

Business Ready

Methodology Handbook

May 2023

About the Methodology Handbook

Business Ready (B-READY) is an international benchmarking project developed by the World Bank Group. B-READY provides a quantitative assessment of the business environment for private sector development, published annually and covering most economies worldwide. B-READY data and summary report aim to advocate for policy reform, inform specific policy advice, and provide data for development policy research. Through its focus on private sector development, B-READY contributes to meeting the World Bank Group's twin goals of eliminating poverty and boosting shared prosperity.

B-READY assesses an economy's business environment by focusing on the regulatory framework and the provision of related public services directed at firms and markets, as well as the efficiency with which regulatory framework and public services are combined in practice. B-READY seeks a balanced approach when assessing the business environment: between ease of conducting a business and broader private sector benefits, between regulatory framework and public services, between de jure laws and regulations and de facto practical implementation, and between data representativeness and data comparability. B-READY covers the areas where it can provide the most value added in the context of existing indicators: namely, the regulatory framework and related public services at the microeconomic level.

B-READY focuses on ten topics that are organized following the life cycle of the firm and its participation in the market while opening, operating (or expanding), and closing (or reorganizing) a business. The main topics include Business Entry, Business Location, Utility Services, Labor, Financial Services, International Trade, Taxation, Dispute Resolution, Market Competition, and Business Insolvency. Within each topic, considerations relevant to the business environment regarding aspects of the adoption of digital technology, environmental sustainability, and gender are captured. Based on the data collected, B-READY generates scores for each topic area and potentially a set of aggregate scores. B-READY collects both de jure information and de facto measures. While de jure data are collected from expert consultations, de facto data are collected from both expert consultations and firm surveys. The latter is a major innovation and represents a significant increase in the data available to WBG teams, development practitioners, and researchers around the world. Data collection and reporting processes are governed by the highest possible standards of integrity, including sound data gathering processes, robust data safeguards, clear approval protocols, transparency and public availability of granular data, and replicability of results.

The B-READY Methodology Handbook first presents the objectives, scope, and approach of the project. It then provides a full description of the project's methodology, including motivation, indicators, questionnaires, and scoring guidelines per topic. The B-READY methodology will be subject to refinements in the first three data collection and reporting cycles, as the project expands its economy coverage and moves from pilot to full-fledged project.

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CHAPTER 1 – OVERVIEW

1. Background. On September 16, 2021, the World Bank Group (WBG) Senior Management decided [*to discontinue the Doing Business \(DB\) report and data*](#) and also announced that the WBG would work on a new approach for assessing the business and investment climate. The new approach is the *Business Ready* project. Its development has been informed by advice from experts in the WBG and the recommendations from qualified academics and practitioners outside the institution, including the [*External Panel Review*](#) on DB methodology. Its design has also taken into consideration the views of potential users in government, the private sector, and civil society through an extensive open consultation process.

The project's [*Concept Note*](#), published in December 2022, describes the consultation process; presents the fundamental objectives and approach of the project; introduces a preliminary set of indicators; and presents a project implementation plan. Starting from the *Concept Note*, the *Business Ready Methodology Handbook* develops in detail the project's indicators, scoring, and data collection methods.

The project is housed in the [*Development Economics Global Indicators Group*](#) (DECIG). This Group designs, pilots, and implements the project, under the guidance of the WBG Chief Economist and DEC Senior Vice President. The data collection and reporting process is governed by the highest possible standards, including sound data gathering processes, robust data safeguards, clear approval protocols, transparency and public availability of granular data, and replicability of results. The accompanying [*Business Ready Manual and Guide*](#) presents the processes and protocols on the governance of the project.

2. Title. As indicated earlier, the title of the project is *Business Ready*, with the acronym B-READY. During the *Concept Note* phase, the working title of the project was *Business Enabling Environment* (BEE). The title has been refined and changed in due consideration for branding impact.

3. Output. The *Business Ready* benchmarking exercise provides a quantitative assessment of the business environment for private sector development. The *Business Ready* quantitative assessment will produce granular data and a global report based on these data, published annually and covering most economies worldwide.

The global *Business Ready* project is complemented by in-depth country studies, where regional differences and economy-specific issues are analyzed further. Using a similar methodology, they are developed in the sister *Subnational Business Ready* project.

4. Development Purpose. B-READY's granular data and summary report aims to improve the business environment for private sector development in each economy around the world. To achieve this purpose, B-READY will use a threefold strategy: (1) to advocate for policy reform; (2) to inform specific policy advice; and (3) to provide data for development policy research.

In its advocacy function, B-READY will aim to promote economic reforms, opening the door for knowledge sharing and policy dialogue for governments, civil society (including the private sector), the WBG, and other development institutions. Likewise, by covering a wide spectrum of areas relevant to the behavior of firms and the functioning of markets, B-READY can inform specific policy advice, showing how and by how much economies are lagging behind good practice. By providing a rich set of data, B-READY will support social and economic research on the drivers and consequences of private sector development.

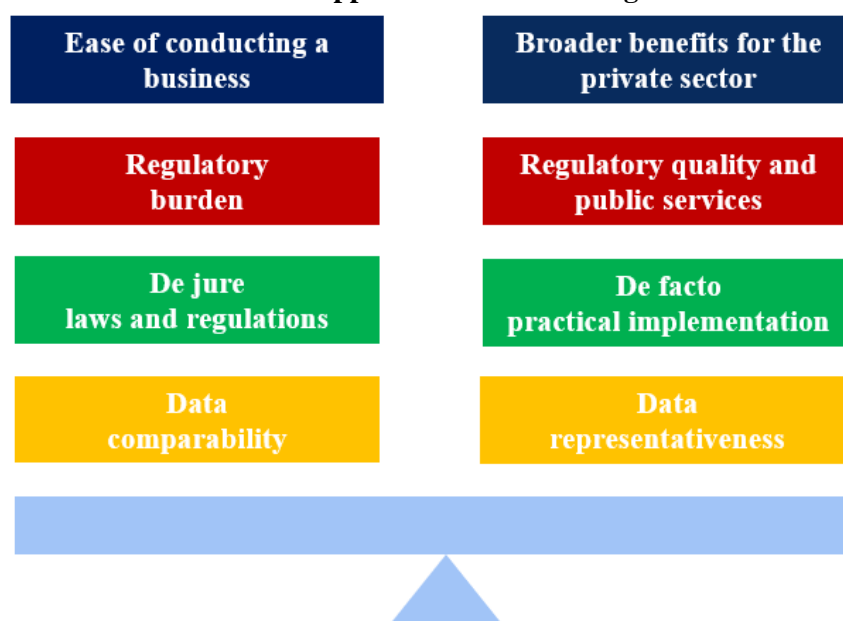
Private sector development can be defined by three characteristics: it promotes economic growth through innovation and entrepreneurship; it increases equality of opportunities among market participants; and it

ensures the general sustainability of the economy in the long term. Private sector development is driven by the efforts and ingenuity of private entrepreneurs but is critically affected by a range of public policies and regulations that create a conducive business environment. These policies and regulations incentivize the startup of new firms, the facilitation of existing businesses, the creation of good jobs, and the transition of informal to formal workers and firms.

Through its focus on private sector development, B-READY can effectively contribute to meeting the WBG’s twin goals of eliminating poverty and boosting shared prosperity. The private sector is essential to successful development because it is the primary source of employment and pathway out of poverty, including in fragile and conflict-affected states.

5. Approach. B-READY’s approach aims to strike a good balance on the most salient dimensions of a business environment assessment (figure I.1), as recommended by the *External Panel Review*. Appendix I.1 presents the key features of *Business Ready* and its predecessor, the discontinued *Doing Business*.¹

Figure I.1. B-READY Seeks a Balanced Approach when Assessing the Business Environment



Source: B-READY team.

First, B-READY evaluates the business environment not only from the perspective of an individual firm’s ease of doing business but also from the standpoint of private sector development as a whole. Recognizing that there is a tension between the costs to individual firms and social benefits and desirable standards, B-READY will include different indicators that address these different perspectives and score them accordingly.

Second, B-READY looks not only at the regulatory burden on firms but also at the quality of regulations and the provision of related public services over the course of the firms’ life cycle. This balance provides a more nuanced and positive perspective on the role of governments in creating a conducive business environment.

Third, B-READY collects not only de jure information (that is, according to statutory laws and regulations) but also de facto measurements (that is, reflecting practical implementation). B-READY obtains data from

¹ The project’s Concept Note expands on the similarities and differences between the B-READY project and *Doing Business*.

both expert consultations and firm-level surveys. Relying on nationally-representative firm surveys is a major innovation with respect to previous benchmarking exercises, as it considers first-hand information coming from firms' own experience facing the business regulatory environment (see Appendix I.2).

Fourth, B-READY attempts a balance between data comparability across economies and data representativeness within a given economy. Expert consultations address this balance by using broad parameters, instead of narrow case studies, to measure the business environment that most firms face. Firm-level surveys address the balance by using nationally-representative samples of registered firms. B-READY, therefore, covers information relevant to firms of different size and location, various economic sectors, and foreign and domestic ownership.

B-READY does not favor any particular economic system or legal tradition but rather keeps a pragmatic approach, focusing on well-founded good practices and standards applicable at all levels of development. Good practices are based on internationally recognized standards established by the WBG, other multilateral organizations and specialized bodies, or relevant literature.

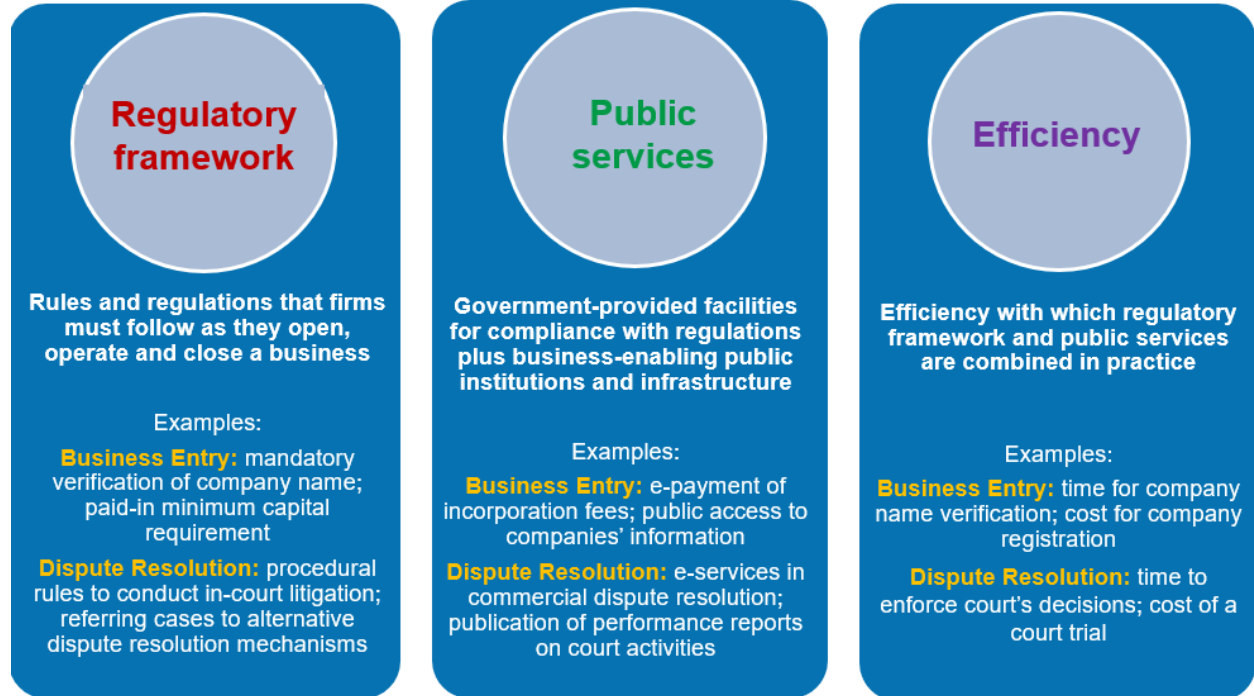
B-READY is designed for comparability across economies and over time. This requires the application of a homogeneous methodology across economies in different geographic locations, and with different income levels and development status. By proposing good practices as the measurement anchor, B-READY establishes the gaps that economies at all stages of development can aspire to close. Good practices that can be considered global standards will be used to construct cardinal scores to measure absolute differences across economies and over time.

6. Scope. B-READY assesses the economy's business environment by focusing on the regulatory framework and the provision of related public services for firms and markets, as well as the efficiency with which they are combined in practice (figure I.2).

The *business environment* can be defined as the set of conditions outside a firm's control that have a significant influence on how businesses behave and perform throughout their life cycle. This set of conditions can be very large, from macroeconomic policy to microeconomic rules. To differentiate the B-READY benchmarking exercise from other well-established international measures, B-READY concentrates on the regulatory framework and public service provision at the microeconomic level: that is, as enacted and implemented to directly affect firms' behavior and performance.

B-READY's three pillars—the regulatory framework, public services, and efficiency—can be defined as follows. The *regulatory framework* comprises the rules and regulations that firms must follow as they open, operate, and close a business. *Public services* here refers to both the facilities that governments provide directly or through private firms to support compliance with regulations and the critical institutions and infrastructure that enable business activities. Public services considered by B-READY are limited to the scope of the business environment areas related to the life cycle of the firm, as described below. *Efficiency* pertains to the efficacy with which the regulatory framework and related public services are combined in practice to obtain the objectives that allow firms to function.

Figure I.2. B-READY Measures the Regulatory Framework, Public Services, and Efficiency for Firms and Markets



Source: B-READY team.

B-READY will not cover other aspects of the business environment that are well covered by other indicators, including macroeconomic conditions (such as [Global Economic Prospects](#)), government corruption and accountability (such as the [Worldwide Governance Indicators](#)), human capital (such as the [Human Capital Index](#)), or conflict, crime, and violence (such as [United Nations Office on Drugs and Crime Statistics](#)).

7. Topics. B-READY's topics are organized following the life cycle of the firm and its participation in the market: opening, operating (or expanding), and closing (or reorganizing) a business. The 10 topics in B-READY are Business Entry, Business Location, Utility Services, Labor, Financial Services, International Trade, Taxation, Dispute Resolution, Market Competition, and Business Insolvency (figure I.3).

Figure I.3. B-READY Topic Areas



Source: B-READY team.

The selection of topics is guided by the threefold purpose of the B-READY project of advocating for policy reform, informing specific policy advice, and providing data for development policy research. The selection of topics meets the following criteria:

Relevance. Each selected topic has extensive economic research that demonstrates its impact on and close relationship with private sector development.

Value added. Measuring indicators within each selected topic fills an existing data gap. B-READY adds value by producing a unique primary dataset with worldwide coverage and comparability.

Complementarity. Since comprehensive reforms are more likely to succeed, B-READY considers topics that complement one another, using the life cycle of a firm as the common thread.

Within each of the ten topics, B-READY includes data on three critical themes that are increasingly important for modern economies. They are digital adoption, environmental sustainability, and gender. On digital adoption, most topics include, for instance, the assessment of electronic windows and online one-stop shops. On environmental sustainability, topics include the assessment of environmental licenses and the presence of carbon pricing instruments, among others. Finally, B-READY includes data on the gender dimension of the business environment in a way that complements the project [Women, Business, and the Law](#) (WBL), also housed in DEC Global Indicators Group.

8. Indicators. B-READY analyzes a set of specific indicators within each topic. The next sections of the *Methodology Handbook* present them in detail. For each topic, there are three sets of indicators, one for each pillar. Indicators on the regulatory framework and public services are collected through expert consultations, whereas the efficiency indicators are assessed through firm-level surveys and expert consultations.

The selection of topic indicators uses the criteria for the selection of topics themselves: namely, relevance, value added, and complementarity. In addition, the indicators (1) seek to provide a balance between de jure and de facto measures within each topic; (2) are quantifiable and based on primary data collected specifically for the B-READY project; (3) produce data that balance comparability across economies and representativeness within an economy; (4) include the most salient measures regarding *firm flexibility* and desirable *social benefits* in each topic; (5) are proxies that reasonably span rather than exhaust the most relevant aspects in each topic; (6) point to areas that are actionable—that is, subject to change through policy reform; and (7) focus on issues where there is an established “good practice” when measuring regulatory and public service quality.

The efficiency indicators measure the proximate results of the business-enabling regulatory framework and the related public services to firms. They do not, however, attempt to measure the final outcomes of the business environment (for example, productivity, formality, equity, and sustainability). These outcomes are the complex result of variables encompassing not only the business environment but also other public policy areas and exogenous factors. As such, they are beyond the scope of the B-READY project.

9. Scoring. Quantifying business environment conditions into corresponding measurable indicators is critical for the B-READY benchmarking exercise. All data obtained from either experts or firms are collected in raw form and then converted to a score that can be combined with other scores. The objective of the scoring methodology of raw data is to allow for score aggregation that preserves absolute cardinal differences, which can be used to compare across economies and over time (rather than purely ordinal or relative scoring).

The granular data produced by the B-READY project are combined to produce a score for each of the ten B-READY topics. Every topic score will be generated by averaging the scores assigned to each of the three pillars (regulatory framework, public services, and efficiency) for that topic. For nearly all indicators, the regulatory framework pillar captures de jure information, and the public services and efficiency pillars

capture de facto information. The scoring approach therefore provides complementarity between de jure laws and regulations and de facto practical implementation.

For all topic areas, the scores assigned to each of the three pillars are built from points awarded at the most basic indicator level. At this level of detail, scoring considers the perspectives of entrepreneurs (*firm flexibility*) and broader public interests (*social benefits*). Considering both private and social interests is important for B-READY because the project must address not only the ease of doing business for individual firms but also the inclusive and sustainable aspects of private sector development.

The score for each indicator reflects the points awarded to that indicator under *firm flexibility* and/or *social benefits*. An indicator is scored under *firm flexibility* if it affects the benefits or costs of running a business. An indicator is scored under *social benefits* if its effects go beyond the firm and extend to socially desirable outcomes, such as environmental protection, workers' welfare, market competition, consumer protection, fiscal sustainability, equal access to business opportunities, and informational externalities.

Specifically, points are only assigned to indicators that represent a clear effect on firms (under *firm flexibility*) and/or society (under *social benefits*), based on internationally recognized and well-established good practices. Measures that have an ambiguous or contradictory impact on firm flexibility (for example, subsidies for specific exporting sectors or preferential treatment of small and medium enterprises, SMEs) are not assigned firm flexibility points. Similarly, measures that have an ambiguous or inconsistent impact on social benefits (for example, firing restrictions that may benefit incumbent formal workers but harm the prospects of the unemployed and informal workers) are not assigned *social benefits* points.

Some indicators may merit both firm flexibility and social benefits points. For example, clear tax provisions are a benefit to both individual firms (by simplifying compliance) and society more generally (by strengthening trust and social contracts). In this case, when points on firm flexibility and social benefits are allocated, they are added together.

The assignment of firm flexibility and/or social benefits points to the selected indicators is done consistently across all economies, reflects the best available evidence from the academic literature and well-founded good practices, and have been reviewed by an advisory group. The preliminary assignment of points is documented in detail in this Methodology Handbook (and summarized in Appendix I.3).

When using B-READY data for economic analysis, their interpretation should be contextualized as needed. For instance, when an economy's shortcomings are assessed, it may be necessary to compare its data relative to economies at similar levels of income or to economies that have followed a desirable development path. Economic analysis should take into account economy-specific enforcement capacity and development priorities. However, this line of analytical work is beyond the scope of the B-READY project as a data collection exercise—it should be undertaken by practitioners and researchers, using B-READY data among other complementary data sources.

Higher-level aggregate scores. In addition to topic-specific scores, the B-READY project is considering producing higher-level aggregate scores to increase the impact and informational value of the project. Options include the following. (1) A set of categorical scores that result from combining topic scores in groups following the life cycle of the firm; for instance, aggregate scores for opening, operating, and closing a business. (2) A set of categorical scores that combine topics according to their nature as production inputs (e.g., Labor and Financial Services), market interactions (e.g., International Trade and Market Competition), and institutional interactions (e.g., Taxation and Dispute Resolution). (3) An overall score that combines all topic scores into a representative summary statistic.

At this point, there is no decision on which aggregates to produce. The team plans to revisit these and other options for higher-level aggregate scoring once the data from the first round of the B-READY project are collected and before the first report is produced. Using actual B-READY data would allow for a rigorous assessment of the merits of alternative methods for higher-level aggregation. This would inform the decision on which aggregate scores to produce and report from the first B-READY onwards, recognizing that these may evolve in subsequent editions as the project matures.

Generating aggregate scores faces some trade-offs. On the one hand, the smaller the set of scores for an economy is, the simpler and clearer the communications about them are. Evidence shows that this clarity is critical in maximizing public interest and motivating reforms. On the other hand, generating aggregate scores requires combining components from different areas and making value judgements on their relative importance. The scoring method adopted by the B-READY project would seek to achieve an appropriate balance by generating aggregate scores that, first, rest on straightforward and intuitive assumptions that are consistent with the project's scope and approach and, second, recognize the heterogeneity of the components underlying these aggregate scores. For instance, in case an overall score is produced, it could be presented as an average of the ten topic scores with confidence intervals based on the variance of these scores.

The way aggregated scores may be presented is also important to mitigate concerns about “unhealthy” competition across economies. B-READY reports would address these concerns by avoiding excessive hype around economy rankings. B-READY would explore different ways of presenting summary information to maximize public interest and motivate reforms. First, B-READY would emphasize an economy's own progress over time and relative to best performance. Rather than concentrating on economy rankings, B-READY would base its reporting on scores, describing their cross-topic variations, analyzing their differences within and across economy groupings, and assessing their general trends over time (as more B-READY data become available). Second, B-READY would report aggregated scores using presentational methods that recognize the variability underlying average scores. For instance, this could be done by presenting (1) confidence intervals around mean values, as explained earlier; (2) a full set of summary statistics around the aggregate scores; (3) economy groupings determined by fixed percentiles of the sample distribution of aggregate scores, such as terciles and quartiles; and/or (4) economy groupings driven by natural breaks in the sample distribution of aggregate scores, obtained through, for instance, cluster analysis. In turn, a variety of presentational devices could be used to implement these possibilities in B-READY reports, such as spiderweb charts, box-and-whisker plots, traffic-light signs, and heatmaps.

10. Data Sources. B-READY obtains data from both expert consultations and firm-level surveys. *De jure* data are collected from consultations with expert contributors, and *de facto* data are collected from consultations with expert contributors or firm-level surveys, depending on the nature of the specific indicator.

Through the expert consultation process, B-READY collects data directly by sending detailed topic questionnaires to private sector experts in all measured economies through a survey software. Private sector experts include sole practitioners (for example, a self-employed electrical contractor or a lawyer) and practitioners working in small, medium, and large firms. Expert consultations ask experts questions about groups of firms with similar characteristics, allowing for a comparison of the experience of the same stylized firm across economies (Appendix I.4).

In exceptional cases, B-READY also collects information on features of public services from public sector experts who work for government agencies or ministries involved in the specific processes covered by each topic as only they would know the answer to some questions (such as credit registries).

The World Bank Enterprise Surveys questions are the source of the B-READY firm-level survey data (Appendix I.2), which comes from relevant variables in existing global WBES, as well as approximately 74 B-READY-specific questions, cutting across most topic areas, designed to give de facto information on the efficiency pillars of the B-READY project. Detailed information on the implementation of firm-level surveys, and firm sample selection, administration and management by the WBES Team can be found in the [WBES Manual and Guide](#).

Every topic chapter in this document contains a section that provides details on the data collection sources for each of its pillars. The B-READY Manual and Guide also provides detailed information on the experts selection process.

11. Integrity and Transparency. The B-READY data collection and reporting process is governed by the highest possible standards of data integrity, including sound data-gathering processes, robust data safeguards, and clear approval protocols. In addition, B-READY relies on transparency and replicability to build trust in its data and report. All granular data collected by the B-READY project are publicly available on its website, and all results presented in its reports are replicable using straightforward toolkits available on the same website.

The B-READY project follows the World Bank Group's guidelines on [Accountability and Decision-Making \(ADM\)](#) framework for WBG corporate flagship products. Furthermore, the DEC Global Indicators Group is engaging with Group Internal Audit (GIA), Ethics and Business Conduct (EBC), and Information and Technology Solutions (ITS) units at the WBG to strengthen the governance of the B-READY project. To identify and prevent process vulnerabilities, GIA will be providing design and assurance reviews of the end-to-end process of data collection and reporting processes. EBC will be advising on ways to protect the project from undue influence from internal and external stakeholders and providing guidance to avoid potential conflicts of interest within the B-READY team and in its relationship with the rest of the WBG. ITS will support B-READY to obtain a safe and reliable data management system that protects the data from cyberthreats and unforced errors, while also allowing for public data availability.

The governance of the B-READY project is presented in the companion [Business Ready Manual and Guide](#). There, the protocols, safeguards, processes, and resources of B-READY governance are established in writing. This *Manual and Guide* is publicly available on the B-READY website.

12. Structure of the Methodology Handbook. The B-READY Methodology Handbook is composed of a separate chapter for each of the ten topics. Each chapter contains a methodology note, a scoring annex and an annotated questionnaire (or several questionnaires). The methodology note includes (i) a brief overview of the topic, (ii) a detailed explanation of the indicators and components comprising each pillar, (iii) data collection sources, (iv) parameters used, and (v) an overview of the topic scoring (by pillar and at the aggregate level). The scoring annex shows detailed scoring on *firm flexibility* as well as *social benefits* for each indicator of each pillar. Finally, the annotated questionnaire provides a glossary and a detailed mapping between each indicator, its scores, and the corresponding question(s). For topics that use multiple questionnaires to collect data, the comprehensive annotated questionnaire annex contains all questionnaires.

Appendix I.1- Comparison of *Doing Business* (DB) and *Business Ready* (B-READY) Key Features

	DB	B-READY
Overview	Benchmark assessment of the business environment affecting <i>individual</i> small and medium enterprises (SMEs)	Benchmark assessment of business regulations and public services affecting private sector development <i>as a whole</i>
Scope	Focused on the burden of business regulations for firms, with some consideration of public services	Balanced focus, looking not only at the regulatory burden for firms but also at the quality of regulations and provision of related public services to firms
Data collection	Some indicators only covered de jure regulations, while others only looked at de facto ones; data collected through expert consultations; extensive use of case studies with strict assumptions to enhance data comparability	Balanced coverage of de jure and de facto aspects of regulatory framework and public services; de facto data collected through combination of expert consultations and firm surveys; use of case scenarios with less strict assumptions to enhance relevance
Topics	Topics selected to follow the firm’s life cycle but were uneven regarding relative importance; in some cases, (for example, “protecting minority investors” was not well-justified while excluding “employing labor” was a clear omission)	B-READY topics also selected to follow firm’s life cycle, including its participation in the market; all topics of major importance are covered
Indicators	Indicators grouped under (1) efficiency of business regulations and (2) quality of business regulations; not all topics consistently structured under these groupings; indicators tied to case study assumptions, limiting representativeness	All topics consistently structured under three pillars, (1) regulatory framework, (2) public services, and (3) efficiency; with less strict case study restrictions, indicators will reveal information that better represents the economy
Scoring	Economies’ performance assessed based on rankings and scores; strong focus on aggregate rankings to maximize public interest and motivate reforms	Economies’ performance to be assessed based on quantifiable indicators; points will be awarded at the most disaggregated indicator level under <i>firm flexibility</i> and <i>social benefits</i> ; B-READY to aggregate the points into topic scores and potentially a set of higher-level aggregate scores; aim to motivate reforms while avoiding hype surrounding economy-wide rankings
Coverage	Main business city in 191 economies; second largest business city also measured in 11 economies	As wide as possible regarding economy and within-economy coverage; within-economy coverage may differ across topics depending on whether regulations are national or local
Update	Annual	Annual for indicators based on expert consultations; staggered three-year cycle for indicators from firm-level surveys

Source: B-READY team.

Appendix I.2-Enterprise Surveys

A key innovation of the *Business Ready* project is the collection and use of data obtained directly from firms. Firm-level data will be obtained by expanding the [Enterprise Surveys](#) (ES) program, which is also housed in DECIG and has conducted over 300 Enterprise Surveys across 153 economies over the past two decades. The expanded Enterprise Surveys will be full-fledged ES with a B-READY module added on. The expansion of the ES program carries the substantial benefits of a global public good. First, the WBG will produce B-READY data that is grounded on information from entrepreneurs themselves. Second, the WBG will deliver a high-quality firm survey program at regular frequencies with worldwide coverage that does not exist anywhere else in the world. This will substantially expand the benefits that the WBG country teams (and, more broadly, policy makers, development practitioners, and researchers) enjoy from having an ES done in their economies. Third, the combination of B-READY data with rich data on firm attributes (included in the main ES questionnaire) will enable more granular analysis (at both the firm and economy levels) of the causes and consequences of the regulatory and public service topics captured by B-READY. A limitation to note is that the ES includes registered firms only. Although information from informal firms can add value to measuring the business environment, extending the surveys to the informal sector would not only be prohibitively expensive but would have to address the lack of a well-established data collection methodology. The Enterprise Analysis Unit (DECEA) is currently piloting a method to survey informal firms. This line of work is incipient. In the future, when a cost-effective methodology is well established, the B-READY team will consider collecting data from informal firms and entrepreneurs too.

Appendix I.3-Summary of Preliminary Topic Scoring

General scoring approach:

- Each pillar is divided into categories—defined by common features that inform the grouping into a particular category—and each category is further divided into subcategories.
- Each subcategory consists of several indicators, each of which may, in turn, consist of several components.
- Relevant points are assigned to each indicator and subsequently aggregated to obtain the number of points for each subcategory, category, and pillar.
- How points are assigned and aggregated for Pillars I & II and Pillar III is different.

For Pillar I (Regulatory Framework) & Pillar II (Public Services):

- Points are awarded at the indicator level (0-2), considering the perspectives of entrepreneurs (*firm flexibility*, 0-1) and broader private sector development interests (*social benefits*, 0-1).
- Points per pillar = Sum of points assigned to the pillar's categories.
- Points assigned to each category = Sum of points of all its subcategories.
- Points assigned to each subcategory = Sum of points of all its indicators.
- Potential points for each pillar are rescaled to the 0-100 range.

For Pillar III (Efficiency):

- Points are awarded at the indicator level by applying the proximity-to-frontier approach, rescaling to the 0-100 range. For each indicator, the “best” and “worst” values in the proximity-to-frontier calculation are driven by the collected data.
- Within each pillar, equal weights are assigned to the pillar's categories.
- Within each category, equal weights are assigned to all its subcategories.
- Within each subcategory, equal weights are assigned to all its indicators.

Appendix I.4-Parameters

Broad parameters

Expert consultations ask experts questions about groups of firms with similar characteristics, allowing for a comparison of the experience of the same stylized firm across economies. In some cases, data comparability does not require limiting the range of firms because their regulations and related public services are similar. In other cases, certain parameters (for instance, firm sector and location or type and size of transactions) are defined so that the data collected are grounded in broad-based scenarios with similar characteristics, allowing for comparison across different locations and time.

Parameters are defined as assumptions that may be general or specific. General parameters apply across all pillars of a topic, while specific parameters apply to one or two pillars only. Every topic chapter in this document contains a section that provides details on the parameters that it relies on, including information on whether the assumption is categorized as a general or specific one, a justification for the use of such parameter, and information on how the parameter is applied in each pillar.

Firm surveys ask respondents questions about their firms and allow for the comparison across economies of the typical experience of actual firms, captured through a representative mean, median, or other similar statistic. This approach has the added benefit of providing information on variability across firms. No parameters are used when the data is collected from firm surveys.

CHAPTER 2. BUSINESS ENTRY

METHODOLOGY NOTE

I. MOTIVATION

Registered companies benefit from a variety of advantages, including the legal and financial services provided by courts and banks. Their employees enjoy social security protection. Additionally, the economy takes advantage of positive spillovers: where formal entrepreneurship is high, job creation and economic growth also tend to be high.¹ As more businesses formalize, the tax base also expands, enabling the government to spend on productivity-enhancing areas and pursue other social and economic policy goals. However, entrepreneurs often encounter barriers to entry into the formal economy.

There is evidence that higher costs for business start-ups are associated with lower business entry and lower levels of employment and productivity.² Cumbersome regulations for business start-ups are associated with high levels of corruption and informality.³ A simple business start-up process is a positive factor for fostering formal entrepreneurship.⁴ Moreover, digital technology and transparency of information can encourage businesses to register and promote private sector growth.

Digital public services can address the concerns of entrepreneurs by reducing the compliance cost of interacting with government authorities and thus encourage business formalization.⁵ In addition, transparent and accurate data on registered businesses are an important building block of a good business environment because they give governments the tools to produce business statistics and design relevant policies and provide market participants with the information to assess their risks and opportunities. Transparency of beneficial ownership helps safeguard the integrity and reputation of the business sector by making it unattractive to those intent on using its corporate structures for illicit purposes.

In this context, the Business Entry topic measures business entry regulations, the provision of digital public services and transparency of information for business start-ups, and the efficiency of business entry in practice.

II. INDICATORS

The Business Entry topic measures the process of registration and start of operations of new limited liability companies (LLCs) across three different dimensions, here referred to as pillars. The first pillar assesses business entry regulations, covering de jure features of a regulatory framework that are necessary for the adoption of good practices for business start-ups. The second pillar measures the availability of digital public services and transparency of information for business start-ups. The third pillar measures the time and cost required to register new domestic and foreign firms. Each pillar is divided into categories—defined by common features that inform the grouping into a particular category—and each category is further divided into subcategories. Each subcategory consists of several indicators, each of which may, in turn, consist of several components. Relevant points are assigned to each indicator and subsequently aggregated to obtain the number of points for each subcategory, category, and pillar. Table 1 presents a summary of all three pillars along with their respective categories.

Table 1. Summary table of all three Pillars for the Business Entry topic

Pillar I–Business Entry Regulations (37 indicators)	
1.1	Quality of Business Entry Regulations (18 indicators)
1.1.1	Company Information Filing (4 indicators)

1.1.2	Beneficial Ownership (5 indicators)
1.1.3	Company Information and Beneficial Ownership Updates (4 indicators)
1.1.4	Simple Standard Forms (3 indicators)
1.1.5	Risk-Based Assessment (2 indicators)
1.2	Restrictions of Business Entry Regulations (19 indicators)
1.2.1	Domestic Firms (9 indicators)
1.2.2	Foreign Firms (10 indicators)
Pillar II–Digital Public Services and Transparency of Information for Business Start-ups (24 indicators)	
2.1	Availability of Online Services for Business Incorporation and Beginning of Operations (9 indicators)
2.1.1	Storage of Company and Beneficial Ownership Information (3 indicators)
2.1.2	Business Start-Up Process (6 indicators)
2.2	Interoperability of Services for Business Incorporation and Beginning of Operations (6 indicators)
2.2.1	Exchange of Company Information (2 indicators)
2.2.2	Unique Business Identification (2 indicators)
2.2.3	Identity Verification (2 indicators)
2.3	Availability of Information Online and Transparency of Information (9 indicators)
2.3.1	Availability of Business Start-Up Online Information (5 indicators)
2.3.2	Availability of General Company Information (2 indicators)
2.3.3	Firm Statistics (2 indicators)
Pillar III–Efficiency of Business Entry in Practice (4 indicators)	
3.1	Time (2 indicators)
3.1.1	Domestic Firms (1 indicator)
3.1.2	Foreign Firms (1 indicator)
3.2	Cost (2 indicators)
3.2.1	Domestic Firms (1 indicator)
3.2.2	Foreign Firms (1 indicator)

1. PILLAR I. REGULATORY FRAMEWORK: BUSINESS ENTRY REGULATIONS

Table 2 shows the structure for Pillar I, the regulatory framework for business entry. Each of this pillar’s categories and subcategories will be discussed in more detail in the order shown in the table.

Table 2. Pillar I–Business Entry Regulations

1.1	Quality of Business Entry Regulations
1.1.1	Company Information Filing
1.1.2	Beneficial Ownership
1.1.3	Company Information and Beneficial Ownership Updates
1.1.4	Simple Standard Forms
1.1.5	Risk-Based Assessment
1.2	Restrictions of Business Entry Regulations
1.2.1	Domestic Firms
1.2.2	Foreign Firms

1.1 Quality of Business Entry Regulations

Category 1.1 has five subcategories consisting of several indicators, each of which may, in turn, consist of several components.

1.1.1 Company Information Filing

A safe business environment that enables formal entrepreneurship is critical to unleash the potential of new firms. As such, it is important to assess whether the applicable regulatory framework includes good practices promoting a safe and secure environment for business start-ups at the time of filing company information. Good practices include the registration of company information with safety checks and preventive mechanisms (for example, verification of company name, verification of corporate identity,

verification of identity of entrepreneurs).⁶ Therefore, Subcategory 1.1.1–Company Information Filing has four indicators (table 3).

Table 3. Subcategory 1.1.1–Company Information Filing

	Indicators
1	Mandatory to Verify and to Have the Company Name Approved
2	Mandatory to Verify the Identity of Entrepreneurs
3	Mandatory to Register Shareholders’ Information
4	Mandatory to File Annual Returns/Financial Statements

1.1.2 Beneficial Ownership

The registration of adequate, accurate, and timely information on beneficial owners is key to ensuring the transparency of information and to helping prevent the misuse of companies for money laundering or other illegal activities. This can be done, for instance, by submitting the necessary and valid information inherent to beneficial owners when entrepreneurs start a new business. Effectively, the correct and complete beneficial ownership information helps safeguard the integrity and reputation of the business sector by making it unattractive to those who are intent on using its corporate structures for illicit purposes.⁷ Therefore, Subcategory 1.1.2–Beneficial Ownership has five indicators (table 4).

Table 4. Subcategory 1.1.2–Beneficial Ownership

	Indicators
1	Mandatory to Register Beneficial Owners’ Information
2	Mandatory Type of Information Required for Beneficial Owners
3	Mandatory Time Limit to Register Beneficial Owners’ Information
4	Mandatory to Register Nominee Shareholders and Directors
5	Mandatory to Verify Beneficial Owners’ Identity

1.1.3 Company Information and Beneficial Ownership Updates

To provide up-to-date, easily accessible, and reliable data, it is important that the regulatory framework defines rules and deadlines to make the necessary updates in the business registry when changes arise (for example, changes to the company name, shareholders’ information, or beneficial ownership information). Ensuring that the registry records are regularly updated is particularly important to guarantee the good quality and reliability of the registered information.⁸ Therefore, Subcategory 1.1.3–Company Information and Beneficial Ownership Updates has four indicators (table 5).

Table 5. Subcategory 1.1.3–Company Information and Beneficial Ownership Updates

	Indicators
1	Mandatory to Register Changes to the Company Name
2	Mandatory to Register Changes to the Shareholders’ Details
3	Mandatory to Register Changes in the Articles of Association
4	Mandatory to Register Changes to the Beneficial Ownership Information

1.1.4 Simple Standard Forms

Allowing entrepreneurs to directly file standard incorporation documents electronically with the business registry can facilitate the automatic validation of information and reduce costs.⁹ Therefore, the Business Entry topic will assess whether the regulatory framework allows for the usage of simple standard forms, both for incorporation and updates of company information. Standard forms should be made available to

entrepreneurs without the need to seek the assistance of third-party intermediaries. Therefore, Subcategory 1.1.4–Simple Standard Forms has three indicators (table 6).

Table 6. Subcategory 1.1.4–Simple Standard Forms

	Indicators
1	Simple Registration Form without the Use of Intermediaries
2	Simple Registration Form for All Entrepreneurs
3	Changes without the Use of Intermediaries

1.1.5 Risk-Based Assessment

Adopting a risk-based approach can simplify key regulatory processes that govern business activities.¹⁰The classification of activities considering their risk level is particularly important for the efficient issue of business licenses. For this reason, the Business Entry topic assesses whether risk management is applied to business licensing and environmental clearances that may be required before the start of business operations (for example, operating licenses). Therefore, Subcategory 1.1.5–Risk-Based Assessment has two indicators (table 7).

Table 7. Subcategory 1.1.5–Risk-Based Assessment

	Indicators
1	Risk-Based Regulations for Business Licensing
2	Risk-Based Regulations for Environmental Permitting

1.2 Restrictions of Business Entry Regulations

Category 1.2 has two subcategories consisting of several indicators, each of which may, in turn, consist of several components.

1.2.1 Domestic Firms

Entry restrictions can create obstacles to setting up a business and diminish entrepreneurial activity.¹¹ Restrictions for domestic private firms can be either general or specific. For instance, they can apply across sectors (such as the requirement to deposit a minimum amount of capital) or only to activities with specific environmental impact or risk levels (such as certain business or environmental licenses). Equally, there are sector-specific restrictions that limit private domestic participation or equity ownership. Restrictions may also apply to domestic entrepreneurs in certain sociodemographic groups if they face additional requirements when they want to open a bank account or start their own company. Therefore, Subcategory 1.2.1–Domestic Firms has nine indicators (table 8).

Table 8. Subcategory 1.2.1–Domestic Firms

	Indicators	Components
1	Paid-in Minimum Capital Requirements	No components
2	Minimum Education or Training	No components
3	Criminal History Records or Affidavits	No components
4	Approval of Business Plan, Feasibility Plan, or Financial Plan	No components
5	General Operating License	No components
6	Sociodemographic Restrictions for Domestic Entrepreneurs	No components
7	Sector-Specific Restrictions for Domestic Entrepreneurs Related to Service Industries	i) Banking and Insurance ii) Health Care iii) Retail and Tourism iv) Media and Telecom

8	Sector-Specific Restrictions for Domestic Entrepreneurs Related to Manufacturing and Infrastructure Industries	i) Construction ii) Light Manufacturing iii) Electricity iv) Transportation
9	Sector-Specific Restrictions for Domestic Entrepreneurs Related to Agriculture and Extractive Industries	i) Agriculture and Forestry ii) Metals and Mining iii) Oil and Gas iv) Waste Management and Disposal

1.2.2 Foreign Firms

A more restrictive regulatory framework for international investors is associated with reduced inflows of foreign direct investment.¹² Similar to the case of domestic firms, restrictions for foreign private firms can be either general or specific.¹³ In addition to general restrictions that apply to domestic private companies, foreign firms may face unique barriers. These can include limitations on ownership, dividend distribution, or the nationality of their employees. Foreign firms may also need to comply with additional regulatory requirements such as obtaining the approval of the national investment authority or applying for a general investor license. There can also be sector-specific restrictions where foreign participation or ownership is limited or fully restricted. Therefore, Subcategory 1.2.2–Foreign Firms has ten indicators (table 9).

Table 9. Subcategory 1.2.2–Foreign Firms

	Indicators	Components
1	Paid-in Minimum Capital Requirements	No components
2	Ownership and Participation Restrictions	i) Proportion of shares ii) Number of joint ventures
3	Screening and Approval	i) Investment screening or approval ii) Minimum size of investment
4	Restrictions on the Nationality of Key Personnel and Directors	i) Nationality of the management of foreign subsidiaries ii) Nationality/legal residency of company board members or managers
5	Restrictions on Employment of Foreign and Local Personnel	i) Restrictions on hiring foreign nationals ii) Minimum number or percentage of national employees required
6	Local Engagement Requirements	i) Obligation to have a local partner ii) Local sourcing requirements
7	Financial Restrictions	i) Dividend distribution ii) Setting up or holding a foreign currency commercial bank account
8	Sector-Specific Restrictions for Foreign Entrepreneurs Related to Service Industries	i) Banking and Insurance ii) Health Care iii) Retail and Tourism iv) Media and Telecom
9	Sector-Specific Restrictions for Foreign Entrepreneurs Related to Manufacturing and Infrastructure Industries	i) Construction ii) Light Manufacturing iii) Electricity iv) Transportation
10	Sector-Specific Restrictions for Foreign Entrepreneurs Related to Agriculture and Extractive Industries	i) Agriculture and Forestry ii) Metals and Mining iii) Oil and Gas iv) Waste Management and Disposal

2. PILLAR II. PUBLIC SERVICES: DIGITAL PUBLIC SERVICES AND TRANSPARENCY OF INFORMATION FOR BUSINESS START-UPS

Table 10 shows the structure for Pillar II, Digital Public Services and Transparency of Information for Business Start-Ups. Each of this pillar's categories and subcategories will be discussed in more detail in the order shown in the table.

Table 10. Pillar II–Digital Public Services and Transparency of Information for Business Start-Ups

2.1	Availability of Online Services for Business Incorporation and Beginning of Operations
2.1.1	Storage of Company and Beneficial Ownership Information
2.1.2	Business Start-Up Process
2.2	Interoperability of Services for Business Incorporation and Beginning of Operations
2.2.1	Exchange of Company Information
2.2.2	Unique Business Identification
2.2.3	Identity Verification
2.3	Availability of Information Online and Transparency of Information
2.3.1	Availability of Business Start-Up Online Information
2.3.2	Availability of General Company Information
2.3.3	Firm Statistics

2.1 Availability of Online Services for Business Incorporation and Beginning of Operations

Category 2.1 has two subcategories consisting of several indicators, each of which may, in turn, consist of several components.

2.1.1 Storage of Company and Beneficial Ownership Information

One of the core functions of the business registry is to store company information in the most comprehensive, transparent, and accessible manner, ensuring consistency as well as nonduplication of records. Within this context, the implementation of electronic systems where company records are digitally stored contributes to a more efficient storage of information. It also helps relevant public agencies and shareholders access company information simultaneously throughout the entire registry system.¹⁴ Along with systems to store company information, economies are increasingly setting up platforms to store information on beneficial ownership.¹⁵ Therefore, Subcategory 2.1.1–Storage of Company and Beneficial Ownership Information has three indicators (table 11).

Table 11. Subcategory 2.1.1–Storage of Company and Beneficial Ownership Information

	Indicators
1	Database on Company Information
2	Company Information Records Digitally Stored
3	Database on Beneficial Ownership

2.1.2 Business Start-Up Process

To reduce compliance time and cost, business registries are expanding the number of processes that can be completed online without the need to provide paper copies of documents or visit the registry in person. Such processes include the verification of company name, payment of fees, registration for taxes and social security, and updating of company records and beneficial ownership information. Business registries are increasingly expanding and connecting such services to allow entrepreneurs to complete the whole incorporation process online, from submitting the application to receiving company documents in an

electronic format, including issuing the final incorporation certificate online.¹⁶ Therefore, Subcategory 2.1.2–Business Start-Up Process has six indicators (table 12).

Table 12: Subcategory 2.1.2–Business Start-Up Process

	Indicators
1	Company Name Verification
2	Entire Company Registration Process
3	Update of Company Information
4	Registration and Update of Beneficial Ownership Information
5	Payment of Incorporation Fees
6	Issuance of Company Incorporation Certificate

2.2 Interoperability of Services for Business Incorporation and Beginning of Operations

Category 2.2 has three subcategories consisting of several indicators, each of which may in turn, consist of several components.

2.2.1 Exchange of Company Information

The availability of electronic systems to exchange information across the agencies involved in registering a new business (for example, the business registry, tax administration, and social security agency) can enhance the efficiency and reliability of the business entry process.¹⁷ By linking or unifying the databases of different agencies involved, the risk of errors and the administrative burden for entrepreneurs are reduced. Similarly, such information exchange streamlines the process of updating company information during the life cycle of a business. Therefore, Subcategory 2.2.1–Exchange of Company Information has two indicators (table 13).

Table 13. Subcategory 2.2.1–Exchange of Company Information

	Indicators
1	Exchange of Information among Public Sector Agencies
2	Update of Company Information Fully Automated

2.2.2 Unique Business Identification

A Unique Business Identifier (UBI) provides a single means of identifying legal entities engaged in different business transactions and regulatory interactions.¹⁸ It can help public agencies share information more seamlessly on the business activities occurring under their jurisdiction. For private companies, the UBI gives them a unique number that can be used as their identification in their legal and financial documents as well as in their contracts with other parties. Furthermore, it facilitates regulatory compliance in the business entry process by minimizing the burden of providing similar information to different agencies. Therefore, Subcategory 2.2.2–Unique Business Identification has two indicators (table 14).

Table 14. Subcategory 2.2.2–Unique Business Identification

	Indicators
1	Unique Business Identification Number Existence
2	Unique Business Identification Number Used by All Agencies

2.2.3 Identity Verification

Effective identification of businesses and their representatives is a key element of a secure business environment.¹⁹ The availability of infrastructure that facilitates the identification of economic players

supports efforts to prevent fraudulent activity and identity theft. This includes a unified and automated process for identity verification and the availability of electronic signatures. These tools help ensure that the information recorded by the registry and other public entities is reliable and make the interactions of businesses with the public sector and with other businesses more efficient. Therefore, Subcategory 2.2.3–Identity Verification has two indicators (table 15).

Table 15. Subcategory 2.2.3–Identity Verification

	Indicators
1	Availability of Electronic Signature and Authentication
2	Identity Document Verification Process

2.3 Availability of Information Online and Transparency of Information

Category 2.3 has three subcategories consisting of several indicators, each of which may, in turn, consist of several components.

2.3.1 Availability of Business Start-Up Online Information

Transparent information on registration procedures reduces compliance costs and makes the outcome of applications more predictable and accountable. At the same time, the easier it is to access information about regulations, the easier it is to comply with them.²⁰ Thus, this subcategory measures whether the fees, service standards, requirements, and documentation needed to incorporate and operate a company (including, where applicable, environmental licensing requirements) are easily accessible on an official website. In addition, it measures the availability of business information relevant for women entrepreneurs, particularly on publicly funded programs to support women-owned small and medium limited liability companies, because those represent policy solutions to reduce gender gaps in entrepreneurship.²¹ Therefore, Subcategory 2.3.1–Availability of Business Start-Up Online Information has five indicators (table 16).

Table 16. Subcategory 2.3.1–Availability of Business Start-Up Online Information

	Indicators
1	List of Documents
2	List of Fees
3	Service Standards
4	Environmental-related Requirements
5	Information on Publicly Funded Programs to Support SMEs and Women Entrepreneurs

Note: SMEs = small and medium enterprises.

2.3.2 Availability of General Company Information

As a collector and disseminator of business information, business registries should make available public information on registered businesses to allow citizens to make informed decisions about who they wish to do business with, and for organizations to gather business intelligence, while enhancing transparency.²² For this reason, the Business Entry topic assesses the degree of transparency and accessibility of general company information in the business registry. For example, it measures whether the business registry provides public access to information on the names of companies, name of directors, name of shareholders, or annual financial statements, among others. Therefore, Subcategory 2.3.2–Availability of General Company Information has two indicators (table 17).

Table 17. Subcategory 2.3.2–Availability of General Company Information

	Indicators	Components
1	Electronic Search Available for All Company Records	No components

2	Types of Company Information Available Online to the Public	i) Name of company ii) Company ID iii) Name of directors iv) Name of shareholders v) Name of beneficial owners vi) Year of incorporation vii) Annual financial accounts viii) Legal address ix) Physical address x) Type of activity
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2.3.3 Firm Statistics

Information on firm statistics can be of great value to users if it is available to the public. Entrepreneurship statistics help provide information about innovation, competitiveness, economic growth, and job creation, and can be used to inform business policies for economic planning, analytical, and research purposes.²³ This subcategory assesses if general and sex-disaggregated statistics on formally registered firms are available online. Ultimately, the availability of such information increases transparency, reduces information asymmetry, and enhances sound business decisions. Therefore, Subcategory 2.3.3–Firm Statistics has two indicators (table 18).

Table 18. Subcategory 2.3.3–Firm Statistics

	Indicators
1	Statistics Publicly Available on Business Entry (General)
2	Statistics Publicly Available on Business Entry (Gender)

3. PILLAR III. EFFICIENCY: EFFICIENCY OF BUSINESS ENTRY IN PRACTICE

Table 19 shows the structure for Pillar III, the Efficiency of Business Entry in Practice. Each of this pillar’s categories and subcategories will be discussed in more detail in the order shown in the table.

Table 19. Pillar III–Efficiency of Business Entry in Practice

3.1	Time
3.1.1	Domestic Firm
3.1.2	Foreign Firm
3.2	Cost
3.2.1	Domestic Firm
3.2.2	Foreign Firm

3.1 Time

The ease of incorporating a company is associated with more firms undergoing new business activities. Indeed, the time-efficiency of the business incorporation process is a key factor for fostering formal sector entrepreneurship.²⁴ Consequently, governments should ensure that the laws governing the business start-up process are as simple as possible and avoid redundant and unnecessary steps.²⁵ Therefore, the Business Entry topic assesses the time it takes to incorporate a company along three stages: pre-registration (the set of activities that must be performed before submitting the incorporation application); registration (the process of registering a new company with a registrar); and post-registration (the set of activities that must be performed after the new firm is registered with the company register for the entrepreneur to formally operate the company). The Business Entry topic assesses incorporation time for both domestic and foreign companies. Therefore, Subcategory 3.1–Time has two indicators, one for domestic firms, and the other for foreign firms (table 20).

Table 20. Category 3.1–Time

	Indicators	Components
1	Domestic Firm	Total time to register a new firm (considering pre-registration, registration, and post-registration steps).
2	Foreign Firm	

3.2 Cost

Together with a fast and efficient registration, an inexpensive business entry process is key for the promotion of formal entrepreneurship.²⁶ The provision of registration services at low cost can encourage the incorporation of small and medium enterprises. Accordingly, fees related to incorporation should be low enough to promote business entry and should be based on the principle of cost recovery, where the charged fees should not generate a profit for the business registry or related agency but aim to cover the cost of the services provided.²⁷ Therefore, the Business Entry topic assesses the cost to incorporate a company along three stages: pre-registration (the set of activities that must be performed before submitting the incorporation application); registration (the process of registering a new company with a registrar); and post-registration (the set of activities that must be performed after the new firm is registered with the company register for the entrepreneur to formally operate the company). The Business Entry topic assesses the incorporation cost for both domestic and foreign companies. Therefore, Subcategory 3.2–Cost has two indicators, one for domestic firms, and the other for foreign firms (table 21).

Table 21. Category 3.2–Cost

	Indicators	Components
1	Domestic Firm	Total cost to register a new firm (considering pre-registration, registration, and post-registration steps)
2	Foreign Firm	

III. DATA SOURCES

4.1 Data collection sources

The data for all three pillars are collected through consultations with private and public sector experts. Private sector experts include practitioners, lawyers, and notaries working in the business start-up process. These experts have deep knowledge of the laws and regulations for company incorporation, as well as the different regulatory processes that new entrepreneurs need to complete before starting operations.

4.2 Screening and selection of experts

A screener questionnaire is used to assist the selection of experts to participate in the Business Entry topic questionnaire based on a set of criteria (table 22). The information provided in the screener questionnaires allows the team to better understand the experts' professions, areas of specialization, and knowledge or experience related to the business entry process. Ultimately, this will allow the Team to select the experts to respond to the questionnaire on Business Entry.

Table 22. Screener questionnaire and respondent criteria

Considered experts' professions
Lawyers, notaries, tax advisors, accountants.
Considered experts' areas of specialization
Business incorporation, corporate law, tax registration, domestic and foreign investment, and so on
Assessment of the experts' knowledge or experience related to business entry and related regulations, services, and processes

Knowledge of the laws and regulations affecting business incorporation and registration; knowledge of laws and regulations on foreign investment; experience with submitting applications for new company registration; experience with applying for business operational licenses; experience assisting new businesses to comply with other business start-up processes such as tax registration and bank account opening
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IV. PARAMETERS

To ensure data comparability across economies of the data from expert consultations, the Business Entry topic uses general as well as specific parameters. A parameter refers to an assumption that is made about the characteristics of location, corporate legal form, and start-up capital.

5.1 General parameters

Pillars I, II, and III share the same general parameters. In many economies, there are subnational jurisdictions that require a specific business location to be specified in order for experts to identify the relevant regulatory framework to be assessed. Similarly, many economies have different regulations depending on the corporate legal form, which is also relevant for the assessment of the performance of the provision of business entry services.

5.1.1 Business location—largest city

Justification:

Geographic location determines the legal requirements, the availability of services, and the time or cost to start a business. For instance, geographic location determines the regulatory framework for business incorporation, given that legal requirements may vary at the regional level. In the case of public services, the availability of digital public services may also differ by municipality. The efficiency, time, or cost to start a business can be different from city to city or from region to region in practice. Thus, business location is an essential parameter for assessing business entry. The largest city in the economy is chosen based on the population size as detailed in the overview chapter of this Methodology Handbook.

Application:

For Pillar I, the parameter is used in cases where regulations are not applicable at a national level, varying across states or regions. For the economies where regulations differ across states, regulations for the largest city are measured. For Pillar II, the parameter is used to determine the relevant business registry and its availability of business entry services. For Pillar III, the parameter is relevant for measures on time and cost because they can vary significantly across cities.

5.1.2 Corporate legal form—most common type of limited liability company

Justification:

Some legal requirements and procedures needed to formally start a business are different depending on the corporate legal form of the company. These can include, for instance, the requirements for the minimum amount of paid-in capital or the registration requirements, which can vary by type of corporate legal form. The same applies to the availability of public services as well as the time and cost to start a business. Thus, the corporate legal form of a company is an essential parameter for assessing business entry. Specifically, the Business Entry topic looks at limited liability companies because they are a common corporate legal form in most economies as well as a safe legal vehicle to protect the personal assets of the business owners. The most common type of limited liability company is determined based on information obtained from incorporation lawyers and national statistical offices. The parameter applies to all pillars and indicators.

Application:

For Pillar I, the parameter is used in cases where regulations are different across corporate forms. For the economies where regulations differ across corporate forms, regulations for the most common type of limited liability companies are measured. For Pillar II, the parameter is used to determine the relevant services available. For Pillar III, the parameter is relevant for measures on time and cost because they can vary significantly across corporate legal forms.

5.2 Specific parameters

Parameters specific to the Business Entry topic are also necessary to ensure that estimates specific to the time and cost of incorporation provided by experts are comparable across economies. Incorporation steps can change widely depending on the size of the company. To specify the size of the company, the Business Entry topic includes a parameter on start-up capital.

5.2.1 Size–Start-up capital (5 times GNI per capita for domestic firms; 10 times GNI per capita for foreign firms)

Justification:

Small and medium enterprises (SMEs) play a major role in most economies, representing around 90 percent of businesses and more than 50 percent of employment worldwide, according to the World Bank Small and Medium Enterprises Finance unit. SMEs are mostly defined based on the number of employees. Some definitions also consider the expected turnover and the balance sheet total, start-up investment, or similar financial measures. Despite not being a direct criterion commonly used to legally define an SME, start-up capital is the size-related parameter that affects Business Entry data the most.²⁸

There is no global database on the most common amounts of start-up capital around the world. Thus, to assess a start-up capital measure, the Business Entry topic looks at the Balance Sheet Total/Total Assets/Total Investment limits within SME legal definitions as the closest proxy, with the following five caveats related to SMEs legal definitions. (1) The definitions vary across economies (for example, some economies consider the balance sheet total; others consider total investment or total assets; and still others exclude it from the definition). (2) They establish maximum values (for example, start-up capital is always below the threshold set by the definition). (3) They refer to companies at any stage of their life cycle and not necessarily at the time of incorporation (for example, it is expected that companies start smaller and then grow along their life cycle). (4) They are not necessarily the most representative measure of a given economy (for example, the European Union [EU] definition is the same for all member-states, even though gross national income [GNI] per capita varies significantly among them). (5) They usually refer to both domestic and foreign companies (for example, there is no difference in terms of ownership). Based on this, the Balance Sheet Total/Assets/Investment definitions serve to assess whether a parameter on start-up capital is within the SME legal maximums.

Specifically, the Business Entry topic looks at SMEs with a start-up capital of 5 times GNI per capita for domestic firms and 10 times GNI per capita for foreign firms. Such levels of start-up capital are within the legal maximums of Balance Sheet Total/Assets/Investment SME legal definitions.²⁹

Application:

For Pillar III, the parameter is relevant for measures on time and cost because they can vary significantly depending on the level of start-up capital. For example, registration fees are often defined as a percentage of the start-up capital. Incorporation steps can also vary depending on the start-up capital of the company.

V. TOPIC SCORING

The Business Entry topic has three pillars: Pillar I–Business Entry Regulations; Pillar II–Digital Public Services and Transparency of Information for Business Start-Ups; and Pillar III–Efficiency of Business Entry in Practice. The total points for each pillar are further rescaled to values from 0 to 100, and subsequently aggregated into the total topic score. Each pillar contributes one-third to the total topic score. The scores distinguish between benefits to the firm (captured as firm flexibility points) and benefits to society’s broader interests (captured as social benefits points). Table 23 shows the scoring for the Business Entry topic. For further scoring details please see Annex A, which complements this section.

Table 23. Aggregate scoring overview

Pillar number	Pillars	Number of indicators	Score			Rescaled points (0–100)	Weight
			Firm flexibility points	Social benefits points	Total points		
I	Business Entry Regulations	37	21	18	39	100	0.33
II	Digital Public Services and Transparency of Information for Business Start-Ups	24	24	24	48	100	0.33
III	Efficiency of Business Entry in Practice	4	100	n.a.	100	100	0.33

Note: n.a. = not applicable (refers to the cases when the impact on firms or society is either ambiguous or nonexistent).

6.1 Pillar I–Regulatory Framework: Business Entry Regulations

Pillar I covers 37 indicators with a total score of 39 points (21 points on firm flexibility and 18 points on social benefits). The scoring for each category under this pillar is as follows:

6.1.1 *Quality of Business Entry Regulations* has 18 indicators with a total maximum score of 20 points (2 points on firm flexibility and 18 points on social benefits). Specifically, the *Company Information Filing* Subcategory has 4 indicators; the *Beneficial Ownership* Subcategory has 5 indicators; the *Company Information and Beneficial Ownership Updates* Subcategory has 4 indicators; the *Simple Standard Forms* Subcategory has 3 indicators; and the *Risk-Based Assessment* Subcategory has another 2. A regulatory framework that follows good practices for business incorporation and beginning of operations benefits society (social benefits) and sometimes firms (firm flexibility). Hence, scores are not equally assigned to both categories.

6.1.2 *Restrictions of Business Entry Regulations* covers 19 indicators with a total maximum score of 19 points (19 points on firm flexibility). Specifically, the *Domestic Firms* Subcategory has 9 indicators; and the *Foreign Firms* Subcategory has another 10. While a regulatory framework with less restrictions benefits firms (firm flexibility), it shows ambiguous effects on society (social benefits). Hence, scores are assigned only to firm flexibility.

Pillar I–Business Entry Regulations		No. of indicators	FFP	SBP	Total points	Rescaled points
1.1	Quality of Business Entry Regulations	18	2	18	20	51.28
1.1.1	Company Information Filing	4	n.a.	4	4	10.26
1.1.2	Beneficial Ownership	5	n.a.	5	5	12.82
1.1.3	Company Information and Beneficial Ownership Updates	4	n.a.	4	4	10.26
1.1.4	Simple Standard Forms	3	n.a.	3	3	7.69
1.1.5	Risk-Based Assessment	2	2	2	4	10.26
1.2	Restrictions of Business Entry Regulations	19	19	n.a.	19	48.72
1.2.1	Domestic Firms	9	9	n.a.	9	23.08

1.2.2	Foreign Firms	10	10	n.a.	10	25.64
	Total	37	21	18	39	100.00

Note: n.a. = not applicable (refers to the cases when the impact on firms or society is either ambiguous or nonexistent). FFP = firm flexibility point; SBP = social benefits point.

6.2 Pillar II–Digital Public Services and Transparency of Information for Business Start-Ups

Pillar II includes 24 indicators with a total score of 48 points (24 points on firm flexibility and 24 points on social benefits). The scoring for each category under the pillar is as follows:

6.2.1 *Availability of Online Services for Business Incorporation and Beginning of Operations* covers 9 indicators with a total maximum score of 18 points (9 points on firm flexibility and 9 points on social benefits). Specifically, the *Storage of Company and Beneficial Ownership Information* Subcategory has 3 indicators; and the *Business Start-Up Process* Subcategory has another 6. A business entry system that provides online services for business incorporation and beginning of operations benefits society (social benefits) and firms (firm flexibility). Hence, scores are equally assigned to both categories.

6.2.2 *Interoperability of Services for Business Incorporation and Beginning of Operations* covers 6 indicators with a total maximum score of 12 points (6 points on firm flexibility and 6 points on social benefits). Specifically, the *Exchange of Company Information* Subcategory has 2 indicators; the *Unique Business Identification* Subcategory has 2 indicators; and the *Identity Verification* Subcategory has another 2. A business entry system that promotes interoperability of services for business incorporation and beginning of operations benefits society (social benefits) and firms (firm flexibility). Hence, scores are equally assigned to both categories.

6.2.3 *Availability of Information Online and Transparency of Information* covers 9 indicators with a total maximum score of 18 points (9 points on firm flexibility and 9 points on social benefits). Specifically, the *Availability of Business Start-up Online Information* Subcategory has 5 indicators; the *Availability of General Company Information* Subcategory has 2 indicators; and the *Firm Statistics* Subcategory has another 2. A business entry system that provides information online and promotes transparency benefits society (social benefits) and firms (firm flexibility). Hence, scores are equally assigned to both categories.

Pillar II–Digital Public Services and Transparency of Information for Business Start-Ups		No. of indicators	FFP	SBP	Total points	Rescaled points
2.1	Availability of Online Services for Business Incorporation and Beginning of Operations	9	9	9	18	37.50
2.1.1	Storage of Company and Beneficial Ownership Information	3	3	3	6	12.50
2.1.2	Business Start-Up Process	6	6	6	12	25.00
2.2	Interoperability of Services for Business Incorporation and Beginning of Operations	6	6	6	12	25.00
2.2.1	Exchange of Company Information	2	2	2	4	8.33
2.2.2	Unique Business Identification	2	2	2	4	8.33
2.2.3	Identity Verification	2	2	2	4	8.33
2.3	Availability of Information Online and Transparency of Information	9	9	9	18	37.50
2.3.1	Availability of Business Start-Up Online Information	5	5	5	10	20.83
2.3.2	Availability of General Company Information	2	2	2	4	8.33
2.3.3	Firm Statistics	2	2	2	4	8.33
	Total	24	24	24	48	100.00

Note: FFP = firm flexibility points; SBP = social benefits points.

6.3 Pillar III–Efficiency of Business Entry in Practice

Pillar III has 4 indicators with scores ranging from 0 to 100. The scores on indicators under this pillar are assigned to firm flexibility only, as the indicators measure the outcomes of service provision to firms. For example, high fees and long times to formally register a company have adverse impacts on firms, thus hampering firm flexibility.

Pillar III-Efficiency of Business Entry in Practice		No. of indicators	Rescaled points
3.1	Time	2	50.00
3.1.1	Total Time to Register a New Domestic Firm	1	25.00
3.1.2	Total Time to Register a New Foreign Firm	1	25.00
3.2	Cost	2	50.00
3.2.1	Total Cost to Register a New Domestic Firm	1	25.00
3.2.2	Total Cost to Register a New Foreign Firm	1	25.00
	Total	4	100.00

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- ²⁹ The Team analyzed 151 economies with a population of more than one million people as of 2020. From the analyzed 151 economies, 73 include a Balance Sheet Total/Assets/Investment measure in their SME legal definitions. Based on the Team's analysis, the proposed start-up capital of 5 times GNI per capita for domestic firms and 10 times GNI per capita for foreign firms are below the average Balance Sheet Total/Assets/Investment SME legal definition.

Annex A. Business Entry–Scoring Sheet

This document outlines the scoring approach for the Business Entry topic. For every indicator, a firm flexibility point (FFP) and/or a social benefit point (SBP) are assigned, along with a clarification on the detailed scoring for each such indicator and a note on the relevant background literature.

PILLAR I–BUSINESS ENTRY REGULATIONS					
1.1 QUALITY OF BUSINESS ENTRY REGULATIONS					
1.1.1 Company Information Filing					
Indicators	FFP	SBP	Total points	Rescaled points	Background literature
Mandatory to Verify and to Have the Company Name Approved	n.a.	1	1	2.56	CRF (2020); IFC and World Bank (2013); UNCITRAL (2019)
Mandatory to Verify the Identity of Entrepreneurs	n.a.	1	1	2.56	FATF (2022); OECD and IDB (2021); UNCITRAL (2019)
Mandatory to Register shareholders' Information	n.a.	1	1	2.56	CRF (2020); FATF (2022); IFC and World Bank (2013); OECD and IDB (2021); UNCITRAL (2019)
Mandatory to File Annual Returns/Financial Statements	n.a.	1	1	2.56	CRF (2020); FATF (2022); IFC and World Bank (2013); UNCITRAL (2019); World Bank (2020)
Total points for Subcategory 1.1.1	n.a.	4	4	10.26	
1.1.2 Beneficial Ownership					
Mandatory to Register Beneficial Owners' Information	n.a.	1	1	2.56	CRF (2020); FATF (2022); OECD and IDB (2021); UNCITRAL (2019); World Bank (2020)
Mandatory Type of Information Required for Beneficial Owners	n.a.	1	1	2.56	CRF (2020); FATF (2022); OECD and IDB (2021); UNCITRAL (2019); World Bank (2020)
Mandatory Time Limit to Register Beneficial Owners' Information	n.a.	1	1	2.56	IFC and World Bank (2013); OECD and IDB (2021); UNCITRAL (2019); World Bank (2020)
Mandatory to Register Nominee Shareholders and Directors	n.a.	1	1	2.56	FATF (2022); World Bank (2020)
Mandatory to Verify Beneficial Owners' Identity	n.a.	1	1	2.56	FATF (2022); OECD and IDB (2021); UNCITRAL (2019); World Bank (2020)
Total points for Subcategory 1.1.2	n.a.	5	5	12.82	

1.1.3 Company Information and Beneficial Ownership Updates					
Mandatory to Register Changes to the Company Name	n.a.	1	1	2.56	CRF (2020); FATF (2022); IFC and World Bank (2013); OECD and IDB (2021); UNCITRAL (2019); World Bank (2020)
Mandatory to Register Changes to the Shareholders' Details	n.a.	1	1	2.56	CRF (2020); FATF (2022); IFC and World Bank (2013); OECD and IDB (2021); UNCITRAL (2019); World Bank (2020)
Mandatory to Register Changes in the Articles of Association	n.a.	1	1	2.56	CRF (2020); FATF (2022); IFC and World Bank (2013); OECD and IDB (2021); UNCITRAL (2019); World Bank (2020)
Mandatory to Register Changes to the Beneficial Ownership Information	n.a.	1	1	2.56	CRF (2020); FATF (2022); IFC and World Bank (2013); OECD and IDB (2021); UNCITRAL (2019); World Bank (2020)
Total points for Subcategory 1.1.3	n.a.	4	4	10.26	
1.1.4 Simple Standard Forms					
Simple Registration Form without the Use of Intermediaries	n.a.	1	1	2.56	IFC and World Bank (2013); UNCITRAL (2019)
Simple Registration Form for All Entrepreneurs	n.a.	1	1	2.56	IFC and World Bank (2013); UNCITRAL (2019)
Changes without the Use of Intermediaries	n.a.	1	1	2.56	IFC and World Bank (2013); UNCITRAL (2019)
Total points for Subcategory 1.1.4	n.a.	3	3	7.69	
1.1.5 Risk-Based Assessment					
Risk-Based Regulations for Business Licensing	1	1	2	5.13	Blanc and Franco-Temple (2013)
Risk-Based Regulations for Environmental Permitting	1	1	2	5.13	Blanc and Franco-Temple (2013)
Total points for Subcategory 1.1.5	2	2	4	10.26	
Total points for Category 1.1	2	18	20	51.28	
1.2 RESTRICTIONS OF BUSINESS ENTRY REGULATIONS					
1.2.1 Domestic Firms					
Paid-in Minimum Capital Requirements	1	n.a.	1	2.56	Armour (2006); Hornuf et al. (2011); Kübler (2004); Mülbert and Birke (2002); Simon (2004); Van Stel, Storey, and Thurik (2007)
Minimum Education or Training	1	n.a.	1	2.56	Branstetter et al. (2013); Klapper, Laeven, and Rajan (2006); OECD (2018)

Criminal History Records or Affidavits	1	n.a.	1	2.56	Branstetter et al. (2013); Klapper, Laeven, and Rajan (2006); OECD (2018)
Approval of Business Plan, Feasibility Plan, or Financial Plan	1	n.a.	1	2.56	Branstetter et al. (2013); Klapper, Laeven, and Rajan (2006); OECD (2018)
General Operating License	1	n.a.	1	2.56	Blanc and Franco-Temple (2013); Klapper, Laeven, and Rajan (2006)
Sociodemographic Restrictions for Domestic Entrepreneurs	1	n.a.	1	2.56	Branstetter et al. (2013); Klapper, Laeven, and Rajan (2006); OECD (2018)
Sector-Specific Restrictions for Domestic Entrepreneurs Related to Services Industries	1	n.a.	1	2.56	Branstetter et al. (2013); Klapper, Laeven, and Rajan (2006); OECD (2018)
Sector-Specific Restrictions for Domestic Entrepreneurs Related to Manufacturing and Infrastructure Industries	1	n.a.	1	2.56	Branstetter et al. (2013); Klapper, Laeven, and Rajan (2006); OECD (2018)
Sector-Specific Restrictions for Domestic Entrepreneurs Related to Agriculture and Extractive Industries	1	n.a.	1	2.56	Branstetter et al. (2013); Klapper, Laeven, and Rajan (2006); OECD (2018)
Total points for Subcategory 1.2.1	9	n.a.	9	23.08	
1.2.2 Foreign Firms					
Paid-in Minimum Capital Requirements	1	n.a.	1	2.56	Armour (2006); Hornuf et al. (2011); Kübler (2004); Mülbert and Birke (2002); Simon (2004); Van Stel, Storey, and Thurik (2007)
Ownership and Participation Restrictions	1	n.a.	1	2.56	IFC, MIGA, and World Bank (2010); Mistura and Roulet (2019); OECD (2020); UNCTAD (2015, 2022)
Screening and Approval	1	n.a.	1	2.56	IFC, MIGA, and World Bank (2010); Mistura and Roulet (2019); OECD (2020); UNCTAD (2015, 2022)
Restrictions on the Nationality of Key Personnel and Directors	1	n.a.	1	2.56	IFC, MIGA, and World Bank (2010); Mistura and Roulet (2019); OECD (2020); UNCTAD (2015, 2022)
Restrictions on Employment of Foreign and Local Personnel	1	n.a.	1	2.56	IFC, MIGA, and World Bank (2010); Mistura and Roulet (2019); OECD (2020); UNCTAD (2015, 2022)
Local Engagement Requirements	1	n.a.	1	2.56	IFC, MIGA, and World Bank (2010); Mistura and Roulet (2019); OECD (2020); UNCTAD (2015, 2022)
Financial Restrictions	1	n.a.	1	2.56	IFC, MIGA, and World Bank (2010); Mistura and Roulet (2019); OECD (2020); UNCTAD (2015, 2022)

Sector-Specific Restrictions for Foreign Entrepreneurs Related to Services Industries	1	n.a.	1	2.56	IFC, MIGA, and World Bank (2010); Mistura and Roulet (2019); OECD (2020); UNCTAD (2015, 2022)
Sector-Specific Restrictions for Foreign Entrepreneurs Related to Manufacturing and Infrastructure Industries	1	n.a.	1	2.56	IFC, MIGA, and World Bank (2010); Mistura and Roulet (2019); OECD (2020); UNCTAD (2015, 2022)
Sector-Specific Restrictions for Foreign Entrepreneurs Related to Agriculture and Extractive Industries	1	n.a.	1	2.56	IFC, MIGA, and World Bank (2010); Mistura and Roulet (2019); OECD (2020); UNCTAD (2015, 2022)
Total points for Subcategory 1.2.1	10	n.a.	10	25.64	
Total points for Category 1.2	19	n.a.	19	48.72	
Total points for Pillar I	21	18	39	100.00	

Note: n.a. = not applicable (refers to the cases when the impact on firms or society is either ambiguous or nonexistent).

PILLAR II—DIGITAL PUBLIC SERVICES AND TRANSPARENCY OF INFORMATION FOR BUSINESS START-UPS

2.1 AVAILABILITY OF ONLINE SERVICES FOR BUSINESS INCORPORATION AND BEGINNING OF OPERATIONS

2.1.1 Storage of Company and Beneficial Ownership Information

Indicators	FFP	SBP	Total points	Rescaled points	Background literature
Database on Company Information	1	1	2	4.17	UNCITRAL (2019)
Company Information Records Digitally Stored	1	1	2	4.17	UNCITRAL (2019)
Database on beneficial ownership	1	1	2	4.17	CRF (2020)
Total points for Subcategory 2.1.1	3	3	6	12.50	

2.1.2 Business Start-up Process

Company Name Verification	1	1	2	4.17	UNCITRAL (2019)
Entire Company Registration Process	1	1	2	4.17	UNCITRAL (2019); UNCTAD (n.d.)
Update of Company Information	1	1	2	4.17	UNCITRAL (2019)
Registration and Update of Beneficial Ownership Information	1	1	2	4.17	CRF (2020)
Payment of Incorporation Fees	1	1	2	4.17	UNCITRAL (2019); UNCTAD (n.d.)
Issuance of Company Incorporation Certificate	1	1	2	4.17	UNCITRAL (2019); UNCTAD (n.d.)
Total points for Subcategory 2.1.2	6	6	12	25.00	
Total points for Category 2.1	9	9	18	37.50	

2.2 INTEROPERABILITY OF SERVICES FOR BUSINESS INCORPORATION AND BEGINNING OF OPERATIONS

2.2.1 Exchange of Company Information

Exchange of Information among Public Sector Agencies	1	1	2	4.17	Klapper, Miller, and Hess (2019); Lewin et al. (2007); Wille et al. (2011)
Update of Company Information Fully Automated	1	1	2	4.17	Klapper, Miller, and Hess (2019); Lewin et al. (2007); Wille et al. (2011)
Total points for Subcategory 2.2.1	2	2	4	8.33	

2.2.2 Unique Business Identification

Unique Business Identification Number Existence	1	1	2	4.17	UNCITRAL (2019)
Unique Business Identification Number Used by All Agencies	1	1	2	4.17	UNCITRAL (2019)

Total points for Subcategory 2.2.2	2	2	4	8.33	
2.2.3 Identity Verification					
Availability of Electronic Signature and Authentication	1	1	2	4.17	UNCITRAL (2019)
Identity Document Verification Process	1	1	2	4.17	CRF (2020); Klapper, Miller, and Hess (2019); Lewin et al. (2007); UNCTAD (n.d.)
Total points for Subcategory 2.2.3	2	2	4	8.33	
Total points for Category 2.2	6	6	12	25.00	
2.3 AVAILABILITY OF INFORMATION ONLINE AND TRANSPARENCY OF INFORMATION					
2.3.1 Availability of Business Start-up Online Information					
List of Documents	1	1	2	4.17	UNCITRAL (2019); UNCTAD (n.d.)
List of Fees	1	1	2	4.17	UNCITRAL (2019); UNCTAD (n.d.)
Service Standards	1	1	2	4.17	UNCITRAL (2019); UNCTAD (n.d.)
Environmental-related Requirements	1	1	2	4.17	Koźluk (2014); UNCITRAL (2019); UNCTAD (n.d.)
Information on Publicly Funded Programs to Support SMEs and Women Entrepreneurs	1	1	2	4.17	Halabisky (2018); Koźluk (2014); OECD (2021); UNCITRAL (2019); UNCTAD (n.d.)
Total points for Subcategory 2.3.1	5	5	10	20.83	
2.3.2 Availability of General Company Information					
Electronic Search Available for All Company Records	1	1	2	4.17	CRF (2020); Dayan and Bolislis (2017); UNCITRAL (2019)
Types of Company Information Available Online to the Public	1	1	2	4.17	CRF (2020); UNCITRAL (2019)
Total points for Subcategory 2.3.2	2	2	4	8.33	
2.3.3 Firm Statistics					
Statistics Publicly Available on Business Entry (General)	1	1	2	4.17	UNCITRAL (2019); UNECE (2018)
Statistics Publicly Available on Business Entry (Gender)	1	1	2	4.17	Halabisky (2018); OECD (2021); OECD (n.d.); UNCITRAL (2019); UNECE (2018)
Total points for Subcategory 2.3.3	2	2	4	8.33	
Total points for Category 2.3	9	9	18	37.50	
Total points for Pillar II	24	24	48	100.00	

Note: n.a. = not applicable (refers to the cases when the impact on firms or society is either ambiguous or nonexistent). SMEs = small and medium enterprises.

PILLAR III—EFFICIENCY OF BUSINESS ENTRY IN PRACTICE					
3.1 TIME					
Indicators	FFP	SBP	Total points	Rescaled points	Background literature
Domestic Firms	50	n.a.	50	25.00	Bruhn (2012); Klapper, Lewin, and Quesada Delgado (2009); Klapper and Love (2011); UNCITRAL (2019)
Foreign Firms	50	n.a.	50	25.00	Bruhn (2012); Klapper, Lewin, and Quesada Delgado (2009); Klapper and Love (2011); UNCITRAL (2019)
Total points for Subcategory 3.1	100	n.a.	100	50.00	
3.2 COST					
Domestic Firms	50	n.a.	50	25.00	Bruhn (2012); Klapper, Lewin, and Quesada Delgado (2009); Klapper and Love (2011); UNCITRAL (2019)
Foreign Firms	50	n.a.	50	25.00	Bruhn (2012); Klapper, Lewin, and Quesada Delgado (2009); Klapper and Love (2011); UNCITRAL (2019)
Total points for Subcategory 3.2	100	n.a.	100	50.00	
Total points for Pillar III				100.00	

Note: n.a. = not applicable (refers to the cases when the impact on firms or society is either ambiguous or nonexistent).

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Annex B. Business Entry–Annotated Questionnaire

Annex B consists of a Glossary and Annotated Questionnaire for the Business Entry topic. The Annotated Questionnaire provides the mapping between each indicator and the corresponding questions.

Glossary

Beneficial owner: The natural person who ultimately owns or controls a company, even if the title to the property is under another name.

Beneficial ownership information: Information on beneficial owner(s) name, identification number, address, and so on

Company statutory information: Information on bylaws, articles of incorporation, general company information, or any statute that prescribes the rules of the company’s operations and governance.

Electronic company registration process: Process during which the entrepreneur can fully register a company online with no need to go in person to the business registry, or any other agency, to present or obtain hard copies of documents.

Environmental operating licenses: License or permits for water management, for waste management and disposal, for using or processing hazardous materials, and so on. “Environmental operating licenses” refer to the commencement of new business activities and exclude, for instance, environmental impact assessments, which can be required for the issuance of building permits.

Fully electronic registry/database: System where all data are stored and accessible electronically.

Local sourcing requirement: Requirement for the foreign firm to purchase goods or services from local suppliers.

Nominee shareholder and director: Person who is officially registered as the holder of shares on behalf of another person.

Relevant government agencies for business entry: Business registry, tax authority, social security, and so on.

Risk-based approach: System that determines the licensing requirements (such as an operating license, operating permit) for a firm based on the level of risk posed by a particular business. The criteria can include the type of activity, size and location of the business, health and safety risk, use of natural resources, and environmental impact.

Service standards: Expected time to obtain a service.

Simple standard registration form: Standard template for business incorporation.

Sociodemographic groups: Groups categorized by age, ethnicity/race, gender, migration status, religious affiliation.

Third-party intermediaries: Notaries, lawyers, accountants, and others.

Questionnaire

The tables that follow present all indicators (including their components, if applicable) under each pillar, with a reference to the corresponding question number in parenthesis. The questions are listed before each table for ease of reference.

For Y/N questions, the Y response accounts for the score and is considered as the good practice, unless otherwise indicated with the sign “N → good practice”.

In the tables that follow, “AND” means all referenced questions must have a good practice response to obtain a score on the indicator.

In the tables the follow, “OR” means one or more referenced questions must have a good practice response to obtain a score on the indicator.

Certain questions are marked as “not scored,” which indicates that they do not affect the score in any way. The purpose of these questions is to further inform and refine the questions design for subsequent years of the pilot, as needed, as well as to substantiate and provide further information for the scored questions.

PILLAR I–BUSINESS ENTRY REGULATIONS	
Parameters	
Largest city	The largest (most populous) city in the economy. The parameter applies to all questions under Pillar I.
Corporate legal form	The most common type of limited liability company (LLC) in the economy. The parameter applies to all questions under Pillar I.

1.1 QUALITY OF BUSINESS ENTRY REGULATIONS

1.1.1 Company Information Filing

1. Does the legislation require entrepreneurs to verify and to have the company name approved in order to register a new business? (Y/N)
2. Does the legislation provide for clear, exhaustive, and specific rules for rejecting proposed company names? (Y/N)
3. Does the legislation require verifying the identity of the entrepreneurs willing to start a new business? (Y/N)
4. Which of the following holds responsibility for verifying the entrepreneurs' identity? (*not scored*)
 - 4a. Registrar
 - 4b. Notary
 - 4c. Lawyer
 - 4d. Other
5. Does the legislation require registration of shareholders details? (Y/N)
6. Does the legislation require companies to file annual company returns and financial statements? (Y/N)

1.1.2 Beneficial Ownership

7. Does the legislation require new companies to register beneficial ownership information? (Y/N)
8. Does the legislation require companies to register the following type of information about beneficial owners? (Y/N)
 - 8a. Full name
 - 8b. Identification number and information
 - 8c. Date of birth
 - 8d. Address
 - 8e. Other
9. Does the legislation specify a time limit for registering the required beneficial owner information in the case of a newly registered company? (Y/N)
10. Please indicate the time limit (in calendar days): *(not scored)*
11. Does the legislation allow nominee shareholders and directors? (Y/N)
12. Does the legislation require registering their status as nominee shareholders and directors with public authorities? (Y/N)
13. Does the legislation require verifying the identity of beneficial owners? (Y/N)
14. Which of the following holds responsibility for verifying the identity of beneficial owners? *(not scored)*
 - 14a. Registrar
 - 14b. Notary
 - 14c. Lawyer
 - 14d. Other

1.1.3 Company Information and Beneficial Ownership Updates

15. Does the legislation require registering changes to the company name at the business registry or another relevant agency? (Y/N)
16. What is the time limit (in calendar days) for registering such changes? *(not scored)*
17. Does the legislation require registering changes to the shareholders' details at the business registry or another relevant agency? (Y/N)
18. What is the time limit (in calendar days) for registering such changes? *(not scored)*
19. Does the legislation require registering changes in the articles of association at the business registry or another relevant agency? (Y/N)
20. What is the time limit (in calendar days) for registering such changes? *(not scored)*
21. Does the legislation require registering changes to beneficial ownership information? (Y/N)
22. What is the time limit (in calendar days) for registering such changes? *(not scored)*

1.1.4 Simple Standard Forms

23. Does the legislation allow entrepreneurs to register a business by themselves using a simple standard registration form without the mandatory use of third-party intermediaries? (Y/N)
24. Does the legislation allow all entrepreneurs and limited liability companies to use simple standard registration forms without the mandatory use of third-party intermediaries? (Y/N)
25. Does the legislation allow entrepreneurs to make updates to company's statutory information without the mandatory use of third-party intermediaries? (Y/N)

1.1.5 Risk-Based Assessment

26. Does the legislation allow all entrepreneurs and limited liability companies to make company statutory updates without the mandatory use of third-party intermediaries? (Y/N)
27. Does the legislation provide for a risk-based approach for issuing business operating licenses? (Y/N)
28. Does the legislation exempt new businesses conducting activities with minimal or no operational risk from getting any type of operating license or permit? (Y/N) *(not scored)*
29. Does the legislation require new business conducting activities with high operational risk to apply for any type of operating license or permit? (Y/N) *(not scored)*
30. At which level is the business operating license implemented? *(not scored)*
 - 30a. National
 - 30b. Regional
 - 30c. Local
 - 30d. Other
31. Does the legislation provide for a risk-based assessment for issuing environmental operating licenses? (Y/N)
32. Does the legislation exempt new businesses conducting activities with minimal or no adverse environmental impact from getting any type of environmental operating permit or approval? (Y/N) *(not scored)*
33. Does the legislation require new businesses conducting activities with high environmental impact to get any environmental permit or approval? (Y/N) *(not scored)*
34. At which level is environmental permitting implemented? *(not scored)*
 - 34a. National
 - 34b. Regional
 - 34c. Local
 - 34d. Other

1.1 QUALITY OF BUSINESS ENTRY REGULATIONS			
1.1.1 Company Information Filing			
Indicators	FFP	SBP	Total points
Mandatory to Verify and to Have the Company Name Approved (1 AND 2)	0	1	1
Mandatory to Verify the Identity of Entrepreneurs (3)	0	1	1
Mandatory to Register Shareholders' Information (5)	0	1	1
Mandatory to File Annual Returns/Financial Statements (6)	0	1	1
Total points	0	4	4
1.1.2 Beneficial Ownership			
Indicators	FFP	SBP	Total points
Mandatory to Register Beneficial Owners' Information (7)	0	1	1
Mandatory Type of Information Required for Beneficial Owners (8)	0	1	1
Mandatory Time Limit to Register Beneficial Owners' Information (9)	0	1	1
Mandatory to Register Nominee Shareholders and Directors (11 AND 12)	0	1	1
Mandatory to Verify Beneficial Owners' Identity (13)	0	1	1
Total points	0	5	5
1.1.3 Company Information and Beneficial Ownership Updates			
Indicators	FFP	SBP	Total Points
Mandatory to Register Changes to the Company Name (15)	0	1	1
Mandatory to Register Changes to the Shareholders' Details (17)	0	1	1
Mandatory to Register Changes in the Articles of Association (19)	0	1	1
Mandatory to Register Changes to the Beneficial Ownership Information (21)	0	1	1
Total points	0	4	4
1.1.4 Simple Standard Forms			
Indicators	FFP	SBP	Total points
Simple Registration Form without the Use of Intermediaries (23)	0	1	1
Simple Registration Form for All Entrepreneurs (24)	0	1	1
Changes without the Use of Intermediaries (25 AND 26)	0	1	1
Total points	0	3	3
1.1.5 Risk-Based Assessment			
Indicators	FFP	SBP	Total points
Risk-Based Regulations for Business Licensing (27)	1	1	2
Risk-Based Regulations for Environmental Permitting (31)	1	1	2
Total points	2	2	4

Note: FFP = firm flexibility point; SBP = social benefits point.

1.2 RESTRICTIONS OF BUSINESS ENTRY REGULATIONS

1.2.1 Restrictions for Domestic Firms

35. Does the legislation require a mandated paid-in minimum capital for domestic private limited liability companies? (Y/N; N – good practice)
36. What is the minimum capital amount established by regulations that domestic firms need to deposit (please provide in local currency units)? (*not scored*)
37. When should domestic firms deposit the minimum capital? (*not scored*)
- 37a. Prior to incorporation
 - 37b. At the time of incorporation
 - 37c. Within one week from incorporation
 - 37d. Within more than one week from incorporation
38. For how long (in calendar days) must the required minimum capital remain deposited? (*not scored*)
39. Are there any consequences for not depositing the minimum capital? (*not scored*)
40. Please indicate whether the legislation mandates any of the following general requirements for an entrepreneur who wants to register a limited liability company and start business operations. (Y/N; N – good practice)
- 40a. Minimum education or training
 - 40b. Criminal history records or affidavits
 - 40c. Approval of business plan, feasibility plan, or financial plan
 - 40d. Obtaining a general operating license
41. If the company requires an operating license, must it be renewed? (*not scored*)
42. Do any additional general requirements apply for domestic entrepreneurs? Please specify: (*not scored*)
43. Does the legislation mandate specific requirements for domestic entrepreneurs from different sociodemographic groups that wish to undertake the following processes? (Y/N; N – good practice)
- 43a. To register a company
 - 43b. To open a bank account
44. Does the legislation limit full private domestic participation/equity ownership in any of the following sectors? (Y/N; N – good practice)
- 44a. Banking and Insurance
 - 44b. Health Care
 - 44c. Retail and Tourism
 - 44d. Media
 - 44e. Construction
 - 44f. Light Manufacturing
 - 44g. Electricity and Telecommunications
 - 44h. Transportation
 - 44i. Agriculture and Forestry
 - 44j. Metals and Mining

- 44k. Oil and Gas
- 44l. Waste Management and Disposal

1.2.2 Restrictions for Foreign Firms

- 45. Does the legislation require a mandated paid-in minimum capital for foreign private limited liability companies?** (Y/N; N – good practice)
- 46. What is the minimum capital amount established by regulations that foreign firms need to deposit (please provide in local currency units)?** (*not scored*)
- 47. When should foreign firms deposit the minimum capital?** (*not scored*)
 - 47a. Prior to incorporation
 - 47b. At the time of incorporation
 - 47c. Within one week from incorporation
 - 47d. Within more than one week from incorporation
- 48. For how long (in calendar days) must the required minimum capital remain deposited?** (*not scored*)
- 49. Are there any consequences for not paying in the minimum capital?** (*not scored*)
- 50. Does the legislation impose any of the following restrictions for foreign entrepreneurs?** (Y/N; N – good practice)
 - 50a. Limitations on the proportion of shares that can be held in a company
 - 50b. Limitations on the number of joint ventures
 - 50c. Investment screening or approval by government authority
 - 50d. Minimum size of investment, different from the amount for domestic firms
 - 50e. Restrictions on the nationality of the management of foreign subsidiaries
 - 50f. Restrictions on the nationality/legal residency of company board members or managers
 - 50g. Restrictions on hiring foreign nationals
 - 50h. Minimum required number or percentage of national employees
 - 50i. Obligation to have a local partner
 - 50j. Local sourcing requirements
 - 50k. Limitations on dividend distribution
 - 50l. Restrictions on setting up or holding a foreign currency commercial bank account
- 51. Does the legislation limit the full foreign ownership in the following sectors?** (Y/N; N – good practice)
 - 51a. Banking and Insurance
 - 51b. Health Care
 - 51c. Retail and Tourism
 - 51d. Media
 - 51e. Construction
 - 51f. Light Manufacturing
 - 51g. Electricity and Telecommunications
 - 51h. Transportation
 - 51i. Agriculture and Forestry
 - 51j. Metals and Mining
 - 51k. Oil and Gas
 - 51l. Waste Management and Disposal

1.2 RESTRICTIONS OF BUSINESS ENTRY REGULATIONS			
1.2.1 Domestic Firms			
Indicators	FFP	SBP	Total points
Paid-in Minimum Capital Requirements (35)	1	0	1
Minimum Education or Training (40a)	1	0	1
Criminal History Records or Affidavits (40b)	1	0	1
Approval of Business Plan, Feasibility Plan, or Financial Plan (40c)	1	0	1
General Operating License (40d)	1	0	1
Sociodemographic Restrictions for Domestic Entrepreneurs (43)	1	0	1
Sector-Specific Restrictions for Domestic Entrepreneurs in Service-Related Industries	1	0	1
- Banking and Insurance (44a)	0.25	0	0.25
- Health Care (44b)	0.25	0	0.25
- Retail and Tourism (44c)	0.25	0	0.25
- Media (44d)	0.25	0	0.25
Sector-Specific Restrictions for Domestic Entrepreneurs in Manufacturing and Infrastructure-Related Industries	1	0	1
- Construction (44e)	0.25	0	0.25
- Light Manufacturing (44f)	0.25	0	0.25
- Electricity (44g)	0.25	0	0.25
- Transportation (44h)	0.25	0	0.25
Sector-Specific Restrictions for Domestic Entrepreneurs Related to Agriculture and Extractive Industries	1	0	1
- Agriculture and Forestry (44i)	0.25	0	0.25
- Metals and Mining (44j)	0.25	0	0.25
- Oil and Gas (44k)	0.25	0	0.25
- Waste Management and Disposal (44l)	0.25	0	0.25
Total points	9	0	9
1.2.2 Foreign Firms			
Indicators	FFP	SBP	Total points
Paid-in Minimum Capital Requirements (45)	1	0	1
Ownership and Participation Restrictions	1	0	1
- Proportion of shares (50a)	0.5	0	0.5
- Number of joint ventures (50b)	0.5	0	0.5
Screening and Approval	1	0	1
- Investment screening or approval (50c)	0.5	0	0.5
- Minimum size of investment (50d)	0.5	0	0.5
Restrictions on the Nationality of Key Personnel and Directors	1	0	1
- Nationality of the management of foreign subsidiaries (50e)	0.5	0	0.5
- Nationality/legal residency of board members or managers (50f)	0.5	0	0.5
Restrictions on Employment of Foreign and Local Personnel	1	0	1
- Restrictions on hiring foreign nationals (50g)	0.5	0	0.5
- Minimum number or percentage of national employees required (50h)	0.5	0	0.5
Local Engagement Requirements	1	0	1
- Obligation to have a local partner (50i)	0.5	0	0.5
- Local sourcing requirements (50j)	0.5	0	0.5
Financial Restrictions	1	0	1
- Dividend distribution (50k)	0.5	0	0.5
- Setting up or holding a foreign currency commercial bank account (50l)	0.5	0	0.5

Sector-Specific Restrictions for Foreign Entrepreneurs Related to Services Industries	1	0	1
- Banking and Insurance (51a)	0.25	0	0.25
- Health Care (51b)	0.25	0	0.25
- Retail and Tourism (51c)	0.25	0	0.25
- Media (51d)	0.25	0	0.25
Sector-Specific Restrictions for Foreign Entrepreneurs Related to Manufacturing and Infrastructure Industries	1	0	1
- Construction (51e)	0.25	0	0.25
- Light Manufacturing (51f)	0.25	0	0.25
- Electricity (51g)	0.25	0	0.25
- Transportation (51h)	0.25	0	0.25
Sector-Specific Restrictions for Foreign Entrepreneurs Related to Agriculture and Extractive Industries	1	0	1
- Agriculture and Forestry (51i)	0.25	0	0.25
- Metals and Mining (51j)	0.25	0	0.25
- Oil and Gas (51k)	0.25	0	0.25
- Waste Management and Disposal (51l)	0.25	0	0.25
Total points	10	0	10

Note: FFP = firm flexibility point; SBP = social benefits point.

PILLAR II–DIGITAL PUBLIC SERVICES AND TRANSPARENCY OF INFORMATION FOR BUSINESS STARTUPS

Parameters	
Largest city	The largest (most populous) city in the economy. The parameter applies to all questions under Pillar II.
Corporate legal form	The most common type of limited liability company (LLC) in the economy. This parameter applies to all questions under Pillar II.

2.1 AVAILABILITY OF ONLINE SERVICES FOR BUSINESS INCORPORATION AND BEGINNING OF OPERATIONS

2.1.1 Storage of Company and Beneficial Ownership Information

52. Please indicate whether or not the following features apply to the company information database at the business registry. (Y/N)

- 52a. Fully electronic
- 52b. Centralized with full national coverage
- 52c. Covers all types of companies and establishments

53. Does the business registry store all company registration records in digital form? (Y/N)

54. Please indicate whether or not each of the following features applies to the beneficial ownership database. (Y/N)

- 54a. Fully electronic
- 54b. Centralized with full national coverage
- 54c. Covers all types of companies and establishments

2.1.2 Business Start-Up Process

55. Does an electronic and fully automated system to verify the uniqueness and compliance of company names exist? (Y/N)
56. Does an electronic system that covers the entire company registration process from submitting the application to receiving the company documents exist? (Y/N)
57. Please indicate whether or not the company registration system allows registrants to complete the following steps electronically. (Y/N) (*not scored*)
- 57a. Tax registration
 - 57b. Beneficial ownership registration
 - 57c. Other
58. Does a fully electronic system for businesses to update their statutory information exist? (Y/N)
59. Does a fully electronic platform to register and update information on beneficial owners exist? (Y/N)
60. Does an electronic payment option for all fees, such as business registry fees, related to company incorporation exist? (Y/N)
61. Does the business registry issue the certificate of company incorporation fully electronically? (Y/N)

2.1 AVAILABILITY OF ONLINE SERVICES FOR BUSINESS INCORPORATION AND BEGINNING OF OPERATIONS			
2.1.1 Storage of Company and Beneficial Ownership Information			
Indicators	FFP	SBP	Total points
Database on Company Information (52)	1	1	2
Company Information Records Digitally Stored (53)	1	1	2
Database on Beneficial Ownership (54)	1	1	2
Total points	3	3	6
2.1.2 Business Start-Up Process			
Indicators	FFP	SBP	Total points
Company Name Verification (55)	1	1	2
Entire Company Registration Process (56)	1	1	2
Update of Company Information (58)	1	1	2
Registration and Update of Beneficial Ownership Information (59)	1	1	2
Payment of Incorporation Fees (60)	1	1	2
Issuance of Company Incorporation Certificate (61)	1	1	2
Total points	6	6	12

Note: FFP = firm flexibility point; SBP = social benefits point.

2.2 INTEROPERABILITY OF SERVICES FOR BUSINESS INCORPORATION AND BEGINNING OF OPERATIONS

2.2.1 Exchange of Company Information

62. Do key public sector agencies for business entry exchange information on companies automatically and electronically? (Y/N)

63. Which public sector agencies exchange company information electronically? (*not scored*)

64. Are changes to company information automatically updated for all relevant government agencies? (Y/N)

2.2.2 Unique Business Identification

65. Does the business registry or another relevant authority assign a Unique Business Identification number (UBI) for all companies? (Y/N)

66. Do all relevant government agencies use the UBI? (Y/N)

67. Which other agencies issue their own separate company identification number? (*not scored*)

2.2.3 Identity Verification

68. Is an electronic signature or another electronic form of authentication identification available for online company registration? (Y/N)

69. Is there an electronic and fully automated process to verify the identity of entrepreneurs and beneficial owners? (Y/N)

2.2 INTEROPERABILITY OF SERVICES FOR BUSINESS INCORPORATION AND BEGINNING OF OPERATIONS			
2.2.1 Exchange of Company Information			
Indicators	FFP	SBP	Total points
Exchange of Information among Public Sector Agencies (62)	1	1	2
Update of Company Information Fully Automated (64)	1	1	2
Total points	2	2	4
2.2.2 Unique Business Identification			
Indicators	FFP	SBP	Total points
Unique Business Identification Number Existence (65)	1	1	2
Unique Business Identification Number Used by All Agencies (66)	1	1	2
Total points	2	2	4
2.2.3 Identity Verification			
Indicators	FFP	SBP	Total points
Availability of Electronic Signature and Authentication (68)	1	1	2
Identity Document Verification Process (69)	1	1	2
Total points	2	2	4

Note: FFP = firm flexibility point; SBP = social benefits point.

2.3 AVAILABILITY OF INFORMATION ONLINE AND TRANSPARENCY OF INFORMATION

2.3.1 Availability of Business Start-Up Online Information

70. Please indicate whether each of the following types of information is available online to the general public. (Y/N)

70a. List of documents needed to incorporate an LLC

70b. List of all fees required for company incorporation at the business registry

70c. Service standards for company incorporation at the business registry

70d. Regulatory information about environmental-related requirements for new business conducting activities with low or negligible environmental impact

71. Do publicly funded programs to support small and medium limited liability companies exist in [economy]? (Y/N)

72. Is information on publicly funded programs to support small and medium limited liability companies publicly available online? (Y/N)

73. Do publicly funded programs to support women-owned small and medium liability companies exist? (Y/N)

74. Is information on publicly funded programs to support women-owned small and medium limited liability companies publicly available online? (Y/N)

2.3.2 Availability of General Company Information

75. Is electronic search available for all company records? (Y/N)

76. Please indicate whether or not it is possible to obtain the following corporate information on individual companies online from the database of the business registry. (Y/N)

76a. Name of the company

76b. Company ID

76c. Name of company's directors

76d. Name of company's shareholders

76e. Name of company's beneficial owners

76f. Year of company's incorporation

76g. Company's annual financial accounts

76h. Company's legal address

76i. Company's physical address

76j. Company's type of activity

2.3.3 Firm Statistics

77. Are statistics about limited liability companies newly registered in 2022 in [economy] available online to the public? (Y/N)

78. What is the number of newly registered limited liability companies in 2022 in [economy]? (Y/N)
(not scored)

79. Are data on male and female ownership and/or staff composition of limited liability companies collected by the business registry of [economy]? (Y/N)

80. Which of the following data are sex-disaggregated? (Y/N) (not scored)

80a. Number of female business owners of limited liability companies

80b. Number of female sole proprietors

80c. Number of female directors of limited liability companies

80d. Share of female employees of limited liability companies

81. Are the data available for the most recent calendar year (2022)? (Y/N)

82. Are these data anonymized? (Y/N) (not scored)

83. Are these data publicly available online? (Y/N) (not scored)

84. What is the number of newly registered limited liability companies owned by at least one woman in 2022 in [economy]? (Y/N) (not scored)

85. What is the number of newly registered limited liability companies owned by all men in 2022 in [economy]? (Y/N) (not scored)

2.3 AVAILABILITY OF INFORMATION ONLINE AND TRANSPARENCY OF INFORMATION			
2.3.1 Availability of Business Start-Up Online Information			
Indicators	FFP	SBP	Total points
List of Documents (70a)	1	1	2
List of Fees (70b)	1	1	2
Service Standards (70c)	1	1	2
Environmental-Related Requirements (70d)	1	1	2
Information on Publicly Funded Programs to Support SMEs and Women Entrepreneurs	1	1	2
- Information on public funded programs to support SMEs (71 AND 72)	0.5	0.5	1
- Information on public funded programs to support women entrepreneurs (73 AND 74)	0.5	0.5	1
Total points	5	5	10
2.3.2 Availability of General Company Information			
Indicators	FFP	SBP	Total points
Electronic Search Available for All Company Records (75)	1	1	2
Types of Company Information Available Online to the Public	1	1	2
- Name of company (76a)	0.1	0.1	0.2
- Company ID (76b)	0.1	0.1	0.2
- Name of directors (76c)	0.1	0.1	0.2
- Name of shareholders (76d)	0.1	0.1	0.2
- Name of beneficial owners (76e)	0.1	0.1	0.2
- Year of incorporation (76f)	0.1	0.1	0.2
- Annual financial accounts (76g)	0.1	0.1	0.2
- Legal address (76h)	0.1	0.1	0.2

- Physical address (76i)	0.1	0.1	0.2
- Type of activity (76j)	0.1	0.1	0.2
Total points	2	2	4
2.3.3 Firm Statistics			
Indicators	FFP	SBP	Total points
Statistics Publicly Available on Business Entry (General) (77)	1	1	2
Statistics Publicly Available on Business Entry (Gender) (79 AND 81)	1	1	2
Total points	2	2	4

Note: FFP = firm flexibility points; SBP = social benefits points; SMEs = small and medium enterprises.

PILLAR III–EFFICIENCY OF BUSINESS ENTRY IN PRACTICE	
Parameters	
Largest city	The largest (most populous) city in the economy. The parameter applies to all questions under Pillar III.
Corporate legal form	The most common type of limited liability company (LLC) in the economy. The parameter applies to all questions under Pillar III.
Domestic/foreign ownership	Pillar III evaluates the efficiency of the business entry process separately for domestic and foreign firms.
Size	Start-up capital is 5 times income per capita for domestic companies and 10 times income per capita for foreign companies. The parameter applies to all questions under Pillar III.

Further information (based on the scope of the topic):

- The company performs general industrial or commercial activities.
- The company expected turnover reaches the threshold upon which value added tax (VAT) registration is required (if applicable).
- The company has employees.

Pre-incorporation steps for domestic firms

Pre-incorporation captures the set of activities that must be performed before submitting the incorporation application.

86. What are the pre-incorporation steps for opening a new domestic firm required by law and/or commonly done in practice? Please include steps that are completed online and/or in person. (not scored)

86a. Company name verification

86b. Third-party (notaries, lawyers, accountants) involvement for business start-up

86c. Bank-related step(s) before registering a company

86d. Other

87. For each of the selected steps, what is the agency in charge of completing the step? (not scored)

88. What is the total time to complete all pre-incorporation steps for a domestic firm mentioned above (calendar days)? (not scored)

Note: When calculating time, consider the average overall time it takes in practice, from the moment the first step is initiated by the entrepreneur or their representative, until the last step is fully completed with the relevant agency (for example, this includes waiting times from the moment a request is submitted by the entrepreneur until the final document is issued by the relevant agency). Also take into account simultaneity of steps (such as whether certain steps can be completed at the same time). If a step can be completed online or in person, consider the most common way of completing the step and its associated time (for example, if the most common way of is online, please include the time it takes to complete the step electronically). Please consider the parameters mentioned above for domestic firms.

89. What is the total cost to complete all pre-incorporation steps for a domestic firm mentioned above (local currency)? (not scored).

Note: When calculating cost, consider the average total cost in practice to complete each step mentioned above. This can include, for instance, hiring the services of a third-party intermediary if they are commonly used in practice for completing the step. If a step costs a different amount depending on whether a standard or a fast-track scheme is used, please consider the most common manner of completing the step and its associated cost (for example, if the most common manner of completing a step is through a fast-track scheme, please include the cost it takes to complete the step under the fast-track scheme). Please consider the parameters mentioned above for domestic firms.

Incorporation of domestic firms

Incorporation captures the process of registering a new company with a registrar.

90. What is the total time to complete the incorporation of a domestic firm with the business registry (calendar days)? (not scored)

Note: When calculating time, please consider the average overall time in practice, from the moment the incorporation application is initiated by the entrepreneur or their representative, until the company is fully registered with the registrar (for example, this includes waiting times from the moment the request is submitted by the entrepreneur until the final document is issued by business registry). If registration can be completed online or in person, please consider the most common manner of completing the step and their associated time (for example, if the most common manner is online, please include the time it takes to complete the step electronically). Please consider the parameters mentioned above for domestic firms.

91. What is the total cost to complete the incorporation of a domestic firm with the business registry (local currency)? (not scored)

Note: When calculating cost, please consider the average total cost in practice to register a new company with a registrar. If registration costs a different amount depending on whether a standard or a fast-track scheme is used, please consider the most common manner of completing the step and their associated cost (for example, if the most common manner of completing the step is through a fast-track scheme, please include the cost it takes to complete the step under the fast-track scheme). Please consider the parameters mentioned above for domestic firms.

Post-incorporation steps for domestic firms

Post-incorporation captures the set of activities that must be performed after the new company is registered with the company register.

92. What are the post-incorporation procedures for opening a new domestic firm required by law and/or commonly done in practice? Please include steps that are completed online and/or in person. (not scored)

92a. Beneficial ownership registration

92b. Tax registration

92c. VAT/sales tax registration

- 92d. Employer and employee registration
- 92e. Social security registration
- 92f. Publication of the company information
- 92g. Company books or accounting books registration
- 92h. Opening of bank account for any other post incorporation steps
- 92i. Importer and exporter registration
- 92j. General operating or trading business license
- 92k. Local/municipal registration
- 92l. Other

93. For each of the selected steps, what is the agency in charge of completing the step? (not scored)

94. What is the total time to complete all post-incorporation steps for a domestic firm mentioned above (calendar days)? (not scored)

Note: When calculating time, consider the average overall time it takes in practice, from the moment the first step is initiated by the entrepreneur or their representative, until the last step is fully completed with the relevant agency (for example, this includes waiting times from the moment a request is submitted by the entrepreneur until the final document is issued by the relevant agency). Also take into account simultaneity of steps (for example, whether certain steps can be completed at the same time). If a step can be completed online or in person, consider the most common way of completing the step and their associated time (for example, if the most common way of is online, please include the time it takes to complete the step electronically). Please consider the parameters mentioned above for domestic firms.

95. What is the total cost to complete all post-incorporation steps for a domestic firm mentioned above (local currency)? (not scored)

Note: When calculating cost, consider the average total cost in practice to complete each step mentioned above. This can include, for instance, hiring the services of a third-party intermediary if they are commonly used in practice for completing the step. If a step costs a different amount depending on whether a standard or a fast-track scheme is used, please consider the most common manner of completing the step and their associated cost (for example, if the most common manner of completing a step is through a fast-track scheme, please include the cost it takes to complete the step under the fast-track scheme). Please consider the parameters mentioned above for domestic firms.

Total time and cost of the entire business entry process for domestic firms

96. What is the total time to complete the entire company entry process for a domestic firm (calendar days)?

Note: Please consider the time indicated above for all pre-incorporation, incorporation, and post-incorporation steps. Please also take into account simultaneity of steps (for example, whether certain steps can be completed at the same time).

97. What is the total cost to complete the entire company entry process for a domestic firm (local currency)?

Note: Please consider the cost indicated above for all pre-incorporation, incorporation, and post-incorporation steps.

Pre-incorporation steps for foreign firms

Pre-incorporation captures the set of activities that must be performed before submitting the incorporation application.

98. Are any of the pre-incorporation steps you selected for domestic firms different for foreign firms in terms of agency, time, or cost? Or are there any unique additional procedures for foreign firms? (Y/N) (not scored)

99. If yes, what are the pre-incorporation steps required by law and/or commonly done in practice for opening a new foreign firm that are different from those for domestic firms? Please include steps that are completed online and/or in person. (not scored)

99a. Company name verification

99b. Third-party (notaries, lawyers, accountants) involvement for business start-up

99c. Bank related step(s) before registering a company

99d. Other

100. For each of the selected steps, what is the agency in charge of completing the step? (not scored)

101. What is the total time to complete all pre-incorporation steps for a foreign firm (calendar days)? (not scored)

Note: When calculating time, consider the average overall time it takes in practice, from the moment the first step is initiated by the entrepreneur or their representative, until the last step is fully completed with the relevant agency (for example, this includes waiting times from the moment a request is submitted by the entrepreneur until the final document is issued by the relevant agency). Also take into account simultaneity of steps (for example, whether certain steps can be completed at the same time). If a step can be completed online or in person, consider the most common way of completing the step and their associated time (for example, if the most common way of is online, please include the time it takes to complete the step electronically). Please consider the parameters mentioned above for foreign firms.

102. What is the total cost to complete all pre-incorporation steps for a foreign firm (local currency)? (not scored)

Note: When calculating cost, consider the average total cost in practice to complete each step mentioned above. This can include, for instance, hiring the services of a third-party intermediary if they are commonly used in practice for completing the step. If a step costs a different amount depending on whether a standard or a fast-track scheme is used, please consider the most common manner of completing the step and their associated cost (for example, if the most common manner of completing a step is through a fast-track scheme, please include the cost it takes to complete the step under the fast-track scheme). Please consider the parameters mentioned above for foreign firms.

Incorporation of foreign firms

Incorporation captures the process of registering a new company with a registrar.

103. Is the incorporation process for foreign firms different in terms of agency, time, and cost compared to domestic firms? (Y/N)

104. If yes, what is the total time to complete the incorporation of a foreign firm with the business registry (calendar days)? (not scored)

Note: When calculating time please consider the average overall time in practice, from the moment the incorporation application is initiated by the entrepreneur or their representative, until the company is fully registered with the registrar (for example, this includes waiting times from the moment the request is submitted by the entrepreneur until the final document is issued by business registry). If registration can be completed online or in person, please consider the most common manner of completing the step and their associated time (for example, if the most common manner is online, please include the time it takes to complete the step electronically). Please consider the parameters mentioned above for foreign firms.

105. If yes, what is the total cost to complete the incorporation of a foreign firm with the business registry (local currency)? (not scored)

Note: When calculating cost, please consider the average total cost in practice to register a new company with a registrar. If registration costs a different amount depending on whether a standard or a fast-track scheme is used, please consider the most common manner of completing the step and their associated cost (for example, if the most common manner of completing the step is through a fast-track scheme, please include the cost it takes to complete the step under the fast-track scheme). Please consider the parameters mentioned above for foreign firms.

Post-incorporation steps for foreign firms

Post-incorporation captures the set of activities that must be performed after the new company is registered with the company register.

106. Are any of the post-incorporation steps you selected for domestic firms different for foreign firms in terms of agency, time, and cost? Or are there any unique additional procedures for foreign firms? (Y/N)

107. If yes, what are the post-incorporation steps required by law and/or commonly done in practice for opening a new foreign firm that are different than those for domestic firms? Please include steps that are completed online and/or in person. (not scored)

- 107a. Beneficial ownership registration
- 107b. Tax registration
- 107c. VAT/sales tax registration
- 107d. Employer and employee registration
- 107e. Social security registration
- 107f. Publication of the company information
- 107g. Company books or accounting books registration
- 107h. Opening of bank account for any other post incorporation steps
- 107i. Importer and exporter registration
- 107j. General operating or trading business license
- 107k. Local/municipal registration
- 107l. Other

108. What is the total time to complete all post-incorporation steps for a foreign firm mentioned above (calendar days)? (not scored)

Note: When calculating time, consider the average overall time it takes in practice, from the moment the first step is initiated by the entrepreneur or their representative, until the last step is fully completed with the relevant agency (for example, this includes waiting times from the moment a request is submitted by the entrepreneur until the final document is issued by the relevant agency). Also take into account simultaneity of steps (for example, whether certain steps can be completed at the same time). If a step can be completed online or in person, consider the most common way of completing the step and their associated time (for example, if the most common way of is online, please include the time it takes to complete the step electronically). Please consider the parameters mentioned above for foreign firms.

109. What is the total cost to complete all post-incorporation steps for a foreign firm mentioned above (local currency)? (not scored)

Note: When calculating cost, consider the average total cost in practice to complete each step mentioned above. This can include, for instance, hiring the services of a third-party intermediary if they are commonly used in practice for completing the step. If a step costs a different amount depending on whether a standard or a fast-track scheme is used, please consider the most common manner of completing the step and their associated cost (for example, if the most common manner of completing a step is through a fast-track

scheme, please include the cost it takes to complete the step under the fast-track scheme). Please consider the parameters mentioned above for foreign firms.

Total time and cost of the entire business entry process for foreign firms

110. What is the total time to complete the entire company entry process for a foreign firm (calendar days)?

Note: Please consider the time indicated above for all pre-incorporation, incorporation, and post-incorporation steps. Please also take into account simultaneity of steps (for example, whether certain steps can be completed at the same time).

111. What is the total cost to complete the entire company entry process for a foreign firm (calendar days)?

Note: Please consider the cost indicated above for all pre-incorporation, incorporation, and post-incorporation steps.

3.1 TIME			
Indicators	FFP	SBP	Total points
Domestic Firm (96)	100 (50 %)	n.a.	100 (50 %)
Foreign Firm (110)	100 (50 %)	n.a.	100 (50 %)
Total points	100	n.a.	100
3.2 COST			
Indicators	FFP	SBP	Total points
Domestic Firm (97)	100 (50 %)	n.a.	100 (50 %)
Foreign Firm (111)	100 (50 %)	n.a.	100 (50 %)
Total points	100	n.a.	100

Note: n.a. = not applicable (refers to the cases when the impact on firms or society is either ambiguous or nonexistent). FFP = firm flexibility point; SBP = social benefits point.

The data on the indicators for Pillar III are normalized to a common unit—for example, on the scale from 0 to 100 points, where 0 represents the lowest and 100 represents the best performance. In turn, best (worst) performance is defined by the highest (lowest) standards and/or practices, measured as a single point or range of values.

CHAPTER 3. BUSINESS LOCATION

METHODOLOGY NOTE

I. MOTIVATION

Acquiring the physical space where a business will operate is a crucial ingredient of success for many firms, even in the digital age. Getting the right location can influence business access to customers, transportation, labor, and materials, as well as determine taxes, regulations, and environmental commitments they must comply with.¹ Whether an entrepreneur is leasing or purchasing a commercial property, the regulatory framework and the public services related to acquiring a location can have an impact on how conducive the business environment is for individual firms and private sector development of an economy.² Firms are more likely to invest in economies with strong property rights, where they can be confident that their investment in immovable property will be safe.³ Looking at how well administration of property rights functions gives a good indication of the economy's prospects for economic growth and provides confidence to the private sector in investing in strategic locations for businesses.⁴ Quality and transparency of land administration are also vital in reducing information asymmetries and increasing market efficiency. A reliable land administration system provides clear information on property ownership, facilitates development of real estate markets, and supports security of tenure.

When investors and entrepreneurs acquire a new location for their business, the process often involves licensing requirements for altering a property or changing tenancy. Building-related permits are essential for public safety, strengthening property rights, and contributing to capital formation. Last, but not least, transparent and accessible environmental regulations related to building control reduce regulatory burden on firms by offering clarity on rules and regulation.

In this context, the Business Location topic measures the effectiveness of the regulatory framework, the quality of governance and the transparency and efficiency in providing services for property transfer, building and environmental permits. The topic indicators consider both the perspective of the firm/entrepreneur (firm flexibility) and the broader public (social benefits). Most of the indicators under the regulatory framework pillar and the public services pillar measure both firm flexibility and social benefits, while indicators under the efficiency pillar relate mainly to firm flexibility.

II. INDICATORS

The Business Location topic measures three different options—purchase, lease, or build—that are available to entrepreneurs to choose the adequate location to set up their company, across three different dimensions, here referred to as pillars. The first pillar assesses the effectiveness of regulations pertaining to property transfer, building permitting and environmental permitting, covering de jure features of a regulatory framework that are necessary for the quality of regulations for immovable property lease, property ownership, and urban planning. The second pillar assesses the quality of public services and the transparency of information in the provision of property transfer, building and environmental permitting. The third pillar measures the efficiency of obtaining a business location in practice. Each pillar is divided into categories—defined by common features that inform the grouping into a particular category—and each category is further divided into subcategories. Each subcategory consists of several indicators, each of which may, in turn, have several components. Relevant points are assigned to each indicator and subsequently aggregated to obtain the number of points for each subcategory, category, and pillar. Table 1 includes a summary of all three pillars—property transfer, building permitting, environmental permitting—along with their respective categories and subcategories.

Table 1. Summary table of all three pillars for Business Location

Pillar I–Quality of Regulations for Immovable Property Transfer, Urban Planning, and Environmental Permitting (62 indicators)	
1.1	Regulatory Standards for Land Administration (11 indicators)
1.1.1	Property Transactions Standards (4 indicators)
1.1.2	Land Dispute Resolution Mechanism (4 indicators)
1.1.3	Land Administration System (3 indicators)
1.2	Restrictions on Property Lease and Ownership (19 indicators)
1.2.1	Restriction for Domestic Firms to Lease Property (5 indicators)
1.2.2	Restriction for Domestic Firms to Own Property (4 indicators)
1.2.3	Restriction for Foreign Firms to Lease Property (5 indicators)
1.2.4	Restriction for Foreign Firms to Own Property (5 indicators)
1.3	Gender (1 indicator)
1.3.1	Gender Incentives for Professional Participation (1 indicator)
1.4	Regulatory Standards for Building Regulations and Environmental Licenses (31 indicators)
1.4.1	Building Regulations Standards (13 indicators)
1.4.2	Building Energy Codes and Standards (4 indicators)
1.4.3	Zoning and Land Use Planning (1 indicators)
1.4.4	Environmental Clearances in Construction (10 indicators)
1.4.5	Dispute Mechanisms for Building Permits and Environmental Clearances in Construction (3 indicators)
Pillar II–Quality of Public Services and Transparency of Information (46 indicators)	
2.1	Availability and Reliability of Online Services (20 indicators)
2.1.1	Property Transactions-Digital Public Services (6 indicators)
2.1.2	Property Transactions-Reliability of Infrastructure (5 indicators)
2.1.3	Property Transactions-Coverage (4 indicators)
2.1.4	Building Permits and Environmental License-Digital Public Services (5 indicators)
2.2	Interoperability of Services (6 indicators)
2.2.1	Interoperability for Property Transactions (4 indicators)
2.2.2	Interoperability for Building Permits (2 indicators)
2.3	Transparency of Information (20 indicators)
2.3.1	Transparency of Information for Immovable Property (8 indicators)
2.3.2	Gender Data on Property Ownership (1 indicator)
2.3.3	Transparency of Information for Building Permits and Environmental Licenses (8 indicators)
2.3.4	Transparency of Information on Zoning and Land Use (3 indicators)
Pillar III–Efficiency of Obtaining Business Location (8 indicators)	
3.1	Time to obtain a Business Location (4 indicators)
3.1.1	Time to Transfer Property (1 indicator)
3.1.2	Time to obtain a Building Permit (1 indicator)
3.1.3	Time to obtain an Occupancy Permit (1 indicator)
3.1.4	Time to obtain an Environmental Clearance in construction (1 indicator)
3.2	Cost to Obtain a Business Location (4 indicators)
3.2.1	Cost to transfer property (1 indicator)
3.2.2	Cost to Obtain a Building Permit (1 indicator)
3.2.3	Cost to obtain an Occupancy Permit (1 indicator)
3.2.4	Cost to obtain an Environmental Clearance in construction (1 indicator)

1. IMMOVABLE PROPERTY TRANSFER, URBAN PLANNING AND ENVIRONMENTAL PERMITTING

Table 2 shows the structure for Pillar I, the regulatory framework guiding the acquisition or establishment of a business in a specific location. Each of this pillar's categories and subcategories will be discussed in more detail below, following the structure of this table.

Table 2. Pillar I–Quality of Regulations for Immovable Property Transfer, Urban Planning and Environmental Permitting

1.1	Regulatory Standards for Land Administration
1.1.1	Property Transactions Standards
1.1.2	Land Dispute Resolution Mechanisms
1.1.3	Land Administration System
1.2	Restrictions on Property Lease and Ownership
1.2.1	Restriction for Domestic Firms to Lease Property
1.2.2	Restriction for Domestic Firms to Own Property
1.2.3	Restriction for Foreign Firms to Lease Property
1.2.4	Restriction for Foreign Firms to Own Property
1.3	Gender
1.3.1	Gender incentives for professional participation
1.4	Regulatory Standards for Building Regulations and Environmental Licenses
1.4.1	Building Regulations Standards
1.4.2	Building Energy Codes and Standards
1.4.3	Zoning and land use planning
1.4.4	Environmental Clearances in Construction
1.4.5	Dispute Mechanisms for Building Permits and Environmental Clearances in Construction

1.1 Regulatory Standards for Land Administration

Category 1.1 has three subcategories consisting of several indicators, each of which may, in turn, consist of several components.

1.1.1 Property Transaction Standards

A sound regulatory framework is essential to ensure secure property transactions. Having processes that ascertain rightful ownership and registration of sale deeds in the immovable property registry increases security for people.⁵ Effective property transaction standards can improve efficiency and transparency of property transactions, reduce costs, and increase accuracy of property information.⁶ Therefore, Subcategory 1.1.1–Property Transaction Standards has four indicators (table 3).

Table 3. Subcategory 1.1.1–Property Transaction Standards

	Indicators	Components
1	Legal obligation to check compliance of documents with the law	Requiring a control of legality of the documents necessary for a property transaction
2	Legal obligation to verify identities of parties	Requiring verification of the identity of each party engaged in a property transaction
3	Legal obligation to register sales transactions	Requiring that all property sale transactions be registered at the land registry to make them opposable to third parties
4	Legality of online documents	<ul style="list-style-type: none"> i) Property title certificate ii) Title search certificate iii) Tax certificate iv) Company profile document v) Cadastral plans

1.1.2 Land Dispute Resolution Mechanisms

In some economies, land disputes make up most of the volume of court cases. To prevent land disputes and better manage the existing ones, the legal framework for land administration needs to assign clear responsibilities to stakeholders involved in land transactions as well as provide effective mechanisms of dispute resolution that can be implemented in a consistent way and be accessible to all.⁷ Disputes can also occur due to errors in title registration, resulting in significant losses to affected parties, including property owners and lenders.⁸ To complement that, available evidence suggests that offering an out-of-court compensation mechanism has the potential of reducing court cases.⁹ Therefore, Subcategory 1.1.2–Land Dispute Resolution Mechanisms has four indicators (table 4).

Table 4. Subcategory 1.1.2–Land Dispute Resolution Mechanisms

	Indicators	Components
1	Legal provisions for arbitration as an alternative land disputes resolution mechanism	Arbitration offered as an out-of-court resolution mechanism for land disputes
2	Legal provisions for conciliation and mediation as alternative land disputes resolution mechanisms	Conciliation and mediation offered as an out-of-court resolution mechanism for land disputes
3	Legal provisions to provide out-of-court compensation for losses due to erroneous information from the land registry	Out-of-court compensation mechanism to allow for compensation payments to parties who suffer losses due to an error in title registration
4	Legal provisions for protection of property title	Property title subject to a guarantee

1.1.3 Land Administration System

Having a reliable, transparent, and secure land registration system is important to support the security of land tenure and facilitates development of an efficient land market. Such a system must provide clear and accurate information on land ownership, boundaries, and land use rights to all stakeholders, including government agencies, landowners, investors, and the public.¹⁰ The higher the quality of the land administration system, the higher the chance of getting credit when using property as collateral, thereby increasing incentives for investment. Good practices include having transparency of information because it eliminates the asymmetry of information between users and officials and increases the efficiency of land markets,¹¹ as well as a sound infrastructure to maintain land information supported by an appropriate institutional framework.¹² Therefore, Subcategory 1.1.3–Land Administration System has three indicators (table 5).

Table 5. Subcategory 1.1.3–Land Administration System

	Indicators	Components
1	Disclosure of land registry information	Legal framework specifies who can obtain information on land ownership at the immovable property
2	Disclosure of cadastral information	Legal framework provides who can consult cadastral plans of private land plots
3	Infrastructure for land administration	Existence of cadaster/mapping agency (institution in charge of surveying each plot of land)

1.2 Restrictions on Property Lease and Ownership

Category 1.2 has four subcategories consisting of several indicators, each of which may, in turn, consist of several components.

1.2.1 Restriction for Domestic Firms to Lease Property

Restrictions for domestic firms to lease properties, whether based on zoning or land use regulations, can impact the decision of a firm on where to establish a business.¹³ Leasing restrictions on land can limit the

ability of domestic firms to acquire a property, which can hinder their growth and development.¹⁴ Therefore, Subcategory 1.2.1–Restriction for Domestic Firms to Lease Property has five indicators (table 6).

Table 6. Subcategory 1.2.1–Restriction for Domestic Firms to Lease Property

	Indicators	Components
1	Restriction on the area of the land for lease for domestic firms	Restriction to lease a certain area of land for domestic firms
2	Restriction on the duration of the lease for domestic firms	Restriction on the duration of lease for domestic firms
3	Restriction on the location of property for lease for domestic firms	Restriction on the location of property for domestic firms
4	Restriction on agricultural property for lease for domestic firms	Restriction to lease agricultural land for domestic firms
5	Restriction on the type of property for lease for domestic firms	Restriction to lease a certain type of building (residential, commercial, industrial) for domestic firms

1.2.2 Restriction for Domestic Firms to Own Property

Restrictions for domestic firms to own a property limit their ability to access capital and other resources, which can hinder competitiveness and reduce investments.¹⁵ Therefore, Subcategory 1.2.2–Restrictions for Domestic Firms to Own Property has four indicators (table 7).

Table 7. Subcategory 1.2.2–Restriction for Domestic Firms to Own Property

	Indicators	Components
1	Restriction on ownership based on the area of the land for domestic firms	Restriction on ownership based on the area of the land for domestic firms
2	Restriction on the location of property for land ownership for domestic firms	Restriction on the location of property for land ownership for domestic firms
3	Restriction on ownership of agricultural land for domestic firms	Restriction on ownership of agricultural land for domestic firms
4	Restriction on ownership by the type of building for domestic firms	Restriction on ownership by the type of building for domestic firms

1.2.3 Restriction for Foreign Firms to Lease Property

A lease is an agreement between the owner of a property who will allow the lessee to use this property for profit.¹⁶ Some economies have strict rules on the duration of leases, while others allow for a much longer period, usually 99 years. Some other economies leave the duration of the lease to the contractual parties. Restrictions on leasing can hinder the ability of foreign firms to invest in and develop operations in a particular country.¹⁷ Therefore, Subcategory 1.2.3–Restriction for Foreign Firms to Lease Property has five indicators (table 8).

Table 8. Subcategory 1.2.3–Restriction for Foreign Firms to Lease Property

	Indicators	Components
1	Restriction for foreign firms to lease based on the area of the land	Restriction on lease based on the area of the land for foreign firms
2	Restriction on the duration of lease for foreign firms	Restrictions on the duration of the lease for foreign firms
3	Restriction on the location of property leasehold for foreign firms	Restriction on the location of property leasehold for foreign firms

4	Restriction on the lease of agricultural land for foreign firms	Restriction on the lease of agricultural land for foreign firms
5	Restrictions on foreign firms to lease based on certain type of buildings (residential, commercial, industrial)	Restrictions on foreign firms to lease based on certain type of buildings (residential, commercial, industrial)

1.2.4 Restrictions for Foreign Firms to Own Property

Economies are divided regarding foreign ownership. In most economies there are at least some kinds of restrictions on foreign ownership, whether it is on agricultural lands or residential properties.¹⁸ Such restrictions can hinder the ability of foreign firms to invest in a particular country, leading to reduced economic performance, lower financial development and absorptive capacity, and reduced investment incentives.¹⁹ Therefore, Subcategory 1.2.4–Restriction for Foreign Firms to Own Property has five indicators (table 9).

Table 9. Subcategory 1.2.4–Restriction for Foreign Firms to Own Property

	Indicators	Components
1	Restriction of ownership on the area of the land for foreign firms	Restriction of ownership on the area of land for foreign firms
2	Restriction on the duration of ownership for foreign firms	Restriction on the duration of ownership for foreign firms
3	Restriction on property ownership based on location for foreign firms	Restriction on property ownership based on location for foreign firms
4	Restriction on the ownership of agricultural land for foreign firms	Restriction on the ownership of agricultural land for foreign firms
5	Restriction on the ownership for foreign firms by certain type of buildings	Restriction on ownership for foreign firms by certain type of buildings (residential, commercial, industrial)

1.3. Gender

Category 1.3 has one subcategory which has several components.

1.3.1 Gender Incentives for Professional Participation

Several studies have found that gender inequalities in professions related to real estate, construction, and environmental consulting industries have traditionally been male-dominated, with women comprising a small percentage of the workforce.²⁰ To address this gender imbalance, many companies worldwide offer some incentives—such as training, mentoring, grants, or scholarships—with the aim of decreasing the gender gap in these professions.²¹ This gender indicator measures whether such incentives exist in economies (table 10).

Table 10. Subcategory 1.3.1–Gender Incentives for Professional Participation

	Indicators	Components
1	Gender incentives for professional participation	<ul style="list-style-type: none"> i) Incentives to reduce the gender gap in property related professions ii) Incentives to reduce the gender gap in professions related to obtaining building permits (architects, engineers) iii) Incentives to reduce the gender gap in professions related to environmental licensing (environmental engineers, environmental consultants)

1.4 Regulatory Standards for Building Regulations and Environmental Licenses

Category 1.4 has five subcategories consisting of several indicators, each of which may, in turn, consist of several components.

1.4.1 Building Regulations Standards

Having a defined set of building regulation standards is important to ensure that buildings are constructed, maintained, and used in a way that minimizes the risk of harm to individuals and the environment. Having clear and publicly accessible building regulations, as well as clear regulations regarding safety mechanisms in construction, is key to guaranteeing a safe construction process.²² Therefore, Subcategory 1.4.1–Building Regulation Standards has 13 indicators (table 11).

Table 11. Subcategory 1.4.1–Building Regulations Standards

	Indicators	Components
1	Building codes/standards applicable to all constructions	Existence of unified building standards
2	Clear provisions or guidelines regarding safety standards	<ul style="list-style-type: none"> i) Natural disaster resistant construction (e.g., floods, storms, earthquakes, etc.) ii) Building classification according to certain criteria (e.g., usage; size) iii) Active and passive fire safety measures iv) Soil testing requirements for certain permanent building types v) Structural strength (materials to be used)
3	Regulation of health risk related to construction materials	Regulatory framework requirements for the handling, removal, and disposal of regulated construction materials that pose health risks (such as asbestos, lead, mercury-containing devices, polychlorinated biphenyls [PCB])
4	List of regulated materials	Which materials are regulated: <ul style="list-style-type: none"> i) Asbestos ii) Lead-containing pipes, components, paints iii) Mercury-containing fluorescent lamps, thermostats, and electric devices iv) Polychlorinated biphenyls (PCB) in electric transformers, fluorescent light ballasts, caulk, and masonry joints
5	Prohibition of use of construction materials	Which materials are prohibited: <ul style="list-style-type: none"> i) Asbestos ii) Lead-containing pipes, components, paints iii) Mercury-containing fluorescent lamps, thermostats, and electric devices iv) Polychlorinated biphenyls (PCB) in electric transformers, fluorescent light ballasts, caulk, and masonry joints
6	Responsibility for compliance with legal requirements	<ul style="list-style-type: none"> i) Public agency: Certified/licensed engineer or architect ii) Public agency: Somebody other than an architect or engineer iii) Private and external firms of certified architects and/or civil engineers, not part of the building company iv) Internal review by the architect/engineer who prepared the plans
7	Type of inspections carried out during construction	Requirement of final inspection by law
8	Requirement of final inspection by law	Requirement of final inspection by law
9	Inspection of prohibited materials in construction	Legal requirement to inspect if prohibited materials are used in construction
10	Type of prohibited materials inspected	Which type of prohibited materials are inspected
11	Liability for structural flaws/problems	<ul style="list-style-type: none"> i) The architect or engineer who designed the plans of the building ii) The professional or agency, conducting the technical inspections during construction and the final inspection iii) The construction company iv) Liability is not defined by law but is contractual between the involved parties (Contractual Law)
12	Requirement a to be an architect or engineer	Requirement a to be an architect or engineer
13	Qualifications to conduct technical supervision/inspections	<ul style="list-style-type: none"> i) Is an architect or engineer ii) Years of practical experience iii) Member of association of architects or engineers iv) Pass an exam

Note: PCB = polychlorinated biphenyls.

1.4.2 Building Energy Codes and Standards

Building energy codes and standards are essential tools for promoting energy efficiency and reducing greenhouse gas emissions in the building sector. Building energy codes and standards are regulatory requirements that set minimum energy efficiency requirements for new buildings.²³ Energy efficiency performance standards in building energy codes typically include several key elements, including building envelope requirements, lighting, and heating cooling requirements.²⁴ Therefore, Subcategory 1.4.2–Building Energy Codes and Standards has four indicators (table 12).

Table 12. Subcategory 1.4.2–Building Energy Codes and Standards

	Indicators	Components
1	Mandatory minimum energy efficiency performance standards	Mandatory minimum energy efficiency performance standards
2	Pre-condition to provide proof of design compliance with the energy efficiency performance standards	Pre-condition to provide proof of design compliance with the energy efficiency performance standards
3	Energy efficiency performance standards are verified as part of the building plans review process	<ul style="list-style-type: none"> i) Thermal transmittance or insulation calculations for building envelope ii) Solar heat gain calculations for building envelope iii) Glazing factors for fenestration iv) Heating/cooling demand calculations v) Daylighting and orientation vi) Permanent shading vii) Air barrier, air leakage or air infiltration viii) Efficiency of heating and cooling equipment and controls ix) Efficiency of water heating equipment and controls x) Efficiency of lighting fixtures and controls
4	Incentives to promote green building standards	Incentives to promote green building standards

1.4.3. Zoning and Land Use Planning

Zoning is a planning control tool for regulating the built environment and creating functional real estate markets. Effective zoning and land use planning ensures sustainable and safe urban development planning to ensure equitable access to services such as water, electricity, and sanitation.²⁵ Hazard maps and related means are also essential to identify areas where construction of buildings is not permitted due to natural hazards and to determine minimum separation distances between residential and hazardous occupancies.²⁶ Zoning can also provide the opportunity to stimulate or slow down development in specific areas.²⁷ Therefore, Subcategory 1.4.3–Zoning and Land Use Planning has one indicator on land use and zoning regulations (table 13).

Table 13. Subcategory 1.4.3–Zoning and Land Use Planning

	Indicators	Components
1	Land use and zoning regulations	<ul style="list-style-type: none"> i) Requirements for trunk infrastructure availability (water, electricity, sanitation) ii) Hazard maps or related means that identify areas in which construction is not permitted due to natural hazards iii) Hazard maps or other tools that identify minimum separation between residential and hazardous occupancies iv) Maps or related means that identify areas in which construction of buildings is not permitted in relation to natural resources v) They do not exist

1.4.4 Environmental Clearances in Construction

Environmental permitting is a critical aspect of construction project planning and management. Studies have shown that obtaining environmental permits can be a time-consuming and complex process, requiring significant resources and expertise.²⁸ However, environmental permits are essential to ensuring that construction projects comply with environmental regulations and standards, and that the potential impacts

on the natural environment are minimized. Construction projects that require environmental permits can have significant impacts on local communities and the broader environment, and the decisions made during the environmental permitting process can have implications for sustainable development.²⁹ The legal framework on environment governing construction projects typically defines low, moderate, or high levels of environmental risk projects based on the potential environmental impacts of the project. The categorization of projects is usually determined through an environmental review process that considers factors such as the project's location, size, and potential impact on natural resources.³⁰ Therefore, Subcategory 1.4.4–Environmental Clearances in Construction has ten indicators (table 14).

Table 14. Subcategory 1.4.4–Environmental Clearances in Construction

	Indicators	Components
1	Existence of national environmental regulations during construction	Existence of national environmental regulations during construction
2	Update or revision of national environmental regulations during construction	Update or revision of national environmental regulations during construction
3	Penalties or fines in place for non-compliance with the regulations	Penalties or fines in place for non-compliance with the regulations
4	Environmental risks as defined by legal framework	Environmental risks as defined by legal framework
5	Qualified professional/professional agency to conduct EIA	Qualified professional/professional agency to conduct the environmental impact assessment (EIA)
6	Criteria that trigger an EIA	Screening criteria: i) Extent (size) of project ii) Nature of industry iii) Geographical location
7	Requirements for an EIA process	i) Scoping and baseline studies (identification of the scope of the assessment, including issues to be addressed and the potential environmental impacts of the proposed project) (assessment of the current environmental conditions and the potential effects of the proposed project on the environment, including air and water quality, biodiversity, and socioeconomic conditions) ii) Impact assessment (identification and evaluation of the potential positive and negative environmental impacts of the proposed project, including direct and indirect impacts, short-term and long-term impacts, and cumulative impacts) iii) Mitigation measures (development of measures to avoid, minimize, or compensate for the negative environmental impacts of the proposed project, and enhancement of positive impacts) and alternative analysis (assessment of feasible alternatives to the proposed project, including the no-action alternative, and evaluation of their potential environmental impacts) iv) Public participation (consultation with the public and other stakeholders to obtain their views on the proposed project and the potential environmental impacts, and consideration of their concerns and suggestions in the decision-making process) v) Monitoring and follow-up (implementation of a monitoring program to verify the accuracy of the impact predictions, and to ensure that the mitigation measures are effective in reducing the negative environmental impacts)
8	Legal responsibility for checking compliance	i) Internal review (undertaken by the responsible authority or other government agency, with or without formal guidelines and procedure) ii) External review (undertaken by an independent body, separate from and/or outside government agencies, with an open and transparent procedure for public comment)
9	Legal framework mandates public consultations with concerned stakeholders	Requirement of public consultation with concerned stakeholders
10	Public consultations requirement elements	Public consultations with concerned stakeholders entail the following requirements:

		<ul style="list-style-type: none"> i) Ensuring that the information is provided in a language that is accessible to the intended audience ii) Disseminating information about the meeting in advance iii) Ensuring that the meeting takes place at a time and place that are appropriate for the stakeholders: iv) Ensuring that the meeting does not take place at a stage where all relevant decisions concerning the project have been made
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Note: EIA = environmental impact assessment.

1.4.5 Dispute Mechanisms for Building Permits and Environmental Clearances in Construction

Dispute mechanism for building permits and environmental clearances in construction can be critical in resolving conflicts that may arise during environmental clearance or obtaining building permits processes. Effective dispute resolution mechanisms should consider interests of all stakeholders and seek to find a fair and equitable solution that balances environmental protection, safety in construction and economic development. Several stakeholders should be involved in these disputes, including project proponents,³¹ regulatory authorities,³² local communities,³³ environmental organizations and nongovernmental organizations (NGOs), and government agencies. Therefore, Subcategory 1.4.5–Dispute Resolution Mechanisms for Environmental Clearances in Construction and Building Permits has three indicators (table 15).

Table 15. Subcategory 1.4.5–Dispute Mechanisms for Building Permits and Environmental Clearances in Construction

	Indicators	Components
1	Ability to dispute building permit decisions	Ability to dispute building permit decisions
2	Ability to dispute environmental clearances and permits	Ability to dispute environmental clearances and permits
3	Out-of-court resolution mechanisms for environmental disputes	<ul style="list-style-type: none"> i) Arbitration ii) Conciliation iii) Mediation

2. PILLAR II. PUBLIC SERVICES: QUALITY OF PUBLIC SERVICES AND TRANSPARENCY OF INFORMATION

Table 16 shows the structure for Pillar II, the quality of public digital services. Each of this pillar’s categories and subcategories will be discussed in more detail in the order shown in the table (table 16).

Table 16. Pillar II–Quality of Public Services and Transparency of Information

2.1	Availability and Reliability of Online Services
2.1.1	Property transactions-digital public services
2.1.2	Property transactions-reliability of infrastructure
2.1.3	Property transactions-coverage
2.1.4	Building permits and environmental licenses-digital public services
2.2	Interoperability of Services
2.2.2	Interoperability for property transactions
2.2.2	Interoperability for building permits
2.3	Transparency of Information
2.3.1	Transparency of information for immovable property
2.3.2	Gender data on property ownership
2.3.3	Transparency of information for building permits and environmental licenses
2.3.4	Transparency of information on zoning and land use

2.1 Availability and Reliability of Online Services

Category 2.1 has four subcategories consisting of several indicators, each of which may, in turn, consist of several components.

2.1.1 Property Transactions–Digital Public Services

With internet availability in almost every country, public services can offer secure online services such as due diligence checking and property registration for real estate transactions. Therefore, Subcategory 2.1.1–Availability of Online Services and Reliability of Infrastructure has six indicators (table 17).

Table 17. Subcategory 2.1.1–Property Transactions–Digital Public Services

	Indicators	Components
1	Online platform encumbrance checking	<ul style="list-style-type: none"> i) Title search (ownership) ii) Encumbrances (liens, charges) iii) Outstanding taxes (tax agency) iv) Bankruptcy search v) Company profile
2	Single online platform for encumbrance checking	<ul style="list-style-type: none"> i) Accurate (precise, no errors) ii) Current (latest information) iii) Detailed (all information provided) iv) Reliable (information can be verified)
3	Online platform for property transfer	Online platform for property transfer
4	Processes available online for property transfer	<ul style="list-style-type: none"> i) Downloading forms ii) Uploading document iii) Getting notifications iv) Obtaining documents v) Processing payment
5	Complaint mechanisms for immovable property registry	Complaint mechanisms for immovable property registry
6	Complaint mechanisms for cadaster	Complaint mechanisms for cadaster

2.1.2 Property Transactions–Reliability of Infrastructure

In a good land management system, the institutional framework must ensure that both the land registry and the mapping system (cadaster) have adequate infrastructure to maintain land information to guarantee high standards and reduce the risk of errors. Good infrastructure is essential for the implementation of land policy and land use planning.³⁴ Digital tools machine learning can provide more accurate and efficient means of verifying the legal, financial, and physical status of a property, which can ultimately lead to better decision-making in real estate transactions.³⁵ Online portals for property transfer can provide more efficient and convenient means of completing real estate transactions, which can ultimately lead to better outcomes for buyers, sellers, and investors.³⁶ Therefore, Subcategory 2.1.2–Property Transactions–Reliability of Infrastructure has five indicators (table 17).

Table 17. Subcategory 2.1.2–Property Transaction–Reliability of Infrastructure

	Indicators	Components
1	Electronic database for checking encumbrances	Comprehensive and fully functional electronic database for checking encumbrances: <ul style="list-style-type: none"> i) Liens ii) Mortgages (charges) iii) Restrictions iv) Easements
2	Format of land title certificates	Format in which land title certificates kept at the immovable property registry: <ul style="list-style-type: none"> i) Titles are digitalized (e.g., accessible on the cloud) ii) Titles are digitized (e.g., pdf saved on a computer)

3	Format of cadastral plans	Format in which the cadastral certificates kept at the mapping agency i) Titles are digitalized (e.g., accessible on the cloud) ii) Titles are digitized (e.g., pdf saved on a computer).
4	Method to conduct cadastral surveying	Method used to conduct cadastral surveying: i) Direct (geodesic and topographic in situ) ii) Indirect (photogrammetric–pictures taken from airplanes and drones) iii) Mixed (a combination of the previous two options)
5	National database for checking identification	National database for checking identification of parties involved in property transactions

2.1.3 Property Transactions–Coverage

The completeness of coverage of all land and property at the immovable property registry is a crucial aspect of effective land management. The immovable property registry is a system used to record and manage information related to land and property ownership. A complete and accurate registry can help prevent disputes, fraud, and other problems related to land ownership.³⁷ Complete or partial coverage of the immovable property registry and the mapping agency (cadaster) may influence the decision of an entrepreneur on where to locate a business. Effective land information systems ensure that the registry and the cadaster make records of all registered private land readily available, and the records cover the entire economy. Therefore, Subcategory 2.1.3–Property Transactions–Coverage has four indicators (table 18).

Table 18. Subcategory 2.1.3–Property Transactions–Coverage

	Indicators	Components
1	Property registration coverage at main business city level	Property registration coverage at main business city level
2	Property registration coverage at national level	Property registration coverage at national level
3	Cadastral coverage at main city level	Cadastral coverage at main city level
4	Cadastral coverage at national level	Cadastral coverage at national level

2.1.4 Building Permits and Environmental Licenses–Digital Public Services

Digital public services can help to reduce the time and cost associated with building permit applications, while also increasing transparency and accountability.³⁸ Digital building permitting services can improve communication between various stakeholders, including architects, contractors, and government officials. In addition, digital public services can also improve the quality of the built environment and can help to ensure that building plans meet safety, health, and environmental standards.³⁹ Therefore, Subcategory 2.1.4–Building Permits and Environmental Licenses–Digital Public Services has five indicators (table 19).

Table 19. Subcategory 2.1.4–Building Permits and Environmental Licenses–Digital Public Services

	Indicators	Components
1	Online platform for issuing building authorizations	i) Online platform for building authorizations and integration of all relevant authorizations from organizations outside of the planning/building departments ii) Online platform for building authorizations and integration of some relevant authorizations from organizations outside of the planning/building departments iii) Online platform for building authorizations but not integration of any relevant authorizations from organizations outside of the planning/building departments
2	Online permitting systems with several functionalities	i) Online payment ii) Online communication iii) Online notification iv) Online submission v) Auto-generated checklist

3	Online permitting systems to submit building and occupancy permits	i) Building permit can be obtained online ii) Occupancy permit can be obtained online
4	Online system to submit environmental licenses	i) Online payment ii) Online communication iii) Online notification iv) Online submission v) Auto-generated checklist
5	Mechanism available to file a dispute online on the final decision on environmental licensing	Mechanism available to file a dispute online on the final decision on environmental licensing

2.2 Interoperability of Services

Category 2.2 has two subcategories consisting of several indicators, each of which may, in turn, consist of several components.

2.2.1 Interoperability for Property Transactions

Data exchange between the immovable property registry and the mapping agency (cadaster) ensures data accuracy and reduces the risk of mistakes in property data. Interoperability can increase the efficiency of property transactions by reducing the time and resources required to complete them, as well as enhance the accuracy and reliability of property records, which can reduce disputes and errors in property transactions⁴⁰. Interoperability can also help to overcome the challenges posed by fragmented land administration systems, improve the accessibility of land information, and help to overcome the challenges posed by limited resources and capacity in land administration agencies.⁴¹ Therefore, Subcategory 2.2.1–Interoperability for Property Transactions has four indicators (table 20).

Table 20. Subcategory 2.2.1–Interoperability for Property Transactions

	Indicators	Components
1	Interoperability between land registry and Cadaster	Information recorded by the immovable property registration agency and the cadastral/mapping agency kept in a (1) single database containing both legal and geographical information; (2) different but linked databases (where information is automatically updated and shared between the two institutions); or (3) separate databases
2	Interoperability between land registry and other services	Interoperability between land registry and other services
3	Existence of a Geographic Information System	Existence of a Geographic Information System (GIS)
4	Existence of a Unique Identifier between land registry and cadaster	Existence of a Unique Identifier between land registry and cadaster

2.2.2 Interoperability for Building Permits

Interoperability in building permits can improve the efficiency and transparency of the permitting process⁴². Linking all relevant agencies has significant advantages as it eliminates the need to submit the same information to multiple public actors, reducing the time for the firm to obtain all the relevant information from each agency. Having an integrated Geographic Information System (GIS) can enable building departments and related agencies to streamline and automate their procedures for planning, zoning, and issuing building permits. This set of indicators assesses the exchange of information across agencies, such as municipalities, cadasters, land registries, utility service providers, fire safety agency, etc. Specifically, it assesses whether and how institutional information systems are interlinked to exchange information automatically. Therefore, Subcategory 2.2.2–Interoperability of Building Permits has two indicators (table 21).

Table 21. Subcategory 2.2.2–Interoperability for Building Permits

	Indicators	Components
1	Availability of spatial plans and zoning requirements to all stakeholders	Availability of spatial plans and zoning requirements to all stakeholders from the central information data source/digital platform such as GIS or national spatial planning platform
2	Integration of GIS or national spatial platforms	Integration of GIS or national spatial platforms between the permit-issuing agency and other stakeholder agencies

Note: GIS = Geographic Information System.

2.3 Transparency of Information

Category 2.3 has four subcategories consisting of several indicators, each of which may, in turn, consist of several components.

2.3.1 Transparency of Information for Immovable Property

One of the key elements of a good land administration system is transparency as it eliminates asymmetry of information between users and the administration. Transparency in land administration is essential for good governance and economic development, and the adoption of open data policies and make land ownership information easily accessible to the public.⁴³ When all land-related information is publicly available, all fees for public services are easily accessible, this minimizes the possibilities of informal payments. Therefore, Subcategory 2.3.1–Transparency of Information for Immovable Property has eight indicators (table 22).

Table 22. Subcategory 2.3.1. Transparency of Information for Immovable Property

	Indicators	Components
1	Publication of property transactions requirements	Publication of property transactions requirements
2	Transparency of property transactions costs	Transparency of property transactions costs
3	Service standards at the land registry	Service standards at the land registry
4	Transparency of cadaster costs	Transparency of cadaster costs
5	Service standards at the cadaster	Service standards for cadaster
6	Availability of statistics on land transactions	Official updated statistics tracking the number and the type of transactions at the immovable property registration agency over the past five years publicly available online: i) Statistics are available for the past 5 years ii) Statistics are available for the past 4 years iii) Statistics are available for the past 3 years iv) Statistics are available for the past 2 years v) Statistics are available for 1 year only
7	Availability of statistics on number and type of land disputes	Official updated statistics tracking the number and type of land disputes over the past five years publicly available online i) Statistics are available for the past 5 years ii) Statistics are available for the past 4 years iii) Statistics are available for the past 3 years iv) Statistics are available for the past 2 years v) Statistics are available for 1 year only
8	Availability of statistics on the average time to resolve land disputes	Official updated statistics tracking the average time taken to resolve land disputes over the past five years publicly available online i) Statistics are available for the past 5 years ii) Statistics are available for the past 4 years iii) Statistics are available for the past 3 years iv) Statistics are available for the past 2 years v) Statistics are available for 1 year only

2.3.2 Gender Data on Property Ownership

Equal access to property rights is important to increase women’s influence in land management and integrate women more into the workforce. Increasing women’s access to land tenure promotes economic development. Further, such data can help reveal gender disparities in land ownership and control, and to identify opportunities for policy interventions to promote women’s land rights as well help monitor progress towards gender equality in land governance.⁴⁴ These data can also help increase women’s access to credit, improve their ability to invest in land-based activities, and enhance their participation in decision-making about land use and management.⁴⁵ Therefore, Subcategory 2.3.2–Gender Data on Property Ownership has one indicator on public availability of sex-disaggregated data at the immovable property (table 23).

Table 23. Subcategory 2.3.2–Gender Data on Property Ownership

	Indicators	Components
1	Availability of statistics sex-disaggregated data on property ownership	Gender data on property ownership

2.3.3 Transparency of Information for Building Permits and Environmental Licenses

Transparency in building permit systems is essential for promoting fair competition, ensuring compliance with safety and environmental regulations, facilitating the use of new technologies, improving the efficiency and effectiveness of the permitting process, and promoting economic growth and development.⁴⁶ This subcategory assesses the degree of transparency and accessibility of the building permitting agencies. For instance, it measures whether the permit-issuing agency provides public access to reliable, up-to-date information on the requirements to obtain building-related permits. In addition, it assesses whether the relevant regulations and requirements related to environmental licenses and clearances—as well as building energy codes—are publicly available. Therefore, Subcategory 2.3.3–Transparency of Information for Building Permits and Environmental Licenses has eight indicators (table 24).

Table 24. Subcategory 2.3.3–Transparency of Information for Building Permits and Environmental Licenses

	Indicators	Components
1	Public accessibility of planning and building control regulations	Public accessibility of planning and building control regulations
2	Public online availability of requirements to obtain all types of building related permits	i) Pre-approvals are provided ii) All requirements to submit building permit are available
3	Public online availability of requirements needed to obtain occupancy permit	Public online availability of requirements needed to obtain occupancy permit
4	Applicable fee schedules for all types of construction publicly available and up to date	Applicable fee schedules for all types of construction publicly available and up to date
5	Public online availability of requirements to obtain environmental licensing for constructing a building with a moderate environmental risk	Public online availability of requirements to obtain environmental licensing for constructing a building with a moderate environmental risk
6	Applicable fee schedule for obtaining any type of environmental clearances available and up to date	i) Available online and updated ii) Available online but not updated iii) Not available online iv) Available in paper format
7	Availability of official, updated and publicly available online statistics tracking the number of issued building permits	i) Statistics are available for the past 5 years ii) Statistics are available for the past 4 years iii) Statistics are available for the past 3 years iv) Statistics are available for the past 2 years v) Statistics are available for 1 year only

8	Availability of official, updated and publicly available online statistics tracking the number of EIAs	<ul style="list-style-type: none"> i) Statistics are available for the past 5 years ii) Statistics are available for the past 4 years iii) Statistics are available for the past 3 years iv) Statistics are available for the past 2 years v) Statistics are available for 1 year only
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2.3.4 Transparency of Information on Zoning and Land Use

Transparency of information for zoning and land use is important to promote accountability among government officials and decision-makers, reduces corruption on decision-making and increases certainty for businesses, developers and residents about the rules and regulations governing land use. This can reduce uncertainty and ambiguity, making it easier for these parties to make long-term plans and investments.⁴⁷ Therefore, Subcategory 2.3.4–Transparency of Information on Zoning and Land Use has three indicators (table 25).

Table 25. Subcategory 2.3.4–Transparency of Information on Zoning and Land Use

	Indicators	Components
1	Updated city master plan/zoning plan	Updated city master plan/zoning plan
2	Steps to modify zoning/land use plan	Steps to modify zoning/land use plan
3	Adherence to zoning regulations	<ul style="list-style-type: none"> i) Through zoning maps of city accessible to builder online to verify that the project’s intended location in in compliance with zoning regulations ii) Permit issuing authority checks the zoning compliance after receiving building permit application with no involvement from builder iii) Builder obtains urban planning approval from planning agency before obtaining building permit

3. PILLAR III. EFFICIENCY: EFFICIENCY OF OBTAINING A BUSINESS LOCATION

Table 26 shows the structure for Pillar III, the Efficiency of Obtaining a Business Location. Each of this pillar’s categories and subcategories will be discussed in more detail in the order shown in the table.

Table 26. Pillar III–Efficiency of Obtaining a Business Location

3.1	Time to Obtain a Business Location
3.1.1	Time to transfer property
3.1.2	Time to obtain a building permit
3.1.3	Time to obtain an occupancy permit
3.1.4	Time to obtain environmental clearances in construction
3.2	Cost to Obtain a Business Location
3.2.1	Cost to transfer property
3.2.2	Cost to obtain a building permit
3.2.3	Cost to obtain an occupancy permit
3.2.4	Cost to obtain an environmental clearance

3.1 Time to Obtain a Business Location

Category 3.1 has four subcategories consisting of one indicator each.

3.1.1. Time to Transfer Property

The time taken to obtain property transfer varies from country to country and can depend on various factors such as the complexity of the property transaction, the efficiency of the legal system, and the availability of resources such as surveyors, appraisers, and land registry offices. The timeliness in which a change of ownership is processed is important for businesses as this can lead to delays in starting their business. Having an efficient conveyancing system in place, where bottlenecks are assessed on a regular basis, is

important to avoid delays in property transactions.⁴⁸ Therefore, Subcategory 3.1.1–Time to Transfer Property has one indicator on the Time to Transfer Property (table 27).

Table 27. Subcategory 3.1.1–Time to Transfer Property

	Indicators	Components
1	Time to Transfer Property	the period in days between the completed and submitted application and the final transfer of property title

3.1.2. Time to Obtain a Building Permit

There can be significant variation in the time required to obtain permits and this depends on numerous factors such as existing backlogs of applications to be processed, scarce resources to process these applications or excessive requirements to submit these applications (such as too many required inspections).⁴⁹ Tackling this issue is important as more efficient processing of building permits can have positive impact on economic growth and development, by increasing investment and employment opportunities. Therefore, Subcategory 3.1.2–Time to Obtain a Building Permit has one indicator on the Time to Obtain a Building Permit (table 28).

Table 28. Subcategory 3.1.2–Time to Obtain a Building Permit

	Indicators	Components
1	Time to Obtain a Building Permit	The period in days between the completed and submitted application and obtaining building permit

3.1.3 Time to Obtain an Occupancy Permit

Delays in occupancy permit issuance can have negative impacts on project timelines and cost performance, highlighting the importance of efficient and effective permit processes. The efficiency of occupancy permit processes can be affected by a range of factors, including regulatory environments, information technology systems, stakeholder collaboration, and capacity constraints. Improving efficiency in permit processes may have benefits for a range of stakeholders, including developers, municipalities, and citizens, by reducing costs and wait times, improving transparency, and enabling economic growth.⁵⁰ Therefore, Subcategory 3.1.3–Time to Obtain an Occupancy Permit has one indicator on the Time to Obtain an Occupancy Permit (table 29).

Table 29. Subcategory 3.1.3–Time to Obtain an Occupancy Permit

	Indicators	Components
1	Time to Obtain an Occupancy Permit	The period in days between the completed and submitted application and obtaining occupancy permit

3.1.4 Time to Obtain Environmental Clearances in Construction

Establishing clear and transparent environmental clearance procedures can help reduce the time to obtain environmental clearances, which is essential for promoting sustainable development.⁵¹ Delays in environmental clearances can significantly increase project costs and result in economic losses. Therefore, Subcategory 3.1.4–Time to Obtain an Environmental Permit in Construction has one indicator on the Time to Obtain an Environmental Permit in Construction (table 30).

Table 30. Subcategory 3.1.4–Time to Obtain Environmental Clearances in Construction

	Indicators	Components
1	Time to Obtain Environmental Clearances in Construction	the period in days between the time to submit the application and the time to obtain the environmental clearances

3.2 Cost to Obtain a Business Location

Category 3.2 has four subcategories consisting of one indicator each.

3.2.1. Cost to Transfer Property

Cumbersome processes and high fees, such as transfer tax, registration fees or stamp duties can discourage people from registering the transfer of property. It can also lead to reduced revenue collected by government from property taxation if high cost discourages property registration. Reducing the cost of transferring property ownership is essential for promoting transparency, competition, and innovation and for reducing corruption.^{52,53} Therefore, Subcategory 3.2.1–Cost to Transfer Property has one indicator on the Cost to Transfer Property (table 31).

Table 31. Subcategory 3.2.1–Cost to Transfer Property

	Indicators	Components
1	Cost to Transfer Property	Includes all costs incurred by the firm to transfer ownership of a property from a buyer to a seller, including fees, transfer taxes, stamp duties and any other payment to the property registry, notaries, public agencies, or lawyers

3.2.2. Cost to Obtain a Building Permit

Lowering the cost of building permits can have significant positive impacts on the construction industry and the broader economy. By reducing the financial burden of obtaining permits, more construction projects can be initiated and completed, leading to increased job opportunities and economic growth. Additionally, lower permit costs can encourage the development of affordable housing and other infrastructure projects that benefit communities, including helping firms choose an appropriate location for their business operations.⁵⁴ Therefore, Subcategory 3.2.2–Cost to Obtain a Building Permit has one indicator on the Cost to Obtain a Building Permit (table 32).

Table 32. Subcategory 3.2.2–Cost to Obtain a Building Permit

	Indicators	Components
1	Cost to Obtain a Building Permit	Includes all costs incurred by the firm to obtain a building permit, including obtaining any required land use approvals and preconstruction design clearances, building permit fees

3.2.3 Cost to Obtain an Occupancy Permit

Lowering the cost of occupancy permits can have significant benefits for small businesses and entrepreneurs. These permits are required by many local governments to certify that a building is safe and suitable for occupancy. However, high costs to obtain such permits can create a significant financial burden for small businesses.⁵⁵ Therefore, Subcategory 3.2.3–Cost to Obtain an Occupancy Permit has one indicator on the Cost to Obtain an Occupancy Permit (table 33).

Table 33. Subcategory 3.2.3–Cost to Obtain an Occupancy Permit

	Indicators	Components
1	Cost to Obtain an Occupancy Permit	Includes all costs incurred by the firm to obtain an occupancy permit once all construction has been completed. The costs include occupancy permit fees, and any necessary fees for inspections

3.2.4 Cost to Obtain Environmental Clearances in Construction

High cost of environmental permitting can have a significant impact on the economy and on businesses, impacting project feasibility and investment decisions. In addition, high permitting costs can discourage investment in environmental innovation, as well as making it more difficult for businesses to invest in and adopt new environmental technologies.⁵⁶ Therefore, Subcategory 3.2.4–Cost to Obtain Environmental Clearances in Construction has one indicator on the Cost to Obtain Environmental Clearances in Construction (table 34).

Table 34. Subcategory 3.4.2–Cost to Obtain Environmental Clearances in Construction

	Indicators	Components
1	Cost to Obtain Environmental Clearances in Construction	includes all costs incurred by the firm to obtain the environmental clearance

III. DATA SOURCES

4.1 Data collection sources

The data for Pillar I and Pillar II are collected through consultations with private and public sector experts. Private sector experts include lawyers and practitioners working in the area of property transfer, building permitting and environmental permitting.

The data for Pillar III are collected through consultation with private sector experts and Enterprise Surveys. Enterprise Surveys provide representative data on time and cost to obtain occupancy permits, as experienced by businesses in practice. A representative sample of companies captures variation of user experience within each economy. Businesses with different characteristics, such as size, region, and sector participate in the surveys. For more details on the collection of data by the Enterprise Surveys, please refer to the Overview chapter of this Methodology Handbook. Data on time and cost to transfer property, building permits and environmental clearances are collected through consultation with private sector experts, and broad parameters are defined (described in the section above) to ensure data comparability across economies. Private sector experts include property lawyers, notaries, conveyancers, architects, engineers, environmental consultants, environmental engineers, and environmental planners.

4.2 Screening and selection of experts

The Business Location topic has three questionnaires, one for each topic: Property Transfer, Building Permits, and Environmental Permits. Each questionnaire targets experts in their respective areas of expertise. A screener questionnaire is used to assist the selection of experts to participate in the Business Location questionnaire based on a set of criteria (table 35). The information provided in the screener questionnaires allows the team to better understand the experts’ professions, areas of specialization, and knowledge or experience related to property transfer, building permitting and environmental permitting. Ultimately, this will allow the Team to select the experts to respond to the questionnaire on each of the topics (Property Transfer, Building Permits, and Environment Permits).

Table 35. Screener questionnaire and respondent criteria

Relevant expert professions	
Property transfer	Property lawyers, notaries, conveyancers
Building permitting	Architects, engineers, construction lawyers
Environmental permitting	Environmental consultants, environmental engineers and environmental planners
Relevant areas of specialization	
Property transfer	Property law, notarial services, conveyancing
Building permitting	Architecture, civil engineering, construction contracting, construction law
Environmental permitting	Environmental law, environmental engineering, environmental planning
Assessment of the experts’ knowledge and experience related to property transfer, building permitting and environmental permitting and related regulations, services, and processes	
Property transfer	Experience with preparing contracts of purchase and sale of property, conducting commercial property transactions, conducting property registrations at land registry/deed registry, contacting tax authorities for property transaction related taxes (transfer tax, stamp duty, etc.); engagement with complaint mechanisms for property transfer services; as well as knowledge of the regulations affecting property transfer

Building permitting	Experience with obtaining all necessary pre-approvals and submitting applications for building permits with the building control agency or municipality; awareness of building code provisions, building permitting fees; engagement; and knowledge of the regulations affecting building control.
Environmental permitting	Experience with obtaining environmental clearances and permits related new construction projects, preparing and submitting Environmental Impact Assessments, awareness of environmental laws and regulations, awareness of complaint mechanisms for environmental permitting.

IV. PARAMETERS

To ensure comparability of the data from expert consultations across economies, the Business Location topic uses general as well as specific parameters. A parameter refers to an assumption that is made about the characteristics of a location, the type and size of a construction project and the value of a property.

5.1 General parameters

Property transfer, building permitting, and environmental permitting share a common general parameter of location. Many economies have subnational jurisdictions (such as the state level), which requires a specific business location to be specified in order for experts to identify the relevant regulatory framework to be assessed.

5.1.1. Business location–Largest city

Justification:

Geographic location determines the relevant regulatory framework governing building and environmental permits. In many economies, legislation governing building and environmental permits is defined at city and municipal level. For property transfer, building permits and environmental permits, geographical location determines which municipality, agency or registry provides the permitting services. Some restrictions might be imposed on construction and on property ownership and leasehold (both for domestic and foreign firms) depending on location. Environmental clearances are also affected by the location of the property being developed. Thus, business location is an essential parameter for assessing efficiency of obtaining a business location. The largest city is chosen based on the population size, as detailed in the Overview chapter of this Methodology Handbook.

Application:

For Pillar I, the parameter is used in cases where regulations are not applicable at national level but vary across states or regions. For the economies where regulations differ across states, regulations for the largest city (by population) are measured. For Pillar II, the parameter is used to determine the relevant municipality involved in providing building permitting services and the relevant agency involved in providing environmental clearances for construction projects. For Pillar III, this parameter applies to data collected through expert consultations rather than through enterprise surveys. Specifically, the parameter is relevant for measures on time and cost as they can vary significantly across cities.

5.2 Specific parameters

Some specific parameters are also necessary to ensure that estimates provided by experts with regard to the transfer of property, to obtaining building-related permits or environmental permits in construction, are comparable across economies. Obtaining such estimates can vary widely depending on the value of property (for transfer of property); type and size of building (for building permits); type and size of housing development (for environmental permits).

5.2.1 Value of property

Justification:

For property transfer and building permits, a specific parameter of the value of property or construction cost is used to be able to compute time and cost indicators. The value of the property or the construction cost is required to calculate transfer tax, registration fees, and stamp duties in several jurisdictions.⁵⁷ For example, in South Africa the amount of transfer duty paid is based on the value of the property being transferred and is calculated using a sliding scale of property tax. In Ghana, the amount of stamp duty paid is based on the value of the property being transferred and is calculated using a fixed rate.

Building permit fees are often based on the value of the construction project. In many cases, the fees are calculated as a percentage of the estimated construction costs. Knowing the value of the property allows the building department to accurately assess the estimated cost of the construction project and apply the appropriate fee.⁵⁸ Considering the example of Australia, building permit fees are based on the value of the construction project: in Sydney, the Building and Development Advisory Service provides a fee calculator tool that allows users to estimate the cost of building permit fees based on the value of the construction project. Put simply, the rationale behind setting a value of property is to ensure data comparability across all surveyed economies.

Application:

Pillar III of the Business Location topic assumes the value of property or construction cost to be 100 times gross national income (GNI) per capita. This value will be provided as an equivalent in local currency of each economy. In the absence of reliable data on property or construction values across all economies, GNI per capita multiplied by 100 is suggested to approximate these values based on respective affordability rates.

5.2.2 Largest municipality

Justification:

In some cities, there could be one or several municipalities. The Business Location topic, and building permitting in particular, aim to capture the most common practice; hence, the largest municipality in the largest city is considered (in terms of customers served or market share).

Application:

The parameter of the largest municipality in the largest city is relevant to all measures of Pillar II and Pillar III for building permitting because provision of building permits varies depending on the municipality. For Pillar III, the parameter applies to measures on time and cost as efficiency of obtaining a building permit may vary depending on the municipality.

5.2.3 Type and size of building

Justification:

To make the data comparable across economies for building permitting, the type and size of building are used as a unit of measurement. Building regulations vary depending on the type of construction being permitted—typically classified as residential, commercial, or industrial. The type and level of pre-approvals and the type of documents to be submitted, as well as the associated regulatory costs, vary with type of construction (for example, residential buildings usually require fewer technical plans, documents, fewer pre-approvals, and lower fees). Regulatory aspects, like technical inspections mandated by law, are also usually governed by the type of construction in question. The size of building affects the cost of permitting. In some cases, it can affect the number of inspections to be conducted during construction, which is often calculated as a fixed fee per square meter/foot or cubic meter. For example, in Singapore, Thailand, and the United Kingdom, fees to obtain building and occupancy permits are based on a fixed fee per square meter/foot or cubic meter. In Jordan, the fees for building permits are calculated based on the number of

floors. The size of the building can also affect the fees in property transactions. For example, in Albania local fees are calculated based on the size of the building.

Application:

Pillar III of the Business Location topic provides specific parameters about the type of building being considered, and its size, and height for the purposes of comparison:

- Type of building: commercial building—in particular, an office building
- Size of commercial building: 1800 square meters (19,375 square feet)⁵⁹
 - Computed assuming 5 floors and 360 square meters per floor (3875 square feet)
- Building height: 5 floors, with each floor assumed to be 3 meters (9 ft and 10 inches) high

5.2.4 Type of development and surface area of development

Justification:

Environmental clearances and permits requirements vary depending on size and location of the project, as well as its potential impact on the environment. Establishing clear and transparent criteria for triggering environmental clearances can help to ensure that all relevant projects are subject to the same scrutiny and can increase public trust and confidence in the clearance process.⁶⁰ For example, the environmental impact assessment and audit regulations in Tanzania require an environmental impact assessment study to be conducted for projects that are above certain sizes and include housing developments. The threshold for when an EIA is required in Tanzania for housing developments is more than 50 housing units or more than 2 hectares of land.⁶¹

The size and type of a project can lead to increased stormwater runoff, changes to the hydrology of nearby water bodies, or potential contamination of groundwater resources. Many jurisdictions therefore require developers to obtain permits or approvals related to water quality and management as part of the environmental review process for new construction projects.⁶² In addition, construction projects may have an adverse impact on water resources, particularly in areas with high planned residential density, highlighting the need for effective environmental permitting requirements to protect water quality in these areas.

Application:

Pillar I and Pillar III of the Business Location topic provide for specific parameters for the construction of a housing development project:

- Total surface area of residential housing development project: 10 acres (40,468 sqm)
- Type of residence: Detached single family house with 1, 2 and 3 bedrooms, each with its own driveway
- Estimated number of houses: 100 single family homes
- Estimated number of residents in the housing project:⁶³ 600

V. TOPIC SCORING

The Business Location topic has three pillars: Pillar I—Quality of Regulations for Immovable Property Transfer, Urban planning and Environmental Permitting; Pillar II—Quality of Public Services and Transparency of Information, and Pillar III—Efficiency of Obtaining a Business Location. The total points for each pillar are further rescaled to values from 0 to 100, and subsequently aggregated into the total topic score. Each pillar contributes one-third to the total topic score. Table 36 shows the scoring for the Business Location topic. The scores distinguish between benefits to the firm (captured as firm flexibility points) and benefits to society’s broader interests (captured as social benefits points). For further scoring details, please see Annex A, which complements this section.

Table 36. Aggregate scoring overview

Pillar	Title	Number of indicators	Score			Rescaled points (0-100)	Weight
			Firm flexibility	Social benefits	Total points		
I	Quality of Regulations for Immovable Property Transfer, Urban planning and Environmental Permitting	62	47	43	90	100	0.33
II	Quality and transparency of public services	46	46	46	92	100	0.33
III	Efficiency of obtaining a business location in practice	8	100	n.a.	100	100	0.33

Note: n.a. = not applicable (refers to the cases when the impact on firms or society is either ambiguous or nonexistent).

6.1 Pillar I—Regulatory Framework: Quality of Regulations for Immoveable Property Transfer, Urban Planning, and Environmental Permitting

Pillar I covers 62 indicators with a total score of 90 points (47 points on firm flexibility and 43 points on social benefits). The scoring for each category under this pillar is as follows:

- 6.1.1** *Regulatory Standards for Land Administration* has 11 indicators with a total maximum score of 22 points (11 points on firm flexibility and 11 points on social benefits) (table 37). Specifically, this category has three subcategories. The *Property Transaction Standards* Subcategory has 4 indicators. The *Land Dispute Resolution Mechanisms* Subcategory has 4 indicators. The *Land Administration System* Subcategory has 3 indicators. A regulatory framework that ensures efficiency of land administration systems, and effective dispute resolution mechanisms benefits both firms (firm flexibility) and society/customers (social benefits). Hence, equal scores are assigned to both categories.
- 6.1.2** *Restrictions on Property Lease and Ownership* covers 19 indicators with a total maximum score of 19 points (19 points on firm flexibility and 0 on social benefits) (table 37). Specifically, this category has 4 subcategories: the *Restrictions on Domestic Firms to Lease Property* Subcategory has 5 indicators; the *Restrictions on Domestic Firms to Own Property* Subcategory has 4 indicators; the *Restrictions on Foreign Firms to Lease Property* Subcategory has 5 indicators; and the *Restrictions on Foreign Firms to Own Property* has 5 indicators. A regulatory framework that imposes restrictions on lease or ownership of property can create obstacles to developing a business. Therefore, it is important to eliminate such barriers to promote flexible environment for firms (firm flexibility). On the other hand, the short-term impact of such restriction on society is ambiguous (social benefits). Hence, score is only assigned to firm flexibility.
- 6.1.3** *Gender* covers 1 indicator with a total maximum score of 2 points (1 point on firm flexibility and 1 point on social benefit) (table 37). Specifically, this category covers *Gender Incentives for Professional Participation* to promote the presence of women in business location related professions.
- 6.1.4** *Regulatory Standards for Building Regulations and Environmental Licenses* covers 31 indicators with a total maximum score of 47 points (16 points on firm flexibility and 31 points on social benefits) (table 37). Specifically, the *Building Regulations Standards* Subcategory has 13 indicators; the *Building Energy Code and Standards* Subcategory has 4 indicators; the *Zoning and Land Use Planning* Subcategory has 1 indicator; the *Environmental Clearances in Construction* Subcategory has 10 indicators; and the *Dispute Mechanisms for Building Permits and Environmental Clearances in Construction* Subcategory has 2 indicators. The positive impact for society is derived from enhanced environmental sustainability and improved adherence to

environmental standards. Some measures under this category have either a neutral impact on firms, or an ambiguous impact and hence are not scored.

Pillar I–Quality of Regulations for Immovable Property Transfer, Urban Planning, and Environmental Permitting		No. of indicators	FFP	SBP	Total points	Rescaled points
1.1	Regulatory Standards for Land Administration	11	11	11	22	24.2
1.1.1	Property Transactions Standards	4	4	4	8	8.8
1.1.2	Land Dispute Mechanism	4	4	4	8	8.8
1.1.3	Land Administration System	3	3	3	6	6.6
1.2	Restrictions on Property Lease and Ownership	19	19	n.a.	19	20.9
1.2.1	Restriction on domestic firms to lease property–	5	5	n.a.	5	5.5
1.2.2	Restrictions on domestic firms to own property	4	4	n.a.	4	4.4
1.2.3	Restrictions of foreign firms to lease property	5	5	n.a.	5	5.5
1.2.4	Restrictions on foreign firms to own property	5	5	n.a.	5	5.5
1.3	Gender	1	1	1	2	2.2
1.3.1	Gender Incentives for Professional Participation	1	1	1	2	2.2
1.4	Regulatory Standards for Building Regulations and Environmental Licenses	31	16	31	47	52.2
1.4.1	Building Regulations Standards	13	9	13	22	24.2
1.4.2	Building Energy Codes and Standards	4	n.a.	4	4	4.4
1.4.3	Zoning and Land Use Planning	1	1	1	2	2.2
1.4.4	Environmental Clearances in Construction	10	3	10	13	14.4
1.4.5	Dispute Mechanisms for Building Permits and Environmental Clearances in Construction	3	3	3	6	6.6
Total		62	47	43	90	100

Note: n.a. = not applicable (refers to the cases when the impact on firms or society is either ambiguous or nonexistent). FFP = firm flexibility points; SBF = social benefits points.

6.2 Pillar II–Public Services: Quality of Public Services and Transparency of Information

Pillar II includes 46 indicators with a total score of 92 points (46 points on firm flexibility and 46 points on social benefits). The scoring for each category under the pillar is as follows:

6.2.1 *Availability of Online Services and reliability of infrastructure* covers 20 indicators with a total maximum score of 40 points (20 points on firm flexibility and 20 points on social benefits) (table 38). Specifically, the *Property Transactions–Digital Public Services* Subcategory has 6 indicators; the *Property Transactions-Reliability of Infrastructure* Subcategory has 5 indicators; the *Property Transactions-Coverage* Subcategory has 4 indicators; and the *Building Permits and Environmental Licenses-Digital Public Services* Subcategory has 5 indicators. Under this category, the score is allocated equally between firm flexibility and social benefits. Availability of online services for property transactions, building permitting and environmental permitting increases efficiency and supports public accountability, therefore extending benefits to firms and society as a whole.

6.2.2 *Interoperability of Services* covers 6 indicators with a total maximum score of 12 points (6 points on firm flexibility and 6 points on social benefits) (table 38). Specifically, the *Interoperability of Services for Property Transactions* Subcategory has 4 indicators; and the *Interoperability of Services for Building Permits* Subcategory has 2 indicators. A regulatory framework that promotes the integration and compatibility of different systems and services related land administration and building control services provides for greater transparency and efficiency of services and benefits both firms (firm flexibility) and society (social benefits). Hence, equal scores are assigned to both categories.

6.2.3 *Transparency of Information* covers 20 indicators with a total maximum score of 40 points (20 points on firm flexibility and 20 on social benefits) (table 38). Specifically, the *Transparency of Information for Immovable Property* Subcategory has 8 points; the *Gender Data on Property Ownership* Subcategory has 1 indicator; the *Transparency of Information for Building Permits and Environmental Licenses* Subcategory has 8 indicators; and the *Transparency of Information on Zoning and Land Use* Subcategory has 3 indicators. A regulatory framework that ensures transparency of land administration, building control and environmental permitting services provides firms with clarity and predictability regarding the rules and regulations they need to comply with, which in turn allows them to operate with greater flexibility and adaptability. This can result in increased innovation, competitiveness, and profitability for businesses, which benefits both firms (firm flexibility) and society (social benefits). Hence, equal scores are assigned to both categories.

Pillar II–Public Services: Quality of Public Services and Transparency of Information		No. of indicators	FFP	SBP	Total points	Rescaled points
2.1	Availability and Reliability of Online Services	20	20	20	40	43.5
2.1.1	Property Transactions-Digital Public Services	6	6	6	12	13
2.1.2	Property Transactions-Reliability of infrastructure	5	5	5	10	10.9
2.1.3	Property Transactions-Coverage	4	4	4	8	8.7
2.1.4	Building Permits and Environmental Licenses-Digital Public Services	5	5	5	10	10.9
2.2	Interoperability of Services	6	6	6	12	13
2.2.1	Interoperability for property transactions	4	4	4	8	8.7
2.2.2	Interoperability for building permits	2	2	2	4	4.4
2.3	Transparency of Information	20	20	20	40	43.9
2.3.1	Transparency of information on immovable property	8	8	8	16	17.4
2.3.2	Gender data on property ownership	1	1	1	2	2.2
2.3.3	Transparency of information for building permitting and environmental licenses	8	8	8	16	17.4
2.3.4	Transparency of information on zoning and land use	3	3	3	6	6.1
Total		46	46	46	92	100

Note: FFP = firm flexibility points; SBF = social benefits points.

6.3 Pillar III–Efficiency of Obtaining a Business Location

Pillar III has 8 indicators with scores ranging from 0 to 100 on firm flexibility. The scores on indicators under this pillar are assigned to firm flexibility only, as the indicators measure the outcomes of service provision to firms. For example, high fees and long times to transfer a property or to obtain building and environmental permits have adverse impacts on firms, thus reducing the firm flexibility score.

