1.5
Is the system of immovable property registration subject to a state or private guarantee? (0–0.5)	Yes	0.5
Is there 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? (0–0.5)	Yes	0.5
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)? (0–0.5)	Yes	0.5
Does the legal system require verification of the identity of the parties to a property transaction? (0–0.5)	Yes	0.5
Is there a national database to verify the accuracy of government issued identity documents? (0–1)	Yes	1
How long does it take on average to obtain a decision from the first-instance court for such a case (without appeal)? (0–3)	Less than a year	3
Are there publicly available statistics on the number of land disputes in the first-instance court? (0–0.5)	No	0

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REGISTERING PROPERTY IN THE NETHERLANDS – QUALITY OF LAND ADMINISTRATION INDEX (continued)		
	Answer	Score
Equal access to property rights index (-2–0)		**0**
Do unmarried men and unmarried women have equal ownership rights to property?	Yes	0
Do married men and married women have equal ownership rights to property?	Yes	0

Source: Subnational Doing Business and *Doing Business* databases.
Note: Data for Amsterdam are not considered official until published in the *Doing Business 2021* report.

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ENFORCING CONTRACTS IN THE NETHERLANDS – TIME AND COST TO RESOLVE A COMMERCIAL DISPUTE, BY CITY

	Time (days)				**Cost** (% of claim)				**Quality of judicial processes index** (0–18)				
City	Filing and service	Trial and judgment	Enforcement of judgment	Total time	Attorney fees	Court costs	Enforcement costs	Total cost	Court structure and proceedings (-1–5)	Case management (0–6)	Court automation (0–4)	Alternative dispute resolution (0–3)	Total score (0–18)
Amsterdam	10	442	62	514	13.7	5.0	5.2	23.9	3.0	0.5	2.0	1.5	7.0
Arnhem	20	435	62	517	12.4	4.8	5.2	22.4	3.0	0.5	2.0	1.5	7.0
Eindhoven	15	396	60	471	12.5	4.5	3.9	20.9	3.0	0.5	2.0	1.5	7.0
Enschede	30	390	90	510	11.2	5.0	3.5	19.7	3.0	0.5	2.0	1.5	7.0
Groningen	15	442	62	519	11.0	4.5	3.9	19.4	3.0	0.5	2.0	1.5	7.0
The Hague	15	442	62	519	13.7	4.5	5.2	23.4	3.0	0.5	2.0	1.5	7.0
Maastricht	20	475	66	561	13.0	5.0	4.8	22.8	3.0	0.5	2.0	1.5	7.0
Middelburg	30	421	61	512	10.0	5.0	3.9	18.9	3.0	0.5	2.0	1.5	7.0
Rotterdam	15	410	60	485	12.7	5.0	3.9	21.6	3.0	0.5	2.0	1.5	7.0
Utrecht	15	449	62	526	13.4	5.0	4.8	23.2	3.0	0.5	2.0	1.5	7.0

Source: Subnational Doing Business and *Doing Business* databases.

Note: The cost values, expressed as % of claim, are rounded to the first decimal place. Data for Amsterdam are not considered official until published in the *Doing Business 2021* report.

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ENFORCING CONTRACTS IN THE NETHERLANDS – QUALITY OF JUDICIAL PROCESSES INDEX

	Answer	Score
Quality of judicial processes index (0–18)		**7.0 (all cities)**
Court structure and proceedings (-1–5)		**3.0**
1. Is there a court or division of a court dedicated solely to hearing commercial cases? (0–1.5)	No	0.0
2. Small claims court (0–1.5) 2.a. Is there a small claims court or a fast-track procedure for small claims? 2.b. If yes, is self-representation allowed?	 Yes Yes	1.5
3. Is pretrial attachment available? (0–1)	Yes	1.0
4. Are new cases assigned randomly to judges? (0–1)	Yes, but manual	0.5
5. Does a woman's testimony carry the same evidentiary weight in court as a man's? (-1–0)	Yes	0.0
Case management (0–6)		**0.5**
1. Time standards (0–1) 1.a. Are there laws setting overall time standards for key court events in a civil case? 1.b. If yes, are the time standards set for at least three court events? 1.c. Are these time standards respected in more than 50% of cases?	 Yes No Yes	0.0
2. Adjournments (0–1) 2.a. Does the law regulate the maximum number of adjournments that can be granted? 2.b. Are adjournments limited to unforeseen and exceptional circumstances? 2.c. If rules on adjournments exist, are they respected in more than 50% of cases?	 No Yes Yes	0.5
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? (0–1)	No	0.0
4. Is a pretrial conference among the case management techniques used before the competent court? (0–1)	No	0.0
5. Are there any electronic case management tools in place within the competent court for use by judges? (0–1)	No	0.0
6. Are there any electronic case management tools in place within the competent court for use by lawyers? (0–1)	No	0.0
Court automation (0–4)		**2.0**
1. Can the initial complaint be filed electronically through a dedicated platform within the competent court? (0–1)	No	0.0
2. Is it possible to carry out service of process electronically for claims filed before the competent court? (0–1)	No	0.0
3. Can court fees be paid electronically within the competent court? (0–1)	Yes	1.0
4. Publication of judgments (0–1) 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? 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 Yes	1.0
Alternative dispute resolution (0–3)		**1.5**
1. Arbitration (0–1.5) 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? 1.b. Are there any commercial disputes—aside from those that deal with public order or public policy—that cannot be submitted to arbitration? 1.c. Are valid arbitration clauses or agreements usually enforced by the courts?	 Yes Yes Yes	1.0
2. Mediation/Conciliation (0–1.5) 2.a. Is voluntary mediation or conciliation available? 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? 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 No No	0.5

Source: Subnational Doing Business and *Doing Business* databases.
Note: Data for Amsterdam are not considered official until published in the *Doing Business 2021* report.

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Annex: Subnational indicator snapshots for the 13 EU member states benchmarked in the *Doing Business in the European Union* series

			STARTING A BUSINESS				
City	Country	*Doing Business* year	Starting a business score (0–100)	Procedures (number)	Time (days)	Cost (% of income per capita)	Paid-in minimum capital (% of income per capita)
Bregenz	Austria	2021	82.21	9	19.5	4.5	11.1
Graz	Austria	2021	80.95	9	24.5	4.5	11.1
Innsbruck	Austria	2021	82.21	9	19.5	4.5	11.1
Klagenfurt	Austria	2021	81.96	9	20.5	4.5	11.1
Linz	Austria	2021	81.96	9	20.5	4.5	11.1
Salzburg	Austria	2021	82.96	9	16.5	4.5	11.1
Vienna	Austria	2021	81.71	9	21.5	4.5	11.1
Antwerp	Belgium	2021	87.56	8	6.5	5.1	0.0
Bruges	Belgium	2021	87.56	8	6.5	5.1	0.0
Brussels	Belgium	2021	87.56	8	6.5	5.1	0.0
Charleroi	Belgium	2021	87.56	8	6.5	5.1	0.0
Ghent	Belgium	2021	87.56	8	6.5	5.1	0.0
Liège	Belgium	2021	87.56	8	6.5	5.1	0.0
Namur	Belgium	2021	87.56	8	6.5	5.1	0.0
Burgas	Bulgaria	2017	90.05	5	16.0	1.3	0.0
Pleven	Bulgaria	2017	90.50	5	14.0	1.8	0.0
Plovdiv	Bulgaria	2017	90.05	5	16.0	1.3	0.0
Ruse	Bulgaria	2017	88.33	6	17.0	1.3	0.0
Sofia	Bulgaria	2017	86.82	6	23.0	1.3	0.0
Varna	Bulgaria	2017	90.56	5	14.0	1.3	0.0
Osijek	Croatia	2018	85.50	8	10.5	7.3	12.5
Rijeka	Croatia	2018	87.59	7	8.0	7.4	12.5
Split	Croatia	2018	89.55	6	6.0	7.4	12.5
Varazdin	Croatia	2018	85.38	8	11.0	7.3	12.5
Zagreb	Croatia	2018	82.49	8	22.5	7.2	12.5
Brno	Czech Republic	2018	84.55	8	20.5	1.0	0.0
Liberec	Czech Republic	2018	84.55	8	20.5	1.0	0.0
Olomouc	Czech Republic	2018	85.56	8	16.5	1.0	0.0
Ostrava	Czech Republic	2018	85.31	8	17.5	1.0	0.0
Plzen	Czech Republic	2018	84.55	8	20.5	1.0	0.0
Prague	Czech Republic	2018	83.55	8	24.5	1.0	0.0
Usti nad Labem	Czech Republic	2018	85.56	8	16.5	1.0	0.0
Alexandroupoli	Greece	2020	96.25	3	3.0	1.5	0.0
Athens	Greece	2020	96.00	3	4.0	1.5	0.0
Heraklion	Greece	2020	96.00	3	4.0	1.5	0.0
Larissa	Greece	2020	96.00	3	4.0	1.5	0.0
Patra	Greece	2020	96.00	3	4.0	1.5	0.0
Thessaloniki	Greece	2020	96.00	3	4.0	1.5	0.0
Budapest	Hungary	2017	87.28	6	7.0	7.1	45.5
Debrecen	Hungary	2017	87.61	6	6.0	6.5	45.5
Gyor	Hungary	2017	87.32	6	7.0	6.8	45.5
Miskolc	Hungary	2017	87.61	6	6.0	6.5	45.5
Pecs	Hungary	2017	87.61	6	6.0	6.5	45.5
Szeged	Hungary	2017	87.57	6	6.0	6.8	45.5
Szekesfehervar	Hungary	2017	87.32	6	7.0	6.8	45.5

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			STARTING A BUSINESS				
City	Country	*Doing Business* year	Starting a business score (0–100)	Procedures (number)	Time (days)	Cost (% of income per capita)	Paid-in minimum capital (% of income per capita)
Cork	Ireland	2020	93.90	3	13.0	0.1	0.0
Dublin	Ireland	2020	94.40	3	11.0	0.1	0.0
Galway	Ireland	2020	94.91	3	9.0	0.1	0.0
Limerick	Ireland	2020	93.90	3	13.0	0.1	0.0
Waterford	Ireland	2020	93.90	3	13.0	0.1	0.0
Ancona	Italy	2020	89.79	6	5.0	13.8	0.0
Bari	Italy	2020	87.56	7	8.0	13.8	0.0
Bologna	Italy	2020	87.81	7	7.0	13.8	0.0
Cagliari	Italy	2020	87.56	7	8.0	13.8	0.0
Florence	Italy	2020	89.03	6	8.0	13.8	0.0
Genoa	Italy	2020	87.81	7	7.0	13.8	0.0
Milan	Italy	2020	89.79	6	5.0	13.8	0.0
Naples	Italy	2020	87.56	7	8.0	13.8	0.0
Padua	Italy	2020	89.54	6	6.0	13.8	0.0
Palermo	Italy	2020	87.81	7	7.0	13.8	0.0
Reggio Calabria	Italy	2020	87.56	7	8.0	13.8	0.0
Rome	Italy	2020	86.81	7	11.0	13.8	0.0
Turin	Italy	2020	89.28	6	7.0	13.8	0.0
Amsterdam	Netherlands	2021	91.50	5	9.0	3.8	0.0
Arnhem	Netherlands	2021	91.70	5	9.0	2.2	0.0
Eindhoven	Netherlands	2021	91.57	5	9.0	3.3	0.0
Enschede	Netherlands	2021	91.70	5	9.0	2.2	0.0
Groningen	Netherlands	2021	91.70	5	9.0	2.2	0.0
The Hague	Netherlands	2021	91.50	5	9.0	3.8	0.0
Maastricht	Netherlands	2021	91.57	5	9.0	3.3	0.0
Middelburg	Netherlands	2021	91.70	5	9.0	2.2	0.0
Rotterdam	Netherlands	2021	91.50	5	9.0	3.8	0.0
Utrecht	Netherlands	2021	91.50	5	9.0	3.8	0.0
Braga	Portugal	2018	90.88	6	6.5	2.1	0.0
Coimbra	Portugal	2018	90.88	6	6.5	2.1	0.0
Evora	Portugal	2018	90.88	6	6.5	2.1	0.0
Faro	Portugal	2018	90.88	6	6.5	2.1	0.0
Funchal	Portugal	2018	90.88	6	6.5	2.1	0.0
Lisbon	Portugal	2018	90.88	6	6.5	2.1	0.0
Ponta Delgada	Portugal	2018	90.88	6	6.5	2.1	0.0
Porto	Portugal	2018	90.88	6	6.5	2.1	0.0
Brasov	Romania	2017	88.78	6	15.0	1.5	0.6
Bucharest	Romania	2017	89.53	6	12.0	1.5	0.6
Cluj Napoca	Romania	2017	88.78	6	15.0	1.5	0.6
Constanta	Romania	2017	87.52	6	20.0	1.5	0.6
Craiova	Romania	2017	86.27	6	25.0	1.5	0.6
Iasi	Romania	2017	88.28	6	17.0	1.5	0.6
Oradea	Romania	2017	89.53	6	12.0	1.5	0.6
Ploiesti	Romania	2017	89.53	6	12.0	1.5	0.6
Timisoara	Romania	2017	89.53	6	12.0	1.5	0.6
Bratislava	Slovak Republic	2018	81.97	8	26.5	1.1	17.2
Kosice	Slovak Republic	2018	83.72	8	19.5	1.1	17.2
Presov	Slovak Republic	2018	84.73	8	15.5	1.1	17.2
Trnava	Slovak Republic	2018	83.98	8	18.5	1.1	17.2
Zilina	Slovak Republic	2018	84.73	8	15.5	1.1	17.2

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			DEALING WITH CONSTRUCTION PERMITS				
City	Country	*Doing Business* year	Dealing with construction permits score (0–100)	Procedures (number)	Time (days)	Cost (% of warehouse value)	Building quality control index (0–15)
Bregenz	Austria	2021	83.64	8	151.5	0.8	13
Graz	Austria	2021	77.16	10	214.0	0.8	13
Innsbruck	Austria	2021	80.52	10	168.0	0.7	13
Klagenfurt	Austria	2021	71.09	11	278.0	1.1	13
Linz	Austria	2021	73.02	10	273.0	0.7	13
Salzburg	Austria	2021	77.10	11	201.0	0.8	13
Vienna	Austria	2021	75.31	11	220.5	1.1	13
Antwerp	Belgium	2021	78.18	12	152.5	0.6	12
Bruges	Belgium	2021	75.70	12	195.5	0.1	12
Brussels	Belgium	2021	76.51	9	211.0	0.9	12
Charleroi	Belgium	2021	76.02	12	186.5	0.3	12
Ghent	Belgium	2021	72.63	12	237.5	0.1	12
Liège	Belgium	2021	74.03	12	212.0	0.5	12
Namur	Belgium	2021	75.29	12	196.5	0.3	12
Burgas	Bulgaria	2017	69.23	19	133.0	4.6	13
Pleven	Bulgaria	2017	71.92	18	152.0	2.1	13
Plovdiv	Bulgaria	2017	68.30	20	162.0	2.9	13
Ruse	Bulgaria	2017	71.34	18	165.0	1.9	13
Sofia	Bulgaria	2017	72.75	18	97.0	4.6	13
Varna	Bulgaria	2017	70.53	19	135.0	3.4	13
Osijek	Croatia	2018	61.10	22	143.0	6.8	12
Rijeka	Croatia	2018	61.10	22	136.0	7.2	12
Split	Croatia	2018	43.67	23	227.0	15.1	12
Varazdin	Croatia	2018	66.20	21	112.0	5.3	12
Zagreb	Croatia	2018	54.77	22	146.0	11.7	12
Brno	Czech Republic	2018	57.90	20	236.0	0.2	8
Liberec	Czech Republic	2018	56.67	21	239.0	0.3	8
Olomouc	Czech Republic	2018	54.45	21	270.0	0.2	8
Ostrava	Czech Republic	2018	56.89	20	250.0	0.2	8
Plzen	Czech Republic	2018	55.38	21	257.0	0.2	8
Prague	Czech Republic	2018	56.17	21	246.0	0.2	8
Usti nad Labem	Czech Republic	2018	57.24	20	245.0	0.3	8
Alexandroupoli	Greece	2020	66.03	15	196.0	1.4	9
Athens	Greece	2020	69.53	17	180.0	1.9	12
Heraklion	Greece	2020	63.99	16	255.0	1.5	11
Larissa	Greece	2020	70.85	15	133.0	1.2	9
Patra	Greece	2020	69.09	16	209.0	1.4	12
Thessaloniki	Greece	2020	70.13	18	146.0	1.2	11
Budapest	Hungary	2017	67.89	20	205.5	0.7	13
Debrecen	Hungary	2017	72.71	18	171.5	0.4	13
Gyor	Hungary	2017	73.35	18	161.5	0.4	13
Miskolc	Hungary	2017	73.47	18	158.5	0.5	13
Pecs	Hungary	2017	75.58	17	144.5	0.4	13
Szeged	Hungary	2017	74.38	18	147.5	0.4	13
Szekesfehervar	Hungary	2017	73.70	18	155.5	0.5	13
Cork	Ireland	2020	74.37	11	200.0	3.0	13
Dublin	Ireland	2020	76.58	10	164.0	4.1	13
Galway	Ireland	2020	78.59	10	189.0	1.1	13
Limerick	Ireland	2020	78.69	10	165.0	2.4	13
Waterford	Ireland	2020	80.57	10	158.0	1.3	13