Pillar III–Efficiency of Obtaining a Business Location		No. of indicators	Rescaled points
3.1	Time to Obtain a Business Location	4	50
3.1.1	Time to transfer property	1	12.5
3.1.2	Time to obtain a building permit	1	12.5
3.1.3	Time to obtain an occupancy permit	1	12.5
3.1.4	Time to obtain an environmental clearance	1	12.5
3.2	Cost to Obtain a Business Location	4	50
3.2.1	Cost to transfer property	1	12.5
3.2.2	Cost to obtain a building permit	1	12.5
3.2.3	Cost to obtain an occupancy permit	1	12.5
3.2.4	Cost to obtain an environmental clearance	1	12.5
Total		8	100

Note: FFP = firm flexibility points; SBF = social benefits points.

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Annex A. Business Location–Scoring Sheet

This document outlines the scoring approach for the Business Location topic. For every indicator, a Firm Flexibility Point (FFP) and/or a Social Benefit Point (SBP) are assigned, along with a clarification on the detailed scoring for each such indicator and a note on the relevant background literature.

PILLAR I–QUALITY OF REGULATIONS FOR IMMOVABLE PROPERTY TRANSFER, URBAN PLANNING AND ENVIRONMENTAL PERMITTING					
1.1 REGULATORY STANDARDS FOR LAND ADMINISTRATION					
1.1.1 Property Transactions Standards					
Indicators	FFP	SBP	Total points	Rescaled points	Background literature
Legal Obligation to Check Documents Compliance with the Law	1	1	2	2.20	Bennison (2006); Deininger and Feder (2009)
Legal Obligation to Verify Identities of the Parties	1	1	2	2.20	Bennison (2006); Deininger and Feder (2009)
Legal Obligation to Register Sales Transactions	1	1	2	2.20	Bennison (2006); Deininger and Feder (2009)
Legal Provision on the Legality of Online Documents	1	1	2	2.20	Bennison (2006); Deininger and Feder (2009)
Total points for Subcategory 1.1.1	4	4	8	8.80	
1.1.2 Land Dispute Resolution Mechanisms					
Legal Provisions for Arbitration as an Alternative Land Disputes Resolution Mechanism	1	1	2	2.20	Deininger and Feder (1996); Gathii (2013); Wehrmann (2008)
Legal Provisions for Conciliation and Mediation as Alternative Land Disputes Resolution Mechanisms	1	1	2	2.20	Deininger and Feder (1996); Gathii (2013); Wehrmann (2008)
Legal Provisions to Provide Out of Court Compensation for Losses due to Erroneous Information from the Land Registry	1	1	2	2.20	Deininger and Feder (1996); Gathii (2013); Wehrmann (2008)
Legal Provision for Protection of Property Title	1	1	2	2.20	Deininger and Feder (1996); Gathii (2013); Wehrmann (2008)
Total points for Subcategory 1.1.2	4	4	8	8.80	
1.1.3 Land Administration System					
Disclosure of Land Registry Information	1	1	2	2.20	Deininger and Feder (2009); Deininger and Selod (2012); Zakout, Wehrmann, and Törhönen (2006)
Disclosure of Cadastral Information	1	1	2	2.20	Deininger and Feder (2009); Deininger and Selod (2012); Zakout, Wehrmann, and Törhönen (2006)

Infrastructure for Land Administration	1	1	2	2.20	Deininger and Fedor (2009); Deininger and Selod (2012); Zakout, Wehrmann, and Törhönen (2006)
Total points for Subcategory 1.1.3	3	3	6	6.60	
Total points for Category 1.1	11	11	22	24.20	
1.2 RESTRICTIONS ON PROPERTY LEASE AND OWNERSHIP					
1.2.1 Restrictions on Domestic Firms to Lease Property					
Restrictions on the Area of the Land for Lease for Domestic Firms	1	n.a.	1	1.10	Halpern and Lutz (2014); Hodge and Greve (2017)
Restriction on the Duration of the Lease for Domestic Firms	1	n.a.	1	1.10	Halpern and Lutz (2014); Hodge and Greve (2017)
Restriction on the Location of Property for Lease for Domestic Firms	1	n.a.	1	1.10	Halpern and Lutz (2014); Hodge and Greve (2017)
Restriction on Agricultural Property for Lease for Domestic Firms	1	n.a.	1	1.10	Halpern and Lutz (2014); Hodge and Greve (2017)
Restrictions on the Type of Property for Lease for Domestic Firms	1	n.a.	1	1.10	Halpern and Lutz (2014); Hodge and Greve (2017)
Total points for Subcategory 1.2.1	5	0	5	Ve 5.50	
1.2.2 Restrictions on Domestic Firms to Own Property					
Restrictions on Ownership Based on the Area of the Land for Domestic Firms	1	n.a.	1	1.10	Dasgupta and Singh (2006)
Restriction on the Location of Property for Land Ownership for Domestic Firms	1	n.a.	1	1.10	Dasgupta and Singh (2006)
Restriction on Ownership of Agricultural Land for Domestic Firm	1	n.a.	1	1.10	Dasgupta and Singh (2006)
Restriction on Ownership by the Type of Building for Domestic Firms	1	n.a.	1	1.10	Dasgupta and Singh (2006)
Total points for Subcategory 1.2.2	4	0	4	4.40	
1.2.3 Restrictions on Foreign Firms to Lease Property					
Restriction for Foreign Firms to Lease Based on the Area of the Land	1	n.a.	1	1.10	Golub (2003); Lee, Lee, and Lee (2014)
Restriction on the Duration of Lease for Foreign Firms	1	n.a.	1	1.10	Golub (2003); Lee, Lee, and Lee (2014)

Restriction on the Location of Property Leasehold for Foreign Firms	1	n.a.	1	1.10	Golub (2003); Lee, Lee, and Lee (2014)
Restriction on the Lease of Agricultural Land for Foreign Firms	1	n.a.	1	1.10	Golub (2003); Lee, Lee, and Lee (2014)
Restrictions on Foreign Firms to Lease Based on Certain Type of Buildings (Residential, Commercial, Industrial)	1	n.a.	1	1.10	Golub (2003); Lee, Lee, and Lee (2014)
Total points for Subcategory 1.2.3	5	0	5	5.50	
1.2.4 Restrictions on Foreign Firms to Own Property					
Restriction of Ownership on the Area of the Land for Foreign Firms	1	n.a.	1	1.10	Liao and Zhang (2016); Tan (2004)
Restriction on the Duration of Ownership for Foreign Firms	1	n.a.	1	1.10	Liao and Zhang (2016); Tan (2004)
Restriction on Property Ownership Based on Location for Foreign Firms	1	n.a.	1	1.10	Liao and Zhang (2016); Tan (2004)
Restriction on the Ownership of Agricultural Land for Foreign Firms	1	n.a.	1	1.10	Liao and Zhang (2016); an (2004)
Restriction on the Ownership for Foreign Firms by Certain Type of buildings	1	n.a.	1	1.10	Liao and Zhang (2016); Tan (2004)
Total points for Subcategory 1.2.4	5	0	5	5.50	
Total points for Category 1.2	19	0	19	20.90	
1.3 GENDER					
Gender Incentives for Professional Participation	1	1	2	2.20	Haltom and Tanimoto (2017); ILO (2018)
Total points for Subcategory 1.3	1	1	2	2.20	
Total points for Category 1.3	1	1	2	2.20	
1.4 REGULATORY STANDARDS FOR BUILDING REGULATIONS AND ENVIRONMENTAL LICENSES					
1.4.1 Building Regulations Standards					
Building Codes/Standards Applicable to All Constructions	1	1	2	2.20	IFC, World Bank, and MIGA (2013)
Clear Provisions or Guidelines Regarding Safety Standards	n.a.	1	1	1.10	IFC, World Bank, and MIGA (2013)
Regulation of Health Risk Related to Construction Materials	n.a.	1	1	1.10	IFC, World Bank, and MIGA (2013)
List of Regulated Materials	n.a.	1	1	1.10	IFC, World Bank, and MIGA (2013)
Prohibition of Use of Construction Materials	n.a.	1	1	1.10	IFC, World Bank, and MIGA (2013)
Responsibility for Compliance with Legal Requirements	1	1	2	2.20	IFC, World Bank, and MIGA (2013)
Type of Inspections Carried out During Construction	1	1	2	2.20	IFC, World Bank, and MIGA (2013)

Responsibility for Final Inspection	1	1	2	2.20	IFC, World Bank, and MIGA (2013)
Inspection of Prohibited Materials in Construction	1	1	2	2.20	IFC, World Bank, and MIGA (2013)
Type of Prohibited Materials Inspected	1	1	2	2.20	IFC, World Bank, and MIGA (2013)
Liability for Structural Flaws/Problems	1	1	2	2.20	IFC, World Bank, and MIGA (2013)
Requirement a to be an Architect or Engineer	1	1	2	2.20	IFC, World Bank, and MIGA (2013)
Qualifications to Conduct Technical Supervision/Inspections	1	1	2	2.20	IFC, World Bank, and MIGA (2013)
Total points for Subcategory 1.4.1	9	13	22	24.20	
1.4.2 Building Energy Codes and Standards					
Mandatory Minimum Energy Efficiency Performance Standards	n.a	1	1	1.10	Garrido, Tapia, and Vergara (2019); Rosenberg et al. (2014)
Pre-condition to Provide Proof of Design Compliance with the Energy Efficiency Performance Standards	n.a	1	1	1.10	Garrido, Tapia, and Vergara (2019); Rosenberg et al. (2014)
Energy Efficiency Performance Standards Are Verified as Part of the Building Plans Review Process	n.a	1	1	1.10	Garrido, Tapia, and Vergara (2019); Rosenberg et al. (2014)
Incentives to Promote Green Building Standards	n.a	1	1	1.10	Garrido, Tapia, and Vergara (2019); Rosenberg et al. (2014)
Total points for Subcategory 1.4.2	n.a	4	4	4.40	
1.4.3 Zoning and Land Use Planning					
Land Use and Zoning Regulations	1	1	2	2.20	Babatunde, Yusuf, and Ogunbode (2016); Boonyabanha, Singhadej, and Dhanapal (2017); World Bank Group, Zoning and Land Use Planning
Total points for Subcategory 1.4.3	1	1	2	2.20	
1.4.4 Environmental Clearances in Construction					
Existence of National Environmental Regulations during Construction	1	1	2	2.20	Grunwald, Bendt, and Kopfmüller (2016); Gupta and Bansal (2014); Ryan and O'Regan (2015)
Update or Revision of National Environmental Regulations during Construction	1	1	2		Grunwald, Bendt, and Kopfmüller (2016); Gupta and Bansal (2014); Ryan and O'Regan (2015)
Penalties or Fines in Place for Non-Compliance with the Regulations	1	1	2	2.20	Grunwald, Bendt, and Kopfmüller (2016); Gupta and Bansal (2014); Ryan and O'Regan (2015)

Environmental Risks as Defined by Legal Framework	n.a	1	1	1.10	Grunwald, Bendt, and Kopfmüller (2016); Gupta and Bansal (2014); Ryan and O'Regan (2015)
Qualified Professional/Professional Agency to Conduct EIA	n.a	1	1	1.10	Grunwald, Bendt, and Kopfmüller (2016); Gupta and Bansal (2014); Ryan and O'Regan (2015)
Criteria that Trigger an EIA	n.a	1	1	1.10	Grunwald, Bendt, and Kopfmüller (2016); Gupta and Bansal (2014); Ryan and O'Regan (2015)
Requirements for an EIA Process	n.a	1	1	1.10	Grunwald, Bendt, and Kopfmüller (2016); Gupta and Bansal (2014); Ryan and O'Regan (2015)
Legal Responsibility for Checking Compliance	n.a	1	1	1.10	Grunwald, Bendt, and Kopfmüller (2016); Gupta and Bansal (2014); Ryan and O'Regan (2015)
Legal Framework Mandates Public Consultations with Concerned Stakeholders	n.a	1	1	1.10	Grunwald, Bendt, and Kopfmüller (2016); Gupta and Bansal (2014); Ryan and O'Regan (2015)
Public Consultations Requirement Elements	n.a	1	1	1.10	Grunwald, Bendt, and Kopfmüller (2016); Gupta and Bansal (2014); Ryan and O'Regan (2015)
Total points for Subcategory 1.4.4	3	10	13	14.40	
1.4.5 Dispute Mechanisms for Building Permits and Environmental Clearances in Construction					
Ability to Dispute Building Permit Decisions	1	1	2	2.20	Ramanathan et al. (2018); Sánchez-Triana et al. (2014); Wang and Liu (2015); World Bank (2014)
Ability to Dispute Environmental Clearances and Permits	1	1	2	2.20	Ramanathan et al. (2018); Sánchez-Triana et al. (2014); Wang and Liu (2015); World Bank (2014)
Out of Court Resolution Mechanisms for Environmental Disputes	1	1	2	2.20	Ramanathan et al. (2018); Sánchez-Triana et al. (2014); Wang and Liu (2015); World Bank (2014)
Total points for Subcategory 1.4.5	3	3	6	6.60	
Total points for Category 1.4	16	31	47	52.00	
Total points for Pillar I	47	43	90	100.00	

Note: n.a. = not applicable (refers to the cases when the impact on firms or society is either ambiguous or nonexistent). FFP = firm flexibility point; SBP = social benefits point

PILLAR II –QUALITY OF PUBLIC SERVICES AND TRANSPARENCY OF INFORMATION

2.1 AVAILABILITY AND RELIABILITY OF ONLINE SERVICES

2.1.1 Property Transactions-Digital Public Services

Indicators	FFP	SBP	Total points	Rescaled points	Background literature
Online Platform Encumbrance Checking	1	1	2	2.20	Williamson (2001)
Single Online Platform for Encumbrance Checking	1	1	2	2.20	Williamson (2001)
Online Platform for Property Transfer	1	1	2	2.20	Williamson (2001)
Processes Available on Online for Property Transfer	1	1	2	2.20	Williamson (2001)
Complaint Mechanisms for Immovable Property Registry	1	1	2	2.20	Williamson (2001)
Complaint Mechanisms for Cadaster	1	1	2	2.20	Williamson (2001)
Total points for Subcategory 2.1.1	6	6	12	13.20	

2.1.2 Property Transactions-Reliability of Infrastructure

Electronic Database for Checking Encumbrances	1	1	2	2.20	Gao et al. (2020); Green and Moser (2013); Gupta, Dunning, and McAllister (2020)
Format of Land Title Certificates	1	1	2	2.20	Gao et al. (2020); Green and Moser (2013); Gupta, Dunning, and McAllister (2020)
Format of Cadastral Plans	1	1	2	2.20	Gao et al. (2020); Green and Moser (2013); Gupta, Dunning, and McAllister (2020)
Method to Conduct Cadastral Surveying	1	1	2	2.20	Gao et al. (2020); Green and Moser (2013); Gupta, Dunning, and McAllister (2020)
National Database for Checking Identification	1	1	2	2.20	Gao et al. (2020); Green and Moser (2013); Gupta, Dunning, and McAllister (2020)
Total points for Subcategory 2.1.2	5	5	10	10.90	

2.1.3 Property Transactions-Coverage

Property Registration Coverage at Main City Level	1	1	2	2.20	Deininger and Feder (2009)
Property Registration Coverage at the National Level	1	1	2	2.20	Deininger and Feder (2009)

Cadastral Coverage at Main City Level	1	1	2	2.20	Deiningner and Feder (2009)
Cadastral Coverage at the National Level	1	1	2	2.20	Deiningner and Feder (2009)
Total points for Subcategory 2.1.3	4	4	8	8.70	
2.1.4 Building Permits and Environmental Licenses-Digital Public Services					
Online Platform for Issuing Building Authorizations	1	1	2	2.20	Charalambous, Cimren, and Bano (2018); Linnenberg, Gür, and Gür (2020)
Online Permitting Systems with Several Functionalities	1	1	2	2.20	Charalambous, Cimren, and Bano (2018); Linnenberg, Gür, and Gür (2020)
Online Permitting Systems to Submit Building and Occupancy Permits	1	1	2	2.20	Charalambous, Cimren, and Bano (2018); Linnenberg, Gür, and Gür (2020)
Online System to Submit Environmental Licenses	1	1	2	2.20	Charalambous, Cimren, and Bano (2018); Linnenberg, Gür, and Gür (2020)
Mechanism Available to File a Dispute Online on the Final Decision on Environmental Licensing	1	1	2	2.20	Charalambous, Cimren, and Bano (2018); Linnenberg, Gür, and Gür (2020)
Total points for Subcategory 2.1.4	5	5	10	10.90	
Total point for Category 2.1	20	20	40	43.50	
2.2 INTEROPERABILITY OF SERVICES					
2.2.1 Interoperability for Property Transactions					
Interoperability between Land Registry and Cadaster	1	1	2	2.20	ILC (2017); NIST (2007)
Interoperability between Land Registry and other Services	1	1	2	2.20	ILC (2017); NIST (2007)
Existence of a Geographic Information System (GIS)	1	1	2	2.20	ILC (2017); NIST (2007)
Existence of a Unique Identifier between Land Registry and Cadaster	1	1	2	2.20	ILC (2017); NIST (2007)
Total points for Subcategory 2.2.1	4	4	8	8.70	
2.2.2 Interoperability for Building Permits					
Availability of Spatial Plans and Zoning Requirements to all Stakeholders	1	1	2	2.20	Sarris, Tzovaras, and Doukas (2020)
Integration of GIS or National Spatial Platforms	1	1	2	2.20	Sarris, Tzovaras, and Doukas (2020)
Total points for Subcategory 2.2.2	2	2	4	4.30	
Total points for Category 2.2	6	6	12	13.00	

2.3 TRANSPARENCY OF INFORMATION					
2.3.1 Transparency of Information for Immovable Property					
Publication of Property Transactions Requirements	1	1	2	2.20	Van der Molen (2007)
Transparency of Property Transactions Costs	1	1	2	2.20	Van der Molen (2007)
Service Standards at the Land Registry	1	1	2	2.20	Van der Molen (2007)
Transparency of Cadaster Costs	1	1	2	2.20	Van der Molen (2007)
Service Standards for Cadaster	1	1	2	2.20	Van der Molen (2007)
Availability of Statistics on Land Transactions	1	1	2	2.20	Van der Molen (2007)
Availability of Statistics on Number and Type of Land Disputes	1	1	2	2.20	Van der Molen (2007)
Availability of Statistics on the Average Time to Resolve Land Disputes	1	1	2	2.20	Van der Molen (2007)
Total points for Subcategory 2.3.1	8	8	16	17.60	
2.3.2 Gender Data on Property Ownership					
Availability of Statistics Sex-Disaggregated Data on Property Ownership	1	1	2	2.20	FAO (2013)
Total points for Subcategory 2.3.2	1	1	2	2.20	
2.3.3 Transparency of Information for Building Permits and Environmental Licenses					
Public Accessibility of Planning and Building Control Regulations	1	1	2	2.20	OECD (2019)
Public Online Availability of Requirements to Obtain all Types of Building Related Permits	1	1	2	2.20	OECD (2019)
Public Online Availability of Requirements Needed to Obtain Occupancy Permit	1	1	2	2.20	OECD (2019)
Applicable Fee Schedules for all Types of Construction Publicly Available and Up to Date	1	1	2	2.20	OECD (2019)
Public Online Availability of Requirements to Obtain Environmental Licensing for Constructing a Building with a Moderate Environmental Risk	1	1	2	2.20	OECD (2019)
Availability of Official, Updated and Publicly Available Online Statistics Tracking the Number of Issued Building Permits	1	1	2	2.20	OECD (2019)
Availability of Official, Updated and Publicly Available Online Statistics Tracking the Type of Issued Building Permits	1	1	2	2.20	OECD (2019)
Availability of Official, Updated and Publicly Available Online Statistics Tracking the Number of EIAs	1	1	2	2.20	OECD (2019)

Total points for Subcategory 2.3.3	8	8	16	17.60	
2.3.4 Transparency of Information on Zoning and Land Use					
Updated City Master Plan/Zoning Plan	1	1	2	2.20	Davis and Barlow (2017)
Steps to Modify Zoning/Land Use Plan	1	1	2	2.20	Davis and Barlow (2017)
Adherence to Zoning Regulations	1	1	2	2.20	Davis and Barlow (2017)
Total points for Subcategory 2.3.4	3	3	6	6.50	
Total points for Category 2.3	20	20	40	43.50	
Total points for Pillar II	46	46	92	100.00	

Note FFP = firm flexibility point; GIS = Geographic Information System; SBP = social benefits point

PILLAR III—EFFICIENCY: EFFICIENCY OF OBTAINING A BUSINESS LOCATION

3.1 EFFICIENCY OF PROPERTY TRANSFER

3.1.1 Time to Obtain a Business Location

Indicators	FFP	SBP	Total points	Rescaled points	Background literature
Time to Transfer Property	25	n.a.	25	12.50	Amadi-Enchendu and Pellissier (2014)
Time to Obtain a Building Permit	25	n.a.	25	12.50	Moussa and Li (2020); Wang and Cen (2016)
Time to Obtain an Occupancy Permit	25	n.a.	25	12.50	Kuprenas and Chalmers (1999); NAHB (2021)
Time to Obtain an Environmental Clearance in Construction	25	n.a.	25	12.50	Ghosh (2013)
Total points for Category 3.1	100	n.a.	100	50.00	

3.1.2 Cost to Obtain a Business Location

Indicators	FFP	SBP	Total points	Rescaled points	Background literature
Cost to Transfer Property	25	n.a.	25	12.50	IBA (2019); UNECE (2018)
Cost to Obtain a Building Permit	25	n.a.	25	12.50	IBA (2019); UNECE (2018)
Cost to Obtain an Occupancy Permit	25	n.a.	25	12.50	Kuprenas and Chalmers (1999); NAHB (2021)
Cost to Obtain an Environmental Clearance	25	n.a.	25	12.50	Ghosh (2013)
Total points for Category 3.2	100	n.a.	100	50.00	
Total points for Pillar III	100	n.a.	100	100.00	

Note: n.a. = not applicable (refers to the cases when the impact on firms or society is either ambiguous or nonexistent). FFP = firm flexibility point; SBP = social benefits point

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Annex B. Business Location–Annotated Questionnaire

Annex B consists of a Glossary and Annotated Questionnaire for Business Location. The Annotated Questionnaire provides the mapping between each indicator and the corresponding question(s). Due to the presence of multiple questionnaires, the numbering of categories in the Annotated Questionnaire does not match the Business Location topic methodology note.

Glossary

Active fire safety measures: Systems that require some amount of action or motion in order to work effectively in the event of a fire (for example, fire extinguisher or sprinkler system).

Arbitration: Process of dispute resolution between a government agency responsible for issuing permits and an applicant seeking a permit. Arbitration may be used when there are disagreements or conflicts related to the issuance of a permit, such as when an application is denied or when conditions attached to a permit are contested.

Cadaster: An official register showing details of ownership, boundaries, and value of real property in a district, made for taxation purposes.

Conciliation: A form of alternative dispute resolution that is often used as an alternative to traditional litigation or arbitration. In conciliation, a neutral third party, called a conciliator, is appointed to facilitate the negotiation and mediation process between the parties. The conciliator does not have the power to make a final decision, but instead works to facilitate communication and understanding between the parties in order to reach a mutually acceptable agreement.

Commercial building: Buildings where commercial activities take place. Commercial buildings include office buildings, retail space, warehouses, and more.

Commercial construction: A property where the land is vacant of all buildings and the owner plans on constructing offices dedicated solely to conducting business (with no residential dwellings on site).

Contractual law: Law that involves agreements between people, businesses, and groups and carries legal responsibilities if the agreement is breached.

Dedicated green management teams: Teams in building and planning departments that are dedicated to helping builders plan and build green buildings.

Digitized documents: Information and data that have been transformed (digitized) from a physical format to a digital one. All physical copies of deeds and cadastral plans are scanned and converted to a pdf file and are saved on a computer.

Digitalized documents: All scanned (digitalized) pdf files are uploaded online and can be accessed anytime by anyone with an internet connection.

Direct surveying: Geodesic and topographic surveys that are conducted in situ (on-site surveying).

Discounted development application: A discount on the development application fee provided to builders as an incentive for adopting green building measures.

Environmental screening: The activity of deciding which matters will be investigated as part of the environmental assessment (EIA), once a decision has been made that an EIA is required (that is, once a screening decision has been made).

Environmental scoping: A more detailed process than environmental screening that aims to identify the key environmental issues and potential impacts that need to be addressed in a comprehensive environmental impact assessment.

Expedited permitting: Allows a municipality to offer a significant incentive for green buildings at little or no cost because this strategy only requires a shift in permitting priority.

Fire safety measures: A set of precautions and systems put in place to reduce the risk of fires and ensure the safety of occupants in a building. These measures are typically required by building codes and regulations, and may include both passive and active fire safety systems.

Floor-to-Area density (FAR) bonus: A zoning incentive offered by local governments to encourage developers to build more densely on a given parcel of land than the zoning code would otherwise allow.

Full environmental impact assessment: Evaluation of the effects of public and private projects on the environment. The assessment will be proportionate to the potential risks and impacts of the project, and will assess, in an integrated way, all relevant direct, indirect, and cumulative environmental and social risks and impacts throughout the project life cycle. Key stages in the environmental assessment process include screening, alternatives, preliminary assessment, scoping, mitigation, main EIA study and environmental impact statement, review, and monitoring.

Geographic Information System (GIS): A computer-based system designed to capture, store, analyze, manipulate, and present spatial or geographic data. It is a fully digital geographic representation of the plot of land, showing both the spatial information and the different attributes.

Green building standards: A model code that contains minimum requirements for increasing the environmental and health performance of buildings, sites, and structures.

Guarantee: Either the government or another authorized agency provides a legal guarantee that the person listed on the title has clear and undisputed ownership rights to that property.

Guarantee program: Incentive for green buildings that provides financial support to building owners, developers, or lenders to encourage the construction or renovation of buildings that meet certain environmental standards. The guarantee program provides a guarantee or insurance policy that the building will perform as intended and meet specified environmental standards. The guarantee may cover the cost of energy savings or other environmental benefits that the building will provide over a certain period of time, typically several years.

Housing development project: One or more buildings that collectively contain ten or more new or additional housing units on one or more parcels or lots under common ownership or control, including contiguous parcels.

Indirect surveying: The method of measuring land features and boundaries using indirect methods, such as aerial photography, satellite imagery, or remote sensing techniques.

List of requirements: Includes all the documents and steps necessary to obtain a building permit.

Mediation: Dispute resolution process that involves a neutral third party, called a mediator, facilitating negotiations between two or more parties involved in a permitting process. The goal of mediation is to help the parties reach a mutually acceptable agreement or settlement, without the need for a formal hearing or legal proceeding.

Mixed surveying: A combination of on-site surveying of land and indirect surveying.

National building code: The set of standards established at national level and enforced by local government for the structural safety of buildings.

Net metering: An electricity billing mechanism that allows consumers who generate some or all of their own electricity to use that electricity anytime, instead of when it is generated.

Out-of-court compensation mechanism: A compensation scheme established by law to compensate people who suffer loss or damage, through no fault of their own, because of an error at the land registry.

Passive fire safety measures: Systems that compartmentalize a building through the use of fire-resistance-rated walls/floors, doors, and gap-filling measures.

Phased inspections: Inspections that are carried out at specific stages during construction.

Private title insurance: Private title insurance guarantees indemnity to the new owner of a property if there is a defect in the title or encumbrances are discovered in the property later on.

Public consultation: Effective community engagement through disclosure of project-related information, consultation, and effective feedback in particular with affected communities, and in providing project-based grievance mechanisms. Such information will be disclosed in a timely manner, in an accessible place, and in a form and language understandable to project-affected parties and other interested parties.

Quality control: The strength of quality control and safety mechanisms during the construction process, the liability and insurance regimes, and professional certification requirements to conduct the construction.

Qualification exam: Any examination that one needs to pass in order to being able to practice legally as an engineer or architect.

Random/unscheduled technical inspection: Inspections that can occur at any time or at any stage during construction).

Regulatory relief: A nonfinancial incentive for green buildings that involves simplified regulatory processing or reduced regulatory processing for builders if green building elements are adopted in the construction.

Risk-based type inspections: The law assigns risk by outlining the classification of buildings by type, by occupancy or intended usage, and by size such as floor area and wall height among other relevant criteria.

Registration of deeds: A system whereby a register of documents is maintained relating to the transfer of rights in land.

Registration of title: A system whereby a register of ownership of land is maintained based on the parcel rather than the owner or the deeds transfer.

Simplified environmental impact assessment: Environmental permit involving environmental study with limited scope.

Strategic environmental assessment: A systematic examination of environmental and social risks and impacts, and issues associated with a policy, plan, or program, typically at the national level but also in smaller areas. The examination of environmental and social risks and impacts will include consideration of the full range of environmental and social risks and impacts.

State guarantee: The title is guaranteed by the state and in the event of a defect in the title, it is the state that will compensate for the loss.

Unique identifier: A unique identification number used by both the land registry and the cadaster to identify the same property in their databases.

University degree: Academic qualification of a four-year bachelor's degree or equivalent.

Zoning plan: The plan of area maintained in the office of the competent authority showing the permitted use of land and such other restrictions on the development of land as may be prescribed in the zoning regulations.

PROPERTY TRANSFER

The tables that follow present all indicators (including their components, if applicable) under each pillar, with a reference to the corresponding question number in parenthesis. The questions are listed before each table for ease of reference.

For Y/N questions, the Y response accounts for the score and is considered as the good practice, unless otherwise indicated with the sign “N → good practice”.

In the tables that follow, “AND” means all referenced questions must have a good practice response to obtain a score on the indicator.

In the tables that follow, “OR” means one or more referenced questions must have a good practice response to obtain a score on the indicator.

Certain questions are marked as “not scored,” which indicates that they do not affect the score in any way. The purpose of these questions is to further inform and refine the questions design for subsequent years of the pilot, as needed, as well as to substantiate and provide further information for the scored questions.

Note: The gender indicator of the Business Location topic is shared between property transfer, building permits, and environmental permits. In those cases, the same question is asked for each area (property transfer, building permits, environmental permits). However, the scoring on the indicator is shared among the three areas to avoid triple counting. This shared indicator is marked with *. In terms of the scoring, the 1 point for this indicator feeds into the overall Business Location topic score based on the information collected from the three questionnaires.

PILLAR I—QUALITY OF REGULATIONS FOR IMMOVABLE PROPERTY TRANSFER	
Parameters	
Largest city	The largest (most populous) city in the economy. Geographical location determines selection of appropriate property registry in charge of property transfer. For Pilar I, if regulations differ across states within an economy, the experts will be asked to provide information regarding regulations of the largest city.

1.1 REGULATORY STANDARDS FOR LAND ADMINISTRATION

1.1.1 Property Transaction Standards

1. **Is there a legal obligation to verify the compliance of documents necessary for a property transaction with the law? (Y/N)**

2. **Please specify who is responsible to check that the sale deed is in compliance with the legal framework: (not scored)**
 - 2a. Notary
 - 2b. Lawyer
 - 2c. Registrar
 - 2d. Interested parties
 - 2e. No one

3. **Does the legal system require verification of the identity of each party engaged in a property transaction?** (Y/N)
4. **Is the control of the legality of documents done consistently in practice?** (Y/N) *(not scored)*
5. **Who is held responsible for verifying the identity of the parties to a property transfer?** *(not scored)*
 - 5a. Notary
 - 5b. Lawyer
 - 5c. Registrar
 - 5d. Interested parties
 - 5e. No one
6. **Is the verification of identity of parties done systematically in practice?** (Y/N) *(not scored)*
7. **Does the legal framework require that all property sale transactions be registered at the land registry to make them opposable to third parties?** (Y/N)
8. **Is the law implemented in practice?** (Y/N) *(not scored)*
9. **By law, which of the following documents, if obtained online, would have the same legal value as a paper-based one?**
 - 9a. Property title certificate
 - 9b. Title search certificate
 - 9c. Tax certificate
 - 9d. Company profile document
 - 9e. Cadastral plans

1.1.2 Land Dispute Resolution Mechanism

10. **According to the legal framework is arbitration offered as an out-of-court resolution mechanism for land disputes?** (Y/N)
11. **According to the legal framework, are conciliation and mediation offered as an out-of-court resolution mechanism for land disputes?** (Y/N)
12. **By law, does the land registry have an out-of-court compensation mechanism to allow for compensation payments to parties who suffer losses due to an error in title registration?** (Y/N)
13. **By law, is the property title subject to a guarantee?** (Y/N)

1.1.3 Land Administration System

14. **Does the legal framework specify who can obtain information on land ownership at the immovable property registration agency?** (Y/N)
15. **Which parties can obtain information on land ownership at the immovable property registry?** *(not scored)*
 - 15a. Only intermediaries (notaries, lawyers, etc.)
 - 15b. Interested parties only
 - 15c. Anyone who pays the official fee
 - 15d. Freely accessible to anyone

15e. Information is not publicly available

15f. Other (please specify):

16. By law, is there a cadaster/mapping agency in your economy? (Y/N)

17. Does the legal framework specify who can consult cadastral plans of private land plots in [B-READY largest city]? (Y/N)

18. Which parties can consult cadastral plans of private land plots in [B-READY largest city]? (*not scored*)

18a. Only intermediaries (notaries, lawyers, etc.)?

18b. Interested parties only

18c. Anyone who pays the official fee

18d. Freely accessible by anyone

18e. Information is not publicly available

18f. Other (please specify):

1.1 REGULATORY STANDARDS FOR LAND ADMINISTRATION			
1.1.1 Property Transaction Standards			
Indicators	FFP	SBP	Total points
Compliance with the law (1)	1	1	2
Checking parties' identification (3)	1	1	2
Registering sales transactions (7)	1	1	2
Legality of online documents	1	1	1
- Property title certificate (9a)	0.2	0.2	0.2
- Title search certificate (9b)	0.2	0.2	0.2
- Tax certificate (9c)	0.2	0.2	0.2
- Company profile document (9d)	0.2	0.2	0.2
- Cadastral plans (9e)	0.2	0.2	0.2
Total points	4	4	8
1.1.2 Land Dispute Resolution Mechanism			
Indicators	FFP	SBP	Total points
Arbitration as an alternative dispute resolution (10)	1	1	2
Conciliation and mediation as an alternative dispute resolution (11)	1	1	2
Out-of-court compensation for losses (12)	1	1	2
Protection of property title (13)	1	1	2
Total points	4	4	8
1.1.3 Land Administration System			
Indicators	FFP	SBP	Total points
Disclosure of land registry information (14)	1	1	2
Infrastructure for land administration (16)	1	1	2
Disclosure of cadastral information (17)	1	1	2
Total points	3	3	6

Note: FFP = firm flexibility point; SBP = social benefit point.

Note on the scoring: If the component is present, the corresponding score is assigned. For example, if 9a and 9b and 9c are selected, a score of 0.2 is assigned for each. The same applies to the tables that follow, unless specified otherwise.

1.2 RESTRICTIONS ON PROPERTY LEASING AND OWNERSHIP

1.2.1 Restrictions on Domestic Firms to Lease Property

19. By law, are there any restrictions to lease or own property for domestic firms? (Y/N; N-good practice) *(not scored)*

20. Please specify whether the restrictions are for lease or ownership. *(not scored)*

20a. Lease

20b. Ownership

21. For each of the following, please indicate whether or not there are any legal restrictions to lease a property for domestic firms.

21a. Area of the and

21b. Duration

21c. Location of property

21d. Agricultural land

21e. Height of building

21f. Other (please specify)

1.2.2 Restrictions on Domestic Firms to Own Property

22. For each of the following, please indicate whether or not there are any legal restrictions to own a property for domestic firms.

22a. Area of the land

22b. Location of property

22c. Agricultural land

22d. Height of building

22e. Other (please specify)

1.2.3 Restrictions on Foreign Firms to Lease Property

23. By law, are there any restrictions to lease or own a property for foreign firms? (Y/N; N-good practice) *(not scored)*

24. Please specify whether the restrictions are for lease or ownership. *(not scored)*

24a. Lease

24b. Ownership

25. For each of the following, please indicate whether or not there are any legal restrictions to lease a property for foreign firms.

25a. Area of the and

25b. Duration

25c. Location of property

25d. Agricultural land

25e. Height of building

1.2.4 Restrictions on Foreign Firms to Own Property

26. For each of the following, please indicate whether or not there are any legal restrictions to own a property for foreign firms.

- 26a. Area of the land
- 26b. Duration
- 26c. Location of property
- 26d. Agricultural land
- 26e. Height of building

1.2 RESTRICTIONS ON PROPERTY LEASING AND OWNERSHIP			
1.2.1 Restriction on Domestic Firms to Lease Property			
Indicators	FFP	SBP	Total points
Legal restrictions to lease a property for domestic firms	5	5	10
- Area of the land (21a)	1	1	2
- Duration (21b)	1	1	2
- Location of property (21c)	1	1	2
- Agricultural land (21d)	1	1	2
- Height of building (21e)	1	1	2
Total points	5	5	10
1.2.2 Restriction on Domestic Firms to Own Property			
Indicators	FFP	SBP	Total points
Legal restrictions to own a property for domestic firms	4	4	4
- Area of the land (21a)	1	1	2
- Location of property (21b)	1	1	2
- Agricultural land (21c)	1	1	2
- Height of building (21d)	1	1	2
Total points	4	4	8
1.2.3 Restriction on Foreign Firms to Lease Property			
Indicators	FFP	SBP	Total points
Legal restrictions to lease a property for foreign firms	5	5	5
- Area of the land (25a)	1	1	2
- Duration (25b)	1	1	2
- Location of property (25c)	1	1	2
- Agricultural land (25d)	1	1	2
- Height of building (25e)	1	1	2
Total points	5	5	10
1.2.4 Restriction on Foreign Firms to Own Property			
Indicators	FFP	SBP	Total points
Legal restrictions to own a property for foreign firms	5	5	5
- Area of the land (26a)	1	1	2
- Duration (26b)	1	1	2
- Location of property (26c)	1	1	2
- Agricultural land (26d)	1	1	2
- Height of building (26e)	1	1	2
Total points	5	5	10

Note: FFP = firm flexibility point; SBP = social benefit point.

1.3 GENDER INCENTIVES

1.3.1 Gender Incentives for Professional Participation

27. Are there any incentives for increasing the representation of women in professions related to property transactions? (Y/N)

28. Please select all professions for which such incentives exist: *(not scored)*

- 28a. Notary
- 28b. Property lawyers
- 28c. Registrar
- 28d. Real estate agent
- 28e. Loan officer
- 28f. Other (please specify)

29. Please specify which incentive programs are provided for women in order to increase their representation in the professions you have selected: *(not scored)*

- 29a. Grant
- 29b. Scholarships
- 29c. Training
- 29d. Recruitment policies
- 29e. Prize and awards
- 29f. Other (please specify)

1.3 GENDER INCENTIVES*			
1.3.1 Gender Incentives for Professional Participation			
Indicators	FFP	SBP	Total points
Are there any incentives for increasing the representation of women in professions related to property transactions (27)	0.33	0.33	0.66
Are there any incentives for increasing the representation of women in professions related to construction*	0.33	0.33	0.66
Are there any incentives for increasing the representation of women in professions related to environmental clearances*	0.33	0.33	0.66
Total points	1	1	2

Note: FFP = firm flexibility point; SBP = social benefit point.

*Shared indicators between property transfer, building permits, and environmental permits.

PILLAR II—QUALITY OF PUBLIC SERVICES AND TRANSPARENCY OF INFORMATION	
Parameters	
Largest city	The largest (most populous) city in the economy. The land registry, the tax authorities, and the cadastral services of the largest city will be considered for all questions under Pillar II. For all questions in Pillar II, the experts will be asked to provide their response accounting for this specific parameter unless specified otherwise in the question per se.

2.1 AVAILABILITY AND RELIABILITY OF ONLINE SERVICES

2.1.1 Property Transaction–Digital Public Services

30. Can due diligence checking for transfer of ownership be conducted online? (Y/N) *(not scored)*
31. What type of due diligence checking for transferring property ownership can be conducted online?
- 31a. Title search
 - 31b. Encumbrances
 - 31c. Outstanding taxes
 - 31d. Bankruptcy search
 - 31e. Company profile
32. Please specify if the information requested online are:
- 32a. Accurate (precise, no errors)
 - 32b. Current (latest information)
 - 32c. Detailed (all information provided)
 - 32d. Reliable (information can be verified)
33. If due diligence checking can be conducted online, is there a single platform where all these checks can be done without being redirected to different websites? (Y/N) *(not scored)*
34. Is there a fully functional online platform to register the transfer of property ownership? (Y/N)
35. Please indicate whether the following processes are available on the online platform to register the transfer of property ownership:
- 35a. Downloading documents
 - 35b. Uploading documents
 - 35c. Getting notifications
 - 35d. Obtaining documents
 - 35e. Processing payments
36. Is there an online platform where complaints about services and/or suggestions for improvements at the immovable property registry can be filed? (Y/N)
37. Are the responses to complaints from the immovable property registry publicly available on this platform? (Y/N)
38. Is there an online platform where complaints about services and/or suggestions for improvements at the cadaster/mapping agency can be filed? (Y/N)
39. Are the responses to complaints from the cadaster/mapping agency publicly available on this platform? (Y/N)

2.1.2 Property Transaction–Reliability of Infrastructure

40. Is there a comprehensive and fully functional electronic database for checking encumbrances (liens, mortgages, restrictions, charges, etc.)? (Y/N)
41. Please indicate whether searches can be conducted for each of the following:

- 41a. Liens
- 41b. Mortgages
- 41c. Easements
- 41d. Restrictions

42. Which of the following group(s) can access this database? (Y/N) (not scored)

- 42a. Accessible online to registered users
- 42b. Accessible only by professionals (lawyers/notaries)
- 42c. Accessible only by land registry staff
- 42d. Accessible to anyone at the land registry premises

43. Which of the following best describes the format that land title certificates are kept at the immovable property registry?

- 43a. Digitized
- 43b. Digitalized
- 43c. Paper format

44. Which of the following best describes the format that cadastral certificates are kept at the cadaster/mapping agency?

- 44a. Digitized
- 44b. Digitalized
- 44c. Paper format

45. Which of the following best describes the method used for cadastral surveying?

- 45a. Direct
- 45b. Indirect
- 45c. Mixed

46. Is there an electronic national database for verifying the accuracy of government-issued identity documents of parties engaged in property transactions? (Y/N)

2.1.3 Property Transaction–Coverage

47. Are all privately held land plots formally registered at the immovable property registry in [B-READY largest city]? (Y/N)

48. Are all privately held land plots formally registered at the immovable property registry in the economy? (Y/N)

49. For each of the following, please indicate whether or not the following are reasons that privately held plots are not registered at the immovable property registry: (not scored)

- 49a. Not mandatory by law to register titles
- 49b. Registration fees too high
- 49c. Cumbersome process
- 49d. Inconsistent legal framework
- 49e. Informal payments
- 49f. Poor public land service management
- 49g. Poor infrastructure

50. Are all privately held land plots formally mapped (surveyed and registered in the cadaster) in [B-READY largest city]? (Y/N)

51. Are all privately held land plots formally mapped (surveyed and registered in cadaster) in [the economy]? (Y/N)

52. For each of the following, please indicate whether or not the following are reasons that privately held plots are not mapped at the mapping agency (cadaster) (not scored)

- 52a. Lack of financial resources
- 52b. Informal payments
- 52c. Lack of infrastructure
- 52d. Poor public land service management
- 52e. Lack of surveyors
- 52f. Lack of political will
- 52g. Most land is agricultural land
- 52h. Most lands belong to communities
- 52i. Conflict

2.1 AVAILABILITY AND RELIABILITY OF ONLINE SERVICES			
2.1.1 Property Transaction–Digital Public Services			
Indicators	FFP	SBP	Total points
Online platform encumbrance checking	1	1	2
- Title search (ownership) (31a)	0.20	0.20	0.40
- Encumbrances (liens, charges) (31b)	0.20	0.20	0.40
- Outstanding taxes (tax agency) (31c)	0.20	0.20	0.40
- Bankruptcy search (31d)	0.20	0.20	0.40
- Company profile (31e)	0.20	0.20	0.40
Single online platform for encumbrance checking	1	1	2
- Accurate (precise, no errors) (32a)	0.25	0.25	0.50
- Current (latest information) (32b)	0.25	0.25	0.50
- Detailed (all information provided) (32c)	0.25	0.25	0.50
- Reliable (information can be verified) (32e)	0.25	0.25	0.50
Online platform for property transfer (34)	1	1	2
Processes available online for property transfer	1	1	2
- Downloading forms (35a)	0.20	0.20	0.40
- Uploading documents (35b)	0.20	0.20	0.40
- Getting notifications (35c)	0.20	0.20	0.40
- Obtaining documents (35d)	0.20	0.20	0.40
- Processing payment (35e)	0.20	0.20	0.40
Complaint mechanisms for immovable property registry	1	1	2
- Online platform for complaints (36)	0.50	0.50	1.00
- Responses to complains made publicly available (37)	0.50	0.50	1.00
Complaint mechanisms for cadaster	1	1	2
- Online platform for complaints (38)	0.50	0.50	1.00
- Responses to complains made publicly available (39)	0.50	0.50	1.00
Total points	6	6	12
2.1.2 Property Transactions–Reliability of Infrastructure			
Indicators	FFP	SBP	Total points
Infrastructure database for checking encumbrances	1	1	2
- Liens (41a)	0.25	0.25	0.50
- Mortgages (charges) (41b)	0.25	0.25	0.50
- Restrictions (41c)	0.25	0.25	0.50
- Easements (41d)	0.25	0.25	0.50

Format of land title certificates - Titles are digitalized (43a) OR - Titles are digitized (43b) <i>Score of 1 if the titles are digitalized (accessible on the cloud) or 0.5 point if they are digitized (pdf saved on a computer)</i>	1 1 OR 0.50	1 1 OR 0.50	2 2 OR 1
Format of cadastral plans - Titles are digitalized (44a) OR - Titles are digitized (44b) <i>Score of 1 if the titles are digitalized (accessible on the cloud) or 0.5 point if they are digitized (pdf saved on a computer)</i>	1 1 OR 0.50	1 1 OR 0.50	2 2 OR 1
Method to conduct cadastral surveying (45a OR 45c)	1	1	2
Infrastructure database for checking identification (46)	1	1	2
Total points	5	5	10
2.1.2 Property Transactions–Coverage			
Indicators	FFP	SBP	Total points
Property registration coverage at main business city level (47)	1	1	2
Property registration coverage at national level (48)	1	1	2
Cadastral coverage at main city level (50)	1	1	2
Cadastral coverage at national level (51)	1	1	2
Total points	4	4	8

Note: FFP = firm flexibility point; SBP = social benefit point.

2.2 INTEROPERABILITY OF SERVICES

2.2.1 Interoperability of Property Transactions

53. Which of the following best describes the format in which information is recorded by the immovable property registration agency and the cadaster/mapping agency in [B-READY largest city]:

53a. A single database containing both legal and geographical information

53b. Different but linked databases (where information is automatically updated and shared between the two institutions)

53c. Separate databases

54. Is the immovable property registration agency linked to an agency, other than the cadaster? (Y/N)

55. Please specify the agency(ies) linked to the land registry: (not scored)

55a. Beneficial ownership agency

55b. Business registry

55c. Tax agency

55d. Other (please specify)

56. Is there a Geographical Information System (GIS) used by the land administration agency in [B-READY largest city]? (Y/N)

57. Do the immovable property registration and the cadastral/mapping agencies in [B-READY largest city] use the same unique identifier to search for properties? (Y/N)

2.2 INTEROPERABILITY OF SERVICES			
2.2.1 Interoperability of Property Transactions			
Indicators	FFP	SBP	Total points
Interoperability between land registry and cadaster (53a OR 53b)	1	1	1
Interoperability between land registry and other services (54)	1	1	2
Existence of a Geographic Information System (GIS) (56)	1	1	2
Existence of a unique identifier between land registry and cadaster (57)	1	1	2
Total points	4	4	8

Note: FFP = firm flexibility point; SBP = social benefit point.

2.3 TRANSPARENCY OF INFORMATION

2.3.1 Transparency of Information for Immoveable Property

58. Is the list of documents required to complete all types of property transactions available online and up to date (all latest changes are provided)? (Y/N)

59. Which best indicates the availability of list of documents online? (not scored)

59a. Available online and regularly updated

59b. Available online but not regularly updated

60. Is the applicable fee schedule for all types of property transactions at the immovable property registration agency available online and up to date (all latest changes are provided)? (Y/N)

61. Which best indicates the availability of the updated fee schedule online? (not scored)

61a. Available online and regularly updated

61b. Available online but not regularly updated

62. Does the land registry publish online the time it will take to deliver a legally binding document proving property ownership? (For example, the land registry states that it will deliver a property title in 5 working days.) (Y/N)

63. Is the timeframe to deliver a legally binding document proving property ownership respected in practice? (Y/N) (not scored)

64. Is the applicable fee schedule to access cadastral plans publicly available online and up to date (all the latest changes are provided)?

64a. Available online and regularly updated

64b. Available online but not regularly updated

65. Is the cadastral plan available online for free? (Y/N) (not scored)

66. Does the cadaster/mapping agency publish online the time it will take to deliver a certified most updated cadastral plan (for example, 5 working days to obtain a certified most updated cadastral plan)? (Y/N)

67. Is the time published by the cadaster to deliver a certified most updated cadastral plan respected in practice? (Y/N) (not scored)

- 68. Are there official, updated, and publicly available online statistics tracking the number and type of transactions at the immovable property registry in [B-READY largest city]? (Y/N) (not scored)**
- 69. How many years of statistics tracking number and type of transactions at the immovable property registry are available?**
69a. Available for 1 year
69b. Available for 2 years
69c. Available for 3 years
69d. Available for 4 years
69e. Available for 5 years or more
- 70. Are there official, updated and publicly available online statistics tracking the number and types of land disputes at the national level? (Y/N) (not scored)**
- 71. How many years of statistics tracking the number and type of land disputes are available?**
71a. Available for 1 year
71b. Available for 2 years
71c. Available for 3 years
71d. Available for 4 years
71e. Available for 5 years or more
- 72. Are there official, updated, and publicly available statistics tracking the average time it takes to resolve land disputes? (Y/N) (not scored)**
- 73. How many years of statistics tracking the average time it takes to resolve land disputes are available?**
73a. Available for 1 year
73b. Available for 2 years
73c. Available for 3 years
73d. Available for 4 years
73e. Available for 5 years or more

2.3.2 Sex-Disaggregated Land Registry Data

- 74. Does the land registry in [B-READY largest city] collect data separately on male and female ownership? (Y/N)**
- 75. Which of the below data are collected separately for male and female land ownership? (not scored)**
75a. Sole ownership
75b. Joint ownership
75c. Other (please specify)
- 76. Are these data available for the most recent calendar year (2022)? (Y/N) (not scored)**
- 77. Are these data anonymized? (Y/N) (not scored)**
- 78. Are these data publicly available online? (Y/N) (not scored)**

2.3 TRANSPARENCY OF INFORMATION			
2.3.1 Transparency of Information for Immoveable Property			
Indicators	FFP	SBP	Total points
Publication of property transactions requirements (58)	1	1	2
Transparency of property transactions costs (60)	1	1	2
Service standards at the land registry (62)	1	1	2
Transparency of cadaster costs (64a)	1	1	2
Service standards for cadaster (66)	1	1	2
Availability of statistics on land transactions - Available for 1 year (69a) OR - Available for 2 years (69b) OR - Available for 3 years (69c) OR - Available for 4 years (69d) OR - Available for 5 years or more (69e) <i>Score of 1 point assigned if 69e selected; 0.8 point if 69d selected; 0.6 points 69c selected; 0.4 points if 69b selected; 0.2 point if 69a selected</i>	1 0.20 OR 0.40 OR 0.60 OR 0.80 OR 1	1 0.20 OR 0.40 OR 0.60 OR 0.80 OR 1	2 0.40 OR 0.80 OR 1.20 OR 1.60 OR 2
Availability of statistics on number and type of land disputes - Available for 1 year (71a) OR - Available for 2 years (71b) OR - Available for 3 years (71c) OR - Available for 4 years (71d) OR - Available for 5 years or more (71e) <i>Score of 1 point assigned if 71e selected; 0.8 point if 71d selected; 0.6 points 71c selected; 0.4 points if 71b selected; 0.2 point if 71a selected</i>	1 0.20 OR 0.40 OR 0.60 OR 0.80 OR 1	1 0.20 OR 0.40 OR 0.60 OR 0.80 OR 1	2 0.40 OR 0.80 OR 1.20 OR 1.60 OR 2
Availability of statistics on average time taken to resolve land disputes - Available for 1 year (73a) OR - Available for 2 years (73b) OR - Available for 3 years (73c) OR - Available for 4 years (73d) OR - Available for 5 years or more (7e) <i>Score of 1 point assigned if 73e selected; 0.8 point if 73d selected; 0.6 points 73c selected; 0.4 points if 73b selected; 0.2 point if 73a selected</i>	1 0.20 OR 0.40 OR 0.60 OR 0.80 OR 1	1 0.20 OR 0.40 OR 0.60 OR 0.80 OR 1	2 0.40 OR 0.80 OR 1.20 OR 1.60 OR 2
Total points	8	8	16
2.3.2 Sex-Disaggregated Land Registry Data			
Indicators	FFP	SBP	Total points
Gender data on property ownership (74)	1	1	2
Total points	1	1	2

Note: FFP = firm flexibility point; SBP = social benefit point.

PILLAR III—EFFICIENCY OF PROPERTY TRANSFER IN PRACTICE	
Parameters	
Largest city	The largest (most populous) city in the economy. Geographical location determines selection of appropriate property registry in charge of property transfer. For all questions under Pillar III, the experts will be asked to provide their response accounting for this specific parameter unless specified otherwise in the question per se.

Value of property	For estimation of cost of property transfer, a parameter of value of property is provided (based on 100 times GNI [gross national income] per capita). This value of property is provided in local currency. For all questions under Pillar III, the experts will be asked to provide their response accounting for this specific parameter, unless specified otherwise in the question per se.
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3.1 EFFICIENCY OF PROPERTY TRANSFER IN PRACTICE

Further information (based on the scope of the topic):

- Both selling and buying companies are owned by private nationals
- Type of property under consideration is a commercial property

79. Please indicate what is the legal form of land ownership in [B-READY largest city] (not scored)

- 79a. Full title
- 79b. Lease
- 79c. State-owned land use right
- 79d. Right of occupancy

80. What is the type of property registration system in place in [B-READY largest city]: (not scored)

- 80a. Registration of deeds
- 80b. Registration of title
- 80c. Both

Due Diligence Process

When completing the “due diligence” table, please consider only the processes that are applicable in [B-READY largest city] based on the legal ownership and registration system in place or commonly done in practice. For the connection with the parameters above, please indicate the typical characteristics. Please leave blank the rows that are not applicable when doing the due diligence checking. While providing cost estimates please keep parameter of value of property in mind.

81. On average, how many calendar days does it take to complete each of the following steps:

- 81a. Encumbrance checking
- 81b. Title search (to confirm ownership)
- 81c. Obtain authorization to transfer state owned land
- 81d. Outstanding taxes (property or other taxes)
- 81e. Bankruptcy
- 81f. Utilities (outstanding bills)
- 81g. Company profile
- 81h. Cadastral plan
- 81i. Zoning plan
- 81j. Building certificate from municipal council
- 81k. Inform the local council of sale and selling price
- 81l. Drainage certificate from water authority
- 81m. Identification survey from licensed surveyor
- 81n. Other (please specify)

82. On average, what is the cost (in local currency) to complete each of the following steps:

- 82a. Encumbrance checking
- 82b. Title search (to confirm ownership)
- 82c. Obtain authorization to transfer state owned land
- 82d. Outstanding taxes (property or other taxes)

- 82e. Bankruptcy
- 82f. Utilities (outstanding bills)
- 82g. Company profile
- 82h. Cadastral plan
- 82i. Zoning plan
- 82j. Building certificate from municipal council
- 82k. Inform the local council of sale and selling price
- 82l. Drainage certificate from water authority
- 82m. Identification survey from licensed surveyor
- 82n. Other (please specify)

Signing of the Sale Deed

When completing the “signing of the sale deed” table, please consider only the processes that are applicable in [B-READY largest city] based on the legal ownership and registration system in place. While providing cost estimates please keep parameter of value of property in mind.

83. On average, how many calendar days does it take to complete each of the following steps:

- 83a. Drafting of the sale contract by notary/lawyer
- 83b. Meeting with parties and signing of sale deed (or land use right transfer contract) in the notary/lawyer’s office
- 83c. Other (please specify)

84. On average, what is the cost (in local currency) to complete each of the following steps:

- 84a. Drafting of the sale contract by notary/lawyer
- 84b. Meeting with parties and signing of sale deed (or land use right transfer contract) in the notary/lawyer’s office

Registration of Sale Deed

When completing the “registration of the sale deed” table, please consider only the processes that are applicable in [B-READY largest city] based on the legal ownership and registration system in place. While providing cost estimates please keep parameter of value of property in mind.

Note: Registration of the sale deed (or state own land transfer contract) at the land registry until registration is complete and transaction is opposable to third parties.

85. On average, how many calendar days does it take to complete each of the following steps:

- 85a. Payment of transfer tax (tax authority)
- 85b. Payment of registration fees (land registry)
- 85c. Payment of stamp duty (when applicable)
- 85d. Registering the same deed at the land registry

86. On average, what is the cost (in local currency) to complete each of the following steps:

- 86a. Payment of transfer tax (tax authority)
- 86b. Payment of registration fees (land registry)
- 86c. Payment of stamp duty (when applicable)
- 86d. Registering the same deed at the land registry

87. What is the total time to complete the entire process to transfer the ownership of a commercial property from one domestic company to another domestic company (calendar days)?

88. What is the total cost to complete the entire property transfer process between two domestic companies (local currency)?

3.1 TIME			
Indicators	FFP	SBP	Total points
Time to Transfer Property (87) <i>Also corroborated with 81a–81m, 83, 85</i>	100 (100%)	n.a.	100 (100%)
Total points	100	n.a.	100
3.2 COST			
Indicators	FFP	SBP	Total points
Cost to Transfer Property (88) <i>Also corroborated with 82a–82m, 84, 86</i>	100 (100%)	n.a.	100 (100%)
Total points	100	n.a.	100

Note: n.a. = not applicable (refers to the cases when the impact on firms or society is either ambiguous or nonexistent).
FFP = firm flexibility point; SBP = social benefit point.

The data on the indicators for Pillar III will be normalized to a common unit—for example, on the scale from 0 to 100 points, where 0 represents the lowest and 100 represents the best performance. In turn, best (worst) performance is defined by the highest (lowest) standards and/or practices, measured as a single point or range of values.

BUILDING PERMITS QUESTIONNAIRE

The tables that follow present all indicators (including their components, if applicable) under each pillar, with a reference to the corresponding question number in parenthesis. The questions are listed before each table for ease of reference.

For Y/N questions, the Y response accounts for the score and is considered as the good practice, unless otherwise indicated with the sign “N–good practice”.

In the tables that follow, “AND” means all referenced questions must have a good practice response to obtain a score on the indicator.

In the tables that follow, “OR” means one or more referenced questions must have a good practice response to obtain a score on the indicator.

Certain questions are marked as “not scored,” which indicates that they do not affect the score in any way. The purpose of these questions is to further inform and refine the questions design for subsequent years of the pilot, as needed, as well as to substantiate and provide further information for the scored questions.

Note: The gender indicator of the Business Location topic is shared between property transfer, building permits, and environmental permits. In those cases, the same question is asked for each area (property transfer, building permits, environmental permits). However, the scoring on the indicator is shared among the three areas to avoid triple counting. This shared indicator is marked with *. In terms of the scoring, the 1 point for this indicator feed into the overall Business Location topic score based on the information collected from the three questionnaires.

PILLAR I–QUALITY OF REGULATIONS FOR IMMOVABLE PROPERTY LEASE, PROPERTY OWNERSHIP, AND URBAN PLANNING	
Parameters	
Largest city	The largest (most populous) city in the economy. Geographic location determines the relevant regulatory framework governing building and environmental permits. In many economies, legislation governing building and environmental permits is defined at city and municipal level. For Pillar I, if regulations differ across states within an economy, the experts will be asked to provide information regarding regulations of the largest city.

1.1 REGULATORY STANDARDS FOR BUILDING REGULATIONS AND ENVIRONMENTAL PERMITS

1.1.1 Building regulations standards

- 1. Is there a national building code and/or a unified set of building standards applicable to all construction in [B-READY largest city]? (Y/N)**

- 2. Please indicate whether the national building code and/or a unified set of building standards provide clear provisions or guidelines for each of the following:**
 - 2a. Natural disaster resistant construction (e.g., floods, storms, earthquakes, etc.)
 - 2b. Building classification according to certain criteria (e.g., usage; size)
 - 2c. Active and passive fire safety measures
 - 2d. Soil testing requirements for certain permanent building types

- 2e. Structural strength (materials to be used)
3. **Does the regulatory framework require permits for the handling, removal, and disposal of regulated construction materials (such as asbestos, lead, mercury-containing devices, polychlorinated biphenyls [PCB]) that pose health risks? (Y/N)**
4. **Which of the below materials are regulated?**
- 4a. Asbestos
 - 4b. Lead-containing pipes, components, paints
 - 4c. Mercury-containing fluorescent lamps, thermostats, and electric devices
 - 4d. Polychlorinated biphenyls (PCB) in electric transformers, fluorescent light ballasts, caulk, and masonry joints
5. **Does the law prohibit use of any of the following construction materials in new buildings?**
- 5a. Asbestos
 - 5b. Lead-containing pipes, components, paints
 - 5c. Mercury-containing fluorescent lamps, thermostats, and electric devices
 - 5d. Polychlorinated biphenyls (PCB) in electric transformers, fluorescent light ballasts, caulk, and masonry joints
6. **Is there a requirement by law to inspect and/or test construction materials to ensure that regulated construction materials (such as asbestos, lead, mercury-containing devices, polychlorinated biphenyls [PCB]) are not being used during construction? (Y/N)**
7. **Which of the below materials are required to be inspected/tested by law?**
- 7a. Asbestos
 - 7b. Lead-containing pipes, components, paints
 - 7c. Mercury-containing fluorescent lamps, thermostats, and electric devices
 - 7d. Polychlorinated biphenyls (PCB) in electric transformers, fluorescent light ballasts, caulk, and masonry joints
8. **Which agency is responsible for the inspections/testing? (Y/N) (not scored)**
9. **Does the law require verification of compliance of building plans with existing building regulations? (Y/N) (not scored)**
10. **According to the law, who is responsible for verifying compliance of building plans with existing building regulations?**
- 10a. Public agency: Certified/licensed engineer or architect
 - 10b. Public agency: Somebody other than an architect or engineer
 - 10c. Private and external firms of certified architects and/or civil engineers, not part of the building company
 - 10d. Internal review by the architect/engineer who prepared the plans
11. **The person who is responsible for conducting the verification of compliance of building plans in the public agency is: (not scored)**
- 11a. Certified/licensed engineer
 - 11b. Certified/licensed architect
 - 11c. A representative of the public agency who is neither an architect nor engineer

- 12. Does the law require verification of compliance with structural and building safety aspects? (Y/N)**
(not scored)
- 13. What types of technical inspections for structural safety (if any) are required by law to be carried out during construction? (Y/N)**
13a. Random/unscheduled inspections
13b. Phased inspections
13c. Risk-based inspections
13d. None
- 14. Is a final inspection required by law before a building can be used or occupied? (Y/N)**
- 15. If final inspection before building occupancy is mandated by law, is it implemented in practice? (Y/N)**
(not scored)
- 16. Is liability for structural defects in [B-READY largest city] defined by law once a building is in use or occupied? (Y/N)**
(not scored)
- 17. If there are structural problems in a building once it is in use, are the responsible architects or engineers legally held liable according to the law? (Y/N)**
- 18. What is the length of time for which an architect or an engineer can be held liable according to the law? (not scored)**
18a. Less than 1 year
18b. 1 year to less than 2 years
18c. 2 years to less than 5 years
18d. 5 years or more
- 19. According to the law, is the professional or agency conducting technical inspections during construction held liable for structural defects or problems once the building is in use? (Y/N)**
- 20. What is the length of time for which the professional or agency conducting technical inspections during construction can be held liable according to the law? (not scored)**
20a. Less than 1 year
20b. 1 year to less than 2 years
20c. 2 years to less than 5 years
20d. 5 years or more
- 21. According to the law, is the construction company held liable for structural defects or problems once the building is in use? (Y/N)**
- 22. What is the length of time for which the construction company can be held liable according to the law? (not scored)**
22a. Less than 1 year
22b. 1 year to less than 2 years
22c. 2 years to less than 5 years
22d. 5 years or more
- 23. Is a university degree (a four-year bachelor's degree or graduate degree) mandatory by law to be recognized as an architect or an engineer? (Y/N)**

24. What type of qualification is legally required to conduct technical supervisions/inspections of construction projects?

- 24a. Is an architect or engineer
- 24b. Years of practical experience
- 24c. Member of association of architects or engineers
- 24d. Pass an exam

25. When leasing a building in [B-READY largest city], please select which of the following applies by law when obtaining a new use and occupancy permit: *(not scored)*

- 25a. All new leases require a new use and occupancy permit
- 25b. A new use and occupancy permit is required only when there is a change of building use
- 25c. No new use and occupancy permit is required when leasing a building, the original permit is sufficient

1.1.2 Building Energy Codes and Standards

26. Are there legally required minimum energy-efficiency performance standards in the building code or any other building regulations? (Y/N)

27. How often are these standards enforced in practice? *(not scored)*

- 27a. Very often
- 27b. Somewhat often
- 27c. Not very often
- 27d. Not often at all

28. Is proof of compliance with energy-efficiency standards included as a precondition for obtaining a building permit? (Y/N)

29. Are energy-efficiency standards proof of design compliance part of the preconditions for issuing a building permit? (Y/N) *(not scored)*

30. Please indicate which elements of the energy-efficiency performance standards are verified as part of the building plans review process?

- 30a. Thermal transmittance or insulation calculations for building envelope
- 30b. Solar heat gain calculations for building envelope
- 30c. Glazing factors for fenestration
- 30d. Heating/cooling demand calculations
- 30e. Daylighting and orientation
- 30f. Permanent shading
- 30g. Air barrier, air leakage or air infiltration
- 30h. Efficiency of heating and cooling equipment and controls
- 30i. Efficiency of water heating equipment and controls
- 30j. Efficiency of lighting fixtures and controls

31. Are there any incentives, mandated by law or in practice, provided to builders in order to promote green building standards? (Y/N)

32. Among the following financial incentives, which of these are mandated by law? *(not scored)*

- 32a. Property tax incentives
- 32b. Grants/subsidies/loan programs
- 32c. Net metering

32d. Discounted development application

33. Among the following financial incentives, which of carried out in practice? (not scored)

- 33a. Property tax incentives
- 33b. Grants/subsidies/loan programs
- 33c. Net metering
- 33d. Discounted development application

34. Among the following non-financial incentives, which of these are mandated by law? (not scored)

- 34a. Floor-to-Area density (FAR) bonus
- 34b. Expedited permitting
- 34c. Business planning assistance
- 34d. Marketing assistance
- 34e. Regulatory relief
- 34f. Guarantee program
- 34g. Dedicated green management teams in building and planning departments

35. Among the following non-financial incentives, which of these are carried out in practice? (not scored)

- 35a. Floor-to-Area density (FAR) bonus
- 35b. Expedited permitting
- 35c. Business planning assistance
- 35d. Marketing assistance
- 35e. Regulatory relief
- 35f. Guarantee programs
- 35g. Dedicated green management teams in building and planning departments

1.1.3 Gender Incentives for Professional Participation

36. Are there any incentives for increasing the representation of women in professions related to construction? (Y/N)

37. Please select all professions for which such incentives exist: (not scored)

- 37a. Engineers
- 37b. Architects
- 37c. Surveyors
- 37d. Others

38. Please select the incentive programs from the following list which are provided for women in order to increase their representation in the professions you have selected: (not scored)

- 38a. Scholarships
- 38b. Training programs
- 38c. Grants
- 38d. Recruitment policies
- 38e. Prizes and awards
- 38f. Other incentive programs

1.1.4 Zoning and Land Use Planning

39. Do formal land use planning/zoning regulations exist in [B-READY largest city]? (Y/N) (not scored)

40. Do the formal land use planning/zoning regulations incorporate any of the below:

- 40a. Requirements for trunk infrastructure availability (water, electricity, sanitation)
- 40b. Hazard maps that identify areas in which construction is not permitted due to natural hazards
- 40c. Hazard maps that identify minimum separation between residential and hazardous occupancies
- 40d. Maps that identify areas in which construction of buildings is not permitted in relation to natural resources

1.1.5 Dispute Resolution Mechanisms for Environmental Clearances in Construction and Building Permitting

41. Does the building regulation /code/standard have any provisions to dispute the decision of the building authority? (Y/N)

1.1 REGULATORY STANDARDS FOR BUILDING REGULATIONS AND ENVIRONMENTAL LICENSES			
1.1.1 Building Regulations Standards			
Indicators	FFP	SBP	Total points
Building codes/standards applicable to all constructions (1)	1	1	2
Clear provisions or guidelines regarding safety standards	0	1	1
- Natural disaster resistant construction (e.g., floods, storms, earthquakes, etc.) (2a)	0	0.20	0.20
- Building classification according to certain criteria (e.g., usage; size) (2b)	0	0.20	0.20
- Active and passive fire safety measures (2c)	0	0.20	0.20
- Soil testing requirements for certain permanent building types (2d)	0	0.20	0.20
- Structural strength (materials to be used) (2e)	0	0.20	0.20
Regulation of health risk related to construction materials (3)	0	1	1
List of regulated materials	0	1	1
- Asbestos (4a)	0	0.25	0.25
- Lead-containing pipes, components, paints (4b)	0	0.25	0.25
- Mercury-containing fluorescent lamps, thermostats, and electric devices (4c)	0	0.25	0.25
- Polychlorinated biphenyls (PCB) in electric transformers, fluorescent light ballasts, caulk, and masonry joints (4d)	0	0.25	0.25
Prohibition of use of construction materials	0	1	1
- Asbestos (5a)	0	0.25	0.25
- Lead-containing pipes, components, paints (5b)	0	0.25	0.25
- Mercury-containing fluorescent lamps, thermostats, and electric devices (5c)	0	0.25	0.25
- Polychlorinated biphenyls (PCB) in electric transformers, fluorescent light ballasts, caulk, and masonry joints (5d)	0	0.25	0.25
Responsibility for compliance with legal requirements (10a OR 10c)	1	1	2
Type of inspections carried out during construction (13b OR 13c)	1	1	2
Final inspection required by law (14)	1	1	2
Liability for structural flaws/problems (17 OR 19 OR 21) <i>Score assigned if either/all 17,19 or 21 selected</i>	1	1	1
Requirement a to be an architect or engineer (23)	1	1	2
Qualifications to conduct technical supervision/inspections	1	1	2
- Is an architect or engineer (24a)	0.25	0.25	0.50
- Years of practical experience (24b)	0.25	0.25	0.50
- Member of association of architects or engineers (24c)	0.25	0.25	0.50

- Pass an exam (24d)	0.25	0.25	0.50
Total points	7	11	18
1.1.2 Building Energy Codes and Standards			
Indicators	FFP	SBP	Total points
Mandatory minimum energy-efficiency performance standards (26)	0	1	1
Precondition to provide proof of design compliance with the energy-efficiency performance standards (28)	0	1	1
Energy-efficiency performance standards are verified	0	1	1
- Thermal transmittance or insulation calculations (30a)	0	0.10	0.10
- Solar heat gain calculations for building envelope (30b)	0	0.10	0.10
- Glazing factors for fenestration (30c)	0	0.10	0.10
- Heating/cooling demand calculations (30d)	0	0.10	0.10
- Daylighting and orientation (30e)	0	0.10	0.10
- Permanent shading (30f)	0	0.10	0.10
- Air barrier, air leakage or air infiltration (30g)	0	0.10	0.10
- Efficiency of heating and cooling equipment and controls (30h)	0	0.10	0.10
- Efficiency of water heating equipment and controls (30i)	0	0.10	0.10
- Efficiency of lighting fixtures and controls (29j)	0	0.10	0.10
Incentives to promote green building standards (30)	0	1	1
Total points	0	4	4
1.1.3 Gender Incentives for Professional Participation*			
Indicators	FFP	SBP	Total points
Are there any incentives for increasing the representation of women in professions related to property transactions*	0.33	0.33	0.66
Are there any incentives for increasing the representation of women in professions related to construction (36)	0.33	0.33	0.66
Are there any incentives for increasing the representation of women in professions related to environmental clearances*	0.33	0.33	0.66
Total points	1	1	2
1.1.4 Zoning and Land Use Planning			
Indicators	FFP	SBP	Total points
Land use and zoning regulations	1	1	1
- Requirements for trunk infrastructure availability (water, electricity, sanitation)? (40a)	0.25	0.25	0.25
- Hazard maps or related means that identify areas in which construction is not permitted due to natural hazards (40b)	0.25	0.25	0.25
- Hazard maps or related means that identify minimum separation between residential and hazardous occupancies (40c)	0.25	0.25	0.25
- Maps or related means that identify areas in which construction of buildings is not permitted in relation to natural resources (40d)	0.25	0.25	0.25
- None in existence (40f)	0	0	0
Total points	1	1	1
1.1.5 Dispute Resolution Mechanisms for Environmental Clearances in Construction and Building Permits			
Indicators	FFP	SBP	Total points
Ability to dispute building permit decisions (41)	1	1	2
Total points	1	1	2

Note: FFP = firm flexibility point; SBP = social benefit point.

*Shared indicators between property transfer, building permits, and environmental permits.

PILLAR II–QUALITY OF PUBLIC SERVICES AND TRANSPARENCY OF INFORMATION

Parameters

Largest city	The largest (most populous) city in the economy. Geographic location determines the relevant regulatory framework governing building and environmental permits. In many economies, legislation governing building and environmental permits is defined at city and municipal level. For all questions in Pillar II, the experts will be asked to provide their response accounting for this specific parameter unless specified otherwise in the question per se.
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2.1 AVAILABILITY AND RELIABILITY OF ONLINE SERVICES

2.1.1 Building Permits and Environmental Licenses–Digital Public Services

42. Is there an online platform for issuing building authorizations (for example, an online platform that can be used for planning approvals, constructions permits, and occupancy permits)? (Y/N)

43. Which of the following best describes the level of integration for the online platform?

- 43a. The online platform does not integrate any relevant authorizations from agencies outside of the planning/building departments.
- 43b. The online platform integrates some relevant authorizations from agencies outside of the planning/building departments.
- 43c. The online platform integrates authorizations from all relevant agencies from organizations outside of the planning/building departments.
- 43d. None of the above

44. Please indicate if the online platform allows the following electronic features:

- 44a. Online payment
- 44b. Online communication
- 44c. Online notification
- 44d. Online submission
- 44e. Auto-generated checklist

45. Please indicate whether or not an electronic system allows for each of the following permits:

- 45a. Building permits
- 45b. Occupancy permits

46. Can final decisions on building permits be disputed online? (Y/N)

2.1 AVAILABILITY AND RELIABILITY OF ONLINE SERVICES

2.1.1 Building Permits and Environmental Licenses–Digital Public Services

Indicators	FFP	SBP	Total points
Online platform for issuing building authorizations - Online platform for building authorizations and integration of all relevant authorizations from organizations outside of the planning/building departments (43a) OR	1 1 OR	1 1 OR	2 2 OR

- Online platform for building authorizations and integration of some relevant authorizations from organizations outside of the planning/building departments (43b) <i>A score of 1 is assigned if 43a selected, a score of 0.5 assigned if 43b assigned</i>	0.5	0.5	1
Electronic permitting systems with several functionalities	1	1	2
- Online payment (44a)	0.20	0.20	0.40
- Online communication (44b)	0.20	0.20	0.40
- Online notification (44c)	0.20	0.20	0.40
- Online submission (44d)	0.20	0.20	0.40
- Auto-generated checklist (44e)	0.20	0.20	0.40
Electronic permitting systems to submit building and occupancy permits	1	1	2
- Building permit can be obtained online (45a)	0.50	0.50	1.00
- Occupancy permit can be obtained online (45b)	0.50	0.50	1.00
Mechanism available to file a dispute online on the final decision on building permits (46)	1	1	2
Total points	5	5	10

Note: FFP = firm flexibility point; SBP = social benefit point.

2.2 INTEROPERABILITY OF SERVICES

2.2.1 Interoperability of Building Permits

47. Are spatial plans and zoning requirement available to all stakeholders in the form of a Geographic Information System (GIS) or other spatial data platforms?

- 47a. Yes, available through an online portal for information purposes, but the online extract is not valid for official procedures
- 47b. Yes, available from a central location (e.g., national spatial planning system, GIS, or registry of urban plans) and can be digitally exchanged for processing construction-related permits
- 47c. Not available in a digital form from a central location but can be provided in a digital form on an ad hoc basis to any interested party (e.g., USB media, CD disk)

48. Are the GIS and/or national spatial platforms integrated between the permit-issuing agency and other stakeholder agencies (i.e., cadaster, land registries, municipal departments, utility service providers, etc.)? (Y/N)

2.2 INTEROPERABILITY OF SERVICES			
2.2.1 Interoperability for Building Permits			
Indicators	FFP	SBP	Total points
Availability of spatial plans and zoning requirements to all stakeholders (47b)	1	1	2
Integration of GIS or national spatial platforms (48)	1	1	2
Total points	2	2	4

Note: FFP = firm flexibility point; GIS = Geographic Information System; SBP = social benefit point.

2.3 TRANSPARENCY OF INFORMATION

2.3.1 Transparency of Information on Building Permits and Environmental Licenses

49. Are planning and building control regulations publicly accessible? (Y/N)
50. How are planning and building control regulations made available? *(not scored)*
- 50a. Available online and up to date
 - 50b. Online but not up to date
 - 50c. They are available on request, free of charge
 - 50d. They are available for a fee
51. Are the requirements to obtain any type of building related permits published online? (Y/N) *(not scored)*
52. Which of the following information to obtain building related permits online to the general public?
- 52a. All required pre-approvals of the drawings/plans by the relevant agencies (i.e., electrical, water, sewerage, environmental, etc.)
 - 52b. List of required documents to submit to request and obtain a building permit (i.e., land ownership certificate, types of drawings and plans, etc.)
 - 52c. Requirements to obtain occupancy permit
53. Is the applicable fee schedule for all types of construction available online and up to date?
- 53a. Yes, available online and updated
 - 53b. Available online but not updated
 - 53c. No, not available to the public
54. Are there official, updated and publicly available online statistics tracking the number of issued building permits? (Y/N) *(Not scored)*
55. How many years of statistics tracking the number of issued building permits are available?
- 55a. Available for 1 year
 - 55b. Available for 2 years
 - 55c. Available for 3 years
 - 55d. Available for 4 years
 - 55e. Available for 5 years or more
56. Are there official, updated, and publicly available online statistics tracking the type of issued building permits? (Y/N) *(Not scored)*
57. How many years of statistics tracking the type of issued building permits are available? *(Not scored)*
- 57a. Available for 1 year
 - 57b. Available for 2 years
 - 57c. Available for 3 years
 - 57d. Available for 4 years
 - 57e. Available for 5 years or more
58. Does [B-READY largest city] have a city master plan/zoning plan which has been updated in the last 10 years? (Y/N)

2.3.2 Transparency of Information on Zoning and Land Use

59. Are there clear, defined steps to modifying the zoning/land use plan in [B-READY largest city]? (Y/N)

60. How is adherence to zoning regulations verified before submitting building permit application in [B-READY largest city]?

60a. Through zoning maps of city accessible to builder online to verify that the project's intended location is in compliance with zoning regulations

60b. Permit issuing authority checks the zoning compliance after receiving building permit application with no involvement from builder

60c. Builder obtains urban planning approval from planning agency before obtaining building permit

2.3 TRANSPARENCY OF INFORMATION			
2.3.1 Transparency of Information on Building Permits and Environmental Licenses			
Indicators	FFP	SBP	Total points
Public accessibility of planning and building control regulations (49)	1	1	2
Public online availability of requirements to obtain all types of building related permits	1	1	2
- All required pre-approvals of the drawings/plans by the relevant agencies (i.e., electrical, water, sewerage, environmental, etc.) (52a)	0.50	0.50	1
- List of required documents to submit to request and obtain a building permit (i.e., land ownership certificate, types of drawings and plans, etc.) (52b)	0.50	0.50	1
Public online availability of requirements needed to obtain occupancy permit (52c)	1	1	2
Applicable fee schedules for all types of construction publicly available and up to date (53)	1	1	2
Official and up-to-date statistics publicly available online on number of issued building permits	1	1	2
- Statistics are available for the past 5 years (55a) OR	1.00 OR	1.00 OR	2.00 OR
- Statistics are available for the past 4 years (55b) OR	0.80 OR	0.80 OR	1.50 OR
- Statistics are available for the past 3 years (55c) OR	0.60 OR	0.60 OR	1.20 OR
- Statistics are available for the past 2 years (55d) OR	0.40 OR	0.40 OR	0.80 OR
- Statistics are available for 1 year only (55e)	0.20	0.20	0.40
<i>Score: Up to 1 point if 55a selected; score of 0.8 if 55b selected, score of 0.6 if 55c selected, score of 0.4 if 55d selected and score of 0.2 if 55e selected</i>			
Total points	5	5	10
2.3.2 Transparency of Information on Zoning and Land Use			
Indicators	FFP	SBP	Total points
Updated city master plan/zoning plan (58)	1	1	2
Steps to modify zoning/land use plan (59)	1	1	2
Adherence to zoning regulations (60a OR 60b)	1	1	2
Total points	3	3	6

Note: FFP = firm flexibility point; SBP = social benefit point.

PILLAR III—EFFICIENCY OF OBTAINING AN OCCUPANCY PERMIT IN PRACTICE

The data for Pillar III on the Efficiency of Occupancy Permits are collected through firm-level surveys, using the following questions:

61. Over the last two years, did this establishment apply for an occupancy permit, certifying a building as compliant with applicable laws and code? (*not scored*)
62. Time to obtain occupancy permits: In reference to the most recent application, approximately how many days did it take to obtain the occupancy permit from the day of the application to the day the permit was granted?
63. Cost to obtain occupancy permits: What was the total cost of obtaining that occupancy permit, including application, inspection, and other required fees?

Alternative scenario: In case the data collection on time and cost to obtain occupancy permits through firm-level surveys is not feasible, such data are collected through expert consultations using the following parameters and questions:

Parameters	
Largest city	The largest (most populous) city in the economy. Geographical location determines selection of regulatory framework at municipal and sub-national level. For all questions under Pillar III, the experts will be asked to provide their response accounting for this specific parameter unless specified otherwise in the question per se.
Largest municipality	The selection of municipality affects the responses provided by experts on the efficiency of services provided. For all questions under Pillar III, the experts will be asked to provide their response accounting for this specific parameter unless specified otherwise in the question per se.
Type and size of building	<p>Building regulations, type and level of pre-approvals, documents to be submitted and fees vary depending on the type of construction being permitted (typically classified as residential, commercial or industrial). The size of building affects the cost of permitting and in some cases, it can affect the number of inspections to be conducted during construction.</p> <p>Some specific parameters to be considered for efficiency of obtaining a building permit in practice:</p> <ul style="list-style-type: none"> - Type of building: commercial building, in particular, an office building - Size of commercial building: 10,000 square feet (929.03 square meters), 2000 square feet (185.8 square meters per floor) - Floors: 5 floors (each floor will be 3 meters (9 ft and 10 inches) high) - Land plot: 6500 sq feet (603.8 square meters)

Preparation of Building Permits

64. On average, how many calendar days does it take to complete each of the following steps:
 - 64a. Obtain ownership/property certificate
 - 64b. Obtain a topographical survey
 - 64c. Obtain a geotechnical investigation
 - 64d. Urban planning approval

- 64e. Technical conditions from utility providers
- 64f. Submit application to permitting authorities and obtain building permit
- 64g. Inspections by any agency prior to building permit
- 64h. Other step(s) (please specify)

65. On average, what does it cost (in local currency) to complete each of the following steps:

- 65a. Obtain ownership/property certificate
- 65b. Obtain a topographical survey
- 65c. Obtain a geotechnical investigation
- 65d. Urban planning approval
- 65e. Technical conditions from utility providers
- 65f. Submit application to permitting authorities and obtain building permit
- 65g. Inspections by any agency prior to building permit
- 65h. Other step(s) (please specify)

66. What is the total time to complete the entire process to obtain a building permit for a commercial property-office building type (calendar days)?

67. What is the total cost to complete the entire process of obtaining both a building permit for a commercial property-office building type (local currency)?

68. On average, how many calendar days does it take to complete each of the following steps:

- 68a. Submit use and occupancy permit application
- 68b. Review of application and site plan by permitting authority
- 68c. Schedule and receive inspection by permitting authority
- 68d. Receive occupancy permit
- 68e. Other step(s) (please specify)

69. On average, what does it cost (in local currency) to complete each of the following steps:

- 69a. Submit use and occupancy permit application
- 69b. Review of application and site plan by permitting authority
- 69c. Schedule and receive inspection by permitting authority
- 69d. Receive occupancy permit
- 69e. Other step(s) (please specify)

3.1 TIME TO OBTAIN BUILDING PERMIT			
Indicators	FFP	SBP	Total points
Time to Obtain Building Permit (66) <i>Further corroborated with data from 64a–64h</i>	100 (100%)	n.a.	100 (100%)
Total points	100	n.a.	100
3.2 COST TO OBTAIN BUILDING PERMIT			
Indicators	FFP	SBP	Total points
Cost to Obtain Building Permit (67) <i>Further corroborated with data from 65a–65h</i>	100 (100%)	n.a.	100 (100%)
Total points	100	n.a.	100
3.3 TIME TO OBTAIN OCCUPANCY PERMIT			
Indicators	FFP	SBP	Total points
Time to Obtain Occupancy Permit (62)	100 (25%)	n.a.	100 (25%)

<i>Further corroborated with data from 68a–68e</i>			
Total points	100	n.a.	100
3.4 COST TO OBTAIN OCCUPANCY PERMIT			
Indicators	FFP	SBP	Total points
Cost to Obtain Occupancy Permit (63) <i>Further corroborated with data from 69a–69e</i>	100 (25%)	n.a.	100 (25%)
Total points	100	n.a.	100

Note: n.a. = not applicable (refers to the cases when the impact on firms or society is either ambiguous or nonexistent). FFP = firm flexibility point; SBP = social benefit point.

The data on the indicators for Pillar III will be normalized to a common unit—for example, on the scale from 0 to 100 points, where 0 represents the lowest and 100 represents the best performance. In turn, best (worst) performance is defined by the highest (lowest) standards and/or practices, measured as a single point or range of values.

ENVIRONMENTAL PERMITS QUESTIONNAIRE

The tables that follow present all indicators (including their components, if applicable) under each pillar, with a reference to the corresponding question number in parenthesis. The questions are listed before each table for ease of reference.

For Y/N questions, the Y response accounts for the score and is considered as the good practice, unless otherwise indicated with the sign “N → good practice”.

In the tables that follow, “AND” means all referenced questions must have a good practice response to obtain a score on the indicator.

In the tables that follow, “OR” means one or more referenced questions must have a good practice response to obtain a score on the indicator.

Certain questions are marked as “not scored,” which indicates that they do not affect the score in any way. The purpose of these questions is to further inform and refine the questions design for subsequent years of the pilot, as needed, as well as to substantiate and provide further information for the scored questions.

Note: The gender indicator of the Business Location topic is shared between property transfer, building permits, and environmental permits. In those cases, the same question is asked for each area (property transfer, building permits, environmental permits). However, the scoring on the indicator is shared among the three areas to avoid triple counting. This shared indicator is marked with *. In terms of the scoring, the 1 point for this indicator feed into the overall Business Location topic score based on the information collected from the 3 questionnaires.

PILLAR I—QUALITY OF REGULATIONS FOR IMMOVABLE PROPERTY LEASE, PROPERTY OWNERSHIP, AND URBAN PLANNING	
Parameters	
Largest city	The largest (most populous) city in the economy. Geographical location determines the relevant regulatory framework governing environmental permits. For Pillar I, if regulations differ across states within an economy, the experts will be asked to provide information regarding regulations of the largest city.
Type and size of project	The type and size of project (housing development project) determines the type of environmental permitting required. A specific parameter of the construction of a new residential dwelling housing development project is provided, with a total surface area of residential housing development project of 10 acres (40,468 sqm). The type of residence considered is detached single family house with 1, 2, and 3 bedrooms, each with its own driveway, and the estimated number of houses are 100 single family homes, with an estimated 600 residents.

1.1 REGULATORY STANDARDS FOR BUILDING REGULATIONS AND ENVIRONMENTAL LICENSES

1.1.1 Environmental Clearances in Construction

- 1. Are there any national or local regulations or standards related to pollution and waste management in construction activities that are applicable in [B-READY largest city]? (Y/N)**

2. **Have these regulations or standards been updated or revised in the past five years to reflect new environmental and technological developments related to pollution and waste management in construction activities? (Y/N)**
3. **Have penalties or fines been established in [B-READY largest city] to enforce compliance with regulations or standards regarding pollution and waste management? (Y/N)**
4. **Does the legal framework on environment projects in [B-READY largest city] clearly define environmental risks in new building construction projects? (Y/N)**
5. **What types of environmental risks are defined in the legal framework regarding new building construction projects? (*not scored*)**
 - 5a. Projects that may affect biodiversity and natural resources threatening to the protection, conservation, maintenance and restoration of natural habitats and biodiversity, including ecosystems, protected areas, and forests.
 - 5b. Projects that may contribute to greenhouse gas emissions or are vulnerable to climate change impacts.
 - 5c. Projects that may affect cultural heritage sites or artifacts, including archaeological and historic sites.
 - 5d. Projects that may cause physical or biological hazards, such as contamination of air, water, soil, or noise pollution.
 - 5e. Projects that may require land acquisition, resettlement, and/or rehabilitation of affected communities.
 - 5f. Projects that may pose occupational health and safety risks to workers, such as exposure to hazardous materials or dangerous working conditions.
 - 5g. Projects that may require pest management measures, such as the use of pesticides or other chemicals.
 - 5h. Projects that may generate or release pollutants, such as wastewater, solid waste, or air emissions, and require measures to prevent or abate pollution.
 - 5i. Projects that may affect water resources, including water quality, quantity, and access, and require measures to manage and conserve water resources.
6. **Is it mandatory by law that an environmental impact assessment (EIA) must be conducted by a qualified professional or professional agency? (Y/N) (*not scored*)**
7. **In practice, who prepares and conducts the environmental impact assessment (EIA)? (*not scored*)**
 - 7a. Project owner
 - 7b. Professional agency or independent expert
 - 7c. It is not conducted in practice
 - 7d. Other (please specify)
8. **Based on the legal framework for a housing development project as described earlier, what criteria would trigger an environmental impact assessment (EIA)?**
 - 8a. Size of project
 - 8b. Geographical location
 - 8c. Nature of industry
 - 8d. Other (please specify)
9. **Based on the existing legal framework, does the environmental impact assessment (EIA) process include each of the following mandatory requirements (select all that applies):**

- 9a. Scoping and baseline studies (identification of the scope of the assessment, including the issues to be addressed and the potential environmental impacts of the proposed project)
- 9b. Impact assessment (identification and evaluation of the potential positive and negative environmental impacts of the proposed project, including direct and indirect impacts, short-term and long-term impacts, and cumulative impacts)
- 9c. Mitigation measures (development of measures to avoid, minimize, or compensate for the negative environmental impacts of the proposed project, and enhancement of positive impacts)
- 9d. Public participation (Consultation with the public and other stakeholders to obtain their views on the proposed project and the potential environmental impacts, and consideration of their concerns and suggestions in the decision-making process)
- 9e. Monitoring and follow-up: implementation of a monitoring program to verify the accuracy of the impact predictions, and to ensure that the mitigation measures are effective in reducing the negative environmental impacts

10. According to the legal framework, what type of review is the EIA subject to?

- 10a. Internal review (undertaken by the responsible authority or other government agency, with or without formal guidelines and procedure)
- 10b. Internal review (undertaken by the responsible authority or other government agency, with or without formal guidelines and procedure)

11. Is public participation with concerned stakeholders mandatory by law for environmental impact assessments (EIAs)? (Y/N)

12. Does the legal framework for EIAs include the following activities and approaches that enable stakeholders to contribute to the decision-making?

- 12a. Information in a form and language understandable to project-affected parties and other interested parties
- 12b. Clear and accessible information (in an accessible place, online, in gazettes, media etc.)
- 12c. Surveys and polls to capture inputs and feedback from the stakeholders
- 12d. Capacity buildings (training, resources, and technical assistance to stakeholders, as needed)

1.1.2 Gender Incentives for Professional Participation

13. Are there any incentives for increasing the representation of women in professions related to environmental clearances for construction projects in [B-READY largest city]? (Y/N)

14. Please indicate the professions for which such incentives exist: (*not scored*)

- 14a. Surveyors
- 14b. Environmental specialists/engineers
- 14c. Other (please specify)

15. Please specify which incentive programs are provided for women in order to increase their representation in the professions you have selected: (*not scored*)

- 15a. Scholarships
- 15b. Training programs
- 15c. Grants
- 15d. Recruitment policies
- 15e. Prizes and awards
- 15f. Others (please specify)

1.1.3 Dispute Resolution Mechanisms for Environmental Clearances in Construction

16. According to the legal framework can environmental clearances and permits be disputed by any party? (Y/N)

17. According to the legal framework, is arbitration offered as an out-of-court resolution mechanism for disputing environmental clearances and permits? (Y/N)

18. According to the legal framework are conciliation and mediation offered as an out-of-court resolution mechanism for disputes? (Y/N)

19. Which agency/body is responsible for handling such disputes in [B-READY largest city]? (*not scored*)

19a. Independent tribunal or arbitrator dedicated to handle environmental clearances and permits.

19b. Regulator

19c. Environment ministry/department providing environmental clearances, permits

19d. Other (please specify)

1.1 REGULATORY STANDARDS FOR BUILDING REGULATIONS AND ENVIRONMENTAL LICENSES			
1.1.1 Environmental Clearances in Construction			
Indicators	FFP	SBP	Total points
Existence of national environmental regulations during construction (1)	0	1	1
Update or revision of national environmental regulations during construction (2)	0	1	1
Penalties or fines in place for non-compliance with the regulations (3)	0	1	1
Environmental risks as defined by legal framework (4)	0	1	1
Qualified professional/professional agency to conduct EIA (6)	0	1	1
Criteria that trigger an EIA	0	1	1
- Extent (size) of project	0	0.33	0.33
- Nature of industry	0	0.33	0.33
- Geographical location	0	0.33	0.33
Requirements for an EIA process	0	1	1
- Scoping and baseline studies (9a)	0	0.20	0.20
- Impact assessment (9b)	0	0.20	0.20
- Mitigation measures (9c)	0	0.20	0.20
- Public participation (9d)	0	0.20	0.20
- Monitoring and follow-up (9e)	0	0.20	0.20
Legal responsibility for checking compliance	0	1	1
- Internal review (10a)	0	0.50	0.50
- External (10b)	0	0.50	0.50
Requirement of public consultation with concerned stakeholders (11)	0	1	1
Requirement for public consultations	0	1	1
- Ensuring that the information is provided in a language that is accessible to the intended audience (12a)	0	0.25	0.25
- Disseminating information about the meeting in advance (12b)	0	0.25	0.25
- Ensuring that the meeting takes place at a time and place that are appropriate for the stakeholders (12c)	0	0.25	0.25
- Ensuring that the meeting does not take place at a stage where all relevant decisions concerning the project have been made (12d)	0	0.25	0.25

Total points	0	10	10
1.1.2 Gender Incentives for Professional Participation*			
Indicators	FFP	SBP	Total points
Are there any incentives for increasing the representation of women in professions related to property transactions*	0.33	0.33	0.66
Are there any incentives for increasing the representation of women in professions related to construction*	0.33	0.33	0.66
Are there any incentives for increasing the representation of women in professions related to environmental clearances (13)	0.33	0.33	0.66
Total points	1.00	1.00	2.00
1.1.3 Dispute Resolution Mechanisms for Environmental Clearances in Construction			
Indicators	FFP	SBP	Total points
Ability to dispute environmental clearances and permits (16)	1	1	2
Out of court resolution mechanisms for environmental disputes	1	1	1
- Arbitration (17)	0.33	0.33	0.66
- Conciliation (18)	0.33	0.33	0.66
- Mediation (18)	0.33	0.33	0.66
Total points	2	2	4

Note: FFP = firm flexibility point; SBP = social benefit point.

*Shared indicators between property transfer, building permits and environmental permits

PILLAR II–QUALITY OF PUBLIC SERVICES AND TRANSPARENCY OF INFORMATION	
Parameters	
Largest city	The largest (most populous) city in the economy. Geographical location determines the agency governing environmental clearances, as well as the type of clearances required. For all questions in Pillar II, the experts will be asked to provide their response accounting for this specific parameter unless specified otherwise in the question per se.
Project type, size	The type and size of project (housing development project) determines the type of environmental permitting required. A specific parameter of the construction of a new residential dwelling housing development project is provided, with a total surface area of residential housing development project of 10 acres (40,468 sqm). The type of residence considered is detached single family house with 1, 2, and 3 bedrooms, each with its own driveway, and the estimated number of houses are 100 single family homes, with an estimated 600 residents.

2.1 AVAILABILITY AND RELIABILITY OF ONLINE SERVICES

2.1.1 Building Permits and Environmental Licenses–Digital Public Services

20. Please indicate whether there is an electronic system that facilitates the processing of environmental licenses in [B-READY largest city] for each of the following:

- 20a. Online payment
- 20b. Online communication
- 20c. Online notification
- 20d. Online submission
- 20e. Auto-generated checklist

21. Can final decisions on environmental clearances/licenses be disputed online? (Y/N)

2.1 AVAILABILITY AND RELIABILITY OF ONLINE SERVICES			
2.1.1 Building Permits and Environmental Licenses–Digital Public Services			
Indicators	FFP	SBP	Total points
Electronic system to submit environmental licenses	1	1	2
- Online payment (20a)	0.20	0.20	0.40
- Online communication (20b)	0.20	0.20	0.40
- Online notification (20c)	0.20	0.20	0.40
- Online submission (20d)	0.20	0.20	0.40
- Auto-generated checklist (20e)	0.20	0.20	0.40
Mechanism available to file a dispute online on the final decision on environmental licensing (21)	1	1	2
Total points	2	2	4

Note: FFP = firm flexibility point; SBP = social benefit point.

2.2 TRANSPARENCY OF INFORMATION

2.2.1 Transparency of Information on Building Permits and Environmental Licenses

22. Are the requirements for submitting an application to obtain an environmental license for constructing a building with moderate environmental risk in [B-READY largest city] available online? (Y/N)
23. Is the applicable fee schedule for obtaining any type of environmental clearances in [B-READY largest city] available online? (Y/N)
24. Are there official, updated and publicly available online statistics that track the number of environmental impact assessments (EIA)? (Y/N) (*not scored*)
25. How many years of statistics tracking the number and type of EIAs in [B-READY economy] are available?
- 25a. Available for 1 year
- 25b. Available for 2 years
- 25c. Available for 3 years
- 25d. Available for 4 years
- 25e. Available for 5 years or more

2.2 TRANSPARENCY OF INFORMATION			
2.2.1 Transparency of Information on Building Permits and Environmental Licenses			
Indicators	FFP	SBP	Total points
Public online availability of requirements (22)	1	1	2
Applicable fee schedule (23)	1	1	2
Publicly available statistics	1	1	2
- Available for 1 year (25a) OR	0.20 OR	0.20 OR	0.40 OR
- Available for 2 years (25b) OR	0.40 OR	0.40 OR	0.80 OR
- Available for 3 years (25c) OR	0.60 OR	0.60 OR	1.20 OR
- Available for 4 years (25d) OR	0.80 OR	0.80 OR	1.60 OR
- Available for 5 years or more (25e)	1	1	2

Total points	3	3	6
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Note: FFP = firm flexibility point; SBP = social benefit point.

PILLAR III—EFFICIENCY OF OBTAINING A BUILDING PERMIT IN PRACTICE	
Parameters	
Largest city	The largest (most populous city) in the economy. Geographical location determines the agency governing environmental clearances, as well as the type of clearances required. For all questions in Pillar III, the experts will be asked to provide their response accounting for this specific parameter unless specified otherwise in the question per se.
Project—type, size	The type and size of project (housing development project of 10 acres, 100 houses, 600 residents) determines the type of environmental permitting required and cost.

The data on the indicators for Pillar III will be normalized to a common unit—for example, on the scale from 0 to 100 points, where 0 represents the lowest and 100 represents the best performance. In turn, best (worst) performance is defined by the highest (lowest) standards and/or practices, measured as a single point or range of values.

The data for Pillar III on the Efficiency of Environmental Permits will be collected primarily through expert consultations using the following parameters and questions:

26. For this housing development project what kind of environmental clearances would be required?

(not scored)

Note: Based on the type of environmental assessment or clearance you have selected in question 48, please select only relevant processes that would be required according to your economy's environmental regulation.

- 26a. Self-declaration of compliance with environmental regulations
- 26b. Certificate of Environmental Clearance
- 26c. Simplified environmental impact assessment (i.e., environmental permit involving environmental study with limited scope)
- 26d. Full environmental impact assessment (see glossary for definition)
- 26e. No licensing requirements apply to such project
- 26f. Other (please specify)

Environmental Impact Assessment (EIA) Process

27. On average, how many calendar days does it take to complete each of the following steps:

- 27a. Development of Terms of Reference (TOR)
- 27b. Obtain approval of TORs
- 27c. Hire registered environmental expert or company to prepare the EIA
- 27d. Environmental scoping/screening
- 27e. Preparation of the environmental study/report
- 27f. Obtain environmental license/permit/authorization
- 27g. Other (please specify)

28. On average, how much does it cost (in local currency) to complete each of the following steps:

- 28a. Development of Terms of Reference (TOR)
- 28b. Obtain approval of TORs
- 28c. Hire registered environmental expert or company to prepare the EIA

- 28d. Environmental scoping/screening
- 28e. Preparation of the environmental study/report
- 28f. Obtain environmental license/permit/authorization
- 28g. Other (please specify)

29. For a project as described in the parameters above, is a wastewater runoff clearance required? (Y/N)

30. On average, how many calendar days does it take to obtain the wastewater runoff clearance?

31. On average, how much does it cost (in local currency) to obtain the wastewater runoff clearance?

Public participation and reporting

32. On average, how many calendar days does it take to complete each of the following steps:

- 32a. Public consultation during the scoping phase of the project
- 32b. Public consultation during the preparation of the EIA
- 32c. Public consultation after the completion of the EIA
- 32d. Other (please specify)

33. On average, how much does it cost (in local currency) complete each of the following steps:

- 33a. Public consultation during the scoping phase of the project
- 33b. Public consultation during the preparation of the EIA
- 33c. Public consultation after the completion of the EIA
- 33d. Other (please specify)

Monitoring of EIA Implementation

34. Is there a post-audit of the EIA implementation? (Y/N)

35. On average, how many calendar days does it take to complete the post-audit of the EIA implementation?

36. On average, how much does it cost (in local currency) to conduct the post-audit of the EIA implementation?

Environment Management Plan

37. Based on the law, and the type of environmental clearance required, would an Environmental Management Plan (EMP) be required? (Y/N)

38. On average, how many calendar days does it take to complete each of the following steps:

- 38a. Preparation of EMP
- 38b. Monitoring of the EMP implementation
- 38c. Obtain final clearance
- 38d. Other (please specify)

39. On average, how much does it cost (in local currency) to complete each of the following steps:

- 39a. Preparation of EMP
- 39b. Monitoring of the EMP implementation
- 39c. Obtain final clearance

39d. Other (please specify)

40. What is the total time to complete all steps to obtain environmental licenses?

Note: Please consider the time indicated above for all EIA or EIA process, public participation and report, monitoring of EIA implementation and Environmental Management plan, if applicable). Please also consider the simultaneity of steps: that is, whether certain steps can be completed at the same time. For instance, if two steps can be completed within the same day, then the total time for both steps will only be 1 day.

41. What is the total cost (in local currency) to complete the entire process of obtaining environmental clearances?

Note: Please consider the cost indicated above for all EIA or EIA process, public participating and report, monitoring of EIA implementation and Environmental Management plan (if applicable).

3.1 TIME			
Indicators	FFP	SBP	Total points
Time to Obtain Environmental Permits (40) <i>Further corroborated with data from 27, 28, 30, 32, 35, 38</i>	100 (100%)	n.a.	100 (100%)
3.2 COST			
Indicators	FFP	SBP	Total points
Cost to Obtain Environmental Permits (41) <i>Further corroborated with data from 28, 31, 33, 36, 39</i>	100 (100%)	n.a.	100 (100%)
Total points	100	n.a	100

Note: n.a. = not applicable (refers to the cases when the impact on firms or society is either ambiguous or nonexistent). FFP = firm flexibility point; SBP = social benefit point.

CHAPTER 4. UTILITY SERVICES

METHODOLOGY NOTE

I. MOTIVATION

By providing essential services—electricity, water, and digital connectivity—utilities play an important role in supporting economic and social development. Without these services, businesses cannot function, and households cannot lead quality lives. Yet, more than 30 percent of businesses globally identify electricity supply as a major constraint to their operations, according to the World Bank Enterprise Surveys.¹ Disruptions in electricity supply impair firm productivity, revenues, and economic growth.² Similarly, inadequate water supply can lead to decreased firm productivity, deterioration of machinery, and reduced profits.³

Access to affordable and reliable internet is another critical element in today's digitalized world, where the use of digital technologies improve productivity.⁴ However, as of 2021, just over 15 percent of people globally had fixed broadband subscriptions, and only 1.4 percent in the least developed countries.⁵ Provision of basic utility services should be effective, affordable, and reliable. Facilitating timely access to such services at a reasonable cost and in an environmentally sustainable manner is instrumental for economic growth.⁶

The effectiveness of regulatory frameworks, good governance, transparency, and efficiency of utility services are pivotal elements of a good business environment.⁷ An effective regulatory framework, for example, is a fundamental steppingstone for the provision of high-quality utility services. Furthermore, the reliability and sustainability of utility services should be maintained through monitoring the quality of service supply and connection safety, fostering public accountability and safety.⁸ Interoperability through agency coordination and digitalization of utilities can also help improve the quality of public services and the customer experience.

In this context, the Utility Services topic measures the effectiveness of regulatory frameworks, and the quality of governance and transparency of service delivery mechanisms, as well as the efficiency of providing electricity, water, and internet services. The measures capture firms' experiences with either public or private utilities. In particular, the topic measures commercial electricity and water connection. For the internet, the topic focuses only on high-speed fixed broadband internet connections, given more intense data usage by firms.

II. INDICATORS

The Utility Services topic measures connections and subsequent service supply for three key utilities—electricity, water, and internet—across the three different dimensions, here referred to as pillars. The first pillar assesses the effectiveness of regulation pertaining to electricity, water, and internet services, covering de jure features of a regulatory framework that are necessary for the efficient deployment of connections, reliable service, safety, and environmental sustainability of provision and use of utility services. The second pillar measures the quality of governance and transparency in the provision of utility services, thus assessing the de facto provision of utility services. The third pillar measures the time and cost required to obtain electricity, water, and internet connections (efficiency), as well as the reliability of utility service supply. Each pillar is divided into categories—defined by common features that inform the grouping into a particular category—and each category is further divided into subcategories. Each subcategory consists of several indicators, each of which may, in turn, consist of several components. Relevant points are assigned to each indicator and subsequently aggregated to obtain the number of points for each subcategory,

category, and pillar. Table 1 includes a summary of all three pillars, along with their respective categories for the three utilities—electricity, water, and internet.

Table 1. Summary table of all three pillars for the Utility Services topic

Pillar I—Quality of Electricity, Water, and Internet Regulations (31 indicators)	
1.1	Regulations for Efficient Deployment of Utility Connections and Quality of Supply (12 indicators)
1.1.1	Regulatory Monitoring (6 indicators)
1.1.2	Utility Infrastructure Sharing and Efficient Digital Connectivity (3 indicators)
1.1.3	Mechanisms on Service Quality Assurance (3 indicators)
1.2	Regulations on Safety of Utility Connections (9 indicators)
1.2.1	Professional Certifications (2 indicators)
1.2.2	Inspection Regimes (2 indicators)
1.2.3	Liability Regimes (3 indicators)
1.2.4	Cybersecurity (2 indicators)
1.3	Environmental Regulations for Sustainable Provision and Use of Utility Services (10 indicators)
1.3.1	Sustainable Provision and Use of Electricity (3 indicators)
1.3.2	Sustainable Provision and Use of Water (3 indicators)
1.3.3	Sustainable Wastewater Practices (2 indicators)
1.3.4	Sustainable Provision and Use of Internet (2 indicators)
Pillar II—Quality of the Governance and Transparency of Utility Services (34 indicators)	
2.1	Monitoring Reliability and Sustainability of Service Supply and Safety of Connections (11 indicators)
2.1.1	KPIs to Monitor Reliability and Sustainability of Service Supply (4 indicators)
2.1.2	KPI Transparency (4 indicators)
2.1.3	Monitoring Safety of Utility Connections in Practice (3 indicators)
2.2	Transparency of Utility Services (15 indicators)
2.2.1	Transparency of Tariffs and Tariffs Settings (3 indicators)
2.2.2	Publication of Connection Requirements (3 indicators)
2.2.3	Publication and Announcement of Planned Outages (3 indicators)
2.2.4	Complaint Mechanisms and Transparency of Complaint Processes (3 indicators)
2.2.5	Sex-Disaggregated Customer Surveys (3 indicators)
2.3	Interoperability of Utility Services (8 indicators)
2.3.1	Interoperability at the Utility Level (2 indicators)
2.3.2	Electronic Applications (3 indicators)
2.3.3	Electronic Payments (3 indicators)
Pillar III—Efficiency of Utility Service Provision in Practice (15 indicators)	
3.1	Electricity (5 indicators)
3.1.1	Time to Obtain an Electricity Connection (1 indicators)
3.1.2	Cost of Electricity Connection and Services (2 indicators)
3.1.3	Reliability of Electricity Supply (2 indicators)
3.2	Water (5 indicators)
3.2.1	Time to Obtain a Water Connection (1 indicators)
3.2.2	Cost of Water Connection and Services (2 indicators)
3.2.3	Reliability of Water Supply (2 indicators)
3.3	Internet (5 indicators)
3.3.1	Time to Obtain an Internet Connection (1 indicators)
3.3.2	Cost of Internet Connection and Services (2 indicators)
3.3.3	Reliability of Internet Supply (2 indicators)

Note: KPI = Key Performance Indicator.

1. PILLAR I. REGULATORY FRAMEWORK: QUALITY OF ELECTRICITY, WATER, AND INTERNET REGULATIONS

Table 2 shows the structure for Pillar I, the regulatory framework for utility service provision. Each of this pillar’s categories and subcategories will be discussed in more detail in the order shown in the table.

Table 2. Pillar I–Quality of Electricity, Water, and Internet Regulations

1.1	Regulations for Efficient Deployment of Utility Connections and Quality of Supply
1.1.1	Regulatory Monitoring
1.1.2	Utility Infrastructure Sharing and Efficient Digital Connectivity
1.1.3	Mechanisms on Service Quality Assurance
1.2	Regulations on Safety of Utility Connections
1.2.1	Professional Certifications
1.2.2	Inspection Regimes
1.2.3	Liability Regimes
1.2.4	Cybersecurity
1.3	Environmental Regulations for Sustainable Provision and Use of Utility Services
1.3.1	Sustainable Provision and Use of Electricity
1.3.2	Sustainable Provision and Use of Water
1.3.3	Sustainable Wastewater Practices
1.3.4	Sustainable Provision and Use of Internet

1.1 Regulations for Efficient Deployment of Utility Connections and Quality of Supply

Category 1.1 has three subcategories consisting of several indicators, each of which may, in turn, consist of several components.

1.1.1 Regulatory Monitoring

Reliable provision of utility services has been linked to the presence of strong regulatory systems. Regulatory agencies are key to improving sector performance and consumer outcomes, such as quality and affordability.⁹ Where regulators work well, they enable efficient management of electricity, water, and internet services.¹⁰ In particular, setting and reviewing tariffs is central to the protection of consumers and investors. Similarly, developing standards and monitoring the quality of the service supplied is essential to ensuring adequate provision of service.¹¹ Because competitive market structure across all the digital infrastructure supply chain benefits consumers by lowering prices and raising service quality, regulators should also prevent anticompetitive practices.¹² Therefore, Subcategory 1.1.1–Regulatory Monitoring has six indicators (table 3).

Table 3. Subcategory 1.1.1–Regulatory Monitoring

	Indicators	Components
1	Regulatory Monitoring of Electricity Tariffs	Regulator has the final decision-making power in setting/approving tariffs
2	Monitoring of Quality of Electricity Service by Regulator	i) Setting standards to ensure the quality of electricity service supply ii) Monitoring standards to ensure the quality of electricity service supply
3	Regulatory Monitoring of Water Tariffs	Regulator has the final decision-making power in setting /approving tariffs
4	Monitoring of Quality of Water Service by Regulator	i) Setting standards to ensure the quality of electricity service supply ii) Monitoring standards to ensure the quality of electricity service supply
5	Regulatory Monitoring of Internet Tariffs	i) Regulator oversees wholesale connectivity tariffs ii) Ex post regulation for anticompetitive practices
6	Monitoring of Quality of Internet Service by Regulator	i) Setting standards to ensure the quality of internet service ii) Monitoring standards to ensure the quality of internet service

1.1.2 Utility Infrastructure Sharing and Efficient Digital Connectivity

Utility infrastructure—such as poles, ducts, or pipes—tends to be expensive and requires a long time to construct. In this regard, regulations and standards promoting infrastructure-sharing among different utility providers, including common excavation plans or “dig once” policies, enhance interoperability and lessen time and cost to receive a utility connection. Similarly, time limits for approvals of agencies involved in utility connection process improve predictability of administrative processes.¹³ Furthermore, regulations

that facilitate access to government or privately owned infrastructure result in more efficient and faster broadband network expansion.¹⁴ In addition, regulations that promote infrastructure sharing among telecom connectivity service providers improve broadband affordability and access.¹⁵ Therefore, Subcategory 1.1.2 –Utility Infrastructure Sharing and Digital Connectivity has three indicators (table 4).

Table 4. Subcategory 1.1.2–Utility Infrastructure Sharing and Efficient Digital Connectivity

	Indicators	Components
1	Joint Planning and Construction	i) Provisions on adherence to common excavation plans or “dig once” policies ii) Timelines for approval processes
2	Rights of Way and Open Infrastructure Access for Broadband Operators	i) Regulations on equal access to government-owned infrastructure ii) Regulations on rights of way for digital infrastructure service providers
3	Infrastructure Sharing Provisions among ISPs	i) Passive or active infrastructure sharing between broadband operators ii) Utility partnerships for infrastructure sharing (such as leasing excess capacity of fiber optic infrastructure or other voluntary market arrangements) iii) Local loop unbundling and line access iv) Asymmetric regulations for dominant carriers, such as price-caps or rate-of-return regulations and remedial actions if negotiated solutions are not reached

Note: ISPs = Internet Service Providers.

1.1.3 Mechanisms on Service Quality Assurance

Service interruptions and delays in service restoration are disruptive and costly to businesses as well as local economies. Hence, established mechanisms on quality assurance help protect consumers from inadequate utility service supply and hold utilities accountable, with utilities facing penalties when failing to meet minimum performance standards.¹⁶ Established quality standards coupled with a system of incentives to compel utilities to meet the set standards help ensure quality of electricity, water, and internet service provision.¹⁷ Therefore, Subcategory 1.1.3–Mechanisms on Service Quality Assurance has three indicators (table 5).

Table 5. Subcategory 1.1.3–Mechanisms on Service Quality Assurance

	Indicators	Components
1	Financial Deterrence Mechanisms to Limit Electricity Interruptions	Existence in the regulatory framework of financial deterrence mechanisms such as compensations or penalties paid by service provider to discourage supply disruption
2	Financial Deterrence Mechanisms to Limit Water Interruptions	
3	Financial Deterrence Mechanisms to Limit Internet Interruptions	

1.2 Regulations on Safety of Utility Connections

Category 1.2 has four subcategories consisting of several indicators, each of which may, in turn, consist of several components.

1.2.1 Professional Certifications

Professional certification reduces information asymmetry and sets minimum quality standards.¹⁸ A robust system of qualification and licensing for professionals involved in construction is important to ensure a higher degree of compliance with codes and regulations that pertain inter alia to water installations.¹⁹ Similarly, in the electricity sector, the importance of engineer qualifications to protect public health, welfare and safety is well recognized.²⁰ Therefore, Subcategory 1.2.1–Professional Certifications has two indicators (table 6).

Table 6. Subcategory 1.2.1–Professional Certifications

	Indicators	Components
1	Qualification Requirements for Electricity Installations	i) Requirement to have minimum number of years of practical experience ii) Education qualification
2	Qualification Requirements for Water Installations	iii) Accreditation by/membership with the national order (association) of engineers iv) Pass a qualification exam <i>A combination of the requirements (two or more) to ensure professional qualification of practitioners performing installations is assessed.</i>

1.2.2 Inspection Regimes

It is crucial to ensure that electricity connections and installation of water supply pipes comply with regulations, as failure to adhere to the set processes can result in public health hazards.²¹ Inspections can certify that installations are compliant with safety and quality standards.²² Therefore, Subcategory 1.2.2–Inspection Regimes has two indicators (table 7).

Table 7. Subcategory 1.2.2–Inspection Regimes

	Indicators	Components
1	Inspection Regimes for Electricity Installations	i) Internal installation works ii) External installation works are of adequate quality and comply with the regulation
2	Inspection Regimes for Water Installations	<i>For each of these two components, the indicators assess whether there is either a requirement for the connection works to be carried out by certified contractors who attest to the quality of internal and external installations or a legal obligation to conduct a third-party inspection</i>

1.2.3 Liability Regimes

Construction defects can be expensive to repair, and they can cause investor uncertainty. Sound liability policies facilitate more transparent agreements that reflect responsibilities and attributions among the involved parties.²³ Clear and transparent liability regimes provide assurance that risks will be managed, adequately remediated and compensated in case of an accident.²⁴ In the area of the internet, liability regimes that mandate safeguards to prevent personal data protection breaches, are vital elements for creating an enabling environment for digital transactions with limited cyber vulnerabilities.²⁵ Therefore, Subcategory 1.2.3–Liability Regimes has three indicators (table 8).

Table 8. Subcategory 1.2.3–Liability Regimes

	Indicators	Components
1	Professional Liability for Electricity Connections	Liability of the parties besides investors (such as engineer/company that designed the plans for the connection professional or agency that conducted technical inspections; or the professional or company that performed installation works) in cases of faults discovered when the connection was in use
2	Professional Liability for Water Connections	
3	Liability Regimes for Internet Service	i) Liability and a legal right to pursue compensation for personal data protection breaches ii) Provisions on data breach incident reporting

1.2.4 Cybersecurity

Broadband connections do not generally pose physical safety risks analogous to water and electricity connections. Adoption and use of digital technologies by firms, however, does depend on reliability of a digital ecosystem. This is made possible through regulatory oversight, effective security measures, and robust state capacity to respond to cyberthreats. For this reason, cybersecurity safeguards and capabilities are needed to protect online data and communications as well as to ensure network resilience.²⁶ Therefore, Subcategory 1.2.4–Cybersecurity has two indicators (table 9).

Table 9. Subcategory 1.2.4–Cybersecurity

	Indicators	Components
1	Cybersecurity Agency Functions	i) Carrying out risk-assessment strategies ii) Carrying out cybersecurity audits, drills, exercises, or trainings

		iii) Leading collective efforts against cyber threats iv) Enforcing cybersecurity laws and regulations
2	Cybersecurity Protection	i) Cybersecurity protection or minimum standards and safeguards ii) Modus operandi for incidents response in case of a major cyberattack or the compromise of service availability

1.3 Environmental Regulations for Sustainable Provision and Use of Utility Services

Category 1.3 has four subcategories consisting of several indicators, each of which may, in turn, consist of several components.

1.3.1 Sustainable Provision and Use of Electricity

Power generation is a major source of air pollution; hence, it is imperative to reduce the levels of pollutants from the combustion of fossil fuels that are released into the atmosphere.²⁷ Similarly, doubling the global rate of energy efficiency has been established as a key target by the United Nations 2030 Sustainable Development Agenda sustainable development.²⁸ Standards for sustainable transmission and distribution, including smart meter roll-out programs and smart grid technologies, can facilitate efficient operation of network systems, minimizing costs and environmental impact.²⁹ Requirements to switch to energy-efficient appliances, and to use energy efficiency labelling fortify sustainable practices.³⁰ In turn, enforcement and deterrence mechanisms ensure compliance with the set standards, while financial and nonfinancial incentives increase adoption rates of energy efficiency practices.³¹ Therefore, Subcategory 1.3.1–Sustainable Provision and Use of Electricity has three indicators (table 10).

Table 10. Subcategory 1.3.1–Sustainable Provision and Use of Electricity

	Indicators	Components
1	Environmental Sustainability of Electricity Provision	i) Environmental standards for electricity generation ii) Enforcement of environmental standards for electricity generation iii) Environmental standards for electricity transmission and distribution iv) Enforcement of standards for electricity transmission and distribution
2	Environmental Sustainability of Electricity Use	i) Requirements for businesses to adhere to energy-saving practices ii) Enforcement mechanisms to foster businesses' compliance with energy-saving standards
3	Incentives to Adopt Energy-Saving Practices	Financial and nonfinancial incentives for businesses to adopt energy-saving practices

1.3.2 Sustainable Provision and Use of Water

Improving water quality, increasing water-use efficiency and safe water reuse are imperative to sustainable development.³² Efficient water supply and use may be achieved, inter alia, through smart meters that allow to rapidly identify and repair water leakages. Water demand management practices include measures to promote the use of water-efficient appliances, including through labelling programs.³³ Enforcement and deterrence mechanisms ensure compliance with these standards. Furthermore, financial incentives, such as tax credits or subsidized interest rates, and nonfinancial incentives, such as awareness raising initiatives, facilitate adherence to water saving practices and adoption of water-efficient technologies.³⁴ Therefore, Subcategory 1.3.2–Sustainable Provision and Use of Water has three indicators (table 11).

Table 11. Subcategory 1.3.2–Sustainable Provision and Use of Water

	Indicators	Components
1	Environmental Sustainability of Water Provision	i) Standards for water quality ii) Enforcement of standards for water quality iii) Environmental standards for efficient water supply iv) Enforcement standards for water supply efficiency
2	Environmental Sustainability of Water Use	i) Requirements for businesses to adhere to water-saving practices ii) Enforcement mechanism to foster businesses' compliance with water-saving standards

3	Incentives to Adopt Water-Saving Practices	<ul style="list-style-type: none"> i) Financial incentives for businesses to adopt water-saving practices ii) Nonfinancial incentives for businesses to adopt water-saving practices
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1.3.3 Sustainable Wastewater Practices

Before being discharged to surface waters or land, wastewater should be isolated and treated. To this end, wastewater treatment requirements, such as the minimum type of treatment to be provided and maximum emission limits, are of paramount importance. In addition, legal wastewater management frameworks should be administered by a central authority, promoting an integrated approach to permitting for wastewater discharge.³⁵ Recognizing wastewater as a resource, it should be reused and recycled whenever possible.³⁶ Therefore, Subcategory 1.3.3–Sustainable Wastewater Practices has two indicators (table 12).

Table 12. Subcategory 1.3.3–Sustainable Wastewater Practices

	Indicators	Components
1	Wastewater Treatment	<ul style="list-style-type: none"> i) Existence of entity regulating wastewater discharge ii) Wastewater treatment standards that require to isolate wastewater (discharge limits, conditions for discharges)
2	Regulation on Water Reuse	Regulation on wastewater reuse, such as guidelines for the use of reclaimed water, effluent quality limits and treatment process/type

1.3.4 Sustainable Provision and Use of Internet

The information and communication technology (ICT) sector is a large consumer of energy and is responsible for approximately 2.8 percent of global greenhouse gases.³⁷ Although environmental sustainability of provision of internet services in most jurisdictions is still underregulated, the sector is under increasing pressure to adopt energy efficiency standards. The most energy intensive subsectors that enable internet traffic are already adopting internationally recognized standards to offset carbon emissions. Therefore, Subcategory 1.3.4–Sustainable Provision and Use of Internet has two indicators (table 13).

Table 13. Subcategory 1.3.4–Sustainable Provision and Use of Internet

	Indicators	Components
1	Environmental Reporting or Disclosure Standards for Digital Connectivity Infrastructure	Mandatory or voluntary environmental reporting or disclosure standards for digital connectivity infrastructure and data infrastructure (such as energy consumption, CO ₂ equivalents, use of renewable energy, energy intensity, e-waste metrics, or water consumption existence for digital connectivity infrastructure)
2	Environmental Sustainability Requirements for Electronic Communication Networks and Data Infrastructure	National targets for emissions or energy efficiency of electronic communication networks, including data centers (for example, or power usage effectiveness or renewable energy use)

2. PILLAR II. PUBLIC SERVICES: QUALITY OF THE GOVERNANCE AND TRANSPARENCY OF UTILITY SERVICES

Table 14 shows the structure for Pillar II, the Quality of the Governance and Transparency of Utility Services. Each of this pillar’s categories and subcategories will be discussed in more detail in the order shown in the table.

Table 14. Pillar II–Quality of the Governance and Transparency of Utility Services

2.1	Monitoring Reliability and Sustainability of Service Supply and Safety of Connections
2.1.1	KPIs to Monitor Reliability and Sustainability of Service Supply
2.1.2	KPI Transparency
2.1.3	Monitoring Safety of Utility Connections in Practice
2.2	Transparency of Utility Services
2.2.1	Transparency of Tariffs and Tariffs Settings

2.2.2	Publication of Connection Requirements
2.2.3	Publication and Announcement of Planned Outages
2.2.4	Complaint Mechanisms and Transparency of Complaint Processes
2.2.5	Sex-Disaggregated Customer Surveys
2.3	Interoperability of Utility Services
2.3.1	Interoperability at the Utility Level
2.3.2	Electronic Application
2.3.3	Electronic Payment

Note: KPI = Key Performance Indicator.

2.1 Monitoring Reliability and Sustainability of Service Supply and Safety of Connections

Category 2.1 has three subcategories consisting of several indicators, each of which may, in turn, consist of several components.

2.1.1 Key Performance Indicators (KPIs) to Monitor Reliability and Sustainability of Service Supply

Measuring data on quality of provision of public services helps to establish “what works” in achieving the set objectives, to identify functional competences, and to enhance public accountability.³⁸ Reliability of electricity supply can be monitored through the System Average Interruption Duration Index (SAIDI) and the System Average Interruption Frequency Index (SAIFI).³⁹ Environmental sustainability of electricity supply can be monitored through percentage of energy used from renewable sources.

Reliability of water supply can be monitored by measuring average hours of service per day, or number of customers with interrupted supply.⁴⁰ Water quality can be maintained through regular monitoring of percentage of water receiving chemical treatment as well as percentage of water unsuitable for consumption.⁴¹ Environmental sustainability of water supply can be assessed through monitoring the percentage of disposal of sludge from the water treatment or percentage of wastewater that has been reused.⁴²

Quality of the internet supply can be monitored through average download and upload speeds or latency times.⁴³ Therefore, Subcategory 2.1.1–KPIs to Monitor the Reliability and Sustainability of Utility Supply has four indicators (table 15).

Table 15. Subcategory 2.1.1–KPIs to Monitor the Reliability and Sustainability of Utility Supply

	Indicators	Components
1	KPIs on Reliability and Quality of Electricity Supply	Existence of KPIs on the duration and frequency of electricity outage
2	KPIs on Reliability and Quality of Water Supply	i) Existence of KPIs on the reliability of water supply ii) Existence of KPIs on the quality of water
3	KPIs on Reliability and Quality of Internet Supply	Existence of KPIs on the reliability and quality of internet service
4	KPIs on Environmental Sustainability of Electricity and Water Supply	i) Existence of KPIs on sustainability of electricity supply ii) Existence of KPIs on sustainability of water supply

Note: KPI = Key Performance Indicator.

2.1.2 KPI Transparency

KPIs should be monitored and made public. Regular monitoring and publishing of utility performance KPIs improves service predictability and transparency.⁴⁴ End users should be able to compare a utility’s actual

performance against the performance goals set in its accountability framework.⁴⁵ Therefore, Subcategory 2.1.2–KPI Transparency has four indicators (table 16).

Table 16. Subcategory 2.1.2–KPI Transparency

	Indicators	Components
1	Online Availability of KPIs on Reliability of Electricity Supply	Online availability of KPIs on duration and frequency of electricity outages
2	Online Availability of KPIs on Reliability and Quality of Water Supply	Online availability of KPIs on duration and frequency of water outages
3	Online Availability of KPIs on Environmental Sustainability of Electricity and Water Supply	i) Online availability of KPIs on sustainability of electricity ii) Online availability of KPIs on sustainability of water supply
4	Online Availability of KPIs on Reliability of Internet Supply	Online availability of KPIs on reliability and quality of internet supply

Note: KPI = Key Performance Indicator.

2.1.3 Monitoring Safety of Utility Connections in Practice

The way in which regulations are implemented and enforced determines if a regulatory system is working as intended.⁴⁶ To ensure safety of utility connections as per the regulatory framework, quality checks that certify electricity and water installations must be implemented in practice, either through third-party inspections or by hiring certified contractors. Similarly, implementation of cybersecurity measures and safeguards is necessary for firms to safely undertake digital activities and e-transactions. Given that even brief security breaches can negatively affect businesses, there is a clear need for strong safety measures.⁴⁷ Therefore, Subcategory 2.1.3–Monitoring Safety of Utility Connections in Practice has three indicators (table 17).

Table 17. Subcategory 2.1.3–Monitoring Safety of Utility Connections in Practice

	Indicators	Components
1	Implementation of Inspections for Electricity Connections in Practice	i) Internal installations works ii) External installations works
2	Implementation of Inspections for Water Connections in Practice	<i>For each of these two components, the indicator assesses whether the connection works are carried out by certified contractors who attest to the quality of installation or if a third-party inspection is implemented in practice.</i>
3	Cybersecurity Protocols in Practice	i) Reporting of cybersecurity breaches ii) Response to reported cyberattacks or cybersecurity breaches iii) Cybersecurity incident response drills, trainings, or exercise iv) Cybersecurity audits

2.2 Transparency of Utility Services

Category 2.2 has five subcategories consisting of several indicators, each of which may, in turn, consist of several components.

2.2.1 Transparency of Tariffs and Tariff Setting

Online availability of tariffs, advance notification of tariff changes, and transparency of tariff determination mechanisms are three important elements of transparent service provision that allow firms to calculate costs, anticipate expenses, and, thus, plan operations efficiently. When tariffs and tariff changes lack transparency, end users may overpay for services or choose a service that does not meet their needs.⁴⁸ Furthermore, transparency of the billing system and formula prescribing how end-user tariffs are set enable businesses to

contest charges, if necessary.⁴⁹ Therefore, Subcategory 2.2.1–Transparency of Tariffs and Tariff Setting has three indicators (table 18).

Table 18. Subcategory 2.2.1–Transparency of Tariffs and Tariff Setting

	Indicators	Components
1	Transparency of Electricity Tariffs and Tariff Setting	<ul style="list-style-type: none"> i) Tariffs are published online ii) Customers are notified in advance of tariff changes at least one billing cycle in advance iii) Tariff-setting formula calculating the monthly tariff is publicly available
2	Transparency of Water Tariffs and Tariff Setting	
3	Transparency of Internet Tariffs and Tariff Setting	

2.2.2 Publication of Connection Requirements

Online information on documents, requirements, time limits, and fee schedules to obtain a utility connection allows businesses to better understand the processes. Lack of such information may lead to incomplete applications, unnecessary back-and-forth with the utility, and higher rejection rates. Transparency of regulatory information, such as fee schedules, is associated with greater regulatory efficiency, lower compliance costs, and a better overall regulatory environment.⁵⁰ Therefore, Subcategory 2.2.2–Publication of Connection Requirements has three indicators (table 19).

Table 19. Subcategory 2.2.2–Publication of Connection Requirements

	Indicators	Components
1	Connection Requirements for Electricity	<ul style="list-style-type: none"> i) The required documents ii) Procedures iii) Connection cost iv) Stipulated connection time standards
2	Connection Requirements for Water	
3	Connection Requirements for Internet	

2.2.3 Publication and Announcement of Planned Outages

Public availability of planned outages or their notifications to customers improves predictability of service provision.⁵¹ Internet interruptions adversely impact both businesses and customers.⁵² Similarly, unpredictable electricity and water services may lead to spoilage and damaged inventory, thereby posing financial risks to business.⁵³ Transparency of planned outages contributes to a more predictable business environment. Therefore, Subcategory 2.2.3–Publication and Announcement of Planned Outages has three indicators (table 20).

Table 20. Subcategory 2.2.3–Publication and Announcement of Planned Outages

	Indicators	Components
1	Publication and Announcement of Planned Electricity Outages	Planned outages are available online or communicated to customers
2	Publication and Announcement of Planned Water Outages	
3	Publication and Announcement of Planned Internet Outages	

2.2.4 Complaint Mechanisms and Transparency of Complaint Processes

Existence of primary and secondary complaint mechanisms benefits businesses by allowing to report inadequate service supply.⁵⁴ A strong primary complaint mechanism at utility level enables resolution of issues without engaging in costly and lengthy dispute resolution processes. However, a secondary complaint mechanism is also important for escalating complaints and appeals, if needed. Availability of information

on the entity in charge of managing complaints, documents and steps required to file a complaint as well as criteria for filing complaints are important accountability elements.⁵⁵ Therefore, Subcategory 2.2.4–Complaint Mechanisms and Transparency of Complaint Processes has three indicators (table 21).

Table 21. Subcategory 2.2.4–Complaint Mechanisms and Transparency of Complaint Processes

	Indicators	Components
1	Complaint Mechanism for Electricity and Transparency of Complaint Process	i) The existence of complaint mechanism within the utility and second-level independent complaint mechanisms ii) Transparency of first-level complaint mechanisms, including: online availability of information on the a) entity in charge of managing the complaints; b) required documents; c) steps necessary to make a complaint; and d) criteria or scope of complaint mechanism
2	Complaint Mechanism for Water and Transparency of Complaint Process	
3	Complaint Mechanism for Internet and Transparency of Complaint Process	

2.2.5 Sex-Disaggregated Customer Surveys

Sex-disaggregated data promote gender parity, allowing service providers to identify areas where opportunities for women lag behind.⁵⁶ Sex-disaggregated customer survey results enable utilities to analyze issues of customer satisfaction from a gender-specific perspective, identifying potential bottlenecks and obstacles faced by female customers or women entrepreneurs.⁵⁷ Therefore, Subcategory 2.2.5–Sex-Disaggregated Customer Surveys has an indicator for each of the electricity, water, and internet utilities (table 22).

Table 22. Subcategory 2.2.5–Sex-Disaggregated Customer Surveys

	Indicators	Components
1	Sex-Disaggregated Customer Surveys at the Electricity Utility	Sex-disaggregated customer survey results, including consumer satisfaction surveys, and complaint submissions
2	Sex-Disaggregated Customer Surveys at the Water Utility	
3	Sex-Disaggregated Customer Surveys at the Internet Provider	

2.3 Interoperability of Utility Services

Category 2.3 has three subcategories consisting of several indicators, each of which may, in turn, consist of several components.

2.3.1 Interoperability at the Utility Level

Interoperability of utility systems facilitates the process of issuing new connections across electricity, water, and internet services. A shared infrastructure database allows for identification of previously established infrastructure networks prior to starting new projects.⁵⁸ In addition, an online unified platform with information about planned infrastructure works is essential for effective coordination of network expansion.⁵⁹ The presence of a web-based system or agency to facilitate agency coordination for excavation permit applications and approvals expedites information exchange and connection processes.⁶⁰ Therefore, Subcategory 2.3.1–Interoperability at the Utility Level has two indicators (table 23).

Table 23. Subcategory 2.3.1–Interoperability at the Utility Level

	Indicators	Components
1	Interoperability at the Utility Level for Electricity, Water, and Internet	i) The existence of a national/local infrastructure databases of existing infrastructure networks (such as “dial before you dig” or GIS) of different utilities ii) A database for submitting the information about the planned works
2	System for Excavation Permits Approval	The existence of a web-based system or the agency in place that facilitates coordination for excavation permit applications and approvals

Note: GIS = Geographic Information System.

2.3.2 Electronic Applications

Online applications for utility services enhance customer experience of receiving electricity, water, and internet connections, eliminating the need for in-person visits. The ability to track and review online applications also improves service quality, transparency, and customer experience. Digitalization of utility applications improves public administration and government efficiency as well as lowers corruption.⁶¹ Therefore, Subcategory 2.3.2–Electronic Applications has three indicators one for each of the electricity, water, and internet connections (table 24).

Table 24. Subcategory 2.3.2–Electronic Applications

	Indicators	Components
1	Electronic Application for Electricity Connections	i) The availability of online application for new commercial connections ii) The availability of online tracking of the applications
2	Electronic Application for Water Connections	
3	Electronic Application for Internet Connections	

2.3.3 Electronic Payments

Web-based platforms for making online payments for utility services prove to enhance efficiency and cost effectiveness. Digital platforms also reduce delays associated with applying for new connections and payment of monthly fees.⁶² Therefore, Subcategory 2.3.3–Electronic Payments has three indicators, one for each of the electricity, water, internet connections (table 25).

Table 25. Subcategory 2.3.3–Electronic Payments

	Indicators	Components
1	Electronic Payment for Electricity Connections	i) The possibility of paying online the fee for a new connection ii) The possibility of paying online for monthly tariffs
2	Electronic Payment for Water Connections	
3	Electronic Payment for Internet Connections	

3. PILLAR III. EFFICIENCY: EFFICIENCY OF UTILITY SERVICE PROVISION IN PRACTICE

Table 26 shows the structure for Pillar III, the Efficiency of Utility Service Provision in Practice. Each of this pillar’s categories and subcategories will be discussed in more detail in the order shown in the table.

Table 26. Pillar III–Efficiency of Utility Service Provision in Practice

3.1	Electricity
3.1.1	Time to Obtain an Electricity Connection
3.1.2	Cost of Electricity Connections and Services
3.1.3	Reliability of Electricity Supply
3.2	Water
3.2.1	Time to Obtain a Water Connection
3.2.2	Cost of Water Connections and Services

3.2.3	Reliability of Water Supply
3.3	Internet
3.3.1	Time to Obtain an Internet Connection
3.3.2	Cost of Internet Connections and Services
3.3.3	Reliability of Internet Supply

Time to Obtain Utility Connections (Electricity, Water, Internet)

It is important for businesses to receive utility services in a timely manner to jumpstart their operations or productions. Delays in obtaining permits could lead to higher transaction costs and fewer connections.⁶³ A straightforward process that requires less time to receive an electricity connection positively impacts firm revenues, lowers connection rates, and limits bribes.⁶⁴ Therefore, the Time to Obtain Utility Connections has three indicators, one for each of the electricity (Subcategory 3.1.1), water (Subcategory 3.2.1), and internet (Subcategory 3.3.1) (table 27).

Table 27. Subcategories 3.1.1, 3.2.1, and 3.3.1–Time to Obtain Utility Connections

	Indicators	Components
1	Time to Obtain Electricity Connections (3.1.1)	The period in days between the completed and submitted application and the connection provision
2	Time to Obtain Water Connections (3.2.1)	
3	Time to Obtain Internet Connections (3.3.1)	

Cost of Utility Connections and Services

Expensive processes of obtaining utility connections and tariffs are burdensome and can impact firms. High connection fees, such as service commissions, contribution charges and taxes discourage applicants from obtaining utility connections.⁶⁵ Conversely, a less costly utility connection process is associated with better firm performance, particularly in industries with high electricity needs.⁶⁶ For example, energy tariffs affect firms' productivity and consumption levels.⁶⁷ In addition, the efficient pricing of energy tariffs impacts firms' investment decisions.⁶⁸ Therefore, the Cost of Utility Connections and Services has three indicators, one for each of the electricity (Subcategory 3.1.2), water (Subcategory 3.2.2), and internet (Subcategory 3.3.2) (table 28).

Table 28. Subcategories 3.1.2, 3.2.2, and 3.3.2–Cost of Utility Connections and Services

	Indicators	Components
1	Cost of Electricity Connections and Services (3.1.2)	<ul style="list-style-type: none"> i) Cost of a new electricity connection includes all costs incurred by the firm to connect to an electrical grid, including application fees, permitting, inspection fees, and cost of works, labor and equipment required to connect the establishment to the grid and infrastructure development contribution fees, if applicable (for example, transformer to lower the voltage). The cost of materials and equipment installed internally at the premises is excluded (for example, wiring cables inside the building). ii) Cost of electricity services is the total annual cost of electric energy purchased from public or private utility companies.
2	Cost of Water Connections and Services (3.2.2)	<ul style="list-style-type: none"> i) Cost of a new water connection includes all costs incurred by the firm to receive a water connection including application fees, permitting, inspection fees, cost of all connections works, labor, equipment required to connect the establishment to the water network, and infrastructure development contribution fees, if applicable. The cost of materials and equipment installed internally at the premises is excluded (for example, pipes inside the building). ii) Cost of water services is the total annual cost of water purchased from public or private utility companies.
3	Cost of Internet Connections and Services (3.3.2)	<ul style="list-style-type: none"> i) Cost of a new internet connections includes all costs incurred by the firm to receive a fixed internet connection, including application fees, infrastructure surcharges, installation costs, labor and equipment required to connect the establishment to the internet through a fixed connection. The cost of internet equipment installed inside the private property premises is excluded.

	ii) Cost of internet services covers the total annual cost of high-speed fixed broadband connection services received from internet providers.
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Reliability of Utility Connections

Economies that do not monitor electricity outages tend to experience high instances of electricity interruptions.⁶⁹ Reliability of utility services also impacts end-user behavior. Reliable electricity services enable predictable production processes and business planning as well as boost firms' productivity.⁷⁰ Similarly, reliable water services benefit a wide range of firms as they depend on a steady water supply for heating, cooling, cleaning, or using water as production input.⁷¹ Quality of internet services is another critical element for businesses. Service disruptions as well as other issues, such as high latency, throughput, jitter, or recovery times, lead to firms losing a competitive edge in their industries. Interruptions of internet supply also impede firms' ability to expand customer base, use data intensive applications or engage with clients and suppliers.⁷² Therefore, the Reliability of Utility Services has three indicators, one for each of the electricity (Subcategory 3.1.3), water (Subcategory 3.2.3), and internet (Subcategory 3.3.3) (table 29).

Table 29. Subcategories 3.1.3, 3.2.3, and 3.3.3—Reliability of Utility Services

	Indicators	Components
1	Reliability of Electricity Supply (3.1.3)	<ul style="list-style-type: none"> • A firm's experience of duration and frequency of electricity outages • Production losses due to electricity outages incurred by (a) firms with female ownership; (b) firms without female ownership
2	Reliability of Water Supply (3.2.3)	<ul style="list-style-type: none"> • A firm's experience of duration and frequency of water insufficiencies • Production losses due to water insufficiencies incurred by firms
3	Reliability of Internet Supply (3.3.3)	<ul style="list-style-type: none"> • A firm's experience of duration of internet interruptions • Production losses due to water insufficiencies incurred by firms

III. DATA SOURCES

4.1 Data collection sources

The data for Pillar I and Pillar II are collected through consultations with private sector experts. Private sector experts include practitioners and lawyers working in the areas of electricity, water, and internet.

The data for Pillar III are collected through Enterprise Surveys. Enterprise Surveys provide representative data on time and cost to receive utility connections, on service interruption and associated losses experienced by businesses in practice. A representative sample of companies captures variation of user experience within each economy. Businesses with different characteristics, such as size, region, and sector participate in the surveys. For more details on the collection of data by the Enterprise Surveys, please refer to the Overview chapter of this Methodology Handbook. When, for any reason, Enterprise Surveys are not feasible to obtain the needed data on time and cost to obtain utility connections, an alternative approach is to collect these data through consultations with private sector experts who are actively involved in electricity, water, and internet connections (see table 30). In such a case, broad parameters are defined (described in section IV) to ensure data comparability across economies. Private sector experts include construction companies, contractors, electricians, engineers, plumbers, water specialists, broadband technicians, network architects, and engineers.

4.2 Screening and selection of experts

Utility Services topic has three questionnaires, one for each topic: electricity, water, and internet. Each questionnaire targets experts in their respective areas of expertise. In order to select potential experts to participate in the questionnaires, screener questionnaires for electricity, water and internet have been

developed (table 30). Ultimately, this will allow the Team to select the experts to respond to the questionnaire on each of the utilities (electricity, water, internet).

Table 30. Screener questionnaire and respondent criteria

Relevant expert professions	
Electricity	Construction companies, contractors, electricians, engineers, lawyers, etc.
Water	Construction companies, contractors, engineers, lawyers, plumbers, water specialists, etc.
Internet	Broadband technicians, network architects, network engineers, information technology project managers, software development, IT directors/managers, help desk/ hardware technicians, ICT policy experts, lawyers, regulatory compliance specialists, etc.
Relevant areas of specialization	
Electricity	Civil engineer, construction contracting, construction law, electrical contracting, electrical engineering, energy law, general expertise in obtaining or providing electricity connections, etc.
Water	Civil engineering, construction contracting, construction law, general expertise in obtaining water connections, water regulations, etc.
Internet	Broadband installation, IT system administration, IT security/cybersecurity, IT hardware maintenance and administration, network and telecommunications, web/software, ICT law/regulatory compliance (infrastructure investment/ownership/licensing; commercial disputes/regulator disputes; cybersecurity/liability/data protection/consumer protection, etc.
Assessment of the experts' knowledge and experience related to commercial electricity, water and internet connections and associated regulations, services, and processes	
Electricity	Experience with submitting applications for electricity connections to the utility, carrying out electricity installation in new commercial buildings, submitting payment for electricity services, carrying out inspections of electricity connections; knowledge of commercial electricity tariffs; engagement with complaint mechanism for electricity services; knowledge of the regulations governing inspections for electricity connections, the regulations on quality of electricity supply, as well as the environmental standards related to electricity provision and use.
Water	Experience with submitting applications for water connections to the utility, carrying out water installations in new commercial buildings, submitting payment for water services, carrying out inspections of water connections; knowledge of commercial water tariffs; engagement with complaint mechanism for water services, knowledge of the regulations governing inspections for water connections, and the regulations on quality of water supply and safety of water connection, as well as the environmental standards related to water provision and wastewater.
Internet	Experience with broadband installation to new buildings, network maintenance and management, quality of service monitoring and network traffic analysis, quality of service complaints and resolution, energy-efficient networking and environmental standards related to provision of internet services, cybersecurity management and analytics, cybersecurity policy and compliance, invoice management and payments for broadband services, negotiation of contracts for new broadband connection agreements, negotiation of contracts for new broadband infrastructure agreements (spectrum, rights of way management, infrastructure sharing, utility partnership or interconnection agreements), broadband competition, compensation or consumer complaint disputes.

Note: ICT = information and communication technology; IT = information technology.

Thus, the information provided in the screener questionnaires allows the team to better understand the experts' professions; areas of specializations and experts' knowledge or experience related to commercial electricity, water, and internet connections and related regulations, services, and processes. Ultimately, this will allow the team to select the experts to respond to the questionnaire on electricity, water, and internet.

IV. PARAMETERS

To ensure comparability of the data from expert consultations across economies, the Utility Services topic uses general as well as specific parameters. A parameter refers to an assumption that is made about the characteristics of location, utility provider and the specific characteristics of utility connection.

5.1 General parameters

Electricity, water, and internet connections share the same general parameters. In many economies, there are subnational jurisdictions that require a specific business location to be specified in order for experts to identify the relevant regulatory framework to be assessed. Similarly, many economies have multiple utility providers and the assessment of performance of utility service provision requires identifying the relevant provider.

5.1.1 Business location–Largest city

Justification:

Geographic location determines availability of electricity, water, and internet connections, in addition to the type of connections and construction required. For instance, geographic location determines the type of electricity connection: overhead versus underground, as well as the level of voltage (connection to high-, medium-, or low-voltage network). In the case of water connections, availability of a piped network depends on the location. For the internet, deployment of specific technologies and, ultimately, availability of high-speed internet also depend on location. These factors may affect the affordability or feasibility of utility services and the time it takes to obtain new connections. Thus, business location is an essential parameter for assessing efficiency of utility service provision. The largest city is chosen based on the population size as detailed in the Overview chapter of this Methodology Handbook.

Application:

For Pillar I, the parameter is used in cases where regulations are not applicable at a national level, varying across states or regions. For the economies where regulations differ across states, regulations for the largest city are measured. For Pillar II, the parameter is used to determine the relevant the utility service provider and is important for identifying a geographical area of provision of utility services. For Pillar III, this parameter applies only in cases when the data are collected through expert consultations rather than through enterprise surveys. Specifically, the parameter is relevant for measures on time and cost as they can vary significantly across cities.

5.1.2 Utility–Largest utility provider in the largest city

Justification:

In some cities, there could be one or several utility providers. The Utility Services topic aims to capture the most common practice; hence, the largest utility provider in the largest city is considered (in terms of customers served or market share). In the case of internet connections, amid a competitive nature of the market of Internet Service Providers (ISPs), the largest ISP (in terms of market share in the largest city) that offers high-speed fixed broadband packages (minimum of 25 Mbps [Megabits per second] download speed) is considered.

Application:

The parameter of the largest utility provider in the largest city is relevant to all measures of Pillar II, as provision of utility services varies depending on the utility. The parameter does not apply to the indicator on System for Excavation Permit Approval, where the existence of infrastructure management system would typically be available for all utilities. The parameter also does not apply to the indicator on tariff transparency, in cases where tariffs are published on regulatory agency websites. For Pillar III, the parameter applies only when data are collected through expert consultations rather than enterprise surveys. Specifically, the parameter applies to measures on time and cost as efficiency of utility connections may vary depending on a utility.

5.2 Specific parameters

Utility-specific parameters are also necessary to ensure that estimates specific to the connection, such as information on the time and cost to obtain utility connections provided by experts, are comparable across economies. Utility connections can range widely depending on the type, usage, or size of the connection. In order to specify the type of connection that the dataset intends to capture, parameters of load capacity, water consumption and download/upload speed are designed for electricity, water and internet connections, respectively.

5.2.1 Electricity–Load capacity (180 kVA [kilovolt-amperes])

Justification:

For electricity, a specific parameter of load capacity is used for time and cost indicators. The load capacity is used as a unit of measurement; it determines how much power is used and where it is used. This information is important for electricity providers and power suppliers to set electricity tariffs. In addition, load capacity impacts affordability of electrical connection and work completion timeframes. For example, depending on a load capacity, an electrical contractor would be able to estimate whether a transformer is needed or not as well as the type of a transformer, if required. Installation or construction of a transformer is one of the costliest investments. In addition, the rationale behind setting a fixed load capacity ensures data comparability across all surveyed economies.

Application:

The Utility Services topic assumes the load capacity to be equal to 180 kVA. This value corresponds to connections of the firms that rely on electricity for production and business operations and use electricity more intensively than the basic level. For example, an average industry-specific facility (such as a cold storage warehouse) uses up to four times more electricity than a conventional business office.⁷³ Some of the examples of businesses with a capacity of around 180 kVA include commercial (industry-specific) buildings with an average capacity of 177 kVA; small retail malls with 181 kVA capacity load; or indoor agribusiness facilities with 181 kVA.⁷⁴

An illustrative breakdown of 180 kVA capacity is as follows:⁷⁵

- Lighting (30 kW [kilo watts])—accounts for at least 15% of the total energy consumption in commercial buildings
- PCs and data servers (10 kW)
- Security systems (10 kW)
- Heating/cooling (HVAC systems)—2 tons AC (20 kW)
- Industry-specific equipment (example: 10 refrigerators/10 freezers) (80 kW)
- An additional 30 kw is needed for power upgrades.

5.2.2 Water–Consumption (restaurant–32,000 liters per day; hotel–72,000 liters per day)

Justification:

To make the data comparable across economies, *water consumption* of a business is used as a unit of measurement. Water consumption reflects the intensity of a firm's reliance on water, as well as determining the size or complexity of a water connection. This information is required for water providers to set the applicable tariff and also affects the costs of water connections and work implementation timeframes. For example, depending on consumption, a utility can identify the type of work, materials, and pipe size needed for a connection. Furthermore, the water consumption parameter ensures data comparability as it specifies approximate time and cost for a similar water connection across all surveyed economies.

The types of businesses assessed by the indicator—restaurants and hotels—represent the service sector that accounts for a large share of employment. For example, the service sector in the OECD and Latin America and the Caribbean regions accounts for more than over 70 percent and 65 percent of total employment and

value added, respectively.⁷⁶ Restaurants represent smaller-scale businesses that rely on water for operations, while hotels represent medium-sized businesses with more significant water consumption. For both, water plays a major role in everyday operations.⁷⁷ Such businesses operate in all economies, allowing for data representativeness and comparability.

Application:

- Restaurant: Total water consumption for a restaurant is assumed to be around 32,000 liters per day. A medium-sized restaurant is considered. A consumption of 32,000 liters per day is for a typical sit-down restaurant for 160–200 people per day. Specifically, studies find that a typical sit-down restaurant uses from 13,638 liters (3,000 gallons) to 31,822 liters (7,000 gallons) per day.⁷⁸ For this indicator, a higher value in the range (32,000 liters) is taken to focus on restaurants that are medium size with medium consumption.
- Hotel: Total water consumption for a hotel is assumed to be around 72,000 liters (approximately 720 liters per room/day). A medium-sized hotel is considered, with around 100 rooms because this hotel size is representative across economies.⁷⁹ Values for total water consumption are calculated based on an average water consumption per room per year. Therefore, the value selected for this parameter accounts for seasonality, acknowledging differences in water consumption depending on whether a hotel operates at low, medium, or full capacity. Around 720 liters (190 gallons) per room/day represents a higher end of a median of daily water consumption across all hotels.

5.2.3 Internet–Speed (25 Mbps–download speed; 3 Mbps–upload speed)

Justification:

Internet connections are usually categorized and priced based on the data usage and speed requirements. Typically, firms have higher data usage and internet speed requirements than households. A wide range of connection “packages” or “bundles” are usually available to firms in most markets.⁸⁰ For example, a call center with more than 10 employees uploading and downloading data simultaneously may require a speed at least 12 times faster than a small physical commercial establishment with 3 to 5 employees.⁸¹

Application:

A specific parameter of at least 25 Megabits per second (Mbps) of download speed and 3 Mbps of upload speed is considered to ensure data comparability when measuring time and cost of installation of a new internet connection across all surveyed economies. The 25 Mbps parameter covers firms operating in sectors with medium data usage, including education, e-commerce, construction, or basic manufacturing. In this regard, the Utility Services topic focuses on businesses with medium internet data use. For example, a business with 5 employees that email, exchange files, use cloud-based software (for inventory management, financial accounting and paying taxes and payroll) and videoconference simultaneously. Such a business could have 10 devices (PCs, tablets, TVs) connected through a small local network and host a website server. This parameter also ensures data representativeness and comparability.

V. TOPIC SCORING

The Utility Services topic has three pillars: Pillar I–Quality of Electricity, Water, and Internet Regulations; Pillar II–Quality of the Governance and Transparency of Utility Services; and Pillar III–Efficiency of Utility Service Provision in Practice. The total points for each pillar are further rescaled to values from 0 to 100, and subsequently aggregated into the total topic score. Each pillar contributes one-third to the total topic score. Table 31 shows the scoring for the Utility Services topic. The scores distinguish between benefits to the firm (captured as firm flexibility points) and benefits to society’s broader interests (captured as social benefits points). For further scoring details, please see Annex A, which complements this section.

Table 31. Aggregate scoring overview

Pillar	Title	Number of indicators	Score			Rescaled points (0–100)	Weight
			Firm flexibility	Social Benefits	Total points		
I	Quality of Electricity, Water, and Internet Regulations	31	23	31	54	100	0.33
II	Quality of the Governance and Transparency of Utility Services	34	32	34	66	100	0.33
III	Efficiency of Utility Service Provision in Practice	15	100	n.a.	100	100	0.33

Note: n.a. = not applicable (refers to the cases when the impact on firms or society is either ambiguous or nonexistent).

6.1 Pillar I—Quality of Electricity, Water, and Internet Regulations

Pillar I covers 31 indicators with a total score of 54 points (23 points on firm flexibility and 31 points on social benefits). The scoring for each category under this pillar is as follows:

6.1.1 *Regulations for Efficient Deployment of Utility Connections and Quality of Supply* covers 12 indicators with a total maximum score of 24 points (12 points on firm flexibility and 12 points on social benefits). Specifically, the *Regulatory Monitoring* Subcategory has 6 indicators; the *Utility Infrastructure Sharing and Efficient Digital Connectivity* Subcategory has 3 indicators; and the *Mechanisms on Service Quality Assurance* Subcategory has another 3. A regulatory framework that ensures efficiency of connection processes and adequate quality of service supply benefits both firms (firm flexibility) and society/customers (social benefits). Hence, equal scores are assigned to both categories.

6.1.2 *Regulations on Safety of Utility Connections* covers 9 indicators with a total maximum score of 18 points (9 points on firm flexibility and 9 on social benefits). Specifically, the *Professional Certifications, Inspection Regimes, and Cybersecurity* Subcategories have 2 indicators each; and the *Liability Regimes* Subcategory has 3 indicators. A regulatory framework that promotes the safety of connections benefits both the firm (firm flexibility) and the society (social benefits). Hence, equal scores are assigned to both categories.

6.1.3 *Environmental Regulations for Sustainable Provision and Use of Utility Services* covers 10 indicators with a total maximum score of 12 points (2 points on firm flexibility and 10 points on social benefits). Specifically, the *Sustainable Provision and Use of Electricity* Subcategory and the *Sustainable Provision and Use of Water* Subcategory have 3 indicators each; the *Sustainable Wastewater Practices* Subcategory and the *Sustainable Provision and Use of Internet* Subcategory have 2 indicators each. The positive impact for society is derived from enhanced environmental sustainability and improved adherence to environmental standards. Most of the measures under this category have either a neutral impact on firms, wherein requirements are imposed on other actors (such as utilities, data centers), or an ambiguous impact and hence are not scored.

Pillar I—REGULATORY FRAMEWORK: QUALITY OF ELECTRICITY, WATER, AND INTERNET REGULATIONS		No. of indicators	FFP	SBP	Total points	Rescaled points
1.1	Regulations for Efficient Deployment of Utility Connections and Quality of Supply	12	12	12	24	44.44
1.1.1	Regulatory Monitoring	6	6	6	12	22.22
1.1.2	Utility Infrastructure Sharing and Efficient Digital Connectivity	3	3	3	6	11.11
1.1.3	Mechanisms on Service Quality Assurance	3	3	3	6	11.11
1.2	Regulations on Safety of Utility Connections	9	9	9	18	33.33

1.2.1	Professional Certifications	2	2	2	4	7.41
1.2.2	Inspection Regimes	2	2	2	4	7.41
1.2.3	Liability Regimes	3	3	3	6	11.11
1.2.4	Cybersecurity	2	2	2	4	7.41
1.3	Environmental Regulations for Sustainable Provision and Use of Utility Services	10	2	10	12	22.22
1.3.1	Sustainable Provision and Use of Electricity	3	1	3	4	7.41
1.3.2	Sustainable Provision and Use of Water	3	1	3	4	7.41
1.3.3	Sustainable Wastewater Practices	2	Na	2	2	3.70
1.3.4	Sustainable Provision and Use of internet	2	Na	2	2	3.70
	Total	31	23	31	54	100

Note: FFP = firm flexibility point; SBP = social benefits point.

6.2 Pillar II–Quality of the Governance and Transparency of Utility Services

Pillar II includes 34 indicators with a total score of 66 points (32 points on firm flexibility and 34 points on social benefits). The scoring for each category under the pillar is as follows:

- 6.2.1** *Monitoring Reliability and Sustainability of Service Supply and Safety of Connections* covers 11 indicators with a total maximum score of 20 points (9 points on firm flexibility and 11 points on social benefits). Specifically, the *KPIs to Monitor Reliability and Sustainability of Service Supply* and *KPI Transparency* Subcategories have 4 indicators each; and the *Monitoring Safety of Utility Connections in Practice* Subcategory has 3 indicators. Under this category, the score for the most part is allocated equally between firm flexibility and social benefits, except for the measures on KPIs to monitor environmental sustainability of electricity and water supply. These measures do not directly impact firms and, thus, are scored on social benefits only. Data on reliability of utility supply and safety of connections can signal bottlenecks in the utility service supply, support public accountability, and improve public safety, extending benefits to firms and society as a whole.
- 6.2.2** *Transparency of Utility Services* covers 15 indicators with a total maximum score of 30 points (15 points on firm flexibility and 15 points on social benefits). Specifically, the *Transparency of Tariffs and Tariffs Settings*; *Publication of Connection Requirements*; *Publication and Announcement of Planned Outages*; *Complaint Mechanisms and Transparency of Complaint Processes*; and *Sex-Disaggregated Customer Surveys* Subcategories have 3 indicators each. A regulatory framework that ensures transparency of utility services benefits both firms (firm flexibility) and society (social benefits). Hence, equal scores are assigned to both categories.
- 6.2.3** *Interoperability of Utility Services* covers 8 indicators with a total maximum score of 16 points (8 points on firm flexibility and 8 on social benefits). Specifically, the *Interoperability at the Utility Level* Subcategory has 2 indicators, and the *Electronic Application* and the *Electronic Payment* Subcategories have 3 indicators each. A regulatory framework that promotes interoperability of utility services benefits both firms (firm flexibility) and society (social benefits). Hence, equal scores are assigned to both categories.

Pillar II–PUBLIC SERVICES: QUALITY OF GOVERNANCE AND TRANSPARENCY OF UTILITY SERVICES		No. of indicators	FFP	SBP	Total points	Rescaled points
2.1	Monitoring Reliability and Sustainability of Service Supply and Safety of Connections	11	9	11	20	30.30
2.1.1	KPIs to Monitor Reliability and Sustainability of Service Supply	4	3	4	7	10.61
2.1.2	KPI Transparency	4	3	4	7	10.61
2.1.3	Monitoring Safety of Utility Connections in Practice	3	3	3	6	9.09

2.2.	Transparency of Utility Services	15	15	15	30	45.45
2.2.1	Transparency of Tariffs and Tariffs Settings	3	3	3	6	9.09
2.2.2	Publication of Connection Requirements	3	3	3	6	9.09
2.2.3	Publication and Announcement of Planned Outages	3	3	3	6	9.09
2.2.4	Complaint Mechanisms and Transparency of Complaint Processes	3	3	3	6	9.09
2.2.5	Sex-Disaggregated Customer Surveys	3	3	3	6	9.09
2.3.	Interoperability of Utility Services	8	8	8	16	24.24
2.3.1	Interoperability at the Utility Level	2	2	2	4	6.06
2.3.2	Electronic Applications	3	3	3	6	9.09
2.3.3	Electronic Payments	3	3	3	6	9.09
	Total	34	32	34	66	100

Note: FFP = firm flexibility point; SBP = social benefits point; KPI = Key Performance Indicator.

6.3 Pillar III–Efficiency of Utility Service Provision in Practice

Pillar III has 15 indicators with scores ranging from 0 to 100. The scores on indicators under this pillar are assigned to firm flexibility only, as the indicators measure the outcomes of service provision to firms. For example, high fees and long times to obtain electricity, water, and internet connections have adverse impacts on firms, thus hampering firm flexibility.

6.3.1 *Electricity* has 3 subcategories–*Time to Obtain an Electricity Connection*; *Cost of Electricity Connection and Services*; and *Reliability of Electricity Supply*–with a total of 5 indicators.

6.3.2 *Water* has 3 subcategories–*Time to Obtain a Water Connection*; *Cost of Water Connection and Services*; and *Reliability of Water Supply*–with a total of 5 indicators.

6.3.3 *Internet* has 3 subcategories–*Time to Obtain an Internet Connection*; *Cost of Internet Connection and Services*; and *Reliability of the Internet Supply*–with a total of 5 indicators.

Pillar III–EFFICIENCY OF UTILITY SERVICE PROVISION IN PRACTICE		No. of indicators	Rescaled points
3.1	Electricity	5	33.33
3.1.1	Time to Obtain an Electricity Connection	1	11.11
3.1.2	Cost of Electricity Connection and Services	2	11.11
3.1.3	Reliability of Supply	2	11.11
3.2	Water	5	33.33
3.2.1	Time to Obtain a Water Connection	1	11.11
3.2.2	Cost of Water Connection and Services	2	11.11
3.2.3	Reliability of Water Supply	2	11.11
3.3	Internet	5	33.33
3.3.1	Time to Obtain an Internet Connection	1	11.11
3.3.2	Cost of Internet Connection and Services	2	11.11
3.3.3	Reliability of the Internet Supply	2	11.11
	Total	15	100

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Annex A. Utilities Services–Scoring Sheet

This document outlines the scoring approach for the Utility Services topic. For every indicator, a firm flexibility point (FFP) and/or a social benefits point (SBP) are assigned, along with a clarification on the detailed scoring for each such indicator and a note on the relevant background literature.

PILLAR I–REGULATORY FRAMEWORK: QUALITY OF ELECTRICITY, WATER, AND INTERNET REGULATIONS					
1.1 REGULATIONS FOR EFFICIENT DEPLOYMENT OF UTILITY CONNECTIONS AND QUALITY OF SUPPLY					
1.1.1 Regulatory Monitoring					
Indicators	FFP	SBP	Total points	Rescaled points	Background literature
Regulatory Monitoring of Electricity Tariffs	1	1	2	3.70	AfDB (2021); Brown et al. (2006); Cubbin and Stern (2006); Rana et al. (2022); Foster and Rana (2020); OECD (2021a); Pérez-Arriaga et al. (2017); World Bank (2019)
Monitoring of Quality of Electricity Service by Regulator	1	1	2	3.70	AfDB (2021); Brown et al. (2006); Cubbin and Stern (2006); Rana et al. (2022); Foster and Rana (2020); OECD (2021a); Pérez-Arriaga et al. (2017); World Bank (2019)
Regulatory Monitoring of Water Tariffs	1	1	2	3.70	AfDB (2021); Brown et al. (2006); Cubbin and Stern (2006); Foster and Rana (2020); OECD (2021a); Pérez-Arriaga et al. (2017); World Bank (2019)
Monitoring of Quality of Water Service by Regulator	1	1	2	3.70	Brown et al. (2006); Foster and Rana (2020); OECD (2021a); Pérez-Arriaga et al. (2017); World Bank (2019)
Regulatory Monitoring of Internet Tariffs	1	1	2	3.70	ITU and World Bank (2020); Kelly and Rossotto (2012); World Bank Group (2018)
Monitoring of Quality of Internet Service by Regulator	1	1	2	3.70	ITU and World Bank (2020); Kelly and Rossotto (2012); World Bank Group (2018)
Total points for Subcategory 1.1.1	6	6	12	22.22	
1.1.2 Utility Infrastructure Sharing and Efficient Digital Connectivity					
Joint Planning and Construction (requirements for adherence to common excavation permits for utility services; timeframes for issuance of approvals by involved agencies)	1	1	2	3.70	Martínez Garza Fernández et al. (2020) ; OECD (2003, 2012); RWI (n.d.)

Rights of Way and Open Infrastructure Access for Broadband Operators	1	1	2	3.70	ITU and World Bank (2020); OECD (2008, 2018)
Infrastructure Sharing Provisions among ISPs	1	1	2	3.70	ITU and UNESCO (2021); ITU and World Bank (2020); OECD (2008, 2018)
Total points for Subcategory 1.1.2	3	3	6	11.11	
1.1.3 Mechanisms on Service Quality Assurance					
Financial Deterrence Mechanisms to Limit Electricity Interruptions	1	1	2	3.70	Costello (2012); Foster and Rana (2020)
Financial Deterrence Mechanisms to Limit Water Interruptions	1	1	2	3.70	Foste and Rana (2020); Molinos-Senante and R. Sala-Garrido (2017)
Financial Deterrence Mechanisms to Limit Internet Interruptions	1	1	2	3.70	ITU (2017); ITU and the World Bank (2020)
Total points for Subcategory 1.1.3	3	3	6	11.11	
Total points for Category 1.1	12	12	24	44.44	
1.2 Regulations on Safety of Utility Connections					
1.2.1 Professional Certifications					
Qualification Requirements for Electricity Installations	1	1	2	3.70	IFC, World Bank, and MIGA (2013); IEEE (2022); ISSA (n.d); Leland (1979)
Qualification Requirements for Water Installations	1	1	2	3.70	Alegre et al. (2006) ; Leland (1979)
Total points for Subcategory 1.2.1	2	2	4	7.41	
1.2.2 Inspection Regimes					
Inspection Regimes for Electricity Installations. Legal obligation to conduct a third-party inspection or requirement for electrical connection works to be carried out by certified contractors who attest the quality of installation (internal and external installation works)	1	1	2	3.70	Boyne et al. (2002); IEC (2016); IFC, World Bank, and MIGA (2013); World Bank (2017b)
Inspection Regimes for Water Installations. Legal obligation to conduct a third-party inspection of water installations or requirement for water connection works to be carried out by certified contractors who attest the quality of the installations (internal and external installation works)	1	1	2	3.70	Boyne et al. (2002); IFC, World Bank, and MIGA (2013); World Bank (2017b)
Total points for Subcategory 1.2.2	2	2	4	7.41	

1.2.3 Liability Regimes					
Professional Liability for Electricity Connections. Per the regulation, parties (if any, besides the investor) involved in the electrical connection that are held liable by law in cases of faults discovered when the connection was in use	1	1	2	3.70	IFC, World Bank, and MIGA (2013) ; Wilson et al. (2009)
Professional Liability for Water Connections. Per the regulation, parties (if any, besides the investor) involved in the water connection that are held liable by law in cases of faults discovered when the connection was in use	1	1	2	3.70	IFC, World Bank, and MIGA (2013); Wilson et al. (2009)
Liability Regimes for Internet Service. Regulations establishing liability for personal data protection breaches and clearly establishing data breach incident reporting	1	1	2	3.70	EU Council (2016); ITU (2018); OECD (2013a); World Bank (2017a)
Total points for Subcategory 1.2.3	3	3	6	11.11	
1.2.4 Cybersecurity					
Cybersecurity Agency functions. Carrying out risk-assessment strategies, cybersecurity audits, leading collective efforts against cyber threats, and enforcing cybersecurity laws and regulations.	1	1	2	3.70	ITU (2018); World Bank (2016, 2017a, 2021b)
Cybersecurity Protection. Regulations establishing or mandating minimum cybersecurity protections/ standards AND defining a modus operandi for incident response in a case of a major cyberattack or a compromise of service availability.	1	1	2	3.70	ITU (2018); World Bank (2016, 2017a, 2021b)
Total points for Subcategory 1.2.4	2	2	4	7.41	
Total points for Category 1.2	9	9	18	33.33	
1.3 Environmental Regulations for Sustainable Provision and Use of Utility Services					
1.3.1 Sustainable Provision and Use of Electricity					
Environmental Sustainability of Electricity Provision. Electricity provision environmental standards for electricity generation, transmission, and distribution; and enforcement mechanisms	n.a.	1	1	1.85	Banerjee et al. (2017); Barreira et al. (2017); Gonzalez (2022); OECD (2009, 2015); Sinton et al. (2017); UN (2015); UNEP (n.d.)
Environmental Sustainability of Electricity Use. Electricity use requirements and programs promoting energy-efficiency practices; and enforcement mechanisms	n.a.	1	1	1.85	AfDB (2021); Barreira et al. (2017); Geller et al. (2006); IEA (2008); OECD (2009); UNEP (n.d.)
Incentives to Adopt Energy-Saving Practices. Electricity use incentives to comply with energy efficiency measures (financial and nonfinancial incentives)	1	1	2	3.70	Barreira et al. (2017); De la Rue du Can et al. (2014); Geller et al. (2006); UNEP (n.d.)

Total points for Subcategory 1.3.1	1	3	4	7.41	
1.3.2 Sustainable Provision and Use of Water					
Environmental Sustainability of Water Provision. Environmental standards for supply efficiency and requirements for water quality; and enforcement mechanisms	n.a.	1	1	1.85	Alegre et al. (2006); Britton, (2013); Danilenko et al. (2014); OECDa; OECD (2009); Pinto et al. (2017); UN (2015); WHO (2017)
Environmental Sustainability of Water Use. Water use requirements and programs promoting adherence to water saving practices; and enforcement mechanisms	n.a.	1	1	1.85	Fan et al. (2019); OECD (2009); Pinto et al. (2017); Colorado WaterWise (n.d.)
Incentives to Adopt Water-Saving Practices. Water use incentives to facilitate compliance with water efficiency standards and adopting of water saving practices by businesses (financial and non-financial incentives)	1	1	2	3.70	OECD (2011, 2021b); Onyenankeya, Onyenankeya, and Osunkunle (2021)
Total points for Subcategory 1.3.2	1	3	4	7.41	
1.3.3 Sustainable Wastewater Practices					
Wastewater Treatment (entity responsible for regulating water waste discharge and wastewater treatment standards)	n.a.	1	1	1.85	Corcoran et al. (2010) ; UNEP (2015)
Regulation on Wastewater Reuse	n.a.	1	1	1.85	Corcoran et al. (2010); EU (2020); IWA (2018)
Total points for Subcategory 1.3.3	n.a.	2	2	3.70	
1.3.4 Sustainable Provision and Use of Internet					
Environmental Reporting or Disclosure Standards for Digital Connectivity Infrastructure	n.a.	1	1	1.85	Belkhir and Elmeligi (2018); ITU and World Benchmarking Alliance (2022)
Environmental Sustainability Requirements for Electronic Communication Networks and Data Infrastructure	n.a.	1	1	1.85	ITU and World Benchmarking Alliance (2022)
Total points for Subcategory 1.3.4	n.a.	2	2	3.70	
Total points for Category 1.3	2	10	12	22.22	
Total points for Pillar I	23	31	54	100.00	

Note: n.a. = not applicable (refers to the cases when the impact on firms or society is either ambiguous or nonexistent). FFP = firm flexibility point; SBP = social benefits point.

PILLAR II—PUBLIC SERVICES: QUALITY OF GEVERNANCE AND TRANSPARENCY OF UTILITY SERVICES					
2.1 Monitoring Reliability and Sustainability of Service Supply, and Safety of Connections					
2.1.1 KPIs to Monitor Quality, Reliability, and Sustainability of Utility Supply					
Indicators	FFP	SBP	Total points	Rescaled points	Background literature
KPIs on Reliability and Quality of Electricity Supply (for example, SAIDI and SAIFI indicators)	1	1	2	3.03	AfDB (2021); Banerjee et al. (2017); Bird (2005); IEEE (2004)
KPIs on Reliability and Quality of Water Supply	1	1	2	3.03	Alegre et al. (2006); Danilenko et al. (2014); Hristov (2019); IBNET (n.d.); WAREG-European Water Regulators (2017); OECDb; OECD (2015); UNECE and WHO (2019)
KPIs on Reliability and Quality of Internet Supply	1	1	2	3.03	Kelly and Rossotto (2012)
KPIs on Environmental Sustainability of Electricity and Water Supply	n.a.	1	1	1.52	Alegre (2006); Hristov (2019)
Total points for Subcategory 2.1.1	3	4	7	10.61	
2.1.2 KPI Transparency					
Online Availability of KPIs on Reliability of Electricity Supply (for example, SAIDI/SAIFI)	1	1	2	3.03	Banerjee et al. (2017); World Bank (2021a)
Online Availability of KPIs on Reliability of Water Supply and Quality of Water	1	1	2	3.03	WAREG-European Water Regulators (2017)
Online Availability of KPIs on Environmental Sustainability of Electricity and Water Supply	1	1	2	3.03	Kelly and Rossotto (2012)
Online Availability of KPIs on Reliability of Internet Supply (actual vs publicized speed metrics)	n.a.	1	1	1.52	Kelly and Rossotto (2012); WAREG-European Water Regulators (2017); World Bank (2021a); Chetty et al (2011); Chetty et al (2012)
Total points for Subcategory 2.1.2	3	4	7	10.61	
2.1.3 Monitoring Safety of Utility Connections in Practice					
Implementation of Inspections for Electricity Connections in Practice. Third-party inspections of electrical connection works carried out in practice OR the connection works done by licensed professionals who attest to the quality of installation. (Internal and external installation works).	1	1	2	3.03	IFC, World Bank, and MIGA (2013); OECD (2018); Scaddan (2011)

Implementation of Inspections for Water Connections in Practice. Third-party inspections of water connection works carried out in practice OR the connection works done by licensed professionals who attest to the quality of installation. (Internal and external installation works).	1	1	2	3.03	IFC, World Bank, and MIGA (2013); OECD (2018); World Bank (2017b)
Cybersecurity Protocols in Practice. Protocols stipulated in the legal and regulatory framework implemented in practice.	1	1	2	3.03	ITU (2018); Kelly and Rossotto (2012); World Bank (2017a)
Total points for Subcategory 2.1.3	3	3	6	9.09	
Total points for Category 2.1	9	11	20	30.30	
2.2 Transparency of Utility Services					
2.2.1 Transparency of Tariffs and Tariffs Settings					
Transparency of Electricity Tariffs and Tariff Setting	1	1	2	3.03	Balabanyan (2021); Body of European Regulators for Electronic Communications (2009); Foster and Rana (2020)
Transparency of Water Tariffs and Tariff Setting	1	1	2	3.03	Balabanyan (2021); Body of European Regulators for Electronic Communications (2009)
Transparency of Internet Tariffs and Tariff Setting	1	1	2	3.03	Balabanyan (2021); Body of European Regulators for Electronic Communications (2009)
Total points for Subcategory 2.2.1	3	3	6	9.09	
2.2.2 Publication of Connection Requirements					
Connection Requirements for Electricity (documents, steps, time standards and cost)	1	1	2	3.03	Balabanyan (2021); ECRB (2021); Geginat and Saltane (2014)
Connection Requirements for Water (documents, steps, time standards and cost)	1	1	2	3.03	Balabanyan (2021); Geginat and Saltane (2014); World Bank (2017b)
Connection Requirements for Internet (documents, steps, time standards and cost)	1	1	2	3.03	Balabanyan (2021); Geginat and Saltane (2014)
Total points for Subcategory 2.2.2	3	3	6	9.09	
2.2.3 Publication and Announcement of Planned Outages					
Publication and Announcement of Planned Electricity Outages	1	1	2	3.03	Balabanyan (2021); ECRB (2021); Liberty Mutual (2022)
Publication and Announcement of Planned Water Outages	1	1	2	3.03	Balabanyan (2021); Mwitirehe, Cheruiyot, and Ruranga (2022)

Publication and Announcement of Planned Internet Outages	1	1	2	3.03	Balabanyan (2021); Kelly and Rossotto (2012)
Total points for Subcategory 2.2.3	3	3	6	9.09	
2.2.4 Complaint Mechanisms and Transparency of Complaint Processes					
Complaint Mechanism for Electricity and Transparency of Complaint Process	1	1	2	3.03	Transparency International (2016); ECRB (2018)
Complaint Mechanisms for Water and Transparency of Complaint Process	1	1	2	3.03	Transparency International (2016)
Complaint Mechanisms for Internet and Transparency of Complaint Process	1	1	2	3.03	Transparency International (2016)
Total points for Subcategory 2.2.4	3	3	6	9.09	
2.2.5 Sex-Disaggregated Customer Surveys					
Sex-Disaggregated Customer Surveys at the Electricity Utility	1	1	2	3.03	ADB (2012); Pangare et al. (2019)
Sex-Disaggregated Customer Surveys at the Water Utility	1	1	2	3.03	ADB (2012); Pangare et al. (2019)
Sex-Disaggregated Customer Surveys at the Internet Provider	1	1	2	3.03	ADB (2012); Pangare et al. (2019)
Total points for Subcategory 2.2.5	3	3	6	9.09	
Total points for Category 2.2	15	15	30	45.45	
2.3 Interoperability of Utility Services					
2.3.1 Interoperability at the Utility Level					
Interoperability at the Utility Level for Electricity, Water, and Internet. Infrastructure database for identification of existing infrastructure networks and platform with information on planned works on the utility networks	1	1	2	3.03	ITU (2019); OGC et al. (2018); UNESCAP (2019)
System for Excavation Permit Approval for Electricity, Water, and Internet. Infrastructure management system for coordination of excavation permit among involved agencies (dedicated agency or web-based system in place that facilitates agency coordination for excavation permit application)	1	1	2	3.03	FPISC (2017); IFC, World Bank, and MIGA (2013); UNESCAP (2019); Yu, Zhang, and Li (2013)
Total points for Subcategory 2.3.1	2	2	4	6.06	
2.3.2 Electronic Applications					
Electronic Application for Electricity Connections	1	1	2	3.03	Ha (2022); Katz (2017)
Electronic Application for Water Connections	1	1	2	3.03	Ha (2022); Katz (2017)

Electronic Application for Internet Connections	1	1	2	3.03	Kelly and Rossotto (2012)
Total points for Subcategory 2.3.2	3	3	6	9.09	
2.3.3 Electronic Payments					
Electronic Payment for Electricity Connection fee and for electricity tariffs	1	1	2	3.03	Popa and Prostean (2013)
Electronic Payment for Water Connection fee and for water tariffs	1	1	2	3.03	Popa and Prostean (2013)
Electronic Payment for Internet Connection fee and for internet tariffs	1	1	2	3.03	Popa and Prostean (2013)
Total points for Subcategory 2.3.3	3	3	6	9.09	
Total points for Category 2.3	8	8	16	24.24	
Total points for Pillar II	32	34	66	100.00	

Note: n.a. = not applicable (refers to the cases when the impact on firms or society is either ambiguous or nonexistent). FFP = firm flexibility point; SBP = social benefits point. KPI = Key Performance Indicator. SAIDI = System Average Interruption Duration Index; SAIFI = System Average Interruption Frequency Index.

PILLAR III–EFFICIENCY: EFFICIENCY OF UTILITY SERVICE PROVISION IN PRACTICE

3.1 Electricity

3.1.1 Time to Obtain a Connection

Indicators	FFP	SBP	Total points	Rescaled points	Background literature
Time to Obtain an Electricity Connections (from the moment the client submits the connection request until the service is received)	33.3	n.a.	33.3	11.11	Geginat and Ramalho (2015); Hamman (2014)

3.1.2 Cost of Connection and Services

Cost of Electricity Connections and Services	33.3	n.a.	33.3	11.11	Abeberese (2017); Arlet (2017); Cecilia et al. (2011); Geginat and Ramalho (2015); IEA (2016); Iimi, Humphrey, and Melibaeva (2015); Lee et al. (2018)
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3.1.3 Reliability of Supply

Reliability of Electricity Supply	33.3	n.a.	33.3	11.11	Alby, Dethier, and Straub (2013); Allcott (2016); Arlet (2017); Blimpo and Cosgrove-Davies (2019); Cole et al. (2018); Escribano et al. (2010); Fedderke and Bogetić (2006); Grimm et al. (2012); Karen, Mansur, and Wang (2015); Khandker et al. (2014); Kirubi et al. (2009)
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Total points for Category 3.1

100 n.a. 100 33.33

3.2 Water

3.2.1 Time to Obtain a Connection

Time to Obtain a Water Connection (from the moment the client submits the connection request until the service is received)	33.3	n.a.	33.3	11.11	Alegre et al. (2006); World Bank (2017b); Hamman (2014)
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3.2.2 Cost of Connection and Services

Cost of Water Connection and Services	33.3	n.a.	33.3	11.11	Abeberese (2017); Arlet (2017); Cecilia et al. (2011); Frauendorfer (2008);
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					Geginat and Ramalho (2015); IEA (2016); Lee et al. (2018)
3.2.3 Reliability of Supply					
Reliability of Water Supply	33.3	n.a.	33.3	11.11	Chen (2019); Escribano (2010); Sjöstrand et al. (2021); World Bank (2017b)
Total points for Category 3.2	100	n.a.	100	33.33	
3.3 Internet					
3.3.1 Time to Obtain a Connection					
Time to an Obtain Internet Connection (from the moment the client submits the connection request until the service is received)	33.3	n.a.	33.3	11.11	Hamman (2014); ITU and the World Bank (2020); Kelly and Rossotto (2012)
3.3.2 Cost of Connection and Services					
Cost of Internet Connections and Services	33.3	n.a.	33.3	11.11	Abeberese (2017); Arlet (2017); Cecilia et al. (2011); Geginat and Ramalho (2015); IEA (2016); ITU (2020); Kelly and Rossotto (2012); Lange (2017); Lee et al. (2018)
3.3.3 Reliability of Supply					
Reliability of Internet Supply	33.3	n.a.	33.3	11.11	Ericsson (2013)
Total points for Category 3.3	100	n.a.	100	33.33	
Total points for Pillar III	100	n.a.	100	100.00	

Note: n.a. = not applicable – refers to the cases when the impact on firms or society is either ambiguous or nonexistent. FFP = firm flexibility point; SBP = social benefits point.