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			DEALING WITH CONSTRUCTION PERMITS				
City	Country	*Doing Business* year	Dealing with construction permits score (0–100)	Procedures (number)	Time (days)	Cost (% of warehouse value)	Building quality control index (0–15)
Ancona	Italy	2020	68.87	14	203.0	2.2	11
Bari	Italy	2020	58.27	15	270.0	6.0	11
Bologna	Italy	2020	71.51	13	159.0	3.4	11
Cagliari	Italy	2020	72.95	14	115.0	4.0	11
Florence	Italy	2020	69.22	14	165.0	4.1	11
Genoa	Italy	2020	66.58	14	209.0	3.7	11
Milan	Italy	2020	57.47	13	105.0	17.7	11
Naples	Italy	2020	60.45	17	298.5	1.0	11
Padua	Italy	2020	71.86	14	144.0	3.2	11
Palermo	Italy	2020	61.52	17	206.0	5.5	11
Reggio Calabria	Italy	2020	61.05	14	325.5	1.4	11
Rome	Italy	2020	68.33	14	189.5	3.4	11
Turin	Italy	2020	66.65	14	185.0	5.0	11
Amsterdam	Netherlands	2021	66.92	13	189.0	4.0	10
Arnhem	Netherlands	2021	65.85	13	231.0	2.4	10
Eindhoven	Netherlands	2021	68.89	13	202.0	1.7	10
Enschede	Netherlands	2021	62.75	15	232.0	3.3	10
Groningen	Netherlands	2021	66.88	15	168.0	3.6	10
The Hague	Netherlands	2021	65.11	13	233.0	2.9	10
Maastricht	Netherlands	2021	65.95	16	204.0	1.5	10
Middelburg	Netherlands	2021	69.47	14	169.0	2.3	10
Rotterdam	Netherlands	2021	68.32	15	169.0	2.4	10
Utrecht	Netherlands	2021	65.60	13	231.0	2.6	10
Braga	Portugal	2018	66.58	14	259.0	0.8	11
Coimbra	Portugal	2018	65.93	14	265.0	0.9	11
Evora	Portugal	2018	73.53	14	169.0	0.4	11
Faro	Portugal	2018	73.42	14	170.0	0.4	11
Funchal	Portugal	2018	72.83	14	159.0	1.5	11
Lisbon	Portugal	2018	73.10	14	160.0	1.3	11
Ponta Delgada	Portugal	2018	73.59	14	169.0	0.4	11
Porto	Portugal	2018	74.04	14	159.0	0.6	11
Brasov	Romania	2017	56.28	26	247.0	2.8	13
Bucharest	Romania	2017	58.09	24	260.0	2.2	13
Cluj Napoca	Romania	2017	54.32	27	275.0	1.9	13
Constanta	Romania	2017	49.26	25	307.0	5.7	13
Craiova	Romania	2017	61.31	25	206.0	1.9	13
Iasi	Romania	2017	56.01	26	266.0	1.9	13
Oradea	Romania	2017	57.84	25	156.0	7.6	13
Ploiesti	Romania	2017	54.40	27	268.0	2.3	13
Timisoara	Romania	2017	48.92	27	315.0	3.9	13
Bratislava	Slovak Republic	2018	59.33	14	300.0	0.2	8
Kosice	Slovak Republic	2018	60.74	14	280.0	0.2	8
Presov	Slovak Republic	2018	62.91	14	250.0	0.2	8
Trnava	Slovak Republic	2018	61.39	15	258.0	0.2	8
Zilina	Slovak Republic	2018	57.90	14	320.0	0.2	8

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			GETTING ELECTRICITY				
City	Country	*Doing Business* year	Getting electricity score (0–100)	Procedures (number)	Time (days)	Cost (% of income per capita)	Reliability of supply and transparency of tariffs index (0–8)
Bregenz	Austria	2021	86.38	5	36	67.8	7
Graz	Austria	2021	86.62	5	34	60.5	7
Innsbruck	Austria	2021	90.38	4	37	85.2	7
Klagenfurt	Austria	2021	89.34	4	46	104.2	7
Linz	Austria	2021	91.68	4	25	88.3	7
Salzburg	Austria	2021	88.83	4	50	131.2	7
Vienna	Austria	2021	88.43	4	55	83.0	7
Antwerp	Belgium	2021	73.56	6	145	109.8	8
Bruges	Belgium	2021	71.18	6	165	109.8	8
Brussels	Belgium	2021	70.46	6	171	131.9	8
Charleroi	Belgium	2021	72.79	6	121	127.2	7
Ghent	Belgium	2021	76.07	6	120	109.8	8
Liège	Belgium	2021	72.53	6	123	139.3	7
Namur	Belgium	2021	72.79	6	121	127.2	7
Burgas	Bulgaria	2017	65.49	5	227	107.1	7
Pleven	Bulgaria	2017	54.66	6	258	516.3	6
Plovdiv	Bulgaria	2017	65.06	5	231	107.1	7
Ruse	Bulgaria	2017	54.71	5	240	107.1	4
Sofia	Bulgaria	2017	54.64	6	262	523.0	6
Varna	Bulgaria	2017	59.05	5	200	107.1	4
Osijek	Croatia	2018	81.70	4	55	237.1	5
Rijeka	Croatia	2018	82.87	4	73	237.1	6
Split	Croatia	2018	82.66	4	75	237.1	6
Varazdin	Croatia	2018	84.29	4	60	237.1	6
Zagreb	Croatia	2018	80.43	4	65	298.5	5
Brno	Czech Republic	2018	89.92	3	110	25.9	8
Liberec	Czech Republic	2018	66.32	5	217	193.0	7
Olomouc	Czech Republic	2018	67.09	6	169	282.5	7
Ostrava	Czech Republic	2018	69.89	6	172	283.2	8
Plzen	Czech Republic	2018	69.67	6	174	282.8	8
Prague	Czech Republic	2018	95.35	3	60	25.9	8
Usti nad Labem	Czech Republic	2018	67.70	5	233	193.0	8
Alexandroupoli	Greece	2020	85.42	5	45	60.0	7
Athens	Greece	2020	84.74	5	51	68.2	7
Heraklion	Greece	2020	82.70	5	70	60.0	7
Larissa	Greece	2020	84.44	5	54	60.0	7
Patra	Greece	2020	88.11	5	49	60.0	8
Thessaloniki	Greece	2020	81.29	5	83	60.0	7
Budapest	Hungary	2017	63.25	5	257	93.9	7
Debrecen	Hungary	2017	63.36	5	247	93.9	7
Gyor	Hungary	2017	63.25	5	277	93.9	7
Miskolc	Hungary	2017	61.76	5	233	93.9	6
Pecs	Hungary	2017	65.21	5	230	93.9	7
Szeged	Hungary	2017	67.46	5	238	93.9	8
Szekesfehervar	Hungary	2017	65.53	5	227	93.9	7
Cork	Ireland	2020	84.17	6	47	57.9	8
Dublin	Ireland	2020	84.21	5	85	57.1	8
Galway	Ireland	2020	80.83	6	49	58.0	7
Limerick	Ireland	2020	83.95	6	49	58.2	8
Waterford	Ireland	2020	81.37	6	44	57.6	7

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			GETTING ELECTRICITY				
City	Country	*Doing Business* year	Getting electricity score (0–100)	Procedures (number)	Time (days)	Cost (% of income per capita)	Reliability of supply and transparency of tariffs index (0–8)
Ancona	Italy	2020	77.39	4	184	130.4	8
Bari	Italy	2020	81.33	4	119	130.4	7
Bologna	Italy	2020	89.24	4	75	130.4	8
Cagliari	Italy	2020	80.24	4	129	130.4	7
Florence	Italy	2020	85.65	4	108	130.4	8
Genoa	Italy	2020	80.00	4	160	130.4	8
Milan	Italy	2020	79.78	4	136	34.1	7
Naples	Italy	2020	82.09	4	112	130.4	7
Padua	Italy	2020	78.69	4	172	130.4	8
Palermo	Italy	2020	69.15	4	231	130.4	7
Reggio Calabria	Italy	2020	82.52	4	108	130.4	7
Rome	Italy	2020	86.08	4	75	138.9	7
Turin	Italy	2020	87.53	3	103	34.1	7
Amsterdam	Netherlands	2021	86.63	4	102	24.1	8
Arnhem	Netherlands	2021	84.24	4	124	24.1	8
Eindhoven	Netherlands	2021	87.08	4	98	18.3	8
Enschede	Netherlands	2021	82.73	4	138	18.3	8
Groningen	Netherlands	2021	82.95	4	136	18.3	8
The Hague	Netherlands	2021	85.43	4	113	24.6	8
Maastricht	Netherlands	2021	87.19	4	97	18.3	8
Middelburg	Netherlands	2021	86.63	4	102	23.7	8
Rotterdam	Netherlands	2021	84.24	4	124	24.6	8
Utrecht	Netherlands	2021	83.37	4	132	24.6	8
Braga	Portugal	2018	82.27	6	65	38.8	8
Coimbra	Portugal	2018	87.49	4	65	36.1	7
Evora	Portugal	2018	84.19	5	57	36.1	7
Faro	Portugal	2018	78.83	6	68	36.1	7
Funchal	Portugal	2018	84.96	5	50	34.2	7
Lisbon	Portugal	2018	86.45	5	65	36.1	8
Ponta Delgada	Portugal	2018	85.12	4	58	38.6	6
Porto	Portugal	2018	82.71	6	61	36.2	8
Brasov	Romania	2017	49.56	9	181	476.9	6
Bucharest	Romania	2017	53.23	9	174	546.5	7
Cluj Napoca	Romania	2017	50.41	9	202	473.8	7
Constanta	Romania	2017	49.06	9	209	666.3	7
Craiova	Romania	2017	53.01	9	177	511.1	7
Iasi	Romania	2017	57.76	8	173	463.9	7
Oradea	Romania	2017	50.80	9	199	454.8	7
Ploiesti	Romania	2017	47.22	9	204	423.7	6
Timisoara	Romania	2017	43.56	9	234	553.1	6
Bratislava	Slovak Republic	2018	83.19	5	89	244.5	8
Kosice	Slovak Republic	2018	85.29	5	75	57.2	8
Presov	Slovak Republic	2018	86.27	5	66	57.0	8
Trnava	Slovak Republic	2018	80.07	5	89	244.5	7
Zilina	Slovak Republic	2018	88.41	4	56	55.2	7

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			REGISTERING PROPERTY				
City	Country	*Doing Business* year	Registering property score (0–100)	Procedures (number)	Time (days)	Cost (% of property value)	Quality of land administration index (0–30)
Bregenz	Austria	2021	77.74	4	21.5	4.6	23.0
Graz	Austria	2021	80.18	3	18.5	4.6	23.0
Innsbruck	Austria	2021	77.98	4	19.5	4.6	23.0
Klagenfurt	Austria	2021	77.38	4	24.5	4.6	23.0
Linz	Austria	2021	80.54	3	15.5	4.6	23.0
Salzburg	Austria	2021	76.66	4	30.5	4.6	23.0
Vienna	Austria	2021	80.30	3	17.5	4.6	23.0
Antwerp	Belgium	2021	57.80	8	41.0	10.2	23.0
Bruges	Belgium	2021	58.52	8	35.0	10.2	23.0
Brussels	Belgium	2021	51.84	8	56.0	12.7	23.0
Charleroi	Belgium	2021	53.76	8	40.0	12.7	23.0
Ghent	Belgium	2021	58.52	8	35.0	10.2	23.0
Liège	Belgium	2021	53.64	8	41.0	12.7	23.0
Namur	Belgium	2021	53.28	8	44.0	12.7	23.0
Burgas	Bulgaria	2017	70.67	8	14.0	2.9	20.0
Pleven	Bulgaria	2017	70.44	8	11.0	3.3	20.0
Plovdiv	Bulgaria	2017	69.59	8	16.0	2.9	19.0
Ruse	Bulgaria	2017	71.53	8	11.0	2.6	20.0
Sofia	Bulgaria	2017	69.23	8	19.0	2.9	19.0
Varna	Bulgaria	2017	70.19	8	11.0	3.4	20.0
Osijek	Croatia	2018	75.86	5	32.0	4.0	23.5
Rijeka	Croatia	2018	75.02	5	39.0	4.0	23.5
Split	Croatia	2018	71.08	5	72.0	4.0	23.5
Varazdin	Croatia	2018	74.07	5	47.0	4.0	23.5
Zagreb	Croatia	2018	74.07	5	47.0	4.0	23.5
Brno	Czech Republic	2018	80.10	4	24.5	4.0	25.0
Liberec	Czech Republic	2018	79.98	4	25.5	4.0	25.0
Olomouc	Czech Republic	2018	79.98	4	25.5	4.0	25.0
Ostrava	Czech Republic	2018	80.22	4	23.5	4.0	25.0
Plzen	Czech Republic	2018	79.74	4	27.5	4.0	25.0
Prague	Czech Republic	2018	79.74	4	27.5	4.0	25.0
Usti nad Labem	Czech Republic	2018	80.10	4	24.5	4.0	25.0
Alexandroupoli	Greece	2020	46.86	11	33.0	4.8	5.5
Athens	Greece	2020	46.86	11	26.0	4.8	4.5
Heraklion	Greece	2020	36.69	10	134.0	4.9	5.5
Larissa	Greece	2020	47.09	11	31.0	4.8	5.5
Patra	Greece	2020	47.77	11	24.0	4.9	5.5
Thessaloniki	Greece	2020	44.68	10	130.0	4.9	14.5
Budapest	Hungary	2017	80.08	4	17.5	5.0	26.0
Debrecen	Hungary	2017	81.16	4	8.5	5.0	26.0
Gyor	Hungary	2017	80.80	4	11.5	5.0	26.0
Miskolc	Hungary	2017	80.92	4	10.5	5.0	26.0
Pecs	Hungary	2017	79.96	4	18.5	5.0	26.0
Szeged	Hungary	2017	80.80	4	11.5	5.0	26.0
Szekesfehervar	Hungary	2017	80.92	4	10.5	5.0	26.0
Cork	Ireland	2020	69.91	5	46.5	6.5	23.5
Dublin	Ireland	2020	71.71	5	31.5	6.5	23.5
Galway	Ireland	2020	73.02	5	34.5	6.5	25.5
Limerick	Ireland	2020	72.78	5	36.5	6.5	25.5
Waterford	Ireland	2020	69.32	5	51.5	6.5	23.5

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			REGISTERING PROPERTY				
City	Country	*Doing Business* year	Registering property score (0–100)	Procedures (number)	Time (days)	Cost (% of property value)	Quality of land administration index (0–30)
Ancona	Italy	2020	80.85	4	20.0	4.4	26.0
Bari	Italy	2020	78.47	4	26.0	4.4	24.0
Bologna	Italy	2020	81.27	4	20.0	4.4	26.5
Cagliari	Italy	2020	78.83	4	23.0	4.4	24.0
Florence	Italy	2020	80.79	4	17.0	4.4	25.5
Genoa	Italy	2020	81.03	4	22.0	4.4	26.5
Milan	Italy	2020	80.43	4	20.0	4.4	25.5
Naples	Italy	2020	80.43	4	20.0	4.4	25.5
Padua	Italy	2020	78.47	4	26.0	4.4	24.0
Palermo	Italy	2020	80.67	4	18.0	4.4	25.5
Reggio Calabria	Italy	2020	79.42	4	18.0	4.4	24.0
Rome	Italy	2020	81.75	4	16.0	4.4	26.5
Turin	Italy	2020	79.84	4	25.0	4.4	25.5
Amsterdam	Netherlands	2021	80.01	5	3.0	6.1	28.5
Arnhem	Netherlands	2021	80.06	5	3.0	6.1	28.5
Eindhoven	Netherlands	2021	80.10	5	3.0	6.0	28.5
Enschede	Netherlands	2021	80.06	5	3.0	6.1	28.5
Groningen	Netherlands	2021	80.10	5	3.0	6.0	28.5
The Hague	Netherlands	2021	80.01	5	3.0	6.1	28.5
Maastricht	Netherlands	2021	80.10	5	3.0	6.0	28.5
Middelburg	Netherlands	2021	80.10	5	3.0	6.0	28.5
Rotterdam	Netherlands	2021	80.01	5	3.0	6.1	28.5
Utrecht	Netherlands	2021	80.01	5	3.0	6.1	28.5
Braga	Portugal	2018	79.31	1	2.0	7.3	20.0
Coimbra	Portugal	2018	79.07	1	4.0	7.3	20.0
Evora	Portugal	2018	79.19	1	3.0	7.3	20.0
Faro	Portugal	2018	79.43	1	1.0	7.3	20.0
Funchal	Portugal	2018	79.43	1	1.0	7.3	20.0
Lisbon	Portugal	2018	78.35	1	10.0	7.3	20.0
Ponta Delgada	Portugal	2018	79.43	1	1.0	7.3	20.0
Porto	Portugal	2018	78.59	1	8.0	7.3	20.0
Brasov	Romania	2017	74.65	6	16.0	1.4	17.0
Bucharest	Romania	2017	74.65	6	16.0	1.4	17.0
Cluj Napoca	Romania	2017	73.81	6	16.0	1.4	16.0
Constanta	Romania	2017	74.65	6	16.0	1.4	17.0
Craiova	Romania	2017	74.65	6	16.0	1.4	17.0
Iasi	Romania	2017	74.65	6	16.0	1.4	17.0
Oradea	Romania	2017	75.48	6	16.0	1.4	18.0
Ploiesti	Romania	2017	74.64	6	16.0	1.4	17.0
Timisoara	Romania	2017	74.65	6	16.0	1.4	17.0
Bratislava	Slovak Republic	2018	90.17	3	16.5	0.0	25.5
Kosice	Slovak Republic	2018	91.24	3	7.5	0.0	25.5
Presov	Slovak Republic	2018	90.17	3	16.5	0.0	25.5
Trnava	Slovak Republic	2018	91.48	3	5.5	0.0	25.5
Zilina	Slovak Republic	2018	91.00	3	9.5	0.0	25.5