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Annex B. Utility Services–Annotated Questionnaires

Annex B consists of a Glossary and Annotated Questionnaires for Utility Services (electricity, water, internet). The Annotated Questionnaires provide the mapping between each indicator and the corresponding question(s). Due to the presence of multiple questionnaires, the numbering of categories in the annotated questionnaire does not match the methodology note.

Glossary

Backbone/backhaul infrastructure: The wholesale portions of the telecommunications network that comprise, respectively, the core network and the intermediate links (or middle mile) and that are used by internet service provider subnetworks to connect to the internet.

Bandwidth: The maximum amount of data an internet connection can handle at any moment, measured in Megabits per second (Mbps).

Block tariff: A tariff, wherein users pay different charges for different consumption levels. For example, if the consumption amounts to block 1+block 2+half of block 3, the customer will be charged: $\text{tariff 1} * \text{block 1 consumption} + \text{tariff 2} * \text{block 2 consumption} + \text{tariff 3} * (\text{block 3 consumption}) / 2$.

Cloud-based DDoS protection: A commercial cybersecurity service that is an alternative to on-premises cybersecurity meant to mitigate or avoid distributed denial of service (DDoS) attacks on network infrastructure.

Cost to obtain new electricity connection: All costs incurred by the firm associated with connecting to an electrical grid, including application fees, permitting, inspection fees, and cost of works, labor and equipment required to connect the establishment to the grid and infrastructure development contribution fees, if applicable (such as a transformer to lower the voltage). The cost of materials and equipment installed internally at the premises is excluded (such as wiring cables inside the building).

Cost to obtain new internet connection: The total cost borne by firm for the provision of new high-speed internet connection, including application fee, infrastructure surcharges, installation costs, labor and equipment required to connect the establishment to the internet through a fixed connection. The cost of internet equipment installed inside the private property premises is excluded (such as the ethernet wall outlet or patch panel inside the building).

Cost to obtain new water connection: All costs incurred by the firm to receive a new water connection including application fees, permitting, inspection fees, cost of all connections works, labor, equipment required to connect the establishment to the water network and infrastructure development contribution fees, if applicable. The cost of materials and equipment installed internally at the premises is excluded (such as pipes inside the building).

Cybersecurity: The measures implemented to protect networks, devices, and data from unauthorized access or criminal use.

Deterrence mechanism: The process of discouraging an event or activity. Deterrence mechanisms may include fines or penalties, inspections, reporting requirements or public disclosure of violations.

“Dig once” policy: The approach that allows for the coordination between public works departments, public utility companies, and internet service providers to avoid the duplication of infrastructure or civil engineering works.

Effluent limitation: A restriction on the amount of a pollutant that can be released into a water body.

Electricity/power outage: The loss of the electrical power from the power grid; occurs when there is equipment malfunction from the failure of adequate supply of power. If power outages are planned (“load shedding”), this is considered a power outage.

Energy efficiency requirements for electricity transmission and distribution: Standards and regulations for environmentally sustainable transportation of electricity (such as energy-efficiency requirements for electricity transmission and distribution utilities; requirement by law to roll-out smart meters to commercial customers free of charge; development of “smart grids”).

Enforcement mechanism: Methods used to encourage compliance with regulations or laws.

Environmental standards for electricity generation: Standards and regulations for environmentally sustainable electric power generation (for example, energy efficiency requirements for electricity generation plants; percentage of total electricity generation to be met with renewables; requirements for reduction on emissions of local air pollutants for fossil fuel plants).

External installation/connection works: The connection works outside the private property premises.

Firm flexibility point (FFP): A way to score indicators if it affects the benefits or costs of running a business.

Fixed internet connection: A new connection or any change to an existing connection that requires an application. It includes cable modem Internet connections, DSL Internet connections of at least 256 Kbit/s or higher, fiber and other fixed broadband technology connections such as satellite broadband, Ethernet LANs, fixed-wireless access, Wireless Local Area Network, WiMAX, or others. It does not include internet access through mobile phone hot spots or Wi-Fi phone tethering.

FMIK: Frecuencia Media de Interrupción—medium frequency of interruptions for installed KVA (kilovolt-amperes).

Geographic Information System (GIS): The database containing geographic data (that is, descriptions of phenomena for which location is relevant), combined with software tools for managing, analyzing, and visualizing those data.

Internal installation/connection works: The connection works inside the private property premises.

Internet interruption/outage: The interruptions to internet services, both partial (such as slowdown in connections due to congestion, limited bandwidth, or high latency) and total disruptions (outage, blackout, or shutdown). It excludes disruptions caused by electricity outages.

Internet Service Provider: The company (public or private) that provides commercial internet connections and subsequent internet services.

Jitter: The variation in time from the moment a signal is transmitted to the moment it is received over a network connection.

Joint excavation: Joint planning or construction with different entities in digging channels in the ground for electricity, water, and internet providers to build structures and facilities underground to connect consumers to services (such installation includes cable, electrical/sewer/water/internet lines and conduit).

Key Performance Indicators (KPI): The quantifiable measure of performance over time for a specific objective.

KVA: kilovolt-amperes.

kWH: kilowatt hour

Latency: The delays in data transfer due to unreliable networks.

LCU: local currency unit.

Load shedding: The deliberate shutdown of electric power in a part or parts of a power-distribution system, generally to prevent the failure of the entire system.

Local Loop Unbundling: Regulatory process through which multiple Internet Service Providers (ISPs) are allowed to install their software at the telephone exchange and provide a broadband service over existing network cables and other infrastructure.

m³: Cubic meters.

Mbps: Megabits per second.

Right of way: An easement granted by the property owner that gives the rights to cross the land and the provision by the property owner of reasonable use of the property to others, as long as it is not inconsistent with the use and enjoyment of the land by the owner.

SAIDI: The System Average Interruption Duration Index, a commonly used reliability index by electric power utilities. SAIDI estimates measure planned and unplanned outages, including load shedding.

SAIFI: The System Average Interruption Frequency Index, another commonly used reliability index by electric power utilities. SAIFI estimates measure planned and unplanned outages, including load shedding.

Smart grid: The electricity supply network that uses digital communications technology to detect and react to local changes in usage.

Smart meter: The electronic device that records information such as consumption of electric energy, voltage levels, current, and power factor.

Social benefits point (SBP): A way to score indicators if its effects go beyond the firm and extend to socially desirable areas, such as environmental protection, consumer protection and informational externalities.

SSL inspection: The process of intercepting and reviewing SSL-encrypted internet communication between the client and the server.

Third-party inspection: The water or electricity inspections of final electrical wiring or plumbing works, respectively, conducted by licensed and authorized professionals or agencies other than the one that did installation.

Time to obtain electricity connection: The period in days from the moment the application is submitted till the moment electricity supply starts.

Time to obtain fixed broadband connection: The period in days between the completed and submitted application and the connection provision. This period includes the time to install the cable, fiber, or DSL when necessary.

Time to obtain water connection: The period in days from the moment the application is submitted till the moment water supply starts.

TTIK: The total time of interruption for installed KVA.

Volume-differentiated tariff: Tariff, where the entire consumption is charged on the rate of the block where the customer's total consumption lies. For example, if the user's consumption lies in block 3, the customer will be charged the amount of (block 1+block 2+block 3/2) consumption * tariff of block 3.

Water insufficiency/interruption/outage: An incident of insufficient water pressure or water supply from the water grid, whenever there is equipment failure or cessation of production operations due to the lack or reduction of water supply.

ELECTRICITY

The tables that follow present all indicators (including their components, if applicable) under each pillar, with a reference to the corresponding question number in parenthesis. The questions are listed before each table for ease of reference.

For Y/N questions, the Y response accounts for the score and is considered as the good practice, unless otherwise indicated with the sign “N à good practice”.

In the tables that follow, “AND” means all referenced questions must have a good practice response to obtain a score on the indicator.

In the tables that follow, “OR” means one or more referenced questions must have a good practice response to obtain a score on the indicator.

Certain questions are marked as “not scored,” which indicates that they do not impact the score in any way. The purpose of these questions is to further inform and refine the questions design for subsequent years of the pilot, as needed, as well as to substantiate and provide further information for the scored questions.

Note: Several indicators in Utility Services topic are shared between Electricity, Water, and Internet. In those cases, the same question is asked for each area (Electricity, Water, and Internet). However, the scoring on the indicator is shared among the three areas to avoid triple counting. Shared indicators are marked with *. For example, the indicator on “Joint Planning and Construction” scores 2 points (on Firm Flexibility Points, FFP, and Social Benefits Points, SBP) and is shared between Electricity, Water, and Internet. The questions corresponding to this indicator apply to three areas and are asked in all three questionnaires identically (Electricity, Water, and Internet). In terms of the scoring, 2 points for this indicator feed into the overall Utility Services topic score based on the information collected from the three questionnaires.

Several indicators of Utility Services are composite, wherein a score of 1 point is divided between several questions that are present in different questionnaires. In each area of Water, Electricity, and Internet, the component of a composite indicator that belongs to another area is marked as **. For example, an indicator on “KPIs on Sustainability” has a score of 1 on SBP and is comprised of two components: (1) “KPIs on Sustainability of Electricity Supply” (0.5 points), which is measured in the Electricity Questionnaire; and “KPIs on Sustainability of Water Supply” (0.5 points), which is measured in the Water Questionnaire. In the Electricity Questionnaire, the “KPIs on Sustainability of Water Supply” is marked with **, indicating that it belongs to the Water Questionnaire.

PILLAR I –QUALITY OF ELECTRICITY REGULATIONS	
Parameters	
Largest city	The largest (most populous) city in the economy. Geographical location determines the availability of electricity connections, as well as the type of connections and construction required. For Pilar I, if regulations differ across states within an economy, the experts will be asked to provide information regarding regulations of the largest city.

1.1 REGULATIONS FOR EFFICIENT DEPLOYMENT OF ELECTRICITY CONNECTIONS AND QUALITY OF SUPPLY

1.1.1 Regulatory Monitoring

1. **Is there a regulatory agency overlooking the electricity sector? (Y/N)**
 - 1a. Y → proceed to the remaining questions.
 - 1b. N → 0 points on questions 2 and 3.
2. **Per the regulatory framework, what role does the electricity regulator play in approving tariffs? Please select one.**
 - 2a. The regulator has final decision-making role in approving electricity tariff
 - 2b. The regulator shares decision-making role in approving electricity tariffs with other government agency or ministry
 - 2c. The regulator plays consultative role in electricity tariff setting or approval
 - 2d. The regulator is not involved in electricity tariff setting or approval
3. **Per the regulatory framework, what role does the electricity regulator play in monitoring the quality and reliability of electricity services? Please select all that apply:**
 - 3a. The regulator sets performance standards to ensure service quality and the reliability of electricity services
 - 3b. The regulator monitors adherence to performance standards to ensure service quality and the reliability of electricity services

1.1.2 Utility Infrastructure Sharing

4. **Per the regulatory framework, does the regulator control the approved budget and is responsible for decision making in regard to expenditure? (Y/N) (not scored)**
5. **Are there provisions in the regulation requiring joint planning and construction (such as electrical poles, overhead or underground cables, water pipes, telephone wires), including provisions on common excavation permits, joint excavation, “dig once” policies? (Y/N)**
6. **Are there provisions in the regulation which set time limits for agencies involved in electricity connections to take decisions on approvals or issue consents? (Y/N)**

1.1.3 Mechanisms on Service Quality Assurance

7. **Does the regulatory framework stipulate financial deterrence and incentive mechanisms (such as compensations or penalties paid by utilities or rewards for reliable service supply) aimed at limiting electricity supply interruptions? (Y/N)**
8. **If yes, please define what types of financial deterrence mechanism and incentives are available. Please select all that apply: (not scored)**
 - 8a. Penalties paid by the utility
 - 8b. Compensations paid to the customer
 - 8c. Positive incentive mechanisms (for example, rewards)

1.1 REGULATIONS FOR EFFICIENT DEPLOYMENT OF ELECTRICITY CONNECTIONS AND QUALITY OF SUPPLY			
1.1.1 Regulatory Monitoring			
Indicators	FFP	SBP	Total points
Regulatory Monitoring of Electricity Tariffs (2a)	1	1	2
Monitoring of Quality of Electricity Service by Regulator	1	1	2
- Set performance standards (3a)	0.5	0.5	1
- Monitor adherence to performance standards (3b)	0.5	0.5	1
Total Points	2	2	4
1.1.2 Utility Infrastructure Sharing			
Indicators	FFP	SBP	Total points
Joint Planning and Construction*	1	1	2
- Common excavation provisions (5)	0.50	0.50	1
- Timelines for approvals (6)	0.50	0.50	1
Total Points	1	1	2
1.1.3 Mechanisms on Service Quality Assurance			
Indicators	FFP	SBP	Total Points
Financial Deterrence Mechanisms to Limit Electricity Interruptions (7)	1	1	2
Total points	1	1	2

Note: FFP = firm flexibility point; SBP = social benefits point.

* Shared indicator between Electricity, Waater, and Internet.

Note on the scoring: If the component is present, the corresponding score is assigned. For example, if 2a and 2b and 2c are selected simultaneously, a score of 0.2 is assigned. If 2d is selected, a score of 0.2 is assigned. The same applies to the tables that follow, unless specified otherwise.

1.2 REGULATIONS ON SAFETY OF ELECTRICITY CONNECTIONS

1.2.1 Professional Certifications

9. Does the regulation stipulate qualification requirements for the parties carrying out the electrical wiring installation? (Y/N)

Y → proceed to the remaining questions.

N → 0 points on question 10.

10. What qualification requirements for the parties carrying out the electrical wiring installation are in place? Please select all that apply:

10a. Minimum number of years of experience

10b. Education qualification (for example, university degree in the relevant field)

10c. Registered member of the national association of electricians or electrical engineers

10d. Pass a qualification exam

1.2.2 Inspection Regimes

11. Does the law mandate that internal electricity installations are carried out by a licensed professional/company? (Y/N)

12. Does the law mandate that the company that carried out internal electricity installations inspect/certify the quality of installation? (Y/N)
13. Does the law mandate that a final inspection is carried out by a third party to ensure the quality of internal electricity installations? (Y/N)
14. Does the law mandate that external electricity installations are carried out by a licensed professional/company? (Y/N)
15. Does the law mandate that the company that carried out external electricity installations inspect/certify the quality of installation? (Y/N)
16. Does the law mandate that a final inspection is carried out by a third party to ensure the quality of external electricity installations? (Y/N)

1.2.3 Liability Regimes

17. In cases of faults discovered when the electricity connection was in use, can any party (besides the investor) involved in providing the electricity connection be held liable by law? (Y/N)
18. Please select all parties involved in providing electricity connections that can be held liable: (*not scored*)
- 18a. The engineer/company that designed the plans for the connection
- 18b. The professional or agency that conducted technical inspection
- 18c. The professional or company that performed installation works

1.2 REGULATIONS ON SAFETY OF ELECTRICITY CONNECTIONS			
1.2.1 Professional Certifications			
Indicators	FFP	SBP	Total points
Qualification Requirements for Electricity Installations - Minimum number of years of practical experience (10a) - Education qualification (10b) - Accreditation by/membership with the national order (association) of electricians or electrical engineers (10c) - Pass a qualification exam (10d) <i>Note: At least 2 of the requirements above must be met to obtain a point on this indicator</i>	1	1	2
Total points	1	1	2
1.2.2 Inspection Regimes			
Indicators	FFP	SBP	Total points
Inspection Regimes for Electricity Installations - Internal installation works (13 OR (11 AND 12)) - External installation works (16 OR (14 AND 15)) <i>Note: A score is assigned if 13 is selected OR both 11 and 12 are selected.</i> <i>Note: A score is assigned if 16 is selected OR both 14 and 15 are selected</i>	1 0.50 0.50	1 0.50 0.50	2 1 1
Total Points	1	1	2

1.2.3 Liability Regimes			
Indicators	FFP	SBP	Total Points
Professional Liability for Electricity Connections (17)	1	1	2
Total points	1	1	2

Note: FFP = firm flexibility point; SBP = social benefits point.

1.3 ENVIRONMENTAL REGULATIONS FOR SUSTAINABLE PROVISION AND USE OF ELECTRICITY SERVICES

1.3.1 Sustainable Provision and Use of Electricity

19. Does the law set environmental standards for electricity generation? (Y/N)

Note: Examples of environmental standards for electricity generation include energy efficiency requirements for electricity generation plants; Percentage of total electricity generation to be met with renewables; Requirements for reduction on emissions of local air pollutants for fossil fuel plants?

Y → proceed to the remaining questions.

N → 0 points on question 20.

20. Please specify the applicable environmental standards for electricity generation stipulated in the regulatory framework. (not scored)

20a. Energy efficiency requirements imposed on electricity generation plants

20b. Percentage of total electricity generation to be met with renewables

20c. Requirements for reduction on emissions of local air pollutants (nitrogen oxide, sulphur dioxide, particulate matter) for fossil fuel plants

20d. Other

21. Per the regulatory framework, are there any deterrence or enforcement mechanisms in place to ensure compliance with environmental standards for electricity generation (for example, fines, penalties)? (Y/N/Not applicable)

22. Please specify the enforcement mechanisms for the environmental standards for electricity generation stipulated in the regulatory framework: (not scored)

22a. Penalties or fines

22b. Inspections by the designated authority

22c. Reporting requirements – electricity generation utilities report to the regulator on meeting the energy efficiency and environmental requirements

22d. Public disclosure of violations related to compliance with environmental standards for electricity generation

23. Does the law set any environmental standards for electricity transmission and distribution? (Y/N)

Note: Examples of environmental standards for electricity transmission and distribution include energy efficiency targets for electricity transmission and distribution, requirement by law to roll-out smart meters to commercial customers free of charge; development of “smart grids”?

Y → proceed to the remaining questions.

N → 0 points on question 24.

24. Please specify the applicable standards for electricity transmission and distribution stipulated in the regulatory framework. Please select all that apply:

24a. Energy efficiency requirements imposed on electricity transmission and distribution utilities

- 24b. Requirement by law to roll-out smart meters to commercial customers free of charge
- 24c. Development of “smart grids”
- 24d. Other

25. Per the regulatory framework, are there any deterrence or enforcement mechanisms in place to ensure compliance with environmental standards for transmission and distribution (for example, fines or penalties)? (Y/N/Not applicable)

26. Please specify the mechanisms for the environmental standards for electricity transmission and distribution stipulated in the regulatory framework. Please select all that apply: (not scored)

- 26a. Penalties or fines
- 26b. Inspections by the designated authority
- 26c. Reporting requirements—utilities report to the regulator on meeting the environmental standards on transmission and distribution
- 26d. Public disclosure of violations related to compliance with environmental standards for electricity transmission and distribution

27. Does the law set requirements for businesses to switch to energy efficiency practices? (Y/N)

Note: Examples of requirements include: requirement to use energy-efficient appliances, requirement to adhere to energy-saving targets, requirements on energy-efficiency labelling.

28. Please specify the requirements for businesses to switch to energy efficiency practices stipulated in the regulatory framework. (not scored)

- 28a. Requirement to use energy-efficient appliances
- 28b. Requirement to adhere to energy-saving targets
- 28c. Requirement on energy-efficiency labelling

29. Per the regulatory framework, are there any deterrence or enforcement mechanisms in place (for example, fines, penalties, volume-differentiated tariffs) to ensure businesses’ compliance with energy-saving standards? (Y/N)

30. Please specify the enforcement mechanisms to ensure businesses’ compliance with energy-saving standards stipulated in the regulatory framework. Please select all that apply: (not scored)

- 30a. Penalties or fines
- 30b. Inspections by the designated authority
- 30c. Reporting requirements, where businesses report to the regulator on meeting the energy-saving standards
- 30d. Volume-differentiated tariffs to encourage lower energy consumption

31. Are there any financial incentives for businesses to adopt energy-saving practices stipulated in the regulatory framework? (Y/N)

Note: Examples of financial incentives include: tax incentives, low-interest rate loans, tariff incentives, discounts on energy efficiency products from accredited providers.

32. Per the regulatory framework, please indicate whether the following types of financial incentives are provided to businesses to adopt energy-saving practices: (not scored)

- 32a. Tax incentives
- 32b. Rebate programs
- 32c. Low-interest rate loans
- 32d. Tariff incentives
- 32e. Discounts on energy efficiency products from accredited providers

32f. Other

33. Per the regulatory framework, are there any non-financial incentives for businesses to adopt energy-efficient practices? (Y/N)

Note: Examples of nonfinancial incentives include most-efficient awards, awareness schemes for businesses providing information on energy-saving practices and technological developments.

34. Per the regulatory framework, please indicate whether the following types of non-financial incentives are provided to businesses to adopt energy-saving practices: (not scored)

34a. Most-efficient awards

34b. Awareness schemes for businesses providing information on energy-saving practices and technological developments

34c. Energy audits to help identify ways to reduce energy use.

34d. Other

1.3 ENVIRONMENTAL REGULATIONS FOR SUSTAINABLE PROVISION AND USE OF ELECTRICITY SERVICES			
1.3.1 Sustainable Provision and Use of Electricity			
Indicators	FFP	SBP	Total points
Environmental Sustainability of Electricity Provision	0	1	1
- Environmental standards for electricity generation (20a AND 20c)	0	0.25	0.25
- Enforcement of environmental standards for generation (21)	0	0.25	0.25
- Environmental standards for electricity transmission and distribution (24a OR 24b OR 24c)	0	0.25	0.25
- Enforcement of standards for transmission and distribution (25)	0	0.25	0.25
Environmental Sustainability of Electricity Use	0	1	1
- Requirements for businesses to adhere to energy-saving practices (27)	0	0.50	0.50
- Enforcement mechanisms to foster businesses' compliance with energy-saving standards (29)	0	0.50	0.50
Incentives to Adopt Energy-Saving Practices	1	1	2
- Financial and nonfinancial incentives for businesses (31 AND 33) OR	1 OR	1 OR	2 OR
- Financial incentives for businesses (31)	0.50	0.50	1
Total points	1	3	4

Note: FFP = firm flexibility point; SBP = social benefits point.

PILLAR II—QUALITY OF THE GOVERNANCE AND TRANSPARENCY OF ELECTRICITY SERVICES	
Parameters	
Largest city	Geographical location determines availability of electricity connections, as well as the type of connections and construction required. The utility services of the largest city (most populous) in the economy will be considered for all questions under Pillar II. For all questions in Pillar II, the experts will be asked to provide their response accounting for this specific parameter unless specified otherwise in the question per se.
Largest utility provider	The largest utility provider in the largest city is considered (in terms of customers served or market share). The utility services of the largest city will be considered for all questions under Pillar II. For all questions in Pillar II, the experts will be asked to provide their response accounting for this specific parameter unless specified otherwise in the question per se.

2.1 MONITORING RELIABILITY AND SUSTAINABILITY OF SERVICE SUPPLY AND SAFETY OF CONNECTIONS

2.1.1 Key Performance Indicators (KPIs) to Monitor Quality, Reliability, and Sustainability of Electricity Supply

35. Are electricity outages (duration and frequency) monitored? (Y/N)

36. Please provide details on which Key Performance Indicators (KPIs) are used to monitor the reliability of electricity supply: (not scored)

36a. System Average Interruption Duration Index (SAIDI) and System Average Interruption Frequency Index (SAIFI)

36b. Total time of interruption for installed KVA (TTIK) and medium frequency of interruptions for installed KVA (FMIK)

37. Please provide the SAIDI and SAIFI (including load shedding) for the city in the last calendar year (January 1 to December 31, 2022). (not scored)

38. Are there Key Performance Indicators to monitor the environmental sustainability of electricity supply (for example, % energy used from renewable sources)? (Y/N)

2.1.2 KPI Transparency

39. Are the indicators on duration and frequency of electricity outages made available online for the public? (Y/N)

40. Are there KPIs to monitor the environmental sustainability of electricity supply available online? (Y/N)

2.1.3 Monitoring Safety of Electricity Connections in Practice

41. Are internal electricity installation works typically carried out by a licensed professional/company in practice? (Y/N)

42. Please specify the party that typically conducts internal electricity installation works in practice, Please select one. (not scored)

42a. Utility

42b. Licensed private contractor

42c. Any available private contractor (not necessarily licensed)

43. Does the contractor/company that performed internal installations conduct inspection/ issue certificate of compliance/check quality of installation works? (Y/N)

44. Is the quality check or final inspection by a third party (other than the one that did installation) conducted in practice to ensure the quality and safety of internal electricity installations? (Y/N)

45. If yes, please specify the third party that carries out inspection to ensure quality of internal electricity installations. Please select all that apply: (not scored)

45a. Utility

45b. Licensed private company (other than the one that did installation)

45c. Regulatory agency.

- 45d. Other government agency
- 45e. Other private or public entity (please specify):

46. Are external electricity installation works typically carried out by a licensed professional/company in practice?

47. Please specify, the party that typically conducts external electricity installation works in practice:

- 47a. Utility
- 47b. Licensed private contractor
- 47c. Any available private contractor (not necessarily licensed)

48. Does the contractor/company that performed external installations conduct inspection/issue certificate of compliance/ check quality of external installation works? (Y/N)

49. Is the quality check or final inspection by a third party conducted in practice to ensure the quality and safety of external electricity installations? (Y/N)

50. Please specify the third party that carries out inspection to ensure quality of external electricity installations: Please select all that apply: (not scored)

- 50a. Utility
- 50b. Licensed private company (other than the one that did installation)
- 50c. Regulatory agency
- 50d. Other government agency
- 50e. Other private or public entity (please specify):

2.1 MONITORING RELIABILITY AND SUSTAINABILITY OF SERVICE SUPPLY AND SAFETY OF CONNECTIONS			
2.1.1 Key Performance Indicators (KPIs) to Monitor Quality, Reliability, and Sustainability of Electricity Supply			
Indicators	FFP	SBP	Total points
KPIs on Reliability and Quality of Electricity Supply (35)	1	1	2
KPIs on Environmental Sustainability	0	1	1
- KPIs on sustainability of electricity supply (38)	0	0.50	0.50
- KPIs on sustainability of water supply**	0	0.50	0.50
Total points	1	2	3
2.1.2 KPI Transparency			
Indicators	FFP	SBP	Total points
Online Availability of KPIs on Reliability of Electricity Supply (39)	1	1	2
Online Availability of KPIs on Environmental Sustainability	0	1	1
- Online availability of KPIs on sustainability of electricity supply (40)	0	0.50	0.50
- Online availability of KPIs on sustainability of water supply**	0	0.50	0.50
Total points	1	2	3
2.1.3 Monitoring Safety of Electricity Connections in Practice			
Indicators	FFP	SBP	Total points
Implementation of Inspections in Practice	1	1	2
- Internal installation works ([41 AND 43] OR 44)	0.50	0.50	1
- External installation works ([46 AND 48] OR 49)	0.50	0.50	1
<i>A score is assigned if 44 is selected OR both 41 and 43 are selected.</i>			

A score is assigned if 49 is selected OR both 46 and 48 are selected			
Total points	1	1	2

Note: FFP = firm flexibility point; SBP = social benefits point. KPI = Key Performance Indicator.

** The component of the indicator belongs to the Water Questionnaire.

2.2 TRANSPARENCY OF ELECTRICITY SERVICES

2.2.1 Transparency of Tariffs and Tariff Setting

51. Are the current electricity tariffs available online (on the website of the utility or the regulator)?

52. Is electricity consumption by commercial entities metered? (Y/N) (not scored)

53. What type of tariff is being applied to commercial entities? Please select one: (not scored)

53a. A linear tariff that is proportional to consumption

53b. An increasing block tariff (IBT) that increases with higher consumption

53c. A decreasing block tariff (DBT) that decreases with higher consumption

53d. Time of use

53e. Volume-differentiated tariff

53f. Fixed price monthly tariff

54. How many units of consumption (in kWh) are within the first block of commercial tariff? (not scored)

55. What is the commercial tariff in local currency units (LCU) for the first block for 1 kWh? (not scored)

56. How many units of consumption (in kWh) are within the second block of commercial tariff? (not scored)

57. What is the commercial tariff in local currency units (LCU) for the second block for 1 kWh? (not scored)

58. How many units of consumption (in kWh) are within the third block of commercial tariff? (not scored)

59. What is the commercial tariff in local currency units (LCU) for the third block for 1 kWh? (not scored)

60. What is the fixed cost charge per month in local currency units (LCU) for commercial customers? (i.e., the charge that needs to be paid, even if consumption is zero in a certain month). (not scored)

61. Is electricity consumption by residential customers metered (kWh)? (Y/N) (not scored)

62. What type of tariff is being applied to residential customers? Please select one: (not scored)

62a. A linear tariff that is proportional to consumption

62b. An increasing block tariff (IBT) that increases with higher consumption

62c. A decreasing block tariff (DBT) that decreases with higher consumption

62d. Time of use

62e. Volume-differentiated tariff

62f. Fixed monthly prices

63. How many units of consumption (in kWh) are within the first block of residential tariff? *(not scored)*
64. What is the residential tariff in local currency units (LCU/kWh) for the first block for 1 kWh? *(not scored)*
65. How many units of consumption (in kWh) are within the second block of residential tariff? *(not scored)*
66. What is the residential tariff in local currency units (LCU) for the second block for 1 kWh? *(not scored)*
67. How many units of consumption (in kWh) are within the third block of residential tariff? *(not scored)*
68. What is the residential tariff in local currency units (LCU) for the third block for 1 kWh? *(not scored)*
69. What is the fixed cost charge per month in local currency units (LCU) for residential customers? (i.e., the charge that needs to be paid, even if consumption is zero in a certain month). *(not scored)*
70. Are changes in electricity tariffs communicated to the public at least one billing cycle in advance? (for example, published in the press, regulations, or website, through letters, bills, emails, SMS). (Y/N)
71. Is a formula prescribing how end-user electricity tariff levels are determined publicly available? *(not scored)*
- 71a. Yes, formula is published online only
 - 71b. Yes, formula is published in the customer bill only
 - 71c. Yes, formula is published online and in customer bill
 - 71d. No, not available

2.2.2 Publication of Connection Requirements

72. Are the connection requirements for new business electricity connections available online? (Y/N)
- Y → proceed to the remaining questions.
 - N → 0 points on question 73.
73. What connection requirements are published online?
- 73a. Required documents
 - 73b. Required procedures
 - 73c. Connection cost
 - 73d. Stipulated connection time standards

2.2.3 Publication and Announcement of Planned Outages

74. Are planned power outages made publicly available/communicated to the customers? (Y/N)
- 74a. Made publicly available
 - 74b. Communicated to the customer

2.2.4 Complaint Mechanisms and Transparency of Complaint Processes

75. Is there a complaint mechanism to report issues in provision of electricity services (such as incorrect billing or inadequate electricity supply)? (Y/N)

Y → proceed to the remaining questions.

N → 0 points on questions 76 to 78.

76. Is there a complaint mechanism at the level of the electricity utility? (Y/N)

77. Is there a complaint mechanism independent from the electricity utility to escalate the complaints? (Y/N)

78. What type of information is available online to guide customers to file a complaint about electricity service supply?

78a. Information on the entity in charge of managing the complaints

78b. Documents necessary to make a complaint

78c. Criteria/scope of complaint mechanism (i.e., what issues can be reported)

78d. Steps necessary to make a complaint

2.2.5 Sex-Disaggregated Customer Surveys

79. Does the electricity utility in [largest city] carry out sex-disaggregated customer surveys in order to measure the quality of services provided by the utility from the perspective of women-owned businesses? (Y/N)

Examples of sex-disaggregated customer surveys include asking the gender of the person in consumer satisfaction survey or in complaint form.

80. What customer-surveys data is sex-disaggregated? Please select all that apply. (not scored)

80a. Sex of a person answering consumer satisfaction survey

80b. Sex of a person lodging a complaint related to quality, reliability, and utility's supply services

80c. Other data that is sex-disaggregated

81. Are these survey data available for the most recent calendar year (2022)? (not scored)

82. Are these survey data anonymized? (not scored)

83. Are these survey data made publicly available online? (not scored)

2.2 TRANSPARENCY OF ELECTRICITY SERVICES			
2.2.1 Transparency of Tariffs and Tariff Setting			
Indicators	FFP	SBP	Total points
Transparency of Electricity Tariffs and Tariff Setting	1	1	2
- Tariffs are published online (51)	0.33	0.33	0.66
- Customers are notified in advance of tariff changes (70)	0.33	0.33	0.66
- Tariff setting formula is publicly available (71a OR 71b OR 71c)	0.33	0.33	0.66
Total Points	1	1	2

2.2.2 Publication of Connection Requirements			
Indicators	FFP	SBP	Total points
Connection Requirements for Electricity	1	1	2
- Required documents (73a)	0.25	0.25	0.50
- Required procedures (73b)	0.25	0.25	0.50
- Connection cost (73c)	0.25	0.25	0.50
- Stipulated connection time standards (73d)	0.25	0.25	0.50
Total Points	1	1	2
2.2.3 Publication and Announcement of Planned Electricity Outages			
Indicators	FFP	SBP	Total points
Planned Outages Made Publicly Available/Communicated to the Customer (74a OR 74b)	1	1	2
Total Points	1	1	2
2.2.4 Complaint Mechanisms and Transparency of Complaint Processes			
Indicators	FFP	SBP	Total points
Complaint Mechanisms and Transparency of Complaint Processes	1	1	2
Existence of-Complaint Mechanism	0.50	0.50	1
- Complaint mechanism exists within the utility (76)	0.25	0.25	0.5
- Complaint mechanism independent from utility (77)	0.25	0.25	0.5
Transparency of First-Level Complaint Mechanism	0.50	0.50	1
- Information on the entity in charge of complaints (78a)	0.125	0.125	0.25
- Documents necessary to make a complaint (78b)	0.125	0.125	0.25
- Criteria/scope of complaint mechanism (78c)	0.125	0.125	0.25
- Steps necessary to make a complaint (78d)	0.125	0.125	0.25
Total Points	1	1	2
2.2.5 Sex-Disaggregated Customer Surveys			
Indicators	FFP	SBP	Total Points
Sex-Disaggregated Customer Surveys at the Electricity Utility (79)	1	1	2
Total points	1	1	2

Note: FFP = firm flexibility point; SBP = social benefits point.

2.3 INTEROPERABILITY OF UTILITY SERVICES

2.3.1 Interoperability at the Utility Level

84. Are the following national/local infrastructure databases available that allow the identification of existing infrastructure networks (such as underground lines, for example, “dial before you dig”), through GIS or other?

84a. Shared database for the network lines of multiple utilities, including electricity, water, and internet

84b. Database for electricity distribution networks.

85. Is there an online platform or a website with the information about the planned works on utility networks that are carried out in the city? (Y/N)

86. Are the following in place to facilitate collaboration between agencies for excavation permit applications and approvals?

- 86a. An online system
- 86b. An agency in charge of coordination
- 86c. Other coordination mechanism

2.3.2 Electronic Application

87. Is it possible to apply electronically for new commercial electricity connections? (Y/N)

88. Is it possible to track online the application for electricity connection? (Y/N)

2.3.3 Electronic Payment

89. Is it possible to pay the fee for new electricity connections electronically? (Y/N)

90. Is it possible to pay for the monthly electricity bill electronically? (Y/N)

2.3 INTEROPERABILITY OF UTILITY SERVICES			
2.3.1 Interoperability at the Utility Level			
Indicators	FFP	SBP	Total points
Database on Infrastructure Networks and Planned Works*	1	1	2
National/Local Infrastructure Database	0.50	0.50	1
- Database for networks of multiple utilities* (84a) OR	0.5 OR	0.5 OR	1 OR
- Database for electricity distribution networks (84b)	0.16	0.16	0.32
- Database for existing water networks**	0.16	0.16	0.32
- Database for existing ISP networks **	0.16	0.16	0.32
<i>Note: A score of 0.5 is assigned if 84a is selected; a score of 0.16 is assigned if 84b is selected.</i>			
Platform with the Information on the Planned Works on Utility Networks (85)*	0.50	0.50	1
System for Excavation Permit Approval*	1	1	2
- An online system (86a)* OR	1 OR	1 OR	2 OR
- A coordinating agency (86b)* OR	0.50 OR	0.50 OR	1 OR
- Other coordinating mechanism (86c)	0.50	0.50	1
<i>Note: A score of 1 is assigned if 86a a is selected; a score of 0.5 is assigned if 86b OR 86c is selected.</i>			
Total points	2	2	4
2.3.2 Electronic Application			
Indicators	FFP	SBP	Total Points
Electronic Application for Electricity Connections	1	1	2
- Electronic application for new electricity connection (87)	0.50	0.50	1
- Online tracking application for electricity connection (88)	0.50	0.50	1
Total points	1	1	2
2.3.3 Electronic Payment			
Indicators	FFP	SBP	Total Points
Electronic Payment for Electricity Connections	1	1	2
- Electronic payment of electricity connection fees (89)	0.50	0.50	1
- Electronic payment for electricity tariffs (90)	0.50	0.50	1
Total points	1	1	2

Note: FFP = firm flexibility point; SBP = social benefits point. ISP = Internet Service Provider.

* Shared component/indicator between Electricity, Water, and Internet.

** The component of the indicator belongs to the Water/Internet Questionnaires.

PILLAR III—EFFICIENCY OF ELECTRICITY SERVICE PROVISION IN PRACTICE

The data for Pillar III on the Efficiency of Electricity Connections is collected through firm-level surveys, using the following questions:

91. Time to obtain electricity connection: How many days did it take to obtain electrical connection from the day of the application to the day the service was received?

92. Cost of electricity connection and services:

92a. **Cost of electricity connections:** What was the total cost to obtain that electrical connection, including application, permitting, inspection fees, and all external connection works, excluding internal wiring and connections?

90b. **Cost of electricity services (tariffs):** The total annual cost of electricity.

93. Reliability of electricity supply:

93a. **Outages:**

93a1. Number of outages: In a typical month, how many power outages did this establishment experience?

93a2. Duration of outages: How long did these power outages last on average?

93b. **Losses due to outages:** Please estimate the losses that resulted from power outages either as a percentage of total annual sales or as total annual losses to each of the following company type below:

93b1. Firms with female ownership

93b2. Firms without female ownership

Alternative scenario: in case the data collection on time and cost to obtain electricity connections through firm-level surveys is not feasible, such data are collected through expert consultations using the following parameters and questions:

Parameters	
Largest city	The largest (most populous) city in the economy. Geographical location determines availability of electricity connections, as well as the type of connections and construction required. For all questions under Pillar III collected through expert consultations, the experts will be asked to provide their response accounting for this specific parameter unless specified otherwise in the question per se.
Largest utility provider	The largest utility provider in the largest city is considered (in terms of customers served or market share). For all questions under Pillar III collected through expert consultations, the experts will be asked to provide their response accounting for this specific parameter unless specified otherwise in the question per se.
Load capacity: 180 (kVA):	For electricity, a specific parameter of load capacity is used for time and cost indicators. The load capacity is used as a unit of measurement; it determines how much power is used and where it is used. For all questions under Pillar III collected through expert consultations, the experts will be

	asked to provide their response accounting for this specific parameter unless specified otherwise in the question per se.
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Note: kVA = kilovolt amperes.

- 94. Please indicate if the following steps are typically part of the process of getting a new commercial electricity connection of 180 kVA in the city. (not scored)**
- 94a. Request electricity connection and obtain quotation for connection works
 - 94b. Receive external site inspection
 - 94c. Receive excavation permit/right-of-way
 - 94d. Obtain external connection works
 - 94e. Receive final inspection
 - 94f. Request and sign electricity supply contract
 - 94g. Install meter
 - 94h. Other
- 95. For an electricity connection with the parameters above, please provide the approximate average time to obtain a new electricity connection of 180 kVA in [largest city], from the day of the application to the day the service was received (calendar days).**
- 96. Please indicate which elements are typically part of the cost of getting such new commercial electricity connection of 180 kVA in the city? (not scored)**
- 96a. Application fee
 - 96b. Fee for inspection of technical conditions
 - 96c. Transformer cost
 - 96d. Connection works (including materials and labor)
 - 96e. Final inspection fee
 - 96f. Electricity supply contract fee
 - 96g. Meter installation fee
 - 96h. The cost of the meter
- 97. For an electricity connection with the parameters above, please provide the approximate average cost to obtain a new electricity connection of 180 kVA in [largest city], including all cost items (local currency).**
- 98. For an electricity connection with the parameters above (180 kVA in [largest city]), what is the most common obstacle faced by businesses when obtaining a new electricity connection? (not scored)**
- 99. For an electricity connection with the parameters above (180 kVA in [largest city]), please indicate the most common distance from the main distribution line (meters), based on your experience. (not scored)**
- 99a. Below 50 meters
 - 99b. 50–99 meters
 - 99c. 100–149 meters
 - 99d. 150 meters and above
- 100. For the connection with the parameters above (180 kVA in [largest city]), in most cases would the existing installed electric capacity accommodate new connection without a need to install a new transformer? (not scored)**
- 100a. Yes, existing capacity would typically accommodate a new connection
 - 100b. No, additional capacity would be required to accommodate a new connection

101. Please provide the following electricity utility statistics for residential and nonresidential customer groups: (not scored)

- 101a. aggregate financial expenditures by nonresidential customers for electricity service at the utility
- 101b. aggregate consumption of electricity by nonresidential customers
- 101c. aggregate financial expenditures by residential customers for electricity service at the utility
- 101d. aggregate consumption of electricity by residential customers

PILLAR III—EFFICIENCY OF ELECTRICITY SERVICE PROVISION IN PRACTICE			
Indicators	FFP	SBP	Total points
Time to Obtain Electricity Connection (91 or 95)	100 (33%)	n.a.	100 (33%)
Cost of Electricity Connection and Service <i>Overall cost is a sum of cost of electricity connection and use of electricity service over 3 years, calculated as % of GNI per capita.</i>	100 (33%)	n.a.	100 (33%)
Cost of Electricity Connection (92a or 97)	50 (16%)	n.a.	50 (16%)
Cost of Electricity Services over 3 Years (tariffs) (90b * 3)	50 (16%)	n.a.	50 (16%)
Reliability of Electricity Supply	100 (33%)	n.a.	100 (33%)
Outages (rescaled 0–100)	50 (16%)	n.a.	50 (16%)
- Average frequency of power outages (93a1)	25 (8%)	n.a.	25 (8%)
- Average duration of power outages (93a2)	25 (8%)	n.a.	25 (8%)
Losses Due to Outages (rescaled 0–100)	50 (16%)	n.a.	50 (16%)
- Firms with female ownership (93b1)	25 (8%)	n.a.	25 (8%)
- Firms without female ownership (93b2)	25 (8%)	n.a.	25 (8%)
Total points	100	n.a.	100

Note: n.a. = not applicable (refers to the cases when the impact on firms or society is either ambiguous or nonexistent). FFP = firm flexibility point; SBP = social benefits point.

The data on the indicators for Pillar III will be normalized to a common unit—for example, on the scale from 0 to 100 points, where 0 represents the lowest and 100 represents the best performance. In turn, best (worst) performance is defined by the highest (lowest) standards and/or practices, measured as a single point or range of values.

WATER

The tables that follow present all indicators (including their components, if applicable) under each pillar, with a reference to the corresponding question number in parenthesis. The questions are listed before each table for ease of reference.

For Y/N questions, the Y response accounts for the score and is considered as the good practice, unless otherwise indicated with the sign “N à good practice”.

In the tables that follow, “AND” means all referenced questions must have a good practice response to obtain a score on the indicator.

In the tables that follow, “OR” means one or more referenced questions must have a good practice response to obtain a score on the indicator.

Certain questions are marked as “not scored,” which indicates that they do not impact the score in any way. The purpose of these questions is to further inform and refine the questions design for subsequent years of the pilot, as needed, as well as to substantiate and provide further information for the scored questions.

Note: Several indicators in Utility Services topic are shared between Electricity, Water, and Internet. In those cases, the same question is asked for each area (Electricity, Water, and Internet). However, the scoring on the indicator is shared among the three areas to avoid triple counting. Shared indicators are marked with *. For example, the indicator on “Joint Planning and Construction” scores 2 points (on Firm Flexibility Points, FFP, and Social Benefit Points, SBP) and is shared between Electricity, Water, and Internet. The questions corresponding to this indicator apply to three areas and are asked in all three questionnaires identically (Electricity, Water, and Internet). In terms of the scoring, 2 points for this indicator feed into the overall Utility Services topic score based on the information collected from the three questionnaires.

Several indicators of Utility Services are composite, wherein a score of 1 point is divided between several questions that are present in different questionnaires. In each area of water, electricity, and internet, the component of a composite indicator that belongs to another area is marked as **. For example, an indicator on “KPIs on Sustainability” has a score of 1 on SBP and is comprised of two components: (1) “KPIs on Sustainability of Electricity Supply” (0.5 points), which is measured in the Electricity Questionnaire and “KPIs on Sustainability of Water Supply” (0.5 points), which is measured in the Water Questionnaire. In the Electricity Questionnaire, the “KPIs on Sustainability of Water Supply” is marked with **, indicating that it belongs to the Water Questionnaire.

PILLAR I–QUALITY OF WATER REGULATIONS	
Parameters	
Largest city	The largest (most populous) city in the economy. Geographical location determines availability of water connections, as well as the type of connections and construction required. For Pilar I, if regulations differ across states within an economy, the experts will be asked to provide information regarding the regulations of the largest city.

1.1 REGULATIONS FOR EFFICIENT DEPLOYMENT OF WATER CONNECTIONS AND QUALITY OF SUPPLY

1.1.1 Regulatory Monitoring

1. **Is there a regulatory agency overlooking the water sector? (Y/N)**
Y → proceed to the remaining questions.
N → 0 points on questions 2 and 3.
2. **Per the regulatory framework, what role does the water regulator play in approving tariffs? Please select one:**
 - 2a. The regulator has final decision-making role to approve water tariffs
 - 2b. The regulator shares decision-making role to approve water tariffs with other government agency or ministry
 - 2c. The regulator plays consultative role in water tariff setting or approval
 - 2d. The regulator is not involved in water tariff setting or approval
3. **Per the regulatory framework, what role does the water regulator play in monitoring the quality and reliability of water services? Please select all that apply:**
 - 3a. The regulator sets performance standards to ensure service quality and the reliability of water services
 - 3b. The regulator monitors adherence to performance standards to ensure service quality and the reliability of water services

1.1.2 Utility Infrastructure Sharing

4. **Per the regulatory framework, does the regulator control the approved budget and is responsible for decision making in regard to expenditure? (Y/N) (not scored)**
5. **Are there provisions in the regulation requiring joint planning and construction (for example, for the deployment of electrical poles, overhead or underground cables, water pipes, telephone wires), including provisions on common excavation permits, joint excavation, or “dig once” policies? (Y/N)**
6. **Are there provisions in the regulatory framework which set time limits for agencies involved in water connections to take a decision on approvals or issue consents? (Y/N)**

1.1.3 Mechanisms on Service Quality Assurance

7. **Does the regulatory framework stipulate financial deterrence or incentives mechanisms (such as compensations or penalties paid by utilities or rewards for reliable service supply) aimed at limiting water supply interruptions? (Y/N)**
8. **If yes, please define what types of financial deterrence and incentives mechanisms are available: (not scored)**
 - 8a. Penalties paid by the utility.
 - 8b. Compensations paid to the customer.
 - 8c. Positive incentive mechanisms (for example, rewards).

1.1 REGULATIONS FOR EFFICIENT DEPLOYMENT OF WATER CONNECTIONS AND QUALITY OF SUPPLY			
1.1.1 Regulatory Monitoring			
Indicators	FFP	SBP	Total points
Regulatory Monitoring of Water Tariffs (2a)	1	1	2
Monitoring of Water Service Quality by the Regulator	1	1	2
- Set performance standards (3a)	0.5	0.5	1
- Monitor adherence to performance standards (3b)	0.5	0.5	1
Total points	2	2	4
1.1.2 Utility Infrastructure Sharing			
Indicators	FFP	SBP	Total points
Joint Planning and Construction*	1	1	2
- Common excavation provisions (5)	0.50	0.50	1
- Timelines for approvals (6)	0.50	0.50	1
Total points	1	1	2
1.1.3 Mechanisms on Service Quality Assurance			
Indicators	FFP	SBP	Total points
Financial Deterrence Mechanisms to Limit Water Interruptions (7)	1	1	2
Total points	1	1	2

Note: FFP = firm flexibility point; SBP = social benefits point.

* Shared indicator between Electricity, Water, and Internet.

1.2 REGULATIONS ON SAFETY OF WATER CONNECTIONS

1.2.1 Professional Certifications

9. Does the regulatory framework specify the qualification requirements for the party carrying-out the water installation works? (Y/N)

Y → proceed to the remaining questions.

N → 0 points on question 10.

10. If yes, please select all the qualification requirements that apply:

10a. Minimum number of years of experience

10b. Education qualification (for example, university degree in the relevant field)

10c. Registered member of the national association of engineers

10d. Pass a qualification exam

1.2.2 Inspection Regimes

11. Does the law mandate that internal water installations are carried out by a licensed professional/company? (Y/N)

12. Does the law mandate that the company that carried out internal water installations inspect/certify the quality of installation? (Y/N)

13. Does the law mandate that a final inspection is carried out by a third party to ensure the quality of internal water installations? (Y/N)

14. Does the law mandate that external water installations are carried out by a licensed professional/company? (Y/N)

15. Does the law mandate that the company that carried out external water installations inspect/certify the quality of installation? (Y/N)

16. Does the law mandate that a final inspection is carried out by a third party to ensure the quality of external water installations? (Y/N)

1.2.3 Liability Regimes

17. Can any party (besides the project owner or investor) be held liable by law in case faults are discovered after water installation? (Y/N)

18. If yes, please select all parties involved in providing water connections that can be held liable: (not scored)

18a. The engineer/company that designed the plans for the connection.

18b. The professional or agency that conducted technical inspections.

18c. The professional or company that performed installation works.

1.2 REGULATIONS ON SAFETY OF WATER CONNECTIONS			
1.2.1 Professional Certifications			
Indicators	FFP	SBP	Total Points
Qualification Requirements for Water Installations - Minimum number of years of practical experience (10a) - Education qualification (10b) - Registered member of the national association of engineers (10c) - Pass a qualification exam (10d) <i>At least 2 of the requirements above must be met to obtain a point on this indicator</i>	1	1	2
Total Points	1	1	2
1.2.2 Inspection Regimes			
Indicators	FFP	SBP	Total Points
Inspection Regimes for Water Installations - Internal installation works (13 OR (11 AND 12)) - External installation works (16 OR (14 AND 15)) <i>A score is assigned if 13 is selected OR both 11 and 12 are selected.</i> <i>A score is assigned if 16 is selected OR both 14 and 15 are selected</i>	1 0.50 0.50	1 0.50 0.50	2 1 1
Total Points	1	1	2
1.2.3 Liability Regimes			
Indicators	FFP	SBP	Total Points
Professional Liability for Water Connections (17)	1	1	2
Total points	1	1	2

Note: FFP = firm flexibility point; SBP = social benefits point.

1.3 ENVIRONMENTAL REGULATIONS FOR SUSTAINABLE PROVISION AND USE OF WATER SERVICES

1.3.1 Sustainable Provision and Use of Water

- 19. Does the law set requirements and standards for water quality to ensure that utilities supply clean water? Examples of standards for water quality include requirements to carry out aesthetic, microbiological parameters, physical-chemical, and radiological tests of treated water. (Y/N)**
Y → proceed to the remaining questions.
N → 0 points on question 20.
- 20. If yes, please specify the applicable tests to ascertain water quality standards are met for end user consumption (i.e., tests that are conducted at consumer tap):**
20a. Requirement to carry out aesthetic tests (for example, taste, odor, appearance)
20b. Requirement to carry out microbiological parameters' tests
20c. Requirement to carry out physical-chemical tests
20d. Requirement to carry out radiological tests
- 21. Are there deterrence or enforcement mechanisms imposed on utilities (for example, fines or penalties) to promote compliance with the water quality standards? (Y/N)**
- 22. If yes, please specify the enforcement mechanisms for the water quality standards: (not scored)**
22a. Penalties or fines
22b. Random tests of end user water quality standard by designated authority
22c. Reporting requirements—utilities report to the regulator on meeting the water quality standards
22d. Public disclosure of violations related to compliance with water quality standards
- 23. Does the law set environmental standards and requirements for utilities for efficient water supply to promote water-saving? (Y/N)**
Note: Examples of environmental standards for efficient water supply include water-saving targets, targets on the number of installed smart meters on business customers' premises, roll-out of smart meters to business customers free of charge.
- 24. If yes, please specify the standards for efficient water supply: (not scored)**
24a. Water-saving targets imposed on utilities
24b. Targets on the number of installed smart meters on business customers' premises
24c. Roll-out of smart meters to business customers free of charge
24d. Coordination of water use with others in the river basin
- 25. Are there any deterrence or enforcement mechanisms imposed on utilities (for example, fines, penalties) to promote compliance with the water supply efficiency standards? (Y/N/Not applicable)**
- 26. If yes, please specify the enforcement mechanisms to promote compliance with the water supply efficiency standards: (not scored)**
26a. Penalties or fines
26b. Inspections by the designated authority
26c. Reporting requirements—utilities report to the regulator on meeting the water- supply efficiency standards
26d. Public disclosure of violations related to compliance with water- supply efficiency standards

27. Are there any requirements and programs promoting adherence to demand-side water management practices? (Y/N)

Note: Examples of standards for demand management practices include requirements for businesses to install water-efficient appliances, requirement to adhere to water-saving targets, requirements on efficient water consumption labelling.

28. If yes, please specify the applicable demand side water management practices promoting water-saving. Please select all that apply: (not scored)

- 28a. Requirement for businesses to install water-efficient appliances
- 28b. Requirement for businesses to adhere to water-saving targets
- 28c. Requirements for businesses on efficient water consumption labelling

29. Are there any deterrence or enforcement mechanisms, (for example, fines, penalties, volume-differentiated water tariffs) aimed at ensuring businesses compliance with demand side water management practices? (Y/N)

30. If yes, please provide details on the enforcement mechanisms to promote compliance with demand side water management practices. Please select all that apply: (not scored)

- 30a. Penalties or fines
- 30b. Inspections by the designated authority
- 30c. Reporting requirements – businesses report to the regulator on adherence to water-saving practices
- 30d. Volume-differentiated tariffs to discourage water overconsumption

31. Are there any financial incentives to businesses to adopt water-saving practices? (Y/N)

Note: Examples of financial incentives to businesses to adopt water demand management practices include tax incentives, rebate programs, tariff incentives, low-interest rate loans, discounts on water-efficient appliances.

32. Please indicate whether the following types of financial incentives are provided to businesses to adopt demand side water management practices. (not scored)

- 32a. Tax incentives
- 32b. Rebate programs
- 32c. Tariff incentives
- 32d. Low-interest rate loans
- 32e. Discounts on water-efficient appliances
- 32f. Other

33. Are there any nonfinancial incentives for businesses to adopt demand side water management practices? (Y/N)

Note: Examples of non-financial incentives include: most-efficient awards, awareness schemes for businesses providing information on water demand management practices and technological development, water audits to help businesses identify ways to reduce water use.

34. Please indicate whether the following types of nonfinancial incentives are provided to businesses to adopt demand side water management practices. (not scored)

- 34a. Most-efficient awards
- 34b. Awareness schemes for businesses providing information on water-saving practices and technological development
- 34c. Water audits to help identify ways to reduce water use
- 34d. Other

1.3.2 Sustainable Wastewater Practices

35. Is there a designated entity responsible for regulating wastewater discharge to the local sewerage system? (Y/N)

36. Are there wastewater treatment requirements that require wastewater to be treated before it is discharged to water bodies or land (for example, discharge limits, conditions for discharges)? (Y/N)

37. Please specify the wastewater treatment requirements that are in place: (*not scored*)

37a. Discharge limits (effluent limitation)

37b. Pretreatment conditions for discharges

37c. Other

38. Does the regulatory framework establish rules on wastewater reuse (for example, guidelines for the use of reclaimed water, effluent quality limits and treatment process/type)? (Y/N)

1.3 ENVIRONMENTAL REGULATIONS FOR SUSTAINABLE PROVISION AND USE OF WATER SERVICES			
1.3.1 Sustainable Provision and Use of Water			
Indicators	FFP	SBP	Total points
Environmental Sustainability of Water Provision	0	1	1
- Environmental standards for water quality (20a AND 20b AND 20c AND 20d)	0	0.25	0.25
- Enforcement of environmental standards for water quality (21)	0	0.25	0.25
- Environmental standards for efficient water supply for water-saving (23)	0	0.25	0.25
- Enforcement of standards for water supply efficiency (25)	0	0.25	0.25
Environmental Sustainability of Water Use	0	1	1
- Requirements for businesses to adhere water-saving practices (27)	0	0.50	0.50
- Enforcement mechanism to foster businesses' compliance with water-saving standards (29)	0	0.50	0.50
Incentives to Adopt Water-Saving Practices	1	1	2
- Financial and non-financial incentives for businesses (31 AND 33) OR	1 OR	1 OR	2 OR
- Financial incentives for businesses (31)	0.50	0.50	1
Total Points	1	3	4
1.3.2 Sustainable Wastewater Practices			
Indicators	FFP	SBP	Total points
Wastewater Treatment	0	1	1
- Existence of entity regulating water waste discharge (35)	0	0.50	0.50
- Wastewater treatment requirements (36)	0	0.50	0.50
Regulation on Wastewater Reuse (38)	0	1	1
Total points	0	2	2

Note: FFP = firm flexibility point; SBP = social benefits point.

PILLAR II–QUALITY AND TRANSPARENCY OF WATER SERVICES	
Parameters	
Largest city	The largest (most populous) city in the economy. Geographical location determines availability of water connections, as well as the type of connections and construction required. The regulations of the largest city will apply to all questions under Pillar II. For all questions under Pillar II, the experts will be asked to provide their response accounting for this specific parameter unless specified otherwise in the question per se.
Largest utility provider	The largest utility provider in the largest city is considered (in terms of customers served or market share). The parameter will apply to all questions under Pillar II. For all questions under Pillar II, the experts will be asked to provide their response accounting for this specific parameter unless specified otherwise in the question per se..

2.1 MONITORING RELIABILITY AND SUSTAINABILITY OF SUPPLY AND SAFETY OF CONNECTIONS

2.1.1 Key Performance Indicators (KPIs) to Monitor Quality, Reliability, and Sustainability of Service Supply

39. Is the reliability of water supply monitored (for example, continuity and frequency of water service)? (Y/N)

40. Is quality of water monitored (for example, percentage of water receiving chemical treatment, percentage of water unfitted for use)? (Y/N)

41. Please provide details on which parameters are used to monitor water quality: (*not scored*)

41a. pH

41b. Biochemical Oxygen Demand

41c. Chemical Oxygen Demand

41d. Lead

41e. Other

42. Are there Key Performance Indicators to monitor the environmental sustainability of water supply (for example, of disposal of sludge from the water treatment, percentage of wastewater that has been reused)? (Y/N)

2.1.2 KPI Transparency

43. Are the indicators on reliability of water supply made available online for the public? (Y/N)

44. Are the indicators on quality of supplied water made available online for the public? (Y/N)

45. Are the KPIs to monitor the environmental sustainability of water supply available online? (Y/N)

2.1.3 Monitoring Safety of Water Connections in Practice

46. Are internal water installation works typically carried out by a licensed professional/company in practice? (Y/N)

- 47. Please specify, the party that typically conducts internal water installation works in practice. Please select one: (not scored)**
 47a. Utility/ municipality
 47b. Licensed private contractor
 47c. Any available private contractor (not necessarily licensed)
- 48. Does the contractor/company that performed internal water installations works conduct inspection/ issue certificate of compliance/ check quality of internal installation works? (Y/N)**
- 49. Is the quality check or final inspection by a third-party (other than the one that did installation) conducted in practice to ensure the quality and safety of internal water installation works? (Y/N)**
- 50. Please specify, the third party that carries out inspection to ensure quality of internal water installation works: (not scored)**
 50a. Utility/municipality
 50b. Licensed private company (other than the one that did installation)
 50c. Regulatory agency
 50d. Other governmental agency
 50e. Other, please specify
- 51. Are external water installation works typically carried out by a licensed professional/company in practice? (Y/N).**
- 52. Please specify the party that typically conducts external water installation works in practice. Please select one: (not scored)**
 52a. Utility
 52b. Licensed private contractor
 52c. Any available private contractor (not necessarily licensed)
- 53. Does the licensed contractor/company that performed external installations conduct inspection/ issue certificate of compliance/ check quality of external water installation works? (Y/N)**
- 54. Is the quality check or final inspection by a third party (other than the one that did installation) conducted in practice to ensure the quality and safety of external water installations? (Y/N)**
- 55. Please specify the third party that carries out inspection to ensure quality of external water installations. Please select all that apply: (not scored)**
 55a. Utility/municipality
 55b. Licensed private company (other than the one that did installation)
 55c. Regulatory agency
 55d. Other government agency
 55e. Other, please specify

2.1 MONITORING RELIABILITY AND SUSTAINABILITY OF SUPPLY AND SAFETY OF CONNECTIONS			
2.1.1 Key Performance Indicators (KPIs) to Monitor Quality, Reliability, and Sustainability of Service Supply			
Indicators	FFP	SBP	Total points
KPIs on Reliability and Quality of Water Supply	1	1	2
Reliability of water supply is monitored (39)	0.50	0.50	1
- Quality of water is monitored (40)	0.50	0.50	1

KPIs on Environmental Sustainability	0	1	1
- Existence of KPIs on sustainability of water supply (42)	0	0.50	0.50
- Existence of KPIs on sustainability of electricity supply**	0	0.50	0.50
Total points	1	2	3
2.1.2 KPI Transparency			
Indicators	FFP	SBP	Total points
Online Availability of KPIs on Reliability and Quality of Water Supply	1	1	2
- KPIs on reliability of water supply (43)	0.5	0.5	1
- KPIs on water quality (44)	0.5	0.5	1
Online Availability of KPIs on Environmental Sustainability	0	1	1
- Online availability of KPIs on sustainability of water supply (45)	0	0.50	0.50
- Online availability of KPIs on sustainability of electricity supply**	0	0.50	0.50
Total points	1	2	3
2.1.3 Monitoring Safety of Water Connections in Practice			
Indicators	FFP	SBP	Total points
Implementation of Inspections in Practice	1	1	2
- Internal installation works ((46 AND 48) OR 49)	0.50	0.50	1
- External installation works ((51 AND 53) OR 54)	0.50	0.50	1
<i>A score is assigned if 49 is selected OR both 46 and 48 are selected. A score is assigned if 54 is selected OR both 51 and 53 are selected</i>			
Total points	1	1	2

Note: FFP = firm flexibility point; SBP = social benefits point.

** The component of the indicator belongs to the Electricity Questionnaire.

2.2 TRANSPARENCY OF WATER SERVICES

2.2.1 Transparency of Tariffs and Tariff Setting

56. Are the current water tariffs available online? (Y/N)

57. Is water consumption by industrial and commercial entities metered? (Y/N)

58. What type of tariff is being applied to industrial and commercial entities? (*not scored*)

58a. A linear tariff that is proportional to consumption

58b. An increasing block tariff (IBT) that increases with higher consumption

58c. A decreasing block tariff (DBT) that decreases with higher consumption

58d. Volume-differentiated tariff

58e. Fixed monthly prices

59. How many units of consumption (in cubic meters, m³) are within the first block of commercial tariff? (*not scored*)

60. What is the commercial tariff in local currency units (LCU/m³) for the first block for 1 m³? (*not scored*)

61. How many units of consumption (in m³) are within the second block of commercial tariff? (*not scored*)

62. What is the commercial tariff in local currency units (LCU/m³) for the second block for 1 m³? (*not scored*)

63. How many units of consumption (in m³) are within the third block of commercial tariff? *(not scored)*
64. What is the commercial tariff in local currency units (LCU/m³) for the third block for 1 m³? *(not scored)*
65. What is the fixed cost charge per month in local currency units (LCU) for commercial customers? (i.e., the charge that needs to be paid, even if consumption is zero in a certain month) *(not scored)*
66. Is water consumption by residential customers metered (m³)? *(not scored)*
67. What type of tariff is being applied to residential customers? Please select one.
- 67a. A linear tariff that is proportional to consumption
 - 67b. An increasing block tariff (IBT) that increases with higher consumption
 - 67c. A decreasing block tariff (DBT) that decreases with higher consumption
 - 67d. A Volume-differentiated tariff
 - 67e. Fixed monthly prices
68. How many units of consumption (in m³) are within the first block of residential tariff? *(not scored)*
69. What is the residential tariff in local currency units (LCU/m³) for the first block for 1 m³? *(not scored)*
70. How many units of consumption (in m³) are within the second block of residential tariff? *(not scored)*
71. What is the residential tariff in local currency units (LCU/m³) for the second block for 1 m³? *(not scored)*
72. How many units of consumption (in m³) are within the third block of residential tariff? *(not scored)*
73. What is the residential tariff in local currency unit (LCU/m³) for the third block for 1 m³? *(not scored)*
74. What is the fixed cost charge per month in local currency units (LCU) for residential customers? (i.e., the charge that needs to be paid, even if consumption is zero in a certain month) *(not scored)*
75. Are changes in water tariffs communicated to the public at least one billing cycle in advance? (for example, as published in the press, regulations, or website, through letters, bills, emails, SMS). (Y/N)
76. Is a formula prescribing how end-user water tariff levels are determined publicly available? *(not scored)*
- 76a. Yes, formula is published online only
 - 76b. Yes, formula is published in the customer bill only
 - 76c. Yes, formula is published online and in the customer bill
 - 76d. No, not available
77. Are current wastewater tariffs for industrial and commercial customers available online? (Y/N) *(not scored)*

78. How are wastewater tariffs set? Please select one: *(not scored)*

78a. As a proportion of the total water bill

78b. As a fixed fee (independent of water consumption)

79. Are wastewater tariffs varying by pollution load (i.e., dependent on the wastewater characteristics emitted by a firm)? (Y/N) *(not scored)*

2.2.2 Publication of Connection Requirements

80. Are the connection requirements for new business water connections available online?

Y → proceed to the remaining questions.

N → 0 points on question 81.

81. What connection requirements are published online?

81a. Required documents

81b. Required procedures

81c. Connection cost

81d. Stipulated connection time standards

2.2.3 Publication and Announcement of Planned Outages

82. Are planned water outages made publicly available/communicated to the customers?

82a. Made publicly available

82b. Communicated to the customer

2.2.4 Complaint Mechanisms and Transparency of Complaint Processes

83. Is there a complaint mechanism available to report issues faced by customers in provision of water (such as incorrect billing or inadequate water supply)? (Y/N)

Y → proceed to the remaining questions.

N → 0 points on questions 84 to 86.

84. Is there a complaint mechanism at the level of the water utility? (Y/N)

85. Is there a complaint mechanism independent from the water utility to escalate the complaints? (Y/N)

86. What type of information is available online to guide customers to file a complaint about water service supply?

86a. Information on the entity in charge of managing the complaints

86b. Documents and steps necessary to make a complaint

86c. Criteria / scope of complaint mechanism (i.e., what issues can be reported)

86d. Steps necessary to make a complaint

2.2.5 Sex-Disaggregated Customer Surveys

87. Does the water utility in [largest city] carry out sex-disaggregated customer surveys in order to measure the quality of services provided by the utility from the perspective of women owned businesses? (Y/N)

Examples of sex-disaggregated customer surveys include asking the gender of the person in consumer satisfaction survey or in complaint form.

88. What customer-surveys data is sex-disaggregated? Please select all that apply. (not scored)

88a. Gender profile of a person answering consumer satisfaction survey

88b. Gender profile of a person lodging a complaint related to quality, reliability, and utility's supply services

88c. Other data that is sex-disaggregated

89. Are these survey data available for the most recent calendar year (2022)? (not scored)

90. Are these survey data anonymized? (not scored)

91. Are these survey data made publicly available online? (not scored)

2.2 TRANSPARENCY OF WATER SERVICES			
2.2.1 Transparency of Tariffs and Tariff Setting			
Indicators	FFP	SBP	Total points
Transparency of Water Tariffs and Tariff Setting	1	1	2
- Tariffs are published online (56)	0.33	0.33	0.66
- Customers are notified in advance of tariff changes (75)	0.33	0.33	0.66
- Tariff setting formula is publicly available (76a OR 76b OR 76c)	0.33	0.33	0.66
Total points	1	1	2
2.2.2 Publication of Connection Requirements			
Indicators	FFP	SBP	Total points
Connection Requirements for Water	1	1	2
- Required documents (81a)	0.25	0.25	0.50
- Required procedures (81b)	0.25	0.25	0.50
- Connection cost (81c)	0.25	0.25	0.50
- Stipulated connection time standards (81d)	0.25	0.25	0.50
Total points	1	1	2
2.2.3 Publication and Announcement of Planned Outages			
Indicators	FFP	SBP	Total points
Planned Outages Made Publicly Available/Communicated to the Customer (82a OR 82b)	1	1	2
Total points	1	1	2
2.2.4 Complaint Mechanisms and Transparency of Complaint Processes			
Indicators	FFP	SBP	Total points
Complaint Mechanisms and Transparency of Complaint Processes	1	1	2
Existence of Complaint Mechanism	0.50	0.50	1
- Complaint mechanism exists within the utility (84)	0.25	0.25	0.5
- Complaint mechanism independent from utility (85)	0.25	0.25	0.5
Transparency of First-Level Complaint Mechanism	0.50	0.50	1
- Information on the entity in charge of complaints (86a)	0.125	0.125	0.25
- Documents necessary to make a complaint (86b)	0.125	0.125	0.25
- Criteria/scope of complaint mechanism (86c)	0.125	0.125	0.25
- Steps necessary to make a complaint (86d)	0.125	0.125	0.25
Total points	1	1	2

2.2.5 Sex-Disaggregated Customer Surveys			
Indicators	FFP	SBP	Total points
Sex-Disaggregated Customer Surveys at the Water Utility (87)	1	1	2
Total points	1	1	2

Note: FFP = firm flexibility point; SBP = social benefits point.

2.3 INTEROPERABILITY OF UTILITY SERVICES

2.3.1 Interoperability at the Utility Level

92. Is there a national/local infrastructure database that would allow the identification of existing infrastructure networks such as underground lines (for example, “dial before you dig” or GIS)?

92a. Shared database for the network lines of multiple utilities, including electricity, water, and internet

92b. Database for water networks

93. Is there an online platform or a website with information about the planned works on utility networks that are carried out in the city? (Y/N)

94. Are the following in place to facilitate collaboration between agencies for excavation permit applications and approvals?

94a. An online system

94b. An agency in charge of coordination

94c. Other coordination mechanism

2.3.2 Electronic Application

95. Is it possible to apply electronically for new commercial water connections? (Y/N)

96. Is it possible to track online the application for water connection? (Y/N)

2.3.3 Electronic Payment

97. Is it possible to pay electronically the fee for new water connections? (Y/N)

98. Is it possible to pay electronically for the water monthly tariffs? (Y/N)

2.3 INTEROPERABILITY OF UTILITY SERVICES			
2.3.1 Interoperability at the Utility Level			
Indicators	FFP	SBP	Total points
Database on Infrastructure Networks and Planned Works	1	1	2
National/Local Infrastructure Database	0.50	0.50	1
- Database for network lines of multiple utilities (92a)* OR	0.50 OR	0.50 OR	1 OR
- Database for existing water distribution networks (92b)	0.16	0.16	0.32
- Database for existing electricity networks**	0.16	0.16	0.32
- Database for existing ISP networks**	0.16	0.16	0.32
<i>Note: A score of 0.5 is assigned if 92a is selected; a score of 0.16 is assigned if 92b is selected.</i>			
Platform for the Planned Works (93)*	0.50	0.50	1

System for Excavation Permit Approval - Online system (94a)* OR - A coordinating agency (94b)* OR - Other coordinating mechanism (94c) * <i>Note: A score of 1 is assigned if 94a is selected; a score of 0.5 is assigned if 94b or 94c is selected.</i>	1 1 OR 0.50 OR 0.50	1 1 OR 0.50 OR 0.50	2 2 OR 1 OR 1
Total points	2	2	4
2.3.2 Electronic Application			
Indicators	FFP	SBP	Total points
Electronic Application for Water Connections - Electronic application for new water connection (95) - Online tracking application for water connection (96)	1 0.50 0.50	1 0.50 0.50	2 1 1
Total points	1	1	2
2.3.3 Electronic Payment			
Indicators	FFP	SBP	Total points
Electronic Payment for Water Connections - Electronic payment of fees for water connection (97) - Electronic payment for water tariffs (98)	1 0.50 0.50	1 0.50 0.50	2 1 1
Total points	1	1	2

Note: FFP = firm flexibility point; SBP = social benefits point. ISP = Internet Service Provider. *Shared indicator between Electricity, Water, and Internet.

** The component of the indicator belongs to the Internet/Electricity Questionnaires.

PILLAR III—EFFICIENCY OF WATER SERVICES PROVISION IN PRACTICE

The data for Pillar III on the Efficiency of Utility Services is collected through firm-level surveys, using the following questions:

99. Time to obtain water connection: How many days did it take to obtain water connection from the day of the application to the day the service was received?

100. Cost of water connection and services:

100a. **Cost of water connections:** What was the total cost to obtain that water connection, including application, permitting, inspection fees, and all external connection works, excluding internal piping and connections?

100b. **Cost of water services (tariffs):** The total annual cost of water.

101. Reliability of water supply:

101a. **Outages:**

101a1. **Number of insufficiencies:** In a typical month, how many incidents of insufficient water supply did this establishment experience?

101a2. **Duration of insufficiencies:** How long did these incidents of insufficient water supply last on average (in hours)?

101b. **Losses due to water insufficiencies:** Please estimate the losses that resulted from insufficient water supply either as a percentage of total annual sales or as total annual losses.

Alternative scenario: in case the data collection on time and cost to obtain water connections through firm-level surveys is not feasible, such data is collected through expert consultations using the following parameters and questions:

Parameters	
Largest city	The largest (most populous) city in the economy. Geographical location determines availability of water connections, as well as the type of connections and construction required. For all questions under Pillar III collected through expert consultations, the experts will be asked to provide their response accounting for this specific parameter unless specified otherwise in the question per se.
Largest utility provider	The largest utility provider in the largest city is considered (in terms of customers served or market share). For all questions under Pillar III collected through expert consultations, the experts will be asked to provide their response accounting for this specific parameter unless specified otherwise in the question per se.
Estimated water consumption	Restaurant: 32,000 liters per day serving 160–200 people per day. Hotel: 72,000 liters with 100 rooms. The parameter will apply to all questions under Pillar III collected through expert consultations.

Further information (based on the topic scope):

- The new connection to the centralized water system and it is not necessary to add artesian bores-holes.

102. For the connection with the parameters for a. Restaurant, please select all applicable steps that are a part of the process of getting such new commercial water connection (water consumption of 32,000 liters per day) in [largest city]. (not scored)

- 102a. Request water connection and obtain quotation for connection works
- 102b. Receive external site inspection
- 102c. Receive excavation permit/right-of-way
- 102d. Obtain external connection works
- 102e. Receive final inspection
- 102f. Request and sign water supply contract
- 102g. Install meter

103. Under the scenario of a. Restaurant, please provide the total time to obtain a new water connection (water consumption of 32,000 liters per day) in [largest city] (calendar days).

104. For the connection with the parameters for a. Restaurant, please select all applicable elements that are a part of the cost of getting such new commercial water connection (water consumption of 32,000 liters per day) in [largest city]. (not scored)

- 104a. Fee for inspection for technical conditions
- 104b. Connection works (including materials and labor)
- 104c. Final inspection fee
- 104d. Water supply contract fee
- 104e. Meter fees

105. Under the scenario of a. Restaurant, please provide the total cost to obtain a new water connection (water consumption of 32,000 liters per day) in [largest city] (local currency).

- 106. Under the scenario of a. Restaurant, please indicate what is the most common obstacle faced by businesses when obtaining a new water connection (water consumption of 32,000 liters per day) in [largest city].**
- 107. For the connection with the parameters for b. Hotel, please select all applicable steps that are a part of the process of getting such new commercial water connection (water consumption of 72,000 liters per day) in [largest city]. (not scored)**
- 107a. Request water connection
 - 107b. Receive external site inspection and quotation for connection works
 - 107c. Receive excavation permit/right-of-way
 - 107d. Obtain external connection works
 - 107e. Receive final inspection
 - 107f. Request and sign water supply contract
 - 107g. Install meter
- 108. Under the scenario of b. Hotel, please provide the total time to obtain a new water connection (water consumption of 72,000 liters per day) in [largest city] (calendar days).**
- 109. For the connection with the parameters for b. Hotel, please select all applicable elements that are a part of the cost of getting such new commercial water connection (water consumption of 72,000 liters per day) in [largest city]. (not scored)**
- 109a. Application fee
 - 109b. Fee for Inspection for technical conditions
 - 109c. Connection works (including materials and labor)
 - 109d. Final inspection fee
 - 109e. Water supply contract fee
 - 109f. Meter fees
- 110. Under the scenario of b. Hotel, please provide the total cost to obtain a new water connection (water consumption of 72,000 liters per day) in [largest city] (local currency).**
- 111. Under the scenario of b. Hotel, please indicate what is the most common obstacle faced by businesses when obtaining a new water connection (water consumption of 72,000 liters per day) in [largest city]? (not scored)**
- 112. For commercial water connections in [largest city], what is the maximum distance between the building and the water main to provide a connection? (meters). (if the distance between the building and the water mains is above the stipulated maximum, the network expansion is required) (not scored)**
- 112a. 50 meters
 - 112b. 100 meters
 - 112c. 150 meters
 - 112d. 500 meters
- 113. Under the scenario of a. Restaurant, what is the typical water intake diameter for this type of connection/water consumption (inch) (32,000 liters per day) in [largest city]?**
- 114. Under the scenario of b. Hotel, what is the typical water intake diameter for this type of connection/water consumption (inch) (72,000 liters per day) in [largest city]?**
- 115. Would consumption of 32, 000 liter per day be considered by the utility as?**

Note: For example, a consumption of 32,000 liters per day is for a typical sit-down restaurant for 160–200 people per day.

115a. Low consumption

115b. Medium consumption

115c. Large consumption

116. Would consumption of 72,000 liter per day be considered by the utility as?

Note: For example, water consumption of around 72,000 liters for a hotel (with 100 rooms, with approximately 720 liters per room/day).

116a. Low consumption

116b. Medium consumption

116c. Large consumption

117. Please provide the following electricity utility statistics for residential and non-residential customer groups: (not scored)

117a. Aggregate financial expenditures by non-residential customers for water service at the utility

117b. Aggregate consumption of water by non-residential customers

117c. Aggregate financial expenditures by residential customers for water service at the utility

117d. Aggregate consumption of water by residential customers

PILLAR III—EFFICIENCY OF WATER SERVICES PROVISION IN PRACTICE			
Indicators	FFP	SBP	Total points
Time to Obtain Water Connection (99 OR [103 AND 108])	100 (33%)	n.a.	100 (33%)
Cost of Water Connection and Services <i>Overall cost is a sum of cost of water connection and use of water service over 3 years, calculated as % of GNI per capita</i>	100 (33%)	n.a.	100 (33%)
Cost of Water Connection (100a OR (105 AND 110)	50 (16%)	n.a.	50 (16%)
Cost of Water Services over 3 Years (tariffs) (100b * 3)	50 (16%)	n.a.	50 (16%)
Reliability of Water Supply	100 (33%)	n.a.	100 (33 %)
Outages (rescaled 0–100)	50 (16%)	n.a.	50 (16%)
- Average frequency of water interruptions (101a1)	25 (8%)	n.a.	25 (8%)
- Average duration of water interruptions (101a2)	25 (8%)	n.a.	25 (8%)
Losses Due to Outages (rescaled 0–100) (101b)	50 (16%)		50 (16%)
Total points	100 (100%)	n.a.	100 (100%)

Note: n.a. = not applicable (refers to the cases when the impact on firms or society is either ambiguous or nonexistent). FFP = firm flexibility point; SBP = social benefits point. GNI = gross national income.

The data on the indicators for Pillar III will be normalized to a common unit—for example, on the scale from 0 to 100 points, where 0 represents the lowest and 100 represents the best performance. In turn, best (worst) performance is defined by the highest (lowest) standards and/or practices, measured as a single point or range of values.

INTERNET

The tables that follow present all indicators (including their components, if applicable) under each pillar, with a reference to the corresponding question number in parenthesis. The questions are listed before each table for ease of reference.

For Y/N questions, the Y response accounts for the score and is considered as the good practice, unless otherwise indicated with the sign “N à good practice”.

In the tables that follow, “AND” means all referenced questions must have a good practice response to obtain a score on the indicator.

In the tables that follow, “OR” means one or more referenced questions must have a good practice response to obtain a score on the indicator.

Certain questions are marked as ‘not scored’ which indicates that they do not impact the score in any way. The purpose of these questions is to further inform and refine the questions design for subsequent years of the pilot, as needed, as well as to substantiate and provide further information for the scored questions.

Note: Several indicators in Utility Services topic are shared between Electricity, Water, and Internet. In those cases, the same question is asked for each area (Electricity, Water, and Internet). However, the scoring on the indicator is shared among the three areas to avoid triple counting. Shared indicators are marked with *. For example, the indicator on “Joint Planning and Construction” scores 2 points (on Firm Flexibility Points, FFP, and Social Benefits Points, SBP) and is shared between Electricity, Water, and Internet. The questions corresponding to this indicator apply to three areas are asked in all three questionnaires identically (Electricity, Water, and Internet). In terms of the scoring, 2 points for this indicator feed into the overall Utility Services topic score based on the information collected from the three questionnaires.

Several indicators of Utility Services are composite, wherein a score of 1 point is divided between several questions that are present in different questionnaires. In each area of Electricity, Water, and Internet, the component of a composite indicator that belongs to another area is marked as **. For example, an indicator on “KPIs on Sustainability” has a score of 1 on SBP and is comprised of two components: (1) “KPIs on Sustainability of Electricity Supply” (0.5 points), which is measured in the Electricity Questionnaire, and “KPIs on Sustainability of Water Supply” (0.5 points), which is measured in the Water Questionnaire. In the Electricity Questionnaire, “the KPIs on Sustainability of Water Supply” is marked with **, indicating that it belongs to the Water Questionnaire.

PILLAR I—QUALITY OF INTERNET REGULATIONS	
Parameters	
Largest city	The largest (most populous) city in the economy. Geographical location determines availability of internet connections, as well as the type of connections and construction required. For Pilar I, if regulations differ across states within an economy, the experts will be asked to provide information regarding the regulations of the largest city.

1.1 REGULATIONS FOR EFFICIENT DEPLOYMENT OF INTERNET CONNECTIONS AND QUALITY OF SUPPLY

1.1.1 Regulatory Monitoring

1. **Is there a regulatory agency overlooking digital connectivity operators (first, middle, and last mile) and internet service providers? (Y/N)**
Y → proceed to the remaining questions.
N → 0 points on questions 2 and 3.
2. **Per the regulatory framework which of the following functions on tariff setting and anticompetitive practices in the digital infrastructure service sector does the regulator perform?**
 - 2a. Overseeing wholesale connectivity tariffs (interconnection agreements)
 - 2b. Initiating investigations for anticompetitive practices and setting fines for anticompetitive practices
 - 2c. Establishing price caps on retail prices for end users
3. **Per the regulatory framework, what role does the internet regulator play in monitoring the quality and reliability of internet services? Please select all that apply:**
 - 3a. The regulator sets performance standards to ensure service quality and the reliability of internet services
 - 3b. The regulator monitors adherence to performance standards to ensure service quality and the reliability of internet services

1.1.2 Utility Infrastructure Sharing and Efficient Digital Connectivity

4. **Per the regulatory framework, does the regulator control the approved budget and is responsible for decision making in regard to expenditure? (Y/N) (*not scored*)**
5. **Are there provisions in the regulation requiring joint planning and construction (for example, for the deployment of electrical poles, overhead or underground cables, water pipes, telephone wires), including common excavation permits, joint excavation, or other “dig once” policies? (Y/N)**
6. **Are there provisions in the regulation which set time limits for agencies involved in new digital infrastructure for new internet connections to take a decision on approvals or issue consents (for example, for construction licenses or internet service provision licenses)? (Y/N)**
7. **Are there provisions in the regulation guaranteeing equal access to government-owned infrastructure (such as roads, railways, towers and water and power lines) available to internet service providers for backbone/backhaul infrastructure as well as last mile infrastructure? (Y/N)**
8. **Are there provisions in the regulation establishing rights of way for digital infrastructure service providers? (Y/N)**
9. **Are there provisions stipulating obligations for operators owning passive infrastructure (for example, wired, or wireless, including ducts and towers) to share access for the last mile? (Y/N)**
10. **Are there provisions stipulating obligations for operators owning active infrastructure (for example, RAN Access, lit fiber, access node switches and broadband remote access servers) to share access for the last mile? (Y/N)**

11. Are there provisions in the regulation guaranteeing local loop unbundling and line access? (Y/N)
12. Are utility partnerships for infrastructure sharing (such as leasing excess capacity of fiber optic infrastructure, spectrum leasing/sharing, interconnection agreements, co-investment in networks expansion or other voluntary market arrangements) allowed in the current telecommunication regulations?
- 12a. Yes, the law allows partnerships for infrastructure sharing
 12b. No, the law forbids partnerships for infrastructure sharing
 12c. The law is silent on partnerships for infrastructure sharing
13. Are there asymmetric regulations for dominant carriers or carriers with significant market power? (Y/N)
14. What are the regulations applied to reduce dominance? Please select all that apply: *(not scored)*
- 14a. Price-caps
 14b. Rate-of-return regulations
 14c. Provisions that establish remedial action if a negotiated solution between incumbents and new entrants is not reached

1.1.3 Mechanisms on Service Quality Assurance

15. Does the regulatory framework stipulate financial deterrence or incentives mechanisms (such as compensations or penalties paid by internet service providers or rewards for reliable service supply) aimed at limiting internet service outages or slowdowns? (Y/N)
16. If yes, are the following types of financial deterrence mechanisms and incentives available: *(not scored)*
- 16a. Penalties paid by the utility
 16b. Compensations paid to the customer
 16c. Positive incentive mechanisms (for example, rewards)
 16d. Other

1.1 REGULATIONS FOR EFFICIENT DEPLOYMENT OF INTERNET CONNECTIONS AND QUALITY OF SUPPLY			
1.1.1 Regulatory Monitoring			
Indicators	FFP	SBP	Total points
Monitoring of Internet Tariffs	1	1	2
- Overseeing wholesale connectivity tariffs (2a)	0.50	0.50	1
- Ex post regulation for anticompetitive practices (2b)	0.50	0.50	1
Monitoring of Quality of Internet Service by Regulator	1	1	2
- Setting performance standards (3a)	0.50	0.50	1
- Monitoring of performance standards (3b)	0.50	0.50	1
Total points	2	2	4
1.1.2 Utility Infrastructure Sharing and Efficient Digital Connectivity			
Indicators	FFP	SBP	Total points
Joint Planning and Construction*	1	1	2
- Common excavation provisions (5)	0.50	0.50	1
- Timelines for approvals (6)	0.50	0.50	1
Rights of Way and Open Infrastructure Access for Broadband Operators	1	1	2

- Regulation on equal access to government-owned infrastructure (7)	0.50	0.50	1
- Regulation on rights of way for digital infrastructure service providers (8)	0.50	0.50	1
Infrastructure Sharing Provisions among ISPs	1	1	2
- Passive or active infrastructure sharing (9 or 10)	0.25	0.25	0.5
- Local loop unbundling and line access (11)	0.25	0.25	0.5
- Utility partnerships for infrastructure sharing (12a)	0.25	0.25	0.5
- Asymmetric regulations for dominant carriers (13)	0.25	0.25	0.5
Total points	3	3	6
1.1.3 Mechanisms on Service Quality Assurance			
Indicators	FFP	SBP	Total points
Financial Deterrence Mechanisms to Limit Internet Service Interruptions (15)	1	1	2
Total points	1	1	2

Note: FFP = firm flexibility point; SBP = social benefits point. ISP = Internet Service Provider.

* Shared indicator between Electricity, Water, and Internet.

1.2 REGULATIONS ON SAFETY OF INTERNET CONNECTIONS

1.2.1 Liability Regimes

17. Does the regulatory framework establish liability and a legal right to pursue compensation for personal data protection breaches? (Y/N)

18. If yes, what parties are held liable: (not scored)

18a. Data Controllers

18b. Data Processors

18c. Data Sub-Processors

19. Are there clear provisions in the law establishing data breach incident reporting? (Y/N)

1.2.2 Cybersecurity

20. Is there an agency responsible for cybersecurity coordination at a national level? (Y/N)

Y → proceed to the remaining questions.

N → 0 points on questions 21 to 23.

21. If yes, please specify the functions of the agency:

21a. Carrying out risk-assessment strategies

21b. Carrying out cybersecurity audits, drills, exercises, or trainings

21c. Leading collective efforts against cyber threats

21d. Enforcing cybersecurity laws and regulations

22. Does the regulatory framework establish minimum cybersecurity protections or mandate minimum cybersecurity standards and cybersecurity safeguards? (Y/N)

23. Does the regulatory framework define a modus operandi for incident response in a case of a major cyberattack or a compromise of service availability (including the government authorities' level of engagement)? (Y/N)

24. If yes, what are the applicable cybersecurity safeguards for which the regulatory framework mandates measures and controllers: (not scored)

- 24a. Prevention and protection controllers
- 24b. Systems monitoring and detection
- 24c. Data collection
- 24d. Vulnerabilities scanning
- 24e. Proactive prevention measures
- 24f. Incident handling and incident response
- 24g. System recovery
- 24h. Network forensic capabilities
- 24i. Training and awareness raising activities
- 24j. Firewalls
- 24k. SSL inspection
- 24l. Cloud-based DDoS protection
- 24m. Intrusion prevention
- 24n. Malware protection

1.2 REGULATIONS ON SAFETY OF INTERNET CONNECTIONS			
1.2.1 Liability Regimes			
Indicators	FFP	SBP	Total Points
Liability Regimes for Internet Service	1	1	2
- Liability for personal data protection breaches (17)	0.50	0.50	1
- Data breach incident reporting (19)	0.50	0.50	1
Total Points	1	1	2
1.2.2 Cybersecurity			
Indicators	FFP	SBP	Total Points
Cybersecurity Agency Functions	1	1	2
- Carrying out risk-assessment strategies (21a)	0.25	0.25	0.50
- Carrying out cybersecurity audits, drills, exercises (21b)	0.25	0.25	0.50
- Leading collective efforts against cyber threats (21c)	0.25	0.25	0.50
- Enforcing cybersecurity laws and regulations (21d)	0.25	0.25	0.50
Cybersecurity Protection	1	1	2
- Cybersecurity protection or minimum standards (22)	0.50	0.50	1
- Modus operandi for incidents response (23)	0.50	0.50	1
Total Points	2	2	4

1.3 ENVIRONMENTAL REGULATIONS FOR SUSTAINABLE PROVISION AND USE OF INTERNET SERVICES

1.3.1 Sustainable Provision and Use of Internet

25. Are there environmental reporting or disclosure standards, mandatory or voluntary, for digital connectivity infrastructure and data infrastructure that together add up to digital infrastructure? (for example, energy consumption, CO₂ equivalents, use of renewable energy, energy intensity, e-waste metrics, or water consumption). (Y/N)

- 25a. Yes, mandatory standards
- 25b. Yes, voluntary standards
- 25c. No reporting or disclosure standards exist

26. If yes, please specify the environmental standards for digital connectivity infrastructure and data infrastructure: (not scored)

- 26a. Greenhouse Gas Emissions
- 26b. Global Reporting Initiative Standards
- 26c. ISO 50001
- 26d. ISO 14064
- 26e. ISO 14001
- 26f. ITU-TL133
- 26g. ETSI ES 203
- 26h. Other

27. Are there any national targets for emissions or energy efficiency of electronic communication networks and data infrastructure, including data centers, such as power usage effectiveness, renewable energy use, or coefficient of performance (COP)? (Y/N)

1.3 ENVIRONMENTAL REGULATIONS FOR SUSTAINABLE PROVISION AND USE OF INTERNET SERVICES			
1.3.1 Sustainable Provision and Use of Internet			
Indicators	FFP	SBP	Total Points
Environmental Reporting or Disclosure Standards for Digital Connectivity Infrastructure (25a OR 25b)	0	1	1
Environmental Sustainability Requirements for Electronic Communication Networks and Data Infrastructure (27)	0	1	1
Total Points	0	2	2

PILLAR II—QUALITY OF GOVERNANCE AND TRANSPARENCY OF UTILITY SERVICES	
Parameters	
Largest city	The largest (most populous) city in the economy. Geographical location determines availability of internet services, as well as the type of connections and construction required. The parameter will apply to all questions under Pillar II. For all questions under Pillar II, the experts will be asked to provide their response accounting for this specific parameter unless specified otherwise in the question per se.
Largest utility provider	The largest ISP (in terms of market share in the largest city) that offers high speed fixed broadband packages (minimum of 25 Mbps). The parameter will apply to all questions under Pillar II. For all questions under Pillar II, the experts will be asked to provide their response accounting for this specific parameter unless specified otherwise in the question per se.
Speed (measured in bandwidth)	25 Mbps of download speed and 3 Mbps of upload speed. Application of the parameter will be specified in the respective questions.

2.1 MONITORING RELIABILITY AND SUSTAINABILITY OF SERVICE SUPPLY AND SAFETY OF CONNECTIONS

2.1.1 Key Performance Indicators (KPIs) to Monitor Quality, Reliability, and Sustainability of Internet Service Supply

28. Are there Key Performance Indicators to monitor reliability and quality of internet supply? (download/upload speed, latency, minimum uptimes, throughput, jitter, recovery time etc.) (Y/N)

29. Please provide details which KPIs are used. Select all that apply: (not scored)

- 29a. Download/upload speed
- 29b. Latency
- 29c. Minimum uptimes
- 29d. Throughput
- 29e. Jitter
- 29f. Recovery time
- 29g. Other

2.1.2 KPI Transparency

30. Are the KPIs to monitor reliability and quality of internet supply available online? (Y/N)

2.1.3 Monitoring Safety of Internet Connections in Practice

31. Which cybersecurity protocols stipulated in the legal and regulatory framework implemented in practice?

- 31a. Cybersecurity breaches are reported by the relevant cybersecurity agency to the private sector in practice
- 31b. Computer Incident Response Teams or Computer Emergency Readiness Team respond to reported cyberattacks or cybersecurity breaches in practice
- 31c. Cyber security incident response drills, trainings or exercises are carried out in practice to test capabilities to prevent, detect, respond and/or recover from cyberattacks or cybersecurity breaches
- 31d. Cyber security audits are carried out in practice for critical infrastructure operators to detect vulnerabilities and recommend or enforce remedial actions to prevent cyberattacks or cybersecurity breaches

2.1 MONITORING RELIABILITY AND SUSTAINABILITY OF SERVICE SUPPLY AND SAFETY OF CONNECTIONS			
2.1.1 Key Performance Indicators (KPIs) to Monitor Quality, Reliability, and Sustainability of Internet Service Supply			
Indicators	FFP	SBP	Total points
KPIs on Reliability and Quality of Internet Supply (28)	1	1	2
Total points	1	1	2
2.1.2 KPI Transparency			
Indicators	FFP	SBP	Total points
Online Availability of KPIs on Reliability of Internet Supply (30)	1	1	2
Total points	1	1	2
2.1.3 Monitoring Safety of Internet Connections in Practice			
Indicators	FFP	SBP	Total points
Cybersecurity Protocols in Practice	1	1	2
- Breaches are reported (31a)	0.25	0.25	0.50
- Respond to reported cyberattacks (31b)	0.25	0.25	0.50
- Cyber security incident response (31c)	0.25	0.25	0.50
- Cyber security audits are carried out in practice (31d)	0.25	0.25	0.50
Total points	1	1	2

Note: FFP = firm flexibility point; SBP = social benefits point.

2.2 TRANSPARENCY OF INTERNET SERVICES

2.2.1 Transparency of Tariffs and Tariff Setting

32. Are the current internet monthly fees available online? (Y/N)
33. For businesses to use high-speed internet with at least 25 Mbps download speed in your city, what is the most common package (in terms of download speed) (Mbps)? *(not scored)*
34. What is the current average monthly fee (on a contract) for a commercial internet service (with at least 25 Mbps of download speed and 3 Mbps of upload speed) for the most common package in local currency units (LCU)? *(not scored)*
35. What is the current average monthly fee (on a month-to-month basis) for a commercial internet service (with at least 25 Mbps of download speed and 3 Mbps of upload speed) for the most common package in local currency units (LCU)? *(not scored)*
36. What is the current average monthly tax rate for commercial internet service (with at least 25 Mbps of download speed and 3 Mbps of upload speed) for the most common package in local currency units (LCU)? *(not scored)*
37. Is the most common package for high-speed internet connection of at least 25 Mbps download speed subject to fixed or variable prices? Please select one: *(not scored)*
- 37a. Fixed monthly price
 - 37b. Variable monthly price (depending on data usage)
38. If the monthly price depends on data usage, what is the tariff per 1 GB of data (LCU)? *(not scored)*
39. What is the typical billing period for a high-speed internet connection of at least 25 Mbps download speed? *(not scored)*
- 39a. Monthly
 - 39b. Bimonthly
 - 39c. Trimester
40. Are changes in high-speed broadband connection tariffs communicated to the public at least one billing cycle in advance? (for example, as published in the press, regulations, or website, through letters, bills, emails). (Y/N)
41. Is formula prescribing how end-user fixed broadband tariffs are determined publicly available?
- 41a. Yes, formula is published online only
 - 41b. Yes, formula is published in the customer bill only
 - 41c. Yes, formula is published online and in the customer bill
 - 41d. No

2.2.2 Publication of Connection Requirements

42. Are the connection requirements for high-speed broadband internet connection available online? (Y/N)
- Y → proceed to the remaining questions.
 - N → 0 points on question 43.

43. What connection requirements are published online?

- 43a. Required documents
- 43b. Required procedures
- 43c. Connection cost
- 43d. Stipulated connection time standards

2.2.3 Publication and Announcement of Planned Outages

44. Are planned internet outages (including government-led outages) made publicly available/communicated to the customers?

- 44a. Yes, made publicly available
- 44b. Yes, communicated to the customers
- 44c. No

2.2.4 Complaint Mechanisms and Transparency of Complaint Processes

45. Is there a complaint mechanism available to report issues faced by customers in provision of internet services (such as breach of service level agreement performance standards, billing issues, issues with equipment, etc.)? (Y/N)

- Y → proceed to the remaining questions.
- N → 0 points on questions 46 to 48.

46. Is there a complaint mechanism at the level of the internet provider? (Y/N)

47. Is there a complaint mechanism independent from the internet provider to escalate complaints? (Y/N)

48. What type of information is available online to guide customers to file a complaint about digital connectivity?

- 48a. Information on the entity in charge of managing the complaints
- 48b. Documents necessary to make a complaint
- 48c. Criteria and scope of complaint mechanism (i.e., what issues can be reported)
- 48d. Steps necessary to make a complaint

2.2.5 Sex-Disaggregated Customer Surveys

49. Does the internet service provider in [largest city] carry out sex-disaggregated customer surveys in order to measure quality of services provided by the utility from the perspective of women-owned businesses? (Y/N)

Examples of sex-disaggregated customer surveys include asking the gender of the person in consumer satisfaction survey or in complaint form.

50. What customer-surveys data is sex-disaggregated? (not scored)

- 50a. Gender profile of a person answering consumer satisfaction survey
- 50b. Gender profile of a person lodging a complaint related to quality, reliability, and utility's supply services
- 50c. Other data that is sex-disaggregated

51. Are these survey data available for the most recent calendar year (2022)? (Y/N) (not scored)

52. Are these survey data anonymized? (Y/N) (not scored)

53. Are these survey data made publicly available online? (Y/N) (not scored)

2.2 TRANSPARENCY OF INTERNET SERVICES			
2.2.1 Transparency of Tariffs and Tariff Setting			
Indicators	FFP	SBP	Total points
Transparency of Internet Tariffs and Tariff Setting	1	1	2
- Tariffs are published online (32)	0.33	0.33	0.66
- Customers are notified in advance of tariff changes (40)	0.33	0.33	0.66
- Tariff setting formula is publicly available (41)	0.33	0.33	0.66
Total points	1	1	2
2.2.2 Publication of Connection Requirements			
Indicators	FFP	SBP	Total points
Connection Requirements for Internet	1	1	2
- Required documents (43a)	0.25	0.25	0.50
- Required procedures (43b)	0.25	0.25	0.50
- Connection cost (43c)	0.25	0.25	0.50
- Stipulated connection time standards (43d)	0.25	0.25	0.50
Total points	1	1	2
2.2.3 Publication and Announcement of Planned Outages			
Indicators	FFP	SBP	Total points
Planned Outages Made Publicly Available/Communicated to the Customer (44a OR 44b)	1	1	2
Total Points	1	1	2
2.2.4 Complaint Mechanisms and Transparency of Complaint Processes			
Indicators	FFP	SBP	Total points
Complaint Mechanisms and Transparency of Processes	1	1	2
Existence of complaint mechanism	0.50	0.50	1
- Complaint mechanism exists within the utility (46)	0.25	0.25	0.5
- Complaint mechanism independent from utility (47)	0.25	0.25	0.5
Transparency of first-level complaint mechanism	0.50	0.50	1
- Information on the entity in charge of complaints (48a)	0.125	0.125	0.25
- Documents and steps necessary to make a complaint (48b)	0.125	0.125	0.25
- Criteria/scope of complaint mechanism (48c)	0.125	0.125	0.25
- Steps necessary to make a complaint (48d)	0.125	0.125	0.25
Total points	1	1	2
2.2.5 Sex-Disaggregated Customer Surveys			
Indicators	FFP	SBP	Total points
Sex-Disaggregated Customer Surveys at the Internet Provider (49)	1	1	2

Note: FFP = firm flexibility point; SBP = social benefits point.

2.3 INTEROPERABILITY OF UTILITY SERVICES

2.3.1 Interoperability at the Utility Level

54. Is there a national/local infrastructure database that would allow the identification of existing infrastructure networks such as underground lines (for example, “dial before you dig,” GIS)?

- 54a. Shared database for the network lines of multiple utilities, including electricity, water, and internet
 54b. Database for internet service providers networks

55. Is there an online platform or a website with the information about the planned works on utility networks that are carried out in the city? (Y/N)

56. Are the following in place to facilitate collaboration between agencies for excavation permit applications and approvals?

- 56a. An online system
 56b. An agency in charge of coordination
 56c. Other coordination mechanism

2.3.2 Electronic Application

57. Is it possible to apply electronically for new commercial internet connections? (Y/N)

58. Is it possible to track online the application for new commercial internet connection? (Y/N)

2.3.3 Electronic Payment

59. Is it possible to pay the fee for the new fixed broadband connection electronically? (Y/N)

60. Is it possible to pay electronically for the internet monthly tariffs? (Y/N)

2.3 INTEROPERABILITY OF UTILITY SERVICES			
2.3.1 Interoperability at the Utility Level			
Indicators	FFP	SBP	Total points
Database on Infrastructure Networks and Planned Works	1	1	2
National/Local Infrastructure Database - Database for network lines of multiple utilities (54a)* OR - Database for existing internet distribution networks (54b) - Database for existing electricity networks** - Database for existing water service providers networks** <i>A score of 0.5 is assigned if 54a is selected; a score of 0.16 is assigned if 54b is selected.</i>	0.50 0.5 OR 0.16 0.16 0.16	0.50 0.5 OR 0.16 0.16 0.16	1 1 OR 0.32 0.32 0.32
Platform with the Information on the Planned Works (55)*	0.50	0.50	1
System for Excavation Permit Approval (53)* - Online system (56a) OR - A coordinating agency (56b)* OR - Other coordination mechanism (56c)* <i>A score of 1 is assigned if 56a is selected; a score of 0.5 is assigned if 56b or 56c is selected.</i>	1 1 OR 0.50 OR 0.50	1 1 OR 0.50 OR 0.50	2 2 OR 1 OR 1
Total points	2	2	4
2.3.2 Electronic Application			
Indicators	FFP	SBP	Total points
Electronic Application for Internet Connections	1	1	2
- Electronic application for new internet connection (57) - Online tracking application for internet connection (58)	0.50 0.50	0.50 0.50	1 1
Total points	1	1	2

2.3.3 Electronic Payment			
Indicators	FFP	SBP	Total Points
Electronic Payment for Internet Connections	1	1	2
- Electronic payment of fees for internet connection (59)	0.50	0.50	1
- Electronic payment for internet tariffs (60)	0.50	0.50	1
Total points	1	1	2

Note: FFP = firm flexibility point; SBP = social benefits point.

* Shared indicator between Electricity, Water, and Internet.

** The component of indicator belongs to the Water/Electricity Questionnaires.

PILLAR III—EFFICIENCY OF INTERNET SERVICES PROVISION IN PRACTICE

The data for Pillar III on the Efficiency of Internet Connections is collected through firm-level surveys, using the following questions:

- 61. Time to obtain internet connection:** How many days did it take to obtain the fixed broadband connection from the day of the application to the day the service was received?
- 62. Cost to obtain internet connection and the total expenditure of internet services:**
- 62a. Cost of internet connections: What was the total cost to obtain that internet connection, including application and installation fees?
- 62b. Cost of internet services: the total annual cost of high-speed, fixed broadband internet.
- 63. Reliability of internet supply:**
- 63a. Outages: Duration of interruptions: In a typical month, how many hours of internet disruptions, including complete downtime and connection slowdowns, did this establishment experience that impacted business operations?
- 63b. Losses due to outages: Please estimate the losses that resulted from the internet interruptions either as a percentage of total annual sales or as total annual losses in LCU.

Alternative scenario: in case the data collection on time and cost to obtain internet connections through firm-level surveys is not feasible, such data is collected through expert consultations using the following parameters and questions:

Parameters	
Largest city	The largest (most populous) city in the economy. Geographical location determines availability of internet services, as well as the type of connections and construction required. For all questions under Pillar III collected through expert consultations, the experts will be asked to provide their response accounting for this specific parameter unless specified otherwise in the question per se.
Largest utility provider	The largest ISP (in terms of market share in the largest city) that offers high speed fixed broadband packages (minimum of 25 Mbps). For all questions under Pillar III collected through expert consultations, the experts will be asked to provide their response accounting for this specific parameter unless specified otherwise in the question per se.
Speed (measured in bandwidth)	Minimum 25 Mbps of download speed and 3 Mbps of upload speed. For all questions under Pillar III collected through expert consultations, the experts

	will be asked to provide their response accounting for this specific parameter unless specified otherwise in the question per se.
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Further information (based on the scope of the topic):

- Internet connection is achieved through a last mile connectivity of either DSL, fiber optics, or cable, whichever is the most common technology which meets the minimum parameters at the lowest cost.
- Internet connections through 4G or 5G antennas or satellite are only considered when it is the most prevalent option for local businesses.

64. For an existing building, please indicate if the following elements are part of the process of getting such new internet connection with minimum 25 Mbps of download speed and 3 Mbps of upload speed from [largest Internet Provider] in the [largest city]. (not scored)

- 64a. Request high speed internet connection services and obtain a quotation for the connection works
- 64b. Receive site inspections (including but not limited to terrain inspection, utility conflicts analysis mapping, make-ready or on-site examination of the ground or poles)
- 64c. Obtain all necessary permits (including but not limited to excavation or underground boring permits and securing municipal rights of way)
- 64d. Obtain civil engineering works and installation of customer premise equipment for high-speed internet connection (includes local conduit, splicing works, switches, routers, wireless access points and setting-up the optical network terminal, exclude streetside local cabinet)
- 64e. Receive final inspection and testing of equipment and connection
- 64f. Other steps

65. For an existing building, please provide the total time to obtain a new internet connection (calendar days) with minimum 25 Mbps of download speed and 3 Mbps of upload speed from [largest Internet Provider] in [largest city].

66. For an existing building, please provide the total cost to obtain a new internet connection (local currency) with minimum 25 Mbps of download speed and 3 Mbps of upload speed from [largest Internet Provider] in [largest city].

67. For a new development (i.e., where network expansion is required), please indicate if the following elements are part of the process of getting such new internet connection with minimum 25 Mbps of download speed and 3 Mbps of upload speed from [largest Internet Provider] in the city. (not scored)

- 67a. Request high speed internet connection services and obtain a quotation for the connection works.
- 67b. Receive site inspections (including but not limited to terrain inspection, utility conflicts analysis mapping, make-ready or on-site examination of the ground or poles)
- 67c. Obtain all necessary permits (including but not limited to excavation or underground boring permits and securing municipal rights of way)
- 67d. Obtain civil engineering works and installation of customer premise equipment for high-speed internet connection (includes local conduit, splicing works, switches, routers, wireless access points and setting-up the optical network terminal, exclude streetside local cabinet)
- 67e. Receive final inspection and testing of equipment and connection
- 67f. Other steps

68. For a new development (i.e., where network expansion is required), please provide the total time to obtain a new internet connection with minimum 25 Mbps of download speed and 3 Mbps of upload speed from [largest Internet Provider] in [largest city] (calendar days).

69. For a new development (i.e., network expansion is required), please provide the total cost to obtain a new internet connection (local currency) with minimum 25 Mbps of download speed and 3 Mbps of upload speed from [largest Internet Provider] in [largest city] in a new building being occupied for the first time (calendar days).
70. Please describe what is the most common obstacle faced by businesses when obtaining a new internet connection with minimum 25 Mbps of download speed and 3 Mbps of upload speed from [largest Internet Provider] in [largest city].
71. For a connection with minimum 25 Mbps of download speed and 3 Mbps of upload speed from [largest Internet Provider] in [largest city], please indicate what is the most likely type of civil engineering works?
- 71.a Underground
- 71.b Aerial on overhead lines
72. For a connection with minimum 25 Mbps of download speed and 3 Mbps of upload speed from [largest Internet Provider] in [largest city], please indicate what is the most likely type of connection technology?
- 72.a Direct subscriber line (DSL)
- 72.b Fiber options
- 72.c Cable Modem
- 72.d Broadband over Power Line (BPL)
- 72.e Wireless (4G or 5G)
- 72.f Direct to satellite
- 72.g Other, please provide details

PILLAR III—EFFICIENCY OF INTERNET SERVICES PROVISION IN PRACTICE			
Indicators	FFP	SBP	Total points
Time to Obtain Internet Connection (61 OR [65 OR 68])	100 (33%)	n.a.	100 (33%)
Cost of Internet Connection and Services <i>Overall cost is a sum of cost of internet connection and use of internet service over 3 years, calculated as % of GNI per capita</i>	100 (33%)	n.a.	100 (33%)
Cost of Internet Connection (62a [66 OR 69])	50 (16%)	n.a.	50 (16%)
Cost of Internet Services over 3 Years (tariffs) (62b*3)	50 (16%)	n.a.	50 (16%)
Reliability of Internet	100 (33%)	n.a.	100 (33%)
Outages (rescaled 0–100) (63a)	50 (16%)	n.a.	50 (16%)
Losses due to outages (rescaled 0–100) (63b)	50 (16%)	n.a.	50 (16%)
Total points	100 (100%)	n.a.	100 (100%)

Note: n.a. = not applicable (refers to the cases when the impact on firms or society is either ambiguous or nonexistent). FFP = firm flexibility point; SBP = social benefits point.

The data on the indicators for Pillar III will be normalized to a common unit—for example, on the scale from 0 to 100 points, where 0 represents the lowest and 100 represents the best performance. In turn, best (worst) performance is defined by the highest (lowest) standards and/or practices, measured as a single point or range of values.

CHAPTER 5. LABOR

METHODOLOGY NOTE

I. MOTIVATION

Labor is arguably the most important factor of production in most businesses. It is also the most important source of income for most people.¹ Regulations and public services related to labor are fundamental drivers of private sector development from the perspective of both enterprises and workers. These regulations and public services affect firms' decisions whether to expand by hiring labor, and whether to do so formally or informally.² In addition, these regulations and public services affect the well-being of potential workers by providing them with good jobs and opportunities for growth.

For formally employed workers, labor regulations matter—they protect their rights, reduce the risk of job loss, and support equity and welfare. For workers employed in the informal sector, labor regulations can affect their ability to enter the formal workforce.³ If labor regulations make hiring costs too high and rules too cumbersome, firms may choose to use more capital than labor or to hire informally. Some workers lose when firms make such choices. Sound and balanced labor regulations are needed for firms and workers to benefit from a dynamic and innovative labor market that does not come at the expense of income security or basic workers' rights.⁴

Public services can help enforce and facilitate quality labor regulations.⁵ They can provide the institutional infrastructure for labor inspections and audits to incentivize compliance. Institutions can also render services that make labor more expensive if firms are required to pay for them. For example, public services can provide health, pension, and other forms of social insurance. They address market imperfections and have important implications for the functioning of the labor market and firm choices. Lack of social security coverage for workers reduces opportunities for firms, especially small and medium enterprises (SMEs), to transition to higher productivity and profitability.⁶ Informal workers not only lack health and social protection benefits; they are also less likely to move out of poverty.⁷ For example, if an economy offers universal (or close to universal) basic health care, it can have a direct positive impact on job quality and wages by allowing firms to redirect resources into business development and employee wages. Employment services, including job search assistance, and training programs serve as a bridge between the needs of firms and the skills of workers.

II. INDICATORS

The Labor topic measures good practices in employment regulations and public services from the perspective of both enterprises and employees across three different dimensions, here referred to as pillars. The first pillar assesses the quality of labor regulations pertaining to workers' conditions and employment restriction and costs, covering de jure features of the regulatory framework that are necessary for the functioning of the labor market and to provide employers and employees with their obligations and relevant safeguards. The second pillar measures the adequacy of public services for labor, assessing the de facto provision of social protection and the institutional framework on which the labor market and the enforcement of labor regulations depend. The third pillar measures the efficiency of labor regulations and public services in practice, measuring workers' conditions, employment restrictions and cost, as well as public services. Each pillar is divided into categories—defined by common features that inform the grouping into a particular category—and each category is further divided into subcategories. Each subcategory consists of several indicators, each of which may, in turn, consist of several components. Relevant points are assigned to each indicator and then aggregated to obtain the number of points for each subcategory, category, and pillar. Table 1 includes a summary of all three pillars along with their respective categories.

Table 1. Summary table of all three pillars for the Labor topic

Pillar I–Quality of Labor Regulations (29 indicators)	
1.1	Workers’ Conditions (16 indicators)
1.1.1	Minimum Wage (3 indicators)
1.1.2	Equality, Non-Discrimination, and Freedom of Association (3 indicators)
1.1.3	Minimum Age and Forced Labor (3 indicators)
1.1.4	Occupational Safety, Health, Discrimination, and Violence (5 indicators)
1.1.5	Notice Period and Severance Payment (2 indicators)
1.2	Employment Restrictions and Costs (13 indicators)
1.2.1	Work Hours and Contracts (3 indicators)
1.2.2	Minimum Wage Rate (1 indicator)
1.2.3	Mandated Benefits (3 indicators)
1.2.4	Requirements for Dismissal (4 indicators)
1.2.5	Length of Notice Period and Severance Pay (2 indicators)
Pillar II–Adequacy of Public Services for Labor (13 indicators)	
2.1	Social Protection (6 indicators)
2.1.1	Unemployment Insurance (2 indicators)
2.1.2	Health Care Coverage (2 indicators)
2.1.3	Retirement Pension (2 indicators)
2.2	Institutional Framework (7 indicators)
2.2.1	Employment Services (2 indicators)
2.2.2	Labor Dispute Resolution Mechanisms (2 indicators)
2.2.3	Labor Inspectorates (3 indicators)
Pillar III–Efficiency of Labor Regulations and Public Services in Practice (8 indicators)	
3.1	Non-Wage Labor Costs (1 indicator)
3.1.1	Social contribution cost (1 indicator)
3.2	Employment Restrictions and Costs (4 indicator)
3.2.1	Proportion of Vacancies Filled (1 indicator)
3.2.2	Regulatory Constraints to Hiring (1 indicator)
3.2.3	Time for Dismissal (1 indicator)
3.2.4	Cost of Dismissal (1 indicator)
3.3	Efficiency of Public Services (3 indicators)
3.3.1	Time to Resolve Labor Dispute (1 indicator)
3.3.2	Cost to Resolve Labor Dispute (1 indicator)
3.3.3	Labor Inspectorates (1 indicator)

1. PILLAR I. REGULATORY FRAMEWORK: THE QUALITY OF LABOR REGULATIONS

Table 2 shows the structure for Pillar I, the quality of labor regulations. Each of this pillar’s categories and subcategories will be discussed in more detail in the order shown in the table.

Table 2. Pillar I–Quality of Labor Regulations

1.1	Workers’ Conditions
1.1.1	Minimum Wage
1.1.2	Equality, Non-Discrimination, and Freedom of Association
1.1.3	Minimum Age and Forced Labor
1.1.4	Occupational Safety, Health, Discrimination, and Violence
1.1.5	Notice Period and Severance Payment
1.2	Employment Restrictions and Costs
1.2.1	Work Hours and Contracts
1.2.2	Minimum Wage Rate
1.2.3	Mandated Benefits

1.2.4	Requirements for Dismissal
1.2.5	Length of Notice Period and Amount of Severance Payment

1.1 Workers' Conditions

Category 1.1 has five subcategories consisting of several indicators, each of which may, in turn, have several components.

1.1.1 Minimum Wage

A minimum wage is a legally mandated floor for wages that employers must pay to their employees. The purpose of a minimum wage is to ensure that workers receive a fair and decent wage that can cover their basic needs and contribute to their well-being.⁸ Key elements of a minimum wage system include scope coverage, setting and adjustment of the minimum wage, coverage of basic needs, enforcement and compliance and monitoring and evaluation.⁹ Therefore, Subcategory 1.1.1 has three indicators (table 3).

Table 3. Subcategory 1.1.1–Minimum Wage System and Process

	Indicators	Components
1	Existence of minimum wage in the private sector	Availability of minimum wage in the private sector set by law or collective bargaining agreement
2	Mandated minimum wage criteria and update process	i) Mandated criteria for setting the minimum wage ii) Mandated process of period review of the minimum wage
3	Social consultation before setting and updating the minimum wage	Legally mandated social consultation during the process of setting and updating the minimum wage.

1.1.2 Equality, Non-Discrimination, and Freedom of Association

Policies and programs that address discrimination, bias, and inequality at work can lead to positive outcomes for individuals, organizations, and society as a whole.¹⁰ In particular, these policies should aim to promote equality of opportunity and treatment in employment and occupation, and to eliminate discrimination based on race, color, sex, religion, political opinion, national extraction, or social origin.¹¹ Therefore, Subcategory 1.1.2 has three indicators (table 4).

Table 4. Subcategory 1.2.1–Equality, Non-Discrimination, and Freedom of Association

	Indicators	Components
1	Equal remuneration for work of equal value	Mandated equal remuneration for work of equal value
2	Discrimination prohibited by law in hiring, employment, dismissal	i) Law expressly prohibits discrimination in hiring ii) Law expressly prohibits discrimination in employment iii) Law expressly prohibits discrimination in dismissal
3	Legally mandated freedom of association and assembly, and right to collective bargaining	i) Law mandates freedom of association and assembly ii) Law mandates the right to collective bargaining

1.1.3 Minimum Age and Forced Labor

A legally mandated minimum working age aims to protect children's rights¹² and promote children's education.¹³ In addition, a regulatory framework that adapts the minimum working age with regard to the type of work performed is also critical to provide safeguards for children who need to perform light work to contribute to a family's household economy.¹⁴ The regulatory framework also plays a role in public health and safety by protecting children from hazardous work more likely to harm their health, safety, or morals.¹⁵ Moreover, they can safeguard against forced labor. According to 2021 Global Estimates, 17.3 million people are in forced labor exploitation on any given day, of which children make up 1.3 million. Among adults, those trapped in this category of forced labor remained there for an extended period of time up to—15.4 months, on average.¹⁶ There are multiple means of coercion on workers that entrap them in such a work situation; the most

prevalent are nonpayment of wages and threats of dismissal.¹⁷ Forced labor is also linked with vicious cycles of poverty. The vulnerability entrenched in poor-quality jobs (often informal), and the limited opportunities associated with them, prevent households from accumulating wealth and achieving long-term economic security.¹⁸ Labor inspections play a key role in improving working conditions by detecting and acting on labor rights violations pertaining to forced labor and workplace abuse. Therefore, Subcategory 1.1.3 has three indicators (table 5).

Table 5. Subcategory 1.1.3–Minimum Age and Forced Labor

	Indicators	Components
1	Prohibition of forced labor and enforcement	i) Prohibition of forced labor by law ii) Requirement for labor inspectorate to enforce forced labor legislation
2	Minimum legal age for employment	i) Minimum age for admission to employment equal or higher to the ILO provisions on minimum age of 15 years old—or exceptionally, 14 years old. ii) Minimum age for light work for children between aged 13 and 15 for economies where the minimum age to work is 15 years old, or 12 to 14 years old for economies claiming an exception to the minimum age for work at 14 years old. The law must ensure that the light work does not (1) interfere with the young person's health or development, and (2) prejudice their attendance at school, as per the ILO's requirement. iii) Legal distinction for hazardous work in the law and prohibition against children under the age of 18 participating in such work.
3	Prohibition of children performing harmful, unsafe, or immoral work activities and enforcement	i) Prohibition for children to perform work likely to harm health, safety, or morals. ii) Requirement for labor inspectorates to enforce national legislation on child labor

Note: ILO = International Labour Organization.

1.1.4 Occupational Safety, Health, Discrimination, and Violence

The right to a safe and healthy working environment is among the core labor rights enshrined by the International Labour Organization (ILO).¹⁹ Health and safety regulations play a crucial role in ensuring the well-being and protection of workers.²⁰ Occupational health and safety regulations, when enforced and implemented, help prevent accidents and injuries, promote worker health, and reduce worker absenteeism and turnover.²¹ Similarly, violence and harassment in the workplace is a widespread phenomenon that needs increased attention. Reports have found that more than one in five persons in employment has experienced at least one form of violence and harassment at work during their working life.²² Therefore, Subcategory 1.1.4 has five indicators (table 6).

Table 6. Subcategory 1.1.4–Occupational Safety, Health, Discrimination, and Violence

	Indicators	Components
1	Coverage of all worker types and hazardous sectors by health and safety legislation	Health and safety legislation that covers all workers and hazardous sectors
2	Legal mandate to periodically review health and safety legislation	Law that establishes the periodic revision and update of health and safety legislation
3	Legally mandated policies, regulations, or risk assessment on workplace violence, discrimination, harassment, and/or bullying	i) Law that mandates policies and regulations on workplace violence ii) Law that mandates policies and regulations on workplace discrimination iii) Law that mandates policies and regulations on workplace harassment iv) Law that mandates policies and regulations on workplace bullying
4	Legal mandate to establish internal complaints or grievance mechanisms for reporting violence, discrimination, harassment, and/or bullying at the workplace and provide workplace trainings on how to identify hazards and risks of the same	i) Law that requires companies to establish internal complaints or grievance mechanisms for reporting violence, discrimination, harassment, and/or bullying at the workplace ii) Law that requires firms to provide workplace information on how to identify hazards and risks of violence, discrimination, harassment, and/or bullying as well as workers' respective rights and responsibilities, including prevention and protection

		iii) Law that requires firms to provide training on how to identify hazards and risks of violence, discrimination, harassment, and/or bullying
5	Paid leave	i) Legally mandated paid annual leave for at least three working weeks after one year of service ii) Legally mandated paid sick leave by law for workers in the private sector

1.1.5 Notice Period and Severance Payment

To mitigate the detrimental consequences of immediate termination of employment, it is recommended that workers receive a reasonable period of notice.²³ The purpose of such notice is to prepare the worker for unemployment, giving him/her/them the necessary time to adapt and/or look for a new job. Similarly, the existence of severance pay moderates the workers' income loss in the case of redundancy. Therefore, Subcategory 1.1.5 has two indicators (table 7).

Table 7. Subcategory 1.1.5–Notice Period and Severance Payment

	Indicators	Components
1	Legally mandated notice period	Availability of notice period by law or collective bargaining agreement (CBA)
2	Legally mandated severance pay	Severance pay by law or collective bargaining agreement (CBA)

Note: CBA = collective bargaining agreement.

1.2 Employment restrictions and costs

Category 1.2 has five subcategories consisting of several indicators, each of which may, in turn, have several components.

1.2.1 Work Hours and Contracts

Flexible work hours and contracts enable firms to adapt to market demand and can help workers balance their work life obligations. More specifically, the use of fixed-term contracts gives firms the flexibility to bring in workers for a specific project or period without committing to long-term employment.²⁴ They can also help the core workforce be less exposed to employment adjustment.²⁵ Firms should be able to choose among the types of contracts to meet their specific production demands and to control staffing costs.²⁶

Furthermore, when the law allows for flexible work hours, such as the possibility of overtime work, night work, and to work on any given day of the week, firms are more able to adapt to production needs. Workers can also benefit by having more freedom to choose when they want to work as long as the law also safeguards their well-being and productivity by setting maximum thresholds of working hours²⁷ and ensuring a 24-hour weekly rest period.²⁸ Therefore, Subcategory 1.2.1 has three indicators (table 8).

Table 8. Subcategory 1.2.1–Work Hours and Contracts

	Indicators	Components
1	No limitations on the use of fixed-term contracts	No restriction on the use of fixed-term contracts
2	Availability of overtime and night work	i) No prohibition on overtime mandated by law within a limit of maximum 56 total working hours per week ii) No prohibition on night work (at least 7 hours of night work, including the interval from midnight to 5 a.m.)
3	Wage premium for overtime and night work	i) Existence of legally mandated wage premium for overtime work of at least 1.25 times the regular wage. ii) Existence of legally mandated wage premium for work performed during night hours

1.2.2 Minimum Wage Rate

The minimum wage is a form of protection meant to ensure a minimum living wage of all employed. Well-designed and effective minimum wages can contribute to reduced inequality within and among economies. Conversely, when the minimum wage is set too high it can have the opposite effect, encourage informality, and put workers' well-being at risk. Minimum wages play a role in promoting full and productive employment and decent work for all. Therefore, Subcategory 1.2.2–Minimum Wage Rate has one indicator related to the minimum wage rate (table 9).

Table 9. Subcategory 1.2.2-Minimum Wage Rate

	Indicators	Components
1	Minimum wage rate*	The amount of minimum wage as set by law or collective bargaining agreement.

*The threshold that will be used to determine whether an economy receives a full point on this indicator will be determined in consultation with relevant experts in future editions of the project.

1.2.3 Mandated Benefits

Unemployment protection, health care, and retirement pension are important forms of social insurance. They address market imperfections and have important implications for the functioning of the labor market. If the payment of the same are mandated directly to firms, they can cause a burden on firms. In some cases, separately from the mandatory social security contributions firms have to make additional payments to workers' social security. Lack of government-provided social security coverage for workers reduces opportunities for firms, especially SMEs, to transition to higher productivity and profitability.²⁹ Informal workers not only lack health and social protection benefits; they are also less likely to move out of poverty.³⁰ Therefore, Subcategory 1.2.3 has three indicators (table 10).

Table 10. Subcategory 1.2.3–Mandated Benefits

	Indicators	Components
1	No legal mandate for firms to pay for unemployment protection directly	No legal mandate for firms to pay directly for workers' unemployment insurance.
2	No legal mandate for firms to pay for health care directly	No legal mandate for firms to pay directly for workers' health care
3	No legal mandate for firms to pay for pensions directly	No legal mandate for firms to pay directly for workers' retirement pension

1.2.4 Requirements for Dismissal

Firms need flexibility to manage their workforce and respond to changes in the business environment. An economy that requires clear and valid grounds for individual dismissal, including business needs, provides companies with ability to quickly adjust workforce in response to changes in demand, market conditions, or other factors.³¹ Therefore, Subcategory 1.2.4 has four indicators (table 11).

Table 11. Subcategory 1.2.4–Requirements for Dismissal

	Indicators	Components
1	Lawful grounds for individual dismissal	Dismissal based on business needs or redundancy is allowed by law or collective bargaining agreement (CBA)
2	Third-party notification requirement for collective dismissal	Requirement for third-party notification in the case of a collective dismissal by law or collective bargaining agreement (CBA)
3	No third-party approval requirement for individual dismissal	No legal requirement for third party approval in the case of individual dismissal by law or collective bargaining agreement (CBA)
4	No third-party approval requirement for collective dismissal	No legal requirement law for third party approval in the case of collective dismissal by law or collective bargaining agreement (CBA)

1.2.5 Length of Notice Period and Severance Pay

To mitigate the detrimental consequences of immediate termination of employment, it is recommended that workers receive a reasonable period of notice.³² The purpose of such notice is to prepare the worker for unemployment, giving him/her/them the necessary time to adapt and/or look for a new job. Similarly, the existence of severance payment moderates the workers' income loss in the case of redundancy. When the duration of the notice period is too long and the amount of severance mandated by law is excessive, they no longer serve the purpose they were intended for—to protect regular workers—and instead protect selected few. Faced with costly dismissal procedures, firms may choose not to make new hiring decisions, which may in turn affect their productivity and growth, but also youth employment and economy's human capital. Therefore, Subcategory 1.2.5 has two indicators (table 12).

Table 12. Subcategory 1.2.5–Length of Notice Period and Severance Pay

	Indicators	Components
1	Length of notice period*	Length of notice period mandated by law for a worker with different tenures
2	Amount of severance pay*	Amount of severance pay mandated by law for a worker with different tenures

*The threshold that will be used to determine whether an economy receives a full point on these indicators will be determined in consultation with relevant experts in future editions of the project.

2. PILLAR II. PUBLIC SERVICES: ADEQUACY OF PUBLIC SERVICES FOR LABOR

Table 13 shows the structure for Pillar II, the Adequacy of Public Services for Labor. Each of this pillar's categories and subcategories will be discussed in more detail in the order shown in the table.

Table 13. Pillar II–The Adequacy of Public Services for Labor

2.1	Social Protection
2.1.1	Unemployment Insurance
2.1.2	Health Care Coverage
2.1.3	Retirement Pension
2.2	Institutional Framework
2.2.1	Employment Services
2.2.2	Labor Dispute Resolution Mechanisms
2.2.3	Labor Inspectorates

2.1 Social Protection

Category 2.1 has three subcategories consisting of several indicators, each of which may, in turn, have several components.

2.1.1 Unemployment Insurance

Government-funded unemployment insurance can positively affect society as a whole because it can enhance human capital and productivity, as well as reduce inequalities.³³ If funded by general revenues, rather than labor taxes, unemployment protection makes labor less costly, more flexible, and more attractive to firms. Therefore, Subcategory 2.1.1 has two indicators (table 14).

Table 14. Subcategory 2.1.1–Unemployment Insurance

	Indicators	Components
1	Availability of government-provided unemployment insurance	Existence of unemployment insurance provided by the government for workers in the private sector
2	Funding for unemployment insurance from general tax revenues	Unemployment insurance funded through general tax revenue, not as part of labor taxes or as contributions paid by the business directly

2.1.2 Health Care Coverage

If an economy offers universal (or close to universal) basic health care, funded by general revenues,³⁴ it can have a direct positive impact on productivity,³⁵ job quality, and wages by allowing firms to redirect resources into business development and employee wages.³⁶ Therefore, Subcategory 2.1.2 has two indicators (table 15).

Table 15. Subcategory 2.1.2–Health Care coverage

	Indicators	Components
1	Availability of universal health care	Existence of universal health care provided by the government for the poorest workers
2	Funding for health care from general tax revenues	Universal health care funded through general tax revenue, not as part of labor taxes and contributions paid by the business directly

2.1.3 Retirement Pension

Public pension systems are a foundation on which income security for older persons is built.³⁷ Income security in old age contributes significantly to helping to reduce inequality within and among economies and supports gender equality.³⁸ If funded by general revenue, non-contributory retirement pension can also alleviate some of the cost burden on firms, allowing them to use this capital to employee wages and growth of the company.³⁹ Therefore, Subcategory 2.1.3 has two indicators (table 16).

Table 16. Subcategory 2.1.3–Retirement Pension

	Indicators	Components
1	Availability of government provided retirement pension scheme	Existence of retirement pension scheme provided by the government
2	Funding for non-contributory retirement pension from general tax revenues	Non-contributory retirement pension funded through general tax revenue, not as part of labor taxes and contributions paid by the business directly

2.2 Institutional Framework

Category 2.2 has three subcategories consisting of several indicators, each of which may, in turn, have several components.

2.2.1 Employment Services

Employment services play a crucial role by providing resources and assistance that help job seekers overcome barriers and find employment by connecting them with employers and providing career guidance and training. Labor market training is one of the main policies to reduce unemployment (especially among low-skilled populations), which is ultimately a driver of formalization.⁴⁰ Public employment services contribute to these programs as a part of the active labor market policies (ALMP) that can be implemented by governments. Therefore, Subcategory 2.2.1 has two indicators (table 17). Data on the types of services provided to firms and workers are being collected and will be considered for scoring in future editions of the project.

Table 17. Subcategory 2.2.1–Employment Services

	Indicators	Components
1	Existence of a national employment service center	Existence of national employment service center in the largest B-READY city
2	Existence of vocational guidance and trainings for unemployed and job seekers.	i) Existence of a law or regulation establishing vocational guidance and training for unemployed and job seekers ii) Training programs for unemployed and job seekers, at no direct cost to firms

2.2.2 Labor Dispute Resolution Mechanisms

Inadequate mechanisms for resolving labor disputes can create significant uncertainty for both employers and employees, and economic insecurity for households. Prolonged litigation impedes job reallocation dynamics and productivity. Conversely, a specialized mechanism to resolve labor dispute, as well as conciliation and

mediation offers a more efficient, cost-effective, and collaborative approach to dispute resolution that can help preserve business continuity and promote better labor relations, by addressing conflict in the early stages.⁴¹ Therefore, Subcategory 2.2.2 has two indicators (table 18).

Table 18. Subcategory 2.2.2–Labor Dispute Resolution Mechanisms

	Indicators	Components
1	Existence of a functioning, specialized and independent mechanism for resolution of a labor dispute	Availability of a functioning, specialized, and independent mechanism for resolution of a labor dispute
2	Existence of alternative dispute resolution process for a labor dispute	Availability of a conciliation/mediation or arbitration process to resolve a labor dispute for both workers and firms in a judicial or non-judicial setting

2.2.3 Labor Inspectorates

The primary mission of labor inspectorates is to ensure the application of national labor laws in the workplace, by convincing the social partners of the need to respect the law in the workplace and their mutual interest in this regard, through preventive, educational, and, when necessary, enforcement measures. Labor inspection is the most important instrument of state presence and intervention to design, stimulate, and contribute to the development of a culture of prevention covering all aspects potentially under its purview: industrial relations, wages, general conditions of work, occupational safety and health, and issues related to employment and social security.⁴² Therefore, Subcategory 2.2.3 has three indicators (table 19).

Table 19. Subcategory 2.2.3–Labor Inspectorates

	Indicators	Components
1	Existence of a central labor inspectorate	i) Existence of a central labor inspectorate in the economy
2	Best practice initiation of labor inspections	Labor inspectors may enter workplaces freely and without prior notice to the employer
3	Existence of data on reported number of cases/complaints for labor violations in the most recent calendar year	i) Existence of data on reported number of cases/complaints for different types of violations ii) Availability of data for the most recent calendar year iii) Data made publicly available online iv) Disaggregation of data by sex of complainant

Note: Data on the types of services offered by labor inspectorates (complaint mechanism, technical advice, other), the areas covered by labor inspectorates (employment contract, wages, etc.) will be collected in the pilot phase to improve the design of the questionnaire

3. PILLAR III. EFFICIENCY: EFFICIENCY OF LABOR REGULATIONS AND PUBLIC SERVICES IN PRACTICE

Table 18 shows the structure for Pillar III, the Efficiency of Labor Regulations and Public Services in Practice. Each of this pillar’s categories and subcategories will be discussed in more detail in the order shown in the table.

Table 20. Pillar III–Efficiency of Labor Regulations and Public Services in Practice

3.1	Non-Wage Labor Costs
3.1.1	Social Contribution Cost
3.2	Employment Restrictions and Cost
3.2.1	Proportion of Vacancies Filled
3.2.2	Regulatory Constraints to Hiring
3.2.3	Time for Dismissal
3.2.4	Cost of Dismissal
3.3	Efficiency of Public Services
3.3.1	Time to Resolve a Labor Dispute
3.3.2	Cost to Resolve a Labor Dispute

3.3.3	Labor Inspectorates
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3.1 Non-Wage Labor Costs

Social contribution payments should not pose an excessive financial burden for firms. High social contribution costs could deter firms from hiring formally or "force" them to seek informal labor.⁴³ Therefore, Subcategory 3.1–Social Contribution Cost has one indicator related to the social contribution cost (table 21).

Table 21. Subcategory 3.1.1–Social Contribution Cost

	Indicators	Components
1	Social contribution cost	Total annual costs of social security payments and employment-based taxes, excluding employee taxes that were withheld

3.2 Employment Restrictions and Cost

Regulations on hiring are at the very start of the relationship between firms and their employees, as well as other types of workers in the informal sector or those currently unemployed. If restrictions are a significant deterrent, firms might not be able to hire the necessary number of workers for their operation. Therefore, Subcategory 3.2.1–Proportion of Vacancies Filled has one indicator related to the proportion of vacancies filled (table 22).

Table 22. Subcategory 3.2.1–Proportion of Vacancies Filled

	Indicators	Components
1	Proportion of vacancies filled	The number of newly filled vacancies as a share of total number of desired hires by the firm

If labor regulations make the cost of hiring too high and rules are too cumbersome, firms may choose to use more capital than labor or to hire informally.⁴⁴ Therefore, Subcategory 3.2.2–Regulatory Constraints to Hiring has one indicator related to the regulatory constraints to hiring that firms face, including high non-wage labor costs, high minimum wage, or cumbersome dismissal procedures and costs (table 23).

Table 23. Subcategory 3.2.2–Regulatory Constraints to Hiring

	Indicators	Components
1	Regulatory constraints to hiring	Regulatory constraints to hiring such as high non-wage labor costs, high minimum wage, or cumbersome dismissal procedures and costs as reported by firms

Firms tend to be less efficient, productive, and innovative if they must comply with cumbersome dismissal procedures. Moreover, complex dismissal processes might skew firm labor composition toward older and less productive workers. Research shows that in economies with highly bureaucratic dismissal procedures, firms hire fewer young workers, thus constraining youth employment.⁴⁵ Therefore, Subcategory 3.2.3–Time for Dismissal has one indicator related to the time for dismissal (table 24).

Table 24. Subcategory 3.2.3–Time for Dismissal

	Indicators	Components
1	Time for dismissal	Time in weeks it typically takes to dismiss an employee—from the time the notice of dismissal was provided to the worker until the worker was removed from the establishment's payroll

Costly dismissal procedures pose challenges to firms. Namely, rigid and costly regulation and practice can lead to misallocation of company resources, providing older workers with job stability while leaving younger, less experienced workers vulnerable.⁴⁶ Therefore, Subcategory 3.2.4–Cost of Dismissal has one indicator related to the cost of dismissal (table 25).

Table 25. Subcategory 3.2.4–Cost of Dismissal

	Indicators	Components
1	Cost of dismissal	Amount of a typical severance payment, in weeks of paid salary, for a dismissed permanent, full-time worker

3.3 Efficiency of Public Services

Cumbersome processes to resolve labor disputes deter firms from focusing on more productive activities. More and more economies have implemented specialized courts or agencies as well as alternative dispute resolution mechanisms in order to address the growing number of labor disputes which can contribute to more timely resolution and lower costs.⁴⁷ Therefore, Subcategories 3.3.1 and 3.3.2–Time and Cost to Resolve a Labor Dispute have one indicator each related to the time and cost to resolve labor dispute respectively (tables 26 and 27).

Table 26. Subcategory 3.3.1–Time to Resolve a Labor Dispute

	Indicators	Components
1	Time to resolve a labor dispute	Time it typically takes from the moment the dispute arose until it gets resolved

Table 27. Subcategory 3.3.2–Cost to Resolve a Labor Dispute

	Indicators	Components
1	Cost to resolve a labor dispute	Typical cost of dispute resolution, including all fines or dues to either party

When inspections are too frequent and/or are used as a rent-seeking mechanism, this reduces firm productivity, creating a faulty business climate.⁴⁸ The sharing of reports with employers after an inspection helps increase transparency and accountability by providing documentation of factual information.⁴⁹ Therefore Subcategory 3.3.3–Labor Inspectorates has one indicator related to whether a report is issued to the establishment by the inspectorate after a visit (table 28).

Table 28. Subcategory 3.3.3–Labor Inspectorates

	Indicators	Components
1	Labor inspections	Whether a report is issued to the establishment by the inspectorate after a visit

III. DATA SOURCES

4.1 Data collection sources

The data for Pillar I and Pillar II are collected through consultations with private sector experts. Private sector experts are lawyers with expertise in labor law and social security law practice and litigation. These experts have deep knowledge of the laws and regulations on labor-related issues as well as the different regulatory processes that firms need to follow as they hire new workers, employ workers, and dismiss workers.

The data for Pillar III are collected through Enterprise Surveys. These Surveys provide representative data on non-wage labor costs, employment restrictions and costs, and efficiency of public services as experienced by businesses in practice. A representative sample of companies captures variation of experience within each economy. Businesses with different characteristics, such as size, region, and sector, participate in the surveys. For more details on the collection of data by the Enterprise Surveys, please refer to the Overview chapter of this Methodology Handbook.

4.2 Screening and selection of experts

A screener questionnaire is used to assist the selection of experts to participate in the Labor questionnaire based on a set of criteria (table 29). The information provided in the screener questionnaires allows the team to better understand the experts’ professions, areas of specialization and knowledge or experience related to labor regulations and public services for labor. Ultimately, this will allow the Team to select the final experts to respond to the Labor questionnaire.

Table 29. Screener questionnaire and respondent criteria

Relevant expert professions:	
Labor law	Lawyers
Social security law	Lawyers
Relevant areas of specialization:	
Labor	Labor law. Specific areas (among others); dismissal procedures, discrimination in the workplace, labor dispute resolution (litigation/conciliation/mediation/arbitration and enforcement) labor inspections
Social security	Social security law. Specific areas (among others): health insurance and health care coverage, pensions
Assessment of the experts’ knowledge and experience related to labor and social security law and practice	
Labor	Labor law. Specific areas (among others); dismissal procedures, discrimination in the workplace, labor dispute resolution (litigation/conciliation/mediation/arbitration and enforcement) labor inspections
Social security	Social security law. Specific areas (among others): health insurance and health care coverage, pensions

IV. PARAMETERS

To ensure comparability of the data from expert consultations across economies, the Labor topic uses general parameters. A parameter refers to an assumption that is made about the business location, type of worker, and firm characteristics. Questionnaire respondents are presented with these parameters and assumptions and asked to evaluate a standardized scenario that permits comparability across, jurisdictions, and economies.

5.1 General parameters

Pillars I and II share the same general parameters. Labor regulations and public services share the same general parameters. Many economies have subnational jurisdictions, which requires a specific business location to be specified in order for experts to identify the relevant regulatory framework to be assessed.

5.1.1 Business location–largest city

Justification:

Business location determines the applicable law pertaining firms and workers, in addition to the availability and effectiveness of public services. For instance, labor laws sometimes differ within an economy or a region and are not necessarily integrated into a single national law. Similarly, public services may vary depending on the location, and accessibility can be subject to geographical elements. These factors may affect the way in which businesses and workers interact. Thus, business location is an essential parameter for measuring the adequacy of labor law. The largest city is chosen based on the population size, as detailed in the Overview chapter of this Methodology Handbook.

Application:

For Pillar I, the parameter is used in cases where regulations are not applicable at a national level, varying across states or regions. For the economies where regulations differ across states, regulations for the largest city are measured. For Pillar II, the parameter is used to determine the regulation that applies to these services and is important for identifying a geographical area for the provision of public services. For Pillar III, the parameter is relevant for measures on time and cost as they can vary significantly across cities.

5.1.2 Type of worker

Justification:

Given the large variety of contractual arrangements between firms and workers, and the different sectors to which local labor law is applicable, the B-READY project defines the type of worker as a working age (over 25 years old) permanent employee, engaged in a formal labor relationship in a private sector firm. The worker is a national of the economy and works in the services sector, unless otherwise indicated in the questionnaire for certain specific indicators, such as minimum wage. This worker is chosen based on the standard application of the labor code.

Application:

The parameter of type of worker is relevant to all measures of Pillar I and II because the quality of labor regulations and the provision of public services varies depending on the worker. The parameter does not apply to the subcategory of Minimum Working Age, where law provisions targeting child labor are measured.

5.1.3 Firm characteristics

Justification:

Firms can be classified by size or sector in which they operate. The type of firm determines its interaction with the applicable law because many economies have different regulations depending on the characteristics of the firm. The B-READY project defines the incumbent firm as a registered private sector firm with less than 250 employees in the services industry, unless otherwise indicated in the questionnaire for certain specific indicators, such as minimum wage. This size is chosen because small and medium enterprises (SMEs) account for a great portion of businesses worldwide, as well as a significant portion of employment and GDP in emerging economies.

Application:

The parameter of firm characteristics is relevant to all measures of Pillar I and II, because the quality of labor regulations and the provision of public services varies depending on the size and sector of the firm.

V. TOPIC SCORING

The Labor topic has three pillars: Pillar I–Quality of Labor Regulations; Pillar II–Adequacy of Public Services for Labor; and Pillar III–Efficiency of Labor Regulations and Public Services in Practice. The total points for each Pillar are further rescaled to values from 0 to 100, and then aggregated into the total topic score. Each pillar contributes one-third to the total topic score. The scores distinguish between benefits to the firm (captured as firm flexibility points) and benefits to society’s broader interests (captured as social benefits points). Table 30 shows the scoring for the Labor topic. For further scoring details please see Annex A, which complements this section.

Table 30. Aggregate scoring overview

Pillar	Title	Number of indicators	Score			Rescaled score (0–100)	Weight
			Firm flexibility	Social benefits	Total score		
I	Quality of labor regulations	29	11	20	31	100	0.33
II	Adequacy of public services for labor	13	8	10	18	100	0.33
III	Efficiency of labor regulations and public services in practice	8	100	n/a	100	100	0.33

6.1 Pillar I–Quality of Labor Regulations

Pillar I covers 29 indicators with a total score of 31 points (11 points on firm flexibility and 20 points on social benefits) (table 31). The scoring for each category under this pillar is as follows:

- 6.1.1** The *Worker's conditions* category covers 16 indicators with a total maximum score of 16 points (0 points on firm flexibility and 16 on social benefits). Specifically, the *Minimum Wage* Subcategory has 3 indicators; the *Equality, Non-Discrimination, and Freedom of Association* Subcategory has 3 indicators; the *Minimum Age and Forced Labor* Subcategory has 3 indicators; the *Occupational Safety, Health, Violence, and Harassment* Subcategory has 5 indicators; and the *Notice Period and Severance Payment* Subcategory has another 2 indicators. A regulatory framework that promotes the safety of workers can affect firm flexibility and is therefore scored as “n.a.” on the indicators, while a maximum of 16 points can be obtained on social benefits as the safeguard of working conditions, as measured by the indicators, benefits workers and society as a whole (social benefits).
- 6.1.2** The *Employment Restrictions and Costs* category covers 13 indicators with a total maximum score of 15 points (11 points on firm flexibility and 4 on social benefits). Specifically, the *Work Hours and Contracts* Subcategory has 3 indicators; the *Minimum Wage Rate* Subcategory has 1 indicator; the *Mandated Benefits* Subcategory has 3 indicators; the *Requirements for Dismissal* Subcategory has 4 indicators and the *Length of Notice Period and Severance Pay* Subcategory has 2 indicators. Scores are assigned based on the impact of each area measured with regards to firm flexibility and/or social benefits; for example, the *Mandated Benefits* and *Length of Notice Period and Severance Pay* Subcategories have a maximum score of 3 and 2 points respectively for firm flexibility but are “n.a.” for social benefits because they aim to capture the burden of compliance on firms that reduce firm flexibility. On the other hand, the *Requirements for Dismissal* Subcategory has a maximum of 3 points for firm flexibility and 2 points for social benefits, which can be attributed because the legal framework for dismissals can affect firm flexibility but also provides safeguards for workers.

Table 31. Scoring for Pillar I

Pillar I–Quality of Labor Regulations		No. of indicators	FFP	SBP	Total points	Rescaled points
1.1	Workers' Conditions	16	n.a.	16	16	51.61
1.1.1	Minimum Wage	3	n.a.	3	3	9.68
1.1.2	Equality, Non-Discrimination, and Freedom of Association	3	n.a.	3	3	9.68
1.1.3	Minimum Age and Forced Labor	3	n.a.	3	3	9.68
1.1.4	Occupational Safety, Health, Discrimination, and Violence	5	n.a.	5	5	16.13
1.1.5	Notice Period and Severance Payment	2	n.a.	2	2	6.45
1.2	Employment Restrictions and Cost	13	11	4	15	48.39
1.2.1	Work Hours and Contracts	3	2	2	4	12.90
1.2.2	Minimum Wage Rate	1	1	n.a.	1	3.23
1.2.3	Mandated Benefits	3	3	n.a.	3	9.68
1.2.4	Requirements for Dismissal	4	3	2	5	16.13
1.2.5	Length of Notice Period and Severance Pay	2	2	0	2	6.45
Total		29	11	20	31	100.00

Note: n.a. = not applicable (refers to the cases when the impact on firms or society is either ambiguous or nonexistent). FFP = firm flexibility point; SBP = social benefits point.

6.2 Pillar II–Adequacy of Public Services for Labor

Pillar II includes 13 indicators with a total score of 18 points (8 points on firm flexibility and 10 points on social benefits) (table 32). The scoring for each category under the pillar is as follows:

- 6.2.1** The *Social Protection* Category covers 6 indicators with a total maximum score of 6 points (3 points for firm flexibility and 3 points on social benefits). Specifically, the *Unemployment Insurance, Health Care Coverage, and Retirement Pension* Subcategories have a total of 6 indicators. Under this

category, a maximum score of 6 points can be obtained with 3 points for firm flexibility (which are derived from the indicators on source of funding) and 3 points for social benefits (which are derived from the indicators on coverage). The points are distributed taken into consideration the indicators which measure the cost for firms in contributing to social benefits for their workers, while ensuring that workers benefit from coverage from critical welfare programs such as unemployment insurance, health care, and retirement pensions.

6.2.2 The *Institutional Framework* Category covers 7 indicators with a total maximum score of 12 points (5 points on firm flexibility and 7 points on social benefits.) Specifically, the *Employment Services* Subcategory has 2 indicators; the *Labor Dispute Resolution Mechanisms* Subcategory has 2 indicators; and the *Labor Inspectorate* Subcategory has 3 indicators. Under this category, for the first two indicators the core is allocated equally between firm flexibility and social benefits—with a maximum of 4 points for each category, 2 points for firm flexibility and 2 points for social benefits—because employment services and functioning labor dispute resolutions benefit both workers and firms. On the third subcategory, *Labor Inspectorates*, a maximum of 1 point can be scored for firm flexibility and 3 points for social benefits, given the mandate of labor inspectorates to ensure the safeguards in workplaces for workers— but which can also be cumbersome for firm flexibility.

Table 32. Scoring for Pillar II

Pillar II—Adequacy of Public Services for Labor		No. of indicators	FFP	SBP	Total points	Rescaled points
2.1	Social Protection	6	3	3	6	33.33
2.1.1	Unemployment Insurance	2	1	1	2	11.11
2.1.2	Health Care Coverage	2	1	1	2	11.11
2.1.3	Retirement Pension	2	1	1	2	11.11
2.2	Institutional Framework	7	5	7	12	66.67
2.2.1	Employment Services	2	2	2	4	22.22
2.2.2	Labor Dispute Resolution Mechanisms	2	2	2	4	22.22
2.2.3	Labor Inspectorates	3	1	3	4	22.22
Total		13	8	10	18	100

Note: FFP = firm flexibility point; SBP = social benefits point.

6.3 Pillar III—Efficiency of Labor Regulations and Public Services in Practice

Pillar III has 8 indicators with scores ranging from 0 to 100 (table 33). The scores on indicators under this pillar are assigned to firm flexibility only, as the indicators measure the time and cost for firms to comply with labor regulations, elements of social security and outcomes of the services provided by the institutional framework to firms. For example, burdensome social security costs, lengthy and costly processes to dismiss employees and to resolve labor disputes have adverse impacts on firms, thus hampering firm flexibility.

Table 33. Scoring for Pillar III

Pillar III—Efficiency of Labor Regulations and Public Services in Practice		No. of indicators	Rescaled points
3.1	Non-Wage Labor Costs	1	33.3
3.1.1	Social Contribution Cost	1	33.3
3.2	Employment Restrictions and Costs	4	33.3
3.2.1	Proportion of Vacancies Filled	1	8.33
3.2.2	Regulatory Constraints to Hiring	1	8.33
3.2.3	Time for Dismissal	1	8.33
3.2.4	Cost of Dismissal	1	8.33
3.3	Efficiency of Public Services	3	33.3
3.3.1	Time to Resolve a Labor Dispute	1	11.11

3.3.2	Cost to Resolve a Labor Dispute	1	11.11
3.3.3	Labor Inspectorates	1	11.11
	Total	8	100

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Annex A. Labor–Scoring Sheet

This document outlines the scoring approach for the Labor topic. For every indicator, a firm flexibility point (FFP) and/or a social benefits point (SBP) are assigned, along with a clarification on the detailed scoring for each such indicator and a note on the relevant background literature.

PILLAR I–THE QUALITY OF LABOR REGULATIONS					
1.1 WORKERS' CONDITIONS					
1.1.1 Minimum Wage					
Indicators	FFP	SBP	Total points	Rescaled points	Background literature
Existence of minimum wage in the private sector	n.a.	1	1	3.23	Ahlfeldt, Roth, and Seidel (2022); Clemens (2021); Dustman et al. (2021); ILO C131; ILO R135; Manning, 2021; Neumark (2017); Neumark and Shirley (2021); Riley and Rosazza Bondibene (2017)
Mandated minimum wage criteria and update process	n.a.	1	1	3.23	Ahlfeldt, Roth and Seidel (2022); ILO C131; ILO R135; Ku (2022); Neumark and Shirley (2021)
Social consultation before setting and updating the minimum wage	n.a.	1	1	3.23	ILO C131; ILO R135
Total points for Subcategory 1.1.1	n.a.	3	3	9.68	
1.1.2 Equality, Non-Discrimination, and Freedom of Association					
Equal remuneration for work of equal value	n.a.	1	1	3.23	Buckman et al. (2021); ILO C100; Klasen and Lamanna (2009); UN (1965, 1969, 1979)
Prohibition of discrimination in hiring, employment, or dismissal	n.a.	1	1	3.23	Asali and Gurashvili (2019); ILO C111; ILO C122; ILO C158; Klasen and Lamanna (2009); UN (1963, 1966, 1979)
Freedom of association and assembly, and right to collective bargaining	n.a.	1	1	3.23	ILO C87; ILOC98
Total points for Subcategory 1.1.2	n.a.	3	3	9.68	
1.1.3 Minimum Age and Forced Labor					
Prohibition of forced labor and enforcement	n.a.	1	1	3.23	ILO C29; ILO C125; ILO R35
Minimum legal age for employment (Light work, hazardous work, general employment)	n.a.	1	1	3.23	Beegle, Dehejia, and Gatti (2009); Ibrahim et al. (2019); ILO C138; ILO R146; ILO C182; ILO R190; ILO, ICLS 2008; ILO/IPEC-SIMPOC5, 2007; UN (1989)

Prohibition of children performing harmful, unsafe, or immoral work activities and enforcement	n.a.	1	1	3.23	ILO C182; ILO R190; ILO C138; UN 1989
Total points for Subcategory 1.1.3	n.a.	3	3	9.68	
1.1.4 Occupational Safety, Health, Discrimination, and Violence					
Coverage of all worker types and hazardous sectors by health and safety legislation	n.a.	1	1	3.23	ILO C155; ILO C161; ILO C187
Legal mandate to periodically update health and safety legislation	n.a.	1	1	3.23	ILO C155; ILO C161; ILO C187
Legally mandated policies, regulations, or risk assessment on workplace violence, discrimination, harassment, and/or bullying	n.a.	1	1	3.23	Amin and Islam (2015); ILO C190; ILO R206; McLaughlin, Uggen, and Blamlackstone (2017); UN (1948, 1965, 1966); World Bank (2019)
Legal mandate to establish internal complaints or grievance mechanisms for reporting violence, discrimination, harassment, and/or bullying at the workplace and provide workplace trainings on how to identify hazards and risks of the same	n.a.	1	1	3.23	Amin and Islam (2015); ILO C190; ILO R206; McLaughlin, Uggen, and Blackstone, 2017; UN (1948, 1965, 1966); World Bank (2019)
Paid leave (annual leave and sick leave)	n.a.	1	1	3.23	ILO C132; ILO C102; ILO C130; ILO R202; ILO R204; Panasci (2019); Scheil-Adlung and Sandner (2010); Wooden and Warren (2008)
Total points for Subcategory 1.1.4	n.a.	5	5	16.13	
1.1.5 Notice Period and Severance Payment					
Legally mandated notice period	n.a.	1	1	3.23	Collins (1992); ILO C158; ILO R166; ILO C98; ILO C111; Stern (2012)
Legally mandated severance pay	n.a.	1	1	3.23	Collins (1992); ILO C158; ILO R166; ILO C98; ILO C111; Stern (2012)
Total points for Subcategory 1.1.5	n.a.	2	2	6.45	
Total points for Category 1.1	n.a.	16	16	51.61	
1.2 EMPLOCMET RESTRICTIONS AND COSTS					
1.2.1 Work Hours and Contracts					
No limitations on the use of fixed-term contracts	1	n.a.	1	3.23	Aimo (2016); Aleksynska and Muller (2015); ILO C158; ILO R166; Kuddo, Robalino, and Weber (2015); Pfeifer (2009)

Availability of overtime and night work	1	1	2	6.45	Blundell, Bozio, and Laroque (2013); Collewet and Sauermann (2017); ILO C1; ILO C30; ILO C171; ILO R178; Messenger (2004); Wagstaff, Lie, and Sigstad (2011); Weeden, Cha and Bucca, (2016); Yi, McCann, and Messenger (2007)
Wage premium for overtime and night work	n.a.	1	1	3.23	Blundell, Bozio and Laroque (2013); Collewet and Sauermann (2017); ILO C1; ILO C30; ILO C171; ILO R178; Messenger, (2004); Wagstaff, Lie, and Sigstad (2011); Weeden, Cha, and Bucca (2016); Yi, McCann, and Messenger (2007)
Total points for Subcategory 1.2.1	2	2	4	12.90	
1.2.2 Minimum Wage Rate					
Minimum Wage Rate	1	n.a.	1	3.23	Ahlfeldt, Roth, and Seidel (2018); Clemens (2021); Dustman et al. (2021); ILO C131; ILO R135; Manning (2021); Neumark (2017); Neumark and Shirley (2021); Riley and Rosazza Bondibene (2017)
Total points for Subcategory 1.2.2	1	n.a.	1	3.23	
1.2.3 Mandated Benefits					
No legal mandate for firms to pay for unemployment protection directly	1	n.a.	1	3.23	Bierbaum and Schmitt (2022); Bodor, Robalino, and Rutkowski (2007); Gentilini et al. (2020); ILO C102; Kuddo, Robalino, and Weber (2015); Packard et al. (2019); Ribe, Robalino, and Walker (2010); Ulku and Georgieva (2022)
No legal mandate for firms to pay for healthcare directly	1	n.a.	1	3.23	Bierbaum and Schmitt (2022); ILO C102; Sommers and Oellerich (2013)
No legal mandate for firms to pay for pensions directly	1	n.a.	1	3.23	Bierbaum and Schmitt (2022); ILO C102; ILO C128
Total points for Subcategory 1.2.3	3	n.a.	3	9.68	
1.2.4 Requirements for Dismissal					
Lawful grounds for individual dismissal	1	1	2	6.45	Collins (1992); ILO C158; ILO R166; ILO C98; ILO C111; Stern, (2012)
Third party notification requirement for collective dismissal	n.a.	1	1	3.23	Collins (1992); ILO C158; ILO R166; ILO C98; ILO C111; Stern, (2012)
No third-party approval requirement for individual dismissal	1	n.a.	1	3.23	ILO C158; ILO R166; ILO C98
No third-party approval requirement for collective dismissal	1	n.a.	1	3.23	ILO C158; ILO R166; ILO C98

Total points for Subcategory 1.2.4	3	2	5	16.13	
1.2.5 Length of Notice Period and Severance Pay					
Length of notice period	1	n.a.	1	3.23	
Amount of severance payment	1	n.a.	1	3.23	Collins (1992); ILO C158; ILO R166; ILO C98; ILO C111; Stern (2012)
Total points for Subcategory 1.2.5	2	n.a.	2	6.45	
Total points for Category 1.2	11	4	15	48.39	
Total points for Pillar I	11	20	31	100	

Note: n.a. = not applicable (refers to the cases when the impact on firms or society is either ambiguous or nonexistent). FFP = firm flexibility point; SBP = social benefits point.

PILLAR II—THE ADEQUACY OF PUBLIC SERVICES FOR LABOR

2.1. SOCIAL PROTECTION

2.1.1 Unemployment Insurance

Indicators	FFP	SBP	Total points	Points rescaled	Background literature
Availability of government-provided unemployment insurance	n.a.	1	1	5.56	Bierbaum and Schmitt (2022); Bodor, Robalino, and Rutkowski (2007); Gentilini et al. (2020); ILO C102; Kuddo, Robalino, and Weber (2015); Levy (2008); Packard et al. (2019); Ribe, Robalino, and Walker (2010); Ulku and Georgieva (2022)
Funding for unemployment insurance from general tax revenues	1	n.a.	1	5.56	Bierbaum and Schmitt (2022); Bodor, Robalino, and Rutkowski (2007); Gentilini et al. (2020); ILO C102; Kuddo, Robalino, and Weber (2015); Levy (2008); Packard et al. (2019); Ribe, Robalino, and Walker (2010); Ulku and Georgieva (2022)
Total points for Subcategory 2.1.1	1	1	2	11.11	
2.1.2 Health Care Coverage					
Availability of universal health care	n.a.	1	1	5.56	Bierbaum and Schmitt (2022); Bobba, Flabbi, and Levy (2018); ILO C102; Sommers and Oellerich (2013)
Funding for healthcare from general tax revenues	1	n.a.	1	5.56	Antón-Sarabia, Hernandez, and Levy (2012); Bierbaum and Schmitt (2022); <u>Bobba, Flabbi, and Levy (2018)</u> ; ILO C102; Sommers and Oellerich (2013)
Total points for Subcategory 2.1.2	1	1	2	11.11	
2.1.3 Retirement Pension					
Availability of government-provided retirement pension	n.a.	1	1	5.56	Bierbaum and Schmitt (2022); ILO C102; ILO C128; ILO (2018)
Funding for non-contributory retirement pension from general tax revenues	1	n.a.	1	5.56	Antón-Sarabia, Hernandez, and Levy (2012); Bierbaum and Schmitt (2022); ILO C102; ILO C128
Total points for Subcategory 2.1.3	1	1	2	11.11	
Total points for Category 2.1	3	3	6	33.33	

2.2 INSTITUTIONAL FRAMEWORK					
2.2.1 Employment Services					
Existence of a national employment service center	1	1	2	11.11	Avila (2021); Boone and van Ours (2004); ILO C122; ILO, 2021; Kuddo (2012); (2020); Ulku and Georgieva (2022)
Existence of vocational guidance and training for unemployed and job seekers	1	1	2	11.11	Avila (2021); Chiplunkar and Goldberg (2021); ILO C156; ILO R165; ILO R191; World Bank (2019)
Total points for Subcategory 2.2.1	2	2	4	22.22	
2.2.2 Labor Dispute Resolution Mechanisms					
Existence of a functioning, specialized, and independent mechanism for resolution of a labor dispute	1	1	2	11.11	ILO (2013); Maffie (2019)
Existence of alternative dispute resolution process for a labor dispute	1	1	2	11.11	ILO (2013)
Total points for Subcategory 2.2.2	2	2	4	22.22	
2.2.3 Labor Inspectorates					
Existence of a central labor inspectorate	n.a.	1	1	5.56	Almeida and Ronconi (2016); ILO C81; ILO R20; Viollaz (2018); World Bank (2019)
Best practice initiation of labor inspections	n.a.	1	1	5.56	ILO C81 ILO R20
Existence of data on reported number of cases/complaints for labor violations	1	1	2	11.11	ILO R20
Total points for Subcategory 2.2.3	1	3	4	22.22	
Total points for Category 2.2	5	7	12	66.67	
Total points for Pillar II	8	10	18	100	

Note: n.a. = not applicable (refers to the cases when the impact on firms or society is either ambiguous or nonexistent). FFP = firm flexibility point; SBP = social benefits point.

PILLAR III—EFFICIENCY OF LABOR REGULATIONS AND PUBLIC SERVICES IN PRACTICE					
3.1. NON-WAGE LABOR COSTS					
3.1.1 Social Contribution Cost					
Indicators	FFP	SBP	Total points	Points rescaled	Background literature
Social contribution cost	100	n.a.	100	33.33	Bierbaum and Schmitt (2022); Bodor, Robalino, and Rutkowski (2007); Gentilini et al. (2020); Levy (2008) ; Packard et al. (2019); Ribe, Robalino, and Walker (2010); Ulku and Georgieva (2022)
Total points for Category 3.1	100	n.a.	100	33.33	
3.2 EMPLOYMENT RESTRICTIONS AND COSTS					
3.2 Employment Restrictions and Costs					
Proportion of vacancies filled	25	n.a.	25	8.33	Kuddo, Robalino, and Weber (2015)
Regulatory constraints to hiring	25	n.a.	25	8.33	Ahlfeldt, Roth, and Seidel (2022); Clemens (2021); Dustman et al. (2021); Manning (2021); Neumark (2017); Neumark and Shirley (2021); Riley and Rosazza Bondibene (2017)
Time for dismissal	25	n.a.	25	8.33	Barlow et al. (2019); Hansen (2009); Sudiarawan, Tanaya and Hapsari (2021); Ulku and Georgieva (2022); Van der Wiel (2010)
Cost of dismissal	25	n.a.	25	8.33	Barlow et al. (2019); Hansen (2009); Sudiarawan, Tanaya, and Hapsari (2021); Ulku and Georgieva (2022); Van der Wiel (2010)
Total points for Category 3.2	100	n.a.	100	33.33	
3.3 EFFICIENCY OF PUBLIC SERVICES					
3.3 Efficiency of Public Services					
Time to resolve a labor dispute	33.33	n.a.	33.33	11.11	<u>Ebisui, Cooney, and Fenwick (2016)</u> ; ILO (2013); Maffie (2019)
Cost to resolve a labor dispute	33.33	n.a.	33.33	11.11	<u>Ebisui, Cooney, and Fenwick (2016)</u> ; ILO (2013); Maffie (2019)
Labor inspectorates	33.33	n.a.	33.33	11.11	Almeida and Ronconi (2016); ILO C81; ILO (2022); Viollaz (2018)

Total points for Category 3.3	100	n.a.	100	33.33	
Total points for Pillar III	100	n.a.	100	100	

Note: n.a. = not applicable (refers to the cases when the impact on firms or society is either ambiguous or nonexistent). FFP = firm flexibility point; SBP = social benefits point.

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Annex B. Labor–Annotated Questionnaire

Annex II consists of a Glossary and Annotated Questionnaire for Labor. The Annotated Questionnaire provides the mapping between each indicator and the corresponding question(s).

Glossary

Child (or children): A person below the age of 18 years unless under the law applicable to the child, majority is attained earlier.

Collective bargaining agreement (CBA): Legally binding agreement negotiated between an employer, a group of employers or one or more employers' organizations on the one hand, and one or more workers' organizations that govern terms and conditions of workers' employment.

Consultation (in the context of minimum wage setting): Consultation implies more than merely sharing information but does not imply a joint decision-making process. The objective of the consultation is not to reach an agreement, but it is intended to assist the competent authority in taking a decision.

Discrimination: Discrimination is any distinction, exclusion, or preference made on the basis of race, color, sex, religion, political opinion, national extraction, or social origin that affects equality of opportunity or treatment of workers. Discrimination can occur at each or any stage of the employment process, including hiring, employment, and termination.

Equal remuneration for work of equal value: The principle of equal remuneration for work of equal value is set out in the Preamble of the International Labour Organization (ILO) Constitution. It is not the same as “equal pay for equal work.” “Equal pay for equal work” limits the application of the equal pay principle to work undertaken by two individuals in the same area of activity and in the same enterprise. The concept of “equal remuneration for work of equal value” is broader and encompasses cases where men and women do different work.

Fixed-term contract: An employment contract that has a specified end date.

Forced labor: All work or service that is exacted from any person under the menace of any penalty and for which the person has not offered himself/herself/themselves voluntarily, except compulsory military service.

Hazardous work: Work that entails an element of dangerous risk to the physical or mental health, or personal safety of an employee.

Independent contractor: A worker who works independently: for example, self-employed (see definition below), own account workers.

Labor dispute resolution mechanism: Structured process (for example, judicial or non-judicial) to address and resolve conflict concerning labor matters between different parties, usually an employer and one or more employees.

Labor inspectorate: A public body whose role is to ensure that both employers and employees comply with the rights and obligations imposed by employment and social security regulations (for example, social security, remuneration, health and safety standards, etc.). They have the power to inspect workplaces and often to sanction those who are not in compliance.

Light work: Work that is not likely to be harmful to the health or development of a child and that shall not prejudice their education or ability to benefit from education.

National extraction: Term referring to an individual's past history or previous circumstances as well as citizenship. National extraction considers both the nation and the nationality from which a person is derived, either by birth or by self and community identification. It is wider than "nationality," which is generally restricted to citizenship of a country.

Night work: Refers to work performed during a period of not less than seven consecutive hours, including the interval from midnight to 5 a.m.

Occupational health and safety (OHS): Measures in place relating in full or in part to the protection of employee or worker health and safety.

Overtime work: Overtime work refers to the legal number of additional hours of work that can be performed in addition to the normal weekly working hours.

Permanent contract: An employment contract without a specified end date.

Platform (gig) worker: Individual employed on a temporary basis by a company that uses an online platform, through a mobile device or computer, to allow users to request a gig worker's service. Hence, platform workers work on an on-demand basis and their compensation for the most part depends on the number of clients served.

Redundancy (also expressed as "making an employee redundant"): Dismissal allowed by law that is justified by economic, operational, or structural reasons (not by other causes, such as personal grounds or faulty worker's behavior).

Retirement pension: A monetary benefit given to a person who has retired from regular employment.

Self-employed: An individual whose income is obtained by conducting his/her/their own business activity rather than working for a fixed salary paid by a specific employer.

Sick leave: When an employee takes time off work because of an illness or injury.

Social protection: Set of policies and public actions that mitigate negative social effects caused by unemployment, labor market shocks, and poorly protected labor. Well-designed social protection programs help vulnerable individuals find new or better jobs, boost human capital, and reduce inequality.

Temporary agency worker: An employment contract where a worker is employed by a temporary work agency to deliver services at or for a user company.

Unemployment insurance: A type of insurance that ensures that a benefit is paid to workers who have recently lost their job through no fault of their own. It may be provided publicly or privately.

Wage premium: A form of extra payment for employees who work outside their usual shifts/working hours or under unusual conditions.

Questionnaire

The tables that follow present all indicators (including their components, if applicable) under each pillar, with a reference to the corresponding question number in parenthesis. The questions are listed before each table for ease of reference.

For Y/N questions, the Y response accounts for the score and is considered as the good practice.

In the tables that follow, “AND” means all referenced questions must have a good practice response to obtain a score on the indicator.

In the tables the follow, “OR” means one or more referenced questions must have a good practice response to obtain a score on the indicator.

Certain questions are marked as “not scored,” which indicates that they do not affect the score in any way. The purpose of these questions is to further inform and refine the questions design for subsequent years of the pilot, as needed, as well as to substantiate and provide further information for the scored questions.

PILLAR I—REGULATORY FRAMEWORK: QUALITY OF LABOR REGULATIONS	
Parameters	
Largest city	The largest (most populous) city in the economy. The parameter applies to all questions under Pillar I.
Relevant employees	The relevant employee is a working-age (over 25 years old) permanent employee, unless otherwise specified in the questions. The worker is a citizen of the economy and works in the services sector, unless otherwise indicated in the questionnaire for certain specific indicators. This parameter applies to all questions under Pillar I.
Most common employers	The most common type of employer in the private sector in a firm with less than 250 employees operating in the services industry, unless otherwise indicated in the questionnaire for certain specific indicators. This parameter applies to all questions under Pillar I.

1.1 WORKERS' CONDITIONS

1.1.1 Minimum Wage

1. Is there a minimum wage in the private sector? (Y/N)

- 1a. There is one single statutory minimum wage set by law, applicable nationwide, across all sectors of activity and to all workers, irrespective of age or occupation.
- 1b. There is one single statutory minimum wage and additional sector-specific minimum wage(s) or floor(s) applied in collective bargaining agreement(s) (CBA).
- 1c. There is no one single statutory minimum wages but there are multiple sector-specific minimum wage(s) or floors(s) applied in CBA(s).
- 1d. There is neither a minimum wage set by law nor sector-specific minimum wages(s) or floors(s) applied in CBA(s) in the private sector.
- 1e. There is a statutory minimum wage only in the public sector.
- 1f. Other, please explain:

2. **Are all private sectors covered by a single or multiple statutory minimum wage(s) or floor(s) set by law or collective bargaining agreement(s) (CBA)? (Y/N) (not scored)**
 - 2a. All private sectors are covered by one single statutory minimum wage set by law or by multiple sector-specific minimum wage(s) or floors(s) applied in CBA(s).
 - 2b. Some sectors are only covered by sector-specific minimum wage(s) or floors(s) applied in CBA(s).
 - 2c. Other, please explain:

3. **In the private sector, are all categories of workers, regardless of age or occupation, covered by a single or multiple minimum wages(s) or floor(s) set by law or collective bargaining agreement(s) (CBA)? (Y/N) (not scored)**
 - 3a. All workers are covered by one single statutory minimum wage set by law or by multiple sector-specific minimum wage(s) or floors(s) applied in CBA(s).
 - 3b. Only some workers are covered by sector-specific minimum wage(s) or floors(s) applied in CBA(s).
 - 3c. Other, please explain:

4. **Does the law or applicable CBA(s) mandate criteria for setting the minimum wage (i.e., economic growth, cost of living, etc.)? (Y/N)**

5. **What criteria, as mandated by law or CBA(s), are considered for setting the minimum wage? (not scored) (Y/N)**
 - 5a. Economic growth
 - 5b. Cost of living (inflation)
 - 5c. Level of wages in the economy
 - 5d. Level of productivity
 - 5e. Level of employment
 - 5f. Level of poverty/minimum consumption
 - 5g. Other criteria, please describe:

6. **Does the law or applicable CBA(s) mandate a periodic process of minimum wage update? (Y/N)**

7. **What is the frequency (monthly, yearly, or other) for updating the minimum wage, as mandated by law or CBA(s)? [Legal time frame] (not scored)**

8. **Does the law mandate social consultation before setting the minimum wage for the first time, if not established previously, or for updating the minimum wage, if established already? (Y/N)**

1.1.2 Equality, Non-Discrimination, and Freedom of Association

9. **Does the law mandate equal remuneration for work of equal value? (Y/N)**

10. **Does the law explicitly prohibit discrimination in hiring based on the following criteria? (Y/N)**
 - 10a. Race and ethnicity
 - 10b. Gender
 - 10c. Religion or belief
 - 10d. Political opinion
 - 10e. Sexual orientation
 - 10f. Disability
 - 10g. National extraction (place of birth, ancestry, or foreign origin) or social origin
 - 10h. Trade-union membership
 - 10i. Other, please describe:

11. Does the law explicitly prohibit discrimination in employment based on the following criteria? (Y/N)

- 11a. Race and ethnicity
- 11b. Gender
- 11c. Religion or belief
- 11d. Political opinion
- 11e. Sexual orientation
- 11f. Disability
- 11g. National extraction (place of birth, ancestry, or foreign origin) or social origin
- 11h. Trade-union membership
- 11i. Other, please describe:

12. Does the law explicitly prohibit discrimination in dismissal based on the following criteria? (Y/N)

- 12a. Race and ethnicity
- 12b. Gender
- 12c. Religion or belief
- 12d. Political opinion
- 12e. Sexual orientation
- 12f. Disability
- 12g. National extraction (place of birth, ancestry, or foreign origin) or social origin
- 12h. Trade-union membership
- 12i. Other, please describe:

13. Does the law grant all workers the right of freedom of association and assembly? (Y/N)

14. Does the law grant all workers the right to collective bargaining? (Y/N)

1.1.3 Minimum Age and Forced Labor

15. Does the law expressly prohibit forced labor? (Y/N)

16. Does the law mandate labor inspectorates to enforce national legislation on forced labor (that is, to check for forced or compulsory labor, identify vulnerable employees, inspect for abusive employment relationship, etc.) (Y/N)

17. Does the law set a minimum legal age for admission to employment? (Y/N)

18. What is the minimum age for employment as specified in the law? (Age)

19. Does the law mandate a minimum age for children to perform light work? (Y/N)

20. What is the minimum age for light work? (Age)

21. Does the law mandate a minimum age for children to perform hazardous work? (Y/N)

22. What is the minimum age for hazardous work? (Age)

23. Does the law prohibit children from performing work that is likely to harm their health, safety, or morals? (Y/N)

24. Does the law require labor inspectorates to enforce national legislation on child labor? (that is, minimum age of workers, types of work young workers are involved in, working hours, not prejudice to their education or ability to benefit from education) (Y/N)

1.1.4 Occupational Safety, Health, Discrimination, and Violence

25. Is there a national or federal occupational health and safety (OHS) legislation? Y/N (not scored)

26. Are all workers (including but not limited to part-time, self-employed, temporary-agency, domestic workers and others) covered by an occupational health and safety (OHS) regulation? (Y/N)

27. What categories of workers are excluded from the occupational health and safety (OHS) regulation? (Y/N)

27a. Self-employed workers

27b. Temporary-agency workers

27c. Domestic workers

27d. Workers whose hazards are regulated by another government agency/body

27e. Other, please explain:

28. Are all hazardous sectors (including but not limited to ship-breaking, agriculture, construction, mining, and others) covered by an occupational health and safety (OHS) regulation? (Y/N)

29. What hazardous sectors are excluded from the occupational health and safety (OHS) regulation? (Y/N)

29a. Ship-breaking (*ship disposal involving the breaking up of ships as a source of parts or extraction of raw materials*)

29b. Agriculture

29c. Mining

29d. Construction

30. Does the law mandate a periodic review of OHS regulations? (Y/N)

31. What is frequency (monthly, yearly, other) for updating the OHS regulation? [Legal time frame] (not scored)

32. Is there a law on workplace violence, discrimination, harassment, and/or bullying? (Y/N)

33. Does the law require employers to establish internal complaints or grievance mechanisms for reporting violence, discrimination, harassment, and/or bullying at the workplace? (Y/N)

34. Does the law require employers to provide workers with information and training on how to identify hazards and risks of violence, discrimination, harassment, and/or bullying, including prevention and protection measures? (Y/N)

35. Does the law mandate paid annual leave? (Y/N)

36. Per calendar year, how many fully paid working days of annual leave is a worker on a permanent contract with the following years of employment eligible for?

36a. With more than 6 months of employment but less than 1 year: [number of working days]

36b. With more than 1 year of employment but less than 5 years: [number of working days]

36c. With more than 5 years of employment but less than 10 years: [number of working days]

36d. With more than 10 years of employment but less than 20 years: [number of working days]

36e. With more than 20 years: [number of working days]

37. Please provide the formula for calculating annual leave:

38. Does the law mandate paid sick leave? (Y/N)

39. Per calendar year, how many fully paid working days of sick leave is a worker on a permanent contract with the following years of employment eligible for?

39a. With more than 6 months of employment but less than 1 year: [number of working days]

39b. With more than 1 year of employment but less than 5 years: [number of working days]

39c. With more than 5 years of employment but less than 10 years: [number of working days]

39d. With more than 10 years of employment but less than 20 years: [number of working days]

39e. With more than 20 years of employment: [number of working days]

1.1.5 Notice Period and Severance Payment

40. In case of a redundancy dismissal, does the law mandate a notice period that an employer must provide to an employee? (Y/N)

41. Does the law mandate a notice period that an employer must provide to the following types of employees? (not scored) (Y/N)

41a. Permanent (open-ended) full-time worker on firm's payroll

41b. Fixed-term full-time worker on firm's payroll

41c. Part-time worker on firm's payroll

41d. Temporary agency worker

41e. Platform worker

42. Does the law mandate an equivalent notice period (to the one provided to permanent (open-ended) workers) that an employer must provide to the following types of employees who are on a different contract but perform work of equal value to permanent (open-ended) workers? (Y/N) (not scored)

42a. Fixed-term full-time worker on firm's payroll

42b. Part-time worker on firm's payroll

42c. Temporary agency worker

42d. Platform worker

43. In case of a redundancy dismissal, does the law mandate a severance payment that an employer must provide to an employee? (Y/N)

44. Does the law mandate a severance payment that an employer must provide to the following types of employees? (Y/N) (not scored)

44a. Permanent (open-ended) full-time worker on firm's payroll

44b. Fixed-term full-time worker on firm's payroll

44c. Part-time worker on firm's payroll

44d. Temporary agency worker

44e. Platform worker

45. Does the law mandate an equivalent severance pay (to the one provided to permanent (open-ended) workers) that an employer must provide to the following types of employees who are on a different contract but perform work of equal value to permanent (open-ended) workers? (Y/N) (not scored)

45a. Fixed-term full-time worker on firm's payroll

- 45b. Part-time worker on firm's payroll
- 45c. Temporary agency worker
- 45d. Platform worker

1.1 WORKERS' CONDITIONS			
1.1.1 Minimum Wage			
Indicators	FFP	SBP	Total points
Existence of minimum wage in the private sector (1a OR 1b OR 1c) <i>Note: To score SBP on this indicator, an economy must have minimum wage in the private sector set by law or collective bargaining agreement(s)</i>	n.a.	1	1
Mandated criteria for setting the level of minimum wage & periodic review - Mandated criteria (4) - Periodic review (6) <i>Note: To score SBP on this indicator, an economy must have legally mandated criteria for setting the minimum wage (0.5) and a legally mandated periodic review of the minimum wage (0.5)</i>	n.a. n.a. n.a.	1 0.5 0.5	1 0.5 0.5
Social consultation before setting and updating the minimum wage (8)	n.a.	1	1
Total points	n.a.	3	3
1.1.2 Equality, Non-Discrimination, and Freedom of Association			
Indicators	FFP	SBP	Total points
Equal remuneration for work of equal value (9) <i>Note: To score SBP on this indicator, an economy must have law or regulation which explicitly mandates equal remuneration for work of equal value.</i>	n.a.	1	1
Prohibition of discrimination in hiring, employment, or dismissal - Hiring (10) <i>Note: To score SBP on the Hiring component on this indicator, the law must prohibit discrimination in hiring based on all listed criteria (10a. Race and ethnicity, 10b. Gender, 10c. Religion or belief, 10d. Political opinion, 10e. Sexual orientation, 10f. Disability, 10g. National extraction (place of birth, ancestry, or foreign origin) or social origin, 10h. Trade-union membership (0.33).</i> ----- - Employment (11) <i>Note: To score SPB on the Employment component on this indicator, the law must prohibit discrimination in employment based on all listed criteria (11a. Race and ethnicity, 11b. Gender, 11c. Religion or belief, 11d. Political opinion, 11e. Sexual orientation, 11f. Disability, 11g. National extraction (place of birth, ancestry, or foreign origin) or social origin, 11h. Trade-union membership (0.33).</i> ----- - Dismissal (12) <i>Note: To score SPB on the Dismissal component on this indicator, the law must prohibit discrimination in dismissal based on all listed criteria (12a. Race and ethnicity, 12b. Gender, 12c. Religion or belief, 12d. Political opinion, 12e. Sexual orientation, 12f. Disability, 12g. National extraction (place of birth, ancestry, or foreign origin) or social origin, 12h. Trade-union membership (0.33)</i>	n.a. 0.33 0.33 0.33	1 0.33 0.33 0.33	1 0.33 0.33 0.33
Freedom of association and assembly, and right to collective bargaining - Freedom of association and assembly (13) <i>Note: To score SBP on the Freedom of Association and Assembly component of this indicator, the law must mandate freedom of association (0.5)</i>	n.a. n.a.	1 0.5	1 0.5

<p>- Right to collective bargaining (14)</p> <p><i>Note: To score on the Right to Collective Bargaining component of this indicator, the law must protect the right to collective bargaining (0.5)</i></p>	n.a.	0.5	0.5
Total points	n.a.	3	3
1.1.3 Minimum Age and Forced Labor			
Indicators	FFP	SBP	Total points
<p>Prohibition of forced labor and enforcement</p> <p>- Prohibition of forced labor (15)</p> <p><i>Note: To score SBP on the Prohibition of Forced Labor component of this indicator the law must prohibit explicitly forced labor (0.5)</i></p>	n.a.	1	1
<p>- Legal requirement for labor inspectorates to enforce national legislation on forced labor (16)</p> <p><i>Note: To score SBP on the Enforcement component of this indicator, the law must have a requirement for labor inspectorates to enforce legislation on forced labor (0.5)</i></p>	n.a.	0.5	0.5
<p>Minimum legal age for employment</p> <p>- General employment (17 AND 18)</p> <p><i>Note: To score SBP on the General Employment component of this indicator, the economy must mandate a minimum age for admission to employment, and this minimum age should be equal or higher to 15 y/o or exceptionally 14 years old. (0.33)</i></p>	n.a.	1	1
<p>- Light work (19 AND 20)</p> <p><i>Note: To score on the SBP points on the Light Work component of this indicator, the economy must make a legal distinction for light work in the law. The minimum age for light work must be set between 13-15 years old for countries where the minimum age to work is 15 years old, or 12 to 14 years old, for countries claiming an exception to the minimum age for work at 14 years old. The law must ensure that the light work does not (1) interfere with the young person's health or development and (2) prejudice their attendance at school as per the ILO's requirement. (0.33)</i></p>	n.a.	0.33	0.33
<p>- Hazardous work (21 AND 22)</p> <p><i>Note: To score SBP on the Hazardous Work component of this indicator, the economy must make a legal distinction for hazardous work in the law and prohibit children from participating in such work under the age of 18 (0.33)</i></p>	n.a.	0.33	0.33
<p>Prohibition of children performing harmful, unsafe, or immoral work activities and enforcement</p> <p>- Prohibition of children performing harmful, unsafe, or immoral work (23)</p> <p><i>Note: To score on this component of the indicator, an economy must have law that prohibits children to perform work likely to harm health, safety, or morals (0.5).</i></p>	n.a.	1	1
<p>- Legal requirement for labor inspectorates to enforce national legislation on forced labor (24)</p> <p><i>Note: To score SBP on the Enforcement component of this indicator, the law must have a requirement for labor inspectorates to enforce legislation on child labor (0.5)</i></p>	n.a.	0.5	0.5
Total points	0	3	3

1.1.4 Occupational Safety, Health, Discrimination, and Violence			
Indicators	FFP	SBP	Total points
<p>Coverage of all worker types and hazardous sectors</p> <p>- All workers (26 AND 27)</p> <p><i>Note: To score SBP on the All Workers component of this indicator, the economy must cover all types of workers (including but not limited to part-time, self-employed, temporary-agency, domestic workers and others) under its Occupational Health and Safety (OHS) regulation (0.5). If there are exceptions, the economy will not receive the full 0.5 points.</i></p> <hr/> <p>- All hazardous sectors (28 AND 29)</p> <p><i>Note: To score SBP on the All Hazardous Sectors component of this indicator, the economy must cover all hazardous sectors (including but not limited to ship-breaking, agriculture, construction, mining, and others) under its Occupational Health and Safety (OHS) regulation (0.5). If there are exceptions, the economy will not receive full 0.5 points.</i></p>	n.a.	1	1
<p>Legal mandate to periodically review health and safety legislation (30)</p> <p><i>Note: To score SBP on this indicator, an economy must have a law that establishes the periodic revision and update of health and safety legislation.</i></p>	n.a.	1	1
<p>Legally mandated policies, regulations, or risk assessment on workplace violence, discrimination, harassment, and bullying (32)</p> <p><i>Note: To score SBP on this indicator, an economy must have a law that mandates policies and regulations on workplace violence (0.25), discrimination (0.25), harassment (0.25), and bullying (0.25)</i></p>	n.a.	1	1
<p>Legal mandate to establish internal complaints or grievance mechanisms</p> <p>- Legal mandate to establish internal complaints or grievance mechanisms (33)</p> <p><i>Note: To score SBP on this component of the indicator, an economy must have a law that requires companies to establish internal complaints or grievance mechanisms for reporting violence, discrimination, harassment, and bullying at the workplace (0.5)</i></p> <hr/> <p>- Legal mandate to provide workplace information and trainings (34)</p> <p><i>Note: To score SBP on this indicator, an economy must have a law that requires companies to provide workplace information (0.25) and training (0.25) on how to identify hazards and risks of violence, discrimination, harassment, and/or bullying as well as workers' respective rights and responsibilities, including prevention and protection. An economy must provide both information and training to score 0.5 on this component of the indicator.</i></p>	n.a.	1	1
<p>Paid leave (annual leave and sick leave) (35 AND 38)</p> <p>- Paid annual leave (35)</p> <p><i>Note: To score SBP on this component of the indicator, an economy must legally mandate paid annual leave (0.5).</i></p> <hr/> <p>- Paid sick leave (38)</p> <p><i>Note: To score SBP on this component of the indicator, an economy must legally mandate paid sick leave (0.5).</i></p>	n.a.	1	1
	n.a.	0.5	0.5
	n.a.	0.5	0.5
Total points	n.a.	5	5
1.1.5 Notice Period and Severance Payment			
Indicators	FFP	SBP	Total points
Legally mandated notice period (40)	n.a.	1	1

<i>Note: To score SBP on this indicator, an economy must legally mandates a notice period (or compensation in lieu).</i>			
Legally mandated severance pay (43) <i>Note: To score SBP on this indicator, an economy must legally mandate severance payment.</i>	n.a.	1	1
Total points	n.a.	2	2

Note: n.a. = not applicable (refers to the cases when the impact on firms or society is either ambiguous or nonexistent). FFP = firm flexibility point; SBP = social benefits point.

1.2 Employment Restrictions and Costs

1.2.1 Work Hours and Contracts

46. Does the law allow the use of fixed-term contracts for any type of task/job? (Y/N)
47. Does the law allow the use of fixed-term contracts for permanent tasks specifically, i.e., tasks or jobs of permanent nature to the firm, not dissolved once the task is accomplished? (Y/N)
48. Does the law mandate a maximum duration for a single fixed-term contract? (Y/N) *(not scored)*
49. What is the length of a single fixed-term contract? [months] *(not scored)*
50. Does the law mandate a maximum cumulative duration of fixed-term contracts? (Y/N) *(not scored)*
51. What is the maximum cumulative length of fixed-term contracts, i.e., how many times can the single fixed-term contract be extended? [months] *(not scored)*
52. What is the maximum number of working days per week? [number] *(not scored)*
53. What is the standard number of working hours mandated by law (not including overtime)? [number] *(not scored)*
54. Does the law allow overtime work? (Y/N)
55. What is the maximum number of overtime working hours per week mandated by law? [number]
56. Does the law mandate a wage premium for overtime work? (Y/N)
57. What is the wage premium for overtime work mandated by law (in local currency or as a percentage of worker's salary)? [numerical value] *(not scored)*
58. Does the law allow night work? (Y/N)
59. Please specify the hours that constitute night work, by law:
60. Is night work, between midnight and 5 a.m., allowed by law in the following two sectors: (Y/N) *(not scored)*
 - 60a. Manufacturing (car parts industry)
 - 60b. Services (food retail)
61. Does the law mandate a wage premium for night work? (Y/N)

- 62. What is the wage premium for night work in the following two sectors (in local currency or as a percent of worker's salary):** *(not scored)*
- 65a. Manufacturing (car parts industry) [numerical value]
 - 65b. Services (food retail) [numerical value]
- 63. Please provide the monthly minimum wage or floor in local currency for a worker on a permanent contract, over 25 years of age with lowest complexity of work and corresponding responsibilities, in the largest business city in the economy, for the following two sectors:**
- 63a. Manufacturing (car parts industry): [numerical value of wage in local currency]
 - 63b. Services (food retail): [numerical value of wage in local currency]
- 64. Does the law require firms to pay for unemployment protection for the following types of workers?** *(i.e., the payment requirement could be part of labor taxes, social security contribution, or separate non-tax-related payment incurred by the firm if a worker is terminated earlier on a basis of redundancy)* (Y/N)
- 64a. Permanent (open-ended) full-time worker on firm's payroll
 - 64b. Fixed-term full-time worker on firm's payroll
 - 64c. Part-time worker on firm's payroll
 - 64d. Temporary agency worker
 - 64e. Platform worker
- 65. Does the law require firms to pay for health care for the following types of workers? (the payment requirement could be part of labor taxes, social security contribution, or separate non-tax-related mandatory payment incurred by the firm)** (Y/N)
- 65a. Permanent (open-ended) full-time worker on firm's payroll
 - 65b. Fixed-term full-time worker on firm's payroll
 - 65c. Part-time worker on firm's payroll
 - 65d. Temporary agency worker
 - 65e. Platform worker
- 66. Does the law require firms to pay retirement pension for the following types of workers? (the payment requirement could be part of labor taxes, social security contribution, or separate non-tax-related mandatory payment incurred by the firm)** (Y/N)
- 66a. Permanent (open-ended) full-time worker on firm's payroll
 - 66b. Fixed-term full-time worker on firm's payroll
 - 66c. Part-time worker on firm's payroll
 - 66d. Temporary agency worker
 - 66e. Platform worker
- 67. Does the law allow individual dismissal based on the following reasons?** (Y/N)
- 67a. Worker capacity (i.e., performance)
 - 67b. Worker conduct (i.e., misconduct or fault)
 - 67c. Business need
 - 67d. Other, please describe
- 68. Does an employer have to notify a third party before terminating a group of employees equivalent to a collective redundancy—according to your economy's legislation—in the private sector?** (Y/N)
- 68a. Yes, notification should be given to the public administration, i.e., Ministry of Labor
 - 68b. Yes, notification should be given to workers' representatives
 - 68c. No

68d. Other, please explain:

69. Does an employer need to obtain an approval from a third party before terminating one employee in the private sector? (Y/N)

69a. Yes, approval should be obtained from the public administration, i.e., Ministry of Labor

69b. Yes, approval should be obtained from workers' representatives

69c. No

69d. Other, please explain:

70. Does an employer need to obtain approval from a third party before terminating a group of employees' equivalent to a collective redundancy—according to your economy's legislation—in the private sector? (Y/N)

70a. Yes, approval should be obtained from the public administration, i.e., Ministry of Labor (Y/N)

70b. Yes, approval should be obtained from workers' representatives (Y/N)

70c. No (Y/N)

70d. Other, please explain:

71. What is the legally mandated notice period for a worker on a permanent contract with the following years of employment?

71a. With more than 6 months of employment but less than 1 year: [number of weeks]

71b. One year but less than 5 years of employment: [number of weeks]

71c. Five but less than 10 years of employment: [number of weeks]

71d. Ten years but less than 20 years of employment: [number of weeks]

71e. More than 20 years of employment: [number of weeks]

71f. Please provide the formula for calculating notice period:

72. What is the legally mandated severance payment for a worker on a permanent contract with the following years of employment?

72a. With more than 6 months of employment but less than 1 year: [number of weeks]

72b. One year but less than 5 years of employment: [number of weeks]

72c. Five but less than 10 years of employment: [number of weeks]

72d. Ten years but less than 20 years of employment: [number of weeks]

72e. More than 20 years of employment: [number of weeks]

72f. Please provide the formula for calculating severance payment:

1.2 EMPLOYMENT RESTRICTIONS AND COSTS			
1.2.1 Work Hours and Contracts			
Indicators	FFP	SBP	Total points
No limitations on the use of fixed-term contracts (46 AND 47) <i>Note: To score FFP points on this indicator, an economy must have no restriction on the use of fixed-term contracts.</i>	1	n.a.	1
Availability of overtime and night work - Overtime (54 AND 55) <i>Note: To score FFP and SBP on the Overtime component of this indicator, the maximum working hours (the sum of standard working hours and overtime hours) for an economy must be greater than 48 hours/week (the maximum standard working hours) but less than 56 hours/ week (ILO limit) (0.5).</i>	1	1	1
----- - Night work (58 AND 59)	0.5	0.5	0.5

<i>Note: To score FFP and SBP on the Night Work component of this indicator, there must be no prohibition on night work (at least 7 hours of night work during the week, including the interval from midnight to 5 a.m.)</i>			
Wage Premium for Overtime and Night Work - Premium for overtime work (56) <i>Note: To score SBP on the Premium for Overtime Work component of this indicator, the economy must mandate a minimum wage premium of 1.25 times the regular wage (0.5)</i>	n.a.	1	1
----- - Premium for night work (61) <i>Note: To score SBP on the Premium for Night Work component of this indicator, the economy must mandate some wage premium over the regular wage for night work (0.5)</i>	n.a.	0.5	0.5
	n.a.	0.5	0.5
Total points	2	2	4
1.2.2 Minimum Wage Rate			
Indicators	FFP	SBP	Total points
Minimum wage rate* (63) <i>Note: *The threshold that will be used to determine whether an economy receives a full point on this indicator will be determined in consultation with relevant experts in future editions of the project.</i>	1	n.a.	1
Total points	1	0	1
1.2.3 Mandated Benefits			
Indicators	FFP	SBP	Total points
No legal mandate for firms to pay for unemployment protection directly (64) <i>Note: To score FFP on this indicator, an economy must not mandate firms to pay for unemployment protection directly through labor taxes, contributions, or other type of payment mandated on firms.</i>	1	n.a.	1
No legal mandate for firms to pay for health care directly (65) <i>Note: To score FFP on this indicator, an economy must not mandate firms to pay for basic health care directly through labor taxes, contributions, or other type of payment mandated on firms.</i>	1	n.a.	1
No legal mandate for firms to pay for pensions directly (66) <i>Note: To score FFP on this indicator, an economy must not mandate firms to pay for pension directly through labor taxes, contributions, or other type of payment mandated on firms.</i>	1	n.a.	1
Total points	3	0	3
1.2.4 Requirements for Dismissal			
Indicators	FFP	SBP	Total points
Lawful grounds for individual dismissal (67) <i>Note: To score on this indicator, an economy must provide for dismissal based on business needs or redundancy.</i>	1	1	2
Third party notification requirement for collective dismissal (68) <i>Note: To score on this indicator, an economy must provide for third-party notification requirement for collective dismissal in an economy.</i>	n.a.	1	1
No third-party approval requirement for individual dismissal (69) <i>Note: To score on this indicator, an economy should not legally require third-party approval for individual dismissal.</i>	1	n.a.	1
No third-party approval requirement for collective dismissal (70) <i>Note: To score on this indicator, an economy should not legally require third-party approval for collective dismissal.</i>	1	n.a.	1

Total points	3	2	5
1.2.5 Length of notice period and severance pay			
Indicators	FFP	SBP	Total points
Length of notice period* (71) <i>Note: *The threshold that will be used to determine whether an economy receives a full point on these indicators will be determined in consultation with relevant experts in future editions of the project.</i>	1	n.a.	1
Amount of severance pay* (72) <i>Note: *The threshold that will be used to determine whether an economy receives a full point on these indicators will be determined in consultation with relevant experts in future editions of the project.</i>	1	n.a.	1
Total points	2	0	2

Note: n.a. = not applicable (refers to the cases when the impact on firms or society is either ambiguous or nonexistent). FFP = firm flexibility point; SBP = social benefits point.

PILLAR II—THE ADEQUACY OF PUBLIC SERVICES FOR LABOR	
Parameters	
Largest city	The largest (most populous) city in the economy. The parameter applies to all questions under Pillar II.
Relevant employees	The relevant employee is a working-age (over 25 years old) permanent employee, unless otherwise specified in the questions. The worker is a citizen of the economy and works in the services sector, unless otherwise indicated in the questionnaire for certain specific indicators. This parameter applies to all questions under Pillar II.
Most common employers	The most common type of employer in the private sector in a firm with less than 250 employees operating in the services industry, unless otherwise indicated in the questionnaire for certain specific indicators. This parameter applies to all questions under Pillar II.

2.1 SOCIAL PROTECTION

2.1.1 Unemployment Insurance

73. In the economy, is there government-provided unemployment protection scheme for workers in the private sector in the economy? (Y/N)

73a. Yes, there is a government-provided unemployment insurance provided to all categories of workers (including nontraditional ones such as domestic, temporary agency, or platform workers) who meet the eligibility requirements.

73b. Yes, there is a government-provided unemployment insurance but some categories of workers such as temporary agency workers, platform workers or others are excluded (they do not meet the eligibility requirements, there is no legal provision, or other).

73c. There is not any government-provided unemployment insurance for workers in the private sector.

74d. Other, please explain:

74. If there is a government-provided unemployment protection scheme in the economy, please explain the eligibility requirements? (*not scored*)

75. If there is a government-provided unemployment protection scheme in the economy but some categories of workers are excluded, please explain which ones. (*not scored*)

76. If there is a government-provided unemployment protection scheme, how is it funded? (Y/N)

76a. Through general tax revenue

76b. Through taxes on employers, including mandatory labor taxes or social security contributions

76c. Other, please explain:

2.1.2 Health Care coverage

77. Which of the following types of health care coverage are available to workers in the private sector in the economy? (select all that apply) (Y/N)

77a. Non-contributory government-funded essential health care coverage available universally (i.e., to all citizens whether or not employed)

77b. Contributory health care coverage available through employment only (i.e., the worker's health care benefits are lost as he/she/they leaves one employer and are resuscitated as he/she/they starts a new employment relationship)

77c. Contributory health care coverage available through employment or self on a voluntary basis (i.e., a worker, including self-employed workers, can voluntarily contribute to mandatory health care scheme)

77d. Last-resort health care assistance or an alternative non-contributory health care coverage (in case universal coverage (77a) does not exist or has gaps, this is an alternative coverage provided to the poorest)

77e. Other, please explain:

78. How is the health care system, if provided by the government in the economy, funded? (Y/N)

78a. Through general tax revenue

78b. Through taxes on employers, including mandatory labor taxes or social security contributions

78c. Other, please explain:

79. Is the health care coverage extended to the dependents of the beneficiary by law? (not scored)

80. Who are the dependents of the beneficiary, as defined by law? (select all that apply) (not scored)

80a. Spouse

80b. Children

80c. Other, please explain:

2.1.3 Retirement Pension

81. Which of the following types of retirement pension schemes are available to workers in the private sector in the economy? (Y/N)

81a. Non-contributory government-funded retirement pension benefit available universally (i.e., to all citizens whether or not employed, means-tested or pension-tested)

81b. Contributory retirement pension benefit available through employment only

81c. Contributory retirement pension benefit available through employment or self-employment on a voluntary basis

81d. Last-resort retirement assistance or an alternative non-contributory retirement pension benefit

81e. There is not any retirement pension for workers in the private sector (neither government-provided nor through separate scheme funded by employer/employee contributions).

81f. Other, please explain:

82. How is the pension system if provided by the government in the economy funded? (Y/N)

82a. Through general tax revenue

- 82b. Through taxes on employers, including mandatory labor taxes or social security contributions
 82c. Other, please explain:

2.1 SOCIAL PROTECTION			
2.1.1 Unemployment Insurance			
Indicators	FFP	SBP	Total points
Availability of government-provided unemployment insurance (73a) <i>Note: To score 1 SBP on this indicator, an economy must have an unemployment insurance scheme provided by the government for all workers in the private sector (73a)</i> <i>If an economy has an unemployment insurance scheme provided by the government for some categories of workers in the private sector (73b), the score is 0.5.</i> <i>If an economy has no unemployment insurance scheme provided by the government (73c), the score is 0.</i>	n.a	1	1
Funding for unemployment insurance from general tax revenues (76a) <i>Note: To score on this indicator, an economy must fund unemployment insurance from general tax revenues.</i>	1	n.a.	1
2.1.2 Health Care Coverage			
Indicators	FFP	SBP	Total points
Availability of universal health care (77a AND/OR 77d) <i>Note: To score on this indicator, an economy must provide health care for the poorest workers in the private sector.</i>	n.a	1	1
Funding for health care from general tax revenues (78a) <i>Note: To score on this indicator, an economy must fund health care from general tax revenues.</i>	1	n.a.	1
2.1.3 Retirement Pension			
Indicators	FFP	SBP	Total points
Availability of government-provided retirement pension schemes <i>Note: To score 1 SBP point on this indicator, an economy must provide both contributory and non-contributory schemes (81a AND 81b AND 81c).</i> <i>If an economy has only a non-contributory scheme (81a OR 81d), the score is 0.5.</i> <i>If an economy has only a contributory scheme (81b AND/OR 81c), the score is 0.5.</i> <i>If an economy has no pension scheme, the score is 0.</i>	n.a.	1	1
Funding for non-contributory retirement pension from general tax revenues (82a) <i>Note: To score on this indicator, an economy must fund the pension from general tax revenues.</i>	1	n.a.	1
Total points	3	3	6

Note: n.a. = not applicable (refers to the cases when the impact on firms or society is either ambiguous or nonexistent). FFP = firm flexibility point; SBP = social benefits point.

2.2 INSTITUTIONAL FRAMEWORK

2.2.1 Employment Services

83. Is there a national employment service center in the largest city in this economy? (Y/N)

84. Please provide link to the website of the employment service center if available online: *(not scored)*

85. Does the law require firms to pay for employment service center services (i.e., the payment requirement could be part of labor taxes, social security contribution, or separate non-tax-related mandatory payment incurred by the firm)? (Y/N)

86. Which of the following services are offered to jobseekers at no direct cost to firms? (Yes, in person/ Yes, online/No) *(not scored)*

86a. Vacancy database (i.e., list of occupations in demand)

86b. Vocational training (i.e., training to work with specific machinery)

86c. Employability improvement (i.e., how to prepare for an interview, resume and cover letter review)

86d. Counselling services (i.e., career advice, assisting jobseekers in selecting an appropriate occupation)

86e. Support to self-employed individuals (i.e., microcredit, assistance to open a business, administrative assistance to obtain external grants)

86f. Administrative assistance for unemployed individuals (i.e., filing unemployment benefit requests, filing work permit extension for immigrants)

86g. Support of geographic mobility (i.e., assisting workers with moving to areas with suitable employment opportunities)

86h. Internships and/or apprenticeships placements (i.e., work arrangements intended for students or young people to obtain work experience in a specific industry or acquire a specific skill)

86i. Other

87. Which of the following services are offered to firms at no direct cost to firms? (Yes, in person/Yes, online/No) *(not scored)*

87a. Access to databases of active jobseekers

87b. Assistance in matching employers with employees with suitable skills and physical capacity

87c. Training programs for current employees (i.e., a firm is hiring the center for employee training)

87d. Access to labor market information (i.e., when a firm is looking to expand to a new location or to move into a new product line)

87e. Human resources planning (i.e., how to structure an organizational chart, draft job descriptions, introduce performance evaluation systems and development strategies for employees)

87f. Intern and/or apprentice placements (i.e., partnerships with public employment service offices to request assistance in finding young talent)

87g. Other, please describe:

88. Does your economy have a law or regulation that establishes vocational guidance and training for the unemployed and job seekers? (Y/N)

89. Are training programs for the unemployed and job seekers available? (Y/N)

2.2.2 Labor Dispute Resolution Mechanisms

90. Does your economy have a functioning, specialized, and independent mechanism for resolution of a labor dispute (of any kind)? (Y/N)

91. What are the available mechanisms to resolve a labor dispute (of any kind)? (Y/N) *(not scored)*

87a. Regular court

87b. Specialized labor chamber within a regular court

87c. Specialized (labor) court

87d. Specialized (labor) Commission

- 87e. Small-claims court
- 87f. Arbitration body
- 87g. Other administrative bodies (labor inspectorate, human rights commission, etc.)
- 87h. Other, please explain

92. Which of the following types of alternative dispute resolution mechanisms are available to resolve a labor dispute? (Y/N)

- 92a. Judicial conciliation/mediation (court-annexed)
- 92b. Non-judicial conciliation/mediation (private person to mediate)
- 92c. Arbitration
- 92d. Other

2.2.3 Labor Inspectorates

- 93. Is there a central labor inspectorate in this economy? (Y/N)**
- 94. Can labor inspectors enter a workplace freely and without notice? (Y/N)**
- 95. Are inspectors required to draft an individual inspection report following the inspection? (not scored)**
- 96. Are there data on reported number of cases/complaints available for labor violations? (Y/N)**
- 97. Are these data disaggregated by different type of violation (i.e., separate data on violations related with nonpayment of wages, discrimination, undeclared work, etc.)? (Y/N)**
- 98. Are there data disaggregated by sex of the complainant? (Y/N)**
- 99. Are these data available for the most recent calendar year (2022)? (Y/N)**
- 100. Are these data publicly available online? (Y/N)**
- 101. Please provide the website link:**

2.2 INSTITUTIONAL FRAMEWORK			
2.2.1 Employment Services			
Indicators	FFP	SBP	Total points
Existence of a national employment service center (83) <i>To score on this indicator, an economy must have an employment service center</i>	1	1	2
Existence of vocational guidance and training for unemployed and job seekers (85 AND 88 AND 89) <i>Note: To score on this indicator, an economy must have a law that establishes vocational guidance and training (0.5) and provide in practice vocational guidance and training for unemployment and job seekers at no direct cost to firms (0.5).</i>	1	1	2
Total points	2	2	4
2.2.2 Labor Dispute Resolution Mechanisms			
Indicators	FFP	SBP	Total points

Existence of a functioning, specialized, and independent mechanism for resolution of a labor dispute (90) <i>Note: To score on this indicator, an economy must have a functioning, specialized, and independent mechanism for the resolution of a labor dispute.</i>	1	1	2
Existence of alternative dispute resolution process for a labor dispute (92) <i>Note: To score on this indicator, an economy must have an alternative dispute resolution process for a labor dispute.</i>	1	1	2
Total points	2	2	4
2.2.3 Labor Inspectorates			
Indicators	FFP	SBP	Total points
Existence of a central labor inspectorate (93) <i>Note: To score on this indicator, an economy must have a central labor inspectorate.</i>	n.a.	1	1
Best practice initiation of labor inspections (94) <i>Note: To score on this indicator an economy must allow labor inspectors to enter a workplace freely and without notice</i>	n.a.	1	1
Existence of data on reported number of cases/complaints for labor violations	1	1	2
- Availability of data (96)	0.2	0.2	0.4
- Availability of disaggregated data by type of violation (97)	0.2	0.2	0.4
- Availability of disaggregated data by sex of complainant (98)	0.2	0.2	0.4
- Availability of data for most recent calendar year (99)	0.2	0.2	0.4
- Public availability of data (100)	0.2	0.2	0.4
<i>Note: To score on this indicator, an economy must provide data on reported number of cases of cases/complaints for labor violations. Each question contributes 0.2. points.</i>			
Total points	1	3	4

PILLAR III—EFFICIENCY OF LABOR REGULATIONS AND PUBLIC SERVICES IN PRACTICE

The data for Pillar III are collected through Enterprise Surveys. The data on the indicators for Pillar III will be normalized to a common unit—for example, on the scale from 0 to 100 points, where 0 represents the lowest and 100 represents the best performance. In turn, best (worst) performance is defined by the highest (lowest) standards and/or practices, measured as a single point or range of values.

102. Please provide the total annual costs of social security payments and employment-based taxes, excluding employee taxes that were withheld for the last fiscal year in local currency units.
[numerical value]

103. Over the last year, how many new permanent, full-time workers did the establishment need to hire?
[number]

104. How many were hired? [number]

105. What was the main reason why this establishment did not hire more permanent, full-time workers?
(Y/N)

105a. Non-wage labor costs were too high

105b. Legally required minimum wage or cost of dismissal were too high

105c. Lack of skilled labor

105d. Competitive labor costs and benefits were too high

- 105e. Not enough budget or headquarters did not authorize the hiring
- 105f. Other
- 105g. Don't know

- 106. In the last three years, has this establishment dismissed any permanent, full-time worker? (Y/N)**
(not scored)
- 107. How many weeks did it typically take—from the time the notice of dismissal was provided to the worker until the worker was removed from the establishment's payroll? (Please include all pre-notice requirements, notifications, and wait times.)** [numerical value in weeks]
- 108. How much was a typical severance payment, in weeks of paid salary, for a dismissed permanent, full-time worker? (Please include pay and benefits but exclude unpaid salaries.)** [numerical value]
- 109. Over the last three years, has this establishment been involved in any labor disputes? (Y/N)** *(not scored)*
- 110. How many months did it typically take from the moment the dispute arose until it got resolved, whether through an agreement, court decision, or other means?** [numerical value]
- 111. How much did the resolution of the dispute typically cost this establishment, including all fines or dues to either party, if any?** [numerical value in local currency unit]
- 112. Over the fiscal year in reference to workplace health and safety, was this establishment visited or inspected by a government labor inspector or has it been required to meet with one? (Y/N)** *(not scored)*
- 113. As a result of these inspections, was a report issued to the establishment by the inspectorate? If there has been more than one inspection, please consider the latest completed inspection. (Y/N)**

3.1 NON-WAGE LABOR COSTS			
Indicators	FFP	SBP	Total points
Social contribution cost* (102) Note: * Social contribution cost will be based on the total annual costs of social security payments and employment-based taxes, excluding employee taxes that were withheld.	100 (100%)	n.a.	100 (100%)
Total points	100 (33.33%)	n.a.	100 (33.33 %)
3.2 EMPLOYMENT RESTRICTIONS AND COSTS			
Indicators	FFP	SBP	Total points
Proportion of vacancies filled (103, 104)	100 (25%)	n.a.	100 (25%)
Regulatory constraints to hiring (105)	100 (25%)	n.a.	100 (25%)
Time for dismissal* (107) Note: * Time in weeks it typically takes to dismiss an employee—from the time the notice of dismissal was provided to the worker until the worker was removed from the establishment's payroll.	100 (25%)	n.a.	100 (25%)
Cost for dismissal* (108) Note: * Amount of a typical severance payment, in weeks of paid salary, for a dismissed permanent, full-time worker.	100 (25%)	n.a.	100 (25%)

Total points	100 (33.33%)	n.a.	100 (33.33%)
3.3 EFFICIENCY OF PUBLIC SERVICES			
Indicators	FFP	SBP	Total points
Time to resolve labor dispute* (110) Note: *Time it typically takes from the moment the dispute arose until it gets resolved.	100 (33%)	n.a.	100 (33%)
Cost to resolve labor dispute* (111) Note: *Typical cost of dispute resolution, including all fines or dues to either party. Whether a report is issued to the establishment by the inspectorate after a visit	100 (33%)	n.a.	100 (33%)
Labor inspectorates (113)	100 (33%)	n.a.	100 (33%)
Total points	100 (33.33%)	n.a.	100 (33.33%)

Note: n.a. = not applicable (refers to the cases when the impact on firms or society is either ambiguous or nonexistent). FFP = firm flexibility point; SBP = social benefits point.

CHAPTER 6. FINANCIAL SERVICES

METHODOLOGY NOTE

I. MOTIVATION

Access to finance remains a major constraint for firms worldwide,¹ despite being essential for their operations and expansion and positively associated with firm innovation.² Access to finance affects firms' ability to manage volatile cash flow and directly contributes to a firm's resilience, which was underscored during the global pandemic.³ Research has also shown that private sector financing in developing economies has positive macroeconomic effects as firm-level employment often benefits from improved access to finance.⁴ Broadening access to finance to vulnerable groups, including to women, can also reduce poverty and inequality. In addition, green financing can help achieve economic growth, creating new opportunities for businesses and redirecting capital toward economic sectors that align with the United Nations (UN) Sustainable Development Goals.⁵

Having a sound and robust regulatory framework that can support financial service providers and enhance information sharing can increase the likelihood of firms obtaining financing. Sound due diligence regulations spanning aspects of anti-money laundering/combating the financing of terrorism (AML/CFT) and grounded in risk-based evaluations are important for macroeconomic financial stability.⁶ An enabling regulatory framework for green financing can promote development of standards and principles that can facilitate development of green finance markets and encourage firms to become environmentally conscious. Furthermore, a modern secured transactions system, where movable assets are commonly used as collateral, offers borrowers access to credit at affordable rates.⁷ To enable financing, lenders require adequate access to borrowers' credit information to overcome information asymmetries. Sharing such information in the form of credit reporting reduces lenders' uncertainty about borrowers' total debt exposure, increases the availability of credit, and lowers interest rates.⁸

Accessible financing also plays an important role in maintaining a company's financial stability. Removing bottlenecks associated with making and receiving payments further strengthens firms' financial security. In recent years, cashless transactions (including e-payments) have continued growing.⁹ However, economies' ever-increasing digitalization requires the regulation of electronic solutions to reap the benefits of technological progress. This would enable the extensive use of electronic payments (e-payments), which is associated with reduced tax evasion¹⁰ and lower informality¹¹ in the private sector.

In this context, the Financial Services topic measures the quality and effectiveness of regulatory frameworks for commercial lending, secured transactions, e-payments, and green finance. It also measures the efficiency of accessibility of information in credit infrastructure and access to green finance and products tailored for women. Lastly, the topic will also look at the efficiency of receiving financial services in practice from a firm's perspective.

II. INDICATORS

The Financial Services topic measures five areas—quality of regulations for commercial lending; secured transactions and operation of collateral registries; e-payments; green finance; operation of credit bureaus and registries—across the three different dimensions, here referred to as pillars. The first pillar assesses the effectiveness of regulation pertaining to commercial lending, secured transactions, e-payments, and green financing, covering de jure features of a regulatory framework. The second pillar measures the accessibility of information in credit infrastructure by evaluating the operation of credit bureaus and registries, the operation of collateral registries, and green financing options in practice. This pillar also measures the

availability of both financial and nonfinancial products tailored for women and relevant trainings and programs to promote women representation in financial institutions. Thus, the second pillar assesses the de facto and some de jure provision of financial services. The third pillar measures the time and cost required to obtain a loan, register a security interest, and make an e-payment, as well as the timeliness of credit information sharing. The pillar also assesses the gender gap in access to formal financial services and usage of e-payments. Each pillar is divided into categories—defined by common features that inform the grouping into a particular category—and each category is further divided into subcategories. Each subcategory has several indicators, each of which may, in turn, have several components. Relevant points are assigned to each indicator and subsequently aggregated to obtain the number of points for each subcategory, category, and pillar. Table 1 includes a summary of all three pillars along with their respective categories for the five areas measured: commercial lending, secured transactions, e-payments, green financing, and credit information.

Table 1. Summary table of all three pillars for the Financial Services topic

Pillar I—Quality of Regulations for Commercial Lending, Secured Transactions, e-payments, and Green Financing (30 indicators)	
1.1	Good Regulatory Practices for Commercial Lending (6 indicators)
1.1.1	Requirement to Conduct Customer Due Diligence (CDD) and Record Keeping (2 indicators)
1.1.2	Risk-Based Approach and Risk Factors (2 indicators)
1.1.3	Availability of Enhanced and Simplified CDD Measures (2 indicators)
1.2	Good Regulatory Practices for Secured Transactions (7 indicators)
1.2.1	Integrated Legal Framework for Secured Transactions (1 indicators)
1.2.2	Types of Movable Assets, Debts, and Obligations that Can Be Secured (4 indicators)
1.2.3	Priority/Enforcement (2 indicators)
1.3	Good regulatory practices for e-payments (12 indicators)
1.3.1	Risk Management (3 indicators)
1.3.2	Protection of Customer Funds (2 indicators)
1.3.3	Transparency of Fees, Terms, and Conditions (2 indicators)
1.3.4	Availability of Solid Recourse and Dispute Resolution Mechanisms (2 indicators)
1.3.5	Interoperability and Promotion of Competition (3 indicators)
1.4	Good regulatory practices for green financing (5 indicators)
1.4.1	Risk Management (1 indicator)
1.4.2	Disclosure Requirements and Impact Reporting (2 indicators)
1.4.3	Availability of Green Financing and Adoption of Green Principles (2 indicators)
Pillar II—Accessibility of Information in Credit Infrastructure and Access to Finance (9 indicators)	
2.1	Operation of Credit Bureaus and Registries (3 indicators)
2.1.1	Data Coverage and Access to Credit Information (3 indicators)
2.2	Operation of Collateral Registries (3 indicators)
2.2.1	Features of Collateral Registries (3 indicators)
2.3	Green Finance (2 indicators)
2.3.1	Availability and Requirements for Green Loans (2 indicators)
2.4	Gender Finance (1 indicator)
2.4.1	Promoting Access to Finance for Women (1 indicator)
Pillar III—Efficiency of Receiving Financial Services in Practice (10 indicators)	
3.1	Loans (4 indicators)
3.1.1	Time to Obtain a Loan (1 indicator)
3.1.2	Cost to Obtain a Loan (1 indicator)
3.1.3	Efficiency of Security Interest and Credit Data Update (1 indicator)
3.1.4	Gender Gap in Access to Loans and Other Banking Services (1 indicator)
3.2	e-payments (6 indicators)
3.2.1	Cost to Receive an e-payment (1 indicator)
3.2.2	Cost to Make an e-payment (1 indicator)
3.2.3	Time to Receive an e-payment (1 indicator)
3.2.4	Usage Level in Receiving an e-payment (1 indicator)
3.2.5	Usage Level in Making an e-payment (1 indicator)

3.2.6	Gender Gap in Usage of e-payments (1 indicator)
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1. PILLAR I. REGULATORY FRAMEWORK: QUALITY OF REGULATIONS FOR COMMERCIAL LENDING, SECURED TRANSACTIONS, e-PAYMENTS, AND GREEN FINANCE

Table 2 shows the structure for Pillar I, the regulatory framework for financial services measured. Each of this pillar's categories and subcategories will be discussed in more detail in the order shown in the table.

Table 2. Pillar I–Regulatory Framework: Quality of regulations for commercial lending, secured transactions, e-payments, and green financing

1.1	Good Regulatory Practices for Commercial Lending
1.1.1	Requirement to conduct Customer Due Diligence (CDD) and record keeping
1.1.2	Risk-based approach and risk factors
1.1.3	Availability of enhanced and simplified CDD measures
1.2	Good Regulatory Practices for Secured Transactions
1.2.1	Integrated legal framework for secured transactions
1.2.2	Types of movable assets, debts and obligations that can be secured
1.2.3	Priority/Enforcement
1.3	Good Regulatory Practices for e-payments
1.3.1	Risk management
1.3.2	Protection of customer funds
1.3.3	Transparency of fees, terms, and conditions
1.3.4	Availability of solid recourse and dispute resolution mechanisms
1.3.5	Interoperability and promotion of competition
1.4	Good Regulatory Practices for Green Financing
1.4.1	Risk management
1.4.2	Disclosure requirements and impact reporting
1.4.3	Availability of green financing and adoption of green principles

1.1 Good Regulatory Practices for Commercial Lending

Category 1.1 is divided into three subcategories consisting of several indicators, each of which may, in turn, have several components.

1.1.1 Requirement to Conduct Customer Due Diligence (CDD) and Record Keeping

Modern financial legal frameworks require lenders such as banks and other financial institutions to perform a certain level of due diligence before enrolling new customers and before granting any financing to such customers or to their businesses.¹² The evolution of AML/CFT measures and those related to the compliance/Know Your Customer (KYC) regulations highlights reliance on several measures.¹³ These include customer due diligence (CDD) for existing customers and steps undertaken by other relevant institutions,¹⁴ maintaining the information collected about customers and their businesses for a certain period, and updating such information regularly,¹⁵ especially when the customer is considered high risk.¹⁶ Therefore, Subcategory 1.1.1 has two indicators (table 3).

Table 3. Subcategory 1.1.1–Requirement to Conduct Customer Due Diligence (CDD) and Record Keeping

	Indicators	Components
1	Requirement to conduct CDD and verify identity of business and owners	<ul style="list-style-type: none"> i) Legal requirement to conduct CDD ii) Requirement to verify company identity iii) Requirement to verify direct ownership and structure iv) Requirement to verify beneficial ownership v) Requirement to verify purpose of loan vi) Requirement to verify the geographical location of the corporate customer

2	CDD for existing customers and record keeping	<ul style="list-style-type: none"> i) Record keeping–Reliance on CDD for existing customers ii) Record keeping–Reliance on CDD undertaken by other institutions (eKYC) iii) Record keeping–Maintain CDD information for a period of 5 years iv) Record keeping–Ongoing CDD for high-risk clients
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Note: CDD = customer due diligence.

1.1.2 Risk-Based Approach and Risk Factors

To strengthen global safeguards and further protect the integrity of the financial systems, FATF emphasizes a risk-based approach to AML/CFT.¹⁷ According to this approach, economies, relevant authorities, and financial institutions should identify and assess the risk they are exposed to and take appropriate measures to mitigate them effectively.¹⁸ Therefore, Subcategory 1.1.2 has two indicators¹⁹ (table 4).

Table 4. Subcategory 1.1.2–Risk-Based Approach and Risk Factors

	Indicators	Components
1	Availability of risk-based approach	Availability of risk-based approach
2	Risk factors	<ul style="list-style-type: none"> i) Risk factors (customer identity) ii) Customer risk factors (beneficial owner) iii) Customer risk factors (ownership structure) iv) Customer risk factors (involvement in international structure) v) Customer risk factors (personal asset-holding vehicles) vi) Customer risk factors (nominee shareholders or shares in bearer forms) vii) Customer risk factors (business relationship conducted in unusual circumstances) viii) Customer risk factors (cash-intensive) ix) Customer risk factors (located in high-risk geographical location) x) Risk factors (product, service, delivery channel) xi) Product risk factors (private banking) xii) Product risk factors (anonymous transactions) xiii) Product risk factors (payments received from unknown sources) xiv) Product risk factors (non–face-to-face relation and transactions) xv) Product risk factors (operations in high-risk geographical location)

1.1.3 Availability of Enhanced and Simplified CDD Measures

Not all customers are subject to the same risks and therefore the economies’ regulations would require different processes when it comes to performing CDD measures, depending on the customer’s level of risk.²⁰ Thus, following a risk assessment of the client, the availability of simplified and enhanced CDD measures in an economy would simplify the process for firms with lower risks, while adopting a more robust and in-depth review process for those with higher risk.²¹ Therefore, Subcategory 1.1.3 has two indicators (table 5).

Table 5. Subcategory 1.1.3–Availability of Enhanced and Simplified CDD Measures

	Indicators	Components
1	Simplified CDD	<ul style="list-style-type: none"> i) Simplified AML/CFT CDD review for low-risk clients ii) Regulatory guidance to determine low-risk clients
2	Enhanced CDD	<ul style="list-style-type: none"> i) Enhanced AML/CFT CDD review for high-risk clients ii) Regulatory guidance to determine high-risk clients

Note: AML/CFT = anti-money laundering/combating the financing of terrorism; CDD = customer due diligence.

1.2 Good Regulatory Practices for Secured Transactions

Category 1.2 is divided into three subcategories consisting of several indicators, each of which may, in turn, have several components.

1.2.1 Integrated Legal Framework for Secured Transactions

Under this approach, all secured transactions, no matter how denominated, are classified as security rights and are subjected to an identical legal framework. Having an integrated and functional approach to secured transactions provides flexible contractual arrangements for security purposes that allows borrowers to use as much of their movable assets as collateral to get credit.²² It also allows both incorporated and non-incorporated entities to create or acquire collateral in movable assets without conferring special advantages or rights to any particular class of debtor or creditor.^{23,24} This approach helps avoid multiplicity of legal regimes that can create gaps and inconsistencies. Also, an integrated legal framework could be easier to implement because it would not require adjustments or references to other laws. Furthermore, it can lower the risk of lending and contribute to a more stable financial environment. Therefore, Subcategory 1.2.1–Integrated Legal Framework for Secured Transactions has only one indicator (table 6).

Table 6. Subcategory 1.2.1–Integrated Legal Framework for Secured Transactions

	Indicators	Components
1	Integrated legal framework for secured transactions	<ul style="list-style-type: none"> i) Integrated legal framework ii) Fiduciary transfer of title iii) Financial lease agreement iv) Assignment of receivables and outright transfer of receivables v) Retention of title sales vi) Incorporated and non-incorporated debtors and creditors

1.2.2 Types of Movable Assets, Debts, and Obligations that Can Be Secured

For promoting access to finance for firms and individuals, it is critical that they can grant a security interest in different types of movable assets, including tangible and intangible, current or future. Having regulations that enable firms and individuals to use multiple types of movable assets when obtaining loan gives them the ability of translating the full value of those assets into productive use, by potentially increasing the amount of credit available to them and reducing the cost of such credit. Also, including all types of movable assets under the same regime and permitting grantors to describe such assets in generic terms enables parties to avoid expensive investigation at the time a security right is created or costly litigation thereafter about whether any particular type of asset is, or is not, covered by the regime. This contributes not only to firm flexibility but also to the overall benefit of the society by promoting safe and secure lending to the private sector.^{25,26} Therefore Subcategory 1.2.2 has four indicators (table 7).

Table 7. Subcategory 1.2.2–Types of Movable Assets, Debts, and Obligations that Can Be Secured

	Indicators	Components
1	Security interest in one category of movable assets	<ul style="list-style-type: none"> i) Security interest over accounts receivable ii) Description of the collateral iii) Security interest over inventory iv) Limitations on inventory v) Description of the collateral vi) Security interest over tangible movable property, other than inventory vii) Description of the collateral
2	Security interest in combined category of movable assets	<ul style="list-style-type: none"> i) Security interest in combined category of movable assets ii) Limitations on the assets iii) Description of the collateral
3	Security interest over future assets	<ul style="list-style-type: none"> i) Security interest over future assets ii) Security interest over after-acquired property iii) Automatic extension of the collateral to products, proceeds, and replacements of the original collateral
4	Debts and obligations	<ul style="list-style-type: none"> i) Current and future debts and obligations ii) Fixed debts and obligations iii) Conditional debts and obligations iv) Fluctuating debts and obligations v) Description of debts and obligations

1.2.3 Priority/Enforcement

Securing creditor’s rights by having clear and transparent rules that determine the priority system for creditors in case of loan default is crucial to promote access to finance and decrease the cost of lending. This approach promotes the enactment of precise rules to govern every possible type of priority conflict with the rights of a competing claimant and to avoid, as far as possible, creating any later-in-time rights that would outrank existing security rights. Providing the concerned parties with the option to agree to enforce the security interest outside of court through public and/or private auction can relieve some of the pressure on the judiciary branch and decrease the risk of backlog of cases. This can make the enforcement process more efficient and flexible.^{27,28} Therefore Subcategory 1.2.3 has two indicators (table 8).

Table 8. Subcategory 1.2.3–Priority/Enforcement

	Indicators	Components
1	Priority of claims outside of insolvency or bankruptcy	i) Priority of claims outside of insolvency or bankruptcy ii) Rankings of different types of creditor claims
2	Enforcement of security interests	i) Enforcement of security interests ii) Availability of public auction iii) Availability of private sale iv) Availability of pactum commissorium

1.3 Good Regulatory Practices for e-payments

Category 1.3 is divided into five subcategories consisting of several indicators, each of which, in turn, has several components.

1.3.1 Risk Management

A sound regulatory framework for e-payments is essential to maintain the integrity of the monetary system and safeguard financial stability.²⁹ In particular, having adequate risk management practices is important to ensure the security, efficiency, and stability of the electronic transfers.³⁰ Measures that prevent fraud, promote information and cybersecurity, ensure protection integrity, authenticity, and confidentiality of data and operating processes³¹ boost the confidence of users in these services and make the overall e-payment system more secure.³² Therefore Subcategory 1.3.1 has three indicators (table 9).

Table 9. Subcategory 1.3.1–Risk Management

	Indicators	Components
1	External review and internal control	i) External review of regulatory compliance of payment service providers (PSP) ii) Implementation of internal controls
2	Cybersecurity and operational risk	i) Requirement for cybersecurity ii) Requirement for a contingency plan
3	Liquidity risk	i) Requirements to ensure customers have access to funds ii) Customer usage limits

1.3.2 Protection of Customer Funds

Protection of funds of customers using electronic payments is vital to ensure safety and reliability of payments systems and preserve user’s confidence.³³ It is a fundamental part of an overall financial consumer protection framework and includes arrangements covering, among others, the obligations of users and payment service providers (PSPs),³⁴ fraudulent or unauthorized payments, cancellation or modification of transactions, and insurance requirements for protection of funds.³⁵ Therefore, Subcategory 1.3.2 has two indicators (table 10).

Table 10. Subcategory 1.3.2–Protection of Customer Funds

	Indicators	Components
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1	Obligations of user and payment service provider (PSP)	<ul style="list-style-type: none"> i) Limits on use of payment instrument and access to payment accounts ii) Obligations of user in relation to payment instrument and security credentials iii) PSP verifies the identity of a payment service user (authentication) prior to the execution of payment transaction
2	Cancellation of erroneous transactions, protection of funds held by non-bank PSPs and liability of unauthorized payments	<ul style="list-style-type: none"> i) Allow for cancellation or modification of payment transaction by payer unilaterally up to processing time ii) Protection of customer funds held with non-bank PSPs iii) Insurance requirements of customer funds held by non-bank PSPs iv) Requirement for notification about suspicious activity v) Requirement to rectify unauthorized or incorrectly executed transactions vi) General provisions on liability for fraud vii) PSP's liability for unauthorized payments viii) Payer's liability for unauthorized payment

Note: PSP = payment service provider.

1.3.3 Transparency of Fees, Terms, and Conditions

Disclosure by PSPs of complete and accurate information about all fees, terms, and conditions for using e-payments is essential for promoting transparency and enabling users to have a clear understanding of the costs associated with these services.³⁶ Timely notifications of any subsequent changes, including in policies and procedures for handling customer complaints and their data, are also important because they as they often involve handling sensitive personal and financial information.³⁷ These measures not only help firms get a clear understanding of the cost of using such services but also promote their trust and confidence in using them, benefiting society at large, as well.³⁸ Therefore, Subcategory 1.3.3 has two indicators (table 11).

Table 11. Subcategory 1.3.3–Transparency of Fees, Terms, and Conditions

	Indicators	Components
1	Disclosure of fees and notification of fee changes	<ul style="list-style-type: none"> i) Disclosure of all fees for use of e-payment ii) Notify user about changes in fees
2	Disclosure of liability, use of data, and dispute mechanisms	<ul style="list-style-type: none"> i) Disclosure of liability ii) Disclosure of use of customer data iii) Written policies for complaints handling procedures iv) General terms of services

1.3.4 Availability of Solid Recourse and Dispute Resolution Mechanisms

Availability of recourse and dispute resolution mechanism can provide users of e-payment services with an opportunity to resolve their disputes and complaints in a timely and effective manner.³⁹ Dispute management and redress mechanisms are vital in preventing customer abuse and motivating PSPs to address operational weaknesses that may result in low-quality service.⁴⁰ These mechanisms also boost consumer confidence, trust, and enable new and existing customers alike to exercise their rights effectively.⁴¹ Therefore, Subcategory 1.3.4 has two indicators (table 12).

Table 12. Subcategory 1.3.4 –Availability of Solid Recourse and Dispute Resolution Mechanisms

	Indicators	Components
1	Dispute a transaction	<ul style="list-style-type: none"> i) Time limit in which payment can be disputed ii) PSP to acknowledge receipt of dispute notice iii) Recipient continues collecting undisputed charges while a dispute is pending resolution
2	Availability of dispute mechanisms	<ul style="list-style-type: none"> i) PSP to have independent unit in charge of dispute resolution ii) Requirement to make available dispute resolution mechanism iii) Availability of independent governmental authority as a resort for disputes that were not resolved internally

Note: PSP = payment service provider.

1.3.5 Interoperability and Promotion of Competition

Payment system interoperability allows participants to conduct, clear, and settle payments across systems without participating in multiple systems.⁴² The interoperability of payment systems can promote competition, reduce costs, enable economies of scale for PSPs, and enhance convenience for users of payment services.⁴³ Similarly, promoting market competition is vital for facilitating the entrance of new players and innovation of products, enhancing the quality and efficiency of available services, and reducing prices.^{44,45} Interoperability and promotion of competition can play a critical role in meeting the needs of unserved and underserved firms/users. Therefore, Subcategory 1.3.5 has two indicators (table 13).

Table 13. Subcategory 1.3.5–Interoperability and Promotion of Competition

	Indicators	Components
1	Interoperability of payment systems	Level and extent of interoperability characterized in the jurisdiction
2	Fair competition	i) Fair competition provisions ii) Rules and procedures for registration applied for all new payment service providers
3	Equal access and treatment of different PSPs	i) Providing new PSPs equal access to market as existing participants ii) Functional requirements for PSP

Note: PSPs = payment service providers.

1.4 Good Regulatory Practices for Green Finance

Category 1.4 is divided into three subcategories consisting of several indicators, each of which may, in turn, have several components.

1.4.1 Risk Management

Climate related risks include physical and transition risks, while environmental risks are associated with exposure to activities that may cause or be affected by environmental degradation.^{46,47} Awareness and management of these risks is important not just for the stability of the banking sector but also in changing financial behavior and driving capital toward green goals.^{48,49} Therefore, Subcategory 1.4.1–Risk Management has one indicator: requirement to incorporate climate/environmental risks in risk management frameworks (table 14).

Table 14. Subcategory 1.4.1–Risk Management

	Indicators	Components
1	Requirement to incorporate climate/environmental risks in risk management frameworks	Guidance or regulatory requirements for banks to incorporate climate/environmental risks into their risk management frameworks

1.4.2 Disclosure Requirements and Impact Reporting

Disclosure requirements refer to climate-related financial disclosures by firms that provide relevant information to investors, lenders, and other stakeholders.⁵⁰ Impact reporting refers to reports that identify the use of proceeds and the expected environmental impact from projects to which proceeds have been allocated.⁵¹ The disclosure requirements and impact reporting can enhance market transparency and understanding of climate-related risks and opportunities and promote the efficient allocation of capital to environmentally sustainable investments and facilitate the transition to a low-carbon economy.^{52,53} Therefore, Subcategory 1.4.2 has two indicators (table 15).

Table 15. Subcategory 1.4.2–Disclosure Requirements and Impact Reporting

	Indicators	Components
1	Requirements for climate related financial disclosures	Guidelines or legal requirements defining climate related financial disclosures, to be submitted when seeking green financing

2	Requirement to disclose impact of investment on environment	Guidance, legal or regulatory requirement for firms for impact reporting
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1.4.3 Availability of Green Financing and Adoption of Green Principles

The green loan issuance framework can help promote the development of the green loan market by providing recommended framework of market standards and guidelines for use across green loan market.⁵⁴ In addition, requirements to obtain green loans are important to prevent green washing⁵⁵ and add another layer verification that the activity being finance meet the set criteria.^{56,57} Therefore, Subcategory 1.4.3 has two indicators (table 16).

Table 16. Subcategory 1.4.3–Availability of Green Financing and Adoption of Green Principles

	Indicators	Components
1	Availability of framework for green financing	Framework for green loan issuance
2	Guidelines on external review requirements for green loans	Guidelines on external review for obtaining green loan (consultant review, verification, certification, rating)

2. PILLAR II. PUBLIC SERVICES: ACCESSIBILITY OF INFORMATION IN CREDIT INFRASTRUCTURE AND ACCESS TO FINANCE

Table 17 shows the structure for Pillar II, which covers the accessibility of information in credit infrastructure and access to finance. Each of this pillar’s categories and subcategories will be discussed in more detail in the order shown in the table (table 17).

Table 17. Pillar II–Accessibility of Information in Credit Infrastructure and Access to Finance

2.1	Operation of Credit Bureaus and Registries
2.1.1	Data coverage and access to credit information
2.2	Operation of Collateral Registries
2.2.1	Features of collateral registries
2.3	Green Finance
2.3.1	Availability and requirements for green loans
2.4	Gender Finance
2.4.1	Promoting access to finance for women

2.1 Operation of Credit Bureaus and Registries

Category 2.1 has one subcategory consisting of several indicators, each of which may, in turn, consist of several components.

2.1.1 Data Coverage and Access to Credit Information

Credit bureaus and registries⁵⁸ collect information on the creditworthiness of borrowers (individuals and firms) in the financial system and facilitate the exchange of credit information among creditors. This improves the efficiency of the lending process by reducing information asymmetries.^{59,60} By accessing borrowers’ credit information, lenders can better understand lending risks associated with each potential borrower.⁶¹ This can promote access to finance for firms and contribute to the stability of the financial sector. Therefore, Subcategory 2.1.1 has three indicators (table 18).

Table 18. Subcategory 2.1.1–Data Coverage and Access to Credit Information

	Indicators	Components
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1	Data coverage and identification	i) Data on firms and individuals are shared ii) Data from retailers or utility companies are shared in addition to data from financial institutions iii) Cross-border information sharing and crisis reporting
2	Data scope	i) Both positive credit information and negative information are shared ii) At least two years of historical data are shared iii) Data on loan amounts below 1% of income per capita are shared
3	Additional services and borrower's access to information	i) By law, borrowers have the right to access their data in the largest credit bureau or registry in the economy ii) Banks and other financial institutions have online access to credit information iii) Bureau or registry credit scores are offered as a value-added service, and borrower's credit information are verified in practice

2.2 Operation of Collateral Registries

Category 2.2 has one subcategory consisting of several indicators, each of which, in turn, has several components.

2.2.1 Features of Collateral Registries

Collateral registries are publicly available databases of interests in movable assets by incorporated and nonincorporated entities. They support the legal framework of security rights in movable assets by facilitating awareness of both their existence and establishing priority based on the time of registration.⁶² Well-functioning collateral registries enable lenders to assess risks when the borrower intends to secure the credit with collateral assets,⁶³ promote transparency and certainty,⁶⁴ allow secured creditors to register, search, amend or cancel security interests online in cheap and expedited way.⁶⁵ Therefore, Subcategory 2.2.1 has three indicators (table 19).

Table 19. Subcategory 2.2.1–Features of Collateral Registries

	Indicators	Components
1	Unified collateral registry	i) Registry is operational ii) Registry is centralized or linked among different geographic regions iii) Registration of non-possessory security interest required iv) Registry is open to all types of borrowers or creditors v) If there are different registries per province for different types of debtors, the same rules for the creation of the non-possessory security interest and for third party effectiveness should apply vi) If there are different registries per province for different types of assets, the same rules for the creation of the non-possessory security interest and for third party effectiveness should apply vii) Anyone can access the data in the registry without restriction from any geographic location in the economy viii) Registry has an online database searchable by debtor's name or unique identifier ix) Registry can be consulted by a serial number of the collateral
2	Notice-based collateral registry	i) Registry is notice-based ii) Registry does not verify the legality of the transaction iii) Registry does not verify the correctness of the information iv) Registry covers all types of security interests in movable assets
3	Modern collateral registry and accessing data	i) All types of secured creditors can perform the registration ii) Secured creditors or their representatives can open an account online without the participation or approval of any third party iii) Secured creditors or their representatives can conduct registrations and searches of security interests online, without the interference of the registry iv) The collateral registry has an online system for registrations, amendments, renewals, cancellations, and searches of security interests and if collateral registry records are verified in practice

2.3 Green Finance

Category 2.3 has one subcategory consisting of two indicators, each of which, in turn, has one component.

2.3.1 Availability and Requirements for Green Loans

Availability of green loans in practice, even when there is no nationally adopted green loan issuance framework, can provide firms with an alternative financing product, enable them to finance green projects and align lending with their environmental objectives.⁶⁶ Requiring firms to have external reviews for obtaining green financing can help promote transparency and prevent green washing.^{67,68} Therefore Subcategory 2.3.1 has two indicators (table 20).

Table 20. Subcategory 2.3.1–Availability and Requirements for Green Loans

	Indicators	Components
1	Availability of green loans	Are green loans being issued in your economy, even if there is no adopted national framework
2	External review requirement to obtain green loans	Are external reviews (consultant review, verification, certification, rating) required in practice even if there are no requirements from the authorities

2.4 Gender Finance

Category 2.4 has one subcategory consisting of one indicator, which, in turn, has several components.

2.4.1 Promoting Access to Finance for Women

Promotion of access to finance for women covers two main areas: availability of women targeted products (both financial and nonfinancial); and availability of trainings on unconscious bias/gender diversity and programs to promote presence of women in both managerial and nonmanagerial roles in the banking sector. Financial products tailored to the needs of women have been proven to be effective in addressing gender-based financial constraints.⁶⁹ Providing nonfinancial services alongside finance may be more effective in supporting women-owned businesses.^{70,71} Having more gender-diverse teams at banks may also help in increasing the level of financing going to women-owned businesses. In addition, gender intelligence trainings for bank employees have also proven to be effective in tackling gender biases in lending decisions.^{72,73,74} Therefore, Subcategory 2.4.1–Promoting Access to Finance for Women has one indicator: women targeted products and programs to promote women (table 21).

Table 21. Subcategory 2.4.1–Promoting access to finance for women

	Indicators	Components
1	Women targeted products and programs to promote women	<ul style="list-style-type: none"> i) Are women-targeted financial products offered by commercial banks ii) Are women-targeted nonfinancial products (business development services) offered by commercial banks iii) Are training on unconscious bias/gender diversity offered to employees of commercial banks iv) Existence of programs/initiatives that promote the presence of women in senior executive/management roles and/or nonmanagerial roles in the banking sector

3 PILLAR III. EFFICIENCY: EFFICIENCY OF RECEIVING FINANCIAL SERVICES IN PRACTICE

Table 22 shows the structure for Pillar III, the efficiency of receiving financial services in practice. Each of this pillar's categories will be discussed in more detail in the order shown in the table.

Table 22. Pillar III–Efficiency of Receiving Financial Services in Practice

3.1	Loans
3.1.1	Time to Obtain a Loan
3.1.2	Cost to Obtain a Loan

3.1.3	Efficiency of Security Interest and Credit Data Update
3.1.4	Gender Gap in Access to Loans and Other Banking Services
3.2	e-payments
3.2.1	Cost to Receive an e-payment
3.2.2	Cost to Make an e-payment
3.2.3	Time to Receive an e-payment
3.2.4	Usage Level in Receiving an e-payment
3.2.5	Usage Level in Making an e-payment
3.2.6	Gender Gap in Usage of e-payments

3.1 Loans

It is important for businesses to obtain financing in a timely manner to continue their operations, manage volatile cash flow, and expand. Expensive processes of obtaining financing are burdensome for firms and high fees, such as origination, service, and processing can discourage firms from applying for and obtaining loans.⁷⁵ In addition, having efficient and low-cost processes for registering security interest in collateral registries and for information to be reflected in credit bureaus/registries used for credit reports are beneficial for firms as they make the process of obtaining loans less costly, less burdensome, and more efficient.⁷⁶ Furthermore, access to financial services by women-owned businesses are also assessed under this category.^{77,78,79} Therefore, Category 3.1 has four indicators (table 23).

Table 23. Category 3.1–Loans

	Indicators	Components
1	Time to obtain a loan	Time for the decision on the loan to be communicated, from the moment the application was submitted
2	Cost to obtain a loan	Cost of all fees paid to apply for a loan, including origination, service, processing, and insurance fees
3	Efficiency of security interest and credit data update	i) Time for the registration of a security interest to be reflected in the database and cost to register a security interest ii) Time to include credit information in database from the moment credit reporting service provider received such information
4	Gender gap in access to loans and other banking services	i) Establishment has a checking (current) or savings account ii) Establishment has an overdraft facility iii) Establishment has a line of credit or a loan from a financial institution

3.2 e-payments

Having access to electronic payments are a benefit to firms as they provide them with the opportunity to reach more customers, provide them with convenient payment experience, expand their business and enhance transparency of transactions. For firms to reap these benefits, it is essential that e-payments are less costly and fast.⁸⁰ Usage of e-payments by women-owned businesses is also be assessed under this category.^{81,82} Therefore, Category 3.2 has six indicators (table 24).

Table 24. Category 3.2–e-payments

	Indicators	Components
1	Cost to receive e-payments	i) e-payment method accounting for the largest proportion of sales in value ii) Cost to accept e-payment, as a percentage of transaction value iii) Monthly cost to accept e-payments, including monthly fees, subscription costs, point of sales terminal costs, maintenance, and other costs
2	Cost to make e-payments	i) e-payment method accounting for largest proportion of payments in value ii) Cost to make e-payment, as a percentage of transaction value
3	Time to receive e-payments	i) Time to receive money through e-payment from when an order is placed
4	Usage level in receiving e-payments	Percentage of monthly sales received through electronic payments

5	Usage level in making e-payments	Percentage of monthly payments done electronically
6	Gender gap in usage of e-payments	i) Percentage of monthly sales received through electronic payments ii) Percentage of monthly payments done electronically

III. DATA SOURCES

4.1. Data collection sources

The data for Pillar I, Pillar II and part of Pillar III are collected from consultations with private and public sector experts. Some information is available only to public sector experts, specifically when collecting information on credit and collateral registries. These experts vary depending on the area measured, and include financial lawyers and practitioners in commercial banking, payment services providers, financial services providers, green finance professionals, environmental consultants, credit bureaus and registries, notaries, and collateral registries.

The data for Pillar III are mostly collected through Enterprise Surveys. These Surveys provide representative data on efficiency for loans and e-payments experienced by businesses in practice. A representative sample of companies captures variation of user experience within each economy. Businesses with different characteristics, such as size, region, and sector, participate in the surveys. For more details on the collection of data by the Enterprise Surveys, please refer to Chapter 2, Overview chapter of this Methodology Handbook. Data pertaining to efficiency of security interest and credit data update are collected through consultations with private and public sector experts.

4.2 Screening and selection of experts

The Financial Services topic has five questionnaires, one for each area: regulations for commercial lending; secured transactions and operation of collateral registries; e-payments; green financing; operation of credit bureaus and registries. Each questionnaire targets experts in their respective areas of expertise. In order to select potential experts to participate in the questionnaires, a screener questionnaire has been developed (table 25).

Table 25. Screener questionnaire and respondent criteria

Relevant expert professions:	
Based on area of expertise	Lawyers, economists, financial professionals, environmental consultants, researchers in financial services, commercial banks, financial institutions, professionals in payment industry, notaries, and credit reporting service providers (CRSPs)
Relevant areas of specialization:	
Commercial lending	Legal experts in Know Your Customer (KYC) process and regulatory requirements, compliance, legal and risk departments in financial institutions (banks, lending institutions), identity and background verification service companies
Secured transactions	Law degree with a focus in banking or finance, currently working in a transactional law firm or the legal department of a commercial bank, in addition to notaries.
e-payments	Financial lawyers, commercial banks, and other relevant experts such as payment services providers
Green finance	Green financial consultants, environmental consultants, and financial lawyers with experience in green finance regulations, and green lending
Credit bureaus and registries	Experts in economics, banking and finance, accounting, business administration, law, or any related fields –currently working in credit reporting industry (credit bureau/registry)
Assessment of the experts' knowledge and experience related to commercial lending, secured transactions, e-payments, green finance, and credit information:	
Commercial lending	Experience in the banking and financial sector, notably in KYC handling, opening of accounts, lending to customers, or experience in customer identity verification, compliance, undergoing a KYC process, gathering of customer data, customer due diligence, risk evaluation (AML/CFT).

Secured transactions	Financial or banking lawyers specialized in commercial lending and secured transactions regulations.
e-payments	Experience in financial law, payment services, payment systems, electronic payments law, banking law, etc.
Green finance	Experience in green finance regulations and principles, green financing, green bonds, climate/environmental risks, etc.
Credit bureaus and registries	Experience in gathering and reporting credit information data of customers (firms and individuals), business administration and information management.

Note: AML/CMT = anti-money laundering/combating the financing of terrorism; KYC = Know Your Customer.

Thus, the information provided in the screener questionnaires will allow the team to better understand the experts' professions; areas of specializations and experts' knowledge or experience related to commercial lending, secured transactions, e-payments, green finance, and credit bureaus and registries. Ultimately, this will allow the team to select the experts to respond to the relevant questionnaires.

IV. PARAMETERS

To ensure comparability of the data from expert consultations across economies, the Financial Services topic uses general parameters. A parameter refers to an assumption that is made about the business location and the type of transactions. Questionnaire respondents are presented with these parameters and assumptions and asked to evaluate a standardized scenario that permits comparability across locales, jurisdictions, and economies.

5.1 General parameters

Many economies have subnational jurisdictions, which require a specific business location to be specified in order for experts to identify the relevant regulatory framework to be assessed. In addition, it is important to specify the type of transactions as these are relevant for experts to identify the appropriate regulations.

5.1.1 Business location—largest city

Justification:

Geographic location determines the regulations that govern the financial services available to firms and businesses. In addition, it is important to determine the geographical location from a practical standpoint, to identify experts from whom data on regulatory frameworks and practical implementations are collected. The largest city is chosen based on the population size as detailed in the Overview chapter of this Methodology Handbook.

Application:

For Pillar I, the parameter is used in cases where regulations are not applicable at a national level, varying across states or regions. For the economies where regulations differ across states, regulations for the largest city are measured. For Pillar II and III, the location parameter is established for economies where there are several collateral registries (that is, federal systems).

5.1.2 Type of transactions

Justification:

Type of transaction determines the regulations that govern the financial services available to firms and businesses (for example, domestic versus cross-border transactions). In order to limit the scope of what is measured by the topic, and for experts to identify the relevant regulatory framework to be assessed, the topic focuses on domestic commercial transactions only.

Application:

For Pillar I, the parameter is used in cases where regulations are different across different types of transactions. For the economies where regulations differ across types of transactions, regulations for domestic commercial transactions are measured. For Pillars II and III, the transactions measured are limited to a commercial loan, and the e-payment transactions are limited to domestic transactions, including both making and receiving a payment.

V. TOPIC SCORING

The Financial Services topic has three pillars: Pillar I–Regulatory Framework: Quality of regulations for commercial lending; secured transactions; e-payments; and green financing; Pillar II–Accessibility of Information in Credit Infrastructure and Access to Finance; and Pillar III–Efficiency of Receiving Financial Services in Practice. Pillar I covers 30 indicators with a total score of 52 points (22 points on firm flexibility and 30 points on social benefits). Pillar II includes 9 indicators with a total score of 17 points (8 points on firm flexibility and 9 points on social benefits). Pillar III has 10 indicators with scores ranging from 0 to 100 on firm flexibility. The total points for each pillar are further rescaled to values from 0 to 100, and subsequently aggregated into the total topic score. Each pillar contributes one-third to the total topic score. The Financial Services indicators consider economic impact of regulations and business practices on firms (firm flexibility) as well as society (social benefits) (table 26). For further scoring details please see Annex A, which complements this section.

Table 26. Aggregate Scoring Overview

Pillar number	Pillar	Number of indicators	Score			Rescaled score (0-100)	Weight
			Firm flexibility	Social benefits	Total score		
I	Regulatory Framework: Quality of regulations for commercial lending; secured transactions; e-payments; and green financing	30	22	30	52	100	0.33
II	Accessibility of Information in Credit Infrastructure and Access to Finance	9	8	9	17	100	0.33
III	Efficiency of receiving financial services in practice	10	100	n.a.	100	100	0.33

Note: n.a. = not applicable (refers to the cases when the impact on firms or society is either ambiguous or nonexistent).

6.1 Pillar I–Regulatory Framework: Quality of regulations for commercial lending, secured transactions, e-payments, and green financing

Pillar I covers 30 indicators with a total score of 52 points (22 points on firm flexibility and 30 points on social benefits) (table 27). The scoring for each category under this pillar is as follows:

6.1.1 The *Good Regulatory Practices for Commercial Lending* Category has 6 indicators with a total maximum score of 8 points (2 points on firm flexibility and 6 points on social benefits). Specifically, the *Requirement to Conduct Customer Due Diligence (CDD) and Record Keeping* Subcategory has 2 indicators; the *Risk-Based Approach and Risk Factors* Subcategory has 2 indicators; and the *Availability of Enhanced and Simplified CDD Measures* Subcategory has 2 indicators. A regulatory framework that follows good practices for customer due diligence for commercial lending benefits society (social benefits) and sometimes firms (firm flexibility). Hence, scores are not equally assigned to both categories.

6.1.2 The *Good Regulatory Practices for Secured Transactions* Category has 7 indicators with a total maximum score of 14 points (7 points on firm flexibility and 7 points on social benefits).

Specifically, the *Integrated Legal Framework for Secured Transactions* Subcategory has 1 indicator; the *Types of Movable Assets, Debts, and Obligations that Can Be Secured* Subcategory has 4 indicators; and the *Priority/Enforcement* Subcategory has 2 indicators. A regulatory framework that follows good practices for secured transactions benefits society (social benefits) and firms (firm flexibility). Hence, scores are equally assigned to both categories.

6.1.3 The *Good Regulatory Practices for e-payments* Category has 12 indicators with a total maximum score of 24 points (12 points on firm flexibility and 12 points on social benefits). Specifically, the *Risk Management* Subcategory has 3 indicators; the *Protection of Customer Funds* Subcategory has 2 indicators; the *Transparency of Fees, Terms, and Conditions* Subcategory has 2 indicators; *Availability of Solid Recourse and Dispute Resolution Mechanisms* Subcategory has 2 indicators; and the *Interoperability and Promotion of Competition* Subcategory has 3 indicators. A regulatory framework that follows good practices for e-payments benefits society (social benefits) and firms (firm flexibility). Hence, scores are equally assigned to both categories.

6.1.4 The *Good Regulatory Practices for Green Financing* Category has 5 indicators with a total maximum score of 6 points (1 point on firm flexibility and 5 points on social benefits). Specifically, the *Risk Management* Subcategory has 1 indicator; the *Disclosure Requirements and Impact Reporting* Subcategory has 2 indicators; and the *Availability of Green Financing and Adoption of Green Principles* Subcategory has 2 indicators. A regulatory framework that follows good practices for green financing benefits society (social benefits) and sometimes firms (firm flexibility). Hence, scores are not equally assigned to both categories.

Table 27. Scoring for Pillar I

Pillar I—Regulatory Framework		No. of indicators	FFP	SBP	Total points	Rescaled points
1.1	Good Regulatory Practices for Commercial Lending	6	2	6	8	15.38
1.1.1	Requirement to Conduct Customer Due Diligence (CDD) and Record Keeping	2	1	2	3	5.77
1.1.2	Risk-Based Approach and Risk Factors	2	n.a.	2	2	3.85
1.1.3	Availability of Enhanced and Simplified CDD Measures	2	1	2	3	5.77
1.2	Good Regulatory Practices for Secured Transactions	7	7	7	14	26.92
1.2.1	Integrated Legal Framework for Secured Transactions	1	1	1	2	3.85
1.2.2	Types of Movable Assets, Debts and Obligations that Can Be Secured	4	4	4	8	15.38
1.2.3	Priority/Enforcement	2	2	2	4	7.69
1.3	Good Regulatory Practices for e-Payments	12	12	12	24	46.15
1.3.1	Risk Management	3	3	3	6	11.54
1.3.2	Protection of Customer Funds	2	2	2	4	7.69
1.3.3	Transparency of Fees, Terms, and Conditions	2	2	2	4	7.69
1.3.4	Availability of Solid Recourse and Dispute Resolution Mechanisms	2	2	2	4	7.69
1.3.5	Interoperability and Promotion of Competition	3	3	3	6	11.54
1.4	Good Regulatory Practices for Green Finance	5	1	5	6	11.54

1.4.1	Risk Management	1	n.a.	1	1	1.92
1.4.2	Disclosure Requirements and Impact Reporting	2	n.a.	2	2	3.85
1.4.3	Availability of Green Financing and Adoption of Green Principles	2	1	2	3	5.77
Total		30	22	30	52	100

Note: n.a. = not applicable (refers to the cases when the impact on firms or society is either ambiguous or nonexistent). CDD = customer due diligence; FFP = firm flexibility point; SBP – social benefit point.

6.2 Pillar II–Public Services: Accessibility of Information in Credit Infrastructure and Access to Finance

Pillar II covers 9 indicators with a total score of 17 points (8 points on firm flexibility and 9 points on social benefits) (table 28). The scoring for each category under this pillar is as follows:

- 6.2.1** The *Operation of Credit Bureaus and Registries* Category covers 3 indicators with a total maximum score of 6 points (3 points on firm flexibility and 3 points on social benefits). Specifically, each indicator has 3 measures each. The *data coverage and identification, data scope, additional services and borrower's access to information* features can facilitate access to finance for firms and contribute to stability of the financial sector. Because these measures directly affect firms and society, scores are equally assigned for firm flexibility and social benefit.
- 6.2.2** The *Operation of Collateral Registries* Category covers 3 indicators with a total maximum score of 6 points (3 points on firm flexibility and 3 points on social benefits). Specifically, the *unified collateral registry; notice-based collateral registry; and modern collateral registry and accessing data* features make registries more transparent, cheaper, and to have more expedited procedures. Thus, these indicators are equally scored as a benefit for both firms as well as society.
- 6.2.3** The *Green Finance* Category covers 2 indicators with a maximum total score of 3 points (1 point for firm flexibility and 2 points on social benefits): specifically, the *availability of green loans*, and the *external review requirement to obtain green loans*. The availability of green loans in practice, even if there is no adopted framework on the national level, constitutes a benefit for both firms and society as it implies availability of an alternative financing product in the economy. Therefore, this indicator is scored for both firm flexibility and social benefit. The compliance with requirements to obtain green loan is a cost to firms, but also enables firms to obtain green financing. These compliance requirements constitute a social benefit because they prevent green washing. Hence, this indicator is scored on social benefits only.
- 6.2.4** The *Gender Finance* Category covers 1 indicator, with a total maximum score of 2 points (1 for firm flexibility and 1 for social benefits). Specifically, the *Promoting Access to Finance for Women* Subcategory has 1 indicator. Availability of women targeted financial and nonfinancial products, initiatives, and programs to promote women in the banking sector are beneficial for both firms and society at large. Hence, scores are equally assigned to both categories.

Table 28. Scoring for Pillar II

Pillar II–Public Services: Accessibility of Information in Credit Infrastructure and Access to Finance		No. of indicators	FFP	SBP	Total points	Rescaled points
2.1	Operation of Credit Bureaus and Registries	3	3	3	6	35.29
2.1.1	Data Coverage and Access to Credit Information	3	3	3	6	35.29
2.2	Operation of Collateral Registries	3	3	3	6	35.29

2.2.1	Features of Collateral Registries	3	3	3	6	35.29
2.3	Green Finance	2	1	2	3	17.65
2.3.1	Availability and Requirements for Green Loans	2	1	2	3	17.65
2.4	Gender Finance	1	1	1	2	11.76
2.4.1	Promoting Access to Finance for Women	1	1	1	2	11.76
	Total	9	8	9	17	100

Note: FFP = firm flexibility point; SBP – social benefit point.

6.3 Pillar III–Efficiency: Efficiency for Loans and e-payments

The pillar covers 10 indicators with scores ranging from 0 to 100 (table 29). The scores on indicators under this pillar are assigned to firm flexibility only, as the indicators measure the outcomes of service provision to firms. For example, high fees and long times to obtain financial services have adverse impacts on firms, thus hampering firm flexibility. The scoring for each category under this pillar is as follows:

6.3.1 The *Loans* Category covers 4 indicators including time to obtain loan; cost to obtain loan; efficiency of security interest and credit data update; and gender gap in access to loans and other banking services. The score for this subcategory is the simple average of the four scores of each indicator.

6.3.2 The *e-payments* Category covers 6 indicators including cost to receive e-payment; cost to make e-payment; time to receive e-payment; usage level in receiving e-payment; usage level in making e-payment; and gender gap in usage of e-payments. The score of this subcategory is the simple average of the six scores of each indicator.

Table 29. Scoring for Pillar III

Pillar III–Efficiency: Efficiency of Receiving Financial Services in Practice		No. of indicators	Rescaled Points
3.1	Loans	4	100
3.1.1	Time to Obtain a Loan	1	25
3.1.2	Cost to Obtain a Loan	1	25
3.1.3	Efficiency of Security Interest and Credit Data Update	1	25
3.1.4	Gender Gap in Access to Loans and Other Banking Services	1	25
3.2	e-payments	6	100
3.2.1	Cost to Receive an e-payment	1	16.7
3.2.2	Cost to Make an e-payment	1	16.7
3.2.3	Time to Receive an e-payment	1	16.7
3.2.4	Usage Level in Receiving an e-payment	1	16.7
3.2.5	Usage Level in Making an e-payment	1	16.7
3.2.6	Gender Gap in Usage of e-payments	1	16.7
	Total	10	100

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Annex A. Financial Services–Scoring Sheet

This document outlines the scoring approach for the Financial Services topic. For every indicator, a firm flexibility point (FFP) and/or a social benefit point (SBP) are assigned, along with a clarification on the detailed scoring for each such indicator and a note on the relevant background literature.

PILLAR I–REGULATORY FRAMEWORK: QUALITY OF REGULATIONS FOR COMMERCIAL LENDING, SECURED TRANSACTIONS, E-PAYMENTS, AND GREEN FINANCE					
1.1 GOOD REGULATORY PRACTICES FOR COMMERCIAL LENDING					
1.1.1. Requirement to Conduct Customer Due Diligence (CDD) and Record Keeping					
Indicators	FFP	SBP	Total points	Rescaled points	Background literature
Requirement to conduct CDD and verify identity of business and owners (including requirement to verify company identity, direct ownership and structure, beneficial ownership, purpose of loan, and geographical location of customer)	n.a.	1	1	1.92	BCBS (2014); European Supervisory Authorities (2013); FATF (2014)
CDD for existing customers and record keeping (including reliance on CDD for existing customers, CDD undertaken by other institutions, maintaining CDD information for a period of 5 years and maintaining CDD information up to date for high-risk clients)	1	1	2	3.85	BCBS (2014); European Supervisory Authorities (2013); FATF (2014, 2020)
Total points for Subcategory 1.1.1	1	2	3	5.77	
1.1.2. Risk-Based Approach and Risk Factors					
Availability of risk-based approach (including a risk-based approach for AML/CFT review).	n.a.	1	1	1.92	BCBS (2014); European Supervisory Authorities (2013); FATF (2014)
Risk factors (including risk factors associated with the customer (for example, beneficial owner, ownership structure, involvement in international structure, nominee shareholders or shares in bearer forms, business relationship conducted in unusual circumstances, cash intensive business, high-risk geographical location) and risk factors associated with product, service, delivery channel (for example, private banking, anonymous transactions, payments received from	n.a.	1	1	1.92	BCBS (2014); European Supervisory Authorities (2013)

unknown sources, non-face-to-face relation and transactions, operations in high-risk geographical location)					
Total points for Subcategory 1.1.2	n.a.	2	2	3.85	
1.1.3. Availability of Enhanced and Simplified CDD Measures					
Simplified CDD (including availability of simplified AML/CFT review for low-risk clients and the availability of guidance on low-risk)	1	1	2	3.85	BCBS (2014); European Supervisory Authorities (2013); FATF (2014)
Enhanced CDD (including availability of enhanced AML/CFT review for high-risk clients and the availability of guidance on high-risk)	n.a.	1	1	1.92	BCBS (2014); European Supervisory Authorities (2013); FATF (2014)
Total points for Subcategory 1.1.3	1	2	3	5.77	
Total points for Category 1.1	2	6	8	15.38	
1.2 GOOD REGULATORY PRACTICES FOR SECURED TRANSACTIONS					
1.2.1 Integrated Legal Framework for Secured Transactions					
Integrated legal framework for secured transactions	1	1	2	3.85	UNCITRAL (2010, 2019)
Total points for Subcategory 1.2.1	1	1	2	3.85	
1.2.2 Types of Movable Assets, Debts, and Obligations that Can Be Secured					
Security interest in a single category of movable assets	1	1	2	3.85	UNCITRAL (2010, 2019)
Security interest in combined category of movable assets	1	1	2	3.85	UNCITRAL (2010, 2019)
Security interest over future assets	1	1	2	3.85	UNCITRAL (2010, 2019)
Debts and obligations	1	1	2	3.85	
Total points for Subcategory 1.2.2	4	4	8	15.38	
1.2.3 Priority/Enforcement					
Priority of claims outside of insolvency or bankruptcy	1	1	2	3.85	UNCITRAL (2010, 2019)
Enforcement of security interests	1	1	2	3.85	UNCITRAL (2010, 2019)
Total points for Subcategory 1.2.3	2	2	4	7.69	
Total points for Category 1.2	7	7	14	26.92	
1.3 GOOD REGULATORY PRACTICES FOR E-PAYMENTS					
1.3.1 Risk Management					

External review and internal control	1	1	2	3.85	OCC (2021); World Bank (2016, 2020)
Cybersecurity and operational risk	1	1	2	3.85	OCC (2021); World Bank (2016, 2020)
Liquidity risk	1	1	2	3.85	OCC (2021); World Bank (2016, 2020)
Total points for Subcategory 1.3.1	3	3	6	11.54	
1.3.2 Protection of Customer Funds					
Obligations of user and payment service provider (PSP)	1	1	2	3.85	EU Second Payment Services Directive 2015/2366; World Bank (2016, 2020); World Bank Group (2017)
Cancellation of erroneous transactions, protection of funds held by non-bank PSPs and liability of unauthorized payments	1	1	2	3.85	EU Second Payment Services Directive 2015/2366; World Bank (2020); World Bank Group (2017); World Bank (2019b)
Total points for Subcategory 1.3.2	2	2	4	7.69	
1.3.3 Transparency of Fees, Terms, and Conditions					
Disclosure of fees and notification of fee changes	1	1	2	3.85	World Bank (2016, 2020); World Bank Group (2017)
Disclosure of liability, use of data, and dispute mechanisms	1	1	2	3.85	World Bank (2016, 2020); World Bank Group (2017)
Total points for Subcategory 1.3.3	2	2	4	7.69	
1.3.4 Availability of Solid Recourse and Dispute Resolution Mechanisms					
Disputing a transaction	1	1	2	3.85	World Bank (2016, 2020); World Bank Group (2017);
Availability of dispute mechanisms	1	1	2	3.85	World Bank (2016, 2020); World Bank Group (2017)
Total points for Subcategory 1.3.4	2	2	4	7.69	
1.3.5 Interoperability and Promotion of Competition					
Interoperability of payment systems	1	1	2	3.85	Boar et al. (2021); Resendiz (2018); World Bank (2020)
Fair competition	1	1	2	3.85	World Bank (2016, 2020)
Equal access and treatment of different PSPs	1	1	2	3.85	World Bank (2016, 2020)
Total points for Subcategory 1.3.5	3	3	6	11.54	
Total points for Category 1.3	12	12	24	46.15	
1.4 GOOD REGULATORY PRACTICES FOR GREEN FINANCING					
1.4.1 Risk Management					

Requirement to incorporate climate/environmental risks in risk management frameworks	n.a.	1	1	1.92	Coelho and Restoy (2022); IFC (2020); Nicholls (2019); World Bank (2021)
Total points for Subcategory 1.4.1	n.a.	1	1	1.92	
1.4.2 Disclosure Requirements and Impact Reporting					
Requirements for climate related financial disclosures	n.a.	1	1	1.92	IFC (2020); TCFD (2021); World Bank (2021)
Requirement to disclose impact of investment on environment	n.a.	1	1	1.92	ICMA (2021); IFC (2020); World Bank (2021)
Total points for Subcategory 1.4.2	n.a.	2	2	3.85	
1.4.3 Availability of Green Financing and Adoption of Green Principles					
Availability of framework for green loan issuance	1	1	2	3.85	IFC (2020); LMA (2021); World Bank (2021)
Guidelines on external review requirement to obtain green loans	n.a.	1	1	1.92	IFC (2020); LMA (2021); World Bank (2021)
Total points for Subcategory 1.4.3	1	2	3	5.77	
Total points for Category 1.4	1	5	6	11.54	
Total points for Pillar I	22	30	52	100.00	

Note: n.a. = not applicable (refers to the cases when the impact on firms or society is either ambiguous or nonexistent). AML/CFT = anti-money laundering/combating the financing of terrorism; CDD = customer due diligence; FFP = firm flexibility points; SBP = social benefits points.

PILLAR II – ACCESSIBILITY OF INFORMATION IN CREDIT INFRASTRUCTURE AND ACCESS TO FINANCE

2.1 OPERATION OF CREDIT BUREAUS AND REGISTRIES**

** If the credit bureau or registry is not operational or covers less than 5 percent of the adult population (age 15 to 64), the score is 0. In the case where the bureau or registry is operational but does not distribute credit report by the cut-off date for B-READY, the score is also 0.

2.1.1 Data Coverage and Access to Credit Information

Indicators	FFP	SBP	Total points	Rescale points	Background literature
Data coverage and identification (including coverage of data for firms and individuals, data from financial institutions and alternative sources, and data sharing across border and use of technical reporting codes to identify crises-related data)	1	1	2	11.76	Giannetti and Jentzsch (2013); Martinez Peria and Singh (2014); World Bank (2019a); World Bank Group (2011)
Data scope (including sharing of both positive and negative information, sharing at least two years of historical data and sharing data on loan amounts below 1% of income per capita)	1	1	2	11.76	World Bank (2019a); World Bank Group (2011)
Additional services and borrower's access to information (including borrowers having the right to access their data, banks and other financial institutions having online access to credit information, bureaus/registry offer credit scores as a value-added service and borrower's credit information are reviewed in practice)	1	1	2	11.76	World Bank (2019a); World Bank Group (2011)
Total points for Category 2.1	3	3	6	35.29	

2.2 OPERATION OF COLLATERAL REGISTRIES

2.2.1 Features of Collateral Registries

Unified collateral registry	1	1	2	11.76	UNCITRAL (2010, 2014, 2019)
Notice-based collateral registry	1	1	2	11.76	UNCITRAL (2010, 2014, 2019)
Modern collateral registry and accessing data	1	1	2	11.76	UNCITRAL (2010, 2014, 2019)
Total points for Category 2.2	3	3	6	35.29	

2.3 GREEN FINANCE

2.3.1 Availability and Requirements for Green Loans

Availability of green loans	1	1	2	11.76	IFC (2020); LMA (2021); World Bank (2021)
External review requirement to obtain green loans	n.a.	1	1	5.88	IFC (2020); LMA (2021); World Bank (2021)

Total points for Category 2.3	1	2	3	17.65	
2.4 GENDER FINANCE					
2.4.1 Promoting Access to Finance for Women					
Women-targeted products and programs to promote women (including availability of women-targeted financial and nonfinancial products, trainings for gender diversity, and programs to promote women in the banking sector)	1	1	2	11.76	Brock and De Hass et al. (2023) >; Campos et al. (2018); Cucagna, Iocovone, and Rubiano-Matulevich (2020); FMO and IFC (2020); IFC (2017); Saporito, Elam, and Brush (2013); World Bank (2022)
Total points for Subcategory 2.4.1	1	1	2	11.76	
Total points for Category 2.4	1	1	2	11.76	
Total points for Pillar II	8	9	17	100.00	

Note: n.a. = not applicable (refers to the cases when the impact on firms or society is either ambiguous or nonexistent).

PILLAR III–EFFICIENCY: EFFICIENCY OF RECEIVING FINANCIAL SERVICES IN PRACTICE					
3.1 LOANS					
3.1.1 Time to Obtain a Loan					
Indicators	FFP	SBP	Total points	Rescaled points	Background literature
Time to obtain loan	25	n.a.	25	12.50	Beck, Demirgüç-Kunt, and Maksimovic (2005)
3.1.2 Cost to Obtain a Loan					
Cost to obtain loan	25	n.a.	25	12.50	Beck, Demirgüç-Kunt, and Maksimovic (2005)
3.1.3 Efficiency of Security Interest and Credit Data					
Efficiency of security interest and credit data update	25	n.a.	25	12.50	UNCITRAL (2010, 2014, 2019); World Bank Group (2011, 2019a)
3.1.4 Gender Gap in Access to Loans and Other Banking Services					
Gender gap in access to loans and other banking services	25	n.a.	25	12.50	Beck, Demirgüç-Kunt, and Honohan (2009); Demirgüç-Kunt, Beck, and Honohan (2008); World Bank (2014)
Total points for Category 3.1	100	n.a.	100	50.0	
3.2 e-PAYMENTS					
3.2.1 Cost to Receive e-payments					
Cost to receive e-payments	6.67	n.a.	16.67	8.33	World Bank (2021)
3.2.2 Cost to Make e-payments					
Cost to make e-payments	16.67	n.a.	16.67	8.33	World Bank (2021)
3.2.3 Time to Receive e-payments					
Time to receive e-payments	16.67	n.a.	16.67	8.33	World Bank (2021)
3.2.4 Usage Level in Receiving e-payments					
Usage level in receiving e-payments	16.67	n.a.	16.67	8.33	World Bank (2021)
3.2.5 Usage Level in Making an e-payment					
Usage level in making e-payments	16.67	n.a.	16.67	8.33	World Bank (2021)
3.2.6 Gender Gap in Usage of e-payments					
Gender gap in usage of e-payments	16.67	n.a.	16.67	8.33	Pazarbasioglu et al. (2020); World Bank Group and World Economic Forum (2016)

Total points for Category 3.2	100	n.a.	100	50.00	
Total points for Pillar III	100	n.a.	100	100.00	

Note: n.a. = not applicable (refers to the cases when the impact on firms or society is either ambiguous or nonexistent). FFP = firm flexibility points; SBP = social benefits points.

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Annex B. Financial Services–Annotated Questionnaire

Annex B consists of a Glossary and Annotated Questionnaire for Quality of Regulations for Commercial Lending, Secured Transactions and Collateral Registries, Electronic Payments (e-payments), Green Finance, Gender Finance and Operation of Credit Bureaus and Registries. The Annotated Questionnaire provides the mapping between each indicator and the corresponding question(s). Due to the presence of multiple questionnaires, the numbering of categories in the Annotated Questionnaire does not match the numbering in the Financial Services Methodology Note.

Glossary

Advice/mentoring: This relates to direct interaction with knowledgeable sources, in person or digitally, such as business coaches, accountants, and legal experts.

Arrears: Obligations that have not been paid by their due date, meaning, an overdue payment.

Assignment of receivables: The creation of a security right in a receivable that secures the performance of an obligation. Although outright transfers of receivables are transfers not intended to secure an obligation, for convenience of reference the term is included in the assignment of receivables. Example: A company/individual assigns or sells outright its accounts receivable to a lending company in return for a loan. The lending company is repaid from the receivables.

Business management technology: This relates to financial management solutions, such as cashflow management, payroll, invoicing, accounting.

Certification: A borrower may have their green loan or associated green loan framework certified against an external green assessment standard. An assessment standard defines criteria, and alignment with such criteria is tested by qualified third parties/certifiers.

Climate-related financial disclosures: These relate to information related to the risks and opportunities firms can potentially face due to climate change. To make more informed financial decisions and appropriately assess and price risks and assets, investors, lenders, and insurance underwriters need to understand how climate-related risks and opportunities are likely to impact an organization's future financial position as reflected in its income statement, cash flow statement, and balance sheet.

Climate-related and environmental risks: These include physical and transition risks. Physical risk refers to the financial impact of a changing climate, including more frequent extreme weather events and gradual changes in climate, as well as of environmental degradation. Transition risk refers to an institution's financial loss that can result, directly or indirectly, from the process of adjustment toward a lower-carbon and more environmentally sustainable economy.

Collateral registry: Also called Security Rights Registry under UNCITRAL Guide on the Implementation of a Security Rights Registry, means the economy's system for receiving, storing, and making accessible to the public certain information about security rights in movable assets.

Consultant review: A borrower can seek advice from consultants and/or institutions with recognized expertise in environmental sustainability or other aspects of the administration of a green loan. "Second-party opinions" may also fall into this category.

Credit bureau: A private firm or nonprofit organization that maintains a database on the creditworthiness of borrowers (individuals or firms) in the financial system and facilitates the exchange of credit information among creditors.

Credit registry: A database managed by the public sector, usually by the central bank or the superintendent of banks that collects information on the creditworthiness of borrowers (individuals or firms) in the financial system and facilitates the exchange of credit information among banks and other regulated financial institutions (while their primary objective is to assist banking supervision).

Credit score: A number assigned to a borrower based on the borrower's ability and capacity to repay debt. It also captures the creditworthiness of borrowers. Credit scores are developed based on the credit bureau/registry's data, and include information pooled across many creditors and possibly some public information sources.

Crises-related data: These include data that have been collected (on borrowers) during an unstable or difficult time that could lead to a change of lending decision.

Cross border credit information sharing: The movement or transfer of information between credit bureaus/registries and financial institutions across country borders.

Customer usage limits: Types of measures put in place to mitigate the risks. Examples include per transaction and/or daily limits for users of payment services set by the operator and/or the participating payment service providers.

Default: A failure to meet a financial obligation/pay the loan when its due.

Education: This relates to business and financial education, often in the form of workshops or training delivered either in-person or digitally, designed to build the knowledge and capacity of small and medium enterprises (SMEs).

Electronic-money (e-money): An electronic store of monetary value on a technical device that may be widely used for making payments to other entities other than the e-money issuer. The device acts as a prepaid bearer instrument, which does not necessarily involve bank accounts in transactions.

Electronic payment (e-payment): Sometimes also called a digital payment, means the transfer of value from one payment account to another using a digital device such as a mobile phone, POS (Point of Sales), or computer, digital channel communication such as mobile wireless data or SWIFT (Society for the Worldwide Interbank Financial Telecommunication). This definition includes payments made with bank transfers, mobile money, and payment cards including credit, debit, and prepaid cards.

Fiduciary transfer of title: A transfer of ownership for security purposes until the debt is extinguished. The debtor may retain possession of the assets. Example: A company/individual transfers the title of a machine to a bank as security for loan and expects to retrieve ownership of the machine following payment of the debt.

Financial institutions: Banks or other companies engaged in the business of dealing with financial and monetary transactions such as deposits, commercial loans, and investments. These include commercial banks, development banks, etc.

Financial lease: An agreement where the lessor receives payments to cover its ownership costs. Such an agreement creates a right in favor of the lessor over a tangible asset—that is, the object of a lease

agreement—under which, at the end of the lease: (a) The lessee automatically becomes the owner of the asset that is the object of the lease; (b) The lessee may acquire ownership of the asset by paying no more than a nominal price; or (c) The asset has no more than a nominal residual value. Example: Company/individual “Lessee” agrees to lease a machine from another company “Lessor.” The lessor is usually a financial institution. The lease agreement guarantees the use of the machine and guarantees that the lessor receives regular payments from the lessee for a specified period of time.

Firm: An organization/corporation that requests a loan from a financial institution and has a history in bureau/registry.

Functional equivalents: In the functional approach to secured transactions, all rights in movable assets that are created by agreement and that secure the payment or other performance of an obligation, regardless of the type of transaction or the terminology used by the parties, are considered to be functional equivalents to traditional types of security interests. The four most common types of functional equivalents are: (1) fiduciary transfer of title; (2) financial leases; (3) assignment/transfer of receivables; and (4) sales with retention of title.

Green bonds: Any type of bond instrument where the proceeds will be exclusively applied to finance or refinance (in part or in full) verified new and/or existing eligible climate-related and environmental projects. These bonds are expected to be aligned with the Green Bond Principles (GBP) or national definition aligned with the GBP.

Green finance: All lending and investment that contributes to climate mitigation, climate adaptation and resilience, and other environmental objectives—including biodiversity management.

Green loans: Any type of loan instrument made available exclusively to finance or refinance (in part or in full) new and/or existing eligible green projects. These loans are expected to be aligned with the Green Loan Principles (GLP) or national definition aligned with the GLP.

Green taxonomy: A classification system to identify environmentally sustainable economic activities that substantially contribute to achievement of international and national climate or environmental goals, while causing no harm to environmental or social objectives.

Historical data: Borrowing credit history records borrower’s ability to repay debts and demonstrated responsibility in repaying them. It also shows borrowers’ transactions and relevant financial history.

Incorporated entities: Are understood as separate legal entities incorporated through a registration process established by legislation.

Information: This relates to business-related information, such as relevant updates to tax policy or market research on key sectors, delivered to SMEs via websites, publications, relationship managers, and other front-line bank staff.

Individual: A person who requests a loan from a financial institution and has a history in bureau/registry. A group of individuals (borrowers + third party + partner + sponsors) will be considered as ONE individual borrower, not firm.

Internet banking: A facility that enables customers of a financial institution to execute financial transactions electronically via the internet using a computer or another electronic device.

Key information: This refers to documents that provide clear information on investment products and can include: product name and producer/firm identity; types of investors for whom it is intended; risk and reward profile of the product, which includes a summary of risk indicator, possible maximum loss of invested capital and appropriate performance scenarios of the product; costs investors must bear when investing in the product; information about how and to whom an investor can make a complaint in case there is a problem with the product or the firm producing, advising on, or selling the product.

Mobile banking: A facility that enables customers of a financial institution to execute financial transactions electronically via the internet using a mobile phone.

Mobile money: A pay-as-you-go digital medium of exchange and store of value using mobile money accounts, facilitated by a network of mobile money agents. It is a financial service offered to its clients by a mobile network operator or another entity that partners with mobile network operators, independent of the traditional banking network.

Movable property: A tangible or intangible asset, which is not immovable property. The assessment does not include the movable properties governed by a different regime due to their nature: airplanes, boats, intellectual property, etc.

Networking and markets: This relates to in-person networking events, facilitation of digital networking tools that support entrepreneurs in connecting with peers and role models, and recognition programs such as award shows that spotlight successful entrepreneurs, as well as online or in-person marketplaces, trade fairs, and exposure visits to locations where clients may wish to trade.

Nonfinancial services: These are business development services offered by banks to complement their core financial offerings

Non-incorporated entities: Are considered nonregistered partnerships, sole proprietorships, and individuals.

Nonregulated entities: These include retailers, utility companies, trade creditors and microfinance institutions.

Payment cards: These include credit, debit, and prepaid cards.

Payment service provider (PSP): An entity that provides payment services, including remittances. PSPs include banks and other deposit-taking institutions, as well as specialized entities such as money transfer operators and e-money issuers.

Private sale: A method of selling assets in which the buyer's and seller's identities are not disclosed and the procedure may not be monitored by a government agency.

Prospectus: A disclosure document that provides information about an investment offering for sale to potential buyers.

Public auction: A method of selling assets in a public forum through open and competitive bidding and under the authority of a court or a government agency.

Public authorities: This refers to government ministries or government agencies, as well as supervisors/regulators, central banks, and stock markets.

Rating: A borrower can have its green loan or associated green loan framework rated by qualified third parties, such as specialized research providers or rating agencies.

Rating methodologies: Methodologies used for the rating of a green loan/bonds or associated green loan/bond framework provided by qualified third parties, such as specialized research providers or rating agencies.

Regulated entities: These include banks or similar financial institutions that are regulated, supervised, and subject to periodic examination by a government agency.

Repayment history: An individual's history of repaying a loan or other financial obligations, including a record of unpaid debts or outstanding credit (even individuals currently have no outstanding loans, defaults, etc.)

Restructured debts: Refinanced debt held by an individual or firm.

Retailers and merchants: These include department stores, furniture stores, car dealers, etc.

Retention of title sale: The sale of goods where the title to the goods remains vested in the seller until certain obligations (usually payment of the purchase price) are fulfilled by the buyer. Example: The title of inventory remains vested with a seller until the purchase price has been paid in full by the buyer company/individual.

Secured transaction: This refers to all transactions, irrespective of the form, that create a right in any type of movable asset to secure the performance of an obligation.

Security interest over a combined category of assets: This interest is created when a security interest is granted over all or several types of movable assets of the entire company in one security instrument. Common law countries may allow to grant a security interest over a combined category of assets by way of a floating charge or enterprise charge. In civil law countries, this may be possible through a “*nantissement sur fond de commerce*” or “*fondo de comercio/hipoteca mercantile*.”

Socioemotional skills training: This includes training programs that focus on socioemotional and noncognitive skills (including self-confidence, leadership, creativity, risk propensity, and mental health).

Technical assistance: This refers to advisory services provided by financial institutions, entities in the banking sector, or the issuer to offer a better financial knowledge of green bonds. The advisory service should include key information enabling investors to make an informed assessment of the securities offered by an issuer. It can be based on green disclosure obligations.

Utility companies: These include telecommunications, electricity, water, gas, or similar services.

Verification: A borrower can have its green loan, associated green loan framework, or underlying assets independently verified by qualified parties, such as auditors or independent environmental, social, and governance (ESG) rating providers. In contrast to certification, verification may focus on alignment with internal standards or claims made by the borrower.

Questionnaire

QUALITY OF REGULATIONS FOR COMMERCIAL LENDING

The tables that follow present all indicators (including their components, if applicable) under each pillar, with a reference to the corresponding question number in parenthesis. The questions are listed before each table for ease of reference.

For Y/N questions, the Y response accounts for the score and is considered as the good practice, unless otherwise indicated with the sign “Y/N; N – good practice”.

In the tables that follow, “AND” means all referenced questions must have a good practice response to obtain a score on the indicator.

In the tables that follow, “OR” means one or more referenced questions must have a good practice response to obtain a score on the indicator.

Certain questions are marked as “not scored,” which indicates that they do not impact the score in any way. The purpose of these questions is to further inform and refine the questions design for subsequent years of the pilot, as needed, as well as to substantiate and provide further information for the scored questions.

PILLAR I–REGULATORY FRAMEWORK: QUALITY OF REGULATIONS FOR COMERCIAL LENDING

- 1. Are there any legal requirements in your economy’s regulatory framework or provisions to conduct a customer due diligence** (that is, screening of customers, anti-money laundering/combating the financing of terrorism [AML/CFT] measures) **while evaluating a business loan application?** (Y/N)
- 2. If Yes, does the regulatory framework require that upon reviewing a commercial loan application for new customer, the lender verifies:** (Y/N)
 - 2a. The company’s identity
 - 2b. The direct ownership and control structure of the corporate customer
 - 2c. The beneficial owners of the corporate customer
 - 2d. The purpose/intended use of the loan
 - 2e. The geographical location of the corporate customer
- 3. Does the economy’s regulatory framework require implementing a risk-based approach when performing a customer due diligence?** (Y/N)

Note: that is, identification, assessment, and understanding of the money laundering, terrorist financing and compliance risks, and taking the appropriate mitigation measures in accordance with the level of risk.
- 4. If the answer to question 3 is Yes, what anti-money laundering/combating the financing of terrorism (AML/CFT) risk factors are considered:** (Y/N)
 - 4a. Risk factors related to the customer’s identity
 - 4b. Risk factors related to the customer’s products, services, transactions, geography, or delivery channels (that is, review that goes beyond the specific loan and involves a general review of the business activities of the applicant)

5. **If the answer to question 4a is Yes, does the regulatory framework specify the following anti-money laundering/combating the financing of terrorism risk factors related to the identity of the customer:**
 - 5a. The beneficial owner of the customer
 - 5b. The ownership structure of the company appears unusual or excessively complex given the nature of the company's business
 - 5c. Applicant firm is involved in or part of an international structure (*for example, owned by a foreign holding, has foreign affiliates*)
 - 5d. The entity/vehicle is a Personal Asset Holding Vehicle (*that is, legal person or arrangement especially created to hold personal assets for investment*)
 - 5e. Companies that have nominee shareholders or shares in bearer form
 - 5f. The business relationship is conducted in unusual circumstances (*for example, significant unexplained geographic distance between the financial institution and the customer*)
 - 5g. Businesses that are cash-intensive/reliant
 - 5h. Applicant firm is located in a high-risk geographical location
 - 5i. Other (please list)

6. **If the answer to question 4b is Yes, does the regulatory framework specify anti-money laundering/combating the financing of terrorism risk factors related to the business activity of the applicant such as whether: (Y/N)**
 - 6a. The applicant is involved in private banking
 - 6b. The applicant had anonymous transactions (*for example, transactions which may include cash*)
 - 6c. Non-face-to-face business relationships or transactions are undertaken
 - 6d. Payments are received from unknown or unassociated third parties
 - 6e. The applicant operates or undertakes activities in a high-risk geographical location
 - 6f. Other (please list)

7. **Are simplified customer due diligence measures available for low-risk clients applying for commercial loans, under the economy's regulatory framework? (Y/N)**

8. **Does the framework provide guidance on how to determine a low-risk client? (Y/N)**

9. **Are enhanced customer due diligence measures available for high-risk clients applying for commercial loans, under the economy's regulatory framework? (Y/N)**

10. **Does the framework provide guidance on how to determine a high-risk client? (Y/N)**

11. **Does the regulatory framework allow reliance on customer due diligence conducted previously for existing customers, unless there are doubts about the accuracy of that information? (Y/N)**

12. **Do commercial lenders in the economy rely on an e-KYC system (unified digital ID, RegTechs, third-party identity verification) when performing customer due diligence? (Y/N)**

13. **Does the regulatory framework require maintaining, for at least five years, all necessary records of transactions, both domestic and international, to enable them to comply swiftly with information requests from the competent authorities? (Y/N)**

14. **For high-risk cases, does the regulatory framework require that the commercial lender ensure that documents, data, or information collected under the customer due diligence process are kept up to date and relevant by undertaking reviews of existing records? (Y/N)**

1.1 GOOD REGULATORY PRACTICES FOR COMMERCIAL LENDING			
1.1.1 Requirement to Conduct Customer Due Diligence (CDD) and Record Keeping			
Indicators	FFP	SBP	Total points
Requirement to Conduct CDD and Verify Identity of Business and Owners	n.a.	1	1
- Legal requirement to conduct CDD (1)	n.a.	0.5	0.5
- Requirement to verify company identity (2a)	n.a.	0.1	0.1
- Requirement to verify direct ownership and structure (2b)	n.a.	0.1	0.1
- Requirement to verify beneficial ownership (2c)	n.a.	0.1	0.1
- Requirement to verify purpose of loan (2d)	n.a.	0.1	0.1
- Requirement to verify the geographical location of the corporate customer (2e)	n.a.	0.1	0.1
CDD for existing customers and record keeping	1	1	2
- Record keeping–reliance on CDD for existing customers (11)	0.37	0.37	0.37
- Record keeping–reliance on CDD undertaken by other institutions (e-KYC) (12)	0.37	0.37	0.37
- Record keeping–maintain CDD information for period of 5 years (13)	0.12	0.12	0.12
- Record keeping–ongoing CDD for high-risk clients (14)	0.12	0.12	0.12
Total points	2	3	5
1.1.2 Risk-Based Approach and Risk Factors			
Indicators	FFP	SBP	Total points
Availability of Risk-Based Approach (3)	n.a.	1	1
Risk Factors	n.a.	1	1
Risk factors (customer identity) (4a)	n.a.	0.25	0.25
- Customer risk factors (beneficial owner) (5a)	n.a.	0.25	0.25
- Customer risk factors (ownership structure) (5b)			
- Customer risk factors (involvement in international structure) (5c)			
- Customer risk factors (personal asset-holding vehicles) (5d)			
- Customer risk factors (nominee shareholders or shares in bearer forms) (5e)			
- Customer risk factors (business relationship conducted in unusual circumstances) (5f)			
- Customer risk factors (cash-intensive) (5g)			
- Customer risk factors (located in high-risk geographical location) (5h)			
<i>The 0.25 will be granted if more than half of the identified risk elements that contribute to defining the customer risk factor are considered.</i>			
Risk factors (product, service, geography, delivery channel) (4b)	n.a.	0.25	0.25
- Product risk factors (private banking) (6a)	n.a.	0.25	0.25
- Product risk factors (anonymous transactions) (6b)			
- Product risk factors (non–face-to-face relation and transactions) (6c)			
- Product risk factors (payments received from unknown sources) (6d)			
- Product risk factors (operations in high-risk geographical location) (6e)			
<i>The 0.25 will be granted if more than half of the identified elements that contribute to defining the products/services/transactions risks are considered.</i>			
Total points	n.a.	2	2

1.1.3 Availability of Enhanced and Simplified CDD Measures			
Indicators	FFP	SBP	Total points
Simplified CDD	1	1	2
- Simplified AML/CFT CDD review for low risk (7)	0.5	0.5	1
- Regulatory guidance to determine low risk (8)	0.5	0.5	1
Enhanced CDD	n.a.	1	1
- Enhanced AML/CFT CDD review for high risk (9)	n.a.	0.5	0.5
- Regulatory guidance to determine high risk (10)	n.a.	0.5	0.5
Total points	1	2	3

Note: n.a. = not applicable (refers to the cases when the impact on firms or society is either ambiguous or nonexistent). AML/CFT = anti-money laundering/combating the financing of terrorism; CDD = customer due diligence; FFP = firm flexibility points; SBP = social benefits points.

PILLAR II—ACCESSIBILITY OF INFORMATION IN CREDIT INFRASTRUCTURE AND ACCESS TO FINANCE

15. Do the banks in your economy review credit information from the credit bureaus or credit registries upon deciding on the loan application? (Y/N)

Note: Scores on Additional Services and Borrower's Access to Information indicator of subcategory 2.1.1.

16. If the answer to question 15 is Yes, how often do the banks use this information?

Note: Scores on Additional Services and Borrower's Access to Information indicator of subcategory 2.1.1.

- 16a. Always
- 16b. Sometimes
- 16c. Rarely

17. If not, please select the main reason why banks in your economy do not review credit information from the credit bureaus or credit registries when deciding upon a loan application: (not scored)

- 17a. There are no operational credit reporting service providers
- 17b. Credit bureaus/registries do not cover all the customers
- 17c. Information is not comprehensive, only minimal information is included
- 17d. Information is not useful
- 17e. Access is too expensive
- 17f. Credit information is not timely/relevant
- 17g. Other

18. Do banks in your economy review information from collateral registries to verify borrower's collateral registry records when a loan includes a movable asset?

Note: Scores on Modern Collateral Registry and Accessing Data indicator of subcategory 2.2.1.

- 18a. Yes
- 18b. No
- 18c. There are no operational collateral registries

19. How often do the banks use this information? Please select one of the options below.

Note: Scores on Modern Collateral Registry and Accessing Data indicator of Subcategory 2.2.1.

- 19a. Always
- 19b. Sometimes
- 19c. Rarely

- 20. Please select the main reason why banks in your economy do not review information from collateral registries to verify borrower's collateral registry records when a loan includes a movable asset: (not scored)**
- 20a. Many errors in the records
 - 20b. Access is too expensive
 - 20c. Other
- 21. Do banks in your economy review information from the collateral registries to verify borrower's collateral registry records when a loan includes an immovable asset? (not scored)**
- 21a. Yes
 - 21b. No
 - 21c. There are no operational collateral registries
- 22. How often do the banks use this information? (not scored)**
- 22a. Always
 - 22b. Sometimes
 - 22c. Rarely
- 23. Please select the main reason why banks in your economy do not review information from collateral registries to verify borrower's collateral registry records when a loan includes an immovable asset (not scored)**
- 23a. Many errors in the records
 - 23b. Access is too expensive
 - 23c. Other
- 24. Do banks in your economy review information from the collateral registries to verify borrower's collateral registry records when a loan includes a specialized asset? (not scored)**
- 24a. Yes
 - 24b. No
 - 24c. There are no operational collateral registries
- 25. How often do the banks use this information? (not scored)**
- 25a. Always
 - 25b. Sometimes
 - 25c. Rarely
- 26. Please select the main reason why banks in your economy do not review information from collateral registries to verify borrower's collateral registry records when a loan includes a specialized asset (not scored)**
- 26a. Many errors in the records
 - 26b. Access is too expensive
 - 26c. Other
- 27. Are women-targeted financial products offered by commercial banks in your economy? (Y/N)**
- 28. If the answer to question 27 is Yes, please specify the most common products offered (not scored)**
- 29. If the answer to question 27 is Yes, was there any market assessment done to inform the design of the products? (Y/N)**

- 30. Are women-targeted nonfinancial products (business development services) offered by commercial banks in your economy?**
- 30a. Nonfinancial products are offered and integrated with financial products
 - 30b. Nonfinancial products are offered, but separately from financial products
 - 30c. Nonfinancial products are not offered
- 31. If the answer to question 30 is 30a or 30b, are the women-targeted nonfinancial products (business development services) offered to:**
- 31a. Clients of commercial banks only
 - 31b. Any interested women entrepreneurs
 - 31c. Others
- 32. If the answer to question 30 is 30a or 30b, please specify what kind of nonfinancial products (business development services) are offered:**
- 32a. Information
 - 32b. Education
 - 32c. Advice/Mentoring
 - 32d. Networking and Markets
 - 32e. Business Management Technology
 - 32f. Socioemotional skills training
 - 32g. Other
- 33. If the answer to question 30 is 30a or 30b, are these nonfinancial products (business development services) available:**
- 33a. Online
 - 33b. In-person
 - 33c. Text messages
 - 33d. Other
- 34. Are trainings on unconscious bias/gender diversity offered to employees/staff of commercial banks in your economy? (Y/N)**
- 35. If the answer to question 34 is Yes, are these trainings offered to both managerial and (relevant) nonmanagerial staff/employees?**
- 35a. Offered to managerial staff
 - 35b. Offered to nonmanagerial staff
 - 35c. Other
- 36. If the answer to question 34 is Yes, are these trainings mandatory for:**
- 36a. Managerial staff
 - 36b. (Relevant) nonmanagerial staff
 - 36c. Other
- 37. Are there programs/initiatives that promote the presence of women in senior executive/management roles in the banking sector? (Y/N)**
- 38. Are there programs/initiatives that promote the presence of women in nonmanagerial roles (for example, loan officers) in the banking sector? (Y/N)**

2.4 GENDER FINANCE

2.4.1 Promoting Access to Finance for Women

Indicators	FFP	SBP	Total points
Women-Targeted Products and Programs to Promote Women	1	1	2
- Are women-targeted financial products offered by commercial banks (27 AND 29)	0.25	0.25	0.5
- Are women-targeted nonfinancial products (business development services) offered by commercial banks (30 AND 31 AND 32 AND 33)	0.25	0.25	0.5
- Are trainings on unconscious bias/gender diversity offered to employees of commercial banks (34 AND 35 AND 36)	0.25	0.25	0.5
- Existence of programs/initiatives that promote the presence of women in senior executive/management roles and/or nonmanagerial roles in the banking sector (37 AND 38)	0.25	0.25	0.5
Total points	1	1	2

Note: FFP = firm flexibility point; SBP = social benefits point.

QUALITY OF REGULATIONS FOR SECURED TRANSACTIONS AND OPERATION OF COLLATERAL REGISTRIES

The tables that follow present all indicators (including their components, if applicable) under each pillar, with a reference to the corresponding question number in parenthesis. The questions are listed before each table for ease of reference.

For Y/N questions, the Y response accounts for the score and is considered as the good practice, unless otherwise indicated with the sign “Y/N; N – good practice”.

In the tables that follow, “AND” means all referenced questions must have a good practice response to obtain a score on the indicator.

In the tables that follow, “OR” means one or more referenced questions must have a good practice response to obtain a score on the indicator.

Certain questions are marked as “not scored,” which indicates that they do not impact the score in any way. The purpose of these questions is to further inform and refine the questions design for subsequent years of the pilot, as needed, as well as to substantiate and provide further information for the scored questions.

PILLAR I—REGULATORY FRAMEWORK: QUALITY OF REGULATIONS FOR SECURED TRANSACTIONS

- 39. Are at least 3 out of 4 functional equivalents (fiduciary transfer of title, financial lease, assignment or transfer of receivables and sales with retention of title) regulated under the same law and registered at the same registry to be enforceable against third parties? (Y/N)**
- 40. Is there a law/regulation that covers the creation, priority, and enforcement of fiduciary transfer of title? (Y/N)**
- 41. If the answer to question 40 is Yes, do fiduciary transfers of title have to be registered to be effective against third parties? (Y/N)**
- 42. Is there a law/regulation that covers the creation, priority, and enforcement of financial leases? (Y/N)**
- 43. If the answer to question 42 is Yes, do financial lease rights have to be registered to be effective against third parties? (Y/N)**
- 44. Is there a law/regulation that covers the creation, priority, and enforcement of assignment of receivables and outright transfer of receivables? (Y/N)**
- 45. If the answer to question 44 is Yes, do assignments of receivables and outright transfers of receivables have to be registered to be effective against third parties? (Y/N)**
- 46. Is there a law/regulation that covers the creation, priority, and enforcement of retention of title sales? (Y/N)**

47. If the answer to question 46 is Yes, does retention of title sales have to be registered to be effective against third parties? (Y/N)

48. Are different rules regarding creation, priority, and enforcement applied if the debtor or the creditor is an incorporated or non-incorporated entity? (Y/N)

49. Can a debtor grant a secured creditor a non-possessory security interest over only its accounts receivable or the outstanding debts owed to the debtor by third parties? (Y/N)

Note: for example, the amounts that the debtor is entitled to receive from a buyer of its goods or services.

50. If the answer to question 49 is Yes, according to the law, can the accounts receivable or outstanding debts be described in general terms both in the security agreement and when the security interest is registered (for example, "all accounts receivable"), or do they need to be specified individually? (Y/N)

51. Can a debtor grant a secured creditor a non-possessory security interest over only its inventory? (Y/N)

52. If the answer to question 51 is Yes, are there any major restrictions or requirements prescribed by law when using inventory as security? (Y/N)

Note: for example, preserving the stipulated value of inventory, specifically describing the storage location, updating list.

53. If the answer to question 51 is Yes, according to the law, can the inventory be described in general terms both in the security agreement and when the security interest is registered? (Y/N)

Note: for example, "all laptop inventories" rather than "PXS laptop, serial number 3278632, metal-colored, 14-inch screen".

54. Can a debtor grant a secured creditor a non-possessory security interest over only its tangible movable property other than inventory? (Y/N)

Note: for example, machinery, furniture, livestock, crops, etc.

55. If the answer to question 54 is Yes, according to the law, can tangible movable property (other than inventory) be described in general terms both in the security agreement and when the security interest is registered? (Y/N)

Note: for example, "10 printers" rather than "Canon 11-Color plus Chroma Optimizer 24-inch Printer, serial # 12345".

56. According to the law, can a debtor grant a secured creditor a security interest in a combined category of assets? (Y/N)

Note: for example, a floating charge or an enterprise charge.

57. If the answer to question 56 is Yes, according to the law, is there a limitation on the assets that can be included in this security interest? (Y/N)

Note: for example, collateral is accessory to a mortgage, specific description of location of movables, updating of lists of collateral upon change, limit in value.

58. If the answer to question 57 is Yes, according to the law, can this collateral be described in general terms both in the security agreement and when the security interest is registered? (Y/N)

Note: for example, "all combined assets of the enterprise".

59. Can a debtor use future assets (*for example, the debtor knows that it will receive a fleet of trucks in the future and uses them as collateral*) **as movable assets to secure a loan?** (Y/N)

60. Can a debtor use after-acquired property (*for example, property that it has not yet acquired and that it may never acquire, or present and future inventory*) **as movable assets to secure a loan?** (Y/N)

61. By law, does the security interest automatically extend to “products” of the original collateral? (Y/N)

Note: for example, if the original collateral covers raw materials, such as lumber, the products of this asset would include furniture manufactured with the raw materials.

62. By law, does the security interest automatically extend to “proceeds” of the original collateral? (Y/N)

Note: for example, if the original collateral covers raw materials, such as lumber, the proceeds will include money and receivables received from the sale of the furniture.

63. By law, does the security interest automatically extend to “replacements” of the original collateral? (Y/N)

Note: for example, if the original collateral covers raw materials, such as lumber, the replacements would be another new lumber used in a subsequent manufacturing process.

64. If the answer to question 61, or 62 or 63 is Yes, if the security interest automatically extends to “products, proceeds and replacements” of the original collateral, does it apply to security interest in one category of movable assets? (Y/N)

65. If the answer to question 61, or 62 or 63 is Yes, if the security interest automatically extends to “products, proceeds and replacements” of the original collateral, does it apply to security interests in a combined category of movable assets? (Y/N)

66. Can current and future debts and obligations be secured with a single category of movable assets? (Y/N)

67. Can current and future debts and obligations be secured with a combined category of movable assets? (Y/N)

68. Can all types of fixed debts and obligations be secured with a single category of movable assets? (Y/N)

69. Can all types of conditional debts and obligations be secured with a single category of movable assets? (Y/N)

70. Can all types of fluctuating debts and obligations be secured with a single category of movable assets? (Y/N)

71. Can all types of fixed debts and obligations be secured with a combined category of movable assets? (Y/N)

72. Can all types of conditional debts and obligations be secured with a combined category of movable assets? (Y/N)

73. Can all types of fluctuating debts and obligations be secured with a combined category of movable assets? (Y/N)

74. By law, can the obligations be described in general terms in the security agreement and when the security interest is registered? (Y/N)

Note: for example, “all obligations between the parties,” or “obligations of a debt of up to US\$1,000,000 [as in a line of credit]; the obligations will fluctuate under that threshold without requiring a new agreement every time a new obligation is created”.

75. If the answer to question 74 is No, please indicate what the description requirements are. (not scored)

76. Does a secured creditor have an absolute priority over all other creditor claims that were never registered or that were registered afterward before any court proceedings are initiated? Please consider this question for the security interests both in one category and a combined category of movable assets. (Y/N)

Note: that is, is the secured creditor with a pledge paid before any other possible creditor claim, such as labor wages or state taxes.

77. Please provide the priority rankings of different types of creditor claims. (Y/N)

Note: Please note that since the debtor is outside any insolvency or bankruptcy procedure, the relevant articles might be found in different laws, such as the labor code or tax law.

78. Does the law allow parties to a security agreement, at the time a security interest is created, to agree to enforce the security interest outside of court if the debtor defaults? Please consider this question for the security interests both in one category and a combined category of movable assets. (Y/N)

Note: that is, upon default, may the secured party (1) take possession of the collateral or (2) sell, exchange, convert into money, collect, or otherwise enforce against the collateral privately or by auction.

79. If the answer to question 78 is Yes, can a sale of the asset take place through a public auction? (Y/N)

80. If the answer to question 78 is Yes, can a sale of the asset take place through a private sale? (Y/N)

81. If the answer to question 78 is Yes, is a “pactum commissorium” possible in your economy? May the secured creditor automatically appropriate the encumbered asset upon default of the debtor? (Y/N)

82. If the answer to question 81 is Yes, is the creditor allowed to acquire the asset as a full or partial repayment of the debt by agreement? (Y/N)

2.5 GOOD REGULATORY PRACTICES FOR SECURED TRANSACTIONS			
2.5.1 Integrated Legal Framework for Secured Transactions			
Indicators	FFP	SBP	Total points
Integrated Legal Framework for Secured Transactions (option 1)	1	1	2
- Integrated legal framework and same rules apply for incorporated and non-incorporated debtors and creditors (39 AND 48) OR	1 OR	1 OR	2 OR
<i>if 29 is a No and 48 is a Yes, points can be assigned as follows:</i>			

- Fiduciary transfer of title and same rules apply for incorporated and non-incorporated debtors and creditors (40 AND 41 AND 48)	0.12	0.12	0.25
- Financial lease agreement and same rules apply for incorporated and non-incorporated debtors and creditors (42 AND 43 AND 48)	0.12	0.12	0.25
- Assignment of receivables and outright transfer of receivables and same rules apply for incorporated and non-incorporated debtors and creditors (44 AND 45 AND 48)	0.12	0.12	0.25
- Retention of title sales and same rules for incorporated and non-incorporated debtors and creditors (46 AND 47 AND 48)	0.12	0.12	0.25
Total points* (depending on the two options, total score can vary from 1–2)	1	1	2
2.5.2 Types of Movable Assets, Debts and Obligations that Can Be Secured			
Indicators	FFP	SBP	Total points
Security Interest in One Category of Movable Assets (49 AND 50 AND 51 AND 52 AND 53 AND 54 AND 55)	1	1	2
Security Interest in Combined Category of Movable Assets (56 AND 57 AND 58)	1	1	2
Security Interest over Future Assets (59 AND 60 AND 61 AND 62 AND 63 AND 64 AND 65)	1	1	2
Debts and Obligations (66 AND 67 AND 68 AND 69 AND 70 AND 71 AND 72 AND 73 AND 74)	1	1	2
Total points	4	4	8
2.5.3 Priority/Enforcement			
Indicators	FFP	SBP	Total points
Priority of Claims Outside of Insolvency or Bankruptcy (76 AND 77)	1	1	2
Enforcement of Security Interests <ul style="list-style-type: none"> - Enforcement of security interests out of court (78) - Availability of public auction (79) - Availability of private sale (80) - Availability of <i>pactum commissorium</i> (81 AND 82) <i>A score of 2 is assigned if the elements in question 78 are met paired with at least 2 out of 3 of the methods contained in questions 79-82. Otherwise, the economy would score 0</i>	1	1	2
Total points	2	2	4

Note: FFP = firm flexibility point; SBP = social benefits point.

PILLAR II–ACCESSIBILITY OF INFORMATION IN CREDIT INFRASTRUCTURE AND ACCESS TO FINANCE

83. Is the registry in operation? (Y/N)

84. Is the collateral registry (*the database*) either centralized geographically for the entire economy or linked among different geographic regions within the economy? (Y/N)

Note: the “unified collateral registry” is understood either centralized geographically for the entire economy or, if different registries exist, their databases should be unified or linked. Hence, the security interest should only have to be registered once to be effective everywhere in the country as the information among different registries would be consolidated.

85. Is the registration of a non-possessory security interest required in order to be enforceable against third parties? (Y/N)

86. Is the collateral registry limited to security interests granted by certain types of borrowers or creditors? (Y/N)

Note: for example, incorporated entities, only individuals, commercial banks.

87. If different registries exist for different types of debtors (for example, incorporated and non-incorporated debtors), do the same rules for the creation of the non-possessory security interest and for third party effectiveness apply?

87a. Yes

87b. No

87c. Different registries do not exist for different types of debtors

88. If different registries exist for different types of assets (for example, incorporated and non-incorporated debtors), do the same rules for the creation of the non-possessory security interest and for third party effectiveness apply?

88a. Yes

88b. No

88c. Different registries do not exist for different types of assets

89. Can everyone, including members of the public, access the data in the registry without restriction from any geographic location in the economy? (Y/N)

Note: for example, without intermediaries such as registrars, clerks, notaries... or without being limited to a certain type of users such as state agencies)

90. Does the registry have an electronic database searchable by debtor's name or unique identifier? (Y/N)

91. Can the collateral be searchable by a serial number in the registry? (Y/N)

92. Is this a notice-based registry? (Y/N)

Note: for example, all documents, such as a copy of the loan contract, are not submitted and/or the registry does not have the authority nor the responsibility to request that the agreement is properly executed.

93. Does the registry verify the legality of the transaction once the notice of security interest has been submitted? (Y/N)

94. Does the registry staff review the correctness, completion, and accuracy of the information in the filing of the notice? (Y/N)

Note: for example, a registry clerk manually reviews and accepts the notice of registration or rejects the notice of registration due to lack or inaccuracy of information in the electronic forms to be completed.

95. Does the registry cover all types of security interests in movable assets (other than vehicles, ships, aircraft, intermediated securities, or intellectual property), including functional equivalents such as fiduciary transfers of title, financial lease agreements, assignments of receivables, and retention of title sales? (Y/N)

96. Who can perform the registration?

Note: all types of secured creditors—incorporated or non-incorporated entities, the creditor’s representatives.

97. What is the process of creating an account with the registry?

- 97a. Online without the participation or approval of any third party
- 97b. Online with an automated verification of account
- 97c. Online with the approval or verification of the creation of an account
- 97d. By email
- 97e. In person
- 97f. Through a notary

98. Does the clerk of the registry (or any other third party) review or vet with registering or searching of a security interest? (Y/N)

99. Does the collateral registry have an online system for registrations, amendments, renewals, cancellations, and searches of security interests? (Y/N)

2.1 OPERATION OF COLLATERAL REGISTRIES			
2.1.1 Features of Collateral Registries			
Indicators	FFP	SBP	Total points
Unified collateral registry	1	1	2
- Registry is operational (83)	0.25	0.25	0.5
- Registry is centralized or linked among different geographic regions (84 OR 87 AND 88)	0.25	0.25	0.5
- Registration of non-possessory security interest required is required, and the registry is open to all types of borrowers or creditors (85 AND 86)	0.25	0.25	0.5
- Anyone can access the data in the registry without restriction from any geographic location in the economy, and the registry has an online database searchable by debtor’s name or unique identifier and serial number of the collateral (89, 90, AND 91)	0.25	0.25	0.5
Notice-Based Collateral Registry (92 AND 93 AND 94 AND 95)	1	1	2
Modern Collateral Registry and Accessing Data (96 AND 97 AND 98 AND 99 AND 18 AND 19)	1	1	2
Total points	3	3	6

Note: FFP = firm flexibility point; SBP = social benefits point.

QUALITY OF REGULATIONS FOR ELECTRONIC PAYMENTS

The tables that follow present all indicators (including their components, if applicable) under each pillar, with a reference to the corresponding question number in parenthesis. The questions are listed before each table for ease of reference.

For Y/N questions, the Y response accounts for the score and is considered as the good practice, unless otherwise indicated with the sign “Y/N; N – good practice”.

In the tables that follow, “AND” means all referenced questions must have a good practice response to obtain a score on the indicator.

In the tables that follow, “OR” means one or more referenced questions must have a good practice response to obtain a score on the indicator.

Certain questions are marked as “not scored,” which indicates that they do not impact the score in any way. The purpose of these questions is to further inform and refine the questions design for subsequent years of the pilot, as needed, as well as to substantiate and provide further information for the scored questions.

PILLAR I–REGULATORY FRAMEWORK: QUALITY OF REGULATIONS ELECTRONIC PAYMENTS

100. Do e-payment methods exist in your economy? (Y/N) (not scored)

101. Please select all e-payment methods that exist in your economy: (not scored)

- 101a. Payments initiated from a transaction account through Internet banking
- 101b. Payments initiated from a transaction account through Mobile banking
- 101c. e-money
- 101d. Mobile Money
- 101e. Payment cards

102. Are there laws/regulations regarding electronic payments in your country? (not scored)
(Y/N)

103. Are there provisions in the regulatory framework that mandate external review of regulatory compliance of payment service providers? Please provide the answer for both banks and non-banks. (Y/N)

104. If the answer to question 103 is Yes, what is the scope of the review?

- 104a. Anti-money laundering/combating of financing of terrorism audit
- 104b. IT (information technology) risk management review
- 104c. Data protection and privacy review
- 104d. Operational and security risk management review
- 104e. Financial risk management review
- 104f. Regulatory reporting review (evaluate whether regulatory reporting requirements are properly done and in a timely manner)
- 104g. Other

105. If the answer to question 103 is Yes, who performs the review? Please select all that apply: (not scored)

Note: this question will be applicable to each Yes response of the previous question.

105a. Regulator or another government authority

105b. External private

105c. Other

106. Does the regulatory framework require the implementation of internal control to safeguard the integrity, authenticity, and confidentiality of data and operating processes? Please provide the answer for both banks and non-banks. (Y/N)

107. Are there provisions in the regulatory framework for e-payments that list requirements for cybersecurity? Please provide the answer for both banks and non-banks. (Y/N)

108. Are there provisions in the regulatory framework for e-payments requiring the development of contingency plans and business continuity procedures in the event of systems and technology failures? (for example, backup site or process, cyber resilience framework). Please provide the answer for both banks and non-banks. (Y/N)

109. Are there provisions in the regulatory framework for banks and non-bank PSPs that define requirements to ensure customers have guaranteed access to their funds (refers to funds placed with the PSP) on demand for withdrawal and payments subject to reasonable restrictions? Please provide the answer for both banks and non-banks. (Y/N)

110. Are there any provisions in the regulatory framework that define customer usage limits for users of electronic payment services? Please provide the answer for both banks and non-banks. (Y/N)

111. Are there specific considerations for different types of PSPs on the scope of reviews or for any of the responses provided? (Y/N) (not scored)

112. Are there provisions in the regulatory framework that limit the use of the payment instrument (for example, limiting the locations of use or the type of transactions) and the access to payment accounts by payment service provider? Please provide the answer for both banks and non-banks. (Y/N) (Y-but only the use of the payment instrument/Y-but only the access to payment accounts/Y-for both/N)

113. Does the regulatory framework define the obligations of the payment service user in relation to payment instruments and personalized security credentials? Please provide the answer for both banks and non-banks. (Y/N)

114. Is the payment service provider required to verify the identity of a payment service user (authentication) prior to the execution of payment transactions? Please provide the answer for both banks and non-banks. (Y/N)

115. Are there provisions in the regulatory framework that require payment service provider to allow for cancellation or modification of payment transactions by the payer unilaterally up to the time it has been executed by the payer's payment service provider? Please provide the answer for both banks and non-banks. (Y/N)

116. Are there variations in the requirements among different types of transactions? (not scored)

- 116a. Large value funds transfers
- 116b. Retail payments
- 116c. Fast payments
- 116d. Other

117. Does the regulatory framework include provisions that protect customer funds held with non-bank payment service providers? (Y/N)

118. Please specify which of the following are legally required to protect customer funds:

- 118a. Require separation of funds of the customer from the funds of PSP
- 118b. Require non-bank PSPs to deposit customer funds with the central bank
- 118c. Prohibit the use of customer funds for purposes other than redeeming e-money and executing fund transfers
- 118d. Prudentially supervised
- 118e. Explicitly protected from the potential bankruptcy/insolvency of the PSP
- 118f. Explicitly protected from the potential bankruptcy/insolvency of any bank or other institution in which the customers' funds are deposited/placed by the PSP
- 118g. Other

119. Are there provisions in the regulatory framework requiring insurance of customer funds held by non-bank payment service providers? (Y/N)

120. If the answer to question 119 is Yes, please specify which of the following provisions are in the regulatory framework requiring insurance of customer funds held by non-bank payment service providers:

- 120a. A deposit insurance fund that extends to non-bank PSPs.
- 120b. A deposit insurance fund that covers customer funds of non-bank PSPs deposited with commercial banks.
- 120c. A requirement of commercial insurance for customer funds held with non-bank PSPs
- 120d. A customer guarantee funds available to non-bank PSPs
- 120e. Other

121. Are there provisions in the regulatory framework requiring the following? Please provide the answer for both banks and non-banks.

- 121a. Notification about suspicious activity
- 121b. Rectification of unauthorized or incorrectly executed e-payment transactions
- 121c. Other

122. Are there general provisions in the regulatory framework that regulate liability for fraud? (Y/N)

123. Are there provisions in the regulatory framework defining the payment service provider's liability for unauthorized payment transactions? Please provide the answer for both banks and non-banks. (Y/N)

124. Are there provisions in the regulatory framework that limit the payer's liability for unauthorized payment transactions to a defined amount? Please provide the answer for both banks and non-banks. (Y/N)

- 125. Are there provisions in the regulatory framework that require the following? Please select all that apply. Please provide the answer for both banks and non-banks.**
- 125a. The disclosure of all fees for the use of e-payment
 - 125b. Notifying user about changes in fees
 - 125c. Disclosure of liability
 - 125d. Disclosure of the use of customer data
 - 125e. Written policies for complaints handling procedure and system
 - 125f. General terms of services (*for example, speed of processing, resolution time for any errors, etc.*)
- 126. Are there provisions in the regulatory framework requiring payment service providers to make available a dispute resolution mechanism? Please provide the answer for both banks and non-banks. (Y/N)**
- 127. If the answer to question 126 is Yes, what are the different methods available to dispute a charge of transaction? Please provide the answer for both banks and non-banks.**
- 127a. Online dispute resolution
 - 127b. Disputed charge reported via phone call
 - 127c. Disputed charge reported in writing
 - 127d. Other
- 128. Is there a time limit in which the payment/charge can be disputed? Please provide the answer for both banks and non-banks. (Y/N)**
- 129. If there is a time limit in which the payment/charge can be disputed, does the time limit vary by type of payment instrument? (Y/N) (*not scored*)**
- 130. If the answer to question 129 is Yes, please provide types of instruments and associated time limits. (*not scored*)**
- 131. Is the payment service provider required to acknowledge receipt of dispute notice? Please provide the answer for both banks and non-banks. (Y/N)**
- 132. Are payment service providers required to have an independent unit in charge of dispute resolution? Please provide the answer for both banks and non-banks. (Y/N)**
- 133. Does the regulatory framework establish an independent governmental authority that parties can resort to in case the dispute was not resolved internally? Please provide the answer for both banks and non-banks. (Y/N)**
- 134. Please provide the name of the agency and defined time limit, (*maximum number of days from the final decision of the payment service provider's dispute resolution unit*) to apply to this independent governmental authority. (*not scored*)**
- 135. In case a dispute is pending resolution, does the law allow the recipient to continue collecting undisputed charges (*when applicable*)? Please provide the answer for both banks and non-banks. (Y/N)**
- 136. How is the level and extent of interoperability characterized in the jurisdiction? Please select all that apply. Please provide the answer for both banks and non-banks.**

Note: this question refers to interoperability of PSPs within the economy and does not cover cross-border payments.

- 136a. A payer can make payment from his/her payment service provider to only payees with the same payment service provider
- 136b. A payer can make payment to payees in most payment service providers
- 136c. A payer can make a payment to payees in all payment service providers, including non-bank PSPs
- 136d. Other

137. If the answer to question 136 is Yes for 136a, 136b, 136c, or 136d, please select whether it is a de jure requirement, de facto or both: (not scored)

- 137a. de jure
- 137b. de facto
- 137c. Both

138. Is the level and extent of interoperability characterized in the jurisdiction applicable to all payment instruments? (Y/N) (not scored)

139. If No, please specify which payment instruments are not interoperable (not scored)

140. Does the regulatory framework include fair competition provisions for the following?

Note: examples of fair competition provisions include legal provisions that prohibit agreements with competitors about pricing, customers, market allocation and boycotts, or, in general, engaging in unfair or exclusionary conduct.

- 140a. Electronic payment service providers
- 140b. Payment systems
- 140c. Instruments
- 140d. Products
- 140e. Business models
- 140f. Channels

141. Are there provisions in the regulatory framework on new payment service providers, instruments, products, business models and channels granting them equal access to the market as to the existing participants? (Y/N) (Y-there are provisions that directly grant equal access/N-equal access is granted indirectly through the lack of restrictions/N-there are restrictions/limitations in the framework denying equal access)

Note: Equal access refers to the possibility that new payment service providers start offering their services to users without restrictions (for example, lack of access to key payment systems, exclusivity contracts of some PSPs with merchants and agents etc.) among the other competitive service providers.

142. Are the rules/procedures for registration and licensing applied for all new payment service providers, instruments, products, business models and channels, in a fair and proportionate manner and ensure a level playing field? (Y/N)

143. Does the regulatory framework set functional requirements for payment service providers? (Y/N)

Note: types of functional requirements can be an external interface, transaction processing, authentication, authorization levels, technical standards (data collection, data storage, data sharing), etc.

144. Are the functional requirements applied proportionately to all payment service providers? (Y/N)

2.6 GOOD REGULATORY PRACTICES FOR ELECTRONIC PAYMENTS			
2.6.1 Risk Management			
Indicators	FFP	SBP	Total points
External Review and Internal Control	1	1	2
- External review of regulatory compliance of payment service providers (PSP) (103 AND 104)	0.5	0.5	1
- Implementation of internal controls (106)	0.5	0.5	1
Cybersecurity and Operational Risk	1	1	2
- Requirement for cybersecurity (107)	0.5	0.5	1
- Requirement for a contingency plan (108)	0.5	0.5	1
Liquidity Risk	1	1	2
- Requirements to ensure customers have access to funds (109)	0.5	0.5	1
- Customer usage limits (110)	0.5	0.5	1
Total points	3	3	6
2.6.2 Protection of Customer Funds			
Indicators	FFP	SBP	Total points
Obligations of User and Payment Service Provider (PSP)	1	1	2
- Limits on use of payment instrument and access to payment accounts (112)	0.34	0.34	0.68
- Obligations of user in relation to payment instrument and security credentials (113)	0.33	0.33	0.66
- PSP verifies the identity of a payment service user (authentication) prior to the execution of payment transaction (114)	0.33	0.33	0.66
Cancellation of Erroneous Transactions, Protection of Funds Held by Non-Bank PSPs and Liability of Unauthorized Payments	1	1	2
- Allow for cancellation or modification of payment transaction by payer unilaterally up to processing time (115)	0.12	0.12	0.25
- Protection of customer funds held with non-bank PSPs (117 AND 118)	0.12	0.12	0.25
- Insurance requirements of customer funds held by non-bank PSPs (119 AND 120)	0.12	0.12	0.25
- Requirement for notification about suspicious activity (121a)	0.12	0.12	0.25
- Requirement to rectify unauthorized or incorrectly executed transactions (121b)	0.12	0.12	0.25
- General provisions on liability for fraud (122)	0.12	0.12	0.25
- PSP's liability for unauthorized payments (123)	0.12	0.12	0.25
- Payer's liability for unauthorized payment (124)	0.12	0.12	0.25
Total points	2	2	4
2.6.3 Transparency of Fees, Terms, and Conditions			
Indicators	FFP	SBP	Total points
Disclosure of Fees and Notification of Fee Changes	1	1	2
- Disclosure of all fees for use of e-payment (125a)	0.5	0.5	1
- Notify user about changes in fees (125b)	0.5	0.5	1
Disclosure of Liability, Use of Data, and Dispute Mechanisms	1	1	2
- Disclosure of liability (125c)	0.25	0.25	0.5
- Disclosure of use of customer data (125d)	0.25	0.25	0.5
- Written policies for complaints handling procedures (125e)	0.25	0.25	0.5
- General terms of services (125f)	0.25	0.25	0.5

Total points	2	2	4
2.6.4 Availability of Solid Recourse and Dispute Resolution Mechanisms			
Indicators	FFP	SBP	Total points
Disputing a Transaction	1	1	2
- Time limit in which payment can be disputed (128)	0.34	0.34	0.68
- PSP to acknowledge receipt of dispute notice (131)	0.33	0.33	0.66
- Recipient continue collecting undisputed charges while a dispute is pending resolution (135)	0.33	0.33	0.66
Availability of Dispute Mechanisms	1	1	2
- PSP to have independent unit in charge of dispute resolution (132)	0.33	0.33	0.66
- Requirement to make available dispute resolution mechanism (126 AND 127)	0.34	0.34	0.68
- Availability of independent governmental authority as a resort for disputes that were not resolved internally (133)	0.33	0.33	0.66
Total points	2	2	4
2.6.5 Interoperability and Promotion of Competition			
Indicators	FFP	SBP	Total points
Interoperability of Payment Systems	1	1	2
- Level and extent of interoperability characterized in the jurisdiction (136)	1	1	2
Fair Competition	1	1	2
- Fair competition provisions (140)	0.5	0.5	1
- Rules and procedures for registration applied for all new payment service providers (142)	0.5	0.5	1
Equal Access and Treatment of Different PSPs	1	1	2
- Providing new PSPs equal access to market as existing participants (141)	0.5	0.5	1
- Functional requirements for PSP (143 AND 144)	0.5	0.5	1
Total points	3	3	6

Note: FFP = firm flexibility point; SBP = social benefits point.

QUALITY OF REGULATIONS FOR GREEN FINANCE

The tables that follow present all indicators (including their components, if applicable) under each pillar, with a reference to the corresponding question number in parenthesis. The questions are listed before each table for ease of reference.

For Y/N questions, the Y response accounts for the score and is considered as the good practice, unless otherwise indicated with the sign “Y/N; N – good practice”.

In the tables that follow, “AND” means all referenced questions must have a good practice response to obtain a score on the indicator.

In the tables that follow, “OR” means one or more referenced questions must have a good practice response to obtain a score on the indicator.

Certain questions are marked as “not scored,” which indicates that they do not impact the score in any way. The purpose of these questions is to further inform and refine the questions design for subsequent years of the pilot, as needed, as well as to substantiate and provide further information for the scored questions.

PILLAR I—REGULATORY FRAMEWORK: QUALITY OF REGULATIONS FOR GREEN FINANCING

145. Have the public authorities in your economy developed a roadmap/strategy on green finance? (Y/N) (not scored)

146. Have the public authorities developed a national green taxonomy/definition of green activities/catalog of activities or adopted an existing international taxonomy? (not scored)

- 146a. Developed a national taxonomy
- 146b. Adopted an existing international taxonomy
- 146c. In the process of developing or adopting a taxonomy
- 146d. No

147. Which of the following is covered under the definition of green finance in your economy (please select all that apply) (not scored)

- 147a. Climate mitigation
- 147b. Climate adaptation and resilience
- 147c. Other environmental objectives (including biodiversity)

148. Are there guidelines or legal requirements for banks to incorporate climate/environmental risks into their risk management frameworks

Note: that is, on governance, strategy, and risk management of climate/environment risks)?

- 148a. There are guidelines
- 148b. There are legal requirements
- 148c. Guidelines or legal requirements are being developed
- 148d. No

149. Are there guidelines or legal requirements from the public authorities defining climate related financial disclosures, which firms must submit to banks (lending institutions) when seeking green financing?

- 149a. There are guidelines
- 149b. There are legal requirements
- 149c. Guidelines or legal requirements are being developed
- 149d. No

150. Is green loan issuance framework developed or being developed following any internationally agreed principles/standards (for example, the green loans principles) or nationally agreed principles/standards?

- 150a. Developed following or aligned with internationally/regionally agreed principles/standards
- 150b. Developed based on nationally agreed principles/standards
- 150c. Framework is being developed
- 150d. No framework is being developed

151. Are there any guidelines or legal requirements from the authorities on providing any of the following in order to obtain a green loan? (Y/N)

- 151a. Consultant review
- 151b. Verification
- 151c. Certification
- 151d. Rating
- 151e. Other

152. Is green bonds issuance framework developed or being developed following any internationally agreed principles/standards (for example, the green bonds principles) or nationally agreed and aligned with international principles/standards? (not scored)

- 152a. Developed following or aligned with internationally/regionally agreed principles/standards
- 152b. Developed based on nationally agreed principles/standards
- 152c. Framework is being developed
- 152d. No framework is being developed

153. Are there any guidelines or legal requirements for firms to disclose key information in prospectuses for issuance of bonds in general? (not scored)

- 153a. There are guidelines
- 153b. There are legal requirements
- 153c. Guidelines or legal requirement are being developed
- 153d. No

154. Are there any guidelines or legal requirements for firms to disclose key information in prospectuses for issuance of green bonds? (not scored)

- 154a. There are guidelines
- 154b. There are legal requirements
- 154c. Guidelines or legal requirement are being developed
- 154d. No

155. Are there any guidelines or legal requirements for firms for impact reporting (that is, the expected environmental impact made possible as a result of projects to which green loans/bond proceeds have been allocated)?

- 155a. There are guidelines
- 155b. There are legal requirements
- 155c. Guidelines or legal requirement are being developed
- 155d. No

2.7 GOOD REGULATORY PRACTICES FOR GREEN FINANCE			
2.7.1 Risk Management			
Indicators	FFP	SBP	Total points
Requirement to Incorporate Climate/Environmental Risks in Risk Management Frameworks (148)	n.a.	1	1
Total points	n.a.	1	1
2.7.2 Disclosure Requirements and Impact Reporting			
Indicators	FFP	SBP	Total points
Requirements for Climate Related Financial Disclosures (149)	n.a.	1	1
Requirement to Disclose Impact of Investment on Environment (155)	n.a.	1	1
Total points	n.a.	2	2
2.7.3 Availability of Green Financing and Adoption of Green Principles			
Indicators	FFP	SBP	Total points
Availability of framework for green financing	1	1	2
Framework for green loan issuance (150)	1	1	2
Guidelines on external review requirements for green loans (151a OR 151b or 151c OR 151d)	n.a.	1	1
Total points	1	2	3

Note: n.a. = not applicable (refers to the cases when the impact on firms or society is either ambiguous or nonexistent). FFP = firm flexibility points; SBP = social benefits points.

PILLAR II—ACCESSIBILITY OF INFORMATION IN CREDIT INFRASTRUCTURE AND ACCESS TO FINANCE

- 156. Are green loans being issued in your country, even if there is no adopted national framework? (Y/N)**
- 157. Do lending institutions in practice require firms applying for green loans to provide any of the following, even if there are no requirements from the authorities? (Y/N)**
- 157a. Consultant review
 - 157b. Verification
 - 157c. Certification
 - 157d. Rating
 - 157e. Other
- 158. Are green bonds being issued in your country, even if there is no adopted national framework? (Y/N) (not scored)**
- 159. If Yes, is technical assistance (including information on financing options) provided in practice by the banking sector or the securities exchange to firms interested in issuing green bonds? (not scored)**
- 159a. Yes, provided by banks
 - 159b. Yes, provided by securities exchange
 - 159c. Yes, provided by both
 - 159d. Other
 - 159e. No

2.2 GREEN FINANCE

2.2.1 Availability and Requirements for Green Loans

Indicators	FFP	SBP	Total points
Availability of Green Loans (156)	1	1	2
External Review Requirement to Obtain Green Loans (157a OR 157b OR 157c OR 157d)	n.a.	1	1
Total points	1	2	3

Note: n.a. = not applicable (refers to the cases when the impact on firms or society is either ambiguous or nonexistent). FFP = firm flexibility points; SBP = social benefits points.

OPERATION OF CREDIT BUREAU AND REGISTRY

The tables that follow present all indicators (including their components, if applicable) under each pillar, with a reference to the corresponding question number in parenthesis. The questions are listed before each table for ease of reference.

For Y/N questions, the Y response accounts for the score and is considered as the good practice, unless otherwise indicated with the sign “Y/N; N – good practice”.

In the tables that follow, “AND” means all referenced questions must have a good practice response to obtain a score on the indicator.

In the tables that follow, “OR” means one or more referenced questions must have a good practice response to obtain a score on the indicator.

Certain questions are marked as “not scored,” which indicates that they do not impact the score in any way. The purpose of these questions is to further inform and refine the questions design for subsequent years of the pilot, as needed, as well as to substantiate and provide further information for the scored questions.

PILLAR II–ACCESSIBILITY OF INFORMATION IN CREDIT INFRASTRUCTURE AND ACCESS TO FINANCE

160. Is there a law that regulates the establishment and operation of credit bureau/registry? (Y/N)
(not scored)

161. Please list all credit bureaus and/or registries operating in your economy (not scored)

162. For borrowers with credit references in the past 5 years. For the next set of questions, consider credit references on repayment history from both regulated and nonregulated entities. Please provide the number of individuals and firms listed in the database of the bureau with at least 1 credit reference (positive or negative) from January 2, 2018, to January 1, 2023.

Note: list the number of firms and individuals, NOT the number of credit references. An individual who has 4 loans would be counted as 1 individual even if there are 4 credit references listed for her in the database. (coverage rate)

162a. Number of individuals

162b. Number of firms

163. For borrowers without credit references. Please provide the number of individuals and firms listed in the database of the credit bureau/registry, who had no borrowing history in the past 5 years, but for whom at least 1 lender requested a credit report from the credit bureau/registry in the period between January 2, 2022, and January 1, 2023.

Note: list the number of firms and individuals, NOT the number of credit inquiries - An individual about whose credit history 3 lenders have inquired would be counted as 1 individual, even if there are 3 credit inquiries recorded in the database. (coverage rate)

163a. Number of individuals

163b. Number of firms

164. Please enter the date (month/year) of establishment of the credit bureau/registry and the actual start of operations. (cut-off date)

- 164a. Establishment (*when the bureau/registry was legally authorized to operate as a bureau/registry*)
- 164b. Start of operations (*when the bureau/registry started issuing credit reports*)
- 165. Please provide the number of credit reports issued by the credit bureau/registry, including those issued online and via batch processing, over the last year. (*not scored*)**
- 165a. On individuals
- 165b. On firms
- 166. If applicable, please provide the number of inquiries for credit scores provided by your credit bureau/registry over the last year. (*not scored*)**
- 166a. On individuals
- 166b. On firms
- 167. Are data on loans for individuals being collected from financial institutions (the question refers to data on individuals and not on group of individuals)? (Y/N) (*not scored*)**
- 168. Are data on loans for individuals being shared with financial institutions (the question refers to data on individuals and not on group of individuals)? (Y/N)**
- 169. Are data on original amount of loan and outstanding amount of loan for individuals collected from and shared with financial institutions?**
- 169a. Original amount of loan collected from financial institutions (always/only after a default/never)
- 169b. Outstanding amount of loan collected from financial institutions (always/only after a default/never)
- 169c. Original amount of loan shared with financial institutions (always/only after a default/never)
- 169d. Outstanding amount of loan shared with financial institutions (always/only after a default/never)
- 170. Are data on the loan payments of individuals collected from and shared with financial institutions?**
- 170a. On-time payments collected/shared
- 170b. Historical pattern of repayments collected/shared
- 170c. Defaults or restructured debts collected/shared
- 170d. Number of defaults or restructured debts collected/shared
- 170e. Amount of defaults or restructured debts collected/shared
- 170f. Arrears or late payments collected/shared
- 170g. Number of arrears or late payments collected/shared
- 170h. Number of days loan is past due collected/shared
- 170i. Amount or value of arrears or late payments collected/shared
- 171. After how many days does your credit bureau/registry define the late payments of individuals as each of the following? (*not scored*)**
- 171a. Arrears
- 171b. Defaults
- 172. Are data on loans for firms being collected from financial institutions? (Y/N) (*not scored*)**
- 173. Are data on loans for firms being shared with financial institutions? (Y/N)**

174. Are data on original amount of loan and outstanding amount of loan for firms collected from and shared with financial institutions?

- 174a. Original amount of loan collected from financial institutions (always/only after a default/never)
- 174b. Outstanding amount of loan collected from financial institutions (always/only after a default/never)
- 174c. Original amount of loan shared with financial institutions (always/only after a default/never)
- 174d. Outstanding amount of loan shared with financial institutions (always/only after a default/never)

175. Are data on the loan payments of firms collected from and shared with financial institutions?

- 175a. On-time payments collected/shared
- 175b. Historical pattern of repayments collected/shared
- 175c. Defaults or restructured debts collected/shared
- 175d. Number of defaults or restructured debts collected/shared
- 175e. Amount of defaults or restructured debts collected/shared
- 175f. Arrears or late payments collected/shared
- 175g. Number of arrears or late payments collected/shared
- 175h. Number of days loan is past due collected/shared
- 175i. Amount or value of arrears or late payments collected/shared

176. After how many days does your credit bureau/registry define the late payments of firms as each of the following? (not scored)

- 176a. Arrears
- 176b. Defaults

177. Which of the following institutions in your economy submit information to the credit bureau/registry or retrieve information from it (or both)? (not scored)

- 177a. Private commercial banks
- 177b. Public commercial banks
- 177c. Public development banks
- 177d. Microfinance institutions
- 177e. Cooperatives
- 177f. Retailers and merchants
- 177g. Utility companies
- 177h. Court
- 177i. Taxes
- 177j. Rental data
- 177k. Internet, mobile phones
- 177l. e-Commerce platforms
- 177m. Other financial institutions (*for example, fintech, digital lenders, other alternative lenders, leasing companies*)
- 177n. Other data providers (*for example, trade creditors, collateral registry, company registry, etc.*)

178. Please indicate the number of the selected institutions in each category selected in Q18 above.

Note: *for example, if private commercial banks provide information, provide the number of private commercial banks that participate.*

- 178a. Private commercial banks
- 178b. Public commercial banks
- 178c. Public development banks
- 178d. Microfinance institutions
- 178e. Cooperatives

- 178f. Retailers and merchants
- 178g. Utility companies
- 178h. Court
- 178i. Taxes
- 178j. Rental data
- 178k. Internet, mobile phones
- 178l. e-Commerce platforms
- 178m. Other financial institutions (*for example, fintech, digital lenders, other alternative lenders, leasing companies*)
- 178n. Other data providers (*for example, trade creditors, collateral registry, company registry, etc.*)

179. Does the regulatory framework require that the reported credit information be reflected in the database within a certain time? (Y/N) (*not scored*)

180. If the answer to question 179 is Yes, what is the timeliness requirement? (*in days*) (*not scored*)

181. Does the regulatory framework allow cross border credit information sharing? (Y/N) (*not scored*)

182. Does your credit bureau/registry share credit information cross-border in practice? (Y/N)

183. Does the credit bureau/registry use technical reporting codes or special reporting to identify crises-related data (*for example, financial, health, and climate related arrears*)? (Y/N)

184. For how long are historical data (*both positive and negative information*) preserved in the database and shared in credit reports?

- 184a. Preserved in the database – positive information (in years)
- 184b. Preserved in the database – negative information (in years)
- 184c. Available to be shared in the credit report – positive information (in years)
- 184d. Available to be shared in the credit report – negative information (in years)

185. If the credit bureau/registry collects information on default or restructured debts and on arrears or late payments, after how long is this information erased from the credit report? (*Please select the applicable option*).

- 185a. Defaults or restructured debts – if repaid (immediately/never/after certain period of time)
- 185b. Arrears or late payments – if repaid (immediately/never/after certain period of time)
- 185c. Defaults or restructured debts – if never repaid (immediately/never/after certain period of time)
- 185d. Arrears or late payments – if never repaid (immediately/never/after certain period of time)

186. If the answer to question 185 is “after certain period time” for any of the answer options, please specify the duration (*in days*), when applicable. (*not scored*)

187. If the answer to question 185 is “immediately” or “after certain period of time” for any of the answer options, please indicate whether there are different rules on the deletion of different types of information from the credit report. (*not scored*)

188. What is the minimum loan size (*in local currency*) that is included in the database, if any? If your credit bureau/registry has no minimum loan requirement, please enter “0”. If different minimum loan amounts apply to individuals and firms, please use the lesser amount.

189. If different minimum loan amounts apply to individuals and firms, please clarify. *(not scored)*

190. Is a borrower's right to access their own credit data guaranteed by law or regulation? (Y/N)

191. Does the law or regulation establish the right of the borrower to request corrections of any mistakes in the data? (Y/N)

192. What is the cost in local currency for borrowers to access their data? Please enter the cost in local currency.

193. Can the borrower access their credit data online? (Y/N)

194. Does the law or regulation require a notification to the customer/borrower of negative information reported to the credit bureau or registry? (Y/N)

195. Do banks and other financial institutions have online access to the data of the credit bureau/registry?

195a. Yes

195b. No

196. If Yes, by which means do banks and other financial institutions access the data of the credit bureau/registry?

196a. Through a web interface

196b. Through system-to-system connection

197. If not, what is the most common mean to access data? *(not scored)*

198. On what date did online access become available? Please indicate the approximate date (*month/year*). If it has been available since the start of operations of your credit bureau/registry, please confirm so. *(not scored)*

198a. Date:

198b. Available since the start of operations

199. Does your credit bureau/registry provide credit scores as a value-added service to banks and other financial institutions? (Y/N)

200. When did your credit bureau/registry start providing the credit scoring service? (DATE MM/YYYY) *(not scored)*

201. If the credit bureau/registry offers credit scores, does its website include explanations on how to interpret a credit score and what elements can affect a borrower's score? *(not scored)*

201a. Yes, explanations on how to interpret a credit score only

201b. Yes, explanation on what elements can affect a borrower's score only

201c. Yes, both

201d. No

2.1 OPERATION OF CREDIT BUREAUS AND REGISTRIES**			
2.1.1 Data Coverage and Access to Credit Information			
Indicators	FFP	SBP	Total points
Data Coverage and Identification	1	1	2
- Data on firms and individuals are shared (168 AND 173)	0.4	0.4	0.8
- Data from retailers or utility companies are shared in addition to data from financial institutions (178)	0.4	0.4	0.8
- Cross-border information sharing and crisis reporting (182 AND 183)	0.2	0.2	0.4
Data Scope	1	1	2
- Both positive credit information and negative information are shared (169 AND 170 AND 174 AND 175)	0.34	0.34	0.68
- At least two years of historical data are shared (184 AND 185)	0.33	0.33	0.66
- Data on loan amounts below 1% of income per capita are shared (29)	0.33	0.33	0.66
Additional Services and Borrower's Access to Information	1	1	2
- By law, borrowers have the right to access their data in the largest credit bureau or registry in the economy (190 AND 191 AND 192 AND 193 AND 195)	0.3	0.3	0.6
- Banks and other financial institutions have online access to credit information (195 AND 196)	0.3	0.3	0.6
- Bureau or registry credit scores are offered as a value-added service, and borrower's credit information are verified in practice (199 AND 15 AND 16)	0.4	0.4	0.8
Total points	3	3	6

Note: FFP = firm flexibility point; SBP = social benefits point.

** If the credit bureau or registry is not operational or covers less than 5 percent of the adult population (age 15 to 64), the score is 0. If the bureau or registry is operational but does not distribute a credit report by the cut-off date for B-READY, the score is also 0. If there are two or more credit bureaus (registries), the bureau (registry) with the highest coverage rate of the working-age population will be considered (scored).

PILLAR III—EFFICIENCY OF RECEIVING FINANCIAL SERVICES IN PRACTICE

The score for indicators for Pillar III will be determined by using proximity-to-frontier approach and will be normalized to a common unit on the scale from 0 to 100 points, where 0 represents the lowest and 100 represents the best performance. In turn, best (worst) values will be taken from collected data and may be defined by, respectively, appropriate top and bottom percentiles of the statistical distribution to avoid the distortions introduced by long tails.

Data for Pillar III on the Efficiency of Receiving Financial Services in Practice are collected through firm-level surveys, through the following questions:

202. Time to obtain a loan: How many days did it take from the moment the application was submitted until the decision was communicated?

203. Cost to obtain a loan: What was the total cost of all fees paid to apply for the loan, including origination, service, processing, and insurance fees?

204. Cost to receive an e-payment:

204a. Cost per transaction: As a percentage of a typical transaction, how much does it cost to accept payments.

204b. Other costs: What is the cost per month to accept payments? Please include all monthly fees, subscription costs, point of sales terminal costs, maintenance, and other costs.

205. Cost to make an e-payment: As a percentage of a typical transaction, how much does it cost to make payments?

206. Time to receive an e-payment: How many days does it take on average from when an order is placed until the money is received?

207. Usage level in receiving an e-payment: What percentage of total sales for a typical month does this establishment receive from its customers through electronic payments: that is, other than cash or check payments?

208. Usage level in making an e-payment: What percentage of the total payments that this establishment makes in a typical month is done through electronic payments that is, other than cash or check payments, excluding payments to government and payroll?

209. Gender gap in access to formal financial services

209a. At this time, does this establishment have a checking (current) or savings account? (Y/N)

209b. Does this establishment have an overdraft facility? (Y/N)

209c. Does this establishment have a line of credit or a loan from a financial institution? (Y/N)

210. Gender gap in usage of e-payments

210a. What percentage of total sales for a typical month does this establishment receive from its customers through electronic payments: that is, other than cash or check payments?

210b. What percentage of the total payments that this establishment makes in a typical month is done through electronic payments: that is, other than cash or check payments, excluding payments to government and payroll?

Data for Pillar III on Efficiency of Security Interest and Credit Data Update are collected through expert consultation, using the following questions:

211. Efficiency of security interest and credit data update:

- 211a. When is a new registration reflected and retrievable in the database? Please provide an estimate. (*for example, in real time, within 1 hour, 24 hours, 3 business days, etc.*) If not in real time, please provide the reason(s) for the delay.
- 211b. Are there fees associated with the registration of security interests in the collateral registry? (Y/N) (*not scored*)
- 211c. If Yes, please specify the fees in local currency.
- 211d. How long does it take in practice from the moment the information is submitted to the credit bureau/registry for it to be reflected in the database used for credit reports? Please enter the number of days.

3.1 Loans	FFP	SBP	Total points
3.1.1 Time to Obtain a Loan (202)	100 (25 %)	n.a.	100 (25 %)
3.1.2 Cost to Obtain a Loan (203)	100 (25 %)	n.a.	100 (25 %)
3.1.3 Efficiency of Security Interest and Credit Data Update (211)	100 (25 %)	n.a.	100 (25 %)
3.1.4 Gender gap in access to loans and other banking services (209)	100 (25 %)	n.a.	100 (25 %)
Total points	100	n.a.	100
3.2 e-payments			
3.2.1 Cost to receive an e-payment (204)	100 (16.7 %)	n.a.	100 (16.7 %)
3.2.2 Cost to make an e-payment (205)	100 (16.7 %)	n.a.	100 (16.7 %)
3.2.3 Time to receive an e-payment (206)	100 (16.7 %)	n.a.	100 (16.7 %)
3.2.4 Usage level in receiving an e-payment (207)	100 (16.7 %)	n.a.	100 (16.7 %)
3.2.5 Usage level in making an e-payment (208)	100 (16.7 %)	n.a.	100 (16.7 %)
3.2.6 Gender gap in usage of e-payments (210)	100 (16.7 %)	n.a.	100 (16.7 %)
Total points	100	n.a.	100

Note: n.a. = not applicable (refers to the cases when the impact on firms or society is either ambiguous or nonexistent). FFP = firm flexibility point; SBP = social benefits point.

CHAPTER 7. INTERNATIONAL TRADE

METHODOLOGY NOTE

I. MOTIVATION

International trade is a key driver of economic growth and private sector development. Through competition among domestic and foreign firms, it promotes specialization and resource reallocation to the most productive firms.¹ While there are winners and losers among firms, workers, and consumers,² international trade can generate overall benefits for the private sector and society. To remain competitive, firms must continuously adapt, innovate, and improve their efficiency, resulting in aggregate productivity growth and welfare.³ Trade openness may generate further productivity gains by creating economies of scale and providing access to cheaper intermediate inputs of higher quality and variety,⁴ as well as facilitating knowledge and technology transfers.⁵ Increased access to foreign inputs may enhance productivity and export performance and provide opportunities to diversify the economy and reduce its dependence on a single product or market, highlighting complementarities between exports and imports and emphasizing the importance of trade openness to reap the benefits of international trade.⁶

To fully realize the benefits of international trade, a conducive business environment that reduces trade barriers and lowers compliance and transaction costs for firms is necessary. Firms' access to global markets depends on the quality of the regulatory frameworks in which they operate in, as well as on relevant public services. A regulatory framework that establishes a nondiscriminatory, transparent, predictable, and safe trading environment generates incentives to engage in international trade and provides a level playing field. Furthermore, an effective regulatory framework pursues legitimate public policy objectives, including protecting public health and the environment, imposing restrictive trade measures that can create market distortions that impede trade.⁷ It is crucial to have regulations that strike a balance between these objectives and the restrictive requirements they impose, which must be proportional to the pursued objectives.

In addition, governments can provide public services to facilitate trade processes. Policies aimed at improving the quality of physical and digital infrastructure, as well as border management, enable private sector to maximize the benefits and minimize the burden provided by the regulatory framework. These trade facilitation efforts reduce the time and cost borne by the private sector, which represents a substantial barrier to trade,⁸ and increase participation in international trade for both small and large firms.⁹ By doing so, firms can leverage increased competition, economies of scale, and access to higher-quality inputs, to increase productivity and benefit the private sector and the broader economy.

II. INDICATORS

The International Trade indicators measure different aspects of international trade—including trade in goods, trade in services, and digital trade—across three different dimensions, here referred to as pillars. The first pillar assesses the effectiveness of regulation pertaining to international trade, covering de jure features of a regulatory framework that are necessary to establish a nondiscriminatory, transparent, predictable, and safe environment to harness the potential of international trade. The second pillar measures the quality of digital and physical infrastructure concerning international trade as well as the quality of border management, thus assessing the de facto provision of public services for the facilitation of international trade. The third pillar measures the time and cost to comply with export and import requirements, as well as to engage in digital trade. Each pillar is divided into categories—defined by common features that inform the grouping into a particular category—and each category is further divided

into subcategories. Subcategories aggregate second-order subcategories. Each second-order subcategory consists of several indicators, each of which may, in turn, have several components. Relevant points are assigned to each indicator and then aggregated to obtain the number of points for each subcategory, category, and pillar. Table 1 includes a summary of all three pillars along with their respective categories for all aspects measured by the topic.

Table 1. Summary table of all three pillars for the International Trade topic

Pillar I–Quality of Regulations for International Trade (62 indicators)	
1.1	Good Regulatory Practices Supporting International Trade (28 indicators)
1.1.1	Adequacy of the Legal Framework (11 indicators)
1.1.1.1	Regulatory Certainty and Predictability (4 indicators)
1.1.1.2	Regulatory Decisions and Appeals (3 indicators)
1.1.1.3	De minimis Value (1 indicator)
1.1.1.4	Legal Requirements for the Imposition of NTMs (3 indicators)
1.1.2	Practices on Digital and Sustainable Trade (10 indicators)
1.1.2.1	Legal Requirements for Digital Transactions (4 indicators)
1.1.2.2	Sustainable Trade Policy (3 indicators)
1.1.2.3	International Commitments on Sustainable Trade (3 indicators)
1.1.3	Practices on International Trade Cooperation (7 indicators)
1.1.3.1	Participation and Depth of Trade Agreements (5 indicators)
1.1.3.2	Competent Authorities in Trade Agreements (2 indicators)
1.2	Regulatory Restrictions on International Trade (34 indicators)
1.2.1	Restrictions on International Trade in Goods (14 indicators)
1.2.1.1	Technical Non-Tariff Measures (5 indicators)
1.2.1.2	Non-Technical Non-Tariff Measures (4 indicators)
1.2.1.3	Regulatory Restrictions for Domestic Freight Transportation and Logistics Service Providers (5 indicators)
1.2.2	Restrictions on International Trade in Services (10 indicators)
1.2.2.1	Market Access Restrictions (3 indicators)
1.2.2.2	Restrictions on Cross-Border Movement of Foreign Professionals (3 indicators)
1.2.2.3	Other Discriminatory Measures (4 indicators)
1.2.3	Restrictions on Digital Trade (10 indicators)
1.2.3.1	Discriminatory Restrictions (5 indicators)
1.2.3.2	Consumer Protection (5 indicators)
Pillar II–Quality of Public Services for the Facilitation of International Trade (52 indicators)	
2.1	Digital and Physical Infrastructure (27 indicators)
2.1.1	Transparency and Availability of Information (11 indicators)
2.1.1.1	Trade Information Portal (2 indicators)
2.1.1.2	Publication of Laws and Regulations on International Trade (3 indicators)
2.1.1.3	Information on Laws and Regulations on International Trade (3 indicators)
2.1.1.4	Consultation on Laws and Regulations on International Trade (3 indicators)
2.1.2	Electronic Systems and Interoperability of Services (10 indicators)
2.1.2.1	Electronic Single Window for Trade (5 indicators)
2.1.2.2	Integrated Customs Management System (5 indicators)
2.1.3	Trade Infrastructure* (6 indicators)
2.1.3.1	Border Posts (2 indicators)
2.1.3.2	Ports (3 indicators)
2.1.3.3	Airports (3 indicators)
2.2	Border Management (25 indicators)
2.2.1	Risk Management (8 indicators)
2.2.1.1	Features (3 indicators)
2.2.1.2	Integration (2 indicators)
2.2.1.3	Operability (3 indicators)
2.2.2	Coordinated Border Management (10 indicators)
2.2.2.1	Internal Coordination (5 indicators)
2.2.2.2	External Coordination (5 indicators)
2.2.3	Border Agency Programs (7 indicators)

2.2.3.1	Authorized Economic Operators (5 indicators)
2.2.3.2	Expedited Shipments (2 indicators)
Pillar III—Efficiency of Importing Goods, Exporting Goods, and Engaging in Digital Trade (6 indicators)	
3.1	Compliance with Export Requirements (2 indicators)
3.1.1	Total Time to Comply with Export Requirements (1 indicator)
3.1.2	Total Cost to Comply with Export Requirements (1 indicator)
3.2	Compliance with Import Requirements (2 indicators)
3.2.1	Total Time to Comply with Import Requirements (1 indicator)
3.2.2	Total Cost to Comply with Import Requirements (1 indicator)
3.3	Compliance when Exporting Digitally Ordered Goods (2 indicators)
3.3.1	Total Time when Exporting Digitally Ordered Goods (1 indicator)
3.3.2	Total Cost when Exporting Digitally Ordered Goods (1 indicator)

Note: NTMs = non-tariff measures

*See Section 4.2.2.1.3.

1. PILLAR I. REGULATORY FRAMEWORK: QUALITY OF REGULATIONS FOR INTERNATIONAL TRADE

Table 2 shows the structure for Pillar I, the regulatory framework governing international trade. Each of this pillar's categories and subcategories will be discussed in more detail in the order shown in the table.

Table 2. Pillar I—Quality of Regulations Supporting and Restricting International Trade

1.1	Good Regulatory Practices Supporting International Trade
1.1.1	Adequacy of the legal framework
1.1.1.1	Regulatory certainty and predictability
1.1.1.2	Regulatory decisions and appeals
1.1.1.3	De minimis value
1.1.1.4	Legal requirements for the imposition of non-tariff measures
1.1.2	Practices on digital and sustainable trade
1.1.2.1	Legal requirements for digital transactions
1.1.2.2	Sustainable trade policy
1.1.2.3	International commitments on sustainable trade
1.1.3	Practices on international trade cooperation
1.1.3.1	Participation and depth of trade agreements
1.1.3.2	Competent authorities in trade agreements
1.2	Regulatory Restrictions on International Trade
1.2.1	Restrictions on international trade in goods
1.2.1.1	Technical non-tariff measures
1.2.1.2	Non-technical non-tariff measures
1.2.1.3	Regulatory restrictions for domestic freight transportation and logistics service providers
1.2.2	Restrictions on international trade in services
1.2.2.1	Market access restrictions
1.2.2.2	Restrictions on cross-border movement of foreign professionals
1.2.2.3	Other discriminatory measures
1.2.3	Restrictions on digital trade
1.2.3.1	Discriminatory restrictions
1.2.3.2	Consumer protection

1.1 Good Regulatory Practices Supporting International Trade

Category 1.1 is divided into three subcategories consisting of several second-order subcategories and their indicators, each of which may, in turn, has several components.

1.1.1 Adequacy of the Legal Framework

This set of indicators measures the adequacy of the legal framework on international trade. The existence of dedicated laws and regulations, the ratification and implementation of international standards, the use of regulatory impact analysis, as well as regulatory and legal obligations that mandate the disclosure of reasons for license rejection and the right to appeal such rejections, all contribute to the creation of a fair, transparent and predictable international trading system.¹⁰ Similarly, de minimis rules and thresholds reduce the time and cost associated with imports and exports of low-value consignments, promoting firms access to cross-border trade.¹¹ Therefore, Subcategory 1.1.1 has 11 indicators (table 3).

Table 3. Subcategory 1.1.1–Adequacy of the Legal Framework

	Indicators	Components
Regulatory certainty and predictability		
1	Laws and regulations governing international trade (goods)	<ul style="list-style-type: none"> i) Import, export, and transit procedures ii) Trade in environmental goods iii) Use of international standards iv) Customs classification and valuation of goods v) Risk management approach and procedures vi) Advance ruling systems.
2	Laws and regulations governing international trade (services)	<ul style="list-style-type: none"> i) Freight transport services (maritime; road) i) Logistics services (cargo handling; storage and warehousing; Customs brokers; freight forwarders) ii) Financial services (commercial banking; insurance)
3	Ratification and implementation of international conventions	<ul style="list-style-type: none"> i) International Convention (2022) on the Harmonized Commodity Description and Coding System (HS Convention) ii) General Annex of the International Convention (1999) on the Simplification and Harmonisation of Customs Procedures (Revised Kyoto Convention) iii) Convention (2005) on Facilitation of International Maritime Traffic iv) Convention (2006) on International Civil Aviation v) Convention (1990) on the Temporary Admission of Goods (Istanbul Convention) vi) International Convention on the Carriage of Goods by Sea (Hamburg Rules, 1978)
4	Regulatory Impact Analysis	<ul style="list-style-type: none"> i) Trade in goods ii) Trade in services
Regulatory decisions and appeals		
5	Reasons for license rejection, suspension and cancellation	<ul style="list-style-type: none"> i) Freight transport services (maritime; road) ii) Logistics services (cargo handling; storage and warehousing; Customs brokers; freight forwarders) iii) Financial services (commercial banking; insurance)
6	Right to appeal (goods)	<p>Right to appeal regulatory decisions (administrative and judicial appeal) in the following areas:</p> <ul style="list-style-type: none"> a. Duties and taxes (of any kind), fees and charges b. Customs classification and valuation procedures c. Technical non-tariff measures (NTMs) d. Non-technical NTMs, contingent trade protection measures and rules of origin e. Export-related areas
7	Right to appeal (services)	<p>Right to appeal regulatory decisions (administrative and judicial appeal) in the following service sectors:</p> <ul style="list-style-type: none"> a. Freight transport services (maritime; road) b. Logistics services (cargo handling; storage and warehousing; Customs brokers; freight forwarders) c. Financial services (commercial banking; insurance)
De minimis value		
8	De minimis value	Existence of de minimis value in force
Legal requirements for the imposition of NTMs		
9	Sanitary and phytosanitary measures, technical barriers to trade, and pre-inspection measures	<p>Existence of regulation governing the imposition of the following technical non-tariff measures:</p> <ul style="list-style-type: none"> a. Sanitary and phytosanitary measures b. Technical barriers to trade

		c. Pre-inspection measures
10	Contingent trade-protective measures	Existence of regulation governing the imposition of the following contingent trade-protective measures: a. Anti-dumping measures b. Countervailing measures c. Safeguard measures
11	Quotas, licenses, price controls, local content requirements, and export restrictions	Existence of regulation governing the imposition of the following non- technical non-tariff measures a. Import quotas b. Import licenses c. Price controls d. Local content requirement e. Export restrictions.

Note: NTMs = non-tariff measures.

1.1.2 Practices on Digital and Sustainable Trade

This set of indicators measures practices on digital and sustainable trade. Legal requirements for digital transactions—such as recognition of foreign electronic contracts and signatures, and provisions on technology neutrality and cross-border electronic payments—facilitate trade. They promote access to digital markets and increased participation of end consumers.¹² Similarly, legal instruments that govern the imposition of restrictions on cross-border data flows aim to balance the need for data protection with the promotion of trade and flow of information across borders.¹³ In addition, the regulatory framework can establish a sustainable trading system by adopting policies that pursue relevant environmental and social objectives. These may include reducing tariffs for environmental goods,¹⁴ adopting cross-border carbon pricing instruments, and adopting other international standards to mitigate adverse effects of maritime transportation and on restricting cross-border waste movements.¹⁵ Therefore, Subcategory 1.1.2 has 10 indicators (table 4).

Table 4. Subcategory 1.1.2–Practices on Digital and Sustainable Trade

	Indicators	Components
Legal requirements for digital transactions		
1	Electronic contracts and signatures	Legal mandate to prescribe legal validity and enforceability to: i) Foreign issued electronic contracts ii) Foreign electronic signatures
2	Electronic payments	Existence of regulatory framework that allows cross-border electronic payments
3	Technology neutrality	Existence of legal mandate to recognize the principle of technology neutrality
4	Cross-border data flows	Existence of regulatory framework on personal data protection that regulates cross-border data flows
Sustainable trade policy		
5	Cross-border carbon pricing instruments	Adoption of a cross-border carbon pricing instrument
6	Tariffs on environmental goods	Effectively applied rate of the tariffs for the importation of top environmental goods (APEC list)
7	Restrictions on trade in services related to the import of environmental goods	Absence of additional restrictions on cross-border movement of foreign professionals providing services and expertise related to the import of environmental goods
International commitments on sustainable trade		
8	International conventions	i) CITES (Convention on International Trade in Endangered Species of Wild Fauna and Flora) ii) MARPOL Convention (International Convention for the Prevention of Pollution from Ships). iii) Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal iv) Rotterdam Convention on the Prior Informed Consent Procedure for Certain Hazardous Chemicals and Pesticides in International Trade
9	Labor provisions in trade agreements	i) Prohibition on the use of any form of forced or compulsory labor ii) Prohibition and elimination of the worst forms of child labor iii) Elimination of discrimination with respect to employment and occupation

		iv) Freedom of association and the effective recognition of the right to collective bargaining v) Implementation of occupational safety and health legislation
10	Gender-specific provisions in trade agreements	i) Gender equality ii) Women's participation in economic and development activities iii) Social issues and the role of women in social life iv) Representation of women in decision-making roles

Note: APEC = Asia-Pacific Cooperation.