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			ENFORCING CONTRACTS			
City	Country	*Doing Business* year	Enforcing contracts score (0–100)	Time (days)	Cost (% of claim value)	Quality of judicial processes index (0–18)
Bregenz	Austria	2021	71.00	425.0	23.1	11.5
Graz	Austria	2021	67.04	548.0	24.7	11.5
Innsbruck	Austria	2021	68.48	488.0	25.2	11.5
Klagenfurt	Austria	2021	68.18	490.0	25.9	11.5
Linz	Austria	2021	69.36	443.0	26.2	11.5
Salzburg	Austria	2021	68.23	505.0	24.7	11.5
Vienna	Austria	2021	72.73	498.0	20.6	13.0
Antwerp	Belgium	2021	66.80	439.0	16.0	8.0
Bruges	Belgium	2021	65.55	485.0	16.0	8.0
Brussels	Belgium	2021	64.85	505.0	16.4	8.0
Charleroi	Belgium	2021	69.47	340.0	16.1	8.0
Ghent	Belgium	2021	66.71	470.0	14.0	8.0
Liège	Belgium	2021	66.29	460.0	15.9	8.0
Namur	Belgium	2021	72.00	313.0	11.3	8.0
Burgas	Bulgaria	2017	72.68	361.0	15.9	10.0
Pleven	Bulgaria	2017	73.63	289.0	18.6	10.0
Plovdiv	Bulgaria	2017	72.36	440.0	18.4	11.5
Ruse	Bulgaria	2017	75.38	321.0	19.0	11.5
Sofia	Bulgaria	2017	67.04	564.0	18.6	10.5
Varna	Bulgaria	2017	74.23	395.0	16.7	11.5
Osijek	Croatia	2018	74.24	510.0	15.7	13.0
Rijeka	Croatia	2018	65.67	825.0	15.6	13.0
Split	Croatia	2018	65.56	837.0	15.0	13.0
Varazdin	Croatia	2018	69.49	685.0	15.6	13.0
Zagreb	Croatia	2018	70.60	650.0	15.2	13.0
Brno	Czech Republic	2018	51.95	840.0	33.8	9.5
Liberec	Czech Republic	2018	53.86	770.0	33.8	9.5
Olomouc	Czech Republic	2018	55.64	705.0	33.8	9.5
Ostrava	Czech Republic	2018	56.05	690.0	33.8	9.5
Plzen	Czech Republic	2018	56.32	680.0	33.8	9.5
Prague	Czech Republic	2018	56.38	678.0	33.8	9.5
Usti nad Labem	Czech Republic	2018	54.96	730.0	33.8	9.5
Alexandroupoli	Greece	2020	52.65	960.0	18.2	8.5
Athens	Greece	2020	48.11	1,711.0	22.4	12.5
Heraklion	Greece	2020	50.94	1,000.0	19.9	8.5
Larissa	Greece	2020	55.38	815.0	21.5	8.5
Patra	Greece	2020	51.34	1,010.0	18.1	8.5
Thessaloniki	Greece	2020	57.83	935.0	21.1	11.5
Budapest	Hungary	2017	73.75	605.0	15.0	14.0
Debrecen	Hungary	2017	81.72	330.0	13.8	14.0
Gyor	Hungary	2017	74.20	605.0	13.8	14.0
Miskolc	Hungary	2017	79.53	410.0	13.8	14.0
Pecs	Hungary	2017	77.07	500.0	13.8	14.0
Szeged	Hungary	2017	75.98	540.0	13.8	14.0
Szekesfehervar	Hungary	2017	79.12	425.0	13.8	14.0
Cork	Ireland	2020	61.59	515.0	26.8	8.5
Dublin	Ireland	2020	57.88	650.0	26.9	8.5
Galway	Ireland	2020	56.41	740.0	24.2	8.5
Limerick	Ireland	2020	55.40	740.0	27.0	8.5
Waterford	Ireland	2020	57.57	670.0	26.3	8.5

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			ENFORCING CONTRACTS			
City	Country	*Doing Business* year	Enforcing contracts score (0–100)	Time (days)	Cost (% of claim value)	Quality of judicial processes index (0–18)
Ancona	Italy	2020	52.05	1,180.0	26.1	13.0
Bari	Italy	2020	49.27	1,470.0	21.8	13.0
Bologna	Italy	2020	56.75	1,030.0	26.9	13.5
Cagliari	Italy	2020	51.04	1,245.0	24.0	13.0
Florence	Italy	2020	48.80	1,275.0	27.8	13.0
Genoa	Italy	2020	54.65	1,060.0	27.9	13.0
Milan	Italy	2020	56.82	985.0	27.5	13.0
Naples	Italy	2020	49.02	1,470.0	24.9	13.5
Padua	Italy	2020	52.25	1,130.0	29.2	13.0
Palermo	Italy	2020	50.65	1,275.0	22.8	13.0
Reggio Calabria	Italy	2020	50.75	1,750.0	17.9	13.0
Rome	Italy	2020	53.10	1,120.0	27.6	13.0
Turin	Italy	2020	61.17	860.0	25.0	13.0
Amsterdam	Netherlands	2021	59.94	514.0	23.9	7.0
Arnhem	Netherlands	2021	60.46	517.0	22.3	7.0
Eindhoven	Netherlands	2021	62.24	471.0	20.9	7.0
Enschede	Netherlands	2021	61.62	510.0	19.7	7.0
Groningen	Netherlands	2021	61.49	519.0	19.4	7.0
The Hague	Netherlands	2021	59.99	519.0	23.4	7.0
Maastricht	Netherlands	2021	59.09	561.0	22.8	7.0
Middelburg	Netherlands	2021	61.87	512.0	18.9	7.0
Rotterdam	Netherlands	2021	61.61	485.0	21.6	7.0
Utrecht	Netherlands	2021	59.89	526.0	23.2	7.0
Braga	Portugal	2018	73.78	540.0	17.2	13.5
Coimbra	Portugal	2018	74.60	510.0	17.2	13.5
Evora	Portugal	2018	73.23	560.0	17.2	13.5
Faro	Portugal	2018	72.28	595.0	17.2	13.5
Funchal	Portugal	2018	72.82	575.0	17.2	13.5
Lisbon	Portugal	2018	67.91	755.0	17.2	13.5
Ponta Delgada	Portugal	2018	72.82	575.0	17.2	13.5
Porto	Portugal	2018	71.32	630.0	17.2	13.5
Brasov	Romania	2017	64.24	689.0	21.9	11.5
Bucharest	Romania	2017	72.25	512.0	25.8	14.0
Cluj Napoca	Romania	2017	73.34	527.0	21.8	14.0
Constanta	Romania	2017	75.04	495.0	19.6	14.0
Craiova	Romania	2017	73.37	491.0	19.4	13.0
Iasi	Romania	2017	72.64	522.0	16.6	12.5
Oradea	Romania	2017	72.01	549.0	18.8	13.0
Ploiesti	Romania	2017	65.86	653.0	20.2	11.5
Timisoara	Romania	2017	76.13	455.0	19.6	14.0
Bratislava	Slovak Republic	2018	66.12	775.0	20.5	13.5
Kosice	Slovak Republic	2018	69.95	635.0	20.5	13.5
Presov	Slovak Republic	2018	69.81	640.0	20.5	13.5
Trnava	Slovak Republic	2018	67.90	710.0	20.5	13.5
Zilina	Slovak Republic	2018	67.08	740.0	20.5	13.5

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AUSTRIA

PRIVATE SECTOR CONTRIBUTORS

BREGENZ

Clemens Achammer
Achammer & Mennel Rechtsanwälte OG

Richard Forster
öffentlicher Notar Dr. Richard Forster

Johannes Egel
p.A. öffentliche Notare Dr. Malin / Dr. Egel / Dr. Huber Partnerschaft

Jürgen Nagel
Rechtsanwalt Mag. Jürgen Nagel

Hans-Jörg Vogl
Vogl Rechtsanwalt GmbH

Architekt Daniel Fügenschuh ZT GmbH

ZT-Waibl

GRAZ

Bettina Dreier
3r Architekten

David Spahija
Cortolezis Partner Rechtsanwälte GmbH & Co KG

Christopher Engel
E+H Eisenberger + Herzog Rechtsanwalts GmbH

Fabian Larcher
E+H Eisenberger + Herzog Rechtsanwalts GmbH

Jana Eichmeyer
E+H Eisenberger + Herzog Rechtsanwalts GmbH

Johannes Feilmair
E+H Eisenberger + Herzog Rechtsanwalts GmbH

Karolin Andréewitch
E+H Eisenberger + Herzog Rechtsanwalts GmbH

Manuela Scheidl
E+H Eisenberger + Herzog Rechtsanwalts GmbH

Mario Spanyi
E+H Eisenberger + Herzog Rechtsanwalts GmbH

Thomas Krach
E+H Eisenberger + Herzog Rechtsanwalts GmbH

Thomas Eichholzer
Eichholzer Frick ZT GmbH

Friedrich Möstl
Kammer der Steuerberater und Wirtschaftsprüfer

Thomas Neger
Neger Ulm Rechtsanwälte GmbH

Christian Horn
Öffentliche Notare Dr. Walter Pisk & Dr. Peter Wenger Partnerschaft

Christina Mazelle-Rasteiger
Öffentliche Notare Mühl Schwab, Kapfenberg

Harald Christandl
Rechtsanwaltskanzlei Christandl & Partner

Christoph Richter
ZTD ZivilTechnikerDienstleistungen

KLAUSS

INNSBRUCK

Anna Förstel
BINDER GRÖSSWANG Rechtsanwälte GmbH

Artan Duraku
BINDER GRÖSSWANG Rechtsanwälte GmbH

Florian Gruber
BINDER GRÖSSWANG Rechtsanwälte GmbH

Ingeborg Edel
BINDER GRÖSSWANG Rechtsanwälte GmbH

Ivo Rungg
BINDER GRÖSSWANG Rechtsanwälte GmbH

Markus Uitz
BINDER GRÖSSWANG Rechtsanwälte GmbH

Martin Fuith
FUITH Rechtsanwälte GmbH

Silvia Moser
Greiter Pegger Kofler & Partner Rechtsanwälte

Barbara Egger-Russe
Kanzlei Greiter Pegger Kofler & Partner

Franz Pegger
Kanzlei Greiter Pegger Kofler & Partner

Nikola Tröthan
RA Dr. Nikola Tröthan

Cornelius Schwärzler
Sigl + Sollerer Notaren

Architekt Daniel Fügenschuh ZT GmbH

IB-Brandner

KLAGENFURT

Werner Hochfellner
AHP Rechtsanwälte

Gerhard Kopeinig
ARCH+MORE ZT GmbH

Cosmin Popa
GLO Gösseringer Löscher Oman Rechtsanwälte GmbH

Stefan Löscher
GLO Gösseringer Löscher Oman Rechtsanwälte GmbH

Leo Grötschnig
Held Berdnik Astner & Partner Rechtsanwälte GmbH

Gerold Kastner
Kastner ZT-GmbH

Gernot Murko
Murko-Bauer-Murko Klatzer Rechtsanwälte

Laura Meter
Notare Dr. Sauper, Dr. Übeleis

Christine Völkerer
Notariat Völkerer

Katharina Haiden
Öffentlicher Notar Dr. Christian Haiden & Partnerin

Walter Zenkl
Rabel & Partner Kärnten GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

David Bellina
TB Hartl

Horn & Partner ZT GmbH

LINZ

Alejandra Navarro de Chalupa
ANC Legal Office

Georg Bruckmüller
Bruckmüller Rechtsanwaltsgmbh

Karl Weilhartner
Bruckmüller Rechtsanwaltsgmbh

Katrin Riesenhuber
Dr. Modelhart & Partner Rechtsanwälte GesbR

Klaus Schmid
ETECH Schmid u. Pachler Elektrotechnik GmbH & CoKG

Benedikt Weisse
Haselauer Steuerberatungsgesellschaft m.b.H. & Co KG

Wieland Haselauer
Haselauer Steuerberatungsgesellschaft m.b.H. & Co KG

Friedrich Müller-Uri
Ingenieurbüro Müller-Uri

Johannes Mayrhofer
Johannes Mayrhofer, MAYRHOFER Rechtsanwaltskanzlei

Matthäus Metzler
Metzler & Partner Rechtsanwälte GmbH

Wolfgang Lackner
Metzler & Partner Rechtsanwälte GmbH

Ernst Wittmann
Notariat Dr. Ernst Wittmann

Michael Hawel
Notariat Dr. Roland Gintenreiter

Roland Gitenreiter
Notariat Dr. Roland Gintenreiter

Teresa Luft
Notariat Dr. Roland Gintenreiter

Michael Poduschka
Poduschka Anwaltsgesellschaft GmbH

Olivia Schimek-Hickisch
schimek ZT GmbH

Thomas Kölblinger
WT-Kölblinger

Klaus Thürriedl
Zivilingenieure Thürriedl & Mayr

Norbert Mayr
Zivilingenieure Thürriedl & Mayr

Machowetz Partner Consulting ZT GmbH

SALZBURG

Andre Hitzenbichler
BAH Heim & Hitzenbichler Rechtsanwälte GmbH

Peter Bermadinger
Ingenieurbüro Bermadinger GmbH & CoKG

Christoph Hirsch
Kleibel Kreibich Bukovc Hirsch Rechtsanwälte GmbH & Co. KG

Michael Pressl
Pressl Endl Heinrich Bamberger Rechtsanwälte GmbH

Robert Pressl
Pressl Endl Heinrich Bamberger Rechtsanwälte GmbH

Michael Schubeck
Rechtsanwaltskanzlei Schubeck & Schubeck

Barbara Haberlander
Rosskothen Haberlander Rechtsanwälte GesbR

Thomas Saller
Saller & Saller

Katrin Hauser
zobl.bauer. Salzburg Steuerberatung und Wirtschaftsprüfung GmbH

Konstantin Fischer
Zumtobel Kronberger Rechtsanwälte OG

Thomas Schneider
Zumtobel Kronberger Rechtsanwälte OG

Alexander Bruckenberger

Barbara Pache

VIENNA

Alix Frank-Thomasser
Alix Frank Rechtsanwälte GmbH

Alejandra Navarro de Chalupa
ANC Legal Office

Elisabeth Schmidl
Andrea Posch & Elisabeth Schmidl Rechtsanwältinnen GesbR

Christian Kolleger
BDO GmbH

Stephanie Novosel
BDO GmbH

Anna Förstel
BINDER GRÖSSWANG Rechtsanwälte GmbH

Artan Duraku
BINDER GRÖSSWANG Rechtsanwälte GmbH

Barbara Gangl
BINDER GRÖSSWANG Rechtsanwälte GmbH

Ingeborg Edel
BINDER GRÖSSWANG Rechtsanwälte GmbH

Markus Uitz
BINDER GRÖSSWANG Rechtsanwälte GmbH

Thomas Schirmer
BINDER GRÖSSWANG Rechtsanwälte GmbH

Wolfgang Guggenberg
BINDER GRÖSSWANG Rechtsanwälte GmbH

Alexander Karl
DORDA Rechtsanwälte GmbH

Georg Mühlbauer
DORDA Rechtsanwälte GmbH

Lukas Schmidt
DORDA Rechtsanwälte GmbH

Sarah Pichler
DORDA Rechtsanwälte GmbH

Fabian Larcher
E+H Eisenberger + Herzog Rechtsanwalts GmbH

Jana Eichmeyer
E+H Eisenberger + Herzog Rechtsanwalts GmbH

Johannes Feilmair
E+H Eisenberger + Herzog Rechtsanwalts GmbH

Karolin Andréewitch
E+H Eisenberger + Herzog Rechtsanwalts GmbH

Manuela Scheidl
E+H Eisenberger + Herzog Rechtsanwalts GmbH

Marco Steiner
E+H Eisenberger + Herzog Rechtsanwalts GmbH

Mario Spanyi
E+H Eisenberger + Herzog Rechtsanwalts GmbH

Thomas Krach
E+H Eisenberger + Herzog Rechtsanwalts GmbH

Bernhard Sommer
Exikon

Christoph Schmidl
Grant Thornton Austria

Wieland Haselauer
Haselauer Steuerberatungsgesellschaft m.b.H. & Co KG

Thomas Hoppe
HOPPE Architekten Ziviltechniker GmbH

Hannes Meller
Mag. Johannes Meller GmbH Steuerberatungs- und Wirtschaftstreuhandgesellschaft

Paul Smutny
Next2Solve Ziviltechniker GmbH

Christoph Pfaffenberger
Nhp-Notare

Stephan Matyk-d'Anjony
Österreichische Notariatskammer (ÖNK)

Stephan Verweijen
Österreichische Notariatskammer (ÖNK)

Johannes Olischar
RA Dr. Johannes Olischar

Angelika Kovacsevich
Rechtsanwalt Mag. Christoph Rechberger

Christoph Rechberger
Rechtsanwalt Mag. Christoph Rechberger

Stefan Kovacsevich
Rechtsanwalt Mag. Christoph Rechberger

Martin Stärker
Rechtsanwalt Mag. Martin Stärker

Thomas Marboe
Rechtsanwalt Mag. Thomas Marboe

Andreas Kezer
Schima Mayer Starlinger Rechtsanwälte GmbH

Birgit Vogt-Majarek
Schima Mayer Starlinger Rechtsanwälte GmbH

Back to Contents

Georg Schima
Schima Mayer Starlinger Rechtsanwälte GmbH

Stefan Burischek
Schima Mayer Starlinger Rechtsanwälte GmbH

Fasch&Fuchs ZT GmbH

PUBLIC SECTOR CONTRIBUTORS

BREGENZ

Kathrin Wiederin
City of Bregenz - Department for Organizational Development and Digitalization