1.1.3 Practices on International Trade Cooperation

This set of indicators measures the practices on international trade cooperation. Trade agreements increase regulatory convergence and facilitate trade. An increase in their depth contributes to trade growth and positive spillover effects.¹⁶ Increased international cooperation and regulatory convergence on establishing economic integration rights and limiting government discretion to support those economic integration rights may lead to a more predictable trading environment and reduced compliance costs. Similarly, increased cooperation and convergence on enhancing social or consumer welfare may increase environmental, consumer and social welfare.¹⁷ Establishing well-coordinated competent authorities to oversee the implementation of trade agreements enables smoother implementation of such commitments, enhancing regulatory convergence.¹⁸ Therefore, Subcategory 1.1.3–Practices on International Trade cooperation has 7 indicators across the following 2 second-order subcategories: participation and depth of trade agreements;¹⁹ and competent authorities in trade agreements (table 5).

Table 5. Subcategory 1.1.3–Practices on International Trade Cooperation

	Indicators	Components
Participation and depth of trade agreements		
1	Participation in non-notified PTAs	WTO members' participation in PTAs not notified to the WTO
2	Economic integration rights (commitment and implementation)	i) Tariff preferences and export taxes ii) Investment and movement of capital iii) Trade in services iv) Digital trade
3	Protection of economic integration rights (commitment and implementation)	i) Trade facilitation and Customs ii) Sanitary and phytosanitary measures iii) Technical barriers to trade iv) Rules of origin v) Contingent trade-protective measures
4	Service sector coverage (commitment and implementation)	i) Freight transport services (maritime; road) ii) Logistics services (cargo handling; storage and warehousing; Customs brokers; freight forwarders) iii) Financial services (commercial banking; insurance)
5	Consumer rights and social welfare (commitment and implementation)	i) Environment ii) Labor
Competent authorities and transition periods in trade agreements		
6	Competent authorities (implementation)	Establishment of the competent authority to oversee the implementation of PTAs
7	Competent authorities (coordination and exchange of information)	Coordination and exchange of information of the competent authorities of both economies in charge of their implementation

Note: PTAs = preferential trade arrangements; WTO = World Trade Organization.

1.2 Regulatory Restrictions on International Trade

Category 1.2 is divided into three subcategories consisting of several second-order subcategories and their indicators, each of which may, in turn, have several components.

1.2.1 Restrictions on International Trade in Goods

This set of indicators measures restrictions on international trade in goods. Trade policies can include restrictive trade measures. Whereas tariffs have declined, NTMs have been steadily rising in importance as key barriers to trade.²⁰ Although such barriers may be important to protect public safety, health, and the environment as well as to address market failures, they can impede trade flows.²¹ Similarly, regulatory requirements for transportation and logistics service providers, which are inputs to trade in goods, may pursue a legitimate public policy objective while hindering competition in these sectors.²² Therefore, Subcategory 1.2.1 has 14 indicators (table 6).

Table 6. Subcategory 1.2.1–Restrictions on International Trade in Goods

	Indicators	Components
Technical non-tariff measures		
1	Sanitary and phytosanitary measures	i) Health inspections and/or certifications ii) Phytosanitary inspection and/or certifications iii) Fumigation or disinfection and/or certifications iv) Pest control inspection and/or certifications
2	Sanitary and phytosanitary measures (national treatment)	i) Additional restrictions ii) Similar regulation
3	Technical barriers to trade	i) Technical regulations pertaining to product characteristics ii) Technical regulations pertaining to product-related processes and production methods iii) Technical regulations pertaining to terminology or symbols iv) Technical regulations pertaining to packaging v) Technical regulations pertaining to labeling and marking
4	Technical barriers to trade (national treatment)	i) Additional restrictions ii) Similar regulation
5	Pre-shipment inspections and destination inspection	i) Quality control ii) Conformity verification iii) Customs valuation
Non-technical non-tariff measures		
6	Contingent trade-protective measures	i) Anti-dumping measures ii) Countervailing measures iii) Safeguards measures
7	Non-automatic import licensing for economic purposes, quotas, prohibitions, quantity-control measures, rules of origin	i) Non-automatic import licensing ii) Import quotas iii) Import prohibitions iv) Quantity-control measures
8	Price-control and finance measures	i) Price-control measures ii) Finance measures
9	Export restrictions	Export restrictions
Regulatory restrictions for domestic freight transportation (road, rail, maritime, air) and logistics service providers (cargo handling, Customs brokerage, freight forwarding, storage and warehouse)		
10	Anti-competitive restrictions (freight transport)	i) Caps on number of operating licenses ii) Prohibitions on access to roads or ports iii) Incumbent firms are allowed to participate in decision to grant new operating licenses iv) Regulations limiting expansion of services to new routes or geographic areas for new entrants v) Price floors and pricing guidelines (set by government or other entities) vi) Mandatory use of certified operators
11	Anti-competitive restrictions (logistics)	i) Caps on number of operating licenses ii) Incumbent firms are allowed to participate in decision to grant new operating licenses iii) Regulations limiting expansion of services to new routes or geographic areas for new entrants iv) Price floors and pricing guidelines (set by government or other entities) v) Mandatory use of certified operators

12	Safety regulations (freight transport)	i) Statutory certification and training requirements for operators ii) Statutory requirement on inspection intervals and recertification of equipment iii) Statutory maximum number of working hours before mandatory rest
13	Safety regulations (logistics)	i) Statutory certification and training requirements for operators ii) Statutory requirement on inspection intervals and recertification of equipment iii) Statutory maximum number of working hours before mandatory rest
14	Additional restrictions for female service providers	i) Maritime freight ii) Road freight iii) Cargo handling iv) Storage and warehousing v) Customs brokerage vi) Freight forwarding

1.2.2 Restrictions on International Trade in Services

This set of indicators measures restrictions on international trade in services. Trade policies that restrict market access/foreign entry and establishment, limit cross-border movements of natural persons, and provide other discriminatory measures restrict trade.²³ By hindering competition, these measures impose negative externalities on other market actors, including consumers. Therefore, Subcategory 1.2.2 has 10 indicators²⁴ (table 7).

Table 7. Subcategory 1.2.2–Restrictions on International Trade in Services

	Indicators	Components
Market access restrictions (freight, transport and financial services)		
1	Market access restrictions (freight transport)	i) Restrictions on foreign registration of vessels under national flags ii) Exclusion of foreign-flagged ships from cabotage/access rights (including partial exclusion) iii) Quantitative restrictions (quotas) iv) Restrictions subject to an economic needs test v) Restrictions on acquisition and use of land and real estate
2	Market access restrictions (logistics)	i) Quantitative restrictions(quotas) ii) Restrictions subject to an economic needs test iii) Restrictions on acquisition and use of land and real estate
3	Market access restrictions (insurance and financial services)	i) Quantitative restrictions (quotas) ii) Restrictions subject to an economic needs test iii) Restrictions on acquisition and use of land and real estate
Restrictions on cross-border movement of foreign professionals (freight, transport, and financial services)		
4	Restrictions on cross-border movement of foreign professionals (freight transport)	i) Additional restrictions on licensing or authorization requirements ii) Quotas for contractual and independent service providers that discourage local service providers from using foreign workers/consultants iii) Needs test for contractual and independent service providers that discourage local service providers from using foreign workers/consultants iv) Restrictions on recognizing qualifications, training or experience obtained abroad
5	Restrictions on cross-border movement of foreign professionals (logistics)	i) Additional restrictions on licensing or authorization requirements ii) Quotas for contractual and independent service providers that discourage local service providers from using foreign workers/consultants iii) Needs test for contractual and independent service providers that discourage local service providers from using foreign workers/consultants iv) Restrictions on recognizing qualifications, training or experience obtained abroad
6	Restrictions on cross-border movement of foreign professionals (financial services)	i) Additional restrictions on licensing or authorization requirements ii) Quotas for contractual and independent service providers that discourage local service providers from using foreign workers/consultants iii) Needs test for contractual and independent service providers that discourage local service providers from using foreign workers/consultants iv) Restrictions on recognizing qualifications, training or experience obtained abroad
Other discriminatory measures (freight, transport, and financial services)		
7	Other discriminatory measures (freight transport)	i) Restrictions on visa processes for crew members/service providers (no visa exemption or on arrival, or no crew member visa)

		<ul style="list-style-type: none"> ii) Procedural hurdles related to business visas or crew member visas for crew/service providers (above US\$50 and 15 days) iii) Obligation to use local maritime and port services (such as local port agent, tug and tow services) iv) Foreign suppliers treated less favorably regarding taxes
8	Other discriminatory measures (logistics)	<ul style="list-style-type: none"> i) Restrictions on visa processes for crew members/service providers (no visa exemption or on arrival, or no crew member visas) ii) Procedural hurdles related to business visas or crew member visas for crew/service providers (above US\$50 and 15 days) iii) Foreign suppliers treated less favorably regarding taxes
9	Other discriminatory measures (insurance and financial services)	<ul style="list-style-type: none"> i) Restrictions on visa processes for crew members/service providers (no visa exemption or on arrival, or no crew member visas) ii) Procedural hurdles related to business visas or crew member visas for crew/service providers (above US\$50 and 15 days) iii) Foreign suppliers treated less favorably regarding taxes
10	Other discriminatory measures (foreign female professionals)	<ul style="list-style-type: none"> i) Maritime freight ii) Road freight iii) Cargo handling iv) Storage and warehousing v) Customs brokerage vi) Freight forwarding vii) Commercial banking viii) Insurance

1.2.3 Restrictions on Digital Trade

This set of indicators measures restrictions on digital trade. Trade policies on issues surrounding data protection, privacy, digital advertising, and digital copyrights provide legal protections to digital trade users and service providers, thereby enhancing safety and trust in the digital trading environment.²⁵ However, discriminatory policies on digital trade—bans on online sales of digitally ordered goods and services, restrictive standards on cross-border data flows, and taxation measures that may breach the tax neutrality principle—as applied to digital trade restrict trade.²⁶ By hindering competition, these measures impose negative externalities on other market actors, including consumers. Therefore, has 10 indicators (table 8).²⁷

Table 8. Subcategory 1.2.3—Restrictions on Digital Trade

	Indicators	Components
Discriminatory restrictions		
1	Additional government licenses	Requirement to obtain an additional government license (beyond a general business license) to digitally offered goods or services
2	Online selling bans	Prohibition of online sales of digitally ordered goods and services (tobacco, alcohol, etc.), considering transactions that require verifying the buyer's identity
3	Breach of tax neutrality principle	Enactment of a specific tax regime that imposes an additional burden to cross-border digitally ordered goods and services with respect to domestic digitally ordered goods and services
4	Charges on cross-border e-payments	<ul style="list-style-type: none"> i) Incoming cross-border electronic payments subject to taxes and fees ii) Outgoing cross-border electronic payments subject to taxes and fees
5	Limits on cross-border e-payments	Limits to the value of the transactions on cross-border e-payments
Consumer protection		
6	Limitations on cross-border data flows	Existence of legal provisions requiring specific data transfer agreements or a formal consent from data subjects for cross-border transfers of personal data
7	Disclosure of relevant information	<ul style="list-style-type: none"> i) Merchant information (address, business registration number and contact details) ii) Product/services specifications iii) Delivery options iv) Payment process v) Out-of-court complaints process vi) Refunds and cancellations policy

8	Consumer rights (advertising limits, cancellations, refunds)	i) Limits on advertising (spam, unsolicited communications, and others) ii) Option to cancel online purchases during a specific period of time without any justification or penalty iii) Option to receive refunds/replacements/returns for damaged goods
9	Penalties for noncompliance	Imposition of penalties for not complying with the online consumer protection provisions with regard to cross-border consumers
10	Online dispute resolution mechanism	i) Existence of an online dispute resolution mechanism (ODR) to handle and resolve digital trade complaints, including cross-border transactions ii) Existence of regulatory framework allows consumers to file enforceable ODR cases related to cross-border digital trade free of charge

2. PILLAR II. PUBLIC SERVICES: QUALITY OF PUBLIC SERVICES FOR THE FACILITATION OF INTERNATIONAL TRADE

Table 9 shows the structure for Pillar II, the quality of public services for the facilitation of international trade. Each of this pillar's categories and subcategories will be discussed in more detail in the order shown in the table.

Table 9. Pillar II—Quality of Public Services for the Facilitation of International Trade

2.1	Digital and Physical Infrastructure
2.1.1	Transparency and availability of information
2.1.1.1	Trade information portal
2.1.1.2	Publication of laws and regulations on international trade
2.1.1.3	Information on laws and regulations on international trade
2.1.1.4	Consultation on laws and regulations on international trade
2.1.2	Electronic systems and interoperability of services
2.1.2.1	Electronic Single Window for Trade
2.1.2.2	Integrated Customs management system
2.1.3	Trade infrastructure
2.1.3.1	Border posts
2.1.3.2	Ports
2.1.3.3	Airports
2.2	Border Management
2.2.1	Risk management
2.2.1.1	Features
2.2.1.2	Integration
2.2.1.3	Operability
2.2.2	Coordinated border management
2.2.2.1	Internal coordination
2.2.2.2	External coordination
2.2.3	Border agency programs
2.2.3.1	Authorized Economic Operators
2.2.3.2	Expedited shipments

2.1 Digital and Physical Infrastructure

Category 2.1 is divided into three subcategories consisting of several second-order subcategories and their indicators, each of which may, in turn, have several components.

2.1.1 Transparency and Availability of Information

This set of indicators measures implementation of good regulatory practices on transparency and availability of information, as well as stakeholder consultation. A dedicated government website or trade information portal—where users can access up-to-date information pertinent to trade in goods and services—increases the transparency and predictability of the trading environment and reduces information asymmetry.²⁸ The publication of information fosters trust and cooperation among trading partners,

supporting businesses in making informed decisions and increasing their competitiveness.²⁹ This information should include regulatory requirements and procedures, applicable rates of duties and taxes, rules for classification or valuation, fees and charges, and appeal procedures. Furthermore, when drafting international trade regulations or before introducing changes to trade policy, it is necessary to make advance notices public and conduct stakeholder consultations within a reasonable time period.³⁰ Therefore, Subcategory 2.1.1 has 11 indicators (table 10).

Table 10. Subcategory 2.1.1.–Transparency and Availability of Information

	Indicators	Components
Trade information portal		
1	Trade information portal (TIP) (availability)	Public availability of a TIP with the following features available: <ul style="list-style-type: none"> a. Laws, decrees, regulations, instructions, notifications, and any other legal instruments relating to trade and compliance b. Commodity classification and associated tariffs c. Agreements with any country or countries, as well as unilateral agreements, including status and updates d. Special measures applicable to specific commodities or products (for example, sanitary or phytosanitary measures or technical standards required of specific categories of products) e. Penalty provisions for breach of formalities and procedures for appeal or review f. Instructions and forms used to apply for permits, licenses, and Customs clearance and lists of codes required in various documents (for example, country codes, units of measurement, currency codes, etc.) g. Contact information for enquiry points
2	Trade information portal (TIP) (up to date)	The information in TIP is up to date
Publication of laws and regulations on international trade		
3	Publication–Duties, taxes, fees and charges	i) Public availability of the following information in the areas of trade in goods, trade in services, and digital trade: <ul style="list-style-type: none"> a. Applied rates of duties, taxes, and fees imposed on or in connection with importation or exportation (goods) b. Applied rates of duties, taxes, fees, and charges of any kind imposed when hiring foreign service providers or foreign professionals (services) c. Applied rates of duties, taxes, fees, and charges of any kind imposed on digitally ordered goods and services in practice (digital trade)
4	Publication–Procedures, licensing criteria and advance rulings	Public availability of the following information in the areas of trade in goods, trade in services, and digital trade: <ul style="list-style-type: none"> a. Procedures for importation, exportation, and transit (including all entry-point procedures), as well as required forms and documents (including step-by-step guides) (goods) b. Rules for the classification or valuation of products for Customs purposes (goods) c. Laws, regulations, and administrative rulings on non-tariff measures (goods) d. Licensing criteria for transport services (maritime freight and road freight) and logistics services (cargo handling, storage and warehouse, Customs brokerage, and freight forwarding) (services) e. Procedures for hiring foreign providers of transport and logistics services, as well as required and forms and documents (services) f. Procedures for digital trade transactions and forms and documents (digital trade).
5	Publication–Penalties, procedures for appeal and trade agreements	Public availability of the following information in the areas of trade in goods, trade in services, and digital trade: <ul style="list-style-type: none"> a. Penalty provisions for breaches of formalities b. Procedures for appeal or review c. Statistics on Customs’ operational efficiency (such as average clearance and release times) (goods)
Information on laws and regulations on international trade		
6	Proposals of laws and draft regulations	Public availability of proposals of laws and draft regulations in practice to explain their purpose in the areas of trade in goods, trade in services, and digital trade

7	Advance notices	Public availability of advance notices prior to enacting changes in practice in the areas of trade in goods, trade in services, and digital trade
8	Enquiry points	i) Establishment of enquiry points for information requests and provision of information to oversight bodies in practice ii) When the trade facilitation enquiry point is contacted, the calls are answered within two minutes and emails responded to within a week, in the majority of cases
Consultation on laws and regulations on international trade		
9	Consultation–Practice	Consultation with interested parties/stakeholders before introducing or enacting changes to laws and regulations in practice in the areas of trade in goods, trade in services, and digital trade
10	Consultation–Reasonable opportunity	A reasonable opportunity of at least 30 calendar days to comment is given to interested parties/stakeholders before introducing or changing laws and regulations affecting trade in goods, trade in services, and digital trade
11	Consultation–Process to consider comments	i) Comments received are responded to in practice in the areas of trade in goods, trade in services, and digital trade ii) Provision of justification in case comments received in the areas affecting trade in goods, trade in services, and digital trade are not incorporated.

2.1.2. Electronic Systems and Interoperability of Services

This set of indicators measures the availability, scope, connectivity, and functionality of an economy’s electronic systems for trade operations. Among these systems, Electronic Single Windows have become one of the main instruments of trade facilitation. Such mechanisms enhance the exchange of trade-related information between government agencies and other trade actors, support paperless trade features, and may also have bilateral, regional, or multilateral interoperability.³¹ Although challenging to implement, they streamline procedures and reduce compliance costs while increasing transparency, compliance, and security of the transaction. These platforms may integrate not only government agencies, but also private sector actors. Other electronic systems—particularly advanced integrated Customs management systems composed of several modules and capable of integrating different agencies—may also have similar features. Therefore, Subcategory 2.1.2 has 10 indicators (table 11).

Table 11. Subcategory 2.1.2.–Electronic Systems and Interoperability of Services

	Indicators	Components
Electronic single window for trade		
1	Electronic Single Window for Trade (availability)	i) Availability of an Electronic Single Window for Trade ii) The Electronic Single Window for Trade connects government agencies and other trade actors through a transactional electronic platform with the following characteristics: a. Single point of access b. Single sign-on c. Single submission of data d. Single point of decision making e. Single point of payment
2	Electronic Single Window for Trade (agencies)	Integration of agencies to Electronic Single Window for Trade: a. Tax administration b. Sanitary and phytosanitary agencies c. Standardization agencies d. Security border agencies e. Environmental agencies f. Licensing and permitting agencies g. Trade promotion and control agencies h. Transport agency i. Ministry of Trade (or equivalent domestic ministry) j. Statistics Department
3	Electronic Single Window for Trade (stakeholders)	Integration of stakeholders to Electronic Single Window for Trade: a. Exporters and importers b. Warehouse operators c. Customs brokers d. Logistics operators

		<ul style="list-style-type: none"> e. Carriers and transport operators f. Container handlers and terminal operators g. Airport/rail/port authorities h. Trade and transport associations (that is, chambers of commerce or other product certification boards) i. Quality/standards inspection companies j. Financial institutions (that is, banks, insurance companies)
4	Electronic Single Window for Trade (features)	<p>Features available through the Electronic Single Window for Trade:</p> <ul style="list-style-type: none"> a. Submission of commercial and transport documents b. Lodging of Customs declarations and releases c. Processing of licenses, permits and authorizations d. Processing of veterinary, sanitary, and phytosanitary certificates e. Processing of technical standards certificates f. Processing of certificates of origin g. Scheduling cargo collection and delivery h. Electronic payments i. Digital customer service desk j. Access to the Trade Information Portal (TIP)
5	Electronic Single Window for Trade (interoperability)	The Electronic Single Window for Trade exchanges information on commercial and transport documents, and Customs declaration with any trading partner's Electronic Single Window for Trade or integrated Customs management system
Integrated Customs management system		
6	Integrated Customs management system (availability)	Existence of an integrated Customs management system for international trade with transactional features
7	Integrated Customs management system (agencies)	<p>Integration of agencies into the Customs management system:</p> <ul style="list-style-type: none"> a. Tax administration b. Sanitary and phytosanitary agencies c. Standardization agencies d. Security border agencies e. Environmental agencies f. Licensing and permitting agencies g. Trade promotion and control agencies h. Transport agency i. Ministry of Trade (or equivalent domestic ministry) j. Statistics Department
8	Integrated Customs management system (stakeholders)	<p>Integration of stakeholders into the Customs management system:</p> <ul style="list-style-type: none"> a. Exporters and importers b. Warehouse operators c. Customs brokers d. Logistics operators e. Carriers and transport operators f. Container handlers and terminal operators g. Airport/rail/port authorities h. Trade and transport associations (that is, chambers of commerce or other product certification boards) i. Quality/standards inspection companies j. Financial institutions (that is, banks, insurance companies)
9	Integrated Customs management system (features)	<p>Features available through Customs management system:</p> <ul style="list-style-type: none"> a. Submission of commercial and transport documents b. Lodging of Customs declarations and release c. Processing of licenses, permits and authorizations d. Processing veterinary, sanitary, and phytosanitary certificates e. Processing of technical standards certificates f. Processing of certificates of origin g. Scheduling cargo collection and delivery h. Electronic payments
10	Integrated Customs management system (interoperability)	The integrated Customs management system exchanges information on commercial and transport documents, and Customs declaration with any trading partner's Electronic Single Window for Trade or integrated Customs management system

2.1.3. Trade Infrastructure

This set of indicators measures the quality of an economy's trade infrastructure. Adequate trade infrastructure reduces trade and transport costs and enables the integration in regional and global value chains.³² The quality of trade infrastructure can be measured by assessing the availability of facilities, equipment, and services necessary for border control, cargo handling, examination, and warehousing and storage, as well as the availability of internet connection and information technology systems. Importantly, such an assessment must consider the geography of the locations measured considering, for example, there are no land border posts and no seaports in island and landlocked economies, respectively. For comparability purposes, only two main border types are measured for coastal economies. Therefore, Subcategory 2.1.3 has 8 indicators (table 12).

Table 12. Subcategory 2.1.3.–Trade Infrastructure

	Indicators	Components
Border Posts		
1.	Equipment & facilities (border post)	<ul style="list-style-type: none"> i) Delimited primary zone ii) Intrusive and non-intrusive examination areas iii) Deconsolidation and unbundling areas for cargo iv) Pedestrian and vehicular access routes properly identified, demarcated, illuminated, and signposted v) Offices for the personnel of the Customs authority and other control agencies vi) Communication system and internet access (for example, voice, data, images) for the staff (24x7) vii) Fixed or mobile scanners viii) Weight-in-Motion (WIM) scales ix) Seizure warehouse x) Testing laboratory for samples
2	Services and amenities (border post)	<ul style="list-style-type: none"> i) Parking areas for trucks ii) Open storage facilities iii) Covered storage facilities iv) Cold storage facilities v) Customs bonded warehouses vi) Secured/gated area vii) Immigration office viii) Basic sanitation and health facilities
Ports		
3	Equipment and facilities (port)	<ul style="list-style-type: none"> i) Delimited primary zone ii) Intrusive and non-intrusive examination areas iii) Deconsolidation and unbundling areas for cargo iv) Pedestrian and vehicular access routes properly identified, demarcated, illuminated, and signposted v) Offices for the personnel of the Customs authority and other control agencies vi) Communication system and internet access (for example, voice, data, images) for the staff (24x7) vii) Fixed or mobile scanners viii) Weight-in-Motion (WIM) scales ix) Seizure warehouse x) Testing laboratory for samples
4	Services and amenities (port)	<ul style="list-style-type: none"> i) Parking areas for trucks ii) Open storage facilities iii) Covered storage facilities iv) Cold storage facilities v) Customs bonded warehouses vi) Secured/gated area vii) Immigration office viii) Basic sanitation and health facilities
5	Information systems and Consultative Committee (port)	<ul style="list-style-type: none"> i) Implementation of information systems at the main port: <ul style="list-style-type: none"> a. Electronic Single Window for Trade b. Maritime single window

		<ul style="list-style-type: none"> c. Port community system d. Terminal operating system e. Truck booking system f. Cargo tracking system <ul style="list-style-type: none"> ii) Electronic exchange of information between the port and the ships iii) Existence of a Port Consultative Committee that represents the main stakeholders, including the private sector, and has meetings at least twice a year.
Airports		
6	Equipment and facilities (airport)	<ul style="list-style-type: none"> i) Delimited primary zone ii) Intrusive and nonintrusive examination areas iii) Deconsolidation and unbundling areas for cargo iv) Pedestrian and vehicular access routes properly identified, demarcated, illuminated, and signposted v) Offices for the personnel of the Customs authority and other control agencies vi) Communication system and internet access (for example, voice, data, images) for the staff (24x7) vii) Fixed or mobile scanners viii) Weight-in-Motion (WIM) scales ix) Seizure warehouse x) Testing laboratory for samples
7	Services and amenities (airport)	<ul style="list-style-type: none"> i) Parking areas for trucks ii) Open storage facilities iii) Covered storage facilities iv) Cold storage facilities v) Customs bonded warehouses vi) Secured/gated area vii) Immigration office viii) Basic sanitation and health facilities
8	Information systems & Consultative Committee (airport)	<ul style="list-style-type: none"> i) Implementation of information systems at the main airport: <ul style="list-style-type: none"> g. Electronic single window for trade h. Airport community system i. Terminal operating system j. Truck booking system k. Cargo tracking system ii) Existence of an Airport Consultative Committee that represents the main stakeholders, including the private sector, and has meetings at least twice a year.

2.2. Border Management

Category 2.2 is divided into three subcategories consisting of several second-order subcategories and their indicators, each of which may, in turn, have several components.

2.2.1 Risk Management

This set of indicators measures the features, level of integration and operability of risk management systems. Release and clearance times at the border are not only affected by the performance of Customs agencies, but also by the performance of other border control agencies. Risk management systems allow relevant agencies to efficiently focus resources on high-risk shipments, while preventing arbitrary discrimination and unnecessary delays in the clearance of goods.³³ The most efficient risk management systems integrate all border control agencies.³⁴ The use of sophisticated techniques, advance targeting and post-clearance audits also affect the performance of risk management systems, especially by minimizing the need for inspections and additional controls.³⁵ Therefore, Subcategory 2.2.1 has 8 indicators (table 13).

Table 13. Subcategory 2.2.1.–Risk Management

	Indicators	Elements
Features		
1	Agencies	Border agencies supported by a risk management system:

		<ul style="list-style-type: none"> a. Customs agency b. Sanitary and phytosanitary agencies c. Standardization agencies d. Environmental agencies e. Security border agencies
2	Coverage (Customs)	Customs risk management system works at all borders with offices or physical presence of Customs with the same levels of effectiveness and efficiency
3	Level of analysis (Customs)	Level of analysis performed to determine a risk profile of a shipment: <ul style="list-style-type: none"> a. Basic b. Advanced
Integration		
4	Agencies integrated	Border control agencies that are part of an integrated risk management system <ul style="list-style-type: none"> a. Customs agency b. Sanitary and phytosanitary agencies c. Standardization agencies d. Environmental agencies e. Security border agencies
5	Level of integration	Level of integration in the risk management system <ul style="list-style-type: none"> a. Basic b. Advanced
Operability		
6	Automatization	Use of automated profiling and targeting by Customs as part of its risk management system to minimize the incidence of physical examinations for both exports and imports
7	In advance targeting	Risk management system is used to identify high-risk profiles prior to the cargo's arrival to the border for both exports and imports
8	Post-clearance audits	Risk-based post-clearance audits for imports using selectivity criteria

2.2.2 Coordinated Border Management

This set of indicators measures the extent of border and behind-the-border cooperation between domestic border control agencies, as well as the external cooperation with similar agencies in trading partner economies. Increased coordination between Customs and other border control agencies, both within and across borders, plays an important role in leveraging resources to streamline procedures and avoid duplications and delays.³⁶ Furthermore, participation of and collaboration with stakeholders from the private sector also contributes to better efficiency at the border.³⁷ This collaboration may be structured through a body composed of representatives from various government agencies, private sector organizations, and other relevant stakeholders, such as a National Trade Facilitation Committee (NTFC), which can play an important role in involving the trading community.³⁸ Therefore, Subcategory 2.2.2 has 10 indicators (table 14).

Table 14. Subcategory 2.2.2.–Coordinated Border Management

	Indicators	Elements
Internal coordination		
1	Shared database	Cross-border trade transactions are recorded either in a single database across all agencies or in different but linked databases (with information automatically updated and shared between agencies)
2	Unique consignment reference	There is a unique consignment reference used by the Customs agency and other agencies.
3	Join controls (internal)	Local border control authorities conduct joint inspections with or delegate inspections to other national agencies.
4	National Trade Facilitation Committee (availability)	Existence of a National Trade Facilitation Committee, or a similar agency, in charge of coordination and consultation with stakeholders on the planning and implementation of trade facilitation reforms that has meetings at least twice a year
5	National Trade Facilitation Committee (stakeholders)	<ul style="list-style-type: none"> i) Stakeholders that are part of the National Trade Facilitation Committee: <ul style="list-style-type: none"> a. Government agencies involved in international trade b. SME associations c. Private sector organizations (including not only traders, but those related to trade industries)

		d. Civil society (that is, NGOs with a connection to international trade) e. Women Associations
External coordination		
6	Integrated border checkpoint	Existence of an integrated border checkpoint with the main trading partner sharing land border.
7	Exchange of information	Exchange of information by the Customs agency on commercial and transport documents and Customs declaration at the border with the Customs agency of the main trading partner.
8	Joint controls (external)	Recognition by border control agencies of inspections conducted by partner economy's border control agencies or conducting joint inspections
9	Alignment of operating hours and formalities	i) Customs operating hours coincide with those of the main trading partner sharing land border. ii) There is a unified document or set of documents that is presented to the border control agencies of the main trading partner.
10	Recognition of licenses and professional certifications	Recognition of licenses and professional qualifications of service providers in the transportation and logistics sectors from the main trading partner.

Note: NGOs = nongovernmental organizations.

2.2.3 Border Agency Programs

This set of indicators measures the availability and features of the Authorized Economic Operator (AEO) and expedited shipments programs. AEO schemes have become an important instrument for strengthening international supply chains and improving security standards conducted by border control agencies.³⁹ Successful AEO programs have been implemented for a diverse type of operators covering a long list of benefits.⁴⁰ Agencies in charge of AEO programs seek to expand Mutual Recognition Agreements (MRAs) and simplify processes of obtaining and renewing AEO certificates.⁴¹ Regarding expedited shipments programs, they focus on a type of shipping service, faster than standard shipping, that has been expanding rapidly around the globe with diverse features and advantages for trade operators.⁴² Good practices in shipment programs do not establish weight or value limits, nor are they subscribed to specific type of operators. Therefore, Subcategory 2.2.3 has 7 indicators (table 15).

Table 15. Subcategory 2.2.3–Border Agency Programs

	Indicators	Elements
Authorized Economic Operators		
1	Authorized Economic Operator (availability)	Authorized Economic Operator (AEO) certification program has been implemented for the following operators: a. Exporters b. Importers c. Warehouse operators d. Customs brokers e. Logistic operators f. Carriers/transport operators g. Airport/port/terminal operators h. Manufacturers
2	Authorized Economic Operator (benefits)	Benefits of being an AEO operator: a. Pre-arrival release of goods b. Priority clearance and release of shipments c. Simplified post-clearance procedures d. Use of periodic declarations e. Lower rate of documentary reviews and physical inspections by Customs and other agencies f. Priority treatment if cargo is selected for inspection g. Choice of location for physical inspections/controls h. Deferred payment of duties, taxes, fees and charges i. Reduced Customs and/or warehousing licensing fees and charges j. Reduced or waiver of guarantees
3	Authorized Economic Operator (inter-agency recognition)	Besides the Customs agency, the AEO status is recognized by other border control agencies

4	Authorized Economic Operator (MRAs)	AEOs' MRAs signed with any of the three main trading partners
5	Authorized Economic Operator (certification and renewal process)	Possibility to carry out the AEO certification of the renewal process through the Electronic Single Window for Trade, Customs management system or dedicated trade portal
Expedited Shipments		
6	Expedited shipments (availability)	Expedited shipments program been implemented with at least one authorized express cargo operator
7	Expedited shipments (features)	Available features of the Expedited Shipment Program: <ul style="list-style-type: none"> a. Pre-arrival submission and processing of information b. Rapid release c. No weight or value limits d. Minimal documentation required – Use of a single submission of information e. De minimis value

Note: AEO = Authorized Economic Operator; MRAs = Mutual Recognition Agreements.

3. PILLAR III. EFFICIENCY: EFFICIENCY OF IMPORTING GOODS, EXPORTING GOODS, AND ENGAGING IN DIGITAL TRADE

Table 16 shows the structure for Pillar III, the efficiency of importing goods, exporting goods, and engaging in digital trade in practice. Each of this pillar's categories and subcategories will be discussed in the order shown in the table 16.

Table 16. Pillar III–Efficiency of Importing Goods, Exporting Goods, and Engaging in Digital Trade

3.1	Compliance with Export Requirements	
3.1.1	Total time to comply with export requirements	
3.1.2	Total cost to comply with export requirements	
3.2	Compliance with Import Requirements	
3.2.1	Total time to comply with import requirements	
3.2.2	Total cost to comply with import requirements	
3.3	Compliance when Exporting Digitally Ordered Goods	
3.2.1	Total time when exporting digitally ordered goods	
3.2.2	Total cost when exporting digitally ordered goods	

3.1 Compliance with Export Requirements

Operational and transaction costs associated with exporting have become increasingly important. Factors such as cumbersome Customs clearance procedures, lack of coordination among border agencies, inadequate trade infrastructure and limited logistics services substantially increase time and costs to comply with export requirements.⁴³ Therefore, Category 3.1 has two indicators (table 17).

Table 17. Category 3.1–Compliance with Export Requirements

	Indicators	Elements
1	Total time to comply with export requirements	The period in days required for directly exported goods to be released by all border control agencies, including clearance procedures prior to arrival at the point of exit.
2	Total cost to comply with export requirements	The total costs associated with complying with all export requirements, including Customs fees, other required payments, and payments made to Customs brokers or freight forwarders, transportation freight, trade finance, and insurance services.

3.2 Compliance with Import Requirements

Similarly, operational and transaction costs associated with importing can become costly for firms that are looking to trade internationally.⁴⁴ Factors such as lengthy Customs clearance procedures, lack of coordination among border agencies, inadequate trade infrastructure and limited logistics services

significantly increase time and costs to comply with import requirements. Therefore, Category 3.2 has two indicators (table 18).

Table 18. Category 3.2–Compliance with Import Requirements

	Indicators	Elements
1	Total time to comply with import requirements	The period in days required for directly imported material inputs and supplies (or finished goods and materials purchased to resell) to be released by all border control agencies, including clearance procedures prior to arrival at the point of entry until all material inputs and supplies were released.
2	Total cost to comply with import requirements	The total costs associated with complying with all import requirements, including Customs fees, other required payments, and payments made to Customs brokers or freight forwarders.

3.3 Compliance when Exporting Digitally Ordered Goods

Operational and transaction costs, as well as lengthy procedures for exporting digitally ordered goods, hinder firms’ ability to access international markets, thus constraining firms’ ability to grow.⁴⁵ Therefore, Category 3.3–Compliance when Exporting Digitally Ordered Goods assesses the total time and costs associated with exporting digitally ordered goods valued below the applicable de minimis threshold and cleared as a mail parcel or courier delivery (table 19).

Table 19. Category 3.3–Compliance when Exporting Digitally Ordered Goods

	Indicators	Elements
1	Total time when exporting digitally ordered goods	The periods in days from the moment when the digitally ordered goods (valued below the applicable de minimis threshold and cleared as a mail parcel or courier delivery) were ready to be picked up by the postal or courier service until they were delivered.
2	Total cost when exporting digitally ordered goods	The total costs associated with complying with the requirements of border control agencies, logistics, and handling for exporting digitally orders goods shipped by mail parcel or courier service.

III. DATA SOURCES

4.1 Data collection sources

The data for Pillar I and Pillar II are collected through expert consultations with private sector experts. Private sector experts include trade economists, trade lawyers, freight forwarders, Customs brokers, clearing agents, shipping lines, and other trade experts.

The data for Pillar III are collected through Enterprise Surveys. These Surveys provide representative data on time and cost to import and export goods and engage in digital trade experienced by businesses in practice. A representative sample of companies captures variation of user experience within each economy. Businesses with different characteristics, such as size, region, and sector, participate in the surveys. For more details on the collection of data by the Enterprise Surveys, please refer to the Overview chapter of this Methodology Handbook.

4.2 Screening and selection of experts

The International Trade topic has four questionnaires: trade in goods, trade in services, public services, and digital trade. Each questionnaire targets experts in their respective areas of expertise. In order to select potential experts to participate in the questionnaires, screener questionnaires for trade regulations and public services have been developed (table 20). Ultimately, this will allow the Team to select the experts who will respond to the questionnaire on each of these areas (trade in goods, trade in services, and public services).

Data on Digital Trade are collected by the Utility Connections, Financial Services, and Taxation topics. Hence, digital trade expert selection will follow the respective topic’s screening processes.

Table 20. Screener questionnaire and respondent criteria

Relevant expert professions:	
Trade in goods	Trade economists, trade lawyers, trade consultants, trade managers, other trade experts, etc.
Trade in services	Trade economists, trade lawyers, trade consultants, trade managers, other trade experts, etc.
Public services	Freight forwarders, Customs brokers, clearing agents, and shipping lines, trade consultants, trade managers, etc.
Relevant areas of specialization:	
Trade regulations	Trade economists, trade lawyers, other trade experts, etc.
Public services	Freight forwarders, Customs brokers, clearing agents, and shipping lines, trade consultants, trade managers, etc.
Assessment of the experts’ knowledge and experience related to international trade in goods and services, and public services the facilitation of international trade:	
Trade in goods	Experience working on WTO commitments in goods, domestic regulations on trade in goods, non-tariff measures and other trade barriers, trade agreements, and sustainable trade; providing advice or consultation services on issues of international trade regulations; negotiating, drafting or implementing regulations on international trade in goods; involvement in disputes of any form related to international trade; analysis of regulations or policy changes, quantitative analysis, or research in the area of international trade.
Trade in services	Experience working on WTO commitments in services, domestic regulations on trade in services, trade agreements, and sustainable trade; providing advice or consultation services on issues of international trade regulations; negotiating, drafting or implementing regulations on international trade in services; involvement in disputes of any form related to international trade; analysis of regulations or policy changes, quantitative analysis, or research in the area of international trade.
Public services	Experience with contract negotiation, Customs release and clearance, Customs disputes, express delivery, logistics (supply chains), and payment arrangements with banks; experience with documentary requirements and procedures required for exporting, importing, or transiting goods; experience working on WTO commitments in goods, domestic regulations on trade, non-tariff measures and other trade barriers, trade agreements, and sustainable trade.

Note: WTO = World Trade Organization.

Thus, the information provided in the screener questionnaires will allow the team to better understand the experts’ professions; areas of specializations and experts’ knowledge or experience related to international trade in goods, services and digital trade and related regulations, services, and processes. Ultimately, this will allow the team to select the experts to respond to the questionnaire on trade in goods, trade in services public services, and digital trade.

IV. PARAMETERS

To ensure data comparability and enhance data representativeness, the International Trade topic uses general as well as specific parameters. A parameter refers to an assumption made about the characteristics of border types, service sectors and the specific characteristics of trade transactions. Questionnaire respondents are presented with these parameters and assumptions and asked to evaluate a standardized scenario that permits comparability across economies.

5.1 General parameters

The International Trade topic utilizes two general parameters on the geographic nature of an economy and relevant service subsectors.

5.1.1 Geographic nature

The International Trade topic categorizes the geographic nature of all economies as a coastal, an island, or a landlocked economy.

Justification:

The geographic nature of an economy is directly linked to the possibilities available for development of its trade infrastructure and supply of transportation services. Depending on the geographic location, an economy can be categorized into one of the three following groups: a coastal, an island, or a landlocked economy. The International Trade topic predesignates an economy's geographic nature based on the definition that follows.

Application:

This parameter applies to both Pillars I and II. Specifically, it determines the transport services subsectors measured in Pillars I and II, as well as the specific border(s) to be measured under Trade Infrastructure in Pillar II.

5.1.1.1 Coastal economy

A coastal economy refers to an economy with means to conduct export and import through seaport, land border crossing, and airport without transiting through a third country.

5.1.1.2 Island economy

An island economy refers to an economy with means to conduct export and import only through seaport and airport without transiting through a third country.

5.1.1.3 Landlocked economy

A landlocked economy refers to an economy with means to conduct export and import only through land border crossing and airport without transiting through a third country.

5.1.2 Services sectors and subsectors

The International Trade topic considers specific subsectors within the freight transport, logistics, and financial services sectors.

Justification:

Regulations on trade in services vary at subsector levels. For the International Trade topic, considering certain service sectors' crucial roles as inputs and facilitators for international trade in goods, nine subsectors across freight transport, logistics services, and financial services are thus selected as general parameters. The subsectors considered are maritime freight, road freight, air freight, cargo handling, storage and warehousing, Customs brokerage, freight forwarding, commercial banking, and insurance. Considering the geographic nature of the economy under assessment, only two freight transport subsectors will be considered, thus totaling eight subsectors across freight transport, logistics services, and financial services measured in each economy (see section 5.2.7 for more details).

Application:

This parameter applies to both Pillars I and II in all questions related to trade in services.

5.2 Specific parameters

Trade regulations and their applicability may vary depending on the traded products and the trading partners. To strike a balance between cross-country comparability and economy-specific representativeness, the International Trade topic utilizes the following specific parameters to provide contextual information for experts to identify the appropriate regulations to be assessed in different pillars.

5.2.1 Agricultural product chapters

Preselected harmonized system (HS) chapters (2-digit level) that are of agricultural nature.

Justification:

When it comes to non-tariff measures (NTMs), not all product chapters are created equal. Certain chapters may be more susceptible to NTMs, while others are less so. For this reason, it is important to define globally those products chapters that may be more prone to become the target of various NTMs, which are imposed for consumer protection, environmental and social goals, or protection of domestic industries/producers. These preselected agricultural product chapters (HS 2-digit level) are chosen according to data on frequency of NTM applications by HS chapters from the World Integrated Trade Solutions (WITS) database.

Application:

This parameter is primarily used in Pillar I within the section on regulatory restrictions on international trade in goods, specifically for the questions related to the application of non-technical NTMs, including contingent trade-protective measures, import prohibitions, and quotas. This parameter is also used in defining the premises of specific traded agricultural products on the economy level, which is described further in section 5.2.3 for traded products.

5.2.2 Manufactured product chapters

Preselected harmonized system (HS) chapters (2-digit level) that are of manufactured nature.

Justification:

Similar to the agricultural product chapters, not all product chapters are the same concerning the application of NTMs on manufactured products. There may be manufactured product chapters that are more susceptible to various technical measures when being traded, while others are less so. Therefore, it is important to define globally those products chapters that may be more prone to various NTMs, which are imposed for consumer protection, environmental and social goals, or protection of domestic industries/producers. These preselected manufactured product chapters (HS 2-digit level) are chosen according to data on frequency of NTM applications by HS chapters from the World Integrated Trade Solutions (WITS) database.

Application:

This parameter is primarily used in Pillar I within the section on regulatory restrictions on international trade in goods, specifically for the questions related to the application of non-technical NTMs, including contingent trade-protective measures, import prohibitions, and quotas etc. This parameter is also used in defining the premises of specific traded manufactured products on economy level, which is described further in section 5.2.3 on traded products.

5.2.3 Traded products

The most imported manufactured and agricultural products by total import value between 2015 and 2019 at Harmonized System (HS) subheading level (6-digit) within the predefined HS chapters as discussed in Sections 5.2.1 and 5.2.2.

Justification:

How trade regulations are applied is closely related to the type of products being traded. Thus, defining the products traded is critical for the experts to refer to the most relevant regulations and their applicability. Specifically, many trade regulations are applied at more granular level in terms of products, meaning it may not be enough to only define the products at HS chapter level. That is the precise reason to define the product at the subheading level to capture the specificity associated with the application of these regulations. Product selections are done based on United Nations Commodity Trade (UN COMTRADE) database, using import data between 2015 and 2019.

Application:

This parameter is used in Pillar I within the section on regulatory restrictions on international trade in goods, specifically for the questions related to the application of technical NTMs including sanitary and phytosanitary measures, technical barriers to trade, and pre-shipment inspections.

5.2.4 Traded environmental goods

The top five most traded environmental products by total trade value at world-level between 2015-2019 (UN COMTRADE) within the Asia-Pacific Economic Cooperation (APEC) list of environmental goods at HS subheading level (6-digit). These products are HS 854140, HS 901380, HS 847989, HS 903289, and HS 903180.

Justification:

Tariffs and duties applied to the importation of environmental goods may vary depending on products that are being traded. The selection of globally top five most imported environmental goods achieves a balance between representativeness and comparability. It considers both the selected environmental goods' relevance to economies covered, while also taking into consideration cross-country comparison.

Application:

This parameter is used in Pillar I within the section on sustainable trade policy, specifically for the question on the effectively applied tariff rate on these top five most traded environmental goods at world-level.

5.2.5 Trading partner(s)

Collectively referring to the natural partners of an economy by different trade categories between 2015 and 2019. In the context of trade cooperation and border agency programs, trading partner(s) refer(s) to an economy's top three trade partners in goods (UN COMTRADE) and services (OECD) imports. In the context of external coordination, trading partner(s) refer(s) to the main trading partner of goods for the economy, or the main trading partner of goods sharing a land border (UN COMTRADE).

Justification:

Incentives for trade cooperation and external coordination with other trading partners may vary depending on their relevance. In addition, measuring the top three trading partners in trade cooperation mitigates the possibility of no agreements with main partners that are unwilling to cooperate. Partner selections are conducted based on UN COMTRADE database, using bilateral import data between 2015 and 2019.

Application:

This parameter is used in Pillar I under the section covering practices on international trade cooperation, and in Pillar II under sections covering trade infrastructure, external cooperation, and border agency programs.

5.2.6 Main border

The main border per each mode of transportation (by maritime, air or road freight), as determined by the total trade value by border by mode of transportation. Considering the economy's geographic nature, only the main borders referring to the two most relevant types of transportation freight are measured (see 5.2.7).

Justification:

To measure trade infrastructure, it is important to identify the borders that are most relevant to the economy in terms of trade value. It is also crucial to differentiate the relevance of border by transportation type, as facilities, amenities, and infrastructure can vary across different types of borders (that is, port, land border, or airport). The selection of the main border by mode of transportation are based on data from ancillary government sources (such as statistical agencies) and confirmed by experts.

Application:

This parameter is used in Pillar II within the sections on trade infrastructure and external coordination, where identifying the main border will provide sufficient context for experts to respond to questions related to facilities, amenities, and other infrastructure setup.

5.2.7 Transportation freight

Considering the economy’s geographic nature, the two most relevant types of transportation freight are measured.

Justification:

For each economy, depending on its geographic nature, the relevant transportation freight services may vary. As detailed in section 5.1.1, the International Trade topic predesignates an economy’s geographic nature. Hence, this parameter defines what type of transportation freight service is being measured according to the economy’s categorization (coastal, island, or landlocked).

Application:

This parameter is used in Pillar I under questions on the regulatory restrictions on international trade in services, specifically concerning questions on subsectors in transport freight sector. Coastal economies are assessed on road and sea freight services, island economies are assessed on air and sea freight services, and landlocked economies are assessed on air and road freight services.

5.2.8 WTO membership

An economy’s status for WTO membership (that is, Member, Observer, or none).

Justification:

In the context of trade cooperation, for certain areas measured by the International Trade topic, it is important to differentiate economies that are WTO members, and those that are not. It provides the necessary context to assess the applicability of any WTO-related obligations.

Application:

This parameter is primarily used in Pillar I under the section on trade cooperation, with regard to notifications of preferential trade arrangements (PTAs) to the WTO.

V. TOPIC SCORING

The International Trade topic has three pillars: Pillar I–Quality of Regulations for International Trade; Pillar II–Quality of Public Services for the Facilitation of International Trade; and Pillar III–Efficiency of Importing Goods, Exporting Goods, and Engaging in Digital Trade. Pillar I covers 62 indicators with a total score of 108 points (49 points on firm flexibility and 59 points on social benefits). Pillar II includes 52 indicators with a total score of 104 points (52 points on firm flexibility and 52 points on social benefits). Pillar III has 6 indicators with scores ranging from 0 to 100 on firm flexibility. The total points for each Pillar are further rescaled to values from 0 to 100, and then aggregated into the total topic score. Each pillar contributes one-third to the total topic score. The International Trade indicators consider economic impact of regulations and business practices on firms (firm flexibility) as well as society (social benefits) (table 21). For further scoring details please see the Overview chapter, which complements this section.

Table 21. Aggregate scoring overview

Pillar	Pillar		Score		Weight
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number		Number of indicators	Firm flexibility	Social benefits	Total score	Rescaled score (0–100)	
I	Quality of Regulations for International Trade	62	49	59	108	100	0.33
II	Quality of Public Services for the Facilitation of International Trade	52	52	52	104	100	0.33
III	Efficiency of Importing Goods, Exporting Goods, and Engaging in Digital Trade	6	100	n.a.	100	100	0.33

Note: n.a. = not applicable (refers to the cases when the impact on firms or society is either ambiguous or nonexistent).

6.1 Pillar I–Quality of Regulations for International Trade

Pillar I covers 62 indicators with a total score of 108 points (49 points on firm flexibility and 59 points on social benefits) (table 22). The scoring for each category under this pillar is as follows:

6.1.1 Good Regulatory Practices Supporting International Trade

6.1.1.1 The Adequacy of the Legal Framework Subcategory has 11 indicators with a total maximum score of 22 points (11 points on firm flexibility and 11 points on social benefits). Specifically, the *Regulatory Certainty and Predictability* Subcategory has 4 indicators; *Regulatory Decisions and Appeals* has 3 indicators; *De Minimis Value* has 1 indicator; and *Legal Requirements for the Imposition of NTMs* has another 3 indicators. A regulatory framework that provides a transparent, predictable, and safe trading environment benefits both firms (firm flexibility) and society/customers (social benefits). Hence, equal scores are assigned to both categories.

6.1.1.2 The Practices on Digital and Sustainable Trade Subcategory has 10 indicators with a total maximum score of 16 points (6 points on firm flexibility and 10 points on social benefits). Specifically, the *Legal Requirements for Digital Transactions* Subcategory has 4 indicators; *Sustainable Trade Policy* has 3 indicators; and *International Commitments on Sustainable Trade* has another 3 indicators. The positive impact for society is derived from legal requirements on digital transactions, as well as the existence of environmental and social objectives as intrinsic aspects of trade policy. The indicator on cross-border carbon pricing instruments and all the indicators under *International Commitments on Sustainable Trade* have an ambiguous impact (the short-term costs for the firms may also be offset by long-term benefits) on firm flexibility and hence are not scored.

6.1.1.3 The Practices on International Trade Cooperation Subcategory has 7 indicators with a total maximum score of 11 points (7 points on firm flexibility and 4 points on social benefits). Specifically, *Participation and Depth of Trade Agreements* has 5 indicators; and *Competent Authorities in Trade Agreements* has 2 indicators. Non-WTO members may score a total of 5 points, which will be rescaled to the same 6.48 rescaled points. The indicators on Preferential Trade Agreements, economic integration rights and their protection have an ambiguous impact (affected sectors or regions may have some social costs, such as loss of jobs/market and redundancies) on social benefits and hence are not scored.

6.1.2 Regulatory Restrictions on International Trade

6.1.2.1 The Restrictions on International Trade in Goods Subcategory has 14 indicators with a total maximum score of 24 points (10 points on firm flexibility and 14 points on social benefits).

Specifically, *Technical Non-Tariff Measures* and *Regulatory Restrictions for Domestic Freight Transportation* have 5 indicators each, and *Non-Technical Non-Tariff Measures* have 4 indicators. The indicators on sanitary and phytosanitary measures, technical barriers to trade, and safety regulations have an ambiguous impact on firm flexibility and hence are not scored.

6.1.2.2 The Restrictions on International Trade in Services Subcategory has 10 indicators with a total maximum score of 20 points (10 points on firm flexibility and 10 points on social benefits). Specifically, *Market Access Restrictions* has of 3 indicators; *Restrictions on Cross-Border Movement of Foreign Professionals* has 3 indicators; and *Other Discriminatory Measures* has 4 indicators. Nondiscriminatory international trade regulations on trade in services benefits both firms (firm flexibility) and society/customers (social benefits). Hence, equal scores are assigned to both categories.

6.1.2.3 The Restrictions on Digital Trade Subcategory has 10 indicators with a total maximum score of 17 points (5 points on firm flexibility and 12 points on social benefits). Specifically, *Discriminatory Restrictions* has 5 indicators and *Consumer Protection* has 5 indicators. The indicators under *Consumer Protection* have an ambiguous impact on firm flexibility and hence are not scored.

Table 22. Scoring for Pillar I

Pillar I—Quality of Regulations for International Trade		No. of indicators	FFP	SBP	Total points	Rescaled points
1.1	Good Regulatory Practices Supporting International Trade	28	24	25	49	45.4
1.1.1	Adequacy of the legal framework	11	11	11	22	20.37
1.1.1.1	Regulatory certainty and predictability	4	4	4	8	7.41
1.1.1.2	Regulatory decisions and appeals	3	3	3	6	5.56
1.1.1.3	De minimis value	1	1	1	2	1.85
1.1.1.4	Legal requirements for the imposition of NTMs	3	3	3	6	5.56
1.1.2	Practices on digital and sustainable trade	10	6	10	16	14.81
1.1.2.1	Legal requirements for digital transactions	4	4	4	8	7.41
1.1.2.2	Sustainable trade policy	3	2	3	5	4.63
1.1.2.3	International commitments on sustainable trade	3	0	3	3	2.78
1.1.3	Practices on international trade cooperation	7	7	4	11	10.19
1.1.3.1	Participation and depth of trade agreements	5	5	2	7	6.48
1.1.3.2	Competent authorities in trade agreements	2	2	2	4	3.70
1.2	Regulatory Restrictions on International Trade	34	25	34	59	54.6
1.2.1	Restrictions on international trade in goods	14	10	14	24	22.22
1.2.1.1	Technical non-tariff measures	5	3	5	8	7.41
1.2.1.2	Non-technical non-tariff measures	4	4	4	8	7.41
1.2.1.3	Regulatory restrictions for domestic freight transportation and logistics service providers	5	3	5	8	7.41
1.2.2	Restrictions on international trade in services	10	10	10	20	18.52
1.2.2.1	Market access restrictions	3	3	3	6	5.56
1.2.2.2	Restrictions on cross-border movement of foreign professionals	3	3	3	6	5.56
1.2.2.3	Other discriminatory measures	4	4	4	8	7.41
1.2.3	Restrictions on digital trade	10	5	10	15	13.89
1.2.3.1	Discriminatory restrictions	5	5	5	10	9.26
1.2.3.2	Consumer protection	5	0	5	5	4.63
	Total	62	49	59	108	100

Note: FFP = firm flexibility points. SBP = social benefits points.

6.2 Pillar II—Quality of Public Services for the Facilitation of International Trade

Pillar II covers 52 indicators with a total score of 104 points (52 points on firm flexibility and 52 points on social benefits) (table 23). The scoring for each category under this pillar is as follows:

6.2.1 Digital and Physical Infrastructure

6.2.1.1 The Transparency and Availability of Information Subcategory has 11 indicators with a total maximum score of 22 points (11 points on firm flexibility and 11 points on social benefits). Specifically, *Trade Information Portal* has 2 indicators; *Publication of Laws and Regulations on International Trade* has 3 indicators; *Information on Laws and Regulations on International Trade* has 3 indicators; and *Consultation on Laws and Regulations on International Trade* has another 3 indicators. Transparency and public availability of information for international trade benefit both firms (firm flexibility) and society/customers (social benefits). Hence, equal scores are assigned to both categories.

6.2.1.2 The Electronic Systems and Interoperability of Services Subcategory has 10 indicators with a total maximum score of 20 points (10 points on firm flexibility and 10 points on social benefits). Specifically, *Electronic Single Window for Trade* has 5 indicators; and *Integrated Customs Management System* has another 5 indicators. Electronic systems and interoperability of services benefit both firms (firm flexibility) and society/customers (social benefits). Hence, equal scores are assigned to both categories.

6.2.1.3 The Trade Infrastructure subcategory has 8 indicators with a total maximum score of 12 points (6 points on firm flexibility and 6 points on social benefits). Specifically, *Border Posts* has 2 indicators; *Ports* has 3 indicators; and *Airports* has another 3 indicators. Considering the economy's geographic nature, only the main borders referring to the two most relevant types of transportation freight are measured (see 5.2.6), thus, a maximum of 6 indicators are assessed. Island economies may score a total of 12 points in this subcategory (6 points on firm flexibility and 6 points on social benefits). Coastal and landlocked economies may score a total of 10 points (5 points on firm flexibility and 5 points on social benefits). The scores of coastal and landlocked economies will be rescaled to the same 11.54 rescaled points. Trade infrastructure benefits both firms (firm flexibility) and society/customers (social benefits). Hence, equal scores are assigned to both categories.

6.2.2 Border Management

6.2.2.1 The Risk Management Subcategory has 8 indicators with a total maximum score of 16 points (8 points on firm flexibility and 8 points on social benefits). Specifically, *Features* has 3 indicators, *Integration* has 2 indicators, and *Operability* has 3 indicators. Risk management benefits both firms (firm flexibility) and society/customers (social benefits). Hence, equal scores are assigned to both categories.

6.2.2.2 The Coordinated Border Management Subcategory has 10 indicators with a total maximum score of 20 points (10 points on firm flexibility and 10 points on social benefits). Specifically, *Internal Coordination* has 5 indicators and *External Coordination* has 5 indicators. Island economies may score a total of 16 points, which will be rescaled to the same 19.62 rescaled points. Coordinated border management benefits both firms (firm flexibility) and society/customers (social benefits). Hence, equal scores are assigned to both categories.

6.2.3 The Border Agency Programs Subcategory has 7 indicators with a total maximum score of 14 points (7 points on firm flexibility and 7 points on social benefits). Specifically, *Authorized Economic Operators* has 5 indicators and *Expedited Shipments* has 2 indicators. Border agency programs benefit both (firm flexibility) and society/customers (social benefits). Hence, equal scores are assigned to both categories.

Table 23. Scoring for Pillar II

Pillar II—Public Services for the Facilitation of International Trade		No. of indicators	FFP	SBP	Total points	Rescaled points
2.1	Digital and Physical Infrastructure	27	27	27	54	51.92
2.1.1	Transparency and availability of information	11	11	11	22	21.15
2.1.1.1	Trade information portal	2	2	2	4	3.85
2.1.1.2	Publication of laws and regulations on international trade	3	3	3	6	5.77
2.1.1.3	Information on laws and regulations on international trade	3	3	3	6	5.77
2.1.1.4	Consultation on laws and regulations on international trade	3	3	3	6	5.77
2.1.2	Electronic systems and interoperability of services	10	10	10	20	19.23
2.1.2.1	Electronic Single Window for Trade	5	5	5	10	9.62
2.1.2.2	Integrated Customs management system	5	5	5	10	9.62
2.1.3	Trade infrastructure	6*	6*	6*	12	11.54
2.1.3.2	Border posts	2	2	2	4	3.85
2.1.3.2	Ports	3	3	3	6	5.77
2.1.3.3	Airports	3	3	3	6	5.77
2.2	Border Management	25	25	25	50	48.08
2.2.1	Risk management	8	8	8	16	15.38
2.2.1.1	Features	3	3	3	6	5.77
2.2.1.2	Integration	2	2	2	4	3.85
2.2.1.3	Operability	3	3	3	6	5.77
2.2.2	Coordinated border management	10	10	10	20	19.23
2.2.2.1	Internal coordination	5	5	5	10	9.62
2.2.2.2	External coordination	5	5	5	10	9.62
2.2.3	Border agency programs	7	7	7	14	13.46
2.2.3.1	Authorized Economic Operators	5	5	5	10	9.62
2.2.3.2	Expedited shipments	2	2	2	4	3.85
	Total	52	52	52	104	100

Note: FFP = firm flexibility points; SBP = social benefits points.

*See 4.2.2.1.3. above.

4.2.3. PILLAR III. EFFICIENCY: EFFICIENCY OF IMPORTING GOODS, EXPORTING GOODS, AND ENGAGING IN DIGITAL TRADE

This pillar covers 6 indicators with scores ranging from 0 to 100 (table 24). The scores on indicators under this pillar are assigned to firm flexibility only, as the indicators measure the time and costs incurred to firms as they import, export, and engage in digital trade. For example, longer clearance time and higher transaction costs hinder firms' ability to conduct international trade, thus adversely impacting firm flexibility.

Table 24. Scoring for Pillar III

Pillar III—Efficiency of Importing Goods, Exporting Goods, and Engaging in Digital Trade		No. of indicators	Rescaled points
3.1	Compliance with Export Requirements	2	33.3
3.1.1	Total time to comply with export requirements	1	16.7

3.1.2	Total cost to comply with export requirements	1	33.3
3.2	Compliance with Import Requirements	2	16.7
3.2.1	Total time to comply with import requirements	1	16.7
3.2.2	Total cost to comply with import requirements	1	16.7
3.3	Compliance when Exporting Digitally Ordered Goods	2	33.33
3.3.1	Total time when exporting digitally ordered goods	1	16.7
3.3.2	Total cost when exporting digitally ordered goods	1	16.7
	Total	6	100

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- ²² World Bank Group (2018).
- ²³ Acharya et al. (2019); Kee, Nicita, and Olarreaga (2009); Van der Marel and Shepherd (2020).
- ²⁴ For good regulatory practices, see, among others, GATS and WTO’s Declaration on the Conclusion of Negotiations on Services Domestic Regulations. This indicator will expand currently available databases—such as I-TIP, WBSTRI, and the OECDSTRI—by increasing geographic scope and time period of coverage.
- ²⁵ Bai et al. (2020); Daza Jaller, Gaillard, and Molinuevo (2020); Ferrantino and Koten (2019); WTO (2021).
- ²⁶ Daza Jaller, Gaillard, and Molinuevo (2020); Ferrantino and Koten (2019).
- ²⁷ For good regulatory practices, see, among others, UNCITRAL’s Model Laws on Electronic Commerce, the UN’s Convention on the Use of Electronic Communications in International Contracts, and OECD’s Recommendation on Consumer Protection for E-commerce and Guidelines on the Protection of Privacy, WCO’s Cross-Border E-Commerce Framework of Standards, and EU’s General Data Protection Regulation. This indicator will expand currently available databases—such as DBI, GDRD, GSDSTF, DTRI, and DPA—by increasing geographic scope and time period of coverage.
- ²⁸ UNECE (2021). Recommendation No. 38: Trade Information Portals (ECE/TRADE/465).
- ²⁹ WCO (2016).

³⁰ For good regulatory practices, see, among others, the World Trade Organization's (WTO) Trade Facilitation Agreement (TFA), the Customs Valuation Agreement and Agriculture Agreement, the World Customs Organization's (WCO) Revised Kyoto Convention (RKC) and SAFE Framework of Standards to Secure and Facilitate Global Trade (SAFE Framework), and the United Nations Economic Commission for Europe's (UNECE) Recommendation No. 35 on Establishing a Legal Framework for International Trade Single Window.

³¹ UNECE. 2017. Recommendation No. 36: Single Window Interoperability. (ECE/TRADE/431)

³² Donaubauer et al. (2018). For additional good practices, see, among others, International Maritime Organization's Convention of Facilitation of International Maritime Traffic (FAL Convention). This indicator will expand the World Bank Group's Logistics Performance Index, the World Bank Group and IHS Markit's Container Port Performance Index (CPPI), and UNCTAD's Liner Shipping Connectivity Index by adding specific measures not covered by those indexes.

³³ UNCTAD (n.d.).

³⁴ UNECE and ITC (2022).

³⁵ Pérez Azcárraga et al. (2022).

³⁶ For additional good practices, see, among others, WCO's Coordinated Border Management Compendium.

³⁷ OSCE/UNECE (2012).

³⁸ For additional good practices, see, among others, GATS, UNECE's Recommendation No. 38 on Information Trade Portals, and the World Bank Group's Guide on Developing a Trade Information Portal.

³⁹ ITC (2020, 70–75).

⁴¹ Sierra Galindo and Domínguez Rodríguez (2020).

⁴² ITC (2020, 76–79).

⁴³ Hummels and Schaur (2013); Volpe Martincus, Carballo, and Graziano (2015).

⁴⁴ Hummels and Schaur (2013). Volpe Martincus, Carballo, and Graziano (2015).

⁴⁵ WTO (2021).

Annex A. International Trade–Scoring Sheet

This document outlines the scoring approach for the International Trade topic. For every indicator, a firm flexibility point (FFP) and/or a social benefit point (SBF) are assigned, along with a clarification on the detailed scoring for each such indicator and a note on the relevant background literature.

PILLAR I–REGULATORY FRAMEWORK: QUALITY OF REGULATIONS FOR INTERNATIONAL TRADE					
1.1. GOOD REGULATORY PRACTICES SUPPORTING INTERNATIONAL TRADE					
1.1.1. Adequacy of the legal framework					
1.1.1.1. Regulatory certainty and predictability					
Indicators	FFP	SBF	Total points	Rescaled points	Background literature
Laws and regulations governing international trade in goods	1	1	2	1.85	World Bank (2018b); WTO (2013)
Laws and regulations governing international trade in services	1	1	2	1.85	World Bank (2018b) ;; WTO (2013)
Ratification and implementation of international conventions	1	1	2	1.85	IMO (2003); UN (1978); WCO (1990b, 2006b, 2022)
Regulatory Impact Analysis (Trade in goods; Trade in services)	1	1	2	1.85	Johns and Saltane (2016); Ladegaard et al. (2018); OECD (2008, 2009)
Total points for second-order subcategory 1.1.1.1.	4	4	8	7.41	
1.1.1.2. Regulatory decisions and appeals					
Reasons for license rejection, suspension and cancellation (Freight transport services; Logistics services; Financial services)	1	1	2	1.85	OECD (2009); UNCTAD (2011); WTO (2013)
Right to appeal (goods)	1	1	2	1.85	OECD (2009); UNCTAD (2011); WTO (2013)
Right to appeal (services)	1	1	2	1.85	OECD (2009); UNCTAD (2011); WTO (2013)
Total points for second-order subcategory 1.1.1.2.	3	3	6	5.56	
1.1.1.3. De minimis value					
De minimis value	1	1	2	1.85	GEA (2016); ICC (2015); WCO (1999); WTO (2013); Holloway and Rae (2012)
Total points for second-order subcategory 1.1.1.3.	1	1	2	1.85	
1.1.1.4. Legal requirements for the imposition of NTMs					
Sanitary and Phytosanitary measures, Technical Barriers to Trade and pre-inspection measures	1	1	2	1.85	APEC and World Bank (2007); Francois (2001); Ing, Cadot, and Walz (2018); Van Tongeren (2009); WTO (1994a, 1994b, 2013)

Contingent trade-protective measures	1	1	2	1.85	APEC and World Bank (2007); Francois (2001); Ing, Cadot, and Walz (2018); Van Tongeren (2009); WTO (1994a, 1994b, 2013)
Quotas, licenses, price controls, local content requirement and export restrictions	1	1	2	1.85	APEC and World Bank (2007); Francois (2001); Ing, Cadot, and Walz (2018); Van Tongeren (2009); WTO (1994a, 1994b, 2013)
Total points for second-order subcategory 1.1.1.4.	3	3	6	5.56	
Total points for subcategory 1.1.1.	11	11	22	20.37	
1.1.2. Practices on digital and sustainable trade					
1.1.2.1. Legal requirements for digital transactions					
Electronic contracts & signatures	1	1	2	1.85	APEC (2020b); Daza Jaller, Gaillard, and Molinuevo (2020); Ferrantino and Koten (2019); UN (2007); UNCITRAL (1996, 2001, 2022); UNESCAP (2021); WCO (2018)
Electronic payments	1	1	2	1.85	APEC (2020b); Daza Jaller, Gaillard, and Molinuevo (2020); Ferrantino and Koten (2019); UN (2007); UNCITRAL (1996, 2001, 2022); UNESCAP (2021); WCO (2018)
Technology neutrality	1	1	2	1.85	APEC (2020b); Daza Jaller, Gaillard, and Molinuevo (2020); Ferrantino and Koten (2019); UN (2007); UNCITRAL (1996, 2001, 2022); UNESCAP (2021); WCO (2018)
Cross-border data flows	1	1	2	1.85	APEC (2020b); Daza Jaller, Gaillard, and Molinuevo (2020); Ferrantino and Koten (2019); UN (2007); UNCITRAL (1996, 2001, 2022); UNESCAP (2021); WCO (2018)
Total points for second-order subcategory 1.1.2.1.	4	4	8	7.41	
1.1.2.2. Sustainable trade policy					
Cross-border carbon pricing instruments	n.a.	1	1	0.93	Brenton and Chemutai (2021); EC (2021); OECD, (2020); Parry et al. (2021); Pirlot (2021); Shapiro (2020); UN (2020); World Bank (2007, 2022);
Tariffs on environmental goods	1	1	2	1.85	Brenton and Chemutai (2021); Casella and Melo, (2021); Islam and Managi (2019); Shapiro (2020); World Bank (2007)
Restrictions on trade in services related to the import of environmental goods	1	1	2	1.85	Brenton and Chemutai (2021); Casella and Melo, (2021); Islam and Managi (2019); Shapiro (2020); World Bank (2007)
Total points for second-order subcategory 1.1.2.2.	2	3	5	4.63	

1.1.2.3. International commitments on sustainable trade					
International conventions	n.a.	1	1	0.93	Basel Convention (1989); CITES (1973); MARPOL (1973); Rotterdam Convention (1998)
Labor provisions in trade agreements	n.a.	1	1	0.93	ILO (1998); UNDP (2019)
Gender-specific provisions in trade agreements	n.a.	1	1	0.93	Laperle-Forget (2022); Monteiro (2018)
Total points for second-order subcategory 1.1.2.3.	0	3	3	2.78	
Total points for subcategory 1.1.2.	6	10	16	14.81	
1.1.3. Practices on international trade cooperation					
1.1.3.1. Participation and depth of trade agreements					
Participation in non-notified PTAs	1	1	2	1.85	Mattoo, Rocha, and Ruta (2020); UNCTAD (2006a) ; WTO (2022)
Economic integration rights	1	n.a.	1	0.93	Baccini, Dür, and Elsig (2015); Dhingra, Freeman, and Huang (2021); Fernandes, Rocha, and Ruta (2021); Gray (2014); Hofmann, Osnago, and Ruta (2017); Larget et al. (2018); Mattoo, Mulabdic, and Ruta (2017a, 2017b); Mattoo, Rocha, and Ruta (2020)
Protection of economic integration rights	1	n.a.	1	0.93	Baccini, Dür, and Elsig (2015); Dhingra, Freeman, and Huang (2021); Fernandes, Rocha, and Ruta (2021); Gray (2014); Hofmann, Osnago, and Ruta (2017); Larget et al. (2018); Mattoo, Mulabdic, and Ruta (2017a, 2017b); Mattoo, Rocha, and Ruta (2020)
Service sector coverage	1	n.a.	1	0.93	Baccini, Dür, and Elsig (2015); Dhingra, Freeman, and Huang (2021); Fernandes, Rocha, and Ruta (2021); Gray (2014); Hofmann, Osnago, and Ruta (2017); Larget et al. (2018); Mattoo, Mulabdic, and Ruta (2017a, 2017b); Mattoo, Rocha, and Ruta (2020)
Consumer rights and social welfare (Labor; Environment)	1	1	2	1.85	Baccini, Dür, and Elsig (2015); Dhingra, Freeman, and Huang (2021); Fernandes, Rocha, and Ruta (2021); Gray (2014); Hofmann, Osnago, and Ruta (2017); Larget et al. (2018); Mattoo, Mulabdic, and Ruta (2017a, 2017b); Mattoo, Rocha, and Ruta (2020)
Total points for second-order subcategory 1.1.3.1.	5	2	7	6.48	
1.1.3.2. Competent authorities & transition periods in trade agreements					
Competent authorities (implementation)	1	1	2	1.85	ADB (2008); Baccini, Dür, and Elsig (2015); Steger (2012)
Competent authorities (coordination and exchange of information)	1	1	2	1.85	ADB (2008); Baccini, Dür, and Elsig (2015); Steger (2012)
Total points for second-order subcategory 1.1.3.2.	2	2	4	3.70	

Total points for subcategory 1.1.3.	7	4	11	10.19	
Total points for Category 1.1.	24	25	49	45.4	
1.2. REGULATORY RESTRICTIONS ON INTERNATIONAL TRADE					
1.2.1. Restrictions on international trade in goods					
1.2.1.1. Technical non-tariff measures					
Sanitary and phytosanitary measures	n.a.	1	1	0.93	Crivelli and Groeschl (2016); Disdier and Fugazza (2020); Fontagné et al. (2015); Murina and Nicita (2017); UNCTAD (2017, 2020); UNCTAD and World Bank Group (2018); WTO (1994a, 2012, 2013)
Sanitary and phytosanitary measures (national treatment)	1	1	2	1.85	Crivelli and Groeschl (2016); Disdier and Fugazza (2020); Fontagné et al. (2015); Murina and Nicita (2017); UNCTAD (2017, 2020); UNCTAD and World Bank Group (2018); WTO (1994a, 2013)
Technical barriers to trade	n.a.	1	1	0.93	de Melo and Shepherd (2018); Disdier and Fugazza (2020); Fernandes, Ferro, and Wilson (2019); Fontagné and Orefice (2018); UNCTAD (2017, 2020); UNCTAD and World Bank Group (2018); WTO (1994b, 2012,2013)
Technical barriers to trade (national treatment)	1	1	2	1.85	de Melo and Shepherd (2018); Disdier and Fugazza (2020); Fernandes, Ferro, and Wilson (2019); Fontagné and Orefice (2018); UNCTAD (2017, 2020); UNCTAD and World Bank Group (2018); WTO (1994b, 2012, 2013)
Pre-shipment inspections & Destination Inspection	1	1	2	1.85	de Melo and Shepherd (2018); Disdier and Fugazza (2020); Kee, Nicita, and Olarreaga (2009); UNCTAD (2017, 2020); UNCTAD and World Bank Group (2018); UNECE (1999); WTO (1994b, 2012, 2013)
Total points for second-order subcategory 1.2.1.1.	3	5	8	7.41	
1.2.1.2. Non-technical non-tariff measures					
Contingent trade-protective measures (Anti-dumping measures; Countervailing measures; and safeguards measures)	1	1	2	1.85	Bratt (2017); Cadot, Gourdon, and van Tongeren (2018); de Melo and Shepherd (2018); Disdier and Fugazza (2020); Kee, Nicita, and Olarreaga (2009); Niu et al. (2018); UNCTAD (2017, 2020); UNCTAD and World Bank Group (2018); WTO (2012,2013)
Non-automatic import licensing for economic purposes, quotas, prohibitions, quantity-control measures, rules of origin	1	1	2	1.85	Bratt (2017); Cadot, Gourdon, and van Tongeren (2018); de Melo and Shepherd (2018); Disdier and Fugazza (2020); Kee, Nicita, and Olarreaga (2009);

					Niu et al. (2018); UNCTAD (2017, 2020); UNCTAD and World Bank Group (2018); WTO (2012, 2013)
Price-control and finance measures	1	1	2	1.85	Bratt (2017); Cadot, Gourdon, and van Tongeren (2018); de Melo and Shepherd (2018); Disdier and Fugazza (2020); Kee, Nicita, and Olarreaga (2009); Niu et al. (2018); UNCTAD (2017, 2020); UNCTAD and World Bank Group (2018); WTO (2012, 2013)
Export Restrictions	1	1	2	1.85	Cadot, Gourdon, and van Tongeren (2018); de Melo and Shepherd (2018); Disdier and Fugazza (2020); Fernandes, Ferro, and Wilson (2019); Kee, Nicita, and Olarreaga (2009); Niu et al. (2018); UNCTAD (2017, 2020); UNCTAD and World Bank Group (2018); WTO (2012, 2013)
Total points for second-order subcategory 1.2.1.2.	4	4	8	7.41	
1.2.1.3. Regulatory restrictions for domestic freight transportation and logistics service providers					
Anti-competitive restrictions (freight transport)	1	1	2	1.85	Crozet, Milet, and Mirza (2016); Ngai and Petrongolo (2017); World Bank (2012b, 2018a); WTO (1994c, 2019)
Anti-competitive restrictions (logistics)	1	1	2	1.85	Crozet, Milet, and Mirza (2016); Ngai and Petrongolo (2017); World Bank (2012b, 2018a); WTO (1994c, 2019)
Safety regulations (freight transport)	n.a.	1	1	0.93	Crozet, Milet, and Mirza (2016); Ngai and Petrongolo (2017); World Bank (2012b, 2018a); WTO (1994c, 2019)
Safety regulations (logistics)	n.a.	1	1	0.93	Crozet, Milet, and Mirza (2016); Ngai and Petrongolo (2017); World Bank (2012b, 2018a); WTO (1994c, 2019)
Additional restrictions for female service providers	1	1	2	1.85	Crozet, Milet, and Mirza (2016); Ngai and Petrongolo (2017); World Bank (2012b, 2018a); WTO (1994c, 2019)
Total points for second-order subcategory 1.2.1.3	3	5	8	7.41	
Total points for subcategory 1.2.1.	10	14	24	22.22	
1.2.2. Restrictions on international trade in services					
1.2.2.1. Market access restrictions (freight, transport and financial services)					
Market access restrictions (freight transport)	1	1	2	1.85	Geloso Grosso et al. (2014); Kee, Nicita, and Olarreaga (2009); Mattoo, Rocha, and Ruta (2020);

					Miller (1999); Sugie et al. (2015); Rouzet et al. (2014); WTO (1994c, 2021)
Market access restrictions (logistics)	1	1	2	1.85	Geloso Grosso et al. (2014); Kee, Nicita, and Olarreaga (2009); Mattoo, Rocha, and Ruta (2020); Miller (1999); Sugie et al. (2015); Rouzet et al. (2014); WTO (1994c, 2021)
Market access restrictions (Insurance and financial services)	1	1	2	1.85	Geloso Grosso et al. (2014); Kee, Nicita, and Olarreaga (2009); Mattoo, Rocha, and Ruta (2020); Miller (1999); Sugie et al. (2015); Rouzet et al. (2014); WTO (1994c, 2021a)
Total points for second-order subcategory 1.2.2.1.	3	3	6	5.56	
1.2.2.2. Restrictions on cross border movement of foreign professionals (freight, transport and financial services)					
Restrictions on cross border movement of foreign professionals (Freight Transport)	1	1	2	1.85	Geloso Grosso et al. (2014); Kee, Nicita, and Olarreaga (2009); Mattoo, Rocha, and Ruta (2020); Miller (1999); Rouzet et al. (2014); Sugie et al. (2015); WTO (1994c, 2021a)
Restrictions on cross border movement of foreign professionals (Logistics)	1	1	2	1.85	Geloso Grosso et al. (2014); Kee, Nicita, and Olarreaga (2009); Mattoo, Rocha, and Ruta (2020); Miller (1999); Rouzet et al. (2014); Sugie et al. (2015); WTO (1994c, 2021a)
Restrictions on cross border movement of foreign professionals (Financial Services)	1	1	2	1.85	Geloso Grosso et al. (2014); Kee, Nicita, and Olarreaga (2009); Mattoo, Rocha, and Ruta (2020); Miller (1999); Rouzet et al. (2014); Sugie et al. (2015); WTO (1994c, 2021a)
Total points for second-order subcategory 1.2.2.2.	3	3	6	5.56	
1.2.2.3. Other discriminatory measures (Freight, Transport and Financial Services)					
Other discriminatory measures (freight transport)	1	1	2	1.85	Geloso Grosso et al. (2014); Kee, Nicita, and Olarreaga (2009); Mattoo, Rocha, and Ruta (2020); Miller (1999); Ngai and Petrongolo (2017); Rouzet et al. (2014); Sugie et al. (2015); WTO (1994c, 2019, 2021a)
Other discriminatory measures (logistics)	1	1	2	1.85	Geloso Grosso et al. (2014); Kee, Nicita, and Olarreaga (2009); Mattoo, Rocha, and Ruta (2020); Miller (1999); Ngai and Petrongolo (2017); Rouzet et al. (2014); Sugie et al. (2015); WTO (1994c, 2019, 2021a)
Other discriminatory measures (Insurance and financial services)	1	1	2	1.85	Geloso Grosso et al. (2014); Kee, Nicita, and Olarreaga (2009); Mattoo, Rocha, and Ruta (2020); Miller (1999); Ngai and Petrongolo (2017); Rouzet et al. (2014); Sugie et al. (2015); WTO (1994c, 2019, 2021a)

					al. (2014); Sugie et al. (2015); WTO (1994c, 2019, 2021a)
Other discriminatory measures (Foreign female professionals)	1	1	2	1.85	Geloso Grosso et al. (2014); Kee, Nicita, and Olarreaga (2009); Mattoo, Rocha, and Ruta (2020); Miller (1999); Ngai and Petrongolo (2017); Rouzet et al. (2014); Sugie et al. (2015); WTO (1994c, 2019, 2021a)
Total points for second-order subcategory 1.2.2.3.	4	4	8	7.41	
Total points for subcategory 1.2.2.	10	10	20	18.52	
1.2.3. Restrictions on digital trade					
1.2.3.1. Discriminatory restrictions					
Additional government licenses	1	1	2	1.85	APEC (2020b); Daza Jaller, Gaillard, and Molinuevo (2020); Ferrantino and Koten (2019); UN (2007); UNCITRAL (1996, 2001, 2022); UNESCAP (2021); WCO (2018)
Online selling bans	1	1	2	1.85	APEC (2020b); Daza Jaller, Gaillard, and Molinuevo (2020); Ferrantino and Koten (2019); UN (2007); UNCITRAL (1996, 2001, 2022); UNESCAP (2021); WCO (2018)
Breach of tax neutrality principle	1	1	2	1.85	APEC (2020b); Daza Jaller, Gaillard, and Molinuevo (2020); Ferrantino and Koten (2019); UN (2007); UNCITRAL (1996, 2001, 2022); UNESCAP (2021); WCO (2018)
Charges on cross-border e-payments (Incoming cross-border electronic payments subject to taxes and fees; Outgoing cross-border electronic payments subject to taxes and fees)	1	1	2	1.85	APEC (2020b); Daza Jaller, Gaillard, and Molinuevo (2020); Ferrantino and Koten (2019); UN (2007); UNCITRAL (1996, 2001, 2022); UNESCAP (2021); WCO (2018)
Limits on cross-border e-payments	1	1	2	1.85	APEC (2020b); Daza Jaller, Gaillard, and Molinuevo (2020); Ferrantino and Koten (2019); UN (2007); UNCITRAL (1996, 2001, 2022); UNESCAP (2021); WCO (2018)
Total points for second-order subcategory 1.2.3.1.	5	5	10	9.26	
1.2.3.2. Consumer protection					
Limitations to cross-border data flows	n.a.	1	1	0.93	APEC (2020b); Daza Jaller, Gaillard, and Molinuevo (2020); Ferrantino and Koten (2019); OECD (2013); UN (2007); UNCITRAL (1996, 2022); UNCTAD

					(2016); UNESCAP (2021); WCO (2018); World Bank (2021); WTO (2013)
Disclosure of relevant information (Merchant information; Product/services specifications; Delivery options; Payment process; Out of court complaints process; Refunds and cancellations policy)	n.a.	1	1	0.93	APEC (2020b); Daza Jaller, Gaillard, and Molinuevo (2020); Ferrantino and Koten (2019); OECD (2013); UN (2007); UNCITRAL (1996, 2022); UNESCAP (2021); WCO (2018); World Bank (2021); WTO (2013)
Consumer rights (advertising limits, cancellations, refunds)	n.a.	1	1	0.93	APEC (2020b); Daza Jaller, Gaillard, and Molinuevo (2020); Ferrantino and Koten (2019); OECD (2013); UN (2007); UNCITRAL (1996, 2022); UNESCAP (2021); WCO (2018); World Bank (2021); WTO (2013)
Penalties for non-compliance	n.a.	1	1	0.93	APEC (2020b); Daza Jaller, Gaillard, and Molinuevo (2020); Ferrantino and Koten (2019); OECD (2013); UN (2007); UNCITRAL (1996, 2022); UNESCAP (2021); WCO (2018); World Bank (2021); WTO (2013)
Online dispute resolution mechanism (existence; free of charge to consumers)	n.a.	1	1	0.93	APEC (2020b, 2021); Daza Jaller, Gaillard, and Molinuevo (2020); EU (2016); Ferrantino and Koten (2019); OECD (2013, 2016); UN (2007); UNCITRAL (1996, 2016); WCO (2018); WTO (2013)
Total points for second-order subcategory 1.2.3.2.	0	5	5	4.63	
Total points for subcategory 1.2.3.	5	10	15	13.89	
Total points for Category 1.2.	25	34	59	54.6	
Total points for Pillar I	49	59	108	100	

Note: n.a. = not applicable – refers to the cases when the impact on firms or society is either ambiguous or nonexistent.

PILLAR II – PUBLIC SERVICES: QUALITY OF PUBLIC SERVICES FOR THE FACILITATION OF INTERNATIONAL TRADE

2.1. DIGITAL AND PHYSICAL INFRASTRUCTURE

2.1.1. Transparency and availability of information

2.1.1.1. Trade information portal

Trade information portal (TIP) (availability)	1	1	2	1.92	UNECE (2021); WCO (1999); World Bank (2012a); WTO (2013)
Trade information portal (TIP) (up to date)	1	1	2	1.92	UNECE (2021); WCO (1999); World Bank (2012a); WTO (2013)
Total points for second-order subcategory 2.1.1.1.	2	2	4	3.85	

2.1.1.2. Publication of laws and regulations on international trade

Publication - Duties, taxes, fees and charges	1	1	2	1.92	UNECE (2021); Van der Marel and Shepherd (2020); WCO (1999, 2005, upd. 2021); WTO (1994c, 1994d, 1994e, 2013, 2021a)
Publication - Procedures, licensing criteria and advance rulings	1	1	2	1.92	UNECE (2021); Van der Marel and Shepherd (2020); WCO (1999, 2005, upd. 2021); WTO (1994c, 1994d, 1994e, 1994f, 2013, 2021a)
Publication - Penalties, procedures for appeal and trade agreements	1	1	2	1.92	UNECE (2021); Van der Marel and Shepherd (2020); WCO (1999, 2005, upd. 2021); WTO (1994c; 1994d, 1994e, 2013, 2021a, 2021b)
Total points for second-order subcategory 2.1.1.2.	3	3	6	5.77	

2.1.1.3. Information on laws and regulations on international trade

Proposals of laws and draft regulations	1	1	2	1.92	UNECE (2021); Van der Marel and Shepherd (2020); WCO (1999; 2005, upd. 2021); WTO (1994c, 1994d, 1994e, 2013, 2021a)
Advance notices	1	1	2	1.92	Van der Marel and Shepherd (2020); WCO (1999; 2005, upd. 2021); WTO (1994c, 1994d, 2013; 2021a)
Enquiry points	1	1	2	1.92	UNECE (2021); Van der Marel and Shepherd (2020); WCO (1999; 2005, upd. 2021); World Bank (2012a); WTO 1994c, 1994d, 2013, 2021a)
Total points for second-order subcategory 2.1.1.3	3	3	6	5.77	

2.1.1.4. Consultation on laws and regulations on international trade

Consultation - Practice	1	1	2	1.92	Bandele (2016); Van der Marel and Shepherd (2020); WCO (1999; 2005, upd. 2021); WTO (1994c, 1994d, 2013, 2021a)
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Consultation - Reasonable opportunity	1	1	2	1.92	Bandeled (2016); Van der Marel and Shepherd (2020); WCO (1999; 2005, upd. 2021); WTO (1994c, 1994d, 2013, 2021a)
Consultation - Process to consider comments	1	1	2	1.92	Bandeled (2016); Van der Marel and Shepherd (2020); WCO (1999; 2005, upd. 2021); WTO (1994c, 1994d, 2013, 2021a)
Total points for second-order subcategory 2.1.1.4.	3	3	6	5.77	
Total points for subcategory 2.1.1.	11	11	22	21.15	
2.1.2. Electronic systems and interoperability of services					
2.1.2.1. Electronic Single Window for Trade					
Electronic Single Window for Trade (availability)	1	1	2	1.92	UNECE (2013, 2017); UNECE/UN-CEFACT (2005, updated 2020); WCO (1999, 2017); WTO (2013)
Electronic Single Window for Trade (agencies)	1	1	2	1.92	UNECE (2013, 2017); UNECE/UN-CEFACT (2005, updated 2020); WCO (1999, 2017); WTO (2013)
Electronic Single Window for Trade (stakeholders)	1	1	2	1.92	UNECE (2013, 2017); UNECE/UN-CEFACT (2005, updated 2020); WCO (1999, 2017); WTO (2013)
Electronic Single Window for Trade (features)	1	1	2	1.92	UNECE (2013, 2017); UNECE/UN-CEFACT (2005, updated 2020); WCO (1999, 2017); WTO (2013)
Electronic Single Window for Trade (interoperability)	1	1	2	1.92	UNECE (2013, 2017); UNECE/UN-CEFACT (2005, updated 2020); WCO (1999, 2017); WTO (2013)
Total points for second-order subcategory 2.1.2.1.	5	5	10	9.62	
2.1.2.2. Integrated customs management system					
Integrated customs management system (availability)	1	1	2	1.92	Doyle et al. (2010); UNCTAD (2003, 2006b); WCO (1999, 2014)
Integrated customs management system (agencies)	1	1	2	1.92	Doyle et al. (2010); UNCTAD (2003, 2006b); WCO (1999, 2014)
Integrated customs management system (stakeholders)	1	1	2	1.92	Doyle et al. (2010); UNCTAD (2003, 2006b); WCO (1999, 2014)
Integrated customs management system (features)	1	1	2	1.92	Doyle et al. (2010); UNCTAD (2003, 2006b); WCO (1999, 2014)
Integrated customs management system (interoperability)	1	1	2	1.92	Doyle et al. (2010); UNCTAD (2003, 2006b); WCO (1999, 2014)
Total points for second-order subcategory 2.1.2.2.	5	5	10	9.62	
Total points for subcategory 2.1.2.	10	10	20	19.23	
2.1.3. Trade infrastructure					
2.1.3.1. Border posts					

Equipment & facilities (Border Post)	1	1	2	1.92	Donaubauer et al. (2018); Doyle et al. (2010); Guash (2011); Kunaka and Carruthers (2014); OSCE/UNECE (2012); UNECE (2021); WCO (1999); World Bank (2010)
Services & amenities (Border Post)	1	1	2	1.92	Donaubauer et al. (2018); Doyle et al. (2010); Guash (2011); Kunaka and Carruthers (2014); OSCE/UNECE (2012); UNECE (2021); WCO (1999); World Bank (2010)
Total points for second-order subcategory 2.1.3.1.	2	2	4	3.85	
2.1.3.2. Ports					
Equipment & facilities (Port)	1	1	2	1.92	Arvis et al. (2018); Donaubauer et al. (2018); Doyle et al. (2010); IMO (1965, updated 2022); Kunaka and Carruthers (2014); OSCE/UNECE (2012); UNECE (2021); WCO (1999); World Bank (2010)
Services & amenities (Port)	1	1	2	1.92	Arvis et al. (2018); Donaubauer et al. (2018); Doyle et al. (2010); IMO (1965, updated 2022); Kunaka and Carruthers (2014); OSCE/UNECE (2012); UNECE (2021); WCO (1999); World Bank (2010)
Information systems & Consultative Committee (Port)	1	1	2	1.92	Arvis et al. (2018); Donaubauer et al. (2018); Doyle et al. (2010); IMO (1965, updated 2022); Kunaka and Carruthers (2014); OSCE/UNECE (2012); UNECE (2021); WCO (1999); World Bank (2010)
Total points for second-order subcategory 2.1.3.2.	3	3	6	5.77	
2.1.3.3. Airports					
Equipment & facilities (Airport)	1	1	2	1.92	Donaubauer et al. (2018); Doyle et al. (2010); Guash (2011); Kunaka and Carruthers (2014); OSCE/UNECE (2012); UNECE (2021); WCO (1999); World Bank (2010)
Services & amenities (Airport)	1	1	2	1.92	Donaubauer et al. (2018); Doyle et al. (2010); Guash (2011); Kunaka and Carruthers (2014); OSCE/UNECE (2012); UNECE (2021); WCO (1999); World Bank (2010)
Information systems & Consultative Committee (Airport)	1	1	2	1.92	Donaubauer et al. (2018); Doyle et al. (2010); Guash (2011); Kunaka and Carruthers (2014); OSCE/UNECE (2012); UNECE (2021); WCO (1999); World Bank (2010)
Total points for second-order subcategory 2.1.3.3.	3	3	6	5.77	
Total points for subcategory 2.1.3.	6*	6*	12*	11.54	* Subcategory 2.1.3 has 8 indicators, with a total maximum score of 12 points (6 points on firm

					flexibility and 6 points on social benefits). Island economies may score a total of 12 points in this subcategory (6 points on firm flexibility and 6 points on social benefits). Coastal and landlocked economies may score a total of 10 points (5 points on firm flexibility and 5 points on social benefits). The scores of coastal and landlocked economies will be rescaled to the same 11.54 rescaled points.
Total points for Category 2.1.	27	27	54	51.92	
2.2. BORDER MANAGEMENT					
2.2.1. Risk management					
2.2.1.1. Features					
Agencies	1	1	2	1.92	De Wulf and Sokol (2005); IMF (2022); ITC (2020, 2022); USAID (2018); WCO (1999; 2003; 2005, updated 2021; 2011); Widdowson (2014); WTO (2013)
Coverage (Customs)	1	1	2	1.92	De Wulf and Sokol (2005); IMF (2022); ITC (2020, 2022); USAID (2018); WCO (1999; 2003; 2005, updated 2021; 2011); Widdowson (2014); WTO (2013)
Level of analysis (Customs)	1	1	2	1.92	De Wulf and Sokol (2005); IMF (2022); ITC (2020, 2022); USAID (2018); WCO (1999; 2003; 2005, updated 2021; 2011); Widdowson (2014); WTO (2013)
Total points for second-order subcategory 2.2.1.1.	3	3	6	5.77	
2.2.1.2. Integration					
Agencies integrated	1	1	2	1.92	De Wulf and Sokol (2005); IMF (2022); ITC (2020, 2022); USAID (2018); WCO (1999; 2003; 2005, updated 2021; 2011); Widdowson (2014); WTO (2013)
Level of integration	1	1	2	1.92	De Wulf and Sokol (2005); IMF (2022); ITC (2020, 2022); USAID (2018); WCO (1999; 2003; 2005, updated 2021; 2011); Widdowson (2014); WTO (2013)
Total points for second-order subcategory 2.2.1.2.	2	2	4	3.85	
2.2.1.3. Operability					
Automatization	1	1	2	1.92	De Wulf and Sokol (2005); IMF (2022); ITC (2020, 2022); USAID (2018); WCO (1999; 2003; 2005,

					updated 2021; 2011); Widdowson (2014); WTO (2013)
In advance targeting	1	1	2	1.92	De Wulf and Sokol (2005); IMF (2022); ITC (2020, 2022); USAID, 2018; WCO (1999; 2003; 2005, updated 2021; 2011); Widdowson (2014); WTO (2013)
Post-clearance audits	1	1	2	1.92	De Wulf and Sokol (2005); IMF (2022); ITC (2020, 2022); USAID, 2018; WCO (1999; 2003; 2005, updated 2021; 2011); Widdowson (2014); WTO (2013)
Total points for second-order subcategory 2.2.1.3.	2	2	4	3.85	
Total points for subcategory 2.2.1	8	8	16	15.38	
2.2.2. Coordinated border management					
2.2.2.1. Internal Coordination					
Shared database	1	1	2	1.92	Doyle et al. (2010); IDB (2010); OSCE/UNECE (2012); UNESCAP (2021); WCO (2006, updated 2020); WTO (2013); Aniszewski (2009)
Unique consignment reference	1	1	2	1.92	Doyle et al. (2010); IDB (2010); OSCE/UNECE (2012); UNESCAP (2021); WCO (2006, updated 2020); WTO (2013)
Joint controls (internal)	1	1	2	1.92	Doyle et al. (2010); IDB (2010); OSCE/UNECE (2012); UNESCAP (2021); WCO (2006, updated 2020); WTO (2013); Aniszewski (2009)
National Trade Facilitation Committee (availability)	1	1	2	1.92	Doyle et al. (2010); IDB (2010); OSCE/UNECE (2012); UNESCAP (2021); WCO (2006, updated 2020); WTO (2013)
National Trade Facilitation Committee (stakeholders)	1	1	2	1.92	Doyle et al. (2010); IDB (2010); OSCE/UNECE (2012); UNESCAP (2021); WCO (2006, updated 2020); WTO (2013)
Total points for second-order subcategory 2.2.2.1.	5	5	10	9.62	
2.2.2.2. External Coordination					
Integrated border checkpoint	1	1	2	1.92	Doyle et al. (2010); IDB (2010); OSCE/UNECE (2012); UNESCAP (2021); WCO (2006, updated 2020); WTO (2013); Aniszewski (2009)
Exchange of information	1	1	2	1.92	Doyle et al. (2010); IDB (2010); OSCE/UNECE (2012); UNESCAP (2021); WCO (2006, updated 2020); WTO (2013); Aniszewski (2009)

Joint controls (external)	1	1	2	1.92	Doyle et al. (2010); IDB (2010); OSCE/UNECE (2012); UNESCAP (2021); WCO (2006, updated 2020); WTO (2013); Aniszewski (2009)
Alignment of operating hours and formalities	1	1	2	1.92	Doyle et al. (2010); IDB (2010); OSCE/UNECE (2012); UNESCAP (2021); WCO (2006, updated 2020); WTO (2013); Aniszewski (2009)
Recognition of inspections of certifications	1	1	2	1.92	Doyle et al. (2010); IDB (2010); OSCE/UNECE (2012); UNESCAP (2021); WCO (2006, updated 2020); WTO (2013); Aniszewski (2009)
Total points for second-order subcategory 2.2.2.2.	5	5	10	9.62	
Total points for subcategory 2.2.2.	10	10	20	19.23	
2.2.3. Border agency programs					
2.2.3.1. Authorized Economic Operators					
Authorized Economic Operator (availability)	1	1	2	1.92	APEC (2016, 2020a); De Wulf and Sokol (2005); Doyle et al. (2010); WCO (1999; 2005, updated 2021; 2006, updated 2018); WTO (2013)
Authorized Economic Operator (benefits)	1	1	2	1.92	APEC (2016, 2020a); De Wulf and Sokol (2005); Doyle et al. (2010); WCO (1999; 2005, updated 2021; 2006 updated 2018); WTO (2013)
Authorized Economic Operator (inter-agency recognition)	1	1	2	1.92	APEC (2016, 2020a); De Wulf and Sokol (2005); Doyle et al. (2010); WCO (1999; 2005, updated 2021; 2006 updated 2018); WTO (2013)
Authorized Economic Operator (MRAs)	1	1	2	1.92	APEC (2016, 2020a); De Wulf and Sokol (2005); Doyle et al. (2010); WCO (1999; 2005, updated 2021; 2006 updated 2018); WTO (2013)
Authorized Economic Operator (certification and renewal process)	1	1	2	1.92	APEC (2016, 2020a); De Wulf and Sokol (2005); Doyle et al. (2010); WCO (1999; 2005, updated 2021; 2006 updated 2018); WTO (2013)
Total points for second-order subcategory 2.2.3.1.	5	5	10	9.62	
2.2.3.2. Expedited shipments					
Expedited shipments (Availability)	1	1	2	1.92	De Wulf and Sokol (2005); Doyle et al. (2010); ITC (2020); UNCTAD (2006b); US ITC (2004); WCO (2008); WTO (2015)
Expedited shipments (Features)	1	1	2	1.92	De Wulf and Sokol (2005); Doyle et al. (2010); ITC (2020); UNCTAD (2006b); US ITC (2004); WCO (2008); WTO (2015)
Total points for second-order subcategory 2.2.3.2.	2	2	4	3.85	

Total points for subcategory 2.2.3.	7	7	14	13.46	
Total points for Category 2.2.	25	25	50	48.08	
Total points for Pillar II	52	52	104	100	

Note: n.a. = not applicable – refers to the cases when the impact on firms or society is either ambiguous or nonexistent.

PILLAR III – EFFICIENCY OF IMPORTING GOODS, EXPORTING GOODS, AND ENGAGING IN DIGITAL TRADE

3.1 COMPLIANCE WITH EXPORT REQUIREMENTS

3.1.1. Total time to comply with export requirements

Indicators	FFP	SBF	Total Points	Rescaled Points	Background Literature
Total time to comply with export requirements	50	n.a.	50	16.67	Hummels, David, and Schaur (2013); Volpe Martincus et al. (2015); WCO (2002, updated 2018); WTO (2013)

3.1.2. Total cost to comply with export requirements

Total cost to comply with export requirements	50	n.a.	50	16.67	Hummels, David, and Schaur (2013); Volpe Martincus et al. (2015); WCO (2002, updated 2018); WTO (2013)
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Total points for Category 3.1. 100 n.a. 100 33.33

3.2. COMPLIANCE WITH IMPORT REQUIREMENTS

3.2.1. Total time to comply with import requirements

Total time to comply with import requirements	50	n.a.	50	16.67	Hummels, David, and Schaur (2013); Volpe Martincus et al. (2015); WCO (2002, updated 2018); WTO (2013)
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3.2.2. Total cost to comply with import requirements

Total cost to comply with import requirements	50	n.a.	50	16.67	Hummels, David, and Schaur (2013); Volpe Martincus et al. (2015); WCO (2002, updated 2018); WTO (2013)
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Total points for Category 3.2. 100 n.a. 100 33.33

3.3. COMPLIANCE WHEN EXPORTING DIGITALLY ORDERED GOODS

3.3.1. Total time when exporting digitally ordered goods

Total time when exporting digitally ordered goods	50	n.a.	50	16.67	Hummels, David, and Schaur (2013); Volpe Martincus et al. (2015); WCO (2002, updated 2018); WTO (2013)
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3.3.2. Total time when importing digitally ordered goods

Total cost when exporting digitally ordered goods	50	n.a.	50	16.67	Hummels, David, and Schaur (2013); Volpe Martincus et al. (2015); WCO (2002, updated 2018); WTO (2013)
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Total points for Category 3.3. 100 n.a. 100 33.33

Total points for Pillar III 100 n.a. 100 100

Note: n.a. = not applicable – refers to the cases when the impact on firms or society is either ambiguous or nonexistent.

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Annex B. International Trade—Annotated Questionnaires

Annex B consists of a Glossary and Annotated Questionnaires for International Trade in four areas: Trade Regulations—Goods; Trade Regulations—Services; Digital Trade; and Public Services. The Annotated Questionnaires provide the mapping between each indicator and the corresponding question(s). Due to the presence of multiple questionnaires, the numbering of categories in the Annotated Questionnaire does not match the numbering in the International Trade Methodology Note.

Glossary

Additional restriction: Restriction imposed on imported goods or foreign services, in addition to those applicable to the same goods produced domestically or provided by domestic service providers, respectively. Additional restrictions only apply once an imported product, service, or item of intellectual property has already entered the domestic market: for example, after import duties and taxes have been paid.

Advance notice: A notice of proposed rulemaking that tells the public that an area for rulemaking is being considered and may request written comments on the appropriate scope of the rulemaking or on specific topics. An advance notice of proposed rulemaking may or may not include the text of potential changes to a regulation.

Advance ruling: A written decision by the Customs authority to traders (upon request) prior to importation or exportation, which sets forth a transparent and formal process for treatment of goods with regards to the goods' tariff classification, origin, and Customs valuation.

Anti-dumping measure: An anti-dumping measure (or duty) is a protectionist tariff that a domestic government imposes on foreign imports that it believes are priced below fair market value. The country's imposition of an anti-dumping duty is determined by the dumping margin—the difference between the export price and the domestic selling price in the exporting country.

Authorized express cargo operator: An entity operating in any mode or intermodally moving cargo by special express commercial service under closely integrated administrative control. Its services are offered to the public under advertised, reliable timely delivery on a door-to-door basis. An express consignment operator assumes liability to Customs for the articles in the same manner as if it is the sole carrier.

Automated profiling and targeting: Automated profiling uses machine learning to continuously automate risk profiles, which result in automated targeting of those consignments whose risks surpass the defined threshold.

Cabotage: The transport of goods or passengers between two places in the same country.

Contingent trade protective measures: Include safeguard, anti-dumping, and/or countervailing actions.

Countervailing measure: An action taken by the importing country, usually in the form of increased duties, to offset subsidies given to producers or exporters in the exporting country.

Customs bonded warehouse: A building or other secured area in which dutiable goods may be stored, manipulated, or undergo manufacturing operations without payment of duty. It may be managed by the state or by private enterprise. In the latter case a Customs bond must be posted with the government.

Data purpose limitation: Personal data should only be collected for specified, explicit, and legitimate purposes and not further processed in a manner that is incompatible with those purposes.

De minimis: A valuation ceiling for goods, including documents and trade samples, below which no duty or tax is charged and clearance procedures, including data requirements, are minimal.

Destination inspection: An inspection process carried out when goods arrive at the port of entry of the importing country.

Digital trade: Encompasses digitally enabled transactions of trade in goods and services that can either be digitally or physically delivered, and that involve consumers, firms, and governments.

Economic needs tests (ENTs): A set of criteria the government applies to foreign worker applicants to assess their economic contribution to the sector of employment and the country as a whole. These criteria may include but are not limited to: the belief that the foreign worker will directly create domestic income or jobs for citizens, the assurance that the worker will transfer technology or knowledge to citizens, and other measures of the worker's economic impact.

Effectively applied tariff rate: The lowest available tariff. If a preferential tariff exists, it will be used as the effectively applied tariff. Otherwise, the most favored nation (MFN) applied tariff will be used.

Electronic/electronically: Something that uses the internet or another electronic communication system in order to operate, broadcast, store, and transmit information or message using computers, e-mail, telephone, video calling, or other digital devices or processes.

Electronic signature: Includes symbols or other data in digital form attached to an electronically transmitted document as verification of the sender's intent to sign the document.

Enforceability: Means that any type of information that was sent, received, displayed, or stored by any means of electronic communications has the capacity to be enforced.

Environmental goods and services: Products manufactured or services rendered for the main purpose of: preventing or minimizing pollution; degradation or depletion of natural resources; repairing damage to air, water, waste, noise, biodiversity, and landscapes; reducing, eliminating, treating, and managing pollution, degradation, and natural resource depletion; carrying out other activities such as measurement and monitoring, control, research and development, education, training, information, and communication related to environmental protection or resource management.

Enquiry point: An official or office designated to deal with reasonable enquiries, including the provision of forms and documents to traders, and other interested parties on matters of importation, exportation, transit of goods, trade in services, and digital trade.

Expedited shipments program: Streamlined procedures allowing for expedited release of goods that qualify as expedited shipments.

Export restrictions: Limitations on the quantity of goods exported to a specific economy or economies by the exporting economy.

Financial services: Economic services provided by the finance industry, which encompasses a broad range of businesses that manage money, including credit unions, banks, credit-card companies, insurance companies, accountancy companies, consumer-finance companies, stock brokerages, investment funds, individual asset managers, and some government-sponsored enterprises.

Gender equality: Commitments on tackling certain forms of discrimination against women, including addressing discrimination against women in employment, occupation, and wage (such as equal access to productive resources and equal opportunities, treatment, and rights between men and women).

Harmonised System (HS): A multipurpose international product nomenclature developed by the World Customs Organization (WCO), used by customs authorities around the world to identify products when assessing duties and taxes and for gathering statistics.

Implementation: The action of putting in place or amending existing domestic laws and regulations in adherence to and compatible with international treaty obligations.

Integrated border checkpoint: One-stop border post consisting of a single, shared physical infrastructure in which the Customs and border authorities of two or more neighboring countries operate side by side.

Incumbent firms: Firms already holding operating licenses in the market.

Independent service providers: Individuals who enter the country to sell services directly to firms, people, or government agencies, including to fulfill contracts, and to be employed by service providers within the economy. The professional would already have a contract or offer from the employer in the host country when entering the economy.

Integrated Customs Management System: The entirety of information subsystems interconnected by logical connections and exchanging the data designed for the operation and management of the information processed using the tools of information technology, as well as infrastructure required to perform the functions of the Customs Authority (for example, a Customs Declaration Processing System). The system can be part of the Single Window for international trade.

Integrated Risk Management System: The entirety of information subsystems interconnected by logical connections and exchanging the data designed for risk assessments. It includes interactive exchange of information involving the identification of hazards and the formulation of a qualitative and quantitative assessment of risks.

Interested parties/stakeholders: Include citizens, civil society organizations, government departments, subnational governments, parliament, academics, private sector, and so on.

Labor market tests (LMTs): A subfield of the economic needs tests (ENTs) specified in many economies. LMTs attempt to gauge whether the labor market requires the particular skills of the foreign worker. The criteria may include but are not limited to evidence that the employer made an attempt to recruit citizens before offering the job to the foreign worker, and the existence of a worker shortage in the area of the job offer

Legal adoption: The formal act by which the form and content of a proposed treaty text are established. As a rule, the adoption of the text of a treaty takes place through the expression of the consent of the states participating in the treaty-making process.

Legal validity: Means that any type of information that was sent, received, displayed, or stored by any means of electronic communications shall not be denied validity solely on the ground that it is in the form of electronic means.

Less Favorable Treatment: Less favorable treatment than domestic suppliers refers to any discrimination faced by foreign suppliers.

Maritime Single Window: A system that allows ship operators and agents fulfil in electronic format reporting obligations applied to ships arriving in and departing from their ports, eliminating the obligation of filling out the same documentation upon arriving at each port along the route.

National Treatment principle: The principle of giving others the same treatment as one's own nationals: treating foreigners and locals equally. National treatment only applies once a product, service or item of intellectual property has entered the market. Therefore, charging Customs duty on an import is not a violation of national treatment even if locally produced products are not charged an equivalent tax.

Needs test: A subfield of the economic needs tests (ENTs). They attempt to gauge whether the labor market requires the particular skills of the foreign worker. The criteria may include but are not limited to: evidence that the employer made an attempt to recruit citizens before offering the job to the foreign worker and the existence of a worker shortage in the area of the job offer.

Negative list approach: All sectors or subsectors that are not listed are, by default, open to foreign service suppliers under the same conditions as for domestic service suppliers. Economies choosing to follow a negative list approach do not have to list the sectors for which they take commitments.

Non-tariff measures (NTMs): Policy measures other than ordinary Customs tariffs that can potentially have an economic effect on international trade in goods, changing quantities traded, or prices or both.

Non-technical NTMs: Do not refer to product-specific properties but to trade requirements, such as shipping requirements, Customs formalities, trade rules, taxation policies, etc.

Online dispute resolution (ODR): A public facing digital space in which parties can convene to resolve their dispute or case.

Pre-shipment inspection: Practice of employing private companies to check shipment details such as the quality, the quantity, the price, including currency exchange rate and financial terms, and/or the Customs classification of goods to be exported.

Primary zone: the place of the national Customs territory authorized by the Customs for the realization of the material operations of reception, storage and movement of merchandise entering or leaving the country, where the Customs authority exercises its control and surveillance power without restrictions.

Quantitative restrictions: Includes all prohibitions or restrictions other than tariffs or other taxes applied on the importation or exportation of goods, which can be made effective through quotas, import or export licensing procedures, or other measures.

Ratification: The action of signing or giving formal consent to a treaty, contract, or agreement, making it officially valid.

Risk management system: A system ensuring timely and appropriate risk identification, risk measurement, risk monitoring, risk mitigation, and adequate reporting of all significant risks.

Risk management system's level of integration–Advanced: If there is high integration of the Customs agency into the risk management systems among other agencies, risk assessment is fully integrated and there is automatic and real-time data exchange among agencies. Control inspections are fully coordinated, and agencies have common protocols for inspections.

Risk management system's level of integration–Basic: If there is some integration among the agencies' risk management systems. The coordination and exchange of data among systems allows simultaneous control inspections with relative efficiency.

Risk assessment based on selectivity criteria–Advanced: If the risk assessment is based on information technology (IT) tools using a large range of supply-chain data. The Customs agency uses algorithms, predictive analytics, and automated tools to be effective in the risk management assessment.

Risk assessment based on selectivity criteria–Basic: If the risk assessment is based on the use of simple levels of analysis using cross-reference information. The Customs agency uses IT tools to determine selectivity of documentary and physical inspections.

Safeguards measures: Restrict imports of a product temporarily to protect a specific domestic industry from an increase in imports of any product that is causing, or that is threatening to cause, serious injury to the industry. Safeguard measures were always available under the General Agreement on Tariffs and Trade (GATT, article XIX). However, they were infrequently used, and some governments preferred to protect their industries through “grey area” measures (“voluntary” export restraint arrangements on products such as cars, steel, and semiconductors).

Selectivity criteria: May include, inter alia, the Harmonized System code, nature and description of the goods, country of origin, country from which the goods were shipped, value of the goods, compliance record of traders, and type of means of transport.

Single Window for international trade: A facility that integrates processes among cross-border regulatory agencies, Customs and other government agencies and allows parties involved in trade and transport to lodge standardized information and documents with a single-entry point to fulfil all import, export, and transit-related regulatory requirements. If information is electronic, then individual data elements should only be submitted once.

Social issues and the role of women in social life: Commitments on recognizing the role of women in social life or promoting the advancement of the social conditions of women in broad terms. Some other gender commitments address social issues in specific areas, such as education, safety, health, food security, family, vulnerability, and social inclusion.

Sustainable trade: Commercial exchange of goods and services generating social, economic, and environmental benefits.

Technology neutrality principle: Intends to provide for the coverage of all factual situations where information is generated, stored or transmitted in the form of electronic communications, irrespective of technology or medium used. Technological neutrality encompasses media neutrality to facilitate “paperless” means of communication with electronic methods rather than paper documents. It supports electronic communications as an alternative to paper-based documents.

Technical NTMs: Trade-restrictive effects arising from the application of technical regulations or standards such as testing requirements, labeling requirements, packaging requirements, marketing standards, certification requirements, origin marking requirements, health and safety regulations, and sanitary and phytosanitary regulations.

Trade in goods: Commercial exchange of all goods that add to, or subtract from, the stock of material resources of a country by entering its economic territory (imports) or leaving it (exports).

Trade in services: Commercial exchange and delivery of an intangible product, called a service, between a producer and consumer.

Unique consignment reference (UCR): A reference number for Customs use. It may be required to be reported to Customs at any point during a Customs procedure.

Weight-in-Motion (WIM) scales: Devices designed to capture and record the axle weights and gross vehicle weights as vehicles drive over a measurement site.

TRADE REGULATIONS–GOODS

The tables that follow present all indicators (including their components, if applicable) under each pillar, with a reference to the corresponding question number in parenthesis. The questions are listed before each table for ease of reference.

Due to the presence of multiple questionnaires, the numbering of categories in the annotated questionnaire does not match the topic methodology note.

For Y/N questions, the Y response accounts for the score and is considered as the good practice, unless otherwise indicated with the sign “N–good practice”.

In the tables that follow, “AND” means all referenced questions must have a good practice response to obtain a score on the indicator.

In the tables that follow, “OR” means one or more referenced questions must have a good practice response to obtain a score on the indicator.

Certain questions are marked as “not scored,” which indicates that they do not affect the score in any way. The purpose of these questions is to further inform and refine the questions design for subsequent years of the pilot, as needed, as well as to substantiate and provide further information for the scored questions.

*Note: Several indicators of International Trade are composite, wherein a score of 1 point is divided between several questions that are present in different questionnaires. In each area of Trade Regulations–Goods, Trade Regulations–Services, and Digital Trade, the component of a composite indicator that belongs to another area is marked as *. For example, the indicator on “Regulatory Impact Analysis” has a score of 1 on social benefit points (SBP) and is comprised of two components: i) “Trade in goods” (0.50 points), which is measured in the Trade Regulations–Goods questionnaire; and ii) “Trade in Services,” (0.50 points), which is measured in the Trade Regulations–Services questionnaire. In the Trade Regulations–Goods questionnaire, “Trade in services” is marked with *, indicating that it belongs to the Trade Regulations–Services.*

PILLAR I–REGULATORY FRAMEWORK: QUALITY OF REGULATIONS FOR INTERNATIONAL TRADE	
Parameters	
Geographic nature	The geographic nature of the economy according to the means it has to conduct export and import without transiting through a third country (coastal, island, or landlocked).
Agricultural product chapters	Selection of HS2 Agriculture chapters that are more susceptible to non-tariff measures provides relevance and comparability to the indicators on regulatory restrictions on international trade.
Manufactured product chapters	Selection of HS2 Manufactured chapters that are more susceptible to non-tariff measures provides relevance and comparability to the indicators on regulatory restrictions on international trade.
Traded product(s)	The most imported manufactured and agricultural products by total import value between 2015 and 2019 at Harmonised System (HS) subheading level (6-digit) within pre-selected HS chapters.
Traded environmental products	The top 5 imported environmental products by total trade value at the world-level between 2015 and 2019 within the Asia-Pacific Economic Cooperation (APEC) list of environmental goods at HS subheading level (6-digit).

Trading partner(s)	In the cases of trade cooperation and sustainable trade, trading partner(s) refer to an economy's top 3 trade partners in goods and services combined between 2015 and 2020.
WTO membership	An economy's status for WTO membership (Member, Observer, or none).

Note: HS – Harmonised System; WTO = World Trade Organization.

1.1. GOOD REGULATORY PRACTICES SUPPORTING INTERNATIONAL TRADE

1.1.1. Adequacy of the legal framework

1.1.1.1. Regulatory certainty and predictability

1. Are there dedicated laws and regulations governing international trade in goods in the following areas? (Y/N)

- 1a. Import, export, and transit procedures
- 1b. Trade in environmental goods
- 1c. Use of international standards
- 1d. Customs classification and valuation of goods
- 1e. Risk management approach and procedures
- 1f. Advance ruling systems

2. Has the economy ratified the following international conventions governing the use of international standards? (Y/N)

- 2a. International Convention (2022) on the Harmonized Commodity Description and Coding System (HS Convention)
- 2b. General Annex of the International Convention (1999) on the Simplification and Harmonisation of Customs Procedures (Revised Kyoto Convention)
- 2c. Convention (2005) on Facilitation of International Maritime Traffic
- 2d. Convention (2006) on International Civil Aviation
- 2e. Convention (1990) on the Temporary Admission of Goods (Istanbul Convention)
- 2f. International Convention on the Carriage of Goods by Sea (Hamburg Rules-1978)

3. Has the economy implemented in practice the following international conventions governing the use of international standards? (Y/N)

- 3a. International Convention (2022) on the Harmonized Commodity Description and Coding System (HS Convention)
- 3b. General Annex of the International Convention (1999) on the Simplification and Harmonisation of Customs Procedures (Revised Kyoto Convention)
- 3c. Convention (2005) on Facilitation of International Maritime Traffic
- 3d. Convention (2006) on International Civil Aviation
- 3e. Convention (1990) on the Temporary Admission of Goods (Istanbul Convention)
- 3f. International Convention on the Carriage of Goods by Sea (Hamburg Rules-1978)

4. Is Regulatory Impact Analysis a mandatory tool used to approve laws and regulations on international trade? (Y/N)

- 4a. Trade in goods

1.1.1.2. Regulatory decisions and appeals

5. Do direct exporters and importers or their authorized representatives have the right to administratively appeal regulatory decisions on the following policy areas affecting international trade in goods? (Y/N)

- 5a. Duties or taxes (of any kind), fees and charges
- 5b. Customs classification and valuation procedures
- 5c. Technical NTMs
- 5d. Non-technical NTMs, contingent trade protection measures, and rules of origin
- 5e. Export-related area

6. Do direct exporters and importers or their authorized representatives have the right to judicially appeal regulatory decisions on the following policy areas affecting international trade in goods (Y/N)

- 6a. Duties or taxes (of any kind), fees and charges
- 6b. Customs classification and valuation procedures
- 6c. Technical NTMs
- 6d. Non-technical NTMs, contingent trade protection measures, and rules of origin
- 6e. Export-related area

1.1.1.3. De minimis value

7. What is de minimis value threshold in local currency (local currency units, LCU)?

1.1.1.4. Legal requirements for the imposition of NTMs

8. Are there legal provisions that regulate the imposition of the following non-tariff measures affecting international trade in goods? (Y/N)

- 8a. Sanitary and phytosanitary measures
- 8b. Technical barriers to trade
- 8c. Pre-shipment inspections
- 8d. Import quotas
- 8e. Import licensing
- 8f. Price controls
- 8g. Local content requirements
- 8h. Export restrictions

9. Are there any legal provisions that regulate initiation, investigation, and subsequent duty imposition or other equivalent remedies for the following contingent trade-protective measures? (Y/N)

- 9a. Anti-dumping measures
- 9b. Countervailing measures
- 9c. Safeguards measures

1.1. GOOD REGULATORY PRACTICES SUPPORTING INTERNATIONAL TRADE			
1.1.1. Adequacy of the legal framework			
1.1.1.1 Regulatory certainty and predictability			
Indicators	FFP	SBP	Total Points
Laws and regulations governing international trade in goods	1	1	2
- Import, export, and transit procedures (1a)	0.16	0.16	0.32
- Environmental goods (1b)	0.16	0.16	0.32
- Use of international standard (1c)	0.16	0.16	0.32
- Customs classification and valuation of goods (1d)	0.16	0.16	0.32
- Risk management approach and procedures (1e)	0.16	0.16	0.32

- Advance ruling systems (1f)	0.16	0.16	0.32
Ratification of international conventions	0.50	0.50	1
- HS Convention 2022 (2a)	0.08	0.08	0.16
- Revised Kyoto Convention 1999 (2b)	0.08	0.08	0.16
- Convention on Facilitation of International Maritime Traffic (2c)	0.08	0.08	0.16
- Convention on International Civil Aviation (2d)	0.08	0.08	0.16
- Istanbul Convention 1990 (2e)	0.08	0.08	0.16
- Hamburg Rules-1978 (2f)	0.08	0.08	0.16
<i>The score is assigned for the ratification of commitments.</i>			
Implementation of international conventions	0.50	0.50	1
- HS Convention 2022 (3a)	0.08	0.08	0.16
- Revised Kyoto Convention 1999 (3b)	0.08	0.08	0.16
- Convention on Facilitation of International Maritime Traffic (3c)	0.08	0.08	0.16
- Convention on International Civil Aviation (3d)	0.08	0.08	0.16
- Istanbul Convention 1990 (3e)	0.08	0.08	0.16
Hamburg Rules-1978 (3f)	0.08	0.08	0.16
<i>The score is assigned for the implementation of ratified commitments.</i>			
Regulatory Impact Analysis	1	1	2
- Trade in goods (4a)	0.50	0.50	1
- Trade in services (4b)*	0.50	0.50	1
Total Points	3	3	6
1.1.1.2 Regulatory decisions and appeals			
Right to appeal (goods)	1	1	2
Administrative Appeal	0.50	0.50	1
- Duties or taxes (of any kind), fees, and charges (5a)	0.10	0.10	0.20
- Customs classification and valuation procedures (5b)	0.10	0.10	0.20
- Technical NTMs (5c)	0.10	0.10	0.20
- Non-technical NTMs, contingent trade protection measures, and rules of origin (5d)	0.10	0.10	0.20
- Export-related area (5e)	0.10	0.10	0.20
<i>The score is assigned for the availability of administrative appeal.</i>			
Judicial Appeal	0.50	0.50	1
- Duties or taxes (of any kind), fees, and charges (6a)	0.10	0.10	0.20
- Customs classification and valuation procedures (6b)	0.10	0.10	0.20
- Technical NTMs (6c)	0.10	0.10	0.20
- Non-technical NTMs, contingent trade protection measures, and rules of origin (6d)	0.10	0.10	0.20
- Export-related area (6e)	0.10	0.10	0.20
<i>The score is assigned for the availability of administrative and judicial appeal.</i>			
Total Points	1	1	2
1.1.1.3 De minimis value			
De minimis value (7a)			
<i>A linear function capped at 133 SDR =1 will be applied: $xSDR=0.0075x$. (Global express association 133 SDR+ = 1 point)</i>	1	1	2
Total Points	1	1	2

1.1.1.4 Legal requirements for the imposition of NTMs			
Sanitary and phytosanitary measures, technical barriers to trade, and pre-inspection measures	1	1	2
- Sanitary and phytosanitary measures (8a)	0.33	0.33	0.66
- Technical barriers to trade (8b)	0.33	0.33	0.66
- Pre-inspection measures (8c)	0.33	0.33	0.66
Contingent trade-protective measures	1	1	2
- Anti-dumping measures (9a)	0.33	0.33	0.66
- Countervailing measures (9b)	0.33	0.33	0.66
- Safeguard measures (9c)	0.33	0.33	0.66
Quotas, licenses, price controls, local content requirement, and export restrictions	1	1	2
- Import quotas (8d)	0.20	0.20	0.40
- Import licenses (8e)	0.20	0.20	0.40
- Price controls (8f)	0.20	0.20	0.40
- Local content requirement (8g)	0.20	0.20	0.40
- Export restrictions (8h)	0.20	0.20	0.40
Total Points	3	3	6

Note: FFP = firm flexibility point; SBP = social benefit point; SDR = Special Drawing Right.

* The component of the indicator belongs to the Trade Regulations–Services questionnaire.

1.1.2. Practices on digital and sustainable trade

1.1.2.1. Sustainable Trade Policy

10. Has a cross-border carbon pricing instrument (for example, international/regional carbon emission trading scheme, border carbon adjustment mechanisms, etc.) been legally adopted? (Y/N)

11. What is the highest effectively applied tariff rate on any of [the top 5 most traded goods among the Asia-Pacific Economic Cooperation (APEC) list of environmental goods]? (Y/N)

1.1.2.2. International commitments on sustainable trade

12. Have the following international conventions and their amendments been ratified? (Y/N)

12a. Convention on International Trade in Endangered Species of Wild Fauna and Flora

12b. The International Convention for the Prevention of Pollution from Ships (MARPOL)

12c. Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal

12d. Rotterdam Convention on the Prior Informed Consent Procedure for Certain Hazardous Chemicals and Pesticides in International Trade

13. Have the following international conventions and their amendments been implemented? (Y/N)

13a. Convention on International Trade in Endangered Species of Wild Fauna and Flora

13b. The International Convention for the Prevention of Pollution from Ships (MARPOL)

13c. Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal

13d. Rotterdam Convention on the Prior Informed Consent Procedure for Certain Hazardous Chemicals and Pesticides in International Trade

14. Have any of the following fundamental principles of the International Labour Organization (ILO) been *ratified* as enforceable provisions listing minimum commitments in any of the preferential trade agreements (PTAs)? (Y/N)

- 14a. Prohibition on the use of any form of forced or compulsory labor
- 14b. Prohibition and elimination of the worst forms of child labor
- 14c. Elimination of discrimination with respect to employment and occupation
- 14d. Freedom of association and the effective recognition of the right to collective bargaining
- 14e. Implementation of occupational safety and health legislation

15. Have any of the following fundamental principles of the International Labour Organization (ILO) been *implemented* as enforceable provisions listing minimum commitments in any of the PTAs? (Y/N)

- 15a. Prohibition on the use of any form of forced or compulsory labor
- 15b. Prohibition and elimination of the worst forms of child labor
- 15c. Elimination of discrimination with respect to employment and occupation
- 15d. Freedom of association and the effective recognition of the right to collective bargaining
- 15e. Implementation of occupational safety and health legislation

16. Have any enforceable provisions listing minimum commitments on the following gender issues been *ratified* in any of the PTAs? (Y/N)

- 16a. Gender equality
- 16b. Women's participation in economic and development activities
- 16c. Social issues and the role of women in social life
- 16d. Representation of women in decision-making roles

17. Have any enforceable provisions listing minimum commitments on the following gender issues been *implemented* in any of the PTAs? (Y/N)

- 17a. Gender equality
- 17b. Women's participation in economic and development activities
- 17c. Social issues and the role of women in social life
- 17d. Representation of women in decision-making roles

1.1.2. Practices on digital and sustainable trade			
1.1.2.1 Sustainable Trade Policy			
Cross-border carbon pricing instruments (10)	n.a.	1	1
Tariffs on environmental goods (11) <i>A linear function capped at 10% = 1 will be applied: 1-0.1x. (10%+ = 0 points / 0% = 1 (continuous) - along the function 1-0.1x)</i>	1	1	2
Total Points	1	2	3
1.1.2.2 International commitments on sustainable trade			
International conventions	n.a.	1	1
Ratified	n.a.	0.50	0.50
- Convention on International Trade in Endangered Species of Wild Fauna and Flora (12a)		0.12	0.12
- MARPOL Convention (12b)		0.12	0.12

<ul style="list-style-type: none"> - Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal (12c) - Rotterdam Convention on the Prior Informed Consent Procedure for Certain Hazardous Chemicals and Pesticides in International Trade(12d) <p><i>The score is assigned for the ratification of commitments.</i></p>		0.12	0.12
<p>Implemented</p> <ul style="list-style-type: none"> - Convention on International Trade in Endangered Species of Wild Fauna and Flora (13a) - MARPOL Convention (13b) - Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal (13c) - Rotterdam Convention on the Prior Informed Consent Procedure for Certain Hazardous Chemicals and Pesticides in International Trade (13d) <p><i>The score is assigned for the implementation of ratified commitments.</i></p>	n.a.	0.50 0.12	0.50 0.12
Labor provisions in trade agreements	n.a.	1	1
<p>Ratified</p> <ul style="list-style-type: none"> - Prohibition on the use of any form of forced or compulsory labor (14a) - Prohibition and elimination of the worst forms of child labor (14b) - Elimination of discrimination with respect to employment and occupation (14c) - Freedom of association and the effective recognition of the right to collective bargaining (14d) - Implementation of occupational safety and health legislation (14e) <p><i>The score is assigned for the ratification of commitments.</i></p>	n.a.	0.50 0.10	0.50 0.10
<p>Implemented</p> <ul style="list-style-type: none"> - Prohibition on the use of any form of forced or compulsory labor (15a) - Prohibition and elimination of the worst forms of child labor (15b) - Elimination of discrimination with respect to employment and occupation (15c) - Freedom of association and the effective recognition of the right to collective bargaining (15d) - Implementation of occupational safety and health legislation (15e) <p><i>The score is assigned for the implementation of ratified commitments.</i></p>	n.a.	0.50 0.10	0.50 0.10
Gender-specific provisions in trade agreements	n.a.	1	1
<p>Ratified</p> <ul style="list-style-type: none"> - Gender equality (16a) - Women's participation in economic and development activities (16b) - Social issues and the role of women in social life (16c) - Representation of women in decision-making roles (16d) <p><i>The score is assigned for the ratification of commitments.</i></p>	n.a.	0.50 0.12	0.50 0.12
<p>Implemented</p> <ul style="list-style-type: none"> - Gender equality (17a) - Women's participation in economic and development activities (17b) 	n.a.	0.50 0.12	0.50 0.12

- Social issues and the role of women in social life (17c) - Representation of women in decision-making roles (17d) <i>The score is assigned for the implementation of ratified commitments.</i>		0.12 0.12	0.12 0.12
Total Points	0	3	3

Note: n.a. = not applicable (refers to the cases when the impact on firms or society is either ambiguous or nonexistent). FFP = firm flexibility point; MARPOL = International Convention for the Prevention of Pollution from Ships; SBP = social benefit point.

1.1.3. Practices on international trade cooperation

1.1.3.1. Participation and Depth of trade agreements

18. If a member of the World Trade Organization (WTO), is the economy a party to preferential trade agreements (PTAs) not notified to the WTO? (Y/N; N=good practice)

19. Have commitments in the following policy areas been ratified in any of the PTAs? (Y/N)

- 19a. Tariff preferences and export taxes
- 19b. Sanitary and phytosanitary measures
- 19c. Technical barriers to trade
- 19d. Rules of origin
- 19e. Contingent trade protective measures
- 19f. Trade facilitation and Customs
- 19g. Digital trade
- 19h. Investment and movement of capital
- 19i. Labor
- 19j. Environment

20. Have commitments in the following policy areas been implemented in any of the PTAs? (Y/N)

- 20a. Tariff preferences and export taxes
- 20b. Sanitary and phytosanitary measures
- 20c. Technical barriers to trade
- 20d. Rules of origin
- 20e. Contingent trade protective measures
- 20f. Trade facilitation and Customs
- 20g. Digital trade
- 20h. Investment and movement of capital
- 20i. Labor
- 20j. Environment

1.1.3.2. Competent authorities in trade agreements

21. Is there an established competent authority to oversee implementation of any of the preferential trade agreements (PTAs)? (Y/N)

- 21a. Authority(ies) is(are) PTA-specific and exists(exist) for all agreements
- 21b. Authority(ies) is(are) PTA-specific but does(do) not exist for all the agreements
- 21c. Authority to oversee PTAs, but it is not PTA-specific

22. Considering the PTAs listed above, do the competent authorities (of both economies) in charge of their implementation coordinate and exchange information? (Y/N)

1.1.3. Practices on international trade cooperation			
1.1.3.1 Participation and Depth of trade agreements			
Indicators	FFP	SBP	Total Points
Participation in non-notified PTAs (18) <i>A score is assigned if the economy is not a party of any non-notified PTAs.</i>	1	1	2
Economic integration rights	1	n.a.	1
Ratified - Tariff preferences and export taxes (19a) - Investment and movement of capital (19h) - Trade in Services* - Digital trade (19g) <i>The score is assigned if the commitments are ratified in PTAs signed with any of the 3 main trading partners.</i>	0.50 0.12 0.12 0.12 0.12	n.a.	0.50 0.12 0.12 0.12 0.12
Implemented - Tariff preferences and export taxes (20a) - Investment and movement of capital (20h) - Trade in Services* - Digital trade (20g) <i>The score is assigned if the ratified commitments are implemented in PTAs signed with any of the 3 main trading partners.</i>	0.50 0.12 0.12 0.12 0.12	n.a.	0.50 0.12 0.12 0.12 0.12
Protection of economic integration rights	1	n.a.	1
Ratified - Trade facilitation and Customs (19f) - Sanitary and phytosanitary measures (19b) - Technical barriers to trade (19c) - Rules of origin (19d) - Contingent trade protective measures (19e) <i>The score is assigned if the commitments are ratified in PTAs signed with the 3 main trading partners.</i>	0.50 0.08 0.08 0.08 0.08 0.08 0.08	n.a.	0.50 0.08 0.08 0.08 0.08 0.08 0.08
Implemented - Trade facilitation and Customs (20f) - Sanitary and phytosanitary measures (20b) - Technical barriers to trade (20c) - Rules of origin (20d) - Contingent trade protective measures (20e) <i>The score is assigned if the ratified commitments are implemented in PTAs signed with the 3 main trading partners.</i>	0.50 0.08 0.08 0.08 0.08 0.08 0.08	n.a.	0.50 0.08 0.08 0.08 0.08 0.08 0.08
Consumer rights and social welfare	1	1	2
Ratified - Environment (19i) - Labor (19j) <i>The score is assigned if the commitments are ratified in PTAs signed with any of the 3 main trading partners.</i>	0.50 0.25 0.25	0.50 0.25 0.25	1 0.50 0.50
Implemented - Environment (20i) - Labor (20j) <i>The score is assigned if the ratified commitments are implemented in PTAs signed with any of the 3 main trading partners.</i>	0.50 0.25 0.25	0.50 0.25 0.25	1 0.50 0.50

Total Points	4	2	6
<i>WTO member economies may score a total of 6 points across these indicators (4 points on firm flexibility and 2 points on social benefits). Non-WTO member economies may score a total of 4 points across these indicators (3 points on firm flexibility and 1 point on social benefits). The scores of non-WTO member economies will be rescaled.</i>			
1.1.3.2 Competent authorities in trade agreements			
Competent authorities (implementation) - An authority overseeing PTAs (21a) OR - Authority overseeing only some agreements (21b) OR - PTA-specific authority (21c) <i>A score of 1 is assigned if 21a or 21c is selected; a score of 0.50 is assigned if 21b is selected.</i>	1 1 1 0.50	1 1 1 0.50	2 2 2 1
Competent authorities (coordination and exchange of information) (22)	1	1	2
Total Points	2	2	4

Note: n.a. = not applicable (refers to the cases when the impact on firms or society is either ambiguous or nonexistent). FFP = firm flexibility point; PTA = preferential trade agreement; SBP = social benefit point.

1.2. REGULATORY RESTRICTIONS ON INTERNATIONAL TRADE

1.2.1. Restrictions on international trade in goods

1.2.1.1. Technical non-tariff measures

23. When importing [FILL WITH AGRICULTURAL PRODUCT HS 6-DIGIT] from any trading partner, which of the following sanitary and phytosanitary measures are required by law? (Y/N)

- 23a. Health inspections and/or certifications
- 23b. Phytosanitary inspections and/or certifications
- 23c. Fumigation or disinfection and/or certifications
- 23d. Pest control inspection and/or certifications

24. Considering the above sanitary and phytosanitary measures required by law for the importation of [FILL WITH AGRICULTURAL PRODUCT HS 6-DIGIT] from any trading partner, do they breach the principle of national treatment? (Y/N; N=good practice)

25. When importing [FILL WITH MANUFACTURED PRODUCT HS 6-DIGIT] from any trading partner, which of the following types of technical barriers to trade are required by law? (Y/N)

- 25a. Product characteristics
- 25b. Product-related processes and production methods
- 25c. Terminology or symbols
- 25d. Packaging
- 25e. Labeling and marking

26. Considering the above technical barriers to trade measures required for the importation of [FILL WITH MANUFACTURED PRODUCT HS 6-DIGIT] from any trading partner, do they breach the principle of national treatment? (Y/N; N=good practice)

27. When importing [FILL WITH MANUFACTURED PRODUCT HS 6-DIGIT] from any trading partner, what measures are required by law to complete the following pre-shipment inspections (PSI) and/or Destination Inspections (DI)? (Y/N; N=good practice)

- 27a. Quality control
- 27b. Conformity verification

27c. Customs valuation

1.2.1.2. Non-technical non-tariff measures

28. When importing [FILL WITH AGRICULTURAL PRODUCT CHAPTER (HS 2-DIGIT)] from any trading partner, which of the following non-technical non-tariff measures imposed for economic purposes are required by law? (Y/N)

- 28a. Non-automatic import licensing
- 28b. Import quotas
- 28c. Import prohibitions
- 28d. Quantity-control measures
- 28e. Rules of origin
- 28f. Price-control measures
- 28g. Finance restrictions

29. When importing [FILL WITH MANUFACTURED PRODUCT CHAPTER (HS 2-DIGIT)] from any trading partner, which of the following non-technical non-tariff measures imposed for economic purposes are required by law? (Y/N; N–good practice)

- 29a. Non-automatic import licensing
- 29b. Import quotas
- 29c. Import prohibitions
- 29d. Quantity-control measures
- 29e. Rules of origin
- 29f. Price-control measures
- 29g. Finance restrictions

30. In the last three years, when importing any product under [FILL WITH AGRICULTURAL PRODUCTS [AGRICULTURAL/MANUFACTURED PRODUCT CHAPTER (HS 2-DIGIT)] from any trading partner, which contingent trade-protective measures were enforced in practice in the last three years? (Y/N; N–good practice)

- 30a. Anti-dumping duties
- 30b. Countervailing duties
- 30c. Safeguards measures

31. When exporting any product under [FILL WITH AGRICULTURAL PRODUCTS [AGRICULTURAL (HS 2-DIGIT)] to any trading partner, are any export restrictions required by law? (Y/N; N–good practice)

32. When exporting any product under [FILL WITH MANUFACTURED PRODUCT CHAPTER (HS 2-DIGIT)] to any trading partner, are any export restrictions required by law? (Y/N; N–good practice)

1.2. REGULATORY RESTRICTIONS ON INTERNATIONAL TRADE			
1.2.1. Restrictions on international trade in goods			
1.2.1.1 Technical non-tariff measures			
Sanitary and phytosanitary measures - Health inspections and/or certifications (23a) OR - Phytosanitary inspections and/or certifications (23b) - Fumigation or disinfection and/or certifications (23c)	n.a.	1	1

- Pest control inspection and/or certifications (23d) <i>The score is assigned if 23a OR 23b OR 23c OR 23d is selected.</i>			
Sanitary and phytosanitary measures (national treatment) (24) <i>The score is assigned if the measure does not violate national treatment principle.</i>	1	1	2
Technical barriers to trade - Health product characteristics (25a) - Product-related processes and production methods (25b) - Terminology or symbols (25c) - Packaging (25d) - Labeling and marking (25e) - (23a) OR <i>The score is assigned if 25a OR 25b OR 25c OR 25d is selected.</i>	n.a.	1	1
Technical barriers to trade (national treatment) (26) <i>The score is assigned if the measure does not violate national treatment principle.</i>	1	1	2
Pre-shipment inspections & Destination Inspection - Absence of quality control (27a) AND - Absence of conformity verification (27b) AND - Absence of Customs valuation (27c)	1 0.33 0.33 0.33	1 0.33 0.33 0.33	2 0.66 0.66 0.66
Total Points	3	5	8
1.2.1.2 Non-technical non-tariff measures			
Non-automatic import licensing for economic purposes, quotas, prohibitions, quantity-control measures, rules of origin	1	1	2
Agriculture - Absence of non-automatic import licensing (28a) - Absence of import quotas(28b) - Absence of import prohibitions (28c) - Absence of quantity-control measures (28d) - Absence of rules of origin (28e)	0.50 0.10 0.10 0.10 0.10 0.10	0.50 0.10 0.10 0.10 0.10 0.10	1. 0.20 0.20 0.20 0.20 0.20
Manufacturing - Absence of non-automatic import licensing (29a) - Absence of import quotas (29b) - Absence of import prohibitions (29c) - Absence of quantity-control measures (29d) - Absence of rules of origin (29e)	0.50 0.10 0.10 0.10 0.10 0.10	0.50 0.10 0.10 0.10 0.10 0.10	1. 0.20 0.20 0.20 0.20 0.20
Price-control and finance measures	1	1	2
Agriculture - Absence of price-control measures (28f) - Absence of finance measures (28g)	0.50 0.25 0.25	0.50 0.25 0.25	1 0.50 0.50
Manufacturing - Absence of price-control measures (29f) - Absence of finance measures (29g)	0.50 0.25 0.25	0.50 0.25 0.25	1 0.50 0.50
Contingent trade-protective measures - Absence of anti-dumping measures (30a) - Absence of countervailing measures (30b) - Absence of safeguards measures (30c)	1 0.33 0.33 0.33	1 0.33 0.33 0.33	2 0.66 0.66 0.66
Export Restrictions - Agriculture (31) - Manufacturing (32) <i>A score is assigned if the measure is absent.</i>	1 0.50 0.50	1 0.50 0.50	2 1 1

Total points	4	4	8
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Note: n.a. = not applicable – refers to the cases when the impact on firms or society is either ambiguous or nonexistent. FFP = firm flexibility point; SBP = social benefit point.

PILLAR II - QUALITY OF PUBLIC SERVICES FOR THE FACILITATION OF INTERNATIONAL TRADE

2.1 DIGITAL AND PHYSICAL INFRASTRUCTURE

2.1.1 Transparency and availability of information

2.1.1.1 Information on laws and regulations on international trade

33. In practice, are proposals of draft laws and regulations on importation, exportation, and transit of goods made publicly available through electronic means to explain their purpose? (Y/N)

34. In practice, are proposals of draft laws and regulations made publicly available through electronic means to explain their purpose in the area of digital trade? (Y/N)

35. In practice, are advance notices made publicly available through electronic means prior to enacting regulatory changes in the following policy areas affecting international trade in goods? (Y/N)

35a. Duties and taxes (of any kind), fees and charges imposed in connection with importation, exportation, or transit

35b. Customs valuation procedures

35c. Non-tariff measures (NTMs)—technical (sanitary and phytosanitary measures and technical barriers to trade) and nontechnical (quantitative restrictions, tariff quotas and/or government-imposed surcharges, rules of origin, contingent trade protection measures, and other NTMs such as licensing and mixing requirements)

36. In practice, are advance notices publicly available through electronic means prior to enacting regulatory changes in the area of digital trade? (Y/N)

2.1.1.2 Consultation on laws and regulations on international trade

37. In practice, are interested parties/stakeholders consulted before introducing or changing laws and regulations affecting the importation, exportation, and transit of goods? (Y/N)

38. In practice, are interested parties/stakeholders consulted before introducing or changing laws and regulations in the area of digital Trade? (Y/N)

39. In practice, are interested parties/stakeholders given a reasonable opportunity of at least 30 calendar days to comment before introducing or changing laws and regulations affecting importation, exportation and transit of goods? (Y/N)

40. In practice, are interested parties/stakeholders given a reasonable opportunity of at least 30 calendar days to comment before introducing or changing laws and regulations affecting digital trade? (Y/N)

41. In practice, are comments received in the areas affecting importation, exportation, and transit of goods responded to? (Y/N)

42. In practice, is a justification provided in case comments received in the areas affecting the importation, exportation, and transit of goods are not incorporated? (Y/N)

43. In practice, are comments received in the area of digital trade responded to? (Y/N)

44. In practice, is a justification provided in case comments received in the area of digital trade are not incorporated? (Y/N)

PILLAR II - QUALITY OF PUBLIC SERVICES FOR THE FACILITATION OF INTERNATIONAL TRADE			
2.1. DIGITAL AND PHYSICAL INFRASTRUCTURE			
2.1.1. Transparency and availability of information			
2.1.1.1 Information on laws and regulations on international trade			
Proposals of laws and draft regulations	1	1	2
- Importation, exportation, or transit of goods (33)	0.33	0.33	0.66
- Trade in services*	0.33	0.33	0.66
- Digital trade (34)	0.33	0.33	0.66
Advance notices	1	1	2
Goods	0.33	0.33	0.66
- Duties or taxes (of any kind), fees, and charges imposed in connection with importation, exportation, or transit of goods (35a)	0.11	0.11	0.22
- Customs valuation procedures (35b)	0.11	0.11	0.22
- NTMs—technical (sanitary and phytosanitary measures and technical barriers to trade) and nontechnical (quantitative restrictions, tariff quotas and/or government-imposed surcharges, rules of origin, contingent trade protection measures, and other NTMs such as licensing and mixing requirements) (35c)	0.11	0.11	0.22
Services*	0.33	0.33	0.66
- Transport services (maritime freight and road freight)	0.16	0.16	0.33
- Logistics services (cargo handling, storage and warehouse, Customs brokerage, and freight forwarding services)	0.16	0.16	0.33
Digital trade (36)	0.33	0.33	0.66
Total Points	2	2	4
2.1.1.2 Consultation on laws and regulations on international trade			
Consultation-Practice	1	1	2
- Importation, exportation, or transit of goods (37)	0.33	0.33	0.66
- Trade in services*	0.33	0.33	0.66
- Digital trade (38)	0.33	0.33	0.66
Consultation–Reasonable Opportunity	1	1	2
- Importation, exportation, or transit of goods (39)	0.33	0.33	0.66
- Trade in services*	0.33	0.33	0.66
- Digital trade (40)	0.33	0.33	0.66
Consultation–Process to consider comments	1	1	2
Comments received are responded to	0.50	0.50	1

- Importation, exportation, or transit of goods (41)	0.16	0.16	0.33
- Trade in services*	0.16	0.16	0.33
- Digital trade (43)	0.16	0.16	0.33
Justification provided if not responded to	0.50	0.50	1
- Importation, exportation, or transit of goods (42)	0.16	0.16	0.33
- Trade in services*	0.16	0.16	0.33
- Digital trade (44)	0.16	0.16	0.33
Total Points	2	2	4

Note: FFP = firm flexibility point; SBP = social benefit point.

* The component of the indicator belongs to the Trade Regulations–Services questionnaire.

TRADE REGULATIONS – SERVICES

The tables that follow present all indicators (including their components, if applicable) under each pillar, with a reference to the corresponding question number in parenthesis. The questions are listed before each table for ease of reference.

Due to the presence of multiple questionnaires, the numbering of categories in the annotated questionnaire does not match the topic methodology note.

For Y/N questions, the Y response accounts for the score and is considered as the good practice, unless otherwise indicated with the sign “N–good practice”.

In the tables that follow, “AND” means all referenced questions must have a good practice response to obtain a score on the indicator.

In the tables that follow, “OR” means one or more referenced questions must have a good practice response to obtain a score on the indicator.

Certain questions are marked as “not scored,” which indicates that they do not affect the score in any way. The purpose of these questions is to further inform and refine the questions design for subsequent years of the pilot, as needed, as well as to substantiate and provide further information for the scored questions.

*Note: Several indicators of International Trade are composite, wherein a score of 1 point is divided between several questions that are present in different questionnaires. In each area of Trade Regulations–Goods, Trade Regulations–Services, and Digital Trade, the component of a composite indicator that belongs to another area is marked as *. For example, the indicator on “Regulatory Impact Analysis” has a score of 1 on social benefit points (SBP) and is comprised of two components: i) “Trade in goods” (0.50 points), which is measured in the Trade Regulations–Goods questionnaire; and ii) “Trade in Services” (0.50 points), which is measured in the Trade Regulations–Services questionnaire. In the Trade Regulations–Services questionnaire, “Trade in goods” is marked with *, indicating that it belongs to the Trade Regulations–Goods.*

PILLAR I – REGULATORY FRAMEWORK: QUALITY OF REGULATIONS FOR INTERNATIONAL TRADE	
Parameters	
Geographic nature	The geographic nature of the economy according to the means it has to conduct export and import without transiting through a third country (coastal, island, or landlocked).
Services sectors and subsectors	Service sectors and subsectors that play a crucial role as inputs and facilitators for international trade in goods (maritime freight, road freight, air freight, cargo handling, storage and warehousing, Customs brokerage, freight forwarding, commercial banking, and insurance).
Traded environmental products	The top 5 imported environmental products by total trade value at the world-level between 2015 and 2019 within the Asia-Pacific Economic Cooperation (APEC) list of environmental goods at HS subheading level (6-digit).
Trading partner(s)	In the cases of trade cooperation and sustainable trade, trading partner(s) refer to an economy’s top 3 trade partners in goods and services combined between 2015 and 2019.

1.1. GOOD REGULATORY PRACTICES SUPPORTING INTERNATIONAL TRADE

1.1.1. Adequacy of the legal framework

1.1.1.1. Regulatory certainty and predictability

1. Are there dedicated laws and regulations governing international trade in services in the following sectors? (Y/N)
 - 1a. Freight transport services
 - 1b. Logistics services
 - 1c. Financial services

2. Is Regulatory Impact Analysis a mandatory tool used to approve laws and regulations on international trade? (Y/N)
 - 2a. Trade in services

1.1.1.2. Regulatory decisions and appeals

3. Must applicants be informed of the reasons for license rejection, suspension, and cancellation in the following service sectors? (Y/N)
 - 3a. Freight transport services
 - 3b. Logistics services
 - 3c. Financial services

4. Do service providers or professionals have the right to administratively appeal regulatory decisions in the following sectors affecting international trade in services? (Y/N)
 - 4a. Freight transport services
 - 4b. Logistics services
 - 4c. Financial services

5. Do service providers or professionals have the right to judicially appeal regulatory decisions in the following sectors affecting international trade in services? (Y/N)
 - 5a. Freight transport services
 - 5b. Logistics services
 - 5c. Financial services

PILLAR I-REGULATORY FRAMEWORK: QUALITY OF REGULATIONS FOR INTERNATIONAL TRADE			
1.1. GOOD REGULATORY PRACTICES SUPPORTING INTERNATIONAL TRADE			
1.1.1. Adequacy of the legal framework			
1.1.1.1 Regulatory certainty and predictability			
Indicators	FFP	SBP	Total Points
Laws and regulations governing international trade in services	1	1	2
- Freight transport services (1a)	0.33	0.33	0.66
- Logistics services (1b)	0.33	0.33	0.66
- Financial services (1c)	0.33	0.33	0.66
Regulatory Impact Analysis	1	1	2
- Trade in goods (2a)*	0.50	0.50	1

- Trade in services (2b)	0.50	0.50	1
Total Points	2	2	4
1.1.1.2 Regulatory decisions and appeals			
Reasons for license rejection, suspension, and cancellation	1	1	2
- Freight transport services (3a)	0.33	0.33	0.66
- Logistics services (3b)	0.33	0.33	0.66
- Financial services (3c)	0.33	0.33	0.66
Right to appeal (services)	1	1	2
Administrative Appeal	0.50	0.50	1
- Freight transport services (4a)	0.16	0.16	0.32
- Logistics services (4b)	0.16	0.16	0.32
- Financial services (4c)	0.16	0.16	0.32
<i>The score is assigned for the availability of administrative appeal.</i>			
Judicial Appeal	0.50	0.50	1
- Freight transport services (5a)	0.16	0.16	0.32
- Logistics services (5b)	0.16	0.16	0.32
- Financial services (5c)	0.16	0.16	0.32
<i>The score is assigned for the availability of administrative and judicial appeal.</i>			
Total Points	3	3	6

Note: FFP = firm flexibility point; SBP = social benefit point.

* The component of the indicator belongs to the Trade Regulations–Goods questionnaire.

1.1.2. Practices on sustainable trade

1.1.2.1. Sustainable Trade Policy

6. According to the legal framework in the economy, are there any additional restrictions on cross-border movement of foreign professionals providing services and expertise (such as installation, maintenance, repairs and consulting services) related to the import of [the top 5 most traded/imported goods among the Asia-Pacific Economic Cooperation (APEC) list of environmental goods]? (Y/N)

1.1.2. Practices on sustainable trade			
1.1.2.1 Sustainable Trade Policy			
Restrictions on trade in services related to the import of environmental goods (6)	1	1	2
<i>A score is assigned when the restrictions are absent.</i>			
Total Points	1	1	2

1.1.3. Practices on international trade cooperation

1.1.3.1. Participation and Depth of trade agreements

7. Has a separate chapter on trade in services been included in any of the preferential trade agreements (PTAs)? (Y/N)

8. Have commitments on trade in services been implemented in any of the PTAs listed above? (Y/N)

9. Have commitments in the following service subsectors been ratified in any of the preferential trade agreements (PTAs)? (Y/N)

9a. Freight transport services (maritime; road)

9b. Logistics services (cargo handling; storage and warehousing; Customs brokers; freight forwarders)

9c. Financial services (commercial banking; insurance)

10. Have commitments in the following service subsectors been implemented in any of the preferential trade agreements (PTAs)? (Y/N)

10a. Freight transport services (maritime; road)

10b. Logistics services (cargo handling; storage and warehousing; Customs brokers; freight forwarders)

10c. Financial services (commercial banking; insurance)

1.1.3. Practices on international trade cooperation			
1.1.3.1 Participation and depth of trade agreements			
Indicators	FFP	SBP	Total Points
Economic integration rights	1	n.a.	1
Ratified	0.50	n.a.	0.50
- Tariff preferences and export taxes*	0.12		0.12
- Investment and movement of capital*	0.12		0.12
- Trade in Services (7)	0.12		0.12
- Digital trade*	0.12		0.12
<i>The score is assigned if the commitments are ratified in PTAs signed with any of the 3 main trading partners.</i>			
Implemented	0.50	n.a.	0.50
- Tariff preferences and export taxes*	0.12		0.12
- Investment and movement of capital*	0.12		0.12
- Trade in Services (8)	0.12		0.12
- Digital trade*	0.12		0.12
<i>The score is assigned if the ratified commitments are implemented in PTAs signed with any of the 3 main trading partners.</i>			
Service sector coverage	1	n.a.	1
Ratified	0.50	n.a.	0.50
- Freight transport services (maritime; road) (9a)	0.16		0.16
- Logistics services (cargo handling; storage and warehousing; Customs brokers; freight forwarders) (9b)	0.16		0.16
- Financial services (commercial banking; insurance) (9c)	0.16		0.16
<i>The score is assigned if the commitments are ratified in PTAs signed with any of the 3 main trading partners.</i>			
Implemented	0.50	n.a.	0.50
- Freight transport services (maritime; road) (10a)	0.16		0.16
- Logistics services (cargo handling; storage and warehousing; Customs brokers; freight forwarders) (10b)	0.16		0.16
- Financial services (Commercial banking; insurance) (10c)	0.16		0.16
<i>The score is assigned if the ratified commitments are implemented in PTAs signed with any of the 3 main trading partners.</i>			
Total Points	5	1	6

Note: n.a. = not applicable (refers to the cases when the impact on firms or society is either ambiguous or nonexistent). FFP = firm flexibility point; SBP = social benefit point.

* The component of the indicator belongs to the Trade Regulations–Goods questionnaire.

1.2. REGULATORY RESTRICTIONS ON INTERNATIONAL TRADE

1.2.1. Restrictions on international trade in goods

1.2.1.1. Regulatory restrictions for domestic freight transportation and logistics service providers

11. According to the legal framework, are there any caps on the number of operating licenses applicable to the following service subsectors? (Y/N; N–good practice)

- 11a. Maritime freight
- 11b. Road freight
- 11c. Cargo handling
- 11d. Storage and warehousing
- 11e. Customs brokerage
- 11f. Freight forwarding

12. According to the legal framework, are there any prohibitions on access to roads or ports applicable to the following service subsectors? (Y/N; N–good practice)

- 12a. Maritime freight
- 12b. Road freight

13. According to the legal framework, do incumbent firms participate in the decision to grant new operating licenses in the following service subsectors? (Y/N; N–good practice)

- 13a. Maritime freight
- 13b. Road freight
- 13c. Cargo handling
- 13d. Storage and warehousing
- 13e. Customs brokerage
- 13f. Freight forwarding

14. According to the legal framework, are there any limitations on expansion of services to new routes or geographic areas for new entrants in the following service subsectors? (Y/N; N–good practice)

- 14a. Maritime freight
- 14b. Road freight
- 14c. Cargo handling
- 14d. Storage and warehousing
- 14e. Customs brokerage
- 14f. Freight forwarding

15. According to the legal framework, are there any price floors and/or pricing guidelines, set by the government or other entities, in the following service subsectors? (Y/N; N–good practice)

- 15a. Maritime freight
- 15b. Road freight
- 15c. Cargo handling
- 15d. Storage and warehousing
- 15e. Customs brokerage
- 15f. Freight forwarding

16. According to the legal framework, is there a mandatory requirement to use certified operators in the following service subsectors? (Y/N; N–good practice)

- 16a. Maritime freight

- 16b. Road freight
- 16c. Cargo handling
- 16d. Storage and warehousing
- 16e. Customs brokerage
- 16f. Freight forwarding

17. According to the legal framework, are there any statutory certification and training requirements for operators in the following service subsectors? (Y/N; N=good practice)

- 17a. Maritime freight
- 17b. Road freight
- 17c. Cargo handling
- 17d. Storage and warehousing

18. According to the legal framework, are there any statutory requirements on inspection intervals and recertification of equipment in the following service subsectors? (Y/N; N=good practice)

- 18a. Maritime freight
- 18b. Road freight
- 18c. Cargo handling
- 18d. Storage and warehousing

19. According to the legal framework, are there any statutory requirements on the maximum number of working hours before mandatory rest in the following service subsectors? (Y/N; N=good practice)

- 19a. Maritime freight
- 19b. Road freight
- 19c. Cargo handling
- 19d. Storage and warehousing

20. According to the legal framework, are there any additional restriction(s) applicable to women service providers in any of the above measures (as selected in questions 11 to 19) in the following service subsectors (for example, ineligibility to apply for operating licenses or additional statutory certification and training requirements)? (Y/N; N = good practice)

- 20a. Maritime freight
- 20b. Road freight
- 20c. Cargo handling
- 20d. Storage and warehousing
- 20e. Customs brokerage
- 20f. Freight forwarding

1.2. REGULATORY RESTRICTIONS ON INTERNATIONAL TRADE			
1.2.1. Restrictions on international trade in goods			
1.2.1.1 Regulatory restrictions for domestic freight transportation and logistics service providers			
Anti-competitive restrictions (freight transport)	1	1	2
Maritime	0.50	0.50	1
- Absence of caps on number of operating licenses (11a)	0.08	0.08	0.16
- Absence of prohibitions on access to roads or ports (12a)	0.08	0.08	0.16
- Absence of regulation allowing incumbent firms to participate in decision to grant new operating licenses (13a)	0.08	0.08	0.16

- Absence of regulations limiting expansion of services to new routes or geographic areas for new entrants (14a)	0.08	0.08	0.16
- Absence of price floors and pricing guidelines (set by government or other entities) (15a)	0.08	0.08	0.16
- Absence of mandatory use of certified operators (16a)	0.08	0.08	0.16
Road	0.50	0.50	1
- Absence of caps on number of operating licenses (11b)	0.08	0.08	0.16
- Absence of prohibitions on access to roads or ports (12b)	0.08	0.08	0.16
- Absence of regulation allowing incumbent firms to participate in decision to grant new operating licenses (13b)	0.08	0.08	0.16
- Absence of regulations limiting expansion of services to new routes or geographic areas for new entrants (14b)	0.08	0.08	0.16
- Absence of price floors and pricing guidelines (set by government or other entities) (15b)	0.08	0.08	0.16
- Absence of mandatory use of certified operators (16b)	0.08	0.08	0.16
Anti-competitive restrictions (logistics)	1	1	2
Cargo handling	0.25	0.25	0.50
- Absence of caps on number of operating licenses (11c)	0.05	0.05	0.10
- Absence of regulation allowing incumbent firms to participate in decision to grant new operating licenses (13c)	0.05	0.05	0.10
- Absence of regulations limiting expansion of services to new routes or geographic areas for new entrants (14c)	0.05	0.05	0.10
- Absence of price floors and pricing guidelines (set by government or other entities) (15c)	0.05	0.05	0.10
- Absence of mandatory use of certified operators (16c)	0.05	0.05	0.10
Storage and warehousing	0.25	0.25	0.50
- Absence of caps on number of operating licenses (11d)	0.05	0.05	0.10
- Absence of regulation allowing incumbent firms to participate in decision to grant new operating licenses(13d)	0.05	0.05	0.10
- Absence of regulations limiting expansion of services to new routes or geographic areas for new entrants (14d)	0.05	0.05	0.10
- Absence of price floors and pricing guidelines (set by government or other entities) (15d)	0.05	0.05	0.10
- Absence of mandatory use of certified operators (16d)	0.05	0.05	0.10
Custom brokers	0.25	0.25	0.50
- Absence of caps on number of operating licenses (11e)	0.05	0.05	0.10
- Absence of regulation allowing incumbent firms to participate in decision to grant new operating licenses (13e)	0.05	0.05	0.10
- Absence of regulations limiting expansion of services to new routes or geographic areas for new entrants (14e)	0.05	0.05	0.10
- Absence of price floors and pricing guidelines (set by government or other entities) (15e)	0.05	0.05	0.10
- Absence of mandatory use of certified operators (16e)	0.05	0.05	0.10
Freight forwarders	0.25	0.25	0.50
- Absence of caps on number of operating licenses (11f)	0.05	0.05	0.10
- Absence of regulation allowing incumbent firms to participate in decision to grant new operating licenses (13f)	0.05	0.05	0.10
- Absence of regulations limiting expansion of services to new routes or geographic areas for new entrants (14f)	0.05	0.05	0.10
- Absence of price floors and pricing guidelines (set by government or other entities) (15f)	0.05	0.05	0.10
- Absence of mandatory use of certified operators (16f)	0.05	0.05	0.10
Safety regulations (freight transport)	n/a	1	1

Maritime - Statutory certification and training requirements for operators (17a) - Statutory requirement on inspection intervals and recertification of equipment (18a) - Statutory maximum number of working hours before mandatory rest (19a)	n/a	0.50 0.16 0.16 0.16	1 0.32 0.32 0.32
Road - Statutory certification and training requirements for operators (17b) - Statutory requirement on inspection intervals and recertification of equipment (18b) - Statutory maximum number of working hours before mandatory rest (19b)	n/a	0.50 0.16 0.16 0.16	1 0.32 0.32 0.32
Safety regulations (logistics)	n/a	1	1
Cargo handling - Statutory certification and training requirements for operators (17c) - Statutory requirement on inspection intervals and recertification of equipment (18c) - Statutory maximum number of working hours before mandatory rest (19c)	n/a	0.50 0.16 0.16 0.16	1 0.32 0.32 0.32
Storage and warehousing - Statutory certification and training requirements for operators (17d) - Statutory requirement on inspection intervals and recertification of equipment (18d) - Statutory maximum number of working hours before mandatory rest (19d)	n/a	0.50 0.16 0.16 0.16	1 0.32 0.32 0.32
Additional restrictions for female service providers - Absence of restriction in maritime freight (20a) - Absence of restriction in road freight (20b) - Absence of restriction in cargo handling (20c) - Absence of restriction in storage and warehousing (20d) - Absence of restriction in Customs brokerage (20e) - Absence of restriction in freight forwarding (20f)	1 0.16 0.16 0.16 0.16 0.16 0.16	1 0.16 0.16 0.16 0.16 0.16 0.16	2 0.32 0.32 0.32 0.32 0.32 0.32
Total Points	3	5	8

Note: n.a. = not applicable – refers to the cases when the impact on firms or society is either ambiguous or nonexistent. FFP = firm flexibility point; SBP = social benefit point.

1.2.2. Restrictions on international trade in services

1.2.2.1. Market access restrictions

21. According to the legal framework, are there any restrictions on foreign registration of vessels under national flags (maritime freight)? (Y/N; N=good practice)

22. According to the legal framework, are foreign-flagged ships excluded from cabotage/access rights, including partial exclusion (maritime freight)? (Y/N; N=good practice)

23. According to the legal framework, are quantitative restrictions (quotas) applicable in the following service subsectors? (Y/N; N=good practice)

23a. Maritime freight

23b. Road freight

- 23c. Cargo handling
- 23d. Storage and warehousing
- 23e. Customs brokerage
- 23f. Freight forwarding
- 23g. Commercial banking
- 23h. Insurance

24. According to the legal framework, are restrictions subject to an economic needs test applicable in the following service subsectors? (Y/N; N=good practice)

- 24a. Maritime freight
- 24b. Road freight
- 24c. Cargo handling
- 24d. Storage and warehousing
- 24e. Customs brokerage
- 24f. Freight forwarding
- 24g. Commercial banking
- 24h. Insurance

25. According to the legal framework, are restrictions on acquisition and use of land and real estate applicable to the following service subsectors? (Y/N; N=good practice)

- 25a. Maritime freight
- 25b. Road freight
- 25c. Cargo handling
- 25d. Storage and warehousing
- 25e. Customs brokerage
- 25f. Freight forwarding
- 25g. Commercial banking
- 25h. Insurance

1.2.2.2. Restrictions on cross-border movement of foreign professionals

26. According to the legal framework, are additional restrictions on licensing and/or authorization requirements applicable to the following service subsectors? (Y/N; N=good practice)

- 26a. Maritime freight
- 26b. Road freight
- 26c. Cargo handling
- 26d. Storage and warehousing
- 26e. Customs brokerage
- 26f. Freight forwarding
- 26g. Commercial banking
- 26h. Insurance

27. According to the legal framework, are there any quotas for contractual or independent service providers that discourage local service providers from using foreign workers/consultants applicable to the following service subsectors? (Y/N; N=good practice)

- 27a. Maritime freight
- 27b. Road freight
- 27c. Cargo handling
- 27d. Storage and warehousing
- 27e. Customs brokerage

- 27f. Freight forwarding
- 27g. Commercial banking
- 27h. Insurance

28. According to the legal framework, are needs tests (that discourage local service providers from using foreign workers/consultants) for contractual or independent service providers applicable in the following service subsectors? (Y/N; N=good practice)

- 28a. Maritime freight
- 28b. Road freight
- 28c. Cargo handling
- 28d. Storage and warehousing
- 28e. Customs brokerage
- 28f. Freight forwarding
- 28g. Commercial banking
- 28h. Insurance

29. According to the legal framework, are restrictions on the recognition of qualifications, training or experience obtained abroad (including but not limited to the absence of an equivalent mechanism) applicable to the following service subsectors? (Y/N; N=good practice)

- 29a. Maritime freight
- 29b. Road freight
- 29c. Cargo handling
- 29d. Storage and warehousing
- 29e. Customs brokerage
- 29f. Freight forwarding
- 29g. Commercial banking
- 29h. Insurance

1.2.2.3. Other discriminatory measures (Freight, Transport and Financial Services)

30. According to the legal framework, are restrictions on visa processes (specifically, no visa exemption, no visa on arrival, or no crew member visa) for crew members and service providers applicable in the following service subsectors? (Y/N; N=good practice)

- 30a. Maritime freight
- 30b. Road freight
- 30c. Cargo handling
- 30d. Storage and warehousing
- 30e. Customs brokerage
- 30f. Freight forwarding
- 30g. Commercial banking
- 30h. Insurance

31. According to the legal framework, are restrictions on visa processes are procedural hurdles (specifically, cost above US\$50 and time above 15 days) related to business visas or crew member visas for crew and service providers applicable in the following service subsectors? (Y/N; N=good practice)

- 31a. Maritime freight
- 31b. Road freight
- 31c. Cargo handling
- 31d. Storage and warehousing

- 31e. Customs brokerage
- 31f. Freight forwarding
- 31g. Commercial banking
- 31h. Insurance

32. According to the legal framework, are foreign suppliers treated less favorably than domestic suppliers for taxation purposes in the following service subsectors? (Y/N; N=good practice)

- 32a. Maritime freight
- 32b. Road freight
- 32c. Cargo handling
- 32d. Storage and warehousing
- 32e. Customs brokerage
- 32f. Freight forwarding
- 32g. Commercial banking
- 32h. Insurance

33. According to the legal framework, is there an obligation to use local maritime and port services, such as local port agent, tug, and tow services (maritime freight)? (Y/N; N=good practice)

34. According to the legal framework, are additional licensing or authorization requirements for foreign female professionals applicable to the following service subsectors? (Y/N; N=good practice)

- 34a. Maritime freight
- 34b. Road freight
- 34c. Cargo handling
- 34d. Storage and warehousing
- 34e. Customs brokerage
- 34f. Freight forwarding
- 34g. Commercial banking
- 34h. Insurance

1.2.2. Restrictions on international trade in services			
1.2.2.1 Market access restrictions			
Market access restrictions (freight transport)	1	1	2
Maritime	0.50	0.50	1
- Absence of restriction on foreign registration of vessels under national flags (21)	0.10	0.10	0.20
- Absence of exclusion of foreign-flagged ships from cabotage/access rights (22)	0.10	0.10	0.20
- Absence of quantitative restrictions (23a)	0.10	0.10	0.20
- Absence of restriction subject to an economic needs test (24a)	0.10	0.10	0.20
- Absence of restriction on acquisition and use of land and real estate (25a)	0.10	0.10	0.20
Road	0.50	0.50	1
- Absence of quantitative restrictions (23b)	0.16	0.16	0.32
- Absence of restriction subject to an economic needs test (24b)	0.16	0.16	0.32
- Absence of restriction on acquisition and use of land and real estate (25b)	0.16	0.16	0.32
Market access restrictions (logistics)	1	1	2
Cargo handling	0.25	0.25	0.50

- Absence of quantitative restrictions (23c)	0.08	0.08	0.16
- Absence of restriction subject to an economic needs test (24c)	0.08	0.08	0.16
- Absence of restriction on acquisition and use of land and real estate (25c)	0.08	0.08	0.16
Storage and warehousing	0.25	0.25	0.50
- Absence of quantitative restrictions (23d)	0.08	0.08	0.16
- Absence of restriction subject to an economic needs test (24d)	0.08	0.08	0.16
- Absence of restriction on acquisition and use of land and real estate (25d)	0.08	0.08	0.16
Custom brokers	0.25	0.25	0.50
- Absence of quantitative restrictions (23e)	0.08	0.08	0.16
- Absence of restriction subject to an economic needs test (24e)	0.08	0.08	0.16
- Absence of restriction on acquisition and use of land and real estate (25e)	0.08	0.08	0.16
Freight forwarders	0.25	0.25	0.50
- Absence of quantitative restrictions (23f)	0.08	0.08	0.16
- Absence of restriction subject to an economic needs test (24f)	0.08	0.08	0.16
- Absence of restriction on acquisition and use of land and real estate (25f)	0.08	0.08	0.16
Market access restrictions (financial services)	1	1	2
Commercial banking	0.50	0.50	1
- Absence of quantitative restrictions (23g)	0.16	0.16	0.32
- Absence of restriction subject to an economic needs test (24g)	0.16	0.16	0.32
- Absence of restriction on acquisition and use of land and real estate (25g)	0.16	0.16	0.32
Insurance	0.50	0.50	1
- Absence of quantitative restrictions (23h)	0.16	0.16	0.32
- Absence of restriction subject to an economic needs test (24h)	0.16	0.16	0.32
- Absence of restriction on acquisition and use of land and real estate (25h)	0.16	0.16	0.32
Total points	3	3	6
1.2.2.2 Restrictions on cross-border movement of foreign professionals			
Restrictions on cross-border movement of foreign professionals (freight transport)	1	1	2
Maritime	0.50	0.50	1
Absence of additional restrictions on licensing or authorization requirements (26a)	0.12	0.12	0.25
- Absence of quotas for contractual and independent service providers (27a)	0.12	0.12	0.25
- Absence of needs test for contractual and independent service providers (28a)	0.12	0.12	0.25
- Absence of restrictions on recognizing qualifications, training or experience obtained abroad (29a)	0.12	0.12	0.25
Road	0.50	0.50	1
Absence of additional restrictions on licensing or authorization requirements (26b)	0.12	0.12	0.25
- Absence of quotas for contractual and independent service providers (27b)	0.12	0.12	0.25
- Absence of needs test for contractual and independent service providers (28b)	0.12	0.12	0.25
- Absence of restrictions on recognizing qualifications, training or experience obtained abroad (29b)	0.12	0.12	0.25

Restrictions on cross-border movement of foreign professionals (logistics)	1	1	2
Cargo handling	0.25	0.25	0.50
- Absence of additional restrictions on licensing or authorization requirements (26c)	0.06	0.06	0.12
- Absence of quotas for contractual and independent service providers (27c)	0.06	0.06	0.12
- Absence of needs test for contractual and independent service providers (28c)	0.06	0.06	0.12
- Absence of restrictions on recognizing qualifications, training or experience obtained abroad (29c)	0.06	0.06	0.12
Storage and warehousing	0.25	0.25	0.50
- Absence of additional restrictions on licensing or authorization requirements (26d)	0.06	0.06	0.12
- Absence of quotas for contractual and independent service providers (27d)	0.06	0.06	0.12
- Absence of needs test for contractual and independent service providers (28d)	0.06	0.06	0.12
- Absence of restrictions on recognizing qualifications, training or experience obtained abroad (29d)	0.06	0.06	0.12
Custom brokers	0.25	0.25	0.50
- Absence of additional restrictions on licensing or authorization requirements (26e)	0.06	0.06	0.12
- Absence of quotas for contractual and independent service providers (27e)	0.06	0.06	0.12
- Absence of needs test for contractual and independent service providers (28e)	0.06	0.06	0.12
- Absence of restrictions on recognizing qualifications, training or experience obtained abroad (29e)	0.06	0.06	0.12
Freight forwarders	0.25	0.25	0.50
- Absence of additional restrictions on licensing or authorization requirements (26f)	0.06	0.06	0.12
- Absence of quotas for contractual and independent service providers (27f)	0.06	0.06	0.12
- Absence of needs test for contractual and independent service providers (28f)	0.06	0.06	0.12
- Absence of restrictions on recognizing qualifications, training or experience obtained abroad (29f)	0.06	0.06	0.12
Restrictions on cross-border movement of foreign professionals (financial services)	1	1	2
Commercial banking	0.50	0.50	1
- Absence of additional restrictions on licensing or authorization requirements (26g)	0.12	0.12	0.25
- Absence of quotas for contractual and independent service providers (27g)	0.12	0.12	0.25
- Absence of needs test for contractual and independent service providers (28g)	0.12	0.12	0.25
- Absence of restrictions on recognizing qualifications, training or experience obtained abroad (29g)	0.12	0.12	0.25
Insurance	0.50	0.50	1
- Absence of additional restrictions on licensing or authorization requirements (26h)	0.12	0.12	0.25
- Absence of quotas for contractual and independent service providers (27h)	0.12	0.12	0.25

- Absence of needs test for contractual and independent service providers (28h)	0.12	0.12	0.25
- Absence of restrictions on recognizing qualifications, training or experience obtained abroad (29h)	0.12	0.12	0.25
Total points	3	3	6
1.2.2.3 Other discriminatory measures (freight, transport, and financial services)			
Other discriminatory measures (freight transport)			
Maritime	0.50	0.50	1
- Absence of restrictions on visa processes for crew members/service providers (30a)	0.12	0.12	0.25
- Absence of procedural hurdles related to business visas or crew member visas for crew/service providers (31a)	0.12	0.12	0.25
- Absence of less favorable treatment of foreign suppliers regarding taxes (32a)	0.12	0.12	0.25
- Absence of obligation to use local maritime and port services (33)	0.12	0.12	0.25
Road	0.50	0.50	1
- Absence of restrictions on visa processes for crew members/service providers (30b)	0.16	0.16	0.32
- Absence of procedural hurdles related to business visas or crew member visas for crew/service providers (31b)	0.16	0.16	0.32
- Absence of less favorable treatment of foreign suppliers (32b)	0.16	0.16	0.32
Other discriminatory measures (logistics)	1	1	2
Cargo handling	0.25	0.25	0.50
- Absence of restrictions on visa processes for crew members/service providers (30c)	0.08	0.08	0.16
- Absence of procedural hurdles related to business visas or crew member visas for crew/service providers (31c)	0.08	0.08	0.16
- Absence of less favorable treatment of foreign suppliers regarding taxes (32c)	0.08	0.08	0.16
Storage and warehousing	0.25	0.25	0.50
- Absence of restrictions on visa processes for crew members/service providers (30d)	0.08	0.08	0.16
- Absence of procedural hurdles related to business visas or crew member visas for crew/service providers (31d)	0.08	0.08	0.16
- Absence of less favorable treatment of foreign suppliers regarding taxes (32d)	0.08	0.08	0.16
Customs brokerage	0.25	0.25	0.50
- Absence of restrictions on visa processes for crew members/service providers (30e)	0.08	0.08	0.16
- Absence of procedural hurdles related to business visas or crew member visas for crew/service providers (31e)	0.08	0.08	0.16
- Absence of less favorable treatment of foreign suppliers regarding taxes (32e)	0.08	0.08	0.16
Freight forwarding	0.25	0.25	0.50
- Absence of restrictions on visa processes for crew members/service providers (30f)	0.08	0.08	0.16
- Absence of procedural hurdles related to business visas or crew member visas for crew/service providers (31f)	0.08	0.08	0.16
- Absence of less favorable treatment of foreign suppliers regarding taxes (32f)	0.08	0.08	0.16
Other discriminatory measures (financial services)	1	1	2
Commercial Banking	0.50	0.50	1

- Absence of restrictions on visa processes for crew members/service providers (30g)	0.16	0.16	0.32
- Absence of procedural hurdles related to business visas or crew member visas for crew/service providers (31g)	0.16	0.16	0.32
- Absence of less favorable treatment of foreign suppliers regarding taxes (32g)	0.16	0.16	0.32
Insurance	0.50	0.50	1
- Absence of restrictions on visa processes for crew members/service providers (30h)	0.16	0.16	0.32
- Absence of procedural hurdles related to business visas or crew member visas for crew/service providers (31h)	0.16	0.16	0.32
- Absence of less favorable treatment of foreign suppliers regarding taxes (32h)	0.16	0.16	0.32
Other discriminatory measures (foreign female professionals)			
Additional restrictions for female service providers	1	1	2
- Absence of restriction in maritime freight (34a)	0.12	0.12	0.25
- Absence of restriction in road freight (34b)	0.12	0.12	0.25
- Absence of restriction in cargo handling (34c)	0.12	0.12	0.25
- Absence of restriction in storage and warehousing (34d)	0.12	0.12	0.25
- Absence of restriction in Customs brokerage (34e)	0.12	0.12	0.25
- Absence of restriction in freight forwarding (34f)	0.12	0.12	0.25
- Absence of restriction in commercial banking (34g)	0.12	0.12	0.25
- Absence of restriction in insurance (34h)	0.12	0.12	0.25
Total points	4	4	8

Note: FFP = firm flexibility point; SBP = social benefit point.

PILLAR II-QUALITY OF PUBLIC SERVICES FOR THE FACILITATION OF INTERNATIONAL TRADE	
Parameters	
Geographic nature	The geographic nature of the economy according to the means it has to conduct export and import without transiting through a third country (coastal, island, or landlocked).
Services sectors and subsectors	Service sectors and subsectors that play a crucial role as inputs and facilitators for international trade in goods (maritime freight, road freight, air freight, cargo handling, storage and warehousing, Customs brokerage, freight forwarding, commercial banking, and insurance).

2.1 DIGITAL AND PHYSICAL INFRASTRUCTURE

2.1.1 Transparency and availability of information

2.1.1.1 Publication of laws and regulations on international trade

35. In practice, are the following types of information publicly available online on any information portals or website(s)? (Y/N)

Note: where multiple aspects are covered under one type of information, please consider "available" only if all aspects under that type of information (including those within the parenthesis) are covered.

35a. Applied rates of duties and taxes (of any kind), fees and charges imposed when hiring foreign service providers or foreign professionals

35b. Procedures for hiring foreign providers of freight transport, logistics and financial services, and required forms and documents

35c. Penalty provisions for breaches when hiring foreign service providers

35d. Procedures for appeal or review of decisions regarding the hiring of foreign service providers

36. In practice, are licensing criteria made publicly available through electronic means in the area of transport services (maritime freight and road freight)? (Y/N)

Note: please consider “available” only if licensing criteria are available for all service subsectors mentioned in parenthesis.

37. In practice, are licensing criteria made publicly available through electronic means in the area of logistics services (cargo handling, storage and warehouse, Customs brokerage and freight forwarding services)? (Y/N)

Note: please consider “available” only if licensing criteria are available for all service subsectors mentioned in parenthesis.

2.1.1.2 Information on laws and regulations on international trade

38. In practice, are proposals of draft laws and regulations on trade in services made publicly available through electronic means to explain their purpose? (Y/N)

39. In practice, are advance notices made publicly available through electronic means before enacting regulatory changes in the area of transport services (maritime freight and road freight)? (Y/N)

Note: please consider “available” only if advance notices are available for all service subsectors mentioned in parenthesis.

40. In practice, are advance notices made publicly available through electronic means before enacting regulatory changes in the area of logistics services (cargo handling, storage and warehouse, Customs brokerage, and freight forwarding services)? (Y/N)

Note: please consider “available” only if advance notices are available for all service subsectors mentioned in parenthesis.