Norbert Stütler
Regional Court Feldkirch

Ramona Kopf
Regional Court Feldkirch

City of Bregenz - Department construction law

Federal Ministry of Finance

Vorarlberger Energienetze GmbH

GRAZ

Doris Jurschitsch
City of Graz - Construction authority

Anton Peklar
Federal Ministry of Finance

Maria Hacker-Ostermann
Federal Ministry of Finance

Andrea Altinger
Regional Court Graz for Civil Matters

Bernhard Jauk
Regional Court Graz for Civil Matters

Energienetze Steiermark GmbH

Graz public utility company - Department water management

Stromnetz Graz GmbH & Co KG

INNSBRUCK

Bernhard Zit
Innsbruck public utility company - Sewer management

Robert Gschleiner
Innsbruck public utility company - Water management

Klaus Jennewein
Regional Court Innsbruck

Michael Ortner
Regional Court Innsbruck

Vienna business agency

KLAGENFURT

Erwin Smole
Energie Klagenfurt GmbH

Gernot Bitzan
Energie Klagenfurt GmbH

Reinhard Wimmer
Energie Klagenfurt GmbH

Andreas Gabriel
Regional Court Klagenfurt

Gunther Schmoliner
Regional Court Klagenfurt

Herwig Handl
Regional Court Klagenfurt

Manuela Unegg
Regional Court Klagenfurt

City of Klagenfurt - Department population management/ statistics

LINZ

Dietmar Fuchsloch
District Court Linz

Ludwig Lehner
Federal Ministry of Finance

Wilfried Ritirc
Federal Ministry of Finance

Helmut Lamplmair
Linz public utility company

Amalia Berger-Lehner
Regional Court Linz

Franz Pilgerstorfer
Regional Court Linz

Karin Gusenleitner-Helm
Regional Court Linz

Linz Service GmbH

SALZBURG

Rupert Kübler
City of Salzburg

Julia Rafetseder
City of Salzburg - Department economic promotion and land policy

Kajetan Steiner
City of Salzburg - Sewer and water authority

City of Salzburg - Department construction law

Regional Court Salzburg

Salzburg public utility company

VIENNA

Artur Schuschnigg
Austrian Chamber of Commerce

Sabine Pfeil
City of Vienna

Gerhard Cech
City of Vienna - Building authority

Maria Wittmann-Tiwald
Commercial Court of Vienna

Thomas Eilenberger-Haid
Commercial Court of Vienna

Walter Szoky
Commercial Court of Vienna

Christoph Rabenreither
District Court Leopoldstadt

Johannes Mrázek
E-Control public regulator

Sabina Eichberger
E-Control public regulator

Georg Nesslinger
Federal Ministry for Digital and Economic Affairs

Herbert Mikulasek
Federal Ministry of Finance

Karin Fischer
Federal Ministry of Finance

Alexander Peschetz
UBO register - Federal Ministry Finance

Nadine Wiedermann-Ondrej
UBO register - Federal Ministry Finance

Alfried Braumann
Vienna business agency

Ursula Tauschek

Wiener Netze GmbH

BELGIUM

PRIVATE SECTOR CONTRIBUTORS

ANTWERP

Robby Houben
Baker McKenzie

David Dessers
Cresco Law

Maxim Van Eeckhout
Cresco Law

Olivier Van Raemdonck
Cresco Law

Anneleen Vander Elstraeten
Four & Five Law BV

Lauranne Van den Maegdenbergh
Four & Five Law BV

Jasper Janssens
Monard Law

Philippe Denys

Sofie Naessens

Bureau Bouwtechniek

Celis, Celis & Liesse

Deckers Notarissen - Notary

BRUGES

Vanessa Ramon
Crivits & Persyn - Law Firm

Dieter De fauw
DBD Law

Marc D'hoore
Marlex

Nuno Pinto
Pinto Architecten BV - Architects

Luc De Schepper

Rik Demeyer

Moeykens & Vanquathem

BRUSSELS

Davinia Martens
Baker McKenzie

Dominique Maes
Baker McKenzie

Lien Willems
Baker McKenzie

Tim Carnewal
Berquin Notaries

Gregory Goossens
BV TAXPATRIA

Wesley Cielen
BV Vangronsveld & Vranken

Chris Engels
Claeys & Engels

Pierre Haugen
Claeys & Engels

Erwin Simons
DLA Piper UK LLP

Rafaël Alvarez Campa
Everest Law

Elisabeth Bousmar
KOAN Law Firm CVBA

Pierre Willemart
KOAN Law Firm CVBA

Veerle Brusseleers
KOAN Law Firm CVBA

Mario Frederickx
L'Entraide - Social Security Fund

Christel Van Den Eynden
Liedekerke Wolters Waelbroeck Kirkpatrick - Law Firm

Jakob Mulier
Liedekerke Wolters Waelbroeck Kirkpatrick - Law Firm

Jan Vreys
Liedekerke Wolters Waelbroeck Kirkpatrick - Law Firm

Ellen Herinckx
Loyens & Loeff CVBA - Law Firm

Godfried Ampe
Loyens & Loeff CVBA - Law Firm

Max Theyskens
Monard Law

Isabelle Zeeuws
Notary Office Marc Verlinden

Frank Hoogendijk
Osborne Clarke

Hadrien Chef
Osborne Clarke

Erik Van den Eynde
Pro-Pay NV/SA

Bart Elias
PwC Legal

Lin Von Wonterghem
PwC Legal

Fanny Laune
Simont Braun

Nikita Tissot
Simont Braun

Steven Vrebos
Steven ALICE Architects

Lennert Hermans
Studio Ensemble

Mickael Tatayas
Tax Consult SA

Damien Hisette
Van Halteren - Notaries

Dominique Bogaert

Edwin Kat

Egidius Van Heddeghem

Tine Bogaerts

Vanessa Houben

Network of Architects in Flanders

CHARLEROI

Pascal Lucchese
BDO Advisory SRL

Philippe Bossard
Buyle Legal

Louis Krack

Luc Collart

Etablissements Verhulst SPRL

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GHENT
Charles Claeys
Monard Law

Stijn Raes
Notary Stijn Raes

Nuno Pinto
Pinto Architecten BV - Architects

Elise De Baerdemaecker
PwC Legal

Floortje Buyssens

Lisa Opdecam

Luc Jansen

Matthias Storme

Stan Devos

LIÈGE
Chloé Nols
Acteo - Law Firm

Jean-Luc Wuidard
Acteo - Law Firm

Florian Ernotte
Lawyer

Michel Coëme
Notary

Pierre Govers
Notary Office Pierre Govers & Emilie Gillet

Alain Deliege

Gilles Closon

Paul-Arthur Coëme

DSG High Voltage Industrial Energy

Etablissements Verhulst SPRL

NAMUR
Antoine Declairfayt
Notary Office Declairfayt

Stéphane Watillon
Notary Office Stéphane Watillon & Pierre Hamès

Rémi Mouligneau
RM architecte

Benoit Piette

Damien Philippot

François Etienne

Frederic Magnus

Louis Jadoul

Etablissements Verhulst SPRL

PUBLIC SECTOR CONTRIBUTORS

ANTWERP
Katleen De Naeyer
City of Antwerp

Ivan Lambrechts
VREG

BRUGES
Katleen Maes
City of Bruges

Lut Laleman
City of Bruges

Patrick De Ryck
Federal Public Service Finance

Cedric Lahousse
Fluvius

BRUSSELS
Saïd El Fadili
Brussels Environment

Adriaan Rosseel
Federal Public Service Economy

Joke Deschacht
Federal Public Service Finance

Sébastien Guillaume
Federal Public Service Finance

Vincent Zoppas
Federal Public Service Finance

BRUGEL

CHARLEROI
Mathieu Waucomont
CWaPE

Vincent Vanherck
CWaPE

Alexande Rutkowski
ORES

Bernard Godart
ORES

GHENT
Sven Wannyn
City of Ghent

Economic and Entrepreneurial Support Service - Department of Urban Development – City of Ghent

LIÈGE
Pierre Bricteux
City of Liège

Mathieu Waucomont
CWaPE

Vincent Vanherck
CWaPE

Vincent Gubbels
RESA

NAMUR
Mathieu Waucomont
CWaPE

Vincent Vanherck
CWaPE

Alexande Rutkowski
ORES

THE NETHERLANDS

PRIVATE SECTOR CONTRIBUTORS

AMSTERDAM
Petra van Diemen
Archivolt Architecten bv

Ramon Pater
Archivolt Architecten bv

David van Kessel
Florent

Heleen Biesheuvel
Florent

Hans E. Urlus
Greenberg Traurig, LLP Amsterdam

Maquina Lamé
Greenberg Traurig, LLP Amsterdam

Bas Evers
Groot & Evers Gerechtsdeurwaarders

Noor Hogerzeil
Hogan Lovells

Surya Steijlen
LEVS architecten

Maarten Tinnemans
Loyens & Loeff N.V.