2.1.1.3 Consultation on laws and regulations on international trade

41. In practice, are interested parties/stakeholders consulted before introducing or changing laws and regulations affecting trade in services? (Y/N)

42. In practice, are interested parties/stakeholders given a reasonable opportunity of at least 30 calendar days to comment before introducing or changing laws and regulations affecting trade in services? (Y/N)

43. In practice, are comments received in the area of trade in services responded to? (Y/N)

44. In practice, is a justification provided in case comments received in the area of trade in services are not incorporated? (Y/N)

2.1. DIGITAL AND PHYSICAL INFRASTRUCTURE			
2.1.1. Transparency and availability of information			
2.1.1.1 Publication of laws and regulations on international trade			
Publication– Duties, taxes, fees and charges	1	1	2
- Applied rates of duties and taxes (of any kind), fees, and charges imposed on or in connection with importation or exportation (goods) *	0.33	0.33	0.66
- Applied rates of duties and taxes (of any kind), fees, and charges imposed when hiring foreign service providers or foreign professionals (services) (35a)	0.33	0.33	0.66
- Applied rates of duties and taxes (of any kind), fees, and charges imposed on digitally ordered goods and services in practice (digital trade) *	0.33	0.33	0.66
Publication – Procedures, licensing criteria and advance rulings	1	1	2
Goods*	0.33	0.33	0.66
- Procedures for importation, exportation, and transit (including all entry-point procedures), as well as required forms and documents (including step-by-step guides)	0.08	0.08	0.16
- Rules for the classification or valuation of goods for Customs purposes	0.08	0.08	0.16
- Laws, regulations, and administrative rulings on non-tariff measures, including technical and non-technical.	0.08	0.08	0.16
- Issued advance rulings	0.08	0.08	0.16
Services	0.33	0.33	0.66
- Licensing criteria in the areas of transport services (36)	0.08	0.08	0.08
- Licensing criteria in the areas of logistics services (37)	0.08	0.08	0.08
- Procedures for hiring foreign providers of freight transport, logistics and financial services, and required forms and documents (35b)	0.16	0.16	0.33
Digital trade*	0.33	0.33	0.66
- Procedures for digital trade transactions and forms and documents	0.33	0.33	0.66
Publication–Penalties, procedures for appeal and trade agreements	1	1	2
Goods*	0.33	0.33	0.66
- Penalty provisions for breaching import, export, or transit formalities	0.11	0.11	0.22
- Procedures for appeal or review, including formal complaints on disputed Customs’ rulings (for duties/tariffs, valuation decisions)	0.11	0.11	0.22
- Statistics on Customs’ operational efficiency (such as average clearance or release times)	0.11	0.11	0.22
Services	0.33	0.33	0.66
- Penalty provisions for breaches when hiring foreign service providers (35c)	0.16	0.16	0.33
- Procedures for appeal or review of decisions regarding the hiring of foreign service providers (35d)	0.16	0.16	0.33
Digital trade*	0.33	0.33	0.66
- Penalty provisions for breaches of digital trade formalities	0.16	0.16	0.33

- Procedures for appeal or review on digital trade transactions	0.16	0.16	0.33
Total Points	3	3	6
2.1.1.2 Information on laws and regulations on international trade			
Proposals of laws and draft regulations	1	1	1
- Importation, exportation, or transit of goods*	0.33	0.33	0.66
- Trade in services (38)	0.33	0.33	0.66
- Digital trade*	0.33	0.33	0.66
Advance notices	1	1	2
Goods*	0.33	0.33	0.66
- Duties or taxes (of any kind), fees, and charges imposed in connection with importation, exportation, or transit of goods	0.11	0.11	0.22
- Customs valuation procedures	0.11	0.11	0.22
- NTMs–technical (sanitary and phytosanitary measures and technical barriers to trade) and nontechnical (quantitative restrictions, tariff quotas and/or government-imposed surcharges, rules of origin, contingent trade protection measures, and other NTMs such as licensing and mixing requirements)	0.11	0.11	0.22
Services	0.33	0.33	0.66
- Transport services (maritime freight & road freight) (39)	0.16	0.16	0.33
- Logistics services (cargo handling, storage and warehouse, Customs brokerage, and freight forwarding services) (40)	0.16	0.16	0.33
Digital trade*	0.33	0.33	0.66
Total Points	2	2	4
2.1.1.3 Consultation on laws and regulations on international trade			
Consultation–Practice	1	1	2
- Importation, exportation, or transit of goods*	0.33	0.33	0.66
- Trade in services (41)	0.33	0.33	0.66
- Digital trade*	0.33	0.33	0.66
Consultation–Reasonable Opportunity	1	1	2
- Importation, exportation, or transit of goods*	0.33	0.33	0.66
- Trade in services (42)	0.33	0.33	0.66
- Digital trade*	0.33	0.33	0.66
Consultation–Process to consider comments	1	1	2
Comments received are responded to	0.50	0.50	1
- Importation, exportation, or transit of goods*	0.16	0.16	0.33
- Trade in services (43)	0.16	0.16	0.33
- Digital trade*	0.16	0.16	0.33
Justification provided if not responded to	0.50	0.50	1
- Importation, exportation, or transit of goods*	0.16	0.16	0.33
- Trade in services (44)	0.16	0.16	0.33
- Digital trade*	0.16	0.16	0.33
Total Points	3	3	6

Note: FFP = firm flexibility point; SBP = social benefit point.

* The component of the indicator belongs to the Trade Regulations–Goods questionnaire.

DIGITAL TRADE

The tables that follow present all indicators (including their components, if applicable) under each pillar, with a reference to the corresponding question number in parenthesis. The questions are listed before each table for ease of reference.

Due to the presence of multiple questionnaires, the numbering of categories in the annotated questionnaire does not match the topic methodology note.

For Y/N questions, the Y response accounts for the score and is considered as the good practice, unless otherwise indicated with the sign “N – good practice”.

In the tables that follow, “AND” means all referenced questions must have a good practice response to obtain a score on the indicator.

In the tables that follow, “OR” means one or more referenced questions must have a good practice response to obtain a score on the indicator.

Certain questions are marked as “not scored,” which indicates that they do not affect the score in any way. The purpose of these questions is to further inform and refine the questions design for subsequent years of the pilot, as needed, as well as to substantiate and provide further information for the scored questions.

*Note: The data on these indicators are collected through the Utility Connections (Internet), Financial Services (Electronic Payments), and Taxation questionnaires. All categories are marked as **.*

PILLAR I – REGULATORY FRAMEWORK: QUALITY OF REGULATIONS FOR INTERNATIONAL TRADE

1.1. GOOD REGULATORY PRACTICES SUPPORTING INTERNATIONAL TRADE

1.1.1. Practices on digital and sustainable trade

1.1.1.1. Legal requirements for digital transactions **

- 1. Does the regulatory framework provide foreign issued electronic contracts with legal validity and enforceability? (Y/N)**
- 2. Does the regulatory framework provide foreign electronic signatures with legal validity and enforceability? (Y/N)**
- 3. Does the regulatory framework allow cross-border electronic payments? (Y/N)**
- 4. Does the regulatory framework establish the principle of technology neutrality in the context of digital trade? (Y/N)**
- 5. Is there a regulatory framework on personal data protection that regulates cross-border data flows? (Y/N)**

1.1. GOOD REGULATORY PRACTICES SUPPORTING INTERNATIONAL TRADE			
1.1.1. Practices on digital and sustainable trade			
1.1.1.1 Legal requirements for digital transactions **			
Indicators	FFP	SBP	Total Points
Electronic contracts and signatures	1	1	2
- Foreign issues electronic contracts (1)	0.50	0.50	1
- Foreign electronic signatures (2)	0.50	0.50	1
Electronic payments (3)	1	1	2
Technology neutrality (4)	1	1	2
Cross-border data flows (5)	1	1	2
Total Points	4	4	8

Note: FFP = firm flexibility point; SBP = social benefit point.

** The data on these indicators are collected through the Utilit Connections (Internet) and Financial Services (Electronic Payments) questionnaires.

1.2. REGULATORY RESTRICTIONS ON INTERNATIONAL TRADE

1.2.1. Restrictions on digital trade

1.2.1.1. Discriminatory restrictions **

- 6. Does the regulatory framework require companies to obtain an additional (that is, beyond general business license) government license to digitally offered goods or services? (Y/N; N=good practice)**
- 7. Are there any restrictions imposed on online sales of digitally ordered goods or services? (Y/N; N=good practice)**
- 8. According to the regulatory framework, is there a specific tax regime that imposes an additional burden to cross-border digitally ordered goods and services vis-à-vis domestic digitally ordered goods and services (breaching the tax neutrality principle)? (Y/N; N=good practice)**
- 9. According to the regulatory framework, are incoming cross-border electronic payments subject to taxes and fees (direct or indirect taxes, regulatory border fees, or foreign exchange fees imposed by the central bank or the monetary authority)? (Y/N; N=good practice)**
- 10. According to the regulatory framework, are outgoing cross-border electronic payments subject to taxes and fees (direct or indirect taxes, regulatory border fees, or foreign exchange fees imposed by the central bank or the monetary authority)? (Y/N; N=good practice)**
- 11. According to the regulatory framework, are there any limits to the value of the transactions on cross-border e-payments? (Y/N; N=good practice)**

1.2.1.2. Consumer protection

- 12. Are there any legal provisions requiring specific data transfer agreements or a formal consent from data subjects for cross-border transfers of personal data? (Y/N)**

- 13. According to the legal framework, must the providers of goods and services that can be ordered digitally make the following information publicly available to cross-border consumers? (Y/N)**
- 13a. Merchant information such as address, business registration number and contact details
 - 13b. Product/services specifications
 - 13c. Delivery options
 - 13d. Payment process
 - 13e. Out of court complaints process
 - 13f. Refunds and cancellations policy
- 14. Does the existing regulatory framework provide the following protections to cross-border consumers? (Y/N)**
- 14a. Limits on advertising (that is, spam, unsolicited communications and others)
 - 14b. Option to cancel online purchases during a specific period of time without any justification or penalty
 - 14c. Option to receive refunds/replacements/returns for damaged goods
- 15. Does the regulatory framework impose penalties for not complying with the online consumer protection provisions with regards to cross-border consumers? (Y/N)**
- 16. According to the regulatory framework, is there a public online dispute resolution (ODR) mechanism with a competency to handle and resolve digital trade complaints, including cross-border transactions? (Y/N)**
- 17. Does the regulatory framework allow consumers to file enforceable ODR cases related to cross-border digital trade free of charge? (Y/N)**

1.2. REGULATORY RESTRICTIONS ON INTERNATIONAL TRADE			
1.2.1. Restrictions on digital trade			
1.2.1.1 Discriminatory restrictions **			
Additional government licenses (6) <i>The score is assigned if the measure is not present.</i>	1	1	2
Online selling bans (7) <i>The score is assigned if the measure is not present.</i>	1	1	2
Breach of tax neutrality principle (8) <i>The score is assigned if the measure is not present.</i>	1	1	2
Charges on cross-border e-payments	1	1	2
- Incoming cross-border electronic payments are NOT subject to taxes and fees (9)	0.50	0.50	1
- Outgoing cross-border electronic payments are NOT subject to taxes and fees (10)	0.50	0.50	1
Limits on cross-border e-payments (11) <i>The score is assigned if the measure is not present.</i>	1	1	2
Total points	5	5	10
1.2.1.2 Consumer protection**			
Limitations to cross-border data flows (12)	n/a	1	1
Disclosure of relevant information	n/a	1	1
- Merchant information (13a)		0.16	0.16
- Product/services specifications (13b)		0.16	0.16

- Delivery options (13c)		0.16	0.16
- Payment process (13d)		0.16	0.16
- Out of court complaints process (13e)		0.16	0.16
- Refunds and cancellations policy (13f)		0.16	0.16
Consumer rights (advertising limits, cancellations, refunds)	n/a	1	1
- Limits on advertising (14a)		0.33	0.33
- Option to cancel online purchases during a specific period of time without any justification or penalty (14b)		0.33	0.33
- Option to receive refunds/replacements/returns for damaged goods (14c)		0.33	0.33
Penalties for non-compliance (15)	n/a	1	1
Online dispute resolution mechanism	n/a	1	1
- Existence of an online dispute resolution mechanisms (ODR) with competency to handle and resolve digital trade complaints, including cross-border transactions (16)		0.50	0.50
- Consumers are allowed to file enforceable ODR cases related to cross-border digital trade free of charge (17)		0.50	0.50
Total points	0	5	5

Note: n.a. = not applicable – refers to the cases when the impact on firms or society is either ambiguous or nonexistent. FFP = firm flexibility point; SBP = social benefit point.

** The data on these indicators are collected through the Utility Connections (Internet), Financial Services (Electronic Payments), and Taxation questionnaires.

PUBLIC SERVICES QUESTIONNAIRE

The tables that follow present all indicators (including their components, if applicable) under each pillar, with a reference to the corresponding question number in parenthesis. The questions are listed before each table for ease of reference.

Due to the presence of multiple questionnaires, the numbering of categories in the annotated questionnaire does not match the topic methodology note.

For Y/N questions, the Y response accounts for the score and is considered as the good practice, unless otherwise indicated with the sign “N – good practice”.

In the tables that follow, “AND” means all referenced questions must have a good practice response to obtain a score on the indicator.

In the tables that follow, “OR” means one or more referenced questions must have a good practice response to obtain a score on the indicator.

Certain questions are marked as “not scored,” which indicates that they do not affect the score in any way. The purpose of these questions is to further inform and refine the questions design for subsequent years of the pilot, as needed, as well as to substantiate and provide further information for the scored questions.

Note: Several indicators of International Trade are composite, wherein a score of 1 point is divided between several questions that are present in different questionnaires. In each area of Trade Regulations–Goods, Trade Regulations–Services, and Digital Trade, the component of a composite indicator that belongs to another area is marked as *. For example, the indicator on “Publication–Procedures, Licensing Criteria and Advance Rulings” has a score of 1 on social benefit points (SBP) and firm flexibility points (FFP) and is comprised of three components: i) “Trade in Goods” (0.33 points), which is measured in the Public Services questionnaire; ii) “Trade in Services” (0.33 points), which is measured in the Trade Regulations–Services questionnaire; and iii) “Digital Trade” (0.33 points), which is measured in the Public Services questionnaire . In the Public Services questionnaire, “Trade in Services” is marked with *, indicating that it belongs to the Trade Regulations–Services questionnaire.

PILLAR II–PUBLIC SERVICES: QUALITY OF REGULATIONS FOR INTERNATIONAL TRADE	
Geographic Nature and Parameters	
Geographic nature	The geographic nature of the economy according to the means it has to conduct export and import without transiting through a third country (coastal, island, or landlocked).
Main trading partner(s)	The trading partner(s) refer to an economy’s top 3 trade partners in goods and services combined between 2015 and 2029.
Main neighboring trading partner	The main neighboring trading partner refers to the main trading partner with which the economy shares a land border.
Main border	Main border by transportation mode: air, sea, and/or land
Transportation freight	Type of transportation freight subsector by geographic nature (air freight, sea freight, and/or road freight)

2.1 DIGITAL AND PHYSICAL INFRASTRUCTURE

2.1.1 Transparency and availability of information

2.1.1.1 Trade information portal

2.1.1.2 Publication of laws and regulations on international trade

1. In practice, are the following types of information available online on any information portals or website(s)? (Y/N)

Note: where multiple aspects are covered under one type of information, please consider “available” only if all aspects under that type of information (including those within the parenthesis) are covered.

- 1a. Applied rates of duties and taxes (of any kind), fees and charges imposed on or in connection with importation or exportation
- 1b. Procedures for importation, exportation, and transit (including all entry-point procedures) and required forms and documents (including step-by-step guides)
- 1c. Rules for the classification or valuation of goods for Customs purposes
- 1d. Laws, regulations, and administrative rulings on non-tariff measures, including technical and non-technical
- 1e. Issued advance rulings
- 1f. Penalty provisions for breaching import, export, or transit formalities
- 1g. Procedures for appeal or review, including formal complaints on disputed Customs’ rulings (for duties/tariffs, valuation decisions)
- 1h. Statistics on Customs’ operational efficiency (such as average clearance or release times)
- 1i. Applied rates of duties and taxes (of any kind), fees and charges imposed on digitally ordered goods and services (digital trade)
- 1j. Procedures for digital trade transactions and forms and documents
- 1k. Penalty provisions for breaches of digital trade formalities
- 1l. Procedures for appeal or review of decisions on digital trade transactions

2. In practice, are the following types of information centralized on a single government website (trade information portal) dedicated to providing regulatory information pertaining to international trade: (Y/N)

- 2a. Laws, decrees, regulations, instructions, notifications, guidance notes and any other legal instruments related to international trade and compliance
- 2b. Commodity classification and associated tariffs
- 2c. Agreements with any country or countries, as well as unilateral agreements, including status and updates
- 2d. Special measures applicable to specific commodities or products (for example, sanitary and phytosanitary measures or technical barriers to trade required for specific categories of products)
- 2e. Penalty provisions for breach of formalities and procedures for appeal or review
- 2f. Instructions and forms used to apply for permits, licenses and Customs clearance, and lists of codes required in such documents (for example, country codes, units of measurement, currency codes, etc.)
- 2g. Contact information for enquiry points

3. Is the information up to date? (Y/N)

2.1.1.3 Information on laws and regulations on international trade

4. In practice, has a trade facilitation enquiry point been established to provide information regarding trade-related queries and documents? (Y/N)

5. In practice, when contacting the trade facilitation enquiry point, are calls answered within two minutes and emails responded to within a week, in the majority of cases? (Y/N)

2.1 DIGITAL AND PHYSICAL INFRASTRUCTURE			
2.1.1. Transparency and availability of information			
2.1.1.1. Trade information portal			
Indicators	FFP	SBP	Total Points
Trade information portal (TIP) (availability) - Laws, decrees, regulations, instructions, notifications, and any other legal instruments relating to trade and compliance (2a) - Commodity classification and associated tariffs (2b) - Agreements with any country or countries, as well as unilateral agreements, including status and updates (2c) - Special measures applicable to specific commodities or products (for example, sanitary or phytosanitary measures or technical standards required of specific categories of products) (2d) - Penalty provisions for breach of formalities and procedures for appeal or review (2e) - Instructions and forms used to apply for permits, licenses and Customs clearance and lists of codes required in various documents (for example, country codes, units of measurement, currency codes, etc.) (2f) - Contact information for enquiry points (2g) <i>The score is assigned if 2a AND 2b AND 2c AND 2d AND 2e AND 2f AND 2g are selected.</i>	1	1	2
Trade information portal (TIP) (up to date) (3)	1	1	2
Total Points	2	2	4
2.1.1.2. Publication of laws and regulations on international trade			
Publication– duties, taxes, fees, and charges - Applied rates of duties and taxes (of any kind), fees, and charges imposed on or in connection with importation or exportation (goods) (1a) - Applied rates of duties and taxes (of any kind), fees, and charges imposed when hiring foreign service providers or foreign professionals (services) * - Applied rates of duties and taxes (of any kind), fees and charges imposed on digitally ordered goods and services in practice (digital trade) (1i)	1 0.33 0.33 0.33	1 0.33 0.33 0.33	2 0.66 0.66 0.66
Publication–Procedures, licensing criteria and advance rulings	1	1	2
Goods - Procedures for importation, exportation, and transit (including all entry-point procedures), as well as required forms and documents (including step-by-step guides) (1b)	0.33 0.08	0.33 0.08	0.66 0.16

- Rules for the classification or valuation of goods for Customs purposes (1c)	0.08	0.08	0.16
- Laws, regulations, and administrative rulings on non-tariff measures, including technical and non-technical. (1d)	0.08	0.08	0.16
- Issued advance rulings (1e)	0.08	0.08	0.16
Services*	0.33	0.33	0.66
- Penalty provisions for breaches when hiring foreign service providers	0.16	0.16	0.33
- Procedures for appeal or review of decisions regarding the hiring of foreign service providers	0.16	0.16	0.33
Digital trade (1j)	0.33	0.33	0.66
Publication–Penalties, procedures for appeal, and trade agreements	1	1	2
Goods	0.33	0.33	0.66
- Penalty provisions for breaching import, export, or transit formalities (1f)	0.11	0.11	0.22
- Procedures for appeal or review, including formal complaints on disputed Customs’ rulings (for duties/tariffs, valuation decisions) (1g)	0.11	0.11	0.22
- Statistics on Customs’ operational efficiency (such as average clearance or release times) (1h)	0.11	0.11	0.22
Services*	0.33	0.33	0.66
- Penalty provisions for breaches when hiring foreign service providers	0.16	0.16	0.33
- Procedures for appeal or review of decisions regarding the hiring of foreign service providers	0.16	0.16	0.33
Digital trade	0.33	0.33	0.66
- Penalty provisions for breaches of digital trade formalities (1k)	0.16	0.16	0.33
- Procedures for appeal or review on digital trade transactions (1l)	0.16	0.16	0.33
Total Points	3	3	6
2.1.1.3. Information of laws and regulations on international trade			
Enquiry points	1	1	2
- Establishment of enquiry points for information requests and provision of information to oversight bodies in practice (4)	0.50	0.50	1
- When the trade facilitation enquiry point is contacted, the calls are answered within two minutes and emails responded to within a week, in the majority of cases (5)	0.50	0.50	1
Total Points	1	1	1

Note: FFP = firm flexibility point; SBP = social benefit point.

* The component of the indicator belongs to the Trade Regulations–Services questionnaire.

2.1.2 Electronic systems and interoperability of services

2.1.1.1 Electronic Single Window for Trade

6. In practice, is there an Electronic Single Window (ESW) for trade connecting different government agencies through a transactional electronic platform? (Y/N)

6a. Y–Proceed to the remaining questions.

6b. N– 0 points on questions 6 to 11.

- 7. Does the Electronic Single Window for Trade have the following characteristics? (Y/N)**
- 7a. Single point of access (Information is presented in a single place)
 - 7b. Single sign-on (only one point of access to the platform/system)
 - 7c. Single submission of data (information is presented only once)
 - 7d. Single point of decision making (communication of results through a single point)
 - 7e. Single point of payment (all payments are made in only one place)
- 8. Are the following agencies, besides the Customs agency, integrated into the Electronic Single Window for trade? (Y/N)**
- 8a. Tax administration
 - 8b. Sanitary and phytosanitary agencies
 - 8c. Standardization agencies
 - 8d. Security border agencies
 - 8e. Environmental agencies
 - 8f. Licensing and permitting agencies
 - 8g. Trade promotion agencies
 - 8h. Transport agencies
 - 8i. Ministry of Trade (or equivalent domestic ministry)
 - 8j. Statistics Department
- 9. Are the following stakeholders integrated into the Electronic Single Window for trade? (Y/N)**
- 9a. Exporters and importers
 - 9b. Warehouse operators
 - 9c. Customs brokers
 - 9d. Logistics operators
 - 9e. Carriers and transport operators
 - 9f. Airport/rail/port authorities
 - 9g. Container handlers and terminal operators
 - 9h. Trade and transport associations (that is, chambers of commerce or other product certification boards)
 - 9i. Quality/standards inspections companies
 - 9j. Financial institutions (that is, banks, insurance companies)
- 10. In practice, are the following features available and fully electronic through the Electronic Single Window for trade? (Y/N)**
- 10a. Submission of commercial and transport documents
 - 10b. Lodging of Customs declarations and releases
 - 10c. Processing of licenses, permits and authorizations
 - 10d. Processing of veterinary, sanitary and phytosanitary certificates
 - 10e. Processing of technical standards certificates
 - 10f. Processing of certificates of origin
 - 10g. Scheduling cargo collection and delivery
 - 10h. Electronic payments
 - 10i. Digital customer service desk
 - 10j. Access to the Trade Information Portal (TIP)

11. Does the ESW exchange information on commercial and transport documents, and Customs declaration with any trading partner's ESW or Integrated Customs Management System? (Y/N)

2.1.1.2 Integrated Customs Management System

12. In practice, is there an Integrated Customs Management System for international trade with transactional features (for example, Automated System for Customs Data (ASYCUDA) or another system that may be interoperable with a Single Window)? (Y/N)

12a. Y – proceed to the remaining questions.

12b. N – 0 points on questions 12 to 16.

13. Are the following agencies, besides the Customs agency, integrated into this system? (Y/N)

13a. Tax administration

13b. Sanitary and phytosanitary agencies

13c. Standardization agencies

13d. Security border agencies

13e. Environmental agencies

13f. Licensing and permitting agencies

13g. Trade promotion agencies

13h. Transport agencies

13i. Ministry of Trade

13j. Statistics Department

14. Are the following stakeholders integrated into this system? (Y/N)

14a. Exporters and importers

14b. Warehouse operators

14c. Customs brokers

14d. Logistics operators

14e. Carriers and transport operators

14f. Airport/rail/port authorities

14g. Container handlers and terminal operators

14h. Trade and transport associations (that is, chambers of commerce or other product certification boards)

14i. Quality/standards inspections companies

14j. Financial institutions (that is, banks, insurance companies)

15. In practice, are the following features available and fully electronic through this system? (Y/N)

15a. Submission of commercial and transport documents

15b. Lodging of Customs declarations and releases

15c. Processing of licenses, permits and authorizations

15d. Processing of veterinary, sanitary and phytosanitary certificates

15e. Processing of technical standards certificates

15f. Processing of certificates of origin

15g. Scheduling cargo collection and delivery

15h. Electronic payments

15i. Digital customer service desk

15j. Access to the Trade Information Portal (TIP)

16. Does this system exchange information on commercial and transport documents and Customs declaration with any trading partner's Electronic Single Window for trade or Integrated Customs Management System? (Y/N)

2.1.2 Electronic systems and interoperability of services			
2.1.2.1 Electronic Single Window for Trade			
Indicators	FFP	SBP	Total Points
Electronic Single Window for Trade (availability)	1	1	2
- Single point of access (Information is presented in a single place) (7a)	0.50	0.50	1
- Single sign-on (only one point of access to the platform/system) (7b)			
- Single submission of data (information is presented only once) (7c)	0.16	0.16	0.33
- Single point of decision making (communication of results through a single point) (7d)	0.16	0.16	0.33
- Single point of payment (all payments are made in only one place) (7e)	0.16	0.16	0.33
<i>The score is assigned if at least 7a AND 7b are selected (a minimum of 0.50 points).</i>			
Electronic Single Window for Trade (agencies)	1	1	2
- Tax administration (8a)	0.10	0.10	0.20
- Sanitary and phytosanitary agencies (8b)	0.10	0.10	0.20
- Standardization agencies (8c)	0.10	0.10	0.20
- Security border agencies (8d)	0.10	0.10	0.20
- Environmental agencies (8e)	0.10	0.10	0.20
- Licensing and permitting agencies (8f)	0.10	0.10	0.20
- Trade promotion agencies (8g)	0.10	0.10	0.20
- Transport agencies (8h)	0.10	0.10	0.20
- Ministry of Trade (or equivalent domestic ministry) (8i)	0.10	0.10	0.20
- Statistics Department (8j)	0.10	0.10	0.20
Electronic Single Window for Trade (stakeholders)	1	1	2
- Exporters and importers (9a)	0.10	0.10	0.20
- Warehouse operators (9b)	0.10	0.10	0.20
- Customs brokers (9c)	0.10	0.10	0.20
- Logistics operators (9d)	0.10	0.10	0.20
- Carriers and transport operators (9e)	0.10	0.10	0.20
- Airport/rail/port authorities (9f)	0.10	0.10	0.20
- Container handlers and terminal operators (9g)	0.10	0.10	0.20
- Trade and transport associations (that is, chambers of commerce or other product certification boards) (9h)	0.10	0.10	0.20
- Quality/standards inspections companies (9i)	0.10	0.10	0.20
- Financial institutions (that is, banks, insurance companies) (9j)	0.10	0.10	0.20
Electronic Single Window for Trade (features)	1	1	2
- Submission of commercial and transport documents (10a)	0.10	0.10	0.20
- Lodging of Customs declarations and releases (10b)	0.10	0.10	0.20
- Processing of licenses, permits and authorizations (10c)	0.10	0.10	0.20
- Processing of veterinary, sanitary and phytosanitary certificates (10d)	0.10	0.10	0.20
- Processing of technical standards certificates (10e)	0.10	0.10	0.20
- Processing of certificates of origin (10f)	0.10	0.10	0.20

- Scheduling cargo collection and delivery (10g)	0.10	0.10	0.20
- Electronic payments (10h)	0.10	0.10	0.20
- Digital customer service desk (10i)	0.10	0.10	0.20
- Access to the Trade Information Portal (TIP) (10j)	0.10	0.10	0.20
Electronic Single Window for Trade (interoperability) (11)	1	1	2
Total Points	5	5	10
2.1.2.2 Integrated Customs Management System			
Integrated Customs Management System (availability) (12)	1	1	2
Integrated Customs Management System (agencies)	1	1	2
- Tax administration (13a)	0.10	0.10	0.20
- Sanitary and phytosanitary agencies (13b)	0.10	0.10	0.20
- Standardization agencies (13c)	0.10	0.10	0.20
- Security border agencies (13d)	0.10	0.10	0.20
- Environmental agencies (13e)	0.10	0.10	0.20
- Licensing and permitting agencies (13f)	0.10	0.10	0.20
- Trade promotion agencies (13g)	0.10	0.10	0.20
- Transport agencies (13h)	0.10	0.10	0.20
- Ministry of Trade (or equivalent domestic Ministry) (13i)	0.10	0.10	0.20
- Statistics Department (13j)	0.10	0.10	0.20
Integrated Customs Management System (stakeholders)	1	1	2
- Exporters and importers (14a)	0.10	0.10	0.20
- Warehouse operators (14b)	0.10	0.10	0.20
- Customs brokers (14c)	0.10	0.10	0.20
- Logistics operators (14d)	0.10	0.10	0.20
- Carriers and transport operators (14e)	0.10	0.10	0.20
- Airport/rail/port authorities (14f)	0.10	0.10	0.20
- Container handlers and terminal operators (14g)	0.10	0.10	0.20
- Trade and transport associations (that is, chambers of commerce or other product certification boards) (14h)	0.10	0.10	0.20
- Quality/standards inspections companies (14i)	0.10	0.10	0.20
- Financial institutions (that is, banks, insurance companies) (14j)	0.10	0.10	0.20
Integrated Customs Management System (features)	1	1	2
- Submission of commercial and transport documents (15a)	0.10	0.10	0.20
- Lodging of Customs declarations and releases (15b)	0.10	0.10	0.20
- Processing of licenses, permits and authorizations (15c)	0.10	0.10	0.20
- Processing of veterinary, sanitary and phytosanitary certificates (15d)	0.10	0.10	0.20
- Processing of technical standards certificates (15e)	0.10	0.10	0.20
- Processing of certificates of origin (15f)	0.10	0.10	0.20
- Scheduling cargo collection and delivery (15g)	0.10	0.10	0.20
- Electronic payments (15h)	0.10	0.10	0.20
- Digital customer service desk (15i)	0.10	0.10	0.20
- Access to the Trade Information Portal (TIP) (15j)	0.10	0.10	0.20
Integrated Customs Management System (interoperability) (16)	1	1	2
Total Points	5	5	10

Note: FFP = firm flexibility point; SBP = social benefit point.

2.1.3 Trade infrastructure

2.1.3.1 Border Posts

17. Do you agree that the land border crossing through which [ECONOMY] conducts most of its trade (in trade value terms) with [FILL WITH ECONOMY X] is [FILL WITH MEASURED BORDER POST]? (Y/N) (not scored)

18. Are the following facilities and equipment available at [FILL WITH MEASURED BORDER POST] to allow border control agencies to exercise their control functions? (Y/N)

18a. Delimited primary zone

18b. Intrusive and non-intrusive examination areas

18c. Deconsolidation and unbundling areas for cargo

18d. Pedestrian and vehicular access routes properly identified, demarcated, illuminated, and signposted

18e. Offices for the personnel of the Customs authority and other control agencies

18f. Communication system and internet access (for example, voice, data, images) for the staff (24x7)

18g. Fixed or mobile scanners

18h. Weight-in-Motion (WIM) scales

18i. Seizure warehouse

18j. Testing laboratory for samples

19. Are the following services and amenities available for traders at [FILL WITH MEASURED BORDER POST]? (Y/N)

19a. Parking areas for trucks

19b. Open storage facilities

19c. Covered storage facilities

19d. Cold storage facilities

19e. Customs bonded warehouses

19f. Secured/gated area

19g. Immigration office

19h. Basic sanitation and health facilities

2.1.3.2 Ports

20. Do you agree that the port through which [ECONOMY] conducts most of its trade (in trade value terms) is [FILL WITH MEASURED SEAPORT]? (Y/N) (not scored)

21. Are the following facilities and equipment available at [FILL WITH MEASURED PORT] to allow border control agencies to exercise their control functions? (Y/N)

21a. Delimited primary zone

21b. Intrusive and non-intrusive examination areas

21c. Deconsolidation and unbundling areas for cargo

21d. Pedestrian and vehicular access routes properly identified, demarcated, illuminated, and signposted

21e. Offices for the personnel of the Customs authority and other control agencies

21f. Communication system and internet access (for example, voice, data, images) for the staff (24x7)

21g. Fixed or mobile scanners

21h. Weight-in-Motion (WIM) scales

21i. Seizure warehouse

21j. Testing laboratory for samples

22. Are the following services and amenities available for traders at [FILL WITH MEASURED PORT]? (Y/N)

- 22a. Parking areas for trucks
- 22b. Open storage facilities
- 22c. Covered storage facilities
- 22d. Cold storage facilities
- 22e. Customs bonded warehouses
- 22f. Secured/gated area
- 22g. Immigration office
- 22h. Basic sanitation and health facilities

23. Are the following information systems in use at [FILL WITH MEASURED PORT]? (Y/N)

- 23a. Electronic Single Window (ESW) for trade
- 23b. Maritime Single Window
- 23c. Port community system
- 23d. Terminal operating system
- 23e. Truck booking system
- 23f. Cargo tracking system

24. Is information exchanged electronically between [FILL WITH MEASURED PORT] and ships?
Y/N

25. Is there a Port Consultative Committee that represents the main stakeholders, including the private sector, and has meetings at least twice a year? (Y/N)

2.1.3.3 Airports

26. Do you agree that the airport through which [ECONOMY] conducts most of its trade (in trade value terms) is [FILL WITH MEASURED AIRPORT]? (Y/N) (not scored)

27. Are the following facilities and equipment available at [FILL WITH MEASURED AIRPORT] to allow border control agencies to exercise their control functions? (Y/N)

- 27a. Delimited primary zone
- 27b. Intrusive and non-intrusive examination areas
- 27c. Deconsolidation and unbundling areas for cargo
- 27d. Pedestrian and vehicular access routes properly identified, demarcated, illuminated, and signposted
- 27e. Offices for the personnel of the Customs authority and other control agencies
- 27f. Communication system and internet access (for example, voice, data, images) for the staff (24x7)
- 27g. Fixed or mobile scanners
- 27h. Weight-in-Motion (WIM) scales
- 27i. Seizure warehouse
- 27j. Testing laboratory for samples

28. Are the following services and amenities available for traders at [FILL WITH MEASURED AIRPORT]? (Y/N)

- 28a. Parking areas for trucks
- 28b. Open storage facilities
- 28c. Covered storage facilities
- 28d. Cold storage facilities
- 28e. Customs bonded warehouses
- 28f. Secured/gated area
- 28g. Immigration office
- 28h. Basic sanitation and health facilities

29. Are the following information systems in use at [FILL WITH MEASURED AIRPORT]? (Y/N)

- 29a. Electronic Single Window (ESW) for trade
- 29b. Port community system
- 29c. Terminal operating system
- 29d. Truck booking system
- 29e. Cargo tracking system

30. Is there an Airport Consultative Committee that represents the main stakeholders, including the private sector, and has meetings at least twice a year? (Y/N)

2.1.3 Trade infrastructure			
<i>Island economies may score a total of 12 points in this subcategory (6 points on firm flexibility and 6 points on social benefits). Coastal and landlocked economies may score a total of 10 points (5 points on firm flexibility and 5 points on social benefits). The scores of coastal and landlocked economies will be rescaled to the same 11.54 rescaled points.</i>			
2.1.3.1 Border Posts			
Indicators	FFP	SBP	Total Points
Equipment and facilities (Border Post)	1	1	2
- Delimited primary zone (18a)	0.10	0.10	0.20
- Intrusive and nonintrusive examination areas (18b)	0.10	0.10	0.20
- Deconsolidation and unbundling areas for cargo (18c)	0.10	0.10	0.20
- Pedestrian and vehicular access routes properly identified, demarcated, illuminated, and signposted (18d)	0.10	0.10	0.20
- Offices for the personnel of the Customs authority and other control agencies (18e)	0.10	0.10	0.20
- Communication system and internet access (for example, voice, data, images) for the staff (24x7) (18f)	0.10	0.10	0.20
- Fixed or mobile scanners (18g)	0.10	0.10	0.20
- Weight-in-Motion (WIM) scales (18h)	0.10	0.10	0.20
- Seizure warehouse (18i)	0.10	0.10	0.20
- Testing laboratory for samples (18j)	0.10	0.10	0.20
Services and amenities (Border Post)	1	1	2
- Parking areas for trucks (19a)	0.12	0.12	0.25
- Open storage facilities (19b)	0.12	0.12	0.25
- Covered storage facilities (19c)	0.12	0.12	0.25
- Cold storage facilities (19d)	0.12	0.12	0.25
- Customs bonded warehouses (19e)	0.12	0.12	0.25
- Secured/gated area (19f)	0.12	0.12	0.25
- Immigration office (19g)	0.12	0.12	0.25
- Basic sanitation and health facilities (19h)	0.12	0.12	0.25
Total Points	2	2	4

2.1.3.2 Ports			
Equipment and facilities (Port)	1	1	2
- Delimited primary zone (21a)	0.10	0.10	0.20
- Intrusive and non-intrusive examination areas (21b)	0.10	0.10	0.20
- Deconsolidation and unbundling areas for cargo (21c)	0.10	0.10	0.20
- Pedestrian and vehicular access routes properly identified, demarcated, illuminated, and signposted (21d)	0.10	0.10	0.20
- Offices for the personnel of the Customs authority and other control agencies (21e)	0.10	0.10	0.20
- Communication system and internet access (for example, voice, data, images) for the staff (24x7) (21f)	0.10	0.10	0.20
- Fixed or mobile scanners (21g)	0.10	0.10	0.20
- Weight-in-Motion (WIM) scales (21h)	0.10	0.10	0.20
- Seizure warehouse (21i)	0.10	0.10	0.20
- Testing laboratory for samples (21j)	0.10	0.10	0.20
Services and amenities (Port)	1	1	2
- Parking areas for trucks (22a)	0.12	0.12	0.25
- Open storage facilities (22b)	0.12	0.12	0.25
- Covered storage facilities (22c)	0.12	0.12	0.25
- Cold storage facilities (22d)	0.12	0.12	0.25
- Customs bonded warehouses (22e)	0.12	0.12	0.25
- Secured/gated area (22f)	0.12	0.12	0.25
- Immigration office (22g)	0.12	0.12	0.25
- Basic sanitation and health facilities (22h)	0.12	0.12	0.25
Information systems and Consultative Committee (Port)	1	1	2
Implementation of information systems at the main port	0.33	0.33	0.66
- Electronic Single Window for trade (23a)	0.056	0.056	0.11
- Maritime Single Window (23b)	0.056	0.056	0.11
- Port community system (23c)	0.056	0.056	0.11
- Terminal operating system (23d)	0.056	0.056	0.11
- Truck booking system (23e)	0.056	0.056	0.11
- Cargo tracking system (23f)	0.056	0.056	0.11
Electronic exchange of information between the port and the ships (24)	0.33	0.33	0.66
Existence of a Port Consultative Committee that represents the main stakeholders, including the private sector, and has meetings at least twice a year (25)	0.33	0.33	0.66
Total Points	3	3	6
2.1.3.3 Airports			
Equipment and facilities (Airport)	1	1	2
- Delimited primary zone (27a)	0.10	0.10	0.20
- Intrusive and non-intrusive examination areas (27b)	0.10	0.10	0.20
- Deconsolidation and unbundling areas for cargo (27c)	0.10	0.10	0.20
- Pedestrian and vehicular access routes properly identified, demarcated, illuminated, and signposted (27d)	0.10	0.10	0.20
- Offices for the personnel of the Customs authority and other control agencies (27e)	0.10	0.10	0.20
- Communication system and internet access (for example, voice, data, images) for the staff (24x7) (27f)	0.10	0.10	0.20
- Fixed or mobile scanners (27g)	0.10	0.10	0.20
- Weight-in-Motion (WIM) scales (27h)	0.10	0.10	0.20
- Seizure warehouse (27i)	0.10	0.10	0.20
- Testing laboratory for samples (27j)	0.10	0.10	0.20

Services and amenities (Airport)	1	1	2
- Parking areas for trucks (28a)	0.12	0.12	0.25
- Open storage facilities (28b)	0.12	0.12	0.25
- Covered storage facilities (28c)	0.12	0.12	0.25
- Cold storage facilities (28d)	0.12	0.12	0.25
- Customs bonded warehouses (28e)	0.12	0.12	0.25
- Secured/gated area (28f)	0.12	0.12	0.25
- Immigration office (28g)	0.12	0.12	0.25
- Basic sanitation and health facilities (28h)	0.12	0.12	0.25
Information systems & Consultative Committee (Airport)	1	1	2
Implementation of information systems at the main port	0.50	0.50	1
- Electronic Single Window for trade (29a)	0.10	0.10	0.20
- Airport community system (29b)	0.10	0.10	0.20
- Terminal operating system (29c)	0.10	0.10	0.20
- Truck booking system (29d)	0.10	0.10	0.20
- Cargo tracking system (29e)	0.10	0.10	0.20
Existence of a Port Consultative Committee that represents the main stakeholders, including the private sector, and has meetings at least twice a year (30)	0.50	0.50	0.50
Total Points	3	3	6

Note. FFP = firm flexibility point; SBP = social benefit point.

2.2. BORDER MANAGEMENT

2.2.1 Risk management

2.2.1.1. Features

2.2.1.2. Integration

31. Is the Customs agency supported by a risk management system? (Y/N)

32. What is the level of integration of the Customs agency into an integrated risk management system? (basic/advanced/no integration) (Y/N)

32a. Advanced

32b. Basic

32c. No integration

33. Are sanitary and phytosanitary agencies supported by a risk management system? (Y/N)

34. What is the level of integration of the sanitary and phytosanitary agencies into an integrated risk management system? (basic/advanced/no integration) (Y/N)

34a. Advanced

34b. Basic

34c. No integration

35. Are standardization agencies supported by a risk management system? (Y/N)

36. What is the level of integration of the standardization agencies into an integrated risk management system? (basic/advanced/no integration) (Y/N)

36a. Advanced

- 36b. Basic
- 36c. No integration

37. Are environmental agencies supported by a risk management system? (Y/N)

38. What is the level of integration of the environmental agencies into an integrated risk management system? (basic/advanced/no integration) (Y/N)

- 38a. Advanced
- 38b. Basic
- 38c. No integration

39. Are security border agencies supported by a risk management system? (Y/N)

40. What is the level of integration of the security border agencies into an integrated risk management system? (basic/advanced/no integration) (Y/N)

- 40a. Advanced
- 40b. Basic
- 40c. No integration

41. Does the Customs agency’s risk management system work at all borders with offices or physical presence of Customs with the same levels of effectiveness and efficiency? (Y/N)

42. Which level of risk assessment based on selectivity criteria does the Customs agency use to determine a risk profile of a shipment? (basic/advanced/ no risk assessment based on selectivity criteria) (Y/N)

- 42a. Advanced
- 42b. Basic
- 42c. There is no risk assessment based on selectivity criteria

2.2.1.3. Operability

43. Does the Customs agency use automated profiling and targeting as part of its risk management system to minimize the incidence of physical examinations for both exports and imports? (Y/N)

44. Is the risk management system used to identify high-risk profiles prior to the cargo’s arrival to the border for both exports and imports? (Y/N)

45. Are there risk-based post-clearance audits for imports using selectivity criteria? (Y/N)

2.2 BORDER MANAGEMENT			
2.2.1 Risk management			
2.2.1.1 Features			
Indicators	FFP	SBP	Total Points
Agencies	1	1	2
- Customs agency (31)			
- Sanitary and phytosanitary agencies (33)			

<ul style="list-style-type: none"> - Standardization agencies (35) - Environmental agencies (37) - Security border agencies (39) <p><i>The minimum score of 0.50 points is assigned if 31 AND ANY of 33, 35, 37, OR 39 are selected. The maximum score of 1 point is assigned if 31 AND 33 AND 35 AND 37 AND 39 are selected.</i></p>			
Coverage (Customs) (41)	1	1	2
Level of analysis (Customs) <ul style="list-style-type: none"> - Advanced (42a) - Basic (42b) - No integration (42c) <p><i>The score is assigned if 42a is selected.</i></p>	1	1	2
Total Points	3	3	6
2.2.1.2 Integration			
Agencies <p><i>The minimum score of 0.50 points is assigned if 31 AND ANY of 33, 35, 37, OR 39 are selected. The maximum score of 1 point is assigned if 31 AND 33 AND 35 AND 37 AND 39 are selected.</i></p>	1	1	2
Level of integration <p><i>The minimum score of 0.50 points is assigned if 32a AND ANY of 34a, 36a, 38a, OR 40a are selected. The maximum score of 1 point is assigned if 32a AND 34a AND 36a AND 38a AND 40a are selected.</i></p>	1	1	2
Customs agency <ul style="list-style-type: none"> - Advanced (32a) - Basic (32b) - No integration (32c) 			
Sanitary and phytosanitary agencies <ul style="list-style-type: none"> - Advanced (34a) - Basic (34b) - No integration (34c) 			
Standardization agencies <ul style="list-style-type: none"> - Advanced (36a) - Basic (36b) - No integration (36c) 			
Environmental agencies <ul style="list-style-type: none"> - Advanced (38a) - Basic (38b) - No integration (38c) 			
Security border agencies <ul style="list-style-type: none"> - Advanced (40a) - Basic (40b) - No integration (40c) 			
Total Points	2	2	4
2.2.1.3 Operability			
Automatization (43)	1	1	2
In advance targeting (44)	1	1	2
Post-clearance audits (45)	1	1	2
Total Points	3	3	6

Note: FFP = firm flexibility point; SBP = social benefit point.

2.2.2 Coordinated border management

2.2.2.1 Internal Coordination

46. Are cross-border trade transactions recorded either in a single database across all agencies or in different but linked databases (with information automatically updated and shared between agencies)? (Y/N)
47. Is a unique consignment reference (UCR) used by the Customs agency and other agencies? (Y/N)
48. Do local border control authorities conduct joint inspections with or delegate inspections to other national agencies? (Y/N)
49. Is there a National Trade Facilitation Committee, or a similar agency, in charge of coordination and consultation with stakeholders on the planning and implementation of trade facilitation reforms that has meetings at least twice a year? (Y/N)
50. Are the following stakeholders part of the National Trade Facilitation Committee? (Y/N)
- 50a. Government agencies involved in international trade
 - 50b. Small and medium enterprise (SME) associations
 - 50c. Private sector organizations (including not only traders, but those related to trade industries)
 - 50d. Civil society (that is, nongovernmental organizations [NGOs] with a connection to international trade)
 - 50e. Women associations

2.2.2.2 External Coordination

51. Is there an integrated border checkpoint with [FILL WITH ECONOMY X]? (Y/N)

Note: if there are no border controls between the two economies (for example, they are members of the same Customs union), please mark "Yes".

52. Does the Customs agency exchange information on commercial and transport documents and Customs declaration with [FILL WITH ECONOMY X]'s Customs agency at the border? (Y/N)

Note: if there are no border controls between the two economies (for example, they are members of the same Customs union), please mark "Yes".

53. Do border control agencies recognize inspections by [FILL WITH ECONOMY X]'s border control agencies? (Y/N)

Note: if there are no border controls between the two economies (for example, they are members of the same Customs union), please mark "Yes".

54. In practice, do Customs operating hours coincide with those of [FILL WITH ECONOMY X]'s Customs? (Y/N)

Note: if there are no border controls between the two economies (for example, they are members of the same Customs union), please mark "Yes".

55. Is there a unified document or set of documents that is presented to the border control agencies of [FILL WITH MEASURED ECONOMY & ECONOMY X]? (Y/N)

Note: if there are no border controls between the two economies (for example, they are members of the same Customs union), please mark “Yes”.

56. Do border control agencies recognize licenses and professional qualifications of service providers in the transportation and logistics sectors from [FILL WITH ECONOMY X]? (Y/N)

Note: if there are no border controls between the two economies (for example, they are members of the same Customs union), please mark “Yes”.

2.2.2 Coordinated border management			
2.2.2.1 Internal Coordination			
Indicators	FFP	SBP	Total Points
Shared database (46)	1	1	2
Unique consignment reference (47)	1	1	2
Joint controls (internal) (48)	1	1	2
National Trade Facilitation Committee (availability) (49)	1	1	2
National Trade Facilitation Committee (stakeholders)	1	1	2
- Government agencies involved in international trade (50a)	0.20	0.20	0.40
- Small and medium enterprise (SME) associations (50b)	0.20	0.20	0.40
- Private sector organizations (including not only traders, but those related to trade industries) (50c)	0.20	0.20	0.40
- Civil society (that is, NGOs with a connection to international trade) (50d)	0.20	0.20	0.40
- Women associations (50e)	0.20	0.20	0.40
Total Points	5	5	10
2.2.2.2 External Coordination			
<i>Coastal and landlocked economies may score a total of 10 points (9.62 rescaled) in this second-order subcategory. Island economies may score a total of 6 points, which will have the same 9.62 rescaled points (weighing the same as the 10 points total).</i>			
Integrated border checkpoint (51) <i>This question depends on having a land border. Island economies will not be measured. The total points for those economies will be rescaled accordingly.</i>	1	1	2
Exchange of information (52)	1	1	2
Joint controls (external) (53)	1	1	2
Alignment of operating hours and formalities	1	1	2
- Customs operating hours coincide with those of the main trading partner sharing land border (54)	0.50	0.50	1
- There is a unified document or set of documents that is presented to the border control agencies of the main trading partner (55)	0.50	0.50	1
<i>This question depends on having a land border. Island economies will not be measured. The total points for those economies will be rescaled accordingly.</i>			
Recognition of licenses and professional certifications (56)	1	1	2
Total Points	3	3	6

Note: FFP = firm flexibility point; NGOs = nongovernmental organizations; SBP = social benefit point.

2.2.3 Border agency programs

2.2.3.1 Authorized Economic Operators

57. Has the Customs agency implemented an Authorized Economic Operator certification program for the following operators? (Y/N)

- 57a. Exporters
- 57b. Importers
- 57c. Warehouse operators
- 57d. Customs brokers
- 57e. Logistics operators
- 57f. Carriers/transport operators
- 57g. Airport/port/terminal operators
- 57h. Manufacturers

58. In practice, does the Authorized Economic Operator program have the following benefits? (Y/N)

- 58a. Pre-arrival release of goods
- 58b. Priority clearance and release of shipments
- 58c. Simplified post-clearance procedures
- 58d. Use of periodic declarations
- 58e. Lower rate of documentary reviews and physical inspections by Customs and other agencies
- 58f. Priority treatment if cargo is selected for inspection
- 58g. Choice of location for physical inspections/controls
- 58h. Deferred payment of duties, taxes, fees and charges
- 58i. Reduced Customs and/or warehousing licensing fees and charges
- 58j. Reduced or waiver of guarantees

59. Besides the Customs agency, is the Authorized Economic Operator status recognized by the following domestic border control agencies? (Y/N)

- 59a. Sanitary and phytosanitary agencies
- 59b. Standardization agencies
- 59c. Environmental agencies
- 59d. Security border agencies

60. Have any Authorized Economic Operator's Mutual Recognition Agreements (MRAs) been signed with any of the three main trading partners ([THREE MAIN TRADING PARTNERS])? (Y/N)

61. Can the AEO certification or renewal process be carried out through the Electronic Single Window for trade, Integrated Customs Management System, or dedicated trade portal? (Y/N)

2.2.3.2 Expedited shipments

62. Has an expedited shipments program been implemented with at least one authorized express cargo operator? (Y/N)

63. Are the following features available in the expedited shipments program? (Y/N)

- 63a. Pre-arrival submission and processing of information
- 63b. Rapid release
- 63c. No weight or value limits

63d. Minimal documentation required - use of a single submission of information

63e. De minimis value

2.2.3 Border agency programs			
2.2.3.1 Authorized Economic Operators			
Indicators	FFP	SBP	Total Points
Authorized Economic Operator (availability)	1	1	2
- Exporters (57a)	0.12	0.12	0.25
- Importers (57b)	0.12	0.12	0.25
- Warehouse operators (57c)	0.12	0.12	0.25
- Customs brokers (57d)	0.12	0.12	0.25
- Logistics operators (57e)	0.12	0.12	0.25
- Carriers/transport operators (57f)	0.12	0.12	0.25
- Airport/port/terminal operators(57g)	0.12	0.12	0.25
- Manufacturers (57g)	0.12	0.12	0.25
<i>The score is assigned only if the response is “Yes” at least for exporters and importers.</i>			
Authorized Economic Operator (benefits)	1	1	2
- Pre-arrival release of goods (58a)	0.10	0.10	0.20
- Priority clearance and release of shipments (58b)	0.10	0.10	0.20
- Simplified post-clearance procedures (58c)	0.10	0.10	0.20
- Use of periodic declarations (58d)	0.10	0.10	0.20
- Lower rate of documentary reviews and physical inspections by Customs and other agencies (58e)	0.10	0.10	0.20
- Priority treatment if cargo is selected for inspection (58f)	0.10	0.10	0.20
- Choice of location for physical inspections/controls (58g)	0.10	0.10	0.20
- Deferred payment of duties, taxes, fees and charges (58h)	0.10	0.10	0.20
- Reduced Customs and/or warehousing licensing fees and charges (58i)	0.10	0.10	0.20
- Reduced or waiver of guarantees (58j)	0.10	0.10	0.20
Authorized Economic Operator (inter-agency recognition)	1	1	2
- Sanitary and phytosanitary agencies (59a)	0.25	0.25	0.50
- Standardization agencies (59b)	0.25	0.25	0.50
- Environmental agencies (59c)	0.25	0.25	0.50
- Security border agencies (59d)	0.25	0.25	0.50
Authorized Economic Operator (MRAs) (60)	1	1	2
Authorized Economic Operator (certification and renewal process) (61)	1	1	2
Total Points	5	5	10
2.2.3.2 Expedited shipments			
Expedited shipments (availability) (62)	1	1	2
Expedited shipments (features)	1	1	2
- Pre-arrival submission and processing of information (63a)	0.20	0.20	0.40
- Rapid release (63b)	0.20	0.20	0.40
- No weight or value limits (63c)	0.20	0.20	0.40
- Minimal documentation required–use of a single submission of information (63d)	0.20	0.20	0.40
- De minimis value (63e)	0.20	0.20	0.40
Total Points	2	2	4

Note: FFP = firm flexibility point; SBP = social benefit point.

PILLAR III—EFFICIENCY OF INTERNATIONAL TRADE IN PRACTICE

The data on the indicators for Pillar III will be normalized to a common unit—for example, on the scale from 0 to 100 points, where 0 represents the lowest and 100 represents the best performance. In turn, best (worst) performance is defined by the highest (lowest) standards and/or practices, measured as a single point or range of values.

In the case of International Trade, the question for screening purposes (that is, determining whether the measured practice applies to a firm) is not used in scoring. The questions on the characteristics of the transaction (that is, mode of transportation determined by main points of exit and entry) are not directly scored but inform the final scores. Those questions account for 5 out of the 11 questions listed below. The remaining 6 questions (Q66, 67, 69, 70, 73, and 74) are used to score each of the six indicators indicated below.

The data for Pillar III on the Efficiency of International Trade is collected through firm-level surveys, using the questions that follow. The following sequence follows the order in Enterprise Surveys.

64. In fiscal year [Insert @last complete fiscal year], what was the main country (or economy) of destination for this establishment's direct exports?

65. In fiscal year [Insert last complete fiscal year], when this establishment exported goods directly, was the main point of exit an airport, a land border crossing, port, or waterway?

66. Total time to comply with export requirements: In fiscal year [Insert last complete fiscal year], how many days did it take on average for these directly exported goods to be released by all border control agencies, including clearance procedures prior to arrival at the point of exit until the release of all goods?

Note: please include all clearance procedure times until the final release, including those times prior to arrival at the point of exit, not including transport time.

67. Total cost to comply with export requirements: In fiscal year [Insert last complete fiscal year], as a percentage of the value of the products exported directly, what was the average cost of complying with all export requirements, including Customs fees, other required payments, and payments made to Customs brokers or freight forwarders, transportation freight, trade finance and insurance services?

Note: please use the incoterm FCA (Free carrier).

68. Were any of the goods directly exported ordered through electronic means and shipped by mail parcel or courier service? (Y/N) (not scored)

Note: please consider only consignments valued below the de minimis threshold of the destination country.

69. Total time when exporting digitally ordered goods: What was the average amount of time from the moment when the goods were ready to be picked up by the postal or courier service until they were delivered?

70. Total cost when exporting digitally ordered goods: As a share of the total value of the exported goods shipped by mail parcel or courier service, what was the average cost to comply with the requirements of border control agencies, logistics, and handling?

Note: please exclude any domestic or international taxes. Please use the incoterm DAP (Delivered at place).

71. In fiscal year [Insert last complete fiscal year], what was the main country (or economy) of origin for this establishment's direct imports of material inputs or supplies [or finished goods and materials purchased to resell]?

72. In fiscal year [Insert last complete fiscal year], when this establishment imported material inputs or supplies [or finished goods and materials purchased to resell], was the main point of entry an airport, a land border crossing, or a port or waterway?

73. Total time to comply with import requirements: In fiscal year [Insert last complete fiscal year], how long did it take on average for these directly imported material inputs and supplies [or finished goods and materials purchased to resell] to be released by all border control agencies, including clearance procedures prior to arrival at the point of entry until all material inputs and supplies were released?

Note: please include all clearance procedure times until the release, including those times prior to arrival at the point of entry.

74. Total cost to comply with import requirements: In fiscal year [Insert last complete fiscal year], as a percentage of the value of the products directly imported, what was the average cost to comply with all import requirements, including Customs fees, other required payments, and payments made to Customs brokers or freight forwarders?

Note: please use the incoterm DAP.

PILLAR III – EFFICIENCY OF INTERNATIONAL TRADE IN PRACTICE			
Indicators	FFP	SBP	Total Points
Total time to comply with export requirements (66)	100 (16.67%)	n.a.	100 (16.67%)
Total cost to comply with export requirements (67)	100 (16.67%)	n.a.	100 (16.67%)
Total time to comply with import requirements (68)	100 (16.67%)	n.a.	100 (16.67%)
Total cost to comply with import requirements (70)	100 (16.67%)	n.a.	100 (16.67%)
Total time when exporting digitally ordered goods (73)	100 (16.67%)	n.a.	100 (16.67%)
Total cost when exporting digitally ordered goods (74)	100 (16.67%)	n.a.	100 (16.67%)
Total Points	100	n.a.	100

Note: n.a. = not applicable (refers to the cases when the impact on firms or society is either ambiguous or nonexistent). FFP = firm flexibility point; SBP = social benefit point.

CHAPTER 8. TAXATION

METHODOLOGY NOTE

I. MOTIVATION

Taxation is a powerful policy tool that governments use to generate revenues to finance their operations and provide public goods and services. Taxation affects development of the private sector through a variety of interrelated channels. On the one hand, it creates enabling conditions for the growth and development of the private sector by financing physical infrastructure, human capital investments, law enforcement, and other public services. On the other hand, excessive taxation can distort markets, alter investment decisions, and foster tax evasion.¹ Likewise, cumbersome regulations, complex tax reporting requirements, and inefficient and unevenly applied tax procedures pose additional compliance costs on firms,² thereby discouraging formalization.³ Identifying key issues faced by taxpayers and critical features of tax systems can help inform reforms that support private sector development while pursuing domestic resource mobilization objectives.

Academic research highlights the following tax system deficiencies that affect private sector development: tax regulation complexity,⁴ tax administration system inefficiency,⁵ and the high cost of compliance with tax regulations.⁶ The Taxation indicators include measures to incorporate these issues as well as measures on environmental sustainability and gender equality to further assess the effect of these two important topics on economic development.

The efficiency of tax administration systems is another aspect that affects the burden of administrative compliance. Research shows that economies with tax administration procedures that provide easy access to information, build e-tax systems, employ effective risk management strategies, and ensure transparency of operations benefit from increased firm productivity and economic growth.⁷ Reducing the likelihood of audits of low-risk taxpayers also encourages greater taxpayer compliance. The presence of impartial, accessible, and efficient tax dispute resolution mechanisms is essential for protecting a taxpayer's right to challenge a tax assessment and get a fair hearing in a timely manner.⁸ Finally, improving internal efficiency enables tax administrations to unlock additional revenues.⁹

It is well recognized that global warming caused by greenhouse gas emissions will have a negative impact on all types of economic activity. Environmental taxes have been proven effective in directly addressing market failures in accounting for environmental impacts. Environmental pricing through taxation gives consumers and businesses the flexibility to determine how to reduce their environmental "footprint," enabling the lowest-cost solutions and providing incentives for innovation and investment in low-carbon emission technologies.¹⁰

Finally, various studies emphasize the positive effects of gender equality on development. Helping women fully participate in the economy is not only growth-promoting, but it also diversifies the economies, reduces income inequality, mitigates demographic shifts, and contributes to stability.¹¹ Thus, the Taxation topic explores aspects of gender equality in the corporate taxation system.

II. INDICATORS

The Taxation topic measures the quality of taxation regulation, administration, and implementation from a firm's perspective across the three different dimensions, here referred to as pillars. The first pillar assesses the quality of regulation pertaining to taxation, covering de jure and de facto information on the legal requirements. The second pillar measures the quality of tax administration, thus assessing the de facto and

de jure public services provided pertaining to taxes. The third pillar evaluates how efficiently tax regulation and public services are implemented in practice from the perspective of a firm. Each pillar is divided into categories—defined by common features that inform the grouping into a particular category—and each category is further divided into subcategories. Each subcategory consists of several indicators, each of which may, in turn, have several components. Relevant points are assigned to each indicator and subsequently aggregated to obtain the number of points for each subcategory, category, and pillar. Table 1 includes a summary of all three pillars along with their respective categories, subcategories, and indicators.

Table 1. Summary table of all three pillars for the Taxation topic

Pillar I—Quality of Regulations on Taxation (12 indicators)	
1.1	Clarity and Transparency of Tax Regulations (8 indicators)
1.1.1	Clarity of Tax Regulations (2 indicators)
1.1.2	Transparency of Changes in Tax Regulations (2 indicators)
1.1.3	Simplified Record Keeping and Temporary Provisions (2 indicators)
1.1.4	Tax Registration and VAT Refund (2 indicators)
1.2	Environmental Taxes (4 indicators)
1.2.1	General Framework (2 indicators)
1.2.2	Governance (1 indicator)
1.2.3	Transition Policy (1 indicator)
Pillar II—Public Services Provided by the Tax Administration (27 indicators)	
2.1	Digitization in Tax Administration (15 indicators)
2.1.1	Services for Taxpayers (Filing and Payment) (8 indicators)
2.1.2	Sex-Disaggregated Data (1 indicator)
2.1.3	Taxpayer Database (4 indicators)
2.1.4	Interoperability (2 indicators)
2.2	Tax Audits (5 indicators)
2.2.1	Risk-Based System (2 indicators)
2.2.2	Types of Audits and Uniform Practices (3 indicators)
2.3	Dispute Resolution Mechanisms (4 indicators)
2.3.1	First-Level Review Mechanism (2 indicators)
2.3.2	Second-Level Review Mechanism (1 indicator)
2.3.3	Gender Equality during Tax Disputes (1 indicator)
2.4	Governance of Tax Authority (3 indicators)
2.4.1	Transparency (1 indicator)
2.4.2	Public Accountability (1 indicator)
2.4.3	Gender Composition of the Staff in Tax Administration (1 indicator)
Pillar III—Efficiency of Tax Systems in Practice (11 indicators)	
3.1	Time to Comply with Tax Regulations (8 indicators)
3.1.1	Time to File and Pay Taxes (1 indicator)
3.1.2	Use of Electronic Systems to File and Pay Taxes (2 indicators)
3.1.3	Duration of a Generic Tax Audit (1 indicator)
3.1.4	Tax Dispute (1 indicator)
3.1.5	Use of a VAT Refund (1 indicator)
3.1.6	Environmental Report (1 indicator)
3.1.7	Environmental Audits (1 indicator)
3.2	Cost of Taxation (3 indicators)

Note: VAT = value added tax.

1. PILLAR I. REGULATORY FRAMEWORK: QUALITY OF REGULATIONS ON TAXATION

Table 2 shows the structure for Pillar I, the regulatory framework for taxation. Each of this pillar's categories and subcategories will be discussed in more detail in the order shown in the table.

Table 2. Pillar I–Quality of Regulations on Taxation

1.1	Clarity and Transparency of Tax Regulations
1.1.1	Clarity of Tax Regulations
1.1.2	Transparency of Changes in Tax Regulations
1.1.3	Simplified Record Keeping and Temporary Provisions
1.1.4	Tax registration and VAT Refund
1.2	Environmental Taxes
1.2.1	General Framework
1.2.2	Governance
1.2.3	Transition Policy

Note: VAT = value added tax.

1.1 Clarity and Transparency of Tax Regulations

Category 1.1 is divided into four subcategories consisting of several indicators, each of which may, in turn, has several components.

1.1.1 Clarity of Tax Regulations

Issuance of rulings and interpretations of the law in a timely, transparent, and consistent manner is important for promoting predictability¹² and fairness¹³ in tax administration, providing certainty for taxpayers,¹⁴ improving the tax environment for businesses and addressing tax uncertainty.¹⁵ Therefore, Subcategory 1.1.1 comprises two indicators (table 3).

Table 3 Subcategory 1.1.1–Clarity of Tax Regulations

	Indicators	Components
1	Tax Guides and Their Delivery Channels	<ul style="list-style-type: none"> i) Availability of general tax guides ii) Means to obtain general tax guides iii) Availability of internal tax guides iv) Means to obtain internal tax guides
2	Binding Rulings and Post-Compliance Procedures	<ul style="list-style-type: none"> i) Availability and publishing of private binding rulings ii) Availability of public binding rulings iii) Dispute resolution process codified in a single legislative act iv) Tax audit procedures codified in a single legislative act v) Women have same rights as men on tax-related disputes

1.1.2 Transparency of Changes in Tax Regulations

Having a transparent and predictable tax regulation enactment process enhances tax certainty, various studies find.¹⁶ According to businesses, one of the most effective tools are announcing important changes in advance and engaging key participants of the private sector and society in the consultation.¹⁷ Therefore, Subcategory 1.1.2 comprises two indicators (table 4).

Table 4. Subcategory 1.1.2–Transparency of changes in tax regulations

	Indicators	Components
1	Obtaining Feedback and Broad Public Consultation	<ul style="list-style-type: none"> i) Tax administration requests feedback from taxpayers ii) Feedback is requested regularly iii) Results are disclosed to the public iv) Results are published online v) Public consultations are held
2	Practice on Preparing and Publishing Future Tax Plans	<ul style="list-style-type: none"> i) Preparation of future tax plan ii) Online publication on future tax plan iii) Full publication of future tax plan iv) Publication of future tax plan in advance of implementation

1.1.3 Simplified Record Keeping and Temporary Provisions

Research shows that manual tax record-keeping can lead to errors and fraud.¹⁸ Therefore, a tax administration should make efficient use of digital records. Furthermore, simplified record-keeping for small businesses can reduce compliance costs, increase compliance, and improve accuracy and consistency of tax reporting, as well as reduce the burden on tax authorities.¹⁹ Other research finds that sunset provisions attached to tax cuts leads to economic inefficiency. Therefore, caution is required when considering whether to include a sunset clause in the legislation.²⁰ Based on the same research, to ensure that the benefits outweigh the costs caused by the uncertainty, the temporary provisions should be enacted for short periods of time and result from reasoned tax policy: that is provisions, should be tailored to remedy pressing and immediate concerns.²¹ Therefore, Subcategory 1.1.3 comprises two indicators (table 5).

Table 5. Subcategory 1.1.3–Simplified Record Keeping and Temporary Provisions

	Indicators	Components
1	Simplified Record Keeping and Filing	<ul style="list-style-type: none"> i) Availability of digital record keeping for large businesses ii) Availability of digital record keeping for medium businesses iii) Availability of digital record keeping for small businesses iv) Availability of simplified record keeping for small businesses v) Availability of simplified filing for small businesses
2	Temporary Tax Reductions	<ul style="list-style-type: none"> i) Temporary reduction in CIT due to disaster or policy reform ii) Temporary reduction in VAT due to disaster or policy reform

Note: CIT = corporate income-based tax; VAT = value added tax.

1.1.4 Tax registration and VAT refund

The value added tax (VAT) registration threshold exempts firms from registering for VAT if their sales are below the threshold. Therefore, it simplifies compliance procedures. The voluntary VAT registration for businesses that are below the threshold allows them to participate and benefit from VAT refunds.²² For firms, fast and efficient VAT refund systems reduce the opportunity costs of the capital frozen in the form of VAT refunds. The VAT registration threshold allows the tax authority to concentrate its resources on bigger taxpayers, thus saving budget expenditures. Provision of information through user-friendly channels simplifies tax registration by increasing clarity of tax regulations. Information on fees and time to register for tax purposes in the tax law also provides more clarity to taxpayers and simplifies procedures for start-ups. To maintain the register, one of the simplest and most effective methods is through legislation and/or regulation, where taxpayers are obligated to notify the administration of changes to registration particulars.²³ Therefore, Subcategory 1.1.4 comprises two indicators (table 6).

Table 6. Subcategory 1.1.4–Tax Registration and VAT Refund

	Indicators	Components
1	Transparency in the Tax Registration Process	<ul style="list-style-type: none"> i) Availability of information on general tax registration ii) Clarity of fees iii) Clarity of timeline iv) Mandatory notification of changes to registration details and penalty for failure to comply
2	VAT Refund and Registration	<ul style="list-style-type: none"> i) Existence of a VAT registration threshold ii) Availability of voluntary VAT registration iii) Availability of VAT cash refund iv) Restriction on VAT cash refund

Note: VAT = value added tax.

1.2 Environmental taxes

Category 1.2 is divided into three subcategories consisting of several indicators, each of which may, in turn, has several components.

1.2.1 General Framework

Environmental taxes serve to reduce "carbon output," curb consumption of fuel, facilitate innovation and move to environment-friendly technologies, and finally raise revenues.²⁴ Fossil fuel subsidies have negative impact on social benefits by facilitating overconsumption of fossil fuels and contributing to global warming.²⁵ Therefore, Subcategory 1.2.1 comprises two indicators (table 7).

Table 7. Subcategory 1.2.1–General Framework

	Indicators	Components
1	Presence of Environmental Fiscal Instruments	Availability of one of the five types of environmental fiscal instruments, such as carbon taxes, energy taxes, emission trading systems, and feebates
2	Absence of Subsidy	Absence of fossil fuel subsidy

1.2.2 Governance

The key to a simple administrative system is to consult widely with the different actors within society and get their input before introducing the tax. Given the nature of carbon taxation, public consultations should engage a broad group of stakeholders. These should range from potential agencies given the task of administering the tax, to tax authorities and other relevant agencies, as well as business organizations, trade and consumer organizations representing their members who are likely to face the tax burden, and tax advisors or accountants.²⁶ Risk-based environmental tax audits can be an effective tool for detecting noncompliance among high-risk taxpayers,²⁷ which can help ensure the effectiveness of the tax system while minimizing the burden on compliant taxpayers.²⁸ Therefore, Subcategory 1.2.2–Governance evaluates public consultations before the introduction of applicable fiscal instruments and risk-based systems for environmental inspections (table 8).

Table 8. Subcategory 1.2.2–Governance

	Indicators	Components
1	Governance	<ul style="list-style-type: none"> i) Public consultation before the introduction of environmental taxes ii) Publication of the results of public consultations iii) Online publication of the public consultations results iv) Risk-based system for environmental inspections

1.2.3 Transition Policy

To ensure the continued reduction of emissions, policy makers should review the environmental tax rate(s) periodically and check whether it is still suitable to achieve the desired emissions' target. However, revision of the environmental tax rate(s) might provide uncertainty. A way to lower uncertainty is to contemplate an explicit adjustment mechanism in the tax legislation and inform businesses that the rate(s) might be increased over time. Policy makers must also allow a reasonable period between the enactment of a new carbon tax and the date when the legislation will come into force.³⁸ Therefore, Subcategory 1.2.3–Transition Policy looks at the adjustment mechanisms and communication of the transition period (table 9).

Table 9. Subcategory 1.2.3–Transition Policy

	Indicators	Components
1	Transition Policy	<ul style="list-style-type: none"> i) Adjustment mechanisms ii) Communication of the transition period iii) Online publication of the information on the transition periods

2. PILLAR II. PUBLIC SERVICES: PUBLIC SERVICES PROVIDED BY THE TAX ADMINISTRATION

Table 9 shows the structure for Pillar II, the quality of the public services provided by the tax administration. Each of this pillar's categories and subcategories will be discussed in more detail in the order shown in the table.

Table 9. Pillar II–Public Services Provided by Tax Administration

2.1	Digitization in Tax Administration
2.1.1	Services for Taxpayers (Filing and Payment)
2.1.2	Sex-Disaggregated Data
2.1.3	Taxpayer Database
2.1.4	Interoperability
2.2	Tax Audits
2.2.1	Risk-Based System
2.2.2	Types of Audits and Uniform Practices
2.3	Dispute Resolution Mechanisms
2.3.1	First-Level Review Mechanism
2.3.2	Second-Level Review Mechanism
2.3.3	Gender Equality during Tax Disputes
2.4	Governance of Tax Authority
2.4.1	Transparency
2.4.2	Public Accountability
2.4.3	Gender Composition of the Staff in Tax Administration

2.1 Digitization in tax administration

Category 2.1 is divided into four subcategories consisting of several indicators, each of which may, in turn, has several components.

2.1.1 Services for Taxpayers (Filing and Payment)

Research shows that investments in e-filing and e-payment tax systems are effective in reducing compliance costs,²⁹ corruption,³⁰ and tax evasion,³¹ and they have also inspired organizational changes and the uptake of information technology within firms.³² Simplifying filing arrangements such as pre-filled tax declarations further streamline tax compliance processes.³³ Therefore, Subcategory 2.1.1 comprises eight indicators (table 10).

Table 10. Subcategory 2.1.1–Services for Taxpayers (Filing and Payment)

	Indicators	Components
1	Online Service Taxpayer portal	i) Availability of a taxpayer online service portal ii) The use of a taxpayer online service portal iii) Self-service tools available to taxpayers on the portal
2	Electronic filing of CIT or Other Taxes on Profit	i) Large firms can file online ii) Medium firms can file online iii) Small firms can file online
3	Electronic Filing of VAT or Other Consumption Taxes	i) Large firms can file online ii) Medium firms can file online iii) Small firms can file online
4	Electronic Filing of Social Taxes and Contributions	i) Large firms can file online ii) Medium firms can file online iii) Small firms can file online
5	Pre-filled Declarations	i) Pre-filled declarations for large firms ii) Pre-filled declarations for medium firms iii) Pre-filled declarations for small firms
6	Electronic Payment of CIT or Other Taxes on Profit	i) Large firms can pay online ii) Medium firms can pay online

		iii) Small firms can pay online
7	Electronic Payment of VAT or Other Consumption Taxes	i) Large firms can pay online ii) Medium firms can pay online iii) Small firms can pay online
8	Electronic Payment of Social Taxes and Contributions	i) Large firms can pay online ii) Medium firms can pay online iii) Small firms can pay online

2.1.2 Sex-Disaggregated Data

Sex-disaggregated tax data are important for policy analysis and formulation and contribute to gender equality because it facilitates the assessment and development of appropriate evidence-based responses and corrective actions.³⁴ Therefore, Subcategory 2.1.2–Sex-Disaggregated Data measures the availability of this data, and checks whether the tax authority conducts analysis using the data and publishes the findings (table 11).

Table 11. Subcategory 2.1.2–Sex-Disaggregated Data

	Indicators	Components
1	Availability of Sex-Disaggregated Data and Their Analysis	i) Availability of sex-disaggregated data ii) Tax authority conducts sex-disaggregated analysis iii) Publication of findings of the analysis

2.1.3 Taxpayer Database

A straightforward process of tax registration, either automated upon incorporation or one that is conducted fully online, reduces the bureaucratic burden on firms and frees up the resources at the tax administration.³⁵ Furthermore, a simple tax registration removes obstacles for companies that want to operate formally. The existence of a taxpayer registration database and unique tax identification number allow firms to verify the accuracy of their own information and benefit from a more transparent tax system.³⁶ Therefore, Subcategory 2.1.3 comprises four indicators (table 12).

Table 12. Subcategory 2.1.3–Taxpayer database

	Indicators	Components
1	Tax Registration Process	Automated tax registration upon incorporation.
2	Tax Registration Database	i) Unified taxpayer database ii) Computerized taxpayer database iii) Database with full national coverage
3	Single Tax Identification Number	Single tax identification number for all company's taxes
4	Tax Deregistration	i) Automated tax deregistration ii) Records archiving after deregistration

2.1.4 Interoperability

Cross-checking of information on the tax portal reduces the need for provision of additional information by firms, thus lowering the cost of compliance. At the same time, cross-checking of information with third parties allows tax authorities to increase tax collection by broadening the tax base and increasing tax compliance.³⁷ Therefore, Subcategory 2.1.4 comprises two indicators (table 13).

Table 13. Subcategory 2.1.4–Interoperability

	Indicators	Components
1	Information Cross-Checking on Tax Portal	Information cross-checked on tax portal
2	Data Cross-Checking to Verify Tax Declarations	Sources from which the information is collected: i) Tax declarations ii) Banks/financial institutions iii) Employers (for purposes of crosschecking reported employment income)

		<ul style="list-style-type: none"> iv) Three and more government agencies (e.g., the national tax administration; customs; agencies responsible for government procurement of goods and services; registrar of companies; anti-money laundering regulator responsible for tracking cash transactions; and registrars of immovable property and other assets such as motor vehicles or land) v) Stock exchanges and/or shareholder registries of listed companies vi) Social security agency or agencies (for purposes of crosschecking reported employment income) vii) Online (internet-based) vendors viii) Other jurisdictions exchanging information including other subnational governments, such as in the framework of the automatic exchange of information, foreign account tax compliance act, or double taxation agreements (exchange of information component)
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2.2 Tax Audits

Category 2.2 is divided into two subcategories consisting of several indicators, each of which may, in turn, has several components.

2.2.1 Risk-Based Systems

Academic research shows that the use of risk-based tax audits improves the performance of tax authorities, lowers the cost of tax enforcement, and provides effective tools to curb tax avoidance.³⁸ Annual tax audit plans brings certainty about the audits and maximizes efficiency of tax administration.³⁹ Therefore, Subcategory 2.2.1 comprises two indicators (table 14).

Table 14. Subcategory 2.2.1–Risk-Based Systems

	Indicators	Components
1	Existence of Annual National Tax Audit Plan	<ul style="list-style-type: none"> i) The tax administration produces annual national tax audit plan. ii) The audit plan covers all of the following taxes: CIT, consumption taxes, and social taxes and contributions.
2	Risk-Based System	<ul style="list-style-type: none"> i) The risk-based system orients audit coverage toward areas of highest risk. ii) There is a risk-based system that selects audit cases centrally and on the basis of assessed risks.

Note: CIT = corporate income-based tax.

2.2.2 Types of Audits and Uniform Practices

Tax officials that are structured around uniform methods and procedures laid out in specific guidelines and audit manuals improve transparency, clarity, and trust within taxpayers, creating an efficient business environment. Tax audits that use a range of audit types reduce firms' costs of dealing with tax authorities. The existence of tax audit program detects and deter inaccurate reporting.⁴⁰ Therefore, Subcategory 2.2.2 comprises three indicators (table 15).

Table 15. Subcategory 2.2.2–Types of Audits and Uniform Practices

	Indicators	Components
1	Existence of Different Types of Audits	<ul style="list-style-type: none"> i) Existence of comprehensive (multiple tax and multiple year) audits ii) Existence of single-issue audits iii) Existence of inspections of books and records iv) Existence of examination of VAT refund claims v) Existence of in-depth investigations of suspected tax fraud
2	Uniform Practices in Tax Audits Administration	Tax audit manuals and guidelines are publicly available
3	The Monitoring of Taxpayer Audits	<ul style="list-style-type: none"> i) Publication of information on the quality of the tax administration's audits ii) Publication of the information is accessible online

Note: VAT = value added tax.

2.3 Dispute Resolution Mechanisms

Category 2.3 is divided into three subcategories consisting of several indicators, each of which may, in turn, has several components.

2.3.1 First-Level Review Mechanism

Having one single mechanism that could review all types of disputes promotes efficiency and can save taxpayers cost and time. The presence of impartial, accessible, and efficient tax dispute resolution mechanisms is essential for protecting a taxpayer's right to challenge a tax assessment and get a fair hearing in a timely manner.⁴¹ Therefore, Subcategory 2.3.1 comprises two indicators (table 16).

Table 16. Subcategory 2.3.1–First-Level Review Mechanism

	Indicators	Components
1	First-Level Review Mechanism	Taxpayers can escalate a tax dispute to an independent review unit within a tax administration
2	Eligible Taxpayers and Type of Disputes for the Independent Mechanism	i) Types of disputes that can be reviewed ii) Availability of an independent complaint mechanism to all taxpayers

2.3.2 Second-Level Review Mechanism

The flexibility of taxpayers to move to the next level of dispute resolution in case of a long review time of the first-level review body could save taxpayers' costs of compliance and time, it also contributes to the fairness of the systems and access to justice.⁴² Therefore, Subcategory 2.3.2–Second-Level Review Mechanism assesses the escalation of disputes and graduate complaint mechanism (table 17).

Table 17. Subcategory 2.3.2–Second-Level Review Mechanism

	Indicators	Components
1	Second-Level Review Mechanism	i) Escalation of disputes to the next level ii) Graduate complaint mechanism

2.3.3 Gender Equality during Tax Disputes

Gender equality within a company leads to better business outcomes through increased profitability and company effectiveness and boosts economic growth.⁴³ Therefore, Subcategory 2.3.1–Gender Equality during Tax Disputes evaluates whether women have the same rights as men in tax-related disputes (table 18).

Table 18. Subcategory 2.3.1–Gender Equality during Tax Disputes

	Indicators	Components
1	Gender Equality during Tax Disputes	Equality of women and men rights in tax-related disputes, in practice.

2.4 Governance of Tax Authority

Category 2.4 is divided into three subcategories consisting of several indicators, each of which may, in turn, has several components.

2.4.1 Transparency

Transparent tax administrations promote trust in tax systems and strengthen the social contract between citizens and governments. In turn, trust in the system promotes tax compliance. The external oversight of the tax administrations' periodical audits and publishing of audit reports increase transparency and promotes accountability of tax administrations.⁴⁴ Therefore, Subcategory 2.4.1–Transparency assesses the transparency of the tax administration (table 19).

Table 19. Subcategory 2.4.1–Transparency

	Indicators	Components
1	Transparency	i) Publication of an annual report ii) Online publication of an annual report iii) Scope of an annual report iv) Audits on the performance of a tax administration v) Publication of findings of an external review body vi) Online publication of findings of an external review body

2.4.2 Public accountability

Engagement with citizens through taxpayer perception surveys and stakeholder consultations supports transparency and public confidence in tax administrations. Unethical behavior by tax officials contributes to corruption and abuse of power. Strict adherence to the codes of ethics embraces ethical standards, fosters staff integrity, and reduces tension between administrators and taxpayers.⁴⁵ Firms can benefit from the independent and impartial investigation of taxpayer complaints concerning wrongdoing and maladministration by the tax administration. Therefore, Subcategory 2.4.2–Public Accountability assesses all of these aspects (table 20).

Table 20. Subcategory 2.4.2–Public Accountability

	Indicators	Components
1	Public Accountability	i) Taxpayer’s perceptions surveys ii) Regular performance of taxpayer’s perception surveys iii) Publication of the results of the feedback iv) Online publication of the results of the feedback v) Availability of the code of ethics vi) Presence of independent and impartial investigative bodies

2.4.3 Gender Composition of the Staff in Tax Administration

More women in senior management positions at tax authorities positively correlate with the implementation of policies and practices to promote gender equality. Also, having more women employed in tax authority leads to more women using tax services. Gender equality within a company also leads to better business outcomes through increased profitability and company effectiveness, leading to economic growth.⁴⁶ Therefore, Subcategory 2.4.3–Gender Composition of the Staff in Tax Administration measures the public availability of gender composition of the staff and senior executives (table 21).

Table 21. Subcategory 2.4.3–Gender Composition of the Staff in Tax Administration

	Indicators	Components
1	Gender Composition of the Staff in Tax Administration	i) Public availability of gender composition of the staff ii) Public availability of gender composition of the senior executives

3. PILLAR III. EFFICIENCY: EFFICIENCY OF TAX SYSTEMS IN PRACTICE

Table 21 shows the structure for Pillar III, the efficiency of implementation of tax regulations and public services in practice. Each of this pillar’s categories and subcategories will be discussed in more detail in the order shown in the table.

Table 22. Pillar III–Efficiency of Tax Systems in Practice

3.1	Time to Comply with Tax Regulations
3.1.1	Time to File and Pay Taxes
3.1.2	Use of Electronic Systems to File and Pay Taxes
3.1.3	Duration of a Generic Tax Audit
3.1.4	Tax Dispute
3.1.5	Use of a VAT Cash Refund

3.1.6	Environmental Report
3.1.7	Environmental Audits
3.2	Cost of Taxation

Note: VAT = value added tax.

3.1 Time to Comply with Tax Regulations

Category 3.1 is divided into seven subcategories consisting of several indicators, each of which may, in turn, has several components.

3.1.1 Time to File and Pay Taxes

Efficient tax administration can improve tax compliance, thereby expanding the tax base and increasing tax revenues.⁴⁷ Complex regulatory frameworks, and redundant and complicated procedures, can lead to unnecessary delays and increase the compliance time for the firms.⁴⁸ Therefore, Subcategory 3.1.1–Time to File and Pay Taxes assesses the time it takes prepare, file, and pay the corporate income-based taxes, VAT and other consumption taxes, and employment-based taxes and social contributions (table 23).

Table 23. Subcategory 3.1.1–Time to File and Pay Taxes

	Indicators	Components
1	Total Time for Preparation, Filing, Payment	Recorded in hours and measures the time to prepare, file, and pay three major types of taxes and contributions: corporate income tax, VAT/sales taxes, and labor taxes and social contributions. Preparation time includes the time to collect all information necessary to compute the tax payable and to calculate the amount payable. Filing time includes the time to complete all necessary tax return forms and file the relevant returns. Payment time considers the hours needed to make the payment online or in person. Where taxes and contributions are paid in person, the time includes delays while waiting.

Note: VAT = value added tax.

3.1.2 Use of Electronic Systems to File and Pay Taxes

Research suggests investments in e-filing and e-payment tax systems not only reduce compliance costs,⁴⁹ corruption,⁵⁰ and tax evasion,⁵¹ but also inspire organizational changes and the uptake of information technology within firms.⁵² Such systems can also improve tax compliance and revenue collection in developing countries.⁵³ To serve its purpose, the electronic systems to file and pay taxes should be fully operational and implementable in practice. Therefore, Subcategory 3.1.2 comprises two indicators (table 24).

Table 24. Subcategory 3.1.2–Use of Electronic Systems to File and Pay Taxes

	Indicators	Components
1	Percentage of Firms Filing Electronically	Measures the percentage of respondent firms that used electronic systems to file taxes in the previous calendar year
2	Percentage of Firms Paying Taxes Electronically	Measures the percentage of respondent firms that used electronic systems to pay taxes in the previous calendar year

3.1.3 Duration of a Generic Tax Audit

Audits are a critical and significant component of compliance activities. Delays in tax audits can lead to an increase in time and cost of compliance and distortions in economic activities resulting from them.⁵⁴ Therefore, Subcategory 3.1.3–Duration of a Generic Tax Audit measures the Total Time Needed to Complete the Audit (table 25).

Table 25. Subcategory 3.1.3–Duration of a Generic Tax Audit

	Indicators	Components
1	Total Time Needed to Complete the Audit	The period in weeks between the first interaction with the auditors and the receipt of the final audit report

3.1.4 Tax Dispute

Long tax litigation process can lead to a delay in tax collection. In addition, protracted tax litigation can be costly for the private sector, both by way of litigation costs⁵⁵ and uncertainty created.⁵⁶ Therefore, Subcategory 3.1.4–Tax Dispute measures the total Time Needed to Review a Tax Dispute (table 26).

Table 26. Subcategory 3.1.4–Tax Dispute

	Indicators	Components
1	Time to Review a Tax Dispute	The period in calendar days between the moment a taxpayer files a claim until the moment the decision is issued

3.1.5 Use of VAT refund

Recovering excess input VAT credits is crucial to a well-functioning tax system. Inadequate legal frameworks or burdensome and complex administration procedures often discourage taxpayers from claiming legitimate VAT refunds.⁵⁷ Therefore, Subcategory 3.1.5–Use of VAT Refund assesses the main reason for most establishments not to apply for a VAT cash refund (table 27).

Table 27. Subcategory 3.1.5–Use of VAT Refund

	Indicators	Components
1	Obtaining a VAT Refund in Practice	Measures whether responded firms claimed a VAT cash refund in the previous fiscal year and if they did not, the reasons behind this. If the majority of firms did not apply for a VAT refund because they did not need to or if the majority of firms did apply for a VAT refund, then this indicator also measures the time it takes to obtain the refund

Note: VAT = value added tax.

3.1.6 Environmental Report

While environmental reporting can have positive impacts on corporate reputation and stakeholder relationships, it can also lead to increased costs⁵⁸ and reduced decision-making flexibility⁵⁹ for firms, particularly in the short term. For example, it can lead to increase in the cost of compliance and impose additional burdens on firms. Therefore, Subcategory 3.1.6–Environmental Report measures the total time required to comply with mandatory environmental reports when such reports apply (table 28).

Table 28. Subcategory 3.1.6–Environmental Report

	Indicators	Components
1	Time to Comply with the Environmental Reports	Measures the total time in hours to comply with mandatory environmental reports when these apply

3.1.7 Environmental Audit

Lengthy and complex audit processes can lead to increased compliance costs and reduced flexibility in business operations.⁶⁰ Furthermore, lengthy audit processes can create barriers to innovation and investment in environmentally sustainable technologies.⁶¹ Therefore, Subcategory 3.1.7–Environmental Audit measures the period in weeks between the first interaction with the environmental tax auditors and the receipt of the final audit report (table 29).

Table 29. Subcategory 3.1.7–Environmental Audit

	Indicators	Components
1	Time to Complete an Environmental Tax Audit	The period in weeks between the first interaction with the auditors and the receipt of the final audit report.

3.2 Cost of Taxation

Category 3.2 consists of three indicators.

The effective tax rate (ETR) affects firms' after-tax profitability, ability to compete in the market, and overall financial health, as well as decisions related to investments, financing, and other business activities. Therefore, Category 3.2 comprises three indicators (table 30).

Table 30. Category 3.2–Cost of Taxation

	Indicators	Components
1	Effective Tax Rate (ETR) for Profit Taxes	Financial cost of profit-based taxes for companies measured through the ETR estimate
2	Effective Tax Rate (ETR) for Employment Taxes and Social Contributions	Financial cost of employment-based taxes and social contributions for companies measured through the ETR estimate
3	Effective Tax Rate (ETR) for Consumption Taxes	Financial cost of consumption-based taxes for companies measured through the ETR estimate

Note: ETR = effective tax rate.

III. DATA SOURCES

4.1 Data collection sources

The data for Pillar I and Pillar II are collected through consultations with private sector experts. Private sector experts include tax advisors, tax consultants, tax accountants, tax lawyers, tax specialists, and tax auditors.

Most data for Pillar III are collected through Enterprise Surveys. These Surveys provide representative data on time to file and pay taxes, time go through a generic tax audit, and percentage of firms filing and paying taxes electronically, as well as the effective tax rates for corporate profit taxes, consumption taxes (only the financial cost for firms, if any) and labor taxes and social contributions (only the financial cost for firms). A representative sample of companies captures variation of user experience within each economy. Businesses with different characteristics, such as size, region, and sector participate in the surveys. For more details on the collection of data by the Enterprise Surveys, please refer to the Overview chapter of this Methodology Handbook. When, for any reason, Enterprise Surveys are not feasible to obtain the needed data, an alternative approach is to collect these data through consultations with private sector experts who are actively involved in taxation (see table 30). In such a case, broad parameters are defined (described in the section IV) to ensure data comparability across economies.

The data on the time to review a tax dispute, time to comply with environmental reports, and time to complete an environmental audit are collected through consultations with private and public sector experts, as described in the previous paragraph. The reason for this approach is the limited experience that firms surveyed by Enterprise Surveys are expected to have with processes that do not occur on a regular basis for most companies (such as submitting a tax complaint or being subject to environmental taxation).

4.2 Screening and selection of experts

The Taxation topic has one topic questionnaire. In order to select potential experts to participate in the questionnaire, a screener questionnaire for taxation has been developed (table 30).

Table 30. Screener questionnaire and respondent criteria

Relevant expert professions:
Tax advisors, consultants, accountants, lawyers, specialists, auditors, etc.
Relevant areas of specialization:
Accounting, tax reporting and compliance; corporate tax law; environmental tax law; indirect taxation; tax administration law; tax dispute resolution; tax registration and deregistration procedures; tax review and enforcement; labor taxes and social contributions; etc.
Assessment of the experts' knowledge and experience in taxation and related regulations, services, and processes:
Years of experience in the selected areas of specialization.

The information provided in the screener will allow the team to better understand the experts' professions and areas of specializations, as well as knowledge or experience related to taxation. Ultimately, this will allow the team to select the final experts to respond the questionnaire on taxation.

IV. PARAMETERS

To ensure comparability of the data from expert consultations across economies, the Taxation topic uses general parameters. A parameter refers to an assumption that is made about the characteristics of location, tax residency, and the sector and activity. Questionnaire respondents are presented with these parameters and assumptions and asked to evaluate a standardized scenario that permits comparability across locales, jurisdictions, and economies.

5.1 General parameters

In many economies, there are subnational jurisdictions, which require a specific business location to be specified in order for experts to identify the relevant regulatory framework to be assessed.

5.1.1 Business location–largest city

Justification:

Geographic location determines the applicable local corporate income-based, consumption, environmental, and labor taxes and contributions when taxes are administered at multiple levels or at a local level. These factors may affect the availability of online services, the process of tax registration and deregistration, the parties involved in the review of tax complains, and so on. Thus, business location is an essential parameter for assessing regulatory framework and public services in taxation. The largest city is chosen based on the population size as detailed in the Overview of this Methodology Handbook.

Application:

For Pillar I, the parameter is used in cases where local regulations are applicable in addition to the national ones, varying across states and/or regions. For the economies where regulations differ across states, regulations for the largest city are measured. For Pillar II, the parameter is used to determine the applicable taxes and procedures. For Pillar III, this parameter applies only in cases when the data are collected through expert consultations rather than through Enterprise Surveys.

5.1.2 Tax residency–Tax resident of the assessed economy

Justification:

It is common that a jurisdiction's tax residents and nonresidents (that is, tax residents of another jurisdiction) are subjected to different rules, requirements, and regulations. The regulatory framework that applies to tax residents of other jurisdictions is often complemented by the double tax treaties. When a double tax treaty applies, its details are defined by the agreement between two jurisdictions and may substantially vary across

various parties. The inclusion of nonresidents taxation may, therefore, become overly complicated and result in data that are hardly comparable. As a result, the Taxation topic focuses only on companies that are tax residents of the jurisdiction that is being analyzed.

Application:

The parameter of the tax residency is relevant to all measures of the Taxation topic. In Pillar I, it defines the applicable rules and regulations, while in Pillar II the tax residency determines the specific processes, procedures, and services that the companies undergo. In Pillar III, this parameter is integral in setting the compliance requirements that in turn define the time and cost to complete the specific processes.

5.1.3 Sector and activity—Excluding mineral, extractive, and financial sectors

Justification:

Taxation of mineral, extractive, and financial sectors can differ from regular taxation in a number of ways. Mineral and extractive industries often involve complex contractual arrangements, such as production sharing agreements or joint venture arrangements, that can make taxation more complex. Companies in these sectors often operate across borders, which can rise complex international tax issues, such as transfer pricing and double tax treaty provisions. These issues may not be relevant for regular companies that operate only within a single jurisdiction. Additionally, the valuation of mineral and extractive resources can be difficult, requiring specialized knowledge and techniques. In the financial sector, the complexity of taxation arises from the fact that financial institutions engage in a wide variety of activities—including provision of loans, trading activities, investment banking, and wealth management—often across multiple jurisdictions. Furthermore, financial institutions are subject to extensive regulation, which can create additional complexity in the tax system. For example, some jurisdictions may offer tax incentives for certain types of financial activity, while others may impose additional taxes or reporting requirements. To allow comparability of the data, the Taxation topic therefore excludes matters that relate to taxation of mineral, extractive, and financial sectors.

Application:

The parameter of the sector is relevant to all three Pillars. The regulatory framework and public services for the mineral, extractive, and financial sectors are often different from those applicable to regular companies, and therefore including them would skew the data and make them less comparable. When it comes to efficiency, companies in mineral, extractive, and financial sectors often require specialized knowledge and resources to comply with taxation, which can be time-consuming and expensive. By excluding them, the Taxation topic can provide a more standardized approach to the efficiency of taxation, allowing for better comparability of data.

V. TOPIC SCORING

The Taxation topic has three pillars: Pillar I—Quality of Regulations on Taxation; Pillar II—Public Services Provided by the Tax Administration; and Pillar III—Efficiency of Tax Systems in Practice. The total points for each pillar are further rescaled to values from 0 to 100, and subsequently aggregated into the total topic score. Each pillar contributes one-third to the total topic score. The scores distinguish between benefits to the firm (captured as firm flexibility points) and benefits to society’s broader interests (captured as social benefits points). Table 31 shows the scoring for the Taxation topic. For further scoring details, please see Annex A, which complements this section.

Table 31. Aggregate scoring overview

Pillar number	Pillar	Number of indicators	Score			Rescaled score (0–100)	Weight
			Firm flexibility	Social benefits	Total score		
I	Quality of Regulations on Taxation	12	10	12	22	100	0.33
II	Public Services Provided by the Tax Administration	27	25	27	52	100	0.33
III	Efficiency of Tax Systems in Practice	8+3	100	n.a.	100	100	0.33

Note: n.a. = not applicable (refers to the cases when the impact on firms or society is either ambiguous or nonexistent).

4.2.1 Pillar I—Quality of Regulations on Taxation

Pillar I covers 12 indicators with a total score of 22 points (10 points on firm flexibility and 12 points on social benefits) (table 32). The scoring for each category under this pillar is as follows:

4.2.1.1 The *Clarity and Transparency of Tax Regulations* Category has 8 indicators with a total maximum score of 16 points (8 points on firm flexibility and 8 points on social benefits). Specifically, each of the four subcategories—*Clarity of Tax Regulations*, *Transparency of Changes in Tax Regulations*, *Simplified Record Keeping and Temporary Provisions*, and *Tax Registration and VAT Refund* — has 2 indicators. A regulatory framework that ensures transparency and clarity of tax regulations benefits both firms (firm flexibility) and society (social benefits). Hence, equal scores are assigned to both categories.

4.2.1.2 The *Environmental Taxes* Category has 4 indicators with a total maximum score of 6 points (2 points on firm flexibility and 4 on social benefits). Specifically, the *General Framework* Subcategory has 2 indicators, while the *Governance* Subcategory and *Transition Policy* Subcategories have 1 indicator each. A regulatory framework that promotes the governance of and the transition policies for environmental taxes benefits both the firm (firm flexibility) and the society (social benefits). Hence, equal scores are assigned to both categories. The general framework of environmental taxes, however, has an ambiguous effect on firms, and is therefore only scored on social benefits aspect.

Table 32. Scoring for Pillar I

Pillar I—Quality of Regulations on Taxation		No. of indicators	FFP	SBP	Total points	Rescaled points
1.1	Clarity and Transparency of Tax Regulations	8	8	8	16	72.73
1.1.1	Clarity of Tax Regulations	2	2	2	4	18.18
1.1.2	Transparency of Changes in Tax Regulations	2	2	2	4	18.18
1.1.3	Simplified Record Keeping and Temporary Provisions	2	2	2	4	18.18
1.1.4	Tax Registration and VAT Refund	2	2	2	4	18.18
1.2	Environmental Taxes	4	2	4	6	27.27
1.2.1	General Framework	2	0	2	2	9.09
1.2.2	Governance	1	1	1	2	9.09
1.2.3	Transition Policy	1	1	1	2	9.09
Total		12	10	12	22	100

Note: FFP = firm flexibility point; SBP = social benefits point.

4.2.2 Pillar II—Public Services Provided by the Tax Administration

Pillar II includes 27 indicators with a total score of 52 points (25 points on firm flexibility and 27 points on social benefits) (table 33). The scoring for each category under the pillar is as follows:

- 4.2.2.1** *The Digitization in Tax Administration* Category has 15 indicators with a total maximum score of 30 points (15 points on firm flexibility and 15 points on social benefits). Specifically, the *Services for Taxpayers (Filing and Payment)* Subcategory has 8 indicators; the *Sex-Disaggregated Data* Subcategory has 1 indicator; the *Taxpayer Database* Subcategory has 4 indicators; and the *Interoperability* Subcategory has 2 indicators. The digitization of tax administration benefits both firms (firm flexibility) and society (social benefits). Hence, equal scores are assigned to both categories.
- 4.2.2.2** *The Tax Audits* Category has 5 indicators with a total maximum score of 9 points (4 points on firm flexibility and 5 points on social benefits). Specifically, the *Risk-Based System* Subcategory has 2 indicators, and the *Types of Audits and Uniform Practices* has 3. Under the *Tax Audits* category, the score for the most part is allocated equally between firm flexibility and social benefits, except for the indicator on monitoring of taxpayer audits. Such monitoring does not directly affect firms and, thus, is scored on social benefits only.
- 4.2.2.3** *The Dispute Resolution Mechanisms* Category covers 4 indicators with a total maximum score of 8 points (4 points on firm flexibility and 4 on social benefits). Specifically, the *First-Level Review Mechanism* Subcategory has 2 indicators; and the *Second-Level Review Mechanism* Subcategory and the *Gender Equality during Tax Disputes* Subcategory have 1 indicator each. A regulatory framework that promotes tax dispute resolution benefits both firms (firm flexibility) and society (social benefits). Hence, equal scores are assigned to both categories.
- 4.2.2.4** *The Governance of Tax Authority* Category covers 3 indicators with a total maximum score of 5 points (2 points on firm flexibility and 3 points on social benefits). Specifically, each of the three subcategories—*Transparency*, *Public Accountability*, and the *Gender Composition of the Staff in Tax Administration*—has 1 indicator each. Under the *Governance of Tax Authority* category, the score for the most part is allocated equally between firm flexibility and social benefits, except for the indicator on the transparency where the impact on firms is ambiguous. It is therefore scored on social benefits only.

Table 33. Scoring for Pillar II

Pillar II—Public Services Provided by the Tax Administration		No. of indicators	FFP	SBP	Total points	Rescaled points
2.1	Digitization in Tax Administration	15	15	15	30	57.69
2.1.1	Services for Taxpayers (Filing and Payment)	8	8	8	16	30.77
2.1.2	Sex-Disaggregated Data	1	1	1	2	3.85
2.1.3	Taxpayer Database	4	4	4	8	15.38
2.1.4	Interoperability	2	2	2	4	7.69
2.2	Tax Audits	5	4	5	9	17.31
2.2.1	Risk-Based System	2	2	2	4	7.69
2.2.2	Types of Audits and Uniform Practices	3	2	3	5	9.62
2.3	Dispute Resolution Mechanisms	4	4	4	8	15.38
2.3.1	First-Level Review Mechanism	2	2	2	4	7.69
2.3.2	Second-Level Review Mechanism	1	1	1	2	3.85
2.3.3	Gender Equality during Tax Disputes	1	1	1	2	3.85
2.4	Governance of Tax Authority	3	2	3	5	9.61
2.4.1	Transparency	1	n.a.	1	1	1.92
2.4.2	Public Accountability	1	1	1	2	3.85
2.4.3	Gender Composition of the Staff in Tax Administration	1	1	1	2	3.85
Total		27	25	27	52	100

Note: n.a. = not applicable (refers to the cases when the impact on firms or society is either ambiguous or nonexistent). FFP = firm flexibility point; SBP = social benefits point.

4.2.3 Pillar III–Efficiency of Tax Systems in Practice

Pillar III has 8 indicators on the time to comply with tax regulations, with scores ranging from 0 to 100 on firm flexibility, and 3 indicators on the cost of taxation (table 34). The scores on indicators under this pillar are assigned to firm flexibility only, because the indicators measure the outcomes of firms’ compliance with taxation requirements. For example, spending significant amount of time to prepare, file, and pay corporate income tax, VAT/sales taxes, and social taxes and contributions have adverse impacts on firms, thus hampering firm flexibility.

Table 34. Scoring for Pillar III

Pillar III–Efficiency of Tax Systems in Practice		No. of indicators	Rescaled points
3.1	Time to Comply with Tax Regulations	8	50
3.1.1	Time of File and Pay Taxes	1	7.14
3.1.2	Use of Electronic Systems to File and Pay Taxes	2	7.14
3.1.3	Duration of Generic Tax Audit	1	7.14
3.1.4	Tax Dispute	1	7.14
3.1.5	Use of VAT Refund	1	7.14
3.1.6	Environmental Report	1	7.14
3.1.7	Environmental Audits	1	7.14
3.2	Cost of Taxation*	3	50
	Total	11	100

Note: FFP = firm flexibility point; SBP = social benefits points; VAT = value added tax.

* This preliminary scoring assumes that cost of taxation will be scored. If it is not, the category “Time to Comply with Tax Regulations” will be assigned 100 points.

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Annex A. Taxation–Scoring Sheet

This document outlines the scoring approach for the Taxation topic. For every indicator, a firm flexibility point (FFP) and/or a social benefit point (SBP) are assigned, along with a clarification on the detailed scoring for each such indicator and a note on the relevant background literature.

PILLAR I–QUALITY OF REGULATIONS ON TAXATION					
1.1 CLARITY AND TRANSPARENCY OF TAX REGULATIONS					
1.1.1 Clarity of Tax Regulations					
Indicators	FFP	SBP	Total points	Rescaled points	Background literature
Tax Guides and Their Delivery Channels	1	1	2	9.09	TADAT Secretariat (2019, POA 3-8).
Binding Rulings and Post-Compliance Procedures	1	1	2	9.09	Waerzeggers and Hiller (2016)
Total points for Subcategory 1.1.1	2	2	4	18.18	
1.1.2 Transparency of Changes in Tax Regulations					
Obtaining Feedback and Broad Public Consultation	1	1	2	9.09	TADAT Secretariat (2019, POA 3-11)
Practice on Preparing and Publishing Future Tax Plans	1	1	2	9.09	TADAT Secretariat (2019, POA 9-32)
Total points for Subcategory 1.1.2	2	2	4	18.18	
1.1.3 Simplified Record Keeping and Temporary Provisions					
Simplified Record Keeping and Filing	1	1	2	9.09	Kenny (2002)
Temporary Tax Reductions	1	1	2	9.09	Molloy, Mousmouti, and De Vrieze (2002)
Total points for Subcategory 1.1.3	2	2	4	18.18	
1.1.4 Tax Registration and VAT Refund					
Transparency in the Tax Registration Process	1	1	2	9.09	USAID (2013)
VAT Refund and Registration	1	1	2	9.09	Tadros (2009); World Bank (2007)
Total points for Subcategory 1.1.4	2	2	4	18.18	
Total points for Category 1.1	8	8	16	72.73	

1.2 ENVIRONMENTAL TAXES					
1.2.1 General Framework					
Presence of Environmental Fiscal Instruments	n.a.	1	1	4.55	EC (2021); OECD (2010)
Absence of Subsidy	n.a.	1	1	4.55	EC (2021)
Total points for Subcategory 1.2.1	0	2	2	9.09	
1.2.2 Governance					
Governance	1	1	2	9.09	Deffains, Langlais, and Masclet (2019); EC (2019)
Total points for Subcategory 1.2.2	1	1	2	9.09	
1.2.3 Transition Policy					
Transition Policy	1	1	2	9.09	EC (2021)
Total points for Subcategory 1.2.3	1	1	2	9.09	
Total points for Category 1.2	2	4	6	27.27	
Total points for Pillar I	10	12	22	100	

Note: n.a. = not applicable (refers to the cases when the impact on firms or society is either ambiguous or nonexistent). FFP = firm flexibility point; SBP = social benefits point.

PILLAR II—PUBLIC SERVICES PROVIDED BY THE TAX ADMINISTRATION

2.1 DIGITIZATION IN TAX ADMINISTRATION

2.1.1 Services for Taxpayers (Filing and Payment)

Indicators	FFP	SBP	Total points	Rescaled points	Background literature
Online Service Taxpayer Portal	1	1	2	3.85	TADAT Secretariat (2019)
Electronic Filing of CIT or Other Taxes on Profit	1	1	2	3.85	TADAT Secretariat (2019, POA 4-14)
Electronic Filing of VAT or Other Consumption Taxes	1	1	2	3.85	TADAT Secretariat (2019, POA 4-14)
Electronic Filing of Social Taxes and Contributions	1	1	2	3.85	TADAT Secretariat (2019, POA 4-14)
Pre-filled Declarations	1	1	2	3.85	TADAT Secretariat (2019, POA 3-10)
Electronic Payment of CIT or Other Taxes on Profit	1	1	2	3.85	TADAT Secretariat (2019, POA 5-15)
Electronic Payment of VAT or Other Consumption Taxes	1	1	2	3.85	TADAT Secretariat (2019, POA 5-15)
Electronic Payment of Social Taxes and Contributions	1	1	2	3.85	TADAT Secretariat (2019, POA 5-15)
Total points for Subcategory 2.1.1	8	8	16	30.77	
2.1.2 Sex-Disaggregated Data					
Availability of Sex-Disaggregated Data and Their Analysis	1	1	2	3.85	OECD (2022)
Total points for Subcategory 2.1.2	1	1	2	3.85	
2.1.3 Taxpayer Database					
Tax Registration Process	1	1	2	3.85	UNCITRAL (2019, Recommendation 14: A one-stop shop for business registration and registration with other authorities; Recommendation 10: Core functions of business registries).
Tax Registration Database	1	1	2	3.85	TADAT Secretariat (2019, POA 1-1)
Single Tax Identification Number	1	1	2	3.85	TADAT Secretariat (2019 P1-1); UNCITRAL (2019, Recommendation 14: A one-stop shop for business registration and registration with other authorities; Recommendation 15: Use of unique identifiers; Recommendation 16: Allocation of unique identifiers;

					Recommendation 17: Implementation of unique identifiers; Recommendation 18: Sharing of protected data between public authorities).
Tax Deregistration	1	1	2	3.85	Moore (2022)\
Total points for Subcategory 2.1.3	4	4	8	15.38	
2.1.4 Interoperability					
Information Cross-Checking on Tax Portal	1	1	2	3.85	TADAT Secretariat (2019, POA 6-20)
Data Cross-Checking to Verify Tax Declarations	1	1	2	3.85	TADAT Secretariat (2019, POA 6-20)
Total points for Subcategory 2.1.4	2	2	4	7.69	
Total points for Category 2.1	15	15	30	57.69	
2.2 TAX AUDITS					
2.2.1 Risk-Based System					
Existence of Annual National Tax Audit Plan	1	1	2	3.85	TADAT Secretariat (2019, POA6-19)
Risk-Based System	1	1	2	3.85	TADAT Secretariat (2019, POA6-19)
Total points for Subcategory 2.2.1	2	2	4	7.69	
2.2.2 Types of Audits and Uniform Practices					
Existence of Different Types of Audits	1	1	2	3.85	TADAT Secretariat (2019, POA6-19)
Uniform Practices in Tax Audits Administration	1	1	2	3.85	TADAT Secretariat (2019, POA6-19)
The Monitoring of Taxpayer Audits	n.a.	1	1	1.92	TADAT Secretariat (2019, POA6-19)
Total points for Subcategory 2.2.2	2	3	5	9.62	
Total points for Category 2.2	4	5	9	17.31	
2.3 DISPUTE RESOLUTION MECHANISMS					
2.3.1 First-Level Review Mechanism					
First-Level Review Mechanism	1	1	2	3.85	IMF (2013, 22); TADAT Secretariat (2019, chapter IX)
Eligible Taxpayers and Type of Disputes for the Independent Mechanism	1	1	2	3.85	IMF (2013, 22); TADAT Secretariat (2019, chapter IX)
Total points for Subcategory 2.3.1	2	2	4	7.69	

2.3.2 Second-Level Review Mechanism					
Second-Level Review Mechanism	1	1	2	3.85	TADAT Secretariat (2019, chapter IX)
Total points for Subcategory 2.3.2	1	1	2	3.85	
2.3.3 Gender Equality during Tax Disputes					
Gender Equality during Tax Disputes	1	1	2	3.85	OECD (2022)
Total points for Subcategory 2.3.3	1	1	2	3.85	
Total points for Category 2.3	4	4	8	15.38	
2.4 GOVERNANCE OF TAX AUTHORITY					
2.4.1 Transparency					
Transparency	n.a.	1	1	1.92	TADAT Secretariat (2019)
Total points for subcategory 2.4.1	0	1	1	1.92	
2.4.2 Public Accountability					
Public Accountability	1	1	2	3.85	TADAT Secretariat (2019)
Total points for Subcategory 2.4.2	1	1	2	3.85	
2.4.3 Gender Composition of the Staff in Tax Administration					
Gender Composition of the Staff in Tax Administration	1	1	2	3.85	OED (2020)
Total points for Subcategory 2.4.3	1	1	2	3.85	
Total points for Category 2.4	2	3	5	9.61	
Total points for Pillar II	25	27	52	100	

Note: n.a. = not applicable (refers to the cases when the impact on firms or society is either ambiguous or nonexistent). FFP = firm flexibility point; SBP = social benefits point.

PILLAR III—EFFICIENCY OF TAX SYSTEMS IN PRACTICE

3.1 TIME TO COMPLY WITH TAX REGULATIONS

3.1.1 Time to File and Pay Taxes

Indicators	FFP	SBP	Total points	Rescaled points	Background literature
Total Time for Preparation, Filing, Payment	14.29	n.a.	14.29	7.14	Braunerhjelm and Johan (2014)

3.1.2 Use of Electronic Systems to File and Pay Taxes

Percentage of Firms Filing Electronically	7.14	n.a.	7.14	3.57	Yilmaz and Coolidge (2013)
Percentage of Firms Paying Taxes Electronically	7.14	n.a.	7.14	3.57	Yilmaz and Coolidge (2013)

3.1.3 Duration of a Generic Tax Audit

Total Time Needed to Complete the Audit	14.29	n.a.	14.29	7.14	Eberhartinger et al. (2021); Kasper and Alm (2022); OECD (2004)
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3.1.4 Tax Dispute

Time to Review a Tax Dispute	14.29	n.a.	14.29	7.14	Fabbri (2010); Sanguinetti (2021)
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3.1.5 Use of a VAT Refund

Obtaining a VAT Refund in Practice	14.29	n.a.	14.29	7.14	Okello et al. (2021)
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3.1.6 Environmental Report

Time to Comply with the Environmental Reports	14.29	n.a.	14.29	7.14	Nguyen and Pham (2019); Wang, Du, and Su (2017)
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3.1.7 Environmental Audits

Time to Complete an Environmental Tax Audit	14.29	n.a.	14.29	7.14	EC (2021); OECD (2010)
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Total points for Category 3.1

100	n.a.	100	50
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3.2 COST OF TAXATION*

Effective Tax Rate (ETR) for Profit Taxes	33.33	n.a.	33.33	16.67	
Effective Tax Rate (ETR) for Employment Taxes and Social Contributions	33.33	n.a.	33.33	16.67	

Effective Tax Rate (ETR) for Consumption Taxes	33.33	n.a.	33.33	16.67	
Total points for Category 3.2	100	n.a.	100	50	
Total points for Pillar III	100	n.a.	100	100	

Note: n.a. = not applicable (refers to the cases when the impact on firms or society is either ambiguous or nonexistent). ETR = effective tax rate; FFP = firm flexibility point; SBP = social benefits point.

* This preliminary scoring assumes that cost of taxation will be scored. If it is not, the category “Time to Comply with Tax Regulations” will be assigned 100 points.

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Annex B. Taxation–Annotated Questionnaire

Annex B consists of a Glossary and Annotated Questionnaire for Taxation. The Annotated Questionnaire provides the mapping between each indicator and the corresponding question(s).

Glossary

Announcements/newsletters: News and information about tax policy developments.

Automatic tax deregistration: This process implies that the company registrar collects all relevant corporate information and sends it to the tax authority for deregistration. The tax authority deregisters the company based on that information and no additional interaction of the company is required.

Automatic tax registration: This process implies that the company registrar collects all relevant corporate information and communicates it to the tax authority. The tax authority registers the company based on that information and no additional interaction of the company is required.

Appeal level: The process of having a higher authority review a decision that has been made in a dispute. Appeal level review is typically used when one party in a dispute is dissatisfied with the outcome of the initial decision. The higher authority will review the case and make a new decision. This higher authority can be a higher court, an administrative agency, or an independent body.

Briefs/brochures/bulletins: Very short announcements about changes in the tax regulations.

Carbon taxes: Taxes levied on the carbon emissions to produce goods and services.

Corporate income-based taxes: Taxes levied on the company's profit or turnover. The most common type is the corporate income tax (CIT).

Complaint on a tax audit assessment: An objection raised by a taxpayer or their representative regarding the outcome of a tax audit conducted by a tax authority. The assessment may have resulted in the taxpayer being assessed additional tax or penalties, which they may believe is incorrect or unfair. The taxpayer may choose to make a formal complaint to challenge the assessment and seek a review of the decision.

Consumption-based taxes: Taxes typically levied on the purchase of goods or services and paid directly or indirectly by the consumer. For the purposes of this questionnaire, it does not include excise taxes and import duties. The most common consumption taxes are the value added tax (VAT)/goods and services tax (GST) and sales tax.

Emission trading (ETS): Form of carbon pricing; a mechanism to limit climate change by creating a market with limited allowances for emissions.

Energy taxes: Taxes that increase the price of energy. They can be applicable on fuels, energy generation, transmission, or consumption.

Electronic payment: A payment request submitted electronically through a computer or mobile devices that does not require any additional physical interactions (with a bank, tax authority, or any other party) to complete.

Electronic filing: The process of submitting tax returns via the internet through a computer or mobile devices that does not require any additional physical interactions (with a bank, tax authority, or any other party) to complete.

Employment-based taxes: Taxes (other than social contributions) paid by the employer and levied on the employee's salaries, wages, and all annual benefits including food, transport, and other nonmandatory contributions (such as medical insurance). This does not include any personal income taxes, or any taxes and contributions withheld from employees' salaries.

External stakeholders: Private sector, business organizations, trade and consumer organizations, tax advisors, environmental experts, and technical experts; and others, if applicable. It also includes consultation through the parliament's legislative council or a tax advisory body.

Factsheets: A short document that contains the most relevant information related to tax matters.

Feebates: Fees that are applicable on inefficient technology and rebates that are applicable on efficient technology. Feebates are used mainly on vehicle industry.

Feedback from taxpayer: Usually takes the form of periodic taxpayer perception surveys and is performed by independent third parties or by the tax administration itself.

First-level reviewing body: A public body with authority to review disputes or complaints between a taxpayer and a tax administration and render binding decisions upon them. This could be an internal department within a tax authority (for example, an independent complaint review mechanism), external body, court, or tribunal. The purpose of the first-level reviewing body is to provide a mechanism for taxpayers to challenge decisions that they believe are unfair, unjust, or in violation of their rights.

Fiscal instruments (carbon pricing): They include various types of taxes or charges that put a price on carbon or other greenhouse gases.

Fossil fuel subsidy: Subsidy on fossil fuel (for example, tax breaks on consumption, lower sales tax on natural gas for residential heating, tax breaks on exploration for oil).

General tax guidance: Advice provided by tax authorities regarding broad tax-related issues. It does not include any instructions on special assessment levied against a specific taxpayer. General tax guidance must be kept up to date, meaning that it is constantly reviewed and revised to reflect recent changes in tax laws and regulations.

Independent complaint review mechanism: A separate unit within a tax administration that is physically and organizationally independent of the audit department (that is, the unit located outside the tax audit department with a separate reporting line to senior management). If auditors who conducted the audit of the taxpayer or those from the same department undertake the administrative review, it cannot be considered an independent complaint review mechanism.

Internal Revenue Manuals: Guidelines produced for tax administration staff that contain detailed information on the policies and procedures that tax administration employees should follow when carrying out their duties related to tax administration and enforcement.

Internal tax guidance: Technical advice issued internally for tax administration staff to help them understand and apply tax laws and regulations. Internal tax guidance is used to ensure consistency in the interpretation and application of tax laws across different tax offices or units.

Legislative act: Legal instruments that have been passed by a legislative body and have a general binding force in your jurisdiction, irrespective of whether they have a federal, state, or municipal character. These can take various forms, such as codes, laws, statutes, regulations, ordinances, and decrees.

Practice notes: Notes indicating how tax procedures should be handled.

Private binding rulings: Binding statements written by the tax authority in response to specific requests from taxpayers seeking clarification of how tax law would apply in relation to a proposed or completed transaction.

Public binding rulings: Published statements describing how a tax authority will apply the tax code in particular situations. These public rulings are binding on the tax authority.

Pre-filled income tax declaration: Preparation or pre-filing of an income tax declaration by the tax administration using information gathered from third parties such as employers and financial institutions. In their most advanced form, pre-filled declarations (also referred to as pre-populated declarations) eliminate nearly all of the effort required of taxpayers, mainly employees and investors, to prepare their annual income tax declaration.

Quality of tax audits: Degree to which tax authority's documented review and evaluation of taxpayer's financial records and tax returns is thorough, accurate, and effective in identifying any noncompliance with tax laws and regulations.

Regulatory instruments (carbon pricing): Various measures introduced by governments to restrict or limit the production of greenhouse gases or consumption of goods that lead to the emission of greenhouse gases.

Revenue Procedure: Official statements that provide internal guidance on complying with procedural matters within a tax administration.

Sex-disaggregated data on taxpayers: Taxpayer information disaggregated by sex of the owner(s).

Short-term tax policy help: Provisions enacted for a short period of time (less than 2 years) and resulting from reasoned tax policy: that is, provisions that are tailored to remedy pressing and immediate concerns.

Social contributions: Mandatory contributions paid by the employer to the general government that entitles employees to receive a (contingent) future social benefit. Such contributions include unemployment insurance benefits and supplements, accident, injury, and sickness benefits, old-age, disability, and survivors' pensions, family allowances, reimbursements for medical and hospital expenses, or provision of the hospital or medical services. This does not include contributions withheld from employees' salaries.

Tax audit plan: Detailed outline of the tax administrations' plans and procedures used in conducting an audit. It usually includes information on the audit coverage of taxes and taxpayer segments, selection of audit cases, audit types, and methodology.

Tax guides: Typically provide detailed information on tax laws, regulations, and procedures, as well as practical advice and examples on how to comply with tax requirements and optimize tax outcomes. These do not have binding force.

Tax notice: Letter from tax authority that alerts a taxpayer about an issue with their account or tax return.

Taxpayer online service portal: Electronic gateway, using secure authentication, through which taxpayers and their authorized agents gain online access to information, services, and functions. Typically, taxpayer portals allow taxpayers and their agents to (a) update bank account and contact details (such as address and telephone number); (b) view, prepare, and file tax declarations; (c) view statements of account and payment options, request refunds, and transfer money between tax accounts; and (d) communicate with the tax administration via a secure mailbox.

Taxpayer types: As defined by domestic legislation.

Technical Advice memorandums: Written statements issued for tax administration staff in relation to the specific circumstances of a specific taxpayer.

Temporary tax cuts: Legislative changes that are terminated automatically after a fixed period unless explicitly extended by law. These changes reduce the tax payable amount such as tax rate reduction, tax credit, additional tax deductions, additional tax depreciation, temporary exemption from taxes, penalties, and interest, and so on.

Unified taxpayer database: A centralized system that stores and manages taxpayer information and records in an organized and standardized manner. Such a database consolidates information from different tax agencies, such as income tax, sales tax, and property tax, into a single platform.

Unified Identification Number (UIN): A unique identifier assigned by a government agency or regulatory body to a taxpayer to facilitate tracking and management of their affairs. The UIN may be used as part of a Unified Business Identifier (UBI) that goes beyond taxation, such as incorporating business registration, licensing, and other regulatory requirements. The UIN/UBI system streamlines administrative processes and eliminates the need for multiple identification numbers across different regulatory regimes.

VAT or other consumption-based tax registration threshold: Typically takes the form of minimum accumulated turnover and is used to determine mandatory VAT registration.

VAT refund: Reimbursement made to a taxpayer for any excess amount paid in VAT to the tax authority. It does not include the carry-forward of VAT.

Questionnaire

The tables that follow present all indicators (including their components, if applicable) under each pillar, with a reference to the corresponding question number in parenthesis. The questions are listed before each table for ease of reference.

For Y/N questions, the Y response accounts for the score and is considered as the good practice, unless otherwise indicated with the sign “N → good practice”.

In the tables that follow, “AND” means all referenced questions must have a good practice response to obtain a score on the indicator.

In the tables that follow, “OR” means one or more referenced questions must have a good practice response to obtain a score on the indicator.

Certain questions are marked as “not scored,” which indicates that they do not affect the score in any way. The purpose of these questions is to further inform and refine the questions design for subsequent years of the pilot, as needed, as well as to substantiate and provide further information for the scored questions.

Most indicators of the Taxation topic questionnaire are composite, wherein a score of 1 point is divided between several questions. For example, an indicator ‘Tax Guides and Their Delivery Channels’ has a score of 1 on both firm flexibility (FFP) and social benefits (SBP) and has four components: (1) “Availability of General Tax Guides” 0.25 points; (2) “Means to Obtain General Tax Guides” 0.25 points; (3) “Availability of Internal Tax Guides” 0.25 points; (4) “Means to Obtain Internal Tax Guides” 0.25 points.

PILLAR I–QUALITY OF REGULATIONS ON TAXATION	
Parameters	
Largest city	The largest (most populous) city in the economy. Geographical location determines the tax regulatory framework applicable to firms. For Pillar I, if tax regulations differ across locations within an economy, the experts will be asked to provide information regarding regulations of the largest city.
Tax residency	Tax residency determines whether firms are resident/registered for tax purposes under the domestic laws of the economy. Experts will be asked to provide information on the regulations that affect firms with tax residency in the assessed economy.
Sector and activity	No specific industry is determined. Firms can be of any sector and/or industry excluding mineral, extractive and financial sector.

1.1 CLARITY AND TRANSPARENCY OF TAX REGULATIONS

1.1.1 Clarity of Tax Regulations

- Please select up-to-date general tax guidance that is publicly available to the taxpayer. Please select all applicable options: (Y/N)**
 - Announcements/newsletters
 - Briefs/brochures/bulletins
 - Tax guides
 - Practice notes

- 1e. Tax notice
 - 1f. Factsheets
 - 1g. Other (if Yes, please clarify)
- 2. Please indicate in what format is the information on general tax guidance made publicly available. Please select all applicable options: (Y/N)**
- 2a. Website
 - 2b. Telephone
 - 2c. Email
 - 2d. Mobile communications
 - 2e. In-person requests
 - 2f. Public education seminars
 - 2g. Other (if Yes, please clarify)
- 3. Please select all types of internal tax guidance that are publicly available to taxpayers. Please select all applicable options: (Y/N)**
- 3a. Revenue Procedure
 - 3b. Internal Revenue Manuals
 - 3c. Technical Advice memorandums
 - 3d. Other (if Yes, please clarify)
- 4. Please indicate in what format the information on internal tax guidance is made publicly available. Please select all applicable options: (Y/N)**
- 4a. Website
 - 4b. Telephone
 - 4c. Email
 - 4d. Mobile communications
 - 4e. Face-to-face requests
 - 4f. Public education seminars
 - 4g. Other (if Yes, please clarify)
- 5. Does the tax administration in [Economy] issue private binding rulings? (Y/N)**
- 6. If Yes to question 5, are private binding rulings published online? This includes publication of the edited version of the rulings, without any personal or identifying private information to protect the privacy of the applicant. (Y/N)**
- 7. Does the tax administration in [Economy] issue public binding rulings? (Y/N)**
- 8. Is the tax dispute resolution process codified in the single legislative act that has uniform application across all core taxes? (Y/N)**
- 9. Is the tax audit procedure codified in the single legislative act that has uniform application across all core taxes? (Y/N)**
- 10. According to the legal framework, do women have the same rights as men in tax-related disputes? (Y/N)**

1.1.2 Transparency of Changes in Tax Regulations

- 11. Does the tax administration in [Economy] obtain feedback from taxpayers in order to design new administrative procedures for the preparation, filing, and payment of taxes? (Y/N)**
- 12. If Yes to question 11, how frequently is the feedback requested?**
12a. Regularly (routine and systematic use of taxpayer focus groups)
12b. On an ad hoc basis (unplanned, infrequent use of taxpayer focus groups)
- 13. If Yes to question 11, are the feedback results publicly available? (Y/N)**
- 14. If Yes to question 13, in what form are the feedback results publicly available?**
14a. Online
14b. In hard copies
14c. Both
- 15. Does the tax administration in [Economy] undertake broad public consultations with external stakeholders prior to the introduction of the new tax reforms?**
15a. Yes, always
15b. No
15c. Yes, but not always
- 16. Does the tax administration in [Economy] prepare and make publicly available future plans including, for example, a multi-year strategic (or reform) plan and annual operational plans? (Y/N)**
- 17. If Yes, please indicate in what form the future plans are made publicly available:**
17a. Online
17b. In hard copies
17c. Both
- 18. If Yes to question 16, are the future plans published fully or partially?**
18a. Fully
18b. Partially
- 19. If Yes to question 16, when are the future plans published?**
19a. In advance of the period covered by the plans
19b. In up to 3 months after the commencement of the period covered by the plans
19c. In more than 3 months after the commencement of the period covered by the plans

1.1.3 Simplified Record Keeping and Temporary Provisions

- 20. Please select the types of taxpayers that are required by law to keep their records for tax purposes other than the financial accounts that businesses normally maintain (i.e., other than balance sheets, profit and loss accounts, cash flow statements, invoices receipts, asset records, etc.). Please select all applicable options: (Y/N) (not scored)**
20a. Large companies
20b. Medium companies
20c. Small companies

- 21. [For each item selected in question 20] Does the law allow [21.1: large companies / 21.2: medium companies / 21.3: small businesses] to keep tax records online?**
21a. Yes
21b. Partially
21c. No
- 22. Can small companies make use of simplified record-keeping methods, such as single-entry bookkeeping? (Y/N)**
- 23. If Yes to question 22, please clarify what types of simplified record-keeping options are available. (not scored)**
- 24. Can small companies make use of simplified reporting, such as reduced filing frequency, elimination of filing requirements, and pre-filled income tax declarations? (Y/N)**
- 25. If Yes to question 24, please clarify what types of simplified reporting options are available. Please select all applicable options: (not scored)**
25a. Reduced filing frequency
25b. Elimination of filing requirements
25c. Pre-filled income tax declarations
25d. Simplified tax return
25e. Other (if Yes, please clarify)
- 26. [If CIT exists] Did any temporary tax cuts in corporate income taxes become effective between May 2, 2022, and May 1, 2023? (Y/N; N – good practice)**
- 27. If Yes to question 26, what reason, if any, was given by the government for introducing the temporary tax cuts. Please select all applicable options:**
27a. Due to natural disasters or emergencies
27b. To give short-term tax policy help
27c. Other (if Yes, please clarify)
- 28. [If consumption-based taxes exist] Did any temporary tax cuts in VAT or other consumption-based taxes become effective between May 2, 2022, and May 1, 2023? (Y/N; N – good practice)**
- 29. If Yes to question 28, what reason, if any, was given by the government for introducing the temporary tax cuts:**
29a. Due to natural disasters or emergencies
29b. To give short-term tax policy help
29c. Other

1.1.4 Tax Registration and VAT Refund

- 30. [If consumption-based taxes exist] Does the legal framework provide VAT or other consumption-based tax registration thresholds? (Y/N)**
- 31. If Yes to question 30, does the legal framework allow voluntary VAT or other consumption-based tax registration for businesses that are below the threshold? (Y/N)**
- 32. [If consumption-based taxes exist] Is the VAT refund mechanism available? (Y/N)**

33. If Yes to question 32, what VAT refund restrictions apply? Please select all applicable options.

(Y/N; N – good practice)

33a. Specific types of taxpayers

33b. Specific conditions (e.g., only exporters, the company must be less than 2 years old, etc.)

33c. Specific goods or services provided

33d. Requirement to carry forward for a set period before being able to claim the refund

33e. Other (if Yes, please clarify)

34. Please indicate if the information on general tax registration is accessible through the below-listed means of communication. Please select all applicable options: (Y/N)

34a. Website

34b. Telephone

34c. At the information board in the tax authority

34d. Email

34e. Mobile communication

34f. In-person requests

34g. Public education seminars

34h. Social media

34i. Other (if Yes, please clarify)

35. Does the legislation define all registration fees for all types of taxes that exist in <Economy>? (Y/N)

36. Does the legislation define the timeline for all types of tax registration? (Y/N)

37. Is it mandatory by law for taxpayers to notify the tax administration of changes to registration details? (Y/N)

38. If Yes to question 37, is there a fixed penalty regime for failure to comply with the requirements to notify the tax administration of changes to registration details? (Y/N)

1.1 CLARITY AND TRANSPARENCY OF TAX REGULATIONS			
1.1.1 Clarity of Tax Regulations			
Indicators	FFP	SBP	Total points
Tax Guides and Their Delivery Channels	1	1	2
- Availability of general tax guides (1)	0.25	0.25	0.50
- Means to obtain general tax guides (2)	0.25	0.25	0.50
- Availability of internal tax guides (3)	0.25	0.25	0.50
- Means to obtain internal tax guides (4)	0.25	0.25	0.50
<i>In each question, a score is assigned if 3 or more options are selected, not including "Other"</i>			
Binding Rulings and Post-Compliance Procedures	1	1	2
- Availability and publishing of private binding rulings (5 AND 6)	0.20	0.20	0.40
- Availability of public binding rulings (7)	0.20	0.20	0.40
- Dispute resolution process codified in a single legislative act (8)	0.20	0.20	0.40
- Tax audit procedures codified in a single legislative act (9)	0.20	0.20	0.40
- Women have same rights as men on tax-related disputes (10)	0.20	0.20	0.40
Total points	2	2	4

1.1.2 Transparency of Changes in Tax Regulations			
Indicators	FFP	SBP	Total points
Obtaining Feedback and Broad Public Consultations	1	1	2
- Tax administration requests feedback from taxpayers (11)	0.20	0.20	0.40
- Feedback is requested regularly (12a)	0.10	0.10	0.20
- Results are disclosed to the public (13)	0.10	0.10	0.20
- Results are published online (14a OR 14c)	0.10	0.10	0.20
- Public consultations are held (15a)	0.50	0.50	1
Practice on Preparing and Publishing Future Tax Plans	1	1	2
- Preparation of future tax plan (16)	0.25	0.25	0.50
- Online publication on future tax plan (17a OR 17c)	0.25	0.25	0.50
- Full publication of future tax plan (18a)	0.25	0.25	0.50
- Publication of future tax plan in advance of implementation (19a)	0.25	0.25	0.50
OR	OR	OR	OR
Publication in up to 3 months after the commencement (19b)	0.125	1.125	0.25
Total points	2	2	4
1.1.3 Simplified Record Keeping and Temporary Provisions			
Indicators	FFP	SBP	Total points
Simplified Record Keeping and Filing	1	1	2
- Availability of digital record keeping for large businesses (21.1a)	0.20	0.20	0.40
- Availability of digital record keeping for medium businesses (21.2a)	0.20	0.20	0.40
- Availability of digital record keeping for small businesses (21.3a)	0.20	0.20	0.40
- Availability of simplified record keeping for small businesses (22)	0.20	0.20	0.40
- Availability of simplified filing for small businesses (24)	0.20	0.20	0.40
Temporary Tax Reductions	1	1	2
- Temporary reduction in CIT due to disaster or policy reform (26 OR 27c)	0.50	0.50	1
- Temporary reduction in VAT due to disaster or policy reform (28 OR 29c)	0.50	0.50	1
Total points	2	2	4
1.1.4 Tax Registration and VAT Refund			
Indicators	FFP	SBP	Total points
Transparency in the Tax Registration Process	1	1	2
- Availability of information on general tax registration (34) <i>A score is assigned if 3 or more options are selected in 34, not including "Other"</i>	0.25	0.25	0.50
- Clarity of fees (35)	0.25	0.25	0.50
- Clarity of timeline (36)	0.25	0.25	0.50
- Mandatory notification of changes to registration details and penalty for failure to comply (37 AND 38)	0.25	0.25	0.50
VAT Refund and Registration	1	1	2
- Existence of a VAT registration threshold (30)	0.25	0.25	0.50
- Availability of voluntary VAT registration (31)	0.25	0.25	0.50
- Availability of VAT cash refund (32)	0.25	0.25	0.50
- Restriction on VAT cash refund (33a AND 33b AND 33c AND 33d)	0.25	0.25	0.50
Total points	2	2	4

Note: FFP = firm flexibility point; SBP = social benefits points; VAT = value added tax.

1.2 ENVIRONMENTAL TAXES

1.2.1 General Framework

- 39. Has a fiscal and/or regulatory instrument that puts a price on carbon/other greenhouse gas at a national or state level (excluding municipal levels), been adopted in [Economy]? (Y/N) *(not scored)***
- 40. If Yes, please specify the type of fiscal or regulatory instrument which is in place: (Y/N)**
- 40a. Carbon taxes
 - 40b. Energy taxes
 - 40c. Emission Trading Systems (ETS)
 - 40d. Feebates (fees + rebates)
 - 40e. Fossil fuel subsidy
 - 40f. Other (if Yes, please clarify)
- 41. [For each item selected in question 40] Please provide the legal basis for the applicable instruments. *(not scored)***
- 42. [For each item selected in question 40] Please provide the name of the government unit which is responsible for administering the fiscal instruments that apply in [Economy] (if several agencies are involved, please specify): *(not scored)***
- 43. [For each item selected in question 40] Are business entities required to produce environmental reports for the applicable instrument? (Y/N) *(not scored)***
- 44. [For each item selected in question 40] Does the law establish a mechanism to inform businesses that the tax rate/price for environmental instrument may change over time?**
- 44a. Yes, predetermined trajectory with pre-established changes in the tax rate or automatic adjustment mechanisms (e.g., based on emissions triggers) are included in the law
 - 44b. Yes, rates automatically increase only to match inflation, alongside ad hoc mechanisms (e.g., periodic reviews)
 - 44c. Yes, other mechanisms
 - 44d. No

1.2.2 Governance

- 45. If Yes to any instrument selected in question 40, In general, does the government conduct extensive public consultations with external stakeholders before introducing environmental fiscal instruments?**
- 45a. Yes, always
 - 45b. Yes, but not always
 - 45c. No
- 46. If Yes to question 45, are the process and the results of the consultations publicly available?**
- 46a. Yes, both the process and results
 - 46b. Only the process
 - 46c. Only the results
 - 46d. No
- 47. If Yes to question 46, please indicate in what form the results of the consultations are made publicly available:**

- 47a. Online
- 47b. In hard copies
- 47c. Both

1.2.3 Transition Policy

48. Does the government in [Economy] communicate the transition periods for implementing new carbon taxes/energy taxes to the public? (Y/N)
49. If Yes to question 48, please indicate in what form the information on the transition periods for implementing new carbon taxes/energy taxes are communicated to the public:
- 50a. Online
 - 50b. In hard copies
 - 50c. Both
50. If Yes to question 39, is there a risk-based system that directs audit coverage towards areas of emission levels? (Y/N)
51. If fossil fuel subsidy reforms as per question 40 are in place, has an explicit fossil fuel subsidy, that is applied to the sale price to the end consumer, been adopted in your economy? (Y/N; N – good practice)

1.2 ENVIRONMENTAL TAXES			
1.2.1 General Framework			
Indicators	FFP	SBP	Total points
Presence of Environmental Fiscal Instruments (40a OR 40b OR 40c OR 40d OR 40e)	0	1	1
Absence of Subsidy (51)	0	1	1
Total points	0	2	2
1.2.2 Governance			
Indicators	FFP	SBP	Total points
Governance	1	1	2
- Public consultation prior to the introduction of environmental taxes (45a)	0.20	0.20	0.40
- Publication of the results of public consultations (46a)	0.20	0.20	0.40
- Online publication of the public consultations results (47a OR 47c)	0.10	0.10	0.20
- Risk-based system for environmental inspections (50)	0.50	0.50	1
Total points	1	1	2
1.2.3 Transition Policy			
Indicators	FFP	SBP	Total points
Transition Policy	1	1	2
- Adjustment mechanisms (44a)	0.50	0.50	1
- Communication of the transition period (48)	0.40	0.40	0.80
- Online publication of the information on the transition periods (49a AND 49c)	0.10	0.10	0.20
Total points	1	1	2

Note: FFP = firm flexibility point; SBP = social benefits points.

PILLAR II—PUBLIC SERVICES PROVIDED BY TAX ADMINISTRATION

Parameters	
Largest city	The largest (most populous city) in the economy. Geographical location determines the tax regulatory framework applicable to firms. For Pillar II, if public services provided by the tax administration differ across locations within an economy, the experts will be asked to provide information regarding public services of the largest city.
Tax residency	Tax residency determines whether firms are resident/registered for tax purposes under the domestic laws of the economy. Experts will be asked to provide information on public services for firms with tax residency in the assessed economy.
Sector and activity	No specific industry is determined. Firms can be of any sector and/or industry excluding mineral, extractive and financial sector.

2.1 DIGITIZATION IN TAX ADMINISTRATION

2.1.1 Services for Taxpayers (Filing and Payment)

52. Does a taxpayer online service portal exist? (Y/N)

53. If Yes to question 52, do taxpayers use the online service portal in practice? (Y/N)

54. If Yes to question 53, in practice, what percentage of taxpayers use the online service portal? (*not scored*)

54a. More than 50%

54b. Less than 50%

55. If Yes to question 52, please select the electronic self-service tools available to taxpayers on the portal. Please select all applicable options: (Y/N)

55a. Chatbot

55b. E-forum

55c. E-learning

55d. Other (if Yes, please clarify)

56. [If CIT exist] Is an electronic filing arrangement on a tax portal available for corporate income-based taxes (CIT or other profit-based taxes)? Please select all applicable options. (Y/N)

56a. Large companies

56b. Medium companies

56c. Small companies

57. [If consumption-based taxes exist] Is an electronic filing arrangement on a tax portal available for VAT or other consumption taxes? Please select all applicable options. (Y/N)

57a. Large companies

57b. Medium companies

57c. Small companies

58. [If social security contributions and employment-based taxes exist] Is an electronic filing arrangement on a tax portal available for social security contributions and employment-based taxes? Please select all applicable options. (Y/N)

58a. Large companies

- 58b. Medium companies
- 58c. Small companies

59. [If CIT exists] Are pre-filled electronic declarations available for the corporate income-based taxes? Please select all applicable options. (Y/N)

- 59a. Large companies
- 59b. Medium companies
- 59c. Small companies

60. [If consumption-based taxes exist] Are pre-filled electronic declarations available for VAT or other consumption-based taxes? Please select all applicable options. (Y/N)

- 60a. Large companies
- 60b. Medium companies
- 60c. Small companies

61. [If social security contributions and employment-based taxes exist] Are pre-filled electronic declarations available for social security contributions and employment-based taxes? Please select all applicable options. (Y/N)

- 61a. Large companies
- 61b. Medium companies
- 61c. Small companies

62. [If CIT exists] Is an electronic payment arrangement on a tax portal available for corporate income-based taxes? Please select all applicable options. (Y/N)

- 62a. Large companies
- 62b. Medium companies
- 62c. Small companies

63. [If consumption-based taxes exist] Is an electronic payment arrangement on a tax portal available for VAT or other consumption-based taxes? Please select all applicable options. (Y/N)

- 63a. Large companies
- 63b. Medium companies
- 63c. Small companies

64. [If social security contributions and employment-based taxes exist] Is an electronic payment arrangement on a tax portal available for social security contributions and employment-based taxes? Please select all applicable options. (Y/N)

- 64a. Large companies
- 64b. Medium companies
- 64c. Small companies

2.1.2 Sex-Disaggregated Data

65. Are the sex-disaggregated data on taxpayers available to the tax authority? (Y/N)

66. If Yes to question 65, does the tax authority conduct sex-disaggregated analysis of taxpayer information? (Y/N)

67. If Yes to question 66, are the findings of sex-disaggregated analysis made publicly available? (Y/N)

2.1.3 Taxpayer Database

- 68. In practice, are newly incorporated companies registered for tax purposes automatically/without additional interaction of the company?**
68a. Yes
68b. No
68c. Other
- 69. If No to question 68, in practice, can tax registration be done fully online?**
69a. Yes
69b. No
69c. Other
- 70. [If CIT are administered on several levels] If No to question 68, in practice, is registration with all levels of administration done jointly/in a single process? (Y/N)**
- 71. [If CIT are administered on one level] Is there a unified taxpayer database? (Y/N)**
- 72. [If CIT are administered on several levels] Is there a unified taxpayer database on each level of tax administration? (Y/N)**
- 73. [If CIT are administered on one level] Is the taxpayer database computerized or paper-based?**
73a. Computerized
73b. Paper-based
- 74. [If CIT are administered on several levels] Is the taxpayer database computerized or paper-based?**
74a. Computerized
74b. Paper-based
74c. Mixed, depending on the level of administration
- 75. Does the taxpayer database have full national coverage? (Y/N)**
- 76. Does the tax authority use the unified identification number for all of a company's taxes? (Y/N)**
- 77. If No to question 76, what tax identification numbers do the registered companies have? (Y/N)**
77a. [If CIT exist] Separate identification numbers for corporate income-based taxes
77b. [If consumption-based taxes exist] Separate identification number for VAT or other consumption-based taxes
77c. Separate identification numbers for other taxes
- 78. In practice, is tax deregistration performed automatically/without additional interaction of the company when the company is removed from the business registry?**
78a. Yes
78b. No
78c. Other
- 79. If No to question 78, in practice, can tax deregistration be done fully online?**
79a. Yes
79b. No
79c. Other

80. [If CIT are administered on several levels] In practice, is deregistration with all levels of tax administration done jointly/in a single process? (Y/N)

81. In practice, does the tax authority or another public agency (for example, the company registry) archive all the company records after deregistration so that they can be retrieved in the future? (Y/N)

2.1.4 Interoperability

82. In practice, is information reported by taxpayers crosschecked against third-party information sources (for example, databases of other agencies, publicly available information, etc.) (Y/N)

83. If Yes to question 82, please indicate whether or not the information is cross-checked from each of the following sources. Please select all applicable options: (Y/N)

82a. Tax declarations

82b. Banks/financial institutions

82c. Employers (for purposes of crosschecking reported employment income)

82d. Government agencies (e.g., the national tax administration; customs; public procurement agencies; registrar of companies; anti-money laundering regulator; immovable property registrars)

82e. Stock exchanges and/or shareholder registries of listed companies

82f. Social security agency or agencies (for purposes of crosschecking reported employment income)

82g. Online (internet-based) vendors

82h. Other jurisdictions exchanging information including other subnational governments (e.g., foreign account tax compliance act, double taxation agreements)

82i. Other (if Yes, please clarify)

2.1 DIGITIZATION IN TAX ADMINISTRATION			
2.1.1 Services for Taxpayers (Filing and Payment)			
Indicators	FFP	SBP	Total points
Online Service Taxpayer Portal	1	1	2
- Availability of a taxpayer online service portal (52)	0.33	0.33	0.66
- The use of a taxpayer online service portal (53)	0.33	0.33	0.66
- Self-service tools available to taxpayers on the portal: chatbot (55a)	0.11	0.11	0.22
- Self-service tools available to taxpayers on the portal: e-forum (55b)	0.11	0.11	0.22
- Self-service tools available to taxpayers on the portal: e-learning (55c)	0.11	0.11	0.22
Electronic Filing of CIT or Other Taxes on Profit	1	1	2
- Large firms can file online (56a)	0.33	0.33	0.66
- Medium firms can file online (56b)	0.33	0.33	0.66
- Small firms can file online (56c)	0.33	0.33	0.66
Electronic Filing of VAT or Other Consumption Taxes	1	1	2
- Large firms can file online (57a)	0.33	0.33	0.66
- Medium firms can file online (57b)	0.33	0.33	0.66
- Small firms can file online (57c)	0.33	0.33	0.66
Electronic Filing of Social Taxes and Contributions	1	1	2
- Large firms can file online (58a)	0.33	0.33	0.66
- Medium firms can file online (58b)	0.33	0.33	0.66
- Small firms can file online (58c)	0.33	0.33	0.66

Pre-filled Declarations	1	1	2
- Pre-filled declarations for large firms: corporate income-based taxes (59a)	0.11	0.11	0.22
- Pre-filled declarations for large firms: VAT and other consumption taxes (60a)	0.11	0.11	0.22
- Pre-filled declarations for large firms: social security contributions and employment-based taxes (61a)	0.11	0.11	0.22
- Pre-filled declarations for medium firms: corporate income-based taxes (59b)	0.11	0.11	0.22
- Pre-filled declarations for medium firms: VAT and other consumption taxes (60b)	0.11	0.11	0.22
- Pre-filled declarations for medium firms: social security contributions and employment-based taxes (61b)	0.11	0.11	0.22
- Pre-filled declarations for small firms: corporate income-based taxes (59c)	0.11	0.11	0.22
- Pre-filled declarations for small firms: VAT and other consumption taxes (60c)	0.11	0.11	0.22
- Pre-filled declarations for small firms: social security contributions and employment-based taxes (61c)	0.11	0.11	0.22
Electronic Payment of CIT or Other Taxes on Profit	1	1	2
- Large firms can pay online (62a)	0.33	0.33	0.66
- Medium firms can pay online (62b)	0.33	0.33	0.66
- Small firms can pay online (62c)	0.33	0.33	0.66
Electronic Payment of VAT or Other Consumption Taxes	1	1	2
- Large firms can pay online (63a)	0.33	0.33	0.66
- Medium firms can pay online (63b)	0.33	0.33	0.66
- Small firms can pay online (63c)	0.33	0.33	0.66
Electronic Payment of Social Taxes and Contributions	1	1	2
- Large firms can pay online (64a)	0.33	0.33	0.66
- Medium firms can pay online (64b)	0.33	0.33	0.66
- Small firms can pay online (64c)	0.33	0.33	0.66
Total points	8	8	16
2.1.2 Sex-Disaggregated Data			
Indicators	FFP	SBP	Total points
Availability of Sex-Disaggregated Data and Their Analysis	1	1	2
- Availability of sex-disaggregated data (65)	0.33	0.33	0.66
- Tax authority conduct sex-disaggregated analysis (66)	0.33	0.33	0.66
- Publication of findings of the analysis (67)	0.33	0.33	0.66
Total points	1	1	2
2.1.3 Taxpayer Database			
Indicators	FFP	SBP	Total points
Tax Registration Process	1	1	2
- Fully automated (68a)	1	1	2
OR	OR	OR	OR
- Fully online (69a)	0.5	0.5	1
OR	OR	OR	OR
- Done jointly for all levels of tax administration (70)–(this only applies for economies with multiple levels of tax administration)	0.25	0.25	0.5
Tax Registration Database	1	1	2
- Unified taxpayer database (71 OR 72)	0.33	0.33	0.66
- Computerized taxpayer database (73a OR 74a)	0.33	0.33	0.66
- Database with full national coverage (75)	0.33	0.33	0.66

Single Tax Identification Number - Single tax identification number for all company's taxes (76) OR Separate tax identification number for company's taxes other than corporate income-based taxes and VAT/other consumption-based taxes (77c)	1 1 OR 0.5	1 1 OR 0.5	2 2 OR 1
Tax Deregistration - Fully automated (78a) OR Fully online (79a) OR Done jointly for all levels of tax administration (80) (this only applies for economies with multiple levels of tax administration) - Records archiving after deregistration (81)	1 0.50 OR 0.25 OR 0.125 0.50	1 0.50 OR 0.25 OR 0.125 0.50	2 1 OR 0.5 OR 0.25 1
Total points	4	4	8
2.1.4 Interoperability			
Indicators	FFP	SBP	Total points
Information Cross-Checking on Tax Portal (82)	1	1	2
Data Cross-Checking to Verify Tax Declarations (83) - Information is cross-checked with all sources (83a AND 83b AND 83c AND 83d AND 83e AND 83f AND 83g AND 83h) OR Information is cross-checked with tax declarations, banks/financial institutions, employers, and 3+ government agencies (83a AND 83b AND 83c AND 83d) OR Information is cross-checked with tax declarations, employers, and two government institutions (83a AND 83b AND at least two of 83d, 83e, 83f, 83h)	1 1 OR 0.75 OR 0.5	1 1 OR 0.75 OR 0.5	2 2 OR 1.5 OR 1
Total points	2	2	4

Note: CIT = corporate-based income tax; FFP = firm flexibility point; SBP = social benefits points. VAT = value added tax.

2.2 TAX AUDITS

2.2.1 Risk-Based System

84. Does the tax administration have an annual national (covering the whole economy) tax audit plan, which is accessible to all taxpayers? (Y/N)

85. If Yes to question 84, please indicate whether the annual national tax audit plan covers each of the following taxes: (Y/N)

85a. [If CIT exists] Corporate income-based taxes

85b. [If VAT exists] VAT or other consumption-based taxes

85c. [If labor taxes and contributions exist] Social security contributions and employment-based taxes

86. In practice, is there a risk-based system that orients audit coverage towards areas of the highest risk segments (e.g., large taxpayers and high-wealth individuals and economic sectors)? (Y/N)

87. If Yes to question 86, what features does the risk-based system use to identify high-risk businesses? Please select all applicable options: (not scored)

- 87a. Large taxpayers
- 87b. High-wealth individuals
- 87c. Economic sectors
- 87d. Other (if Yes, please clarify)

88. In practice, is there a risk-based system that selects audit cases centrally and on the basis of assessed risks? (Y/N)

2.2.2 Types of Audits and Uniform Practices

89. Please select all types of audits that exist in [Economy]. (Y/N)

- 89a. Comprehensive (multiple tax and multiple years) audits
- 89b. Single-issue audits
- 89c. Inspections of books and records
- 89d. [If VAT exists] Examination of VAT refund claims
- 89e. In-depth investigations of suspected tax fraud
- 89f. Other (if Yes, please clarify)

90. Are tax audit manuals and guidelines publicly available? (Y/N)

91. Are there publicly available reports presenting information on the quality of the tax audits? (Y/N)

92. If Yes to question 91, please indicate in what form the information on the quality of tax audits are made publicly available:

- 92a. Online
- 92b. In hard copies
- 92c. Both

2.2 TAX AUDITS			
2.2.1 Risk-Based System			
Indicators	FFP	SBP	Total points
Existence of Annual National Tax Audit Plan	1	1	2
- The tax administration produces annual national tax audit plan (84)	0.50	0.50	1
- The audit plan covers all of the following taxes: CIT, consumption taxes and social taxes and contributions (85a AND 85b AND 85c)	0.50	0.50	1
Risk-Based System	1	1	2
- The risk-based system orients audit coverage towards areas of highest risk (86)	0.50	0.50	1
- There is a risk-based system which selects audit cases centrally and on the basis of assessed risks (88)	0.50	0.50	1
Total points	2	2	4
2.2.2 Types of Audits and Uniform Practices			
Indicators	FFP	SBP	Total points
Existence of Different Types of Audits	1	1	2
- Existence of comprehensive (multiple tax and multiple year) audits (89a)	0.20	0.20	0.40
- Existence of single-issue audits (89b)	0.20	0.20	0.40
- Existence of inspections of books and records (89c)	0.20	0.20	0.40
- Existence of examination of VAT refund claims (89d)	0.20	0.20	0.40

- Existence of in-depth investigations of suspected tax fraud (89e)	0.20	0.20	0.40
Uniform Practices in Tax Audits Administration (90)	1	1	2
The Monitoring of Taxpayer Audits	0	1	1
- Publication of information on the quality of the tax administration's audits (91)	0	0.5	0.5
- Publication of the information is accessible online (92a OR 92c)	0	0.5	0.5
Total points	2	3	5

Note: CIT = corporate-based income tax; FFP = firm flexibility point; SBP = social benefits points; VAT = value added tax.

2.3 DISPUTE RESOLUTION MECHANISM

2.3.1 First-Level Review Mechanism

93. In practice, can a taxpayer appeal a tax audit assessment to an independent complaint review mechanism? Please answer “Yes” only if this mechanism is available within a tax administration. For example, this could be a separate unit or designated review officer within a tax administration that acts independently from the tax administration’s audit department. (Y/N)

94. If No to question 93, in practice, what body would conduct a review of complaints on a tax audit assessment in the majority of cases?

94a. Internal dispute resolution review body within a tax administration, which is not independent (i.e., same body conducts the audit and the review)

94b. External review by an independent external specialist review board or committee.

94c. Tax tribunal, tax court, or a specialized tax chamber within a regular court

94d. First instance court of general jurisdiction or administrative court

94e. Other

95. Please provide the name of the body that you have selected and provide the legal basis. (not scored)

96. If Yes to question 93, in practice, what types of disputes does the independent complaint review mechanism within a tax administration review? Please select all applicable options: (Y/N)

96a. The accuracy of the facts relied upon by the auditor.

96b. The correctness of the interpretation of the tax law.

96c. The value of penalties imposed by the tax administration.

96d. Other (if Yes, please clarify)

97. If Yes to question 93, in practice, is the independent complaint review mechanism within a tax administration available to all taxpayers? (Y/N)

98. If No to question 97, please explain what types of taxpayers can submit in practice a complaint on a tax audit assessment to the independent complaint review mechanism within a tax administration. (not scored)

2.3.2 Second-Level Review Mechanism

99. In practice, if the [independent complaint review mechanism/answer selected in question 94] does not review a complaint on a tax audit assessment within a reasonable period of time or by the legal deadline, is it possible for a taxpayer to escalate a dispute directly to the next stage (appeal level)? (Y/N)

100. Please provide the legal basis and specify the timeframe. *(not scored)*

101. In practice, what body provides the first avenue of appeal for a taxpayer dissatisfied with the decision of the [independent complaint review mechanism/answer selected in 94]? If multiple options exist, please select the one that will be used in most cases.

101a. A review board or committee within tax administration (i.e., head of tax administration)

101b. An independent external specialist, review board or committee.

101c. Tax tribunal, tax court or a court with a specialized tax chamber in charge

101d. Court of general jurisdiction. Please clarify

101e. Other

102. Please provide the name of the body that you have selected and provide the legal basis. *(not scored)*

2.3.3 Gender Equality during Tax Disputes

103. In practice, do women have the same rights as men in tax-related disputes? (Y/N)

104. If not, please explain how women's rights are restricted. *(not scored)*

2.3 DISPUTE RESOLUTION MECHANISM			
2.3.1 First-Level Review Mechanism			
Indicators	FFP	SBP	Total points
First-Level Review Mechanism	1	1	2
- Independent review unit within a tax administration (93)	1	1	2
OR	OR	OR	OR
Independent external specialist tax tribunal, review board or committee, or tax court (94b OR 94c)	0.5	0.5	1
Eligible Taxpayers and Type of Disputes for the Independent Mechanism	1	1	2
- All three types of disputes can be reviewed (96a AND 96b AND 96c)	0.50	0.50	1
OR	OR	OR	OR
Two types of disputes can be reviewed (any 2 of 96a OR 96b OR 96c)	0.3	0.3	0.6
OR	OR	OR	OR
One type of disputes can be reviewed (96a OR 96b OR 96c)	0.2	0.2	0.4
- Availability of an independent complaint mechanism to all taxpayers (97)	0.50	0.50	1
Total points	2	2	4
2.3.2 Second-Level Review Mechanism			
Indicators	FFP	SBP	Total points
Second-Level Review Mechanism	1	1	2
- Escalation of disputes to the next level (99)	0.50	0.50	1
- Graduate complaint mechanism (101b OR 101c)	0.50	0.50	1
Total points	1	1	2

2.3.3 Gender Equality during Tax Disputes			
Indicators	FFP	SBP	Total points
Gender Equality during Tax Disputes (103)	1	1	2
Total points	1	1	2

Note: FFP = firm flexibility point; SBP = social benefits points.

2.4 GOVERNANCE OF TAX AUTHORITY

2.4.1 Transparency

105. Are there publicly available annual performance reports outlining the financial and operational performance of the tax administration for the last fiscal year? (Y/N)

106. Please indicate in what form the annual performance reports are made publicly available:

- 106a. Online
- 106b. In hard copies
- 106c. Both

107. If Yes to question 105, please select if any of the following information is included in the annual report(s): (not scored)

- 107a. Annual performance statement
- 107b. Revenue performance
- 107c. Management and accountability
- 107d. Financial statements

108. Does an independent external review body (e.g., a government auditor or independent entity appointed in line with the economy's laws and regulations) perform periodical audits of the tax administration's financial statements and operational performance?

- 108a. Yes, for financial statements
- 108b. Yes, for the operational statement
- 108c. Yes, for both
- 108d. No

109. If Yes to question 108, are the findings and recommendations of the external review body publicly reported? (Y/N)

110. If Yes to question 109, please indicate in what form the findings and recommendations of the external review body are made publicly available:

- 110a. Online
- 110b. In hard copies
- 110c. Both

2.4.2 Public Accountability

111. Does the tax administration in [Economy] obtain feedback from taxpayers to monitor trends in taxpayers' perceptions of tax administration services and products? (Y/N)

112. If Yes to question 111, in practice, how frequently is feedback requested?

- 112a. At least once every 3 years (routine and systematic request of feedback)

112b. At least once every 5 years (routine and systematic request of feedback)

112c. On an ad hoc basis (unplanned and infrequent request of feedback)

113. If Yes to question 111, are the results of the feedback on the taxpayers' perceptions of tax administration services and products publicly available? (Y/N)

114. If Yes to question 113, please indicate in what form the results of the feedback are made publicly available:

114a. Online

114b. In hard copies

114c. Both

115. Does the tax administration have a code of ethics and professional conduct, where its values, principles, and requirements are guided by or closely aligned to national or international ethics and integrity legislation/regulations of equivalent? (Y/N)

116. Do independent and impartial investigative bodies exist to safeguard the community in their dealings with the tax administration? Please select all applicable options. (Y/N)

116a. A tax ombudsman or equivalent authority (e.g., taxpayer advocate) investigates unresolved complaints from taxpayers about the service and treatment they have received from the tax administration.

116b. An anti-corruption agency oversees tax administration anti-corruption policies and investigates alleged corrupt conduct of tax officials.

116c. Other (if Yes, please clarify)

2.4.3 Gender Composition of the Staff in Tax Administration

117. Is the information on the gender composition of the staff within the tax authority made publicly available? (Y/N)

118. If Yes to question 117, what percentage of the total staff positions are held by women within the tax authority? (not scored)

119. Is the information on the gender composition of the senior executives within the tax authority made publicly available? (Y/N)

45. If Yes to question 119, what percentage of the senior executive positions are held by women within the tax authority? (not scored)

2.4 GOVERNANCE OF TAX AUTHORITY			
2.4.1 Transparency			
Indicators	FFP	SBP	Total points
Transparency	0	1	1
- Publication of an annual report (105)	0	0.10	0.10
- Online publication of an annual report (106a OR 106c)	0	0.10	0.10
- Scope of an annual report (107)	0	0.10	0.10
- Audits on the performance of a tax administration (108c)	0	0.40	0.40
- Publication of findings of an external review body (109)	0	0.20	0.20
	0	0.10	0.10

- Online publication of findings of an external review body (110a OR 110c)			
Total points	0	1	1
2.4.2 Public Accountability			
Indicators	FFP	SBP	Total points
Public Accountability	1	1	2
- Taxpayer's perceptions surveys (111)	0.10	0.10	0.20
- Regular performance of taxpayer's perception surveys at least once every 3 years (112a) OR Regular performance of taxpayer's perception surveys at least once every 5 years (112b)	0.10 OR 0.05	0.10 OR 0.05	0.20 OR 0.10
- Publication of the results of the feedback (113)	0.10	0.10	0.20
- Online publication of the results of the feedback (114a OR 114c)	0.10	0.10	0.20
- Availability of the code of ethics (115)	0.20	0.20	0.40
- Presence of two independent and impartial investigative bodies (116a AND 116b) OR Presence of one independent and impartial investigative body (116a OR 116b)	0.40 OR 0.20	0.40 OR 0.20	0.80 OR 0.40
Total points	1	1	2
2.4.3 Gender Composition of the Staff in Tax Administration			
Indicators	FFP	SBP	Total points
Gender Composition of the Staff in Tax Administration	1	1	2
- Public availability of gender composition of the staff (117)	0.50	0.50	1
- Public availability of gender composition of the senior executives (119)	0.50	0.50	1
Total points	1	1	2

Note: CIT = corporate-based income tax; FFP = firm flexibility point; SBP = social benefits points. VAT = value added tax.

PILLAR III—EFFICIENCY OF TAX SYSTEM IN PRACTICE

The data for Pillar III on the Efficiency of tax system in practice are collected through firm-level surveys, using the following questions:

121. Total time for preparation, filing, payment: What was the total annual number of hours required for the preparation, filing, and payment of all taxes (profit taxes, labor taxes, VAT, GST, or sales taxes) for this establishment in fiscal year [Insert last complete fiscal year]?

122. Total time for preparation, filing, payment: What was the average number of hours per month required for the preparation, filing, and payment of all taxes (profit taxes, labor taxes, VAT, GST, or sales taxes) for this establishment in fiscal year [Insert last complete fiscal year]?

123. Percentage of firms filing electronically: In fiscal year [Insert last complete fiscal year], did this establishment file its taxes electronically?

124. Percentage of firms paying taxes electronically: In fiscal year [Insert last complete fiscal year], did this establishment pay its taxes electronically?

125. Total time needed to complete the audit: How many weeks did it take between the first interaction with the auditors and when the final audit report was received?

126. Obtaining a VAT refund in practice: In the last three years, has this establishment applied for a VAT cash refund? (*not scored*)

127. Obtaining a VAT refund in practice: If No to question 126, what was the main reason this establishment did not apply for a VAT cash refund?

127a. VAT cash refunds take too long to receive

127b. The application for a VAT cash refund is too complicated

127c. The establishment did not need to apply for a VAT cash refund

128. Obtaining a VAT refund in practice: If Yes to question 126, in reference to the most recent VAT cash refund, how many weeks did it take from when the establishment submitted its application until the refund was received?

129. Effective tax rate (ETR) for profit taxes: For fiscal year [Insert last complete fiscal year] as a share of total annual gross profits, what was the cost of annual income-based taxes? Please exclude any tax credits or deductions.

Note: If taxes have not yet been paid, please include the expected tax payments.

130. Effective tax rate (ETR) for employment taxes and social contributions: From this establishment's Income Statement for fiscal year [Insert last complete fiscal year], please provide the following information:

130.1. Total annual cost of labor including wages, salaries, bonuses, social security payments

130.2. Of which total annual costs of social security payments and employment-based taxes, excluding employee taxes that were withheld

131. Effective tax rate (ETR) for consumption taxes: For fiscal year [Insert last complete fiscal year] as a share of total sales, what was the cost of all consumption taxes? Please exclude any amounts that were (or are expected to be) refunded or credited.

Note: If taxes have not yet been paid, please include the expected tax payments.

Alternative scenario: In case the data collection on time to comply with tax regulations through firm-level surveys is not feasible, such data are collected through expert consultations using the following parameters and questions:

Parameters	
Largest city	The largest (most populous) city in the economy. Geographical location determines the tax regulatory framework applicable to firms. For Pilar III, if efficiency of tax system in practice differs across locations within an economy, the experts will be asked to provide information regarding public services of the largest city.
Tax residency	Tax residency determines whether firms are resident/registered for tax purposes under the domestic laws of the economy. Experts will be asked to provide information regarding firms that are tax residents of the assessed economy.

Sector and activity	No specific industry is determined. Firms can be of any sector and/or industry excluding mineral, extractive and financial sector.
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132. In practice, how long does it usually take for the [independent complaint review mechanism / answer selected in question 96] to review a complaint on tax audit assessment, from the time it is filed until a decision is made? Please note that the time in question shall not include the time for tax review or tax audit.

133. [For each item selected in question 40] If Yes to question 43, in practice, how much time per year (in business hours) does it take, approximately, to comply with the environmental report(s)?

134. [For each item selected in question 40] In practice, how long does it take to complete an environmental tax audit, in weeks? Please let us know the approximate time, from the moment the audit starts until the final report is issued.

3.1 TIME TO COMPLY WITH TAX REGULATIONS			
3.1.1 Time to File and Pay Taxes			
Indicators	FFP	SBP	Total points
Total Time for Preparation, Filing, Payment (121 OR 122)	100 (14%)	n.a.	100 (14%)
3.1.2 Use of Electronic Systems to File and Pay Taxes			
Indicators	FFP	SBP	Total points
Percentage of Firms Filing Electronically (123)	100 (7%)	n.a.	100 (7%)
Percentage of Firms Paying Taxes Electronically (124)	100 (7%)	n.a.	100 (7%)
3.1.3 Duration of a Generic Tax Audit			
Indicators	FFP	SBP	Total points
Total Time Needed to Complete the Audit (125)	100 (14%)	n.a.	100 (14%)
3.1.4 Tax Dispute			
Indicators	FFP	SBP	Total points
Time to Review a Tax Dispute (132)	100 (14%)	n.a.	100 (14%)
3.1.5 Use of VAT Refund			
Indicators	FFP	SBP	Total points
Obtaining a VAT Refund in Practice (127c OR 128)	100 (14%)	n.a.	100 (14%)
3.1.6 Environmental Report			
Indicators	FFP	SBP	Total points
Time to Comply with the Environmental Reports (133)	100 (14%)	n.a.	100 (14%)
3.1.7 Environmental Audits			
Indicators	FFP	SBP	Total points
Time to complete an environmental tax audit (134)	100 (14%)	n.a.	100 (14%)
Total points	100	n.a.	100
3.2 COST OF TAXATION*			
Indicators	FFP	SBP	Total points

Effective Tax Rate (ETR) for Profit Taxes (129)	100 (33%)	n.a.	100 (33%)
Effective Tax Rate (ETR) for Employment Taxes and Social Contributions (130.1 AND 130.2)	100 (33%)	n.a.	100 (33%)
Effective Tax Rate (ETR) for Consumption Taxes (131)	100 (33%)	n.a.	100 (33%)
Total points	100	n.a.	100

Note: n.a. = not applicable (refers to the cases when the impact on firms or society is either ambiguous or nonexistent).
 ETR = effective tax rate; FFP = firm flexibility point; SBP = social benefits points. VAT = value added tax.
 * This preliminary scoring assumes that cost of taxation will be scored. If it is not, category “Time to Comply with Tax Regulations” will be assigned 100 points.

CHAPTER 9. DISPUTE RESOLUTION

METHODOLOGY NOTE

I. MOTIVATION

In developed and developing economies alike, commercial disputes inevitably occur. Adverse economic outcomes for the private sector, ranging from reduced entrepreneurial activity and lower investment to macroeconomic volatility, can arise when these disputes cannot be adequately resolved.¹ This makes a well-functioning dispute resolution system essential for a healthy business environment. Such a system requires efficiency and quality.

Having time- and cost-effective mechanisms for resolving disputes is critical because excessively long and expensive proceedings may defeat the very purpose of bringing a case to official institutions, making formal dispute resolution unattractive and unaffordable. In fact, correlations have been established between judicial efficiency and facilitated entrepreneurial activity.² Evidence also suggests that under a more effective court system businesses are likely to have greater access to finance and borrow more.³ In addition, expeditious judiciaries are associated with higher levels of domestic and foreign investment.⁴ When investors know that in case of nonperformance of an obligation their claim will be considered in a timely manner, they may have more incentives to increase investment.⁵ Also, enhancing the efficiency of the judiciary may strengthen competition and foster innovation.⁶

The quality of the dispute resolution process also matters. Claims should be considered with due care by credible institutions capable of issuing sound judgments. In economies with low confidence in court systems, firms are less willing to expand their businesses and look for alternative trade partners.⁷ To attract more investors, economies should ensure not only judiciaries' effectiveness but also their strength and reliability.⁸ Limited enforceability of contracts is associated with the suboptimal distribution of resources, the use of inefficient technologies, and greater macroeconomic volatility.⁹ Because poor commercial dispute resolution might deprive firms of timely and full payments, liquidity and insolvency issues can follow, as can subsequent bankruptcies and unemployment.¹⁰

Efficient and quality dispute resolution systems require a clear and up-to-date regulatory framework and enhanced public services.¹¹ Robust laws and regulations are vital because they lay the foundation for resolving disputes in a timely and legitimate manner.¹² Well-designed regulatory frameworks must be put into effect through a sound public services system.¹³ Key elements of such a system include advanced institutional frameworks, digitalization, transparency, and services related to alternative dispute resolution (ADR).¹⁴ In light of this, the Dispute Resolution topic focuses on the regulatory framework and public services, as well as the efficiency with which these are applied in practice.

II. INDICATORS

The Dispute Resolution topic measures the efficiency and quality of the resolution of commercial disputes—those arising in the business context between firms—across three different dimensions, referred to as pillars. The first pillar assesses the adequacy of legislation pertaining to both court processes and alternative dispute resolution, covering *de jure* features that are necessary for the efficient processing of cases, facilitated resolution of cross-border claims, creating alternative venues for settling disputes, and ensuring trust in relevant institutions. The second pillar measures the robustness of the institutional framework, degree of digitalization, extent of transparency, and development of ADR-related services, thus assessing the *de facto* provision of public services. The third pillar measures the reliability of dispute resolution, the time and cost required to resolve a dispute, as well as the time and cost associated with the

recognition and enforcement of decisions. Each pillar is divided into categories—defined by common features that inform the grouping into a particular category—and each category is further divided into subcategories. Generally, each subcategory consists of several indicators, which, in turn, consist of one or several components. Relevant points are assigned to each indicator and subsequently aggregated to obtain the number of points for each subcategory, category, and pillar. Table 1 includes a summary of all three pillars mentioned above along with their respective categories.

Table 1. Summary table of all three Pillars for the Dispute Resolution topic

Pillar I—Regulatory Framework for Dispute Resolution (31 indicators)	
1.1	Court Litigation (16 indicators)
1.1.1	Time Standards (2 indicators)
1.1.2	Procedural Certainty (5 indicators)
1.1.3	Judicial Integrity (4 indicators)
1.1.4	Foreign Judgments (2 indicators)
1.1.5	Gender Equality and Environmental Sustainability (3 indicators)
1.2	Alternative Dispute Resolution (ADR) (15 indicators)
1.2.1	Acceptance of Arbitration (3 indicators)
1.2.2	Key Elements of Arbitration (4 indicators)
1.2.3	Investor-State Arbitration (2 indicators)
1.2.4	Recognition and Enforcement of Arbitral Awards (2 indicators)
1.2.5	Mediation (4 indicators)
Pillar II—Public Services for Dispute Resolution (30 indicators)	
2.1	Institutional framework (6 indicators)
2.1.1	Streamlined Courts (3 indicators)
2.1.2	Special Complaint Mechanisms (3 indicators)
2.2	Digitalization (7 indicators)
2.2.1	Electronic Filing and Service (3 indicators)
2.2.2	Digital Proceedings (4 indicators)
2.3	Transparency (8 indicators)
2.3.1	Openness of Courts (5 indicators)
2.3.2	Production of Key Statistics (3 indicators)
2.4	ADR-Related Services (9 indicators)
2.4.1	Arbitration (4 indicators)
2.4.2	Mediation (5 indicators)
Pillar III—Ease of Resolving a Commercial Dispute in Practice (13 indicators)	
3.1	Reliability of Dispute Resolution (3 indicators)
3.1.1	Reliability of Courts (1 indicator)
3.1.2	Reliability of ADR (2 indicators)
3.2	Time and Cost to Resolve a Dispute (4 indicators)
3.2.1	Time and Cost for Court Litigation (2 indicators)
3.2.2	Time and Cost for Arbitration (2 indicators)
3.3	Recognition and Enforcement (6 indicators)
3.3.1	Foreign Decisions (4 indicators)
3.3.2	Final Domestic Judgments (2 indicators)

1. PILLAR I. REGULATORY FRAMEWORK: REGULATORY FRAMEWORK FOR DISPUTE RESOLUTION

Table 2 shows the structure for Pillar I, the Regulatory Framework for Dispute Resolution. Each of this pillar’s categories and subcategories will be discussed in more detail in the order shown in the table.

Table 2. Pillar I—Regulatory Framework for Dispute Resolution

1.1	Court Litigation
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1.1.1	Time Standards
1.1.2	Procedural Certainty
1.1.3	Judicial Integrity
1.1.4	Foreign Judgments
1.1.5	Gender Equality and Environmental Sustainability
1.2	Alternative Dispute Resolution (ADR)
1.2.1	Acceptance of Arbitration
1.2.2	Key elements of Arbitration
1.2.3	Investor-State Arbitration
1.2.4	Recognition and Enforcement of Arbitral Awards
1.2.5	Mediation

1.1 Court Litigation

Category 1.1 has five subcategories consisting of several indicators, each of which may, in turn, consist of several components.

1.1.1 Time Standards

In commercial dispute resolution, time standards help ensure clarity and predictability. The importance of general time standards lies in the fact that they provide interested parties with an understanding of approximately how much time a dispute resolution process may take.¹⁵ Time standards for specific key processes may address some of the most common inefficiencies in litigation, such as the ones related to granting an interim measure or preparing an expert opinion.¹⁶ Acknowledging that the existence in laws and regulations of time standards should assist rather than constrain the judge in administering cases, the Dispute Resolution topic focuses solely on the most important ones, whose utility is widely supported in research and practice. Therefore, Subcategory 1.1.1–Time Standards has two indicators (table 3).

Table 3. Subcategory 1.1.1–Time Standards

	Indicators	Components
1	General Time Standards	i) First instance litigation ii) Appeal review iii) Enforcing a final judgment
2	Specific Time Standards	i) Serving a complaint on the defendant ii) Filing a statement of defense iii) Deciding on a request for an interim measure iv) Issuing an expert opinion v) Submitting a judgment

1.1.2 Procedural Certainty

Increasing procedural certainty in dispute resolution tends to facilitate the conduct of proceedings and prevent deadlocks. For example, specifying a time limit in litigation, after which no new evidence can be submitted, is likely to speed up consideration of cases.¹⁷ Another important procedural safeguard is to provide for the maximum number of adjournments that the judge can grant.¹⁸ Crucially, holding a pre-trial conference is equally associated with procedural certainty.¹⁹ The dispute resolution process may be further streamlined when the judge has powers to issue a default judgment in case a duly notified defendant fails to respond to a court summons or to appear in court.²⁰ As to enforcement proceedings, they can be facilitated by providing enforcement agents with explicit powers to seize more classes of assets, such as the debtor's monetary claims toward a third party, financial instruments, or electronic assets (such as cryptocurrency).²¹ Therefore, Subcategory 1.1.2–Procedural Certainty has five indicators (table 4).

Table 4. Subcategory 1.1.2–Procedural Certainty

	Indicators	Components
1	Time Limit on Suggesting new evidence	Time limit on suggesting new evidence

2	Maximum Number of Adjournments	Maximum number of adjournments
3	Holding a Pre-Trial Conference	Holding a pre-trial conference
4	Availability of a Default Judgment	Availability of a default judgment
5	Powers of Enforcement Agents to Seize Extra Types of Assets	<ul style="list-style-type: none"> i) Powers of enforcement agents to seize the debtor’s monetary claims toward a third party ii) Powers of enforcement agents to seize the debtor’s financial instruments, such as bonds and stocks iii) Powers of enforcement agents to seize the debtor’s electronic assets (such as cryptocurrency)

1.1.3 Judicial Integrity

Judicial integrity is key to ensure public trust in the dispute resolution system. Businesses may avoid courts overall if they perceive them as unreliable, biased, or corrupt. Incorporating good practices that strengthen the independence and impartiality of judges into the law is essential for judicial integrity. For example, clear rules on the recusal of judges should be established, and litigants should be allowed to call into question judges’ independence and impartiality.²² An important tool that enhances the accountability of judges is requiring them to disclose their assets.²³ Further, codified targeted instruments—such as the code of ethics for judges or the code of ethics for enforcement agents—also help uphold integrity.²⁴ Therefore, Subcategory 1.1.3–Judicial Integrity has four indicators (table 5).

Table 5. Subcategory 1.1.3–Judicial Integrity

	Indicators	Components
1	Independence and Impartiality of Judges	<ul style="list-style-type: none"> i) Rules on the recusal of judges ii) Parties’ right to call into question judges’ independence and impartiality
2	Disclosure of Assets by Judges	Disclosure of assets by judges
3	Code of Ethics for Judges	Code of ethics for judges
4	Code of Ethics for Enforcement Agents	Code of ethics for enforcement agents

1.1.4 Foreign Judgments

To facilitate international dispute resolution, it is important to lay down clear and streamlined rules on the process of recognition and enforcement of foreign judgments. Such rules allow for enforcing foreign judgments even in the absence of reciprocal agreements between a country where a judgment was issued and a country where a debtor is located. They also eliminate the requirement for the legalization of foreign judgments and do not require the provision of securities from a foreign judgment creditor.²⁵ To advance recognition and enforcement of foreign judgments, it is equally important to ensure that a requested court is not allowed to review them on the merits.²⁶ Therefore, Subcategory 1.1.4–Foreign Judgments has two indicators (table 6).

Table 6. Subcategory 1.1.4–Foreign Judgments

	Indicators	Components
1	Absence of Restrictions in Recognition and Enforcement of Foreign Judgments	<ul style="list-style-type: none"> i) Recognition and enforcement of foreign judgments irrespective of reciprocal agreements ii) Not requiring legalization of foreign judgments iii) Not requiring a security from a foreign judgment creditor
2	Grounds for Denying Recognition and Enforcement of Foreign Judgments	Grounds for denying recognition and enforcement of foreign judgments

1.1.5 Gender Equality and Environmental Sustainability

Courts matter not only for businesses, but also for society as a whole. In this vein, commercial dispute resolution may strengthen the inclusiveness of the private sector. For example, by abolishing restrictions on women to become judges or to participate in proceedings on equal footing with men, economies worldwide can enrich their dispute resolution processes, improve access to justice, and foster entrepreneurial activity.²⁷

Effective and reliable dispute resolution can also contribute to environmentally sustainable development. Crafting specific rules tailored to firms' environmental lawsuits helps guarantee a healthy ecosystem for all, including the private sector. Such rules make it easier to file a lawsuit against a polluting firm,²⁸ as well as facilitate the collection of evidence and imposition of additional remedies in environmental disputes.²⁹ Therefore, Subcategory 1.1.5–Gender Equality and Environmental Sustainability has three indicators (table 7).

Table 7. Subcategory 1.1.5–Gender Equality and Environmental Sustainability

	Indicators	Components
1	Gender Equality	i) No restrictions for a woman to become a judge, arbitrator, or mediator ii) Equal rights for men and women in commercial litigation
2	Commencement of an Environmental Dispute	i) Expanded legal standing in environmental disputes ii) Holding polluting firms accountable for environmental damage caused abroad
3	Evidence and Remedies in Environmental Disputes	i) Collection and public release of information on the environmental impact of firms ii) Expanded range of remedies in environmental disputes

1.2 Alternative Dispute Resolution (ADR)

Category 1.2 has five subcategories consisting of several indicators, each of which may, in turn, consist of several components.

1.2.1 Acceptance of Arbitration

To benefit fully from arbitration, consideration should be given to lifting restrictions that limit its use. One group of such restrictions concerns the subject-matter of disputes, which is why it is important to ensure that different types of business-related cases—in particular, those that pertain to immovable property, corporate affairs, and intellectual property rights—can be submitted to arbitration.³⁰ Another category of restrictions involves the nature or position of a specific person. For example, the law may bar state-owned enterprises and public bodies from using arbitration to resolve commercial disputes.³¹ Other restrictions may set constraints on parties' autonomy: that is, on what they can select in arbitration (arbitrators, arbitral institution, legal counsel, and so on).³² Therefore, Subcategory 1.2.1–Acceptance of Arbitration has three indicators (table 8).

Table 8. Subcategory 1.2.1–Acceptance of Arbitration

	Indicators	Components
1	Arbitrability of Different Types of Business-Related Disputes	i) Arbitrability of immovable property disputes ii) Arbitrability of corporate disputes iii) Arbitrability of intellectual property disputes
2	Arbitration in Disputes with State-owned Enterprises and Public Bodies	Arbitration in disputes with state-owned enterprises and public bodies
3	Parties' Autonomy in Arbitration	i) Selection of arbitrators ii) Selection of an arbitral institution or ad hoc arbitration iii) Selection of a legal counsel

1.2.2 Key Elements of Arbitration

Arbitration is more effective and reliable when the legal framework guarantees its key elements. As in other types of dispute resolution, safeguards of independence and impartiality are of paramount importance in arbitration. Specifically, these include incorporating rules on disclosure of conflict of interest by arbitrators and parties' right to call into question arbitrators' independence and impartiality.³³ Another key element of a robust regulatory framework on arbitration is the recognition of the "*kompetenz-kompetenz*" principle, which empowers an arbitral tribunal to rule on the question of whether it has jurisdiction before the intervention of domestic courts.³⁴ Considering that the judiciary performs the primary role in a dispute resolution system, the importance of court support for arbitration proceedings can hardly be overestimated. In particular, courts may render such support by assisting arbitral tribunals with interim measures and facilitating the collection of evidence.³⁵ Moreover, the attractiveness of arbitration can be further enhanced if the legislation does not provide for the possibility of appeal, unless both parties have consented to it.³⁶ Therefore, Subcategory 1.2.2–Key Elements of Arbitration has four indicators (table 9).

Table 9. Subcategory 1.2.2–Key Elements of Arbitration

	Indicators	Components
1	Independence and impartiality of arbitrators	i) Disclosure of conflict of interest by arbitrators ii) Parties' right to call into question arbitrators' independence and impartiality
2	Incorporation of the Principle " <i>Kompetenz-Kompetenz</i> "	Incorporation of the principle " <i>kompetenz-kompetenz</i> "
3	Court Support of Arbitration	i) Support by courts in ordering interim measures in arbitration ii) Support by courts in the collection of evidence in arbitration
4	Absence of Appeal in Arbitration	Absence of appeal in arbitration

1.2.3 Investor-State arbitration

Investor-state arbitration is not the most common type of dispute resolution. However, considering its high costs and significance for foreign investment, regulation of investor-state arbitration may have material effects on private sector development. Because investor-state arbitration cases tend to be expensive and often result in strained relations between the investor and the government, it is important to have mechanisms that allow for their prevention and early resolution.³⁷ Because not all firms may afford investor-state arbitration costs, the legal framework should include explicit authorization of third-party funding to avoid denial of the right to justice.³⁸ Therefore, Subcategory 1.2.3–Investor-State Arbitration has two indicators (table 10).

Table 10. Subcategory 1.2.3–Investor-State Arbitration

	Indicators	Components
1	Mechanisms for Prevention and Early Resolution of Investor-State Disputes	Mechanisms for prevention and early resolution of investor-state disputes
2	Provision of Third-Party Funding in Investor-State Arbitration	Provision of third-party funding in investor-state arbitration

1.2.4 Recognition and Enforcement of Arbitral Awards

Another critical element of attractive arbitration is the establishment of a straightforward, up-to-date, and predictable regime for recognizing and enforcing arbitral awards. Specifically, such a regime allows for recognition and enforcement of interim awards (that is, awards that are subject to a final determination at a later stage) and partial awards (that is, awards that determine only part of the claims in a final manner).³⁹ It also ensures that courts may not set aside, annul, or vacate domestic arbitral awards on the grounds of error of law or error of fact.⁴⁰ In a similar vein, these grounds may not be invoked by courts to deny

recognition and enforcement of foreign arbitral awards.⁴¹ Therefore, Subcategory 1.2.4–Recognition and Enforcement of Arbitral Awards has two indicators (table 11).

Table 11. Subcategory 1.2.4–Recognition and Enforcement of Arbitral Awards

	Indicators	Components
1	Recognition and Enforcement of Interim and Partial Awards	i) Recognition and enforcement of interim awards ii) Recognition and enforcement of partial awards
2	Grounds for Denying Confirmation/Recognition and Enforcement of Final Awards	i) Grounds for setting aside, annulling, or vacating a domestic arbitral award ii) Grounds for denying recognition and enforcement of a foreign arbitral award

1.2.5 Mediation

Mediation provides the parties with a unique mechanism to settle disputes in a constructive and mutually agreeable manner. Several good practices have proven to facilitate the conduct of mediation proceedings. Prescribing that commercial mediation is voluntary helps ensure that only parties interested in an amicable settlement resort to it.⁴² Safeguards of independence and impartiality are equally important in mediation. In particular, these include establishing rules on disclosure of conflict of interest by the mediator and setting forth the restriction for the mediator to act as an arbitrator in the same or related dispute.⁴³ Another crucial guarantee in mediation proceedings is ensuring that evidence that was disclosed for the purpose of mediation may not be used in other proceedings.⁴⁴ Further, mediation may become more appealing when the legal framework provides for a streamlined enforcement regime for mediation agreements and also allows for recognition and enforcement of international mediation agreements.⁴⁵ Therefore, Subcategory 1.2.5–Mediation has four indicators (table 12).

Table 12. Subcategory 1.2.5–Mediation

	Indicators	Components
1	Voluntary Nature of Commercial Mediation	Voluntary nature of commercial mediation
2	Independence and Impartiality of Mediators	i) Disclosure of conflict of interest by the mediator ii) Restriction for the mediator to act as an arbitrator in the same or related dispute
3	Inadmissibility of Evidence that Was Disclosed for the Purpose of Mediation in Other Proceedings	Inadmissibility of evidence that was disclosed for the purpose of mediation in other proceedings
4	Recognition and Enforcement of Mediation Agreements	i) Streamlined enforcement regime for mediation settlement agreements ii) Recognition and enforcement of international mediation agreements

2. PILLAR II. PUBLIC SERVICES: PUBLIC SERVICES FOR DISPUTE RESOLUTION

Table 13 shows the structure for Pillar II, Public Services for Dispute Resolution. Each of this pillar’s categories and subcategories will be discussed in more detail in the order shown in the table.

Table 13. Pillar II–Public Services for Dispute Resolution

2.1	Institutional Framework
2.1.1	Streamlined Courts
2.1.2	Special Complaint Mechanisms
2.2	Digitalization

2.2.1	Electronic Filing and Service
2.2.2	Digital Proceedings
2.3	Transparency
2.3.1	Openness of Courts
2.3.2	Production of Key Statistics
2.4	ADR-Related Services
2.4.1	Arbitration
2.4.2	Mediation

2.1 Institutional Framework

Category 2.1 has two subcategories consisting of several indicators, each of which may, in turn, consist of several components.

2.1.1 Streamlined Courts

Effective and reliable dispute resolution processes are conditional upon having a robust institutional framework. Within such a framework, aspects of court specialization and integrity play an important role. Ensuring that commercial cases are handled by specialized courts or chambers at the level of first instance may have a positive impact on the efficiency and quality of dispute resolution.⁴⁶ Providing for automated random assignment of cases is critical for upholding the integrity of the judiciary.⁴⁷ Furthermore, the establishment of small claims courts or procedures, and allowing self-representation before them, is associated with better access to justice and increased efficiency.⁴⁸ Therefore, Subcategory 2.1.1–Streamlined Courts has three indicators (table 14).

Table 14. Subcategory 2.1.1–Streamlined Courts

	Indicators	Components
1	Existence of a Commercial Court or Chamber	Existence of a commercial court or chamber
2	Automated Random Assignment of Cases	Automated random assignment of cases
3	Existence of a Small Claims Court or Procedure	i) Establishment of a small claims court or procedure ii) Self-representation before a small claims court or procedure

2.1.2 Special Complaint Mechanisms

In administering justice, complaints may often arise with regard to how the dispute resolution system is organized and how cases are handled in practice. If left unaddressed, these complaints may lead to a decline in institutional credibility and cause procedural inefficiencies. It is therefore critical to set up an independent review mechanism, through which candidates for judicial appointment (and promotion, where applicable) may challenge the outcomes of selection processes.⁴⁹ The provision of a special review mechanism for complaints submitted against judges' misconduct also helps to support the independence and impartiality of judges, as well as the effectiveness of dispute resolution.⁵⁰ Similarly, establishing an independent review mechanism to consider complaints filed against the misconduct of enforcement agents may further contribute to the integrity and efficiency of the judiciary.⁵¹ Therefore, Subcategory 2.1.2–Special Complaint Mechanisms has three indicators (table 15).

Table 15. Subcategory 2.1.2–Special Complaint Mechanisms

	Indicators	Components
1	Review Mechanism for Complaints Filed against Decisions on Appointment (and Promotion, Where Applicable) of Judges	Review mechanism for complaints filed against decisions on appointment (and promotion, where applicable) of judges

2	Review Mechanism for Complaints Filed against Judges' Misconduct	Review mechanism for complaints filed against judges' misconduct
3	Review Mechanism for Complaints Filed against the Misconduct of Enforcement Agents	Review mechanism for complaints filed against the misconduct of enforcement agents

2.2 Digitalization

Category 2.2 is divided into two subcategories consisting of several indicators, each of which, in turn, consists of one or several components.

2.2.1 Electronic Filing and Service

A key lesson from the COVID-19 pandemic for dispute resolution is that digitalization may have a substantial effect on ensuring access to justice and the streamlining of proceedings. Through technological advancement, litigants should be allowed to file and be served with court documents electronically. This includes filing and service during the commencement of proceedings and in all subsequent stages, extending to the receipt of court decisions in an electronic format.⁵² When relevant, it is equally important to ensure that parties can communicate with court staff and enforcement agents through electronic means.⁵³ Therefore, Subcategory 2.2.1–Electronic Filing and Service has three indicators (table 16).

Table 16. Subcategory 2.2.1–Electronic Filing and Service

	Indicators	Components
1	Electronic Filing and Service in the Commencement of Proceedings	i) Electronic filing of the initial complaint ii) Electronic service of process for the initial complaint
2	Electronic Exchange during the Conduct of Proceedings	i) Electronic exchange of subsequent documents ii) Electronic format of court decisions
3	Electronic Communication with Courts and Enforcement Agents	i) Electronic communication with courts ii) Electronic communication with enforcement agents

2.2.2 Digital Proceedings

Digitalization of dispute resolution suggests that proceedings, either entirely or partially, may take place electronically. A vital element of such proceedings is the admissibility of digital evidence.⁵⁴ Digital proceedings can be further promoted through virtual hearings.⁵⁵ Other important aspects of digital proceedings include electronic payment of court fees, electronic tracking of cases, and electronic access to court schedules.⁵⁶ When it comes to enforcement proceedings, their digitalization can be supported by means of online auctions.⁵⁷ Therefore, Subcategory 2.2.2–Digital Proceedings has four indicators (table 17).

Table 17. Subcategory 2.2.2–Digital Proceedings

	Indicators	Components
1	Admissibility of Digital Evidence	Admissibility of digital evidence
2	Virtual Hearings	Virtual hearings
3	Auxiliary Electronic Features	i) Electronic payment of court fees ii) Electronic tracking of cases iii) Electronic access to court schedule
4	Online Auctions	Online auctions

2.3 Transparency

Category 2.3 has two subcategories consisting of several indicators, each of which may, in turn, consist of several components.

2.3.1 Openness of Courts

Transparency is fundamental for building trust in the judiciary. An open dispute resolution system is associated with an increased degree of public control over courts and proceedings, and it provides the parties with more certainty about the handling of their cases. Openness in dispute resolution starts with ensuring that all legal instruments (laws, regulations, directives, orders, and so on) are published free of charge.⁵⁸ As to the conduct of proceedings, the principle of transparency requires granting public access to hearings, whether they are held in person or online.⁵⁹ Apart from laws and regulations, it is vital to publish judgments of both first instance and higher courts.⁶⁰ In addition, given the critical role that the judiciary plays in society, there is a clear need to ensure that information on the process of appointment (and promotion, where applicable) of judges is made publicly available.⁶¹ Therefore, Subcategory 2.3.1–Openness of Courts has five indicators (table 18).

Table 18. Subcategory 2.3.1–Openness of Courts

	Indicators	Components
1	Public Access to the Domestic Legal Framework	Public access to the domestic legal framework
2	Public Access to Court Hearings	i) Public access to court hearings held in person ii) Public access to court hearings held online
3	Publication of Judgments of Higher Courts	Publication of judgments of higher courts
4	Publication of Judgments of First Instance Courts	Publication of judgments of first instance courts
5	Publication of Information on Appointment (and Promotion, Where Applicable) of Judges	Publication of information on appointment (and promotion, where applicable) of judges

2.3.2 Production of Key Statistics

Credibility of the judiciary may further grow if the dispute resolution system demonstrates a commitment to producing information about its organization and performance. In this regard, the collection and publication of key statistics is essential. Such statistics may include information on the time it takes to adjudicate different categories of cases and the number of cases resolved versus the number of incoming cases.⁶² It is also important to make publicly available the information on the number of judges, ensuring that it is disaggregated by the individual court, the level of the court, as well as by the sex of the judges.⁶³ Production of key statistics is of no less significance in enforcement, where information on the average length of proceedings, average cost, and number of resolved and unresolved cases represents a particular interest.⁶⁴ Therefore, Subcategory 2.3.2–Production of Key Statistics has three indicators (table 19).

Table 19. Subcategory 2.3.2–Production of Key Statistics

	Indicators	Components
1	Production of Key Statistics on Court Efficiency	i) Time to disposition report ii) Clearance rate report
2	Production of Key Statistics on the Composition of Courts	i) Statistics on the number of judges disaggregated by individual court and by level of court ii) Statistics on the number of judges disaggregated by sex
3	Production of Key Statistics on the Efficiency of Enforcement Proceedings	i) Statistics on the average length of enforcement proceedings ii) Statistics on the average cost of enforcement proceedings iii) Statistics on the number of resolved cases and the number of unresolved cases (turnover rate)

2.4 ADR-Related Services

Category 2.4 has two subcategories consisting of several indicators, each of which may, in turn, consist of several components.

2.4.1 Arbitration

In commercial dispute resolution, it is important to ensure that businesses have access to alternative mechanisms, whether they are provided directly by the government or through private sector proxies. ADR mechanisms, such as arbitration and mediation, are typically more flexible than courts and thus may be better suited to the parties' specific needs. Considering their wide use, arbitration services—which require the existence of an operational arbitration institution—stand out as particularly important.⁶⁵ To assist the litigants with the initiation of proceedings, arbitration institutions may set up a roster of qualified arbitrators, while also ensuring that choosing arbitrators outside the roster is not prohibited.⁶⁶ To keep up with the latest trends, arbitration services should embrace digitalization, which includes developing a relevant online platform, enabling virtual conferences and hearings, and introducing electronic signing.⁶⁷ Moreover, transparency is critical for the credibility of arbitration. This prompts arbitration institutions to collect and disclose statistics on the number of handled cases, time to resolve disputes, number of arbitrators disaggregated by sex, as well as to publish summaries of arbitral awards.⁶⁸ Therefore, Subcategory 2.4.1–Arbitration has four indicators (table 20).

Table 20. Subcategory 2.4.1–Arbitration

	Indicators	Components
1	Availability of Commercial Arbitration Services	Availability of commercial arbitration services
2	Setting Up a Roster of Arbitrators	Setting up a roster of arbitrators
3	Digitalization of Arbitration	i) Online platform for arbitration ii) Virtual conferences and hearings in arbitration iii) Electronic signing of an arbitral award
4	Transparency of Arbitration	i) Statistics on the number of cases resolved through arbitration ii) Statistics on the time to resolve cases through arbitration iii) Publication of summaries of arbitral awards iv) Statistics on the number of arbitrators disaggregated by sex

2.4.2 Mediation

Mediation is another common type of ADR. The provision of mediation services—which implies the existence of an operational mediation institution—is central to helping the parties to resolve disputes in an amicable manner.⁶⁹ As in arbitration, mediation institutions may facilitate the initiation process by creating a roster of qualified mediators, while also ensuring that choosing mediators outside the roster is not prohibited.⁷⁰ To promote an amicable resolution of disputes through mediation, it can be essential to introduce relevant financial incentives in practice.⁷¹ In mediation, digitalization is equally important, which may extend to enabling electronic filing of a request to mediate, providing for virtual meetings, and introducing electronic signing.⁷² Mediation also benefits from transparency, and producing statistics on the number of resolved cases and the number of mediators disaggregated by sex can further increase its attractiveness.⁷³ Therefore, Subcategory 2.4.2–Mediation has five indicators (table 21).

Table 21. Subcategory 2.4.2–Mediation

	Indicators	Components
1	Availability of Commercial Mediation Services	Availability of commercial mediation services
2	Setting Up a Roster of Mediators	Setting up a roster of mediators
3	Financial Incentives to Use Mediation	Financial incentives to use mediation

4	Digitalization of Mediation	i) Electronic submission of a request to mediate ii) Virtual meetings in mediation iii) Electronic signing of a mediation agreement
5	Transparency of Mediation	i) Statistics on the number of cases resolved through mediation ii) Statistics on the number of mediators disaggregated by sex

3. PILLAR III. EFFICIENCY: EASE OF RESOLVING A COMMERCIAL DISPUTE IN PRACTICE

Table 22 shows the structure for Pillar III, Ease of Resolving a Commercial Dispute in Practice. Each of this pillar's categories and subcategories will be discussed in more detail in the order shown in the table.

Table 22. Pillar III–Ease of Resolving a Commercial Dispute in Practice

3.1	Reliability of Dispute Resolution
3.1.1	Reliability of Courts
3.1.2	Reliability of ADR
3.2	Time and Cost to Resolve a Dispute
3.2.1	Time and Cost for Court Litigation
3.2.2	Time and Cost for Arbitration
3.3	Recognition and Enforcement
3.3.1	Foreign Decisions
3.3.2	Final Domestic Judgments

3.1 Reliability of Dispute Resolution

Category 3.1 has two subcategories consisting of several indicators, each of which may, in turn, consist of several components.

3.1.1 Reliability of Courts

To turn to the dispute resolution system, businesses should know that the system is reliable and provides for good prospects that their cases would be handled with due care. When there is a lack of trust in the system, firms may consider avoiding it, subsequently giving up on their disputes, to the detriment of operations. Against this backdrop, ensuring that in resolving commercial disputes courts are independent and impartial is of paramount importance.⁷⁴ Therefore, Subcategory 3.1.1–Reliability of Courts has one indicator on the Independence and Impartiality of Courts (table 23).

Table 23. Subcategory 3.1.1–Reliability of Courts

	Indicator	Component
1	Independence and Impartiality of Courts	Independence and impartiality of courts

3.1.2 Reliability of ADR

Reliability equally matters in ADR, such as arbitration and mediation. When businesses have sufficient confidence in ADR mechanisms, they are more likely to make use of them.⁷⁵ Therefore, Subcategory 3.1.2–Reliability of ADR has two indicators (table 24).

Table 24. Subcategory 3.1.2–Reliability of ADR

	Indicators	Components
1	Reliability of Arbitration	Reliability of arbitration
2	Reliability of Mediation	Reliability of mediation

3.2 Time and Cost to Resolve a Dispute

Category 3.2 has two subcategories consisting of several indicators, each of which may, in turn, consist of several components.

3.2.1 Time and Cost for Court Litigation

Considerations of efficiency play a critical role in dispute resolution. One of the core legal maxims in the field holds that justice delayed is justice denied. In a similar fashion, an excessively costly dispute resolution system may hamper access to justice. Businesses, therefore, have a direct interest in courts resolving commercial disputes in a timely and cost-effective manner.⁷⁶ In particular, the overall time for court litigation may be affected by such components as the time to adjudicate a case at the court of first instance, the time to go through mandatory mediation (when applicable), or the time to complete the case’s review at the appellate court. The total cost may be influenced by attorney and court fees incurred at the first instance court, fees associated with mandatory mediation (when applicable), or attorney and court fees incurred at the appellate court. Therefore, Subcategory 3.2.1–Time and Cost for Court Litigation has two indicators (table 25).

Table 25. Subcategory 3.2.1–Time and Cost for Court Litigation

	Indicators	Components
1	Time for Court Litigation	Includes the time to adjudicate a commercial dispute at the court of first instance, time to go through mandatory mediation (when applicable), and time to complete the case’s review at the appellate court
2	Cost for Court Litigation	Includes attorney and court fees incurred by the plaintiff at the first instance court, fees associated with mandatory mediation (when applicable), and attorney and court fees incurred by the plaintiff at the appellate court

3.2.2 Time and Cost for Arbitration

Given that arbitration represents another type of dispute resolution in which a binding decision is imposed on the parties, it is equally important to ensure that arbitration processes are timely and cost-effective.⁷⁷ The overall time for arbitration is primarily comprised of the time to resolve a commercial dispute at a domestic arbitration institution. In addition, and particularly when appeal in arbitration is allowed even if the other party has not consented to it, the total time may include the time to complete the case’s review at the respective court or administrative agency. The overall cost in arbitration is driven by attorney, arbitrators, and administrative fees incurred at the domestic arbitration institution, as well as, when applicable, attorney and institutional fees incurred at the review stage. Therefore, Subcategory 3.2.2–Time and Cost for Arbitration has two indicators (table 26).

Table 26. Subcategory 3.2.2–Time and Cost for Arbitration

	Indicators	Components
1	Time for Arbitration	Includes the time to resolve a commercial dispute at the domestic arbitration institution and, when applicable, time to complete the case’s review at the respective court or administrative agency
2	Cost for Arbitration	Includes attorney fees, arbitrators’ fees, and administrative fees incurred by claimant at the domestic arbitration institution and, when applicable, attorney fees and other expenses incurred by the claimant at the respective court or administrative agency

3.3 Recognition and Enforcement

Category 3.3 has two subcategories consisting of several indicators, each of which may, in turn, consist of several components.

3.3.1 Foreign Decisions

Often, dispute resolution does not end with the issuance of a verdict. For example, foreign judgments and arbitral awards are subject to the process of recognition and enforcement before domestic courts.⁷⁸ To ensure that businesses are not deprived of justice, the associated proceedings should be conducted

effectively. Specifically, the efficiency of the process to recognize and enforce a foreign judgment may depend on the time it takes for a local court to consider such a request and on related attorney and court fees. In the same manner, the efficiency of the process to recognize and enforce a foreign arbitral award may be conditional upon the time it takes for a local court to consider a request for recognizing and enforcing a foreign arbitral award as well as upon associated attorney and court fees. Therefore, Subcategory 3.3.1–Foreign Decisions has four indicators (table 27).

Table 27. Subcategory 3.3.1–Foreign Decisions

	Indicators	Components
1	Time to Recognize and Enforce a Foreign Judgment	Includes the time for the local court to consider a request for recognizing and enforcing a foreign judgment
2	Cost to Recognize and Enforce a Foreign Judgment	Includes attorney and court fees incurred by the plaintiff in the process of recognizing and enforcing a foreign judgment
3	Time to Recognize and Enforce a Foreign Arbitral Award	Includes the time for the local court to consider a request for recognizing and enforcing a foreign arbitral award
4	Cost to Recognize and Enforce a Foreign Arbitral Award	Includes attorney and court fees incurred by the claimant in the process of recognizing and enforcing a foreign arbitral award

3.3.2 Final Domestic Judgments

Final judgments may require the initiation of compulsory enforcement should the losing party refuse to comply with them.⁷⁹ When the judgment creditor faces such a situation, it is in the creditor’s best interests to conduct this process swiftly and with minimal extra costs. The time of compulsory enforcement may be influenced by the time that the relevant institution—enforcement institution or court—would take to locate the debtor’s assets and transfer them to the creditor. Associated costs may include attorney fees and institutional charges. Therefore, Subcategory 3.3.2–Final Domestic Judgments has two indicators (table 28).

Table 28. Subcategory 3.3.2–Final Domestic Judgments

	Indicators	Components
1	Time to Enforce a Final Judgment	Includes the time for the relevant institution to locate the funds of the debtor, seize them, and complete their transfer to the creditor
2	Cost to Enforce a Final Judgment	Includes attorney and institutional fees incurred by the creditor, when applicable

III. DATA SOURCES

4.1 Data collection sources

The data for Pillar I and Pillar II are collected through consultations with private sector experts. These are lawyers practicing commercial litigation, commercial arbitration, commercial mediation, international dispute resolution, and environmental law, as well as handling enforcement proceedings in commercial cases. Private sector arbitrators and mediators may be contacted too, when relevant. The data for Pillar III are obtained by means of expert consultations and through World Bank Enterprise Surveys. In particular, the data on the categories on Time and Cost to Resolve a Dispute and Recognition and Enforcement are collected through private sector experts, while the data on Reliability of Dispute Resolution are collected by way of Enterprise Surveys.

Enterprise Surveys provide representative data on the reliability of courts and reliability of ADR, as experienced by businesses in practice. A representative sample of companies captures the variation of user experience within each economy. Businesses with different characteristics, such as size, region, and sector,

participate in the surveys. For more details on the collection of data by Enterprise Surveys, please refer to the Overview chapter of this Methodology Handbook.

4.2 Screening and selection of experts

A screener questionnaire is used to assist the selection of experts receiving the Dispute Resolution topic questionnaire based on a set of criteria (table 29). The information provided in the screener questionnaires allows the Dispute Resolution Team to better understand the experts' professions, areas of specialization, and knowledge or experience related to the dispute resolution process.

Table 29. Screener questionnaire and respondent criteria

Considered experts' professions:
Private sector lawyers/attorneys, arbitrators, and mediators
Considered experts' areas of specialization:
Commercial litigation, commercial arbitration, commercial mediation, international dispute resolution, environmental law, and enforcement proceedings in commercial cases
Assessment of experts' knowledge and experience related to commercial dispute resolution and associated regulations, services, and processes:
Knowledge of and experience with preparing documents on behalf of firms to initiate commercial litigation, arbitration, or mediation; representing firms before courts, arbitration tribunals, and mediators; participating in international commercial dispute resolution; handling environmental cases; conducting proceedings to recognize and enforce foreign judgments and arbitral awards; and undertaking compulsory proceedings to enforce final commercial judgments.

IV. PARAMETERS

To ensure comparability of the data from expert consultations across economies, the Dispute Resolution topic uses general as well as specific parameters. A parameter refers to an assumption that is made about the business location (across all pillars), level of court (Pillar II only), and claim value (Pillar III only).

5.1 General parameters

Dispute Resolution uses one general parameter, which is business location. It applies across all pillars and to both court litigation and ADR.

5.1.1 Business location

Justification:

Geographic location is a key parameter for assessing the efficiency and reliability of dispute resolution. Across all pillars, the Dispute Resolution topic focuses on the largest city. In particular, regarding Pillar I, the regulatory framework governing dispute resolution may be subject to subnational differences in many economies. Given that legal instruments may have country, regional, or municipal characters, this parameter is necessary to ensure the accuracy of the data. In Pillar II, geographic location is even more important because the availability and quality of public services often vary substantially depending on a specific location within an economy. Focusing on the largest city is therefore important for the purposes of comparability and data quality. Similarly, in Pillar III, the efficiency of dispute resolution is prone to differences based on business location. For example, it may take significantly more time and cost to resolve a case in a city where there is a high demand for dispute resolution, compared to another city in the economy where demand is relatively low. Using the largest city as a reference point, therefore, helps guarantee that all economies are treated equally, and that the data are comparable.

Application:

The largest city is chosen based on the population size, as detailed in the Overview chapter of this Methodology Handbook. In Pillar I and Pillar II, the parameter of business location is used to determine the specific city in which the regulatory framework and public services for dispute resolution are measured. In Pillar III, this parameter applies only in cases when the data are collected through expert consultations, not through Enterprise Surveys. Specifically, the parameter is relevant for measures in the categories of Time and Cost to Resolve a Dispute, and Recognition and Enforcement.

5.2 Specific parameters

Dispute Resolution employs two specific parameters. One is level of court, which applies to Pillar II only. The other one is claim value, relevant only for Pillar III.

5.2.1 Level of court

Justification:

Availability and quality of public services may vary depending on the level of court (that is, first instance court, appellate court, supreme court, and so on). For example, the extent of digitalization in first instance courts can be significantly lower than in the apex court, which often has more resources. In terms of transparency, the nature and amount of released information may differ across various court levels, too. To ensure comparability of the data, in Pillar II, the topic will focus on public services in first instance courts. Generally, these are the first courts that adjudicate disputes and, accordingly, most cases go through them. Selecting first instance courts as a proxy also yields better representativeness because the data are relevant to the experience of most litigants.

Application:

The parameter of court level is relevant to Pillar II, only. Within this pillar, it applies to all categories that assess judicial services: that is, Institutional Framework, Digitalization, and Transparency. The parameter does not apply to the ADR-Related Services category.

5.2.2 Claim value

Justification:

The time and cost characteristics of dispute resolution can vary depending on the claim value. Resources required to resolve a highly complex and extensive case that involves dozens of businesses are typically different from the resources needed to settle a straightforward dispute between two small firms. Importantly, the parameter of claim value has a substantial impact not only on the time and cost to resolve a dispute, but also on the efficiency of recognition and enforcement proceedings. To ensure comparability of the data, it is therefore critical to use this parameter.

Application:

The Dispute Resolution topic assumes that the claim value is equal to 20 times the economy's gross national income (GNI) per capita. This amount is considered because it ensures that the dispute is of sufficient significance to firms: that is, the losses would be material if they decide to not pursue the case. In a similar vein, this amount makes the case attractive to attorneys. The indicated claim value also makes it clear that the resolution of the dispute would require using a regular court procedure, rather than a simplified one. At the same time, the amount of 20 times the economy's GNI per capita indicates that the case is typical and not too expensive; a higher amount could skew the data toward the experience of large corporations. To sum up, the value of the claim reflects the amount of common commercial cases; it is meant to be neither too small nor too big, which ensures both comparability and representativeness of the data.

Furthermore, to account for instances when an economy has a very low GNI per capita or when an economy is struck by hyperinflation, the topic establishes the minimum threshold for the value of the claim at US\$

20,000. In line with this assumption, whenever 20 times the economy’s GNI per capita is less than US\$ 20,000, the topic assumes that the claim value is equal to US\$20,000.

V. TOPIC SCORING

The Dispute Resolution topic has three pillars: Pillar I–Regulatory Framework for Dispute Resolution; Pillar II–Public Services for Dispute Resolution; and Pillar III–Ease of Resolving a Commercial Dispute in Practice. The total number of points for each pillar is further rescaled to values from 0 to 100, and subsequently aggregated into the total topic score. Each pillar contributes one-third to the total topic score. The scores distinguish between benefits to the firm (captured as firm flexibility points) and benefits to society’s broader interests (captured as social benefits points). Table 30 shows the scoring for the Dispute Resolution topic. For further scoring details please see Annex A, which complements this section.

Table 30. Aggregate scoring overview

Pillar number	Pillars	Number of indicators	Score			Rescaled points (0–100)	Weight
			Firm flexibility points	Social benefits points	Total points		
I	Regulatory Framework for Dispute Resolution	31	29	31	60	100	0.33
II	Public Services for Dispute Resolution	30	30	30	60	100	0.33
III	Ease of Resolving a Commercial Dispute in Practice	13	100	n.a.	100	100	0.33

Note: n.a. = not applicable (refers to the cases when the impact on firms or society is either ambiguous or nonexistent).

6.1 Pillar I–Regulatory Framework: Regulatory Framework for Dispute Resolution

Pillar I covers 31 indicators with a total score of 60 points (29 points on firm flexibility and 31 points on social benefits). The scoring for each category under this pillar is as follows:

6.1.1 The *Court Litigation* Category covers 16 indicators with a total maximum score of 30 points (14 points on firm flexibility and 16 points on social benefits). Specifically, the *Time Standards* Subcategory has 2 indicators; *Procedural Certainty* has 5 indicators; *Judicial Integrity* has 4 indicators; *Foreign Judgments* has 2 indicators; and *Gender Equality and Environmental Sustainability* has 3 indicators. Both businesses (firm flexibility) and society at large (social benefits) benefit from a regulatory framework that ensures efficiency and quality of dispute resolution. Hence, in most cases, equal scores are assigned to both categories. The only exception is environmental sustainability, where scores are not assigned to firm flexibility. This stems from the fact that once the legislation makes it easier to submit an environmental claim against a business, some firms may lose as they will be constrained to adjust their operations to environmentally friendly rules. Other firms, however, are likely to win because the clean environment will allow them to set long-term goals.

6.1.2 The *Alternative Dispute Resolution (ADR)* Category covers 15 indicators with a total maximum score of 30 points (15 points on firm flexibility and 15 on social benefits). In particular, the *Acceptance of Arbitration* Subcategory has 3 indicators; *Key Elements of Arbitration* has 4 indicators; *Investor-State Arbitration* has 2 indicators; *Recognition and Enforcement of Arbitral Awards* has 2 indicators; and *Mediation* has 4 indicators. A regulatory framework that promotes

establishing strong alternatives for resolving disputes is advantageous to both firms (firm flexibility) and society (social benefits). Hence, equal scores are assigned to both categories.

Pillar I–Regulatory Framework for Dispute Resolution		No. of indicators	FFP	SBP	Total Points	Rescaled Points
1.1	Court Litigation	16	14	16	30	50
1.1.1	Time Standards	2	2	2	4	6.66
1.1.2	Procedural Certainty	5	5	5	10	16.66
1.1.3	Judicial Integrity	4	4	4	8	13.33
1.1.4	Foreign Judgments	2	2	2	4	6.66
1.1.5	Gender Equality and Environmental Sustainability	3	1	3	4	6.66
1.2	Alternative Dispute Resolution (ADR)	15	15	15	30	50
1.2.1	Acceptance of Arbitration	3	3	3	6	10
1.2.2	Key Elements of Arbitration	4	4	4	8	13.33
1.2.3	Investor-State Arbitration	2	2	2	4	6.66
1.2.4	Recognition and Enforcement of Arbitral Awards	2	2	2	4	6.66
1.2.5	Mediation	4	4	4	8	13.33
	Total	31	29	31	60	100

Note: FFP = firm flexibility point; SBP = social benefits point.

6.2 Pillar II–Public Services for Dispute Resolution

Pillar II covers 30 indicators with a total score of 60 points (30 points on firm flexibility and 30 points on social benefits). The scoring for each category under the pillar is as follows:

- 6.2.1** *Institutional Framework* covers 6 indicators with a total maximum score of 12 points (6 points on firm flexibility and 6 points on social benefits). The *Streamlined Courts* and *Special Complaint Mechanisms* Subcategories have 3 indicators each. Both businesses and the general public have a direct interest in having a robust institutional framework for dispute resolution. As a result, equal scores are assigned to these categories.
- 6.2.2** *Digitalization* covers 7 indicators with a total maximum score of 14 points (7 points on firm flexibility and 7 points on social benefits). Specifically, the *Electronic Filing and Service* Subcategory has 3 indicators, while the *Digital Proceedings* Subcategory has 4 indicators. Increased digitalization of courts may improve access to justice and contribute to enhanced efficiency, to the benefit of firms (firm flexibility) and society (social benefits). As a result, equal scores are assigned to these categories.
- 6.2.3** *Transparency* covers 8 indicators with a total maximum score of 16 points (8 points on firm flexibility and 8 on social benefits). Within the category, *Openness of Courts* has 5 indicators, and *Production of Key Statistics* has 3 indicators. Businesses (firm flexibility) and the general public (social benefits) alike benefit from transparent dispute resolution. As a result, equal scores are assigned to these categories.
- 6.2.4** *ADR-Related Services* covers 9 indicators with a total maximum score of 18 points (9 points on firm flexibility and 9 on social benefits). The subcategory on *Arbitration* has 4 indicators, and the subcategory on *Mediation* has 5 indicators. Advanced services in the area of ADR make alternative channels for dispute resolution more attractive to the benefit of firms (firm flexibility) and society (social benefits). As a result, equal scores are assigned to these categories.

Pillar II–Public Services for Dispute Resolution		No. of indicators	FFP	SBP	Total Points	Rescaled Points
2.1	Institutional Framework	6	6	6	12	20
2.1.1	Streamlined Courts	3	3	3	6	10
2.1.2	Special Complaint Mechanisms	3	3	3	6	10
2.2	Digitalization	7	7	7	14	23.33
2.2.1	Electronic Filing and Service	3	3	3	6	10
2.2.2	Digital Proceedings	4	4	4	8	13.33
2.3	Transparency	8	8	8	16	26.66
2.3.1	Openness of Courts	5	5	5	10	16.66
2.3.2	Production of Key Statistics	3	3	3	6	10
2.4	ADR-Related Services	9	9	9	18	30
2.4.1	Arbitration	4	4	4	8	13.33
2.4.2	Mediation	5	5	5	10	16.66
	Total	30	30	30	60	100

Note: FFP = firm flexibility point; SBP = social benefits point.

6.3 Pillar III–Ease of Resolving a Commercial Dispute in Practice

Pillar III covers 13 indicators with scores ranging from 0 to 100 on firm flexibility. The scores under this pillar are assigned on firm flexibility only because the indicators measure the outcomes of service provision to firms. For example, long times and high costs for resolving a commercial dispute may cause adverse consequences on firms, thus hampering firm flexibility. The scoring for each category under this pillar is as follows:

- 6.3.1** *Reliability of Dispute Resolution* has two subcategories. The *Reliability of Courts* Subcategory has 1 indicator the *Reliability of ADR* Subcategory has 2 indicators, for a total of 3 indicators. The category accounts for one-third of the score of Pillar III.
- 6.3.2** *Time and Cost to Resolve a Dispute* consists of two subcategories–*Time and Cost for Court Litigation* and *Time and Cost for Arbitration*–each of which has 2 indicators, for a total of 4 indicators. The category accounts for another third of the score of Pillar III.
- 6.3.3** *Recognition and Enforcement* includes two subcategories: *Foreign Decisions*, with 4 indicators, and *Final Domestic Judgments*, with 2 indicators, for a total of 6 indicators. The category accounts for the remaining third of the score of Pillar III.

Pillar III–Ease of Resolving a Commercial Dispute in Practice		No. of indicators	Rescaled points
3.1	Reliability of Dispute Resolution	3	33.33
3.1.1	Reliability of Courts	1	16.66
3.1.2	Reliability of ADR	2	16.66
3.2	Time and Cost to Resolve a Dispute	4	33.33
3.2.1	Time and Cost for Court Litigation	2	16.66
3.2.2	Time and Cost for Arbitration	2	16.66
3.3	Recognition and Enforcement	6	33.33
3.3.1	Foreign Decisions	4	16.66
3.3.2	Final Domestic Judgments	2	16.66
	Total	13	100

Note: FFP = firm flexibility point; SBP = social benefits point.

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Annex A. Dispute Resolution–Scoring Sheet

This document outlines the scoring approach for the Dispute Resolution topic. For every indicator, a firm flexibility point (FFP) and/or a social benefit point (SBP) are assigned, along with a clarification on the detailed scoring for each such indicator and a note on the relevant background literature.

PILLAR I–REGULATORY FRAMEWORK FOR DISPUTE RESOLUTION					
1.1 COURT LITIGATION					
1.1.1 Time Standards					
Indicators	FFP	SBP	Total points	Rescaled points	Background literature
General Time Standards (timeframes for resolving a commercial case at the court of first instance; reviewing a commercial case at the appellate court; enforcing a final commercial judgment)	1	1	2	3.33	Gramckow (2012); World Bank Group (2016)
Specific Time Standards (timeframes for serving a complaint on the defendant; filing a statement of defense; deciding on a request for an interim measure; issuing an expert opinion; submitting a judgment)	1	1	2	3.33	CEPEJ (2021a); Jean and Gurbanov (2015); World Bank Group (2016)
Total points for Subcategory 1.1.1	2	2	4	6.66	
1.1.2 Procedural Certainty					
Time Limit on Suggesting New Evidence	1	1	2	3.33	CEPEJ (2018); Steelman (2008)
Maximum Number of Adjournments	1	1	2	3.33	UNODC (2011); World Bank Group (2016)
Holding a Pre-Trial Conference	1	1	2	3.33	CEPEJ (2016); NAPCO (2016)
Availability of a Default Judgment	1	1	2	3.33	EU (2006); World Bank Group (2016)
Powers of Enforcement Agents to Seize Extra Types of Assets (monetary claims toward a third party; financial instruments; electronic assets)	1	1	2	3.33	CECL and UIHJ (2021)
Total points for Subcategory 1.1.2	5	5	10	16.66	

1.1.3 Judicial Integrity					
Independence and Impartiality of Judges (rules on the recusal of judges; parties' right to call into question judges' independence and impartiality)	1	1	2	3.33	CEPEJ (2008a); Council of Europe (2020); United States Courts (2021); UNODC (2011); USAID (2002); World Bank Group (2016)
Disclosure of Assets by Judges	1	1	2	3.33	Transparency International (2007); UNODC (2011); USAID (2002, 2009)
Code of Ethics for Judges	1	1	2	3.33	UNODC (2011)
Code of Ethics for Enforcement Agents	1	1	2	3.33	GIZ (2020)
Total points for Subcategory 1.1.3	4	4	8	13.33	
1.1.4 Foreign Judgments					
Absence of Restrictions in Recognition and Enforcement of Foreign Judgments (recognition and enforcement irrespective of reciprocal agreements; not requiring legalization of foreign judgments; not requiring a security from a foreign judgment creditor)	1	1	2	3.33	Browne, Watret, and Blears (2021); HCCH (1961, 2019)
Grounds for Denying Recognition and Enforcement of Foreign Judgments	1	1	2	3.33	HCCH (2019)
Total points for Subcategory 1.1.4	2	2	4	6.66	
1.1.5 Gender Equality and Environmental Sustainability					
Gender Equality (no restrictions for a woman to become a judge, arbitrator, or mediator; equal rights for men and women in commercial litigation)	1	1	2	3.33	Feenan (2008); IDLO (2018); Samaha (2021); UN General Assembly (1979)
Commencement of an Environmental Dispute (expanded legal standing in environmental disputes; holding polluting firms accountable for environmental damage caused abroad)	n.a.	1	1	1.66	Ellis (2012); Murase (1995); UNEP (2016)
Evidence and Remedies in Environmental Disputes (collection and public release of information on the environmental impact of firms; expanded range of remedies in environmental disputes)	n.a.	1	1	1.66	EEA (2008); EU (2003); UNECE (2014); UNEP (2016)
Total points for Subcategory 1.1.5	1	3	4	6.66	
Total points for Category 1.1	14	16	30	50	
1.2 ALTERNATIVE DISPUTE RESOLUTION (ADR)					
1.2.1 Acceptance of Arbitration					
Arbitrability of Different Types of Business-related Disputes (immovable property disputes; corporate disputes; intellectual property disputes)	1	1	2	3.33	AAA (2009); ICC (1998); OECD (2004); WIPO (n.d.)

Arbitration in Disputes with State-Owned Enterprises and Public Bodies	1	1	2	3.33	ICC (2012)
Parties' Autonomy in Arbitration (selection of arbitrators; selection of an arbitral institution or ad hoc arbitration; selection of a legal counsel)	1	1	2	3.33	ArbitralWomen (2016); ICCA (2020); UNCITRAL (2008)
Total points for Subcategory 1.2.1	3	3	6	10	
1.2.2 Key Elements of Arbitration					
Independence and Impartiality of Arbitrators (disclosure of conflict of interest; parties' right to call into question arbitrators' independence and impartiality)	1	1	2	3.33	UNCITRAL (2008)
Incorporation of the Principle " <i>Kompetenz-Kompetenz</i> "	1	1	2	3.33	UNCITRAL (2008)
Court Support of Arbitration (support by courts in ordering interim measures in arbitration; support by courts in the collection of evidence in arbitration)	1	1	2	3.33	UNCITRAL (2008)
Absence of Appeal in Arbitration	1	1	2	3.33	ICC (2021); LCIA (2020); UNCITRAL (1958, 2021); World Bank Group (2016)
Total points for Subcategory 1.2.2	4	4	8	13.33	
1.2.3 Investor-State Arbitration					
Mechanisms for Prevention and Early Resolution of Investor-State Disputes	1	1	2	3.33	Johnson, Sachs, and Merrill (2021); UNCTAD (2010); World Bank Group (2019)
Provision of Third-Party Funding in Investor-State Arbitration	1	1	2	3.33	CAM (2020); European Parliament (2022); UNCITRAL (2022)
Total points for Subcategory 1.2.3	2	2	4	6.66	
1.2.4 Recognition and Enforcement of Arbitral Awards					
Recognition and Enforcement of Interim and Partial Awards	1	1	2	3.33	UNCITRAL (2008)
Grounds for Denying Confirmation/Recognition and Enforcement of Final Awards (grounds for setting aside, annulling, or vacating a domestic arbitral award; grounds for denying recognition and enforcement of a foreign arbitral award)	1	1	2	3.33	UNCITRAL (1958, 2008)
Total points for Subcategory 1.2.4	2	2	4	6.66	
1.2.5 Mediation					
Voluntary Nature of Commercial Mediation	1	1	2	3.33	Decker (2013); Quek Anderson (2010); Reuben (2007); Streeter-Schaefer (2001); World Bank Group (2016)

Independence and Impartiality of Mediators (disclosure of conflict of interest by the mediator; restriction for the mediator to act as an arbitrator in the same or related dispute)	1	1	2	3.33	UNCITRAL (2018)
Inadmissibility of Evidence that Was Disclosed for the Purpose of Mediation in Other Proceedings	1	1	2	3.33	UNCITRAL (2018)
Recognition and Enforcement of Mediation Agreements (streamlined enforcement regime for mediation settlement agreements; recognition and enforcement of international mediation agreements)	1	1	2	3.33	EU (2008); UN (2014); UNCITRAL (2018)
Total points for Subcategory 1.2.5	4	4	8	13.33	
Total points for Category 1.2	15	15	30	50	
Total points for Pillar I	29	31	60	100	

Note: n.a. = not applicable (refers to the cases when the impact on firms or society is either ambiguous or nonexistent). FFP = firm flexibility point; SBP = social benefits point.

PILLAR II—PUBLIC SERVICES FOR DISPUTE RESOLUTION

2.1 INSTITUTIONAL FRAMEWORK

2.1.1 Streamlined Courts

Indicators	FFP	SBP	Total points	Rescaled points	Background literature
Existence of a Commercial Court or Chamber	1	1	2	3.33	Blair (2019); OECD (2013a)
Automated Random Assignment of Cases	1	1	2	3.33	Cordella and Contini (2020); Gramckow and Nussenblatt (2013)
Existence of a Small Claims Court or Procedure (establishment of a small claims court or procedure; self-representation before a small claims court or procedure)	1	1	2	3.33	World Bank Group (2016, 2020)
Total points for Subcategory 2.1.1	3	3	6	10	

2.1.2 Special Complaint Mechanisms

Review Mechanism for Complaints Filed against Decisions on Appointment (and Promotion, Where Applicable) of Judges	1	1	2	3.33	Council of Europe (1998, 2007); UNODC (2011); World Bank Group (2021)
Review Mechanism for Complaints Filed against Judges' Misconduct	1	1	2	3.33	USAID (2002)
Review Mechanism for Complaints Filed against the Misconduct of Enforcement Agents	1	1	2	3.33	CEPEJ (2021)
Total points for Subcategory 2.1.2	3	3	6	10	
Total points for Category 2.1	6	6	12	20	

2.2 DIGITALIZATION

2.2.1 Electronic Filing and Service

Electronic Filing and Service in the Commencement of Proceedings (electronic filing of the initial complaint; electronic service of process for the initial complaint)	1	1	2	3.33	ABA (2006); Cabral et al. (2012); CEPEJ (2021); Cordella and Contini (2020); EBRD (2020); Gramckow and Nussenblatt (2013); Greacen (2018)
Electronic Exchange during the Conduct of Proceedings (electronic exchange of subsequent documents; electronic format of court decisions)	1	1	2	3.33	CEPEJ (2021); Cordella and Contini (2020); Gramckow and Nussenblatt (2013)
Electronic Communication with Courts and Enforcement Agents	1	1	2	3.33	CEPEJ (2017); Cordella and Contini (2020); EU (2021); Gramckow and Nussenblatt (2013)

Total points for Subcategory 2.2.1	3	3	6	10	
2.2.2 Digital Proceedings					
Admissibility of Digital Evidence	1	1	2	3.33	Council of Europe (2019); JTC (2016)
Virtual Hearings	1	1	2	3.33	CEPEJ (2020a2021d); Greacen (2018); OECD (2020)
Auxiliary Electronic Features (electronic payment of courts fees; electronic tracking of cases; electronic access to court schedule)	1	1	2	3.33	Cabral et al. (2012); CEPEJ (2008b, 2021c); CJEU (n.d.); Cordella and Contini (2020); EBRD (2020); Gramckow and Nussenblatt (2013); UNODC (2011)
Online Auctions	1	1	2	3.33	CEPEJ (2015); EBRD (2020)
Total points for Subcategory 2.2.2	4	4	8	13.33	
Total points for Category 2.2	7	7	14	23.33	
2.3 TRANSPARENCY					
2.3.1 Openness of Courts					
Public Access to the Domestic Legal Framework	1	1	2	3.33	CEPEJ (2008c); World Bank Group (2016)
Public Access to Court Hearings (court hearings held in person and online)	1	1	2	3.33	ABA (2019); ECHR (2010); OHCHR (1966); UN (1948)
Publication of Judgments of Higher Courts	1	1	2	3.33	CEPEJ (2008c); EU (2021); OSCE (2010); World Bank Group (2016, 2021)
Publication of Judgments of First Instance Courts	1	1	2	3.33	CEPEJ (2008c); EU (2021); OSCE (2010); World Bank Group (2016, 2021)
Publication of Information on Appointment (and Promotion, Where Applicable) of Judges	1	1	2	3.33	CEPEJ (2020b, 2020c); ECPR (2017); Transparency International (2021); UNODC (2011); UNODC (n.d.); USAID (2002)
Total points for Subcategory 2.3.1	5	5	10	16.66	
2.3.2 Production of Key Statistics					
Production of Key Statistics on Court Efficiency (time to disposition and clearance rate reports)	1	1	2	3.33	CEPEJ (2008, 2020d); EU (2021)
Production of Key Statistics on the Composition of Courts (number of judges disaggregated by individual court and by level of court; disaggregated by sex)	1	1	2	3.33	CEPEJ (2020d); UN (2016)
Production of Key Statistics on the Efficiency of Enforcement Proceedings (average length of enforcement proceedings; average	1	1	2	3.33	CEPEJ (2009, 2015, 2021); Gramckow (2014)

cost of enforcement proceedings; number of resolved cases and the number of unresolved cases-turnover rate)					
Total points for Subcategory 2.3.2	3	3	6	10	
Total points for Category 2.3	8	8	16	26.66	
2.4 ADR-RELATED SERVICES					
2.4.1 Arbitration					
Availability of Commercial Arbitration Services	1	1	2	3.33	Pouget (2013); World Bank (2011); Yin (2021)
Setting Up a Roster of Arbitrators	1	1	2	3.33	Schimmel et al. (2018)
Digitalization of Arbitration (online platform for arbitration; virtual conferences and hearings in arbitration; electronic signing of an arbitral award)	1	1	2	3.33	Piers and Aschauer (2018)
Transparency of Arbitration (statistics on the number of cases resolved through arbitration; statistics on the time to resolve cases through arbitration; publication of summaries of arbitral awards; statistics on the number of arbitrators disaggregated by sex)	1	1	2	3.33	Baetens (2020); CAM (2015); Gramckow et al. (2016); ICCA (2022); New York City Bar (2014); UN (2016); Zlatanska (2015)
Total points for Subcategory 2.4.1	4	4	8	13.33	
2.4.2 Mediation					
Availability of Commercial Mediation Services	1	1	2	3.33	European Parliament (2011); Pouget (2013); World Bank (2011)
Setting Up a Roster of Mediators	1	1	2	3.33	UNCITRAL (2018)
Financial Incentives to Use Mediation	1	1	2	3.33	European Parliament (2011)
Digitalization of Mediation (electronic submission of a request to mediate; virtual meetings in mediation; electronic signing of a mediation agreement)	1	1	2	3.33	Cordella and Contini (2020); Cortés (2011); EBRD (2021); Greacen (2018); OECD (2020); UNCITRAL (2017); Van den Heuvel (2000)
Transparency of Mediation (statistics on the number of cases resolved through mediation, and the number of mediators disaggregated by sex)	1	1	2	3.33	Kessedjian (2022); Kray and Kennedy (2017); UN (2016); UNCITRAL (2017); World Bank Group (2016)
Total points for Subcategory 2.4.2	5	5	10	16.66	
Total points for Category 2.4	9	9	18	30	
Total points for Pillar II	30	30	60	100	

Note: n.a. = not applicable (refers to the cases when the impact on firms or society is either ambiguous or nonexistent); n.d. = no date. FFP = firm flexibility point; SBP = social benefits point.

PILLAR III—EASE OF RESOLVING A COMMERCIAL DISPUTE IN PRACTICE

3.1 RELIABILITY OF DISPUTE RESOLUTION

3.1.1 Reliability of Courts

Indicators	FFP	SBP	Total points	Rescaled points	Background literature
Independence and Impartiality of Courts	50	n.a	50	17	Council of Europe (2020); Voigt, Gutmann, and Feld (2015)

3.1.2 Reliability of ADR

Reliability of Arbitration	25	n.a	25	8.3	Pouget (2013); World Bank (2011)
Reliability of Mediation	25	n.a	25	8.3	Pouget (2013); World Bank (2011)
Total points for Category 3.1	100	n.a	100	33	

3.2 TIME AND COST TO RESOLVE A DISPUTE

3.2.1 Time and Cost for Court Litigation

Time for Court Litigation	25	n.a	25	8.3	Chemin (2009); Dejuan-Bitria and Mora-Sanguinetti (2021); Fabbri (2010); Ramos Maqueda and Chen (2021); Moro, Maresch, and Ferrando (2018)
Cost for Court Litigation	25	n.a	25	8.3	Garcia-Posada and Mora-Sanguinetti (2015); Lee III (2015); OECD (2013b)

3.2.2 Time and Cost for Arbitration

Time for Arbitration	25	n.a	25	8.3	Chemin (2009); Dejuan-Bitria and Mora-Sanguinetti (2021); Fabbri (2010); Moro, Maresch, and Ferrando (2018); Ramos Maqueda and Chen (2021)
Cost for Arbitration	25	n.a	25	8.3	Lee III (2015); OECD (2013b); Garcia-Posada and Mora-Sanguinetti (2015)
Total points for Category 3.2	100	n.a	100	33.3	

3.3 RECOGNITION AND ENFORCEMENT

3.3.1 Foreign Decisions

Time to Recognize and Enforce a Foreign Judgment	12.5	n.a	12.5	4.2	Garcimartin and Saumier (2020)
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Cost to Recognize and Enforce a Foreign Judgment	12.5	n.a	12.5	4.2	Garcimartin and Saumier (2020)
Time to Recognize and Enforce a Foreign Arbitral Award	12.5	n.a	12.5	4.2	IBA (2015); Mistelis and Baltag (2008)
Cost to Recognize and Enforce a Foreign Arbitral Award	12.5	n.a	12.5	4.2	IBA (2015); Mistelis and Baltag (2008)
3.3.2 Final Domestic Judgments					
Time to Enforce a Final Judgment	25	n.a	25	8.3	Gramckow (2014)
Cost to Enforce a Final Judgment	25	n.a	25	8.3	Gramckow (2014)
Total points for Category 3.3	100	n.a	100	33	
Total points for Pillar III	100	n.a	100	100	

Note: n.a. = not applicable (refers to the cases when the impact on firms or society is either ambiguous or nonexistent). FFP = firm flexibility point; SBP = social benefits point.

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Annex B. Dispute Resolution-Annotated Questionnaire

Annex B consists of a Glossary and Annotated Questionnaire for Dispute Resolution. The Annotated Questionnaire provides the mapping between each indicator and the corresponding question(s).

Glossary

Alternative dispute resolution (ADR): Arbitration and mediation.

Appellate court: The first court that handles the parties' appeal to a decision of the court of first instance. Depending on the jurisdiction, this may include either a review of legal or factual errors, or legal errors alone.

Arbitration: An alternative dispute resolution process where parties submit their legal dispute to one or more independent third parties (arbitrators) who issue a binding decision (award).

Business entity: A legal entity, regardless of ownership, formed to conduct business for profit.

Commercial dispute: A legal dispute that occurs between two or more business entities in the conduct of their operations as a result of a failure to meet the terms or expectations of an agreement, including a contract, or a business relationship. Common examples of such disputes are as follows. Example 1 (goods): A buyer of auto parts (one firm) is not happy with their assortment and wants a replacement, which a seller (another firm) refuses to provide. Example 2 (services): A provider of accounting services (one firm) demands payment for its services, while a client (another firm) refuses to pay on the ground that the provided services were of inadequate quality. Please note that these examples are given for illustration purposes only and are by no means exhaustive.

Court litigation: The process of resolving disputes by filing and/or answering a complaint before a court, which makes a binding decision.

Court of first instance: A court that has primary jurisdiction to decide upon legal disputes between the parties. This is the initial court before which a case is brought; also referred to as a trial court.

Court: A public body, composed of one or more judges, having the authority to resolve legal disputes between the parties and render binding decisions upon them.

Court-annexed mediation: Mediation that is conducted by the court.

Domestic arbitration: An arbitration that is not international, as defined below. If the definition of domestic arbitration in your jurisdiction is different from this definition, please refer to the definition used in your jurisdiction.

ECMS: Electronic case management system.

Enforcement agent: Any person, whether a public official or not, authorized by the government to enforce court orders and judgments. The enforcement agent may have a public status (that is, a judicial officer as court enforcement agent or civil servant under the executive department) or a private status (that is, a self-employed enforcement agent).

Enforcement institution: An established body composed of enforcement agents.

Environmental dispute: Any dispute regarding environmental quality, environmental protection or management, or other natural resources, including the enforcement of any legal right relating to the environment, that involves at least one business entity.

Foreign judgment: Any valid and final judgment, whether it grants a pecuniary or nonpecuniary relief, rendered by a court of a foreign country.

International arbitration: An arbitration where (1) the parties to an arbitration agreement have, at the time of the conclusion of that agreement, their places of business in different countries; or (2) one of the following places is situated outside the country in which the parties have their places of business: (a) the place of arbitration if determined in, or pursuant to, the arbitration agreement; (b) any place where a substantial part of the obligations of the commercial relationship is to be performed or the place with which the subject matter of the dispute is most closely connected; or (3) the parties have expressly agreed that the subject matter of the arbitration agreement relates to more than one country. If the definition of international arbitration in your jurisdiction is different from this definition, please refer to the definition used in your jurisdiction.

Investor-state dispute: A dispute between a foreign investor and the government of the country where the investment was made.

Legal framework: All legal instruments of general application that have a binding force in [CITY NAME], irrespective of whether they have a country, regional, or municipal character. This includes laws and statutes enacted by the legislature, regulations and decrees made by the executive, and comprehensive sets of rules adopted by the highest judicial bodies (*for example, Supreme Court Mediation Rules, Supreme Court General Guidance on Extensions and Adjourments*). Legal framework also includes international treaties to which a country is a party. However, arbitration and mediation rules that are provided by arbitration and mediation institutions and that can be departed from by the parties are **not** considered a part of the legal framework. Because the questionnaire focuses on general rules applicable to commercial dispute resolution, case law and commentaries are also not considered a part of the legal framework.

Local institutions: All institutions that are involved in the process of commercial dispute resolution in [CITY NAME].

Mediation/conciliation: An alternative dispute resolution process where parties request an independent third party (mediator or conciliator) to assist them in their attempt to reach an amicable settlement of a legal dispute. In contrast to court litigation or arbitration, the mediator or conciliator does not have the authority to impose a solution on the parties to the dispute. This questionnaire does not differentiate between the two terms—mediation and conciliation—and uses them interchangeably.

Private mediation: Mediation that is completely independent from the court and requires no court approval of a mediator(s) chosen by the parties.

Public body: All branches and levels of government, as well as all other bodies that exercise a public function.

State-owned enterprise: A business entity that is majority owned or controlled by a national or local government whether directly or indirectly.

Supreme court: The highest court in the judicial system that serves as the final instance for resolving all legal disputes.

Questionnaire

The tables that follow present all indicators (including their components, if applicable) under each pillar, with a reference to the corresponding question number in parenthesis. The questions are listed before each table for ease of reference.

For Y/N questions, the Y response accounts for the score and is considered as the good practice, unless otherwise indicated with the sign “N → good practice”.

In the tables that follow, “AND” means all referenced questions must have a good practice response to obtain a score on the indicator.

In the tables that follow, “OR” means one or more referenced questions must have a good practice response to obtain a score on the indicator.

Certain questions are marked as “not scored,” which indicates that they do not affect the score in any way. The purpose of these questions is to further inform and refine the questions design for subsequent years of the pilot, as needed, as well as to substantiate and provide further information for the scored questions.

Several indicators of Dispute Resolution are composite, wherein a score of 1 point is divided between several questions. For example, an indicator on General Time Standards has a score of 1 on both firm flexibility (FFP) and social benefits (SBP) and is comprised of: (1) “Time frame for resolving a commercial case at the court of first instance” (0.33 points), (2) “Time frame for reviewing a commercial case at the appellate court” (0.33 points), and (3) “Time frame for enforcing a final commercial judgment.” (0.33 points).

PILLAR I—REGULATORY FRAMEWORK FOR DISPUTE RESOLUTION	
Parameters	
Largest city	Across all pillars, the Dispute Resolution topic focuses on the largest city (most populous) in the economy. In Pillar I, the parameter of business location is used to determine the specific city, in which the regulatory framework for dispute resolution will be measured.

1.1 COURT LITIGATION

In this part of the Questionnaire, please respond to the questions based on provisions of the legal framework only, regardless of practice.

1.1.1 Time Standards

- 1. Does the legal framework provide for a time period within which a commercial case must be decided by the court of first instance? (Y/N)**

Note: Please answer Yes only if this time frame covers the period from the receipt of a complaint by the court of first instance until a formal written judgment is delivered to the parties.

- 2. Does the legal framework provide for a time period within which a judgment delivered by the first instance court in a commercial case must be reviewed by the appellate court? (Y/N)**

Note: Please answer Yes only if this time frame covers the period from the receipt of an appeal by the appellate court until a formal written ruling is delivered to the parties.

3. Does the legal framework provide for the time period within which a final commercial judgment must be enforced? (Y/N)
4. Does the legal framework provide for a time period within which the defendant must be served with a copy of the initial complaint in a commercial case? (Y/N)
5. Does the legal framework provide for a time period within which the defendant must file its statement of defense in a commercial case? (Y/N)
6. Does the legal framework provide for the time period within which the judge must decide on a request for an interim measure? (Y/N)
Note: "Interim measure" means a provisional or temporary relief granted by a court during the pendency of a case with the aim to safeguard the position or assets of a party and avoid irreversible harm before the final ruling on the merits.
7. Does the legal framework provide for a time period within which an expert must deliver his or her expert opinion in a commercial case? (Y/N)
Note: The term expert is defined in accordance with the legal framework in your jurisdiction.
8. Does the legal framework provide for a time period within which the judge must submit a complete written judgement after all hearings have been held? (Y/N)

1.1.2 Procedural Certainty

9. Does the legal framework provide that, after a certain time period or court event (*for example, first hearing*), parties are no longer allowed to suggest new evidence? (Y/N)
10. Does the legal framework provide for the maximum number of adjournments of proceedings that can be granted in a commercial case? (Y/N)
11. Does the legal framework provide for holding a pre-trial hearing in commercial cases? (Y/N)
Note: A "pre-trial hearing" means a separate hearing that takes place at the beginning of proceedings to expedite resolution of the dispute, in particular by narrowing down contentious issues, clarifying the evidence, and discussing the possibility of settlement.
12. Does the legal framework provide that when a duly notified defendant fails to respond to a court summons or to appear in court, the judge may issue a default judgment? (Y/N)
13. Does the legal framework provide the enforcement agent with the right to seize the debtor's monetary claims toward a third party? (Y/N)
14. Does the legal framework provide the enforcement agent with the right to seize the debtor's financial instruments, such as bonds and stocks? (Y/N)
15. Does the legal framework provide the enforcement agent with the right to seize the debtor's electronic assets (*for example, cryptocurrency*)? (Y/N)

1.1.3 Judicial Integrity

16. Does the legal framework impose on judges a duty to recuse themselves from consideration of a case in the event of an actual or potential conflict of interest? (Y/N)

Note: “Conflict of interest” means a real or apparent conflict between one’s professional or official duties and one’s private interests.

17. Does the legal framework allow parties to challenge a judge in a commercial case if circumstances exist that may impact the judge’s independence or impartiality? (Y/N)

18. Does the legal framework require judges to disclose their assets on an annual basis?

18a. Yes, public disclosure is required

18b. Yes, but the disclosure is not public

18c. No

19. In your jurisdiction, is there a code of ethics for judges? (Y/N)

Note: Please answer Yes only if the code covers all or most of the following: conflict of interest; impartiality and independence; abuse of position; receipt of gifts; confidentiality; ex parte communications; diligent performance of official duties; extrajudicial activities.

20. In your jurisdiction, is there a code of ethics for enforcement agents? (Y/N)

Note: Please answer Yes only if the code covers all or most of the following: duties and obligations; independence, impartiality, and integrity; conflict of interest; enforcement of defined procedures; disciplinary sanctions; and transparency and predictability of costs.

1.1.4 Foreign Judgments

21. Does the legal framework allow for recognizing and enforcing foreign judgments of countries with which no reciprocal agreements have been concluded? (Y/N)

Note: Reciprocal agreement is a treaty between two or more countries that specifically acknowledges that court judgments issued in the territory of one party to the agreement may be recognized and enforced in the territory of another party to the same agreement.

22. Does the legal framework require legalization of foreign judgments in order to proceed with their recognition and enforcement? (Y/N; N – good practice)

Note: “Legalization” means the formality by which the diplomatic or consular agents of the country in which the judgment must be produced certify its authenticity. Apostille is not considered legalization.

23. Does the legal framework require that a security, bond, or deposit must be provided by a party who applies for the recognition and enforcement of a foreign judgment on the sole ground that such party is not domiciled or does not reside in your jurisdiction? (Y/N; N – good practice)

24. Does the legal framework allow the court to deny recognition and enforcement of a foreign judgment on the grounds of error of law or error of fact, i.e., authorize it to review a foreign judgment on the merits (“révision au fond”)? (Y/N; N – good practice)

1.1.5 Gender Equality and Environmental Sustainability

25. Does the legal framework contain any restriction for a woman to become a judge (including in higher courts), arbitrator, or mediator? (Y/N; N – good practice)

26. According to the legal framework, do women have the same rights as men in all stages of procedure in commercial litigation? (Y/N)

Note: Examples of discriminatory treatment include instances when a testimony of a woman is weighted less than a testimony of a man, when a woman must request a permission (such as from her husband or parents) to go to court, etc.

27. Does the legal framework allow any party, including business entities, nongovernmental organizations or civil society, to bring an environmental dispute against a business entity in court, even if that party has not suffered actual harm? (Y/N)

28. Does the legal framework allow filing a lawsuit against business entities operating in your country for alleged environmental damage that they have caused abroad? (Y/N)

29. Does the legal framework require the government to collect from business entities and disclose to the public information on their environmental impact (for example, in a public pollutant release)? (Y/N)

30. As far as environmental disputes against a business entity are concerned, does the legal framework provide the court with the power to issue additional remedies, beyond pecuniary damages such as fines and compensation, in order to address the specific nature of environmental damage? (Y/N)

Note: Such additional remedies may include restoration of the polluted land, payment to support education on environmental protection, community service of the employees responsible for pollution, business or environmental license revocation, specific performance, etc.

1.1 COURT LITIGATION			
1.1.1 Time Standard			
Indicators	FFP	SBP	Total points
General Time Standards	1	1	2
- Time frame for resolving a commercial case at the first instance (1)	0.33	0.33	0.66
- Time frame for reviewing a commercial case at the appellate court (2)	0.33	0.33	0.66
- Time frame for enforcing a final commercial judgment (3)	0.33	0.33	0.66
Specific Time Standards	1	1	2
- Time frame for serving a complaint on the defendant (4)	0.20	0.20	0.40
- Time frame for filing a statement of defense (5)	0.20	0.20	0.40
- Deciding on a request for an interim measure (6)	0.20	0.20	0.40
- Time frame for issuing an expert opinion (7)	0.20	0.20	0.40
- Time frame for submitting a judgment (8)	0.20	0.20	0.40
Total points	2	2	4
1.1.2 Procedural Certainty			
Indicators	FFP	SBP	Total points
Time Limit on Suggesting New Evidence (9)	1	1	2
Maximum Number of Adjournments (10)	1	1	2
Holding a Pre-Trial Conference (11)	1	1	2
Availability of a Default Judgment (12)	1	1	2
Powers of Enforcement Agents to Seize Extra Types of Assets	1	1	2
- Seizing the debtor's claims against third parties (13)	0.33	0.33	0.66
- Seizing the debtor's financial instruments (14)	0.33	0.33	0.66
- Seizing the debtor's electronic assets (15)	0.33	0.33	0.66

Total points	5	5	10
1.1.3 Judicial Integrity			
Indicators	FFP	SBP	Total points
Independence and Impartiality of Judges	1	1	2
- Rules on the recusal of judges (16)	0.50	0.50	1
- Parties' right to question judges' independence and impartiality (17)	0.50	0.50	1
Disclosure of Assets by Judges	1	1	2
- Public disclosure is required (18a) OR	1 OR	1 OR	2 OR
- The disclosure is not public (18b)	0.5	0.5	1
Code of Ethics for Judges (19)	1	1	2
Code of Ethics for Enforcement Agents (20)	1	1	2
Total points	4	4	8
1.1.4 Foreign Judgments			
Indicators	FFP	SBP	Total points
Absence of Restrictions in Recognition and Enforcement of Foreign Judgments	1	1	2
- Recognition and enforcement in the absence of reciprocal agreements (21)	0.33	0.33	0.66
- Not requiring legalization of foreign judgments (22)	0.33	0.33	0.66
- Not requiring a security from a foreign judgment creditor (23)	0.33	0.33	0.66
Grounds for Denying Recognition and Enforcement of Foreign Judgments (24)	1	1	2
Total points	2	2	4
1.1.5 Gender Equality and Environmental Sustainability			
Indicators	FFP	SBP	Total points
Gender Equality	1	1	2
- Restrictions for a woman to become a judge, arbitrator, or mediator (25)	0.50	0.50	1
- Equal rights for men and women in commercial litigation (26)	0.50	0.50	1
Commencement of an Environmental Dispute	0	1	1
- Expanded legal standing in environmental disputes (27)	0	0.50	0.50
- Holding polluting firms accountable for environmental damage caused abroad (28)	0	0.50	0.50
Evidence and Remedies in Environmental Disputes	0	1	1
- Collection and public release of information on the environmental impact of firms (29)	0	0.50	0.50
- Expanded range of remedies in environmental disputes (30)	0	0.50	0.50
Total points	1	3	4

Note: FFP = firm flexibility point; SBP – social benefits point.

1.2 ALTERNATIVE DISPUTE RESOLUTION

In this part of the Questionnaire, please respond to the questions based on provisions of the legal framework only, regardless of practice.

1.2.1 Acceptance of Arbitration

31. Is there a legal framework that governs international arbitration? (Y/N)

32. Is there a legal framework that governs domestic arbitration? (Y/N) (not scored)

N to both questions 31 and 32 → 0 points on questions 33–51.

33. Does the legal framework allow arbitrating disputes involving rights over immovable property (in rem) located within your jurisdiction? (Y/N)

34. Does the legal framework allow arbitrating corporate disputes (for example, decisions of executive bodies, shareholder arrangements, etc.)? (Y/N)

35. Does the legal framework allow arbitrating intellectual property disputes (for example, involving patents, copyrights, trademarks, etc.), as long as they do not affect third party rights? (Y/N)

36. Does the legal framework allow privately owned business entities to arbitrate commercial disputes with public bodies and state-owned enterprises?

Note: Please answer Yes only if public bodies and state-owned enterprises would not be required to obtain permission or satisfy other additional conditions to this end.

36a. Yes, both in domestic and international arbitration

36b. Yes, but only in domestic arbitration

36c. Yes, but only in international arbitration

36d. No

37. Does the legal framework allow the parties to select arbitrators regardless of their nationality, professional qualifications, and gender?

37a. Yes, both in domestic and international arbitration

37b. Yes, but only in domestic arbitration

37c. Yes, but only in international arbitration

37d. No

38. Does the legal framework allow the parties to freely choose either an arbitral institution or ad hoc arbitration to administer their case?

38a. Yes, both in domestic and international arbitration

38b. Yes, but only in domestic arbitration

38c. Yes, but only in international arbitration

38d. No

39. Does the legal framework allow the parties to freely select a legal counsel to represent them in arbitration regardless of the counsel's nationality, professional qualifications, admission to courts or membership in professional organizations (for example, a bar association)?

39a. Yes, both in domestic and international arbitration

39b. Yes, but only in domestic arbitration

39c. Yes, but only in international arbitration

39d. No

1.2.2 Key Elements of Arbitration

40. Does the legal framework impose on arbitrators a duty of disclosure of any circumstances impacting their impartiality or independence, either before or after their appointment to the arbitral tribunal?

40a. Yes, both in domestic and international arbitration

40b. Yes, but only in domestic arbitration

40c. Yes, but only in international arbitration

40d. No

41. Does the legal framework allow parties to challenge an arbitrator if circumstances exist that may impact the arbitrator's independence or impartiality?

41a. Yes, both in domestic and international arbitration

41b. Yes, but only in domestic arbitration

41c. Yes, but only in international arbitration

41d. No

42. Does the legal framework incorporate the principle of kompetenz-kompetenz which, on the one hand, recognizes the power of arbitrators to determine their own jurisdiction under the arbitration agreement and, on the other hand, requires the courts to defer to the arbitral tribunal over disputes relating to jurisdiction unless the underlying agreement is prima facie null and void?

42a. Yes, both in domestic and international arbitration

42b. Yes, but only in domestic arbitration

42c. Yes, but only in international arbitration

42d. No

43. Does the legal framework allow courts to order interim measures in support of arbitration?

Note: Interim (also provisional or conservatory) measures mean remedies that a court may grant before arbitrators hear the merits and render their final award with the aim to protect a party during the course of arbitration to insure a meaningful final adjudication on the merits.

43a. Yes, both in domestic and international arbitration

43b. Yes, but only in domestic arbitration

43c. Yes, but only in international arbitration

43d. No

44. Does the legal framework allow courts to order the production of documents or the appearance of witnesses in support of arbitration?

44a. Yes, both in domestic and international arbitration

44b. Yes, but only in domestic arbitration

44c. Yes, but only in international arbitration

44d. No

45. Does the legal framework provide that a domestic arbitral award is subject to appeal to a local court or review by an administrative agency (that is, an appeal against the award on the merits, different from the action to set aside, annul or vacate the award on the grounds of procedural irregularity or jurisdictional error)? (Y/N; N – good practice)

Note: Please answer Yes only if appeal or administrative review may take place irrespective of whether both parties gave their express consent to it or not.

Y → provide response to questions 133–136.

1.2.3 Investor-State Arbitration

46. Does the legal framework explicitly provide for mechanisms aimed at prevention and early resolution of investor-state disputes? (Y/N)

Note: Examples of such mechanisms include providing powers to a public body to flag in advance a potential investor-state dispute, empowering a public body to proactively negotiate disputes between the investor and the government, etc.

47. Does the legal framework explicitly allow the provision of third-party funding in investor-state arbitration? (Y/N)

Note: “Third-party funding” means an arrangement whereby a party to a dispute obtains funding to carry out arbitration proceedings from a third party unconnected to the dispute in exchange for an agreed return.

1.2.4 Recognition and Enforcement of Arbitral Awards

48. Does the legal framework provide that courts may recognize as binding and enforce interim awards?

Note: “Interim award” (also provisional award) means an arbitral award that is subject to a final determination at a later stage, granting an interim (also provisional) relief that an arbitral tribunal would have power to grant in a final award.

48a. Yes, both in domestic and international arbitration

48b. Yes, but only in domestic arbitration

48c. Yes, but only in international arbitration

48d. No

49. Does the legal framework provide that courts may recognize as binding and enforce partial awards?

Note: “Partial award” means an arbitral award that finally determines only part of the claims in dispute between the parties.

49a. Yes, both in domestic and international arbitration

49b. Yes, but only in domestic arbitration

49c. Yes, but only in international arbitration

49d. No

50. Does the legal framework allow the court to set aside, annul or vacate a domestic arbitral award on the grounds of error of law or error of fact, i.e., authorize it to review a foreign judgment on the merits (“révision au fond”)? (Y/N; N – good practice)

51. Does the legal framework allow the court to deny recognition and enforcement of a foreign arbitral award on the grounds of error of law or error of fact, i.e., authorize it to review a foreign arbitral award on the merits (“révision au fond”)? (Y/N; N – good practice)

1.2.5 Mediation

52. Is there a legal framework that governs mediation? (Y/N)

N → 0 points on questions 53-58.

53. Does the legal framework establish that commercial mediation is mandatory: that is, parties are required to attempt mediation—whether before filing a lawsuit with the court or after the case has already been accepted—in order to proceed with court litigation? (Y/N; N – good practice)

Note: An information session held with the sole purpose of explaining how mediation works is not considered mandatory mediation, as long as a party can withdraw from the session at any time without providing any reason and no sanctions would be imposed.

Y → provide response to questions 115 and 122.

54. Does the legal framework impose on mediators a duty of disclosure of any circumstances impacting their impartiality or independence, either before or after their appointment? (Y/N)

55. Does the legal framework provide that, unless otherwise agreed by the parties, the mediator shall not serve as an arbitrator in respect of a dispute that was or is the subject of the mediation proceedings or another dispute that has arisen from the same or related contract or legal relationship? (Y/N)

56. Does the legal framework preclude parties to mediation proceedings, the mediator and any involved third person from relying on evidence or testimony provided during the mediation proceedings in arbitration, court litigation, or other types of dispute resolution? (Y/N)

Note: Such matters may include views expressed or suggestions made by a party in respect of a possible settlement of the dispute; statements or admissions made by a party; proposals made by the mediator; a document prepared solely for purposes of mediation, etc.

57. Does the legal framework provide for mediation settlement agreements a special enforcement regime that is more streamlined/expedited compared to bringing an action in court for a breach of contract?

Note: Examples of such a regime include subjecting mediation agreements to a simplified court procedure (for example, endorsement by a court stamp, expedited conversion to a court judgment, etc.), making them enforceable upon notarization, granting them the status of an arbitral award, etc.

57a. Yes, both in court-annexed mediation and private mediation

57b. Yes, but only in court-annexed mediation

57c. Yes, but only in private mediation

57d. No, such a regime is not provided

58. Does the legal framework provide for specific rules on recognition and enforcement of international mediation settlement agreements that do not have a court approval, or do not enjoy the status of a court judgement or arbitral award? (Y/N)

1.2 ALTERNATIVE DISPUTE RESOLUTION			
1.2.1 Acceptance of Arbitration			
Indicators	FFP	SBP	Total points
Arbitrability of Different Types of Business-Related Disputes	1	1	2
- Arbitrability of immovable property disputes (33)	0.33	0.33	0.66
- Arbitrability of corporate disputes (34)	0.33	0.33	0.66
- Arbitrability of intellectual property disputes (35)	0.33	0.33	0.66
Arbitration of Disputes with State-Owned Enterprises and Public Bodies	1	1	2
- Both in domestic and international arbitration (36a) OR	1 OR	1 OR	2 OR
- Only in domestic arbitration (36b) OR	0.5 OR	0.5 OR	1 OR
- Only in international arbitration (36c)	0.5	0.5	1
Parties' Autonomy in Arbitration	1	1	2
Selection of arbitrators	0.33	0.33	0.66
- Both in domestic and international arbitration (37a) OR	0.33 OR	0.33 OR	0.66 OR
- Only in domestic arbitration (37b) OR	0.16 OR	0.16 OR	0.33 OR
- Only in international arbitration (37c)	0.16	0.16	0.33
Selection of an arbitral institution or ad hoc arbitration	0.33	0.33	0.66
- Both in domestic and international arbitration (38a) OR	0.33 OR	0.33 OR	0.66 OR
- Only in domestic arbitration (38b) OR	0.16 OR	0.16 OR	0.33 OR
- Only in international arbitration (38c)	0.16	0.16	0.33
Selection of a legal counsel	0.33	0.33	0.66
- Both in domestic and international arbitration (39a) OR	0.33 OR	0.33 OR	0.66 OR

- Only in domestic arbitration (39b) OR - Only in international arbitration (39c)	0.16 OR 0.16	0.16 OR 0.16	0.33 OR 0.33
Total points	3	3	6
1.2.2 Key Elements of Arbitration			
Indicators	FFP	SBP	Total points
Independence and Impartiality of Arbitrators	1	1	2
Disclosure of conflict of interest - Both in domestic and international arbitration (40a) OR - Only in domestic arbitration (40b) OR - Only in international arbitration (40c)	0.50 0.50 OR 0.25 OR 0.25	0.50 0.50 OR 0.25 OR 0.25	1 1 OR 0.50 OR 0.50
Parties' right to question arbitrators' independence and impartiality - Both in domestic and international arbitration (41a) OR - Only in domestic arbitration (41b) OR - Only in international arbitration (41c)	0.50 0.50 OR 0.25 OR 0.25	0.50 0.50 OR 0.25 OR 0.25	1 1 OR 0.50 OR 0.50
Incorporation of the principle "kompetenz-kompetenz" - Both in domestic and international arbitration (42a) OR - Only in domestic arbitration (42b) OR - Only in international arbitration (42c)	1 1 OR 0.5 OR 0.5	1 1 OR 0.5 OR 0.5	2 2 OR 1 OR 1
Court Support of Arbitration	1	1	2
Support by courts in ordering interim measures in arbitration - Both in domestic and international arbitration (43a) OR - Only in domestic arbitration (43b) OR - Only in international arbitration (43c)	0.5 0.5 OR 0.25 OR 0.25	0.5 0.5 OR 0.25 OR 0.25	1 1 OR 0.50 OR 0.50
Support by courts in the collection of evidence in arbitration - Both in domestic and international arbitration (44a) OR - Only in domestic arbitration (44b) OR - Only in international arbitration (44c)	0.50 0.50 OR 0.25 OR 0.25	0.50 0.50 OR 0.25 OR 0.25	1 1 OR 0.50 OR 0.50
Absence of Appeal in Arbitration (45)	1	1	2
Total points	3	3	6
1.2.3 Investor-State Arbitration			
Indicators	FFP	SBP	Total points
Mechanisms for Prevention and Early Resolution of Investor-State Disputes (46)	1	1	2
Provision of Third-Party Funding in Investor-State Arbitration (47)	1	1	2
Total points	2	2	4
1.2.4 Recognition and Enforcement of Arbitral Awards			
Indicators	FFP	SBP	Total points
Recognition and Enforcement of Interim and Partial Awards	1	1	2
Recognition and enforcement of interim awards - Both in domestic and international arbitration (48a) OR - Only in domestic arbitration (48b) OR - Only in international arbitration (48c)	0.50 0.50 OR 0.25 OR 0.25	0.50 0.50 OR 0.25 OR 0.25	1 1 OR 0.50 OR 0.50
Recognition and enforcement of partial awards - Both in domestic and international arbitration (49a) OR - Only in domestic arbitration (49b) OR - Only in international arbitration (49c)	0.50 0.50 OR 0.25 OR 0.25	0.50 0.50 OR 0.25 OR 0.25	1 1 OR 0.50 OR 0.50

Grounds for Denying Confirmation/Recognition and Enforcement of Final Awards	1	1	2
- Grounds for setting aside, annulment, or vacating a domestic arbitral award (50)	0.5	0.5	1
- Grounds for denying recognition and enforcement a foreign arbitral award (51)	0.5	0.5	1
Total points	2	2	4
1.2.5 Mediation			
Indicators	FFP	SBP	Total points
Voluntary Nature of Commercial Mediation (53)	1	1	2
Independence and Impartiality of Mediators	1	1	2
- Disclosure of conflict of interest (mediation) (54)	0.5	0.5	1
- Restriction for a mediator to act as an arbitrator in the same or related dispute (55)	0.5	0.5	1
Inadmissibility of Evidence that Was Disclosed for the Purpose of Mediation in Other Proceedings (56)	1	1	2
Recognition and Enforcement of Mediation Agreements	1	1	2
Streamlined enforcement for mediation settlement agreements	0.50	0.50	1
- Both in court-annexed and private mediation (57a) OR	0.50 OR	0.50 OR	1 OR
- Only in court-annexed mediation (57b) OR	0.25 OR	0.25 OR	0.50 OR
- Only in private mediation (57c)	0.25	0.25	0.50
Recognition and enforcement of international mediation agreements (58)	0.5	0.5	1
Total points	4	4	8

Note: FFP = firm flexibility point; SBP – social benefits point.

PILLAR II–PUBLIC SERVICES	
Parameters	
Largest city	Across all pillars, the Dispute Resolution topic focuses on the largest city (most populous) in the economy. In Pillar II, the parameter of business location is used to determine the specific city, in which public services for dispute resolution will be measured.
First instance court	In Pillar II, the Dispute Resolution topic focuses specifically on public services provided in first instance courts. The parameter does not apply to the category on ADR-Related Services.

2.1 INSTITUTIONAL FRAMEWORK

In this part of the Questionnaire, please respond to the questions based on the current practice only, regardless of what is set out in the legal framework.

2.1.1 Streamlined Courts

59. Is there a court or chamber of a court dedicated solely to hearing commercial cases at the first instance level? (Y/N)

Note: Please answer Yes only if this court or chamber is fully operational; dedicated to commercial cases only (for example, excludes other civil cases); and has a broad jurisdiction over commercial cases (for example, not limited only to cross-border lawsuits or insolvency disputes).

60. Are new commercial cases at the first instance level assigned to judges randomly through an automated electronic system? (Y/N)

Note: Please answer Yes only if assignment of cases is carried out without human intervention, and no judge or party has a possibility to influence or predict the assignment.

61. Is there a small claims court and/or a fast-track procedure for small claims? (Y/N)

Note: Please answer Yes only if this court and/or procedure is fully operational; applies to both civil and commercial contested cases; provides for appropriate maximum monetary threshold; and has simplified procedural rules (for example, shorter time frames, relaxed evidence rules, etc.).

N → proceed to question 62.

62. When a small claims court and/or a fast-track procedure for small claims is available, can parties self-represent themselves before it without an attorney? (Y/N)

2.1.2 Specialized Complaint Mechanisms

63. Is there an independent review mechanism (for example, Judicial Ombudsman) established specifically to consider complaints filed by candidates for judicial appointments (and promotions, where applicable) about how their applications have been handled? (Y/N)

Note: “Independent” means there is no direct subordination between the body that makes decisions on selection of judges and the body that reviews the complaints. “Specifically” means the mandate of the review body explicitly covers such complaints.

64. Is there an independent review mechanism established specifically to consider complaints filed against judges’ misconduct, such as lack of integrity, undue influence, existence of a conflict of interest, failure to recuse, violation of the code of ethics, etc.? (Y/N)

Note: “Independent” means there is no direct subordination between the judge against whom a complaint has been filed and the body that reviews the complaint. “Specifically” means the mandate of the review body explicitly covers complaints filed against judges’ work.

65. Is there an independent review mechanism established specifically to consider complaints filed against the misconduct of enforcement agents, such as lack of integrity, undue influence, existence of a conflict of interest, violation of the code of ethics, etc.? (Y/N)

Note: “Independent” means there is no direct subordination between the enforcement agent against whom a complaint has been filed and the body that reviews the complaint. “Specifically” means the mandate of the review body explicitly covers such complaints.

2.1 INSTITUTIONAL FRAMEWORK			
2.1.1 Streamlined Courts			
Indicators	FFP	SBP	Total points
Existence of a Commercial Court or Chamber (59)	1	1	2
Automated Random Assignment of Cases (60)	1	1	2
Existence of a Small Claims Court or Procedure	1	1	2
- Establishment of a small claims court or procedure (61)	0.50	0.50	1
- Self-representation before a small claims court or procedure (62)	0.50	0.50	1
Total points	3	3	6
2.1.2 Specialized Complaint Mechanisms			

Indicators	FFP	SBP	Total points
Review Mechanism for Complaints Filed against Decisions on Appointments (and Promotions, Where Applicable) of Judges (63)	1	1	2
Review Mechanism for Complaints Filed against Judges' Misconduct (64)	1	1	2
Review Mechanism for Complaints Filed against the Misconduct of Enforcement Agents (65)	1	1	2
Total points	3	3	6

Note: FFP = firm flexibility point; SBP – social benefits point.

2.2 DIGITALIZATION

For all questions that pertain to courts, please answer based on the first instance court. If there are several such courts in your jurisdiction and the extent of digitalization differs among them, then please provide responses that would be relevant to the majority of commercial cases in [CITY NAME].

For the purpose of this section, please answer Yes whenever a particular electronic tool is fully implemented in practice, regardless of whether it is used by the majority of litigants or not. Please answer Yes only if this electronic tool is reliable and secure.

In this part of the Questionnaire, please respond to the questions based on the **current practice only**, regardless of what is set out in the legal framework.

2.2.1 Electronic Filing and Service

66. Can the initial complaint together with all its attachments be filed electronically through a court's platform or an electronic case management system (ECMS)? (Y/N)

Note: Please answer Yes only if no hard copies of the complaint and its attachments are required from the plaintiff, including at the first hearing.

67. Can the court's summons and the plaintiff's initial complaint be served on the defendant electronically (including via email or an ECMS) before the first hearing? (Y/N)

Note: Please answer Yes only if no hard copies of the complaint are required from the plaintiff, including at the first hearing. If the consent of the user to be served by electronic means is required, it should be obtained before the first hearing.

68. Can parties receive and send subsequent documents, as well as file motions (for example, to request an injunction or reschedule a hearing) through a court's platform or an ECMS while a case is under consideration? (Y/N)

69. When requested by a party, can judges handling commercial cases issue a court decision (for example, order, ruling, judgment, etc.) in an electronic format, which would have the same validity and status as a paper document for the purpose of its enforcement? (Y/N)

Note: A court decision is considered to be in an electronic format if it has been signed with an e-signature of a judge or if an actual signature in a PDF format has been inserted into the electronic document. Please answer Yes only if no hard copies are required for enforcement.

70. Can a party communicate with the court through electronic means, that is to send questions and receive notifications related to its case (for example, to inquire about a new court hearing or receive updates on additional submissions)? (Y/N).

Note: “Electronic means” may include communication through email, court’s platform, ECMS, etc.

71. Can a party communicate with the enforcement agent through electronic means, which includes receiving and submitting documents? (Y/N)

Note: “Electronic means” may include communication through email, court’s platform, enforcement institution’s portal, ECMS, etc.

2.2.2 Digital Proceedings

72. Is digital evidence, including contracts, in practice admissible by the court in commercial cases? (Y/N)

Note: “Digital evidence” means any evidence derived from data contained in or produced by any device the functioning of which depends on a software program or data stored on or transmitted over a computer or network.

73. Can court conferences and hearings in a commercial case be conducted online (for example, through a court’s platform, or other types of software such as Microsoft Teams, Skype, Webex, Zoom, etc.), when requested by a party?

- 73a. Yes, in all matters
 - 73b. Yes, but in urgent matters only
 - 73c. No
- Y (options 73a or 73b) → provide response to question 80.

74. Can all court fees be paid electronically, that is via a court’s platform, ECMS, or online banking? (Y/N)

Note: Please answer Yes only if no physical interaction with the bank (that is, to endorse the receipt with a bank stamp) or court (that is, to submit a hard copy of the receipt) is required from the plaintiff to complete the payment.

75. Can a party track the status of its commercial case online (for example, through a court’s platform or ECMS)? (Y/N)

76. Is court schedule of all hearings available online (for example, on a court’s platform)? (Y/N)

77. During the enforcement of commercial judgments, in practice, can auctions be conducted online? (Y/N)

2.2 DIGITALIZATION			
2.2.1 Electronic Filing and Service			
Indicators	FFP	SBP	Total points
Electronic Filing and Service in Commencement of Proceedings	1	1	2
- Electronic filing of the initial complaint (66)	0.50	0.50	1
- Electronic service of process for the initial complaint (67)	0.50	0.50	1
Electronic Exchange in the Conduct of Proceedings	1	1	2
- Electronic exchange of subsequent documents (68)	0.50	0.50	1
- Electronic format of court decisions (69)	0.50	0.50	1
Electronic Communication with Courts and Enforcement Agents	1	1	2
- Electronic communication with courts (70)	0.50	0.50	1
- Electronic communication with enforcement agents (71)	0.50	0.50	1

Total points	3	3	6
2.2.2 Digital Proceedings			
Indicators	FFP	SBP	Total points
Admissibility of Digital Evidence (72)	1	1	2
Virtual Hearings	1	1	2
- In all matters (73a) OR	1 OR	1 OR	2 OR
- In urgent matters only (73b)	0.5	0.5	1
Auxiliary Electronic Features	1	1	2
- Electronic payment of court fees (74)	0.33	0.33	0.66
- Electronic tracking of cases (75)	0.33	0.33	0.66
- Electronic access to court schedule (76)	0.33	0.33	0.66
Online Auctions (77)	1	1	2
Total points	4	4	8

Note: FFP = firm flexibility point; SBP – social benefits point.

2.3 TRANSPARENCY

For all questions that pertain to courts, please answer based on the first instance court unless explicitly specified otherwise. If there are several first instance courts in your jurisdiction and the extent of transparency differs among them, then please provide responses that would be relevant to the majority of commercial cases in [CITY NAME].

In this part of the Questionnaire, please respond to the questions based on the current practice only, regardless of what is set out in the legal framework.

2.3.1 Openness of Courts

78. Are legal instruments (laws, regulations, directives, orders, etc.) published in your jurisdiction in a searchable database that allows the public to study their latest versions free of charge?

Note: A “searchable database” means a database that allows a user to find and study a relevant legal instrument by using such search criteria as title, subject matter, enacting authority, date of adoption, key words, etc.

78a. Yes, all legal instruments

78b. Yes, but main laws and regulations only, which excludes more specific instruments

78c. No

79. Are in-person court hearings of commercial cases open to the general public, with no arbitrary restrictions being applied in practice (for example, denying access on the ground that the court room is full without providing an online alternative)? (Y/N)

Note: Some legitimate reasons for restricting access of the public to court hearings may include: interests of public morality; protection of the private life; protection of trade secrets and confidential business information; public order or national security, etc.

80. Are online court hearings of commercial cases open to the general public, with no arbitrary restrictions being applied in practice (for example, denying access on the ground that the Internet connection is allegedly weak)? (Y/N)

Note: Some legitimate reasons for restricting access of the public to court hearings may include: interests of public morality; protection of the private life; protection of trade secrets and confidential business information; public order or national security, etc.

81. Are all commercial judgments at the supreme and appellate court levels published in a searchable database that allows the public to study them free of charge? (Y/N)

Note: A “searchable database” means a database that allows a user to find and study a relevant judgment by using such search criteria as case type, subject matter, legal issues raised, key words, name of the judges, names of the parties, etc.

81a. Yes, at the supreme and appellate levels

81b. Yes, but only at the supreme level

81c. Yes, but only at the appellate level

81d. No

82. Are all commercial judgments at the first instance level published in a searchable database that allows the public to study them free of charge? (Y/N)

Note: A “searchable database” means a database that allows a user to find and study a relevant judgment by using such search criteria as case type, subject matter, legal issues raised, key words, name of the judges, names of the parties, etc.

83. Is information on appointment (and promotion, when applicable) of judges across all levels of the judiciary made publicly available in a timely manner, that is, the information on the upcoming selection process is published at least 4 weeks prior to the deadline for candidates and the information on the outcome of the selection process is published no later than 4 weeks after its completion? (Y/N)

Note: Please answer Yes only if all of the following are made public: criteria for selection; time frame for selection; full names of the members of the selection body; outcome of the process, including full names of successful and unsuccessful candidates.

2.3.2 Production of Key Statistics

84. Does the judiciary, or other relevant body, publish a time to disposition report for commercial cases, at least once a year? (Y/N)

Note: A “time to disposition report” means a report that measures for each court the time it takes to adjudicate different categories of commercial cases. Please answer Yes only if the data for the year [20YY] are available.

85. Does the judiciary, or other relevant body, publish a clearance rate report for commercial cases, at least once a year? (Y/N)

Note: A “clearance rate report” means a report that measures for each court the number of commercial cases resolved versus the number of incoming cases per category. Please answer Yes only if the data for the year [20YY] are available.

86. Does the judiciary, or other relevant body, publish statistics on the number of judges disaggregated by individual court and by level of court (for example, first instance, appellate, supreme), at least once a year? (Y/N)

Note: Please answer Yes only if the data for the year [20YY] are available.

N → proceed to question 88.

87. Are these statistics on the number of judges sex-disaggregated? (Y/N)

88. Does the enforcement institution, or other relevant body, publish statistics on the average length of enforcement proceedings per category of cases, at least once a year? (Y/N)

Note: Please answer Yes only if the data for the year [20YY] are available.

89. Does the enforcement institution, or other relevant body, publish statistics on the average cost of enforcement proceedings per category of cases, at least once a year? (Y/N)

Note: Please answer Yes only if the data for the year [20YY] are available.

90. Does the enforcement institution, or other relevant body, publish statistics on the number of resolved enforcement cases and the number of unresolved cases per category, at least once a year? (Y/N)

Note: Please answer Yes only if the data for the year [20YY] are available.

2.3 TRANSPARENCY			
2.3.1 Openness of Courts			
Indicators	FFP	SBP	Total points
Public Access to the Domestic Legal Framework - All legal instruments (78a) OR - Main laws and regulations only, which excludes more specific instruments (78b)	1 1 OR 0.5	1 1 OR 0.5	2 2 OR 1
Public Access to Court Hearings - Public access to court hearings of cases held in person (79) - Public access to court hearings of cases held online (80)	1 0.50 0.50	1 0.50 0.50	2 1 1
Publication of Judgments of Higher Courts - At the supreme and appellate levels (81a) OR - At the supreme level only (81b) OR - At the appellate level only (81c)	1 1 OR 0.5 OR 0.5	1 1 OR 0.5 OR 0.5	2 2 OR 1 OR 1
Publication of Judgments of First Instance Courts (82)	1	1	2
Publication of Information on Appointment (and Promotions, Where Applicable) of Judges (83)	1	1	2
Total points	5	5	10
2.3.2 Production of Key Statistics			
Indicators	FFP	SBP	Total points
Production of Key Statistics on Court Efficiency - Publication of a time to disposition report (84) - Publication of a clearance rate report (85)	1 0.50 0.50	1 0.50 0.50	2 1 1
Production of Key Statistics on the Composition of Courts - Statistics on the number of judges disaggregated by sex (86) - Statistics on the number of women judges disaggregated by level of court (87)	1 0.50 0.50	1 0.50 0.50	2 1 1
Production of Key Statistics on Efficiency of Enforcement Proceedings - Statistics on the average length of enforcement proceedings per category of cases (88) - Statistics on the average cost of enforcement proceedings per category of cases (89) - Statistics on the number of resolved enforcement cases and the number of unresolved cases (turnover rate) (90)	1 0.33 0.33 0.33	1 0.33 0.33 0.33	2 0.66 0.66 0.66
Total points	3	3	6

Note: FFP = firm flexibility point; SBP – social benefits point.

2.4 ADR-RELATED SERVICES

In this part of the Questionnaire, please respond to the questions based on the current practice only, regardless of what is set out in the legal framework.

2.4.1 Arbitration

91. In your jurisdiction, is there a domestic institution(s) that provides arbitration services with respect to commercial disputes?

Note: Please answer Yes only if the arbitration institution(s) is fully operational, that is, it considers cases in practice, and has its specific arbitration rules formally adopted.

91a. Yes, both domestic and international arbitration are available

91b. Yes, but only domestic arbitration is available

91c. Yes, but only international arbitration is available

91d. No, arbitration services are not provided in practice

N → 0 points on questions 92–99.

Y to 91a and 91b → respond to questions 128–132 and, when applicable, 133–136.

Y to 91c or N → 0 points on questions 128–136.

92. Does the domestic arbitration institution(s) maintain an up-to-date publicly accessible roster of all qualified arbitrators, in which membership is not restricted based on such grounds as nationality, sex, residency, or belonging to a specific bar association?

Note: Please answer Yes only if the rules of the domestic arbitration institution(s) also do not preclude parties from choosing arbitrators outside the roster, with no restrictions being applied based on nationality, sex, residency, or belonging to a specific bar association.

92a. Yes, in both domestic and international arbitration

92b. Yes, but only in domestic arbitration

92c. Yes, but only in international arbitration

92d. No, such a roster does not exist

93. In commercial arbitration, can parties file, view, and download all submitted documents in an arbitration proceeding through a secure online platform of a domestic arbitration institution(s)?

Note: Please answer Yes only if no hard copies of the filed documents will be required from a party, including during the first arbitration hearing.

93a. Yes, in both domestic and international arbitration

93b. Yes, but only in domestic arbitration

93c. Yes, but only in international arbitration

93d. No, such an online platform is not available

94. In commercial arbitration, can virtual conferences and hearings be securely held through an online platform or via videoconferencing?

94a. Yes, in both domestic and international arbitration

94b. Yes, but only in domestic arbitration

94c. Yes, but only in international arbitration

94d. No, virtual conferences and hearings are not available

95. In commercial arbitration, can an arbitral award be securely signed electronically by all involved arbitrators?

Note: Please answer Yes only if an electronically signed arbitral award will have the same validity and status as a paper document and no hard copy will be required to proceed with any subsequent step.

95a. Yes, in both domestic and international arbitration

- 95b. Yes, but only in domestic arbitration
- 95c. Yes, but only in international arbitration
- 95d. No, electronic arbitral awards are not available

96. Does the domestic arbitration institution(s), or other relevant body, publish statistics on the number of commercial cases by category resolved through arbitration, at least once a year?

Note: Please answer Yes only if the data for the year [20YY] are available.

- 96a. Yes, in both domestic and international arbitration
- 96b. Yes, but only in domestic arbitration
- 96c. Yes, but only in international arbitration
- 96d. No, such statistics are not published

97. Does the domestic arbitration institution(s), or other relevant body, publish statistics on the time it takes to resolve different categories of commercial cases through arbitration, at least once a year?

Note: Please answer Yes only if the data for the year [20YY] are available.

- 97a. Yes, in both domestic and international arbitration
- 97b. Yes, but only in domestic arbitration
- 97c. Yes, but only in international arbitration
- 97d. No, such statistics are not published

98. Does the domestic arbitration institution(s), or other relevant body, regularly publish summaries of commercial arbitral awards, access to which is free of charge?

Note: Please answer Yes even if parties' names are anonymized in the summaries of arbitral awards or if parties can opt out from publication of an award in their case. "Regularly" means that there should be no gaps in time.

- 98a. Yes, in both domestic and international arbitration
- 98b. Yes, but only in domestic arbitration
- 98c. Yes, but only in international arbitration
- 98d. No, such summaries are not published

99. Does the domestic arbitration institution(s), or other relevant body, publish statistics on the number of arbitrators disaggregated by sex, at least once a year?

Note: Please answer Yes only if the data for the year [20YY] are available.

- 99a. Yes, in both domestic and international arbitration
- 99b. Yes, but only in domestic arbitration
- 99c. Yes, but only in international arbitration
- 99d. No, such statistics are not published

2.4.2 Mediation

100. In your jurisdiction, is there a domestic institution(s) that provides mediation services with respect to commercial disputes?

Note: Please answer Yes only if the mediation institution(s) is fully operational: that is, it considers cases in practice.

- 100a. Yes, both court-annexed mediation and private mediation are available
- 100b. Yes, but only court-annexed mediation is available
- 100c. Yes, but only private mediation is available
- 100d. No, mediation services are not provided in practice

N → 0 points on questions 101–107.

101. Does the domestic mediation institution(s) maintain an up-to-date publicly accessible roster of all qualified mediators, in which membership is not restricted based on nationality, sex, residency, or belonging to a specific bar association?

Note: Please answer Yes only if the rules of the domestic mediation institution(s) also do not preclude parties from choosing mediators outside the roster, with no restrictions being applied on the basis of nationality, sex, residency, or belonging to a specific bar association.

101a. Yes, in both court-annexed mediation and private mediation

101b. Yes, but only in court-annexed mediation

101c. Yes, but only in private mediation

101d. No, such a roster does not exist

102. In your jurisdiction, are there any financial incentives available in practice for the parties to resolve their commercial cases through mediation?

Note: Such incentives may include substantially lower mediation fees compared to court fees, return of court fees, income tax credits, free legal services, etc. Sanctions for refusing to engage in mediation are not considered financial incentives.

102a. Yes, in both court-annexed mediation and private mediation

102b. Yes, but only in court-annexed mediation

102c. Yes, but only in private mediation

102d. No, financial incentives are not available in practice

103. In commercial mediation, can parties file a request to mediate through a secure online platform of the domestic mediation institution or website of the mediator?

Note: Please answer Yes only if no hard copies of the request and supporting documents will be required from a party, including during the first mediation session.

103a. Yes, in both court-annexed mediation and private mediation

103b. Yes, but only in court-annexed mediation

103c. Yes, but only in private mediation

103d. No, parties cannot file a request to mediate online

104. In commercial mediation, can virtual meetings between parties and the mediator be securely held through an online platform or via videoconferencing?

104a. Yes, in both court-annexed mediation and private mediation

104b. Yes, but only in court-annexed mediation

104c. Yes, but only in private mediation

104d. No, virtual meetings are not available

105. In commercial mediation, can a mediation settlement agreement be securely signed electronically by all parties and the mediator?

Note: Please answer Yes only if an electronically signed mediation settlement agreement will have the same validity and status as a paper document and no hard copy will be required to proceed with any subsequent step.

105a. Yes, in both court-annexed mediation and private mediation

105b. Yes, but only in court-annexed mediation

105c. Yes, but only in private mediation

105d. No, no electronic mediation settlement agreements are not available

106. Does the domestic mediation institution(s), or other relevant body, publish statistics on the number of commercial cases per category resolved through mediation, at least once a year?

Note: Please answer Yes only if the data for the year [20YY] are available.

106a. Yes, in both court-annexed mediation and private mediation

- 106b. Yes, but only in court-annexed mediation
 106c. Yes, but only in private mediation
 106d. No, such statistics are not published

107. Does the domestic mediation institution(s), or other relevant body, publish statistics on the number of mediators disaggregated by sex, at least once a year? (Y/N)

Note: Please answer Yes only if the data for the year [20YY] are available.

- 107a. Yes, in both court-annexed mediation and private mediation
 107b. Yes, but only in court-annexed mediation
 107c. Yes, but only in private mediation
 107d. No, such statistics are not published

2.3 ADR-RELATED SERVICES			
2.4.1 Arbitration			
Indicators	FFP	SBP	Total points
Availability of Commercial Arbitration Services	1	1	2
- Both in domestic and international arbitration (91a) OR	1 OR	1 OR	2 OR
- Only in domestic arbitration (91b) OR	0.5 OR	0.5 OR	1 OR
- Only in international arbitration (91c)	0.5	0.5	1
Setting Up a Roster of Arbitrators	1	1	2
- Both in domestic and international arbitration (92a) OR	1 OR	1 OR	2 OR
- Only in domestic arbitration (92b) OR	0.5 OR	0.5 OR	1 OR
- Only in international arbitration (92c)	0.5	0.5	1
Digitization of Arbitration	1	1	2
Online platform for arbitration	0.33	0.33	0.66
- Both in domestic and international arbitration (93a) OR	0.33 OR	0.33 OR	0.66 OR
- Only in domestic arbitration (93b) OR	0.16 OR	0.16 OR	0.33 OR
- Only in international arbitration (93c)	0.16	0.16	0.33
Virtual conferences and hearings in arbitration	0.33	0.33	0.66
- Both in domestic and international arbitration (94a) OR	0.33 OR	0.33 OR	0.66 OR
- Only in domestic arbitration (94b) OR	0.16 OR	0.16 OR	0.33 OR
- Only in international arbitration (94c)	0.16	0.16	0.33
Electronic signing of an arbitral award	0.33	0.33	0.66
- Both in domestic and international arbitration (95a) OR	0.33 OR	0.33 OR	0.66 OR
- Only in domestic arbitration (95b) OR	0.16 OR	0.16 OR	0.33 OR
- Only in international arbitration (95c)	0.16	0.16	0.33
Transparency of Arbitration	1	1	2
Statistics on the number of cases resolved through arbitration	0.25	0.25	0.50
- Both in domestic and international arbitration (96a) OR	0.25 OR	0.25 OR	0.50 OR
- Only in domestic arbitration (96b) OR	0.12 OR	0.12 OR	0.25 OR
- Only in international arbitration (96c)	0.12	0.12	0.25
Statistics on the time to resolve cases through arbitration	0.25	0.25	0.50
- Both in domestic and international arbitration (97a) OR	0.25 OR	0.25 OR	0.50 OR
- Only in domestic arbitration (97b) OR	0.12 OR	0.12 OR	0.25 OR
- Only in international arbitration (97c)	0.12	0.12	0.25
Publication of summaries of arbitral awards	0.25	0.25	0.50
- Both in domestic and international arbitration (98a) OR	0.25 OR	0.25 OR	0.50 OR
- Only in domestic arbitration (98b) OR	0.12 OR	0.12 OR	0.25 OR
- Only in international arbitration (98c)	0.12	0.12	0.25
Statistics on the number of arbitrators disaggregated by sex	0.25	0.25	0.50

- Both in domestic and international arbitration (99a) OR	0.25 OR	0.25 OR	0.50 OR
- Only in domestic arbitration (99b) OR	0.12 OR	0.12 OR	0.25 OR
- Only in international arbitration (99c)	0.12	0.12	0.25
Total points	4	4	8
2.4.2 Mediation			
Indicators	FFP	SBP	Total points
Availability of Commercial Mediation Services	1	1	2
- Both in court-annexed and private mediation (100a)	1 OR	1 OR	2 OR
- Only in court-annexed mediation (100b) OR	0.5 OR	0.5 OR	1 OR
- Only in private mediation (100c)	0.5	0.5	1
Setting Up a Roster of Arbitrators	1	1	2
- Both in court-annexed and private mediation (101a)	1 OR	1 OR	2 OR
- Only in court-annexed mediation (101b) OR	0.5 OR	0.5 OR	1 OR
- Only in private mediation (101c)	0.5	0.5	1
Financial Incentives to Use Mediation	1	1	2
- Both in court-annexed and private mediation (102a)	1 OR	1 OR	2 OR
- Only in court-annexed mediation (102b) OR	0.5 OR	0.5 OR	1 OR
- Only in private mediation (102c)	0.5	0.5	1
Digitalization of Mediation	1	1	2
Electronic submission of a request to mediate	0.33	0.33	0.66
- Both in court-annexed and private mediation (103a)	0.33 OR	0.33 OR	0.66 OR
- Only in court-annexed mediation (103b) OR	0.16 OR	0.16 OR	0.33 OR
- Only in private mediation (103c)	0.16	0.16	0.33
Virtual meetings in mediation	0.33	0.33	0.66
- Both in court-annexed and private mediation (104a)	0.33 OR	0.33 OR	0.66 OR
- Only in court-annexed mediation (104b) OR	0.16 OR	0.16 OR	0.33 OR
- Only in private mediation (104c)	0.16	0.16	0.33
Electronic signing of a mediation agreement	0.33	0.33	0.66
- Both in court-annexed and private mediation (105a)	0.33 OR	0.33 OR	0.66 OR
- Only in court-annexed mediation (105b) OR	0.16 OR	0.16 OR	0.33 OR
- Only in private mediation (105c)	0.16	0.16	0.33
Transparency of Mediation	1	1	2
Statistics on the number of cases resolved through mediation	0.50	0.50	1
- Both in court-annexed and private mediation (106a)	0.50 OR	0.50 OR	1 OR
- Only in court-annexed mediation (106b) OR	0.25 OR	0.25 OR	0.50 OR
- Only in private mediation (106c)	0.25	0.25	0.50
Statistics on the number of mediators disaggregated by sex	0.50	0.50	1
- Both in court-annexed and private mediation (107a)	0.50 OR	0.50 OR	1 OR
- Only in court-annexed mediation (107b) OR	0.25 OR	0.25 OR	0.50 OR
- Only in private mediation (107c)	0.25	0.25	0.50
Total points	5	5	10

Note: FFP = firm flexibility point; SBP – social benefits point.

PILLAR III–EASE OF RESOLVING A COMMERCIAL DISPUTE IN PRACTICE

The data for the Category on Reliability of Dispute Resolution are collected through firm-level surveys, using the following questions:

108. In the last three years, has this establishment had any commercial dispute: that is, a failure of any party to meet the terms or expectations of an agreement, including a contract, or a business relationship? (Y/N) (not scored)

109. Did this establishment use courts, arbitration, mediation, or conciliation to resolve or attempt to resolve its commercial disputes? (Y/N) (not scored)

110. In resolving commercial disputes, courts are independent and impartial.

110a. Strongly disagree

110b. Tend to disagree

110c. Tend to agree

110d. Strongly agree

111. Arbitration is a reliable alternative to courts for resolving commercial disputes.

111a. Strongly disagree

111b. Tend to disagree

111c. Tend to agree

111d. Strongly agree

112. Mediation or conciliation is a reliable alternative to courts for resolving commercial disputes.

112a. Strongly disagree

112b. Tend to disagree

112c. Tend to agree

112d. Strongly agree

The data for the Category on Time and Cost to Resolve a Dispute are collected through expert consultation, as detailed below.

Parameters	
Largest city	Across all pillars, the Dispute Resolution topic focuses on the largest city (most populous) in the economy. In Pillar III, this parameter applies only in cases when the data are collected through expert consultations, not Enterprise Surveys. Specifically, the parameter is relevant for measures on time and cost to resolve a dispute.
Claim value	The Dispute Resolution topic assumes that the claim value is equal to 20 x Economy GNI (gross national income) per capita. In addition, whenever 20 x Economy GNI per capita is less than US\$20,000, the topic will assume that the claim value is equal to US\$20,000.

According to the current practice, how much time and cost would it take to resolve a commercial dispute between two business entities through a local court? In this part of the Questionnaire, please respond to the questions based on the current practice only.

It is assumed that the dispute is tried on merits. Following the judgment of the first instance court, both parties file an appeal. The appellate court affirms the judgment, after which it becomes final. If several courts may have jurisdiction over this case, whether at the first instance or appellate level, then please provide responses that would apply to the majority of commercial cases in [CITY NAME].

Please respond in accordance with your experience and best estimate of the current practice.

113. Please indicate the name of the first instance court that will have jurisdiction over this case. *(not scored)*
114. Please estimate the total time, in calendar days, that it would take for the court of first instance to adjudicate this case, starting from the time of filing the complaint until a formal written judgment is delivered to the parties.
115. Please estimate the time, in calendar days, that the procedure of mandatory mediation would additionally add to the time to resolve the dispute at the court of first instance.
116. Please specify the time, in calendar days, that it would take to file and serve the complaint before the first instance court. *(not scored)*
117. Please specify the time, in calendar days, that it would take between the moment when the complaint is filed and served and the moment when the pre-trial hearing (or first hearing, whatever is applicable) takes place. *(not scored)*
118. Please specify the approximate number of court hearings that this dispute would require. *(not scored)*
119. Please specify the time, in calendar days, that it would take for the judge to prepare and issue the judgment after all hearings are held. *(not scored)*
120. Please specify the time, in calendar days, that it would take to deliver the formal written judgment to the parties after it has been issued. *(not scored)*
121. Please estimate total attorney fees for preparing and filing the complaint as well as representing the plaintiff before the court of first instance, in percentage to the claim value.
122. Please estimate fees incurred by the plaintiff in the procedure of mandatory mediation, in percentage to the claim value.
123. Please estimate fees of the first instance court incurred by the plaintiff, in percentage to the claim value.
124. Please indicate the name of the appellate court that will have jurisdiction over this case. *(not scored)*
125. Please estimate the total time, in calendar days, that it would take for the appellate court to review the case, starting from the time of filing an appeal until a formal written ruling is delivered to the parties.
126. Please estimate total attorney fees for preparing and filing the appeal as well as representing the plaintiff before the appellate court, in percentage to the claim value.
127. Please estimate fees of the appellate court incurred by the plaintiff, in percentage to the claim value.

According to the current practice, how much time and cost would it take to resolve the same commercial dispute through domestic arbitration?

If the dispute can be submitted to several domestic arbitration institutions, then please provide responses that would apply to the majority of commercial cases in [CITY NAME].

128. Please indicate the name of the domestic arbitration institution that will have jurisdiction over this case. (not scored)
129. Please estimate the total time, in calendar days, that it would take for the domestic arbitration institution to administer this case, starting from the time of filing a notice of arbitration until a formal written arbitral award is delivered to the parties.
130. Please estimate total attorney fees for preparing and filing the claim as well as representing the claimant before the domestic arbitration institution, in percentage to the claim value.
131. Please estimate arbitrators' fees incurred by the claimant, in percentage to the claim value.
132. Please estimate administrative fees of the domestic arbitration institution incurred by the claimant, in percentage to the claim value.
133. Please indicate the name of the court or administrative agency, to which the arbitral award can be appealed. (not scored)
134. Please estimate the total time, in calendar days, that it would take for the respective court or administrative agency to review the case, starting from the time of filing an appeal against the arbitral award until a formal written ruling is delivered to the parties.
135. Please estimate attorney fees for preparing and filing the appeal against the arbitral award, as well as representing the claimant before the respective court or administrative agency, in percentage to the claim value.
136. Please estimate fees of the respective court or administrative agency, incurred by the claimant, for reviewing the appeal against the arbitral award, in percentage to the claim value.

The data for the Category on Recognition and Enforcement are collected through expert consultation, as detailed below.

Parameters	
Largest city	Across all pillars, the Dispute Resolution topic focuses on the largest city (most populous) in the economy. In Pillar III, this parameter applies only in cases when the data are collected through expert consultations, not Enterprise Surveys. Specifically, the parameter is relevant for measures on time and cost associated with recognition and enforcement of decisions.
Claim value	The Dispute Resolution topic assumes that the claim value is equal to 20 x Economy GNI (gross national income) per capita. In addition, whenever 20 x Economy GNI per capita is less than US\$20,000, the topic will assume that the claim value is equal to US\$20,000.

According to the current practice, how much time and cost would it take: 1) for a local court to consider a request to recognize and enforce a foreign judgment; and 2) for a local court to consider a request to recognize and enforce a foreign arbitral award? In this part of the Questionnaire, please respond to the questions based on the current practice only.

In both cases, it is assumed that the dispute involves two business entities, and that the defendant resists recognition and enforcement. If several courts may have jurisdiction over this case, then for the time and cost estimates please provide responses that would apply to the majority of commercial cases in [CITY NAME].

Please respond in accordance with your experience and best estimate of the current practice.

137. As far as a foreign judgment is concerned, please indicate the name of the court that will have jurisdiction over this case. (not scored)

138. Please estimate the time, in calendar days, that it would take for the local court to consider a request for recognizing and enforcing a foreign judgment, starting from the time of filing the request until a formal written decision is delivered to the parties.

139. Please estimate attorney fees, incurred by the plaintiff, for the process of recognizing and enforcing a foreign judgment, in percentage to the claim value.

140. Please estimate court fees, incurred by the plaintiff, for the process of recognizing and enforcing a foreign judgment, in percentage to the claim value.

141. As far as a foreign arbitral award is concerned, please indicate the name of the local court that will have jurisdiction over this case. (not scored)

142. Please estimate the time, in calendar days, that it would take for the local court to consider a request for recognizing and enforcing a foreign arbitral award, starting from the time of filing the request until a formal written decision is delivered to the parties.

143. Please estimate attorney fees, incurred by the claimant, for the process of recognizing and enforcing a foreign arbitral award, in percentage to the claim value.

144. Please estimate court fees, incurred by the claimant, for the process of recognizing and enforcing a foreign arbitral award, in percentage to the claim value.

According to the current practice, how much time and cost would it take to enforce a final domestic judgment? In this part of the Questionnaire, please respond to the questions based on the current practice only.

It is assumed that the dispute involves two business entities, and that the debtor is not cooperating. Type of enforcement: Seizure of bank account funds of the debtor and their transfer to the creditor. If several institutions may have jurisdiction over this case, then for the time and cost estimates please provide responses that would apply to the majority of commercial cases in [CITY NAME].

Please respond in accordance with your experience and best estimate of the current practice.

145. Please indicate the name of the enforcement institution that will have jurisdiction over this case. If in your jurisdiction enforcement matters are handled directly by courts, please indicate the name of the relevant court. (not scored)

146. Please specify the nature of this institution: (not scored)

146a. Court

146b. Other public sector body

- 146c. Private sector body
 146d. Mixed (public-private sector) body

147. Please estimate the total time, in calendar days, that it would take for the relevant institution, after a request has been filed, to locate the bank account funds of the debtor, seize them, and complete their transfer to the creditor.

148. Would attorneys be typically involved in this case of compulsory enforcement? (Y/N)
 N → proceed to question 150.

149. Please estimate attorney fees incurred by the creditor, in percentage to the claim value.

150. Please estimate the institution’s fees incurred by the creditor, in percentage to the claim value.

151. In practice, are the institution’s fees typically paid out of the debtor’s seized funds? (Y/N)

3.1 Reliability of Dispute Resolution			
Indicators	FFP	SBP	Total points
Reliability of Courts (110)	50 (16.7%)	n.a.	50 (16.7%)
Reliability of Arbitration (111)	25 (8.3%)	n.a.	25 (8.3%)
Reliability of Mediation (112)	25 (8.3%)	n.a.	25 (8.3%)
Total points	100 (3.3%)	n.a.	100 (3.3%)
3.2 Time and Cost to Resolve a Dispute			
Indicators	FFP	SBP	Total points
Time for Court Litigation (114–115, 125)	25 (8.3%)	n.a.	25 (8.3%)
Cost for Court Litigation (121–123, 126–127)	25 (8.3%)	n.a.	25 (8.3%)
Time for Arbitration (129, 134)	25 (8.3%)	n.a.	25 (8.3%)
Cost for Arbitration (130–132, 135–136)	25 (8.3%)	n.a.	25 (8.3%)
Total points	100	n.a.	100 (3.3%)
3.3 Recognition and Enforcement			
Indicators	FFP	SBP	Total Points
Time to Recognize and Enforce a Foreign Judgment (138)	12.5 (4.2%)	n.a.	12.5 (4.2%)
Cost to Recognize and Enforce a Foreign Judgment (139–140)	12.5 (4.2%)	n.a.	12.5 (4.2%)
Time to Recognize and Enforce a Foreign Arbitral Award (142)	12.5 (4.2%)	n.a.	12.5 (4.2%)
Cost to Recognize and Enforce a Foreign Arbitral Award (143–144)	12.5 (4.2%)	n.a.	12.5 (4.2%)
Time to Enforce a Final Judgment (147)	25 (8.3%)	n.a.	25 (8.3%)
Cost to Enforce a Final Judgment (148–151)	25 (8.3%)	n.a.	25 (8.3%)
Total points	100 (33.3%)	n.a.	100 (33.3%)

Note: n.a. = not applicable (refers to the cases when the impact on firms or society is either ambiguous or nonexistent). FFP = firm flexibility points; SBP = social benefits points.

The data on the indicators for Pillar III will be normalized to a common unit—for example, on the scale from 0 to 100 points, where 0 represents the lowest and 100 represents the best performance. In turn, best (worst) performance is defined by the highest (lowest) standards and/or practices, measured as a single point or range of values.

CHAPTER 10. MARKET COMPETITION

METHODOLOGY NOTE

I. MOTIVATION

There is substantial economic evidence that a fair level of market competition spurs economic growth by increasing industry and firm innovation and productivity, leading to better products, more and better jobs, and higher incomes.¹ By affecting market entry and exit, competition stimulates product innovation and service quality, protects consumers, and forces market operators to provide their products and services at cost.² But competition is rarely perfect. Markets fail either due to firms' behaviors or government interventions. Market power—a firm's ability to raise prices well above cost, offer a low-quality good or service, and drive out competition—must be kept in check.³

Governments have a wide range of tools to deter anticompetitive behaviors, promote market entry, ensure a fair level of competition, and reduce distortions created by market failures.⁴ Competition policy is the set of policies and laws that ensure that competition in the marketplace is not restricted in a way that reduces economic welfare.⁵ Crucial for the business environment and the economy, competition policy can help alleviate poverty and foster shared prosperity. In some major markets where governments are the sole or principal buyer (for example, education, health, and infrastructure), the design and implementation of government regulations directly influence market entry and firm behavior.⁶

Having a dynamic and competitive market is key for faster growth and lower prices, which in conjunction with other policies is crucial for poverty eradication. Having a well-enforced competition law helps poor producers as well as poor consumers by enforcing breaking up of cartels, exposing dominant firms that engage in anticompetitive conduct to more competition, and by reducing barriers to entry, helping small firms enter the market and survive. Market entry provides a dual benefit to the poor, not only by helping them as consumers by putting downward pressure on prices, but also by expanding their employment and small business opportunities.⁷

This topic benchmarks key regulations that promote competitive behaviors and innovation from the perspective of the entire private sector, rather than considering their impact on an individual firm. It assesses regulations that deter anticompetitive firm behaviors, regulations that promote competitive behaviors in government markets, regulations that promote innovation, key public services provided to implement such regulations, and their efficient implementation.

II. INDICATORS

The Market Competition topic measures good practices related to the enforcement of competition policy, intellectual property rights and innovation policy, and regulations that focus on improving competition and innovation in markets where the government is a purchaser of services or goods across the three different dimensions, here referred to as pillars. The first pillar assesses the quality of regulations that promote market competition, covering de jure features of a regulatory framework that enable firms to participate in fair market conditions and innovate, and where firms can participate in open and competitive government markets. The second pillar measures the adequacy of public services that promote market competition, thus assessing the de facto provision of services that create an equal level of playing field in markets, and that foster and promote innovation. The third pillar measures efficiency in the implementation of key services promoting market competition (reflecting how the two pillars on the quality of regulations and adequacy of public services contribute in practice to the promotion of market competition). Each pillar is divided into three categories defined by common features that inform the grouping: (1) good practices related to

competition regulations and institutions; (2) good practices in the area of intellectual property rights and innovation; (3) and good practices in public procurement from a competition perspective. Each category is further divided into subcategories. Each subcategory consists of several indicators, each of which may, in turn, have several components. Relevant points are assigned to each indicator and subsequently aggregated to obtain the number of points for each subcategory, category, and pillar. Table 1 includes a summary of all three pillars, along with their respective categories.

Table 1. Summary table of all three pillars for the Market Competition topic

Pillar I–Quality of Regulations that Promote Market Competition (85 indicators)	
1.1	Quality of Competition Regulations (25 indicators)
1.1.1	State-Owned Enterprises Framework (4 indicators)
1.1.2	Antitrust (includes cartels, horizontal agreements, vertical agreements and abuse of dominant position) (indicators) (8 indicators)
1.1.3	Merger Control (8 indicators)
1.1.4	Enforcement (5 indicators)
1.2	Quality of Regulations that Promote Innovation and Technology Transfer (33 indicators)
1.2.1	Strength of Intellectual Property Rights Protection (15 indicators)
1.2.2	Licensing and Technology Transfer (6 indicators)
1.2.3	Open Access and Fair Use of Innovation (6 indicators)
1.2.4	University-Industry Collaboration (6 indicators)
1.3	Quality of Regulations for Bidding for Public Contracts (25 indicators)
1.3.1	Entry and Competition (7 indicators)
1.3.2	Best Value for Money (8 indicators)
1.3.3	Fairness of the Procurement Process (5 indicators)
1.3.4	Transparency (5 indicators)
Pillar II–Adequacy of Public Services that Promote Market Competition (55 indicators)	
2.1	Institutional Framework and Quality of Enforcement of Competition Regulations (18 indicators)
2.1.1	Institutional Framework of Competition Authorities (9 indicators)
2.1.2	Advocacy and Transparency (9 indicators)
2.2	Public Services Enabling Innovation in Firms (19 indicators)
2.2.1	Digitization of Intellectual Property Services (6 indicators)
2.2.2	Innovation Systems (9 indicators)
2.2.3	Institutional Framework to Support Innovation (4 indicators)
2.3	Quality of e-Procurement Services (18 indicators)
2.3.1	Open Access and Interactivity of the e-Procurement Portal (4 indicators)
2.3.2	Transparency (5 indicators)
2.3.3	Digitization of Procurement Procedures (9 indicators)
Pillar III–Efficiency in the Implementation of Key Services Promoting Market Competition (9 indicators)	
3.1	Efficiency of Competition Regulations (2 indicators)
3.1.1	Efficient Implementation of the Simplified Merger Review (1 indicator)
3.1.2	Perceptions of Market Dynamism and Competitive Behaviors (1 indicator)
3.2	Efficiency of Innovation and Intellectual Property Rights Regulations (2 indicators)
3.2.1	Product and Process Innovation in Firms (1 indicator)
3.2.2	R&D Activities in Firms and Use of Foreign Licensed Technology (1 indicator)
3.3	Efficiency of Public Procurement Regulations (5 indicators)
3.3.1	Time to Award a Public Contract (1 indicator)
3.3.2	Time to Receive Payment and Late Payment Penalties (1 indicator)
3.3.3	Entry in Government Markets (1 indicator)
3.3.4	Gender Gap in Government Suppliers (1 indicator)
3.3.5	Gender Gap in the Administrative Requirements to Participate in a Tender (1 indicator)

1. PILLAR I. REGULATORY FRAMEWORK: QUALITY OF REGULATIONS THAT PROMOTE MARKET COMPETITION

Table 2 shows the structure for Pillar I, the regulatory framework for market competition regulations. Each of this pillar’s categories and subcategories will be discussed in more detail in the order shown in the table.

Table 2. Pillar I–Quality of Regulations that Promote Market Competition

1.1	Quality of Competition Regulations
1.1.1	State-owned Enterprise Framework
1.1.2	Antitrust (includes cartels, horizontal agreements, vertical agreements, and abuse of dominant position)
1.1.3	Merger Control
1.1.4	Enforcement
1.2	Quality of Regulations that Promote Innovation and Technology Transfer
1.2.1	Strength of Intellectual Property Rights Protection
1.2.2	Licensing and Technology Transfer
1.2.3	Open Access and Fair Use of Innovation
1.2.4	University-Industry Collaboration
1.3	Quality of Regulations for Bidding for Public Contracts
1.3.1	Entry and Competition
1.3.2	Best Value for Money
1.3.3	Fairness of the Procurement Process
1.3.4	Transparency

1.1 Quality of Competition Regulations

Category 1.1 is divided into four subcategories consisting of several indicators, each of which may, in turn, has several components.

1.1.1 State-Owned Enterprises Framework

State-owned enterprises (SOEs) constitute integral players of most markets across the world and are usually found competing with private entities in key sectors of an economy.⁸ It is therefore vital that SOEs do not enjoy advantages or disadvantages in the form of exemptions that would distort adequate enforcement of competition law within a given market,⁹ and would allow SOEs to justify their anticompetitive behavior. In order to ensure competitive neutrality within an economy, the regulatory framework must assure SOEs are subject to competition law enforcement in the same way as other actors in the market. Therefore, Subcategory 1.1.1 has four indicators (table 3).

Table 3. Subcategory 1.1.1–State-Owned Enterprises Framework

	Indicators	Components
1	Requirement to justify the creation of SOEs based on economic, social, and/or sustainability criteria and requirement to subject the creation of an SOE to a review by the Competition Authority	<ul style="list-style-type: none"> i) Need to justify the creation of SOEs based on economic, social, and sustainability criteria ii) Requirement that Competition Authority reviews the creation of SOE
2	Competition law applies to all SOEs and sectors of the economy	<ul style="list-style-type: none"> i) Exclusion of certain sectors of the economy from regulations ii) Exclusion of certain SOEs or legal monopolies from regulations iii) Exclusion of particular firms or sectors from regulations
3	Requirement to carry out an impact evaluation assessment to justify new commercial activities by SOEs and for the continuation of commercial activities	<ul style="list-style-type: none"> i) Requirement to carry out impact evaluation assessments to ensure activities are competitively neutral ii) Requirement that impact evaluation assessments are carried out throughout the life cycle of the SOE to ensure activities are competitively neutral
4	The procedure to exclude or exempt certain firms or	<ul style="list-style-type: none"> i) Exclusion regime requires a decision to be justified on economic, social, or sustainability grounds

	sectors from the application of competition law and merger control is based on economic, social, or sustainability criteria, requires the exemption to be granted for a certain time period and renewal requires a review of the reasons that justified its adoption	<ul style="list-style-type: none"> ii) Exemptions are granted for certain time periods iii) The renewal of exemptions is contingent upon a review of the reasons for which the exemption was granted
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Note: SOEs = state-owned enterprises.

1.1.2 Antitrust (includes cartels, horizontal agreements, vertical agreements, and abuse of dominant position)

The regulation of anticompetitive behaviors addresses, at its core, any practices that may distort healthy competition between the various actors within a given economy and may have a negative effect upon markets. The indicator aims to examine the overall quality of the competition regulations pertaining specifically to matters of antitrust, including anticompetitive agreements (both horizontal and vertical) and abuse of dominance practices. To this end, the legal framework should also provide selective exemptions of anticompetitive agreements only under specific circumstances.¹⁰ Therefore, Subcategory 1.1.2 has eight indicators (table 4).

Table 4. Subcategory 1.1.2–Antitrust (includes cartels, horizontal agreements, vertical agreements, and abuse of dominant position)

	Indicators	Components
1	Legal framework prohibits anticompetitive agreements, including tacit agreements, and identifies which agreements restrict competition by their object	<ul style="list-style-type: none"> i) Framework forbids anticompetitive agreements ii) Framework specifies which agreements are forbidden in and of themselves iii) Framework specifically prohibits cartels iv) Framework defines tacit collusion
2	Regulations that exempt certain noncompetitive agreements must be justified if they advance certain public interests, efficiency or technical and economic progress	<ul style="list-style-type: none"> i) Framework provides exemptions for anticompetitive agreements that advance public interests ii) Framework provides exemptions for anticompetitive agreements that promote efficiency or technical and economic progress iii) Cartels cannot be exempted from the application of competition law provisions
3	Exemption regulations require to identify the efficiency, harm and consumer's impact of the exempted agreement	Exemptions are granted contingent upon the conditions that they are efficiency enhancing, do not eliminate competition and they allow a fair share for consumers
4	Legal framework prohibits abuse of dominance	Framework prohibits abuse of dominant position
5	Definition of market dominance and abuse and abuses of dominant position	<ul style="list-style-type: none"> i) Framework defines market dominance ii) Framework defines when firms are abusing market dominance
6	Availability of guarantees for a firm in leniency programs	<ul style="list-style-type: none"> i) Framework provides leniency program ii) Framework provides procedural guarantees to organizations that cooperate with Competition Authorities during an investigation iii) Framework provides confidentiality, anonymity and whistleblower protection to firms that cooperate with the Competition Authority during an investigation
7	Leniency programs establish clear immunity regimes	<ul style="list-style-type: none"> i) Framework provides full immunity to the first firm that self-reports ii) Framework provides for full or partial immunity to subsequent firms that self-report

8	Incentives for voluntary compliance	Framework offers incentives for firms in cases of voluntary compliance
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1.1.3 Merger Control

Good quality regulations affecting competition law also turn on how effective merger control is within the given economy. This is because mergers are considered to have either a positive or a negative effect on competition depending on the circumstances and context of the specific market.¹¹ Competition law frameworks must therefore be able to respond to this nuance by ensuring that merger control regulations are clear, signaling the types of transactions that do not need to be reviewed, detailing the processes through which the review will be carried out and ensuring procedural fairness throughout the process. Therefore, Subcategory 1.1.3 has eight indicators (table 5).

Table 5. Subcategory 1.1.3–Merger Control

	Indicators	Components
1	Scope of coverage of merger control regulations	Framework specifies which sectors, firms, or transactions are excluded from merger control regulations
2	Legal framework establishes the economic criteria used to identify which transactions must be notified	<ul style="list-style-type: none"> i) Framework provides economic quantitative and qualitative criteria for identifying which transactions fall under merger control regulations ii) Framework defines the transactions that fall under merger control regulations: share acquisitions, asset acquisitions, acquisition of control, change in control, competitively significant influence iii) Framework specifies when a transaction must be notified and whether that notification is ex ante or ex post
3	Legal framework establishes clear guidelines and thresholds for merger notifications including individual and aggregate thresholds	<ul style="list-style-type: none"> i) Framework establishes thresholds for merger notifications ii) Framework specifies whether thresholds are individual, aggregate or both
4	Existence of a multi-phased merger review procedure, including a simplified procedure, with specific statutory time limits	<ul style="list-style-type: none"> i) Simplified and multiphased merger review procedures available in the economy ii) Framework mandates procedure to be completed within set statutory time limits
5	Requirement to conduct a substantive economic assessment on the competitive effects of a transaction submitted for a merger control review and availability of legitimate justifications for increases in market power resulting from a merger or acquisition	<ul style="list-style-type: none"> i) Framework requires the Competition Authority to conduct a substantive economic assessment on competitive effects of a merger transaction ii) Framework allows firms to justify an increase in market power when the transaction increases efficiency, when the firm would otherwise exit the market, when there is an underlying public interest or other
6	Sanctions for failure to notify a merger	<ul style="list-style-type: none"> i) Framework confers the Competition Authority with the power to impose sanctions when firms fail to comply with the merger control regime ii) Sanction must be calculated on the basis of the firm's turnover
7	Merger remedies are fit for purpose, allowing firms to propose alternatives, and the Competition Authority has the power to enforce them	<ul style="list-style-type: none"> i) Framework confers power to Competition Authority to impose a set of remedies to guarantee that the merger maintains, restores and does not distort competition ii) Remedies imposed by the Competition Authority must address competitive harm identified, must be the least intrusive, and must be capable of being effectively implemented iii) Framework allows merging parties to propose alternatives during the adoption of remedies iv) Competition Authority has the jurisdictional power to enforce a remedy order directly or indirectly; Competition Authority has the jurisdictional power to enforce a remedy order directly or indirectly

8	Powers to block mergers that may otherwise adversely impact competition and sanctions for failure to notify	Framework confers Competition Authority the power to block mergers
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1.1.4 Enforcement

To ensure that the competition law framework is effective, adequate enforcement must also be ensured within the economy because private enforcement is recognized as being able to substantially improve the functioning of a competition regime.¹² To this end, regulations should create the necessary balance¹³ and thus not only forbid anticompetitive agreements but should provide the best fit-for-purpose tools to investigate anticompetitive practices and apply a range of sanctions. At the same time, procedural guarantees in investigations should be present in order to allow parties to exercise their rights of defense. Therefore, Subcategory 1.1.3 has five indicators (table 5).

Table 5. Subcategory 1.1.4–Enforcement

	Indicators	Components
1	Procedural and fairness guarantees during investigation	Framework provides for the following procedural fairness guarantees
2	Legal framework defines what constitutes confidential information	Framework sets out clear provisions over what constitutes confidential information in antitrust and merger control procedures
3	Adequate powers and resources to investigate and to enforce and impose sanctions are conferred to Competition Authority	<ul style="list-style-type: none"> i) Framework provides the Competition Authority with the necessary power to investigate illegal anticompetitive practices ii) Framework provides Competition Authority with the necessary resources to investigate illegal anticompetitive practices iii) Framework confers the Competition Authority with the power to collect monetary sanctions iv) Framework confers the Competition Authority with the power to enforce non-monetary sanctions v) Framework grants the Competition Authority with powers to investigate whether firms have concluded a transaction that might raise competition concerns
4	Decisions of the Competition Authority are binding and/or self-enforceable and designation of an independent body to review decisions of the Competition Authority. Action for damages is allowed	<ul style="list-style-type: none"> i) Framework considers the Competition Authority’s decisions as binding and enforceable ii) Framework allows firms to file for an action for damages resulting from infringement of competition law
5	An overall cap on fines is provided in the regulatory framework	<ul style="list-style-type: none"> i) Framework establishes a cap on fines that can be imposed on a firm ii) Framework sets out the following criteria to be used to determine the maximum cap on fines: a percentage of the firm’s global or relevant turnover, the firm’s gain or harm caused by the anticompetitive practice, or a fixed amount

1.2 Quality of Regulations that Promote Innovation and Technology Transfer

Category 1.2 is divided into four subcategories consisting of several indicators, each of which may, in turn, have several components.

1.2.1 Strength of Intellectual Property Rights Protection

Strong intellectual property rights (IPR) protection promotes research and development and facilitates innovation. A broad range of coverage by intellectual property (IP) type including copyrights, patents, and trademarks, as well as a high level of enforcement that determines the confidence in IP systems.¹⁴ Therefore, Subcategory 1.2.1 has 15 indicators (table 6).

Table 6. Subcategory 1.2.1–Strength of Intellectual Property Rights Protection

	Indicators	Components
1	Protection for copyright owners to control the reproduction of works	Protection for copyright owners to control the reproduction of works
2	Provisions for establishment of Collective Management Organizations	Provisions for establishment of Collective Management Organizations
3	Patentability requirements (novelty, inventive step, industrial applicability) for inventions	Patentability requirements (novelty, inventive step, industrial applicability) for inventions
4	Duration of patent and trademark protection	Duration of patent and trademark protection
5	Patent protection reaching back to the filing date	Patent protection reaching back to the filing date
6	Experimental use exception or research exemption for patents	Experimental use exception or research exemption for patents
7	Opposition mechanisms for patents	Opposition mechanisms for patents
8	Provisions for Information Submission System for patents	Provisions for Information Submission System for patents
9	Public disclosure of patent	Public disclosure of patent
10	Trademark use obligation	Trademark use obligation
11	Grace period after trademark registration before the use obligation comes into effect	Grace period after trademark registration before the use obligation comes into effect
12	Protection for well-known marks	Protection for well-known marks
13	Opposition mechanisms for trademarks	Opposition mechanisms for trademarks
14	Actions or remedies to enforce copyright, patent, and trademark protection	Actions or remedies to enforce copyright, patent, and trademark protection
15	Arbitration of copyright, patent, and trademark disputes	Arbitration of copyright, patent, and trademark disputes

1.2.2 Licensing and Technology Transfer

Licensing plays a crucial role in technology transfer. Thus, ensuring adequate licensing procedures and guidelines for setting royalties can promote confidence of both IP holders and licensees.¹⁵ Therefore, Subcategory 1.2.2 has six indicators (table 7).

Table 7. Subcategory 1.2.2–Licensing and Technology Transfer

	Indicators	Components
1	Provisions on copyright, patent, trademark licensing procedures	Provisions on copyright, patent, trademark licensing procedures
2	Guidelines for setting fair and non-discriminatory royalties	Guidelines for setting fair and non-discriminatory royalties
3	Record of change of patent owner	Record of change of patent owner
4	Timeframe for record of change of patent owner	Timeframe for record of change of patent owner

5	Temporary licenses/waivers for patents	Temporary licenses/waivers for patents
6	Disclosure of patent and trademark licensing agreements to IPO	Disclosure of patent and trademark licensing agreements to IPO

Note: IPO = intellectual property office.

1.2.3 Open Access and Fair Use of innovation

Open access promotes transparency and access to information.¹⁶ Appropriate safeguards to public interest or environmental sustainability considerations help ensure fair use of innovation.¹⁷ Therefore, Subcategory 1.2.3 has six indicators (table 8).

Table 8. Subcategory 1.2.3–Open Access and Fair Use of Innovation

	Indicators	Components
1	Open access definition	Open access definition
2	Open-source definition	Open-source definition
3	Scope of permissible open access research activities	Scope of permissible open access research activities
4	Provisions safeguarding public interest	Provisions safeguarding public interest
5	Guidelines for IP-based financing	Guidelines for IP-based financing
6	Provisions on IP relevant for environmental sustainability	Provisions on IP relevant for environmental sustainability

Note: IP = intellectual property.

1.2.4 University-Industry Collaboration

University-industry collaboration is important for the commercialization of basic research. Strong frameworks outlining institutional IP policies promote confidence in commercialization models.¹⁸ Therefore, Subcategory 1.2.4 has six indicators (table 9).

Table 9. Subcategory 1.2.4–University-Industry Collaboration

	Indicators	Components
1	Standard model research collaboration agreements	Standard model research collaboration agreements
2	Grace period for publishing research results without compromising patentability	Grace period for publishing research results without compromising patentability
3	Patent ownership developed within public research organizations	Patent ownership developed within public research organizations
4	Institutional IP policies of public research organizations	Institutional IP policies of public research organizations
5	University spin-offs	University spin-offs
6	Financial incentives for commercializing research	Financial incentives for commercializing research

Note: IP = intellectual property.

1.3 Quality of Regulations for Bidding for Public Contracts

Category 1.3 is divided into four subcategories consisting of several indicators, each of which may, in turn, have several components.

1.3.1 Entry and Competition

A robust regulatory framework is crucial for firms to participate in markets where the government is a purchaser. The quality of regulations that promote market access (entry) and competition for such firms ensure the basic framework that can benefit the whole private sector through open and competitive procurement as the default approach to public contracts. This is established through clearly defined guidelines on the procedures for framework agreements and setting out the terms and conditions for participation in public tenders through clear rules on content and participation. Therefore, Subcategory 1.3.1 has seven indicators (table 10).

Table 10. Subcategory 1.3.1–Entry and Competition

	Indicators	Components
1	Open and competitive procurement as the default	Open procurement as a default method for tendering a contract
2	Tender participation restrictions for foreign firms: obligation for foreign firms to establish subsidiaries or participate with a local firm to be eligible to submit a bid	<ul style="list-style-type: none"> i) Framework does not impose participation or award restrictions on foreign firms ii) Framework does not require foreign firms to have partnerships with domestic firms to be eligible to participate in a tender iii) Framework does not require foreign firms to own subsidiaries in domestic economy to be eligible to participate
3	Ability to divide contracts into lots	Framework provides for division of lots for contracts
4	Legal deadline for procuring entities to process payments to the contractor is established	Framework applicable to procuring entities establishes a timeframe within which the entity must process a payment once an invoice has been received
5	Procurement procedures for framework agreements are established	Framework outlines a designated procedure for awarding contracts based on a framework agreement where contracts are awarded following a competitive two-stage process
6	Promoting gender equality in public procurement	Framework includes gender-specific provisions that promote gender equality in public procurement; gender-specific provisions required by the framework include gender analysis, the principle of equal pay and non-discrimination and/or exclusion grounds for firms that have violated gender equality obligations
7	Approaches to promote SME participation	Framework provides for preferential treatment approaches for Small and Medium Enterprises

Note: SME = small and medium enterprises.

1.3.2 Best Value for Money

Ensuring public money is spent in the most efficient way lies at the heart of public procurement regulation. It is therefore crucial to identify whether governments have adopted good regulatory practices in their selection of public contracts by conducting a clear and thorough evaluation of total and life cycle costs of public contracts before awarding contracts, in addition to having clear criteria as to how to establish the most economically advantageous tender considerations. Therefore, Subcategory 1.3.2 has eight indicators (table 11).

Table 11. Subcategory 1.3.2–Best Value for Money

	Indicators	Components
1	Criteria for identifying abnormally low bids are established	Framework establishes criteria for identifying abnormally low bids
2	Designation of specialized tendering methods for innovation procurement and availability of mandate to incentivize their use	<ul style="list-style-type: none"> i) Framework establishes legal mandate for the development and implementation of special programs to engage innovative and emerging suppliers ii) Framework designates specific tendering procedures for innovation procurement

3	Incorporation of sustainability clauses in standard bidding documents and incentives to consider sustainability in tenders	<ul style="list-style-type: none"> i) Framework establishes that standard bidding documents must contain sustainability clauses for all or some model documents ii) Framework provides incentive for preparing bids with environmentally friendly components
4	Incorporation of gender clauses in standard bidding documents and incentives to consider gender in tenders	Framework establishes that standard bidding documents contain gender equality clauses
5	Minimum content for procurement plans is clearly defined and guidance on tools to use when estimating contract value prior to advertising a new tender opportunity	<ul style="list-style-type: none"> i) Framework defines minimum content requirements for procurement plans ii) Framework establishes tools that must be used when procuring entities prepare to estimate the contract value of new procurement opportunities, including, market analysis, feasibility study and/or historical data from similar projects or tenders
6	Minimum content for procurement plans includes a gender dimension	Framework requires that minimum content requirements include a gender dimension
7	Total cost of ownership and life cycle cost considerations are used in bid evaluation	Framework establishes award criteria that must be used in bid evaluations for high-value procurement including project life cycle cost, total cost of ownership
8	Most economically advantageous tender considerations are used in bid evaluation	Framework explicitly recommends the preference to use Most Economically Advantageous tender criteria over lower price criteria

1.3.3 Fairness of the Procurement Process

Effective competition in government markets needs a public procurement framework that protects the fairness of tender processes. The tools that typically promote fairness in these cases aim at ensuring equal opportunity and treatment of bidders. Unequal treatment not only distorts the competitive process to award a contract but can also have detrimental effects on market entry. Fairness of the procurement process can only be clearly established through the procedural guarantees recognized for the granting of public contracts, including such aspects as a clear standstill period between contract award notice and the signing of the contract, the minimum duration between the notice and the award, the obligation to notify firms of the decisions, and adequate recourse to appeal. Therefore, Subcategory 1.3.3 has five indicators (table 12).

Table 12. Subcategory 1.3.3–Fairness of the Procurement Process

	Indicators	Components
1	Standstill period between contract award notice and contract signing to allow aggrieved bidders to challenge the decision	Framework establishes a mandatory standstill period between the public notice of an award and contract signing to allow unsuccessful bidders to challenge the decision
2	Minimum duration between publication of tender notice and submission deadline is clearly defined and prohibition of dividing contracts to circumvent open tendering thresholds	<ul style="list-style-type: none"> i) Framework prohibits the splitting of contracts for the purpose of circumventing thresholds for open tendering ii) Framework sets a minimum timeframe between advertisement of a tender notice and a submission deadline for all procurement procedures
3	Obligation to notify firms of procurement decisions and legal framework establishes how clarification requests from	<ul style="list-style-type: none"> i) Framework requires that clarification requests from potential bidders be communicated to all bidders ii) Framework mandates communication of an award decision to all bidders

	potential bidders should be addressed	
4	Availability of specialized procurement tribunals and the right to challenge award decisions	i) Framework designates a specialized and independent authority to receive procurement challenges filed by firms on decisions issued by the procuring entities ii) Framework establishes the right for an aggrieved bidder to appeal decisions on challenges made by the authority that receives the procurement challenges
5	Time limits to resolve appeals and legal recourse for delays in resolving appeals	i) Framework establishes legally binding time limits to challenge a review process ii) Framework establishes legal recourse for an aggrieved bidder experiencing delays in either challenge or review processes for all or some types of challenges

1.3.4 Transparency

Transparency is a core principle of high-quality public procurement. An open and transparent procurement process improves competition and increases efficiency. Transparency-enhancing measures are, in general, consistent with the promotion of competition. They promote competition by informing suppliers of opportunities to compete and by giving them confidence that bids will be assessed objectively on their merits—thereby increasing their incentive to bid.¹⁹ Transparency can only be guaranteed when it is established through the public procurement process. This therefore calls for a continuous and effective publication at every stage of the procurement procedure. Therefore, Subcategory 1.3.4 has five indicators (table 13).

Table 13. Subcategory 1.3.4–Transparency

	Indicators	Components
1	Publication of procurement plans	Framework establishes that procurement plans should be made publicly available
2	Publication of tender notices	Framework establishes that tender notices should be made publicly available
3	Publication of tender documents	Framework establishes that tender documents should be made publicly available
4	Publication of award decisions	Framework establishes that award decisions should be made publicly available
5	Publication of contracts and contract amendments	Framework establishes that contracts and contract amendments should be made publicly available

2. PILLAR II. PUBLIC SERVICES: ADEQUACY OF PUBLIC SERVICES THAT PROMOTE MARKET COMPETITION

Table 14 shows the structure for Pillar II, the adequacy of public services that promote market competition. Each of this pillar’s categories and subcategories will be discussed in more detail in the order shown in the table.

Table 14. Pillar II–Adequacy of Public Services that Promote Market Competition

2.1	Institutional Framework and Quality of Enforcement of Competition Regulations
2.1.1	Institutional Framework of Competition Authorities
2.1.2	Advocacy and Transparency
2.2	Public Services Enabling Innovation in Firms
2.2.1	Digitization of Intellectual Property Services
2.2.2	Innovation Systems
2.2.3	Institutional Framework to Support Innovation
2.3	Quality of e-Procurement Services
2.3.1	Open Access and Interactivity of the e-Procurement Portal
2.3.2	Transparency
2.3.3	Digitization of Procurement Procedures

2.1 Institutional Framework and Quality of Enforcement of Competition Regulations

Category 2.1 is divided into two subcategories consisting of several indicators, each of which may, in turn, have several components.

2.1.1 Institutional Framework of Competition Authorities

Having a Competition Authority is key to effectively enforcing competition regulations and signaling a level playing field in the market.¹³ Competition authorities must operate within a clear and independent framework to investigate firm behaviors and implement sanctions to deter anticompetitive practices.¹⁴ By focusing on the institutional framework and the quality of the enforcement of competition regulations, the indicator serves as a proxy for the de facto operationalization of competition authorities. Therefore, Subcategory 2.1.1 has nine indicators (table 15).

Table 15. Subcategory 2.1.1–Institutional Framework of Competition Authorities

	Indicators	Components
1	Competition Authority is operationally independent	Competition Authority is operationally independent
2	Competition Authority has a clear and non-overlapping mandate	i) Competition Authority has a clearly defined mandate ii) Co-existing authorities that are responsible for protecting and fostering competition do not have overlapping mandates
3	Establishment of procedure for selection and dismissal of board members	i) Due process for the appointment of the Competition Authority's board members ii) Due process to dismiss the Competition Authority's board members
4	Term limits for board members of the Competition Authority	Framework sets out an official office term in questions for head and board members of the Competition Authority
5	Mechanisms are established for competition authorities to cooperate with foreign competition authorities	Existence of established cooperation mechanisms between domestic and foreign Competition Authorities
6	Cooling off periods after term limits for board members of Competition Authority for other government jobs and for private sector jobs in previously investigated companies	i) Cooling-off period during which board members and staff of the Competition Authority cannot take jobs in the government ii) Cooling-off period during which board members and staff of the Competition Authority cannot take jobs in previously investigated companies
7	Conflict of interest rules are applied to employees of the Competition Authority	Conflict of interest rules are applied to case-handlers of the Competition Authority
8	Competition Authority issues opinions on policies and regulations	Competition Authority has the mandate to issue opinions on government policies and regulations to ensure that they do not hamper competition
9	Competition Authority's opinions are binding, and any disagreements must be reported in writing to the Competition Authority	i) Competition Authority opinions are binding ii) Government bodies that disagree with the Competition Authority may justify their position and submit it to the latter

2.1.2 Advocacy and Transparency

Through competition advocacy a competition agency can influence government policies by proposing alternatives that would be less detrimental to economic efficiency and consumer welfare. It can serve as a buttress against lobbying and economic rent-seeking behavior by various interest groups. And it can foster greater accountability and transparency in government economic decision making and promote sound economic management and business principles in both the public and private sectors. This indicator also

benchmarks competition authorities' role in promoting accessibility and transparency by measuring whether the Competition Authority publishes its decisions and the legal and economic justification behind them; issues guidance/advocacy reports on antitrust and merger control; and enforces sanctions. Therefore, Subcategory 2.1.2 has nine indicators (table 16).

Table 16. Subcategory 2.1.2–Advocacy and Transparency

	Indicators	Components
1	Issuance of guidance documents on horizontal and vertical agreements	Competition Authority issues guidance documents on horizontal and vertical agreements
2	Issuance of guidance documents on abuse of dominance and leniency programs	Competition Authority issues guidance documents on abuse of dominance and leniency programs
3	Issuance of guidance on market definition and on digital platforms	Competition Authority issues guidance documents on market definition and digital platforms
4	Issuance of guidance on merger control	Competition Authority issues guidance documents on merger control
5	Issuance of analytical reports on competition	Competition Authority may issue analytical reports on markets, behaviors, or practices from the perspective of competition policy
6	Organization of workshops to disseminate competition policy	Competition Authority organizes workshops or webinars to disseminate competition policy to firms
7	Publication of all antitrust and merger control decisions online	Competition Authority publishes all antitrust and merger control decisions online
8	Publication of decisions granting special competition regimes (exemptions) to firms or sectors online	Competition Authority must publish decision on exemption of SOE from antitrust and merger control regulations online
9	Electronic notification of transaction for merger control	Firms may file notification of a transaction subject to merger control regulations electronically

Note: SOE = state-owned enterprise.

2.2 Public Services Enabling Innovation in Firms

Category 2.2 is divided into three subcategories consisting of several indicators, each of which may, in turn, have several components.

2.2.1 Digitization of Intellectual Property Services

Digitization of intellectual property services promotes access to IP rights and facilitates IPR protection and technology transfer, for instance through online marketplaces.²⁰ Therefore, Subcategory 2.2.1 has six indicators (table 18).

Table 18. Subcategory 2.2.1–Digitization of Intellectual Property Services

	Indicators	Components
1	Availability of license of rights database	Availability of license of rights database
2	Availability of green technology online marketplaces	Availability of green technology online marketplaces
3	Availability of electronic database on locally registered IPR	Availability of electronic database on locally registered IPR

4	Availability of online platform for IP holders to manage IPR electronically	Availability of online platform for IP holders to manage IPR electronically
5	Scope of electronic management features available through online platform	Scope of electronic management features available through online platform
6	Online publication of list of qualified IP professionals by the IPO	Online publication of list of qualified IP professionals by the IPO

Note: IP = intellectual property; IPO = intellectual property office; IPR = intellectual property rights.

2.2.2 Innovation Systems

Innovation systems contribute to the diffusion of innovation through increased collaboration, technical assistance, or financial incentives.²¹ Therefore, Subcategory 2.2.2 has nine indicators (table 19).

Table 19. Subcategory 2.2.2–Innovation Systems

	Indicators	Components
1	Availability of technology transfer offices	Availability of technology transfer offices
2	Type of regulatory approaches to enable technology generation	Type of regulatory approaches to enable technology generation
3	Availability of innovation incubators	Availability of innovation incubators
4	Availability of innovation accelerators	Availability of innovation accelerators
5	Government financial assistance to private incubators/accelerators	Government financial assistance to private incubators/accelerators
6	Public research organizations technical assistance to private incubators/accelerators	Public research organizations technical assistance to private incubators/accelerators
7	Availability of incubators/accelerators that target women entrepreneurs	Availability of incubators/accelerators that target women entrepreneurs
8	Availability of science and technology parks	Availability of science and technology parks
9	Availability of innovation clusters	Availability of innovation clusters

2.2.3 Institutional Framework to Support Innovation

Strong institutional mechanisms are important to support innovation.²² Therefore, Subcategory 2.2.3 has four indicators (table 20).

Table 20. Subcategory 2.2.3–Institutional Framework to Support Innovation

	Indicators	Components
1	Pro-bono or low-cost legal assistance offered by IPO to IP licensees	Pro-bono or low-cost legal assistance offered by IPO to IP licensees
2	Availability of Information Submission System in practice	Availability of Information Submission System in practice
3	Public consultations on IP laws and regulations	Public consultations on IP laws and regulations
4	Public body responsible for participation of firms in	Public body responsible for participation of firms in development of technical standards

	development of technical standards	
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Note: IP = intellectual property; IPO = intellectual property office.

2.3 Quality of e-Procurement Services

Category 2.3 is divided into three subcategories consisting of several indicators, each of which may, in turn, has several components.

2.3.1 Open Access and Interactivity of the e-Procurement Portal

E-procurement matters because it has the potential to save time, create efficiency, and help new firms access the market. E-procurement also facilitates sustainable practices in public procurement through features such as environmental labels. Research suggests that e-procurement facilitates the entry of higher quality contractors.¹⁷ Therefore, Subcategory 2.3.1 has four indicators (table 23).

Table 23. Subcategory 2.3.1–Open Access and Interactivity of the e-Procurement Portal

	Indicators	Components
1	Availability of central e-procurement portal	Existence of an operational central electronic public procurement (e-procurement) portal
2	Publication of open data in machine readable format on contracts	Existence of data portal that provides open access to data on contracts in machine readable format
3	Publication of open data in machine readable format on tenders	Existence of data portal that provides open access to data on tenders in machine readable format
4	Publication of open data on tenders and contracts disaggregated by sex	E-procurement portal collects data on gender-disaggregated data on firms that have participated in tenders

2.3.2 Transparency

The availability of information promotes equal access for all types of businesses, including small and medium enterprises (SMEs), by reducing the possibility of large or well-connected firms gaining an advantage because of information asymmetries, and potentially increases competition for government contracts.¹⁶ Therefore, Subcategory 2.3.2 has five indicators (table 24).

Table 24. Subcategory 2.3.2–Transparency

	Indicators	Components
1	Accessing notices on procurement opportunities electronically	E-procurement portal includes tender notices
2	Accessing bidding documents electronically	E-procurement portal includes tender documents
3	Accessing award decisions (including their rationale) electronically	E-procurement portal includes awards and their rationale
4	Accessing contracts and contract amendments electronically	E-procurement portal includes contracts and their amendments
5	Access to specifications, standards, or criteria for eco-labels and environmentally preferable goods and services electronically	E-procurement portal includes sustainability standards, eco-labels and environmentally preferable foods and services

2.3.3 Digitization of Procurement Procedures

Digital technologies provide a competitive edge by improving the speed and quality of procurement, reducing risk, and enhancing innovation. They can also be used to enhance the quality of public service delivery and quality of competition in government markets. Web-based platforms for making online payments for public procurement services prove to enhance efficiency and cost effectiveness. Therefore, Subcategory 2.3.3 has nine indicators (table 25).

Table 25. Subcategory 2.3.3–Digitization of Procurement Procedures

	Indicators	Components
1	Registering as a vendor and applying for vendor eco-certifications or eco/labels electronically	E-procurement portal allows registering as a vendor and applying for eco-certifications or labels
2	Asking the procuring entity for clarifications and notification of decisions (clarifications, awards, etc.) electronically	E-procurement portal allows for clarifications and notification of decisions
3	Submitting tenders electronically	E-procurement portal allows tenders to be submitted through it entirely
4	Open bids electronically and virtual workspace to manage the tender procedure	E-procurement portal allows bid opening and virtual workspace management
5	Submitting bid security electronically and performance guarantee with electronic validation	E-procurement portal allows submission of bid security and performance guarantees in digital format, online
6	Contract signing electronically and e-contract management and implementation module	E-procurement portal allows contracts to be signed electronically and has a contract management and implementation module
7	Submitting invoices to the procuring entity and receiving payments from the procuring entity electronically	E-procurement portal allows the submission of invoices and the receipt of payments
8	Module for framework agreement management and e-reverse auction module	E-procurement portal allows the management of framework agreements and e-reverse auctions
9	e-catalogue of approved suppliers and green catalogues	E-procurement portal includes e-catalogues of approved suppliers and green catalogues

3. PILLAR III. EFFICIENCY: EFFICIENCY IN THE IMPLEMENTATION OF KEY SERVICES PROMOTING MARKET COMPETITION

Table 26 shows the structure for Pillar III, the efficiency of the key services promoting market competition in practice. Each of this pillar’s categories and subcategories will be discussed in more detail in the order shown in the table (table 26).

Table 26. Pillar III–Efficiency in the Implementation of Key Services Promoting Market Competition

3.1	Efficiency of Competition Regulations
3.1.1	Efficient Implementation of the Simplified Merger Review

3.1.2	Perceptions of Market Dynamism and Competitive Behaviors
3.2	Efficiency of Innovation and Intellectual Property Rights Regulations
3.2.1	Product and Process Innovation in Firms
3.2.2	R&D Activities in Firms and Use of Foreign Licensed Technology
3.3	Efficiency of Public Procurement Regulations
3.3.1	Time to Award a Public Contract
3.3.2	Time to Receive a Payment and Late Payment Penalties
3.3.3	Entry in Government Markets
3.3.4	Gender Gap in Government Suppliers
3.3.5	Gender Gap in the Administrative Requirements to Participate in a Tender

3.1 Efficiency of Competition Regulations

This indicator assesses a combination of the following factors to determine the efficient implementation of a specific simplified procedure of merger review: (1) the time to file a merger notification; (2) to review it and to obtain a decision; and (3) whether competition authorities use the simplified procedure appropriately. Inadequate merger review processes and ineffective competition policy implementation can have negative effect on the economy (for example, by delaying mergers that do not raise concerns).¹⁸ Poorly implemented review processes can also undermine firm growth by discouraging firms from merging if the cost to do so is deemed too high, or if the outcome of the merger review is deemed too uncertain. Most economies have regulations to review merger notifications and provide simplified procedures, but their effective implementation is crucial for the business environment. A key assumption for this indicator is that the merger at stake does not raise competition concerns. Therefore, Subcategory 3.1 has two indicators (table 27).

Table 27. Category 3.1–Efficiency of Competition Regulations

	Indicators	Components
1	Efficient implementation of the simplified merger review	<ul style="list-style-type: none"> i) Transaction with set parameters to be reviewed under a simplified merger review procedure ii) Time in days to comply with the documentary requirements and file a notification to the Competition Authority for the transactions with set parameters described iii) Average time in days for the Competition Authority to review and clear a transaction with set parameters described
2	Perceptions of market dynamism and competitive behaviors	<ul style="list-style-type: none"> i) Number of firms competing in the market ii) Market share of the largest competitor iii) Changes in the level of competition of the market iv) Pricing behavior after an increase of prices v) Ability to switch internet provider vi) SOEs' impact on private firms

Note: SOEs = small and medium enterprises.

3.2 Efficiency of Innovation and Intellectual Property Rights Regulation

This indicator assesses product and process innovation in firms as well as R&D activity and use of foreign technology. Therefore, Subcategory 3.2–Innovation has two indicators: (1) firm innovation; and (2) research & development (R&D) activities and use of foreign licensed technology (table 28).

Table 28. Category 3.2–Efficiency of Innovation and Intellectual Property Rights Regulation

	Indicators	Components
1	Product and process innovation in firms	<ul style="list-style-type: none"> i) Introduction of a new product in the market (product innovation) ii) Introduction of a new process in the market (process innovation)
2	R&D activities in firms and use of foreign licensed technology	<ul style="list-style-type: none"> i) Percentage of firms spending in R&D ii) Percentage of spending dedicated to R&D iii) Percentage of firms that use technology licensed from a foreign-owned company

Note: R&D = research and development.

3.3 Efficiency of Public Procurement Regulations

In procurement markets, lengthy processes to award contracts can deter market entry and encourage collusive behaviors. Firms might incorporate the cost to prepare bids and the length of the tender procedure before deciding to participate in the government markets. In addition, late payments create negative externalities on firms, such as disruption of market activity and postponed payments of employees and suppliers. This can have the effect of draining firms' liquidity, and in the presence of limited access to credit, delayed payments can ultimately force firms to exit the market, with additional negative effects on their suppliers and customers. Therefore, Subcategory 3.3–Procurement has five indicators: time to award a public contract; time to receive payment and late payment penalties; entry in government markets; gender gap in government suppliers; gender gap in the administrative requirements to participate in a tender (table 29).

Table 29. Category 3.3–Efficiency of Public Procurement Regulations

	Indicators	Components
1	Time to award a public contract	Time that would usually pass between bid opening and contract signing during the following five scenarios: i) Works contract using an open procedure ii) Services contract using a restricted procedure iii) Prequalification procedure iv) Electronic auction procedure v) Framework agreement with two competitive stages procedure
2	Time to receive a payment and late payment penalties	i) Time to receive payment from a government contract in days ii) Frequency of late payment penalties payment
3	Entry in government markets	Ease of the administrative requirements to participate in a public tender
4	Gender gap in government suppliers	Difference between the percentage of men-owned firms who have held a government contract and women-owned firms who have held a government contract
5	Gender gap in the administrative requirements to participate in a tender	Differences between the score of the question “to what degree does this establishment find the administrative requirements to participate in a tender difficult?” in men-owned firms and women owned-firms

III. DATA SOURCES

4.1 Data collection sources

The data for Pillar I, Pillar II, and part of Pillar III are collected through consultations with private sector experts. For the enforcement of competition regulations category of indicators of the topic, this includes corporate lawyers and consultants with expertise in competition law, and legal professionals acting in competition law. For the intellectual property rights and innovation category of indicators of the topic, lawyers and consultants specialized in intellectual property rights, and chartered patent attorneys are the main contributors. Finally, for the public procurement category of indicators of the topic, experts include lawyers with expertise in public procurement, consultants who assist in the preparation of tenders, and in-house procurement officers. Desk research corroborates the data gathered through expert consultations.

Part of the data for Pillar III are collected through Enterprise Surveys. These Surveys provide representative data on innovation in firms as well as practices on government contracts. When, for any reason, Enterprise Surveys are not feasible to obtain the necessary data, an alternative approach is to collect these data through consultations with private sector experts who are actively involved in public procurement.

4.2 Screening and selection of experts

The Market Competition topic has three questionnaires, one for each topic: Competition, Innovation, and Public Procurement. Each questionnaire targets experts in their respective areas of expertise. In order to

select potential experts to participate in the questionnaires, screener questionnaires for competition, innovation, and public procurement have been developed (table 30). Ultimately, this will allow the Team to select the experts to respond to each questionnaire.

Table 30. Screener questionnaire and respondent criteria

Relevant expert professions:	
Competition	Corporate lawyers, legal consultants, Competition Authority representatives, etc.
Innovation	Intellectual property lawyers, chartered patent attorneys, etc.
Procurement	Public procurement lawyers, consultants, in-house procurement officers, etc.
Relevant areas of specialization:	
Competition	Antitrust/competition, abuse of dominance, merger control procedures, etc.
Innovation	Intellectual property registration and management, etc.
Procurement	Public procurement and government tenders at state, national and federal level (if applicable), etc.
Assessment of the experts' knowledge and experience related to competition law, innovation, and procurement:	
Competition	Experience in antitrust/competition litigation and providing advice to concerned firms; providing advice for mergers and acquisitions, including litigation experience; advising on abuse of dominance matters including litigation; experience in advising firms on how to self-comply with competition law requirements; experience in regulated markets.
Innovation	Experience with IPR registration, management, licensing, litigation, technology transfer.
Procurement	Experience with public procurement at the state/national/federal level, in either an advisory, consultant, compliance or litigation role; experience in bidding or assisting firms to bid for government tenders for goods, services and works; experience in assessing contract awards; experience in contractual issues related to payment; experience in formal challenges and appeals procedures on public procurement decisions.

Note: IPR = intellectual property rights.

Thus, the information provided in the screener questionnaires will allow the team to better understand the experts' professions; areas of specializations and experts' knowledge or experience related to market competition, including competition, innovation, and procurement. Ultimately, this will allow the team to select the experts to respond the questionnaire on competition, innovation, and procurement.

IV. PARAMETERS

To ensure comparability of the data from expert consultations across economies, the Market Competition topic uses specific parameter for public procurement indicators. However, it does not have a general parameter applicable to all the three thematic areas of the topic (Competition, Innovation, and Procurement). A parameter refers to an assumption that is made about the characteristics through which the practice of the topics shall be measured, such as location or centralized relevant public authority (including Competition Authority or public procurement entity).

5.1 General parameters

The Market Competition topic does not have general parameters that are applicable to all the categories of indicators. However, the topic benchmarks only central/federal regulations and services provided by central/federal authorities to keep the data comparable across economies.

5.2 Specific parameters

Market Competition uses specific parameters in some categories of indicators to ensure that the information gathered as to the relevant authorities and the relevant procedures are comparable across economies. In particular, for the category of indicators that measure public procurement regulations and services, the

relevant procedures along with the public institutions that are in charge vary widely and can compromise the quality and comparability of the data.

5.2.1 Procurement–procuring entity

Justification:

Procurement procedures and the legal framework that governs a procurement process can vary depending on which institution is undertaking the procurement. This parameter impacts both de jure and de facto indicators.

Application:

For Pillars I and II, indicators that fall within the category of public procurement are benchmarked as applicable to the three largest procuring entities based on the volume of tenders (number of tenders) they have procured over the last three years. The procuring entities are identified by the private sector experts who respond the market competition questionnaire based on their experience and knowledge or based on reliable publicly available data.

V. TOPIC SCORING

The Market Competition topic has three pillars: Pillar I–Quality Regulations that Promote Market Competition; Pillar II–Adequacy of Public Services that Promote Market Competition; and Pillar III–Efficiency in the Implementation of Key Services Promoting Market Competition. The total points for each Pillar are further rescaled to values from 0 to 100, and subsequently aggregated into the total topic score. Each pillar contributes one-third to the total topic score. The scores distinguish between benefits to the firm (captured as firm flexibility points) and benefits to society’s broader interests (captured as social benefits points). Table 31 shows the scoring for the Market Competition topic. For further scoring details, please see Annex A, which complements this section.

Table 31. Aggregate scoring overview

Pillar	Title	Number of indicators	Score			Rescaled score (0–100)	Weight
			Firm flexibility	Social benefits	Total score		
I	Quality of Regulations that Promote Market Competition	83	83	83	166	100	0.33
II	Adequacy of Public Services that Promote Market Competition	55	55	55	110	100	0.33
III	Efficiency in the Implementation of Key Services Promoting Market Competition	9	100	n.a.	100	100	0.33

Note: n.a. = not applicable (refers to the cases when the impact on firms or society is either ambiguous or nonexistent).

6.1 Pillar I–Quality of Regulations that Promote Market Competition

Pillar I covers 83 indicators with a total score of 166 points (83 points on firm flexibility and 83 points on social benefits) (table 32). The scoring for each category under this pillar is as follows:

6.1.1 *The Quality of Competition Regulations* Category has 25 indicators with a total maximum score of 50 points (25 points on firm flexibility and 25 points on social benefits). Specifically, the *State-Owned Enterprises Framework* Subcategory has 4 indicators; *Antitrust (cartels, horizontal and vertical agreements, abuse of dominant position)* has 8 indicators; *Merger Control* has 8 indicators; and *Enforcement* another 5. A regulatory framework that promotes market competition benefits both firms (firm flexibility) and society/customers (social benefits). Hence, equal scores are assigned to both categories.

6.1.2 *The Quality of Regulations that Promote Innovation and Technology Transfer* Category covers 33 indicators with a total maximum score of 66 points (33 points on firm flexibility and 33 on social benefits). Specifically, the *Strength of Intellectual Property Rights Protection* Subcategory has 15 indicators; and the *Licensing and Technology Transfer; Open Access and Fair Use of Innovation; the University-Industry Collaboration* Subcategories have 6 indicators each. A regulatory framework that promotes innovation and technology transfer benefits both the firm (firm flexibility) and the society (social benefits). Hence, equal scores are assigned to both categories.

6.1.3 *The Quality of Regulations for Bidding for Public Contracts* Category covers 25 indicators with a total maximum score of 50 points (25 points on firm flexibility and 25 points on social benefits). Specifically, the *Entry and Competition* Subcategory comprise 7 indicators; the *Best Value for Money* Subcategory comprise 8 indicators; and the *Fairness of the Procurement Process* and the *Transparency* Subcategories comprise 5 indicators each. A regulatory framework that promotes fair bidding for public contracts benefits both the firm (firm flexibility) and the society (social benefits). Hence, equal scores are assigned to both categories.

Table 32. Scoring for Pillar I

Pillar I–QUALITY OF REGULATIONS THAT PROMOTE MARKET COMPETITION		No. of indicators	FFP	SBP	Total points	Rescaled points
1.1	Quality of Competition Regulations	25	25	25	50	33.33
1.1.1	State-Owned Enterprises Framework	4	4	4	8	5.33
1.1.2	Antitrust (cartels, horizontal and vertical agreements, abuse of dominant position)	8	8	8	16	10.67
1.1.3	Merger Control	8	8	8	16	10.67
1.1.4	Enforcement	5	5	5	10	6.67
1.2	Quality of Regulations that Promote Innovation and Technology Transfer	33	33	33	66	33.33
1.2.1	Strength of IPR Protection	15	15	15	30	15.15
1.2.2	Licensing and Technology Transfer	6	6	6	12	6.06
1.2.3	Open Access and Fair Use of Innovation	6	6	6	12	6.06
1.2.4	University-Industry Collaboration	6	6	6	12	6.06
1.3	Quality of Regulations for Bidding for Public Contracts	25	25	25	50	33.3
1.3.1	Entry and Competition	7	7	7	14	9.33
1.3.2	Best Value for Money	8	8	8	16	10.67
1.3.3	Fairness of the Procurement Process	5	5	5	10	6.67
1.3.4	Transparency	5	5	5	10	6.67
Total		83	83	83	166	100

Note: FFP = firm flexibility point; IPR = intellectual property rights; SBP = social benefit point.

6.2 Pillar II–Adequacy of Public Services that Promote Market Competition

Pillar II includes 55 indicators with a total score of 110 points (55 points on firm flexibility and 55 points on social benefits) (table 33). The scoring for each category under this pillar is as follows:

6.2.1 *The Institutional Framework and Quality of Enforcement of Competition Regulations* Category has 18 indicators with a total maximum score of 36 points (18 points on firm flexibility and 18 points on social benefits). Specifically, the *Institutional Framework* and the *Advocacy and Transparency* Subcategories comprise 9 indicators each. Strong institutional framework and high quality of

enforcement benefit both firms (firm flexibility) and society/customers (social benefits). Hence, equal scores are assigned to both categories.

6.2.2 *The Public Services Enabling Innovation in Firms* Category covers 19 indicators with a total maximum score of 38 points (19 points on firm flexibility and 19 on social benefits). Specifically, the *Digitization of Intellectual Property Services* Subcategory has 6 indicators; the *Innovation Systems* Subcategory has 9 indicators; and the *Institutional Framework to Support Innovation* Subcategory has 4 indicators. Public services that support innovation in firms benefit both the firm (firm flexibility) and the society (social benefits). Hence, equal scores are assigned to both categories.

6.2.3 *The Quality of e-Procurement Services* covers 18 indicators with a total maximum score of 36 points (18 points on firm flexibility and 18 points on social benefits). Specifically, the *Open Access and Interactivity of the e-Procurement Portal* Subcategory has 4 indicators; the *Transparency* Subcategory has 5 indicators; and the *Digitization of Procurement Procedures* Subcategory has 9 indicators. High quality of e-procurement services benefits both the firm (firm flexibility) and the society (social benefits). Hence, equal scores are assigned to both categories.

Table 33. Scoring for Pillar II

Pillar II—ADEQUACY OF PUBLIC SERVICES THAT PROMOTE MARKET COMPETITION		No. of indicators	FFP	SBP	Total points	Rescaled points
2.1	Institutional Framework and Quality of Enforcement of Competition Regulations	18	18	18	36	33.33
2.1.1	Institutional Framework of Competition Authorities	9	9	9	18	16.67
2.1.2	Advocacy and Transparency	9	9	9	18	16.67
2.2	Public Services Enabling Innovation in Firms	19	19	19	38	33.33
2.2.1	Digitization of IP Services	6	6	6	12	10.53
2.2.2	Innovation Systems	9	9	9	18	15.79
2.2.3	Institutional Framework to Support Innovation	4	4	4	8	7.02
2.3	Quality of e-Procurement Services	18	18	18	36	33.33
2.3.1	Open Access and Interactivity of the e-Procurement Portal	4	4	4	8	7.41
2.3.2	Transparency	5	5	5	10	9.26
2.3.3	Digitization of Procurement Procedures	9	9	9	18	16.67
Total		55	55	55	110	100

Note: IP = intellectual property.

6.3. Pillar III—Efficiency in the Implementation of Key Services Promoting Market Competition
Pillar III includes 9 indicators with scores ranging from 0 to 100 on firm flexibility (table 34). The scores under this pillar are assigned on firm flexibility only because the indicators measure the outcomes of service provision to firms. For example, long time to award a public contract may cause adverse consequences on firms, thus hampering firm flexibility. The scoring for each category under this pillar is as follows:

6.3.1 *The Efficiency of Competition Regulations* Category has 2 indicators. The category accounts for one-third of the score of Pillar III.

6.3.2 *The Efficiency of Innovation and Intellectual Property Rights Regulations* Category has 2 indicators. The category accounts for another third of the score of Pillar III.

6.3.3 *The Efficiency of Public Procurement Regulations* Category has 5 indicators. The category accounts for the remaining third of the score of Pillar III.

Table 34. Scoring for Pillar III

Pillar III–EFFICIENCY IN THE IMPLEMENTATION OF KEY SERVICES PROMOTING MARKET COMPETITION		No. of indicators	Total rescaled points
3.1	Efficiency of Competition Regulations	2	33.33
3.1.1	Efficient Implementation of Simplified Merger Review	1	16.67
3.1.2	Perceptions of Market Dynamism and Competitive Behaviors	1	16.67
3.2	Efficiency of Innovation and Intellectual Property Rights Regulations	2	33.33
3.2.1	Product and Process Innovation in Firms	1	16.67
3.2.2	R&D Activities in Firms and Use of Foreign Licensed Technology	1	16.67
3.3	Efficiency of Public Procurement Regulations	5	33.33
3.3.1	Time to Award a Public Contract	1	6.67
3.3.2	Time to Receive Payment and Late Payment Penalties	1	6.67
3.3.3	Entry in Government Markets	1	6.67
3.3.4	Gender Gap in Government Suppliers	1	6.67
3.3.5	Gender Gap in the Administrative Requirements to Participate in a Tender	1	6.67
	Total	9	100

Note: R&D = research and development.

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¹ World Bank (2017).

² Begazo Gomez and Nyman (2016).

³ Tirole (2015).

⁴ Tirole (2017).

⁵ Motta (2004).

⁶ Worldwide, public procurement accounts for between 10 percent and 25 percent of GDP, on average (EC 2014).

⁷ OECD (2013).

⁸ OECD (2018).

⁹ OECD (2018).

¹⁰ OECD (2021). The important role of competition authorities in promoting competitive neutrality, Blog Series, can be found at: <https://oecdonthellevel.com/2021/11/29/the-important-role-of-competition-authorities-in-promoting-competitive-neutrality/>.

¹¹ OECD (2020).

¹² OECD (2015).

¹³ OECD (2015).

¹⁴ WIPO (2004).

¹⁵ WIPO (2010).

¹⁶ Priest (2012).

¹⁷ WIPO (2020).

¹⁸ Aridi and Cowey (2018).

¹⁹ UN (2011).

²⁰ WIPO (2004).

²¹ Cirera et al. (2020).

²² WIPO (n.d.).

Annex A. Market Competition–Scoring Sheet

This document outlines the scoring approach for the Market Competition topic. For every indicator, a firm flexibility point (FFP) and/or a social benefits point (SBP) are assigned, along with a clarification on the detailed scoring for each such indicator and a note on the relevant background literature.