Marten Wijma
Loyens & Loeff N.V.

Mijke Sinninghe Damsté
Loyens & Loeff N.V.

Niels van Weerdenburg
Loyens & Loeff N.V.

David Wumkes
NautaDutilh N.V.

Florine Kuipéri
NautaDutilh N.V.

Marieke Faber
NautaDutilh N.V.

Rebecca Runa Pinto-Noome
NautaDutilh N.V. (New York office)

Dr. Van de Griend
NotarisWeesp

Harvey Otten
Otten Holding

Kenneth van Loon
Schot Van Loon Notariaat

Olivier Spier
Spier & Hazelberg

Anne Josephus Jitta
Taylor Wessing N.V.

Elmar Dijkstra
Taylor Wessing N.V.

Lynn van Zaanen
Taylor Wessing N.V.

Mevr. Maja Bolè
Taylor Wessing N.V.

Paul Orij
Taylor Wessing N.V.

Sjef van der Putten
Vurich Gerechtsdeurwaarders

ARNHEM
Rene Rutgers
Chance bv

Erik Duinkerke
De Kempenaer Advocaten

Anouk van Bisseling
Dirkzwager Legal & Tax

Tony van Wijk
Dirkzwager Legal & Tax

Pim Plattel
Stellicher Advocaten

Frans Clifford
VanGoud Advocaten

Roland Verweij
Verweij Advocaten

Koen Arts
Wiegerinck

Dirkzwager Legal & Tax

Hekkelman notarissen

EINDHOVEN
Jeroen Tulfer
Boels Zanders Advocaten

Thom Beukers
Boels Zanders Advocaten

Tom Kuipers
Diederendirrix bv

Ben Wijnands
Huisman & van Muijen

Wim Weijers
Keizers Advocaten

Jeroen Louwers
Taylor Wessing N.V.

Nick Kampschreur
Taylor Wessing N.V.

Paul Boetselaers
Taylor Wessing N.V.

Remco Schoe
Taylor Wessing N.V.

Benno Gossink
WOG Registeraccountants BV

Compen Architecten

Marks Wachters notarissen

ENSCHEDE
Rob Leijssen
Damsté advocaten en notarissen

Hubert te Woerd
Daniels Huisman Advocaten

Ruud Kotylak
DWA

Jeroen Nijmeijer
IAA Architecten

John van Schendel
KienhuisHoving Advocaten

Mark Huizenga
KienhuisHoving Advocaten

Hans van den Dobbelsteen
LKSVDD architecten

Helmich Spijkerboer
Van Goor Schuurman Notarissen, Wierden

Marc Wools
VDNDP

Jan Smelt
VWZ network notarissen

Daniels Huisman Advocaten

GRONINGEN
Alex Grobbee
Agin Pranger Gerechtsdeurwaarders

Piet Stehouwer
Bout Advocaten

Rienk Talstra
DeHaan Advocaten en Notarissen

L.E. Abbring
Nijeboer-Hage

Jan Leo de Hoop
PlasBossinade Advocaten Notarissen

Stevens Idema
Stevens Idema Notariaat

Arie Mes
Trip Advocaten en Notarissen

Gilian Renkema
Trip Advocaten en Notarissen

Zuzana Jurdik
Trip Advocaten en Notarissen

KPB Architecten

Notariskantoor Mr. T.A. Dantuma

PlasBossinade Advocaten Notarissen

THE HAGUE
Adriaan Jurriëns
Adriaan Jurriëns architecten

Joost Fanoy
BarentsKrans

Karlijn de Groes
BarentsKrans

Koen van Wijk
BarentsKrans

Marjolein van Rest
BarentsKrans

Michiel Martin
BarentsKrans

Janbert Heemstra
De Clercq Advocaten Notariaat

Gert-Jan Wesenbeek
DGMR Bouw B.V

Jan de Haan
Geurs & Schulze architecten

Mechteld van Veen-Oudenaarden
GMW Advocaten

Nathalie van der Zande
La Gro Geelkerken

Houthoff

KraGd Notarissen

MAASTRICHT
Roel Graven
AMA GROUP Associated Architects

Helen Houben
Boels Zanders Advocaten

Lisanne van Driel
Boels Zanders Advocaten

Mike Smeets
Boels Zanders Advocaten

Back to Contents

Frans Kersten
Metis Notarissen

Roel Mertens
Paulussen Advocaten NV

Sylvana Vijn
Thuis Partners Advocaten

Irene Willemsen
VHN Notarissen

Rob Steegmans
VHN Notarissen

Vincent van Heinigen
VHN Notarissen

MIDDELBURG

Hanneke de Danschutter
Adriaanse van der Weel

Herwig Minnen
Architecten Alliantie bv

Gert-Jan van den Berge
BuroSalt BV

Maria Heuvelmans
De Notariswinkel

Willem van Voorst Vader
De Rechter Advocaten en Mediators

Henriette Visser
De Zeeuwse Alliantie Notarissen

Rini Moeliker
Moeliker en Platteeuw Advocaten

Jeroen Poerstamper
PoerstamperBouw

Architecten Alliantie bv

Rothuizen architecten stedenbouwkundigen bv

Sauer en Oonk Adviseurs en Notarissen

ROTTERDAM

Sanne Geldof
Base Advocaten

Hens Meengs
Koninklijke Notariële Beroepsorganisatie

Jacco Sjerps
Koninklijke Notariële Beroepsorganisatie

Alexander van Deudekom
Lex-Architecten

Robert Platje
Mei architects and planners

Marit Vink
NautaDutilh N.V.

René Onsia
ONSIA aarchitectuur

Dick Vink
Progam Bouwmanagement B.V.

Adriana Geertrui Helena Hansum
RoX Legal B.V.

Rogier Jozef Maria van Heeswijk
RoX Legal B.V.

Arent Jan Oskam
Wybenga Advocaten

UTRECHT

Aukje Haan
CMS Derks Star Busmann

Jurriaan Verduijn
KBS Advocaten

Ivo van der Zijl
Van Grafhorst Notarissen

Maartje van Rhee
VanGoud Advocaten

Leendert Kruidenier
Wijn en Stael Advocaten N.V.

Hermans & Schuttevaer

PUBLIC SECTOR CONTRIBUTORS

AMSTERDAM

Michiel Huitema
Chamber of Commerce

Willo Eurlings
Chamber of Commerce

Han Jongeneel
Rechtbank Amsterdam

Dutch Tax and Customs Administration

Municipality of Amsterdam

Statistics Netherlands

ARNHEM

Bianco Witjes
Liander

Sherwin van Zandwijken
Municipality of Arnhem

Jeannette Verspui
Rechtbank Gelderland (Arnhem)

Joost Veerman
Rechtbank Gelderland (Arnhem)

Municipality of Arnhem

EINDHOVEN

Peter Janssens
Enexis

Ellen van Hout
Rechtbank Oost-Brabant (Eindhoven)

ENSCHEDE

Emil Mooibroek
Chamber of Commerce

Joop Dahlmans
Chamber of Commerce

Lukas Tammenga
Enexis

Satinder Baladien
Enexis

Mark Heethaar
Municipality of Enschede

Paul Jansman
Municipality of Enschede

William Bos
Municipality of Enschede

Evelien Rozeboom
Rechtbank Overijssel (Enschede)

GRONINGEN

Lukas Tammenga
Enexis

Titus Hoogslag
Rechtbank Noord-Nederland (Groningen)

THE HAGUE

Menno Roos
City of The Hague

Jasmin Lagziel
Raad voor de rechtspraak

Nicole Bijsterveld-Taal
Raad voor de rechtspraak

Hans Vetter
Rechtbank Den Haag

Autoriteit Consument & Markt

MAASTRICHT

Hugo Stevens
Enexis

Marc Croijmans
Gemeente Maastricht

Kim Hoofs
Rechtbank Limburg (Maastricht)

Municipality of Maastricht

MIDDELBURG

Salomon Hamelink
Enduris

Pieter Meulmeester
Municipality of Middelburg

Klaus Koch
Rechtbank Zeeland-West-Brabant (Middelburg)

Rosa Hermans
Rechtbank Zeeland-West-Brabant (Middelburg)

ROTTERDAM

Gertjan Wouters
Rechtbank Rotterdam

Harmjan Bootsma
Rechtbank Rotterdam

Marjolein van der Kolk
Rechtbank Rotterdam

Enis Yilmaz
Stedin

UTRECHT

Joost Hesseling
IVO Rechtspraak

Willem Visser
Rechtbank Midden-Nederland (Utrecht)

Melinda Schuurmans
Tijdige Rechtspraak

Prof. Frans van Dijk
Universiteit Utrecht

Prof. Remme Verkerk
Universiteit Utrecht

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