PILLAR I–QUALITY OF REGULATIONS THAT PROMOTE MARKET COMPETITION					
1.1 QUALITY OF COMPETITION REGULATIONS					
1.1.1 State-Owned Enterprises Framework					
Indicators	FFP	SBP	Total points	Rescaled points	Background literature
Requirement to justify the creation of SOEs based on economic, social and/or sustainability criteria and requirement to subject the creation of an SOE to a review by the Competition Authority.	1	1	2	1.33	OECD (2015a), Recommendation I & III
Competition law applies to all SOEs and sectors of the economy	1	1	2	1.33	OECD (2015a), Recommendation I & III
Requirement to carry out an impact evaluation assessment (at creation and continuous) to justify new SOE commercial activities and for the continuation of commercial activities	1	1	2	1.33	OECD (2015a), Recommendation I
The procedure to exclude or exempt certain firms or sectors from the application of competition law and merger control is based on economic, social or sustainability criteria, requires the exemption to be granted for a certain time period and renewal requires a review of the reasons that justified its adoption	1	1	2	1.33	OECD (2015a), Recommendation I and III
Total points for Subcategory 1.1.1	4	4	8	5.33	
1.1.2 Antitrust (includes cartels, horizontal agreements, vertical agreements, and abuse of dominant position)					
Legal framework prohibits anticompetitive agreements, including tacit agreements, and identifies which agreements restrict competition by their object	1	1	2	1.33	UNCTAD (2007)
Regulations that exempt certain noncompetitive agreements must be justified if they advance certain public interests, efficiency or technical and economic progress	1	1	2	1.33	UNCTAD (2007)
Exemption regulations require to identify the efficiency, harm and consumer's impact of the exempted agreement	1	1	2	1.33	UNCTAD (2007)
Legal framework prohibits abuse of dominance	1	1	2	1.33	UNCTAD (2007)
Definition of market dominance and abuse and abuses of dominant position	1	1	2	1.33	UNCTAD (2007)

Availability of guarantees for a firm in leniency programs	1	1	2	1.33	ICN (2019)
Leniency programs establish clear immunity regimes	1	1	2	1.33	ICN (2019)
Incentives for voluntary compliance	1	1	2	1.33	OECD (2021b)
Total points for Subcategory 1.1.2	8	8	16	10.67	
1.1.3 Merger Control					
Scope of coverage of merger control regulations	1	1	2	1.33	ICN (2018); OECD (2005)
Legal framework establishes the economic criteria used to identify which transactions must be notified	1	1	2	1.33	ICN (2018)
Legal framework establishes clear guidelines and thresholds for merger notifications including individual and aggregate thresholds	1	1	2	1.33	ICN (2018)
Existence of a multi-phased merger review procedure, including a simplified procedure, with specific statutory time limits	1	1	2	1.33	OECD (2005)
Requirement to conduct a substantive economic assessment on the competitive effects of a transaction submitted for a merger control review and availability of legitimate justifications for increases in market power resulting from a merger or acquisition	1	1	2	1.33	Bradford and Chilton (2018); ICN (2018)
Sanctions for failure to notify a merger	1	1	2	1.33	ICN (2018); OECD (2018b)
Merger remedies are fit for purpose, allowing firms to propose alternatives, and the competition authority has the power to enforce them	1	1	2	1.33	Bradford and Chilton (2018); ICN (2018)
Powers to block mergers that may otherwise adversely impact competition and sanctions for failure to notify	1	1	2	1.33	ICN (2018); OECD (2018b)
Total points for Subcategory 1.1.3	8	8	16	10.67	
1.1.4 Enforcement					
Procedural and fairness guarantees during investigation	1	1	2	1.33	ICN (2019)
Legal framework defines what constitutes confidential information	1	1	2	1.33	OECD (2005)
Adequate powers and resources to investigate and to enforce and impose sanctions are conferred to Competition Authority	1	1	2	1.33	ICN (2019)

Decisions of the Competition Authority are binding and/or self-enforceable and designation of an independent body to review decisions of the Competition Authority, and action for damages is allowed	1	1	2	1.33	Bradford and Chilton (2018); UNCTAD (2007)
An overall cap on fines is provided in the regulatory framework	1	1	2	1.33	OECD (2019b)
Total points for Subcategory 1.1.4	5	5	10	6.66	
Total points for Category 1.1	25	25	50	33.33	
1.2 QUALITY OF REGULATIONS THAT PROMOTE INNOVATION AND TECHNOLOGY TRANSFER					
1.2.1 Strength of Intellectual Property Rights Protection					
Indicators	FFP	SBP	Total points	Rescaled points	Background literature
Protection for copyright owners to control the reproduction of works	1	1	2	1.01	WIPO (2004)
Provisions for establishment of Collective Management Organizations	1	1	2	1.01	WIPO (2022)
Patentability requirements (novelty, inventive step, industrial applicability) for inventions	1	1	2	1.01	WIPO (2004)
Duration of patent and trademark protection	1	1	2	1.01	TRIPS (1994)
Patent protection reaching back to the filing date	1	1	2	1.01	WIPO (2004)
Experimental use exception or research exemption for patents	1	1	2	1.01	WIPO (2010)
Opposition mechanisms for patents	1	1	2	1.01	WIPO (2023a)
Provisions for Information Submission System for patents	1	1	2	1.01	WIPO (2023b)
Public disclosure of patent	1	1	2	1.01	WIPO (2004)
Trademark use obligation	1	1	2	1.01	WIPO (2004)
Grace period after trademark registration before the use obligation comes into effect	1	1	2	1.01	WIPO (2004)
Protection for well-known marks	1	1	2	1.01	WIPO (2000)
Opposition mechanisms for trademarks	1	1	2	1.01	WIPO (2009)
Actions or remedies to enforce copyright, patent, and trademark protection	1	1	2	1.01	TRIPS (1994)
Arbitration of copyright, patent, and trademark disputes	1	1	2	1.01	Reed et al. (2021)
Total points for Subcategory 1.2.1	15	15	30	15.15	
1.2.2 Licensing and Technology Transfer					
Provisions on copyright, patent, trademark licensing procedures	1	1	2	1.01	WIPO (2004)
Guidelines for setting fair and non-discriminatory royalties	1	1	2	1.01	OECD (2019a)

Recordal of change of patent owner	1	1	2	1.01	WIPO (2010)
Timeframe for recordal of change of patent owner	1	1	2	1.01	WIPO (2010)
Temporary licenses/waivers for patents	1	1	2	1.01	World Bank (2020)
Disclosure of patent and trademark licensing agreements to IPO	1	1	2	1.01	WIPO (2010)
Total points for Subcategory 1.2.2	6	6	12	6.06	
1.2.3 Open Access and Fair Use of Innovation					
Open access definition	1	1	2	1.01	WIPO (2011)
Open-source definition	1	1	2	1.01	BSA (2005)
Scope of permissible open access research activities	1	1	2	1.01	Priest (2012); WIPO (2021)
Provisions safeguarding public interest	1	1	2	1.01	TRIPS (1994)
Guidelines for IP-based financing	1	1	2	1.01	WIPO (2008)
Provisions on IP relevant for environmental sustainability	1	1	2	1.01	WIPO (2020)
Total points for Subcategory 1.2.3	6	6	12	6.06	
1.2.4 University-Industry Collaboration					
Standard model research collaboration agreements	1	1	2	1.01	WIPO (n.d.)
Grace period for publishing research results without compromising patentability	1	1	2	1.01	WIPO (n.d.)
Patent ownership developed within public research organizations	1	1	2	1.01	Aridi and Cowey (2018)
Institutional IP policies of public research organizations	1	1	2	1.01	WIPO (n.d.)
University spin-offs	1	1	2	1.01	Aridi and Cowey (2018)
Financial incentives for commercializing research	1	1	2	1.01	Aridi and Cowey (2018)
Total points for Subcategory 1.2.4	6	6	12	6.06	
Total points for Category 1.2	33	33	66	33.3	
1.3 QUALITY OF REGULATIONS FOR BIDDING FOR PUBLIC CONTRACTS					
1.3.1 Entry and Competition					
Indicators	FFP	SBP	Total points	Rescaled points	Background literature
Open and competitive procurement as the default	1	1	2	1.33	OECD (2011); UNCITRAL (2011)
Tender participation restrictions for foreign firms: obligation for foreign firms to establish subsidiaries or participate with a local firm to be eligible to submit a bid	1	1	2	1.33	Anderson et al. (2010); MAPS (2018); OECD (2011); UNCITRAL (2011)

Ability to divide contracts into lots	1	1	2	1.33	EBRD (2017); OECD (2011, 2015b); Uyerra et al. (2014)
Legal deadline for procuring entities to process payments to the contractor is established	1	1	2	1.33	MAPS (2018)
Procurement procedures for framework agreements are established	1	1	2	1.33	UNCITRAL (2011)
Promoting gender equality in public procurement	1	1	2	1.33	MAPS (2022); OECD (2021e)
Approaches to promote SME participation	1	1	2	1.33	ADB (2012); Beck and Demircuc-Kunt (2006); EBRD (2017b); OECD (2015b, 2017a)
Total points for Subcategory 1.3.1	7	7	14	9.34	
1.3.2 Best Value for Money					
Criteria for identifying abnormally low bids are established	1	1	2	1.33	UNCITRAL (2011)
Designation of specialized tendering methods for innovation procurement and availability of mandate to incentivize their use	1	1	2	1.33	Edler and Georghiou (2007); Ghisetti (2017); OECD (2017b)
Incorporation of sustainability clauses in standard bidding documents and incentives to consider sustainability in tenders	1	1	2	1.33	MAPS (2018); OECD (2015c)
Incorporation of gender clauses in standard bidding documents and incentives to consider gender in tenders	1	1	2	1.33	MAPS (2022)
Minimum content for procurement plans is clearly defined and guidance on tools to use when estimating contract value prior to advertising a new tender opportunity	1	1	2	1.33	MAPS (2018)
Minimum content for procurement plans includes a gender dimension	1	1	2	1.33	MAPS (2022)
Total cost of ownership and life cycle cost considerations are used in bid evaluation	1	1	2	1.33	Dimitri (2012); MAPS (2018); UNCITRAL (2011)
Most economically advantageous tender considerations are used in bid evaluation	1	1	2	1.33	Dimitri (2012); Lewis and Bajari (2011); MAPS (2018); UNCITRAL (2011)
Total points for Subcategory 1.3.2	8	8	16	10.67	
1.3.3 Fairness of the Procurement Process					
Standstill period between contract award notice and contract signing to allow aggrieved bidders to challenge the decision	1	1	2	1.33	MAPS (2018); OECD (2015b); UNCITRAL, (2011)
Minimum duration between publication of tender notice and submission deadline is clearly defined and prohibition of dividing contracts to circumvent open tendering thresholds	1	1	2	1.33	MAPS (2018); UNCITRAL (2011)
Obligation to notify firms of procurement decisions and legal framework establishes how clarification requests from potential bidders should be addressed	1	1	2	1.33	OECD (2015b); UNCITRAL (2011)
Availability of specialized procurement tribunals and the right to challenge award decisions	1	1	2	1.33	MAPS (2018); UNCITRAL (2011)
Time limits to resolve appeals and legal recourse for delays in resolving appeals	1	1	2	1.33	MAPS (2018); UNCITRAL (2011)
Total points for Subcategory 1.3.3	5	5	10	6.66	

1.3.4 Transparency					
Publication of procurement plans	1	1	2	1.33	ADB (2013); EBRD (2015); MAPS (2018); OECD (2015b)
Publication of tender notices	1	1	2	1.33	ADB (2013); EBRD (2015); Kinsey (2004); MAPS (2018) OECD (2015b)
Publication of tender documents	1	1	2	1.33	ADB (2013); EBRD (2015); Kinsey (2004); MAPS (2018); OECD (2015b)
Publication of award decisions	1	1	2	1.33	ADB (2013); EBRD (2015); Kinsey (2004); MAPS (2018); OECD (2015b)
Publication of contracts and contract amendments	1	1	2	1.33	MAPS (2018); OECD (2015b)
Total points for Subcategory 1.3.4	5	5	10	6.66	
Total points for Category 1.3	25	25	50	33.33	
Total points for Pillar I	83	83	166	100	

Note: FFP = firm flexibility point; IP = intellectual property; SBP = social benefits point; SME = small and medium enterprise; SOE = state-owned enterprise.

PILLAR II—ADEQUACY OF PUBLIC SERVICES THAT PROMOTE MARKET COMPETITION

2.1 INSTITUTIONAL FRAMEWORK AND QUALITY OF ENFORCEMENT OF COMPETITION REGULATIONS

2.1.1 Institutional Framework of Competition Authorities

Indicators	FFP	SBP	Total points	Rescaled points	Background literature
Competition Authority is operationally independent	1	1	2	1.85	Bradford and Chilton (2018)
Competition Authority has a clear and non-overlapping mandate	1	1	2	1.85	OECD (2022)
Establishment of procedure for selection and dismissal of board members	1	1	2	1.85	Bradford and Chilton (2018)
Term limits for board members of the competition authority	1	1	2	1.85	Bradford and Chilton (2018)
Mechanisms are established for competition authorities to cooperate with foreign competition authorities	1	1	2	1.85	ICN (2013)
Cooling off periods after term limits for board members of competition authority for other government jobs and for private sector jobs in previously investigated companies	1	1	2	1.85	Bradford and Chilton (2018)
Conflict of interest rules are applied to employees of the Competition Authority	1	1	2	1.85	Bradford and Chilton (2018)
Competition Authority issues opinions on policies and regulations	1	1	2	1.85	ICN (2014)
Competition Authority's opinions are binding and any disagreements must be reported in writing to the Competition Authority	1	1	2	1.85	ICN (2014)
Total points for Subcategory 2.1.1	9	9	18	16.67	
2.1.2 Advocacy and transparency					
Issuance of guidance documents on horizontal and vertical agreements	1	1	2	1.85	OECD (2021c)
Issuance of guidance documents on abuse of dominance and leniency programs	1	1	2	1.85	OECD (2021c)
Issuance of guidance on market definition and on digital platforms	1	1	2	1.85	ICN (2018)
Issuance of guidance on merger control	1	1	2	1.85	ICN (2018)

Issuance of analytical reports on competition	1	1	2	1.85	ICN (2017)
Organization of workshops to disseminate competition policy	1	1	2	1.85	ICN (2012)
Publication of all antitrust and merger control decisions online	1	1	2	1.85	ICN (2019)
Publication of decisions granting special competition regimes (exemptions) to firms or sectors online	1	1	2	1.85	OECD (2015a)
Electronic notification of transaction for merger control	1	1	2	1.85	ICN (2019)
Total points for Subcategory 2.1.2	9	9	18	16.67	
Total points for Category 2.1	18	18	36	33.33	
2.2 PUBLIC SERVICES ENABLING INNOVATION IN FIRMS					
2.2.1 Digitization of Intellectual Property Services					
Indicators	FFP	SBP	Total points	Rescaled points	Background literature
Availability of license of rights database	1	1	2	1.75	WIPO (2010)
Availability of green technology online marketplaces	1	1	2	1.75	WIPO (2020)
Availability of electronic database on locally registered IPR	1	1	2	1.75	WIPO (2004)
Availability of online platform for IP holders to manage IPR electronically	1	1	2	1.75	WIPO (2004)
Scope of electronic management features available through online platform	1	1	2	1.75	WIPO (2004)
Online publication of list of qualified IP professionals by the IPO	1	1	2	1.75	WIPO (2004)
Total points for Subcategory 2.2.1	6	6	12	10.53	
2.2.2 Innovation Systems					
Availability of technology transfer offices	1	1	2	1.75	Aridi and Cowey (2018)
Type of regulatory approaches to enable technology generation	1	1	2	1.75	World Bank (2020)
Availability of innovation incubators	1	1	2	1.75	Cirera et al. (2020)
Availability of innovation accelerators	1	1	2	1.75	Cirera et al. (2020)
Government financial assistance to private incubators/accelerators	1	1	2	1.75	Cirera et al. (2020)
Public research organizations technical assistance to private incubators/accelerators	1	1	2	1.75	Cirera et al. (2020)
Availability of incubators/accelerators that target women entrepreneurs	1	1	2	1.75	Cirera et al. (2020)

Availability of science and technology parks	1	1	2	1.75	Cirera et al. (2020)
Availability of innovation clusters	1	1	2	1.75	Cirera et al. (2020)
Total points for Subcategory 2.2.2	9	9	18	15.79	
2.2.3 Institutional Framework to Support Innovation					
Pro-bono or low-cost legal assistance offered by IPO to IP licensees	1	1	2	1.75	WIPO (n.d.)
Availability of Information Submission System in practice	1	1	2	1.75	WIPO (2023b)
Public consultations on IP laws and regulations	1	1	2	1.75	US Chamber of Commerce (2022)
Public body responsible for participation of firms in development of technical standards	1	1	2	1.75	WIPO (n.d.)
Total points for Subcategory 2.2.3	4	4	8	7.01	
Total points for Category 2.2	32	34	66	33.33	
2.3 QUALITY OF E-PROCUREMENT SERVICES					
2.3.1 Open Access and Interactivity of the e-Procurement Portal					
Indicators	FFP	SBP	Total points	Rescaled points	Background literature
Availability of central e-procurement portal	1	1	2	1.85	EBRD (2015); MAPS (2018); PwC (2013)
Publication of open data in machine readable format on contracts	1	1	2	1.85	EBRD (2015); MAPS (2018); OECD (2015b)
Publication of open data in machine readable format on tenders	1	1	2	1.85	EBRD (2015); MAPS (2018); OECD (2015b)
Publication of open data on tenders and contracts disaggregated by sex	1	1	2	1.85	MAPS (2022)
Total points for Subcategory 2.3.1	4	4	8	7.40	
2.3.2 Transparency					
Accessing notices on procurement opportunities electronically	1	1	2	1.85	ADB (2013); EBRD (2015); Kinsey (2004); MAPS (2018); PwC (2013)
Accessing bidding documents electronically	1	1	2	1.85	ADB (2013); EBRD (2015); Kinsey (2004); MAPS (2018); PwC (2013)
Accessing award decisions (including their rationale) electronically	1	1	2	1.85	ADB (2013); EBRD (2015); Kinsey (2004); MAPS (2018); PwC (2013)
Accessing contracts and contract amendments electronically	1	1	2	1.85	MAPS (2018); PwC (2013)
Access to specifications, standards, or criteria for eco-labels and environmentally preferable goods and services electronically	1	1	2	1.85	MAPS (2018); OECD (2015c); PwC (2013)
Total points for Subcategory 3.2	5	5	10	9.26	

2.3.3 Digitization of Procurement Procedures					
Registering as a vendor and applying for vendor eco-certifications or eco/labels electronically	1	1	2	1.85	ADB (2013); EBRD (2015); OECD (2015b); PwC (2013)
Asking the procuring entity for clarifications and notification of decisions (clarifications, awards, etc.) electronically	1	1	2	1.85	ADB (2013); EBRD (2015); Kinsey (2004); OECD (2015b)
Submitting tenders electronically	1	1	2	1.85	ADB (2013); EBRD (2015); Kinsey (2004); OECD (2015b)
Open bids electronically and virtual workspace to manage the tender procedure	1	1	2	1.85	ADB (2013); EBRD (2015); MAPS (2018); PwC (2013)
Submitting bid security electronically and performance guarantee with electronic validation	1	1	2	1.85	ADB (2013); EBRD (2015)
Contract signing electronically and e-contract management and implementation module	1	1	2	1.85	ADB (2013); EBRD (2015); PwC (2013)
Submitting invoices to the procuring entity and receiving payments from the procuring entity electronically	1	1	2	1.85	ADB (2013); EBRD (2015)
Module for framework agreement management and e-reverse auction module	1	1	2	1.85	ADB (2013); EBRD (2015)
E-catalogue of approved suppliers and green catalogues	1	1	2	1.85	ADB (2013); EBRD (2015)
Total points for Subcategory 2.3.3	9	9	18	16.67	
Total points for Category 2.3	18	18	36	33.33	
Total points for Pillar II	55	55	110	100	

Note: FFP = firm flexibility point; IP = intellectual property; SBP = social benefits point.

PILLAR III—EFFICIENCY IN THE IMPLEMENTATION OF KEY SERVICES PROMOTING MARKET COMPETITION

3.1 EFFICIENCY OF COMPETITION REGULATIONS

Indicators	FFP	SBP	Total points	Rescaled points	Background literature
Time to file, review and clear a simplified merger review and adequate use of the procedure	50	n.a.	50	16.67	ICN (2018)
Index on market dynamism and competitive behaviors (including number of firms that compete in the market; proxy for concentration rate; changes in the level of competition; pricing behavior; ability to switch internet provider and SOE impact in private firms)	50	n.a.	50	16.67	OECD (2018a, 2021a); Szarzec, Dombi, and Matuszak (2021)
Total points for Category 3.1	100	n.a.	100	33.33	

3.2 EFFICIENCY OF INNOVATION AND INTELLECTUAL PROPERTY RIGHTS REGULATIONS

Indicators	FFP	SBP	Total points	Rescaled points	Background literature
Firm innovation (% of firms that have introduced new or improved products or processes)	50	n.a.	50	16.67	Cirera and Muzi (2020)
% of firms spending in R&D and % of spending dedicated to R&D; and % of firms that use technology licensed from a foreign-owned company	50	n.a.	50	16.67	OECD (2018c)
Total points for Category 3.2	100	n.a.	100	33.33	

3.3 EFFICIENCY OF PUBLIC PROCUREMENT REGULATIONS

Indicators	FFP	SBP	Total points	Rescaled points	Background literature
Time to award 5 common public procurement procedures (open works contract and restricted service contract), reverse auction, framework agreement and prequalifications	20	n.a.	20	6.66	Kinsey (2004); MAPS (2018)
Time to receive payment from a government contract and frequency of payment of late payment interest	20	n.a.	20	6.66	ADB (2013); Conti et al. (2021); MAPS (2018)
Obstacles to submit bids (administrative requirements)	20	n.a.	20	6.66	ADB (2012); EBRD (2017b); MAPS (2018); OECD (2011)
Difference between the percentage of men-owned firms who have held a government contract and women-owned firms who have held a government contract	20	n.a.	20	6.66	MAPS (2022)
Differences between the score of the question “to what degree does this establishment find the administrative requirements to participate in a tender difficult?” in men-owned firms and women owned-firms	20	n.a.	20	6.66	MAPS (2022); WEF (2022)
Total points for Category 3.3	100	n.a.	100	33.33	

Total points for Pillar III				100
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Note: n.a. = not applicable (refers to the cases when the impact on firms or society is either ambiguous or nonexistent: FFP = firm flexibility point; R&D = research and development; SBP = social benefits point.

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Annex B. Market Competition–Annotated Questionnaires

Annex B consists of a Glossary and three Annotated Questionnaires for each of the topics: Competition (Annex B1); Innovation (Annex B2); and Procurement (Annex B3). The Annotated Questionnaires provide the mapping between each indicator and the corresponding question(s). Due to the presence of multiple questionnaires, the numbering of categories in the Annotated Questionnaire does not match the numbering in the Market Competition Methodology Note.

Annex B1. Competition–Annotated Questionnaire

Glossary

Abuse of dominant position: The unilateral practices exercised by a dominant firm in order to maintain or increase its position in the market, thereby damaging market competition and ultimately decreasing consumer welfare.

Action for damages: A claim brought before a national court by a party harmed by a competition law infringement, requesting a sum of money in compensation for that infringement and any effects it has had upon the injured party's business.

Cartel: An anticompetitive agreement or concerted practice among two or more rival firms that aims at coordinating their behavior on the market or influencing other parameters of competition such as prices, total industry output, market shares, allocation of customers, allocation of territories, bid-rigging, establishment of common sales agencies, and the division of profits or combination of these.

Competitive neutrality: The recognition that significant government business activities that are in competition with the private sector should not have a competitive advantage or disadvantage simply by virtue of government ownership and control.

Horizontal agreements: Cooperation agreements made between two or more competing undertakings operating at the same level of the market, either in the production or distribution chains.

Legal monopoly: A firm that is protected from competition by the government, usually through legislation.

Leniency program: An opportunity provided to firms under which their fines or other penalties or totally or partially reduced in exchange for collaborating with the competition authorities, voluntarily disclosing the existence of agreements or practices within a cartel or group of firms that hinder competition.

Market dominance: The state in which a dominant firm accounts for a significant share of a given market, enabling it to prevent effective competition in the relevant market and allowing it to behave independently of other firms, acting either on the same or different levels of the production or distribution chains.

Merger remedies: Aim at preserving or restoring competition within a relevant market that would otherwise be lost as a result of a particular merger transaction, by either eliminating or resolving the harm caused, while allowing any efficiencies or benefits that would result from the transaction. Merger remedies can either be structural, through the divestiture of the firm or its assets, or behavioral, when they might impose obligations upon the future conduct of the firms involved in the merger.

Operational independence: When the Competition Authority decides and acts on its own, without the influence or necessary validation of external authorities or individuals.

Organizational independence: The ability of the Competition Authority to organize itself and define its activities and the roles of its agents without external influence.

Regulatory framework: The comprehensive body of instruments (laws, acts, regulations, guidance documents, soft law instruments, and so on) that regulate competition law and competition law enforcement. For soft law instruments, please consider only instruments with the following features: (1) They have the goal of expressing the view of the government or the Competition Authority on matters that have a direct or indirect impact to firms; (2) Such instruments provide guidance to firms and experts as the expected position of the government in such matters, and thus facilitate self-compliance in competition-related matters; and (3) These instruments must be publicly available.

State-owned enterprise (SOE): Any legal entity engaged in commercial activities that is recognized by national law as an enterprise and in which the government exercises ownership. This includes enterprises established as joint stock companies, limited liability corporations, and partnerships. Ownership may be determined either by the number of shares the government holds within the SOE or through the de facto control of the government upon the activities and decision making of the enterprise.

Structural independence: Whether the Competition Authority is an independent agency, organically separate from other governmental agencies, or whether it forms a part of another public authority.

Substantive economic assessment: Involves an in-depth economic analysis, supported by robust and technical evidence, of the competitive effects of the merger in question upon the relevant market.

Tacit anticompetitive agreement: Also known as tacit collusion, concerted practice, or conscious parallel behavior, this type of implied agreements or practices results when multiple firms either consciously or unconsciously follow a unilateral firm's anticompetitive actions (such as pricing fixing or output restrictions) that ultimately significantly hinder competition.

Vertical agreements: Agreements entered into by two or more undertakings acting at different levels of the production or distribution chains, which relate to the conditions under which they may purchase, sell, or resell certain products or services.

Voluntary compliance: Reflects the possibility for firms under an ongoing investigation to cooperate with the Competition Authority, in exchange for a reduction in fines or penalties to be imposed upon them at the conclusion of the procedure, if any.

Written justification: Written justification includes adequate explanation and reasoning of its decision based upon the current rules, regulations, and law affecting competition.

COMPETITION

The tables that follow present all indicators (including their components, if applicable) under each pillar, with a reference to the corresponding question number in parenthesis. The questions are listed before each table for ease of reference.

For Y/N questions, the Y response accounts for the score and is considered as the good practice, unless otherwise indicated with the sign “N → good practice”.

In the tables that follow, “AND” means all referenced questions must have a good practice response to obtain a score on the indicator.

In the tables that follow, “OR” means one or more referenced questions must have a good practice response to obtain a score on the indicator.

Certain questions are marked as “not scored,” which indicates that they do not impact the score in any way. The purpose of these questions is to further inform and refine the questions design for subsequent years of the pilot, as needed, as well as to substantiate and provide further information for the scored questions.

1.1 QUALITY OF COMPETITION REGULATIONS

1.1.1 State-Owned Enterprises Framework

1. Does the regulatory framework require governments to justify the creation of SOEs based on economic, social and/or sustainability criteria (Y/N)
2. Is the creation of SOEs subject to a review by the Competition Authority? (Y/N)
3. According to the regulatory framework, are any sectors in the economy excluded from the application of antitrust and merger control regulations? (Y/N)
4. According to the regulatory framework, are any SOEs and/or legal monopolies excluded from application of antitrust and merger control regulations? (Y/N)
5. Does the regulatory framework provide for a procedure to exclude a particular firm or sector from the application of antitrust and/or merger control regulations while conducting commercial activities? (*not scored*)
6. Does the regulatory framework require that an impact evaluation assessment be carried out at the creation of an SOE to evaluate possible market distortions and to determine whether SOEs’ commercial activities are competitively neutral?
 - 6a. Yes, at the creation of all SOEs
 - 6b. Yes, at the creation of some SOEs
 - 6c. No → 0 points on impact evaluation requirement
7. Does the regulatory framework require that an impact evaluation assessment be carried out throughout the life cycle of an SOE to evaluate its effects on market distortions and whether its activities remain competitively neutral?

- 7a. Yes, at the creation of all SOEs
- 7b. Yes, at the creation of some SOEs
- 7c. No → 0 points on impact evaluation requirement

8. Does the exclusion regime require a decision to be justified on economic, social, or sustainability grounds? (Y/N)

9. Are exemptions from the competition regulatory framework granted only for certain time periods?

- 9a. Yes
- 9b. No, there is no time period in some exemptions
- 9c. No, there is no time period in any exemptions
- 9d. No, exemptions cannot be granted → 0 points on time exemptions

10. Is renewal of an exemption at the end of its term contingent upon a review of the reasons for which the exemption was granted by the Competition Authority? (Y/N)

11. Does the regulatory framework require this decision to be published online? (*not scored*)

1.1.2 Antitrust (includes cartels, horizontal agreements, vertical agreements, and abuse of dominant position)

12. Does the regulatory framework forbid anticompetitive agreements between firms? (Y/N)

13. Does the regulatory framework specify which agreements (between competitors) are forbidden in and of themselves, without the necessity to prove actual harm to either competition or consumers? (Y/N)

14. Does the regulatory framework identify which horizontal and vertical agreements must have a negative effect on competitors or consumers to be prohibited? (*not scored*)

15. Does the regulatory framework define what constitutes tacit collusion? (Y/N)

16. Are cartels included in the agreements that are forbidden in and of themselves? (Y/N)

17. Does the regulatory framework provide exemptions for anticompetitive agreements that advance certain public interests? (Y/N)

18. Does the regulatory framework provide exemptions for anticompetitive agreements if they promote efficiency or technical and economic progress? (Y/N)

19. According to the regulatory framework, can cartels be exempted from the application of competition law provisions? (Y/N)

20. Are exemptions for anticompetitive agreements granted contingent upon the following conditions? Please select all that apply:

- 20a. The agreement must be efficiency enhancing

- 20b. The agreement must not eliminate competition
- 20c. The agreement should allow a fair share for consumers
- 0 points if only one or two are selected

- 21. Please list sectors or types of agreements that have exemptions, including the any legal instruments providing for such exemption. (not scored)**
- 22. Does the regulatory framework allow firms to justify cartels on the basis of efficiency? (Y/N)**
- 23. Does the regulatory framework prohibit firms from abusing dominant positions? (Y/N)**
- 24. Does the regulatory framework define market dominance? (Y/N)**
- 25. Does the regulatory framework define when firms are abusing their market dominance? (Y/N)**
- 26. Does the regulatory framework define any of the following abuses of dominant position? Please select all that apply (not scored)**
 - 26.a Predatory activities
 - 26.b. Exclusionary activities
 - 26c. Disciplinary and/or rewarding activities
 - 26d. Discriminatory activities
 - 26e. Other: Please describe
 - 26f. None of the above
- 27. Over the past year, has the Competition Authority used any incentives for firms in cases of voluntary compliance? (Y/N)**
- 28. Does the regulatory framework contain provisions that allow firms to justify behavior that is being investigated by the Competition Authority on the basis of efficiency? (not scored)**
- 29. Do subsequent firms that self-report involvement in anticompetitive behavior enjoy any immunity?**
 - 29.a Yes, they enjoy full immunity
 - 29.b Yes, they enjoy partial immunity
 - 29.c None → 0 points if no immunity is enjoyed
- 30. Does the leniency program provide procedural guarantees to organizations that cooperate with the Competition Authority during an investigation? (Y/N)**
- 31. Is the confidentiality of organizations that cooperate with the Competition Authority during an investigation protected by the regulatory framework? (Y/N)**
- 32. Is the anonymity of organizations that cooperate with the Competition Authority during an investigation protected by the regulatory framework? (Y/N)**
- 33. According to the regulatory framework, are firms or individuals that cooperate with the Competition Authority during an investigation given whistleblower protection? (Y/N)**

34. Does the leniency program provide full immunity to the first firm that self-reports its involvement in anticompetitive behavior? (Y/N)
35. Does the regulatory framework provide a leniency program? (Y/N)
36. Does the antitrust law apply to firms located outside of the economy and whose behavior directly or indirectly affects competition and/or consumers in the domestic market? (*not scored*)

1.1.3 Merger Control

37. Are there any sectors, firms, or transactions that are excluded from merger control? (Y/N)
Please specify which sectors, firms, or transactions (*not scored*)
38. Does the regulatory framework provide economic criteria for identifying which transactions fall under merger control regulations?
- 38a. Yes, it provides for both quantitative and qualitative criteria
 - 38b. Yes, but it provides only quantitative criteria
 - 38c. Yes, but it provides only qualitative criteria
 - 38d. No → 0 points if no criteria are provided
39. Do the provisions identifying which specific transactions fall under merger control contain definitions for the following? (*not scored*)
- 39a. Share acquisitions
 - 39b. Asset acquisitions
 - 39c. Acquisition of control
 - 39d. Change in control
 - 39e. Competitively significant influence
 - 39f. None of the above
40. Does the regulatory framework establish thresholds for merger notifications? (Y/N) No → 0 points for Q.40.
41. Does the regulatory framework specify whether the thresholds for merger notifications are (Select all that apply):
- 41a. Individual, concerning the turnover of the target firm.
 - 41b. Aggregate, concerning the turnover of all firms involved in the merger.
 - 41c. Both, depending on the transaction. → 1 point if selected.
 - 41d. No such indication
42. According to the regulatory framework, is it mandatory for firms to file a notification of a transaction, such as a merger or an acquisition, with the Competition Authority when the transaction exceeds a set threshold?
- 42a. Yes, the transaction must be notified ex ante
 - 42b. Yes, but the notification can be filed ex post
 - 42c. No, but firms can voluntarily submit their transaction for review ex ante
 - 42d. No, but firms can voluntarily submit their transaction for review ex post

42e. There is no provision regulating this matter → 0 points if no provision

43. Please specify the types of merger control procedures available in your economy (not scored)

44. Does the regulatory framework establish a multiphased merger control procedure? (Y/N)

45. Does the regulatory framework set out statutory time limits within which merger control procedures must be completed? (Y/N)

46. What is the statutory time limit for the simplified merger control procedure? (not scored)

47. Does the regulatory framework establish a procedure for conducting a simplified merger review? (Y/N)

48. Does the regulatory framework require a Competition Authority to conduct a substantive economic assessment on competitive effects of a transaction submitted for a merger control review? (Y/N)

49. Does the regulatory framework allow firms to justify an increase in market power resulting from a merger or acquisition? Select all that apply.

49a. Yes, by arguing that a transaction increases efficiency

49b. Yes, by arguing that a firm would otherwise exit the market

49c. Yes, by arguing that there is an underlying public interest that supersedes competition

49d. Yes, by other argument: [OPEN-ENDED RESPONSE]

49e. No

→ 1 point if criteria 49a, 49b and 49c are met. 0 points if 49d or 49e.

50. According to the regulatory framework, does the Competition Authority have powers to impose sanctions when firms fail to comply with the merger control regime? (Y/N)

51. Would the sanction be calculated on the basis of the firm's turnover? (Y/N)

52. According to the regulatory framework, does the Competition Authority have powers to impose a set of remedies to guarantee that the merger maintains, restores, and does not distort competition in the relevant market? (Y/N)

53. According to the legal framework, must the remedies proposed by the Competition Authority satisfy the following conditions? (Y/N)

53a. Remedies should adequately address the potential competitive harm identified

53b. Consideration must be given to the least intrusive remedy while permitting the realization of merger's efficiencies.

53c. Remedies must be capable of being effectively implemented within a short period of time.

If Y to all three → 1 point

If Y to one or two → 0 points

54. Does the regulatory framework allow merging parties to propose alternative resolutions to the Competition Authority during the adoption of remedies? (Y/N)

55. Does the Competition Authority have the jurisdictional power to directly or indirectly enforce a remedy order?

55a. Yes, it has the power to directly enforce a remedy order itself

55b. Yes, it has the power to request a court to enforce a remedy order

55c. Yes, both possibilities are available

55d. No

If Y to 55a or 55b or 55c → 1 point

If N → 0 points

56. According to the regulatory framework, does the Competition Authority have powers to block mergers? (Y/N)

57. Does the regulatory framework require firms to show whether a transaction has a direct or indirect impact on a market(s) within the economy? (not scored)

1.1.4 Enforcement

58. Does the regulatory framework grant the Competition Authority powers to investigate whether firms have concluded a transaction that might raise competition concerns?

58a. Yes, for all transactions

58b. Yes, but only for transactions that fall within the mandatory notification thresholds

58c. No

If Y to 58a → 1 point

If Y to 58b → 0 points

If N → 0 points

59. According to the regulatory framework, please select all procedural fairness guarantees that are applicable in your economy:

59a. At the beginning of an investigation, the Competition Authority issues a notice of the reasons and concerns leading to the investigation.

59b. The investigation procedures are written.

59c. The investigation phase of the Competition Authority must be completed within a set amount of time.

59d. Parties are provided a reasonable opportunity to consult with the Competition Authority.

59e. Parties have a reasonable opportunity to be heard and provide evidence or testimony in their defense. (This includes testimony of experts, cross-examination of testifying witnesses, and the opportunity to review or rebut any evidence brought forward.)

59f. Parties are provided with an opportunity to settle or to reach a consent agreement.

60. Does the regulatory framework mandate the Competition Authority to issue a reasoned and written decision on whether there is anti-competitive behavior? (Y/N)

61. Are there clear provisions on what constitutes confidential information to be protected within investigations and merger control procedures? (e.g., business secrets) (Y/N)

62. Does the regulatory framework provide the Competition Authority with the necessary power to investigate illegal anticompetitive practices? (such as unsolicited inspections on firm's premises, ability to request information, etc.) (Y/N)

63. Does the regulatory framework provide the Competition Authority with the necessary resources to investigate illegal anticompetitive practices? (Y/N)
64. In the enforcement of sanctions, does the regulatory framework confer the Competition Authority with the power to collect monetary sanctions? (Y/N)
65. In the enforcement of sanctions, does the regulatory framework confer the Competition Authority with the power to enforce nonmonetary sanctions? (Y/N)
66. Which authority has the power to enforce sanctions? (*not scored*)
67. Does the regulatory framework establish that Competition Authority's decisions are binding and enforceable? (Y/N)
68. Is there a designated independent body before which firms can challenge the decisions of the Competition Authority? (Y/N)
69. Please indicate the body before which firms can challenge decisions of the Competition Authority (*not scored*)
70. Does the regulatory framework allow firms to file an action for damages resulting from infringement of the competition law? (Y/N)
71. Does the regulatory framework establish an overall cap on fines that can be imposed on a firm? (Y/N)
72. Please select the criteria used to determine the maximum cap on fines. Select all that apply: (Y/N)
- 72a. As a percentage of the firm's global turnover
- 72b. As a percentage of the firm's relevant turnover
- 72c. Based on the firm's gain from the anticompetitive practice
- 72d. Based on the harm caused by the anticompetitive practice
- 72e. Fixed amount
- 72f. None of the above
- If a-e → 1 point
- If f → 0 points

PILLAR I—QUALITY OF REGULATIONS THAT PROMOTE MARKET COMPETITION			
1.1 QUALITY OF COMPETITION REGULATIONS			
1.1.1 State-Owned Enterprises Framework			
Indicators	FFP	SBP	Total points
Requirement to justify the create of SOEs based on economic, social, and/or sustainability criteria and requirement to subject the creation of an SOE to a review by the Competition Authority	1	1	2
Justification of creation of SOEs (1)	0.5	0.5	1
Requirement that Competition Authority reviews the creation of SOE (2)	0.5	0.5	1

Competition law applies to all SOEs and sectors of the economy	1	1	2
Exclusion of certain sectors of the economy (3)	0.33	0.33	0.66
Exclusion of certain SOEs or legal monopolies (4)	0.33	0.33	0.66
Exclusion of particular firms or sectors (5)	0.33	0.33	0.66
Requirement to carry out an impact evaluation assessment to justify new SOE commercial activities and for the continuation of commercial activities	1	1	2
Requirement for impact evaluation assessments, at creation (6)	0.50	0.50	1
Requirement that impact evaluation assessments, continuous (7)	0.50	0.50	1
The procedure to exclude or exempt certain firms or sectors from the application of competition law and merger control is based on economic, social or sustainability criteria, requires the exemption to be granted for a certain time period and renewal requires a review of the reasons that justified its adoption	1	1	2
Exclusion regime requires a decision to be justified (8)	0.33	0.33	0.66
Exemptions granted for certain time periods (9)	0.33	0.33	0.66
Renewal of exemptions conditions (10)	0.33	0.33	0.66
Total points	4	4	8
1.1.2 Antitrust (includes cartels, horizontal agreements, vertical agreements, and abuse of dominant position)			
Indicators	FFP	SBP	Total points
Legal framework prohibits anticompetitive agreements, including tacit agreements, and identifies which agreements restrict competition by their object	1	1	2
Framework forbids anticompetitive agreements (12)	0.25	0.25	0.50
Framework specifies which agreements are forbidden (13)	0.25	0.25	0.50
Framework specifically prohibits cartels (16)	0.25	0.25	0.50
Framework defines tacit collusion (14)	0.25	0.25	0.50
Regulations that exempt certain noncompetitive agreements must be justified if they advance certain public interests, efficiency or technical and economic progress	1	1	2
Exemptions for public interests (17)	0.33	0.33	0.66
Exemptions for efficiency or technical and economic progress (18)	0.33	0.33	0.66
Cartels cannot be exempted (19)	0.33	0.33	0.66
Exemption regulations require to identify the efficiency, harm and consumer's impact of the exempted agreement (20)	1	1	2
Legal framework prohibits abuse of dominance (23)	1	1	2
Definition of market dominance and abuse and abuses of dominant position (24 AND 25)	1	1	2
Availability of guarantees for a firm in leniency programs (35)	1	1	2
Procedural guarantees during an investigation (30)	0.25	0.25	0.50
Confidentiality (31)	0.25	0.25	0.50
Anonymity (32)	0.25	0.25	0.50
Whistleblower protection to firms (33)	0.25	0.25	0.50
Leniency programs establish clear immunity regimes	1	1	2
Framework provides full immunity to the first firm that self-reports (34)	0.50	0.50	1
Framework provides for full or partial immunity to subsequent firms that self-report (29)	0.50	0.50	1
Incentives for voluntary compliance (27)	1	1	2
Total points	8	8	16
1.1.3 Merger Control			
Indicators	FFP	SBP	Total points
Scope of coverage of merger control regulations (37)	1	1	2

Legal framework establishes the economic criteria used to identify which transactions must be notified	1	1	2
Economic quantitative and qualitative criteria (38)	0.33	0.33	0.66
Transactions that fall under merger control regulations (39)	0.33	0.33	0.66
Framework specifies when a transaction must be notified and whether that notification is ex ante or ex post (42)	0.33	0.33	0.66
Legal framework establishes clear guidelines and thresholds for merger notifications including individual and aggregate thresholds	1	1	2
Framework establishes thresholds for merger notifications (40)	0.50	0.50	1
Thresholds are individual, aggregate or both (41)	0.50	0.50	1
Existence of a multi-phased merger review procedure, including a simplified procedure, with specific statutory time limits (44) (47)	1	1	2
Set statutory time limits (45) (46)	0.5	0.5	1
Requirement to conduct a substantive economic assessment on the competitive effects of a transaction submitted for a merger control review and availability of legitimate justifications for increases in market power resulting from a merger or acquisition	1	1	2
Requirement for substantive economic assessment (48)	0.5	0.5	1
Justification for increase in market power (49)	0.5	0.5	1
Sanctions for failure to notify a merger	1	1	2
Sanctions (50)	0.5	0.5	1
Sanction must be calculated on the basis of the firm's turnover (51)	0.5	0.5	1
Merger remedies are fit for purpose, allowing firms to propose alternatives, and the competition authority has the power to enforce them	1	1	2
Power to impose (52)	0.25	0.25	0.5
Conditions for remedies imposed by the Competition Authority (53)	0.25	0.25	0.5
Merging parties can propose (54)	0.25	0.25	0.5
Jurisdictional power to enforce a remedy order (55)	0.25	0.25	0.5
Powers to block mergers that may otherwise adversely affect competition and sanctions for failure to notify (56)	1	1	2
Total points	8	8	16
1.1.4 Enforcement			
Indicators	FFP	SBP	Total points
Procedural and fairness guarantees during investigation (59)	1	1	2
Legal framework defines what constitutes confidential information (61)	1	1	2
Adequate powers and resources to investigate and to enforce and impose sanctions are conferred to Competition Authority	1	1	2
Power to investigate (62)	0.20	0.20	0.4
Resources to investigate (63)	0.20	0.20	0.4
Power to collect monetary sanctions (64)	0.20	0.20	0.4
Power to collect nonmonetary sanctions (65)	0.20	0.20	0.4
Power to investigate (58)	0.20	0.20	0.4
Decisions of the Competition Authority are binding and/or self-enforceable and designation of an independent body to review decisions of the Competition Authority, and action for damages is allowed	1	1	2
Decisions as binding and enforceable (67)	0.5	0.5	1
Action for damages may be filed (70)	0.5	0.5	1
An overall cap on fines is provided in the regulatory framework	1	1	2
Overall cap (71)	0.5	0.5	1
Criteria determine the maximum cap (72)	0.5	0.5	1
Total points	5	5	10

Note: FFP = firm flexibility point; SBP = social benefits point; SOEs = state-owned enterprises.

2.1. INSTITUTIONAL FRAMEWORK AND QUALITY OF ENFORCEMENT OF COMPETITION REGULATIONS

2.1.1 Institutional Framework of Competition Authorities

73. Does (the economy) have a functional Competition Authority? (not scored)

73a. Please provide the Competition Authority's name (not scored)

73b. Please provide the Competition Authority's website link (not scored)

74. Are there any other authorities (e.g., sectoral regulators) that are responsible for protecting and fostering competition in a targeted sector? (not scored)

75. Is the Competition Authority operationally independent in practice? (not scored)

75a. Yes

75b. Not in practice, although it should be independent according to the regulatory framework

75c. No

76. Please provide an example of why the Competition Authority is not considered to be operationally independent (not scored)

77. Do these authorities have well-defined mandates in the areas of antitrust and merger control, to avoid overlapping interventions? (Y/N)

78. Does the regulatory framework establish a due process for the appointment of the Competition Authority's board members? (Y/N)

79. Is there a due process to dismiss Competition Authority board members? (Y/N)

80. Is there an official office term in years for board members of the Competition Authority? (Y/N)

81. Which administrative body has a legal authority to make the final appointment of the head of the Competition Agency and its board members? (not scored)

82. What is the official office term of the head of the Competition Agency and its board members in years? (not scored)

83. Are there any established cooperation mechanisms between the domestic and foreign Competition Authorities? (Y/N)

84. Is there a cooling-off period during which board members and staff of the Competition Authority cannot take jobs in the government? (Y/N)

85. Is there a cooling-off period during which board members and staff of the Competition Authority cannot take jobs in previously investigated companies? (Y/N)

86. Do case handlers of the Competition Authority apply conflict of interest rules in practice? (Y/N/No such conflict of interest rules exist)

87. Does the Competition Authority have a mandate to issue opinions on government policies and regulations to ensure they do not hamper competition? (Y/N)

88. Are these opinions binding? (Y/N)

89. In the event that a government body does not agree with an opinion or recommendation of the Competition Authority, is there a requirement to justify this position and submit it to the Competition Authority? (Y/N)

2.1.2 Advocacy and Transparency

90. Please indicate whether the Competition Authority issues general guidance documents on each of the following competition areas: (Y/N)

- 90a. Horizontal agreements
- 90b. Vertical agreements
- 90c. Cooperation agreements
- 90d. Abuse of dominance
- 90e. Market definition
- 90f. Digital platforms or multi-sided markets
- 90g. Merger control
- 90h. Leniency

91. Does the Competition Authority issue analytical reports on markets, behaviors or practices from the perspective of competition policy? (Y/N)

92. Does the Competition Authority organize workshops or webinars to disseminate competition policy to firms? (Y/N)

93. Does the Competition Authority publish all antitrust and merger control decisions online? (Y/N)

94. Is the decision published in practice? (Y/N)

95. In practice, can firms file notification of a transaction subject to merger control regulations electronically to the Competition Authority? (Y/N)

PILLAR II–ADEQUACY OF PUBLIC SERVICES THAT PROMOTE MARKET COMPETITION			
2.1 INSTITUTIONAL FRAMEWORK AND QUALITY OF ENFORCEMENT OF COMPETITION REGULATIONS			
2.1.1 Institutional Framework of Competition Authorities			
Indicators	FFP	SBP	Total points
Competition Authority is operationally independent (75)	1	1	2
Competition Authority has a clear and nonoverlapping mandate (77)	1	1	2
Establishment of procedure for selection and dismissal of board members	1	1	2
Due process for appointment (78)	0.50	0.50	1

Due process to dismiss (79)	0.50	0.50	1
Term limits for board members of the competition authority (80)	1	1	2
Mechanisms are established for competition authorities to cooperate with foreign competition authorities (83)	1	1	2
Cooling off periods after term limits for board members of the Competition Authority for other government jobs and for private sector jobs in previously investigated companies	1	1	2
For jobs in the government (84)	0.50	0.50	1
For jobs in previously investigated companies (85)	0.50	0.50	1
Conflict of interest rules are applied to employees of the Competition Authority (86)	1	1	2
Competition Authority issues opinions on policies and regulations (87)	1	1	2
Competition Authority's opinions are binding and any disagreements must be reported in writing to the Competition Authority	1	1	2
Competition Authority opinions are binding (88)	0.50	0.50	1
Government bodies may report disagreements (89)	0.50	0.50	1
Total points	9	9	18
2.1.2 Advocacy and Transparency			
Indicators	FFP	SBP	Total points
Issuance of guidance documents on horizontal and vertical agreements (90a) AND (90b) AND (90c)	1	1	2
Issuance of guidance documents on abuse of dominance and leniency program (90d) (90h)	1	1	2
Issuance of guidance on market definition and on digital platforms (90e) (90f)	1	1	2
Issuance of guidance on merger control (90g)	1	1	2
Issuance of analytical reports on competition (91)	1	1	2
Organization of workshops to disseminate competition policy (92)	1	1	2
Publication of all antitrust and merger control decisions online (93)	1	1	2
Publication of decisions granting special competition regimes (exemptions) to firms or sectors online (91)	1	1	2
Electronic notification of transaction for merger control (95)	1	1	2
Total points	9	9	18

Note: FFP = firm flexibility point; SBP = social benefits point.

3.1. EFFICIENCY: COMPETITION

3.1.1. Time to file, review and clear a simplified merger review and adequate use of the procedure

96. For the following three questions, please assume that in accordance with the regulatory framework a transaction between two firms must be notified to the Competition Authority as this transaction is within the scope of merger control regulations. This transaction does not include a market overlap: that is, firms are not operating in the same or related markets.

96a. In practice, in case of a transaction with the characteristics described above, would the transaction be reviewed under a simplified merger review procedure? (Y/N/There is not simplified merger review regime)

96b. In practice, what is the average time, in days, to prepare comply with documentary requirements and file a notification to the Competition Authority for a case similar to the one described above?

96c. In practice, what is the average time, in days, it takes for the Competition Authority to review and clear a transaction similar to the one described above?

- 97. In practice, have there been any overlapping interventions over the last year?** *(not scored)*
- 98. Over the past year, has the Competition Authority applied a leniency program?** *(not scored)*
- 99. Over the past year, has the Competition Authority used any incentives for firms in cases of voluntary compliance?** *(not scored)*
- 100. In practice, does the Competition Authority respect procedural fairness for companies being investigated including the right to due process?** *(not scored)*
- 101. In practice, does the Competition Agency have the necessary power and resources to enforce sanctions?** *(not scored)*
- 102. Are all Competition Authority's antitrust decisions enforced in practice?** *(not scored)*
- 103. Please provide examples of antitrust decisions that are NOT enforced in practice and explain why?** *(not scored)*
- 104. Does the Competition Authority have the monetary means to investigate compliance with the remedies proposed?**
- 105. Does the regulatory framework require firms to pay a fee to notify and/or clear a transaction?** *(not scored)*
- 106. In practice, are exceptions to the operational independence of the Competition Authority justified?**
106a. Yes
106b. No
106c. No exceptions
- 107. Have there been any cases, over the past year, where the following types of independence of the Competition Authority was compromised?** (Y/N)
107a. Structural independence
107b. Operational or decision-making independence
107c. Organizational independence
107d. Financial Independence
- 108. Is the official office term of the head of the Competition Agency and its board members respected in practice?** (Y/N)
- 109. Over the last year, have any board members continued their duties after expiration of their terms?** (Y/N)
- 110. Has there been any dismissal of board members in the Competition Authority over the last year?** (Y/N)
- 111. Have the dismissals of board members followed the due process?** (Y/N)

112. Is the cooling-off period during which board members and staff of the Competition Authority cannot take jobs in the government respected in practice? (Y/N)

113. Is the cooling-off period during which board members and staff of the Competition Authority cannot take jobs in previously investigated companies respected in practice? (Y/N)

3.1.2 Index on Market Dynamism and Competitive Behaviors

114. How many competitors did this establishment's main product [or service] face in this main market? (Numerical value)

115. In fiscal year [Insert last complete fiscal year], what was the market share of your largest competitor, in terms of sales, in the market where this establishment sold its main product or offered its main service? (Numerical value)

116. Over the last year, has the level of competition in the market where this establishment sold its main product or offered its main service changed? Less competition (0), no change (50), more competition (100)

117. Considering the main market for this establishment's main product or service, can this establishment increase its prices more so than its competitors can without losing customers? (Y/N)

118. Using the responses on the card, please indicate how difficult it would be for this establishment to switch between internet providers. Unable to change (0); if some or little difficulty (50); if no difficulty (100)

119. Are there any state-owned enterprises (SOEs) operating in this establishment's main market? (not scored)

120. How does the presence of state-owned enterprises in this establishment's main market affect its ability to grow and expand? SOE has a negative impact (0); no impact but there is presence (50); if no presence, or positive impact (100)

PILLAR III—EFFICIENCY IN THE IMPLEMENTATION OF KEY SERVICES PROMOTING MARKET COMPETITION			
3.1 EFFICIENCY OF COMPETITION REGULATIONS			
3.1.1 Efficient Implementation of the Simplified Merger Review			
Indicators	FFP	SBP	Total points
Time to file, review and clear a simplified merger review and adequate use of the procedure (96)	100 (50%)	n.a.	100 (50%)

Total points 3.1.1	100	n.a.	100
3.1.2 Perceptions of Market Dynamism and Competitive Behaviors			
Indicators	FFP	SBP	Total points
Index on market dynamism and competitive behaviors	100 (50%)	n.a.	100 (50%)
Total points 3.1.2	100	n.a.	100

Note: n.a. = not applicable (refers to the cases when the impact on firms or society is either ambiguous or nonexistent). FFP = firm flexibility point; SBP = social benefits point.

Annex B2. Innovation–Annotated Questionnaire

The tables that follow present all indicators (including their components, if applicable) under each pillar, with a reference to the corresponding question number in parenthesis. The questions are listed before each table for ease of reference.

For Y/N questions, the Y response accounts for the score and is considered as the good practice, unless otherwise indicated with the sign “N à good practice”.

In the tables that follow, “AND” means all referenced questions must have a good practice response to obtain a score on the indicator.

In the tables that follow, “OR” means one or more referenced questions must have a good practice response to obtain a score on the indicator.

Certain questions are marked as “not scored,” which indicates that they do not impact the score in any way. The purpose of these questions is to further inform and refine the questions design for subsequent years of the pilot, as needed, as well as to substantiate and provide further information for the scored questions.

Glossary

Accelerator: Targets high growth-oriented firms in the process of scale up and entails an intensive mentoring program accompanied by the possibility of an early-stage investment.

Collective Management Organization: An organization that is authorized to manage copyright or rights related to copyright on behalf of more than one right holder, for the collective benefit of those right holders.

Duration: The specific timeframes within which the protection will be valid, either from the date of registration or from the date the application is made. If the legislation provides multiple durations, the one that is most protecting to the intellectual property right holder is considered.

Experimental use exception: Limitations on the rights of the patent holder for specific purposes that promote innovation through scientific research or technological innovation.

Guidelines for intellectual property-based financing: May include any legal instrument that provides guidance on IP valuation, sale or lease, terms of transfer, and securitization.

Guidelines for setting fair, reasonable and non-discriminatory royalties: Any relevant guidelines, data tools, circulars, and/or manuals that can be used for benchmarking or calculating royalty rates, including resources on legal and market assessments, economic analyses, and/or valuation benchmarking.

Information submission system: A system for third parties to make observations referring to prior art that they believe to be relevant to the question of whether the invention is new and/or involves an inventive step.

Incubator: A company or facility that provides physical space and a number of services to new businesses, helping them through the earlier stages of their development.

Industrial applicability: Means that an invention must be capable of being used for an industrial or business purpose beyond a mere theoretical phenomenon, or be useful itself.

Innovation cluster: A system of close links between firms, their suppliers and clients, and knowledge institutions resulting in the generation of innovation.

Inventive step: Means that invention could not be obviously deduced by a person having ordinary skills in the relevant technical field.

Novelty: Some new characteristic that is not known in the body of existing knowledge in its technical field.

Open access: The freely available online, digital sharing of academic information, either in the form of publications or data.

Open-source: Software provided on license terms that allow it to be used, modified, and distributed freely.

Opposition rights: May refer to pre-granting opposition or post-granting opposition. Pre-granting opposition rights are the rights available to third parties to oppose the granting of a patent before it is registered. Post-granting opposition rights are the rights available to third parties to oppose the granting of a patent after it has been registered.

Provisional measure: A temporary remedy granted under special circumstances to immediately stop an alleged infringement of intellectual property rights.

Regulatory approaches enabling technology adoption: These approaches include: (1) a wait-and-see approach in which the regulator acts mainly as an observer, monitoring trends to determine when formal intervention is necessary; (2) a test-and-learn approach under which a custom framework is created for each individual business case; (3) regulatory sandboxes involving active policymaking where a virtual environment is created that enables the live testing of new products or services in a controlled and time-bound manner.

Regulatory framework: The comprehensive body of instruments (laws, acts, regulations, guidance documents, soft law instruments, and so on) that regulate intellectual property rights and innovation systems. For soft law instruments, please consider only instruments that have the following features: (1) They have the goal of expressing the view of the government on matters that have a direct or indirect impact to firms; (2) Such instruments provide guidance to firms and experts as the expected position of the government in such matters, and thus facilitate self-compliance in IPR or related matters; and (3) These instruments must be publicly available.

Research collaboration agreements or consortium agreements: Agreements concluded by two or more parties that wish to cooperate to develop and possibly commercialize a new technology.

Rules and criteria on the ownership of IPRs: Can either be reflected in the patent or employment legislation or may take the form of specific legislation dealing with university IPRs and technology transfer, so long as a nation-wide policy is in place that clearly establishes the rules of ownership of IPRs developed by university researchers.

Technology Transfer Office: Can facilitate technology transfer and collaborative innovation toward commercialization between research institutions and firms.

Temporary license: Can give firms a license but set limitations on their authorization, such as the type of service that can be provided, the number of customers that can be served, or the time validity of the license.

Science and technology parks: Property-based ventures providing research and development (R&D) facilities to technology-and science companies.

Spin-offs: Newly created companies based on a new technology developed by a university or research institution.

Well-known mark: A trademark that, in view of its widespread reputation or recognition, may enjoy broader protection than an ordinary mark.

INNOVATION

The tables that follow present all indicators (including their components, if applicable) under each pillar, with a reference to the corresponding question number in parenthesis. The questions are listed before each table for ease of reference.

*Note: Several indicators in Innovation are shared between three types of intellectual property: copyright, patent, and trademark. In those cases, the same question is asked for each area (copyright, patent, and trademark). However, the scoring on the indicator is shared among the three areas to avoid triple counting. Shared indicators are marked with *. For example, the indicator on “Licensing” scores 2 points (on FFP and SBP) and is shared between copyright, patent, and trademark. The questions corresponding to this indicator apply to all three types of IP protection and are asked in all three subsections of the questionnaire identically. In terms of the scoring, 2 points for this indicator feed into the overall Innovation score based on the information collected on three types of IP.*

All (Y/N) questions that have a Y as a response are taken into account for the scoring.

1.1 QUALITY OF REGULATIONS THAT PROMOTE INNOVATION AND TECHNOLOGY TRANSFER

1.1.1 Strength of Intellectual Property Rights Protection

- 1. Does the regulatory framework provide protection for copyright owners to control the act of reproduction of works? (Y/N)**
- 2. Are there any legal provisions for the establishment of Collective Management Organizations (CMOs)? (Y/N)**
- 3. Does the regulatory framework explicitly define patentability requirements (novelty, inventive step, industrial applicability) for inventions? (Y/N)**
- 4. Please specify the duration of the patent protection in years in accordance with the regulatory framework. (Numerical entry)**
- 5. Please specify the duration of the trademark protection in years in accordance with the regulatory framework. (Numerical entry)**
- 6. Does the regulatory framework explicitly assure retroactive protection reaching back to the filing date in case patent registration is granted? (Y/N)**
- 7. Does the regulatory framework define any experimental use exception or research exemption for patents? (Y/N)**
- 8. According to the regulatory framework, what mechanisms for the opposition of the granting of patents are available? Please select all that apply:**
 - 8a. Pre-granting opposition rights.
 - 8b. Post-granting opposition rights.
 - 8c. None.

- 9. Does the regulatory framework provide for an Information Submission System in the form of a database where complementary information on a patent may be submitted by patent holders or affected third parties? (Y/N)**
- 10. According to the regulatory framework, is the public disclosure of patent required, voluntary, or undefined? Please select one:**
10a. Required
10b. Voluntary
10c. Undefined
- 11. Does the regulatory framework provide for a trademark use obligation? (Y/N)**
- 12. Does the regulatory framework stipulate the grace period after trademark registration before the use obligation comes into effect? (Y/N)**
- 13. Does the regulatory framework provide protection for well-known marks? (Y/N)**
- 14. According to the regulatory framework, which trademark opposition procedures are available? Please select all that apply:**
14a. Pre-registration opposition
14b. Post-registration opposition
14c. None
- 15. According to the regulatory framework, what actions or remedies can public authorities employ to enforce copyright protection? Please select all that apply:**
15a. Civil or administrative procedures
15b. Provisional measures
15c. Criminal procedures
15d. None of the above
- 16. According to the regulatory framework, what actions or remedies can public authorities employ to enforce patent rights protection? Please select all that apply:**
16a. Civil or administrative procedures
16b. Provisional measures
16c. Criminal procedures
16d. None of the above
- 17. According to the regulatory framework, what actions or remedies can public authorities employ to enforce trademark rights protection? Please select all that apply:**
17a. Civil or administrative procedures
17b. Provisional measures
17c. Criminal procedures
17d. None of the above
- 18. Does the regulatory framework allow arbitrating copyright disputes, as long as they do not affect third party rights? (Y/N)**
- 19. Does the regulatory framework allow arbitrating patent disputes, as long as they do not affect third party rights? (Y/N)**

20. Does the regulatory framework allow arbitrating trademark disputes, as long as they do not affect third party rights? (Y/N)

PILLAR I–QUALITY OF REGULATIONS THAT PROMOTE MARKET COMPETITION			
1.1 QUALITY OF REGULATIONS THAT PROMOTE INNOVATION AND TECHNOLOGY TRANSFER			
1.1.1 STRENGTH OF INTELLECTUAL PROPERTY RIGHTS PROTECTION			
Indicators	FFP	SBP	Total points
Protection for copyright owners to control the reproduction of works (1)	1	1	2
Provisions for establishment of Collective Management Organizations (2)	1	1	2
Patentability requirements (novelty, inventive step, industrial applicability) for inventions (3)	1	1	2
Duration of patent and trademark protection (4, 5)	1	1	2
Patent protection reaching back to the filing date (6)	1	1	2
Experimental use exception or research exemption for patents (7)	1	1	2
Opposition mechanisms for patents (8) <i>A score of 0.5 is assigned if only 8a or 8b is selected.</i>	1	1	2
Provisions for Information Submission System for patents (9)	1	1	2
Public disclosure of patent (10) <i>A score of 0.5 is assigned if 10b is selected.</i>	1	1	2
Trademark use obligation (11)	1	1	2
Grace period after trademark registration before the use obligation comes into effect (12)	1	1	2
Protection for well-known marks (13)	1	1	2
Opposition mechanisms for trademarks (14) <i>A score of 0.5 is assigned if only 14a or 14b is selected.</i>	1	1	2
Actions or remedies to enforce copyright, patent, and trademark protection* (15, 16, 17)	1	1	2
Arbitration of copyright, patent, and trademark disputes* (18, 19, 20)	1	1	2
Total points	15	15	30

Note: FFP = firm flexibility point; SBP = social benefits point.

* Shared indicator between copyright, patent, and trademark.

1.1.2 Licensing and Technology Transfer

21. Does the regulatory framework include provisions on copyright licensing procedures? (Y/N)

22. Does the regulatory framework include provisions on patent licensing procedures? (Y/N)

23. Does the regulatory framework include provisions specifying procedures on trademark licensing agreements? (Y/N)

24. Are there any guidelines provided by a public agency for setting fair, reasonable, and non-discriminatory royalties? (Y/N)
25. In cases of patent ownership transfer, does the regulatory framework mandate to record a change of the patent owner? (Y/N)
26. Does the regulatory framework specify a timeframe during which a record of a change of the patent owner must be made? (Y/N)
27. Does the patent licensing regime allow patent holders to grant temporary licenses/waivers? (Y/N)
28. Does the regulatory framework require the disclosure of patent licensing agreements to the Intellectual Property Office? (Y/N)
29. Does the regulatory framework require disclosure of trademark licensing agreements to the Intellectual Property Office? (Y/N)

1.1.2 LICENSING AND TECHNOLOGY TRANSFER			
Indicators	FFP	SBP	Total points
Provisions on copyright, patent, trademark licensing procedures* (21, 22, 23)	1	1	2
Guidelines for setting fair and non-discriminatory royalties (24)	1	1	2
Recordal of change of patent owner (25)	1	1	2
Timeframe for recordal of change of patent owner (26)	1	1	2
Temporary licenses/waivers for patents (27)	1	1	2
Disclosure of patent and trademark licensing agreements to IPO (28, 29)	1	1	2
Total points	6	6	12

Note: FFP = firm flexibility point; IPO = intellectual property office; SBP = social benefits point.

*Shared indicator between copyright, patent, and trademark.

1.1.3 Open Access and Fair Use of Innovation

30. Does the regulatory framework define open access content? (Y/N)
31. Does the regulatory framework define open-source content? (Y/N)
32. Does the regulatory framework define the scope of permissible open access research activities to prevent potential liability for copyright infringement? (Y/N)
33. Does the regulatory framework include provisions on intellectual property rights safeguarding public interest in sectors of vital importance to socioeconomic and technological development? (Y/N)

34. Does the regulatory framework include provisions on intellectual property-based financing? (Y/N)

35. Are there any legal provisions on intellectual property (IP) relevant for environmental sustainability policies? (Y/N)

1.1.3 OPEN ACCESS AND FAIR USE OF INNOVATION			
Indicators	FFP	SBP	Total points
Open access definition (30)	1	1	2
Open-source definition (31)	1	1	2
Scope of permissible open access research activities (32)	1	1	2
Provisions safeguarding public interest (33)	1	1	2
Guidelines for IP-based financing (34)	1	1	2
Provisions on IP relevant for environmental sustainability (35)	1	1	2
Total points	6	6	12

Note: FFP = firm flexibility point; IP = intellectual property; SBP = social benefits point.

1.1.4 University-Industry Collaboration

36. Does your economy have standard model research collaboration agreements or consortium agreements? (Y/N)

37. Does the regulatory framework include guidance on a grace period for the publication of research results that may compromise patentability prior to filing a patent application? (Y/N)

38. Does the regulatory framework establish rules and criteria on patent ownership developed within public research organizations? (Y/N)

39. Does the regulatory framework require that universities or public research organizations adopt their own institutional IP policies? (Y/N)

40. Does the regulatory framework provide conditions under which university spin-offs may be established for the commercialization of a new product or process? (Y/N)

41. Does the regulatory framework provide financial incentives for commercializing research through benefit or revenue-sharing in a royalty-bearing licensing deal? (Y/N)

1.1.4 UNIVERSITY-INDUSTRY COLLABORATION			
Indicators	FFP	SBP	Total points
Standard model research collaboration agreements (36)	1	1	2
Grace period for publishing research results without compromising patentability (37)	1	1	2

Patent ownership developed within public research organizations (38)	1	1	2
Institutional IP policies of public research organizations (39)	1	1	2
University spin-offs (40)	1	1	2
Financial incentives for commercializing research (41)	1	1	2
Total points	6	6	12

Note: FFP = firm flexibility point; IP = intellectual property; SBP = social benefits point.

2.1. PUBLIC SERVICES ENABLING INNOVATION IN FIRMS

2.1.1 Digitization of IP Services

42. Is there an electronic platform, such as a license of rights database, connecting potential buyers and sellers of IP rights? (Y/N)
43. Are there any green technology online marketplaces? (Y/N)
44. Does the Intellectual Property Office (IPO) have a publicly accessible electronic database (available online) to identify locally registered intellectual property rights, their content, ownership, and filing date? (Y/N)
45. Does the IPO have an online platform allowing IP holders to manage the details of their rights electronically? (Y/N)
46. Does the IPO online platform provide any of the following features? Please select all that apply:
- 46a. IPR registration application
 - 46b. Registration (or notification) of IP licensing agreements
 - 46c. Renewal request
 - 46d. Change of ownership information
 - 46e. E-payment for fees
 - 46f. Revocation or cancellation of IPR
47. Does the IPO publish online an updated list of qualified IP professionals, including registered patent attorneys? (Y/N)

PILLAR II—ADEQUACY OF PUBLIC SERVICES THAT PROMOTE MARKET COMPETITION			
2.1. PUBLIC SERVICES ENABLING INNOVATION IN FIRMS			
2.1.1 DIGITIZATION OF IP SERVICES			
Indicators	FFP	SBP	Total points
Availability of license of rights database (42)	1	1	2
Availability of green technology online marketplaces (43)	1	1	2
Availability of electronic database on locally registered IPR (44)	1	1	2
Availability of online platform for IP holders to manage IPR electronically (45)	1	1	2

Scope of electronic management features available through online platform (46) <i>Note: A score of 0.5 is assigned if 2 or more options are selected and a score of 1 is assigned if all 6 options are selected.</i>	1	1	2
Online publication of list of qualified IP professionals by the IPO (47)	1	1	2
Total points	6	6	12

Note: FFP = firm flexibility point; IP = intellectual property; IPO = intellectual property office; SBP = social benefits point.

2.1.2 Innovation Systems

48. Does the economy have technology transfer offices responsible for process of commercializing research that takes place in universities and/or public research organizations? (Y/N)

49. Are any of the following regulatory approaches used in your economy to enable technology generation? Please select one:

49a. Wait-and-see approach

49b. Test-and-learn approach

49c. Innovation facilitators: Regulatory sandboxes

50. Are there any innovation incubators in your economy? (Y/N)

51. Are there any innovation accelerators in your economy? (Y/N)

52. Do government agencies provide financial assistance to private sector led innovation incubators and/or accelerators? (Y/N)

53. Do public research organizations provide technical assistance to private sector led innovation incubators and/or accelerators? (Y/N)

54. Are there incubators and/or accelerators that specifically target women entrepreneurs and women-founded businesses in your economy? (Y/N)

55. Are there any science and technology parks in your economy? (Y/N)

56. Are there any innovation clusters in your economy? (Y/N)

2.1.2 INNOVATION SYSTEMS			
Indicators	FFP	SBP	Total points
Availability of technology transfer offices (48)	1	1	2
Type of regulatory approaches to enable technology generation (49) <i>Note: A score of 1 is assigned if 49c is selected.</i>	1	1	2
Availability of innovation incubators (50)	1	1	2
Availability of innovation accelerators (51)	1	1	2
Government financial assistance to private incubators/accelerators (52)	1	1	2
Public research organizations technical assistance to private incubators/accelerators (53)	1	1	2

Availability of incubators/accelerators that target women entrepreneurs (54)	1	1	2
Availability of science and technology parks (55)	1	1	2
Availability of innovation clusters (56)	1	1	2
Total points	9	9	18

2.1.3 Institutional Framework to Support Innovation

57. In practice, does the Intellectual Property Office (IPO) offer pro-bono or low-cost legal assistance to potential IP licensees? (Y/N)

58. In practice, is there a functioning database, such as Information Submission System, where complementary information on a patent may be submitted by patent holders or affected third parties? (Y/N)

59. Do government agencies conduct public consultations when developing IP laws and regulations? (Y/N)

60. Is there a public body responsible for facilitating and coordinating participation of domestic firms in the development of technical standards? (Y/N)

2.1.3 INSTITUTIONAL FRAMEWORK TO SUPPORT INNOVATION			
Indicators	FFP	SBP	Total points
Pro-bono or low-cost legal assistance offered by IPO to IP licensees (57)	1	1	2
Availability of Information Submission System in practice (58)	1	1	2
Public consultations on IP laws and regulations (59)	1	1	2
Public body responsible for participation of firms in development of technical standards (60)	1	1	2
Total points	4	4	8

Note: FFP = firm flexibility point; IP = intellectual property; IPO = intellectual property office; SBP = social benefits point.

3.1. EFFICIENCY OF INNOVATION AND INTELLECTUAL PROPERTY RIGHTS REGULATIONS

The data on the indicators for Pillar III will be normalized to a common unit—for example, on the scale from 0 to 100 points, where 0 represents the lowest and 100 represents the best performance. In turn, best (worst) performance is defined by the highest (lowest) standards and/or practices, measured as a single point or range of values.

The data for Pillar III on the Efficiency of Innovation are collected through firm-level surveys, using the following questions:

61. Firm innovation (% of number of firms that have introduced new or improved products or processes):

61a. During the last three years, has this establishment introduced new or improved products or services?

61b. During the last three years, has this establishment introduced any new or improved process?

62. % of firms spending in R&D and % of spending dedicated to R&D; and % of firms that use technology licensed from a foreign-owned company:

62a. During fiscal year, did this establishment spend on research and development activities, either in-house or contracted with other companies, excluding market research surveys?

62b. How much did this establishment spend on research and development activities that year, either in-house or contracted with other companies?

62c. Does this establishment presently use technology licensed from a foreign-owned company, excluding office software?

PILLAR III—EFFICIENCY OF INNOVATION AND INTELLECTUAL PROPERTY RIGHTS REGULATIONS			
Indicators	FFP	SBP	Total points
Product and process innovation in firms (61)	100 (50%)	n.a.	100 (50%)
R&D activities in firms and use of foreign licensed technology (62)	100 (50%)	n.a.	100 (50%)
Total points	100	n.a.	100

Note: n.a. = not applicable (refers to the cases when the impact on firms or society is either ambiguous or nonexistent). FFP = firm flexibility point; R&D = research and development; SBP = social benefits point.

Annex B3. Procurement–Annotated Questionnaire

The tables that follow present all indicators (including their components, if applicable) under each pillar, with a reference to the corresponding question number in parenthesis. The questions are listed before each table for ease of reference.

For Y/N questions, the Y response accounts for the score and is considered as the good practice, unless otherwise indicated with the sign “N → good practice”.

In the tables that follow, “AND” means all referenced questions must have a good practice response to obtain a score on the indicator.

In the tables that follow, “OR” means one or more referenced questions must have a good practice response to obtain a score on the indicator.

Certain questions are marked as “not scored,” which indicates that they do not affect the score in any way. The purpose of these questions is to further inform and refine the questions design for subsequent years of the pilot, as needed, as well as to substantiate and provide further information for the scored questions.

Glossary

Agreement on Government Procurement (GPA): International instrument regulating the conduct of international trade in government procurement markets. It aims to ensure fair, transparent, and non-discriminatory conditions of competition for purchases of goods, services, and construction services by the public entities covered by the Agreement. It also serves broader purposes of promoting good governance, the efficient and effective management of public resources, and the attainment of best value for money in national procurement systems.

Central purchasing body: A contracting entity that acquires goods or services (commonly through framework agreements) intended for several public sector entities.

Framework agreement: A fixed term contractual agreement between procuring entities and selected supplier(s), which sets conditions for future, repetitive purchases.

Goods: Objects of every kind and description including raw materials, products and equipment and objects in solid, liquid, or gaseous form, and electricity, as well as services incidental to the supply of the goods if the value of those incidental services does not exceed that of the goods themselves.

Life cycle costing: LLC is the sum of all recurring and one-time (nonrecurring) costs over a lifespan or a specified period of a good, service, structure, or system. It includes purchase price, installation cost, operating costs, maintenance and upgrade costs, and remaining (residual or salvage) value at the end of ownership or its useful life.

Lowest price: Bid evaluation process in which a procuring entity determines the winning bid by eliminating ineligible bidders and technically unacceptable bids and then selecting the lowest priced bid for award.

Machine readable format: Data in a format that can be automatically read and processed by a computer, such as CSV, JSON, XML, and so on. Machine-readable data must be structured data. Non-digital material (for example, printed or hand-written documents) is not machine-readable. Not every type/piece of digital material is machine-readable. For example, a PDF document containing tables of data is digital but are not machine-readable because a computer would struggle to access the tabular information—even though they

are very human-readable. The equivalent tables in a format such as a spreadsheet would be machine-readable.

Most Economically Advantageous Tender (MEAT): Bid evaluation process through which the successful bid is ascertained on the basis of combining technical and financial characteristics of the bids.

Open tender: Refers to the process whereby a procuring entity invites bids that should be submitted within a set deadline. It is often used for a bidding process that is open to all qualified bidders (open tender) and where sealed bids are opened in public and are chosen on the basis of stated award criteria. The term “tender” is usually used interchangeably with “bids” or “proposals.”

Procurement procedure: A procedure by which a public sector entity can acquire goods, services, and works. Occasionally referred to as Call for Tenders, Public Procurement Competition, or Tender.

Regulatory framework: Refers to a comprehensive body of instruments (laws, acts, regulations, detailed procedures, standard tender documents, and so on) that regulate procurement processes (from needs-assessment to post-tendering). independently of its form, as long as it binds the procuring entities in a manner that the private sector will expect such entities to comply with such instruments. For soft law instruments, please consider only instruments with the following features: (1) They have the goal of expressing the view of the government on matters that have a direct or indirect impact to firms; (2) Such instruments provide guidance to firms and experts as the expected position of the government in such matters, and thus facilitate self-compliance in procurement related matters; and (3) These instruments must be publicly available.

Services: Services of intellectual and consulting nature and any other services not covered by the terms “goods” and “works.”

Standard tender documents: Also known as standard solicitation documents or standard procurement documents. A document issued by a competent authority (centralized procurement body, procuring entity, and so on) that sets out the terms and conditions for a set of procurement procedures, usually categorized by type of procurement, value, and or sector.

Standstill period: Period starting from the moment bidders of a competition are informed of an outcome, during which time they are allowed to express objections or file complaints. Procuring entities cannot proceed to signing a contract with a winning bidder until this period elapses and all complaints are resolved.

Total Cost of Ownership (TCO): TCO calculates the complete cost—from purchase to disposal—including expected costs to be incurred during the product lifetime, such as service, repair, and insurance.

Value for money: A term used in different ways to convey the effective, efficient, and economic use of resources. In the context of public procurement, it can be defined as the most advantageous combination of cost, quality, and sustainability to meet defined requirements. Cost means consideration of the cost and risks over the entire life cycle; quality means meeting a specification that is fit for purpose and sufficient to meet the requirements; and sustainability comprises economic, social, and environmental benefits.

Works: All works associated with construction, reconstruction, demolition, repair, or renovation of a building, structure, or activities (such as site preparation, excavation, erection, building, installation of equipment or materials, decoration and finishing), as well as services incidental to construction (such as drilling, mapping, satellite photography, seismic investigations and similar services provided pursuant to the procurement contract, if the value of those services does not exceed that of the construction itself).

PUBLIC PROCUREMENT

Introductory Information

This section aims to identify institutions, **regulatory framework** and thresholds that will affect your responses throughout this questionnaire. In this section, please identify the **three** largest procuring entities based on the volume of tenders (number of tenders) they have procured over the last three years. You can identify them either based on your knowledge or based on reliable publicly available data.

1.1 QUALITY OF REGULATIONS FOR BIDDING FOR PUBLIC CONTRACTS

- 1. What are the three central/federal government entities that have conducted the largest procurements by volume in your economy during in the last three years? Please, list the three procuring entities in the order of importance.**
 - 1a. Name of the procuring entity (largest):
 - 1b. Name of the procuring entity (second largest):
 - 1c. Name of the procuring entity (third largest):

- 2. Please identify the most common sector purchased by the procuring entity 1:**
 - 2a. Goods
 - 2b. Services
 - 2c. Works

- 3. Please identify the most common sector purchased by the procuring entity 2:**
 - 3a. Goods
 - 3b. Services
 - 3c. Works

- 4. Please identify the most common sector purchased by the procuring entity 3:**
 - 4a. Goods
 - 4b. Services
 - 4c. Works

- 5. Is any of the three procuring entities that you have selected a state-owned enterprise or an Independent Authority? (Y/N)**

- 6. Do these SOEs or Independent Authorities have a specific public procurement regulatory framework compared to the other centralized/federal procuring entities? (Y/N)**

PILLAR I–QUALITY OF REGULATIONS THAT PROMOTE MARKET COMPETITION	
Parameters	
Procuring entity	Procurement procedures and the legal framework that governs a procurement process can vary depending on which institution is undertaking the procurement. This parameter affects both de jure and de facto indicators. Indicators that fall within the category of public procurement are benchmarked as applicable to the three largest procuring entities based on the volume of tenders (number of tenders) they have procured over the last three years. The procuring entities are identified by the private sector experts who

	respond the market competition questionnaire based on their experience and knowledge or based on reliable publicly available data.
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- 7. Do the standard bidding documents contain sustainability clauses?**
7a. Yes, in all model documents
7b. No, only in some model documents
7c. None of the model documents contain sustainability clauses
- 8. Do the standard bidding documents contain gender equality clauses?**
8a. Yes, in all model documents
8b. No, only in some model documents
8c. None of the model documents contain gender equality clauses
- 9. Does the regulatory framework define minimum content requirements for procurement plans? (Y/N)**
- 10. Do the minimum content requirements for procurement plans include a gender dimension? Gender dimension examples: Analysis of the market/contract to identify gender relevance and gender gaps; Specific tools used to increase women participation (e.g., choice of procedure, set asides); Gender targets for the tendering process or for contract implementation. (Y/N)**
- 11. According to the regulatory framework, which of the following tools must be used when a Procuring Entity you identified prepares to estimate-the contract value of the new procurement opportunity? Select all that apply:**
11a. Market analysis
11b. Feasibility study
11c. Historical data from similar projects or tenders
11d. Regulations are silent on this matter
11e. None of the above
11f. Other (specify)
- 12. Is this requirement applicable to all procurement procedures conducted by the procuring entities you listed? Select all that apply.**
12a. Yes, to all procurement procedures
12b. No, only for procurement above a certain value
12c. No, only for procurement in specific sectors
12d. No, other exceptions apply (specify)
- 13. Is there a legal mandate for the development and implementation of special programs to engage innovative and emerging suppliers? (Y/N)**
- 14. Does the regulatory framework establish open procurement as a default method for tendering a contract?**
14a. Yes, without exception
14b. Yes, with exception → proceed to the next question.
14c. No
- 15. Please, identify in the list below in which circumstances exceptions to the general rule of using open procurement are provided in the regulatory framework. Select all that apply:**

- 15a. Based on the value of procurement
- 15b. Based on the entity conducting the procurement

16. Does the regulatory framework designate specific tendering procedures for innovation procurement? (Y/N)

17. Does the regulatory framework provide incentives for preparing bids with environmentally friendly components? (Y/N)

18. Does the regulatory framework impose any participation or award restrictions on foreign firms?

- 18a. Yes, in all public tenders
- 18b. Yes, in some public tenders → proceed to the next question.
- 18c. No

19. If the restrictions apply only in some public tenders, please identify in the list below the parameter in which these restrictions are applicable:

- 19a. Sector
- 19b. Procuring Entity
- 19c. Value
- 19d. Other (specify)

20. Does the regulatory framework require foreign firms to have partnerships with domestic firms to be eligible to participate in a tender?

- 20a. Yes, in all public tenders
- 20b. Yes, in some public tenders based on: → proceed to the next question.
- 20c. No

21. If the restrictions apply only in some public tenders, please identify in the list below the parameter in which these restrictions are applicable:

- 21a. Sector
- 21b. Procuring Entity
- 21c. Value
- 21d. Other (specify)

22. Does the regulatory framework require foreign firms to own (fully or partially) subsidiaries in the domestic economy to be eligible to participate in a tender?

- 22a. Yes, in all public tenders
- 22b. Yes, in some public tenders → proceed to the next question.
- 22c. No

23. If the restrictions apply only in some public tenders, please identify in the list below the parameter in which these restrictions are applicable:

- 23a. Sector
- 23b. Procuring Entity
- 23c. Value
- 23d. Other (specify)

24. Does the regulatory framework prohibit splitting contracts for the purpose of circumventing thresholds for open tendering? (Y/N)

- 25. According to the regulatory framework, which of the following documents needs to be made publicly available? (Yes, for all contracts/Yes, except for low value contracts/N)**
- 25a. Procurement plans
 - 25b. Tender notices
 - 25c. Tender documents (project specific)
 - 25d. Award decisions
 - 25e. Contracts
 - 25f. Contract amendments
 - 25g. Subcontractors (*non-scored*)
- 26. Does the regulatory framework set a minimum timeframe between advertisement of a tender notice and a submission deadline?**
- 26a. Yes, for all procurement procedures
 - 26b. Yes, but only in some procurement procedures
 - 26c. No
- 27. According to the regulatory framework, how should clarification requests from potential bidders be communicated?**
- 27a. Required to communicate answers to all bidders
 - 27b. Required to communicate answers only to inquiring bidder
 - 27c. Not specified by law
- 28. Is the process of addressing bidders' clarification requests applicable to all procurement procedures conducted by the procuring entities that you listed? Select all that apply.**
- 28a. Yes, applicable to all procurement procedures
 - 28b. No, only for procurements above a certain value
 - 28c. No, only for procurement procedures in a specific sector
 - 28d. No, other exceptions apply (specify)
- 29. Does the regulatory framework establish criteria for identifying abnormally low bids?**
- 29a. Yes, for all procurement procedures
 - 29b. Yes, but only in some procurement procedures
 - 29c. No
- 30. According to the regulatory framework, which of the following award criteria must be used in bid evaluations for high value procurement? Select all that apply.**
- 30a. Lowest price → proceed to the next question.
 - 30b. Project life cycle cost → proceed to the next question.
 - 30c. Total cost of ownership → proceed to the next question.
 - 30d. Value for money → proceed to the next question.
 - 30e. Most economically advantageous tender → proceed to the next question.
 - 30f. Sustainability → proceed to the next question.
 - 30g. None of the above → proceed to the next question.
- 31. For each award criterion that you selected, please indicate whether it must be used for all procurement sectors. (Y/N)**
- 32. Does the regulatory framework explicitly recommend the preference to use Most Economically Advantageous Tender criteria over lowest price criteria?**
- 32a. Yes, for all procurement procedures

- 32b. Yes, but only in some procurement procedures
- 32c. No

33. Does the regulatory framework include gender-specific provisions that promote gender equality in public procurement?

- 33a. Y → proceed to the next question.
- 33b. N → 0 points on gender question.

34. Please select which type of gender-specific provisions are available in the regulatory framework: Select all that apply:

- 34a. Needs assessment should include gender analysis
- 34b. Firms are required to show that they adhere to the principle of equal pay
- 34c. Firms are required to show that they adhere to gender non-discrimination
- 34d. Exclusion grounds for firms that have violated gender equality obligations
- 34e. Award criteria with gender dimension
- 34f. Other (specify)

35. Does the regulatory framework outline a designated procedure for awarding contracts based on a framework agreement where contracts are awarded following a competitive two-stage process? Select all that apply.

- 35a. Yes, for all types of procurement
- 35b. Yes, but only for procurements above a certain value
- 35c. Yes, but only for procurement procedures in a specific sector
- 35d. No, only one stage is competitive
- 35e. No, the regulatory framework does not regulate framework agreements

36. Which of the following small and medium-sized enterprise preferential treatment approaches are included in the regulatory framework? Select all that apply.

- 36a. Award quotas
- 36b. Shorter payment deadlines
- 36c. Designation by threshold
- 36d. Reserved products
- 36e. Lots
- 36f. Set-asides
- 36g. Financial guarantee exemptions
- 36h. Subcontracting requirements or incentives
- 36i. None of the above

37. For each small and medium-sized enterprise preferential treatment approach that you selected, please indicate whether it is applicable to all procurement sectors.

- 37a. Yes, applicable to all sectors
- 37b. No, applicable to some
- 37c. Other (specify):

38. Does the regulatory framework mandate communication of an award decision?

- 38a. Yes, to all bidders → proceed to the next question.
- 38b. Yes, to the awarded bidder only → proceed to the next question.
- 38c. No, only the name of the awardee is provided → 0 points for standstill period indicator.
- 38d. The regulatory framework does not require communication → 0 points for standstill period indicator.

39. Is the requirement to communicate an award decision applicable to all procurements conducted by the procuring entities listed? Select all that apply:

- 39a. Yes, applicable to all procurement procedures
- 39b. No, only for procurements above a certain value
- 39c. No, only for procurement procedures in a specific sector
- 39d. No, other exceptions apply (specify)

40. Is there a mandatory standstill period between the public notice of award and contract signing to allow unsuccessful bidders challenge the decision?

- 40a. Yes, for all public procurement procedures
- 40b. Yes, but only in some public procurement procedures
- 40c. No

41. Does the regulatory framework, applicable to the Procuring Entities you selected, establish a timeframe with in which a Procuring Entity must process a payment once an invoice is received?

- 41a. Yes, for all contracts
- 41b. Yes, but only in some contracts
- 41c. No

42. Does the regulatory framework designate a specialized and independent authority to receive procurement challenges filed by firms on decisions issued by the Procuring Entities you specified?

- 42a. Yes, specialized and independent
- 42b. Yes, specialized
- 42c. Yes, independent
- 42d. No

43. Does an aggrieved bidder have the right to appeal decisions on challenges made by the authority that receives procurement challenges? (Y/N)

44. Are there any legally binding time limits to challenge a review process?

- 44a. Yes, for all types of challenges
- 44b. Yes, but only in some types of challenges
- 44c. No

45. Is there a legal recourse for an aggrieved bidder experiencing delays in either challenge or review processes?

- 45a. Yes, for all types of challenges
- 45b. Yes, but only in some type of challenges
- 45c. No

PILLAR I–QUALITY OF REGULATIONS THAT PROMOTE MARKET COMPETITION			
1.1 QUALITY OF REGULATIONS FOR BIDDING FOR PUBLIC CONTRACTS			
1.1.1 Entry and competition			
Indicators	FFP	SBP	Total Points
Open and competitive procurement as the default (14 AND 15)	1	1	2
Tender participation restrictions for foreign firms: obligation for foreign firms to establish subsidiaries or participate with a local firm to be eligible to submit a bid (18-23)	1	1	2

Ability to divide contracts into lots (24)	1	1	2
Legal deadline for procuring entities to process payments to the contractor is established (41)	1	1	2
Procurement procedures for framework agreements are established (35)	1	1	2
Promoting gender equality in public procurement (33 AND 34)	1	1	2
(34a) Needs assessment should include gender analysis	0.2	0.2	0.4
(34b) Firms are required to show that they adhere to the principle of equal pay	0.2	0.2	0.4
(34c) Firms are required to show that they adhere to gender non-discrimination	0.2	0.2	0.4
(34d) Exclusion grounds for firms that have violated gender equality obligations	0.2	0.2	0.4
(34e) Award criteria with gender dimension	0.2	0.2	0.4
Approaches to promote SME participation (36 AND 37)	1	1	2
(36a) Award quotas AND (36c) Designation by threshold AND (36d) Reserved products AND (36f) Set-asides.	0.5	0.5	1
(36 b) Shorter payment deadlines AND (36g) Financial guarantee exemptions AND (36 h) Subcontracting requirements or incentives	0.5	0.5	1
Total points 1.1	7	7	14
1.1.2 Best Value for Money			
Indicators	FFP	SBP	Total points
Criteria for identifying abnormally low bids are established (29)	1	1	2
Incorporation of sustainability clauses in standard bidding documents and incentives to consider sustainability in tenders	1	1	2
Sustainability clauses (7)	0.5	0.5	1
Sustainability incentives (17)	0.5	0.5	1
Incorporation of gender clauses in standard bidding documents and in procurement plans	1	1	2
Gender clauses in standard bidding documents (8)	0.5	0.5	1
Incentive to consider gender in procurement	0.5	0.5	1
Minimum content for procurement plans is clearly defined and guidance on tools to use when estimating contract value prior to advertising a new tender opportunity	1	1	2
Minimum content for procurement plans (9)	0.5	0.5	1
Tools to estimate contract value (11)	0.5	0.5	1
Minimum content for procurement plans includes a gender dimension (10)	1	1	2
Total cost of ownership and Life cycle cost considerations are used in bid evaluation	1	1	2
Total cost of ownership (30b)	0.5	0.5	1
Life cycle costing (30c)	0.5	0.5	1
Most economically advantageous tender considerations are used in bid evaluation (32)	1	1	2
Designation of specialized tendering methods for innovation procurement and availability of mandate to incentivize their use (13 AND 16)	1	1	2
Availability of specialized tendering methods for innovation (13)	0.5	0.5	1
Mandate to incentivize innovation procedures (16)	0.5	0.5	1
Total points 1.2	8	8	16

1.1.3 Fairness of the Procurement Process			
Indicators	FFP	SBP	Total points
Standstill period between contract award notice and contract signing to allow aggrieved bidders to challenge the decision (40)	1	1	2
Minimum duration between publication of tender notice and submission deadline is clearly defined and prohibition of dividing contracts to circumvent open tendering thresholds	1	1	2
Minimum duration (26)	0.5	0.5	1
Prohibition of dividing contracts (24)	0.5	0.5	1
Obligation to notify firms of procurement decisions and legal framework establishes how clarification requests from potential bidders should be addressed (27 AND 28 AND 38 AND 39)	1	1	2
Availability of specialized procurement tribunals and the right to challenge award decisions (42 AND 43)	1	1	2
Time limits to resolve appeals and legal recourse for delays in resolving appeals (44 AND 45)	1	1	2
Total points 1.3	5	5	10
1.1.4 Transparency			
Indicators	FFP	SBP	Total points
Publication of procurement plans (25a)	1	1	2
Publication of tender notices (25b)	1	1	2
Publication of tender documents (25c)	1	1	2
Publication of award decisions (25d)	1	1	2
Publication of contracts and contract amendments (25e AND 25f)	1	1	2
Contracts (25e)	0.5	0.5	1
Contract amendments (25f)	0.5	0.5	1
Total points 1.4	5	5	10

Note: FFP = firm flexibility point; SBP = social benefits point.

2.1 QUALITY OF E-PROCUREMENT SERVICES

PILLAR II–ADEQUACY OF PUBLIC SERVICES THAT PROMOTE MARKET COMPETITION	
Parameters	
Procuring entity	<p>Procurement procedures and the legal framework that governs a procurement process can vary depending on which institution is undertaking the procurement. This parameter impacts both de jure and de facto indicators.</p> <p>Indicators that fall within the category of public procurement are benchmarked as applicable to the three largest procuring entities based on the volume of tenders (number of tenders) they have procured over the last three years. The procuring entities are identified by the private sector experts who respond the market competition questionnaire based on their experience and knowledge or based on reliable publicly available data.</p>

46. Is there an operational central electronic public procurement (e-procurement) portal in your economy? (Y/N)

46a. Y → proceed to the next question.

46b. N → 0 points on section 1.1.

47. Is the central e-procurement portal used by all the procuring entities that you listed at the beginning of the questionnaire? (Y/N)

47a. Y → 1 point and proceed to the remaining questions.

47b. N → 0 points on section 1.1.

48. Please complete the table below based on the features available in the centralized procurement portal. (Yes, fully digitized/Yes, but hard copy documents must be submitted/No)

48a. Registering as a vendor

48b. Accessing notices on procurement opportunities

48c. Accessing bidding documents

48d. Asking a procuring entity for clarifications

48e. Submitting tenders

48f. Submitting bid security with electronic validation

48g. Bid opening

48h. Virtual workspace to manage tender procedures (including operative tools for members of the evaluation committee)

48i. Notification of decisions (clarifications, awards, contract signing, etc.)

48j. Accessing award decisions (including their rationale)

48k. Submitting performance guarantee with electronic validation

48l. Contract signing

48m. Accessing contracts

48n. Accessing contract amendments

48o. Submitting invoices to the procuring entity

48p. Module for framework agreement management

48q. e-catalogue of approved suppliers

48r. Green catalogue

48s. e-reverse auction module

48t. e-contract management and implementation module

48u. Receiving payments from the procuring entity

48v. Applying for vendor eco-certifications/eco-labels

48w. Access to specifications, standards, or criteria for eco-labels and environmentally preferable goods and services

48x. Other (specify)

49. Please complete the table below based on the features available in the most sophisticated non-centralized procurement portal. (Yes, fully digitized/Yes, but hard copy documents must be submitted/No)

49a. Registering as a vendor

49b. Accessing notices on procurement opportunities

49c. Accessing bidding documents

49d. Asking a procuring entity for clarifications

49e. Submitting tenders

49f. Submitting bid security with electronic validation

49g. Bid opening

49h. Virtual workspace to manage tender procedures (including operative tools for members of the evaluation committee)

49i. Notification of decisions (clarifications, awards, contract signing, etc.)

49j. Accessing award decisions (including their rationale)

49k. Submitting performance guarantee with electronic validation

49l. Contract signing

- 49m. Accessing contracts
- 49n. Accessing contract amendments
- 49o. Submitting invoices to the procuring entity
- 49p. Module for framework agreement management
- 49q. e-catalogue of approved suppliers
- 49r. Green catalogue
- 49s. e-reverse auction module
- 49t. e-contract management and implementation module
- 49u. Receiving payments from the procuring entity
- 49v. Applying for vendor eco-certifications/eco-labels
- 49w. Access to specifications, standards, or criteria for eco-labels and environmentally preferable goods and services
- 49x. Other (specify)

50. For the following types of data, please select whether there is a data portal that provides open access to such information in machine readable format:

- 50a. Data on contracts (including description, dates, category of spending, value, contracting authority, identification of supplier and subcontractors, contract amendments and final expenditure) (Y/N)
- 50b. Data on tenders (including description, dates, category of spending, estimated value, contracting authority, and identification of bidders) (Y/N)
- 50c. Data on suppliers (Y/N)

51. Are these data available for the most recent calendar year (2022)? *(non-scored)*

52. Are these data anonymized? *(non-scored)*

53. Are these data publicly available online? (Y/N)

54. Is the data of suppliers gender-disaggregated (Y/N)

55. Is the data of subcontractors gender-disaggregated? (Y/N)

PILLAR II–ADEQUACY OF PUBLIC SERVICES THAT PROMOTE MARKET COMPETITION			
2.1 QUALITY OF E-PROCUREMENT SERVICES			
2.1.1 Open Access and Interactivity of the e-Procurement Portal			
Indicators	FFP	SBP	Total points
Availability and usage of central e-procurement portal (46 AND 47)	1	1	2
Publication of open data in machine readable format on contracts (50a)	1	1	2
Publication of open data in machine readable format on tenders (50b)	1	1	2
Publication of open data on tenders and contracts disaggregated by sex (53 AND 54 AND 55)	1	1	2
Total points	4	4	8
2.1.2 Transparency			
Indicators	FFP	SBP	Total points

Accessing notices on procurement opportunities electronically (48 OR 49)	1	1	2
Accessing bidding documents electronically (48 OR 49)	1	1	2
Accessing award decisions (including their rationale) electronically (48 OR 49)	1	1	2
Accessing contracts and contract amendments electronically	1	1	2
Contracts (48m) OR (49m)	0.5	0.5	1
Contract amendments (48n) OR (49n)	0.5	0.5	1
Access to specifications, standards, or criteria for eco-labels and environmentally preferable goods and services electronically (48 OR 49)	1	1	2
Total points	5	5	10
2.1.3 Digitization of Procurement Procedures			
Indicators	FFP	SBP	Total points
Registering as a vendor and applying for vendor eco-certifications or eco/labels electronically	1	1	2
Registering as a vendor (48a) or (49a)	0.5	0.5	1
Applying for vendor eco-certifications or eco-labels (48v) or (49v)	0.5	0.5	1
Asking the procuring entity for clarifications and notification of decisions (clarifications, awards, etc.) electronically	1	1	2
Clarifications (48d) OR (49d)	0.5	0.5	1
Notification of decisions (48i) OR (49i)	0.5	0.5	1
Submitting tenders electronically (48f OR 49f)	1	1	2
Open bids electronically and virtual workspace to manage the tender procedure	1	1	2
Open bids (48g) OR (49g)	0.5	0.5	1
Virtual workspace (48h) OR (49h)	0.5	0.5	1
Submitting bid security electronically and performance guarantee with electronic validation	1	1	2
Bid security (48f) OR (49f)	0.5	0.5	1
Performance guarantee (48k) OR (49k)	0.5	0.5	1
Contract signing electronically and e-contract management and implementation module	1	1	2
Contract signing (48l) OR (49l)	0.5	0.5	1
E-contract management and implementation module (48t) OR (49t)	0.5	0.5	1
Submitting invoices to the procuring entity and receiving payments from the procuring entity electronically	1	1	2
Submitting invoices (48o) OR (49o)	0.5	0.5	1
Receiving payments (48u) OR (49u)	0.5	0.5	1
Module for framework agreement management and e-reverse auction module (48 OR 49)	1	1	2
Framework agreement (48p) OR (49p)	0.5	0.5	1
E-reverse auction (48s) OR (49s)	0.5	0.5	1
E-catalogue of approved suppliers and green catalogues (48 OR 49)	1	1	2
E-catalogues (48q) OR (49q)	0.5	0.5	1
Green catalogues (48r) OR (49r)	0.5	0.5	1
Total points	9	9	18

Note: FFP = firm flexibility point; SBP = social benefits point.

3.1 EFFICIENCY OF PUBLIC PROCUREMENT REGULATIONS

Most of the data for Pillar III on the Efficiency of Public Procurement are collected through firm-level surveys, using the questions that follow. For two areas—the time to award five common public procurement procedures, and time to receive payment and late interest—data are collected through expert questionnaires:

- 56. In practice, how many days would usually pass between bid opening, and contract signing (i.e., the time in which all tenderers, participants and relevant parties are notified of the award decision and the awardee can start implementing the contract) for the following scenarios?**
- 56a. Works contract procured in an open procedure valued above the threshold for international procurement
 - 56b. Services contract procured in a restricted procedure with limited competition, valued below the threshold for international procurement.
 - 56c. Prequalification of supplier: This scenario considers the timeframe between publication of the tender notice and the moment when all bidders are informed of the prequalification decision
 - 56d. Electronic auction
 - 56e. Framework agreement with a competitive second stage
- 57. How often does the government pay late payment interest (or any similar contractual penalty) in the event that it fails to meet the payment deadline?**
- 57a. No late payment interests are paid since government usually pays on time
 - 57b. Government does not pay late payment interest, as the contractor must first sue the government and win a court proceeding
 - 57c. Government very rarely pays late payment interest
 - 57d. Government rarely pays late payment interest
 - 57e. Government often pays late payment interest
 - 57f. Government always pays late payment interest
- 58. Over the last three years, has this establishment held a government contract? (Y/N)**
- 59. Approximately, how many days does it take for this establishment to receive payment under a government contract after it has delivered an invoice to the relevant authority? If this establishment has received multiple payments or contracts, please provide the time of the largest payment.**
- 60. Over the last year, has this establishment secured or attempted to secure a government contract?**
- 61. How difficult does this establishment find the administrative requirements to participate in a public tender? Please consider the time and resources that the establishment used in order to prepare a bid.**

PILLAR III–EFFICIENCY OF PUBLIC PROCUREMENT REGULATIONS			
Indicators	FFP	SBP	Total points
Time to award 5 common public procurement procedures (open works contract and restricted service contract), reverse auction, framework agreement, and pre-qualifications. (56)	100 (20%)	n.a.	100 (20%)
Time to receive payment from a government contract and frequency of payment of late payment interest (57 AND 59)	100 (20%)	n.a.	100 (20%)

Obstacles to submit bids (administrative requirements) (61)	100 (20%)	n.a.	100 (20%)
Difference between the percentage of men-owned firms who have held a government contract and women-owned firms who have held a government contract (61)	100 (20%)	n.a.	100 (20%)
Differences between the score of the question “to what degree does this establishment find the administrative requirements to participate in a tender difficult?” in men-owned firms and women owned-firms (61)	100 (20%)	n.a.	100 (20%)
Total points	100	n.a.	100

Note: n.a. = not applicable (refers to the cases when the impact on firms or society is either ambiguous or nonexistent). FFP = firm flexibility point; SBP = social benefits point.

The data on the indicators for Pillar III will be normalized to a common unit—for example, on the scale from 0 to 100 points, where 0 represents the lowest and 100 represents the best performance. In turn, best (worst) performance is defined by the highest (lowest) standards and/or practices, measured as a single point or range of values.

CHAPTER 11. BUSINESS INSOLVENCY

METHODOLOGY NOTE

I. MOTIVATION

The efficient and rapid exit of nonviable firms plays an important cyclical role in renewing the economy by removing firms that are not productive and making way for more productive ones. The purpose of an efficient insolvency framework is to ensure that nonviable firms are swiftly liquidated, and viable firms are effectively restructured in a sustainable way. When insolvency regimes do not have the adequate tools to handle the restructuring and liquidation of companies in a timely and effective manner these companies' economic distress is amplified,¹ jeopardizing the stability of the financial system. In economies where creditor recovery rates are high and resolution times are quicker, restructuring within the formal bankruptcy process fulfills its cyclical role during economic downturns by keeping companies afloat.²

Research shows that efficient insolvency systems play a role in enhancing new firm creation, increasing the size of the private sector, and encouraging greater entrepreneurial activity.³ This is achieved through the availability of appropriate legal mechanisms that enable the cyclical role of insolvency proceedings to be accomplished: anticipatory early warning tools to avert financial distress; active participation of all parties involved, including the debtor, creditors, and other agents; adequate protection of creditors within the insolvency processes; and effective management of the debtor's assets.⁴ Efficient insolvency systems can boost job creation and growth, including by spurring the reallocation of productivity-enhancing capital through the exit of nonviable firms.⁵ Economies with less efficient bankruptcy procedures tend to have lower aggregate productivity because their bankruptcy procedures induce lenders to allocate funds to less productive firms⁶ and prevent the management of risk by commercial stakeholders, thus putting pressure on the financial system.⁷

Despite the crucial role played by efficient insolvency regimes, large-scale and updated comparable data about how well those regimes are operating around the world are scarce. The only data available (for the years 2010 and 2016) were produced by the Organization for Economic Co-operation and Development (OECD) for 36 high-income economies and with limited substantive scope. The B-READY project aims to fill this void.

II. INDICATORS

The Business Insolvency topic measures key features of insolvency systems on a regulatory level. It also assesses the institutional and operational infrastructure associated with insolvency proceedings (judicial services), as well as the efficiency of insolvency proceedings in practice across three different dimensions, here referred to as pillars. The first pillar assesses the effectiveness of regulation pertaining to insolvency proceedings, covering de jure features of a regulatory framework that are necessary for structured debt resolution processes and effective creditor and debtor regimes. The second pillar measures the quality of institutional and operational infrastructure for insolvency processes, thus assessing the de facto aspects of insolvency resolution mechanisms and the infrastructure required to implement the legal framework on insolvency. The third pillar measures the time and cost required to resolve in-court liquidation and reorganization proceedings. Each pillar is divided into categories—defined by common features that inform the grouping into a particular category—and each category is further divided into subcategories. Each subcategory consists of several indicators, each of which may, in turn, consist of several components. Relevant points are assigned to each indicator and subsequently aggregated to obtain the number of points for each subcategory, category, and pillar. Table 1 presents a summary of all three pillars along with their respective categories.

Table 1. Summary table of all three pillars for the Business Insolvency topic

Pillar I–Quality of Regulations for Insolvency Proceedings (29 indicators)	
1.1	Legal and Procedural Standards (13 indicators)
1.1.1	Pre-Commencement and Commencement of Insolvency Proceedings (5 indicators)
1.1.2	Liquidation and Reorganization Proceedings (5 indicators)
1.1.3	Insolvency Administrator's Expertise (3 indicators)
1.2	Assets and Stakeholders (11 indicators)
1.2.1	Management of Debtor's Assets (6 indicators)
1.2.2	Creditor Participation (5 indicators)
1.3	Specialized Proceedings (5 indicators)
1.3.1	Micro and Small Enterprises (3 indicators)
1.3.2	Cross-border Insolvency (2 indicators)
Pillar II–Quality of Institutional and Operational Infrastructure for Insolvency Processes (12 indicators)	
2.1	Digitalization and Online Services (10 indicators)
2.1.1	e-courts (6 indicators)
2.1.2	Interoperability of Services (e-services) for Insolvency Proceedings and Public Availability of Information (4 indicators)
2.2	Public Officials and Insolvency Administrator (2 indicators)
2.2.1	Specialization of Bankruptcy Courts or Bankruptcy Judges (1 indicator)
2.2.2	Insolvency Administrator's Expertise in Practice (1 indicator)
Pillar III–Efficiency of Resolving a Judicial Insolvency Proceeding in Practice (4 indicators)	
3.1	Liquidation Proceedings in Practice (2 indicators)
3.1.1	Time to Resolve an In-Court Liquidation Proceeding (1 indicators)
3.1.2	Cost to Resolve an In-Court Liquidation Proceeding (1 indicators)
3.2	Reorganization Proceedings in Practice (2 indicators)
3.2.1	Time to Resolve an In-Court Reorganization Proceeding (1 indicators)
3.2.2	Cost to Resolve an In-Court Reorganization Proceeding (1 indicators)

1. PILLAR I. REGULATORY FRAMEWORK: QUALITY OF REGULATIONS FOR INSOLVENCY PROCEEDINGS

Table 2 shows the structure for Pillar I, the Regulatory Framework for Insolvency Proceedings. Each of this pillar's categories and subcategories will be discussed in more detail in the order shown in the table.

Table 2. Pillar I–Quality of Regulations for Insolvency Proceedings

1.1	Legal and Procedural Standards
1.1.1	Pre-Commencement and Commencement of Insolvency Proceedings
1.1.2	Liquidation and Reorganization Proceedings
1.1.3	Insolvency Administrator's Expertise
1.2	Assets and Stakeholders
1.2.1	Management of Debtor's Assets
1.2.2	Creditor Participation
1.3	Specialized Proceedings
1.3.1	Micro and Small Enterprises
1.3.2	Cross-border Insolvency

1.1 Legal and Procedural Standards

Category 1.1 has three subcategories consisting of several indicators, each of which may, in turn, consist of several components.

1.1.1 Pre-Commencement and Commencement of Insolvency Proceedings

A comprehensive legal framework would ensure that when a company is facing imminent insolvency, clear obligations are imposed upon management to protect the legitimate interests of creditors and other stakeholders, and to provide incentives for timely action to minimize the effects of financial distress experienced by the company.⁸ At the same time, it would minimize any regulatory impediments to voluntary negotiations between debtors and creditors outside the court system for restructuring purposes (out-of-court workouts).⁹ Good international practices suggest that the law should clearly define a concrete mechanism that identifies parties which can apply for the insolvency procedure and establish a formal process for submitting the application as well as the timing of the application.¹⁰ Therefore, Subcategory 1.1.1–Pre-Commencement and Commencement of Insolvency Proceedings comprises five indicators (table 3).

Table 3. Subcategory 1.1.1–Pre-Commencement and Commencement of Insolvency Proceedings

	Indicators	Components
1	Obligations of the Company's Management during Pre-Insolvency	Obligations of the management of a debtor company to take reasonable steps to avoid insolvency when possible and minimize its extent if unavoidable
2	Out-of-Court Restructuring Mechanisms	Absence of any impediments to mechanisms allowing to resolve insolvency outside formal judicial proceedings
3	Commencement of Formal Reorganization Proceedings	Filing for liquidation and reorganization by debtors and creditors
4	Commencement of Formal Liquidation Proceedings	
5	Basis for Commencement of Formal Insolvency Proceedings	Existence of a standard to initiate insolvency such as the liquidity test, balance sheet test or other criteria

1.1.2 Liquidation and Reorganization Proceedings

In the resolution of insolvency, legal systems should provide adequate legal mechanisms to address the collective satisfaction of the ongoing claims held against the debtor. To achieve this, a balance needs to be found within the insolvency law between liquidation and reorganization, where the advantages of near-term debt collection through liquidation is balanced against the preservation of the value of the debtor's business through reorganization.¹¹ The insolvency framework should consider the actors present within the formal insolvency proceedings, ensuring the correct procedures most appropriate to the resolution of the debtor's financial difficulties are available, and allowing parties to be able to anticipate how their legal rights are affected during the proceedings.¹² Therefore, Subcategory 1.1.2–Liquidation and Reorganization Proceedings comprises five indicators (table 4).

Table 4. Subcategory 1.1.2–Liquidation and Reorganization Proceedings

	Indicators	Components
1	Creditors Notification Requiring to Submit Claims	Existence of safeguards for creditors to ensure that the insolvency administrator provides notice of the reasons for decisions upon the admission or rejection of claims during liquidation proceedings
2	How the Reorganization Plan Is Voted	Existence of a comprehensive framework for reorganization that includes key features on voting arrangements, means of voting, and protection of dissenting creditors
3	Means of Voting on the Reorganization Plan	
4	Protection of Dissenting Creditors in Reorganization	
5	Conversion from Reorganization to Liquidation	Existence of a legal avenue allowing the conversion of unsuccessful reorganization proceedings into liquidation proceedings, granting the insolvent company the opportunity to have an efficient exit from the market

1.1.3 Insolvency Administrator's Expertise

An effective insolvency framework should ensure that the criteria as to who may be an insolvency administrator should be objective, clearly established, and publicly available. It is essential that the

insolvency representative be appropriately qualified and possess the knowledge, experience, and personal qualities (such as impartiality) that will ensure not only the effective and efficient conduct of the proceedings but also the trustworthiness of the insolvency regime itself.¹³ The insolvency representative plays a central role in the effective and efficient implementation of the insolvency law, with certain powers over debtors and their assets and a duty to protect those assets and their value. The representative must objectively take into account the interests of creditors and employees and ensure that the law is applied effectively and impartially. Therefore, Subcategory 1.1.3–Insolvency Administrator's Expertise comprises three indicators (table 5).

Table 5. Subcategory 1.1.3–Insolvency Administrator's Expertise

	Indicators	Components
1	Qualification Requirements	Existence in the regulatory framework of predefined qualification requirements for insolvency administrators and a mechanism for selection and dismissal
2	Conditions for Disqualification	
3	Mechanism for Selection and Dismissal	

1.2 Assets and Stakeholders

Category 1.2 has two subcategories consisting of several indicators, each of which may, in turn, consist of several components.

1.2.1 Management of Debtor's Assets

The main objective of insolvency proceedings is the maximization of the debtor's assets.¹⁴ Thus, provisions that enable such maximization are key to the good functioning of a well-designed insolvency legal framework. Robust insolvency frameworks address any ongoing activities to preserve the insolvency estate and allow for equal distribution to creditors¹⁵ upon discharge of either liquidation or reorganization proceedings. Provisions should therefore prevent the premature collection of individual debts by creditors,¹⁶ as well as provide the necessary mechanisms for the continued operation or survival of the business of the debtor or the preservation on the enhancement of the value of the estate.¹⁷ To do this, the insolvency framework should provide for resolution of ongoing actions or claims,¹⁸ as well as contracts that have not yet been fully performed and any necessary post-commencement finance.¹⁹ Implementing efficient and transparent regulatory mechanisms for the management of the debtor's assets during insolvency proceedings may improve the likelihood of high recovery.²⁰ Therefore, Subcategory 1.2.1–Management of Debtor's Assets comprises six indicators (table 6).

Table 6. Subcategory 1.2.1–Management of Debtor's Assets

	Indicators	Components
1	Automatic Stay of Proceedings	Key features of a comprehensive regime for the stay of proceedings, including exceptions such as public policy interests.
2	Exceptions and Relief to Automatic Stay of Proceedings	
3	Continuation of Existing Essential Contracts	Existence of provisions providing that: <ul style="list-style-type: none"> i) Contracts that are essential to the debtor's business can be continued during the insolvency proceedings ii) Contracts that are burdensome to the firm can be rejected in insolvency proceedings iii) Preferential and undervalued transactions can be voided
4	Rejection of Existing Burdensome Contracts and Assets	
5	Voidance of Preferential and Undervalued Transactions	
6	Post-Commencement Credit Availability and Priority	Existence of a mechanism that allows prospective debtors access to credit after the commencement of formal insolvency proceedings, in addition to predefined priorities associated to such post-commencement credit

1.2.2 Creditor Participation

Creditors have significant interest in the debtor's business²¹ and assets.²² It is therefore important that a balance is struck between the creditor's rights and interests that are well defined and safeguarded on the one hand and ensuring that the creditor representation mechanism remains efficient and cost-effective on the other.²³ The greater balance in this relationship, the more successful the insolvency proceedings will be due to the greater likelihood that creditors will cooperate, providing a check against possible abuse of the insolvency proceedings and facilitating their implementation.²⁴ The ranking of creditors, as well as their treatment and the necessary representation within the proceedings, are therefore an integral component of this creditor representation mechanism. Furthermore, the prioritization of specific types of unsecured creditors, such as the environment²⁵ or workers, and the existence of a special regime for labor claims has long been recognized as a fundamental component in insolvency proceedings.²⁶ The indicators measure whether creditors participate in important decisions during insolvency proceedings, such as the existence of a creditor's representation. Therefore, subcategory 1.2.2–Creditor Participation comprises five indicators (table 7).

Table 7. Subcategory 1.2.2–Creditor Participation

	Indicators	Components
1	Creditor Representation	Existence of a creditors committee or other creditor representation during insolvency proceedings
2	Request of Information by Creditors	Existence of provisions providing for the right of creditors, either individually or through the creditors' committee to request up-to-date information on the debtor's business and financial affairs
3	Priority of Secured Claims	Availability of a ranking of creditors' claims among both secured and unsecured creditors, in addition to the ranking of specific unsecured creditors in the context of public interest such as environmental or labor claims
4	Priority of Labor and Environmental Claims	
5	Special Regime for Labor Claims	Existence of a special regime for labor standards in insolvency proceedings

1.3 Specialized Proceedings

Category 1.3 has two subcategories consisting of several indicators, each of which may, in turn, consist of several components.

1.3.1 Micro and Small Enterprises (MSEs)

The lack of an attractive exit for MSEs may prevent many entrepreneurs from even starting a business. By the time the MSE debtor initiates insolvency proceedings, the firm is no longer viable, which results in loss of value, compromising the preservation of the company at the expense of legal procedural certainty.²⁷ Therefore, an inefficient insolvency framework can also be harmful for entrepreneurship.²⁸ Good practices advocate for promoting specialized or simplified proceedings for micro and small enterprises (MSEs).²⁹ Therefore, Subcategory 1.3.1 comprises three indicators (table 8).

Table 8. Subcategory 1.3.1–Micro and Small Enterprises

	Indicators	Components
1	Availability and Eligibility	Existence within the insolvency law of a simplified insolvency regime for MSEs, establishing the criteria that debtors must meet to be eligible for simplified liquidation or reorganization proceedings, and specifying under what conditions creditors of the eligible debtors may also apply for commencement of simplified proceedings: that is, applying at an early stage of financial distress and without the need to prove insolvency
2	Conversion of Proceedings	Existence of a mechanism providing for the possibility that, at any point during a simplified reorganization proceeding, the proceeding be discontinued and converted to a liquidation, if the competent authority determines that the debtor is insolvent and that there is no prospect for a viable reorganization
3	Debt Discharge	Existence of provisions providing that the conditions attached to the discharge of the MSE's debt are kept to a minimum, in addition to specifying the criteria for denying a discharge

1.3.2 Cross-Border Insolvency

A comprehensive cross-border insolvency framework is key to promote objectives such as greater legal certainty for trade and investment, maximization of the value of the debtor's assets, and facilitation of the rescue of financially troubled businesses, thereby protecting investment and preserving employment.³⁰ The indicator measures whether a legal framework for cross-border insolvencies is established, with the recognition of foreign proceedings. Therefore, Subcategory 1.3.2 comprises two indicators (table 9).

Table 9. Subcategory 1.3.2–Cross-Border Insolvency

	Indicators	Components
1	Existence of Framework and Recognition of Foreign Insolvency Proceedings	Existence of a mechanism to recognize foreign insolvency proceedings and a system aimed at facilitating cooperation with foreign courts and representatives
2	Legal Framework for Cooperation with Foreign Courts and Representatives	

2. PILLAR II. PUBLIC SERVICES: QUALITY OF INSTITUTIONAL AND OPERATIONAL INFRASTRUCTURE FOR INSOLVENCY PROCESSES

Table 10 shows the structure for Pillar II, the Quality of Institutional and Operational Infrastructure for Insolvency Processes. Each of this pillar's categories and subcategories will be discussed in more detail in the order shown in the table.

Table 10. Pillar II–Quality of Institutional and Operational Infrastructure for Insolvency Processes

2.1	Digitalization and Online Services
2.1.1	e-courts
2.1.2	Interoperability of Services (e-services) for Insolvency Proceedings and Public Availability of Information
2.2	Public Officials and Insolvency Administrator
2.2.1	Specialization of Bankruptcy Courts or Bankruptcy Judges
2.2.2	Insolvency Administrator's Expertise in Practice

2.1 Digitalization and Online Services

Category 2.1 has two subcategories consisting of several indicators, each of which may, in turn, consist of several components.

2.1.1 e-Courts

As court automation increases efficiency and transparency while reducing administrative costs, the rapid development of information and communication technologies (ICT) opens new opportunities to significantly improve the administration of justice. The availability of web services, the use of electronic filing, the electronic exchange of legal documents, and the possibility of online legislation and case law are only some examples that are spurring judicial administrations around the world to rethink their current functions and activities. ICT can be used to enhance efficiency, access, timeliness, transparency, and accountability, thus helping judiciaries to provide adequate services.³¹

Box 1. Electronic case management

Electronic case management refers to the distribution of cases in the court in an electronic manner, through a digital system platform, using software that assures a random selection of judges. Cases in court can be followed through a platform providing information about related dates, experts call, documents filing, and any court announcements, including final judgements. The electronic case management system also includes performance reports. Court automation includes electronic case management by judges and lawyers, as well as by insolvency administrators, in a way that they can track the status of the case, dates of hearings, expert consultations, if any, and final judgments (see UNCITRAL Legislative Guide Recommendation 169, p. 263).

In addition, the use of electronic auctions has the potential of increasing the number of bidders, thus potentially increasing the recovery rate on the value of the estate.³² Therefore, Subcategory 2.1.1–e-Courts comprises six indicators (table 11).

Table 11. Subcategory 2.1.1–e-Courts

	Indicators	Components
1	Electronic Filing	i) Existence of fully operational e-filing and e-payment systems, in addition to a functional case management system for judges, lawyers, and insolvency administrators ii) Possibility to conduct auctions and hearings virtually
2	Electronic Payment of Court Fees	
3	Electronic Case Management for Judges and Lawyers	
4	Electronic Case Management for Insolvency Administrators	
5	Electronic Auction	
6	Virtual Hearing	

2.1.2 Interoperability of Services (e-services) for Insolvency Proceedings and Public Availability of Information

In a transparent insolvency framework, all insolvency counterparts, including insolvency representatives, judgment enforcement agents such as bailiffs, and creditors, should have access to relevant registers, such as land title registers and company registers that record details of ownership rights that are needed to identify and seize assets, if needed, as well as to professional registers, and other relevant information. Integrated and easy access to this information speeds up the process of obtaining information on judgment debtors' property.

It is a recognized international good practice to publish judgements at all levels of court proceedings. In insolvency cases, such judgements could provide legal guidance, as the law is still quite new. Publishing judgments will also increase transparency and credibility. The creation of this body of data is likely to further contribute to the growth of expertise among judges and lawyers. Having a bulk of relevant case law at hand helps interested parties understand the specifics of this area of law, trace current trends as well as determine possible risks and solutions for how to avoid them.³³ Therefore, Subcategory 2.1.2–Interoperability of Services (e-services) for Insolvency Proceedings and Public Availability of Information comprises four indicators (table 12).

Table 12. Subcategory 2.1.2–Interoperability of Services (e-services) for Insolvency Proceedings and Public Availability of Information

	Indicators	Components
1	Interoperability with External Systems	i) Exchange of data with other authorities that enhances the efficiency of the administration of justice ii) Online availability of judgments rendered, insolvency procedures, and register of insolvency practitioners
2	Publication of Judgments in Insolvency Procedures	
3	Publication of Insolvency Procedures	
4	Publication of Register of Insolvency Practitioners	

2.2 Public Officials and Insolvency Administrator

Category 2.2 has two subcategories consisting of several indicators, each of which may, in turn, consist of several components.

2.2.1 Specialization of Bankruptcy Courts or Bankruptcy Judges

Creating specialized courts helps the handling of complex legal issues in the areas of commercial law, insolvency law, securities law, or intellectual property law because such courts focus on specific and complex procedures. Bankruptcy cases are particularly complicated due to the demanding interests of the many stakeholders involved, including a large number and diverse type of creditors, insolvency representatives, practitioners, and the debtor facing financial difficulties. Judges that deal with these types of cases require particular skills (such as financial and accounting skills). To successfully carry out a reorganization proceeding, for example, a judge must demonstrate sound accounting and financial skills; therefore, insolvency judges should be designated on their merit and ability to fully understand the financial situation of the debtor—a skill that is not characteristic of an ordinary commercial judge. Specialized courts can also enhance bank funding decisions³⁴ and lead to faster resolution of the proceedings and more reliable decision making.³⁵ Therefore, Subcategory 2.2.1—Specialization of Bankruptcy Courts or Bankruptcy Judges comprises one indicator (table 13).

Table 13. Subcategory 2.2.1—Specialization of Bankruptcy Courts or Bankruptcy Judges

	Indicators	Components
1	Specialized Courts	Existence of a specialized bankruptcy court or a judge/division/bench in a commercial court dedicated solely to bankruptcy matters in the largest business city of the economy

2.2.2 Insolvency Administrator’s Expertise in Practice

The complexity of many insolvency proceedings makes it highly desirable for the insolvency representative to be appropriately qualified, with knowledge of the law (not only insolvency law, but also relevant commercial, finance, and business law), as well as adequate experience in commercial and financial matters, including accounting. Therefore, Subcategory 2.2.2—Insolvency Administrator’s Expertise in Practice comprises one indicator (table 14).

Table 14. Subcategory 2.2.2—Insolvency Administrator’s Expertise in Practice

	Indicators	Components
1	Qualification Requirements	Application of the special qualifications for insolvency administrators in practice, and if specialized training for insolvency administrators is also observed in practice

3. PILLAR III. EFFICIENCY: EFFICIENCY OF RESOLVING A JUDICIAL INSOLVENCY PROCEEDING IN PRACTICE

Table 15 shows the structure for Pillar III, the Efficiency of Resolving a Judicial Insolvency Proceeding in Practice. Each of this pillar’s categories and subcategories will be discussed in more detail in the order shown in the table.

Table 15. Pillar III—Efficiency of Resolving a Judicial Insolvency Proceeding in Practice

3.1	Liquidation Proceedings in Practice
3.1.1	Time to Resolve an In-Court Liquidation Proceeding
3.1.1	Cost to Resolve an In-Court Liquidation Proceeding
3.2	Reorganization Proceedings in Practice
3.2.1	Time to Resolve an In-Court Reorganization Proceeding
3.2.1	Cost to Resolve an In-Court Reorganization Proceeding

3.1 Liquidation Proceedings in Practice

Cost-effective insolvency proceedings can encourage inefficient firms to exit, embolden greater entrepreneurial activity and new firm creation.³⁶ This measure on cost compliance serves as a suitable proxy for the efficiency of the judicial proceedings on insolvency. Therefore, Subcategory 3.1–Liquidation Proceedings in Practice comprises two indicators (table 27).

Table 16. Subcategory 3.1–Liquidation Proceedings in Practice

Indicator	Components
Time to Resolve an In-Court Liquidation Proceeding	The time to resolve liquidation proceedings is presented in calendar months from the date of filing until the payment of some or all the money owed to creditors.
Cost to Resolve an In-Court Liquidation Proceeding	The overall cost of the proceedings (costs incurred by both the creditors and the borrower) is recorded as a percentage of the value of the defined company and includes court fees, attorney fees, and insolvency representative fees, in addition to other fees (auctioneer, accountant, and other miscellaneous fees)

3.2 Reorganization Proceedings in Practice

Excessive length of restructuring and business discharge is key in triggering loss of value for the enterprise.³⁷ Therefore, Subcategory 3.1–Reorganization Proceedings in Practice comprises two indicators (table 27).

Table 17. Subcategory 3.2–Reorganization Proceedings in Practice

Indicator	Components
Time to Resolve an In-Court Reorganization Proceeding	The time to resolve the proceedings is presented in calendar months from the date of filing until the approval of the reorganization plan.
Cost to Resolve an In-Court Reorganization Proceeding	The overall cost of the proceedings (costs incurred by both the creditors and the borrower) is recorded as a percentage of the value of the defined company and includes court fees, attorney fees, and insolvency representative fees, in addition to other fees (auctioneer, accountant, and other miscellaneous fees)

III. DATA SOURCES

4.1 Data collection sources

The data for Pillar I, Pillar II, and Pillar III are collected through consultations with private sector experts. Private sector experts include insolvency practitioners and lawyers specialized in corporate law or commercial law, with practical experience in corporate insolvency proceedings and relevant knowledge of the insolvency framework in each economy.

4.2 Screening and selection of experts

To select potential experts, a screener questionnaire for the Business Insolvency topic has been developed (table 18). The information provided in the screener questionnaires will allow the B-READY Team to better understand the experts' profession, areas of specializations, and knowledge or experience related to corporate insolvency legal regime and practice. Ultimately, this will allow the Team to select the experts to respond to the questionnaire on Business Insolvency.

Table 18. Screener questionnaire and respondent criteria

Considered experts' professions
Lawyer, judge, and other associated professions, including, among others, clerk, official receiver, insolvency administrator, bankruptcy commission official
Considered experts' areas of specialization
Corporate insolvency, corporate law, commercial law, procedural law
Assessment of the experts' knowledge or experience related to commercial insolvency
Experience in formal judicial proceedings, either liquidation or reorganization, involving corporate debtors or creditors in the last three years, particularly with domestic micro and small enterprises (MSEs). Encouraged to have experience or knowledge in the basic framework of the UNCITRAL Legislative Guide on Insolvency Law, and the World Bank's Principles for Effective Insolvency and Creditor/Debtor Regime. Encouraged to have knowledge or experience in dealing with environmental obligations within the area of bankruptcy. Encouraged to be an active user of the online court services and platforms available in the specific jurisdiction, assuming these features are in place and are fully operational.
Identify the total number of experts that will be responding to questionnaires

IV. PARAMETERS

To ensure comparability of the data from expert consultations across economies, the Business Insolvency topic uses specific parameters. A parameter refers to an assumption that is made about specific characteristics of the insolvency law and the insolvency practice. Parameters specific to the Business Insolvency topic are also necessary to ensure that measurements specific to the competent court and its location (the court with jurisdiction to adjudicate insolvency cases in the largest business city) and the debtor (the type of company, size, financial situation, and the number of creditors) are comparable across economies.

5.1 Specific Parameters

5.1.1 Competent court and its location

Justification:

Defining the competent court is key in ensuring comparability across different economies because it establishes the same level of jurisdiction over the commencement and conduct of insolvency proceedings. The competent court of primary or first instance is the most comparable among jurisdictions worldwide: the jurisdiction of the second-instance court generally depends on the nature of the legal framework and the jurisdiction in question, which does not allow for a comprehensive view and coherence in the data analysis. In addition, because within each economy there might be a variety of subnational levels of jurisdiction over insolvency procedures, the competent court assumed here is based in the largest business city of the economy as the main criteria for territorial jurisdiction.

Application:

This parameter is applicable to all indicators in Pillars II and III. For example, an assumption of the competent court with jurisdiction to resolve insolvency disputes establishes the institution providing the public services as measured in Pillar II. The most relevant institution that provide these public services must be identified in as consistent and uniform a way as possible across economies to allow comparability in indicators related to e-courts or measurements such as the specialized bankruptcy court or a judge/division/bench in a commercial court. In addition, an assumption related to the competent court specifically located in the largest business city applies in estimating the efficiency of the in-court liquidation and reorganization proceedings as measured in Pillar III, because it allows standardization at the procedural level to calculate the time and cost of such proceedings.

5.1.2 The debtor company

Justification:

The limited liability company (LLC) is the most prevalent legal form of company adopted worldwide to conduct business. LLCs can also shield the personal assets of its members from legal claims related to the business. In other types of firm arrangements, the members and/or partners are held personally liable, which would entail individual and/or personal insolvency—which falls outside the ambit of corporate insolvency examined in the B-READY project. Focusing solely on limited liability companies allows the relationship between creditors and debtor to be examined within the insolvency framework alone without other forms of liability arising.

Application:

The Business Insolvency topic assumes that the debtor is a domestic LLC operating in the largest business city in each economy. The size of the company's assets is determined by the company's market value in each economy, which is set based on a range from 150 to 200 times the gross national income (GNI) (Atlas method). The LLC defaults on its debt obligations toward its secured and unsecured creditors as they mature, or the value of the debtor's liabilities exceeds the value of its assets. Establishing a standardized debtor company, with very specific characteristics is the only way to preserve comparability in measuring the time and cost of insolvency proceedings. The assumption establishing the debtor firms' characteristics is only used in Pillar III. For example, the assumption is used in estimating the length and cost of insolvency proceedings of liquidation and reorganization, respectively. On a similar vein, an assumption setting the value of the company plays a central role in calculating the cost because the related question is expressed as a percentage of the value of the company.

V. TOPIC SCORING

The Business Insolvency topic has three pillars: Pillar I—Quality of Regulations for Insolvency Proceedings; Pillar II—Quality of Institutional and Operational Infrastructure for Insolvency Processes; and Pillar III—Efficiency of Resolving a Judicial Insolvency Proceeding in Practice. The total points for each pillar are further rescaled to values from 0 to 100, and subsequently aggregated into the total topic score. Each pillar contributes one-third to the total topic score. The scores distinguish between benefits to the firm (captured as firm flexibility points) and benefits to society's broader interests (captured as social benefits points). Table 19 shows the scoring for the Business Insolvency topic. For further scoring details, please see Annex A, which complements this section.

Table 19. Aggregate scoring overview

Pillar number	Pillars	Number of indicators	Score			Rescaled points (0–100)	Weight
			Firm flexibility points	Social benefits points	Total points		
I	Quality of Regulations for Insolvency Proceedings	29	28	25	53	100	0.33
II	Quality of Institutional and Operational Infrastructure for Insolvency Processes	12	12	12	24	100	0.33
III	Efficiency of Resolving a Judicial Insolvency Proceeding in Practice	4	100	n.a.	100	100	0.33

6.1 Pillar I–Quality of Regulations for Insolvency Proceedings

Pillar I covers 29 indicators with a total score of 53 points (28 points on firm flexibility and 25 points on social benefits). The scoring for each category under this pillar is as follows:

- 6.1.1** *Legal and Procedural Standards* covers 13 indicators with a total maximum score of 26 points (13 points on firm flexibility and 13 points in social benefits). Specifically, the *Pre-Commencement and Commencement of Insolvency Proceedings* has 5 indicators; *Liquidation and Reorganization Proceedings* has 5 indicators; and the *Insolvency Administrator’s Expertise* comprises has another 3. A comprehensive insolvency regulatory framework that addresses key issues predating the filing for formal proceedings, defines clear standard for commencing formal insolvency proceedings, and ensures the right balance is struck between liquidation and reorganization proceedings, with all processes being clearly defined and makes the knowledge and experience paramount in appointing the insolvency representative, benefits both firms (firm flexibility) and society (social benefits).
- 6.1.2** *Assets and Stakeholders Category* covers 11 indicators with a total maximum score of 19 points (10 points on firm flexibility and 9 points in social benefits). Specifically, the *Management of Debtor’s Assets* Subcategory has 6 indicators, and the *Creditor Participation* Subcategory has 5 indicators. Under this category, the score for the most part is allocated equally between firm flexibility and social benefits, except for the *Automatic Stay of Proceedings and the Rejection of Existing Burdensome Contracts* and *Assets* indicators, which do not extend to socially desirable outcomes, and thus is scored only on firm flexibility. In addition, the *Special Regime for Labor Claims* indicator scores on social benefits only. An insolvency regulatory framework that promotes the maximization of the debtor’s estate during insolvency proceedings and at the same time provides safeguards to all stakeholders in the proceedings with diverse interests in the assets of the firm benefits to firms and society as a whole.
- 6.1.3** *Specialized Proceedings* covers 5 indicators with a total maximum score of 8 points (5 points on firm flexibility and 3 points in social benefits). Specifically, the *Micro and Small Enterprises (MSEs)* Subcategory has 3 indicators, and the *Cross-Border Insolvency* Subcategory has 2. Under this category, the score for the *Micro and Small Enterprises* is allocated equally between firm flexibility and social benefits because such a specialized regime would ensure expeditious and low-cost insolvency proceedings for firms (firm flexibility) and increase judicial efficiency in terms of caseload by providing another legal avenue for MSEs (social benefit). The *Cross-Border Insolvency* Subcategory is scored on firm flexibility only because a framework for cross-border insolvencies would only benefit or affect firms operating internationally, and thus would not extend to socially desirable outcomes for the particular economy.

Pillar I–Quality of Regulations for Insolvency Proceedings		No. of indicators	Firm flexibility points	Social benefits points	Total points	Rescaled points
1.1	Pre-Commencement and Commencement of Insolvency Proceedings	13	13	13	26	49.01
1.1.1	Pre-Commencement and Commencement	5	5	5	10	18.85
1.1.2	Liquidation and Reorganization	5	5	5	10	18.85
1.1.3	Insolvency Administrator’s Expertise	3	3	3	6	11.31
1.2	Assets and Stakeholders	11	10	9	19	35.83
1.2.1	Management of Debtor’s Assets	6	6	4	10	18.86
1.2.2	Creditor Participation	5	4	5	9	16.97
1.3	Specialized Proceedings	5	5	3	8	15.09
1.3.1	Micro and Small Enterprises (MSEs)	3	3	3	6	11.31
1.3.2	Cross-Border Insolvency	2	2	n.a.	2	3.78
Total		28	28	25	53	100

6.2 Pillar II–Quality of Institutional and Operational Infrastructure for Insolvency Processes

Pillar II includes 12 indicators with a total score of 24 points (12 points on firm flexibility and 12 points on social benefits). The scoring for each category under the pillar is as follows:

6.2.1 *Digitalization and Online Services* covers 10 indicators with a total maximum score of 20 points (10 points on firm flexibility and 10 points on social benefits). Specifically, the *e-Courts* Subcategory has 6 indicators and the *Interoperability of Services (e-services) for Insolvency Proceedings and Public Availability of Information* Subcategory has 4. Under this category, the score is allocated equally between firm flexibility and social benefits.

6.2.2 *Public Officials and Insolvency Administrators* covers 2 indicators with a total maximum score of 4 points (2 points on firm flexibility and 2 points on social benefits). Specifically, the *Specialization of Bankruptcy Courts or Bankruptcy Judges* Subcategory and the *Insolvency Administrator's Expertise in Practice* Subcategory comprise 1 indicator each. A specialized bankruptcy court and the observance of the qualification requirements of the administrator in practice both benefits firms (firm flexibility) and advances the broader public interest (social benefits). Therefore, equal scores are assigned to both subcategories.

Pillar II–Quality of Institutional and Operational Infrastructure for Insolvency Processes		No. of indicators	Firm flexibility points	Social benefits points	Total points	Rescaled points
3.1	Digitalization and Online Services	10	10	10	20	83.30
3.1.1	e-Courts	6	6	6	12	49.98
3.1.2	Interoperability of Services (e-services) for Insolvency	4	4	4	8	33.32
3.2	Public Officials and Insolvency Administrator	2	2	2	4	16.66
3.2.1	Specialization of Bankruptcy Courts or Bankruptcy Judges	1	1	1	2	8.33
3.2.2	Insolvency Administrator's Expertise in Practice	1	1	1	2	8.33
	Total	12	12	12	24	100

6.3 Pillar III–Efficiency of Resolving a Judicial Insolvency Proceeding in Practice

Pillar III comprises 4 indicators with scores ranging from 0 to 100. The scores on indicators under this pillar are assigned to firm flexibility only, because the indicators measure the time and cost to resolve in-court liquidation and reorganization proceedings for firms. For example, high fees and long times to resolve liquidation proceedings have adverse impacts on firms, thus hampering firm flexibility.

Pillar III–Efficiency of Resolving a Judicial Insolvency Proceeding in Practice		No. of indicators	Rescaled points
3.1	Liquidation Proceedings in Practice	2	50
3.1.1	Time to Resolve an In-Court Liquidation Proceeding	1	25
3.1.2	Cost to Resolve an In-Court Liquidation Proceeding	1	25
3.2	Reorganization Proceedings in Practice	2	50
3.2.1	Time to Resolve an In-Court Reorganization Proceeding	1	25
3.2.2	Cost to Resolve an In-Court Reorganization Proceeding	1	25
	Total	4	100

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- ⁵ Białkowski (2018); Hemingway (2020); McGowan, Andrews, and Millot (2018); Neira (2019); Polo (2011).
- ⁶ A recent study on Italy (González-Torres and Rodano 2020) shows that an increase in recovery rate and a reduction in the length of proceedings would increase average productivity by about 2 percent.
- ⁷ ICR Standards, at Introduction (World Bank 2021).
- ⁸ See UNCITRAL Legislative Guide on Insolvency Law (Part IV) (UNCITRAL 2005) on Directors' obligations in the period approaching insolvency.
- ⁹ For the purposes of this indicator, an out-of-court workout is defined as an agreement made between a debtor and its creditors, with minimal or no court involvement, with the aim of easing the debtor's debt-servicing burden, so that it can maintain its business activities and value. Guidelines introduced by any administrative authority do not entail any expectation or requirements that workout participants commit in a legally binding manner to follow them.
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- ²⁷ IMF (2014).
- ²⁸ See Guerra-Martinez (2021).
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Annex A. Business Insolvency–Scoring Sheet

This document outlines the scoring approach for the Business Insolvency topic. For every indicator, a firm flexibility point (FFP) and/or a social benefit point (SBP) are assigned, along with a clarification on the detailed scoring for each such indicator and a note on the relevant background literature.

PILLAR I–REGULATORY FRAMEWORK: QUALITY OF REGULATIONS FOR INSOLVENCY PROCEEDINGS					
1.1 LEGAL AND PROCEDURAL STANDARDS					
1.1.1 Pre-commencement and Commencement of Insolvency Proceedings					
Indicators	FFP	SBP	Total points	Rescaled points	Background literature
Obligations of the Company's Management during Pre-Insolvency	1	1	2	3.77	Menezes, Mocheva, and Shankar (2020); Menezes et al. (2022); UNCITRAL (2020)
Out-of-Court Workouts	1	1	2	3.77	Dancausa, Muro, and Uttamchandani (2020); Menezes et al. (2022); WB-ICR Task Force (2022)
Commencement of Formal Reorganization Proceedings	1	1	2	3.77	Faber et al. (2012); UNCITRAL (2005)
Commencement of Formal Liquidation Proceedings	1	1	2	3.77	Faber et al. (2012); UNCITRAL (2005)
Basis for Commencement of Formal Insolvency Proceedings	1	1	2	3.77	Faber et al. (2012); UNCITRAL (2005)
Total points for Subcategory 1.1.1	5	5	10	18.85	
1.1.2 Liquidation and Reorganization Proceedings					
Creditors Notification Requiring to Submit Claims	1	1	2	3.77	Fletcher (2017); Klapper (2011); UNCITRAL (2005)
How the Reorganization Plan Is Voted	1	1	2	3.77	Fletcher (2017); Klapper (2011); UNCITRAL (2005)
Means of Voting	1	1	2	3.77	Fletcher (2017); Klapper (2011); UNCITRAL (2005)
Protection of Dissenting Creditors in Reorganization	1	1	2	3.77	Fletcher (2017); Klapper (2011); UNCITRAL (2005)
Conversion from Reorganization to Liquidation	1	1	2	3.77	Fletcher (2017); Klapper (2011); UNCITRAL (2005)
Total points for Subcategory 1.2.1	5	5	10	18.85	

1.1.3 Insolvency Administrator's Expertise					
Qualification Requirements	1	1	2	3.77	Feiden and Wielenberg (2017); UNCITRAL (2005); World Bank Group (2021)
Conditions for Disqualification	1	1	2	3.77	Feiden and Wielenberg (2017); UNCITRAL (2005); World Bank Group (2021)
Mechanism for Selection and Dismissal	1	1	2	3.77	Feiden and Wielenberg (2017); UNCITRAL (2005); World Bank Group (2021)
Total points for Subcategory 1.3.1	3	3	6	11.31	
Total points for Category 1.1	13	13	26	49.01	
1.2 ASSETS AND STAKEHOLDERS					
1.2.1 Management of Debtor's Assets					
Automatic Stay of Proceedings	1	n.a.	1	1.89	García-Posada (2021); UNCITRAL (2005); World Bank Group (2021)
Exceptions and Relief to Automatic Stay of Proceedings	1	1	2	3.77	García-Posada (2021); UNCITRAL (2005); World Bank Group (2021)
Continuation of Existing Essential Contracts	1	1	2	3.77	García-Posada (2021); UNCITRAL (2005); World Bank Group (2021)
Rejection of Existing Burdensome Contracts and Assets	1	n.a.	1	1.89	García-Posada (2021); UNCITRAL (2005); World Bank Group (2021)
Voidance of Preferential and Undervalued Transactions	1	1	2	3.77	García-Posada (2021); UNCITRAL (2005); World Bank Group (2021)
Post-Commencement Credit Availability and Priority	1	1	2	3.77	García-Posada (2021); UNCITRAL (2005); World Bank Group (2021)
Total points for Subcategory 1.2.1	6	4	10	18.86	
1.2.2 Creditor Participation					
Creditor Representation	1	1	2	3.77	Block-Lieb et al. (2013); UNCITRAL (2005); World Bank Group (2021)
Request of Information by Creditors	1	1	2	3.77	Block-Lieb et al. (2013); UNCITRAL (2005); World Bank Group (2021)
Priority of Secured Claims	1	1	2	3.77	Block-Lieb et al. (2013); UNCITRAL (2005); World Bank Group (2021)
Priority of Labor and Environmental Claims	1	1	2	3.77	ILO (2020); Inacio et al. (2020)
Special Regime for Labor Claims	n.a.	1	1	1.89	ILO (2020)

Total points for Subcategory 1.2.2	4	5	9	16.97	
Total points for Category 1.2	10	9	19	35.83	
1.3 SPECIALIZED PROCEEDINGS					
1.3.1 Micro and Small Enterprises (MSEs)					
Availability and Eligibility	1	1	2	3.77	Guerra-Martinez (2021); IMF (2021); UNCITRAL (2021, 2022a); World Bank Group (2021)
Conversion of Proceedings	1	1	2	3.77	Guerra-Martinez (2021); IMF (2021); UNCITRAL (2021, 2022a); World Bank Group (2021)
Debt Discharge	1	1	2	3.77	Guerra-Martinez (2021); IMF (2021); UNCITRAL (2021, 2022); World Bank Group (2021)
Total points for Subcategory 1.3.1	3	3	6	11.31	
1.3.2 Cross-Border Insolvency					
Existence of Framework and Recognition of Foreign Insolvency Proceedings	1	n.a.	1	1.89	UNCITRAL (2014); World Bank Group (2021)
Legal Framework for Cooperation with Foreign Courts and Representatives	1	n.a.	1	1.89	UNCITRAL (2014); World Bank Group (2021)
Total points for Subcategory 1.3.2	2	n.a.	2	3.78	
Total points for Category 1.3	5	3	8	15.09	
Total points for Pillar I	28	25	53	100	

Note: n.a. = not applicable (refers to the cases when the impact on firms or society is either ambiguous or nonexistent). FFP = firm flexibility points; SBP = social benefits points.

PILLAR II—PUBLIC SERVICES: QUALITY OF INSTITUTIONAL AND OPERATIONAL INFRASTRUCTURE FOR INSOLVENCY PROCESSES

2.1 DIGITALIZATION AND ONLINE SERVICES

2.1.1 e-Courts

Indicators	FFP	SBP	Total points	Rescaled points	Background literature
Electronic Filing	1	1	2	8.33	Cabral et al. (2012); CEPEJ (2021a, 2021b); Cordella et al. (2020); Frade et al. (2020); UNCITRAL (2021); World Bank Group (2021); Zorza (2013)
Electronic Payment of Court Fees	1	1	2	8.33	Cabral et al. (2012); CEPEJ (2021a, 2021b); Cordella et al. (2020); Frade et al. (2020); UNCITRAL (2021); World Bank Group (2021); Zorza (2013)
Electronic Case Management for Judges and Lawyers	1	1	2	8.33	Cabral et al. (2012); CEPEJ (2021a, 2021b); Cordella et al. (2020); Frade et al. (2020); UNCITRAL (2021); World Bank Group (2021); Zorza (2013)
Electronic Case Management for Insolvency Administrators	1	1	2	8.33	Cabral et al. (2012); CEPEJ (2021a, 2021b); Cordella et al. (2020); Frade et al. (2020); UNCITRAL (2021); World Bank Group (2021); Zorza (2013)
Electronic Auction	1	1	2	8.33	Cabral et al. (2012); CEPEJ (2021a, 2021b); Cordella et al. (2020); Frade et al. (2020); UNCITRAL (2021); World Bank Group (2021); Zorza (2013)
Virtual Hearing	1	1	2	8.33	Cabral et al. (2012); CEPEJ (2021a, 2021b); Cordella et al. (2020); Frade et al. (2020); UNCITRAL (2021); World Bank Group (2021); Zorza (2013)
Total points for Subcategory 2.1.1	6	6	12	49.98	
2.1.2 Interoperability of Services (e-services) for Insolvency Proceedings and Public Availability of Information					
Interoperability with External Systems	1	1	2	8.33	Byfield (2011); CEPEJ (2021a, 2021b); INSOL International (2019); OECD (2020); UNCITRAL (2021); World Bank Group (2021)

Publication of Judgments in Insolvency Procedures	1	1	2	8.33	Byfield (2011); CEPEJ (2021a, 2021b); INSOL International (2019); OECD (2020); UNCITRAL (2021); World Bank Group (2021)
Publication of Insolvency Procedures	1	1	2	8.33	Byfield (2011); CEPEJ (2021a, 2021b); INSOL International (2019); OECD (2020); UNCITRAL (2021); World Bank Group (2021)
Publication of Register of Insolvency Practitioners	1	1	2	8.33	Byfield (2011); CEPEJ (2021a, 2021b); INSOL International (2019); OECD (2020); UNCITRAL (2021); World Bank Group (2021)
Total points for Subcategory 2.1.2	4	4	8	33.32	
Total points for Category 2.1	10	10	20	83.30	
2.2 PUBLIC OFFICIALS AND INSOLVENCY ADMINISTRATOR					
2.2.1 Specialization of Bankruptcy Courts or Bankruptcy Judges					
Specialized Courts	1	1	2	8.33	Anderson, Bernstein, and Gray (2005); Detotto, Serra, and Vannini (2019); Iverson et al. (2018); Li and Ponticelli (2020); Rodano, Serrano-Velarde, and Tarantino (2016); Visaria (2009)
Total points for Subcategory 2.2.1	1	1	2	8.33	
2.2.2 Insolvency Administrator's Expertise in Practice					
Qualification requirements	1	1	2	8.33	Fieden and Wielenberg (2017); UNCITRAL (2021); World Bank Group (2021)
Total points for Subcategory 2.2.2	1	1	2	8.33	
Total points for Category 2.2	2	2	4	16.66	
Total points for Pillar II	12	12	24	100	

Note: n.a. = not applicable (refers to the cases when the impact on firms or society is either ambiguous or nonexistent). FFP = firm flexibility points; SBP = social benefits points.

PILLAR III—EFFICIENCY: EFFICIENCY OF RESOLVING A JUDICIAL INSOLVENCY PROCEEDING IN PRACTICE

3.1 LIQUIDATION PROCEEDINGS IN PRACTICE

3.1.1 Time and Cost to Resolve an In-Court Liquidation Proceeding

Indicators	FFP	SBP	Total points	Rescaled points	Background literature
Time to Resolve an In-Court Liquidation Proceeding	50	n.a.	50	25	Cirmizi, Klapper, and Uttanchandani (2012); Kruczalak-Jankowska, Maśnicka, and Machnikowska (2020)
Cost to Resolve an In-Court Liquidation Proceeding	50	n.a.	50	25	Cirmizi, Klapper, and Uttanchandani (2012); Kruczalak-Jankowska, Maśnicka, and Machnikowska (2020)
Total points for Category 3.1	100	n.a.	100	50	
3.2 REORGANIZATION PROCEEDINGS IN PRACTICE					
3.2.1 Time and Cost to Resolve an In-Court Reorganization Proceeding					
Time to Resolve an In-Court Reorganization Proceeding	50	n.a.	50	25	Kruczalak-Jankowska, Maśnicka, and Machnikowska (2020); World Bank Group (2010)
Cost to Resolve an In-Court Reorganization Proceeding	50	n.a.	50	25	Kruczalak-Jankowska, Maśnicka, and Machnikowska (2020); World Bank Group (2010)
Total points for Category 3.2	100	n.a.	100	50	
Total points for Pillar III	100	n.a.	100	100	

Note: n.a. = not applicable (refers to the cases when the impact on firms or society is either ambiguous or nonexistent). FFP = firm flexibility points; SBP = social benefits points.

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Annex B. Business Insolvency–Annotated Questionnaire

Annex B consists of a Glossary and Annotated Questionnaire for Business Insolvency. The Annotated Questionnaire provides the mapping between each indicator and the corresponding question(s).

Glossary

Corporate insolvency: The state in which a debtor company is generally unable to pay its debts as they mature and/or in which its liabilities exceed the value of its assets.

Debt discharge: The release of the liability of a debtor from debts that were, or could have been, addressed in the insolvency proceedings.

Insolvency administrator: A person or body (including one appointed on an interim basis) authorized in insolvency proceedings to administer, supervise, oversee, or monitor the reorganization or the liquidation of the insolvency estate.

Insolvency proceedings: Collective proceedings, subject to court supervision, either for reorganization or liquidation.

Legal framework: Rules, regulations, and laws that make up the totality of the legislation applicable to insolvency proceedings in a specific jurisdiction.

Liquidation: A process of assembling and selling the assets of an insolvent debtor to dissolve the company and distribute the proceeds to its creditors. Liquidation may include the piecemeal sale of the debtor's assets or the sale of all or most of the debtor's assets as a going concern. The term "liquidation" refers only to formal in-court insolvency proceedings and does not include the voluntary winding up of a company.

Out-of-court workout (OCW): An agreement made between a debtor and its creditors, with minimal or no court involvement, with the aim of easing the debtor's debt-servicing burden, so that it can maintain its business activities and value. Guidelines introduced by any administrative authority do not entail any expectation or requirements that workout participants commit in a legally binding manner to follow them.

Pre-insolvency proceedings: Public collective proceedings which take place under the supervision of a court or an administrative authority, and which give a debtor in financial distress the opportunity to rescue, adjust the repayment of debt, reorganize or liquidate at a pre-insolvency stage, to avoid the commencement of formal insolvency proceedings. The assets and business activities of a debtor could be subject to the control or supervision of a court. A temporary stay of proceedings may also be granted.

Post-commencement credit: New funding provided to an insolvent company after the start of insolvency proceedings by existing or new creditors to finance its company's ongoing operations during the insolvency process.

Ranking of claims: Refers to the order in which claims will be satisfied upon completion of the insolvency procedure.

Reorganization: Collective proceedings through which the financial well-being and viability of a debtor's business may be restored based on a reorganization plan, so that the business can continue to operate as a going concern, including debt forgiveness, debt rescheduling, debt equity conversions, and sale of the business (or parts of it). The term "reorganization" refers exclusively to formal in-court proceedings

available to all commercial debtors and does not include schemes of arrangement and out-of-court agreements with creditors.

Reorganization plan: A plan by which the financial well-being and viability of the debtor’s business can be restored.

Secured claim: A claim assisted by a security interest taken as a guarantee for a debt enforceable in case of the debtor’s default.

Stay of proceedings: A measure that prevents the commencement, or suspends the continuation, of judicial, administrative or other individual actions concerning the debtor’s assets, rights, obligations, or liabilities, including actions to make security interests effective against third parties or to enforce a security interest. It also prevents execution against the assets of the insolvency estate; the termination of a contract with the debtor; and the transfer, encumbrance, or other disposition of any assets or rights of the insolvency estate.

Questionnaire

The tables that follow present all indicators (including their components, if applicable) under each pillar, with a reference to the corresponding question number in parenthesis. The questions are listed before each table for ease of reference.

For Y/N questions, the Y response accounts for the score and is considered as the good practice, unless otherwise indicated with the sign “N → good practice”.

In the tables that follow, “AND” means all referenced questions must have a good practice response to obtain a score on the indicator.

In the tables that follow, “OR” means one or more referenced questions must have a good practice response to obtain a score on the indicator.

Certain questions are marked as “not scored,” which indicates that they do not impact the score in any way. The purpose of these questions is to further inform and refine the questions design for subsequent years of the pilot, as needed, as well as to substantiate and provide further information for the scored questions.

PILLAR I—REGULATORY FRAMEWORK: QUALITY OF REGULATIONS FOR INSOLVENCY PROCEEDINGS	
Parameters	
Corporate insolvency	The Business Insolvency indicators measure the insolvency legal framework and insolvency practice related to commercial or corporate insolvency only, as it focuses on business insolvency of the firms. Other types of insolvency regulations and practices, such as personal insolvency (which relates to debt resolution mechanisms available to natural persons) and banking insolvency (which relates to bankruptcy of financial institutions), are excluded
Formal insolvency proceedings	The Business Insolvency indicators focus on collective judicial proceedings only: that is, in-court reorganization and liquidation proceedings of commercial firms involving multiple creditors. This excludes voluntary liquidation, scheme of arrangements and individual debt enforcement proceedings such as foreclosure or receivership, which by nature involve only one creditor. Formal insolvency proceedings that are subject to court supervision take place before judicial institutions

1.1 LEGAL AND PROCEDURAL STANDARDS

1.2.1 Pre-Commencement and Commencement of Insolvency Proceedings

1. **Which of the following mechanisms are available, under the legal framework, to a debtor company in financial distress? (Y/N)**
 - 1a. Mechanisms directly addressing the obligations of the management of a debtor company during the period approaching insolvency to avoid bankruptcy, or minimize its extent where insolvency is unavoidable
 - 1b. Mechanisms or procedures to implement, with no impediments or obstacles, a contractually based Out-of-Court Workout (OCW) to restructure the company's debt with some or all its creditors, outside of the court system and/or outside formal judicial insolvency proceedings
2. **Which of the following procedures are available, under the legal framework, to an insolvent debtor company? (Y/N)**
 - 2a. Commencement of in-court liquidation proceedings
 - 2b. Commencement of in-court reorganization proceedings
3. **Which of the following procedures are available, under the legal framework, to an individual creditor of an insolvent debtor company? (Y/N)**
 - 3a. Commencement of in-court liquidation proceedings
 - 3b. Commencement of in-court reorganization proceeding
4. **What basis for commencement of formal insolvency proceedings is allowed under the legal framework?**
 - 4a. Debtor is generally unable to pay its debts as they mature
 - 4b. The value of the debtor's liabilities exceeds the value of its asset
 - 4c. Both 4a. and 4b

1.2.2 Liquidation and reorganization proceedings

5. **Does the legal framework establish that, upon commencement of proceedings, each creditor shall receive a notification to submit his/her claim, specifying the basis and amount of the claim? (Y/N)**
6. **Which of the following conditions are required when creditors vote on the reorganization plan, under the legal framework? (Y/N)**
 - 6a. Creditors entitled to vote are divided into classes based on similarity of interests or the value of their claim
 - 6b. Each class of creditors votes separately
 - 6c. Creditors within each class are treated equally
7. **Does the legal framework allow creditors to vote electronically? (Y/N)**
8. **Does the legal framework explicitly require that the anticipated return to dissenting creditors specified within the reorganization plan will be at least equal to the return that they would obtain in a Liquidation? (Y/N)**
9. **Does the legal framework provide for conversion of reorganization proceedings to liquidation proceedings? (Y/N)**

1.2.3 Insolvency Administrator's Expertise

10. Is the selection of the insolvency administrators regulated? (Y/N)

If Y → proceed to the remaining questions.

If N → 0 points on question 11 to 14.

11. What are the minimum qualification requirements established in the legal framework for an insolvency administrator to be assigned to a procedure? (Y/N)

11a. Minimum number of years of practical experience

11b. Holding a university degree in law (minimum of J.D. or LLB) or degree in accounting

11c. Holding a license

11d. Being a registered member of an association

11e. Passing a qualification exam

11f. Completion of specialized training

11g. No criminal record or record of financial wrongdoing

11h. Other, please explain

12. Does the legal framework set out cases in which the insolvency administrator may be disqualified from the case? (Y/N)

13. Does the legal framework establish a mechanism for the selection and appointment of an insolvency administrator? (Y/N)

14. Does the legal framework provide for a mechanism for the removal of the insolvency administrator that reflects the manner in which the insolvency administrator was appointed and provides a right for the insolvency administrator to be heard? (Y/N)

1.1 LEGAL AND PROCEDURAL STANDARDS			
1.1.1 Pre-Commencement and Commencement of Insolvency Proceedings			
Indicators	FFP	SBP	Total points
Obligations of the Company's Management during Pre-Insolvency (1a)	1	1	2
Out-of-Court Workouts (1b)	1	1	2
Commencement of Formal Liquidation Proceedings	1	1	2
- By debtor (2a)	0.50	0.50	1
- By creditors (3a)	0.50	0.50	1
Commencement of Formal Reorganization Proceedings	1	1	2
- By debtor (2b)	0.50	0.50	1
- By creditors (3b)	0.50	0.50	1
Basis for Commencement of Formal Insolvency Proceedings	1	1	2
- Debtor unable to pay its debts as they mature (4a)	0.75	0.75	1.50
- The value of the debtor's liabilities exceeds the value of its assets (4b)	0.25	0.25	0.50
Total points	5	5	10
1.1.2 Liquidation and Reorganization Proceedings			
Indicators	FFP	SBP	Total points
Creditors Notification Requiring to Submit Claims (5)	1	1	2
How the Reorganization Plan Is Voted	1	1	2
- Creditors are separated into classes (6a)	0.33	0.33	0.66

- Each class votes separately (6b)	0.33	0.33	0.66
- Equal treatment of members of the same class (6c)	0.33	0.33	0.66
Means of Voting (7)	1	1	2
Protection of Dissenting Creditors in Reorganization (8)	1	1	2
Conversion from Reorganization to Liquidation (9)	1	1	2
Total points	5	5	10
1.1.3 Insolvency Administrator's Expertise			
Indicators	FFP	SBP	Total points
Qualification Requirements (11) <i>At least 3 of the listed requirements must be present to obtain a score</i>	1	1	2
Conditions for Disqualification (12)	1	1	2
Mechanism for Selection and Dismissal	1	1	2
- Existence of a mechanism (13)	0.50	0.50	1
- Removal (14)	0.50	0.50	1
Total points	3	3	6

Note on the scoring: If the component is present, the corresponding score is assigned. For example, if 6a, 6b, and 6c are selected simultaneously, a score of 1 is assigned. FFP = firm flexibility points; SBP = social benefits points.

1.2 ASSETS AND STAKEHOLDERS

1.2.1 Management of Debtor's Assets

15. Does the legal framework provide for an automatic stay of proceedings? Other terminology commonly used to refer to stay of proceedings includes moratorium or suspension of proceedings. (Y/N)

If Y → proceed to the remaining questions.

If N → 0 points on questions 15 to 19.

16. Does the legal framework specify the exact time of effect of the stay of proceedings (including the day it takes effect and the day it lapses)? (Y/N)

17. Is the automatic stay of proceedings applicable to the enforcement of security rights in the following types of property? (Y/N) *Not scored*

17a. Immovable property

17b. Movable property/tangible assets

17c. Intangible assets

17d. Other types of assets

18. Does the legal framework provide for exceptions to a stay of proceedings on actions, claims or proceedings? (Y/N)

If Y → proceed to the remaining questions.

If N → 0 points on questions 19 and 20.

19. Do the exceptions to the stay of proceedings referred to above include exceptions based on public policy interests such as the restraint of environmental damage or other activities detrimental to public health and safety? (Y/N)

20. Do the exceptions to the stay of proceedings referred to above include any actions to prevent abuse, such as the use of insolvency proceedings as a shield for illegal activities? (Y/N)

- 21. Does the legal framework provide for the possibility that secured creditors may obtain relief to a stay of proceedings on actions, claims or proceedings in the following:**
- 21a. Where the value of the encumbered asset is diminishing as a result of the commencement of insolvency proceedings (Y/N)
- 21b. Where the encumbered asset is not needed for the Reorganization or sale of the business as a going concern in Liquidation (Y/N)
- 22. Following the commencement of insolvency proceedings, does the legal framework explicitly allow for the continuation of existing contracts by the debtor company that are beneficial or essential to the debtor's ordinary course of business? (Y/N)**
- 23. Following the commencement of insolvency proceedings, does the legal framework explicitly allow for burdensome contracts (where both parties have not fully performed their obligations) be terminated where the cost of performance of such contracts is higher than the benefits to be received? (Y/N)**
- 24. If yes, does the legal framework explicitly allow for burdensome assets to be relinquished or discharged when the cost of maintaining such assets is higher than the benefits to be received? (Y/N)**
- 25. Does the legal framework explicitly provide for voiding (or invalidating/terminating) the following transactions concluded before the commencement of insolvency proceedings? (Y/N)**
- 25a. Preferential transactions or contracts, which resulted in a creditor obtaining more than its pro rata share of the debtor's assets, which occurred when the debtor was already insolvent or resulted in the debtor becoming insolvent
- 25b. Undervalued transactions, which were made at a price below market value or as a gift and which occurred when the debtor was already insolvent or resulted in the debtor becoming insolvent
- 26. Does the legal framework explicitly provide the possibility for debtors to obtain credit after the commencement of insolvency proceedings (post-commencement credit) to finance its on-going needs during the proceedings? (Y/N)**
- 27. Does the legal framework assign priority to post-commencement credit over the following? (Y/N)**
- 27a. Unsecured creditors only
- 27b. Both secured and unsecured creditors
- 27c. Legal framework does not stipulate such a priority

1.2.2 Creditor Participation

- 28. Does the legal framework require a creditors committee or other creditor representation in Insolvency Proceedings? (Y/N)**
- 29. Does the legal framework provide creditors, either individually or through the creditors' committee or another form of creditor representation, the right to request up-to-date information on the debtor's business and financial affairs? (Y/N)**
- 30. Does the legal framework provide for the ranking of claims during an insolvency procedure? (Y/N)**
- If Y → proceed to the remaining questions.
- If N → 0 points on questions 31 to 33.

31. Are secured creditors given absolute priority with respect to the assets over which they hold security over all other creditors? (Y/N)

32. Are labor claims given priority over the following? (Y/N)

32a. Secured creditors

32b. Ordinary unsecured creditors

32c. No such priority

33. Are environmental claims given priority over the following? (Y/N)

33a. Secured creditors

33b. Ordinary unsecured creditors

33c. No such priority

34. Does the legal framework, either in insolvency law or labor law, contain a special regime to deal with the protection of workers and employees' claims in insolvency? (Y/N)

1.2 ASSETS AND STAKEHOLDERS			
1.2.1 Management of Debtor's Assets			
Indicators	FFP	SBP	Total points
Automatic Stay of Proceedings (15 AND 16)	1	0	1
Exceptions and Relief to Automatic Stay of Proceedings (19, 20, 21a OR 21b) <i>The full point is granted if the answer is Y on at least 2 of questions 19, 20, 21a, or 21b.</i>	1	1	2
Continuation of Existing Essential Contracts (22)	1	1	2
Rejection of Existing Burdensome Contracts and Assets	1	0	1
- Rejection of burdensome contracts (23)	0.50	0	0.50
- Relinquish burdensome assets (24)	0.50	0	0.50
Voidance of Preferential and Undervalued Transactions	1	1	2
- Preferential transactions (25a)	0.50	0.50	1
- Undervalued transactions (25b)	0.50	0.50	1
Post-Commencement Credit Availability and Priority	1	1	2
- Post-commencement credit availability (26)	0.50	0.50	1
- Post-commencement credit priority over all creditors (27)	0.50	0.50	1
Total points	6	4	10
1.2.2 Creditor Participation			
Indicators	FFP	SBP	Total points
Creditor Representation (28)	1	1	2
Request of Information by Creditors (29)	1	1	2
Priority of Secured Claims	1	1	2
- Ranking (30)	0.50	0.50	1
- Absolute priority, secured creditors (31)	0.50	0.50	1
Priority of Labor and Environmental Claims	1	1	2
- Priority of labor claims (32)	0.50	0.50	1
- Priority of environmental claims (33)	0.50	0.50	1
Special Regime for Labor Claims (34)	0	1	1
Total points	4	5	9

Note: FFP = firm flexibility points; SBP = social benefits points.

1.3 SPECIALIZED PROCEEDINGS

1.3.1 Micro and Small Enterprises (MSEs)

35. Does the legal framework provide for specialized proceedings for the liquidation of nonviable micro and small enterprises (MSEs), and reorganization of viable micro and small enterprises (MSEs)? (Y/N)

If Y → proceed to the remaining questions.

If N → 0 points on questions 36 to 38.

36. If yes, does the legal framework allow eligible debtors to apply for commencement of an insolvency proceeding at an early stage of financial distress without the need to prove insolvency? (Y/N)

37. Does the legal framework provide for the possibility of conversion of a simplified reorganization procedure to a liquidation procedure for micro and small enterprises (MSEs)? (Y/N)

38. Does the legal framework set forth conditions for debt discharge within insolvency proceedings for micro and small enterprises, and the criteria for denying a debt discharge? (Y/N)

1.3.2 Cross-Border Insolvency

39. Does the legal framework establish rules for cross-border insolvencies, with a clear process for obtaining recognition of foreign proceedings? (Y/N)

If Y → proceed to question 40.

If N → 0 points on question 39 and 40.

40. Does the legal framework provide for cooperation between courts and insolvency administrators in international Insolvency Proceedings? (Y/N)

1.3 SPECIALIZED PROCEEDINGS			
1.3.1 Micro and Small Enterprises (MSEs)			
Indicators	FFP	SBP	Total points
Availability and Eligibility (35 AND 36)	1	1	2
Conversion of Proceedings (37)	1	1	2
Debt Discharge	1	1	2
- Conditions (38)	0.50	0.50	1
- Criteria for denial (38)	0.50	0.50	1
Total points	3	3	6
1.3.2 Cross-Border Insolvency			
Indicators	FFP	SBP	Total points
Existence of Framework and Recognition of Foreign Insolvency Proceedings (39)	1	0	2
Legal Framework for Cooperation with Foreign Courts and Representatives (40)	1	0	2
Total points	2	0	2

Note: FFP = firm flexibility points; SBP = social benefits points.

PILLAR II – QUALITY OF INSTITUTIONAL AND OPERATIONAL INFRASTRUCTURE FOR INSOLVENCY PROCESSES

Parameters

Competent court and its location	The largest (most populous city in the country). Geographical location determines availability of electricity connections, as well as the type of connections and construction required. For Pilar I, if regulations differ across states within a country, the experts will be asked to provide information regarding regulations of the largest city.
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2.1 DIGITALIZATION AND ONLINE SERVICES

2.1.1 e-Courts

41. Has the insolvency judicial system been digitized and/or been included within the updated e-courts of [largest business city in the economy]? (Y/N)

42. Which of the following court automation features has been implemented in insolvency proceedings to the debtor and the creditors? (Y/N)

42a. Electronic filing for bankruptcy commencement

42b. Electronic payments of court fees

43. Does a hard copy have to be submitted along with the initial claim? (Y/N)

44. Is there in practice a physical interaction with the bank, the court, or the post office required to complete electronic payment? (Y/N)

45. Is there a fully functional electronic case management system at the competent court? (Y/N)

If Y → proceed to the remaining questions.

If N → 0 points on questions 46 to 48.

46. Which of the following case management features have been implemented in insolvency proceedings for the following individuals? Please select all that apply:

46a. Judges

- Send and receive notifications electronically
- Manage and file procedural case documents electronically
- View and access court orders and decisions

46b. Insolvency lawyers

- Send and receive notifications electronically
- Manage and file procedural case documents electronically
- View and access court orders and decisions

46c. Insolvency administrators

- Send and receive notifications electronically
- Manage and file procedural case documents electronically
- View and access court orders and decisions

47. Can creditors and debtors electronically monitor the status of insolvency proceedings? (Y/N)

48. Are the case management system and e-filing systems interconnected? (Y/N)

49. Are electronic auctions conducted at the relevant court? (Y/N)

50. Which of the following practices occur during electronic auctions in insolvency procedures?

(Y/N) (not scored)

50a. Physical/on-site auctions need to be conducted along with the electronic auction.

50b. Requirement that bidders make a cash deposit

51. Can virtual hearings be held at the relevant court? (Y/N)

2.1.2 Interoperability of Services (e-services) for Insolvency Proceedings and Public Availability of Information

52. Is the electronic case management system for insolvency matters connected in practice to external systems, allowing an exchange of data with other authorities such as commercial/business registries and law enforcement agencies? (Y/N)

53. On the publication of judgments and information on insolvency proceedings, is the following data and information available to the general public? (Y/N)

Note: Publication of such data and information can be done by any means, including through publication in official gazettes, in newspapers, on the internet, court websites or publicly available insolvency registries.

53a. Judgments concerning insolvency proceedings rendered at the competent court

53b. Data on the number and types of insolvency proceedings in the economy per year

53c. Data on the average length of insolvency proceedings

54. Is there a publicly available register of insolvency practitioners and/or firms qualified to offer insolvency services? (Y/N)

55. Is this register made available to the general public through publication in official gazettes, in newspapers or on the internet or court website? (Y/N)

2.1 DIGITALIZATION AND ONLINE SERVICES			
2.1.1 e-Courts			
Indicators	FFP	SBP	Total points
Electronic Filing Only available to the debtor (42a)	1	1	2
- Only available to the creditor (42a)	0.50	0.50	1
	0.50	0.50	1
Electronic Payment of Court Fees	1	1	2
- Only available to the debtor (42c)	0.50	0.50	1
- Only available to the creditor (42c)	0.50	0.50	1
Electronic Case Management for Judges and Lawyers	1	1	2
- Platform is available and fully operational to judges (46a)	0.50	0.50	1
- Platform is available and fully operational to judges (46b)	0.50	0.50	1
Electronic Case Management for Insolvency Administrators (46c)	1	1	2
Electronic Auction (49)	1	1	2
Virtual Hearing (51)	1	1	2
Total points	6	6	12
2.1.2 Interoperability of Services (e-services) for Insolvency Proceedings and Public Availability of Information			
Indicators	FFP	SBP	Total points
Interoperability with External Systems (52)	1	1	2

Publication of Judgments in Insolvency Procedures (53a)	1	1	2
Publication of Insolvency Procedures (53b AND 53c)	1	1	2
Publication of Register of Insolvency Practitioners (54 AND 55)	1	1	2
Total points	4	4	8

Note: FFP = firm flexibility points; SBP = social benefits points.

2.2 PUBLIC OFFICIALS AND INSOLVENCY ADMINISTRATOR

2.2.1 Specialization of bankruptcy courts or bankruptcy judges

56. In [largest business city in the economy], is there a specialized bankruptcy court or a judge/division/bench in a commercial court dedicated solely to bankruptcy matters? (Y/N)

If Y → proceed to questions 57, 58, and 59.

If N → 0 points on question 60.

57. What is the name of this court, division or bench or designation of the bankruptcy judge? (not scored)

58. Is [court name] fully operational in practice (requiring that all bankruptcy matters be assigned to them)? (Y/N)

59. In [largest business city], are all bankruptcy matters assigned to the existing commercial courts/bankruptcy courts/bankruptcy judges? (Y/N)

2.2.2 Insolvency administrator's expertise in practice

60. Which of the following insolvency administrator qualifications/requirements are observed in practice? (Y/N)

60a. Minimum number of years of practical experience

60b. Holding a university degree in law (minimum of J.D. or LLB) or degree in accounting

60c. Holding a license

60d. Being a registered member of an association

60e. Passing a qualification exam

60f. Completion of specialized training

60g. No criminal record or record of financial wrongdoing

60h. Other, please explain

2.2 PUBLIC OFFICIALS AND INSOLVENCY ADMINISTRATOR			
2.2.1 Specialization of Bankruptcy Courts or Bankruptcy Judges			
Indicators	FFP	SBP	Total points
Specialized Courts (58 AND 59)	1	1	2
Total points	1	1	2
2.2.2 Insolvency Administrator's Expertise in Practice			
Indicators	FFP	SBP	Total points
Qualification Requirements (60) <i>At least 3 of the listed requirements must be observed in practice to obtain a score</i>	1	1	2

Total points	1	1	2
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Note: FFP = firm flexibility points; SBP = social benefits points.

PILLAR III – EFFICIENCY OF RESOLVING A JUDICIAL INSOLVENCY PROCEEDING IN PRACTICE	
Parameters	
The debtor company	Business Insolvency assumes that the debtor is a domestic limited liability company (LLC) operating in the largest business city in each economy. The size of the company’s assets is determined by the company’s market value of each economy, which is set based on a range from 150 to 200 times the gross national income (GNI) (Atlas method). The LLC defaults on its debt obligations toward its secured and unsecured creditors as they mature, or the value of the debtor’s liabilities exceeds the value of its assets. Establishing a standardized debtor company with very specific characteristics is the only way to preserve comparability in measuring the time and cost of insolvency proceedings.
Competent court and its location	The largest (most populous city in the country). Geographical location determines availability of electricity connections, as well as the type of connections and construction required. For Pilar I, if regulations differ across states within a country, the experts will be asked to provide information regarding regulations of the largest city.

3.1 LIQUIDATION PROCEEDINGS IN PRACTICE

61. According to the practice in [the largest business city in the economy]:

- 61a. How long would it take for an insolvent company (as defined in the above instructions) to complete liquidation proceedings?
- 61b. How much would it cost for an insolvent company (as defined in the above instructions) to complete liquidation proceedings?

3.2 REORGANIZATION PROCEEDINGS IN PRACTICE

62. According to the practice in [the largest business city in the economy]:

- 62a. How long would it take for an insolvent company (as defined in the above instructions) to complete reorganization proceedings?
- 62b. How much would it cost for an insolvent company (as defined in the above instructions) to complete reorganization proceedings?

3.1 LIQUIDATION PROCEEDINGS IN PRACTICE			
Indicators	FFP	SBP	Total points
Time to Resolve an In-Court Liquidation Proceeding (61a)	100 (50%)	n.a	100 (50%)
Cost to Resolve an In-Court Liquidation Proceeding (61b)	100 (50%)	n.a	100 (50%)
Total points	100	n.a	100
3.2 REORGANIZATION PROCEEDINGS IN PRACTICE			
Indicators	FFP	SBP	Total points
Time to Resolve an In-Court Reorganization Proceeding (62a)	100 (50%)	n.a	100 (50%)

Cost to Resolve an In-Court Reorganization Proceeding (62b)	100 (50%)	n.a	100 (50%)
Total points	100	n.a	100

Note: n.a. = not applicable (refers to the cases when the impact on firms or society is either ambiguous or nonexistent). FFP = firm flexibility points; SBP = social benefits points.

The data on the indicators for Pillar III will be normalized to a common unit—for example, on the scale from 0 to 100 points, where 0 represents the lowest and 100 represents the best performance. In turn, best (worst) performance is defined by the highest (lowest) standards and/or practices, measured as a single point or range of values.

Annex A-City Selection Parameter

The approach taken to identify the business location for each economy under the B-READY project is based on population size rather than economic activity, since population is easier to measure and population projections are made consistently based on growth patterns. The primary source of data applied here is the United Nations’ Department of Economic and Social Affairs (UN DESA) which provides regular updates under its World Urbanization Prospects (WUP) online series, with the most recent revisions updated in 2018.¹

WUP publishes, among others, two datasets that have been taken into consideration in selecting an economy’s largest urban center: firstly, population data for all agglomerations with a population above 300 thousand and covering the years from 1950 to 2035;² and secondly, population data for all capital cities in 2018, the year of its most recent revisions.³ For economies with cities below 300 thousand inhabitants, there are no systematically collected alternative data sources that would cover their largest cities in for the same year.⁴ Since capital cities may not always be the largest in terms of population, other datasets are used to confirm population size for all entries for cities below 300 thousand and are referenced accordingly.

WUP follows the definition of ‘urban’ as applied by national statistical offices and uses three different concepts: i) ‘urban agglomeration’, i.e. the contiguous territory inhabited at urban density levels in disregard of administrative boundaries, thus including adjacent suburban areas; ii) ‘city proper’, which refers to the administrative boundaries of a city; and iii) ‘metropolitan area’, which comprises the urban agglomeration plus surrounding areas at a lower settlement density, but with strong economic and social linkages to the central city. Where such concepts vary within an economy, additional considerations are taken into account, such as (a) the significance of the city’s business activities and its representativeness for the whole economy; (b) whether the area defining the ‘urban area’ is governed by one local government, with similar regulations and public service rules; and (c) the feasibility of data collection, especially in fragile and conflict-affected states (FCS).

In addition to identifying the largest urban business center in a respective economy, the approach also sought to verify whether the selected city would remain the largest urban business center in the future. Using the population forecasts available for cities above 300 thousand, the selection of the largest city in 2023 was therefore compared to the largest city in 2035. All initial identifications remained valid in 2035, with no need for any additional changes.

For the first year of pilot implementation, the selection of the largest city for each economy is displayed in the table below.

Economy	Selected City	DB City
Angola	Luanda	Luanda
Bangladesh	Dhaka	Dhaka; Chittagong
Barbados	Bridgetown	Bridgetown
Bosnia and Herzegovina	Sarajevo	Sarajevo
Botswana	Gaborone	Gaborone
Bulgaria	Sofia	Sofia

¹ United Nations, Department of Economic and Social Affairs, Population Division (2018). World Urbanization Prospects: The 2018 Revision, Online Edition. <https://population.un.org/wup/Download/>

² File 22: Annual Population of Urban Agglomerations with 300,000 Inhabitants or More in 2018, by country, 1950-2035 (thousands)

³ File 13: Population of Capital Cities in 2018 (thousands)

⁴ For example, citypopulation.de reports data on urban centers based on the last census, but does not estimate their population based on existing trends to generate a dataset with country observations for each year.

Cambodia	Phnom Penh	Phnom Penh
Central African Republic	Bangui	Bangui
Chad	N'Djamena	N'Djamena
Colombia	Bogota	Bogota
Costa Rica	San José	San José
Côte d'Ivoire	Abidjan	Abidjan
Croatia	Zagreb	Zagreb
El Salvador	San Salvador	San Salvador
Estonia	Tallinn	Tallinn
Gambia, The	Banjul	Banjul
Georgia	Tbilisi	Tbilisi
Ghana	Accra ¹	Accra
Greece	Athens	Athens
Hong Kong SAR, China	Hong Kong	Hong Kong
Hungary	Budapest	Budapest
Indonesia	Jakarta	Jakarta; Surabaya
Iraq	Baghdad	Baghdad
Israel	Tel Aviv	Tel Aviv
Jamaica	Kingston	Kingston
Jordan	Amman	Amman
Kyrgyz Republic	Bishkek	Bishkek
Lesotho	Maseru	Maseru
Madagascar	Antananarivo	Antananarivo
Mauritius	Port Louis	Port Louis
Mexico	Mexico City	Mexico City; Monterrey
Montenegro	Podgorica	Podgorica
Morocco	Casablanca	Casablanca
Nepal	Kathmandu	Kathmandu
New Zealand	Auckland	Auckland
North Macedonia	Skopje	Skopje
Pakistan	Karachi	Karachi; Lahore
Paraguay	Asuncion	Asuncion
Peru	Lima	Lima
Philippines	Quezon City ²	Quezon city
Portugal	Lisbon	Lisbon
Romania	Bucharest	Bucharest
Rwanda	Kigali	Kigali
Samoa	Apia	Apia
Seychelles	Victoria	Victoria
Sierra Leone	Freetown	Freetown
Singapore	Singapore	Singapore
Slovak Republic	Bratislava	Bratislava
Tanzania	Dar es Salaam	Dar es Salaam

Timor-Leste	Dili	Dili
Togo	Lomé	Lomé
Vanuatu	Port Vila	Port Vila
Vietnam	Ho Chi Minh City	Ho Chi Minh City
West Bank and Gaza	Ramallah ³	Ramallah

Note:

- While Kumasi is the largest urban area reported by WUP, additional consultations with the World Bank Group Urban team working on Ghana reconfirmed Accra as the main Business City based on ongoing sector work, assessing city size and GDP in Ghana.
- While Manila is reported as the largest urban area by WUP, it covers the Metropolitan Area that includes Quezon City. When considering city-level data (<http://www.citypopulation.de/en/philippines/metromanila/admin/>), Quezon City is larger than City of Manila.
- While Gaza City is the largest urban area reported by WUP, it is also a conflict zone, where data collection may not be feasible. Ramallah is the administrative capital of the State of Palestine and a city fully under the control of the Palestinian authorities.